CROWDWORKS

FY2023
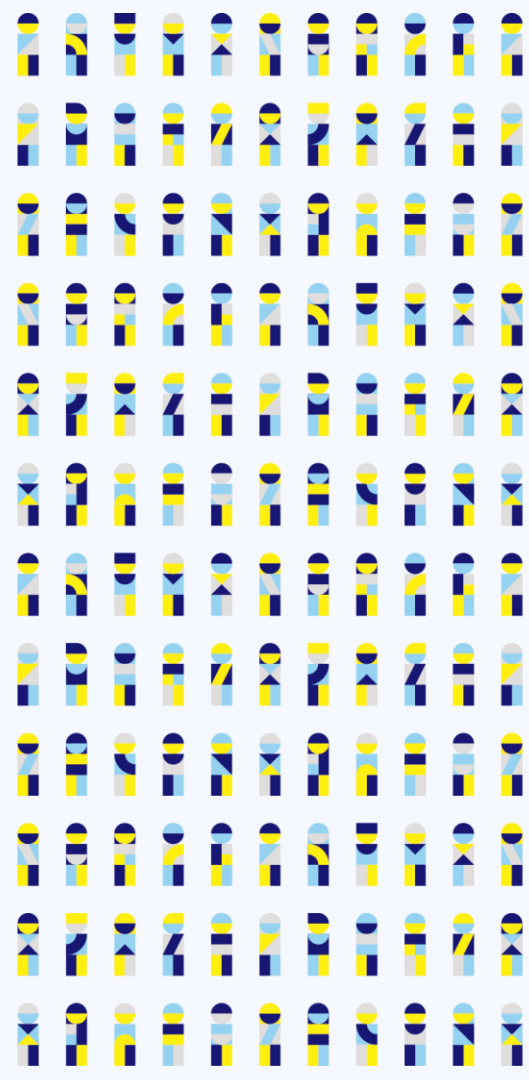# 1Q Financial Results

Securities code: TSE Growth 3900

FY2023 1Q Summary

FY2023 1Q Performance　Entire Company

Achieved gross profit of 1,397 million yen (YoY +27.4%), exceeded 1H forecast.

EBITDA(Non-GAAP) was 281 million yen (YoY: -12.7%), a good progress from 1Q against our 1H forecast.

[million yen]	FY22 1Q		FY23 1Q	YoY	1H Forecast (YoY)
GMV	4,598	▶	5,461	+18.8%	-
Net Sales	2,467	▶	2,978	+20.7%	+20% or more
Gross Profit	1,096	▶	1,397	+27.4%	+20% or more
EBITDA (Non-GAAP)	321	▶	281	(12.7%)	(50%)

- 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.

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FY2023 1Q Performance　by Segment

Gross profit from matching business grew by +24.6% YoY.

SaaS business also continues to grow at a high rate of over 100% YoY due to reinvestment.
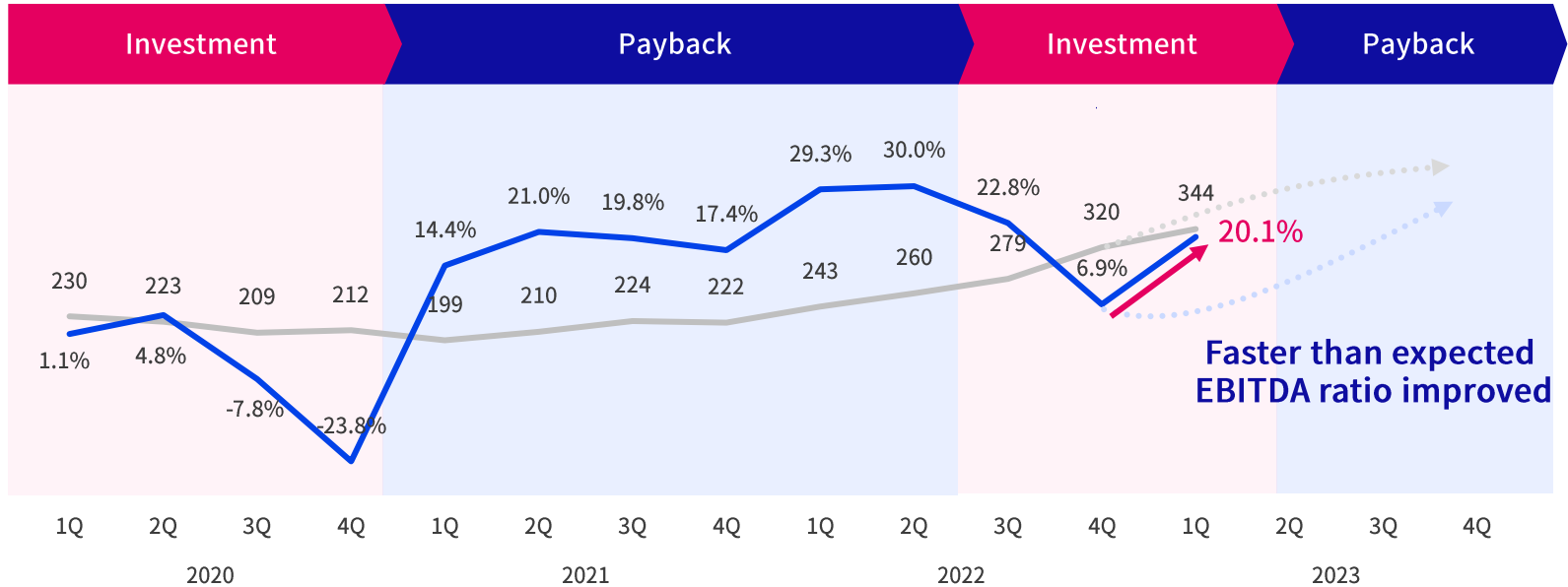
[Million yen]	Matching Business			SaaS		
	FY22 1Q	FY23 1Q	YoY	FY22 1Q	FY23 1Q	YoY
GMV	4,553 ▶	5,374	+18.0%	43 ▶	88	+106.0%
Net Sales	2,422 ▶	2,890	+19.3%	43 ▶	88	+106.0%
Gross Profit	1,051 ▶	1,309	+24.6%	43 ▶	88	+106.0%
Operating Profit	337 ▶	300	(11.2%)	(37) ▶	(74)	-

- 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.

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FY2023 1Q Improved Profit Margin for the Entire Company

Due to our onboarding program & productivity improvements EBITDA ratio improved earlier than forecasted.
Continue to aim to increase profits for the 2H of the year while continuing to make disciplined investments.

| Investment | Payback | Investment | Payback |

**Faster than expected
EBITDA ratio improved**

20.1%

29.3%   30.0%
21.0%   19.8%   17.4%   22.8%
14.4%   320   344
                                   6.9%
230   223   209   212   199   210   224   222   243   260   279
1.1% 4.8% -7.8% -23.8%

1Q   2Q   3Q   4Q   1Q   2Q   3Q   4Q   1Q   2Q   3Q   4Q   1Q   2Q   3Q   4Q
        2020   2021   2022   2023

— Number of employee   — EBITDA ratio/Gross profit   ···· EBITDA ratio Forecast

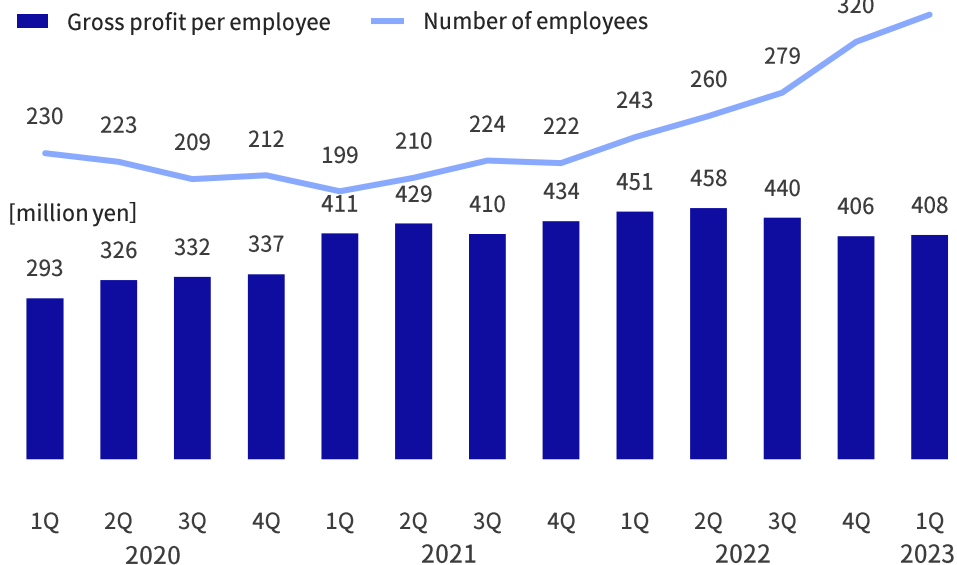• Number of employees = full-time employees + contract employees + part-time employees

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FY2023 1Q Topics

Steady Progress Toward 1H Recruiting Target

Steady recruitment with 49 new hires in 1Q vs. 1H target of 85.

Recruitment targets and results

	FY22 1H	FY22 2H	FY23 1H	FY23 2H
Target No.	33	70	85	Adjust Based on new hires' force status
Result	29	64	**49**	-

- Numbers are the sum of full-time and contract employees
- Number of 49 : 29 people joined the company and 20 people accepted the job offer

Recruitment is on track

Recruitment = Growth & Expansion

Improved Number of Contracts

Onboarding measures improved for the newly hired employees.

Enhancement will be made through productivity improvement & CW Sales Model.

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

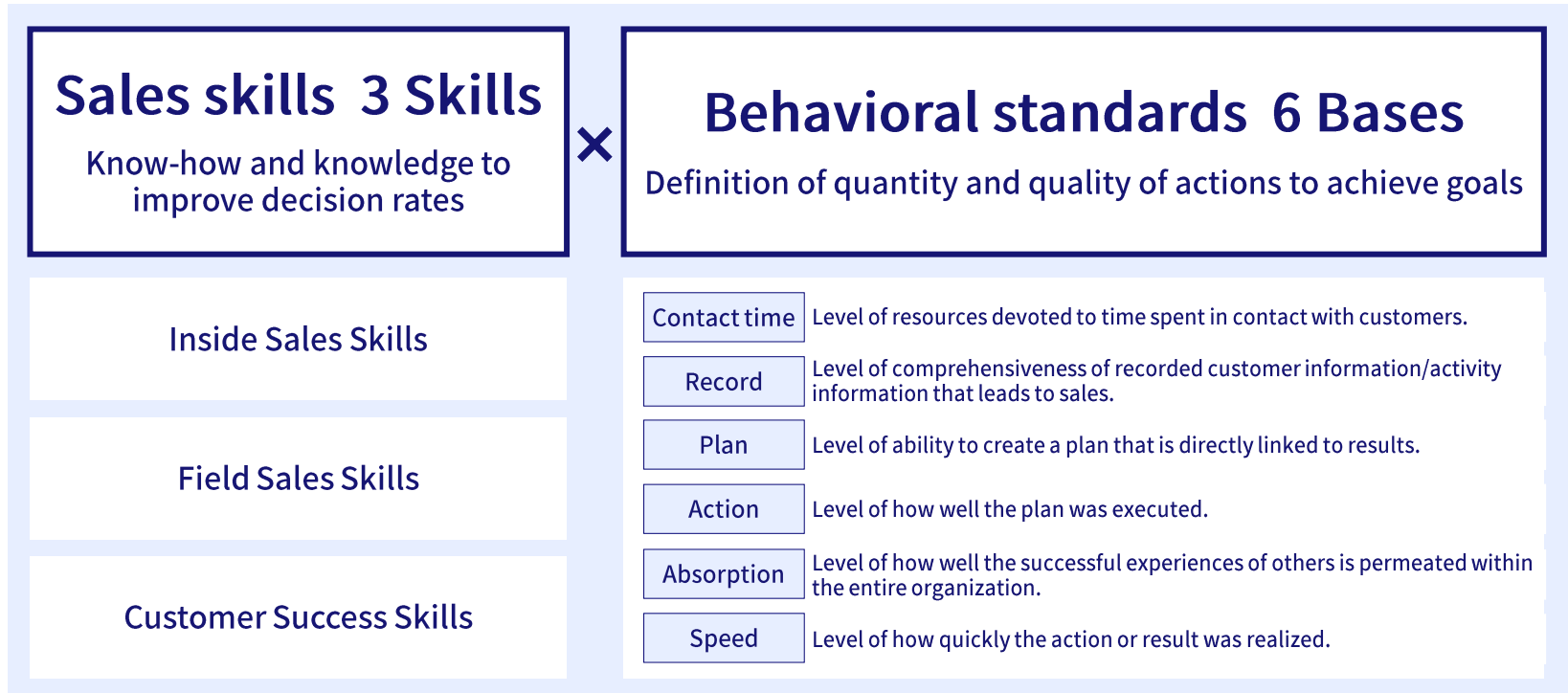| [Cases]	0-3 months After hiring	4-6 months After hiring
As of FY2023 1Q	3.7	7.6
As of FY2022 4Q	3.6	7.4
Average of existing employees (hired for 12 months or more)	10.6	

