



Mr. Kudo (Worker)
Active as a media director for client companies at BizAsst

"I feel like the appeal of how we work today is that I can be brought jobs that utilize my own strengths, and that I can focus my efforts in specialized work. It has been very encouraging to have the support of the BizAsst staff as intermediaries with clients."



"Workstyle Revolution"

CrowdWorks, Inc. Financial Results for the Third Quarter of the Fiscal Year Ending Sept. 30, 2021

Securities code: TSE Mothers 3900

(from Oct. 2020. to Jun. 2021)



Ms. Kusumoto (Worker)
Active as a designer with zero prior experience after attending CrowdCollege

"I wanted to find time to spend with my children; that's why I started working from home. By working from home, I've been able to attend their school events and deal with any sudden illnesses. Going forward, I would like to strive to improve my work efficiency and my hourly rates."

We operate a new kind of online talent matching platform, developed inhouse, connecting companies with individuals and allowing them to order work directly.

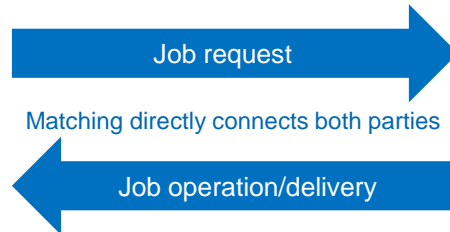


740,000
Client Companies

- Access to human resources with the right skills/track record
- Requests can be made as needed, when needed
- No additional fee for job requests



“CrowdWorks”



4,500,000
Crowd Workers

- Access to jobs fitting own skills/situation
- Work flexibility according to your lifestyle
- Assistance can be given to make contracts and get paid

VISION / To Build Japan's Largest Online Working Infrastructure

Based on the vision to become the world's biggest platform that provides the largest amount of monetary rewards through the Internet, CrowdWorks aims first to build Japan's largest online working infrastructure

By maximizing the total contract value, CrowdWorks gives monetary rewards to the largest number of people in the country

Image of Japan's largest online working infrastructure

Total contract value conversion: \$20.6 billion

(2.24 trillion yen)

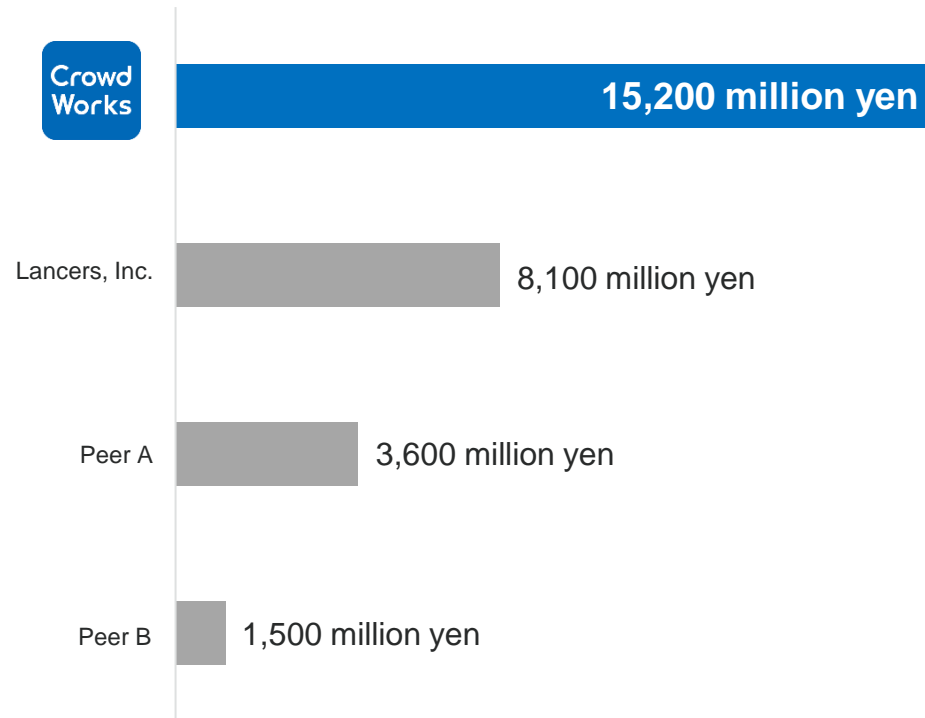


Employee number ranking *Reference: Yahoo Finance as of February 10, 2021
1. **Toyota 359,000 people**, 2. Nippon Telegraph and Telephone (NTT) 328,000 people, 3. Hitachi 313,000 people

* Source: National Tax Agency, "Results of the Survey on the Actual Status of Private Salary for 2020"

* The dollar notation is expressed as 1 dollar = 110 yen.

CrowdWorks is the **Number One** online talent matching platform in the industry



* Compared with similar companies' public information(Figures to be announced as of November 2020)

Sound Unit Economics with 240% ROI in Two Years

LTV (over two years)=CAC×2.4x *CAC recovered in 11 months

Investment recovery rate is 1.2 times improvement from FY2019.

Achieved high investment efficiency in matching using the platform infrastructure.

Definition1: Membership registration clients = Ordering clients(P5 description) and Unordered clients

Definition2: LTV is calculated in two years.

Client usage continues even after 2 years of membership registration, further accumulating LTV.

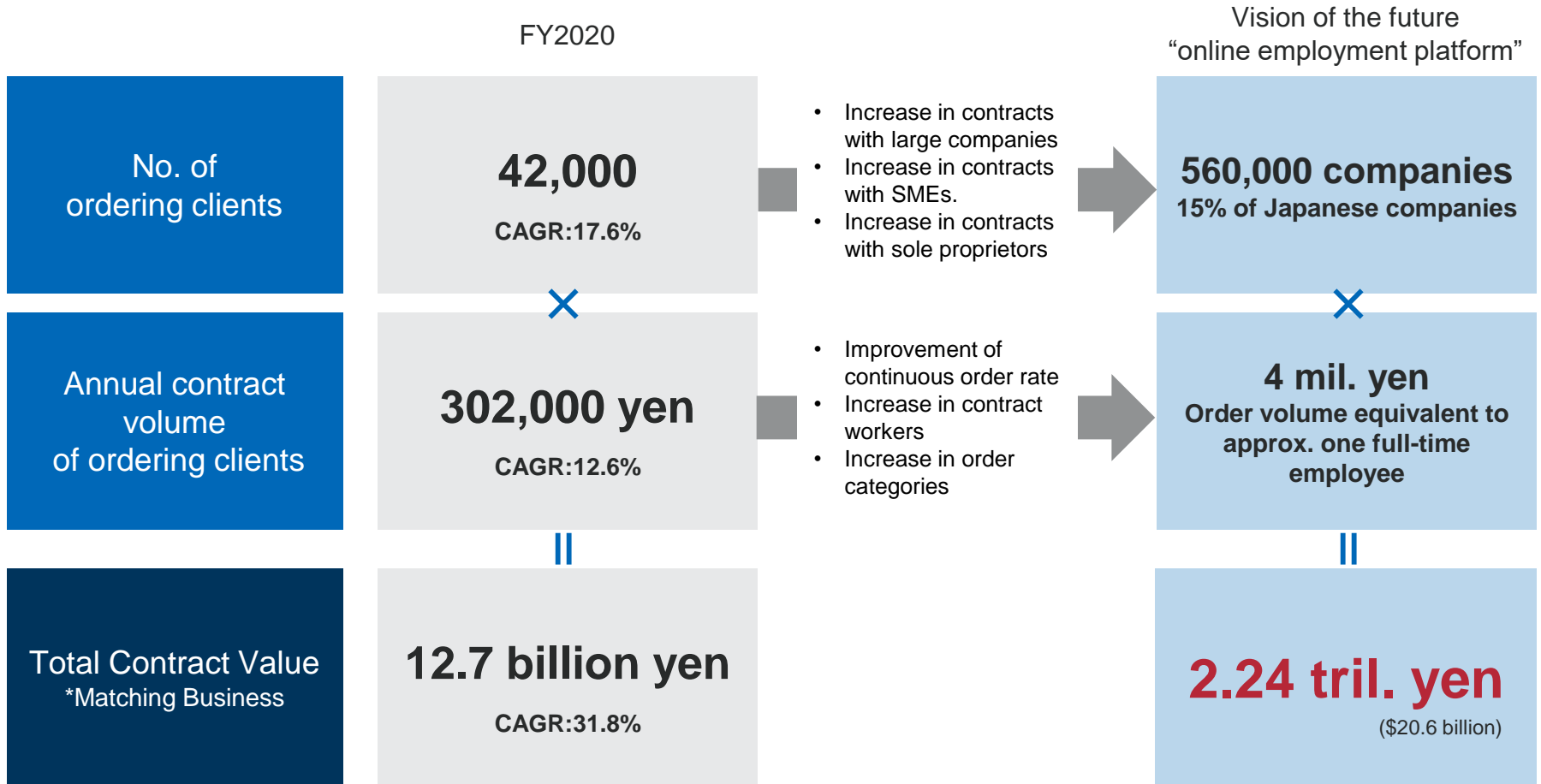
Matching business unit economics

KPI	Definition	FY2019	FY2020
Total contract value per membership registration of client (in two years)	Average total contract value generated by one client in two years after membership registration	133,661 yen	148,874 yen
		X	X
Take rate	Commission rate for total contract value	20.4%	21.5%
LTV (in two years)	Average gross profit generated by one client in two years after membership registration	27,267 yen	32,008 yen
Membership Registration CAC	Membership acquisition cost for one client (Advertising cost + sales cost)	13,457 yen	13,357 yen
Return on investment (ROI)	Rate of return vs. acquisition cost (LTV/CAC)	202%	240%

Immense Market Growth Potential (Client Side)

Immense, ever-expanding growth potential from more utilization of online talent

Definition: Ordering clients = Membership registration clients(P4 description) - Unordered clients

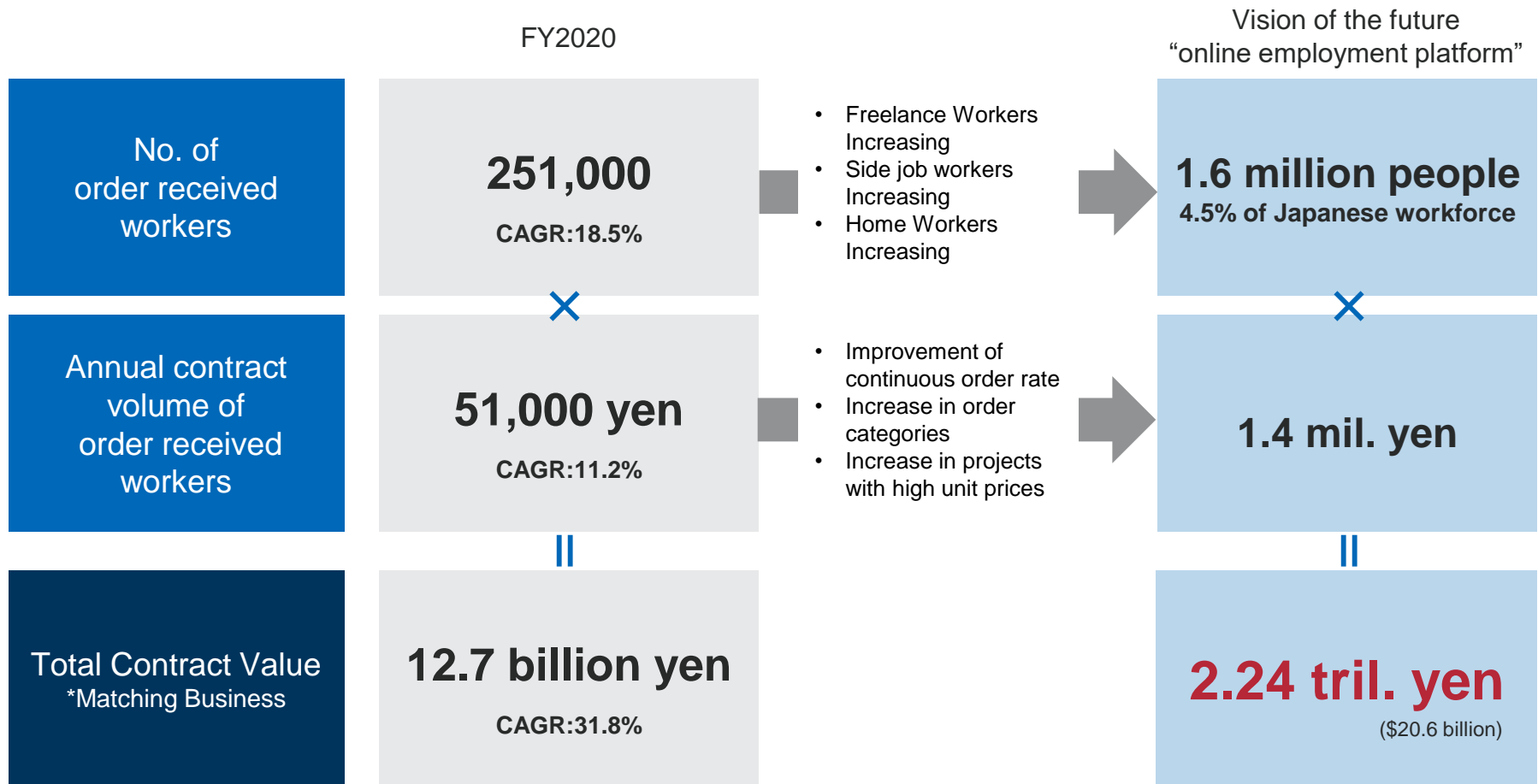


* CAGR: Average annual growth rate over the past three years from FY09/17 to FY09/2020

