Second Quarter of the Fiscal Year Ending September 30, 2023 Financial Results Briefing Materials

Plus Alpha Consulting Co., Ltd.
(Tokyo Stock Exchange Growth: 4071)

May 15, 2023

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01　Company outline
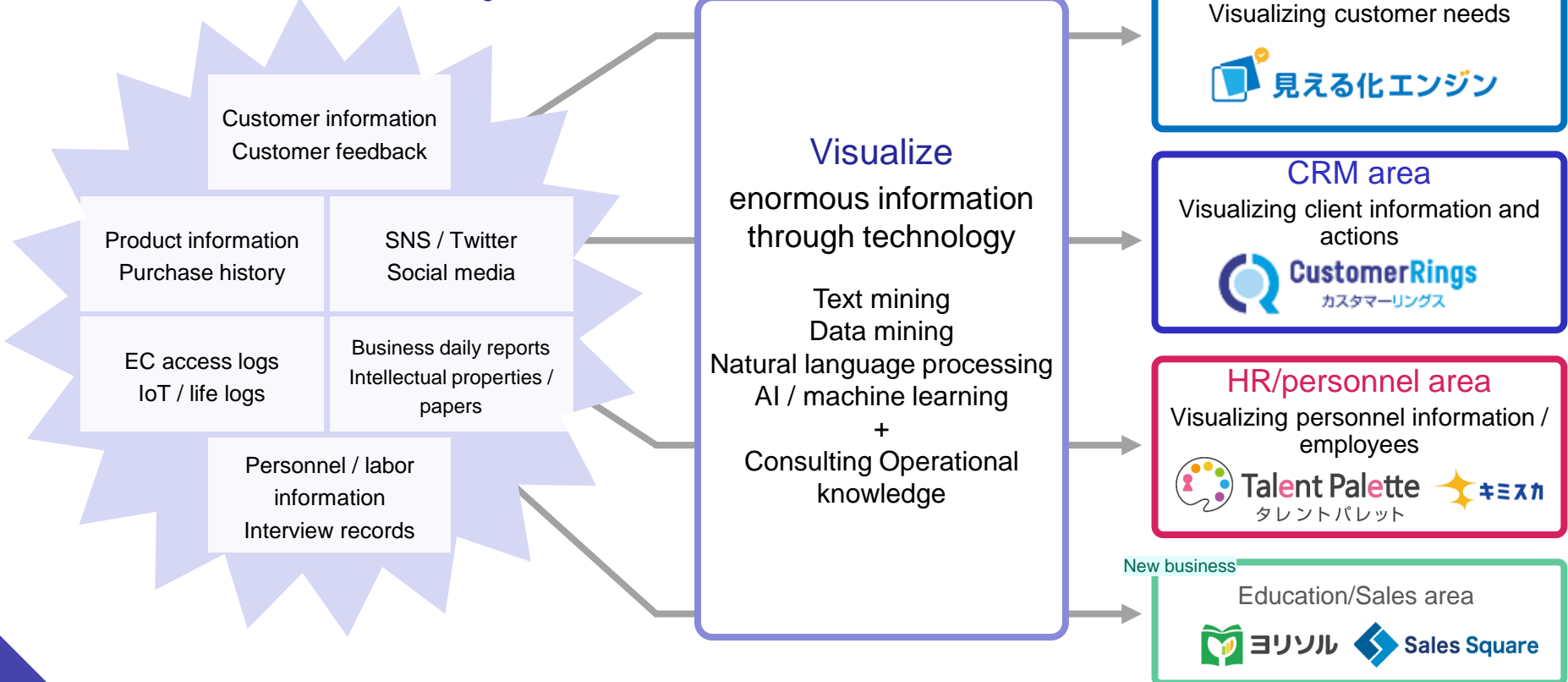
Company outline

- Company name   Plus Alpha Consulting Co., Ltd. (Tokyo Stock Exchange Growth: 4071)

- Representative   Katsuya Mimuro, Representative Director and President

- Headquarters location   25F Shiodome Sumitomo Building, 1-9-2 Higashi Shimbashi, Minato-ku, Tokyo

- Osaka Branch   13F Osaka Nakanoshima Building, 2-2-2 Nakanoshima, Kita-ku, Osaka-shi, Osaka

- Fukuoka Branch   4F Grand Cabin Tenjin-minami, 3-3-33 Yakuin, Chuo-ku, Fukuoka-shi, Fukuoka

- Consolidated subsidiary Grow Up Co., Ltd.

- Established   December 25, 2006

- Capital   312,258 thousand yen (as of March 31, 2023)

- Business content   Providing cloud services for data analysis platforms

- Number of employees   268 consolidated (as of March 31, 2023)

- URL   https://www.pa-consul.co.jp/

Business concept

Platform to visualize big data

Explosive information growth = Creation of big data

Information in all areas will be digitized

Customer information
Customer feedback

Product information
Purchase history

SNS / Twitter
Social media

EC access logs
IoT / life logs

Business daily reports
Intellectual properties /
papers

Personnel / labor
information
Interview records

Visualize
enormous information
through technology

Text mining
Data mining
Natural language processing
AI / machine learning
+
Consulting Operational
knowledge

Marketing area
Visualizing customer needs

見える化エンジン

CRM area
Visualizing client information and
actions

CustomerRings
カスタマーリングス

HR/personnel area
Visualizing personnel information /
employees

Talent Palette
タレントパレット

キミスカ

New business

Education/Sales area

ヨリソル

Sales Square

Main services

Developing profitable SaaS businesses in multiple areas

Marketing solutions

見える化エンジン

Text mining analysis for the use of customer feedback data from call logs, Twitter, etc.

Monthly subscription according to the amount of analyzed data

CRM solutions

CustomerRings
カスタマーリングス

Customer analysis using purchase histories, web access logs, etc., and automation of marketing initiatives

Monthly subscription according to the number of customers/e-mails delivered

HR solutions

Talent Palette
タレントパレット

Analysis of employee information for HR measures such as personnel development and optimal placement

Monthly subscription according to the number of employees

Subscription products

Technology and expertise behind the services

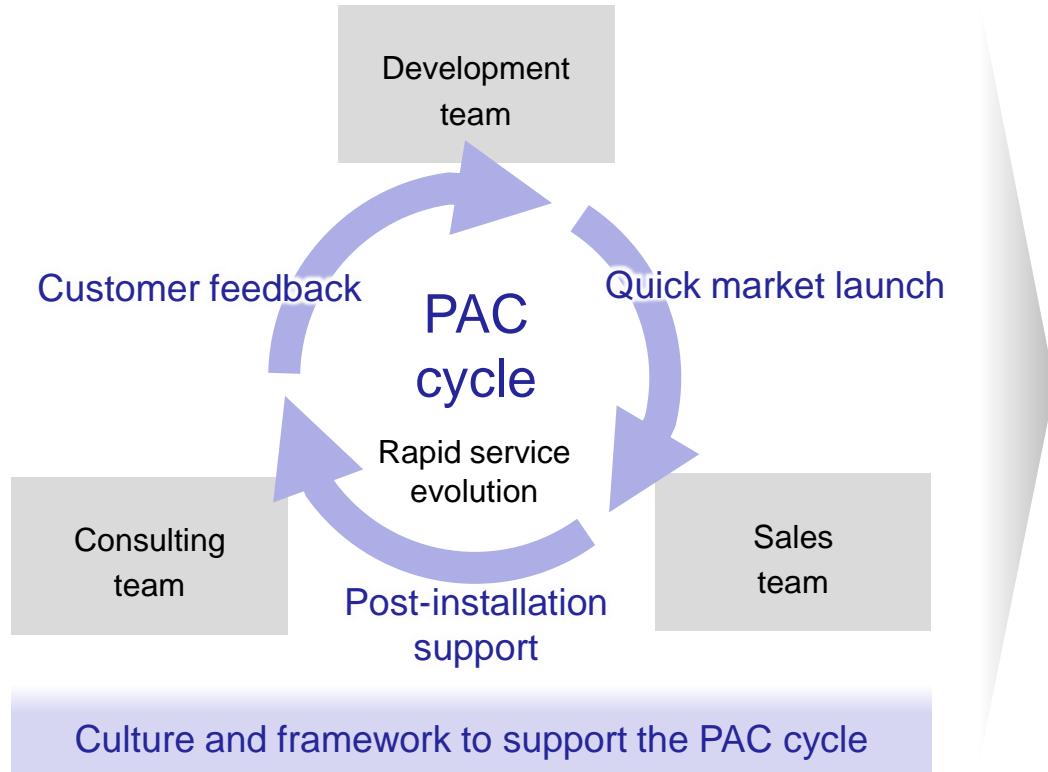| Language processing technologies	Visualized mining technologies	Mass data analysis expertise	Industrial / operational knowledge	Utilization support consulting

Business strengths

Advanced technologies to visualize big data for practical use

見える化エンジン

Syntax analysis, word maps

Analyze Japanese text to create maps for subjects / predicates and positive /negative sentiment to see customer feedback at a glance

CustomerRings
カスタマーリングス

Purchasing pattern analysis

Analyze product purchasing data, etc., to visualize purchasing patterns and ascertain how customers become loyal customers

Talent Palette
タレントパレット

Employee network diagram

Through collaborative data between employees such as Thanks Points, ascertain volume and quality of communication between employees and departments

Business strengths

Organizational capabilities to realize rapid service evolution

We realize rapid implementation of general-purpose functions by ascertaining needs through consulting services for leading companies

Development team

Customer feedback

PAC cycle

Quick market launch

Rapid service evolution

Consulting team

Post-installation support

Sales team

Culture and framework to support the PAC cycle

PAC cycle realizes:

Differentiation
by rapid functional evolution

ARPU improvement
by creating high added value

Cancellation prevention / LTV improvement
through a concerted effort by the entire team

Partner relationships
on equal footing with clients

Early market launch
of new functions and businesses
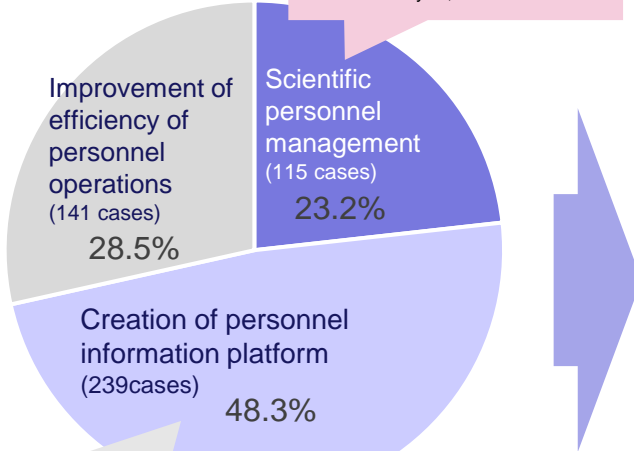
Business strengths

High-speed development of consulting results as a general purpose function

Realizing increased added value of services by leveraging enterprise consulting capabilities
Over 4,300 functions installed as standard over approximately six and a half years through consulting for a variety of leading companies
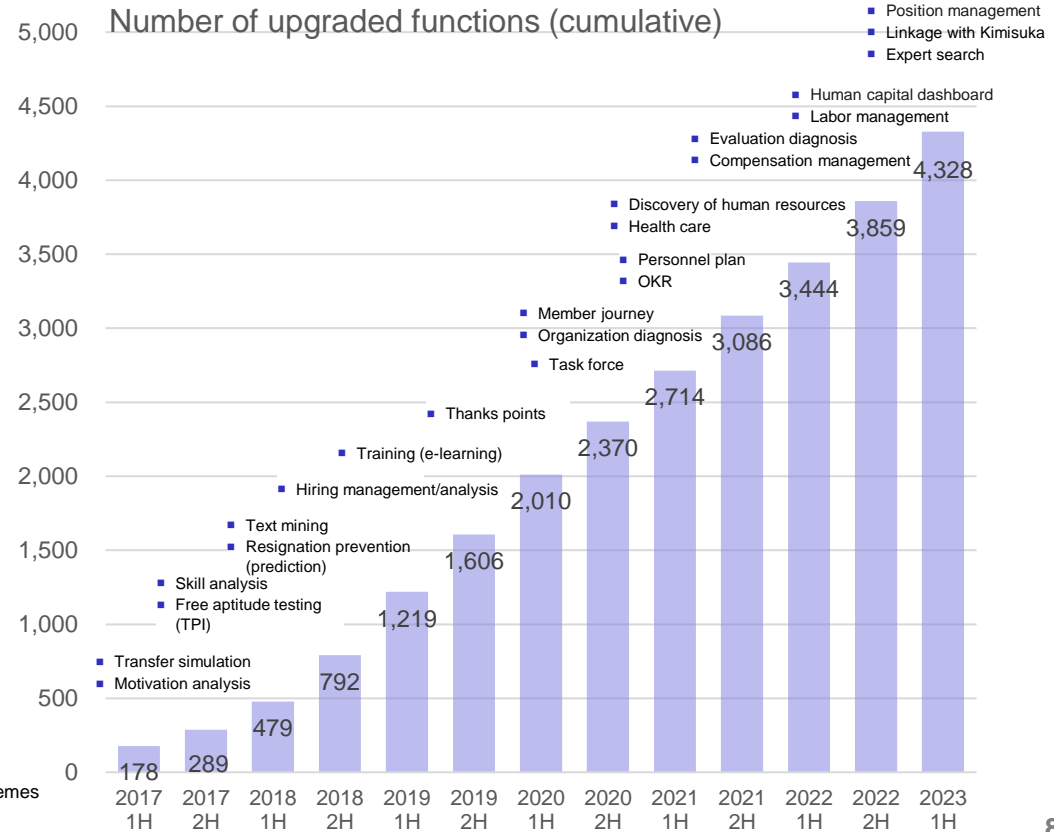
Talent Palette
タレントパレット

Scientific personnel management (115 cases)
- Human resource development (skill analysis)
- Optimal assignment, consideration of transfers
- Succession planning
- HR data analysis, etc.

Improvement of efficiency of personnel operations (141 cases) **28.5%**

Scientific personnel management (115 cases) **23.2%**

Creation of personnel information platform (239cases) **48.3%**

- Consolidation of human resource information
- Personnel portfolio analysis
- Creation of HR dashboard
- Creation of group portal, etc.

Approximately 70% of the approx. 200 annual consulting projects and approx. 500 themes are projects for the creation of a personnel information platform or scientific personnel management
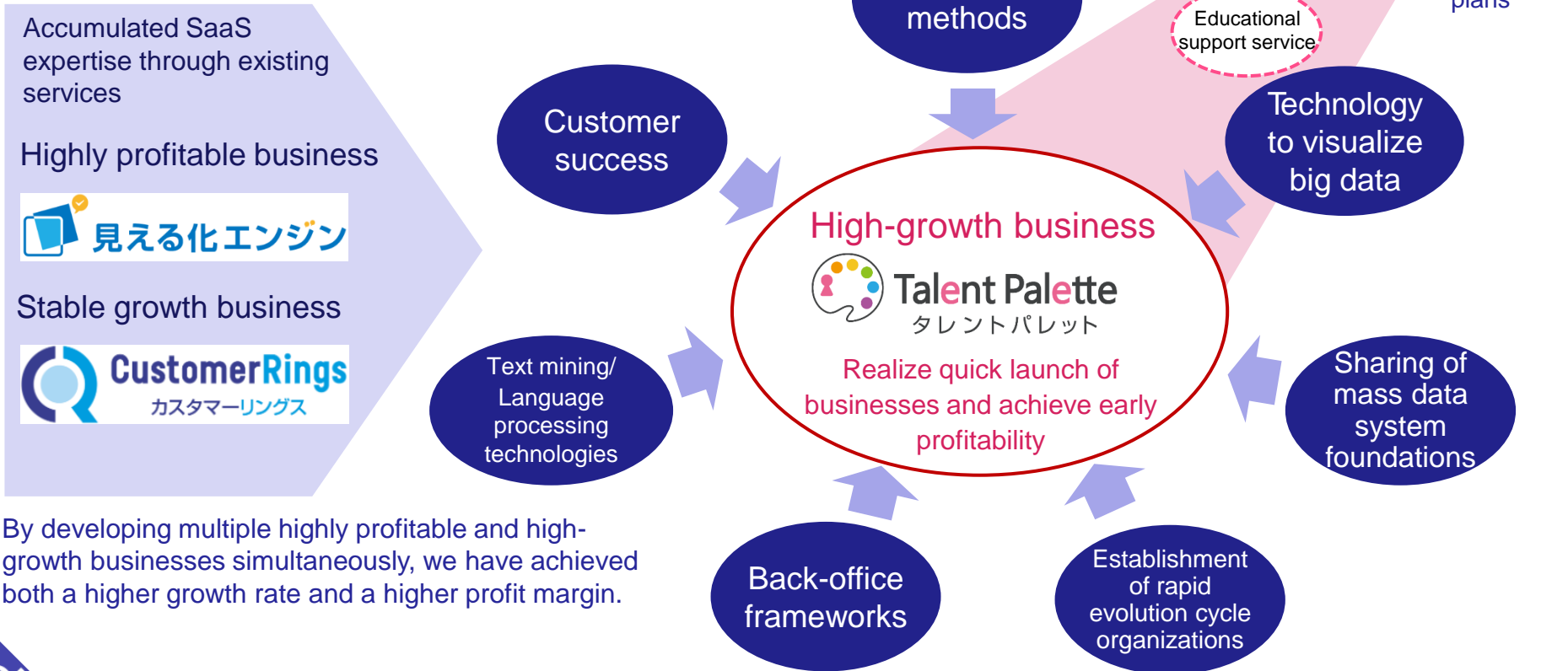
Note) Annual delivery basis. Duplicates counted if a single project includes two or more themes

Number of upgraded functions (cumulative)

- Position management
- Linkage with Kimisuka
- Expert search
- Human capital dashboard
- Labor management
- Evaluation diagnosis
- Compensation management
- Discovery of human resources
- Health care
- Personnel plan
- OKR
- Member journey
- Organization diagnosis
- Task force
- Thanks points
- Training (e-learning)
- Hiring management/analysis
- Text mining
- Resignation prevention (prediction)
- Skill analysis
- Free aptitude testing (TPI)
- Transfer simulation
- Motivation analysis

Period	Value
2017 1H	178
2017 2H	289
2018 1H	479
2018 2H	792
2019 1H	1,219
2019 2H	1,606
2020 1H	2,010
2020 2H	2,370
2021 1H	2,714
2021 2H	3,086
2022 1H	3,444
2022 2H	3,859
2023 1H	4,328

Business strengths

Capabilities to develop multiple businesses and create new businesses based on the SaaS business foundations

Rapid launch of new businesses such as Talent Palette by utilizing approximately 16 years of accumulated expertise in the SaaS business
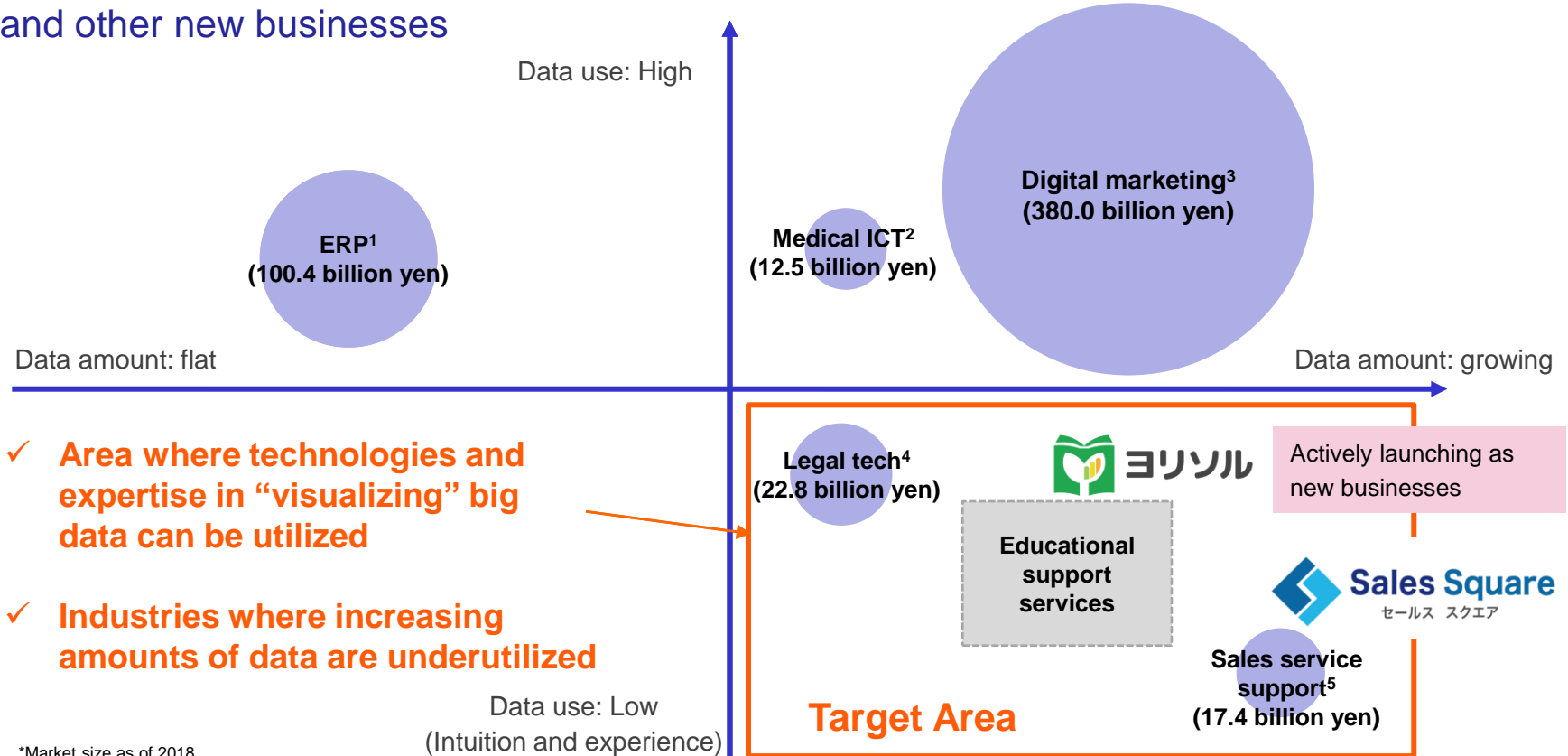
Accumulated SaaS expertise through existing services

Highly profitable business

見える化エンジン

Stable growth business

CustomerRings
カスタマーリングス

By developing multiple highly profitable and high-growth businesses simultaneously, we have achieved both a higher growth rate and a higher profit margin.

