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**Consolidated Financial Results**  
**for the Fiscal Year Ended March 31, 2022 (FY2021)**  
**(Under Japanese GAAP)**

May 13, 2022

Company Name: BlueMeme Inc.

Listed Exchange: Tokyo Stock Exchange Growth

Code number: 4069

URL: <https://www.bluememe.jp>

(Amounts are rounded down to the nearest million yen)

**1. Consolidated Financial Results for FY2021 (April 1, 2021 - March 31, 2022)**

(1) Consolidated operating results (Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2021	1,929	-	363	-	348	-	253	-
FY2020	2,101	16.8	175	448.8	174	465.3	130	-

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
FY2021	78.48	73.06	17.6	16.1	18.9
FY2020	62.49	-	29.5	13.1	8.3

\*Notes

- The "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, 31 March 2020) and other standards have been applied from the beginning of FY2021, and the amounts for FY2021 were calculated based on these accounting standards. As this had a significant impact on net sales and profits, year-on-year percentage changes for FY2021 are not listed.
- As the Company has been listed on the Mothers section of the Tokyo Stock Exchange since June 29, 2021, diluted earnings per share for FY2021, was calculated based on the average share price from the initial listing date to the end of FY2021.
- On 23 April 2021, the Company carried out a 2-for-1 split of its ordinary shares. Therefore, basic earnings per share and diluted earnings per share have been calculated as if the share split had taken place at the beginning of FY2020.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY2021	2,956	2,354	79.6	688.72
FY2020	1,386	523	37.8	190.38

(Reference) Equity

FY2021: ¥2,354 million

FY2020: ¥523 million

\*Notes

- The "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, 31 March 2020) and other standards have been applied from the beginning of FY2021, and the amounts for FY2021 were calculated based on these accounting standards.
- On 23 April 2021, the Company carried out a 2-for-1 split of its ordinary shares. Therefore, net assets per share has been calculated as if the share split had taken place at the beginning of FY2020.

## (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Million yen	Million yen	Million yen	Million yen
FY2021	338	(9)	1,381	2,356
FY2020	182	(21)	(100)	645

## 2. Cash Dividends

	Annual dividend					Total dividends (total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter	Second quarter	Third quarter	Fourth quarter	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY2020	-	0.00	-	0.00	0.00	-	-	-
FY2021	-	0.00	-	0.00	0.00	-	-	-
FY2022 (Forecast)	-	-	-	-	-	-	-	-

## 3. Forecast of Consolidated Financial Results for the FY2022 (April 1, 2022 - March 31, 2023)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full Year	2,317	20.1	390	7.4	387	11.3	259	2.6	74.47

For assumptions underlying the forecast for FY2022, see page 4: 1.Results of Operations (4) Forecasts

## \*Notes

- The current financial report is not subject to audit by certified public accountants or auditing firms
- Cautionary statement with respect to forward-looking statements  
Forecasts of future performance in these materials are based on assumptions judged by valid and information available to the Group's management at the time the materials were prepared but are not promises by the Group regarding future performance. Actual results may differ materially from the forecasts.

(Appendix)

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## 1. Results of Operations

### (1) Overview of Results for FY2021

During the consolidated fiscal year under review, the Japanese economy continued to face an uncertain situation due to the significant impact of COVID-19, which continues to spread worldwide and shows no signs of abating. In the information services industry to which the Group belongs, Digital Transformation (DX) is continuously being promoted as a means of future growth, with the aim of improving management efficiency and productivity in response to the declining workforce. In addition, due to the expansion of remote working resulting from the proliferation of COVID-19, demand for IT investment is expected to grow. Under these circumstances, the Group is engaged in the DX business with the mission of “contributing to the international competitiveness of Japanese companies” by increasing the development productivity of engineers with the latest low-code development tools and unique development methodologies that can be utilized in global markets.

