

# FY2023.Q4 Results briefing materials

Feb 16, 2024

SpiderPlus & Co.

Note : This document has been translated from the Japanese original | (Feb 14,2024) \*1 for reference purposes only.In the event of any discrepancy between this translated document and the Japanese original,the original shall prevail.

\*1 : The Japanese original (Feb 14,2024)

<https://contents.xj-storage.jp/xcontents/AS81382/332ce7a0/779/429a/807b/4e6547c77db7/140120240214537364.pdf>

# DX in construction industry

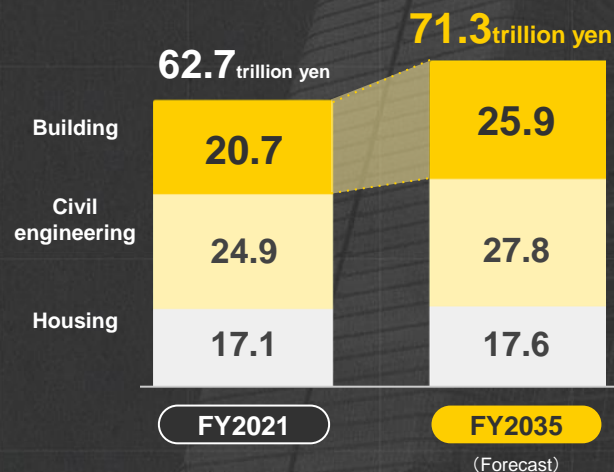
## Construction

## Technology

# Construction DX market opportunities we recognize

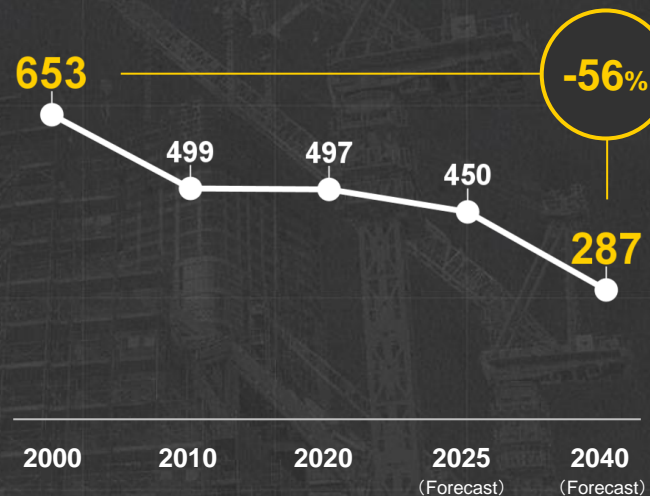
## Expanding demand\*1

### Outlook for Construction Investment\*1



## Decreasing workforce\*2

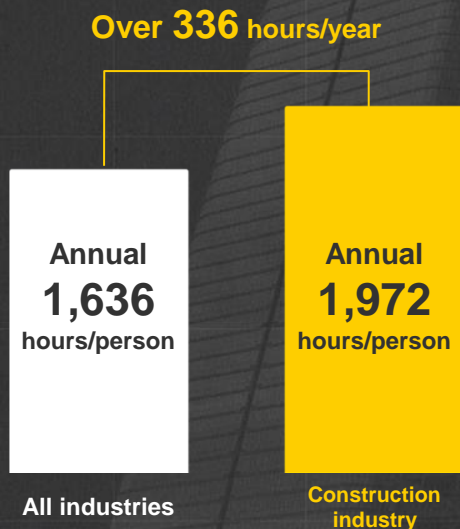
### Outlook for Number of Construction industry workforce



\*1&2 : Sources are listed in the "Other Reference Materials" section of this document.

# The "2024 Problem" facing the construction industry

## Normalized long working hours\*1



## Commencement of overtime caps\*2

**Maximum working hour limits (in principle)**

**Overtime up to 45 hours per month**

**Penalties for violating companies**

**Up to 6 months imprisonment or a fine of up to 300,000 yen**

\*1 : Our calculations are based on the results for each month in 2023 from the "Monthly Labor Survey" by the Ministry of Health, Labour and Welfare.

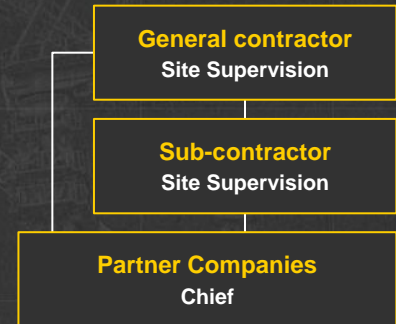
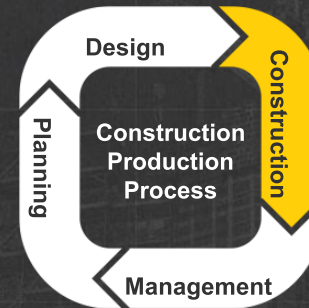
\*2 : Refers to the "Act on the Establishment of Relevant Laws to Promote Workplace Reform," which will become effective in April 2024.

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

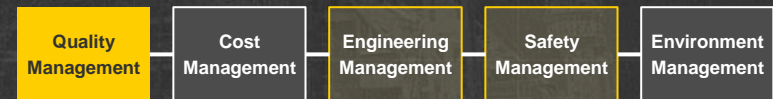


SaaS for efficient construction management

Used by site supervisors at large sites such as buildings



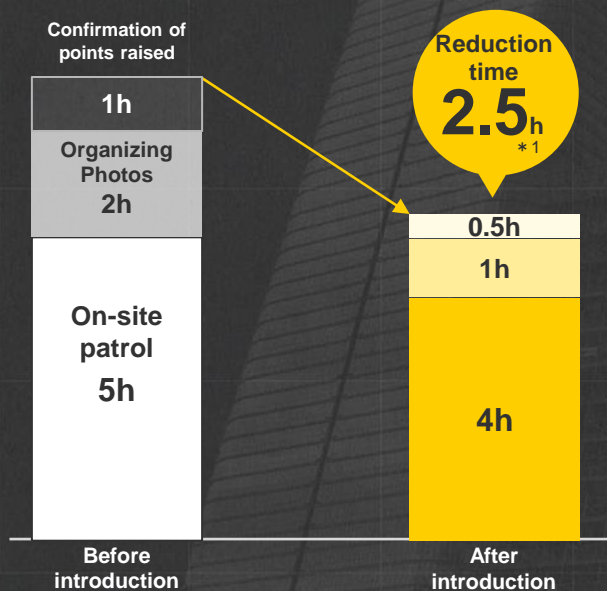
The five most important tasks of site supervision (construction management)\*1



\*1 : Indicate the operations that SPIDERPLUS handles and their degree by coloring and shading.  
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# Benefits of Introducing SPIDERPLUS

## Efficiency in daily operations\*1



## Efficiency across the whole site

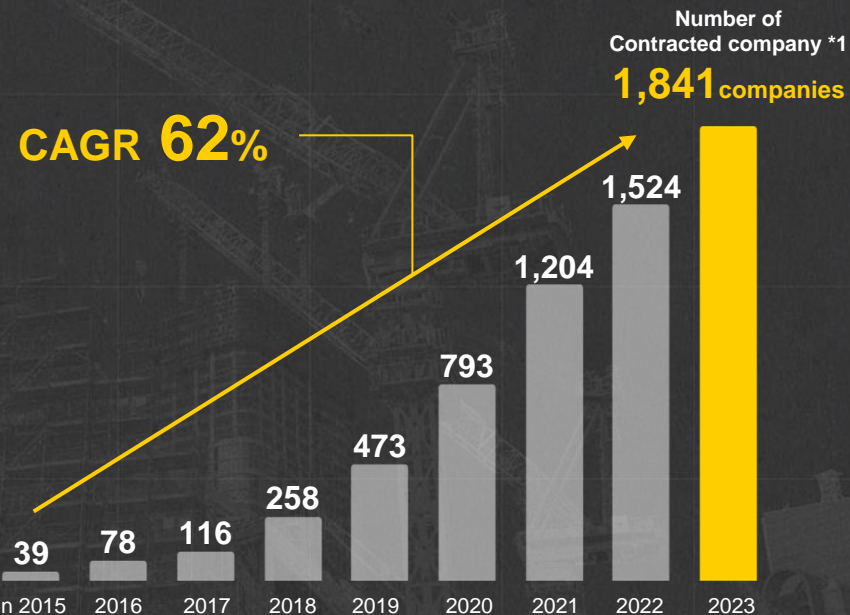
Improved operational efficiency through collaboration among businesses in the field  
The more users, the greater the convenience.



\*1 : The work hours that can be reduced are based on data from an internal survey of companies that have introduced tablets + SPIDERPLUS.

# 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.Q4 Performance Highlights

1. **FY2023.Q4 Performance Highlights**
2. **FY2023.Q4 Financial Highlights**
3. **FY2023.Q4 Business Highlights**
4. **FY2024 Forecast**
5. **Growth Strategies**
6. **Appx.About SPIDERPLUS**



# FY2023.Q4 Topics

## Performance

**Quarterly sales growth accelerated to 31%.  
Net increase in ARR reaches record high.**

## Finance

**Focus on efficiency of investment in FY2023, Improve profitability to  
achieve full-year black figure in FY2025**

## Business

**Construction DX market entering an expansion phase  
Entering the phase of scale expansion with high productivity**

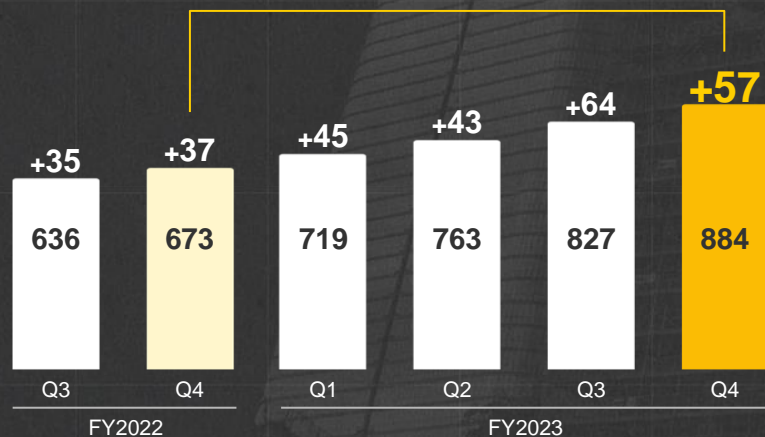
# Business Progress

Achieving both sales growth and improved profitability

## Net sales (quarterly)

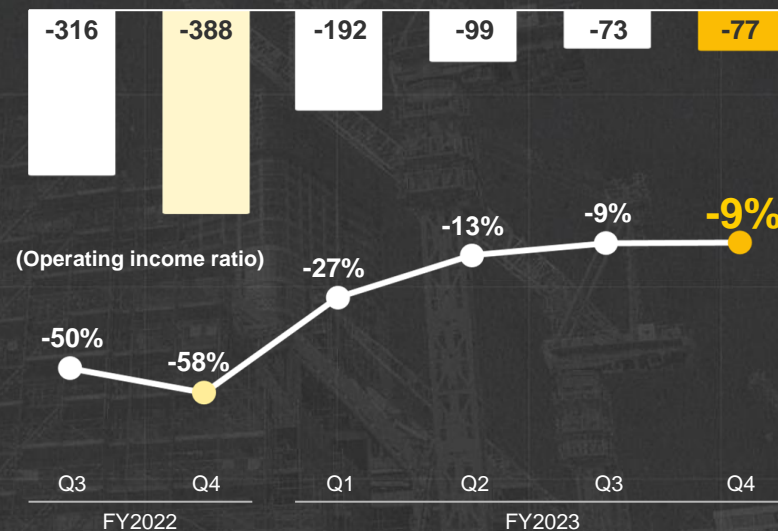
unit : Millions of yen

YoY Growth  
**+31%**



## Operating income (quarterly)

unit : Millions of yen



# Results against Performance Forecast

Productivity improvement measures have increased profitability, resulting in a smaller deficit than expected.