New business contest

Sales service support

New business plans

Educational support service

Marketing methods

Customer success

Technology to visualize big data

High-growth business

Talent Palette
タレントパレット

Realize quick launch of businesses and achieve early profitability

Text mining/ Language processing technologies

Sharing of mass data system foundations

Back-office frameworks

Establishment of rapid evolution cycle organizations

Approach to new business creation
New sector of "visualizing" big data

Currently planning educational support services, sales force automation (SFA) services, and other new businesses

Data use: High

ERP[1]
(100.4 billion yen)

Medical ICT[2]
(12.5 billion yen)

Digital marketing[3]
(380.0 billion yen)

Data amount: flat

Data amount: growing

✓ **Area where technologies and expertise in "visualizing" big data can be utilized**

✓ **Industries where increasing amounts of data are underutilized**

Legal tech[4]
(22.8 billion yen)

ヨリソル

Actively launching as new businesses

Educational support services

Sales Square
セールス スクエア

Sales service support[5]
(17.4 billion yen)

Data use: Low
(Intuition and experience)

Target Area

*Market size as of 2018

Note 1: "ERP Market 2020," ITR
Note 2: "Current State and Future of the Next Generation Medical ICT Market, FY2020 Edition," Yano Research Institute
Note 3: "Domestic Digital Marketing-related Service Market 2020 - 2024," IDC
Note 4: "2019 Legal Tech Watch," Yano Research Institute
Note 5: "Integrated Marketing Support Market 2020," ITR

Initiatives to improve the human capital of PAC

Communication measures

- Thanks Points system * Standard function of Talent Palette
  Cultivation of culture for sending each other messages of thanks
- A committee active outside main operations across divisions
  20 teams are currently active
- Employee travel
  Original travel planned by employees

Human resource development

- Business instruction system for new employees
  - Rotation system for understanding of other teams
    - Training system implemented by occupation across departments
      - Support system for book purchases and self-improvement
        - Implementation of online education
          *Utilization of Talent Palette
        - "Training for Learning Culture" for new employees

Penetration of strategy

- Strategy meetings
  (held once every six months)
  A total of five days by business, all employees can participate
- Overall meeting (held monthly)
  Sharing of company measures and department measures
- "Penguin Contest" for new businesses
  21 people participated last fiscal year

Workplace environment

- Flexible work styles with flex time system
- Refresh holiday system enabling long holidays to be taken
- Measures for promoting employee communication (active support of activities outside operations such as sports activities)
- Improvement of refresh spaces (provision of light meals, etc.)

PAC cycle

Development team

Consulting team

Sales team

Rapid service evolution

★ Employee awareness survey score (Company vision: 4.4/5.0), company atmosphere: 4.11/5.0, benefits: 4.2/5.0)
★ Annual turnover rate: 7.3%

02   Overview of Talent Palette Business

Course of Growth

Expanded content of business by introducing business-specialized products in intervals of several years
Expanded business into personnel and HR centered on know-how utilizing data developed in marketing
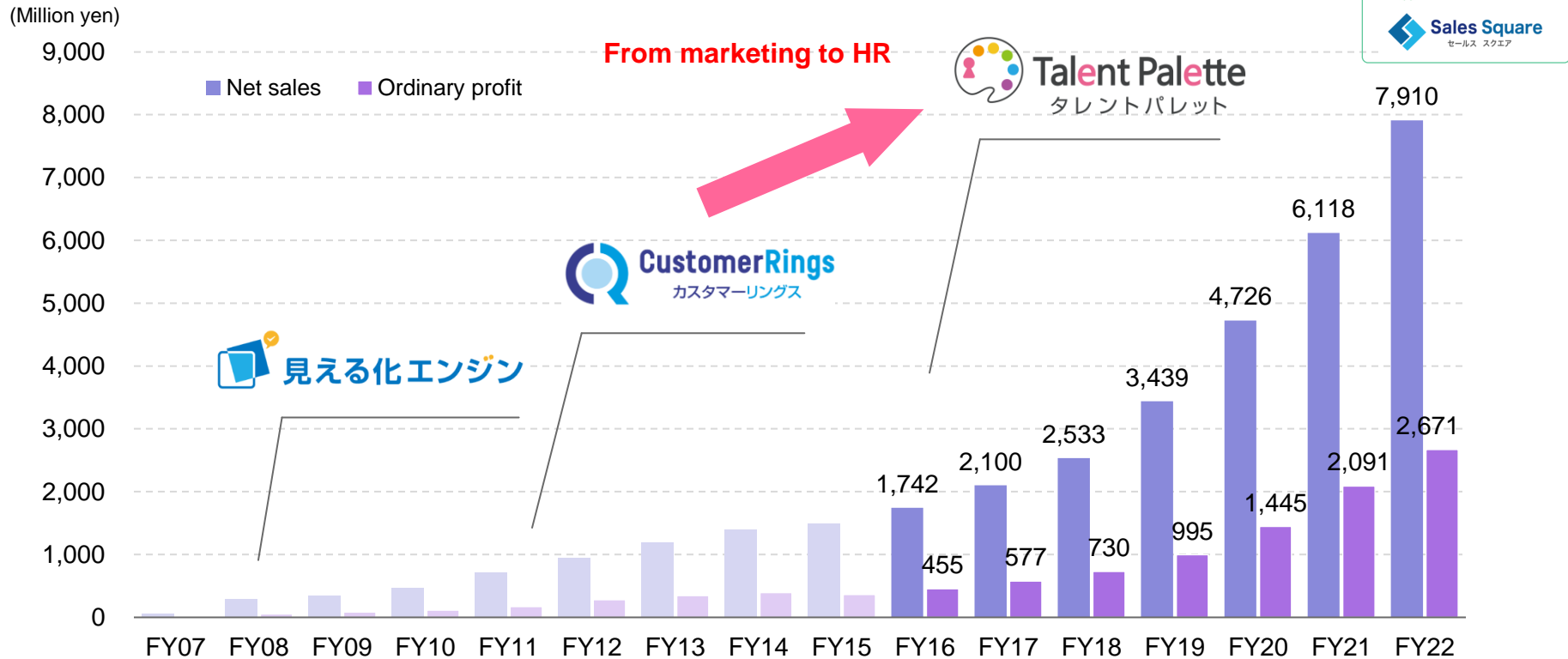
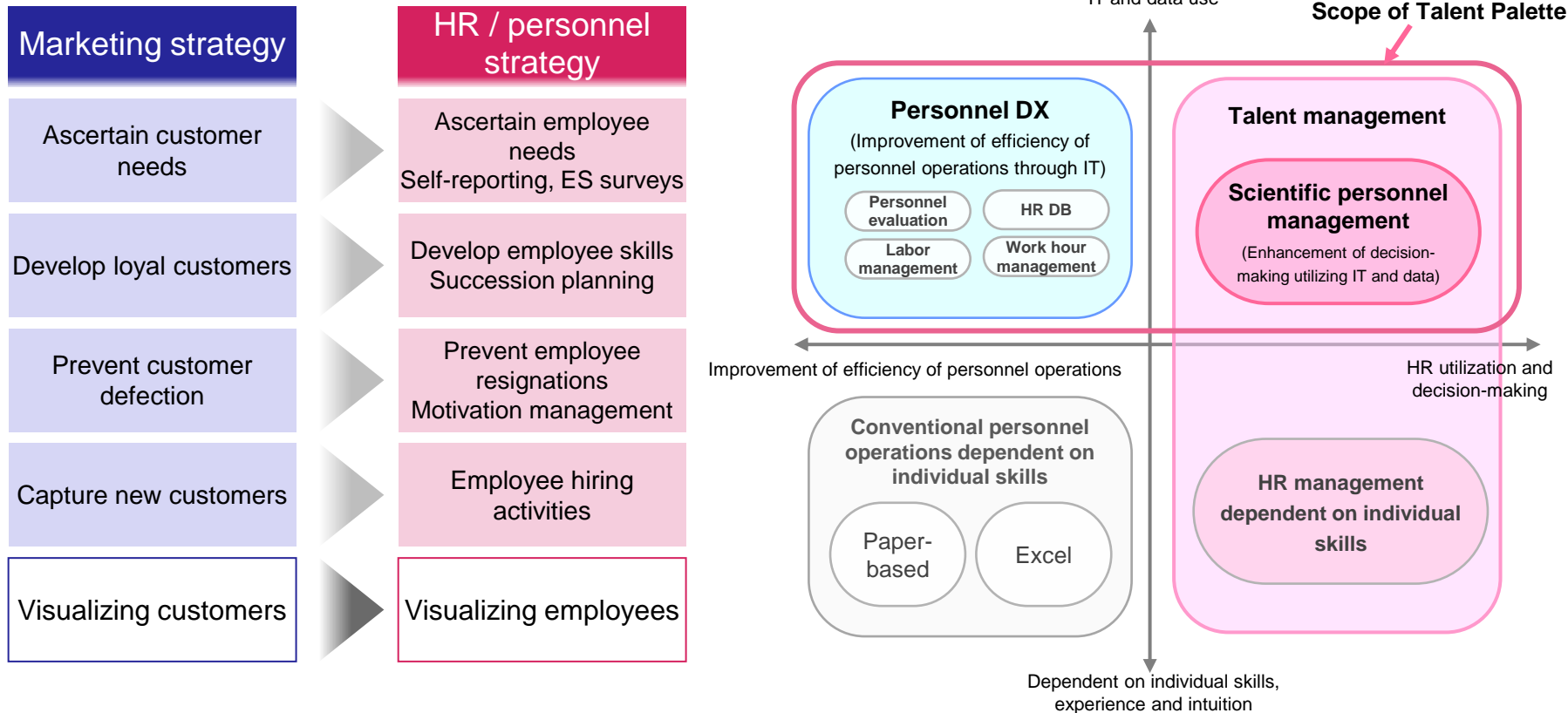# Background of Rapid Growth of Talent Palette

・ It has become necessary to take initiatives such as how to **maximize utilization of HR** by current employees and whether **reskilling** can be achieved amid the increasingly serious labor shortage caused by the low birthrate and aging population and the diversification of work styles.

・ COVID-19 has led to an **outflow of talented human resources** and a lowing of understanding of employees due to **remote work**, and it is no longer possible to ensure adequate precision with existing personnel systems.

・ The Ministry of Economy, Trade and Industry has also begun nationwide efforts such as advocating that companies perceive human resources as "capital" that is the source of corporate growth, leading to to enhancement of medium- to long-term corporate value through "**human capital management**" that fully draws out their value.

⇒ **Based on this trend, the HRTech cloud market is expected to grow by +32.2% year on year in FY2022.** (Research by Deloitte Tohmatsu MIC Research Institute Co., Ltd.)

Characteristics of Talent Palette

Entering the HR sector leveraging our expertise in "scientific personnel management"

By applying our marketing method to the HR sector, we not only increase efficiency in HR operations but also support the underlined decision-making process.
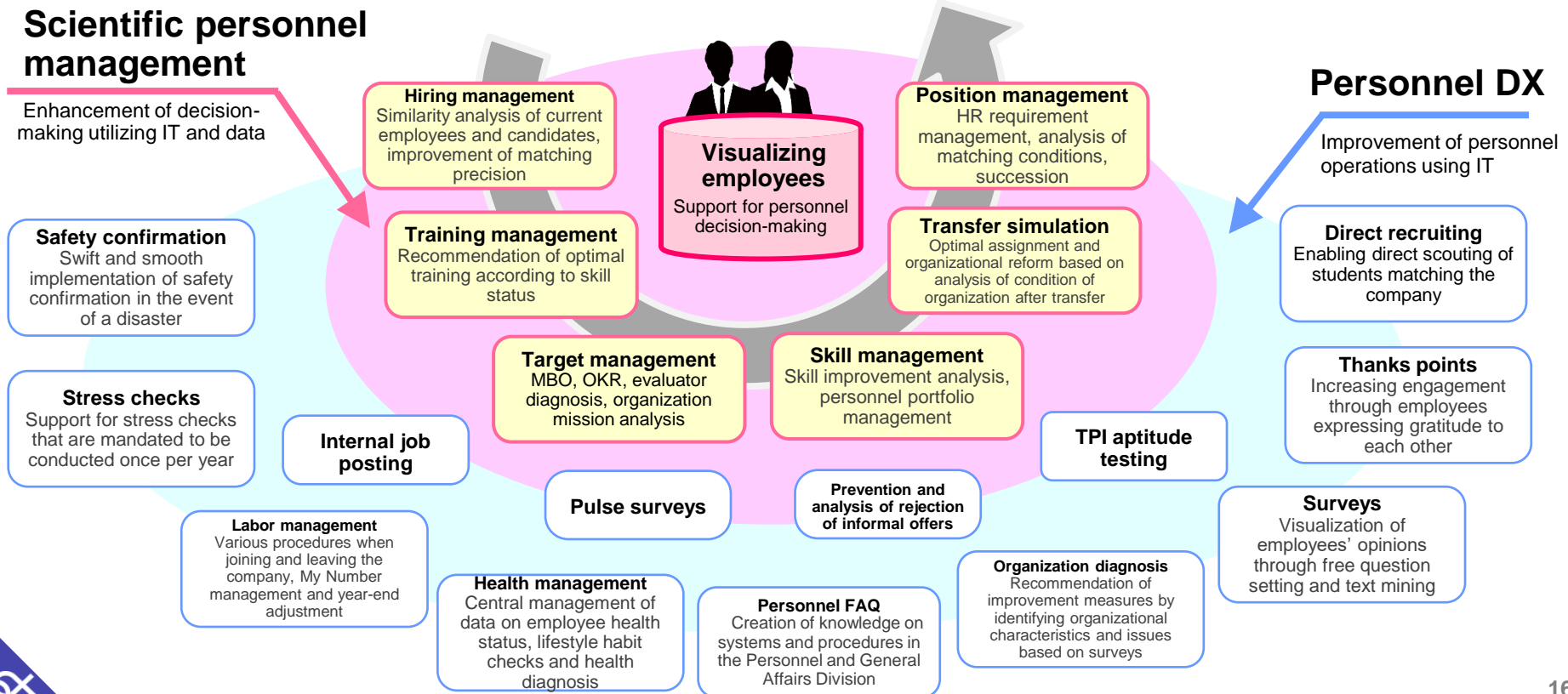
Marketing strategy		HR / personnel strategy
Ascertain customer needs	→	Ascertain employee needs Self-reporting, ES surveys
Develop loyal customers	→	Develop employee skills Succession planning
Prevent customer defection	→	Prevent employee resignations Motivation management
Capture new customers	→	Employee hiring activities
Visualizing customers	→	Visualizing employees

IT and data use

Scope of Talent Palette

Personnel DX
(Improvement of efficiency of personnel operations through IT)
- Personnel evaluation
- HR DB
- Labor management
- Work hour management

Talent management

Scientific personnel management
(Enhancement of decision-making utilizing IT and data)

Improvement of efficiency of personnel operations → HR utilization and decision-making

Conventional personnel operations dependent on individual skills
- Paper-based
- Excel

HR management dependent on individual skills

Dependent on individual skills, experience and intuition

Characteristics of Talent Palette

All-in-one service from personnel DX to scientific personnel management

For enterprises, we differentiate with scientific personnel functions through the utilization of data, and for small and medium businesses, we integrate tools required for personnel management and realize the improvement of efficiency of personnel DX through IT

Scientific personnel management
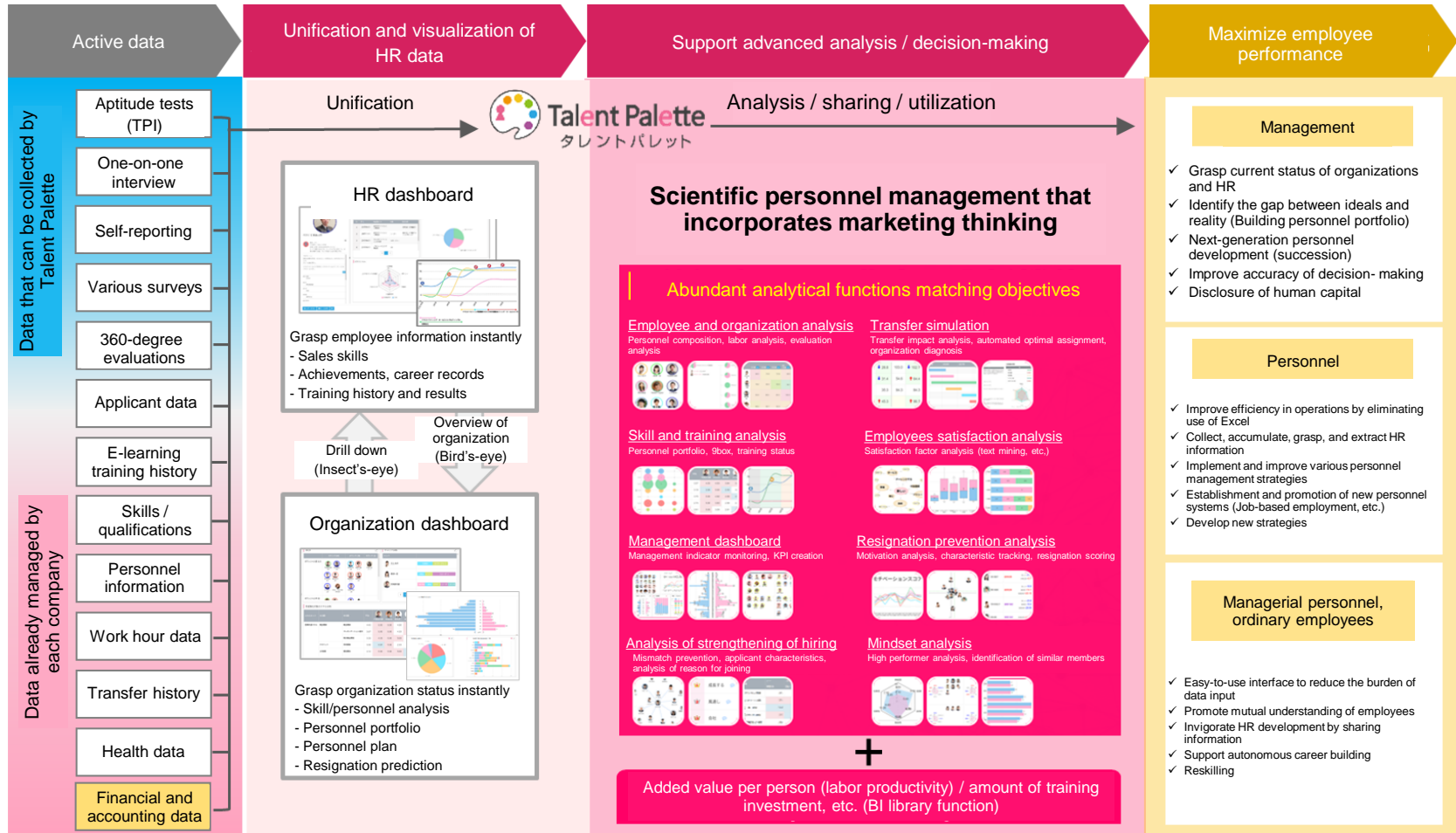
Enhancement of decision-making utilizing IT and data