The Group's business consists of “Professional Services”, which includes entrusted development services and training for engineers using “AGILE-DX”, the Group's unique development methodology that makes maximum use of low-code technology and agile methods, and “Software License Sales”, which includes the sale of low-code development tools and other software. In “Professional Services”, the provision of entrusted system development using the low-code development tool “OutSystems®” and consulting services expanded steadily. In “Software License Sales”, sales of products handled by the Group, particularly OutSystems®, remained strong along with the provision of “Professional Services”.

As a result of the above, net sales, operating profit and ordinary profit for FY2021 were ¥1,929,747 thousand, ¥363,925 thousand and ¥348,649 thousand respectively, and profit attributable to owners of the parent amounted to ¥253,222 thousand, including a reduction of ¥15,899 thousand in income taxes based on the “Tax Credits for Promotion of Securing Human Resources” applied by the tax reform in FY2021. The application of the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, 31 March 2020) and other standards from FY2021 has resulted in a decrease in net sales of ¥733,570 thousand compared with calculations based on the previous standard.

The application of the “Accounting Standard for Revenue Recognition” had an impact on sales of software licenses that are purchased from other companies within the “Software License Sales” of the Group's business. In these transactions, the previous method of recording sales on a gross basis was changed to a method of recording sales on a net basis, deducting license royalties as a cost of sales. The timing of recording has also changed from the previous method whereby net sales were recorded in instalments over the term of the contract to a lump sum at the start of the contract. The segment results have been excluded as the Group has a single segment of the DX business. As a result of the adoption of “Accounting Standard for Revenue Recognition”, the accounting treatment of revenue differs from that of FY2020, and therefore no changes and year-on-year comparisons (%) are given above.

### (2) Overview of Financial Position for FY2021

#### (Assets)

Current assets at the end of FY2021 amounted to ¥2,754,867 thousand, an increase of ¥1,574,947 thousand compared to the end of FY2020. This was mainly due to an increase in cash and deposits resulting from listing and the issuance of new shares, while prepaid expenses decreased due to the application of the “Accounting

Standard for Revenue Recognition”. Non-current assets amounted to ¥201,767 thousand, a decrease of ¥4,505 thousand compared to the end of FY2020. This was mainly due to depreciation. As a result, total assets amounted to ¥2,956,635 thousand, an increase of ¥1,570,441 thousand compared to FY2020.

(Liabilities)

Current liabilities at the end of FY2021 amounted to ¥564,319 thousand, a decrease of ¥168,742 thousand compared to the end of FY2020. This was mainly due to a decrease in unearned revenue caused by the application of the “Accounting Standard for Revenue Recognition”. Non-current liabilities amounted to ¥37,493 thousand, a decrease of ¥91,844 thousand compared to the end of FY2020. This decrease was mainly due to the repayment of long-term borrowings. As a result, total liabilities amounted to ¥601,812 thousand, a decrease of ¥260,586 thousand compared to the end of FY2020.

(Net assets)

Net assets at the end of FY2021 amounted to ¥2,354,823 thousand, an increase of ¥1,831,028 thousand compared to the end of FY2020. This was mainly due to the issue of new shares in connection with the listing of the shares. As a result, the equity-to-asset ratio stood at 79.6% (37.8% at the end of FY2020).

(3) Overview of Cash Flows for FY2021

Cash and cash equivalents at the end of FY2021 amounted to ¥2,356,210 thousand, an increase of ¥1,710,720 thousand compared to the end of FY2020. The status of each cash flow in FY2021 is as follows.

(Cash flows from operating activities)

Cash and cash equivalents obtained from operating activities amounted to ¥338,364 thousand. This was mainly due to profit before income taxes of ¥348,649 thousand.

(Cash flows from investing activities)

Cash and cash equivalents used in investing activities amounted to ¥9,579 thousand. This was mainly due to the expenditure of ¥8,124 thousand on the acquisition of non-current assets.

(Cash flow from financing activities)

Cash and cash equivalents obtained from financing activities amounted to ¥1,381,935 thousand. This was mainly due to the proceeds of ¥1,491,882 thousand from the issuance of shares.

