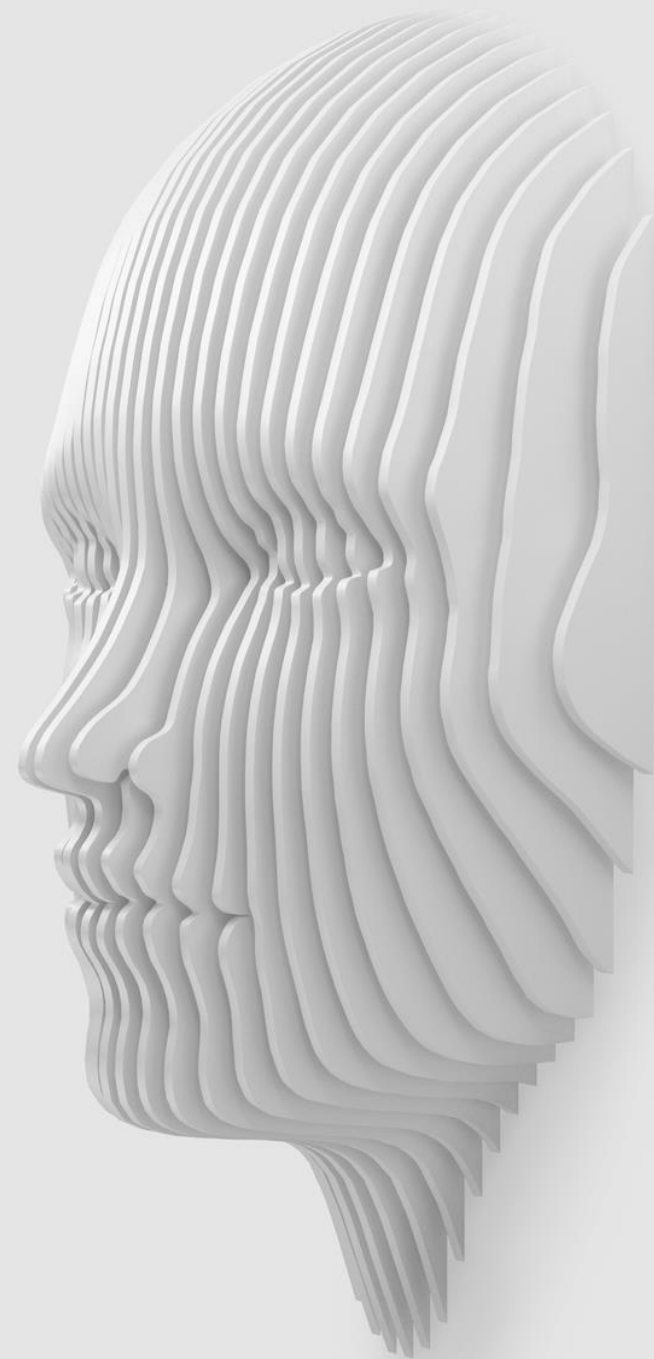


Third quarter of the fiscal year ending  
March 2023 (FY2022)

# Supplementary Materials for Financial Results

BlueMeme, Inc.  
14 February 2023

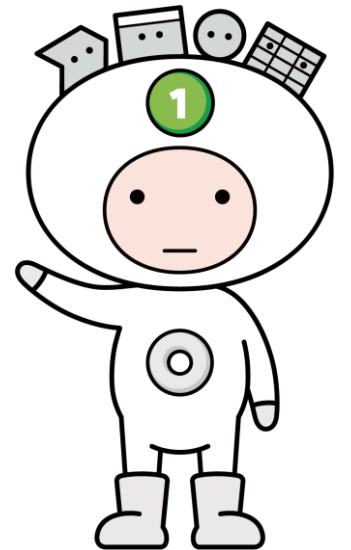


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\*Monetary amounts in this document are rounded down to the nearest whole number, while percentages in principle are rounded off to two decimal places.



## Third Quarter Results for the Fiscal Year Ending March 31, 2023

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## FY2022 Q3 Results Summary



Net Sales

3Q Cumulative

**1,638.26** million yen

YoY comparison

**116.3%**

Progress  
(previous forecast)

**70.7%**



Operating Profit

3Q Cumulative

**207.44** million yen

YoY comparison

**72.4%**

Progress  
(previous forecast)

**53.1%**

- Net Sales increased by 16.3% year-on-year, mainly due to the expansion of ongoing projects and new projects for existing customers.
- Operating profit declined year-on-year as a result of continued recruitment and training of engineers, which are expected to be in short supply due to the expansion of sales activities and accelerated investment in joint research on “Digital Labor” and quantum computer-based genome analysis, as discussed later.

## Revision of Performance Forecasts

- Despite the prevalence of Covid-19, corporate IT investment is steady, mainly in renewing outdated systems.
- Under these circumstances, the decision-making process tends to be protracted due to the increased scale and complexity of the situation.
- The current active investment plan will continue in the fourth quarter and the forecast for the current financial year has been revised to reflect this.