Personnel DX

Improvement of personnel operations using IT

Visualizing employees
Support for personnel decision-making

Hiring management
Similarity analysis of current employees and candidates, improvement of matching precision

Position management
HR requirement management, analysis of matching conditions, succession

Training management
Recommendation of optimal training according to skill status

Transfer simulation
Optimal assignment and organizational reform based on analysis of condition of organization after transfer

Safety confirmation
Swift and smooth implementation of safety confirmation in the event of a disaster

Direct recruiting
Enabling direct scouting of students matching the company

Target management
MBO, OKR, evaluator diagnosis, organization mission analysis

Skill management
Skill improvement analysis, personnel portfolio management

Stress checks
Support for stress checks that are mandated to be conducted once per year

Thanks points
Increasing engagement through employees expressing gratitude to each other

Internal job posting

TPI aptitude testing

Pulse surveys

Prevention and analysis of rejection of informal offers

Surveys
Visualization of employees' opinions through free question setting and text mining

Labor management
Various procedures when joining and leaving the company, My Number management and year-end adjustment

Health management
Central management of data on employee health status, lifestyle habit checks and health diagnosis

Personnel FAQ
Creation of knowledge on systems and procedures in the Personnel and General Affairs Division

Organization diagnosis
Recommendation of improvement measures by identifying organizational characteristics and issues based on surveys

Evolution of Talent Palette

Integrated personnel information platform

Evolved into a one stop service for various personnel measures by rapidly functionalizing the needs of leading companies

Active data	Unification and visualization of HR data	Support advanced analysis / decision-making	Maximize employee performance

Data that can be collected by Talent Palette
- Aptitude tests (TPI)
- One-on-one interview
- Self-reporting
- Various surveys
- 360-degree evaluations
- Applicant data
- E-learning training history

Data already managed by each company
- Skills / qualifications
- Personnel information
- Work hour data
- Transfer history
- Health data
- Financial and accounting data

Unification

Talent Palette
タレントパレット

Analysis / sharing / utilization

HR dashboard

Grasp employee information instantly
- Sales skills
- Achievements, career records
- Training history and results

Drill down (Insect's-eye)

Overview of organization (Bird's-eye)

Organization dashboard

Grasp organization status instantly
- Skill/personnel analysis
- Personnel portfolio
- Personnel plan
- Resignation prediction

Scientific personnel management that incorporates marketing thinking

Abundant analytical functions matching objectives

Employee and organization analysis
Personnel composition, labor analysis, evaluation analysis

Transfer simulation
Transfer impact analysis, automated optimal assignment, organization diagnosis

Skill and training analysis
Personnel portfolio, 9box, training status

Employees satisfaction analysis
Satisfaction factor analysis (text mining, etc.)

Management dashboard
Management indicator monitoring, KPI creation

Resignation prevention analysis
Motivation analysis, characteristic tracking, resignation scoring

Analysis of strengthening of hiring
Mismatch prevention, applicant characteristics, analysis of reason for joining

Mindset analysis
High performer analysis, identification of similar members

+

Added value per person (labor productivity) / amount of training investment, etc. (BI library function)

Management
✓ Grasp current status of organizations and HR
✓ Identify the gap between ideals and reality (Building personnel portfolio)
✓ Next-generation personnel development (succession)
✓ Improve accuracy of decision- making
✓ Disclosure of human capital

Personnel
✓ Improve efficiency in operations by eliminating use of Excel
✓ Collect, accumulate, grasp, and extract HR information
✓ Implement and improve various personnel management strategies
✓ Establishment and promotion of new personnel systems (Job-based employment, etc.)
✓ Develop new strategies

Managerial personnel, ordinary employees
✓ Easy-to-use interface to reduce the burden of data input
✓ Promote mutual understanding of employees
✓ Invigorate HR development by sharing information
✓ Support autonomous career building
✓ Reskilling

Companies Implementing of Talent Palette

Talent Management System Chosen by Leading Companies

*Some of the companies' logos are shown here with permission. (In no particular order)

Strengths of Talent Palette

Enterprise penetration and high evaluation

The percentage of implementation in large enterprises with 1,000 of more employees (on a contract basis) is approximately 40%

Detailed functions and advanced consulting for enterprises are highly regarded

Percentage of contracts by plan

As of March 31, 2023

The service is highly regarded among enterprise user with 1,000 or more employees and implementations are progressing

Less than 300 employee 29%

Over 1,000 employees 40%

Over 300 employees 31%

大手・中堅企業 売上高
(社員数300人以上)
シェア No.1 Note1

Number of corporate customers to break the 2,700 mark!

* Number of contracts: 1,200 companies
As of March 31, 2023

2017 2018 2019 2020 2021 2022

Received the Leader award in a record nine sections as a talent management system in the ITreview enterprise review site Note 2

ITreview ★ LEADER ★ 2023 Winter

ITreview 顧客満足度 3.8 ★★★★ 160レビュー 2023/01/25時点

Evaluation points
- Analysis functions specializing in diverse HR measures
- Systems for collecting a variety of data such as employee questionnaires
- Setting of detailed authority to refer to various HR data
- Flexible data linking functions with core systems
- Speedy development and frequent updates of required functions
- Advanced consulting and strong support system

Note 1 2022 Forecast of Personnel and Assignment Cloud Market
Deloitte Tohmatsu MIC Research Institute Co., Ltd. "HRTech Cloud Market Facts and Outlook FY2021"

Note 2 Treview Grid Award 2023 Winter Talent Management Division, Personnel Evaluation and OKR Division, Recruiting Management (ATS) Division, Motivation Management Division, e-learning & LM Division, Health Management Division, Organization Survey Division, HCM Division, Labor Management Division

03 Growth strategy

Further development of Talent Palette Business

Expand services to sectors surrounding HR

By utilizing HR data accumulated in Talent Palette, we have improved the accuracy of services surrounding personnel. We aim to expand business not only in the company but also by utilizing partnerships and capital alliances with partner companies

Staffing / hiring
Matching of HR similar to employees working actively at a company

Training / development
Recommend appropriate training for employee evaluations, skills, and aptitudes

Benefit programs / events
Propose measures including benefit programs to solve organizational issues

Health care
Offer health-promoting measures tailored to employee health checkups and working patterns

Labor management
Improvement of efficiency of various application operations

Expand business into a new subscription model that combines and optimizes various personnel information

Talent Palette
タレントパレット

Personnel information platform
(Evaluations, skills, aptitude, motivation, career, etc.)

Expand service to surrounding fields

Cancellation prevention, ARPU improvement
Capture customers in new markets

Further development of Talent Palette Business

Staffing / Hiring

Entry into hiring business through new graduate area by making Grow Up a subsidiary

(1) Students register profiles on Kimisuka

(2) Companies view the profiles of students

Students

(3) Companies scout students that interest them

Companies

Cross-selling of each other's services

Common aptitude tests are utilized to increase precision of matching with similar active employees

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Hiring management and management of recipients of informal offers
Recommendation of candidates

(1) **Increase of added value through the enhancement of hiring operations**

Linking of hiring management and analysis functions of Talent Palette with Kimisuka. Recommendation of candidates that match job specs

(2) **Promotion of cross selling of each other's services**

Expansion of sales through cross selling of each other's services utilizing each other's customer base

(3) **Sharing of knowhow on functional development and the hiring business**

Functional development and sharing of knowhow for accelerating expansion in the hiring area through a high level of coordination of each other's services

Operation of New Businesses

Start of trial introduction in two new businesses

Sales Square

Integrated sales strategy solution for simultaneously realizing maximization of sales results and improvement of organization performance

Daily analysis
(Market needs analysis)

Understanding market needs
Competitor information
Discovery of new needs

HR data
Skills, experience, aptitude

✕

Sales data
Performance, daily reports, training

Development and training of human resources

Accumulation of sales skills
Skill improvement analysis
E-learning

Case management

Sales forecasts (reading)
Process analysis

Sales performance analysis

Management of budget and results (KPI monitoring)
High performer analysis
 (Training, background, experience, aptitude)

Yorisoar

School management system supporting visualization of classrooms and university IR

For universities
Yorisoar

Visualization of classroom by unifying student data

Support for DX in a variety of school asks and numerical improvement of figures such as KPI, etc.

Text mining of class surveys

Analysis of prevention of expulsion

Management of graduates

University IR Dashboard

Applicant management

Unification of student data

Employment destination management

Analysis of data over time with bar graph

Student survey

Improvement of class evaluation

Visualization of learning results

Visualization and comparison using radar chart

Utilizing learning data to suggest optimal content

Start of full implementation (including trial implementation)

IT Sales Division (tens of people): HR development, daily analysis (factors leading to closing deals, behavior analysis)
Manufacturing marketing department (tens of people): Operational reform, case management, task management
Manufacturing sales department (several hundred people) Daily analysis, case management, skill visualization

Incorporated educational institution (several thousand people): LMS, learning portfolio, teaching staff portfolio
National university (several thousand people): Learning portfolio, university IR General incorporated foundation
General incorporated foundation (several thousand people): LMS, learning analytics, graduate management
Vocational school (several hundred people): Management of applications from applicants, student management, data analysis

04　Latest topics

Latest topics

(1) Strengthening of services for enterprises

(2) Position management function for realizing shift to job-based employment

(3) Publication of examples of implementation of Talent Palette by leading companies

(4) Release of function linking Talent Palette and Kimisuka

(5) Publication of example of implementation of new "Yorisoar" business

(6) Release of conversation analysis function for Visualization Engine

Topics (1): Strengthening of services for enterprises

Focused strengthening of advanced functions required by enterprises
Creation of new consulting and technology support system capable of flexibly responding to a variety of usage themes

Talent Palette
タレントパレット

Strengthening of the Talent Palette talent management system as a total solution **for enterprises specializing in large companies** :

Strengthening of functions and consulting system specializing in large companies such as human capital management, Japanese job-based employment and succession planning

A wide range of support spanning from consulting to realization of creative operations
An extensive support system not offered by other companies such as dedicated support system, dispatch of TP staff, and provision of consulting

Enhancement of utilization of personnel

Organization and personnel vision
Job-based, reskilling, succession planning, etc.

Personnel Strategy
Improvement of engagement, human resource requirement definitions, strengthening of hiring, etc.

Realization of scientific personnel management utilizing data
Consulting service
年間200を超えるコンサル実績のノウハウを
プロジェクトを通じて提供

・人的資本開示、サクセッションプランなど様々な
人事戦略をデータ活用でご支援
・年間200を超える実績を持つコンサルティング
チームメンバーをアサイン、ノウハウを提供
・エンタープライズ企業向けにシステム運用も含め
たご支援可能
・プロジェクト期間終了後も専任コンシェルジュが
引き継ぎ、手厚いサポートを継続

Release from everyday cumbersome operations

Operation architecture, routine operations
Unification of personnel data, creation of evaluation flow, etc.

Release from routine operations and simple tasks
TP staff dispatch service
タレントパレットの専門スタッフを派遣し
単純作業からクリエイティブな業務へ

・事前研修でツール運用のスキルを持ったスタッフ
が常駐
・常駐スタッフがその場で課題を解決
・そのほか人事業務もサポート

■Strengthen **enterprise functions** covering human capital management, job-based employment and reskilling

■**Provision of consulting** utilizing know-how on data utilization for realizing a variety of personnel measures

■Strengthening of **specialized technology team system** building automatic links with a variety of personnel systems

■Strengthening of response through **stronger infrastructure and server systems** for high-speed handling of large volumes of data

■Creation of **concierge system** providing comprehensive support such as functions and services for issues faced by each company
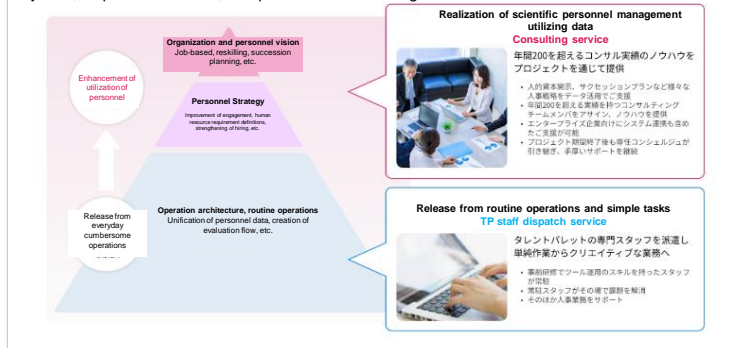
Topics (2):
Position management function for realizing shift to job-based employment

Position management function enabling realization of succession planning (strategic development of next-generation personnel) and introduction of job-based employment system

■**Position map function** that can be utilized for pooling potential personnel and strategic development of next-generation personnel
Defines the personnel requirements necessary for key positions and expresses the relationships of each position on a map

■**Matching analysis function** for employees and positions
Realizes enhancement of succession planning through data-based scientific decision-making

■**Career sheet function** for promoting medium- to long-term personnel development planning and autonomous growth
A function for formulating medium- to long-term development plans for personnel subject to development and monitoring progress

Topics (3):
Publication of examples of implementation of Talent Palette by leading companies

Example of implementation of Talent Talent Palette by Nichirei Corporation
Generating synergies between 36 group companies for the realization of aggressive talent management
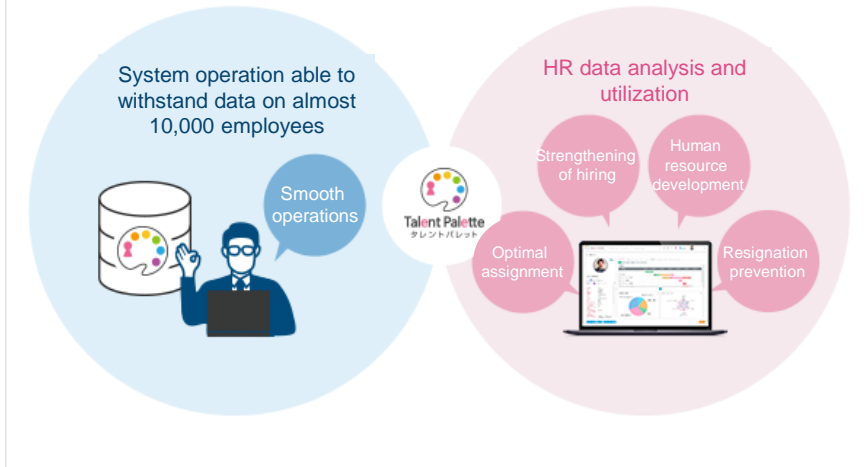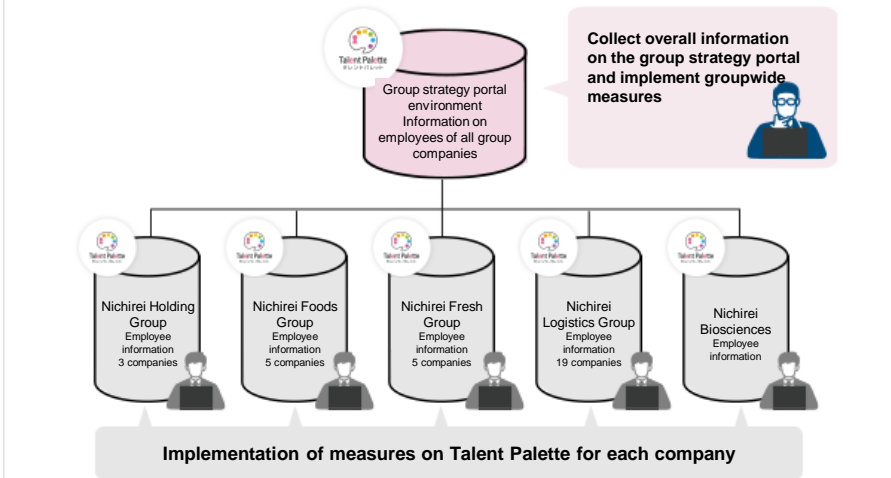
- Implemented for visualization of employee data across 36 group companies and generation of synergies between all companies
- The deciding factors in implementation were an operating environment able to withstand a large number of employees, and extensive analytical functions expected to be utilized for HR data
- The implementation of the system resulted in applicants to internal job postings more than doubling. It will be utilized for human capital management in future

Topics (4): Release of function linking Talent Palette and Kimisuka

Start of provision of functions for searching, analyzing and scouting students registered on Kimisuka through Talent Palette

Enables searching for students suitable for own company based on a variety of conditions, and sending scouting mail
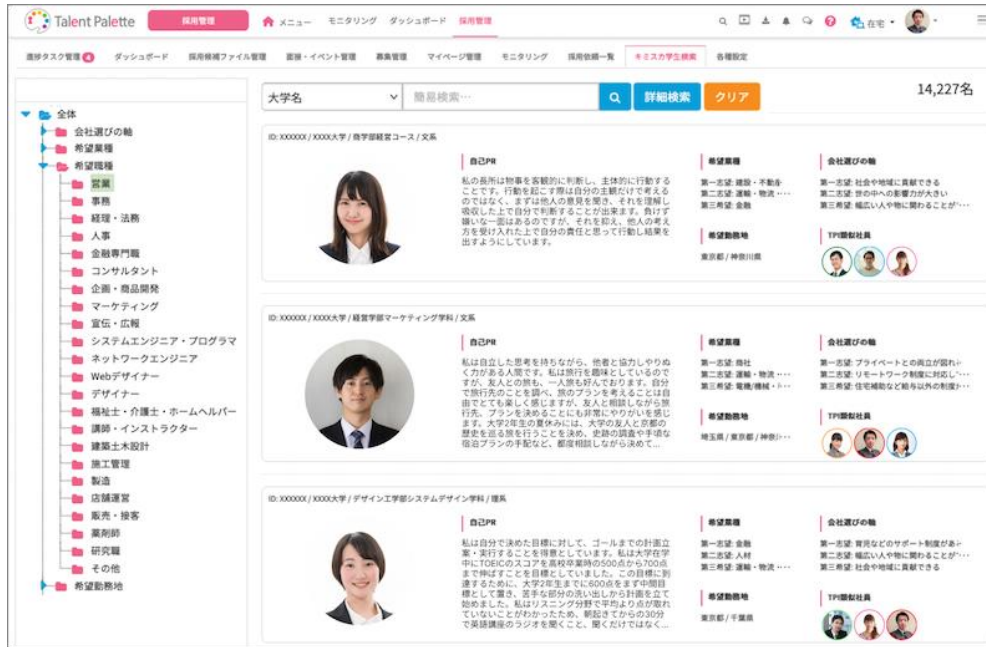
Understanding of students by similarity to employees working in own company

- Active employees
- Applicant
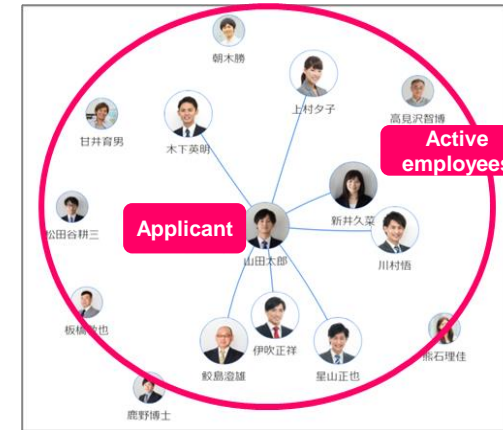
Text mining of student profiles
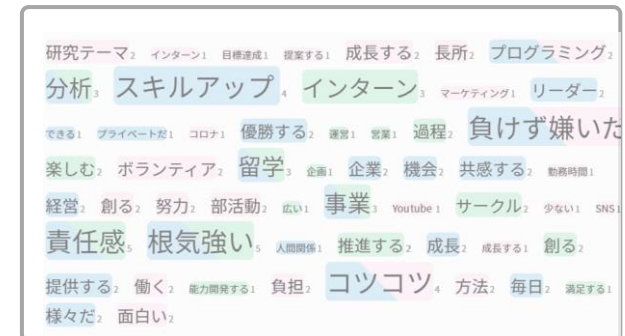
- At the same time, started provision of Talent Palette focused on the hiring management function as an optional function of the Kimisuka service

Topics (5): Publication of example of implementation of new "Yorisoar" business

Examples of implementation of "Yorisoar" for the purpose of accumulation and analysis of educational data on classes and students

The "Yorisoar" integrated school management system began to be implemented at Kawahara Gakuen	**The "Yorisoar" integrated school management system began to be implemented at Nara Women's University**
Implementation of quiz, attendance management and problem management in the Yorisoar LMS system. "Yorisoar" supports the building of a teaching staff portfolio based on accumulated teaching data.	Yorisoar was used to implement PEPA evaluation for building learning portfolios, setting up of class evaluation questionnaires, input by students, tallying and visualization

Input and accumulation

- LMS operation
- PEPA evaluation
- Lesson surveys
- Learning achievement evaluation
- Other educational data, etc.

