

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

**Consolidated Financial Results**  
**for the Third Quarter of the Fiscal Year Ending March 31, 2023 (FY2022)**  
**(Under Japanese GAAP)**

February 14, 2023

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 the Third Quarter of FY2022 (April 1, 2022 - December 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	%
Q3 FY2022	1,638	16.3	207	(27.6)	208	(23.4)	138	(25.6)
Q3 FY2021	1,408	-	286	-	271	-	185	-

	Earnings per share	Diluted earnings per share
	Yen	Yen
Q3 FY2022	39.53	37.83
Q3 FY2021	58.73	54.36

\*Notes

- The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, 31 March 2020) and other standards have been applied from the beginning of the Q1 of FY2021, which has a significant impact on sales and profit, hence year-on-year percentage changes for the Q3 of FY2021 are not given.
- As the Company has been listed on the Mothers section of the Tokyo Stock Exchange since June 29, 2021, diluted earnings per share for the third quarter of FY2021, was calculated based on the average share price from the initial listing date to the end of the third quarter of FY2021.
- On 23 April 2021, the Company carried out a 2-for-1 split of its ordinary shares. Therefore, earnings per share and diluted earnings per share have been calculated as if the share split had taken place at the beginning of the previous consolidated fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Million yen	Million yen	%
Q3 FY2022	2,868	2,506	87.4
FY2021	2,956	2,354	79.6

(Reference) Equity Q3 FY2022: 2,506 million yen FY2021: 2,354 million yen

## 2. Cash Dividends

	Annual dividend				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2021	-	0.00	-	0.00	0.00
FY2022	-	0.00	-	-	-
FY2022 (Forecast)	-	-	-	0.00	0.00

\*Note

Revision from the most recently published dividend forecast: not applicable

## 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		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full Year	2,317	20.1	255	(29.9)	254	(26.9)	169	(33.0)	48.43

\*Note

Revision from the most recently published dividend forecast: applicable.

\*Notes

- Changes in significant subsidiaries during the period under review  
Establishment of a new company: BlueMeme Partners Inc.
- 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)

Contents

1. Qualitative Information on the Results of the Third Quarter of FY2022 .....	2
(1) Description of Operating Results .....	2
(2) Overview of Financial Position for FY2022 .....	2
(3) Explanation of Consolidated Forecasts and Other Forward-looking Statements .....	3
2. Quarterly Consolidated Financial Statement and Primary Notes .....	4
(1) Consolidated Balance Sheets .....	4
(2) Consolidated Statement of Income and Comprehensive Income .....	5
(3) Notes to Consolidated Financial Statements .....	7
(Notes on Going Concern Assumption) .....	7
(Notes on significant changes in the amount of shareholders' equity) .....	7

## 1. Qualitative Information on the Results of the Third Quarter of FY2022

### (1) Description of Operating Results

During the third quarter of the year (1 April - 31 December 2022), the Japanese economy remained uncertain due to signs of domestic re-expansion of COVID-19, tensions in Ukraine and the sharp depreciation of the yen, which led to a sharp rise in prices of resources and other goods. Despite these circumstances, the information services industry, to which the Group belongs, continues to see demand for DX (digital transformation) to increase management efficiency and productivity in response to the decline in the workforce, as well as to realize digital businesses that generate new value and revenues. Demand for IT investment is expected to remain strong, particularly due to the predicted future shortage of engineers and active effort to modernize information systems in response to technological innovations. On the other hand, there are concerns that there may be a growing tendency to postpone investment decisions due to changes in the global situation and the tightening of monetary policy. Under these conditions, the Group provides services assisting Japanese companies with the in-house system development utilizing low-code technology and its unique development methodology. Based on its corporate philosophy of “Create new values, change the norm, evolve the culture”, the Group operates a DX business with the mission of improving the international competitiveness of Japanese companies.

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 the “Professional Services”, the provision of consulting and entrusted development utilizing OutSystems® and other low-code development tools expanded. The Group actively recruited and trained Group employee engineers and secured service partners to meet future growth in demand for its services. In “Software License Sales”, the Group spread the use of OutSystems® and other products among existing customers and expanded sales to new customers in line with the provision of “Professional Services”.

In addition, taking the opportunity of the Capital and Business Alliance Agreement with Mitsui Knowledge Industry Co., Ltd. announced on April 8, 2022, the Company has been accelerating research and development, training, and acquisition of human resources ahead of schedule in order to further increase future growth.

As a result of the above, net sales amounted to 1,638,260 thousand yen (increase of 16.3% y-o-y), operating profit 207,448 thousand yen (decrease of 27.6% y-o-y), ordinary profit 208,003 thousand yen (decrease of 23.4% y-o-y) and net profit attributable to owners of the parent 138,285 thousand yen (decrease of 25.6% y-o-y). The segment results have been omitted as the Group operates in a single segment of the DX business.

