

FY2023 Q3 (Jan.-Sep.)

Financial Results Q3 Fiscal Year 2023

GLAD CUBE Inc.

Security code : 9561

Nov 14, 2023





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1 | Topics

Regarding the Partial Acquisition of Business from
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Regarding the Partial Acquisition of Business from Workhouse Co., Ltd.

Partial acquisition of Workhouse has been completed.
(Business Transfer Completion Date: Oct 24, 2023)

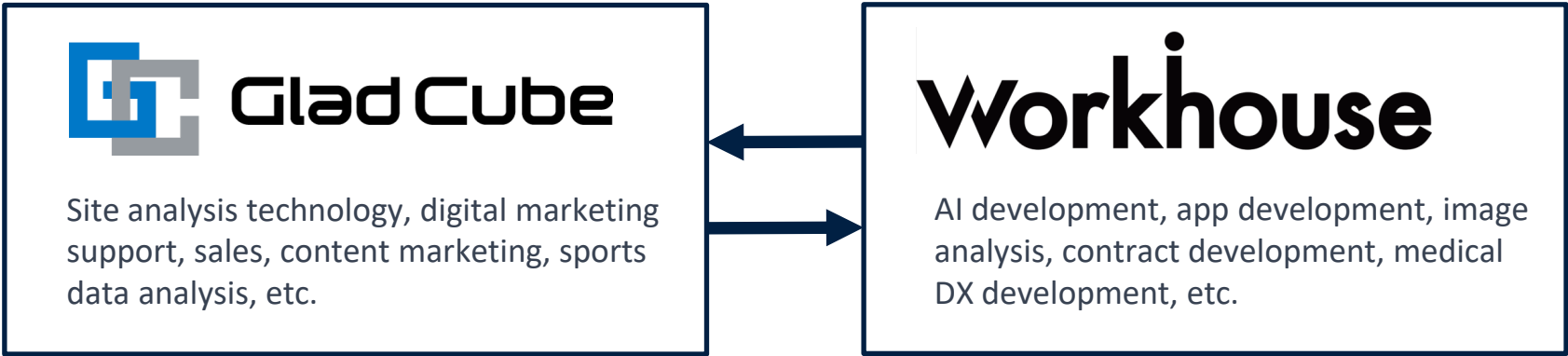


Company name	Workhouse Co., Ltd.
Location	3-7-26 Ariake, Koto-ku, Tokyo
Business activities	AI development and operations, contract development, operations related to medical DX development and medical services, image analysis, offshore talent development (Vietnam), and pharmacy business.
Business scale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

Outlook for the Future

The impact on the performance for the fiscal year ending Dec 2023, resulting from the partial acquisition of this business, is expected to be minor as the primary focus is on the transfer of human resources. Further details on the mid-to-long-term business strategy and Sales expansion will be announced in the financial statement for the fiscal year ending Dec 2024.

With the acquisition of this business, both companies aim to leverage their respective strengths and expertise to maximize growth and expand operations further.



Future business and service expansion plans.

Metaverse-related business



Business utilizing VR (Virtual Reality) and AR (Augmented Reality)

Medical DX (Digital Transformation) business



Providing DX (Digital Transformation) to clinics through online consultation systems, etc.

Human resources dispatch business



Digital talent and engineering dispatch business

Beauty business



Providing solution packages to medical beauty clinics, etc.

Regarding the Revision of the FY Ending Dec 2023 Performance Forecast

- Marketing Solution Business
In certain existing client cases, budget reductions due to advertising expense cuts and attrition through in-house initiatives have occurred.
- SPAIA Business
Shifting focus towards share acquisition, we concentrated resources on strengthening the acquisition of free members, resulting in a significant increase in free memberships. However, paid memberships have gradually decreased. Additionally, costs increased due to initiatives for system development and service improvement aimed at enhancing customer satisfaction, along with upfront staffing costs for new projects in the early stages.
- To the entire company (Aggressive investment for increasing Sales in the coming fiscal year and beyond)
We implemented proactive investments, including increased expenses for human capital investments aimed at strengthening our growth foundation and M&A research, anticipating Sales growth in the upcoming fiscal year and beyond.

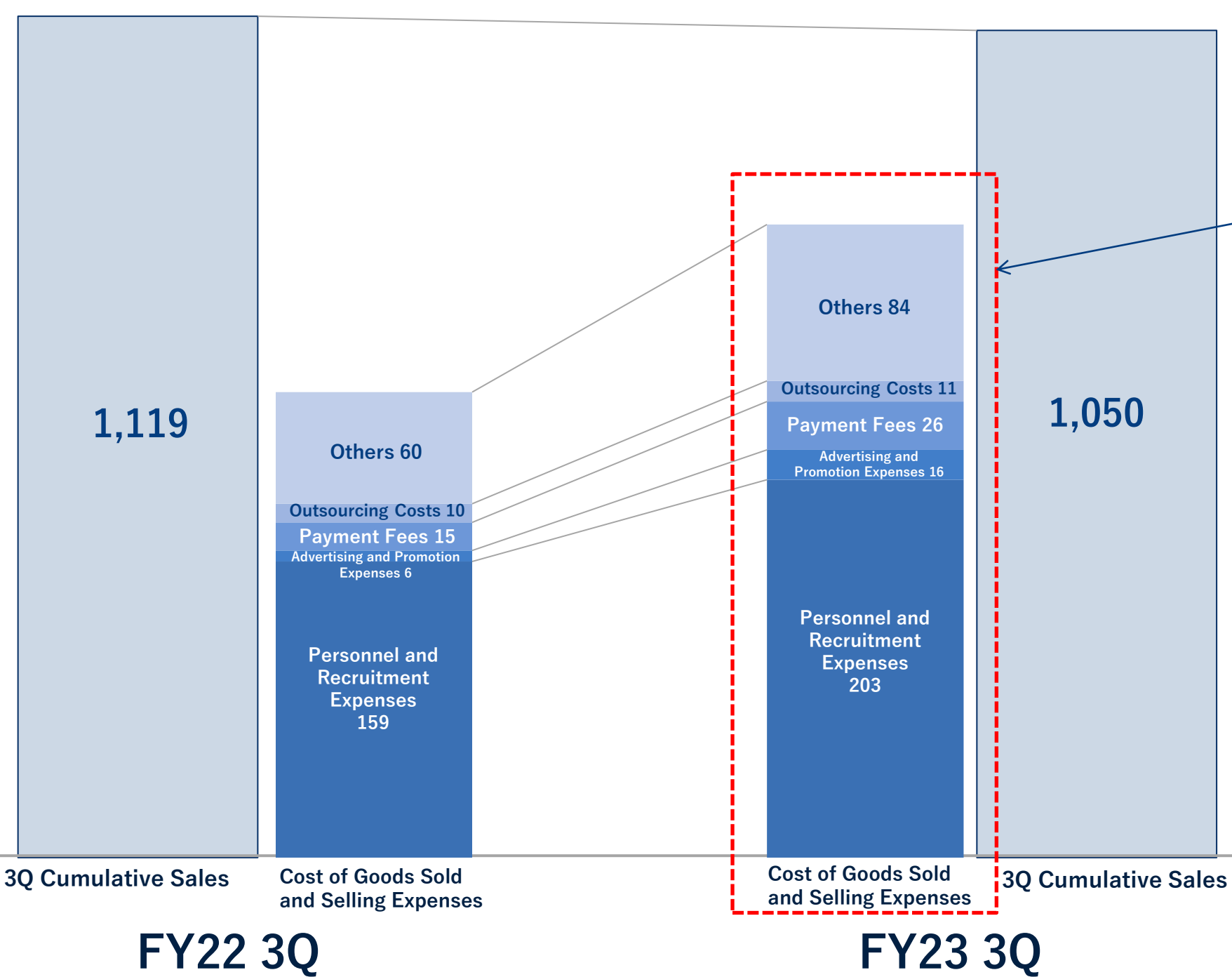
Due to the aforementioned reasons, we are revising our financial forecast downward to an operating profit of 120 million yen (a decrease of 65.2% compared to the initial plan), ordinary profit of 110 million yen (a decrease of 68.2% compared to the initial plan), and net profit of 50 million yen (a decrease of 77.8% compared to the initial plan)

Furthermore, in terms of Sales, we are revising our forecast upward to 1,500 million yen (an increase of 0.9%) due to the partial acquisition of business from Workhouse Co., Ltd.

	FY Ending Dec 2023 (Revised Forecast)	FY Ending Dec 2023 (Prior Forecast Announcement)	Compared to Initial Plan		FY Ending Dec 2022 (Actual Results)
			Amount of Increase/Decrease	Percentage of Increase/Decrease	
Sales	1,500	1,486	13	0.9%	1,480
Operating Profit	120	345	-225	-65.2%	461
(Profit Margin)	8.0%	23.2%	-15.1%		31.1%
Ordinary Profit	110	345	-235	-68.2%	455
(Profit Margin)	7.3%	23.3%	-16.0%		30.8%
Net Profit	50	224	-174	-77.8%	297

Thoughts on this FY's aggressive investments

This FY, we have implemented proactive investments to advance our company's stage, scale up our corporate capabilities, and accelerate business operations in preparation for the upcoming period.



■ The concept of proactive investment

The cumulative YoY Sales has remained relatively flat. On the other hand, we have undertaken proactive investments to strengthen the growth foundation for the upcoming fiscal year (FY24), resulting in a significant increase in selling and administrative expenses.

The substantial increase in selling and administrative expenses in the current fiscal year FY23, driven by proactive investments, is part of our efforts to significantly expand our business scale in the upcoming fiscal year FY24

This initiative is aimed at advancing **our corporate capabilities, scaling up our corporate size, and accelerating business operations** for substantial growth in the next fiscal year.

■ Main Increase Items

- ①Personnel Expenses and Recruitment (+27.6% YoY)
We conducted aggressive hiring with the aim of strengthening our growth foundation, leading to a significant increase in personnel and recruitment expenses
This fiscal year, our focus is on nurturing talent, building expectations for growth in the upcoming period.
- ②Payment Fees (+72.2% YoY) The significant increase is primarily due to the expenses associated with necessary due diligence for M&A investigations
This is driven by the partial acquisition of business from Workhouse Co., Ltd., with expectations of increased Sales in the upcoming period.

Initiatives for the next FY and beyond

SaaS Business

In our thriving SaaS business, we are further enhancing our new customer acquisition framework, strengthening cross-selling with the Marketing Solution Business, and developing new products leveraging AI capabilities. These initiatives aim to reinforce a sustained growth foundation.

Marketing Solution Business

In the Marketing Solution Business, we are advancing talent development, intensifying efforts in new client acquisition, and working towards an early recovery. Collaborating with developers experienced in building human resources management systems, we are reconstructing internal systems to enhance operational efficiency.

SPAIA Business

In the SPAIA business, with a total membership exceeding 120,000, the conversion rate from free to paid members in SPAIA horse racing stands at a high 21.9%. While maintaining this strong performance, we will continue to focus on expanding market share by acquiring more free members. Following the completion of system development and service improvement initiatives, we will implement strategies to convert members to paid subscriptions, aiming for an increase in the number of paid members.



The Synergy Effects Between GLAD CUBE and Workhouse and Their Impact on the Coming Fiscal Year.

1.

While the impact on this FY's performance from the partial acquisition of Workhouse Co., Ltd. on Oct 24, 2023, is minor, we anticipate a significant contribution to our performance from the next fiscal year onwards.

(Reference)

1. Estimated Sales for the transferred business in Sep 2023 (approx.): 600,000 thousand yen.
2. Estimated Operating Profit for the transferred business in Sep 2023 (approx.): Approximately 10% of the estimated sales.

2.

We will leverage the strengthened development team resources to achieve the construction of the DRAGON Data Center, boost sales in the SaaS business and Marketing Solution Business, and facilitate further growth in the SPAIA business.

3.

By leveraging the strengths of both companies, in addition to the newly planned business outlined on page 4, we anticipate the realization of expanding the System Engineering Services Business, developing next-generation services utilizing AI, and exploring business expansions using cutting-edge technologies such as 3DCG.

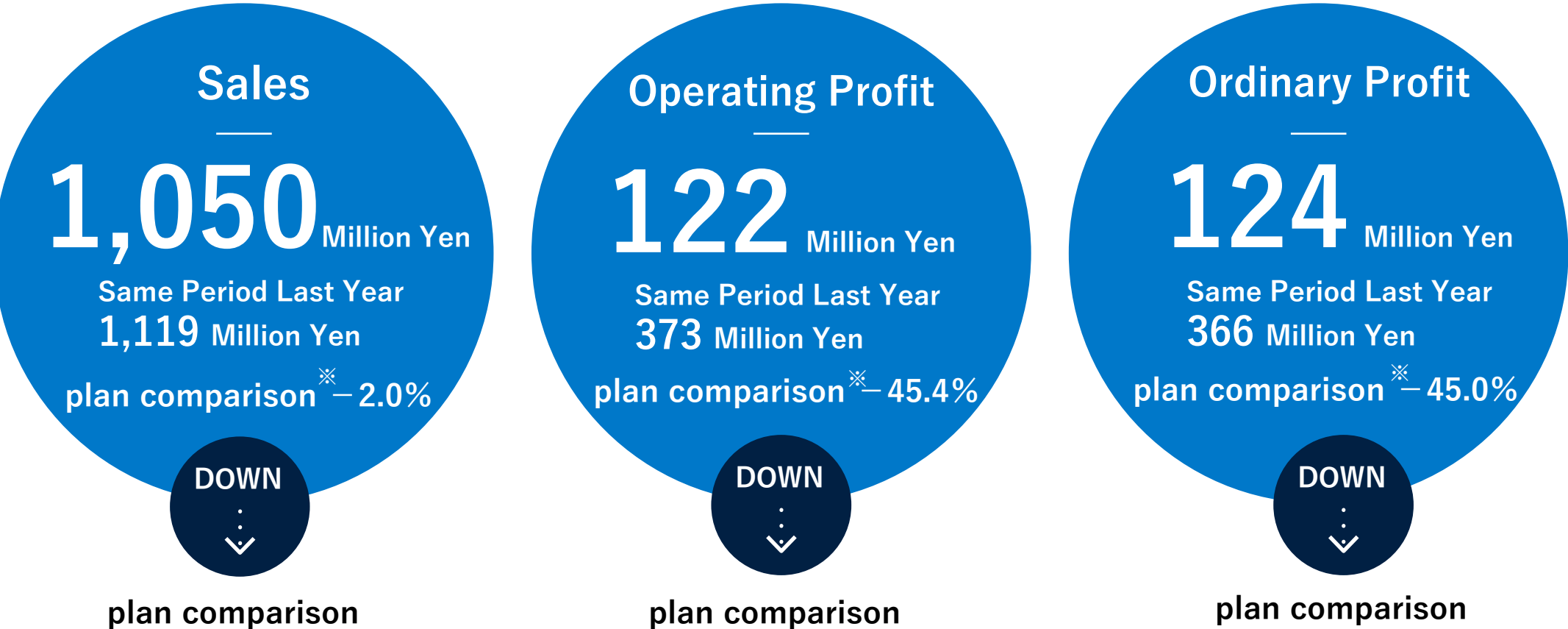
2 | FY2023 3Q Financial Highlights



Executive Summary

FY23 Q3 performance

- The cumulative Sales for the third quarter of FY23, while initially planned to be -2.0% compared to the original forecast, generally remained within the expected range.
- The cumulative sales of the SaaS business, a key growth driver, have shown a robust performance with a YoY growth of +10.6% and a plan-to-plan comparison exceeding expectations at +2.2%.
- Both operating profit and ordinary profit experienced a decline due to the restraint on advertising expenses resulting from cancellations and budget reductions by some clients in the Marketing Solutions business. Additionally, costs exceeded initial projections, driven by increased expenditures on human resources for the purpose of strengthening the growth foundation, as well as expenses related to M&A investigations, reflecting proactive investments aimed at anticipating Sales growth in the subsequent fiscal year. Consequently, the full-year forecast has been revised downward.



※The plan comparison refers to the comparison between the full-year plan disclosed in the “2022 December Financial Results Briefing” on Feb 14, 2023, and the actual performance.

FY23 Business Policy

To maximize the synergy between our SaaS and Marketing Solutions businesses, aiming for further Sales growth, we will expand our business scale through active M&A initiatives. This expansion will enhance our recognition as a company strong in digital marketing.



Human Resources Strategy

We're progressing well with the recruitment for the first half of the year. We'll continue actively investing in our human resources.

- Despite the intensifying competition in the hiring market, we have been successful in securing exceptional talent, marking our highest number of new hires to date.
- Our recruitment efforts have been progressing smoothly, contributing to an accelerated growth pace through the strengthening of our foundation for growth.



Customer Strategy

Through the establishment of a new sales organizational structure, we aim to enhance customer value and strengthen acquisition of new clients in untapped industries.

- We aim to further increase customer value by driving cross-selling through the strengthening of our sales structure.
- Additionally, by establishing an outbound strategy, we seek to expand our customer base into untapped industries and beyond.

