Translation

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Consolidated Financial Results for the Fiscal Year Ended December 31, 2024 (under Japanese GAAP)

February 13, 2025

Company name: SpiderPlus & Co. Listing: Tokyo Stock Exchange
Securities code: 4192 URL: http://en.spiderplus.co.jp/
Representative: Kenji Ito, CEO and Representative Director
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Scheduled date to hold ordinary general meeting of shareholders: March 26, 2025
Scheduled date to commence payment of dividends: –
Scheduled date to file Annual Securities Report (Yukashoken Hokokusho): March 26, 2025
Preparation of supplementary briefing material on financial results: Yes
Holding of financial results briefing: Yes

(Note) Amounts less than one million yen have been omitted.

1. Consolidated financial results for the fiscal year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)

(1) Consolidated operating results (Percentage indicates year-on-year changes.)

	Net sales		Operating income (loss)		Ordinary income (loss)		Net income (loss) attributable to owners of the parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2024	4,072	–	(519)	–	(525)	–	(771)	–
December 31, 2023	–	–	–	–	–	–	–	–

Note: Comprehensive income For the fiscal year ended December 31, 2024: ¥(778) million (–%)
For the fiscal year ended December 31, 2023: ¥ – million (–%)

	Basic earnings (loss) per share	Diluted earnings per share	Return on equity	Ordinary income to total assets ratio	Operating margin
Fiscal year ended	Yen	Yen	%	%	%
December 31, 2024	(21.92)	–	(29.2)	(12.5)	(12.7)
December 31, 2023	–	–	–	–	–

Reference: Share of profit or loss of entities accounted for using equity method
For the fiscal year ended December 31, 2024: –
For the fiscal year ended December 31, 2023: –

Notes: 1. Since the Company started preparing the consolidated financial statements from the fiscal year ended December 31, 2024, the figures for the fiscal year ended December 31, 2023 and the year-on-year percentage changes are not stated. In addition, since this marks the first fiscal year of consolidation, the return on equity and the ordinary income to total assets ratio for the fiscal year ended December 31, 2024 have been calculated based on the ending balances of equity and total assets, respectively.
2. The amount of diluted earnings per share is not stated although the Company has potential shares. This is because the Company recorded basic loss per share.

(2) Consolidated financial position

	Total assets	Total net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
December 31, 2024	4,211	2,645	62.8	74.92
December 31, 2023	–	–	–	–

Reference: Equity (Shareholders' equity + Accumulated other comprehensive income):
As of December 31, 2024: 2,645 million yen As of December 31, 2023: – million yen

Note: Since the Company started preparing the consolidated financial statements from the fiscal year ended December 31, 2024, the figures as of December 31, 2023 are not stated.

(3) Consolidated cash flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
December 31, 2024	(369)	(52)	322	2,740
December 31, 2023	–	–	–	–

Note: Since the Company started preparing the consolidated financial statements from the fiscal year ended December 31, 2024, the figures for the fiscal year ended December 31, 2023 are not stated.

2. Dividends

	Annual dividend per share					Total dividends	Dividend payout ratio (Consolidated)	Dividend on net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
December 31, 2023	–	0.00	–	0.00	0.00	–	–	–
December 31, 2024	–	0.00	–	0.00	0.00	–	–	–
Fiscal year ending December 31, 2025 (forecast)	–	0.00	–	0.00	0.00		–	

3. Forecast of consolidated financial results for the fiscal year ending December 31, 2024 (from January 1, 2024 to December 31, 2024)

(Percentage indicates year-on-year changes.)

