

Summary of Consolidated Financial Results
for the Third Quarter of the Fiscal Year Ending March 31, 2024
(Nine Months Ended December 31, 2023)

[Japanese GAAP]

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 Scheduled date of filing of Quarterly Report: February 14, 2024
 Scheduled date of payment of dividend: -
 Preparation of supplementary materials for quarterly financial results: Yes
 Holding of quarterly financial results meeting: None

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the First Nine Months (April 1, 2023 – December 31, 2023) of the Fiscal Year Ending March 31, 2024

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

	Net sales		EBITDA*		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended Dec. 31, 2023	4,115	17.3	1,002	792.2	864	-	857	-	551	-
Nine months ended Dec. 31, 2022	3,509	18.4	112	190.2	45	-	50	-	(11)	-

*EBITDA = Operating profit + Depreciation + Amortization of goodwill

Note: Comprehensive income (million yen) Nine months ended Dec. 31, 2023: 553 (-%)

Nine months ended Dec. 31, 2022: (12) (-%)

	Net income per share		Diluted net income per share	
	Yen		Yen	
Nine months ended Dec. 31, 2023	79.77		-	
Nine months ended Dec. 31, 2022	(1.72)		-	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Million yen		Million yen		%	
As of Dec. 31, 2023	5,336		2,644		49.6	
As of Mar. 31, 2023	4,621		2,088		45.2	

Reference: Shareholders' equity (million yen) As of Dec. 31, 2023: 2,644 As of Mar. 31, 2023: 2,088

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen				
Fiscal year ended Mar. 31, 2023	-	0.00	-	0.00	0.00
Fiscal year ending Mar. 31, 2024	-	0.00	-		
Fiscal year ending Mar. 31, 2024 (forecast)				35.00	35.00

Note: Revisions to the most recently announced dividend forecast: None

3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2024 (April 1, 2023 – March 31, 2024)

(Percentages represent year-on-year changes)

	Net sales		EBITDA		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	6,000	23.4	1,500	-	1,300	-	1,280	-	800	-	115.70

Note: Revisions to the most recently announced consolidated forecast: None

Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): None

(2) Application of special accounting methods for presenting quarterly consolidated financial statements: None

(3) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting-based estimates: None

4) Restatements: None

(4) Number of issued shares (common stock)

1) Number of shares issued at the end of period (including treasury shares)

As of Dec. 31, 2023:	6,925,400 shares	As of Mar. 31, 2023:	6,917,400 shares
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2) Number of treasury shares at the end of period

As of Dec. 31, 2023:	5,908 shares	As of Mar. 31, 2023:	308 shares
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3) Average number of shares during the period

Nine months ended Dec. 31, 2023:	6,916,205 shares	Nine months ended Dec. 31, 2022:	6,912,879 shares
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* The current quarterly financial report is not subject to quarterly review by certified public accountants or auditing firms.

* Explanation of appropriate use of earnings forecasts, and other special items

Note concerning forward-looking statements

Forecasts of future performance in this report are based on assumptions judged to be valid and information available to the ULURU's management at the time the materials were prepared but are not promises by ULURU regarding future performance. Actual results may differ significantly from these forecasts for a number of reasons. Please refer to "1. Qualitative Information on Quarterly Consolidated Financial Performance, (3) Explanation of Consolidated Forecast and Other Forward-looking Statements" on page 5 for forecast assumptions and notes of caution for usage.

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1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of Results of Operations

Japan's working age population is forecast to decrease by about 16 million between 2017 and 2040 according to the 2018 White Paper on Information and Communications in Japan. This outlook points to serious social and economic issues as a labor shortage reduces the size of the economy and makes Japan less competitive in global markets. The ULURU Group has many activities centered on the software-as-a-service (SaaS) model for providing alternative solutions for labor shortages in a broad range of fields.

In April 2022, we announced the new corporate vision of "Solve the labor shortage and enrich people and companies." We are reaffirming our commitment to becoming a "leading company for labor shortage solutions" as we work even harder at taking actions that target these social issues.

