

SpiderPlus & Co.

Spider Plus & Co. (Securities code: 4192)

FY2022.Q1 Results briefing materials

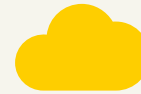
May 13, 2022

DX in construction industry

DX (Digital Transformation) is the adoption of digital technology to transform services or businesses, through replacing non-digital or manual processes with digital processes or replacing older digital technology with newer digital technology.

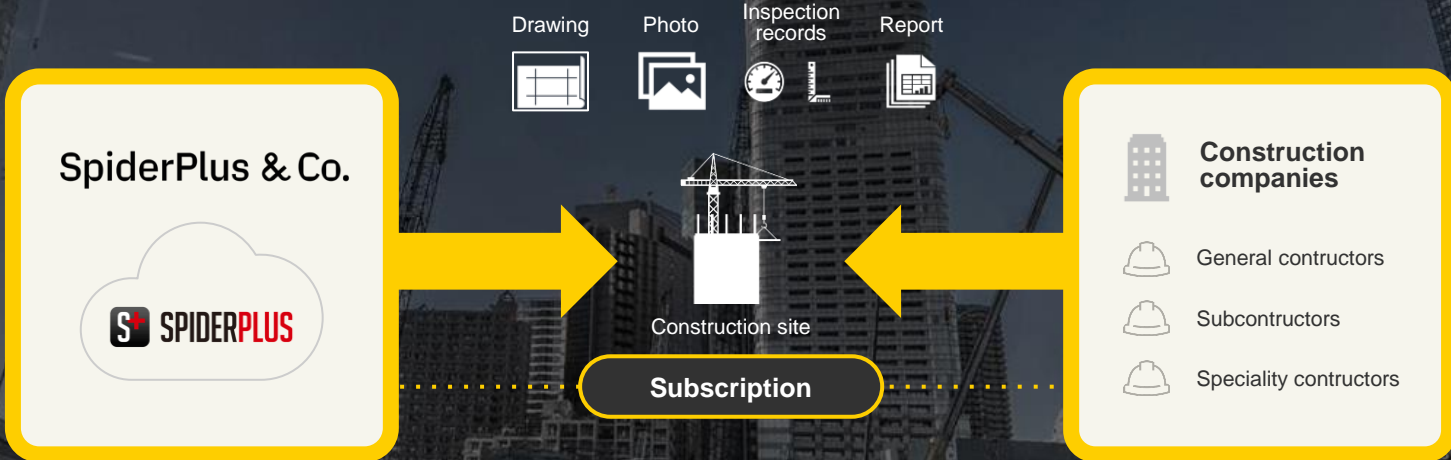


Construction



Technology

Developing and selling construction management SaaS "SPIDERPLUS"



Our identity

& Co

&Co = together

In the 20 years since its foundation as a thermal insulation company, I have been in the construction industry and have been facing the issues facing the industry.

We will work together, become colleagues, and change the industry with technology through products that take the same perspective as our customers, come together, respect aspirations, and mix mutual opinions.

DX partners in the construction industry

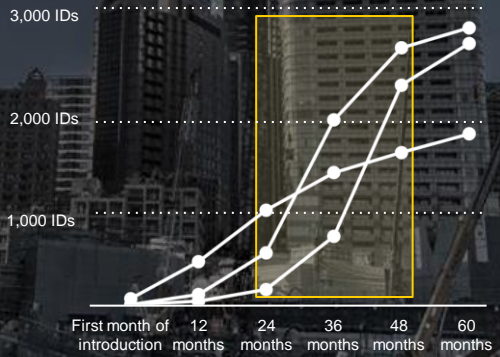
Introduction rate of major companies in the industry of Japan*1

Foundation for effective networking

- General contractor **Over 77%**
- Air-conditioning sanitary work **Over 80%**
- Electrical work **Over 87%**

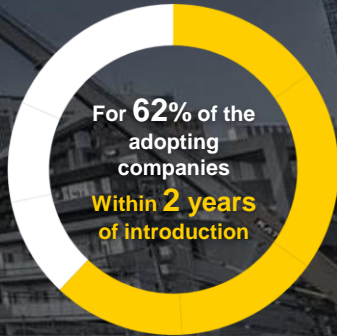
SPIDERPLUS expansion model

Examples of Increase in the Number of IDs of the 3 Major Customer Companies



Potential of existing customers

SPIDERPLUS penetration is still in its infancy



*1: Calculated by counting billing customers as of the end of Mar. 2022 from TOP 30 of sales in the general contracting, electrical construction, and air-conditioning and hygiene construction industries extracted from SPEEDA.

Business Highlights

SpiderPlus & Co.

1. Business Highlights

2. Financial Information

3. Reference: Growth Strategy

4. Reference: About SPIDERPLUS

KPI ^{*1}

Net sales

568 millions of yen

YoY Growth **+30%**

ARR

2,255 millions of yen

YoY Growth **+29%**

Company

1,258 companies

YoY Growth **+42%**

ID

49,843 IDs

YoY Growth **+23%**

ARPU

3,771 yen

YoY Growth **+4%**

Churn rate

0.5%

QoQ **0.2pt improvement**

Net sales	ARR	Company	ID	ARPU	Churn rate
Good	Good	Good	Neutral	Good	Very Good

*1: "Very Good", "Good" and "Neutral" represent our view of performance. Each words denotes the results compared to the forecast and the growth rate as follows

"Very Good": A word for representing greater-than-expected results. "Good": A word for an item that has been improved or not anticipated. "Neutral": A word for lower-than-expected results. "Bad" : A word for representing a significant decline in value or a net decrease in value

Thank you.


(excerpt from new FY2022.Q1 contracts and expanded introduction customers)