Immense Market Growth Potential (Worker Side)

Immense, ever-expanding growth potential from more utilization of online talent

Definition: Order received workers = Membership registration workers - Unorder received workers



* CAGR: Average annual growth rate over the past three years from FY09/17 to FY09/2020



3Q FY2021 Results: Summary

- Company-wide operating profit was 463 million in the third quarter, beating the revised forecast by 163 million yen
- Company-wide operating profit forecast revised upward from 300 million yen to 463 million yen or more
- Matching Business gross profit for the third quarter was 2.56 billion yen, growing by 25.8% YoY. Operating income reached a record high of 606 million yen

- All indicators are over 75% toward forecasts, both company-wide and per segment
- Gross profit levels per employee was 1.9 times higher than previous year while increasing sales members*

3Q FY2021 Performance Highlights (Entire Company)

More than 75% progress toward earnings forecasts in total contract value, net sales, and gross profit. Operating profit reached a record high of 463 million yen, exceeding revised forecast by 163 million yen.

		Year-on-year	Progress toward full-year performance outlook
Total contract value	: 11,529 million yen	-2.9%	78.0% to 81.5%
Net sales	: 5,862 million yen	-17.1%	76.5% to 79.8%
Gross profit	: 2,638 million yen	+1.2%	78.0% to 81.3%
Operating profit	: 463 million yen	+561 million yen	163 million yen in excess of revised forecast

* From the second quarter onward, we have shifted to non-consolidated financial results, but above is based on consolidated results that include the results of the subsidiaries we absorbed.

* The progress toward full-year performance outlook is compared to the forecast disclosed in 2021Q2.

3Q FY2021 Segment Performance Highlights

With the Project Contracting Business sold in the previous fiscal year, we have continued to focus on the Matching Business and new businesses.

Growth in the Matching Business exceeded forecasts, with gross profit up 25.8% and operating profit turning a profit of 606 million yen. Progress versus forecasts is over 75%

	Matching Business			SaaS Business/ Other New Business		Project Contracting Business
	Results	Year-on-year	Vs. full-year forecast	Results	Vs. full-year forecast	Results
Total contract value	11,449 million yen	+21.0%	78.0 to 81.5%	80 million yen	80.7%	Sold in FY2020
Net sales	5,781 million yen	+23.5%	76.4 to 79.8%	80 million yen	80.7%	
Gross profit	2,567 million yen	+25.8%	77.8 to 81.1%	71 million yen	89.0%	
Operating profit	606 million yen	+711 million yen		-143 million yen		

* Business results by segment include offsetting transactions between consolidated companies

* In compliance with financial statement regulations, actual figures are rounded down to the nearest 10 million yen.

	Summary	Self-Evaluation
Entire Company	<ul style="list-style-type: none"> Both the Matching Business and new businesses performed well, and total contract value, net sales, and gross profit all exceeded 75% of the revised full-year budget Operating profit has steadily grown to 460 million yen, and the full-year forecast has been revised upward (300 million yen to 463 million yen or more) 	Great
Matching Business	<ul style="list-style-type: none"> Total contract value, net sales, and gross profit are up by more than 20% YoY due to growing demand from COVID-19-driven shifts to digital technologies in operations, and shifts to e-commerce Investment in web advertising is exhausted as planned. Plans in 4Q to invest approximately 200 million yen for the next fiscal year Take rate improved to 22.4%, up 0.9% YoY thanks to growth in high-priced contracts 	Great
SaaS Business & Other New Businesses	<ul style="list-style-type: none"> Total contract value and net sales achieved 80% of full-year forecast, with gross profit at 89%; operating profit after investment was -143 million yen, as planned. CrowdLog in the SaaS Business enjoyed steady growth in customer base in collaboration with major consulting Funai Soken Corporate Relations Inc., with ARR exceeding 140 million yen 	Great

3Q FY2021 Performance of Individual Segments

Our core Matching Business's take rate improved by 0.9%.
Gross profit growth of +25.8% YoY.

Segments	Total Contract Value		Take Rate		Gross Profit
Matching Business	11,449 million yen (Year-on-year +21.0%)	×	22.4% (Year-on-year +0.9%)	=	2,567 million yen (Year-on-year +25.8%)
SaaS Business & Other New Business	80 million yen	×	88.2%	=	71 million yen
Total	11,529 million yen	×	22.9%	=	2,638 million yen

* Take rate: Gross profit divided by total contract value. Ratio (%) of added value (gross profit) created from total contract value handled by the Company

Temporary Suspension Background

- Potential of Terms of Service violation (e.g. payment services fraud) detected among some users who use "CrowdWorks", in order to strengthen the withdrawal screening and construction of a screening structure, the quick withdrawal function and new task format orders have been suspended.

Temporary Suspension Period

- New task format order: July 8 2021 to July 19 2021
- Quick withdrawal function: June 25 2021 to TBD

Impact on Performance

- As shown below, the impact on business performance is minor.
- Maximum impact on full-year business performance in FY2021, per item:

Net Sales	Forecast: 7,377 million yen	Maximum Impact: -10 million yen
Operating Profit	Forecast: 437 million yen	Maximum Impact: -10 million yen

- * Cash and cash equivalents as of the third quarter of the fiscal year ending September 2021 were 3.9 billion yen, and there is no concerns about our financial position.

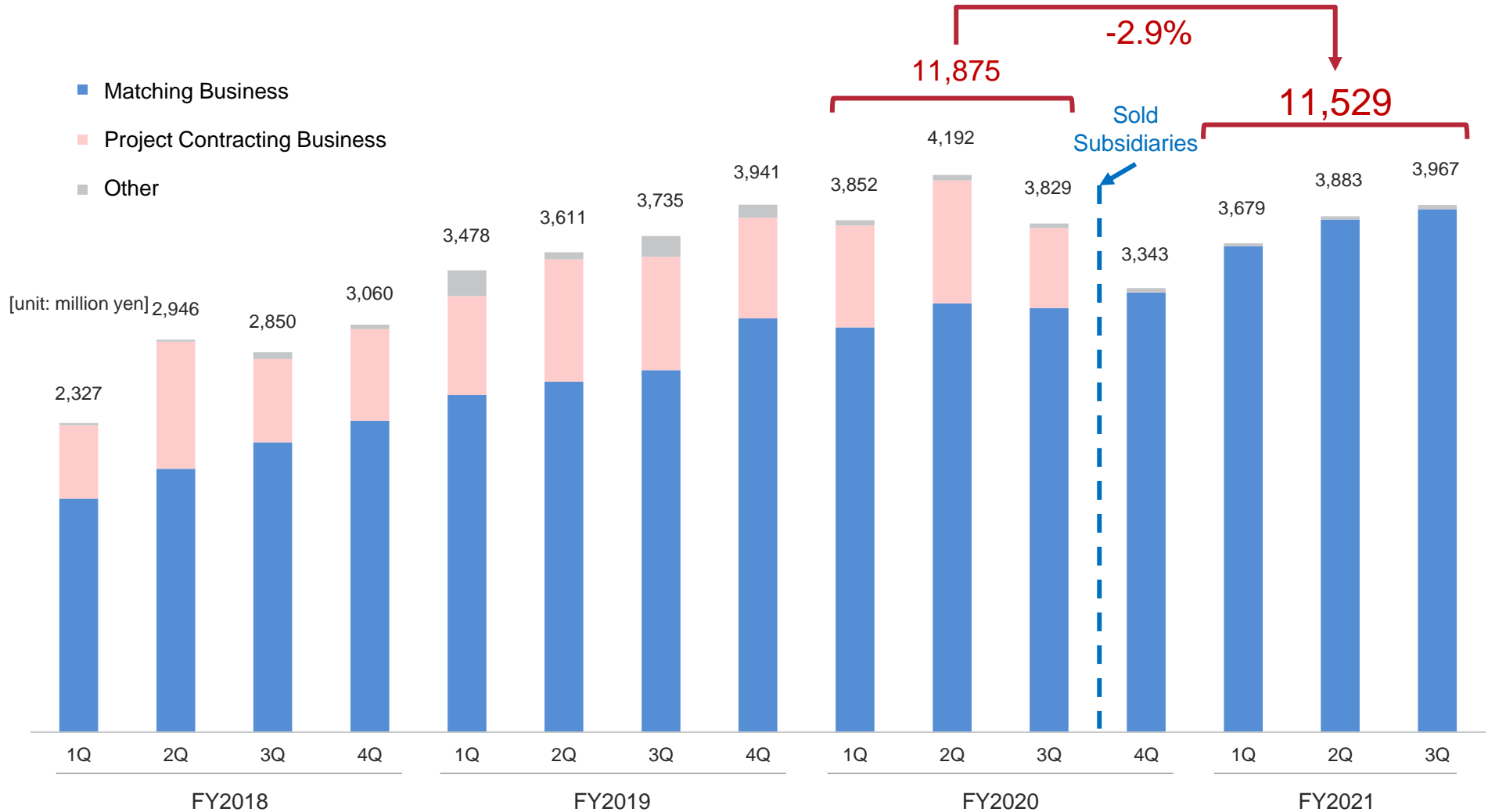
* The above figures are based on the non-consolidated performance forecast for the fiscal year ending September 30, 2021.