Unit: millions of yen

	FY2022 Old Forecast	New Forecast	Amount of increase or decrease	Change rate of increase/decrease
Net Sales	2,317	2,317	—	—
Operating Profit	390	255	-135	-34.7%

\*Amounts are rounded down to the nearest million.

## FY2022 Q3 Results

- **Sales continue to grow**, reflecting strong IT demand in the market.
- Operating profit decreased due to personnel costs for engineers required for new customer development and service proposals associated with capital and business alliances, which exceeded sales growth, as well **as active upfront investment** in R&D costs.

Unit: millions of yen

	FY2021 Q3 results (cumulative)	FY2022 Q3 results (cumulative)	YoY Change rate of increase/decrease
Net Sales	1,408	1,638	16.3%
Operating Profit	286	207	-27.6%
Operating Profit Margin	20.3%	12.6%	—
Ordinary Profit	271	208	-23.4%
Net Profit	185	138	-25.6%

\*Amounts are rounded down to the nearest million.

# Quarterly Sales and Operating Profit

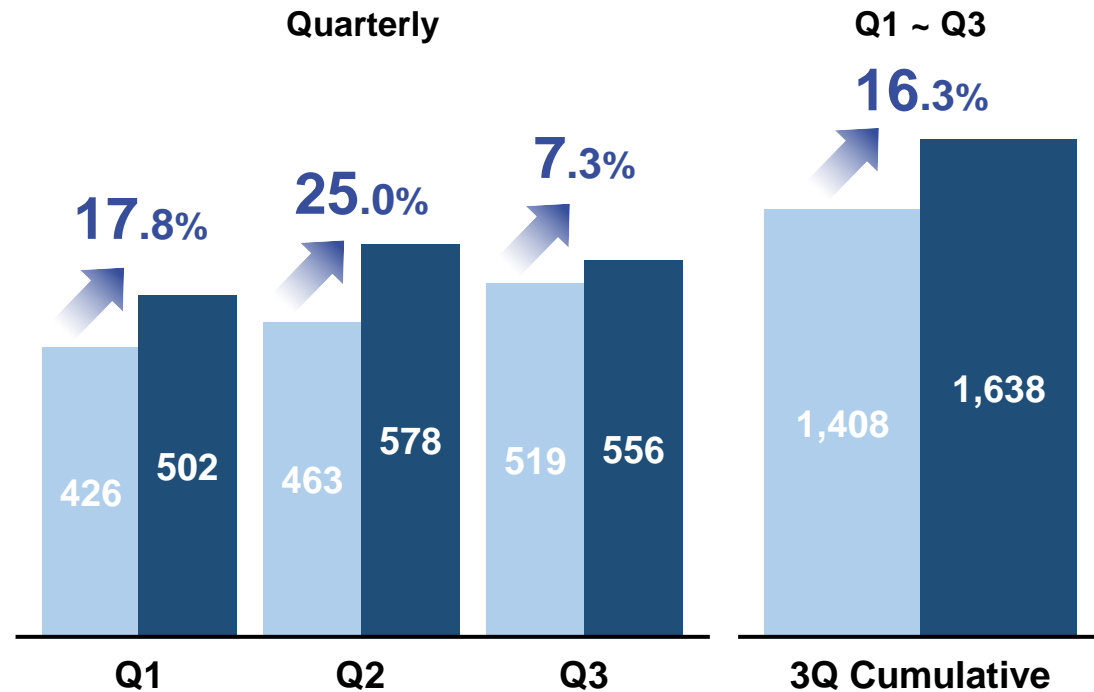
- Sales increased year-on-year in each quarter, but growth was restrained in Q3 compared to Q2 due to the impact of internal structure enhancements.
- Operating profit also declined compared to Q2 due to costs incurred in strengthening the internal structure.