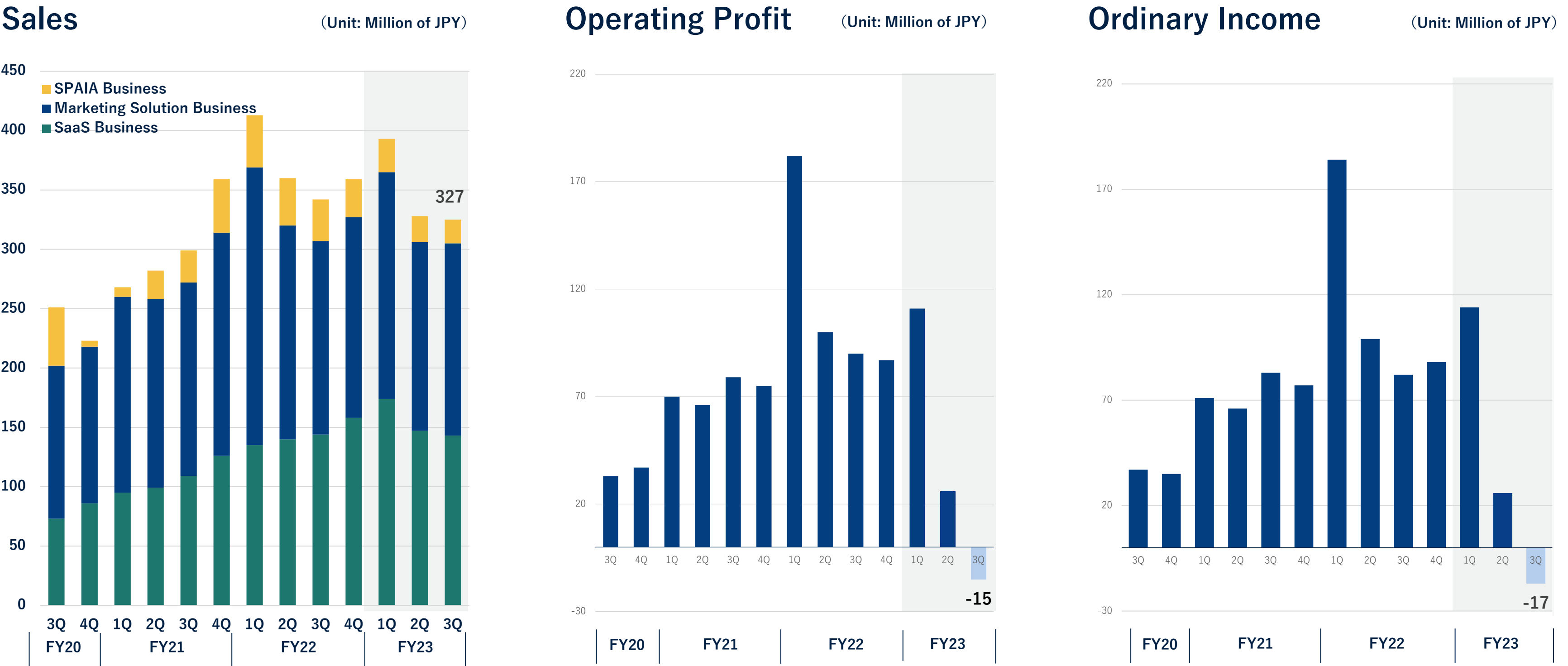


Corporate Strategy

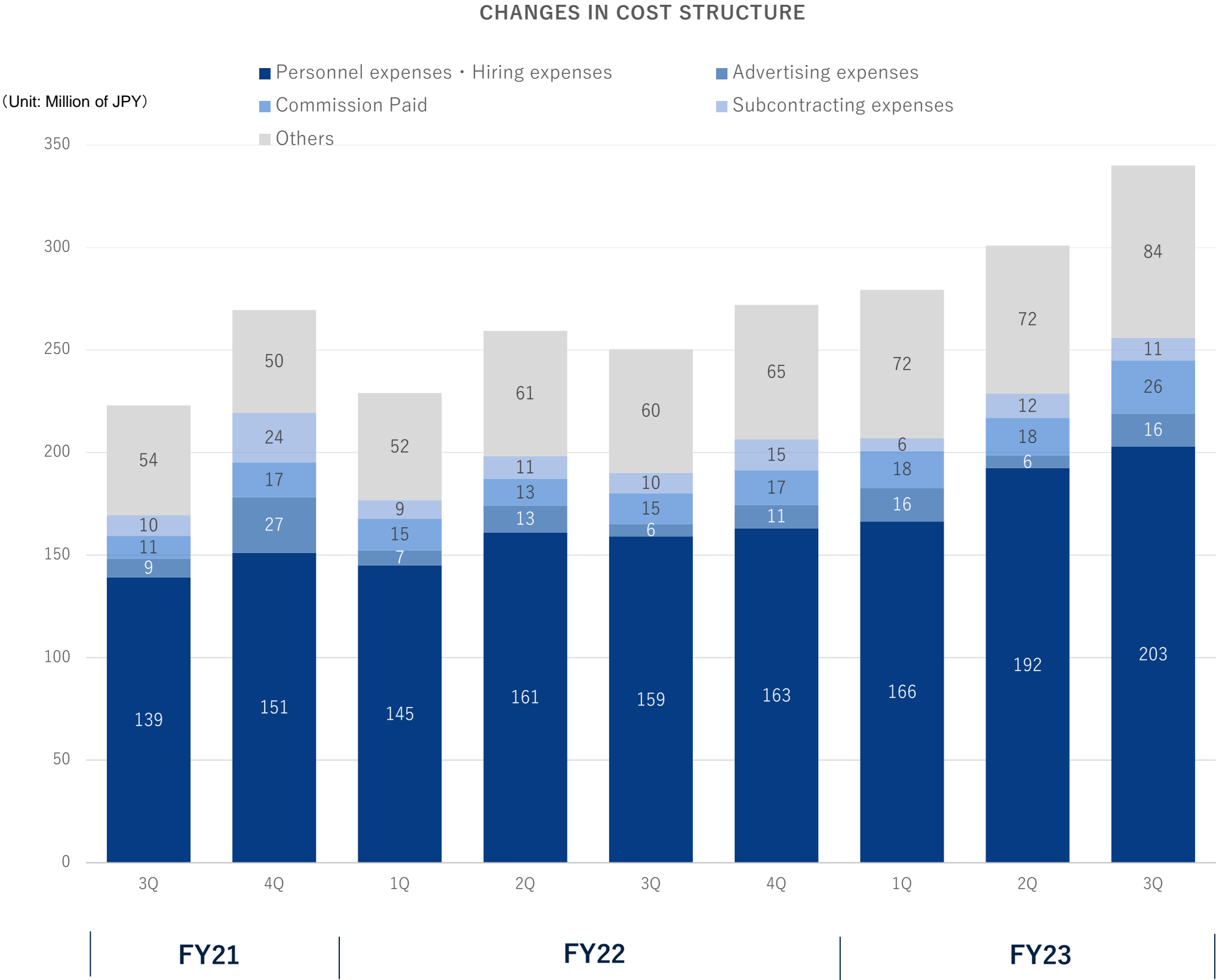
We are actively exploring M&A opportunities that will contribute to the expansion of our customer base and seeking strategic investment opportunities.

Currently, we are conducting interviews with several target companies. Details regarding the progress will be disclosed in our upcoming presentation materials.

Highlights by Q3 FY2023.12 financial results Business Performance



Q3 FY2023.12 financial results



Cost structure topics

Personnel expenses • Hiring expenses

- Implemented aggressive hiring with the aim of strengthening the growth foundation, leading to a significant increase in personnel and recruitment expenses.
- Introduced a grading system resulting in a base salary increase for employees (YoY +27.6%).

Commission Paid

- The main factors contributing to the increase are the annual listing fees paid to the exchange and stock agency fees, along with the increased listing maintenance costs and due diligence expenses required for M&A investigations (YoY +72.2%).

Others

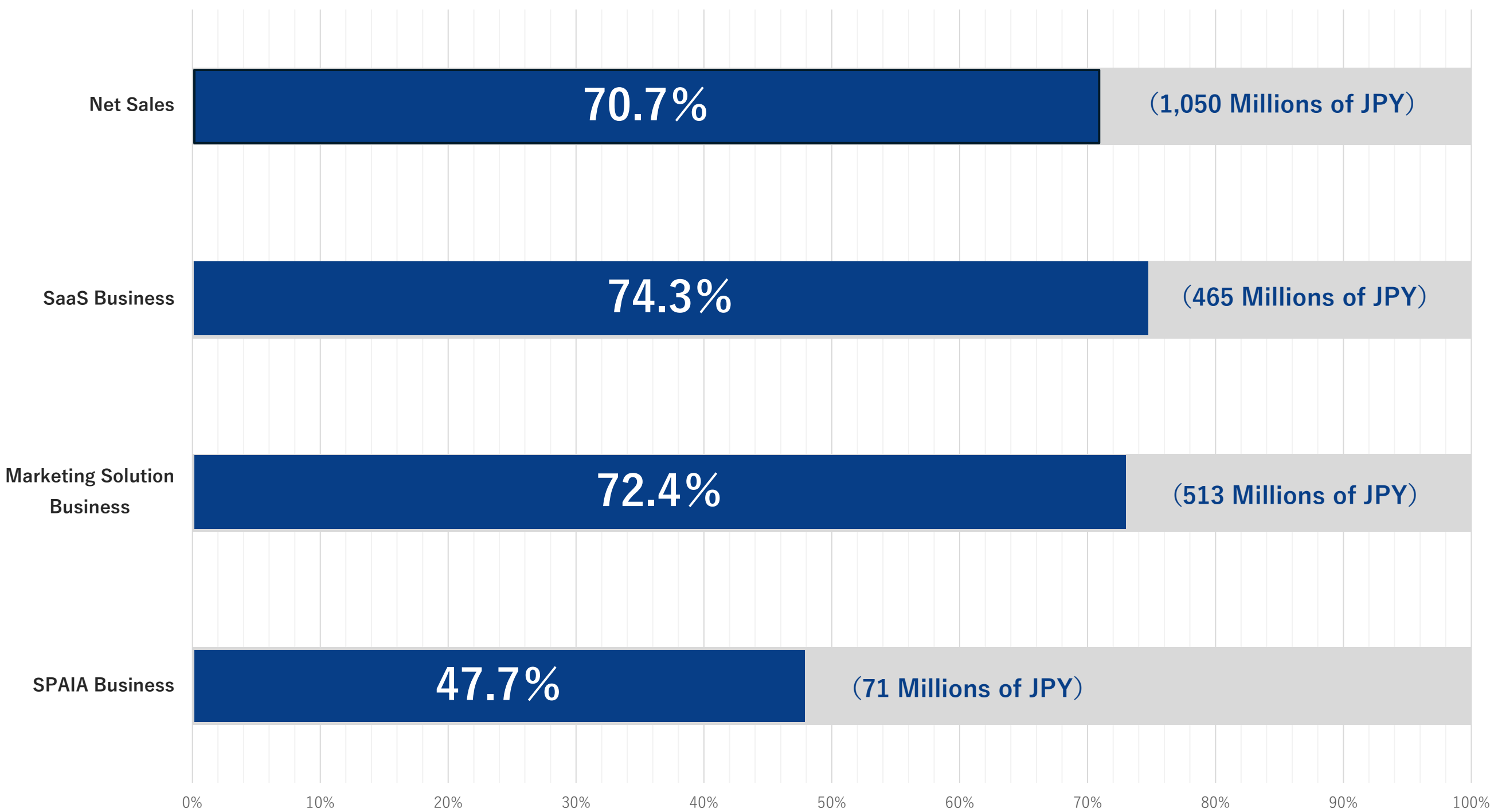
- Increased rent due to the leasing of a new office as a result of the growing number of employees.
- Actively investing in system development, etc., to ensure the profitability of technical capabilities, such as development efficiency and optimization.
- Increased expenses for server expansion due to the growth of development projects, etc (YoY +38.1%).

Q3 FY2023.12 financial results

Topics

- The progress rate of Sales ranges from 47.6% to 74.2% in each business segment.
- Regarding the initial sales Sales plan comparison, the SaaS business is progressing smoothly, surpassing the assumption with a +2.1%, while the Marketing Solution business is generally on track with a -0.6% as planned.

Sales progress by segment as of the end of 3Q FY2023※



※The progress in sales is based on the progress against the full-year plan announced in the "Financial Results Briefing for the fiscal year ended December 2022" on February 14, 2023.

FY2023 Earnings Forecast

Sales
1,486 Millions of JPY YoY (100.4%)

breakdown

SaaS Business
626 Millions of JPY

Marketing Solution Business
709 Millions of JPY

SPAIA Business
150 Millions of JPY

Operating Profit
345 Millions of JPY YoY (74.8%)

Q3 FY2023.12 financial highlights (Business Segment)

SaaS Business

Sales

465

Millions of JPY

YoY

+10.6%

The sales of production are progressing smoothly, maintaining a favorable trend.

Marketing Solution Business

Sales

513

Millions of JPY

YoY

− 11.3%

Due to the inclusion of Sales from a one-time large-scale project in the same period of the previous year, there is a decline in Sales for the current period.

SPAIA Business

Sales

71

Millions of JPY

YoY

− 40.5%

Shifting the focus to gaining market share has resulted in a significant increase in free members (YoY +22.1%).

SPAIA Business

6.8%

Marketing Solution Business

48.9%

FY2023 3Q

Sales

1,050

Millions of JPY

SaaS Business

44.3%

SPAIA Business

7.0%

Marketing Solution Business

48.5%

FY2023 2Q

Sales

723

Millions of JPY

SaaS Business

44.5%

Outline of Business and Service Offerings

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

SaaS Business

B to B

We have developed and offer in-house products, including the all-in-one LPO (Landing Page Optimization) tool "SiTest", aimed at solving various challenges.



Marketing Solution Business

B to B

Proudly showcasing numerous awards and achievements, our internet advertising agency business covers a broad spectrum from major corporations to individual businesses, featuring synergy with the SaaS business.

SPAIA Business

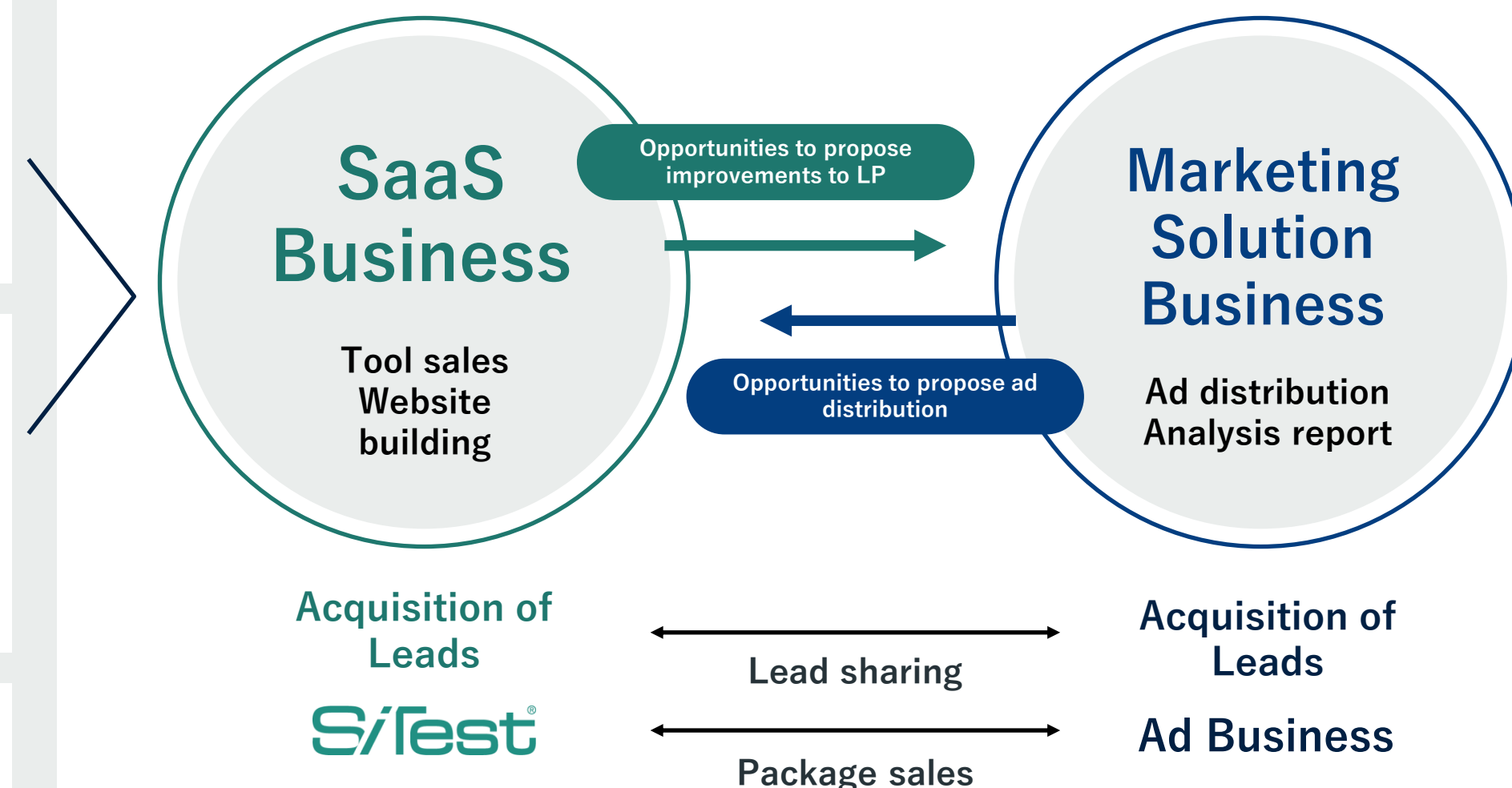
B to B

B to C

In the SPAIA business, which uses AI to analyze sports, the sports AI forecast analysis media "SPAIA" is developed.



