



**Glad Cube**

# **Business Plan and Growth Potential**

Sep. 2022

GLAD CUBE Inc.

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# Business Activities

# Delivering SaaS to empower the world through Data, AI, and Analytics

As our biggest contribution to society, we aim to bring delight into the world to share with "our customers, our employees, and their family members" by providing them with digital services, as we abide by our ethics and principles in order to bring feelings of joy born out of gratitude, as well as smiles to the faces of the people that we serve.

GLAD CUBE Inc.  
Founder and CEO  
Hiroki Kaneshima

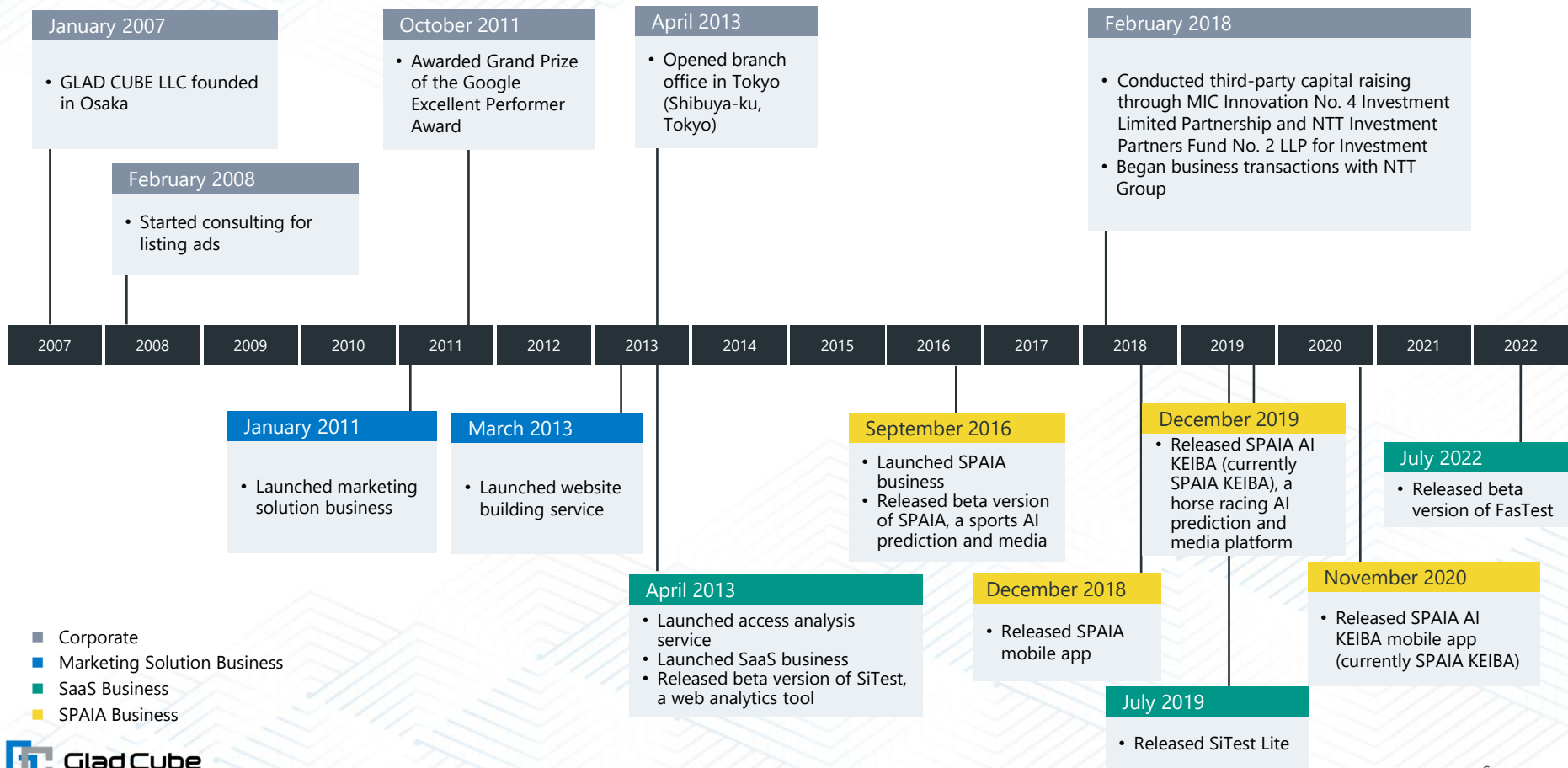


# Corporate Information

Name of Company	GLAD CUBE Inc.
Established	January 2007
Head Office Location	Shinkawaramachi Bldg. 8F, 2-4-7 Kawaramachi, Chuo-ku, Osaka, Osaka 541-0048
Employee Count	94 (as of Dec. 31, 2021)
Representative	Hiroki Kaneshima, Representative Director & CEO
Main Business	SaaS Business Marketing Solution Business SPAIA Business

Main Clients	Google LLC Yahoo Japan Co. Facebook Japan Co. SMN Corporation Indeed Japan Inc. CRITEO Line Corporation
Shareholders	Hiroki Kaneshima, Representative Director & CEO MIC Innovation No. 4 Investment Limited Partnership NTT Investment Partners Fund No. 2 Limited Liability Partnership for Investment and more

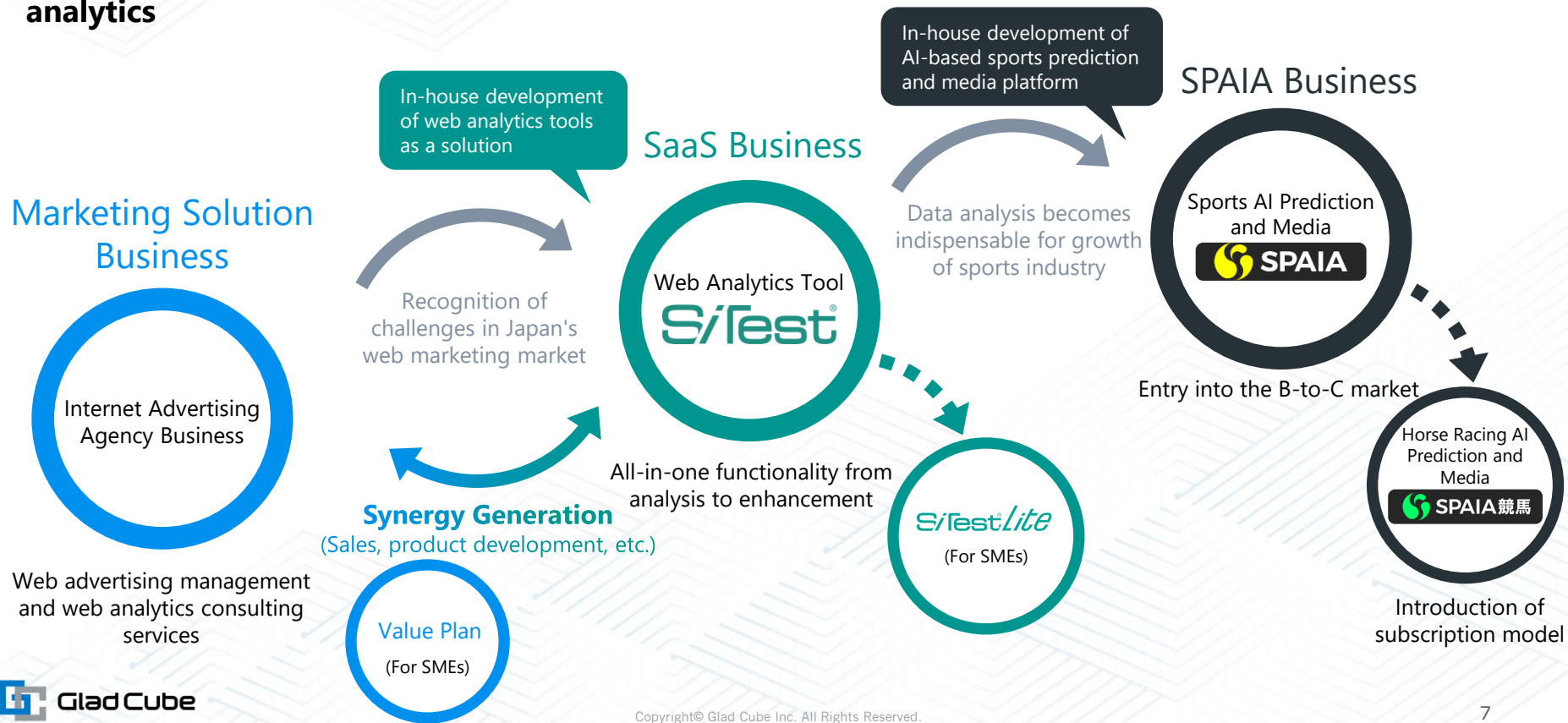
# Corporate History





# Outline of Business and Service Offerings

We develop and commercialize new services that meet market needs and leverage our strength in analytics