- 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

Steady growth in force

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

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CW Sales Model Improves Sales Productivity

Achieve sustainable growth by promoting the strategic use of sales personnel by making policies based on the knowledge and know-how accumulated since the company's establishment.

Sales skills 3 Skills
Know-how and knowledge to improve decision rates

×

Behavioral standards 6 Bases
Definition of quantity and quality of actions to achieve goals

Inside Sales Skills	**Contact time** — Level of resources devoted to time spent in contact with customers.
	Record — Level of comprehensiveness of recorded customer information/activity information that leads to sales.
Field Sales Skills	**Plan** — Level of ability to create a plan that is directly linked to results.
	Action — Level of how well the plan was executed.
Customer Success Skills	**Absorption** — Level of how well the successful experiences of others is permeated within the entire organization.
	Speed — Level of how quickly the action or result was realized.

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Examples of Improvement by CW Sales Model

3 Skills	6 Bases	Examples (FY23 1Q)	Results	
Inside Sales	**Plan**	[BizAssist] Targeting industries with high past performance, the process was changed to e-mail as a means of acquiring appointments. Optimal solution was found through effectiveness verification based on a certain number of actions, leading to an improvement in the deal closing rate.	Sales Qualified Lead Rate	6%→46% (+40pt)
Field Sales	**Record**	[BizAssist] Established a record flow for next actions and due date setting on a customer management system. Consolidation of know-how on how to take Next Action has led to an improvement in the deal order rate by responding to customers at the optimal time.	Order Rate	8%→17% (+9pt)
Field Sales	**Execution**	[CrowdTech] Utilized a function in the human resource management system that enables automatic extraction of target personnel on the system. By identifying and proposing human resources that were overlooked at the time of proposal, the number of monthly proposals increased.	No. of proposals /month	149→188 (+26.2%)
Field Sales	**Absorption**	[BizAssist] Regularly hold study sessions on sales techniques for existing customers. Sharing deep-cultivation sales techniques with existing customers throughout the organization led to an improvement in the deal conversion rate.	Sales Qualified Lead Rate	57%→75% (+18pt)
Customer Success	**Record**	[CrowdLog（SaaS）] Defined churn patterns and established a recording flow on the customer management system. Detecting and responding to churn alerts has led to a reduction in the churn rate.	Churn Rate	1%→0.7% (‐0.3pt)

GMV* is Expanding in All Industries

Successfully expanded GMV across all industries, with information and communications and corporate services (human resources, BPO, and consulting) as core targets.
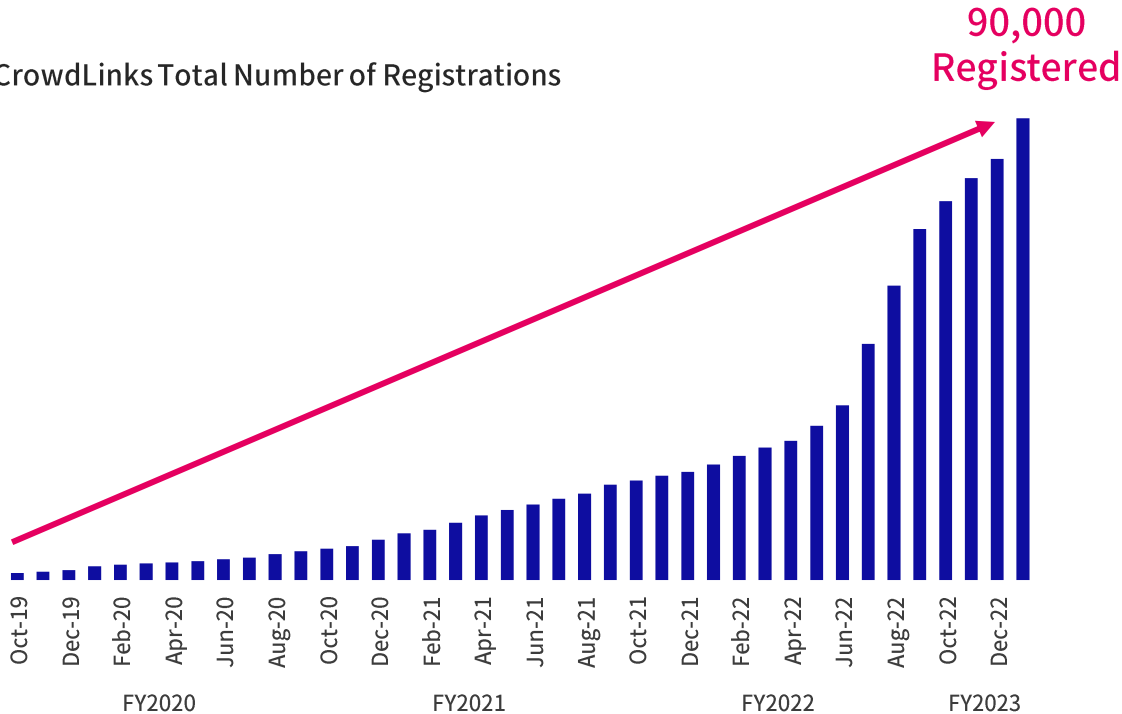
Industry	FY21 1Q	FY22 1Q	Increase Rate	Industry	FY21 1Q	FY22 1Q	Increase Rate	Industry	FY21 1Q	FY22 1Q	Increase Rate
Info & communication	1,265	1,426 Mil. yen	+13%	Corporate Service	340	403 Mil. yen	+18%	Consumer service	76	111 Mil. yen	+46%
Medical Bio	61	63 Mil. yen	+3%	Retail	45	54 Mil. yen	+19%	Distri-bution	39	47 Mil. yen	+20%
Machinery Electricity	23	37 Mil. yen	+56%	Finance	29	30 Mil. yen	+4%	Condumer goods	23	33 Mil. yen	+42%
建設	15	22 Mil. yen	+44%	Materials	4	11 Mil. yen	+131%	Others	175	231 Mil. yen	+132%
								GMV Total	2.1	2.47 Bil. ten	+18%

- GMV in Engineer/designer area and Assistant/Admin area
- Figures are rounded down to the nearest million yen, and the % growth rate is rounded off to the first decimal place.

Engineer/designer area & Assistant/admin area

Increasing Number of Registrants for CrowdLinks

High-class human resources registrations exceed 90,000 as of end of January 2023.

CrowdLinks Total Number of Registrations

**90,000
Registered**

Oct-19 · Dec-19 · Feb-20 · Apr-20 · Jun-20 · Aug-20 · Oct-20 · Dec-20 · Feb-21 · Apr-21 · Jun-21 · Aug-21 · Oct-21 · Dec-21 · Feb-22 · Apr-22 · Jun-22 · Aug-22 · Oct-22 · Dec-22

FY2020   FY2021   FY2022   FY2023

**Total number of
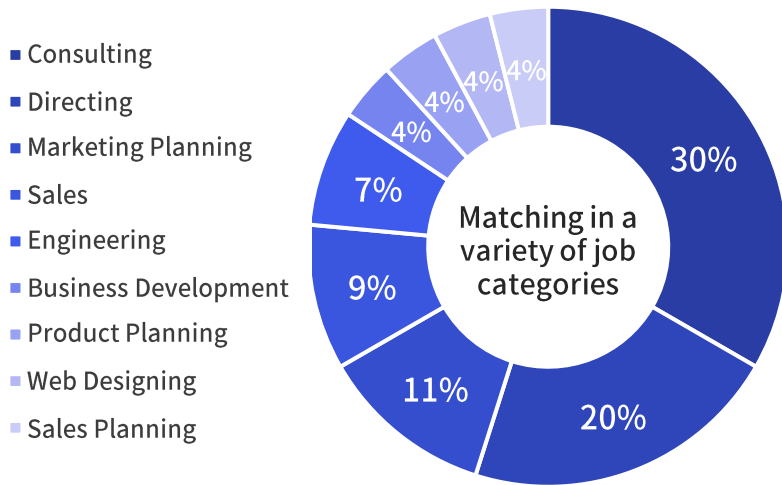registered users
exceeds
90,000**

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Accelerate Matching of High-unit-price Personnel

Expanding the activities of side-job personnel in a wide range of occupations.

Business expanded with a focus on matching consultants and other non-IT personnel.

Occupational Distribution of Matched Side Job Talent

- Consulting
- Directing
- Marketing Planning
- Sales
- Engineering
- Business Development
- Product Planning
- Web Designing
- Sales Planning

30%
20%
11%
9%
7%
4%
4%
4%

Matching in a variety of job categories

Examples of Matching Projects

Strategy/Consulting
- Management Strategy Consulting
- Salary system establishment consulting   etc.

Sales
- Negotiation
- Obtaining new appointments   etc.

Development/PM
- System implementation promotion
- Development project management support   etc.

Direction
- Direction of e-commerce site
- Video script writing/direction   etc.

Planning/Marketing
- SNS operation planning
- Product Planning   etc.