unit : Millions of yen	FY2022 Actual	FY2023 Actual	FY2023 forecast	vs. forecast
<b>Net sales</b>	<b>2,479</b>	<b>3,194</b>	<b>3,302</b>	<b>97%</b>
<b>Operating Income</b>	<b>-1,142</b>	<b>-442</b>	<b>-698</b>	—
<b>Operating Income ratio</b>	<b>-46%</b>	<b>-14%</b>	<b>-21%</b>	—

KPI\*<sub>1</sub>

ARR

**3,520** million yen  
YoY Growth **+28%**

ID

**68,508** ID  
YoY Growth **+17%**

ARPU

**4,282** yen  
YoY Growth **+10%**

Company

**1,841**  
YoY Growth **+21%**

Churn Rate

**0.6%**

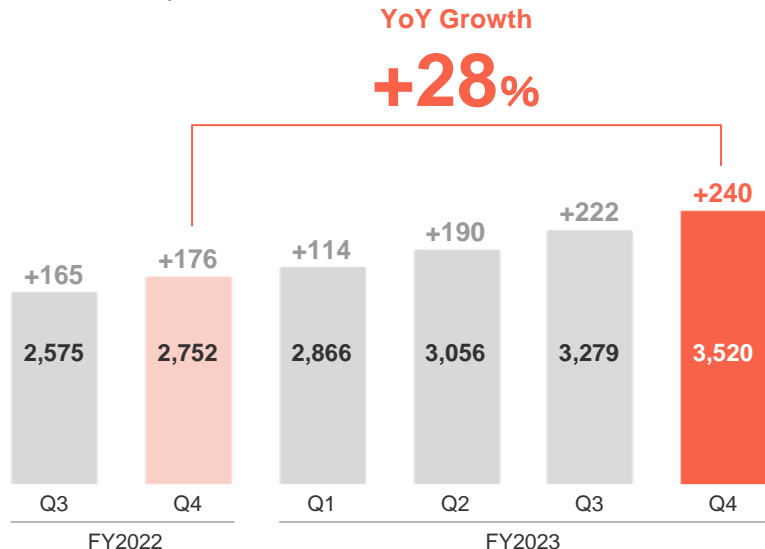
ARR	ID	ARPU	Company	Churn rate
<b>Neutral</b>	<b>Good</b>	<b>Neutral</b>	<b>Good</b>	<b>Good</b>

\*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.

Net increase in ARR reaches record high.  
Growth was driven by expanded sales of optional function to existing customers.

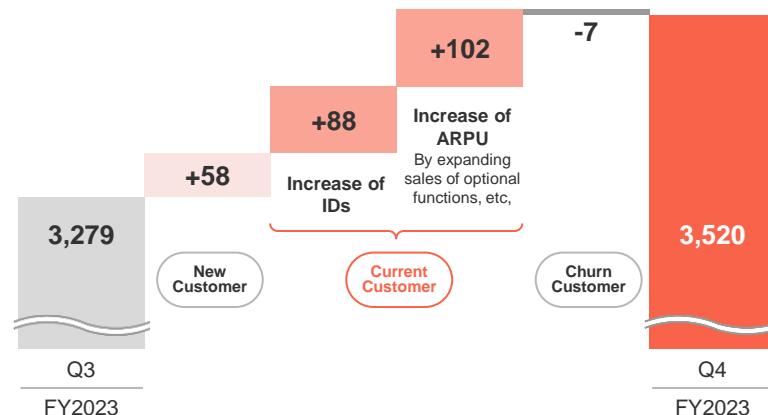
## ARR\*1

Unit : Millions of yen



## Analysis of ARR changes\*2

Unit : Millions of yen



\*1 : ARR is calculated by multiplying the single-month MRR (the total monthly charge excluding one-time revenue at the end of the month in question) by 12 (annualized) for the last month of each quarter.

\*2 : New customer means a customer who newly installed SPIDERPLUS during this disclosure quarter. Existing customers mean customers who have been continuing from the end of the previous quarter to the current disclosure quarter.

Terminated customers refer to customers who have completely terminated during this disclosure quarter.

# KPI Explanation :IDs - ARPU

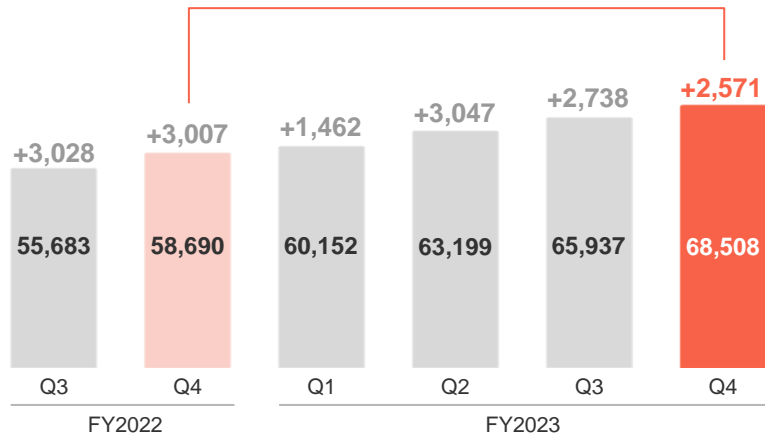


IDs increased as planned due to the accumulation of field results for company-wide introduction.  
 ARPU growth rate accelerates each quarter due to measures such as sales expansion of options

## IDs

Unit :ID

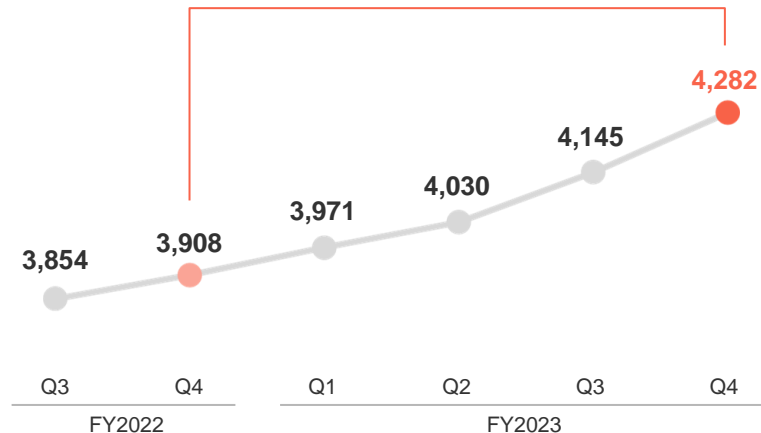
YoY Growth  
**+17%**



## ARPU\*1

Unit :Yen

YoY Growth  
**+10%**



\*1 : Represents the contract unit price per ID and is calculated by "MRR ÷ Number of IDs" at the end of each quarter..



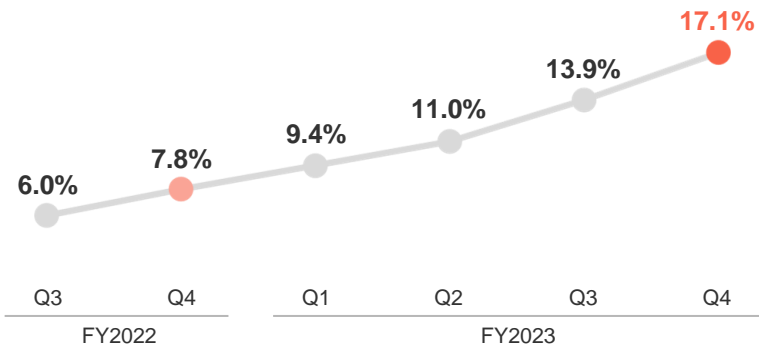
# Supplement: Background of ARPU Growth

Increase ARPU growth rate through measures to penetrate "optional functions" that meet customer issues.

## Focus on sales of specific options

Focusing on sales of "Punch List management function\*1" which is important for "Quality Control"

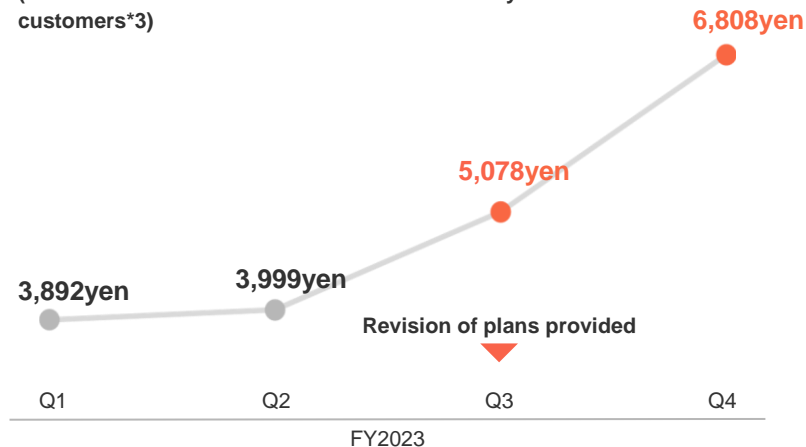
(Percentage of all IDs with point management functions installed)



## Revision of plans provided\*2

Started proposing industry-specific packages with optional functions as standard.

(Trends in ARPU at the time of contract for newly introduced customers\*3)



\*1 and 2 : Please refer to "Reference: SPIDERPLUS Supplement" in this document for information on the point management functions and plans provided.

\*3 : ARPU at contract for newly introduced customers is the average of the unit price per ID (excluding server usage fees) for new customers in each quarter. Calculated by dividing the monthly usage fee for new subscriptions (excluding server usage fees) by the number of newly subscribed IDs.

