

SpiderPlus & Co.

# FY2022.Q2 Results briefing materials

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Aug. 9, 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.

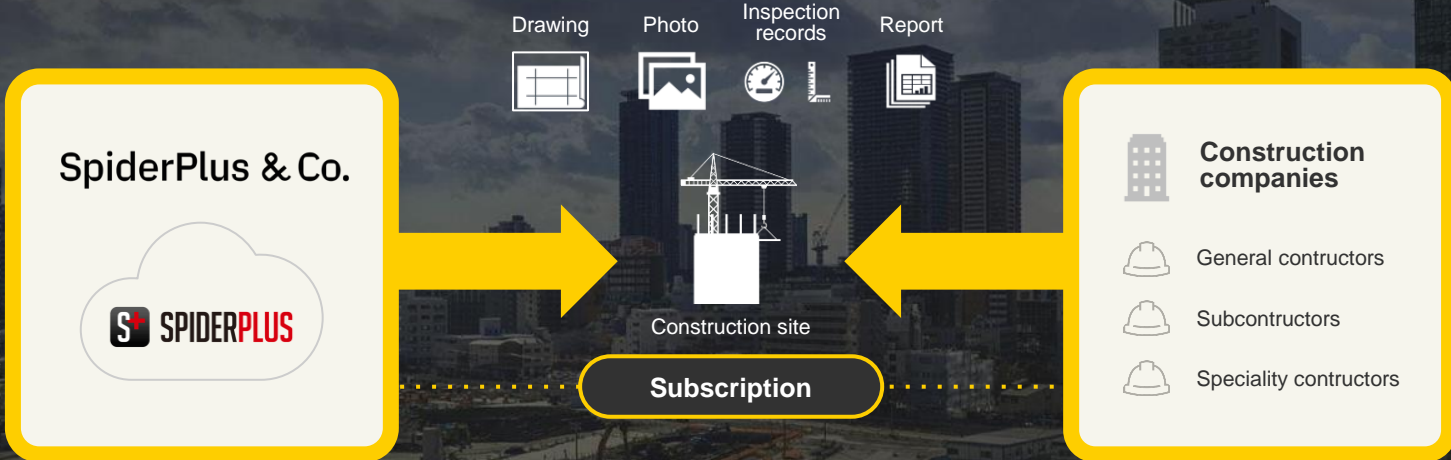


**Construction**



**Technology**

# 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 Partner for the Construction Industry

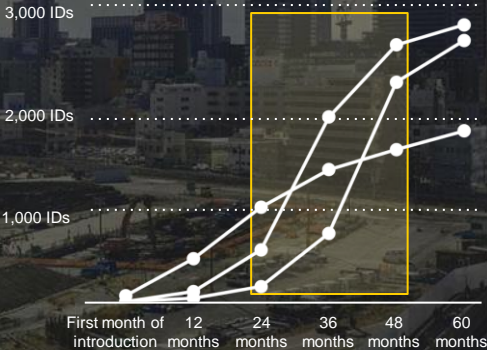
## Introduction rate of major companies in the industry of Japan\*1

Network effects from Customer base

- General contractor **Over 77%**
- Air-conditioning sanitary work **Over 87%**
- Electrical work **Over 90%**

## SPIDERPLUS expansion model

Case studies of the expansion of three major customer



## Potential of existing customers

Many customers are in the early stages of deployment  
Significant room for expansion within existing customers



\*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.

# FY2022.Q2 Highlights

SpiderPlus & Co.

1. FY2022.Q2 Highlights
2. Alliance Strategy
3. Financial Information
4. Reference: About SPIDERPLUS
5. Reference: Market Environment
6. Reference: Growth Strategy
7. Reference: Shareholder Composition

# FY2022.Q2 KPI\*1

Cumulative Sales of ICT business

**1,169** millions of yen

YoY Growth **+30%**

ARR

**2,410** millions of yen

YoY Growth **+28%**

Company

**1,330** companies

YoY Growth **+34%**

ID

**52,655** IDs

YoY Growth **+24%**

ARPU

**3,815** yen

YoY Growth **+4%**

Churn rate

**0.4%**

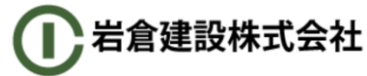
Historic lows of last year

Cumulative Sales	ARR	Company	ID	ARPU	Churn rate
Good	Neutral	Very 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.Q2 contracts and expanded introduction customers \*1)



\*1 : Only companies that have obtained permission to publish their logos will be listed.



# Alliances with leading companies

Construction DX × Local Government DX

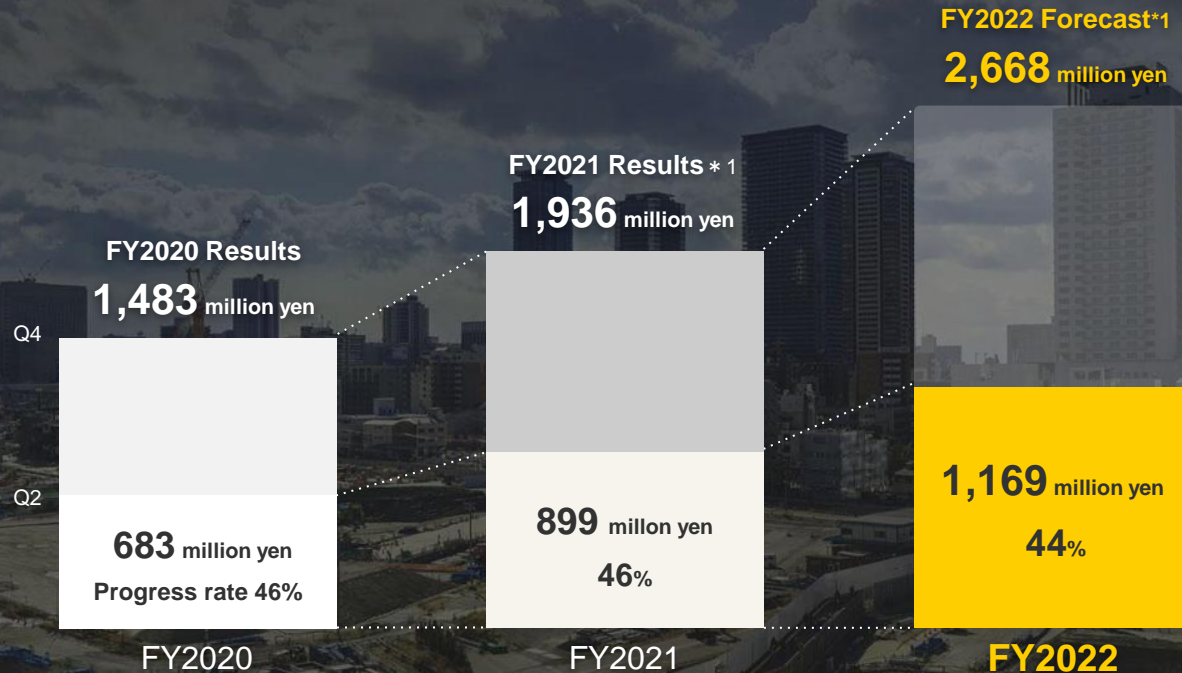


SPIDERPLUS × 360-degree images

The RICOH logo is displayed in a bold, red, sans-serif font.

# Net Sales: Forecast Progress

(As usual, the construction industry is seasonally weighted toward the second half of the fiscal year, and progress is made according to the budget.)



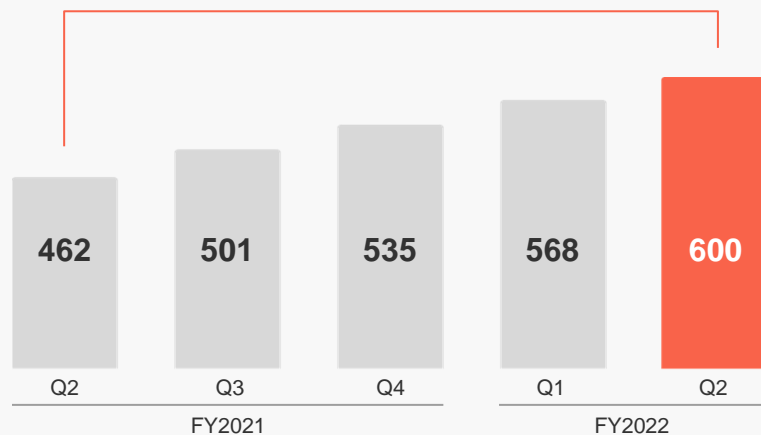
\*1: Figures for FY2020 and FY2021 represent net sales of the ICT business only (the engineering business was transferred in Jan. 2022 and the ICT business is a single segment from FY2022).