# Transition of Our Business Portfolio

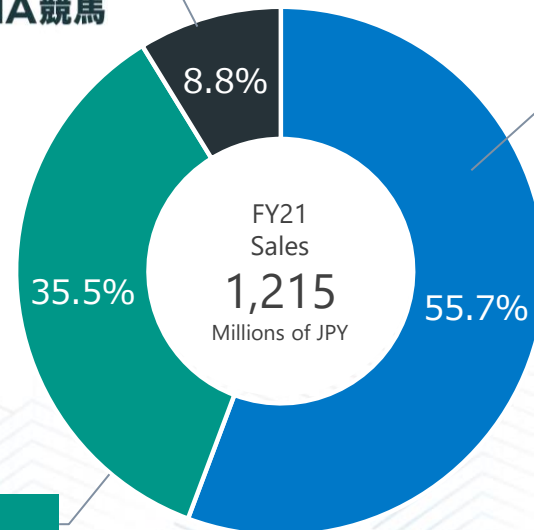
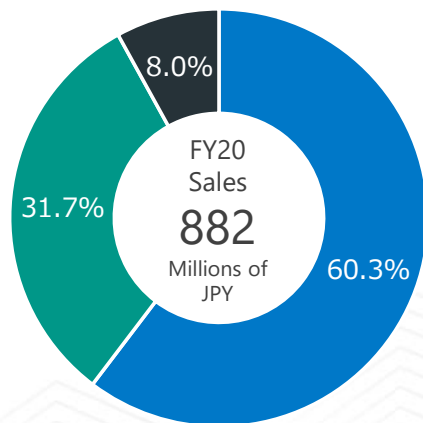
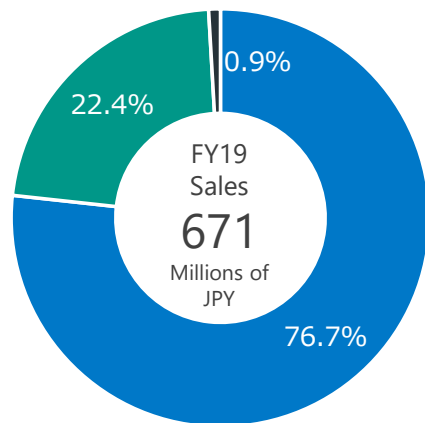
## SPAIA Business

Media service business that provides innovative ways to spectate and enjoy sports through data analysis



## Marketing Solution Business

Internet advertising agency business



## SaaS Business

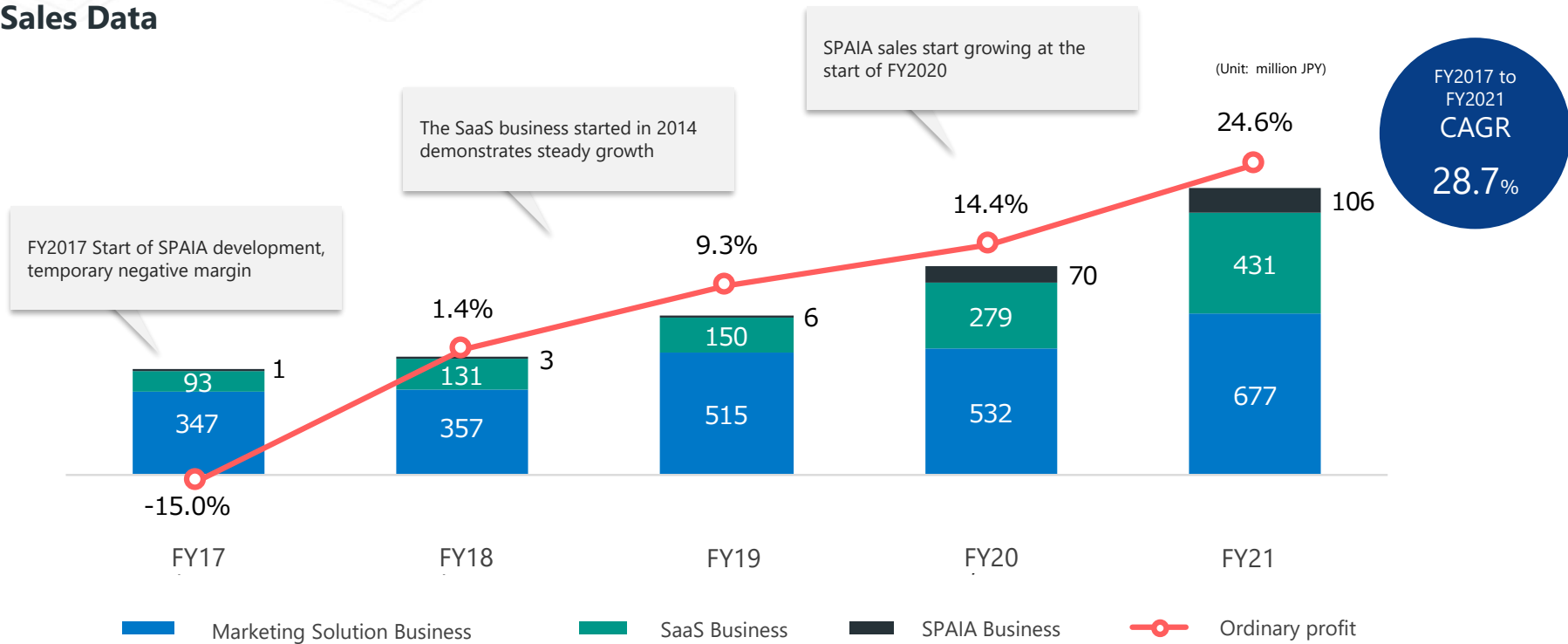
Website analysis tools service business that maximizes a website's revenue by providing all-in-one functions necessary for website analysis and enhancement





# Business Performance (FY2017 to FY2021)

## Sales Data



# KPI Highlights by Business Segment (FY2017 to FY2021)

## Marketing Solution Business

CAGR

**18.1** %

Sales demonstrate significant growth starting in 2019, and continues to increase steadily.

## SaaS Business

CAGR

**46.5** %

Sales have been growing since 2020 due to the launch of a new Customer Success division in 2019.

## SPAIA Business

CAGR

**206.7** %

With continuous reinvestment in the business, sales continue to grow, benefitting from SPAIA KEIBA's growth.

# **Business Overview (SaaS Business)**

# SaaS Business: Background of SiTest Service Development

## "Website testing" - SiTest

### Web advertising agency's market understanding led to an in-house development of the web analytics tool

- Challenges of online ad placement: If the website and the ads placed on it are inconsistent, or if the website's user friendliness (UI/UX) is poor, users will easily leave the site and it will be difficult to anticipate expected results (CV improvement, sales increase, etc.).
- Our solution: In-house development of "SiTest," a website analysis tool suited to marketing methods, developed from an advertising agency's perspective



User



Click on ad

Skipping web analytics leads to ...

- Difficulty in identifying the point at which users leave the website after being taken there from a placed ad
- Difficulty in increasing sales even after placing ads
- Difficulty determining how to improve the website



Site analysis and A/B testing, etc., conducted with SiTest



**Website with enhanced UI/UX**



Adopted by:

 NTT docomo

 NTTレゾナント

 Money Forward

 DUO

 たんぽぽ

 HENNGE

 KADOKAWA

 ALETHEIA 美容皮膚科 全身医療脱毛

 アヴァンス法務事務所

 TSUKUI STAFF

 KINTO

 BULK HOMME

 SOELU

 DIOCLINIC

 BARCOS

 GladCube

# SaaS Business: SiTest's Competitive Advantage



- Monthly fee-based (starting from 50,000 yen)
- Up-sale services
  - Consulting
  - Website building

**SiTest is a comprehensive tool that includes features for analysis but also for improvement**

(as of September 2022)

Traditional website improvement process

- Creation: ~100 to 150,000 yen per page
- Testing time and analysis: ~3 weeks



## Coverage Area of



• Scroll heat map • Mousegraphy • Click heat map • Touch action, etc.

• Scroll data • Click data • Touch data, etc.

- Testing function
- Personalization function
- Entry form optimization
- Pop-up function

• Automated reporting function

## Coverage Area of



Glad Cube

# SaaS Business: Main Features of SiTest (Excerpts)

Heat Map  
Analysis &  
Quantitative  
Analysis

## Scroll Data (PC, Smartphone, Tablet)



Display of page reach, time spent, and bounce rate

## Mousegraphy (Smartphone & Tablet)



Heatmap of mouse movement for desktop visitors

## Touch Action (Smartphone & Tablet)



Visual representation of all mobile action (flicking, swiping, zooming, etc.)

Other Website  
Improvement  
Functions

## Pop-up Function (PC, Smartphone, Tablet)



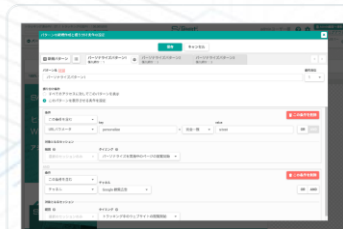
Display any image as a pop-up with a link to a specified page

