

# Summary of Financial Results for the first quarter of the Fiscal Year Ending September 30, 2024 [Japan Standards] (Consolidated)



Feb. 9, 2024

Company name: CrowdWorks, Inc. Stock listing: Tokyo Stock Exchange  
 Security code: 3900 URL <https://crowdworks.co.jp>  
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 Scheduled date of ordinary general meeting of shareholders: Feb. 9, 2024 Scheduled payment date of dividend: -  
 Supplementary materials for the financial results: Yes  
 Investor conference for the quarterly financial results: None

(Million yen, rounded down)

## 1. Consolidated Financial Results for the first quarter of the Fiscal Year Ending September 30, 2024 (From Oct. 1, 2023 to Dec. 30, 2023)

### (1) Consolidated Financial Performance (% figures show year-on-year increase or decrease)

	Net sales		Gross profit		Operating profit		EBITDA (Non-GAAP)*	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Q1 FY ending Sep. 30, 2024	4,077	37.0	1,839	31.7	346	53.6	433	54.6
Q1 FY ended Sep. 30, 2023	2,977	20.7	1,396	27.4	225	(25.8)	280	(12.8)

Note: Comprehensive income Q1 FY ended September 30, 2024: 216 million yen (increase of 28.5%)  
 Q1 FY ended September 30, 2023: 168 million yen (decrease of 21.4%)

	Net Profit		Ordinary profit		Profit attributable to owners of parent		Net income per share		Diluted Net income per share	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Q1 FY ending Sep. 30, 2024	356	62.1	213	43.0	213	43.0	13.78	13.66	13.66	13.66
Q1 FY ended Sep. 30, 2023	219	(30.3)	149	(30.4)	149	(30.4)	9.79	9.58	9.58	9.58

\*The Group consider EBITDA (Non-GAAP) to be useful information in understanding the Groups' constant operating results, as it represents financial accounting figures (GAAP) less or adjusted for non-recurring items and certain other adjustments based on certain rules. Specifically, GAAP excludes or adjusts for Share-based payment expenses, depreciation and amortization, and amortization of goodwill, as well as other one-time gains and losses that the Group consider to be deductible.

### (2) Consolidated Financial Position

	Total assets		Net assets		Equity ratio	
	Million yen	%	Million yen	%	Million yen	%
As of Dec. 31, 2023	10,617		6,189		55.2	
As of Sep. 30, 2023	9,995		6,039		57.9	

Reference: Shareholders' equity As of Dec. 31, 2023: 5,864 million yen  
 As of Sept.30, 2023: 5,784 million yen

## 2. Dividends

	Annual dividends per share				
	End of Q1	End of Q2	End of Q3	End of Q4	Annual
FY ended Sep. 30 2023	Yen —	Yen 0.00	Yen —	Yen 0.00	Yen 0.00
FY ended Sep. 30 2024	—	—	—	—	—
FY ending Sep. 30, 2024 (Forecast)	—	0.00	—	0.00	0.00

Note: Revision of dividend forecast from the most recently announced forecast: None

## 3. Consolidated Financial Forecasts for the Fiscal Year Ending September 30, 2024 (From October 1, 2023 to September 30, 2024)

(% figures represent year-on-year increase or decrease)

	Net sales		Gross profit		Operating profit		EBITDA (Non-GAAP)		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Full year	15,860	20.1	7,370	20.0	1,270	10.1	1,570	10.5	—	—	—	—

Note: Revision of dividend forecast from the most recently announced forecast: None

\* Notes

- (1) Changes in significant subsidiaries during the current consolidated period : Yes  
 (Changes in specific subsidiaries affecting the scope of consolidation)  
 No. of new companies: 1 (Company name: YU-CRE Company Limited )  
 No. of excluded companies: - (Company name: )

- (2) Application of accounting procedures specific to preparing quarterly consolidated financial statements Yes

- (3) Changes in accounting principles, changes in accounting estimates and restatements

(i) Changes in accounting policies associated with revision of accounting standards : None

(ii) Changes in accounting policies other than the above (i) : None

(iii) Changes in accounting estimates : None

(iv) Restatements : None

- (4) Number of outstanding shares (common stock)

(i) Number of shares outstanding at term-end (including treasury shares)

Dec. 31, 2023	15,521,060 shares	Sep. 31, 2023	15,509,960 shares
Dec. 31, 2023	124 shares	Sep. 31, 2023	124 shares
Dec. 31, 2023	15,517,762 shares	Dec. 31, 2022	15,281,026 shares

(ii) Number of treasury shares at term-end

(iii) Average number of shares outstanding during term

※ Quarterly financial statements are not included in the scope of quarterly review by certified public accountants or auditing firms.