Net sales increased 30% YoY, ARR\*<sub>1</sub> increased 28% YoY

## ICT business sales

Millions of yen

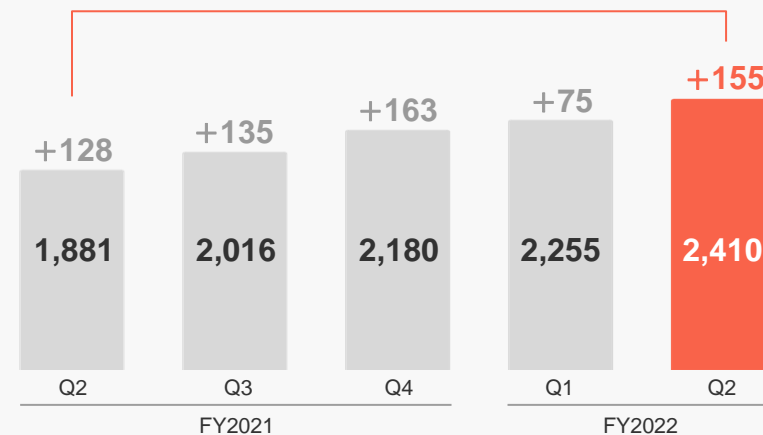
YoY Growth  
**+30%**



## ARR

Millions of yen

YoY Growth  
**+28%**



\*1: ARR is calculated by multiplying the monthly MRR of each quarter-end month by 12 (annualized) times the total amount of monthly usage fees that do not include temporary revenue at the end of the month of the target month.

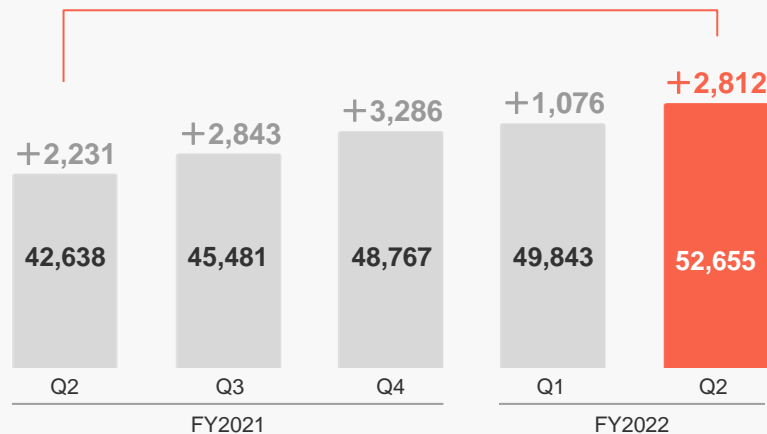
YoY24% increase in IDs due to continued large-scale negotiations\*1, but net increase accelerated from the previous quarter

Steady increase in ARPU\*2 due to expanded optional sales

## ID

Unit :ID

YoY Growth  
**+24%**



## 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.

Major development in the construction and plant industries progressed.

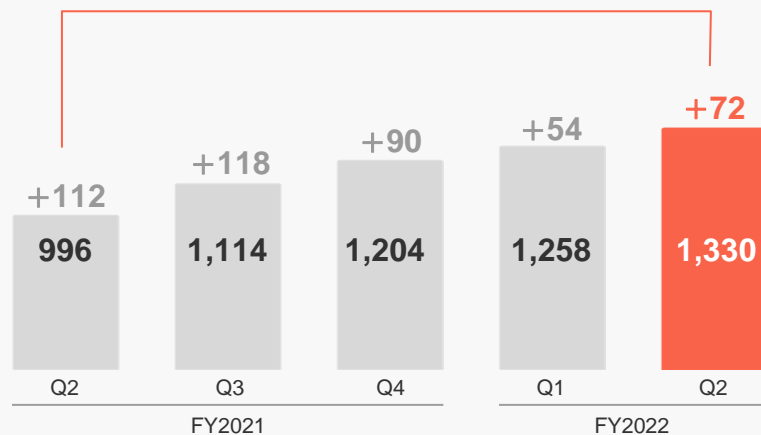
Steady growth in ARPA\*1 while expanding customer base.

## Contracted companies

Unit: Companies

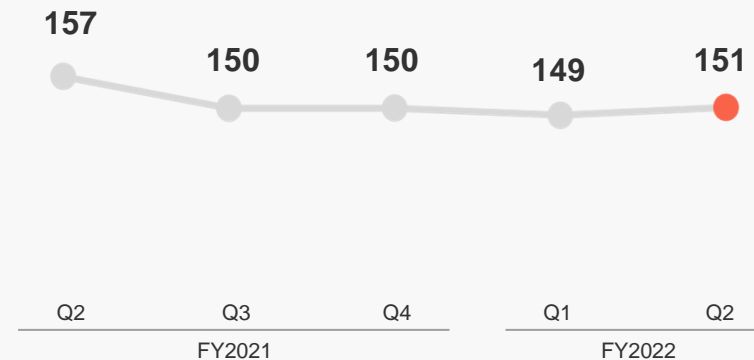
YoY Growth

**+34%**



## ARPA

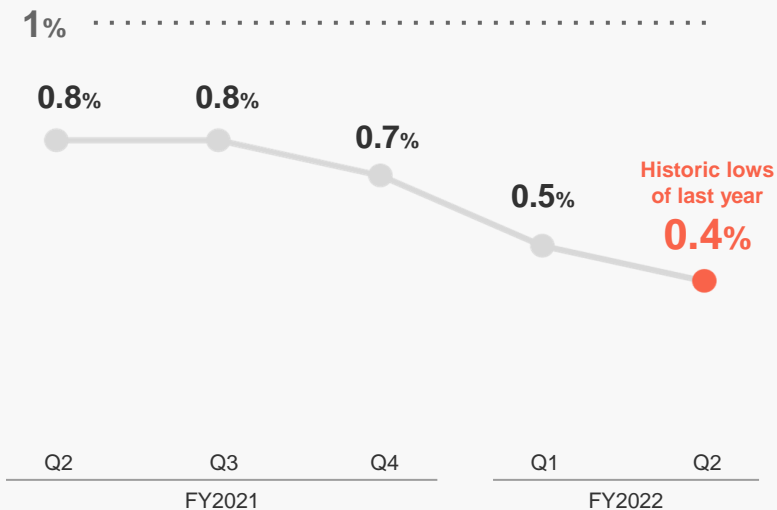
Unit: thousands of yen



\*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.

Due to enablement measures, the churn rate\*1 recorded the lowest level ever.  
Started operation of new channels to strengthen the customer support system.

## Churn rate



## New support channel

Able to learn how to manipulate and utilize SPIDERPLUS at any time  
User-oriented portal "S+ Study"  
(Started operation in Jul. 2022)



\*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.

## FY2022.Q2 Topics

Partnership



Collaboration



Renewal version  
Launch



Strengthen  
Support



IP strategy



# Partnership

## Construction DX x Local Government DX



CHANGE Inc. (TSE Prime market : 3962)

Developing Digital Platform Business for Local Governments

Provision of IT tools and “furusato nouzei” business to approximately 900 local governments



<sup>\*1</sup>: Reference : Jun. 29, 2022 "Began promoting local government DX in conjunction with Spider Plus and changes."  
<sup>\*2</sup>: Reference : "Business alliance agreement with Spider Plus for change and local government DX promotion" disclosed on Aug. 9, 2022..

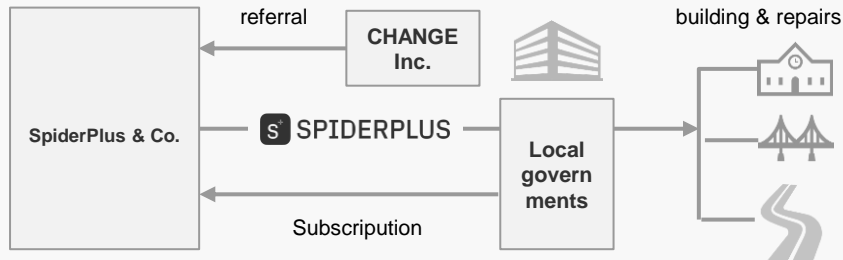


## Promote the introduction of SPIDERPLUS and jointly develop solutions for local governments

### Expansion of SPIDERPLUS introduction by local governments

Supported by CHANGE Inc., which provides IT tools to approximately 900 local governments.

