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**Consolidated Financial Results**  
**for the Fiscal Year Ended March 31, 2023 (FY2022)**  
**(Under Japanese GAAP)**

May 12, 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 FY2022 (April 1, 2022 - March 31, 2023)**

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

	Net sales		Operating profit		Ordinary profit		Net profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2022	2,244	16.3	309	(14.9)	310	(11.0)	230	(9.0)
FY2021	1,929	-	363	-	348	-	253	-

	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	%	%	%
FY2022	65.64	63.04	9.3	10.4	13.8
FY2021	78.48	73.06	17.6	16.1	18.9

\*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, which had a significant impact on sales and profit, hence year-on-year percentage changes for 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 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, earnings per share and diluted earnings per share have been calculated as if the share split had taken place at the beginning of FY2021.

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY2022	3,016	2,587	85.8	730.06
FY2021	2,956	2,354	79.6	688.72

(Reference) Shareholders' equity FY2022: 2,587 million yen FY2021: 2,354 million yen

(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
FY2022	94	(46)	(179)	2,224
FY2021	338	(9)	1,381	2,356

**2. Cash Dividends**

	Annual dividend					Total dividends (total)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	First quarter	Second quarter	Third quarter	Full year	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY2021	-	0.00	-	0.00	0.00	-	-	-
FY2022	-	0.00	-	0.00	0.00	-	-	-
FY2023 (Forecast)	-	-	-	-	-		-	

**3. Forecast of Consolidated Financial Results for the FY2023 (April 1, 2023 - March 31, 2024)**

(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	2,650	18.1	310	0.0	310	(0.1)	230	(0.1)	66.56

Please refer to "1. Summary of Business Results, (4) Outlook" on page 3 for the assumptions underlying the forecast figures for the fiscal year ending March 31, 2023.

**\*Notes**

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

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## 1. Summary of Business Results

### (1) Summary of Operating Results

During the consolidated fiscal year under review, the outlook for the Japanese economy remained uncertain due to the impact of the COVID-19 pandemic, the situation in Ukraine, the sharp depreciation of the yen, rising resource prices, continued high inflation and rapid monetary tightening mainly in Europe and the U.S., and other factors.

Despite these circumstances, in the information service industry to which the Group belongs, demand for digital transformation (“DX”) remains strong, not only to improve management efficiency and productivity in response to a declining labor force, but also to promote digital business that generates new value and profits using technology. In particular, demand for IT investments is expected to remain strong due to the predicted future shortage of engineers and active efforts to modernize information systems in preparation for technological innovation. 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 that assist Japanese companies with in-house system development by utilizing low-code technology and its unique development methodology. The Group operates a DX business with the mission of improving the international competitiveness of Japanese companies, based on its corporate philosophy of “creating new values, changing norms, and evolving culture”.

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 consulting and entrusted development utilizing OutSystems® and other low-code platforms continued to expand steadily. The Group also focused on recruiting and training Group employee engineers and securing service partners in preparation for future demand growth, as well as on research and development to improve the efficiency of service provision. In “Software License Sales”, the Group strives to promote the continued customer use of the products handled by the Group, primarily “OutSystems®”, which are sold in combination with “Professional Services”, and to expand sales of such products.

As a result of the above, net sales amounted to 2,244,083 thousand yen (increase of 16.3% year-on-year), operating profit 309,869 thousand yen (decrease of 14.9% year-on-year), ordinary profit 310,463 thousand yen (decrease of 11.0% year-on-year) and net profit attributable to owners of the parent 230,341 thousand yen (decrease of 9.0% year-on-year) due to the application of polices, such as “Tax Credits for Promotion of Salary Increases” and “The R&D tax break system”.

### (2) Summary of Financial Position

#### (Assets)

Current assets amounted to 2,794,269 thousand yen, an increase of 39,401 thousand yen compared to the end of the previous fiscal year. This was mainly due to an increase of 85,283 thousand yen in other (deposits paid). Non-current assets amounted to 222,635 thousand yen, an increase of 20,867 thousand yen compared to the end of the previous fiscal year. This was mainly due to an increase in Investment securities. As a result, total assets amounted to 3,016,904 thousand yen, an increase of 60,269 thousand yen compared to the end of the previous

fiscal year.