Synergy Leading to Cross Sales



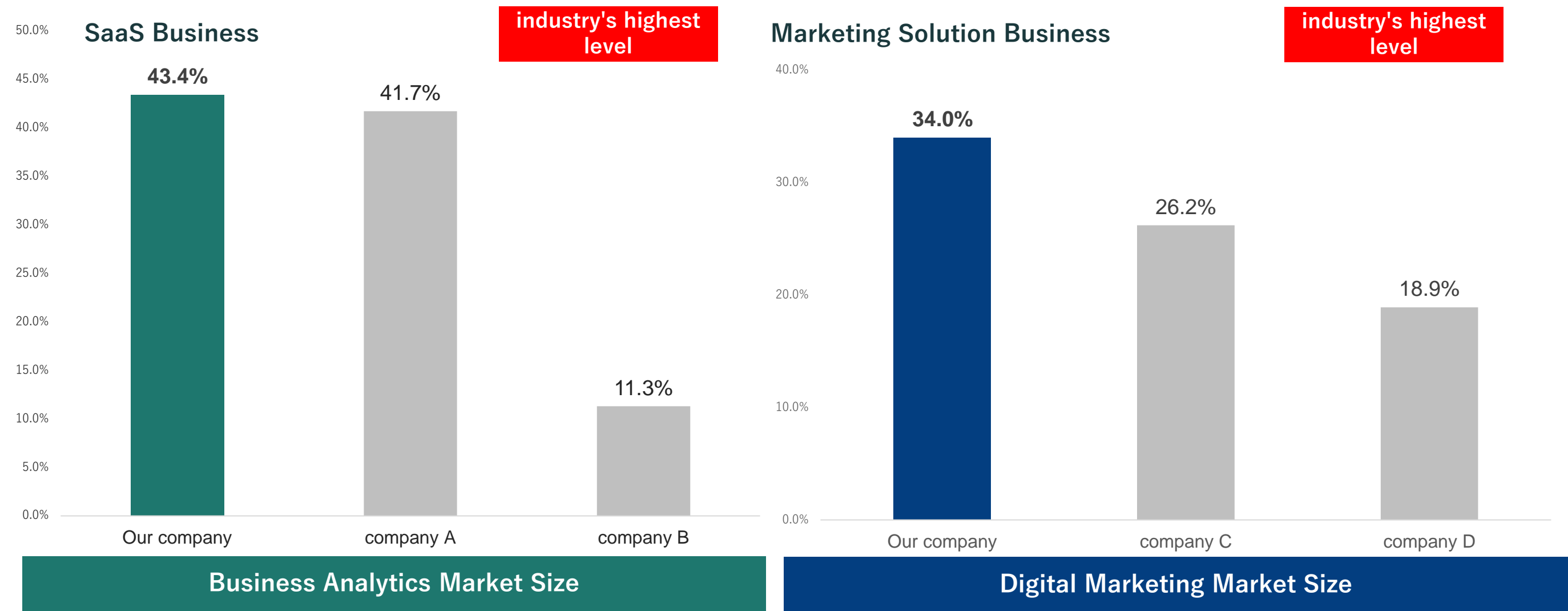
Our Strengths Top-ranking Operating Profit Margin among Similar Industries

It is due to the unique know-how and training system for highly productive operations.

- The SaaS business and the marketing solutions business are complementing each other with a lead share.
- Inbound orders have been received since the company's inception through content marketing measures, etc., minimizing advertising costs.

As a result, the company has established a system that allows it to concentrate on supporting customers and achieve high operating profit margins.

FY23 3Q Operating Profit Margin



※ 1 : For comparisons in the Marketing Solutions Business, we selected companies that operate online advertising agency businesses based on our Sales recognition criteria and companies that disclose information by segment.

※ 2 : For comparisons in the SaaS Business, we selected companies that operate SaaS in the business analytics market, as we do.

※ 3 : The operating profit margins for companies that we compared were taken from the most recently disclosed documents (including those not for the full year).

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Performance

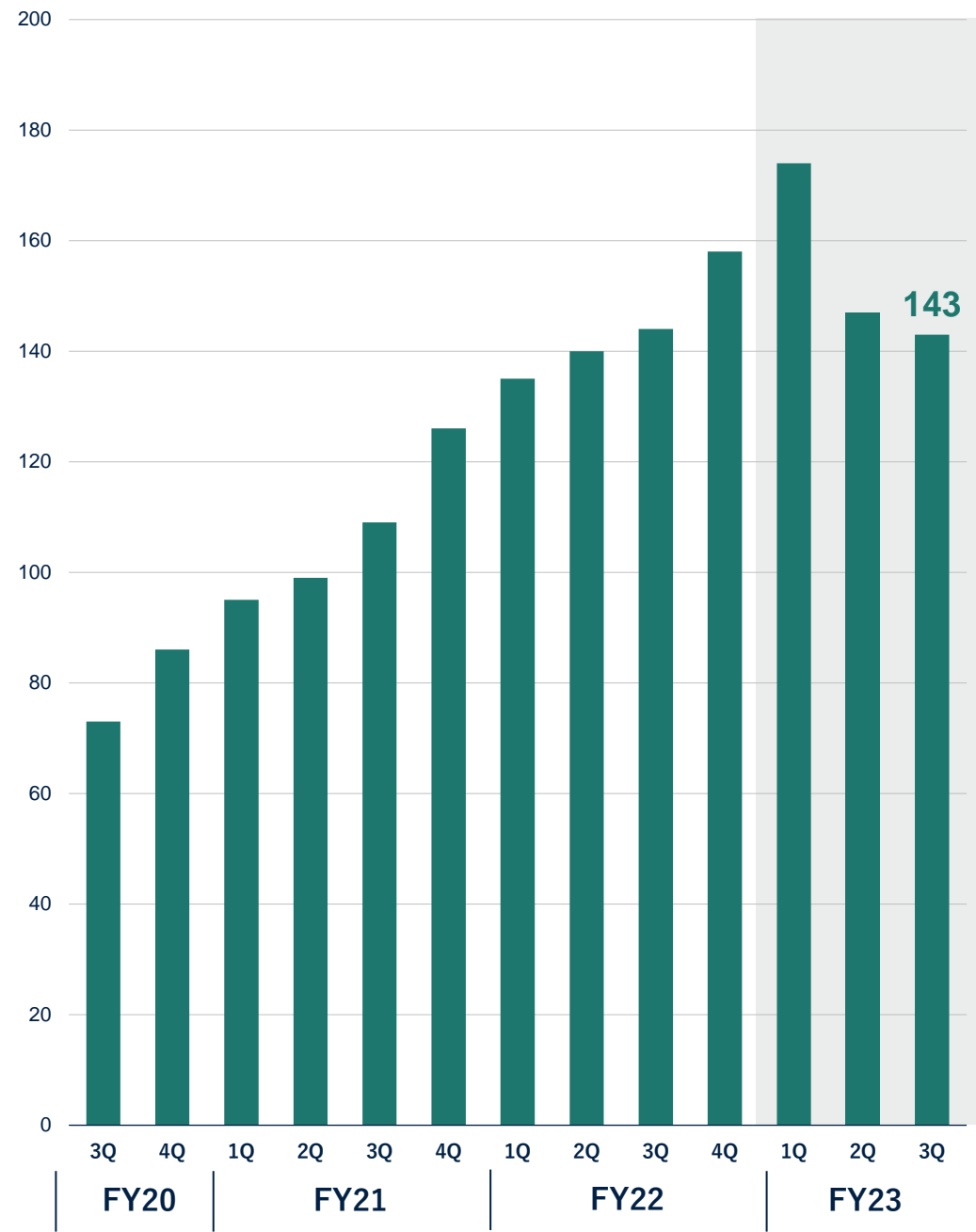
Topics

- Full-Year Forecast Progress Rate[※] Sales: 74.3% .(Plan Comparison[※] +2.2%)
- The Sales from our key growth driver, the SaaS business, has maintained its expansion trend with a year-over-year increase of +10.6%.
- Operating profit experienced a temporary decline in Q3 due to investments in human resources aimed at strengthening our growth foundation. However, we anticipate a recovery in the near future.

※The comparison and progress report are based on the full-year forecast disclosed in the “2022 December Financial Results Briefing” on Feb 14, 2023.

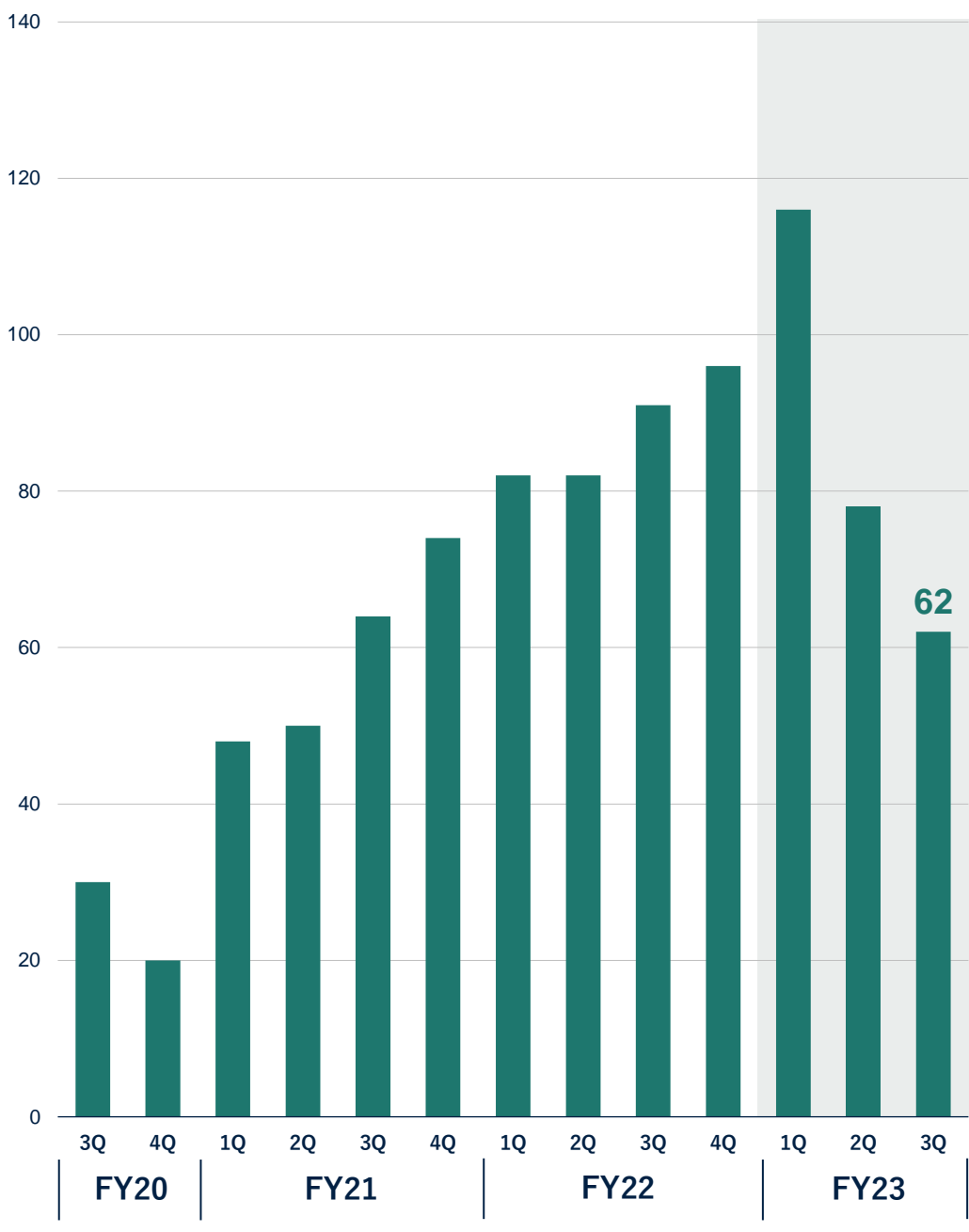
Sales

(Million of JPY)



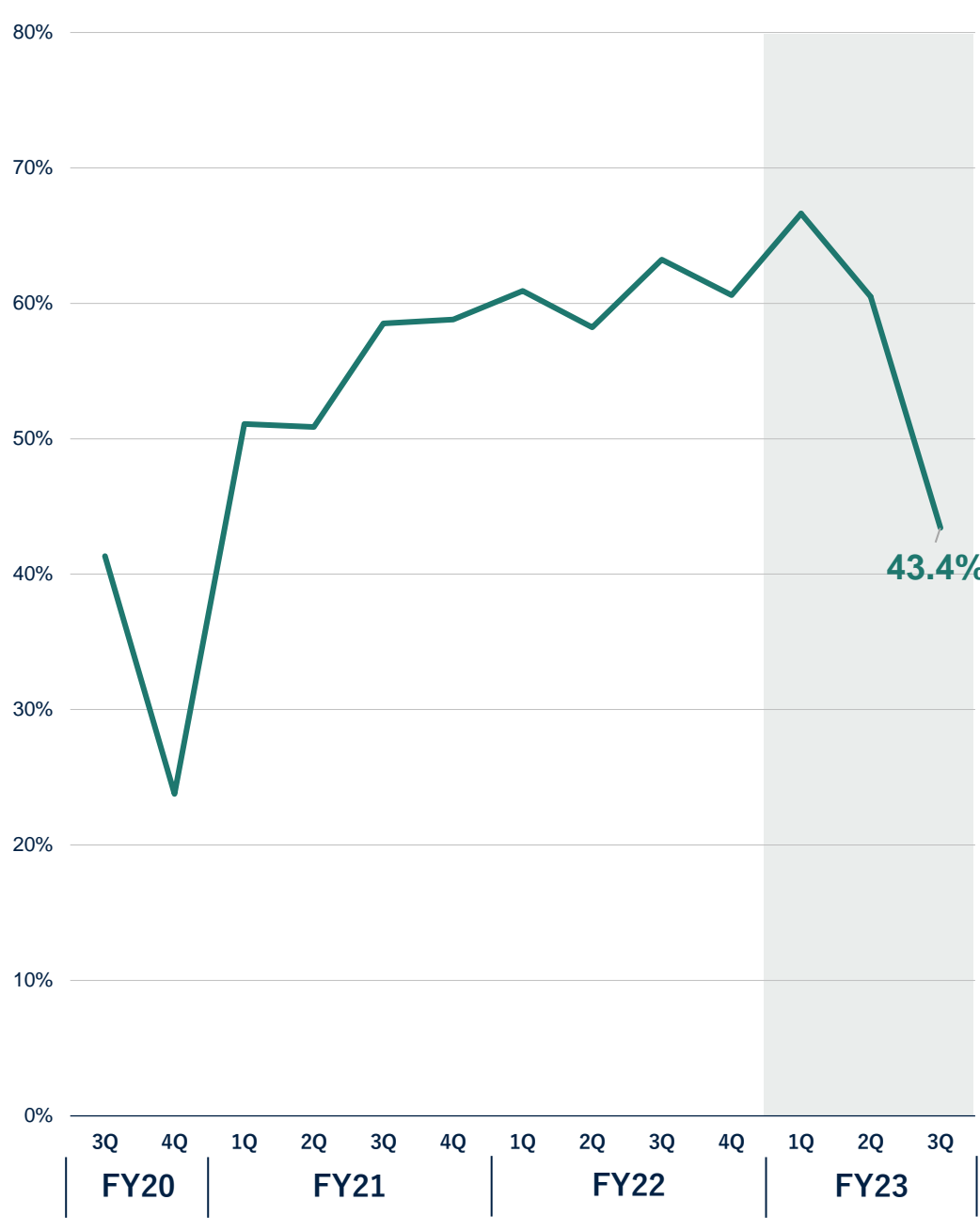
Operating Profit

(Million of JPY)



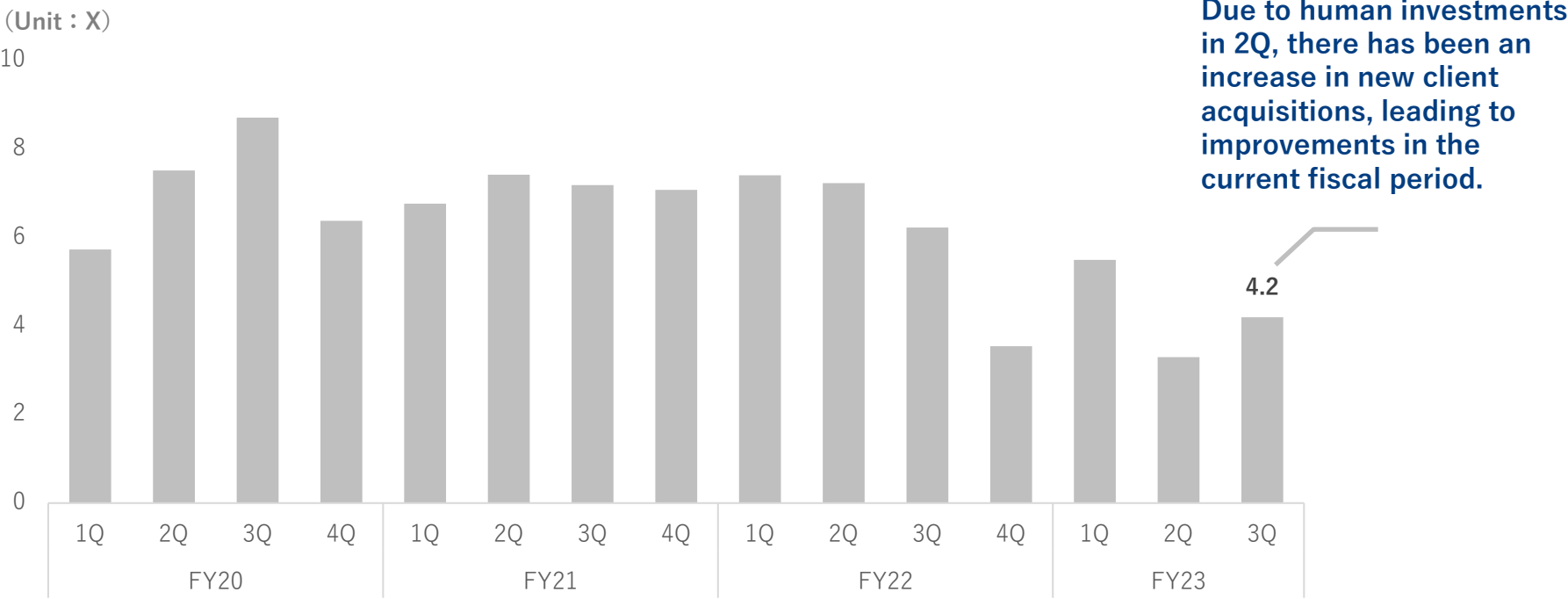
Operating Profit Margin

(%)



