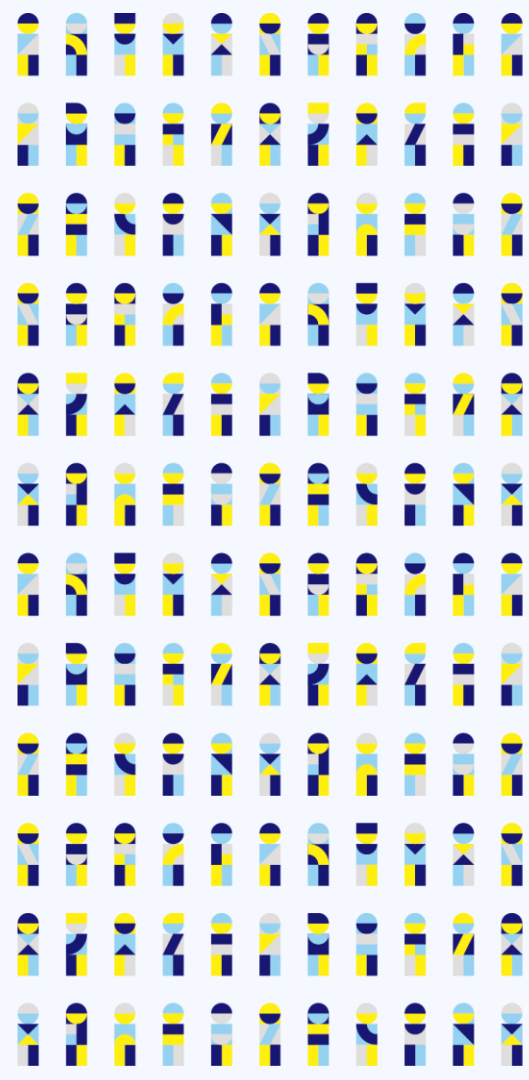




FY2024 2Q Financial Results

Securities code : TSE Growth 3900



Talent infrastructure

More than ever before, the world today is a place in which talent and experience can be used for the betterment of other people's lives.

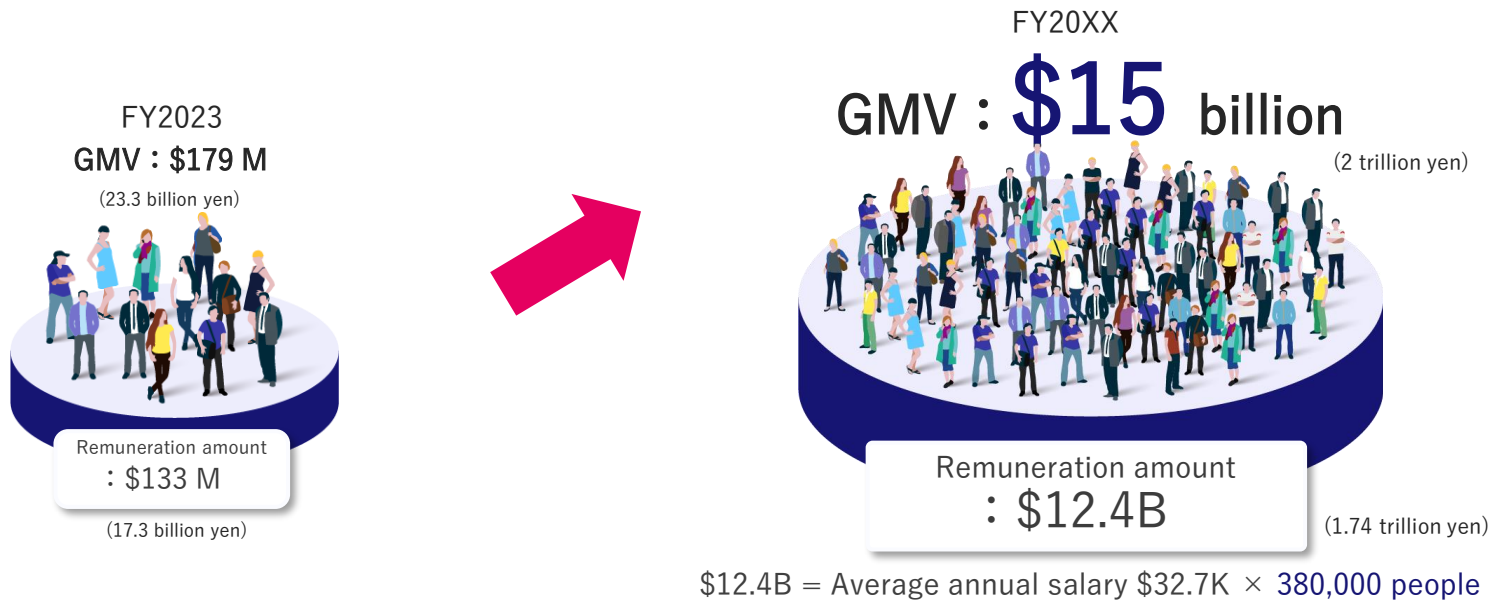
Writers, designers, engineers, video distributors, school instructors, and many others are making a career out of what they are good at, helping others, and bringing smiles to the people around them.

We believe in the infinite potential of people. We believe that people's talents can be tapped to significantly improve others' lives. CrowdWorks' mission is to become a modern infrastructure for talent.



VISION

Achieving our goal of “The company that delivers rewards to people the most in the world”, Over the long-term, CrowdWorks aims to reach “\$15 billion in work distribution GMV.” We will build Japan's largest online employment infrastructure with more than 380,000 people in terms of average annualized income.



(Sources) *Average annual salary \$32.7K National Tax Agency, "Results of the Survey on the Actual Status of Private Salary for 2022"

* 382,000 Number level of employees ranking No. 1 in Japan; Reference: Yahoo Finance as of Mar. 2, 2024 1. Toyota Motor Corporation 380,000 people, 2. NTT 346,000 people,

3. Sumitomo Electric Industries 288,000 people

* The dollar notation is expressed as 1 dollar = 140 yen

FY2024 2Q Summary

FY2024 2Q Executive Summary

Highlights of 1H Performance

For FY24 1H, we achieved **growth of over 25% YoY** in Net Sales, Gross Profit, EBITDA and Operating Profit.

We have achieved Gross Profit CAGR +20% or more for **14 consecutive quarters**.

(In our mid-long-term target, we declared a commitment to maintain Gross Profit CAGR +20% or more for 10 consecutive years.)

Our Assessment of 2Q Performance

Matching

- Engineer/Designer area: We are returning to the path of growth as demand for remote work rebounds and resident dispatch thrives.
- △ Web production/Outsourcing area: AI-related projects and business administration tasks are performing well, however decrease in writing assignments has resulted in YoY revenue decline.

SaaS

- With the integration of AI Tech into our group, the segment's ARR has surpassed 800 million yen. CrowdLog has recently exceeded an ARR of 600 million yen, expanding to a scale that accounts for approximately 10% of the entire company's gross profit.

M&A

- The newly consolidated AI tech has experienced rapid growth, recently surpassing an ARR of 230 million yen from April 25, 2024. We aim to improve the closing rate, while pursuing multiple LOI and DD projects in parallel.

2H Policy

In 2H, we will target 'YOSHIDA300' with **accelerated growth, aiming for Gross Profit CAGR +30%**.

- Consolidate marketing initiatives across the entire company
- Recruitment of management candidates for mid-long-term growth
- Continued robust M&A sourcing of over 400 cases annually

FY2024 1H Performance

Achieved more than 20% YoY in all indicators, and more than 30% YoY in Net Sales and EBITDA.

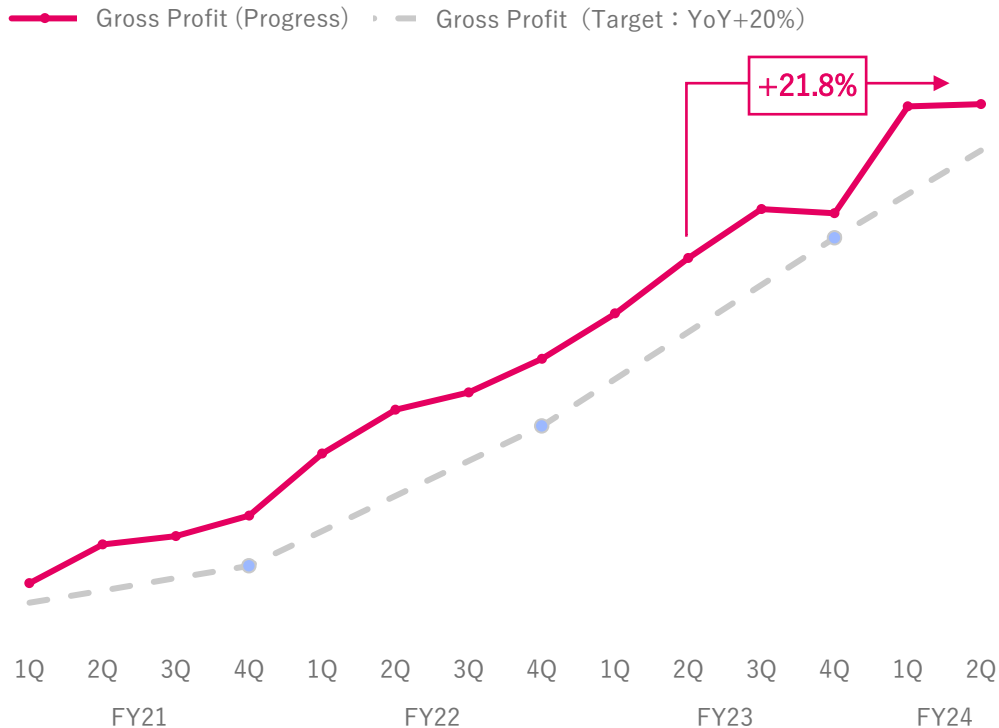
[Million yen]	FY2023 1H	FY2024 1H	YoY
GMV	11,173	13,900	+24.4%
Net Sales	6,153	8,122	+32.0%
Gross Profit	2,911	3,684	+26.5%
EBITDA (Non-GAAP)	638	862	+35.1%

- GMV: Gross Merchandise Value
- EBITDA (Non-GAAP): Operating profit + Depreciation and amortization + Amortization of goodwill + Stock-based compensation expense.
- Figures are rounded down to the nearest million yen.
- Year-on-year comparisons are calculated in accordance with the rules for financial statements, taking into account figures less than one million yen.



Progress on Mid-long-term Targets

Gross Profit +20% or more for **14 consecutive quarters**.



Gross Profit

YoY

+20% or more
14 consecutive
quarters achieved

FY2024 2Q Progress Rate Against Full Year Forecast

In FY24 2Q, achieved 50% against our full year forecast for Net Sales, Gross Profit and EBITA.

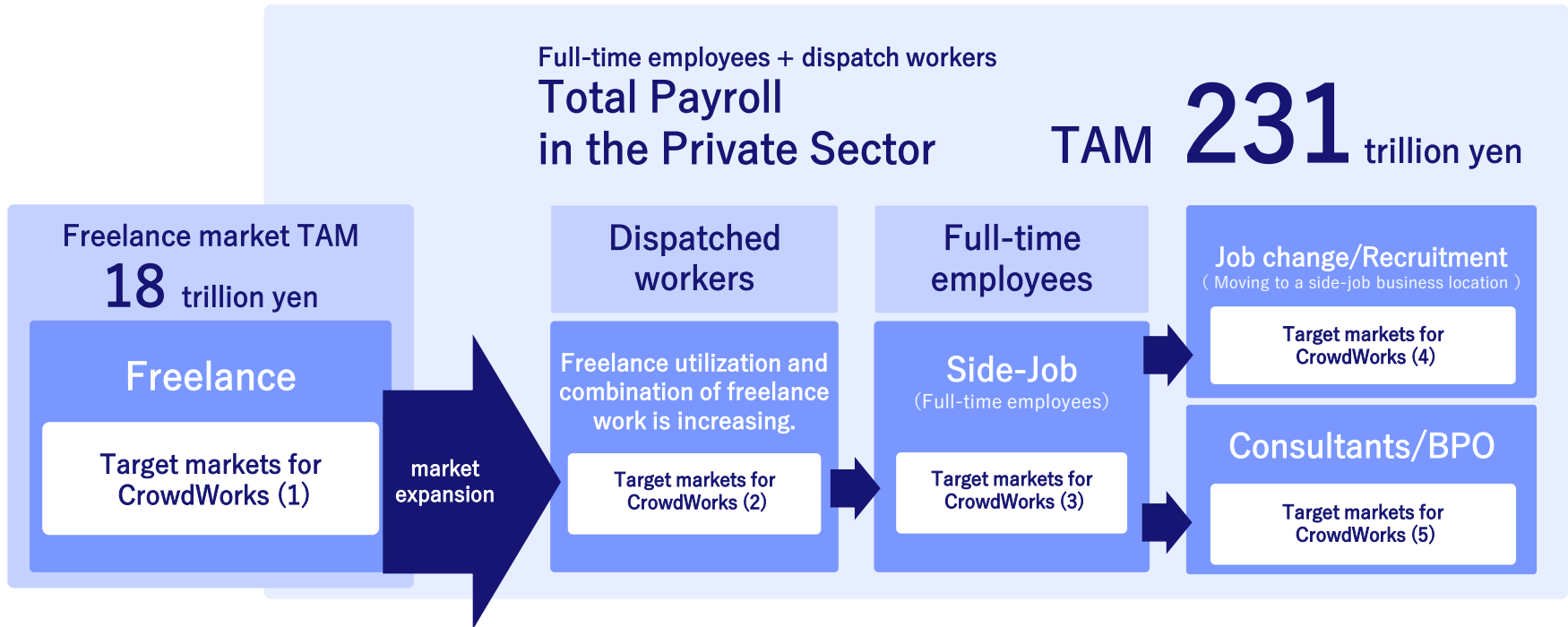
[Million yen]	FY2024 Full Year Forecast	FY2024 2Q Result	Progress Rate
GMV	28,020	13,900	49.6%
Net Sales	15,860	8,122	51.2%
Gross Profit	7,370	3,684	50.0%
EBITDA (Non-GAAP)	1,570	862	55.0%

- GMV: Gross Merchandise Value
- EBITDA (Non-GAAP): Operating profit + Depreciation and amortization + Amortization of goodwill + Stock-based compensation expense.
- Figures are rounded down to the nearest million yen.
- Year-on-year comparisons are calculated in accordance with the rules for financial statements, taking into account figures less than one million yen.

To Improve Productivity in Japan
「YOSHIDA300」

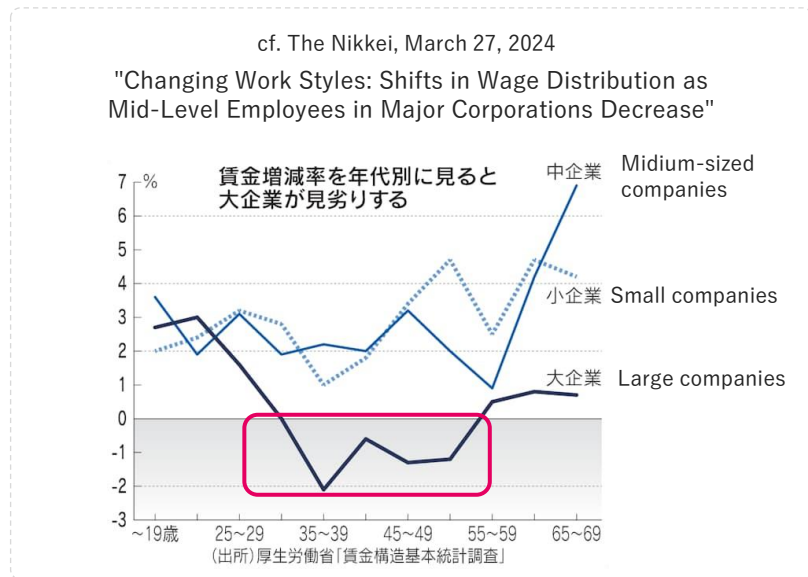
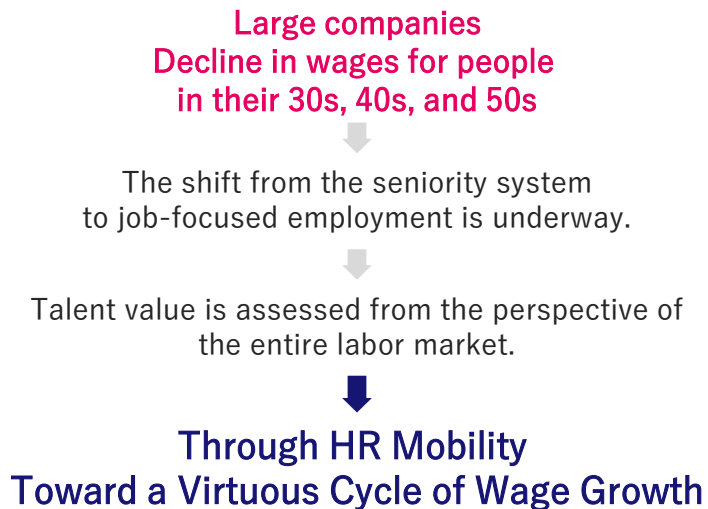
HR Mobility Accelerates Our TAM is 231 trillion yen

The labor market has changed dramatically with work style reforms. In CrowdWorks, the business of side-jobs for full-time employees has expanded, and from its database, it has expanded its business domain to consulting and BPO. CrowdWorks' TAM expands from the 18 trillion yen freelance market to the total labor market 231 trillion yen.



Toward a Virtuous Cycle of Wage Increases Through HR Mobility

In 2023, the average wage for ordinary workers in Japan hit a record high. However, employees in their 30s, 40s, and 50s at large companies saw a decline in wages. A shift is underway from the seniority system to job-focused employment, enabling workers to transition to better environments without depending solely on one company.



Japanese Government's HR Mobility Promotion Reaches Specific Measures

In 2023, the government announced a policy to promote HR mobility.

In 2024, the legal system is being developed, and it will be a society where it is easier to work as a freelance.

In 2023,
announcement of Policy on HR Mobility

Trinity of Labor Market Reform

- Reskilling
- Job-focused employment
- Labor mobility to growth areas



In 2024, develop a legal framework that makes it
easier for freelancers to get paid

- Subsidy rate for reskilling support
Up to 70→80% *1
- New Freelance Laws
(scheduled to come into effect on November 1, 2024)
 - Prohibition of unreasonable reduction of remuneration *2
 - Mandatory childcare consideration *3

• Left: June 16, 2023, Excerpt from the Cabinet Office's "Basic Policy on Economic and Fiscal Management and Reform 2023"
https://www5.cao.go.jp/keizai-shimon/kaigi/cabinet/honebuto/2023/2023_basicpolicies_ja.pdf

• *1: April 11, 2024, Amendment to the Employment Insurance Act passed by the House of Representatives *2: Freelancers with a contract of 1 month or more

*3: Freelancers with a contract of 6 months or more

Remuneration for Freelancers and Side-job Workers Is Expanding

Parallel to HR mobility, workers are reskilling themselves. As a result, their range of activities has expanded, along with an increase in remuneration. Workers are diversifying in various ways, such as using AI for side jobs, breaking through annual income barriers, and becoming independent based on their performance in these side jobs.

Specializing in AI work, Increased remuneration



- Crowd Worker
- 3~4 hours on weekdays
- Focusing on simple tasks such as data entry

→ Receiving orders for jobs specializing in AI data

remuneration per month

50,000 yen → 310,000 yen
2021 2023

From side-job to independence



- Main business:
Medical industry marketer
- Side-job:
Marketing consulting

→ Became an independent
freelance consultant

remuneration per month

2.4 mil. yen

Realizing desired work style and breaking income barriers



- Former accountant at a
printing company
- Seeking remote work to
care for elderly parents

→ Became a freelancer
and work from home

remuneration per year

1.72 mil. yen

“Through HR mobility,
We will enhance corporate productivity
and contributes to the development of
Japan's economy.”

The Role of CrowdWorks in this changing environment

Actions for companies

By HR mobility,



Comprehensive talent proposal
centered on freelancers

CrowdWorks
enhances corporate productivity



Developing HR portfolio based on
variable costs, allowing for the
procurement of resources as needed

and contributes to
the development of Japan's economy.

