

SpiderPlus & Co.

FY2022.Q3 Results briefing materials

Nov. 10, 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

Serious issues facing the construction industry

Long working hours*1



Future shortages of workers*2

Unit: 10 thousand people



*1: Compiled from the Monthly Labour Survey (FY2021) by the Ministry of Health, Labour and Welfare.
*2: Based on the Nikkei BP "Construction Tech Future Strategy" published on Mar. 16, 2020, the Ministry of Internal Affairs and Communications 2015 "Basic Summary of Working Conditions, etc." and the Ministry of Land, Infrastructure, Transport and Tourism "Construction Investment Prospects for FY2020 (FY2020)," we independently estimate that there will be a shortage of construction workers if domestic construction investment of 63 trillion (Prospects) for FY2020 will remain at the same level until 2040.

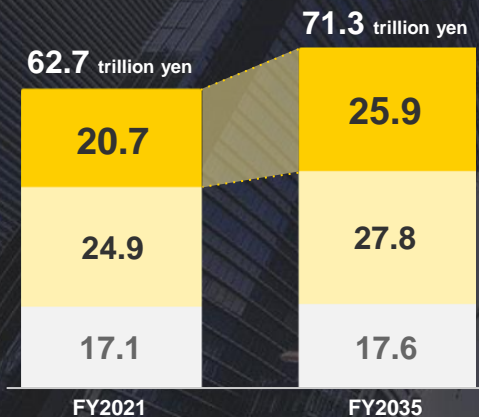
Construction DX needs expected to grow rapidly

Long-term outlook for construction investment*1

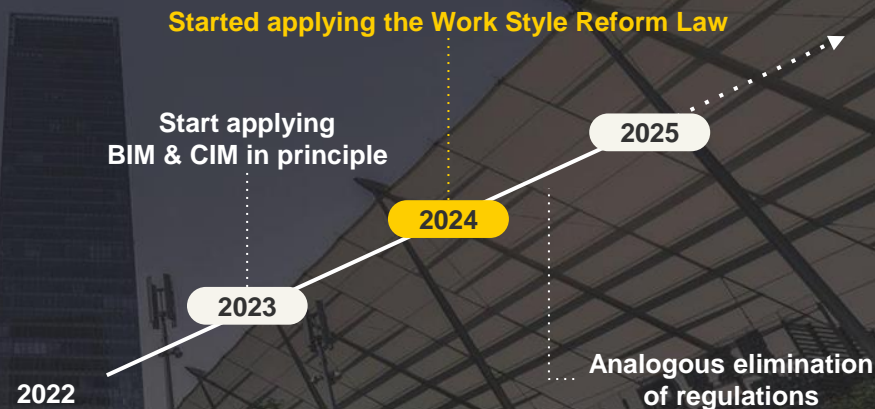
■:Non-residential areas (buildings and condominiums) ■:Civil engineering field

■:Housing area (detached houses)

Unit: Trillions of yen



Policies to accelerate DX*2



*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.

*2: Ministry of Land, Infrastructure, Transport and Tourism, "How to Promote the Application of BIM/CIM Principles in FY2023 (Mar. 2, 2021)" and Digital Agency, "Progress in the Comprehensive Revision of Regulations in the Context of Digital Principles and Acceleration of Initiatives" (Oct. 27, 2022)

DX services to improve productivity in the construction industry



Enormous
number of sites
For clerical
work
Decrease

Mistakes and
omissions in
operations and
inspections
Eliminate

Site
management
In the business
to Rack

Cornerstone of
on-site
communication



Business model based on a deep understanding of the construction industry

Structure in which deep understanding of customers to value provided

SPIDERPLUSUS grows with its customer base



Growth potential arising from network effects

As the number of users increases, information sharing is promoted on-site and within customers

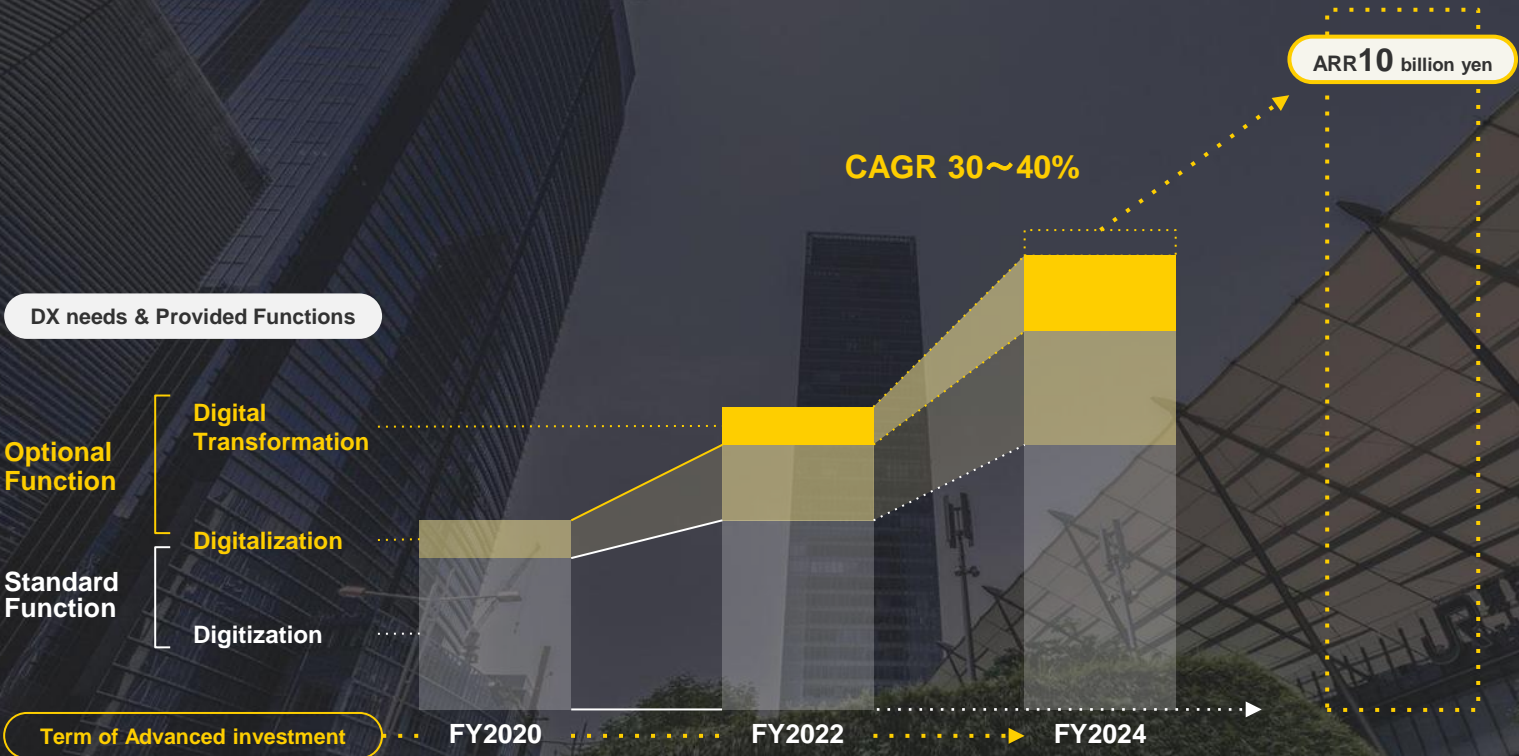
Case study of a major equipment construction company



*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.

Growth Strategy

Provide services to realize DX needs and achieve ARR of 10 billion yen as soon as possible



FY2022.Q3 Highlights

SpiderPlus & Co.