## A/B Test, Split Test Function



A/B tests are used to confirm hypothesis coming from the analytics

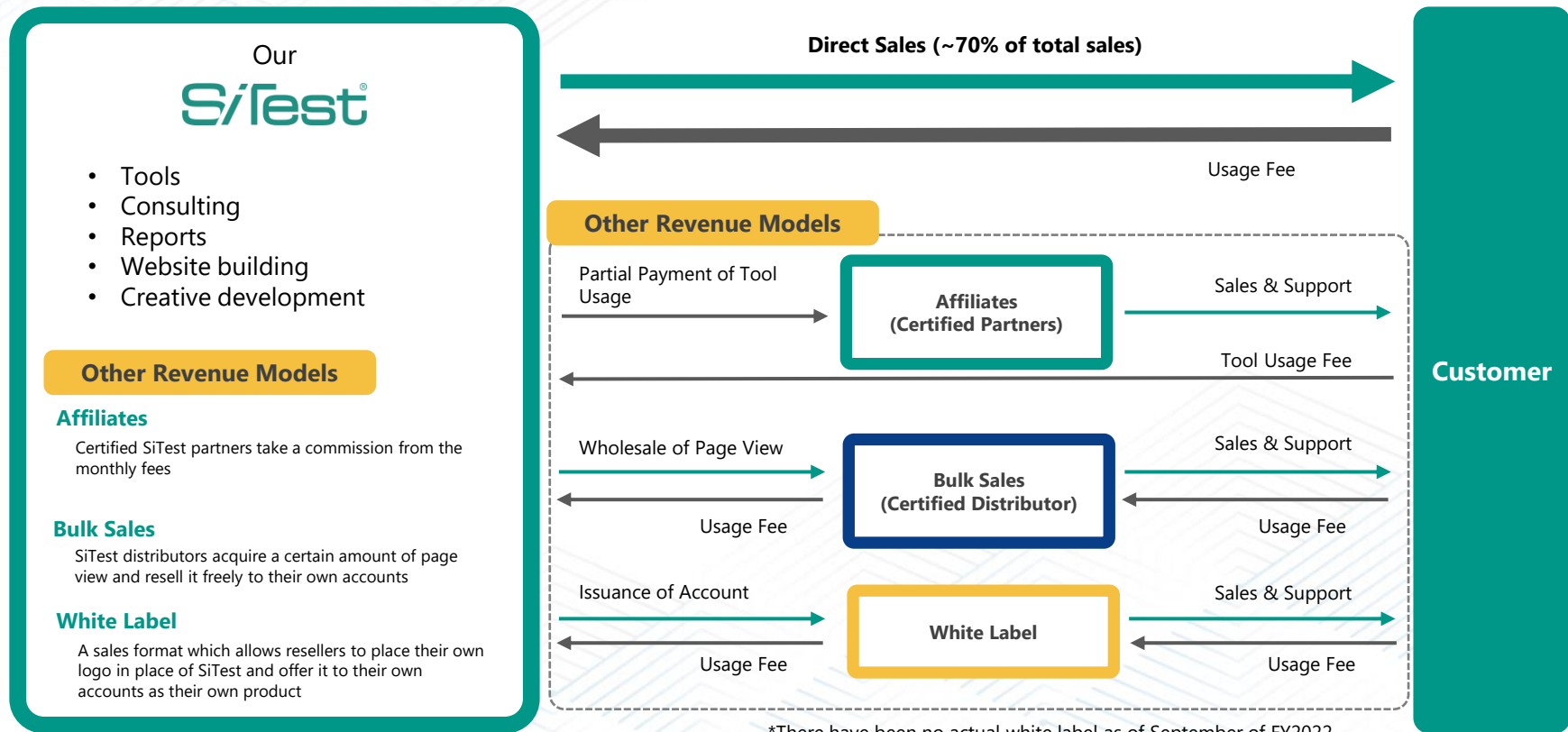
## Personalization Function



Create personalized pages for visitors with specific targeting criteria



# SaaS Business: Business Model of SiTest

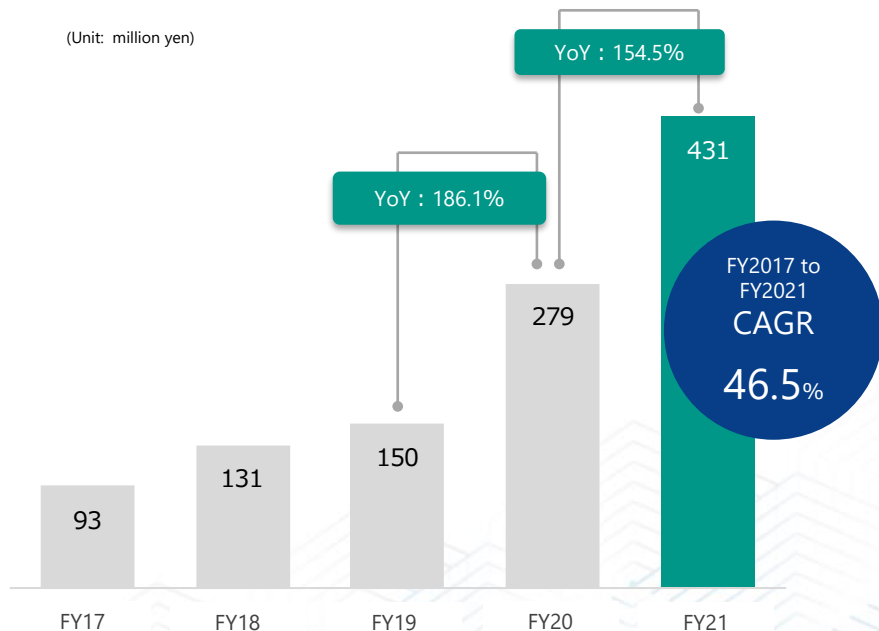


# SaaS Business: SiTest Growth and Customer Trends

## Sales Trends by Fiscal Year

Sales have been steadily trending upward starting from Dec. of FY 2019 due to organizational enhancements made to our sales team.

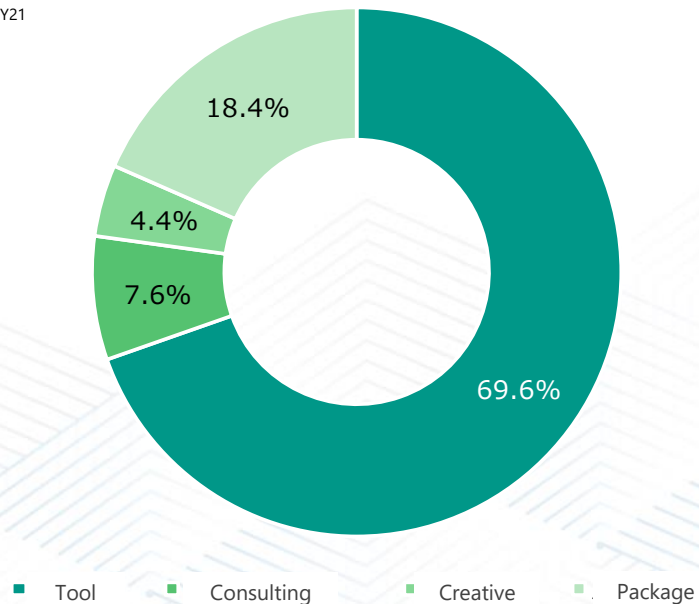
(Unit: million yen)



## Sales Distribution Ratios

The 18% figure shown below for package deal sales consists of sales generated by our Marketing Solutions Division for our Value Plan Package.

FY21



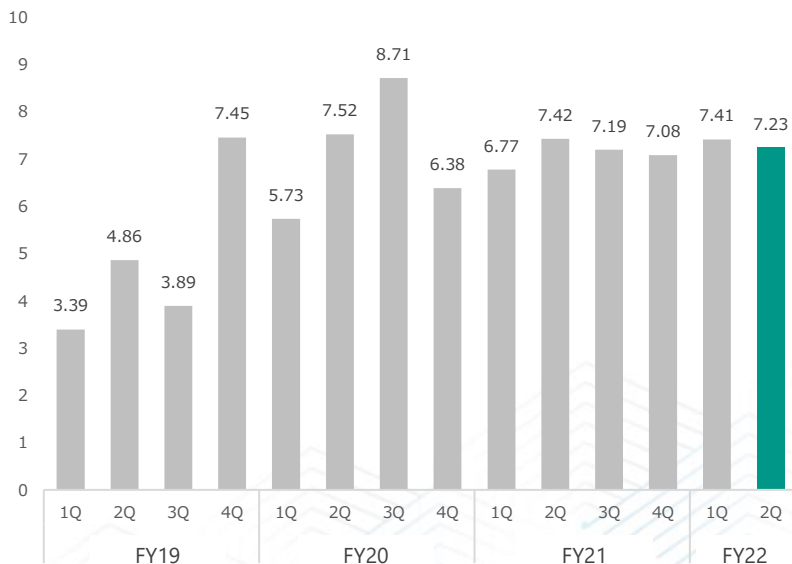
# SaaS Business: SiTest KPI Data

## LTV/CAC

Although there are fluctuations due to the acquisition cost per customer (CAC). The figure is stable since FY2021.

### ■ Average LTV/CAC by Quarter

(Unit: X)



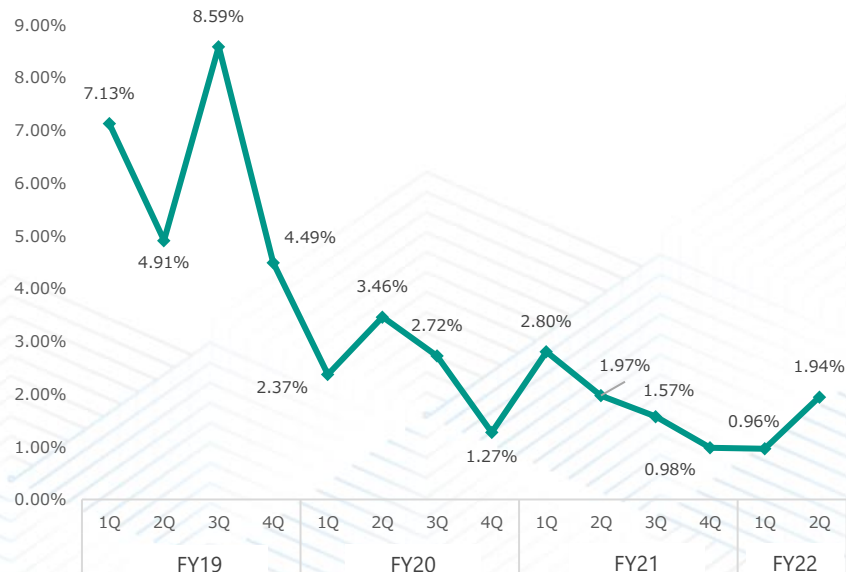
Definition: LTV/CAC ... (Customer) Lifetime Value/Customer Acquisition Cost

## Net Revenue Churn Rate

Churn rate improved after the creation of the Customer Success division in FY2019.

