

FY2023

Our Business Plan And Growth Potential

GLAD CUBE Inc.

Security code : 9561

February 22, 2023

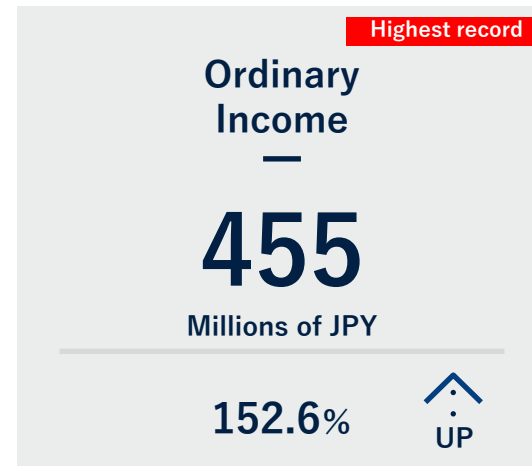
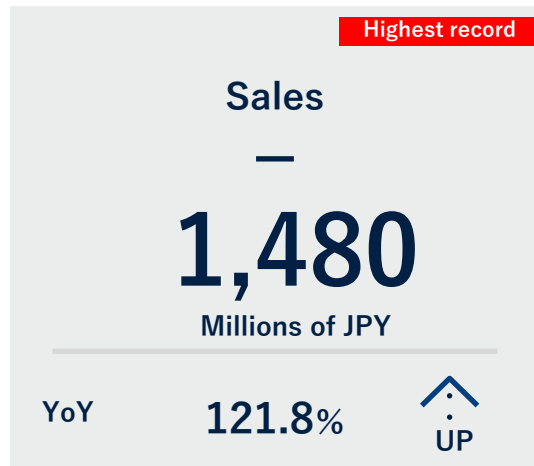
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1 | Financial Results



FY2022 Full-year financial highlights

FY2022 (January to December) Actual



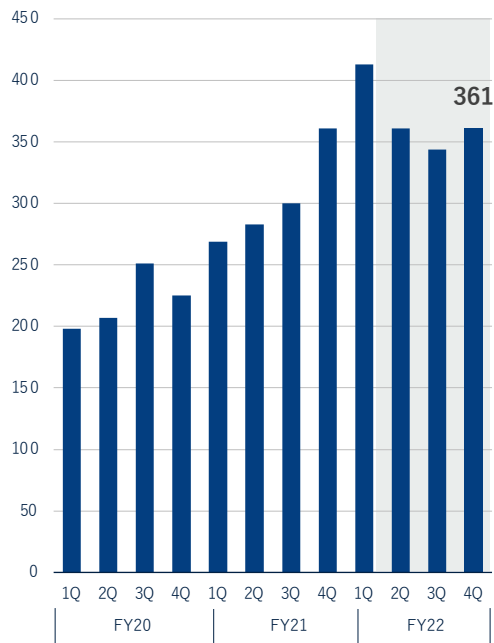
Business Overview Topics

- Our SaaS business, which is a driver for growth, served as a driving force. Together with the strong performance of our Marketing Solution Business in 1Q, sales, operating profit, and ordinary income all reached record highs.
- Operating profit margin increased significantly from 24.0% in the previous quarter to 31.1% in the current quarter.

— Highlights by 4Q and full-year financial results Business Performance

Sales

(Unit: million of JPY)

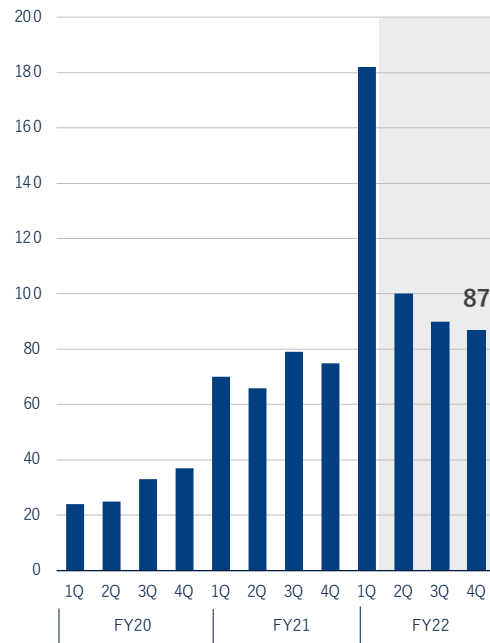


YoY

100.0%

Operating Profit

(Unit: million of JPY)

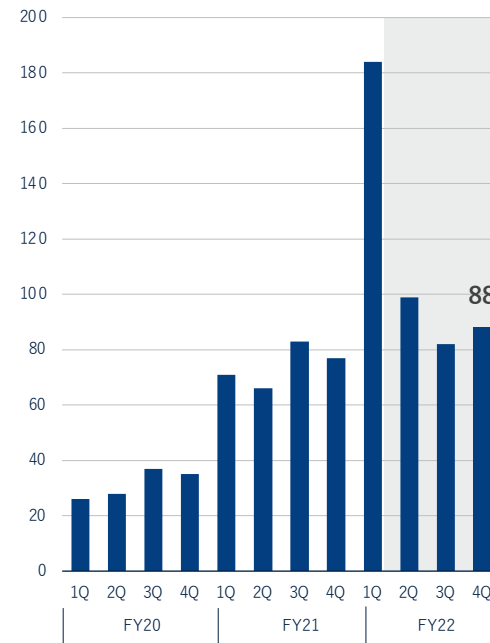


116.4%



Ordinary Income

(Unit: million of JPY)



115.2%



— FY2022 Full-year financial highlights (Business Segment)

SaaS Business



Sales	YoY
579 Millions of JPY	134.2%
4Q Sales Data	YoY
158 Millions of JPY	125.3%