Kubota



KUMAGAI 熊谷組



株式会社 シーテック



大気社



HIBIYA 日比谷総合設備



三菱地所レジデンス



株式会社 ヤマト

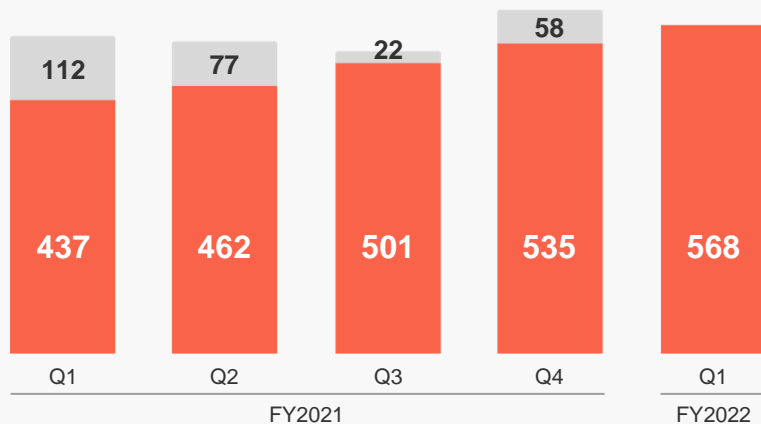


Raito ライト工業株式会社

ARRs increased YoY29%

Net sales

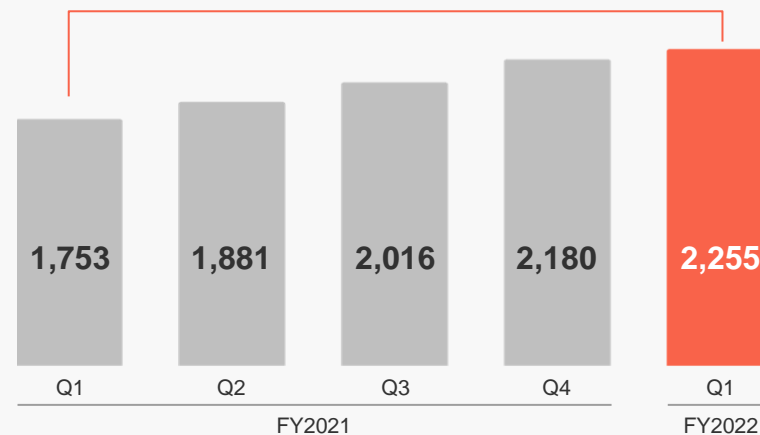
■: ICT Business ■: ENG Business*1 (Business transferred in Jan. 2022)
Millions of yen



ARR*2

Millions of yen

YoY Growth
+29%



*1: Abbreviation of engineering business. Provides thermal insulation work to install thermal insulation on equipment and pipes to increase energy efficiency in buildings and factories that use heat

*2: ARR is calculated by multiplying the monthly MRR (sum of monthly usage fees that do not include temporary revenues at the end of the month of the target month) by 12 (on an annual basis) at the end of each quarterly month.

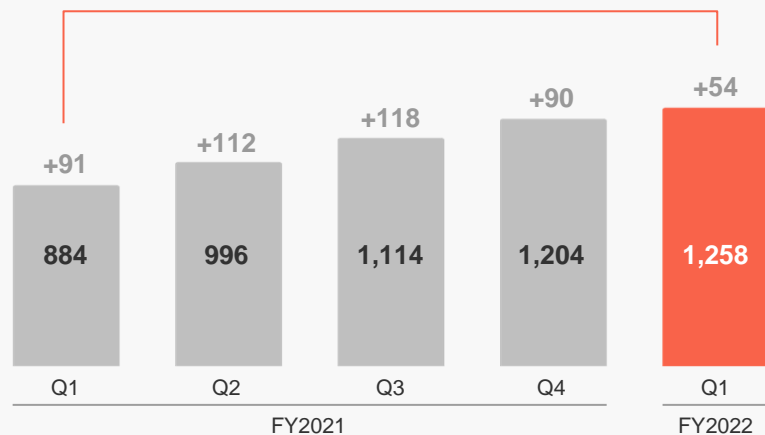
The number of contracted companies increased further while maintaining ARPA*1

Number of contracted companies

Unit: Companies

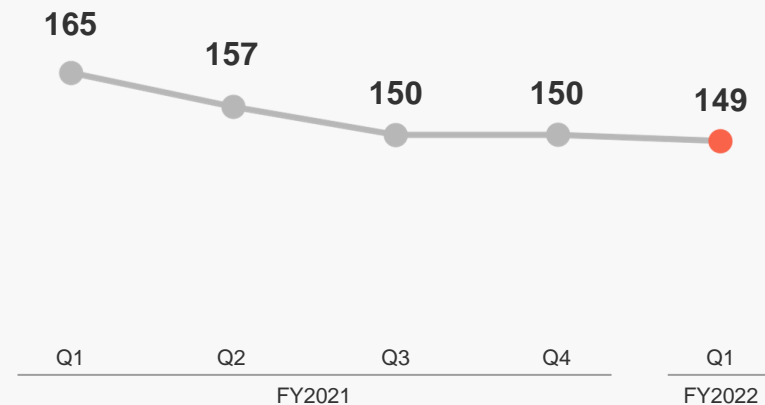
YoY Growth

+42%



ARPA

Unit: In millions of yen



*1: Represents the average unit price of a contracted company unit and is calculated based on "MRR ÷ the number of contracted companies" as of the end of each quarter.

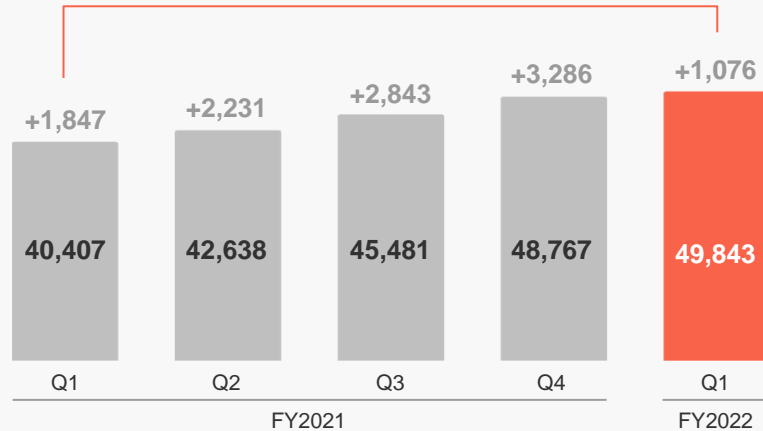
Focus on large-scale negotiations expected to close by the end of the year*¹,
and IDs increased by only YoY23%

