FY2024 Q3 (Jul.-Sep.)

# Financial Results Q3 Fiscal Year 2024

GLAD CUBE Inc.

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Nov 14, 2024

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# 1 Topics

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# 1. Regarding the Revision of the FY2024 Performance Forecast

## ■Technology Business

In the commissioned development business, the main factors contributing to 54.1% decrease compared to the sales plan were the withdrawal from certain unprofitable projects, the cancellation of the acquisition of the "Haosil" app, which was aimed at realizing Medical & Dental DX, announced on May 15, 2024, and the cancellation of some major development projects originally scheduled for the second half of the year, as well as their expected delay into the next fiscal period. The major development projects initially expected to contribute to this fiscal year's revenue but delayed into the next period will be included in the next fiscal year's earnings.
On the other hand, the SPAIA business, which operates sports media, achieved 17.5% increase compared to the sales plan, driven by steady progress, including reaching 130,000 total members across SPAIA.

## ■Marketing DX Business

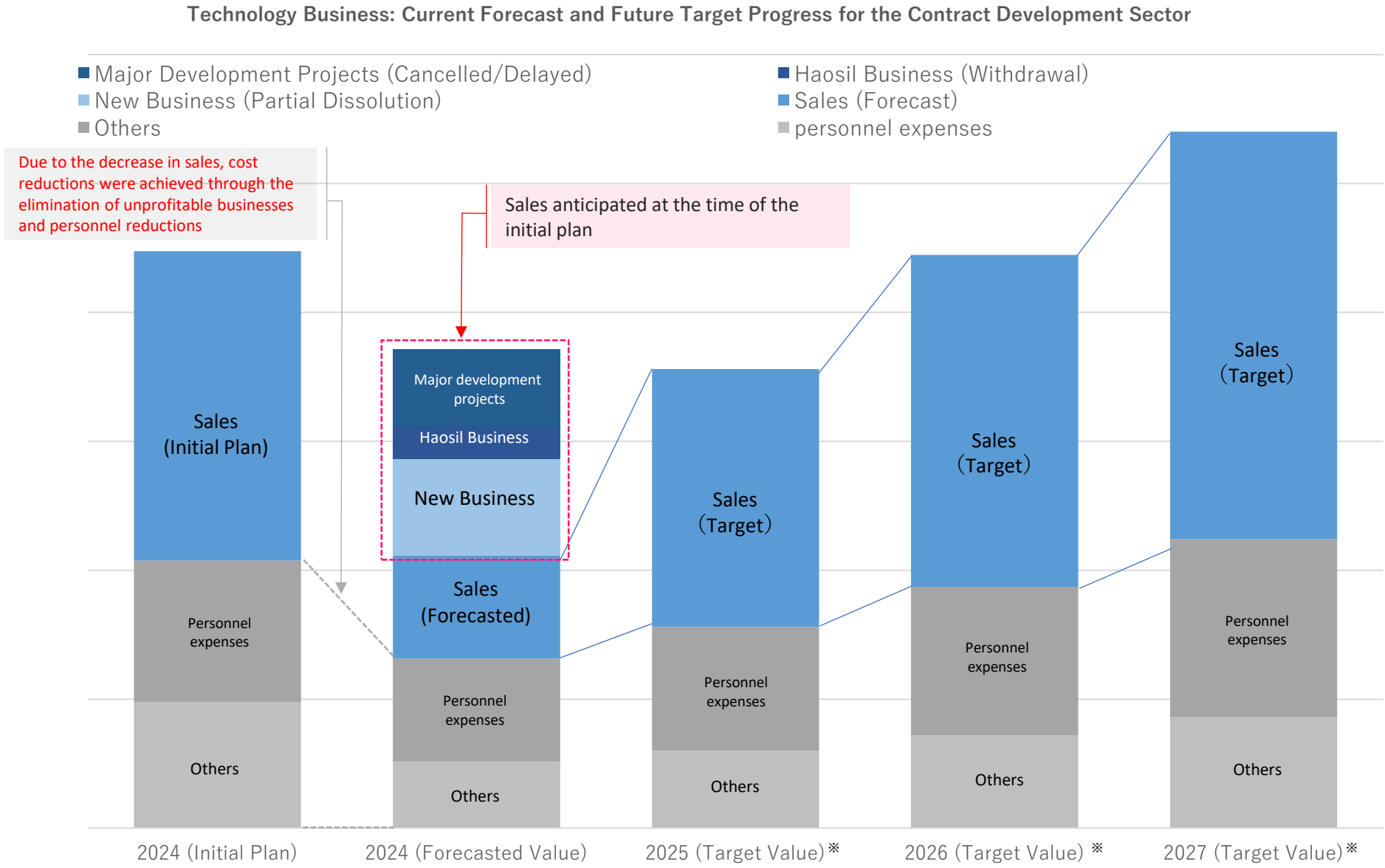
The Marketing DX, our core business, which accounts for over 80% of the company's sales, continues to maintain strong growth, achieving 7.7% increase compared to the sales plan (4.9% increase from the previous quarter).
Additionally, the operating profit margin remains high at 55.2%, ensuring strong profitability and supporting stable business growth.

Moving forward, we will continue to strengthen our revenue base by **aggressively optimizing our business portfolio**. In cases where unprofitable businesses are identified, we will make swift decisions to withdraw, minimize risks, and focus resources on high-growth and high-profitability businesses.
We will accelerate the growth of our existing businesses and **create new business models through innovative initiatives aimed at further enhancing corporate value**. We will exert all efforts toward a V-shaped recovery in the next fiscal year and beyond, with the aim of achieving sustainable growth.

| (Unit：Million of JPY) | FY 2024 Full Year (Previous Forecast) | FY 2024 Full Year (Current Forecast) | Compared to Initial Plan | | FY 2023 Full Year (Actual Results) |
|---|---|---|---|---|---|
| | | | Amount of Change | Rate of Change | |
| **Sales** | **1,847** | **1,525** | ▲322 | ▲17.4% | **1,523** |
| **Operating Profit** | **▲203** | **▲270** | ▲67 | — | **142** |
| (Profit Margin) | — | — | — | | 9.4% |
| **Ordinary Profit** | **▲214** | **▲280** | ▲66 | — | **143** |
| (Profit Margin) | — | — | — | | 9.4% |
| **Net Profit** | **▲235** | **▲235** | 0 | — | **59** |


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# 1. Technology Business
# Current Forecast and Future Target Progress for the Contract Development Sector




* Beyond 2025, these are merely management targets and do not suggest the timing of realization nor guarantee their achievement.

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# 2 FY2024 Q3 Financial Highlights

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# 2. Executive Summary

## FY24 Q3 Performance

- The sales for the cumulative Q3 of FY2024 reached **+10.2%** compared to the same period last year, reflecting the impact of investments and achieving **double-digit growth**.
  Additionally, **the third quarter reached the highest sales ever**.
- The sales for the Marketing DX Business have **exceeded the plan by +7.7%**, and are **trending steadily**.
- The sales for the Technology Business, due to structural reforms and the elimination of some unprofitable businesses, fell short of the plan. However, compared to the same period last year, they achieved a **significant growth of +158.6%**.
- Due to reasons such as proactive investments for the future, operating profit, ordinary profit, and net income for the period have **progressed as expected**.



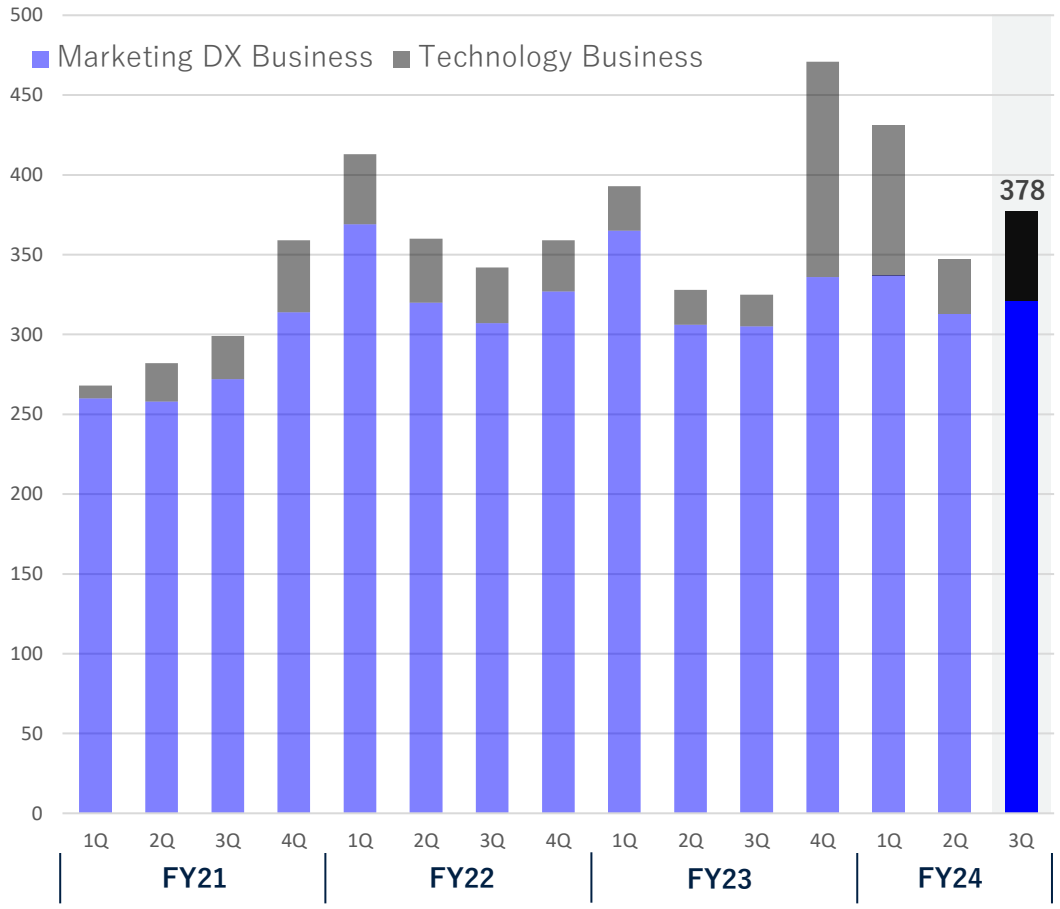

* As announced on Dec 5, 2023, in the "Notice on the Change of Reporting Segments," the reporting segments have been changed starting from Q1 of FY2024. Therefore, the segment performance is reported under the new department names.
* The comparison to the plan refers to the full-year plan published on Feb 14, 2024, in the "FY2023 Financial Results."