Marketing Solution Business



Sales	YoY
748 Millions of JPY	110.5%
4Q Sales Data	YoY
169 Millions of JPY	89.7%

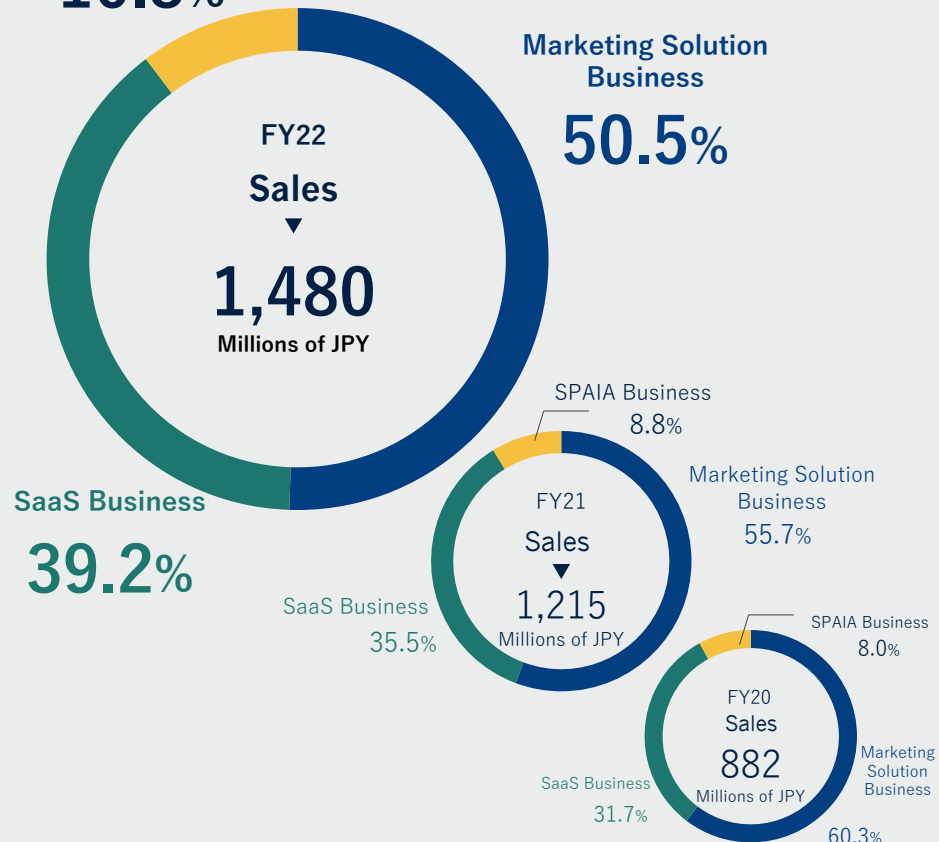
SPAIA Business



Sales	YoY
152 Millions of JPY	143.5%
4Q Sales Data	YoY
32 Millions of JPY	71.8%

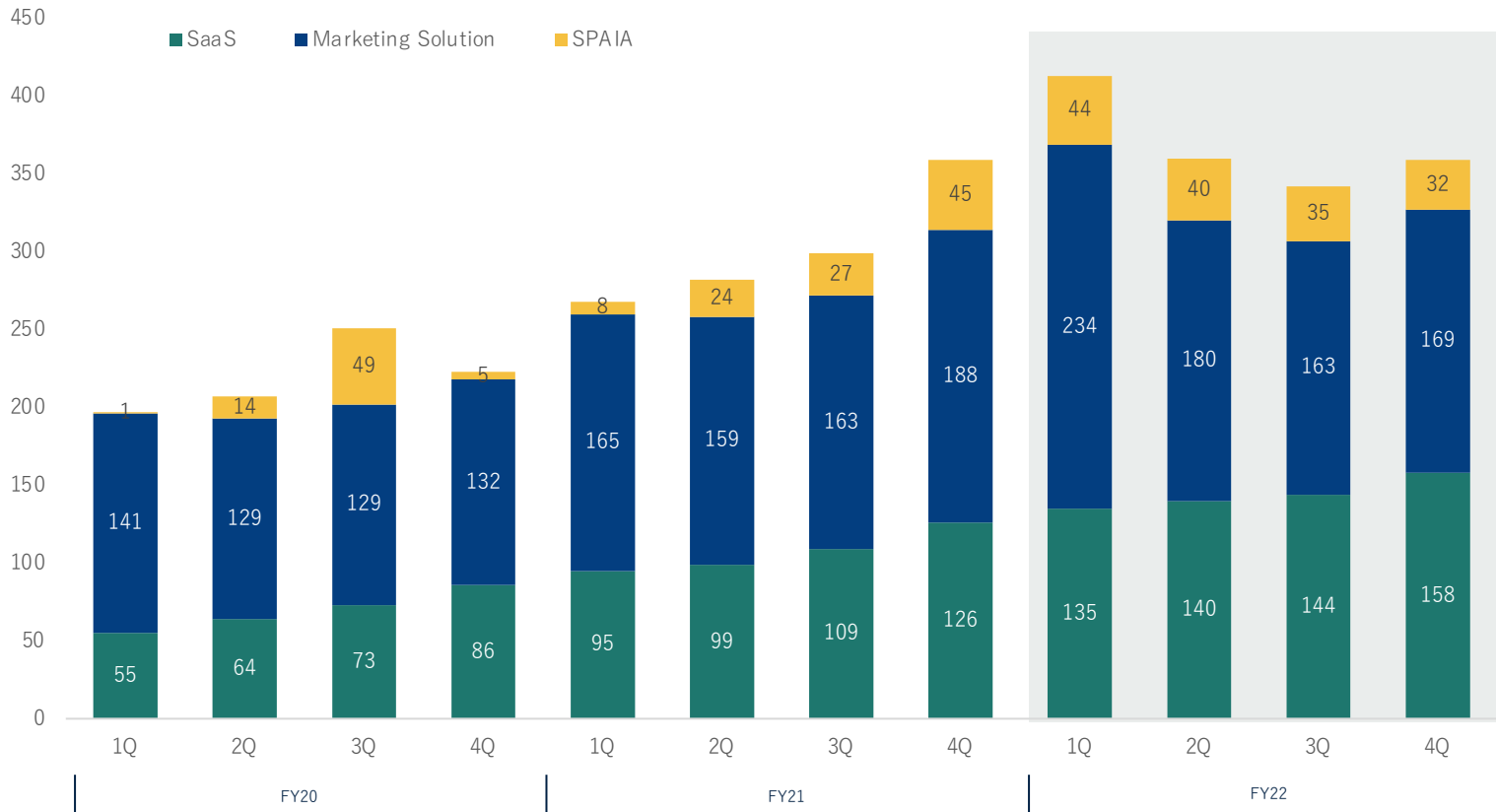
SPAIA Business

10.3%



FY2022 Quarterly Sales Data

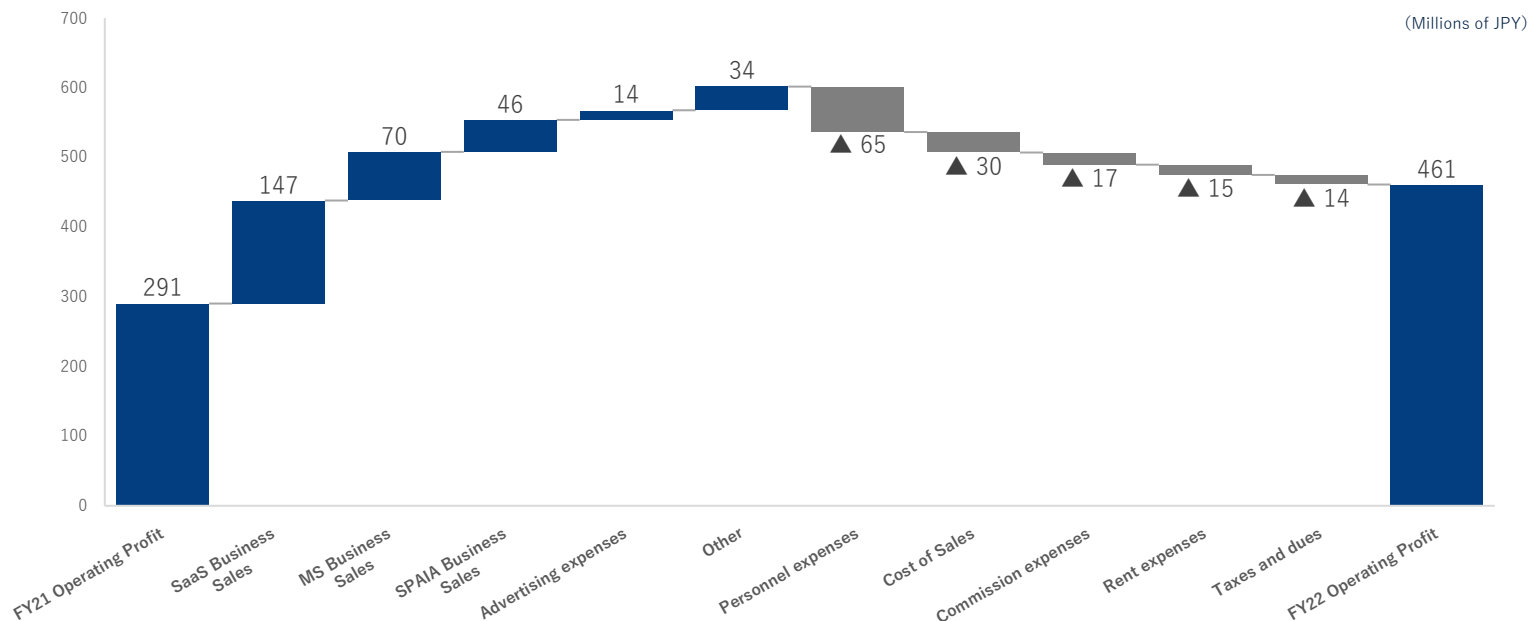
(Millions of JPY)



Year-on-Year Operating Profit Analysis

Topics

- The impact of increased sales of our SaaS Business was the largest positive factor, followed by our Marketing Solutions Business.
- The largest negative impact was an increase in personnel expenses due to aggressive investment in human resources.
- The primary reason for the increase in the cost of sales was subcontracting expenses, which increased due to a rise in the number of production projects.



FY2022 full-year financial results

	FY21	FY22	YoY		Full-year forecast	Progress rate
			Increase/ decrease	Increase/ Decrease in ratio		
Sales	1,215	1,480	264	+ 21.8%	1,501	98.6%
Gross Profit	1,157	1,391	233	+ 20.2%	1,432	97.1%
(Profit Rate)	95.2%	94.0%	△1.2%		95.4%	
Selling, general and administrative	866	930	64	+ 7.5%	951	
Operating Profit	291	461	169	+ 58.0%	481	95.8%
(Profit Rate)	24.0%	31.1%	7.1%		32.0%	
Ordinary Income	298	455	156	+ 52.6%	479	94.9%
(Profit Rate)	24.6%	30.8%	6.2%		32.0%	
Net Income	201	297	95	+ 47.1%	312	95.0%

— FY2022 full-year financial results

	FY20	FY21	FY22
Current assets	1,161	1,835	2,764
Cash and deposits	796	1,169	2,158
Accounts receivable - trade	238	500	414
Advance payments to suppliers	103	146	160
Other	22	17	31
Non-current assets	147	128	134
Property, plant and equipment	17	15	15
Intangible assets	37	43	71
Investments and other assets	92	69	48
Deferred assets	—	—	8
Total assets	1,308	1,963	2,908

	FY20	FY21	FY22
Current liabilities	802	1,286	1,158
Accounts payable - trade	244	486	394
Current portion of long-term borrowings, etc.	120	110	179
Accounts payable - other	164	254	171
Other	274	434	412
Non-current liabilities	256	226	432
Total liabilities	1,059	1,512	1,591
Total net assets	249	451	1,316
Total liabilities and net assets	1,308	1,963	2,908

2 | Business Plan and Growth Potential

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Our Competitive Strength P.29

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2-1 | Company Overview



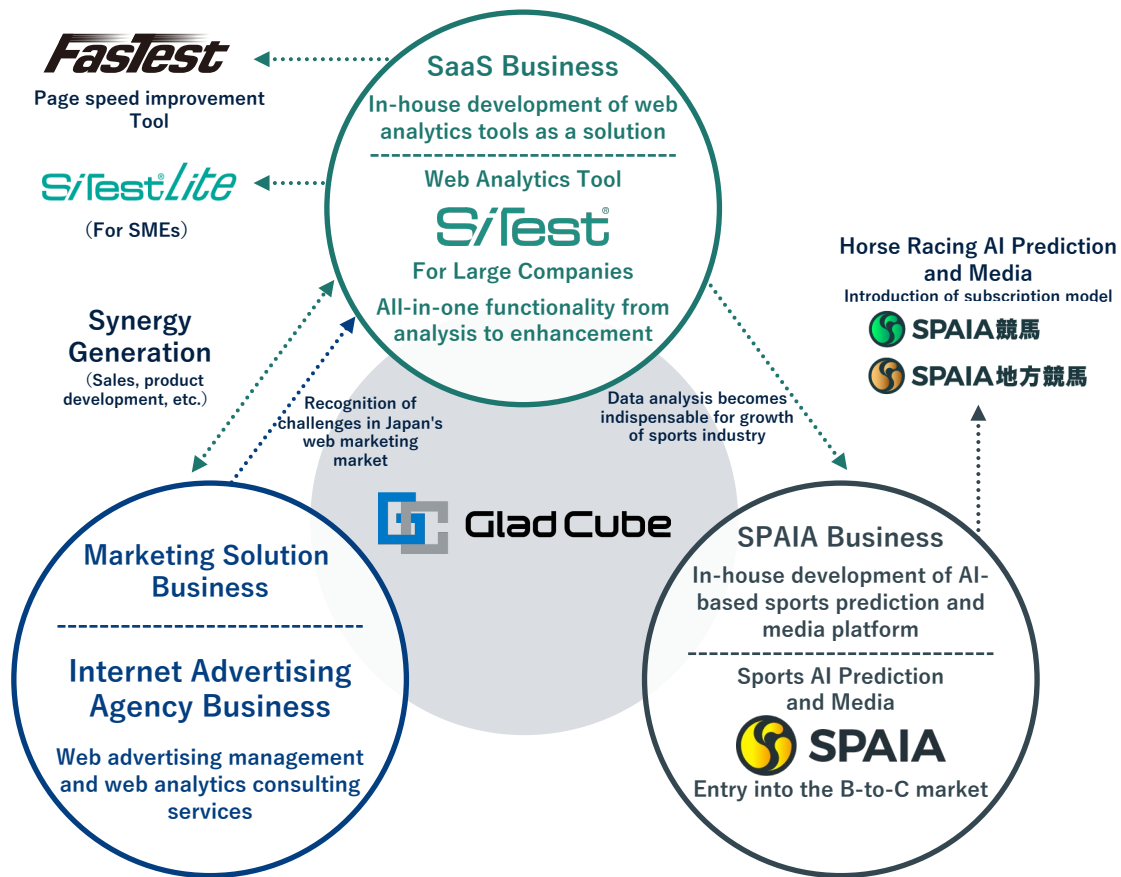
Delivering SaaS to empower the world through Data, AI, and Analytics

we aim to bring delight to our customers by empowering them to find and make sense of data.

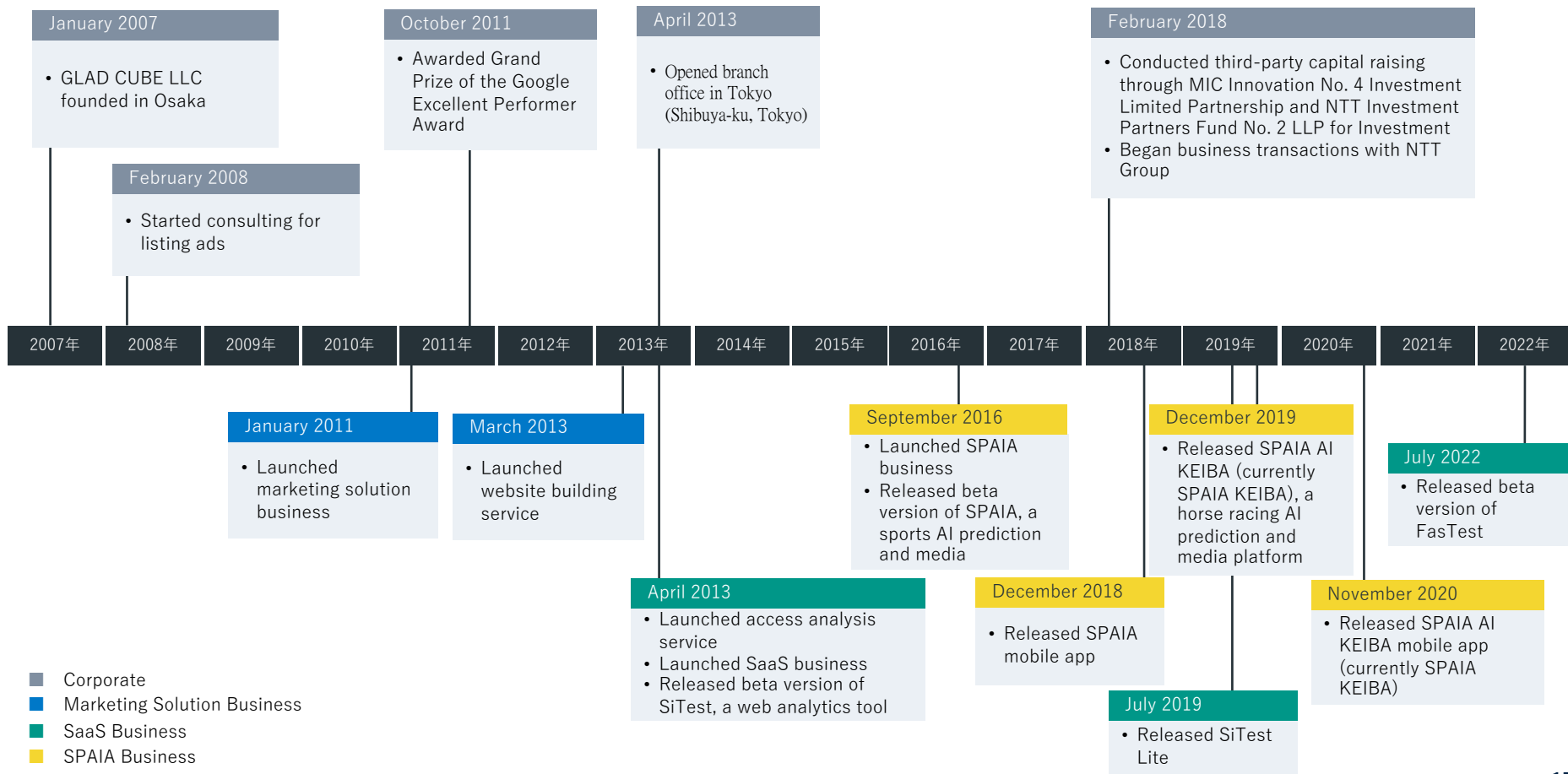
Outline of Business and Service Offerings

Growing through the development of three main businesses by leveraging our digital marketing expertise

We aim to be a platform for SaaS companies around the world to create new products.



Corporate History



2-2 | Business Model



SaaS Business SiTest's Competitive Advantage



- Web advertising agency's market understanding led to an in-house development of the web analytics tool
- SiTest is a comprehensive tool that includes features for analysis but also for improvement (as of February 2023)

Monthly fee-based
starting from 50,000 yen

Up-sale services
Consulting , Website building

Background of development and recognition of issues

Challenges
of online ad
placement

The website and the advertisement placed on it are inconsistent.