### (2) Overview of Financial Position for FY2022

#### (Assets)

Current assets amounted to 2,687,898 thousand yen, a decrease of 66,968 thousand yen compared to the end of the previous financial year. This was mainly due to a decrease in accounts receivable. Non-current assets amounted to 180,620 thousand yen, a decrease of 21,147 thousand yen compared to the end of the previous financial year. This was mainly due to a decrease in investments and other assets (deferred tax assets). As a result, total assets amounted to 2,868,519 thousand yen, a decrease of 88,116 thousand yen compared to the end of the previous financial year.

#### (Liabilities)

Current liabilities amounted to 325,317 thousand yen, a decrease of 239,001 thousand yen compared to the end

of the previous financial year. This was mainly due to a decrease in income taxes payable. Non-current liabilities amounted to 36,896 thousand yen, a decrease of 596 thousand yen compared to the end of the previous financial year. This was mainly due to a decrease in other (long-term lease liabilities). As a result, total liabilities amounted to 362,214 thousand yen, a decrease of 239,597 thousand yen compared to the end of the previous financial year.

(Net assets)

Net assets amounted to 2,506,304 thousand yen, an increase of 151,481 thousand yen compared to the end of the previous financial year. This was mainly due to the recording of net profit for the quarter attributable to owners of the parent. As a result, the equity-to-asset ratio was 87.4% (79.6% at the end of the previous financial year).

### (3) Explanation of Consolidated Forecasts and Other Forward-looking Statements

The forecast for FY2022 has been revised from the full-year forecast announced on 13 May 2022. For further details, please refer to the 'Notice on the revision of the full-year forecasts' published on 14 February 2023.

The Group will continue to create added value in new growth business areas, such as the field of business architecture and digital labor services. Through these measures, the Group aims to realize a new growth phase and achieve consolidated sales of around JPY 10 billion by FY2027. In preparation for the expansion of business scale associated with the expected growth, the company will strengthen its organizational capabilities by expanding its human resources, promoting further research and development, etc. If necessary, the company will respond flexibly to the acquisition of external assets.

## 2. Quarterly Consolidated Financial Statement and Primary Notes

## (1) Consolidated Balance Sheets

	(Thousands of Yen)	
	As of end of previous fiscal year (March 31, 2022)	As of end of Q3 (December 31, 2022)
Assets		
Current assets		
Cash and deposits	2,356,210	2,377,367
Accounts receivable - trade, and contract assets	366,106	252,165
Work in process	162	4,978
Prepaid expenses	33,508	52,267
Other	-	1,761
Allowance for doubtful accounts	(1,120)	(641)
Total current asset	2,754,867	2,687,898
Non-current assets		
Property, plant and equipment	91,525	83,139
Intangible assets, net	18,269	13,926
Investments and other assets	91,972	83,553
Total non-current assets	201,767	180,620
Total assets	2,956,635	2,868,519
Liabilities		
Current liabilities		
Accounts payable - trade	165,147	195,857
Current portion of long-term borrowings	94,453	19,456
Income taxes payable	121,366	960
Contract liabilities	57,877	46,596
Other	125,475	62,447
Total Current liabilities	564,319	325,317
Non-current liabilities		
Asset retirement obligations	32,750	32,807
Other	4,742	4,089
Total non-current liabilities	37,493	36,896
Total liabilities	601,812	362,214
Net assets		
Shareholders' equity		
Share capital	962,195	968,818
Capital surplus	953,195	959,818
Retained earnings	439,345	577,630
Treasury shares	(75)	(75)
Total shareholders' equity	2,354,659	2,506,192
Share acquisition rights	163	112
Total net assets	2,354,823	2,506,304
Total liabilities and net assets	2,956,635	2,868,519

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

## Consolidated Statements of Income

(Thousands of Yen)

	Q3 Nine months ended (December 31, 2021)	Q3 Nine months ended (December 31, 2022)
Net sales	1,408,687	1,638,260
Cost of sales	636,112	826,909
Gross profit	772,574	811,350
Selling, general and administrative expenses	486,235	603,902
Operating profit	286,339	207,448
Non-operating income		
Interest income	5	11
Foreign exchange gains	23	504
Reversal of allowance for doubtful accounts	348	478
Other	51	223
Total non-operating income	429	1,218
Non-operating expenses		
Interest expenses	888	417
Listing expenses	5,607	-
Other	8,563	245
Total non-operating expenses	15,122	662
Ordinary profit	271,647	208,003
Profit before income taxes	271,647	208,003
Income taxes-current	117,960	60,634
Income taxes-deferred	(32,140)	9,084
Total income taxes	85,819	69,718
Profit	185,827	138,285
Profit attributable to owners of parent	185,827	138,285

Consolidated Statements of Comprehensive Income

	(Thousands of Yen)	
	Q3 Nine months ended (December 31, 2021)	Q3 Nine months ended (December 31, 2022)
Profit	185,827	138,285
Comprehensive income	185,827	138,285
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	185,827	138,285



(3) Notes to Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Notes on significant changes in the amount of shareholders' equity)

Not applicable.