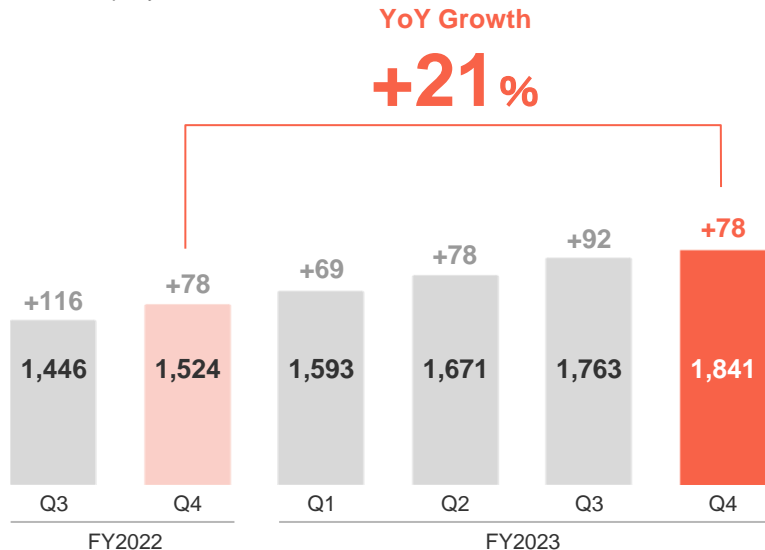


# KPI Explanation : Company and Churn rates

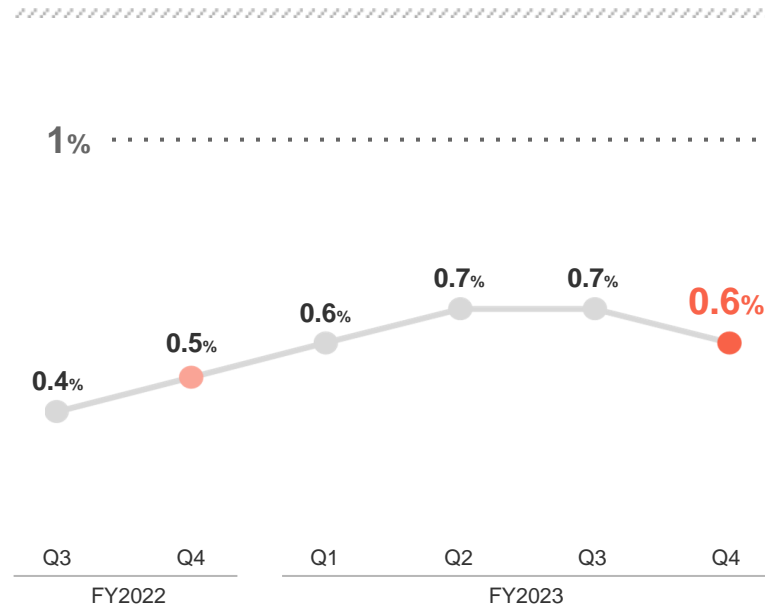
In addition to Enterprise, small and medium-sized companies seeking countermeasures to the "2024 problem" are also increasingly adopting the system. No change in the churn trend, and the churn rate is expected to remain low in the future.

## Company

Unit : Company



## Churn Rate\*1



\*1 : The churn rate is the churn rate by number of companies and is the average of the most recent 12 months of monthly churn rates.

The churn rate for each month is calculated by dividing the number of churns during the month by the number of subscribers at the end of the previous month.



## FY2023.Q4 Financial Highlights

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# Financial Highlights

Productivity improvement measures have largely run their course.  
Profitability increased, and losses were smaller than projected.

Unit : Millions of yen	FY2023 Cumulative period	YoY	FY2023 Forecast
Net sales	3,194	+28.8%	3,302
Operating loss	-442	—	-698
Ordinary loss	-452	—	-732
Net loss	-463	—	-739
Cash balance	2,846	—	—
(Reference) Number of employees	256persons	+19persons*1	Approx. 260 persons

\*1 : The increase in the number of employees is the number of employees increased from 237 at the end of FY2022.

# Income Statement

Unit : Millions of yen (rounding down to the nearest unit )	FY2023.Q3 Accounting period	FY2023.Q4 Accounting period	From the previous quarter	FY2022 Cumulative period	FY2023 Cumulative period	Year on year
<b>Net sales</b>	<b>827</b>	<b>884</b>	<b>7.0%</b>	<b>2,479</b>	<b>3,194</b>	<b>+28.8%</b>
<i>Of which, stock income</i>	<b>800</b>	<b>855</b>	<b>+6.9%</b>	<b>2,441</b>	<b>3,097</b>	<b>+26.9%</b>
<i>Stock income ratio</i>	96.8%	96.7%	-0.1pt	98.5%	97.0%	-1.5pt
<b>Gross profit</b>	<b>537</b>	<b>588</b>	<b>+9.4%</b>	<b>1,520</b>	<b>2,071</b>	<b>+36.2%</b>
<i>Gross profit margin</i>	65.0%	66.5%	+1.5pt	61.3%	64.9%	+3.5pt
<i>SGA cost</i>	611	665	+8.9%	2,662	2,514	-5.6%
<b>Operating loss</b>	<b>-73</b>	<b>-77</b>	<b>—</b>	<b>-1,142</b>	<b>-442</b>	<b>—</b>
<i>Operating profit margin</i>	-8.9%	-8.7%	+0.2pt	-46.1%	-13.9%	+32.2pt
<b>Ordinary loss</b>	<b>-80</b>	<b>-76</b>	<b>—</b>	<b>-1,161</b>	<b>-452</b>	<b>—</b>
<b>Loss before income taxes</b>	<b>-80</b>	<b>-76</b>	<b>—</b>	<b>-1,030</b>	<b>-452</b>	<b>—</b>
<b>Net sales</b>	<b>-83</b>	<b>-80</b>	<b>—</b>	<b>-1,036</b>	<b>-463</b>	<b>—</b>

## Overview

- Sales and gross profit increased both YoY and QoQ.
- Decrease in SG&A expenses year to year, resulting in a large reduction in operating loss

## Net sales

- Steady growth in stock revenue (YoY+26.9% )
- Non-stock revenues such as customized development and BPO are on the rise, resulting in a lower stock revenue ratio compared to FY2022

## Gross Profit Margin

- YoY +3.5 pt, Last quarter +1.5

## SGA cost

- SG&A expenses increased from the previous quarter, mainly due to an increase in recruitment-related expenses and marketing costs for exhibitions, etc.

# Balance Sheet

Unit : Millions of yen (rounding down to the nearest unit)	FY2020	FY2021	FY2022	FY2023
Cash and deposits	469	4,196	3,044	2,846
Other current assets	351	512	497	575
<b>Current assets</b>	<b>820</b>	<b>4,708</b>	<b>3,542</b>	<b>3,421</b>
Software	3	2	558	463
Software in progress	-	381	183	220
Other fixed assets	80	334	510	490
<b>Fixed assets</b>	<b>84</b>	<b>717</b>	<b>1,252</b>	<b>1,174</b>
<b>Total assets</b>	<b>905</b>	<b>5,426</b>	<b>4,794</b>	<b>4,596</b>
Borrowings	266	178	443	499
Other liabilities	230	626	666	711
<b>Total liabilities</b>	<b>496</b>	<b>804</b>	<b>1,109</b>	<b>1,211</b>
<b>Total net assets</b>	<b>408</b>	<b>4,622</b>	<b>3,684</b>	<b>3,385</b>
<i>Equity ratio</i>	<i>45.1%</i>	<i>85.2%</i>	<i>76.8%</i>	<i>73.6%</i>

## Overview

- Continue to make strategic upfront investments based on a stable financial base.
- Equity ratio is 73.6%, maintaining a safe level.

## Cash and deposits

- Cash and cash equivalents totaled 2,846 million yen despite negative operating cash flow due to prior investments.

## Software / Software in progress

- Investments mainly related to the renewal and development of SPIDERPLUS.

## Debt

- Borrowed 150 million yen in FY2023.Q3 to increase working capital.
- 1,450 million yen in overdraft and other lines of credit available (as of February 2024)

# Cash Flow Statement

Unit : Millions of yen	FY2021	FY2022	FY2023
<b>Cash Flows from operating activities</b>	-493	-1,000	-331
<b>Investment Cash Flow</b>	-610	-508	-85
<b>Free Cash Flow</b>	-1,103	-1,509	-416
<b>Financial Cash Flow</b>	4,830	363	217
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>3,726</b>	<b>-1,146</b>	<b>-198</b>
Cash and cash equivalents at beginning of year	464	4,191	3,044
<b>Cash and cash equivalents at end of year</b>	<b>4,191</b>	<b>3,044</b>	<b>2,846</b>

## Overview

- Free cash flow improved with improved profitability.

## Operating Cash Flow

- Decrease due to operating losses from prior investments.

## Investment Cash Flow

- Expenditures mainly due to software development of renewed version of SPIDERPLUS, etc.

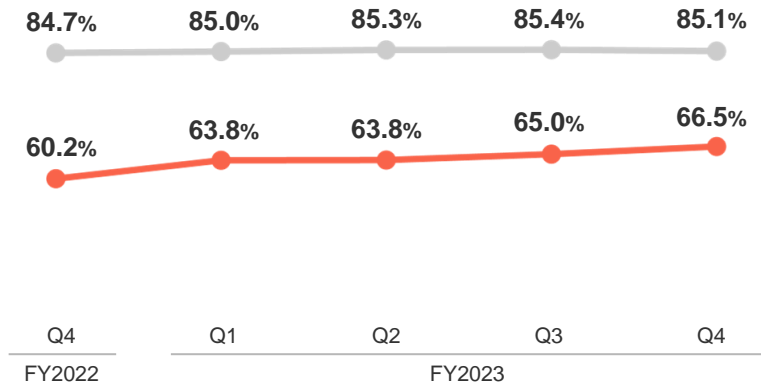
## Financial Cash Flows

- Increase mainly due to exercise of stock acquisition rights and proceeds from short-term borrowings.

Gross profit margin increased by 60.2% yen year-on-year to 66.5% as a result of increased allocation of resources to the development of new features.

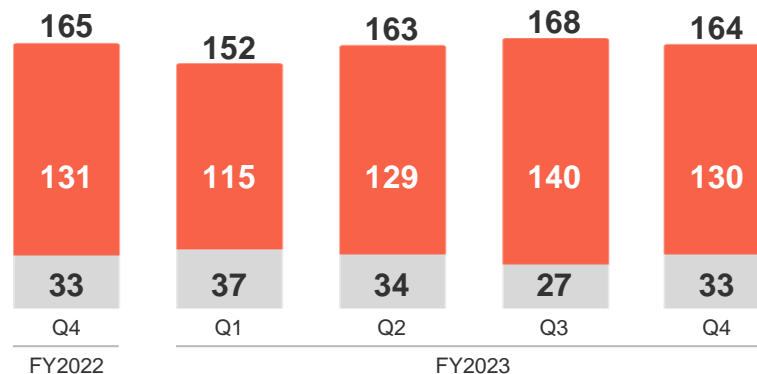
## Marginal profit ratio\*1 and Gross profit margin

● : Gross profit margin ratio ● : Marginal profit ratio



## Breakdown of Fixed Costs\*2

■ : Development labor costs \*3 ■ : Other fixed costs (mainly depreciation related to products) Unit : Millions of yen



\*1 : Marginal profit is calculated by "net sales - communication costs (cost of sales) - commissions paid (cost of sales).. Marginal profit margin is calculated as "marginal profit divided by net sales".

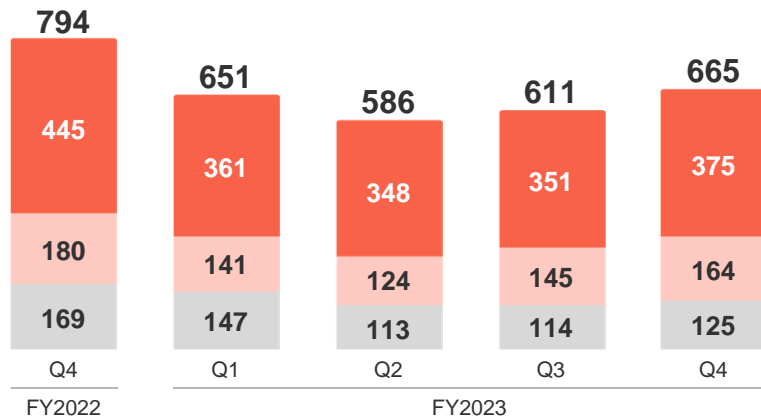
\*2 : Only fixed costs in cost of sales, not fixed costs in SG&A expenses.