The website UI/UX is poor and improvements are not recognizable.

There is a high percentage of users who leave the website and the ads are not very effective.

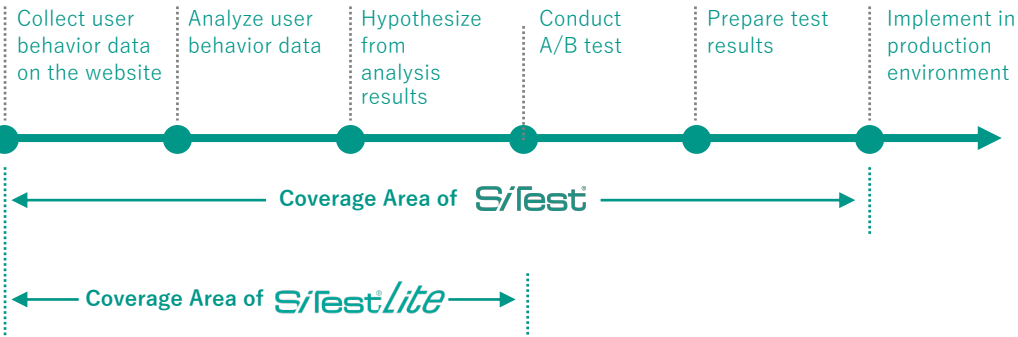
In-house
development
of SiTest,
an analysis tool

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

Website with enhanced UI/UX

Features

We offer total services, from analysis to improvement, which can reduce cost and time. It is also easy to measure the effectiveness of the improvement and obtain results.



Adopted by

docomo

NTTレゾナント

Money Forward

DUO

たんぼふ

HENNGE

KADOKAWA

ALETHEIA
株式会社 英和文書科
英和訳・英和対訳

A. アヴァンス法律事務所

TSUKUI STAFF

KINTO

BULK HOMME

SOELU

DIACLINIC

BARCOS

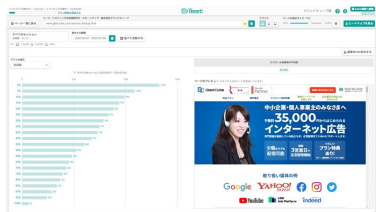
Over
700,000
Installations in Asia

(free version included)

SaaS Business Main Features of SiTest (Excerpts)

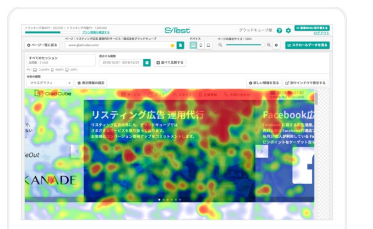
Heat Map Analysis & Quantitative Analysis

Scroll Data (PC, Smartphone, Table)



Display of page reach, time spent, and bounce rate

Mousegraphy (Smartphone & Tablet)



Heatmap of mouse movement for desktop visitors

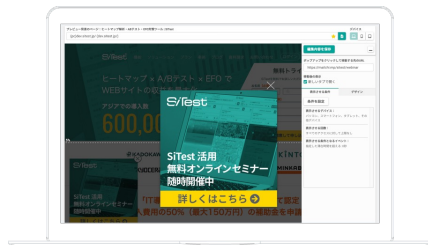
Touch Action (Smartphone & Tablet)



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

Other Website Improvement Functions

Pop-up Function (PC, Smartphone, Tablet)



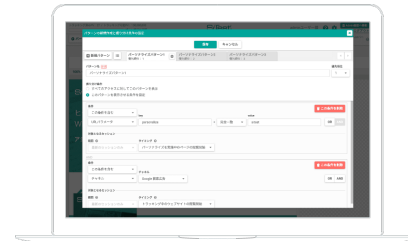
Display any image as a pop-up with a link to a specified page

A/B Test, Split Test Function



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

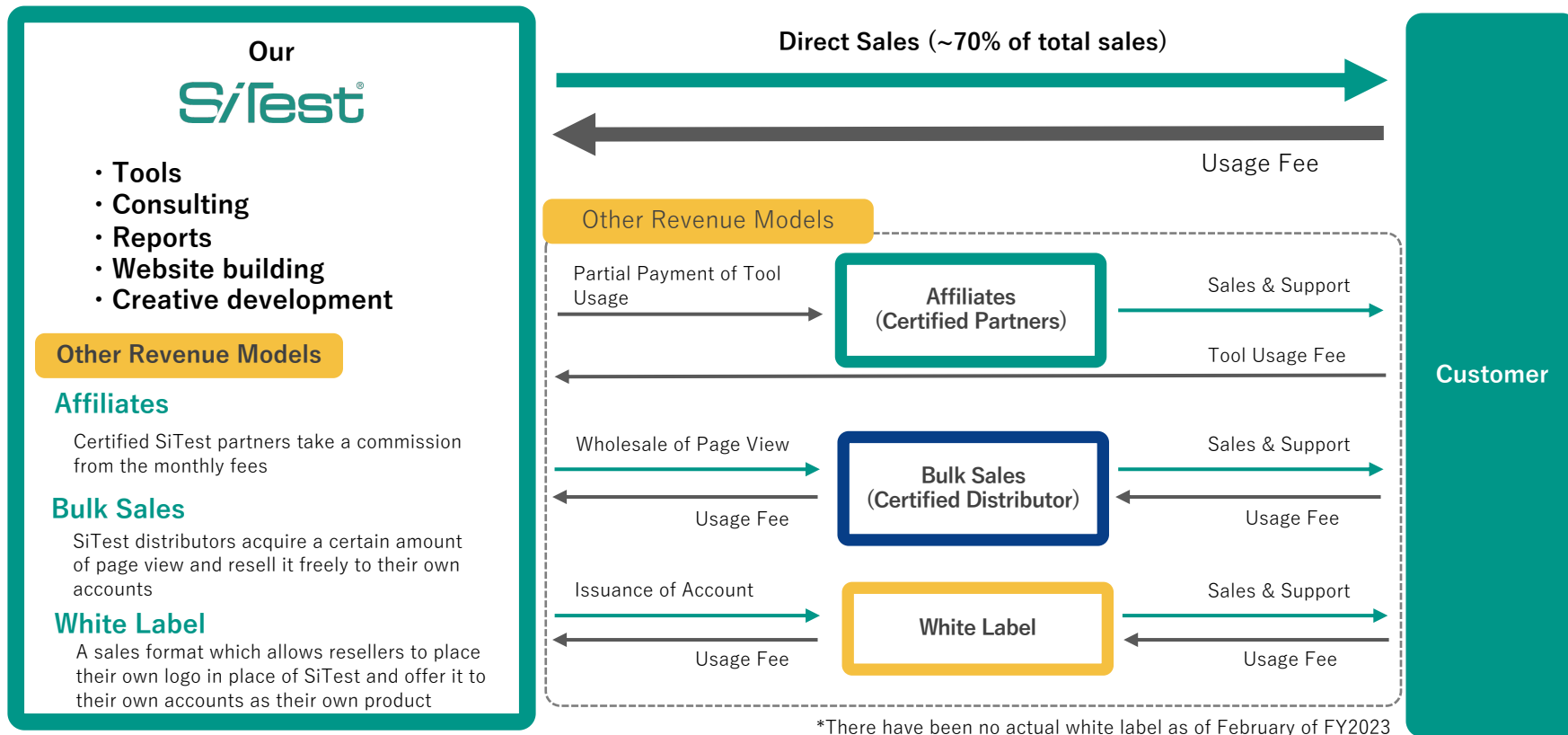
Personalization Function



Create personalized pages for visitors with specific targeting criteria

Intellectual property

Patent: official number (patent No. 2016-021212) analysis server device, analysis program, and period comparison
Patent: official number (patent No. 2016-224583) analysis server device, analysis program, and segment comparison



SaaS Business In-house developed analysis Tool: FasTest

FasTest

- Developed a page acceleration tool based on SiTest users' needs
- Anyone can easily achieve web acceleration without using any codes
- Prevent users from leaving and maximize CVs

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

Main features

Accelerate page speed in two steps

There is no need to edit HTML, upload to the server, or do any other special work.

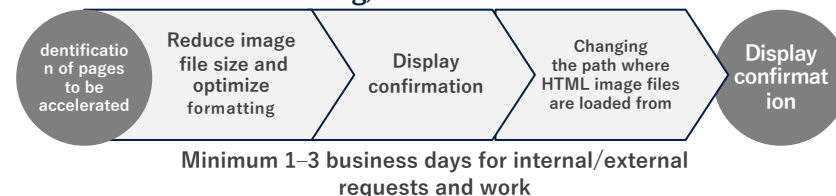
Use URLs on accelerated pages to run advertisements

URLs specific to accelerated pages can be directly designated as landing page links for web advertisement.

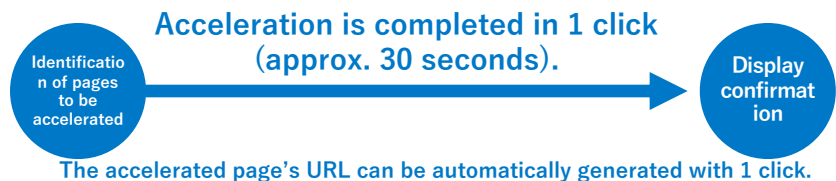
Verify improvements in page speed with numerical values

From the management screen, you can compare the performance between speed-enhanced pages and the original pages or past measurement results with numerical values based on the measurement by Google PageSpeed Insights.

Conventional process of accelerating pages (reduction of image file size and HTML rewriting)



FasTest Page acceleration process

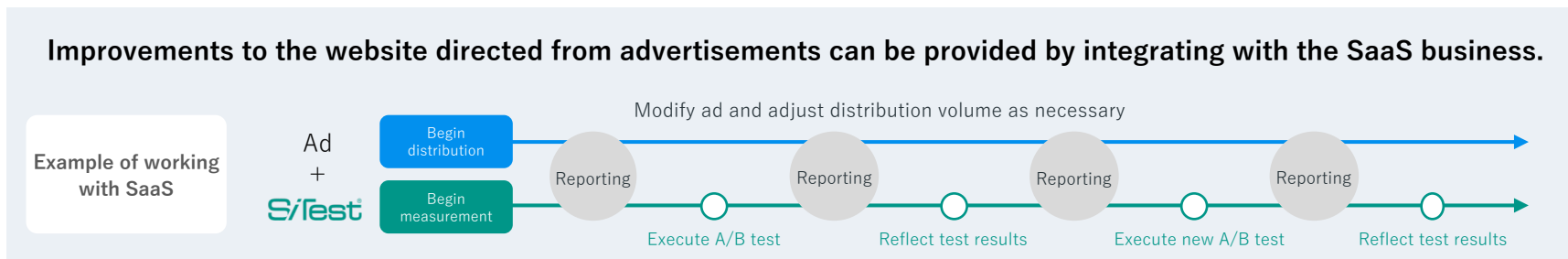
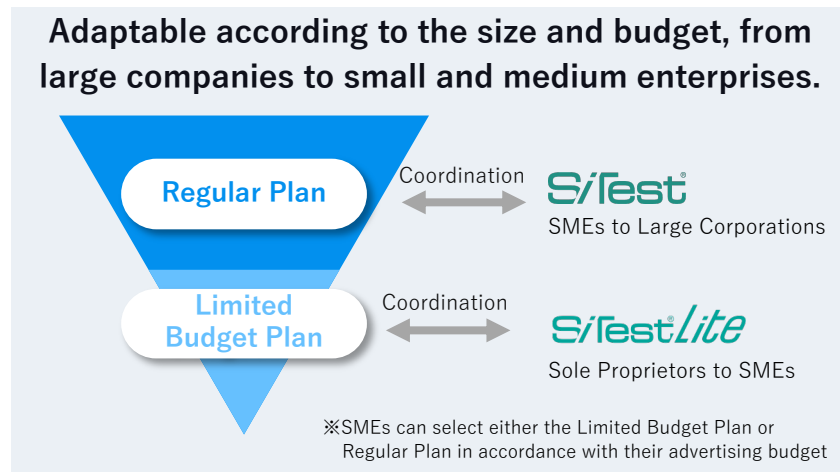
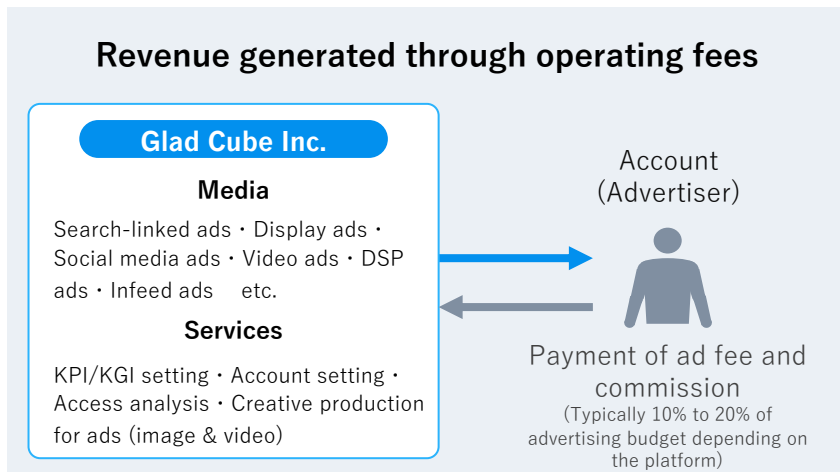


The original page's URL	▼	https://fastest.jp/
The accelerated page's URL		https://sub.fastest.jp/index.html

※To use your own domain, setup with a contracted domain is required.