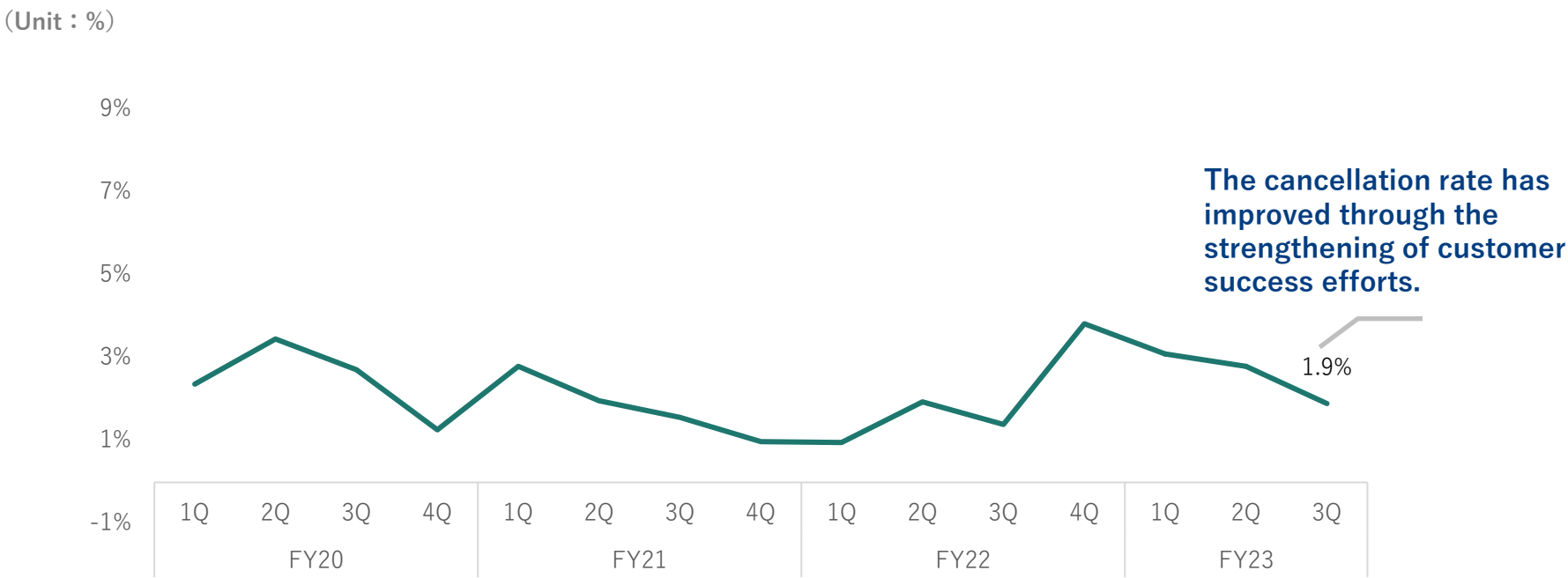
SaaS Business SiTest KPI Data

Average LTV/CAC by Quarter



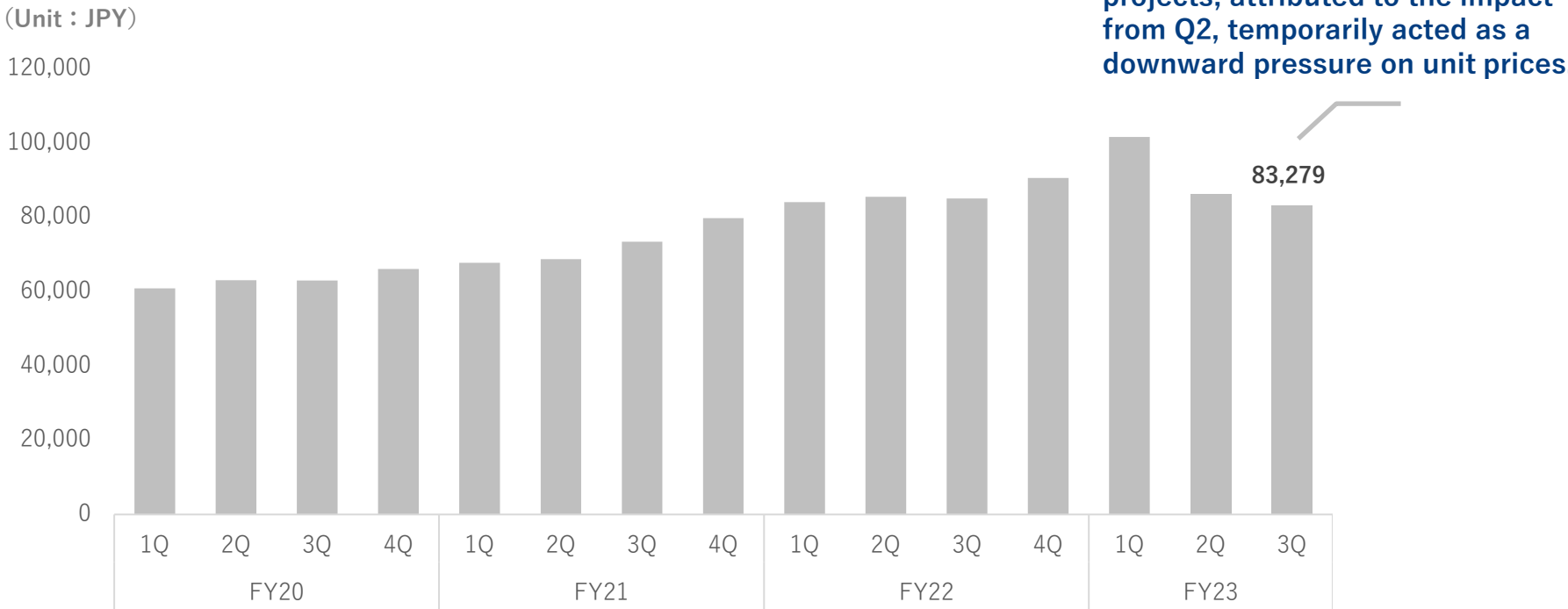
Definition: LTV/CAC ... (Customer) Lifetime Value/Customer Acquisition Cost

Average Churn Rate by Quarter (Net Sales Churn Rate)



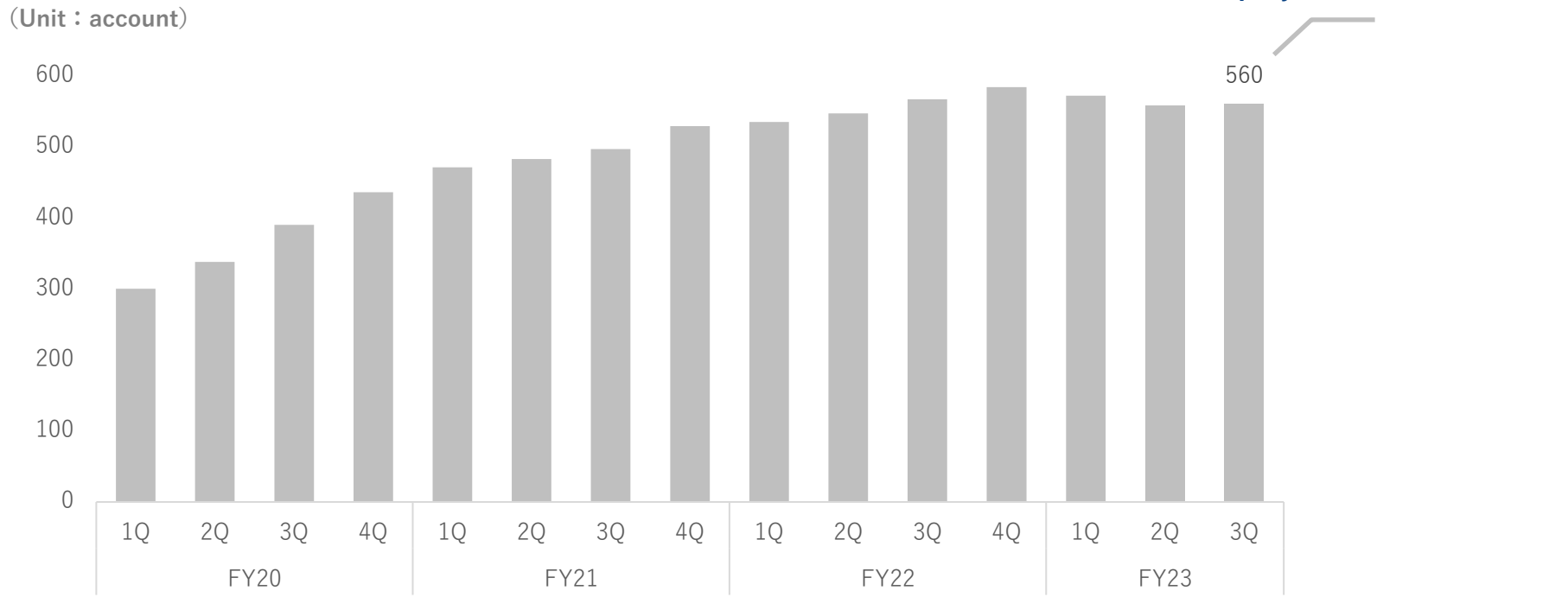
Definition: (Monthly recurring Sales lost – Increase in monthly recurring Sales of existing customers)/Monthly recurring Sales at the beginning of the month (end of prior month).

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.

3-2 | Marketing Solution Business



Performance

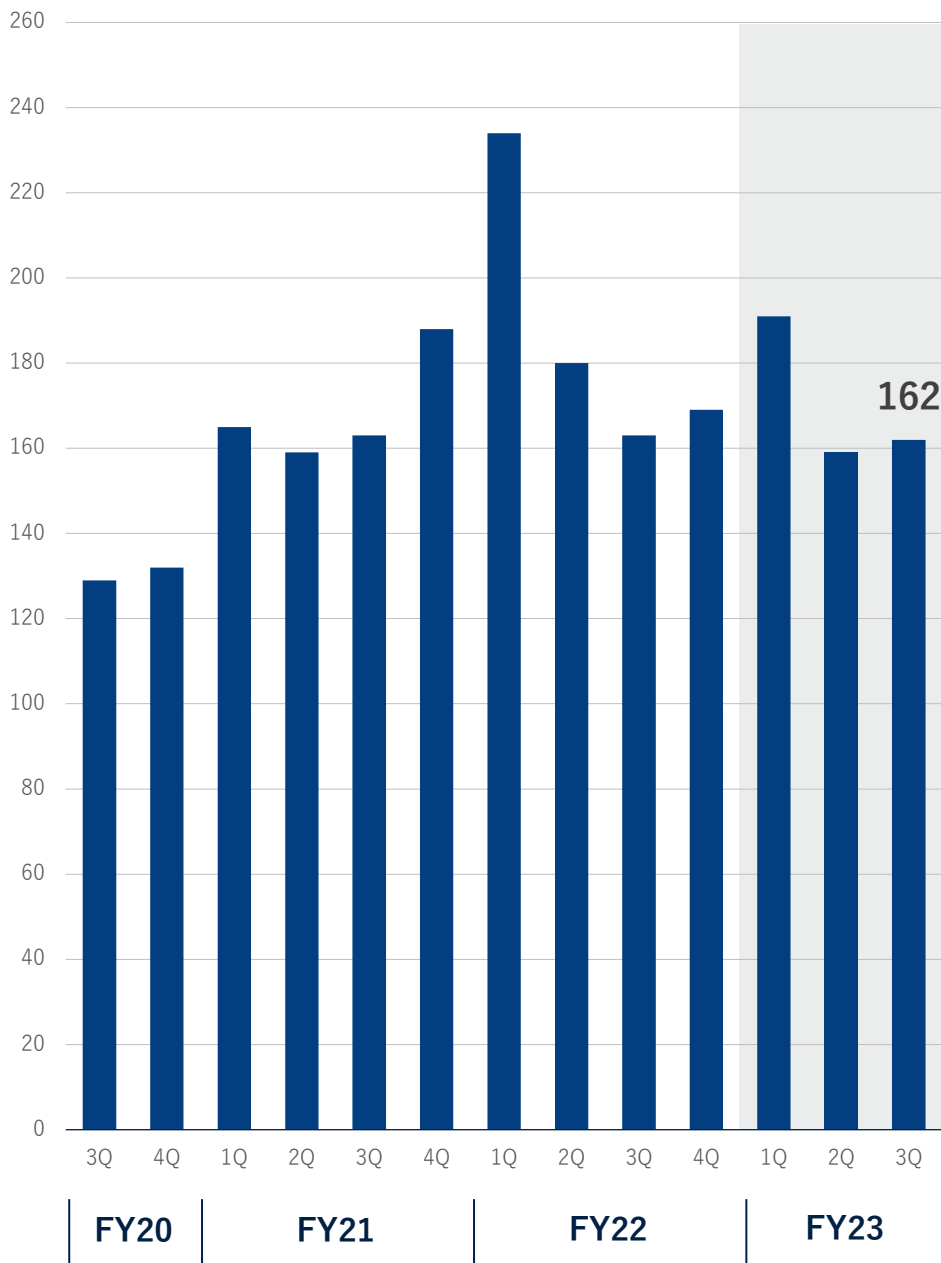
Topics

- Full-Year Forecast Progress Rate: Sales : 72.4%. (Plan Comparison: -0.5%)
- The Sales from the Marketing Solutions business has progressed broadly in line with the initial expectations.
- Operating profit, similar to the SaaS business, is showing an improving trend due to investments in human resources aimed at strengthening the growth foundation and active hiring.

※The comparison and progress report are based on the full-year forecast disclosed in the "2022 December Financial Results Briefing" on Feb 14, 2023.

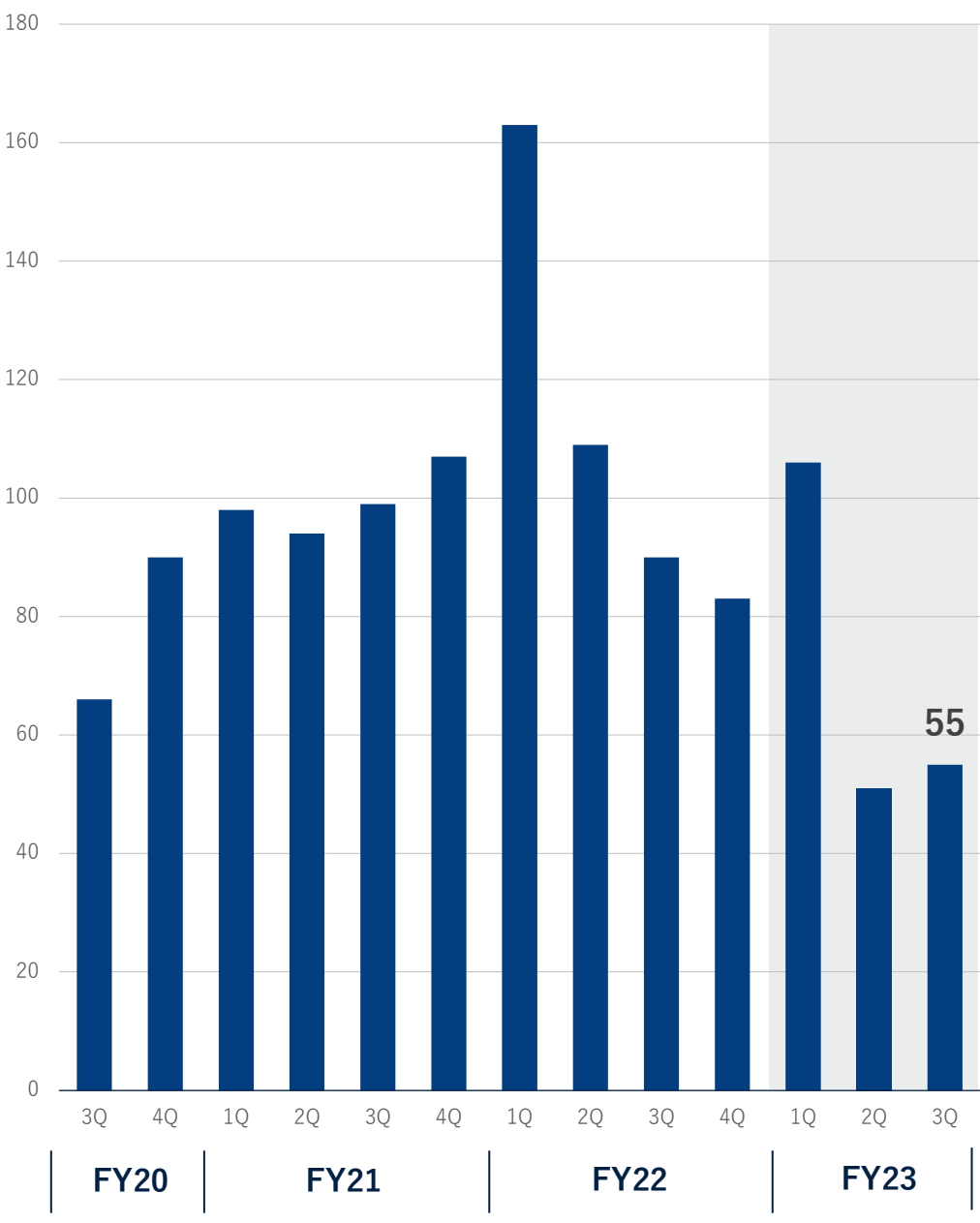
Sales

(Million of JPY)