(Liabilities)

Current liabilities amounted to 393,268 thousand yen, a decrease of 171,050 thousand yen compared to the end of the previous fiscal year. This was mainly due to a decrease of 94,453 thousand yen in current portion of long-term borrowings and decrease of 101,541 thousand yen in income taxes payable. Non-current liabilities amounted to 36,210 thousand yen, a decrease of 1,282 thousand yen compared to the end of the previous fiscal year. This was mainly due to a decrease of 1,358 thousand yen in lease liabilities. As a result, total liabilities amounted to 429,478 thousand yen, a decrease of 172,333 thousand yen compared to the end of the previous fiscal year.

(Net assets)

Net assets amounted to 2,587,426 thousand yen, an increase of 232,602 thousand yen compared to the end of the previous fiscal 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 ratio amounted to 85.8% (79.6% at the end of the previous fiscal year).

(3) Summary of Cash Flows

Cash and cash equivalents amounted to 2,224,777 thousand yen, a decrease of 131,433 thousand yen compared to the end of the previous fiscal year. The specification of cash flows in current fiscal year is as follows.

(Cash flows from operating activities)

Cash and cash equivalents obtained from operating activities amounted to 94,837 thousand yen, a decrease of 72.0% from the same period previous year. This was due to a profit before income taxes of 298,583 thousand yen and income taxes paid of 170,588 thousand yen.

(Cash flows from investing activities)

Cash and cash equivalents used in investing activities amounted to 46,989 thousand yen, an increase of 390.5% from the same period previous year. This was mainly due to purchase of securities of 41,636 thousand yen.

(Cash flow from financing activities)

Cash and cash equivalents used in financing activities amounted to 179,280 thousand yen (1,381,935 thousand yen in the same period previous year). This was mainly due to the repayment of long-term borrowings of 94,453 thousand yen and an increase in deposits for the purchase of treasury stock of 85,283 thousand yen.

(4) Business Outlook

The outlook for the Japanese economy in the next consolidated fiscal year is expected to be uncertain due to factors such as the situation in Ukraine and the global expansion of financial instability triggered by the collapse of U.S. Banks. In the information service industry to which the Group belongs, digital transformation (DX) is expected to continue under such circumstances, and investment demand in IT is also expected to remain steady. In particular, the Group's existing and potential clients are expected to make more aggressive investment toward digitalization and modernization using low-code technology and agile methods due to the need for business transformation and system modification. Therefore, the Group expects to grow through sales activities to meet such demand, while expanding investment in human resource development and R&D to achieve medium- to long-term growth. Based on the above, for the fiscal year ending March 31, 2024, the Group estimates net sales of 2,650,000 thousand yen (up 18.1% year-on-year), operating profit of 310,000 thousand yen (up 0.0% year-on-year), and ordinary profit of 310,000 thousand yen (down 0.1% year-on-year). Profit attributable to owners

of the parent is expected to be 230,000 thousand yen (down 0.1% year-on-year).

## 2. Policies regarding the Selection of Accounting Standards

The Group's operations are currently limited to Japan, and in consideration of trends in the adoption of IFRS (International Financial Reporting Standards) by other companies in the industry, the Group has adopted Japanese GAAP as its current accounting standard. In the future, the Group will consider the application of IFRS, taking into account various domestic and international conditions.

## 3. Consolidated Financial Statements and Key Notes

## (1) Balance Sheet

	(Thousands of Yen)	
	As of end of previous fiscal Year (March 31, 2022)	As of end of fiscal Year (March 31, 2023)
Assets		
Current assets		
Cash and deposits	2,356,210	2,224,777
Accounts receivable - trade, and contract assets	366,106	439,908
Work in process	162	5,928
Prepaid expenses	33,508	37,468
Other	-	87,439
Allowance for doubtful accounts	(1,120)	(1,253)
Total current asset	2,754,867	2,794,269
Non-current assets		
Property, plant and equipment	91,525	80,167
Intangible assets, net	18,269	599
Investments and other assets	91,972	141,869
Total non-current assets	201,767	222,635
Total assets	2,956,635	3,016,904
Liabilities		
Current liabilities		
Accounts payable - trade	165,147	231,056
Current portion of long-term borrowings	94,453	-
Income taxes payable	121,366	19,824
Contract liabilities	57,877	75,426
Other	125,475	66,959
Total Current liabilities	564,319	393,268
Non-current liabilities		
Asset retirement obligations	32,750	32,826
Other	4,742	3,384
Total non-current liabilities	37,493	36,210
Total liabilities	601,812	429,478
Net assets		
Shareholders' equity		
Share capital	962,195	970,644
Capital surplus	953,195	961,644
Retained earnings	439,345	669,686
Treasury shares	(75)	(14,660)
Total shareholders' equity	2,354,659	2,587,315
Share acquisition rights	163	85
Total net assets	2,354,823	2,587,426
Total liabilities and net assets	2,956,635	3,016,904