#### (4) Forecasts

As it is still difficult to foresee the ending of COVID-19 in the Japanese economy, the Group expects significant impact on the performance of domestic and foreign companies and the outlook remains uncertain. In the information services industry, to which the Group belongs, the trend towards digital transformation (DX) is expected to continue and investment demand in related IT fields to remain strong. Therefore, despite the expansion of COVID-19, the Group's existing or potential customers are expected to continue to invest in various types of informatization and systemization and, in particular, to accelerate the adoption of low-code and agile methods aimed at quick response to diversifying customer needs. Consequently, the impact of COVID-19 on the Group's relevant market environment is expected to be negligible. On the basis of the above, the forecasts for FY2022 are net sales of ¥2,317,799 thousand (up 20.1% year-on-year), operating profit of ¥390,900 thousand (up 7.4% year-on-year) and ordinary profit of ¥387,900 thousand (up 11.3% year-on-year). Profit attributable to owners of parent is expected to increase to ¥259,893 thousand (up 2.6% year-on-year), without taking into account the uncertain impact of the "Tax Credits for Acceleration of Wage Increases and Capital Investment", which is scheduled to come into force in place of the "Tax Credits for Promotion of Securing Human Resources". The Group's announcement of 8 April 2022, "Announcement of Capital and Business Alliance Agreement with MKI", stated that the forecasts would include the impact of the Capital and Business Alliance. Although studies are underway for the early realization of synergies from the alliance, it is still difficult to clearly calculate the impact on the Group's performance in FY2022 at present and will be announced as soon as disclosure becomes possible.

## 2. Basic Approach to the Selection of Accounting Standards

As the Group's operations are currently limited to Japan and it has no overseas activities and based on trends in the adoption of IFRS (International Financial Reporting Standards) by other companies in the industry, the Group has decided to adopt Japanese GAAP for the time being. In the future, the Group intends to consider the application of IFRS, taking into account various domestic and international conditions.

## 3. Consolidated Financial Statement and Primary Notes

## (1) Consolidated Balance Sheets

	(Thousands of Yen)	
	FY2020	FY2021
<b>Assets</b>		
Current assets		
Cash and deposits	645,489	2,356,210
Accounts receivable – trade	227,614	366,106
Work in process	144	162
Prepaid expenses	307,111	33,508
Other	196	—
Allowance for doubtful accounts	(637)	(1,120)
Total current assets	1,179,920	2,754,867
Non-current assets		
Property, plant and equipment		
Buildings	93,782	90,986
Accumulated depreciation	(16,095)	(19,159)
Buildings, net	77,686	71,827
Leased assets	9,003	7,381
Accumulated depreciation	(5,606)	(1,983)
Leased assets, net	3,397	5,398
Other	23,259	32,897
Accumulated depreciation	(11,681)	(18,596)
Other, net	11,577	14,300
Total property, plant and equipment	92,661	91,525
Intangible assets		
Software	24,125	18,269
Investments and other assets		
Deferred tax assets	3,187	8,722
Other	86,299	83,249
Distressed receivables	2,432	—
Allowance for doubtful accounts	(2,432)	—
Total investments and other assets	89,486	91,972
Total non-current assets	206,273	201,767
Total assets	1,386,193	2,956,635

(Thousands of Yen)

	FY2020	FY2021
Liabilities		
Current liabilities		
Accounts payable - trade	62,823	165,147
Current portion of long-term borrowings	113,878	94,453
Lease liabilities	1,703	1,314
Income taxes payable	46,592	121,366
Contract liabilities	—	57,877
Unearned revenue	419,008	—
Asset retirement obligations	3,800	—
Other	85,255	124,160
Total current liabilities	733,061	564,319
Non-current liabilities		
Long-term borrowings	94,453	—
Lease liabilities	2,209	4,742
Asset retirement obligations	32,675	32,750
Total non-current liabilities	129,337	37,493
Total liabilities	862,398	601,812
Net assets		
Shareholders' equity		
Share capital	206,187	962,195
Capital surplus	197,187	953,195
Retained earnings	120,166	439,345
Treasury shares	—	(75)
Total shareholders' equity	523,541	2,354,659
Share acquisition rights	253	163
Total net assets	523,794	2,354,823
Total liabilities and net assets	1,386,193	2,956,635