1.FY2022.Q3 Highlights

2.Financial Information

3.Reference: About SPIDERPLUS

4.Reference: Market environment

5.Reference: Medium-term Vison

FY2022.Q3 KPI*₁

Cumulative Sales of ICT business

1,805 millions of yenYoY Growth **+29%**

ARR

2,575 millions of yenYoY Growth **+28%**

Company

1,446 companiesYoY Growth **+30%**

ID

52,685 IDYoY Growth **+22%**

ARPU

3,854 yenYoY Growth **+4%**

Churn rate

0.4%

Historic lows

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.Q3 contracts and expanded introduction customers^{*1})



For a Lively World

未来を創る現場力



西松建設

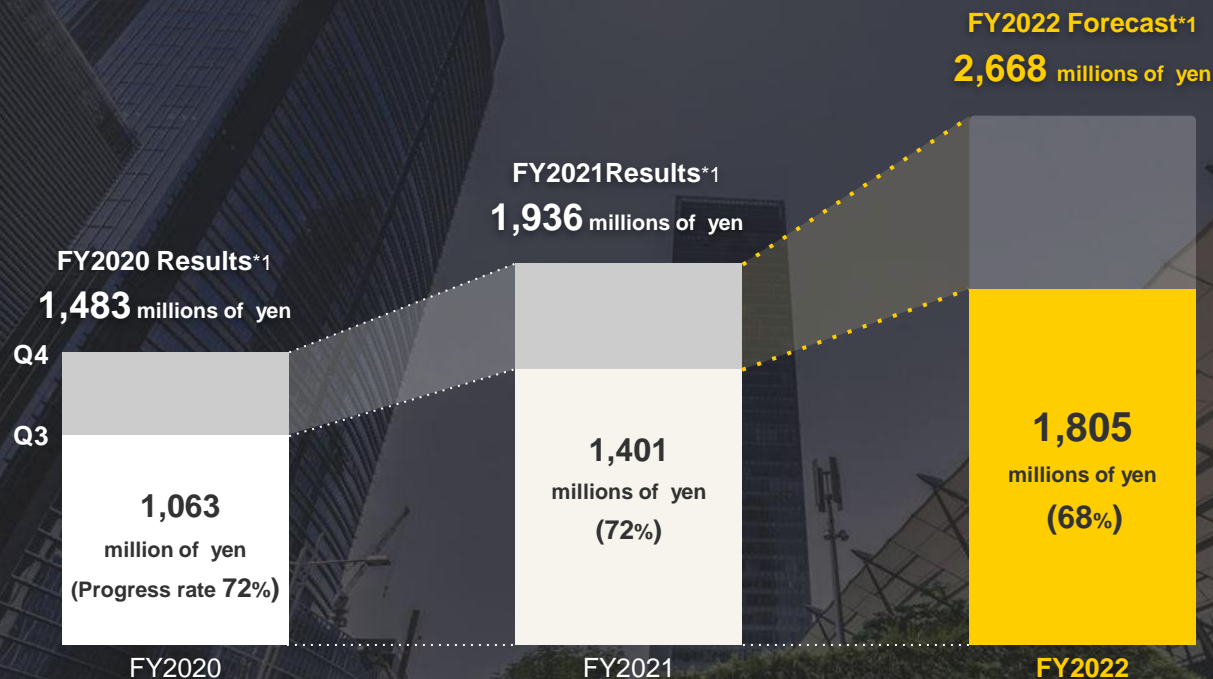
KOBELCO

株式会社コベルコE&M

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

Net Sales: Forecast Progress

(Progress rate is slightly behind compared to previous years, but generally at the same level.)



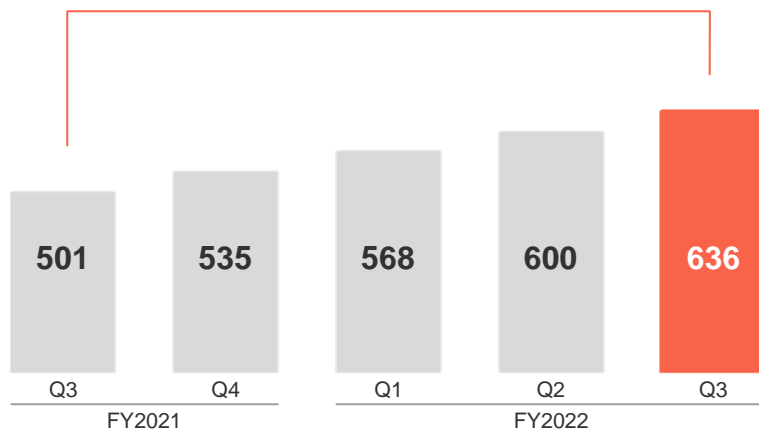
*1: Figures for FY2020 and FY2021 represent net sales of the ICT business only (the engineering business was transferred in Jan. 2022 and the ICT business is a single segment from FY2022).

Net sales increased 27% YoY, ARR increased 28% YoY

ICT business sales

Unit: millions of yen

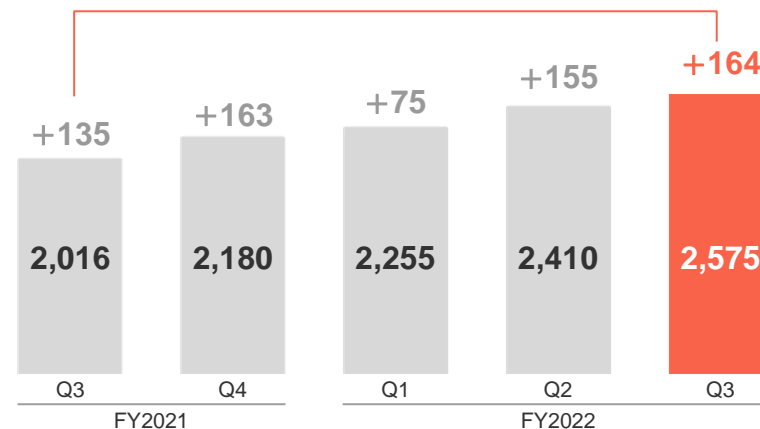
YoY Growth
+27%



ARR^{*1}

Unit: millions of yen

YoY Growth
+28%



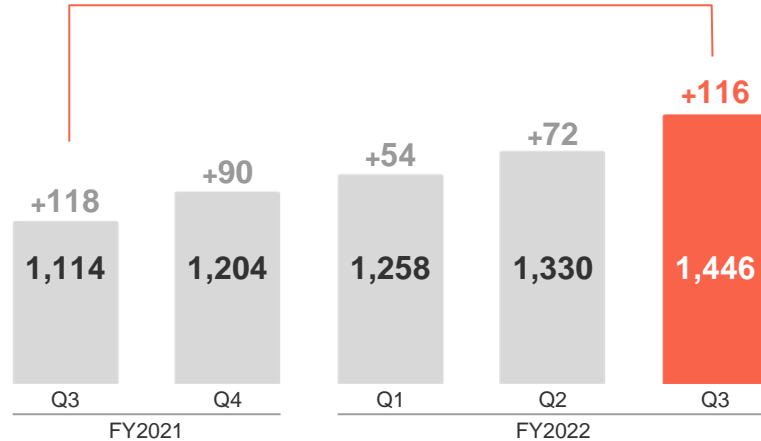
*1: ARR is calculated by multiplying the monthly MRR of each quarter-end month by 12 (annualized) times the total amount of monthly usage fees that do not include temporary revenue at the end of the month of the target month.

Record level of new contractor growth while maintaining ARPA

Contracted companies

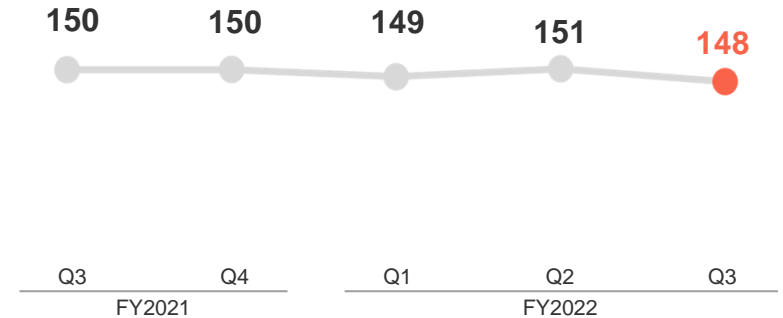
Unit: Companies

YoY Growth
+30%



ARPA*1

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.

