

FY2023.Q1 Results briefing materials

May 16, 2023

SpiderPlus & Co.

Note: This document has been translated from the Japanese original*1 for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

*1 : Original document
<https://contents.xt-storage.jp/xcontents/AS81382/228617b7/906e/4758/85fa/b53fb98a5706/140120230511566754.pdf>

DX in construction industry

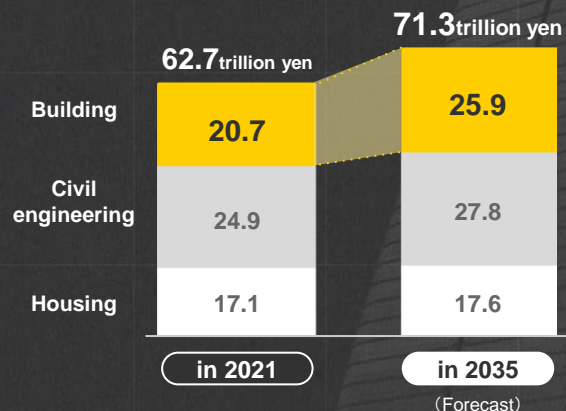
Construction

Technology

Construction DX market opportunities we recognize

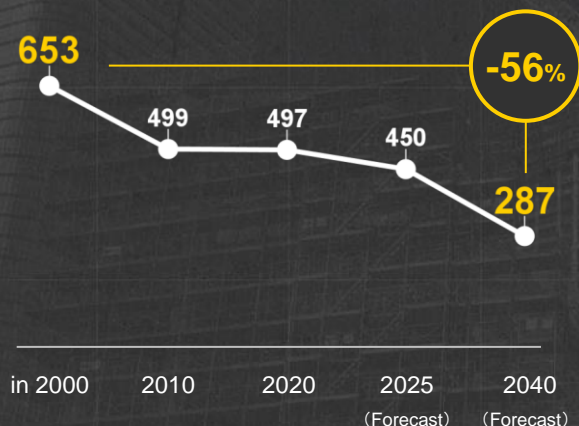
Expanding demand

Outlook for Construction Investment*1



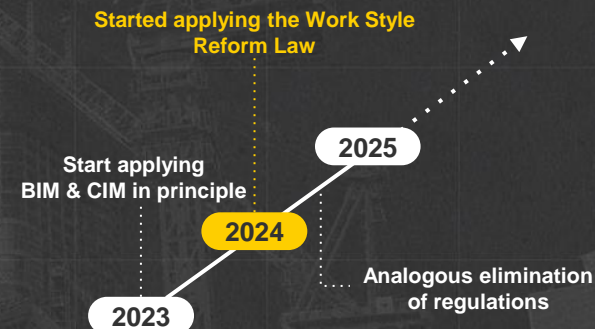
Decreasing workforce

Outlook for Number of Construction industry workforce*2



Turning point in 2024

Policies to accelerate DX*3



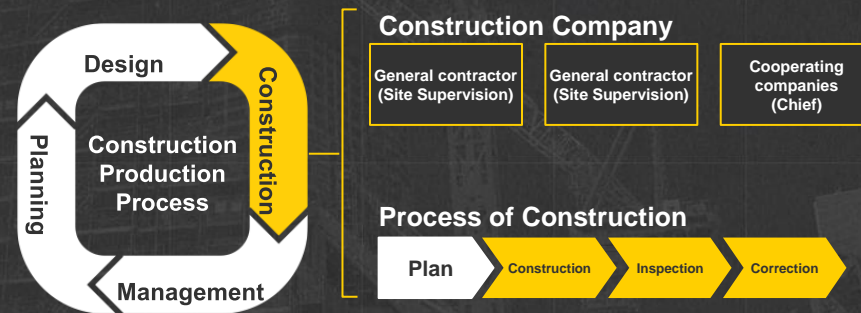
*1~3 : Sources are listed in the "Other Reference Materials" section of this document.

SPIDERPLUS, a DX service that improves operational efficiency at construction sites



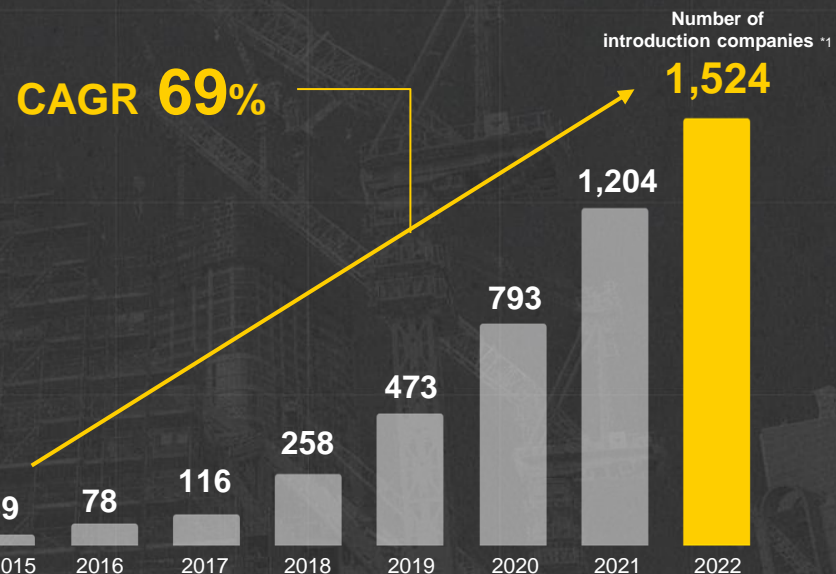
Site management SaaS for large-scale sites

Etc. of buildings, condominiums, and retail facilities



Introduced by a top runner in the construction industry SPIDERPLUS network continues to expand

Introduced by a leader in the construction industry



*1: Figures for the numbers of companies adopting the system are the results of companies adopting SPIDERPLUS at the end of Dec.

FY2023.Q1 Highlights

1. FY2023.Q1 Highlight

2. FY2023.Q1 Topics

3. Reference : About SPIDERPLUS

4. Reference : Medium term growth strategy

5. Other Reference Materials

FY2023.Q1

Steady quarterly progress in both results forecasts and business progress

Performance Progress

KPI, Net sales, and profit/loss progressed in line with earnings forecasts.
Improve profitability by controlling costs while increasing ARR growth rates

Business Progress

DX phase in the construction industry accelerates in preparation for the application of the "Workplace Reform Related Law"
Promote "development and penetration of key customers" such as system integration with major construction companies

KPI

Quarterly sales

719 million yen
YoY Growth **+27%**

ARR

2,866 million yen
YoY Growth **+27%**

Company

1,593
YoY Growth **+27%**

ID

60,152
YoY Growth **+21%**

ARPU

3,971 yen
YoY Growth **+5%**

Churn rate

0.6%

Cumulative Sales	ARR	Company	ID	ARPU	Churn rate
Good	Good	Good	Good	Good	Good

*1: "Very Good", "Good" and "Neutral" represent our view of performance. Each words denotes the results compared to the forecast and the growth rate as follows. "Very Good":A word for representing greater-than-expected results. "Good":A word for an item that has been improved or not anticipated. "Neutral":A word for lower-than-expected results. "Bad":A word for representing a significant decline in value or a net decrease in value