(2) Consolidated Statements of Income and Comprehensive Income  
Consolidated Statements of Income

(Thousands of Yen)

	FY2020	FY2021
Net sales	2,101,710	1,929,747
Cost of sales	1,410,688	885,476
Gross profit	691,022	1,044,270
Selling, general and administrative expenses	515,793	680,345
Operating profit	175,229	363,925
Non-operating income		
Interest income	5	16
Subsidy income	2,211	—
Other	13	338
Total non-operating income	2,229	355
Non-operating expenses		
Interest expenses	2,082	1,090
Foreign exchange losses	982	215
Share issuance costs	—	8,718
Listing expenses	—	5,607
Total non-operating expenses	3,065	15,631
Ordinary profit	174,393	348,649
Extraordinary income		
Gain on reversal of share acquisition rights	50	—
Total extraordinary income	50	—
Profit before income taxes	174,444	348,649
Income taxes-current	49,219	130,071
Income taxes-deferred	(5,011)	(34,644)
Total income taxes	44,207	95,427
Profit	130,236	253,222
Profit attributable to owners of parent	130,236	253,222

Consolidated Statements of Comprehensive Income

(Thousands of Yen)

	FY2020	FY2021
Profit	130,236	253,222
Comprehensive income	130,236	253,222
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	130,236	253,222

## (3) Consolidated Statement of Changes in Equity

FY2020

(Thousands of Yen)

	Shareholders' equity					Share acquisition rights	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity		
Balance at beginning of period	188,750	179,750	(10,069)	—	358,430	303	358,733
Cumulative effects of changes in accounting policies							-
Restated balance	188,750	179,750	(10,069)	—	358,430	303	358,733
Changes during period							
Issuance of new shares					—		—
Issuance of new shares-exercise of share acquisition rights	17,437	17,437			34,875		34,875
Profit attributable to owners of parent			130,236		130,236		130,236
Purchase of treasury shares					—		—
Net changes in items other than shareholders' equity						(50)	(50)
Total changes during period	17,437	17,437	130,236	—	165,111	(50)	165,060
Balance at end of period	206,187	197,187	120,166	—	523,541	253	523,794

FY2021

(Thousands of Yen)

	Shareholders' equity					Share acquisition rights	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity		
Balance at beginning of period	206,187	197,187	120,166	—	523,541	253	523,794
Cumulative effects of changes in accounting policies			65,956		65,956		65,956
Restated balance	206,187	197,187	186,122	—	589,497	253	589,751
Changes during period							
Issuance of new shares	750,300	750,300			1,500,600		1,500,600
Issuance of new shares-exercise of share acquisition rights	5,707	5,707			11,414		11,414
Profit attributable to owners of parent			253,222		253,222		253,222
Purchase of treasury shares				(75)	(75)		(75)
Net changes in items other than shareholders' equity						(89)	(89)
Total changes during period	756,007	756,007	253,222	(75)	1,765,161	(89)	1,765,072
Balance at end of period	962,195	953,195	439,345	(75)	2,354,659	163	2,354,823

## (4) Consolidated Statements of Cash Flows

(Thousands of Yen)

