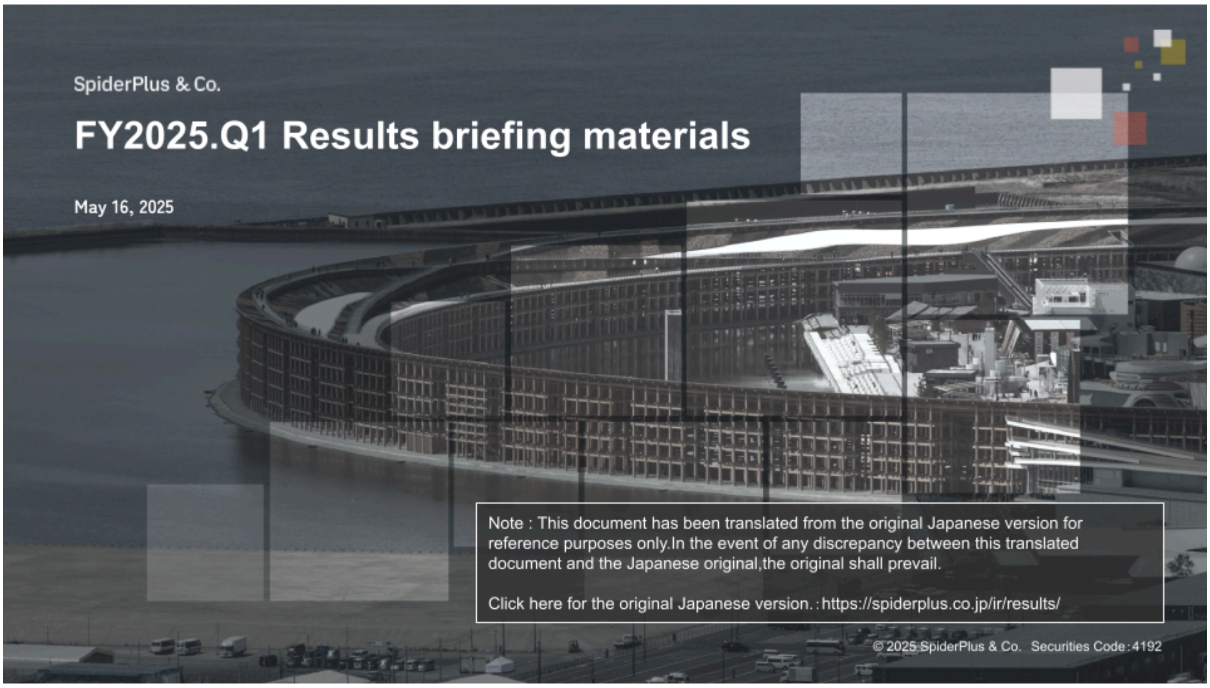
SpiderPlus & Co.

May 16, 2025
SpiderPlus&Co.
Kenji Ito, President and Representative Director
(TSE Growth: 4192)

Script FY2025.Q1 Results briefing materials



【Notes1】
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*1 : Click here for the original Japanese version.:https://spiderplus.co.jp/ir/results/