Results

Achieve both sales growth and improved profitability

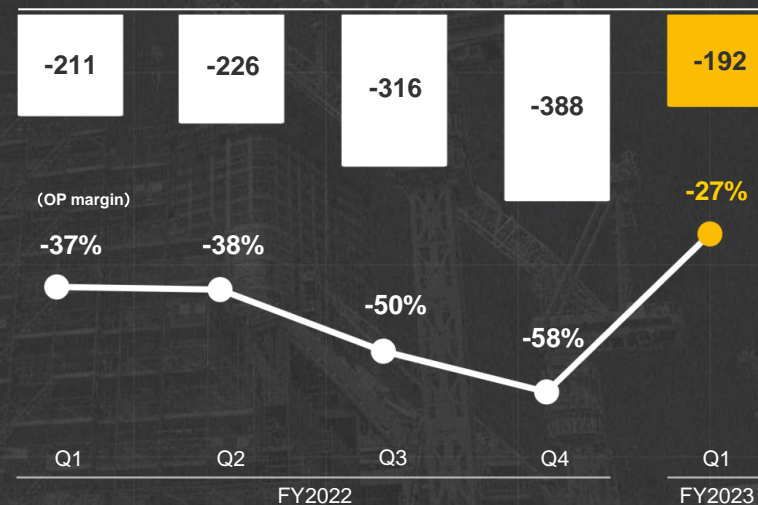
Net sales

Millions of yen



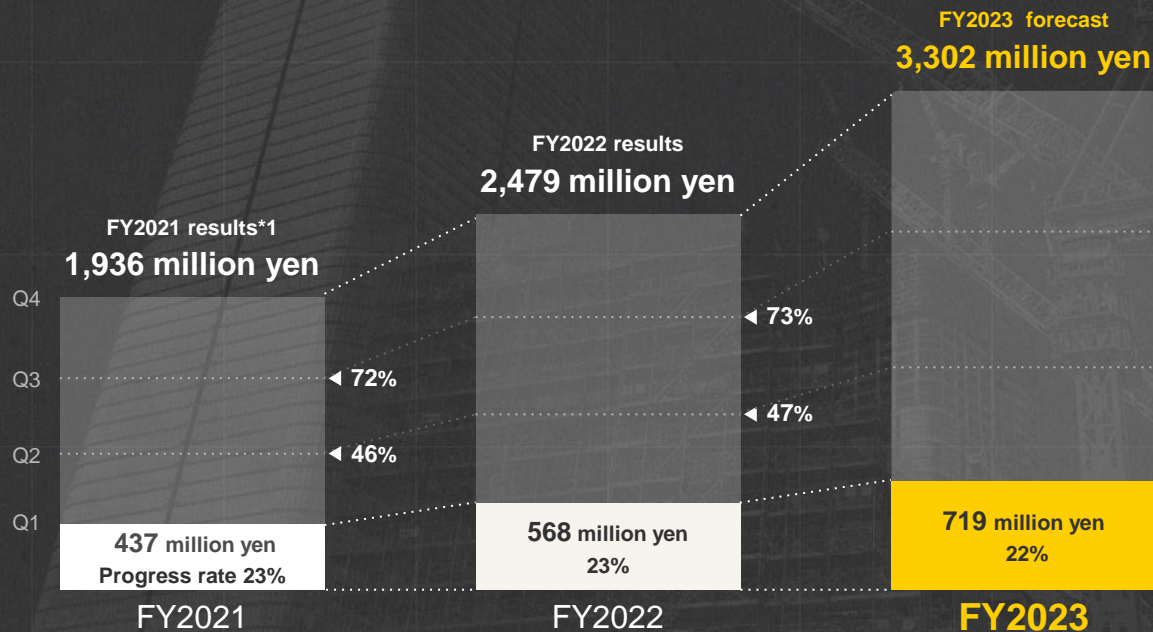
Operating Income

Millions of yen



Progress of sales forecast

Net sales grew steadily despite the seasonal effects of the construction industry.



*1: FY2021 only show sales from ICT business (because the engineering business was transferred in Jan. 2022 and ICT business is a single segment from FY2022).

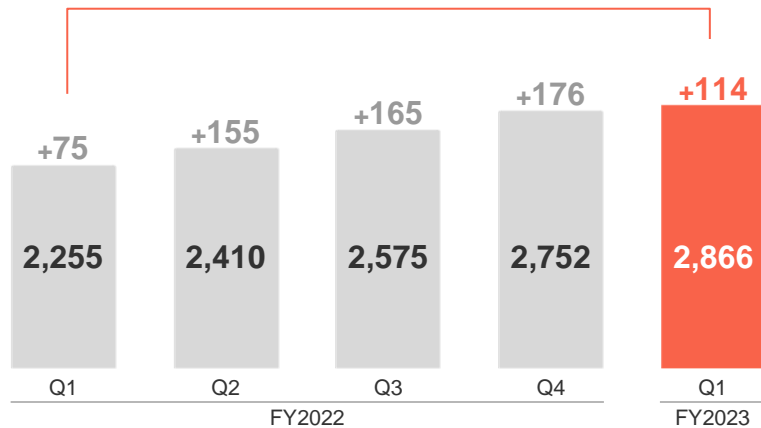
ARR growth rate +27% YoY due to existing customer penetration

Increase growth rate toward the end of the fiscal year by "development and penetration of key customers"

ARR*1

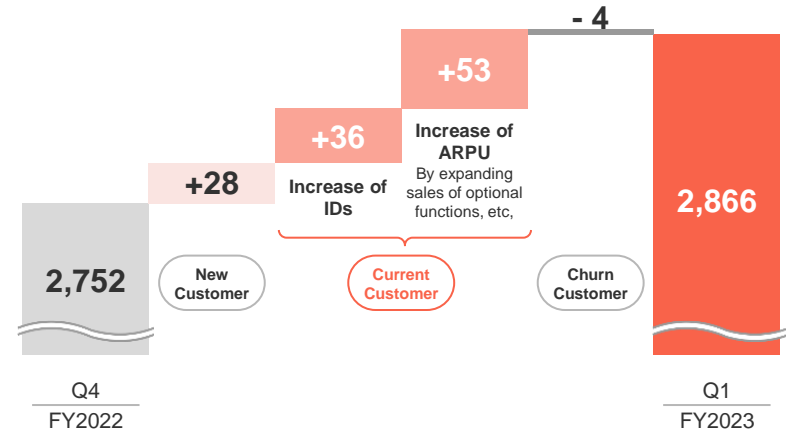
Unit : Millions of yen

YoY Growth
+27%



Analysis of ARR changes*2

Increase in IDs due to penetration of existing customers and steady sales expansion of optional functions



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

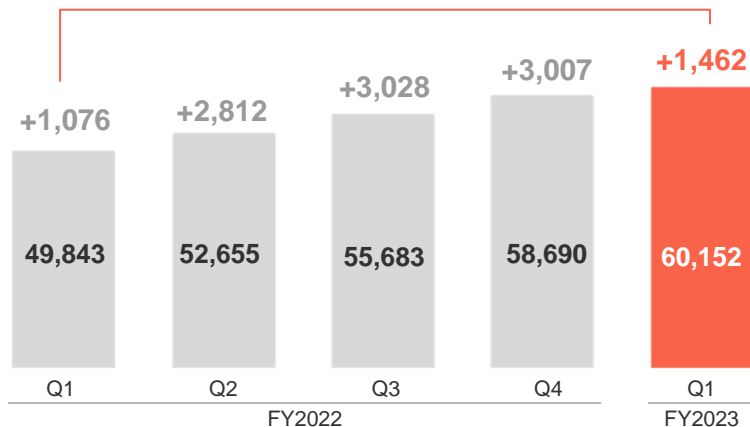
*2 : New customers are those who newly subscribed to SPIDERPLUS during FY2023.Q1, existing customers are those who have continued to do so from the end of FY2022.Q4 to the end of FY2023.Q1, and churn customers are those who have completely churned during FY2023.Q1.

Net increase in number of IDs expanded 1.4x YoY, despite a seasonality in the quarter
Steady sales of optional functions that meet customers' DX needs

ID

Unit : ID

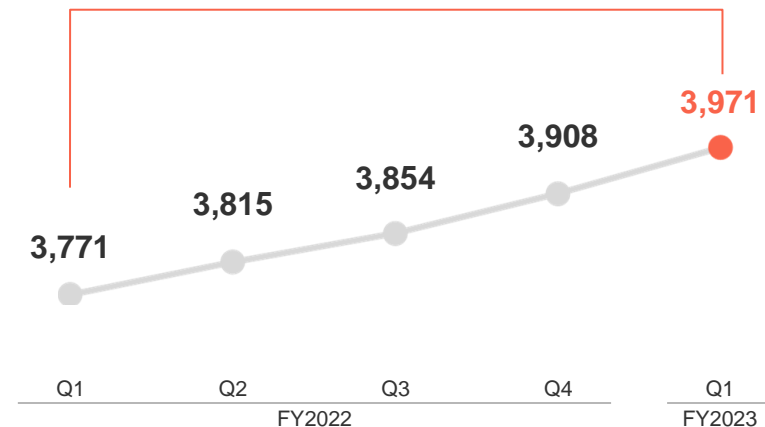
YoY Growth
+21%



ARPU*1

Unit : yen

YoY Growth
+5%



*1: Represents the contract unit price for ID units and is calculated based on "MRR ÷ ID numbers" at the end of each quarter.

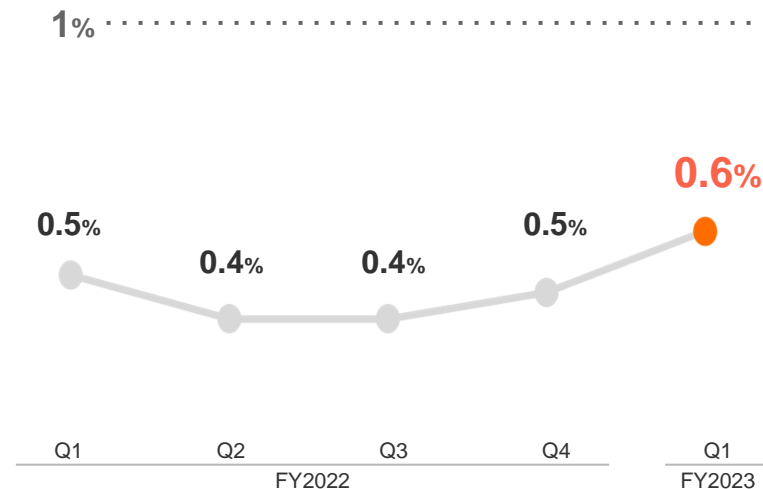
Customer base continues to expand due to the acquisition of new companies
and the maintenance of a low churn rate

Company

Unit: company



Churn rate*1



*1: Represents the average unit price per contracted company and is calculated by "MRR ÷ contracted company" at the end of each quarter.