Focus on sales strategy emphasizing optional functions and large-scale negotiations^{*1},

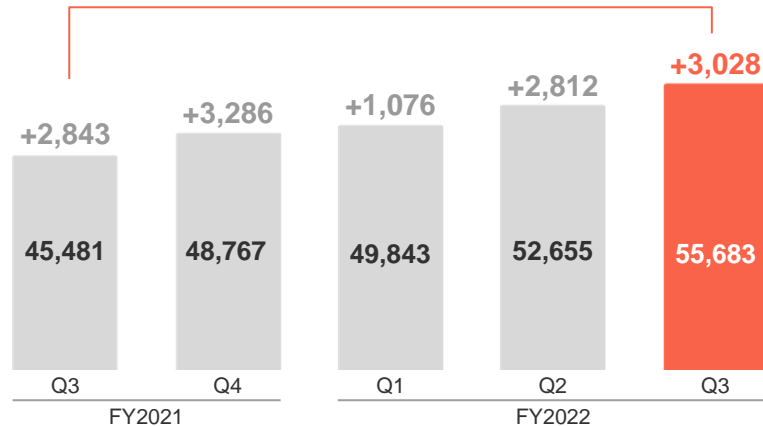
As a consequence, at the time of 3Q, although ID growth is lower than expected, ARPU is rising steadily

ID

Unit :ID

YoY Growth

+22%

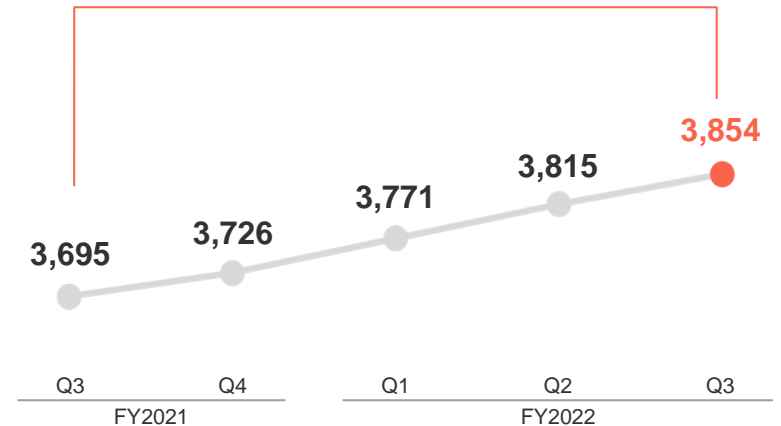


ARPU^{*2}

Unit :yen

YoY Growth

+4%

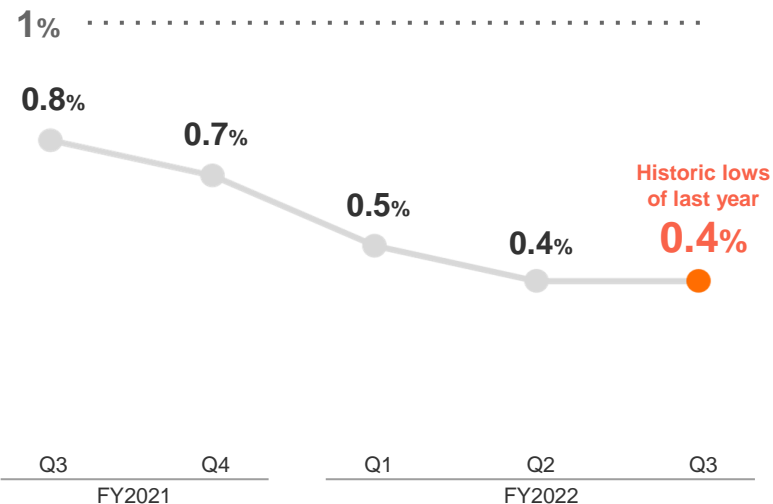


*1: Refers to certain large transactions, such as the introduction of SPIDERPLUS for several 100 people (ex, company-wide introduction).

*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.

"S+ Study" launched in Jul. 2022 also contributed, and the churn rate continues to be at a historically low level

Churn Rate*1



Support system

Able to learn how to manipulate and utilize SPIDERPLUS at any time

User-oriented portal "S+ Study"

(Approximately 2 thousand users as of the end of Oct. 2022)



Introduction Support

Operation Support

Learn anytime, everywhere

*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.

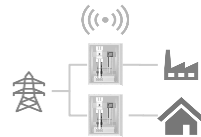
Business Topics

Released

New function

**SPIDERPLUS
PARTNER**

Co-Developent



Intellectual property

IP+
SpiderPlus IP Strategy

Sustainability



Opportunities
&
Challenges

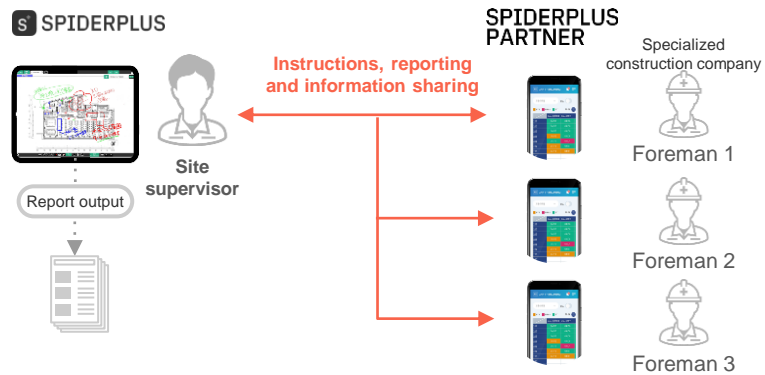
Sales
enhancement of
Optional functions

Sales
Enablement

We will incorporate requests from a 1-year field test, Formal sales*1 as a new option to expand SPIDERPLUS user base

About "PARTNER function"

- Optional function to connect general contractors/subcontractors and subcontractors
- Unified management of business reports that occur "daily," "many times," and "many times" between the 2



Feature

- Reduce communication costs for site supervisors managing specialized construction company

Drawing Sharing

Construction drawings and design drawings
Equipment Specification and Construction Manual

Everything need to know right at tablet.

Memo Sharing

Work Instructions and Work Handover Documents
Requests for coordination meeting materials, patrol instructions, and photo taking

instructions
In an easy-to-understand manner
&
With photographs and colors
in follow-up

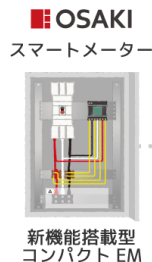
*1: Started direct sales in Nov. 2022. Sales via agencies and distributor are scheduled for Jan. 2023 or later.

New features in anticipation of megatrends in the power industry, where smart meters become standard equipment

共同開発

Kinden きんでん

OSAKI SpiderPlus & Co.



SPIDERPLUS

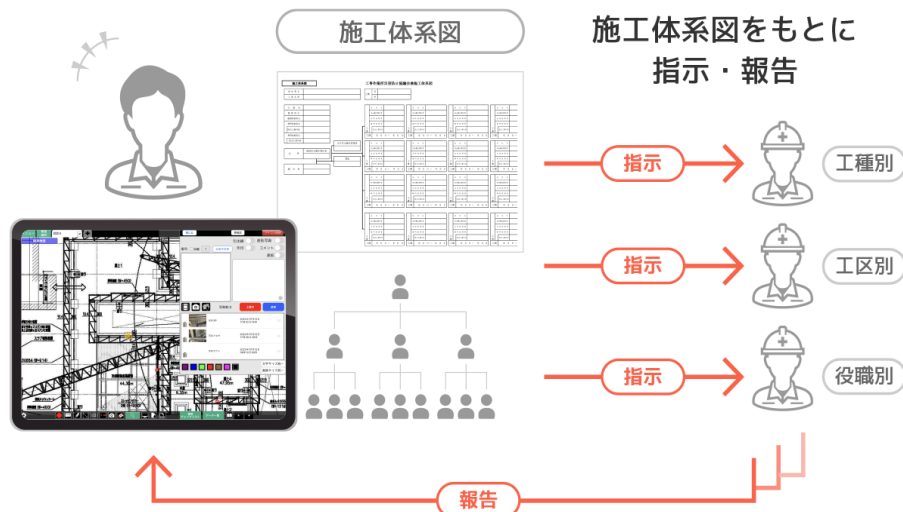


Function & Feature

- Provided as an optional extra function for electrical installation
- Automatically obtains 13 types of information from Osaki Electric Industry's smart meters, reducing human errors such as measurement omissions and transcription errors.
- Minimizes the risk of costly re-inspections

*Image taken from IR release

Technology that makes information sharing an exclusive function using an essential construction system diagram*₂ at a construction site



*Image taken from IR release

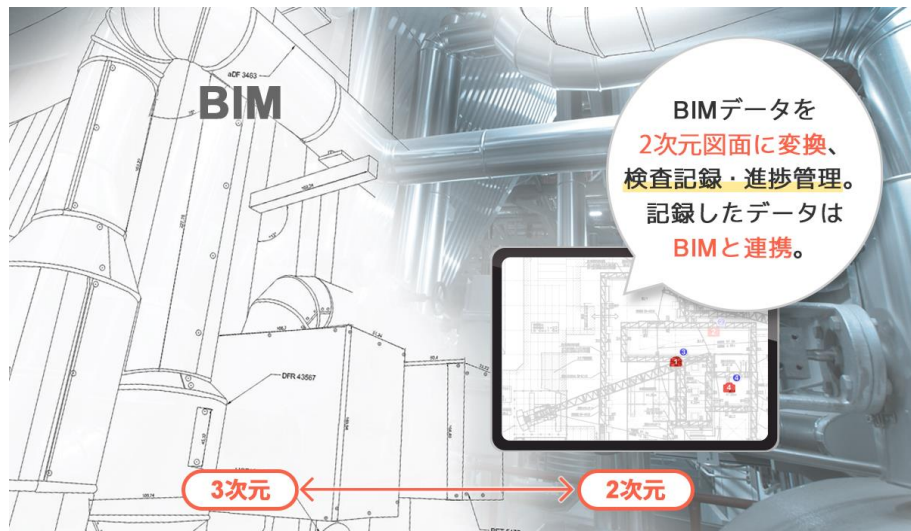
About Technology & Outlook

- Patents for work instructions/completion reports between operators
- Applied to inter-company collaboration functions planned to be developed with SPIDERPLUS and new optional "Partner Functions"
- Elimination of communication problems occurring at construction sites with cooperation between businesses

*1: Patent No. 7121215 (registered on Aug. 8, 2022) and Patent No. 7129584 (registered on Aug. 24, 2022)/Name of invention "Construction Work Management System, Construction Work Management Method and Program"

*2: Based on the construction system ledger containing the names of all contractors undertaking construction, the number of contractors of each trading company, and the names of engineers of each contractor in the Construction Business Act, a diagram is designed so that the division of construction roles of each contractor can be understood at a glance.

