

# Business plan & Growth potential materials

Mar.14. 2024

SpiderPlus & Co.

Note : This document has been translated from the Japanese original (Mar 8,2024) \*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 (Mar 8,2024)

<https://contents.xj-storage.jp/xcontents/AS81382/a620c124/275f/4eed/a6ba/f27b6f82cedf/140120240308550905.pdf>

# DX in construction industry

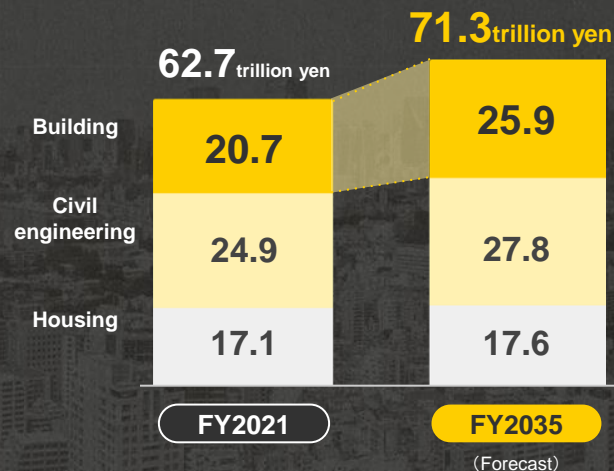
## Construction

## Technology

# Construction DX market opportunities we recognize

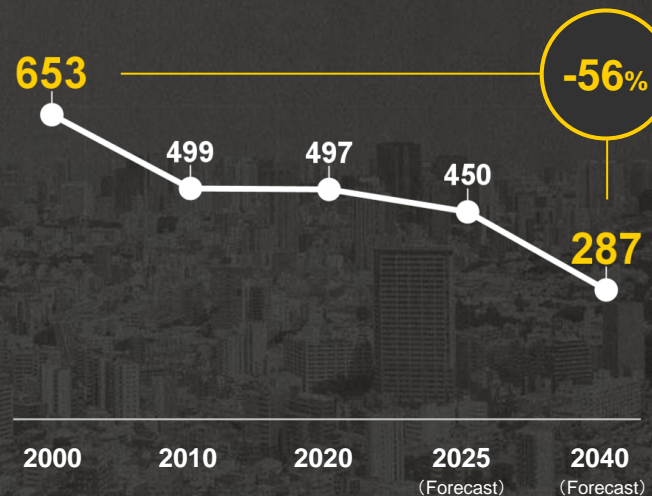
## Expanding demand\*1

### Outlook for Construction Investment\*1



## Decreasing workforce\*2

### Outlook for Number of Construction industry workforce

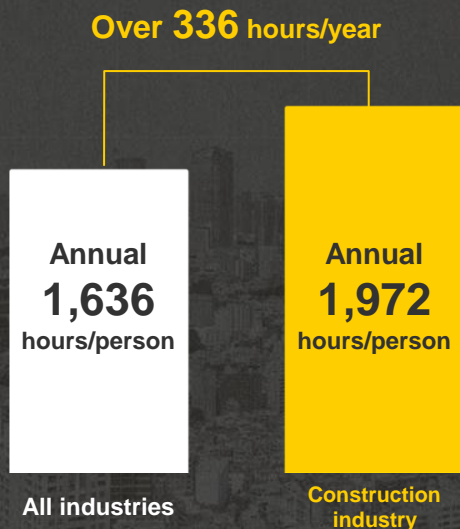


\*1&2 : Sources are listed in the "Other Reference Materials" section of this document.



# The "2024 Problem" a tipping point in 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.

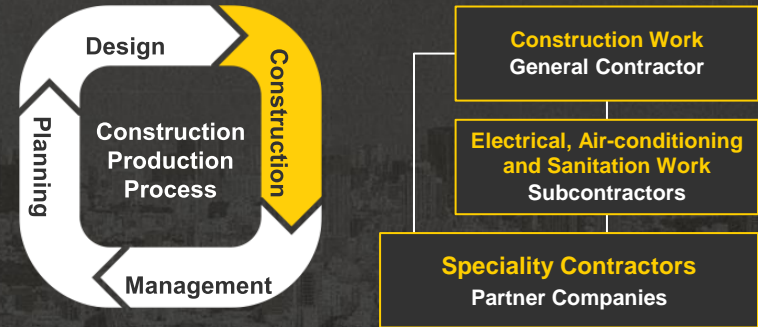
Provides products that improve the efficiency of construction management on construction sites.

# S<sup>+</sup> SPIDERPLUS



## Construction Management SaaS “SPIDERPLUS”

Used by site supervisors at large construction sites such as buildings, condominiums, factories and commercial premises.

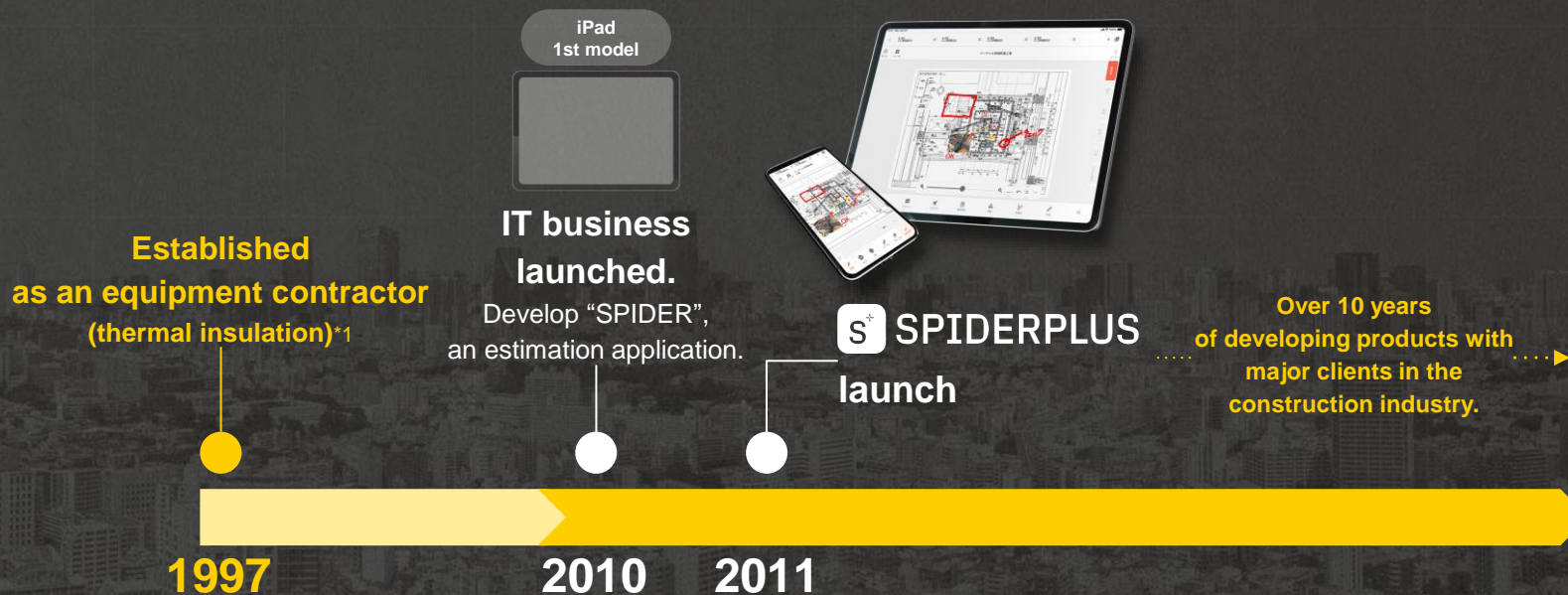


(5 Major tasks of site management) \* 1



\*1 : Indicate the operations that SPIDERPLUS handles and their degree by coloring and shading  
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# SPIDERPLUS was developed to solve our own problems.

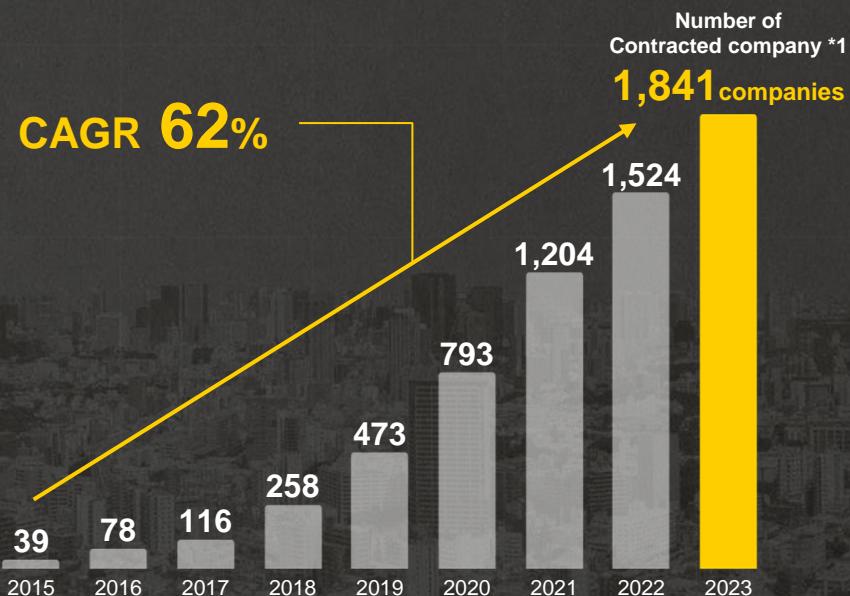


\*1 : The insulation installation business was transferred in January 2022 from the viewpoint of selection and concentration on the IT business.




