



FY2024

Business Plan and Presentation on Growth Potential

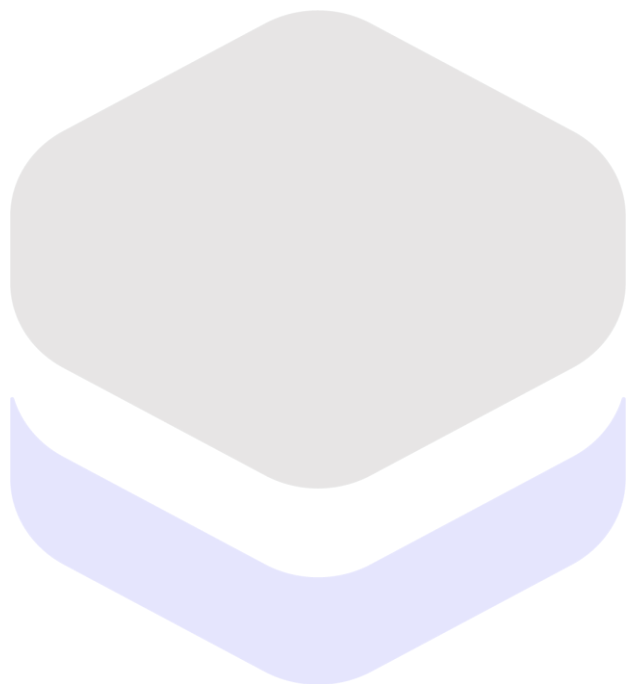
GLAD CUBE Inc.

Security code : 9561

Feb 14, 2024

Table of Contents

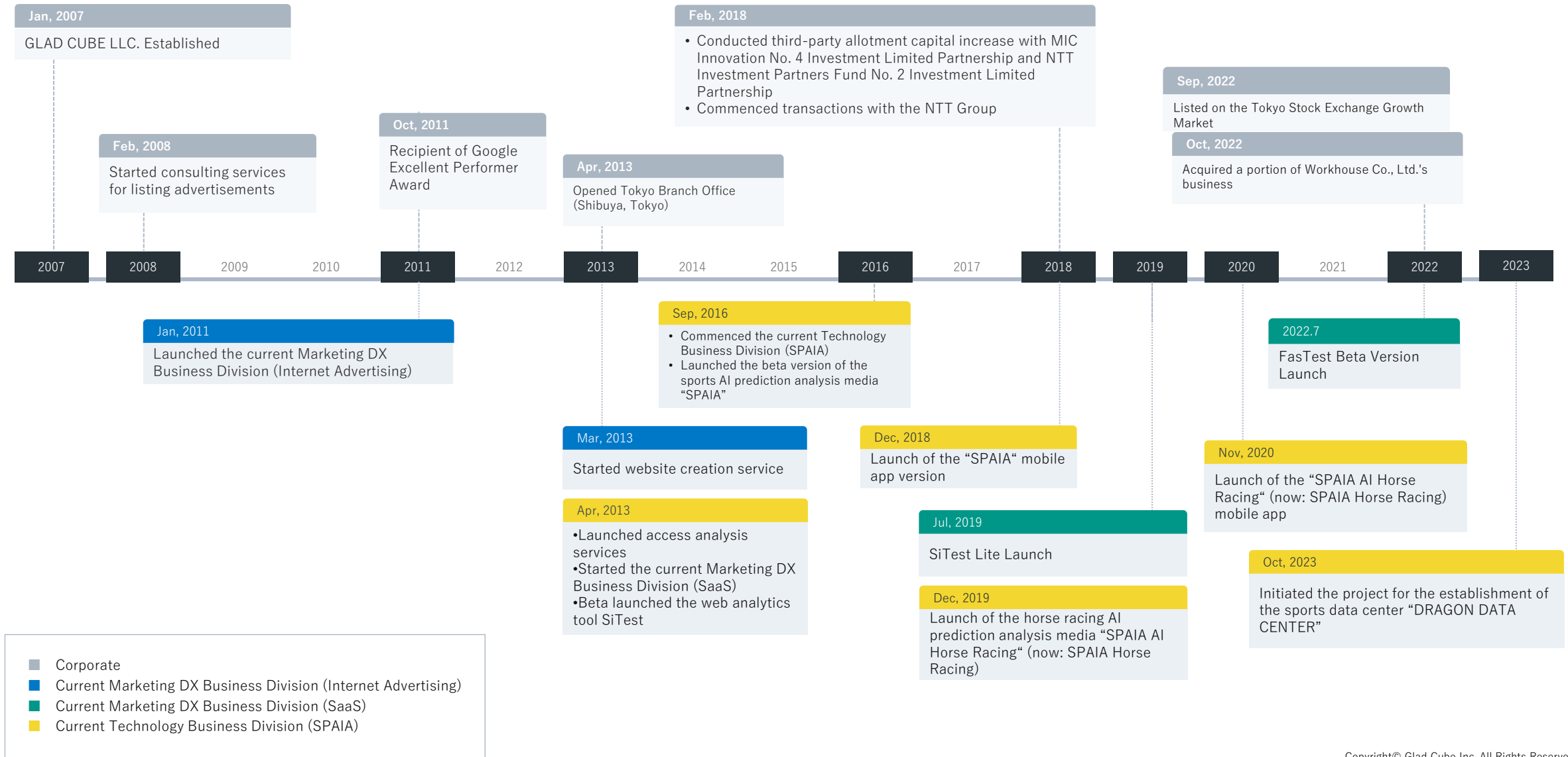
1. Company Overview	P.3
2. Business Overview and Business Model	P.7
3. Business Plan and Growth Potential	P.16
3-1. Review of the Fiscal Year Ending December 2023	P.17
3-2. Financial Indicators	P.18
3-3. Business Plan and Profit Projection	P.19
3-4. Market Environment	P.20
3-5. Initiatives for Each Business Segment	P.24
3-6. Efforts for Business Capital Alliances and M&A	P.27
3-7. Growth Vision to Achieve Annual Sales of Over 10 Billion Yen	P.28
3-8. Progress Report	P.29
4. Human resources	P.34
5. Appendix	P.39



1 | **Company Overview**



1-1. Company Overview – Company History



1-2. Company Overview – Mission, Vision, Values

In conjunction with the business segment changes for the fiscal year 2024, we have refreshed our Mission, Vision, Values, and company logo

Mission

Changing the world with compassionate technology

Vision

The world's kindest, strongest, and most fun tech company

Value

Humanitech [Humanity × Technology]



New Logo

The Vision Behind the New Logo

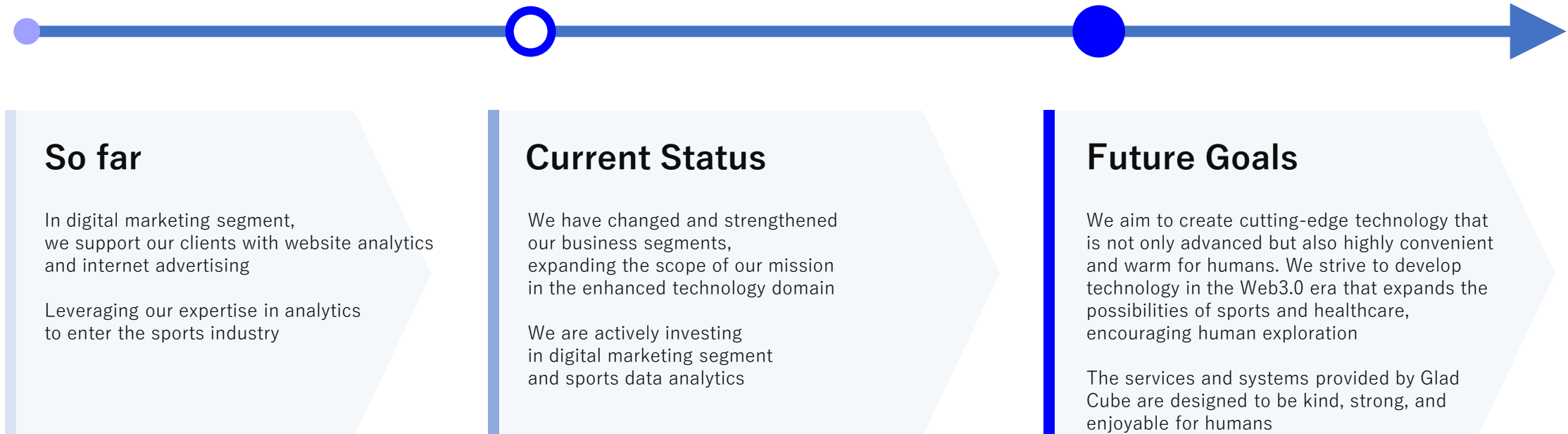
We incorporated the “G” from Glad and the name “Cube” to create a motif of a “box.” The box symbolizes a place to “store, present, provide, deliver” and carries the image of a precious container for valuable items such as jewels or gifts. It also conveys the idea of “solidify, unit, stack.” As a company, our wish is to be a cherished “box” with a significant and beloved presence, reflecting the sentiment of holding and treasuring important things

1-3. What We Aspire to Achieve in Society

Our mission is **to change the world with compassionate technology**

Leveraging our expertise in the digital marketing and technology,

we strive to bring about innovation and remain a tech company **that is kind, strong, and fun for humanity**

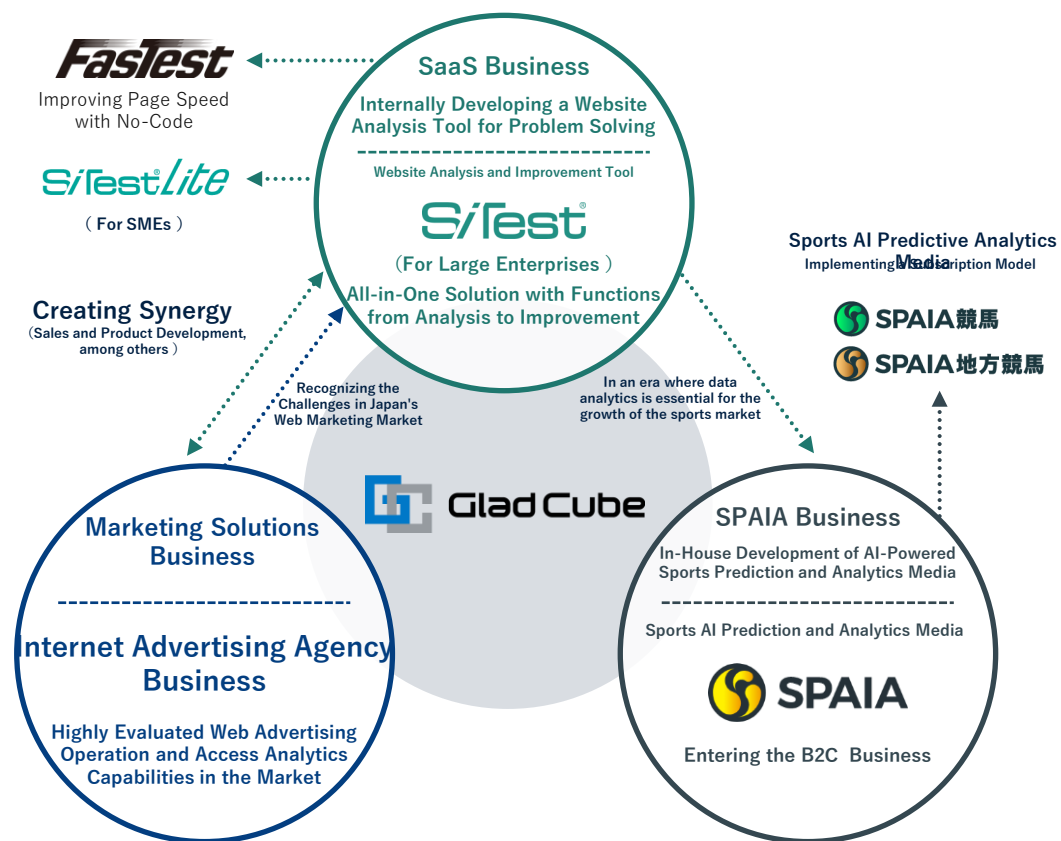


2 | **Business Overview and Business Model**

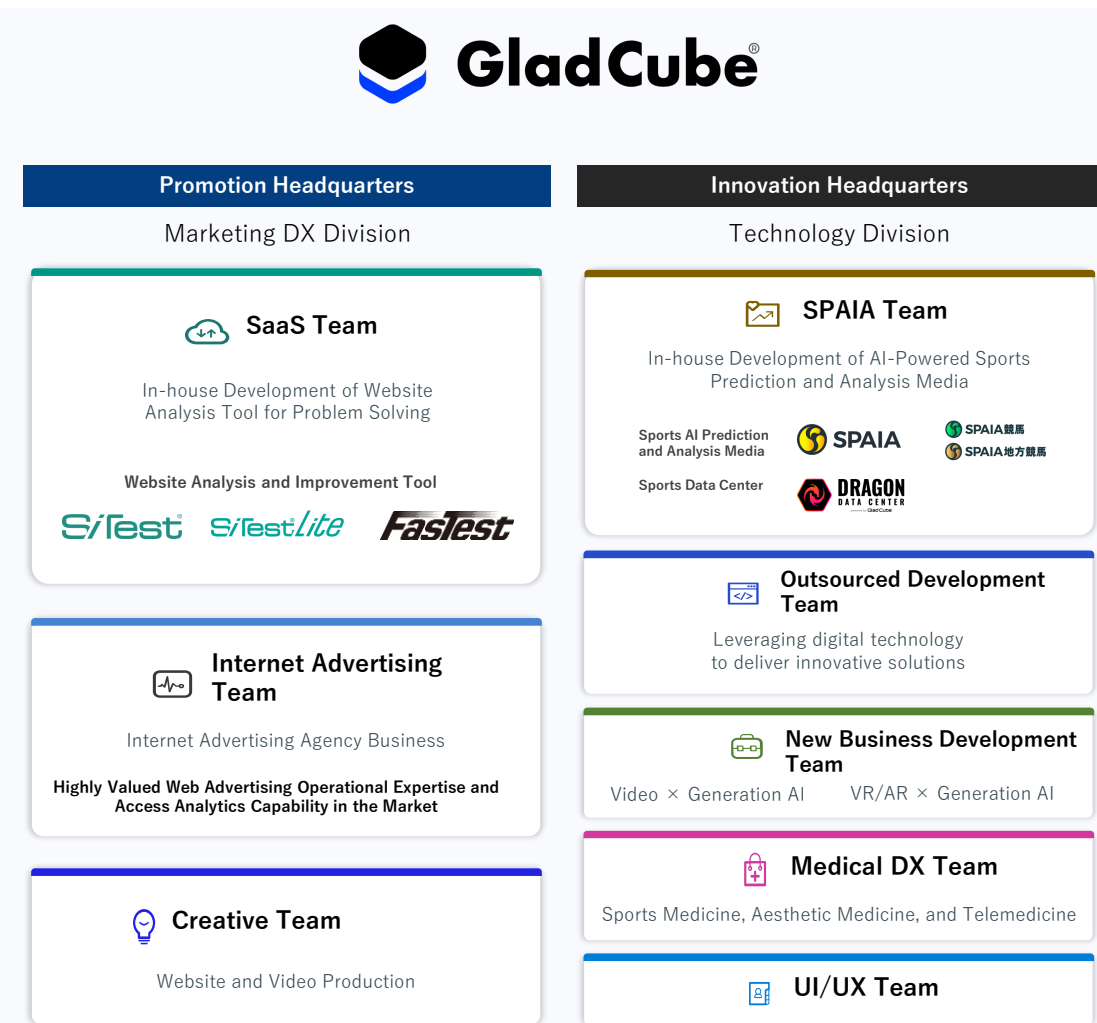
2-1. Business Overview and Business Model – Business Segments

