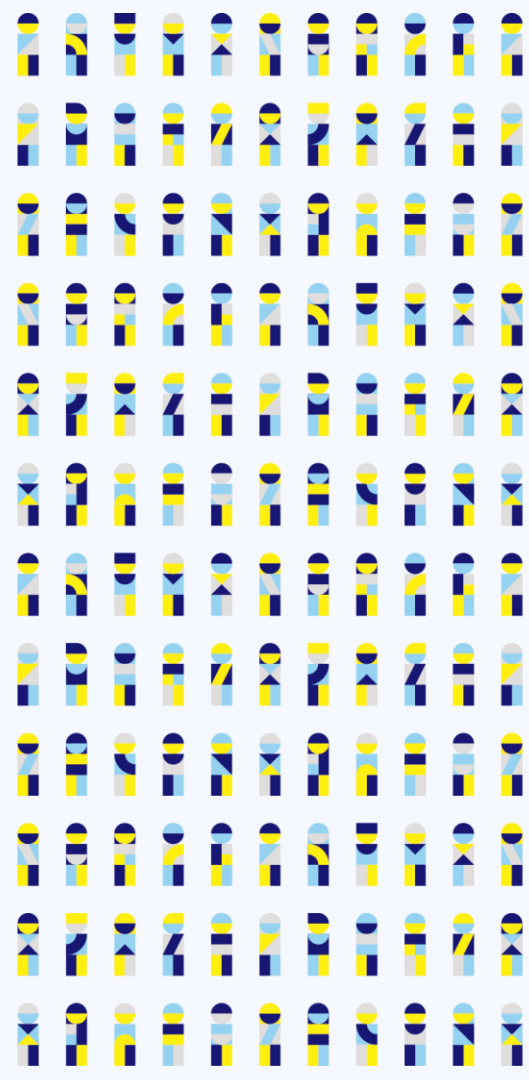




# Business Plan & Growth Potential

December 22, 2022

Securities code: TSE Growth 3900



# MISSION

## Talent infrastructure

More than ever before, the world today is a place in which talent and experience can be used for the betterment of other people's lives.

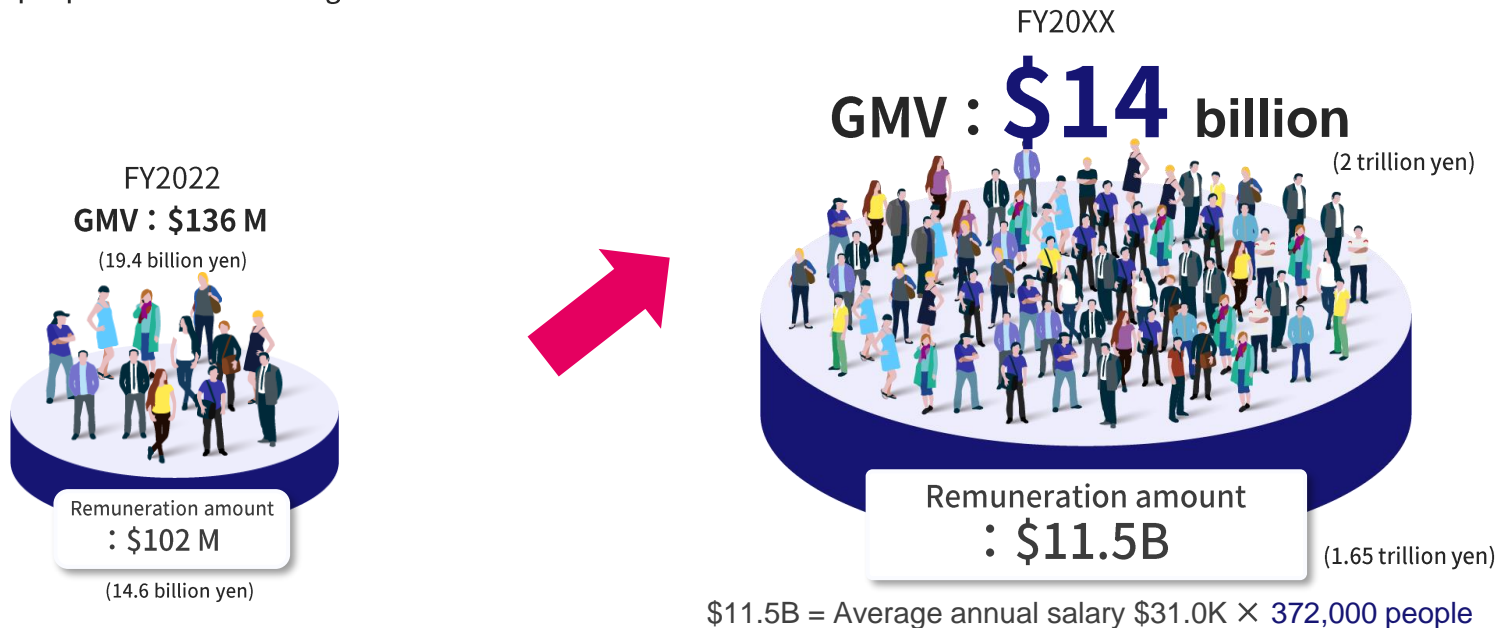
Writers, designers, engineers, video distributors, school instructors, and many others are making a career out of what they are good at, helping others, and bringing smiles to the people around them.

We believe in the infinite potential of people. We believe that people's talents can be tapped to significantly improve others' lives. CrowdWorks' mission is to become a modern infrastructure for talent.



# VISION

Achieving our goal of “The company that delivers rewards to people the most in the world”, Over the long-term, CrowdWorks aims to reach “**\$14 billion in work distribution GMV.**” We will build Japan's largest online employment infrastructure with more than 372,000 people in terms of average annualized income.



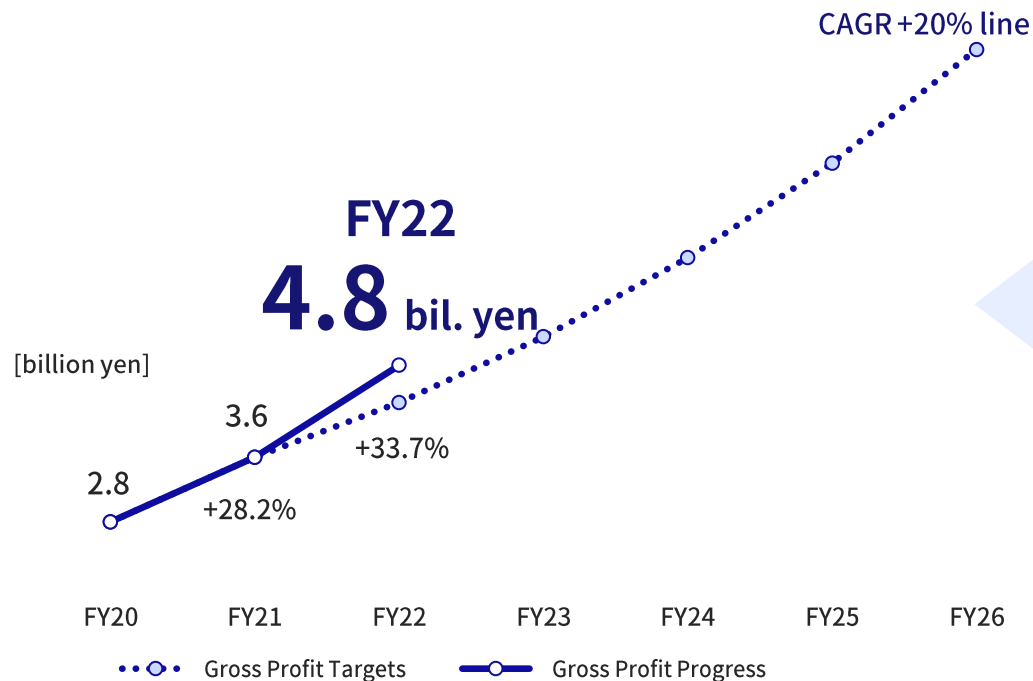
(Sources) \*Average annual salary \$31.0K National Tax Agency, "Results of the Survey on the Actual Status of Private Salary for 2021"

\* 372,000 Number level of employees ranking No. 1 in Japan; Reference: Yahoo Finance as of Nov. 10, 2022 1. Toyota 372,000 people, 1. Hitachi 372,000 people, 2. NTT 341,000 people

\* The dollar notation is expressed as 1 dollar = 143 yen

# Progressing ahead of schedule

Gross profit for FY22 is 4.8 billion yen. Growth rate is +33.7%.  
Exceeded mid- long-term growth target of CAGR +20% or more.



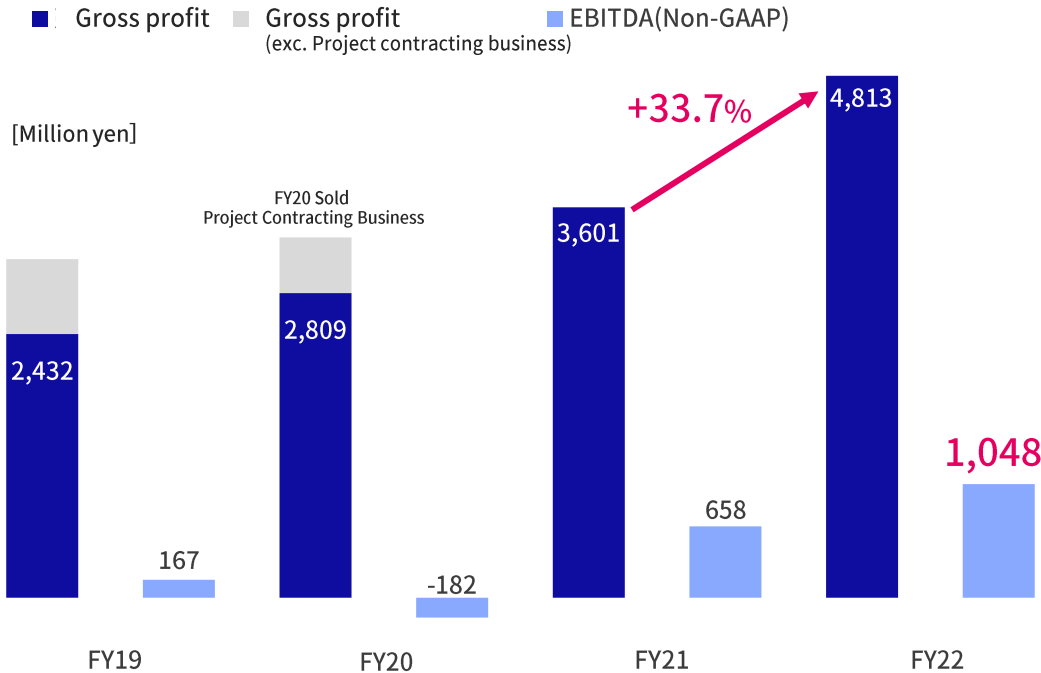
Gross profit

FY22

+33.7%

Mid to long-term target  
“CAGR +20% or more for 10yrs”  
ahead of schedule

# Gross profit +33.7% & Record high profits



**Accelerate growth & increase in profits**  
through 3 years of productivity improvement

• Gross profit figures for FY20 and FY19 exclude Project contracting business.



# Matching Business: KPI Improved in All Indicators

Succeeded in increasing the number of companies placing orders and the unit price of orders in all areas through measures to improve the unit price. Achieved sales and gross profit growth of over 30%.

## Engineer/designer area

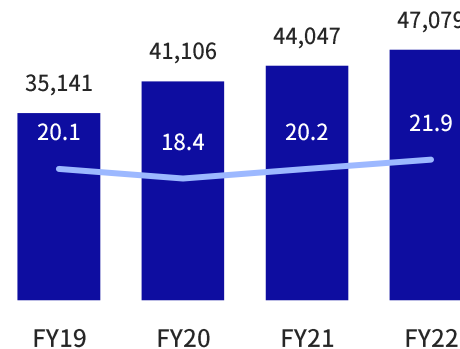
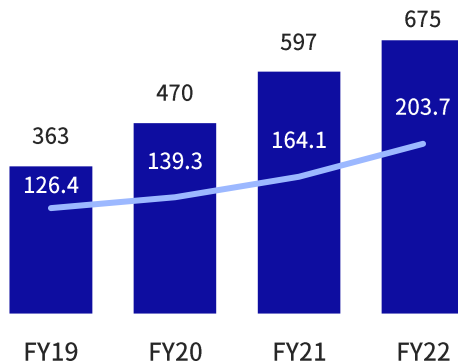
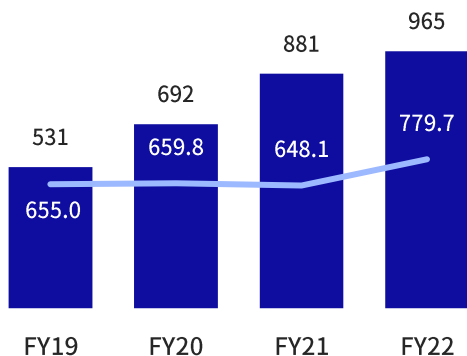
GMV	7.52 bil. yen	YoY +31.8%
Ordering Clients	965	YoY +9.5%
×		
Order Unit Price	7.79 mil. yen	YoY +20.3%

## Assistant/admin area

GMV	1.37 bil. yen	YoY +40.4%
Ordering Clients	675	YoY +13.1%
×		
Order Unit Price	2.03 mil. yen	YoY +24.1%

## Web production/outsourcing area

GMV	10.3 bil. yen	YoY +16.0%
Ordering Clients	47,079	YoY +6.9%
×		
Order Unit Price	219,000 yen	YoY +8.6%



