



June 28, 2021

Company name	Lancers, Inc.	
Representative	President and CEO	Yosuke Akiyoshi (TSE Mothers Code No.4484)
Contact	Executive officer,CFO	Shio konuma TEL. 03-5774-6086

(Corrections) Notice Regarding Partial Corrections of
“Financial Results for the Fiscal Year Ended March 31,2021”

Lancers, Inc. hereby announces that it has made corrections to”Financial Results for the Fiscal Year Ended March 31,2021” released on May 13,2021.

Details of Corrections

- Page19: Status of Balance Sheet (Consolidated)
 - Description of the equity ratio
- Page28: Reference: Changes in Operating Income for the FY Ending March 2022
 - Amount of investment in the marketplace business

(Before correction)

Status of Balance Sheet (Consolidated)

**Cash-on-hand* is at a high level, the equity ratio is 55%, and the financial base is solid.
Overdraft quota* also secured 700 million JPY.**

(Unit: Million JPY)	FY2020 (FY Ended March 2021)	FY2019 (Previous)	
	Actual	Actual	% change
Current assets	2,845	2,777	+68
Cash and deposits*	2,037	2,032	+4
Non-current assets	587	368	+219
Goodwill	427	265	+161
Total assets	3,433	3,145	+287
Current liabilities	1,592	1,424	+167
Customer deposits	800	570	+229
Non-current liabilities	4	6	△2
Net assets	1,837	1,714	+122
Total liabilities/net assets	3,433	3,145	+287

*) 1,237 million JPY of Net Cash as of the end of March 2021= cash and deposits 2,037 million JPY - debt 0 million JPY - customer deposits 800 million JPY. The total amount of uncommitted overdrafts is 710 million JPY as of the end of March 2021.

(After correction)

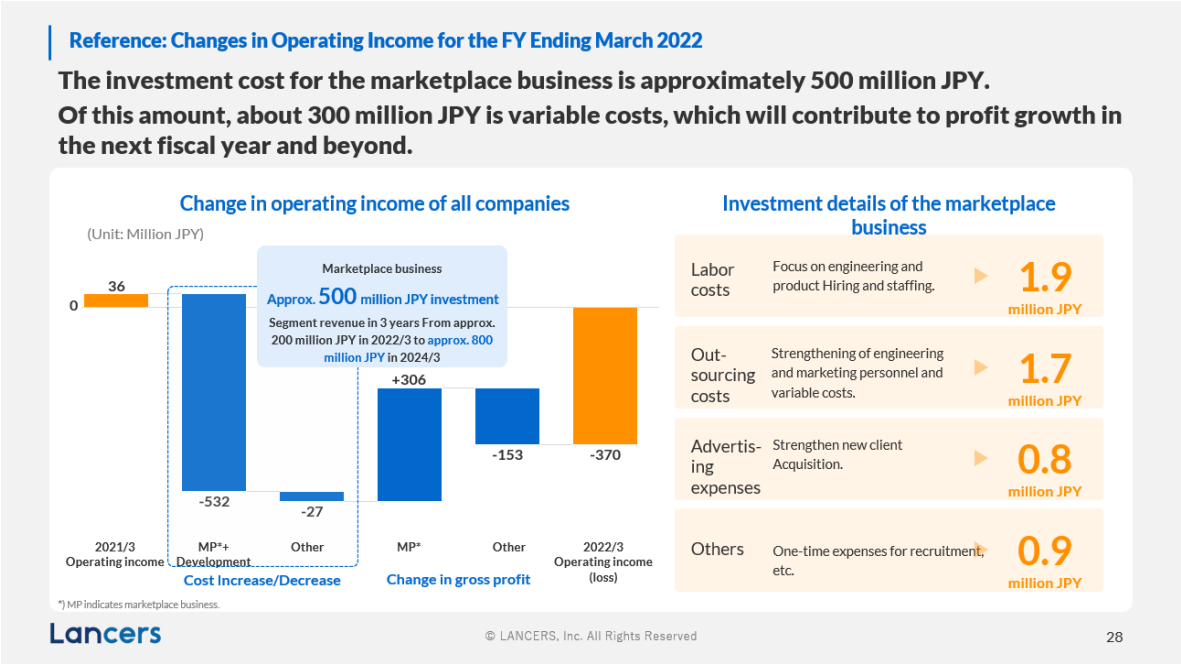
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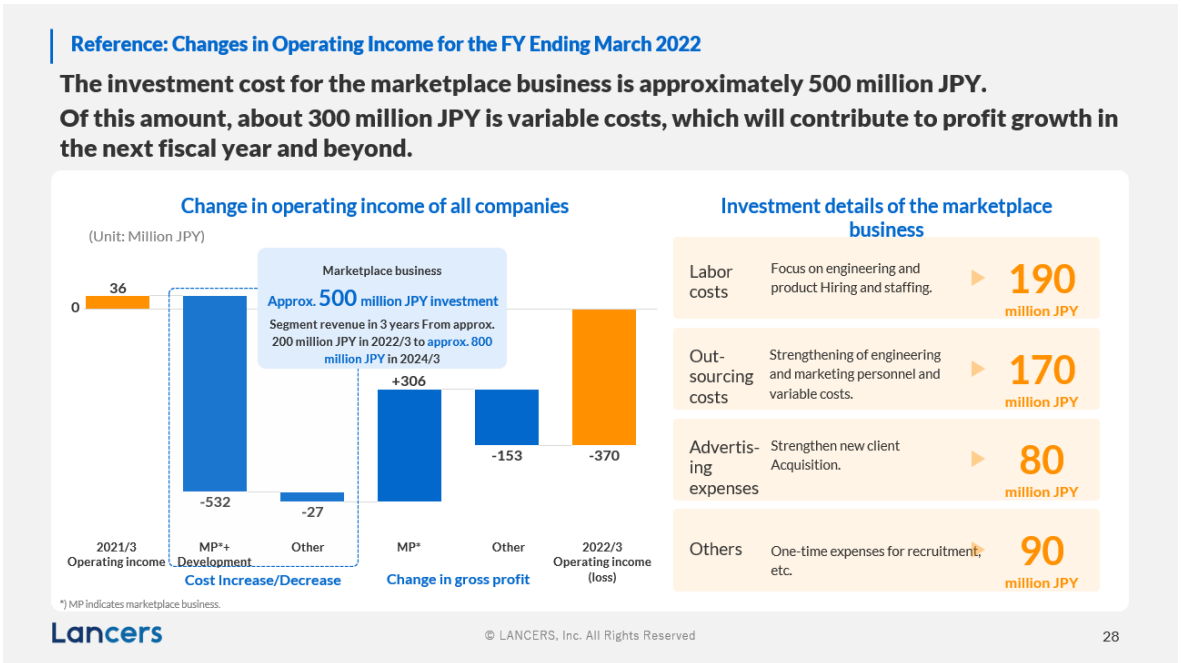
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(Before correction)



(After correction)



Financial Results for the Fiscal Year Ended March 31, 2021

LANCERS, INC. (TSE Mothers : 4484)



Highlights

Full-year results for FY ended March 2021

- The entire company achieved full-year profitability despite the impact of COVID-19.
- Operating profit exceeded the forecast, as the full-year forecast was met.
 - Gross Merchandise Value : 9,294M JPY (+15% Year-on-year)
 - Operating income: 36M JPY (+344M JPY compared to the previous fiscal year, +26M JPY compared to the forecast.)

Status by segment for FY ended March 2021

- GMV in the marketplace business accelerated further to 33% YoY in 4Q alone.
 - Significant growth in marketplace business with new client GMV +32%, existing client GMV +33%.
 - Negative impact of COVID-19 pandemic bottoms out in 4Q in managed services and tech agent businesses.

3-year management policy for FY ending March 2024

- Disclosure of the vision and 3-year management policy in response to the drastically changed market environment.
 - Focused investment in marketplace business, aiming for growth rate +40% level by 2024/3.
 - Targeting a CAGR of +30% in GMV in 3 years, GMV to exceed 20 billion JPY, and gross profit to increase to 4 billion JPY.
 - Established a high-growth, high-profit platform. Entering the profit expansion phase and returning to profitability in 3 years while continuing to invest.

Full-year earnings forecast for FY ending March 2022

- A year of focused investment in the marketplace business to lay the foundation for a growth rate of +30%. Total company-wide GMV rate is +15% due to selection and concentration.
 - Investment focusing on development and marketing to expand new categories for marketplace business and diversify options for matching clients.
 - Managed service business focusing on a flat-rate system with an emphasis on profitability and the growth rate is temporarily negative because of withdrawn contracts.
 - Tech Agent business expected to recover to re-grow before COVID-19.

- 1 **Company Profile**
- 2 Full-Year Results for FY Ended March 2021 and Status by Segment
- 3 Future Management Policy
- 4 Full-Year Earnings Forecast for FY Ending March 2022

Our Mission

Empowerment of Individuals

Our Vision

**We will create a world where
anyone can live their own
workstyle, with the power of
technology**

Company name

LANCERS, INC.

Business contents

Platform business

Founder and CEO

Yosuke Akiyoshi

Establishment

April, 2008

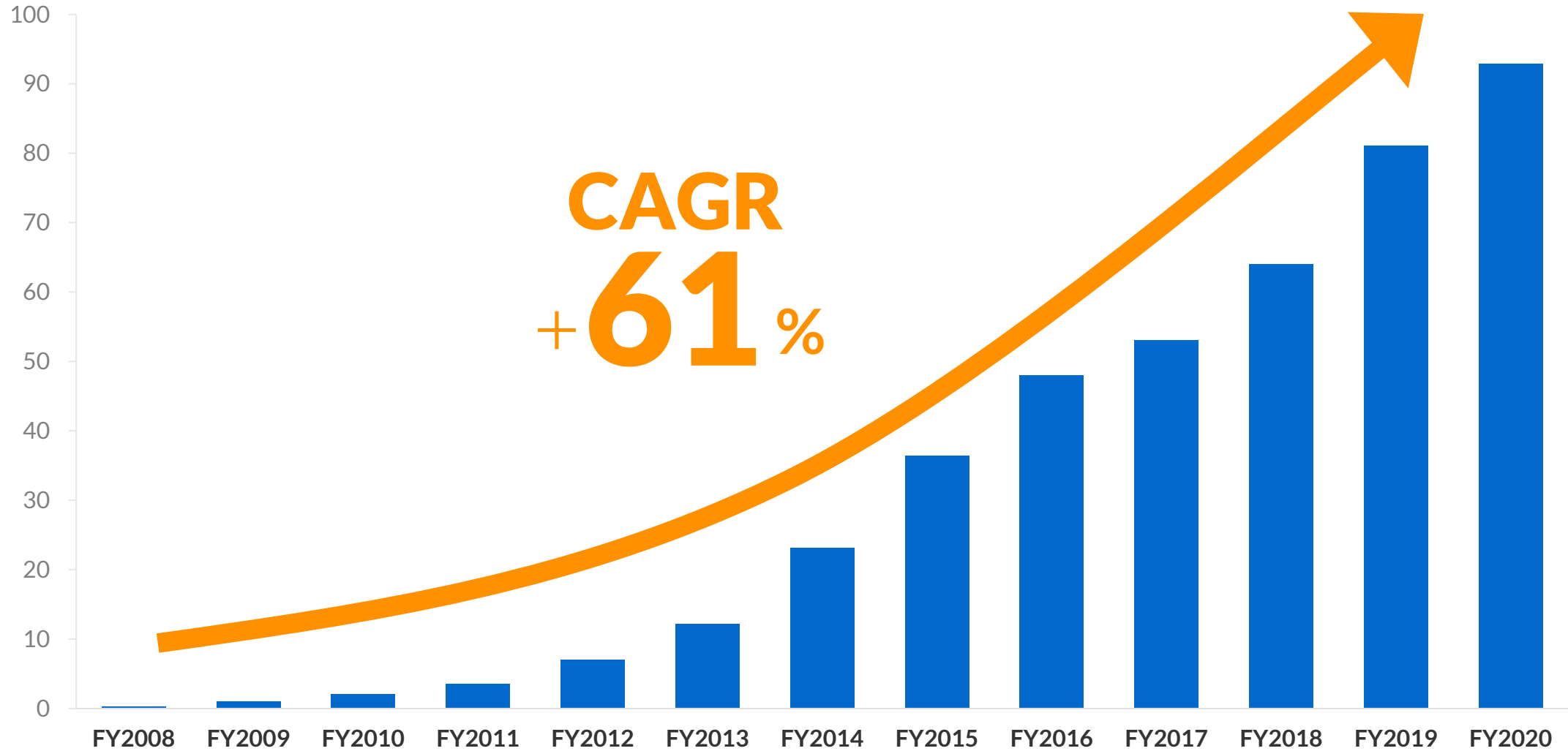
Staff

Approx. 200 employees*

*) Employees include full-time employees (excluding those who are seconded to outside the Group, but including those seconded to the company within the Group) and temporary workers(part-time workers).

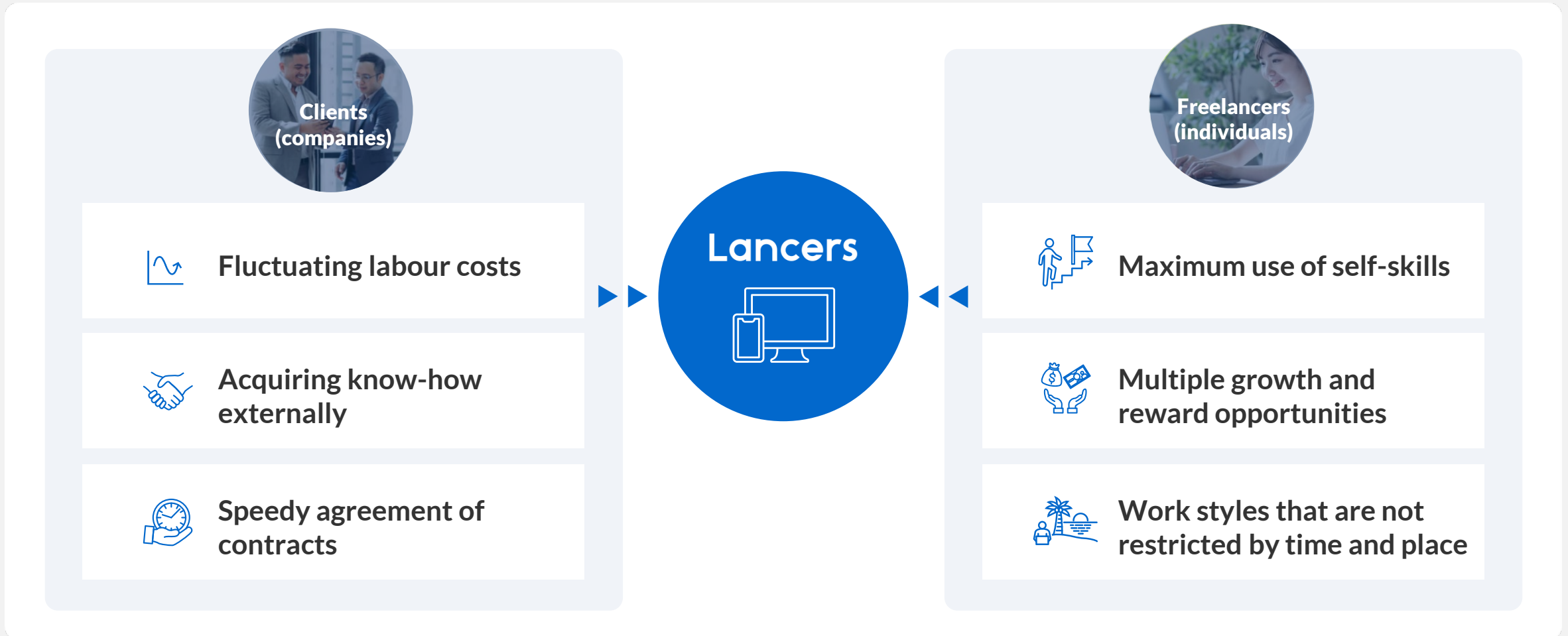
Changes in Lancers' Gross Merchandise Value

(Unit: 100 million JPY)

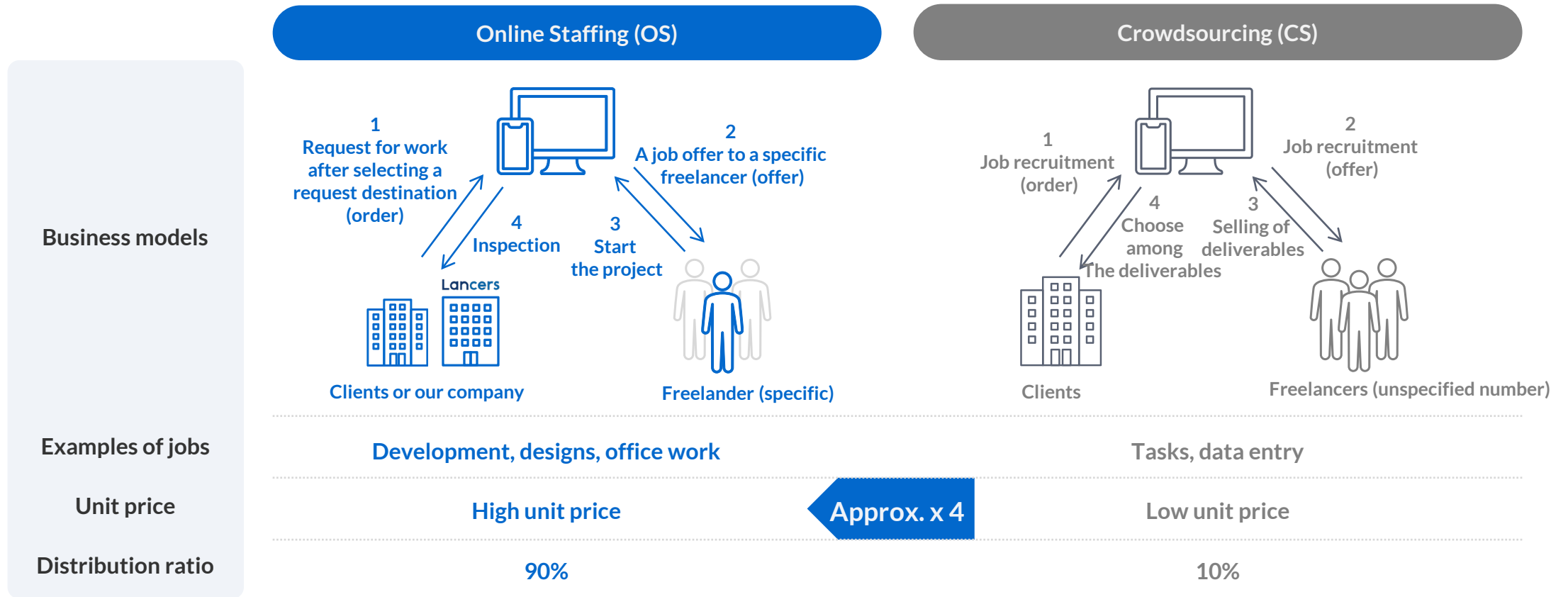


Service Overview

We operate an ordering platform that matches individuals and companies, which is completed online, and provide excellent human resources to companies and new work styles to individuals regardless of time and where they live.



Online staffing* (OS) that provides a job offer to specific individual is our main feature, which contributes 90% of Gross Merchandise Value.



*)Online staffing (OS) is an abbreviation for online staffing platform .



A number of jobs that contribute to DX promotion and productivity improvement, mainly in development and operations.

Online staffing (OS)



Crowdsourcing (CS)

Development/operation

System development/operation


-  Web system development/programming
¥ 3,500- ¥ 7,000/h *
-  iPhone ・ iPad app development
¥ 300,000- ¥ 2,000,000 *

WEB production



-  Homepage creation
¥ 50,000- ¥ 400,000/1-10 pages *
-  EC site construction and operation
¥ 500,000 /renovation of in-house EC site

Creative production

Designing



-  Logo designs
¥ 20,000- ¥ 85,000/piece *
-  Business card production
¥ 10,000- ¥ 50,000 *

Photos/videos/narration



-  Video creation/production /video material
¥ 50,000- ¥ 500,000/piece *
-  Image processing/photo editing/image material
¥ 100- ¥ 5,000/piece *

Back office

Consultation



-  Business/strategy consulting
¥ 150,000- ¥ 300,000 *
-  Web/IT consultation
¥ 100,000- ¥ 200,000 *

Office work/professional



-  PowerPoint creation
¥ 30,000- ¥ 100,000 (10 pages)
-  Excel editing
¥ 20,000- ¥ 30,000 *

Others

Article writing


-  Article writing/blog articles/experiences
¥ 0.5- ¥ 5/letter *
-  DM/emailmagazine/production
¥ 20,000- ¥ 40,000 *


Tasks/temporary work

-  Data collection/entry/ Listing
¥ 1,000- ¥ 10,000/100 tasks *
-  Monitoring/questionnaires/ questions
¥ 10- ¥ 3,000/1 questionnaire *

Marketing


Digital marketing

-  Listing advertisement operation
Advertising fees + approx.20% of advertising fees

-  SNS marketing
Around ¥ 100,000

Sales

Sales/telemarketing

-  Sales/telemarketing
¥ 2,000 - ¥ 3,500/h

*)The offer price is the request price of the content of typical work, and the detailed request price is as follows
<https://www.lancers.jp/help/beginner/lancer/examples>

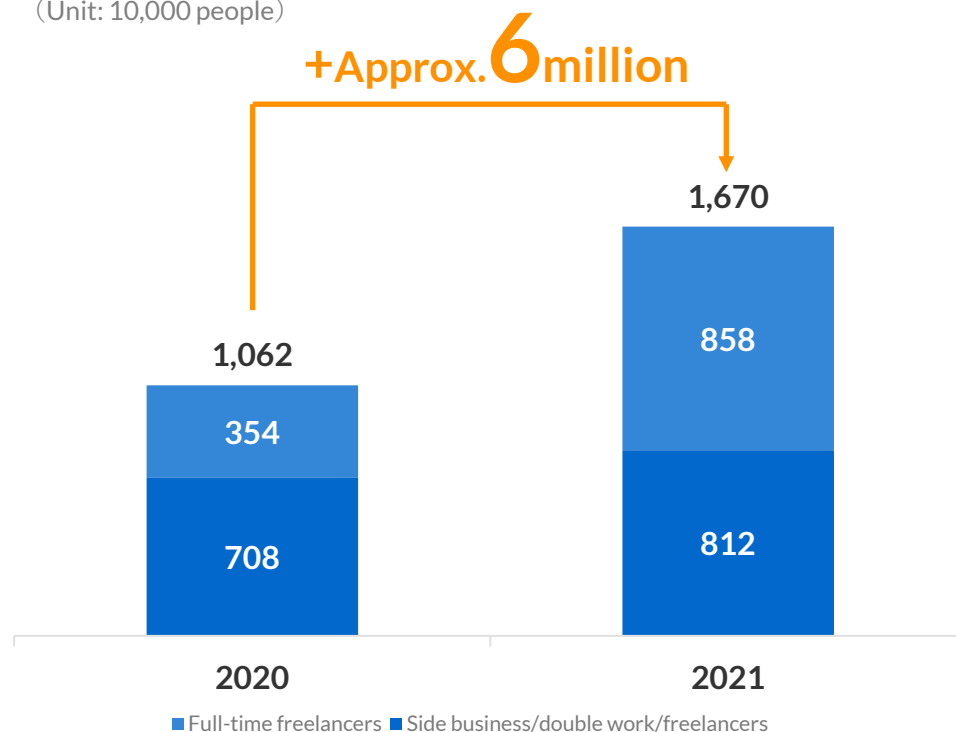
Market changes have expanded SMB DX operational needs and we updated strategic priorities.