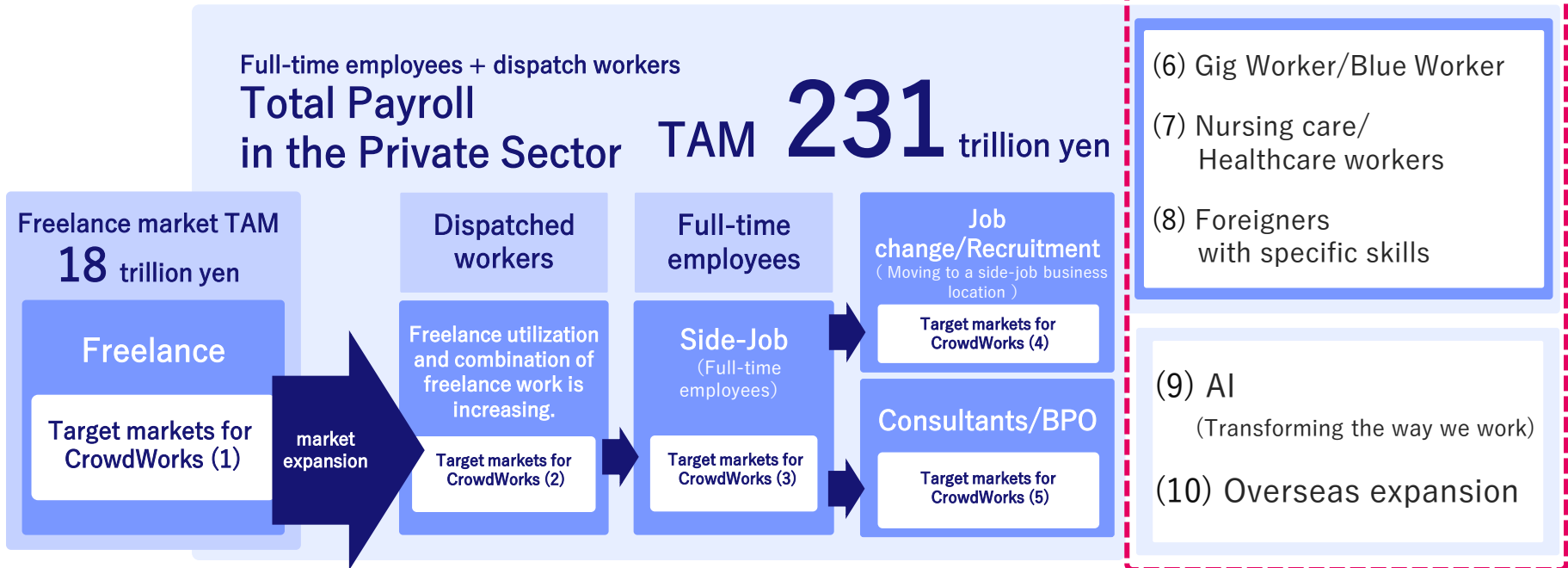


Expansion of
client companies' profits

5 Possibilities for CrowdWorks' Adjacent Markets

With a focus on freelancing, we are assessing the timing for entering related markets. In 2Q, we expanded our capabilities starting with high-urgency such as in the AI areas.

CrowdWorks'
New Markets



「YOSHIDA300」 Objectives

- ① Net Sales: 30 bil. Yen
- ② EBITDA 2.5 bil. Yen
- ③ Annual growth rate of operating income: +10% or more

Business Objectives

Net Sales 30 bil. yen = Existing and new businesses 18 bil. yen + M&A 12 bil. yen
EBITDA 2.5 bil. yen = Existing and new businesses 1.6 bil. yen + M&A 0.9 bil. yen

Matching
(Existing Businesses)

SaaS
(New Business)

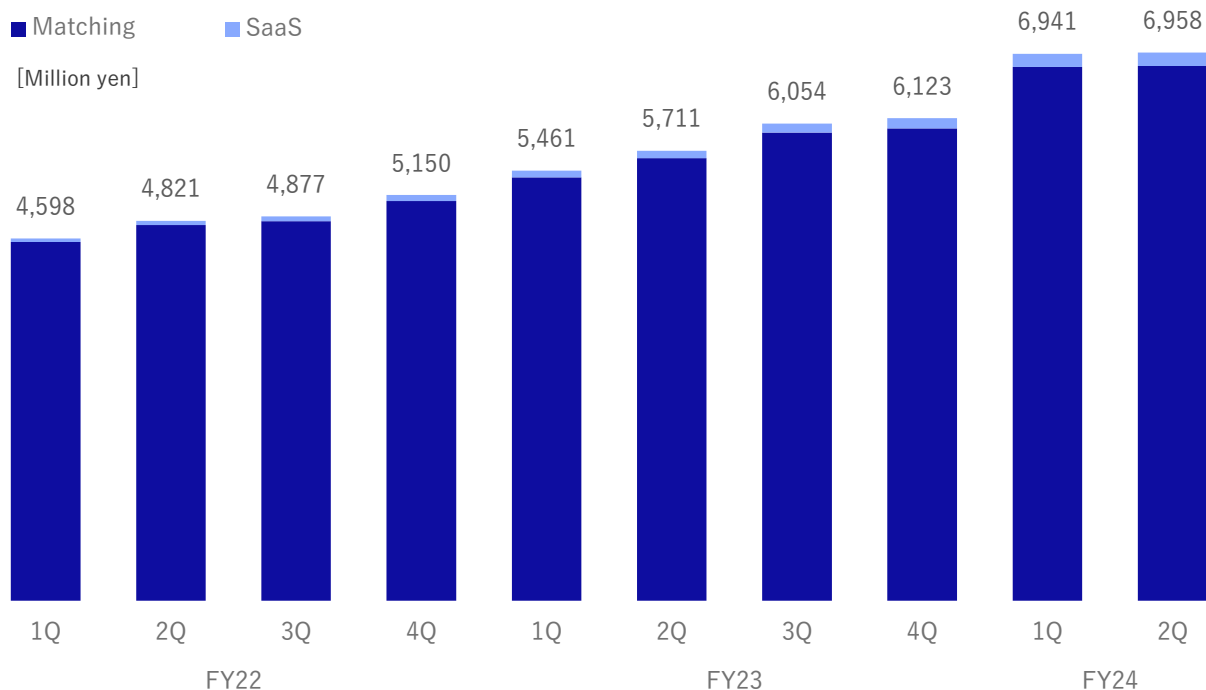
M&A

FY2024 2Q Results Entire Company



FY2024 2Q Entire Company - GMV Quarterly Transition

21.8% YoY growth, Matching Business remains strong.

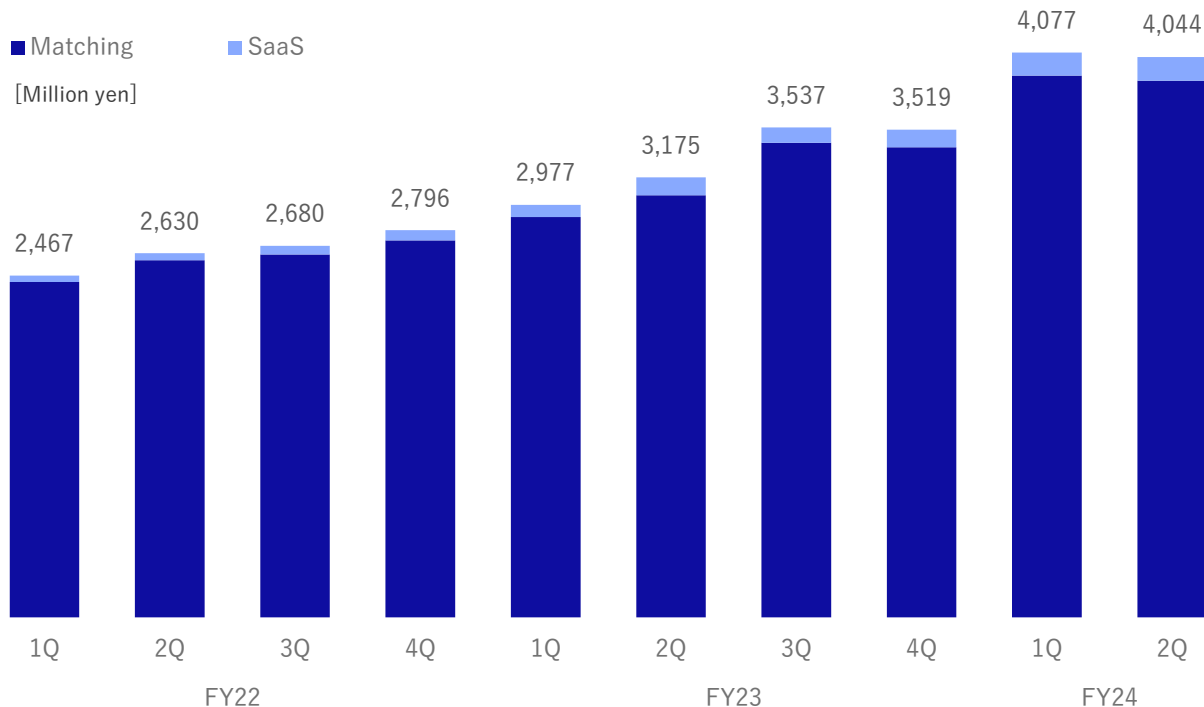


FY24 2Q
YoY
+21.8%



FY2024 2Q Entire Company - Net Sales Quarterly Transition

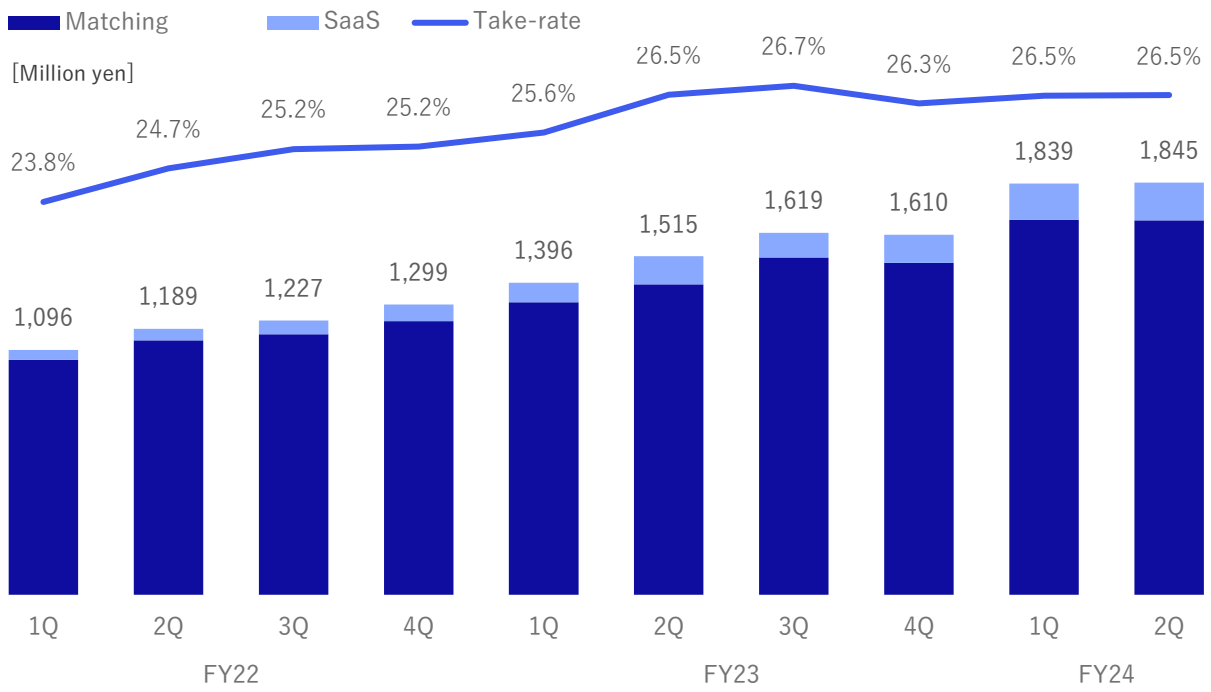
27.4% YoY growth, Matching Business remains strong. and SaaS Business is growing as well.



FY24 2Q
YoY
+27.4%

FY2024 2Q Entire Company - Gross Profit and Take Rate Quarterly Transition

27.4% YoY growth, SaaS Business with high gross margin contributes to growth.
The take rate is also strong at 26.5%.



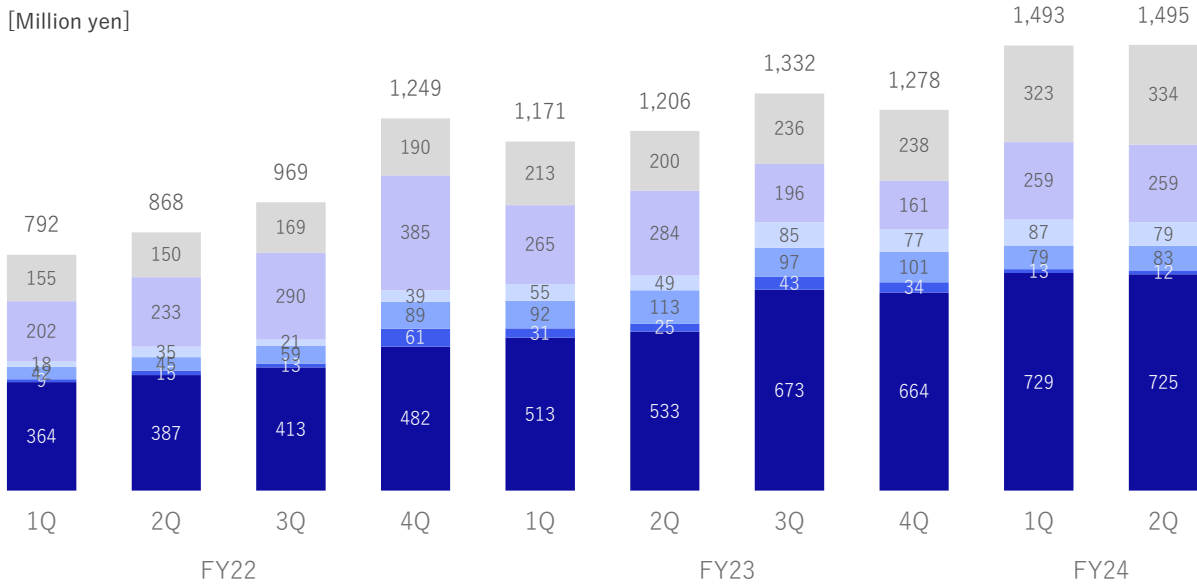
Gross Profit
YoY
+21.8%
Take-rate
26.5%

FY2024 2Q Entire Company - SG&A Expenses Quarterly Transition

24.0% YoY growth in line with initial forecast. FY24 is expected to be a trend with no significant difference or bias in each expense between the first half and the second half of the year.

- Personnel costs
- Recruitment and training expenses
- Business consignment costs
- Goodwill/depreciation and stock-based compensation expense
- Advertising costs
- Other costs

[Million yen]



FY24 2Q
YoY
+24.0%

- Figures have been rounded down to the nearest million yen.
- Year-on-year comparisons are calculated in accordance with financial statement regulations, taking into account figures less than one million yen.
- From FY23 3Q to FY24 1Q, some Shuumatu Worker expenses, previously under subcontracting fees, were reclassified as payment fees and adjusted retroactively.

FY2024 2Q Evolution of Management Models

1. Improved unit price per company

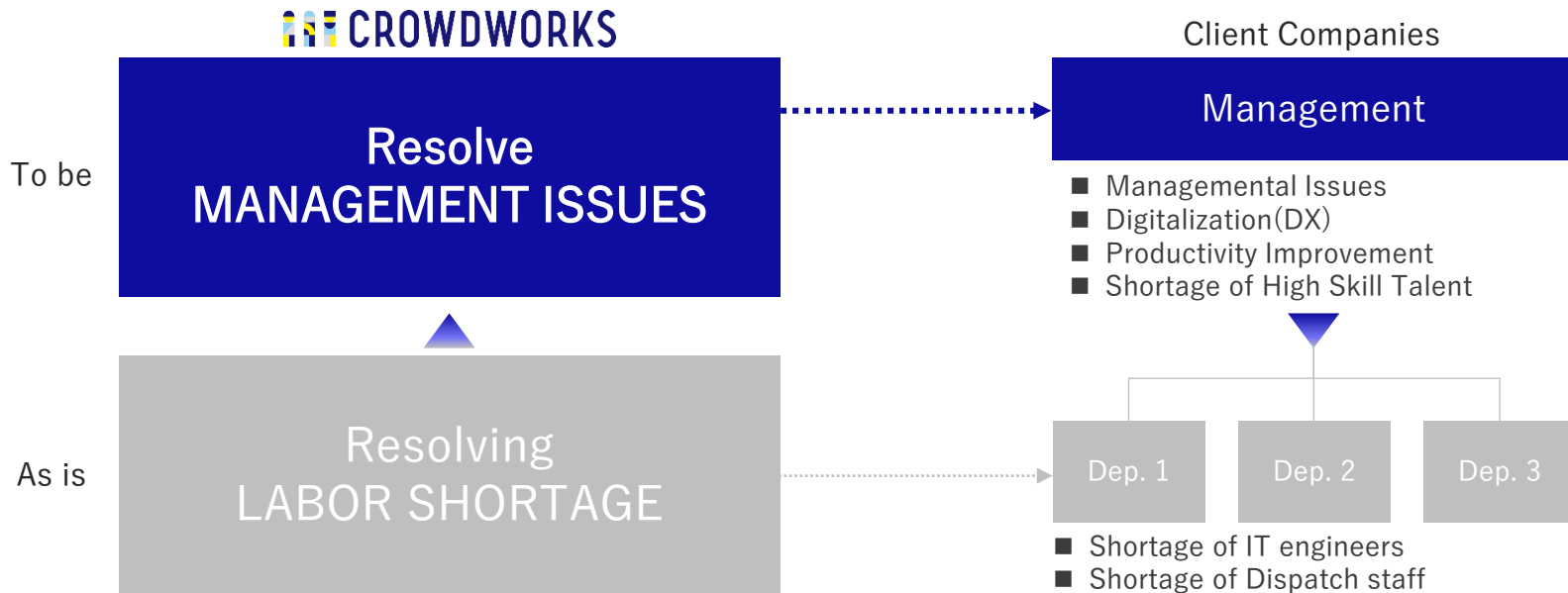
Created a case with YoY growth of 2,774%

2. Pursuing the reproducibility of growth

6 updates

Productivity Improvement Consulting: Providing Multiple Talent Solutions in Response to Management Issues

By creating a database of 160,000 full-time workers in the Side-job area, we have expanded the layer of talent that can be introduced across all job types. We are evolving from sales for individual services to account sales for multiple services that contribute to the productivity improvement of Japanese companies.



Accumulation of Know-how on Improving Unit Price Per Company

Account sales and productivity improvement consulting have greatly improved the unit price per company. We also Created a case with a YoY growth of 2,774%.

(1) Account Sales

Strengthen relationships with major client companies and solve labor shortage across departments.

		FY23 1H	FY24 1H
Company A Corporate Services	Sales	0 mil. yen	▶ 30 mil. yen
	No. of workers	0	▶ 34
Company B Info and communication industry	Sales	123 mil. yen	▶ 35 mil. yen (+2,774%)
	No. of workers	7	▶ 44

(2) Consulting sales

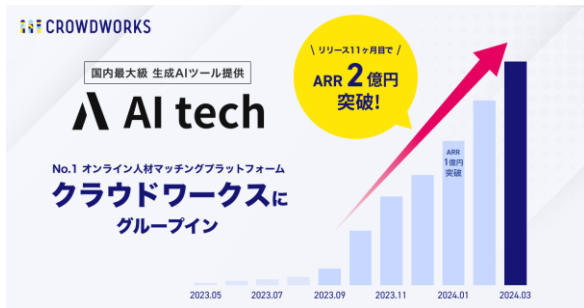
Approaching corporate mid-long-term management issues and providing talent committed to solving issues in each phase.

		FY23 2Q	FY24 2Q
Company C Pharmaceutical Manufacturers	Sales	0.8 mil. yen	▶ 528 mil. yen (+560%)
	issue	Back-office efficiency	
Company D Pharmaceutical Manufacturers	Sales	90 mil. yen	▶ 225 mil. yen (+150%)
	issue	Promotion of DX	

AI Capabilities Are Expanding, Providing Value to Both Clients and Workers

In April 2024, AI tech, which possesses an AI SaaS “ORDERMADE AI” with an ARR of over 200 million yen, has joined CrowdWorks group. We will expand our BtoB solutions and support companies and workers in ‘(1) creating generative AI’ and ‘(2) using generative AI’.