We have changed our business segments from the current fiscal year 2024 due to the partial acquisition of Workhouse Company's business in October 2023

(Note) This financial statement announcement is for the fiscal year 2023, and we will report in the same segments as before (SaaS Business, Marketing Solutions Business, SPAIA Business)



Accelerating Growth Through a New Organizational Structure



*The Internet Advertising Team and the Creative Team were formerly part of the Marketing Solutions Business Unit. Considering future growth prospects, they have been separated into distinct teams

2-2. Business Overview and Business Model – Business Domain

- Securing core talents in the AI field and acquiring new technological capabilities have enabled us to undertake innovative product development and research in the AI domain. This has made it possible to enter new market segments
- In the future, we will leverage our strength in AI-based data analytics to provide customers with optimal problem-solving solutions as demanded

		B2B	B2C
Promotion Headquarters	SaaS	✓	
	Internet Advertising	✓	
	Creative	✓	
Innovation Headquarters	SPAIA	✓	✓
	Outsourced Development	✓	
	New Business Development	✓	✓
	Medical DX	✓	✓
	UI/UX	✓	

2-3. Business Overview and Business Model – Overview of Services (Promotion Headquarters)



SaaS Team

In-house Development of a Website Analysis Tool for Problem Solving

Website Analysis and Improvement Tool

Sifest[®]

Sifest[®]*Lite*

Fastest

Revenue Model

- Direct and agency-based tool sales
- Provision of website analysis consulting
- Creative expenses for website creation, etc.



Internet Advertisement Team

We handle a wide range of internet advertising, including listing ads, SNS ads, and DSP operation outsourcing

Internet Advertising Agency Business

Highly valued web advertising operational expertise and access analytics capabilities in the market

Revenue Model

- Advertising operation agency fees
- Tool sales in collaboration with the SaaS team (cross-selling revenue)



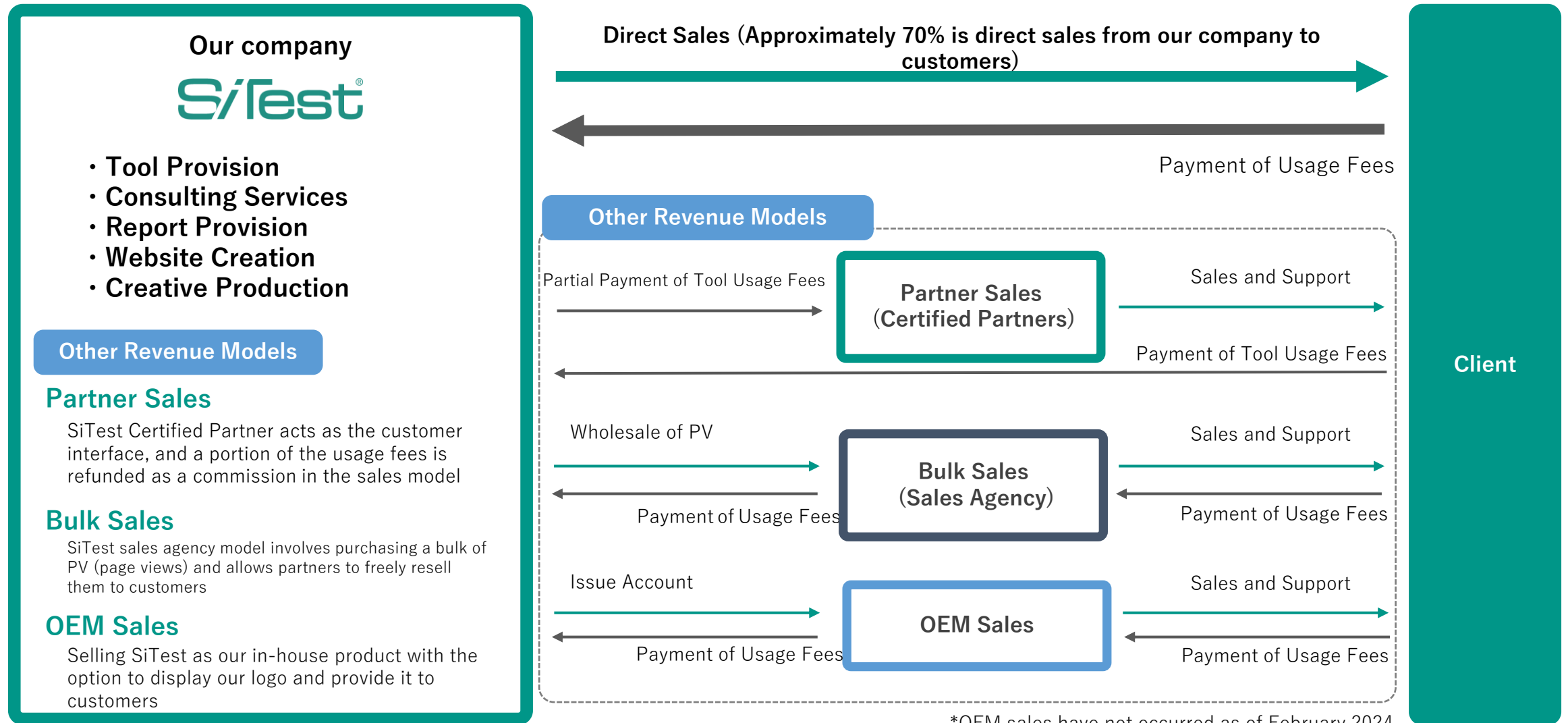
Creative Team

We create websites and landing pages that are integrated with advertising, tailored to meet the specific requirements of our clients

Revenue Model

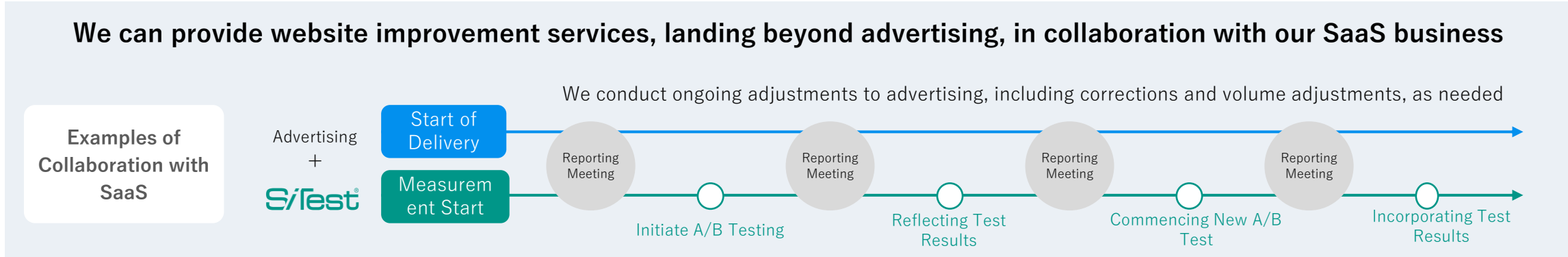
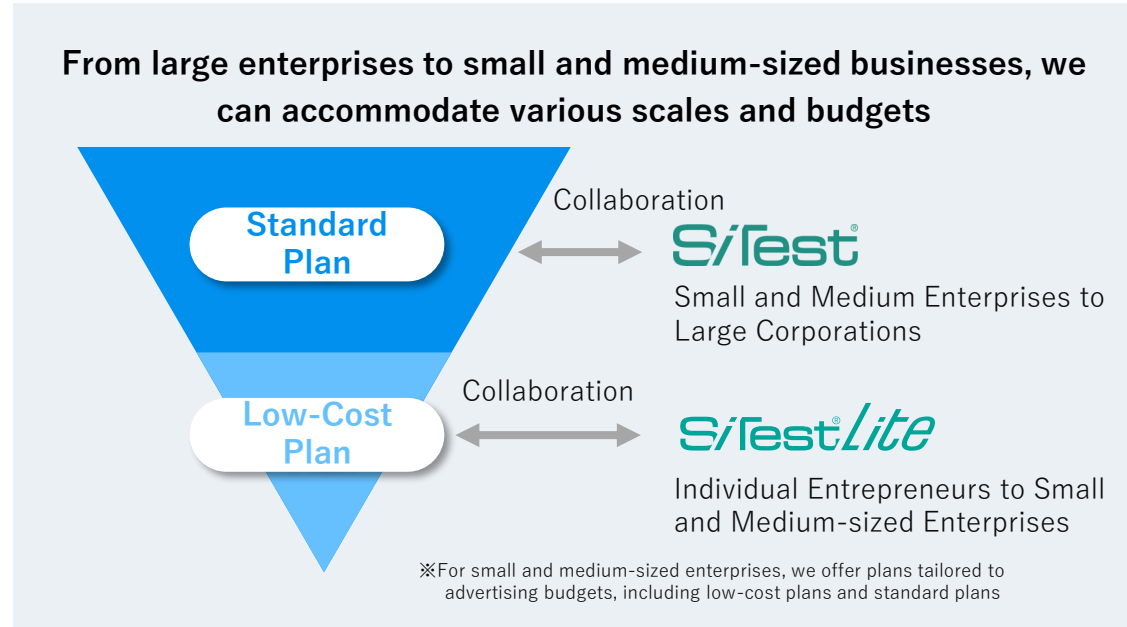
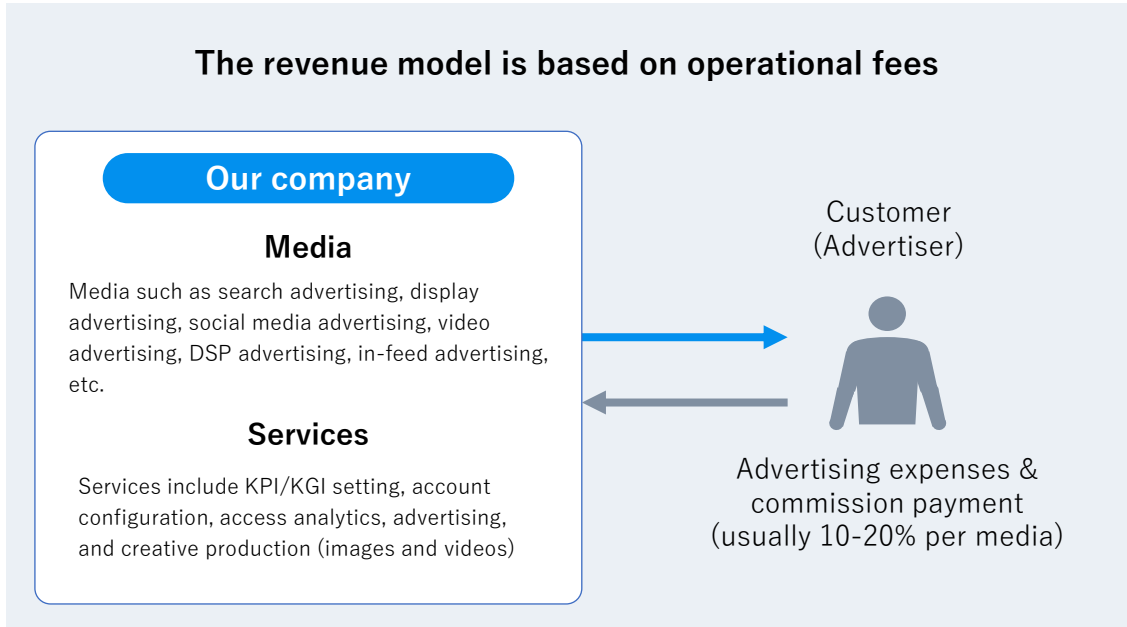
- Landing page, video production, and shooting expenses
- Production, support, and operation of landing pages, banners, and videos linked with advertising

2-4. Business Overview and Business Model – SaaS Revenue Structure



2-5. Business Overview and Business Model – Internet Advertisement Revenue Structure

The provision of performance-based advertising services, with a focus on search advertising, display advertising, and social media advertising



2-6. Business Overview and Business Model – Service Overview (Innovation Headquarters)



SPAIA Team

In-house Development of AI-Powered Sports Prediction and Analysis Media

Sports AI Prediction and Analytics Media



Sports Data Center



Revenue Model

- Subscription by Paid Members
- Article Advertisements and Contributions
- Sale of Widgets for Live Ball Reports and Outcome Predictions
- Fees for Providing Analytical Data



Outsourced Development Team

Leveraging digital technologies such as AI to provide innovative solutions

Revenue Model

- Development of Web3.0, gami-fi, etc.
- Development of AI-powered video analysis systems
- Development of online medical consultation systems
- Development consulting



