

# FY2024.Q2 Results briefing materials

August 14, 2024

SpiderPlus & Co.

Note : This document has been translated from the original Japanese version (August 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 : Click here for the original Japanese version. : <https://spiderplus.co.jp/ir/results/>

# DX in construction industry

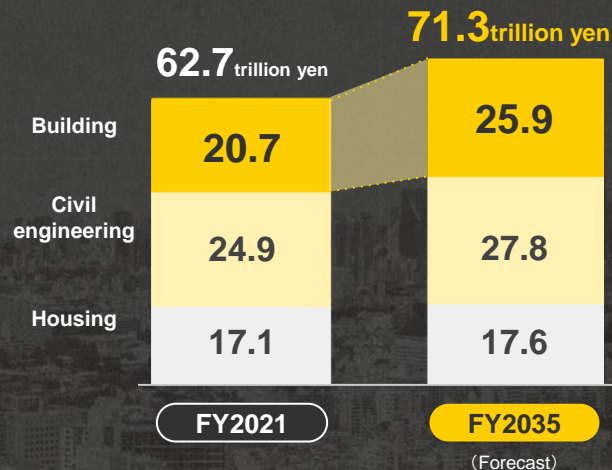
## Construction

## Technology

# Construction DX market opportunities we recognize

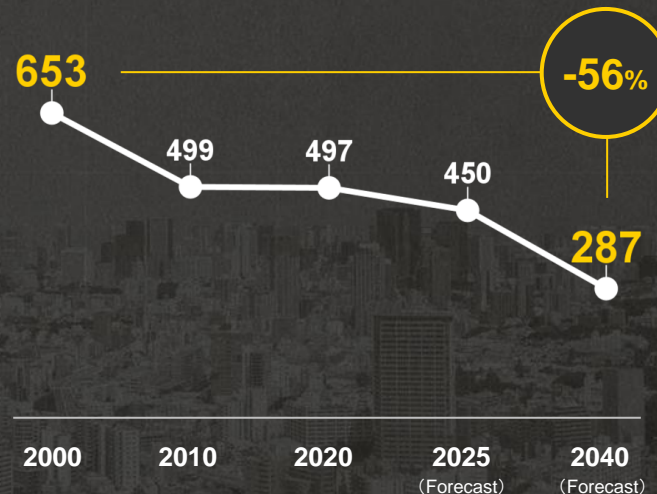
## Expanding demand\*1

### Outlook for Construction Investment



## Decreasing workforce\*2

### Outlook for Number of Construction industry workforce



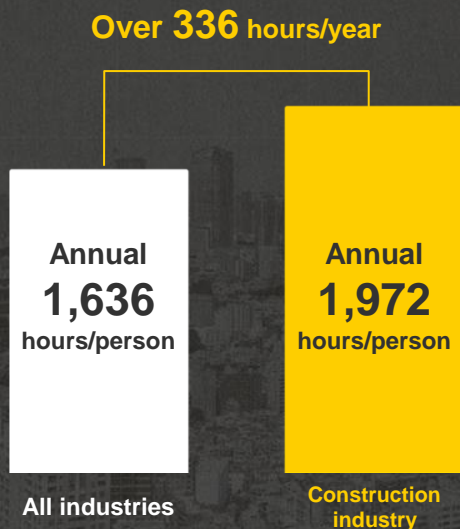
\*1 : Prepared by us from "Medium-to Long-Term Forecasts for Construction Investment (Forecast to FY2035)" by the Research Institute of Construction and Economy, Inc. (Announced on Mar. 26, 2021) and "Forecast for Construction Investment for FY2021" by the Ministry of Land, Infrastructure, Transport 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.



# 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.

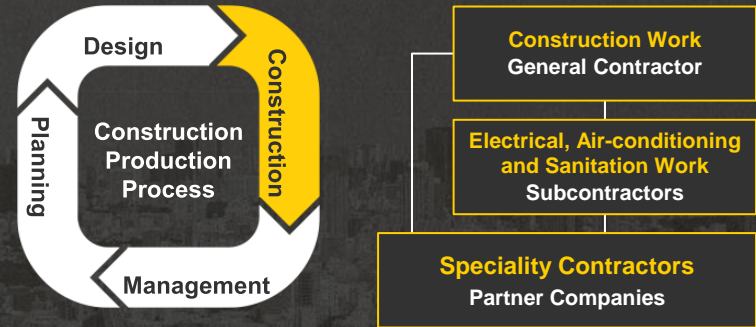
\*2 : Refers to the "Act on the Establishment of Relevant Laws to Promote Workplace Reform," which will become effective in April 2024.

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

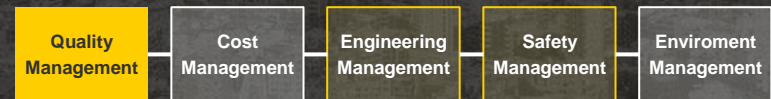


## Construction Management SaaS “SPIDERPLUS”

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



(5 Major tasks of site management) \*1

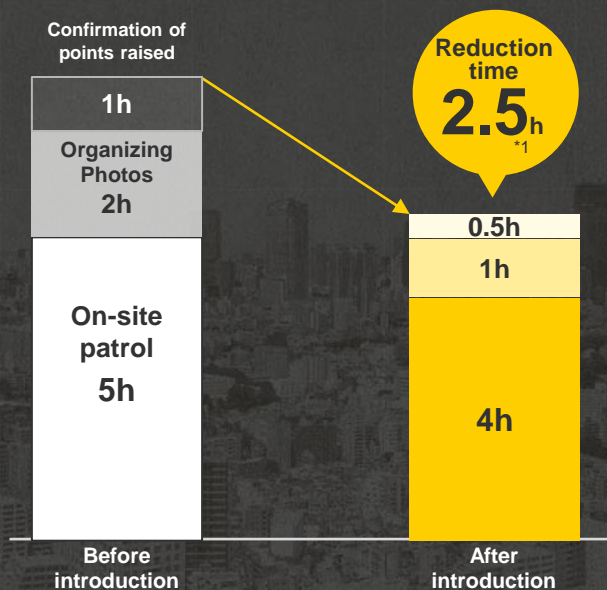


\*1 : Indicate the operations that SPIDERPLUS handles and their degree by coloring and shading  
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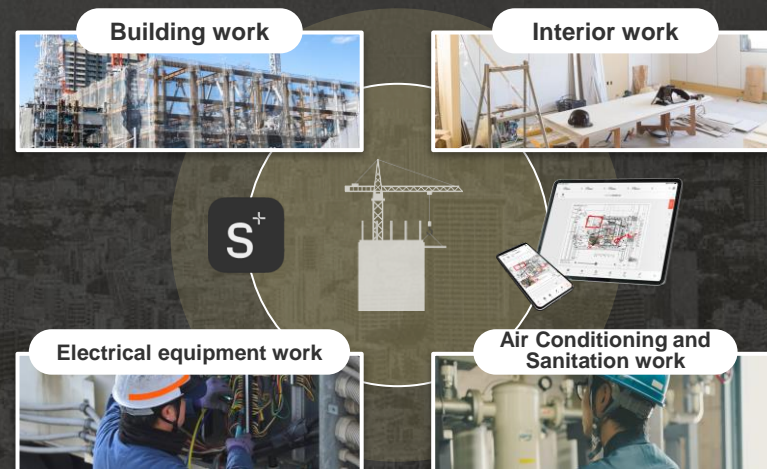
# Benefits of Introducing SPIDERPLUS

## Efficiency in daily operations\*1



## Efficiency across the whole site

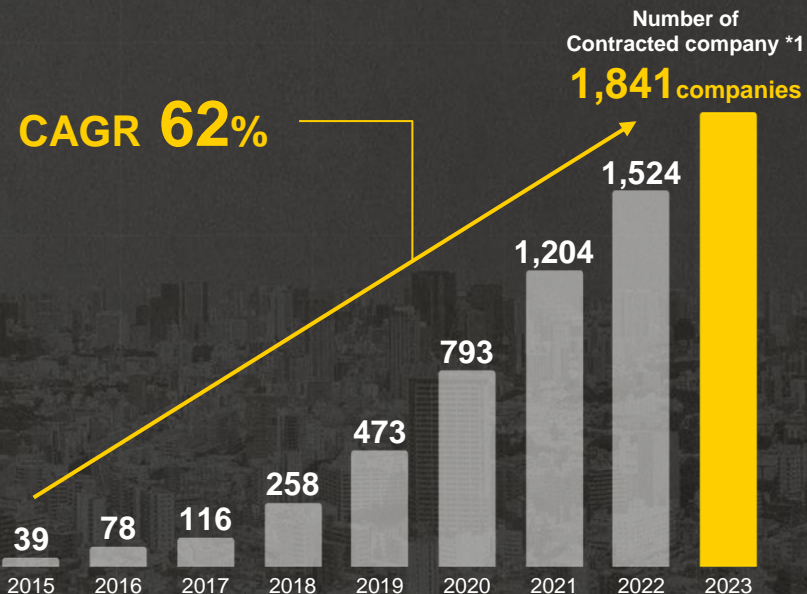
Improved operational efficiency through collaboration among businesses in the field  
The more users, the greater the convenience.



\*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: 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.

## FY2024.Q2 Performance Highlights

1. FY2024.Q2 Performance Highlights
2. FY2024.Q2 Financial Highlights
3. Business Topics
4. Reference Materials



# FY2024.Q2 Outline

## Business

Strengthen business foundation for the second half of 2024, when construction DX demand is expected to increase.

## KPI

ARR growth rate rises to YoY+30%

Progressing as planned toward achieving 5 billion yen ARR at the end of FY2024

## Performance

Priority given to expansion of scale in the first half as the final year of the advanced investment period

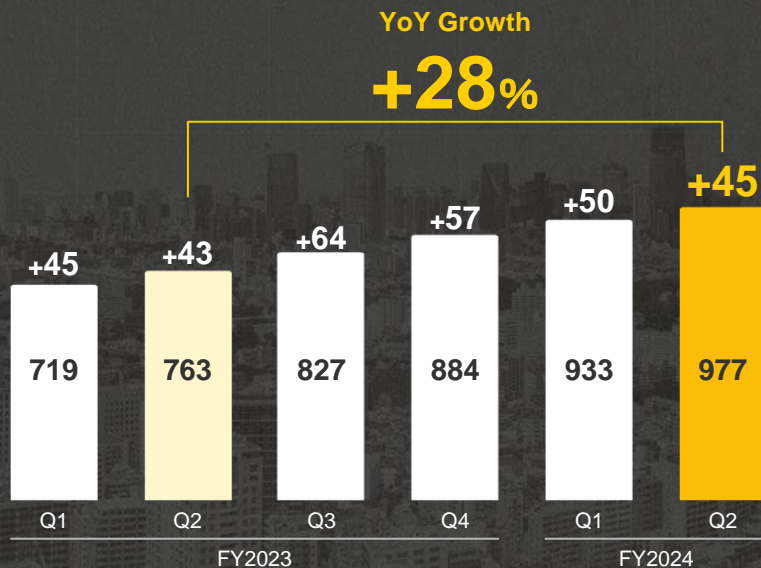
Outlook for deficit reduction from Q3 onward.