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# 2. FY2024 Q3 Financial Highlights Performance Trends

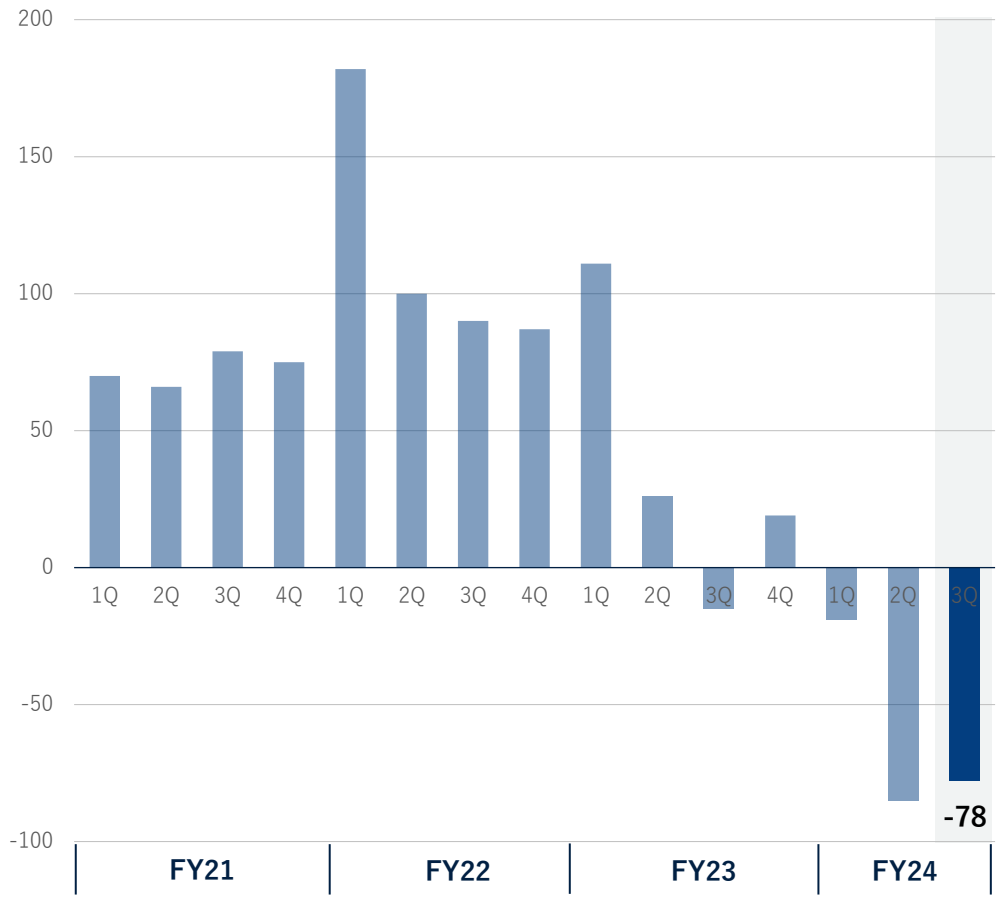
## Sales

(Unit: million of JPY)



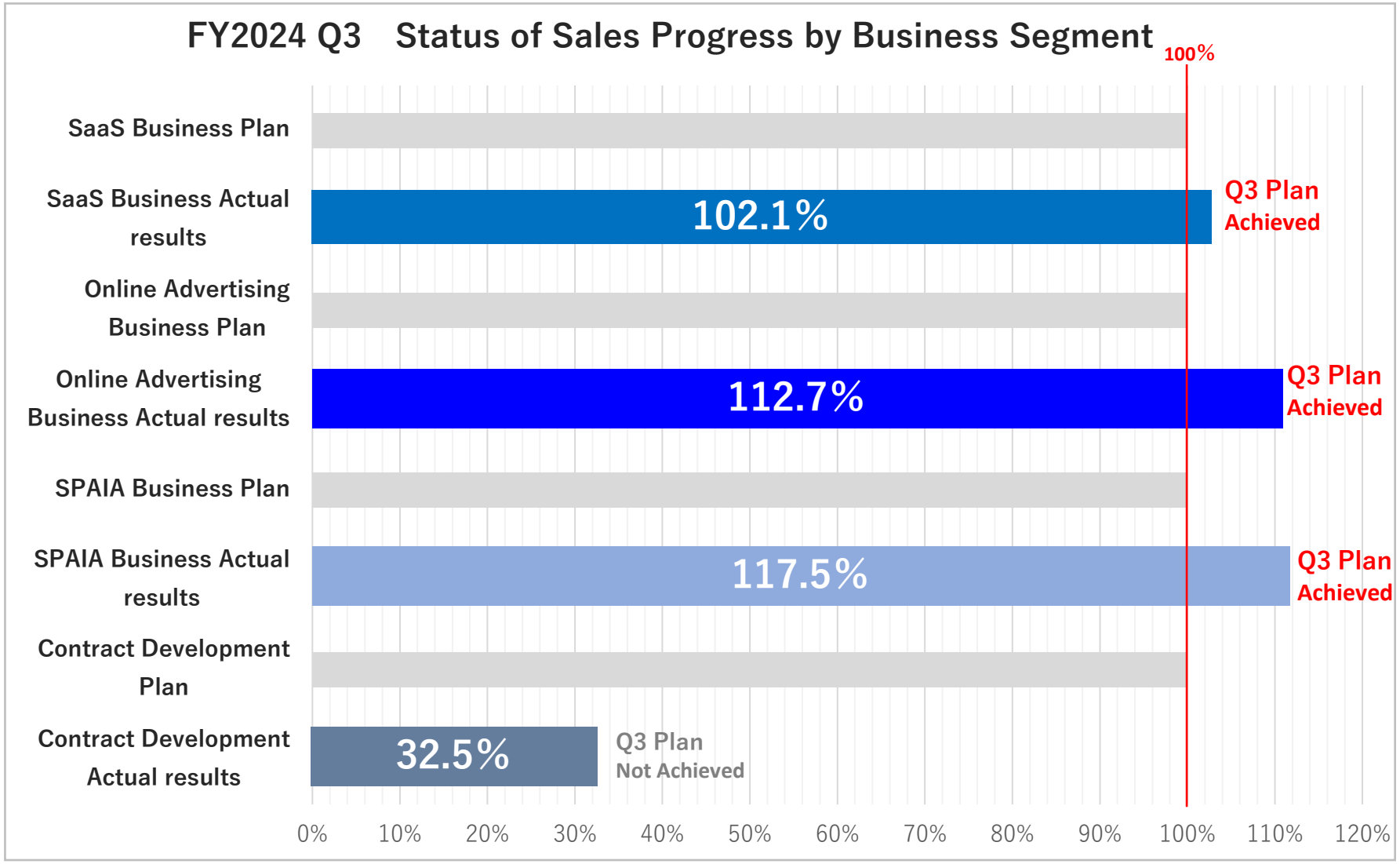

## Operating Profit

(Unit: million of JPY)




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# 2. FY2024 Q3 Status of Sales Progress by Business Segment

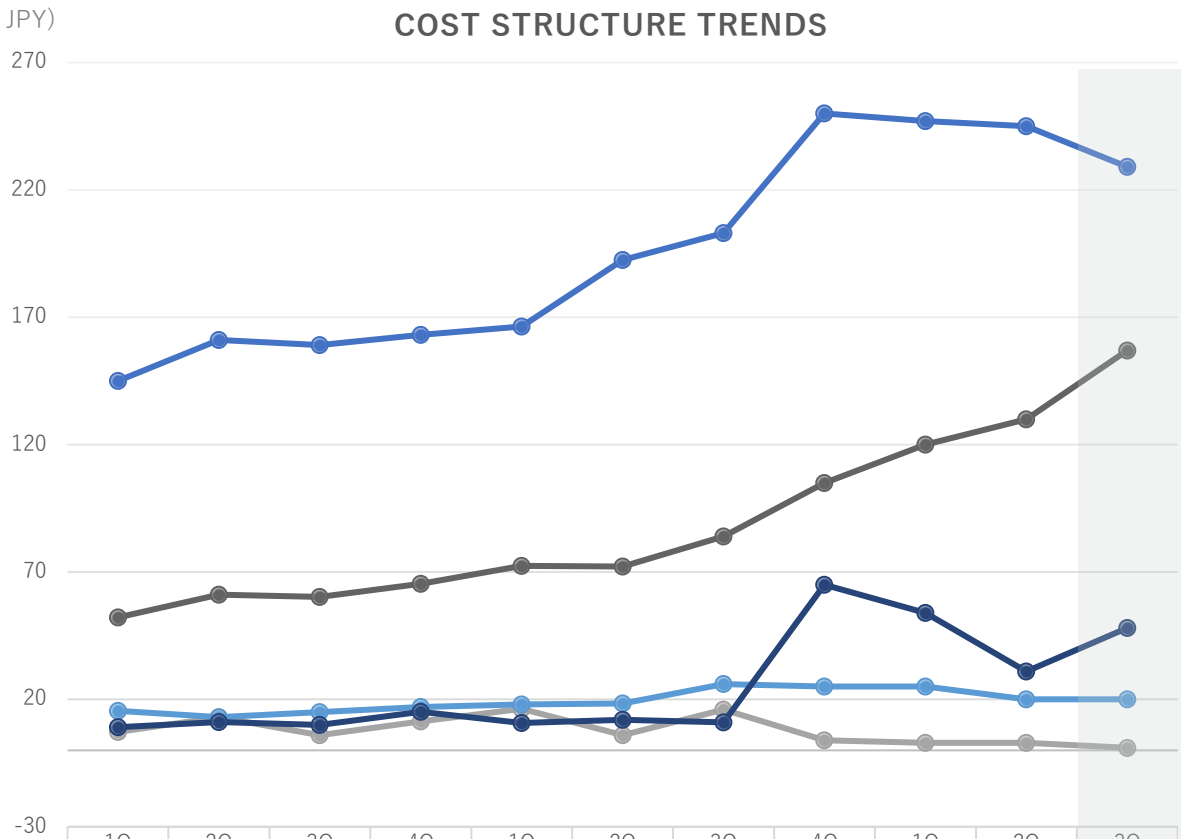



* The sales progress is based on the plan announced in the "FY2023 Financial Results Briefing" on Feb 14, 2024.

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# 2． FY2024 Q3 Financial Highlights　Cost Composition Trends

(Unit：million of JPY)




| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Personnel Costs and Recruitment Expenses | 145 | 161 | 159 | 163 | 166 | 192 | 203 | 250 | 247 | 245 | 229 |
| Advertising and Promotional Expenses | 7 | 13 | 6 | 11 | 16 | 6 | 16 | 4 | 3 | 3 | 1 |
| Transaction | 15 | 13 | 15 | 17 | 18 | 18 | 26 | 25 | 25 | 20 | 20 |
| Outsourcing Expenses | 9 | 11 | 10 | 15 | 11 | 12 | 11 | 65 | 54 | 31 | 48 |
| Others | 52 | 61 | 60 | 65 | 72 | 72 | 84 | 105 | 120 | 130 | 157 |
| | FY22 | | | | FY23 | | | | FY24 | | |

## Cost Structure Topics

### Personnel Costs and Recruitment Expenses

・Actively recruited high-caliber talent to strengthen the foundation for growth
(＋12.7% compared to the same period last year)

### Outsourcing Expenses

・Increased outsourcing costs related to product development and system development in the AI domain
・Higher outsourcing costs due to an increase in commissioned development for web services

Furthermore, compared to FY24 Q1, outsourcing costs decreased with the elimination of unprofitable projects, achieving cost reductions (＋317.9% compared to the same period last year)

### Others

・Increased rent due to new office contracts following employee growth
・Investments in systems and other resources to ensure technological capabilities directly contribute to revenue through development efficiency and optimization
・Increased costs for server expansion to accommodate the rise in development projects
・Increased amortization expenses, including goodwill, due to the partial business acquisition from Workhouse Co., Ltd.
(＋87.0% compared to the same period last year)