3Q FY2021 Results: Details

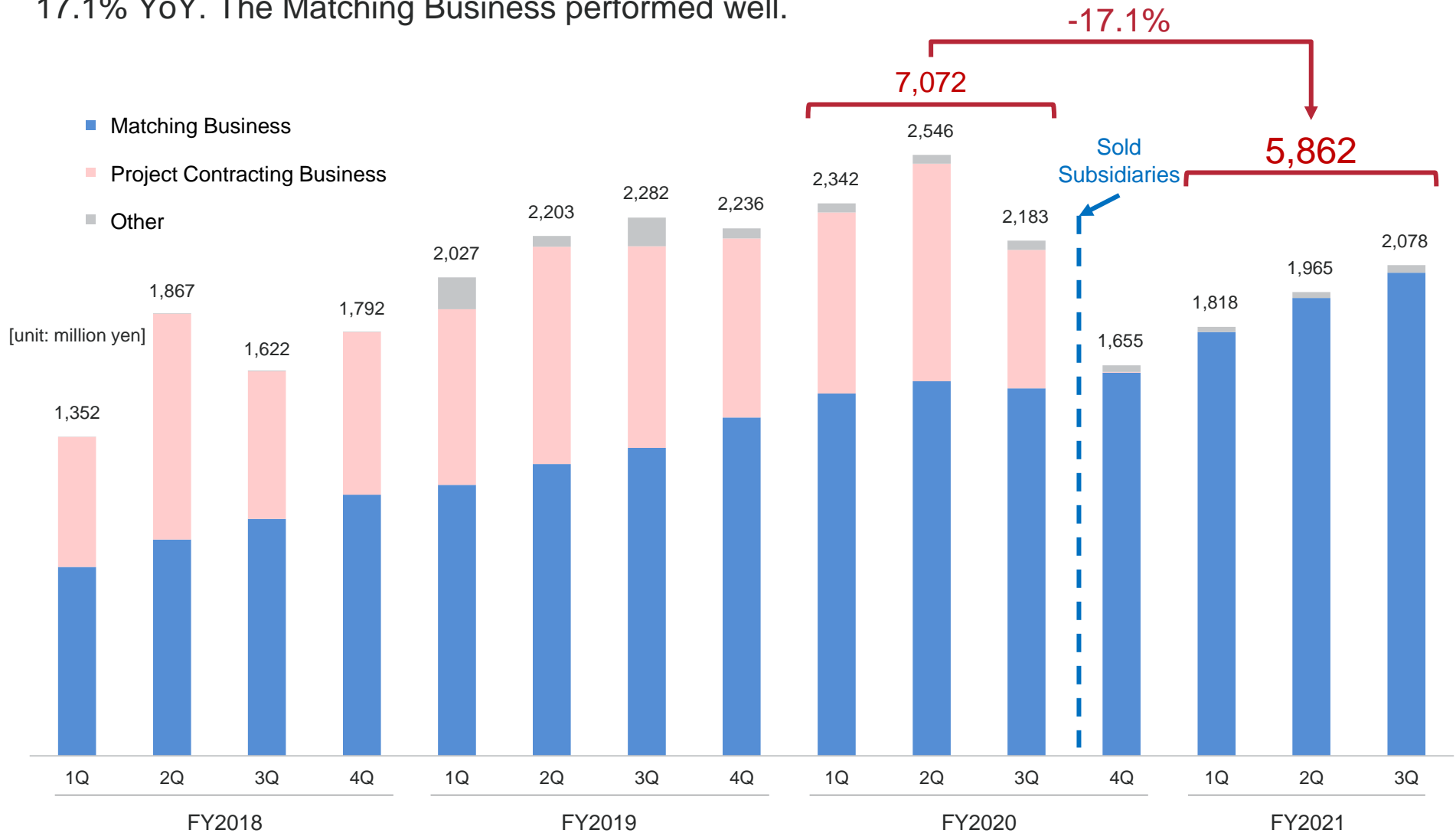
Total contract value

Despite negative YoY growth from impact of sale of the Project Contracting Business, the mainstay Matching Business contributed to year-on-year growth is -2.9%.



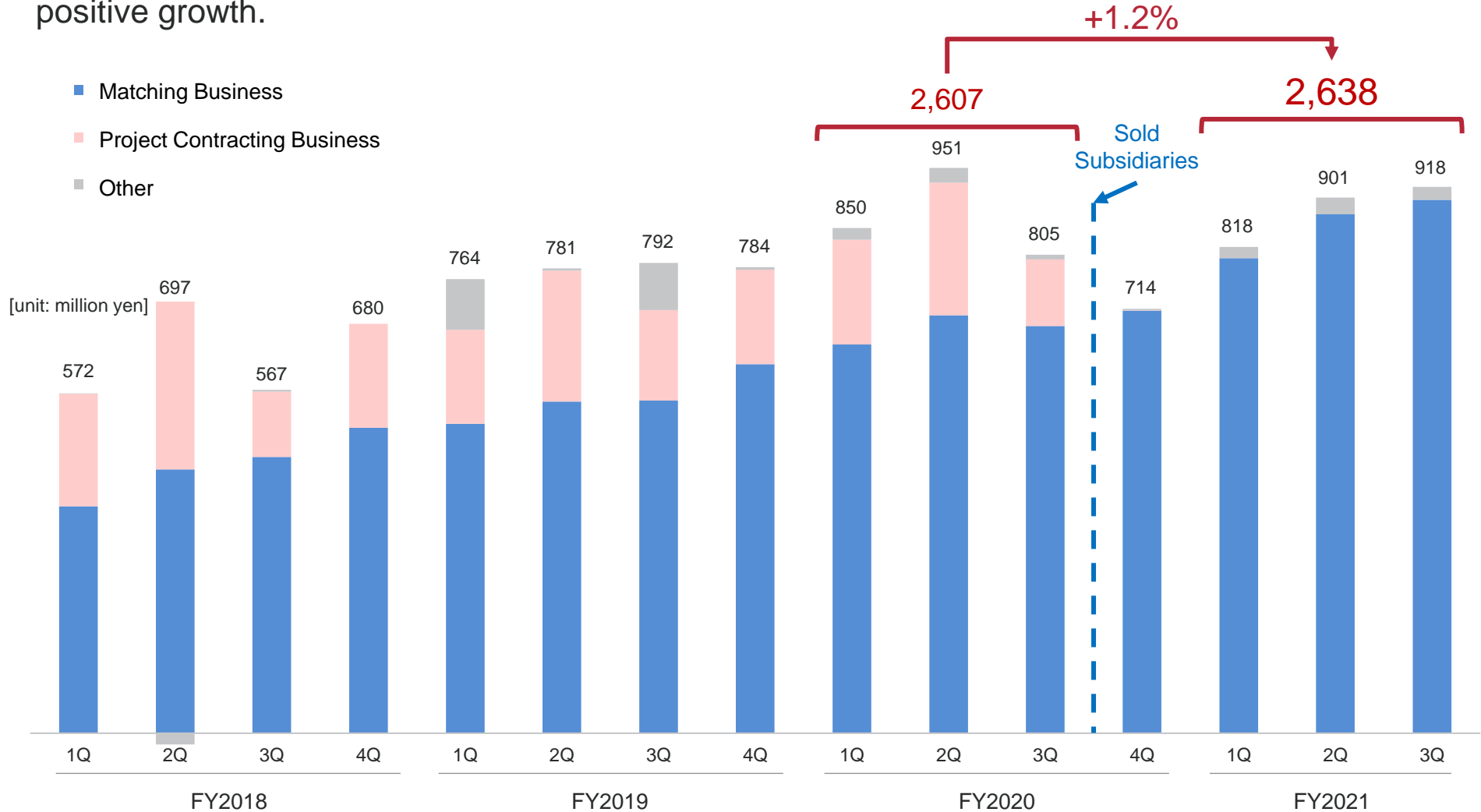
* Other: "SaaS business" + "Other new businesses" from FY2021

Impact from sale of the Project Contracting Business resulted in company-wide net sales down 17.1% YoY. The Matching Business performed well.



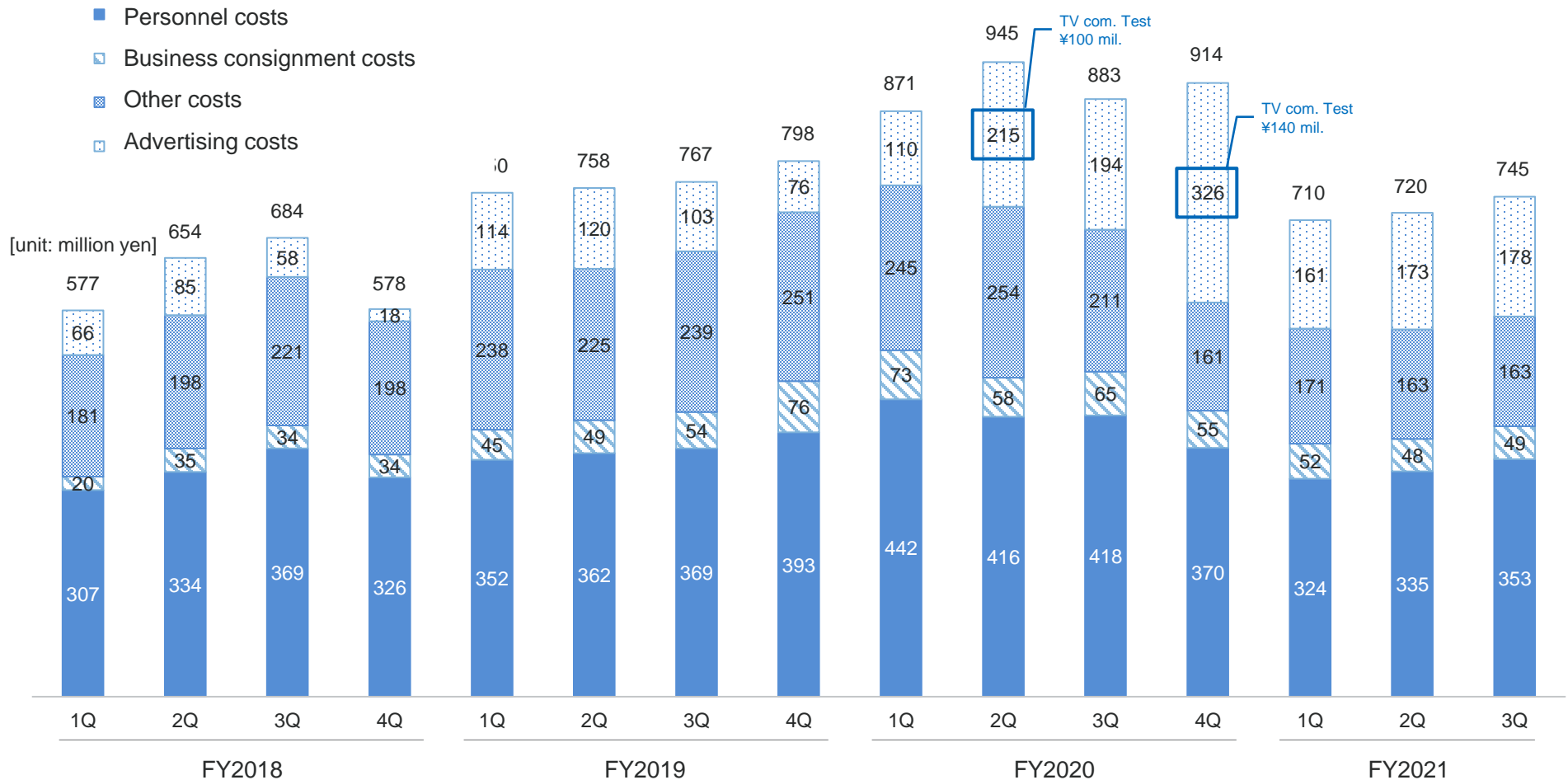
* Other: "SaaS business" + "Other new businesses" from FY2021

Despite negative YoY growth from impact of sale of the Project Contracting Business, due to steady growth in the matching business, gross profit increased 1.2% YoY and turned to positive growth.



* Other: "SaaS business" + "Other new businesses" from FY2021

Advertising expenses to be paid as planned at the beginning of the period, while personnel expenses will increase slightly to strengthen the sales structure
 Plan to reduce advertising expenses to approximately 200 million yen in 4Q

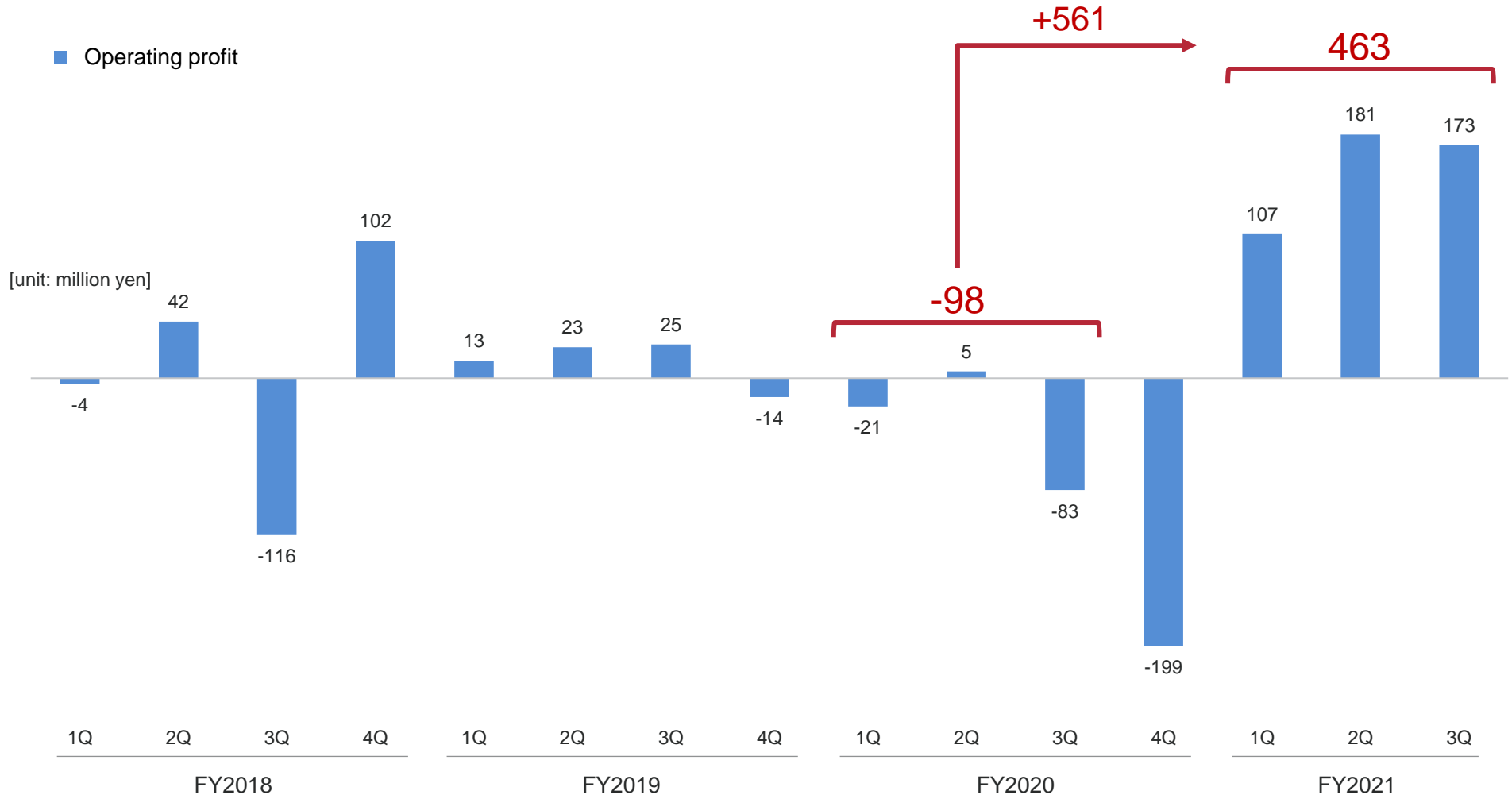


* Starting this fiscal year, new hiring and education expenses are aggregated into labor costs. Past values are shown with this recalculation in effect.