Unit: millions of yen

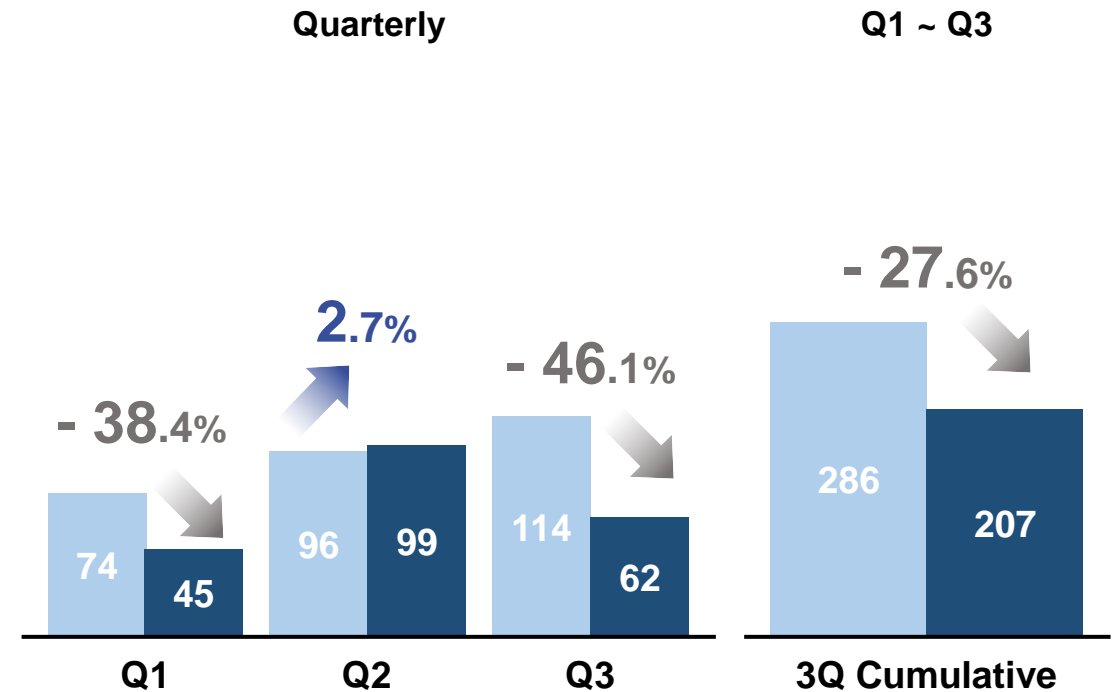
FY2021

FY2022

## Sales



## Operating Profit



# Quarterly Sales by Service

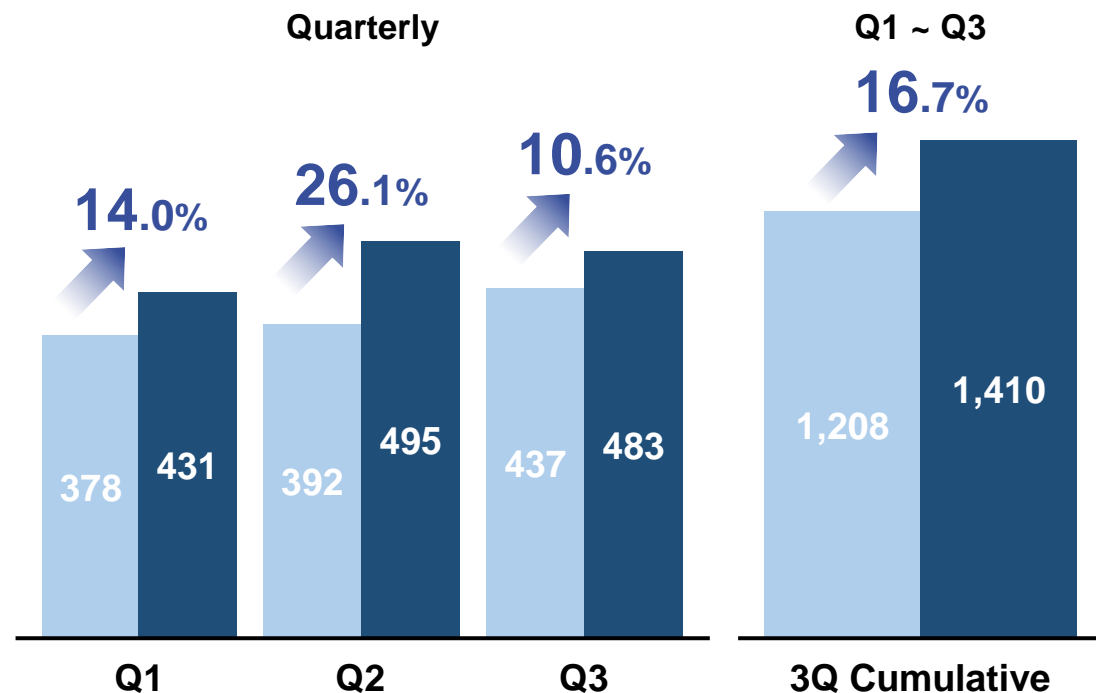
- Professional services sales continued to grow year-on-year, capturing external demand, despite the strengthening of the internal structure.
- Software license sales maintained cumulative growth with an increase in the number of customers, particularly for the core product OutSystems.