	Net sales		Operating income (loss)	
	Millions of yen	%	Millions of yen	%
Full year	5,300	30.2	10	–

[Notes]

(1) Significant changes in the scope of consolidation during the period: Yes
Newly included: 1 company (Company name: SPIDERPLUS VIETNAM CO., LTD.)
Excluded: –

(2) Changes in accounting policies, changes in accounting estimates and restatements of prior period financial statements
(i) Changes in accounting policies due to application of new or revised accounting standards: None
(ii) Changes in accounting policies due to reasons other than (i) above: None
(iii) Changes in accounting estimates: None
(iv) Restatements of prior period financial statements: None

(3) Number of shares issued (common shares)
(i) Number of shares issued (including treasury shares)
As of December 31, 2024: 35,306,500 shares
As of December 31, 2023: 35,090,800 shares
(ii) Number of treasury shares
As of December 31, 2024: 160 shares
As of December 31, 2023: 152 shares
(iii) Average number of shares outstanding during the period
Fiscal year ended December 31, 2024: 35,207,177 shares
Fiscal year ended December 31, 2023: 34,796,491 shares

* This financial results report is not subject to audit procedures to be performed by certified public accountants or an audit firm.

* [Proper use of earning forecasts, and other special notes]
The forward-looking statements including earnings forecast contained in this document are based on information currently available to the Group and certain assumptions that it believes are reasonable. Accordingly, the Group can give no assurance that such statements will prove to be correct. Actual results may differ significantly from the results anticipated in these forward-looking statements due to a variety of factors.

The Company has established SPIDERPLUS VIETNAM CO., LTD. as a consolidated subsidiary in March 2024 and has transitioned to a company that prepares the consolidated financial statements from the fiscal year ended December 31, 2024. For a discussion of the assumptions for forecasts, precautions concerning usage, and other information, please refer to “1. Overview of Operating Results, etc., (4) Future outlook” on page 3.

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1. Overview of Operating Results, etc.

Since the Group started preparing the consolidated financial statements from the fiscal year ended December 31, 2024, no comparative analysis with the previous fiscal year has been conducted.

(1) Overview of operating results for the fiscal year ended December 31, 2024

With a mission of creating more "fun" to work, the Group operates the ICT business focused on the development and sales of SPIDERPLUS, which is a SaaS (Note) application for construction management that helps solve challenges in the construction industry by digitally transforming operations at construction sites.

Note: SaaS (Software as a Service) refers to a form of service allowing users to connect to and use software over the internet rather than install the software in users' computers.

In the construction industry, where the Group provides its services, chronic labor shortages and long working hours have become persistent structural challenges. Additionally, there is an increasing need for management and operational reforms to address rising labor and material costs, as well as compliance with overtime restrictions introduced under the Act on the Arrangement of Related Acts to Promote Work Style Reform, which took effect in April 2024.

In this market environment, there continues to be strong demand for investment in IT tools, SaaS, and other software as one of key measures to enhance productivity through digital transformation (DX) and the digitization of business operations.

To capture the growing DX demand in the construction industry and acquire market share as quickly as possible, the Group has continued strategic spending by defining the period from FY2021 through FY2024 as a period for making upfront investments. During the upfront investment period, the Group prioritized a sales growth rate over profitability by strengthening its organization, primarily through investment in human capital, reinforcing the sales force to expand its customer base, and strengthening cooperative structures with sales partners.

Under the above business environment and management decisions, SPIDERPLUS, a service that promotes DX in the construction industry and contributes to productivity improvement and cost reduction, experienced steady growth in the number of users (the number of contracted IDs and the number of contracted companies) and Average Revenue Per Unit (ARPU) by effectively capturing IT investment demands in the construction industry.

As a result of the above, the number of contracted IDs, the number of contracted companies, and ARPU as of December 31, 2024 remained firm with 75,555 (+10.3% YoY), 2,117 (+15.0% YoY), 4,997 yen (+16.7% YoY), respectively. Accordingly, for the fiscal year ended December 31, 2024, the Group reported net sales of 4,072,136 thousand yen, operating loss of 519,192 thousand yen, ordinary loss of 525,977 thousand yen, and net loss attributable to owners of the parent of 771,659 thousand yen. Note that, the Company recognized an impairment loss of 229,999 thousand yen as an extraordinary loss on a portion of certain suspense accounts for software with regard to the SPIDERPLUS platform renewal project, which had been undertaken as part of the upfront investments, as a result of reviewing the development policy aligned with the product strategy for FY2025 and beyond.