* Other costs include rent for land, expenses for communication lines, settlement fees, payment fees, taxes and public dues, depreciation, and amortization of goodwill.

Productivity improvement policies ongoing from the previous fiscal year have been successful, reaching a record high operating profit of 463 million yen.

Continuing investments in the Matching Business and new businesses

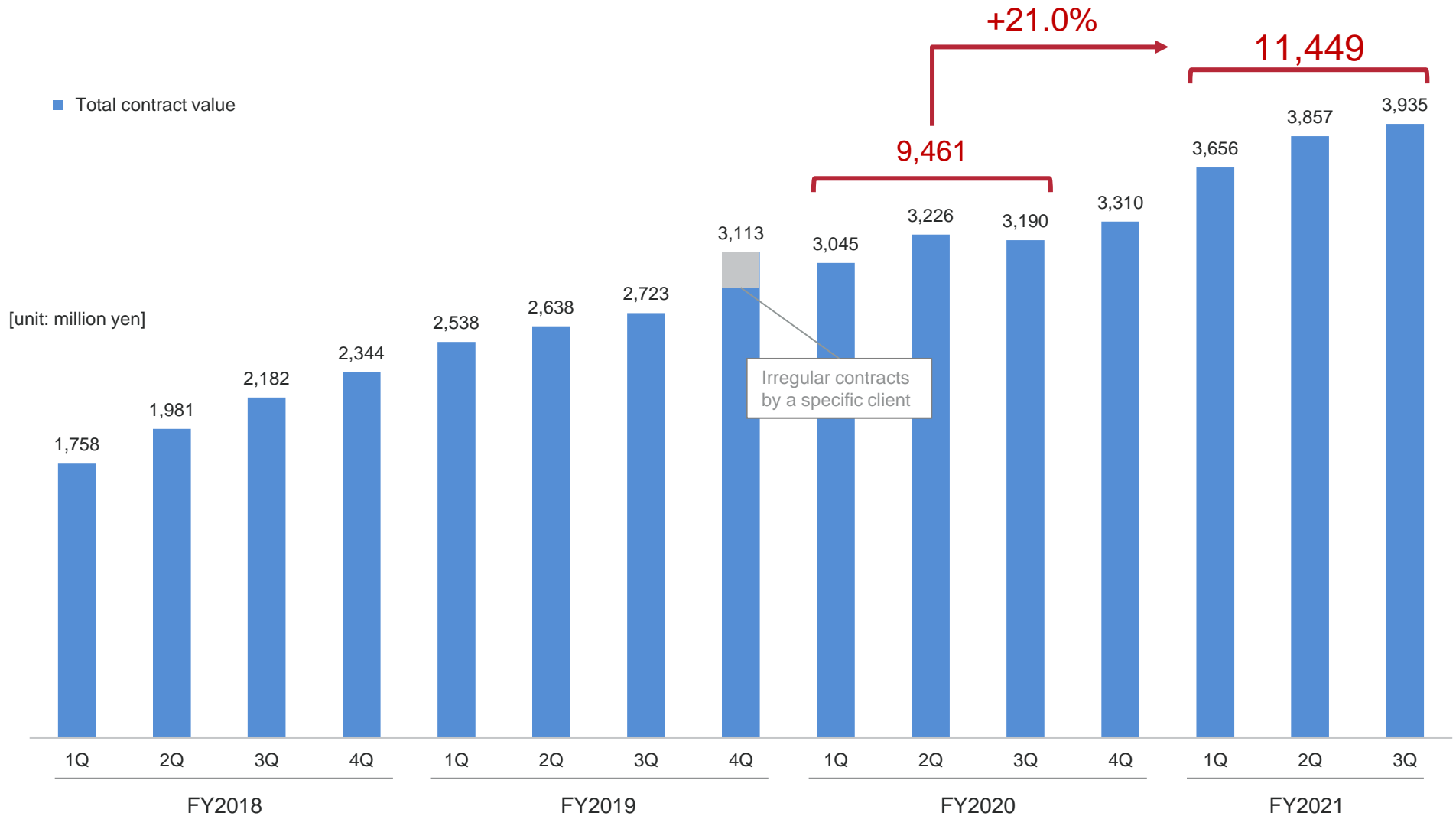




3Q FY2021 Results: Matching business details

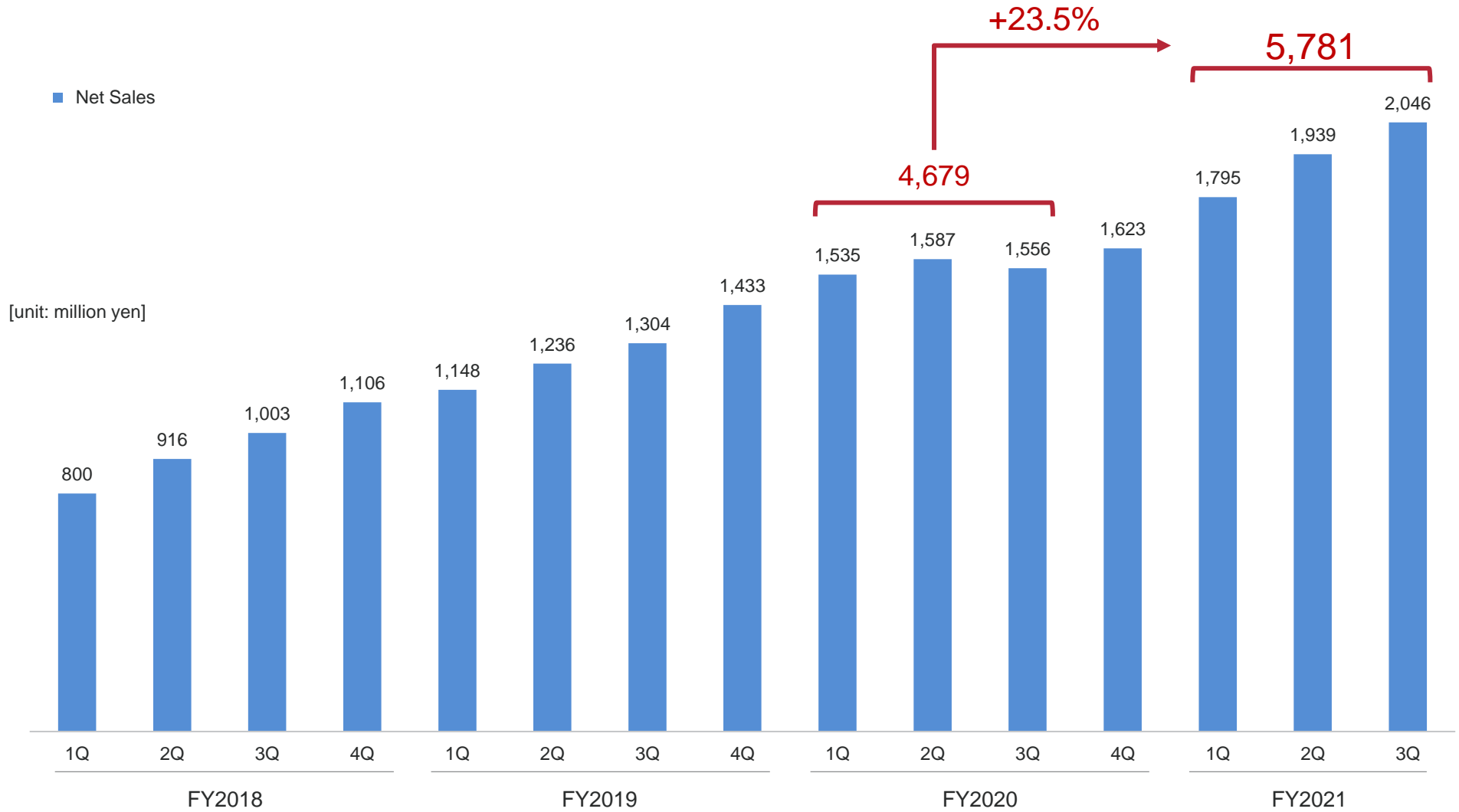
Matching Business: Total Contract Value

Growth in total contract value for the Matching Business exceeded initial forecasts, up 21.0% YoY



Matching Business: Net Sales

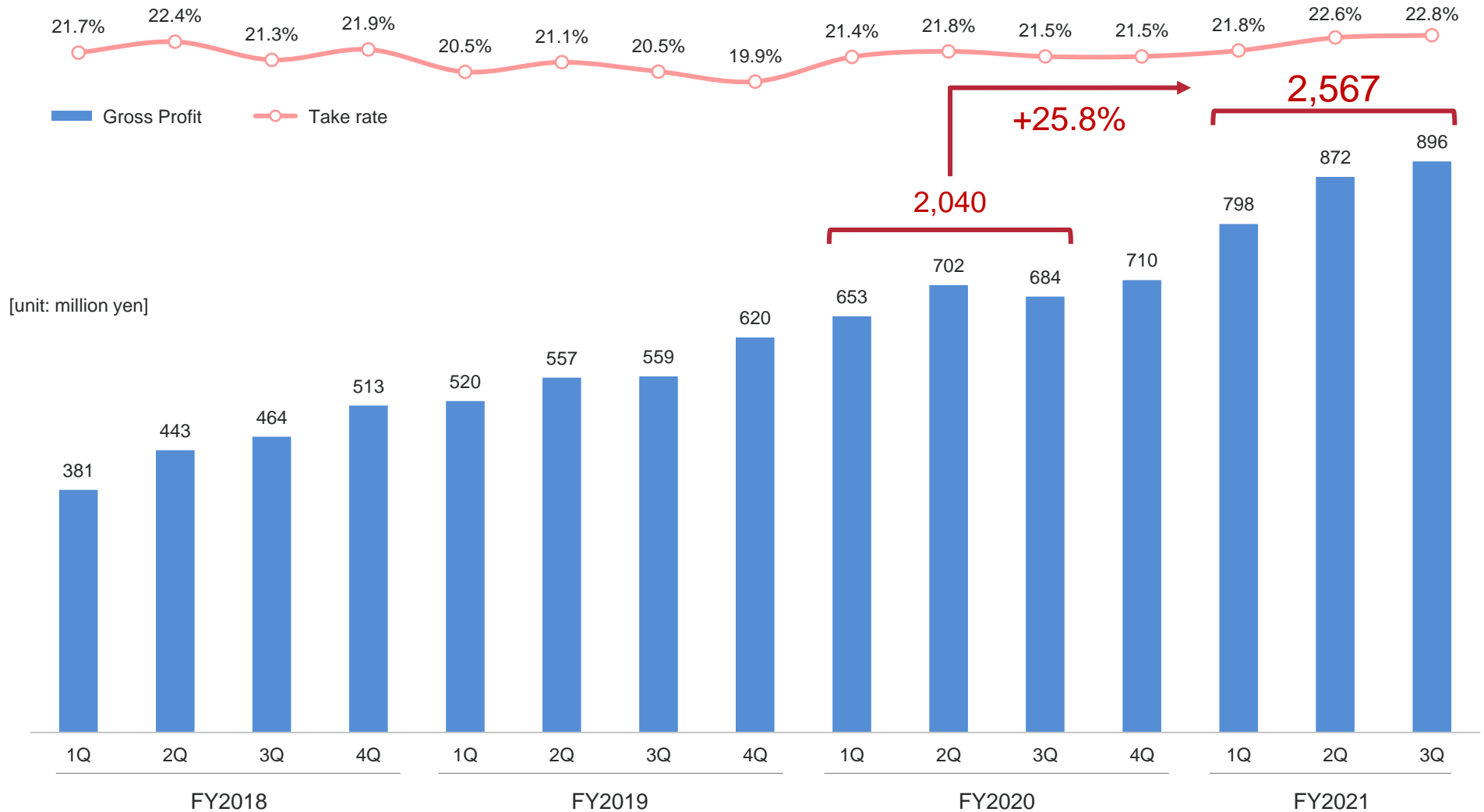
Net sales also trended strong in the Matching Business, up 23.5% YoY