"AI tech" has joined CrowdWorks group



1. Expand the ARR of AI tools with CrowdWorks' user assets
2. Deploy knowledge of generative AI development and business launch to existing businesses
3. Providing new solutions through the combination of AI and HR

Launching AI-related businesses

(1) Support for "creating" generative AI

- Provide talent necessary for AI development
- Support in creating AI training data

→To an indispensable company
for the development of generative AI systems

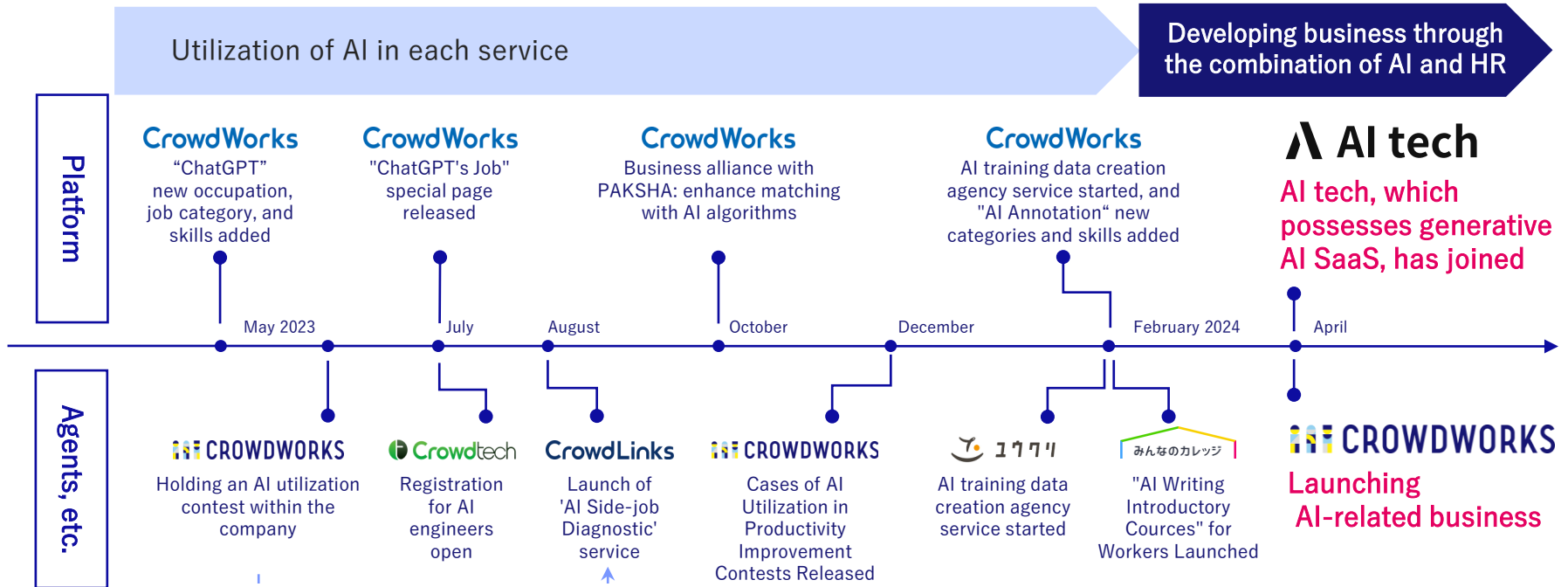
(2) Support for "using" generative AI

- For companies: Generative AI utilization consulting
- For workers : Generative AI usage courses

→Productivity Improvement of companies and workers

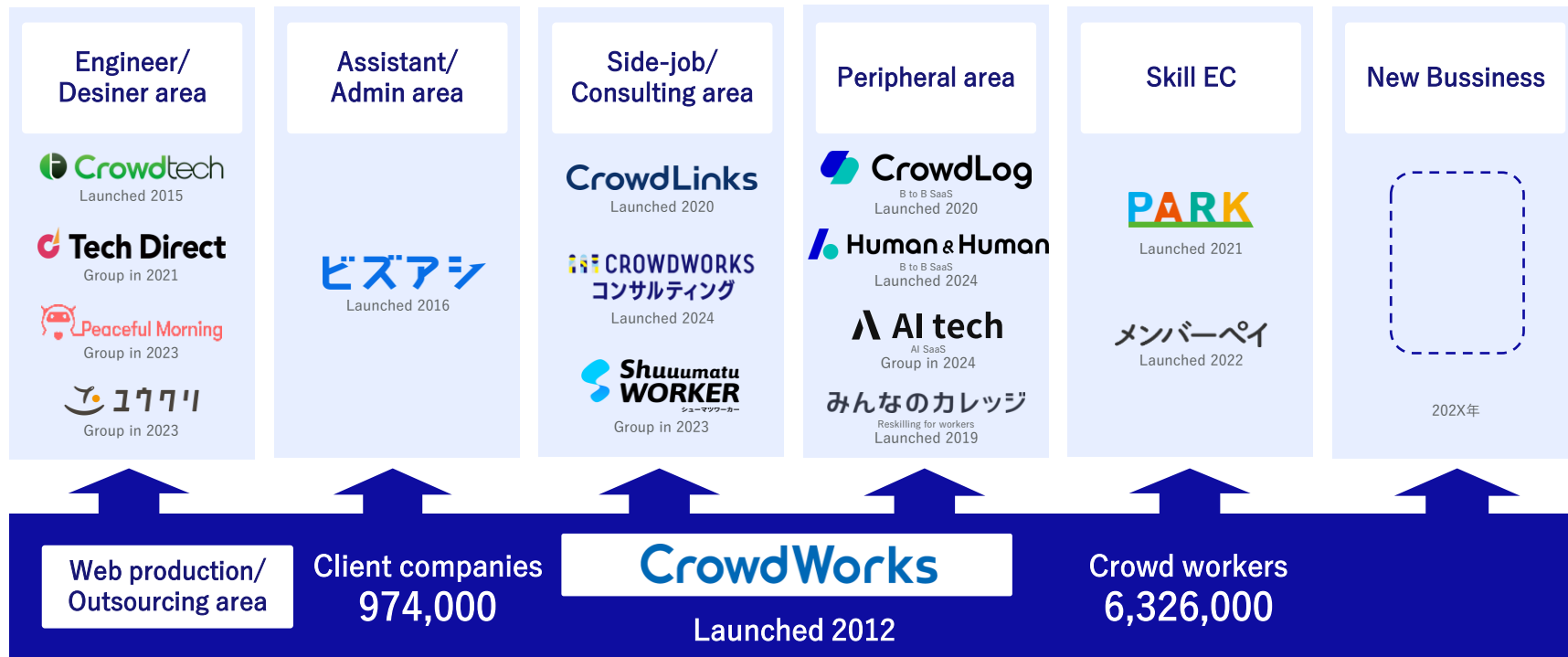
FYI : CrowdWorks' AI-related Business History

In 2023, we have activated AI workers and improved productivity through AI in each service. From 2024 onward, we will develop new businesses through the combination of AI and HR.



The Only Company in the Industry Where Platform and Agent Model Grow Simultaneously

A system has been established to acquire workers and clients through a platform model and to launch businesses via an agent model.



FY2024 2Q Evolution of Management Models

1. Improved unit price per company

Created a case with a YoY growth of +2,774%

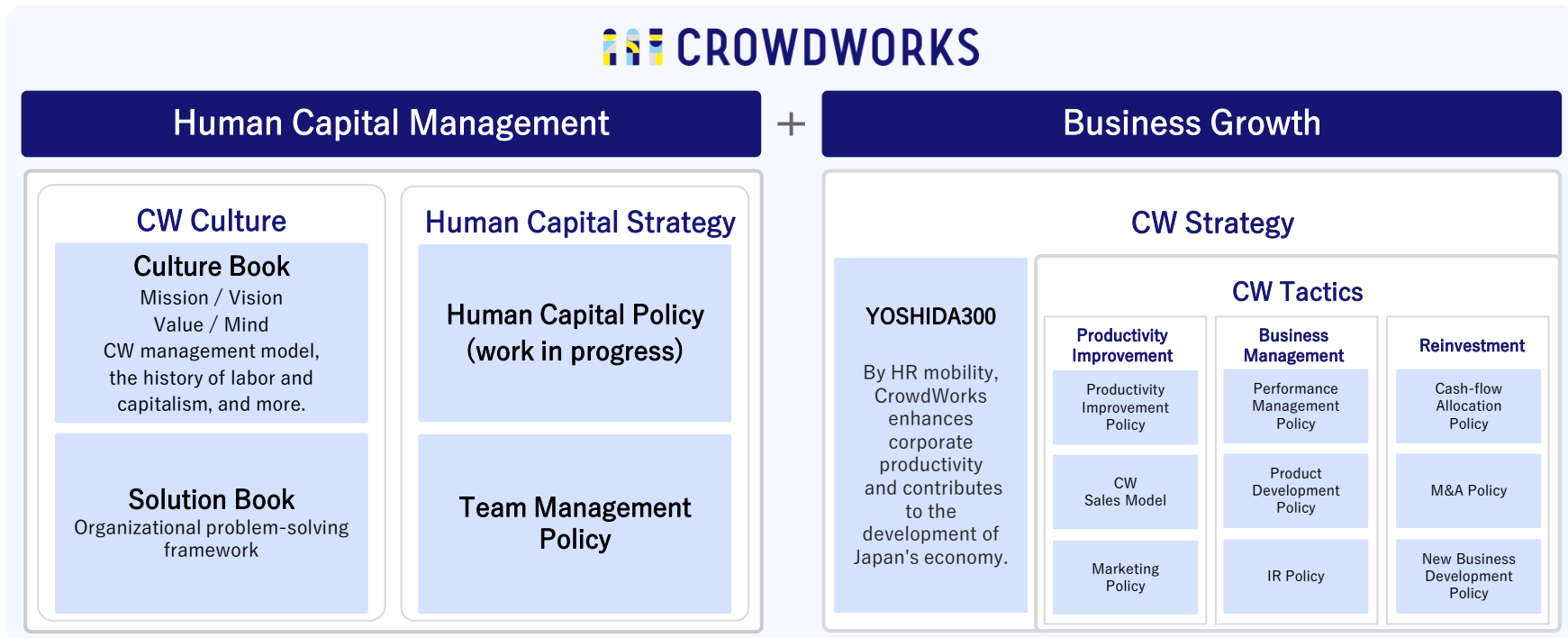
2. Pursuing the reproducibility of growth

6 updates

1. CW Management Policy = Human Capital Management + Business Growth

“CW Management Policy = Human Capital Management + Business Growth”

The replicability of growth is ensured by defining the norms and specific actions for each item in various policies.



2. Human Capital Management: Both Internal members and Workers

CrowdWorks is committed to expanding human capital for both internal members and workers. For workers, we promote reskilling and knowledge sharing through exchanges, aiming to maximize their earning potential.

For internal members

21 new managers

have emerged, in FY24 1H

- The proportion of women in managerial positions: 33.3%
- The manager to member ratio: 1:5.97 (Appropriate level)
- We aim to produce headquarter directors and officers.

The proportion of women in managerial positions

33.3%



The manager to member ratio

1 : 5.97



For workers

Over 1000 freelance workers

have participated in worker networking events hosted by CrowdWorks in FY24 1H

- Mutual learning sessions where workers teach each other
- The order unit price of workers participating in networking events is high. There are expectations for market revitalization through community development.



3. CW Sales Model Updated

Reproducible skills for Improved unit price per company and worker compensation have been newly added to the CW Sales Model. All sales members, including those from group-in companies, share these skills.

6 Skills

Skill matrix aggregating skills for sales and support positions.

Applied	AS skill (Account Sales Skill)			
By Job type	IS skill (Inside Sales)	FS skill (Field Sales)	CS skill (Customer Success)	WS skill (Worker Success)
Common	Standard skill			

- **AS Skill (Account Sales Skill)**
For expanding the order unit price by solving clients' management challenges
- **WS Skill (Worker Success Skill)**
For reducing churn by increasing worker matching and retention rates, thereby continuing to expand the order unit price.

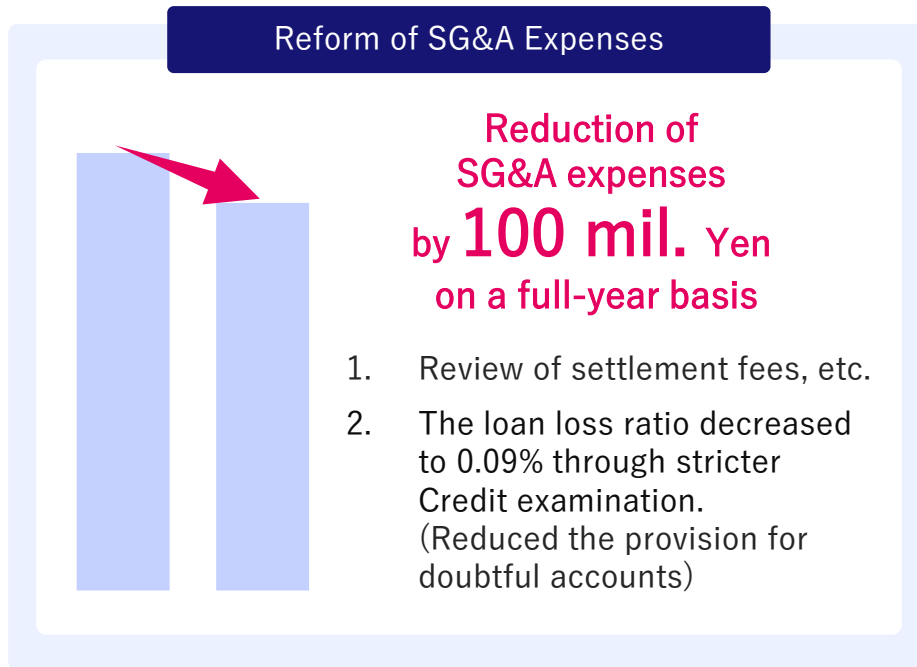


Shared with the entire group
at CW Sales Model Conference



4. Reform of SG&A Expenses → Towards Mid-long-term Growth Investment

We conducted thorough reductions in operation costs that have become fixed expenses among our SG&A Expenses. The costs saved are allocated to initiatives that contribute to mid-long-term growth.



Additional investments will be implemented sequentially from FY24 2Q onwards

- ✓ Advertising investment in Engineer/Designer area
- ✓ Recruiting management executive candidates
- ✓ Introducing tools and systems for productivity improvement in each department

etc.

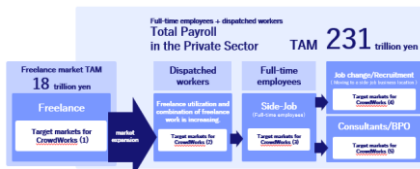
5. Policy on Group Management (M&A & PMI) Know-how

CrowdWorks' management know-how, which has increased revenue and profit, will be formalized into policies and provided to each group-in company along with its assets.

Know-how 1

Increased Net Sales

Creating a case with Net Sales
YoY+43.6% through PMI



- ✓ Connecting new sector clients with CrowdWorks' client database and mutual business opportunities
- ✓ Increasing worker assignment rate by sharing CrowdWorks' database of over 6 million workers

Know-how 2

Returning to profit

Successfully reducing
Operating Losses by 102.5% YoY
and achieving profitability*

Productivity Improvement Policy

Productivity Improvement 5
+
Increased Cost Efficiency 4

- ✓ Reform the SG&A expense structure by implementing a productivity improvement model
 - Reduce advertising costs by leveraging over 6 million workers and approximately 1 million clients
 - Optimizing of Gross Profit per employee

Know-how 3

Improved unit price per company

Deploying the know-how that
achieved YoY+2,774%
to group-in companies



- ✓ Enhancing the high-value Side-jobs/Consulting area
- ✓ Expanding capabilities from remote work to on-site dispatch
- ✓ Strengthening Business Automation Solutions such as AI and RPA

6. Update the Productivity Improvement Pitch to a New Name, PPP (Personal Purpose Pitch)

Efforts to improve productivity have been integrated into employees' daily tasks. They are linked to key performance indicators associated with their will and increased Gross Profit per employee.

Focus on connecting productivity improvement with mission at the individual level

All members from every departments pitch once a year

3 Evaluation Criteria :

1. Impact of results
 - Increase of Gross Profit or cost reduction
2. Insights, issue identification, and the difficulty of process changes
3. Contribution to the realization of the mission and vision

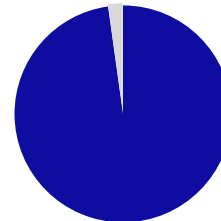
Conduct preliminary rounds by department and hold final presentations in front of all members.

Create 50 cases annually utilizing Generative AI.

Using AI to reduce costs and increase Gross Profit

98% of engineers utilize GitHub Copilot to create use cases

GitHub Copilot adoption rate
97.8%



Generative AI for engineers to support various programming-related tasks

To improve productivity in Japan

「YOSHIDA300」 Progress

1. Matching

2. SaaS

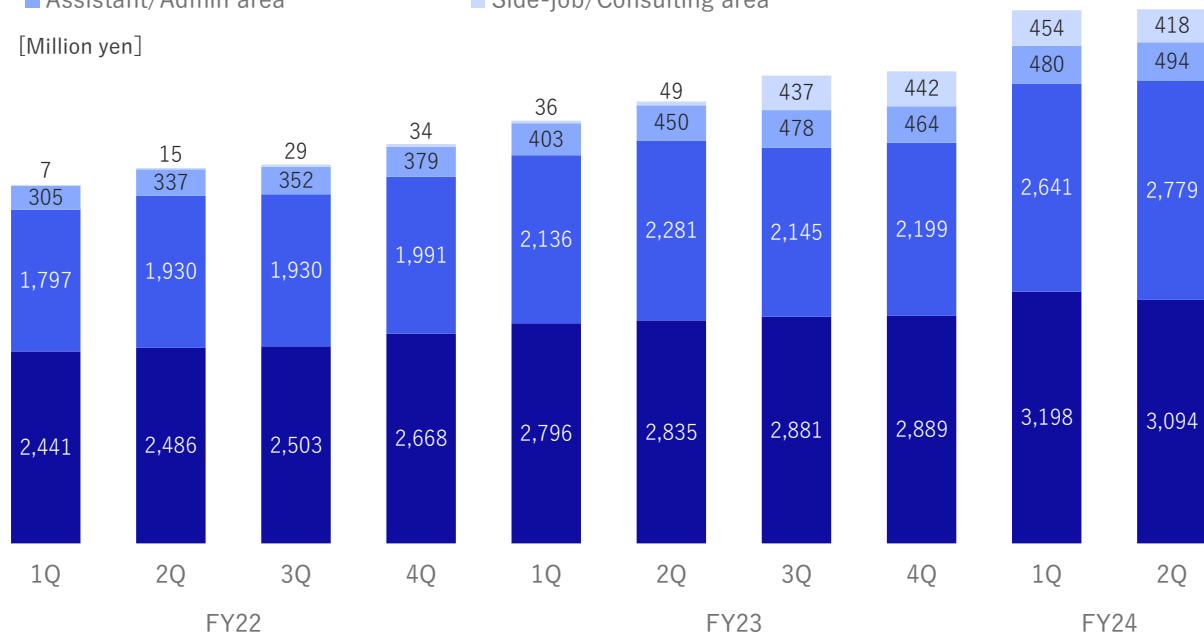
3. M&A

By Category - GMV Quarterly Transition

Achieving solid growth across all areas.