### ■ Average Churn Rate by Quarter

(Unit: %)



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)

# SaaS Business: Revenue Structure of SiTest

**Sales**

=

**Average Unit Price**

×

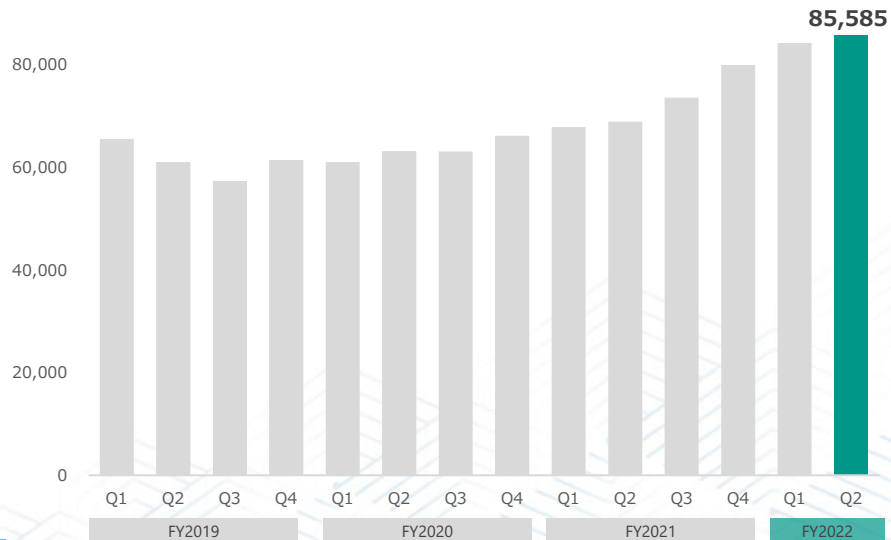
**Number of Active Accounts as of the End of the Month**

\*Definition of number of accounts: Measured in terms of number of accounts, not number of companies, as multiple accounts may be contracted by one company

## ■ Average Unit Price by Quarter

(Unit: yen)  
100,000

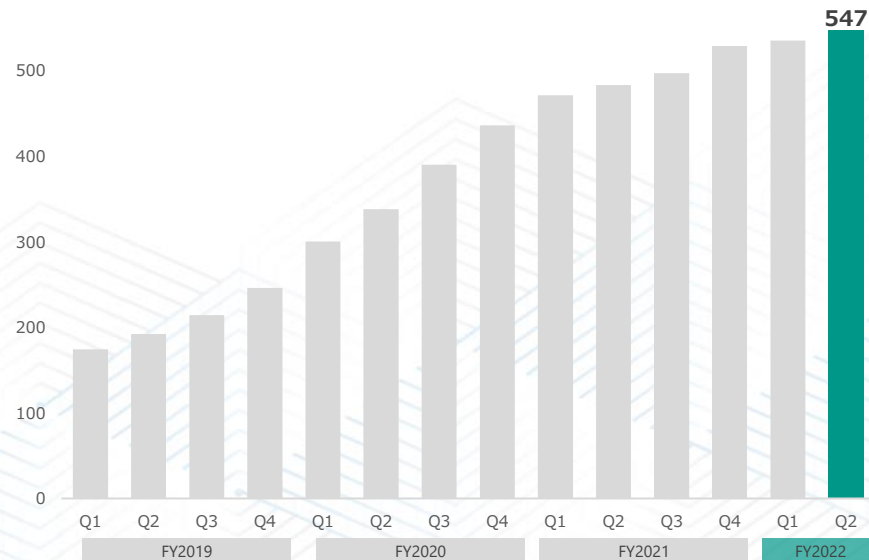
\*Monthly average unit prices at the end of each month averaged per Q



## ■ Average Number of Active Accounts by Quarter

(Unit: account)  
600

\*Average number of active accounts at the end of each month averaged per Q



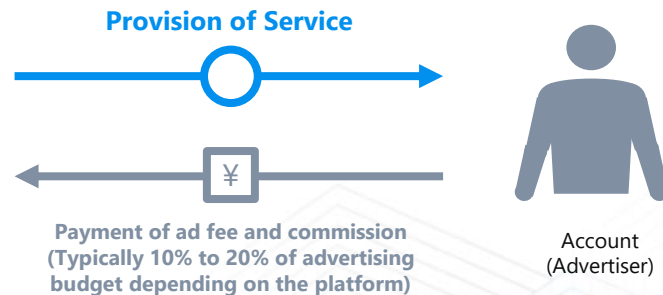
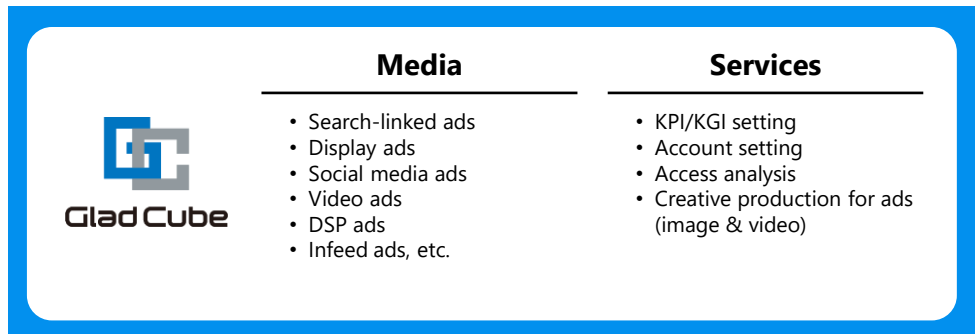
# **Business Overview**

## **(Marketing Solution Business)**

# Marketing Solution Business: Service Details

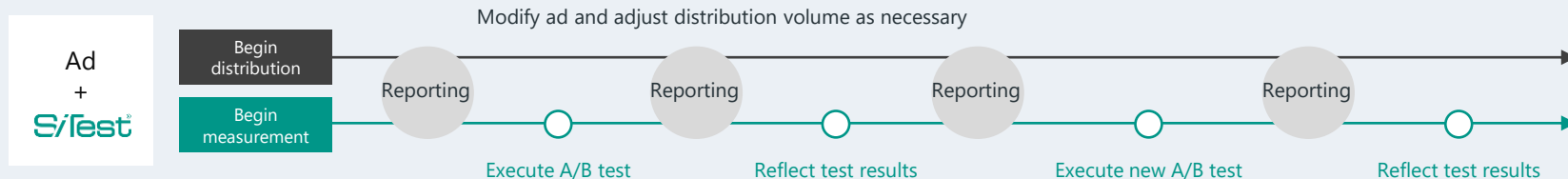
The service is mainly focused on provision of search-linked ads, display ads, social media ads and other operational advertising

- Revenue generated through operating fees
- Strength lies in the ability to offer improvement of destination website of ads in conjunction with our SaaS business



## Example of working with SaaS

Identifying landing page user behavior has a synergy with ad management

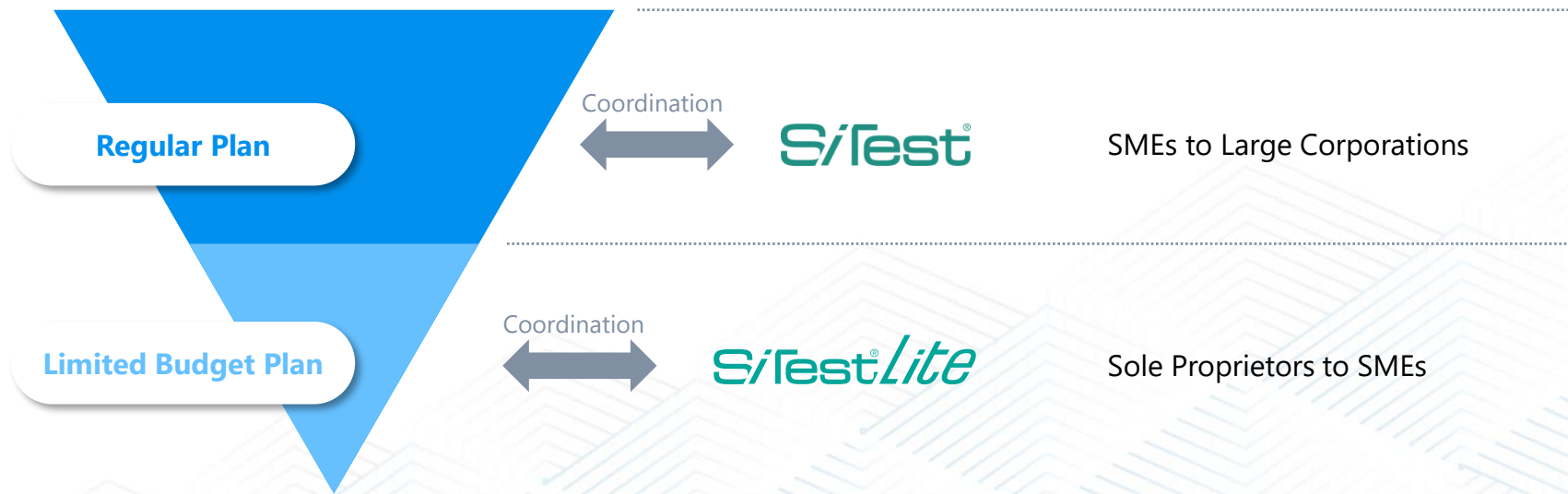




# Marketing Solution Business: Range of Covered Enterprises

**Our internet advertising agency business is available to accounts with a wide range of budgets, from large corporations to small and mid-sized enterprises**

- Inbound sales have been achieved through SEO measures and ongoing content marketing since the company's inception
- We are able to offer comprehensive proposals through coordination with our SaaS business in addition to ad management