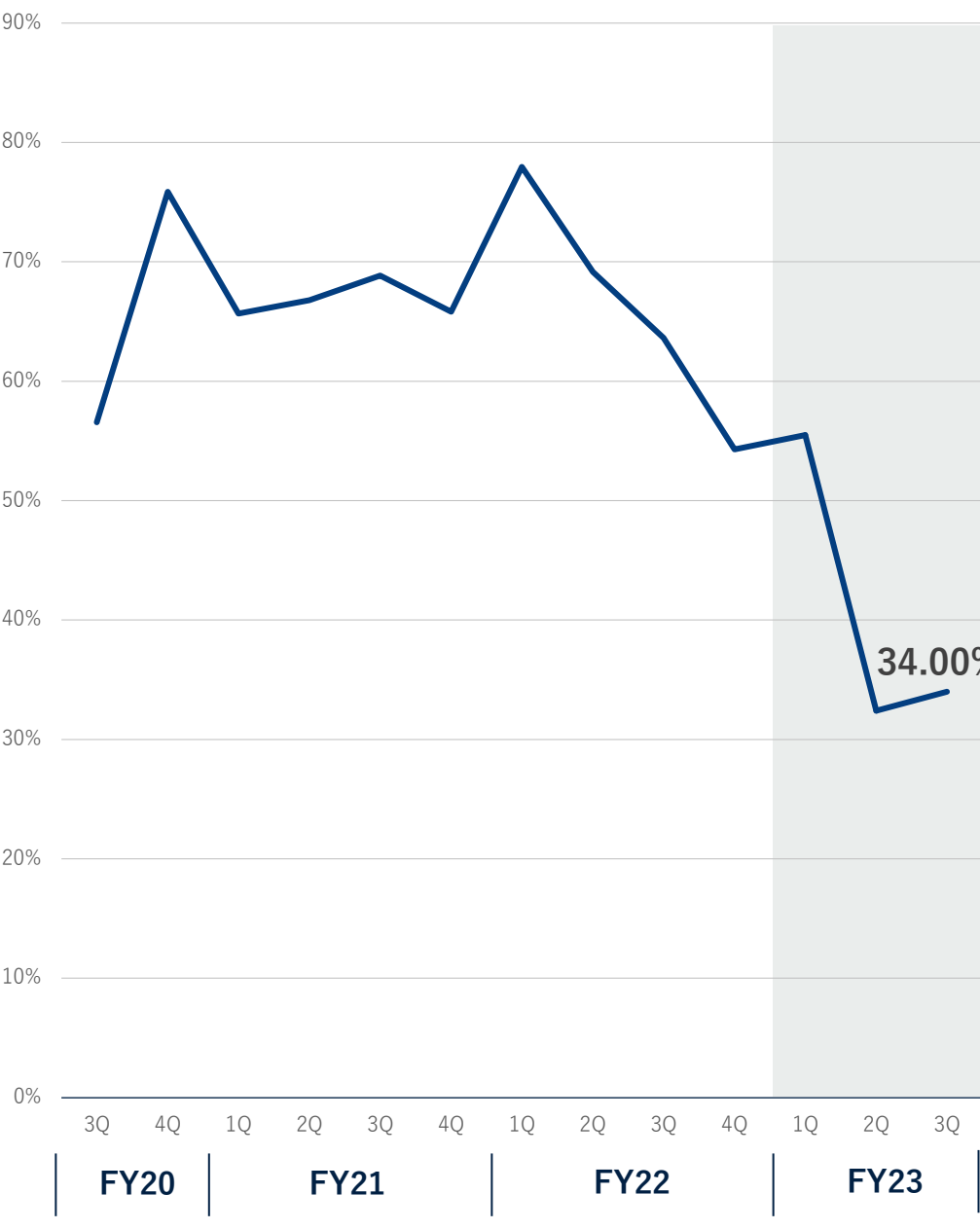
Operating Profit

(Million of JPY)



Operating Profit Margin

(%)



3-3 | SPAIA Business



Performance

Topics

- Full-Year Forecast Progress Rate[※] Sales: 47.7%
- Free memberships have grown YoY by +22.1%, while for paid memberships, we are continuing with system development and service improvement initiatives aimed at enhancing customer satisfaction.
- We are shifting our focus towards acquiring market share, incorporating data from other professional sports and overseas sports, and strengthening our setup to acquire over 200,000 free members.

※This progress report pertains to the full-year forecast disclosed in the "2022 December Financial Results Briefing" on Feb 14, 2023

Sales

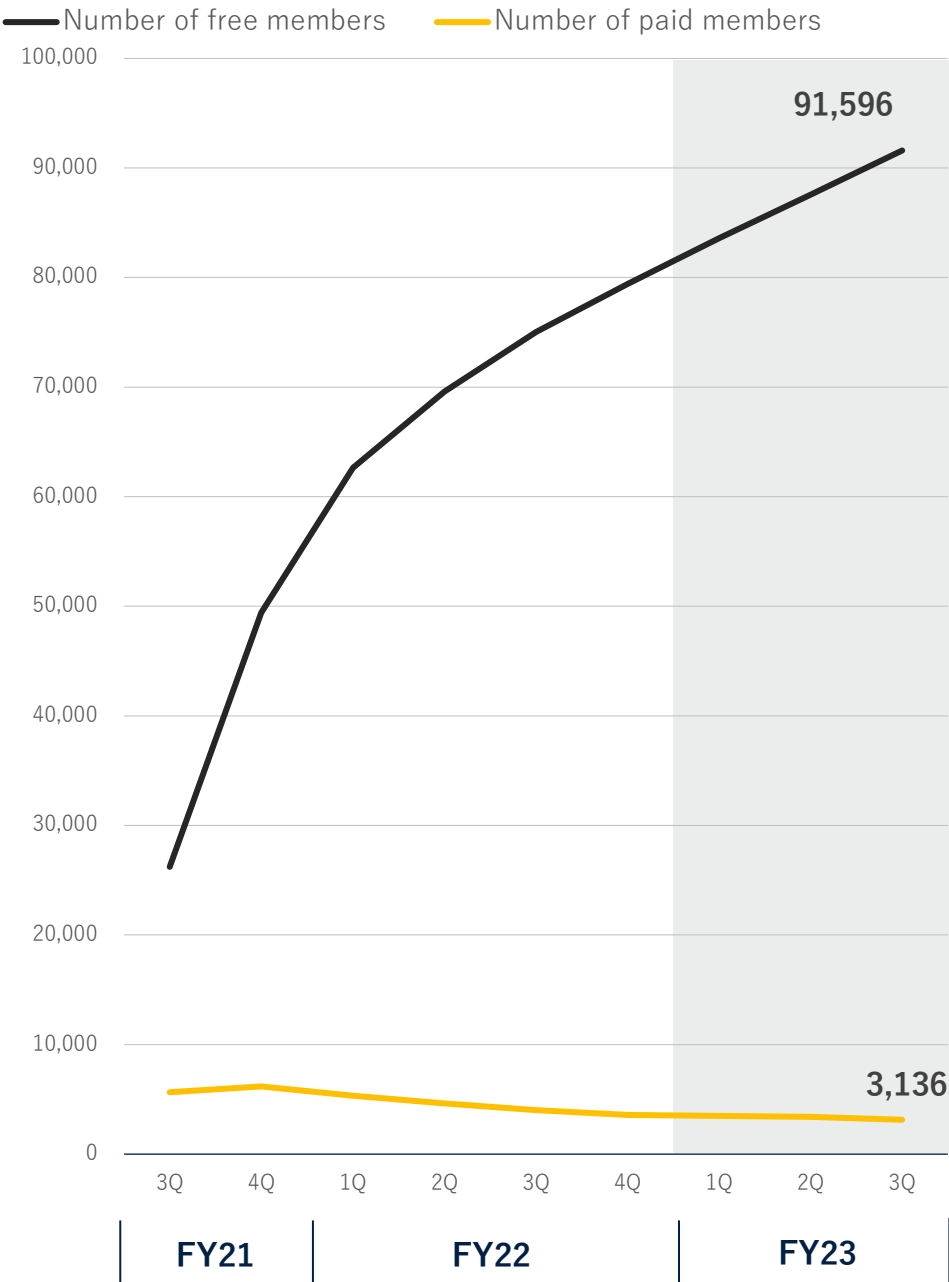
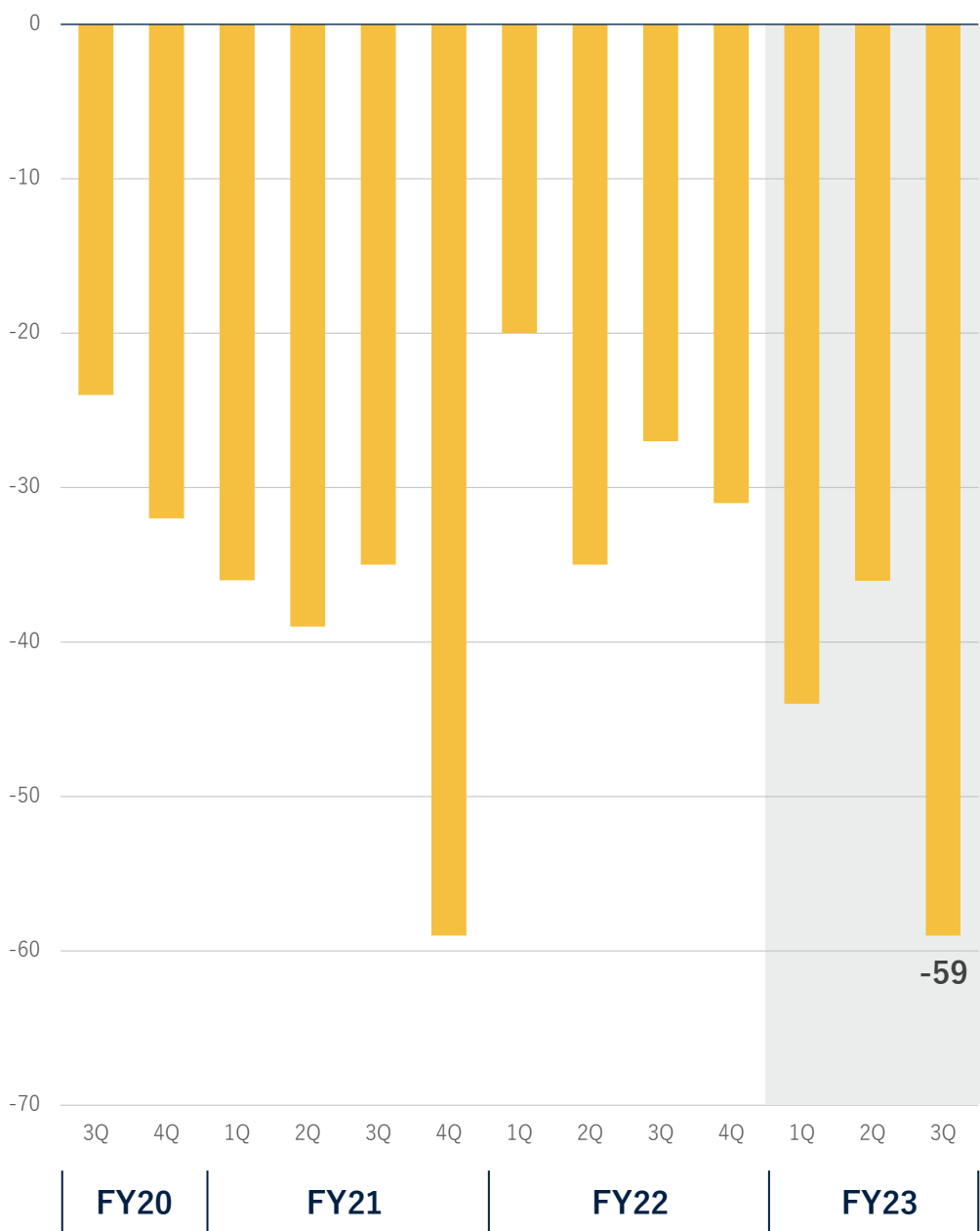
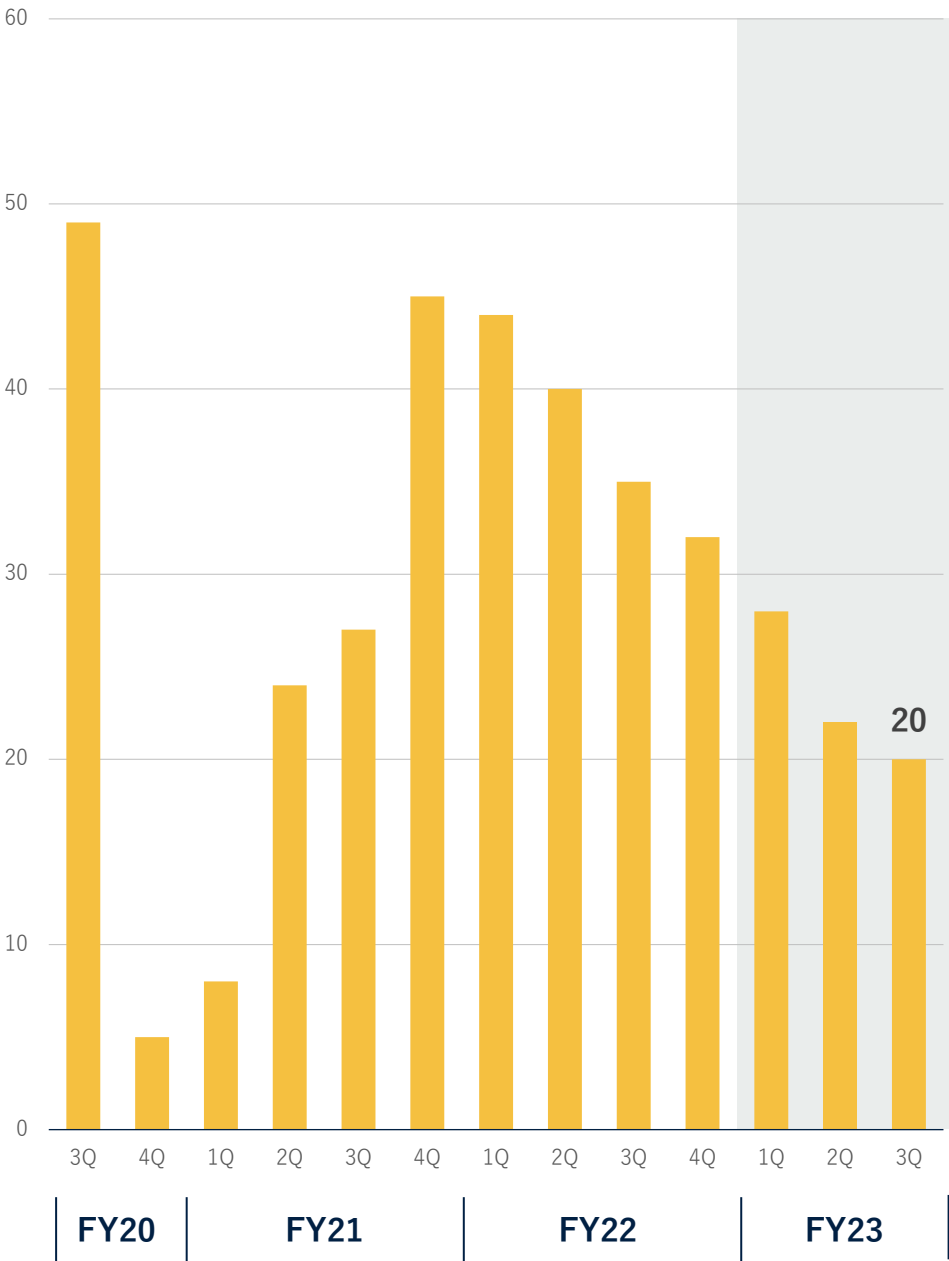
(Million of JPY)

Operating Profit

(Million of JPY)

Membership count for SPAIA KEIBA

(Number of People)



4 | Future Growth Strategy



Future Growth Strategy

Strengthen sales structure while leveraging traditional inbound sales.

- 01

The results have begun to emerge as a new sales structure has been established, so we are working to further strengthen the foundation.
- 02

We have launched an outbound team and are collaborating with the Customer Success team, continuing our efforts in tandem.
- 03

We are currently implementing structural reforms to achieve the individual sales target.
- 04

We are currently implementing an industry-specific approach and plan to gradually expand our outbound efforts.

New services and enhanced collaboration in parallel.

Released April 26, 2023

Solving Website Issues with "ChatGPT × SiTest" solves website issues and launches "Free Website Diagnosis".

Released May 1, 2023

Improving Form Abandonment Rates by Adding Just One Tag "SiTest SMART Forms" Service Launched.

