

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.



Consolidated Financial Results for the Six Months Ended March 31, 2023 (Under Japanese GAAP)

May 15, 2023

Company name: Plus Alpha Consulting Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 4071
 URL: <https://www.pa-consul.co.jp>
 Representative: Katsuya Mimuro, Representative Director and President
 Inquiries: Shogo Noguchi, Director, Corporate Division
 Telephone: +81-3-6432-0427
 Scheduled date to file quarterly securities report: May 15, 2023
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the six months ended March 31, 2023 (from October 1, 2022 to March 31, 2023)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|------------------|-----------------|---|------------------|---|-----------------|---|---|---|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Six months ended | | | | | | | | |
| March 31, 2023 | 5,197 | – | 1,710 | – | 1,711 | – | 1,163 | – |
| March 31, 2022 | – | – | – | – | – | – | – | – |

Note: Comprehensive income For the six months ended March 31, 2023: ¥1,163 million [– %]
 For the six months ended March 31, 2022: ¥– million [– %]

| | Basic earnings per share | Diluted earnings per share |
|------------------|--------------------------|----------------------------|
| | Yen | Yen |
| Six months ended | | |
| March 31, 2023 | 28.73 | 27.74 |
| March 31, 2022 | – | – |

Note: The Company began to prepare quarterly consolidated financial statements from three months ended December 31, 2022. Therefore, figures for the six months ended March 31, 2022, and year-on-year changes for the six months ended March 31, 2023, cannot be shown.

(2) Consolidated financial position

| | Total assets | Net assets | Equity-to-asset ratio |
|--------------------|-----------------|-----------------|-----------------------|
| | Millions of yen | Millions of yen | % |
| As of | | | |
| March 31, 2023 | 9,947 | 7,720 | 77.6 |
| September 30, 2022 | – | – | – |

Reference: Equity
 As of March 31, 2023: ¥7,716 million
 As of September 30, 2022: ¥– million

Note: The Company began to prepare quarterly consolidated financial statements from three months ended December 31, 2022. Therefore, figures as of September 30, 2022 cannot be shown.

2. Cash dividends

| | Annual dividends per share | | | | |
|--|----------------------------|--------------------|-------------------|-----------------|-------|
| | First quarter-end | Second quarter-end | Third quarter-end | Fiscal year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal year ended September 30, 2022 | – | 0.00 | – | 9.00 | 9.00 |
| Fiscal year ending September 30, 2023 | – | 0.00 | | | |
| Fiscal year ending September 30, 2023 (Forecast) | | | – | 13.00 | 13.00 |

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated earnings forecasts for the fiscal year ending September 30, 2023 (from October 1, 2022 to September 30, 2023)

(Percentages indicate year-on-year changes.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | | Basic earnings per share |
|---|-----------------|------|------------------|------|-----------------|------|---|------|--------------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Fiscal year ending September 30, 2023 | 10,600 | 34.0 | 3,400 | 27.6 | 3,350 | 25.4 | 2,600 | 44.7 | 64.69 |

Note: 1. Revision to the earnings forecasts most recently announced: None

* **Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): Yes

Newly included: 1 company (Grow Up Co., Ltd.)

Excluded: – companies (–)

(2) Adoption of accounting treatment specific to the preparation of quarterly financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

| | |
|--------------------------|-------------------|
| As of March 31, 2023 | 41,452,920 shares |
| As of September 30, 2022 | 40,190,000 shares |

(ii) Number of treasury shares at the end of the period

| | |
|--------------------------|-----------|
| As of March 31, 2023 | 93 shares |
| As of September 30, 2022 | 93 shares |

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

| | |
|---------------------------------|-------------------|
| Six months ended March 31, 2023 | 40,513,498 shares |
| Six months ended March 31, 2022 | 40,122,126 shares |