Financial Highlights

Progress in both sales and income/loss was in line with forecast.

Millions of yen	FY2023.Q1 Accounting period	YoY	FY2023 Earnings forecast
Net sales	719	+26.5%	3,302
Operating loss	-192	—	-698
Ordinary loss	-194	—	-732
Net loss	-197	—	-739
Cash balance	2,933	—	—
(Reference) Number of employees	247 persons	+45	Approx. 260

Income Statement

Millions of yen (Sub-unit truncation)	FY2022.Q4 Accounting period	FY2023.Q1 Accounting period	From the previous quarter	FY2022.Q1 Accounting period	FY2023.Q1 Accounting period	Year on year
Net sales	673	719	+6.8%	568	719	+26.5%
<i>Of which, stock income</i>	668	704	+5.3%	556	704	+26.5%
<i>Stock income ratio</i>	99.2%	97.9%	-1.3pt	97.8	97.9%	+0.1pt
Gross profit	405	458	+13.1%	349	458	+31.5%
Gross profit margin	60.2%	63.8%	+3.6pt	61.4%	63.8%	+2.4pt
SGA cost	794	651	-18.0%	560	651	+16.3%
Operating loss	-388	-192	—	-211	-192	—
Operating profit margin	-57.7%	-26.7%	+31.0pt	-37.1%	-26.7%	+10.4pt
Ordinary loss	-391	-194	—	-215	-194	—
Loss before income taxes	-392	-194	—	-84	-194	—
Net loss	-393	-197	—	-86	-197	—

Overview

- Operating income margin improved significantly due to higher sales and a smaller operating loss both in the same quarter of the previous fiscal year and in the previous quarter.
- In the same quarter of the previous fiscal year, extraordinary income of 131 million yen was recorded due to the transfer of the engineering business.

Net sales

- Increased to 719 million yen (+26.5% YoY) due to increase in stock revenue.

Gross profit margin

- Increased to 63.8% as a result of increased resources for development personnel to develop new functions (R&D)

SGA cost

- Decreased to 651 million yen due to the completion of large-scale advanced investment such as exhibitions held in the second half of the previous fiscal year (FY 2022.Q3 and Q4) and temporary outsourcing of R&D.

Balance Sheet

Unit: Million yen (truncated below unit)	FY2020	FY2021	FY2022	FY2023.Q1
Cash and deposits	469	4,196	3,044	2,933
Other current assets	351	512	497	481
Current assets	820	4,708	3,542	3,414
Software	3	2	558	527
Software in progress	—	381	183	200
Other fixed assets	80	334	510	500
Fixed assets	84	717	1,252	1,229
Total assets	905	5,426	4,794	4,644
Borrowings	266	178	443	416
Other liabilities	230	626	666	628
Total liabilities	496	804	1,109	1,044
Total net assets	408	4,622	3,684	3,599
<i>Equity ratio</i>	<i>45.1%</i>	<i>85.2%</i>	<i>76.8%</i>	<i>77.5%</i>

Overview

- We will continue our strategic advanced investment based on a stable financial base. Capital adequacy ratio is 77.5%.

Cash and deposits

- Net cash provided by operating activities was negative due to advanced investment, but the balance of cash and deposits in FY2023.Q1 was 2.9 billion yen.
- There are 850 million yen lines of credit, such as overdrafts (as of Mar. 31, 2023)

Software/software in progress

- Mainly related to renewal and development of SPIDERPLUS

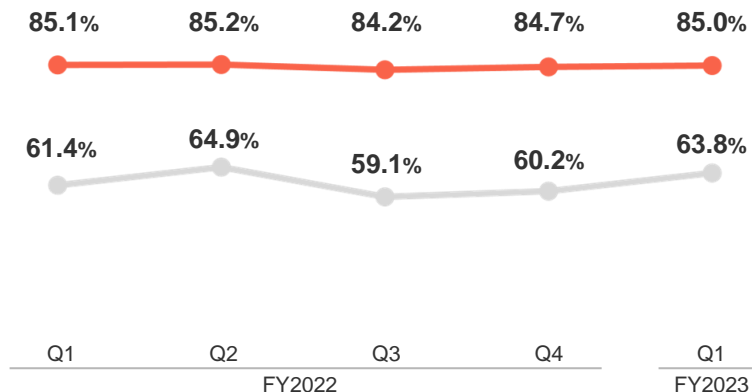
Debt

- Borrowing of 330 million yen for capital expenditures due to the relocation of the head office to FY2022 (5-year repayment period, unsecured)

Marginal profit ratio*₁ remained stable at around 85% and the gross profit margin was 63.8%.

Marginal Profit Ratio and Gross Profit Margin

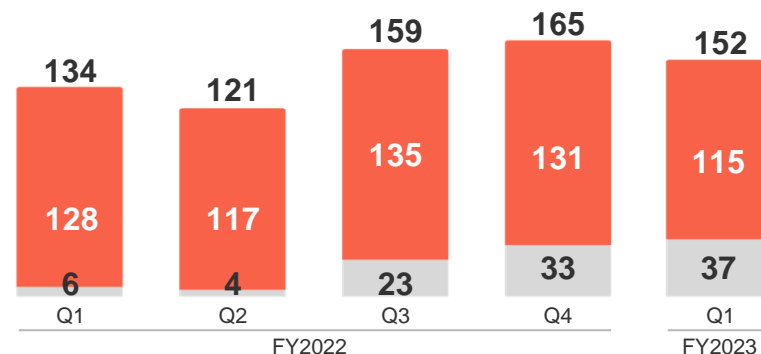
●:Marginal profit ratio ●:Gross profit margin



Breakdown of Fixed Costs*₂

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

Fixed costs mainly include depreciation expenses associated with the renewal and development of SPIDERPLUS.



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

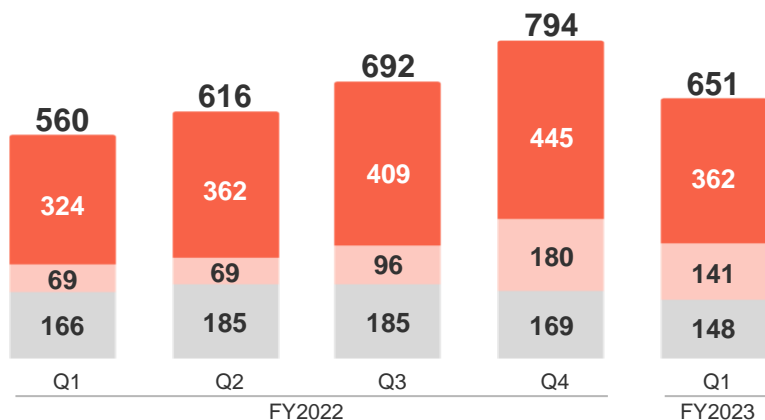
*₂: Only fixed costs in cost of sales, not including SG&A expenses.

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

SG&A expenses decreased from the previous quarter due to the completion of strategic large-scale advanced investment such as exhibitions.

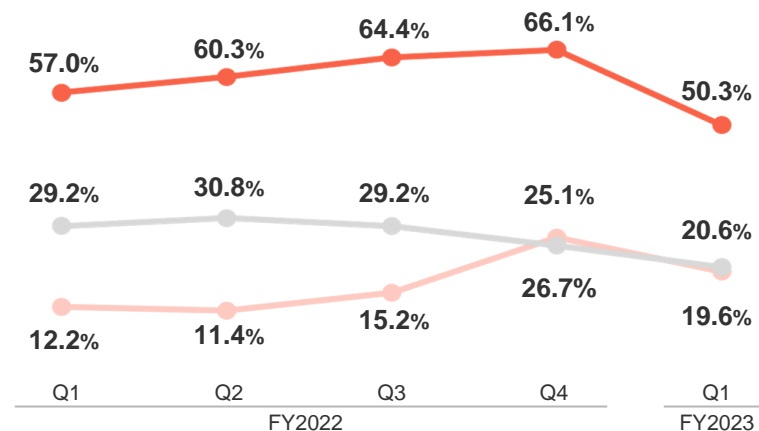
SG&A expenses*1

■ : S&M ■ : R&D ■ : G&A
Unit : Millions of yen



SG&A ratio*2

■ : S&M*2 ■ : R&D ■ : G&A
Unit : Millions of yen



*1: Each configuration is a management accounting structure. S&M, R&D, and G&A are abbreviations and are described in detail in "Other Reference Materials" in this document.