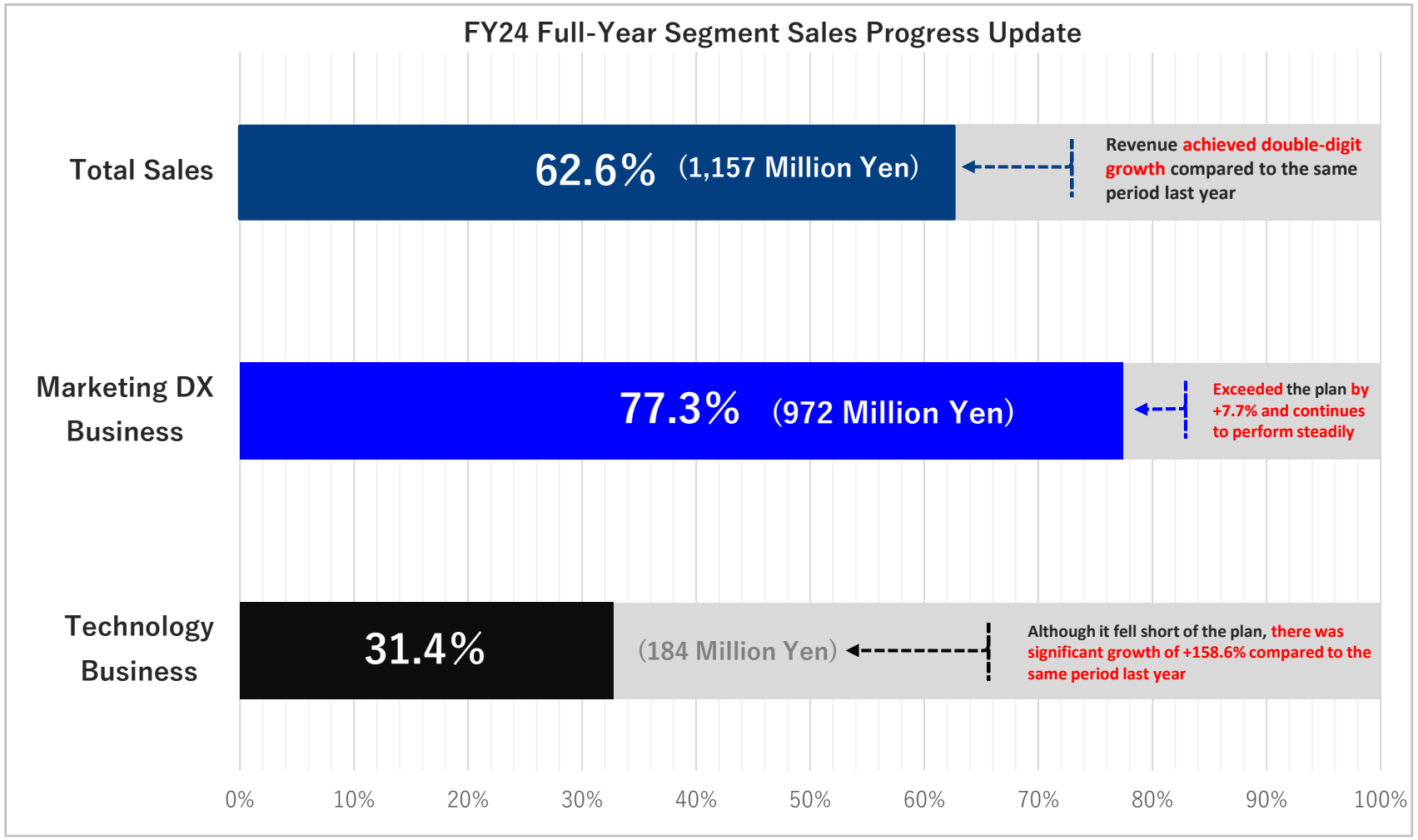
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# 2. FY2024 Q3 Financial Highlights
# Segment-wise Sales and Operating Profit Progress in Financial Results

GladCube

**Topics**

- In the Marketing DX Business, progress exceeded the plan due to the successful acquisition of numerous new clients through online advertising initiatives and the launch of a new reskilling service.
- In the Technology Business, although revenue fell short of the plan due to the elimination of certain unprofitable projects, there was significant growth at +158.6% compared to the same period last year.




**FY24 Full-Year Performance Forecast (Before Revision)**

**Sales**

**1,847** Million Yen YoY (+21.3%)

**Breakdown**

**Marketing DX Business**

**1,258** Million Yen

**Technology Business**

**589** Million Yen

**Operating Profit**

**-203** Million Yen YoY (142 Million Yen)

* The revenue progress reflects progress against the full-year plan announced in the "Earnings Report for the FY Ending Dec 2023" on Feb 14, 2024.

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# 2. FY2024 Q3 Financial Highlights By business

## Marketing DX Business

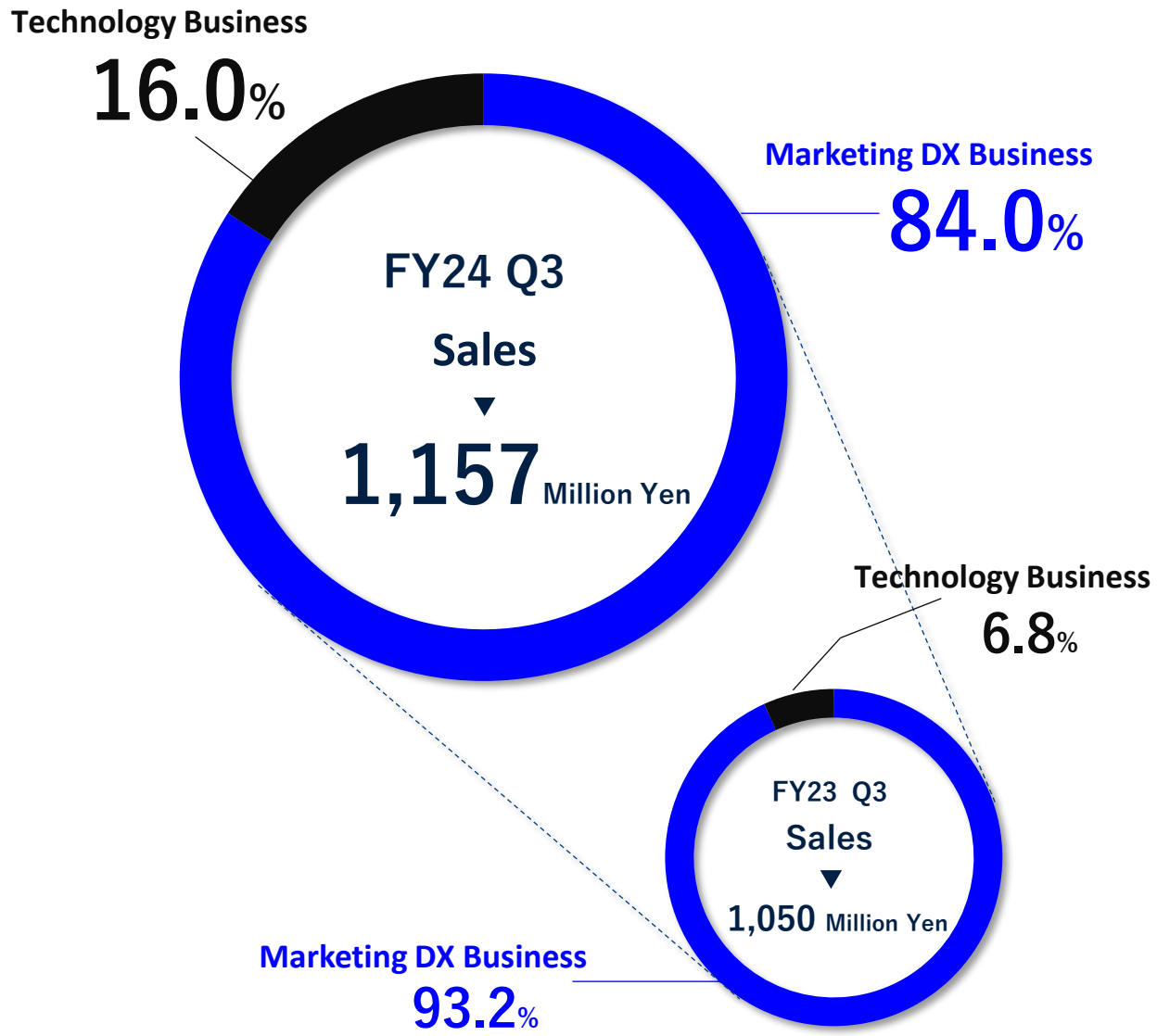
| Q3 Sales | Planned Ratio |
|---|---|
| 972 Million Yen | +7.7% |

The sales of the new service "Resnavi" are progressing smoothly, and the increase in the acquisition of new advertising projects has contributed to revenue growth.
As a result, revenue exceeded the plan by +7.7%

## Technology Business

| Q3 Sales | Planned Ratio |
|---|---|
| 184 Million Yen | -54.1% |

As a result of acquiring part of Workhouse Co., Ltd.'s business, revenue from commissioned development was incorporated, leading to a significant increase of +158.6% compared to the same period last year. However, due to the elimination of some unprofitable projects, revenue fell short of the sales plan




* The comparison with the plan is based on the plan announced in the "Earnings Report for the FY Ending Dec 2023" on Feb 14, 2024.

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# 3 Business Overview / Business Domain

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# 3. Business Overview

**To realize the business that our customers seek, leveraging our strength in AI-powered data analysis, we will restructure into a two-division system starting in 2024**

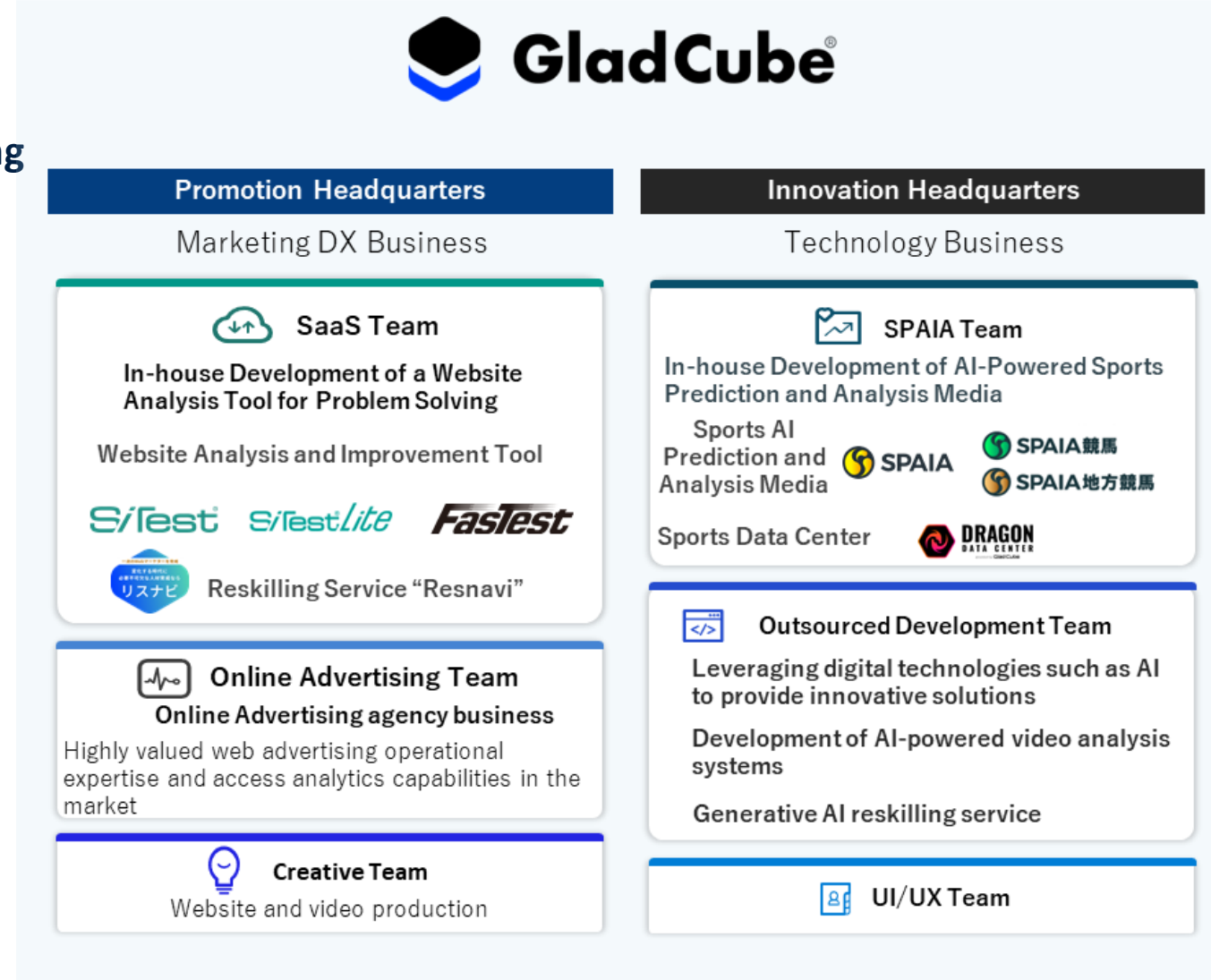
## ◆ Marketing DX Business

- To develop the reskilling service as a new pillar of the business, we are accelerating the development of educational content to train personnel who can address corporate challenges
- We are currently preparing a new service in the digital marketing field

## ◆ Technology Business

- We are expanding our data coverage for major and amateur sports and strengthening collaboration with major media and data-handling companies

- Development of a traffic flow analysis service using AI cameras and a targeted detection system using facial recognition. Additionally, a new business related to generative AI is currently in preparation.