	FY2020	FY2021
Cash flows from operating activities		
Profit before income taxes	174,444	348,649
Depreciation and amortization	17,872	20,190
Increase (decrease) in allowance for doubtful accounts	1,031	(1,949)
Increase (decrease) in provision for loss on orders received	(5,275)	—
Interest income	(5)	(16)
Interest expense	2,082	1,090
Share issuance costs	—	8,718
Listing expenses	—	5,607
Gain on reversal of share acquisition rights	(50)	—
Decrease (increase) in trade receivables	67,363	(67,896)
Decrease (increase) in inventories	8,743	(18)
Decrease (increase) in prepaid expenses	(121,664)	(12,457)
Increase (decrease) in trade payables	(40,242)	46,896
Increase (decrease) in contract liabilities	—	10,297
Increase (decrease) in unearned revenue	76,917	—
Decrease (increase) in distressed receivables	(394)	2,432
Other, net	22,159	44,007
Subtotal	202,982	405,551
Interest received	5	16
Interest paid	(2,082)	(1,090)
Income taxes paid	(18,724)	(66,113)
Income taxes refund	404	0
Net cash provided by (used in) operating activities	182,585	338,364
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,747)	(8,124)
Payments for asset retirement obligations	—	(3,800)
Purchase of intangible assets	(18,058)	(704)
Payment of leasehold and guarantee deposits	(310)	(809)
Proceeds from refund of leasehold and guarantee deposits	—	3,858
Net cash provided by (used in) investing activities	(21,115)	(9,579)
Cash flows from financing activities		
Repayments of long-term borrowings	(133,332)	(113,878)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	34,875	11,170
Proceeds from issuance of shares	—	1,492,037
Purchase of treasury shares	—	(75)
Payments of listing expenses	—	(5,607)
Repayments of lease liabilities	(1,644)	(1,710)
Net cash provided by (used in) financing activities	(100,101)	1,381,935
Net increase (decrease) in cash and cash equivalents	61,367	1,710,720
Cash and cash equivalents at beginning of period	584,121	645,489
Cash and cash equivalents at end of period	645,489	2,356,210

## (5) Notes to Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Change in Accounting Policy)

(Application of the “Accounting Standard for Revenue Recognition”)

The “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, 31 March 2020) and other standards have been applied from the beginning of FY2021. Accordingly, revenue is recognized at the point when control of the promised goods or services is transferred to the customer, in the amount expected to be received in exchange for those goods or services. This had an impact on sales of software licenses that are purchased from other companies within the “Software License Sales” of the Group's business. In these transactions, the previous method of recording sales on a gross basis was changed to a method of recording sales on a net basis, deducting license royalties as a cost of sales. The timing of recognition has also changed from the previous method, whereby sales were recorded in instalments over the term of the contract, to the method whereby sales are recorded in a lump sum at the start of the contract.

In accordance with the transitional measures provided in the proviso to paragraph 84 of the “Accounting Standard for Revenue Recognition”, the cumulative effect of the retrospective application prior to the beginning of FY2021 was added to or deducted from retained earnings at the beginning of FY2021. The new accounting policy was applied from the beginning of FY2021. As a result, in FY2021, net sales decreased by ¥733,570 thousand, cost of sales decreased by ¥749,334 thousand and operating profit, ordinary profit and profit before income taxes increased by ¥15,763 thousand respectively. In the consolidated statement of cash flows for FY2020, profit before income taxes increased by ¥15,763 thousand. As a result of the cumulative effect reflected in net assets at the beginning of the FY2020, the opening balance of retained earnings in the consolidated statement of changes in equity increased by ¥65,956 thousand. The impact on per share data is stated in the corresponding section.

(Change in Presentation Methods)

(Application of “Accounting Standard for Fair Value Measurement” etc.)

The “Accounting Standard for Fair Value Calculation” (ASBJ Statement No. 30, 4 July 2019) and others have been applied from the beginning of FY2021, and based on the transitional measures stipulated in paragraph 19 of the “Accounting Standard for Fair Value Calculation” and in paragraph 44-2 of the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, 4 July 2019), the new accounting policy specified in the “Accounting Standard for Fair Value Calculation” will be applied prospectively. The Group does not hold any financial instruments that are measured at fair value and recorded on the balance sheet, which has no impact on the consolidated financial statements.

