



Crowd
Works

MOMOTANI JUNTENKAN (Client)

Her storied company of 135 years makes a one-stop order of a corporate About Us video, flexibly testing new services.

"This was our first time outsourcing this kind of job.

Our people were shocked at the great budget and quality we got from the final product."



Mr. Murakami, Representative Director and COO, NEWPEACE Inc. (Client)

Uses CrowdLinks to match experienced engineers who do it as a side business-to build organizations.

"In my first foray into IT development, I was able to match richly-experienced professionals in a short time to help develop organizations."

"Workstyle Revolution"

Securities code: TSE Mothers 3900

CrowdWorks, Inc. Financial Results for the First Half of the Fiscal Year Ending Sept. 30, 2020

(from Oct. 2019. to Mar. 2020)



Ms. Irie (CrowdWorker)

Her spouse's transfer led her to a spot on a local working team in Minowa-Cho, Nagano Prefecture.

"This local work doesn't just let me spend my time with my family, but lets me really come to love the town of Minowa in a way I haven't been able to before."



Mr. Hirai, Engineer Hiring Manager, Mercari, Inc. (CrowdWorker)

Uses his experience in building engineering organizations to support engineer hiring as a side business.

"My side business lets me get involved in creating engineering organizations for a company, boosting my skills and giving me a sense of fulfillment."

We operate a new kind of online talent matching platform, developed inhouse, connecting companies with individuals and allowing them to order work directly.



601,000

Client Companies

- Access to human resources with the right skills/track record
- Requests can be made as needed, when needed
- No additional fee for job requests

Crowd
Works

“CrowdWorks”

Job request

Matching directly connects both parties

Job operation/delivery

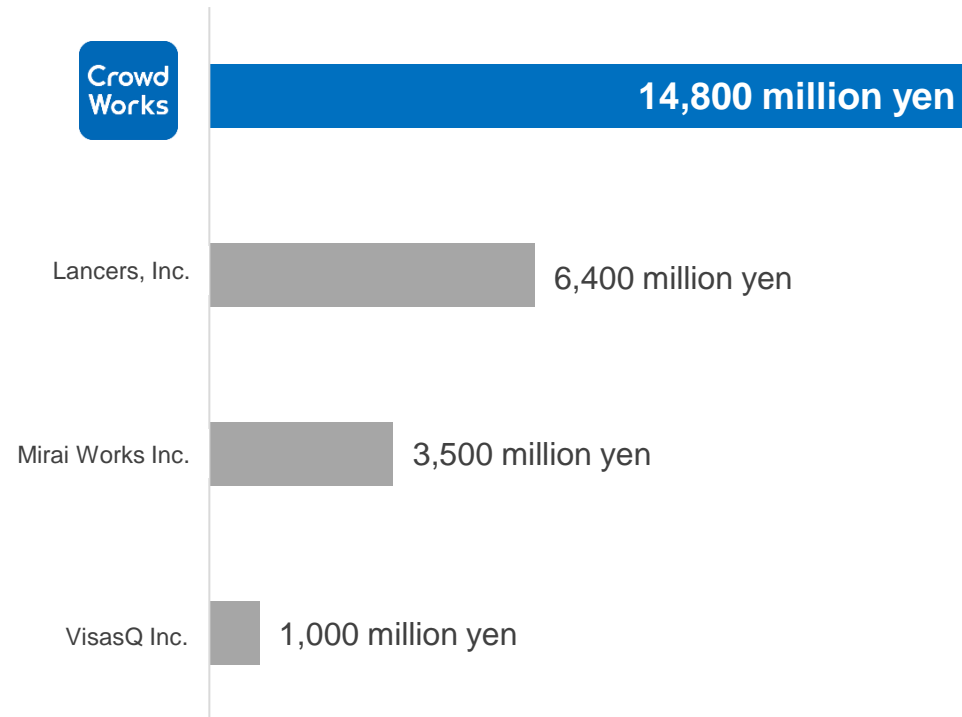


3,692,000

Crowd Workers

- Access to jobs fitting own skills/situation
- Work flexibility according to your lifestyle
- Assistance can be given to make contracts and get paid

CrowdWorks is the **Number One**
online talent matching platform in the industry



* Compared with similar companies' public information

H1 Summary of Business Impact and Countermeasures Against the Coronavirus (COVID-19)

Total contract value	:	8,040 million yen	year-on-year +13.4% vs. full-year forecast +49.8%
Net sales	:	4,889 million yen	year-on-year +15.5% vs. full-year forecast +54.4%
Gross profit	:	1,802 million yen	year-on-year +16.6% vs. full-year forecast +53.0%
EBITDA	:	42 million yen	year-on-year -61 million yen
Operating profit	:	-15 million yen	year-on-year -52 million yen

H1 FY 2020 Segment Performance Highlights

Segment-by-segment, the matching business maintained steady growth already seen in the first quarter, with total contract value up +21.0% and net sales up +31.0% year-on-year. Gross profit of +25.8% year-on-year exceeds full-year forecasts.

As of the previous year, the project contracting business remains profitable.

	Matching Business	Project Contracting Business	Other
Total contract value	6,265 million yen (+21.0% YoY)	1,693 million yen (+1.7% YoY)	81 million yen
Net sales	3,123 million yen (+31.0% YoY)	1,688 million yen (+1.4% YoY)	76 million yen
Gross profit	1,355 million yen (+25.8% YoY)	400 million yen (+5.8% YoY)	46 million yen
EBITDA	-56 million yen (-45 million yen YoY)	117 million yen (+7 million yen YoY)	-18 million yen
Operating profit	-72 million yen (-37 million yen YoY)	75 million yen (+8 million yen YoY)	-18 million yen

H1 FY 2020 Performance Review

Launched Full-Flex, Full-Remote work system in July 2019.
 In addition, the standardization of online sales, a project launched in the second half of FY 2019, has helped speedily transition of the entire company to remote work, even after the coronavirus outbreak. Q2 corporate performance remained strong, with activities continuing without dramatic impact from COVID-19.

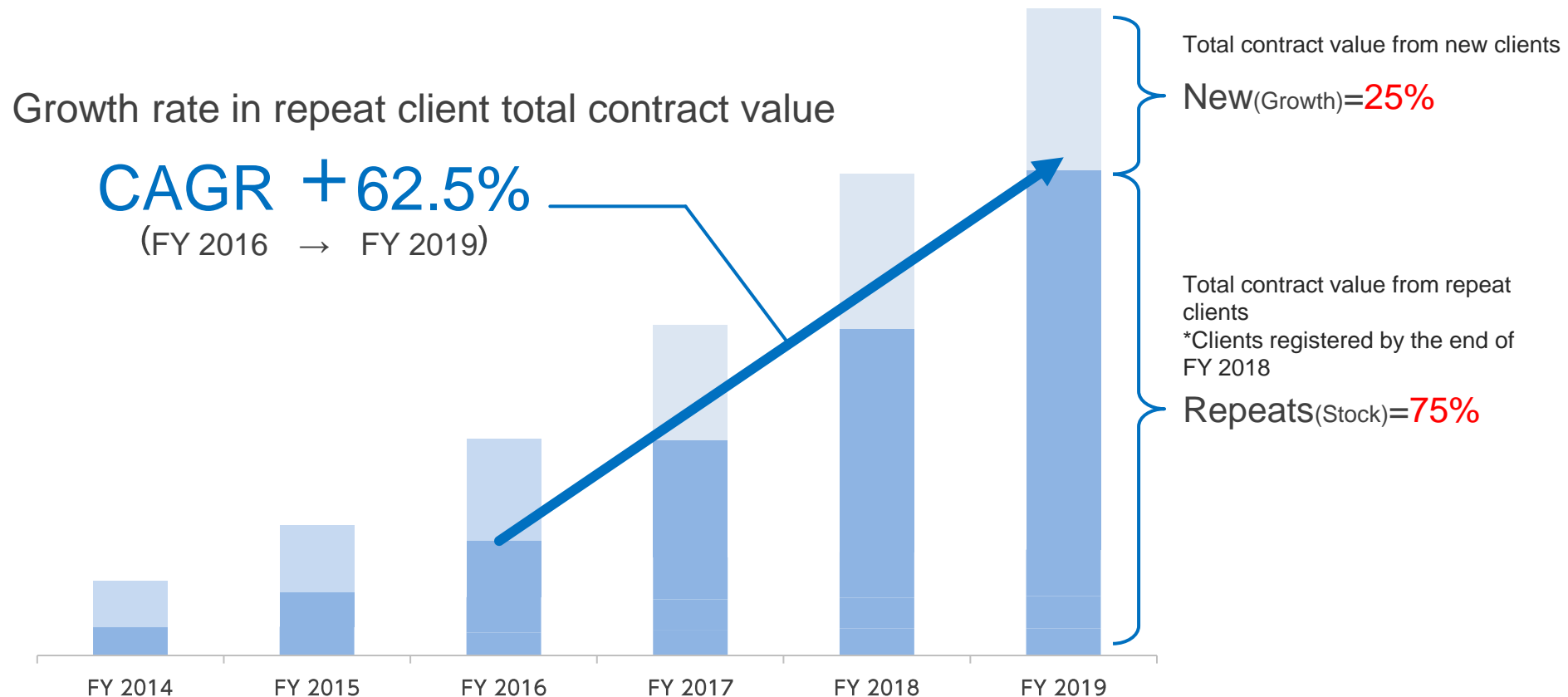
	Summary	Self Evaluation
Entire Company	<ul style="list-style-type: none"> Company-wide total contract amount growth was +13.4% YoY, beating a +9% forecast. Gross profit of +16.6% YoY greatly exceeded the forecast of +8%. 	Great
Matching Business	<ul style="list-style-type: none"> Growth as expected: +21.0% total contract value and +31.0% net sales YoY. Take rate improved to 21.6%, up +0.8% YoY, with gross profit continuing its steady advance, up +25.8% YoY. Advertising expenses were suppressed by running TV commercials in limited test markets. This resulted in operating profit of -72 million yen. 	Great
Project Contracting Business	<ul style="list-style-type: none"> Total contract value in the project contracting business maintains its levels year-on-year. As in Q1, profit were maintained. 	Great

Business Model Focused on Stock Revenue Generation Leads to Highly Stable Businesses

Total contract value in the matching business establishes a foundation for ongoing contracting

- Appr. 75% of total contract value is from repeat clients
- CAGR for repeat client total contract value is up +62.5%

We have established a business model **that builds up a reliable stock of clients over the long term.**



We rapidly launched our response to the coronavirus in January, when the first case was confirmed in Japan.

We have built up stronger Full-Flex, Full-Remote and inside sales systems, making advance efforts to ensure business continuity even with all employees working remotely. Corporate activities trended well even after a March spike in infections, with Q2 performance exceeding our full-year forecast.

	For Employees	For Clients / Workers / Partners / Institutional Investors
Jan 2020	<ul style="list-style-type: none"> Established Rules for Infection with Designated Diseases Recommended 100% remote work beginning Jan 27 	
Feb 2020	<ul style="list-style-type: none"> Continued to recommend remote work Recommended staggered shifts Implemented company-wide remote work for Feb 17-21 Established system to manage unwell employees 	<ul style="list-style-type: none"> Requested shifting meetings/interviews online
Mar 2020	<ul style="list-style-type: none"> Continued to operate system to manage unwell employees Changed company-wide meeting times in light of closure of some educational institutions Formulated Remote Work Guidelines Implemented company-wide remote work for Mar 23-Apr 10 Formulated Coronavirus Infection Control Guidelines 	<ul style="list-style-type: none"> Began contract value cashback program for first-time corporate clients to help ease work burden from the coronavirus outbreak
Apr 2020	<ul style="list-style-type: none"> Continued above measures Extended company-wide remote work until May 10 in response to state of emergency declarations 	<ul style="list-style-type: none"> In a second round of support to workers, provided online video production courses to workers in partnership with Adobe Systems Co., Ltd. Conducted emergency survey regarding the impact on freelance workers
May 2020	<ul style="list-style-type: none"> Planning to establish the latest framework for workstyle "CrowdWorks Model (TBD)" to work in the era of COVID-19 and post COVID-19. 	<ul style="list-style-type: none"> Held Q2 FY 2020 financial results briefing for institutional investors online

With the knowledge that the outbreak may last some time, we have launched and accelerated a number of initiatives.