※ Explanation of the appropriate use of earnings forecasts and other special notes

The forward-looking statements in this document are based on information currently available to us and certain assumptions that the Company consider reasonable, and are not intended to be a promise by us that they will be achieved. Actual results may differ materially due to various factors.

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## 1. Summary of Business Results

### (1) Overview of Business Results for the First Quarter of the Fiscal Year Ending September 30, 2024

Forward-looking statements in the text are based on the judgment of the Group (the Company and its consolidated subsidiaries) as of the date of submission of this document.

#### (1) Financial Results

While restrictions on social activities caused by COVID-19 have eased and the domestic economy is normalizing, the outlook remains uncertain due to soaring resource prices and rising prices.

In the business environment surrounding the Group, companies are having difficulty hiring due to Japan's structural labor shortage, and as a result, companies are actively digitizing their operations and appointing digital human resources externally in order to improve productivity and reduce costs. Also, there is a more active movement to secure new sources of income due to the increased household risks associated with rising prices. Furthermore, the government has implemented measures to promote the use of side workers and dual employees in companies in order to facilitate labor mobility, and the Law Concerning Appropriateness of Transactions Pertaining to Specified Contract Workers, which recognizes freelancers as "independent and willing entities" like companies, is expected to come into effect by the fall of 2024. There has been a diversification of values regarding the way companies and individuals work by COVID-19.

This trend has been a tailwind for the Group, with an increase in the number of companies utilizing outside professional human resources (freelancers, side workers, and noncurrent workers) and crowdworkers, and an increase in the number of new side workers and dual employees. As of December 31, 2023, the number of registered users reached 6,062,000 (up 631,000 year-on-year) and the number of registered clients 956,000 (up 81,000 year-on-year) due to an increase in the number of crowdworkers.

With the mission of "Talent infrastructure," the Group is focusing on expanding existing matching businesses, promoting M&A, and expanding new businesses including the SaaS business in order to achieve its mid-term management goal "YOSHIDA 300".

In the matching business, which is the core of the existing business, competition among companies for IT personnel is intensifying, and freelance needs for 3- to 4-day workweeks and the need to digitize operations are increasing. Therefore, the Group is striving to improve the unit cost per worker through the Groups' certified worker system and the unit cost per contract per company by strengthening the Groups' account sales system. Specifically, the Group offers a wide range of proposals, from project managers and other high-level personnel to work personnel, in line with companies' productivity improvement concerns. The Group also supports management improvement and DX promotion efforts based on examples of productivity improvement that the Company itself has conducted over the years.

In the "CrowdLog" SaaS business, the growing momentum of human capital management has increased the need for visualization of man-hour management and productivity in organizations and projects, and this has led to its adoption mainly by large and growing companies. For this reason, the Company continues to make efforts to cultivate large companies. By continuously improving functions to meet their needs, the Company has been trying to obtain up-sells from existing customers and lower churn rates.

In M&A, the Company has been disciplined in investing in businesses that have a high affinity with the Groups' matching and SaaS businesses.

As a result of the above, the Groups' consolidated business results for the first quarter of the current fiscal year were as follows: net sales of 4,077,806 thousand yen (year-on-year increase of 37.0%), gross profit of 1,839,516 thousand yen (year-on-year increase of 31.7%), operating profit of 346,094 thousand yen (year-on-year increase of 53.6%), EBITDA (Non-GAAP) of 433,737 thousand yen (year-on-year increase of 54.6%) Ordinary profit was 356,267 thousand yen (year-on-year increase of 62.1%), and Net profit attributable to owners of the parent amounted to 213,860 thousand yen (year-on-year increase of 43.0%).

Financial results by segment are as follows:

#### (i) Matching Business

GMV (gross merchandise value), which indicates the total transaction amount, was 6,775,178 thousand yen (year-on-year increase of 26.1%), net sales were 3,911,989 thousand yen (year-on-year increase of 35.4%), gross profit was 1,677,063 thousand yen (year-on-year increase of 28.1%), and segment profit was 351,174 thousand yen (year-on-year increase of 17.2%).

#### (ii) SaaS Business

As a result, net sales and gross profit amounted to 144,016 thousand yen (year-on-year increase of 63.8%), and segment loss amounted to 23,517 thousand yen (segment loss of 74,222 thousand yen in the same period of the previous fiscal year).

## (2) Overview of Financial Position for the First Quarter of the Fiscal Year Ending September 30, 2024

### (Assets)

Total assets at the end of the first quarter of the current fiscal year were 10,617,996 thousand yen, an increase of 622,975 thousand yen from the end of the previous period.

Current assets increased 667,415 thousand yen from the end of the previous period, mainly due to increases of 293,761 thousand yen in cash and deposits and 205,430 thousand yen in accounts receivable-trade. Noncurrent assets decrease 44,439 thousand yen from the end of the previous period, mainly due to an increase of 238,229 thousand yen in goodwill, despite a decrease of 262,907 thousand yen in investment securities included in other under investments and other assets.