Marketing Solution Business Business Model

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





Analyze SPorts through AI



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

The era where data is indispensable in sports is coming.

SPAIA media deals with not only existing game results but also a wealth of data, starting with sabermetrics(*), and provides content such as AI-based game predictions and data articles.

U.S.

With sports becoming a big industry, the importance of data is growing.

Sports is a major industry in the United States. Detailed data is used for analyses and dynamic images are frequently used, not only in sports but also in everyday life, so there is a great demand.

Japan

SPAIA was developed with an eye on the growing need for data in sports in Japan.

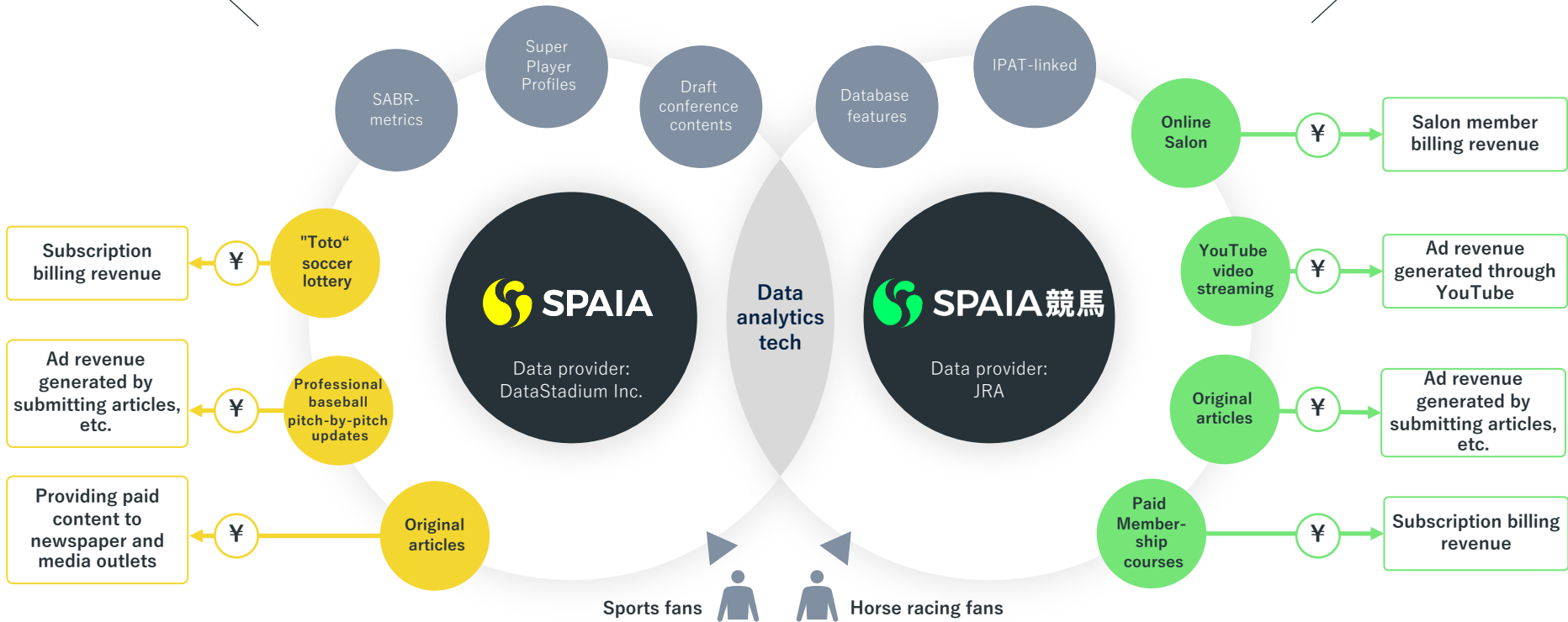
Likewise, in Japan, data analysis is essential for training and analyzing opponents in the field of professional sports. We predict that amateurs and fans will also enjoy sports based on data.

※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



2-3 | Market Environment



TAM and SAM in SaaS Business

In the business analytics market (total demand for products and services: TAM), our products fall under the analysis tool market (targeted demand: SAM), which will continue to grow.

We may aim to expand service offerings as support for Google Optimize ends in September 2023.

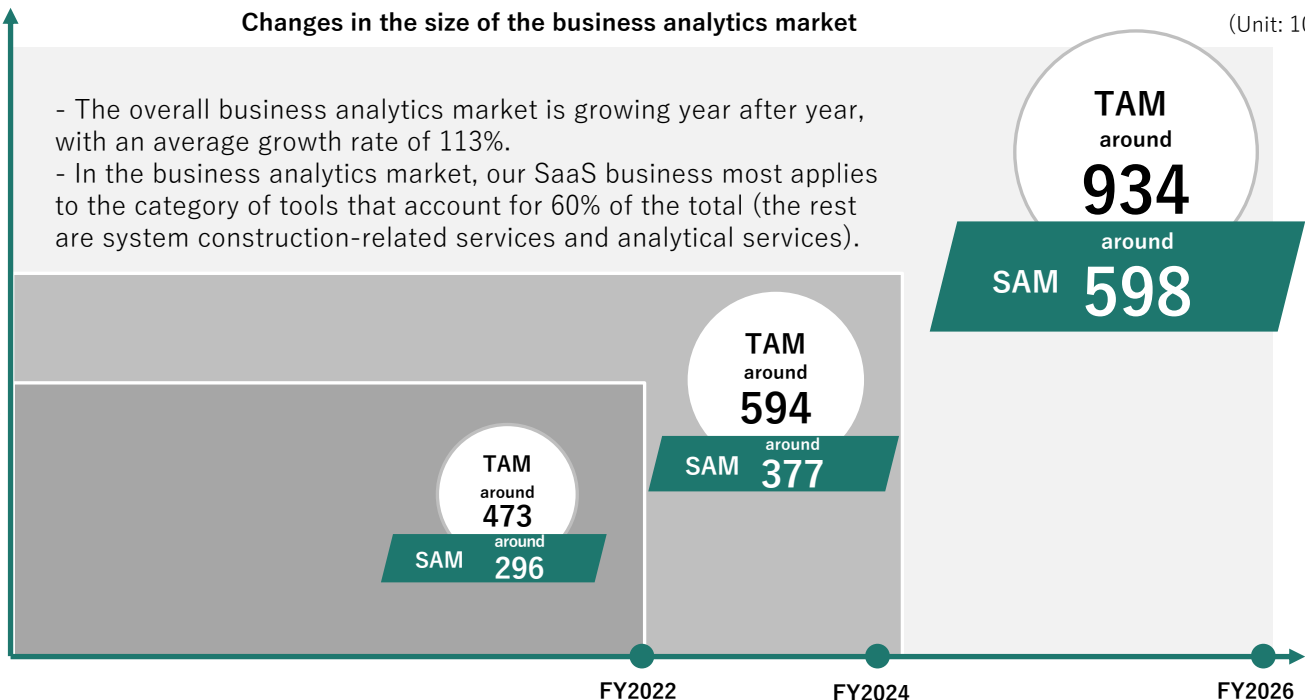
Changes in the size of the business analytics market

(Unit: 100 millions of JPY)

- The overall business analytics market is growing year after year, with an average growth rate of 113%.
- In the business analytics market, our SaaS business most applies to the category of tools that account for 60% of the total (the rest are system construction-related services and analytical services).

Number of SiTest installations in Asia
Installed on 700,000 websites as of the end of FY2022

SiTest®
SiTest Lite
Fastest



*
Expected figures for FY2021
Forecasted figures for FY2022 and thereafter

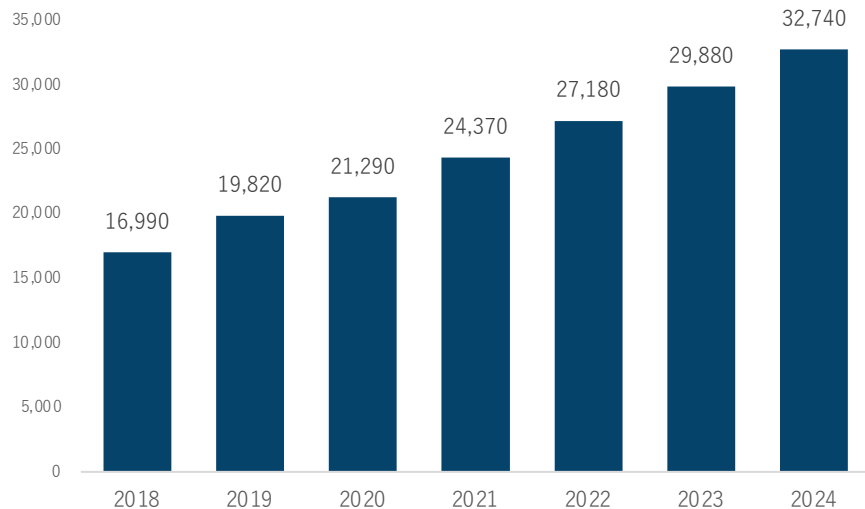
TAM in the Marketing Solution Business

The online advertising market is on an upward trend and the demand for the video advertising market, which we are focusing on, is increasing.

With our company's record of winning the top prize in Japan in the video advertising category of the Google Premier Partner Awards 2019 and with the upward trend in orders received for creative work (mainly video advertisement production), we expect the video advertising business to continue to grow.

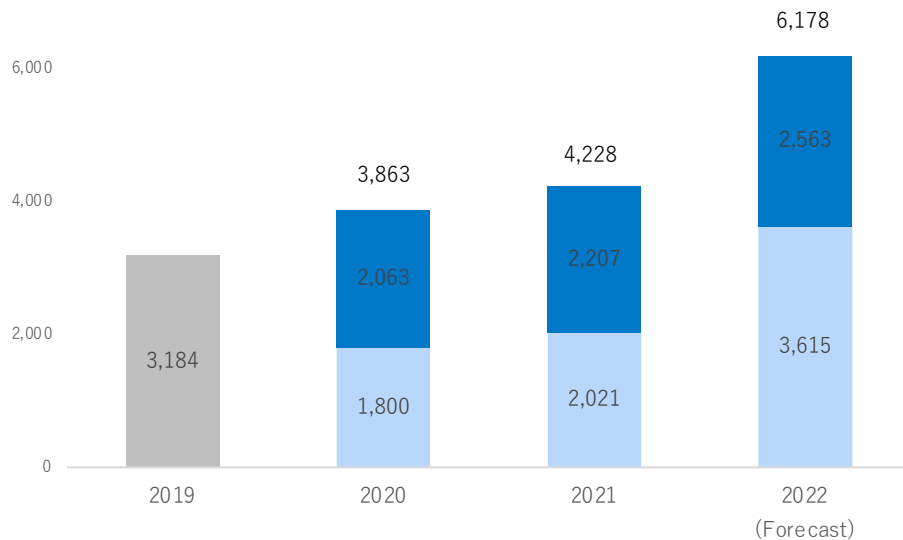
(Unit: 100 millions of JPY)

Internet Advertising Market



(Unit: 100 millions of JPY)

Changes in the video advertising market



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

■ in-stream advertising ■ out-stream advertising
Cited from: 2021 survey on advertising expenditures in Japan conducted by Dentsu Inc.
(<https://www.dentsu.co.jp/news/release/2022/0309-010503.html>)

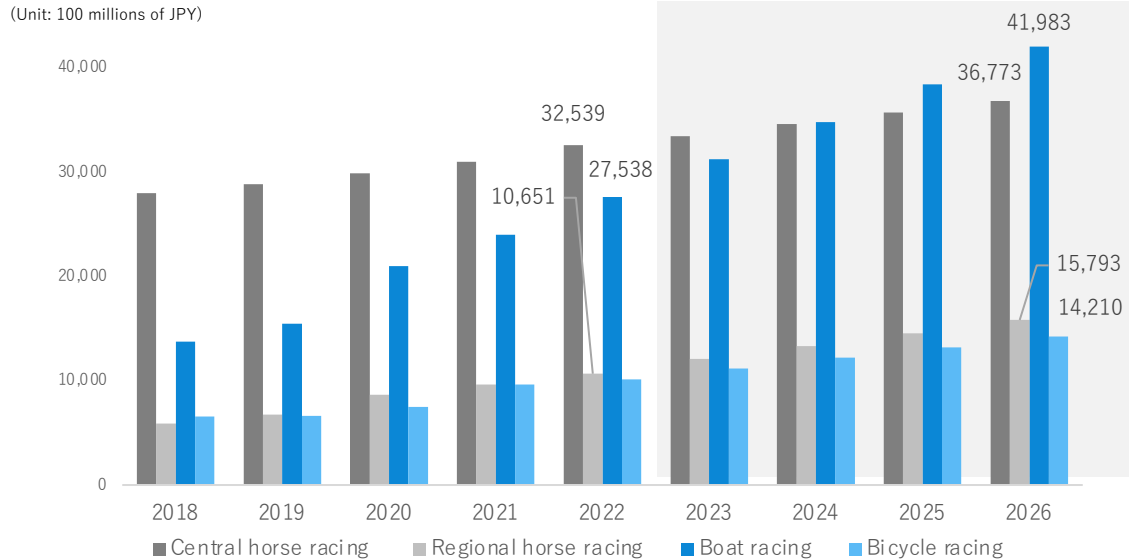
TAM in the SPAIA Business (SPAIA KEIBA)

SPAIA KEIBA, which is conducted as part of the SPAIA Business, will be expanded to other sports gambling content by 2026. Based on past results, the forecast is 3.7 trillion yen for central horse racing and 1.6 trillion yen for regional horse racing, which are already in operation.