# Business Progress

FY2024 is the final year of advanced investment period, accelerating hiring. Investment in scaling up has run its course and from the second half of the year onwards, the phase of further increasing the ARR growth rate will begin.

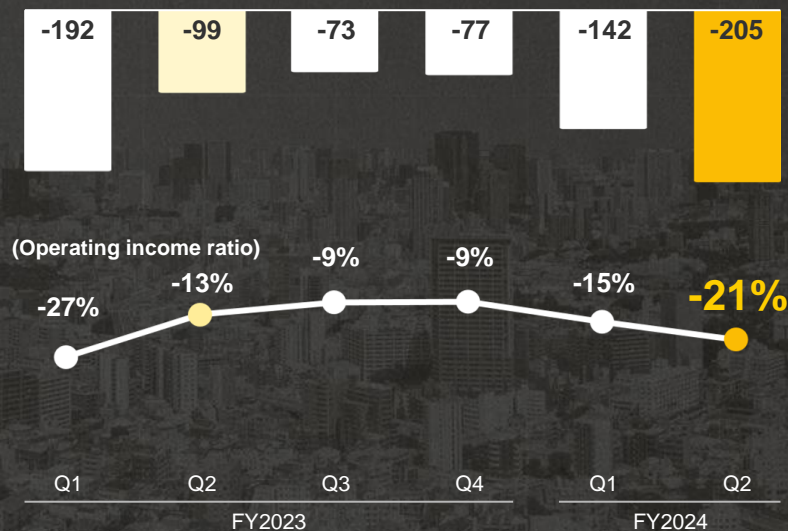
## Net sales (quarterly)

unit : Millions of yen



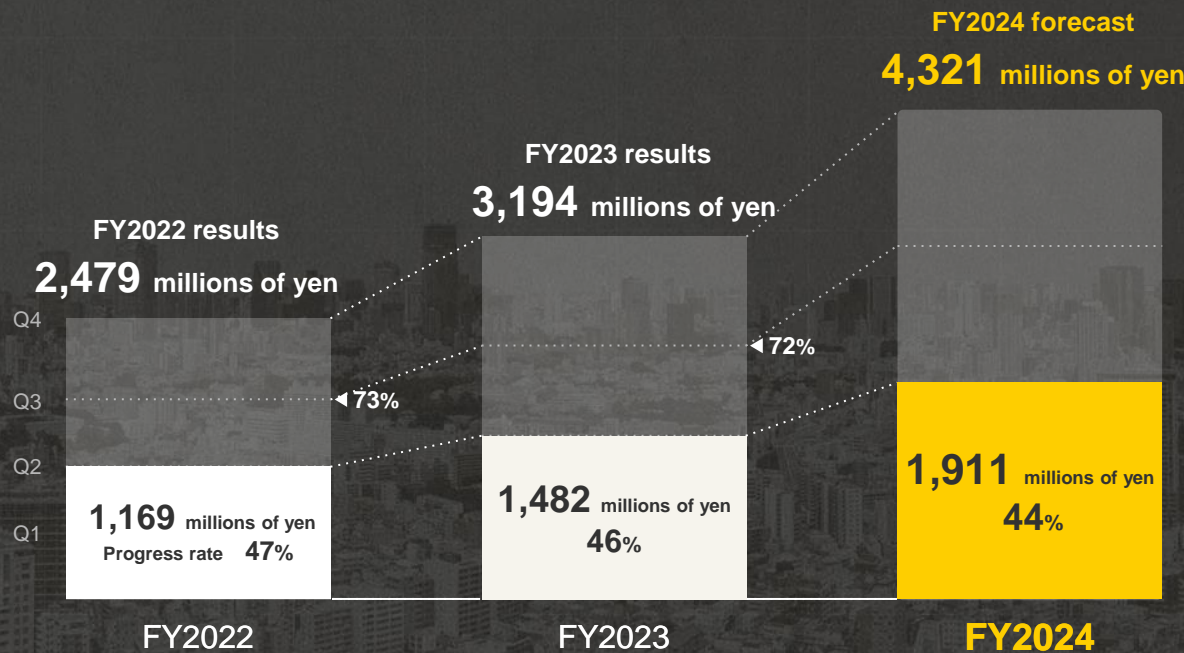
## Operating income (quarterly)

unit : Millions of yen



# Progress of sales forecast

FY2024 first half-year progressed in line with previous years and within forecast





## KPI\*1

## ARR

**3,963** millions of yen  
YoY Growth **+30%**

## ID

**71,809** ID  
YoY Growth **+14%**

## ARPU

**4,600** yen  
YoY Growth **+14%**

## Company

**1,985**  
YoY Growth **+19%**

## ARPA

**166** thousands of yen  
YoY Growth **+9%**

## Churn rate

**0.7%**

ARR	ID	ARPU	Company	ARPA	Churn rate
Good	Neutral	Very Good	Good	Good	Good

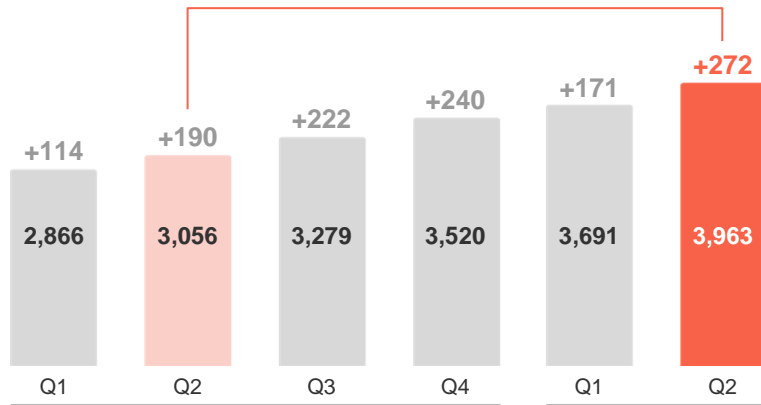
\*1: "Very Good", "Good" and "Neutral" represent our view of performance. Each words denotes the results compared to the forecast and the growth rate as follows. "Very Good":A word for representing greater-than-expected results. "Good":A word for an item that has been improved or not anticipated. "Neutral":A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

ARR expanded mainly due to optional function penetration measures to existing customers.

## ARR \*1

Unit : Millions of yen

YoY Growth  
**+30%**



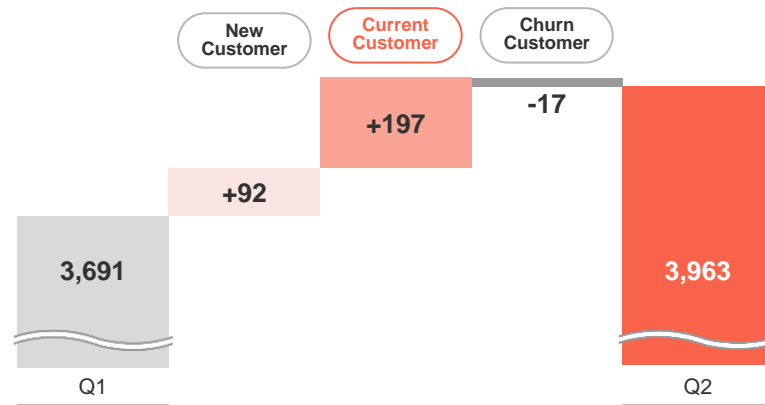
FY2023

FY2024

## Analysis of ARR changes \*2

Unit : Millions of yen

Consistently, SPIDERPLUS' growth driver is exploring existing customer



FY2024

FY2024

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

\*2: New customers refer to customers who newly introduced SPIDERPLUS during this disclosed quarter, existing customers refer to customers who continued from the end of the previous quarter to the end of this disclosed quarter, and cancelled customers refer to customers who made full churns during this disclosed quarter

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# DX Demand Trends

Increasing number of customers investing aggressively in DX as productivity improvements become a must

## Opportunity for DX demand growth "2024 problem"

Act on the Establishment of Relevant Laws to Promote Workplace Reform

### Set limits on working hours

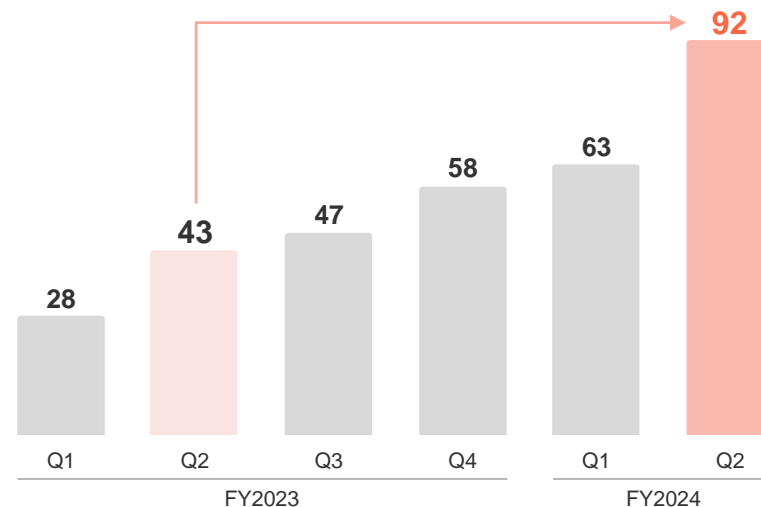
Overtime up to 45 hours per month (in principle)