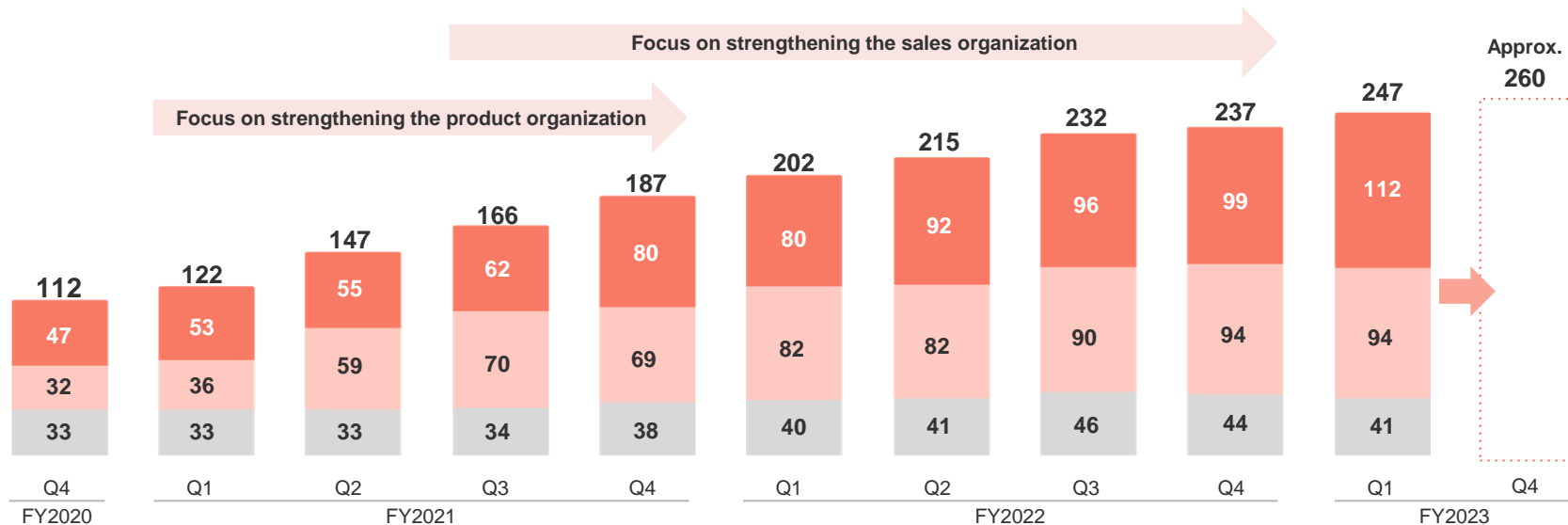
*2: FY2023.Q1 has partially revised the allocation standard for shared expenses.

Status of advanced investment (Human Capital)

Steady progress in hiring in preparation for increased IT investment demand.
 Further strengthening human resource development to build a scalable organization.

Number of Employees^{*1}

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



*1: Includes the number of temporary staffing staff related to sales and corporate affairs and the number of SES personnel related to R&D (excluding outside directors, etc.).

FY2023.Q1 Topics

1. FY2023.Q1 Highlight

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5. Other Reference Materials

FY2023.Q1 Topics

Sales

Collaboration with core systems to promote penetration and cultivation of key customers

Product

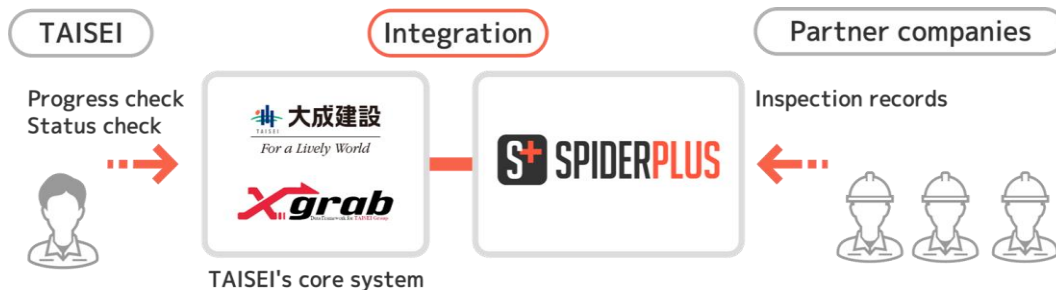
Develop remote operation support functions with an eye to "remote reality"

Global

Japanese companies operating in Southeast Asia, mainly major general contractors, are increasingly introducing

Integration with TAISEI's core systems

A key strategy to accelerate the penetration of SPIDERPLUS into the networks of major construction companies



Outline

- Partner companies share information to the core systems through SPIDERPLUS, and TAISEI*1 confirms inspection records and progress through the core systems.
- Fundamental reformation of business operations progressed through DX of "on-site units" in which not only the company but also several businesses are involved.
- Contributing to further improvement of LTV as business processes using SPIDERPLUS are constructed.

Future Outlook

- Expansion of use by partner companies that have not yet adopted SPIDERPLUS.
(To be introduced at more than 130 sites nationwide from May, 2023)
- Actively utilize not only Taisei but also backbone system collaboration aimed at strengthening collaboration with major construction companies.

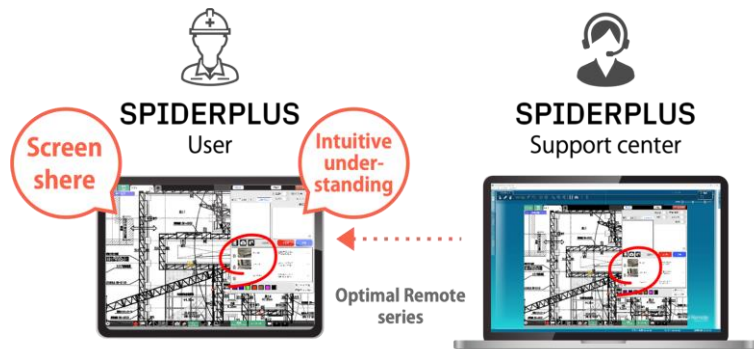
Develop remote operation support functions

Demand for DX related to "remote presence" is expanding, such as "remote site control."

We will be able to operate the screen from a remote location, and we will look into expanding it to overseas customers.

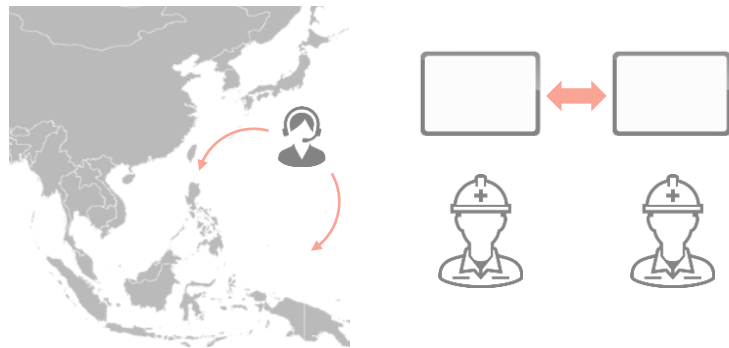
Remote operation support

- The operator of our support center explains the operation while sharing the screen with the user.
- Able to respond accurately and efficiently to inquiries that require time for oral explanations



Future Outlook

- Providing "High-quality customer support" to Overseas Users, Both Domestically and Overseas, by Utilizing "Remote Operation Support"
- Develop functions to realize seamless remote reality, such as "sharing screens between users."



SPIDERPLUS is being introduced to major general contractors operating in ASEAN.

Overseas expansion policy

- Expansion into 10 countries, mainly in ASEAN, where Japanese construction companies are operating.
- Selection of countries for expansion based on investment standards such as market size and business practices in each country.



Regions under development	
Vietnam	Taiwan
Thailand	China
Indonesia	Philippines
Cambodia	Malaysia
Singapore	Myanmar

Medium-Term Priority strategy

- Develop Japanese general contractors with influence in priority countries
- Aiming to expand introduction to local partner companies of Japanese general contractors
- Concurrently pursue localization of products and services with a view to developing local companies



*1:Market size of the most focused countries are calculated by multiplying the number of employees of the contractors we serve in the target countries by the assumed ARPU.

Reference :

About SPIDERPLUS

1. FY2023.Q1 Highlight

2. FY2023.Q1 Topics

3. Reference : About SPIDERPLUS

4. Reference : Medium term growth strategy

5. Other Reference Materials

Reference Materials

What SPIDERPLUS Can Do

Consolidate construction management operations for site supervisors into tablets

Digital analog tools

Such as paper drawings, digital cameras, and blackboards,
Consolidate a large amount of handheld items into tablets.

Improving Construction Inspection Quality

Streamlining of inspections in high, closed, and dark places,
Eradicate recording errors through visual and manual entry.

Complete office work at the site

Work at the site without returning to the office.
Reduce travel time, which had been for many round trips.



Digitization of business processes

Centralize a series of construction processes at SPIDERPLUS,
including construction, inspection, and correction.

For real-time information sharing

Such as changing design plans and issuing inspection
instructions,
Shorten lead times for newsletters, liaisons, and phases.

Smooth collaboration between constructors

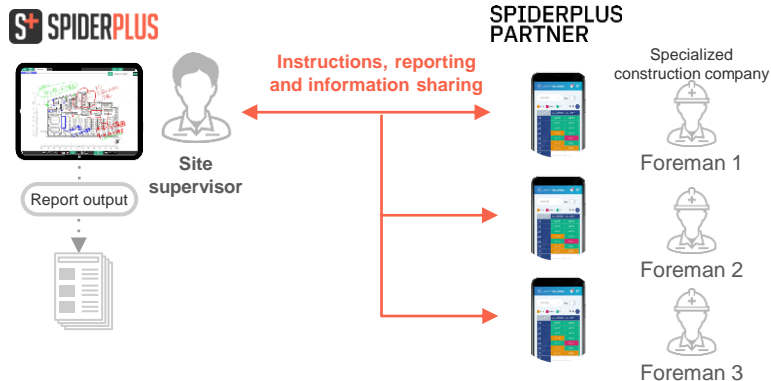
In cooperation with prime contractors and partner companies
Complete on SPIDERPLUS.