Unit: millions of yen

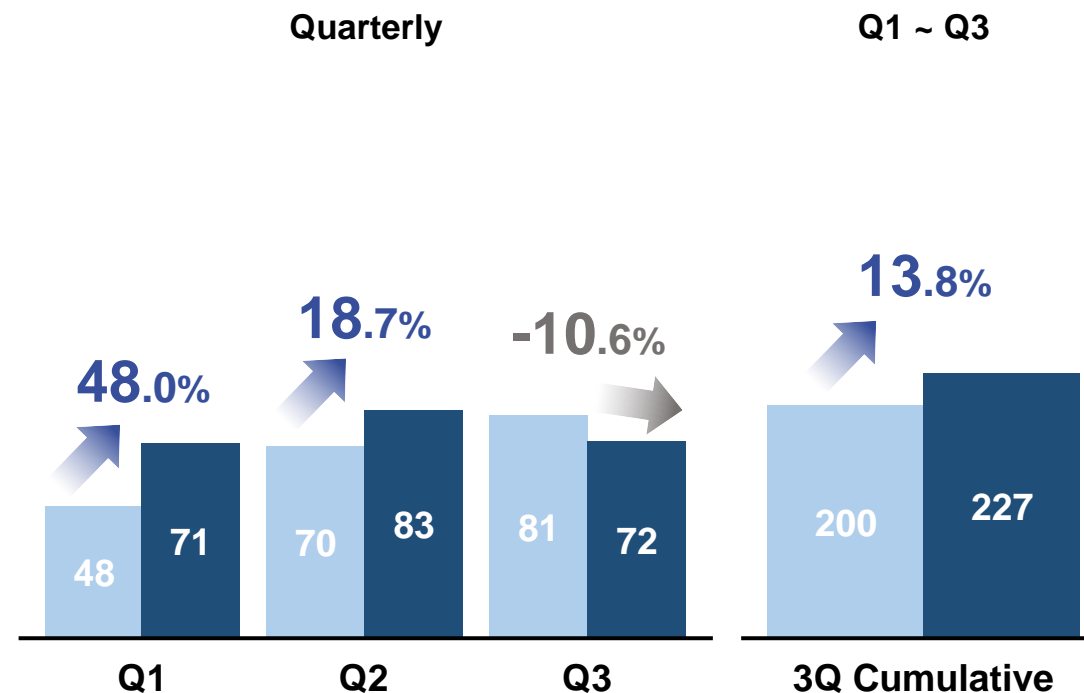
FY2021

FY2022

## Professional Service



## Software Licenses

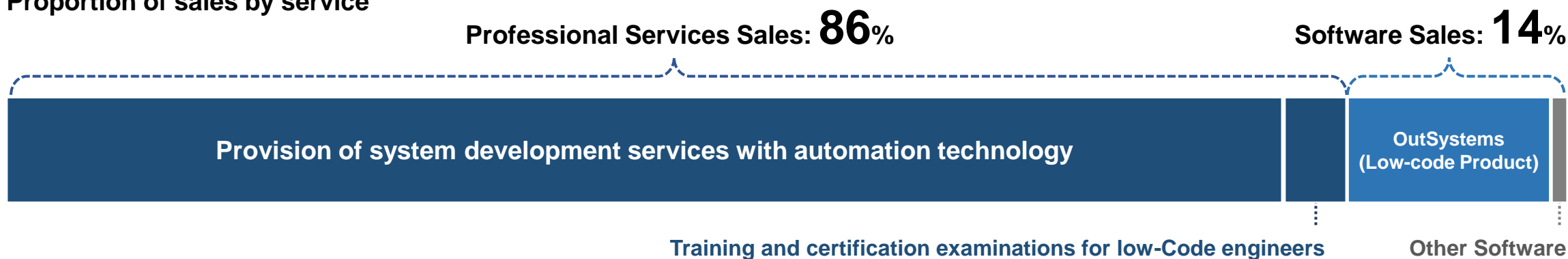




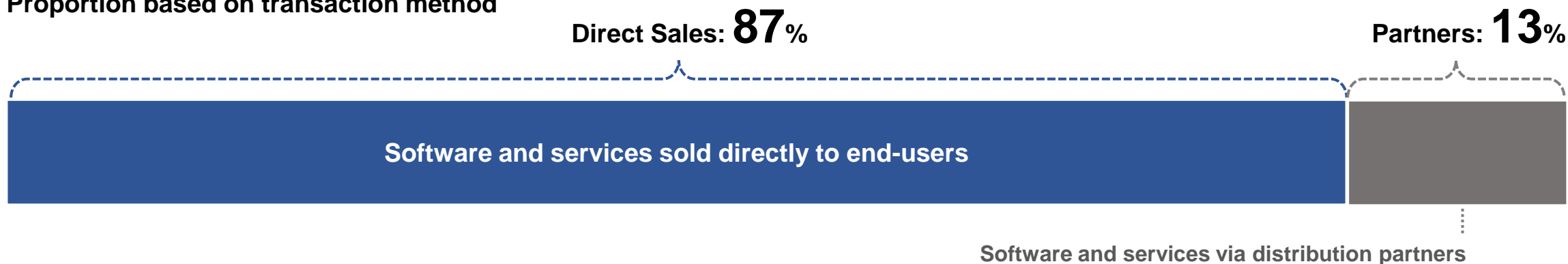
## Services and Software Sales Composition and Breakdown (FY2022 Q3 Cumulative)

- Professional services remain the mainstay, accounting for 86% of sales.
- Direct sales remain high at 86%.