### (Liabilities)

Total liabilities at the end of the first quarter of the current fiscal year amounted to 4,428,340 thousand yen, up 472,376 thousand yen from the end of the previous period.

Current liabilities increased 338,803 thousand yen from the end of the previous period, mainly due to increases of 65,619 thousand yen in accounts payable-other, 38,010 thousand yen in income taxes payable, 70,020 thousand yen in deposits received and , 24,255 thousand yen in contract liabilities. Non-current liabilities increased 133,572 thousand yen from the end of the previous period, mainly due to a 81,917 thousand yen increase in long-term borrowings.

### (Net assets)

Net assets at the end of the first quarter of the current fiscal year totaled 6,189,655 thousand yen, an increase of 150,599 thousand yen from the end of the previous fiscal year.

The increase in net assets was mainly due to the posting of 213,860 thousand yen in net profit attributable to owners of the parent and a 98,213 thousand yen decrease in capital surplus.

## (3) Explanation of Consolidated Financial Forecasts and Other Forward-Looking Statements

There is no change to the consolidated earnings forecast for the fiscal year ending September 30, 2024, which was announced on November 9, 2023.

## 2. Consolidated Financial Statements and Main Noted Items

### (1) Consolidated Balance Sheet

	(Thousand yen)	
	Fiscal Year Ended September 30, 2023 (As of Sep. 30, 2023)	Q1 Fiscal Year Ending September 30, 2024 (As of Dec. 31, 2023)
<b>Assets</b>		
Current assets		
Cash and deposits	5,734,898	6,028,659
Accounts receivable - trade	1,100,600	1,306,031
Accounts receivable - other	971,553	963,376
Operational investment securities	38,549	38,236
Other	78,264	251,338
Allowance for doubtful accounts	(20,254)	(16,616)
<b>Total current assets</b>	<b>7,903,611</b>	<b>8,571,026</b>
Non-current assets		
Property, plant and equipment	62,815	57,545
Intangible assets		
Goodwill	1,239,952	1,478,182
Other	10,290	7,745
<b>Total intangible assets</b>	<b>1,250,243</b>	<b>1,485,928</b>
Investments and other assets		
Other	784,703	509,945
Allowance for doubtful accounts	(6,352)	(6,448)
<b>Total investments and other assets</b>	<b>778,351</b>	<b>503,497</b>
<b>Total non-current assets</b>	<b>2,091,409</b>	<b>2,046,970</b>
<b>Total assets</b>	<b>9,995,020</b>	<b>10,617,996</b>
<b>Liabilities</b>		
Current liabilities		
Short-term borrowings	533,716	532,596
Accounts payable - other	1,028,110	1,093,730
Income taxes payable - other	127,167	165,178
Contract liabilities	429,884	454,140
Deposits received	1,227,298	1,297,318
Other	393,748	535,765
<b>Total current liabilities</b>	<b>3,739,925</b>	<b>4,078,728</b>
Non-current liabilities		
Long-term borrowings	163,189	245,106
Other	52,850	104,506
<b>Total non-current liabilities</b>	<b>216,039</b>	<b>349,612</b>
<b>Total liabilities</b>	<b>3,955,964</b>	<b>4,428,340</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	2,751,307	2,758,909
Capital surplus	2,709,307	2,611,093
Retained earnings	298,273	468,702
Treasury shares	(169)	(169)
<b>Total shareholders' equity</b>	<b>5,758,718</b>	<b>5,838,534</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	25,690	25,811
<b>Total accumulated other comprehensive income</b>	<b>25,690</b>	<b>25,811</b>
Subscription rights to shares	231,102	243,123
Non-controlling interests	23,545	82,186
<b>Total net assets</b>	<b>6,039,056</b>	<b>6,189,655</b>
<b>Total liabilities and net assets</b>	<b>9,995,020</b>	<b>10,617,996</b>

## (2) Consolidated Statements of Income and Comprehensive Income

## Consolidated Statement of Income

## The First Quarter of Consolidated Fiscal Year

(Thousand yen)

	Q1 Fiscal Year Ending September 30, 2023 (Oct. 1, 2022 to Dec. 31, 2022)	Q1 Fiscal Year Ending September 30, 2024 (Oct. 1, 2023 to Dec. 31, 2023)
Net sales	2,977,513	4,077,806
Cost of sales	1,580,607	2,238,289
Gross profit	1,396,905	1,839,516
Selling, general and administrative expenses	1,171,585	1,493,422
Operating profit	225,320	346,094
Non-operating income		
Gain on exclusion of deposit receive	10,344	17,871
Other	1,092	3,207
Total non-operating income	11,437	21,078
Non-operating expenses		
Share of loss of entities accounted for using equity method	7,105	—
Foreign exchange loss	9,607	8,370
Other	326	2,535
Total non-operating expenses	17,039	10,906
Ordinary profit	219,717	356,267
Extraordinary income		
Gain on reversal of share acquisition rights	—	11,438
Total extraordinary income	—	11,438
Profit before income taxes	219,717	367,706
Income taxes	70,163	151,006
Profit	149,554	216,699
Profit attributable to non-controlling interests	—	2,839
Profit attributable to owners of parent	149,554	213,860