■ Web production/Outsourcing area ■ Engineer/Designer area
■ Assistant/Admin area ■ Side-job/Consulting area

[Million yen]



(YoY)

Side-job/Consulting area

+7528%

Assistant/Admin area

+9.7%

Engineer/Designer area

+21.8%

Web production/Outsourcing area

+9.1%

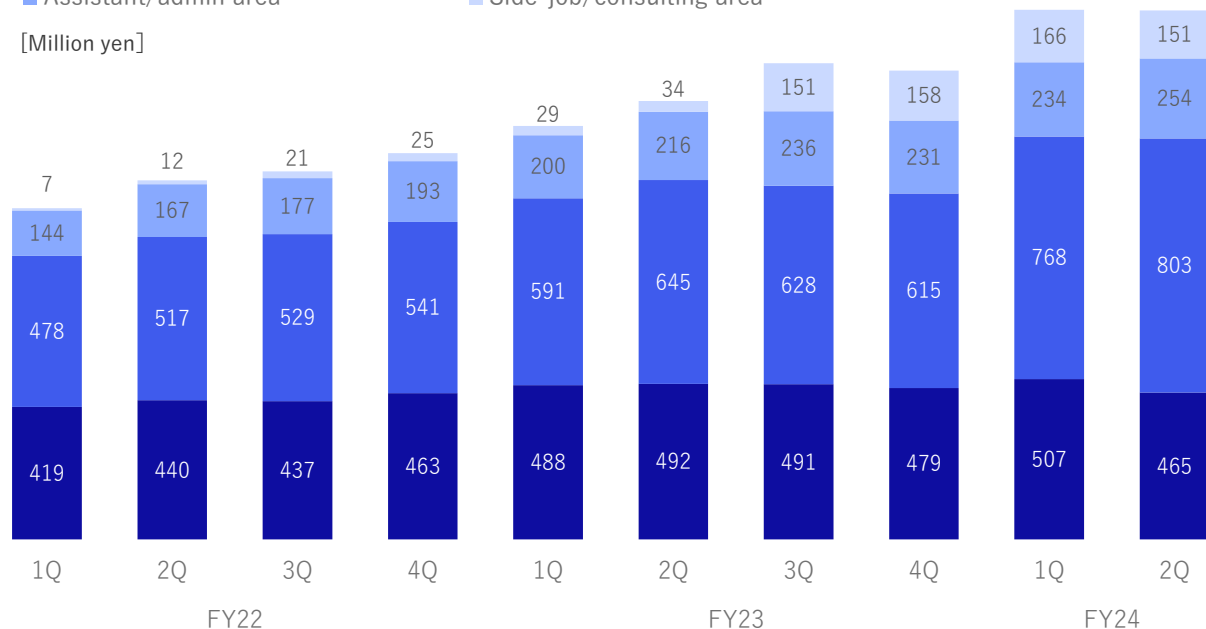
By Category - Gross Profit Quarterly Transition

Gross Profit also grew positively in three areas.

In the Web production/Outsourcing area, writing-related work declined due to the impact of generated AI.

■ Web production/outsourcing area ■ Engineer/designer area
 ■ Assistant/admin area ■ Side-job/consulting area

[Million yen]



(YoY)

Side-job/Consulting area

+338.1%

Assistant/Admin area

+18.0%

Engineer/Designer area

+24.4%

Web production/Outsourcing area

▲5.5%

By Category - Market Environment and Our Approach

Implement measures in each area to respond to changes in the labor market due to AI and clients' engineering needs. Proceed with structural reforms in the business to achieve Gross Profit of 30% or more.

Web Production/Outsourcing area

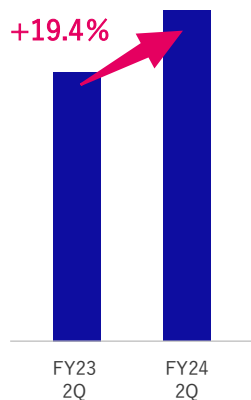
Business administration category
GMV YoY +19.4%

Increased annotation work in generative AI Development



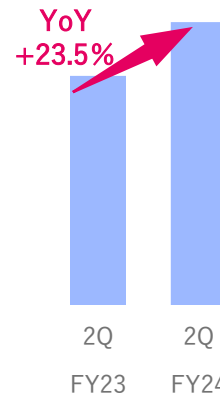
AI Teacher Data Creation Service
[Clients Example]

- APTO, Inc. (AI dev company)
- DAI Labs, Inc. (AI consulting company)

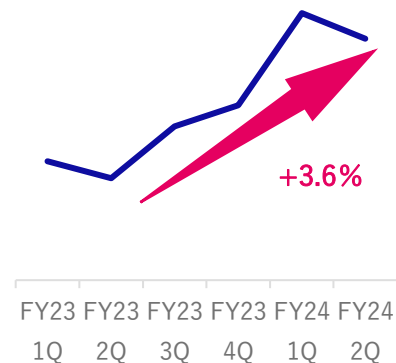


Engineer/Designer area

Growth of “YU-CRE”
(Permanent and dispatch)
Gross Profit
YoY +23.5%



“Crowd tech”
(Full remote Partially resident)
Worker's unit price per contract
YoY +3.6%



By Category - Market Environment and Our Approach

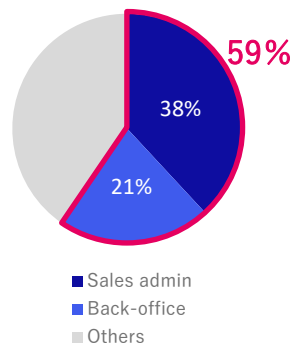
Growth in unit price per company through the implementation of "BPO manuals" and "requirement definition support through a consulting system" to reduce the workload of clients when outsourcing.

Assistant/Admin area

Aiming to increase the number of sales admin and back-office workers with long operating hours

To improve unit price per company

Gross profit ratio for projects of 70 hours or more per month



BPO manuals



Side-job/Consulting area

By starting with consulting for clients,

Significant growth in unit price per company



Clients Examples



AD KINTETSU



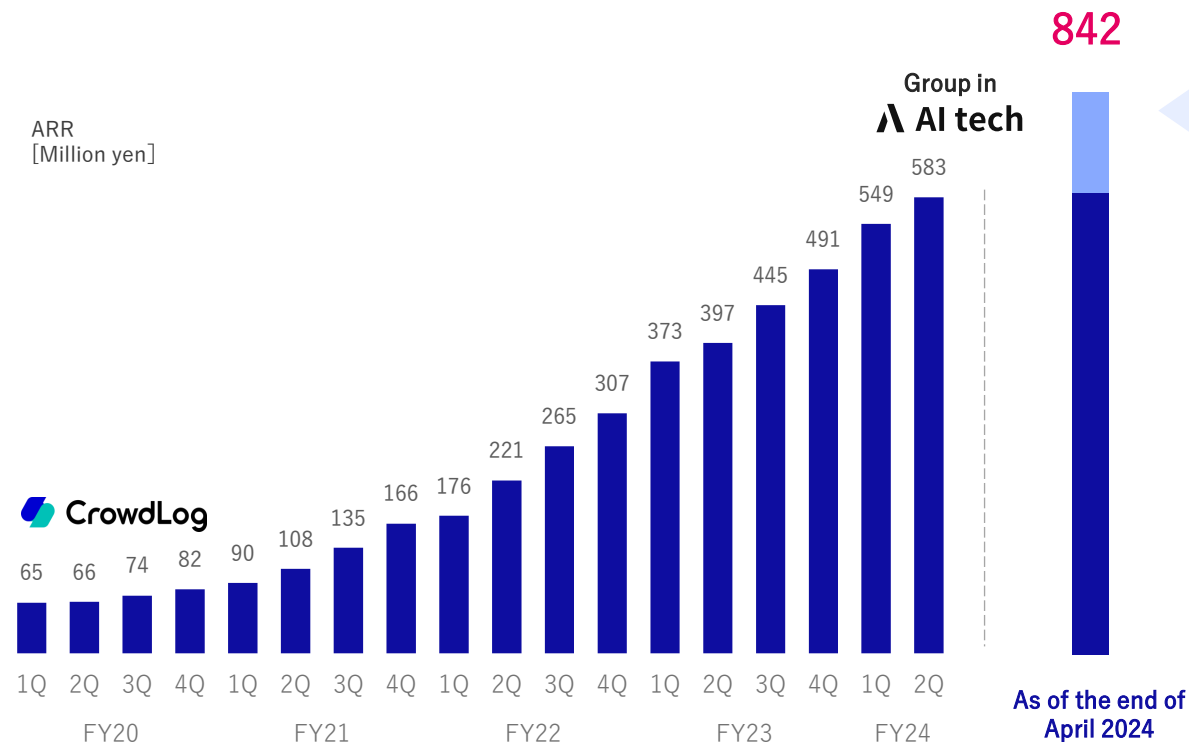
To improve productivity in Japan

「YOSHIDA300」 Progress

1. Matching
- 2. SaaS**
3. M&A

SaaS Business Accelerated Growth

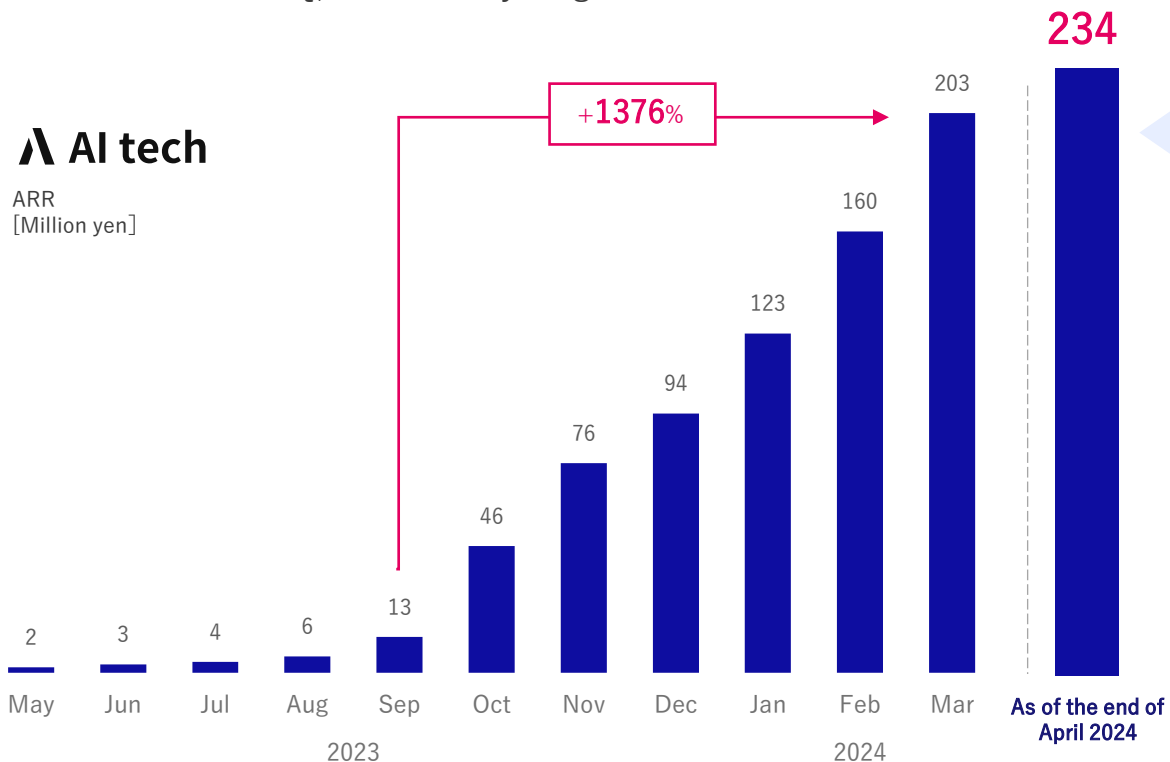
AI tech has been joined the SaaS business from FY24 3Q.
Total ARR of SaaS Business exceeded **842 million yen**.



SaaS ARR
exceeds
842 mil yen

AI SaaS - Continued Rapid Growth


AI tech, a group-in company in April 2024, exceeded **200 million yen** in ARR at the end of FY24 2Q, with a half-year growth rate of **+1376%**.



ARR
exceeds
234 mil yen

Progress of Initiatives with AI tech

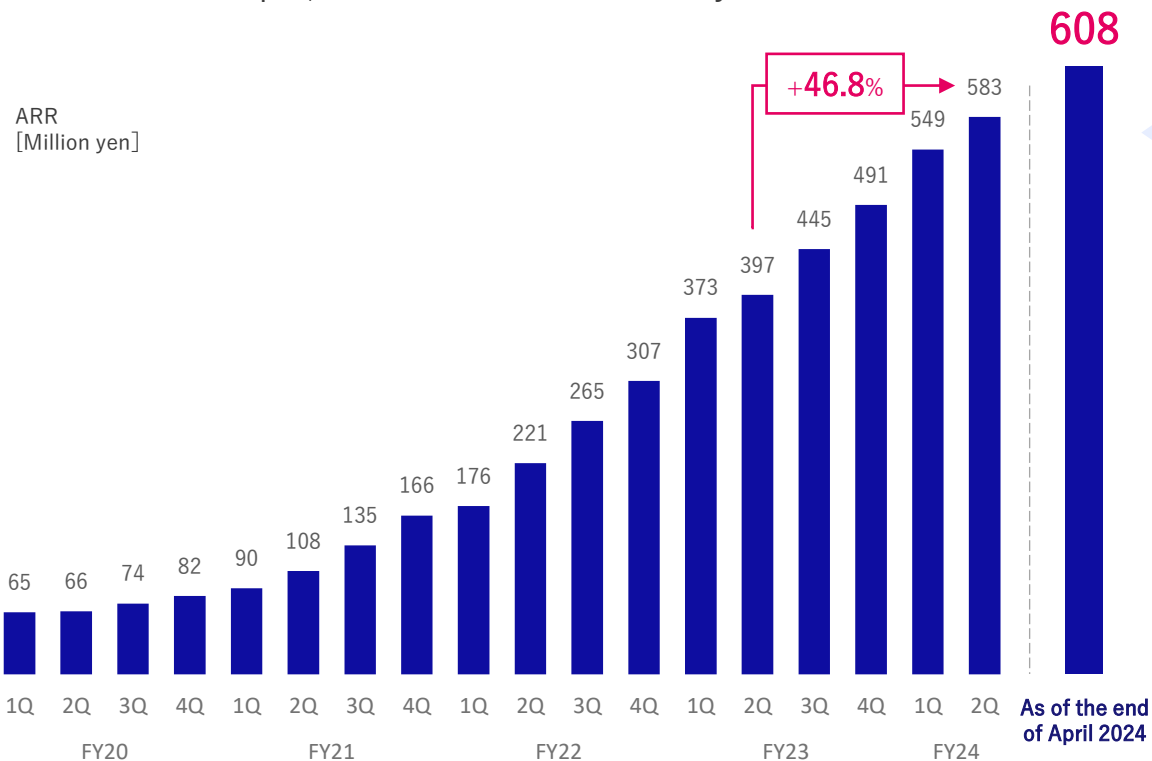
The 90-day plan for AI tech group has started. The following initiatives are already underway.

	topic	Ongoing and completed initiatives	Future Initiatives
1	AI SaaS: ORDERMADE AI	Starting guidance for CrowdWorks.jp workers	FY24 3Q ARR to surpass 300 million
2	ORDERMADE AI for Business	Implementing features for workers employed by companies and aiming to acquire contracts.	To be released in May 2024
3	Nurturing AI Workers	<p>Conducted a test session of "AI Marketing Dojo" on April 20th</p> 	Expanding to 47 prefectures nationwide

CrowdLog Continues to Achieve High Growth

FY24 1Q: ARR **583 million yen**, annual growth rate **+46.8%**

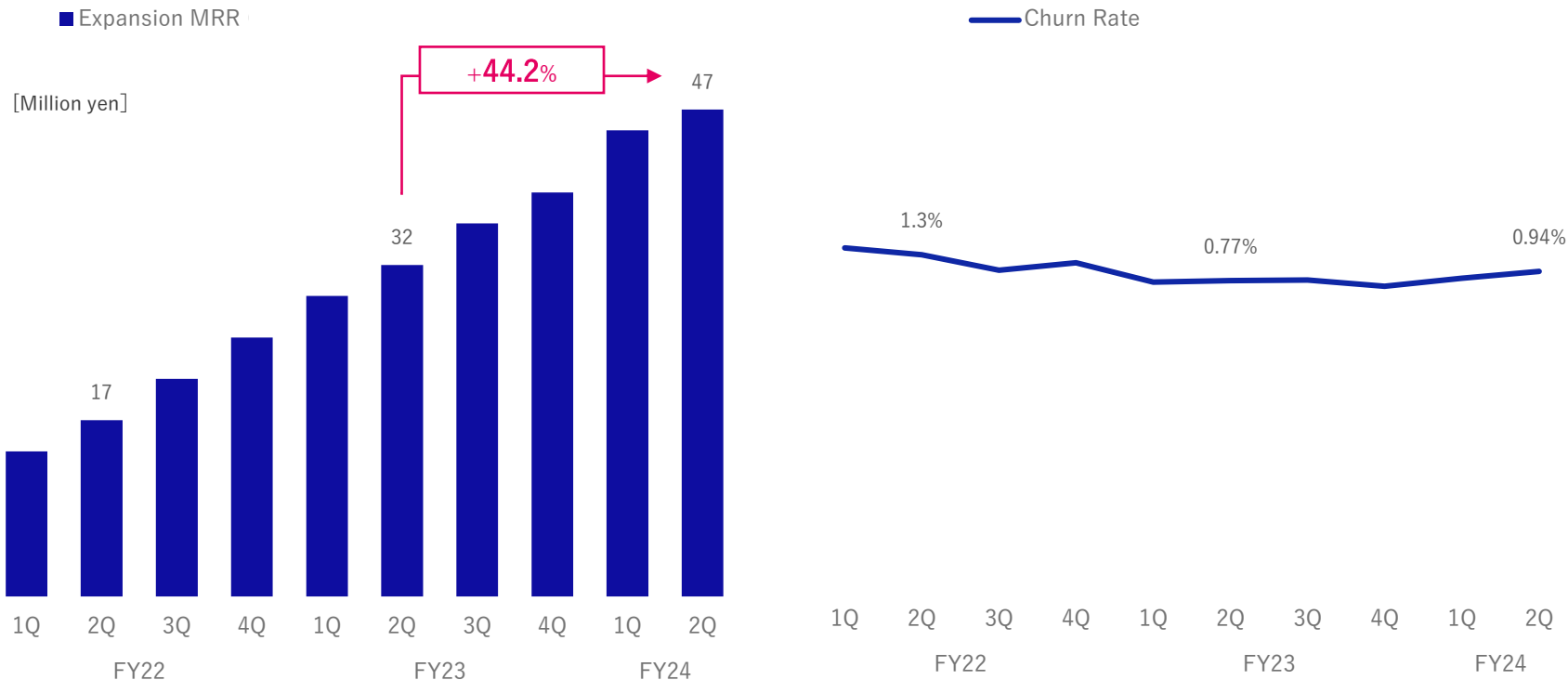
As of the end of April, ARR exceeded 600 million yen.



ARR
exceeds
608 mil yen

CrowdLog Continues to Upsell from Enterprise

Continued upsells from enterprises. The churn rate continues to be maintained below 1%.



CrowdLog Expanding Capabilities

Crowdlog is a tool that reduces management costs for input and aggregation by enabling automatic registration of work hours. In the future, we aim to expand its use to industries such as healthcare, manufacturing, and educational institutions, where the adoption of time management tools is still limited.



Visualize who spent how many hours on what tasks



Understand the breakdown of time and optimize it

Over 800 companies have adopted it

IT

Rakuten

RECRUIT

KDDI

FUJITSU

GMO

NTT DATA
株式会社NTTデータエッセンスシステムズ

BIZREACH

Money Forward

Non-IT

Canon

鹿島

SHISEIDO

OMRON

PERSOL

AEON

あおぞら銀行
AOZORA

YAMAHA

New SaaS: Human Capital SaaS 'Human & Human'

3 months after the launch, the number of leading user companies exceeded 10, showing promising progress. Among these leading users, half are large enterprises with over 1,000 employees.

Human & Human

SaaS for aggregating and analyzing HR data



UZABASE

(HRBP)

“SaaS for Realizing Business Plans”

In my role as an HRBP tasked with managing people and organizations to achieve business plans, I find great resonance in the high flexibility of the "KPI management function" and the quick "reporting function."



(HR Planning Officer)

"To reduce personnel costs for data analysis,"

It replaces the data collection and analysis tasks that previously consumed 20% of HR staff's time.

Growth Strategy : SaaS ARR 10 billion yen Strategy

Set a mid-long-term target of 10 billion yen ARR from CrowdLog & new SaaS products.