Expect to use public facilities for building & repairs \*1 and management operations



\*1 : Represent refer to new construction, additions, and repairs to buildings.

### Joint development of solutions for local governments

Building a Maintenance Platform Involving Local Residents  
Some local governments have started demonstration experiments



SPIDERPLUS's 360-degree camera linkage function will be strengthened,  
Developing a 3D construction management function that combines BIM\*1 and 360-degree images

Further strengthen 360-degree camera linkage function\*2

Improved image quality and processing  
Clear 360-degree angle of view construction photos can now be taken

Introduction of functions during acquisition verification  
(AI super-resolution/AI brightness correction function)



Use 360-degree images in BIM\*2

Development of "3D Construction Management Function (tentative name)" that adds  
360-degree image information to 3D drawings "BIM"  
3D construction management function (tentative name)" will be developed.



\*1: Abbreviation of "Building Information Modeling." A system with information added to the entire life cycle of a building on a 3-dimensional drawing.

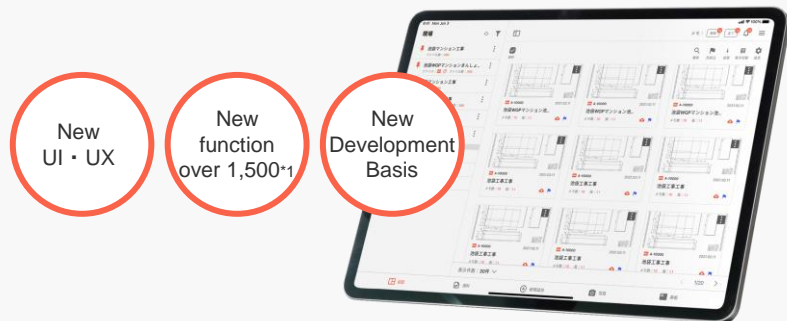
\*2:The strengthened collaboration described and the development of the 3D construction management function are planned items and may change in the future.

Renewed version launched 2 years after development started in 2020

Providing Basic plan with basic functions and gradually expanding its functions

### Features of renewal version\*1

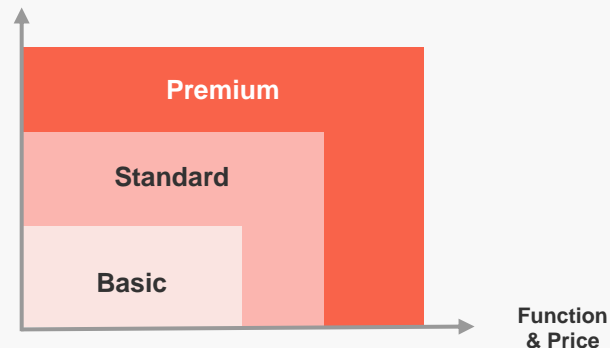
Eliminate technology liabilities accumulated over 10 years  
SPIDERPLUS reborn



### Providing plans tailored to evolving DX needs\*2

In addition to Basic version, it is released gradually as functions are implemented.  
(Existing with the current plan until all plan releases)

DX needs



\*1 : The number of functions implemented is as of August 9, 2022, and is subject to change.

\*2 : The pricing structure and plan name are information as of Aug. 9, 2022 and may be changed in the future.

## Adding New Channels to Customer Support

## Portal site to learn about SPIDERPLUS

Including the latest information, manuals, and videos,  
Consolidate information on SPIDEPLUS into 1



## Features of S+Study

Able to learn basic operations and usage anytime, anywhere  
Community functions teaching users to each other are under consideration



Solidifying the value that can only be provided to SPIDERPLUS that we have cultivated over 10 years

The image layout system, a construction image layout method and program\*1

Intuitive UI/UX with icon display of number of photos taken,  
Prevent rework in photography and verification work.



The image capturing instruction system, a construction image photographing instruction method, and program product\*2

Function to delete completed work orders.  
Ability to delete work orders prevents duplication of work.



\*1 : Japanese Patent No. 7030251. Registration February 24,2022.Title of the invention "The image layout system, a construction image layout method and program".

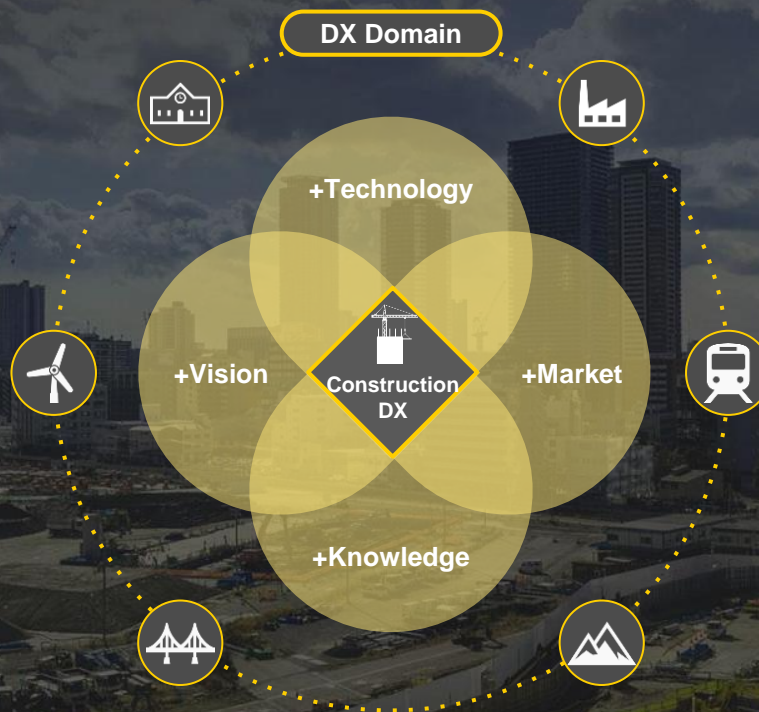
\*2 : Japanese Patent No. 7015412. Registration January 25,2022.Title of the invention "The image capturing instruction system, a construction image photographing instruction method, and program product".

# Alliance Strategy

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# Adding New Value to Construction DX



## Promote strategic alliances with leading companies in each domain

**Understand the status of the site from a remote location by video**  
**Verified collaboration with Smart Field**



OPTiM Corporation (TSE Prime market : 3694)  
Market leader in AI, IoT, and big data platforms  
announced in Jan. 2022

**For the decarbonization of buildings and DX**  
**Joint development of new services to promote from both**



OSAKI ELECTRIC CO.,LTD. (TSE Prime market : 6644)  
Electricity meters manufacturer with the largest share of the domestic market for electricity  
smart meters  
Announced in Nov. 2021

**Joint verification of linkage of new functions using 360-degree images**



Ricoh Company, Ltd. (TSE Prime market : 7752)  
Ricoh THETA, an all-sky camera capable of capturing 360-degree images in a single shot, was  
launched in 2013 Pioneer of 360-degree images and video  
Announced in Aug. 2022

**Aiming for local revitalization through**  
**construction DX x local government DX**



CHANGE Inc. (TSE Prime market : 3962)  
Developing Digital Platform Business for Local Governments  
Provision of IT tools and "furusato nouzei" business to approximately 900 local governments  
Jun. 2022 Announced collaboration and concluded a business alliance contract in Aug. of the  
same year.



# Financial Information

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# Financial Highlights \*1

Advanced investment focused on sales growth rate as planned.

Millions of yen	FY2022.Q2 Cumulative period	YoY	FY2022 Forecast
Net sales	1,169	+30%	2,668
Gross profit	739	+22%	—
Gross profit margin	63.2%	-4pt	—
Operating loss	-437	—	-1,189
Cash and deposits	3,496	—	—
(Reference) Number of employees	215 Person	+61 Person	OVER 250 Person

\*1 : YoY results are calculated using comparative information, excluding profit/loss related to ENG business from the company-wide profit/loss.