## (2) Profit and loss statement and Comprehensive Income

## Profit and loss statement

(Thousands of Yen)

	As of end of previous fiscal year		As of end of fiscal Year	
	FY2021	(Apr. 1, 2021 - Mar. 31, 2022)	FY2022	(Apr. 1, 2022 - Mar. 31, 2023)
Net sales		1,929,747		2,244,083
Cost of sales		885,476		1,132,598
Gross profit		1,044,270		1,111,484
,Selling, general and administrative expenses		680,345		801,615
Operating profit		363,925		309,869
Non-operating income				
Interest income		16		23
Foreign exchange gains		-		1,239
Other		338		258
Total non-operating income		355		1,521
Non-operating expenses				
Interest expenses		1,090		468
Foreign exchange losses		215		-
Share issuance costs		8,718		337
Listing expenses		5,607		-
Commission expenses		15,631		120
Total non-operating expenses		15,631		926
Ordinary profit		348,649		310,463
Extraordinary losses				
Impairment losses		-		11,880
Total extraordinary losses		-		11,880
Profit before income taxes		348,649		298,583
Income taxes-current		130,071		75,602
Income taxes-deferred		(34,644)		(7,360)
Total income taxes		95,427		68,241
Net profit		253,222		230,341
Net profit attributable to owners of parent		253,222		230,341



## Comprehensive Income

	(Thousands of Yen)	
	As of end of previous fiscal year FY2021 (Apr. 1, 2021 - Mar. 31, 2022)	As of end of fiscal Year FY2022 (Apr. 1, 2022 - Mar. 31, 2023)
Profit	253,222	230,341
Other comprehensive income		
Valuation difference on available-for-sale securities	-	24
Total other comprehensive income	-	24
Comprehensive income	253,222	230,366
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	253,222	230,366

## (3) Statement of Changes in Equity

FY2021 (April 1, 2021 - March 31, 2022)

(Thousands of Yen)

	Shareholders' equity					Accumulated other comprehensive income		Stock acquisition rights	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholder s' equity	Valuation difference on available-for-sale	Total accumulated other comprehensive income		
Balance at beginning of period	206,187	197,187	120,166	—	523,541	—	—	253	523,794
Cumulative effect of accounting change			65,956		65,956				65,956
Beginning balance reflecting accounting change	206,187	197,187	186,122	—	589,497	—	—	253	589,751
Changes of items 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			11,415				11,415
Profit attributable to owners of parent			253,222		253,222				253,222
Acquisition of treasury stock				(75)	(75)				(75)
Net changes of items other than shareholders' equity					—			(89)	(89)
Total changes of items during the 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

FY2022(April 1, 2022 - March 31, 2023)

(Thousands of Yen)

	Shareholders' equity					Accumulated other comprehensive income		Stock acquisition rights	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholder s' equity	Valuation difference on available-for-sale	Total accumulated other comprehensive income		
Balance at beginning of period	962,195	953,195	439,345	(75)	2,354,659	—	—	163	2,354,823
Cumulative effect of accounting change			—		—				—
Beginning balance reflecting accounting change	962,195	953,195	439,345	(75)	2,354,659	—	—	163	2,354,823
Changes of items during period									
Issuance of new shares					—				—
Issuance of new shares (exercise of share acquisition rights)	8,449	8,449			16,898				16,898
Profit attributable to owners of parent			230,341		230,341				230,341

(Thousands of Yen)