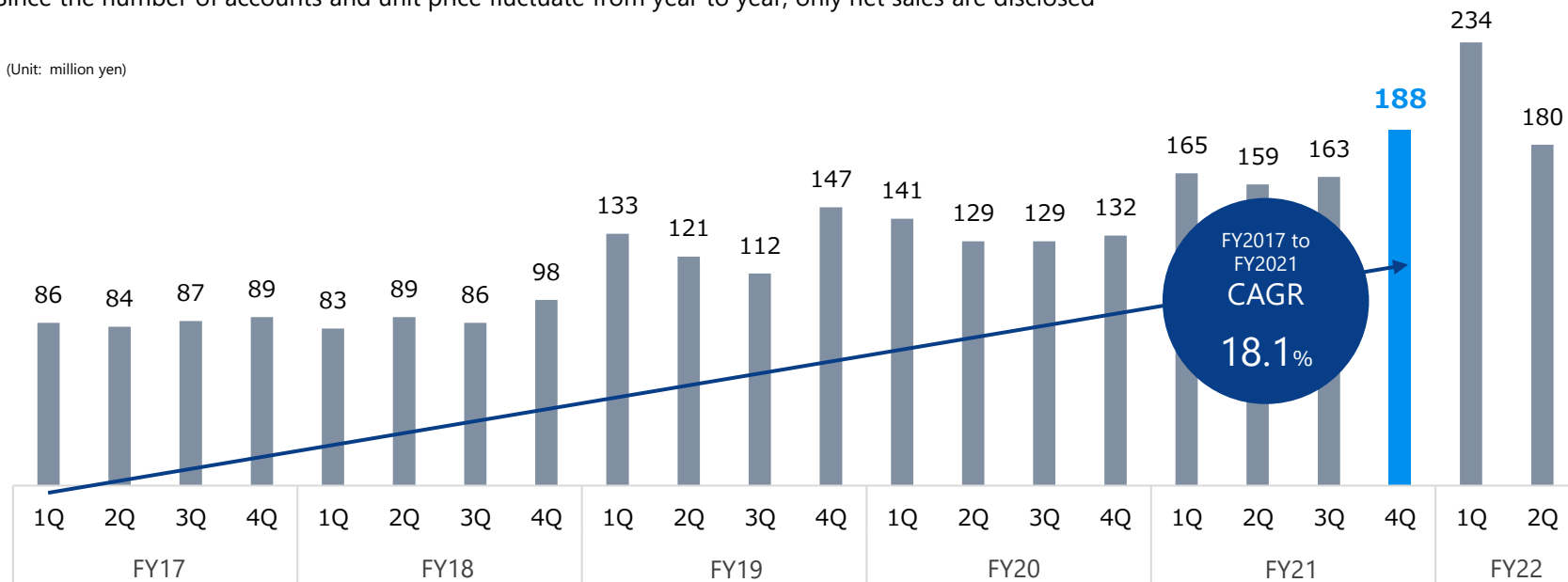
\*SMEs can select either the Limited Budget Plan or Regular Plan in accordance with their advertising budget

# Marketing Solution Business: Quarterly Sales Data

## Continued Solid Sales Growth

- Concentration of transactions due to the large number of accounts with a fiscal year ending in March is why 1Q of each fiscal year has higher sales compared to other quarters
- Since the number of accounts and unit price fluctuate from year to year, only net sales are disclosed

(Unit: million yen)



# **Business Overview (SPAIA Business)**

# SPAIA Business: Background of SPAIA Development

## Analyze Sports through AI



## Deploying a "Data-Driven World" in Japan's Sports Media

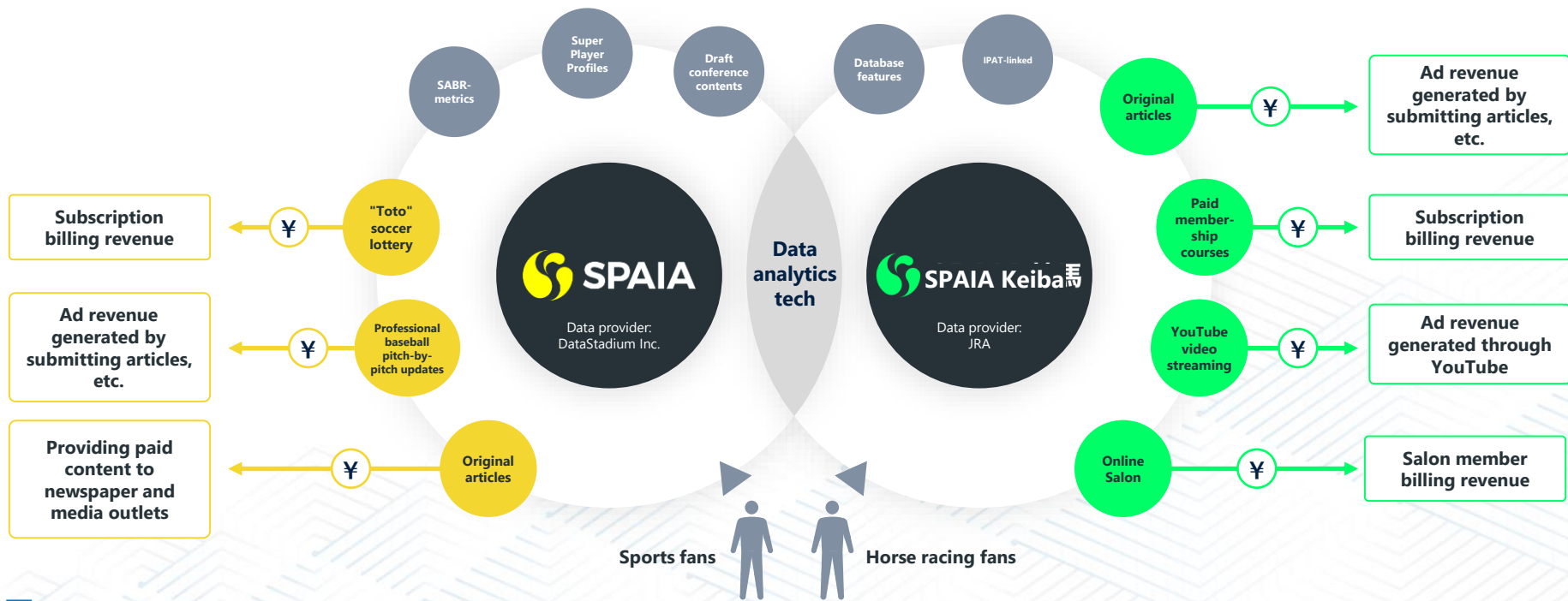
- Data is becoming increasingly critical in the U.S., where sports is a major industry. The use of detailed data and dynamic images not only in sports, but even in weather forecasting, served as a catalyst in the development of SPAIA.
- In Japan, data analysis is also becoming indispensable to training and analyzing competing teams in the world of professional sports.
- In anticipation of the coming era in which data will be indispensable to understand sports, SPAIA media will provide not only existing game results, but also a wealth of data including sabermetrics(\*), and will offer content such as AI-based game predictions and data articles.

\*1 Sabermetrics: An analysis method that objectively analyzes data in baseball from a statistical viewpoint to evaluate players and consider strategies.

# SPAIA Business: Business Model

Attract sports fans with enticing free content and offer a portion of the content to newspapers and media for a fee

Spun-off popular horse racing content from SPAIA to a separate website in 2019

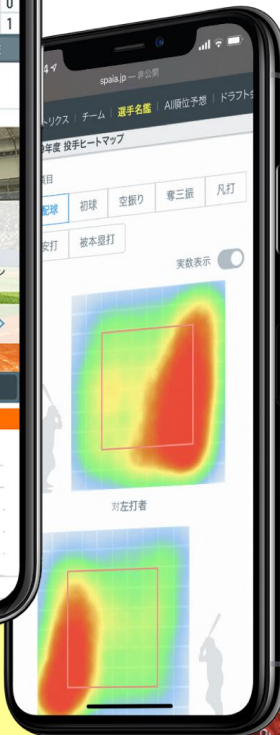




# SPAIA Business: Overview [1]

## Main Features & Content

- Delivers user-participatory predictions of wins and losses in professional baseball and J-League matches
- Delivers breaking news on professional baseball, etc., in 3D  
(Provides newspaper and media with widgets)
- A super player directory with detailed data from professional baseball, J-League, and B.LEAGUE available to anyone, free of charge
- Proprietary infographic articles, visualized sports data





# SPAIA Business: Overview [2]



## Main Features & Content

- Equipped with KAIBA, a proprietary AI horse race prediction engine
  - \*A partner company provided support on partial development of the AI prediction engine
  - \*Uses machine learning, in which preexisting data is used as examples and it is trained off of real data
- A wide range of membership plans (Free/Paid: Gold, Platinum, Diamond)
- 17 AI predictors tailored to users' predicting style (as of Aug '22)
- Extensive database that enables search of not only racing horses, but also jockeys, trainers, owners, breeders, etc.
- Functions that enable users to record and keep track of their bets

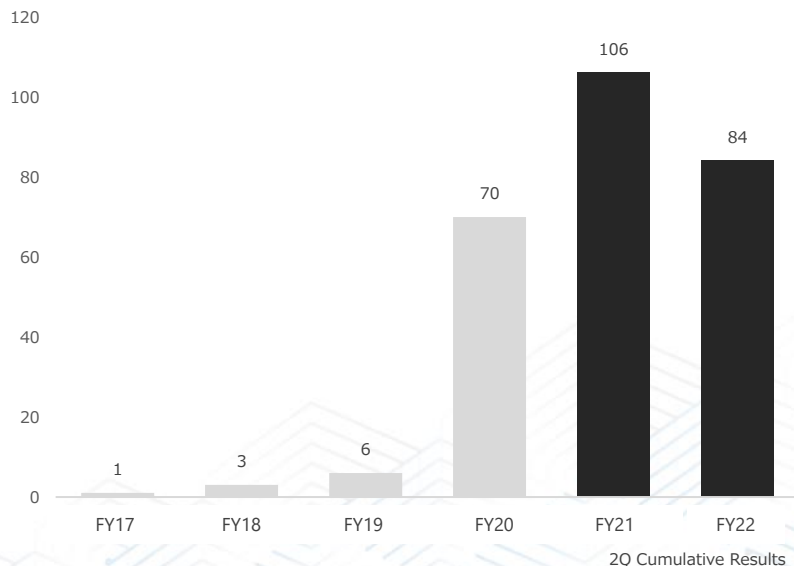


# SPAIA Business: Sales and SPAIA KEIBA Subscriber Count

## Sales

The launch of SPAIA KEIBA and commencement of sales of IKKYU SOKUHO in FY2019 have fueled rapid growth.