Technology related to BIM^{*2}, which is expected to become more popular in the construction industry



*Image taken from IR release

About Technology & Outlook

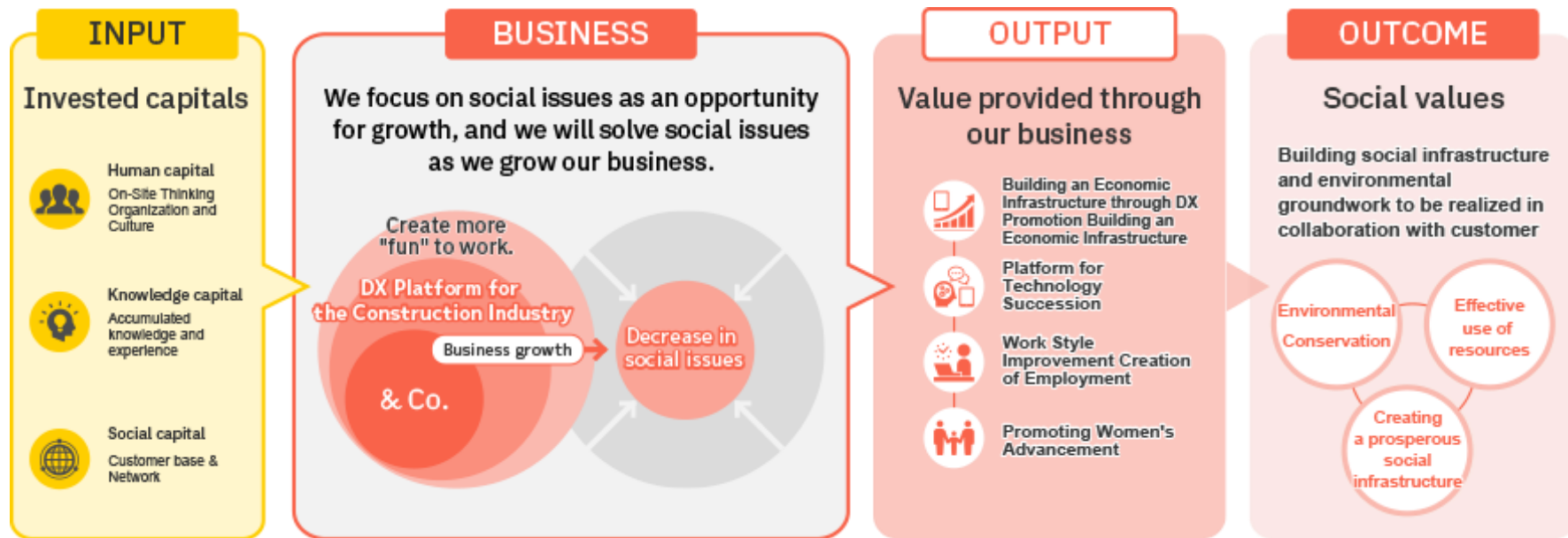
- Integrating construction data recorded on SPIDERPLUS into BIM
- Applied to BIM linkage functions planned to be developed in SPIDERPLUS
- In 2023, BIM utilization in public works is scheduled to become a principle^{*3}

*1: Patent No. 7129586 (registered on Aug. 24, 2022)/Name of the invention: "BIM Data Provision System, BIM Data Provision Method and Programme"

*2: Abbreviation of BIM: "Building Information Modeling. In BIM, all information on the construction life cycle (planning, designing, construction, and maintenance after completion) is integrated into the 3-dimensional model of the building.

*3: Ministry of Land, Infrastructure, Transport and Tourism, "How to Promote the Application of BIM/CIM Principles in FY2023 (Mar. 2, 2021)" and Digital Agency, "Progress in the Comprehensive Revision of Regulations in the Context of Digital Principles and Acceleration of Initiatives" (Oct. 27, 2022)

Focus on social issues as growth opportunities and realizing sustainable value creation through business growth

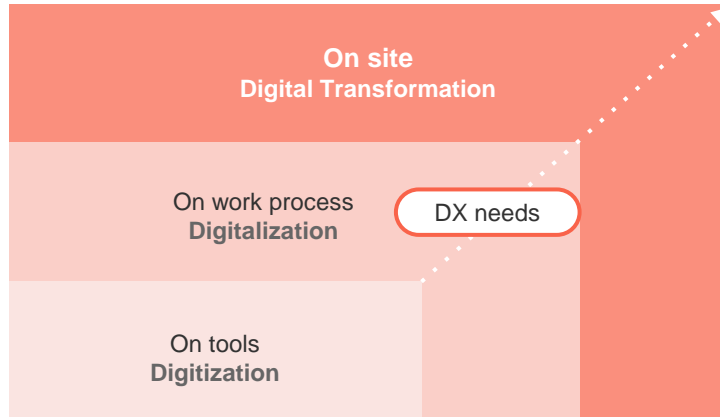


*1:Sustainability website:<https://en.spiderplus.co.jp/about-us/sustainability/>

sales enhancement of optional functions to correspondence expanding DX needs

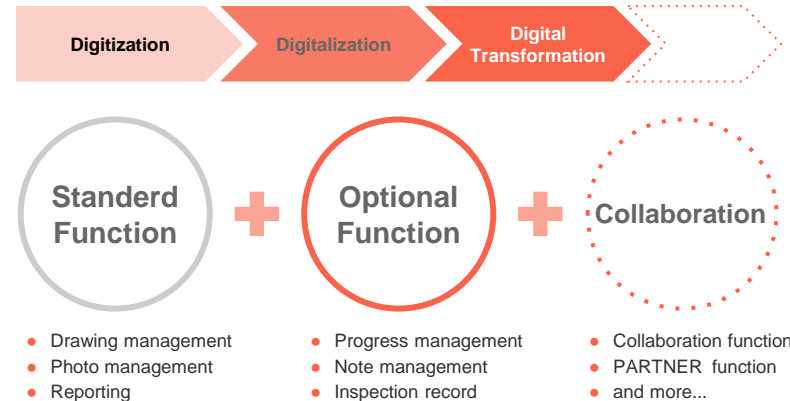
Expanding DX needs

Beyond replacing analog tools,
Increasing number of companies intending to use digital more essential



Why sales enhancement of optional functions

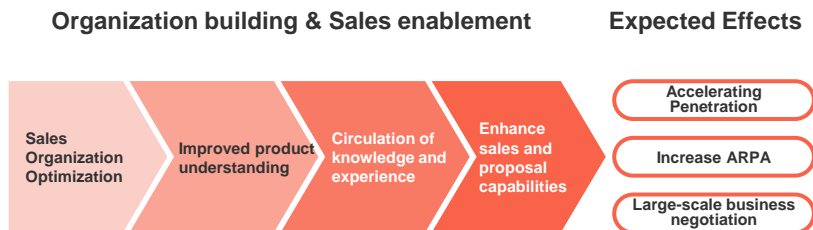
Accelerate customer DX by utilizing a combination of optional functions



Establish a service delivery system that drives high ARR growth rates

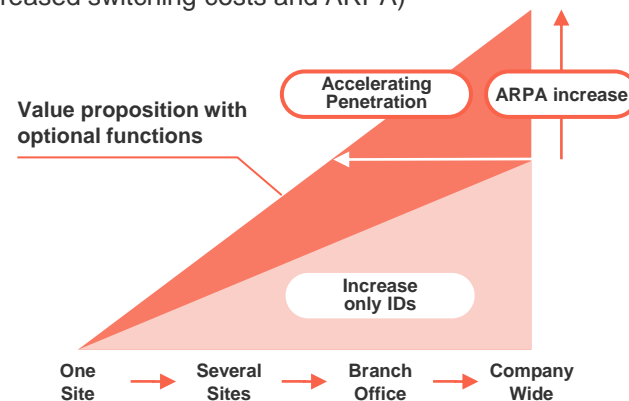
Sales enablement

- Respond to rapidly expanding DX demand and move forward with organizational development to quickly maximize return on invested capital



Accelerating Penetration

- Accelerate penetration through company-wide introduction, etc. through value proposition that combines optional functions
- Enhance customer benefits through the use of options (increased switching costs and ARPA)



Financial Information

SpiderPlus & Co.