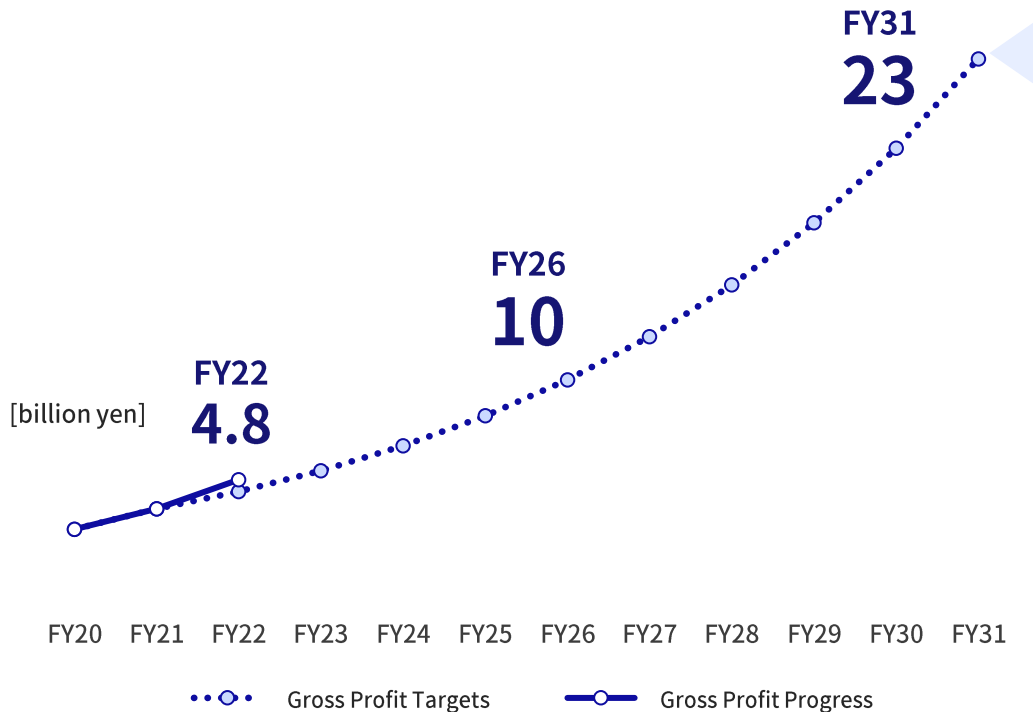
■ Ordering Clients    — Ordering Unit Price



## Mid to long-term growth targets and strategies

# Medium- to Long-term Growth Targets

Aim to achieve gross profit of 23.0 billion yen in FY31 by maintaining the mid- to long-term target of Gross profit CAGR +20% or more for 10 years.



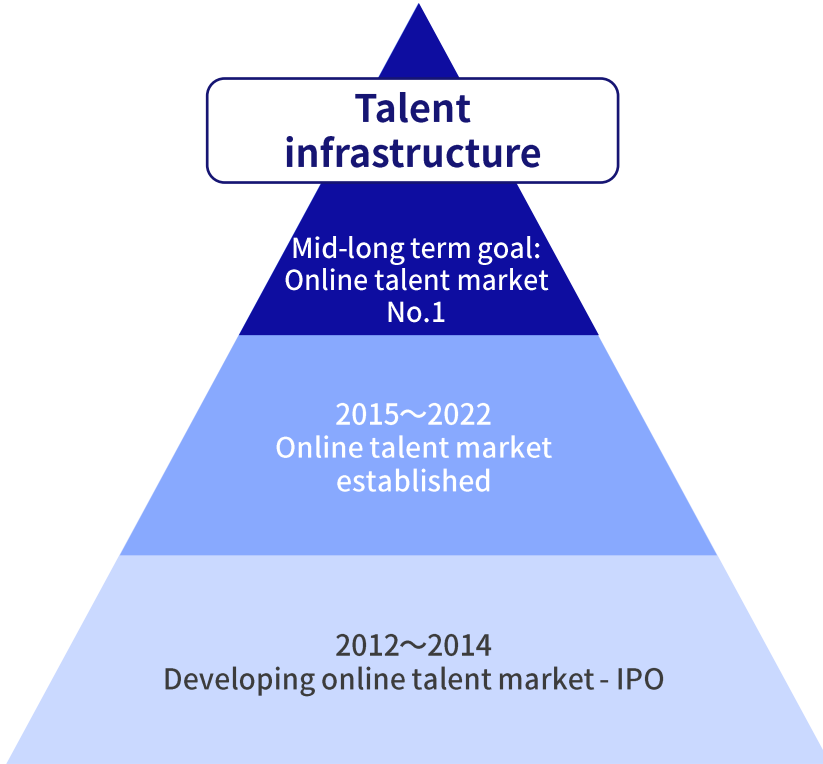
Gross profit

**CAGR +20%  
or more  
for 10 years**



# GMV 100 billion yen & to be the No.1 Online Talent Market

Establish the online talent market in the first 10 years and become the No. 1 online talent market in the next 10 years

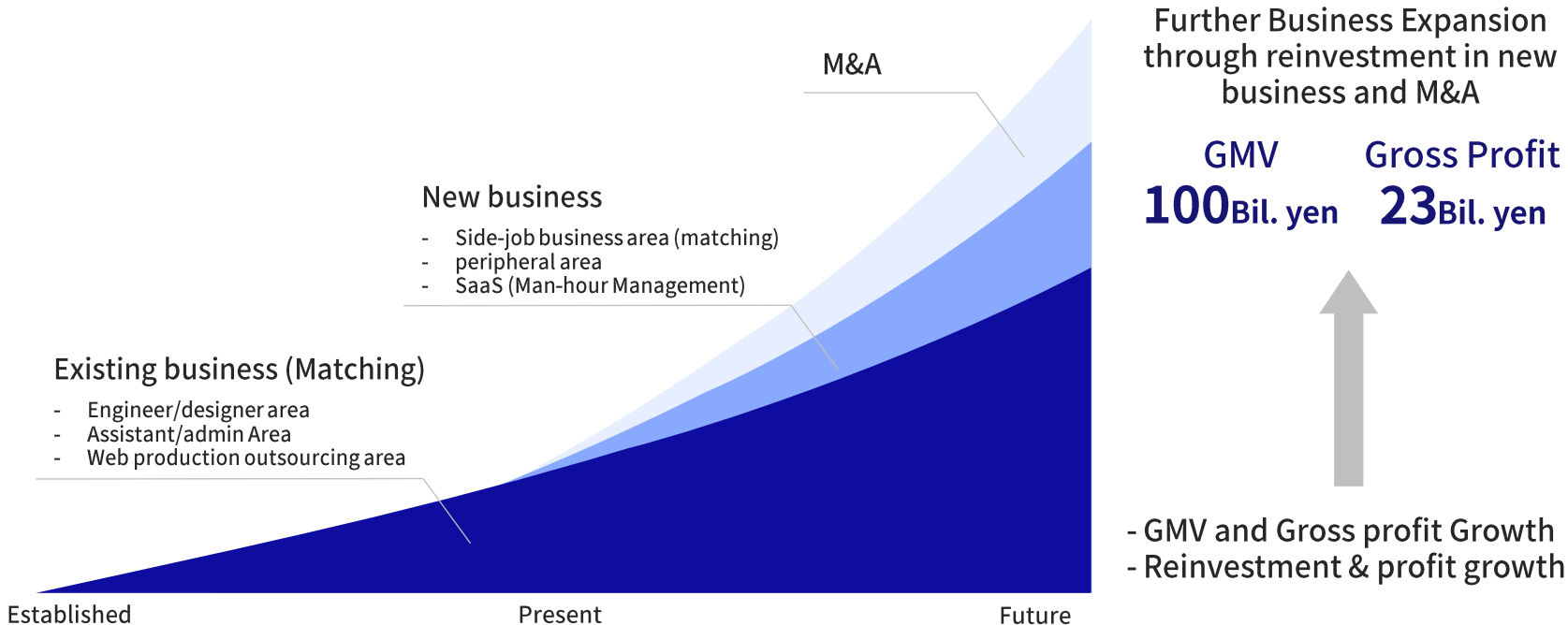


GMV (aim)	Gross Profit	Business size level
<b>FY31</b> <b>100 Bil. yen</b>	<b>FY31</b> <b>23 Bil. yen</b>	Semi-prime corporate level in domestic existing talent market
<b>FY22</b> <b>19.4 Bil. yen</b>	<b>FY22</b> <b>4.8 Bil. yen</b>	Emerging listed company level in domestic existing talent market
<b>FY14(IPO)</b> <b>1.5 Bil. yen</b>	<b>FY14(IPO)</b> <b>400 Mil. yen</b>	Start-up

• Gross profit is calculated based on the level of take rate

# Medium- to Long-term Growth Image

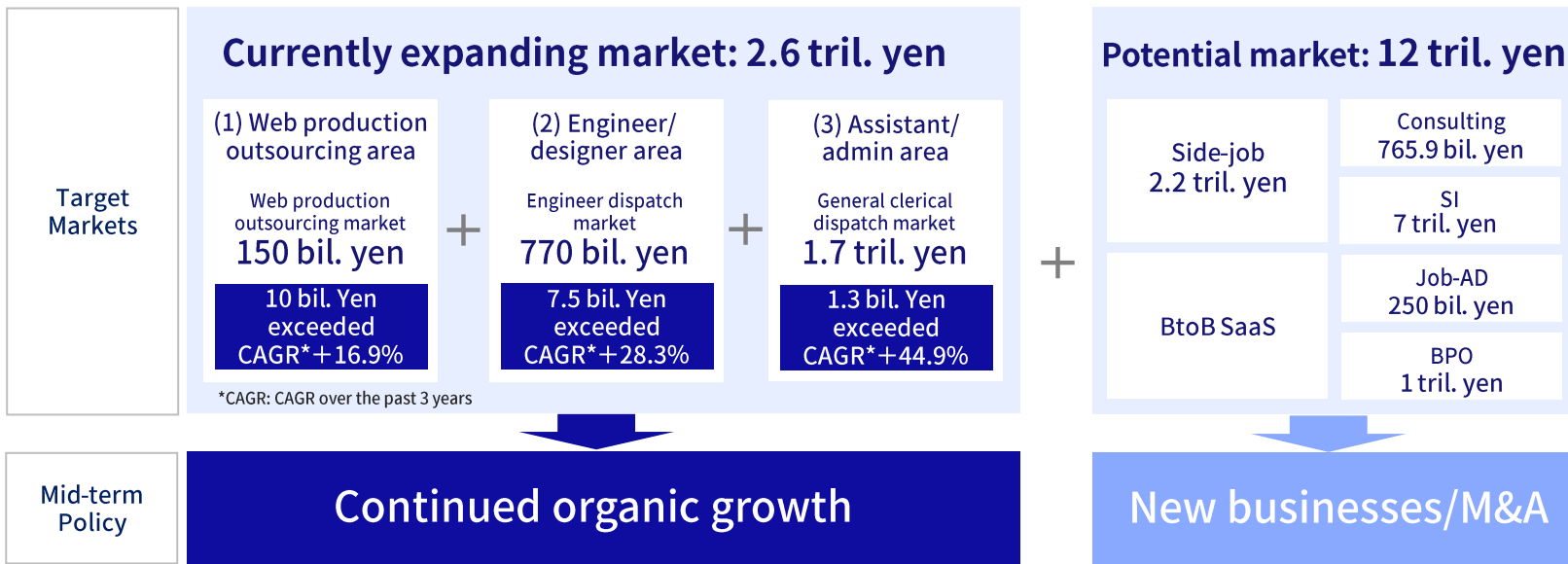
Achieve further growth and business expansion by achieving continuous growth in both sales and profits in the existing matching business and reinvesting in new businesses and M&A from profits generated by existing businesses.



# Key Areas of Current Revenue Growth and Future Strategy

FY2022 organic growth of existing businesses led to gross profit growth of over +30%

Aim for continuous business expansion through reinvestment in new businesses and M&A



(Sources) For the IT outsourcing market, the market scale of production and others is calculated from "Current Status and Outlook of the Internet Advertising & Web Solutions Market" by Deloitte Tohmatsu MIC Research Institute. Technician dispatch and general office worker dispatch markets are calculated by multiplying the number of workers in information processing and communications technology and office job workers by the dispatch fee from the Ministry of Health, Labor and Welfare's "Worker Dispatch Business Report. Side-job market: Estimated based on the Ministry of Internal Affairs and Communications Labor Force Survey and our survey "Side-job Data Book" on the potential side-job population, current side-job income, and intention to have a side-job. The Consulting SI, and BPO markets are taken from IDC's "Domestic Enterprise IT Market," "Domestic Consulting Services Market," and "Domestic Business Process Outsourcing (BPO) Services Market" market forecast releases. The part-time job advertisement market is calculated by multiplying the ratio of clerical and sales jobs by the market size from the "Job Information Provision Service Market Size Survey" release by the National Association of Job Information.