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

The financial results forecasts and other forward-looking statements herein are based on information available to the Company at the time of the release of these materials and certain assumptions deemed reasonable, and actual financial results, etc. may differ significantly due to a wide range of factors. For the assumptions used in forecasting financial results and notes regarding the use of financial results forecasts, please see “1. Qualitative Information on Quarterly Financial Results for the Period Under Review (3) Explanation of Financial Results Forecast and Other Forward-looking Information” on page 4 of the Japanese version of the supplementary material.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheets

(Thousands of yen)

As of March 31, 2023

| Assets | |
|---------------------------------------|-----------|
| Current assets | |
| Cash and deposits | 6,124,581 |
| Notes and accounts receivable - trade | 1,066,876 |
| Work in process | 1,968 |
| Supplies | 3,253 |
| Other | 272,926 |
| Allowance for doubtful accounts | (367) |
| Total current assets | 7,469,239 |
| Non-current assets | |
| Property, plant and equipment | 168,856 |
| Intangible assets | |
| Goodwill | 1,232,346 |
| Other | 391,820 |
| Total intangible assets | 1,624,166 |
| Investments and other assets | |
| Other | 687,977 |
| Allowance for doubtful accounts | (2,469) |
| Total investments and other assets | 685,508 |
| Total non-current assets | 2,478,531 |
| Total assets | 9,947,770 |

(Thousands of yen)

As of March 31, 2023

| Liabilities | |
|----------------------------------|-----------|
| Current liabilities | |
| Accounts payable - trade | 136,118 |
| Income taxes payable | 579,814 |
| Provision for bonuses | 183,192 |
| Other | 1,196,986 |
| Total current liabilities | 2,096,112 |
| Non-current liabilities | |
| Deferred tax liabilities | 130,695 |
| Total non-current liabilities | 130,695 |
| Total liabilities | 2,226,807 |
| Net assets | |
| Shareholders' equity | |
| Share capital | 312,258 |
| Capital surplus | 302,258 |
| Retained earnings | 7,101,921 |
| Treasury shares | (226) |
| Total shareholders' equity | 7,716,212 |
| Share acquisition rights | 4,750 |
| Total net assets | 7,720,962 |
| Total liabilities and net assets | 9,947,770 |

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income
 Quarterly Consolidated Statements of Income (cumulative)

(Thousands of yen)

| | Six months ended March 31, 2023 |
|--|------------------------------------|
| Net sales | 5,197,677 |
| Cost of sales | 1,362,199 |
| Gross profit | 3,835,477 |
| Selling, general and administrative expenses | 2,125,042 |
| Operating profit | 1,710,435 |
| Non-operating income | |
| Interest income | 24 |
| Interest on securities | 1,570 |
| Other | 247 |
| Total non-operating income | 1,841 |
| Non-operating expenses | |
| Interest expenses | 38 |
| Commission expenses | 376 |
| Other | 84 |
| Total non-operating expenses | 499 |
| Ordinary profit | 1,711,777 |
| Extraordinary losses | |
| Loss on step acquisitions | 36,663 |
| Total extraordinary losses | 36,663 |
| Profit before income taxes | 1,675,114 |
| Income taxes - current | 546,198 |
| Income taxes - deferred | (35,079) |
| Total income taxes | 511,119 |
| Profit | 1,163,994 |
| Profit attributable to owners of parent | 1,163,994 |

Quarterly Consolidated Statements of Comprehensive Income (cumulative)
(Thousands of yen)

| | Six months ended March 31, 2023 |
|---|------------------------------------|
| Profit | 1,163,994 |
| Comprehensive income | 1,163,994 |
| Comprehensive income attributable to | |
| Comprehensive income attributable to owners of parent | 1,163,994 |
| Comprehensive income attributable to non-controlling interests | — |