New Business Development Team

Providing comprehensive support from development design to customer sales strategies, inclusive of comprehensive marketing support

Revenue Model

- System development costs, business strategy design
- Planning-oriented marketing support



Medical DX Team

SPAIA/DRAGON, a team structure that collaborates with contract development and new business development

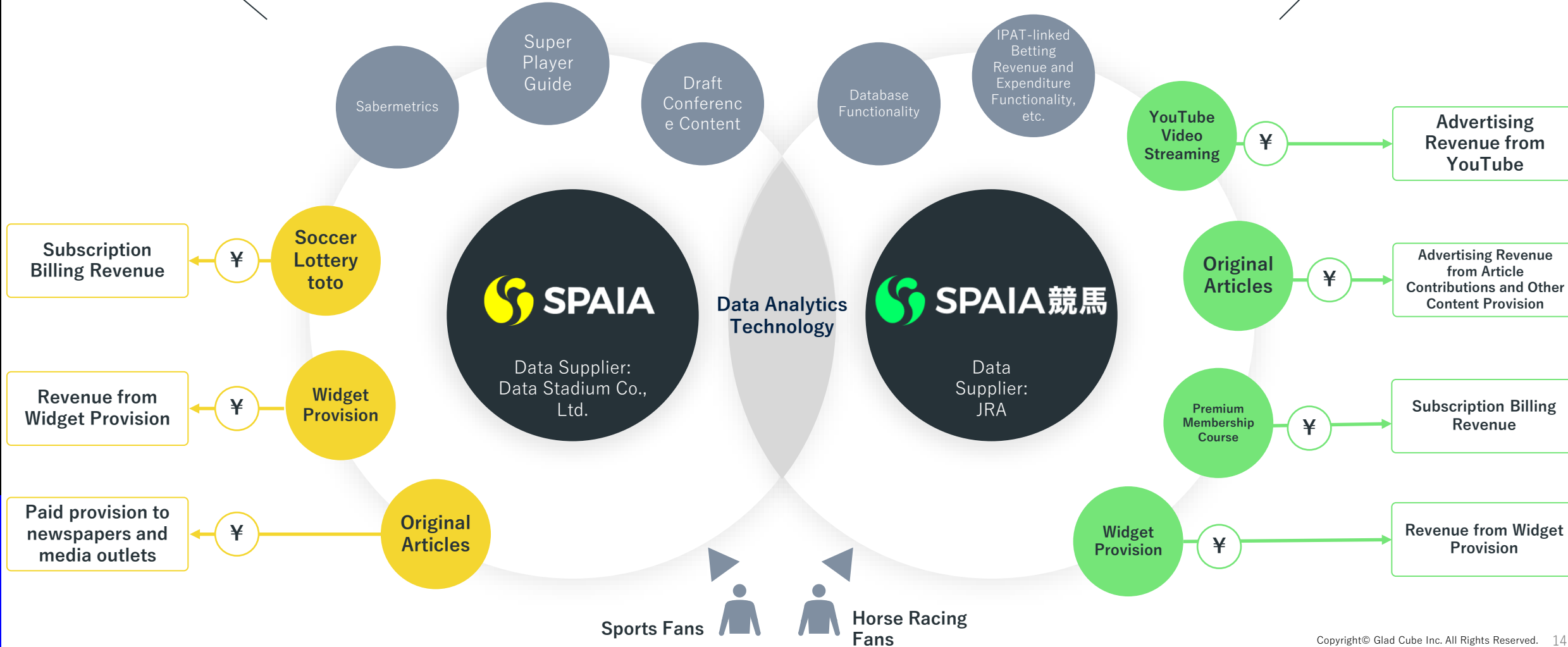


UI/UX Team

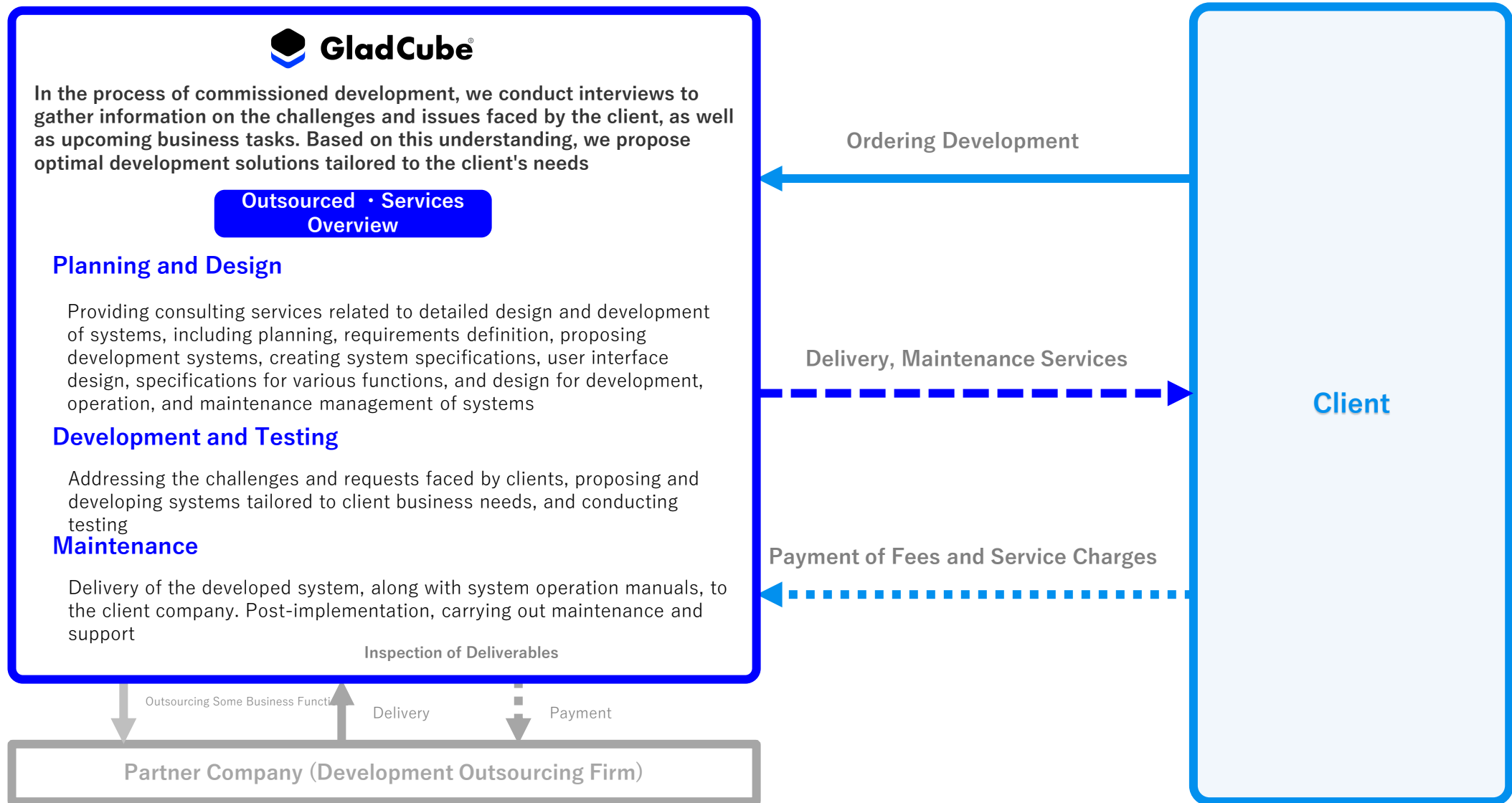
2-7. Business Overview and Business Model – SPAIA Business Revenue Structure

Attracting users with compelling free content for sports fans and providing paid content to newspapers and media outlets

In 2019 - spin off of spaia horse racing into separate website



2-8. Innovation Headquarters – Outsourced Development Revenue Structure

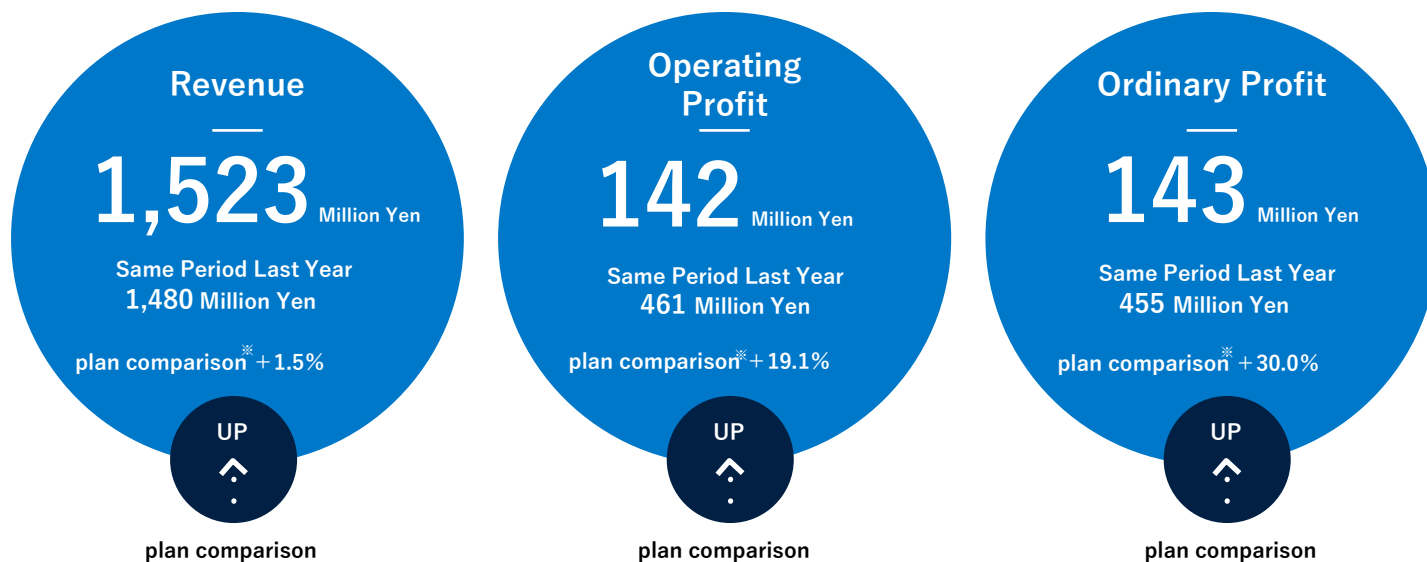


3 | **business plan and growth potential**

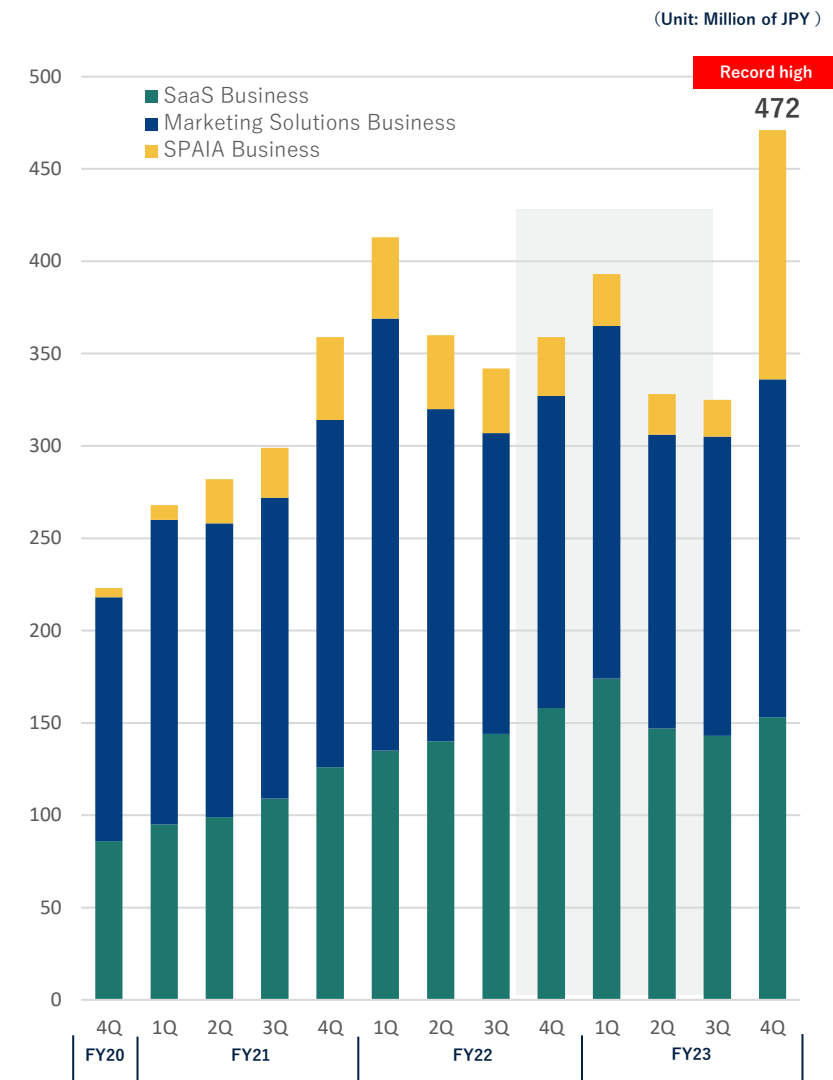
3-1. Review of the FY Ending Dec 2023

FY23 Full-year Performance

- For FY ending Dec 2023, we **achieved the highest annual revenue on record**. Furthermore, we **surpassed the upwardly revised sales forecast announced** on Nov 14, 2023.
- The full-year revenue of the SPAIA business **demonstrated significant growth with YoY increase of 35.5%**. The progress of PMI is on track, and we anticipate substantial business growth in FY ending Dec 2024.
- The full-year revenue for the SaaS business, a key growth driver, **showed steady growth with YoY increase of 6.8%**, maintaining sustainable growth.
- Anticipating the future, due to reasons such as proactive investments, we anticipate YoY decline in operating profit, ordinary profit, and net profit for the current FY.