### Violating businesses are subject to penalties

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

## ARR Trends for New Contractors\*1

Unit : Millions of yen



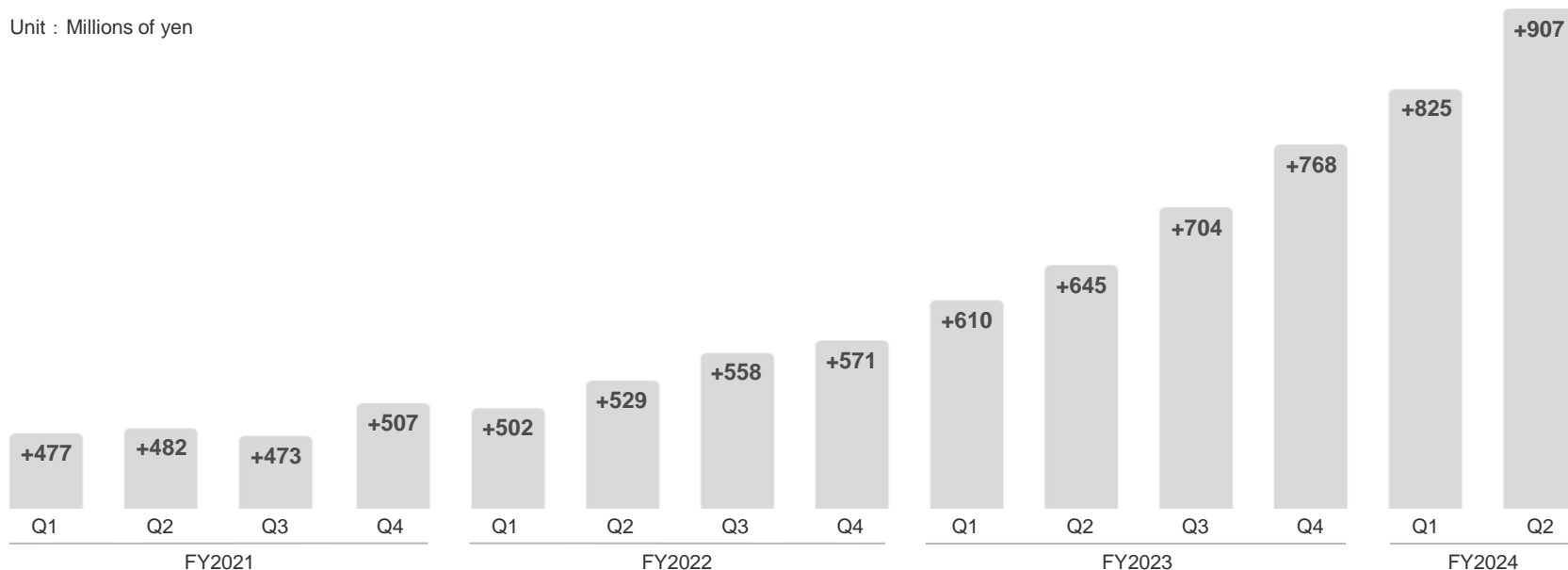
\*1 : ARR at contract for new customers signed in each quarter



# supp. Trend in annual net increase in ARR

Accelerated pace of net increase ARR\* growth while increasing productivity,  
Further acceleration expected in the future by capturing growing DX demand

Unit : Millions of yen



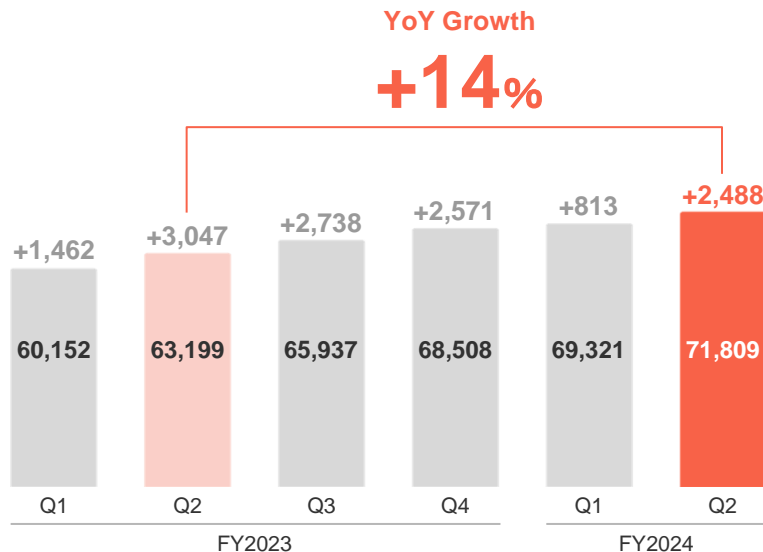
\* : Represents the net increase in ARR over one year, calculated as 'Annual net increase in ARR = ARR at the end of the quarter - ARR one year prior to the end of the relevant period' (e.g. Annual net increase in ARR in FY2024Q2 = ARR at the end of FY2024.Q2 - ARR at the end of FY2023.Q2).

# IDs · ARPU

Focus on penetration of Enterprise customers to achieve ARR of 5 billion yen by the end of FY2024.  
ARPU growth exceeds target due to cross-selling of optional functions and switching to new plans.

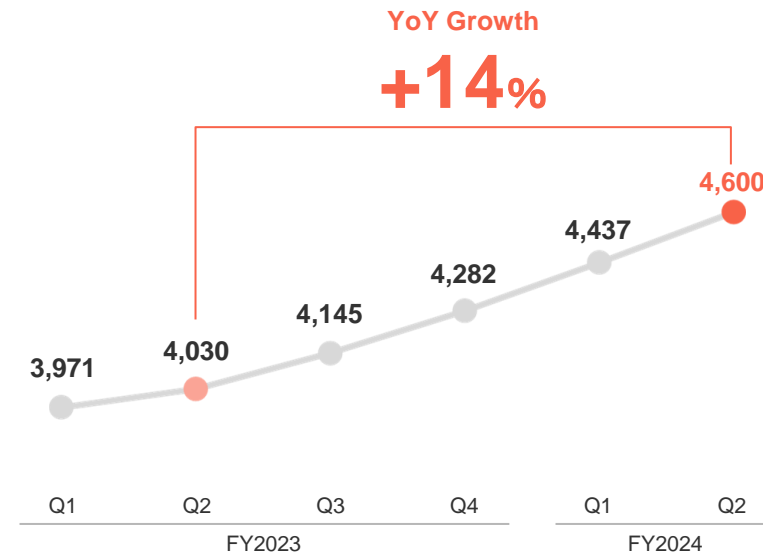
## IDs

Unit : ID



## ARPU \*1

Unit : yen



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

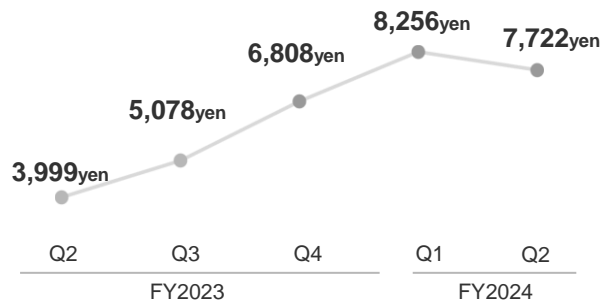
## Capture customer issues with optional functions and new plans

### New customers

Only new plans will be offered from FY2023.Q3  
(The unit price in FY2024 is expected to be around 8,000 yen, the same level as in Q1, and is expected to remain the same in Q2.)

#### Trends in ARPU at Contract for Newly Installed Customers\*2

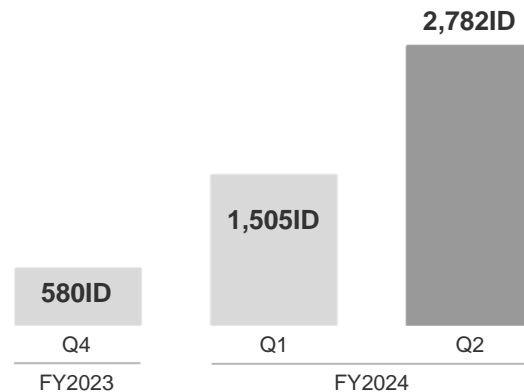
Medium-term target unit price  
10,000 yen



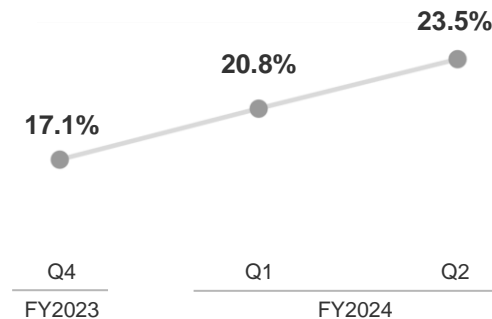
### Existing customers

Depending on customer usage, Promotion of switching to a new plan or introduction of additional Punch List management options.

#### Number of IDs installed in new plan



#### Adoption Rate of Punch List Management Functions\*1



\*1: The introduction rate of the pointing management function is calculated as "the number of IDs with the pointing management option introduced at the end of each quarter divided by the number of IDs at the end of the same quarter.

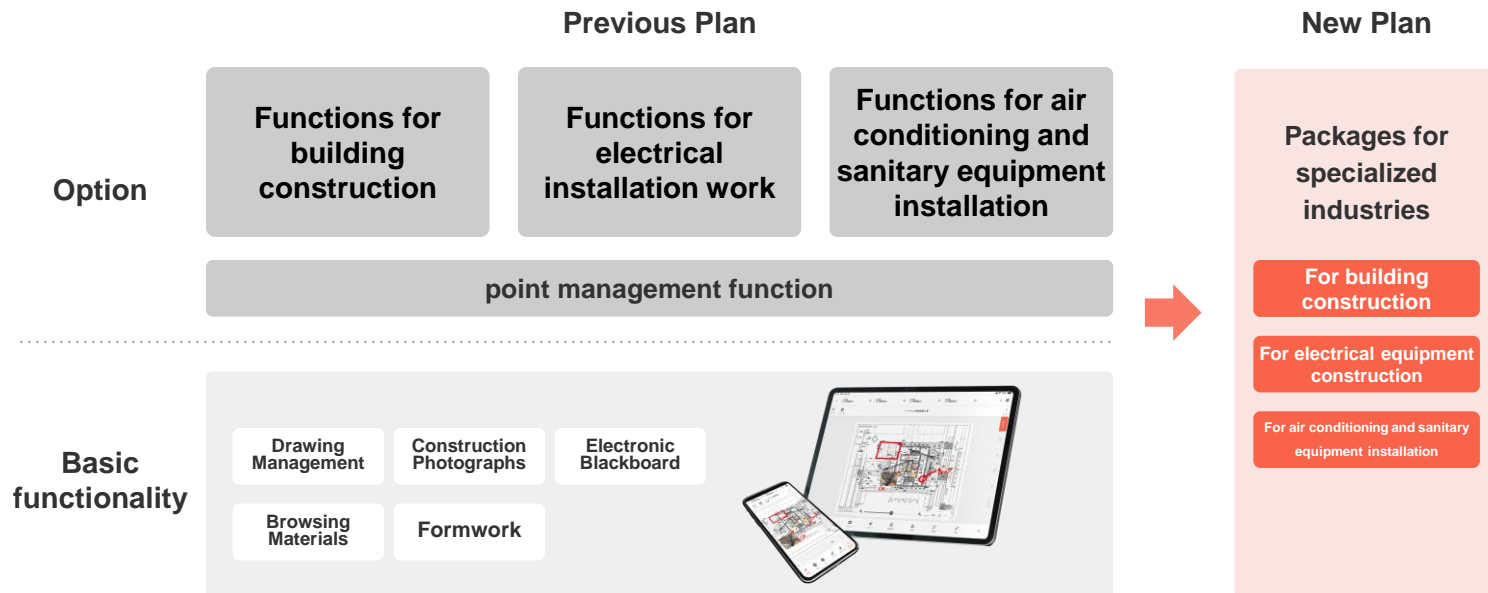
\*2: ARPU at the time of contract for newly subscribing customers is the average of the unit price per ID (excluding server usage fees) for new customers in each quarter. Calculated by "the monthly usage fee for new contracts (excluding server usage fees) ÷ the number of newly subscribed IDs.