Accumulation of educational data

Portfolio building

- Overlaying own evaluation and class average
- Class evaluation questionnaire
- Quiz results
- Attendance information
- Timeline graphs, etc.

Analysis and collection of educational data

Utilization of data in educational activities

- Interviews with students
- Consideration of improvement of lesson content
- Confirmation of level of understanding of lessons, etc.
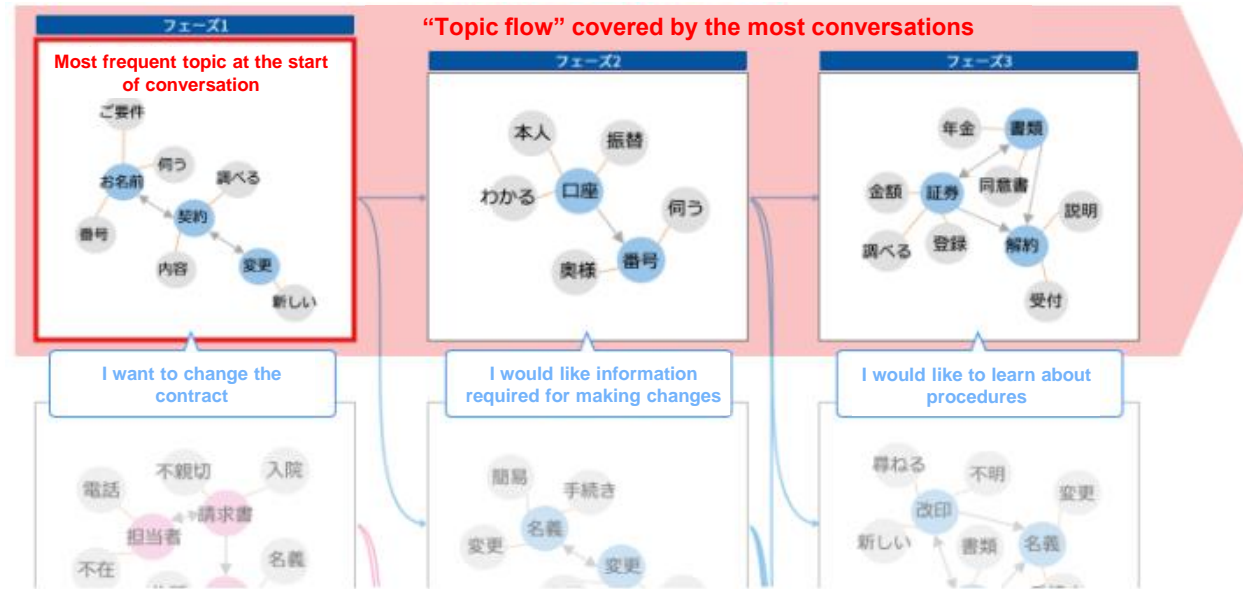
Utilization of educational data

Topics (6): Release of conversation analysis function for Visualization Engine

Started providing "conversation analysis function" supporting voice recognition and chat data for Visualization Engine
It assists analysis of specific comments and visualization of overall conversation trends

Identification of speaker → Text conversion
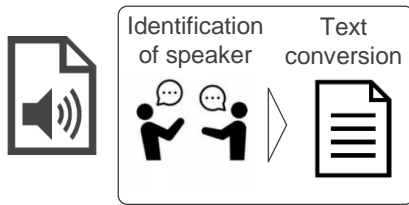
Various conversation data such as call center voice recognition data, chatbots, interviews and recordings of meetings

Visualization of the flow of a data on a single conversation

Visualization of branching of topics based on multiple sources of conversation data

見える化エンジン

"Topic flow" covered by the most conversations

フェーズ1

Most frequent topic at the start of conversation

フェーズ2

フェーズ3

I want to change the contract

I would like information required for making changes

I would like to learn about procedures

- **Understanding of the percentage of comments made by each speaker, and the percentage of positive and negative comments, etc.**
- **Analysis of topics that are easy to bring up at the start of conversation for multiple conversations**
- **Visualization of topics that are easy to shift to from the topic at the start of conversation**

05　Financial results for the six months ended March 31, 2023

Highlights

- **Overview**
- Talent Palette continues to perform well. The number of customers continued to grow, and performance exceeded targets
- The number of customers for Visualization Engine and Customer Rings continued to increase, and exceeded plans
- Grow Up was included in the scope of consolidation from the three months ended December 31, 2022, and is reflected in consolidated results (recorded in the Talent Palette Business)

- **Financial results for the six months ended March 31, 2023 (2Q)**
- Consolidated financial results for the six months ended March 31, 2023 showed a **38.6**% increase in net sales and a **31.4**% increase in operating profit from the same period of the previous fiscal year, with an operating profit margin of **32.9**%
- Non-consolidated financial results for the six months ended March 31, 2023 showed a **27.8**% increase in net sales and an **37.2**% increase in operating profit from the same period of the previous fiscal year, with an operating profit margin of **37.3**%
- On a non-consolidated basis, the increase in the number of customers, the revenue churn rate kept low and the stable rise of revenue per user of Talent Palette resulted in a favorable MRR of **744** million yen (up **32.7**% year on year)
- Grow Up coming under the scope of consolidation contributed to sales and income. Although amortization of goodwill, etc. arose, the consolidated operating profit margin and increase in profit were high.

- **Earnings forecasts for the fiscal year ending September 30, 2023**
- We forecast net sales of **10,600** million yen (up **34.0**% year on year) and operating profit of **3,400** million yen (operating profit margin of **32.1**%)
- In addition to the expansion of Talent Palette's revenue, increases in the number of customers for Visualization Engine and Customer Rings are also expected to contribute to increase revenue and earnings
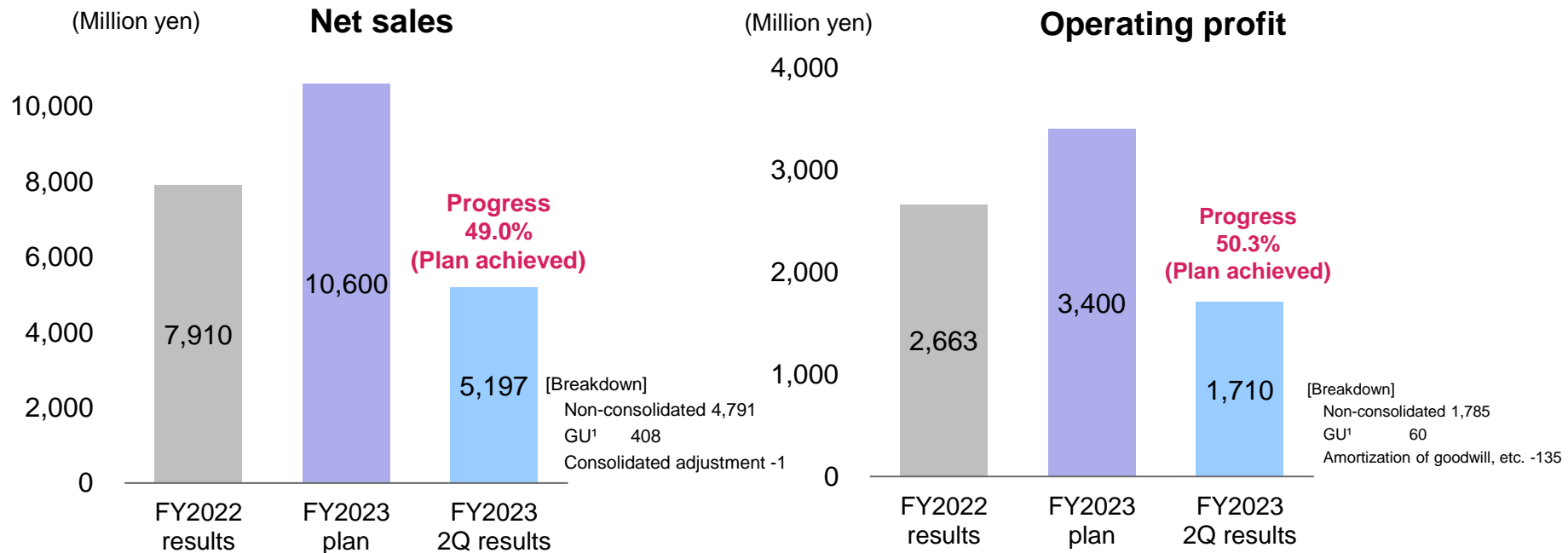
Financial results highlights

- Financial results for the six months ended March 31, 2023 (2Q), showed a 38.6% increase in net sales and a 31.4% increase in operating profit from the same period of the previous fiscal year.
- Grow Up came under the scope of consolidation in the first quarter, and it contributed to growth in net sales. Although amortization of goodwill, etc. arose, the operating profit margin was strong at 32.9%.

<Cumulative 2Q>

Net sales	**5,197** million yen	YoY change	**38.6** % up
Operating profit	**1,710** million yen	YoY change	**31.4** % up
Ordinary profit margin	**32.9** %	YoY change	**1.8** points down
Ordinary profit	**1,711** million yen	YoY change	**32.3** % up
Profit	**1,163** million yen	YoY change	**36.1** % up

Financial results progress for the six months ended March 31, 2023 (2Q)

- The rate of progress in 2Q was 49.0% of the full-year plan for net sales and 50.3% for operating profit, with both sales and operating profit exceeding the planned levels.
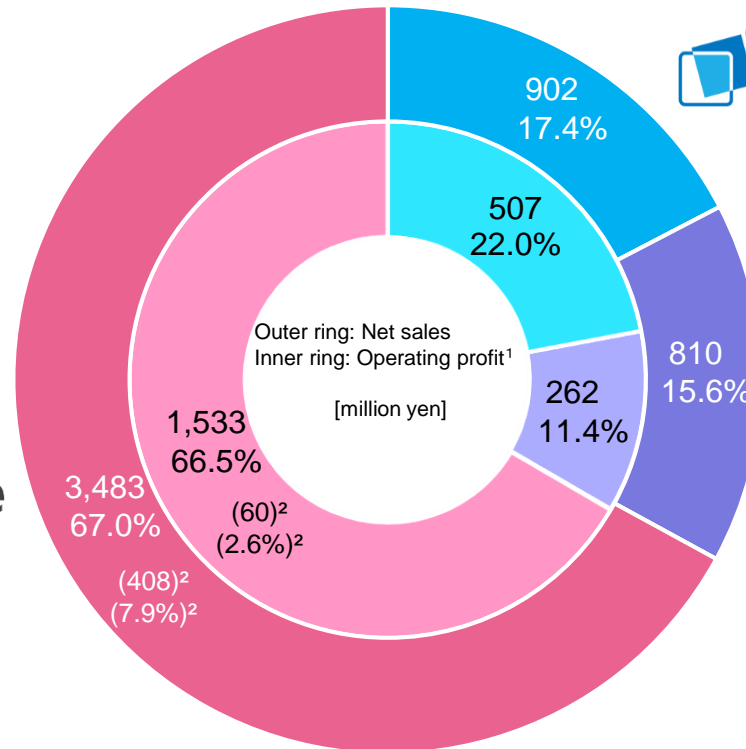
Net sales

(Million yen)

- FY2022 results: 7,910
- FY2023 plan: 10,600
- FY2023 2Q results: 5,197

Progress 49.0% (Plan achieved)

[Breakdown]
Non-consolidated 4,791
GU[1]   408
Consolidated adjustment -1

Operating profit

(Million yen)

- FY2022 results: 2,663
- FY2023 plan: 3,400
- FY2023 2Q results: 1,710

Progress 50.3% (Plan achieved)

[Breakdown]
Non-consolidated 1,785
GU[1]   60
Amortization of goodwill, etc. -135

Note 1: Grow Up

35

Financial results summary

- Performance was steady in 2Q, with a 41.0% increase in net sales, a 53.8% increase in operating profit and an operating profit margin of 34.7%
- Performance was steady for the six months ended March 31, 2023, with a 38.6% increase in net sales, a 31.4% increase in operating profit and an operating profit margin of 32.9%

Million yen	FY2023 (Jan.-Mar.)			FY2023 (Oct.-Mar.)			FY2023 (Oct.-Sep.)	
	2Q			Cumulative 2Q			FY2022 plan	
	Results	FY2022 2Q results	YoY	Results	FY2022 2Q results	YoY	plan	Progress
Net sales	**2,734**	1,939	41.0%	**5,197**	3,750	38.6%	10,600	49.0%
Cost of sales	**709**	584	21.3%	**1,362**	1,080	26.0%		
Gross profit	**2,025**	1,354	49.5%	**3,835**	2,669	43.7%		
Selling, general and administrative expenses	**1,076**	738	45.9%	**2,125**	1,367	55.4%		
Operating profit	**948**	616	53.8%	**1,710**	1,301	31.4%	3,400	50.3%
Ordinary profit	***34.7%***	*31.8%*	*-*	***32.9%***	*34.7%*	*-*	*32.1%*	*-*
Ordinary profit	**948**	607	56.1%	**1,711**	1,293	32.3%	3,350	51.1%
Profit	**657**	406	61.8%	**1,163**	855	36.1%	2,600	44.7%

Financial results (by segment) for the six months ended March 31, 2023 (2Q)

- The Talent Palette business including Kimisuka accounted for 67.0% of companywide sales and 66.5% of profit, driving growth
- The high profit margin Talent Palette contributed to the improvement of companywide profitability

見える化エンジン

902
17.4%

507
22.0%

CustomerRings
カスタマーリングス

810
15.6%

Outer ring: Net sales
Inner ring: Operating profit[1]

[million yen]

262
11.4%

1,533
66.5%

3,483
67.0%

(60)[2]
(2.6%)[2]

Talent Palette
タレントパレット

キミスカ

(408)[2]
(7.9%)[2]

Note 1: Amount of operating profit of the segment in 2Q of FY2023 (before elimination of shared expenses, before amortization of goodwill)
Note 2: The figures in parentheses are for Kimisuka (inclusive)

Financial Highlights (Talent Palette)

- The Talent Palette Business continued to perform well, showing a 39.4% increase in net sales and a 37.8% increase in operating profit

	Cumulative FY2022 2Q		Cumulative FY2023 2Q		YoY change	
Net sales[1]	**2,208**	million yen	**3,077**	million yen	**39.4**	% up
Operating profit[2]	**1,068**	million yen	**1,472**	million yen	**37.8**	% up
Ordinary profit margin	**48.4**	%	**47.8**	%	**0.5**	points down
MRR[3]	**314**	million yen	**460**	million yen	**46.3**	% up
Number of customers[4]	**836**	cases	**1,200**	cases	**43.5**	% up
Revenue churn rate[5]	**0.42**	%	**0.30**	%	**0.12**	points down
ARPU[6]	**378**	thousand yen	**385**	thousand yen	**1.9**	% up

Note 1: Results for 2Q of FY 2022 and 2Q of FY 2023 (cumulative)

Note 2: Amount of operating profit of the segment in 2Q of FY2022 and 2Q of FY2023 (cumulative: before elimination of shared expenses)

Note 3: Monthly Recurring Revenue. Total of the monthly fee of contracted subscription users in March 2022 and in March 2023

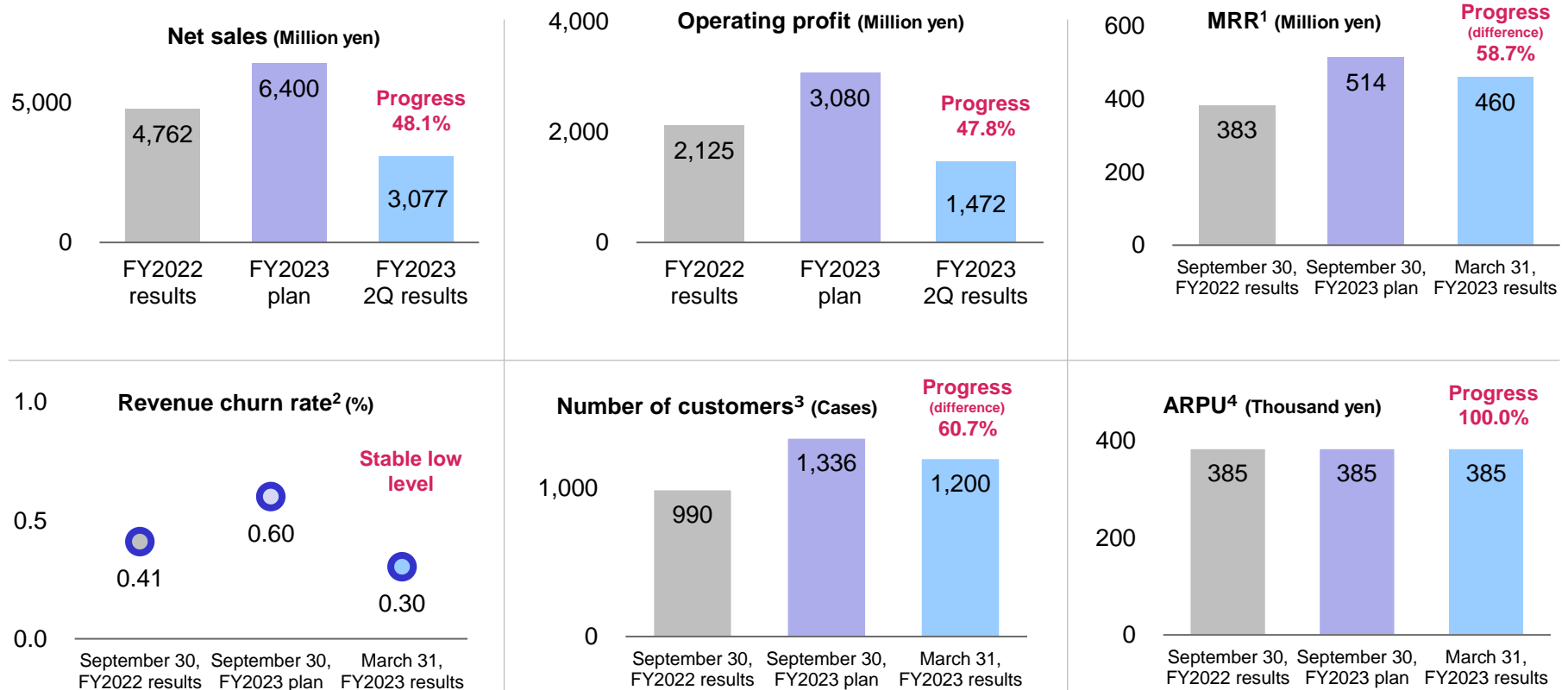Note 4: Number of monthly billed contracts as of March 31, 2022 and March 31, 2023

Note 5: Ratio of reductions as a result of cancellations to total monthly billed amounts as of March 2022 and March 2023 (average for the past 12 months).
This ratio is calculated as the reduced subscription fee due to cancellations divided by the sum of the monthly fee revenue of the former month.

