

SpiderPlus & Co.

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SpiderPlus&Co.

Kenji Ito, President and Representative Director
(TSE Growth: 4192)

Transcript of Q&A Session and Archived Video of Financial Results Briefing

Date and Time: Thursday, November 13, 2025, 7:00 pm to 8:15 pm

Speakers : Kenji Ito, CEO and Representative Director

&Yutaka Fujiwara, Director, Executive Officer and CFO

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Archived Videos of Financial Results Briefings

<https://www.youtube.com/live/RrT3oguJ4sQ>

【Notes1】

This document has been translated from the original Japanese version*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://contents.xj-storage.jp/xcontents/AS81382/e9213e3b/918f/4bc9/b300/d4d39340fbb3/140120251114502144.pdf>

【Notes2】

This transcription contains forward-looking statements. These forward-looking statements are based on information available as of the date of the financial results meeting. These forward-looking statements are not guarantees of future results or performance. Such forward-looking statements involve known and unknown risks and uncertainties that could cause actual future results and financial condition to differ materially from any future results and financial condition expressed or implied by such forward-looking statements.

Factors that could cause results to differ materially from those described in these statements include, but are not limited to, changes in national and international economic conditions and trends in the industries in which we operate.

Information regarding matters and organizations other than the Company is based on publicly available information, and the Company has not verified and does not guarantee the accuracy or appropriateness of such publicly available information.

This transcription is prepared for informational purposes only. It is not intended as an offer to sell or a solicitation of an offer to buy any securities in Japan, the U.S. or elsewhere.

The content of this transcription differs in part from the actual questions and answers at the briefing due to considerations of personal information, readability, control of duplicate questions, and selection of questions related to financial results and business.

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Reference: Transcript of Q&A Session

Reference : FY2025.Q3 Results briefing materials (Disclosed November 14, 2025)

<https://contents.xj-storage.jp/xcontents/AS81382/2e23fb38/42ca/4b65/b0d4/7dd40eaaaf0f/14012025114502115.pdf>

1. Q&A on Business

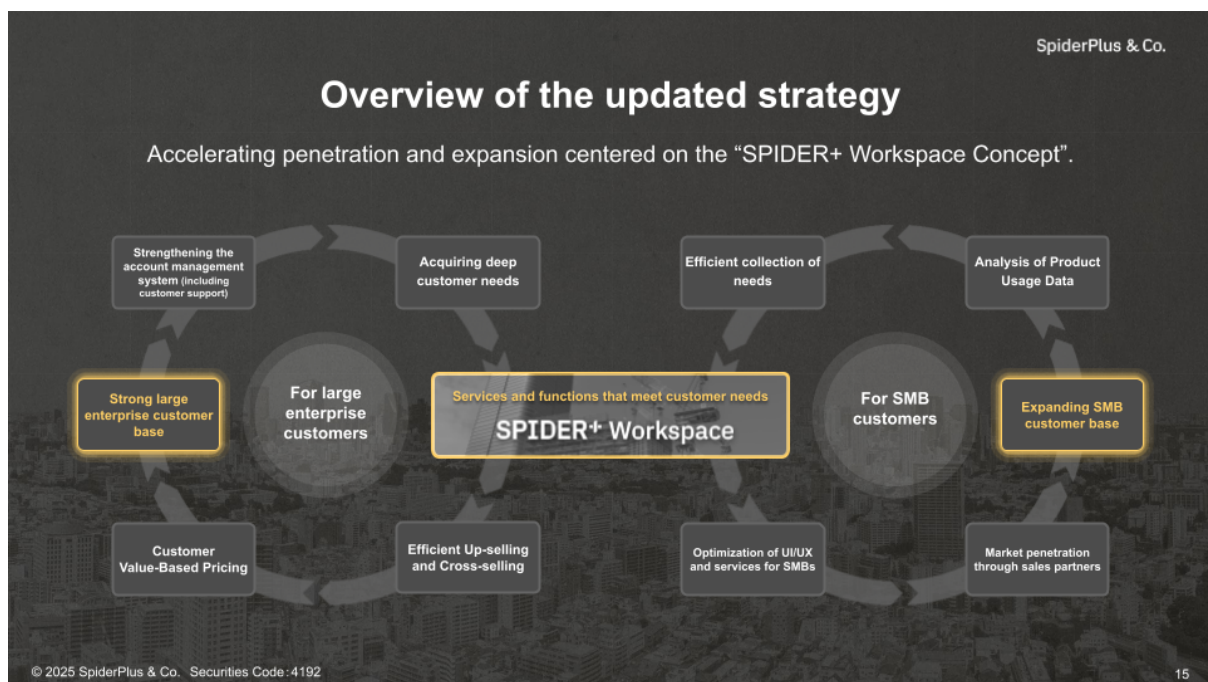
Q1 : Strategic Necessity of "SPIDER+ Workspace Concept" and Feedback from Large Enterprises