FY2023 Revenue



※The planned ratio compares with the revised full-year forecast announced on Nov 14, 2023, in the "Notice Regarding Revision of FY Ending Dec 2023 Performance Forecast"

3-2. Financial Indicators

FY Ending Dec 2023 Full-year Financial Results (P/L)

	2022.12 Accumulated	2023.12 Accumulated	YoY	
			Increase/ Decrease Amount	Increase/ Decrease Rate
Revenue	1,480	1,523	42	2.9%
Gross Profit	1,391	1,307	-84	-6.0%
(Profit Margin)	94.0%	85.9%	-8.1%	
SG&A	930	1,164	233	25.1%
Operating Profit	461	142	-318	-69.0%
(Profit Margin)	31.1%	9.4%	-21.8%	
Ordinary Profit	455	143	-312	-68.6%
(Profit Margin)	30.8%	9.4%	-21.4%	
Net Profit for the Period	297	59	-237	-80.0%

FY Ending Dec 2023 Full-year Financial Results (B/S)

	End of FY 2022	End of FY 2023	End of FY 2022	End of FY 2023
Current Assets	2,764	2,572	Current Liabilities	1,158
Cash and Deposits	2,158	1,738	Accounts Payable	394
Accounts Receivable	414	602	Current Portion of Long-term Debt and Other	179
Advance Payments	160	159	Accrued Liabilities	171
Others	31	72	Others	412
Fixed Assets	134	646	Long-term Liabilities	432
Tangible Fixed Assets	15	18	Total Liabilities	1,591
Intangible Fixed Assets	71	312	Total Equity	1,316
Investments and Other Assets	48	315	Total Liabilities and Equity	2,908
Deferred Assets	8	5		
Total Assets	2,908	3,224		

3-3. Business Plan and Profit Projection

■ Promotion Headquarters, Marketing DX Business

- In the realm of SaaS, efforts will be intensified to strengthen the acquisition of new customers
- Leveraging generated AI, there will be further development of products to enhance the continuous growth foundation
- In the domain of Internet advertising, there will be a focus on advancing personnel development and further strengthening efforts in new business development

■ Innovation Headquarters, Technology Business Division

- In the context of SPAIA-related initiatives, the overall membership has reached 120,000 and continues to grow annually. While maintaining this positive trend, strategies will be implemented to improve the conversion rate of paid memberships after the completion of system development and UI/UX enhancements
- Considering entry into the sports betting market, there are plans to handle various sports data and develop systems for analysis and forecasting. Efforts will be made to create revenue models at the DRAGON Data Center
- Exploring new endeavors, such as commissioned development, medical DX, and the development of new business ventures, signifies an expansion into innovative business domains

■ The concept of proactive investment

- The plan for the fiscal year ending December 2023 involves proactive investments to strengthen the revenue base. Similar to the approach taken in the previous year, there will be investments in system development for the expansion of new and existing services, internal process efficiency, advertising and promotion for increased visibility, investment in talents crucial for future growth, and potential M&A activities aimed at expanding the customer base. It is anticipated that these proactive investments will contribute to the enhancement of the revenue foundation, albeit with an expected increase in associated costs

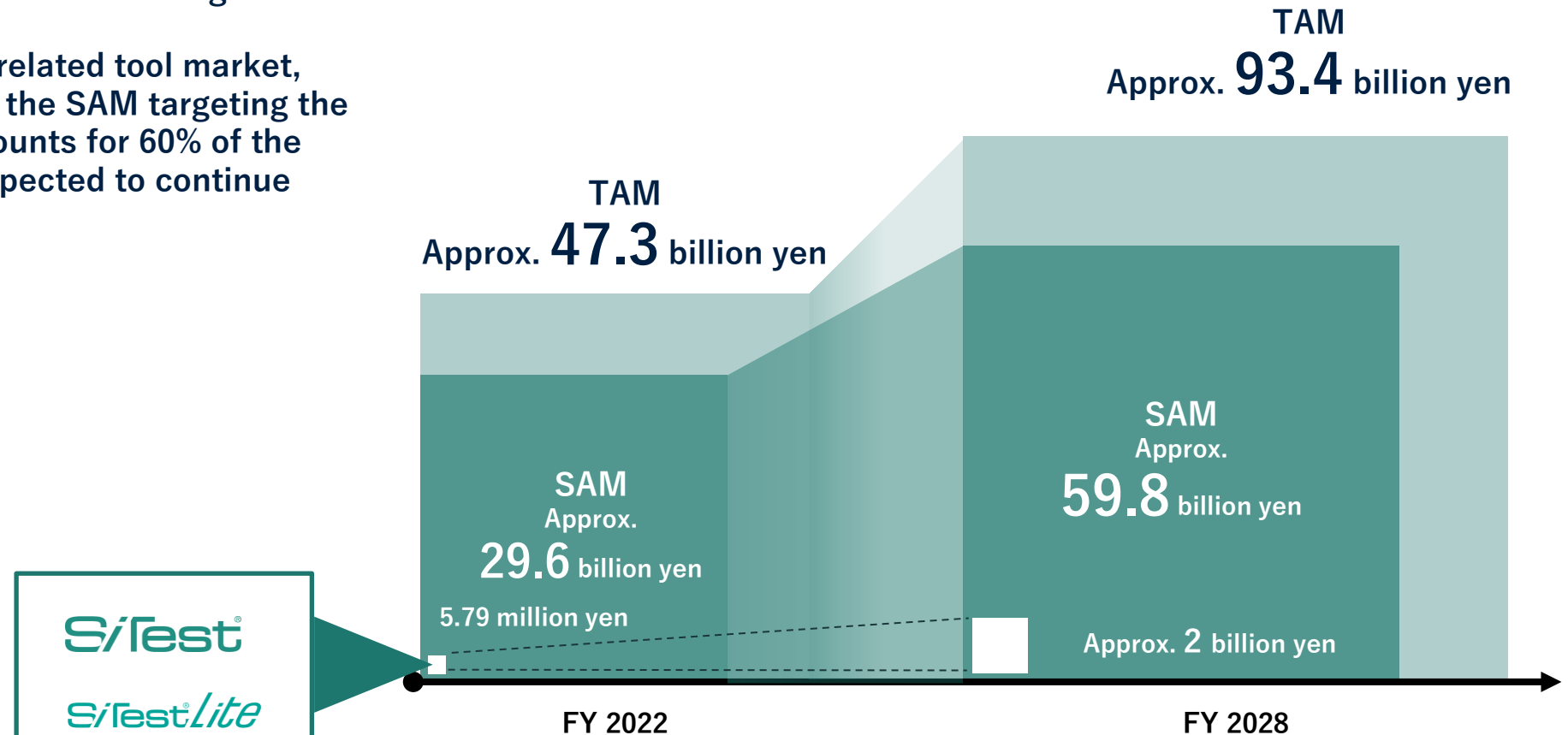
(Unit: Million of JPY)

	Performance for Dec 2023	Plan for Dec 2024	YoY
Revenue	1,523	1,847	+21.3%
Gross Profit	1,307	1,322	+1.1%
Operating Profit	142	▲203	-
Operating Profit Margin	9.4%	-	-
Ordinary Profit	143	▲214	-
Net Profit for the Period	59	▲235	-

3-4-1. Market Environment – TAM and SAM in the SaaS sector

- The Business Analytics market, with TAM representing the total demand for products and services, is a high-growth market experiencing a sustained double-digit annual growth rate
- Our company's SaaS-related tool market, which corresponds to the SAM targeting the specific demand, accounts for 60% of the total market and is expected to continue expanding

The trend in the Business Analytics market size



SiTest has been implemented on over 700,000 sites in Asia
 *As of the end of FY 2023

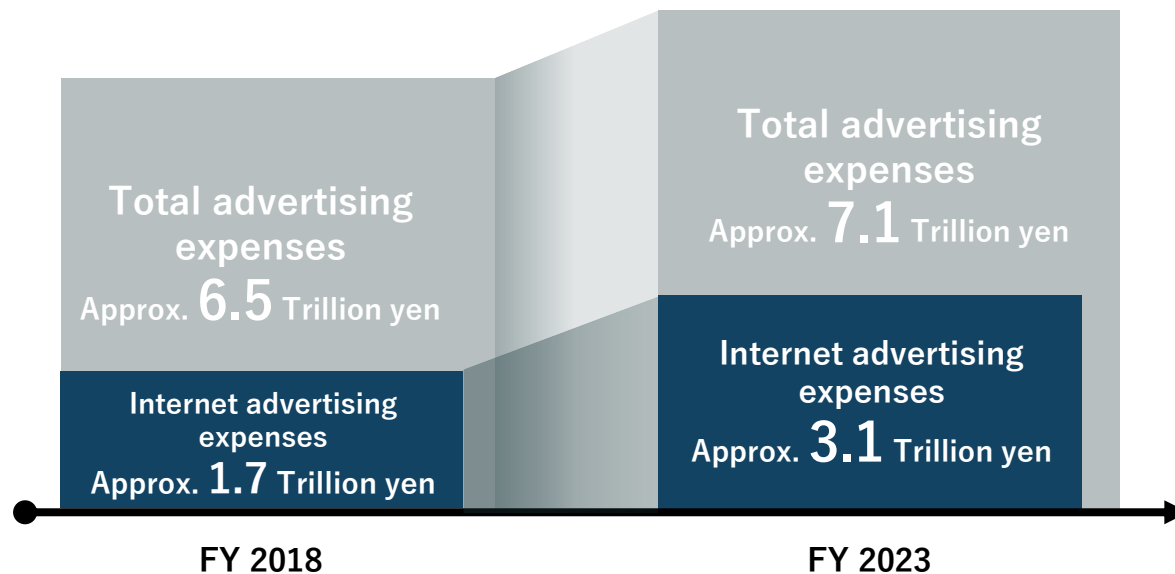


* Figures for fiscal year 2022 and beyond are forecasted values estimated based on sales from fiscal year 2019 to 2022
 Source: Business Analytics Market Outlook, FY 2022 Edition (Deloitte Tohmatsu MikkEconomic Research Institute Co., Ltd.)

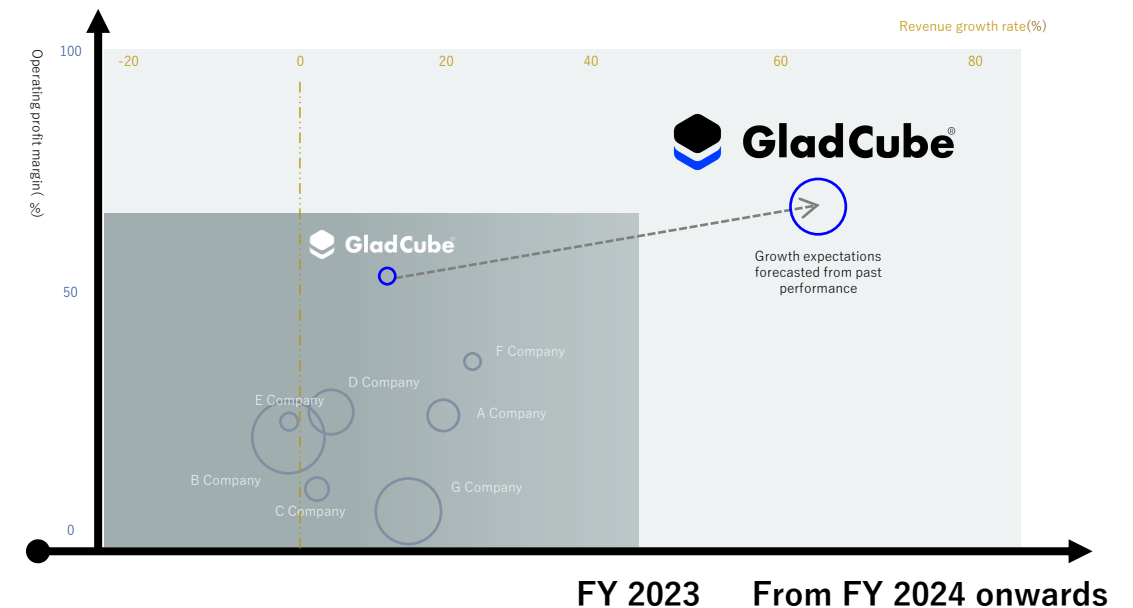
3-4-2. Market Environment – TAM in the Internet advertising domain

- The Internet advertising market is expanding, representing 43.5% of the total advertising expenses in Japan
- It boasts a top-tier operating profit margin even among similar industries, and further growth within the industry is anticipated through increased top-line performance
- Efforts are directed towards outbound strategies for acquiring new customers, with the potential for growth in both operating profit margin and revenue growth rate

Total advertising expenses in Japan and the transition in the size of the Internet advertising market



Domestic competitors' growth rate and profit margin in the advertising agency industry