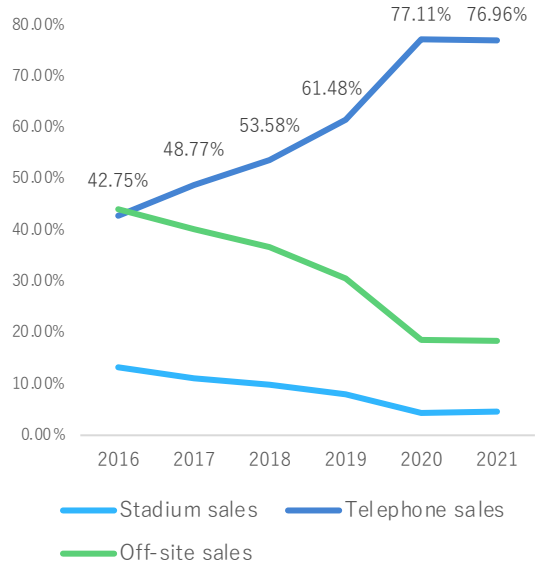
The total amount, which includes boat and bicycle racing to be developed, is 11 trillion yen.

The percentage of online purchases is increasing in all sports gambling content, most notably in boat racing.

Changes and forecasts of sales (proceeds) of overall sports gambling



Changes in boat ticket purchase channels



Calculation of estimated figures: Calculated from proceeds, total sales, and number of participants using the TREND function, based on publicly available actual figures through 2022.

Source: Japan Racing Association, the National Association of Racing, Japan Motor Boat Racing Association, and Japan Keirin Autorace foundation

Telephone sales = Teleboat (online)

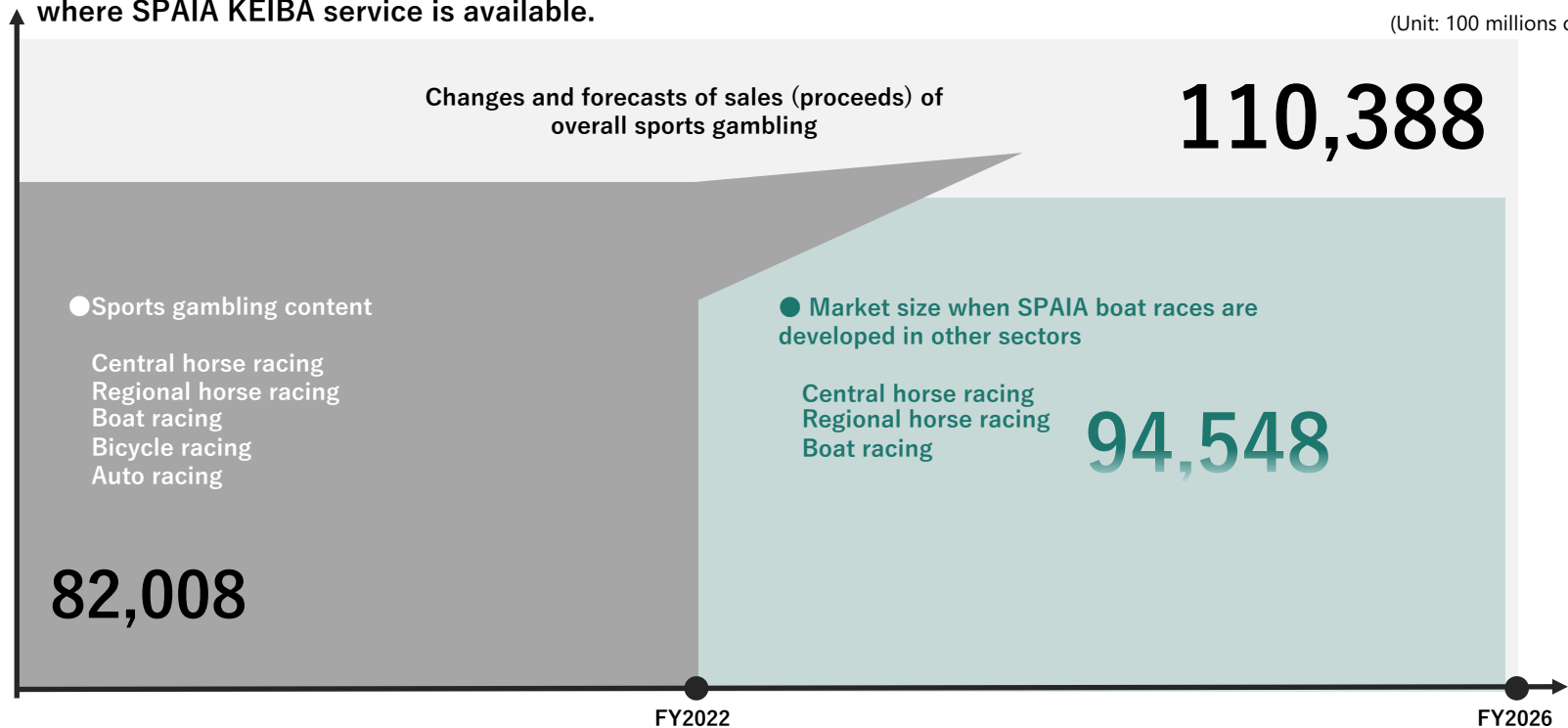
TAM and SAM in SPAIA Business (SPAIA KEIBA)

The total market for sports gambling content is expected to exceed 11 trillion yen in 2026.

(Forecasts are made with the same calculation method as on the previous page.)

The scenario is for when services become available for boat racing, similar to central and regional horse racing, where SPAIA KEIBA service is available.

(Unit: 100 millions of JPY)



Calculation of estimated figures: Calculated from proceeds, total sales, and number of participants using the TREND function and FORECAST function, based on publicly available actual figures through 2022.

Source: Japan Racing Association, the National Association of Racing, Japan Motor Boat Racing Association, and Japan Keirin Autorace foundation

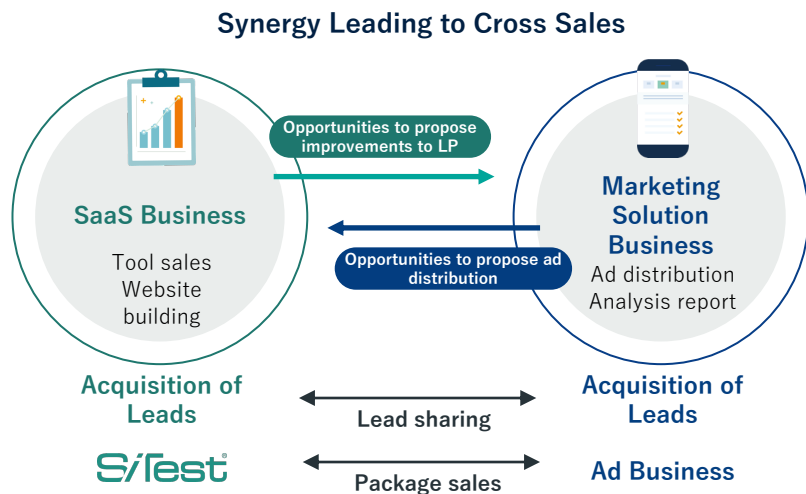
2-4 | Sources of Our Competitive Strength



— Our Strengths from a Market Environment Perspective

- 1. Maximize synergies through cross-selling between the SaaS Business and the Marketing Solution Business**
- 2. Top-ranking operating profit margin**
- 3. Changes in employees and human resources development system**
- 4. Work environment with DE&I**
- 5. Well-balanced management structure**

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



- 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

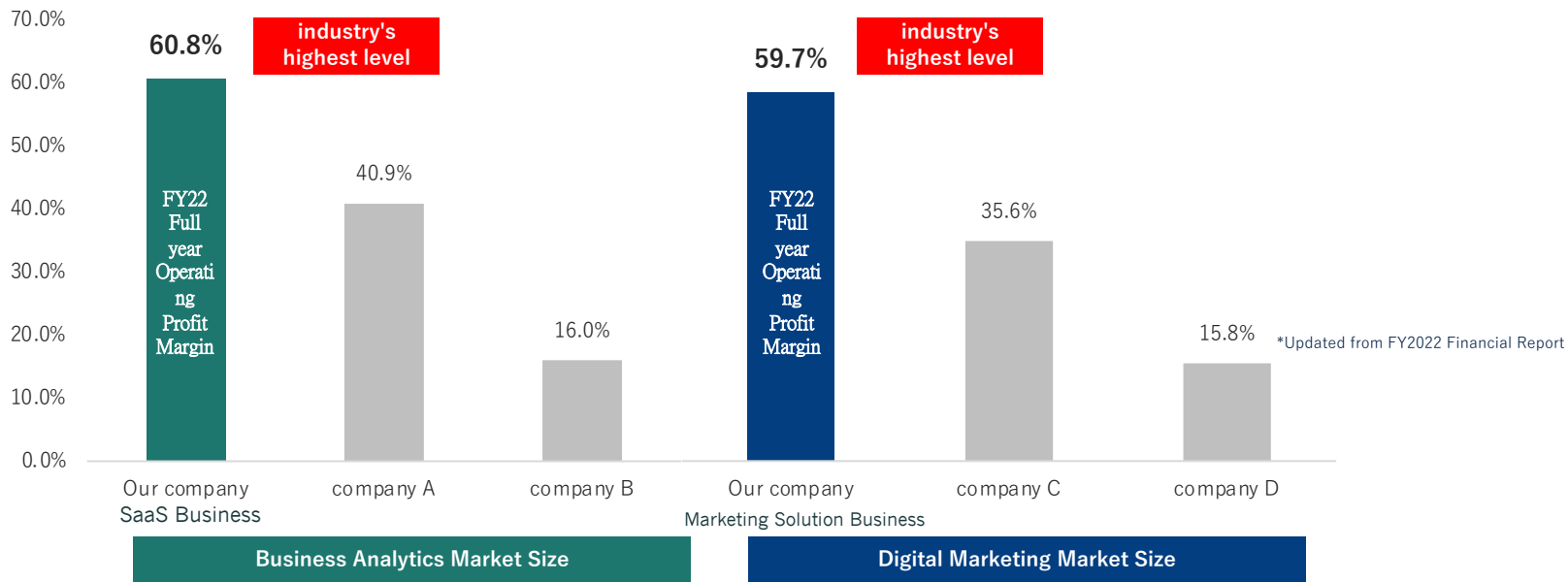
- 4 Management capability in developing new services based on market analysis and **achieving profitability**

- 5 **Sales synergy from inter-business collaboration**

Competitive Advantage Top-ranking Operating Profit Margin among Similar Industries

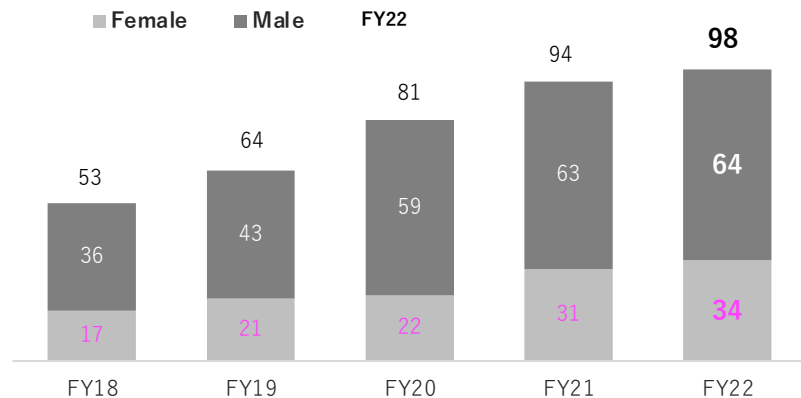
Analysis Overview Topics

- Our profit margin is overwhelmingly high in comparison to that of competitors in the SaaS business domain and the Digital Marketing domain.
- For comparisons in the Marketing Solutions Business, we selected companies that operate online advertising agency businesses based on our revenue recognition criteria and companies that disclose information by segment.
- For comparisons in the SaaS Business, we selected companies that operate SaaS in the business analytics market, as we do.
- The operating profit margins for companies that we compared were taken from the most recently disclosed documents (including those not for the full year).