Note 6: Average Revenue Per User. Calculated by dividing the average MRR for 2Q of FY 2022 and 2Q of FY 2023 by the average number of paid billing enterprise users of each month for the same period.

Performance (Talent Palette)

- In Talent Palette, all major KPIs exceeded initial plans
- In particular, an increase in the number of customers contributed to increases in net sales and MRR

Net sales (Million yen)

FY2022 results	FY2023 plan	FY2023 2Q results
4,762	6,400	3,077

Progress 48.1%

Operating profit (Million yen)

FY2022 results	FY2023 plan	FY2023 2Q results
2,125	3,080	1,472

Progress 47.8%

MRR[1] (Million yen)

September 30, FY2022 results	September 30, FY2023 plan	March 31, FY2023 results
383	514	460

Progress (difference) 58.7%

Revenue churn rate[2] (%)

September 30, FY2022 results	September 30, FY2023 plan	March 31, FY2023 results
0.41	0.60	0.30

Stable low level

Number of customers[3] (Cases)

September 30, FY2022 results	September 30, FY2023 plan	March 31, FY2023 results
990	1,336	1,200

Progress (difference) 60.7%

ARPU[4] (Thousand yen)

September 30, FY2022 results	September 30, FY2023 plan	March 31, FY2023 results
385	385	385

Progress 100.0%

Note 1: Monthly Recurring Revenue. Total of the monthly fees of contracted subscription users.
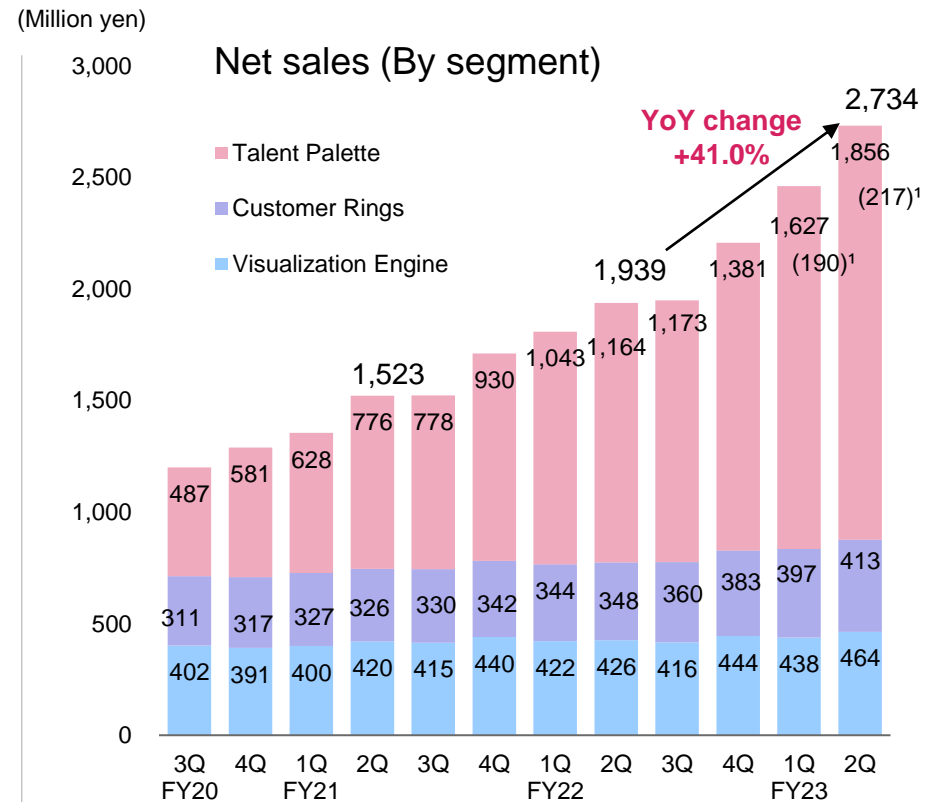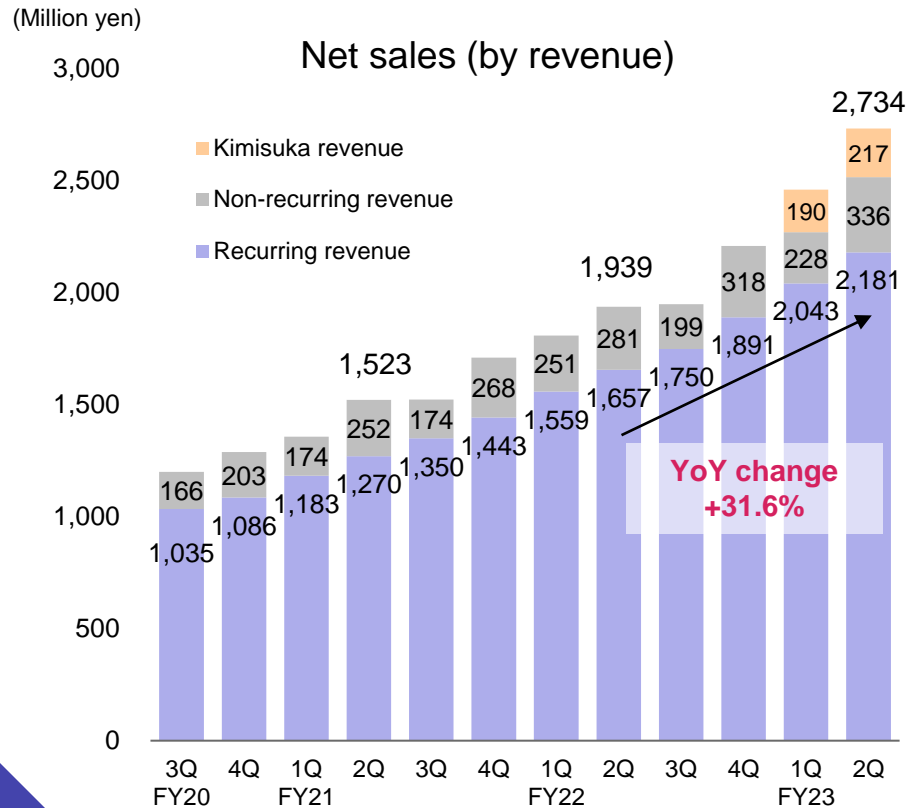Note 2: Ratio of reductions as a result of cancellations to total monthly billed amounts (average for the past 12 months)
Note 3: Number of monthly billed contracts
Note 4: Average Revenue Per User. Calculated by dividing MRR by the number of customers at the end of the month.

Net sales trends (Companywide)

- Recurring revenue steadily increased and expanded to 2,181 million yen (+31.6% year on year) in 2Q
- Net sales of all businesses exceeded those of the previous fiscal year, and with the inclusion of Kimisuka, expanded to 2,734 million yen in 2Q (up 41.0% year on year)

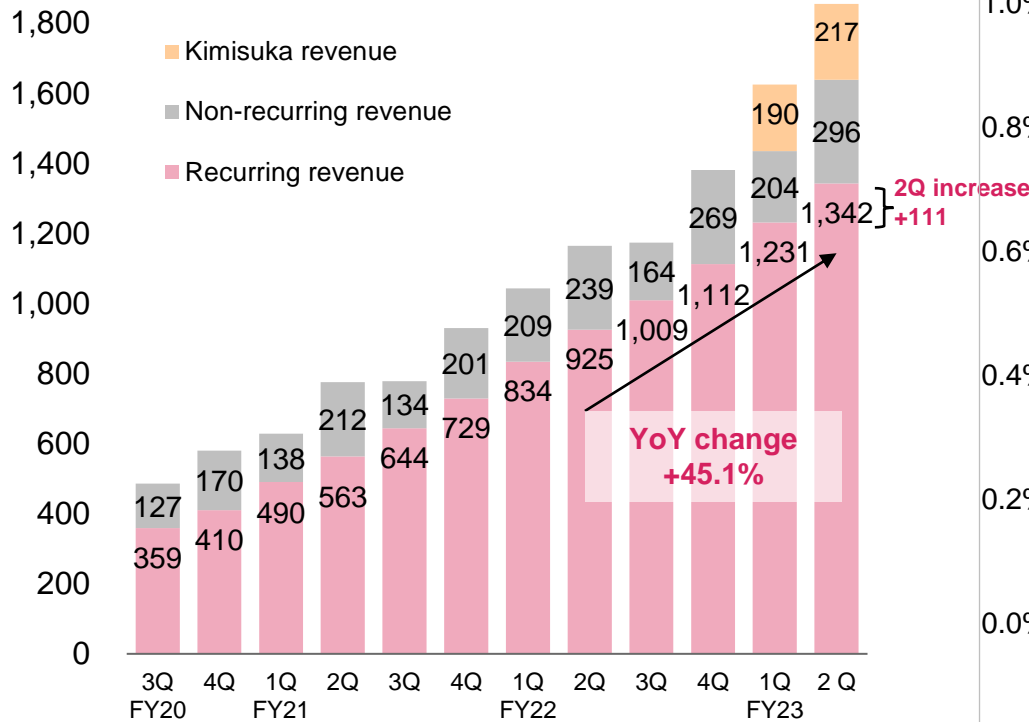Note 1: The figure in parentheses is for Kimisuka (inclusive)

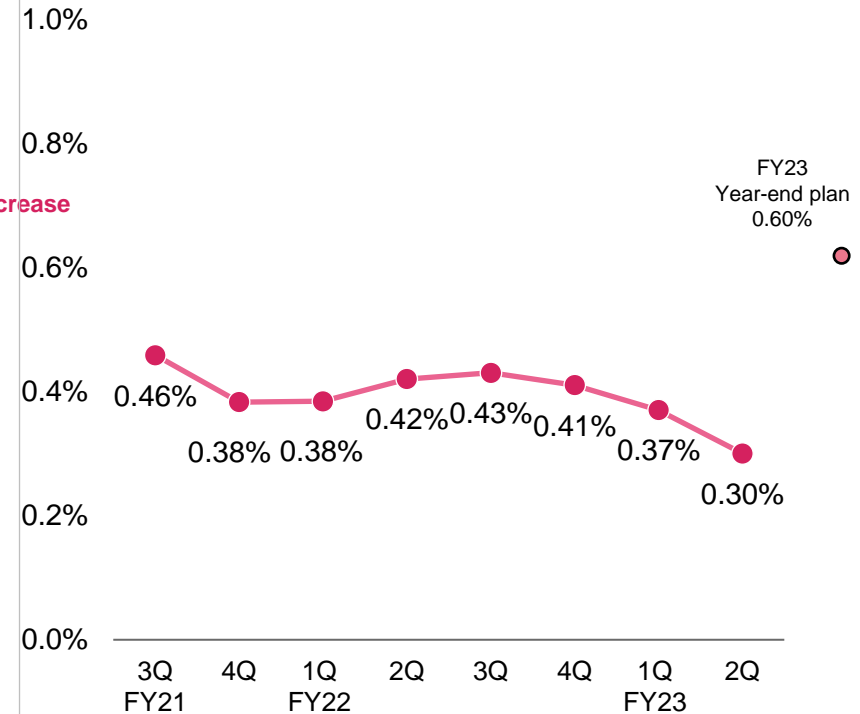# Net sales trends (Talent Palette Business)

- Recurring revenue steadily increased and expanded to 1,342 million yen (+45.1% year on year) in 2Q
- The churn rate was stable at the low level of 0.30%, which was lower than the FY2023 year-end plan of 0.60%

(Million yen)

Net sales of Talent Palette Business (by revenue)

Legend:
- ■ Kimisuka revenue
- ■ Non-recurring revenue
- ■ Recurring revenue

	3Q FY20	4Q	1Q FY21	2Q	3Q	4Q	1Q FY22	2Q	3Q	4Q	1Q FY23	2 Q
Kimisuka											190	217
Non-recurring	127	170	138	212	134	201	209	239	164	269	204	296
Recurring	359	410	490	563	644	729	834	925	1,009	1,112	1,231	1,342

2Q increase +111

YoY change +45.1%

Talent Palette revenue churn rate[1]

FY23 Year-end plan 0.60%

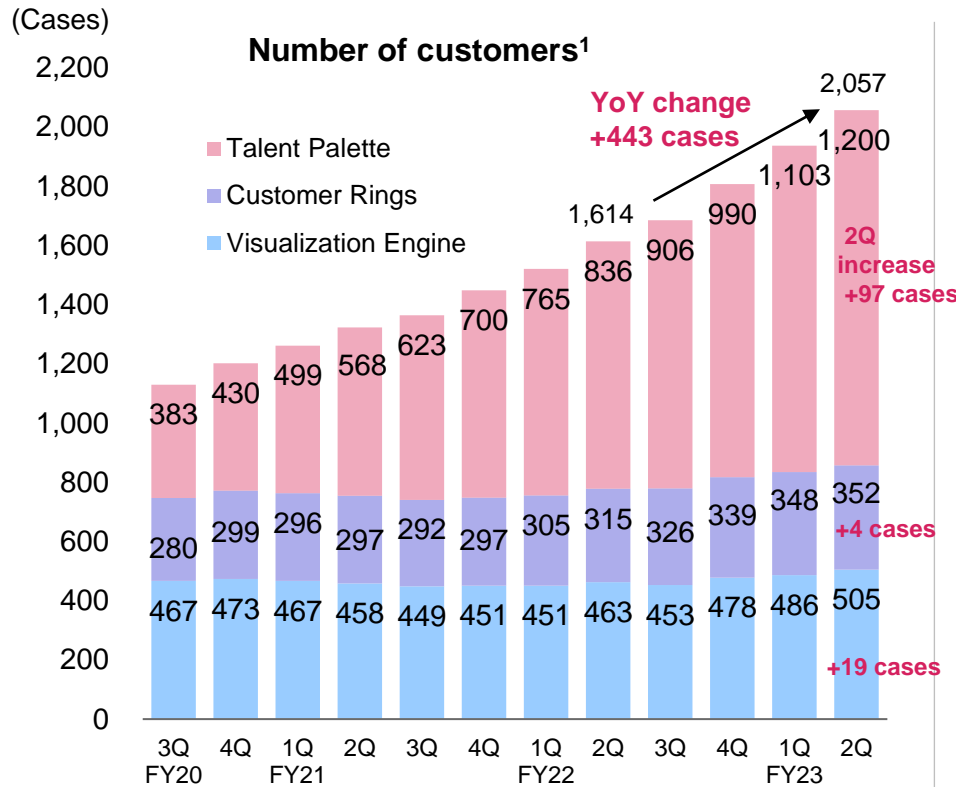| 3Q FY21	4Q	1Q FY22	2Q	3Q	4Q	1Q FY23	2Q
0.46%	0.38%	0.38%	0.42%	0.43%	0.41%	0.37%	0.30%

Note 1: Ratio of reductions as a result of cancellations to total monthly billed amounts (average of the past 12 months at the end of each quarter), excluding Kimisuka
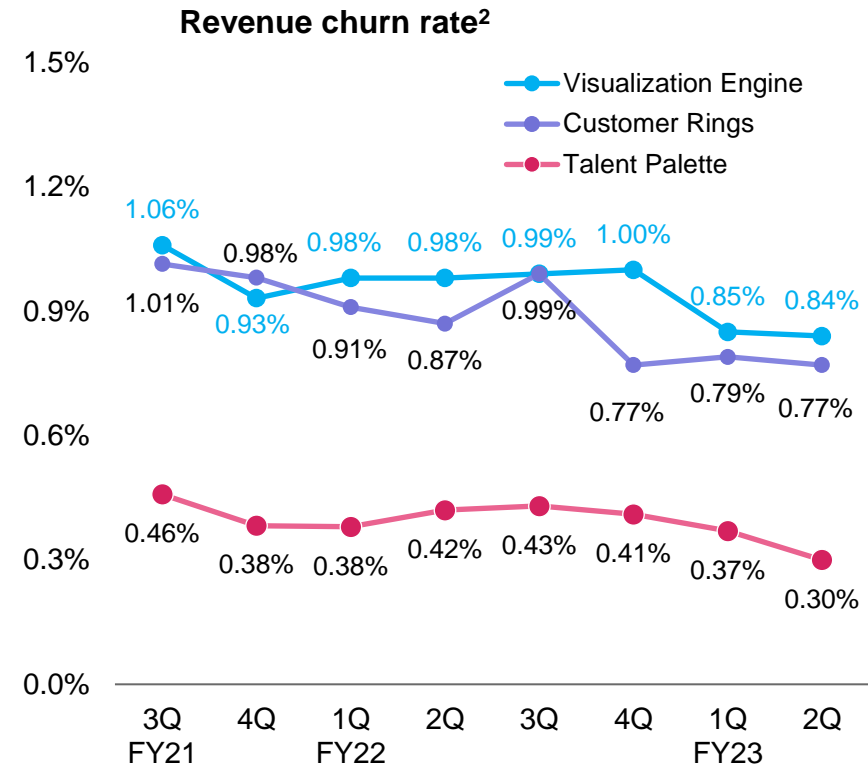
Trends in number of customers and revenue churn rate

- The number of Talent Palette customers per quarter increased steadily at a pace of 100 companies
- The number of customers of Visualization Engine and Customer Rings continued to recover due to the acquisition of new customers
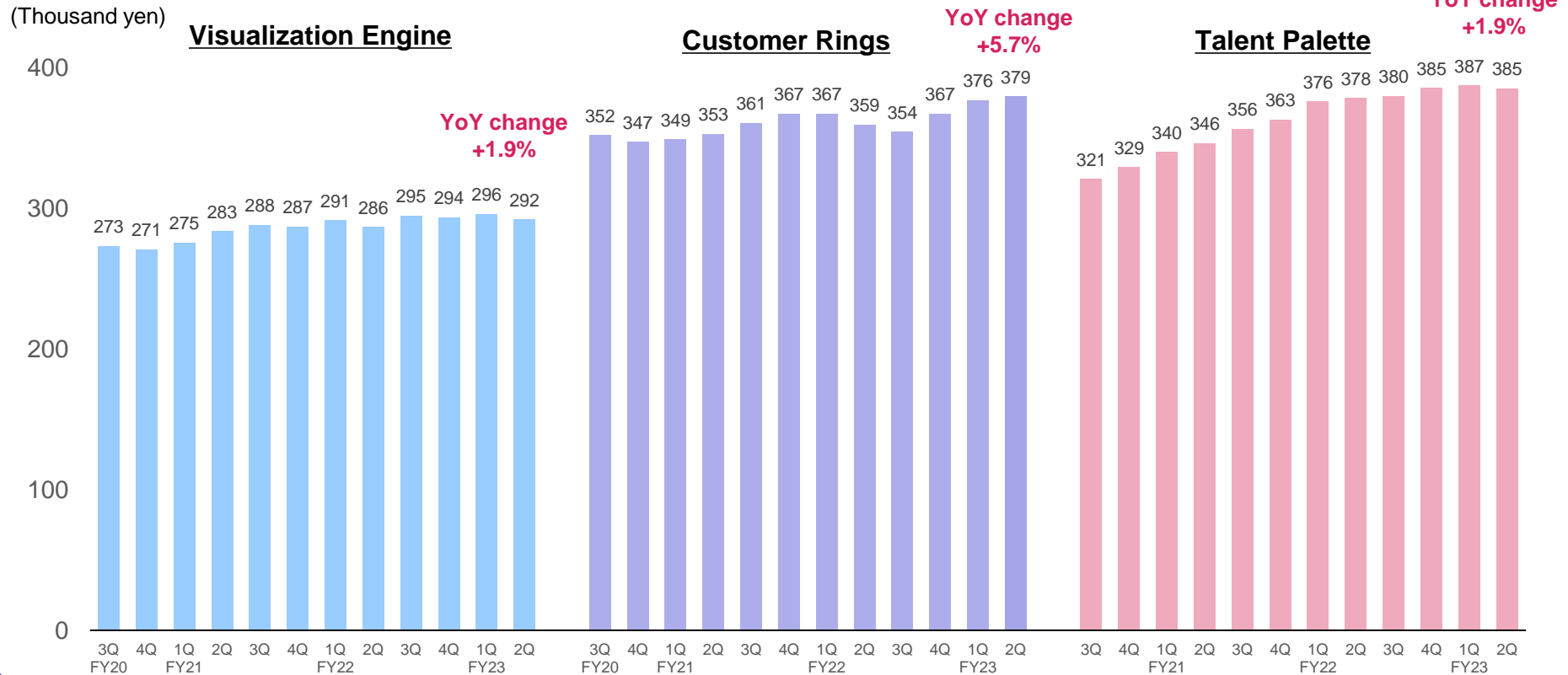