Millions of yen	FY2022.Q1 Accounting period	FY2022.Q2 Accounting period	QoQ	FY2021.Q2 Cumulative period	FY2022.Q2 Cumulative period	YoY
<b>Net sales</b>	<b>568</b>	<b>600</b>	<b>+5.6%</b>	<b>1,089</b>	<b>1,169</b>	<b>+7.3%</b>
Of net sales, ICT business	568	600	+5.6%	899	1,169	+29.9%
<b>Gross profit</b>	<b>349</b>	<b>390</b>	<b>+11.8%</b>	<b>637</b>	<b>739</b>	<b>+15.9%</b>
Gross profit margin	61.4%	64.9%	+3.6pt	58.5%	63.2%	+4.7pt
SGA cost	560	616	+10.0%	849	1,176	+38.6%
<b>Operating loss</b>	<b>-211</b>	<b>-226</b>	<b>—</b>	<b>-211</b>	<b>-437</b>	<b>—</b>
<b>Ordinary loss</b>	<b>-215</b>	<b>-234</b>	<b>—</b>	<b>-263</b>	<b>-450</b>	<b>—</b>
Extraordinary income	131	0	—	—	132	—
Extraordinary losses	0	0	—	—	0	—
<b>Quarterly loss before income taxes</b>	<b>-84</b>	<b>-234</b>	<b>—</b>	<b>-263</b>	<b>-319</b>	<b>—</b>
<b>Net loss through the quarter</b>	<b>-86</b>	<b>-236</b>	<b>—</b>	<b>-266</b>	<b>-323</b>	<b>—</b>

## Cumulative FY2022.Q2 (YoY)

### Net sales

- Net sales increased to 1,169 million yen in FY2022.Q2 cumulative period due to sales growth in ICT business

(Sales growth rate of ICT business is +29.9% YoY)

### Gross profit margin

- Gross profit margin rose to 63.2% (YoY+4.7pp) as the ICT business became a single business from the fiscal year under review.

### SGA cost

- SG&A expenses increased to 1,176 million yen (+38.6% YoY) due to advanced investment in ICT business, mainly in human resources, and head office relocation.

Millions of yen	FY2020	FY2021	FY2022.Q2
Cash and deposits	469	4,196	3,496
Other current assets	351	512	472
<b>Current assets</b>	<b>820</b>	<b>4,708</b>	<b>3,969</b>
Software in progress	—	381	688
Other fixed assets	84	245	495
<b>Fixed assets</b>	<b>84</b>	<b>717</b>	<b>1,183</b>
<b>Total assets</b>	<b>905</b>	<b>5,426</b>	<b>5,153</b>
Borrowings	266	178	146
Other liabilities	230	626	640
<b>Total liabilities</b>	<b>496</b>	<b>804</b>	<b>787</b>
<b>Total net assets</b>	<b>408</b>	<b>4,622</b>	<b>4,365</b>
<i>Equity ratio</i>	<i>45.1%</i>	<i>85.2%</i>	<i>84.7%</i>

## Cumulative FY2022.Q2 (YoY)

### 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

- Increase mainly due to occupancy construction of new office relocated in May. 2022.

Millions of yen	FY2020	FY2021	FY2022.Q2
Operating Cash Flows	130	-493	-469
Cash flows from investing activities	12	-610	-259
Net Cash Used in Financing Activities	-43	4,830	34
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>99</b>	<b>3,726</b>	<b>-694</b>
Cash and cash equivalents at beginning of year	365	464	4,191
<b>Cash and cash equivalents at end of year</b>	<b>464</b>	<b>4,191</b>	<b>3,496</b>

## Cumulative FY2022.Q2 (YoY)

### Operating Cash Flows

- Negative operating cash flow mainly due to upfront investment in ICT business.

### Net cash used in investing activities

- Mainly due to the progress of SPIDERPLUS renewal development Increase in software in progress due to renewal development of SPIDERPLUS and acquisition of fixed assets related to head office relocation expenses.
- Proceeds from the transfer of the engineering business +200 million yen have been recorded for the fiscal year under review.

### Net cash used in financing activities

- Mainly consisted of proceeds from exercise of stock acquisition rights and repayment of long-term debt.

Millions of yen	FY2021.Q2 Cumulative period*1	FY2022.Q2 Cumulative period	YoY
<b>Net sales</b>	<b>899</b>	<b>1,169</b>	<b>+29.9%</b>
Cost of sales	295	430	+45.8%
<b>Gross profit</b>	<b>604</b>	<b>739</b>	<b>+22.2%</b>
<i>Gross profit margin</i>	<i>67.2%</i>	<i>63.2%</i>	<i>-4.0pt</i>
SGA cost	847	1,176	+38.8%
<b>Operating loss</b>	<b>-242</b>	<b>-437</b>	<b>—</b>

### Cumulative FY2022.Q2 (YoY)

#### Net sales

- Both the number of IDs and ARPU increased, and **the ICT business net sales increased to 1.169 billion (YoY+29.9%)**.

#### SGA cost

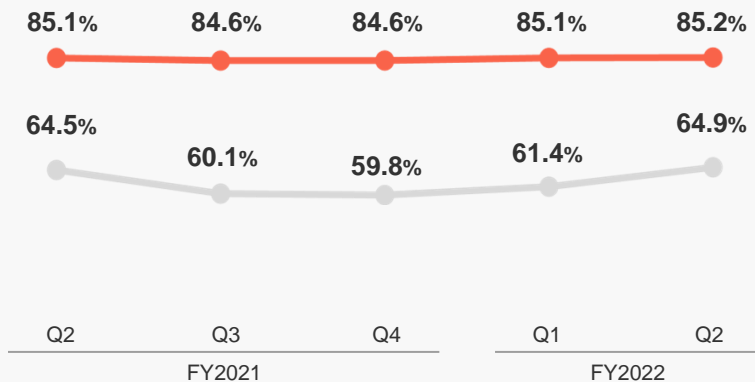
- SG&A expenses were 1.176 billion due to planned upfront investment increased to (YoY+38.8%)**
- Advertising expenses were 70 million yen, mainly for exhibition expenses.

\*1: Performance excluding profit and loss related to ENG business from company-wide profit and loss is presented as comparative information.

## Marginal profit ratio\*1 remained stable at around 85%

### Marginal Profit Ratio and Gross Profit Margin

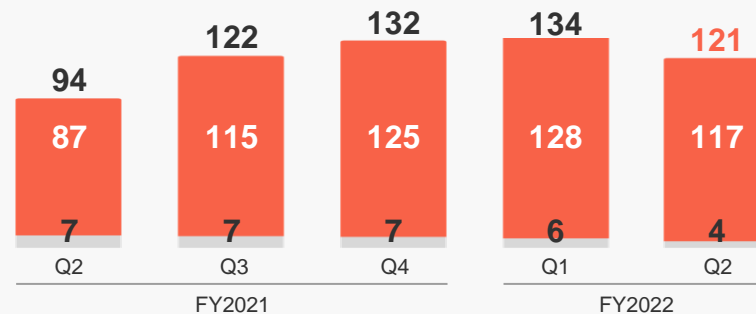
● : Marginal profit ratio ● : Gross profit margin



### Breakdown of Fixed Costs\*2

■ : Development personnel expenses\*3 ■ : Other fixed costs Unit : Millions of yen

Due to increased allocation of resources to system renewal Development labor costs in cost of sales temporarily decreased.  
(Recorded in software temporary account and R&D expenses)



\*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 : Only fixed costs in cost of sales, not including SG&A expenses.

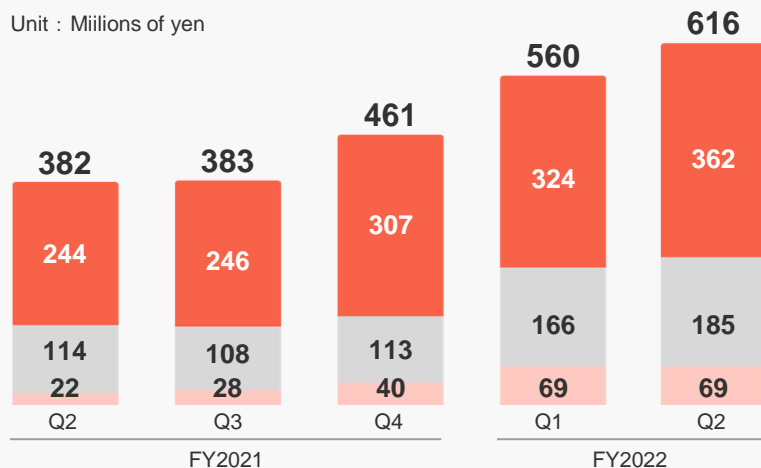
\*3 : Includes expenses related to outsourcing (including SES) and temporary staffing, in addition to permanent employee human rights expenses. Other fixed costs are based on our accounting classifications used for administrative purposes.