Company-wide Remote Work

- Implemented company-wide remote work, placing the highest priority on the health of all stakeholders, internal and external - including employees
- Introduced a Full-Flex, Full-Remote working system, extended even to our sales teams using online conferencing tools.
- Shifted internal decision-making and communication online, shifting smoothly to a remote work system.
- Created the Remote Work Manual

Improvement in Financial Standing

- Conducted a thorough review of unnecessary costs
- Implemented productivity improvement measures, including optimization of staffing and maximization of work performance

Establishing Policy for Responding to Cases of Infection

- Formulated the Coronavirus Infection Control Guidelines, listing actions to take in the event of infection with the coronavirus or other emergencies
- Thorough identification of unwell persons and those in close contact with them

We will continuously monitor the situation and determine/implement actions to take.

Business Impact

(Positive Impacts)

- More companies allowing remote work has led to proactive utilization of online labor
- Increased hours working at home due to avoiding unnecessary outing and suspension of businesses has led to more demand for side businesses and remote work, and thus more CrowdWorker registrations (up 10% to 20% vs. normal)

(Negative Impacts)

- Faltering client performance and changing policy has led to cancelled contract projects.
- Reduced hiring and other issues that belong to clients are leading to terminated or suspended business contracts
- Postponed or cancelled open deals
- Decrease of total contract value this fiscal year due to topics as above.

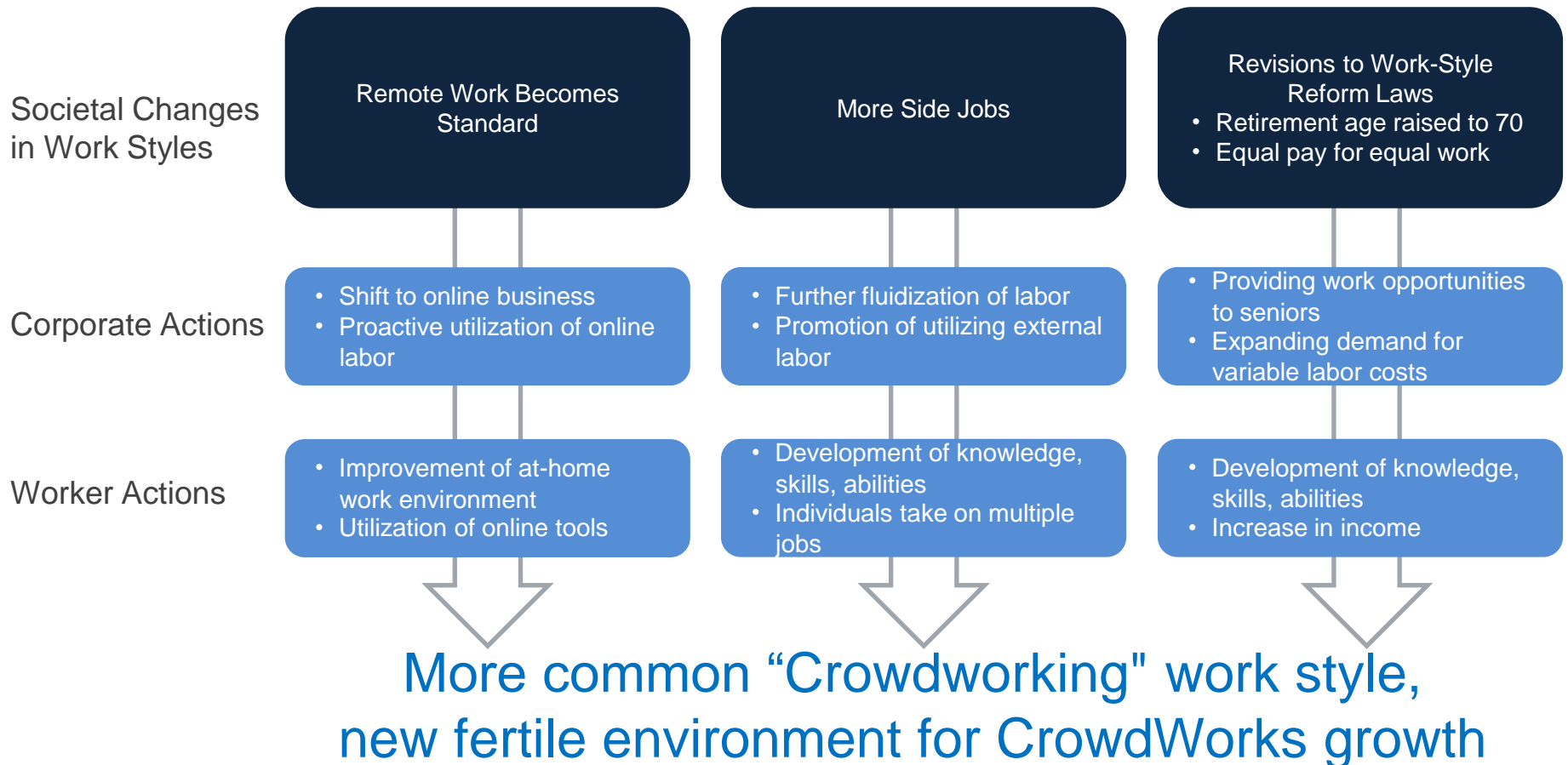


Countermeasures

- In response to growing number of CrowdWorkers, strengthen customer support system to provide safe, secure transactions
- Promote online business negotiations with clients and online interviews with CrowdWorkers
- Propose that clients switch projects from resident positions to remote work positions
- Thoroughly review company-wide costs and improve productivity

Expansion in Market Opportunities and Changes in Work Styles

Recent events have driven rapid change in how companies and workers work. The coronavirus outbreak has made remote work standard, made side jobs more prevalent, and led to revisions in work-style reform-related bills. Each of these provide a boost to CrowdWorks.



| Full-Year Forecast and Business Policy

Full-Year Performance Forecast, in Consideration of Impact from COVID-19

At present, our full-year earnings forecast is left unchanged in light of impact from the coronavirus. We have envisioned both positive and negative scenarios and will continue to closely monitor impact on performance.

In the event that significant impact is observed on performance, including that from COVID-19, this impact shall be promptly disclosed.

Scenarios for Performance Impact

Positive

- Opportunities for CrowdWorker / freelance workers utilization expand with the rising number of enterprises building online business structures and/or reducing psychological barriers to remote work, regardless of company size
- Government calls for avoiding unnecessary outing accelerates shift to online / e-commerce business. Greater demand for labor among IT, media, Internet sector firms
- Once the COVID-19 outbreak has eased, the labor market will become more fluid as companies seek to reduce employment risk amid an economic slowdown

Negative

- More companies postpone or suspend recruitment due to prolonged COVID-19 outbreak
- Worker demand for jobs increases, but supply of client work falls short due to economic slowdown, leading to poor balance of supply and demand
- Total contract value might be downsizing due to these reasons as above

FY 2020: Performance Forecast by Segment

For the matching business, our forecast is +20% or greater continuous growth. Although operating profits and EBITDA for the project contracting business are expected to achieve a surplus, this will be downsized with a focus on profitability. The forecast is -20% year-on-year.

There will also be investments in the launch of new businesses and services within a fixed scope, and a decline in operating profit of -100 to -150 million yen is expected.

	Matching Business	Project Contracting Business	Other
Total contract value	13,200 million yen (+20% YoY)	2,800 million yen (-25% YoY)	100 million yen
Net sales	6,140 million yen (+19% YoY)	2,800 million yen (-22% YoY)	50 million yen
Gross profit	2,820 million yen (+20% YoY)	540 million yen (-8% YoY)	30 million yen
EBITDA	-400 to -850 million yen (Same period of previous fiscal year 18 million yen (profitable) Planning deficit resulting from expanded investment)	70 to 120 million yen (Same period of previous fiscal year 146 million yen Maintaining profit current level)	-100 to -150 million yen
Operating profit	-400 to -850 million yen (Same period of previous fiscal year -15 million yen (profitable) Planning deficit resulting from expanded investment)	0 to 50 million yen (Same period of previous fiscal year 62 million yen Maintaining profit current level)	-100 to -150 million yen

- Figures for FY 2019 have been revised to reflect a change in the Company's business segments and got a full-year audit for the expenses of each segment.
- Accounted CrowdLinks to the matching business and costs of the project contracting business for M&A to the previous year, reflected intra-group transactions between each segment to the previous year are main points of modification.

FY 2019 review

Matching Business

In addition to the tailwind in the marketplace as a whole, we strengthened our client-targeted advertising and sales force, achieving favorable growth.
We also determined there will be sufficient returns in unit economics in a two-year period and intend to carry out investment targeted to long-term growth for this reason.

Project Contracting Business

Consolidated quarterly performance figures were severely affected by the delivery period of projects, resulting in reduced growth rate. Take rate was decreased due to soaring project costs.
We intend to optimize the profit and downsize this business as part of our revised growth plan for the future.

Fintech Business

Decided to withdraw in the early stage because of intensifying competition after the entry.
We consider FinTech to be a strategic theme we should be involved with and intend to re-enter the market at a later date, following long-term observation.

M&A

Achieved operating profit surplus for existing projects.
Through PMI for existing projects, we solidified our capital efficiency guidelines, and as a result we were unable to implement any M&A projects for FY 2019. We will continue considering future opportunities based on these guidelines.