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

Introduced by a leader in the construction industry.



\*1: The number of companies that have introduced SPIDERPLUS is the actual number of companies that have introduced SPIDERPLUS as at the end of December in each year.

# Business Overview

- 
1. Business Overview
  2. Market Environment
  3. Business Plans
  4. Growth Strategies
  5. Reference: Company & Business
  6. Reference: Human Capital Strategy



# Construction DX services to streamline site management.



Streamline the site management tasks of site supervisors, such as,

- Managing huge amounts of drawings -
- Sorting of time-consuming construction photographs.



Drawing Management



Photo Management



Inspection Record



Creating report



# SPIDERPLUS's Business Models

## Subscription-based stock income (FY2023 : 97% of total sales)

## Spot Sales

**S<sup>+</sup> SPIDERPLUS**



**SPIDERPLUS  
usage Fee**  
per 1 ID(site supervisor)



**Server usage fee**  
per a Company / branch / site



**Spot services usage  
fee**  
on-the-spot estimate

## Industry-specific packages

## Additional Functions

## Spot services



For Building Work

Basic Function



4 inspection functions  
for construction.



For Electrical Equipment  
Work

Basic Function



5 inspection functions  
for electrical



For HVAC and Sanitary  
Equipment Work

Basic Function



6 inspection functions  
for air conditioning and  
sanitation.

**S+Report**  
Digital form function

**S+BIM**

BIM Viewer / sharing of  
information

**S+Partner**

On-site information sharing with  
subcontractors

**SPIDERPLUS BPO**

On-site "set-up" work on behalf of the  
company

**Customized development**

Contract development tailored to individual  
company needs

# Work of the site supervisor using SPIDERPLUS.

## Site management work of site supervisors (Some introductions).



### Drawing management

On construction sites, many drawings exist, including blueprints and construction drawings by industry. Frequent updates of drawings occur along with construction progress and design changes.



### Inspection of construction quality

Check to see if the building and equipment meet the required functions. Particularly important tasks in construction management.



### Taking construction photos

Site photographs are taken as evidence that there are no deficiencies in the construction work. Depending on the site, hundreds or thousands of photographs need to be taken.



### Making a report

Various documents such as construction reports and work instructions are prepared. The report formats used by different prime contractors vary.

## Schedule for site supervisors (example \* 1)

8:00	Morning MTG	Radio exercises, turnout checks, check the morning's work, hazard prediction activities, training for new entrants
10:00	Site patrol	Check construction quality, safe environment and processes.
11:00	Works adjustment meeting	Sharing of progress and coordination of work between operators
12:00	Lunch break	Lunch, desk work
13:00	Afternoon assembly	Confirmation of afternoon work and items to be brought in.
15:00	Site patrol	Check construction quality, safe environment and processes.
16:00	Inspection	Voluntary inspections, prime contractor inspections, independent inspections, etc.
17:00	Sites close	Checking overtime work, checking circulars
19:00	Inhouse MTG	Confirmation and discussion on the status of arrangements and work to be carried out the following day
20:00~	Desk work	Organisation of construction photographs and preparation of reports.



# SPIDERPLUS solves problems related to site management.

## Drawing

Construction was based on old drawings.



## Photo

Forgetting where the picture was taken.



## Inspection

Lots of manpower needed during inspections.



## Corrective instructions

Time-consuming to produce corrective instructions for each contractor.



Latest drawings at a glance.



Photographs are tied to drawings.



Inspection completed by one person using inspection equipment.



Easy output of a list of corrective action items and instructions for each contractor.



## SPIDERPLUS streamlines both domestic and international construction sites.

Domestic

### Success in operational efficiency and manpower savings



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

- They introduced SPIDERPLUS because of its ease of operation and the ability to complete everything from inspection work to creating forms in a single application.
- Inspection work effort has been cut by a third to half through the use of the inspection function.
- Inspections previously required two people can now be carried out by one.

Global

### In large semiconductor-related sites



- SPIDERPLUS as well as BPO services used in combination.
- Around 70% of work has been reduced in the preparation of photographic forms.
- In combination with BPO services, they are able to focus on more essential tasks.

# SPIDERPLUS Introduction Results

SPIDERPLUS is category leaders in construction DX market.

Customer base mainly with major companies in the industry

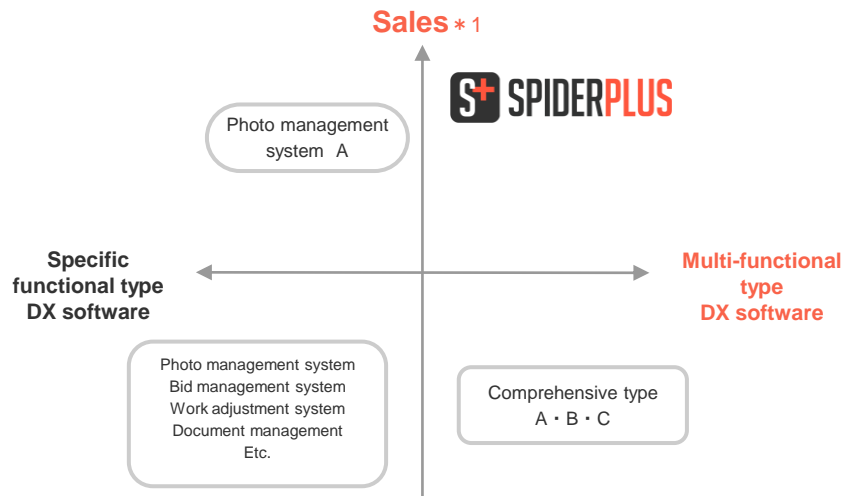
## General contractor · Developer



## Sub contractor



## 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.

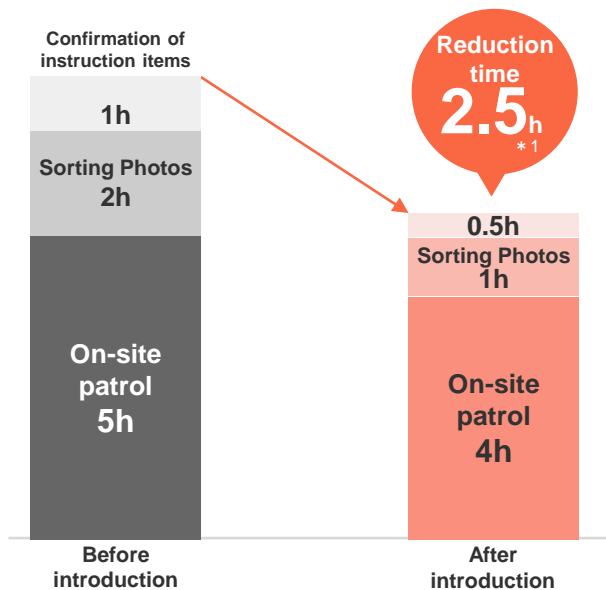




# Why SPIDERPLUS is chosen

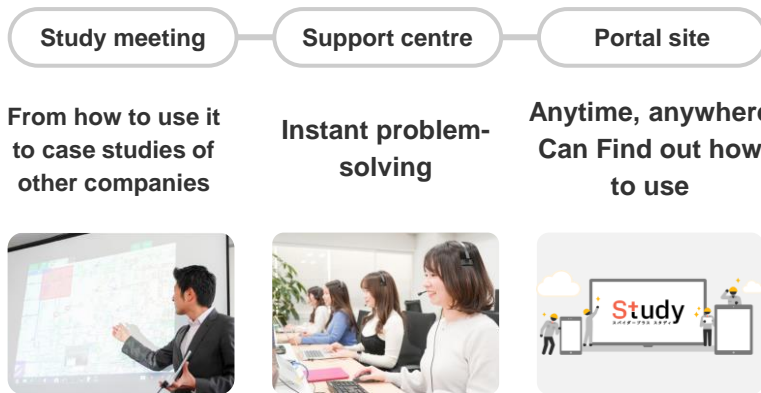
Highly effective introduction\*1, and Thorough support system.

## Introduction Effects



## Support System

We understand “the importance of thorough support” because we were in the construction business.