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# 3. Business Overview Business Domain

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

| | | BtoB | BtoC |
|---|---|---|---|
| Marketing DX Business | SaaS | ✓ | |
| | Online Advertising | ✓ | |
| | Creative | ✓ | |
| | Reskilling-related Services | ✓ | ✓ |
| Technology Business | SPAIA | ✓ | ✓ |
| | Outsourced Development | ✓ | |
| | UI/UX | ✓ | |

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# 3-1 Marketing DX Business

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# 3-1. Service Overview （Marketing DX Business）

## SaaS Team

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

Website Analysis and Improvement Tool

SiTest® SiTest® Lite

FasTest

Reskilling Service “Resnavi”

**Revenue Model**

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

## Online Advertising Team

**We handle a wide range of Online Advertising including listing ads, social media ads, DSP management, and offer reskilling with “Resnavi”**

**Online Advertising agency business**

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

**Revenue Model**

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

## Creative Team

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

**Revenue Model**

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

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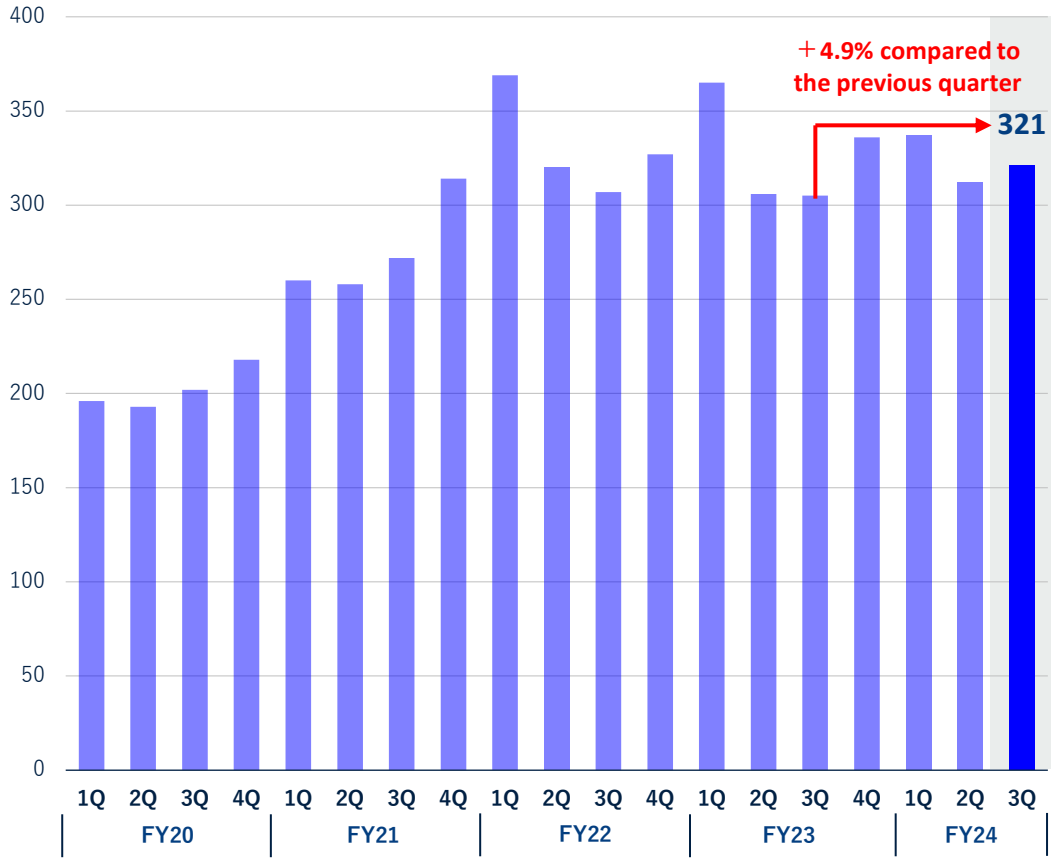
# 3-1. Marketing DX Business Performance

## Topics

- Full-year forecast progress rate Sales Revenue: 77.3%
- Revenue has been progressing well, supported by steady sales of the new reskilling service, an increase in new advertising projects, and strong tool sales. As a result, revenue is performing favorably, exceeding the plan by +7.7%
- Operating profit also saw a significant recovery, up +51.3% compared to the previous quarter

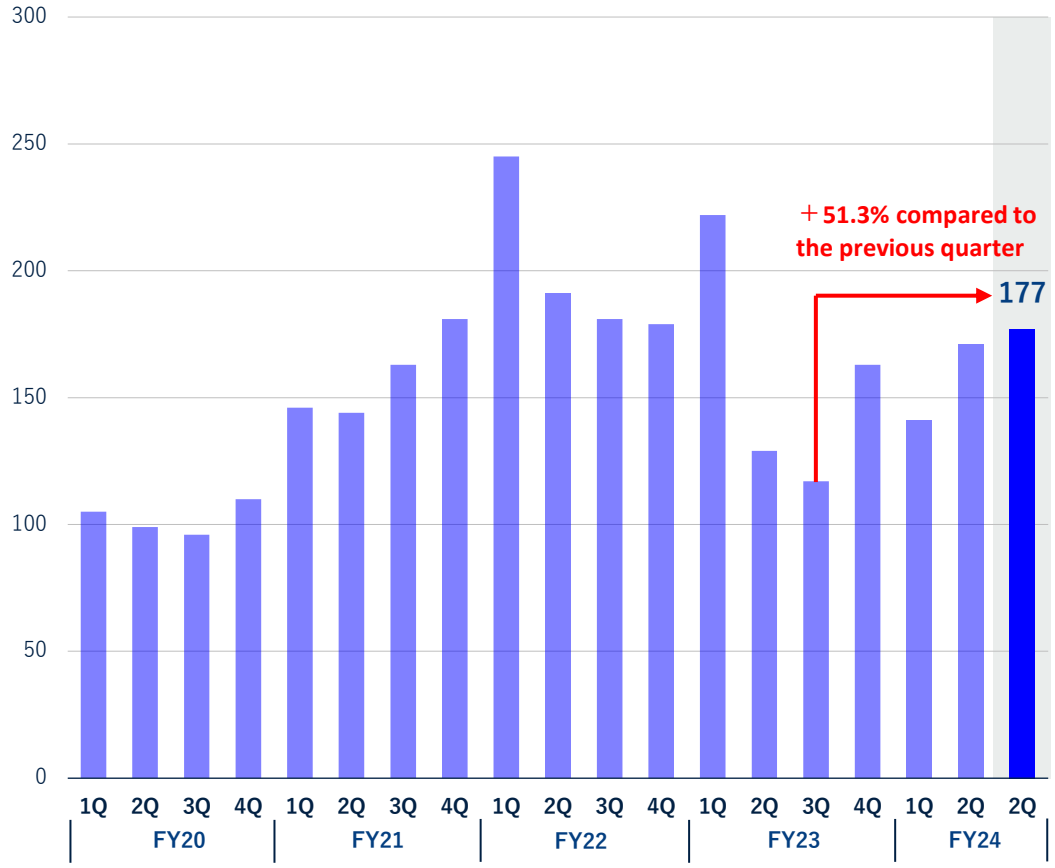
## Sales

(Unit：Million of JPY)




## Operating Profit

(Unit：Million of JPY)



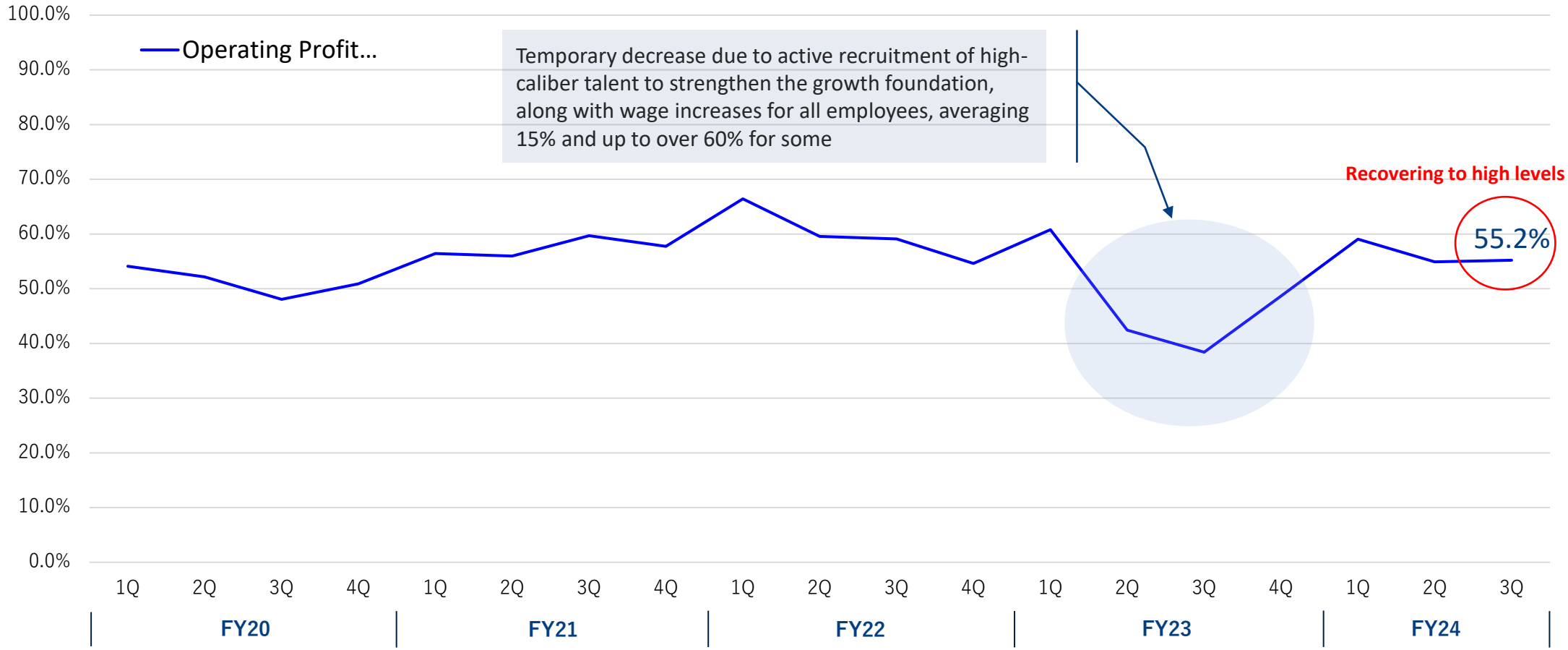

* Revenue progress reflects progress against the full-year plan announced in the "Earnings Report for the FY Ending Dec 2023" on Feb 14, 2024.