Design
- Web design
- Product design   etc.
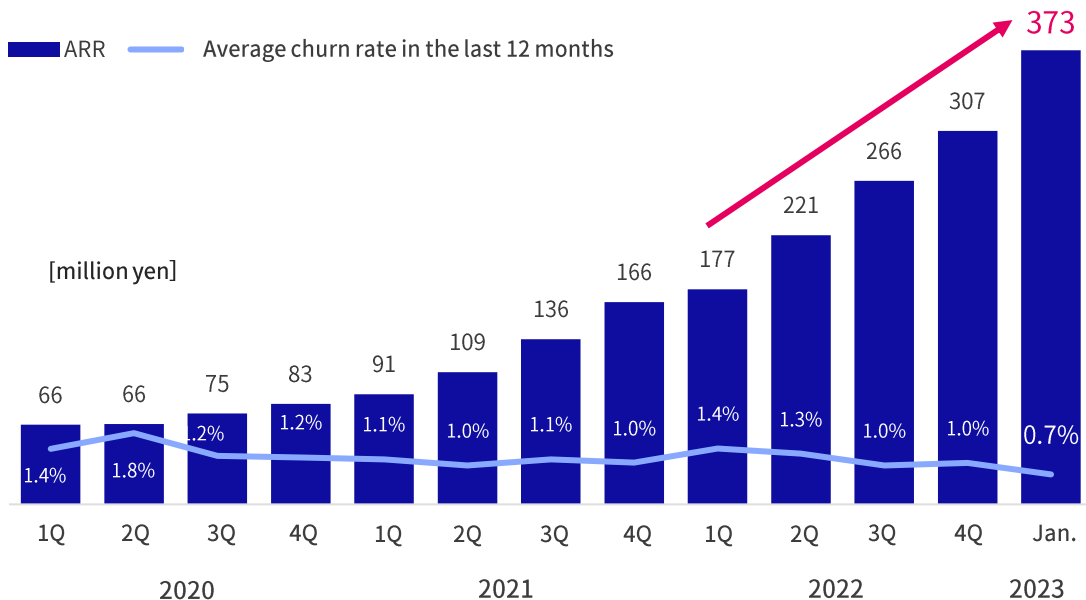
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PMI Accelerates CODEAL Growth

Decided to acquire & intergrade CODEAL into CrowdTech from this fiscal year due to increased sales of CODEAL's agent matching service through post-acquisition PMI. Further synergies are expected under one management team.

% CODEAL

- Sales
- EBITDA

[million yen]

YoY +214.0%

50.3

16.0

| 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q |
| 2020 | | | | 2021 | | | | 2022 | | | | 2023 |

← PMI →

CrowdWorks

Engineer/Designer area

Crowdtech

Absorption-type Merger Streamlining business operations

% CODEAL
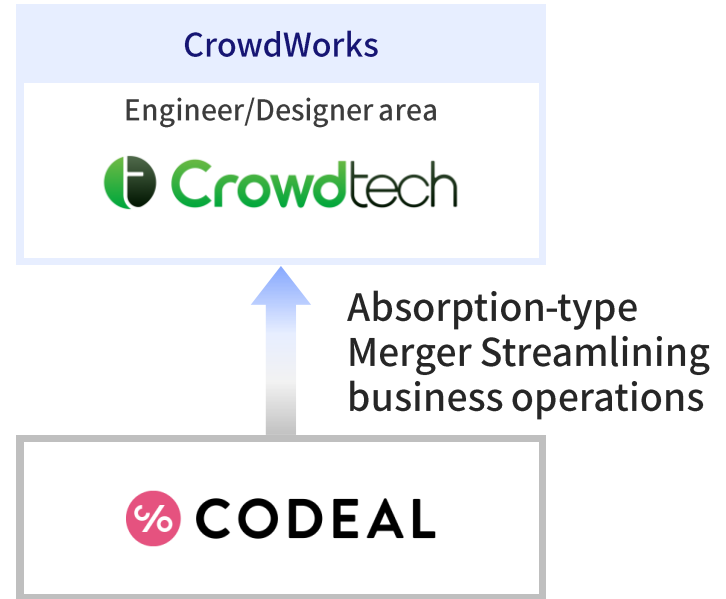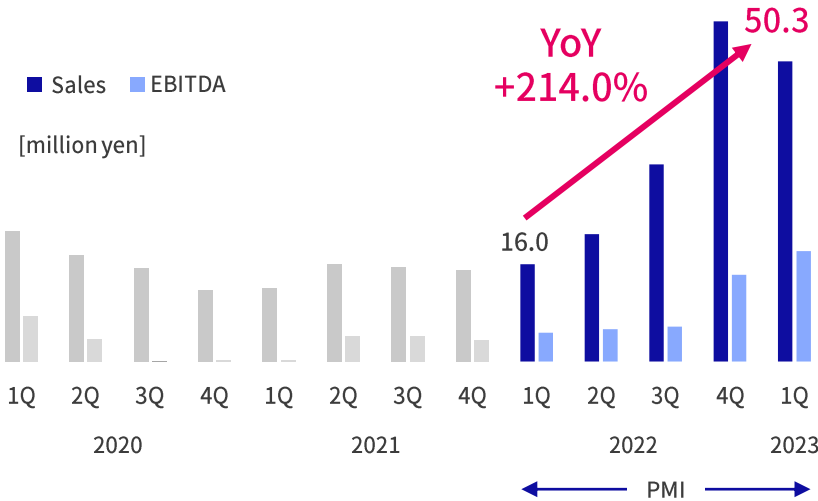
FY23 1Q Results　Entire Company

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Entire Company – GMV Quarterly Transition

Growth of +18.8% YoY due to steady growth in matching business.

■ Matching   ■ Project Contracting   ■ SaaS+Other

[million yen]

Sold Subsidiaries

	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Value	3,852	4,192	3,829	3,342	3,678	3,883	3,967	4,168	4,598	4,821	4,877	5,150	5,461
Year	2020				2021				2022				2023
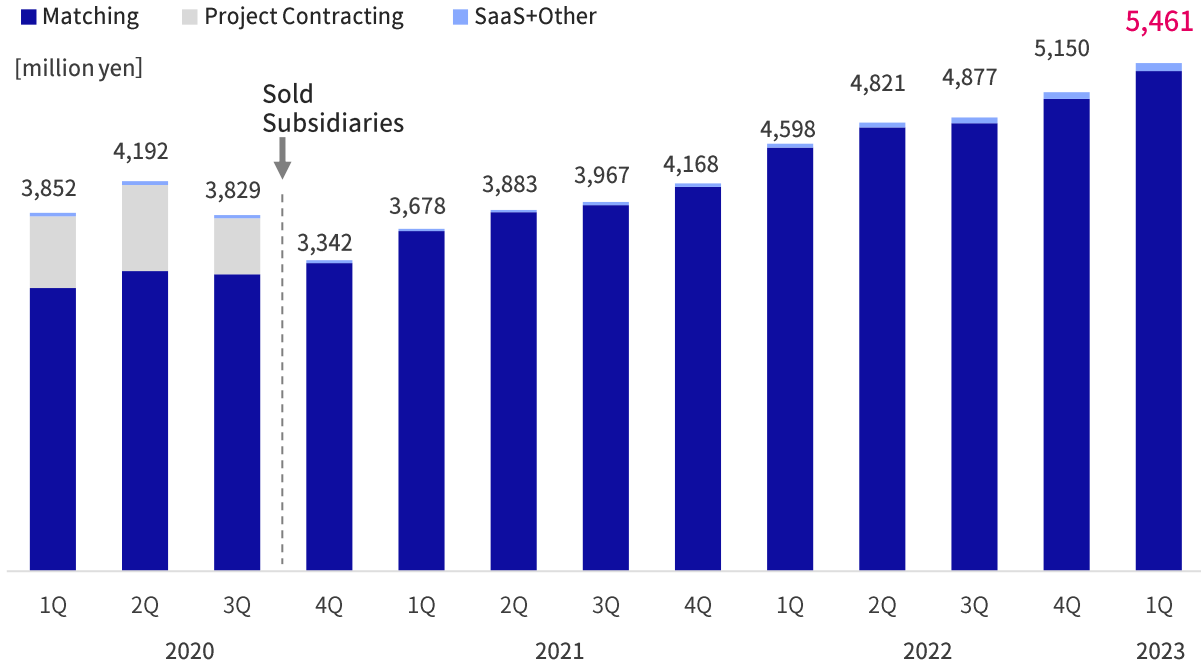
FY23 1Q YoY

+18.8%

- Figures have been rounded down to the nearest million yen.
- Year-on-year comparisons are calculated in accordance with financial statement regulations, taking into account figures less than one million yen.

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Entire Company – Net Sales Quarterly Transition

Growth of +20.7% YoY due to steady growth in matching business.

■ Matching　■ Project Contracting　■ SaaS+Other

[million yen]

Sold Subsidiaries

2,342	2,546	2,183	1,655	1,818	1,965	2,078	2,193	2,467	2,630	2,680	2,796	2,977
1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
2020				2021				2022				2023

FY23 1Q
YoY

+20.7%

- Figures have been rounded down to the nearest million yen.
- Year-on-year comparisons are calculated in accordance with financial statement regulations, taking into account figures less than one million yen.

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Entire Company – Gross Profit & Take-rate Quarterly Transition

Growth of 27.4% YoY, driven by the admin/assistant area and SaaS business.

1Q take rate also improved by 1.8pt YoY.

■ Matching ■ Project Contracting ■ SaaS+Other —— Take-rate

[million yen]

Sold Subsidiaries

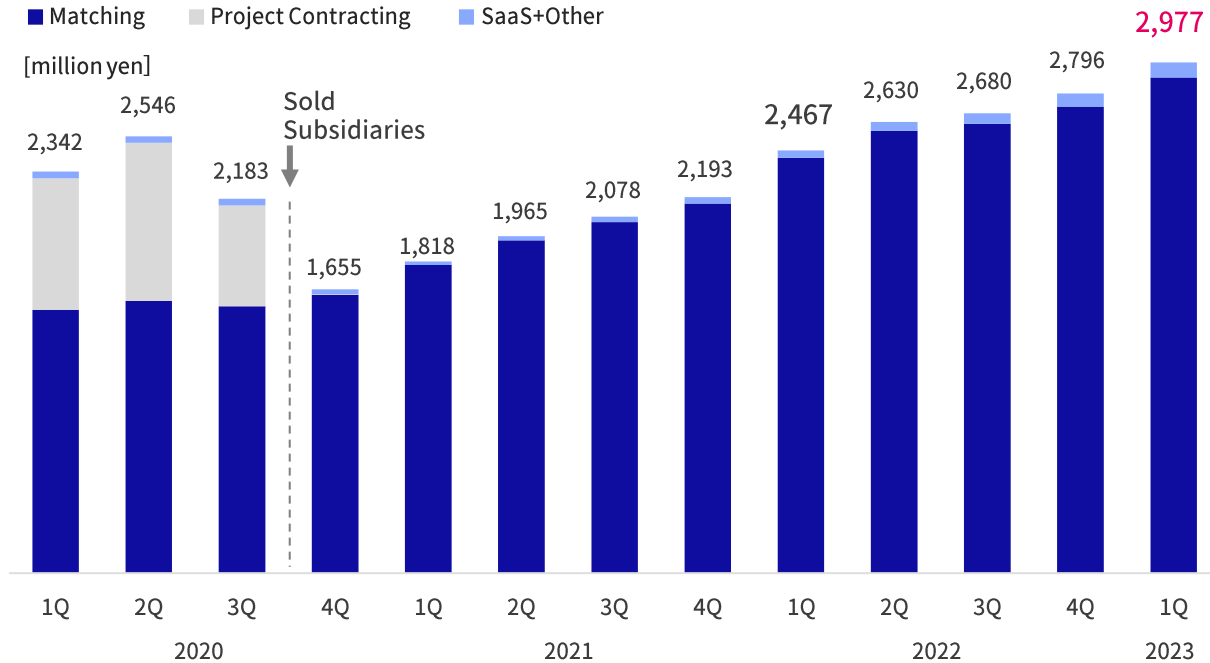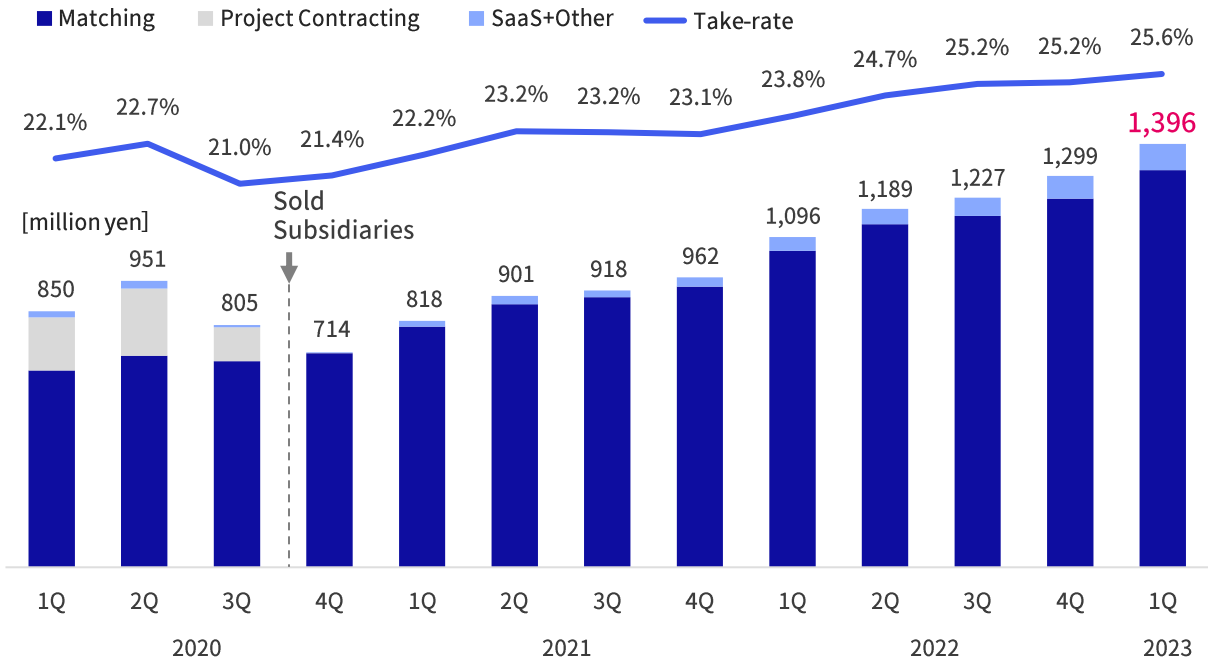|	22.1%	22.7%	21.0%	21.4%	22.2%	23.2%	23.2%	23.1%	23.8%	24.7%	25.2%	25.2%	25.6%
	850	951	805	714	818	901	918	962	1,096	1,189	1,227	1,299	1,396
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
		2020				2021				2022			2023