Is the "SPIDER+ Workspace Concept" genuinely needed by and likely to be adopted by large enterprises? Also, please tell us about its strategic necessity.

The newly launched optional functions, S+Report and S+Collabo, are services that many of our existing customers have told us they had been requesting for a long time.

The SPIDER+ Workspace Concept is highly regarded, especially by our existing enterprise customers. We believe that this positive reaction from customers is proof that we were able to create a service that is genuinely needed. We have already introduced it to approximately 1,200 companies with whom we currently do business, and we have explained it to over 90% of key customers who will significantly impact FY2025 performance. Based on this, we assess that we are "receiving a good reaction."

Until now, we have received many needs from customers, some of which we were unable to fully reflect in the product. However, with the SPIDER+ Workspace Concept, we are focusing on "creating a development environment and product structure that can quickly respond to the needs of Large enterprises that we could not meet before, as well as the new era of highly sophisticated and diversified construction DX needs, such as the utilization of AI."



Q2: Regarding New Service

Why did you spend money on development for a new customer that you launch in November 2025, given that there are also competing services?

There are two reasons why we spent money on development.

First, while there are many services available, they are often standalone products. Therefore, we developed "SPIDER+ Workspace" as a single system environment, allowing customers to use various applications with the same ID and password, thereby reducing stress.

Second, from a data analysis perspective, using multiple applications takes time for data analysis. We developed this with the intent that management would be easier using an integrated system environment.

Q3: Regarding Resources

When will you continue to concentrate resources on the "Workspace concept?" Also, please tell us your expansion policy for SMB and your outlook for improvement in the rate of increase.

Since we are focusing on the "SPIDER+ Workspace concept," we will continue to concentrate resources on it. We expect this concept to spread to SMB once it achieves penetration among our Large enterprise customers.

Q4: Regarding Churn Rate Increase Factors and Measures

What are the reasons for the increasing churn rate (product issues or support system issues), and what are the specific countermeasures? Also, what is the status of acquiring replacements (switches) from competitors, and what specific initiatives are being taken to prevent the outflow of your own customers?

The increase in the churn rate is analyzed as being caused by insufficient onboarding during the initial introduction period, especially among the SMB customer segment. This suggests the challenge lies in utilization and retention, not dissatisfaction with the product/function. As a countermeasure, we have strengthened the Customer Success department's resources and enhanced the efficient onboarding program using technology. This is expected to achieve early utilization and retention among customers, aiming to decrease the churn rate.

While there are many replacement projects from other companies, there are also cases where small-scale companies replace our product with another's. To prevent this, our teams are working to enhance customer relationships. For our key enterprise accounts, our Customer Success and Sales Force teams are actively visiting them frequently. For small-scale companies, we are strengthening retention through our enhanced digital-led engagement programs.