In November 2003, we started the Business Process Outsourcing (BPO) business to meet the outsourcing needs of companies by establishing the standard for employees working at home rather than the workplace. The diversity of our customers' needs increased along with the volume of orders we received. We responded by launching a crowdsourcing business called Shufti in February 2007. Shufti increases the efficiency of the BPO business by facilitating direct matching of the requirements of client companies and the availability of crowdworkers, chiefly housewives, without using the ULURU Group. In addition, we used knowledge acquired from BPO operations and the resources of the crowdsourcing business to start the Crowd Generated Service (CGS) business, which allows the ULURU Group itself to utilize crowdworkers. In September 2008, we started the NJSS (Nyusatsu Joho Sokuho Service) business, an up-to-date bid solicitations database service about bids and winning bids for public-sector tenders in Japan. This business currently accounts for the majority of our sales and earnings. In October 2014, we launched en-photo, a photo sales management system for nursery schools and kindergartens. In February 2019, we started the fondesk, a telephone call answering service that uses crowdworkers. To benefit from synergies with en-photo, we made OurPhoto Co., Ltd. a wholly owned subsidiary in December 2020. This company operates a matching service for its members and professional photographers. In January 2023, we acquired all of the stock of Brainfeed, Inc., which operates the nSearch public-sector contract bidding information service for the purpose of linking this business with the NJSS business. The current business portfolio of the ULURU Group consists of these operations.

NJSS, fondesk, en-photo and nSearch are all SaaS operations, which makes the SaaS category the basis for the growth of the ULURU Group. Japan's SaaS market will be 1,412.8 billion yen in fiscal 2023 and is expected to grow to 2,099 billion yen in fiscal 2027 according to "Software Business New Markets 2023" by Fuji Chimera Research Institute, Inc.

During the first nine months of the current fiscal year, net sales increased 17.3% year-on-year to 4,115 million yen, EBITDA (Operating profit + Depreciation + Amortization of goodwill) increased 792.2% to 1,002 million yen, operating profit increased 1,806.8% to 864 million yen, ordinary profit increased 1,602.5% to 857 million yen, and profit attributable to owners of parent was 551 million yen compared with a loss of 11 million yen one year earlier. Total annual recurring revenue (ARR) continued to increase and surpassed 4,200 million yen. This is the sum of revenue for NJSS, en-photo and fondesk, which all use a SaaS business model.

NJSS KPI	FY3/23				FY3/24			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Net sales (Millions of yen)	1,062	1,197	1,249	1,352	1,292	1,349	1,473	-
SaaS sales (Millions of yen)	791	848	898	966	1,004	1,030	1,080	-
Other sales (Millions of yen)	271	348	350	386	288	318	393	-
Gross profit (Millions of yen)	772	865	900	956	965	995	1,062	-
Operating profit (Millions of yen)	(47)	23	68	(36)	237	291	334	-
EBITDA (Millions of yen)	(27)	45	94	(6)	280	336	386	-
ARR (Millions of yen)	3,170	3,367	3,535	3,776	3,979	4,036	4,234	-
Employees	318	324	331	338	344	341	346	-

Notes: 1. SaaS sales: Total sales of NJSS, nSearch, fondesk and en-photo

2. Other sales: Total sales of OurPhoto, BPO and Shufti

3. ARR: Total annual recurring revenue of NJSS, nSearch, fondesk and en-photo

4. Employees: Including part-time workers and people provided by temporary staffing companies. The number of these employees is converted to an annual average.

Business segment sales were as follows.

(Millions of yen)

Segment	First nine months of FY3/23 (Apr. 1, 2022 – Dec. 31, 2022)		First nine months of FY3/24 (Apr. 1, 2023 – Dec. 31, 2023)		YoY change in net sales (%)
	Net sales	Comp. (%)	Net sales	Comp. (%)	
CGS Business	2,636	75.1	3,220	78.3	22.1
NJSS	1,746	49.7	2,105	51.1	20.6
fondesk	479	13.7	622	15.1	29.8
Photo	410	11.7	493	12.0	20.0
Others	-	-	-	-	-
BPO Business	851	24.3	873	21.2	2.6
Crowdsourcing Business	21	0.6	20	0.5	(1.6)
Total	3,509	100.0	4,115	100.0	17.3

1) CGS NJSS

NJSS is the primary SaaS of the CGS (Crowd Generated Services) business. We have been taking many actions with the goal of achieving consistent sales growth for many years by optimizing average revenue per user (ARPU; average daily sales per user) and the number of customers who have purchased contracts with fees. These activities raised the number of customers who have purchased contracts by 655 during the first nine months to 6,377 at the end of December 2023. ARPU was 1,158 yen and we aim to maintain and increase ARPU over the medium to long term through the addition of new functions and other activities. In addition, the average churn rate during the past 12 months based on fee-paying contracts was 1.47%, remaining at the 1.4% level since the previous fiscal year, compared with an average of 1.44% at the end of March 2023. As a result, annual recurring revenue is growing consistently and surpassed 2.8 billion yen.