## Implementation of advanced investment based on planned cost control

SG&amp;A expenses composition\*1

■ : S&M\*2 ■ : R&D\*3 ■ : G&A\*4

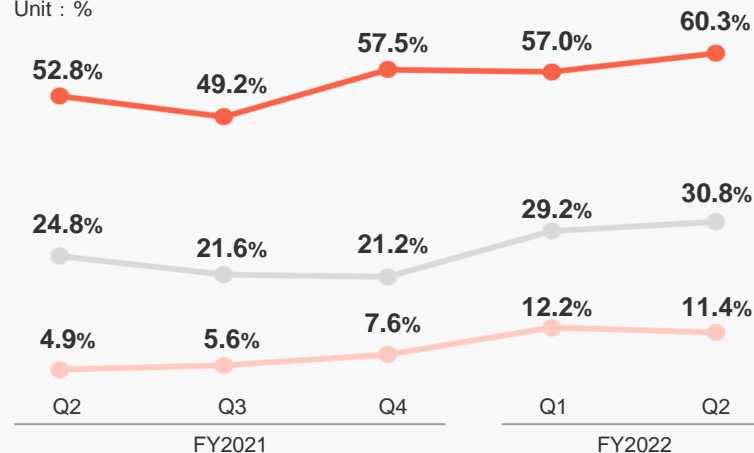
Unit : Millions of yen



SG&amp;A ratio

■ : S&M\*2 ■ : R&D\*3 ■ : G&A\*4

Unit : %



\*1: Each structure is a management accounting structure.

\*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.



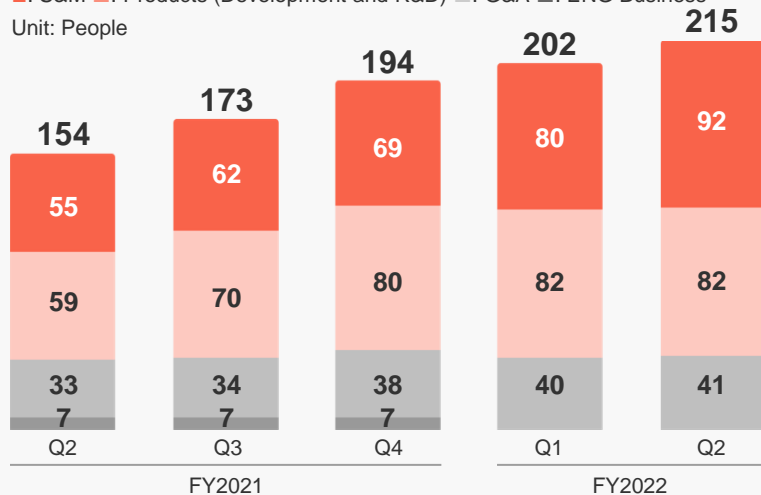
Continue human investment and enablement in the S&M division, a key strategy.

Prepare for growing demand for IT investment in line with the application of maximum regulations on work style reform bills to the construction industry\*1

Number of Employees\*2

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

Unit: People

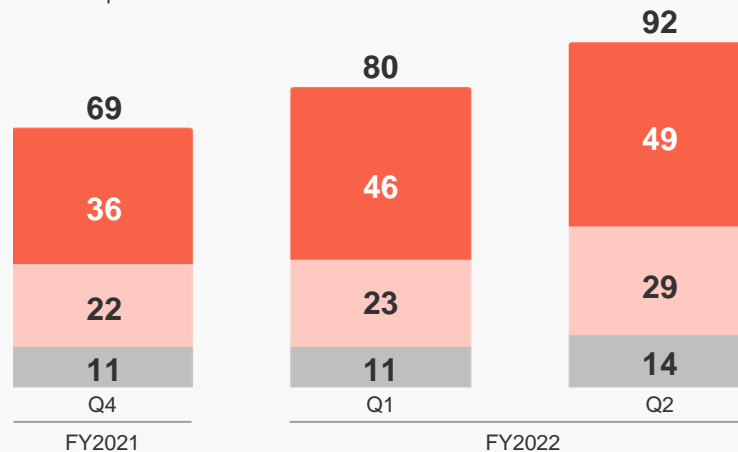


S&M staffing

■:Field Sales & Consulting Sales ■:Customer Success & Customer Support

■:Marketing Inside Sales and Others

Unit: People



\*1:The application of the bill's caps to the construction industry will be given a five-year grace period and will take effect in April 2024.

\*2: Includes the number of sales and corporate temporary staff and the number of development-related SES staff (excluding outside directors, etc.).

**Customer base**

**Developing large-scale customers in the construction and plant industries.**

**Advanced investment**

**Looking ahead to the turning point in the construction industry, which is approaching 2024, Implementation of human resource investment and organizational development.**

**Performance Progress**

**We will continue to make advanced investments with an emphasis on growth potential toward achieving an ARR of 3 billion at the end of the fiscal year, Promote alliances with leading companies in the industry.**

# Reference: About SPIDERPLUS

SpiderPlus & Co.

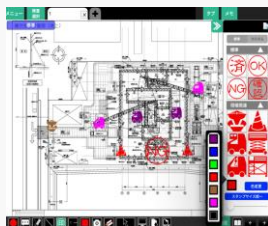
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# Construction management SaaS



## Standard functions

Monthly 3 thousand yen/ID



## Drawing management

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



## Electronic black board

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 2.5 thousand yen/ID

### For general contractors

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

### For electrical equipment subcontractors

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

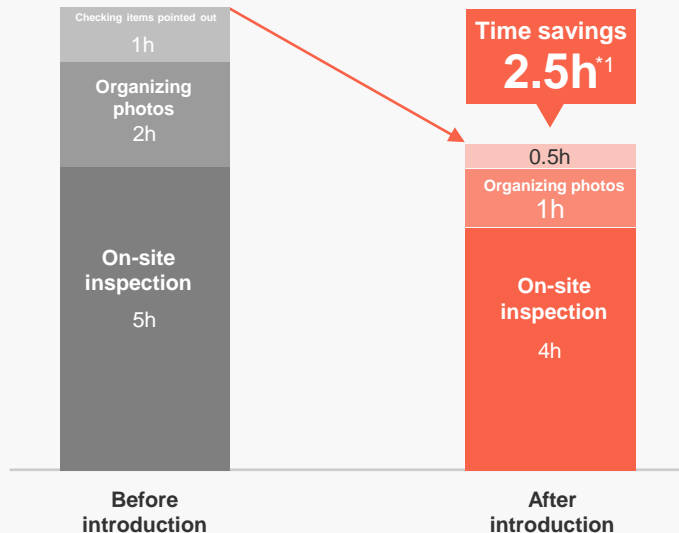
### For air conditioning equipment subcontractors

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

\*1:Figures for standard functions and option usage fees by industry exclude consumption tax.