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# About New Plan

Offer a new plan that combines the necessary functions for each type of business.  
(to be offered from FY2023.Q3)



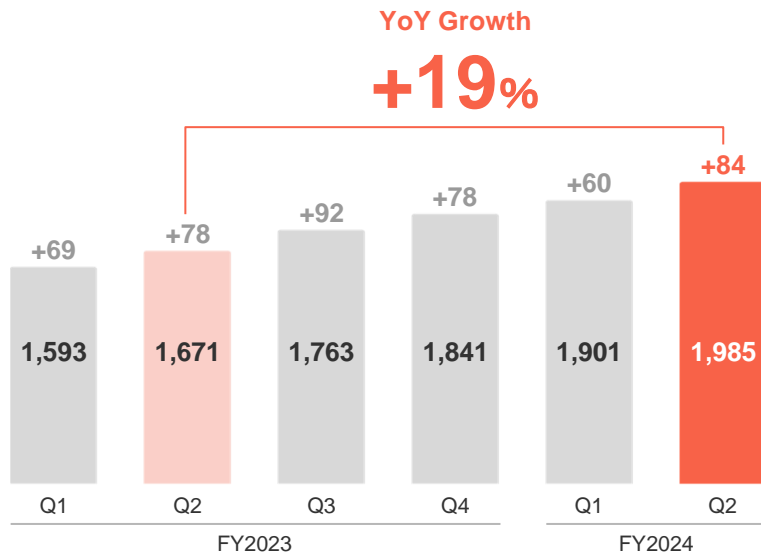
# Company - ARPA

SpiderPlus & Co.

Steady growth in contracted companies toward FY2024 year-end target  
ARPA growth mainly driven by higher contract unit prices for Enterprise.

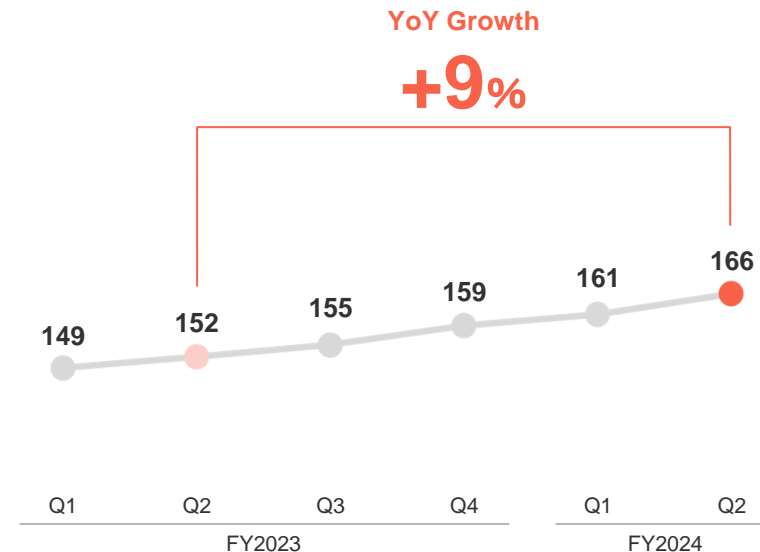
## Company

Unit : Company



## ARPA\*1

Unit : thousands of yen



\*1 : ARPA is calculated by divide the ARR at the end of each quarter by the number of contracted companies at the end of the same quarter.

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## ARR - ARPA

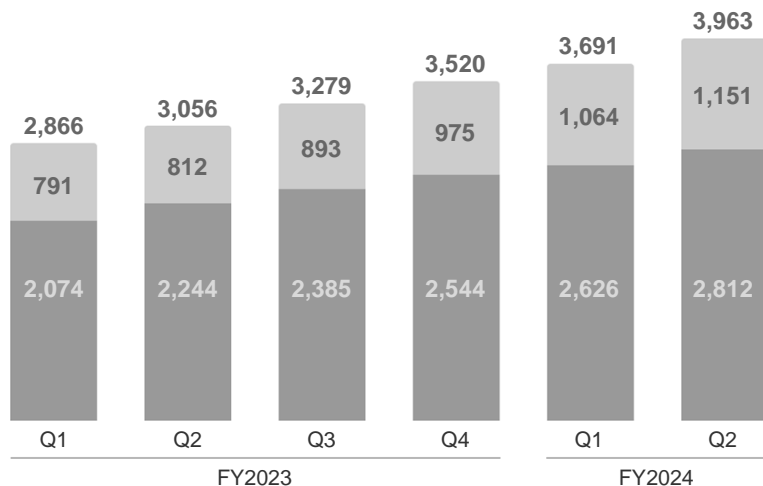
SpiderPlus &amp; Co.

Developing a focus on Enterprise customers, who account for the majority of ARR, and the development of SMB customers has also progressed steadily due to the expansion of the sales network.

## ARR by customer size\*1

Unit: thousand yen

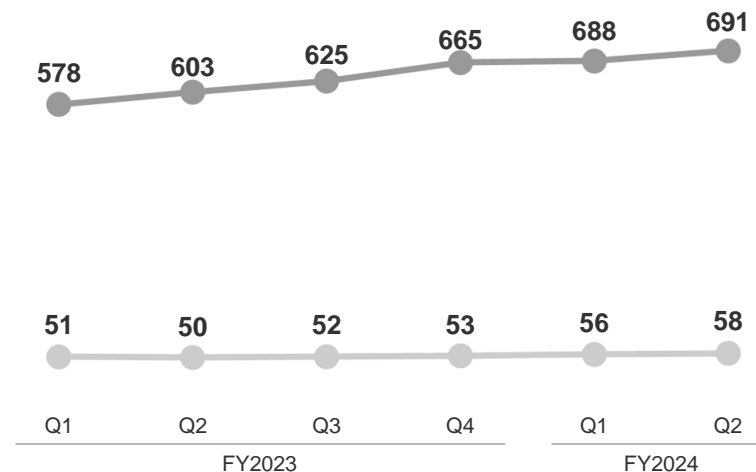
- : Large construction clients
- : Small and medium-sized construction and other clients



## ARPA by customer size

Unit: thousand yen

- : Large construction clients
- : Small and medium-sized construction and other clients



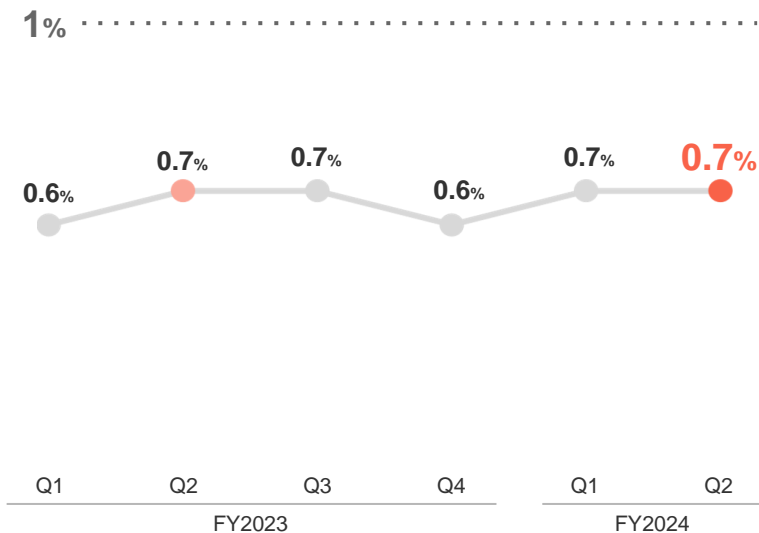
\*1 : Classification of large and small is based on the company's internal customer management criteria, which are mainly based on the number of employees (e.g. 300 employees)



# Churn rate

No change in the churn trend, and the churn rate is expected to remain low in the future.

## Churn Rate Trends by Company Unit\*1



## Efforts to maintain low churn rates

Study meeting

From how to use it  
to case studies of  
other companies



Support centre

Instant problem-  
solving



Portal site

Anytime, anywhere  
Can Find out how  
to use



\*1 : 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.

# FY2024.Q2 Financial Highlights

1. FY2024.Q2 Performance Highlights
2. FY2024.Q2 Financial Highlights
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# Financial Highlight

Continued advanced investment with a stable financial base  
No change in disclosed performance forecast

Unit : Millions of yen	FY2024.Q2 Consolidated accounting period	YoY	FY2024 Forecast *2
Net sales	1,911	+28.9%	4,321
Operating loss	-347	—	-429
Ordinary loss	-347	—	-446
Net loss	-353	—	-456
Cash balance	2,859	—	—
(Reference) Number of employees	315persons	+59persons *1	Approx. 300 persons

\*1 : The increase in the number of employees is the number of employees increased from 256 at the end of FY2023.

\*2 : We have established SpiderPlus Vietnam Co., Ltd. as a consolidated subsidiary in March 2024 and have transitioned to consolidated financial statements from FY 2024. Forecast of consolidated financial results includes the performance of this consolidated subsidiary. Furthermore, forecast of consolidated financial results for this period remains unchanged from the performance forecast disclosed on February 14, 2024, as it includes the figures from this consolidated subsidiary.

# Consolidated Statements of profit and loss\*1


 SpiderPlus & Co.

Unit : Millions of yen (rounding down to the nearest unit )	FY2024.Q1 Accounting period (consolidation)	FY2024.Q2 Accounting period (consolidation)	From the previous quarter	FY2023.Q2 Cumulative period (non- consolidated period)	FY2024.Q2 Cumulative period (consolidation)	Year on year
<b>Net sales</b>	<b>933</b>	<b>977</b>	<b>+4.8%</b>	<b>1,482</b>	<b>1,911</b>	<b>+28.9%</b>
<i>Of which, stock income</i>	<b>902</b>	<b>960</b>	<b>+6.4%</b>	<b>1,442</b>	<b>1,863</b>	<b>+29.1%</b>
<i>Stock income ratio</i>	96.9%	98.1%	+1.2pt	97.3%	97.5%	+0.2pt
<b>Gross profit</b>	<b>613</b>	<b>643</b>	<b>+4.9%</b>	<b>945</b>	<b>1,256</b>	<b>+32.9%</b>
<i>Gross profit margin</i>	65.7%	65.8%	+0.0pt	63.8%	65.7%	+1.9pt
<b>SGA cost</b>	<b>755</b>	<b>848</b>	<b>+12.3%</b>	<b>1,237</b>	<b>1,604</b>	<b>+29.6%</b>
<i>SGA cost ratio</i>	81.0%	86.7%	+5.8pt	83.4%	83.9%	+0.4pt
<b>Operating loss</b>	<b>-142</b>	<b>-205</b>	—	<b>-291</b>	<b>-347</b>	—
<i>Operating profit margin</i>	-15.3%	-20.9%	-5.7pt	-19.7%	-18.1%	+1.4pt
<b>Ordinary loss</b>	<b>-139</b>	<b>-207</b>	—	<b>-295</b>	<b>-347</b>	—
<b>Loss before income taxes</b>	<b>-139</b>	<b>-207</b>	—	<b>-295</b>	<b>-347</b>	—
<b>Net sales</b>	<b>-142</b>	<b>-210</b>	—	<b>-299</b>	<b>-353</b>	—

## Overview

- Net Sales and Gross Profit increased both YoY and in the immediately preceding quarter (Gross Profit : +32.9% YoY)
- SG&A expenses increased due to increased advanced investment in both the same period and the immediately preceding quarter.