The number of freelancers has increased significantly,
and the economic scale has rapidly revitalized to +10 trillion JPY compared to last year.

The number of freelancers*

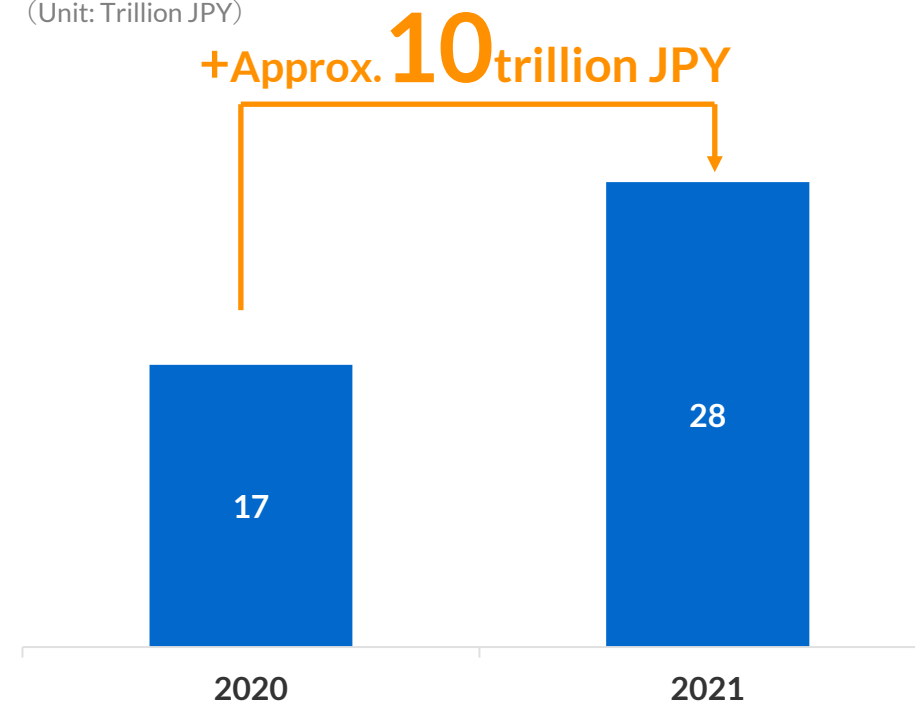
(Unit: 10,000 people)



*) Quoted from "Freelance fact-finding survey 2021 edition". Our group commissioned Macromill, Inc. to conduct a survey from January to February 2021 for adult men and women over the age of 20 who received reward for work in the past 12 months and summarized the responses of 3,095 participants.

Economic scale of freelancers*

(Unit: Trillion JPY)

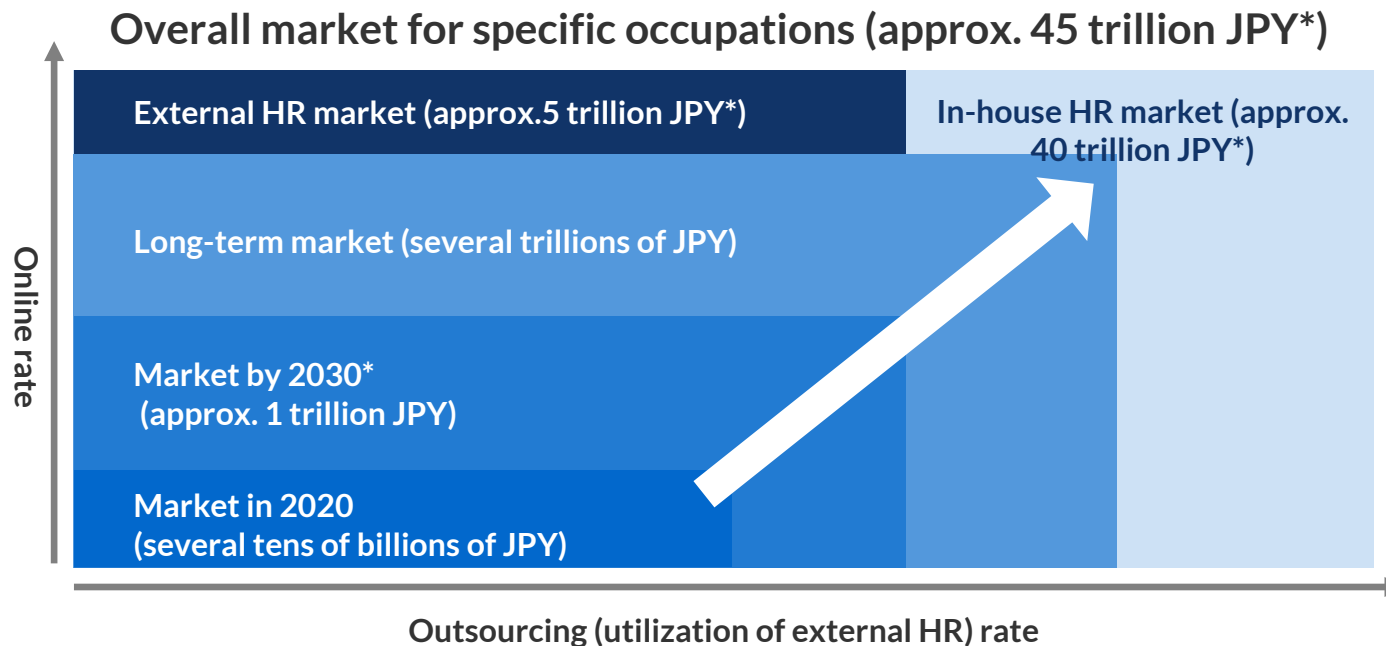


*) Same as on the left.

Market Potential for Lancers

With the spread of online work and utilization of external human resources, the target market for specific occupations is expanding and the market potential of approx. 1 trillion JPY is expected around 2030.

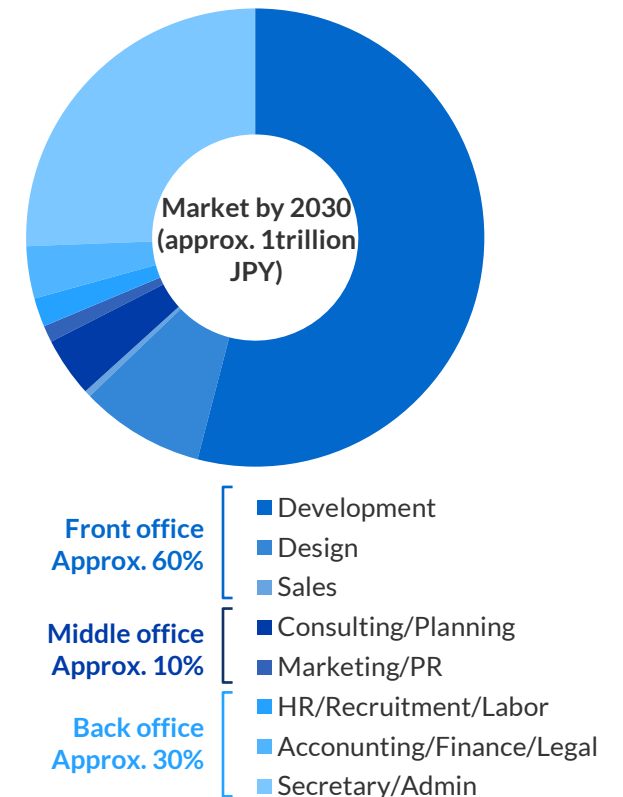
Potential expansion of Lancers' target market



*) We calculated the external HR utilization rate and the target HR market and estimated the market size based on materials such as 2015 National Census, 2016 Economic Census, Specified Service Industry Dynamic Statistics Survey August 2020, Reiwa 1st Annual Wage Structure Basic Statistics Survey, Yano Research Institute "2020-2021 BPO (Business Process Outsourcing) Market" Actual conditions and prospects", Industry Trends SEARCH.COM, Career Change Service doda" Average Annual Income Ranking by Job Type 2019".

**) The market size is estimated by our company based on the data in the above reference in the "Freelance Survey 2020" conducted by our group in February 2020.

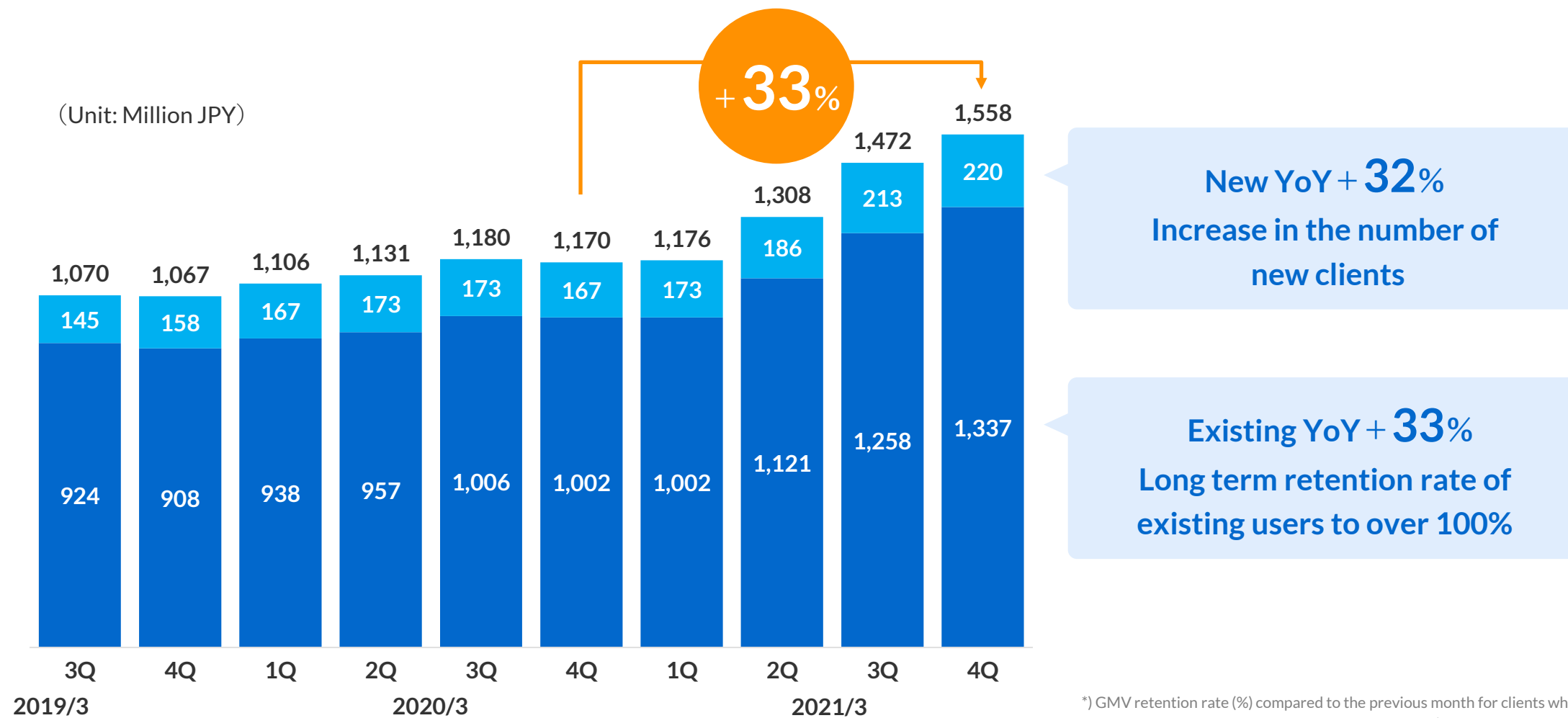
Market size ratio by specific occupations



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Structural Changes in the Marketplace Business

Changes in GMV of new and existing (repeat) clients*



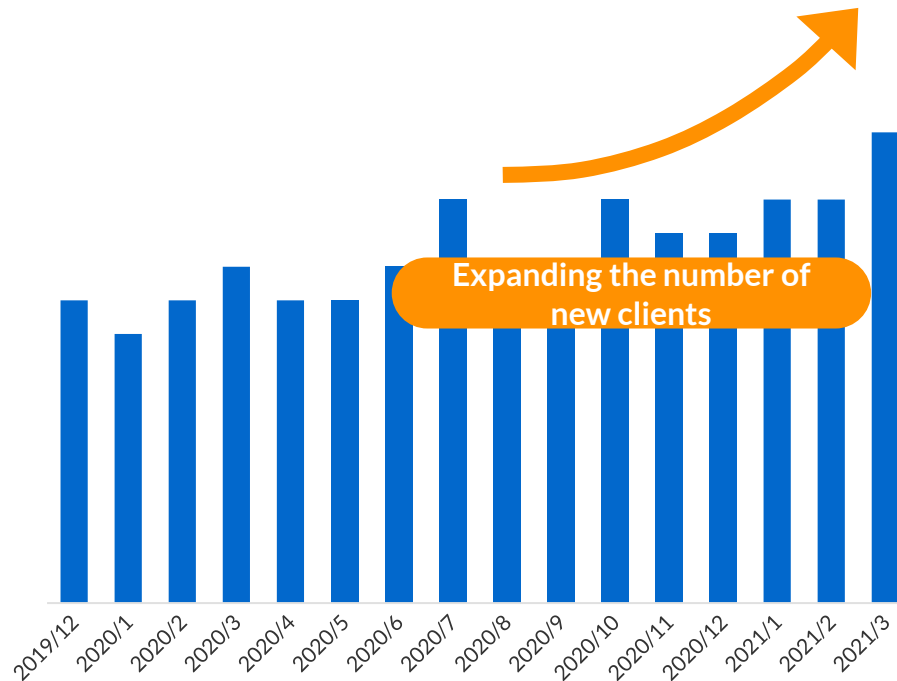
*) GMV retention rate (%) compared to the previous month for clients who have used the service for 12 or more consecutive months. (1 - Withdrawal rate)

Marketplace Business

Continued growth in the number of new clients as SMBs expand their DX operation needs.

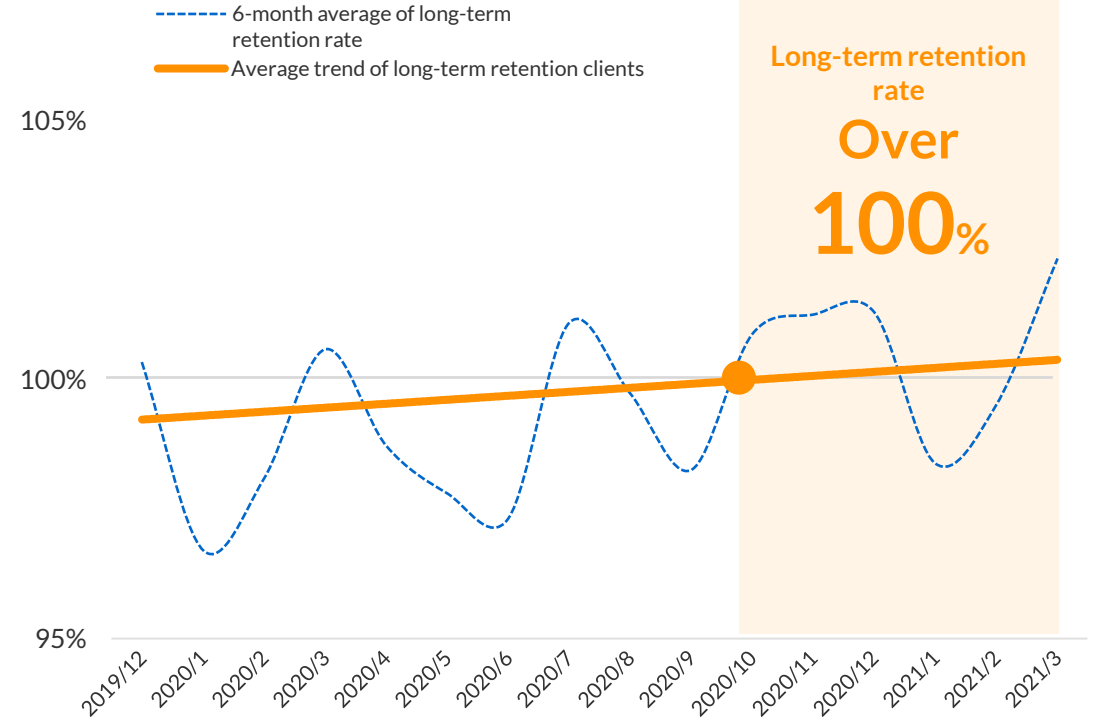
The long-term retention rate* of existing clients exceeded 100%, accelerating the buildup of total distribution value.

Changes in the number of new clients**



**) The number of new clients who made a contract for the first time with "Lancers"

Long-term retention rate* of existing clients



*) GMV retention rate (%) compared to the previous month for clients who have used the service for 12 or more consecutive months. (1 - Withdrawal rate)

Summary by Segment*

Marketplace business has established a foundation for structural changes in new and existing clients and aims to accelerate growth in FY2021 (FY Ending March 2022) .

The other two businesses suffered from the impact of COVID-19, but the impact bottomed out in 4Q.
In FY2021 (FY Ending March 2022) , focus on profitability through selection and concentration.

*)It means the business divisions of our group based on management accounting standards.

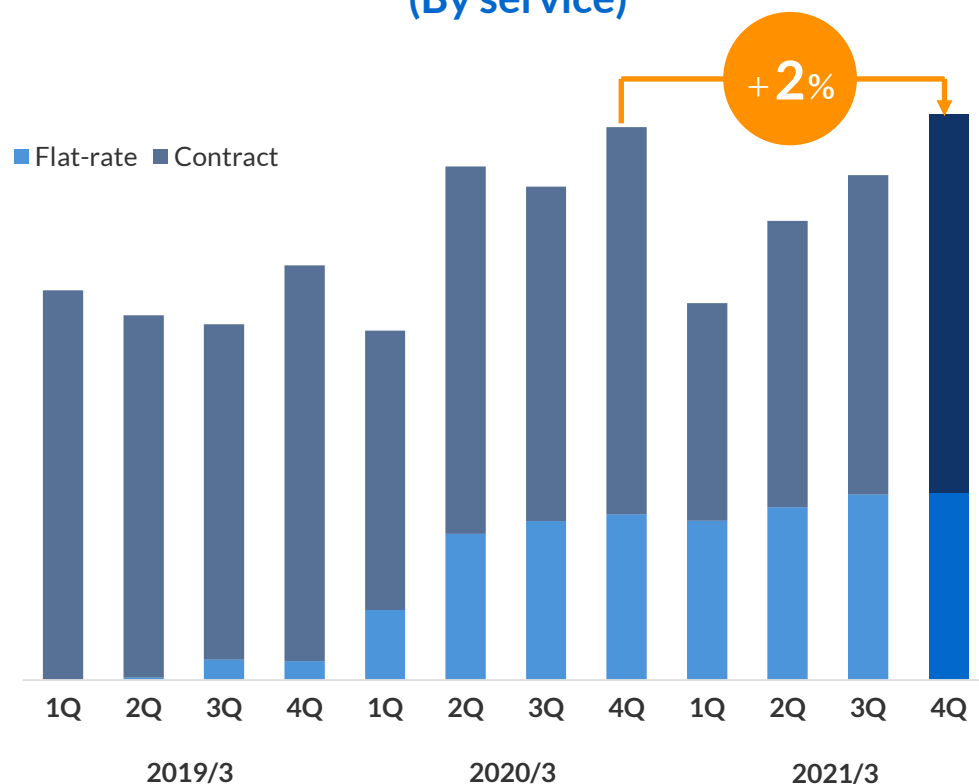
Status by segment (4Q only)

Marketplace business	Gross Merchandise Value 1,558 million JPY	Year-on-year +33%	<ul style="list-style-type: none">• Continued growth acceleration due to expanding DX needs• Increased number of new client contracts• Increased continuity of existing clients
Managed service business	Gross Merchandise Value 421 million JPY	Year-on-year +2%	<ul style="list-style-type: none">• Temporary demand existed, but the demand contract services did not grow• Expanding services for flat-rate service structural reform
Tech agent business	Gross Merchandise Value 582 million JPY	Year-on-year △6%	<ul style="list-style-type: none">• Acquiring new contract clients continues to be difficult• Strengthening the organizational structure for regrowth

Managed Service Business

Contract-type services continued to be linked to business sentiment, though there was demand at the end of the fiscal year. New plans are under consideration for flat-rate services with high profitability and growth potential.

Changes in GMV of managed service business
(By service)



Expanding flat-rate package services

Assistant plans* From **¥ 90,000/m**

Creative plans* From **¥ 50,000/m**

Telemarketing plans** From **¥ 5,000/m**

Sales support plans** From **¥ 200,000/m**

SEO agency plans From **¥ 100,000/m**

Released
this term

Considering a new plan linked to market needs.

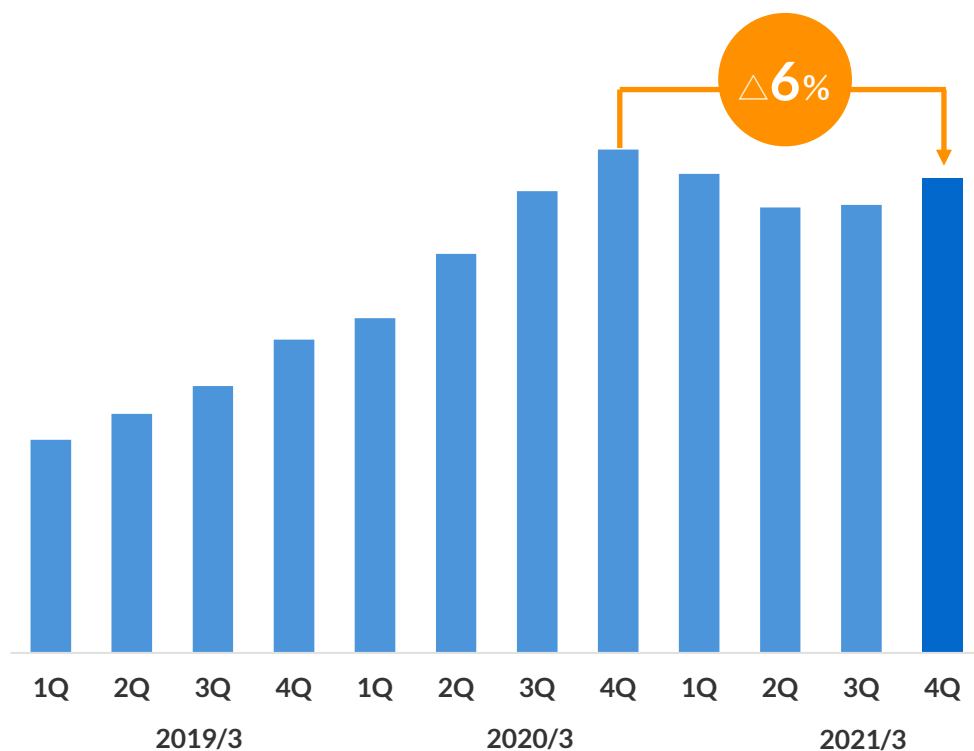
*) Monthly charges applied when subscribing to a 12-month plan.