【Notes2】
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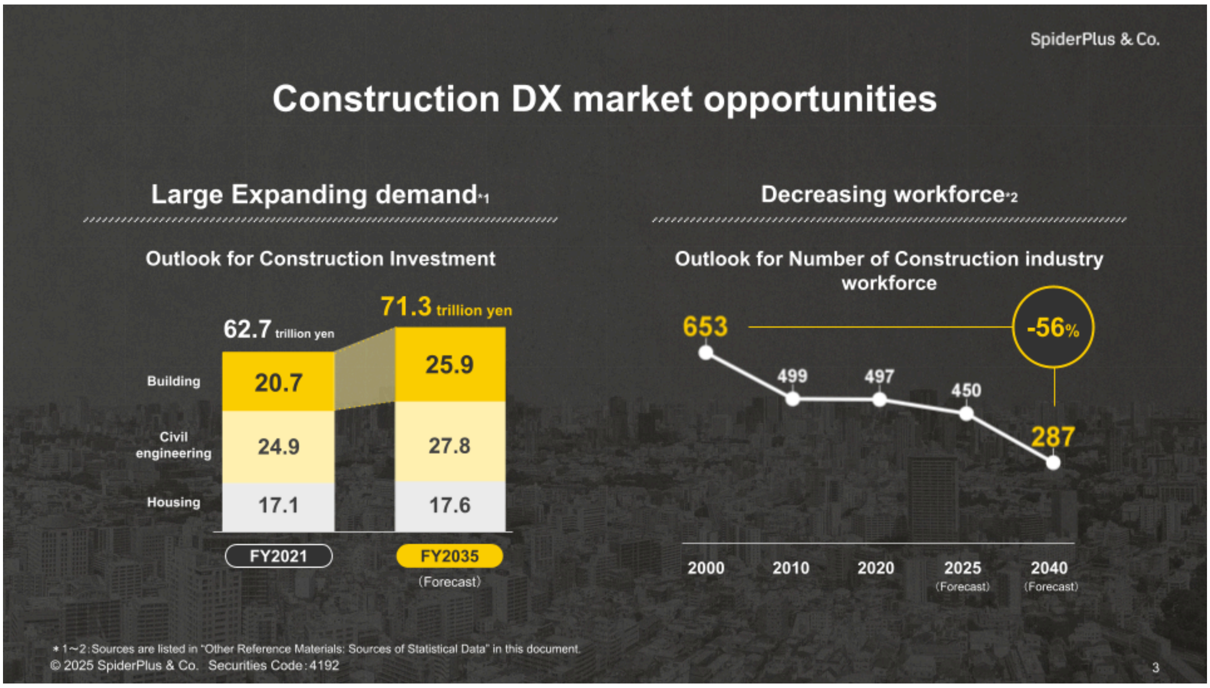
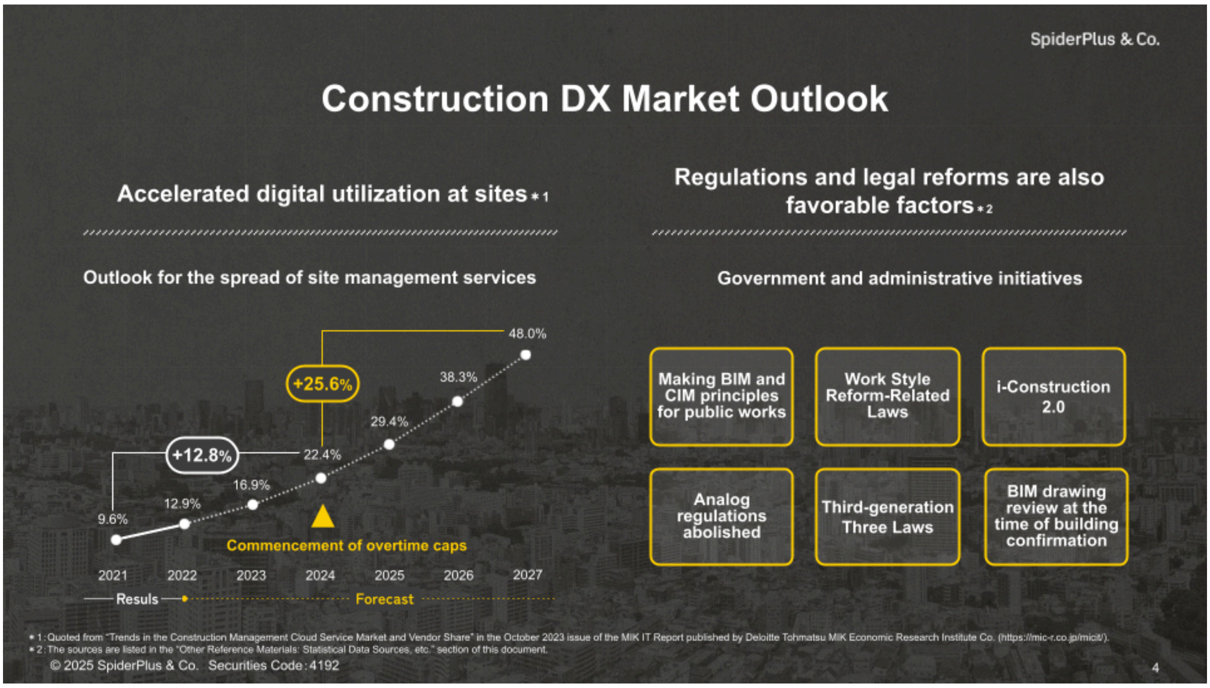
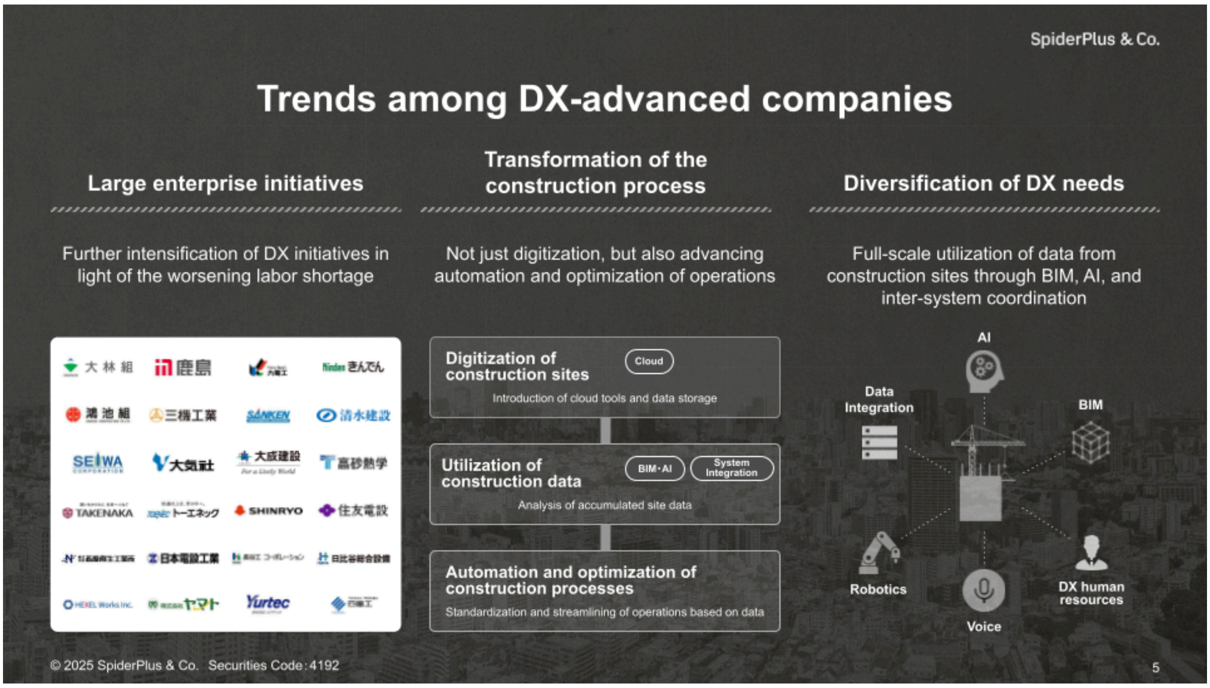
Our company specializes in the construction industry, promoting digital transformation at construction sites through the power of technology, and contributing to improved productivity and work style reforms at construction sites.



The construction industry is expected to grow in the long term, mainly due to urban redevelopment and increased demand for repairs to aging infrastructure. On the other hand, the industry faces structural challenges such as a decreasing workforce, and we expect that there will be a high demand for DX to improve productivity.

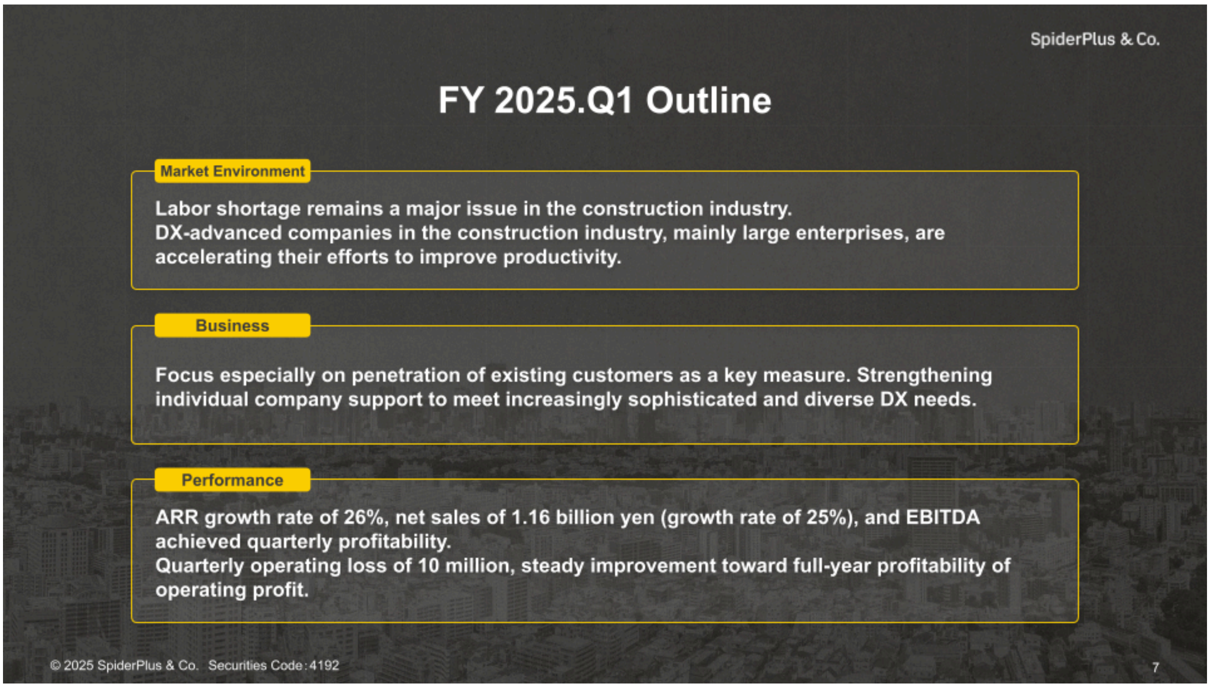


The construction DX market is being driven by the accelerating use of digital technology at construction sites, as well as regulations and legal reforms. The penetration rate of site management services is steadily increasing, from 9.6% in fiscal 2021 to a forecast of 29.4% in fiscal 2025, and is expected to reach 48.0% in fiscal 2027. The commencement of overtime work limit regulations is also helping to streamline operations at construction sites, thereby promoting DX. In addition, government and administrative initiatives such as the adoption of BIM/CIM principles for public works, laws related to work style reforms, i-Construction 2.0, the abolition of analog regulations, and BIM document reviews for building confirmation applications are also major factors promoting DX.