Expanded sales of options. ARPU*² grew steadily by YoY4%

ID

Unit :ID

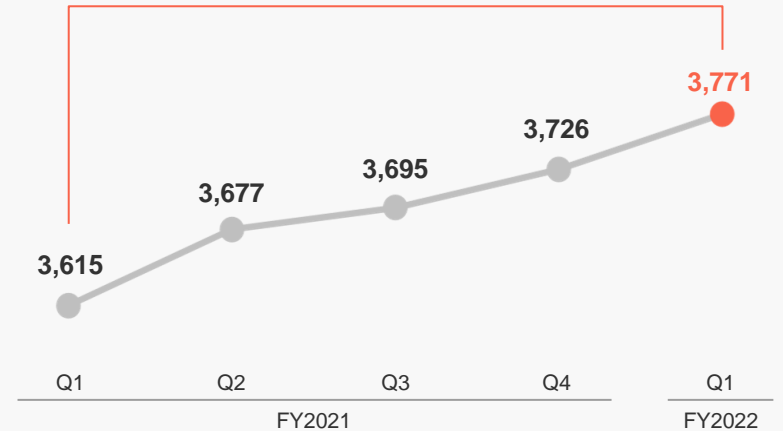
YoY Growth
+23%



ARPU

Unit: yen

YoY Growth
+4%

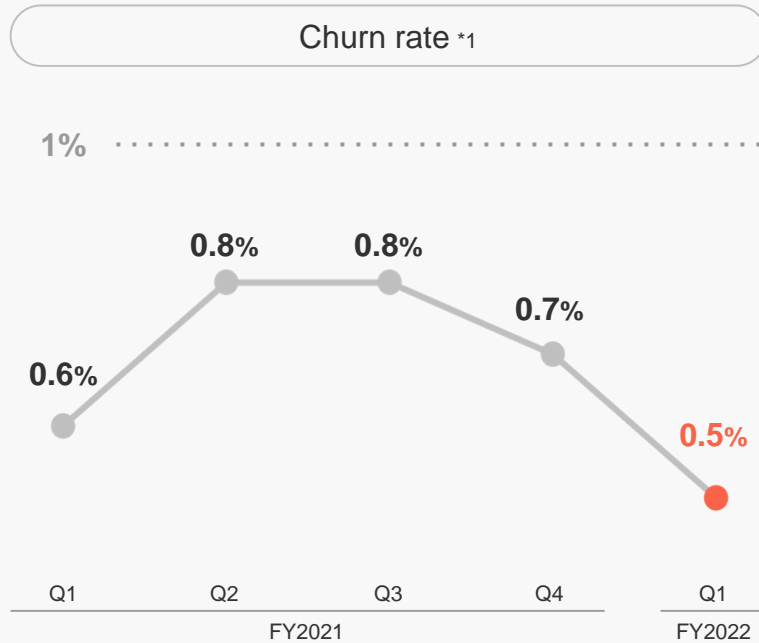


*1: Refers to certain large transactions, such as the introduction of SPIDERPLUS for several 100 people (ex, company-wide introduction).

*2: Represents the contract unit price for the ID unit and is calculated by "MRR ÷ number of IDs" for the month of the end of each quarter.

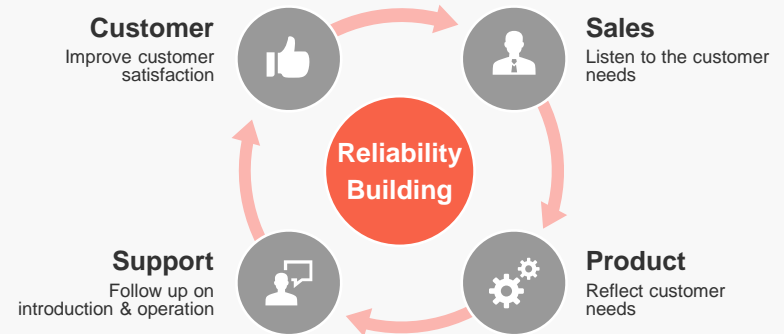
Continuity is further improved by strengthening the use of customer data

Churn rate *1



Customer support structure

Free provision of installation and operation follow-up, etc.
Building a Structure to Support High Continuity



*1: The churn rate is the churn rate for the number of companies. The monthly churn rate is the average of the most recent 12 months. The churn rate for each month is calculated based on the number of cancellations in the current month divided by the number of contracted companies as of the end of the previous month.

Penetration of the construction DX market

- **Accelerated introduction by major construction industry companies.**
- Strengthen sales network by opening sales offices in Sapporo and Fukuoka.
- Smart meter collaboration through an alliance with Osaki Electric Industry Co., Ltd. progressed smoothly and soon released.
- Deliberation of service collaboration with Optim Co., Ltd. began. Use of SPIDERPLUS for remote monitoring, etc.
- Received SaaS Trend Award Vertical SaaS Trend 2022 at BOXIL SaaS AWARD 2022.

Expansion of a new market

- **Started use in local governments.**
- Newly introduced by building materials manufacturers and interior finishing companies. Steady progress is made in the development of new industries.

Others

- Completed transfer of engineering business.
- The academic plan was formally adopted by 2 vocational training universities, and the curriculum was also started.

SPIDERPLUS selected as DX-partners

Example*1,2

With the introduction of industry-wide TOP 30 companies
Growing network effects in each industry



Taikisha Ltd.

Net sales 202.5 billion yen
Number of Employees 5042
Listed on the TSE Prime Market



Hibiya Engineering, Ltd.

Net sales 73.1 billion yen
944 staff members
Listed on the TSE Prime Market



YAMATO Inc.

Net sales 43.7 billion yen
926 staff members
Listed on the TSE Standard Market

Background to DX Progress*3

- Curtailment of long working hours and improvement of operational efficiency in preparation for labor shortages and overtime regulations
- Labor savings by limiting visits to sites associated with COVID-19



*1: The results and number of employees of each company were extracted from the company's financial statements for the year ended Mar. 31, 2021. Listed market segments are as of May. 2022.

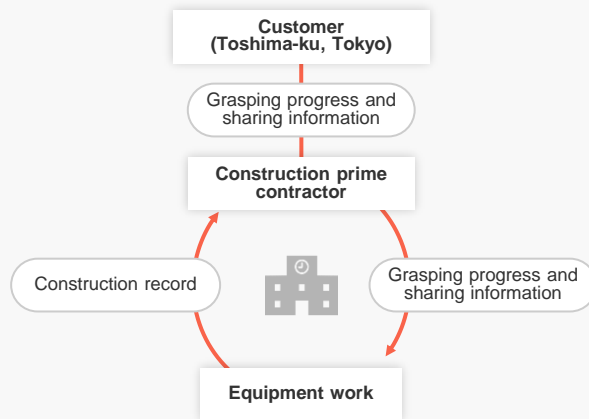
*2: "Industry TOP 30" refers to the sales top 30 companies in industry in "Air-Conditioning and Sanitary Construction" selected by SPEEDA.

*3: Summarized the content of our interviews with the companies that introduced the above.

Toshima-ku, TOKYO introduces SPIDERPLUS

Examples

- We are the first to introduce municipalities
- The owner and the constructor share information by SPIDERPLUS
- Used for facility management and repair work in Toshima Ward



Expected effect

- Promoting the Digital Shift of Highly Documented Administrative Services
- Expected to be used not only for facility management but also for infrastructure construction
- Accumulate knowledge to expand SPIDERPLUS possibilities



Financial Information

SpiderPlus & Co.

1. Business Highlights

2. Financial Information

3. Reference: Growth Strategy

4. Reference: About SPIDERPLUS

Extraordinary income of 131 million was recorded due to the transfer of the engineering business, which is a founding business.

Millions of yen	FY2022.Q1 Accounting period	FY2021.Q4 Accounting period	QoQ	FY2021.Q1 Accounting period	YoY
Net sales	568	593	-4.2%	549	+3.5%
Cost of sales	219	265	-17.3%	221	-1.0%
Gross profit	349	327	+6.5%	327	+6.5%
SGA cost	560	462	+21.1%	466	+20.2%
Operating loss	-211	-134	—	-138	—
Ordinary loss	-215	-151	—	-182	—
Extraordinary income	131	0	—	—	—
Extraordinary losses	0	0	—	—	—
Quarterly loss before income taxes	-84	-151	—	-182	—
Quarterly net loss	-86	-155	—	-184	—

— About FY2022.Q1 accounting period (YoY) —

Net sales

- Although sales in the ICT business increased (YoY+30.1%), company-wide sales increased by 19 million (YoY+3.5%) due to the transfer of the ENG business.