(Unit: million of JPY)

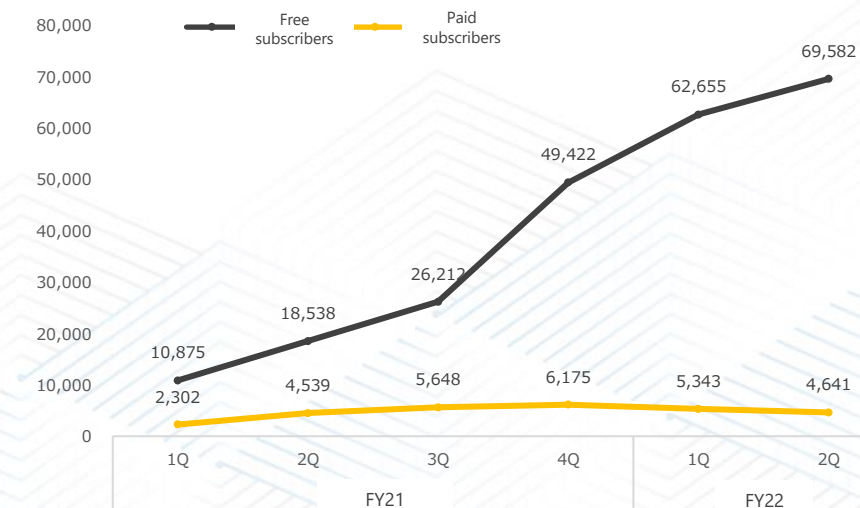


## SPAIA KEIBA Subscriber Count

Paid subscribers reduced in number since December 2021 because of an increase in price for Platinum and Gold plans (which increased the churn rate) in August 2021. We plan to reduce churn rate by focusing on UI/UX and developing content for local racetracks.

### Average Number of SPAIA KEIBA Subscribers by Quarter

(Unit: account)



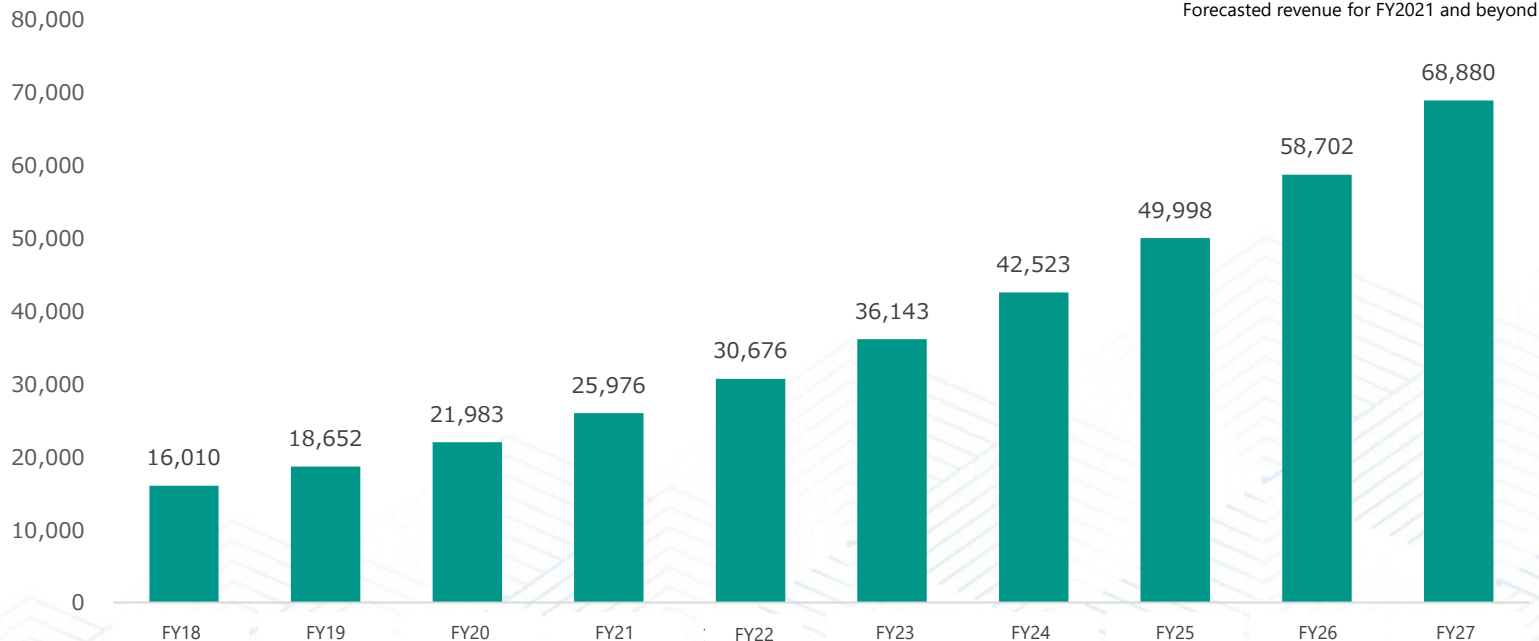
# Market environment

# Market Environment: TAM in SaaS Business

**The web analytics market will continue to expand.**

**With online advertising budget growing year over year, there is enormous potential in the market.**

(Unit: million of JPY)



# TAM for Marketing Solutions Business

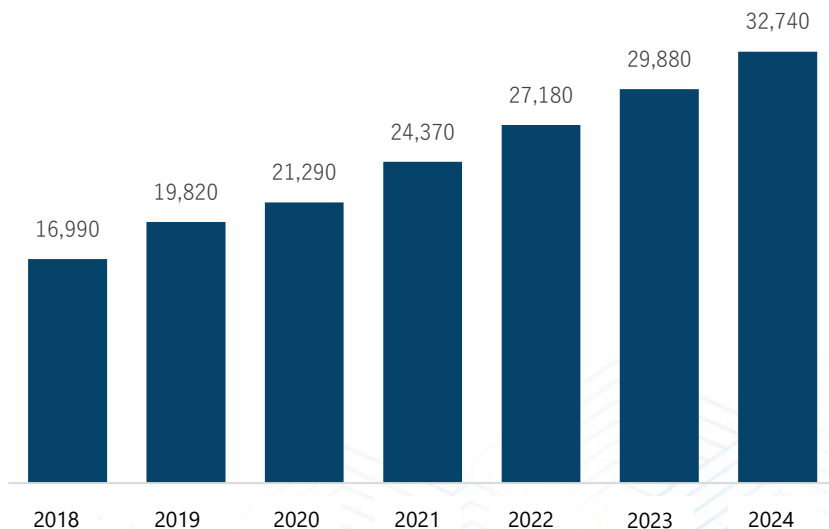
Internet advertising market in 2022: 2.71 trillion yen (YoY change: 112%)

Video advertising market: Exhibits the highest rate of growth at 121.3%, and it represents more than 20% of total expenditure for Internet advertising media.

"Video-sharing types" of services are exhibiting dramatic growth, while social media ads also notably recorded 116.1% growth over the previous year, and both combined to account for more than 30% of overall Internet advertising media expenditure.

## Internet Advertising Market

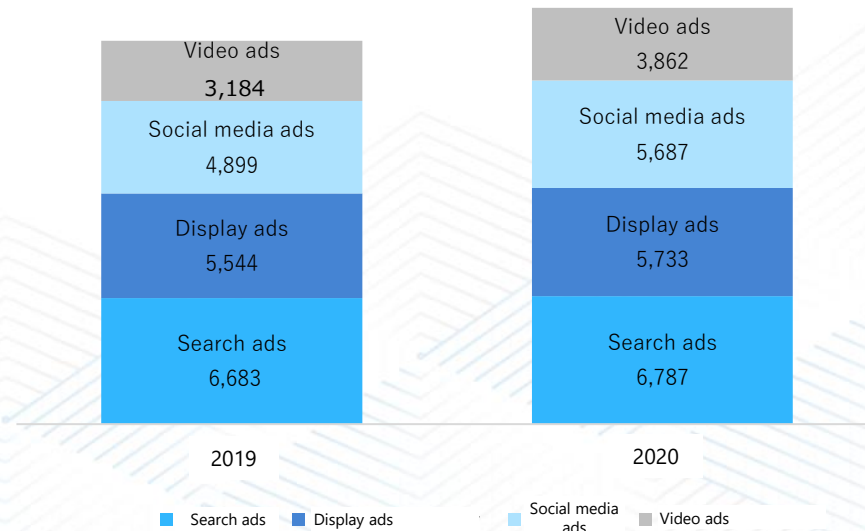
(Unit: 100 millions of JPY)



Cited from: Research conducted by Yano Research Institute Ltd.  
[https://www.yano.co.jp/press-release/show/press\\_id/2839](https://www.yano.co.jp/press-release/show/press_id/2839)

## Market Trends by Type of Media

(Unit: 100 millions of JPY)



Cited from: 2020 survey on advertising expenditures in Japan conducted by Dentsu Inc.  
(<https://www.dentsu.co.jp/news/release/2021/0310-010348.html>)

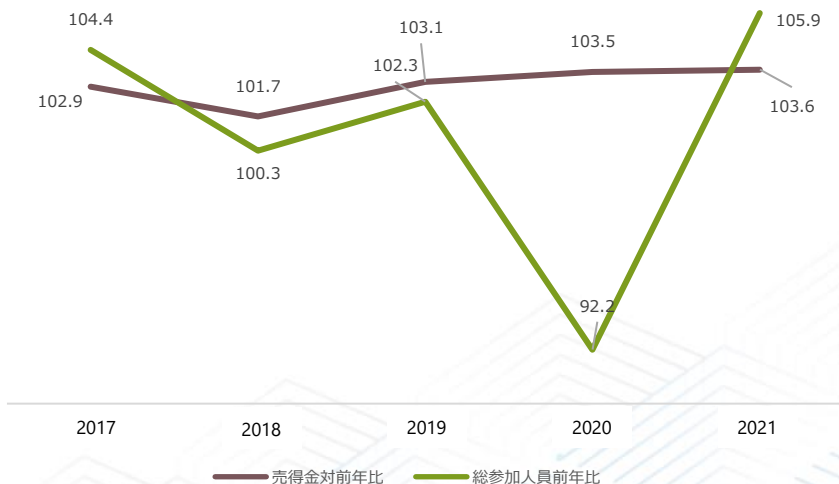
# Market Environment: TAM in SPAIA Business (SPAIA KEIBA)

In FY2021, JRA announced cash sales exceeding 3 trillion yen with a year-on-year increase of 103.6%. The horse racing population declined significantly in 2020, but recovered in 2021, with a 106% year-on-year increase in the number of participants.