1.FY2022.Q3 Highlights

2.Financial Information

3.Reference: About SPIDERPLUS

4.Reference: Market environment

5.Reference: Medium-term Vision

Financial Highlights ^{*1}

Advanced investment focused on sales growth rate as planned.

Millions of yen	FY2022.Q3 Cumulative period	YoY	FY2022 Forecast
Net sales	1,805	+28.9%	2,668
Gross profit	1,115	+23.0%	—
Gross profit margin	61.8%	-2.9pt	—
Operating loss	-753	—	-1,189
Cash and deposits	3,378	—	—
(Reference) Number of employees	232 Person	+59 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.Q2 Accounting period	FY2022.Q3 Accounting period	QoQ	FY2021.Q3 Cumulative period	FY2022.Q3 Cumulative period	YoY
Net sales	600	636	+5.9%	1,613	1,805	+11.9%
Of net sales, ICT business	600	636	+5.9%	1,401	1,805	+28.9%
Gross profit	390	375	- 3.7%	934	1,115	+19.3%
Gross profit margin	64.9%	59.1%	-5.9pt	57.9%	61.8%	+3.8pt
SG&A expenses	616	692	+12.3%	1,233	1,868	+51.5%
Operating loss	-226	-316	—	-298	-753	—
Ordinary loss	-234	-319	—	-352	-769	—
Extraordinary income	0	—		—	132	
Extraordinary losses	0	0		0	0	
Quarterly loss before income taxes	-234	-319	—	-352	-638	—
Net loss through the quarter	-236	-320	—	-356	-643	—

About Cumulative FY2022.Q3

Net Sales

- Accompanying sales growth (YoY+28.9%) in ICT business, cumulative FY2022.Q3 sales increased to 1.805 billion yen.
- Of the 1.613 billion yen in sales for the cumulative FY2021.Q3 period, sales from the Engineering Business, which has been transferred, were 212 million yen.

Gross profit margin

- Gross margin rose to 61.8%(YoY+3.8pt) as ICT business became a single business from the fiscal year under review.
- Started depreciation of software in line with the launch of sales of the renewed SPIDERPLUS.

SG&A expenses

- SG&A expenses increased to 1.868 billion yen (YoY+51.5%) in the cumulative period due to the relocation of advanced investment and the head office to ICT business, mainly in human resources.

Millions of yen	FY2021.Q2 Cumulative period*1	FY2022.Q3 Cumulative period	YoY
Net sales	1,401	1,805	+28.9%
Cost of sales	495	690	+39.5%
Gross profit	906	1,115	+23.0%
<i>Gross profit margin</i>	<i>64.7%</i>	<i>61.8%</i>	<i>-2.9pt</i>
SG&A expenses	1,230	1,868	+51.8%
Operating loss	-324	-753	—

About Cumulative FY2022.Q3

Net sales

- Both ID numbers and ARPU increased, and ICT business sales were 1.805 billion yen.
Increased to (YoY+28.9%)

SG&A expenses

- SG&A expenses 1.868 billion yen due to planned advanced investment. Increased to (YoY+51.8%)**
- Advertising expenses were 137 million due to exhibitions, online marketing, etc.

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

Millions of yen	FY2020	FY2021	FY2022.Q3
Cash and deposits	469	4,196	3,378
Other current assets	351	512	476
Current assets	820	4,708	3,855
Software	3	2	589
Software in progress	—	381	164
Other fixed assets	80	334	523
Fixed assets	84	717	1,277
Total assets	905	5,426	5,132
Borrowings	266	178	466
Other liabilities	230	626	610
Total liabilities	496	804	1,076
Total net assets	408	4,622	4,056
<i>Equity ratio</i>	45.1%	85.2%	79.0%

About Cumulative FY2022.Q3

Cash and deposits

- While funds have been appropriated to advanced investment, the Company received 200 million yen as consideration for the transfer of the engineering business in Jan. 2022.
- Borrowed 330 million for capital investment related to the relocation of headquarters.

Software & Software in progress

- Recorded software account and started depreciation in line with the release of the renewed version of SPIDERPLUS.

Other fixed assets

- Increase in property, plant and equipment mainly due to the occupancy of the new office that was relocated in May. 2022.

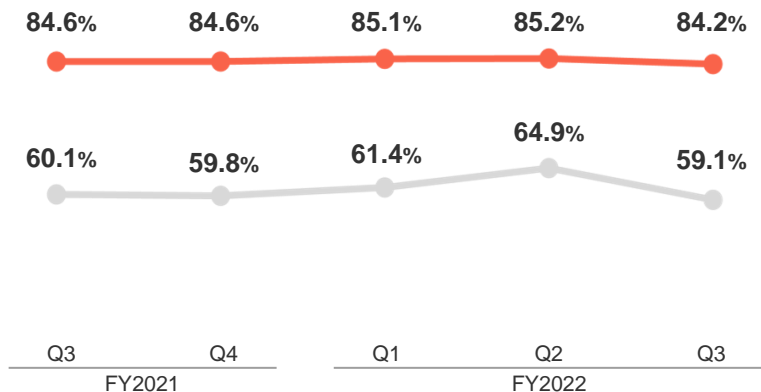
Debt

- Increased due to borrowing of 330 million (repayment period: 5 years, unsecured) to fund capital investment related to head office relocation expenses.

Marginal profit ratio*1 remained stable at around 85%

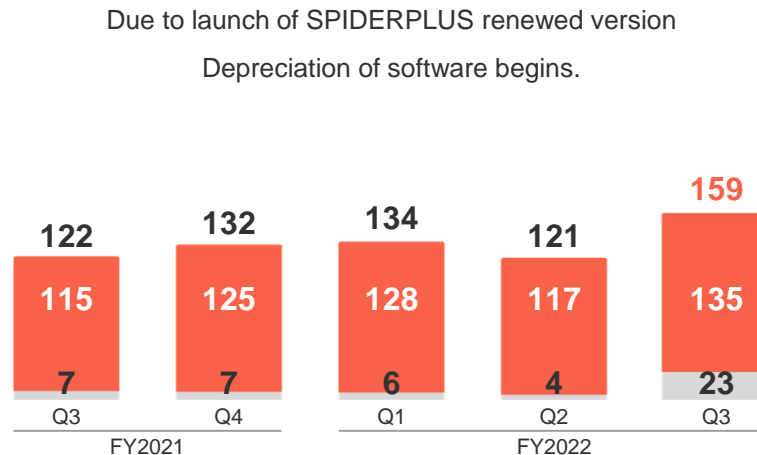
Marginal Profit Ratio and Gross Profit Margin

●: Marginal profit ratio ●: Gross profit margin



Breakdown of Fixed Costs*2

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



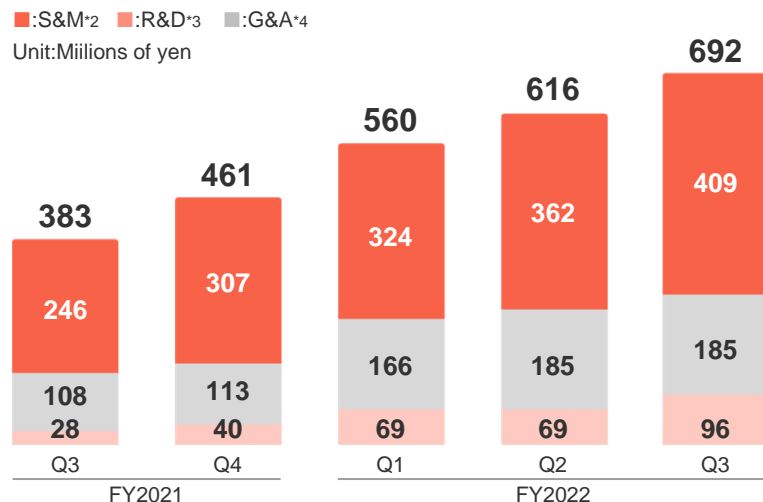
*1: Marginal profit is "Net sales-Communication expenses (Cost of sales)-Commissions paid (Cost of sales)," and marginal profit ratio is calculated as "Marginal profit ÷ Net sales."