Q5: Regarding Customer Introduction Barrier

When proposing SPIDER+ to customers, what are the breakdown of the main factors creating barriers to introduction?
Especially, is the lack of competitive advantage within the product itself the primary factor? Or is it related to issues like insufficient sales resources and account management systems, which contribute to the challenge of prolonged major negotiation? Alternatively, are other factors at play, such as the customer's readiness for introduction or their approval process? What is the composition ratio and the specific details of these factors?

A major factor creating barriers to introduction is the "customer's introduction preparation and approval process." This factor arises in large-scale projects, such as bulk introduction projects for large enterprises.

As project scale increases, many companies want to thoroughly assess the introduction benefits achievable through SPIDER+ utilization. Consequently, building a track record of successful introduction results at the site unit level becomes crucial.

Therefore, we expect the most direct path to Company-wide introduction is for customer support and customer success teams to provide extensive support to the site units that have undergone introduction. This ensures that end-users at the site unit level assess it positively, concluding, "Using SPIDER+ was truly worthwhile."

Q6: Regarding Current State of Construction Sites Without DX Tool Introduction

What is the situation at sites (large and small) that have not yet undergone the introduction of DX tools, and how are sales responding to such sites?

First, we expect that large-scale sites are already utilizing some form of DX tool. For smaller sites, especially very small ones, we find that many rely on staffing agencies rather than leveraging IT. However, since the number of available workers is limited, we expect that DX is absolutely necessary even for small companies and small sites.

Regarding customer reactions during sales visits to sites, we are now receiving positive responses not only from large-scale sites but also from customers at small-scale sites.

Q7: Regarding price increases (pricing strategy)

Are you considering price increases for the use of SPIDER+?

Regarding the concept of the pricing strategy, our idea is to have customers bear a cost commensurate with the value and effect of SPIDER+ based on the degree of its entrenchment and utilization in their business operations. Under this policy, we are considering the pricing for the "SPIDER+ Workspace Concept."

Q8: Regarding the sales composition ratio of BPO services, etc.

What is the composition ratio of BPO services and professional services in the overall Net Sales (results and forecast ratio for next term), and the results of each service individually?

In the FY2025.Q3 cumulative period, the composition ratio of recurring revenue in Net Sales is approximately 98%; therefore, the ratio of BPO services and professional services in the overall total remains at 2%. The forecast ratio for the future is currently undisclosed, but because this business is a rapidly progressing area, Net Sales are expected to increase significantly compared to the current level from the next term onward. Furthermore, we expect that as this service grows, SPIDER+ will also expand to more customers, and recurring revenue will increase significantly.

Q9: Regarding Promotions

Do you plan to focus on advertising and promoting your service, even if it means significantly increasing SG&A expenses? If so, please describe your specific policy.

We will not conduct mass marketing, such as TV commercials, as it is not aligned with our current operational efficiency. Our promotional resources will be concentrated on activities with a clear return on investment, such as exhibitions and webinars. These will specifically target decision-makers at large corporations, who are the audience for our "SPIDER+ Workspace" concept. While strengthening efficient lead generation, we will also continue to focus on product and service development, based on our belief that "a great product is the best marketing."

Q10: Regarding Overseas Business and Local Governments

Please tell us the current status of your overseas business and your collaboration with local governments, the business progress of each, and their expected contribution to future growth. Additionally, please tell us about the possibility of exiting these businesses if growth prospects are low.

Regarding our overseas business, market development is progressing favorably. However, for strategic reasons, there are many details we cannot disclose at this time. We plan to share specifics and targets for our overseas business next year.

As for local governments, while some are using our services, market penetration is still low. Consequently, based on the current situation, we are not allocating significant resources to this sector.

Regarding the possibility of withdrawal, nothing is "absolute" in business, so that possibility certainly exists. We have established withdrawal criteria for both the overseas and local government segments. Based on market research, our policy is to make the decision to exit if and when we determine it is necessary.

Q11 : Regarding AI Utilization

What are the effects of incorporating AI into products and its internal utilization on performance?

AI utilization is being addressed as an important management measure. We have already incorporated AI into the Re-bar Work inspection function in our products, and we will continue to incorporate it actively in the future.