## Net sales

- Steady growth in stock income (+29.1% YoY)
- Net Sales (Customized Development) were not recorded in the quarter, so the ratio of Net Sales to Stock Revenue increased YoY.

## Gross Profit Margin

- Gross profit margin has remained stable in the 65% range.

## SGA cost

- SG&A expenses increased from the previous quarter due to an increase in recruitment-related expenses resulting from accelerated personnel hiring.

\*1 : We have established SpiderPlus Vietnam Co., Ltd. as a consolidated subsidiary in March 2024 and have transitioned to consolidated financial statements from the fiscal year ending December 2024.

# Consolidated Balance Sheet \* 1


 SpiderPlus & Co.

Unit : Millions of yen (rounding down to the nearest unit)	FY2021 (non-consolidated period)	FY2022 (non-consolidated period)	FY2023 (non-consolidated period)	FY2024.Q2 (consolidation)
Cash and deposits	4,196	3,044	2,846	2,859
Other current assets	512	497	575	620
<b>Current assets</b>	<b>4,708</b>	<b>3,542</b>	<b>3,421</b>	<b>3,479</b>
Software	2	558	463	399
Software in progress	381	183	220	248
Other fixed assets	334	510	490	480
<b>Fixed assets</b>	<b>717</b>	<b>1,252</b>	<b>1,174</b>	<b>1,128</b>
<b>Total assets</b>	<b>5,426</b>	<b>4,794</b>	<b>4,596</b>	<b>4,608</b>
Borrowings	178	443	499	856
Other liabilities	626	666	711	693
<b>Total liabilities</b>	<b>804</b>	<b>1,109</b>	<b>1,211</b>	<b>1,549</b>
<b>Total net assets</b>	<b>4,622</b>	<b>3,684</b>	<b>3,385</b>	<b>3,058</b>
<i>Equity ratio</i>	<i>85.2%</i>	<i>76.8%</i>	<i>73.6%</i>	<i>66.3%</i>

## Overview

- The equity ratio has fallen to 66.3% as a result of borrowing to expand cash reserves, but the company continues to make forward investment based on a stable financial base.

## Cash and deposits

- Although operating cash flow was negative due to advanced investments, cash and deposits totaled 2,859 million yen as a result of debt financing.

## Software / Software in progress

- Investments mainly related to the renewal and development of SPIDERPLUS

## Debt

- 350 million borrowed in the quarter under review to expand cash reserves (repayment period: 4 years, fixed interest rate)
- 1,200 million yen in overdraft and other lines of credit available (as of August 2024)

\*1 : We have established SpiderPlus Vietnam Co., Ltd. as a consolidated subsidiary in March 2024 and have transitioned to consolidated financial statements from the fiscal year ending December 2024.



# Consolidated Statements of Cash Flows\*1

Unit : Millions of yen (rounding down to the nearest unit)	FY2021 (non- consolidated period)	FY2022 (non- consolidated period)	FY2023 (non- consolidated period)	FY2024.Q2 Cumulative period (consolidation)
Cash Flows from operating activities	-493	-1,000	-331	-322
Investment Cash Flow	-610	-508	-85	-45
<b>Free Cash Flow</b>	<b>-1,103</b>	<b>-1,509</b>	<b>-416</b>	<b>-368</b>
Financial Cash Flow	4,830	363	217	383
<b>Effect of exchange rate changes on cash and cash equivalents</b>	—	—	—	-1
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>3,726</b>	<b>-1,146</b>	<b>-198</b>	<b>+13</b>
Cash and cash equivalents at beginning of year	464	4,191	3,044	2,846
<b>Cash and cash equivalents at end of year</b>	<b>4,191</b>	<b>3,044</b>	<b>2,846</b>	<b>2,859</b>

## Overview

### Operating Cash Flow

- Decrease in cash due to operating loss from advanced investment

### Cash flows from investing activities

- Decrease in cash mainly due to the expansion of the Kansai office and software development subject to capitalization

### Cash flows from financing activities

- Increase due to borrowings and stock acquisition rights exercised

### Cash and cash equivalents at end of year

- Shown from the current period due to the establishment of a subsidiary in Vietnam.

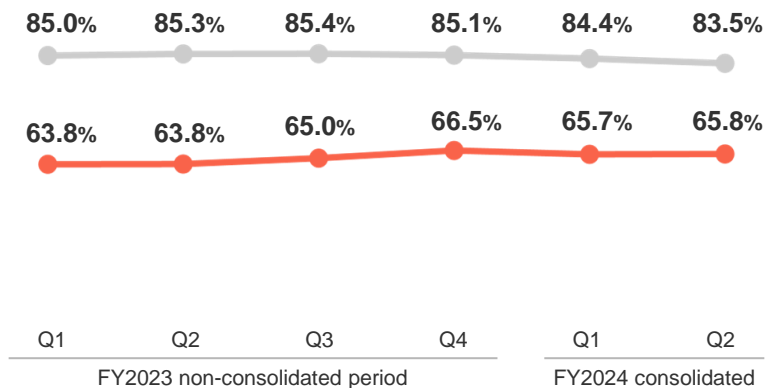
\*1 : SpiderPlus Vietnam Co., Ltd. was established as a consolidated subsidiary in March 2024, and the company's accounts will be consolidated from the fiscal year ending December 31, 2024.

# Cost of Sales

Gross profit margin is stable at 65% level.  
FY2024 is expected to remain at the same level.

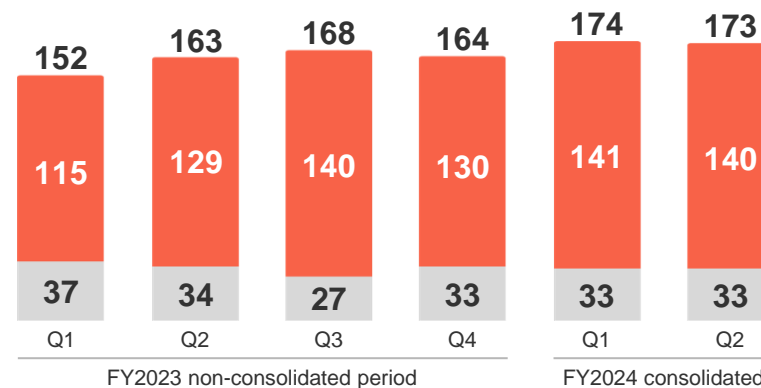
## Marginal profit ratio\*1 and Gross profit margin

● : 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.

# SG&A expenses

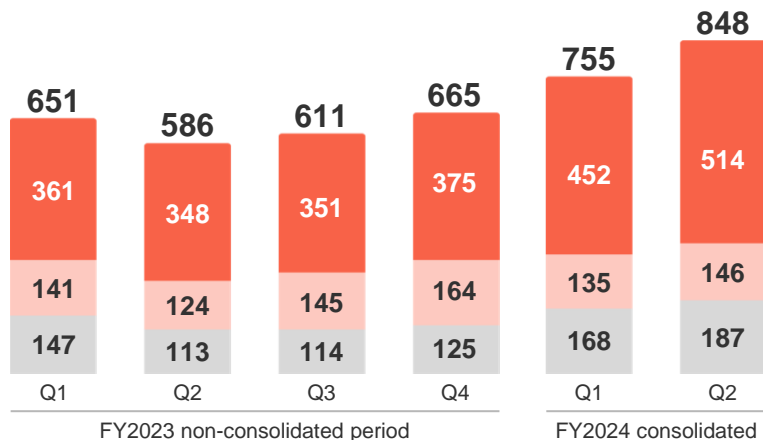
SG&A expenses increased mainly due to strengthened hiring in sales and marketing divisions

No change in the policy of investing an average of 800 million yen per quarter in the second half of the fiscal year

## SG&A Expenses \* 1,2

■ : S&M ■ : R&D ■ : G&A

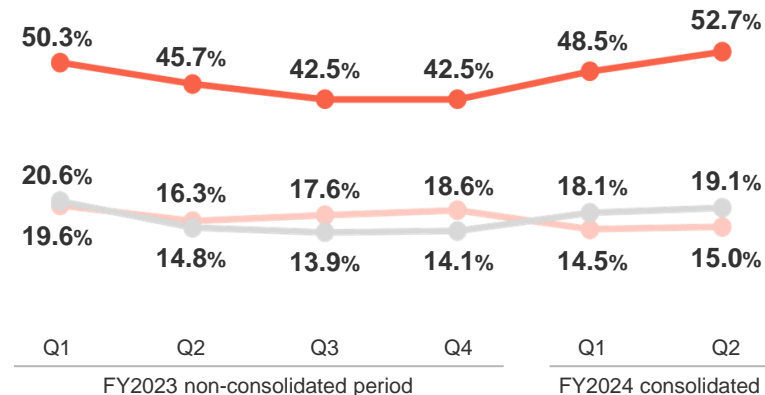
Unit : Millions of yen



## 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.

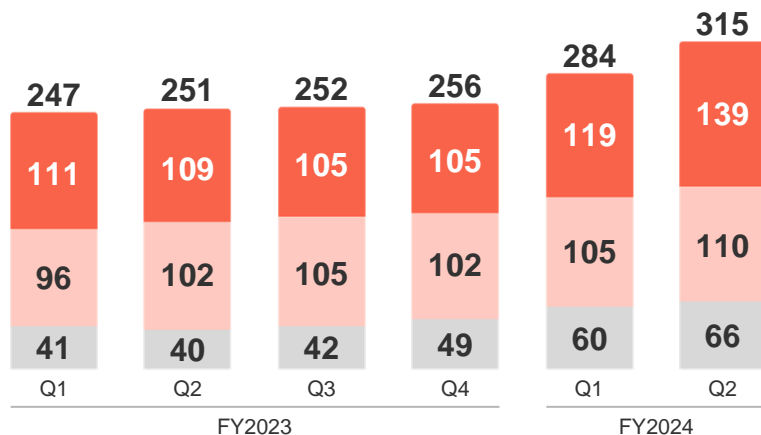
# Status of upfront investment (human capital)

Strengthening mainly in the hiring of departments that have contact with customers (S&M)

Since FY2024 is weighted toward hiring in the first half of the year, a temporary drop in productivity was expected