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

## Daily operational improvements



Per capita  
**Effects of monthly introduction<sup>\*2</sup>**  
**Approx. 150 thousand 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

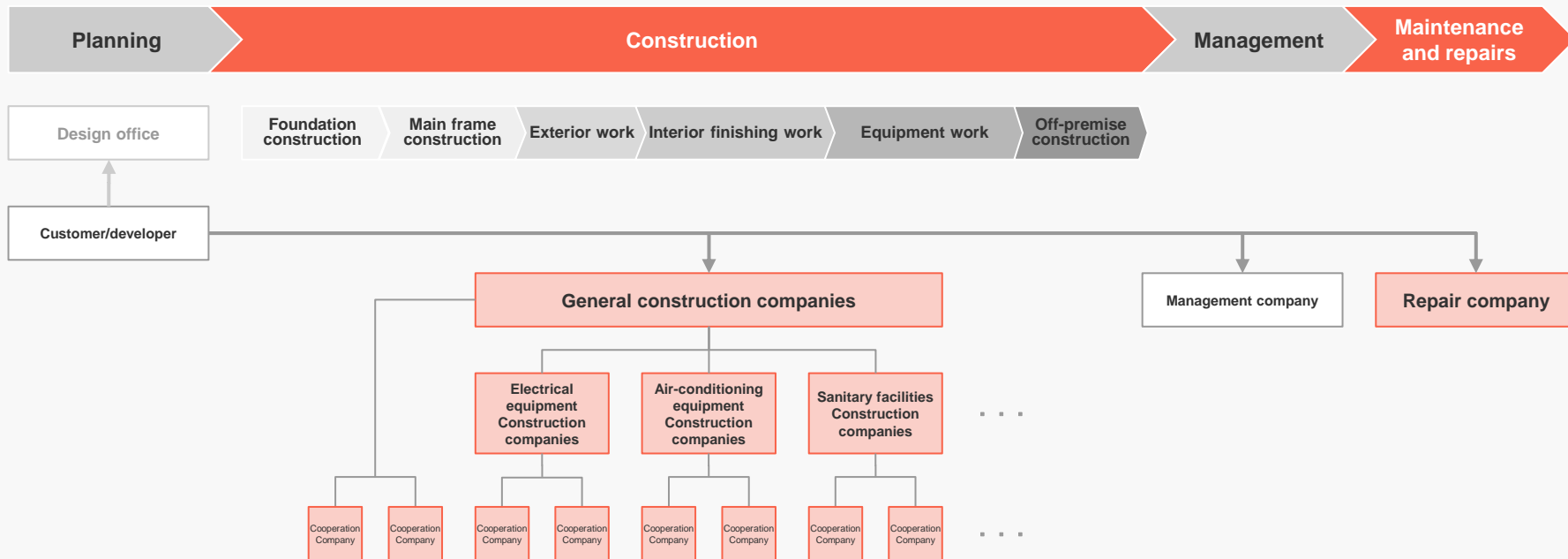
**3 thousand yen/month**

Charges for using SPIDERPLUS standards

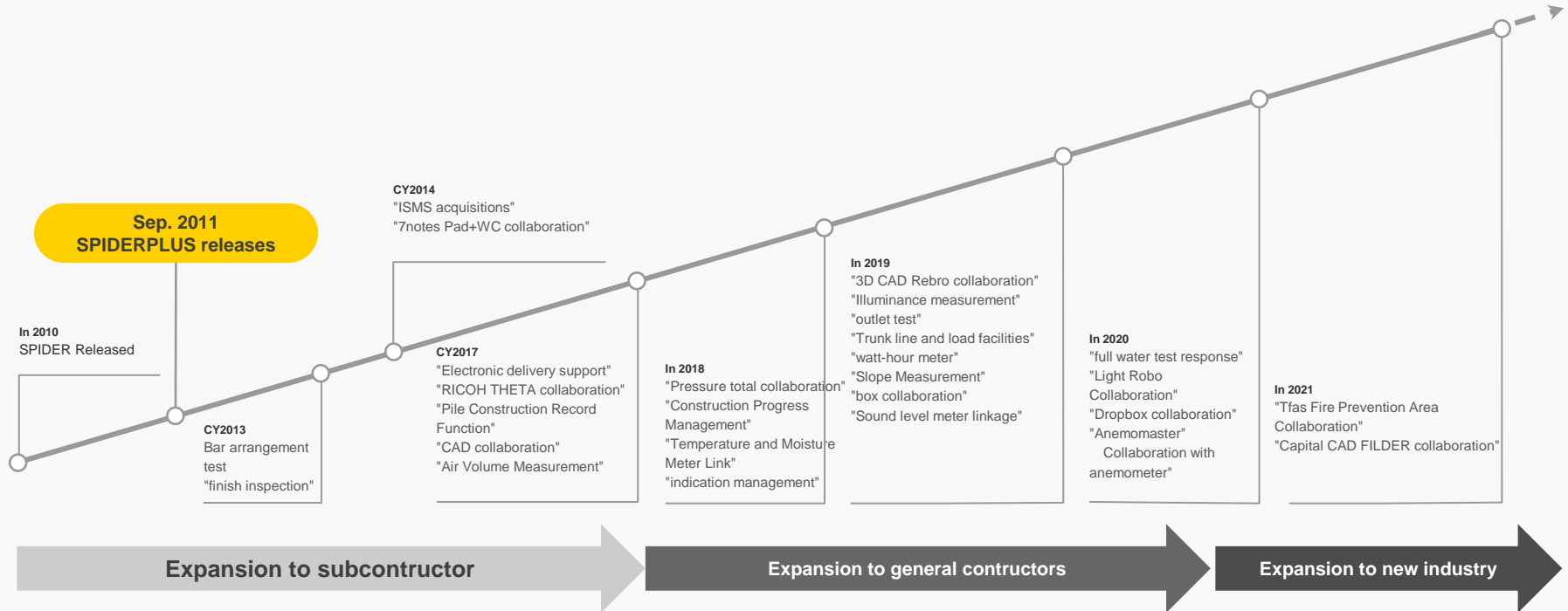
\*1: Reduced times are prepared by us based on internal survey materials of companies that have introduced tablets and SPIDERPLUS.

\*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. It does not include SPIDERPLUS up-front costs, server costs, tablet-use fees, communication and educational costs, and consumption taxes.

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



## SPIDERPLUS developed and improved with customers over a decade





## SPIDERPLUS selected as DX-partners

### Examples\*1,2

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



#### Taikisha Ltd.

Net sales 209.2 billion yen  
Number of Employees 5,079  
Listed on the TSE Prime Market



#### Hibiya Engineering, Ltd.

Net sales 75.1 billion yen  
Number of Employees 944  
Listed on the TSE Prime Market



#### YAMATO Inc.

Net sales 45.5 billion yen  
Number of Employees 1,103  
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 financial results and number of employees for each company are extracted from each company's annual securities report for the most recent fiscal year. Listed market classification is as of August 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.

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

Kajima Corporation's DX model site

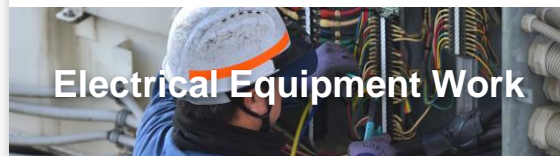


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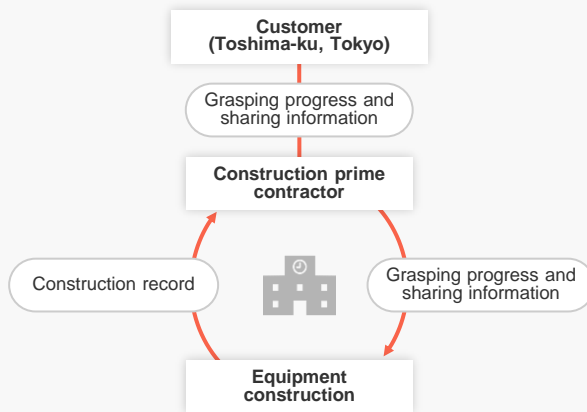
 SHINRYO 高砂熱学



## 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

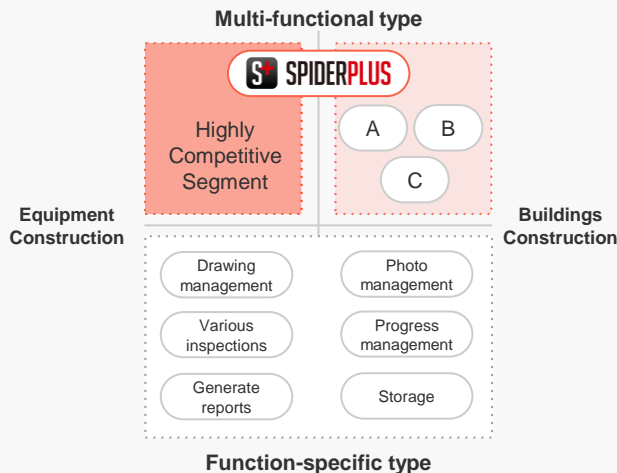


With a wealth of functions in construction management, utilized by major companies in the general contractor and subcontractor industries

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



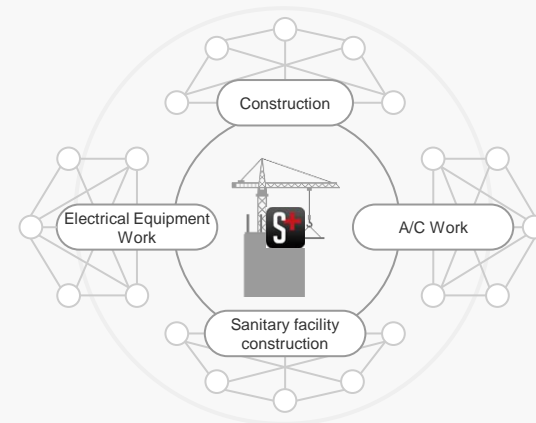
## Customer base

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



## Reference: Market Environment

SpiderPlus & Co.