In terms of trends in construction DX needs, large enterprises in the construction industry, which are our main customers, are actively engaged in DX, and their needs are becoming more sophisticated and diverse, ranging from the digitization of operations through the introduction of digital tools to the transformation of business processes utilizing construction data and AI.
The construction industry is seeking solutions that can meet these needs, and the opportunities for growth for our company, which is promoting DX at construction sites, are expanding.

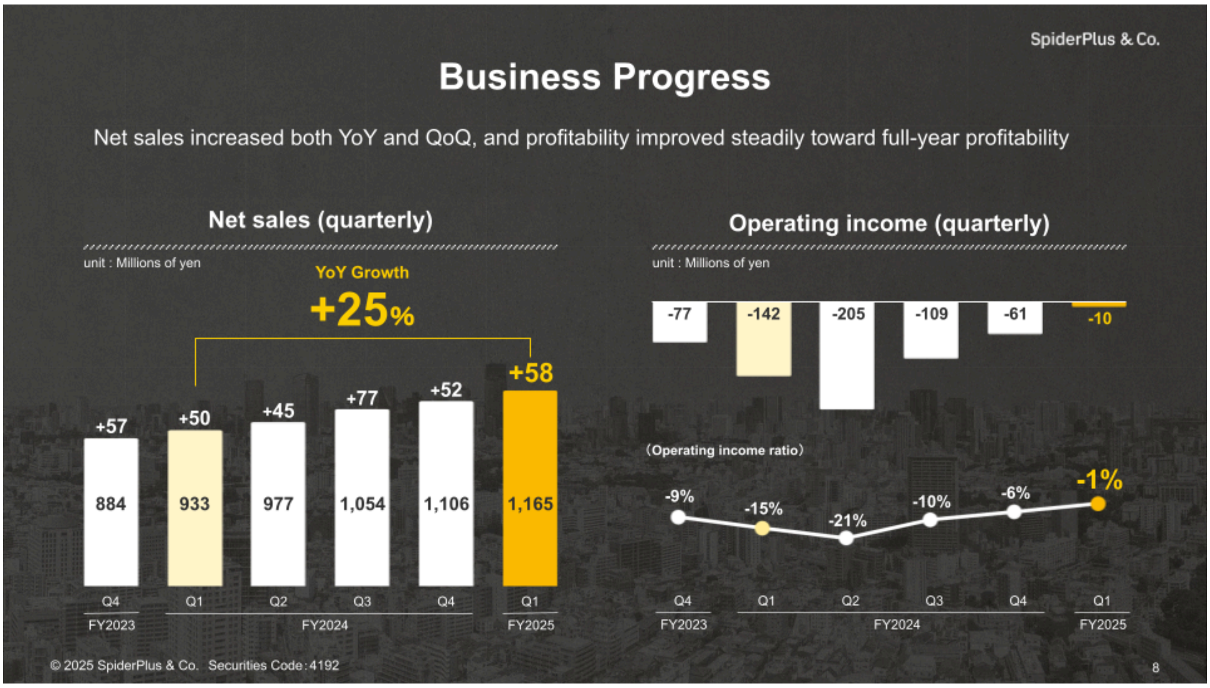
Now, I will explain the performance highlights for FY2025.Q1.



Here is an overview of Q1.
In terms of the market environment, labor shortages in the construction industry remain a major issue, and large enterprises in the construction industry are accelerating their DX initiatives.

In light of this market environment, we are promoting the adoption of DX in the construction industry by combining customized development and joint development with our existing SaaS (SPIDERPLUS) offering.

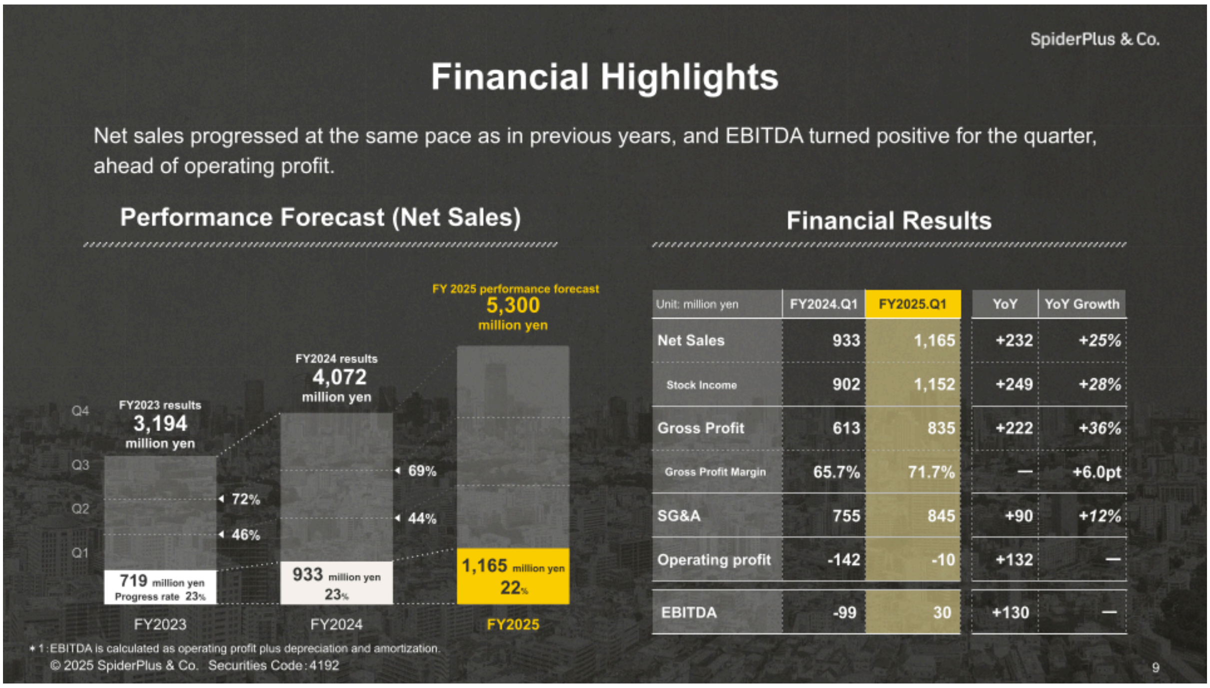
As a result, our Q1 performance saw a 26% YoY increase in ARR growth, net sales of 1.16 billion yen (up 25% YoY), and EBITDA returned to profitability for the quarter. In terms of profits and losses, operating loss was 0.1 million yen, a significant reduction from the previous quarter, and we are steadily improving toward full-year profitability.