FY23 1Q YoY

+27.4%

- Figures have been rounded down to the nearest million yen.
- Year-on-year comparisons are calculated in accordance with financial statement regulations, taking into account figures less than one million yen.

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Entire Company – SG&A Expenses Quarterly Transition

SG&A expenses increased by 47.8% YoY.

Continue to invest in recruitment and advertising for new businesses as planned.

■ Personnel costs　■ Recruitment and training expenses　■ Business consignment costs
■ Goodwill/depreciation and stock-based compensation expense　■ Other costs　■ Advertising costs

[million yen]

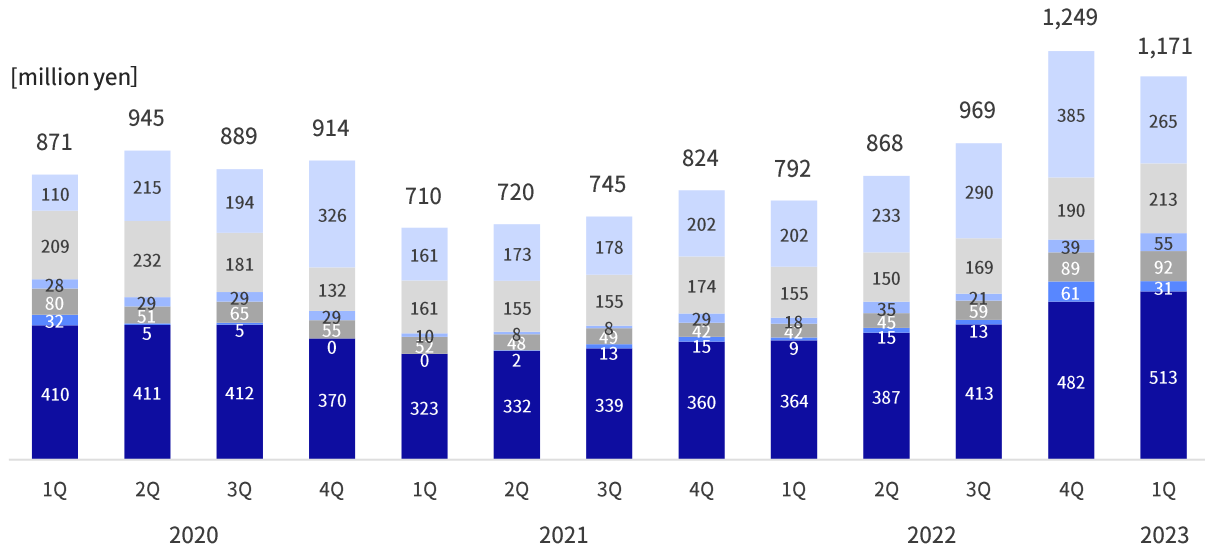|	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Total	871	945	889	914	710	720	745	824	792	868	969	1,249	1,171
Advertising costs	110	215	194	326	161	173	178	202	202	233	290	385	265
Other costs	209	232	181	132	161	155	155	174	155	150	169	190	213
Goodwill/depreciation	28	29	29	29	10	8	8	29	18	35	21	39	55
Business consignment	80	51	65	55	52	48	49	42	42	45	59	89	92
Recruitment and training	32	5	5	0	0	2	13	15	9	15	13	61	31
Personnel costs	410	411	412	370	323	332	339	360	364	387	413	482	513
	2020				2021				2022				2023

FY23 1Q
YoY

+47.8%

- Figures have been rounded down to the nearest million yen.
- Year-on-year comparisons are calculated in accordance with financial statement regulations, taking into account figures less than one million yen.

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FY23 1Q Results by Category in Matching Business

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Matching Business – Changed Category Classification

Post-acquisition PMI boosts CODEAL's agent matching sales. Therefore, CODEAL will be included in the Engineer/Designer category from this fiscal year, and CODEAL will be integrated into CrowdTech.

Peaceful Morning, acquired in October 2022 (FY23 1Q), is also categorized in the engineer/designer area.

Before（～FY22）	
Engineer/Designer area	CrowdTech
Assistant/Admin area	BizAssist
Web production outsourcing area	CrowdWorks
	CrowdLinks LinksAgent LinksResearch
	みんなのカレッジ
	CODEAL

After（FY23～）	
Engineer/Designer area	CrowdTech
	CODEAL
	PeacefulMorning
Assistant/Admin area	BizAssist
Web production Outsourcing area	CrowdWorks
	CrowdLinks LinksAgent LinksResearch
	みんなのカレッジ

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By Category – GMV Quarterly Transition

Assistant/Admin area contributed to +32.0% YoY.

In the Engineer/designer area, we expect hired personnel to become competitive from the 2H of this fiscal year.

■ Web production/outsourcing area ■ Engineer/designer area ■ Assistant/admin area

[million yen]

	1Q 2020	2Q	3Q	4Q	1Q 2021	2Q	3Q	4Q	1Q 2022	2Q	3Q	4Q	1Q 2023
Assistant/admin	154	164	156	179	212	238	251	276	305	337	352	379	403
Engineer/designer	1,079	1,205	1,129	1,151	1,268	1,393	1,479	1,569	1,797	1,930	1,930	1,991	2,136
Web production/outsourcing	1,811	1,855	1,904	1,979	2,174	2,226	2,204	2,283	2,449	2,502	2,532	2,703	2,833

Assistant/Admin area
+32.0%

Engineer/Designer area
+18.9%

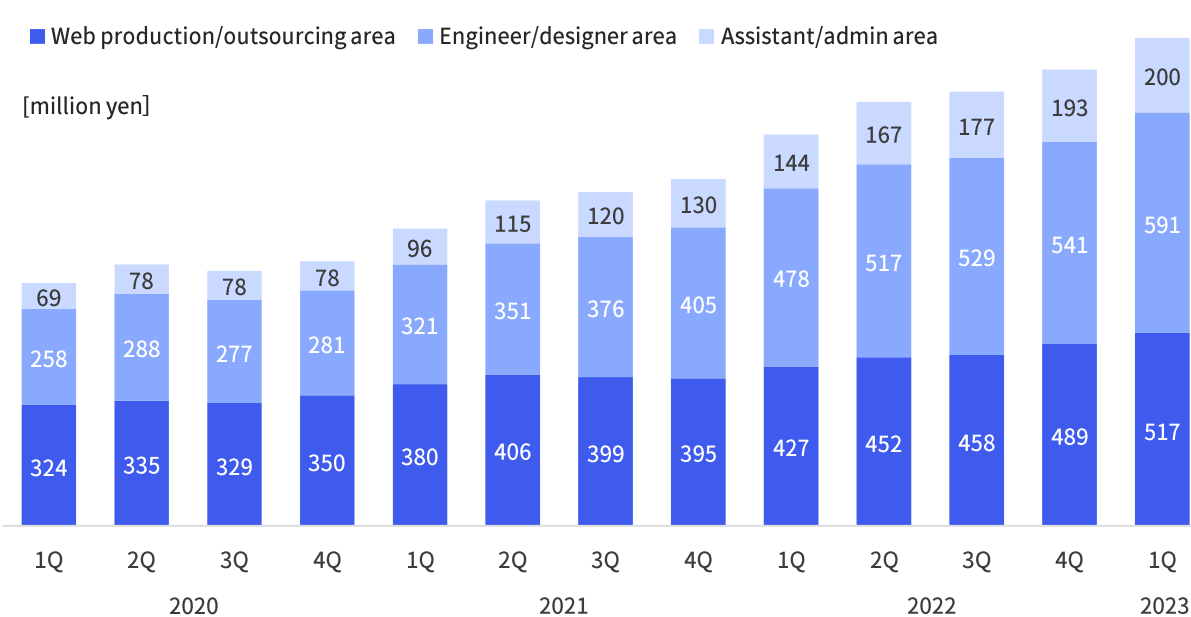**Web production/outsourcing area**
+15.7%
(YoY)

- Due to the integration of CODEAL into CrowdTech, CODEAL's results have been retroactively adjusted from the Web production/outsourcing area to Engineer/designer area.
- Figures have been rounded down to the nearest million yen.
- Year-on-year comparisons are calculated in accordance with financial statement regulations, taking into account figures less than one million yen.

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By Category – Gross Profit Quarterly Transition

Assistant/Admin area contributed significantly to YoY +38.6% due to measures to improve unit price.

Engineers/designers: +23.5%, web production/outsourcing: +21.0%.