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# 3-1. Our Strength Top-tier Profit Margins in the Similar Industry

**In the Marketing DX Business, due to unique know-how and educational systems related to highly productive operations,**

- **We have established lead shares across three teams (SaaS, online advertising, and creative), which complement each other**
- **Since our founding, inbound orders have been achieved through content marketing strategies, allowing us to keep advertising and promotional expenses to a minimum**
  - **As a result, we have established a system that allows us to focus on supporting our customers, leading to a high operating profit margin**

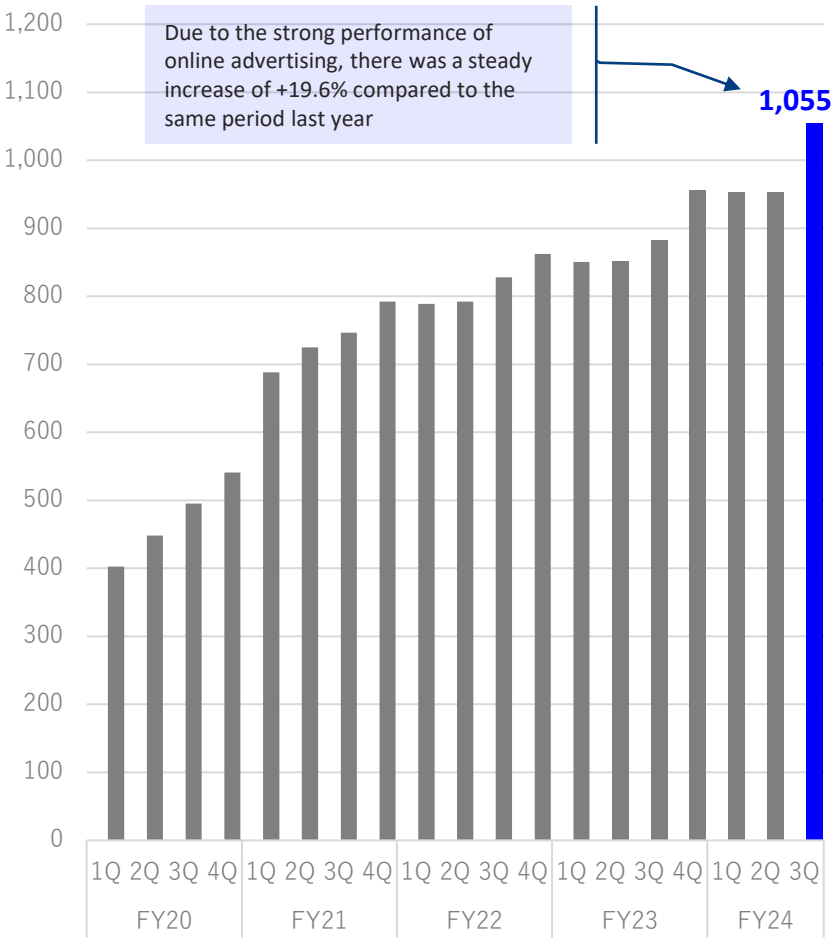



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# 3-1. Marketing DX Business KPI Trends

## ■Quarterly Trends in Average Active Accounts (SaaS + Online Advertising)

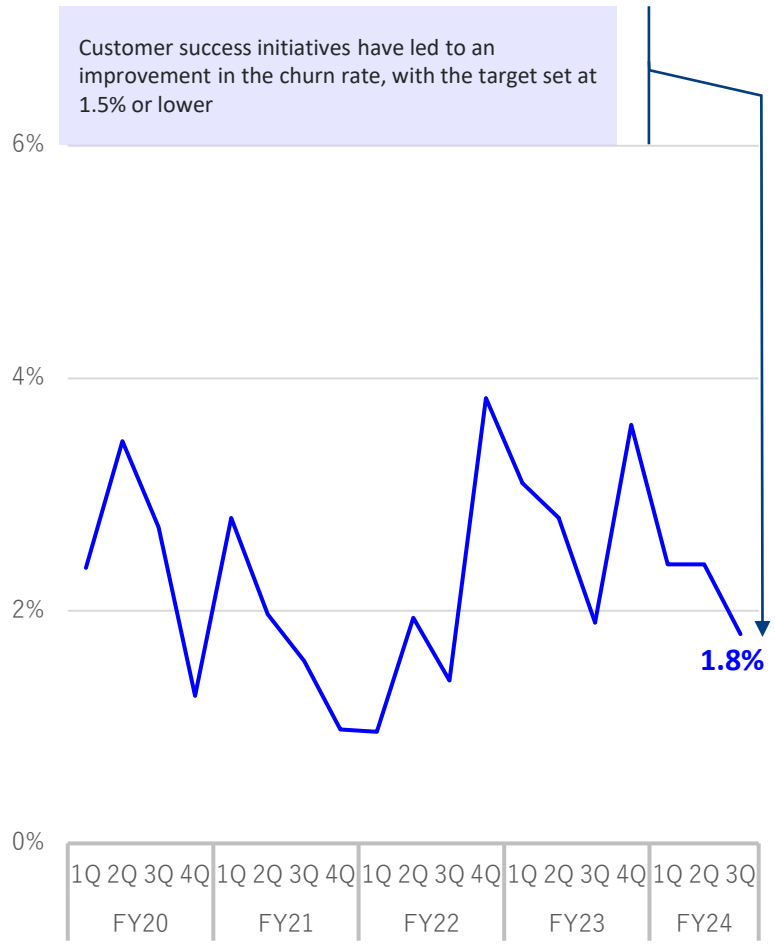
（Unit：Cases）




Definition: The total number of customers from the SaaS team and the online advertising team.

## ■SiTest：Quarterly Trends in Average (Net Revenue Churn Rate)

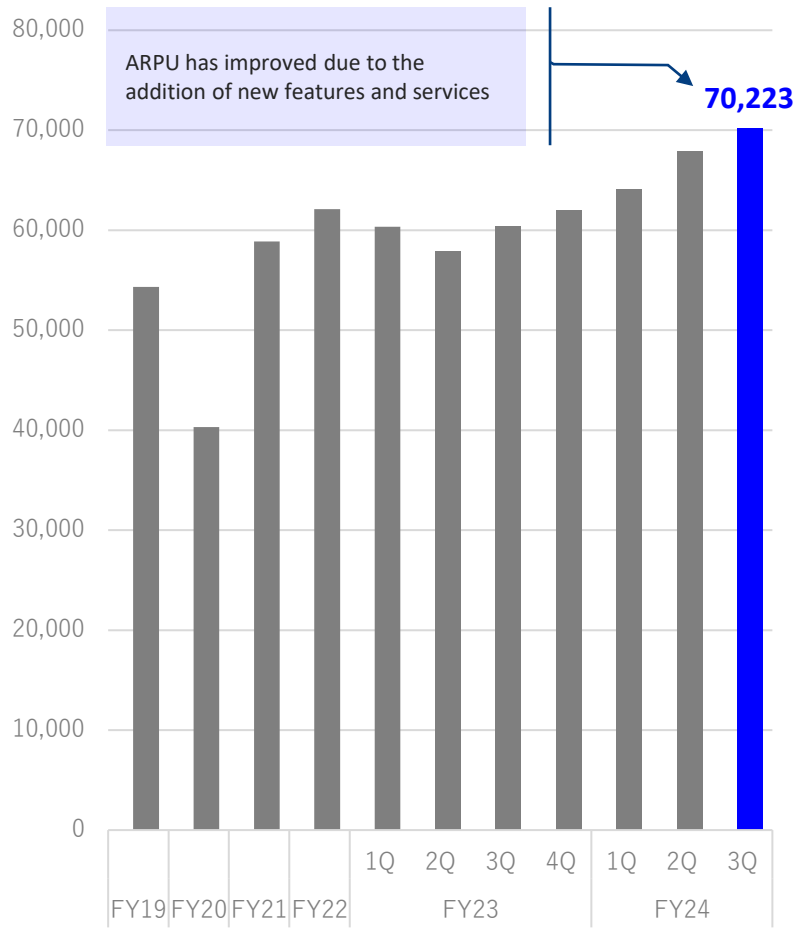
（Unit：%）




Definition: (Lost monthly recurring revenue - Monthly recurring revenue from existing customers with increased amounts) / Monthly recurring revenue at the beginning of the month (end of the previous month)

## ■SiTest：Quarterly Trends in ARPU (Average Revenue Per User)

（Unit：JPY）




Definition: Net monthly (or annual) recurring revenue / Number of users

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# 3-2 Technology Business

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# 3-2. Service Overview (Technology Business)

## SPAIA Team

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

Sports AI Prediction and Analysis Media

SPAIA　SPAIA競馬　SPAIA地方競馬

Sports Data Center

DRAGON DATA CENTER powered by GladCube

**Revenue Model**

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

## Outsourced Development Team

Leveraging digital technologies such as AI to provide innovative solutions

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

**Revenue Model**

- Development of Web3.0, gamefi, etc
- Development of AI-powered video analysis systems
- Development consulting
- System development costs, business strategy design
- Planning-oriented marketing support
- Generative AI reskilling service

## UI/UX Team

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

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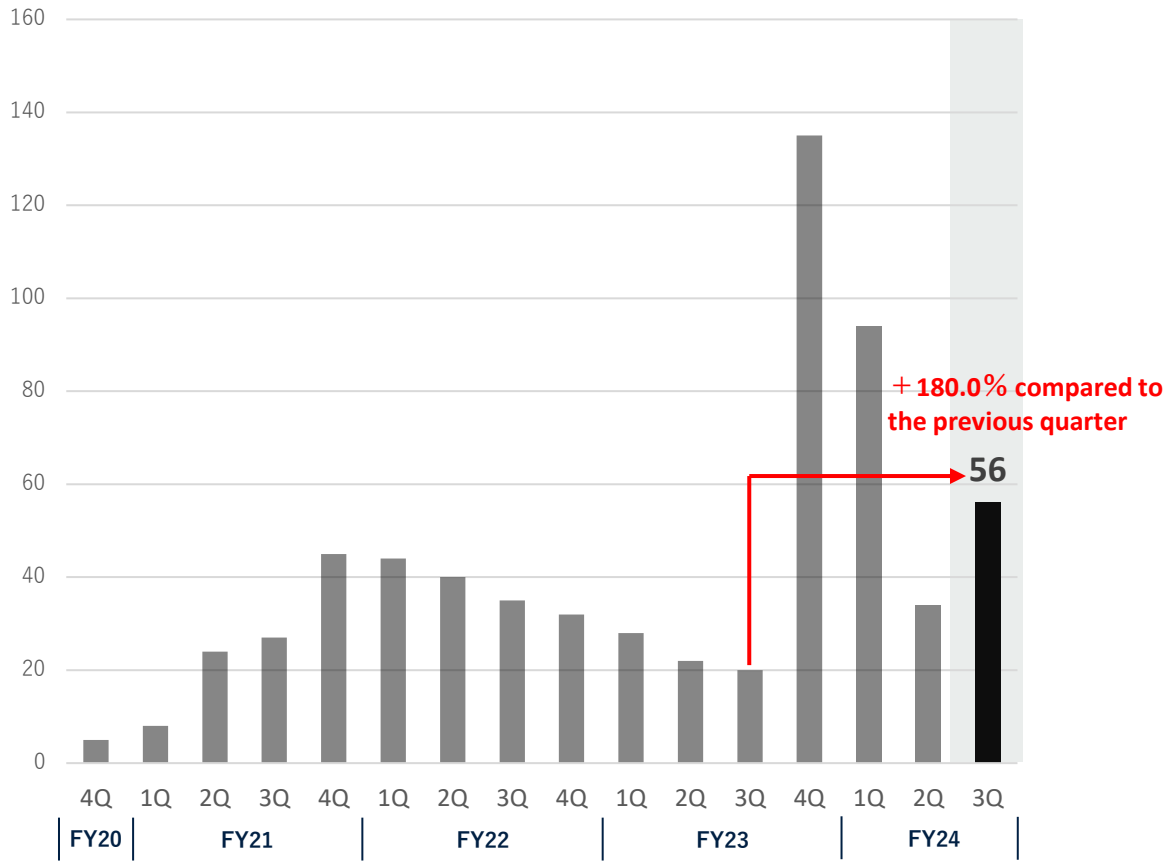
# 3-2. Technology Business Performance