1. FY2022.Q2 Highlights
2. Alliance Strategy
3. Financial Information
4. Reference: About SPIDERPLUS
- 5. Reference: Market Environment**
6. Reference: Growth Strategy
7. Reference: Shareholder Composition

## Serious challenge faced by a huge market

Domestic construction investment\*1



**63 trillion** \*1

(Forecast)

2021 → 2035

Labor shortage\*2



**1 million** \*2

(Forecast)

2014 → 2025

IT Investment \*3



**3 timesn** \*3

(Actual)

2015 → 2020

\*1: Extracted from "Medium-to Long-Term Forecasts for Construction Investment (Forecasts up to FY2035)" (announced on Mar. 26, 2021) by the Research Institute of Construction and Economy, Inc.

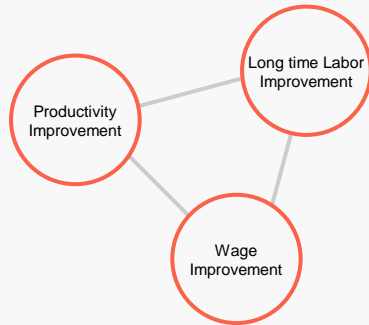
\*2: Excerpts from Nikkei BP, Construction Tech Future Strategy (issued Mar. 13, 2020).

\*3: Extracted from the "Report of the Survey on Enterprise IT Trends 2020" and "Report of the Survey on Enterprise IT Trends 2015" by the Japan Information System and Users Association.

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

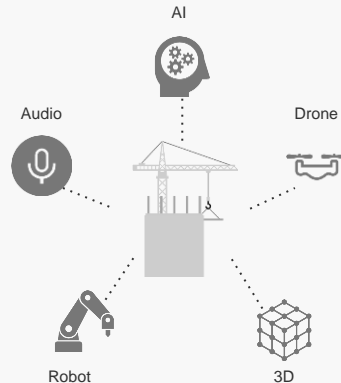
## Application of the Work Style Reform Law\*1

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

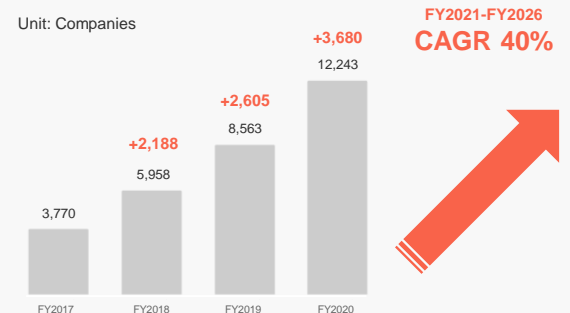


## Expanding market\*2

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



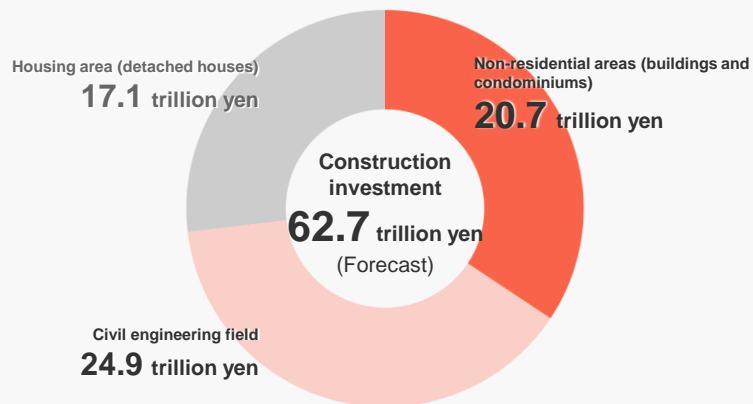
\*1: Abbreviation of the Act on Improvement of Related Laws to Promote Work Style Reforms (promulgated on Jul. 6, 2018) issued by the Ministry of Health, Labour and Welfare.

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

In the non-residential and civil engineering sectors of the construction market  
 Expected to expand over the long term against the backdrop of an increase in demand for new  
 construction and repairs

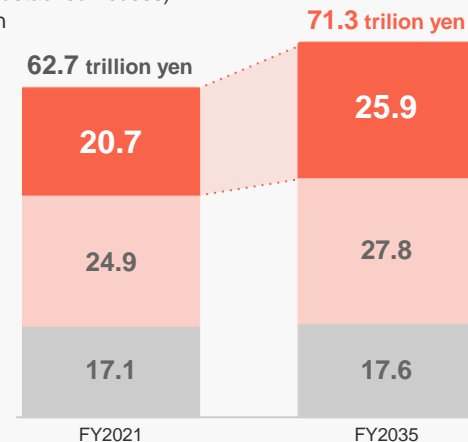
## Market Size and Its Composition

- : Target market in the current construction industry
- : Future target market



## Long-term outlook for construction investment

- : Non-residential areas (buildings and condominiums)
  - : Civil engineering field
  - : Housing area (detached houses)
- Unit: Trillions of yen



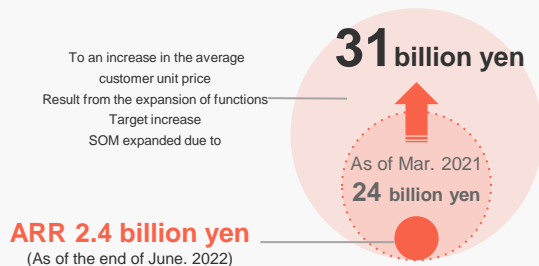
\*1: Prepared by us from "Medium-to Long-Term Forecasts for Construction Investment (Forecast to FY2035)" by the Research Institute of Construction and Economy, Inc. (Announced on Mar. 26, 2021) and "Forecast for Construction Investment for FY2021" by the Ministry of Land, Infrastructure, Transport and Tourism. 2035 The forecast for the fiscal year is based on the estimated value of an early economic recovery from the new Coronavirus by the Research Institute of Construction and Economy.



## SOM\*2

Serviceable Obtainable Market

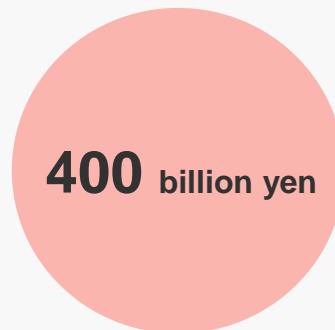
Site supervision of core targets



## SAM\*3

Serviceable Available Market

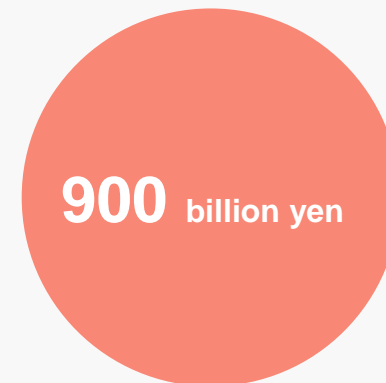
Domestic construction workers



## TAM\*4

Total Addressable Market

IT investment in the construction industry



\*1:It is the market size we have assumed and estimated and is not calculated for the purpose of demonstrating the objective market size of the businesses we operate.

\*2:Calculated by multiplying the "number of site supervisors engaged in domestic construction companies, excluding housing construction companies with 30 or more employees and sales of at least 200 million," which we estimate, by the annual usage fee based on the average unit price per 11D of SPIDERPLUS as of the end of Dec. 2021.

\*3:Calculated by multiplying the number of employees of domestic construction companies, excluding the housing field, estimated by us by the actual maximum unit price per 11D of SPIDERPLUS, based on the "Current Status and Challenges of the Construction Industry (Jun. 13, 2017)" published by the Ministry of Land, Infrastructure, Transport and Tourism "Reference Materials for the 6th Council of Construction Industry Policies."