(2) Overview of financial position for the fiscal year ended December 31, 2024

Assets
Current assets as of the end of the current fiscal year amounted to 3,395,612 thousand yen, which mainly consist of cash and deposits of 2,740,772 thousand yen and accounts receivable – trade of 572,362 thousand yen.

Non-current assets amounted to 815,848 thousand yen, which mainly consist of buildings of 233,010 thousand yen, software of 335,459 thousand yen, and leasehold and guarantee deposits of 231,988 thousand yen.

As a result, total assets amounted to 4,211,460 thousand yen.

Liabilities
Current liabilities as of the end of the current fiscal year amounted to 1,217,548 thousand yen, which mainly consist of short-term borrowings of 500,000 thousand yen and accounts payable – other of 216,735 thousand yen.

Non-current liabilities amounted to 348,143 thousand yen, which mainly consist of long-term borrowings of 336,677 thousand yen.

As a result, total liabilities amounted to 1,565,691 thousand yen.

Net assets
Net assets as of the end of the current consolidated fiscal year amounted to 2,645,769 thousand yen, which mainly consist of share capital of 2,496,082 thousand yen, capital surplus of 2,773,640 thousand yen, and retained earnings of negative 2,617,673 thousand yen.

(3) Overview of cash flows for the fiscal year ended December 31, 2024

As of the end of the current consolidated fiscal year, cash and cash equivalents (hereinafter "net cash") amounted to 2,740,772 thousand yen.

The overview and main components of each cash flow are as follows:

Cash flows from operating activities
Net cash used in operating activities amounted to 369,092 thousand yen, which mainly consists of net loss before income taxes of 760,230 thousand yen due to upfront investments, especially in human capital and impairment losses of 229,999 thousand yen.

Cash flows from investing activities
Net cash used in investing activities amounted to 52,411 thousand yen, which mainly consists of purchase of intangible assets of 31,793 thousand yen.

Cash flows from financing activities
Net cash provided by financing activities amounted to 322,639 thousand yen, which mainly consists of net increase in short-term borrowings of 250,000 thousand yen, proceeds from long-term borrowings of 389,651 thousand yen, repayment of long-term borrowings of 109,668 thousand yen, and refund of guarantee deposits received of 243,501 thousand yen.

(4) Future outlook

Demand in Japan's construction industry, where the Group primarily operates, remains high, driven by urban redevelopment and the need to repair aging infrastructure. However, the industry is experiencing a severe labor shortage due to an aging workforce and other factors, and long working hours have become the norm, highlighting significant productivity challenges.

Additionally, construction costs are rising due to higher material prices driven by the recent surge in resource costs amid global economic conditions, as well as increased labor expenses resulting from inflation. Furthermore, the overtime restrictions under the Act on the Arrangement of Related Acts to Promote Work Style Reform, which came into effect for the construction industry in April 2024, have made productivity improvement an urgent priority for the sector.

Given these market conditions, the Group views the implementation of overtime restrictions in 2024 as a key turning point marking the expansion phase of the construction DX market. Accordingly, the Group defined the period from FY2021 through FY2024 as a period of upfront investments with a focus on strengthening its sales and development capabilities, particularly through investment in human capital.

In FY2025, the Group aims to meet the growing DX demand in the expanding construction industry by leveraging the sales and development capabilities built during the upfront investment period, achieving both sales growth and improved profitability. Specifically, for the forecast of consolidated financial results, we expect net sales of 5,300 million yen (+30.2% YoY), and an operating income of 10 million yen (compared to operating loss of 519 million yen for FY2024).

The forecasts of consolidated financial results are based on information currently available to us and certain assumptions that we

believe are reasonable. As such, actual results may differ from the forecasts for a variety of factors.

2. Basic Approach to Selection of Accounting Standards

To ensure the comparability of our financial results with those of peers in Japan, we have adopted the generally accepted accounting principles in Japan (Japanese GAAP).