Develop products and services that also improve efficiency in peripheral operations for construction management

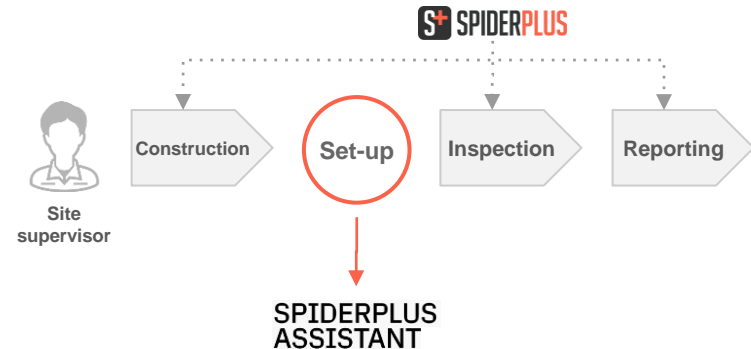
SPIDERPLUS PARTNER

- Optional function to reduce communication costs for site supervisors managing specialty contractors
- Completion of inter-company operational reports that occur "daily," "many times," and "many times" on SPIDERPLUS



SPIDERPLUS ASSISTANT

- BPO servicing to prepare (set up) inspection tasks, which take several hours
- Reduce the burden of preparatory work, such as registering detailed drawings on SPIDERPLUS required prior to inspections and marking inspection locations.



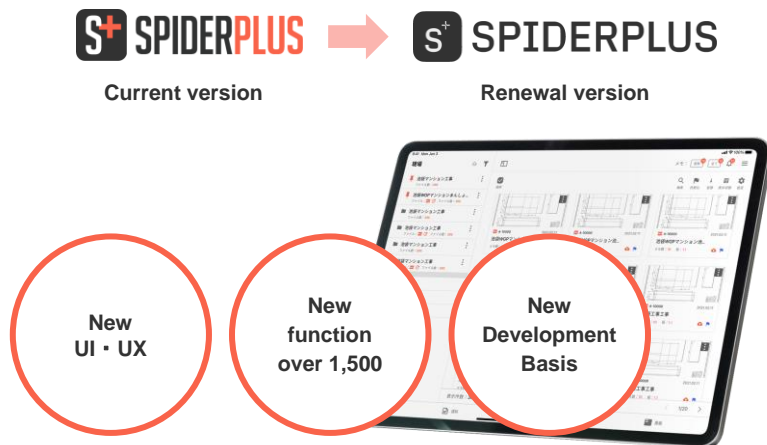
Ongoing renewal of SPIDERPLUS project



Products that form the foundation for medium-to long-term growth
Migration from the current version of SPIDERPLUS will be phased in starting in 2024

What is the renewal version

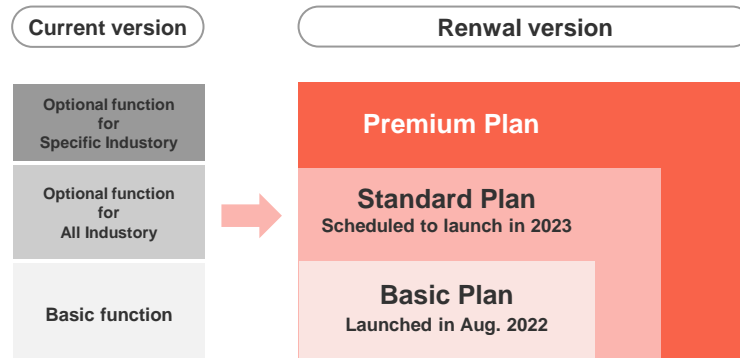
By eliminating technology liabilities accumulated over 10 years,
Reborn SPIDERPLUS



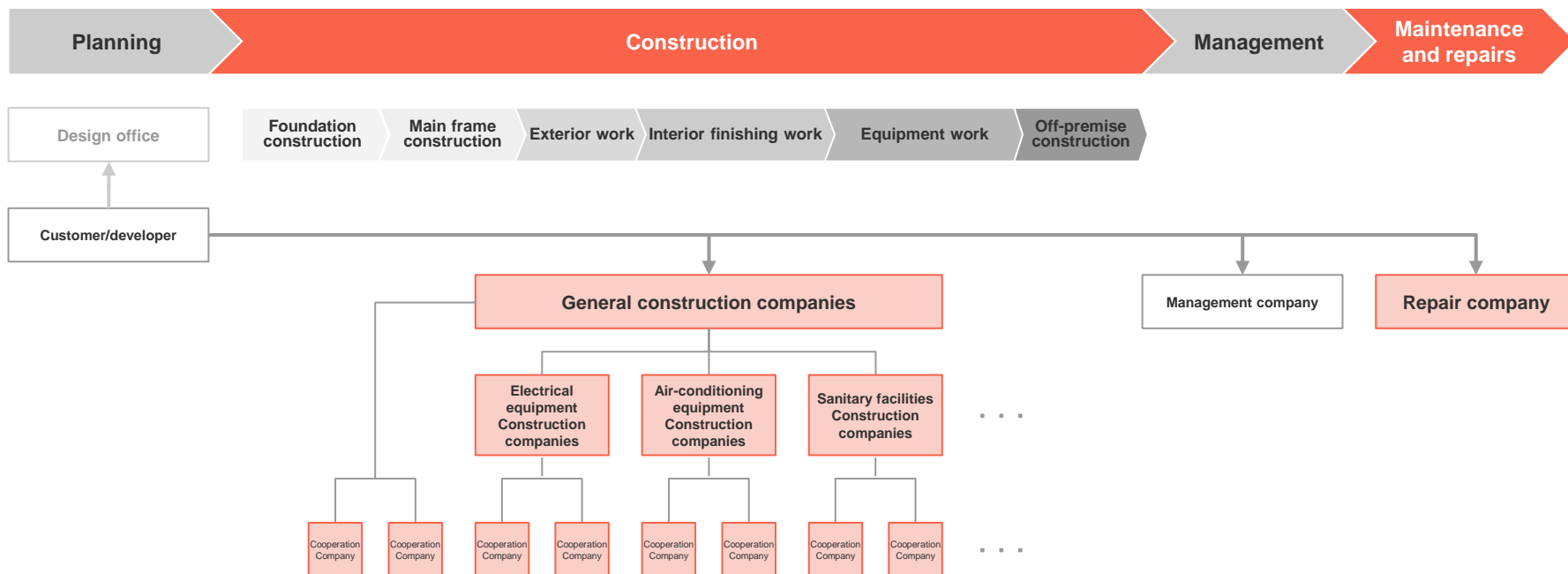
Status of provision

Currently, the renewal Basic Plan is being provided only for
specific industries.
Sequential transition from the current version from 2024

Image of the plan provided



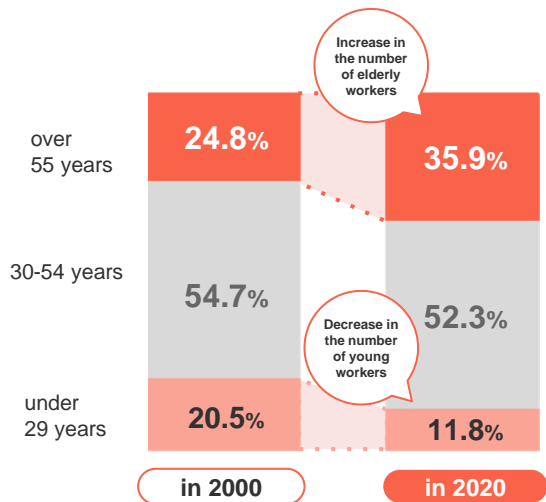
Products used in large-scale construction sites, such as buildings and condominiums
Completed on a SPIDERPLUS basis, from in-house construction management to information-sharing
between businesses





Construction sites that require sustainable working styles and dramatic improvements in productivity

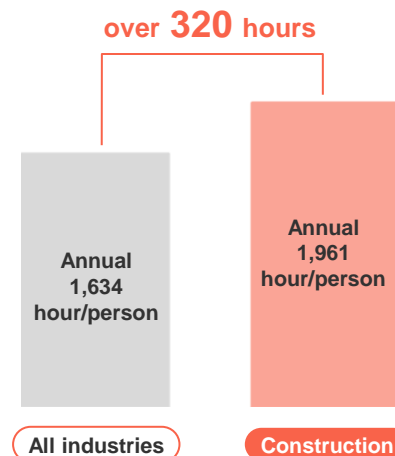
Progress in Aging and Declining Youth*1



Less holidays*2



Normalization of long working hours*3



*1: Prepared by us from the Ministry of Internal Affairs and Communications, Labor Force Survey.