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

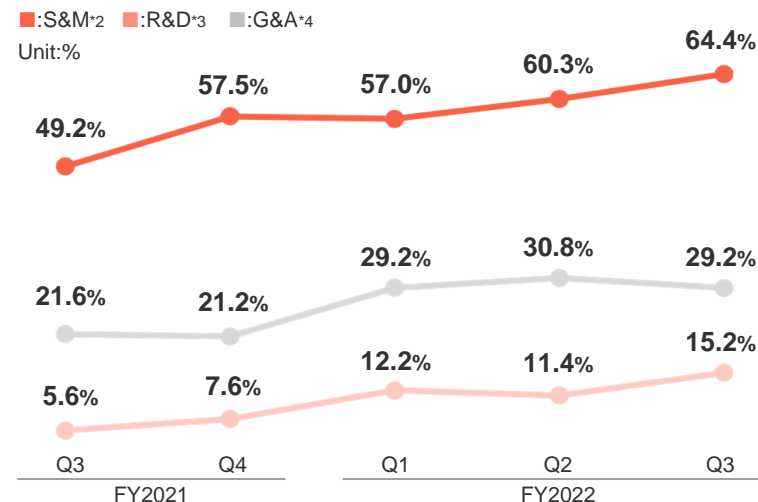
*3: Includes expenses related to outsourcing (including SES) and temporary staffing, in addition to permanent employee human rights expenses. Other fixed costs are based on our accounting classifications used for administrative purposes.

Implementation of advanced investment based on planned cost control

SG&A expenses composition*1



SG&A ratio



*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.

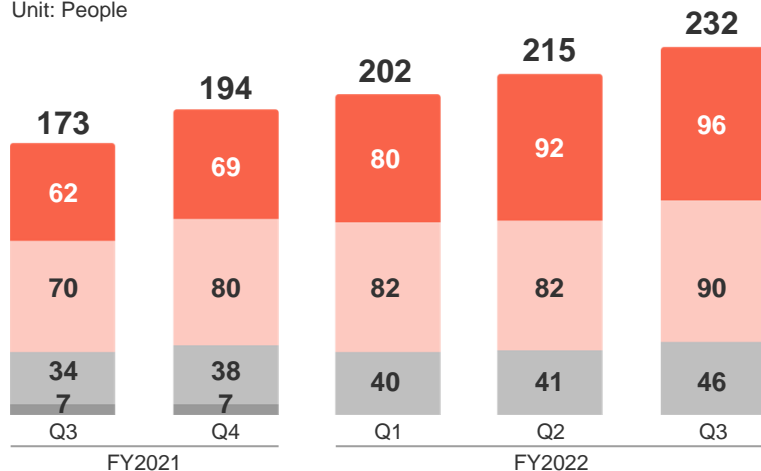
*4: Abbreviation of General and Administrative. "Total Corporate Division Expenses and Related Common Expenses" for each quarterly period.

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

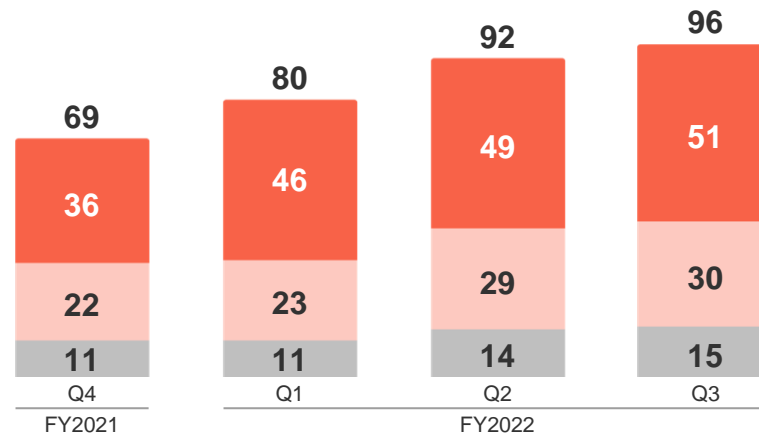
Number of Employees*₂

■: 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

**Develop major customer groups to accelerate network effects.
Strengthen sales of option functions to meet customer issues.**

Advanced investment

Focus on product development and human investment to achieve high ARR growth rates.

Performance Progress

**Toward early achievement of ARR10 billion yen,
Maximize sales and development results through enablement strategy.**

Reference: About SPIDERPLUS

SpiderPlus & Co.

1.FY2022.Q3 Highlights

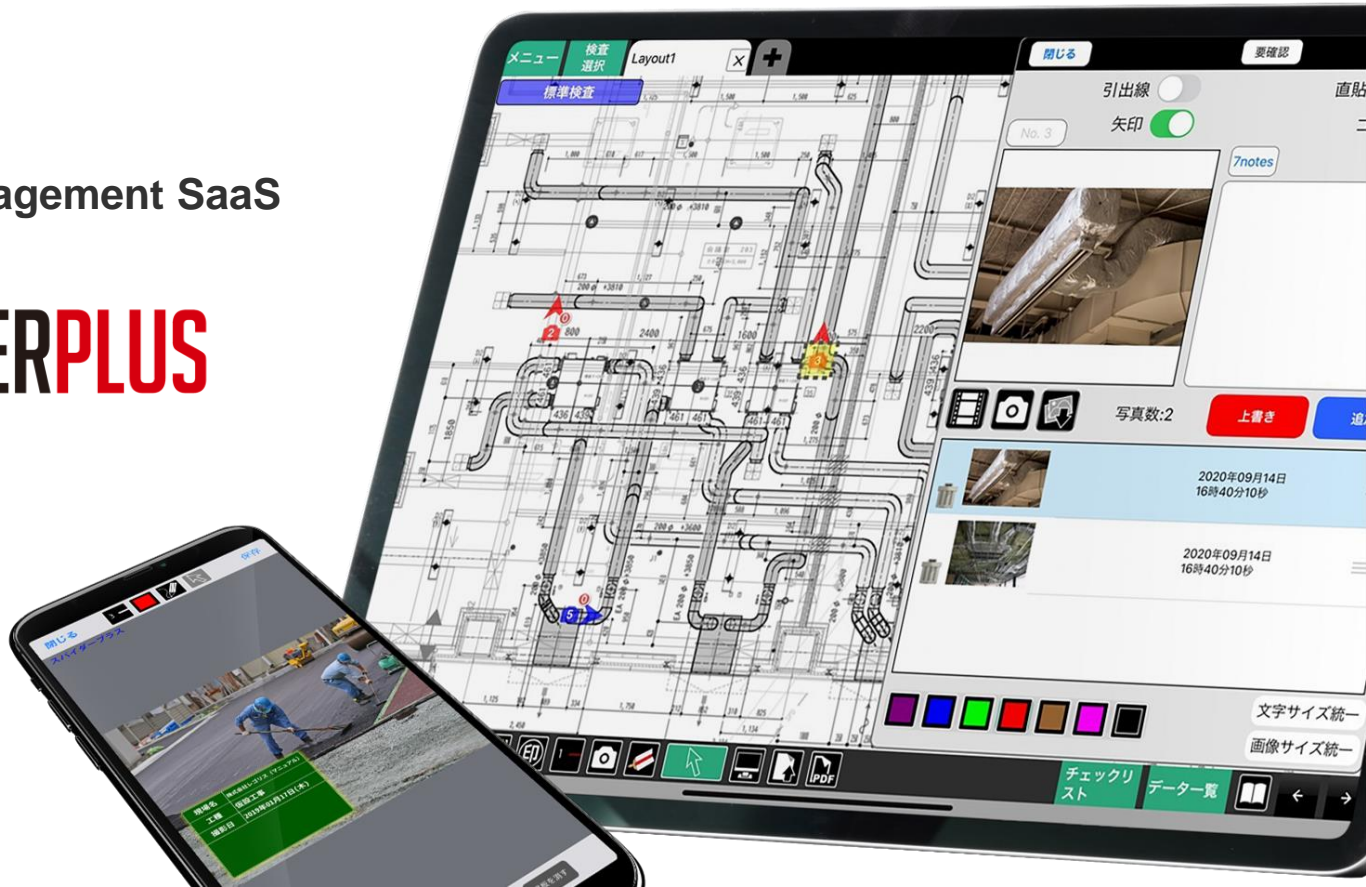
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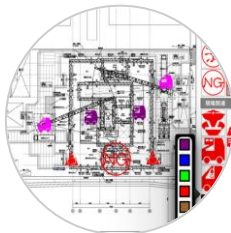
Construction management SaaS