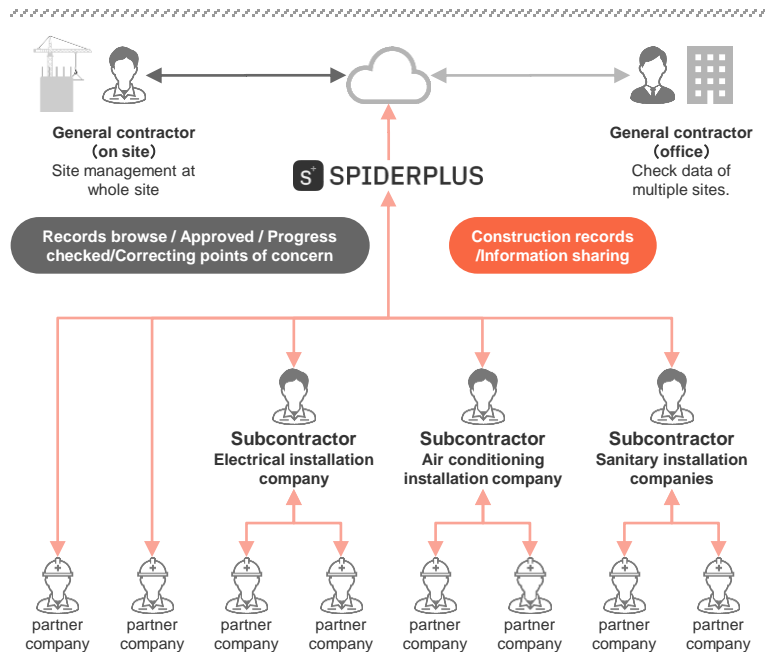


\*1 : The work hours that can be reduced are based on data from an internal survey of companies that have introduced tablets + SPIDERPLUS.

# DX only possible with SPIDERPLUS.

## DX realized by users collaboration

### User collaboration by SPIDERPLUS



### DX case studies across the field

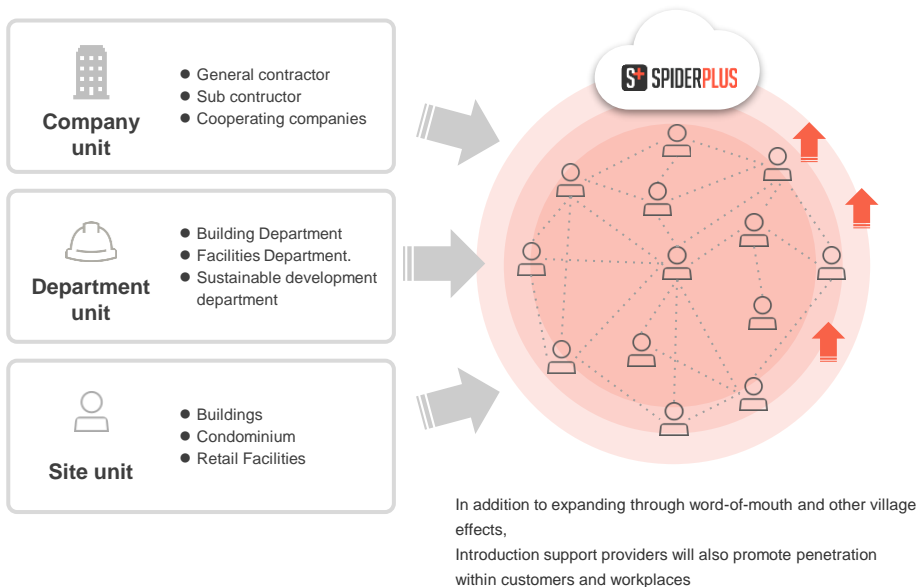
General contractors and subcontractors can collaborate to share information in real time on the cloud



\*1: Click here for other examples of introductions in collaboration with general contractors and sub-contractors. : <https://spider-plus.com/case/supergiant-1/>, and, <https://spider-plus.com/case/supergiant-2/>

# SPIDERPLUS Network Effects.

Increased number of users facilitates information sharing within customers and in the field, increasing the value of use.



## Network effects increase utility value

**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

<b>Continuity</b>	<b>Acceleration of penetration</b>	<b>Efficient expansion</b>
Churn rate	NRR	Sales efficiency



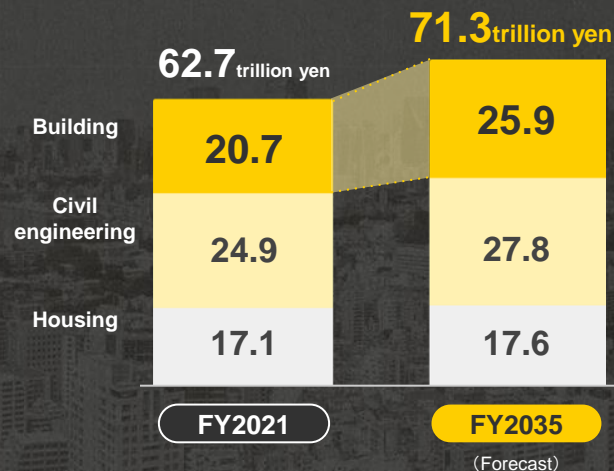
# Market Environment

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# Huge construction industry is in a change period

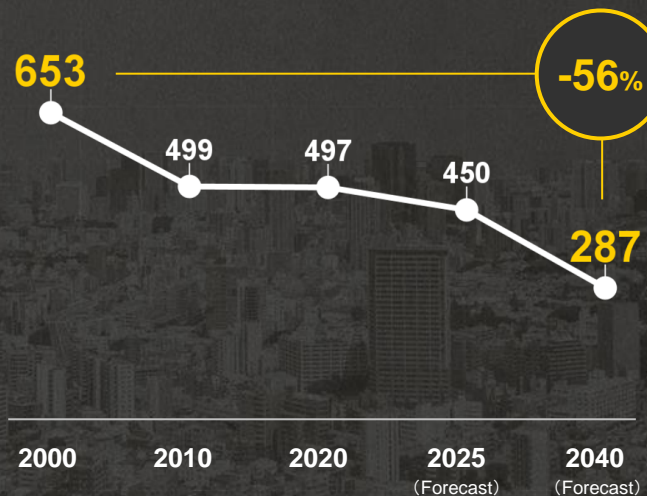
## Expanding demand\*1

### Outlook for Construction Investment\*1

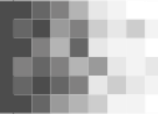


## Decreasing workforce\*2

### Outlook for Number of Construction industry workforce



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



# The turning point coming for the construction industry①

In April 2024, the Overtime Limit Regulation will start to apply to the construction industry.

## Commencement of overtime caps<sup>2</sup> (A work style reform law <sup>\*1</sup>)

### Limits on working hours (in principle)

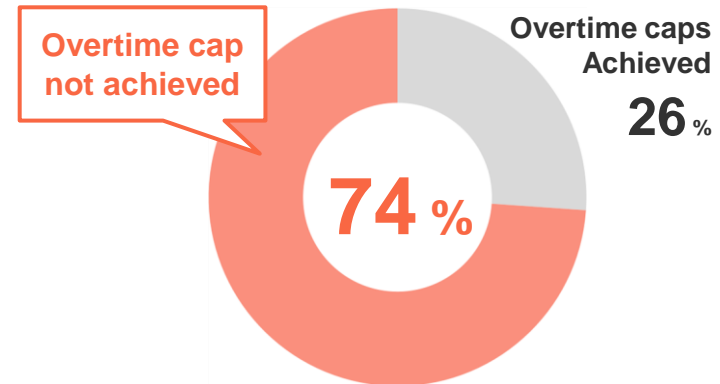
Overtime up to 45 hours per month

### Violating operators subject to penalties.

Imprisonment for up to six months or a fine of up to 300,000 yen

## Status of compliance with upper limits (in principle)<sup>\*2</sup>

Improving productivity is essential for regulatory compliance.



\* 1 : Refers to the "Act on the Establishment of Relevant Laws to Promote Workplace Reform," which will become effective in April 2024.

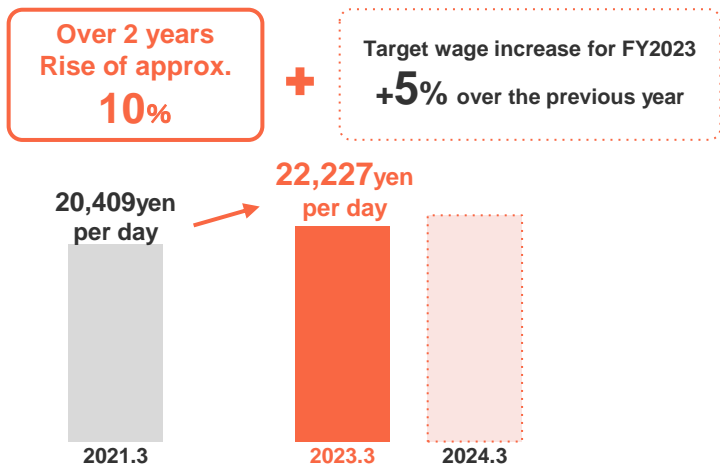
\* 2: Extracted from the Japan Construction Industry Federation's 'Report on Working Hours Survey of Member Companies - FY2022' (July 2023), N: Results of a survey of 81 companies and 24,202 non-supervisory staff. The Japan Federation of Construction Contractors defines membership as having an average annual value of at least 10 billion yen of completed construction work as prime contractor over the last two years.