FY 2020 policy

Focus on investment

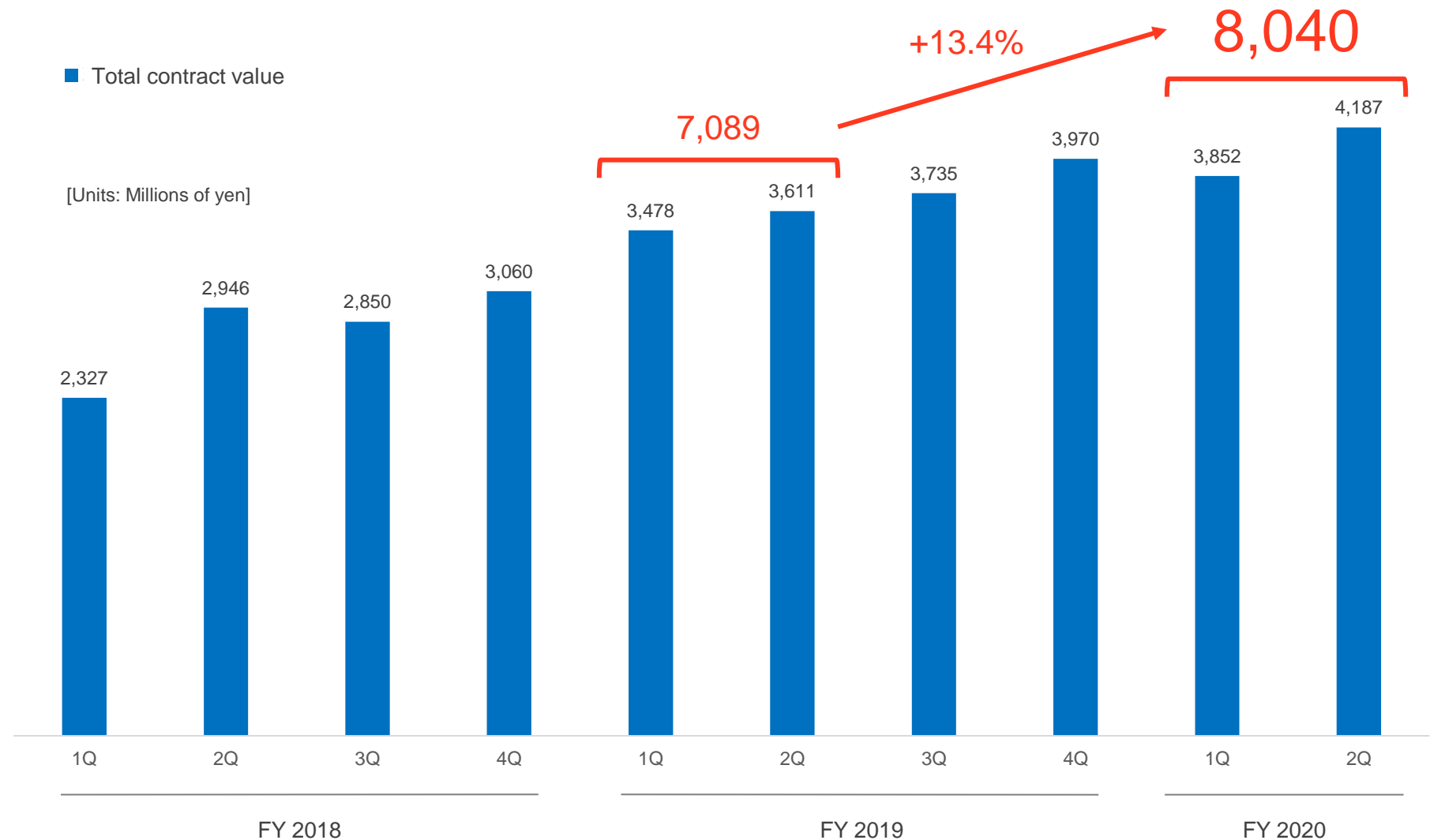
Downsizing with profitability focus

Continuing consideration

| H1 & Q2 FY 2020 Results (Entire Company) : Details

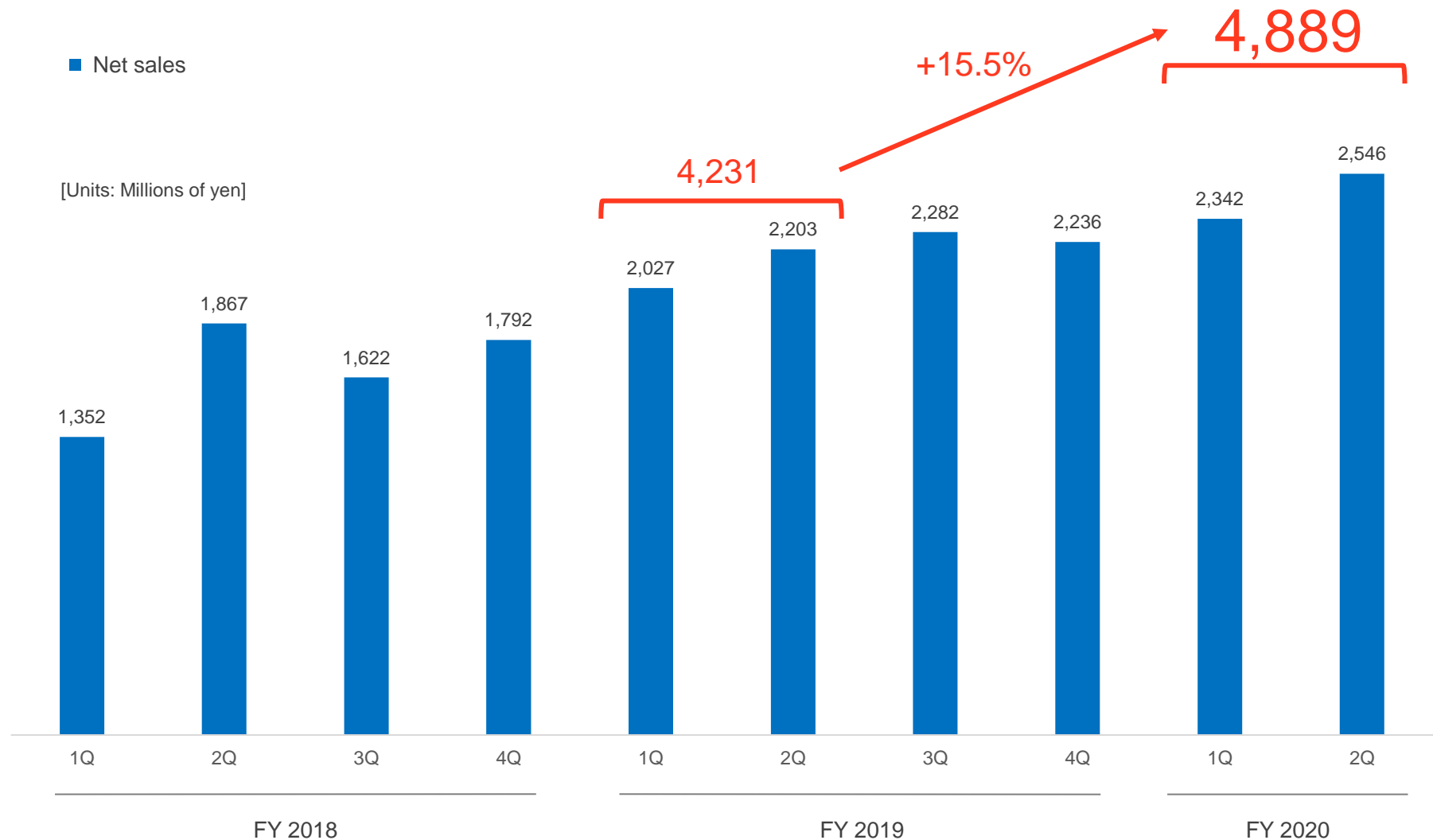
Entire Company: Consolidated Total Contract Value

Consolidated total contract value jumps +13.4% year-on-year, beating full-year +9% forecast.
Matching business, with its concentrated investment, drives growth in line with FY 2020 policy.



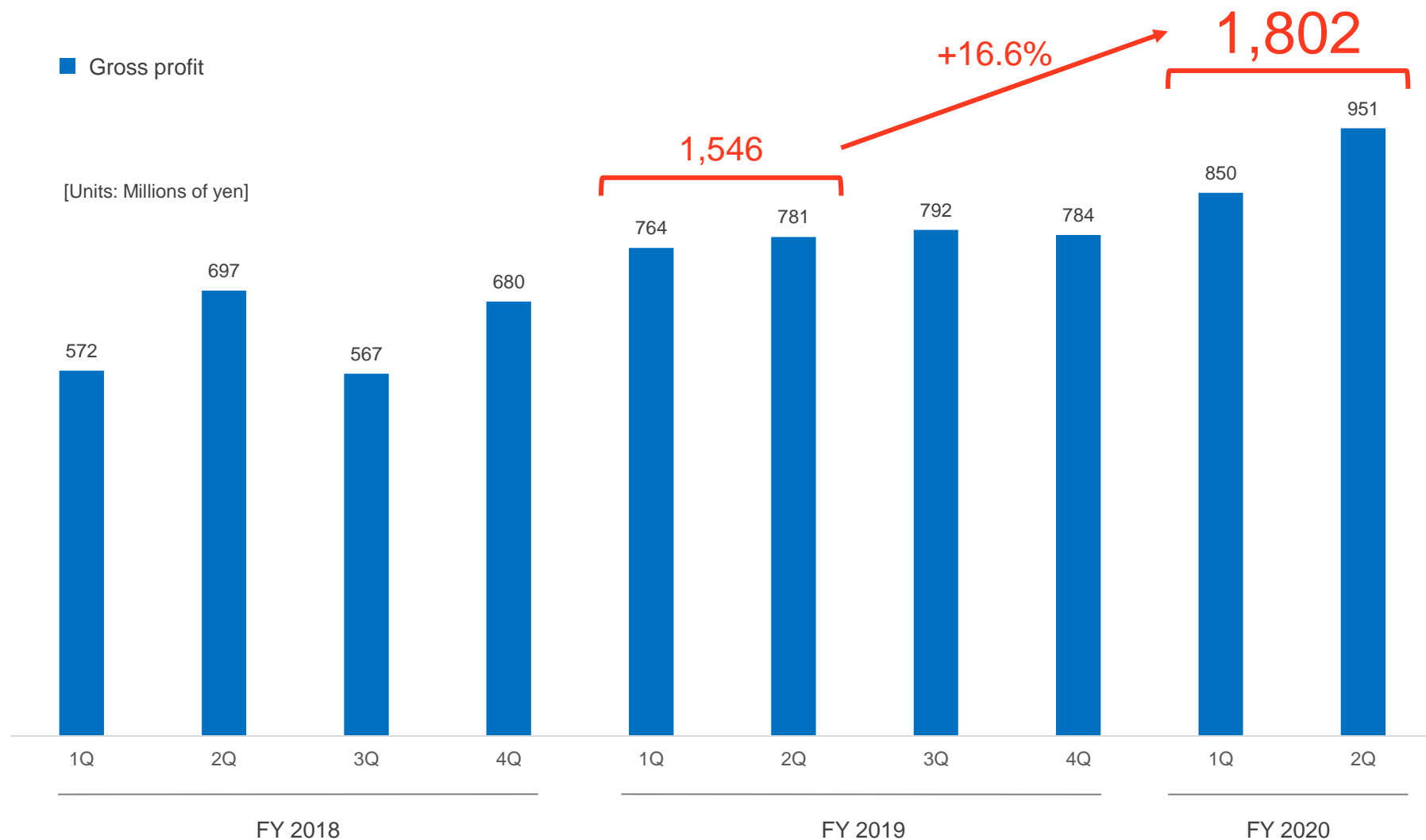
Entire Company: Consolidated Net Sales

High-value clients grow up +15.5%, leading to favorable consolidated net sales.



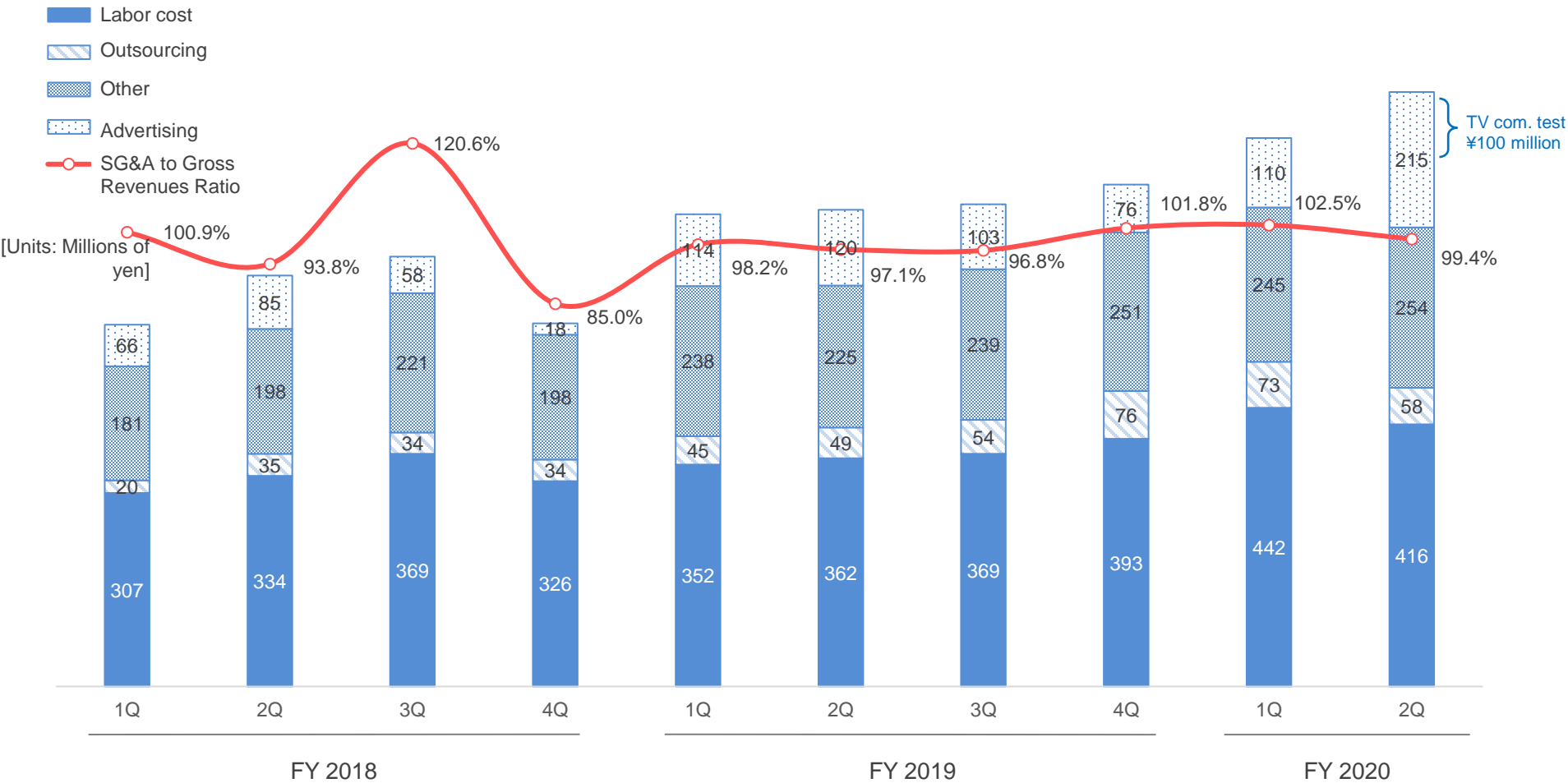
Entire Company: Consolidated Gross Profit

Take rate maintains upward momentum from Q1, gross profit grows faster than forecasts, up +16.6% year-on-year.