Gross profit margin

- Gross profit margin rose to 61.4% (YoY+1.7pp) as the ICT business became a single business from the fiscal year under review.

SG&A expences

- SG&A expences increased to 560 million (YoY+20.2%) due to upfront investment in the ICT business centered on human investment

Extraordinary gain/loss

- **Extraordinary income of 131 million was recorded mainly due to extraordinary income from gain on transfer of ENG business.**

Millions of yen	FY2019	FY2020	FY2021	FY2022.Q1
Cash and deposits	408	469	4,196	4,070
Others	378	351	512	397
Current assets	786	820	4,708	4,467
Software in progress	–	–	381	533
Others	79	84	245	368
Fixed assets	79	84	717	901
Total assets	866	905	5,426	5,368
Borrowings	269	266	178	157
Others	250	230	626	655
Total liabilities	519	496	804	812
Total net assets	346	408	4,622	4,555
<i>Equity ratio</i>	39.9%	45.1%	85.2%	84.8%

Cash and deposits

- While funds are appropriated for upfront investments, the Company received 200 million yen as consideration for the transfer of the engineering business in Jan. 2022.

Software in progress

- Increased due to ongoing renovation and development of SPIDERPLUS

Other fixed assets

- Mainly due to an increase in construction in progress related to the occupancy construction of the new office relocated in May. 2022

Implemented upfront investment with an emphasis on sales growth rate as planned

Millions of yen	FY2022.Q1 Accounting period	FY2021.Q4 Accounting period*	QoQ	FY2021.Q1 Cumulative period*	YoY
Net sales	568	535	+6.2%	437	+30.1%
Cost of sales	219	215	+2.1%	130	+68.3%
Gross profit	349	320	+9.0%	306	+13.8%
<i>Gross profit margin</i>	<i>61.4%</i>	<i>59.8%</i>	<i>+1.5pt</i>	<i>70.1%</i>	<i>-8.8pt</i>
SGA cost	560	461	+21.3%	465	+20.3%
Operating loss	-211	-141	-	-158	-

*Performance excluding profit and loss related to ENG business from company-wide profit and loss is presented as comparative information.

Cumulative FY2022 OOB Period

Net sales

- Due to an increase in the number of IDs and ARPU, sales in the ICT business increased to 568 million (YoY+30.1%)

Gross profit margin

- Gross margin in the ICT segment rose from 59.8% in FY2021OOB to 61.4%

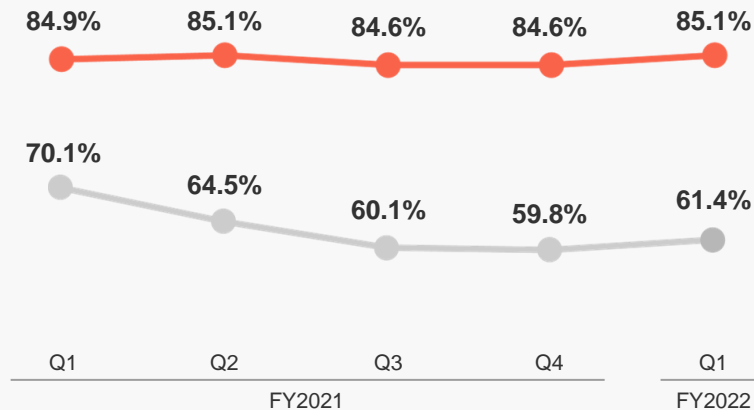
SG&A expenses

- SG&A expenses increased to 560 million (YoY+20.3%) due to planned upfront investment**

Marginal profit ratio*1 remained stable at around 85%

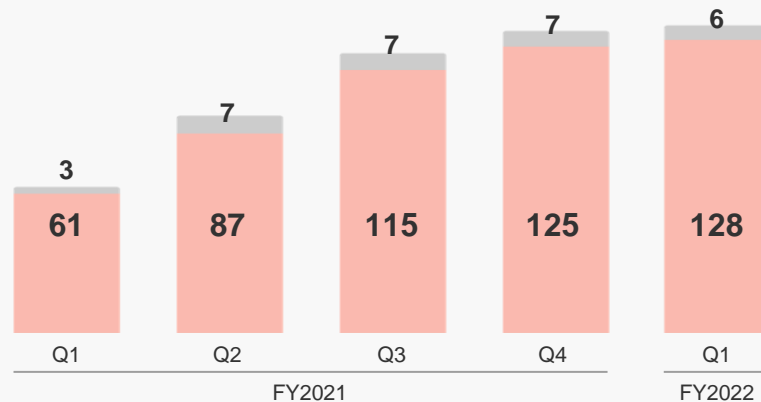
Marginal Profit Ratio and Gross Profit Margin

● : Marginal profit ratio ● : Gross profit margin
Unit : %



Breakdown of Fixed Costs

■ : Development personnel expenses*2 ■ : Other fixed costs
Unit : Millions of yen

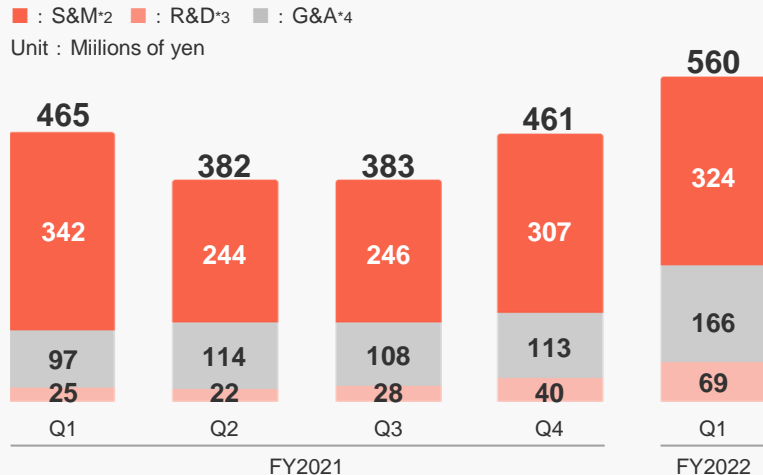


*1: Marginal profit is "Net sales - Communication expenses (Cost of sales) - Commissions paid (Cost of sales)," and marginal profit ratio is calculated as "Marginal profit ÷ Net sales."

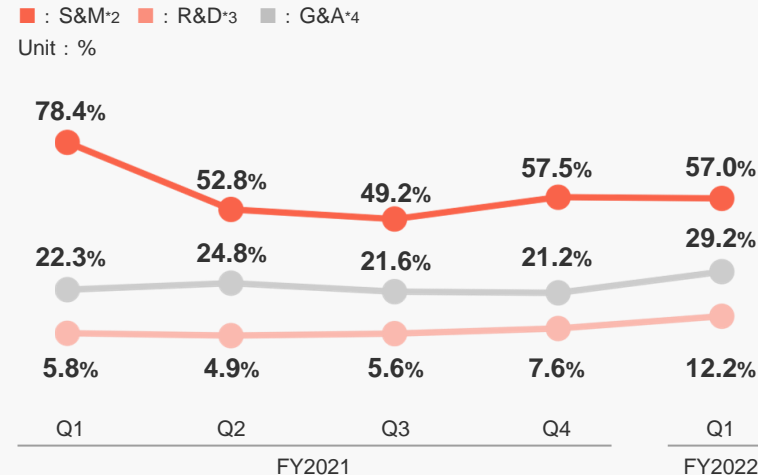
*2: Includes expenses related to outsourcing (including SES) and temporary staffing, in addition to permanent employee human rights expenses. Other fixed costs are based on our accounting classifications used for administrative purposes.