In the local racetrack industry, total cash sales in FY2021 was 111.7% year-on-year, exceeding 960 billion yen.

JRA (Central Racetracks) Cash Sales and Number of Participants

(Unit: %)

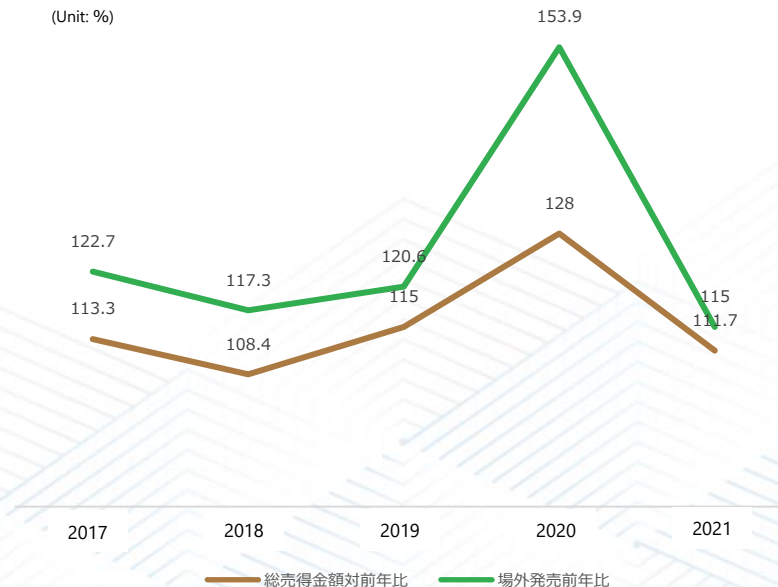


Source: JRA (Growth Rate)

\*Total number of participants is the sum of in-person and online betting

NAR (Regional Racetracks) Cash Sales and Number of Off-Site Betting Participants

(Unit: %)



Source: National Association of Racing (NAR)

\* Number of off-site betting participants include in-person, online, and telephone betting

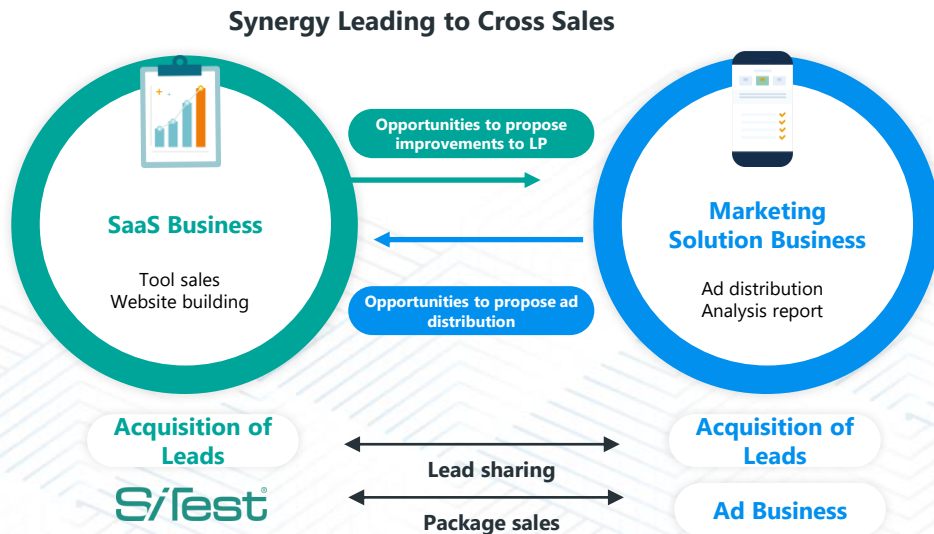


# Our Strengths

# Our Uniqueness and Strengths in the Business

1. Accumulating revenue model with Software as a Service (SaaS) and Subscription as a Service (SaaS)
2. In-house product development possible through an environment that thinks from the customer's perspective
3. Inbound sales realized through content marketing and other methods minimize sales costs since the company's inception
4. Management capability in developing new services based on market analysis and achieving profitability
5. Sales synergy from inter-business collaboration

**Maximizing synergy with Marketing  
Solution Business with SaaS Business at  
the core**



# Our Uniqueness and Strengths in Recruitment and Development

## Unique New Graduate Recruitment System

### Interview

### Internship

### Final Presentation

### Part-time Jobs for Future Employees

### Commencement

Following individual interviews, group interviews are conducted and successful candidates then participate in about 7 internship sessions, after which they will give a "final presentation" to the directors and executives on what they would like to contribute to the company. After receiving a job offer, they will work as a paid part-time employee as a member of Glad Cube.

This is a system in which all of the part-timers who have been offered positions will be involved in the preparation for the hiring of new graduates the following year. They will learn task management, creative production, and presentation skills as they work. The system allows the new employee to start with confidence in April, when he/she will officially join the company.



## "Open Leadership Recruitment Program" Providing Everyone with Equal Opportunity

The "Open Leadership Recruitment Program," which began in FY2016 and held annually, is a unique program in which anyone can participate.

Employees who have a desire to contribute to the company and make it a better place to work can apply to the program.

Promotion is determined through assigned readings, discussions among applicants, and presentations.

#### ■ Past Track Record

FY2016 6

FY2017 5 (of which, 2 were new graduate hires in their 2nd year)

FY2018 5 (of which, 1 was a new graduate hire in their 1st year, and 2 were new graduate hires in their 2nd year)

FY2019 3

FY2020 6 (of which, 1 was a new graduate hire in their 2nd year)

FY2021 12 (of which, 1 was a new graduate hire in their 1st year, and 3 were new graduate hires in their 2nd year)

#### Model Case [1]

2016 New graduate hired and assigned to the Marketing Solution Business unit

2018 Promoted to Leader through the program in 2017

2020 Promoted to Manager of the Marketing Solution Business unit

#### Model Case [2]

2017 Hired with experience and assigned to the SaaS Business unit

2019 Promoted to Leader through the program in 2017


2020 Promoted to Manager of the SaaS Business unit

2022 Senior Manager, Promotion Management Division

# Competitive Landscape

# Competitive Landscape\*

- Companies that offer comprehensive digital marketing support and are fairly comparable to Glad Cube have been chosen for comparison
- Our coverage is a match for clients who seek comprehensive support on the web, from customer attraction to sales expansion

	 Glad Cube	Advertising Agency	Domestic Analytics Company A	Domestic Analytics Company B
Size of Target Enterprise	Sole proprietor, small, mid and large scale	Large scale	Small, mid and large scale	Sole proprietor, small, mid and large scale
Main Scope of Support	Advertising, website analysis, production	Advertising, research, production	Website, social media, and data analysis	Entry form optimization, website analysis, data analysis
Availability of Support Tools	Website analysis, website speed enhancement	None	Website and social media analysis	Entry form optimization, online customer service
Consulting Services	From advertising to website analysis and improvement	Starts from strategic planning	None	Support for new customer acquisition
Availability of Media	Sports data analysis website SPAIA	Digital marketing media	None	None

\*Created based on interviews with representatives we had business discussions concerning support for digital marketing issues, as well as publicly available information from corporate websites and other sources

# Future Growth Strategy



# Future Growth Strategy

**1. Maximize synergy through cross-selling between businesses**

**2. New product development**

**3. Increase subscriptions through improvements in quality and adding new features to SPAIA KEIBA**

# Growth Strategy [1]: Maximize synergy through cross-selling between businesses

## Maximize synergy between SaaS and Marketing Solution businesses to grow sales

### SaaS Business × Marketing Solution Business

#### Measures to increase cross-selling ratio

1. Increase cross-selling sales by strengthening sales of packages between businesses
2. Secure new leads through company-hosted webinars and seminars
3. Expand number of accounts through partnership collaborations in SaaS business
4. Strengthen the structure of the Customer Success Team for SaaS business partners
5. Approach existing clients in the Marketing Solution Business

#### [Calculation Method of the Cross-selling Ratio]

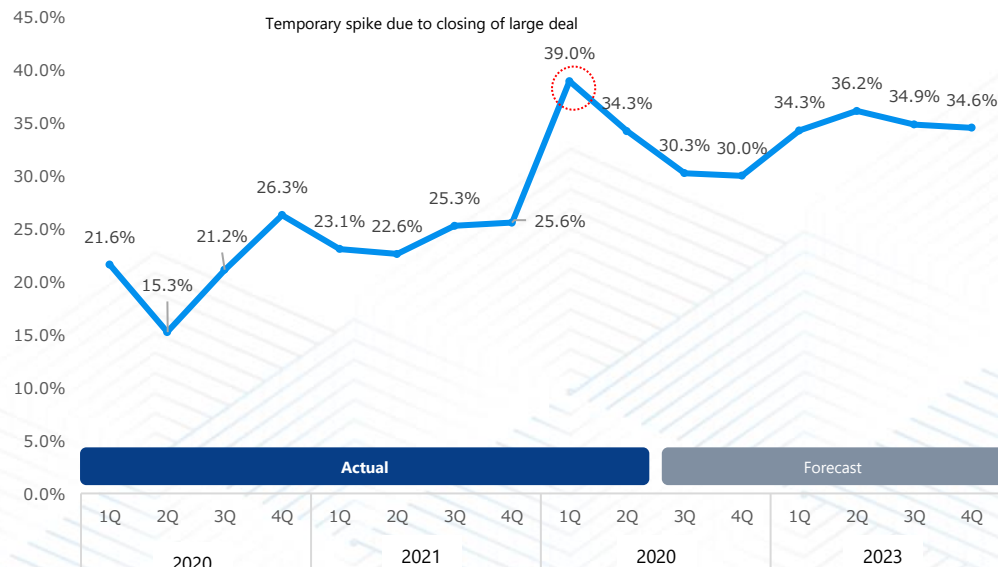
•The numerator is the total sales of customers who have transactions with both our SaaS and Marketing Solution businesses, and the denominator is the total sales of the SaaS and Marketing Solution businesses.