\*4:Our estimates are based on "Outlook for Construction Investment in FY2020 (FY2020)" by the Ministry of Land, Infrastructure, Transport and Tourism, "SPEEDA's Housing, Reform, and Repair Industry" and "Report of the Japan Information Systems and Users Association's "Corporate IT Trend Survey Report 2020."

## Reference: Growth Strategy

SpiderPlus & Co.

1. FY2022.Q2 Highlights
2. Alliance Strategy
3. Financial Information
4. Reference: About SPIDERPLUS
5. Reference: Market Environment
- 6. Reference: Growth Strategy**
7. Reference: Shareholder Composition

## 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

# Growth Strategy

## Penetration of the construction DX market

Expansion of sales network and strengthening of products



## Expansion of a new domain

Construction-related domain, the plant industry, etc.  
Expansion and ASEAN Expansion

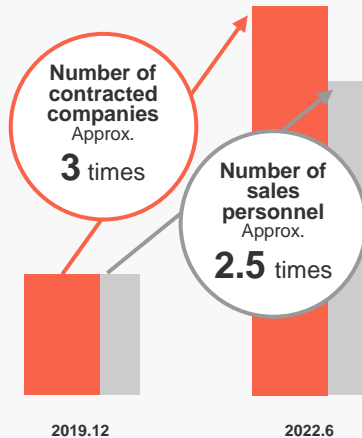


An urgent task is to create an organization that can respond to rapidly expanding market needs and quickly maximize the efficiency of invested capital

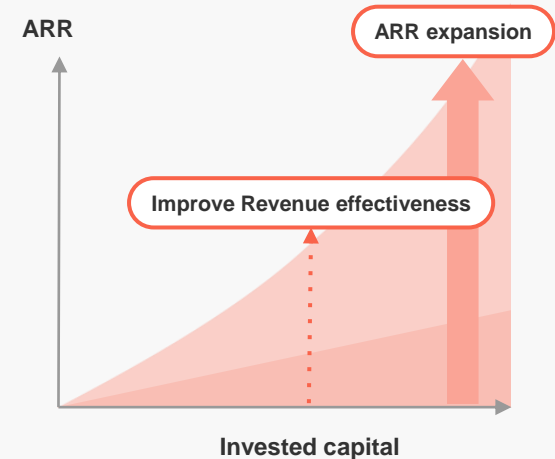
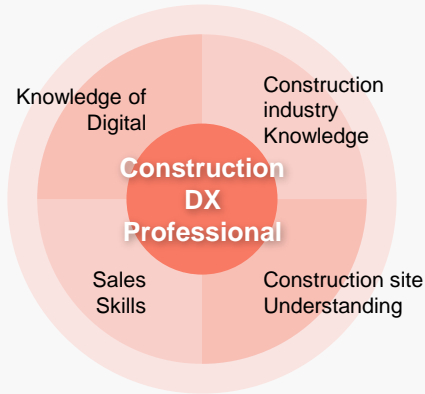
Rapid expansion in both the number of companies and personnel

Creating an Organization Suitable for Rapid Expansion

To a highly scalable organization



Construction DX Professional Group

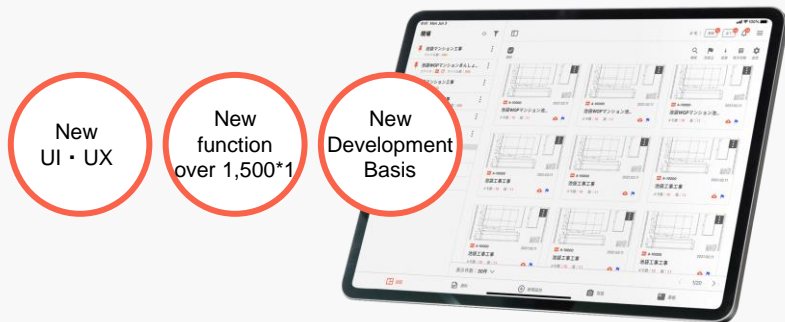


## Expanding Value Added and DX Scope by Strengthening Products and Services

### Renewal of SPIDERPLUS

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

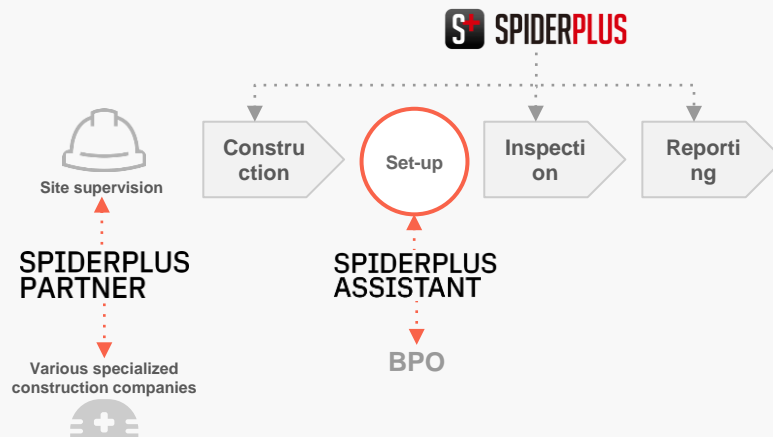
Development foundation is also renewed, and development speed is also increased.



\*1 : The number of functions implemented is as of August 9, 2022, and is subject to change.

### Strengthening the product line

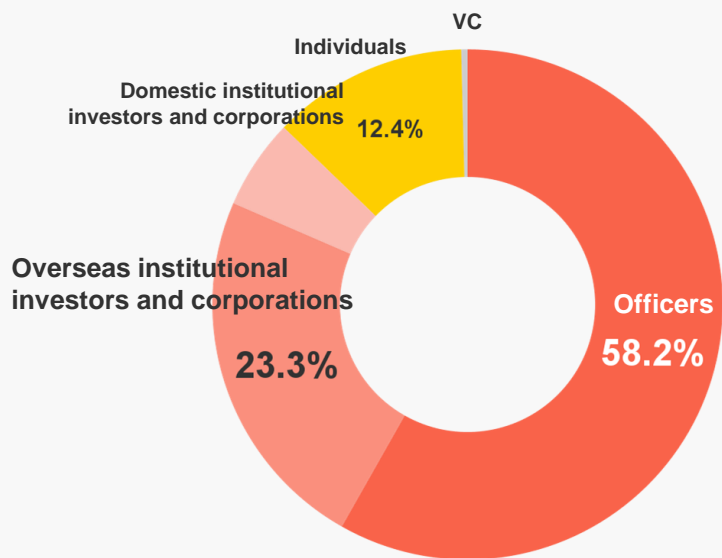
Increase the productivity of various operations surrounding field supervision  
Promote "on-site" DX by progressively developing and strengthening products and services



# Reference: Shareholder Composition

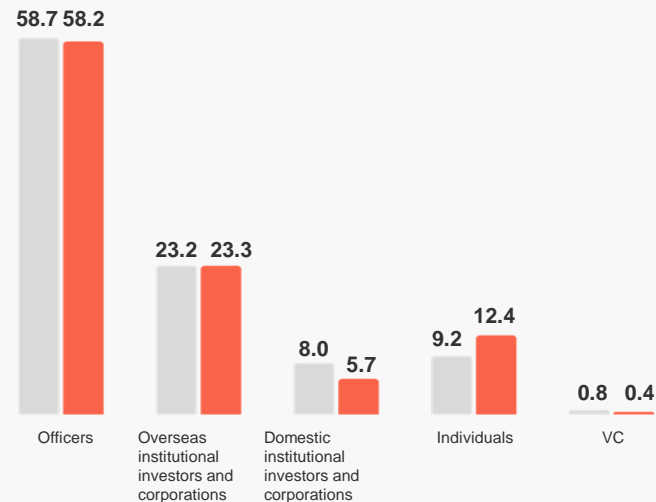
1. FY2022.Q2 Highlights
2. Alliance Strategy
3. Financial Information
4. Reference: About SPIDERPLUS
5. Reference: Market Environment
6. Reference: Growth Strategy
7. Reference: Shareholder Composition

Composition of Shareholders as of June. 30, 2022\*1



Change in shareholder composition\*2

■ : As of Dec.31,2021  
 ■ : As of June.30,2022  
 Unit : %



\*1 : Calculated excluding stock options.

\*2 : Of the shareholder composition, the percentage of directors as of December 2021 is recalculated from the number of shares held by directors in office as of August 2022.



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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