Implementation of upfront investment based on planned cost control

SG&A expenses composition*1



SG&A ratio



*1: Each structure is a management accounting structure. Common costs are allocated proportionately according to the amount of each direct cost. In this Q1, we partially revised the classifications for managerial accounting. Comparative information for FY2021 is also recalculated to the extent possible according to the classifications in this Q1.

*2: Abbreviation of Sales and Marketing. "Total of personnel expenses, advertising expenses, sales commissions, etc. and related common expenses related to the sales department including marketing" for each quarterly accounting period.

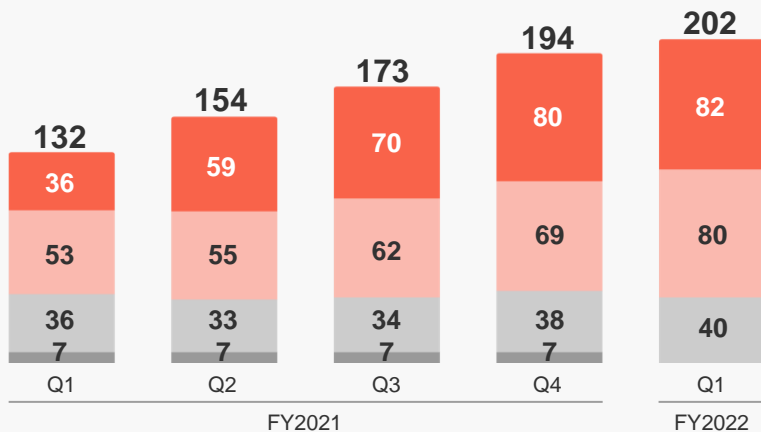
*3: Abbreviation of Research and Development. "Total amount of personnel expenses, etc. related to the development division and related common expenses" for each quarterly accounting period.

*4: Abbreviation of General and Administrative. "Total Corporate Division Expenses and Related Common Expenses" for each quarterly period.

Focus on human investment and enablement in the S&M division in preparation for further expansion of the customer base

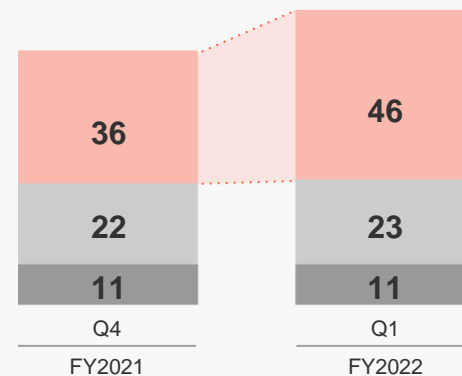
Number of Employees*1

■:Products (Development and R&D) ■: S&M ■: G&A ■: ENG Business
Unit: People



S&M staffing

■:Field Sales Consulting Sales
■:Customer Success Support
■:Marketing Inside Sales and Others
Unit: People



*1:Includes the number of sales and corporate temporary staff and the number of development-related SES staff (excluding outside directors, etc.)

Customer base

Looking ahead to the turning points in 2024,
Several major companies in the industry are introducing it throughout the company

Prior investment

We have begun building an organization suitable for the rapidly growing construction DX market,
Focus on human investment and enablement

Performance Progress

In line with our earnings forecasts, Continue advanced investment
with an emphasis on growth potential toward the end of the fiscal year ARR of 3 billion

Reference: Growth Strategy

SpiderPlus & Co.

1. Business Highlights

2. Financial Information

3. Reference: Growth Strategy

4. Reference: About SPIDERPLUS

Medium-term Vision

Our Mission
Creating "Enjoyment" for Working in the Construction Industry

2025

Medium-term Vision
On the existence that must be in the construction "field"

2024

Milestone Year
Started applying the Work Style Reform Law to the construction industry

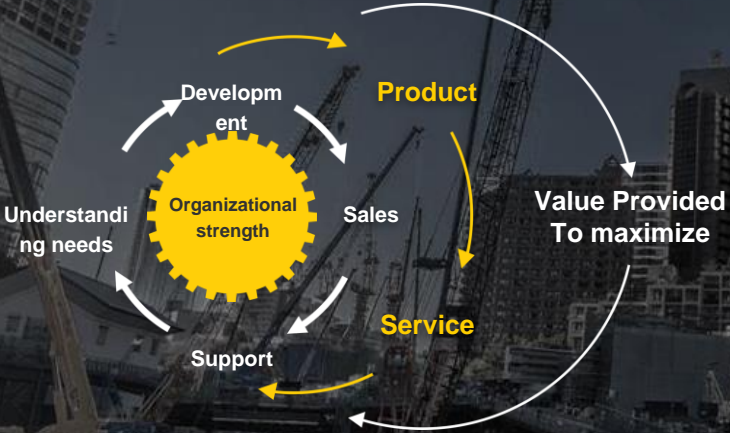
2021

Pioneer of construction "on-site" DX

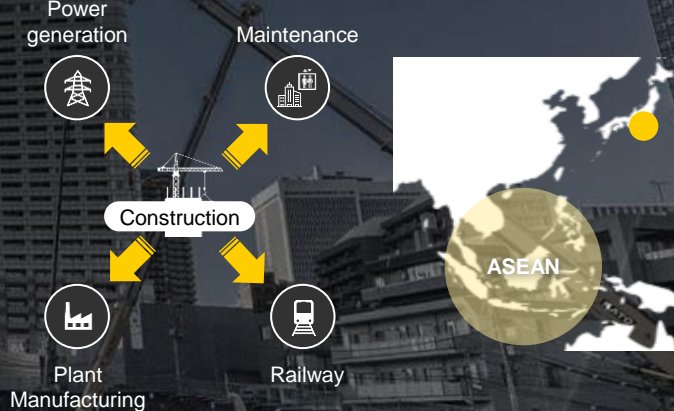
2011

Medium-term growth strategy

Penetration of the construction DX market



Expansion of a new market

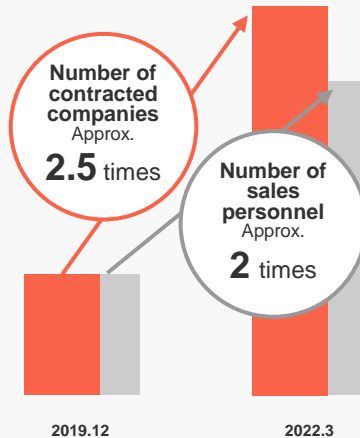


An urgent task is to create an organization that can respond to rapidly expanding market needs and quickly maximize the efficiency of invested capital