The following table shows the progress of net sales and operating profit on a quarterly basis.

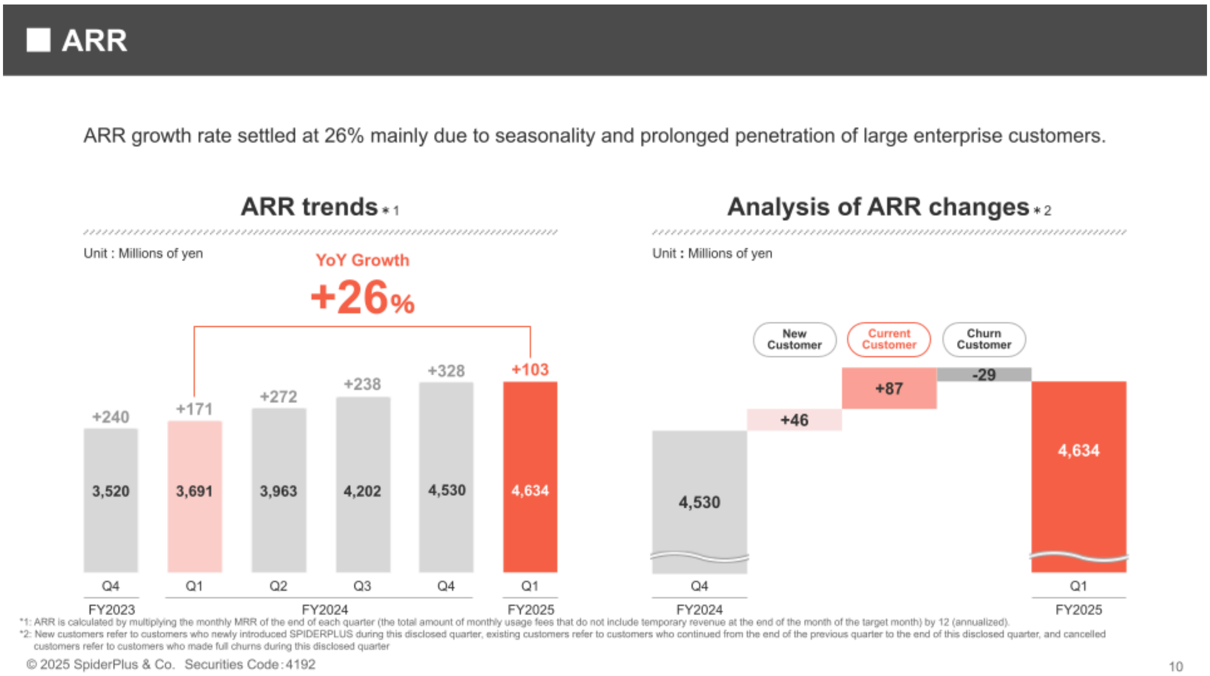
Net sales (quarterly) grew steadily, reaching 1,165 million yen in the first quarter of FY2025, a 25% increase YoY.

Operating profit (quarterly) continued to improve from a loss of 77 million yen in the fourth quarter of fiscal 2023, and in the first quarter of fiscal 2025, it was a loss of 10 million yen, bringing us closer to profitability.



Unit: million yen	FY2024.Q1	FY2025.Q1	YoY	YoY Growth
Net Sales	933	1,165	+232	+25%
Stock Income	902	1,152	+249	+28%
Gross Profit	613	835	+222	+36%
Gross Profit Margin	65.7%	71.7%	—	+6.0pt
SG&A	755	845	+90	+12%
Operating profit	-142	-10	+132	—
EBITDA	-99	30	+130	—

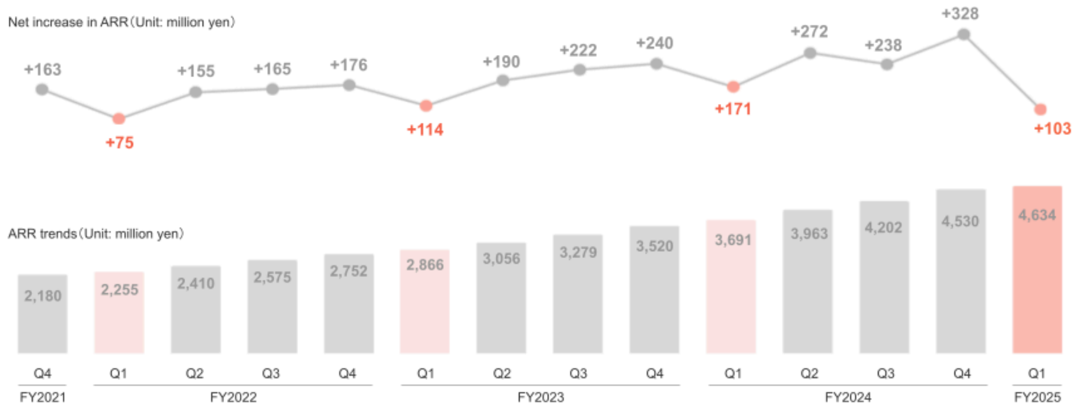
The progress rate of net sales compared to the forecast is in line with previous Q1 results. Quarterly net sales increased 25% year on year, with stock revenue increasing 28% year on year. In terms of profits and losses, operating loss decreased and EBITDA returned to profitability for the quarter.



Next, we will explain our KPIs. ARR grew 26% year-on-year, mainly due to the seasonal factors seen in previous Q1s and prolonged penetration of large enterprise customers. Growth continues to be driven by ARR growth from existing customers.

Reference Seasonality of ARR

Net increase in ARR in Q1 tends to be the lowest throughout the year due to ID suspensions accompanying the completion of construction sites.