3. Consolidated Financial Statements and Major Notes

(4) Consolidated balance sheet

(Thousands of yen)

	Current fiscal year (As of December 31, 2024)
Assets	
Current assets:	
Cash and deposits	2,740,772
Accounts receivable – trade	572,362
Allowance for doubtful accounts	(12)
Other	82,489
Total current assets	3,395,612
Non-current assets:	
Property, plant and equipment	
Buildings	233,010
Vehicles	7,594
Tools, furniture and fixtures	103,391
Leased assets	8,068
Accumulated depreciation	(124,923)
Total property, plant and equipment	227,142
Intangible assets:	
Software	335,459
Software in progress	21,235
Total intangible assets	356,695
Investments and other assets:	
Leasehold and guarantee deposits	231,988
Other	22
Total investments and other assets	232,010
Total non-current assets	815,848
Total assets	4,211,460

(Thousands of yen)

	Current fiscal year (As of December 31, 2024)
Liabilities	
Current liabilities:	
Short-term borrowings	500,000
Current portion of long-term borrowings	193,071
Lease obligations	1,649
Accounts payable – other	216,735
Accrued expenses	117,058
Income taxes payable	32,391
Contract liabilities	90,038
Other	66,603
Total current liabilities	1,217,548
Non-current liabilities:	
Long-term borrowings	336,677
Lease obligations	506
Deferred tax liabilities	2,199
Asset retirement obligations	8,760
Total non-current liabilities	348,143
Total liabilities	1,565,691
Net assets	
Shareholders' equity:	
Share capital	2,496,082
Capital surplus	2,773,640
Retained earnings	(2,617,673)
Treasury shares	(188)
Total shareholders' equity	2,651,861
Accumulated other comprehensive income:	
Foreign currency translation adjustment	(6,541)
Total accumulated other comprehensive income	(6,541)
Share acquisition rights	448
Total net assets	2,645,769
Total liabilities and net assets	4,211,460

(5) Consolidated statement of income and consolidated statement of comprehensive income

Consolidated statement of income

(Thousands of yen)

	Current fiscal year (From January 1, 2024 to December 31, 2024)
Net sales	4,072,136
Cost of sales	1,303,400
Gross profit	2,768,736
Selling, general and administrative expenses	3,287,929
Operating income (loss)	(519,192)
Non-operating income:	
Interest income	268
Commission income	4,674
Other	1,960
Total non-operating income	6,903
Non-operating expenses:	
Interest expenses	10,587
Commission expenses	2,959
Other	141
Total non-operating expenses	13,689
Ordinary income (loss)	(525,977)
Extraordinary income	
Gain on reversal of share acquisition rights	30
Total extraordinary income	30
Extraordinary losses:	
Loss on sale and retirement of non-current assets	4,283
Impairment losses	229,999
Total extraordinary losses	234,283
Net income (loss) before income taxes	(760,230)
Income taxes – current	10,891
Income taxes – deferred	537
Total income taxes	11,429
Net income (loss)	(771,659)
Net income (loss) attributable to owners of the parent	(771,659)

Consolidated statement of comprehensive income

(Thousands of yen)

	Current fiscal year (From January 1, 2024 to December 31, 2024)
Net income (loss)	(771,659)
Other comprehensive income:	
Foreign currency translation adjustment	(6,541)
Total other comprehensive income	(6,541)
Comprehensive income	(778,200)
Comprehensive income attributable to:	
Owners of the parent	(778,200)

(6) Consolidated statement of changes in equity

Current fiscal year (from January 1, 2024 to December 31, 2024)

(Thousands of yen)