\*3 : Includes expenses related to outsourcing (including SES) and temporary staffing, in addition to regular employee personnel expenses. Other fixed costs are based on the Company's management accounting aggregate classification.

Invest in recruitment and marketing to prepare for expansion in the construction DX market

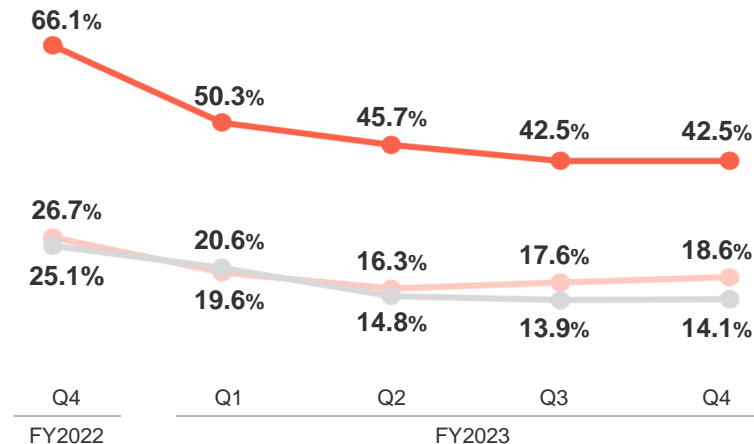
## SG&A Expenses\*1,2

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



## Ratio of SG&A expenses to net sales\*1,2

■ : S&M ■ : R&D ■ : G&A  
Unit : %



\*1 : Each composition is a management accounting composition. S&M, R&D and G&A are abbreviations, and details are provided in the "Other References" section of this document.

\*2 : A partial revision of the allocation basis was made in FY2023.Q2, taking into account the impact of departmental transfers and reorganization.

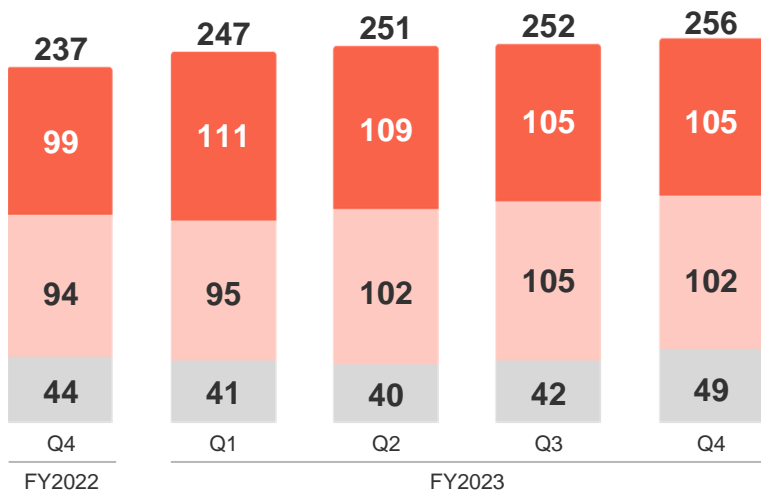
# Status of upfront investment (human capital)



Strategically execute personnel assignments and departmental reorganization to improve organizational productivity.  
 Anticipate a planned increase in hiring while increasing productivity.

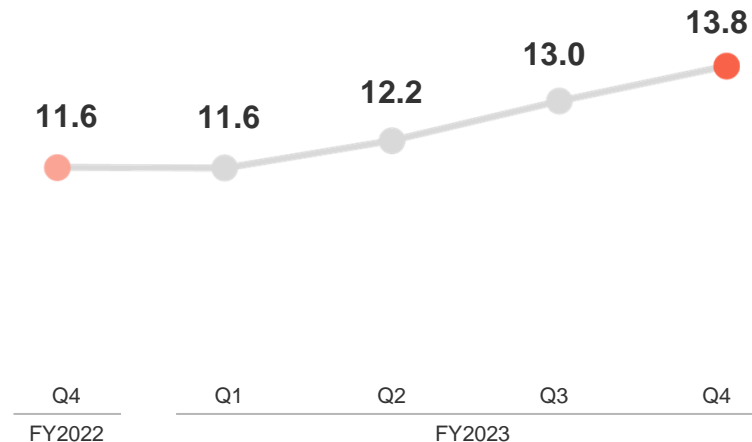
## Number of Employees

■ : S&M ■ : Product (Product Development & R&D) ■ : G&A\*1 (Unit : persons)



## ARR per employee

Unit : Millions of yen



\*1 : Includes employees on maternity leave and other leaves of absence and executives



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# FY2023.Q4 Business Highlights

New Product

## S+Report

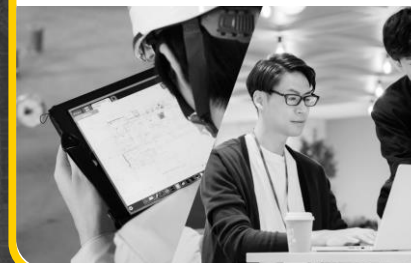


Expansion of Services

## SPIDERPLUS BPO



New Alliances



## New product to digitize all paper forms



“Paper forms” are the bottleneck of efficiency improvement.

- Lost / stained
- Bulky

- Omission in a form
- Typographical error

- Digitization
- Filing

### S+Report Feature

Any style  
Digitization

Significantly  
expanded  
range of  
services

Can be  
introduced  
outside of the  
construction  
industry

- Supports a variety of forms, including forms that vary by client and prime contractor.  
Various input methods through digitization are more efficient than paper.
- Widely used on construction sites for daily reports, safety documentation, etc.
- Can be used for any industry or type of business, including plant management and building maintenance

# Expansion of BPO service

Expanded services to promote efficiency and externalization of construction management operations.

Promoting "BPaaS" to construction sites

## Work that can be handled for BPO (As of February 2024)

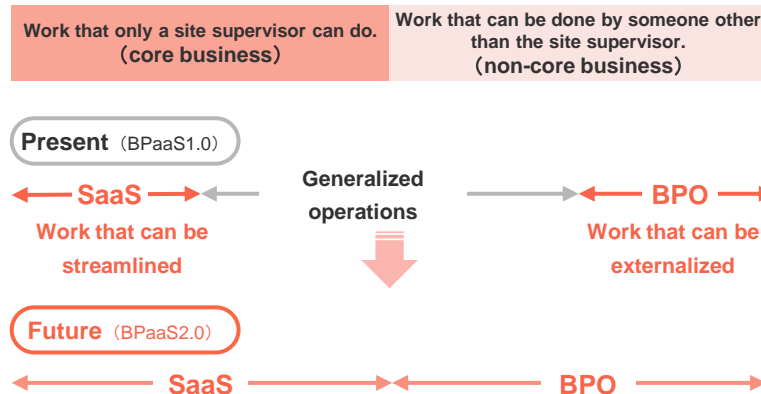
Handles data registration to SPIDERPLUS and pre-inspection setup work. Promote externalization of non-core work of site supervisors



## Spider Plus aims to improve operational efficiency

BPaaS (BPO+SaaS), which combines people (BPO) and technology (SaaS), transforms on-site business processes

### Site Supervisor's Job



Add development capabilities and products to prepare for increasingly sophisticated and diverse DX needs.

## About Datt Japan, Inc.\*1

Company with over 30 years of experience in contract software development for major construction companies and multiple business efficiency software.

### Introduction of some of Datt Japan's software\*2



**CALSMaster**  
現場編集長 キャルスマスター

- Integrated application for digital photo management and electronic delivery support
- Many major general contractors, such as Shimizu Corporation, have introduced this system.
- Strengths in supporting electronic delivery for a variety of businesses

\*1 : Abbreviation for DATT Japan Co., Ltd.

\*2 : See DAT Japan website : <https://www.datt.co.jp/>

\*3 : Including sales tie-up and functional collaboration of DAT Japan's software

## Promote individual development and collaboration with customer systems

Responds to needs that have not been fully addressed despite numerous requests



- Functional joint development
- Core system integration
- External software integration\*3

### SpiderPlus&Co.'s Individual Development Cases

Joint Development of Inspection Functions	Core system integration	External software integration
HASEKO Corporation	TAISEI CORPORATION	KANDENKO CO., LTD.
2022.12	2023.02	2023.08

# FY2024 Forecast

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# FY2024 Forecast<sup>\*1</sup>

## Market environment

**Construction DX market to enter a period of expansion in 2024, when the overtime cap will be applied.**

## key measures

**Business foundation built for 2024 to capture emerging demand.**

## Forecasts

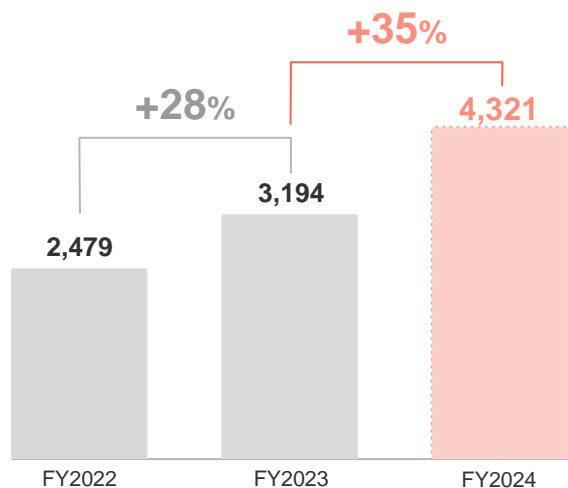
**ARR 5 billion yen, sales 4.3 billion yen, operating loss 430 million yen**  
FY2024 is the final year of the upfront investment period, and FY2025 is the plan to return to profitability for the full year.

<sup>\*1</sup> : Forward-looking statements regarding ARR and sales and operating income are based on medium- and long-term projections and are not guarantees of future results or performance. These forward-looking statements involve known and unknown risks and uncertainties that could cause actual results and outcomes to differ materially from those projected. The forecast also includes the Forecast of the Vietnamese subsidiary to be established in March 2024.