Company Consolidated Sales, General, and Administrative (SG&A) Expenses

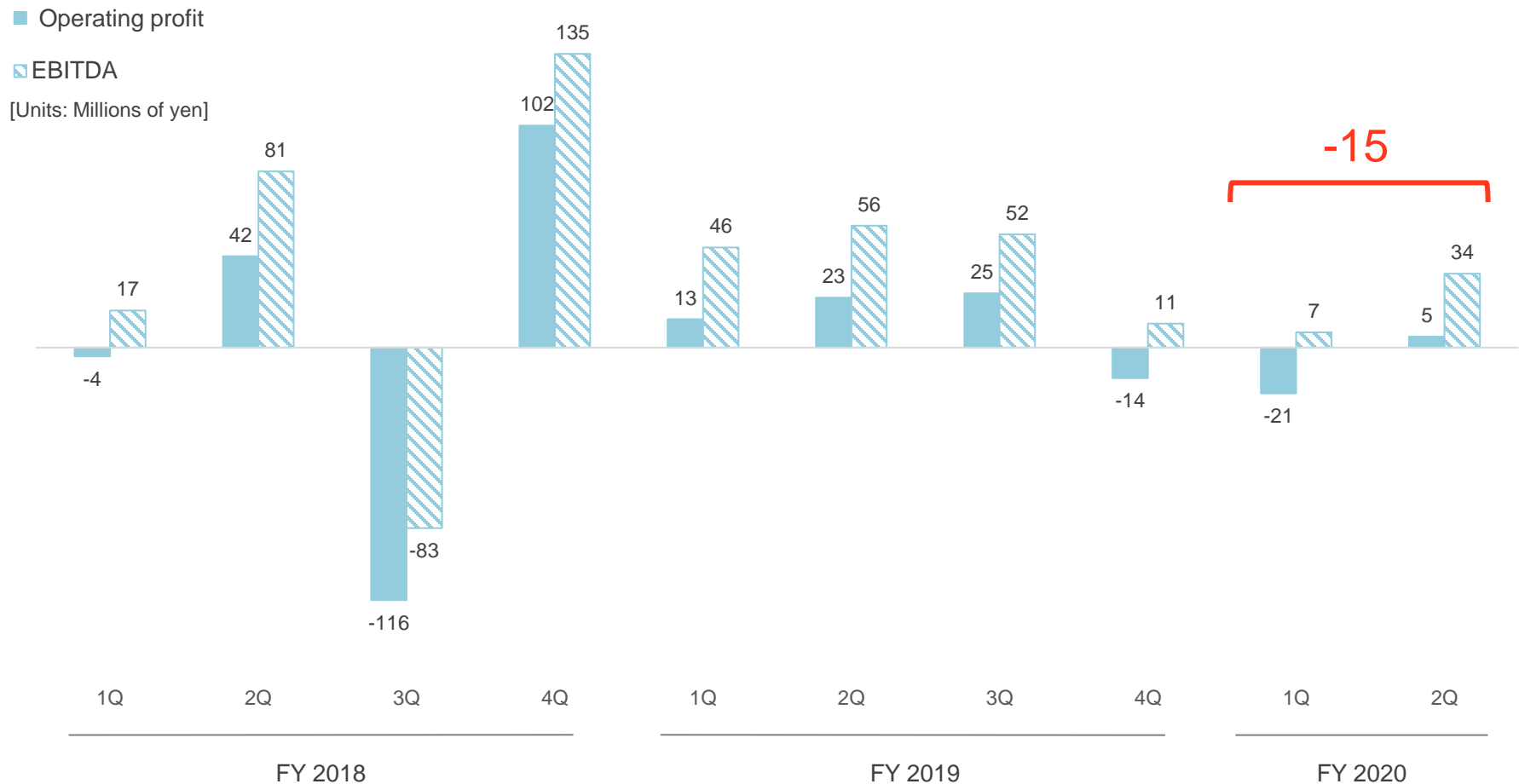
Advertising costs increased by 105 million yen vs. Q1 due to launching TV commercial test marketing. Due to suppressed other costs, reduced SG&A excluding new marketing costs than the previous quarter.



- Starting this fiscal year, new hiring and education expenses are aggregated into labor costs. Past values are shown with this recalculation in effect.
- Other costs include rent for land, expenses for communication lines, settlement fees, payment fees, taxes and public dues, depreciation, and amortization of goodwill.

Company Consolidated Operating Profit

Operating profit shows -15 million yen more than expected.
While taking into account the long-term effects of the COVID-19, investment for which has been proactively suppressed in Q3. Examining TVCM effects in Q2 effects and future scenarios, exploring potential relaunch or terminate in Q4.



| H1 & Q2 Results of Segments: Details

H1 FY 2020 Performance of Individual Segments

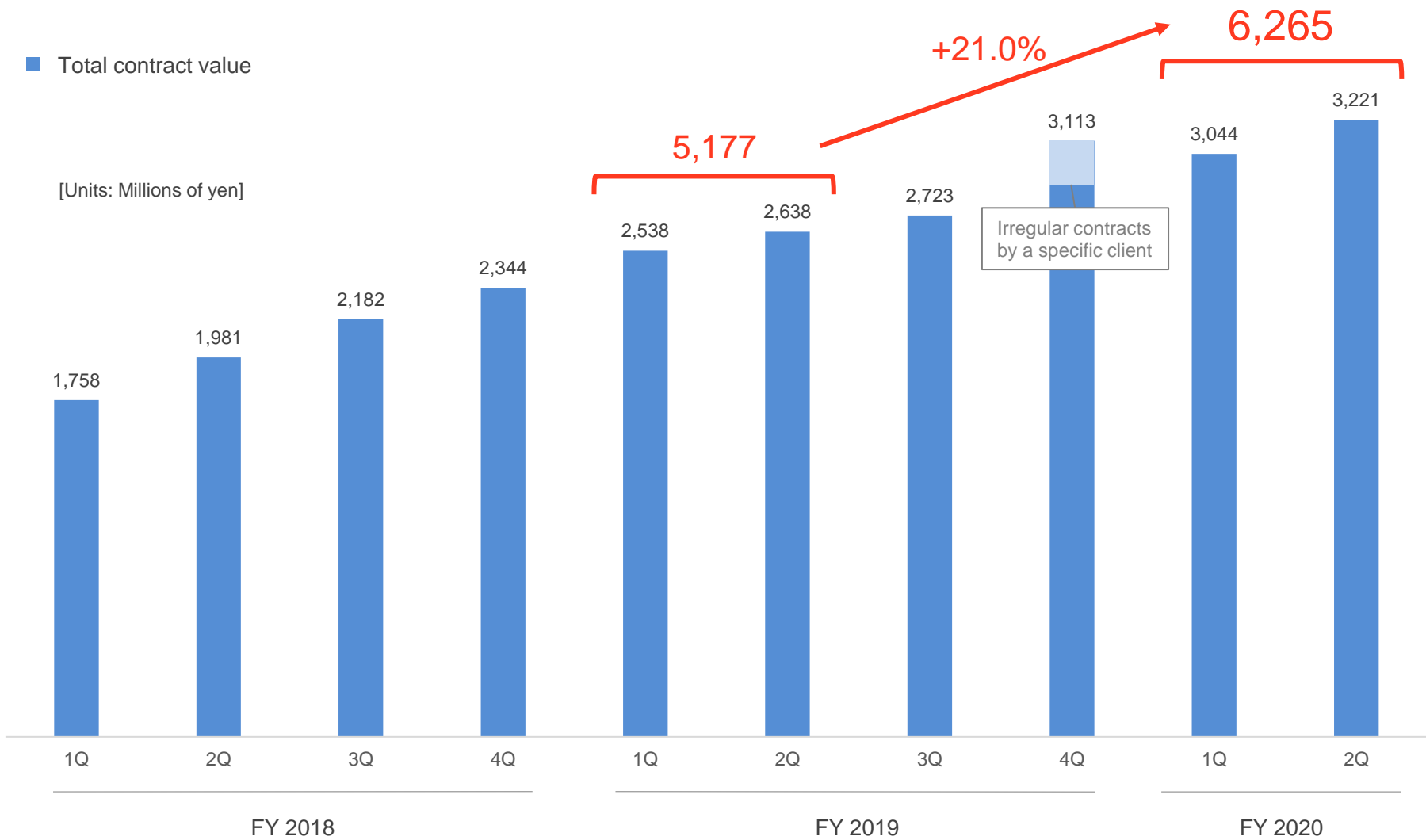
Per this year's policy, we are focusing on the matching business, where total contract value is +21.0% year-on-year. Gross profit trended well, at +25.8% year-on-year. Take rate has improved +0.8% year-on-year.

Segments	Total Contract Value		Take Rate		Gross Profit
(1) Matching Business	6,265 million yen (H1 FY 2019 results 5,177 million yen) (Year-on-year: +21.0%)	×	21.6% (H1 FY 2019 results 20.8%) (Year-on-year +0.8%)	=	1,355 million yen (H1 FY 2019 results 1,078 million yen) (Year-on-year +25.8%)
(2) Project Contracting Business	1,693 million yen (H1 FY 2019 results 1,665 million yen) (Year-on-year +1.7%)	×	23.6% (H1 FY 2019 results 22.7%) (Year-on-year +0.9%)	=	400 million yen (H1 FY 2019 results 378 million yen) (Year-on-year +5.8%)
Other	81 million yen (H1 FY 2019 results 247 million yen) (Year-on-year -67.3%)	×	56.9% (H1 FY 2019 results 36.2%) (Year-on-year +20.7%)	=	46 million yen (H1 FY 2019 results 89 million yen) (Year-on-year -48.5%)
Total	8,040 million yen (H1 FY 2019 results 7,089 million yen) (Year-on-year +13.4%)	×	22.4% (H1 FY 2019 results 21.8%) (Year-on-year +0.6%)	=	1,802 million yen (H1 FY 2019 results 1,546 million yen) (Year-on-year +16.6%)

- Take rate: Gross profit divided by total contract value. Ratio (%) of added value (gross profit) created from total contract value handled by the Company