Released July 2, 2023

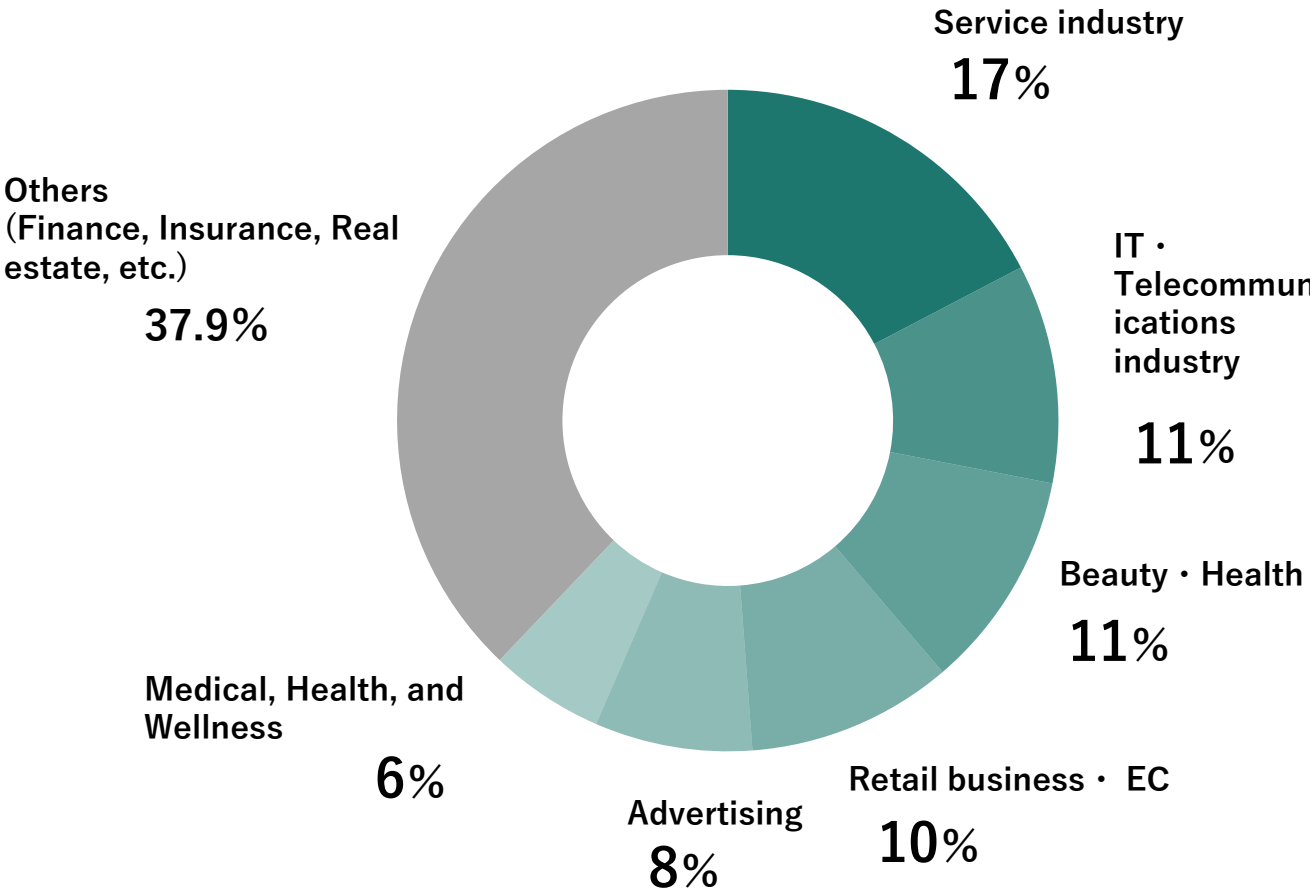
SiTest's A/B testing function (personalization function) GA4 (*) integration implemented

*GA4 : Latest version of Google Analytics.

NEW
Released Oct 12, 2023

Diagnose and improve landing page issues with the "LPO Compass supported by Opt" – now available through collaborative development with Opt.

The industry-specific sales share as of the end of Sep 2023



Market Environment: TAM and SAM in the SaaS Business

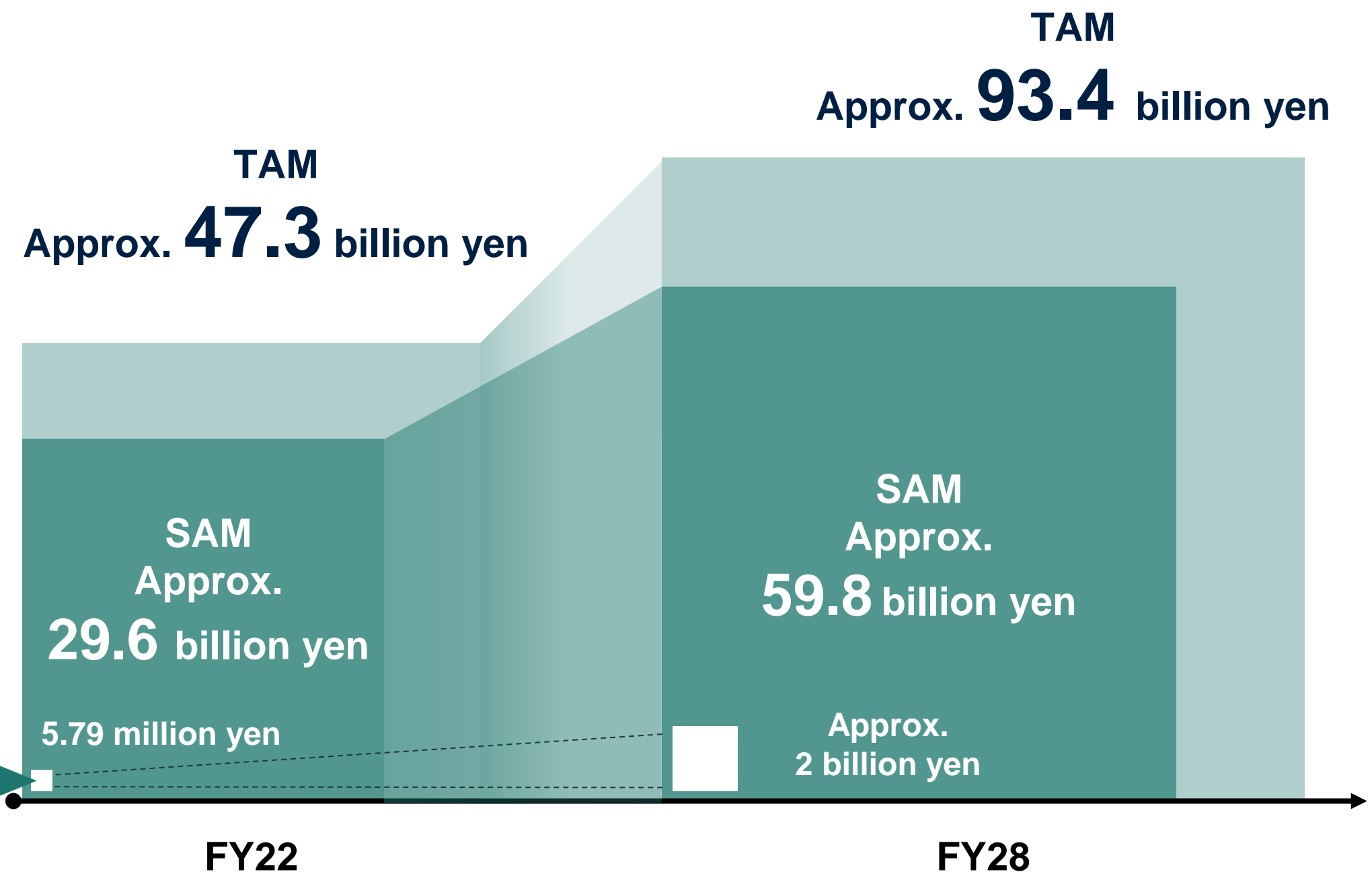
- The Business Analytics market (TAM: Total Addressable Market) is a high-growth market with a sustained annual growth rate of over double digits.
- Our SaaS business occupies 60% of the targeted demand in the tool market (SAM: Serviceable Addressable Market), making it a market with potential for further expansion in the future.
- There is a potential for expanding service offerings as support for Google Optimize is scheduled to end in Sep 2023.

The number of SiTest installations in Asia
Over 700,000 sites
*As of the end of FY 2022





Business Analytics Market Size Trends

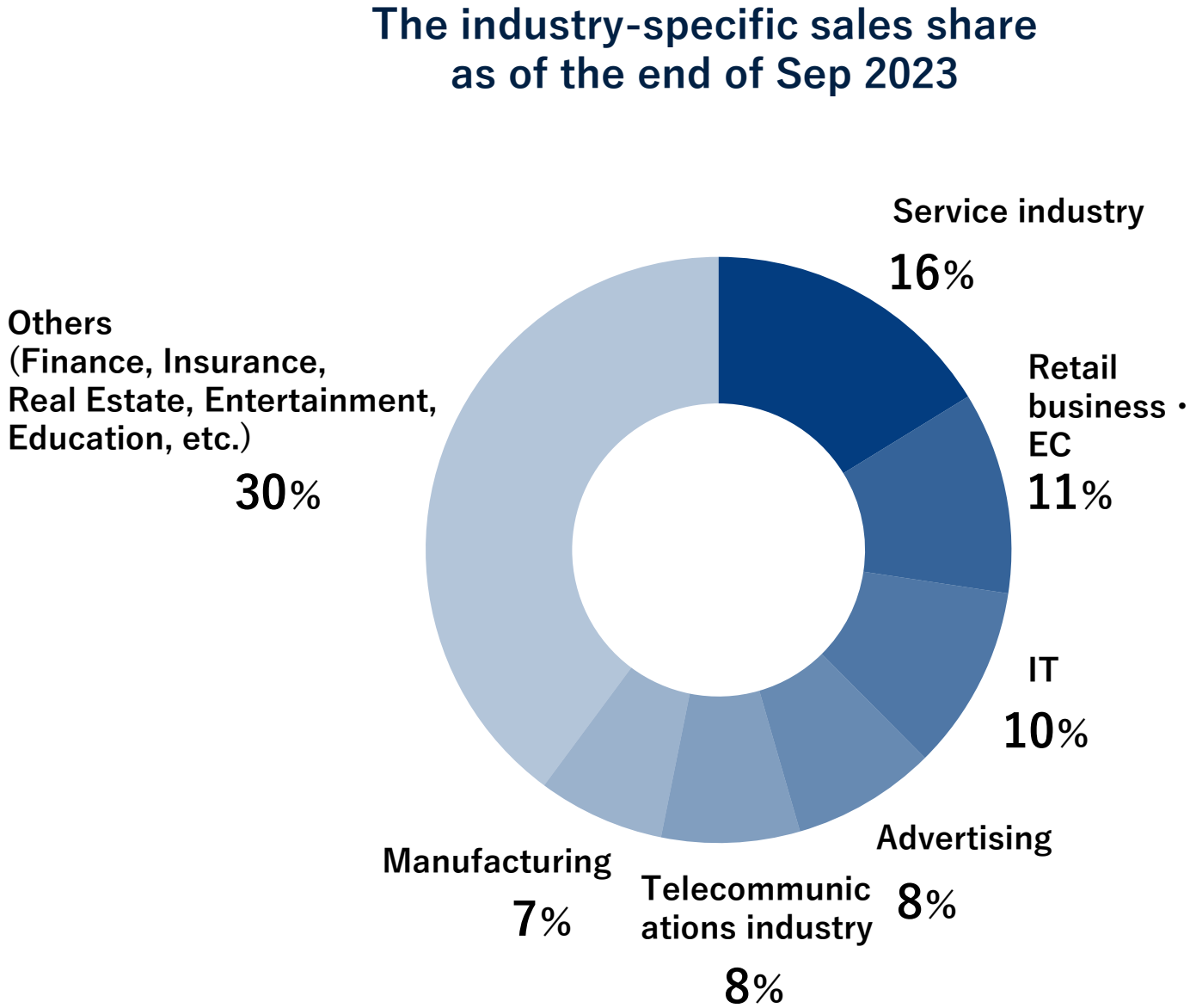
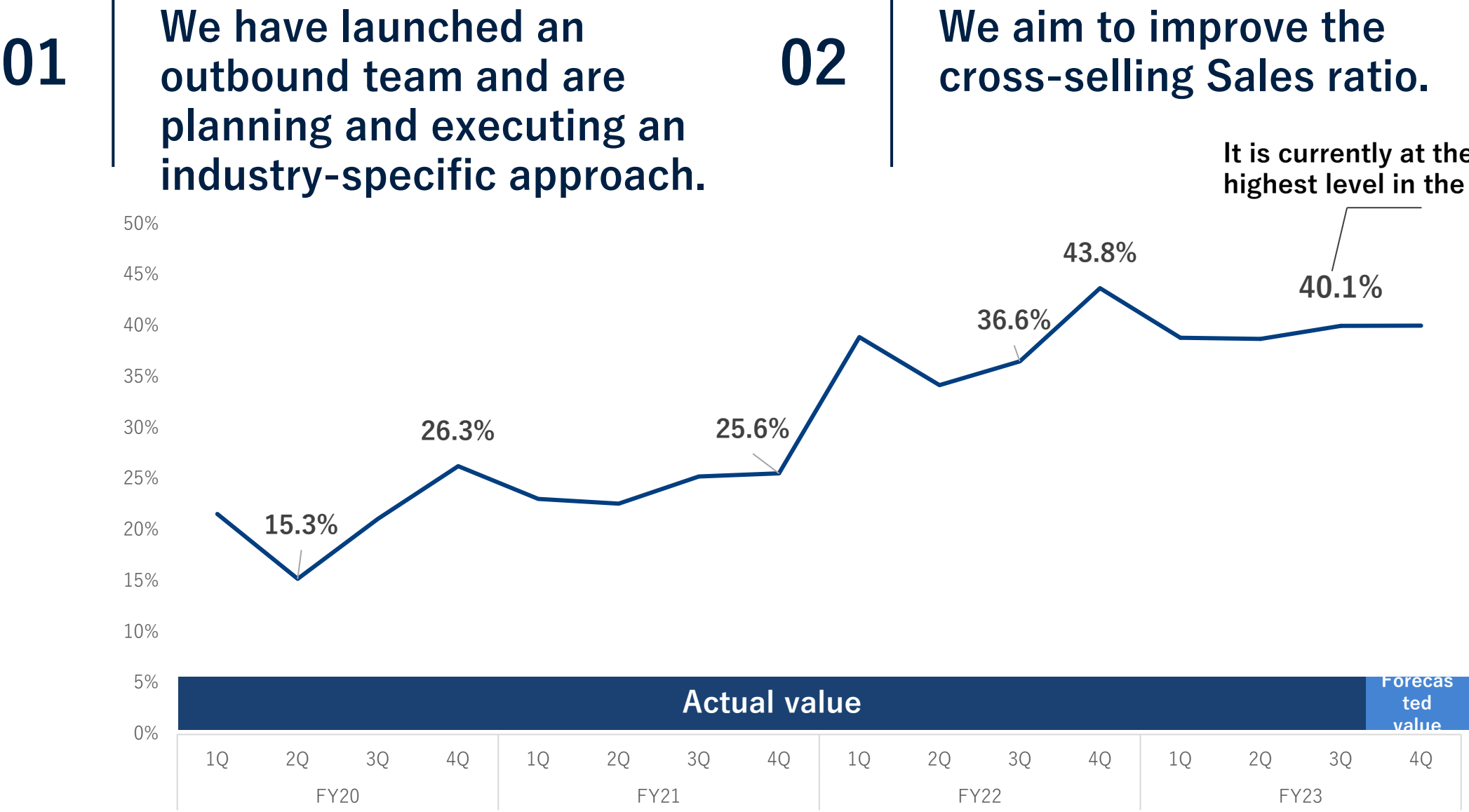


The figures for FY 2022 onward are estimated forecasts based on sales data from FY 2019 to FY 2022.

Source: Business Analytics Market Outlook 2022. (Deloitte Tohmatsu MIC Research Institute Co., Ltd.)

Future Growth Strategy

Strengthen sales structure while utilizing traditional methods as in the SaaS business.



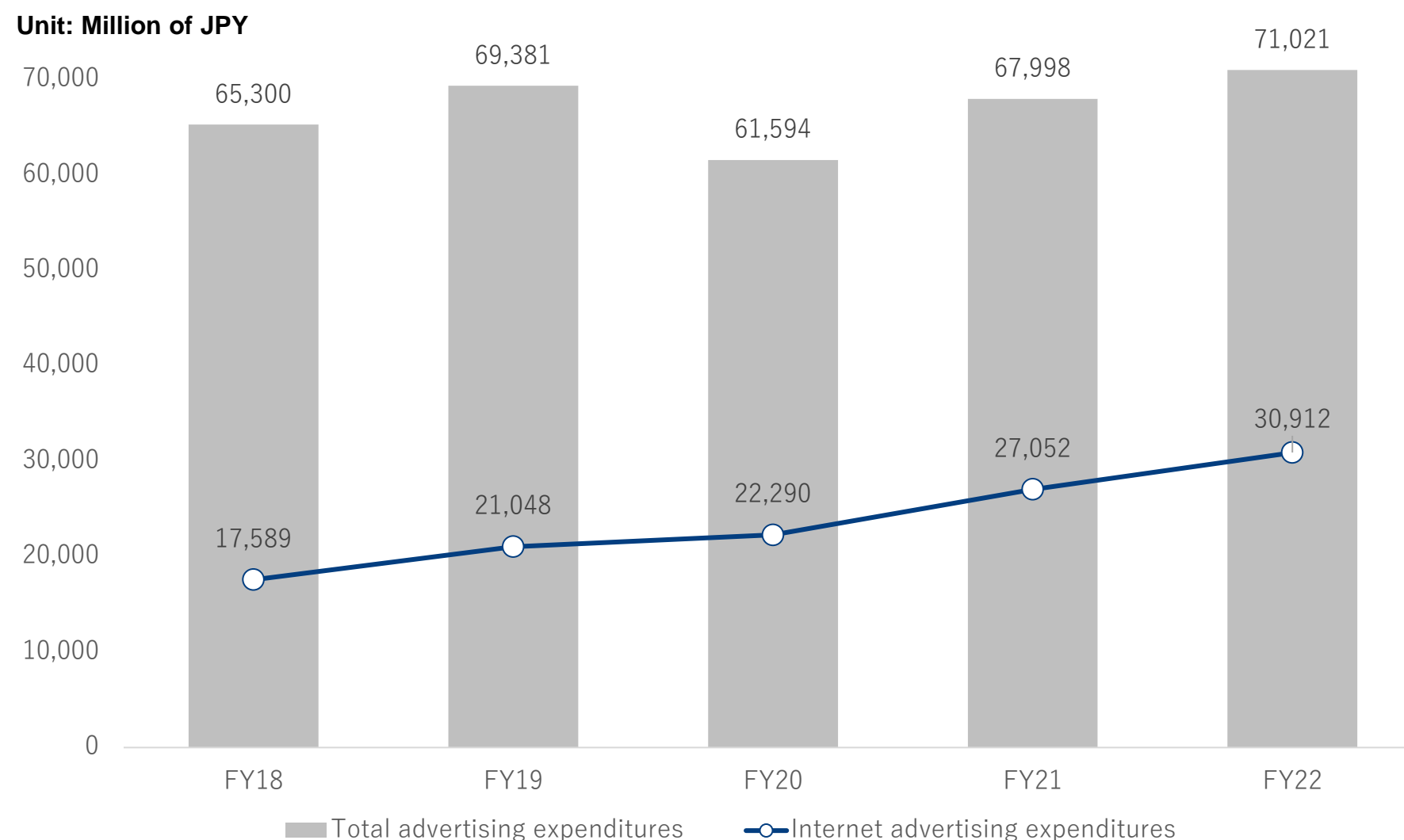
Cross-selling Sales ratio calculation method.