Entering a phase of both scale expansion and productivity improvement  
Accelerated sales growth rate toward the end of the period

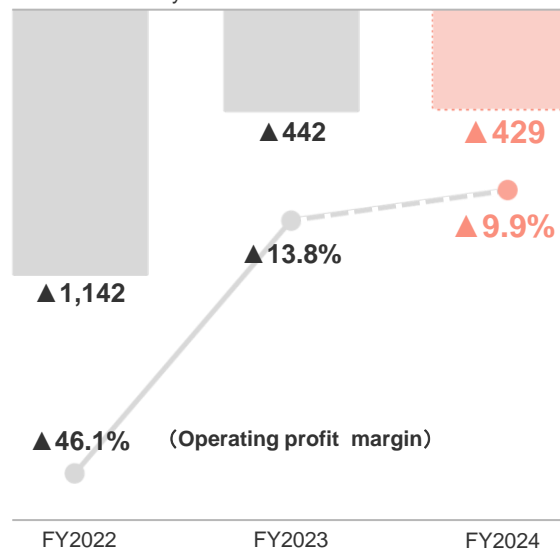
## Net sales

Unit : Millions of yen



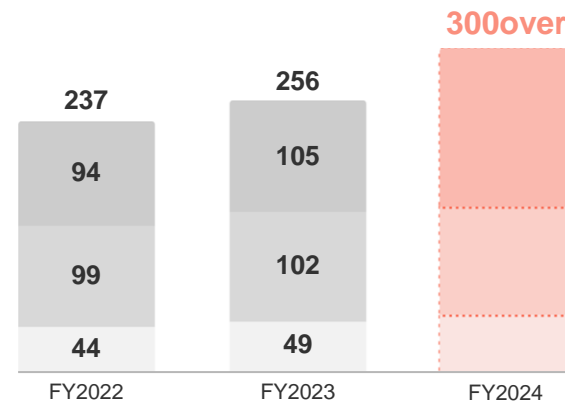
## Operating income (loss)

Unit : Millions of yen



## Human Investment (Recruitment Plan)

■ : Sales  
■ : Product  
■ : Corporate/Officer  
Unit : Persons

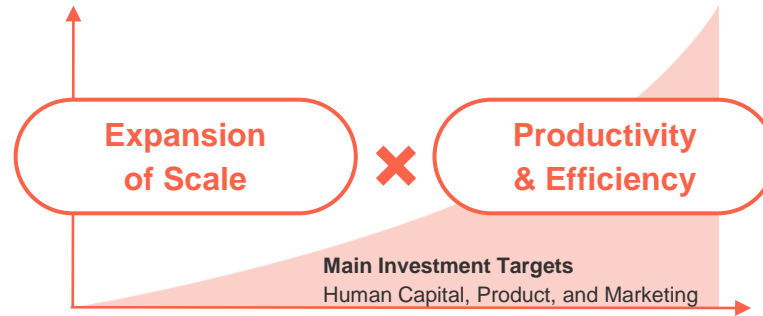


\*1 : Forward-looking statements regarding net sales and operating income are based on medium- and long-term projections and are not guarantees of future results or performance. These forward-looking statements involve known and unknown risks and uncertainties that could cause actual results and outcomes to differ materially from those projected. The forecast also includes the Forecast of the Vietnamese subsidiary to be established in March 2024.





DX market in the construction industry in a huge and transformative period.  
Become a market leader in construction DX by achieving both scale and investment efficiency



### Scale expansion phase

Focus on **investments to enhance our unique network effectiveness and competitive advantage**, with discipline on costs.

Scale expansion > productivity



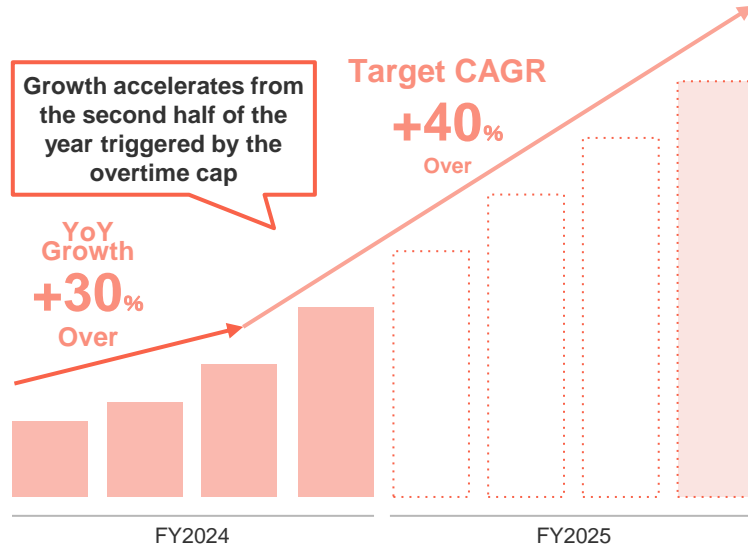
### Productivity Improvement Phase

Emphasis on **productivity-enhancing investments** to maximize the results of scale-up investments

Scale expansion < productivity

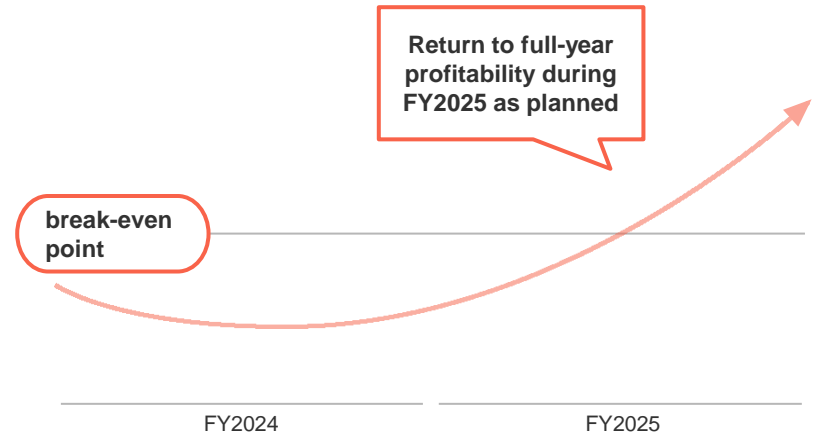
Increased demand associated with overtime caps is expected from July 2024 onward.  
Full-year return to profitability is expected in FY2025 as planned.

## ARR Progress Outlook



## Operating Income / Loss Scenario

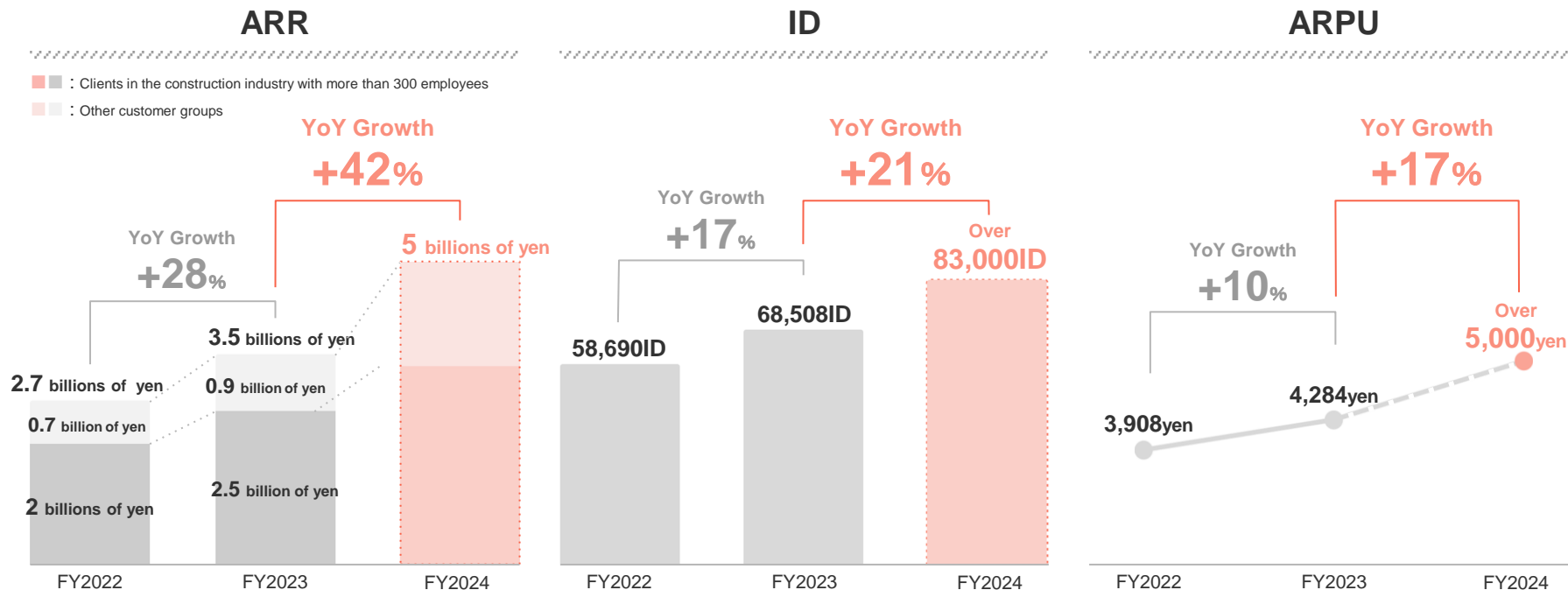
Prioritize investment in growth rather than profitability until FY2025, seeing 2024 as a phase of investment to expand scale in line with market expansion.



\*1 : The above chart is prepared for the purpose of explaining the Company's approach to profit and investment, and does not disclose the Company's forecast of sales and profit after FY2024.Q1.

Maintain 2-year plan target of 5 billion yen ARR at the end of FY2024

Advance measures to increase market share based on the sales force built up during the upfront investment period.



\*1 : Forward-looking statements regarding ARR and ID counts are medium- to long-term projections and are not guarantees of future results or performance. These forward-looking statements involve known and unknown risks and uncertainties that could cause actual results and outcomes to differ materially from those projected. The forecast also includes the Forecast of the Vietnamese subsidiary to be established in March 2024.

# Growth Strategies

1. FY2023.Q4 Performance Highlights
2. FY2023.Q4 Financial Highlights
3. FY2023.Q4 Business Highlights
4. FY2024 Forecast
5. **Growth Strategies**
6. Appx.About SPIDERPLUS

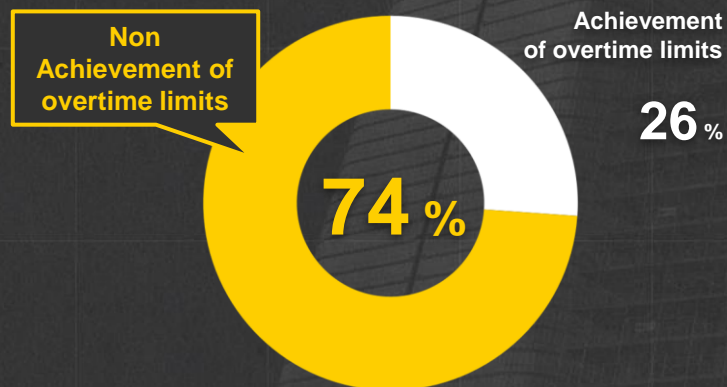
# "2024" has begun

**In April 2024, overtime caps will begin to apply to the construction industry.**

# Status of compliance with overtime limit regulations coming in April 2024

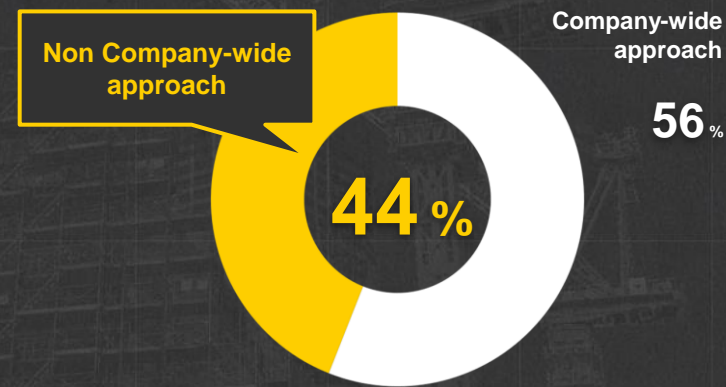
## Status of compliance<sup>\*1</sup>

Productivity improvement is essential  
for regulatory compliance



## Status of DX approaches<sup>\*2</sup>

DX approaches will be in full swing from now on



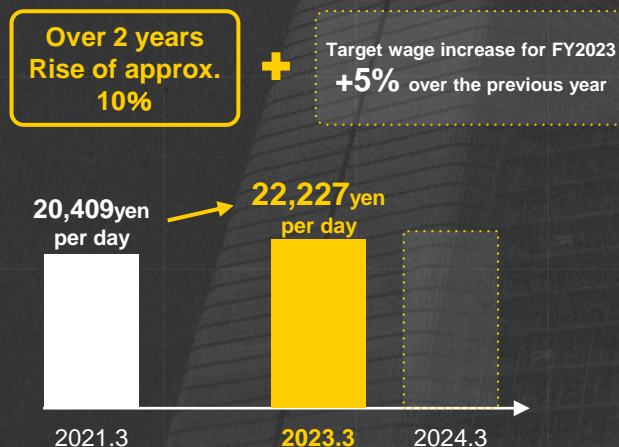
\*1 : (Excerpts from the Japan Federation of Construction Contractors' Association's "Member Company Working Hours Survey Report FY2022 (July 2023)," N: 81 companies, survey results for 24,202 non-supervisory personnel. Nikkenren (abbreviation of Japan Federation of Construction Contractors Associations) defines membership as having an annual average of at least 10 billion yen in completed construction work for prime contractors over the last two years.