Number of customers[1]

(Cases)

YoY change +443 cases

Legend:
- Talent Palette
- Customer Rings
- Visualization Engine

2Q increase +97 cases

	3Q FY20	4Q	1Q FY21	2Q	3Q	4Q	1Q FY22	2Q	3Q	4Q	1Q FY23	2Q
Total		1,200	1,262	1,323	1,364	1,448	1,521	1,614	1,685	1,807	1,937	2,057
Talent Palette	383	430	499	568	623	700	765	836	906	990	1,103	1,200
Customer Rings	280	299	296	297	292	297	305	315	326	339	348	352
Visualization Engine	467	473	467	458	449	451	451	463	453	478	486	505

+4 cases

+19 cases

Note 1: Number of monthly billed contracts

Revenue churn rate[2]

Legend:
- Visualization Engine
- Customer Rings
- Talent Palette

Visualization Engine: 1.06%, 0.98%, 0.98%, 0.98%, 0.99%, 1.00%, 0.85%, 0.84%

Customer Rings: 1.01%, 0.93%, 0.91%, 0.87%, 0.99%, 0.77%, 0.79%, 0.77%

Talent Palette: 0.46%, 0.38%, 0.38%, 0.42%, 0.43%, 0.41%, 0.37%, 0.30%

	3Q FY21	4Q	1Q FY22	2Q	3Q	4Q	1Q FY23	2Q

Note 2: Ratio of reductions as a result of cancellations to total monthly billed amounts (average of the past 12 months at the end of each quarter)

Trends in average revenue per user (ARPU)

- ARPU[1] was steady due to up-selling to existing customers in each business

(Thousand yen)

Visualization Engine

YoY change +1.9%

273 271 275 283 288 287 291 286 295 294 296 292

3Q 4Q 1Q 2Q 3Q 4Q 1Q 2Q 3Q 4Q 1Q 2Q
FY20 FY21 FY22 FY23

Customer Rings

YoY change +5.7%

352 347 349 353 361 367 367 359 354 367 376 379

3Q 4Q 1Q 2Q 3Q 4Q 1Q 2Q 3Q 4Q 1Q 2Q
FY20 FY21 FY22 FY23

Talent Palette

YoY change +1.9%

321 329 340 346 356 363 376 378 380 385 387 385

3Q 4Q 1Q 2Q 3Q 4Q 1Q 2Q 3Q 4Q 1Q 2Q
FY21 FY22 FY23

Note 1:Average Revenue Per User. Average monthly revenue per paid billing enterprise user. Calculated as dividing the average MRR for each quarter by the average number of paid billing enterprise users of each month for the same period.

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Major KPIs for 2Q of FY2023

MRR[1]

Companywide

744 million yen

- Visualization Engine   148 million yen
- Customer Rings   137 million yen
- Talent Palette   460 million yen

MRR growth rate[2]

Companywide

32.7%

- Visualization Engine   11.6%
- Customer Rings   19.5%
- Talent Palette   46.3%

Average monthly revenue churn rate[3]

Companywide

0.51%

- Visualization Engine   0.84%
- Customer Rings   0.77%
- Talent Palette   0.30%

Number of users[4]

Companywide

2,057 companies

- Visualization Engine   505 companies
- Customer Rings   352 companies
- Talent Palette   1,200 companies

Recurring ratio[5]

Companywide

86.7%

- Visualization Engine   93.9%
- Customer Rings   97.3%
- Talent Palette   81.9%

ARPU[6]

Companywide

361 thousand yen

- Visualization Engine   292 thousand yen
- Customer Rings   379 thousand yen
- Talent Palette   385 thousand yen

Note 1: Monthly Recurring Revenue. Total of the monthly fee of contracted subscription users in March 2023 (excluding temporary sales)
Note 2: MRR growth rate from March 2022 to March 2023
Note 3: Ratio of reductions as a result of cancellations to total amounts of the existing monthly billed contracts as of March 2023 (average for the past 12 months).
     This ratio is calculated as the reduced subscription fee due to cancellations divided by the sum of the monthly fee revenue of the former month.
Note 4: Number of monthly billed contracts as of March 31, 2023
Note 5: Calculated as dividing total monthly billed amounts for the second quarter of the fiscal year ending September 30, 2023 by net sales for the same period.
Note 6: Average Revenue Per User. Calculated as dividing the average MRR for the second quarter of the fiscal year ending September 30, 2023 by the average number of paid billing enterprise users of each month for the same period.
     Companywide result is calculated by dividing total amounts of the average MRRs of the three businesses for the same period by the average number of total enterprise users for the three businesses of each month for the same period.

Major KPIs: Year on year change

<Consolidated Cumulative 2Q>	Cumulative FY2022 2Q		Cumulative FY2023 2Q		YoY change	
Net sales[1]	**3,750**	million yen	**5,197**	million yen	**38.6**	% up
Ordinary profit[2]	**1,301**	million yen	**1,710**	million yen	**31.4**	% up
Ordinary profit	**34.7**	%	**32.9**	%	**1.8**	points down
MRR[3]	**561**	million yen	**744**	million yen	**32.7**	% up
Number of customers[4]	**1,614**	cases	**2,057**	cases	**443**	cases up
Revenue churn rate[5]	**0.67**	%	**0.51**	%	**0.16**	points down
ARPU[6]	**348**	thousand yen	**361**	thousand yen	**3.8**	% up

Note 1: Results for 2Q of FY 2022 and 2Q of FY 2023 (cumulative)

Note 2: Results for 2Q of FY 2022 and 2Q of FY 2023 (cumulative)

Note 3: Monthly Recurring Revenue. Total of the monthly fee of contracted subscription users in March 2022 and in March 2023. Excluding Kimisuka.

Note 4: Number of monthly billed contracts as of March 31, 2022 and March 31, 2023. Excluding Kimisuka.

Note 5: Ratio of reductions as a result of cancellations to total monthly billed amounts as of March 2022 and March 2023 (average for the past 12 months).
This ratio is calculated as the reduced subscription fee due to cancellations divided by the sum of the monthly fee revenue of the former month. Excluding Kimisuka.

Note 6: Average Revenue Per User. Calculated by dividing the average MRR for 2Q of FY 2022 and 2Q of FY 2023 by the average number of paid billing enterprise users of each month for the same period. Excluding Kimisuka.

Trends in selling, general and administrative expenses

- Marketing expenses are generally as planned with the timing of implementation being leveled over the year compared to the previous year
- "Others" also increased as planned compared to the plan due to strengthening of inside sales and outbound sales
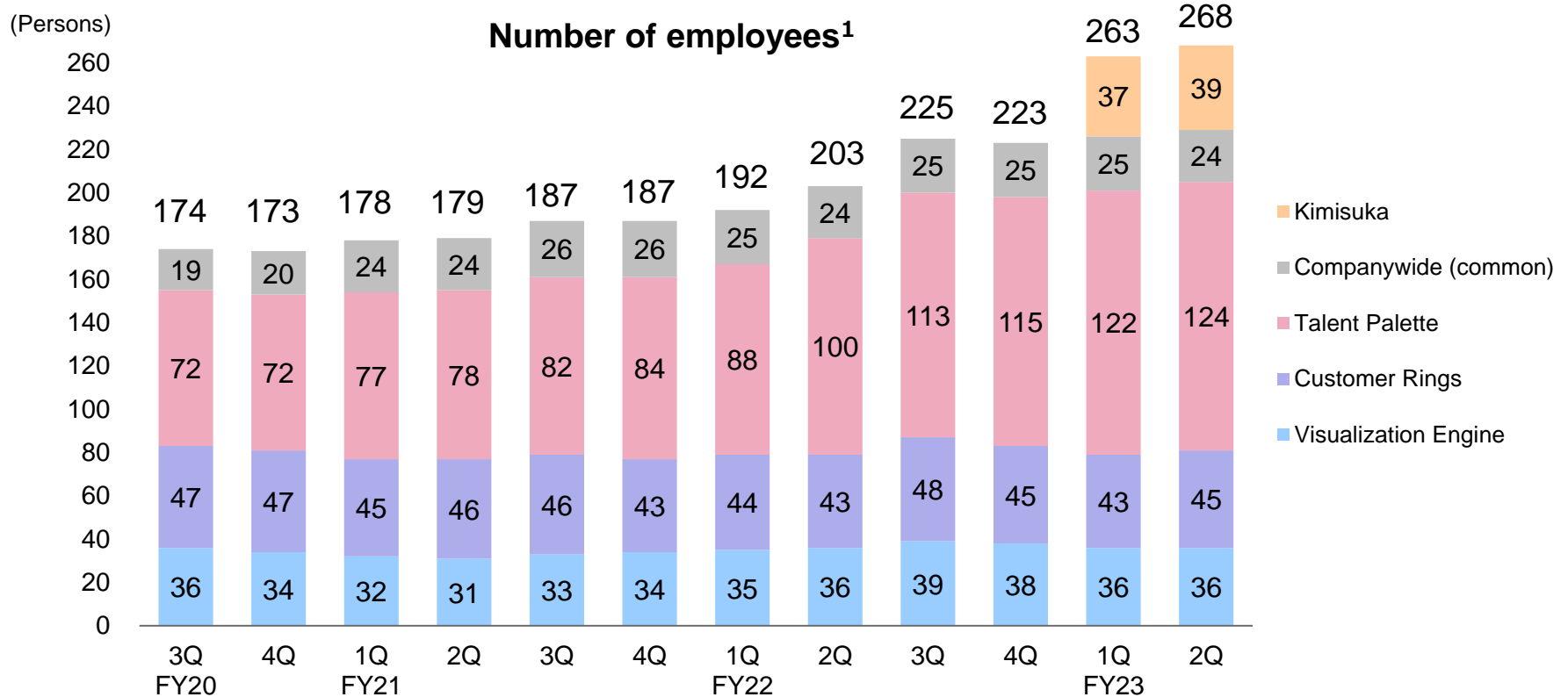
(Million yen)

Selling, general and administrative expenses[1]
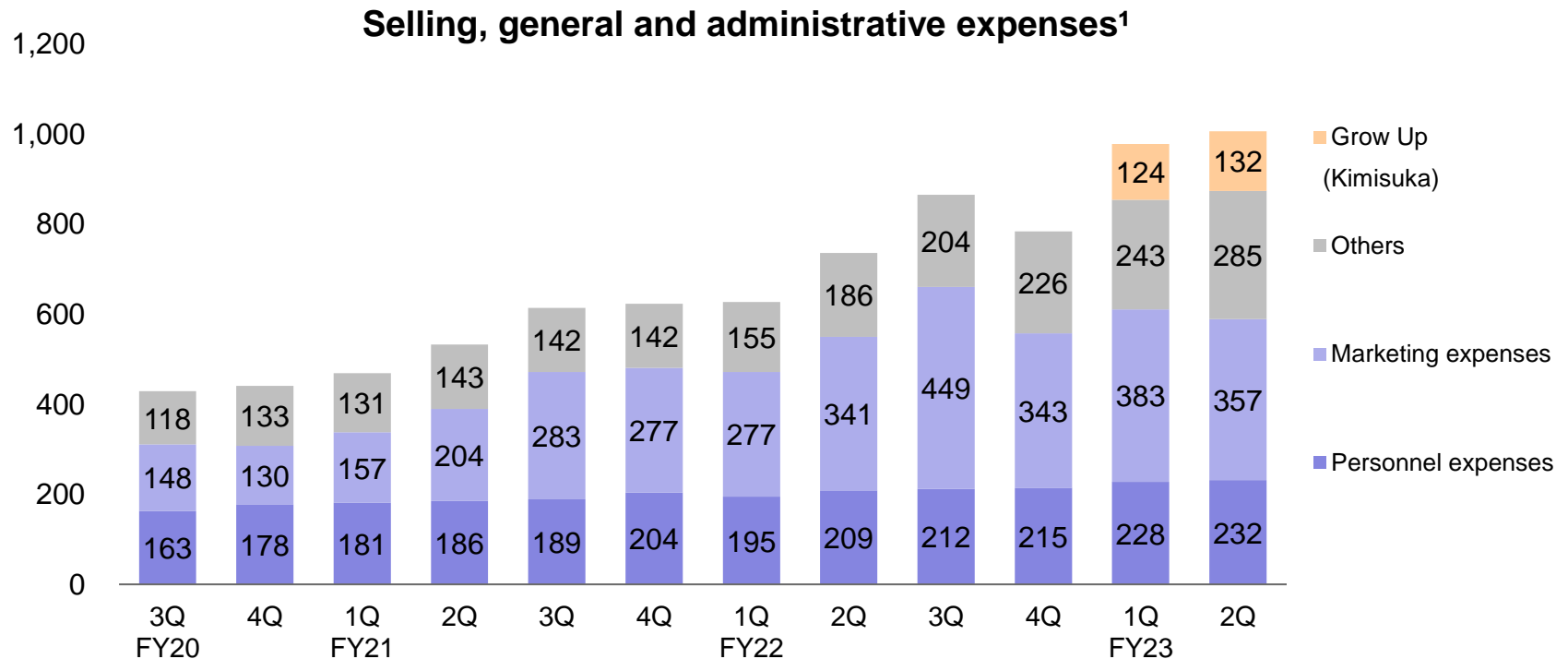
Note 1: Amortization of goodwill, etc. arose from 1Q of FY2023 (67 million yen per quarter), but this has not been included in the above figures.

Trends in the number of employees

- Increased the number of personnel, especially in consultant positions, due to the need to respond to the increasing number of Talent Palette customers
- Strengthened system through by continuously hiring sales personnel to acquire new business and engineers for strengthening functions

Number of employees[1]

(Persons)

Legend:
- Kimisuka
- Companywide (common)
- Talent Palette
- Customer Rings
- Visualization Engine

	3Q FY20	4Q	1Q FY21	2Q	3Q	4Q	1Q FY22	2Q	3Q	4Q	1Q FY23	2Q
Total	174	173	178	179	187	187	192	203	225	223	263	268
Kimisuka											37	39
Companywide (common)	19	20	24	24	26	26	25	24	25	25	25	24
Talent Palette	72	72	77	78	82	84	88	100	113	115	122	124
Customer Rings	47	47	45	46	46	43	44	43	48	45	43	45
Visualization Engine	36	34	32	31	33	34	35	36	39	38	36	36

Note 1: The number of permanent employees as of the end of each quarter

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Status of Balance Sheets

- Part of this is due to the impact of consolidation of GU, but net assets increased by 1,256 million yen from the end of the previous fiscal year due to continually recording profits
- The slim financial structure was maintained, and the equity ratio was maintained at the high level of 77.6%
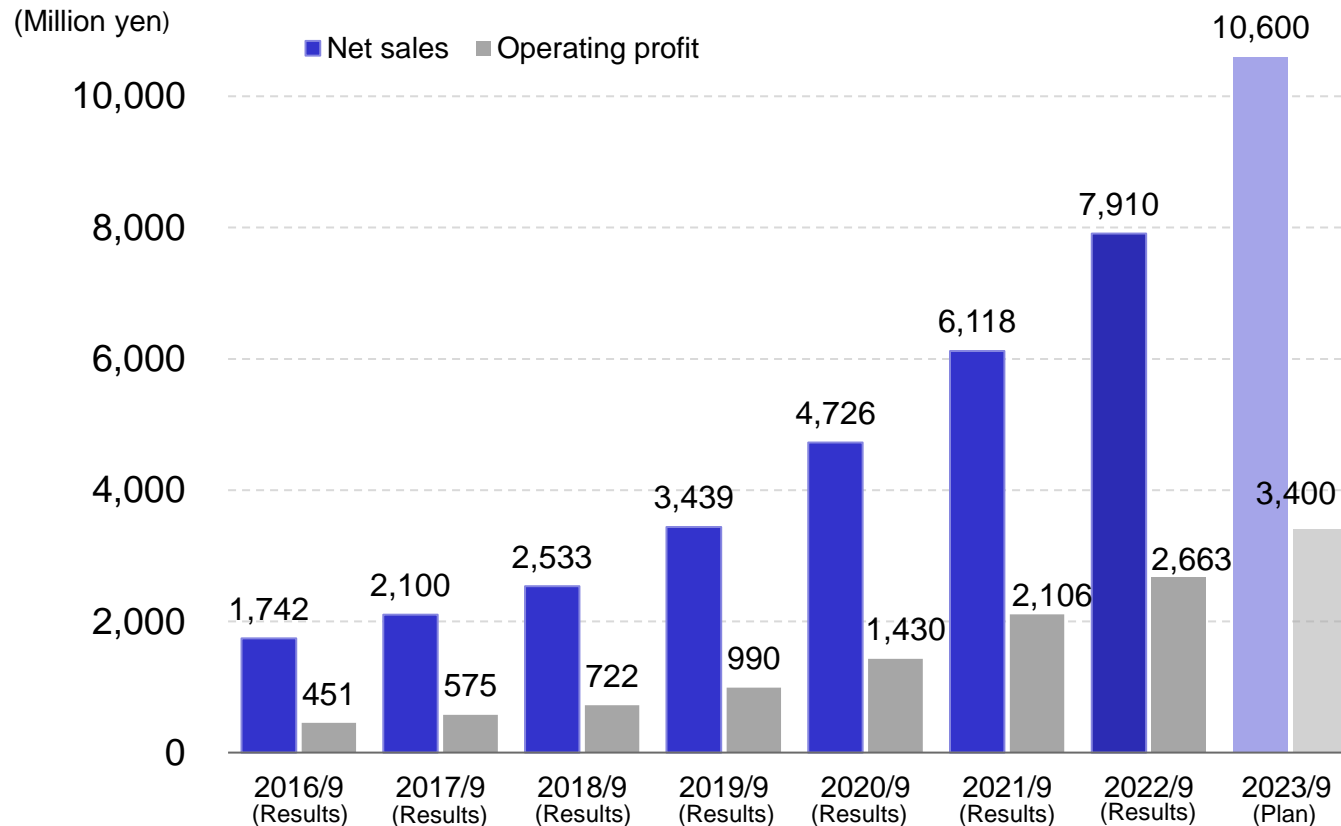
(Million yen)	Sep. 30, 2022	Mar. 31, 2023	Changes from Sep. 30, 2022
Current assets	6,598	**7,469**	up 870
(Cash and deposits)	5,478	**6,124**	up 645
(Accounts receivable-trade	941	**1,061**	up 119
Non-current assets	1,345	**2,478**	up 1,132
Total assets	7,944	**9,947**	up 2,003
Current liabilities	1,480	**2,096**	up 615
Non-current liabilities	0	**130**	up 130
Net assets	6,464	**7,720**	up 1,256
Equity ratio	81.2%	**77.6%**	