**) The telemarketing plans indicate 50 calls per month, and the sales support plans indicate a trial plan.

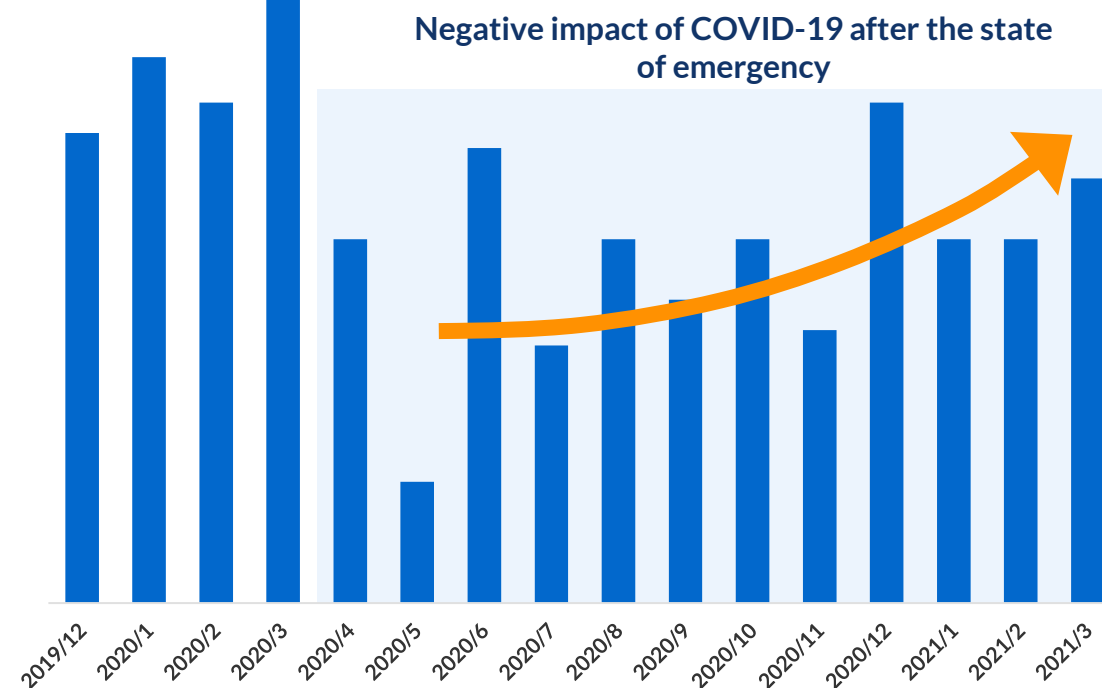
Tech Agent Business

The number of new contracts decreased due to a decrease in needs caused by the impact of COVID-19, but bottomed out in 4Q, resulting in a QoQ increase. In the mid-to-long term, there is a strong need for IT personnel, and we are aiming for renewed growth.

Changes in GMV of tech agent business



Changes in the number of new contracts



Performance Summary

Company-wide sales and profits increased, and full-year profitability was achieved.

The marketplace business is accelerating growth to +33% in quarterly YoY, leading the other 2 businesses.

*)It shows the businesses division of our group based on management accounting standards.

Company-wide (full-year)

Gross Merchandise Value **9,294_{M JPY}** Year-on-year **+15%**

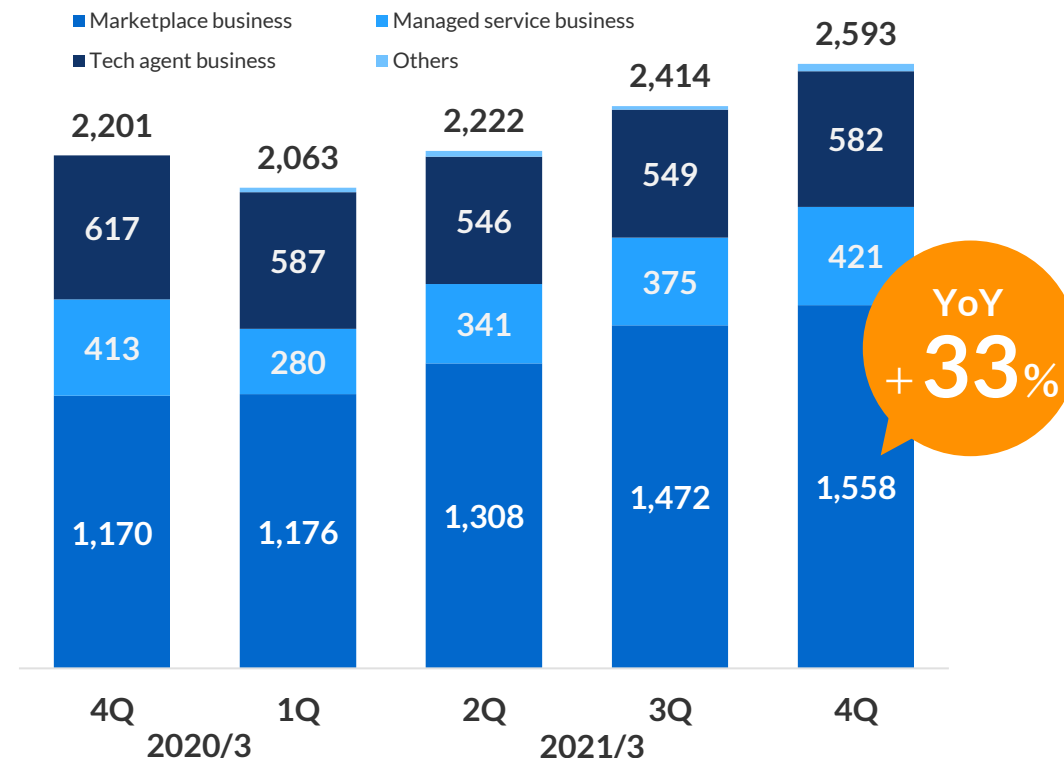
Net Sales **3,868_{M JPY}** Year-on-year **+11%**

Gross profit **1,925_{M JPY}** Year-on-year **+7%**

Operating income **36_{M JPY}** Year-on-year **+344_{M JPY}**

Trends in GMV by segment

(Unit: Million JPY)



Statements of Income by FY Ended March 2021 (Consolidated)

Despite the negative impact of COVID-19, the business grew steadily and achieved profitability for the full year. As a result, full-year results were in line with the forecast, and operating income exceeded the forecast.

(Unit: Million JPY)	FY2020 (FY Ended March 2021)	FY2019 (Previous)		FY2020 (Forecast for February)	
	Actual	Actual	% change	Forecast	% Achievement
Gross Merchandise Value*	9,294	8,114	+14.5%	9,300	99.9%
Net sales	3,868	3,474	+11.3%	3,880	99.7%
Gross profit	1,925	1,794	+7.3%	1,920	100.3%
Selling, general and administrative expenses (SG&A)	1,889	2,102	△10.1%	1,910	98.9%
Operating income /loss	36	△307	+344	10	+26
Ordinary income /loss	48	△328	+377	20	+28
Net income /loss	37	△353	+390	10	+27

*) It is based on in-house management materials and is not an audited number.

Status of Balance Sheet (Consolidated)

Cash-on-hand* is at a high level, the equity ratio is 54%, and the financial base is solid. Overdraft quota* also secured 700 million JPY.

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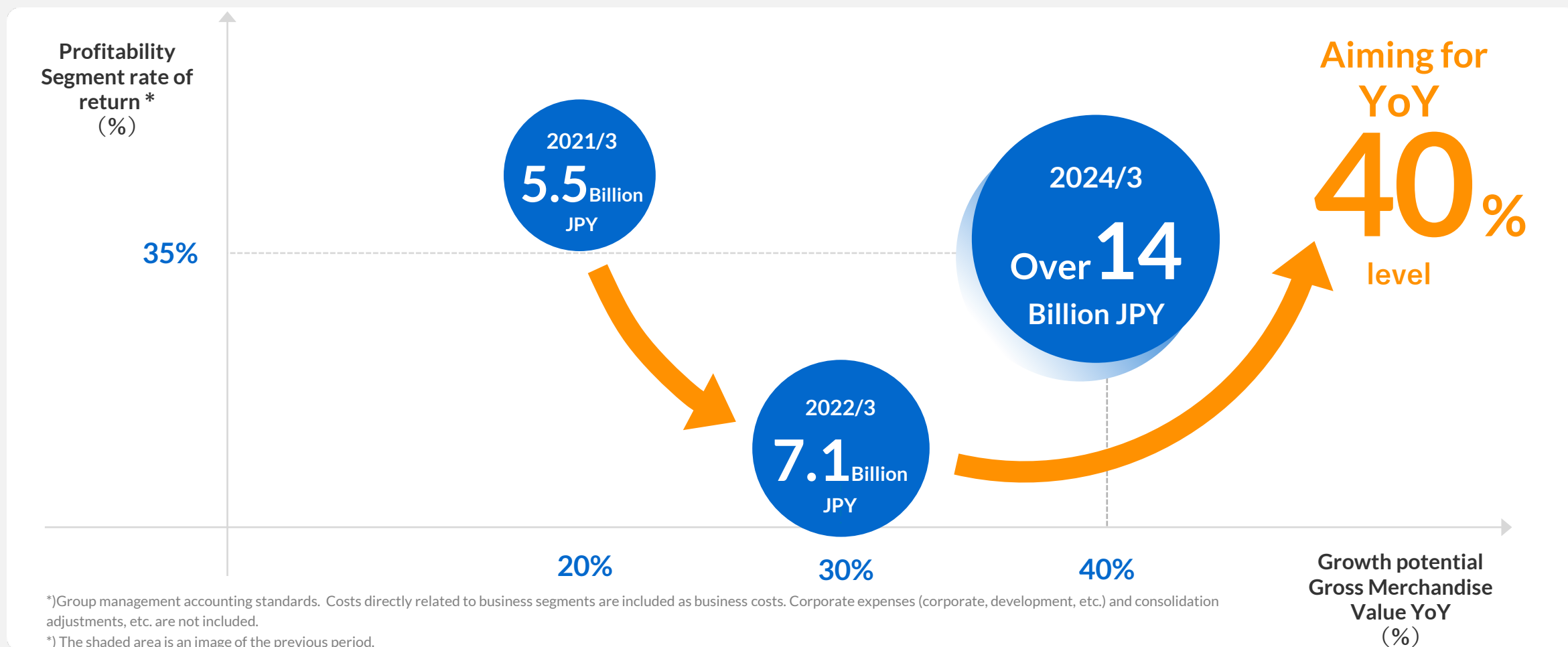
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- 1** | Concentrate investment in marketplace business.
Aiming for a 40% growth rate in GMV in 3 years.
- 2** | Total company-wide GMV CAGR +30% in 3 years to over 20 billion JPY.
Gross profit to expand to 4 billion JPY scale.
- 3** | Establishing a platform for high growth and high profitability.
Return to profitability within three years and enter the profit expansion phase while continuing to invest.

Prediction of Marketplace Business Growth Target (GMV)

Expansion of new categories and diversification of the matching mechanism.

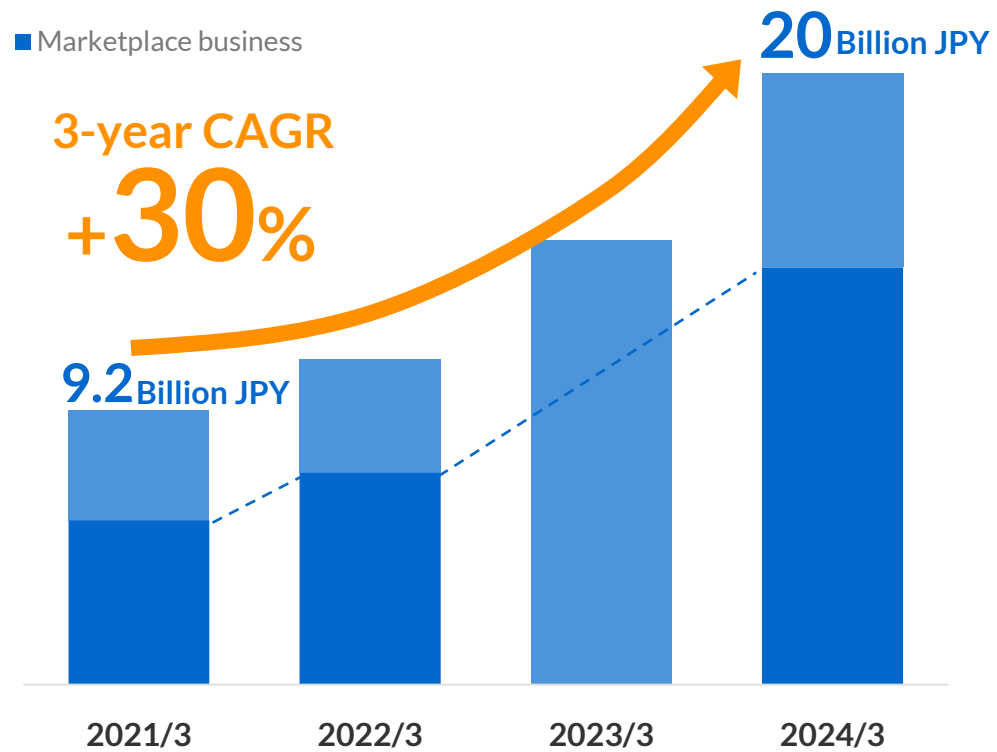
Further, through new services, etc., we aim to build on the foundation of +30% growth rate and achieve a growth level of +40%.



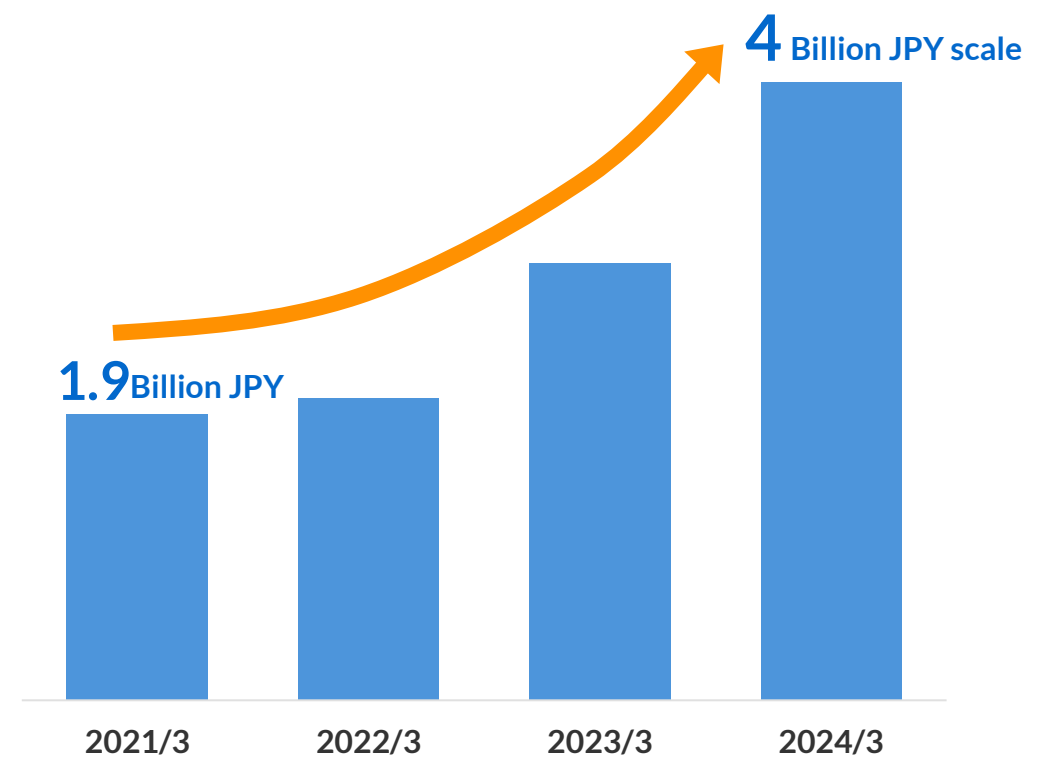
3-year goals

Aiming for GMV of CAGR +30% for 3 years, more than 20 billion JPY in 2024/3, and gross profit of 4 billion JPY.

Company-wide target transition of GMV



Company-wide target transition of gross profit



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Policy for Each Business for FY Ending March 2022

This is the year to invest intensively in the marketplace business and create a foundation for growth of over 30% in GMV. In line with our policy of prioritizing profitability and growth, we plan to withdraw from the outsourced managed services business this fiscal year.

Marketplace business

Concentrated investment

500M JPY investment
Growth by 30% YoY

Managed service business

Withdraw from contract*

Expansion of
flat-rate services

Tech agent business

Re-growth

Recovery to pre-COVID
growth trend

*)The fiscal year ending March 2022 is a transition period toward withdrawal, and sales from the contract business will also be recorded.

Summary of Full-Year Earnings Forecast for FY Ending March 2022

In the marketplace business, we will invest approximately 500 million JPY this fiscal year to build a foundation for over 30% growth. Although the managed service business see temporary negative growth due to the withdrawal of contracted services, the GMV for the entire company excluding contracted services is +23%.

Company-wide (full-year forecast)

Gross Merchandise Value	10,691 _{M JPY}	Year-on-year +15%	(Excluding contract services) (+23%)
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Net Sales	3,902 _{M JPY}	Year-on-year +1%	(Excluding contract services) (+16%)
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Gross profit	2,078 _{M JPY}	Year-on-year +8%	(Excluding contract services) (+19%)
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Operating income	△ 370 _{M JPY}	Year-on-year △ 406 _{M JPY}	
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By segment* (Full-year forecast)

Market place business	Gross Merchandise Value 7,143 _{M JPY}	Year-on-year +30%
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Managed services business	Gross Merchandise Value 1,020 _{M JPY}	Year-on-year △ 28%
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Tech agent business	Gross Merchandise Value 2,528 _{M JPY}	Year-on-year +12%
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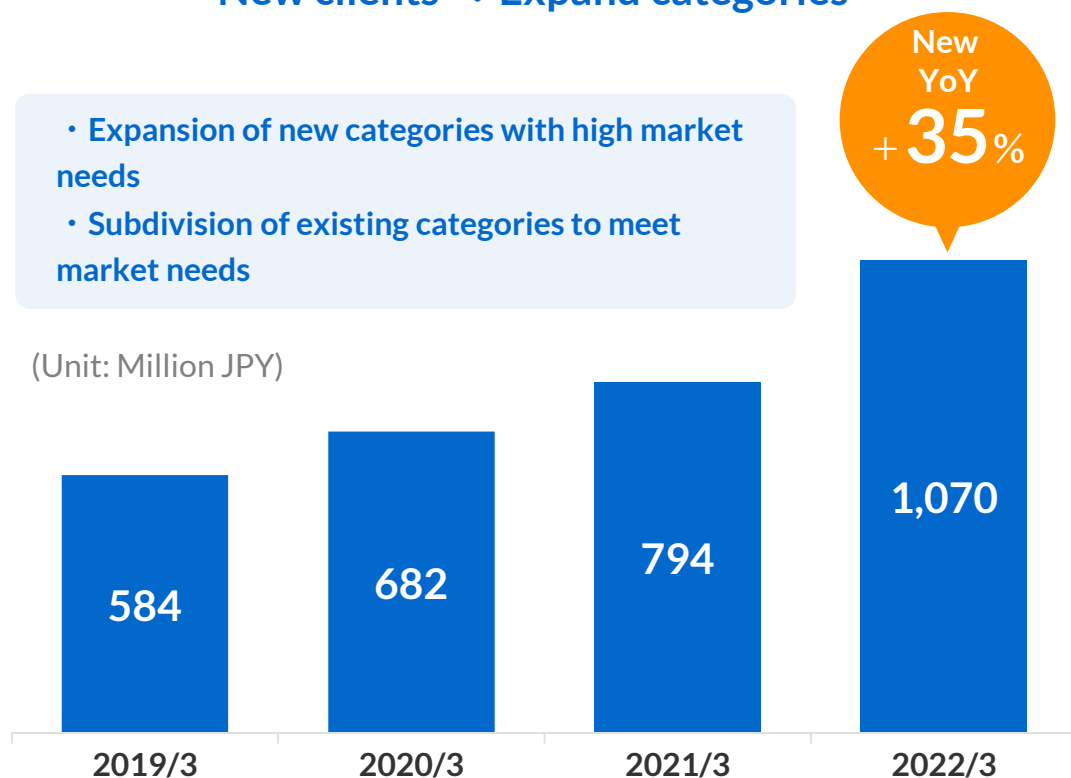
*)Business division based on our group's management accounting standards.

Expand categories and diversify matching in order to increase GMV for new and existing clients.