\*2 : (Excerpted from "Productivity Improvement Promotion Outline: FY2022 Follow-up Report (September 2023)," Japan Federation of Construction Contractors Associations.

# High costs putting pressure on profitability in the construction industry

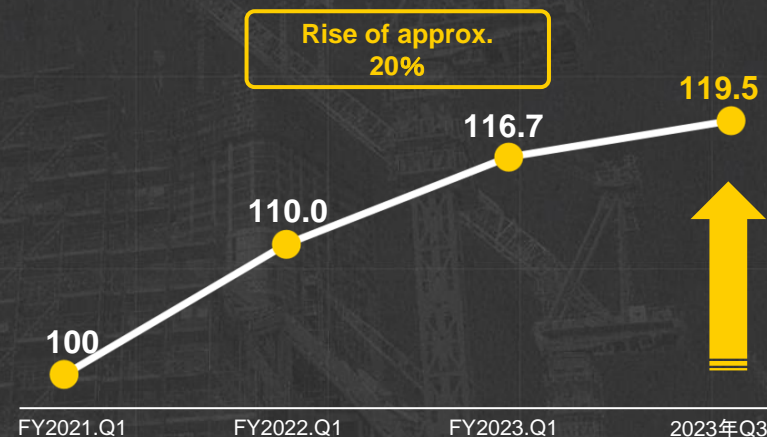
## Rise in labor costs<sup>\*1</sup>

### Labor Cost Trends at Construction Sites



## Soaring prices of materials<sup>\*2</sup>

### Quarterly Construction Material Price Indexes



\*1 : Labor costs for March 2021 and March 2023 are extracted from the Ministry of Land, Infrastructure, Transport and Tourism's "Design Unit Prices for Public Works to be Applied from March 2023 (February 14, 2023)." The FY 023 wage increase target is taken from the "Request to Private Businesses and Clients Who Place Construction Work Orders (January 2024 edition)" by the Japan Federation of Construction Contractors' Association (JCCA).

\*2 : (Prepared by the Company based on data from the "Construction Industry Digital Handbook: Construction Material Prices (Corporate Goods Price Index)," Japan Federation of Construction Contractors' Association.

# We prepared for the 2024 issue for three years.\*1

FY2021

FY2023

## The Power to "Deliver" Construction DX



Sales offices

2 offices

6 offices



Sales Force

53 persons

over 100  
persons

Sales Partners

13 companies

over 30  
companiesContracting  
Company

793 companies

Over 1,800  
companies

Development Staff

32 persons

over 100  
persons

Alliances

1 companies

8 companies

\*1 : Figures are as of March 31, 2021 and December 31, 2023, respectively.

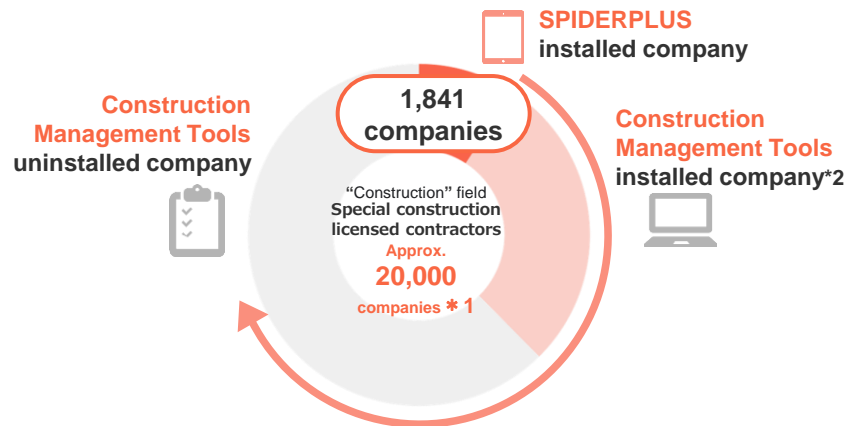


## Capture the DX needs manifested by the overtime cap

### Capturing DX Needs

Full utilization of strengthened sales organization and nationwide sales network.

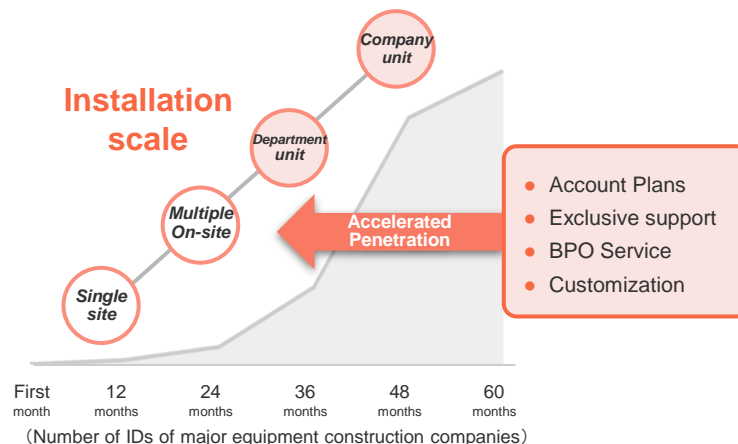
Construction DX Market Development Margins



### Further penetration of cultivated priority customers

Linking the results of on-site introductions accumulated in the previous fiscal year to company-wide introductions.

Penetration margins of existing customers



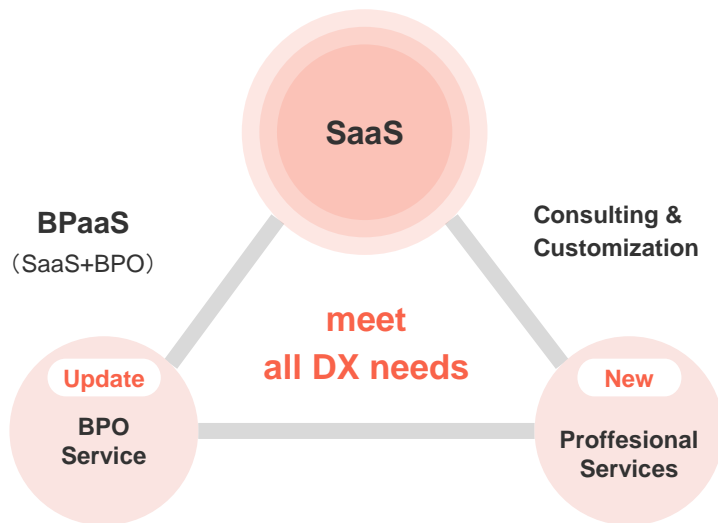
\* 1 and 2 : Sources are listed in the "Other Reference Materials" section of this document.



## Products and services that address customer issues will drive business growth

### SpiderPlus view of the construction DX

Developing services for deeper use of SaaS



### SaaS enhancements

Functional development through the use of customer feedback and accumulated data.



#### Improvements & Additional functions

- UI/UX · Speed Improvement
- intersystems cooperation
- AI & Data Application
- ⋮

#### New Features & Products

- S+Report**  
Digital form function
- S+BIM**  
BIMViewer / Sharing of information
- S+Partner**  
On-site information sharing with subcontractors

# Growth Story<sup>\*1</sup>

Creating the construction sites of the future with customers by reliably grasping social issues



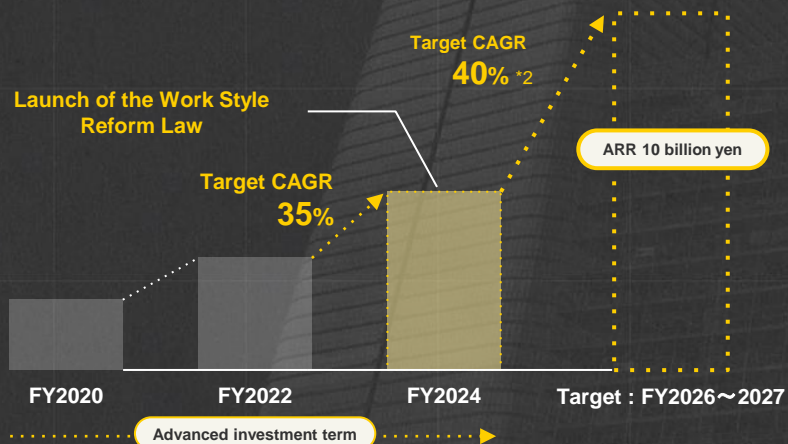
<sup>\*1</sup> : The ARR 5 billion yen and ARR 10 billion yen are forecasts and are not guarantees of future results or performance. These forward-looking statements involve known and unknown risks and uncertainties that could cause actual results and outcomes to differ materially from those projected.

# Medium-Term Performance Targets\*1

## Early achievement of 10 billion yen ARR

Effectiveness of advanced investment and

Accelerate growth by capturing growth in DX demand through application of the law



## Build a profitable financial structure

Control human investment based on sales growth.

Increase profitability year by year after achieving full-year profitability in FY2025

	FY2022 Actual	FY2023 Actual	FY2024 Forecast	Medium term Financial model
Gross profit margin	61%	65%	over 65%	65~70%
SGA cost ratio	107%	79%	Approx.75%	35~40%
Operating income margin	-46%	-14%	-9.9%	20~30%
Reference; Number of employees (YoY)	237 employees (+50)	256 employees (+19)	over 300 employees (+Approx. 50)	

\*1 : Forward-looking statements in the ARR Targets and Financial Model are medium- to long-term projections and are not guarantees of future results or performance. These forward-looking statements involve known and unknown risks and uncertainties that could cause actual results and outcomes to differ materially from those projected.