(Segment Information)

Segment information has been omitted as the Group's business segment is a single segment of the DX business.

(Per Share Data)

	FY2020	FY2021
Net assets per share	190.38 yen	688.72 yen
Basic earnings per share	62.49 yen	78.48 yen
Diluted earnings per share	-	73.06 yen

\*Notes

1. The Group carried out a 2-for-1 share split of its ordinary shares on 23 April 2021. As a result, basic earnings per share and diluted earnings per share have been calculated on the assumption that the stock split was carried out at the beginning of FY2020.
2. As stated in "Change in Accounting Policy", the "Accounting Standard for Revenue Recognition" and other standards have been applied. As a result, basic earnings per share and diluted net earnings per share increased by ¥4.89 and ¥4.55 respectively.
3. The basis for calculating basic earnings per share and diluted earnings per share is as follows.

	FY2020	FY2021
(1) Basic earnings per share		
Profit attributable to owners of parent (thousands of yen)	130,236	253,222
Amounts not attributable to ordinary shareholders (thousands of yen)	-	-
Net profit attributable to ordinary shareholders of parent company	130,236	253,222
Average number of ordinary shares during the year (shares)	2,084,001	3,226,463
(2) Diluted earnings per share		
Diluted earnings per share attributable to owners of parent in FY2021	-	-
Number of ordinary shares increased (shares)	-	239,630
(Increase due to exercise of stock acquisition rights (shares))	(-)	239,630
Dilutive shares excluded from the calculation of diluted earnings per share as there was no dilutive effect	-	-

\*Notes

1. As the Company has been listed on the Mothers section of the Tokyo Stock Exchange since June 29, 2021, diluted earnings per share for FY2021, was calculated based on the average share price from the initial listing date to the end of FY2021.
2. Although there were dilutive shares, diluted earnings per share for FY2020 are not stated as the Company's shares were not listed. Hence, the average share price cannot be determined.

## (Significant Subsequent Events)

## 1. Establishment of important subsidiary

The Company established the following subsidiary on 1 April 2022, which the Board of Directors resolved to establish on 21 December 2021.

(1)	Name	BlueMeme Partners Inc.
(2)	Location	3-20 Kanda Nishiki-cho, Chiyoda-ku, Tokyo
(3)	Name of representative	Hiroki Horii
(4)	Business description	Investment in and support for companies and investment in funds, etc.
(5)	Capital	¥75,000 thousand
(6)	Date of establishment	1 April 2022
(7)	Shareholding ratio	100% of the Company
(8)	Closing Date	End of March
(9)	Purpose of establishment	To develop digital businesses through activities related to fund formation and support to improve the corporate value of start-ups through investment from the formed funds.

## 2. Conclusion of a capital and business alliance agreement and the resulting share offerings, changes in major shareholders, largest shareholder and related companies

The Board of Directors of the Company resolved at its meeting held on 8 April 2022 to enter into a capital and business alliance agreement with Mitsui Knowledge Industry Co Ltd ("MKI"), as described below. In connection with the conclusion of the agreement, there have also been changes in the company's major shareholders, largest shareholder and related companies.

## I. Capital and business alliance agreement

## ① Purpose of the Capital and Business Alliance

In recent years, many Japanese companies have been actively promoting digital transformation (DX) to improve management efficiency and productivity in the face of a shrinking workforce and for future growth. This, combined with moves to promote remote working as a Covid-19 measure, has increased demand for IT investment.

On the other hand, the information services industry, to which both companies belong, continues to face a shortage of technical personnel, and the adoption of low-code technology and agile methods is rapidly increasing as a means of meeting the growing demand. In these circumstances, BlueMeme Group has been providing DX support services using its own development methodology, 'AGILE-DX', which enables customers to improve their business agility through in-house IT system development, under the mission of "realize the development of next-generation information systems using the latest technologies and to

improve the international competitiveness of Japanese companies”. However, in view of the rapidly growing demand, it was deemed essential to formulate a collaboration strategy, and the capital and business alliance agreement was concluded with MKI, which has been cooperating with BlueMeme in low-code development and low-code engineer training since 2018.