# Expanding Ecosystem Centered on CrowdWorks DB

Resolving corporate and individual issues by CrowdWorks' database

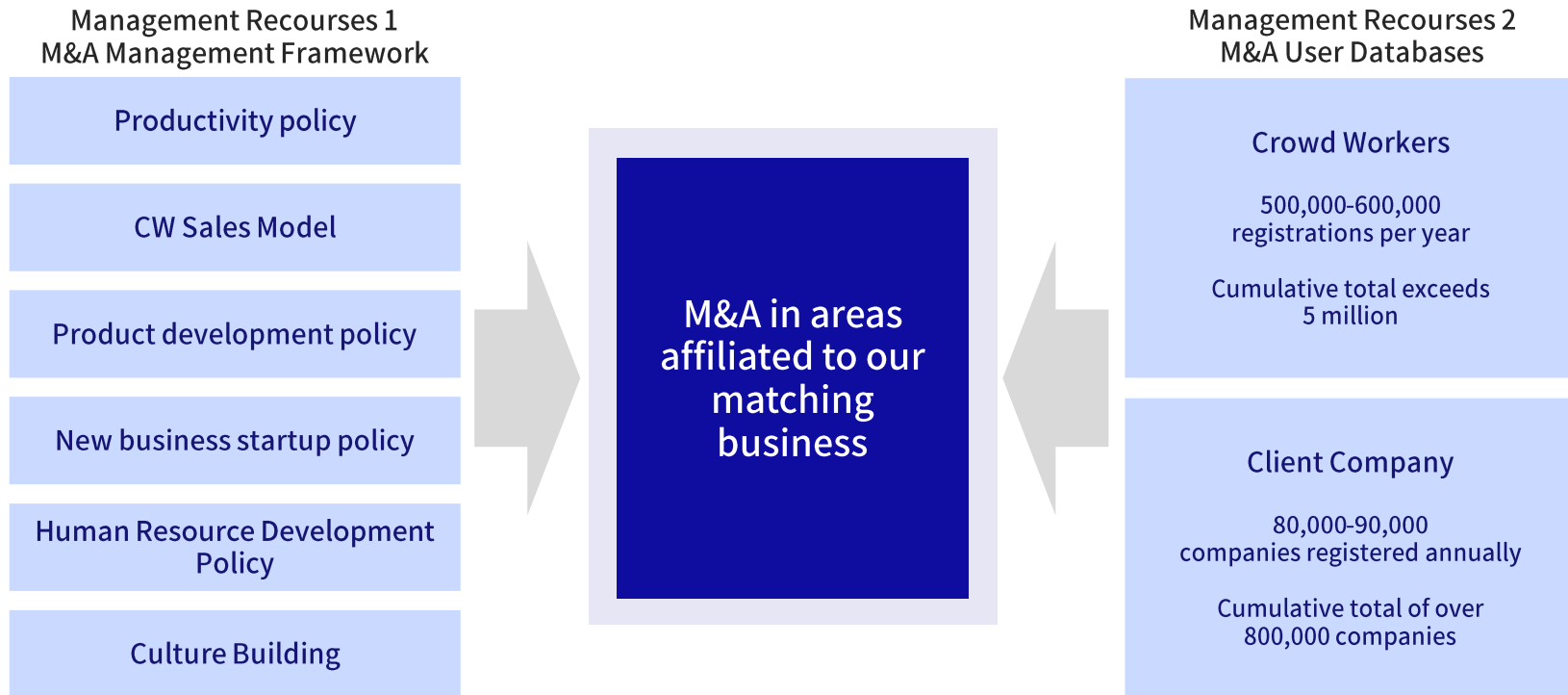
Established an ecosystem for joint business growth through M&A and providing databases to HR service companies.





# M&A Framework to Promote Continuous Growth

CW's unique framework, developed from past management experience, is applied to acquiring companies. Enables more reliable and speedy PMI.





# Management Indicators and Profit Plan for the FY23



# Forecast for FY2023

Aim to increase sales and profits for FY2023 and will continue to achieve 10 years of gross profit growth of 20% or more.

[million yen]	FY2022 Results	FY2023 Forecast	YoY
GMV	19,452	22,800	+17.2%
Net Sales	10,574	13,000	+22.9%
Gross Profit	4,812	5,900	+22.6%
EBITDA (Non-GAAP)*	1,050	1,200	+14.5%

- EBITDA (Non-GAAP): Operating profit + Depreciation and amortization + Amortization of goodwill + Stock-based compensation expense
- Figures are rounded to the nearest million yen.
- Year-on-year comparisons are calculated in accordance with the rules for financial statements, taking into account figures less than one million yen.

# Forecast for FY23 vs Historical Profitability

[Million yen]	2021 (consolidated conversion)	2022 (Consolidated)	2023 (Consolidated) Forecast
Net Sales	8,055	10,574	13,000
Gross Profit	3,600	4,812	5,900
EBITDA (Non-GAAP)	657	1,047	1,200
- EBITDA/Net Sales Ratio (Non-GAAP)	8.2%	9.9%	9.2%
- EBITDA/Gross Profit Ratio (Non-GAAP)	18.3%	21.8%	20.3%
Operating Profit (Non-GAAP)	619	1,004	-
- Operating Profit Ratio (Non-GAAP)	7.7%	9.5%	-
Operating Profit	601	932	1,000
- Operating Profit Ratio	7.5%	8.8%	7.7%
Stock compensation	18	72	150
Goodwill amortization	8	14	20
Depreciation and amortization	29	28	30

Productivity  
Improvement Culture  
×  
Client Strategies  
×  
HR Strategies

Growth and  
profitability will  
further increase





# All forecasts for the past two years have been achieved

Achieved forecasts for both FY2021 and FY2022.

FY22 exceeded the forecast due to the contribution of measures to increase unit price and cross-sales in the Matching Business

[million yen]	FY2021 Result				FY2022 Result			
	Forecast At beginning	Result	Achievement	Evaluation	Forecast At beginning	Result	Achievement	Evaluation
GMV	14,050	<b>15,698</b>	<b>111.7%</b>	◎	18,050	<b>19,447</b>	<b>107.7%</b>	◎
Net Sales	7,510	<b>8,055</b>	<b>107.2%</b>	◎	9,260	<b>10,574</b>	<b>114.1%</b>	◎
Gross Profit	3,210	<b>3,600</b>	<b>112.1%</b>	◎	4,180	<b>4,812</b>	<b>115.1%</b>	◎
Operating Profit (Non-GAAP) *1	Profitable	<b>620</b>	-	◎	800	<b>1,004</b>	<b>125.6%</b>	◎

- Operating profit (Non-GAAP): Operating profit + Stock-based compensation expense
- Figures are rounded to the nearest million yen.
- Year-on-year comparisons are calculated in accordance with the rules for financial statements, taking into account figures less than one million yen.

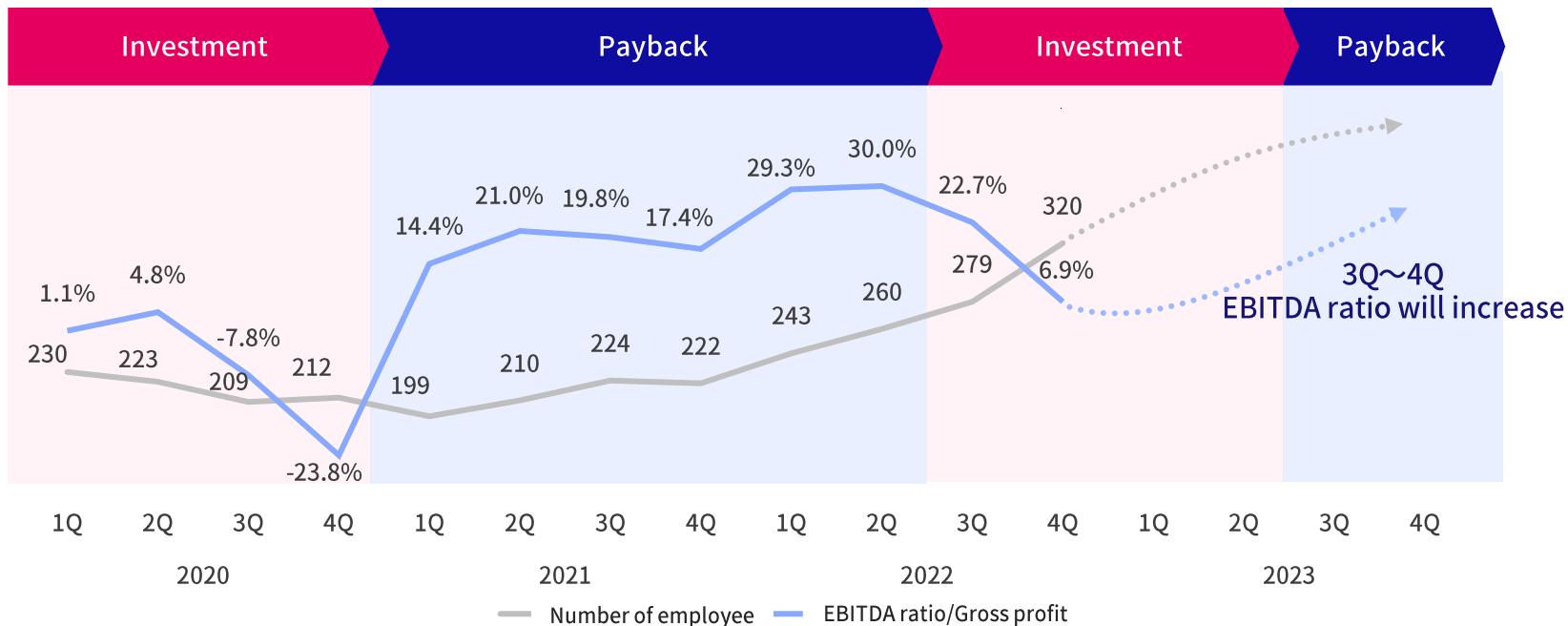
# In FY23, investment in the 1H and payback in the 2H

In the first half, we will focus on onboarding 98 new hires made in FY22. Growth expected to be weighted toward the second half of the year, assuming that the new hires will become a full-fledged force in the second half of the year.



# Payback phase from the 2H of FY23

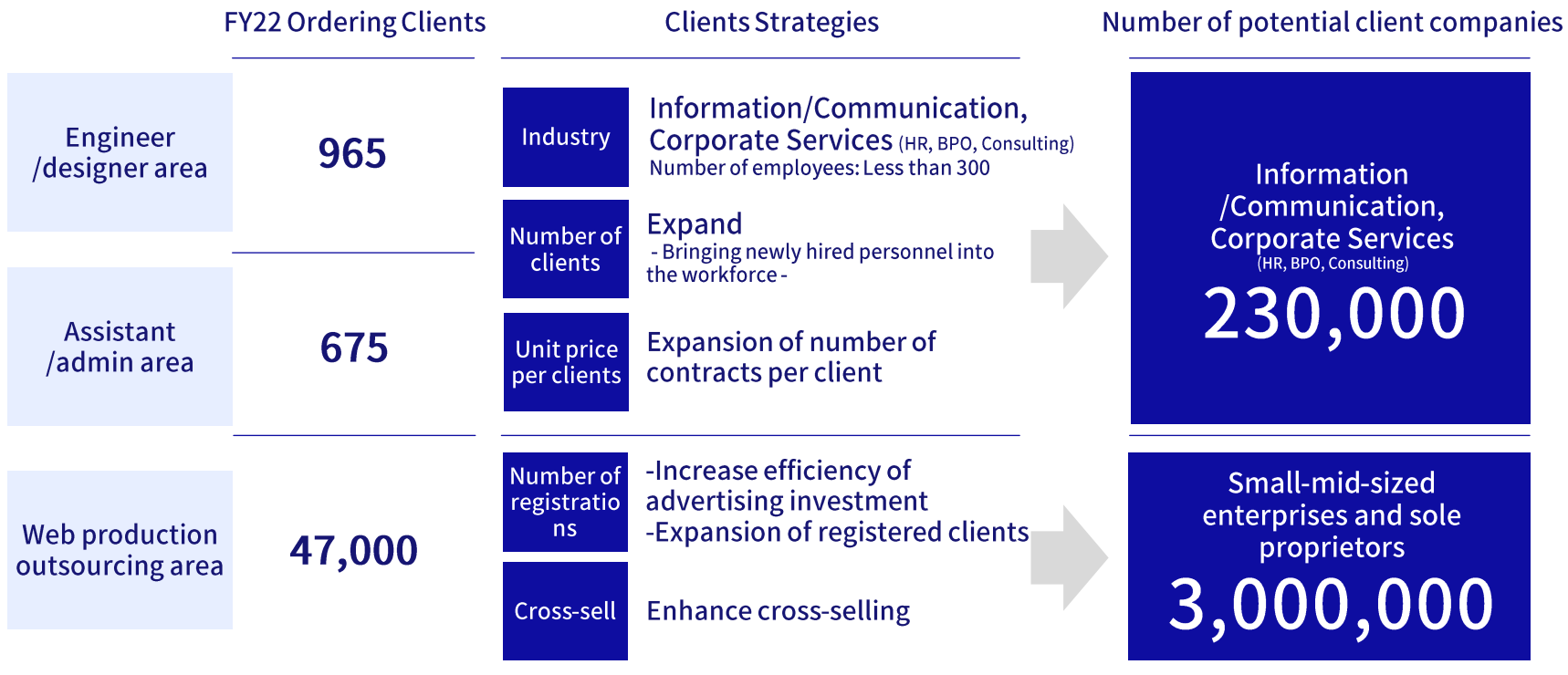
Productivity improvement from FY20 onward has successfully increased gross margin to EBITDA ratio while increasing headcount. FY23 will improve productivity through the 2H once again.





# Achieve growth through expanding number of new clients

Expand by prioritizing industries that are aggressive in utilizing IT talent.



# GMV is expanding in all industries (Engineer/designer area & Assistant/admin area)

Successfully expanded GMV across all industries, with information and telecommunications and corporate services (human resources, BPO, and consulting) as core targets.