■ Web production/outsourcing area　■ Engineer/designer area　■ Assistant/admin area

[million yen]

	1Q 2020	2Q	3Q	4Q	1Q 2021	2Q	3Q	4Q	1Q 2022	2Q	3Q	4Q	1Q 2023
Assistant/admin	69	78	78	78	96	115	120	130	144	167	177	193	200
Engineer/designer	258	288	277	281	321	351	376	405	478	517	529	541	591
Web production/outsourcing	324	335	329	350	380	406	399	395	427	452	458	489	517

Assistant/Admin area
+38.6%

Engineer/Designer area
# +23.5%

Web production/outsourcing area
+21.0%
(YoY)

- Due to the integration of CODEAL into CrowdTech, CODEAL's results have been retroactively adjusted from the Web production/outsourcing area to Engineer/designer area.
- Figures have been rounded down to the nearest million yen.
- Year-on-year comparisons are calculated in accordance with financial statement regulations, taking into account figures less than one million yen.

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By Category – KPI Quarterly Transition

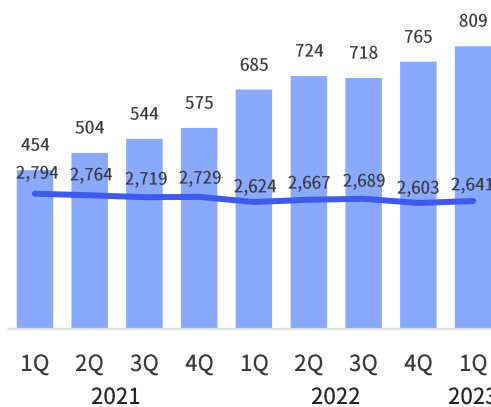Achieved YoY growth in all areas due to steadily increasing the workforce.

Assistant/Admin area

GMV	400 mil. yen	YoY +32.0%
=		
Ordering clients	536	YoY +21.0%
×		
Unit price	753,000 yen	YoY +9.1%
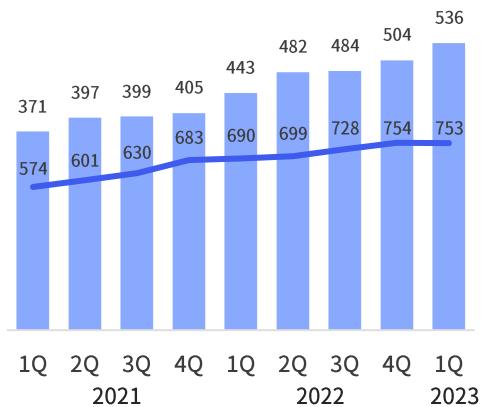
Engineer/Designer area

GMV	2.14 bil. yen	YoY +18.9%
=		
Ordering clients	809	YoY +18.1%
×		
Unit price	2,641,000 yen	YoY +0.6%

Web production/outsourcing area

GMV	2.83 bil. yen	YoY +15.7%
=		
Ordering clients	22,398	YoY +8.6%
×		
Unit price	127,000 yen	YoY +6.5%
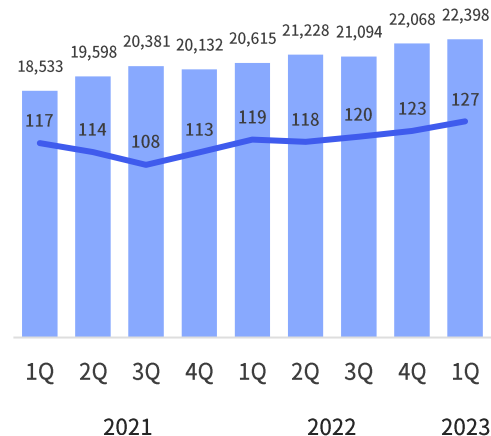
Legend: Ordering Clients — Ordering Unit Price (Thousand yen)

• Due to the integration of CODEAL into CrowdTech, CODEAL's results have been retroactively adjusted from the Web production/outsourcing area to Engineer/designer area.

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Forecast for FY2023

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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)*	1,047	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.

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FY2023 Progressing as Planned Toward the Forecast

EBITDA ratio is expected to recover to the level of the previous fiscal year.

[million yen]	FY21 Full Year (consolidated)	FY22 Full Year (consolidated)	FY23 (consolidated) Forecast	FY23 (consolidated) 1Q Result	FY23 1Q Progress rate
Net Sales	8,055	10,574	13,000	2,977	22.9%
Gross Profit	3,600	4,812	5,900	1,396	23.7%
EBITDA (Non-GAAP)	657	1,047	1,200	280	23.4%
Net Sales EBITDA(Non-GAAP) Ratio	*8.2%*	*9.9%*	*9.2%*	*9.4%*	-
Gross Profit EBITDA(Non-GAAP)Ratio	*18.3%*	*21.8%*	*20.3%*	*20.1%*	-
Operating Profit (Non-GAAP)	619	1,004	-	-	-
Operating Profit (Non-GAAP) Ratio	*7.7%*	*9.5%*	-	-	-
Operating Profit	601	932	1,000	225	-
Operating Profit Ratio	*7.5%*	*8.8%*	*7.7%*	*7.6%*	-
Stock Compensation Expense	18	72	150	43	-
Amortization of Goodwill	8	14	20	6	-
Depreciation and Amortization	29	28	30	5	-

- Figures have been rounded down to the nearest million yen.

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Sustainability Goals

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

1 NO POVERTY **4 QUALITY EDUCATION** **5 GENDER EQUALITY** **7 AFFORDABLE AND CLEAN ENERGY** **8 DECENT WORK AND ECONOMIC GROWTH** **9 INDUSTRY, INNOVATION AND INFRASTRUCTURE** **10 REDUCED INEQUALITIES** **13 CLIMATE ACTION**

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Our Sustainability Goal

In FY23, the first year of focusing on sustainability management, the company first determined its sustainability targets.

Sustainability Goal

**Through Sustainability Initiatives,
Create Sustainable Growth with All Stakeholders**

✓ Expansion of work options for the society

✓ Gender Equality Inside and Outside the Company

✓ Reduction of greenhouse gas emissions

Our Mission and Growth Strategy

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.

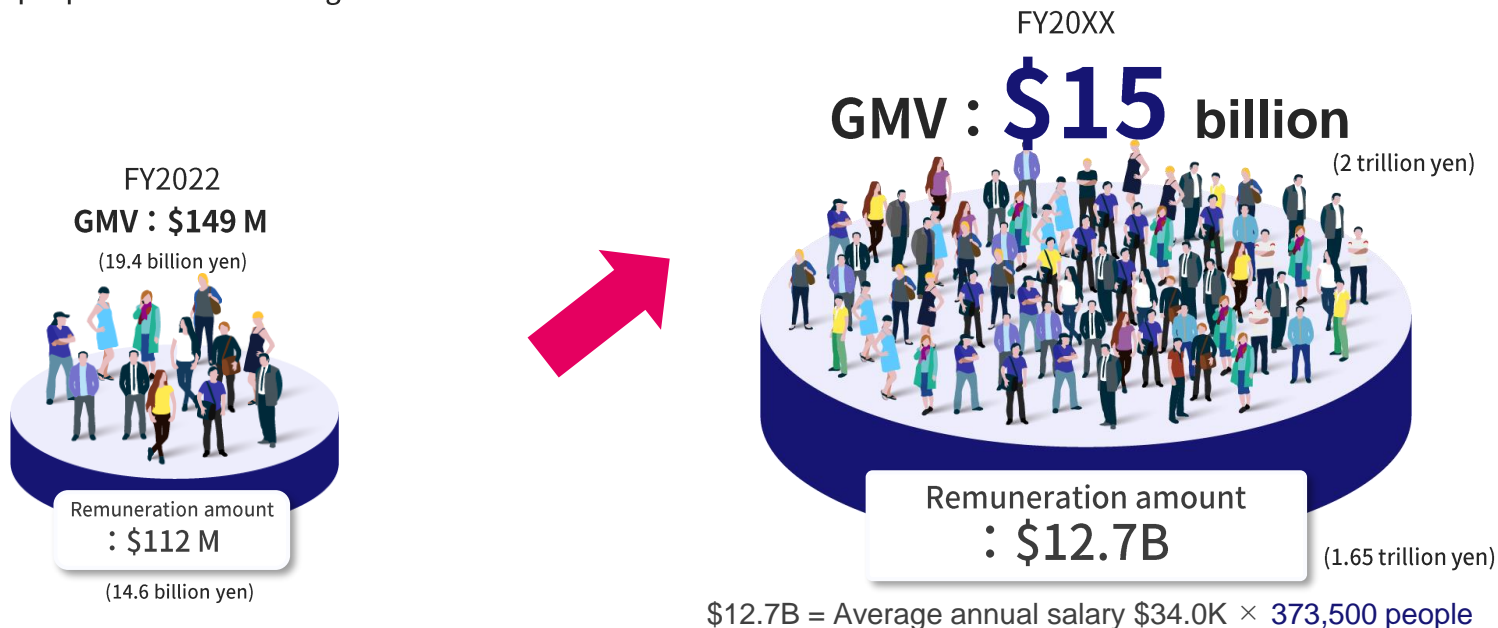Writers, designers, engineers, video distributors, school instructors, and many others are making a career out of what they are good at, helping others, and bringing smiles to the people around them.

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.

CROWDWORKS

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 "$15 billion in work distribution GMV." We will build Japan's largest online employment infrastructure with more than 373,500 people in terms of average annualized income.

FY2022
GMV：$149 M
(19.4 billion yen)

Remuneration amount
：$112 M
(14.6 billion yen)

FY20XX
GMV：$15 billion
(2 trillion yen)

Remuneration amount
：$12.7B
(1.65 trillion yen)

$12.7B = Average annual salary $34.0K × 373,500 people
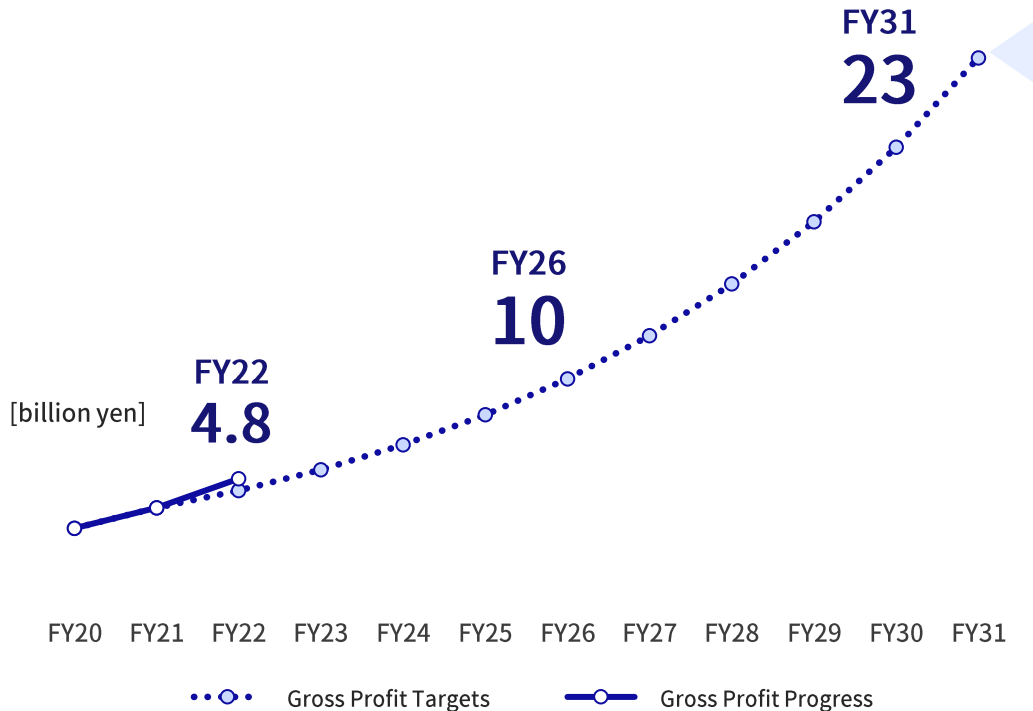
(Sources) *Average annual salary $31.0K National Tax Agency, "Results of the Survey on the Actual Status of Private Salary for 2021"
* 372,000 Number level of employees ranking No. 1 in Japan; Reference: Yahoo Finance as of Nov. 10, 2022 1. Toyota 372,000 people, 1. Hitachi 372,000 people, 2. NTT 341,000 people
* The dollar notation is expressed as 1 dollar = 130 yen