\*2 : Target growth rate if ARR of 10 billion yen is achieved in FY2026

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## Vision 2030

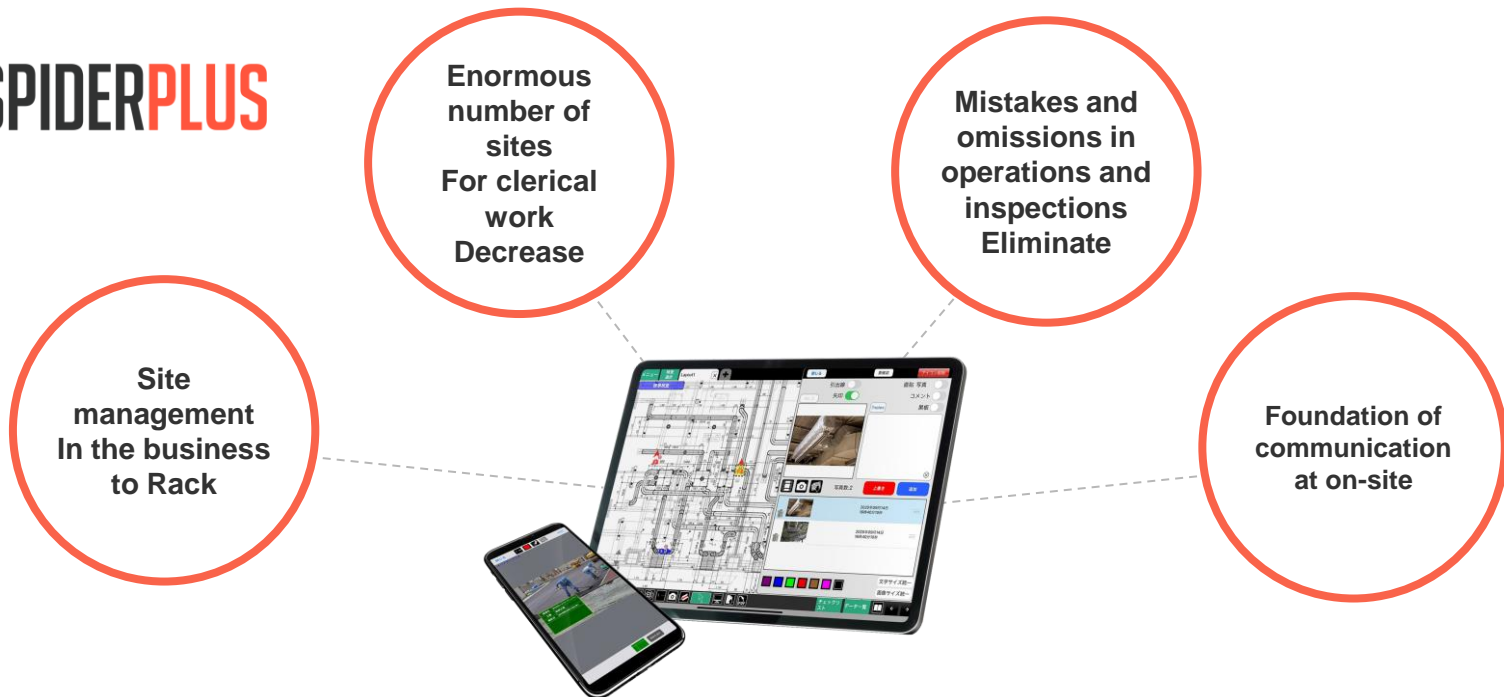
Create with customers  
“Construction site of the future”

# Appx.About SPIDERPLUS

1. FY2023.Q4 Performance Highlights
2. FY2023.Q4 Financial Highlights
3. FY2023.Q4 Business Highlights
4. FY2024 Forecast
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6. Appx.About SPIDERPLUS



## DX services to improve productivity in the construction industry



# Use of SPIDERPLUS



## Drawing

Drawing mistake occurred  
because the latest drawing was  
not known.



For SPIDERPLUS

The latest drawings are known  
at a glance to prevent



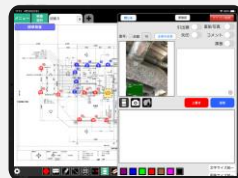
## Photo

Where did you take a  
photograph?  
Do not know



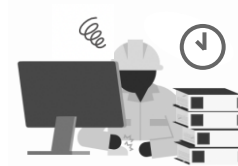
For SPIDERPLUS

Photographs are linked to  
drawings, Quickly know where  
you took a picture



## Inspection

To vendor-specific corrective  
instructions  
It takes time to make



For SPIDERPLUS

Easy output of list of  
corrective items and corrective  
instructions for each vendor



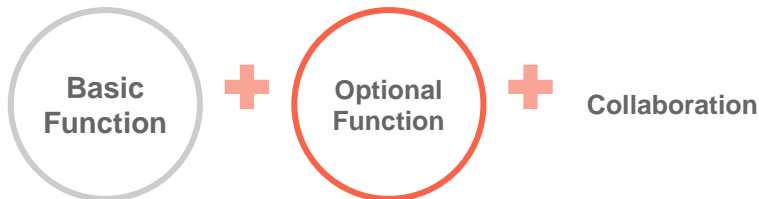




Ability to respond to DX needs and a system to deal with customers  
"until they are ready to use it".

## Many functions have been developed over the past 10 years

Provides functions to meet various DX needs in building construction, electrical work, and HVAC and sanitary work



- Drawing management
- Photo management
- Reporting

- Progress management
- Note management
- Inspection record

- Collaboration function
- PARTNER function
- and more...

## Onboarding and Customer Support

We understand this because we are from the construction industry ourselves. the importance of thorough support.

From how to use to case studies of other companies

Instant resolution of problems

Anytime, Anywhere  
Find out how to use



study meeting

Support Center

portal site



## Industry-specific packages for construction



### For Building Construction

Pile Construction Records/Inspection of a building's site/Finishing inspection/Progress management/Punch list management



### For Electrical Equipment Construction

Main line and load equipment tests/Concent Tests/Confirmation of wattmeter/Illumination measurement/Progress management/Punch list management



### For HVAC and sanitary equipment construction

Airflow measurement/Pressure gauge linkage/Temperature/hygrometer linkage/Noise Meter Cooperation/Managing Ticketing and Determination / Progress Management / Instruction Management

## Specialized functions for forms

### SReport

Digital form function



## Additional functions

### SBIM

BIM Viewer/sharing of information



### SPartner

On-site information sharing with subcontractors



## For other industry sectors

### SPIDERPLUS for Plant Plant Construction & Maintenance



# About Punch List management function



Optional function for digitizing progress management of "rework (corrective work)" in quality control, safe control etc.

## About function

- Correction progress can be checked on drawings and tracked until completion of correction
- Automatically lists the points to be pointed out for each subcontractor, eliminating the need to sort requests.



### POINT 1 All constructor can use

Construction

Electric

A/C

### POINT 2 Progress at a glance

R

pointed

G

in progress

blue

completed

### POINT 3

Completion of tedious forms in just a few clicks

- List of remaining works
- List of Unapproved
- List of Industries
- List by Due Date etc.



## 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

# SPIDERPLUS Introduction Results



## No. 1 share of sales as construction management software

### Customer base mainly with major companies in the industry

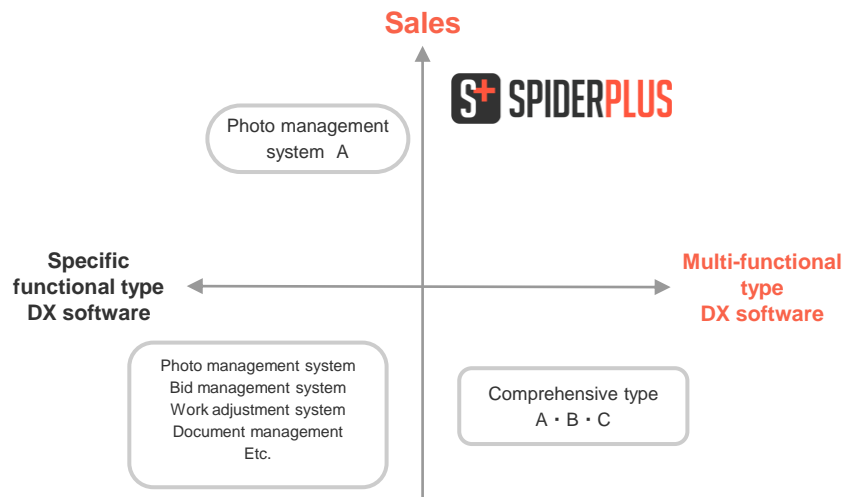
General contractor • Developer

大林組 (OBAYASHI) 鹿島 (KASHIMA) 清水建設 (SHIMIZU) SEIWA CORPORATION  
大成建設 (DAIICHI) 野村不動産 (NOJIMA) 長谷工 コーポレーション (NAGAI) 三菱地所レジデンス (SAN'EI)

Sub contractor

九電工 (Nine Electric) 金んでん (Kinden) 三機工業 (Sanken) SANKEN  
SHINRYO 住友電設 (Sumitomo Electric) トーエネック (Toenetec) 日本電設工業 (Nippon Electric Engineering)  
大気社 (Daikoku) 高砂熱学 (Takasago) HEXEL Works Inc. Yurtec  
四電工 (Sanwa) 新西原南生工業所 (Nishimura) 日比谷総合設備 (Hibiya) 株式会社 ヤマト (Yamato)

### Positioning in the Construction DX Industry



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.

# Benefits of the introduction of SPIDERPLUS



## Indispensable presence at construction sites outside of Japan

### Recommended for both Japanese and local construction companies



**Yurtec**  
YURTEC VIETNAM CO., LTD.



Vietnam

- What used to take three people to do can now be done by one.
- Use free time for technical reports, identifying problems, etc.
- It is very useful for streamlining operations, ensuring accuracy of records, sharing information, and reporting and approving construction progress.

### Active on site at a large semiconductor-related facility in Taiwan



**清水建設**



Taiwan

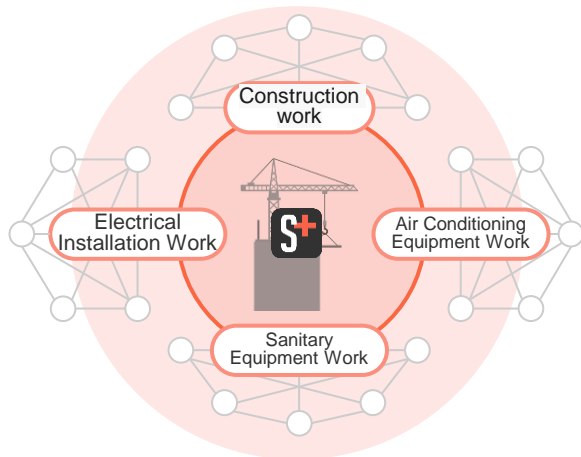
- Creation of photo forms has reduced operational efficiency by 70%.
- Utilizing BPO services allows on-site staff to focus on construction management tasks.
- Expectations where the technical level of the local staff will be complemented.



Many contractors are involved at construction sites.  
That is why it is required DX for the "entire site" through cooperation among businesses.

## Business-to-Business Collaboration

- SPIDERPLUS enables information sharing and instruction reporting among businesses.
- New operational efficiencies created by digital connections.