② Details of the business alliance

Through this alliance, the two companies will work on the following.

- MKI will utilize BlueMeme’s ‘AGILE-DX’, an agile development method for low-code, to expand the provision of modernization business to the Mitsui & Co. group and other companies in Japan.
- In DX across the Mitsui & Co. group, for which MKI will provide support, BlueMeme’s expertise in low-code development will be utilized to achieve system development in a short period of time and with a small number with a small team.
- BlueMeme will train and provide business architects who integrate business and IT as DX business personnel to realize business transformation through DX.
- BlueMeme will train and provide low-code engineers who can develop systems in a short period of time and with a small team.

MKI is a core company supporting the DX of the Mitsui & Co. group, known as one of leading corporate groups in Japan, and provides consulting services that support DX by utilizing its technological and organizational capabilities, and core application development and migration services using SaaS. By combining MKI’s business structure with BlueMeme Group’s next-generation system development methods, we believe we can accelerate the growth of BlueMeme Group. Through this alliance, MKI’s DX human resources will be integrated into the BlueMeme Group’s initiatives, increasing the speed of expansion of business architects and engineering resources to meet the expected expansion of customer needs. In addition, we aim to become a leading company in the low-code development business sector by expanding our business performance at the same or faster growth speed than before.

③ Details of the capital alliance

MKI acquired 733,000 shares (7,330 voting rights, 21.72% of the total voting rights) from the existing shareholders of the Company, making it the largest shareholder of the Company.



## ④ Outline of capital and business alliance partner (as at 31 March 2021)

(1)	Name	MITSUI KNOWLEDGE INDUSTRY CO., LTD.		
(2)	Location	Atago Green Hills MORI Tower, 2-5-1 Atago, Minato-ku, Tokyo 105-6215 Japan		
(3)	Name and title of representative	Kengo Asano, President		
(4)	Description of business	<ul style="list-style-type: none"> <li>• IT Management Service and Consulting</li> <li>• System Integration</li> <li>• IT Infrastructure Implementation and Services</li> <li>• Cloud Service solutions</li> <li>• Information communication equipment, Electronic products and industrial equipment</li> </ul>		
(5)	Capital	4.11 billion yen		
(6)	Date of establishment	June 20, 1991		
(7)	Major shareholders and shareholding ratios	MITSUI & CO., LTD.(100%)		
(8)	Relationship between the Company and MKI	Capital	Not applicable	
		Human Resources	Not applicable	
		Commercial	Not applicable	
		Related Party	Not applicable	
(9)	Consolidated operating results and consolidate financial position in the most recent three-year period			
	Fiscal year	FY2018	FY2019	FY2020
	Consolidated net assets	¥23,306 million	¥24,075 million	¥24,569 million
	Consolidated total assets	¥41,640 million	¥47,785 million	¥47,312 million
	Consolidated net assets per share	¥1,370,972,702.00	¥1,416,229,530.41	¥1,445,242,127.65
	Consolidated net sales	¥62,680 million	¥75,081 million	¥79,883 million
	Consolidated operating profit	¥4,932 million	¥5,967 million	¥7,229 million
	Consolidated ordinary profit	¥5,020 million	¥6,026 million	¥7,403 million
	Profit attributable to owners of parent	¥3,431 million	¥4,647 million	¥5,113 million
	Basic earnings per share	¥201,839,260.47	¥273,399,683.29	¥300,770,110.88
	Dividends per share	¥121,039,293	¥201,839,260	¥273,399,683

## II. Changes in major shareholders, largest shareholder and other related companies as a result of the above

## ① Reasons for the change

As stated in the agreement, there is a change in the largest shareholder as a result of MKI acquiring 733,000 shares from existing shareholders of the Company.