*2: (1 company) Excerpted from the Japan Construction Industry Federation's Annual Action Plan for 2 days off a week, FY2021 Full-year Follow-up Report.

*3: Our calculations are based on the results for each month in 2022 in the Monthly Labour Survey, Ministry of Health, Labour and Welfare.



Become the best partner of construction sites

50% reduction in operating efficiency and labor savings



In the air-conditioning and
sanitary construction industry
Major companies
(Listed on TSE Standard)

- Construction quality inspection work completed with 1 app
- **Feeling that the time required for work has reached around 1/2-1/3**
- 1 test was possible, which used to be required by 2 people.

500 hours of operation per year



Be based in Hokkaido
More than 100 years old
General construction
companies

- In 2018, a short-term committee was established, and SPIDERPLUS was introduced in the same year.
- **Successful reduction of approximately 500 hours per year for all users**
- To the tremendous technological capabilities and assets that will enable the company to survive if it works efficiently and accumulates knowledge and knowledge

By offering highly practical functions and enhancing our support system
Introduction expanded mainly by major companies in the industry

Reasons for Choice*1



- Responding to DX Needs for a Variety of Construction Types with Functions Created with Customers
- Support system that understands the importance of construction companies and continues to enhance and evolve
- More than 1500 companies with a track record of approximately 60 thousand installations, mainly of major general contractors and subcontractors

*1:Introduction results are as of the end of Dec. 2022.

*2:Lists some companies that have obtained logo listing licenses.

Examples of Introduction*2

Comprehensive construction and developer



Electrical installation and air-conditioning sanitary construction



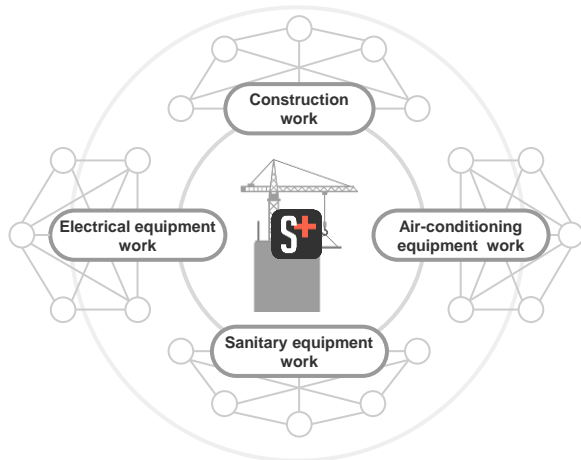


It is precisely because of the construction sites involving many builders
DX of "entire site" through collaboration between businesses

Collaboration between constructors

Information-sharing and instruction reports between constructors
can be made SPIDERPLUS

New site management methods will be generated from digital collaboration with
SPIDERPLUS.



DX examples for the entire site

SPIDERPLUS chosen as a unified tool for construction sites
In real time with frequently occurring design changes and progress reports



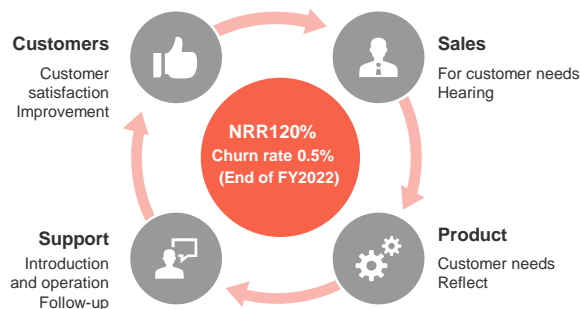
SPIDERPLUS's competitive advantage



A business model that captures the rapidly expanding need for construction DX based on our unique assets

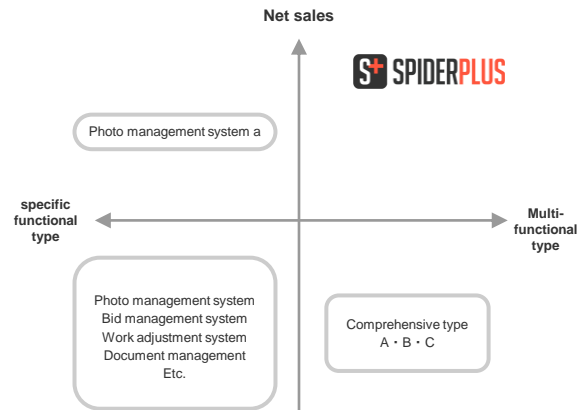
Value creation cycle

With a deep understanding of the construction industry
System that leads to customer value



Positioning^{*1}

Through highly practical functions developed with customers
No.1 of sales shares as construction management services



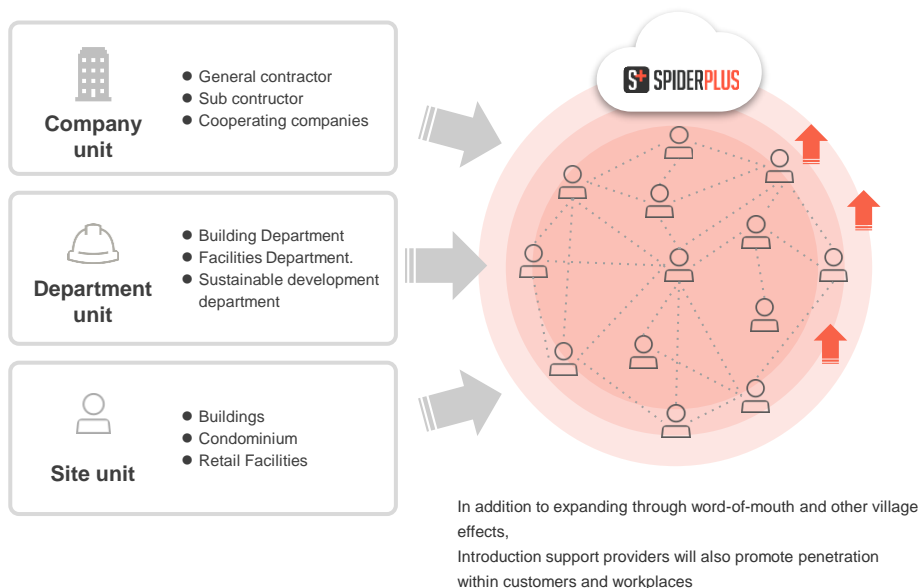
Customer base

Major industry players in general contractors and subcontractors utilize
Toward Defactostandard in Construction-Site DX



*1: Sales figures for each service are compiled by referring to "Market Trends of Construction Management Solutions," "Market Trends of Photography and Drawing Management Solutions" in the "Market Outlook for Con-Tech (Construction Tech) Solutions 2022 Edition (published in Jan. 2023)" by Deloitte Tohmatsu Economic Research Institute, and a research company report on individual competitors.

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



Growing Use Value through Network effects

On-Customer Internal unification and standardization of construction management operations

By digitizing business processes, visualize the work of people and implicit knowledge

On-site DX of "Site unit" through collaboration between businesses

DX not only within the company but also on a site basis can be made through design/specification changes and information-sharing between businesses on the status of progress

Our inherent networking effectiveness in generating LTV and CAC savings

Continuity

Churn rate

Acceleration of penetration

NRR

Efficient expansion

Sales efficiency

People working at large-scale construction sites



Per 10 thousand m2 of building floor space
Condominiums constructed with a total of about 40,000 persons*1

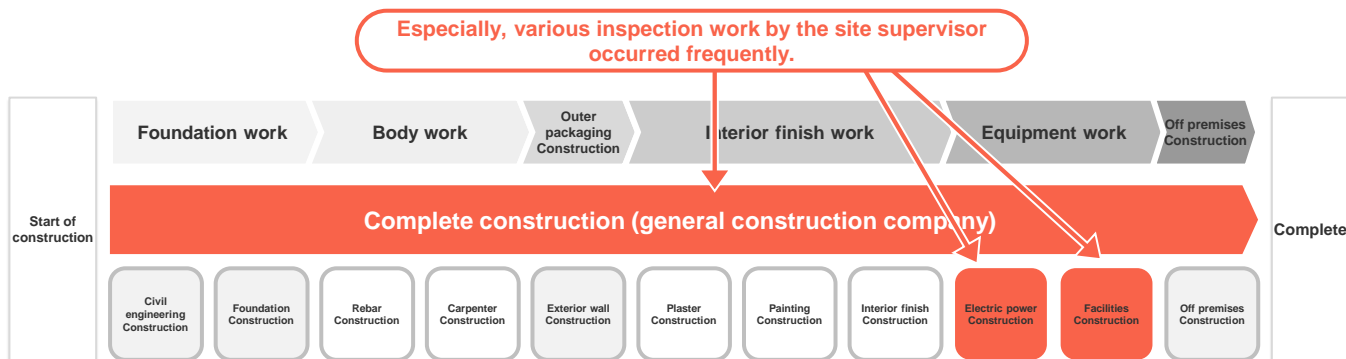
The total number of skilled workers required to complete the building is said to be 4-5 per square meter of building floor space. In the case of a condominium with a total building floor area of 10 thousand square meters, a total of approximately 40000 skilled workers will be involved.