Matching Business: Gross Profit

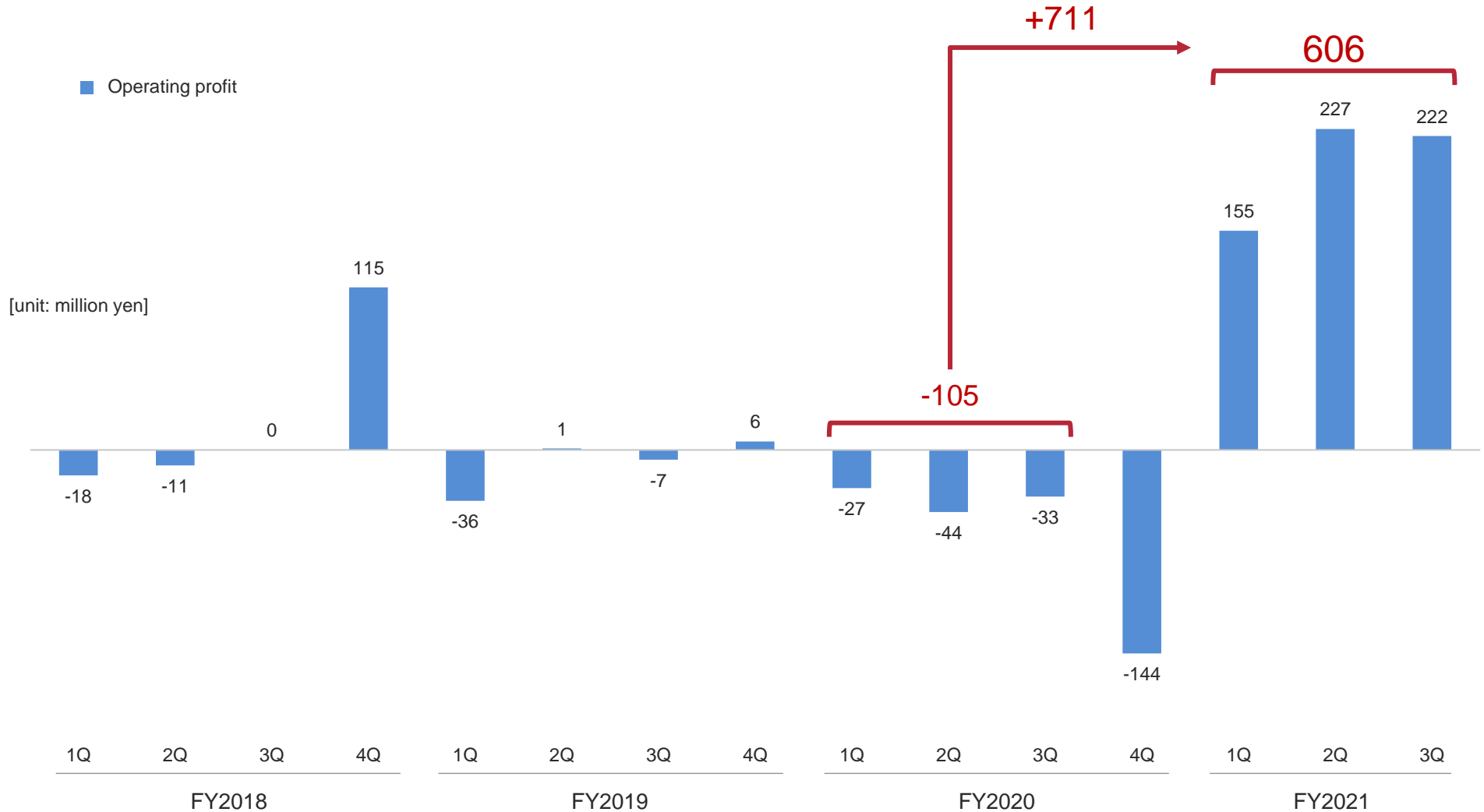
Gross profit grew significantly beyond initial forecasts at +25.8% YoY.

Take rate improved 0.9% versus the previous year (Cumulative Comparison 3Q FY2020:21.5% vs 3Q FY2021: 22.4%)



Matching Business: Operating Profit

Generated operating profit of 606 million yen despite steady investment in line with investment plans



Matching Business consumes 510 million yen of the 640 million yen investment plan. Plans in 4Q to strengthen investment for the next fiscal year, investing approximately 200 million yen

	FY2021 Investment Plan	3Q Cumulative Results
Web Advertisement	<p>FY2021 Plan 700 mil. yen</p> <p>Ongoing investment under rule: 24-month LTV ÷ CAC ≥ 100% (within scope of turning company-wide profit)</p>	<p>As planned (510 mil. yen)</p>
TVCM	<p>No investment in FY2021 Per test results, growth contribution would be hard to realize on short-term</p>	<p>No investment, as planned</p>

* "24 month LTV ÷ CAC => 100%" means the investment criteria to recover the acquisition costs of one client within 24 months.

* LTV: The total amount of gross profit generated by one new client in a 24-month period

* CAC: Acquisition cost per client (advertising and sales labor costs, etc.)

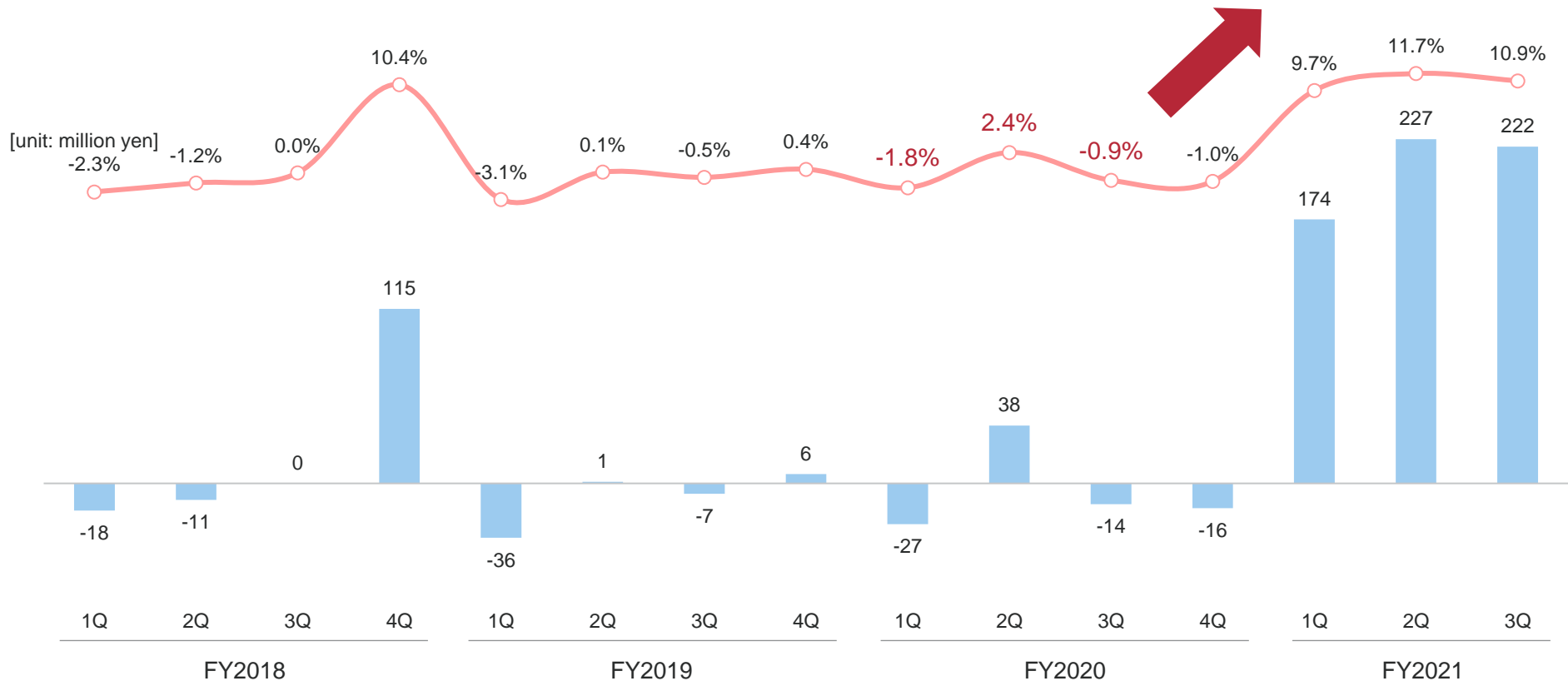
Matching Business: Adjusted Operating Profit/Adjusted Operating Profit Margin

The Matching Business's adjusted operating profit grew steadily thanks to successful productivity improvement initiatives

Adjusted operating profit margin reaches the 10% level while continuing ordinary advertising investment

- Adjusted Operating Profit: Matching Business
- Adjusted Operating Profit Margin: Matching Business

Matching Business reaches 10% adjusted operating profit margin



* Adjusted operating profit = Operating income excluding temporary advertising investment (e.g. TV commercials) in the Matching Business. Adjusted operating profit margin = Ratio of adjusted operating income to net sales



FY2021 Performance Forecast for full year

Upward Revision to FY2021 Company-Wide Performance Forecast

Given steady progress in the Matching Business, we are unifying full-year forecasts with the upper limit of the revised budget

Expecting to turn an operating profit of 463 million yen or more, **given progress through Q3 and investment in Q4**

Total Contract Value	:	Over 14,786 million yen	Year-on-year	-2.8% or more
Net Sales	:	Over 7,663 million yen	Year-on-year	-12.2% or more
Gross Profit	:	Over 3,381 million yen	Year-on-year	+1.8% or more
Operating Profit	:	Profit of over 463 million yen	Year-on-year	+761 million yen

* This document is a revision of the forecast for consolidated financial results disclosed on May 14, 2021, based on earnings progress up to the third quarter.

* From the second quarter of the fiscal year ending March 31, 2021 onward, the Company will shift to non-consolidated earnings forecast in keeping with the change to non-consolidated financial results. For revisions to individual earnings forecasts, please refer to the "Financial Results for the Third Quarter of the Fiscal Year Ending September 2021" and "Notice of Revision of Financial Forecasts (Upward Revision of Operating Profit)" documents disclosed today.

Upward Revision to FY2021 Performance Forecast by Segment

Matching Business gross profit revised upward to +20% or more.

Expecting operating income of 663 million yen or more in the Matching Business.

	Matching Business		Project Contracting Business	New business & Others
Total Contract Value	Over 14,686 million yen	Year-on-year +15.0% or more	Business Sold	100 million yen
Net Sales	Over 7,563 million yen	Year-on-year +20.0% or more		100 million yen
Gross Profit	Over 3,301 million yen	Year-on-year +20.0% or more		80 million yen
Operating Profit	Over 663 million yen	Year-on-year +912 million yen or more		-200 million yen

* Business results by segment include offsetting transactions between consolidated companies.

* In compliance with financial statement regulations, actual figures are rounded down to the nearest 10 million yen.

* This document is a revision of the forecast for consolidated financial results disclosed on November 13, 2020 and February 14, 2021.