ARR 10 bil. yen Strategy

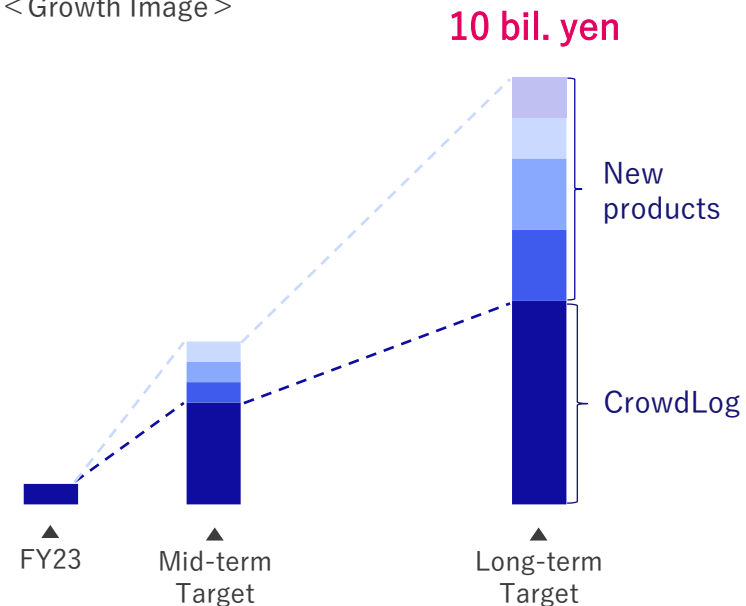
CrowdLog: 5 billion yen

- Market expansion with man-hour management
- Expansion of contracted companies with more than 300 employees
- Increase marketing investments while adhering to investment efficiencies set forth in the Productivity Policy.
- Continue to improve in unit cost

New product: 5 billion yen

- Generate three services with an ARR of 100 million yen
- Develop 2 x 1.5 billion yen ARR scale + 2 x 800 million yen ARR scale services
- Consideration of both in-house start-up and M&A

<Growth Image>



To improve productivity in Japan

「YOSHIDA300」 Progress

1. Matching
2. SaaS
3. M&A

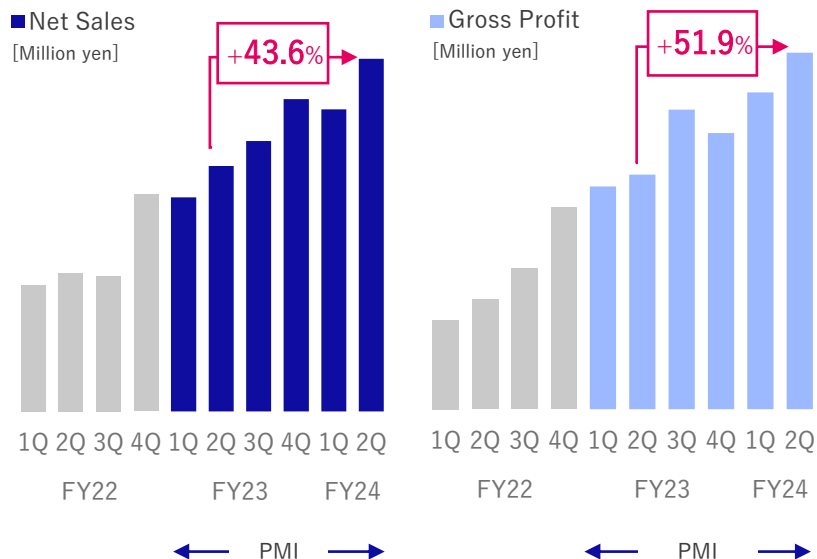
Group-in Companies Contribute to the Growth of the Entire Company

Peaceful Morning: Gross Profit has grown by **51.9 YoY**. Orders for business automation through RPA are strong.

MemberPay: GMV has grown by **76.9% YoY**

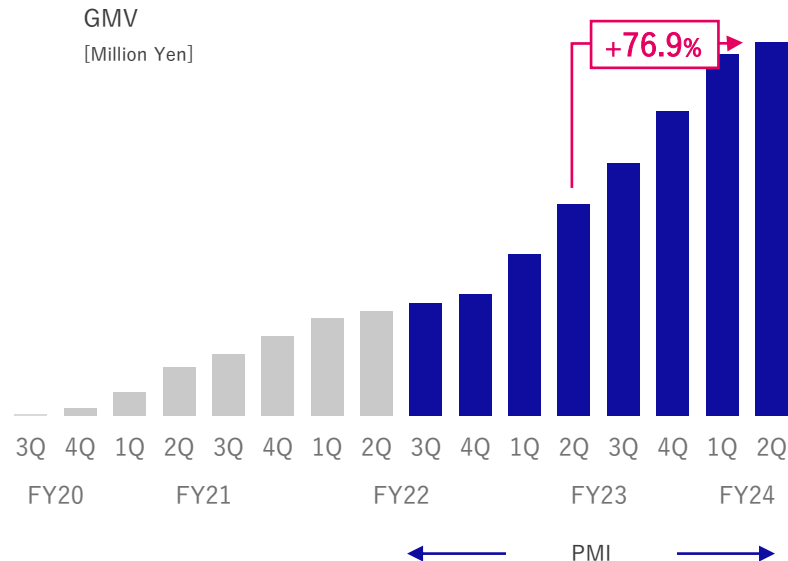
Peaceful Morning (Acquired in FY23 1Q)

Business Model: Agent matching platform specialized in RPA



MemberPay (Acquires in FY22 3Q, Merged in FY24 2Q)

Business Model: Online Monthly Flat-rate Payment Service



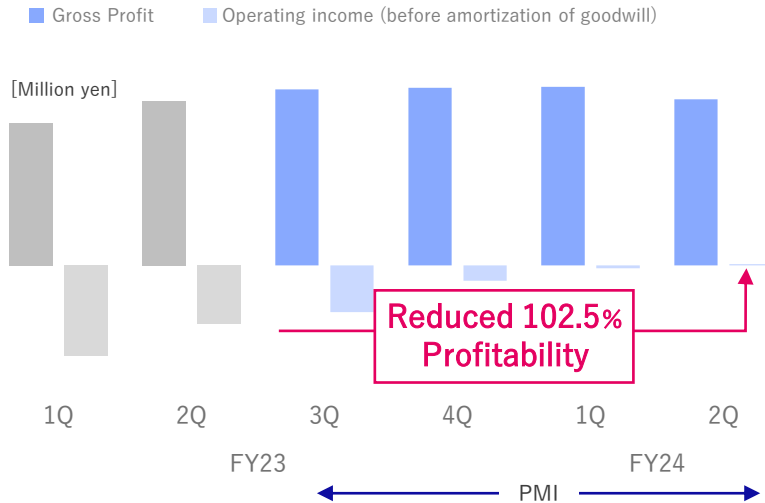
Profitability of Group-in Companies is Also Proceeding Smoothly

Shuumatu Worker: Reduced Operating Losses by **102.5% YoY** and transitioned to profitability on a standalone basis. While ensuring gross profit, we are driving the reform of SG&A expense structure.

YU-CRE: Gross Profit has grown by **23.5 YoY** on consolidated basis.

Shuumatu Worker (Acquired in FY23 3Q)

Business Model: Agent matching platform specialized in side-job

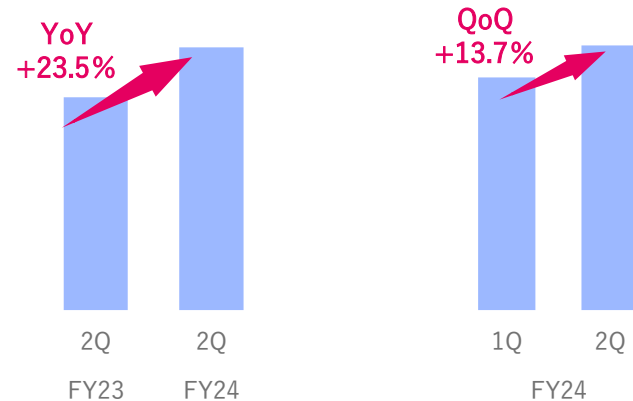


YU-CRE (Acquired in FY23 3Q)

Business Model: Engineer and designer on-site and dispatch services

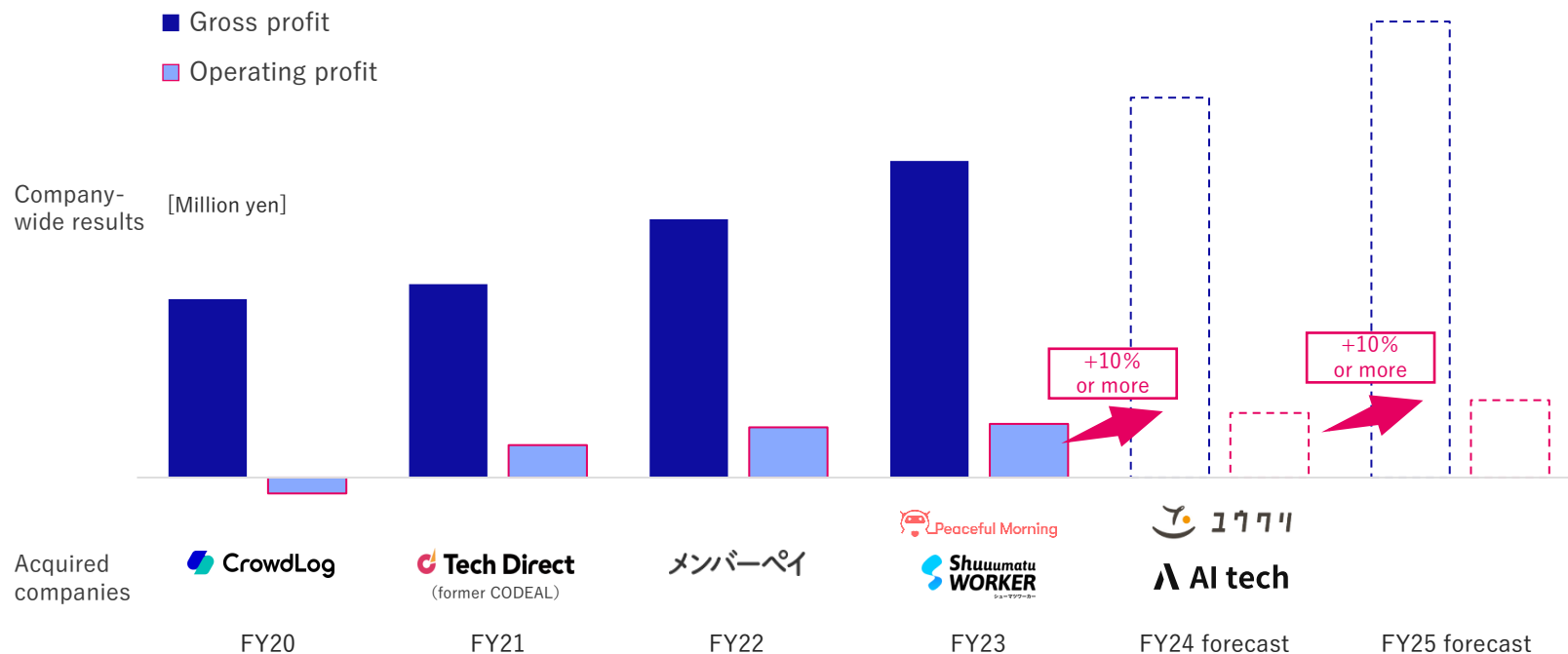
Gross Profit (consolidated)

[Million yen]



Conduct Continuous M&A but also Committed to Achieve Continuous Earnings Growth

Continue to aim for 10% growth in operating profit growth rate as a bottom-line commitment while conducting M&A.



FYI: M&A Strategy & Focus

Target: **Businesses that can be expected to accelerate growth by utilizing CW's assets**

Matching Business Area

1. Freelance
2. Full-time employee
3. Side-job
4. General office dispatch, Engineer dispatch

SaaS & Other Areas

1. Consulting
2. HR tech, SaaS
3. Reskilling, Education

3 Disciplines

1. Conduct multiple comparisons with similar listed companies when considering acquisitions
2. Achieve positive operating income after goodwill within 36 months
3. Return on investment in excess of WACC within 36 months

PMI Policy

1. Providing CW Worker/Client Resources
2. Provision and establishment of productivity improvement know-how
3. Provision of management personnel

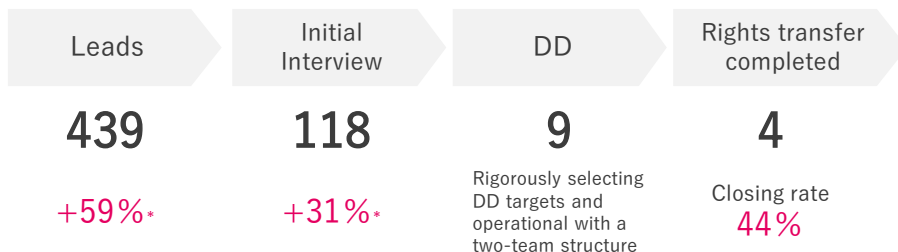
M&A Progress on KPIs and Structural Strength

M&A ensures the expansion of sourcing volume while selectively screening due diligence (DD) targets to improve the closing rate. Post group integration, it establishes a framework for steadily advancing PMI led by seconded members.

M&A KPI

FY23 3Q - FY24 2Q

Expanding leads and rigorously selecting DD targets to improve the closing rate.



*FY23 full year vs. Last 12 months (FY23 3Q - FY24 2Q)

Strengthening the M&A organization

Strengthening the DD structure and increased personnel deployments to group companies



*FY23 4Q vs. FY24 2Q

Appendix

Supplementary Materials for Performance



Forecast for FY2024

No change from the initial forecast.

Increased revenue and profit despite M&A, continuing to aim for 30% growth in gross profit.

[Million yen]	FY2023 Result		FY2024 Forecast	YoY
GMV	23,351	▶	28,020	+20.0%
Net Sales	13,210	▶	15,860	+20.1%
Gross Profit	6,142	▶	7,370	+20.0%
EBITDA (Non-GAAP)	1,420	▶	1,570	+10.5%

- GMV: Gross Merchandise Value
- EBITDA (Non-GAAP): Operating profit + Depreciation and amortization + Amortization of goodwill + Stock-based compensation expense.
- Figures are rounded down to the nearest million yen.
- Year-on-year comparisons are calculated in accordance with the rules for financial statements, taking into account figures less than one million yen.

Profit and Loss Statement

[Million yen]	*Consolidated	FY2023 1Q	FY2023 2Q	FY2023 3Q	FY2023 4Q	FY2024 1Q	FY2024 2Q
GMV		5,461	5,711	6,055	6,123	6,941	6,958
Net Sales		2,977	3,175	3,537	3,519	4,077	4,044
Gross Profit		1,396	1,515	1,619	1,610	1,839	1,845
GMV Gross Profit Ratio (take rate)		25.6%	26.5%	26.7%	26.3%	26.5%	26.5%
Net Sales Gross Profit Ratio		46.9%	47.7%	45.8%	45.8%	45.1%	45.6%
SG&A Expenses		1,171	1,206	1,332	1,278	1,493	1,495
EBITDA (Non-GAAP)		280	357	372	410	433	429
Net Sales EBITDA(Non-GAAP) Ratio		9.4%	11.3%	10.5%	11.7%	10.6%	10.6%
Gross Profit EBITDA(Non-GAAP) Ratio		20.1%	23.6%	23.0%	25.5%	23.5%	23.3%
Operating Profit		225	308	286	332	346	349
Net Sales Operating Profit ratio		7.6%	9.7%	8.0%	9.5%	8.5%	8.6%
Ordinary Profit		219	355	310	352	356	404
Net Profit		149	230	217	499	213	264
Depreciation and Amortization		5	5	13	8	7	7
Amortization of Goodwill		6	6	34	34	42	42
Stock compensation expense		43	37	37	35	37	29

- GMV: Gross Merchandise Value
- EBITDA (Non-GAAP): Operating profit + Depreciation and amortization + Amortization of goodwill + Stock-based compensation expense.
- Figures are rounded down to the nearest million yen.
- Year-on-year comparisons are calculated in accordance with the rules for financial statements, taking into account figures less than one million yen.

Changed in Categorization of Businesses by Segment/Area

Before (up to FY24 1Q)		
Matching Business	Engineer/Designer area	CrowdTech CODEAL
		Peaceful Morning
	Assist/Admin area	BizAssist
		Web production/ Outsourcing area
	Side-job area	CrowdLinks LinksAgent LinksResearch
SaaS Business	CrowdLog, etc	

Starting from FY24 2Q, we changed the "Side-job area" to "Side-job/Consulting area." Additionally, we added 'CROWDWORKS Consulting' to the Side-job/Consulting area.



After (FY24 2Q onwards)		
Matching Business	Engineer/Designer area	CrowdTech TechDirect (former CODEAL)
		Peaceful Morning (Acquired in FY23 1Q)
		YU-CRE (Acquired in FY24 1Q)
	Assist/Admin area	BizAssist
	Web production/ Outsourcing area	CrowdWorks
MemberPay (Acquired in FY24 1Q) Minna-no-College PARK and other new businesses		
Side-job/ Consulting area	CrowdLinks	
	Shuumatu Worker (Acquired in FY23 3)	
	CROWDWORKS Consulting	
SaaS Business	CrowdLog Human & Human	
	AI tech (Will be acquired in FY24 3Q)	

Profit Model (FY24 1H)

Type	Our Profit	Definition of profit	計上方法	GMV	Net Sales	Gross Profit	
Direct Matching	System usage fees	= 5-20% of the business consignment fees (contract amount) between a client company and an individual	GMV	6,348	1,157	1,125	
	Ads fees	= Additional optional fees such as ads placement (Option fee 8,000~30,000 yen)	Net Sales Gross Profit				
Agent Matching	Matching fees	= Business consignment amount minus worker compensation (cost of sales) (Cost ratio 50-80%)	GMV	7,222	6,758	2,333	
			Net Sales				= Business consignment fee
			Gross Profit				= Business consignment fee – Cost price
SaaS + Other	Service Usage fees	= Monthly service (platform) usage fees	GMV	338	338	333	
			Net Sales				= Service Usage fees
			Gross Profit				= Service Usage fees
Adjustment*				▲8	▲132	▲105	
Total				13,900	8,122	3,684	

- GMV : Gross Merchandise Value
- Direct Matching: CrowdWorks, CrowdLinks, Minna-no-College, PARK, circle. Agent Matching: CrowdTech, BizAssist, CROWDWORKS Consulting, Peaceful Morning, Shuumatu Worker, YU-CRE. SaaS + Other: CrowdLog
- Adjustments are for inter-consolidation and intra-company transactions.

FY2024 2Q Performance by Segment

Matching

[Million yen]	FY2023 1Q	FY2023 2Q	FY2023 3Q	FY2023 4Q	FY2024 1Q	FY2024 2Q
GMV	5,373	5,616	5,943	5,996	6,775	6,786
Net Sales	2,889	3,047	3,425	3,392	3,911	3,872
Gross Profit	1,308	1,388	1,508	1,484	1,677	1,674
GMV Gross Profit Ratio (take rate)	24.4%	24.7%	25.4%	24.8%	24.8%	24.7%
Net Sales Gross Profit Ratio	45.3%	45.6%	44.0%	43.7%	42.9%	43.3%
Operating Profit	302	348	327	344	351	364
Net Sales Operating Profit ratio	10.5%	11.4%	9.6%	10.1%	9.0%	9.4%

SaaS (+other)

GMV	87	95	111	127	165	172
Net Sales	87	95	111	127	165	172
Gross Profit	87	95	111	126	162	170
Operating Profit	▲77	▲70	▲40	▲11	▲5	▲15

- GMV: Gross Merchandise Value
- Figures are rounded down to the nearest million yen.
- Year-on-year comparisons are calculated in accordance with the rules for financial statements, taking into account figures less than one million yen.