New clients* : Expand categories

- Expansion of new categories with high market needs
- Subdivision of existing categories to meet market needs

(Unit: Million JPY)

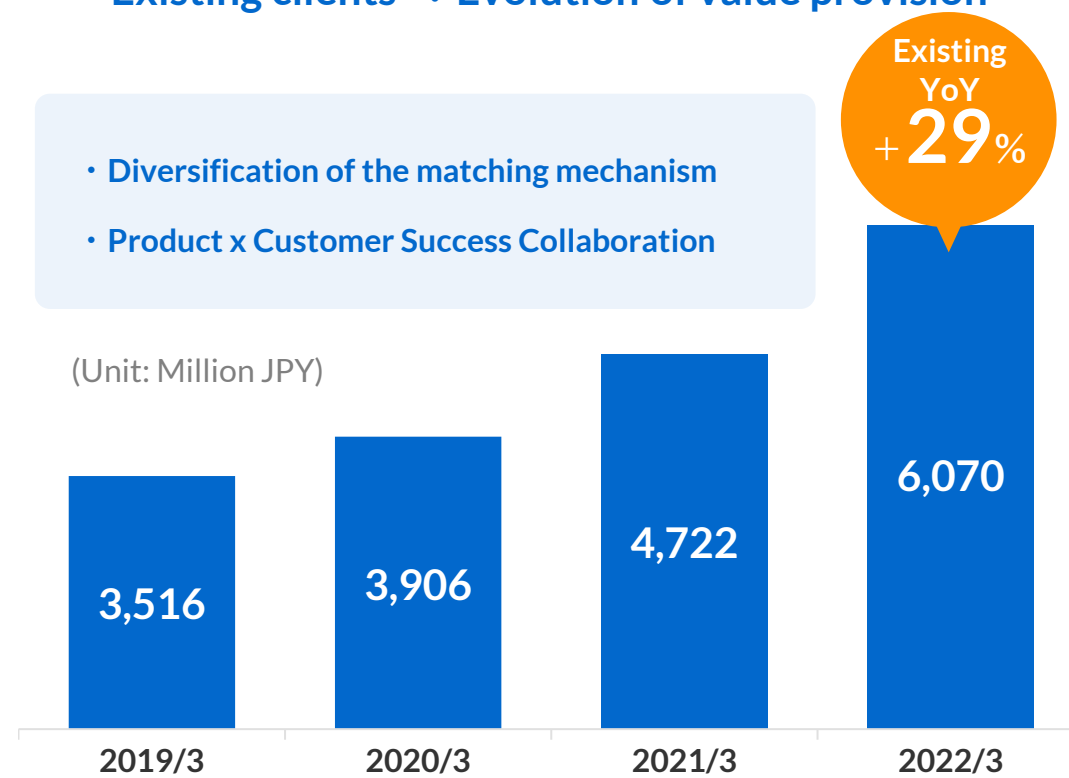


*) New client indicates the GMV of the client in the first usage month. The GMV of new clients is the sum of each month's GMV.

Existing clients* : Evolution of value provision

- Diversification of the matching mechanism
- Product x Customer Success Collaboration

(Unit: Million JPY)



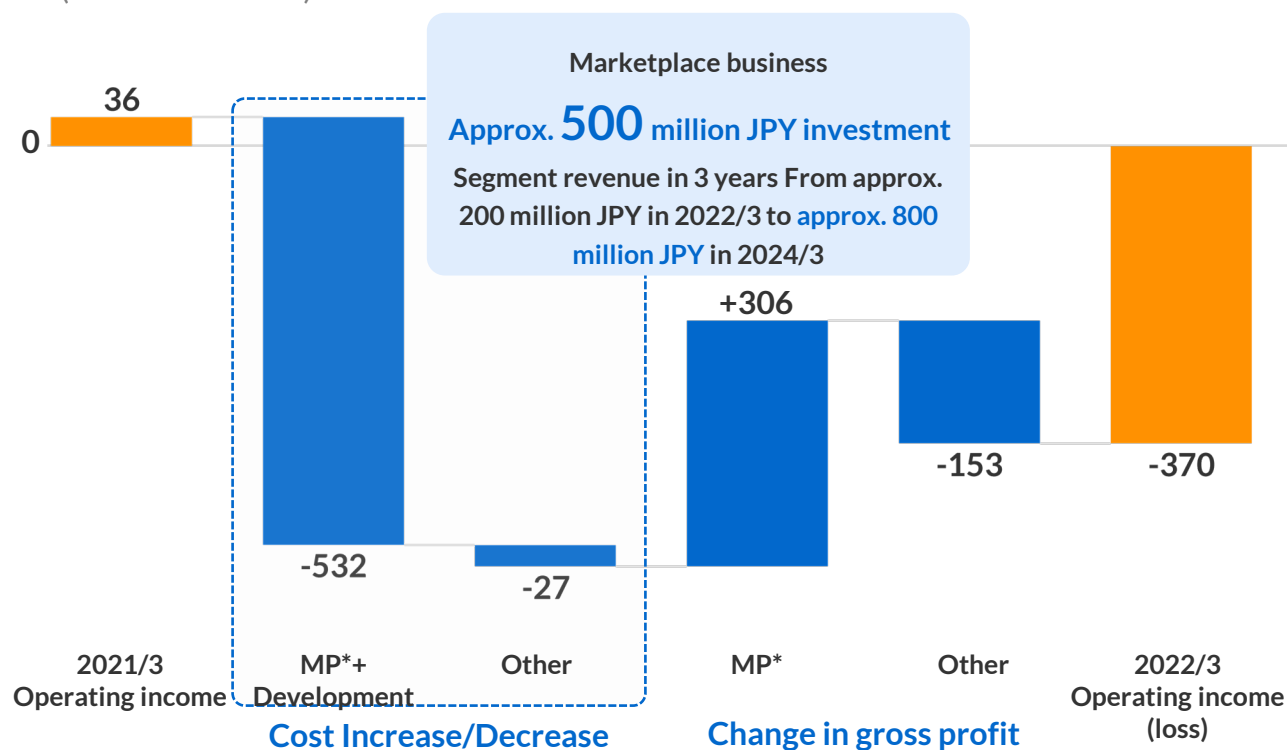
**) Existing clients are defined as clients who have placed an order for the second or later time. The GMV of existing clients is the sum of each month's GMV.

Reference: Changes in Operating Income for the FY Ending March 2022

The investment cost for the marketplace business is approximately 500 million JPY. Of this amount, about 300 million JPY is variable costs, which will contribute to profit growth in the next fiscal year and beyond.

Change in operating income of all companies

(Unit: Million JPY)



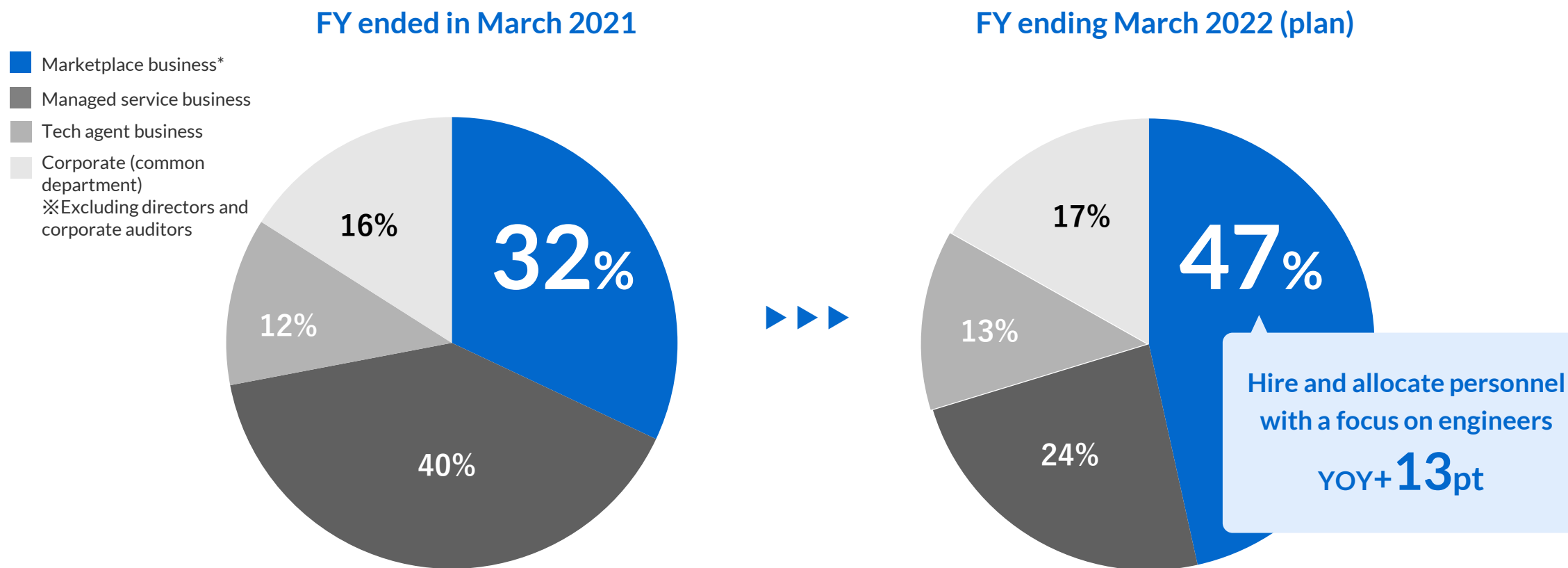
*) MP indicates marketplace business.

Investment details of the marketplace business

Labor costs	Focus on engineering and product Hiring and staffing.	▶ 190 million JPY
Out-sourcing costs	Strengthening of engineering and marketing personnel and variable costs.	▶ 170 million JPY
Advertising expenses	Strengthen new client Acquisition.	▶ 80 million JPY
Others	One-time expenses for recruitment, etc.	▶ 90 million JPY

Personnel Composition (Consolidated)

Major shift in personnel allocation (new hires and internal transfers) to marketplace business, with plans to increase the number of employees in the future.



*)Marketplace business includes the number of personnel in the development department.

Full-year Earnings Forecast for FY Ending March 2022

Investment in the fiscal year ending March 2022 to accelerate growth over the medium-long term, and increase in revenue year-on-year.

(Unit: Million JPY)	FY2020 (Previous)	FY2021 (Current forecast)	YoY
Gross Merchandise Value*	9,294	10,691	+15.0%
Net sales	3,868	3,902	+0.9%
Gross profit	1,925	2,078	+7.9%
Selling,general and administrative expenses(SG&A)	1,889	2,448	+ 29.6%
Operating income /loss	36	△370	—
Ordinary income /loss	48	△363	—
Net income /loss	37	△452	—

*)It is based on in-house management materials and is not an audited number.

Full-year Earnings Forecast by FY Ending March 2022 by Segment*

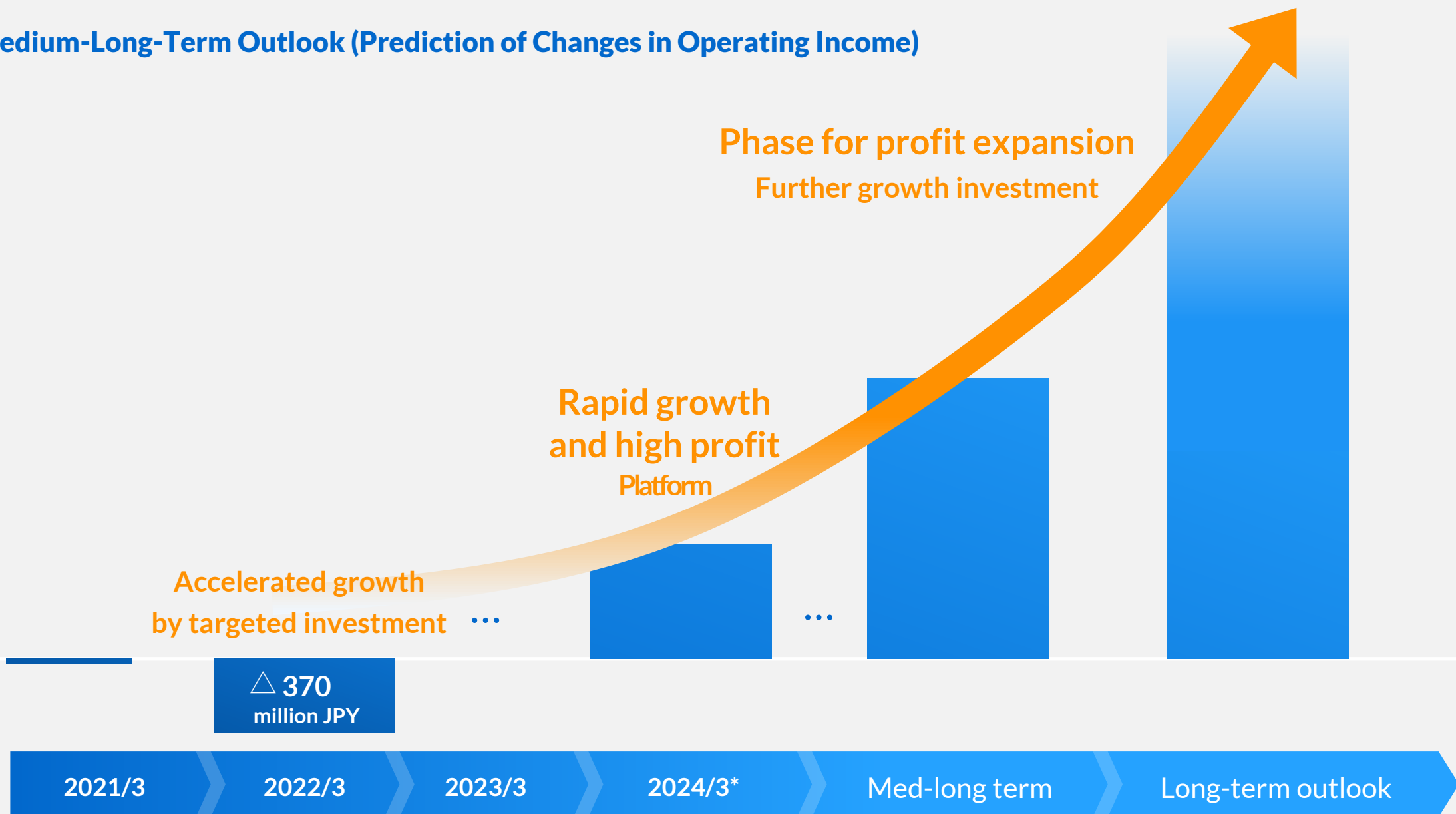
Marketplace business continues to grow by more than +30%. The other two businesses are aiming for a change in business policy and renewed growth.

*) It shows the business division of our group based on management accounting standards.

FY2021(FY Ending March 2022) (current forecast)						
(Unit: Million JPY)	Gross Merchandise Value (YoY)	Net Sales (YoY)	Gross profit (YoY)	Take rate (YoY)	Operating/ Segment profit	Operating margin
Marketplace business	7,143 +29.5%	1,328 + 29.9%	1,328 +29.9%	18.6% +0.1pt	221	16.6%
Managed service business	1,020 △28.1%	927 △28.2%	395 △23.4%	38.7% +2.4pt	28	3.0%
Tech agent business	2,528 +11.5%	1,655 +13.3%	363 +8.2%	14.4% △0.4pt	67	4.0%
Others*	0	△8	△8	-	△686	-
Company-wide total	10,691 +15.0%	3,902 +0.9%	2,078 +7.9%	19.4% △1.3pt	△370	-

*) It includes other Gross Merchandise Value amount, sales, gross profit, company-wide expenses (corporate/development, etc), consolidated adjustments, etc in our management accounting standards. Expenses directly linked to business segments are not included because they are considered as business expenses.

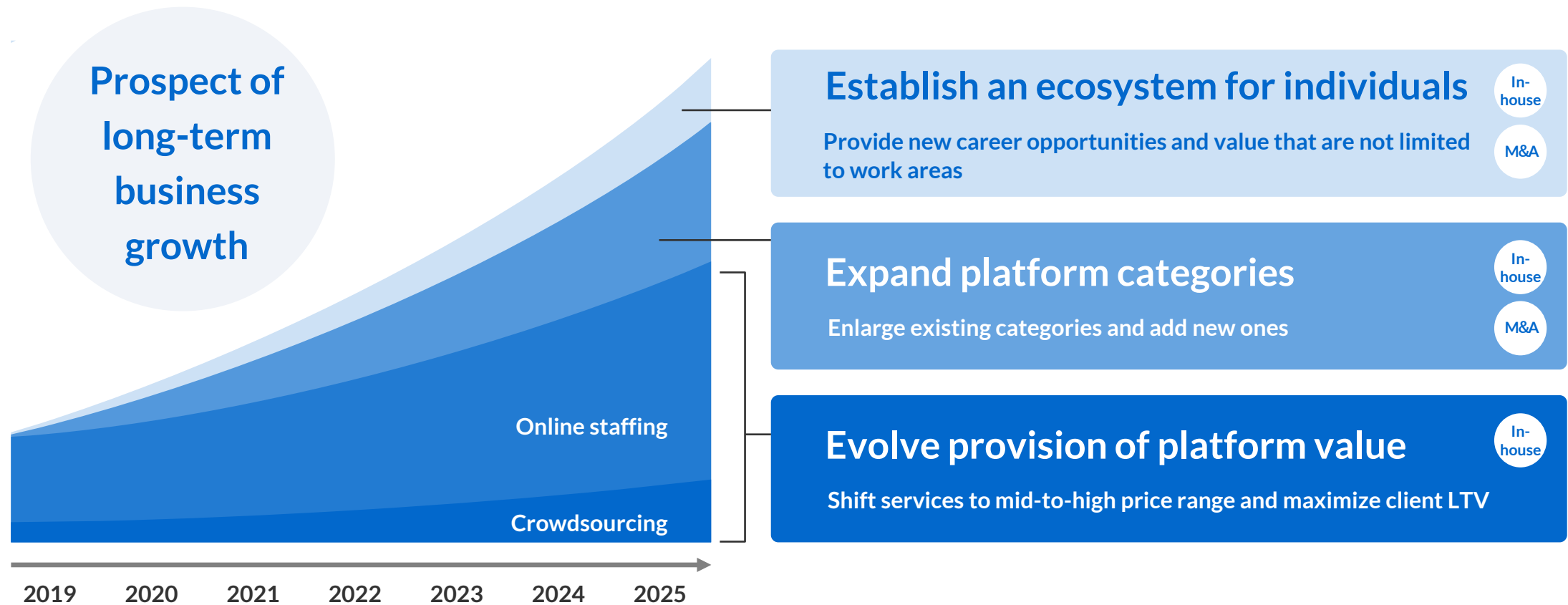
Medium-Long-Term Outlook (Prediction of Changes in Operating Income)

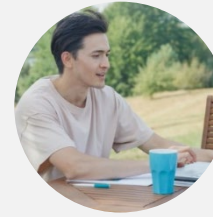
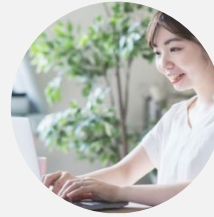


*) While continuing to invest, we plan to return to profitability and increase profits within three years. However, if temporary expenses are incurred for medium- to long-term growth and operating income does not increase beyond the previous fiscal year, investments will be made after dialogue with the market.

Medium to Long-Term Strategy

In order to expand the target market and provide new value beyond the work platform, we are actively considering M&A in addition to new services on our own.

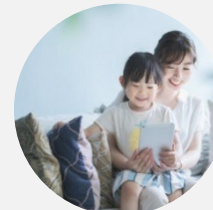




Empowerment of Individuals

Lancers empowers individuals by maximizing the possibilities of the internet to help provide ease, freedom, personality and smiles people.

We contribute to make a better society through providing values and growth opportunities, and by revolutionizing the work-style and lifestyle of individuals.



APPENDIX



1 Performance Details

2 Service Details

3 Lancers' Strengths

4 Initiatives for Sustainability (SDGs)

Financial Results by Segment* in FY ended March 2021

Marketplace business was achieved as planned.

Despite the negative impact of COVID-19, profit for the entire company achieved the forecast.

*) It shows the business division of our group based on management accounting standards.

	FY2020 (FY ended March 2021)					FY2020FY (ended March 2021) (Forecast for February)		
	Gross Merchandise Value (YoY)	Net sales (YoY)	Gross profit (YoY)	Sales/ segment profit	Operating margin	Gross Merchandise Value achievement rate	Net sales achievement rate	Gross profit achievement rate
(Unit: Million JPY)								
Marketplace business	5,516 +20.2%	1,022 +15.6%	1,021 +15.6%	513	50.2%	100.0%	100.2%	100.2%
Managed service business	1,419 △1.0%	1,290 △1.8%	515 △2.2%	26	2.0%	97.2%	98.5%	99.2%
Tech agent business	2,267 +8.8%	1,460 +24.5%	335 +6.5%	73	5.0%	100.8%	100.1%	101.6%
Others*	91	95	52	△575	-	122.0%	106.2 %	105.4%
Total	9,294 +14.5%	3,868 +11.3%	1,925 +7.3%	36	-	99.9%	99.7%	100.3%

*) It includes other Gross Merchandise Value amount, sales, gross profit, company-wide expenses (corporate/development, etc), consolidated adjustments, etc in our management accounting standards. Expenses directly linked to business segments are not included because they are considered as business expenses.

Financial Results by Segment* in 4Q of FY ended March 2021 (single quarter)

Marketplace business accelerated its growth to 33% YoY in 4Q alone, achieving the target.
On the other hand, the managed service business deviated from the target despite the demand at the end of the fiscal year.

*) It shows the business division of our group based on management accounting standards.

	FY ended March 2021 4Q(single quarter)					FY ended March 2021 4Q(single quarter) (Forecast for February)		
(Unit: Million JPY)	Gross Merchandise Value (YoY)	Net sales (YoY)	Gross profit (YoY)	Sales/ segment profit	Operating margin	Gross Merchandise Value achievement rate	Net sales achievement rate	Gross profit achievement rate
Marketplace business	1,558 +33.1%	289 +29.7%	288 +29.6%	154	53.4%	100.1%	101.1%	101.0%
Managed service business	421 +1.9%	382 +1.9%	150 △3.3%	19	5.1%	91.4%	95.2%	97.7%
Tech agent business	582 △5.7%	378 +0.1%	86 △3.6%	24	6.4%	103.2%	100.4%	107.7%
Others*	31	31	17	△147	-	223.6%	125.5%	122.2%
Total	2,593 +17.8%	1,081 +4.9%	542 +9.1%	50	4.7%	99.8%	99.1%	101.2%

*) It includes other Gross Merchandise Value amount, sales, gross profit, company-wide expenses (corporate/development, etc), consolidated adjustments, etc in our management accounting standards. Expenses directly linked to business segments are not included because they are considered as business expenses.