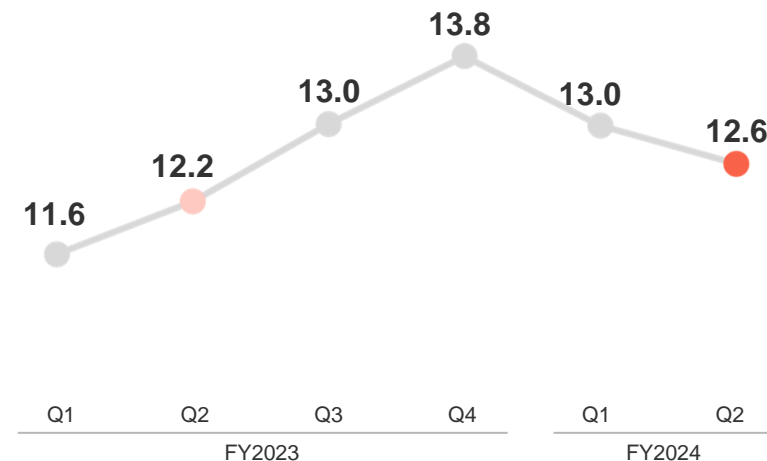
## Number of Employees

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



## ARR per employee

Unit : Millions of yen

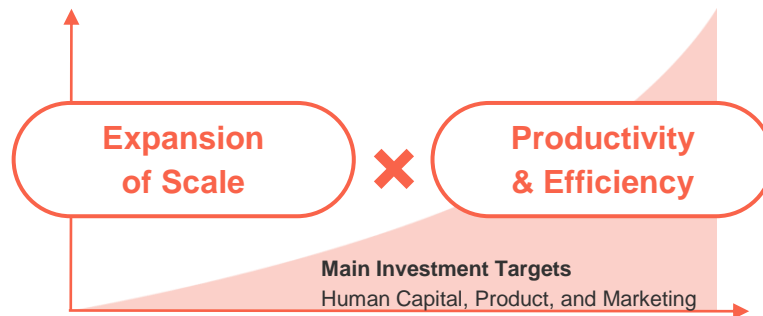


\*1 : Includes employees on maternity leave and other leaves of absence and executives.Count middle office division as G&A from FY2024.Q1

supp.

# The concept of advanced 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

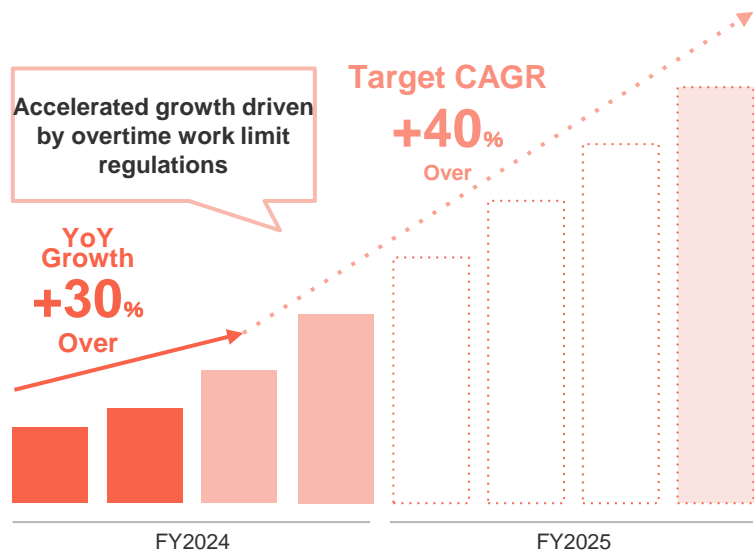


productivity



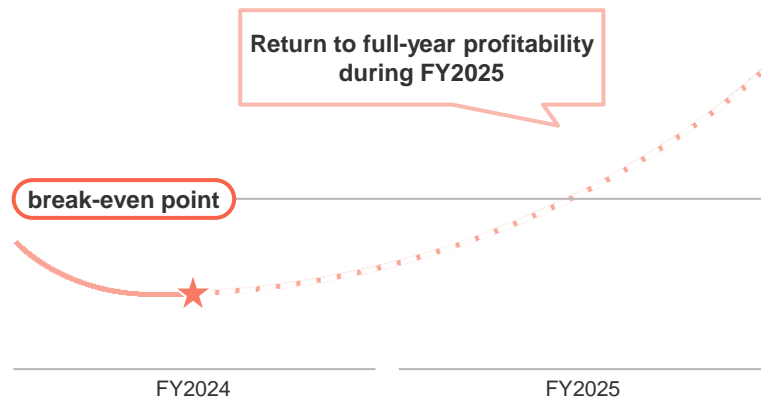
Demand increase due to the "overtime cap" is expected in the second half of 2024  
Gradual improvement in profitability toward full-year profitability in FY2025

## ARR Progress Outlook



## Operating Income/Loss Progress Forecast

This fiscal year is the final year of the advanced investment.  
Profitability is expected to improve with sales growth from  
FY2024.Q3 onward.



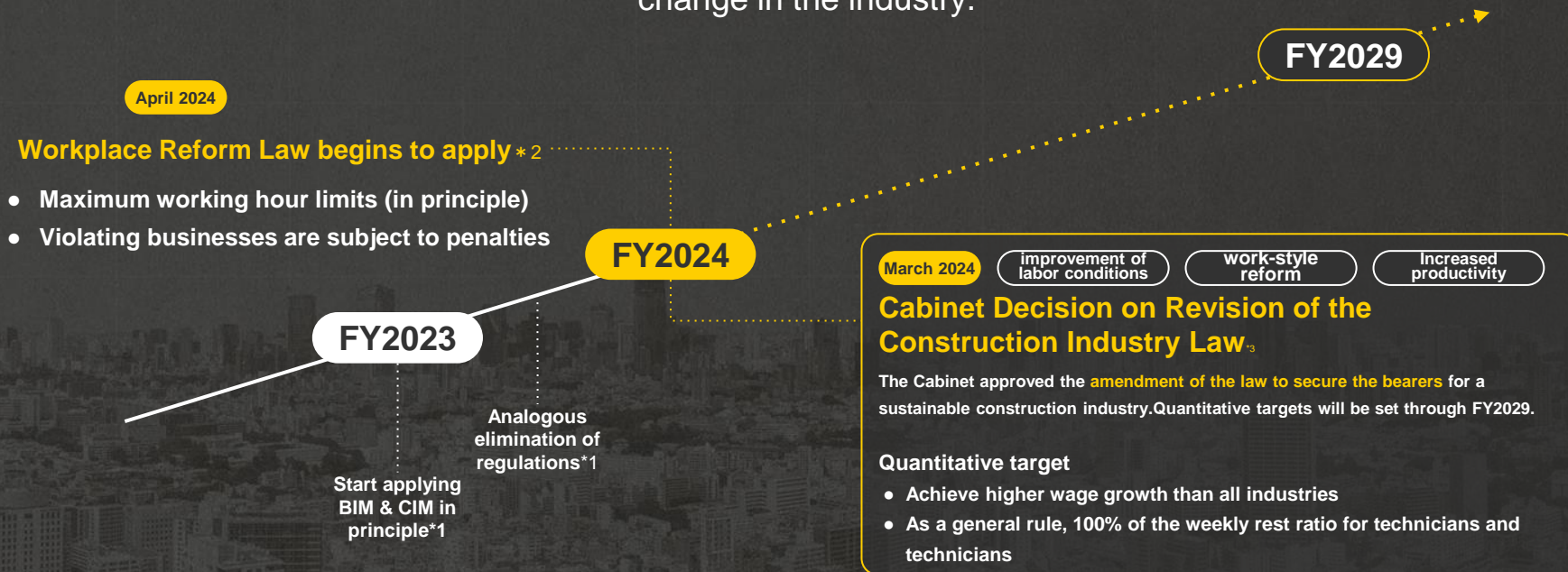
\*1 : The above chart is prepared for the purpose of explaining the Company's approach to profit and investment, and does not disclose the Company's forecast of sales and profit after FY2024.Q1.

# Business Topics

1. FY2024.Q2 Performance Highlights
2. FY2024.Q2 Financial Highlights
3. Business Topics
4. Reference Materials

# 【Market Environment】 Point in the Construction Industry

In addition to the overtime cap, other laws continue to be applied and enforced that will drive change in the industry.



\*1 : Ministry of Land, Infrastructure, Transport and Tourism "How to proceed toward the application of BIM/CIM principles in FY2023" and Digital Agency "Progress and acceleration of efforts for the comprehensive review of regulations in light of the Digital Principles".

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

\*3 : March 8, 2024, Ministry of Land, Infrastructure, Transport and Tourism announcement from the Cabinet decision on a draft law to partially revise the Construction Industry Law and the Law Concerning the Promotion of Proper Tendering and Contracting for Public Works - Rules for contract transactions to secure the bearers of the construction industry. [https://www.mlit.go.jp/report/press/tochi\\_fudousan\\_kensetsugyo13\\_hh\\_000001\\_00221.html](https://www.mlit.go.jp/report/press/tochi_fudousan_kensetsugyo13_hh_000001_00221.html)

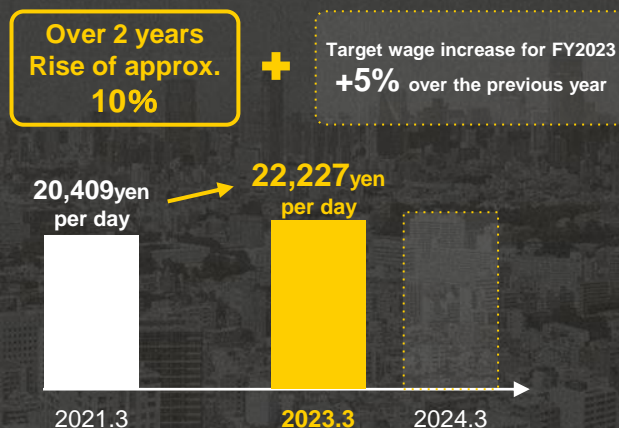


# 【Market Environment】 Need to increase productivity

Rising construction costs are squeezing profitability in the construction industry

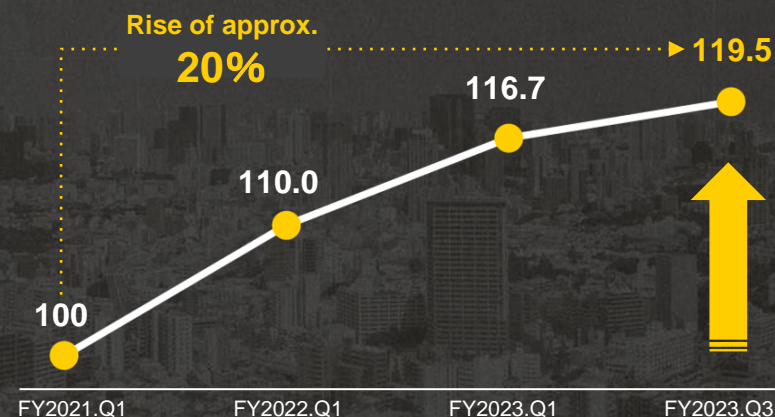
## Rise in labor costs\*1

Labor Cost Trends at Construction Sites



## Soaring prices of materials\*2

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).2The FY2023 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.