# The turning point coming for the construction industry②

## High costs plaguing the construction industry

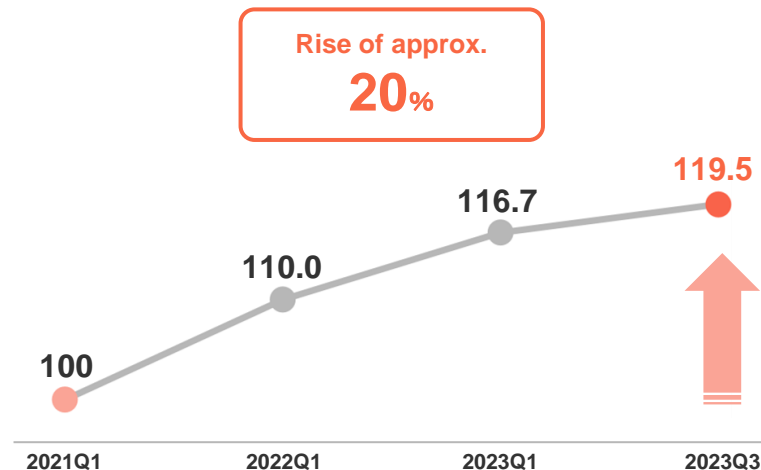
### Rise in labor costs<sup>\*1</sup>

Labor Cost Trends at Construction Sites



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

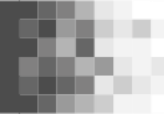
Price Indexes of quarterly construction material



\*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.





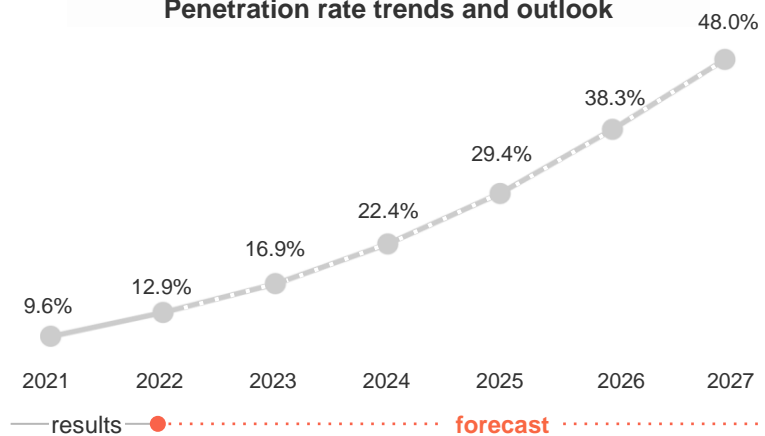
# Prospects for the construction DX

DX needs are expected to grow and diversify in the wake of the 2024 problem

## Construction DX penetration will accelerate this year\*1

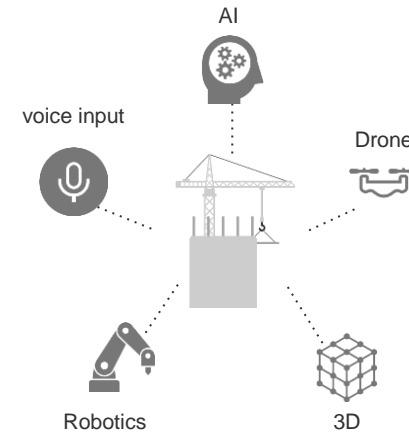
Construction management cloud services are expected to spread rapidly in the future.

Penetration rate trends and outlook



## DX needs will develop highly & diversely

Not only in construction management, but also in all aspects of operations. Rapid technological innovation and the use of various technologies.

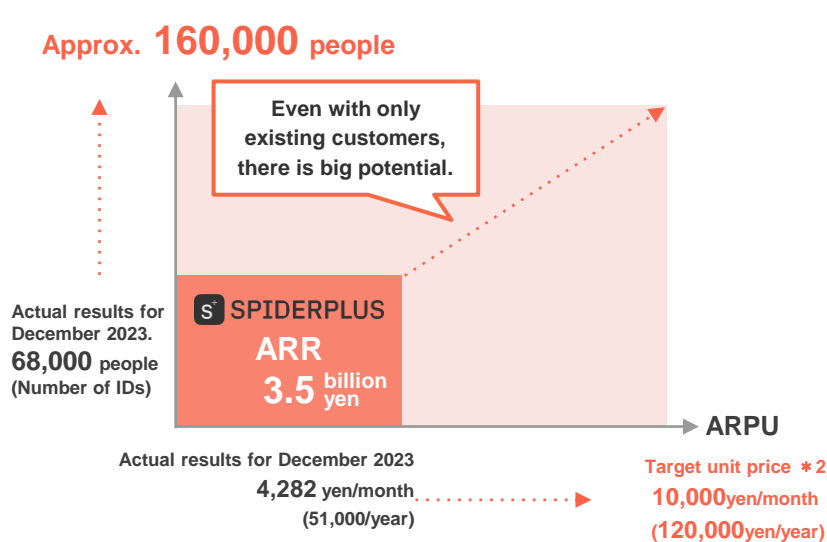


\* 1 : Adapted from Deloitte Tohmatsu MIC Economic Research Institute Ltd, MIC IT Report, October 2023, 'Trends and vendor shares in the construction industry management cloud services market'.

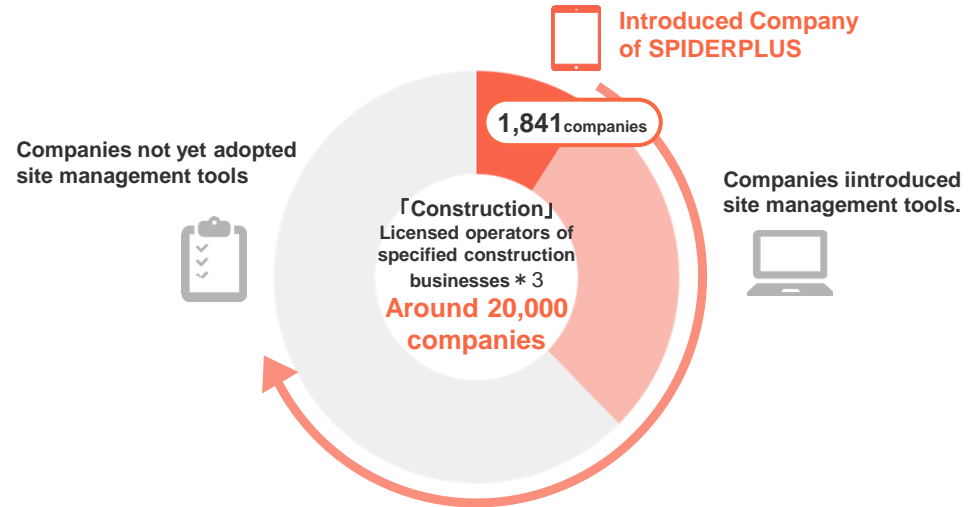
The construction DX market is worth approximately 900 billion yen \*1,  
 SPIDERPLUS target markets with large potential among them.

## Potential for existing customers

Number of on-site supervisors at 1,841 existing customers at end-December 2023 \*2




## Number of SPIDERPLUS core target companies \*3



\*1-3: Sources are listed in 'Other reference materials Sources of statistical data, etc.' in this document.

# Business Plans

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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.

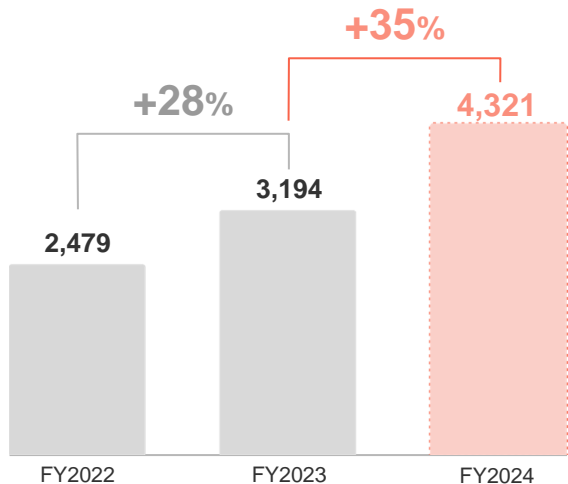


# FY2024 Forecasts\*1

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

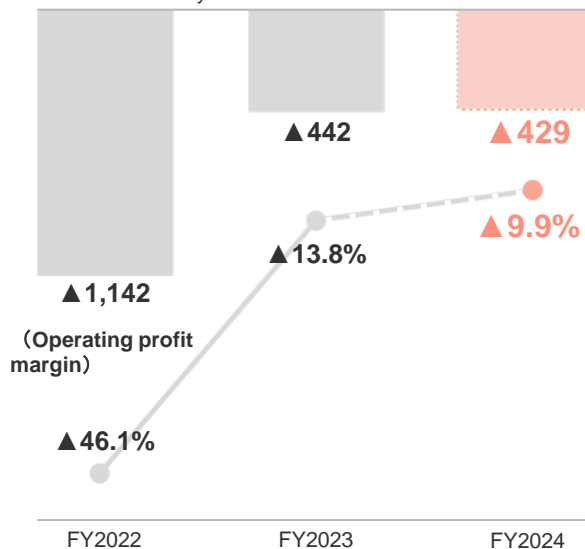
## Net sales

Unit : Millions of yen



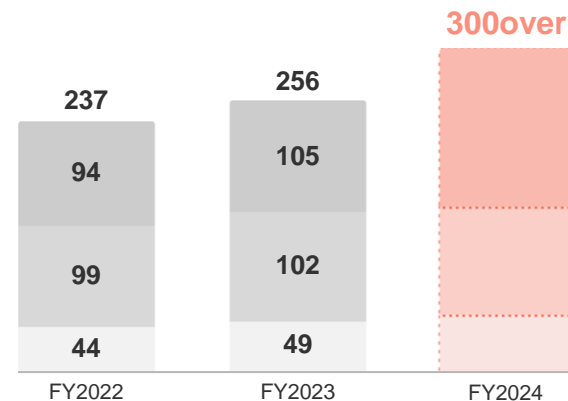
## Operating income (loss)