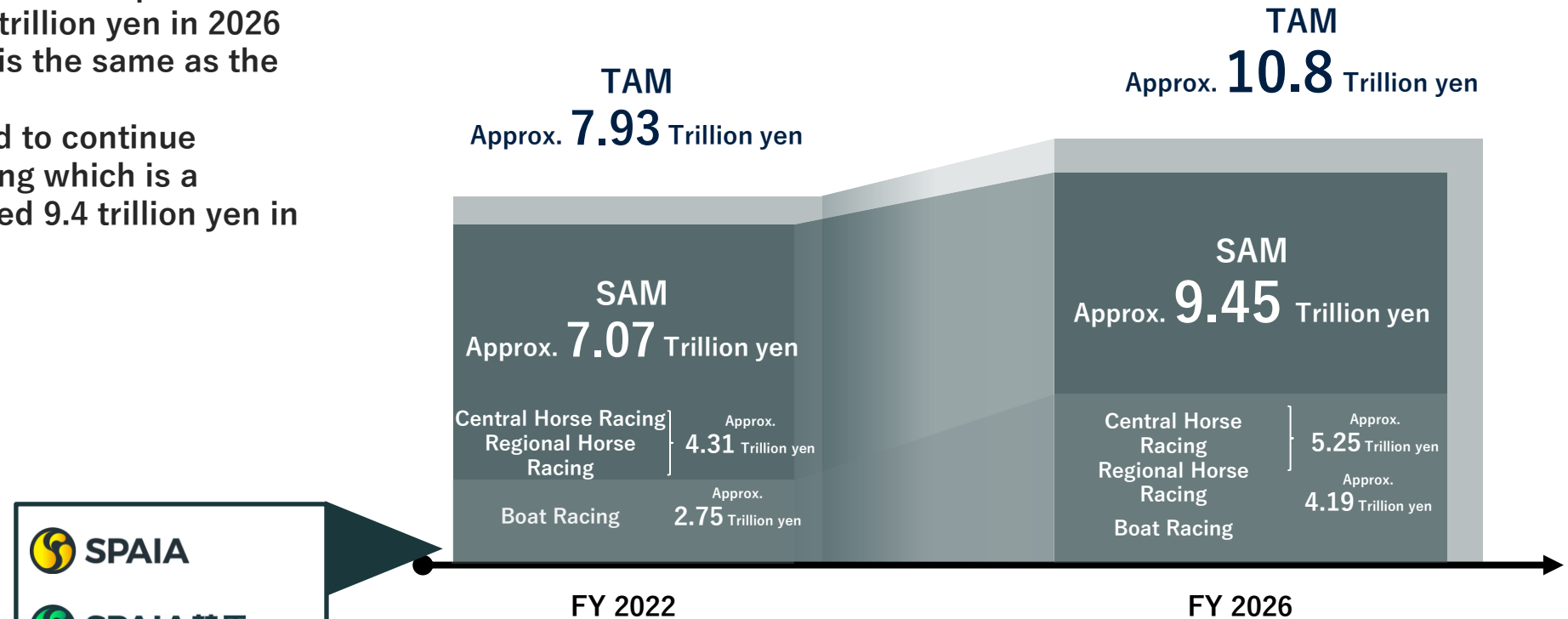


- *1: Comparison based on the financial statements of companies primarily engaged in advertising agency business
- *2: The size of the circles represents the scale of sales (calculated based on the latest financial statements)
- *3: Calculation method for revenue growth rate: Calculated based on publicly available latest financial statements (YoY)

3-4-3. Market Environment – TAM in SPAIA Business

- The overall market for public competitions is expected to exceed 10.8 trillion yen in 2026 (the forecasting method is the same as the previous page)
- SPAIA Racing is expected to continue developing into boat racing which is a market expected to exceed 9.4 trillion yen in 2026.

The trend and forecast of total sales (payouts) in public competitions



SPAIA
 SPAIA競馬
 SPAIA地方競馬

*Market size when SPAIA Boat Racing is horizontally deployed

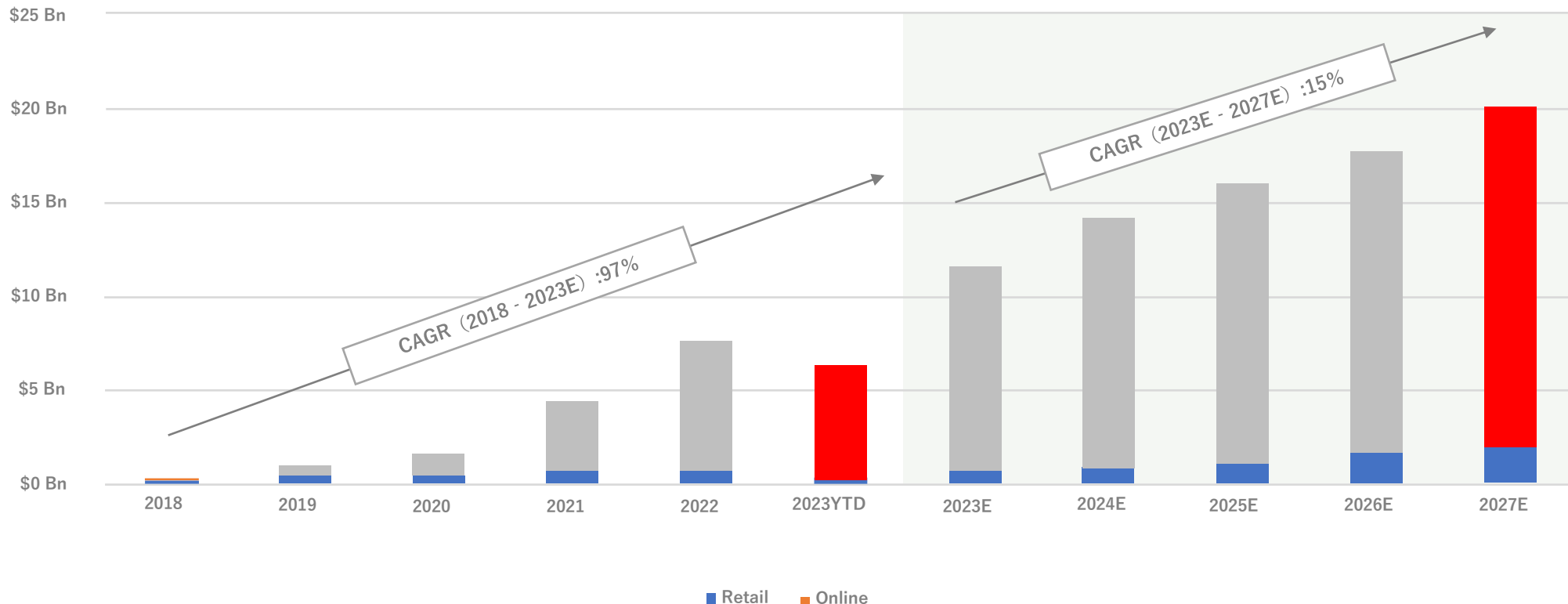
Calculation method for forecast values: Based on publicly available actual figures up to 2022, calculated using the TREND function and FORECAST function from payout, total sales, and the number of participants

Source: Japan Racing Association, National Association of Racing (JRA), Nationwide Motorboat Racing Implementers Conference (General Incorporated Association), Japan Keirin Association (Public Interest Incorporated Foundation)

3-4-4. Market Environment – SPAIA Team Considering entry into sports betting

- SPAIA, which holds abundant analytical data on domestic sports, is paying attention to the rapidly growing sports betting industry in North America
- By 2027, the sports betting market size in the United States is expected to exceed 20 billion dollars, with 90% of it being through online channels. Additionally, a growth of 11.6 billion dollars is anticipated by the end of 2023

U.S. Sports Betting Gross Gaming Revenue By Distribution Channel: 2018 to 2027E



Source : U.S. Online Gaming Report (<https://mvbbanking.com/mvb-fall-2023-gaming-report/>)

3-5-1. Initiatives for Each Business Segment

Promotion Headquarters

Promotion Headquarters

SaaS, Internet Advertising, and Creative Fields

Creation of New SaaS Products

New Services in the Digital Marketing Domain

Development of Countermeasures
Infrastructure for Post-Cookie Measurement

Improvement of core sales infrastructure

Strengthening Infrastructure for Increased
Website Development Orders

**Creating new businesses, not only
for existing products and services
but also establishing new
promotion support activities**

3-5-2. Initiatives for Each Business Segment

Innovation Headquarters

Innovation Headquarters

SPAIA・UI/UX Fields

Creating data sources for the beta launch of DRAGON Data Center

Commission for the development and operation of widgets for media

Development of new widgets for SPAIA

UI/UX improvement to increase subscription paid members, and enriching content for new product creation

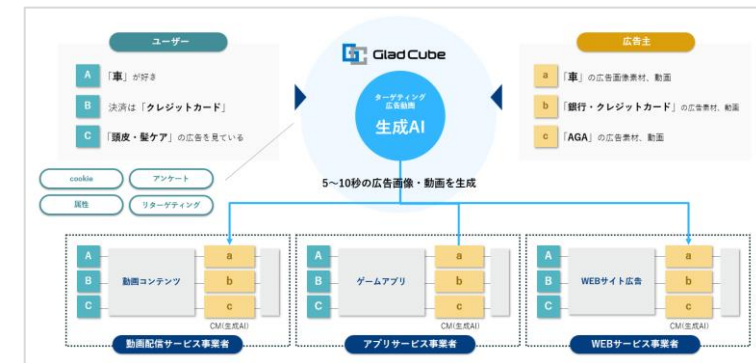
Launching new services for SPAIA utilizing Web3.0

Outsourced Development, New Business Development, and Medical DX Fields

Creation of medical service apps specialized in medical DX

Strengthening the system for stable contracted development

Solution service that automatically generates personalized video advertisements (CMs)

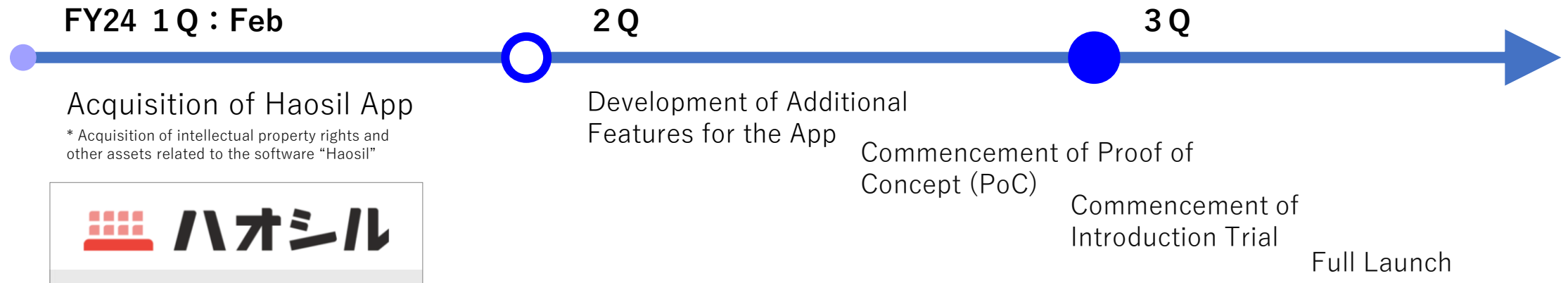


(Patent Pending) Overview Diagram of Advertising Video Generation AI

3-5-3. Initiatives for Each Business Segment Innovation Headquarters

New Business Initiatives

- In February 2024, our company acquired the app “Haosil” from SheepMedical Co., Ltd., aiming to realize Medical & Dental DX
- “Haosil” is a digital service connecting dental clinics and patients, and while some trials have already begun, we plan to develop additional features for a more convenient service
- Although electronic medical record functions have started to spread, we are planning a dental DX system concept to connect dental clinics and patients, with the goal of promoting preventive dentistry



* Image of App and Logo

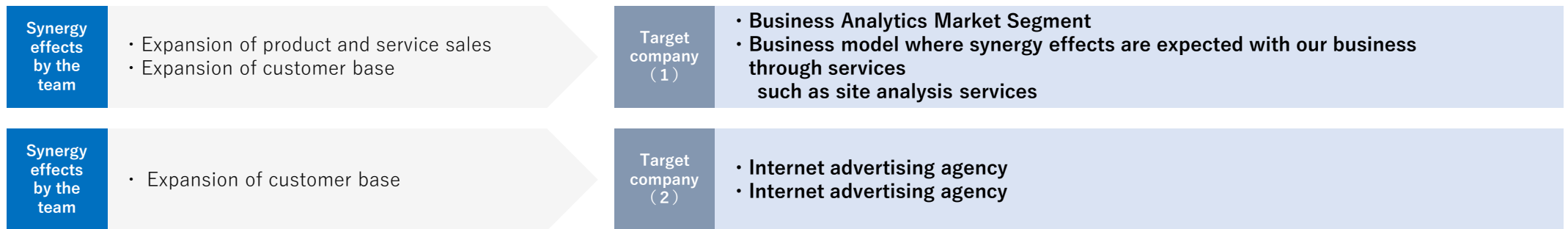
About SheepMedical

The company, under the slogan “Creating a joyful life for 100 years, proposing a new normal,” engages in dental business by producing and providing aligners (corrective devices made of elastic thin transparent material). In addition, they contribute to extending healthy life expectancy through biomechanics business, developing products that address social issues related to health. This includes the creation of dental products and services, such as aligners, and the development of products contributing to the extension of healthy life expectancy, such as biomechanics and gut microbiome businesses. Their focus is on solving societal health issues
Corporate website URL : <https://www.sheepmedical.com/>