CROWDWORKS

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

Talent infrastructure

Mid-long term goal:
Online talent market
No.1

2015〜2022
Online talent market
established

2012〜2014
Developing online talent market - IPO
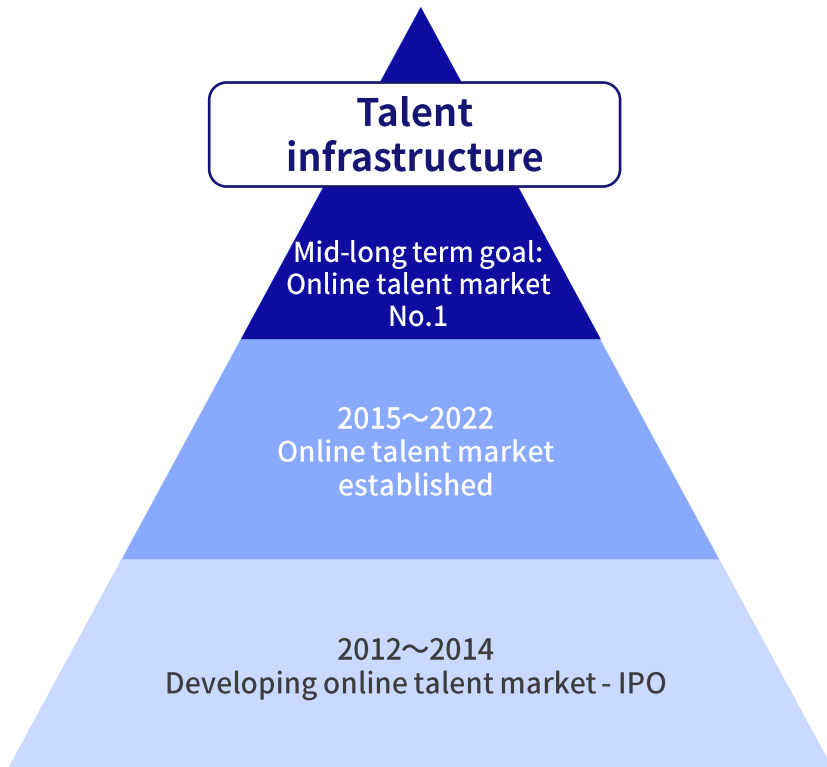
GMV（aim）	Gross Profit	Business size level
FY31 **100** Bil. yen	**FY31** **23** Bil. yen	Semi-prime corporate level in domestic existing talent market
FY22 **19.4** Bil. yen	**FY22** **4.8** Bil. yen	Emerging listed company level in domestic existing talent market
FY14(IPO) **1.5** Bil. yen	**FY14**(IPO) **400** Mil. yen	Start-up

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

CROWDWORKS

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.

M&A

New business
- Side-job business area (matching)
- peripheral area
- SaaS (Man-hour Management)

Existing business (Matching)
- Engineer/designer area
- Assistant/admin Area
- Web production outsourcing area

Further Business Expansion through reinvestment in new business and M&A

GMV
100 Bil. yen

Gross Profit
23Bil. yen

- GMV and Gross profit Growth
- Reinvestment & profit growth

Established   Present   Future

CROWDWORKS

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 Recourses 1
M&A Management Framework

- Productivity policy
- CW Sales Model
- Product development policy
- New business startup policy
- Human Resource Development Policy
- Culture Building

M&A in areas affiliated to our matching business

Management Recourses 2
M&A User Databases

Crowd Workers

500,000-600,000 registrations per year

Cumulative total exceeds 5.42 million

Client Company

80,000-90,000 companies registered annually

Cumulative total of over 875,000 companies

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.

Expanding markets — TAM: 2.6 tril. yen

Web production outsourcing areas	Engineer designer areas	Assistant admin areas
IT outsourcing market	Engineer dispatch market	General clerical dispatch market
150 bil. yen	770 bil. yen	1.7 tril. yen

Markets with room for future expansion — TAM: Over 12 tril. yen

Side-job market	SI market	BPO market	Consulting market	Part-time job advertising market	Other peripheral markets
2.2 tril. yen	7 tril. yen	1 tril. yen	765.9 bil. yen	250.0 bil. yen	

Developing markets by launching new services centered on our platform assets

Client companies
875,000

CrowdWorks
Launched 2012

CrowdWorkers
5,420,000

(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.

Appendix

Company Profile

CROWDWORKS

CrowdWorks, Inc.

President and CEO	: Koichiro Yoshida
Capital	: 2,700,507,106 JPY
Founded	: Nov 11, 2011
Services	: Operates internet services primarily CrowdWorks, Japan's largest crowdsourcing service

《Cumulative group registrations》
5,420,000 CrowdWorkers (users)
875 thousand clients
12 ministries and agencies
80 local government

* The numbers of workers and clients of CrowdWorks, Inc. services as of December 31. 2022

Matching Business

CrowdWorks
No.1 Crowdsourcing Service in Japan

Crowdtech
Engineers Matching Service for Freelancers to Companies

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

ビズアシ
Specialized Project Matching Service for Online Administrate Work

CODEAL
Multi-job matching service for IT professionals

Links Agent
Agent service for professional side jobs and dual jobs

PARK
Skills EC online store creation service

みんなのカレッジ
Online education program to broaden your career opportunities

Peaceful Morning
One-stop service for RPA implementation and development

メンバーペイ
Online Membership Management and Monthly payment platform

SaaS Business

CrowdLog
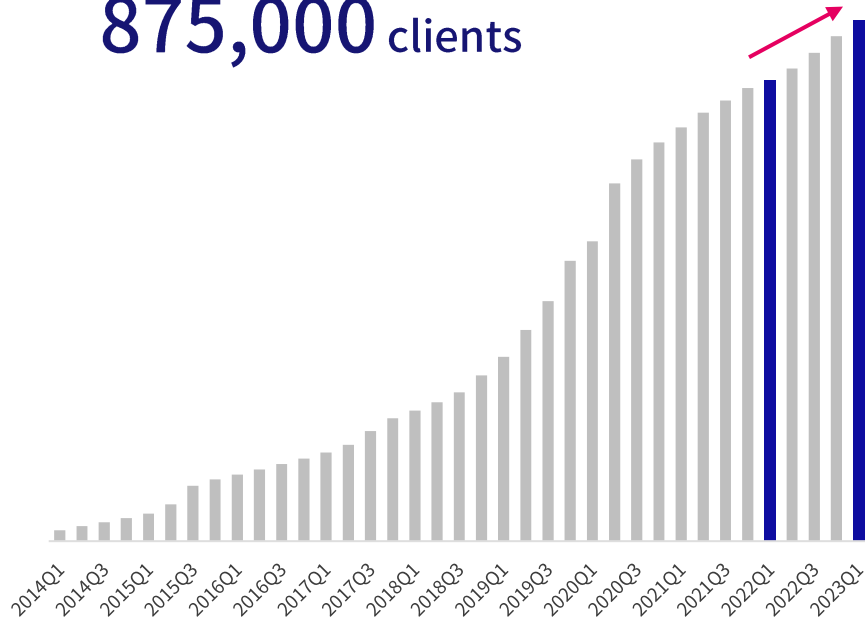Cloud man-hour management service that visualizes work styles

Industry-Leading Number of Clients & Workers

One of the largest on-line worker matching platforms in Japan with approximately 100,000 clients and 600,000 newly registered workers annually.
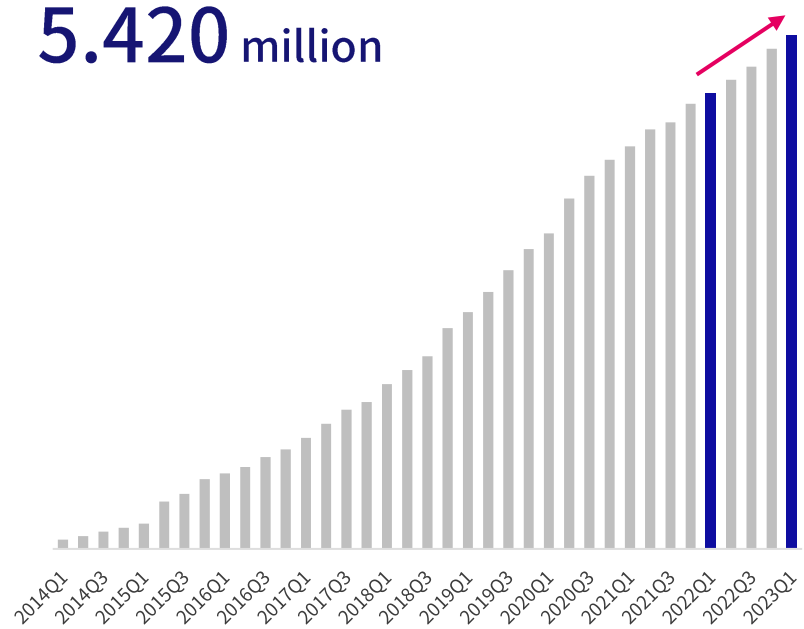
Number of Registered Clients

875,000 clients

+99,000 clients

Number of Registered Workers

5.420 million

+614,000 workers

CROWDWORKS

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.

Client Companies

HR needs due to labor shortage

Provide immediate human resources

Crowd Workers

Providing skills and experience

Increased income and enhanced working conditions

CW Database

Number of registered workers
5,420,000

Number of registered companies
875,000

M&A Target Companies

Join the group and grow together

Support business expansion through M&A

HR service companies (SES)

Expansion of fee revenue

Business support by providing DB

CROWDWORKS

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

PIP*
(Internal productivity improvement knowledge sharing contest)

Sharing productivity improvement success cases company-wide/across organizations

*PIP: "Productivity Improvement Pitch"

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

Productivity Improvement KPIs

(1) Gross Profit per Employee

(2) SG&A Expense Ratio Change

    and Gross Profit Growth Rate

CROWDWORKS

(FYI) Examples of 1Q Productivity Improvements

Improvement theme	1Q Examples (October–December)	Results	
Marketing Improve LTV/CPA unit economics by changing investment allocation and marketing methods.	[BizAssist] Reduction of CPA by improving targeting methods for attracting workers • More detailed job classifications for scout contacts than in the past have led to an increase in the number of applicants and a reduction in CPAs.	CPA/case	¥337 → ¥96 (- 71.5%)
	[CrowdLinks] Improved the number of inquiries by improving the first view of the website • Successfully increased the number of inquiries after repeated AB testing.	No. of Inquiries /month	42 → 60 (+ 42.8%)
Process Change Review business processes to reduce costs and improve gross profit to cost ratio	[CrowdTech] Reduced work hours of part-time employees in the Support Department by utilizing the Slack function. • Improved Slack chat confirmation flow to reduce time per process.	Time required for one process	15 sec → 3 sec (- 12 sec)
	[BizAssist] Reduced time required by implementing scheduling tool.	Required Time /month	160 min → 40 min (- 75%)
Engineering Improve productivity by systematizing and automating through the introduction of technology	[CrowdLog] Successfully fully automating the man-hours required to manage inquiries by linking Slack and databases.	man-hours managed /month	6.5 h → 0
	[CrowdWorks] Reduce system downtime to zero by reviewing DB switching methods • Reduced time spent on DB switching by leveraging new features of Amazon Web Services	System downtime	60 min → 0

CROWDWORKS

Agent Matching　Division of Labor by Molding

Decomposition of roles in the sales organization and division of labor by process.