Functional lineup that can respond to various DX needs



Standard Function
Monthly 3 thousand yen/ID



Drawing management



Electronic black board



Photo management



Generate reports

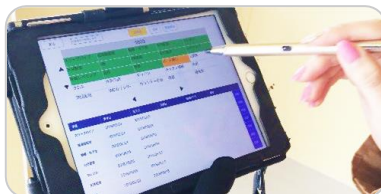
Optional Functions

Industry-specific package
Monthly fee 2.5 thousand yen/ID

Other optional features

Monthly /ID of 2 thousand yen for indicated control functions

Pipe slope measuring function 1 thousand yen per month /ID



For Buildings

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



For Electrical equipment

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



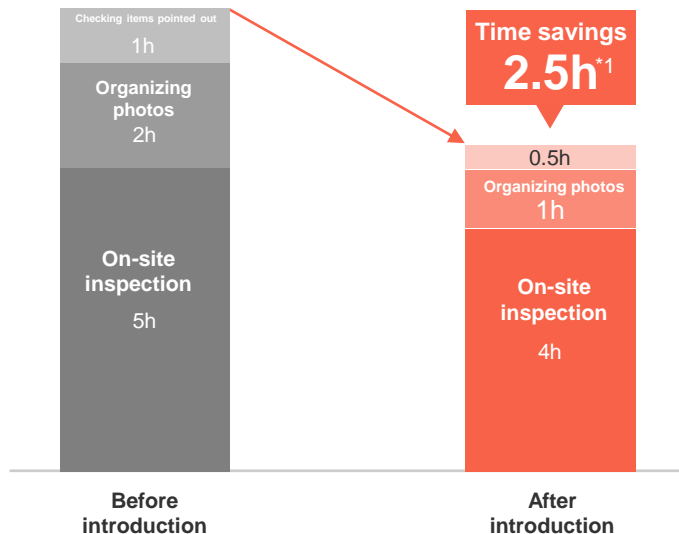
For Air-conditioning sanitary equipment

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. The use of option features requires a contract for standard features.

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 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

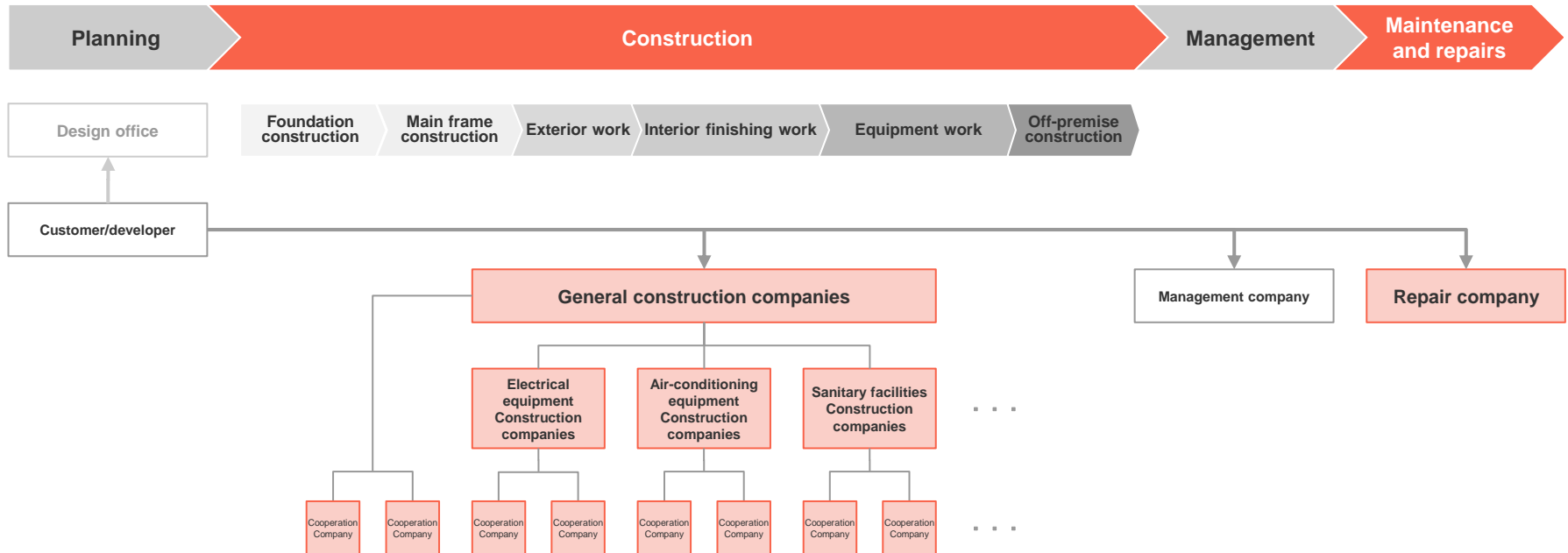
3 thousand yen/month

Charges for using SPIDERPLUS standards

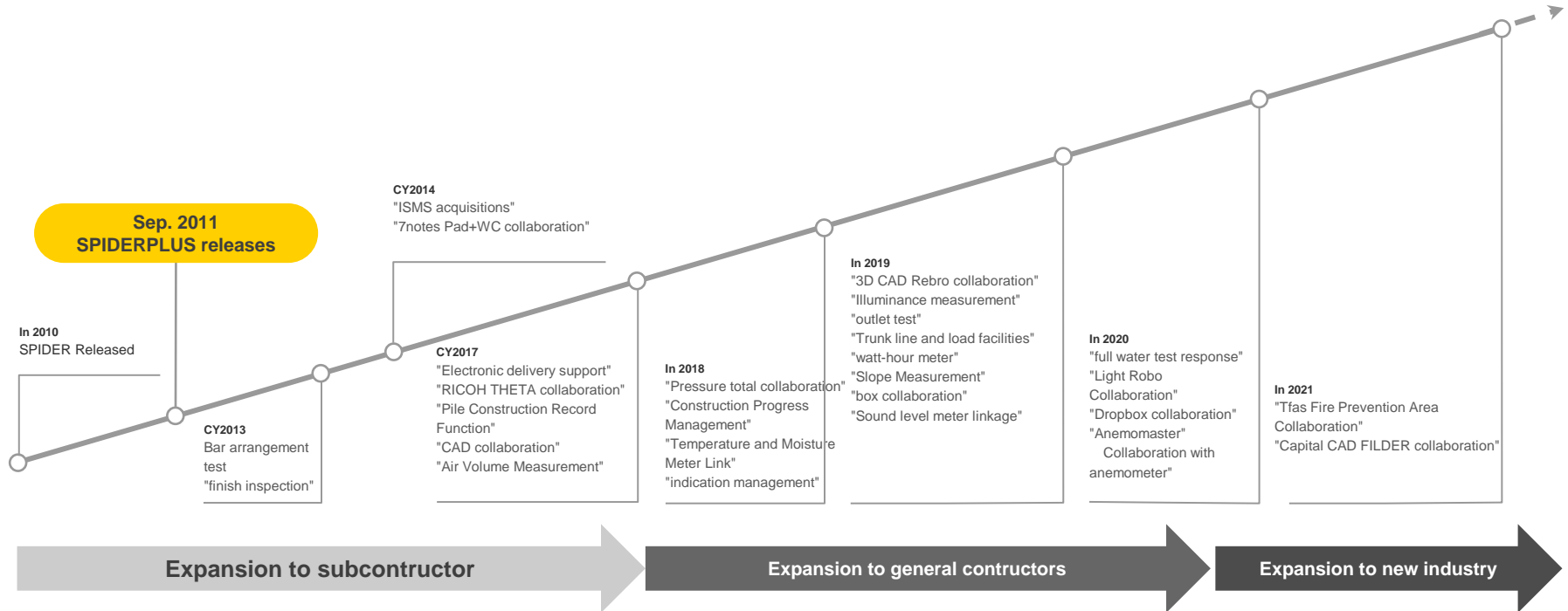
*1: Reduced times are prepared by us based on internal survey materials of companies that have introduced tablets and SPIDERPLUS.