# 【FY2024.Q2】 Business Topics

## Business in General

Reinforcing the business foundation through advanced investment to quickly increase market share in the DX market of the construction industry, which is huge and undergoing a change period

## New Feature Release

Started selling key functions that will drive growth in FY2024 and after

## Alliances

Collaboration with major local companies, which is important for overseas expansion, ahead of schedule



# Strengthen business assets

Strengthening the business foundation to drive the construction DX market during a change period/going through a change. Both increased productivity and expansion of scale.

## The Power to "Deliver" Construction



- Net increase in ARR per sales person **increased 1.2x YoY**\*1
- Expand adoption in preparation for period of increased demand and strengthen ties with sales partners
- Large-scale business negotiations, such as company-wide bulk introductions and new sales plans, have progressed as a result of penetration among priority customers.

## Ability to "solve" customer issues

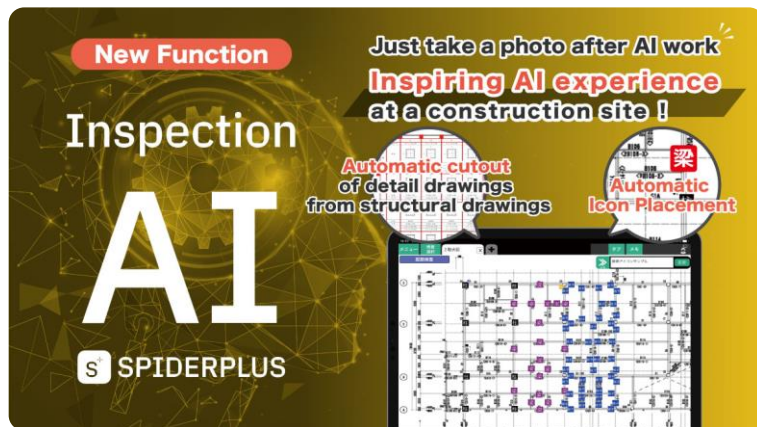


- Accelerate reforms toward a development organization that can meet the growing DX needs of customers
- Increasing needs for individual development projects, such as linking customers' core systems with data stored in SPIDERPLUS
- New patents to enhance competitiveness also acquired

\*1 : Calculated by dividing the net increase in ARR at the end of FY2024.Q2 and FY2023.Q2 by the number of S&M headcount at the end of the previous quarter, respectively.

# Released Reinforcement AI Function

Launched sales of AI functions to "automate" and "reduce manpower" in inspection operations  
Accelerate the expansion of general contractors' market share with unique patent-enhanced functions



**AI automates 80% of the advance preparation for reinforcement inspection**  
**User only needs to confirm and complete pre-inspection work**

## Expected Effects

New function that meet customer needs

ARPU improvement for existing customers

Expand introduction of new customers

- Promoted standardization of SPIDERPLUS's "reinforcement inspection" optional function incorporating AI functions as a standard accessory.
- Expansion to approx. 20,000\*1 general contractors nationwide, both large and small
- SPIDERPLUS' unique added value is enhanced through the use of patented technology

\*1 : The number of licensed construction companies is based on the search results of the Ministry of Land, Infrastructure, Transport and Tourism's Corporate Information Search System for Construction Companies, Building Contractors, etc. (see our own survey on the right: 95). (For our own survey, see right: <https://jobs.spiderplus.co.jp/spider-class/1587>)

# Important Collaboration in overseas expansion

Collaboration with a major Vietnamese facility construction company as an important step to quickly gain market share in Vietnam

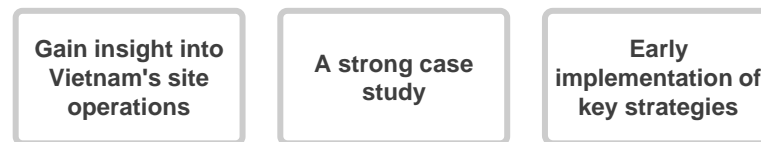


## About SIGMA ENGINEERING JSC

- A leading company in the country's construction industry, selected as one of the "Top 5 Facility Construction Companies in Vietnam" for seven consecutive years\*1
- Since its establishment in 2005, the company has participated in many important projects in Vietnam's development, including commercial facilities, large-scale plants, and airports.

\*1: Vietnam Report JSC Presentation

## Key Points of Collaboration



## Overseas Expansion Roadmap



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

Maximizing the potential and productivity of construction site workers through technology



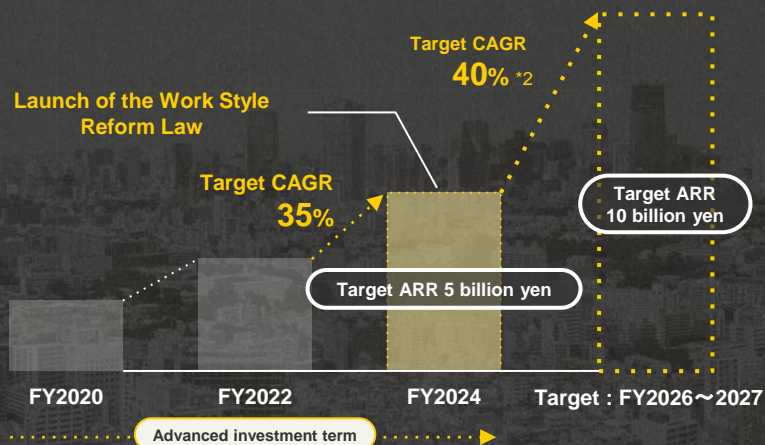
\*1 : The ARR 5 billion yen and ARR 10 billion yen are forecasts and are not guarantees of future results or performance. These forward-looking statements involve known and unknown risks and uncertainties that could cause actual results and outcomes to differ materially from those projected.



# 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”

# Reference Materials

1. FY2024.Q2 Performance Highlights
2. FY2024.Q2 Financial Highlights
3. Business Topics
4. Reference Materials

# SPIDERPLUS's Business Models



SpiderPlus & Co.

## 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 Construction 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+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



# SPIDERPLUS solves problems related to site management

SpiderPlus & Co.

## Drawing

Construction was based on old drawings.



## Photo

Forgetting where the picture was taken.



## Inspection

Lots of manpower needed during inspections.



## Corrective instructions

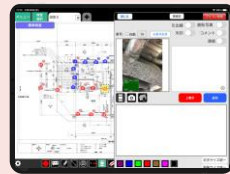
Time-consuming to produce corrective instructions for each contractor.



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 Introduction Results

SPIDERPLUS is category leaders in construction DX market.

Customer base mainly with major companies in the industry

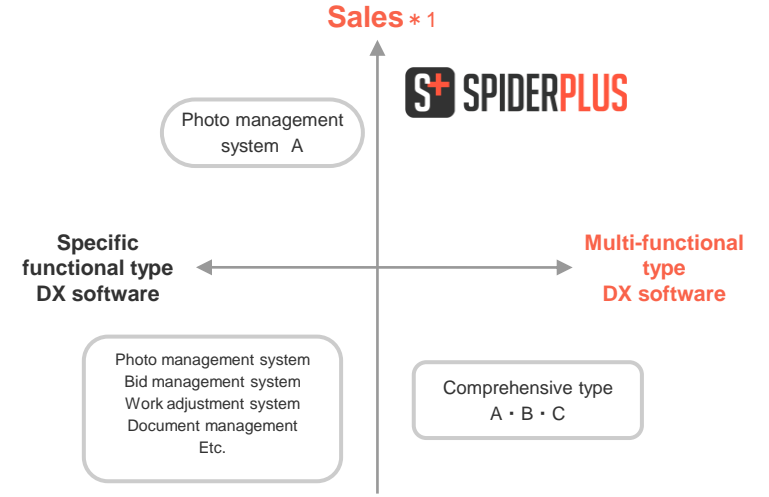
### General contractor ・ Developer



### 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.

# SPIDERPLUS solves problems related to site management



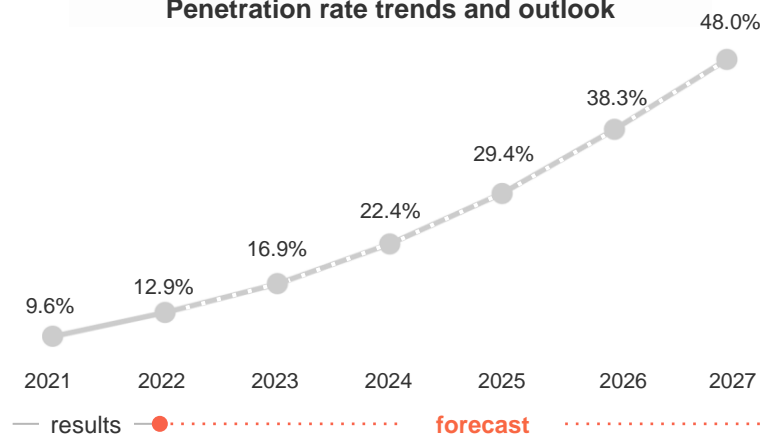
SpiderPlus & Co.

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

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

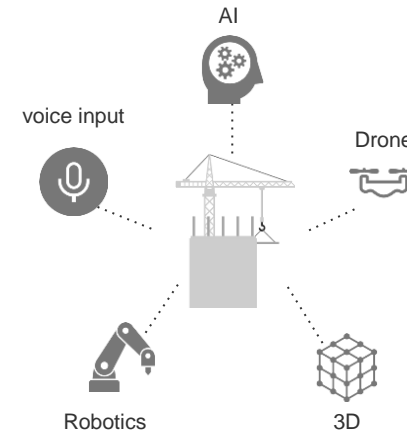
Construction management cloud services are expected to spread rapidly in the future.

Penetration rate trends and outlook



## DX needs will develop highly & diversely

Not only in site 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'.



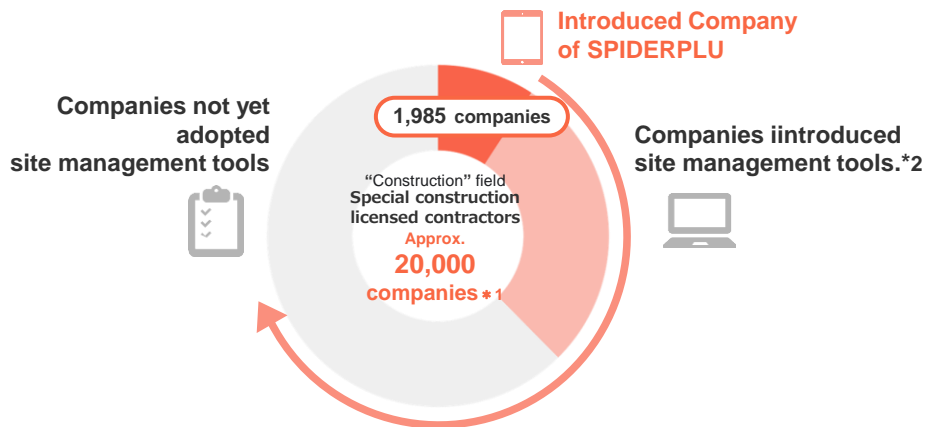
# Growth strategies\_\_Share expansion

## 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



\*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.