### Proportion of sales by service

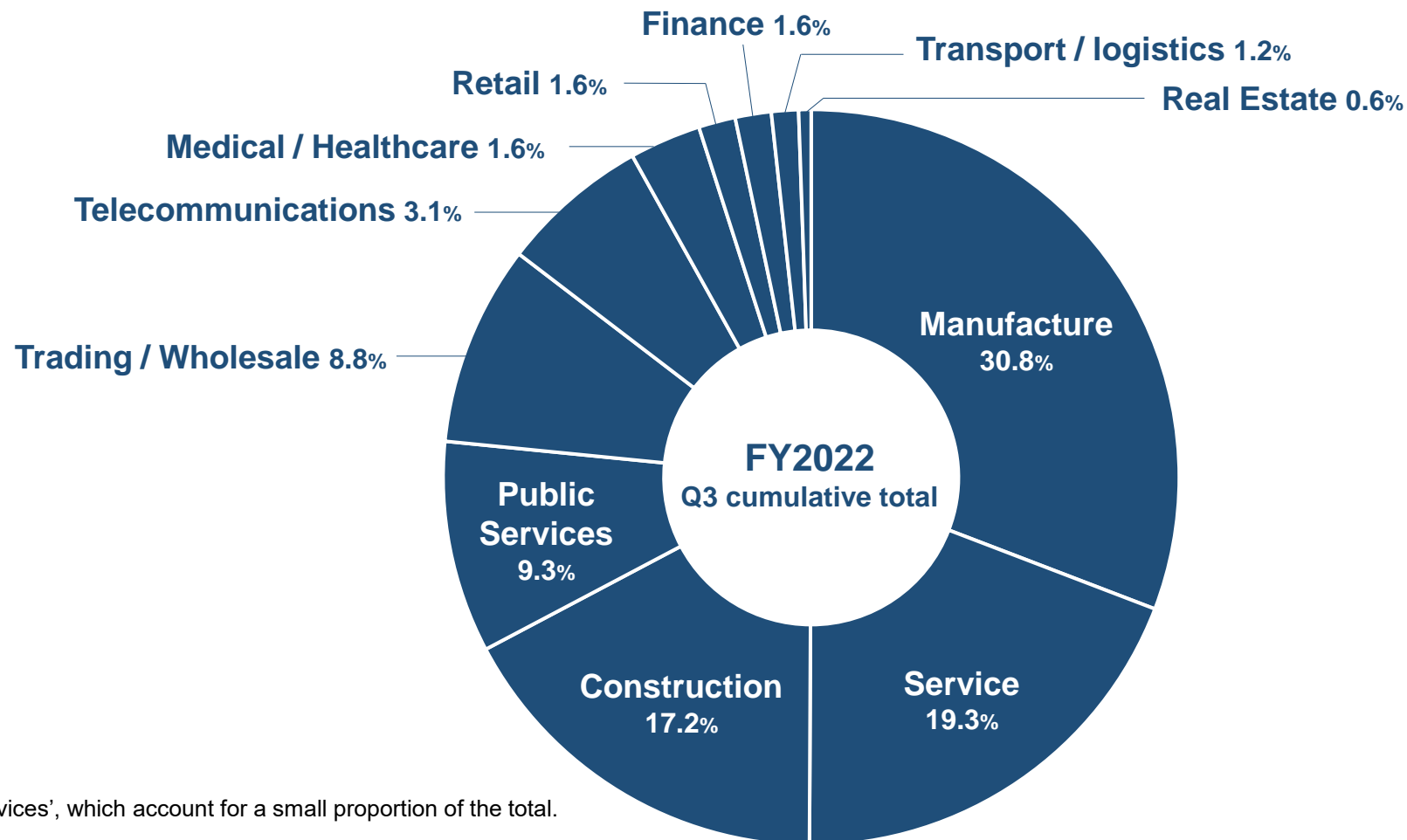


### Proportion based on transaction method



## Orders Received by Industry (FY2022 Q3 Cumulative)

- Although the company's services are not restricted to any particular sector or industry, the customer base during the quarter was mainly in the manufacturing, service and construction sectors.



\*Excluding 'training services', which account for a small proportion of the total.

# Operating Income Analysis

- Expenses related to upfront investment for future growth increased. **Net profit fell by 25.6% year-on-year.**
- The decrease in operating profit was due to higher recruitment and training costs as a result of accelerated recruitment and training of personnel, and higher development costs related to the **introduction of new services, such as joint research on genome analysis using “Digital Labor” and quantum computers.** Expenses recorded upfront will lead to increased revenues in the future.