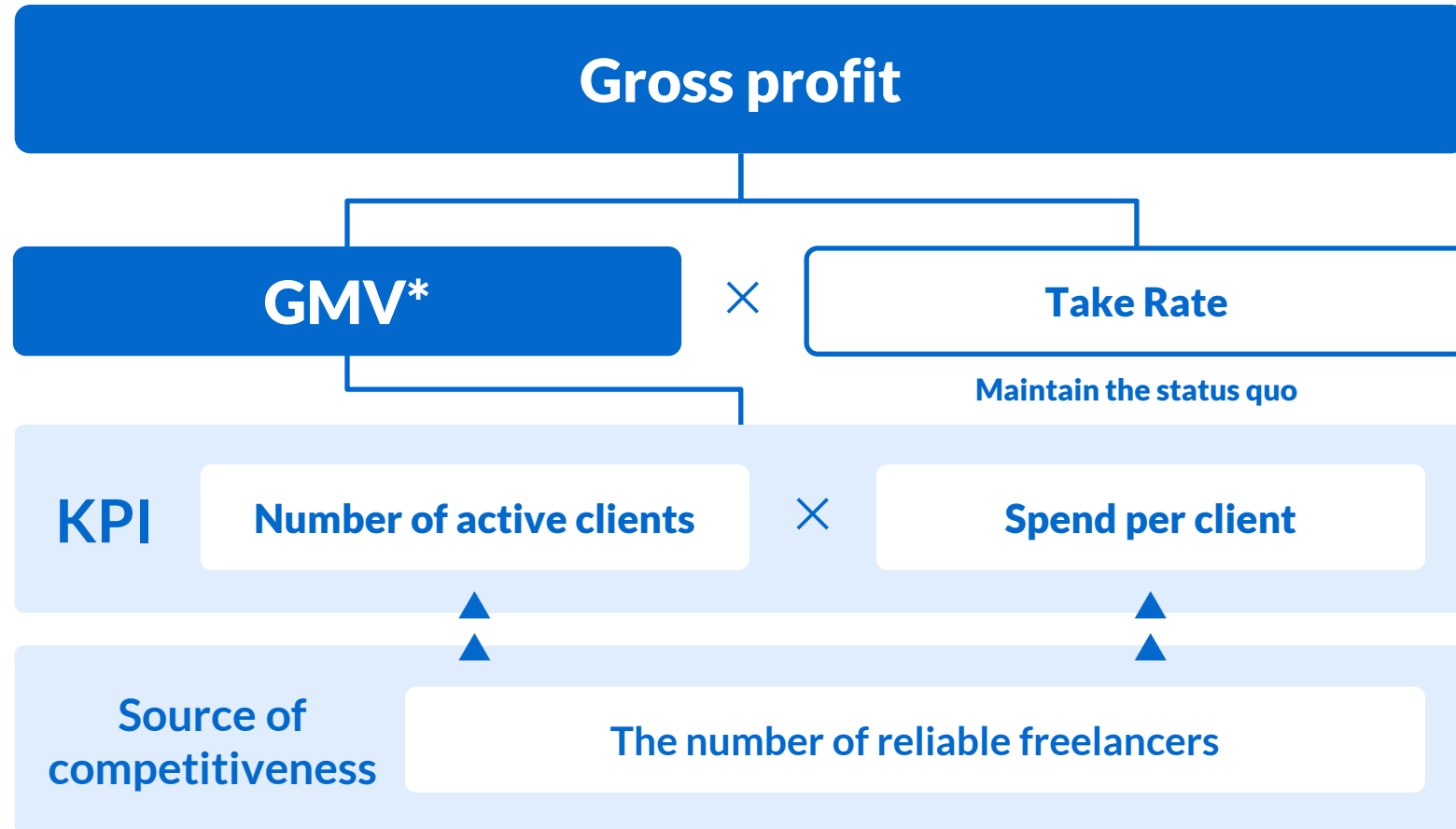
Performance Trends by Segment*

*) It shows the business division of our group based on management accounting standards.

(Unit: Million JPY)		FY2018				FY2019				FY2020			
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Gross Merchandise Value	Marketplace business	960	1,000	1,070	1,067	1,106	1,131	1,180	1,170	1,176	1,308	1,472	1,558
	Managed service business	290	271	264	308	260	389	370	413	280	341	375	421
	Tech agent business	213	293	327	384	410	489	566	617	587	546	549	582
	Others*	0	0	0	0	0	3	3	0	18	25	16	31
Net sales	Marketplace business	201	199	212	216	213	222	224	223	220	242	269	289
	Managed service business	241	251	246	285	240	361	336	375	254	310	341	382
	Tech agent business	94	122	147	186	203	273	318	378	372	351	359	378
	Others*	38	15	9	51	10	21	16	54	19	26	18	31
Gross profit	Marketplace business	201	199	212	216	213	222	224	223	220	242	269	288
	Managed service business	74	87	78	104	89	142	140	155	106	129	129	150
	Tech agent business	52	60	53	59	63	76	85	89	89	78	82	86
	Others*	28	15	8	34	10	14	13	29	12	14	8	17
Profit by segment	Marketplace business	58	58	72	63	-186	107	102	-34	104	111	143	154
	Managed service business	8	41	32	47	23	60	51	13	-10	13	3	19
	Tech agent business	-24	-21	-16	-22	-4	7	16	18	21	13	13	24
	Others*	-92	-130	-152	-125	-102	-120	-126	-134	-131	-136	-159	-147

*) It includes other Gross Merchandise Value amount, sales, gross profit, company-wide expenses (corporate/development, etc), consolidated adjustments, etc in our management accounting standards. Expenses directly linked to business segments are not included because they are considered as business expenses.

Emphasizing expansion of Gross Merchandise Value and Gross profit representing our added value.

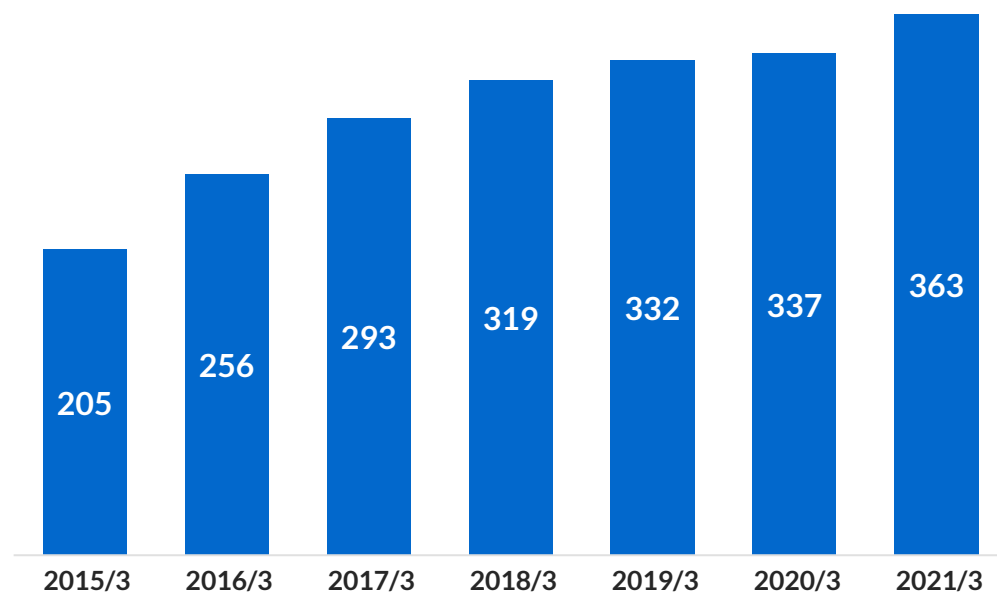


KPI : Changes in the Number of Client Companies and Usage Amount (Annual)

The number of active clients has increased and The number of spend per client has steadily increased due to DX support for SMB.

Annual trends in number of active clients *

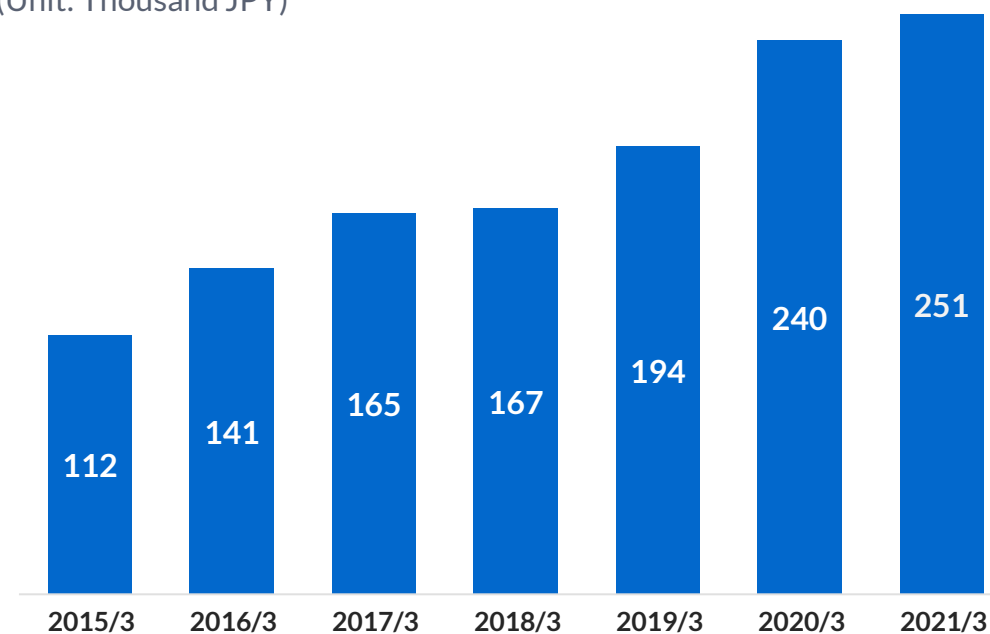
(Unit: Hundred active clients)



*) It indicates the "number of clients" as the "number of active clients" respectively up to the 1st quarter financial statements for the fiscal year ended March 2021.

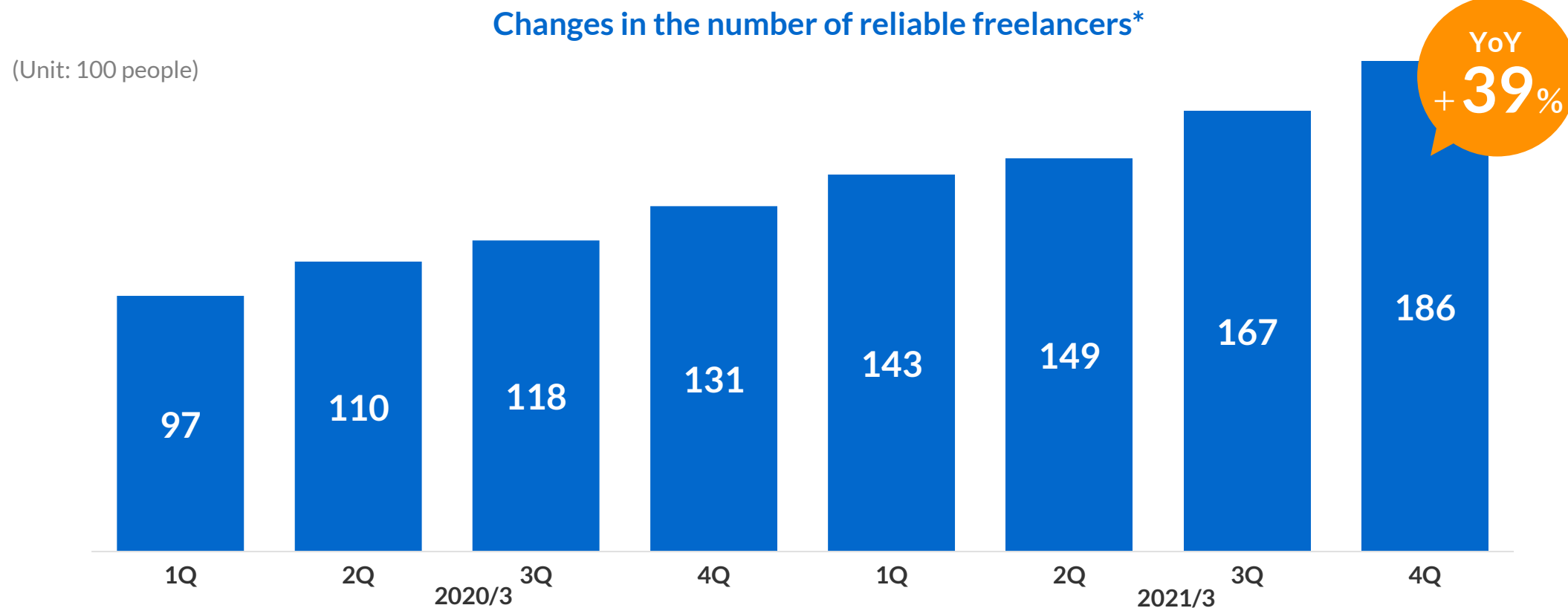
Annal trends in spend per client*

(Unit: Thousand JPY)



*) It indicates the "unit price of clients" as the "spend per client" respectively up to the 1st quarter financial statements for the fiscal year ended March 2021. The spend per client indicates the average spend per client during the limited period. It does not include businesses in other areas such as "Lancers AREA PARTNER", "Sharefull" and "MENTA".

Reliable freelancers steadily increased by 39% compared to the previous 4Q.



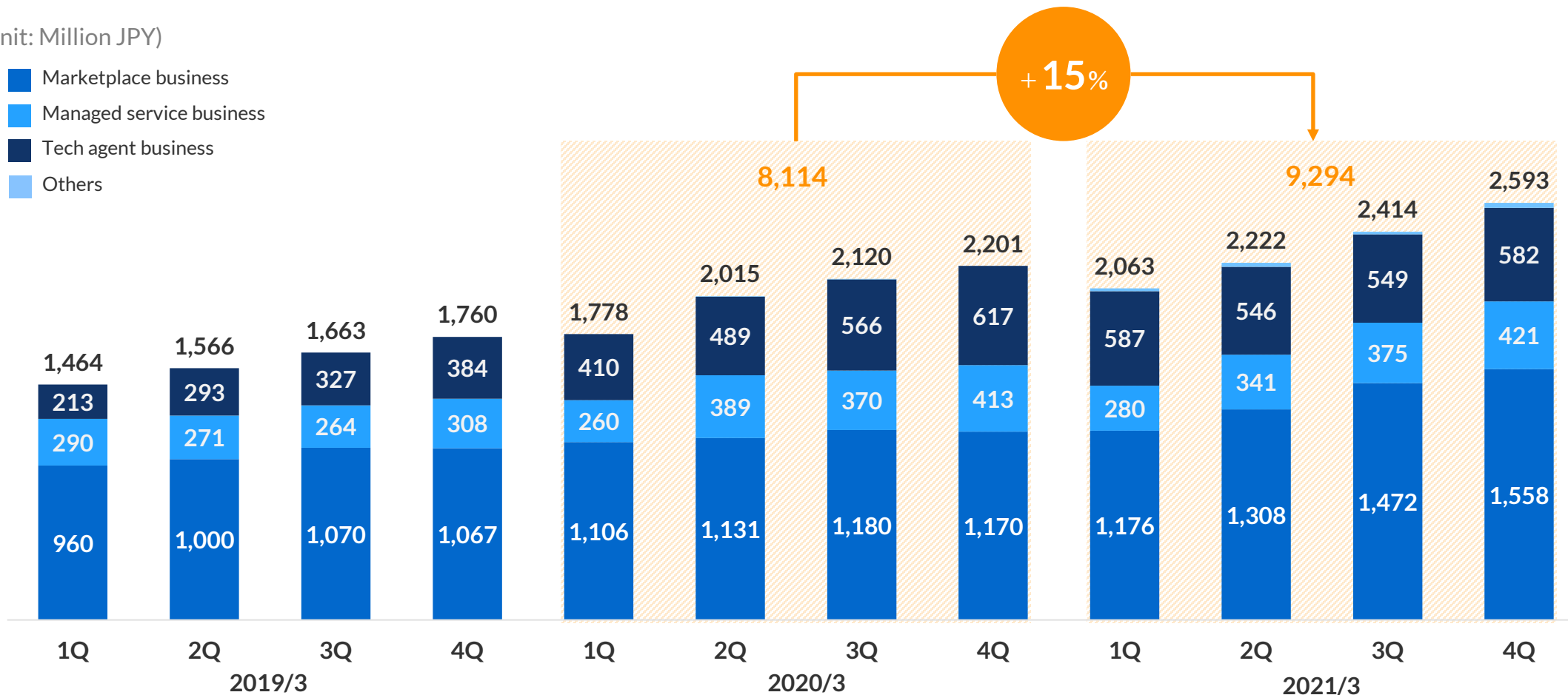
*)Reliable freelancers = certified lancers + silver rank lancers + bronze rank lancers. The number of reliable freelancers indicates the number of reliable freelancers at the end of each quarter.

Trend in Merchandise Value (Consolidated)

It grew by 15% from the previous year despite the impact from COVID-19 pandemic.
Marketplace business is particularly growing strong.

(Unit: Million JPY)

- Marketplace business
- Managed service business
- Tech agent business
- Others

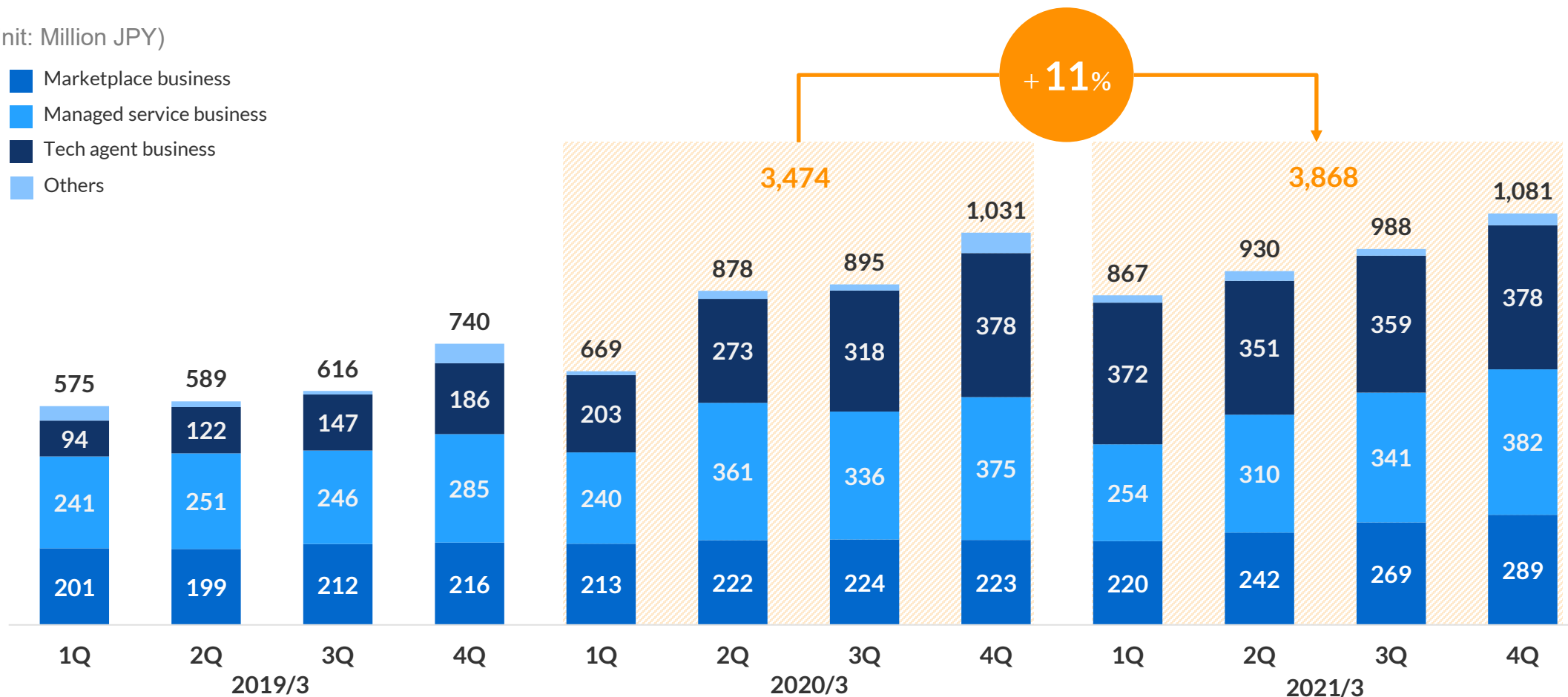


Trend in Net sales (Consolidated)

Sales increased by 11% YoY despite the impact from pandemic.

(Unit: Million JPY)

- Marketplace business
- Managed service business
- Tech agent business
- Others

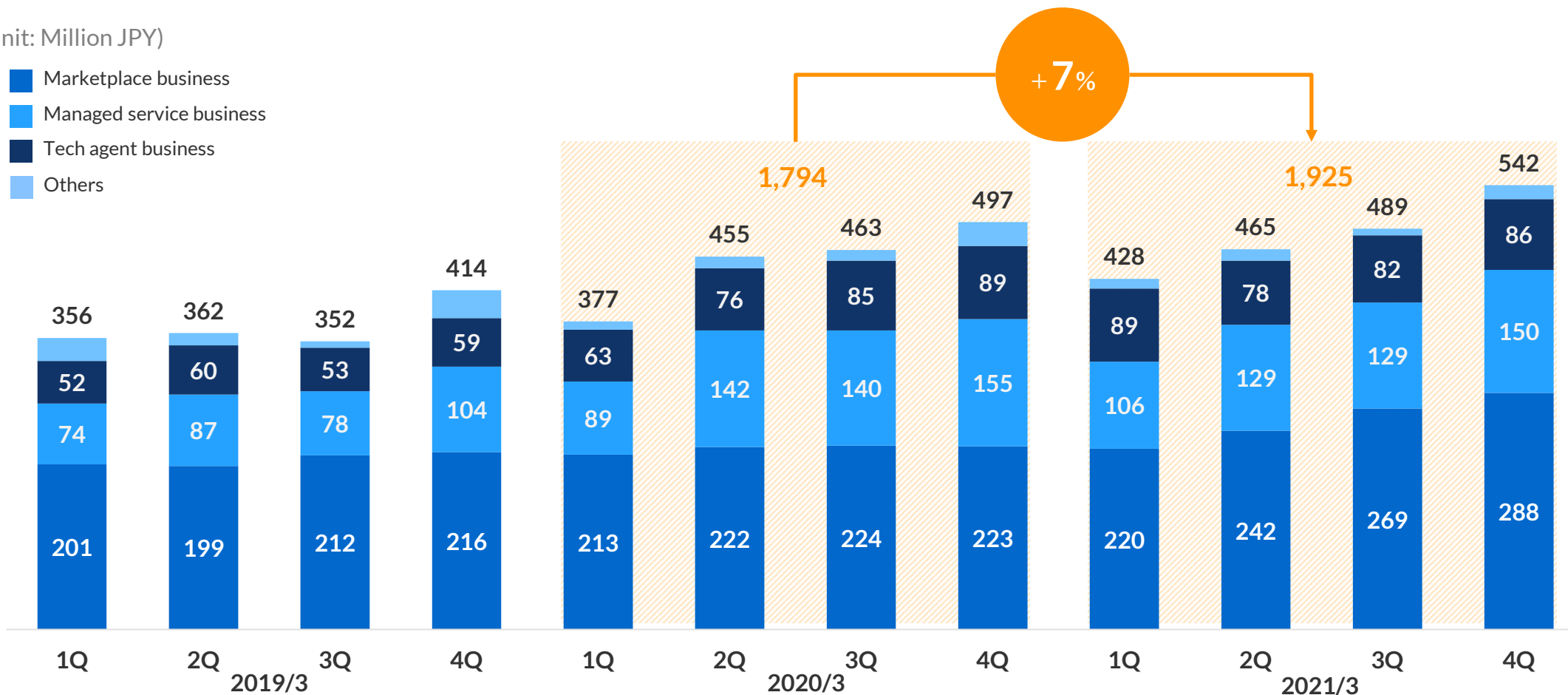


Trend in Gross profit (Consolidated)

Gross profit increased by 7% YoY due to changes in service structure and the impact from pandemic.