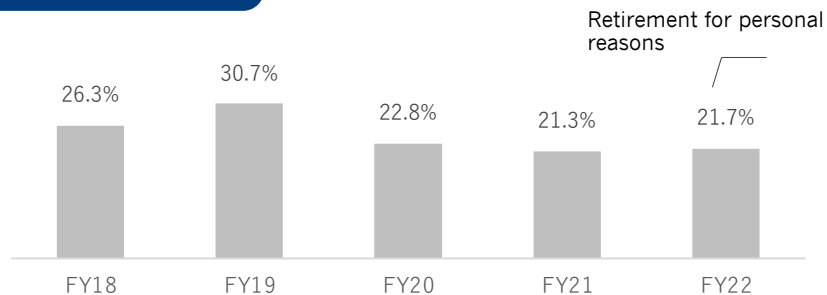


Management resources • The number of employees

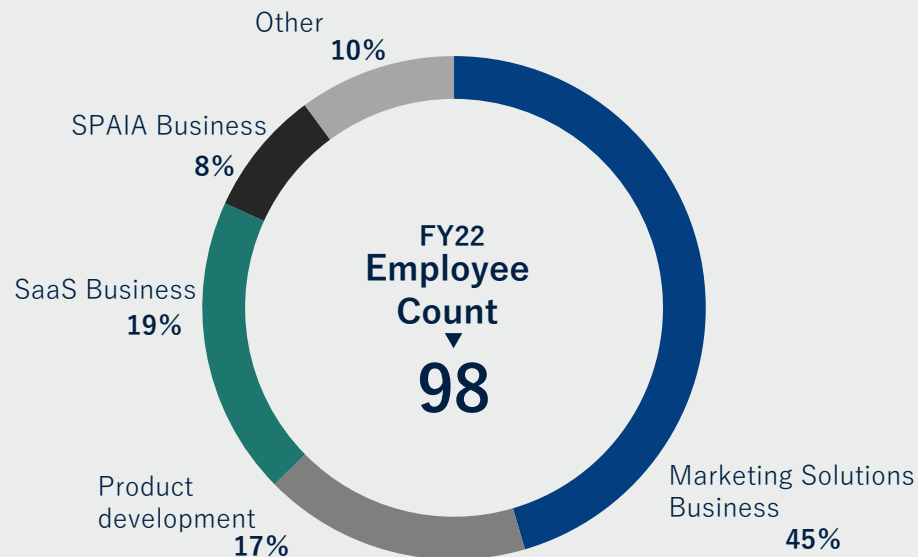
Changes in number of employees



Turnover rate



Personnel composition

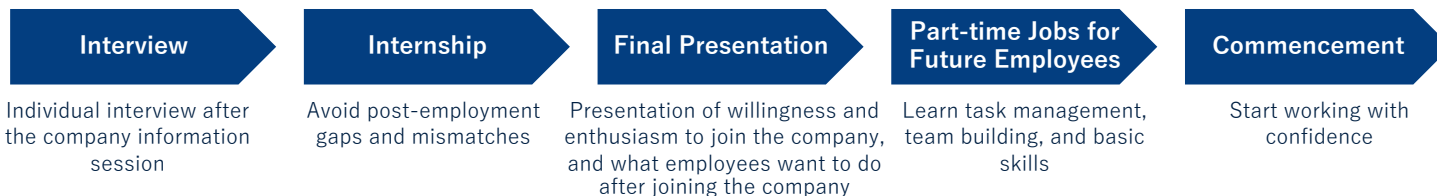


Our Uniqueness and Strengths in Recruitment and Development

Unique New Graduate Recruitment System

Through internships, presentations, and part-time jobs for those who have accepted our job offers, we provide a process that allows employees to grow even before they join the company.

*Marketing Solutions Business Division employees with no experience need 6 to 12 months to learn the business.



"Open Leadership Recruitment Program" Providing Everyone with Equal Opportunity

The Leader Recruitment System, which is held once a year, is a unique program in which anyone can participate. Aspiring employees who want to contribute to the company and make it a better place participate in the program on their own initiative. After reading assigned books, holding discussions among applicants, and giving presentations, they will be promoted to leadership positions.

■ 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)
FY2022	8 (of which, 1 was a new graduate hire in their 1st 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

Management Resources Initiatives for Social Responsibility (SDGs and ESG)

Vision

We are committed to eliminating discrimination based on age, gender, nationality, and educational background to embody the 21st-century management style.

Our goal

We have established an action plan for a general business owner based on the Act on the Promotion of Women's Active Engagement.

We have established an action plan for a general business owner for the four-year period from April 1, 2022 to December 31, 2026 to develop an employment environment in which women can play a more active role.

- 1 Increase the ratio of female managers to at least 30%.
- 2 Build a support system to assist in balancing work and family life by informing employees of the various systems we have, such as the childcare leave system, etc., based on the Child Care and Family Care Leave Act, childcare leave benefits based on the Employment Insurance Act, and the maternity leave system based on the Labor Insurance Act.

Women Empowerment

FY22

Director ratio	22%
Full-time director ratio	50%
Employee ratio	32%
Management ratio	21%
Manager ratio	8%
Leader ratio	25%

*Leaders and above are managers

As we have been aware of gender issues since the establishment of DEI, the most important feature of our company is that we have not needed to take any special measures to promote women's participation in the workplace. We ensure not only diversity but also fairness in terms of promotion opportunities and the elimination of gender-based wage differences

Management resources

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



Hiroki Kaneshima Co-Founder & 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 Executive 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
2023 Appointed Executive Director and CIRO of GLAD CUBE Inc.



Miki Nishimura Director & CFO

2022 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 & COO

2011 Joined GLAD CUBE Inc.
2020 Appointed as Executive Officer
2022 Appointed as Director
2023 Appointed as Director and COO of GLAD CUBE Inc.



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

2-5 | Business Plans



— Regarding the Forecast of Financial Results for FY2023

1. What investments will cause the operating income to be down 25.2% for FY2023?

- Year-on-year operating profit analysis (p. 39)
- Growth strategy: Human investment and recruitment plan (p. 40–41)

2. Why are the sales figures not growing significantly?

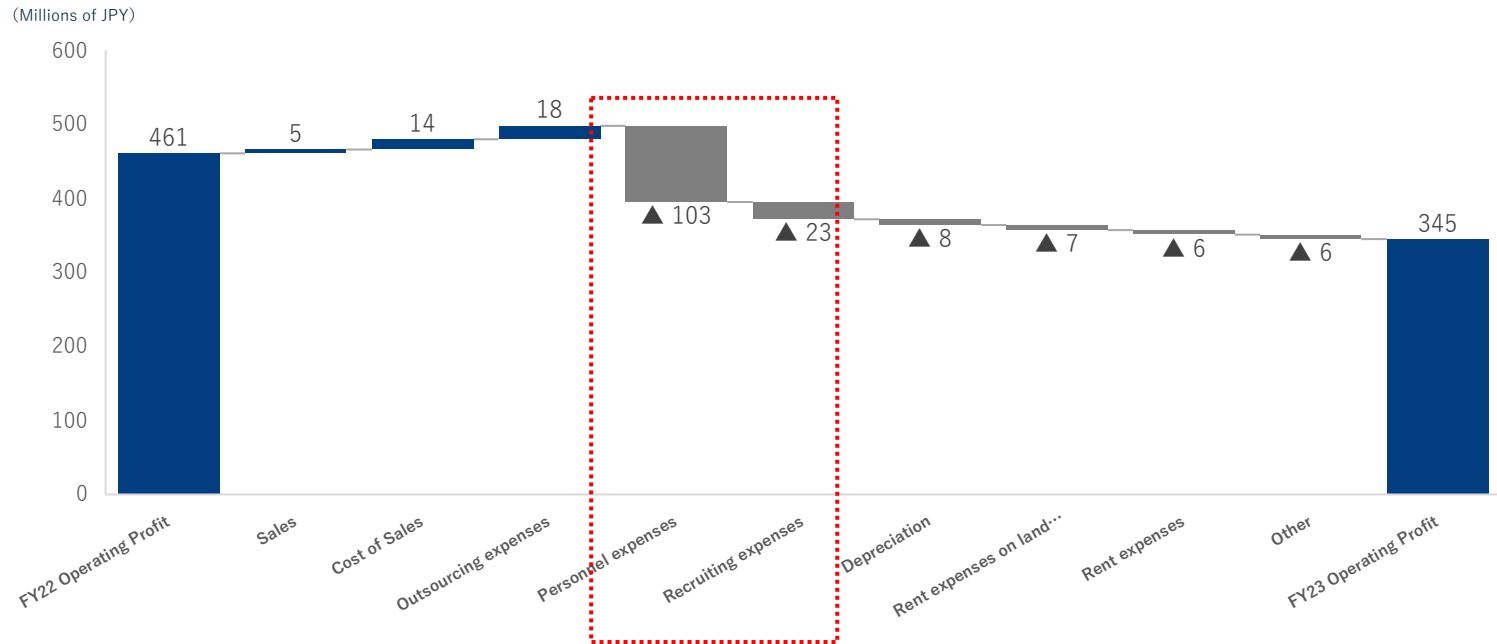
- The order for a large project in the Marketing Solution Business in Q1 of FY2022 is not included in the forecast because it is yet to be confirmed for this fiscal year.
New employees need 6 to 12 months to learn the business.
- The SaaS Business is forecasted conservatively in connection with the above reason.
- The SPAIA Business is targeting market share expansion, so it is forecasted conservatively.

3. How will we grow in the future?

- Initiatives for business and capital alliances and M&A (p. 42)
- Growth strategies for each business segment (p. 46–49)
- Growth image to achieve annual sales of 10 billion yen or more (p. 50)

— Year-on-year Operating Profit Analysis

- Aggressive investment in human resources is essential in FY2023. (See detailed explanations on p. 40 and thereafter.)
- Outsourcing costs are expected to decrease due to aggressive hiring of employees.