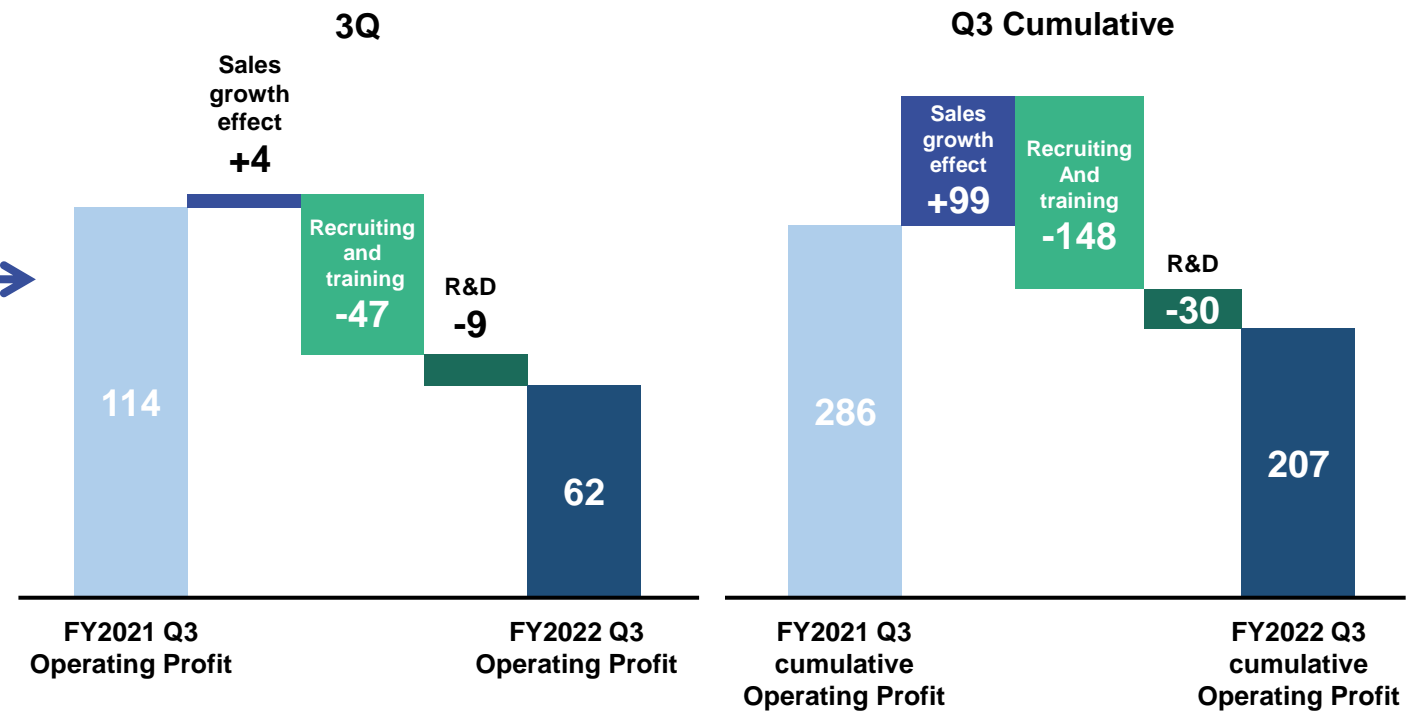
## Operating Profit YoY Comparison

Millions of yen

	FY2021 Q3 cumulative	FY2022 Q3 cumulative	Change	YoY Change
Net Sales	1,408	1,638	229	+16.3%
Operating Profit	286	207	-78	-27.6%
Ordinary Profit	271	208	-63	-23.4%
Net Profit	185	138	-47	-25.6%

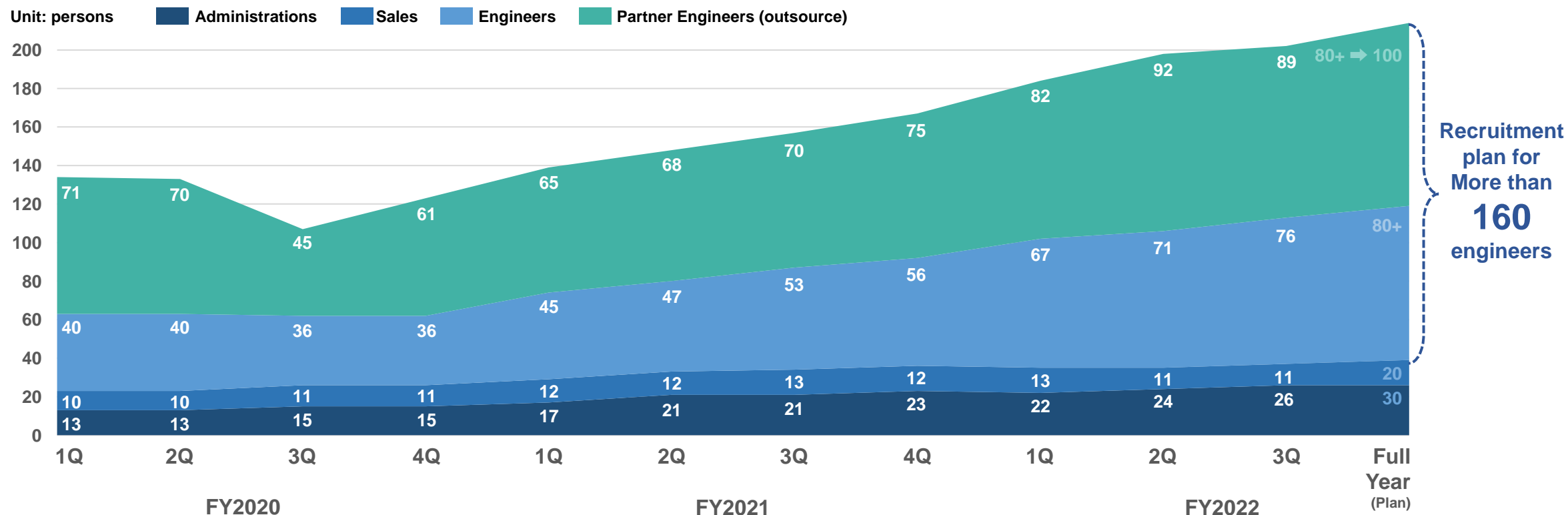
\*Amounts are rounded down to the nearest million yen.