## Topics

- Full-year forecast progress rate Sales Revenue: 31.4%
- The total number of SPAIA members reached 135,000, up +13.0% YoY, showing steady growth.
  To increase the number of paid subscription members,
  we are continuously implementing system development and service improvement initiatives,
  including UI/UX enhancements and enriched content to drive new product creation.
- As part of structural reforms, certain unprofitable projects were eliminated, resulting in revenue falling short of the plan by -54.1%.
  However, YoY growth was substantial at +158.6%

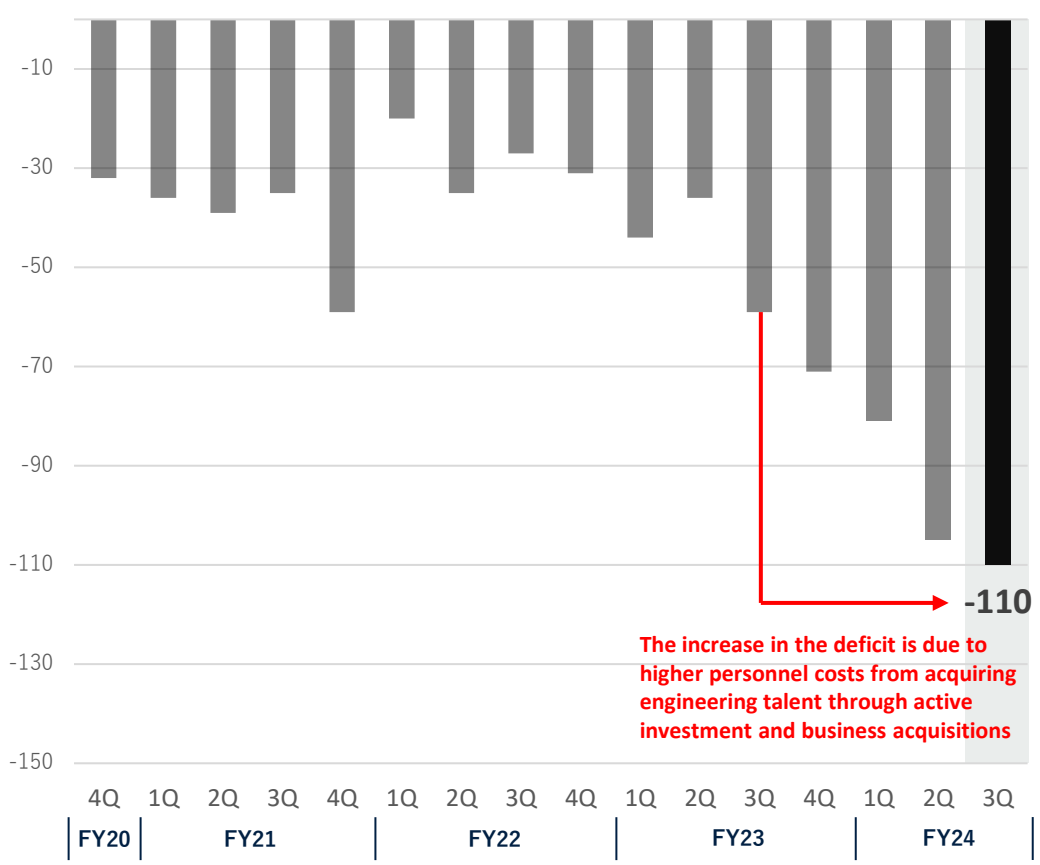
## Sales

(Unit：Million of JPY)




## Operating profit

(Unit：Million of JPY)




* Revenue progress reflects progress against the full-year plan announced in the "Earnings Report for the FY Ending Dec 2023" on Feb 14, 2024.

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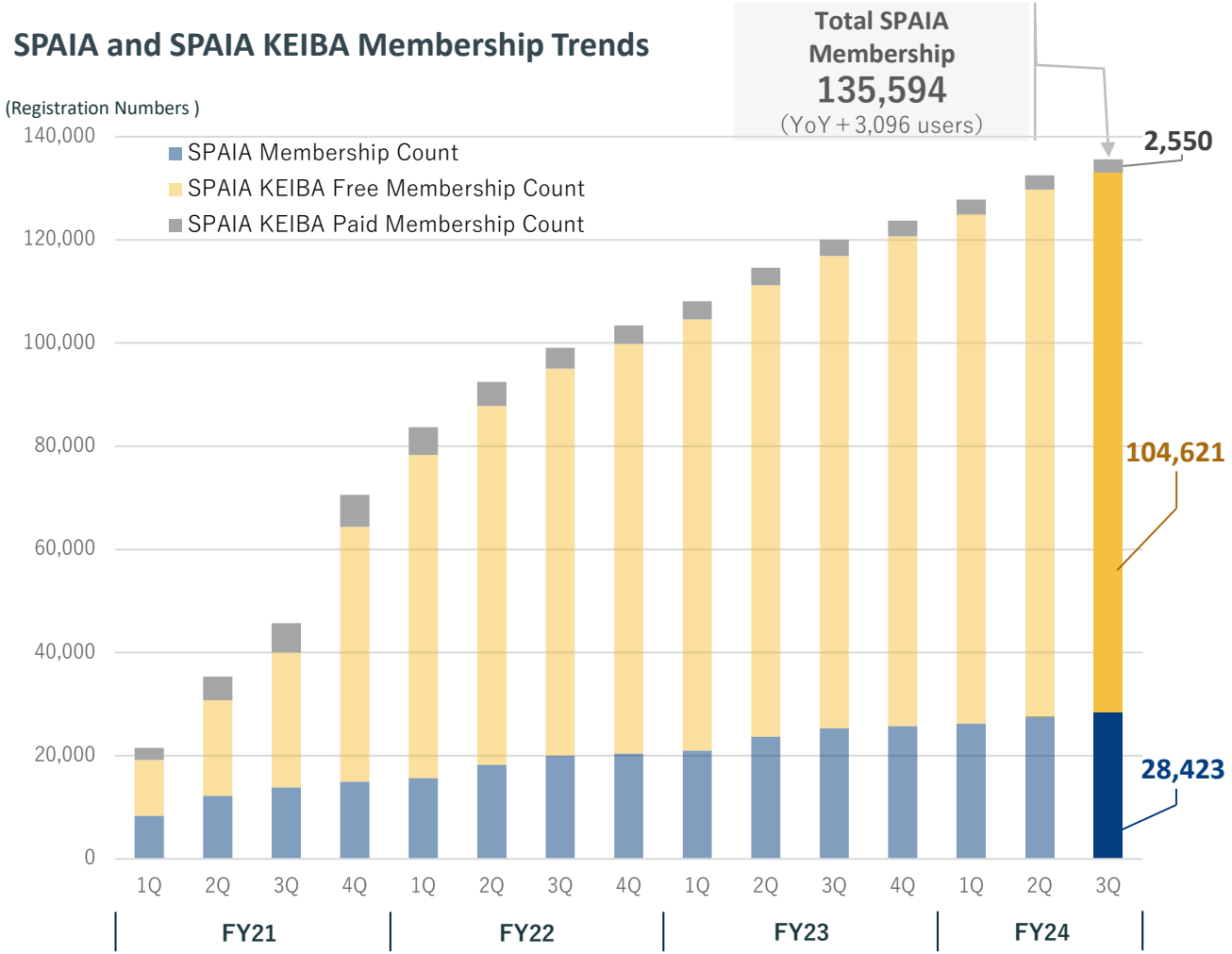
# 3-2. Technology Business SPAIA Quarterly Average Membership Count Trend

**Topics**

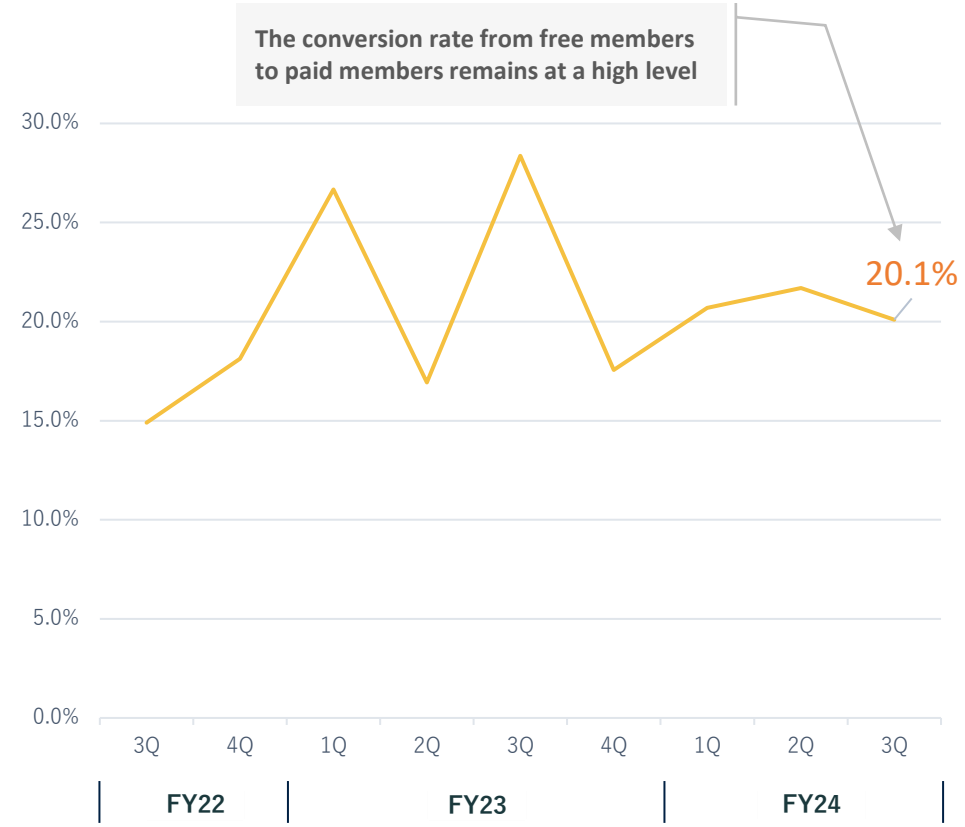
- SPAIA aims to enhance its content through collaboration with major sports media
- SPAIA KEIBA maintains a high conversion rate to paid memberships, with steady progress in acquiring free members
- SPAIA KEIBA's AI prediction data is being provided to sports news-related TV programs