There were many activities for generating synergies with the nSearch public-sector contract bidding information service of Brainfeed, Inc., which we acquired in January 2023, and for the growth of the GoSTEP information support tool. GoSTEP facilitates unified searches and management of information about budgets of public-sector projects, open information and statistics involving these projects, characteristics of local governments based on data on bids received, and organizational data required to contact governments in the best ways. There are also new activities in this segment. In November 2023, the BPaaS (Business Process as a Service) “Nyusatsu BPO” was launched to provide a full line of support for submitting successful bids for public-service contracts. This new service combines the knowhow of NJSS involving these bids with the expertise of ULURU BPO involving the fulfillment of obligations after winning a bid.

Consequently, NJSS sales increased 20.6% to 2,105 million yen, EBITDA was up 71.2% to 1,156 million yen and segment profit increased 64.3% to 1,090 million yen.

NJSS KPI	FY3/23				FY3/24			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Net sales (Millions of yen)	552	584	608	640	672	709	722	-
Gross profit (Millions of yen)	508	535	563	588	620	655	670	-
EBITDA (Millions of yen)	191	216	268	265	344	401	410	-
ARR (Millions of yen)	2,215	2,312	2,374	2,471	2,654	2,754	2,801	-
NJSS Fee-paying contracts	4,968	5,183	5,398	5,722	5,980	6,247	6,377	-
NJSS ARPU (Yen)	1,195	1,195	1,190	1,164	1,166	1,162	1,158	-
NJSS Churn rate (%)	1.45	1.46	1.42	1.44	1.44	1.42	1.47	-
NJSS LTV (Thousands of yen)	2,255	2,264	2,318	2,189	2,208	2,255	2,174	-
nSearch Fee-paying contracts	-	-	-	423	485	550	565	-
Employees	107	107	110	111	114	111	112	-

Notes: 1. ARR: Monthly recurring revenue (MRR) as of the end of each quarter multiplied by 12. Beginning with the first quarter of the current fiscal year, MRR multiplied by 12 that also includes nSearch, GoSTEP and other peripheral subscription businesses.

2. ARPU: Daily sales per fee-paying contracts

3. Churn rate: Ratio of cancellations during a month to the number of fee-paying contracts at the end of the previous month; 12-month averages are shown in this table.

4. Customer lifetime value (LTV): $ARPU \times (1/Churn\ rate) \times Gross\ profit\ margin\ of\ 90\%$

5. Employees: Including part-time workers and people provided by temporary staffing companies. The number of these employees is converted to an annual average. and includes the employees of Brainfeed Inc. by the same definition.

2) CGS fondesk

The performance of fondesk SaaS business benefited from the increasing awareness of this service as a method for supporting the digital transformation of back office tasks. By successfully targeting the demand for this support, fondesk consistently increased the number of fee-paying contracts. The result was 4,682 contracts at the end of December 2023, 628 more than at the end of March 2023. ARPU was 15,274 yen. Since the fee structure revision in July 2022, ARPU has remained steady at about 15,000 yen. We continued to implement several measures, such as an improved UI/UX, to improve user convenience. Due to these measures, the average churn rate during the past 12 months based on fee-paying contracts was 1.3%, which remains the lowest level in this business, compared with 1.5% as of the end of March 2023.