06 Earnings forecasts for the fiscal year ending September 30, 2023
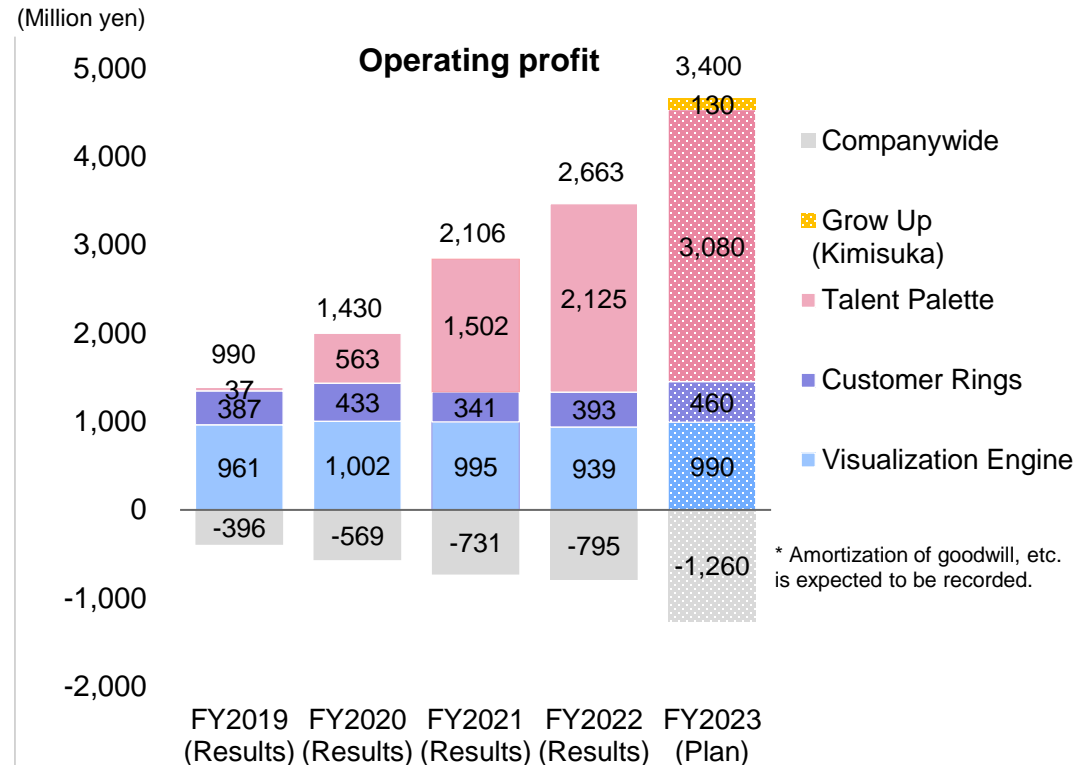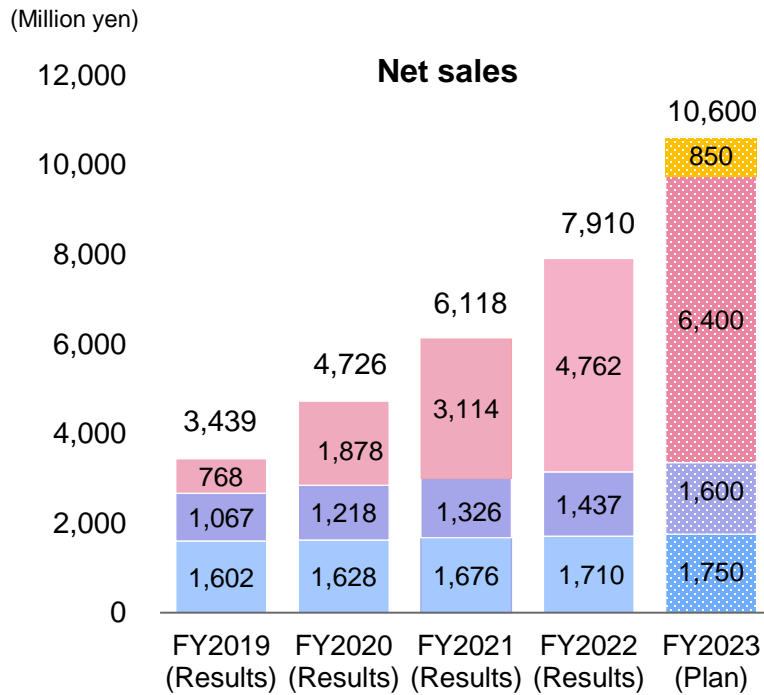
Consolidated basis

- Revenues and profits are expected to increase year on year, with sales growth mainly in the Talent Palette Business
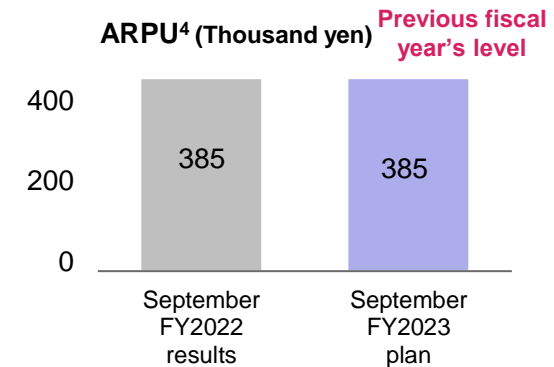- We are aiming for a 34.0% growth in net sales and an operating profit margin of 32.1%

(Million yen)

■ Net sales ■ Operating profit

	2016/9 (Results)	2017/9 (Results)	2018/9 (Results)	2019/9 (Results)	2020/9 (Results)	2021/9 (Results)	2022/9 (Results)	2023/9 (Plan)
Net sales	1,742	2,100	2,533	3,439	4,726	6,118	7,910	10,600
Operating profit	451	575	722	990	1,430	2,106	2,663	3,400

Earnings forecasts for the fiscal year ended September 30, 2023 (By segment)

Consolidated basis

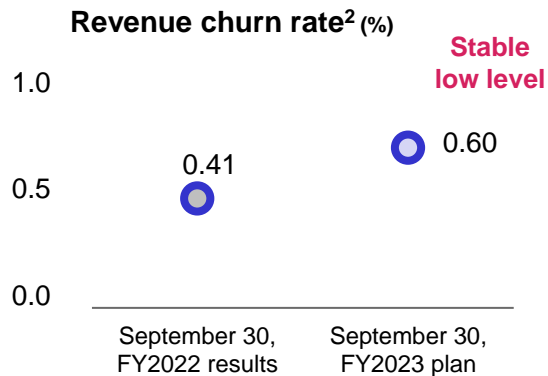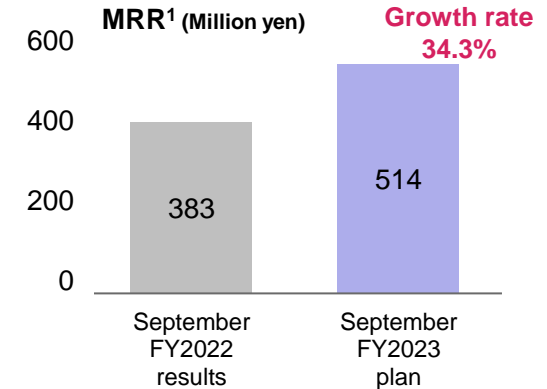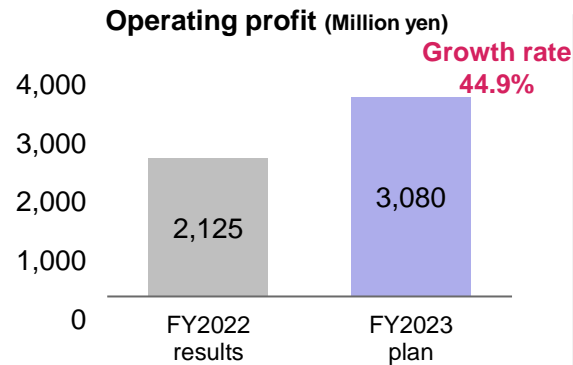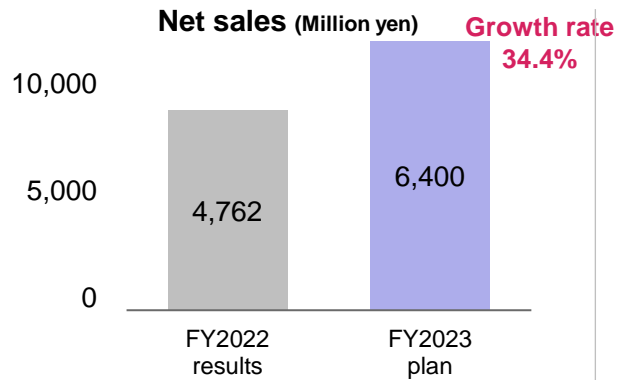- Companywide growth in revenues and profits driven by sales and profit growth in Talent Palette
- In addition to revenue and profits being expected to increase for Visualization Engine and Customer Rings, the consolidation of Grow Up will also contribute to profit. Companywide costs will increase due to the amortization of goodwill.

(Million yen)

Net sales

	FY2019 (Results)	FY2020 (Results)	FY2021 (Results)	FY2022 (Results)	FY2023 (Plan)
Total	3,439	4,726	6,118	7,910	10,600
Grow Up					850
Talent Palette	768	1,878	3,114	4,762	6,400
Customer Rings	1,067	1,218	1,326	1,437	1,600
Visualization Engine	1,602	1,628	1,676	1,710	1,750

(Million yen)

Operating profit

	FY2019 (Results)	FY2020 (Results)	FY2021 (Results)	FY2022 (Results)	FY2023 (Plan)
Total	990	1,430	2,106	2,663	3,400
Companywide	-396	-569	-731	-795	-1,260
Grow Up (Kimisuka)					130
Talent Palette	37	563	1,502	2,125	3,080
Customer Rings	387	433	341	393	460
Visualization Engine	961	1,002	995	939	990

■ Companywide
■ Grow Up (Kimisuka)
■ Talent Palette
■ Customer Rings
■ Visualization Engine

* Amortization of goodwill, etc. is expected to be recorded.

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Earnings forecast assumptions (Talent Palette Business)
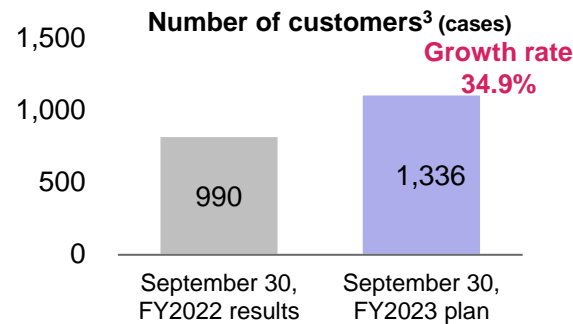
Net sales (Million yen)

Growth rate
34.4%

- 10,000
- 5,000
- 0

FY2022 results	FY2023 plan
4,762	6,400

Operating profit (Million yen)

Growth rate
44.9%

- 4,000
- 3,000
- 2,000
- 1,000
- 0

FY2022 results	FY2023 plan
2,125	3,080

MRR[1] (Million yen)

Growth rate
34.3%

- 600
- 400
- 200
- 0

September FY2022 results	September FY2023 plan
383	514

Revenue churn rate[2] (%)

Stable low level

- 1.0
- 0.5
- 0.0

0.41 (September 30, FY2022 results)
0.60 (September 30, FY2023 plan)

Number of customers[3] (cases)

Growth rate
34.9%

- 1,500
- 1,000
- 500
- 0

September 30, FY2022 results	September 30, FY2023 plan
990	1,336

ARPU[4] (Thousand yen)

Previous fiscal year's level

- 400
- 200
- 0

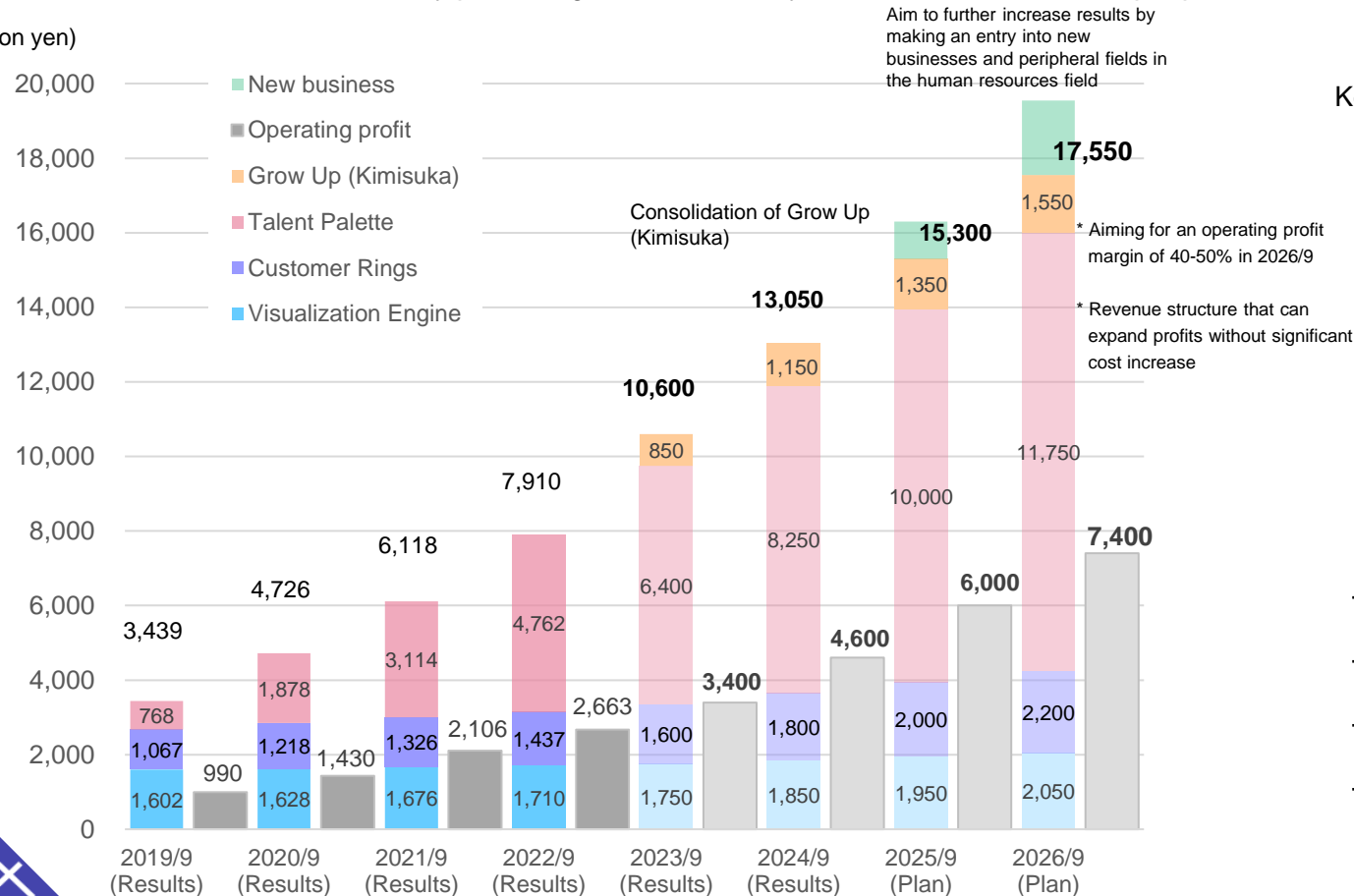| September FY2022 results	September FY2023 plan
385	385

Note 1: Monthly Recurring Revenue. Total of the monthly fees of contracted subscription users.
Note 2: Ratio of reductions as a result of cancellations to total monthly billed amounts (average for the past 12 months)
Note 3: Number of monthly billed contracts
Note 4: Average Revenue Per User. Calculated by dividing MRR by the number of customers at the end of the month.

Medium-term growth image

- Sales of 17.5 billion yen or more, operating profit of 7.4 billion yen or more and operating profit margin of 40% or more expected in existing business in 2026/9
- Aim to further increase sales by promoting a full-scale entry into new businesses and peripheral fields in the human resources field

(Million yen)

Aim to further increase results by making an entry into new businesses and peripheral fields in the human resources field

Legend:
- New business
- Operating profit
- Grow Up (Kimisuka)
- Talent Palette
- Customer Rings
- Visualization Engine

Consolidation of Grow Up (Kimisuka)

* Aiming for an operating profit margin of 40-50% in 2026/9
* Revenue structure that can expand profits without significant cost increase

Year	Total	Visualization Engine	Customer Rings	Talent Palette	Grow Up (Kimisuka)	New business	Operating profit
2019/9 (Results)	3,439	1,602	1,067	768			990
2020/9 (Results)	4,726	1,628	1,218	1,878			1,430
2021/9 (Results)	6,118	1,676	1,326	3,114			2,106
2022/9 (Results)	7,910	1,710	1,437	4,762			2,663
2023/9 (Results)	10,600	1,750	1,600	6,400	850		3,400
2024/9 (Results)	13,050	1,850	1,800	8,250	1,150		4,600
2025/9 (Plan)	15,300	1,950	2,000	10,000	1,350		6,000
2026/9 (Plan)	17,550	2,050	2,200	11,750	1,550		7,400

Key performance indicators

・Number of customers

	2022/9 (Results)	2026/9 (Increase)
Visualization Engine	478	+140
Customer Rings	339	+170
Talent Palette	990	+1,430

・ARPU (thousand yen)

	2022/9 (Results)	2026/9 (Forecast)
Visualization Engine	294	295
Customer Rings	367	370
Talent Palette	385	400

07 Reference materials

Service characteristics

	Visualization platform	Marketing automation tool	HR utilization platform
	見える化エンジン	CustomerRings カスタマーリングス	Talent Palette タレントパレット
Service overview	Text mining analysis of massive amounts of customer feedback from surveys, call logs, voice recognition data, social media, etc.	Support for optimal communication with customers based on analysis results gained from integrated data for customer attributes and action histories	Utilized for talent management by visualizing personnel information such as employee skills, aptitude, evaluations, and survey results and hiring related data
Users and usage	Introduced mainly into companies' contact centers and marketing and digital divisions Used for strengthening CS, improving services and planning and developing new products	Introduced mainly into companies in EC (apparel, health foods, cosmetics, general goods, etc.) and retail industries Used for planning and implementing measures for online marketing	Introduced mainly into personnel divisions Used for personnel planning and strategies to improve employee performance by utilizing human resources
Major characteristics	No. 1 market share in Japan for the 11th consecutive year in the text mining tool area with functions of supporting a wide range of data sources centered on qualitative data, highly accurate natural language processing, an intuitive user interface, etc.	Intuitive interface, various functions to analyze and visualize customer actions, and support for multiple channels such as e-mail, social media and apps	Personnel database on employee information, evaluations, and skills. Support for optimal placement, HR selection, resignation analysis/prediction, and improvement in matching efficiency
Fee system	Monthly fee: Monthly subscription plan according to data amount, etc. Initial cost: For establishing system at service introduction, etc. Fee for on demand services: Paid consulting, etc.	Monthly fee: Monthly subscription plan according to the number of members and distribution, etc. Initial cost: For establishing system at service introduction, etc. Fee for on demand services: Paid consulting, etc.	Monthly fee: Monthly subscription plan according to the number of employees Initial cost: For establishing system at service introduction, etc. Fee for on demand services: Paid consulting, etc.
Number of users[1] Rate of recurring revenue[2]	Number of contracts (505 companies) Rate of recurring revenue (93.1%)	Number of contracts (352 companies) Rate of recurring revenue (97.3%)	Number of contracts (1,200 companies) Rate of recurring revenue (81.9%)

Note 1: Number of contracts as of March 31, 2023
Note 2: Ratio of total monthly billed amounts to net sales (average of the second quarter of the fiscal year ending September 30, 2023)

Characteristics of Visualization Engine

見える化エンジン

プラスアルファ コンサルティング

Service characteristics

- Instantly visualize big data (customer feedback, purchase reasons, etc.) in the digital age
- Tool with No. 1 installation share, used by over 1,600 companies
- Latest UIUX with usability offering intuitive operation
- Proprietary natural language analysis technology supporting prominent comments on social media and posts by Gen Z

ここがポイント！

- Text mining analysis of massive amounts of diverse customer feedback from social media such as Twitter, call logs, voice recognition data and surveys
- Customer insight: Visualization of sentiments such as requests, dissatisfaction, and satisfaction
- One-stop support for organizing improvement activities on a companywide basis with customer feedback as evidence using the dashboard function

A "customer experience feedback platform" to maximize a company's customer experience (CX) by understanding consumer voices

Establishing a "customer experience feedback platform" with the Visualization Engine

Integration and visualization of data

Establish an organized planning improvement cycle

Customers

Changing environment
- Diversifying needs
- Digitalization
- New normal

Provision of customer experience (CX) through products and services

Feedback on CX (customer experience) felt by customers
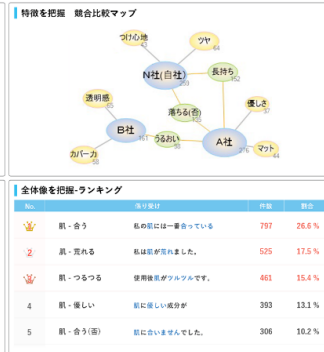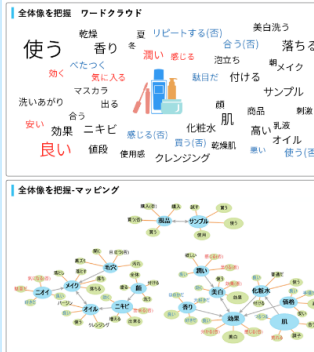
Call logs	SNS
Surveys	Audio recognition
Business daily reports	Review

Creation of portal for customers' voice data

見える化エンジン

Feedback to business units/front line

Ascertain effects of new products, promotions, etc.
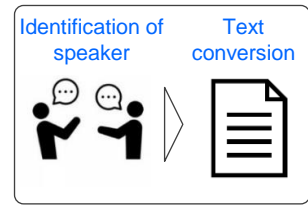
Wants and feelings toward products and services

Immediate detection of potential risks

56

Total support for utilization of voice recognition data that is gaining attention

Conversion of diverse audio into data → **Voice recognition data processing** → **Conversation analysis**

Diverse audio and conversations

- Call centers call recordings
- In-store conversations
- Video calls
- Customer service dialogue
- Interviews MROC*

Conversion into audio file

Identification of speaker → Text conversion

俯瞰分析

Visualization of preceding and following dialogue

発話者 09:38
承知いたしました。同意書にお客様コードは記載されていますか?