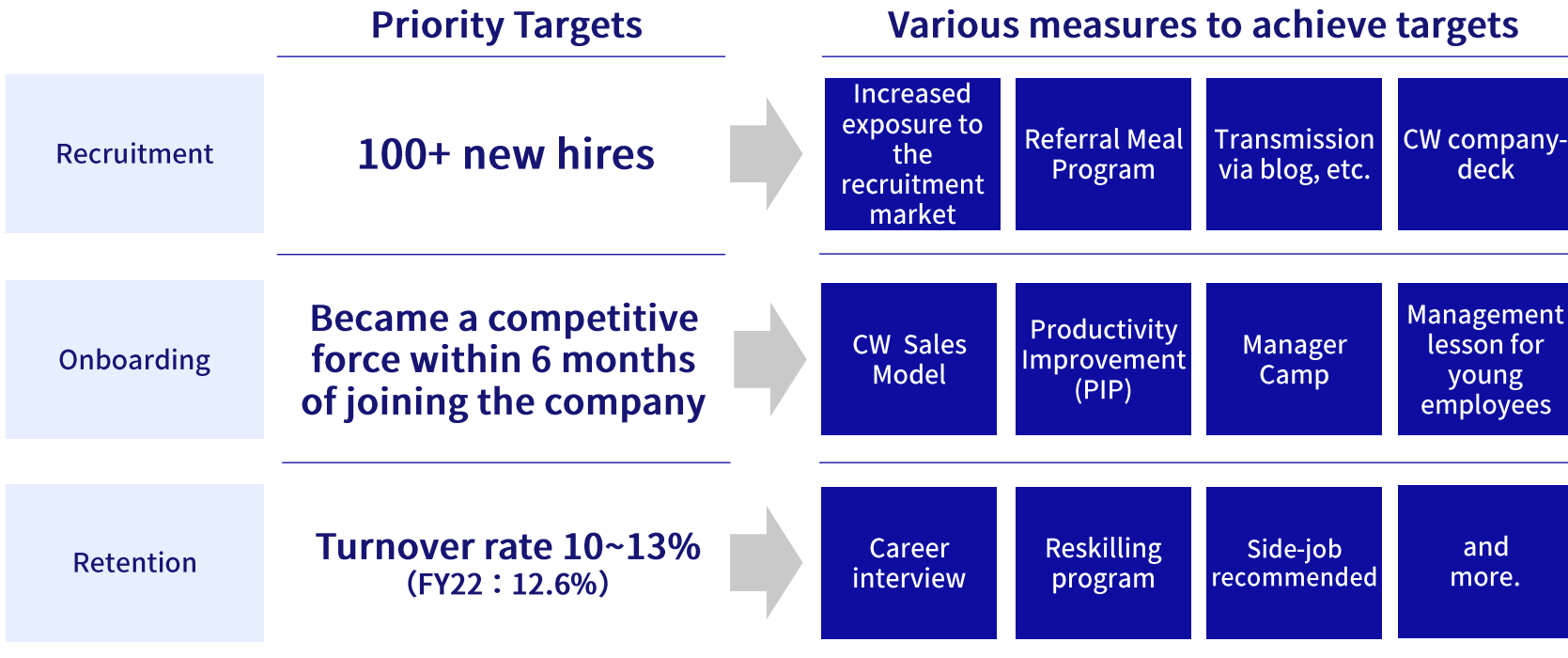
Industry	FY21	FY22	Increase Rate	Industry	FY21	FY22	Increase Rate	Industry	FY21	FY22	Increase Rate
Info & communication	4.05	➔ 5.17	Bil. yen +28%	Corporate service	0.96	➔ 1.34	Bil. Yen +39%	Consumer services	220	➔ 320	Mil. yen +44%
Medical Bio	220	➔ 290	Mil. yen +34%	Retail	120	➔ 230	Mil. Yen +95%	Distribution	150	➔ 190	Mil. yen +23%
Machinery Electricity	56	➔ 159	Mil. yen +181%	Finance	63	➔ 147	Mil. yen +134%	Consumer goods	61	➔ 93	Mil. yen +53%
Real estate	42	➔ 78	Mil. yen +57%	Transportation	41	➔ 77	Mil. yen +85%	Construction	52	➔ 68	Mil. yen +32%
Materials	26	➔ 59	Mil. yen +123%	Food	19	➔ 42	Mil. yen +121%	Others	6	➔ 630	Mil. yen +5%
								GMV Total	6.69	➔ 8.89	Bil. yen +33%

Engineer/designer area & Assistant/admin area



# Expand through Recruitment & Productivity

Continue to actively recruit to increase reach to TAMs. We have priority targets set for number of recruitment, workforce development through onboarding and retention





# Recruitment + Onboarding = Growth

Within 12 months our recent hires have exceeded existing average.

Through our onboarding measures we will aim to accelerate this to 6 months.

## Number of contract (Average number of contracts per sales person during 3 months)

Unit: Cases	0-3 months after hiring	4-6 months after hiring	7-9 months after hiring	10-12 months after hiring
New employees	3.6	7.4	9.4	12.0
Average of existing employees (hired for 12 months or more)	10.6			

# Recruitment = Growth & Expansion

Aiming to become competitive forces within six months of joining the company.

- Number of contract is based on actual results in the engineer/designer area.
- Number of contracts for new employees are based on personnel hired in FY2021 and FY2022



# Compensation structure to increase engagement

Aggressively strengthen recruitment from other industries through revision of employee salary tables. Also, strengthened equity compensation program to further motivate and inspire employees toward mid to long-term growth and corporate value enhancement.

## Highest salary with stock options Over \$200,000



Unity of vision to improve corporate value

Share with shareholders the benefits & risks of stock prices

Improve employee morale

Motivate and improve performance

Recruitment for Growth

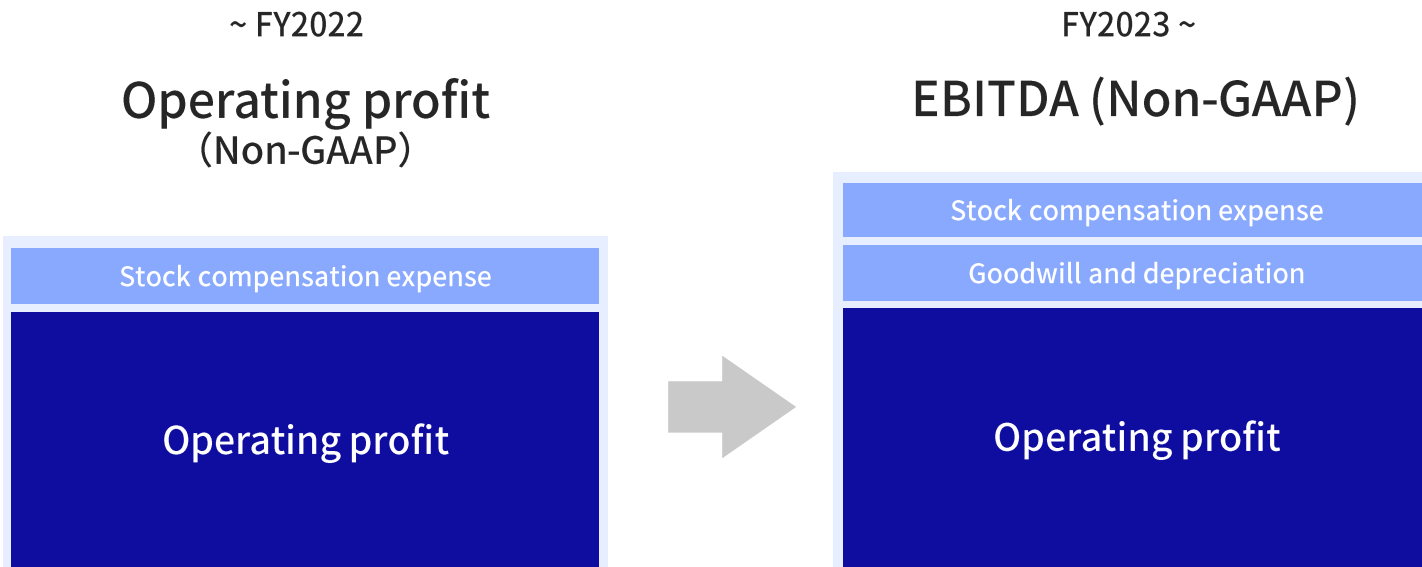
Attracting and retaining talented employees and managements



# Aligning shareholders and executive management interests

Adopted EBITDA (Non-GAAP) as a measure of profit generated from operations from FY2023.

By adding back Stock Compensation expense to OP our aim is to align shareholders & executive management interest.





# Business Model

# CrowdWorks Business Overview

Since 2012, we have developed a platform business offering people to work in ways unbound by traditional employment styles: freelance, side work, work from home, and more. We are Japan's largest online talent platform, with 849,000 clients and 5.27 million registered CrowdWorkers.



**Client companies**

**849,000**

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

 **CROWDWORKS**

CrowdWorks

Job request

Matching directly connects both parties

Job operation/delivery



**Crowd Workers**

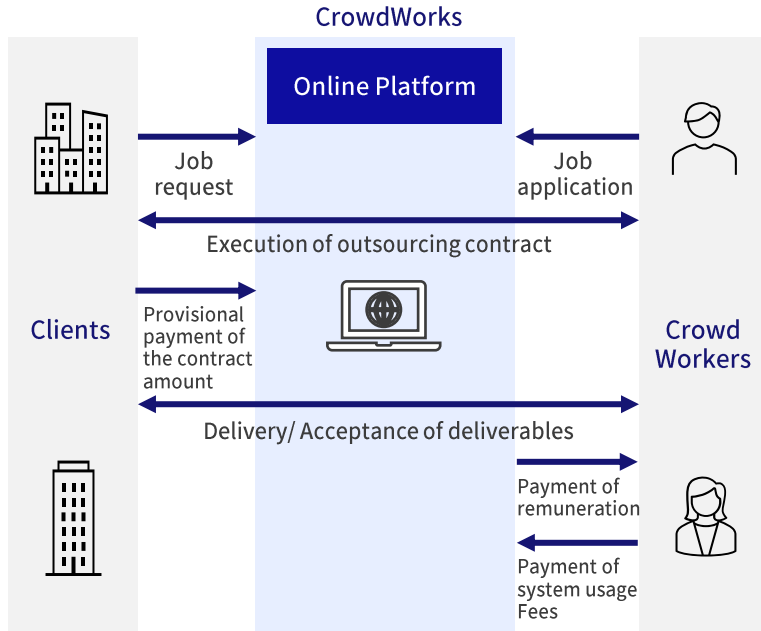
**5,275,000**

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

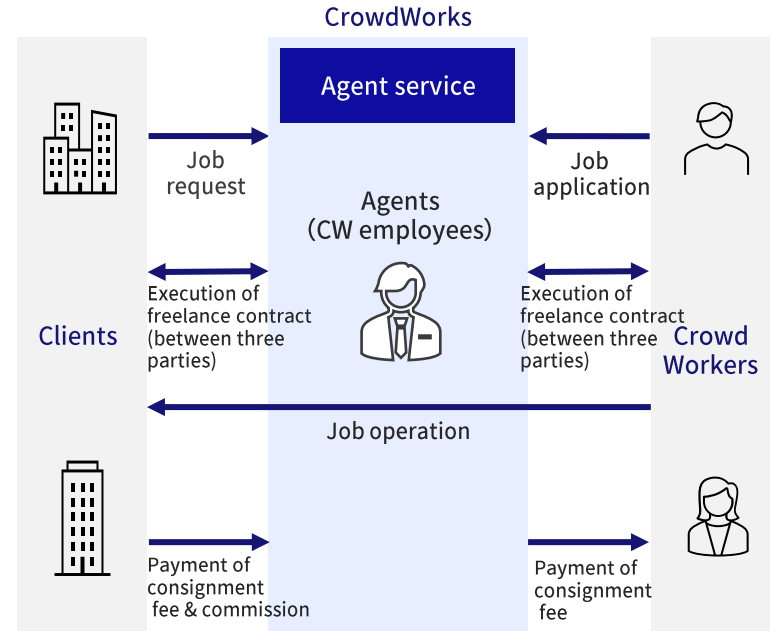
• Number of clients and workers is as of the end of FY22

# Business Model – Matching Business

## Direct matching (Systems-based matching)



## Agent Matching (Support-based Matching)



• The above direct matching represents the business model of CrowdWorks. Some direct matching services (e.g. CrowdLinks) use monthly usage fees from companies as revenue and differ from the above model.

# Profit Model

Type	Our Profit	Definition of profit	Calculation	GMV (% of share)	Net sales (% of share)	Gross profit (% of share)
Direct Matching	System usage fee	5-20% of the business consignment fees = (contract amount) between a client company and an individual	GMV = Business consignment fee Net sales = System usage fee + Ads fee	[million yen] 10,318 (53.1%)	2,131 (19.7%)	2,050 (41.4%)
	Ads fees	Additional optional fees such as ads = placement (Option fee 8,000~30,000 yen)	Gross profit = System usage fee + Ads fee			
Agent Matching	Matching fees	Business consignment amount minus = worker compensation (cost of sales) (Cost ratio 50-80%)	GMV = Business consignment fee Net sales = Business consignment fee Gross profit = Business consignment fee - Cost price	8,895 (45.7%)	8,438 (78.1%)	2,770 (53.8%)
SaaS	Service Usage fees	= Monthly service (platform) usage fees	GMV = Service usage fees Net sales = Service usage fees Gross profit = Service usage fees	234 (1.2%)	234 (2.2%)	234 (4.8%)
Adjustment*				-	▲229	▲134
Total				19,447	10,574	4,812

- GMV, Net sales, Gross profit of share ratio are calculated for the FY 2022
- Adjustments are for inter-consolidation and intra-company transactions.