3-6. Efforts for Business Capital Alliances and M&A

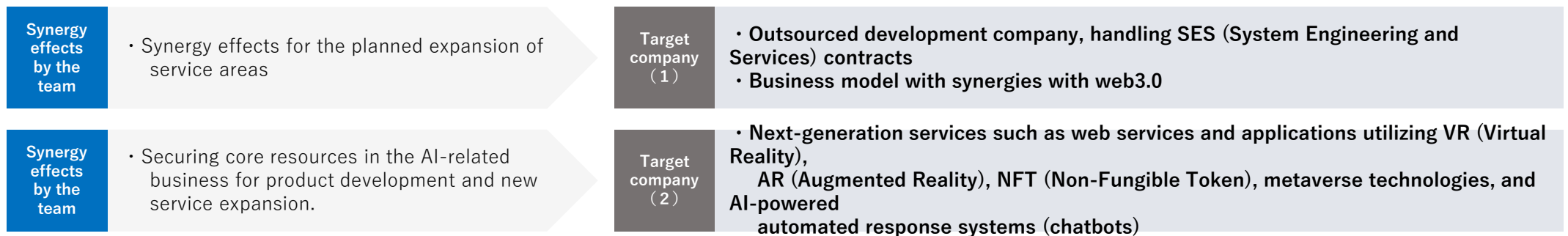
Promotion Headquarters

Marketing DX Business



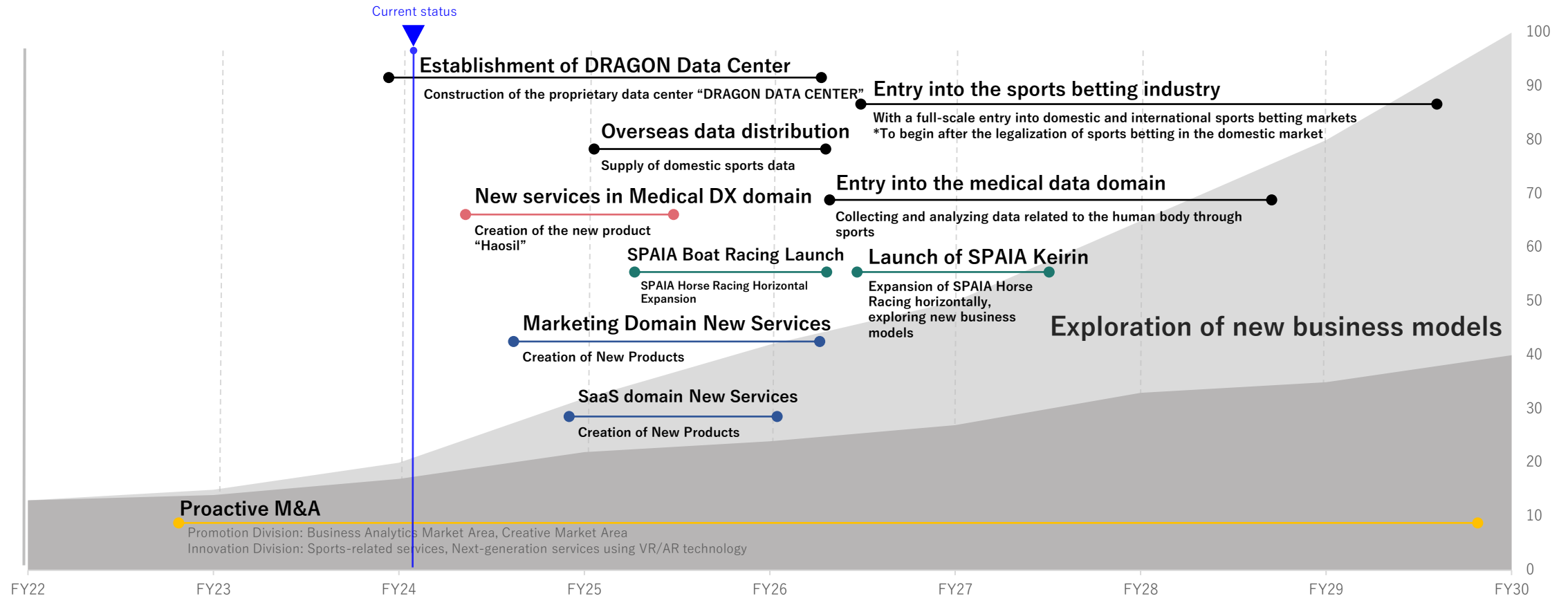
Innovation Headquarters

Technology Business



3-7. Growth Vision to Achieve Annual Sales of Over 10 Billion Yen

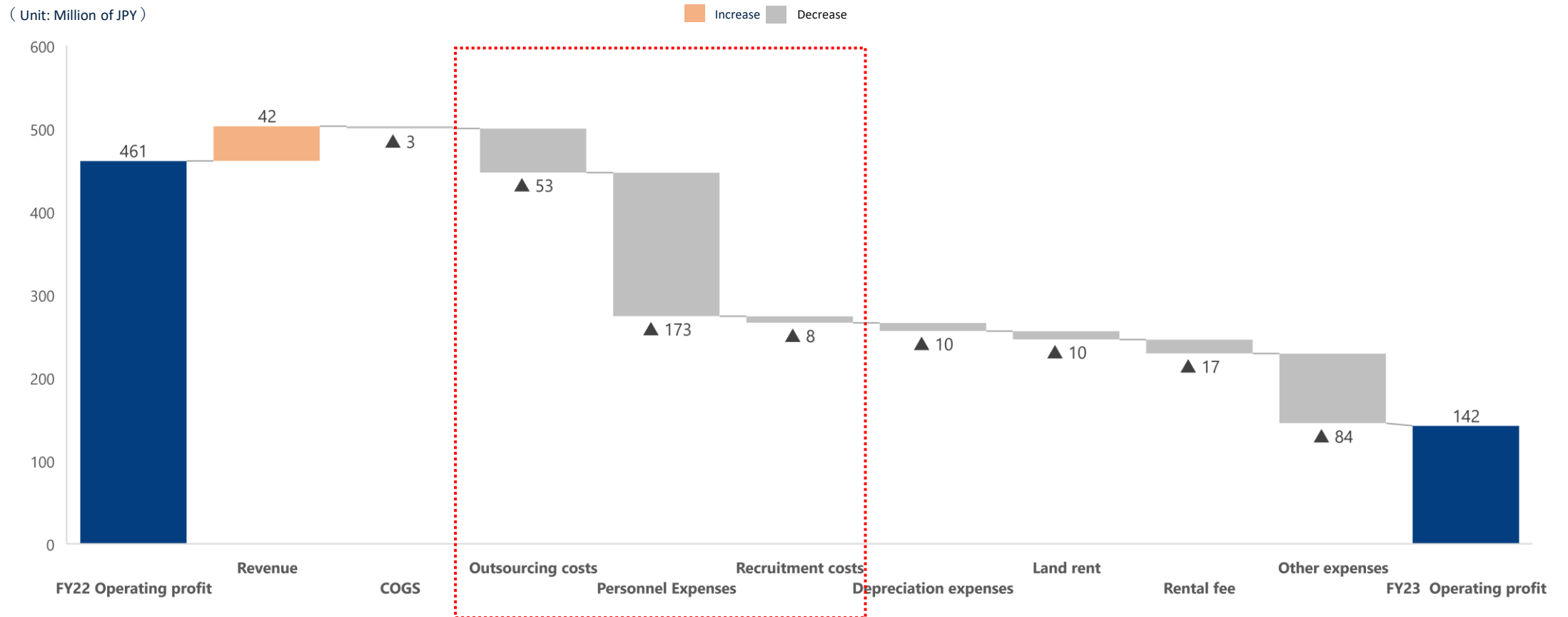
- To achieve scale expansion, actively engage in synergistic M&A and business collaborations while maintaining the high-profit margin of the Marketing DX Division in the Promotion Headquarters. Explore new product launches and innovations under the Innovation General Headquarters, Technology Business Division, and SPAIA's new services
- Explore the acquisition of new sports data and provide data internationally, considering the horizontal expansion of public sports, starting from 2025 and beyond
- Aim to enter the significant market of sports betting after 2026



* The mid-to-long-term growth outlook is merely indicative of management goals and does not imply a guaranteed timeline for realization

3-8-1. Progress Report ① Analysis of operating profit YoY comparison

- In FY23, we actively invested in “human resources“ with an average salary increase of 15% for all employees and a maximum increase of over 60%
- Although we anticipated a decrease in outsourcing expenses through proactive hiring, the partial acquisition of Workhouse Co., Ltd. resulted in an increase in outsourcing expenses due to the growth in outsourced development revenue, especially in product development, AI research and development, and web services



3-8-2. Progress Report ② Initiatives for business capital alliances and M&A

As part of our initiatives for business capital alliances and M&A, we have acquired a portion of the business of Workhouse Co., Ltd. (Business transfer completion date: October 24, 2023)

We will continue to actively explore M&A opportunities that lead to the expansion of our customer base and seek strategic investment opportunities

Workhouse

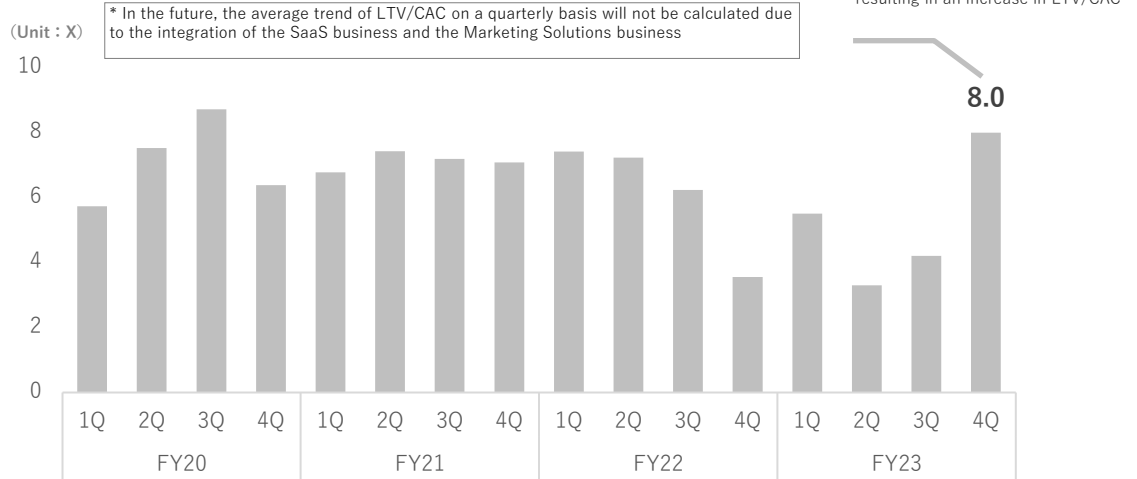
Company name	Workhouse Co., Ltd.
Location	3-7-26 Ariake, Koto-ku, Tokyo
Business activities	AI development and operations, contract development, operations related to medical DX development and medical services, image analysis, offshore talent development (Vietnam), and pharmacy business
Business scale	The financial performance of the target business is currently under detailed examination. However, based on our independent estimate of the sales and operating profit for the target business for the fiscal year ending September 2023, the projected figures are as follows: <ol style="list-style-type: none"> 1. Estimated sales for FY ending Sep 2023 (approx.) for the target business: 600,000 thousand yen 2. Estimated operating profit for FY ending Sep 2023 (approx.) for the target business: Approximately 10% of the estimated sales
Number of employees	40 employees * The number of individuals transferring to GladCube as a result of the business transfer is 23
Transfer price	The acquisition price for this business: 400,000 thousand yen Payment Method: Cash
Business transfer date	Oct 24, 2023

With this business acquisition, we aim to maximize the strengths and expertise of both companies to achieve further growth and business expansion



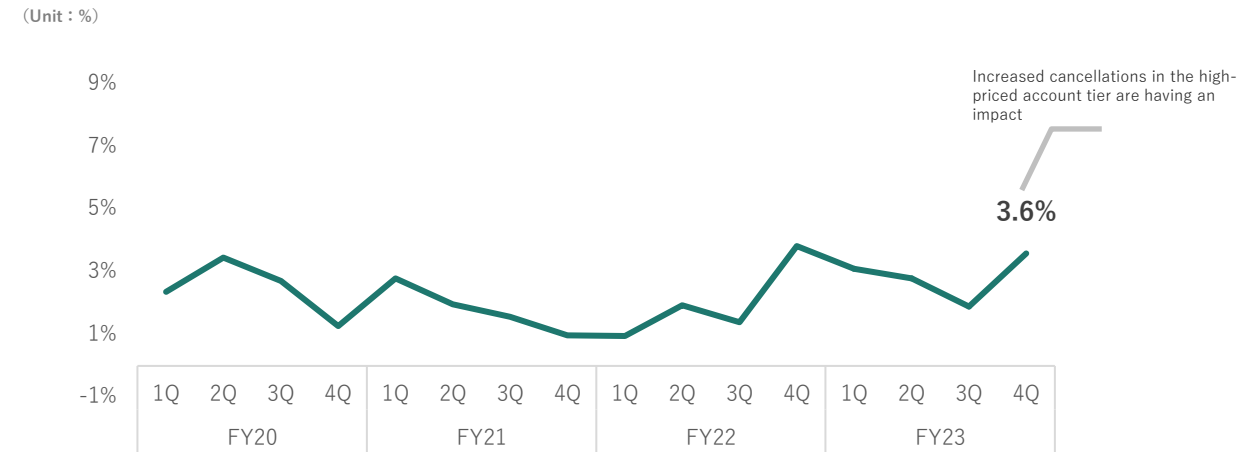
3-8-3. Progress Report ③ SaaS Business SiTest KPI Transition

Average LTV/CAC by Quarter



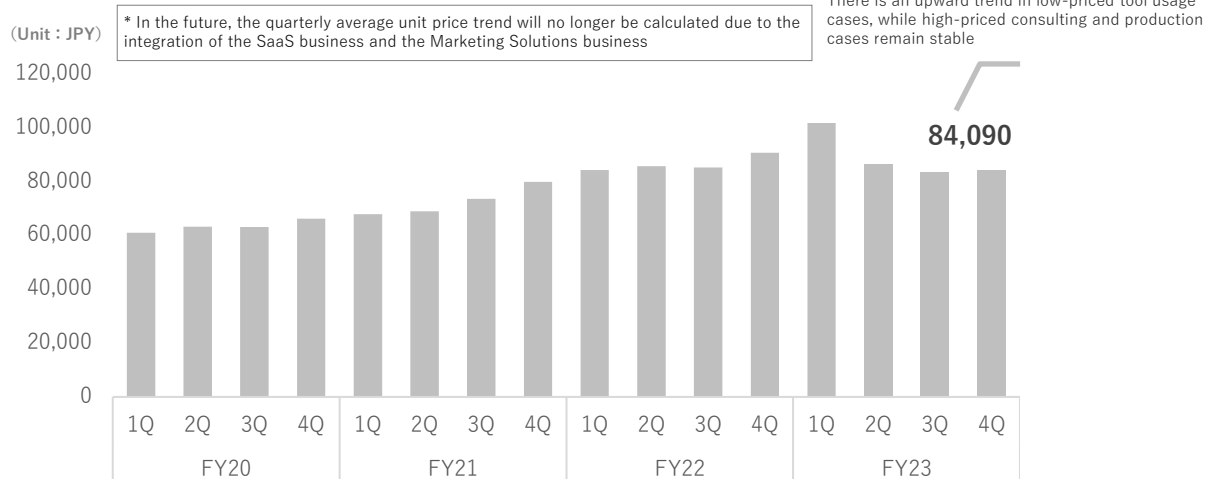
Definition: LTV/CAC ... (Customer) Lifetime Value/Customer Acquisition Cost

Average Churn Rate by Quarter (Net Revenue Churn Rate)