## ② Outline of shareholders who are no longer major or largest shareholders.

(1)	Company name	INTEC IT No.2 Investment Enterprise Limited Partnership
(2)	Address	Toranomon towers office, floor 9, 4-1-28, Toranomon , Minato-ku, Tokyo
(3)	Title and name of representative	SX Capital, Inc. Hideki Kondo
(4)	Business description	Investment partnerships

## ③ Overview of shareholder who will become the new major shareholders, largest shareholders and related company.

(1)	Company name	MITSUI KNOWLEDGE INDUSTRY CO., LTD.	
(2)	Head office address	Atago Green Hills MORI Tower, 2-5-1 Atago, Minato-ku, Tokyo 105-6215	
(3)	Title and name of representative	President Kengo Asano	
(4)	Description of business	<ul style="list-style-type: none"> <li>• IT Management Service and Consulting</li> <li>• System Integration</li> <li>• IT Infrastructure Implementation and Services</li> <li>• Cloud Service solutions</li> <li>• Information communication equipment, Electronic products and industrial equipment</li> </ul>	
(5)	Capital	¥ 4,113 million (as of 31 March 2021)	
(6)	Date of establishment	June 20, 1991	
(7)	Total consolidated equity	¥ 24,569 million (as of 31 March 2021)	
(8)	Total consolidated assets	¥ 47,312 million (as of 31 March 2021)	
(9)	Major shareholders and shareholding ratios	MITSUI & CO., LTD.(100%)	
(10)	Relationship between the Company and MKI	Capital	Not applicable
		Personal	Not applicable
		Business	Not applicable
		Related Party	Not applicable

④ Number of voting rights (number of shares held) and percentage of voting rights held by the shareholder before and after the change

(1) INTEC IT No.2 Investment Enterprise Limited Partnership

	Attribute	Number of voting rights (Percentage of voting right held, number of shares held)			Ranking of major Shareholders
		Direct ownership	Shares subject to aggregation	Total	
Before change (As of 8 April 2022)	Major and largest shareholder	6,300 (18.67%, 630,000 shares)	-	6,300 (18.67%, 630,000 shares)	1st
After change (As of 14 April 2022)	-	1,260 (3.73%, 126,000 shares)	-	1,260 (3.73%, 126,000 shares)	7th

(2) MKI

	Attribute	Number of voting rights (Percentage of voting right held, number of shares held)			Ranking of major Shareholders
		Direct ownership	Shares subject to aggregation	Total	
Before change (As of 8 April 2022)	-	-	-	-	-
After change (As of 14 April 2022)	Major and largest shareholder	7,330 (21.72%, 733,000 shares)	-	7,330 (21.72%, 733,000 shares)	1st

\*Notes

1. In calculating the 'percentage of voting rights held', the number of voting rights of all shareholders as of 30 September 2021 (33,747) is used as the denominator.

Total number of shares issued as of 30 September 2021: 3,375,946 shares

Number of shares deducted from the total number of shares issued as shares without voting rights:

1,246 shares

2. The 'Percentage of voting rights held' is rounded off to two decimal places.

3. The ranking of major shareholders after the transfer is based on the shareholder register as of 30 September 2021 and estimated by the Group, taking into account the changes and the transfer.

⑤ Changes in unlisted parent companies and other entities subject to disclosure

Following this change, MKI became a related company of the Group, but as MKI is a wholly-owned subsidiary of the listed company MITSUI & CO., LTD, disclosures relating to MKI are omitted.

⑥ Date of change.

14 April 2022

3. Exercise of stock options

Capital increase through the 2nd exercise of share acquisition rights

The following is a summary of shares issued following the partial exercise of 2nd share acquisition rights on 25 April 2022.

- ① Number of new share acquisition rights to be exercised: 380
- ② Increase in share capital: ¥4,750 thousand
- ③ Increase in legal capital surplus: ¥4,750 thousand
- ④ Type and number of shares increased: 76,000 ordinary shares