# Matching Business

Web production outsourcing area

## CrowdWorks

How to match : Direct matching

Our profit : System usage fee\*

\* 5~20% of the contract amount  
between company and worker



- Japan's largest worker and company matching platform  
849,000 clients and 5,275,000 workers
- Strengths in brand recognition and customer attraction  
90,000 clients and 600,000 new workers register each year

Engineer/designer area

## Crowdtech

How to match : Agent matching

Our profit : Operating hour unit/month



- One of the largest in # of IT personnel in Japan  
Database of 100,000 IT personnel
- Assign speedily  
Engineers can be assigned in as little as 3 days
- Diverse working styles  
70% of projects less than 4 weeks  
95% remote work projects

Assistant/admin area

## ビズアシ

How to match : Agent matching

Our profit : Operating hour unit/month



- High-skilled assistants  
Experienced administrative personnel with IT tools
- Flexibility  
From 30 hours/month, minimum 1 month contract
- Remote-work  
100% remote work  
Highly skilled personnel can be recruited without geographical restrictions

# Matching Business: Side-job area

High-class personnel working for large and well-known companies are registering one after another

## CrowdLinks

How to match	: Direct matching
Our profit	: Service (platform) usage fees *Monthly



- **No matching fees**  
Unlimited matching with high-class side/company workers
- **Direct contract with High-Class Talent DB**  
Able to request work from a variety of high-class business professionals

## Links Agent

How to match	: Agent matching
Our profit	: Operating hour unit/month



- **Human resource proposals by professional consultants**  
Propose high-class business-side personnel who have passed the screening process out of 70,000 candidates
- **Reduced recruitment lead time**  
Can be up and running in as little as 3 days from proposal

# SaaS Business

CrowdLog is service in the area of man-hour management. Various companies, including large corporations, have started to use this service.



Business model SaaS

Our profit

Service (platform) usage fees  
\*Monthly



- **Excel management**  
Eliminate complexity of project costing and input tabulation
- **Aggregation automation and visualization**  
Automatic calculation and visualization of project man-hours

## IT



## Non-IT







# Market Environment

# Achieve Growth While Resolving Social Issues

## Social Issues in Japan

Structural labor shortage from low birthrate and aging population	Shortage of DX talent	Consistent career development for women	Greater employment of senior citizen talent
Change from lifetime employment & seniority-focused society	Systemic and social changes associated with Side-Jobs	Addressing the remote work society	Recurrent education Life skills education

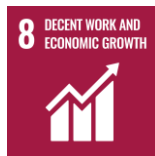


By creating the infrastructure for talent  
We will resolve social issues



By creating the infrastructure for talent  
We will grow sales and profits

## SDGs to achieve through the infrastructure for the individual



# Japanese government promotes expansion of side jobs

## Policy 1

### If restrict side-job, reasons need to be publicly announced

Ministry of Health, Labor & Welfare announced it plans to encourage companies to disclose the reasons for any restrictions on side jobs to employees.

## Policy 2

### Subsidies for companies utilizing side hires

The policy is to facilitate labor mobility by providing subsidies to companies that send out or accept people for side jobs.

## Policy 3

### Investment in people (facilitating labor mobility through skills development)

**Expansion of side and concurrent jobs:** Focus on stimulating labor mobility of the right people in the right places to increase flexibility in working styles, including side and concurrent jobs

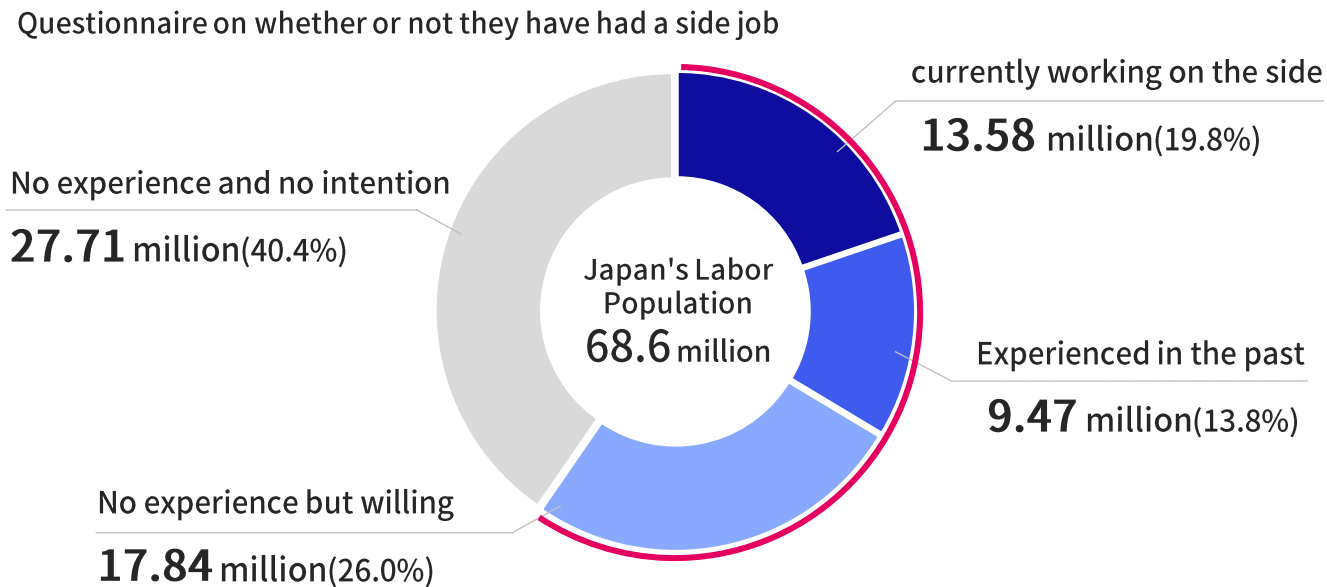
**Reskilling:** Strengthening recurrent education for those over 55 years old to promote diverse activities and labor participation

**Digital human resources development:** Establish a system that can train 450,000 people per year by the end of FY24 in phases

(Sources) Nihon Keizai Shimbun, "Ministry of Health, Labor and Welfare asks companies to accelerate lifting of side jobs ban by disclosing reasons if they restrict side jobs" June 24, 2010  
Nihon Keizai Shimbun, "Prime Minister to expand reskilling" October 12, 2010  
Cabinet Office HP Deliberations at the 2022 Council on Economic and Fiscal Policy "Document 5: Toward Strengthening Income and Human Capital" March 3, 2022

# Growth potential of the side business market

Based on the results of our survey on side job, the potential population of those who have had a side hustle and those who intend to have a side hustle combined reaches 40.89 million\* (approx. 60% of the working population).



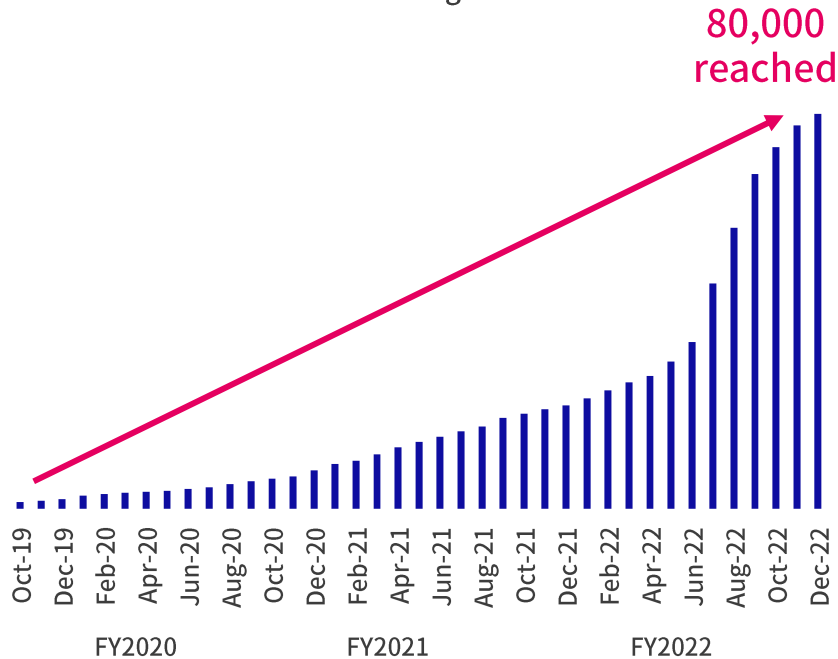
(Sources) Labor Force Survey (Basic Tabulation) 2021 Average Results, Statistics Bureau, Ministry of Internal Affairs and Communications, Japan.

\*40.89 million: Total of (1) to (3) when the results of our survey (i.e., (1) 19.8% currently have a side job, (2) 13.8% have had a side job in the past, (3) 26.0% have no side job but intend to have one, (4) 40.4% have no side job and no intention to have one) are applied to the Japanese working population.

# Trend of "side jobs" expected to accelerate further

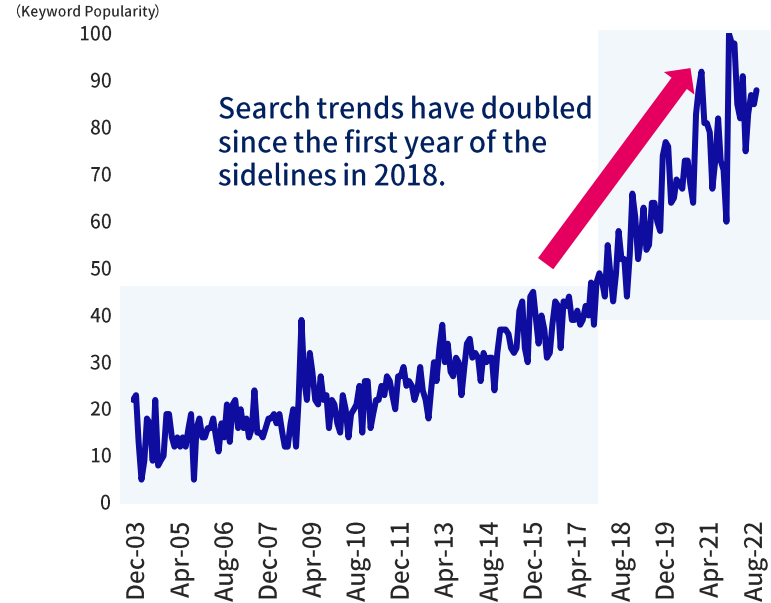
Cumulative Number of Registered Workers for "CrowdLinks," a Side Job Matching Service, Surpasses 80,000  
Further increase in the number of side job applicants expected in the future

CrowdLinks Total Number of Registrants



(Source) Google Trend "side business" keyword volume

Search keyword trends for "side job



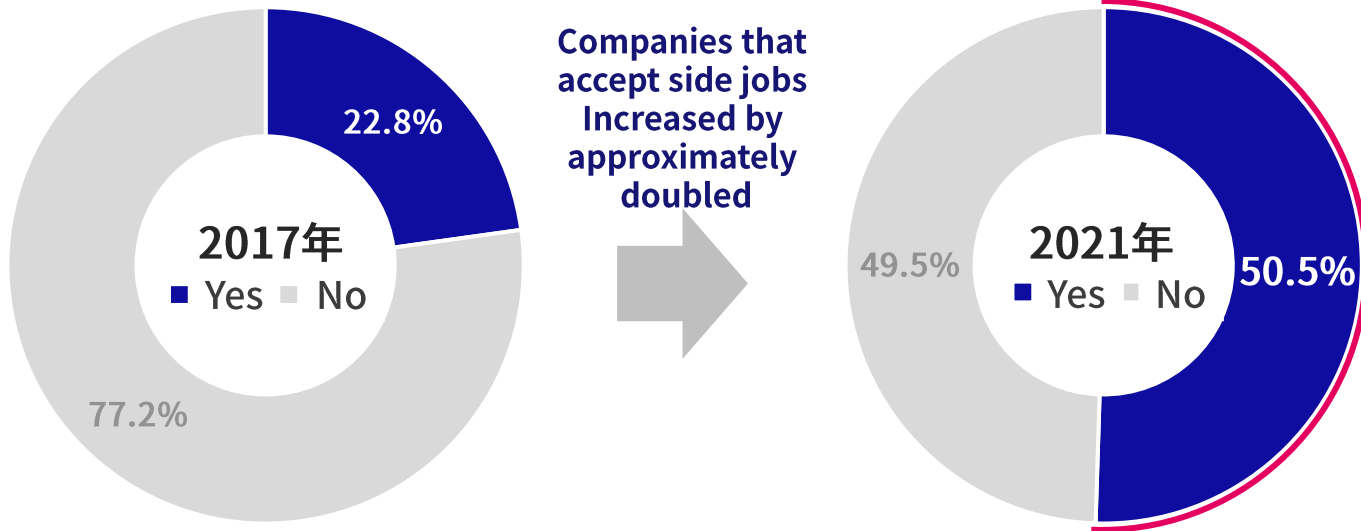


# Companies are also expanding their acceptance of subcontractors

The number of companies that responded that they have a system to allow employees to work dual jobs or side jobs has doubled over the past five years

Companies are also expanding their systems for accepting side jobs in response to changes in individual work styles

Existence or non-existence of a system allowing side or dual jobs



(Sources)