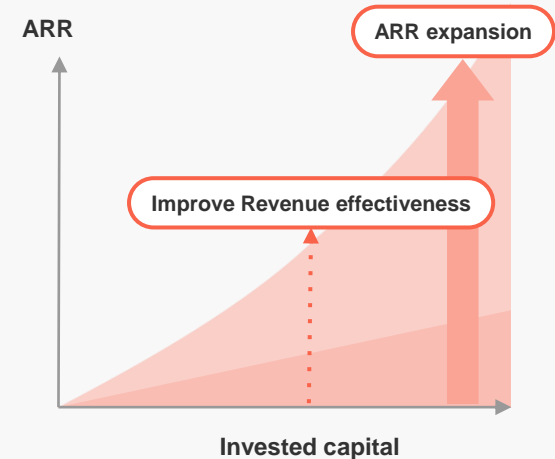
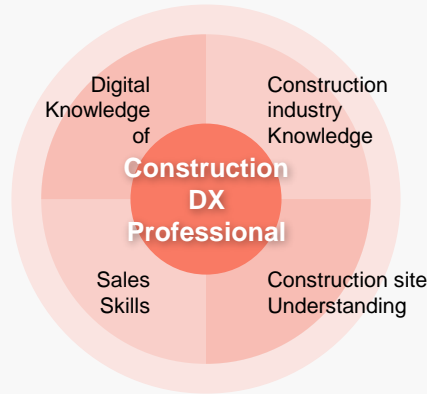
Rapid expansion in both the number of companies and personnel

Creating an Organization Suitable for Rapid Expansion

To a highly scalable organization



Construction DX Professional Group

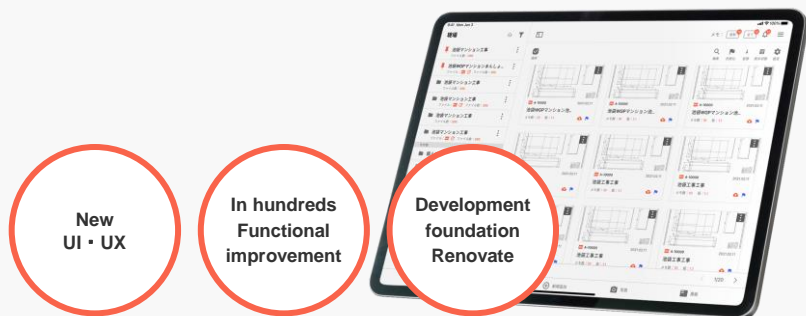


Expanding Value Added and DX Scope by Strengthening Products and Services

Renovation of SPIDERPLUS

Greatly improved customer convenience through more than 1500 functional improvements and additional features.

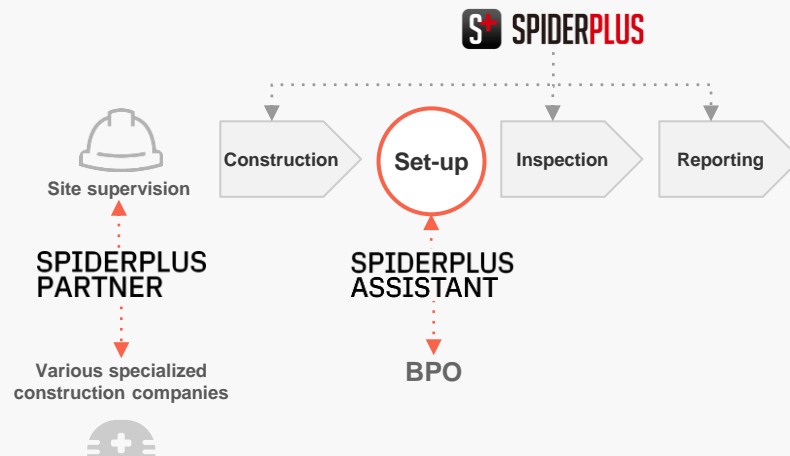
Development foundation is also renewed, and development speed is also increased.



*The screen is under development and may change.

Strengthening the product line

Increase the productivity of various operations surrounding field supervision
Promote "on-site" DX by progressively developing and strengthening products and services



Reference: About SPIDERPLUS

SpiderPlus & Co.

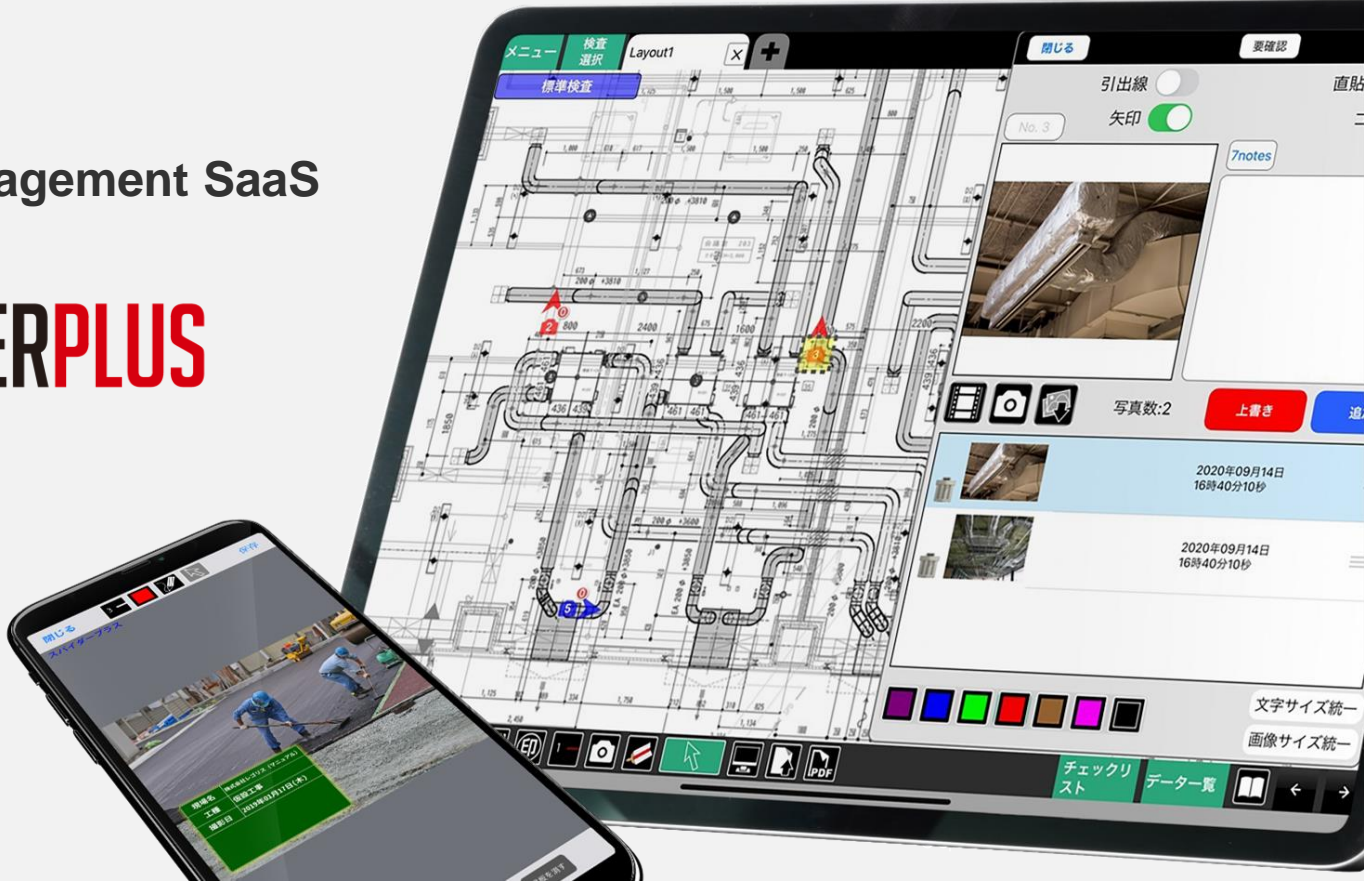
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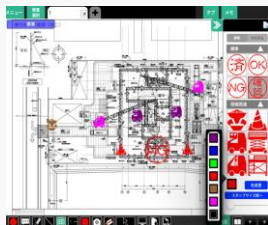
4. Reference: About SPIDERPLUS