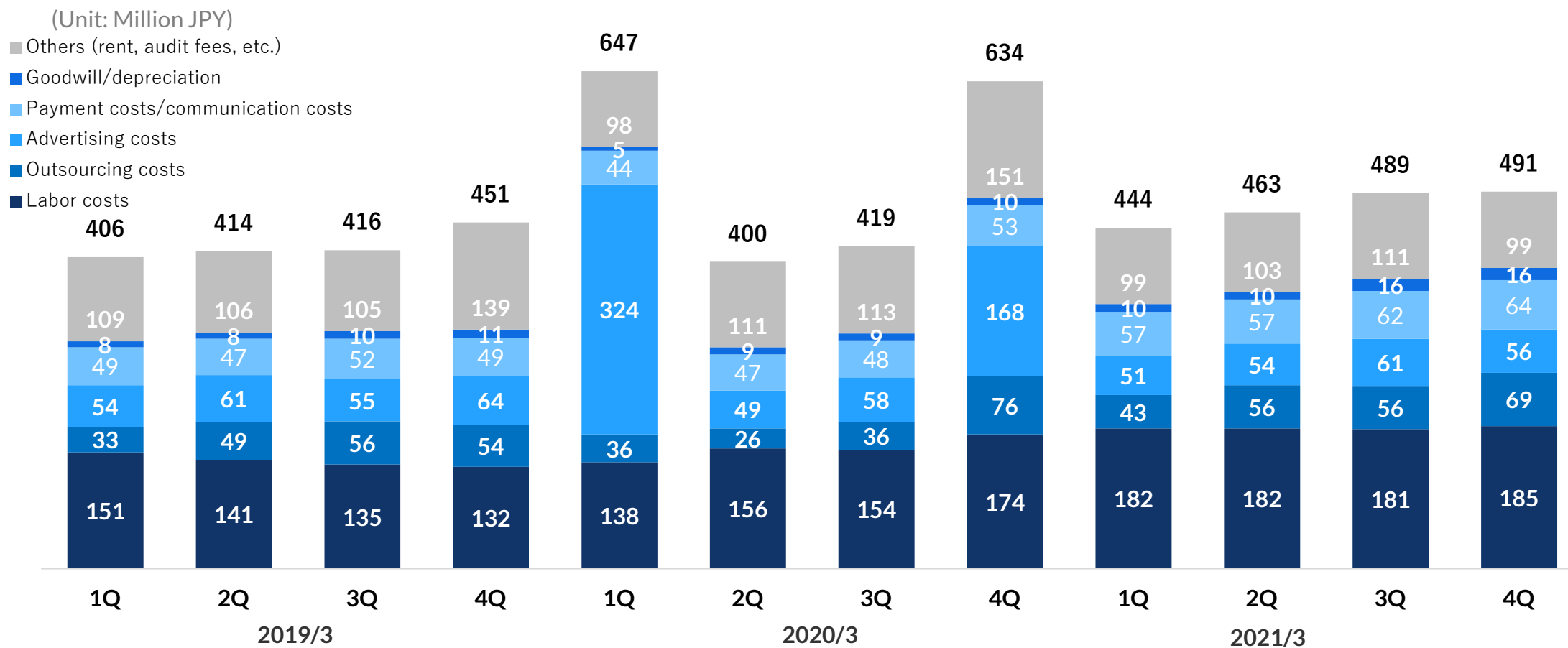
(Unit: Million JPY)

- Marketplace business
- Managed service business
- Tech agent business
- Others



Trend in SG & A Expenses (Consolidated)

SG & A expenses in the past year have been increasing gradually against the growth of GMV.

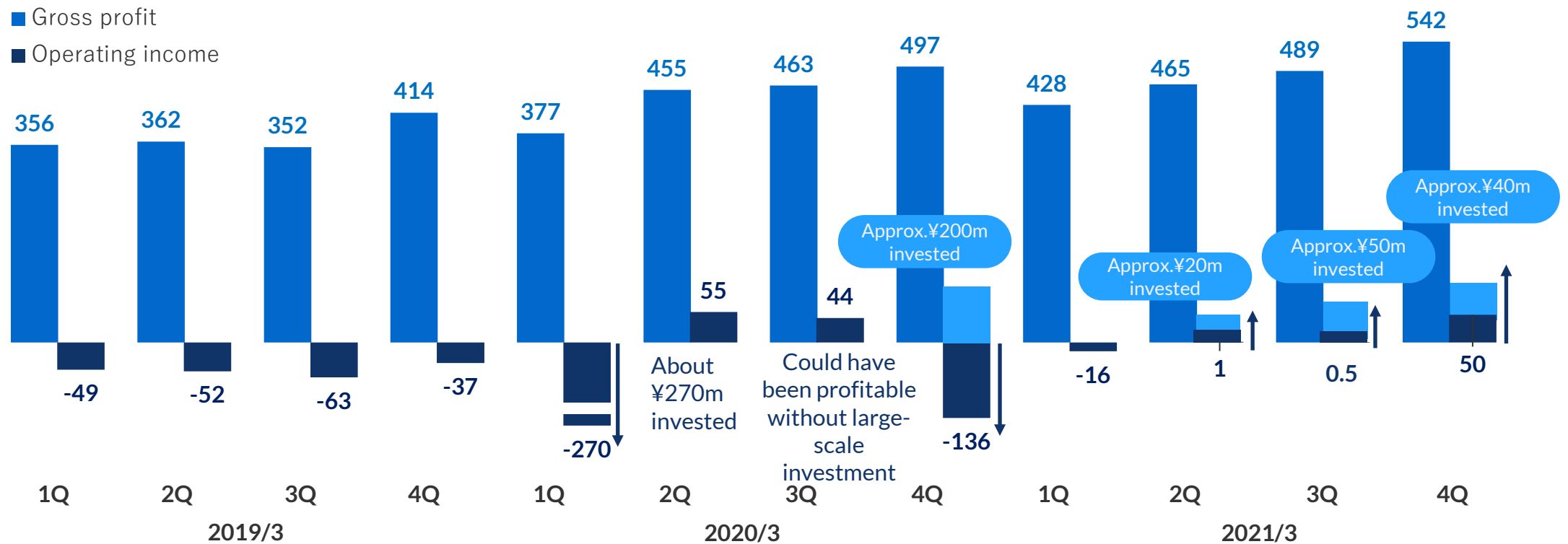


Gross Profit and Operating Income Quarterly (Consolidated)

Operating surplus from 2Q alone.

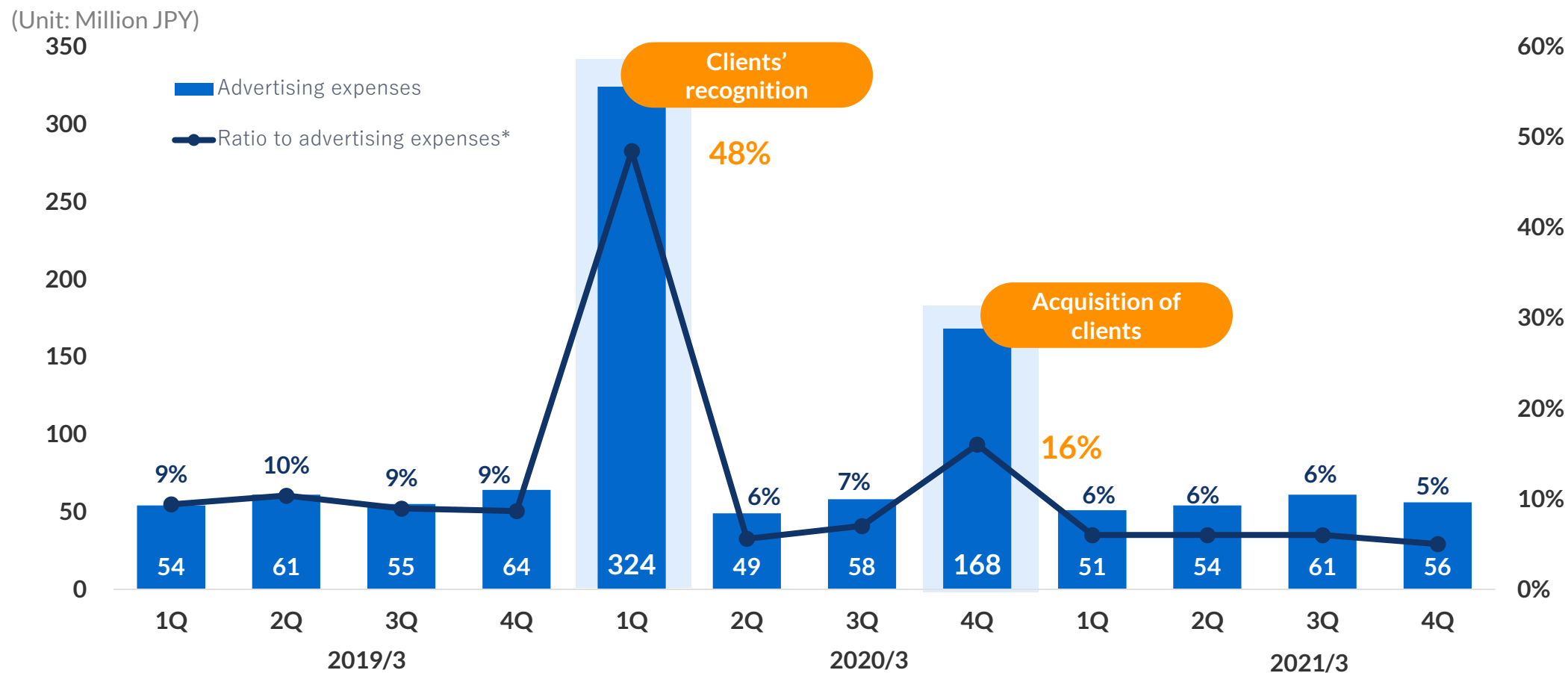
We will continue to invest within the full-year surplus to increase GMV in 3/2021.

(Unit: Million JPY)



Reference : Trends in Advertising Expenses (Consolidated)

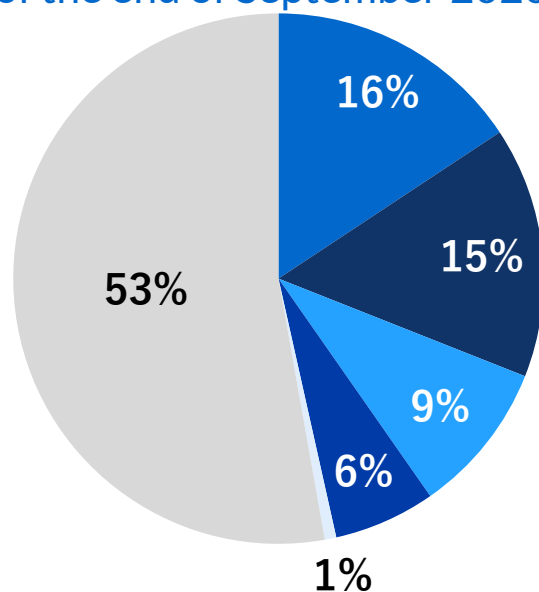
The ratio of advertising expenses to sales remains at a certain level.



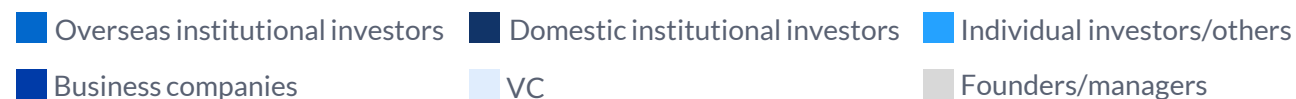
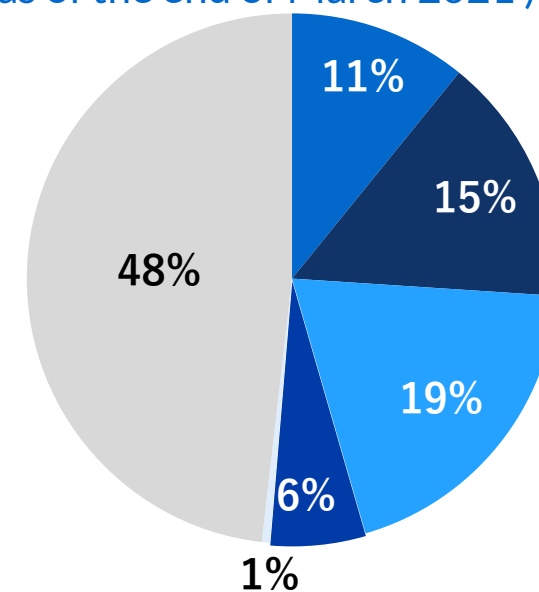
Shareholder Composition

Off-auction sales were implemented in November 2020, and the ratio of founders and management was reduced, while the number of individual shareholders and current ratio improved.

Shareholder composition
(as of the end of September 2020)



Shareholder composition
(as of the end of March 2021)



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Our Services We Offer from Our Business Segments

Disclosed by business segments* due to the impact of the pandemic that differs for each business. Reported market changes and strategic updates by each segment.

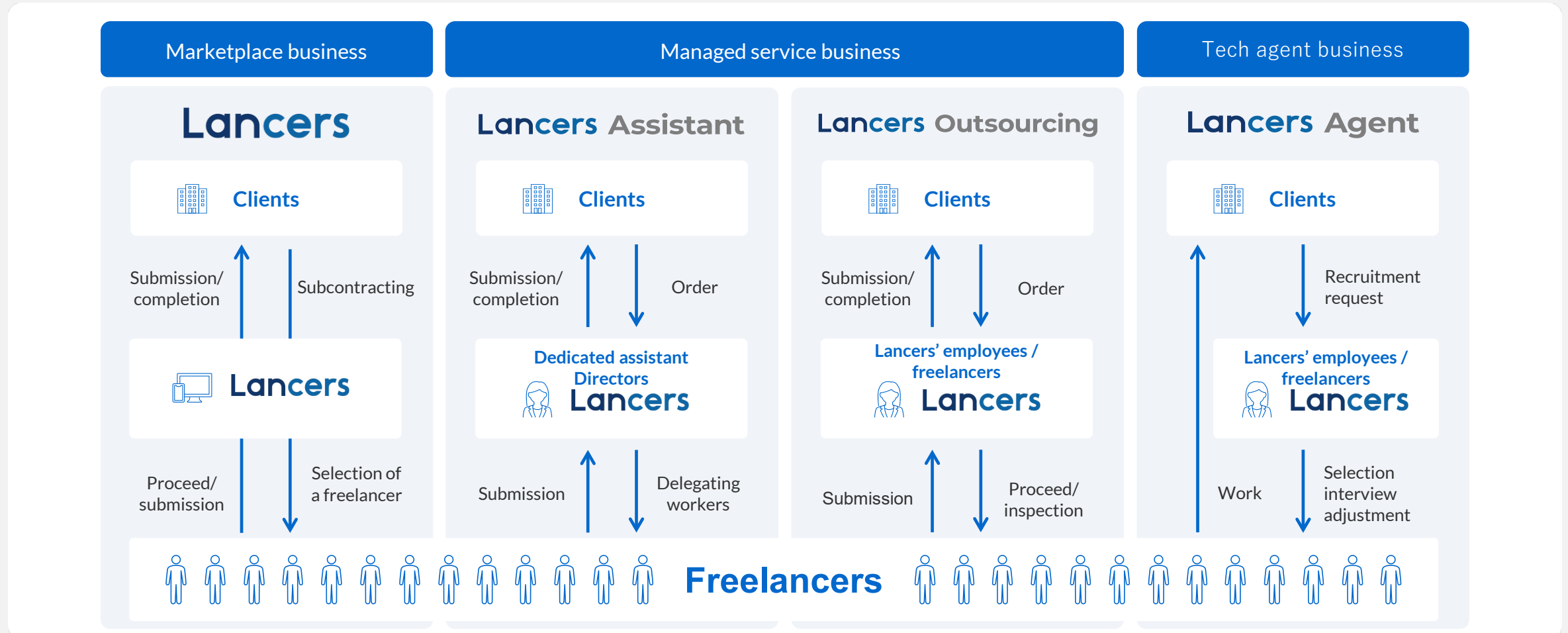
*) It shows the business division of our group based on management accounting standards.

Our group's business segments

	Major services	Major clients	Major categories	Business models	Take rate*
Marketplace business	Lancers	SMB	Development/operation Creative production Back office	Directly used by companies online	Approx. 18%-19%
Managed service business	Lancers Assistant Lancers Outsourcing	SMB Large companies	Creative production Back office	Contract management for projects by our staff	Approx. 35%-38%
Tech agent business	Lancers Agent	SMB Large companies	Development/operation Creative production	IT human resource support provided by our staff	Approx. 14%-15%

*) Take rate level for the previous year.

Lancers has a common platform and offer multiple services depending on the needs of our clients.

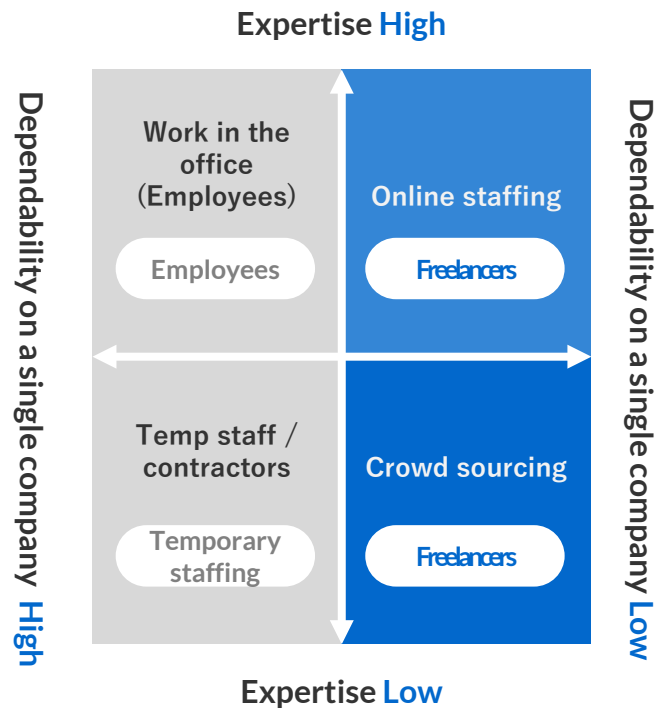


Differences from Other Human Resource Services

Highly convenient in terms of human resource expertise, completion online, and Overwhelming speed.

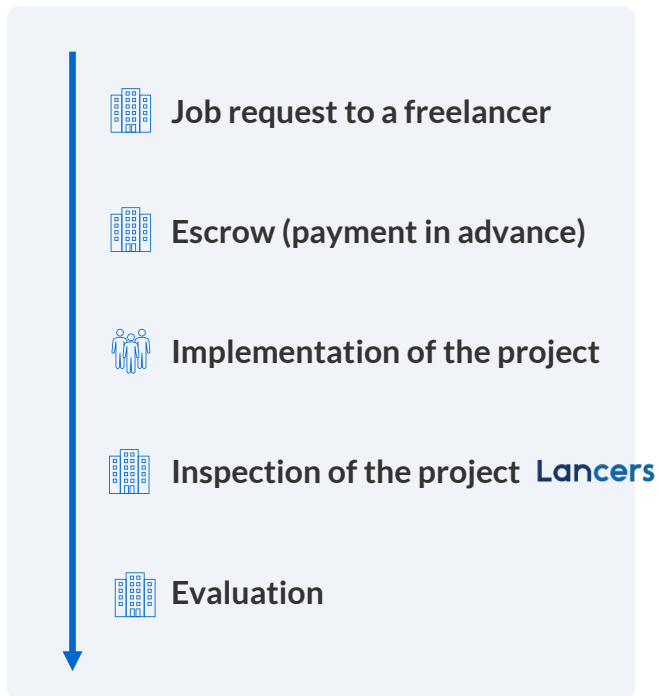
Expertise in HR

Providing highly specialized personnel



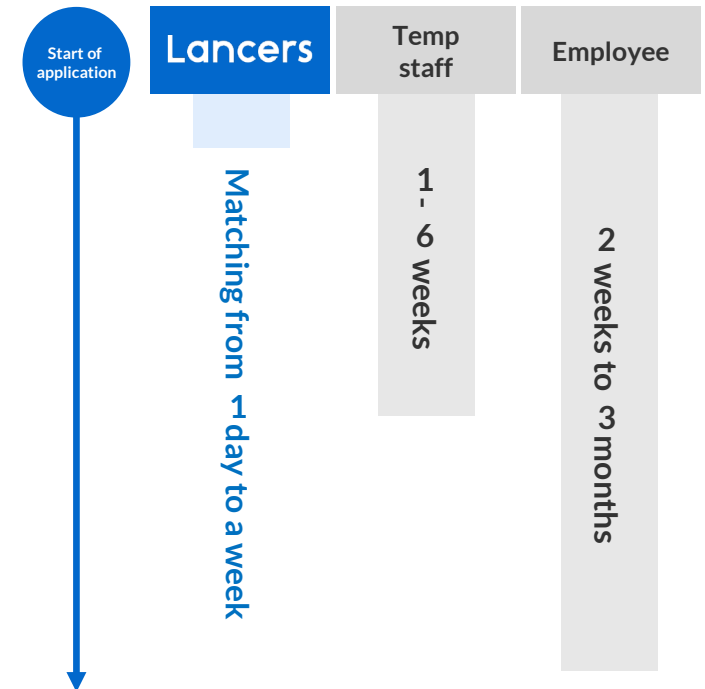
Completion online

Providing a workflow that is completed online



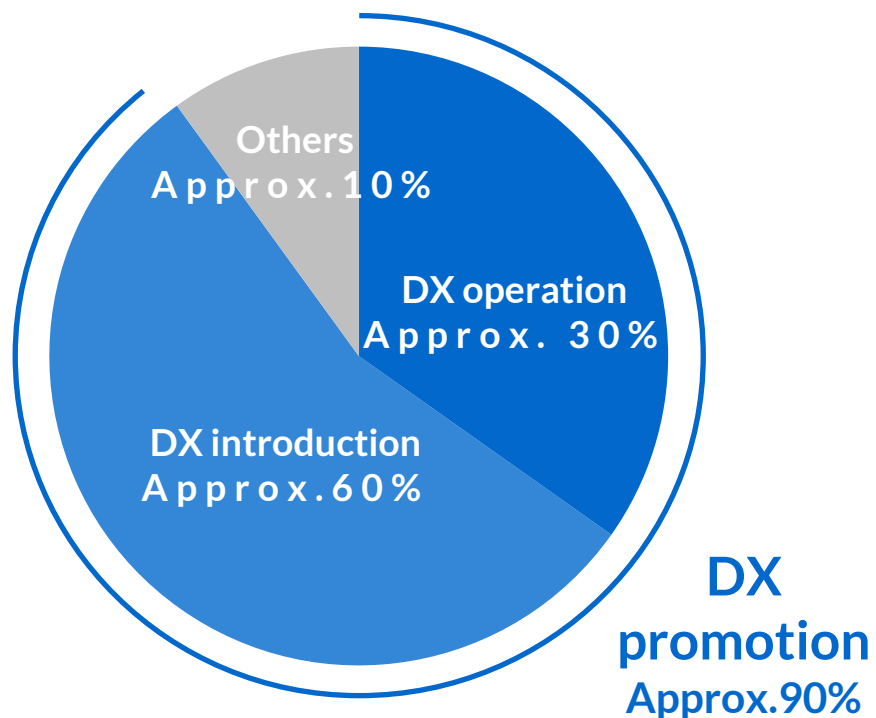
Overwhelming speed

Providing resources immediately when needed



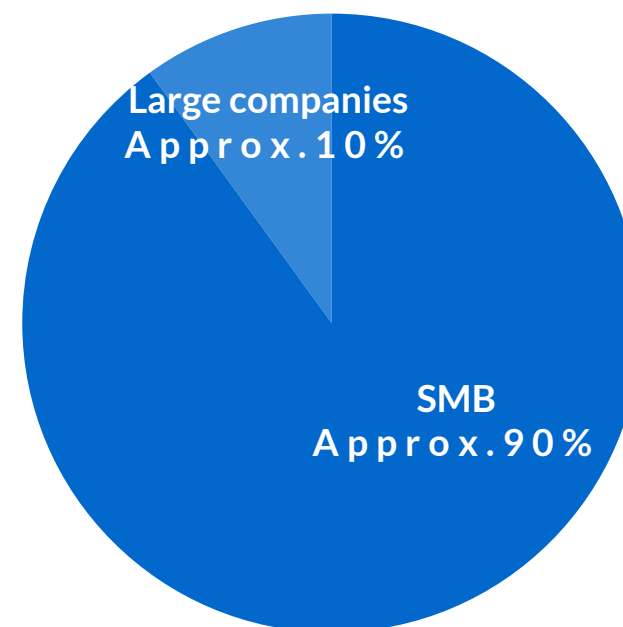
Approximately 90% of work distributed by Lancers is related to DX promotion, and most of the clients are SMBs.