Successfully defined and molded a code of conduct through the CW Sales Model + Productivity Improvement.

Expansion awareness	Appointment acquisition	Negotiations/Closing	Matching	Follow-up
Marketing	Inside Sales	Field Sales	Support	Customer Success
• Acquire inquiries via web ads	• Appointments by Ads, telephone and e-mail Acquisition	• Negotiation • Closing (Contract) • meeting with workers and clients	• Matching operations • Contract Support	• Customer follow-up • Additional order
7 ➡ **11** members	12 ➡ **12** members	41 ➡ **51** members	24 ➡ **33** members	8 ➡ **19** members

* Management and others: 24

organization expansion

150 members

YoY +**36 members**

Productivity improvement
Gross Profit Labor Cost Ratio

24.7 %

YoY -**2.4pt**

Measures to improve productivity

- Onboarding programs
- CW Sales Model / PIP
- Productivity Improvement Policy / CW Culture
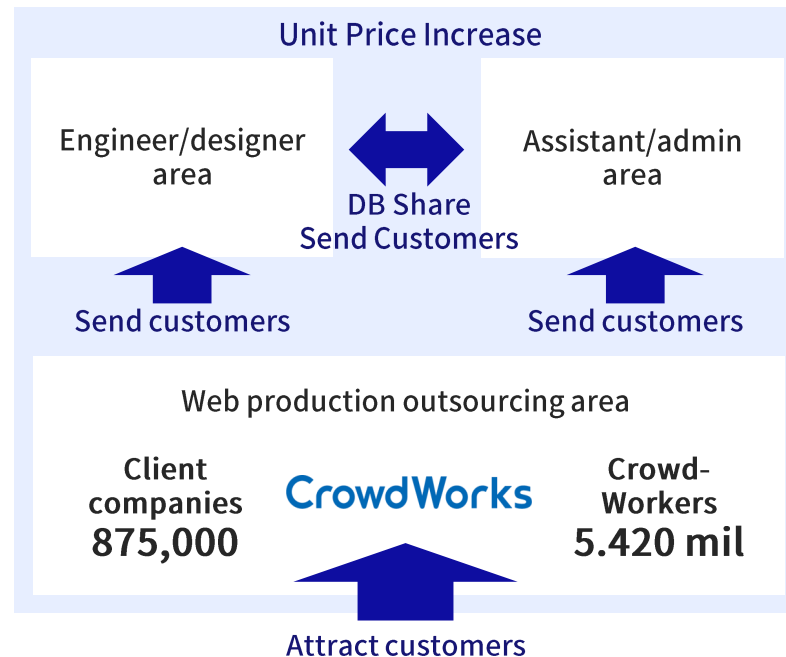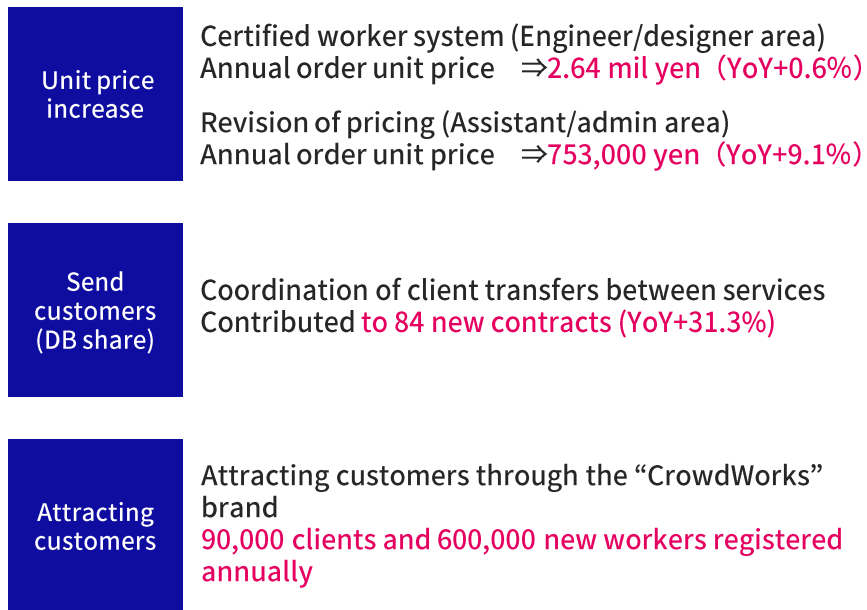
KPIs to measure productivity improvement

- Number of contract after 6 months of employment
- Gross profit per employee
- Labor cost to gross profit ratio

- Total number of employees in agent matching (CrowdTech, Bizassist, CODEAL, PeacefulMorning,.

CROWDWORKS

Covers a wide range of needs through service coordination

Sharing client and worker assets for efficient matching between services.

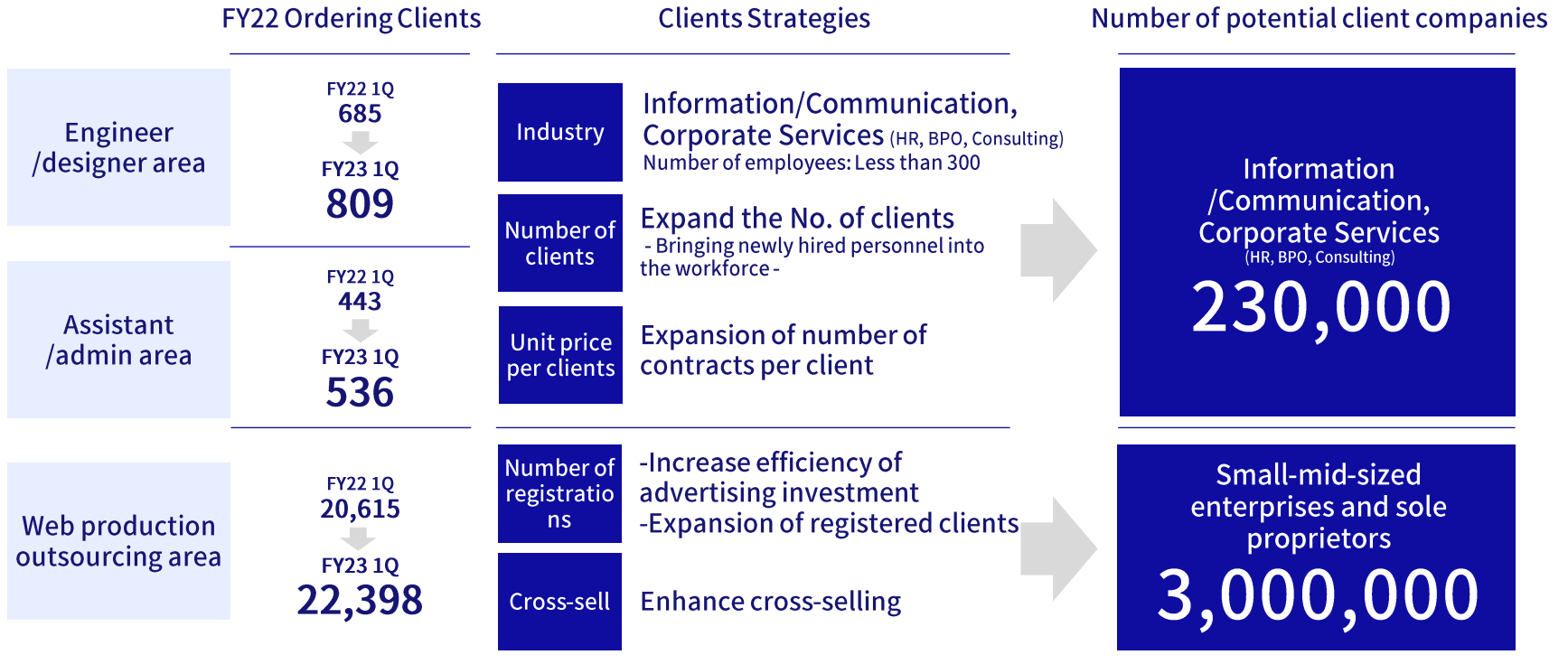Utilizing this database, we have established a system to attract, send, and increase the unit price of customers.

Unit price increase

Certified worker system (Engineer/designer area)
Annual order unit price ⇒2.64 mil yen (YoY+0.6%)

Revision of pricing (Assistant/admin area)
Annual order unit price ⇒753,000 yen (YoY+9.1%)

Send customers (DB share)

Coordination of client transfers between services
Contributed to 84 new contracts (YoY+31.3%)

Attracting customers

Attracting customers through the "CrowdWorks" brand
90,000 clients and 600,000 new workers registered annually

Unit Price Increase

Engineer/designer area

DB Share
Send Customers

Assistant/admin area

Send customers

Send customers

Web production outsourcing area

Client companies
875,000

CrowdWorks

Crowd-Workers
5.420 mil

Attract customers

Achieve Growth Through Expanding Number of New Clients

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

FY22 Ordering Clients	Clients Strategies	Number of potential client companies

Engineer /designer area

FY22 1Q
685
↓
FY23 1Q
809

Assistant /admin area

FY22 1Q
443
↓
FY23 1Q
536

Industry
Information/Communication, Corporate Services (HR, BPO, Consulting)
Number of employees: Less than 300

Number of clients
Expand the No. of clients
- Bringing newly hired personnel into the workforce -

Unit price per clients
Expansion of number of contracts per client

Information /Communication, Corporate Services
(HR, BPO, Consulting)
230,000

Web production outsourcing area

FY22 1Q
20,615
↓
FY23 1Q
22,398

Number of registrations
-Increase efficiency of advertising investment
-Expansion of registered clients

Cross-sell
Enhance cross-selling

Small-mid-sized enterprises and sole proprietors
3,000,000

CROWDWORKS

Actions to Improve Retention

Onboarding Training

Culture Book session

Value Workshop session

CW Mind session

Productivity training

1on1 follow-up MTG

Culture Book presentation by CEO Yoshida

Reskilling Program

Lessons from Directors

Managers and young people can learn about management from CEO Yoshida and other directors

CW Leading Player

A system in which members who are active as specialists are positioned as " leading players" to guide the careers of all members of the company.