(See below for examples of AI utilization in the Re-bar Work inspection function)

<https://spider-plus.com/functions/bar/>

As for internal utilization, we are introducing AI to streamline development and internal operations, promoting productivity. We expect that by having AI cover areas previously handled by Human resource, we can also reduce the number of hires, which will increase "ARR per employee," a key organizational productivity metric.

Q12 : Regarding Hiring Policy

Are you experiencing a shortage of excellent Human resource capable of planning and executing strategy? Also, how are you considering external recruitment and scouting for excellent Human resource to ensure the execution of the future growth strategy?

It is true that we want excellent Human resource capable of planning and executing strategy internally, but as there are also areas requiring greater specialization, we are addressing each strategy while effectively utilizing necessary external knowledge, experience, and specialization.

The non-operating expenses (advisory fees) recorded in FY2025.Q3 were also utilized for areas requiring specialization. Regarding future hiring and scouting, we believe it is essential for the management team to take responsibility for bringing in Human resource and to enhance the recruitment department. We will promptly gather "Human resource that can not only secure our growth strategy but also envision a larger growth strategy and realize it."

2. Q&A on Performance

Q13: Regarding Revision of the Financial Forecasts

Why did you revise the performance target downward at this timing, and what are the specific reasons?

The reason is that we were unable to achieve full-year profitability for Operating profit and anticipate landing in an operating loss. At the time of the Q2 financial results, although the progress of Net Sales was slower than expected, we had determined that full-year profitability was possible through SG&A control. However, in Q3, we made a management decision to prioritize the development of the "SPIDER+ Workspace Concept," which led to this performance target disclosure.

The specific reason for the downward revision is that we intensively shifted our Sales Force from the traditional "upsell activity of proposing ID additions and new plan switching to existing customer" to "pre-launch guidance activity of new plans to Large enterprise customer." This shift in direction caused the net increase in ARR to stagnate in the short term, more than we had target.

On the other hand, there was a naivete in our target that the impact of the strategy update would cause such short-term stagnation. As a result, we discussed the trade-off between "forcefully pursuing full-year profitability" and "continuing necessary strategic investment and pursuing medium-to long-term growth," and we selected the latter (medium-to long-term growth). As a consequence of this background, we made this performance target revision.

Q14: Regarding the timing for achieving Operating profit profitability on a full-year and quarterly basis

When do you expect to achieve Operating profit profitability on a full-year and quarterly basis? Also, is there a possibility of revising the performance target downward during the term next year like this year, and what measures are you taking to avoid it?

Although we are in the midst of advancing our strategy update, we deeply regret the naivete in our management's target that resulted in such stagnation in Net Sales. We apologize for the revision of the performance target.

However, we are confident that the strategy we are currently pursuing will secure our growth, so we will continue the necessary strategic investment.

We expect to achieve full-year profitability next term as this new strategy contributes to revenue. For the most recent Q4, we aim for quarterly profitability by thoroughly enhancing the profitability of the existing business and streamlining SG&A, while continuing investment in the new strategy.

Q15: Regarding Factors in Slowing Growth

What specifically are the internal factors contributing to the poor performance progress, and why did growth slow down compared to the plan? What are the specific measures to re-accelerate growth?

The largest internal factor in slowing growth was the intentional concentration of Human resource from the existing business to the new concept, "SPIDER+ Workspace." While this strategy update led to stagnation in Net Sales in the short term, we are confident that this was a necessary decision for accelerating medium-to long-term growth. Going forward, we will continue to concentrate Human resource with this new concept as the mainstay, and we will return to the growth trajectory by realizing the expansion of the customer base and increase in unit price.

Q16: KPI Strategy: Regarding the Priority of IDs and ARPA (Average Revenue Per Account)

Although ARPA (Average Revenue Per Account) is decreasing, which will you prioritize going forward: the number of IDs or unit price?