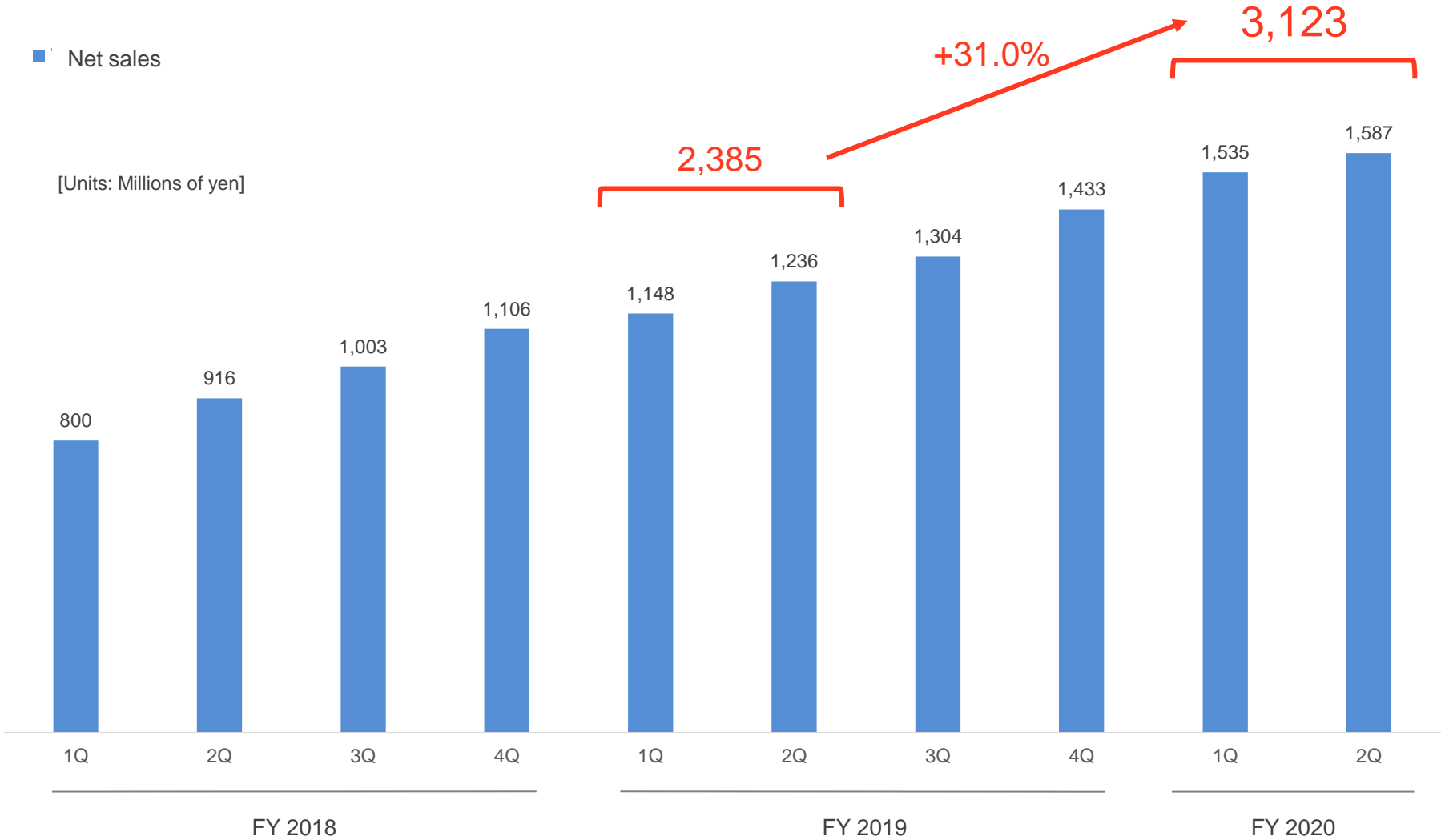
(1) Matching Business: Total Contract Value

Total contract value for the matching business growth +21.0% (YoY) as expected.



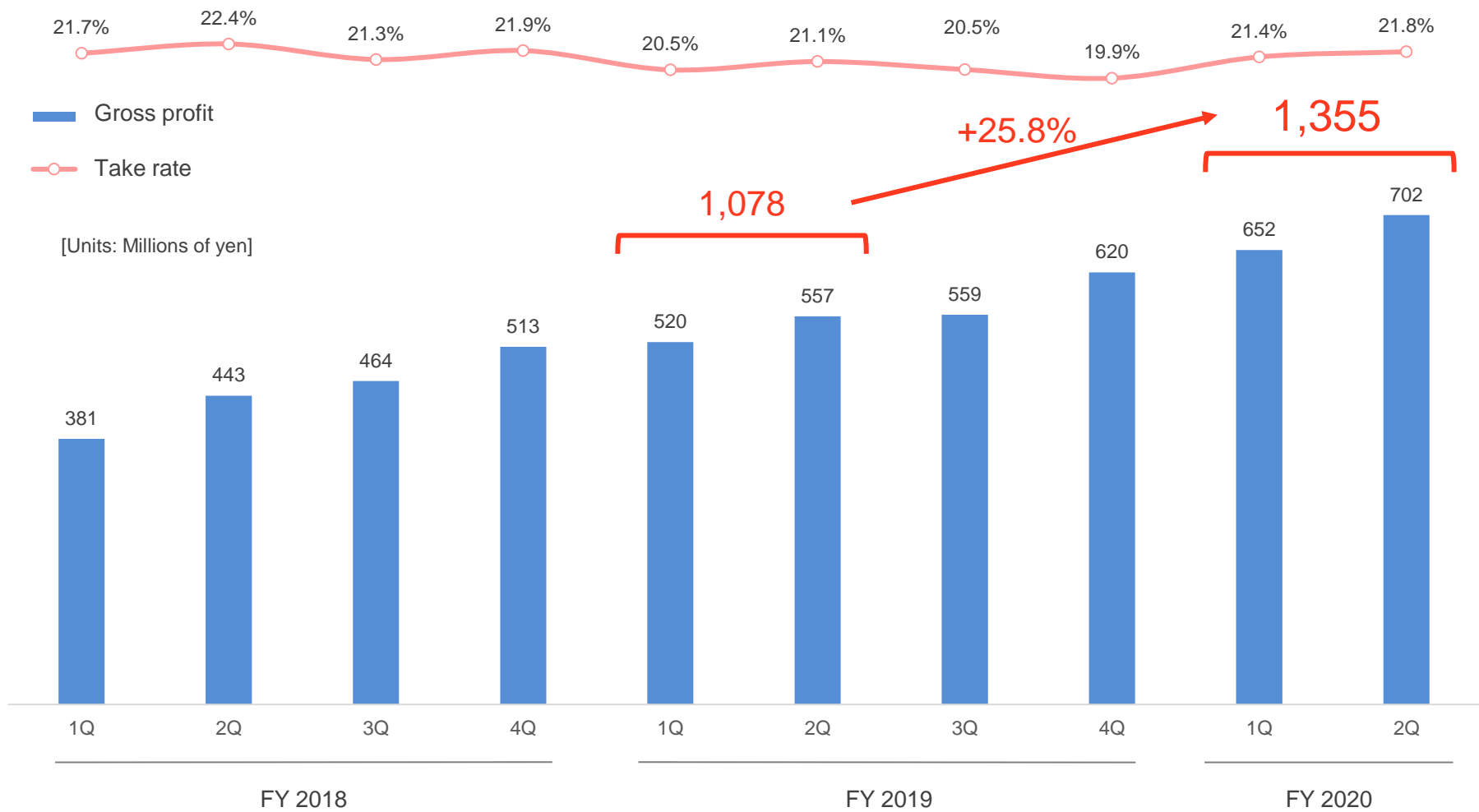
(1) Matching Business: Net Sales

Positive reception of services for high-value clients drives strong growth, with net sales +31.0% year-on-year.



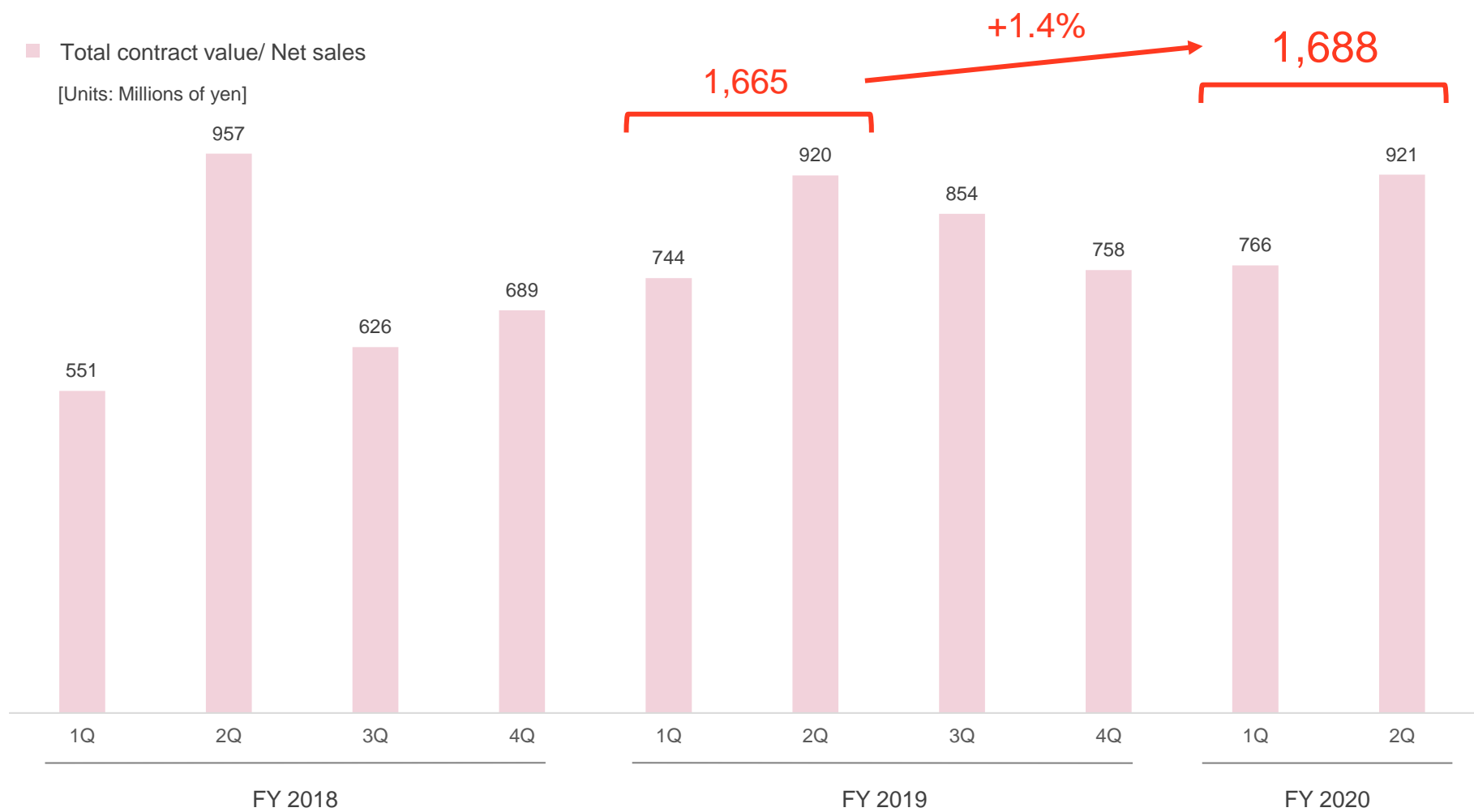
(1) Matching Business: Gross Profit and Take Rate

Gross profit grew steadily, up +25.8% year-on-year.
Take rate improved +0.4%, maintaining Q1 levels.



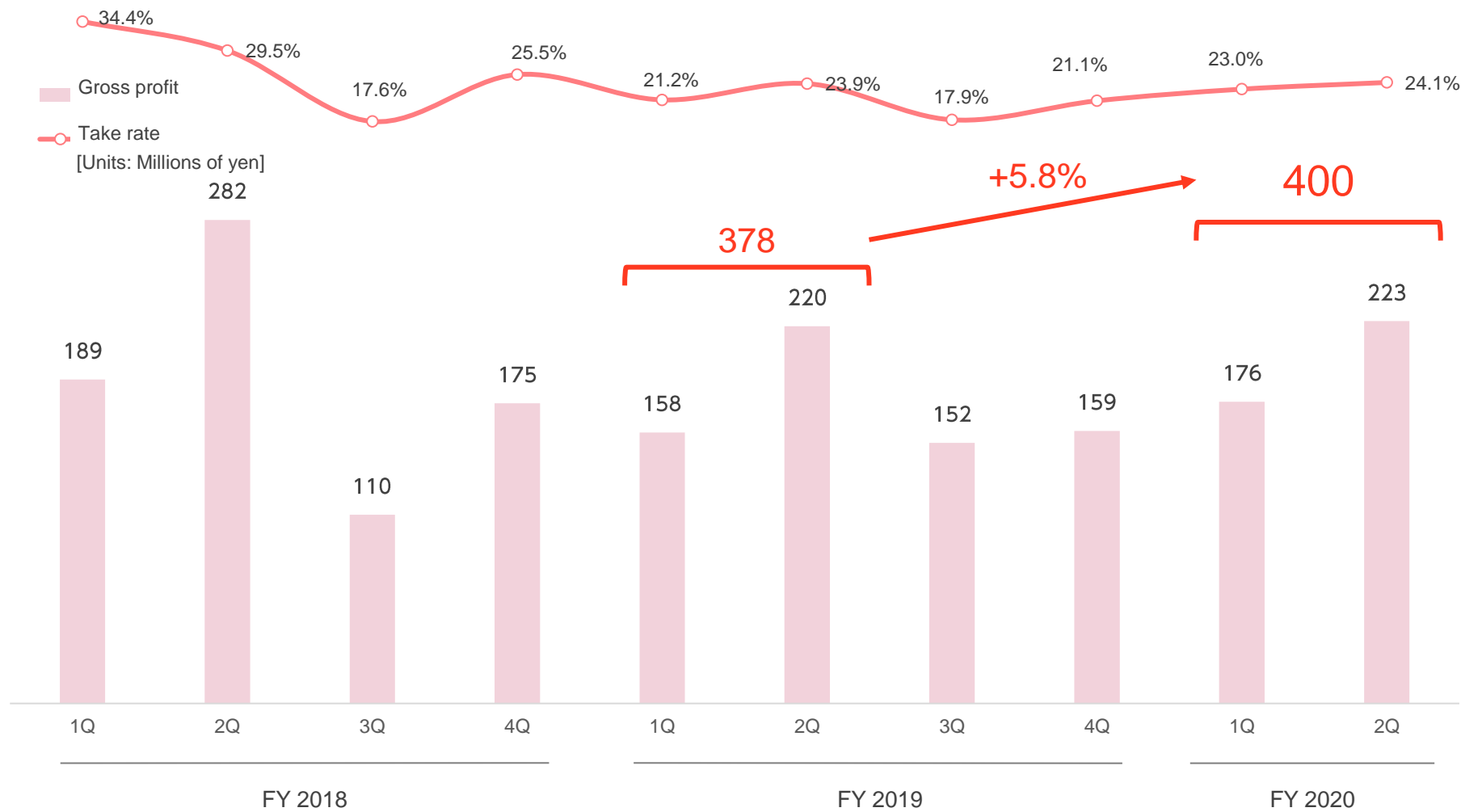
(2) Project Contracting Business: Total Contract Value and Net Sales

The project contracting business remains flat year-on-year, though full-year forecast of -25%, driven by downsizing policy, is unchanged.