Sales of fondesk increased 29.8% to 622 million yen, EBITDA increased 371.2% to 200 million yen and segment profit increased 375.3% to 199 million yen.

fondesk KPI	FY3/23				FY3/24			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Net sales (Millions of yen)	136	167	175	180	201	206	214	-
EBITDA (Millions of yen)	(4)	11	35	(72)	62	61	75	-
Fee-paying contracts	3,550	3,718	3,896	4,054	4,272	4,469	4,682	-
ARPU (Yen)	12,840	14,987	15,056	14,810	15,725	15,412	15,274	-
Churn rate (%)	1.6	1.6	1.5	1.5	1.4	1.3	1.3	-
ARR (Millions of yen)	547	668	703	720	806	826	858	-
Employees	16	15	15	15	14	15	15	-

- Notes: 1. ARPU: Monthly sales per fee-paying contracts
2. Churn rate: Ratio of cancellations during a month to the number of fee-paying contracts at the end of the previous month; 12-month averages are shown in this table.
3. ARR: Sum of subscription sales and recurring sales in each quarter multiplied by four.
4. Employees: Including part-time workers and people provided by temporary staffing companies. The number of these employees is converted to an annual average.

3) CGS photo

In the en-photo SaaS business, sales per kindergarten increased to 31,079 yen from 28,983 yen in the first nine months of the previous fiscal year. The number of contracts with nursery school and kindergartens steadily increased to 4,624 at the end of December 2023, 438 more than at the end of March 2023. In addition, OurPhoto Co., Ltd., which operates the OurPhoto on-site photography matching service and has been a wholly owned subsidiary since December 2020, focused on creating synergies with the operations of en-photo and implementing marketing measures.

Sales of photo services increased 20.0% to 493 million yen, EBITDA was 18 million yen compared with negative 171 million yen one year earlier and segment loss was 5 million yen compared with a 195 million yen loss one year earlier.

Photo KPI	FY3/23				FY3/24			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Net sales (Millions of yen)	126	114	170	161	156	133	203	-
EBITDA (Millions of yen)	(56)	(74)	(40)	(38)	13	(15)	20	-
en-photo: Contracted facilities	3,757	3,835	3,942	4,186	4,339	4,525	4,624	-
en-photo: Sales per facility (Yen)	27,097	25,222	28,983	34,882	29,901	25,164	31,079	-
en-photo: ARR (Millions of yen)	407	386	457	584	518	455	574	-
OurPhoto: Number of photos taken	4,551	3,165	9,381	3,138	3,977	2,813	9,257	-
Employees	36	36	35	36	37	36	37	-

- Notes: 1. ARR: The amount of recurring sales in each quarter multiplied by four.
2. Employees: Including part-time workers and people provided by temporary staffing companies. The number of these employees is converted to an annual average.

4) BPO

The performance of this business was strong mainly for three reasons. First is the widespread use of remote work

by companies. Second is the start in October 2023 of a new system in Japan concerning invoices. Third is demand involving the shift from paper to electronic documents due partly to provisions of the Electronic Record Retention Law that became effective in January 2024. Under these circumstances, the BPO business received a large order. The sales from this order are expected to be recognized in the fourth quarter. Another highlight of this business is the addition of new activities. In November 2023, the bid submission knowhow of NJSS was combined with the project execution expertise of ULURU BPO to launch “Nyusatsu BPO,” a comprehensive BPaaS bidding support service.

In the BPO business, sales increased 2.6% to 873 million yen, EBITDA increased 87.2% to 95 million yen and segment profit increased 117.8% to 57 million yen.

BPO KPI	FY3/23				FY3/24			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Net sales (Millions of yen)	239	323	288	364	255	291	326	-
EBITDA (Millions of yen)	(7)	50	7	11	13	37	44	-
Employees	119	123	126	132	135	134	134	-

Note: Employees: Including part-time workers and people provided by temporary staffing companies. The number of these employees is converted to an annual average.

5) Crowdsourcing

The number of crowdworkers registered in the Shufti business was about 450,000 as of the end of December 2023. To enable this business to function as a platform for supplying resources to the CGS category, we continued to improve services to increase convenience for customers and for strengthening customer support for the stable operation of Shufti.

In the Crowdsourcing business, sales decreased 1.6% to 20 million yen, EBITDA was negative 7 million yen compared with negative 14 million yen one year earlier and the segment loss was 7 million yen compared with a 14 million yen loss one year earlier.