はい、書かれています。

ご確認いただきありがとうございます。コードの番号を教えていただけますでしょうか。

AT-241658です。

発話者 09:38
ありがとうございます。確認いたします。

Date received, call time, theme category, etc.

Voice recognition data desired to be reached
- Direct voices from the workplace
- Real conversations between companies and customers
- Unbiased comments between customers

Determination of speaker based on audio data
Only need to prepare an audio file
Automatic identification of speaker based on voice

Complete from loading audio file to creation of project

Visualization of risk words and emotional words (dissatisfaction, praise) within conversations

Being treated this way is very unpleasant. I would like another explanation.

I was happy because a staff member acted pleasantly when I visited the store yesterday. I contacted you because I would like you to share that with them.

I didn't know which one to submit. I would like the guidance to be easier to understand. It bothered me because I was in a rush.

*   MROC:
    Market/Marketing Research Online Community
A group of people/community gathered together online for a fixed period for the purpose of market/marketing research

Companies that have introduced visualization engine 見える化エンジン

Introduced by companies large and small as a tool enabling visualization of voices of customers

No.1 share for 11 consecutive years[1]

*Some of the companies' logos are shown here with permission. (In no particular order)
Note 1: Fuji Chimera Research Institute, Inc. "New Markets in the Software Business"

Manufacturing

SUNTORY	雪印メグミルク	SUBARU	YAMAHA
Nestlé Good Food, Good Life	おいしさと健康 Glico	湖 KOIKEYA	今日を愛する。 LION
Panasonic	KOKUYO	nippn	KAI

Good Product
Received large-scale award for VOC (voices of customers)

Retail distribution business

OIOI	Belle Maison	SHOP CHANNEL	ADASTRIA Play fashion!
ORBIS	CO·OP 日本生活協同組合連合会		

Food/Service

JTB 感動のそばに、いつも。	ハンバーグレストラン びっくりドンキー
C'BON To create and produce the beauty	

Pharmaceutical

NEVER SAY NEVER ロート製薬	P!
Daiichi-Sankyo	SARAYA

Infrastructure/IT

ANA	SKY	AIR DO	NTT東日本	PayPay
NEXCO 中日本	西武鉄道	阪神高速道路株式会社	大東建託パートナーズ	

BtoB/BPO

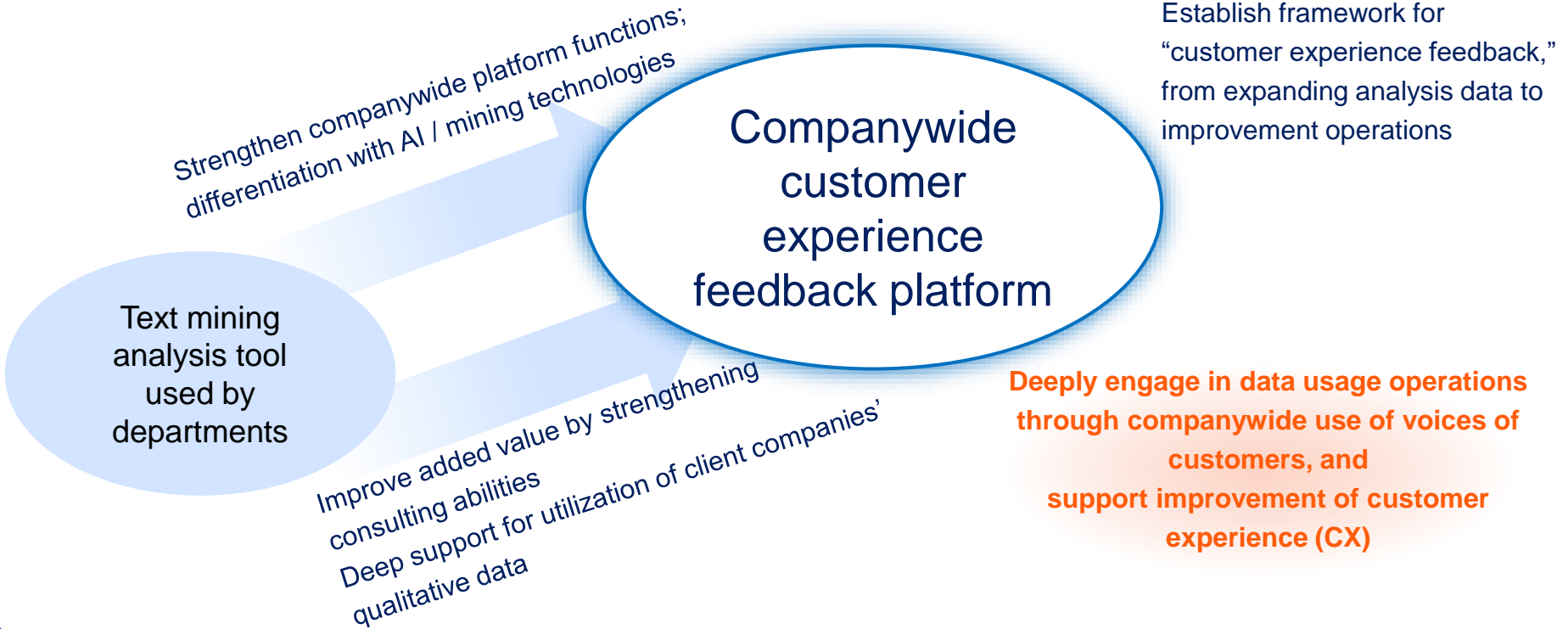|	
WOWOW COMMUNICATIONS	Designing The Future KDDI
SPN Security Protection Network	

Growth strategy for Visualization Engine Business

見える化エンジン

Expand platform functions that facilitate customer experience feedback, expand the scope of applicable data, build intimate relationships with customers through high value-added consulting services, and support the organization of utilization of voices of customers.

Strengthen companywide platform functions; differentiation with AI / mining technologies

Establish framework for "customer experience feedback," from expanding analysis data to improvement operations

Companywide customer experience feedback platform

Text mining analysis tool used by departments

Improve added value by strengthening consulting abilities
Deep support for utilization of client companies' qualitative data

Deeply engage in data usage operations through companywide use of voices of customers, and support improvement of customer experience (CX)

Characteristics of Customer Rings

CustomerRings カスタマーリングス

👉 ここがポイント！

Service characteristics

- A CRM/MA tool that realizes optimal communication with customers by integrating and analyzing massive amounts of customer information and purchase histories
- An intuitive interface that does not hamper users' thinking
- Enables timely approaches to customers through optimal channels, ranging from e-mail, LINE, SMS, web customer support, app notifications, direct mails, etc

- Supports the planning and execution of marketing initiatives via diverse analysis functions and a wealth of visualized output that allow users to gain a firsthand understanding of each customer's behaviors and preferences.
- Supports digital marketing strategies in any industry or business type, including EC, finance, and retail businesses.
- Consultants provide comprehensive support by aiding in strategy and analysis.

Automates the optimal communication with customers by directly understanding customers with big data
An essential marketing automation system for the digital marketing age

Data integration (CDP) → Analysis (BI: understanding customers) → Use (MA)

Automation (allows users to focus on more creative work)

Companies that have introduced Customer Rings

Supporting digital marketing / CRM enhancement of more than 700 growing companies in total

Cosmetics/ haircare

Health foods

Apparel

Travel and tourism

Food

Finance

Media and publishing

BtoB mail order sales

General mail order sales, other mail order sales

HR

Member services

*Some of the companies' logos are shown here with permission. (In no particular order)

Growth strategy for Customer Rings Business

Expand differentiated "customer feeling" functions, create high added value for analysis consulting, and evolve into a marketing platform that can be linked with various marketing actions.

Differentiation via analysis functions from AI / mining technologies and "customer feeling" functions

Expand industries by expanding services through high value-added consulting

Create a platform that also enables various marketing actions

A digital marketing platform highly sensitive to customer needs

LINE linkage
App linkage

EC website linkage
Web customer

Sending e-mail
Sending SMS

Inventory management
Various core systems
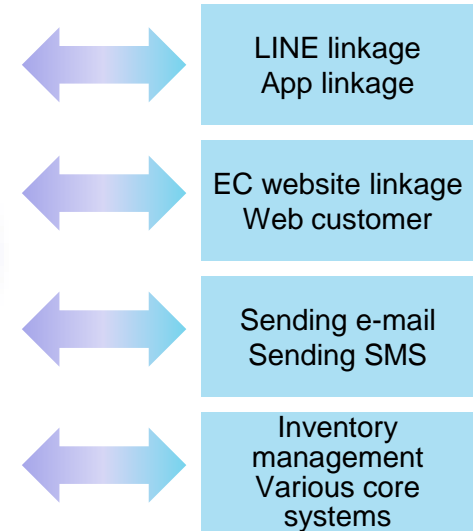
Shift from EC centric to expand the scope of industries and realize higher MRR and ARPU

Characteristics of Talent Palette

Talent Palette
タレントパレット

プラスアルファ コンサルティング

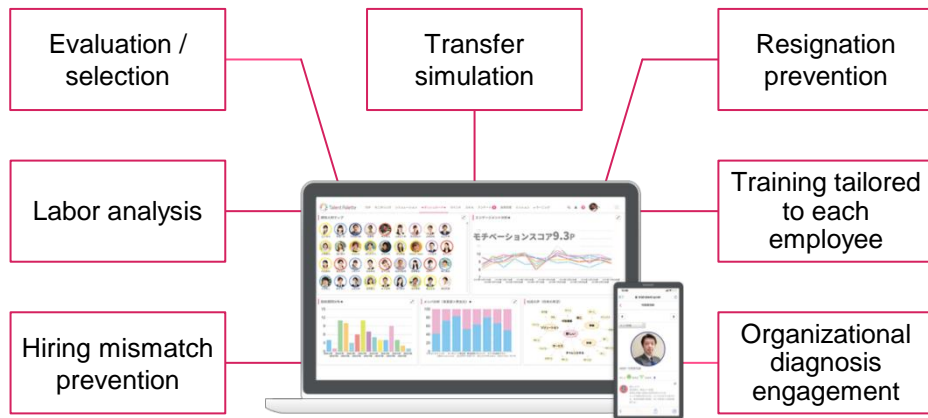## Service characteristics

- Realizes data-based scientific personnel management strategy to enable users to succeed in an age of labor shortage
- Employee visualization functions that can be used for optimal employee placement or human resource selection
- Hiring functions including increasing efficiency of hiring operations, mismatch prevention, and performance forecasting
- Employee performance analysis and learning facilitation functions such as e-learning
- Resignation prevention functions such as resignation analysis and prediction and motivation measurement

ここがポイント！

- A first in the industry, we took our approach to analyzing massive amounts of data in marketing, an area in which we excel, and applied it to the HR field.
- A human resource platform that realizes "scientific personnel management," including data-driven optimal placement, appropriate evaluations, discovering and hiring more talents, and resignation prevention.
- Analyzes employees' aspirations and requests to the company using text mining technology. Enables management to reflect previously untapped "employee voices."

Realizes proprietary scientific personnel management that incorporates marketing thinking

Intuitive visualization of human resources and organization status

- Evaluation / selection
- Transfer simulation
- Resignation prevention
- Labor analysis
- Training tailored to each employee
- Hiring mismatch prevention
- Organizational diagnosis engagement
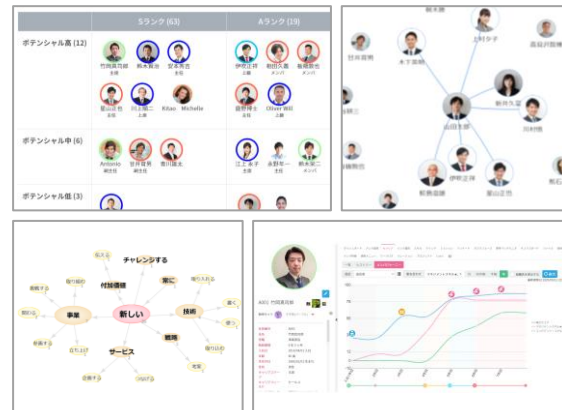
Experience and intuition × **Visualization of employee information** = **Realize scientific personnel management strategy (Data-driven creative personnel strategy)**

Talent Palette's target market

The talent management service is targeted for companies with 100 or more employees.
Since market characteristics differ depending on the number of employees, we adopt a method of approach focusing on selling points suitable for each market.

Target markets and selling points of the talent management service

[Key selling points]

Talent management service markets

Major companies (Over 3,000 employees)
- Realize utilization and development of human resources across group companies through a portal for group strategies
- Support for companywide development and penetration of the service by our consultants

Medium-scale and large companies (Over 1,000 employees)
- Realize HR initiatives through various analysis functions such as transfer simulations, organization diagnosis, career development, motivation management, etc.
- Visualize employees through the management dashboard function

SMEs and medium scale-companies (100-1,000 employees)
- Establish a HR database
- Respond to various operations such as hiring, evaluations, training, employee analysis, etc., through one platform

Individual business owners and SMEs (less than 100 employees)

Markets that value high-quality analysis functions

Markets that value a wide range of operations

Unique position as an integrated human resource platform

Differentiate Talent Palette from competing services by supporting a wide range of operations
with integrated and accumulated personnel data, and enriching analysis functions

Field of expertise

■ Status of competition seen from our services[1] Analysis

Our position
- Providing a service to analyze wide -
ranging data from different perspectives

Analysis-oriented tools for HR information management

- Primarily for personnel information management
- Has standard analysis functions
- Mainly targets personnel divisions

[Status of competition]
✓Limited competitors due to fewer newcomers that target small markets.
✓Possible to compete with rivals by highlighting diverse functions.

Integrated HR utilization platform

Talent Palette
タレントパレット

- Comprehensively analyzes and utilizes work hour data, aptitude tests, employee feedback, motivation (dynamic data), hiring data, etc in addition to personnel information
- Superior UI, usable by management and department managers

Narrow ← → **Wide**

Tools specialized in optimization of certain operations

- Specialized in increasing efficiency in certain operations, such as making evaluations available on the web and placing personnel information into databases
- These tools are cheap and simple to install as they offer a single function

[Status of competition]
✓Fierce price competition between many newcomers with low prices.
✓Offer basic functions such as centralization of HR data and making evaluations available on the web.
✓Some superficially overlapping concepts between Talent Palette and competitors due to additional functions such as simple analysis.

Core integrated personnel systems

- Handle many types of information, such as personnel information, work hours, salary, and evaluations
- Dedicated to administrative functions, used as core personnel systems at large companies

[Status of competition]
✓Since many have already been introduced as core systems company or group-wide, replacement is difficult.
✓However, there are many cases of coexistence through data linkage, etc., because of advantages in price and functionality.

Available areas

Management

Note 1: According to our company's study, as of June 30, 2021

Growth strategy for Talent Palette Business

Expand the methodology and functions of "scientific personnel management," advance expansion in services for sectors surrounding HR, and realize an HR information platform that promotes use of new human resources and workstyle reforms.

(1) Expand scientific personnel management analysis methods and functions from a marketing viewpoint

(2) Promote human resource utilization and workstyle reforms through the entrenchment and penetration of scientific personnel management

(3) Establish an HR information platform and full-scale expansion into sectors surrounding HR

Scientific personnel management HR information platform

Staffing / hiring

Training / development

Benefit programs / events

Health care
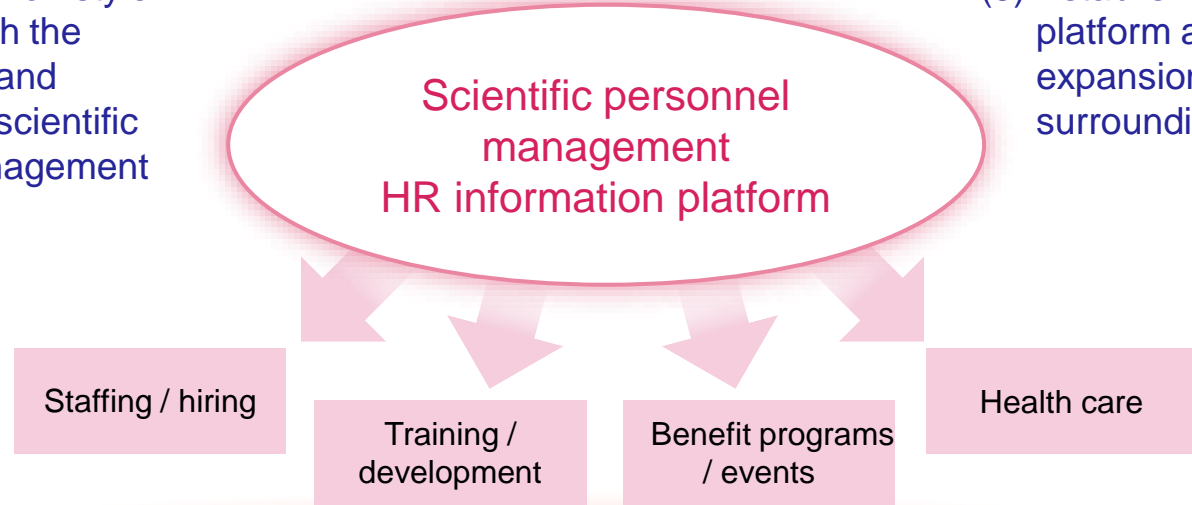
Acquire a dominant market share in the HR space by acquiring core personnel data

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