- The denominator is the total Sales of the entire SaaS business and the entire Marketing Solutions business. The numerator is the total Sales from customers with transactions in both the SaaS and Marketing Solutions businesses.
- We have been calculating the cross-selling Sales ratio since the start of the cross-selling growth strategy in Dec 2020.
- The cross-selling Sales ratio is calculated as the average for each quarter.
- For the values from the 1st quarter of the FY 2023, 12 onwards, we have made conservative forecasts taking into account year-on-year comparisons.

Market Environment: TAM for Marketing Solutions Business.

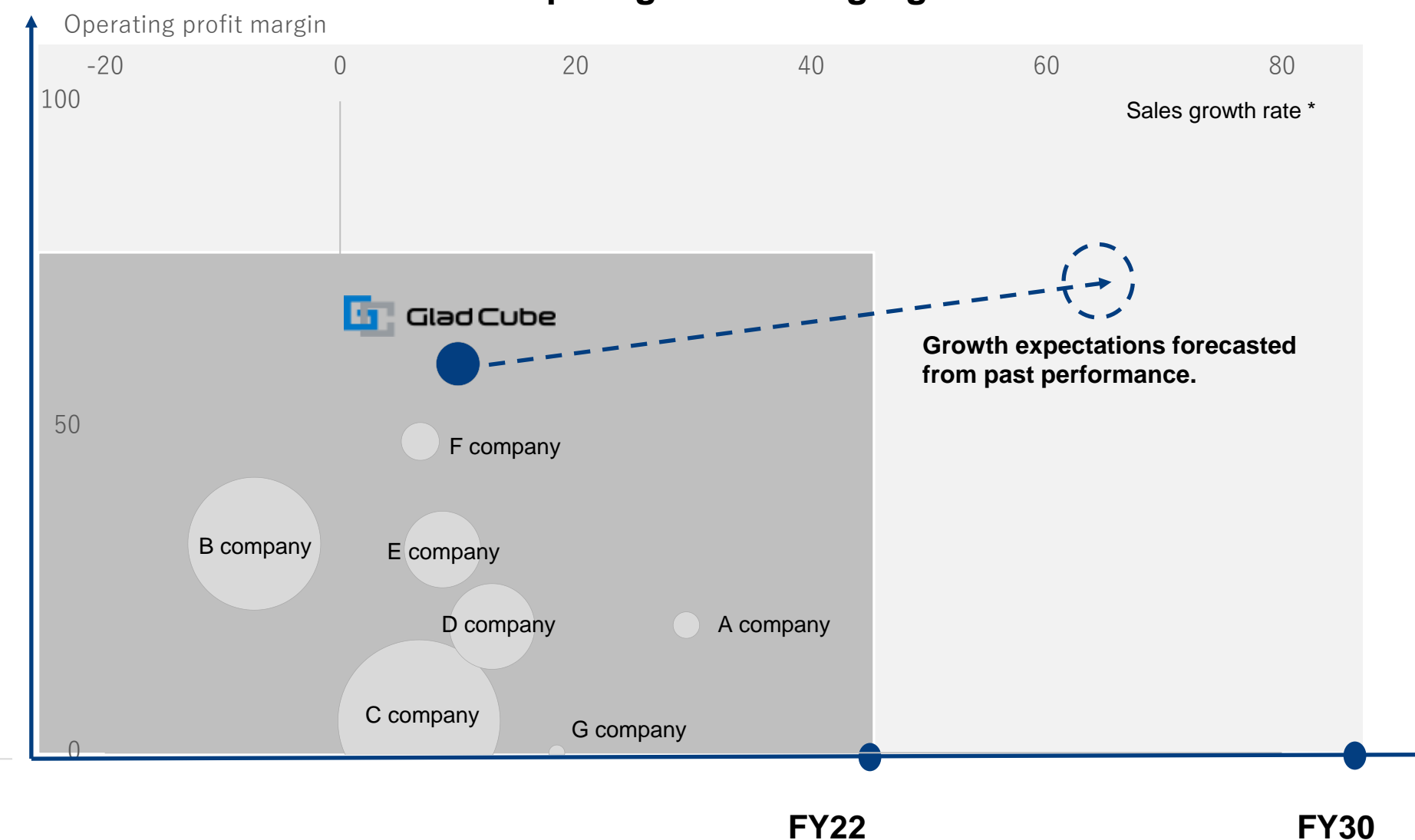
- The internet advertising market is expanding, comprising 43.5% of the total advertising expenditures in Japan and showing a growing trend.
- We boast a top-tier operating profit margin even among similar industries, and foresee further growth within the industry by increasing our top line in the future.
- We are also focusing on outbound efforts for acquiring new customers, and as a result, anticipate growth in both operating profit margin and sales growth rate.

Trends in Total Advertising Expenditures and the Internet Advertising Market Size in Japan.



Source: Dentsu 2022 Advertising Expenditure in Japan study.
 (<https://www.dentsu.co.jp/news/release/2023/0224-010586.html>)

Growth Rate and Profit Margin of Domestic Competing Advertising Agencies.



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

Future Growth Strategy ①

Implementing the approach in three stages.

Approach

1 Improvement of Paid Membership Retention Rate.

Approach

2 Increase the number of free members and enhance the conversion rate to paid membership.

The paid conversion rate for free members is 21.9% as of Sep 2023.

※ The conversion rate has been calculated since Sep 2022.

The reported conversion rate is the average from Sep 2022 to Sep 2023.

Approach

3 Construction of the DRAGON Data Center.

※Details are provided on page 32.

Progress
Rate
50%

「SPAIA KEIBA Assist」

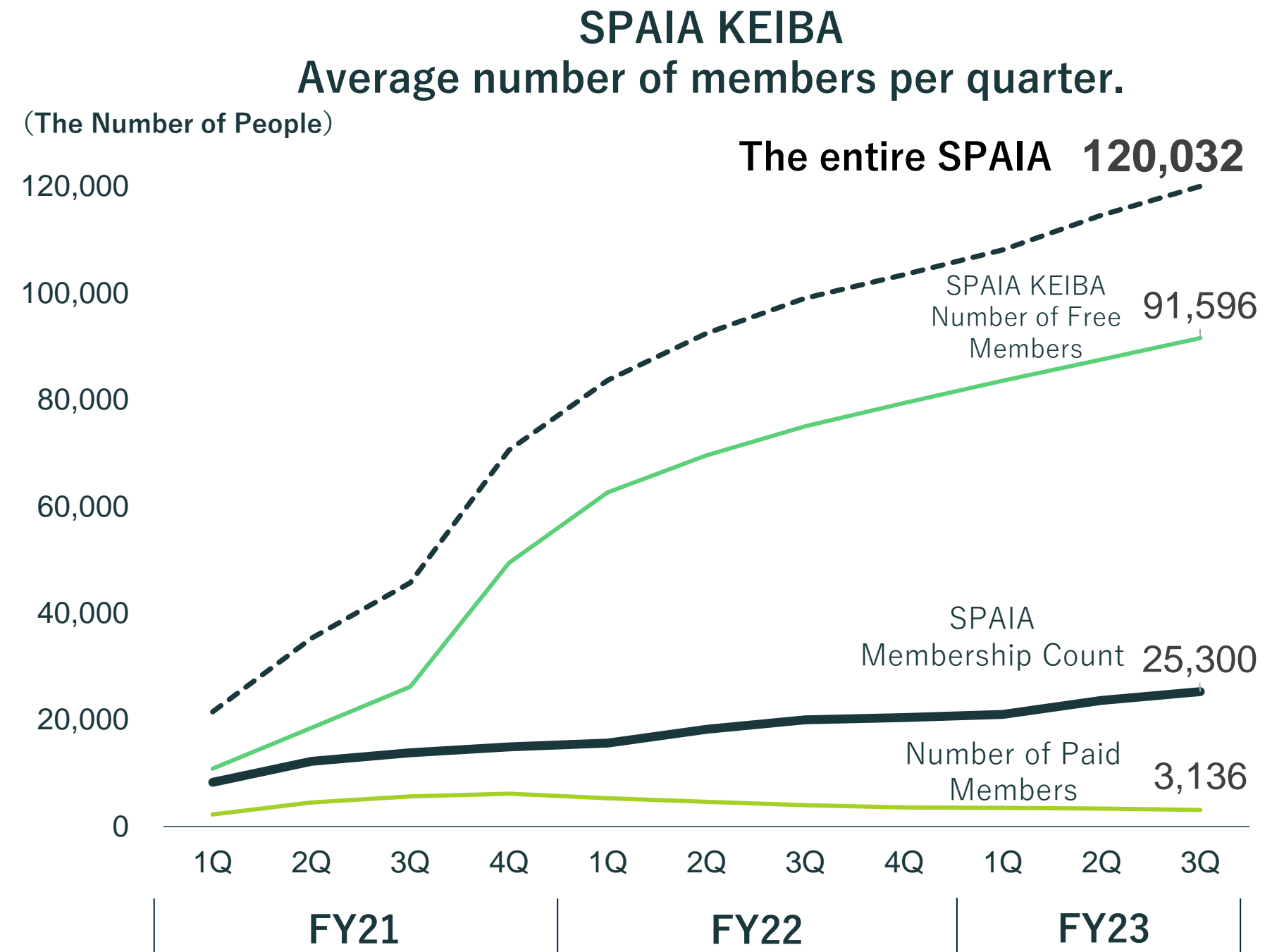


～Effortless Prediction and Horse Racing Betting Assistance
with AI Predictions and Horse Racing Data～

Attract new users with the new app “SPAIA Horse Racing Assist”

[[Concept]]

- Enjoy both JRA (Japan Racing Association) and local horse racing with a single app.
- Easy to read, easy to predict, and easy to place bets.
- Supporting horse racing predictions with unique AI forecasts and abundant data leading to victory.



SPAIA KEIBA Membership Activity

- In Dec 2022, there was a change in the pricing of paid memberships.
- The Gold Course and Platinum Course are priced close to their levels before the price increase as of Aug 2021.
- Since the price revision, the Platinum Course has mainly seen an increase. Measures such as introducing a points system and implementing initiatives to encourage continuity have been implemented.

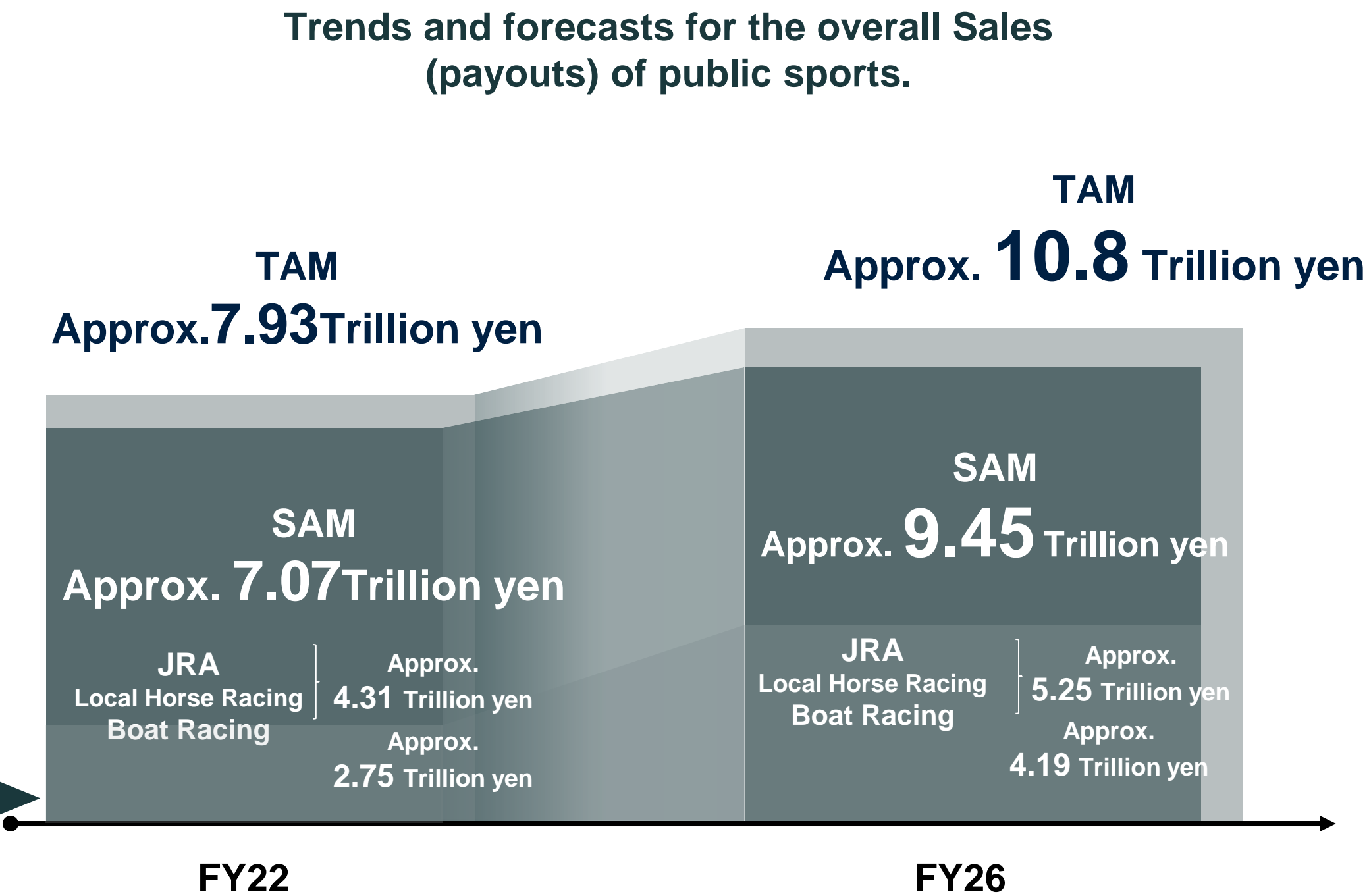
Market Environment:
TAM and SAM in SPAIA Business

- The overall market for public sports is expected to exceed approx. 10.8 trillion yen in 2026. (the estimated value follows the same calculation method as the previous page)
- If SPAIA KEIBA expands into Boat Racing following JRA and Local Horse Racing, the market is expected to continue growing in the high-growth market, exceeding approx. 9.4 trillion yen in 2026.
- From FY25, there are plans to construct a sports data center and develop SPAIA Boat Racing.

 SPAIA

 SPAIA競馬

 SPAIA地方競馬

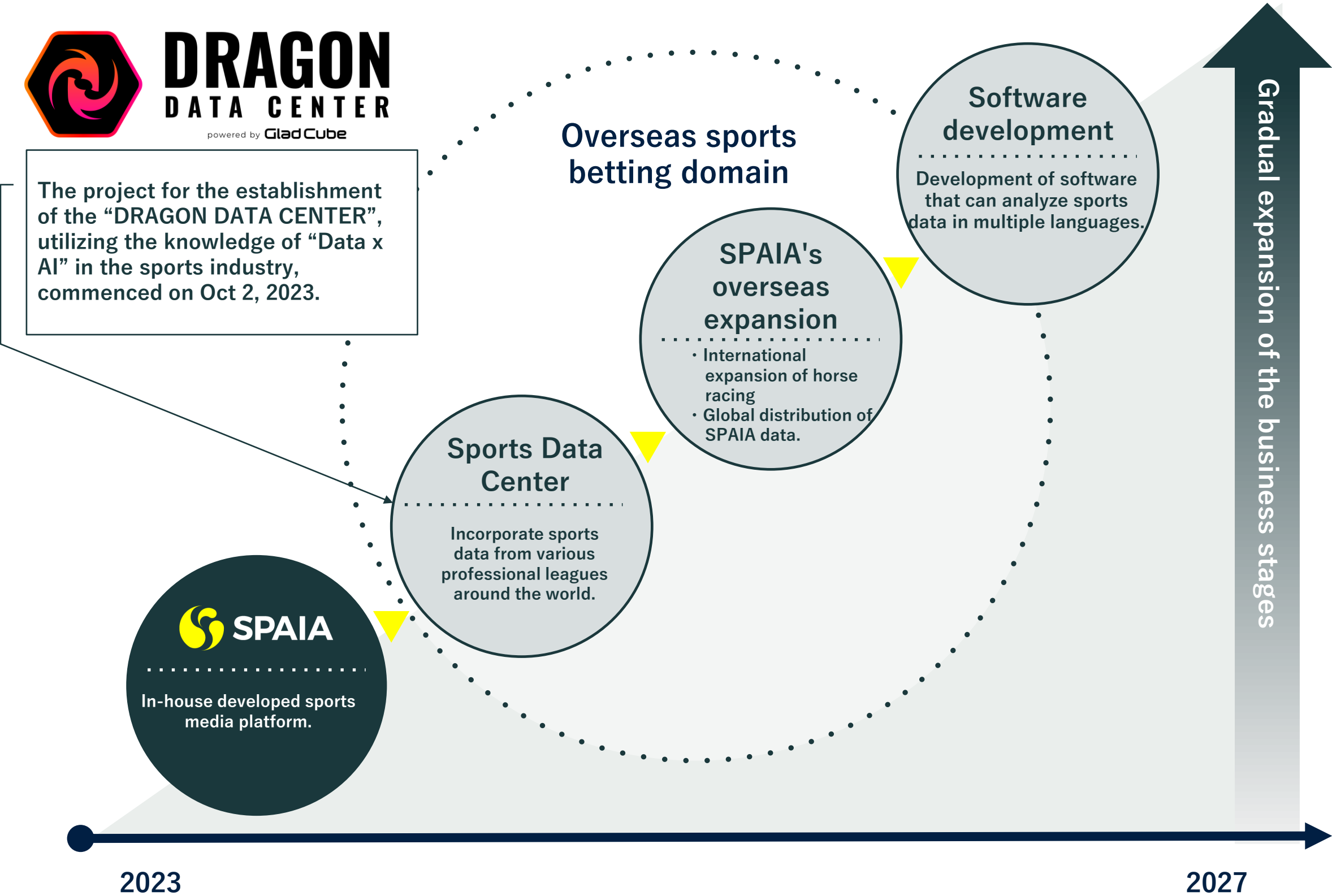


※The market size in the case of horizontal expansion with SPAIA Boat Racing.