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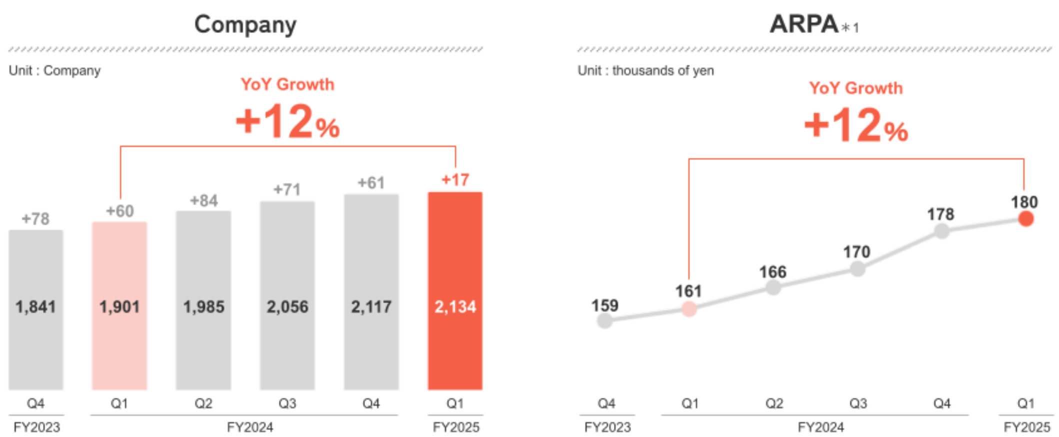
We would like to add some comments regarding the seasonality of our business. Net ARR growth in the first quarter tends to be the lowest of the year due to ID suspensions associated with the completion of construction sites. In FY2025.Q1, the impact of ID suspensions due to site completions was greater than in the past.

Company・ARPA

ARPA maintained YoY growth of +12% despite prolonged penetration of large enterprises.
The number of contracted companies was limited to 17 additional companies,due to onboarding challenges for SMBs and stagnant deal closure rates.



*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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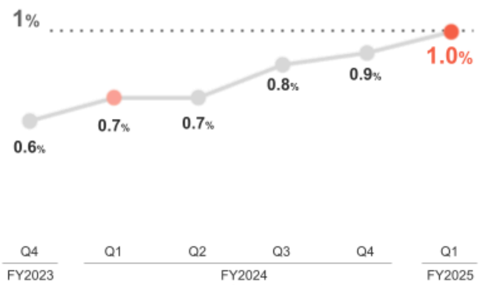
This slide shows ARR broken down into contracted companies and ARPA (monthly subscription fee per company).
The number of contracted companies was limited to 17 additional companies,due to onboarding challenges for SMBs and stagnant deal closure rates. ARPA increased to 180 thousand yen in the first quarter of FY2025, maintaining YoY growth of 12%.

■ Churn rate*1

Churn rate is within the target range and is expected to remain at the same level in the next quarter.

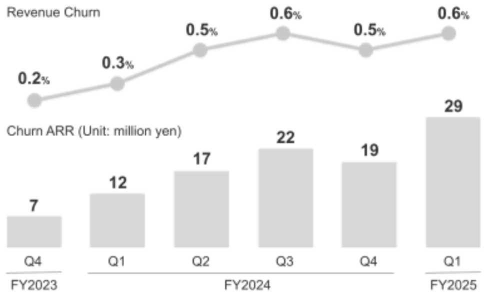
Churn Rate Trends by Company Unit*1

Mainly small construction companies that have introduced the system recently



Analysis of churn rate*2

The impact of churn on ARR growth is limited



*1: The corporate churn rate is the average monthly churn rate for the most recent 12 months.
*2: The churn ARR is calculated as the total ARR of companies that canceled their contracts in each quarter, and the revenue churn is calculated as the total ARR of companies that canceled their contracts in each quarter divided by the ARR at the end of the previous quarter.

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We explain the progress of contracted companies, including trends in churn rates.
There has been no change in the situation where small-scale construction customers and non-construction customers account for the majority of churn.
We expect the churn rate to remain at the same level in Q2 and beyond.

■ KPI trends by customer size *1

Challenges include increasing penetration among "Large Enterprise" (raising ARPA) and acquiring new customers among "SMB" (increasing the number of contracted companies).

	Results					Increase or decrease				
Unit : Billions of yen	FY2024.Q1	FY2024.Q2	FY2024.Q3	FY2024.Q4	FY2025.Q1	FY2024.Q1	FY2024.Q2	FY2024.Q3	FY2024.Q4	FY2025.Q1
ARR	3.6	3.9	4.2	4.5	**4.6**	+0.17	+0.2	+0.23	+0.32	**+0.10**
Large Enterprise	2.5	2.7	2.8	3.0	**3.0**	+0.07	+0.17	+0.11	+0.14	**+0.02**
SMB	1.1	1.2	1.3	1.5	**1.5**	+0.09	+0.10	+0.12	+0.18	**+0.07**
Unit : Companies										
Company	1,901	1,985	2,056	2,117	**2,134**	+60	+84	+71	+61	**+17**
Large Enterprise	373	383	381	386	**387**	+8	+10	-2	+5	**+1**
SMB	1,528	1,602	1,675	1,731	**1,747**	+52	+74	+73	+56	**+16**
Unit : thousand yen										
ARPA	161	166	170	178	**180**	+2	+4	+3	+8	**+2**
Large Enterprise	574	596	625	649	**653**	+4	+22	+28	+23	**+4**
SMB	61	63	66	73	**76**	+3	+2	+3	+6	**+2**

*1: Large enterprises and SMBs are classified based on our customer management standards, such as having 300 or more employees. The classification of large enterprises and SMBs was revised in FY2025.Q1, and figures for FY2024 and earlier have been recalculated based on the new classification.