	Shareholders' equity					Accumulated other comprehensive income		Stock acquisition rights	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale	Total accumulated other comprehensive income		
Acquisition of treasury stock				(14,584)	(14,584)				(14,584)
Net changes of items other than shareholders' equity					–	24	24	(77)	(52)
Total changes of items during the period	8,449	8,449	230,341	(14,584)	232,655	24	24	(77)	232,602
Balance at end of period	970,644	961,644	669,686	(14,660)	2,587,315	24	24	85	2,587,426

## (4) Statements of Cash Flows

	(Thousands of Yen)	
	As of end of previous fiscal year	As of end of fiscal Year
	FY2021 (Apr. 1, 2021 - Mar. 31, 2022)	FY2022 (Apr. 1, 2022 - Mar. 31, 2023)
Cash flows from operating activities		
Profit before income taxes	348,649	298,583
Depreciation and amortization	20,190	19,355
Increase (decrease) in allowance for doubtful accounts	(1,949)	133
Interest income	(16)	(23)
Interest expense	1,090	468
Share issuance costs	8,718	337
Listing expenses	5,607	-
Impairment losses	-	11,880
Decrease (increase) in trade receivables	(67,896)	(73,802)
Decrease (increase) in inventories	(18)	(5,765)
Decrease (increase) in prepaid expenses	(12,457)	-
Increase (decrease) in trade payables	46,896	65,909
Increase (decrease) in contract liabilities	10,297	17,549
Decrease (increase) in distressed receivables	2,432	-
Other, net	44,007	(68,755)
Subtotal	405,551	265,871
Interest received	16	23
Interest paid	(1,090)	(468)
Income taxes paid	(66,113)	(170,588)
Income taxes refunded	0	-
Net cash provided by (used in) operating activities	338,364	94,837
Cash flows from investing activities		
Purchase of securities	-	(41,636)
Purchase of property, plant and equipment	(8,124)	(4,049)
Payments for fulfillment of asset retirement obligations	(3,800)	-
Purchase of intangible assets	(704)	-
Payment for leasehold and guarantee deposits	(809)	(887)
Proceeds from refund of leasehold and guarantee deposits	3,858	154
Net cash provided by (used in) investing activities	(9,579)	(46,989)
Cash flows from financing activities		
Repayments of long-term borrowings	(113,878)	(94,453)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	11,170	16,487
Proceeds from issuance of shares	1,492,037	-
Purchase of treasury shares	(75)	(14,584)
Decrease (increase) in deposits for purchase of treasury shares	-	(85,283)
Payments of listing expenses	(5,607)	-
Repayments of lease liabilities	(1,710)	(1,314)
Other, net	-	(132)
Net cash provided by (used in) financing activities	1,381,935	(179,280)
Net increase (decrease) in cash and cash equivalents	1,710,720	(131,433)
Cash and cash equivalents at beginning of period	645,489	2,356,210
Cash and cash equivalents at end of period	2,356,210	2,224,777

## (5) Notes to Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Changes in accounting policies)

Not applicable.

(Segment Information)

The Group's business segment is a single segment of the DX business, hence the description of the segment is not provided.

(Per Share Data)

	FY2021	FY2022
Net assets per share	688.72 yen	730.06 yen
Earnings per share	78.48 yen	65.64 yen
Diluted earnings per share	73.06 yen	63.04 yen

\*Notes

1. 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 FY2021.
2. The details for calculating earnings per share and diluted earnings per share is as follows.

	FY2021	FY2022
(1)Earnings per share		
Profit attributable to owners of parent (thousands of yen)	253,222	230,341
Amounts not attributable to ordinary shareholders (thousands of yen)	—	—
Net profit attributable to ordinary shareholders of parent company (thousands of yen)	253,222	230,341
Average number of ordinary shares during the year (shares)	3,226,463	3,509,171
(2)Diluted earnings per share		
Diluted earnings per share attributable to owners of parent (thousands of yen)	—	—
Number of ordinary shares increased (shares)	239,630	144,741
(Increase due to exercise of stock acquisition rights (shares))	(239,630)	(144,741)
Dilutive shares excluded from the calculation of diluted earnings per share as there was no dilutive effect	One type of stock acquisition rights (Number of stock acquisition rights 19,000)	—

\*Note

As the Company has been listed on the Mothers section of the Tokyo Stock Exchange since June 29, 2021, diluted earnings per share was calculated based on the average share price from the initial listing date to the end of FY2021.

(Significant Subsequent Events)

Not applicable.