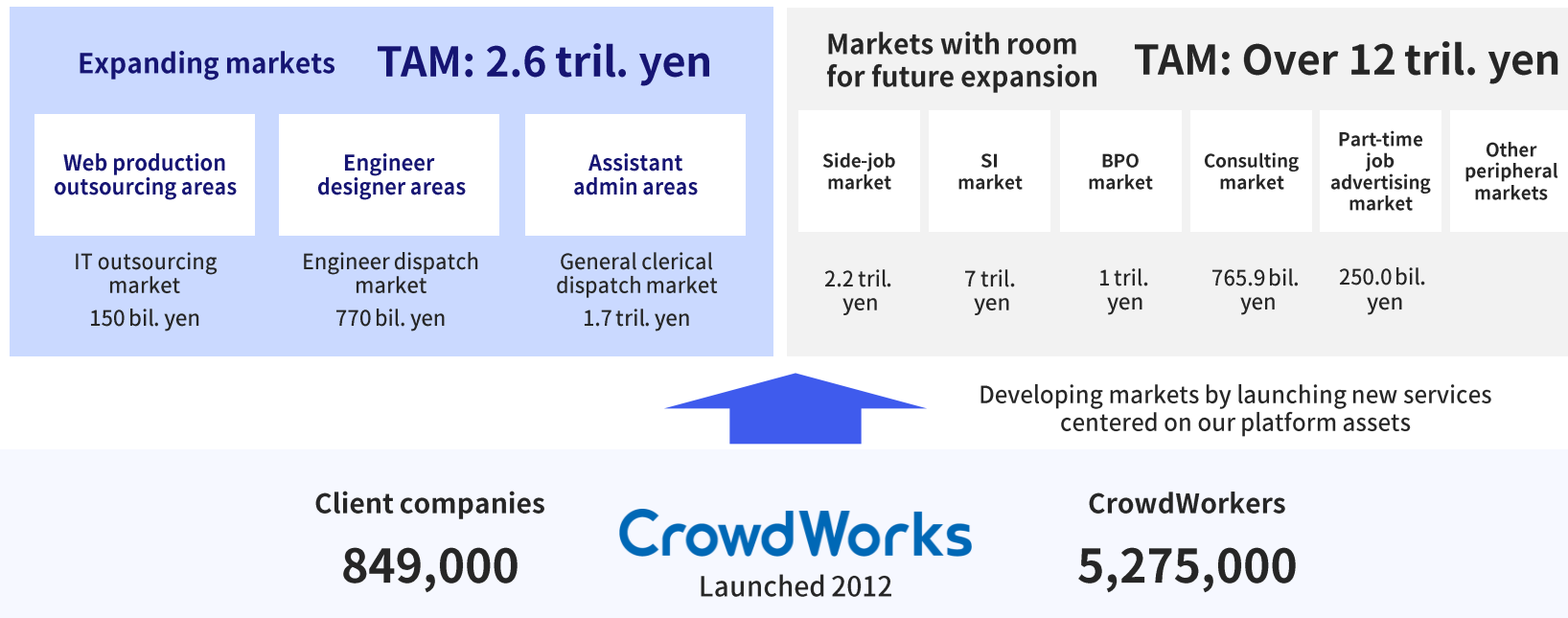
2017 Survey on Foundations and New Business Creation through Concurrent and Secondary Employment, Office of Industrial Human Resources Policy, Bureau of Economic and Industrial Policy  
2021 Recruit Corporation, "Trend Survey on Concurrent and Secondary Employment 2021."



## Market Size

# Japan's Largest Platform Assets and Huge TAM

The source of our growth is to utilize our platform assets to develop a variety of services and expand our market share in a total addressable market (TAM) of over 12 trillion yen.



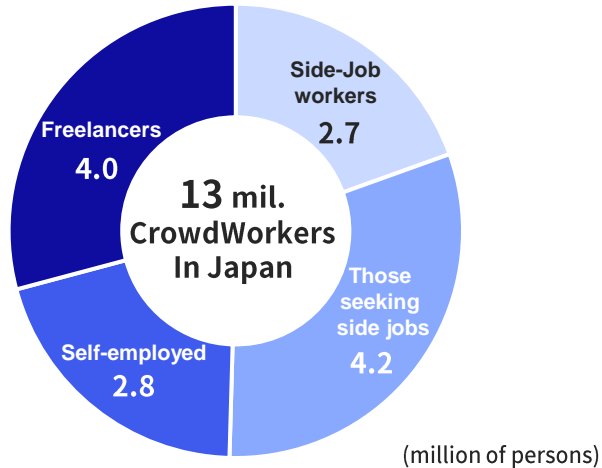
(Source) For the IT outsourcing market, the market scale of production and others is calculated from "Current Status and Outlook of the Internet Advertising & Web Solutions Market" by Deloitte Tohmatsu MIC Research Institute. Technician dispatch and general office worker dispatch markets are calculated by multiplying the number of workers in information processing and communications technology and office job workers by the dispatch fee from the Ministry of Health, Labor and Welfare's "Worker Dispatch Business Report. Side-job market: Estimated based on the Ministry of Internal Affairs and Communications Labor Force Survey and our survey "Side-job Data Book" on the potential side-job population, current side-job income, and intention to have a side-job. The Consulting SI, and BPO markets are taken from IDC's "Domestic Enterprise IT Market," "Domestic Consulting Services Market," and "Domestic Business Process Outsourcing (BPO) Services Market" market forecast releases. The part-time job advertisement market is calculated by multiplying the ratio of clerical and sales jobs by the market size from the "Job Information Provision Service Market Size Survey" release by the National Association of Job Information.



# Freelance Talent Pool Continues to Grow

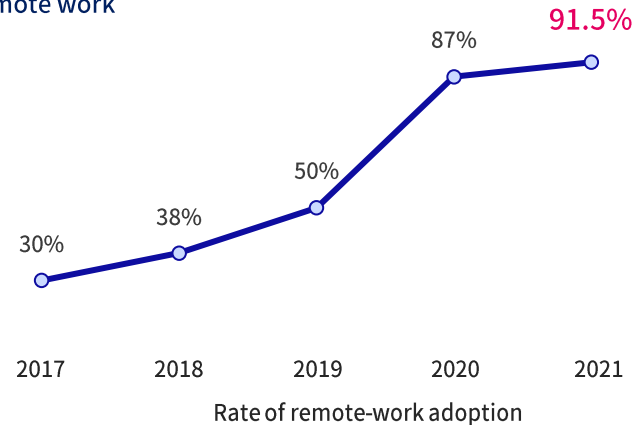
The total pool of CrowdWorkers, including freelancers and side job workers, has now surpassed 13 million and is expected to grow further. Remote work and work from home have become commonplace amid the COVID-19 pandemic, further accelerating flexible work styles.

Population of CrowdWorkers in Japan



Corporate Adoption Rate of Remote

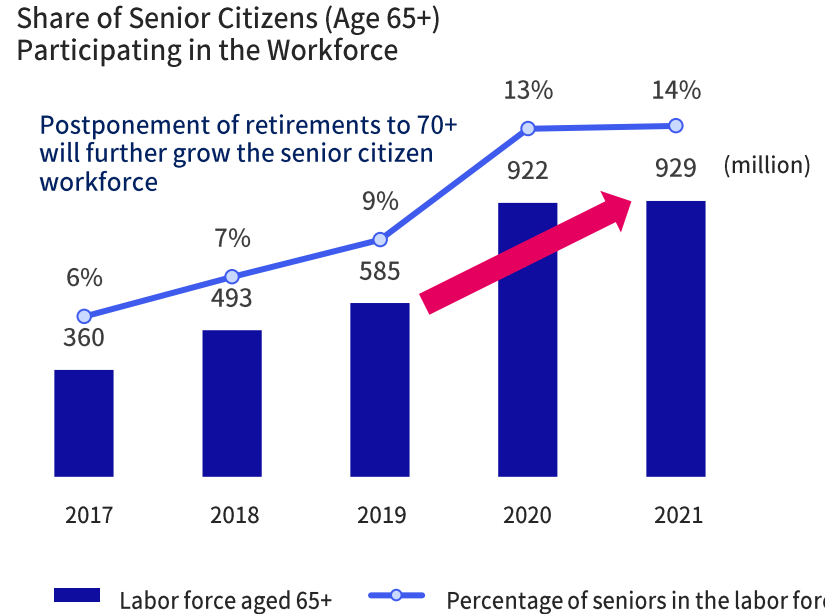
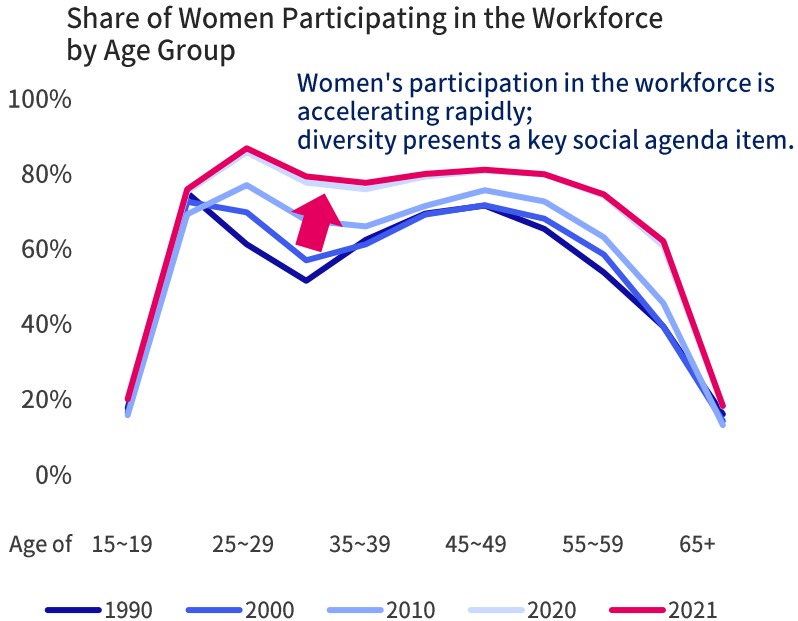
COVID-19 leads to remote work becoming a common style;  
91.5% of companies will continue to use remote work



(Source) Population of CrowdWorkers: “Labour Force Survey” and “Employment Status Survey,” Ministry of Internal Affairs and Communications. Of “Self-employed,” those business owners without employment are defined as freelancers, whereas those business owners with employment and with family employees are considered self-employed. “Side workers” refers to those people with a side job, whereas “Those seeking side jobs” refers to those seeking additional employment. Corporate Adoption Rate of Remote Work / Work from Home Systems extracted from the “Communications Usage Trend Survey,” Ministry of Internal Affairs and Communications.

# Increasing Labor Pool Among Women and Senior Citizens

Women's participation in the workforce is further accelerated by the spread of online processes and remote work. The share of working senior citizens is also rapidly increasing, with retirement postponements to age 70 to drive this trend even further.



(Source) Share of women participating in the workforce derived from the Labour Force Survey, defined as the ratio of the working population to the population of each age group. From the same survey, the share of senior citizens participating in the workforce is defined as the percentage of working population aged 65 and over to the total working population by age group for each year.



## Our Competitive Advantages

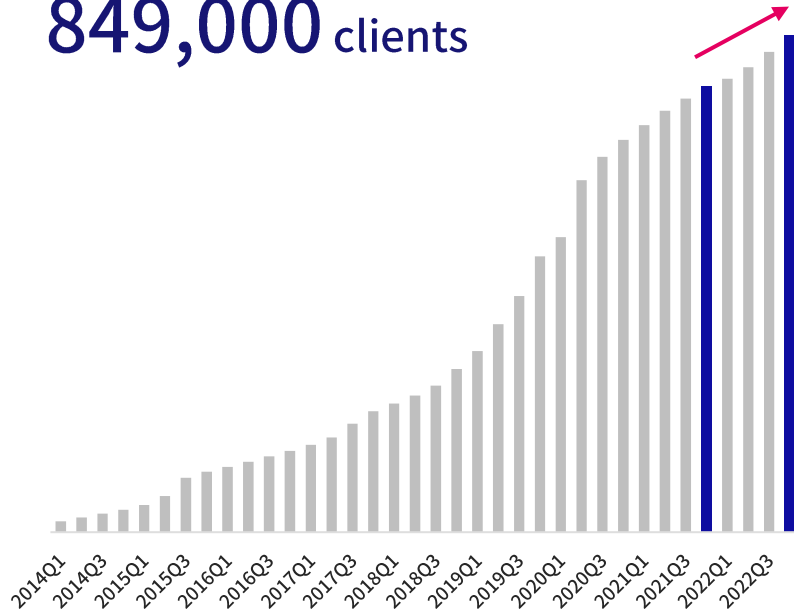
# 1. Industry-Leading Number of Clients & Workers

One of the largest on-line worker matching platforms in Japan with approximately 90,000 clients and 600,000 newly registered workers annually.

Number of registered clients

**849,000** clients

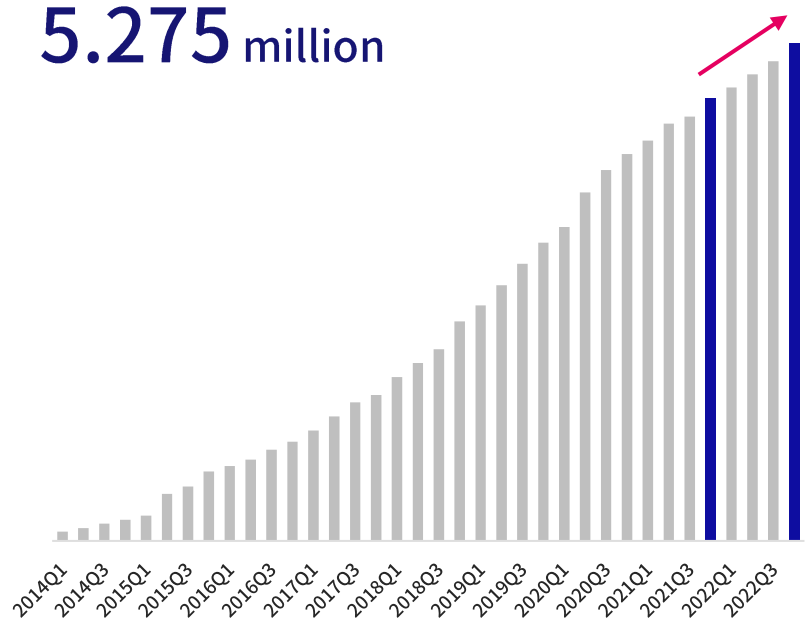
+86,000 clients



Number of registered workers

**5.275** million

+580,000 workers



## 2. New Business Development by Leveraging Our Platform Assets

Since our founding, we have expanded our business by developing services in domain after domain. We now possess highly reproducible business development capabilities.