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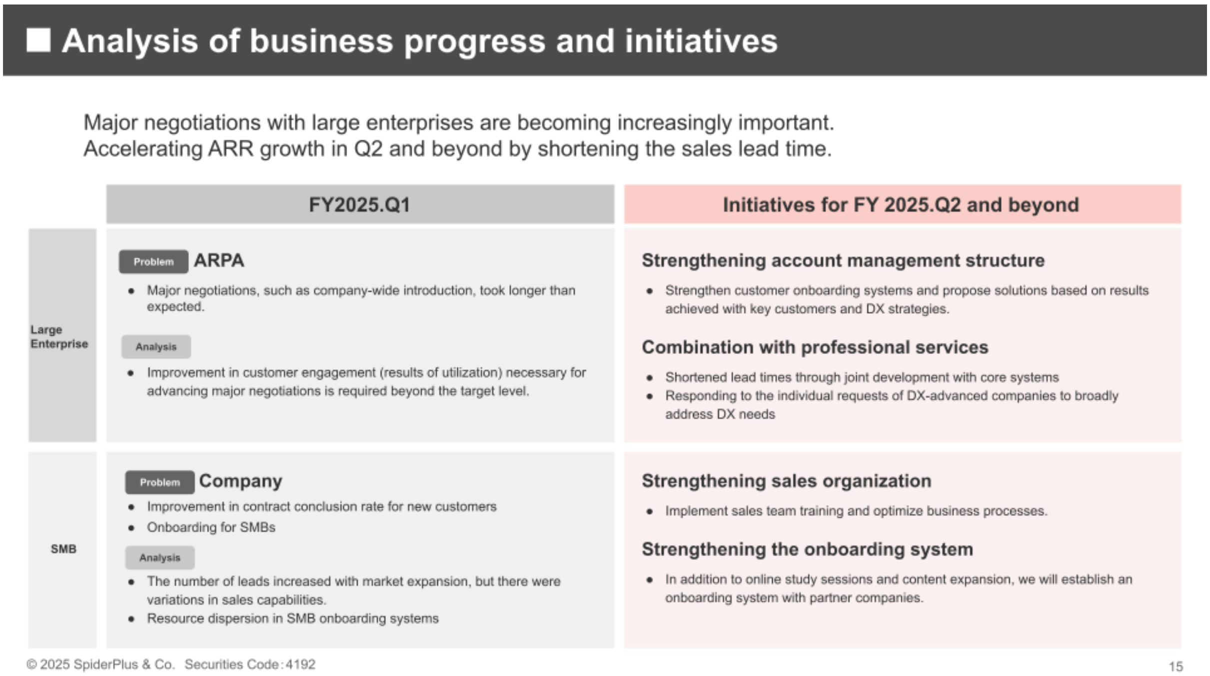
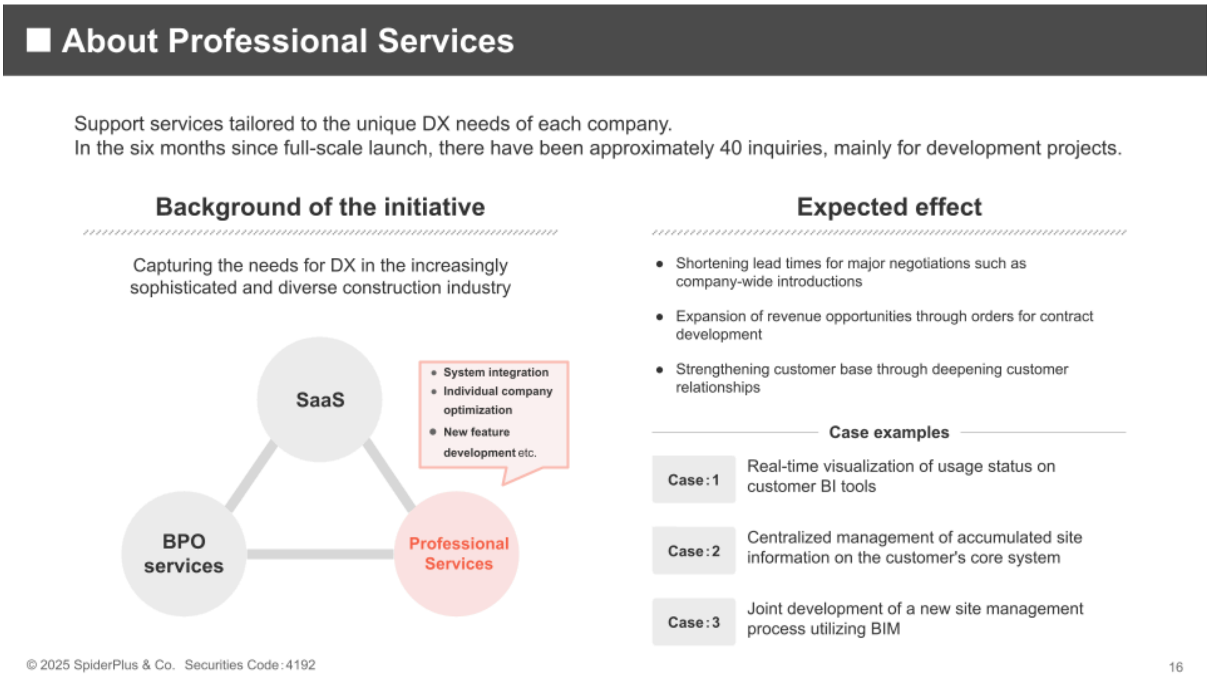
This slide summarizes KPI trends by customer size.
While penetration among large enterprises is an important driver of our ARR growth, it can be seen that the pace of ARR growth among large enterprises has slowed compared to that of SMBs since FY2024.Q3.

This is mainly due to stagnant ARPA growth as a result of prolonged major negotiations for company-wide introductions with large enterprises, which are our focus.

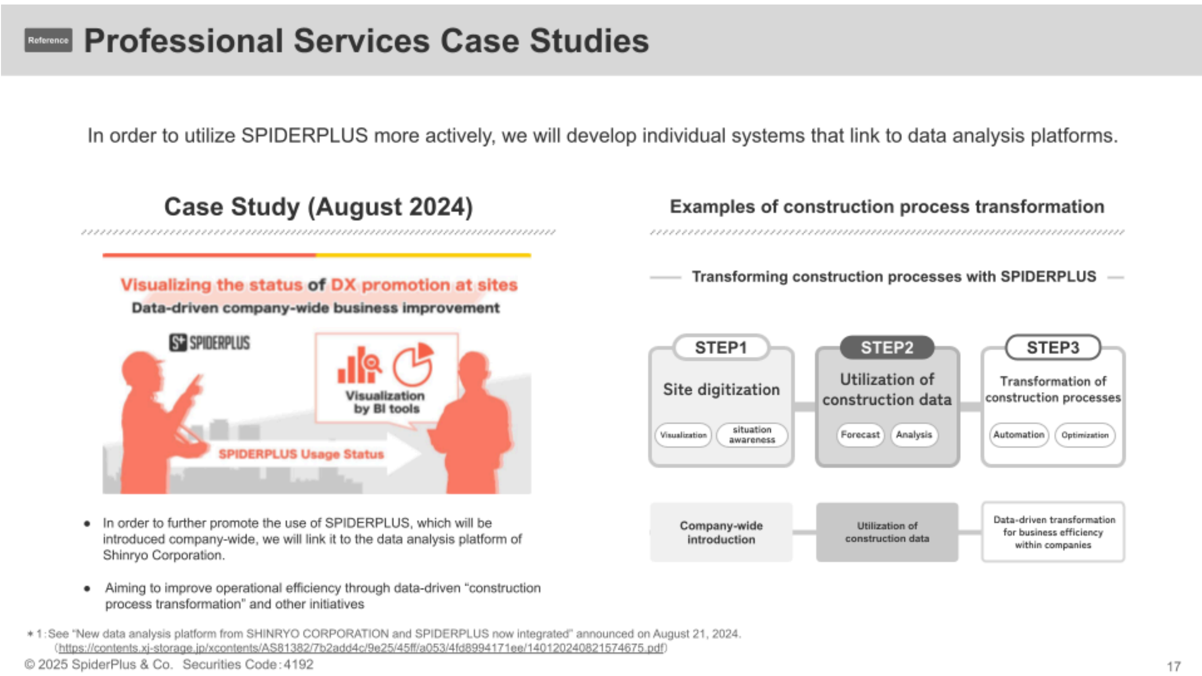


This slide summarizes our analysis of the current situation and initiatives for the second quarter and beyond for each target customer segment.
First, we recognize that "prolonged major negotiations" are an issue for large enterprises. As a countermeasure, we are working to improve customer engagement by promoting solution-based sales through a strengthened account management system and by promoting customized development services that respond to the development needs of each customer.

Next, we recognize "ability in negotiations" and "onboarding system" as issues for SMBs. We analyze these issues as being caused by disparities in organizational structure and sales capabilities within the organization, and we are working to resolve them by revising the organizational structure and strengthening the sales process and onboarding system.