Increase wages for all employees by an average of 15% and a maximum of 60% or more

Purpose

To enhance employee satisfaction and raise customer satisfaction

- Enhance employee satisfaction and **prevent outflows of talented personnel** by incorporating a system that ensures proper evaluation as much as possible
- Establish a system to prepare for an increase in the number of employees accompanying future business expansion from the beginning of FY2023
- Strengthen recruitment efforts and secure talented IT personnel

Method

Introduce the Grade System, a unique evaluation system with high transparency

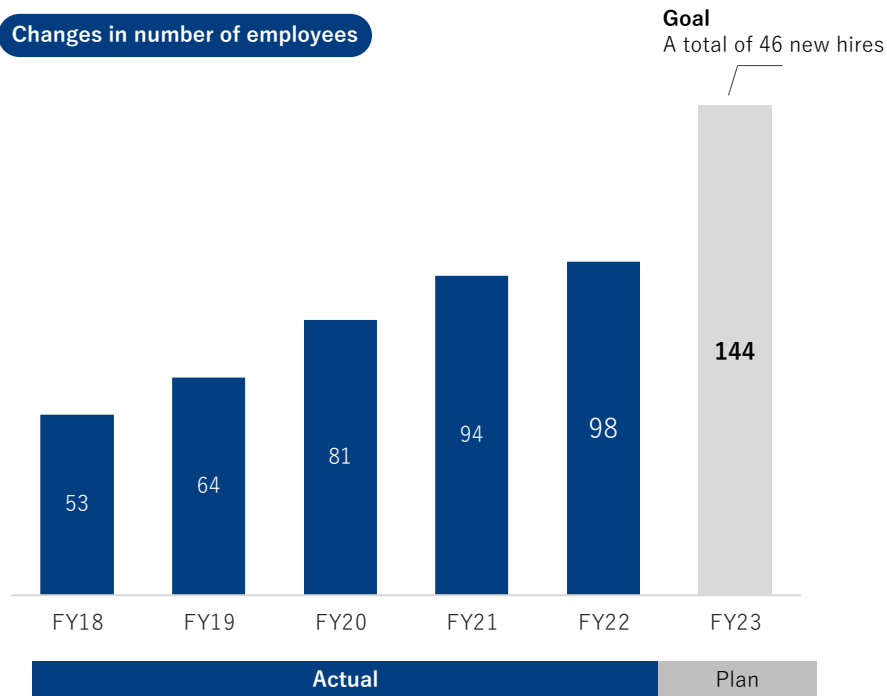
- Launched a project consisting of board members and executives from all divisions to **develop a unique evaluation system** suited to our company in FY2022
- A system that enables all employees to work towards goals and clarifies what they should aim for and what they should do

Expect

SaaS business	<ul style="list-style-type: none"> - Improve order and churn rates by strengthening customer success - Strengthen the system to receive consulting and production orders 	Marketing Solution Business	<ul style="list-style-type: none"> - Strengthen the sales structure to respond to a number of inquiries - Secure creative human resources
SPAIA Business	<ul style="list-style-type: none"> - Strengthen the system for development in other sectors 	Product Development Division	<ul style="list-style-type: none"> - Improve products for existing businesses and accelerate newly developed projects
Other	<ul style="list-style-type: none"> - Build a personnel structure in preparation for business and capital alliances as well as M&A 		

— Growth Strategy Changes in employees and

Changes in number of employees



New hires

SaaS Business	18 staffs
Marketing Solution Business	14 staffs
*Including creative talent	
SPAIA Business	5 staffs
Product development	5 staffs
Other	4 staffs

- The Marketing Solution Business will supplement its workforce, but it takes an average of 6 to 12 months to learn the business and become independent.

Other human investment

Establish satellite offices exclusively for engineers

- Create an environment where engineers can concentrate on development.
- The entire SPAIA Division is relocated to a neighboring office mainly to conduct SPAIA development at a satellite office.

— Initiatives for Business, Capital Alliances and M&A

SaaS Business

Target companies: Companies in the business analytics market domain
Business models that are expected to generate synergies with our business, such as site analysis services

Purpose: Expand sales of products and services
Expand the customer base in the Marketing Solution Business

Marketing Solution Business

Target companies : Internet advertising agency
Business model expected to generate synergies with our business

Purpose : Expand the customer base in the Marketing Solution Business and SaaS Business

SPAIA Business

Target companies : Companies providing sports-related services
Business models expected to generate synergies with our SPAIA Business

Purpose : Synergies for the planned expansion of service areas

— Growth Strategy SaaS Business

Promote the development of new customers with the aim of turning the site analysis and improvement tool into a platform.



FasTest

New features have been introduced after a test marketing period

On December 27, 2022, we added a function that compresses video files on a page to make them smaller and streams them from an acceleration server. This enables easy batch optimization and page acceleration, even for pages with large amounts of video content as well as images.

Additional features will be implemented in the future to meet users' needs.



MoVest

Scheduled to be released after FY2023

Tool to analyze and improve videos

Further expansion of cross-selling is expected through new products.

SaaS Business



Marketing Solution Business

Aggressive M&A Strategy

Expand the digital marketing domain

We aim to form capital alliances and conduct M&A with companies offering services that are related to our existing SaaS Business in FY2023. We aim to expand the sales of existing products and newly developed products by increasing the number of touch points for sales activities. Our goal is to achieve an average unit price of 120,000 yen or more for the SaaS Business in FY2023.

*The current average unit price is indicated on page 45.

Aim to increase customer success stories using ChatGPT or Bard



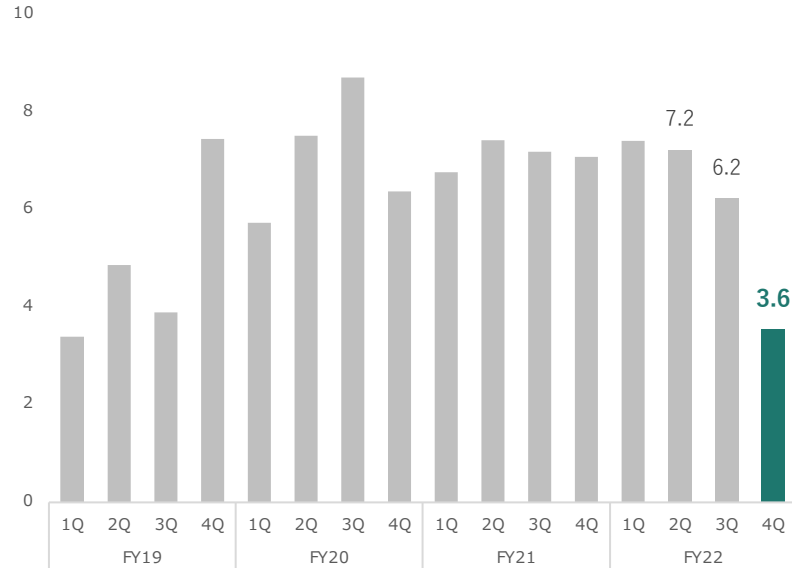
Utilization of SiTest in conjunction with our unique site analysis AI

- In addition to the AI developed in-house for reporting, etc., we use SiTest to analyze complex data and express the results in a way that is easy for humans to understand.
- Provide high-quality chatbots to increase customer success stories and implement customer support.
- Generate a large number of contents that can be used in the company's inbound sales activities.

SaaS Business SiTest KPI Data

Average LTV/CAC by Quarter

(Unit : X)



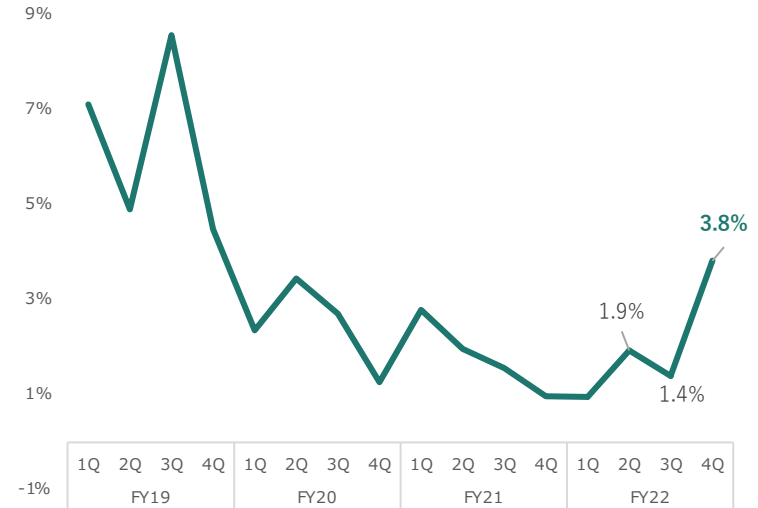
● Progress

- Cost per Customer (CAC) temporarily deteriorated due to increased marketing expenses associated with participation in exhibitions and for lead acquisition from Q2 to Q4 of FY2022.

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

Average Churn Rate by Quarter (Net Revenue Churn Rate)

(Unit : %)



● Progress

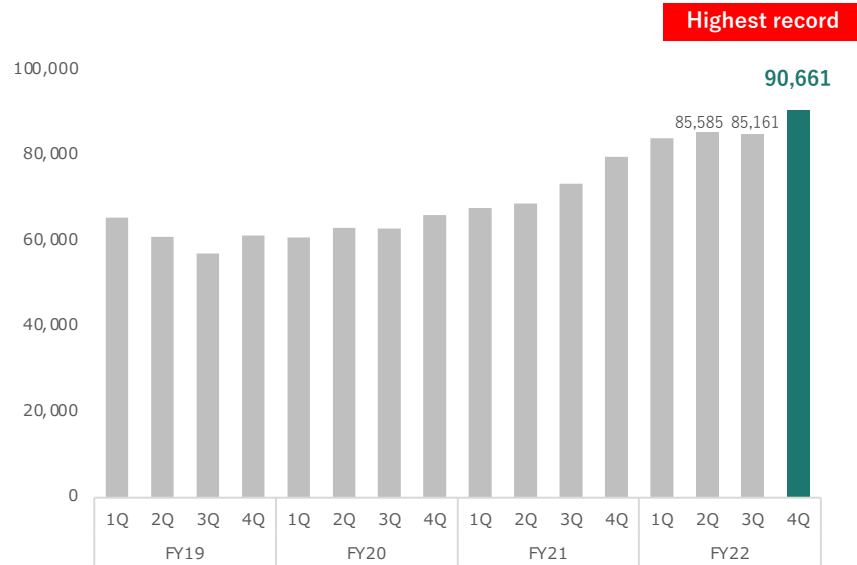
- The scale down and suspension of large projects in October and December caused a temporary deterioration, but the situation has been improving since FY2023.

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 SiTest KPI Data

Average Unit Price by Quarter

(Unit : yen)



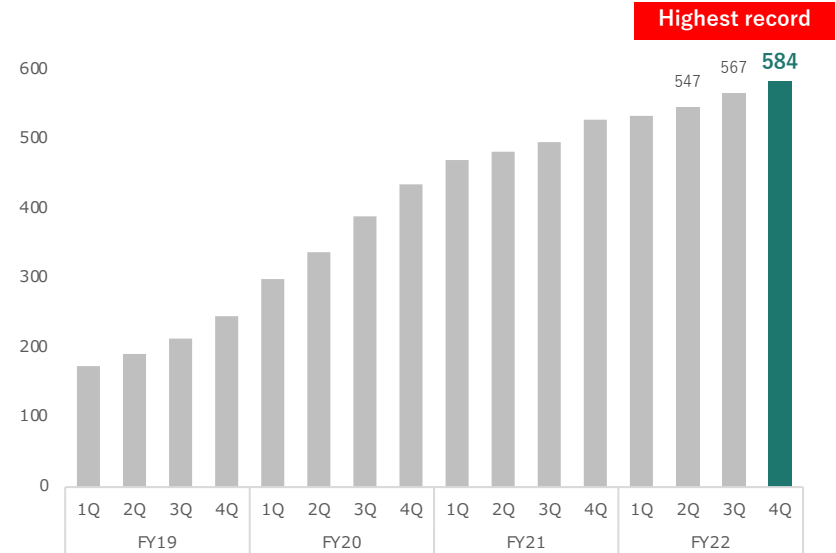
● Progress

- Steady increase in tooling expenses, incidental production expenses, etc.
- Aim to achieve an average unit price of 120,000 yen by the end of the year
- Raise the unit price through cross-selling together with FasTest's growth

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

Average Number of Active Accounts by Quarter

(Unit : account)



● Progress

- The number of SiTest accounts grew steadily due to sales activities and customer success stories.

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

Maximize synergy between SaaS and Marketing Solution businesses to grow sales



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

Establishment of subsidiaries and M&A

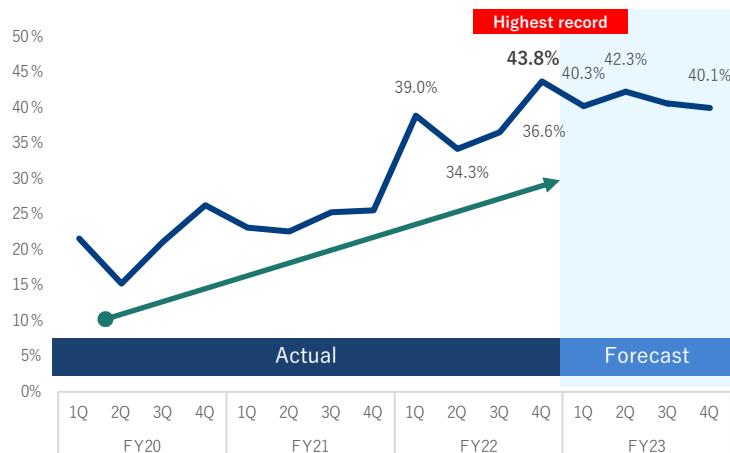
Aim to improve efficiency by decentralizing parts of the system.

Form capital alliances and conduct M&A with companies offering services that are related to the existing Marketing Solutions Business by the end of 2023 with a view to establishing a subsidiary specializing in advertising operations.

Through the above initiatives, our company has expanded the volume of handled advertising expenses and strengthened cooperation with the SaaS Business.