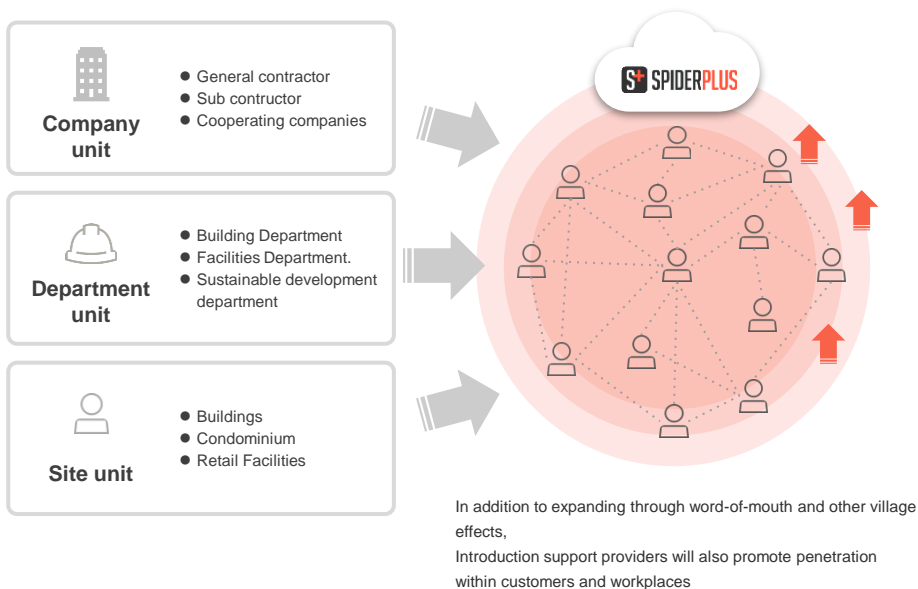
## DX cases throughout the site

- /SPIDERPLUS is the "Unified Tool" of Choice for Construction Sites
  - Frequent design changes and progress reports can be performed in real time.



# SPIDERPLUS's Network effects

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**

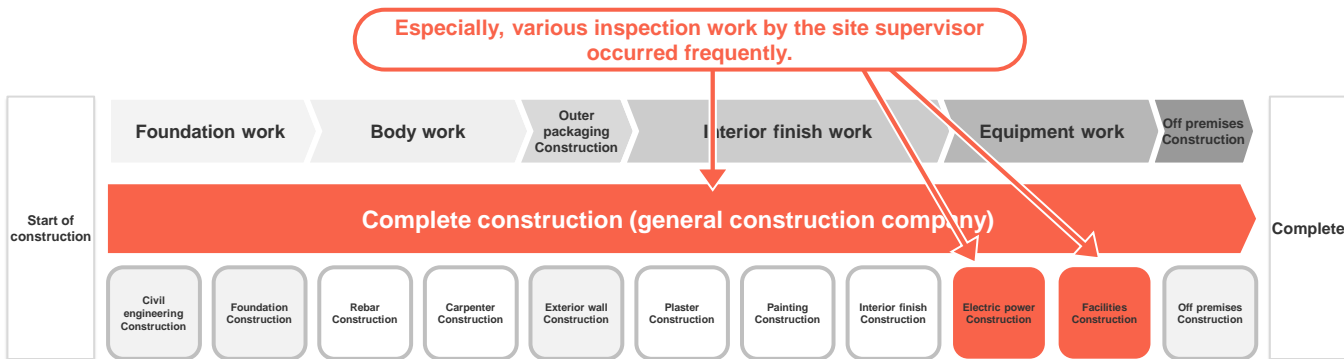
The total number of skilled workers required to complete the building is said to be 4-5 per square meter of building floor space. In the case of a condominium with a total building floor area of 10 thousand square meters, a total of approximately 40,000 skilled workers will be involved.

**"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"

# On-site supervision of large-scale construction sites

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

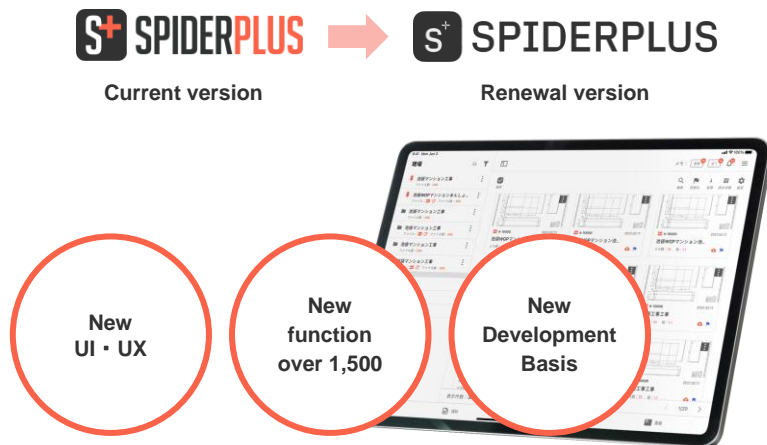
# Ongoing renewal of SPIDERPLUS project



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

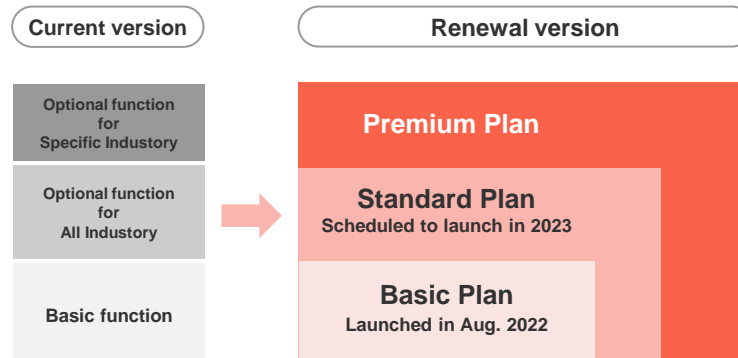
By eliminating technology liabilities accumulated over 10 years,  
Reborn SPIDERPLUS



## 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



Increase the ratio of global business to company-wide ARR to at least 5% by FY2027

## Global Expansion Policies

- Expanding mainly in Southeast Asia, where Japanese construction companies are already expanding.
- Expand business with a focus on Vietnam and Thailand.



Areas under development	
Vietnam	Taiwan
Thailand	China
Indonesia	Philippines
Cambodia	Malaysia
Singapore	Myanmar
India	UAE

## Global Expansion Action Plan



- Vietnam sales subsidiary scheduled to begin operations in April 2024.
- Developing sales partners and strengthening relationships mainly in Vietnam and Thailand, our focus countries, to build our unique sales network.
- Developing products not only for Japanese construction companies but also for overseas local companies (to be completed by the end of 2024).

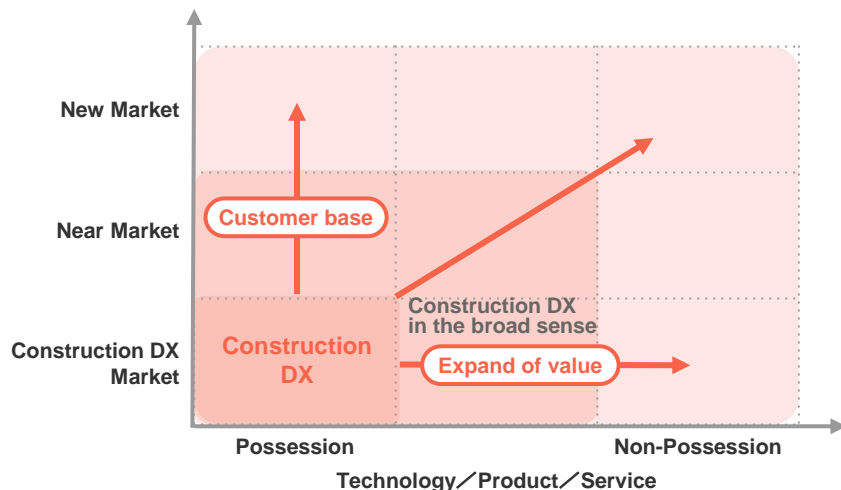


Proactively utilize alliances and M&A to generate discontinuous growth

## 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 (as of the end of February 2024)



Collaboration and joint development in the chat function for the field

Co-development

Product collaboration



Construction DX × local government DX



Service collaboration



Construction DX × Construction Technician Dispatching



MODE

Co-development of Plant DX

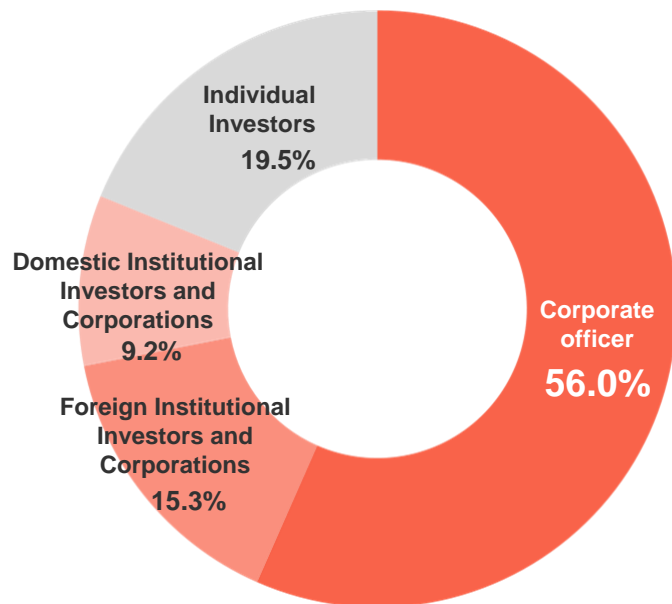


Site management SaaS × Customized Development

# Shareholder Composition

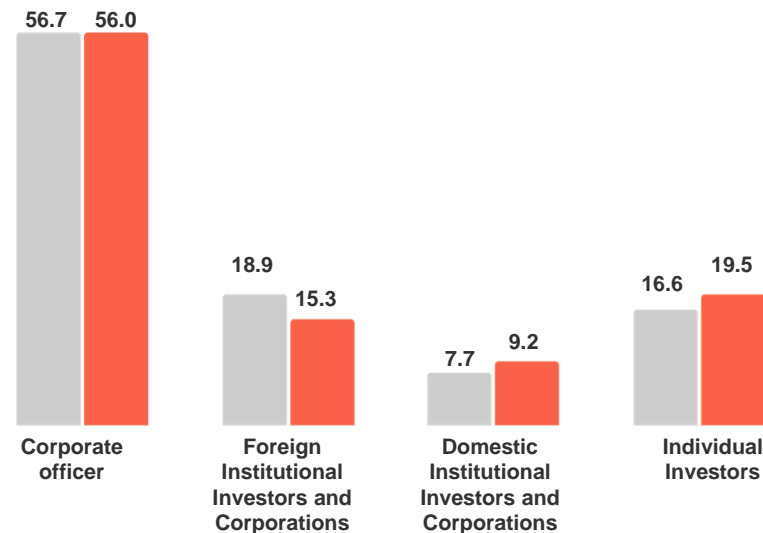


## Shareholders (as of the end of December 2023) \*1



## Change in shareholder composition \*1

■ : As of June 30, 2023 ■ : As of December 31, 2023 Unit: %



\*1 : Calculated without latent shares.



## 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 X

<https://twitter.com/spiderplusir>

## 4. IR Official note

[https://note.com/sp\\_ir/](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.

### P23 : 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.

### P41 : Statistical data listed in”FY2024 Priority Policy : Share expansion”

- \* 1 : The number of companies that have obtained a specific construction license for "Construction" is based on the search results of the Ministry of Land, Infrastructure, Transport and Tourism's Construction Contractors and Building Contractors Corporate Information Search System.
- \* 2 : The number of companies that have adopted construction management tools is calculated by multiplying the number of companies in \*1 above by the percentage of companies that have adopted construction management tools in our original survey "Results of Questionnaire Survey on DX Promotion Status in the Construction Industry".  
(See right for our survey report. : <https://jobs.spiderplus.co.jp/spider-class/1587>)





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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