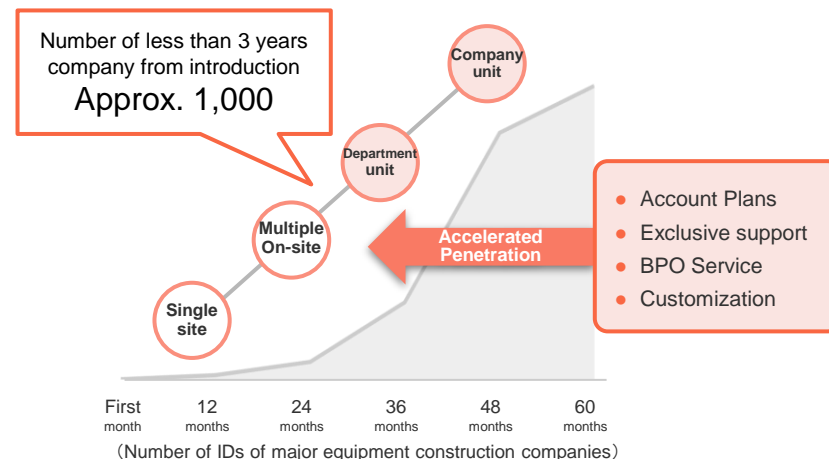
\*2 : The number of companies that have adopted construction management tools is calculated by multiplying the number of companies in \*1 above by the percentage of companies that have adopted construction management tools in our original survey "Results of Questionnaire Survey on DX Promotion Status in the Construction Industry". (See right for our survey report. : <https://jobs.spiderplus.co.jp/spider-class/1587>)

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### 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

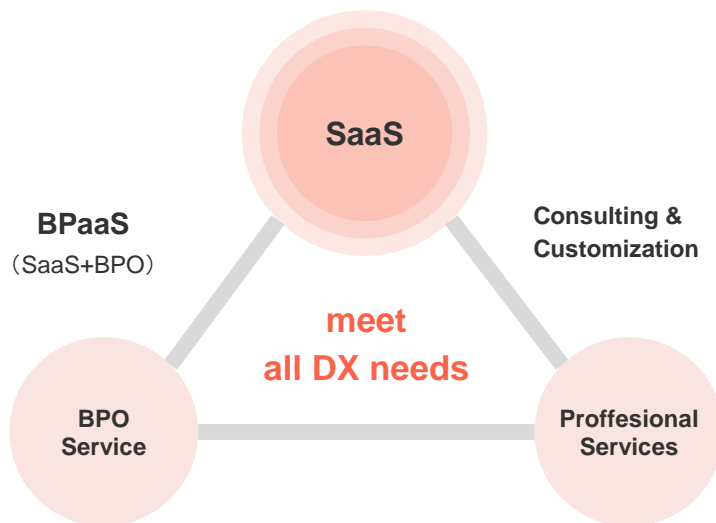


# Growth strategies\_\_Expanding the value

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

#### SBIM

BIMViewer / Sharing of information

#### SPartner

On-site information sharing with subcontractors

# Growth strategies\_\_Expansion of developed markets

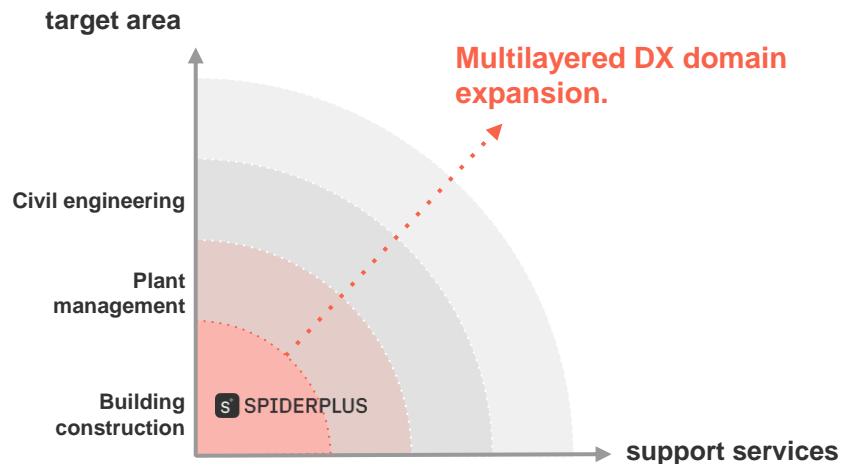


New expansion into the plant market from FY2023.

A sales subsidiary is 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
India	UAE



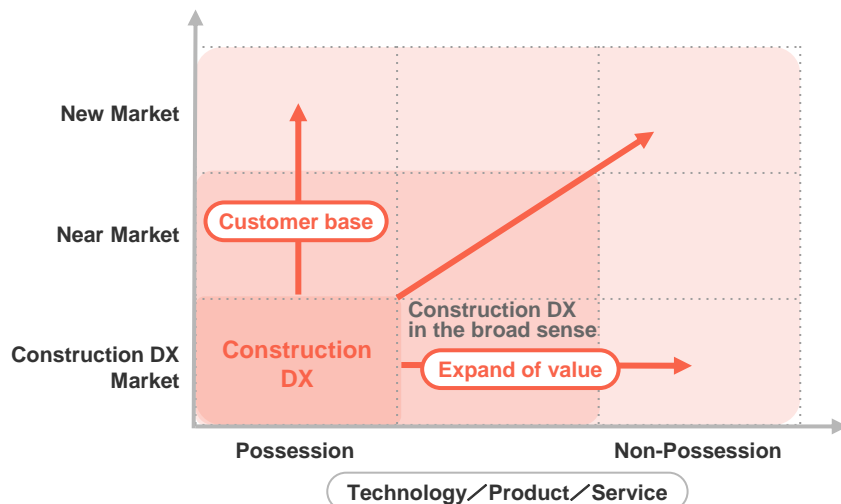
# Growth strategies\_\_Expansion of developed markets



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.



Construction management SaaS x Contract development

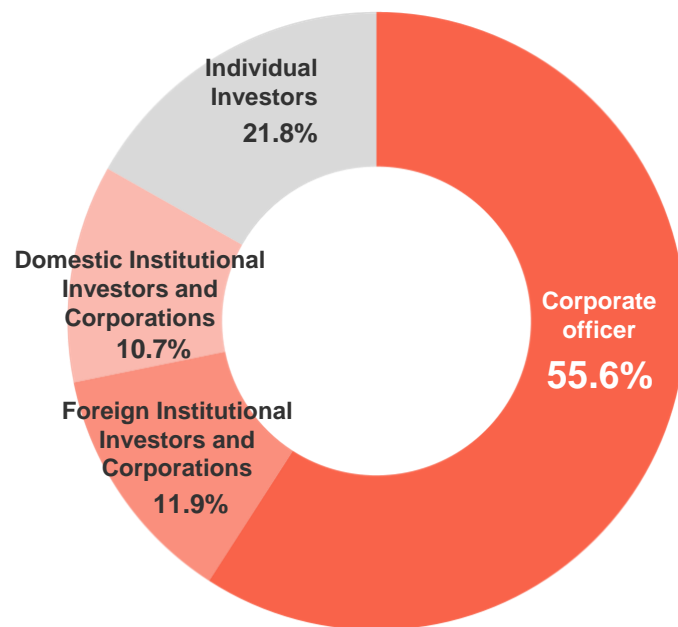


Strengthen localized development and expand sales in Vietnam



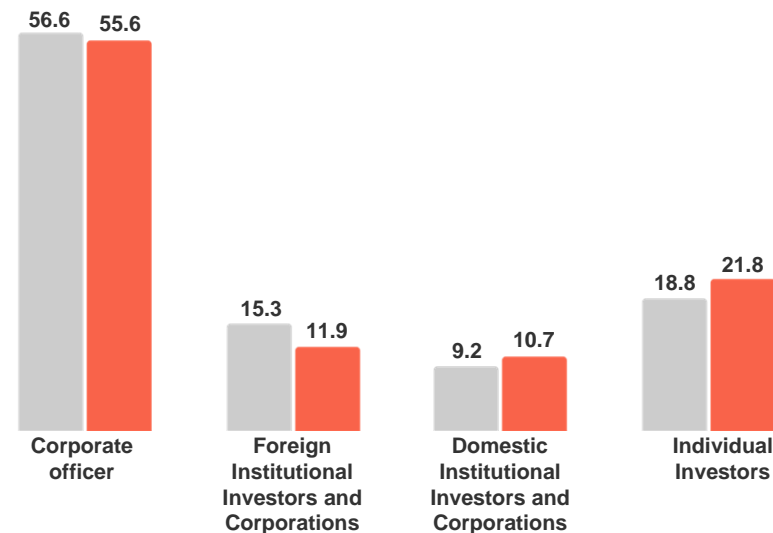
# Shareholder Composition

## Shareholders (as of June 30, 2024) \*1



## Change in shareholder composition \*1

■ : As of December 31, 2023 ■ : As of June 30, 2024 Units: %



\*1 : Calculated without latent shares.

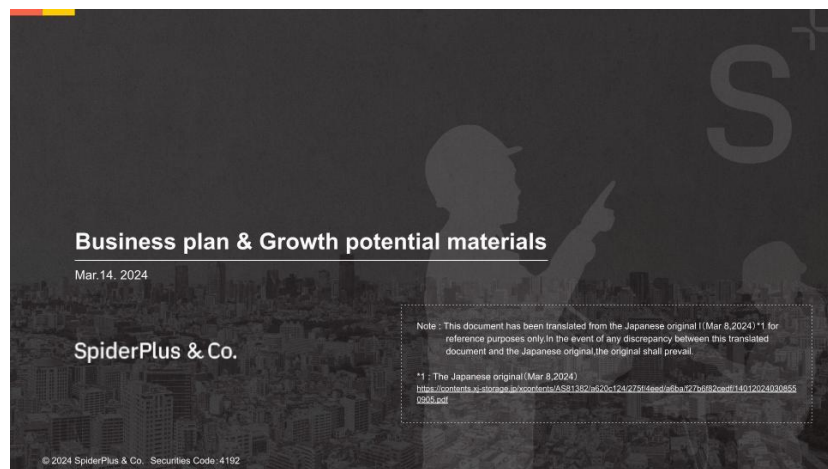


# Other reference materials

For a detailed explanation of Business Overview and growth strategy, please see below

## About Business, Market environment & Growth strategies

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



1. Business Overview . . . . . P8
2. Market Environment . . . . . P18
3. Business Topics . . . . . P24
4. Growth Strategies . . . . . P31
5. Company & Business . . . . . P40
6. Human Capital Strategy . . . . . P50



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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.

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