KPI Marketing Solution Business

Average Cross-selling Ratio by Quarter

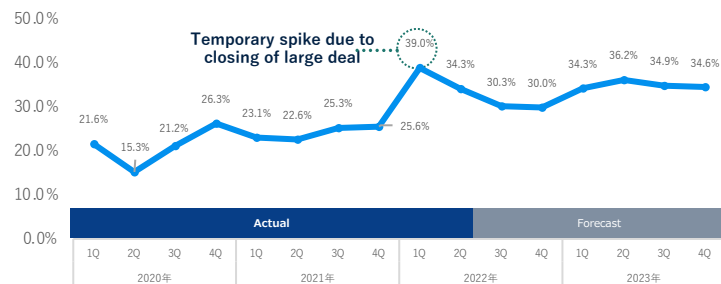


As of September FY2022, the planned cross-selling rate was 30.0%, whereas the actual rate was 43.8%.

The difference was due to an increase in the effect of cross-selling sales.

Conservative forecast is set for this fiscal year, but we will aim for 60% while maintaining a level above 40%.

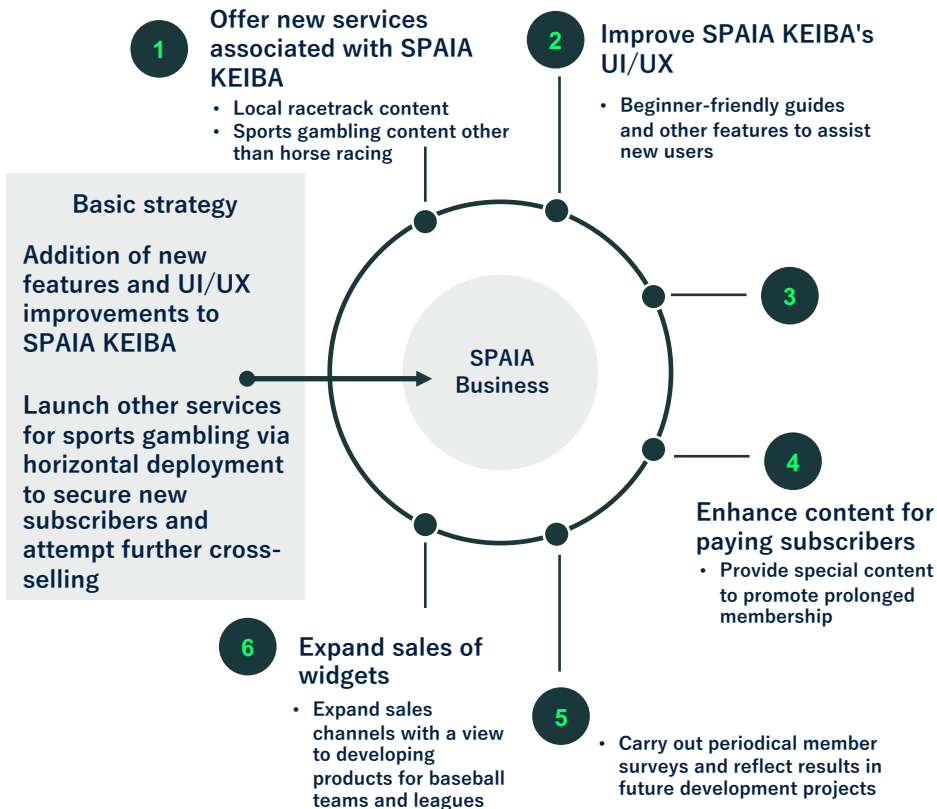
Previous Material (Sep.2022)



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 Q1 of FY2023 and thereafter are forecasted conservatively, while considering year-on-year comparisons.

— Growth Strategy SPAIA Business



Application Development

As for the SPAIA brand, which offers a rich amount of data and AI forecasts, we plan to develop a KEIBA forecasting application that offers new value with different features, while maintaining the basic strategy shown in the left chart.

Development of sports gambling in other sectors

Development is scheduled to begin in 2023 for an application for public games, where online use is widespread with a large number of users.

We plan to install ChatGPT or Bard in the following:

- Auto-responder and FAQ answer
- Mass content generation
- Lead generation
- Virtual assistants
- Language translation, etc.

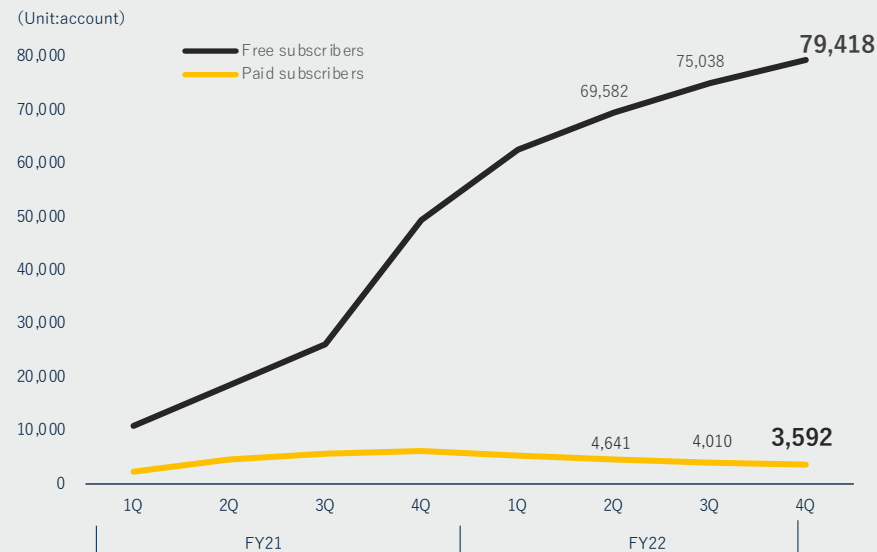
KPI SPAIA Business

We saw a decrease in paying subscribers but will continue to improve our UI/UX.

The number of free subscribers has remained steady.

We strengthen awareness of SPAIA and focus on developing new applications and expanding to other sectors.

SPAIA KEIBA Average Number of SPAIA KEIBA Subscribers by Quarter



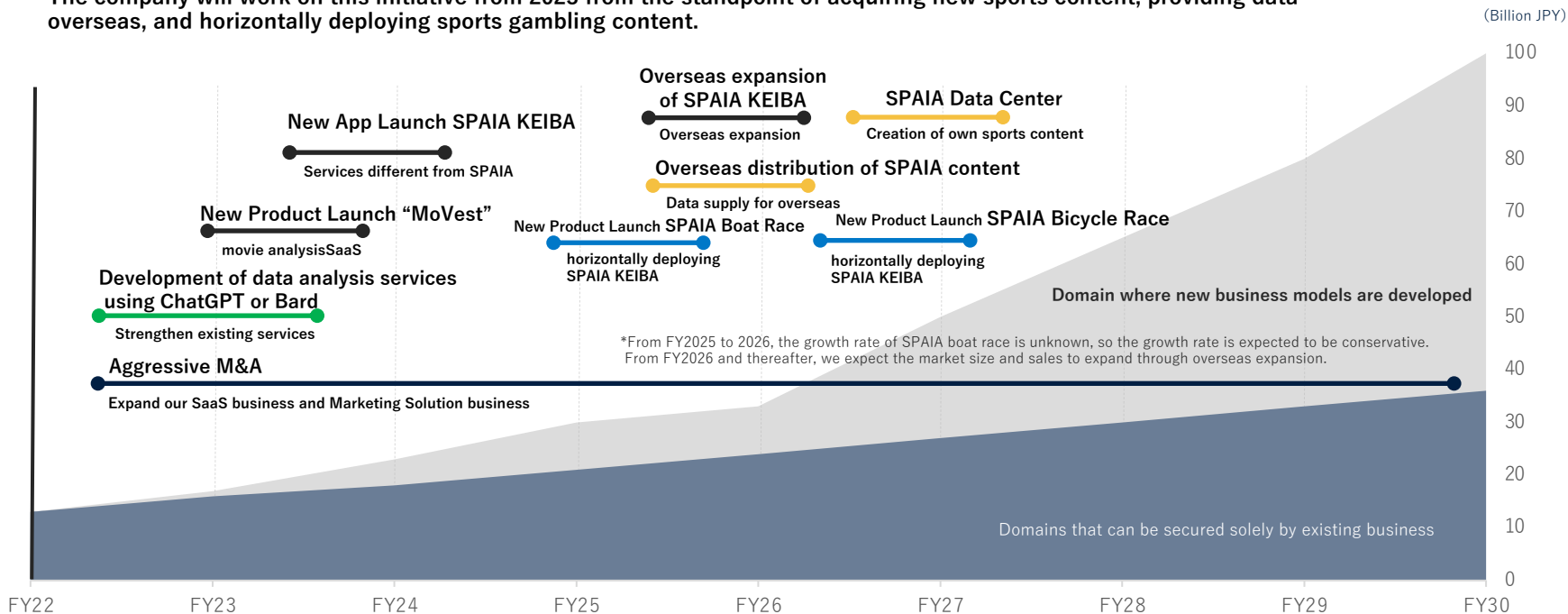
Trends of SPAIA KEIBA subscribers

- Pricing for paying subscribers changed in December 2022.
- The Gold and Platinum courses are priced close to the prices before they were increased in August 2021.
- Subscribers have mainly increased for the Platinum Course since the price revision.
- Introduced a point system and implemented measures to encourage membership extensions, etc.

Roadmap for Achieving Annual Sales of 10 Billion Yen or More

Through aggressive M&A and business alliances that generate synergies to expand scale, we will develop new products and new services in the SPAIA Business while maintaining high profit margins in our SaaS Business and Marketing Solution Business.


The company will work on this initiative from 2023 from the standpoint of acquiring new sports content, providing data overseas, and horizontally deploying sports gambling content.



* This medium- to long-term growth diagram is only an indication of management targets. It does not imply a time frame for the achievement of targets, nor does it guarantee such achievement.

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

		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

Budget

(Unit: thousand yen)

Item		Details	調達資金	FY2022	
Investment for Growth	New Development	Allocated for development expenses and hardware for development of new products	231,600	7,854	We spent 7,854,000 yen from October to December 2022 for subcontracting expenses for SPAIA KEIBA and SPAIA toto development.
	Internal Systems	Allocated for enhancement and development of internal accounting system, etc.	135,000	0	* Unspent
	Advertising Expenses	Allocated for marketing expenses to increase name recognition and expand sales	159,360	0	* Unspent
Fund for Business Expansion	Security Enhancement	Allocated for additional office security systems to ensure employee safety and to prevent information leaks	6,000	0	* Unspent
	Total		531,960	7,854	

— Perceived Risks and Counter Measures

Item	Outline of Risk	Chance	Timing	Impact	Counter Measure
Internet Related Market	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.
Competition	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.
Legal and Regulatory Changes	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.
Concerning SPAIA Business	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.

Potential Questions and Answers



Potential Questions and Answers

Category	Potential Questions	Answers
SaaS Business Sales	Sales for the next fiscal year and thereafter	We expect to provide comprehensive support, including not only tool installation but also consulting and related creative production. We are reviewing our hiring activities, training, and structure, including the expansion of our sales, customer success stories, and consulting teams. We see the provision of high-quality services as an opportunity to continuously increase sales and the price-per-customer.
	How are we working to increase the cross-sell sales ratio?	In order to strengthen cooperation with the Marketing Solution Business, we seek opportunities to propose advertising, SiTest, FasTest, production, and consulting services according to customer needs when we make new proposals. We also approach existing customers regularly and make proposals.
SaaS Business Cancellation/ Downgrade	Does the external environment influence churn and declining account growth?	There are cases where cost cuts in marketing investments and business downsizing due to concerns about the economy, etc., have affected our business. On the other hand, there are also cases in which our services are used during the launch phase of new businesses. Thus, we will continue to make proposals flexibly in response to changes in the market.
SaaS Business Market environment	What is your understanding of the declining growth rate of SaaS in the cloud caused by cost savings and the cost-cutting trend?	Although the market as a whole is beginning to see some companies trying to save money and cut costs, there is still a need to install analytic tools among business operators and advertising agencies that generate revenue online.
SaaS Business SPAIA Business Cost	As for server expenses, do we need to worry about the impact of cost increases caused by foreign exchange rates, soaring electricity prices, etc.?	A sharp depreciation of the yen would lead to higher costs, but we are basically able to maintain a high profit margin at the moment. In addition, we are constantly improving our infrastructure to reduce costs and improve performance, so there is no concern that costs will rise sharply in the immediate future.
SPAIA Business Business activities	Is there a possibility of widget sales expansion?	We plan to continue our sales activities with newspaper and media companies that have not yet installed the system.
SPAIA Business Business development	When will the development of sports gambling in other sectors begin?	Although the timing of provision of this service has not yet been determined, we plan to begin development in the current fiscal year.



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

In the future, this document will be disclosed by around the end of February 2024, the time of the announcement of full-year financial results.

Our mission

we want to make our customers really glad