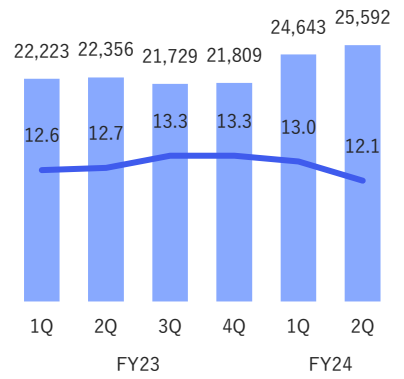
FY2024 2Q Performance by Category (area)

GMV (Million yen)	FY2023 1Q	FY2023 2Q	FY2023 3Q	FY2023 4Q	FY2024 1Q	FY2024 2Q
WEB production/Outsourcing area	2,796	2,835	2,881	2,889	3,203	3,094
Engineer/Designer area	2,136	2,281	2,145	2,199	2,641	2,779
Assistant/Admin area	403	450	478	464	480	494
Side-job/Consulting area	36	47	437	442	454	418
Total	5,373	5,616	5,943	5,996	6,775	6,786
Net Sales [Million yen]						
WEB production/Outsourcing area	458	459	462	461	864	840
Engineer/Designer area	2,001	2,097	2,058	2,034	2,127	2,115
Assistant/Admin area	391	440	465	454	465	497
Side-job/Consulting area	36	49	438	442	455	418
Total	2,889	3,047	3,425	3,392	3,911	3,872
Gross Profit [Million yen]						
WEB production/Outsourcing area	488	492	491	479	509	465
Engineer/Designer area	591	645	628	615	767	803
Assistant/Admin area	200	216	236	231	234	254
Side-job/Consulting area	29	34	151	158	166	151
Total	1,308	1,388	1,508	1,484	1,677	1,674

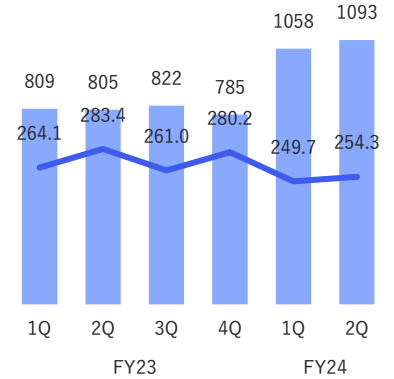
- GMV: Gross Merchandise Value
- Figures are rounded down to the nearest million yen.
- Year-on-year comparisons are calculated in accordance with the rules for financial statements, taking into account figures less than one million yen.

By Category (area) KPI Quarterly Transition

	Web production/Outsourcing area	Engineer/Designer area	Assist/Admin area	Side-job/Consulting area
GMV =	3,094 mil. yen +9.1% (YoY) ○	2,779 mil. yen +21.8% (YoY) ◎	494 mil. yen +9.7% (YoY) ○	418 mil. yen +752.8% (YoY) ○
Ordering Clients ×	25,592 +14.5% (YoY) ○	1,093 +35.8% (YoY) ◎	636 +9.1% (YoY) ○	559 +205.5% (YoY) ○
Unit Price	120,914 yen -4.7% (YoY) △	2,542,631 yen -10.3% (YoY) △	777,313 yen +0.5% (YoY) ○	749,039 yen +179.2% (YoY) ○



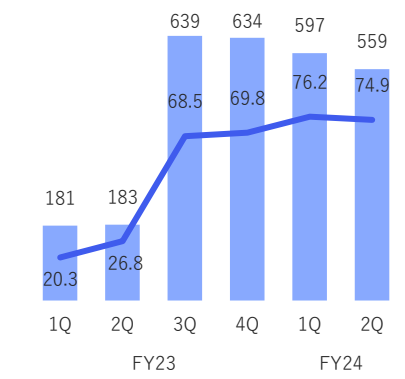
- Member pay was added from FY24 1Q.
- Unit price per company is declining, but GMV growth is strong



- YU-CRE was added from FY24 1Q.
- Continuous resident dispatch (YU-CRE) remains strong, with an increase in the number of companies.
- CrowdTech is recovering, with an increase in unit price per company.



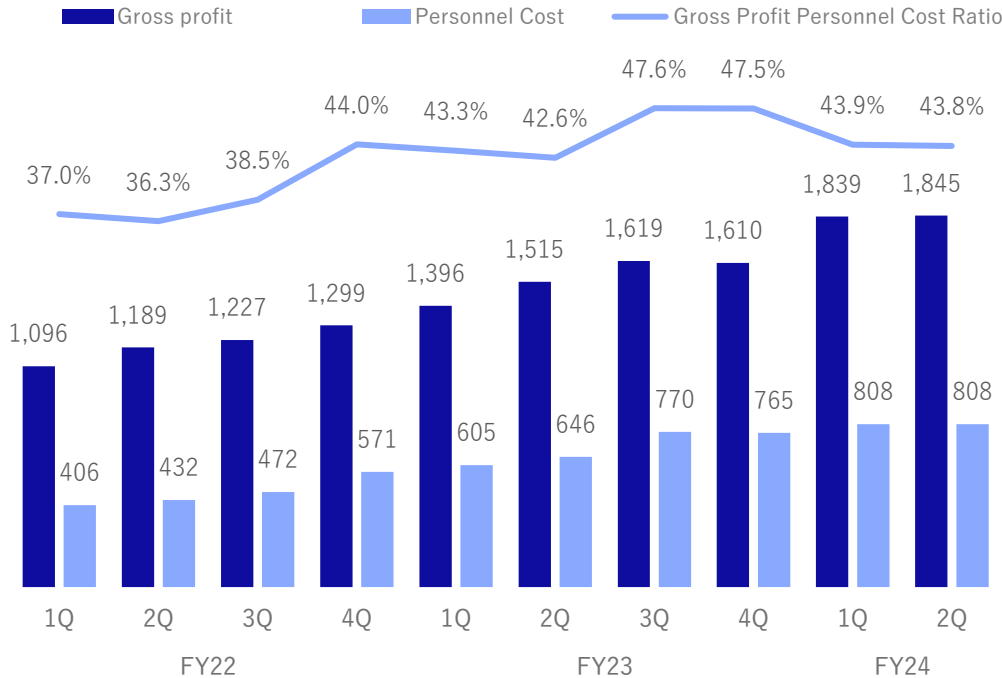
- In 2Q, there was an improvement in unit economics, resulting in an increase in unit price per company, contrasting with the increase in company numbers driven by new determinations in 1Q.



- We will continue to improve unit economics through the strengthening of our consulting business.

Gross Profit Labor Cost Ratio Transition

As a result of daily productivity improvement, the Gross Profit Personnel Cost Ratio has reached the 43% range. We'll keep aiming for below 40%.



Gross Profit
Personnel Cost Ratio
43.8%



Consolidated B/S Summary

Established a sound financial base with a cash/total asset ratio of 57.0% and an equity ratio of 55.3%.





FY2024 2Q Balance Sheet

[Million yen]	FY2023 (consolidated)	FY2024 (consolidated)	Compared to FY23 FY-end
	FY-end	2Q	
Current Assets	7,903	8,999	+1,095
Non-current Assets	2,091	2,162	+71
Total Assets	9,995	11,162	+1,167
Current Liabilities	3,739	4,331	+591
Non-current liabilities	216	296	+80
Net Assets	6,039	6,534	+495
Capital Adequacy Ratio	57.9%	55.3%	▲2.6pt

Company Introduction



MISSION

Talent infrastructure

More than ever before, the world today is a place in which talent and experience can be used for the betterment of other people's lives.

Writers, designers, engineers, video distributors, school instructors, and many others are making a career out of what they are good at, helping others, and bringing smiles to the people around them.

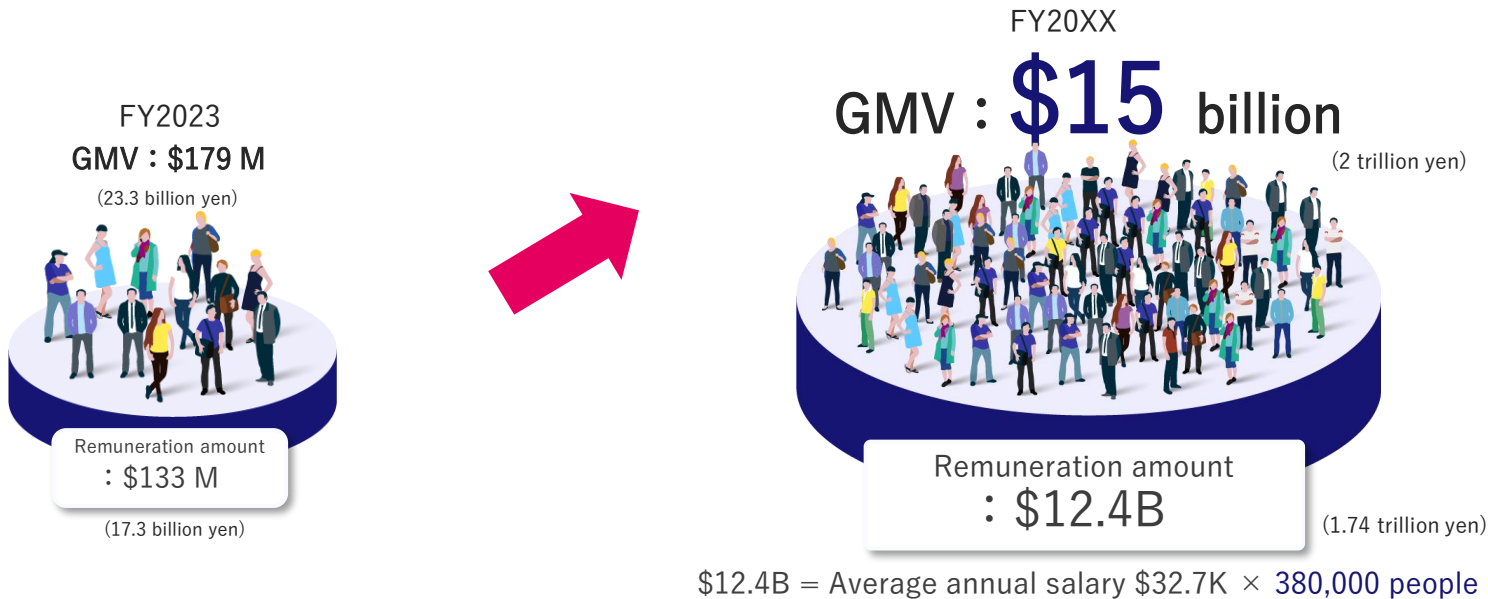
We believe in the infinite potential of people. We believe that people's talents can be tapped to significantly improve others' lives. CrowdWorks' mission is to become a modern infrastructure for talent.





VISION

Achieving our goal of “The company that delivers rewards to people the most in the world”, Over the long-term, CrowdWorks aims to reach “\$15 billion in work distribution GMV.” We will build Japan's largest online employment infrastructure with more than 380,000 people in terms of average annualized income.



(Sources) *Average annual salary \$32.7K National Tax Agency, "Results of the Survey on the Actual Status of Private Salary for 2022"

* 382,000 Number level of employees ranking No. 1 in Japan; Reference: Yahoo Finance as of Mar. 2, 2024 1. Toyota Motor Corporation 380,000 people, 2. NTT 346,000 people,

3. Sumitomo Electric Industries 288,000 people

* The dollar notation is expressed as 1 dollar = 140 yen

HR Mobility and Wage Increase Are Important Themes for Japan

To facilitate the movement of labor to growth sectors, we will contribute to raising wages in the field of non-regular employment.

Government's Approach toward HR mobility & Wage Increase

Equal pay for equal work

Improving wages not only for full-time employees, but also for fixed-term and part-time employees

Improving the treatment of non-regular workers

Increased protection for freelance and gig workers for companies

Correction of the annual income barrier*

The issue of 2.65 million workers adjusting their working hours due to concerns about a decrease in take-home income due to the payment of social insurance premiums and national pension is on the way to be solved.

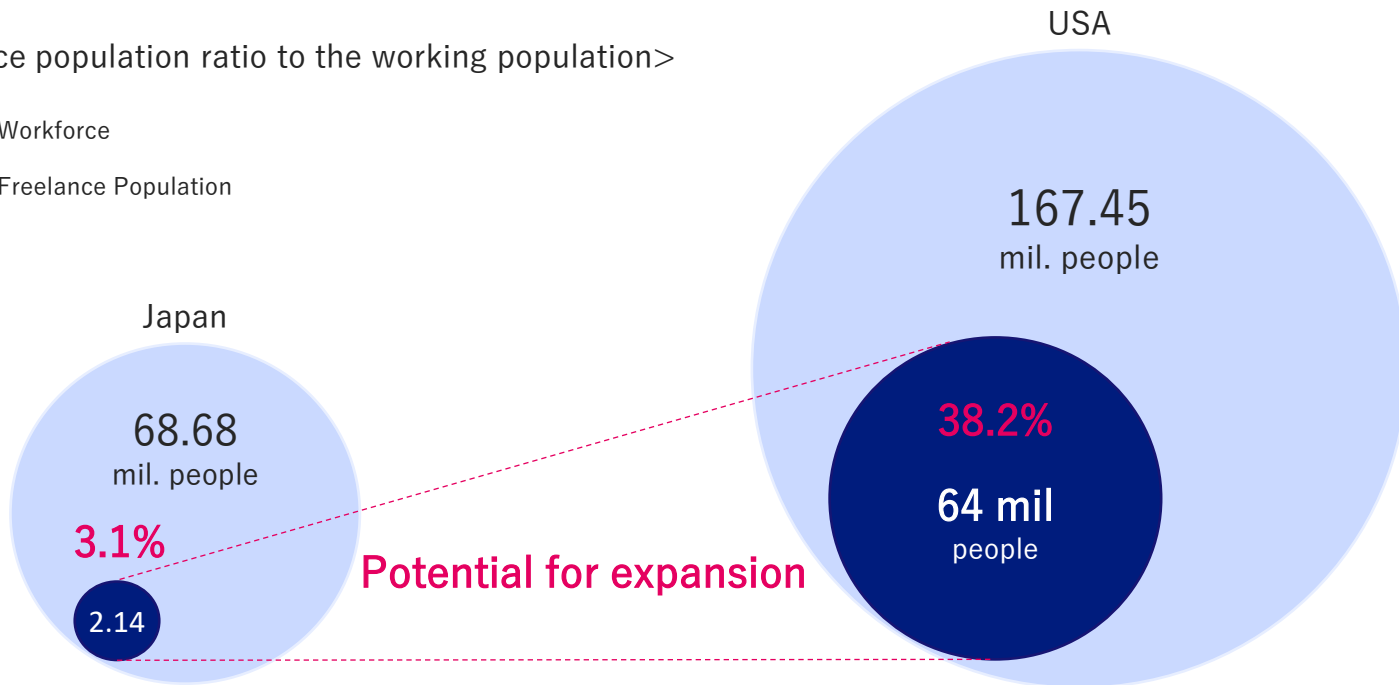
CrowdWorks contributes to the facilitation of labor while raising workers' wages & unit price

The Potential of Japan's Freelance Market

Japan's freelance market is immature, and it is expected to continue to expand due to new freelance laws and changes in work styles

< freelance population ratio to the working population >

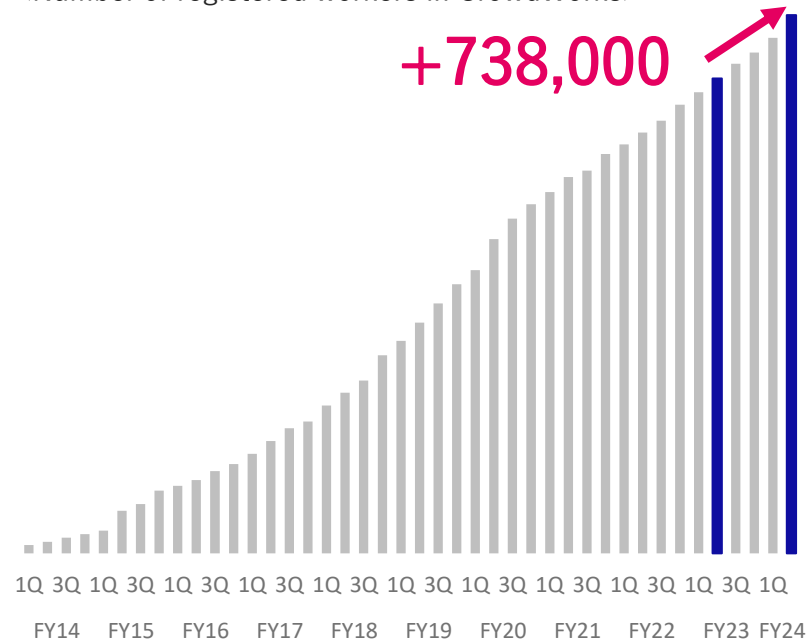
- Workforce
- Freelance Population



Worker Assets that Continue to Grow Organically

CrowdWorks is one of the largest platforms in Japan, with approximately 700,000 workers registering organically. Ability to meet a wide variety of client needs with the overwhelming scale of worker assets is our core strength.

<Number of registered workers in CrowdWorks>



Number of Registered Workers

Over **6.3 million**

A large number of high-class and specialized talent are also registered.

High-class side-job talent
160,000

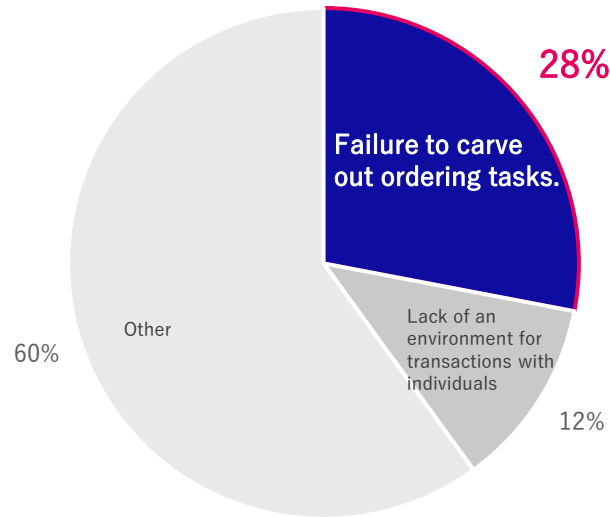
IT professionals every kind
200,000

Resident Dispatch personnel
30,000

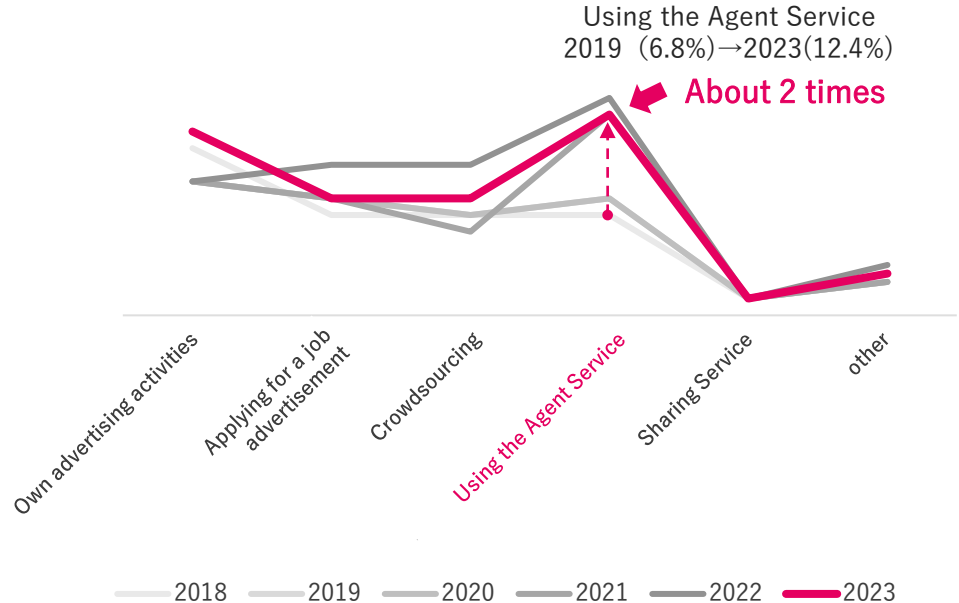
Agent-type Matching is a Solution for Corporate Issues and Outsourcing

As corporate issues become more complex, the agent function makes it possible to clarify client issues and send workers. We will continue to expand the possibilities of freelance and side-jobs by strengthening account sales.