Book Purchase Program

A program that allows 40,000 yen per year for the purchase of books

Review of Salary Table(FY22)

Highest annual salary
(including stock options)

30 mil. yen

Average salary increase

18万円

Highest salary increase

436万円

Flexible Work Style(FY22)

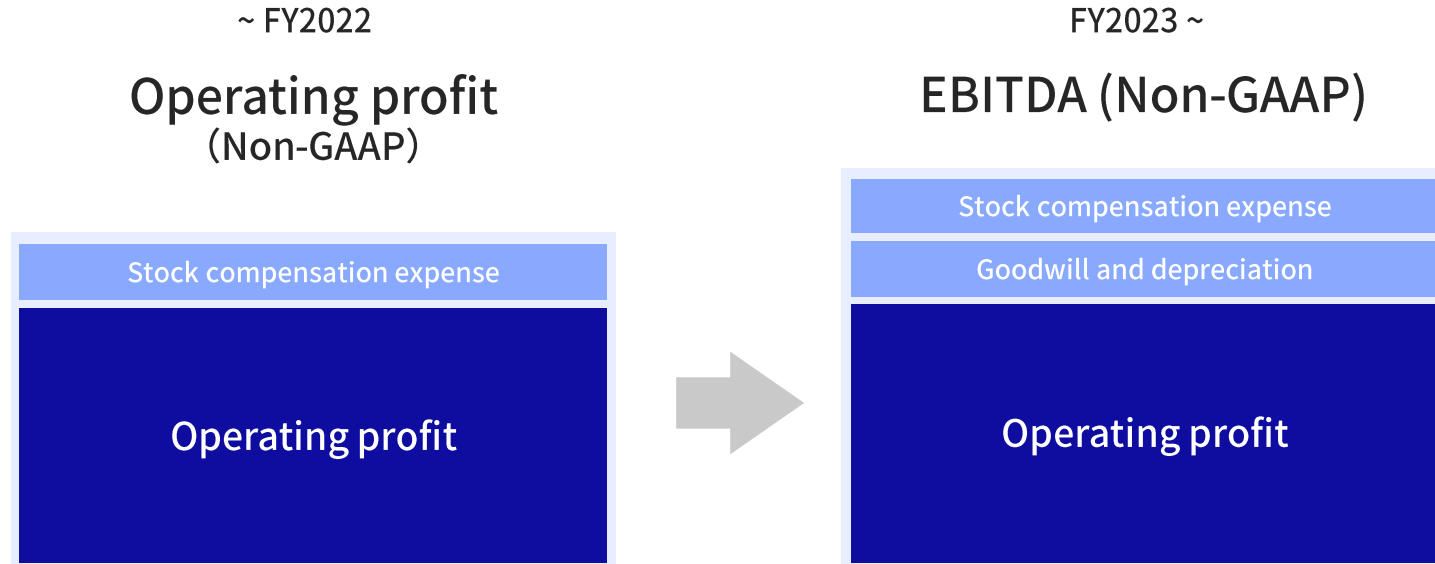| Side-job	Maternity leave

Experiencing side-job

50%

Acquisition rate

Women **100**%

Men **57**%

Changed Profit Disclosure Measure to EBITDA (Non-GAAP)

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

Aim to expand business and increase profits not only in existing and new businesses, but also through M&A.

Consolidated B/S Summary

Established a sound financial base with a cash-to-deposit ratio of 63.6% and an equity ratio of 59.6%.

Current assets	**7,081**	
Cash and deposits	5,070	
Other current assets	2,010	

Cash/Total Asset Ratio
63.6%

Current liabilities	**2,993**	
Deposits received	1,216	
Short-term borrowings	107	
Accounts payable, Other current liabilities	1,668	

Noncurrent liabilities	93	

Long-term borrowings 47
Others 46

Net assets	**4,884**	
Capital stock	2,700	
Capital surplus	2,658	
Retained earnings	(648)	
Other comprehensive income	41	
Share warrant	133	

Equity Ratio
59.6%

Property, plant and equipment 81
Goodwill, Intangible assets 239
Investments and other assets 570

Noncurrent assets	**890**

Total assets	7,971

Liabilities and Net assets	7,971

- Figures are rounded down to the nearest million yen

CROWDWORKS

Profit and Loss Statement

(million yen)　　　　*All Consolidated	FY2022 1Q	FY2022 2Q	FY2022 3Q	FY2022 4Q	FY2023 1Q
GMV	4,598	4,821	4,877	5,150	5,461
Net Sales	2,467	2,630	2,680	2,796	2,977
Gross Profit	1,096	1,189	1,227	1,299	1,396
GMV Gross Profit Ratio (take rate)	*23.8%*	*24.7%*	*25.2%*	*25.2%*	*25.6%*
Net Sales Gross Profit Ratio	*44.4%*	*45.2%*	*45.8%*	*46.5%*	*46.9%*
SG&A Expenses	792	868	969	1,249	1,171
EBITDA（Non-GAAP）	321	356	279	89	280
Net Sales EBITDA(Non-GAAP) Ratio	*13.0%*	*13.6%*	*10.4%*	*3.2%*	*9.4%*
Gross Profit EBITDA(Non-GAAP) Ratio	*29.3%*	*30.0%*	*22.8%*	*6.9%*	*20.1%*
Operating Profit	303	320	258	50	225
Net Sales Operating Profit ratio	*12.3%*	*12.2%*	*9.6%*	*1.8%*	*7.6%*
Ordinary Profit	315	284	277	68	219
Net Profit	214	183	202	202	149
Amortization of Goodwill	4	4	2	2	6
Depreciation and Amortization	10	7	5	5	5
Stock compensation expense	2	24	13	31	43

- Figures have been rounded down to the nearest million yen.
- Year-on-year comparisons are calculated in accordance with financial statement regulations, taking into account figures less than one million yen.

CROWDWORKS

FY2023 1Q Balance Sheet

(million yen) *All consolidated	FY2022 FY-end	FY2023 1Q	YoY
Current Assets	6,888	7,081	+192
Non-current Assets	749	890	+140
Total Assets	7,638	7,971	+333
Current Liabilities	2,921	2,993	+72
Non-current liabilities	50	93	+42
Net Assets	4,666	4,884	+218
Capital Adequacy Ratio	59.9%	59.6%	(0.3)%

- Figures have been rounded down to the nearest million yen.
- Year-on-year comparisons are calculated in accordance with financial statement regulations, taking into account figures less than one million yen.

CROWDWORKS

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.

CrowdLog

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

NTT DaTa
株式会社 NTT データ エンジニアリングシステムズ

RECRUIT

KDDI

FUJITSU

GMO
PAYMENT GATEWAY

net one
つなぐ むすぶ かわる

Non-IT

Benesse

鹿島

SHISEIDO

AsahiKASEI

KONICA MINOLTA

TAKENAKA
想いをかたちに 未来へつなぐ

Profit Model

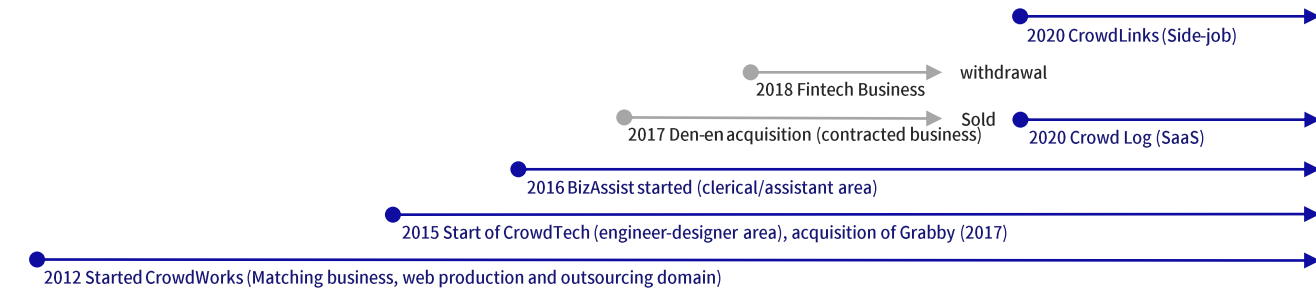| Type	Our Profit		Definition of profit	Calculation	GMV (% of share)	Net sales (% of share)	Gross profit (% of share)
					[million yen]		
Direct Matching	System usage fee	=	5-20% of the business consignment fees (contract amount) between a client company and an individual	GMV = Business consignment fee Net sales = System usage fee + Ads fee Gross profit = System usage fee + Ads fee	2,833 (51.9%)	566 (18.6%)	554 (38.7%)
	Ads fees	=	Additional optional fees such as ads placement (Option fee 8,000〜30,000 yen)				
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	2,540 (46.5%)	2,394 (78.5%)	791 (55.2%)
SaaS	Service Usage fees	=	Monthly service (platform) usage fees	GMV = Service usage fees Net sales= Service usage fees Gross profit= Service usage fees	87 (1.6%)	87 (2.9%)	87 (6.1%)
				Adjustment*	-	-70	-36
				Total	5,460	2,977	1,396

- GMV, Net sales, Gross profit of share ratio are calculated for the FY 2022
- Adjustments are for inter-consolidation and intra-company transactions.
- The mismatch in the total amount of GMV is due to fractional processing.
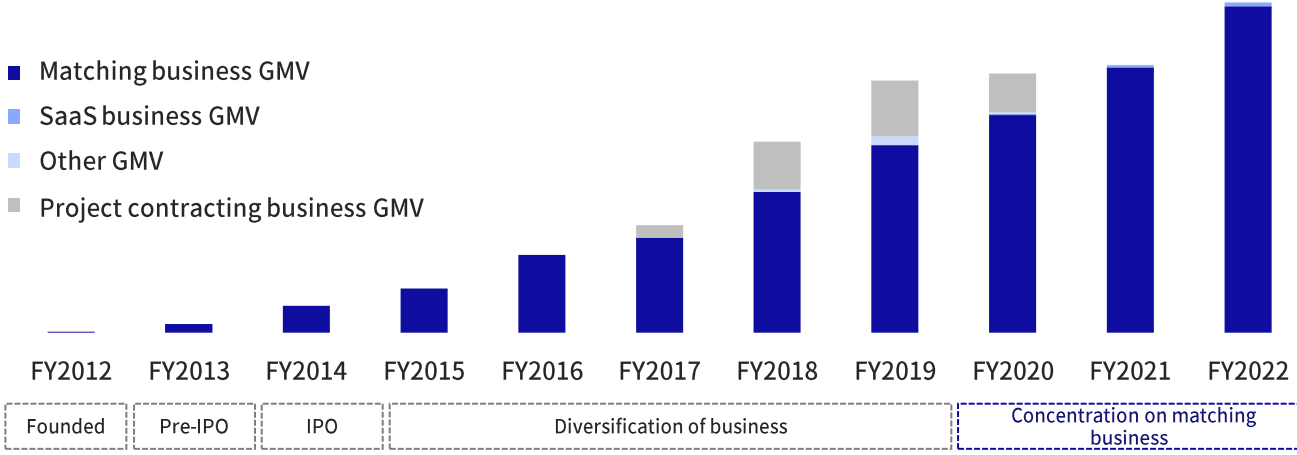
CROWDWORKS

Management Transition

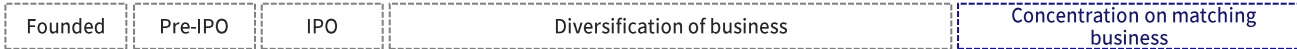Successfully launched a variety of new businesses even post listing

Established a solid management base through experience of business withdrawal

2020 CrowdLinks (Side-job)

2018 Fintech Business → withdrawal

2017 Den-en acquisition (contracted business) → Sold

2020 Crowd Log (SaaS)

2016 BizAssist started (clerical/assistant area)

2015 Start of CrowdTech (engineer-designer area), acquisition of Grabby (2017)

2012 Started CrowdWorks (Matching business, web production and outsourcing domain)

- ■ Matching business GMV
- ■ SaaS business GMV
- ■ Other GMV
- ■ Project contracting business GMV

Matching business
Focus on organic growth

| FY2012 | FY2013 | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 | FY2019 | FY2020 | FY2021 | FY2022 |

| Founded | Pre-IPO | IPO | Diversification of business | Concentration on matching business |

CROWDWORKS

CROWDWORKS