Thanks to accumulating platform assets and business development expertise, we can achieve continued market expansion.



### 3. We are chosen by both clients and workers

#### Attractiveness from the client's point of view

#### Attractiveness from a crowdworker's point of view

<b>Number of workers</b> <b>5.27 million</b>	<b>Only 15 minutes for Job Request</b>	<b>Online completion</b>	<b>Web production outsourcing area</b>	<b>Number of Clients</b> <b>850,000 companies</b>	<b>Accumulated evaluations and achievements</b>	<b>Online completion</b>
<b>100,000 people</b> <b>IT Talent DB</b>	<b>Only 3 days to assign</b>	<b>Engineers can be secured even when hiring is difficult</b>	<b>Engineer designer area</b>	<b>Many of 3-4 days projects</b>	<b>95% of Remote projects</b>	<b>Flexible working style</b>
<b>Available from 50h/month</b>	<b>Experienced and IT-savvy administrative personnel</b>	<b>Ability to contract with immediate help</b>	<b>Assistant admin area</b>	<b>Continuous contract from 50h/month</b>	<b>100% of remote work</b>	<b>No time or location restrictions</b>

## 4. CW's Culture of Productivity

The driving force behind recent profitability performance is our Productivity Improvement Policy.

Through Productivity Improvement Policy and our PIP (a productivity improvement knowledge sharing contest), we have established a corporate culture capable of achieving sustainable growth in sales and profits.

### Productivity Improvement Policy

Define goals and internal rules for productivity improvement



**A corporate culture capable of achieving sustainable growth in sales and profits**

### PIP\*

(Internal productivity improvement knowledge sharing contest)

Sharing productivity improvement success cases company-wide/across organizations

\*PIP: "Productivity Improvement Pitch"

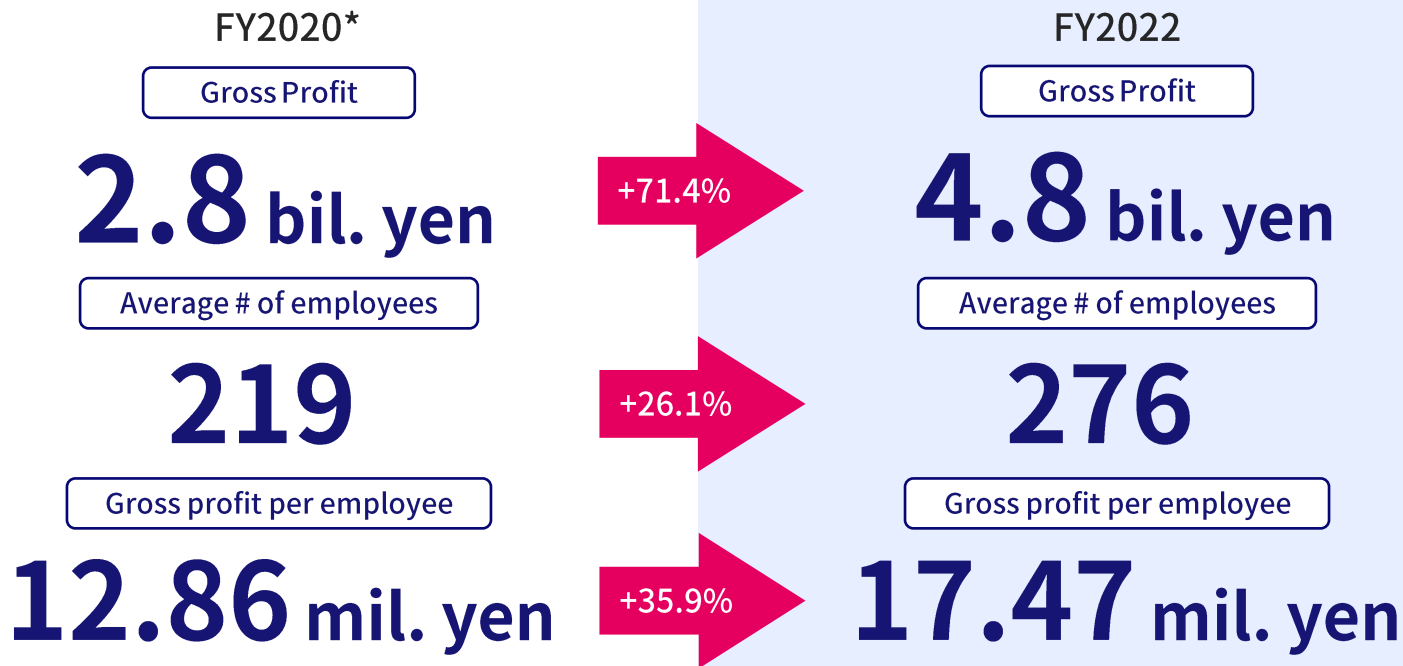


**Productivity Improvement KPIs**

- (1) Gross Profit per Employee**
- (2) SG&A Expense Ratio Change and Gross Profit Growth Rate**

# Three-Year Productivity Improvement Results

Gross profit growth of +71.4% while number of employees increased +26.1%



- Average number of employees is the average number of the total number of employees at the end of each quarter.
- Figures for the FY 2020 are actual results excluding commissioned business.



# Three-Year Productivity Improvement Results

Achieved record profits in FY2022, the final year of the Three-Year Productivity Improvement

FY2020

Gross profit target achieved  
SG&A exp. reduced by **350 mil. yen**

- Review of business portfolio and SG&A expenses
  - Withdrawal from project contracting business and fintech businesses
  - Concentration on matching business
  - Developed and started Productivity Improvement Policy

FY2021

Sales growth rate **+25%**  
**600 mil. yen profit** for the full year

- Profit growth established through productivity improvement activities
  - PIP and PIP deployment to other departments
  - Establishing PMI with Productivity Policies
  - Acquisitions of existing subsidiaries

FY2022

Sales growth rate **+30%**  
**1 bil. yen profit** for the full year

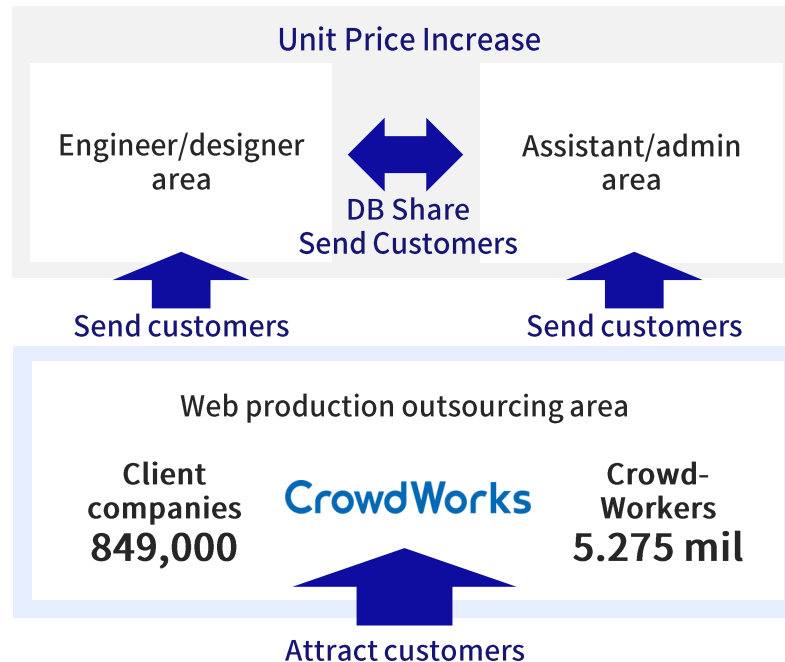
- Improvement of forecasting accuracy and SG&A management
  - Scrutiny of SG&A expense forecast
  - Establishment of a monthly cycle to consolidate company-wide decisions on proposed reinvestment of excess profits

# 5. Covers a wide range of needs through service coordination

Sharing client and worker assets for efficient matching between services.

Utilizing this database, we have established a system to attract, send, and increase the unit price of customers.

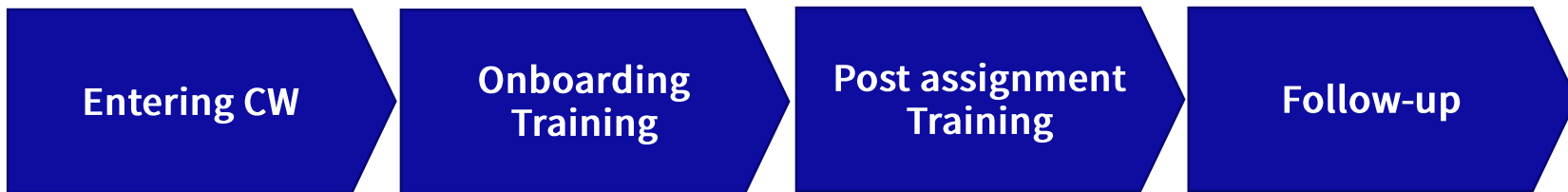
<b>Unit price increase</b>	Certified worker system (Engineer/designer area) Annual order unit price ⇒ <b>7.8 mil. yen (+20.3%)</b> Revision of pricing (Assistant/admin area) Annual order unit price ⇒ <b>2.04 mil. yen (+24.1%)</b>
<b>Send customers (DB share)</b>	Coordination of client transfers between services Contributed to <b>116 new contracts</b>
<b>Attracting customers</b>	Attracting customers through the “CrowdWorks” brand <b>90,000 clients and 600,000 new workers registered annually</b>



## 6. CW culture and HR development framework

Creating an "organization where people can grow" based on the CW culture

Focusing on onboarding programs and fostering the development of young employees after they join the company



- Security training
- Compliance training
- Tool system training

- Culture Book session
- Value workshop session
- CW Mind session
- Productivity training

- Policies training  
(by division)

- 1on1 follow-up MTG



Culture book briefing for every employee



CW mind briefing for on-boarding



1on1 follow-up MTG

## 7. CW Sales Model improves sales productivity

Developed the CW Sales Model as a policy to Improve sales productivity.

We have cultivated our knowledge and know-how since the company's founding into this policy.

CW sales model enables early development of newly hired employees and is a core strength of sustainable growth.

### CW Sales Model

Sales performance = Behavioral standards × Sales skills

#### Behavioral standards 6 Bases

Definition of quantity and quality of actions to achieve goals

#### Sales skills 3 Skills

Know-how and knowledge to improve decision rates



### CW Sales Model Allows early development of newly hired employees

[Examples and methods]

- Task management in 15 min increments
- Making a rule on how to record of customer information and when obtained through business negotiations
- Sharing of business negotiation knowledge across all sales teams

# Examples of Improvement by CW Sales Model

3 Skills	6 Bases	Examples	Results
Field Sales	Record	[CrowdTech] Consolidation of business negotiation data that had been dispersed among salespeople and use of this data for strategic planning. Successfully increased the number of job offers from existing clients.	Number of applicants 19→65 (+242%)
Field Sales	Plan	[CrowdLog (SaaS)] Trial use was devised to introduce the service. Plans were made to (1) create a procedure manual, (2) hold an operation briefing, and (3) create a video of the procedure. Furthermore, the agenda and procedure manuals were created separately for managers, members, and executives. This led to an increase in the utilization rate of trial use.	Trial usage rate 36%→85% (+49pt)
Field Sales	Share	[CrowdTech] In addition to matching IT engineers with projects, we also introduce non-IT engineer projects to improve the project decision rate.	Contract rate 18.7%→45.8% (+27.1pt)
Inside Sales	Execution	[CrowdTech, BizAssist, CODEAL] Analyzed barriers to activation of pass-up between services and devised countermeasures. A mechanism was established to execute pass-up by providing incentives for sending customers between services and conducting commercial material study sessions for cross-selling.	Number of customers sent 26→76 (+192%)