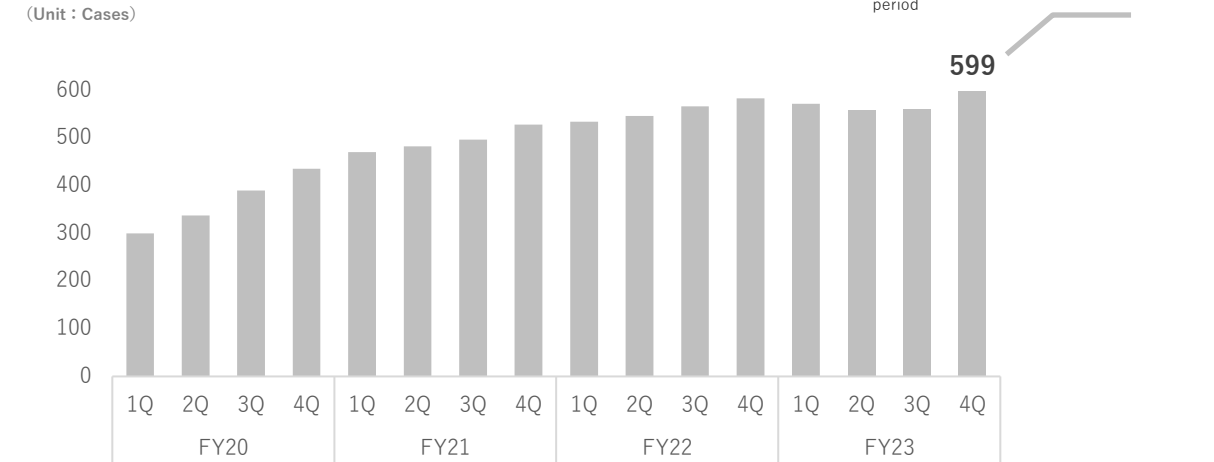
Definition: (Monthly recurring revenue lost - Increase in monthly recurring revenue of existing customers) / Monthly recurring revenue at the beginning of the month (end of prior month)

Average Unit Price by Quarter



Definition: Average Unit Price ... Monthly average unit prices at the end of each month averaged per Q

Average Number of Active Accounts by Quarter



Definition: Average number of active accounts at the end of each month averaged per Q

3-8-4. Progress Report ④ MS:Cross-selling and progress in SaaS

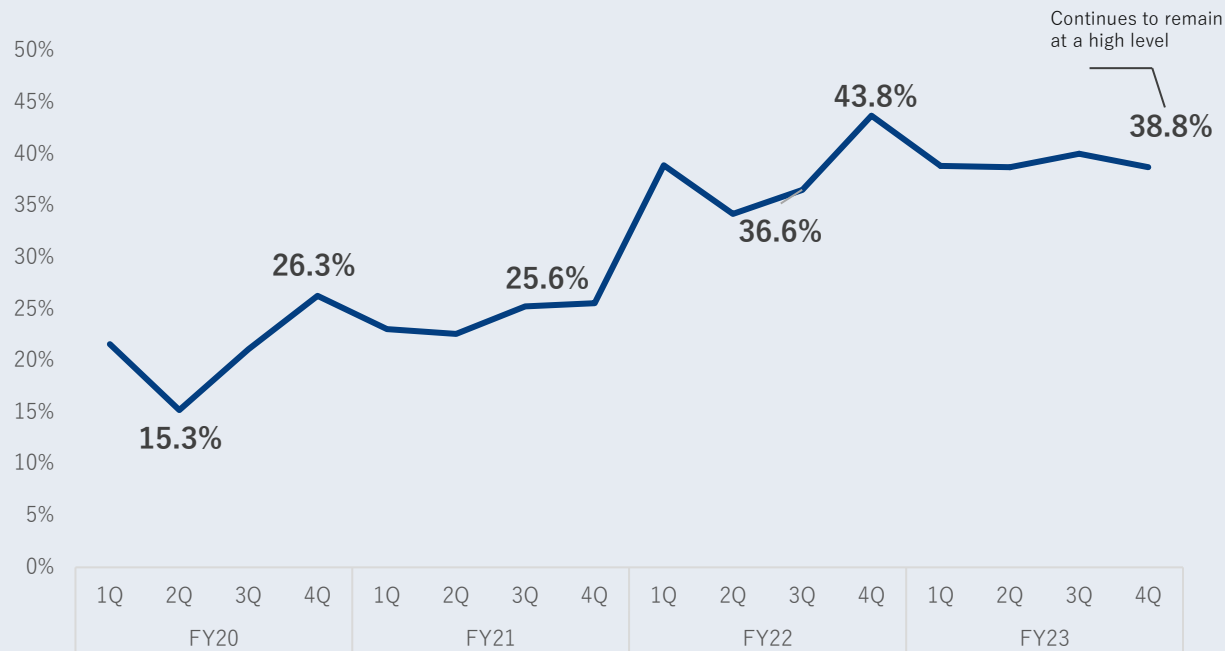
Strengthening the sales structure while leveraging traditional inbound sales

01

Strengthening the sales structure through the integration with the SaaS team, focusing on cross-selling

02

Enhance revenue through creative efforts, aiming for the expansion of target customers and sustained revenue growth



(Calculation method of Cross-Sell Revenue Ratio)

- The denominator is the total revenue of the entire SaaS and Marketing Solutions business, and the numerator is the total revenue of customers who have transactions in both the SaaS and Marketing Solutions businesses
- Calculations have been carried out since the initiation of the Cross-Sell growth strategy in the Dec 2020 FY
- The Cross-Sell Revenue Ratio is calculated as the average value for each quarter

* Going forward, the Cross-Sell Revenue Ratio will not be calculated due to the integration of the SaaS and Marketing Solutions businesses

01

Strengthening the structure through collaboration with the Net Advertising team, ensuring a robust sales force, and focusing on bundled sales

02

Launching an outbound team, coordinating with the Customer Success team, and continuing to focus on these efforts

03

Implementing structural reform measures to achieve individual sales targets

04

Practicing industry-specific approaches, with plans to gradually expand the outbound domain

Implementing new services and strengthening collaborations

April 26, 2023 release

Addressing website challenges with “ChatGPT × SiTest,” initiating “Free Website Diagnosis”

May 1, 2023 release

Initiating the service of “SiTest SMART Form,” improving form abandonment rates by adding just one tag

July 2, 2023 release

Implemented GA4(*) integration with SiTest's A/B testing feature (personalization function)

*GA4: The latest version of Google Analytics

October 12, 2023 release

Started offering “LPO Compass supported by Opt” jointly developed with Opt to diagnose and propose improvement measures for landing page issues

3-8-5. Progress Report ⑤ SPAIA Business progress status and SPAIA and SPAIA Horse Racing membership numbers

Implemented an approach in three stages

Approach

1

Improvement of paid membership retention rate

Approach

2

Increase free membership and enhance the conversion rate to paid membership

The conversion rate from free membership to paid membership is 21.1% as of Dec 2023

*The conversion rate to paid membership has been calculated since Sep 2022, and the reported figure represents the average from Sep 2022 to Sep 2023

Approach

3

The establishment of DRAGON Data Center
Initiation of a project for the opening of the Sports Data Center "DRAGON DATA CENTER"

Progress Rate
65%

「SPAIA KEIBA Assist」

Easy Forecast and Betting Assistance with AI Predictions and Horse Racing Data

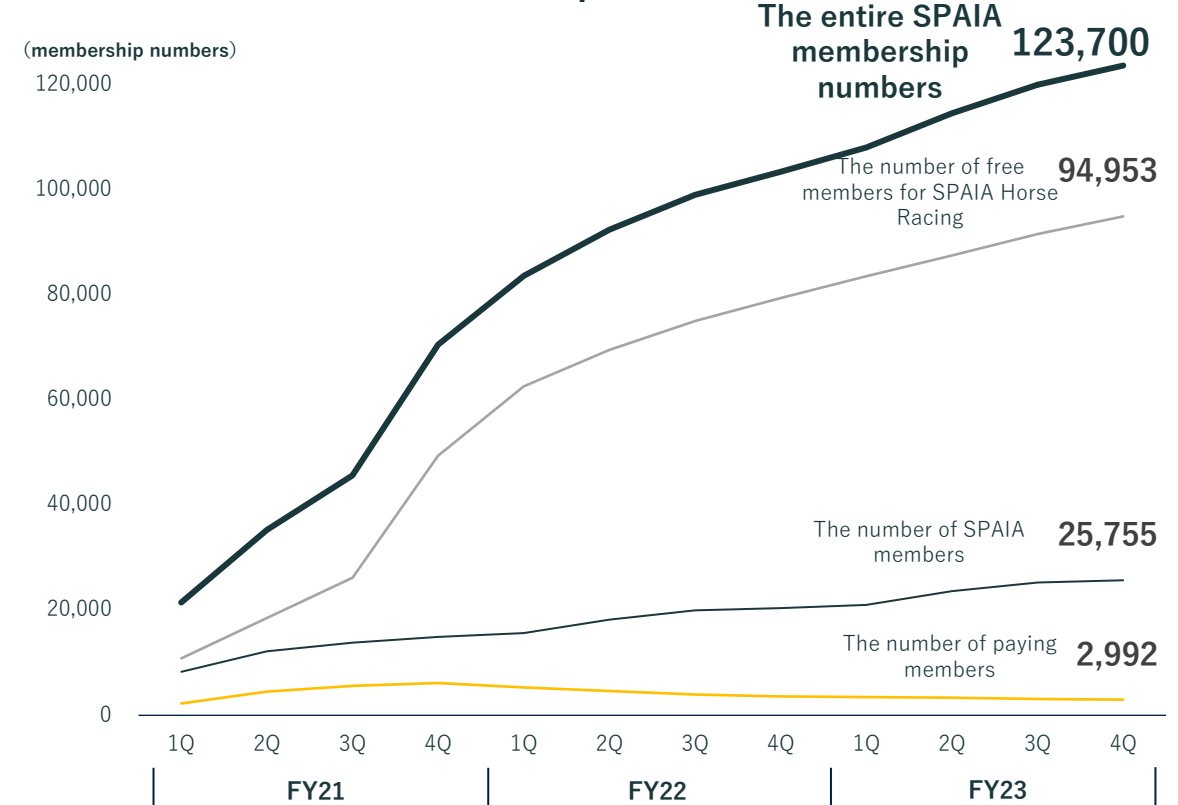


Attract new users with the new app "SPAIA Horse Racing Assist"

〔Concept〕

- Enjoy both central and local horse racing in one app
- Easy to read, easy to predict, and easy to place bets
- Support horse racing predictions with unique AI forecasts and abundant data to lead to victory

SPAIA · SPAIA Horse Racing quarterly average membership numbers



Movements of SPAIA Horse Racing members

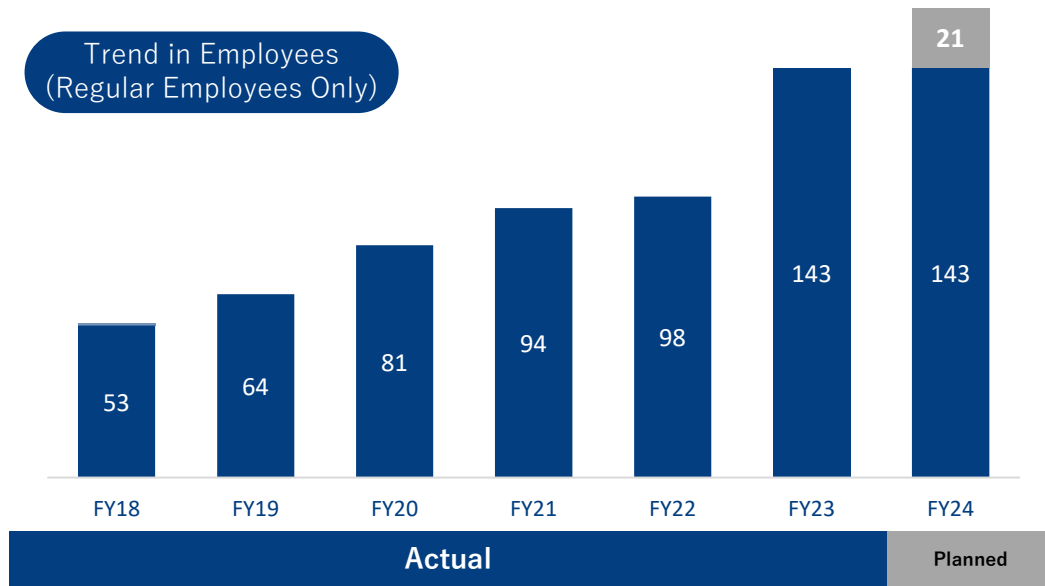
- In Dec 2022, the pricing for paid memberships was changed
- The Gold and Platinum courses were priced close to their pre-Aug 2021 increase levels
- Since the price revision, there has been a primarily increase in Platinum course memberships
- A points system was introduced, along with measures to encourage continuation