We analyze the decrease in ARPA (Average Revenue Per Account) as a temporary decrease during the transition period to "SPIDER+ Workspace." Our strategy prioritizes maintaining and expanding the number of IDs, which forms the foundation of the new concept, first. Furthermore, since the full-scale upsell activity of new functions (S+Report, etc.) will start from now on, the unit price has not yet reflected this situation.

The "measures to increase unit price" you asked about are based on this new concept, and the intention is not merely to increase IDs but to increase customer value through the utilization of new functions and receive a commensurate compensation (unit price). We expect the customer unit price to return to a clear upward trend in the medium-to long-term as the new concept gains penetration.

3.Q&A on Stock

Q17: Regarding the Performance Target for the Next Term and Dividend

What is the thinking regarding the performance target for the next term and dividend?

Regarding the performance target for the next term, we will refrain from answering as it is scheduled to be announced at the time of the full-year financial results announcement (scheduled for February 2026).

From the perspective of distributable capital for a dividend, generating profit is the primary focus; therefore, if we reach a state where a dividend is possible by achieving higher Operating profit and a high profit margin based on larger Net Sales, we expect to allocate it to a dividend.

Q18: Management's Responsibility and Measures Regarding Share Price, and Shareholder Return Policy

What are Management's Responsibility regarding this Revision of the performance target and the current share price, and the future Shareholder Return Policy?

We take full responsibility as management for this downward revision, which has deeply concerned all shareholders who had high expectations for us.

Again, we are truly sorry that we were unable to achieve the full-year profitability we promised to all of you.

To fulfill this responsibility, we believe the most important measure is to 'show results through performance,' which we believe is the only way to enhance our corporate value. Regarding Shareholder Return Policy, we plan to continue the shareholder benefits we have implemented since last year into the next term.

Q19: Regarding the Enhancement of Shareholder Benefits

Are you considering measures to enhance shareholder benefits based on factors such as the number of shares held or the holding period?

Regarding shareholder benefits, we are continuously discussing the design and content of the benefits. If there are any changes as a result of these discussions, we will promptly inform you.

Q20: Regarding the Future IR Activity Policy

The frequency and volume of recent IR activities appear to have decreased. What is the reason for this, and what is your future policy?

We are providing IR releases for new services and new functions, and disseminating business progress and trends in the Construction DX industry through posts on X (formerly Twitter). Although there are no immediate plans to speak at an IR seminar, we will promptly inform you when a speaking engagement is decided.

Q21: Regarding the Status of the Employee Shareholding Association

Are there measures to motivate Corporate officer and employees regarding the share price, such as an Employee Shareholding Association?

The Employee Shareholding Association has already been established. The management team will engage in more active discussions than ever regarding initiatives aimed at enhancing corporate value through the stock ownership of our officers and employees.

Q22: Regarding President Ito's thoughts on the Business

Has there been any change in President Ito's passion for the Business or his consciousness as a manager compared to the time of the listing?
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As the Founder and CEO, my passion is the driving force of this company, and it remains unwavering. Having issued this downward revision of the performance target, I feel my responsibility as a manager is extremely heavy, and my passion is actually stronger than before.

4. Closing remarks from CEO and Representative Director

Thank you all very much for attending for a long time and for your many questions today.

First, as I mentioned earlier, I sincerely apologize once again for causing you great concern regarding this downward revision. I personally take this results very seriously.

As you know, our company grew rapidly up to its listing, but we have been stagnant since the listing, and I recognize that it is natural for investors to feel this period has been "too long."

However, as the Founder and the person who started this business, I stand here now with strong resolve. My greatest wish as a manager is to grow the company, recover the share price, and share that joy with our shareholders as soon as possible.

Frankly speaking, I am the first to keenly feel that our past forecasts have lost credibility due to repeated failures to achieve them. We will respond with the clear results of "numbers" so that we can be re-evaluated by all of you, and we will build a company that can earn further support.

We sincerely ask for your continued support.