(3) Quarterly Consolidated Statements of Cash Flows

(Thousands of yen)

| | Six months ended March 31, 2023 |
|--|------------------------------------|
| Cash flows from operating activities | |
| Profit before income taxes | 1,675,114 |
| Depreciation | 89,342 |
| Amortization of goodwill | 64,860 |
| Loss (gain) on step acquisitions | 36,663 |
| Increase (decrease) in allowance for doubtful accounts | (130) |
| Increase (decrease) in provision for bonuses | 33,501 |
| Interest and dividend income | (1,594) |
| Interest expenses | 38 |
| Loss on retirement of non-current assets | 84 |
| Decrease (increase) in trade receivables | (13,004) |
| Decrease (increase) in inventories | (1,880) |
| Increase (decrease) in trade payables | 31,578 |
| Decrease (increase) in prepaid expenses | (92,469) |
| Increase (decrease) in accounts payable - other | 39,262 |
| Increase (decrease) in accrued expenses | 9,156 |
| Increase (decrease) in accrued consumption taxes | 3,249 |
| Increase (decrease) in contract liabilities | 3,545 |
| Other, net | 44,452 |
| Subtotal | 1,921,769 |
| Interest and dividends received | 1,594 |
| Interest paid | (38) |
| Income taxes paid | (554,906) |
| Net cash provided by (used in) operating activities | 1,368,419 |
| Cash flows from investing activities | |
| Purchase of property, plant and equipment | (14,150) |
| Purchase of shares of subsidiaries resulting in change in scope of consolidation | (612,109) |
| Proceeds from refund of leasehold and guarantee deposits | 20 |
| Net cash provided by (used in) investing activities | (626,239) |
| Cash flows from financing activities | |
| Repayments of long-term borrowings | (178,085) |
| Proceeds from issuance of shares resulting from exercise of share acquisition rights | 442,022 |
| Dividends paid | (360,155) |
| Net cash provided by (used in) financing activities | (96,218) |
| Net increase (decrease) in cash and cash equivalents | 645,962 |
| Cash and cash equivalents at beginning of period | 5,478,619 |
| Cash and cash equivalents at end of period | 6,124,581 |

(Segment information, etc.)

[Segment information]

Six months ended March 31, 2023 (from October 1, 2022 to March 31, 2023)

1. Information on net sales and profit (loss) by reportable segment and information on disaggregation of revenue
(Thousands of yen)

| | Reportable segment | | | | Adjustment (Note 1) | Amount recorded in quarterly consolidated statements of income (Note 2) |
|--|-----------------------------------|-------------------------------|----------------------------|-----------|------------------------|---|
| | Visualizing Engine Business | Customer Rings Business | Talent Palette Business | Total | | |
| Net sales | | | | | | |
| Goods or services transferred at a point in time | 41,136 | 22,265 | 506,269 | 569,670 | – | 569,670 |
| Goods or services transferred over time | 861,735 | 788,637 | 2,977,633 | 4,628,006 | – | 4,628,006 |
| Revenue from contracts with customers | 902,871 | 810,902 | 3,483,903 | 5,197,677 | – | 5,197,677 |
| Other revenue | – | – | – | – | – | – |
| Net sales to outside customers | 902,871 | 810,902 | 3,483,903 | 5,197,677 | – | 5,197,677 |
| Inter-segment net sales or transfers | – | – | – | – | – | – |
| Total | 902,871 | 810,902 | 3,483,903 | 5,197,677 | – | 5,197,677 |
| Segment profit | 507,694 | 262,906 | 1,397,146 | 2,167,747 | (457,312) | 1,710,435 |

- (Notes) 1. The adjustments to segment profit are corporate expenses that have not been allocated to reportable segments, and are mainly general and administrative expenses that do not belong to any reportable segment.
2. Segment profit is adjusted with operating profit in the quarterly statements of income.

2. Information on impairment loss on non-current assets and goodwill by reportable segment
(Material change in goodwill amount)

Goodwill was incurred in the Talent Palette Business due to Grow Up Co., Ltd. becoming a consolidated subsidiary following the acquisition of its shares. The increase in the amount of goodwill caused by this event was ¥1,297,206 thousand for the six months ended March 31, 2023.