(2) Project Contact Business: Gross Profit and Take Rate

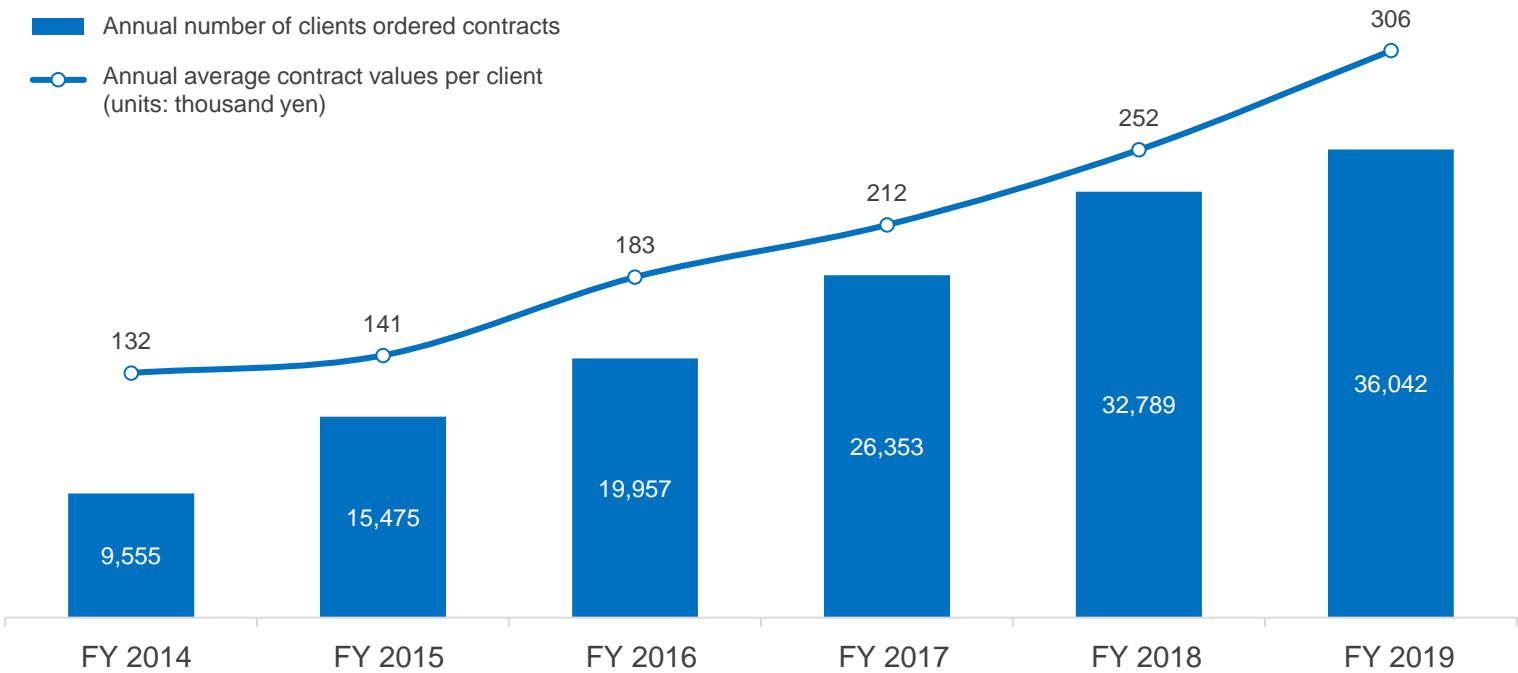
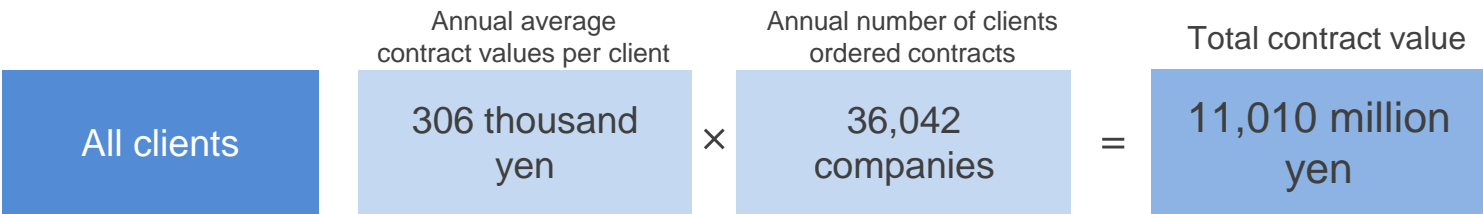
Take rate and gross profit improve as project contracting business profits are optimized.



| Status of Business KPIs and FY 2020 Investment

(Reference) Matching Business: Client KPI FY 2019 Results

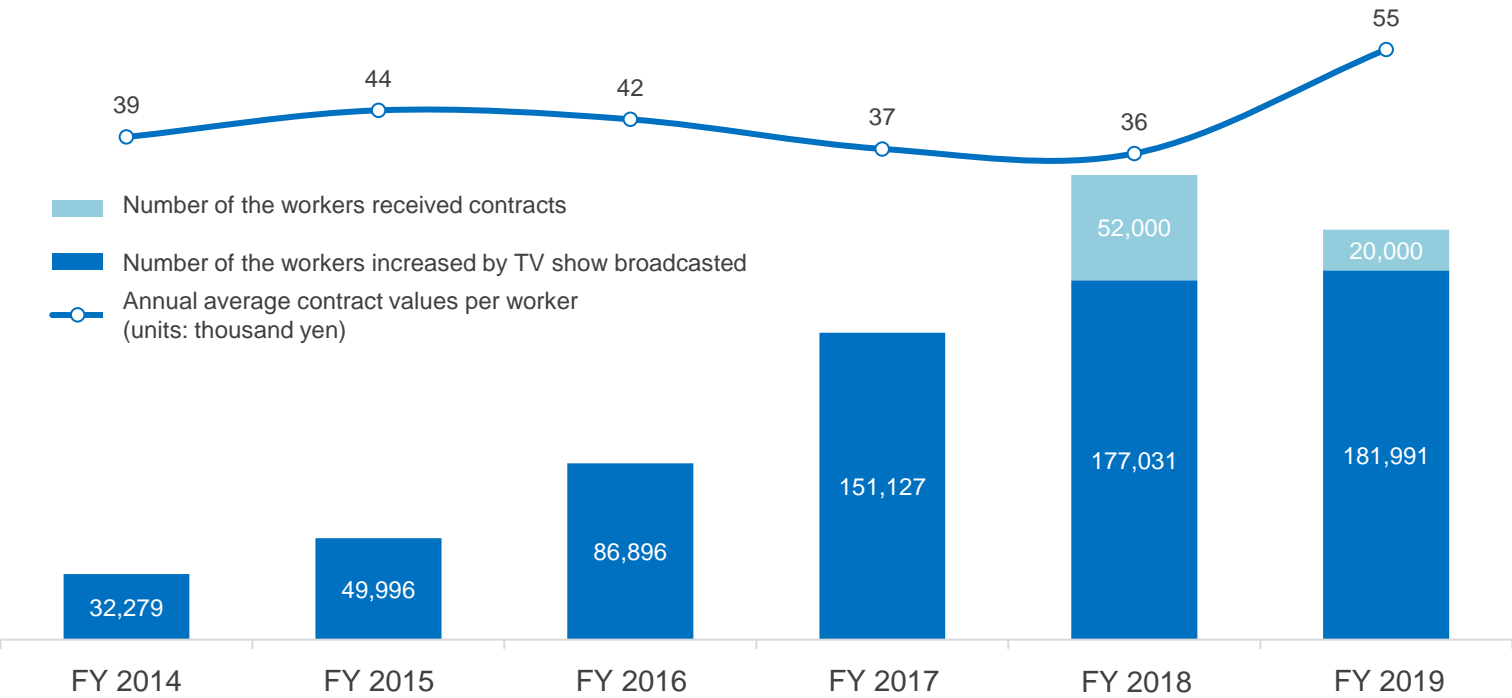
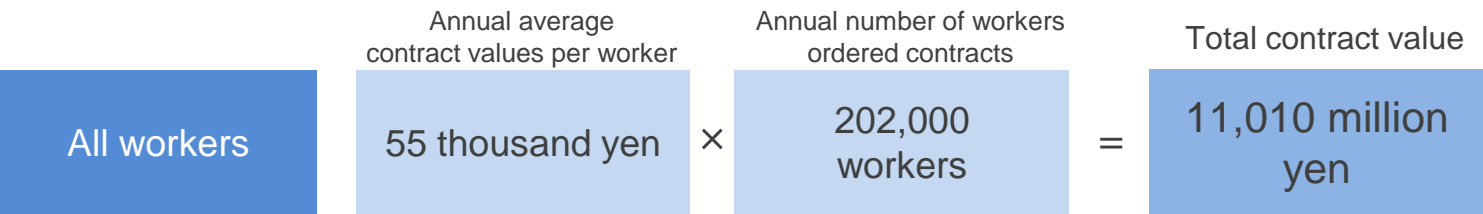
Matching business KPI: Order value per client × Number of clients ordered = Total contract value



● Figures for client KPI have been revised to reflect a change in the Company's business segments.

(Reference) Matching Business: Worker KPI FY 2019 Results

Matching business KPI: Order value per worker × Number of workers ordered = Total contract value



● Figures for worker KPI have been revised to reflect a change in the Company's business segments.

Status of FY 2020 Investment in Matching Business

Though we launched test marketing of TV commercials in Q2 (Jan), we will aggressively curb investment in these in Q3 in consideration of the outbreak of and prolonged effect of COVID-19.

	Impact on initial full-year operating income expectation	Current progress	Policy going forward
Expanding investment to acquire clients TV commercial test marketing	From -200 million yen to -600 million yen <small>*Greater investment to be considered based on impact</small>	About 100 million yen for test broadcasts in select regions in Jan and Mar	Halted for Q3 Relaunch TBD based on mkt. conditions
Developing high-rate clients and large-scale corporate clients Sales structure expansion	From -100 million yen to -150 million yen	Sales hires almost concluded in Q1	Continued focus on boosting strength of sales force
Improved support helpline system, developing APIs, shifting to AI for ordering infrastructure	From -100 million yen to -150 million yen	Sales hires/assignments almost concluded in Q1	Continue to bolster order support system for clients

Policies on Future Investment, Profit Optimization

We will alter our plan flexibly according to the recent COVID-19 outbreak and impact on the economy as the outbreak continues over a longer-term. Continuing investment to the matching business, we are considering cash position and economic situation by reducing unnecessary costs and improving productivity. Operation profit forecast will show as expected, depending on the investment policy, considering other operation to suppress deficit simultaneously.

Cash Position Consideration

- Cash position and investment in consideration of potential economic slowdown caused by the COVID-19 epidemic.
- Due to investment in TV commercials require long-term commitment to realize effects, focus on online advertisements the company's standard channel in Q3. Additional investment policy of Q4 will be discussed in Q3.