* From the second quarter of the fiscal year ending March 31, 2021 onward, the Company will shift to non-consolidated earnings forecast in keeping with the change to non-consolidated financial results.

* For revisions to individual earnings forecasts, please refer to the "Financial Results for the Second Quarter of the Fiscal Year Ending September 2021 and "Notice of Revision of Financial Forecasts (Upward Revision of Operating Profit)" documents disclosed today.



FY2021 Management Policy

FY2021 Business Policy: Ongoing Selection/Concentration in the Matching Business, Turn to Profitability

FY2020 review

FY2021 policy

Matching Business

- Maintained growth even during coronavirus pandemic, attained performance exceeding initial forecasts
- Operating profit grows into profitability levels (if excluding TV commercial impact)
- As side job bans lift and telecommuting becomes commonplace, plus work-style reforms, the market gains continued tailwinds as we target ongoing growth
- Dual FY2021 themes of productivity improvement and turning an operating profit drive increased business sustainability



Ongoing focus on investment + turn to profitability

Project Contracting Business

- Continue to downsize business in line with plan, turn full-year profit of 80 million yen
- Sell DENEN & IOSI, subsidiaries comprising 95% of the Project Contracting Business, going effectively to zero as of 4Q



Sale complete, withdrawal from business

M&A

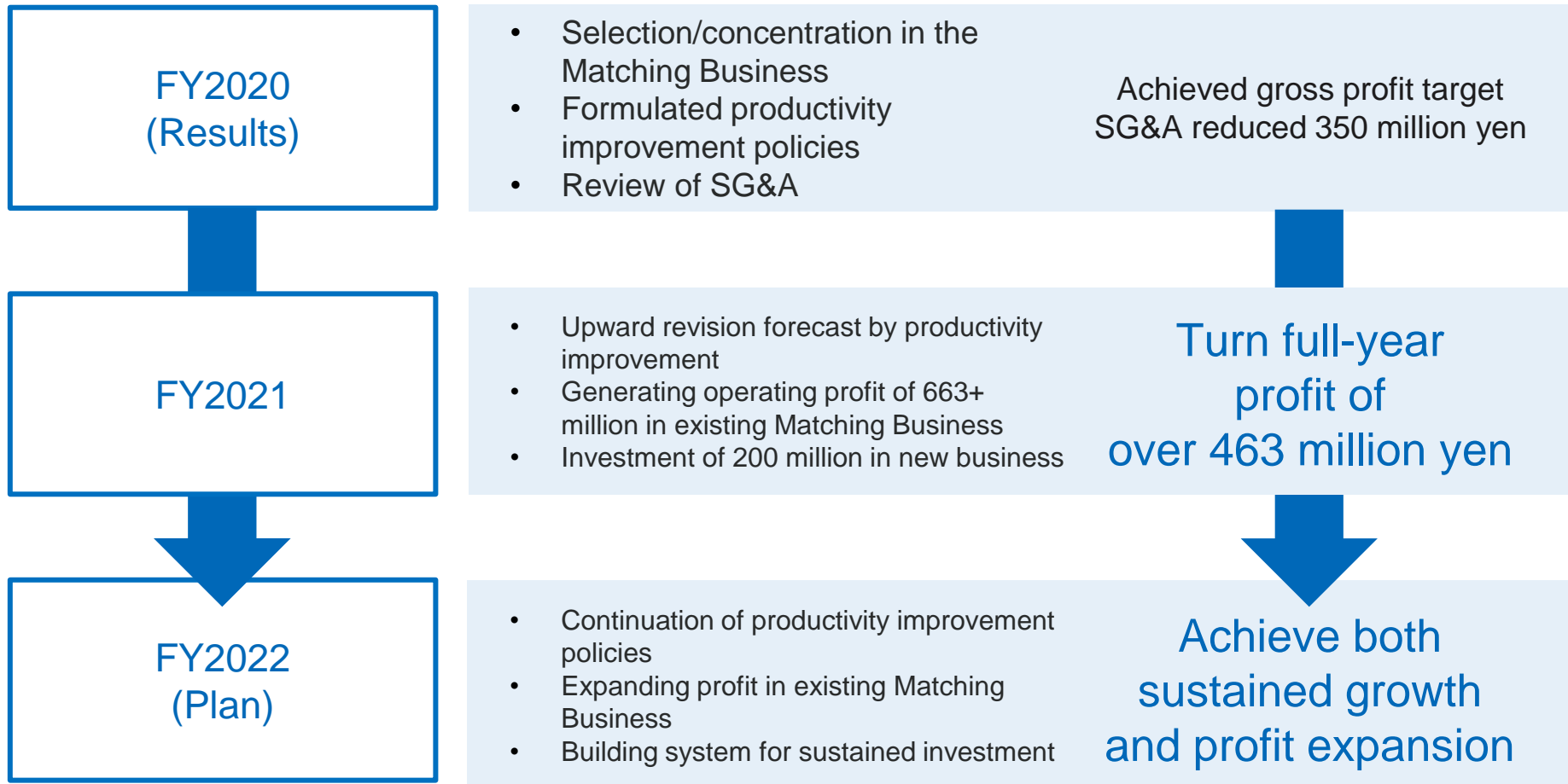
- Despite exploring for M&A projects, no M&A conducted in FY2020
- Continue discovery activities for growth businesses exceeding existing business or promoting growth of existing businesses

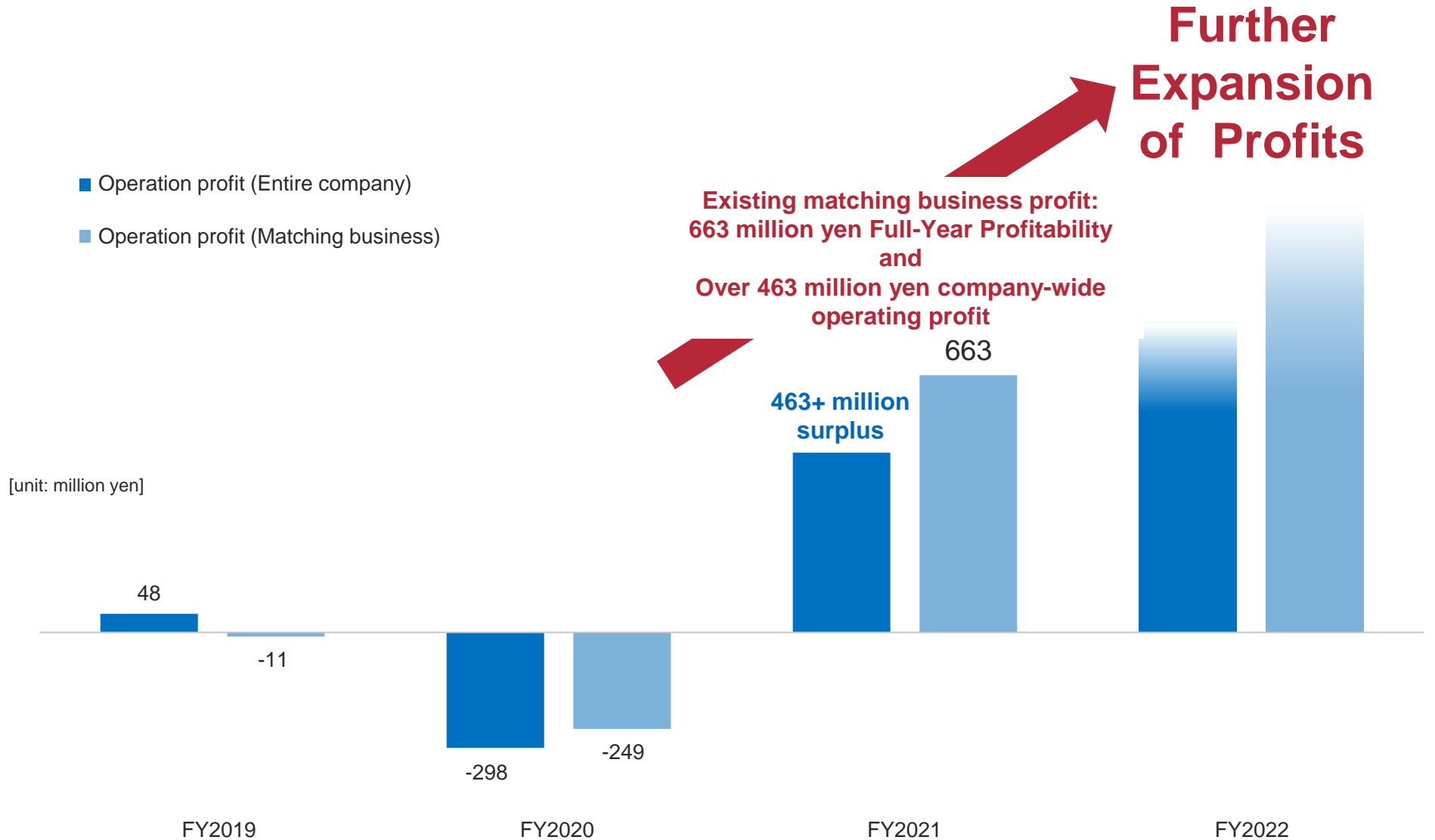



Continuing consideration

Three-Year Effort to Generate Profit via Productivity Improvement

Halfway through the three-year plan, we have reached the turnaround point. The foundation for improving investment efficiency has been laid, and the remaining 1.5 years will be used to move from hypothesis and implementation of reinvestment to its policy formulation.







Appendix



CrowdWorks, Inc.

President and CEO : Koichiro Yoshida
 Capital : 2,691,267,206 JPY
 Founded : Nov 11, 2011
 Services : Operates internet services, primarily CrowdWorks, Japan's largest crowdsourcing service



- 4,500,000 of CrowdWorkers (users)
- 740 thousand of clients
- 12 ministries and agencies
- 80 local government

* The numbers of workers and clients of CrowdWorks, Inc. services as of Jun.30, 2021



CrowdWorks is the **world's #1 platform using a B2C model to respond to (primarily major) company needs.**

	B2C Model (CrowdWorks)	C2C Model
Main Ordering Entities	Major companies / SMEs / Government: 80% Individuals: 20%	Individuals
Types of Jobs	Software development, design, clerical work, etc.	Fortune-telling, troubled consultation, creating caricatures, etc.
Method for Acquiring Jobs, Matching	Online customer attraction / matching + concierge / consulting	Online customer attraction / matching

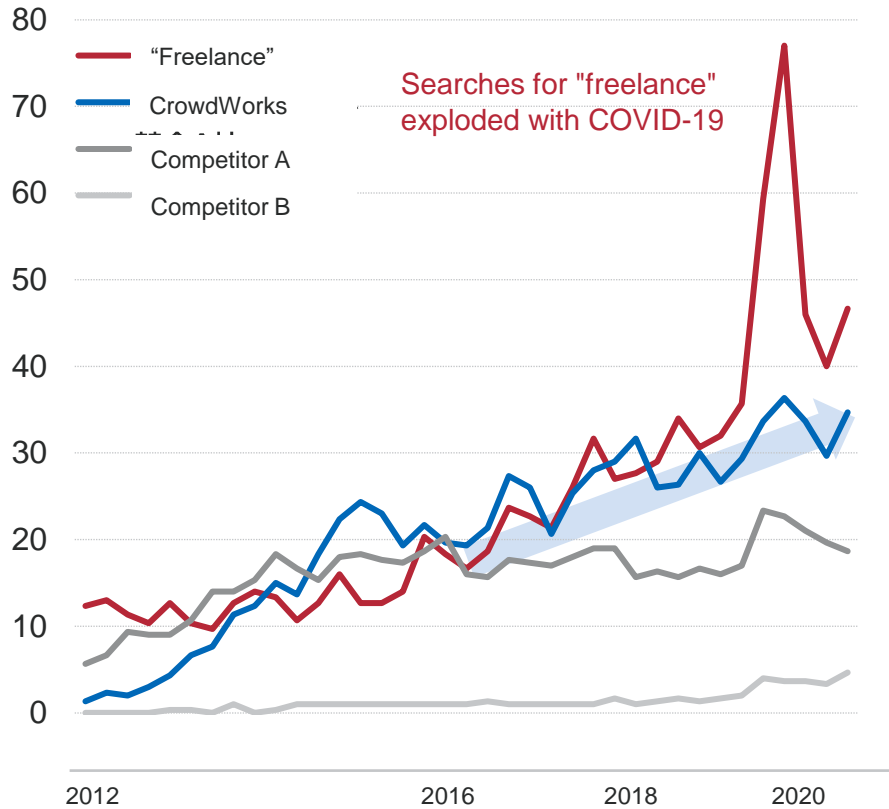
Brand strength: Overwhelming recognition and intention to use