"Site supervision operations" require instructions to each skilled worker and various inspections, and are extremely burdensome on operations.

Examples of RC buildings with 13 stories above ground/80 units



Structure/Floors/Units	RC built 13 stories above ground/80 units
Total skilled workers	Approx. 40 thousand
Number of on-site supervisors (assumed)	20-30 people
Construction period (assumed)	1 year and a half to 2 years
Construction cost (assumed)	2 billion yen



*1: (1 Company) Tokyo Construction Dealers Association, published on Sep. 19, 2013, from "Minna no Construction Q&A50"



Work content of site supervision

It is basically "on-site supervision" to use SPIDERPLUS.

Construction, equipment, and electricity companies have on-site supervision, and record enormous amounts of photographs and inspection data for each process.

Example of a schedule for 1 day of site supervision

(SPIDERPLUS can be utilized for operations in red areas)

Time	Work Details
7:30	Site arrival
8:00	Morning assemblies (confirmation of the contents of transport and construction work on the day)
8:30	Task digestion in the morning (homework, new admission education, etc.) Site patrols (to check the progress of construction)
10:00	Break (if possible)
10:30	Site patrols, handling of transport, etc.
12:00	Lunch break
13:00	Lunchtime (confirmation of next day's delivery and construction work)
13:30	Site patrols, material inspections, etc.
15:00	Break (if possible)
15:30	On-site patrols (drawing and document creation with vacant time)
17:00	Confirmation of completion of regular work On-site residual work and clerical work
19:00	Meetings (mainly for process verification and for lunchtime only the next day, but for longer-term processes)
20:00	Clerical work
21:00	Close of business



Photograph of sleeve

Sleeve mounting is the main construction work of the framework facilities and electrical work companies. Install a cylindrical sleeve in advance to the part where the piping penetrates the wall or floor so that the hole is opened even when concrete is poured. Since sleeves are buried in concrete placing, full-number shooting is the basis for the prescribed certification.



Inserts

Inserts are installed together with sleeving during body construction. During interior work, air conditioners and pipes are hung on the ceiling with bolts. The nuts for inserting the bolts are the inserts. A considerable number of inserts are required for all construction, equipment, and electrical work.



Pipe gradient photograph

Basically, the piping should have a constant gradient to prevent backflow.

There are regulations on the necessary steepness depending on the type, size, and application of the pipes, and photographs are required as evidence of the achievement of the standards.



Fire prevention compartment penetration processing photograph

A fire-prevention division to prevent the total burning by delaying the fire even slightly when a fire occurs. Piping that penetrates the wall beyond this zone must be specially constructed, i.e. the zone treatment. In principle, the entire number of photographs is taken for plot processing, because if there is a & even 1 place that is hidden in the ceiling, there is no significance of the plot.

Reference :

Medium term growth strategy

1. FY2023.Q1 Highlight

2. FY2023.Q1 Topics

3. Reference : About SPIDERPLUS

4. Reference : **Medium term growth strategy**

5. Other Reference Materials

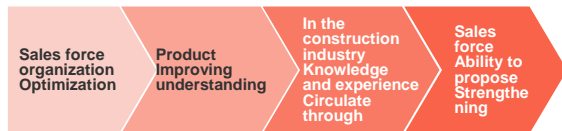
Develop highly efficient sales strategies to steadily capture rapidly expanding DX demand

Upgrading our sales organization

Establishment of a sales organization specializing in construction DX

(As of the end of Dec. 2022: 99 sales personnel/1.4 times the previous year)

To the Construction DX Professional Group

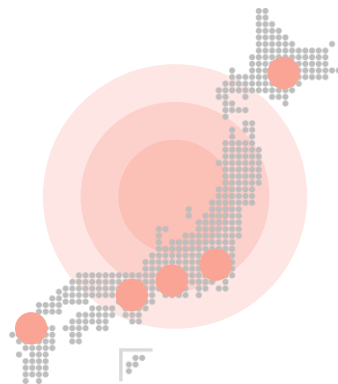


Expected effect



To expand our sales network

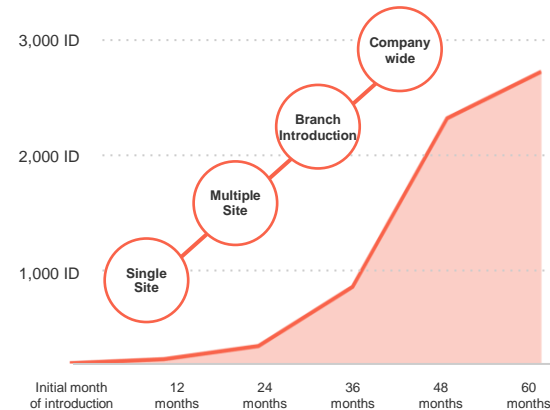
Expand network of agents and agents
Newly established sales offices (as of Feb. 2023: 5 offices)



Develop and penetrate key customers

Through a value proposition that combines optional functions
Generate large-scale negotiations such as early lump-sum introduction

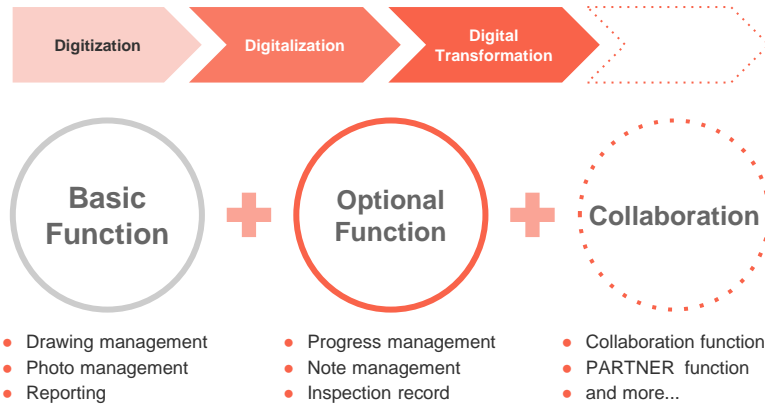
Examples of Introduction by Major Equipment Construction Companies



Incorporate construction management expertise into products
Build product value that only we can provide

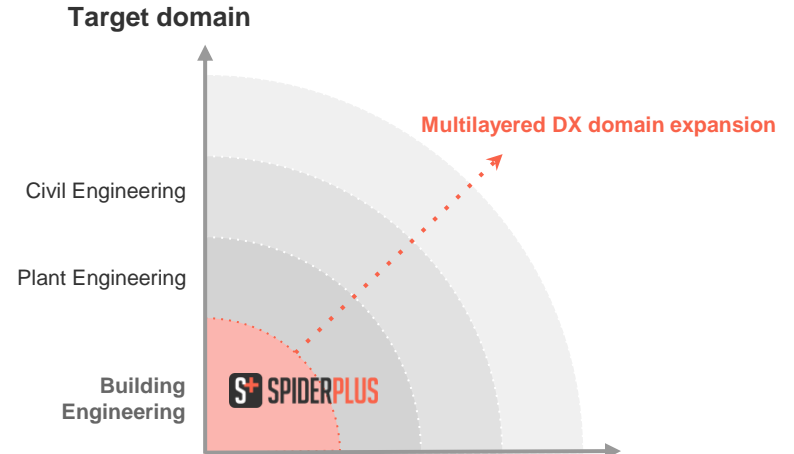
Develop functions that meet DX phases

Develop functions that not only replace analog tools but also improve the efficiency of business processes and on-site operations



Expansion of DX domain

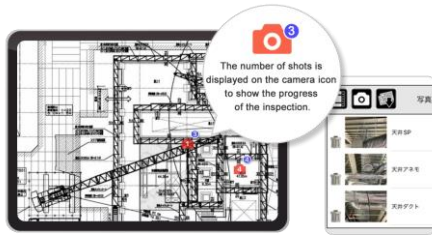
Focus on developing products that expand DX domain, such as renewal version of SPIDERPLUS



“ Build a portfolio that generates exclusive customer value.”