Unit : Millions of yen



## Human Investment (Recruitment Plan)

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

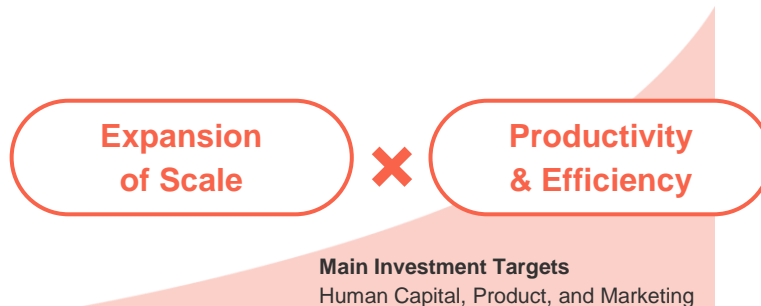


\*1 : Forward-looking statements regarding net sales and operating income are based on medium- and long-term projections and are not guarantees of future results or performance. These forward-looking statements involve known and unknown risks and uncertainties that could cause actual results and outcomes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



# Supplement : The concept of investment

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

<

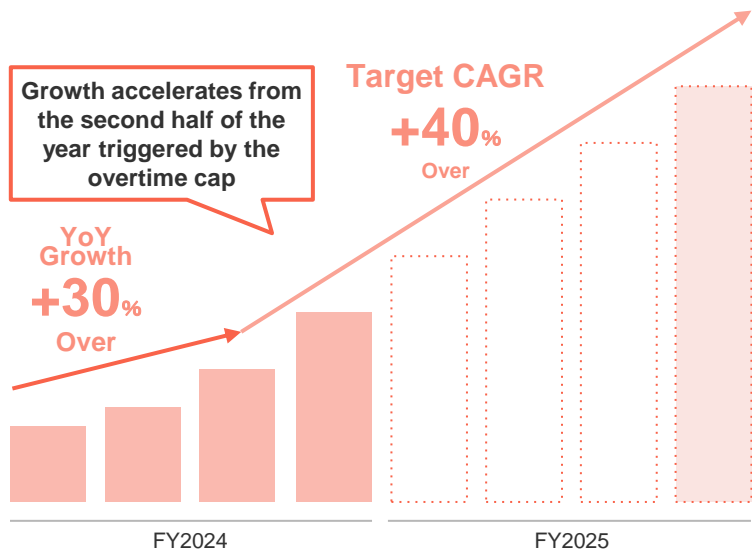
productivity



# ARR Progress Outlook and Profit/Loss Scenarios\*1

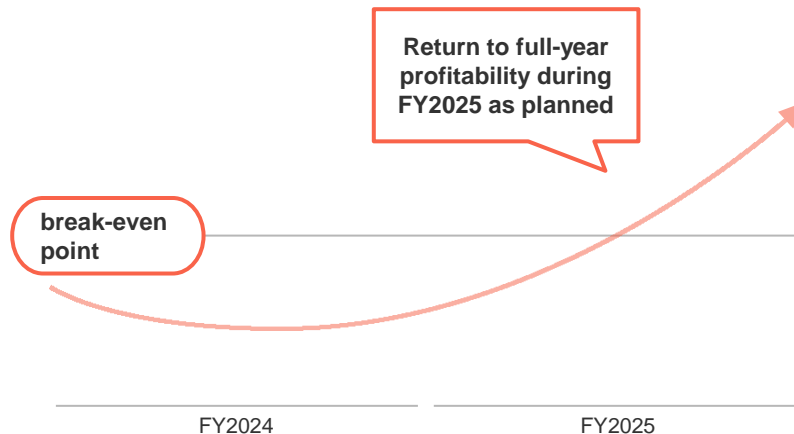
Increased demand associated with overtime caps is expected from July 2024 onward.  
Full-year return to profitability is expected in FY2025 as planned.

## 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.



# FY2024 KPI Forecast\*1

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

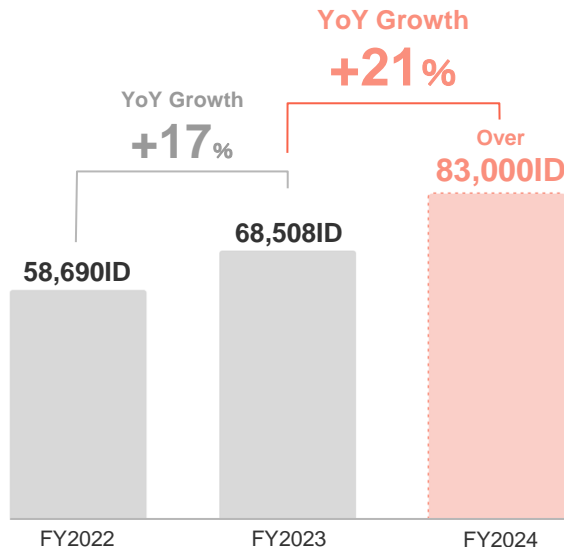
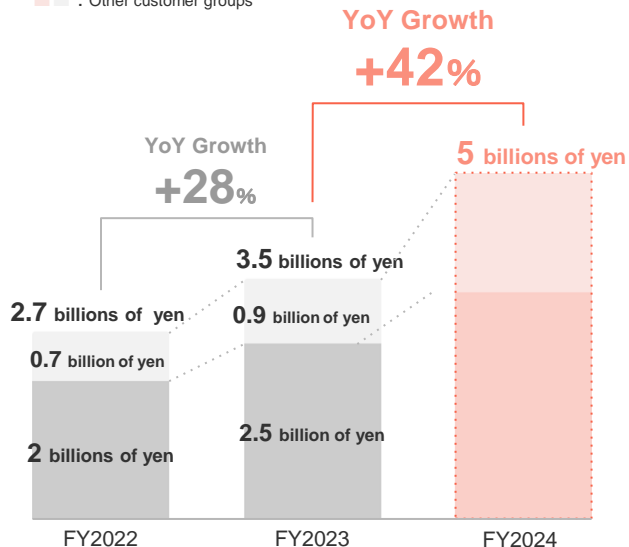
Advance measures to increase market share based on the sales force built up during the upfront investment period.

## ARR

## ID

## ARPU

■ : Clients in the construction industry with more than 300 employees  
 ■ : Other customer groups



\*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.

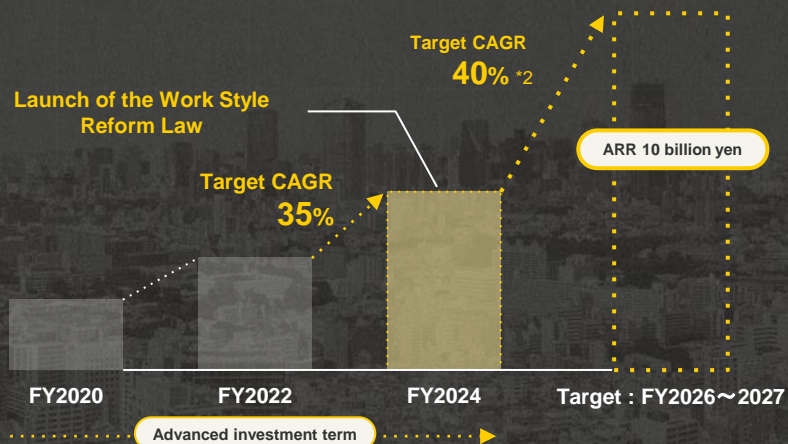


# Medium-Term Performance Targets\*1

## 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%	約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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# Growth Strategies

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6. Reference: Human Capital Strategy

# "2024" has begun

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



# We spent three years accumulating assets for a turning point in the construction industry.\*1

FY2021

FY2023

## The Power to "Deliver" Construction DX



Sales offices

2offices

6

offices



Sales Force

53persons

100

persons



Sales Partners

13companies

over  
30

companies

Contracting  
Company

793companies

over  
1,800

companies



Development Staff

32persons

100

persons



Alliances

1companies

8

companies

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

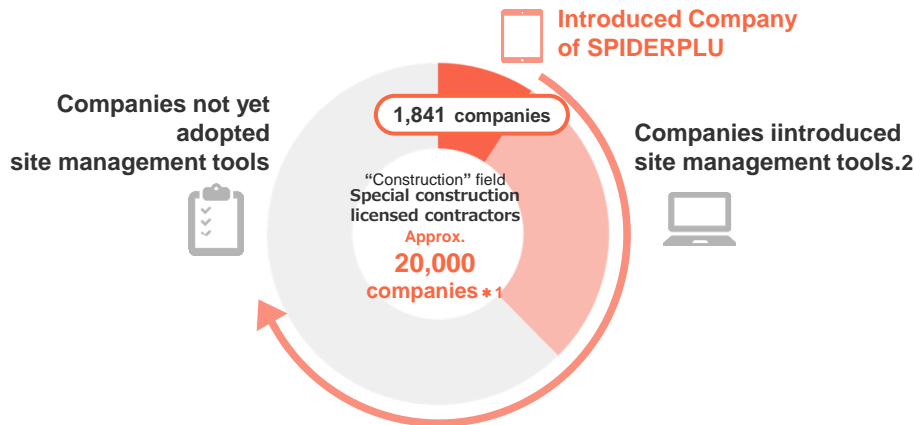
# Share expansion

## Capture the DX needs manifested by the overtime cap

### Capturing DX Needs

Full utilization of strengthened sales organization and nationwide sales network.