Percentage by needs of distributed work*



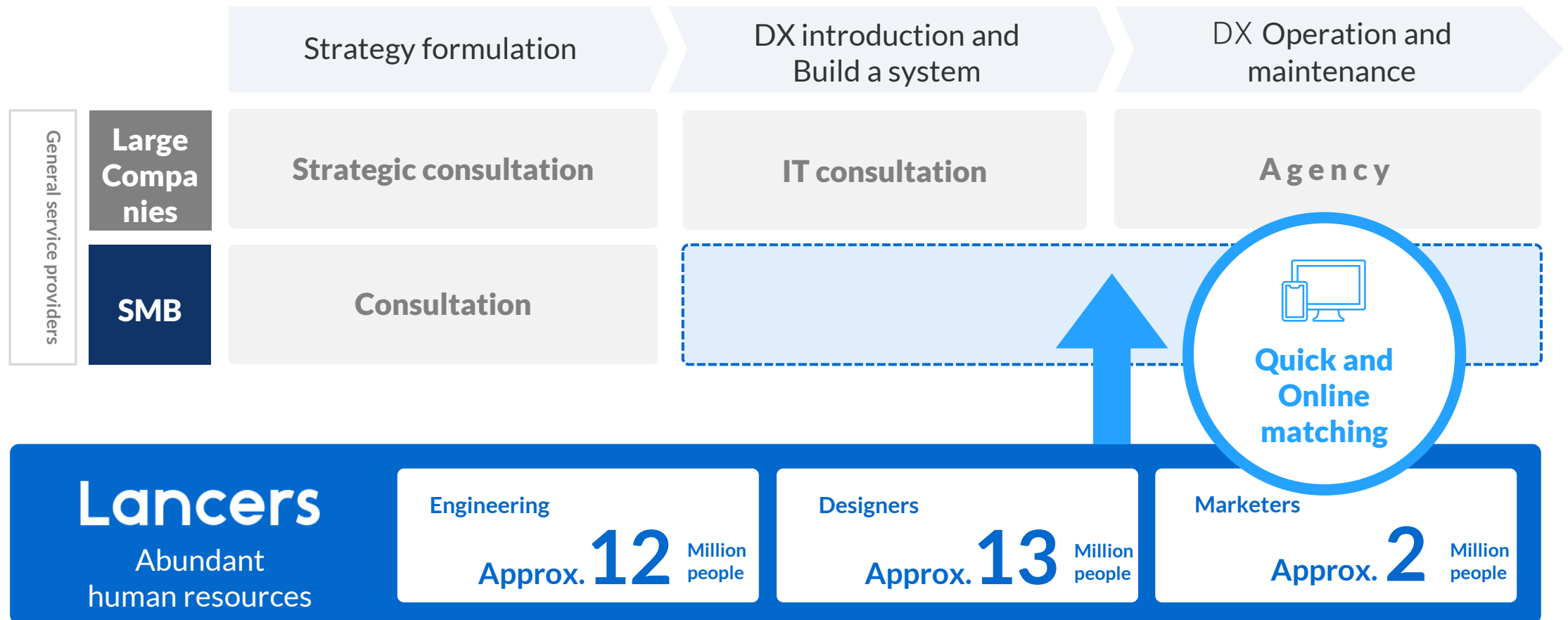
*)Percentage of Gross Merchandise Value of our group by other details.

Percentage of clients by size*

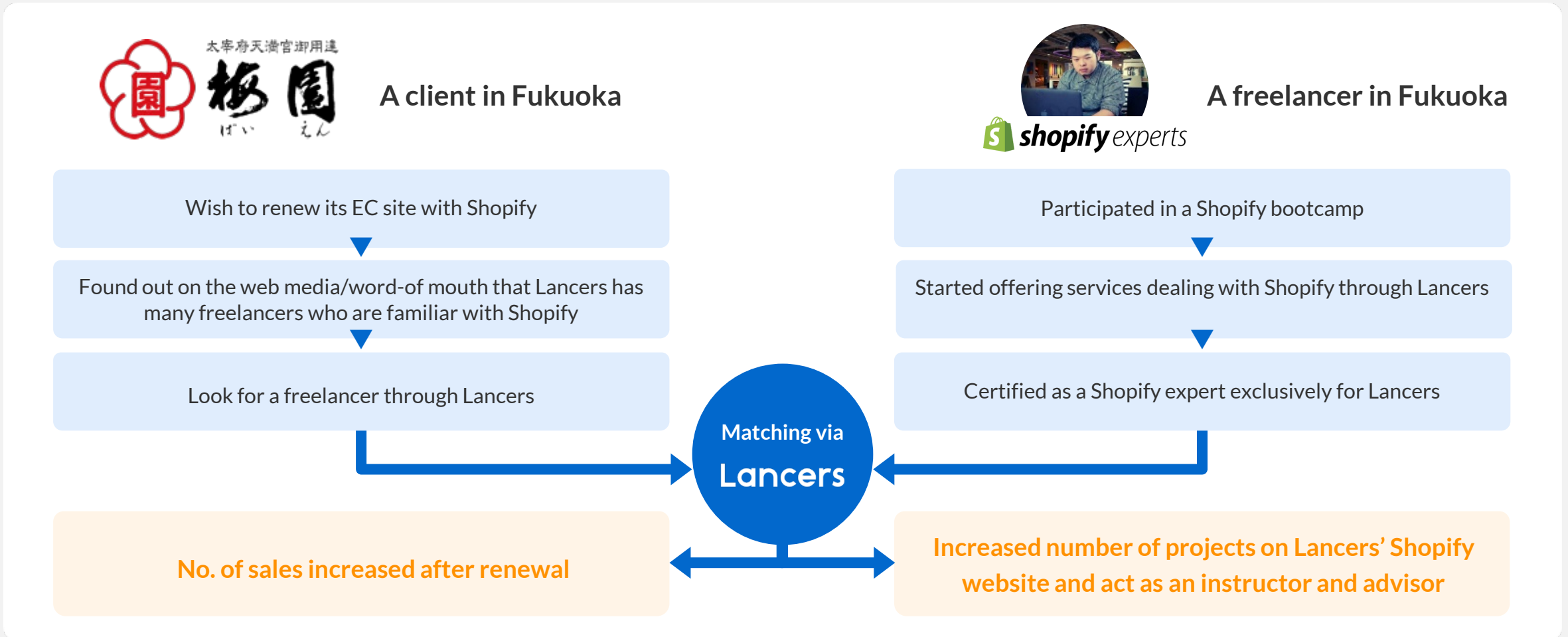


*)Percentage of Gross Merchandise Value of our group by size of client companies.

Speedy matching with reliable DX personnel online is available. DX operation support for SMB is also available, which can be completed online. SMB x DX operation is a huge market.

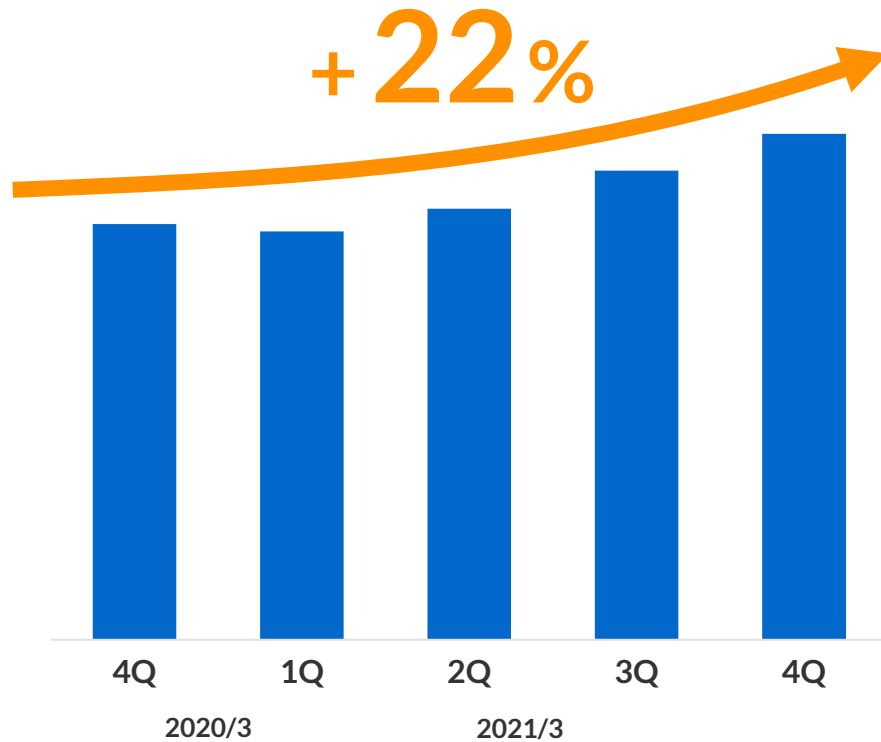


Improved matching systems between clients and freelancers by expanding categories with high market needs.

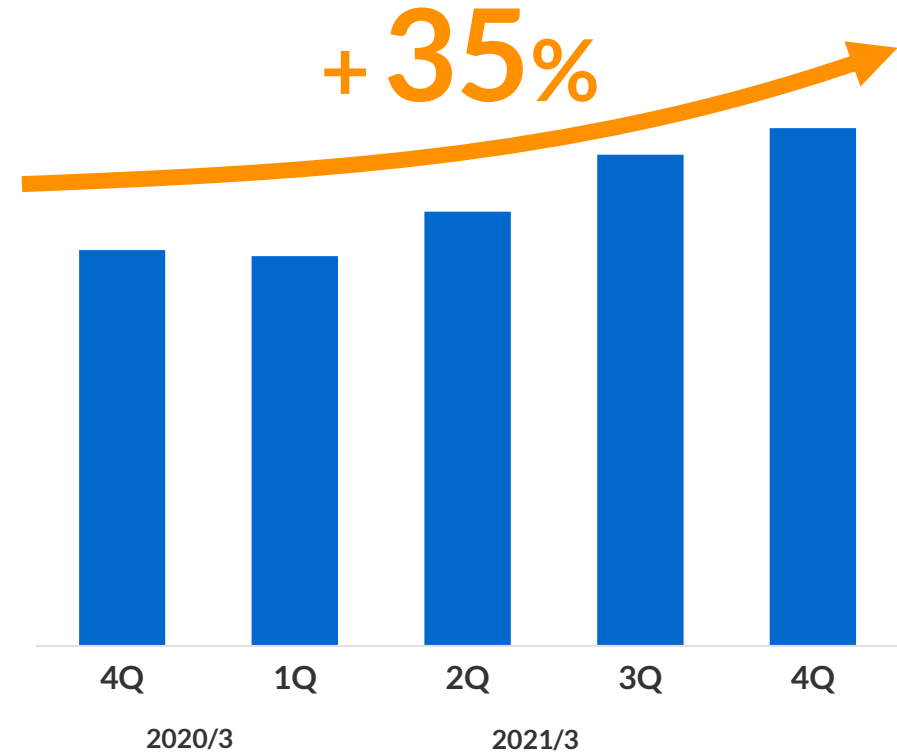


Over the past year, both the number of companies using Lancers for DX operation and Gross Merchandise Value have increased.

Number of client companies used for DX operation

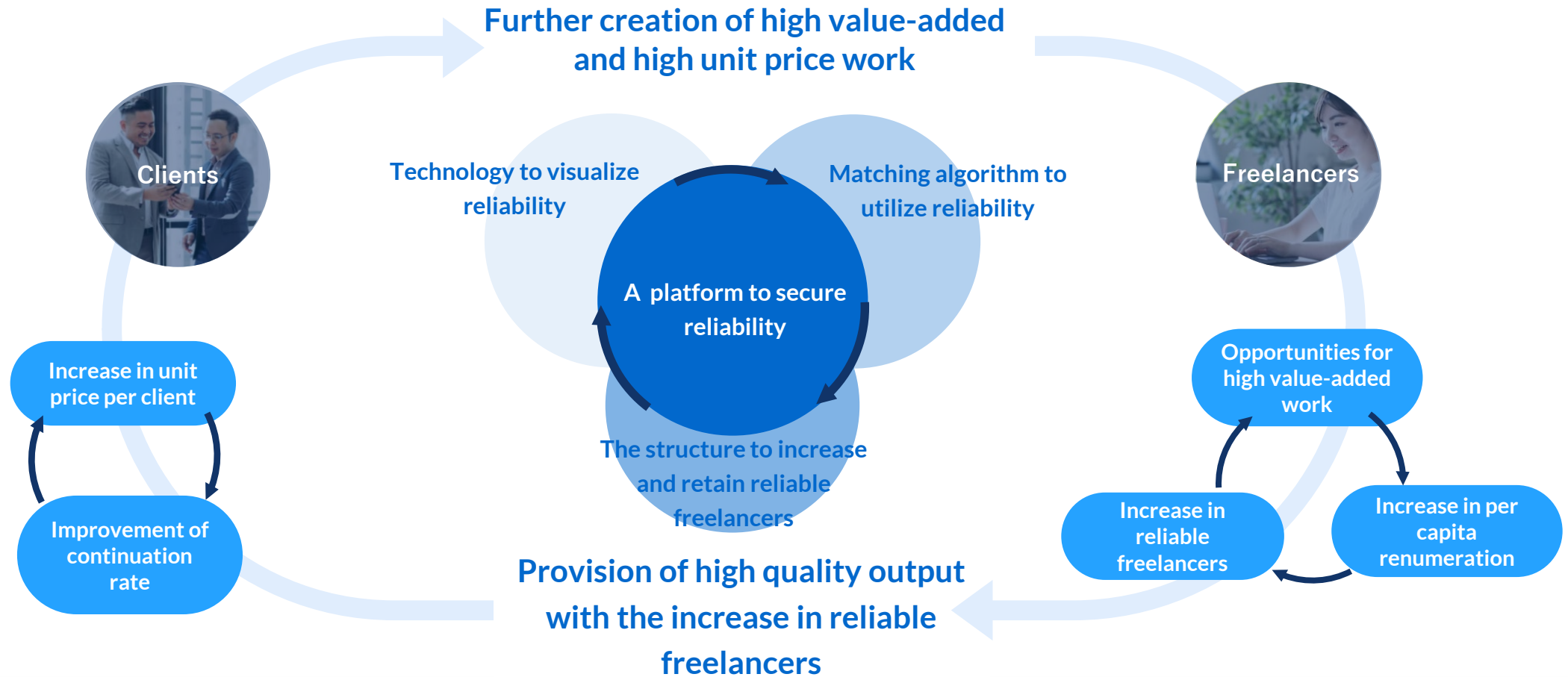


GMV by DX operation



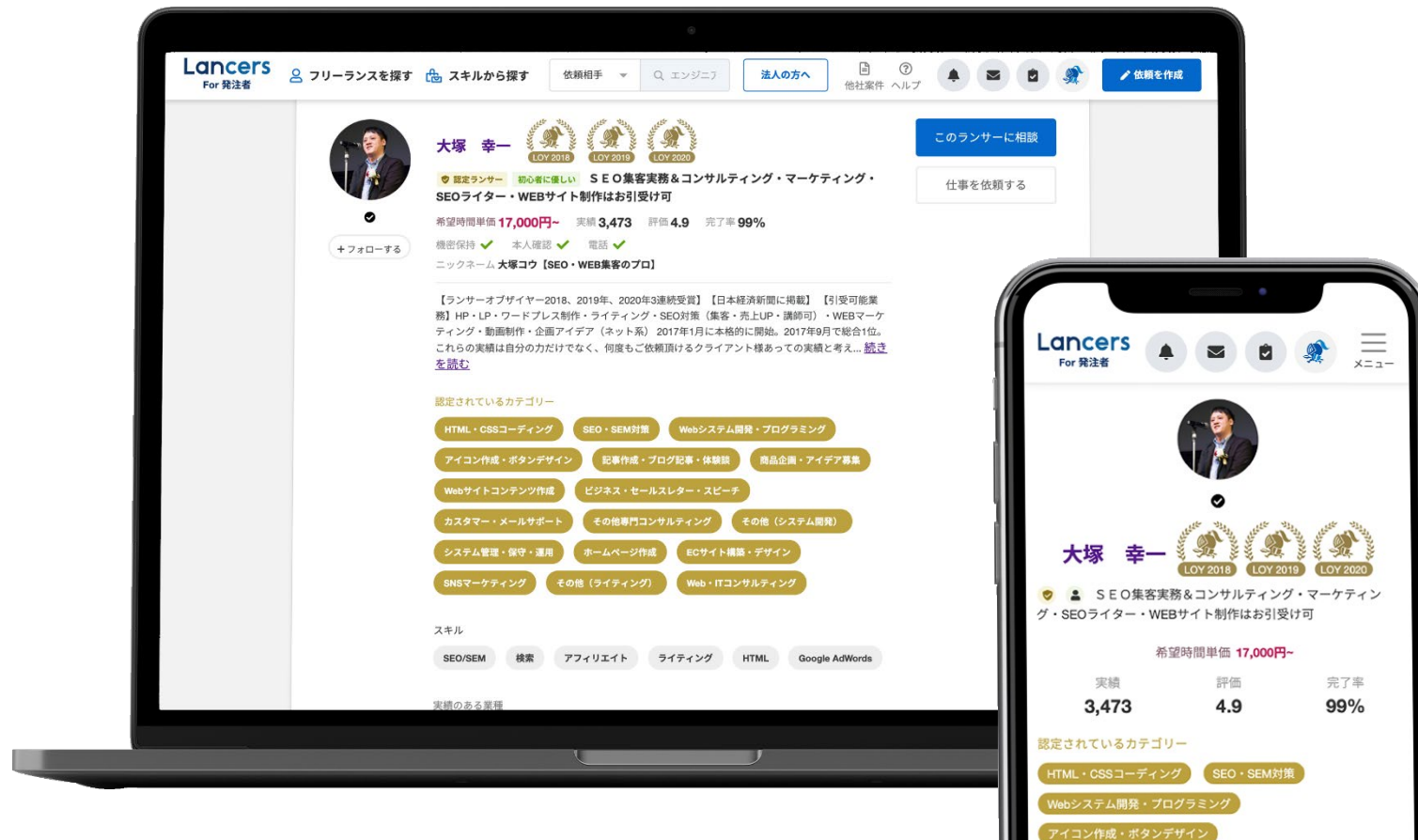
- 1 Performance Details
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A "reliable platform" for distribution of high value-added work



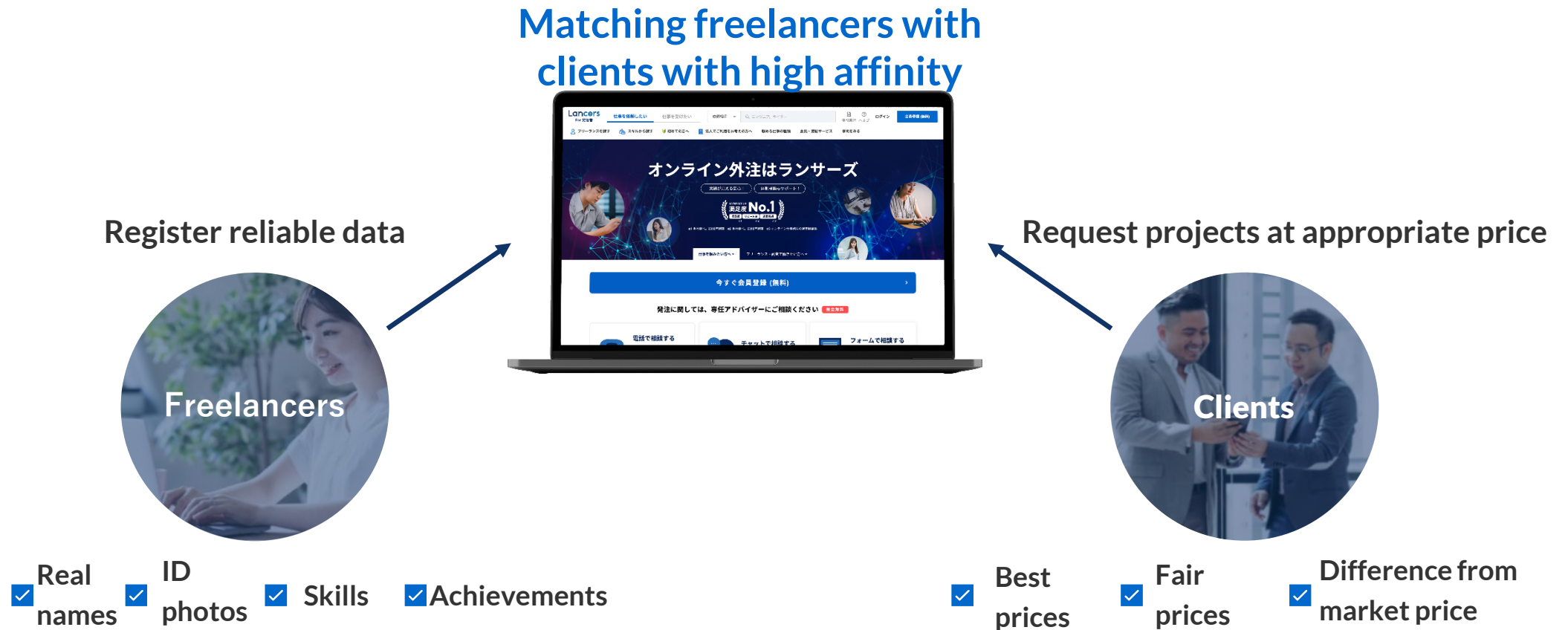
1. Technology to visualize “reliability”

We have developed a mechanism that recommends a real-name system that is effective for strengthening reliability and displays it with priority



2. The matching algorithm to utilize “reliability”

It promotes matching with reliable freelancers and clients



3. A Mechanism to Increase and Establish “Reliable” Freelancers

Develop and secure highly skilled freelancers by establishing a cycle of skill acquisition and job acquisition.