Consolidated Statement of Comprehensive Income

The First Quarter of Consolidated Fiscal Year

(Thousand yen)

	Q1 Fiscal Year Ending September 30, 2023 (Oct. 1, 2022 to Dec. 31, 2022)	Q1 Fiscal Year Ending September 30, 2024 (Oct. 1, 2023 to Dec. 31, 2023)
Net profit	149,554	216,699
Other comprehensive income		
Valuation difference on available-for-sale securities	19,158	121
Total other comprehensive income	19,158	121
Comprehensive income	168,713	216,820
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	168,713	213,981
Comprehensive income attributable to non-controlling interests	—	2,839



### (3) Notes to Quarterly Consolidated Financial Statements

(Notes Regarding Going Concern Assumptions)

Not applicable.

(Notes on Significant Changes in the Amount of Shareholders' Equity)

Not applicable.

(Application of Accounting Procedures Specific to Preparing Quarterly Consolidated Financial Statements)

(Calculation of tax expenses)

Tax expenses are calculated by reasonably estimating the effective tax rate after tax effect accounting is applied to the pre-tax profit for the consolidated fiscal year, including the first quarter of the current consolidated fiscal year, and by multiplying this effective tax rate and the pre-tax profit.

(Segment information, etc.)

[segment information]

Previous consolidated cumulative first quarter (October 1, 2022 to December 31, 2022)

#### 1. Information of net sales and profit or loss by reportable segment and decomposition of earnings

(Thousand yen)

	Reportable segments			Other (Note1)	Adjusted amount	Amounts shown on quarterly consolidated statement of income
	Matching Business	SaaS Business	Total			
Net sales						
Goods or services to be transferred at one point of time	517,268	—	517,268	—	—	517,268
Goods or services to be transferred over a period of time	2,372,301	87,944	2,460,245	—	—	2,460,245
Revenue from contracts with customers	2,889,569	87,944	2,977,513	—	—	2,977,513
Other revenue	—	—	—	—	—	—
(1) Sales to external customers	2,889,569	87,944	2,977,513	—	—	2,977,513
(2) Internal sales or exchange between segments	—	—	—	—	—	—
Total	2,889,569	87,944	2,977,513	—	—	2,977,513
Segment profit (loss)	299,543	(74,222)	225,320	—	—	225,320

Note 1: The category of "Other" indicates business segments which are not included in reportable segments, and includes any newly developed business, etc.

Note 2: Information on impairment loss on fixed assets and goodwill by reportable segment

(Significant changes in the amount of goodwill)

In the Matching Business segment, the Company acquired all shares of Peaceful Morning Company Limited. The increase in goodwill due to this event was 136,965 thousand yen in the first quarter of the current consolidated cumulative period.

Current consolidated cumulative first quarter (October 1, 2023 to December 31, 2023)

1. Information on net sales and profit or loss by reportable segment and decomposition of earnings

(Thousand yen)

	Reportable segments			Other (Note1)	Adjusted amount	Amounts shown on quarterly consolidated statement of income
	Matching Business	SaaS Business	Total			
Net sales						
Goods or services to be transferred at one point of time	570,113	6,650	576,763	—	—	576,763
Goods or services to be transferred over a period of time	3,341,875	137,366	3,479,242	4,618	—	3,483,860
Revenue from contracts with customers	3,911,989	144,016	4,056,005	4,618	—	4,060,624
Other revenue	—	—	—	17,182	—	17,182
(1) Sales to external customers	3,911,989	144,016	4,056,005	21,800	—	4,077,806
(2) Internal sales or exchange between segments	—	52	52	—	(52)	—
Total	3,911,989	144,068	4,056,058	21,800	(52)	4,077,806
Segment profit (loss)	351,174	(23,517)	327,657	18,437	—	346,094

Note 1: The category of “Other” indicates business segments which are not included in reportable segments, and includes any newly developed business, etc.

Note 2: Information on impairment loss on fixed assets and goodwill by reportable segment

(Significant changes in the amount of goodwill)

In the Matching Business segment, the Company acquired all shares of YU-CRE Company Limited. The increase in goodwill due to this event was 169,016 thousand yen in the first quarter of the current consolidated cumulative period.

3. Other

Significant Events Related to Going Concern Assumptions, etc.

Not applicable.