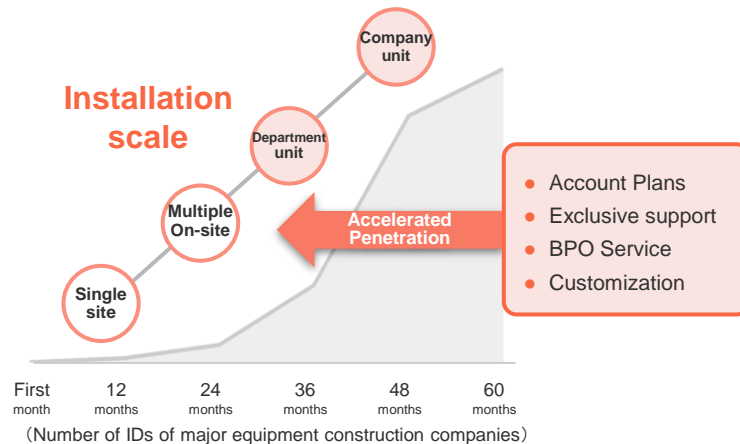
Construction DX Market Development Margins



### 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 Statistical Data Dictionary, etc." section of this document.

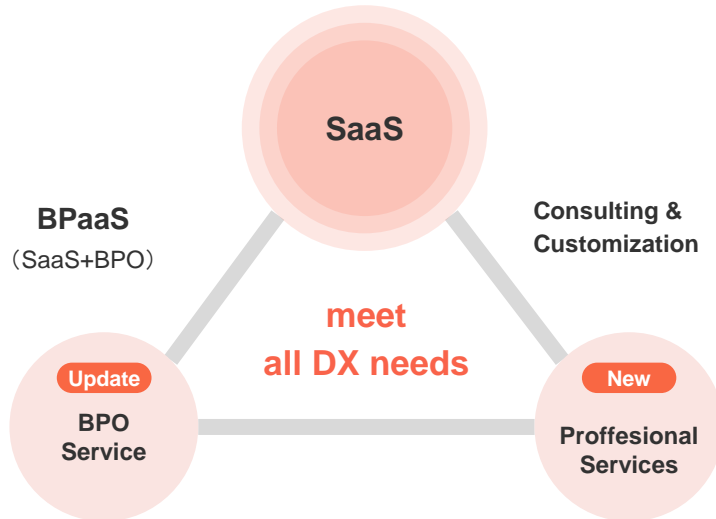


# Expanding the value

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.

IP is also used to strengthen competitive advantage.



### 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



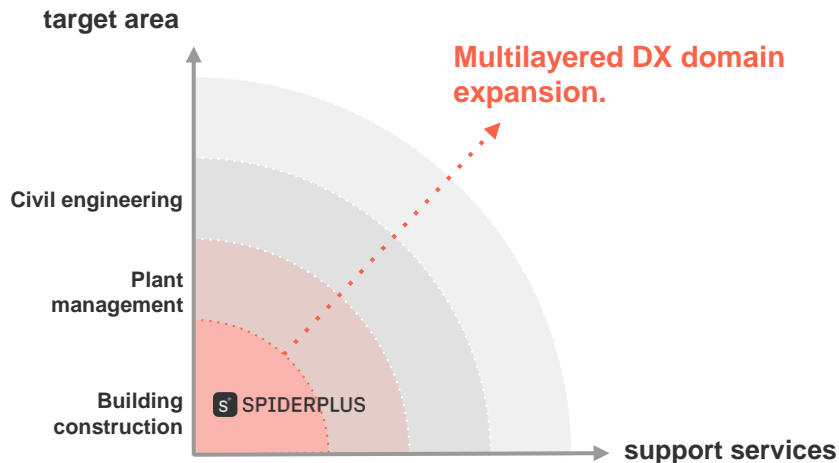
# Expansion of developed markets

New expansion into the plant market from FY2023.

A sales subsidiary is planned to be established in Vietnam at the end of Mar 2024.

## expansion into other industries

Gradually expand into areas adjacent to the construction industry, such as 'facility management' using 'drawings'.



## Global Expansion strategy

Expanding mainly in Southeast Asia, where Japanese construction companies are already expanding.

Expand business with a focus on Vietnam and Thailand.



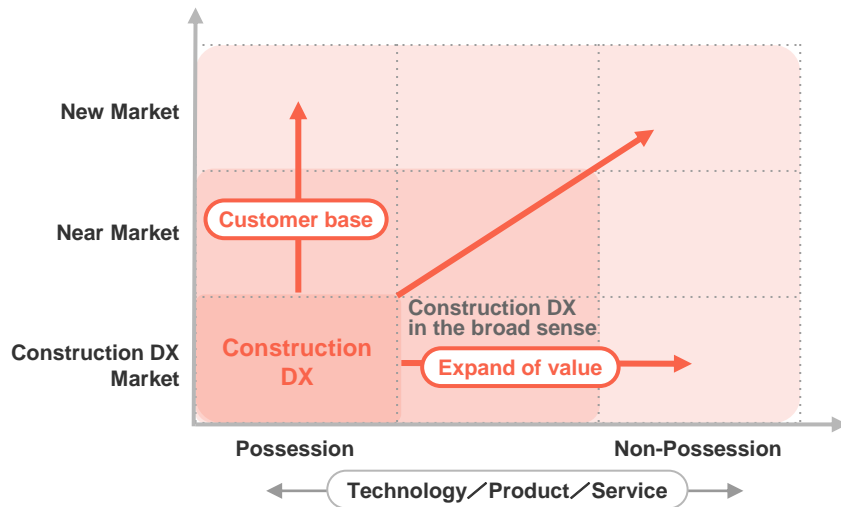
Areas under development	
Vietnam	Taiwan
Thailand	China
Indonesia	Philippines
Cambodia	Malaysia
Singapore	Myanmar
<b>NEW</b> India	UAE

# Creating growth opportunities through the use of alliances and M&A

In FY2023, business alliances aimed at 'plant maintenance' and 'strengthening development capabilities' were executed. Continue to actively utilize alliances and M&A with a focus on areas around the construction industry.

## About Alliance Strategy & M&A Strategy

Conducted alliances in DX in areas surrounding construction,.  
Execute M&A for projects where synergy effects are stronger.



## Examples of Alliances (as of the end of February 2024)



Linkage with and joint development of chat functions for site.



Joint development of building maintenance DX



Linking with functions using 360° images.



Local development through Construction DX x Municipal DX



Service collaboration on remote management of sites.



Creation of DX human resources through 'DX x engineer dispatch'.



MODE

Joint development of Plant DX.

NEW



Construction management SaaS x Contract development

NEW

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

Transform challenges in the construction industry (i.e. social issues) into business opportunities




\*1 : 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.

## Vision 2030

Create with customers  
“Construction site of the future”



## Reference: Company & Business

- 
1. Business Overview
  2. Market Environment
  3. Business Plans
  4. Growth Strategies
  5. Reference: Company & Business
  6. Reference: Human Capital Strategy



## Mission statement

Creating “fun” to work,  
enthusiastic more.

Through the joy and fun of solving customers' problems,  
we will continue to create a world where people can be  
more enthusiastic about their work.

We believe that the most productive way to improve  
productivity is to truly enjoy "working".

Our mission is to create 'fun',

**Company** SpiderPlus & Co.

**Location.** Tokyo Headquarters (Minato-ku, Tokyo)  
Sapporo Sales Office (Sapporo, Hokkaido)  
Sendai Sales Office (Sendai, Miyagi Pref.)  
Nagoya Sales Office (Nagoya City, Aichi Pref.)  
Osaka sales office (Osaka, Osaka)  
Fukuoka Sales Office (Fukuoka City, Fukuoka Pref.)

**Founded** September 1997

**Establishment** February 2000

**CEO** Kenji Ito

**Number of employees** 256 (end-December 2023 time point)

**Businesses** Development and marketing of Construction DX Services "SPIDERPLUS"

# Our identity



## Our identity

**& Co. = together**

For 20 years since its establishment as a thermal insulation company, the company has been in the construction industry and has faced the challenges faced by the industry.

We stand with our customers, lean on them, respect their aspirations, and through products that mix our opinions with each other's, we unite, become friends and change the industry with technology.