Patent

The image layout system, a construction image layout method and program



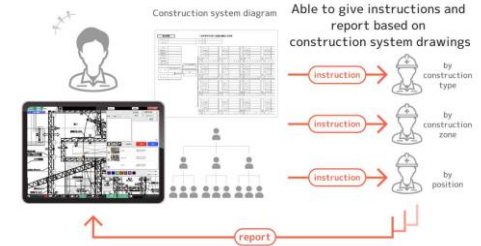
Patent

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



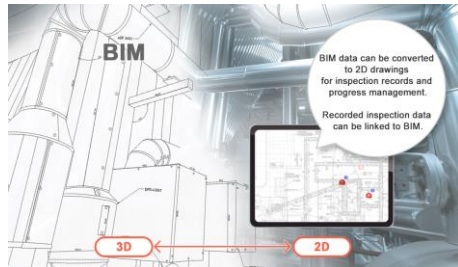
Patent

Construction System Work Instruction



Patent

BIM and architectural drawing collaboration



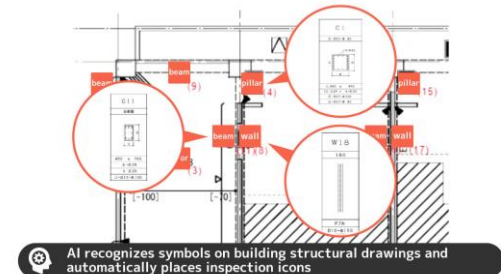
Patent

Coordination of management of problems pointed out in checklist



Patent

Building drawing Icon allocation AI



Focus management resources preferentially on target countries with a view to establishing overseas bases

Overseas expansion policy

Expanded to 10 countries mainly in Southeast Asia, where Japanese construction companies are expanding
 Selection of countries for deployment based on investment criteria such as market size and business practices of each country

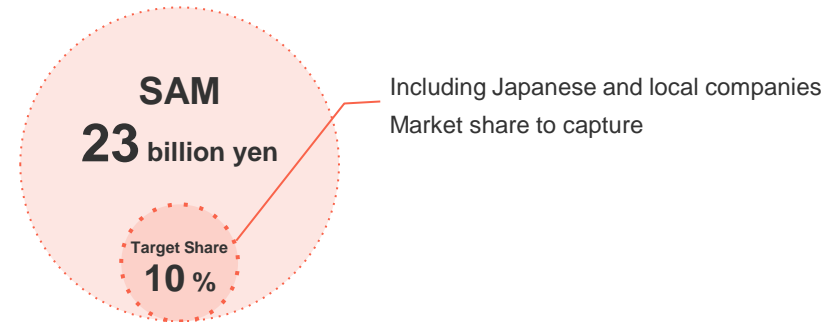


Regions under development	
Vietnam	Taiwan
Thailand	China
Indonesia	Philippines
Cambodia	Malaysia
Singapore	Myanmar

Mid-Term Priority strategy

In addition to Japanese-affiliated construction companies in the target countries
 Aiming to acquire a 10% market share as soon as possible by expanding into the local construction industry

Examples of Market Size in the Most Focused Countries*1

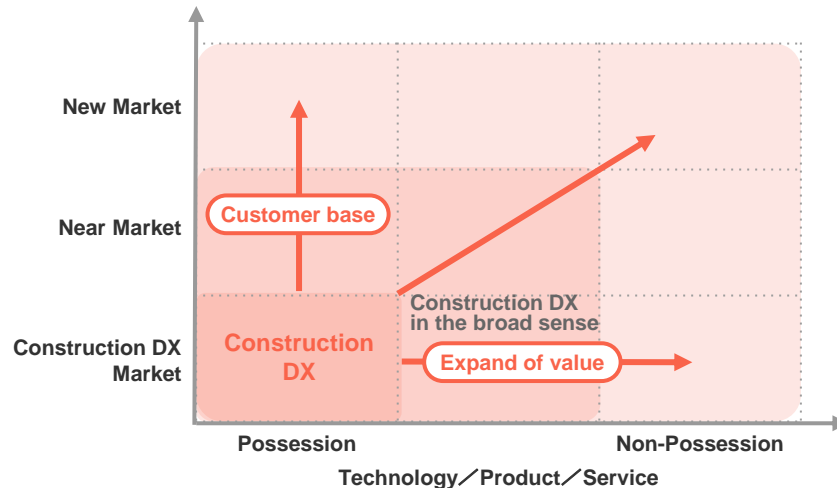


*1:Market size of the most focused countries are calculated by multiplying the number of employees of the contractors we serve in the target countries by the assumed ARPU.

Proactively utilize alliances and M&A to generate discontinuous growth

Approach to Alliances and M&A

Conducted alliances in DX in areas surrounding construction, such as local governments
Execute M&A for projects where synergy effects are stronger



Examples of Alliances



Co-development



Product collaboration



Construction DX
×
local government DX



Service collaboration

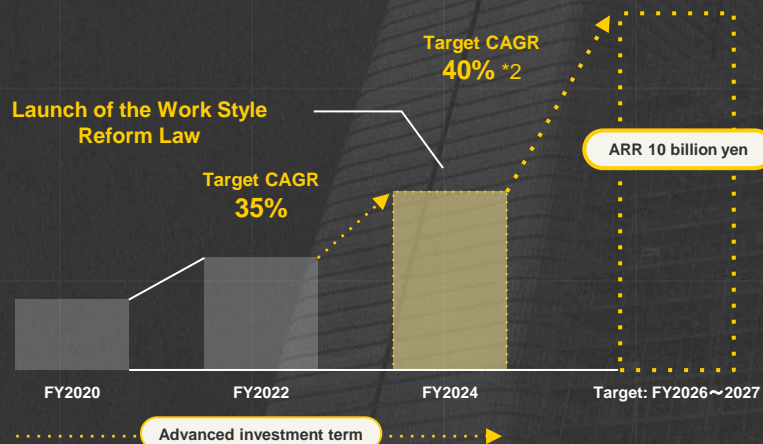


Construction DX
×
Construction Technician Dispatching

Medium-Term Plan Policy*1

Early achievement of ARR of 10 billion yen

Effectiveness of advanced investment and
Accelerate growth by capturing growth in DX demand through application of the law



Building a highly profitable financial structure

Losses narrowed due to moderate human investment.
Milestone in achieving full-year profitability in FY2025

	FY2021 Actual*3	FY2022 Actual	FY2023 Earnings forecast	Medium term Financial model
Gross profit margin	63%	61%	Over 60%	65~70%
SGA cost ratio	87%	107%	80~85%	35~40%
Operating income margin	-24%	-46%	-21%	20~30%
Reference: Number of employees (YoY)	187 employees (+75)	237 employees (+50)	Approx. 260 (+30)	

*1: Forward-looking statements about ARR objectives and financial modeling are medium-to-long-term prospects and are not guarantees of future results or performance. This forward-looking statement involves known and unknown risks and uncertainties that may cause future results and outcomes to differ materially from those anticipated.

*2: Indicate the target growth rate if ARR 10 billion yen is achieved in FY2026.

*3: Calculated by deducting items related to engineering business transferred in Jan. 2022 from corporate profit and loss.

Other Reference Materials

1. FY2023.Q1 Highlight
2. FY2023.Q1 Topics
3. Reference : About SPIDERPLUS
4. Reference : Medium term growth strategy
5. Other Reference Materials



1. IR site

<https://spiderplus.co.jp/ir/>

2. Business plan & Growth potential

<https://contents.xj-storage.jp/xcontents/AS81382/a1d316a2/1731/46da/9391/541673536721/140120230331541162.pdf>

3. IR Official Twitter

<https://twitter.com/spiderplusir>

4. IR Official note

https://note.com/sp_ir/



Statistical data references, etc.

P3 : Statistical data listed in “Construction DX market opportunities we recognize”

- *1: Prepared by us from "Medium-to Long-Term Forecasts for Construction Investment (Forecast to FY2035)" by the Research Institute of Construction and Economy, Inc. (Announced on Mar. 26, 2021) and "Forecast for Construction Investment for FY2021" by the Ministry of Land, Infrastructure, Transport and Tourism. 2035 The forecast for the fiscal year is based on the estimated value of an early economic recovery from the new Coronavirus by the Research Institute of Construction and Economy.
- *2: Based on the Nikkei BP "Construction Tech Future Strategy" published on Mar. 16, 2020, the Ministry of Internal Affairs and Communications 2015 "Basic Summary of Working Conditions, etc." and the Ministry of Land, Infrastructure, Transport and Tourism "Construction Investment Prospects for FY2020 (FY2020)," we independently estimate that there will be a shortage of construction workers if domestic construction investment of 63 trillion (Prospects) for FY2020 will remain at the same level until 2040.
- *3: Ministry of Land, Infrastructure, Transport and Tourism, "How to Promote the Application of BIM/CIM Principles in FY2023 (Mar. 2, 2021)" and Digital Agency, "Progress in the Comprehensive Revision of Regulations in the Context of Digital Principles and Acceleration of Initiatives" (Oct. 27, 2022)

P18 : Abbreviation details of “SG&A expenses”

- S&M : Abbreviation of Sales and Marketing. "Total of personnel expenses, advertising expenses, sales commissions, etc. and related common expenses related to the sales department including marketing" for each quarterly accounting period.
- R&D : Abbreviation of Research and Development. "Total amount of personnel expenses, etc. related to the development division and related common expenses" for each quarterly accounting period.
- G&A : Abbreviation of General and Administrative. "Total Corporate Division Expenses and Related Common Expenses" for each quarterly period.

P30 : Statistical data listed in “Actual situation at the construction site”

- *1: Prepared by us from the Ministry of Internal Affairs and Communications, Labor Force Survey.
- *2: (1 company) Excerpted from the Japan Construction Industry Federation's Annual Action Plan for 2 days off a week, FY2021 Full-year Follow-up Report.
- *3: Our calculations are based on the results for each month in 2022 in the Monthly Labour Survey, Ministry of Health, Labour and Welfare.



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

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

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

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