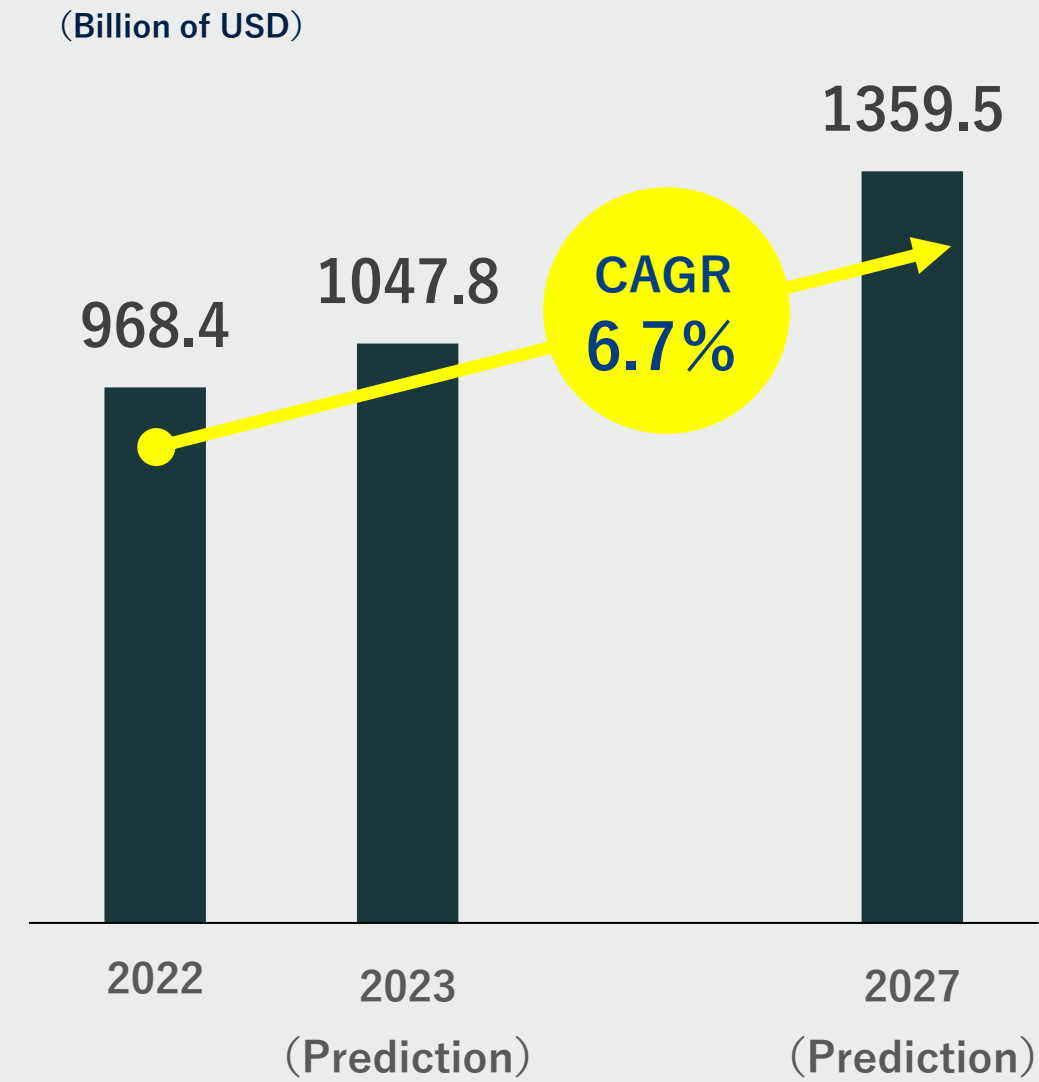
Calculation method for the estimated values: Based on publicly available actual data up to 2022, calculated using the TREND function and FORECAST function from sales Sales, total sales, and the number of participants.
Source: Japan Racing Association, National Association of Racing, General Incorporated Association National Motorboat Racing Implementers Council, Japan Keirin Association.

Future Growth Strategy ②

Entry into the new business domain of the sports betting market.



The global sports betting market.



Sports Betting Global Market Report 2023.
(The Business Research Company)

Future Growth Strategy ③

The Outlook for the Sports Data Center “DRAGON DATA CENTER”



DRAGON
DATA CENTER

powered by GladCube

- 1 The key factor lies in when sports betting will be legalized in Japan.
- 2 While the sports betting market is thriving in Europe, there is a growing sense of anticipation in Asia, including Taiwan and South Korea.
- 3 Even without legalization in Japan, having a data center can create a mechanism to generate Sales.
- 4 Constructed with a completely different system from traditional data distribution, enabling cost-effective provision.
- 5 We have expertise in sports data collection, analysis, and system development, with a team of highly experienced professionals.

Appendix

3Q Financial Results (P/L・B/S)

P.34~35

Trend in Management Resources: Number of Employees

P.36

Management Resources: Commitment to ESG Initiatives

P.37



3Q Financial Results

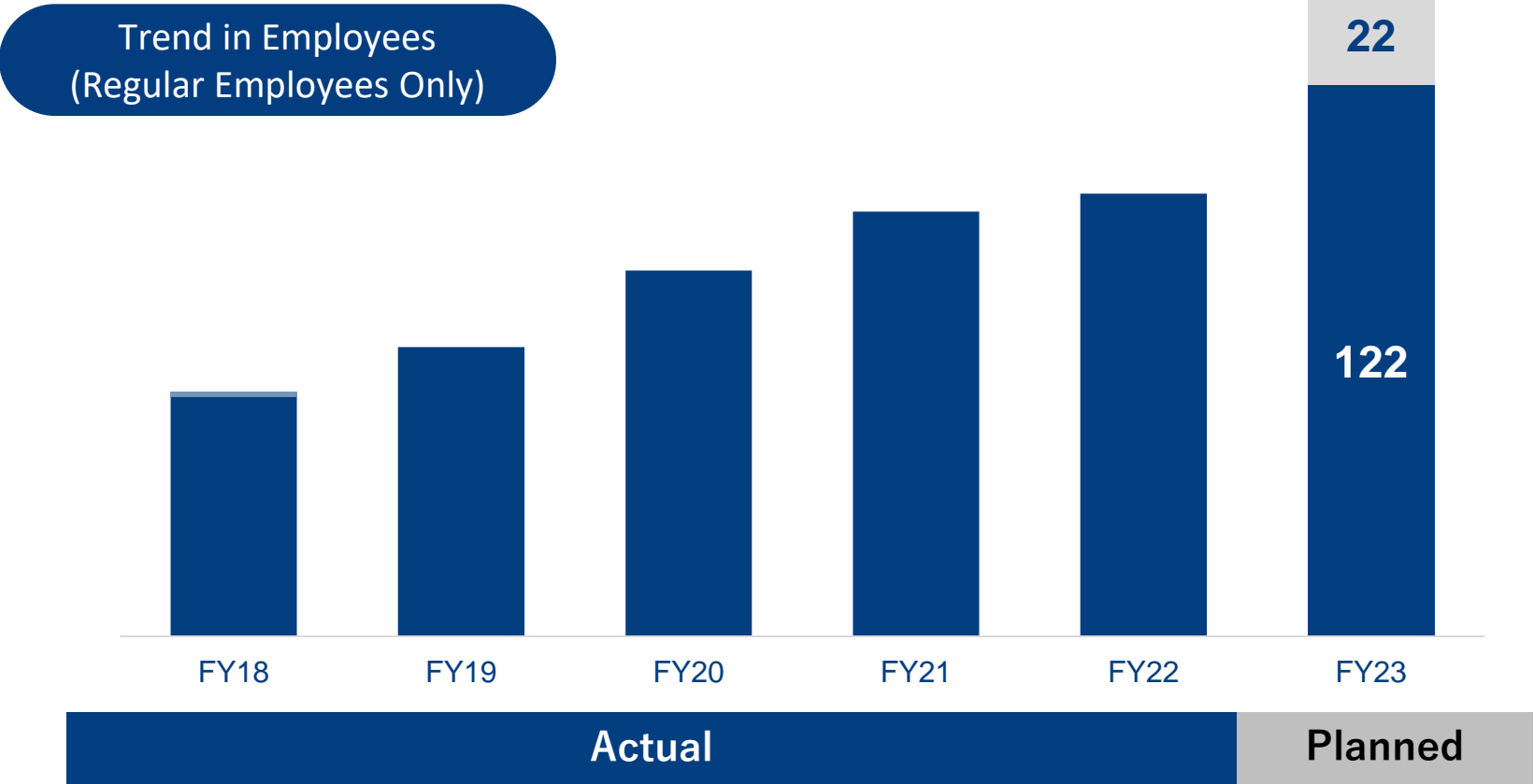
	2022.12 3Q	2023.12 3Q	YoY		Full-Year Forecast	Progress Rate
			Comparison with the Previous Period	Percentage Change		
Sales	1,119	1,050	-69	-6.2%	1,486	70.7%
Gross Profit	1,059	933	-125	-11.9%	1,405	66.4%
(Profit Margin)	94.6%	88.9%	-5.7%		94.5%	
SG & A	685	810	124	18.2%	1,059	
Operating Profit	373	122	-250	-67.1%	345	35.6%
(Profit Margin)	33.4%	11.7%	-21.7%		23.2%	
Ordinary Profit	366	124	-242	-66.1%	345	35.9%
(Profit Margin)	32.8%	11.8%	-20.9%		23.3%	
Net Profit for the Period	241	84	-156	-64.8%	224	37.8%

3Q Financial Results

	2022.12 3Q	2022.12 Year-End	2023.12 3Q
Current Assets	2,464	2,764	2,658
Cash and Cash Equivalents	1,937	2,158	2,094
Accounts Receivable	335	414	352
Prepaid Expenses	157	160	137
Others	33	31	74
Fixed Assets	145	134	243
Tangible Fixed Assets	16	15	18
Intangible Fixed Assets	70	71	86
Investments and Other Assets	58	48	139
Deferred Assets	6	8	6
Total Assets	2,616	2,908	2,908

	2022.12 3Q	2022.12 Year-End	2023.12 3Q
Current Liabilities	1,055	1,158	941
Accounts Payable	315	394	297
Short-Term Borrowings Long-Term Borrowings, etc	178	179	235
Accrued Liabilities	185	171	158
Others	376	412	250
Fixed Liabilities	469	432	564
Total Liabilities	1,524	1,591	1,506
Total Equity	1,091	1,316	1,402
Total Liabilities and Equity	2,616	2,908	2,908

Trend in Management Resources: Number of Employees



As of the end of Sep 2023, the employee count is 122, compared to the target of 144 for the FY23.

< Recruitment Progress >

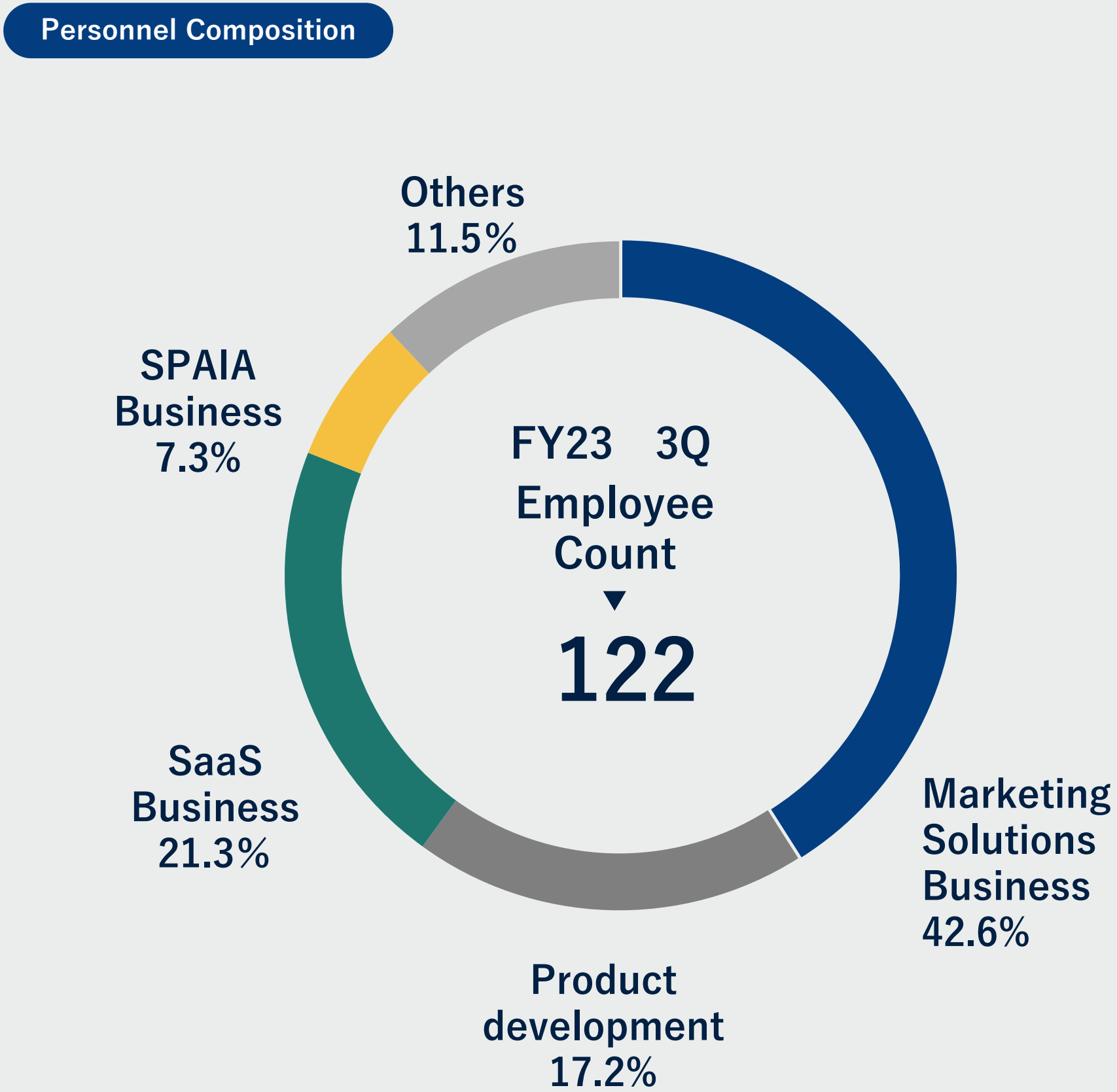
As of Oct, 24 individuals have joined the company

Marketing Solutions Business Department	1
※Transfer due to business transfer	23
(Breakdown: 1 Executive Officer, 9 Product Development Department, 12 New Business-related, 1 Corporate Planning Department)	

Attrition Rate

FY20	22%
FY21	21%
FY22	21%

In the digital marketing support area, we are hiring and nurturing individuals with little or no experience, aiming to create an environment that suppresses turnover and promotes growth.



Management 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

As of Sep 2023

Ratio of Female Executives	33%
Ratio of Full-Time Female Executives	60%
Ratio of Female Regular Employees	30%
Ratio of Female Managers (Breakdown of Managerial Positions)	19%

Ratio of Female Managers (equivalent to department managers)	20%
Ratio of Female Leaders (equivalent to section managers)	30%

*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.



Disclaimer

This document contains descriptions regarding future prospects. These descriptions are based on information available at the time of their creation. They do not guarantee future results or performance. Descriptions related to future forecasts involve known and unknown risks and uncertainties, and as a result, actual future performance and financial conditions may significantly differ from the forecasted performance and results indicated explicitly or implicitly in these future predictions. Factors that could impact actual results include changes in domestic and international economic conditions, trends in the industry in which our company operates, among others. However, these factors are not limited to those mentioned. Information about matters and organizations other than our company is based on generally available information, and we have not verified or guaranteed the accuracy and appropriateness of such publicly available information.