## Risk and risk countermeasures

# Risk and risk countermeasures

Entry	Major Risks	Potential for emergence	Time of emergence	Degree of influence of emergence	Risk Countermeasures
Matching Business Demand side	Falling production outsourcing demand Fluctuation in talent market demand/supply Our company matches companies' production outsourcing projects with workers. In the event that demand for outsourcing and hiring of workers shrinks due to economic and business conditions, our financial position and business performance may be affected.	Low	Short-to medium-term	Significant	<ul style="list-style-type: none"> <li>Promote switching to online production outsourcing, and present the value of using online production for better cost effectiveness</li> <li>Raise awareness of online talent, improve service recognition, and promote efficient use of people resources</li> </ul>
Matching Business Supply Side	Decline in profitability due to intensified competition for highly-skilled talent Our company provides companies with freelance and side-job worker matching services. In the event that competition for human resources becomes fierce and the cost of sales rises, there is a possibility that our financial position and business performance will be affected.	Moderate	Short-to medium-term	Moderate	<ul style="list-style-type: none"> <li>Expand demand for services that do not rely on matching with highly-skilled personnel and develop a flexible organizational structure</li> <li>Strengthen measures to promote ongoing use and worker support</li> </ul>
Matching Business Recruitment and Training	Delayed talent recruitment/rising recruitment costs, rising turnover rates driving delays in sales structure expansion and delayed service development In order to expand our business, we are actively hiring core human resources, including engineers and sales personnel. On the other hand, if there is a delay in hiring due to a shortage of human resources or if we incur higher-than-expected hiring costs, our financial condition and business performance may be affected.	Moderate	Medium-to long-term	Moderate	<ul style="list-style-type: none"> <li>Reduce costs by recruiting employees through referrals</li> <li>Reduce employee turnover by instilling a culture and clarifying hiring criteria</li> <li>Improve employee engagement through enhanced benefits and training programs</li> </ul>
Information Security	Illegal acts between individuals, troubles, etc. that are detrimental to the safety and soundness of the site Our CrowdWorks, transactions are freely conducted among an unspecified number of users using the message function. If illegal activities or problems that cannot be handled under our guidelines occur, our business and earnings could be affected.	Low	Medium-to long-term	Moderate	<ul style="list-style-type: none"> <li>Establishment of Terms of Use and various guidelines</li> <li>Establish a system for notifications to be sent to the Company when violations are discovered, utilizing a violation reporting system and a malicious case detection function, etc.</li> </ul>
Regulatory	Laws and regulations that will affect our services If new laws and regulations are enacted or existing laws and regulations are strengthened, and the businesses operated by our group become subject to regulations or other restrictions, our group's business and earnings could be significantly affected.	Low	Medium-to long-term	Significant	<ul style="list-style-type: none"> <li>Establishment of a government contact point, monitoring of institutional reforms and response through policy recommendations to relevant ministries and agencies</li> </ul>
M&A	Not getting the expected effect after the acquisition As part of our growth strategy, we at times make corporate acquisitions. However, if the acquisition does not produce the initially expected results, our group's business performance may be significantly affected.	Moderate	Medium-to long-term	Moderate	<ul style="list-style-type: none"> <li>Conducting careful research and consideration in compliance with the objectives, target company requirements, evaluation process, decision criteria, etc., as stipulated in our M&amp;A policy.</li> </ul>

\* For other risks, please refer to "Business and Other Risks" in the Annual Securities Report



# Appendix



# Company Profile



## CrowdWorks, Inc.

President and CEO : Koichiro Yoshida  
Capital : 2,697,177,106 JPY  
Founded : Nov 11, 2011  
Services : Operates internet services primarily  
CrowdWorks, Japan's largest  
crowdsourcing service

《Cumulative group registrations》  
5,275,000 of CrowdWorkers (users)  
849 thousand of clients  
12 ministries and agencies  
80 local government

\* The numbers of workers and clients of CrowdWorks, Inc. services as of September 30, 2022.



## Matching Business

**CrowdWorks**

No.1 Crowdsourcing Service in Japan

**CrowdLinks**

Specialized Side Job / Second Business  
Matching for High-Value Professionals

**CODEAL**

Multi-job matching service for IT  
professionals

**PARK**

Skills EC online store creation service

## SaaS Business

**CrowdLog**

Cloud man-hour management  
service that visualizes work styles

**Crowdtech**

Engineers Matching Service for  
Freelancers to Companies

**ビズアシ**

Specialized Project Matching Service for  
Online Administrative Work

**Links Agent**

Agent service for professional side jobs  
and dual jobs

**みんなのカレッジ**

Online education program to broaden  
your career opportunities

## M&A

**メンバーペイ**

Online Membership Management and  
Monthly payment platform

**Peaceful Morning**

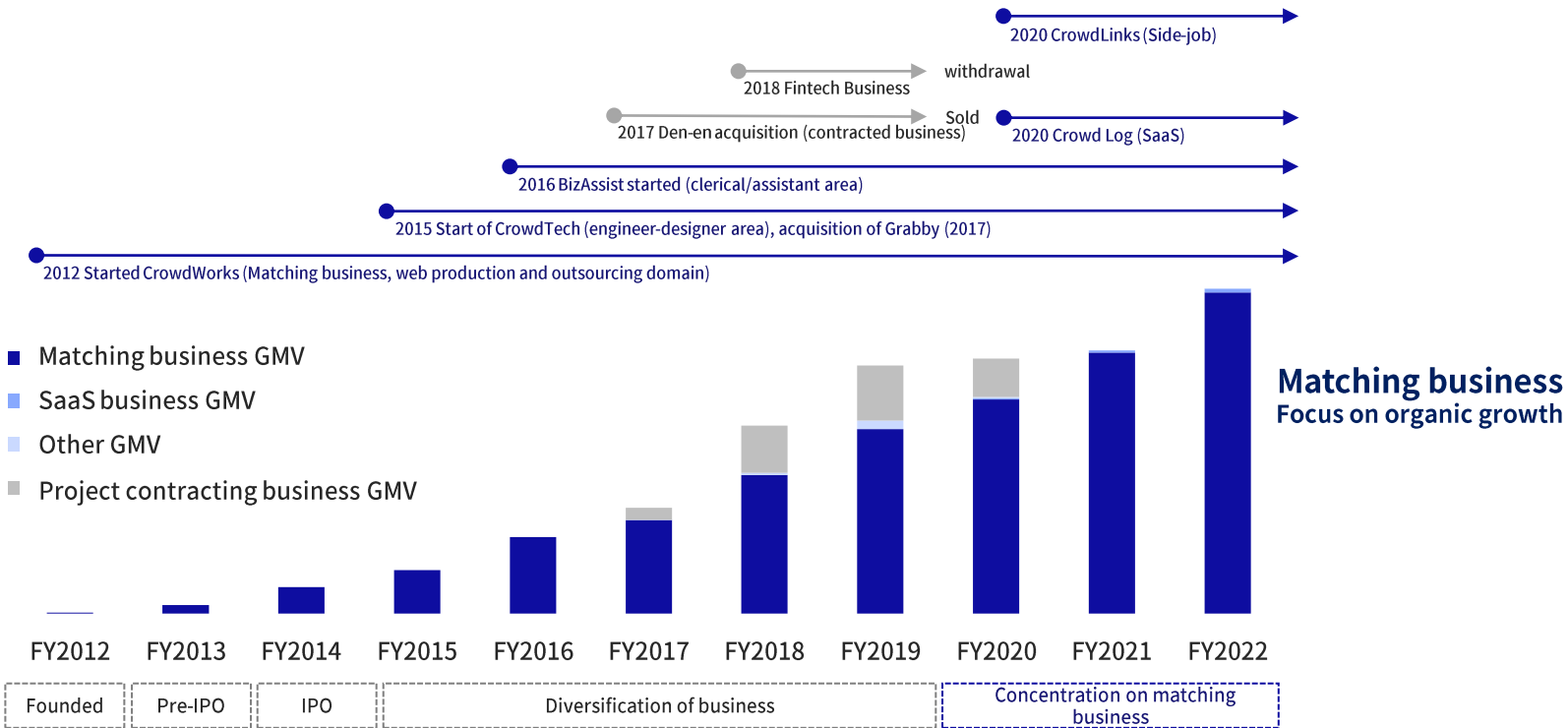
One-stop service for RPA  
implementation and development



# Management Transition

Successfully launched a variety of new businesses even post listing

Established a solid management base through experience of business withdrawal

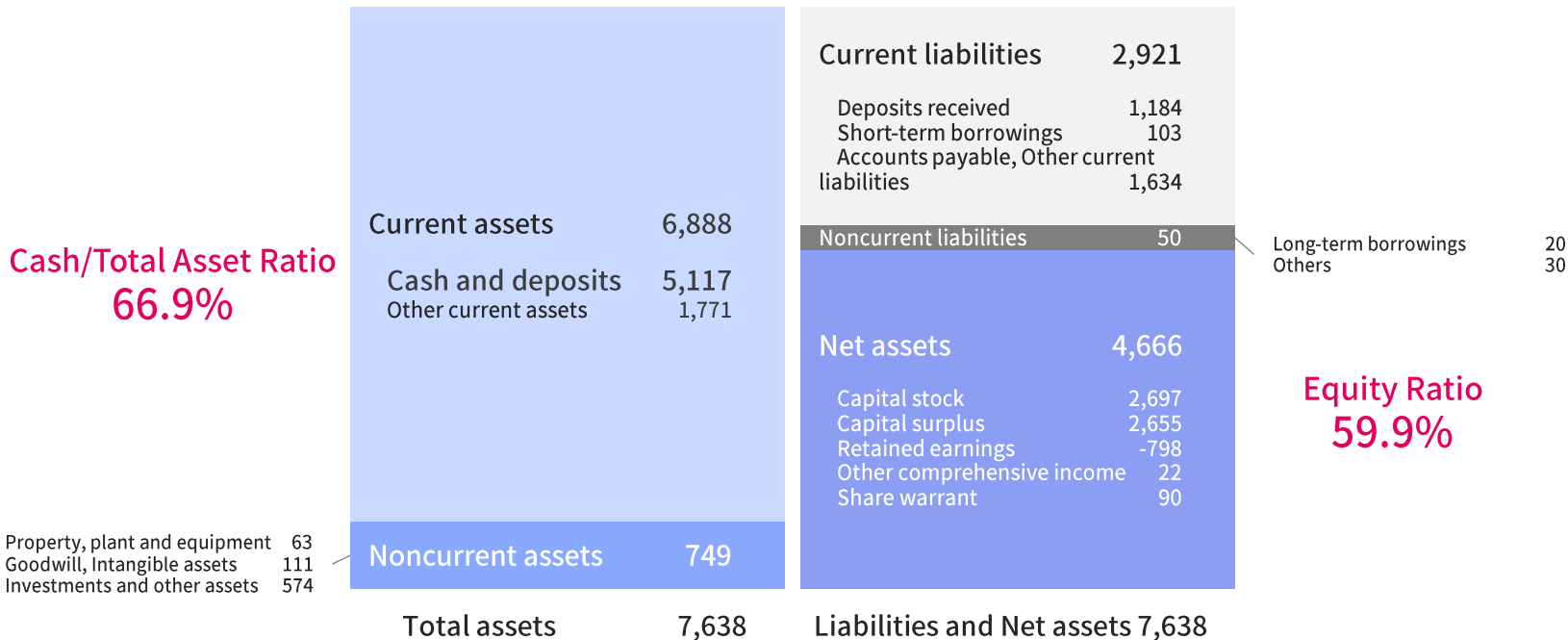




# Consolidated B/S Summary

Established a sound financial base with a cash-to-deposit ratio of 66.9% and an equity ratio of 59.9%.

In response to the uncertain market environment since the Corona disaster, the company has been profitable and is solid on both the offensive and defensive fronts.



# Profit and Loss Statement

[Million yen]	FY2020 (Consolidated)	FY2021 (consolidated conversion)	FY2022 (Consolidated)
GMV	15,216	15,698	19,447
YoY	+3.1%	+3.2%	+23.9%
Net Sales	8,728	8,055	10,574
YoY	(0.2%)	(7.7%)	+31.3%
Gross Profit	3,322	3,600	4,812
YoY	+6.4%	+8.4%	+33.7%
<i>Gross profit/GMV Ratio (Take-rate)</i>	21.8%	22.9%	24.7%
<i>Gross profit/Net sales Ratio</i>	38.1%	44.7%	45.5%
SG&A Expenses	3,620	3,000	3,880
EBITDA (Non-GAAP)	(181)	657	1,045
<i>EBITDA(Non-GAAP)/Net sales Ratio</i>	-	8.2%	9.9%
<i>EBITDA(Non-GAAP)/Gross Profit Ratio</i>	-	18.2%	21.8%
Operating Profit	(298)	600	932
<i>Operating profit/Net sales Ratio</i>	-	7.5%	8.8%
Ordinary Profit	(331)	665	946
Net Profit	(53)	633	802

- Figures are rounded down to the nearest million yen.
- Figures less than 1 million yen are taken into account in the calculation of YoY comparisons in accordance with the rules for financial statements.
- Although the FY 2021 is a non-consolidated fiscal year, the results for the first quarter of the FY 2021 are the consolidated results prior to the transition to a non-consolidated financial statement for the purpose of comparison with prior periods.



# Balance Sheet

	FY2020 (Consolidated)	FY2021 (Non-consolidated)	FY2022 (Consolidated)	Year-on-year
[Million yen]	FY-end	FY-end	FY-end	
Current Assets	4,759	5,707	6,888	+1,181
Non-current Assets	349	473	749	+276
Total Assets	5,108	6,180	7,638	+1,457
Current Liabilities	1,948	2,375	2,921	+545
Non-current Liabilities	33	30	50	+20
Net Assets	3,127	3,774	4,666	+892
Capital Adequacy Ratio	61.2%	60.8%	59.9%	(0.9%)

- Figures are rounded down to the nearest million yen.
- Figures less than 1 million yen are taken into account in the calculation of YoY comparisons in accordance with the rules for financial statements.
- Although the fiscal year ended September 30, 2021 is a non-consolidated fiscal year, from the viewpoint of comparison with previous periods, we have included a comparison with the consolidated equivalent results by adding the results of the subsidiary absorbed in the 1Q of the fiscal year ended September 30, 2021.



# Statements of Cash Flows

[Million yen]	FY2020 (Consolidated)	FY2021 (Non-consolidated)	FY2022 (Consolidated)
C/F from operating activities	(0.9)	868	1,152
C/F from investing activities	536	(95)	(262)
C/F from financing activities	(383)	5	8
Net increase in cash and cash equivalents	152	778	898
Cash and cash equivalents at end of year	3,418	4,219	5,117

- Figures are rounded down to the nearest million yen.
- Figures less than 1 million yen are taken into account in the calculation of YoY comparisons in accordance with the rules for financial statements.

[Precautions concerning future prospects]

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

The next business plan and growth potential materials will be released by late December 2023.

[Inquiries concerning this material]

CrowdWorks, Inc.

IR group

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