< Client's Issues in Freelance Ordering >

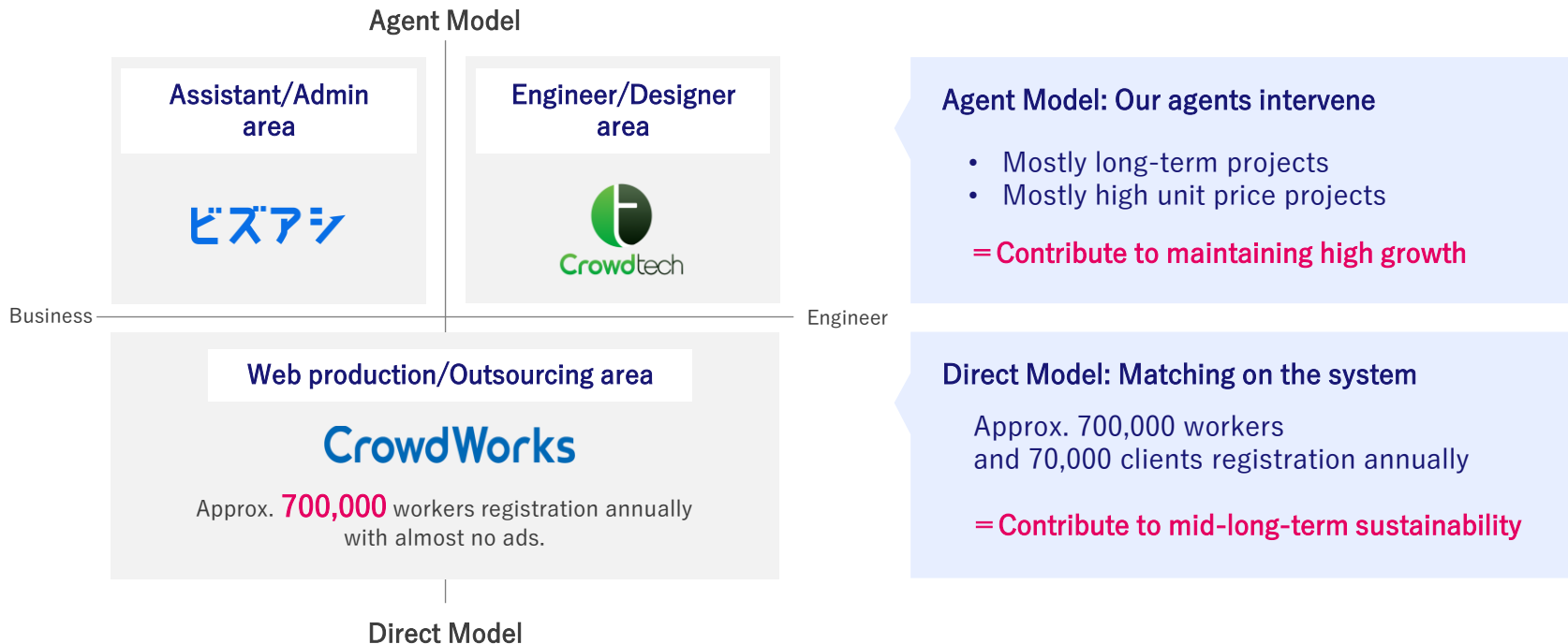


< Job acquisition pathways (annual transitions) where workers earn the most income >



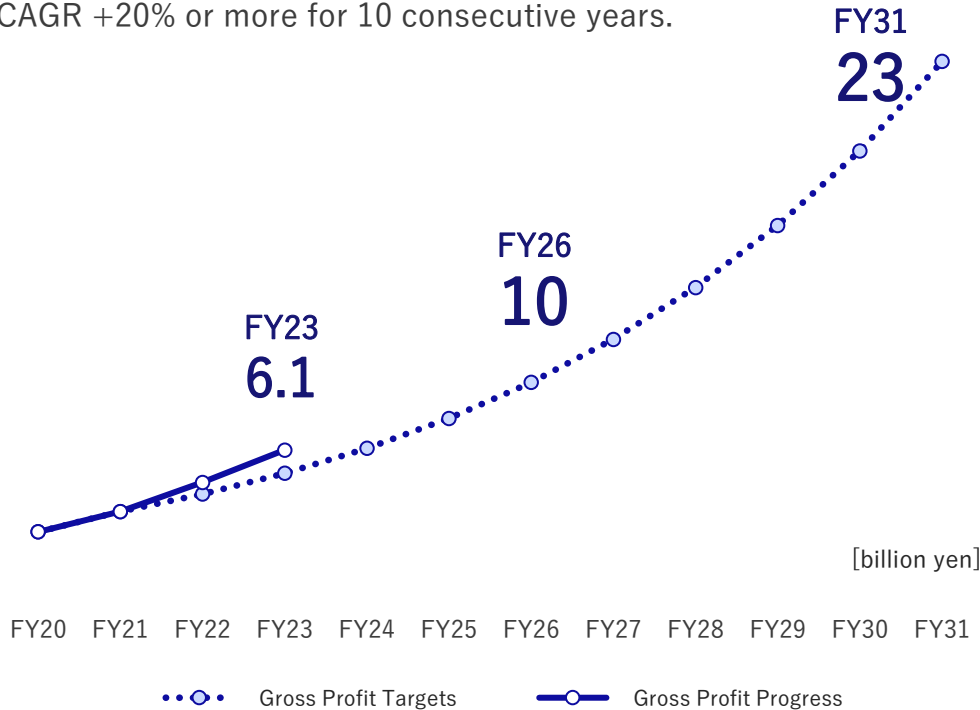
Unique Positioning in the Industry Growing both Direct & Agent Matching Model

The direct model contributes to mid-long-term sustainability, while the agent model contributes to high growth through the introduction of high-skilled personnel.



Mid-Long-term Growth Targets

Aim to achieve Gross Profit of 23.0 billion yen in FY31 by maintaining the mid-long-term target of Gross Profit CAGR +20% or more for 10 consecutive years.



Gross Profit

**CAGR +20%
or more
Achieved for
3 years**

Company Profile



CrowdWorks, Inc.

President and CEO : Koichiro Yoshida
Capital : 2,765,535,356 JPY
Founded : Nov 11, 2011
Services : Operates internet services primarily
CrowdWorks, Japan's largest
crowdsourcing service

《Cumulative group registrations》
6,326,000 workers (users)
974,000 clients
12 ministries and agencies
83 local government

* The numbers of workers and clients of works, Inc. services as of end Mar. 2024



Matching Business

CrowdWorks

No.1 Crowdsourcing Service in Japan

CrowdLinks

Specialized Side Job / Second Business
Matching for High-Value Professionals

Tech Direct (Former: CODEAL)

Multi-job matching service for IT
professionals

PARK

Skills EC online store creation service

Peaceful Morning

One-stop service for RPA implementation
and development

Shuumatsu WORKER

Agent Matching PF Specializing in Full-
Time Employees Side Job Talent

SaaS Business

CrowdLog

Cloud man-hour management service
that visualizes work styles

Human & Human

Human Capital SaaS that
visualizes HR data

AI tech

Generative AI
Subscription Service

Crowdtech

Engineers Matching Service for
Freelancers to Companies

ビズアシ

Specialized Project Matching Service for
Online Administrative Work

CROWDWORKS コンサルティング (Consulting)

Management Issue Resolution Service by
Productivity Consultants

みんなのカレッジ (Minna-no-College)

Online education program to broaden
your career opportunities

メンバーペイ (MemberPay)

Online Membership Management and
Monthly payment platform

ユグク (YU-CRE)

Agent service specializing in creative
personnel

Business Model – No.1 Online Talent Matching Platform

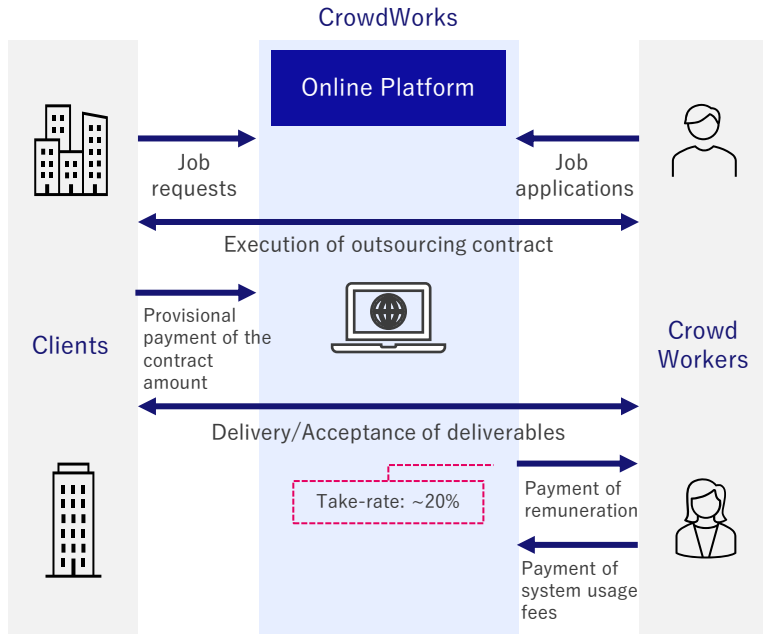
Since 2012, we have developed a platform business offering people to work in ways unbound by traditional employment styles: freelance, side-job, work from home, and more.

We have approximately **70,000** clients and **700,000** workers registration annually with almost no ads.

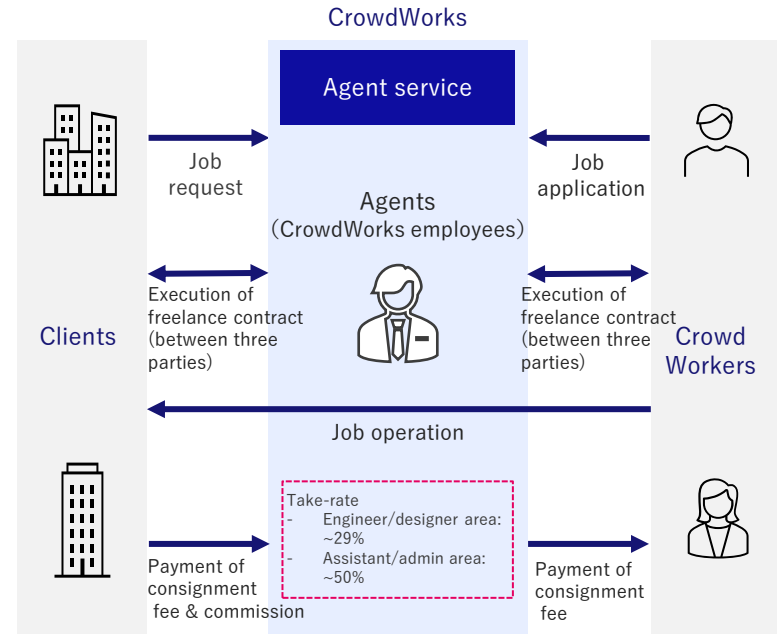


Business Model – Matching Business

Direct matching (Systems-based matching)



Agent Matching (Support-based Matching)



• The above direct matching represents the business model of CrowdWorks. Some direct matching services (e.g. CrowdLinks) use monthly usage fees from companies as revenue and differ from the above model.

Service Introduction: Matching Business

Direct Matching

Web production/Outsourcing area

CrowdWorks

Our profit System usage fee

Take-rate ~20%



- Japan's largest worker and company matching platform
- Strengths in brand recognition and customer attraction
70,000 clients and 700,000 new workers register annually

Agent Matching

Engineer/Designer area

GreenTech

Our profit Operating hour unit/month

Take-rate ~29%



- One of the largest in # of IT professional Database of 100,000 IT professional
- Assign speedily
Engineers can be assigned in as little as 3 days
- Diverse working styles
70% of projects less than 4 weeks
95% remote work projects

Assistant/Admin area

ビズアシ

Our profit Operating hour unit/month

Take-rate ~50%



- High-skilled assistants
Experienced administrative personnel with IT tools
- Flexibility
From 30 hours/month, minimum 1 month contract
- Remote-work
100% remote work
Highly skilled personnel can be recruited without geographical restrictions

Service Introduction: Matching Business (Group-in companies)

Through M&A, we are strengthening our Matching Business.

Web production/Outsourcing area

メンバーペイ

※Acquired in FY23 3Q,
Merged in FY24 2Q

Our profit

System usage fee

取引実績33万件以上!

オンラインでのサービス販売をもっとかんたんに

メンバーペイはさまざまなサービス販売をオンラインで行うことができる決済サービスです

0円

無料ではじめる

- Online Payment Services
- Completed in just a few minutes from application to finish
- Service sales page can be created
Just enter the contents, price, etc.

Engineer/Designer area

Peaceful Morning

※Acquired in FY23 1Q

Our profit

Operating hour unit/month

満足度100%

RPA 開発経験が豊富なプロが

社内開発を

月額10万円からサポート

3分で行われるRPA Runner 料金をダウンロードする

お問い合わせはこちら

開発ロボット数 2,000 以上

オンラインミーティング実施数 670 件

回答した質問数 7,384 件

2022-2023 Top Rated Agency

- Automating operations with RPA
Proposing solutions to DX issues
- Performance-based remuneration
Freelancers support via chat and Web MTG
- UiPath MVP for the second term '22 & '23, in the Training Partner category

ユウクリ

※Acquired in FY24 1Q

Our profit

Operating hour unit/month

プロのデザイナー・クリエイターが利用する

派遣・転職・フリーランス支援

ユウクリ

CREA

- Specializing in Designers and Creators
- Resident Dispatch available
Responding to the resident needs of companies

Service Introduction: Matching Business (Side-job/Consulting area)

160,000 high-class talent working for large and well-known companies are registering.

Direct Matching

Side-job/Consulting Area

CrowdLinks

Our profit

Service usage fee/month



- 110,000 high-class side-job talent
Meet the top 1% of talent who have not yet appeared in the job market.
- No matching fees

Agent Matching

Side-job/Consulting Area

CROWDWORKS コンサルティング

Our profit

Operating hour unit/month



- Management Issue Consulting
Expert consultants achieve productivity improvement
- Supplying high-class talent
Proposing talent in line aligned with business issue phases.

Side-job/Consulting Area

Shuumatsu WORKER

シューマツワーカー

※Group-in Company
Acquired in FY23 3Q

Our profit

Operating hour unit/month



- Free support up to side-job contracts
- Minimum 1 month ~, hourly rate system
It is possible to start in the shortest days ~ weeks

Service Introduction: SaaS Business

CrowdLog is service in the field of man-hour management.

Various companies, including large corporations, have started to use this service.



Business model SaaS

Our profit Service usage fee/month

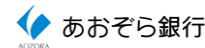


- De-Excel management
Eliminate complexity of project costing and input tabulation
- Aggregation automation and visualization
Automatic calculation and visualization of project man-hours

IT



Non-IT



Service Introduction: SaaS Business

SaaS Business also expands its service offerings.

By strengthening the lineup in peripheral areas, it creates synergy with the matching business.

Human & Human

Business model SaaS

Our profit Service usage fee/month



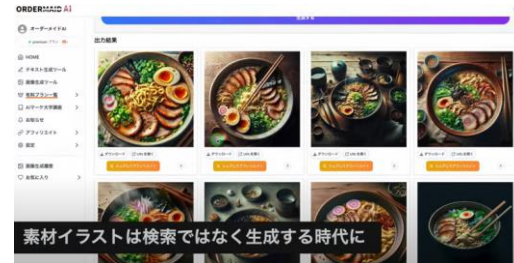
- Centralize HR data
Reducing the cost of data collection for human capital disclosures
- Data analysis with just one click

AI tech

※Group-in Company
Acquired in FY23 3Q

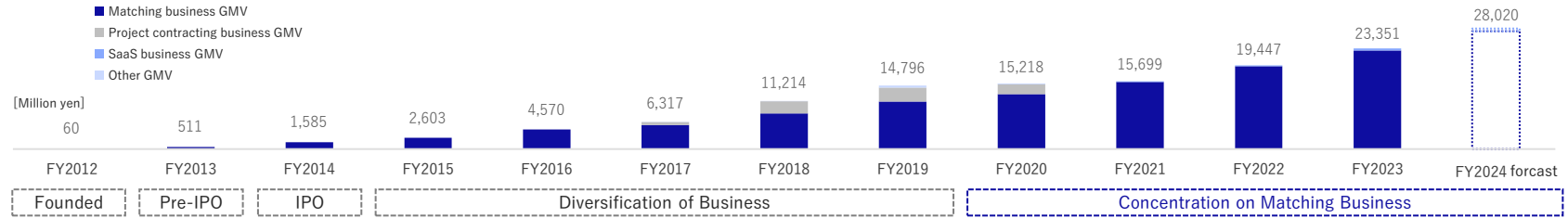
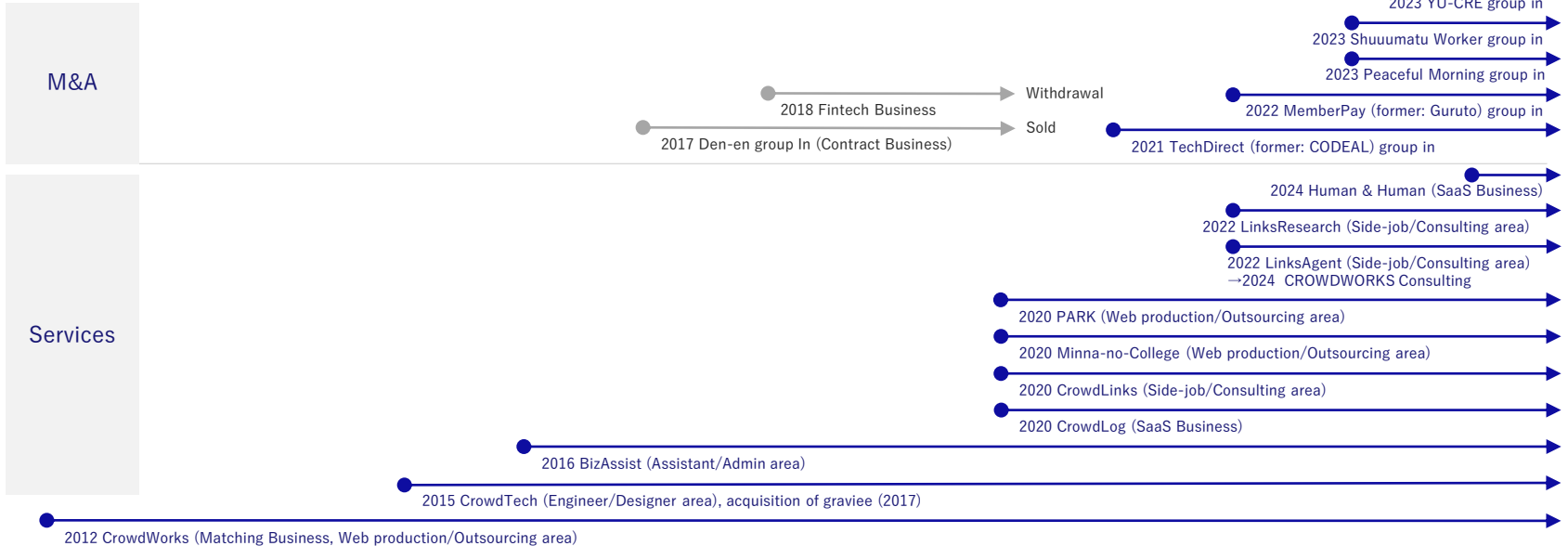
Business model SaaS

Our profit Service usage fee/month



- Generative AI SaaS "ORDERMADE AI" provided
Create articles and images easily, even for beginners.
- AI usage courses
Provide workers with methods for AI-powered side-jobs