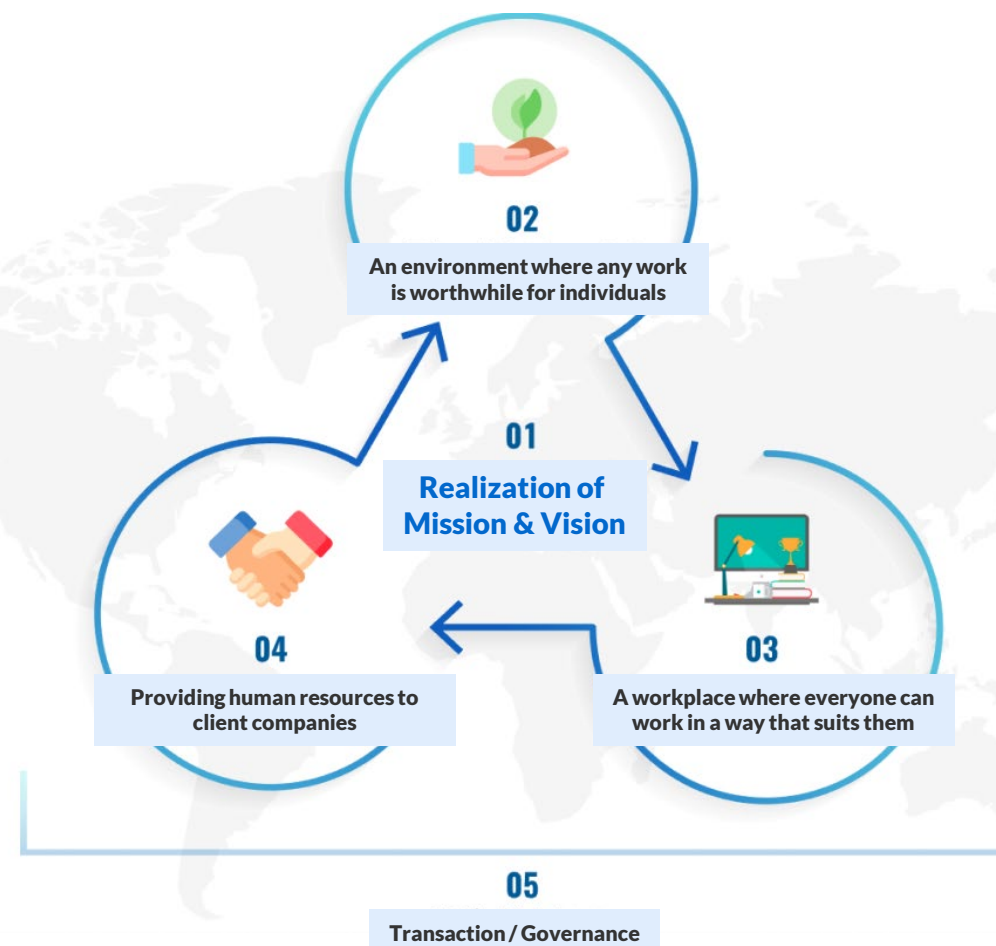
- 1 Service Details
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Sustainability

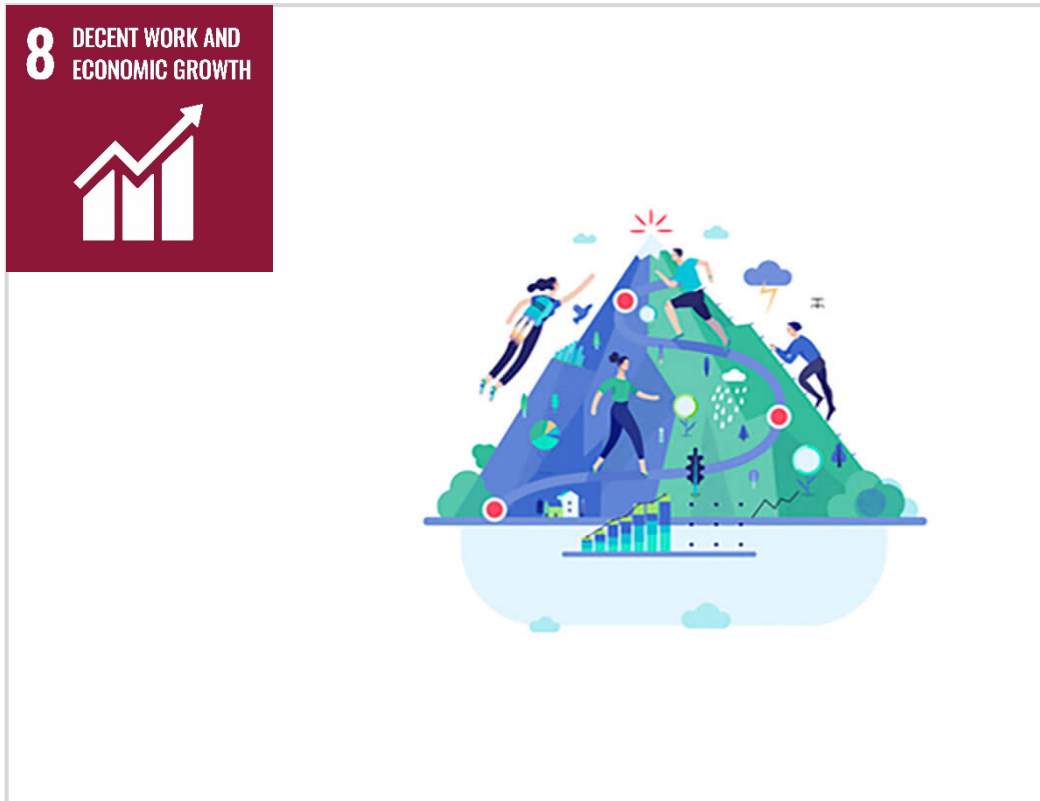
Building a sustainable society with an understanding of diversity by providing new work styles

While valuing the relationship between individuals and client partner companies, we will fulfill our responsibilities through business operations as an innovator for the next generation to contribute to the healthy and dramatic development of society and the creation of a sustainable society.

In addition, we consider that “realization of Mission Vision (creation of new work styles and new job satisfaction)” is in a field “job satisfaction” that can contribute to the SDGs, and are committed to deal with 5 important issues (materiality) which are involved in the SDGs.



Our mission “empowering individuals” and our vision “creating a society where everyone can work in a way that suits them with technology”



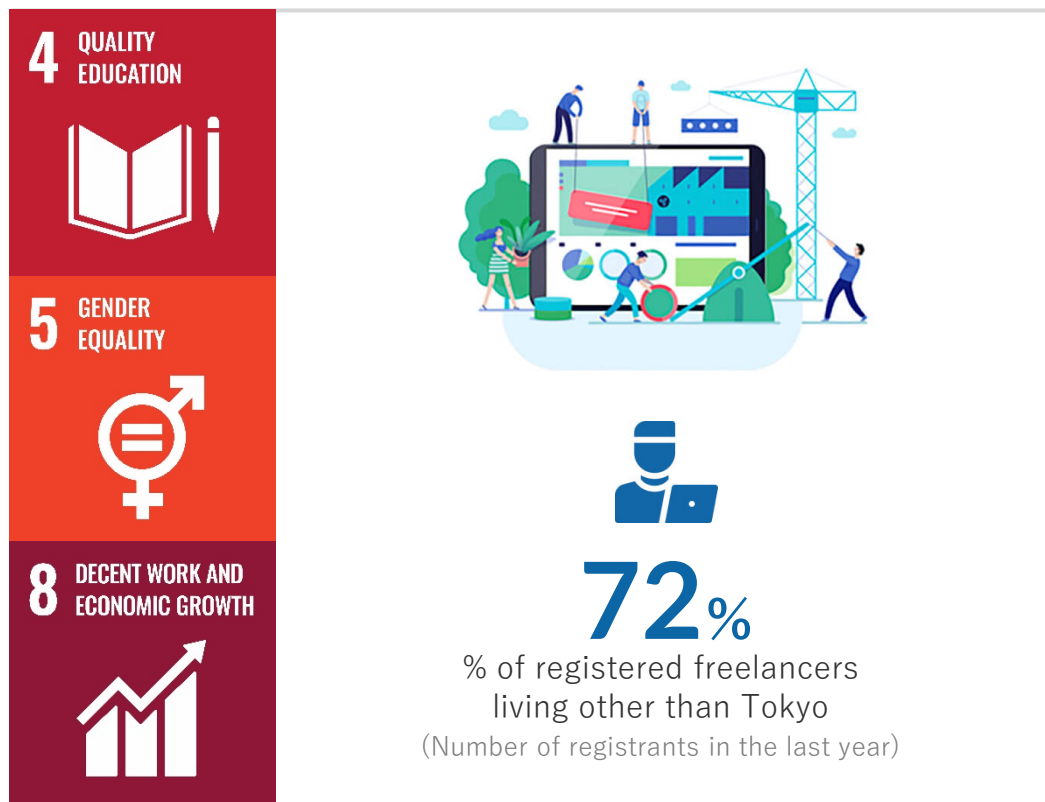
Lancers will maximize the potential of the Internet and achieve personal empowerment that will allow many people to continue to live more conveniently, more freely, and more personally with a smile.

Our aim is to contribute to the creation of a better and more prosperous society by providing value and growth opportunities to many and transforming individual lives, working styles, and wellbeing.

We have a vision to realize our mission, and in order to realize our vision, we have established our group’s guidelines (Lancers Way) to operate our business.

We believe that our mission since our foundation is our Sustainability Statement, which simultaneously contributes to the achievement of the United Nations Sustainable Development Goals (SDGs).

Social environment initiatives that allow individuals to work with satisfaction



Our goal is to establish a society where people can live wherever they want, work and earn in their own way with the use of the Internet.

Approximately 70% of the individuals registered on our group's platform live in rural areas.

By using our services, we can provide a meaningful way of living to those who are restricted to work because of their residence, maternity leaves, caring for the elderly, retirement, etc.

According to the 2020 freelance fact-finding survey, satisfaction with freelancing was approximately 50%. Our group has created a social environment where individuals can work freely and with satisfaction through efforts to facilitate the creation of diversity.

To be able to work with more satisfaction and peace of mind, we also take serious action to solve issues that often occur for freelancers, including "connection with people (community)", "education and growth opportunities", and "welfare and management work for those who do not belong to a company for a primary work".

Creating a workplace where employees can work in their own way



As an innovator for the next generation, we are committed to introduce new work styles and skilled human resources within our group, and embody the new work styles with colleagues who share our mission, vision, and guidelines.

At Lancers, we respect a wide variety of work styles in order to eliminate barriers in the lifestyles and life stages of our employees, maximize their “Will” to work, and perform their best.

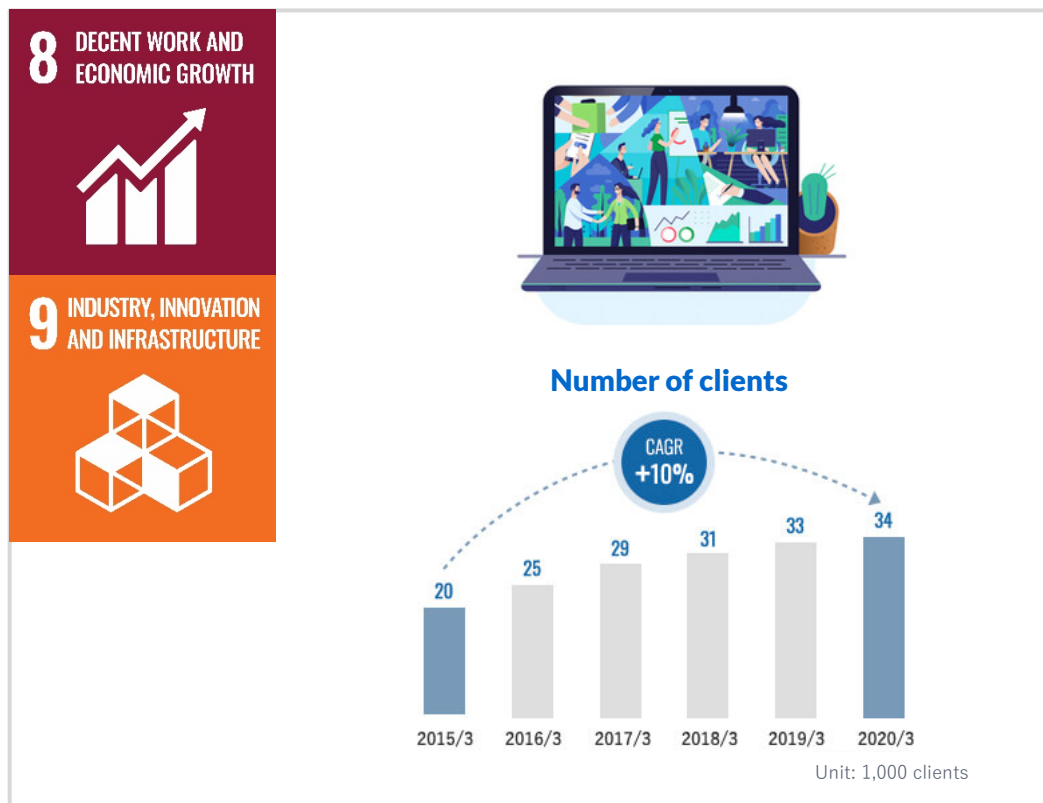
To achieve this, our group supports the recommendation of remote work and the promotion of side businesses through our systems and initiatives, and is working to create working spaces where our employees can work in their own way.

With the spread of the Internet, traditional values have changed and work styles have diversified, opening up great opportunities.

As an innovator for the next generation, we will transcend the boundaries of employment patterns, co-create with individuals, and embody them as the starting point for change.

In addition, we will not only disseminate it to our own company, but also disseminate it to others, and contribute to working styles for the next generation for individuals, clients, and partner companies, as well as contributing to co-creation with other companies and job satisfaction.

Solving the shortage of human resources, improving productivity and promoting DX



The shortage of labour force and IT personnel is serious. We believe that securing human resources and continuously and smoothly supporting the most suitable human resources to client companies is the first step toward solving this issue.

Our platform scores the achievements, technical skills and experience of each individual, and performs as an optimal matching tool to meet the needs of client companies.

Not only does it solve the shortage of human resources of client companies, but also contributes to the issues that involve improving productivity and promoting conversion to DX, which are mainly found in small and medium-sized enterprises. In addition, we will promote innovation by utilizing external human resources of client and partner companies, especially in the field of engineering, and contribute to economic growth and job satisfaction of these companies.

The number of clients who use our services annually is approximately 30,000. The average number of days to start work is about 7 days, which not only improves the matching accuracy with technology, but also builds a mechanism to smoothly secure human resources online.

We are committed to provide competent human resources by matching them with suitable projects.

Safe, secure, fair and equal transactions and strengthening of governance between individuals and companies

16 PEACE, JUSTICE
AND STRONG
INSTITUTIONS



Our group has established a Quality Improvement Committee so that individuals (freelancers) and companies (client partners) can carry out safe, secure, fair and equal transactions on the platform, as well as raising awareness of fair prices, promoting stable platform transactions, and building trust.

Furthermore, we believe that the “trust” towards our group from society is indispensable for operating on the online work platform. Therefore, we will permanently maintain a sound organization, comply with laws and regulations, engage in appropriate and efficient management activities, and strengthen governance.

Freelancers’ celebration “Lancer of the Year” is held every year.



Winners who embody and execute “self x new self”



Fujihara Sho

Writer

Congratulations on winning the award. Tell us how you feel.

I feel motivated while I work, but I was overwhelmed when I received this award as I didn't have any face-to-face communications with my clients and felt less stimulated. I have a stuttering disorder and cannot speak well in public. Thanks to Lancers, I have started to play an active role as a writer. I would like to take this opportunity to say thank-you to Lancers for giving me this award.

Please tell us what you were conscious of in your work and what you want to challenge for yourself and your ‘new self’.

I was self-conscious about talking, so I put extra effort in offering things I am good at. As a result, the things I worked on were evaluated and I felt a sense of self-affirmation that I had never felt before. Now that I am not afraid of challenges, I would like to try ‘talking’.

Please tell us about your thoughts on your future.

I can only think of myself as a ‘writer’. I don't have many strengths, so I think my goal is simple: I want to be able to make people happy through my writing. I feel very lucky to be born in this era when a company like Lancers can help me choose a way of life to pursue my goals as a writer and contribute to the society.



Endo Yuka

Writer

Congratulations on winning the award. Tell us how you feel.

I'm so happy. It's been less than a year since I started freelancing, but I'm glad I've done my best. I'm confident that my efforts were in the right direction and that I made a right choice to be a writer.

Please tell us why you started freelancing.

I used to work in an office, but I fell sick because of hard routine and relationships at work. Also, while I couldn't handle myself in the office environment, I started using Lancers as a first step to find a value of my life.

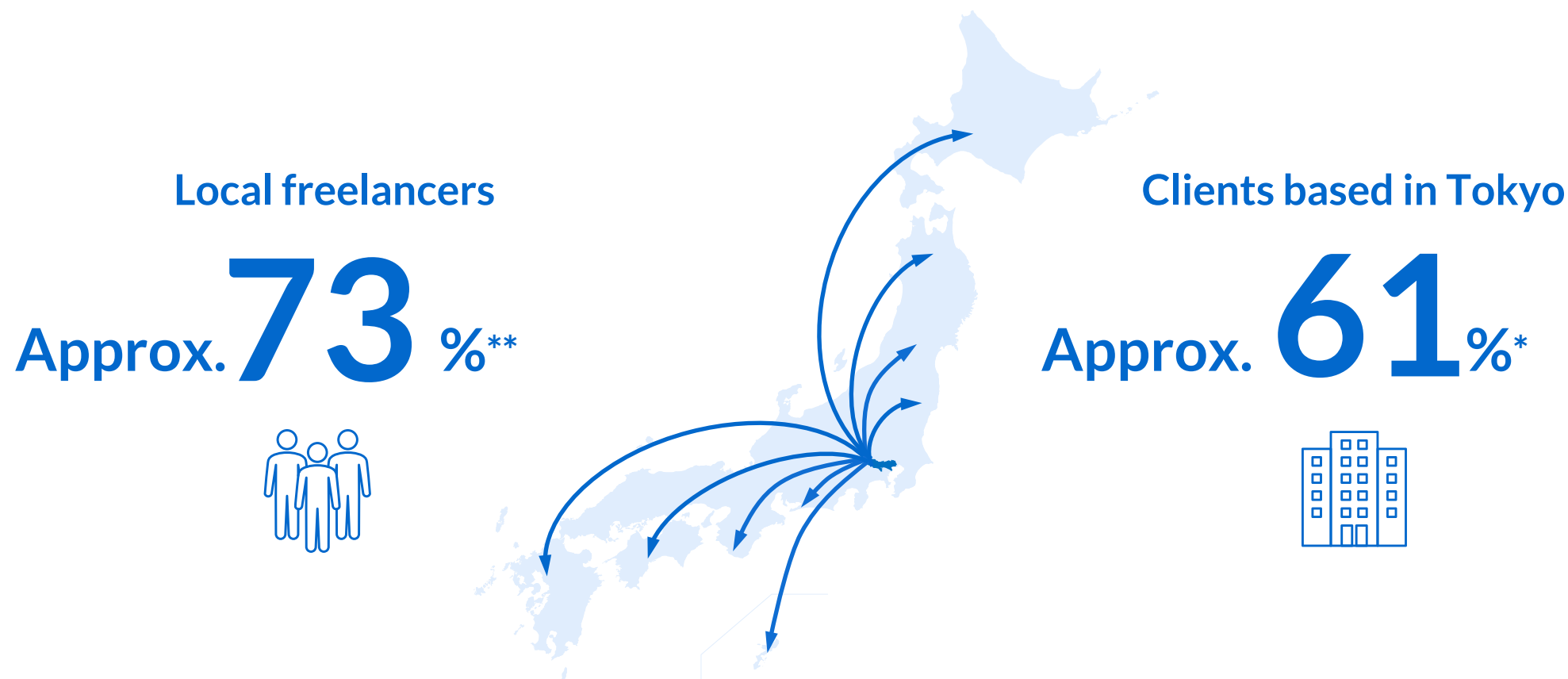
Please tell us what you were conscious of in your work and what you want to challenge for yourself and your ‘new self’.

I thought it was the right way to enter a good university and get a good job. However, I began to think that it might not be right for me. When I actually started writing as a freelancer, I came to realize that I love writing. In addition, starting freelancing was not as difficult as I expected, which pushed me to level up to a new stage of my life as a Web writer.

Please tell us about your thoughts on your future.

I think there are many people like who find it difficult to work in an office environment. I would like to show to them that there is an alternative way to be financially independent even if they quit their job.

Freelancers in each domestic region receive orders for a project from a client based in Tokyo to disperse demand concentrated in Tokyo. By working online and accelerating side businesses, the use of local clients and the use of freelancers in Tokyo are increased.



*) Among the total distribution figures of Lancers alone, the ratio of the total distribution figure of clients who are based in Tokyo (January to March 2021).

**) Among the total distribution figures of Lancers alone, the ratio of total distribution figures of Lancers whose place of residence is other than Tokyo (January – March 2021).

Handling of this material

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Lancers