We would like to add some details about our response to individual company development, which will be an important initiative in the second half of the fiscal year.
We call this "professional services," and we are working on initiatives such as "linking SPIDERPLUS with our customers' systems" and "joint development of unique functions."
By responding to the individual requests of large enterprises, we expect to not only expand spot revenue opportunities, but also improve engagement at the head office and management levels of our customers, which will shorten the lead time for major negotiations such as the company-wide introduction of SPIDERPLUS.
Although it has only been about six months since we began promoting professional services in earnest, we have already received many inquiries, and we expect that these initiatives will meet the needs of our large customers.



This is a specific example of our professional services.
This is an example of collaboration with the data analysis platform (BI tool) of SHINRYO CORPORATION, which has introduced SPIDERPLUS Company-wide. Since the launch of this project, we have received an increasing number of inquiries about similar projects.

Consolidated Balance Sheet *1

Unit : Millions of yen (rounding down to the nearest unit)	FY2024 (consolidation)	FY2025.Q1 (consolidation)
Cash and deposits	2,740	2,670
Other current assets	655	692
Current assets	**3,395**	**3,362**
Software	335	303
Software in progress	21	26
Other fixed assets	459	449
Fixed assets	**815**	**780**
Total assets	**4,211**	**4,142**
Borrowings	1,029	989
Other liabilities	536	518
Total liabilities	**1,565**	**1,507**
Total net assets	**2,645**	**2,635**
Equity ratio	*62.8%*	*63.6%*

Cash and deposits

- Cash and deposits remained stable as EBITDA returned to profitability.

Software/Software in progress

- The balance of software decreased due to depreciation.

Borrowings

- Revolving credit facility of 950 million yen (as of March 31, 2025)

Net assets

- With a capital adequacy ratio of 63.6%, we have established a stable financial base.

*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.

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Next, we present the consolidated balance sheet. As of March 31, 2025, cash and deposits totaled 2,670 million yen, maintaining a stable trend in line with the achievement of EBITDA profitability. Shareholders' equity stood at 2,635 million yen, with a shareholders' equity ratio of 63.6%, reflecting a solid financial foundation. In March 2024, we established SpiderPlus Vietnam Co., Ltd. as a consolidated subsidiary, and it will be included in our consolidated financial results from FY2024.

Consolidated Statements of profit and loss＊1

Unit : Millions of yen (rounding down to the nearest unit)	FY2024.Q4 Accounting period (consolidation)	FY2025.Q1 Accounting period (consolidation)	From the previous quarter	FY2024.Q1 Accounting period (consolidation)	FY2025.Q1 Accounting period (consolidation)	Year on year
Net sales	**1,106**	**1,165**	**+5.3%**	**933**	**1,165**	**+24.9%**
Of which, stock income	**1,098**	**1,152**	**+4.9%**	**902**	**1,152**	**27.7%**
Stock income ratio	*99.3%*	*98.9%*	*-0.4pt*	*96.9%*	*98.9%*	*+2.0pt*
Gross profit	**787**	**835**	**+6.1%**	**613**	**835**	**+36.3%**
Gross profit margin	*71.2%*	*71.7%*	*+0.5pt*	*65.7%*	*71.7%*	*+6.0pt*
SGA cost	849	845	-0.4%	755	845	+12.0%
SGA cost ratio	*76.8%*	*72.6%*	*-4.2pt*	*81.0%*	*72.6%*	*-8.4pt*
Operating loss	**-61**	**-10**	—	**-142**	**-10**	—
Operating profit margin	*-5.6%*	*-0.9%*	*+4.7pt*	*-15.3%*	*-0.9%*	*+14.4pt*
Ordinary loss	**-65**	**-11**	—	**-139**	**-11**	—
Loss before income taxes	**-299**	**-11**	—	**-139**	**-11**	—
Net sales	**-302**	**-14**	—	**-142**	**-14**	—

Net Sales

- Increase in recurring revenue due to ARR growth of SPIDERPLUS

Gross Profit Margin

- Gross profit margin improved by 6.0 points YoY due to revisions to the development structure, etc.
- Gross profit for the period increased 36.3% YoY due to growth in net sales and an increase in gross profit margin.

SGA cost

- Disciplined investment control reduced selling, general and administrative expenses to 72.6%.

＊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.