SPAIA
SPAIA競馬
SPAIA地方競馬

## SPAIA and SPAIA KEIBA Membership Trends




## SPAIA KEIBA Paid Conversion Rate




* The paid conversion rate has been calculated since Sep 2022
The paid conversion rate is listed as the average value for each quarter

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# 4 Growth Strategy

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# 4. Marketing DX Business　Growth Strategy

## Marketing DX Business

### SaaS, online advertising, creative domains, and new services

- Starting April 2024, launch of the new service “Resnavi”
- Creation of new SaaS products
- New services in the digital marketing domain
- Development of a foundation for post-cookie measurement strategies
- Strengthening the foundation of inside sales operations
- Enhancing the system to increase site production orders
- Conducting proactive M&A and business partnerships

**Not only enhancing existing products and services but also creating new businesses and establishing new promotional support activities**

**As an additional service to the reskilling program "Resnavi," we began offering the career support service "Digital Marketing School "Resnavi" starting from October 21, 2024.**

- **The learning program provided to employees with no prior experience who joined our company**
  A training program has been implemented for over 300 employees with no prior experience, conducted after their hiring
- **A learning cycle that enhances proficiency**
  Pre-learning through videos, live lessons, implementation of assignments, and detailed feedback
- **Practical training by active marketers**
  We provide our company's know-how, incorporating the latest trends and real-world examples




**The website for the marketing school "Resnavi."**

https://courses.resnavi.jp/lp/job_change.html

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# 4. Technology Business　Growth Strategy

## Technology Business

### SPAIA and UI/UX domains

- Creation of data providers for the growth of DRAGON Data Center
- A renewal of the SPAIA KEIBA website is planned, focusing on UI/UX improvements
- Orders for development and operation of media widgets
- Increasing advertising exposure through mass production of articles using generative AI
- Improving UI/UX to increase paid subscription members and enhancing unique data to differentiate from competitors
- Providing unique data for amateur sports using blockchain technology

### Outsourced Development domains

- Strengthening the system for stable contract development
- Solution service for automatically generating personalized video ads (CM)
- Joint development on generative AI with a major corporate group is underway

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# 4. Technology Business　Growth Strategy

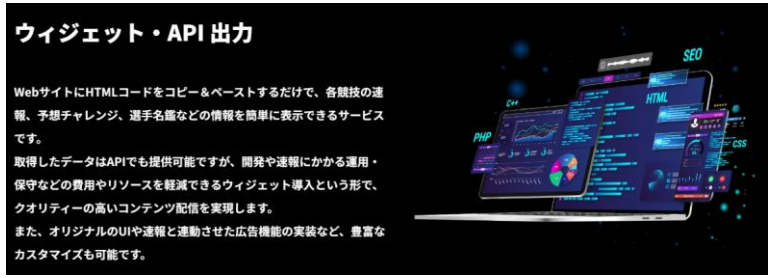
## Overview of the "DRAGON DATA CENTER"







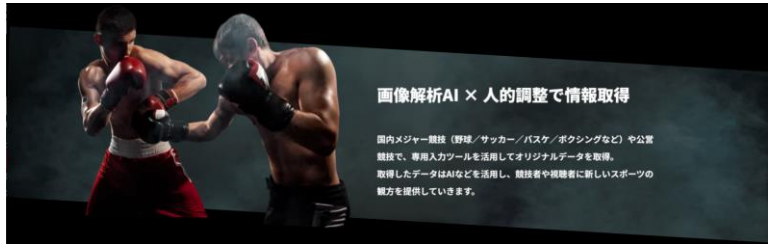









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# 4. Initiatives for business capital partnerships and M&A

## Promotion Headquarters

### Marketing DX Business

| | | | |
|---|---|---|---|
| Synergy effects（1） | ・Expansion of products and services | Target Companies（1） | ・**Business analytics market domain**<br>・**Business model with expected synergy effects with our site analytics services** |
| Synergy effects（2） | ・Expansion of customer base | Target Companies（2） | ・**Internet advertising agencies and PR agency**<br>・**Business model with expected synergy effects with our business** |

## Innovation Headquarters

### Technology Business

| | | | |
|---|---|---|---|
| Synergy effects（1） | ・Expansion of service domains | Target Companies（1） | ・**Contract development companies and SES handling companies**<br>・**Business model with expected synergy effects for realizing Web 3.0**<br>・**Companies providing DX support and DX services** |
| Synergy effects（2） | ・Securing core resources in AI-related businesses for product development and the development of new services | Target Companies（2） | ・**Next-generation new services utilizing technologies such as generative AI, VR (virtual reality), AR (augmented reality), NFTs, and the metaverse, as well as AI-powered automated response systems (chatbots) for web services and apps** |

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# 4. Growth vision aimed at achieving annual sales of over 10 billion yen

## Channel strategy

Actively pursue synergistic M&A and business partnerships to expand scale and increase market share

### M&A ＋ Alliance

**Promotion Headquarters**

- Business analytics market domain
- Creative market domain
- Internet advertising agencies

**Innovation Headquarters**

- Sports-related services
- DX-related
- Next-generation new services utilizing generative AI
- Next-generation new services utilizing VR and AR technologies

## Product / service strategy

- Develop new products while maintaining high profit margins
- Acquire new sports data, provide data to international markets, and expand into public sports

### SaaS domain

| | | |
|---|---|---|
| Reskilling service | Launch of "Resnavi" | Started in FY24 |
| New SaaS features | Launch of no-code widget | Started in FY24 |
| Reskilling service | Expansion of reskilling programs | From FY25 onward |
| New services in the SaaS domain | Creation of new products | From FY25 onward |

### Online advertising domain

| | | |
|---|---|---|
| New services in the SaaS domain | Creation of new products | From FY25 onward |

### SPAIA・DRAGON DATA CENTER domain

| | | |
|---|---|---|
| Full-scale launch of DRAGON DATA CENTER | Possessing a wide range of sports data and starting to provide it to major sports media | Started in FY24 |
| Start of winter sports data provision | Starting to provide to major sports media | From FY24 onward |
| Launch of the new SPAIA KEIBA app | Launch of SPAIA KEIBA Assist | From FY24 onward |
| Launch of SPAIA Kyotei | Horizontal expansion of SPAIA KEIBA | From FY25 onward |
| Launch of SPAIA Keirin | Horizontal expansion of SPAIA KEIBA | From FY26 onward |

## Entry into new domains

Enter the medical data domain and the large sports betting market

### Areas for developing new business models

From FY25 onward

**Entry into the medical data domain**

**Collecting and analyzing data related to the "human body" through sports**

From FY27 onward

**Entry into the sports betting industry**

**Full-scale entry into domestic and international sports betting markets**

- In Japan, entry will begin after the legalization of sports betting

*** The medium- to long-term growth image represents management goals and does not imply a specific timeframe or guarantee realization.**

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# 5 Appendix


| | |
|---|---|
| Financial Results Q3 Fiscal Year 2024 (P/L・B/S) | P.32～P.33 |
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# 5. Financial Results Q3 Fiscal Year 2024 (PL)

| | Dec 2023 Q3 Cumulative (Million of JPY) | Dec 2024 Q3 Cumulative (Million of JPY) | YoY Change in Amount | YoY Rate of Change | Full-Year Forecast (Million of JPY) | Progress Rate |
|---|---|---|---|---|---|---|
| **Sales** | **1,050** | **1,156** | 106 | 10.2% | 1,847 | 62.6% |
| **Gross Profit** | **932** | **938** | 4 | 0.5% | 1,322 | 71.0% |
| (Profit Margin) | 88.9% | 81.1% | △7.8% | | 71.6% | |
| **Selling and General Administrative Expenses** | **810** | **1,122** | 311 | 38.5% | 1,526 | |
| **Operating Profit** | **122** | **△183** | △306 | – | △203 | – |
| (Profit Margin) | 11.7% | – | – | | – | |
| **Ordinary Profit** | **124** | **△188** | △313 | – | △214 | – |
| (Profit Margin) | 11.8% | – | – | | – | |
| **Net Profit for the Period** | **84** | **△144** | △229 | – | △235 | – |

* The full-year forecast is the same as the full-year forecast announced in the "Financial Results Briefing for the Fiscal Year Ended December 2023" on February 14, 2024

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# 5. Financial Results Q3 Fiscal Year 2024 (BS)

| | Dec 2023 Q3 (Million of JPY) | Dec 2023 End of the FY (Million of JPY) | Dec 2024 Q3 (Million of JPY) |
|---|---|---|---|
| **Current Assets** | **2,658** | **2,572** | **2,131** |
| Cash and Deposits | 2,094 | 1,738 | 1,482 |
| Accounts Receivable | 351 | 601 | 380 |
| Advances Paid | 137 | 159 | 159 |
| Others | 75 | 72 | 109 |
| **Fixed assets** | **243** | **653** | **671** |
| Tangible Fixed Assets | 18 | 18 | 33 |
| Intangible Fixed Assets | 86 | 318 | 294 |
| Investments and Other Assets | 139 | 315 | 343 |
| **Deferred Assets** | **6** | **5** | **3** |
| **Total Assets** | **2,908** | **3,231** | **2,806** |

| | Dec 2023 Q3 (Million of JPY) | Dec 2023 End of the FY (Million of JPY) | Dec 2024 Q3 (Million of JPY) |
|---|---|---|---|
| **Current Liabilities** | **941** | **1,167** | **1,089** |
| Accounts Payable | 297 | 493 | 406 |
| Current Portion of Long-Term Debt, etc. | 235 | 265 | 246 |
| Accrued Liabilities | 158 | 156 | 87 |
| Others | 250 | 251 | 349 |
| **Fixed Liabilities** | **564** | **686** | **484** |
| **Total Liabilities** | **1,506** | **1,853** | **1,573** |
| **Total Net Assets** | **1,402** | **1,377** | **1,232** |
| **Total Liabilities and Net Assets** | **2,908** | **3,231** | **2,806** |

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# 5. MVV（Mission, Vision, and Values）

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

**Mission**

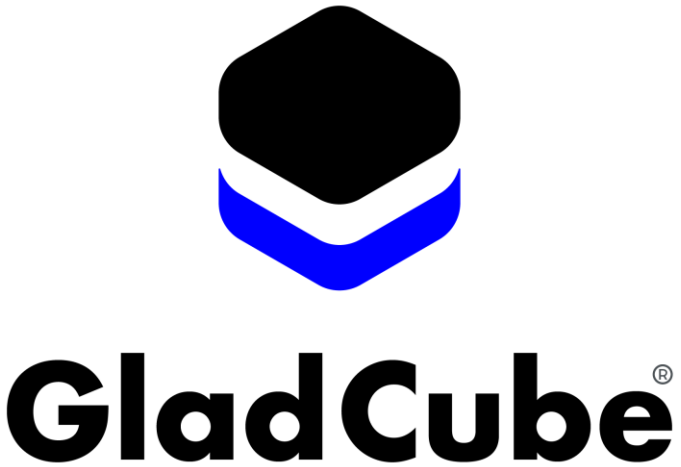
**Changing the world with compassionate technology**

**Vision**

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

**Value**

**Humanitech** [Humanity × Technology]




**The Vision Behind the New Logo**

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

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# 5. FY24 Business Policy

**With a new mission of "Changing the world with compassionate technology," we aim to create new value for society as a company that brings joy to people. Additionally, we will actively invest in and fully enter the fields of Web 3.0 and generative AI, which have the potential to become central to our business in the future.**



**Talent Strategy**

**We will focus on improving the quality of both new hires and existing employees**
**We will continue to actively invest in our people**

- Amid intensifying competition for talent, we conduct recruitment activities focused on the quality of our workforce, aiming to be a company chosen by top-tier talent.
- We prioritize developing the next generation of leaders with equality across all genders, practicing sustainable growth for both our employees and the company.