History and Development



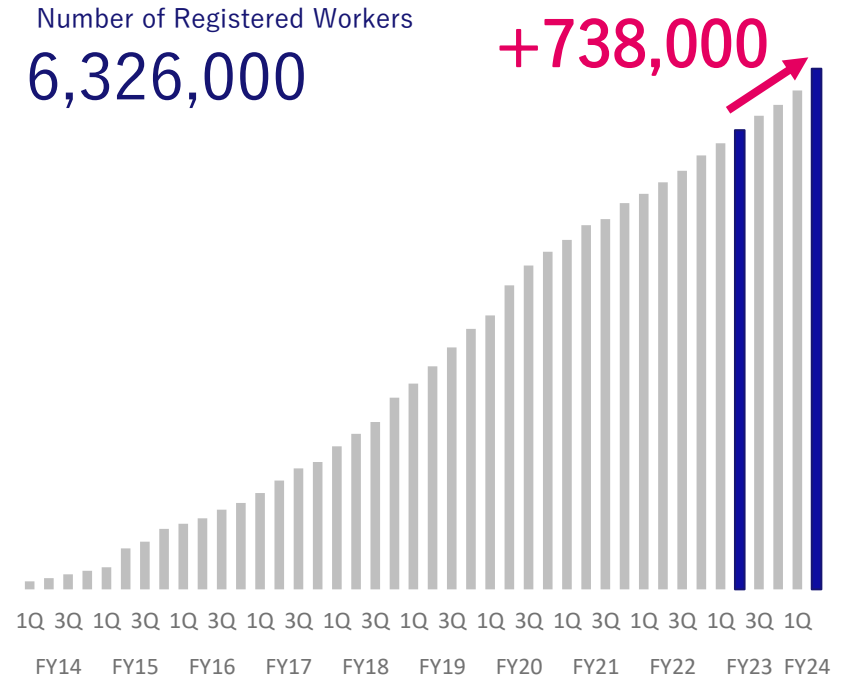
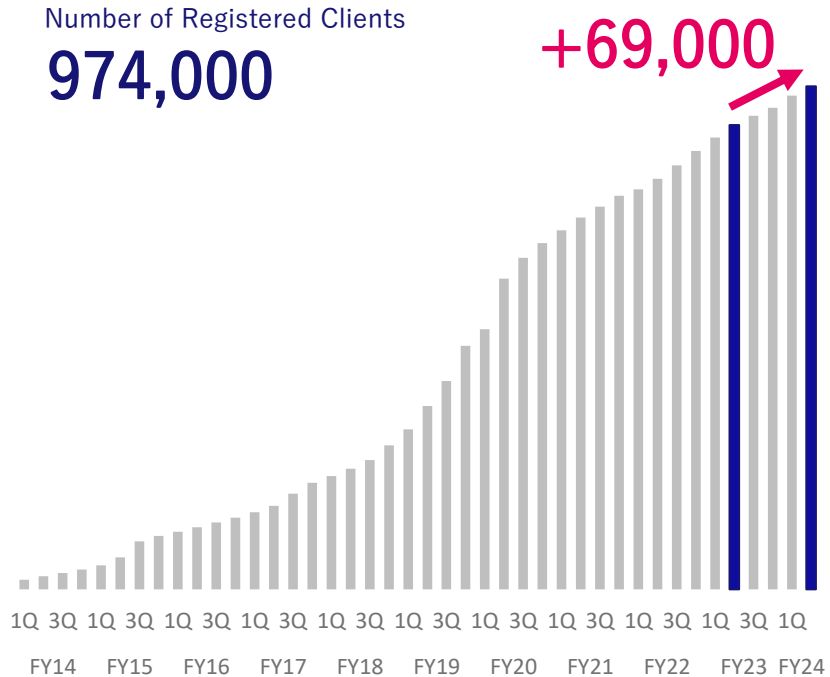
CrowdWorks Management Model

~Achieved the target for 3 consecutive years,
and to achieve Gross Profit growth of 20% or more for 10 consecutive year~

1. One of the largest HR databases in Japan,
with approximately 700,000 workers and 70,000 clients registering annually
2. The only company in the industry where platform and agent model grow simultaneously
3. Productivity Improvement Culture: Systematize Gross Profit margin and Profit margin improvement
4. CW Management Policy: Continuously update policies related to management
5. Account sales structure to improve unit price per company

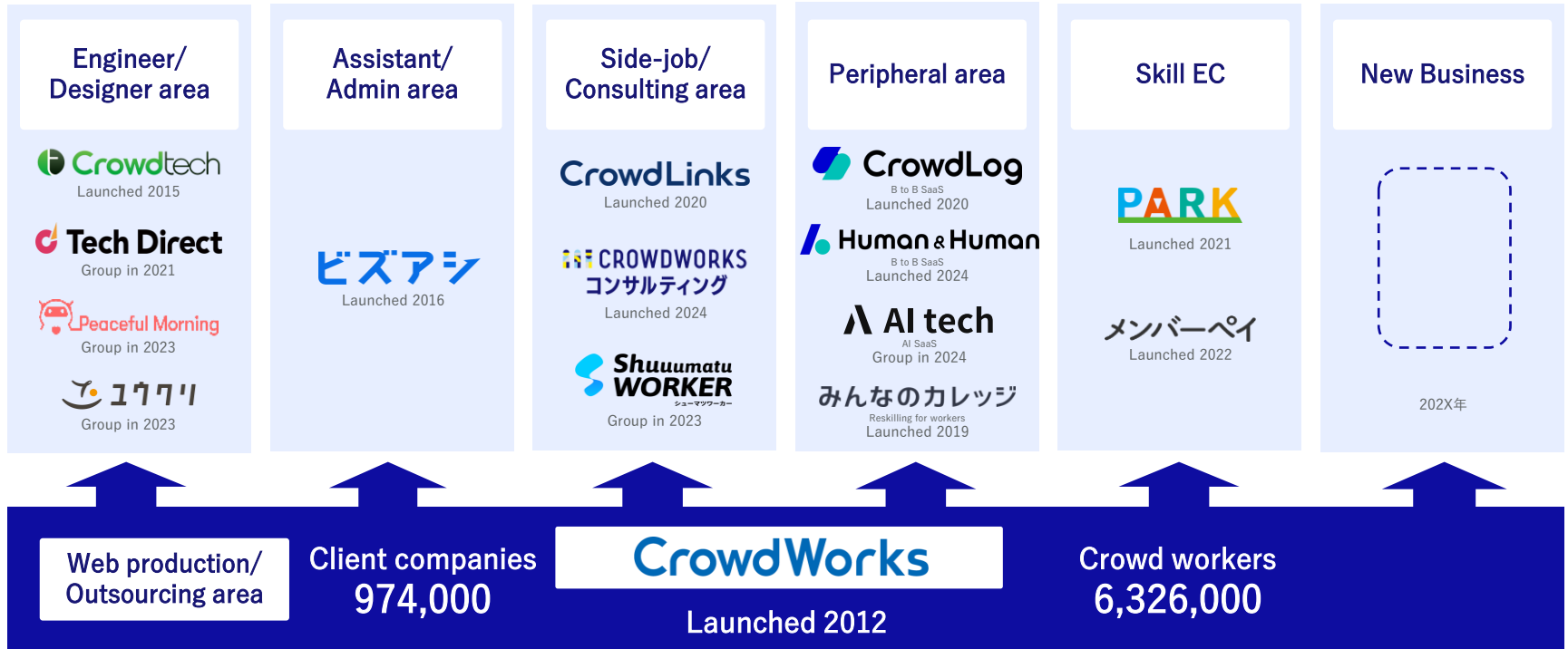
1. One of the Largest HR Databases in Japan

One of the largest platforms in Japan with approximately 70,000 clients and 700,000 workers registering organically. This enables us to meet a wide variety of client needs.



2. The Only Company in the Industry Where Platform and Agent Model Grow Simultaneously

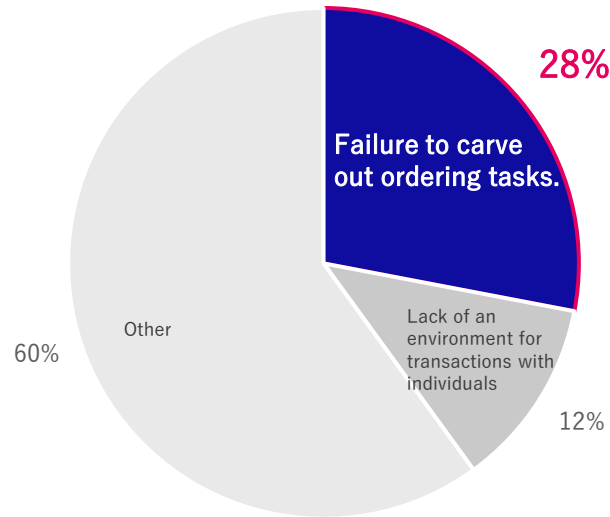
A system has been established to acquire workers and clients through a platform model and to launch businesses via an agent model.



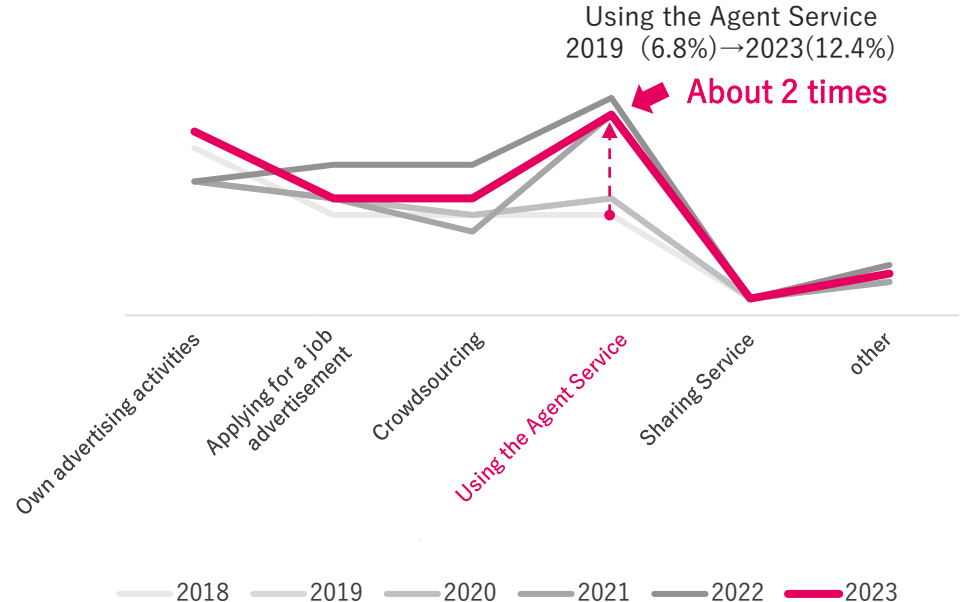
FYI: Agents Grasp Client Issues and Facilitate Worker Matching

As corporate issues become more complex, the agent function makes it possible to clarify client issues and send workers. We will continue to expand the possibilities of freelance and side-jobs by strengthening account sales.

< Client's Issues in Freelance Ordering >

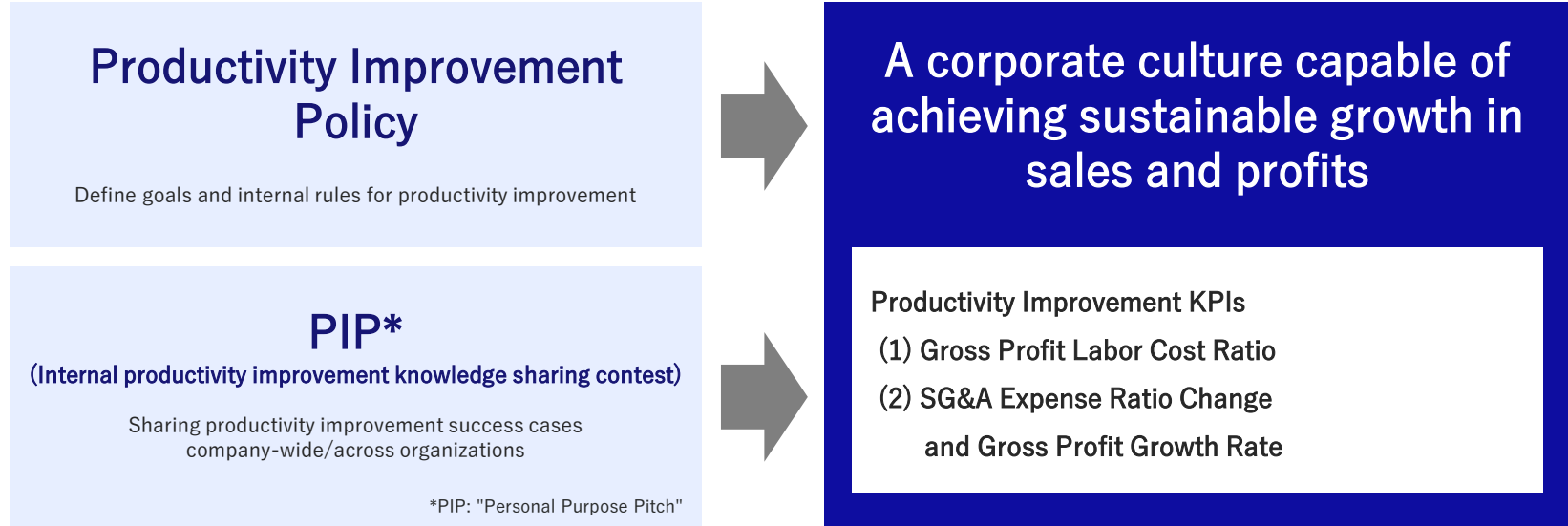


< Job acquisition pathways (annual transitions) where workers earn the most income >



3. Productivity Improvement Culture

The driving force behind recent profitability performance is our Productivity Improvement Policy. Through Productivity Improvement Policy and our PPP (a productivity improvement knowledge sharing contest), we have established a corporate culture capable of achieving sustainable growth in sales and profits.



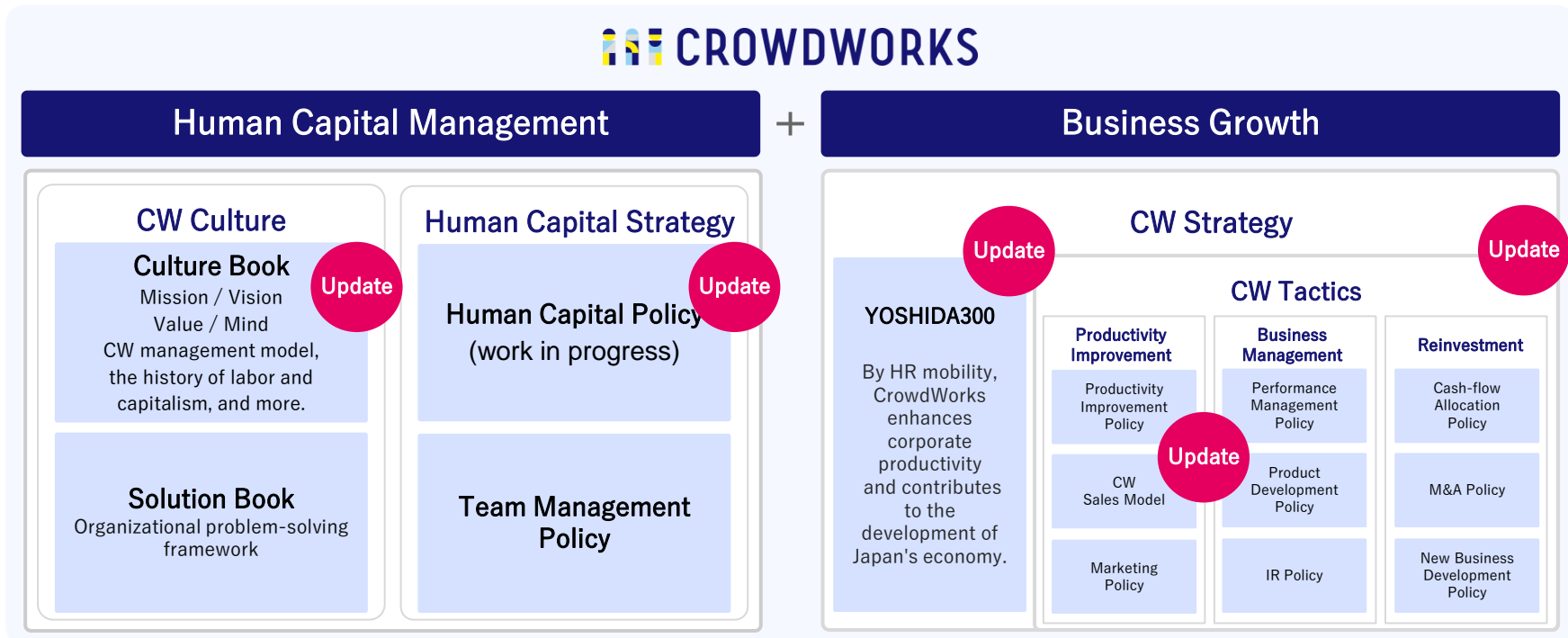
FYI: FY2024 2Q Cases of Productivity Improvements (Selected)

Improvement Themes		2Q Cases (Jan. –Mar.)		Result
Marketing	Improve LTV/CPA unit economics by changing investment allocation and marketing methods.	[CrowdWorks] Successfully increased the worker registration rate by expanding the method of membership registration.	Worker membership registration rate	52.0% Improved
		[BizAssi] Successfully increased the number of contracts by adding a 'Quick Inquiry' button alongside the 'Download Materials' button on the service page.	Number of contracts	41.2% Increased
Process Change	Review business processes to reduce costs and improve gross profit to cost ratio	[CrowdWorks] Successfully reduced man-hours by reassessing the necessity of stamping invoices and service usage notifications, traditionally carried out.	Man-hours /month	65.0% Reduction
		[CrowdTech] Successfully increased the conversion rate by understanding the customer's issues through a survey between appointment and negotiations.	Conversion rate	50% Improved
Engineering	Improve productivity by systematizing and automating through the introduction of technology	[CrowdWorks] Successfully reduced man-hours by systematizing the process of identifying and rectifying synchronization issues between the production and display screens during page creation.	Man-hours /per hour	92.5% Reduction
		[CrowdLog] Successfully reduced man-hours by listing the commands necessary for production and making them easily accessible.	Man-hours /per	40.0% Reduction

4. CW Management Policy

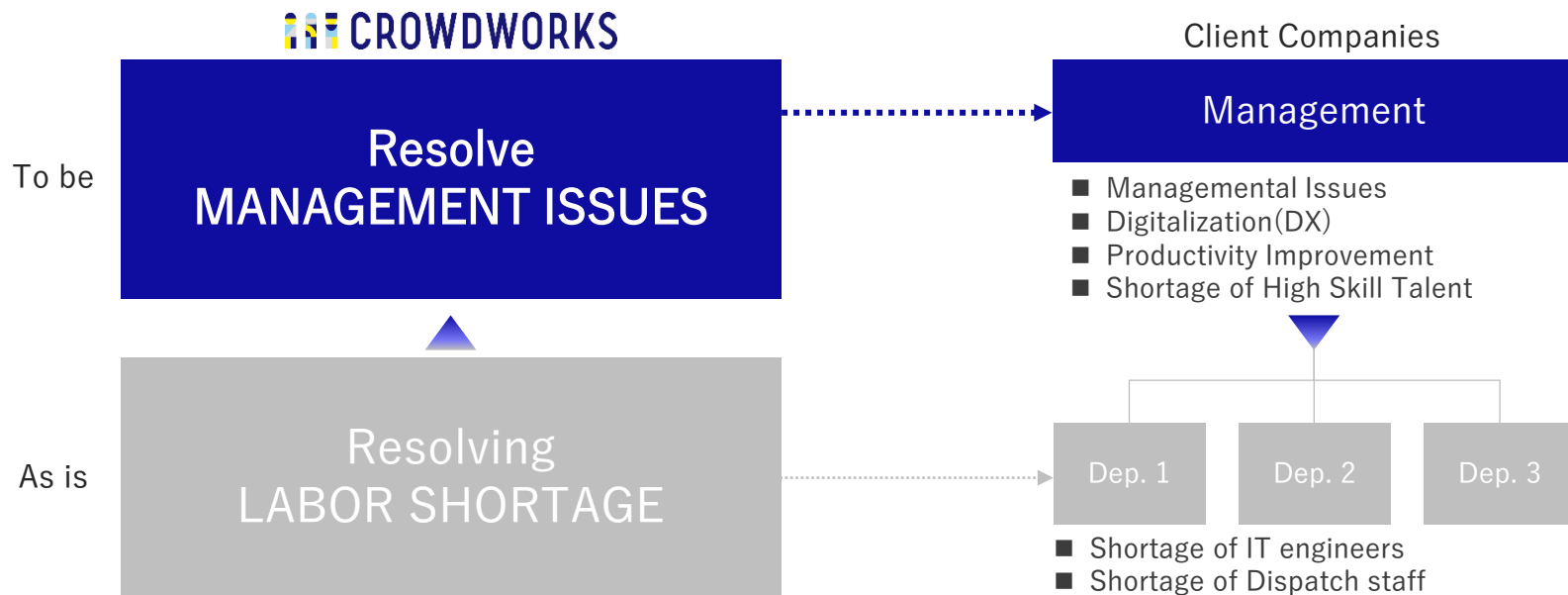
“CW Management Policy = Human Capital Management + Business Growth”

Everyone from members to directors can propose policy revisions. It is continuously updated.



5. Account Sales Structure to Improve Unit Price Per Company

We are evolving from sales for individual services to consulting for multiple services that contribute to the productivity improvement of Japanese companies. Furthermore, we have integrated it with the account sales system and improved the unit price per company.



[Precautions concerning future prospects]

Forward-looking statements such as the business forecasts described in this material are not intended to promise the realization of the Company. Please note that the actual results may differ depending on various factors.

[Inquiries concerning this material]

CrowdWorks, Inc.

IR · PR

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