## Key factor analysis on operating profit



# Numbers of Group Employees

- Continue to strengthen recruitment, particularly in the engineering sector, to increase the number of engineers by training inexperienced personnel.
- The number of engineers, including employees and service partners, is expected to reach the target size of 160.
- Service partner engineers are expected to increase towards the end of the year, compensating for upfront investment.



## Forecast for FY2022

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## Revised Full-year Forecasts

Unit: millions of yen

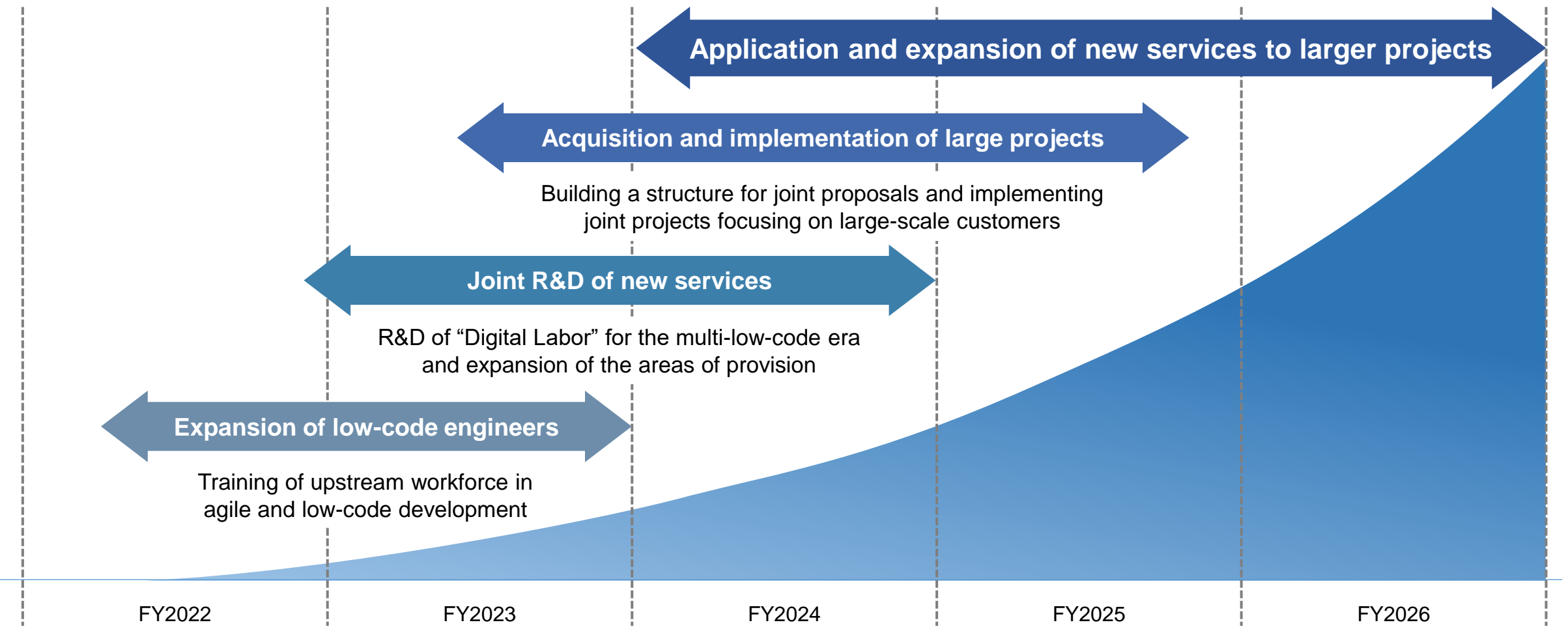
	FY2022 Q3 (cumulative)	FY2022 full-year forecast (revised)	Full-year progress forecast (revised)	*Reference FY2021 (results)	*Reference YoY change
Net Sales	<b>1,638</b>	<b>2,317</b>	<b>70.7%</b>	<b>1,929</b>	<b>20.1%</b>
Operating Profit	<b>207</b>	<b>255</b>	<b>81.3%</b>	<b>363</b>	<b>-29.9%</b>
Ordinary Profit	<b>208</b>	<b>254</b>	<b>81.6%</b>	<b>348</b>	<b>-26.9%</b>
Net Profit	<b>138</b>	<b>169</b>	<b>81.5%</b>	<b>253</b>	<b>-33.0%</b>