**Customer Strategy**

**We aim to maximize operating profit by implementing effective methods to improve LTV**

- Due to changes in our business domain, we are integrating business units to strengthen collaboration and enhance our sales capabilities.
- We aim to acquire new customer segments from new business ventures and cross-sell to them, targeting improved sales efficiency and reduced promotional costs.



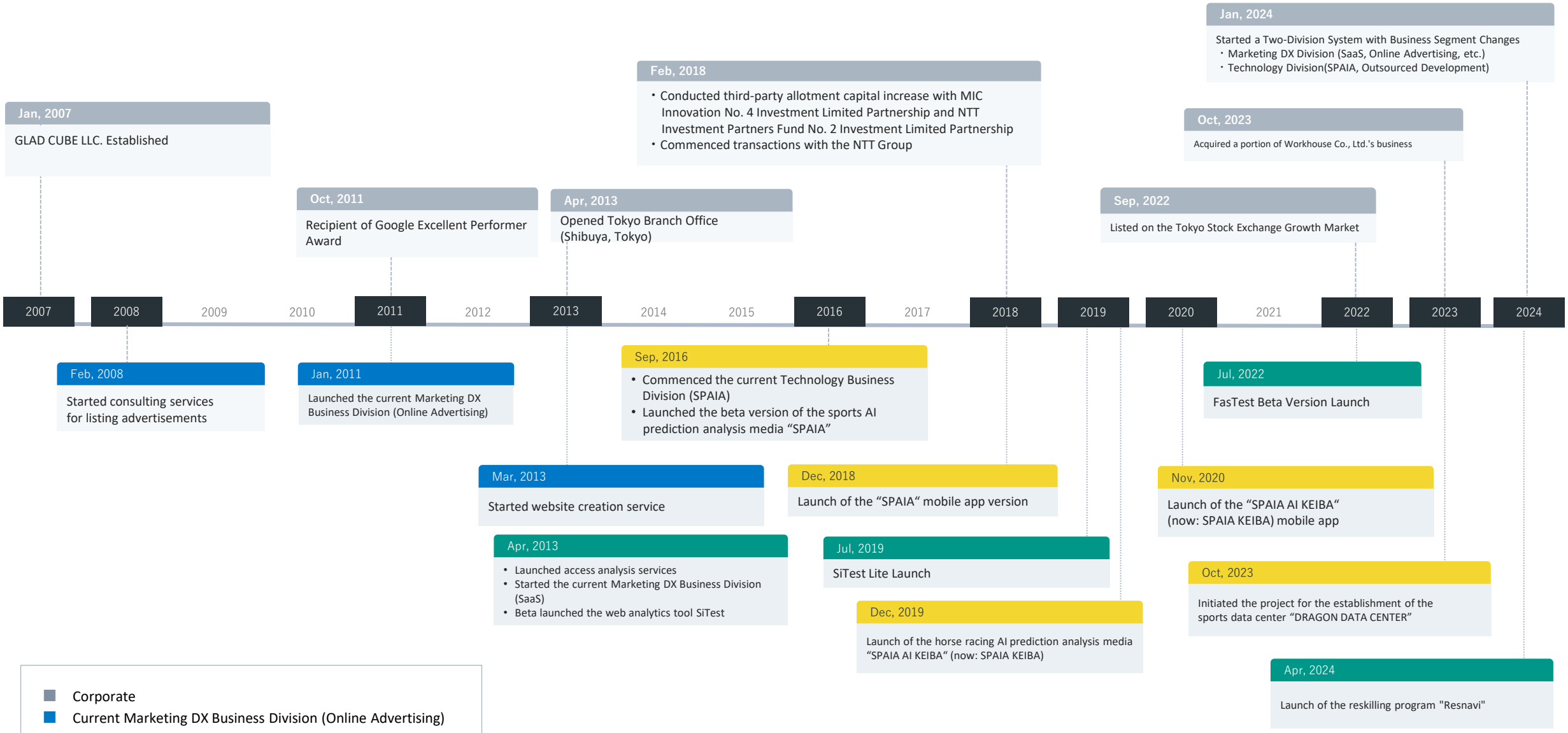
**Corporate Strategy**

**We are actively considering M&A opportunities that will expand our growth foundation and are seeking opportunities for strategic investments**

- We are actively pursuing M&A activities that leverage synergy effects to expand the distribution of products and services, leading to the growth of our customer base.
- We aim to secure core resources in AI-related businesses to facilitate product development and the development of new services.

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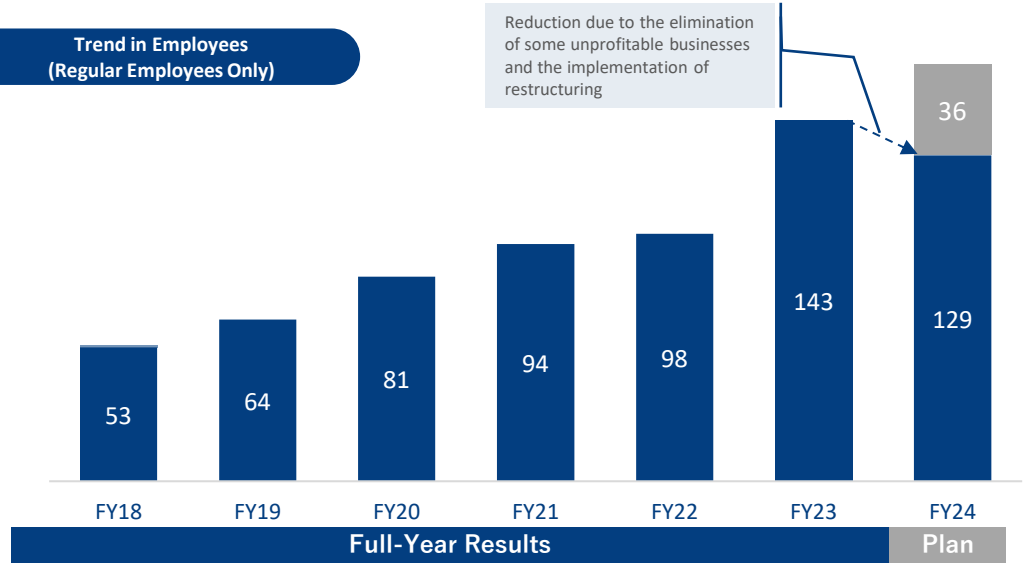
# 5. Company History




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# 5. Human resources Number of Employees

**Trend in Employees (Regular Employees Only)**




As of the end of Sep 2024, the number of employees stands at 129, compared to the year-end target of 165 employees for FY2024. This includes 12 new hires and 15 who have accepted offers as of the end of Sep.

**FY24 Recruitment Progress (Regular Employees Only)**

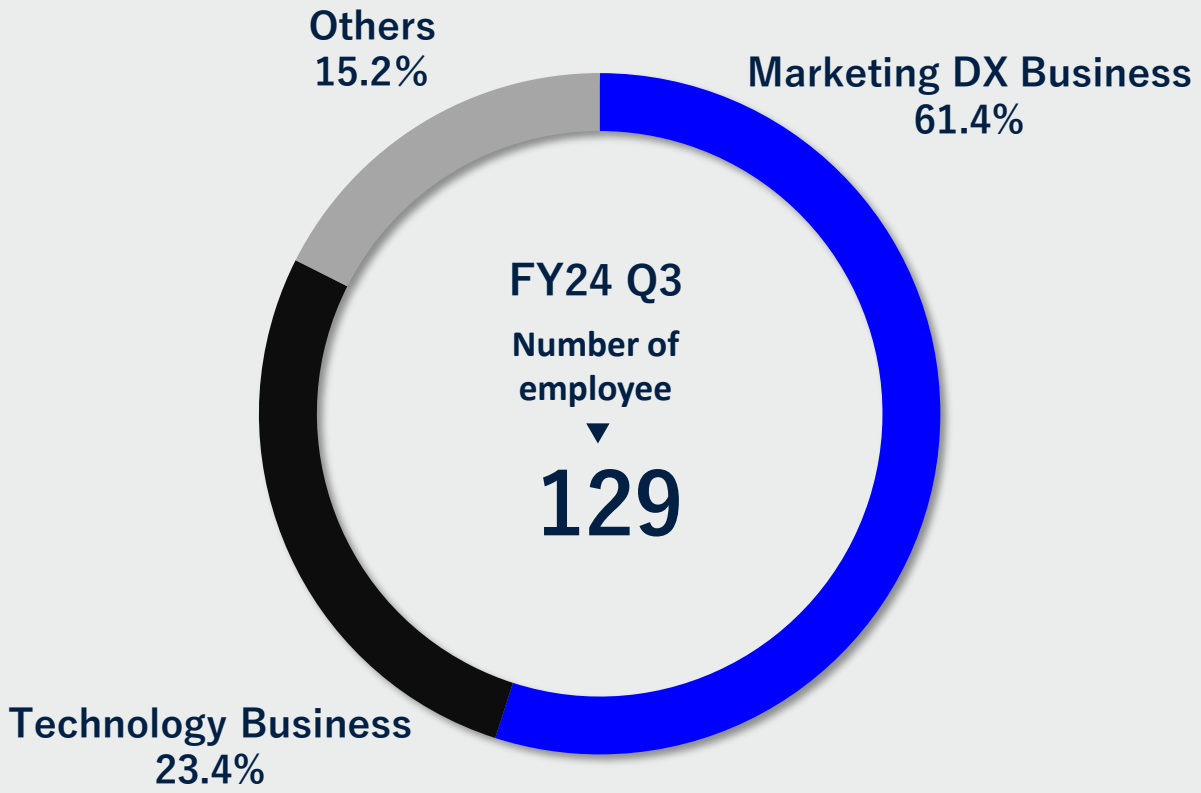
| | | |
|---|---|---|
| Oct Joiners | 4 | (Marketing DX Business 3 and Business Support Division1) |
| Nov Joiners | 0 | |
| Joining from Dec Onwards | Undecided | |

**Retirement Rate**

| | |
|---|---|
| FY 2021 | 21.0% |
| FY 2022 | 23.0% |
| FY 2023 | 20.5% |
| FY 2024 | 23.2% |

Due to the rapid growth and change in this business field, flexible adaptability is essential. As a result, employees often pursue new career opportunities, which contributes to a relatively high turnover rate.

**Personnel Composition**




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# 5. Human resources Commitment to ESG Initiatives

## Vision

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

## Our goals

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

To establish an employment environment where women can further thrive, we are formulating a general action plan for business owners for the four-year period from Apr 1, 2022, to Dec 31, 2026.

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

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

## Status of Women's Participation

**At the end of Sep 2024**

| | |
|---|---|
| Ratio of Female Executives | 33.0% |
| Ratio of Full-Time Female Executives | 60.0% |
| Ratio of Female Regular Employees | 35.6% |
| Ratio of Female Managers | 22.7% |

(Breakdown of management positions)

| | |
|---|---|
| Ratio of Female Managers (equivalent to department managers) | 15.3% |
| Ratio of Female Leaders (equivalent to section managers) | 33.3% |

* 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**

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## Disclaimer

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