•Calculated starting with FY2020, when cross-selling growth strategy commenced.

•Cross-selling ratio is calculated based on the average of Q.

•Figures for 3Q of FY2022 and subsequent quarters are based on year-on-year comparisons.

#### ■ Average Cross-selling Ratio by Quarter



# Growth Strategy [2]: New product development

## Increase acquisition of new accounts to create a platform for website analysis and enhancement tools

### "FasTest" released in July of FY2022

- Tool to improve website page speed

\*Google research has reported a 32% increase in direct user return when page speed goes from 1 to 3 seconds, a 106% increase when it goes to 6 seconds, and a 123% increase when it slows down to 10 seconds.

### "MoVest" to release after FY2023

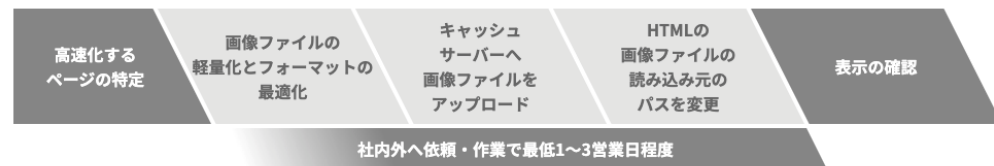
- Tool to analyze and improve videos



We anticipate further expansion of cross-selling between SaaS and Marketing Solution businesses through new products

# *FasTest*

従来（画像ファイルの軽量化・HTML書き換え）のページ高速化の流れ



FasTest のページ高速化の流れ



高速化したページのURLを、1クリックで自動生成できます。



※独自ドメインを使用するには、契約ドメインでの設定が必要です。

# Growth Strategy [3]: Increase subscriptions through improvements in quality and adding new features to SPAIA KEIBA

Addition of new features and UI/UX improvements to SPAIA KEIBA

Launch other services for sports gambling via horizontal deployment to secure new subscribers and attempt further cross-selling

Offer new services associated with SPAIA KEIBA

Improve SPAIA KEIBA's UI/UX

- Beginner-friendly guides and other features to assist new users

Improve AI forecaster accuracy

- Improve accuracy and recovery rate

Enhance content for paying subscribers

- Provide special content to promote prolonged membership

Bolster Customer Success and reduce churn rate

- Carry out periodical member surveys and reflect results in future development projects

Expand sales of widgets

- Expand sales channels with a view to developing products for baseball teams and leagues



Local racetrack content

Sports gambling content other than horse racing

Due for release in September 2022

# **Budget, Financial Results, and Plans**

# Use of Funds

(Unit: thousand of JPY)

Item		Details	FY2022	FY2023	FY2024 and beyond	Total
Investment for Growth	New Development	Allocated for development expenses and hardware for development of new products	12,000	73,200	146,400	231,600
	Internal Systems	Allocated for enhancement and development of internal accounting system, etc.	-	45,000	90,000	135,000
	Advertising Expenses	Allocated for marketing expenses to increase name recognition and expand sales	-	29,120	130,240	159,360
Fund for Business Expansion	Security Enhancement	Allocated for additional office security systems to ensure employee safety and to prevent information leaks	-	1,500	4,500	6,000
	Total		12,000	148,820	185,320	531,960



# Actual vs. Plans

(Unit: million of JPY)

	FY2017 11th period	FY2018 12th period	FY2019 13th period	FY2020 14th period	FY2021 15th period	FY2022 16th period	FY2022 16th period
	Actual	Actual	Actual	Actual	Actual	2Q Actual	Plan
<b>Sales</b>	442	492	671	882	1,215	775	1,501
<b>Gross Profit</b>	442	492	668	833	1,157	739	1,432
<b>Gross Profit Margin</b>	100%	100%	99.51%	94.41%	95.24%	95.41%	95.40%
<b>Operating Profit</b>	-70	-6	41	121	291	283	481
<b>Operating Profit Margin</b>	-16.04%	-1.32%	6.24%	13.72%	24.00%	36.53%	32.04%
<b>Ordinary Income</b>	-66	6	62	126	298	283	479
<b>Ordinary Income Margin</b>	-14.96%	1.38%	9.31%	14.35%	24.56%	36.61%	31.95%

# Appendix

# Management Team

The Company is managed by a well-balanced team equipped with management and business know-how, accounting, and governance, expertise



**Hiroki Kaneshima**

Representative Director & CEO

- 2002 Graduated Department of Commerce and Economics, Osaka University of Commerce
- 2007 After a career in the financial industry, founded GLAD CUBE LLC



**Yuki Takarabe**

Director & CIRO

- 2000 Joined Kenko.com Co.
- 2006 Joined IKEA Japan K.K.
- 2012 Founded Catch Co.
- 2014 Joined GLAD CUBE Inc. as Director and COO
- 2022 Appointed as Director and CIRO



**Miki Nishimura**

Director & CFO

- 2002 Joined Ernst & Young ShinNihon LLC
- 2016 Joined GLAD CUBE Inc.
- 2019 Appointed as Executive Officer
- 2020 Appointed as Director
- 2022 Appointed as Director & CFO



**Yuki Kaneshima**

Director

- 2011 Joined GLAD CUBE Inc.
- 2020 Appointed as Executive Officer
- 2022 Appointed as Director



**Mike Uesugi**

Outside Director

- 1987 Apple Computer (USA)
- 1991 IBM (USA)
- 1993 Founded Global Micro Solutions, Inc., served as CEO
- 2010 Founded Social Rewards, Inc., served as CTO
- 2015 Joined GLAD CUBE Inc. as Outside Director



**Yoji Morizumi**

Outside Director

- 1999 Joined Ohta Showa Audit LLC
- 2003 Seconded to Japan Bank for International Cooperation, Project Development Department
- 2003 Registered as a Certified Public Accountant
- 2016 Founded Yoji Morizumi Certified Public Accountant Office
- Joined GLAD CUBE Inc. as Outside Director

**Kazuyoshi Okuda**

Full-time Corporate Auditor

- 2001 Joined Japan Cash Machine Co., Ltd.
- 2018 Joined GLAD CUBE Inc. as Full-time Corporate Auditor

**Koichi Ikehara**

Outside Corporate Auditor

- 2001 Joined Ernst & Young ShinNihon LLC
- 2005 Registered as a Certified Public Accountant
- 2011 Founded Koichi Ikehara Certified Public Accountant Office
- 2011 Registered as Certified Tax Accountant
- 2016 Joined GLAD CUBE Inc. as Outside Corporate Auditor

**Masayuki Kitaguchi**

Outside Corporate Auditor

- Nov 1997 Joined Century Audit LLC
- Jun 2003 Founded Kitaguchi Certified Public Accountant Office
- Jan 2013 Registered as an attorney with Osaka Bar Association, founded Kitaguchi Law Office
- Jan 2015 Founded Showa Law Office (Representative)
- Jun 2016 Appointed as Assistant Auditor of Nippon Ham Co.
- Mar 2019 Joined GLAD CUBE Inc. as Outside Corporate Auditor

# Risk Information

# Perceived Risks and Counter Measures

Item	Outline of Risk	Chance	Timing	Impact	Counter Measure
<b>Internet Related Market</b>	The Company may experience rapid changes in the environment surrounding internet usage due to new regulations or other unforeseen factors which may hinder the expansion in the use of the internet.	Moderate	Short Term	Large	We will continue to diversify risks by entering into various business models to reduce the impact of internet-related market trends.
<b>Competition</b>	There are already several competitors in the SaaS and Marketing Solution businesses, and new competitors are expected to enter the market as the internet market expands.	Moderate	Short Term	Moderate	The Company will establish a system that can provide a one-stop service from planning to production, operation, and consulting through our unique training and development system and ensure our competitive superiority.
<b>Legal and Regulatory Changes</b>	Tightened legal or self-imposed regulations pertaining to the internet and social media business, as well as GDPR and other regulations, may affect our business and financial results.	Low	Long Term	Large	We will keep close watch on legal trends and adjust in a flexible manner.
<b>Concerning SPAIA Business</b>	We continue to make upfront investments in development, creative personnel, outsourcing of development, etc., as these investments are necessary for the future, but if things do not pan out as expected, it may affect our business and financial results.	Low	Long Term	Small	We will continue efforts to improve profitability by hiring and training development and creative personnel, strengthening marketing measures and public relations activities, while assessing return on investment

The above are descriptions of main factors that the Company believes may pose future risks. For risks not described on this page, please refer to "Business Risks" in the Securities Registration Statement. These risk factors are based on the Company's current judgment and do not cover all the risks that may arise in the future.

# Handling of This Material

## Disclaimer

This presentation contains forward-looking statements. These forward-looking statements are based on information available to the Company at the time such statements were made. These statements are not guarantees of future results or performance. Such forward-looking statements involve known and unknown risks and uncertainties that could cause future results and financial conditions to differ materially from any future results or outcome expressed or implied by such forward-looking statements.

Factors that may affect the actual results described above include, but are not limited to, changes in national and international economic conditions and trends in industries in which the Company operates.

Information regarding matters and organizations other than the Company is based on publicly available information, and the Company has not verified and does not guarantee the accuracy or appropriateness of such publicly available information.

## Timing of Disclosure

This document will be disclosed around the time the full-year financial results are announced.