## How SPIDERPLUS was born.



With scissors, a bread knife, a few tools and a little experience, I thought I could become a CEO, so I started my own thermal insulation company. A few years later, when the world was in the throes of the IT bubble and the information revolution, I began to feel a variety of discomforts about my work. Piles of drawings. Coloured pencils scattered all over the place. Pen dents that grow bigger every time you add up the totals. Days spent going back and forth to the site over and over again because I forgot to check...

**The world is transforming into a digital society at a tremendous speed,  
Why is the construction industry so far behind in the information revolution?**

**'If no one else is making it, I'll make it. Change it.'**

**This realisation was the beginning of SpiderPlus & Co.**

The desk is no longer piled high with drawings and the coloured pencils are no longer scattered around. And we are looking forward to the new 'something' we will create in the future. Always looking for innovation.



CEO **Kenji Ito**

# 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.

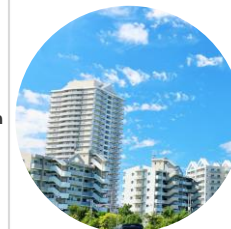
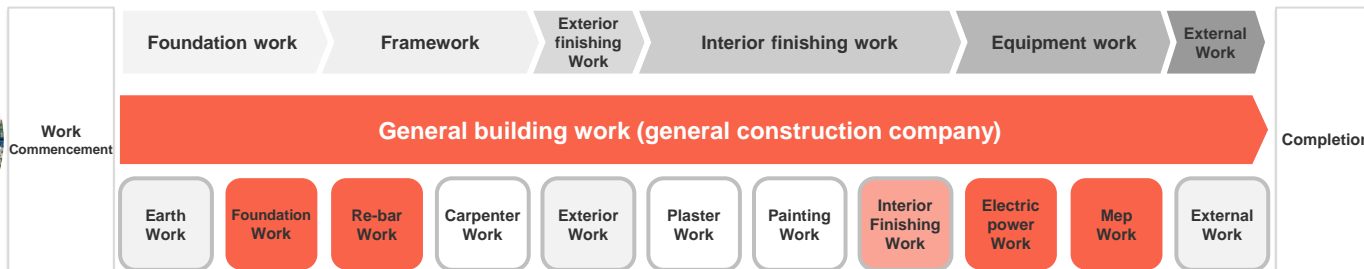
**"Site supervision operations"** require instructions to each skilled worker and various inspections, and are extremely burdensome on operations.

## 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

**Especially, various inspection work by the site supervisor occurred frequently.**



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





## Some of the functions: 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

B

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.

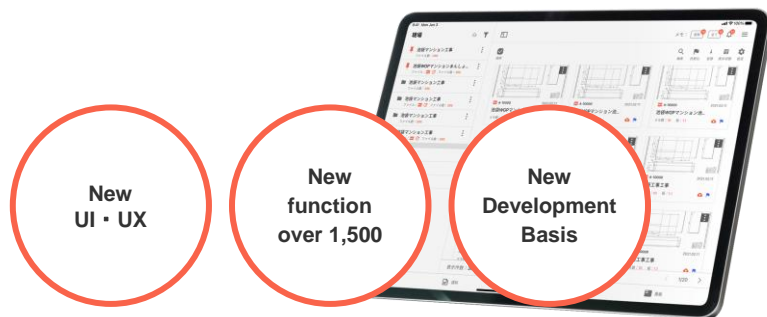
# Ongoing renewal of SPIDERPLUS project



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

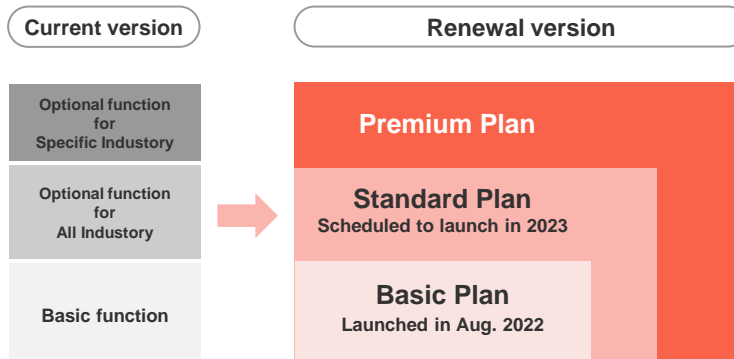
By eliminating technology liabilities accumulated over 10 years,  
Reborn SPIDERPLUS



## Status of provision

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

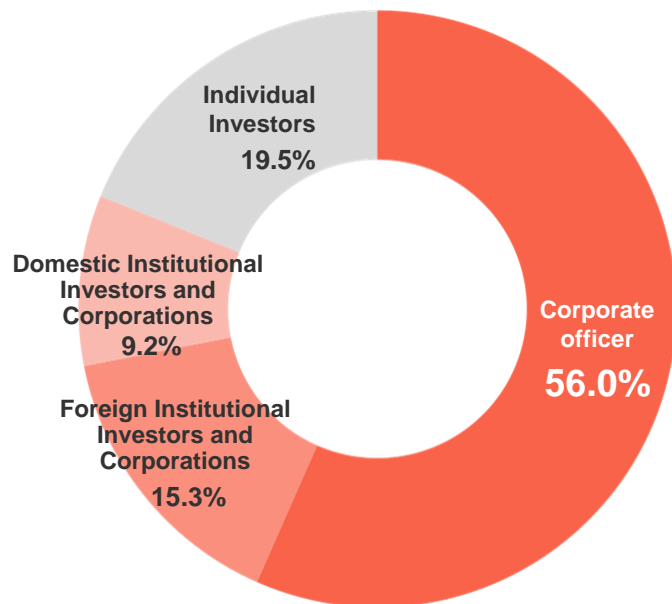
### Image of the plan provided



# Shareholder Composition

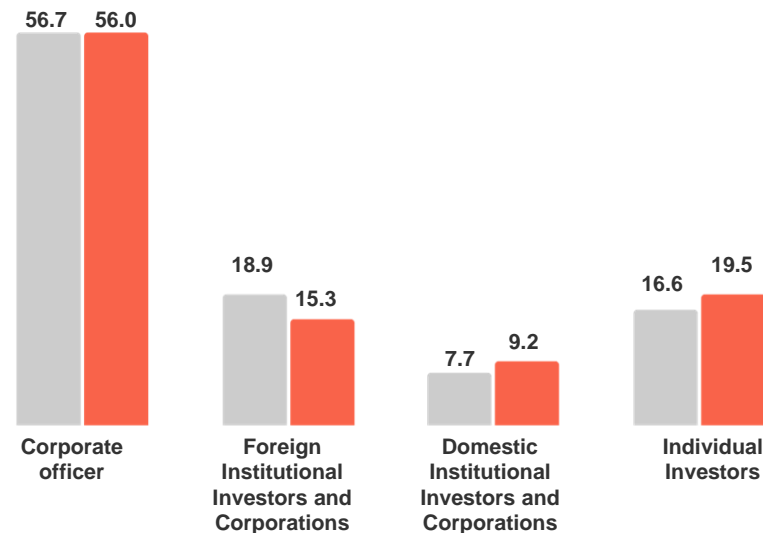


## Shareholders (as of the end of December 2023) \*1



## Change in shareholder composition \*1

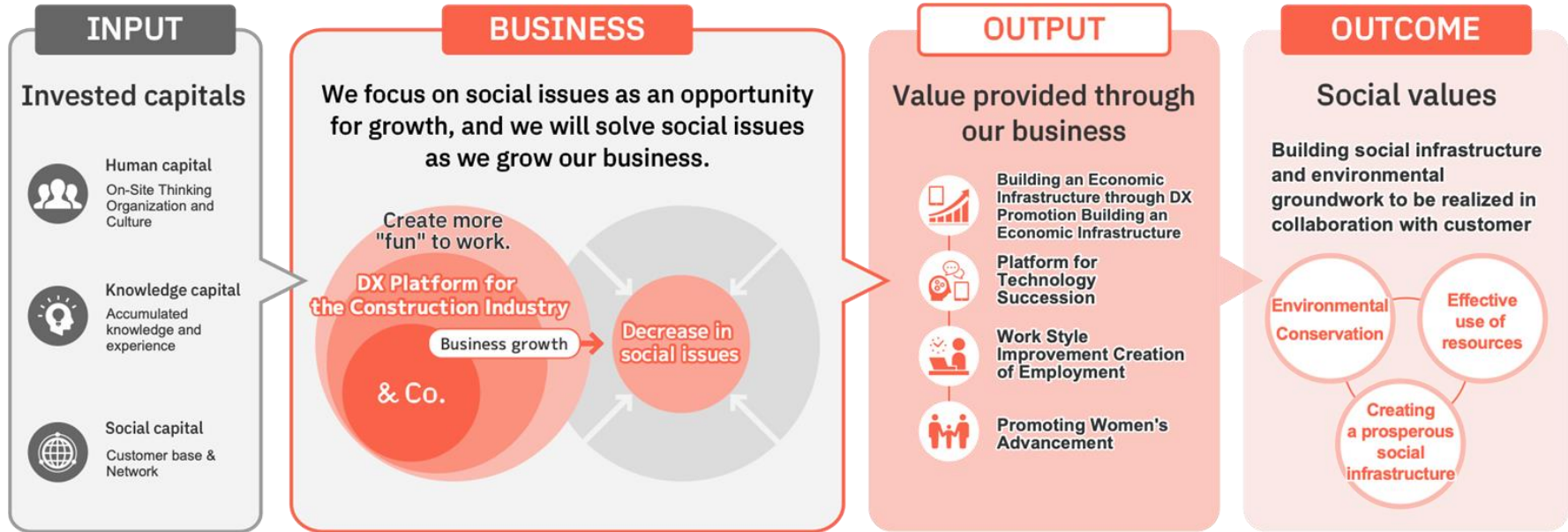
■ : As of June 30, 2023 ■ : As of December 31, 2023 Units: %



\*1 : Calculated without latent shares.