4 | Human resources



4-1. Human resources Number of Employees

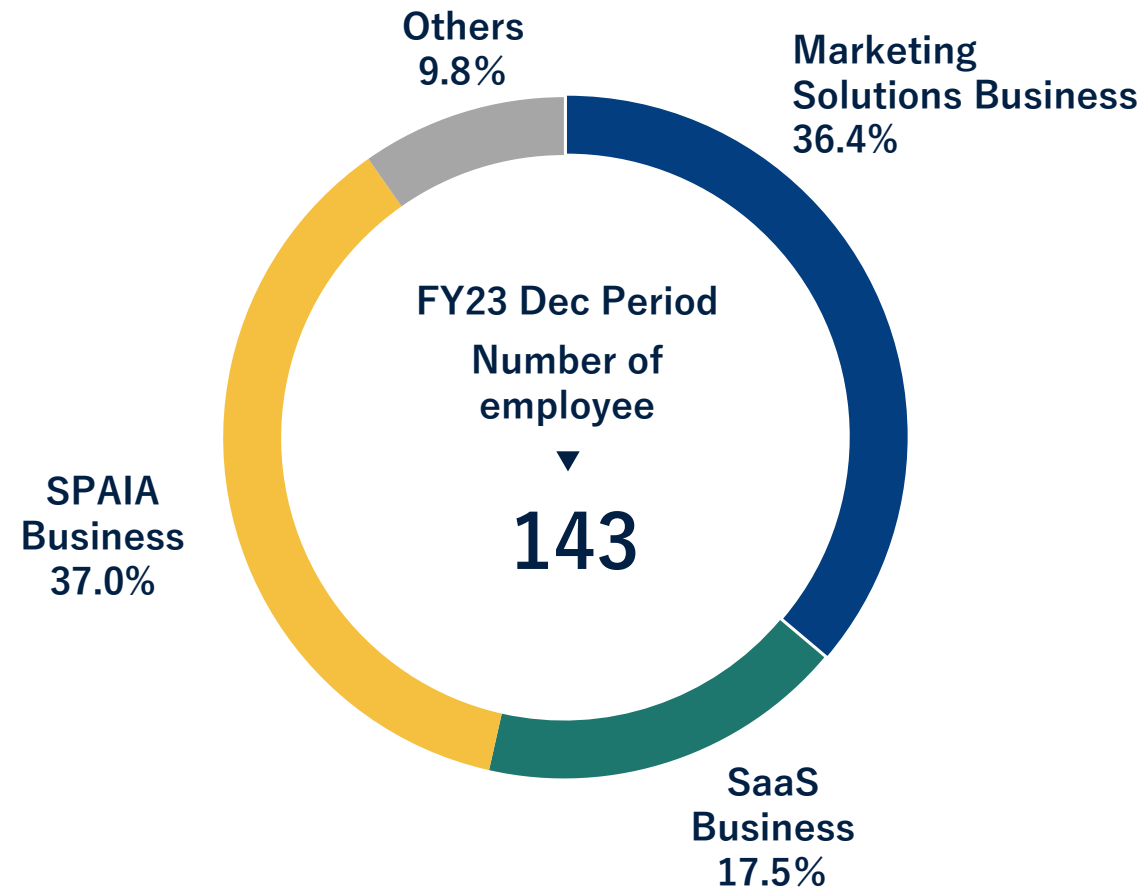
Trend in Employees
(Regular Employees Only)



The hiring plan for FY 2024 includes recruiting 21 new employees

< Hiring Progress >
 FY 2023 New Hires:
 Regular Employees : 44
 Transfers due to Business Transfer : 24

Personnel Composition



Retirement Rate

FY 2021	21%
FY 2022	23%
FY 2023	20.5%

We actively hire foreign engineers in the development department and individuals with no prior experience in the digital marketing support area. This creates an environment that limits turnover and promotes growth

4-2. Human resources Commitment to ESG Initiatives

Vision

Eliminating discrimination based on factors such as age, gender, nationality, and educational background to embody 21st-century management

Our goals

We have formulated an action plan for general employers based on the Act on Promotion of Women's Participation and Advancement in the Workplace

To create an employment environment where women can further thrive, we have formulated a general employer action plan for the four-year period from Apr 1, 2022 to Dec 31, 2026

1 To achieve a female executive ratio of 30% or higher

2 We disseminate information about various systems such as childcare leave under the Childcare and Family Care Leave Law, childcare leave benefits under the Employment Insurance Law, and maternity leave under the Labor Insurance Law. Additionally, we are building a support system for work-life balance support programs

Status of Women's Participation

At the end of Dec 2023

Ratio of Female Executives	_____	33%
Ratio of Full-Time Female Executives	_____	60%
Ratio of Female Regular Employees	_____	28%
Ratio of Female Managers (Breakdown of Managerial Positions)	_____	20.4%
Ratio of Female Managers (equivalent to department managers)	_____	11.5%
Ratio of Female Leaders (equivalent to section managers)	_____	28.5%

*Although leadership positions are not legally recognized as “management and supervisory positions” under labor laws, we consider them as managerial positions, specifically as 'management positions,' responsible for overseeing teams

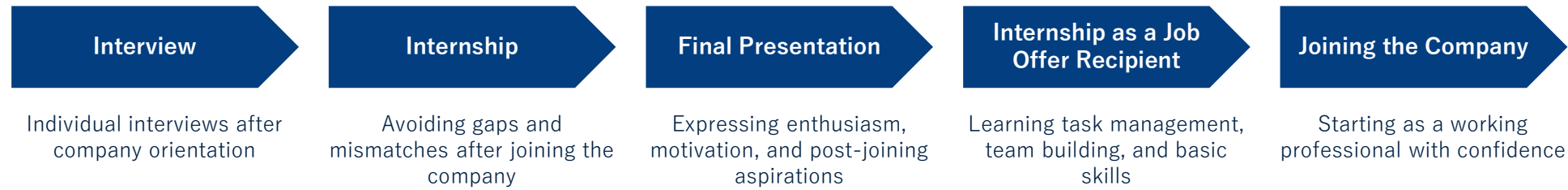
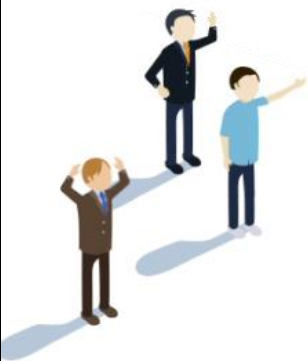


As of Sep 1, 2023, our company has been certified with three stars in the "Osaka City Leading Company for Women's Empowerment" certification program implemented by Osaka City

Unique New Graduate Recruitment System

We provide a unique new graduate recruitment system that allows candidates to grow during the period leading up to their official entry into the company. Through internships, presentations, and part-time positions for those with job offers, we offer a process that fosters continuous development

*For employees in the current Marketing DX Business Unit (Internet Advertising), it typically takes 6 to 12 months to acquire the necessary skills and expertise, especially for those who are inexperienced in the field



“Leader Recruitment System” open to everyone

The "Leader Recruitment System," held annually, is a unique program open to all participants. Employees who wish to contribute to the company and strive for a better organization can voluntarily join. The process includes studying assigned materials, engaging in discussions with fellow applicants, and delivering presentations. Advancement to leadership positions is determined through this process

■ Past Application Records

FY16	6 applicants
FY17	5 applicants (including 2 second-year new graduates)
FY18	5 applicants (including 1 first-year new graduate and 2 second-year new graduates)
FY19	3 applicants
FY20	6 applicants (including 1 second-year new graduate)
FY21	12 applicants (including 1 first-year new graduate and 3 second-year new graduates)
FY22	8 applicants (including 1 first-year new graduate)
FY23	7 applicants

Model Case 1

- 2016 Joined the company as a new graduate and was assigned to the current Marketing DX Division (Internet Advertising)
- 2018 Promoted to leader after participating in the 2017 Leader Recruitment process
- 2020 Promoted to manager in the Marketing DX Division (Internet Advertising) as a new graduate

Model Case 2

- 2017 Joined the company through a mid-career hiring process and was assigned to the current Marketing DX Division (SaaS)
- 2019 Promoted to leader after participating in the 2017 Leader Recruitment process
- 2020 Promoted to manager in the Marketing DX Division (SaaS)
- 2022 Currently serving as Senior Manager in the current Technology Division (SPAIA)



4-4. human resources Balanced management structure with expertise in business know-how, accounting, governance, etc.



Hiroki Kaneshima / Representative Director and CEO

2002 Graduated from the School of Commerce and Economics, Osaka Commercial University
2007 Founded GLAD CUBE, LLC after working in the finance industry



Yuki Takarabe / Executive Managing Director and CIRO

2000 Joined Kenko.com Inc.
2006 Joined IKEA Japan Co., Ltd.
2012 Founded Catch Inc.
2014 Appointed as COO at Glad Cube Inc.
2022 Appointed as CIRO at Glad Cube Inc.
2023 Appointed as Managing Director CIRO at Glad Cube Inc.
2023 Appointed as External Director at Sanwa Company, Ltd.



Miki Nishimura / Director and CFO

2002 Joined Shin Nihon Kansa Houjin (New Japan Audit Corporation)
2016 Joined Glad Cube Inc.
2019 Appointed as Executive Officer at Glad Cube Inc.
2020 Appointed as Director at Glad Cube Inc.
2022 Appointed as CFO at Glad Cube Inc.



Yuki Kaneshima / Director and COO

2011 Joined Glad Cube Inc.
2020 Appointed as Executive Officer at Glad Cube Inc.
2022 Appointed as Director at Glad Cube Inc.
2023 Appointed as COO at Glad Cube Inc.



Mike Uesugi / External Director

1987 Apple Computer (USA)
1991 IBM (USA)
1993 Founded Global Micro Solutions, Inc. - CEO
2010 Founded Social Rewards, Inc. - CTO
2015 Appointed as External Director at Glad Cube Inc.



Yoji Morizumi / External Director

1999 Joined Ota Showa Audit Corporation
2003 Seconded to the Project Development Department of the Japan Bank for International Cooperation
2003 Became a certified public accountant
2016 Established the accounting firm of Yoji Morizumi
2016 Appointed as Outside Director at Glad Cube Inc.

Masami Kubota / Full-time Auditor

2007 Joined Shin-Nihon LLC Audit Corporation
2011 Became a certified public accountant
2022 Established the accounting firm of Masami Kubota
2023 Appointed as External Audit & Supervisory Board Member at Glad Cube Inc.

Koichi Ikehara / External Auditor

2001 Joined Shin-Nihon LLC Audit Corporation
2005 Became a certified public accountant
2011 Established Ikehara Certified Public Accountant Office
2011 Became a licensed tax accountant
2016 Appointed as External Audit & Supervisory Board Member at Glad Cube Inc.

Masayuki Kitaguchi / External Auditor


1997 Joined Century Audit Corporation
2003 Established Kitaguchi Certified Public Accountant Office
2013 Registered as a lawyer with the Osaka Bar Association, opened Kitaguchi Law Office
2015 Established Showa Law Office (Representative)
2019 Became an auditor at Nippon Ham Co., Ltd.
2019 Appointed as External Audit & Supervisory Board Member at Glad Cube Inc.

5 | Appendix



5-1. Competitive Situation

- Selecting companies that provide comprehensive digital marketing support and are easily comparable
- It can be said that our coverage area matches when customers are seeking comprehensive support from attracting visitors to expanding sales online

		Advertising Agency-affiliated	Domestic Analysis Type A	Domestic Analysis Type B
Target company size	Small, Medium, and Large Companies	Large Companies	SMEs & Large Companies	Small, Medium, and Large Companies
Key support areas	Advertising, Site Analysis, Production	Advertising, Research, Production	Website Analysis, SNS Analysis, Data Analysis	EFO, Website Analysis, Data Analysis
Presence of support tools	Site Analysis, Site Speed Improvement	None	Website Analysis, SNS Analysis, AI Chatbot Provision, etc	EFO, Web Customer Experience DX Support
Provision of consulting	Analysis and Improvement from Advertising to Website	From Strategy Planning	Support System Available	Customer Acquisition Support with Support System
Presence of media	Sports Data Analysis Site SPAIA	Digital Marketing Media	None	None

*In relation to support for digital marketing challenges, based on direct interviews with representatives from companies engaged in negotiations and publicly available information such as the websites of target companies, we have created the following

5-2. The use of funds

(Unit : Thousand JPY)

Item		Content	Funds raised	Utilization status as of Dec 31, 2023	
Growth Investment	New Development	Allocation to development costs and equipment for the creation of new products	231,600	154,721	Outsourcing expenses for SPAIA-related (SPAIA horse racing, SPAIA toto) and new business development
	Internal System	Allocation for the enhancement and development of internal accounting systems, etc	135,000	9,557	Allocated for the maintenance and development of internal management systems, etc
	Advertising Expenses	Allocated for marketing expenses aimed at increasing awareness and expanding sales	159,360	38,117	Mainly used for SPAIA-related advertising and promotional expenses, such as video production fees featuring celebrities
Expenses associated with business expansion	Security Enhancement	Allocated for adding office security systems, preventing information leakage, etc., to ensure employee safety.	6,000	0	Not used at this time
	Total		531,960	202,395	

5-3. Recognized Risks and Response Strategies

Item	Risk Overview	Possibility	Timing	Impact	Response Strategies
Internet-related Market	There is a potential risk that the development of internet usage may be hindered by new regulations related to internet use or other unforeseen factors causing rapid changes in the internet usage environment	Middle	Short-term	Big	Diversifying the risk through the entry of new business models that are not affected by negative factors in the internet-related market
Competition	In the Marketing DX business of the Promotion Headquarters, there are already several competitors in the SaaS and internet advertising sectors, and with the expansion of the internet market, new entrants are expected in the future	Middle	Short-term	Middle	Establishing a system that can provide a one-stop solution from planning, production, operation to consulting through our unique education system, ensuring a competitive advantage
Legal Regulation Changes	If there is an enhancement of legal regulations or self-regulation for businesses related to the internet and social media, or strengthening of regulations such as GDPR, it may have an impact on the business and performance	Low	Long-term	Big	Closely monitoring regulatory trends and flexibly adapting to them. Additionally, fostering specialized personnel with legal knowledge related to the regulations in our business domain
SPAIA Business	Continued investments in development, creative talent, and outsourcing are necessary, and if things do not progress as expected, there is a potential impact on the business and performance	Low	Long-term	Small	Continuing efforts to improve profitability by carefully evaluating the cost-effectiveness of investments, hiring and developing development and creative personnel, and strengthening marketing initiatives and public relations activities

We have documented the main items that we have recognized and considered as potential risk factors on this page.

For risks not mentioned on this page, please refer to the securities reports, etc., under "Risks Related to Business," and note that our judgment is based on the current situation.

It does not cover all possible risks that may occur in the future



GladCube[®]

Disclaimer

This document includes statements regarding future prospects. These forward-looking statements are based on information available at the time of their creation. They do not guarantee future results or performance. Such statements about future forecasts involve known and unknown risks and uncertainties, and as a result, actual future performance and financial conditions may significantly differ from the forecasts indicated by the statements, whether expressly or implicitly.

Factors that may affect the actual results include changes in domestic and international economic conditions, industry trends in the sectors in which the company operates, among others, but are not limited to these.

Additionally, information regarding matters and organizations other than our company is based on generally available information, and we have not verified the accuracy or suitability of such publicly available information and do not guarantee it.

Timing of Disclosure

Updates to this document are planned for disclosure around February 2025.