Construction management SaaS



Standard functions

Monthly 3,000 yen/ID



Drawing management

Large amounts of paper on tablets, such as drawing and materials. Meetings and instructions can be held.



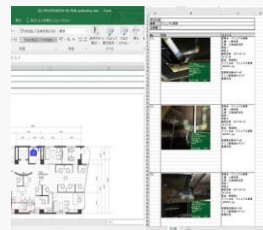
Electronic platelet

You do not need to carry a smart board, and you can take a recording picture with a smart board by 1 person. Compatible with electronic delivery from the Ministry of Land, Infrastructure and Transport.



Photo management

It is unnecessary to organize data that had been done by digital cameras. You can output the report immediately.



Generate reports

No need to attach photographs or post memos. You can immediately output the required report. The format can also be customized.

Option features

Industry-specific package
Monthly fee 2,500 yen/ID

Buildings

Pile Construction
Record/Reinforcement Inspection/
Finishing inspection/construction
progress management

Electrical equipment

Checking watt-hour meters/Trunk and
load facilities/
Connection of outlet test/illuminance
measuring machine

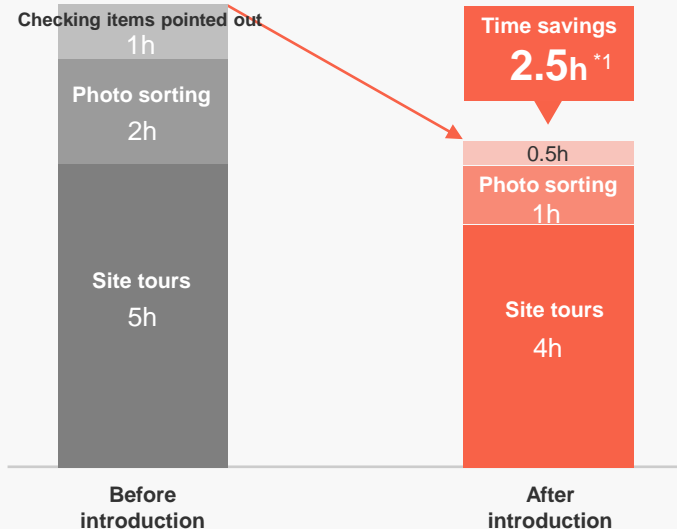
Air-conditioning equipment

Coordinated with air flow
meter/Pressure gauge
Thermo-hygrometer linkage/Noise
meter linkage

*1: Standard functions and option user fees by industry do not include consumption tax, etc.

After the introduction of SPIDERPLUS,
business was improved by 2.5 hours/day on average.

Daily operational improvements



Per capita
Effects of monthly introduction^{*2}
Approx. **150,000 yen**

Monthly savings in time and costs

Monthly running costs

Monthly savings in time and costs

156,250 yen/month

1 day reduction time: 2.5 hours × monthly operation: 20 days × (daily salary 25 thousand yen/8 hours) = 156,250 yen

Monthly running costs

3,000 yen/month

Charges for using SPIDERPLUS standards

^{*1}:Reduced times are prepared by us based on internal survey materials of companies that have introduced tablets and SPIDERPLUS.

^{*2}:Labor costs are 25 thousand yen/day, working hours per day are 480 minutes/day, and the number of working days per month is estimated at 20 days. Excludes SPIDERPLUS up-front costs, server costs, tablet usage fees, correspondence and educational costs, and consumption taxes.

Examples of YAMATO Inc. Introduction

- Complete inspection to form output with **a single application**.
- Experience that **the time required for work was about 1/3-1/2**.
- **Can conduct inspections by 1 person**, which previously required 2 people.
- **Improve inspection accuracy** by continually retaining the log.
- Convenience by enhancing manuals and web study sessions.

Expectations for DX in the future

By developing human resources and becoming an attractive company, we want to acquire and retain new human resources.

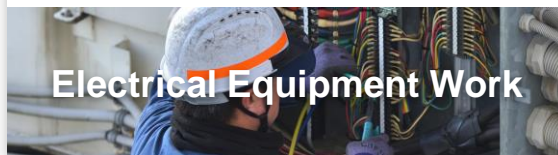
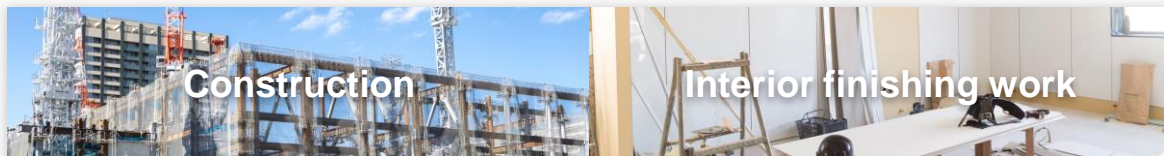


YAMATO Inc.