*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



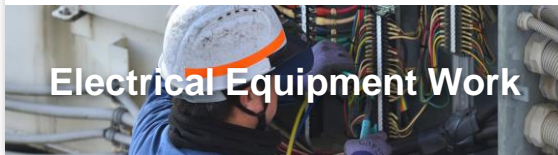
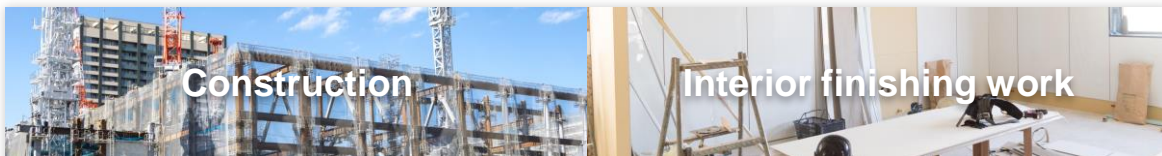
*1: The financial results and number of employees for each company are extracted from each company's annual securities report for the most recent fiscal year. Listed market classification is as of August 2022.

*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



"Productivity reform is an endless theme for improving the industry itself"

SHINRYO CORPORATION



Number of Employees: 2251 (as of Sep. 2021)

Developed comprehensive equipment work, including air conditioning, electricity, water supply and drainage sanitation, and cogeneration.

No.1 of domestic shares in district heating/cooling

From Solving Certain Issues to a Comprehensive DX

Shinryo Kogyo has a long history of introducing digitally and has been actively introducing DX for more than a decade. At first, we developed our own tools to solve the immediate problem.

The introduction of tools to solve specific issues at the workplace was aimed at achieving comprehensive labor savings by comprehensively sharing information not only with the Company itself but also with electricity, hygiene, and construction, which is highly versatile. From this, the Company's DX utilization policy has changed to a policy of flexibly incorporating products made by other companies.

Promotion of industry-wide DX and the factors behind it

There are always difficulties in promoting DX on a company-wide basis due to the nature of on-site operations. At the site, there is a time limit of delivery time and there is a limited cost. While we need to promote DX such as the introduction of tools while operating actual projects under limited conditions, we will not fail by making actual operational sites the test site.

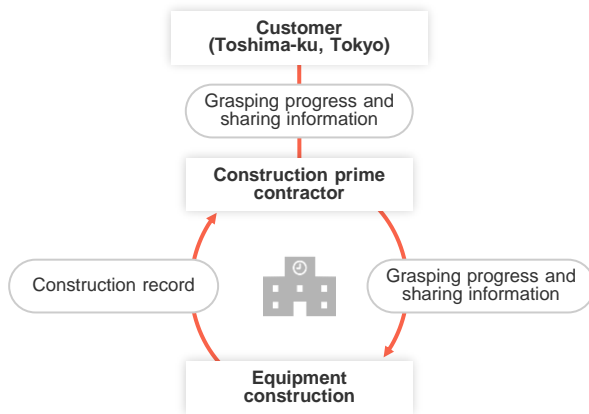
No change even if DX is promoted

In the construction industry, the introduction of tools has led to a variety of changes at the workplace. Pictures can be collected digitally and efficiently, and they are being replaced, and these efforts also lead to labor savings and cost optimization at the front lines. On the other hand, we believe that "judgments based on an understanding of the essence of technology" remain unchanged as a core.

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

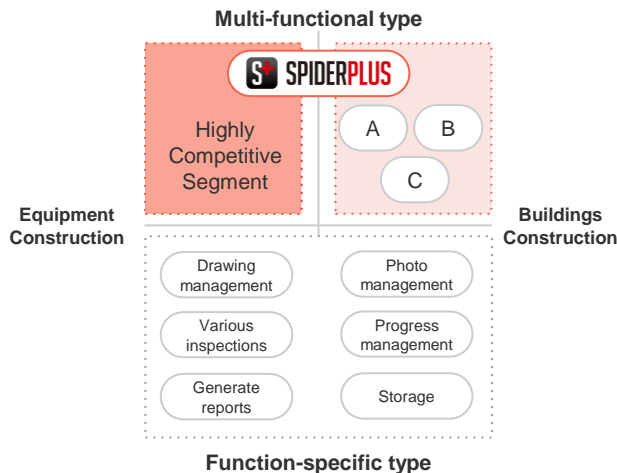


With a wealth of functions in construction management, utilized by major companies in the general contractor and subcontractor industries

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



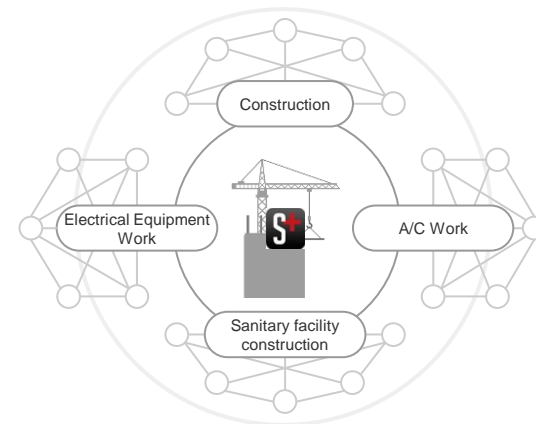
Customer base

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.Q3 Highlights

2.Financial Information

3.Reference: About SPIDERPLUS

4.Reference: Market environment

5.Reference: Medium-term Vision

Serious challenge faced by a huge market

Domestic construction investment*1



63 trillion *1

(Forecast)

2021 → 2035

Labor shortage*2

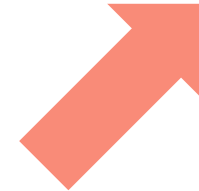


1 million *2

(Forecast)

2014 → 2025

IT Investment *3



3 times *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.

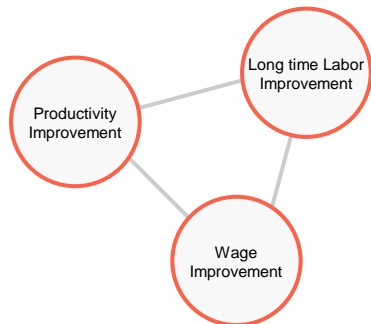
*2: Excerpts from Nikkei BP, Construction Tech Future Strategy (issued Mar. 13, 2020).

*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

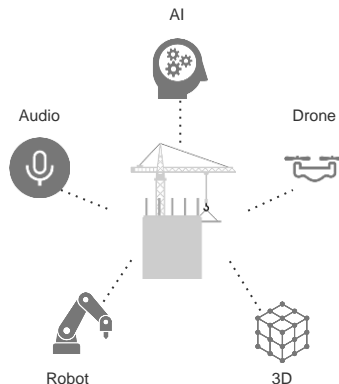
Application of the Work Style Reform Law*1

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

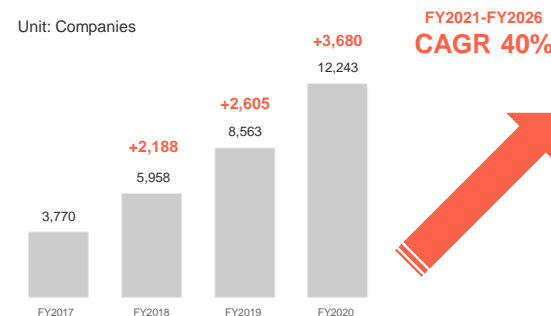


Expanding market*2

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



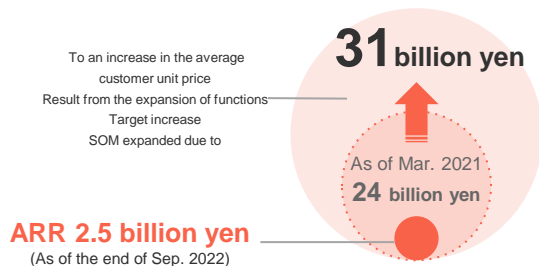
*1: Abbreviation of the Act on Improvement of Related Laws to Promote Work Style Reforms (promulgated on Jul. 6, 2018) issued by the Ministry of Health, Labour and Welfare.

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

SOM*2

Serviceable Obtainable Market

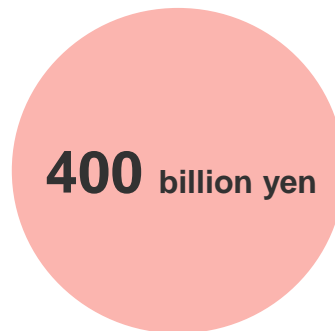
Site supervision of core targets



SAM*3

Serviceable Available Market

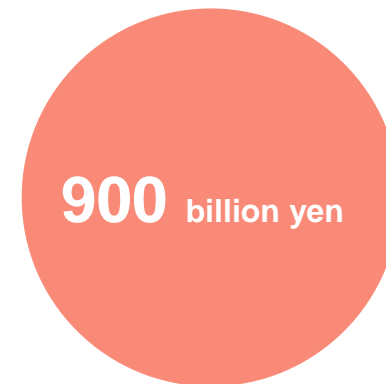
Domestic construction workers



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: Medium-term Vision

SpiderPlus & Co.

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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

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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