Improved Productivity

- Improve the operation for remote work system.
- Reduce and review meeting time and travel time due to remote work system.
- Improved operation of remote work system.
- Target gross profit indicator per person, implement productivity improvement measures, including optimization of staffing and maximization of work performance

Reduced Cost

- Review all requests for expense approval
- Thoroughly review effectiveness of expenses, clarify ROI standard. Build profitable structure by reducing unnecessary costs.

(Reference) Unit Economics Achievement: Prerequisite for Investment

Recover client acquisition expenses within one year and expand matching business investment.

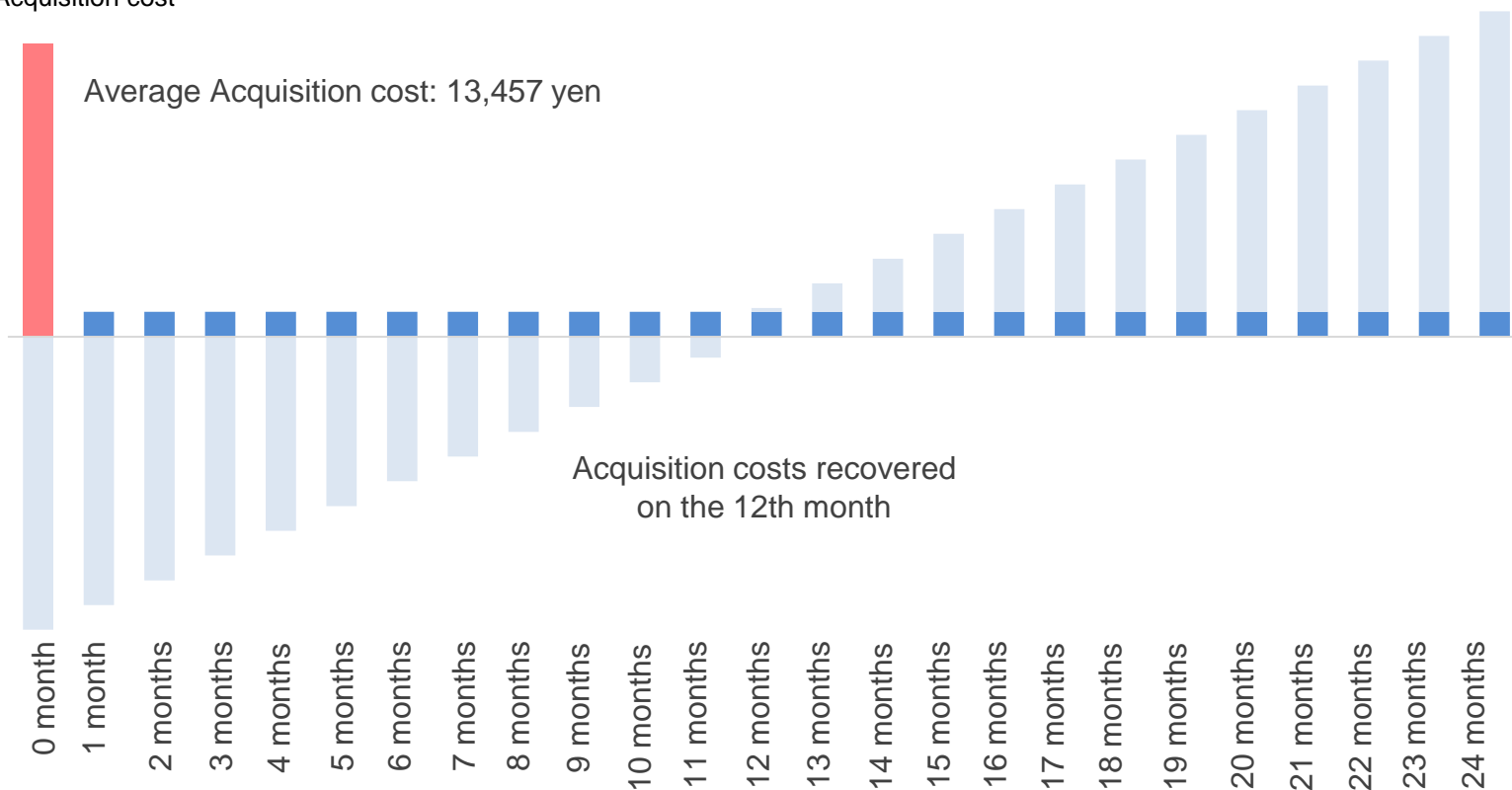
- Average LTV per client (gross profit for a two-year period) = 27,267 yen
- Marketing expenses per client = 13,457 yen
- The recovery ratio of acquisition cost on 24th months = 202.6%

We will make the maximum investment within CPA(Cost Per Acquisition) we can recover on 12th month

- Gross profit per client (24 months)
- Profit per client
- Acquisition cost

Cumulative gross profit for the two-year period following acquisition: 27,267 yen

Recovery ratio of acquisition cost on 24 months is over 200%



| Business Outline / VISION / Management Policy



CrowdWorks, Inc.

President and CEO : Koichiro Yoshida
 Capital : 2,688,560,000JPY
 Founded : Nov 11, 2011
 Services : Running services mainly one of the largest crowdsourcing platform, CrowdWorks.jp.



- 3,692,000 people of CrowdWorkers (users)
- 601,000 clients
- 12 ministries and agencies
- 80 local government

*The numbers of workers and clients of CrowdWorks, Inc. services as of March, 31, 2020



VISION / To Build Japan's Largest Online Employment Infrastructure

Based on the vision to become the world's biggest platform that provides the largest amount of monetary rewards through the Internet, CrowdWorks aims first **to build Japan's largest online employment infrastructure**

By maximizing the total contract value, CrowdWorks gives monetary rewards to the largest number of people in the country

Image of Japan's largest online employment infrastructure

Total contract value
conversion: \$22.8 billion

(2.50 trillion yen)

FY 2019
Total contract value:
\$134.0M
(14.80 billion yen)



Remuneration amount
11.6 billion yen



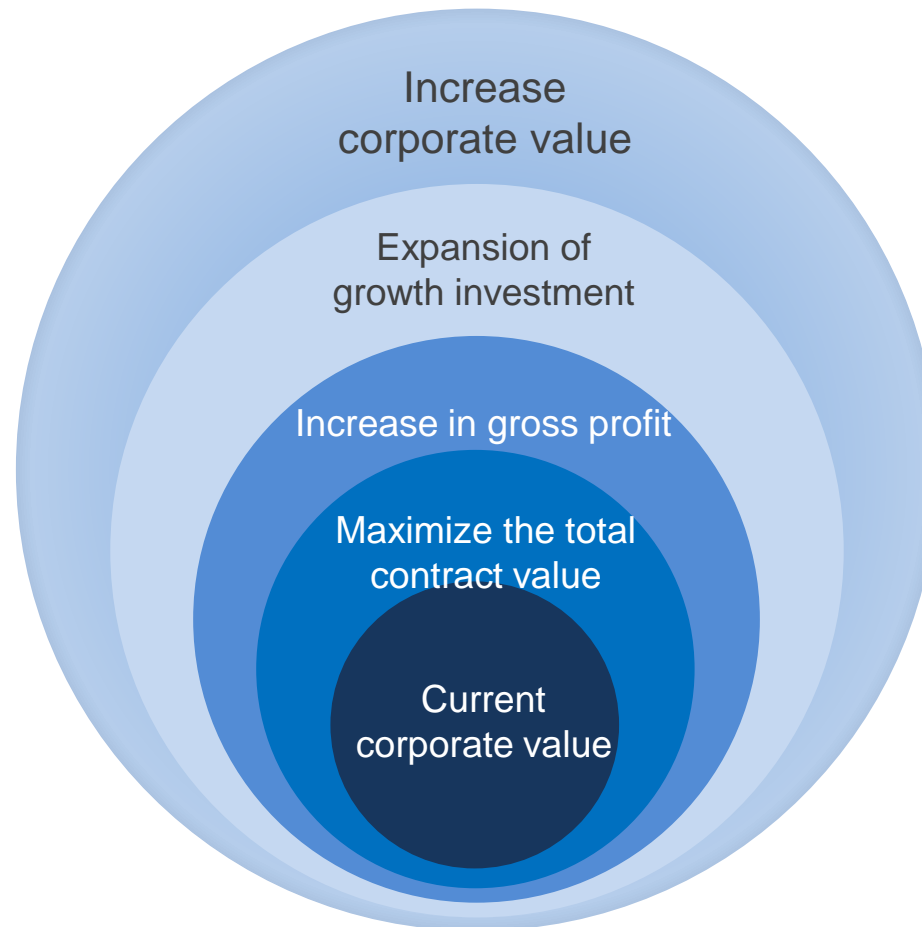
Employee number ranking *Reference: Yahoo Finance as of January 21, 2020

1. **Toyota 374,000 people**, 2. Nippon Telegraph and Telephone (NTT) 321,000 people, 3. Hitachi 298,000 people

Business Policy: Increase Corporate Value Through Reinvestment

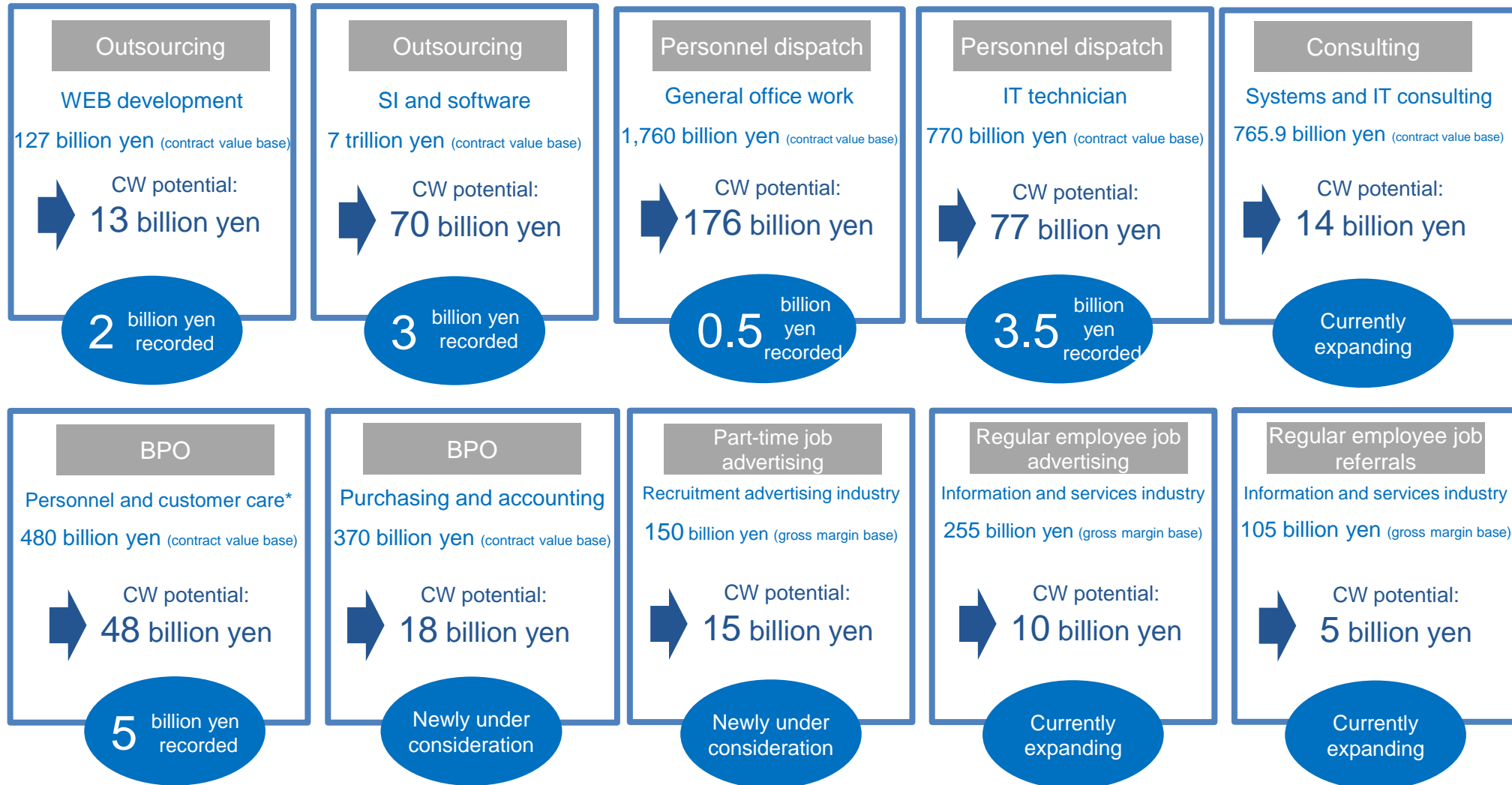
By maximizing the total contract value, the Company will steadily build up the base of long-term earnings

The Company will invest in growth resources obtained from the accumulated bases for improvement of existing services and new growth, and will aim for further improvement of corporate value



Client-Side Target Market Potential and Current Trends (FY2019 results)

Advent of new services, along with existing outsourcing/personnel dispatch markets result in targeting replacement of consulting/regular employee advertising markets




*BPO market customer care includes operations such as call centers, large-volume data processing and collection, and field work.

| Appendix

(Reference) Segments for Disclosure Content Updated

As a result of business selection, concentration, and organization updates, the disclosure segments from FY 2020 have been updated.
 Related to this, we will unify the summary of financial results, securities report, and financial results presentation material segments into a single new segment.