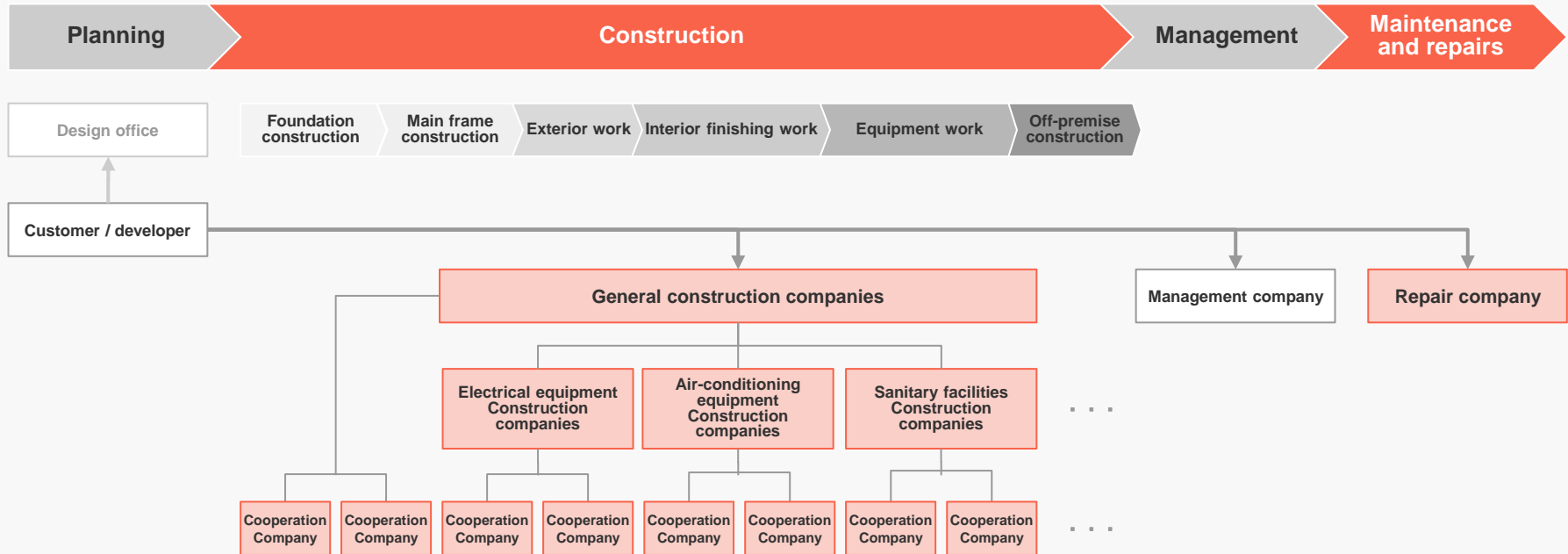
Consolidated net sales: 43.7 billion /Number of employees: 926/Listed on the TSE Standard Market
Business related to design, construction and management related to architecture and civil engineering, air conditioning and sanitation, refrigeration and refrigeration, water supply and sewerage, water treatment, and hot bath

Businesses share information via SPIDERPLUS and streamline construction management for the entire site

Kajima Corporation's DX model site



Products used in large-scale construction sites, such as buildings and condominiums
 Completed on a SPIDERPLUS basis, from in-house construction management to information-sharing between businesses



Construction industry, where DX is a must, near the time of the adoption of the system approaching 2024

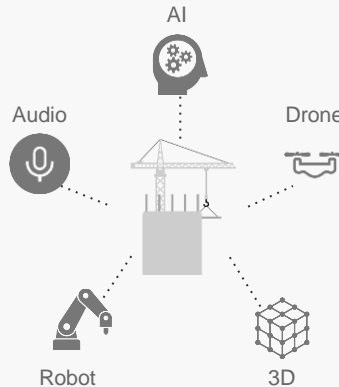
Application of the Work Style Reform Law*1

Applicable to the construction industry in 2024
There is an upper limit on overtime.



Increasingly sophisticated and diverse needs

Not only in construction management but in all aspects of operations
Rapid technological innovation and the utilization of various technologies are advancing

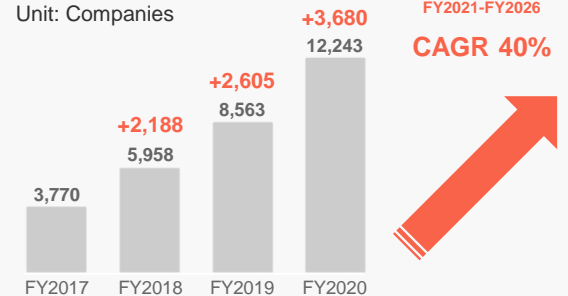


Expanding market*2

Cloud-based construction management services are rapidly spreading
Expecting expansion with high growth potential in the medium term

Dissemination Results and Outlook of Construction Management Services

Unit: Companies



*1: Abbreviation of the Act on Improvement of Related Laws to Promote Work Style Reforms (promulgated on Jul. 6, 2018) issued by the Ministry of Health, Labour and Welfare.

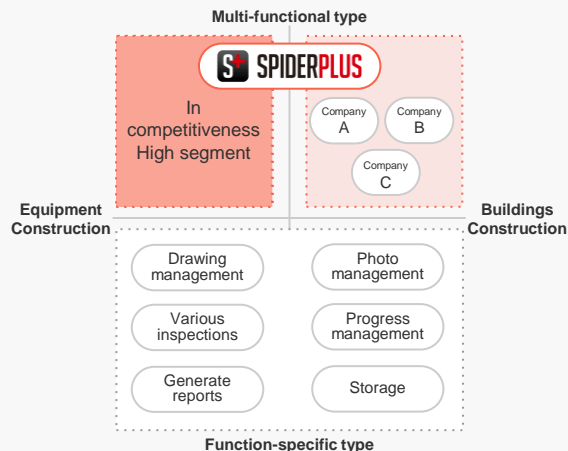
*2: Excerpt from "Market Trends and Vendor Share of Cloud-Based Construction Management Services" by MIC KEIKENKYUSHO CO., LTD.

With a wealth of functions in construction management,
utilized by major companies in the general contractor and subcontractor industries

Products that enable cooperation between vendors not only within the company, but also within the workplace

Positioning

In many scenes of the construction life cycle
Multi-functional products that can be used



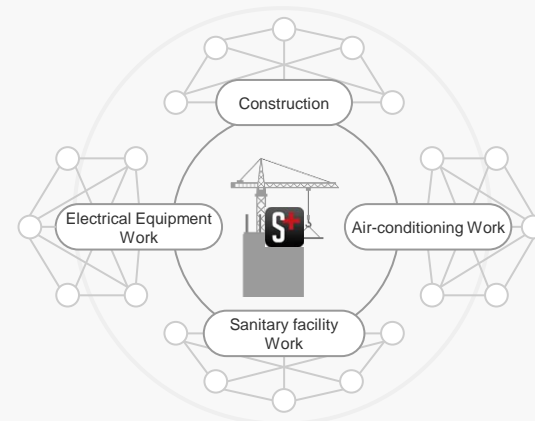
Customer base

In general construction and general facilities,
Introduced by major companies that have
established a major position in the industry



Network effect

By sharing information not only with our own
company but also with other companies
DX for Construction Management throughout
the Site



This material contains forward-looking statements. These forward-looking statements are based on information as of the date hereof. These statements are not guarantees of future results or performance. Such forward-looking statements involve known and unknown risks and uncertainties that may cause actual future results and financial condition to differ materially from any future results and results expressed or implied by the forward-looking statements.

Factors that could cause results to differ materially from those discussed in these statements include, but are not limited to, changes in domestic and international economic conditions and trends in the industries in which we operate.

In addition, information regarding matters and organizations other than ours is based on publicly available information, and we have not verified the accuracy or appropriateness of such publicly available information and there can be no assurance.

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