Crowdsourcing KPI	FY3/23				FY3/24			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Net sales (Millions of yen)	7	7	6	6	6	7	7	-
EBITDA (Millions of yen)	(2)	(4)	(7)	0	(4)	(1)	(2)	-
Employees	6	6	6	6	6	5	5	-

Note: Employees: Including part-time workers and people provided by temporary staffing companies. The number of these employees is converted to an annual average.

(2) Explanation of Financial Position

Total assets increased 714 million yen from the end of the previous fiscal year to 5,336 million yen as of the end of the third quarter. This was mainly due to an increase of 656 million yen in cash and deposits, a decrease of 60 million yen in accounts receivable-trade, a decrease of 11 million yen in investment securities and an increase of 156 million yen in other intangible assets.

Total liabilities increased 158 million yen from the end of the previous fiscal year to 2,691 million yen. This was mainly due to a 148 million yen increase in income taxes payable, a 69 million yen increase in contract liabilities, a 41 million yen increase in provision for bonuses and a 90 million yen decrease in other current liabilities.

Total net assets increased 555 million yen from the end of the previous fiscal year to 2,644 million yen. This was due to a 1 million yen increase each in share capital and capital surplus, and a 551 million yen increase in retained earnings.

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

There are no revisions to the full year consolidated forecast for the fiscal year ending March 31, 2024 that was announced on May 15, 2023.

On November 14, 2023, ULURU announced “Management Policy and Goals for the Fiscal Year Ending March 31, 2025, and Beyond.” For further details, please see “Presentation Material of Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2024.”

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheet

	(Thousands of yen)	
	FY3/23 (As of Mar. 31, 2023)	Third quarter of FY3/24 (As of Dec. 31, 2023)
Assets		
Current assets		
Cash and deposits	2,396,104	3,053,078
Accounts receivable-trade	343,102	282,487
Work in process	34,536	70,753
Other	161,167	189,432
Allowance for doubtful accounts	(3,477)	(4,641)
Total current assets	2,931,434	3,591,109
Non-current assets		
Property, plant and equipment	201,283	225,119
Intangible assets		
Goodwill	434,211	379,046
Other	245,921	402,455
Total intangible assets	680,133	781,502
Investments and other assets		
Investment securities	448,663	437,063
Other	360,068	301,598
Total investments and other assets	808,732	738,661
Total non-current assets	1,690,149	1,745,283
Total assets	4,621,583	5,336,392
Liabilities		
Current liabilities		
Accounts payable-trade	167,031	189,361
Current portion of long-term borrowings	38,880	8,670
Income taxes payable	81,295	229,427
Contract liabilities	1,481,810	1,551,008
Provision for bonuses	-	41,126
Other	751,018	660,684
Total current liabilities	2,520,037	2,680,278
Non-current liabilities		
Other	12,718	11,415
Total non-current liabilities	12,718	11,415
Total liabilities	2,532,755	2,691,694
Net assets		
Shareholders' equity		
Share capital	1,036,616	1,037,746
Capital surplus	1,018,916	1,020,046
Retained earnings	33,600	585,322
Treasury shares	(353)	(353)
Total shareholders' equity	2,088,780	2,642,761
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	47	1,936
Total accumulated other comprehensive income	47	1,936
Total net assets	2,088,827	2,644,698
Total liabilities and net assets	4,621,583	5,336,392

(2) Quarterly Consolidated Statements of Income and Comprehensive Income**Quarterly Consolidated Statement of Income****(For the Nine-month Period)**

(Thousands of yen)

	First nine months of FY3/23 (Apr. 1, 2022 – Dec. 31, 2022)	First nine months of FY3/24 (Apr. 1, 2023 – Dec. 31, 2023)
Net sales	3,509,966	4,115,490
Cost of sales	972,020	1,092,426
Gross profit	2,537,945	3,023,064
Selling, general and administrative expenses	2,492,633	2,159,049
Operating profit	45,312	864,015
Non-operating income		
Interest income	15	16
Dividend income	89	93
Subsidy income	7,400	10,640
Other	1,425	2,696
Total non-operating income	8,931	13,445
Non-operating expenses		
Interest expenses	255	104
Loss on investments in investment partnerships	2,762	19,462
Other	883	818
Total non-operating expenses	3,901	20,385
Ordinary profit	50,342	857,075
Profit before income taxes	50,342	857,075
Income taxes-current	76,870	262,597
Income taxes-deferred	(14,605)	42,757
Total income taxes	62,265	305,354
Profit (loss)	(11,922)	551,721
Profit (loss) attributable to owners of parent	(11,922)	551,721