# SpiderPlus's Sustainability. \*1

View social challenges as growth opportunities and achieve sustainable value creation through business growth



## Risks due to main business

Description of risks.	possibility of occurrence	impact	対応策
Risk that a sudden and prolonged contractionary trend in the construction market may result in the emergence of customers whose business conditions may deteriorate and bankruptcy may occur, affecting our financial position and results of operations.	Small	Large	We shall ensure thorough credit management and strive to build a customer base that is not dependent on specific customers by expanding our market share.
Risk of influential competitors with financial and brand power making greater use of their resources than at present to market their services and products, resulting in more competition than the Company envisages and affecting the Company's financial position and operating results.	Medium	Large	We will strive to improve our competitiveness by developing and providing products and services that meet customer needs, increasing the number of companies and users of SPIDERPLUS through aggressive marketing activities and strengthening sales and marketing capabilities, and achieving high customer satisfaction through strengthening customer support and customer success systems.
Risk of a decline in the Company's technological capabilities and competitiveness due to delays in responding to technological innovations, or an increase in expenditure to respond to technological innovations, which may affect our financial position and results of operations.	Medium	Large	Recruit and train engineers and develop a creative working and development environment to acquire advanced technical know-how and incorporate it into our development processes and organisation.
Risks that may affect our financial position and results of operations, in the event that it is unable to secure and develop excellent human resources or that there is an outflow of human resources after recruitment.	Medium	Medium	Through measures such as active recruitment, the development of a personnel evaluation system and training, we strive to educate executives at the leadership level within the company, and to develop and retain new and mid-career employees.
Risk that the effects of prior investments may not be realised as expected, affecting the company's business and results of operations.	Medium	Large	We will continue to make strategic forward-looking investments with an emphasis on sales growth rates, while at the same time systematically pursuing cost control with a view to returning to profitability as soon as possible, thereby promoting business growth accompanied by profitability.

\*1: For other risk information, see "Annual Report [Business risks]".



## Reference: Human Capital Strategy

- 
- A person wearing a white lab coat is pointing at a tablet. The tablet screen displays a complex data dashboard with various charts, tables, and navigation elements. The dashboard includes a top navigation bar with a search icon and several menu items. The main content area is filled with data visualizations, including a large table with multiple columns and rows, and several smaller charts or graphs. The person's hand is visible, pointing at a specific data point on the screen. The background is a blurred office or laboratory setting with a window and some equipment.
1. Business Overview
  2. Market Environment
  3. Business Plans
  4. Growth Strategies
  5. Reference: Company & Business
  6. Reference: Human Capital Strategy

## Our Mission

# Creating “fun” to work, enthusiastic more.

### Vision 2030

Create with customers  
“Construction site of the future”

### Vision of the organisation

An "organisation for innovation"  
that creates the "future" together  
with its customers.

human capital strategy

#### Gathering companions

Attracts a diverse range of people  
with a passion for 'solving social  
problems'

#### Facing up to growth

Maximising potential by addressing  
the autonomous growth of  
individuals

#### Create an organisation

Linking individual challenge and  
growth to discontinuous  
organisational growth

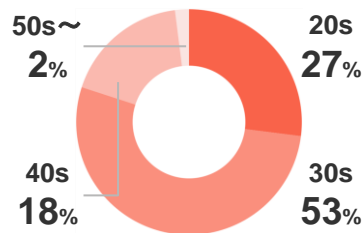
Attract a diverse range of people with a passion for solving social problems.

## Key initiatives

- Active dissemination of the mission, identity and Value Way internally and externally
- Integration of HR and branding departments.
- Active recruitment of personnel with different values and backgrounds
- Promotion of female officers
- Introduction of referral recruitment and alumni system
- Strengthening of on-boarding measures (e.g. training at induction, one-month and six-month interviews)

## Outcome index (End of December 2023)

### Distribution of age



### Engagement Scores\*1



### Percentage of female employees

**38%**

### Ratio of female managers

**19%**

### Gender pay gap (average annual income)

**1.725 million yen**

\* 1 : The information is taken from the engagement survey scores (results 15 Jan 2024) of Wevox, an organisational capability improvement platform provided by Atrac Inc. (same engagement scores from the next page onwards).

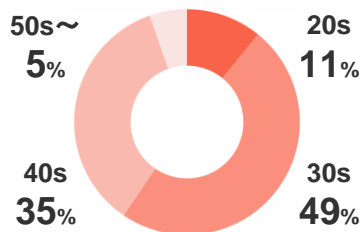
## Facing the autonomous growth of individuals and maximising their potential

## Status of efforts

- Establish grades and job descriptions for each department and position.
- Timely promotion in line with personal growth.
- Create career courses based on skills development and future growth.
- Career challenge system
- Introduce a 1-on-1 system and fostering a feedback culture.
- Conduct monthly engagement surveys (also used for regular team reflections)
- Established ways of working in line with life events and published guidebooks.

## Outcome index (End of December 2023)

## Age distribution of managers



## Engagement Scores



## Rate of pay raise \* 1

+5%

## Percentage of expert jobs

14%

## Percentage of men taking paternal leave \* 2

57%

\*1: Calculated using the January 2023 fixed salary (average) and January 2024 fixed salary (average) of permanent employees who have been with the company for at least one year as at end-December 2023.

\*2: Actual results for Jan-Dec 2023.

## Linking individual challenge and growth to discontinuous organisational growth

### Status of efforts

- Strategic reorganisation with a view to future business growth in a flexible manner
- Appropriate staffing and strategic personnel changes
- Personnel system with linkage between company and individual goals.
- 'Half-yearly MVP' to recognise peers and projects that have achieved results.
- Creating a culture of knowledge and experience circulation
- Recognition system for IP inventors.

### Outcome index (End of December 2023)

#### Percentage by job category \* 1



#### Engagement Scores



#### Span of control achievement rate \* 2

72%

#### ARR per capita

YoY : +18%

13.8 million yen

\*1: S&M...Abbreviation for Sales and Marketing, G&A...Abbreviation for General and Administrative.

\*2: Number of managers with five or fewer subordinates divided by the number of managers (including executive directors and delegated executive officers); the closer to 100%, the better, in our view. Calculated based on the management situation in January 2024.





## Reference Materials

### 1. IR site

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

### 2. Latest financial statements. (FY2023.Q4)

<https://contents.xj-storage.jp/xcontents/AS81382/332ce7a0/f779/429a/807b/4e6547c77db7/140120240214537364.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 : Sources of statistical data on theSPIDERPLUS's SOM.

- \* 1 : The IT budget for the construction industry is calculated by multiplying the amount of construction investment in our target areas, calculated according to the Ministry of Land, Infrastructure, Transport and Tourism's FY2020 Construction Investment Outlook and SPEEDA's Housing, Renovation and Repair Industry, by the IT investment ratio of the construction industry (source: Japan Information System Users Association, Corporate IT Trends Survey Report 2020).
- \* 2 : The number of eligible construction management engineer qualification holders among existing customers is estimated by us based on the 'Business Management Table'. The target unit price uses the ARPU (ID usage fee only) of customers who have installed more than 30 IDs of the plans offered as of the date of publication of this document.
- \* 3 : The number of businesses that have obtained a specific construction licence for "Construction" is the result of a search using the Ministry of Land, Infrastructure, Transport and Tourism's Construction Contractors, Building Contractors and Other Businesses Information Search System. The number of companies using construction management tools is calculated by multiplying the number of companies above by the percentage of companies using construction management tools in our independent survey 'Results of questionnaire survey on the status of DX promotion in the construction industry'. (See right for our survey report: <https://jobs.spiderplus.co.jp/spider-class/1587>)

### P34 : Sources of statistical data as stated in 'FY2024 Priority measures: increasing market share'.

- \* 1 : The number of businesses with a specific construction licence for 'Construction' is based on search results from the Ministry of Land, Infrastructure, Transport and Tourism's Construction and Building Contractors Business Information Search System.
- \* 2: The number of companies that have introduced construction management tools is calculated by multiplying the number of businesses in \*1 above, by the percentage that have introduced construction management tools in our independent survey "Results of a questionnaire survey on the status of DX promotion in the construction industry". (See our survey report at right: <https://jobs.spiderplus.co.jp/spider-class/1587>)

# Handling of this material



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.

This document has been prepared solely for the purpose of providing information. This material is not intended to solicit the sale or purchase of securities in Japan, the United States or other territories.

In the future, the 'Business Plan and Growth Potential Matters' will be disclosed by the end of March each year.