"CrowdWorks" search trends grow explosively alongside "freelance," with CW overwhelmingly beating the competition

CrowdWorks holds the #1 position in the industry for crowdsourcing usage rate / intention surveys

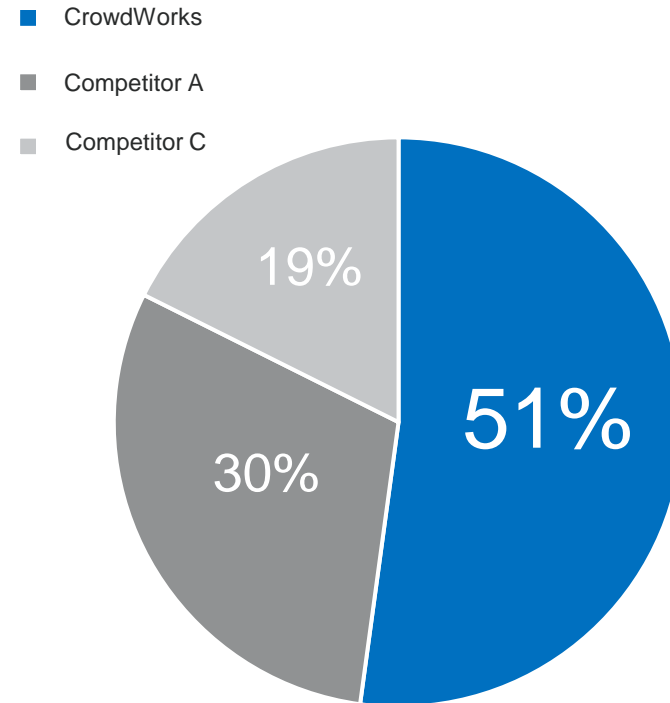
Changes in keyword searching trends

(Popularity by keyword)



* Source: Keyword trend survey using Google Trends

Crowdsourcing usage rates and intention survey



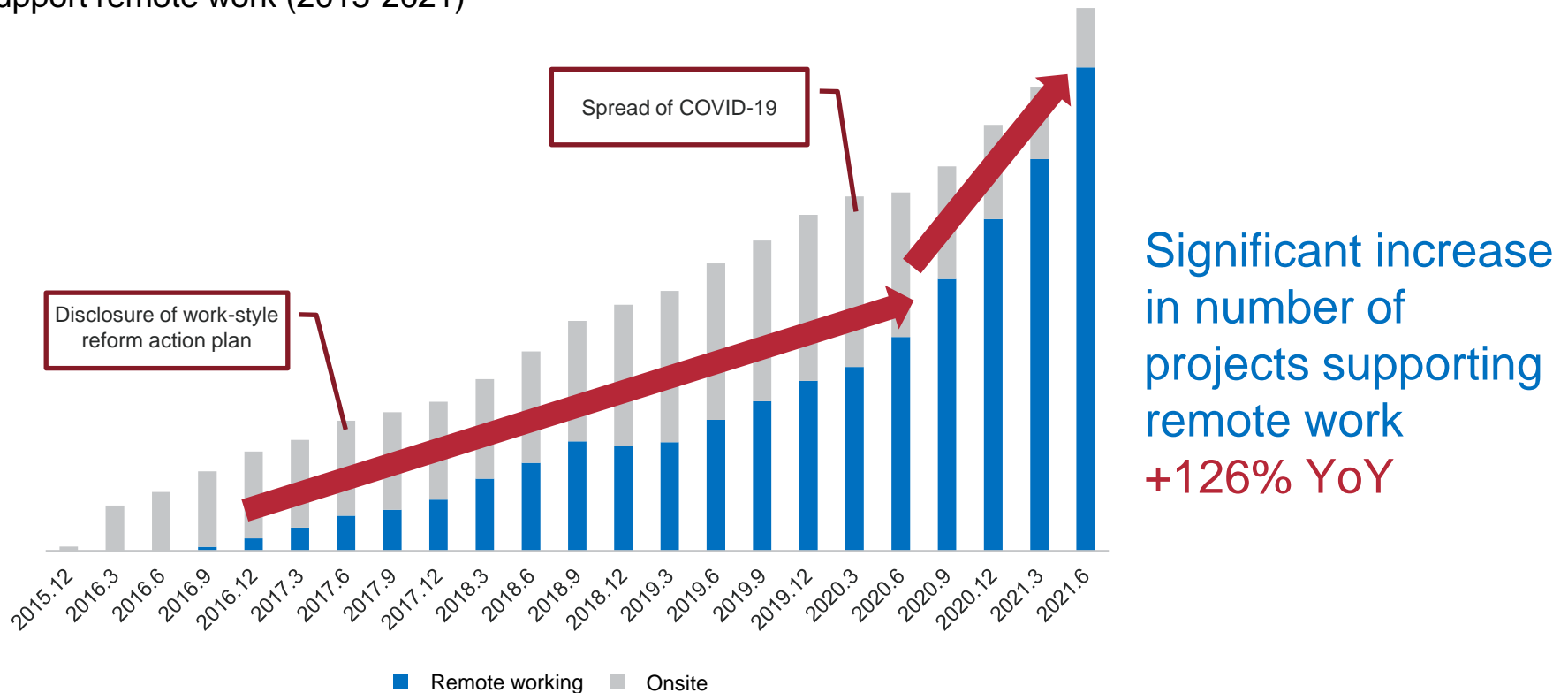
* Source: Web survey related to crowdsourcing using. (According to our survey in August 2020)
The percentage of respondents who have used the service in the past year and intend to use it next time

Remote Work Becomes Standard

Support for remote work is advancing among high-value freelance projects, with approximately 90% supporting remote work

The number of projects supporting remote work increased significantly by 126% YoY

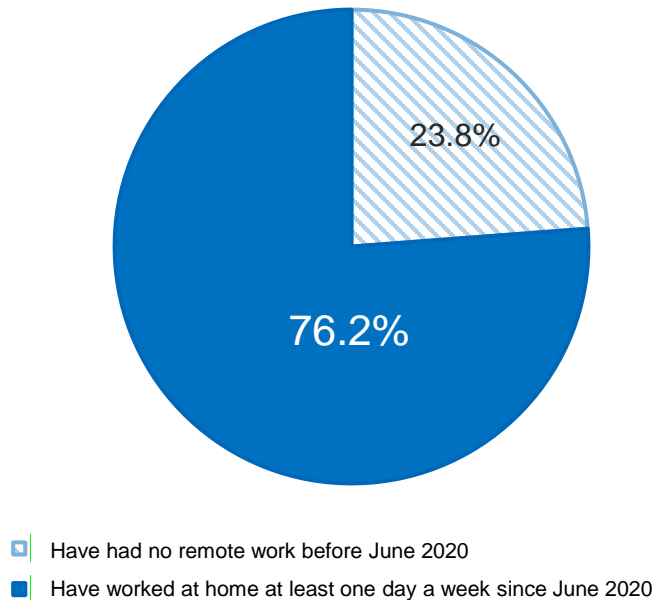
Trend in the percentage of high-paying freelance projects that support remote work (2015-2021)



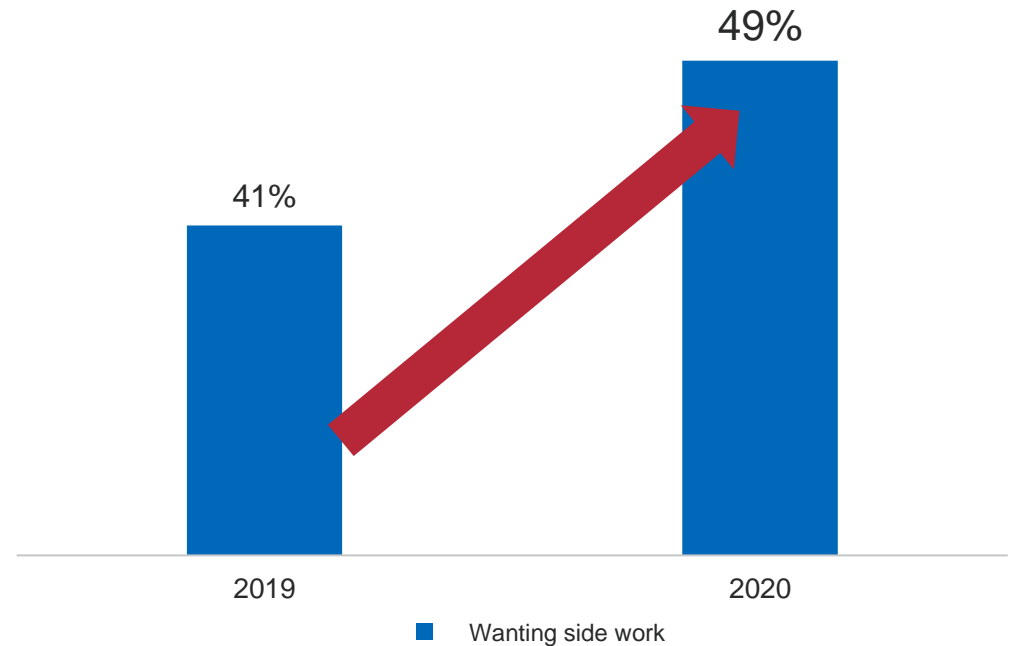
* The share of projects allowing remote work of the projects providing support matching (high-value freelance projects)

Remote work has become entrenched, with work styles shifting away from reliance on regular employees and office work. More people are desiring side work, with others wanting to incorporate work styles not bound by location, time, or employment type

76% of companies are still working remotely
Barriers falling to online work



Share of people wanting side work rises to nearly 50%
Side work market offers high growth potential



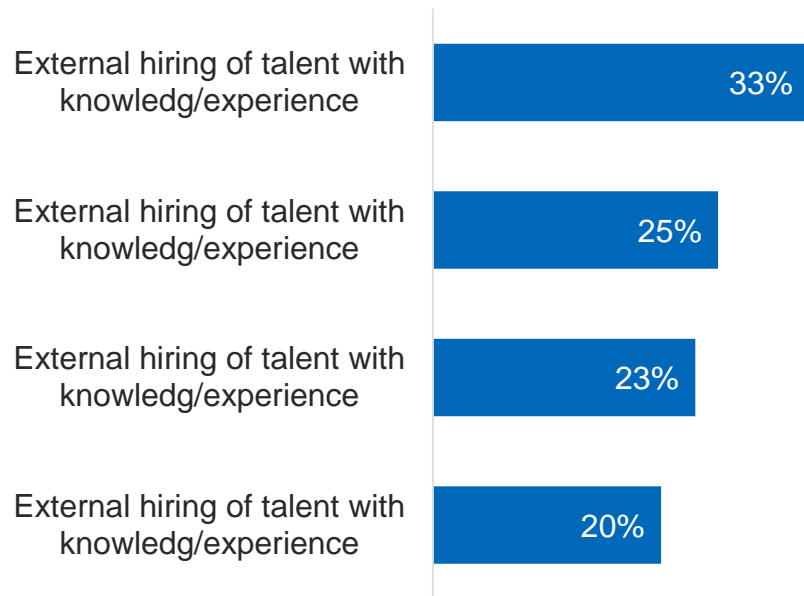
* Source: Drafted by CrowdWorks based on Pasona Institute, "Survey on Work Styles Post-COVID" (2020.12.01)

* Source: Drafted by CrowdWorks based on en Japan Inc., "10,000 Respondents! Side Work Field Survey: en Tenshoku User Survey," "6,000 Respondents! Side Work Field Survey: en Tenshoku User Survey"

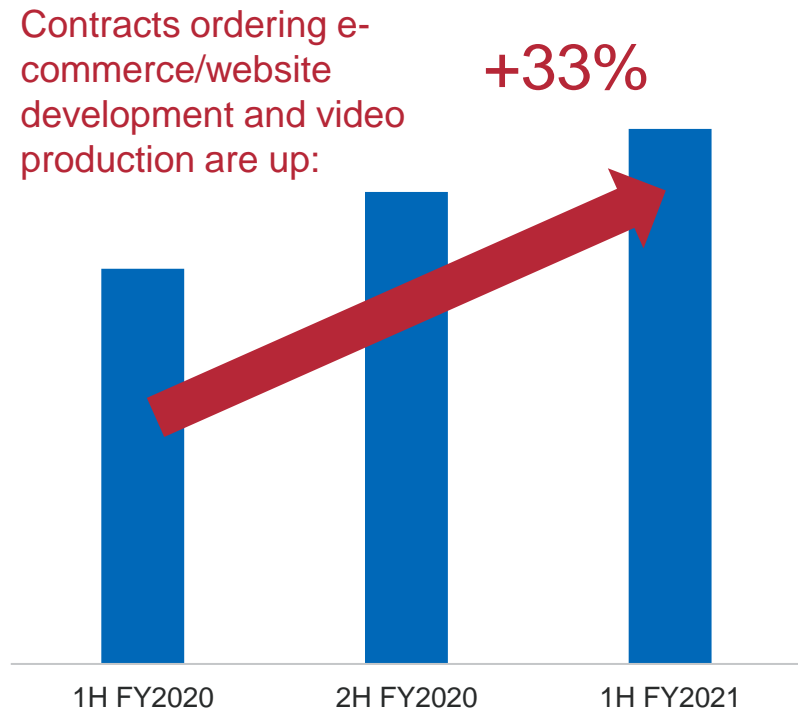
Coexisting with COVID-19 drives accelerating shift to digital work, leading to changing company approaches to talent procurement. The use of CrowdWorks is expanding as the search for external talent accelerates.