	Shareholders' equity					Accumulated other comprehensive income		Share acquisition rights	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	2,476,719	2,754,277	(1,846,013)	(184)	3,384,799	–	–	525	3,385,324
Changes during period									
Issuance of new shares (exercise of share acquisition rights)	19,362	19,362			38,725				38,725
Net income (loss) attributable to owners of the parent			(771,659)		(771,659)				(771,659)
Purchase of treasury shares				(3)	(3)				(3)
Net changes in items other than shareholders' equity						(6,541)	(6,541)	(76)	(6,617)
Total changes during period	19,362	19,362	(771,659)	(3)	(732,937)	(6,541)	(6,541)	(76)	(739,555)
Balance at end of period	2,496,082	2,773,640	(2,617,673)	(188)	2,651,861	(6,541)	(6,541)	448	2,645,769

(4) Consolidated statement of cash flows

(Thousands of yen)

	Current fiscal year (From January 1, 2024 to December 31, 2024)
Cash flows from operating activities:	
Profit (loss) before income taxes	(760,230)
Depreciation	160,396
Impairment losses	229,999
Increase (decrease) in allowance for doubtful accounts	12
Interest and dividend income	(268)
Interest expenses	10,587
Loss (gain) on sale and retirement of property, plant and equipment	4,283
Decrease (increase) in trade receivables	(102,709)
Increase (decrease) in accounts payable – other	34,763
Other, net	69,945
Subtotal	(353,220)
Interest and dividends received	268
Interest paid	(6,610)
Income taxes paid	(9,530)
Net cash provided by (used in) operating activities	(369,092)
Cash flows from investing activities:	
Purchase of property, plant and equipment	(18,287)
Purchase of intangible assets	(31,793)
Payments of leasehold and guarantee deposits	(2,874)
Proceeds from refund of leasehold and guarantee deposits	724
Other, net	(180)
Net cash provided by (used in) investing activities	(52,411)
Cash flows from financing activities:	
Net increase (decrease) in short-term borrowings	250,000
Repayments of long-term borrowings	(109,668)
Proceeds from long-term borrowings	389,651
Refund of guarantee deposits received	(243,501)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	38,680
Purchase of treasury shares	(3)
Repayments of lease obligations	(2,519)
Net cash provided by (used in) financing activities	322,639
Effect of exchange rate change on cash and cash equivalents	(6,541)
Net increase (decrease) in cash and cash equivalents	(105,406)
Cash and cash equivalents at beginning of period	2,846,178
Cash and cash equivalents at end of period	2,740,772

(5) Notes to quarterly consolidated financial statements

Going concern assumption

Not applicable.

Changes in the scope of consolidation or the scope of application of the equity method

(1) Significant changes in the scope of consolidation

Effective from the current fiscal year, the newly established SPIDERPLUS VIETNAM CO., LTD is included in the scope of consolidation.

(2) Significant changes in the scope of application of the equity method

Not applicable.

Segment information, etc.

The Group operates under a single segment; therefore, segment information has been omitted.

Per Share information

Item	Current fiscal year (From January 1, 2024 to December 31, 2024)
Net assets per share	74.92 yen
Basic earnings (loss) per share	(21.92) yen

Notes: 1. Although the Company has potential shares, diluted earnings per share is not stated because the Company recorded basic loss per share.

2. Basis for calculation of basic loss per share is as follows:

(Thousands of yen, unless otherwise stated)

Item	Current fiscal year (From January 1, 2024 to December 31, 2024)
Basic loss per share	
Net income attributable to owners of the parent	(771,659)
Amount not attributable to common shareholders	–
Net loss available to common shareholders	(771,659)
Average number of common shares outstanding during the period (Shares)	35,207,177
Summary of potential shares not included in the calculation of diluted earnings per share due to their anti-dilutive effect	—

3. Basis for calculation of net assets per share is as follows:

(Thousands of yen, unless otherwise stated)

Item	Current fiscal year (As of December 31, 2024)
Total net assets	2,645,769
Deductions from total net assets	448
[of which, share acquisition rights]	[448]
[of which, non-controlling interests]	[–]
Net assets applicable to common shares at end of period	2,645,320
Number of common shares at end of period used for the calculation of net assets per share (Shares)	35,306,340

Subsequent events

Not applicable.