*This balance sheet will be disclosed under the new segment. Please see the appendix for old segment disclosure content.

Disclosure segments until Q4 FY 2019.			Disclosure segments from Q1 FY 2020.	
<ul style="list-style-type: none"> Summary of financial results Securities report 	Direct matching		Matching segment	<ul style="list-style-type: none"> Consisting mainly of system usage and matching referral contracts
	Agent matching			
	Business solution			(CrowdWorks, CrowdTech, BizAsst., graviee, etc.)
	Fintech		<ul style="list-style-type: none"> Summary of financial results Securities report Financial results presentation material 	Project Contract segment
	Investment development			<ul style="list-style-type: none"> Consisting mainly of commissioning contracts
	Other			(DENEN, I/O System Integration, Forge, etc.)
<ul style="list-style-type: none"> Financial results presentation material 	Sharing economy business			Other segment
	Fintech, peripheral business, new business			

*From FY 2020, the segments used for reporting up until now have been merged as follows. "direct matching" and "agent matching" segments are merged into one "matching" segment, the contracting-related business of the "agent matching" segment and the "business solution" segment are merged into a single "project contract" segment, and the "Fintech," "investment development," and "other" segments are merged into a "new business and other interests" segment.

FY 2020 Profit and Loss Statement: Quarterly Transition

Total Contract Value	4,187 million yen	(YoY +16.0%)
Net Sales	2,546 million yen	(YoY +15.6%)
Gros Profit	951 million yen	(YoY +21.7%)
Operating Profit	5 million yen	(YoY -17million yen)

[Units: millions of yen]

	FY2019 (Consolidated)				FY2020 (Consolidated)			
	1Q	2Q	3Q	4Q	1Q	2Q	YoY	QoQ
Total contract value	3,478	3,611	3,735	3,970	3,852	4,187	+16.0%	+8.7%
Net sales	2,027	2,203	2,282	2,236	2,342	2,546	+15.6%	+8.7%
Gross profit	764	781	792	784	850	951	+21.7%	+11.8%
SG&A expenses	750	758	767	798	871	945	+24.6%	+8.5%
Operating profit	13	23	25	-14	-21	5	-17	+26
EBITDA	46	56	52	11	7	34	-21	+27
Ordinary profit	13	34	25	-6	-4	2	-12	+6
Profit attributable to owners of parent	-2	-37	-30	-57	-13	-56	-19	-43

- In compliance with financial statement regulations, actual figures are rounded down to the nearest million yen, and year-on-year amounts and percentage changes are calculated taking into consideration the value of less than one million yen.

H1 FY 2020 Profit and Loss Statement

[Units: millions of yen]

	H1 FY2020 (Consolidated)				FY2020 Performance forecast(Consolidated)	
	Results	Year-on-year comparison	Vs. full-year forecast	H1 FY 2019 results	Full-year forecast	Year-on-Year comparison
Total contract value	8,040	+13.4%	49.8%	7,089	16,127	+9%
Net sales	4,889	+15.5%	54.4%	4,231	9,012	+3%
Gross profit	1,802	+16.6%	53.0%	1,546	3,373	+8%
SG&A expenses	1,817	+20.4%	-	1,509	From 3,900 to 4,400	From +27.6 to +44.0%
Operating profit	-15	-52	-	36	From -500 to -1,000	Advance deficit
EBITDA	42	-61	-	103	From -400 to -900	Advance deficit
Ordinary profit	12	-36	-	48	-	-
Profit attributable to owners of parent	-69	-23	-	-39	-	-

- In compliance with financial statement regulations, actual figures are rounded down to the nearest million yen, and year-on-year amounts and percentage changes are calculated taking into consideration the value of less than one million yen.

FY 2020 Balance Sheet

[Units: millions of yen]

	H1 FY 2020 end (consolidated)	FY 2019 end (consolidated)	Compared with the end of the previous fiscal year
Current assets	5,218	5,220	-2
Non-current assets	1,029	1,108	-78
Total assets	6,247	6,328	-80
Current liabilities	2,617	2,632	-14
Non-current liabilities	468	450	+18
Net assets	3,161	3,245	-84
Capital adequacy ratio	49.8%	50.4%	-0.5%

- In compliance with financial statement regulations, actual figures are rounded down to the nearest million yen, and year-on-year amounts and percentage changes are calculated taking into consideration the value of less than one million yen.

H1 FY 2020 Cash Flow Statement

[Units: millions of yen]

	H1 FY 2020 (consolidated)	H1 FY 2019 (consolidated)
Cash flows from operating activities	-42	-55
Cash flows from investing activities	33	-27
Cash flows from financing activities	-217	-189
Net increase (decrease) in cash and cash equivalents	-226	-272
Cash and cash equivalents at end of period	3,040	2,612

- In compliance with financial statement regulations, actual figures are rounded down to the nearest million yen.

Workers' Market as a High Potential of Business Opportunities

With labor categories such as potential labor, irregular employees, regular employees, and dispatch employees as our targets, we will use online conversion to develop new markets and expand the scope of our business.

Target market	Provided value	Target number of people	Assumed income	Total Addressable Market (TAM*)	Future share	Future business scale
Potential labor force	Activation (1) Stable new revenue source (2) Can work in a favorite time and place (3) Safety net	5.6 million people	\$15K (1.69 million yen)	\$85B (9.4 trillion yen)	4.5%	\$3.8B (423 billion yen)
Non-regular employee (Contract employee) (Part-time employee)	Side-jobs/dual-work (1) Provide a second income source (2) Improvement of skills and experience	19 million people	\$15K (1.69 million yen)	\$292B (32.1 trillion yen)	4.5%	\$13.1B (1.44 trillion yen)
Regular employee	Side-jobs/dual-work (1) Provide a second income source (2) Improvement of skills and experience	11 million people	\$4.5K (0.5 million yen)	\$50B (5.5 trillion yen)	4.5%	\$2.3B (247.5 billion yen)
Temporary employee	Job-mobility, work-style reform (1) A free working style possible more than temps	1.3 million people	\$24K (2.62 million yen)	\$32B (3.5 trillion yen)	4.5%*	\$1.4B (157.5 billion yen)
				Total \$460B (50.5 trillion yen)	4.5%	\$20.6B (2.27 trillion yen)

*TAM: The largest market size that can be earned by the growth of our business

The dollar notation is expressed as 1 dollar = 110 yen.

Source: Statistics Bureau of the Ministry of Internal Affairs and Communications (2018) Labor Force Survey in 2017
Source: National Tax Agency Planning Division (2018) Survey on the Actual Status of Private Salary for 2017
Source: Ministry of Health, Labour and Welfare (2018) 2017 Survey on Temporary Employees
Source: en-japan inc. (2018) Estimates from the Company based on an actual survey of "side jobs" from listening to 3,000 regular employees

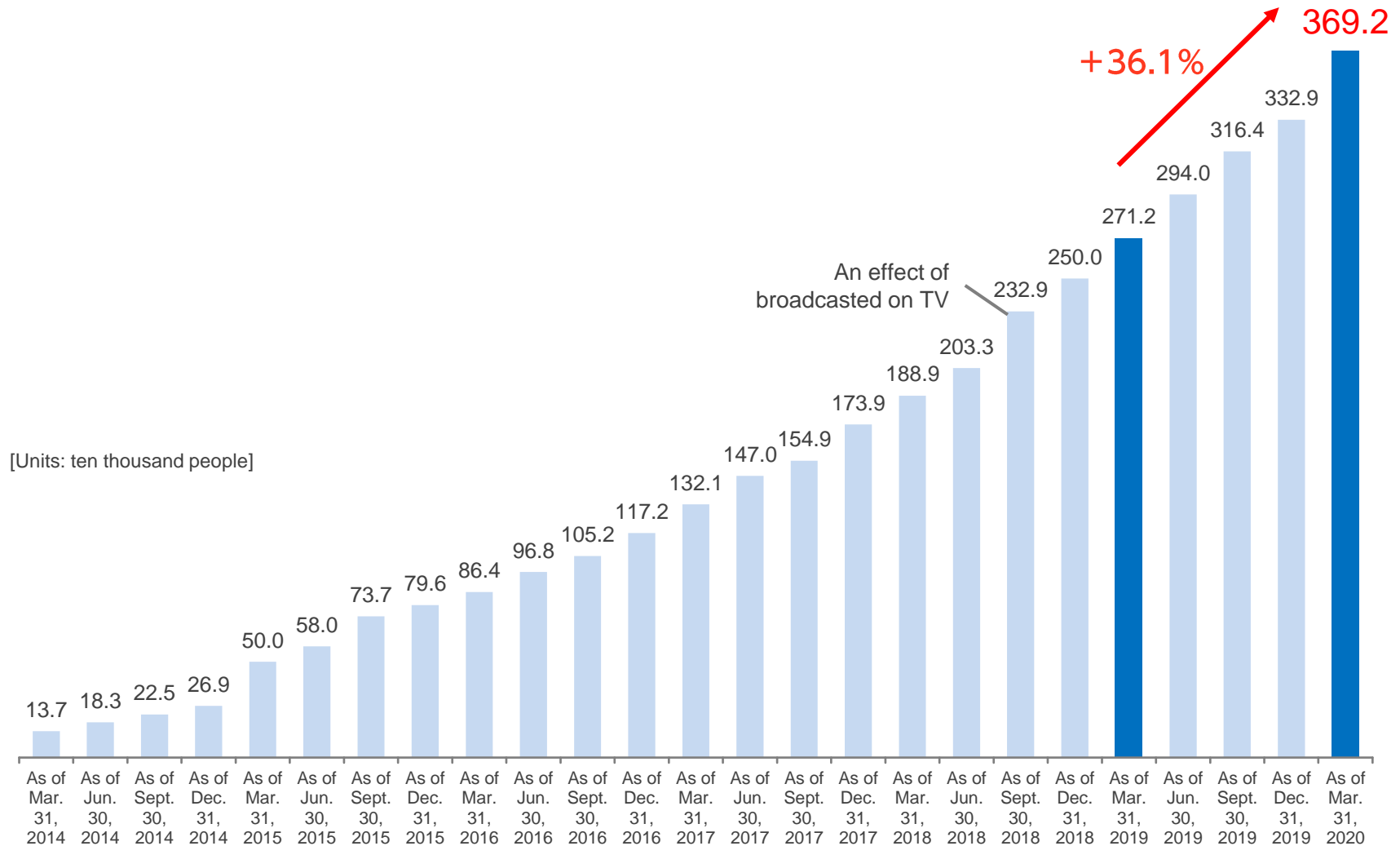
*Reference Total private salary income in Japan (Regular+non-regular+dispatch) is about \$1,936B (213 trillion yen)

*A future share of 4.5% is the market share ratio of one major company in the temporary market (sales revenue of \$1.5B:160 billion yen)

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Group Cumulative Number of Workers Increasing

The number of workers in the entire group: 3,692,000 people (as of Mar. 31, 2020)
Year-on-year increase of 980,000 people (+36.1% growth)



ユーザー登録数100万人突破&5周年記念イベント
クラウドワークス感謝祭

Bring a smile to everyone
through work

[Precautions concerning future prospects]

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

[Inquiries concerning this material]

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