Quarterly Consolidated Statement of Comprehensive Income
(For the Nine-month Period)

(Thousands of yen)

	First nine months of FY3/23 (Apr. 1, 2022 – Dec. 31, 2022)	First nine months of FY3/24 (Apr. 1, 2023 – Dec. 31, 2023)
Profit (loss)	(11,922)	551,721
Other comprehensive income		
Valuation difference on available-for-sale securities	(527)	1,889
Total other comprehensive income	(527)	1,889
Comprehensive income	(12,450)	553,610
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(12,450)	553,610

(3) Notes to Quarterly Consolidated Financial Statements**Going Concern Assumption**

Not applicable.

Significant Changes in Shareholders' Equity

Not applicable.

Segment and Other Information

I First nine months of FY3/23 (Apr. 1, 2022 – Dec. 31, 2022)

1. Information related to net sales and profit or loss for reportable segments

(Thousands of yen)

	Reportable segment							Adjustment (Note 1)	Amounts shown on quarterly consolidated statement of income (Note 2)
	CGS NJSS	CGS fondesk	CGS photo	CGS others	BPO	Crowd- sourcing	Total		
Net sales									
External sales	1,746,138	479,906	410,901	-	851,764	21,256	3,509,966	-	3,509,966
Inter-segment sales and transfers	-	-	-	-	280	5,663	5,943	(5,943)	-
Total	1,746,138	479,906	410,901	-	852,044	26,920	3,515,910	(5,943)	3,509,966
Segment profit (loss)	663,762	41,962	(195,201)	(37,967)	26,191	(14,953)	483,794	(438,481)	45,312

Notes: 1. The negative adjustment of 438,481 thousand yen to segment profit (loss) includes elimination for inter-segment transactions of negative 4 thousand yen and corporate expenses (mainly selling, general and administrative expenses) of negative 438,477 thousand yen that are not allocated to any reportable segment.

2. Segment profit (loss) is adjusted to be consistent with operating profit in the quarterly consolidated statement of income.

II First nine months of FY3/24 (Apr. 1, 2023 – Dec. 31, 2023)

1. Information related to net sales and profit or loss for reportable segments

(Thousands of yen)

	Reportable segment							Adjustment (Note 1)	Amounts shown on quarterly consolidated statement of income (Note 2)
	CGS NJSS	CGS fondesk	CGS photo	CGS others	BPO	Crowd- sourcing	Total		
Net sales									
External sales	2,105,066	622,718	493,030	-	873,750	20,925	4,115,490	-	4,115,490
Inter-segment sales and transfers	-	-	-	-	315	12,098	12,413	(12,413)	-
Total	2,105,066	622,718	493,030	-	874,065	33,023	4,127,904	(12,413)	4,115,490
Segment profit (loss)	1,090,878	199,441	(5,335)	(31,204)	57,054	(7,716)	1,303,118	(439,102)	864,015

Notes: 1. The negative adjustment of 439,102 thousand yen to segment profit (loss) includes elimination for inter-segment transactions of negative 532 thousand yen and corporate expenses (mainly selling, general and administrative expenses) of negative 438,570 thousand yen that are not allocated to any reportable segment.

2. Segment profit (loss) is adjusted to be consistent with operating profit in the quarterly consolidated statement of income.

3. Information related to changes in reportable segments, etc.

To assess the performance for each reportable segment more appropriately, the ULURU Group classifies M&A expenses as corporate expenses that are included in the adjustment and not allocated to any reportable segment.

Due to the consolidation of Brainfeed, Inc. in the first quarter of the current fiscal year, the CGS NJSS segment includes the operations of this subsidiary due to the characteristics of its nSearch public-sector contract bidding information service.

ULURU acquired the stock of Brainfeed, Inc. on January 4, 2023 with an acquisition date of March 31, 2023 used for accounting purposes. As a result, this change in a reportable segment has no effect on reportable segment information for the first nine months of FY3/23.

This financial report is solely a translation of ULURU's Kessan Tanshin (including attachments) in Japanese, which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.