Barriers to shifting to digital is insufficient talent with technology skills

Talent issues in shifting to digital
(n=1474)



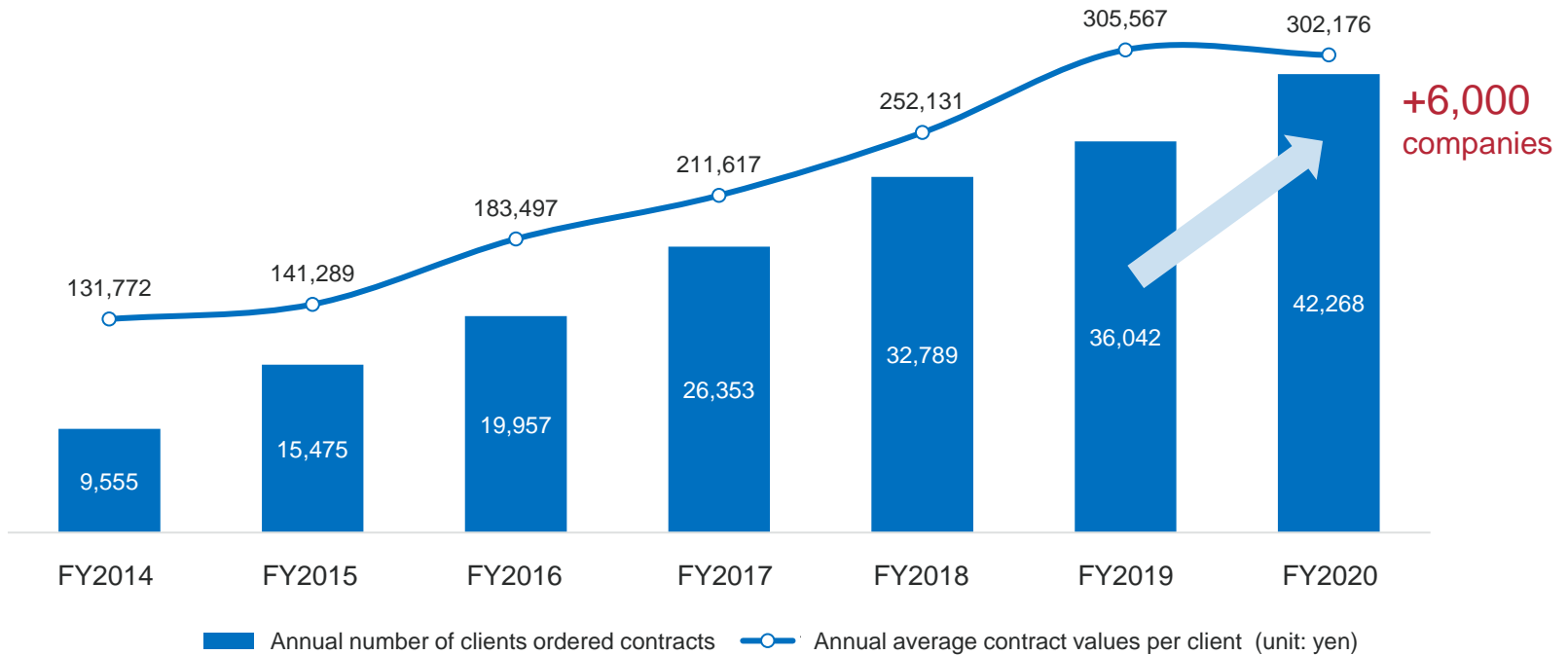
Expansion in talent outsourcing from development/design project orders



* Source: Drafted by CrowdWorks based on Dentsu Digital Inc., "Digital Transformation Survey of Japanese Companies 2020 Edition" (2020.12.18)

Matching Business: Client KPI FY2020 Results

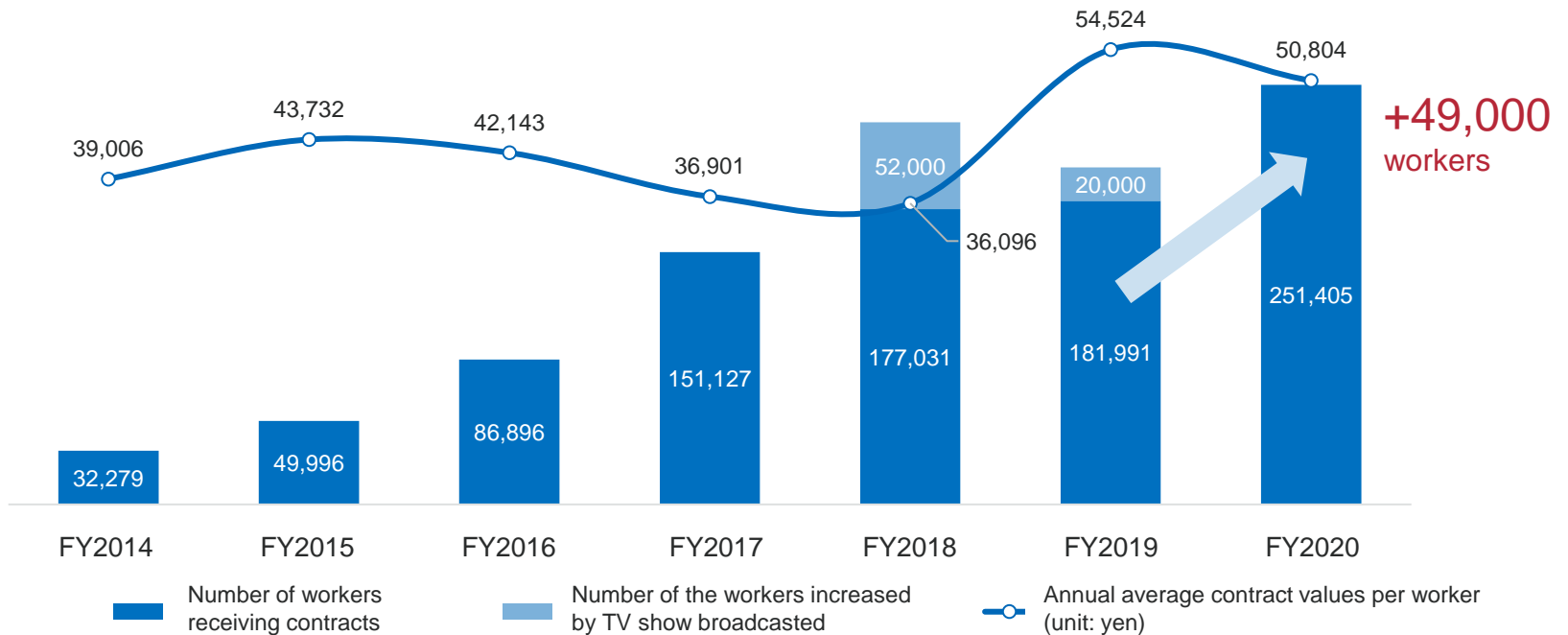
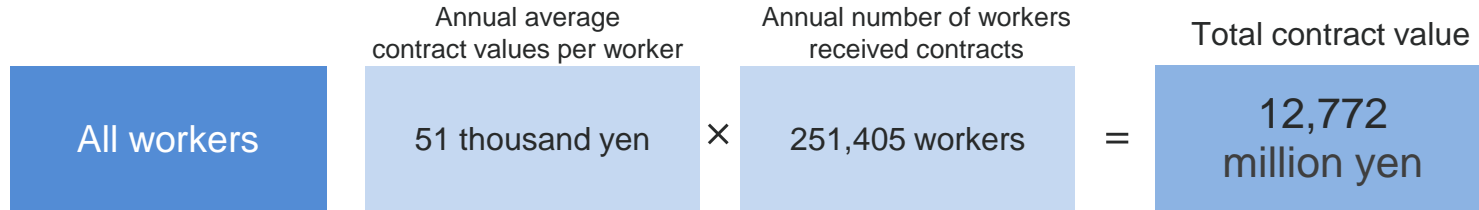
Despite the COVID-19 pandemic, average contract values maintained last year's levels, with +17.3% increase in the number of clients ordering contracts



* Figures for client KPI have been revised to reflect a change in the Company's business segments.

Matching Business: Worker KPI FY2020 Results

Growth in side job and freelancing during the COVID-19 pandemic led to a **49 thousand worker growth in workers taking contracts**



* Figures for worker KPI have been revised to reflect a change in the Company's business segments.

FY2021 Profit and Loss Statement: Quarterly Transition

FY2021 Q3

Total Contract Value	: 3,967 million yen	(YoY +3.6%)
Net Sales	: 2,078 million yen	(YoY -4.8%)
Gross Profit	: 918 million yen	(YoY +14.0%)
Operating Profit	: 173 million yen	(YoY +257 million yen)

[unit: million yen]

	FY2020 (Consolidated)				FY2021 (Q1: Consolidated, From Q2: Non-consolidated)				
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	YoY	QoQ
Total contract value	3,852	4,192	3,829	3,343	3,678	3,883	3,967	+3.6%	+2.2%
Net sales	2,342	2,546	2,183	1,655	1,818	1,965	2,078	-4.8%	+5.8%
Gross profit	850	951	805	714	818	901	918	+14.0%	+1.9%
SG&A expenses	871	945	889	914	710	720	745	-16.2%	+3.5%
Operating profit	-21	5	-83	-199	107	181	173	+257	-7
Ordinary profit	-4	16	-127	-196	117	210	186	+313	-24
Net profit	-13	-56	-105	121	91	150	156	+261	+6

* In compliance with financial statement regulations, actual figures are rounded down to the nearest million yen, and year-on-year amounts and percentage changes are calculated taking into consideration the value of less than one million yen.

* Since the Company has transitioned to non-consolidated financial statements as of the second quarter of the fiscal year ending September 2021, figures for said second quarter and thereafter are expressed on a non-consolidated basis. In this document, comparisons utilize consolidated results for the period from the previous fiscal year to the first quarter of the fiscal year ending September 2021.

3Q FY2021 Balance Sheet

[unit: million yen]

	FY2021 Q3 (Non-consolidated)	FY2020 Q3 (Non-consolidated)	Year-on-year
Current assets	5,415	4,559	+855
Non-current assets	407	479	-71
Total assets	5,822	5,038	+783
Current liabilities	2,250	1,852	+398
Non-current liabilities	33	33	0
Net assets	3,538	3,153	+385
Capital adequacy ratio	60.8%	62.6%	-1.8%

* In compliance with financial statement regulations, actual figures are rounded down to the nearest million yen, and year-on-year amounts and percentage changes are calculated taking into consideration the value of less than one million yen.

* Since the Company has transitioned to non-consolidated financial statements as of the second quarter of the fiscal year ending September 2021, comparisons are made against non-consolidated figures as of the end of the previous fiscal year.



[Precautions concerning future prospects]

Forward-looking statements such as the business forecasts described in this material are not intended to promise the realization of the Company. Please note that the actual results may differ depending on various factors.

[Inquiries concerning this material]

CrowdWorks, Inc.

IR group

<https://crowdworks.co.jp/en/>

E-mail: ir@crowdworks.co.jp

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