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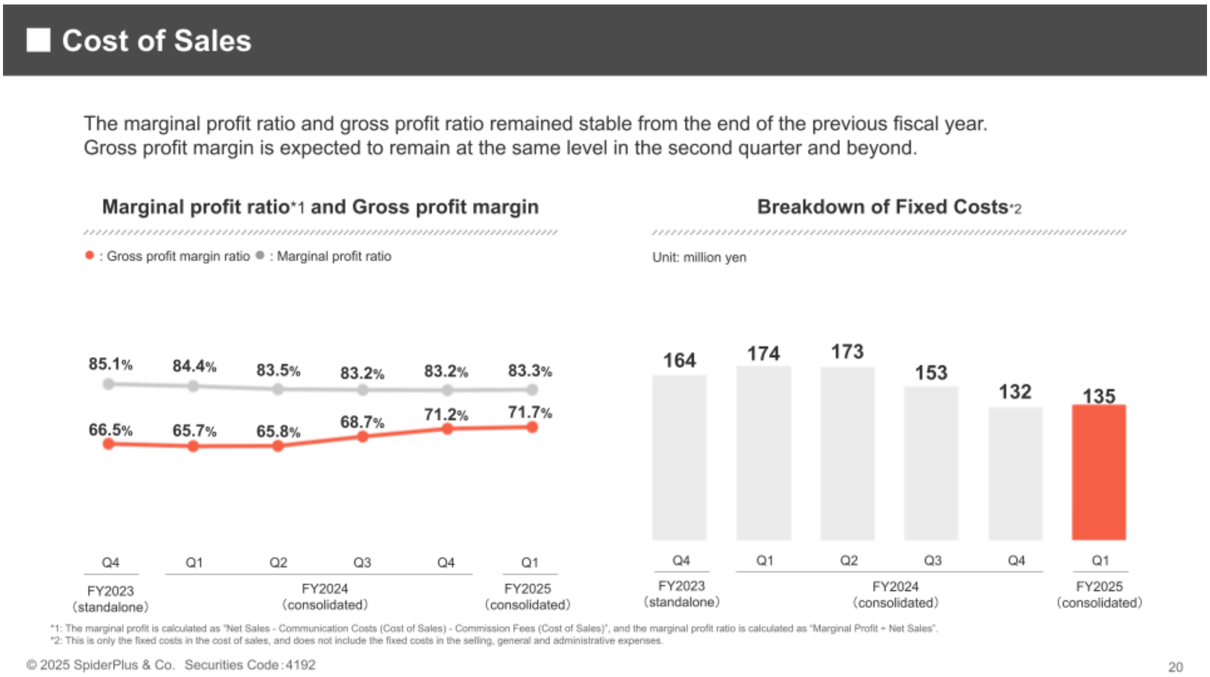
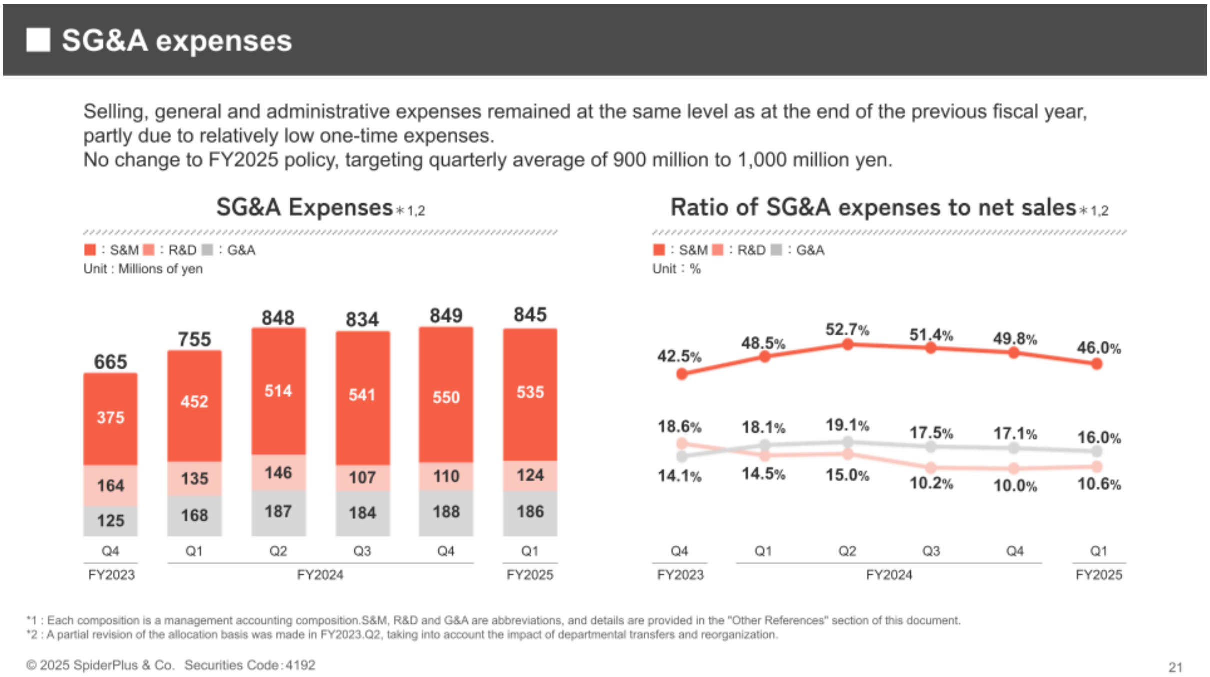
This is the consolidated income statement. Revenue has grown primarily due to an increase in stock revenue associated with the growth of SPIDERPLUS. The stock revenue ratio remains at a high level of 98.9%.

Gross profit rose to 71.7% of net sales due to efforts to improve development productivity by reviewing development personnel and development projects, resulting in a 36% YoY increase in gross profit.

Selling, general and administrative expenses were generally at the same level as the previous quarter at 845 million yen, and as a result, the selling, general and administrative expense ratio decreased to 72.6%, resulting in an operating loss of 10 million yen, a significant improvement from 142 million yen in the same period of the previous year, and an operating profit margin of -0.9%.

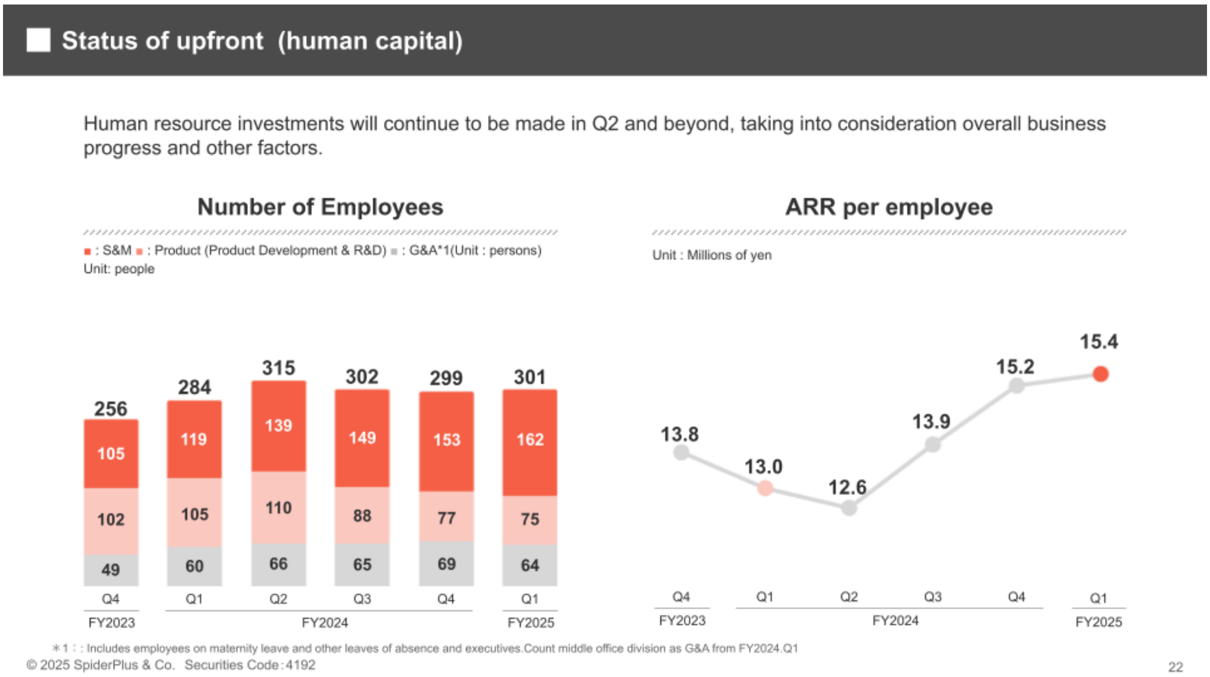


The gross profit margin and gross profit ratio have remained stable since the previous fiscal year, and we expect the gross profit margin and gross profit ratio to remain at the same level in Q2 and beyond.



I will now explain the trends in selling, general and administrative expenses. Selling, general and administrative expenses remained at the same level as the end of the previous fiscal year due to relatively low temporary expenses. We are targeting an average of 900 million to 1 billion yen for the fiscal year, and there is no change to our policy for fiscal 2025.

We are working to further improve the S&M ratio in line with the increase in ARR.



Now, I would like to talk about human resources. The number of employees increased from 299 at the end of Q4 FY2024 to 301 at the end of Q1 FY2025. We will continue to invest in human resources while comprehensively considering our performance progress and other factors from Q2 onwards. The ARR per employee increased steadily from 13.8 million yen in FY2023.Q4 to 15.4 million yen in FY2025.Q1.

and above

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