\*Amounts are rounded down to the nearest million yen.

## Major Topics

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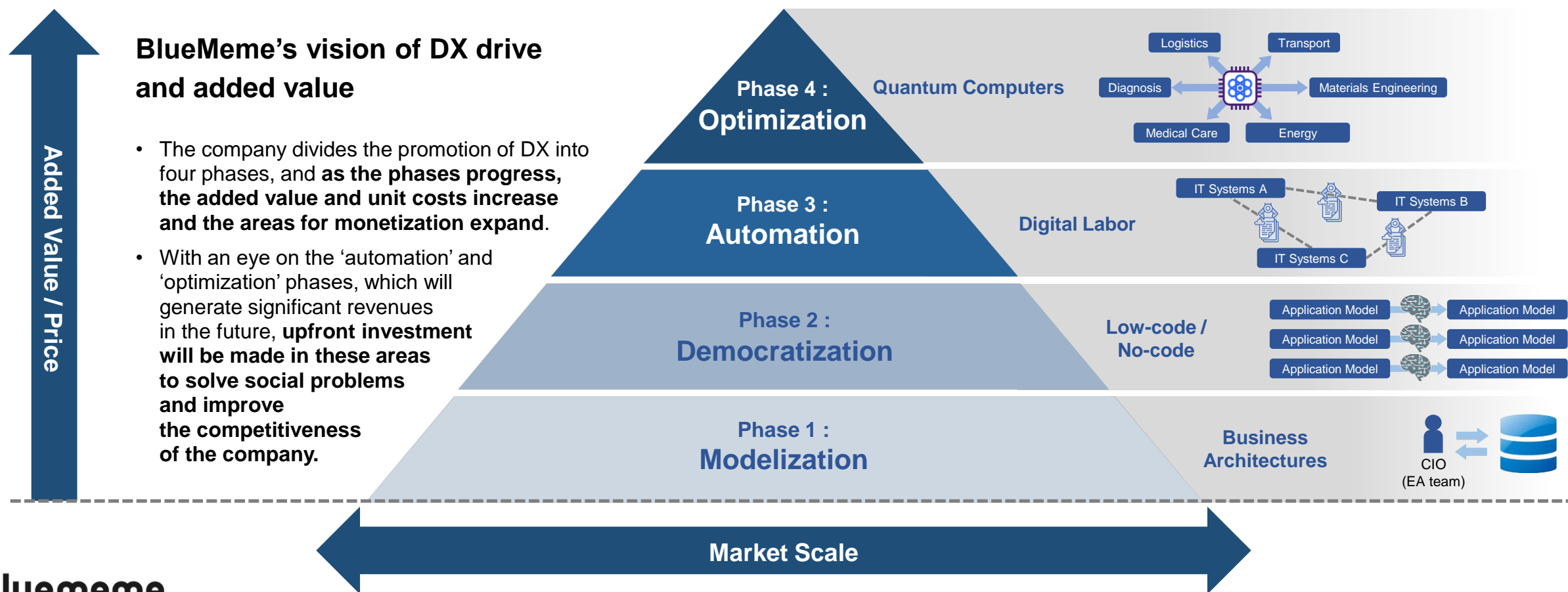
# Sales Growth through Capital Alliance with MKI





# Upfront Investment for Future Growth - Digital Labor and Quantum Computers

- Digital Labor: further automation of system development with AI, accelerating the digitalization of the company's system development.
- Quantum computers: starting with joint research on genome analysis, contributing to the realization of optimization in all fields.



## Notice

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## Notice

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This document contains forward-looking statements. These statements are based on information available as of the date of publication of this document and are not guarantees of our future performance or achievements. They are also subject to a variety of risks and uncertainties. As a result, our actual results and financial position may differ materially from any future results or forecasts of results expressed or implied by them.

The factors that may lead to such situations include, but are not limited to, changes in domestic and international economic conditions and trends in the industries in which we operate.

We undertake no obligation to change or revise any of our forward-looking statements in light of new information or future events that may occur after the date hereof.

The information contained herein concerning matters and organizations other than our own is based on publicly available information and has not been verified for accuracy or appropriateness and is not guaranteed by us.



*Thank you for your time and attention.*