

bluememe
MODEL & DESIGN YOUR BUSINESS

Fiscal year ending March 31, 2025

May 13, 2025

Contents

01	Results in the fiscal year ending March 31, 2025	>	03
02	Initiatives in the current fiscal year toward achievement of the Medium-Term Management Plan	>	08
03	FY 2026/3 full-year forecasts and growth strategy	>	19

1

Results in the fiscal year ending March 31, 2025

bluememe

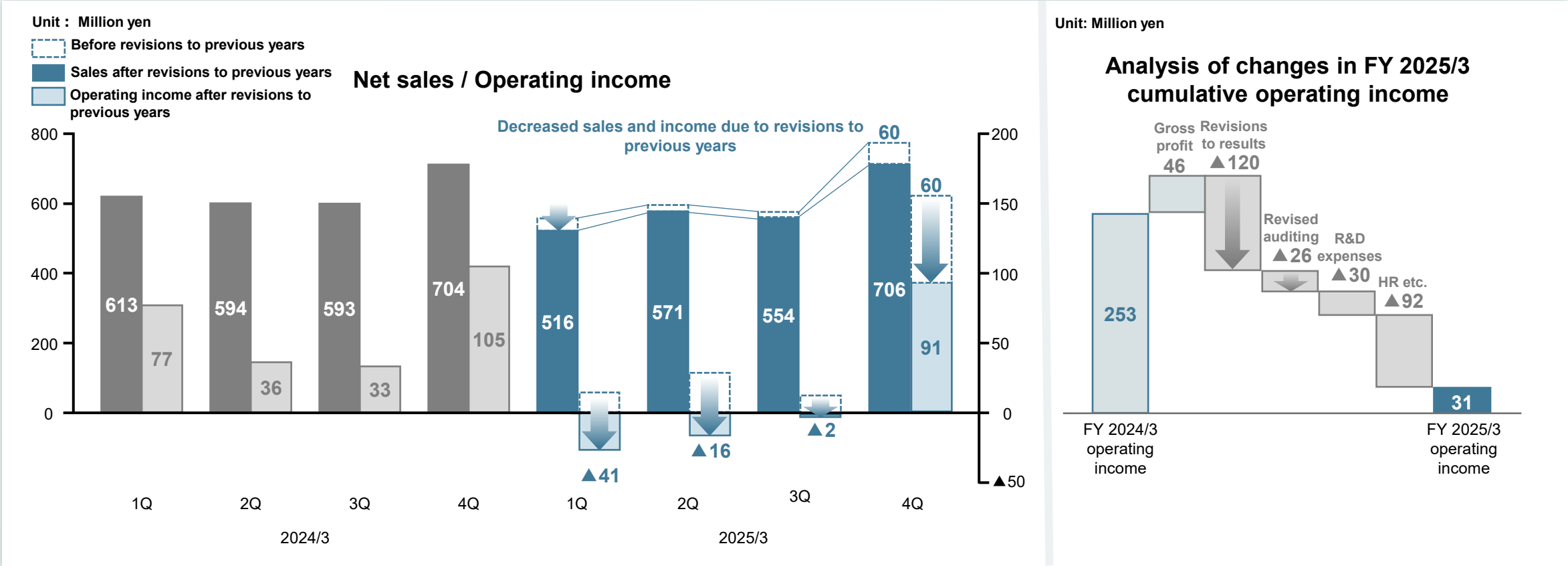
FY 2025/3 Consolidated Results: Highlights

- While sales were lower than forecast because of such factors as delays in the timing of starting development on some projects, profit was higher than forecast as a result of cost controls.
- Sales were down YoY as well because of the difficulty in securing new orders for services at the start of the period as a result of OutSystems license price increases.
- As described below, recent orders received show a sharp recovery, although not in time to affect FY 2025/3 sales.

	2024/3	2025/3	Change	YoY	2025/3 planned	Progress
Net sales	2.5 billion yen	2.34 billion yen	-0.15 billion yen	93.7%	2.51 billion yen	93.6%
Pro forma EBITDA	0.53 billion yen	0.19 billion yen	-0.34 billion yen	36.3%	0.17 billion yen	114.8%
Operating income	0.25 billion yen	0.03 billion yen	-0.22 billion yen	12.3%	0.00 billion yen	-
Ordinary income	0.25 billion yen	0.02 billion yen	-0.23 billion yen	8.1%	0.00 billion yen	-
Net income attributable to owners of parent	0.17 billion yen	-0.01 billion yen	-0.19 billion yen	-	-0.05 billion yen	-

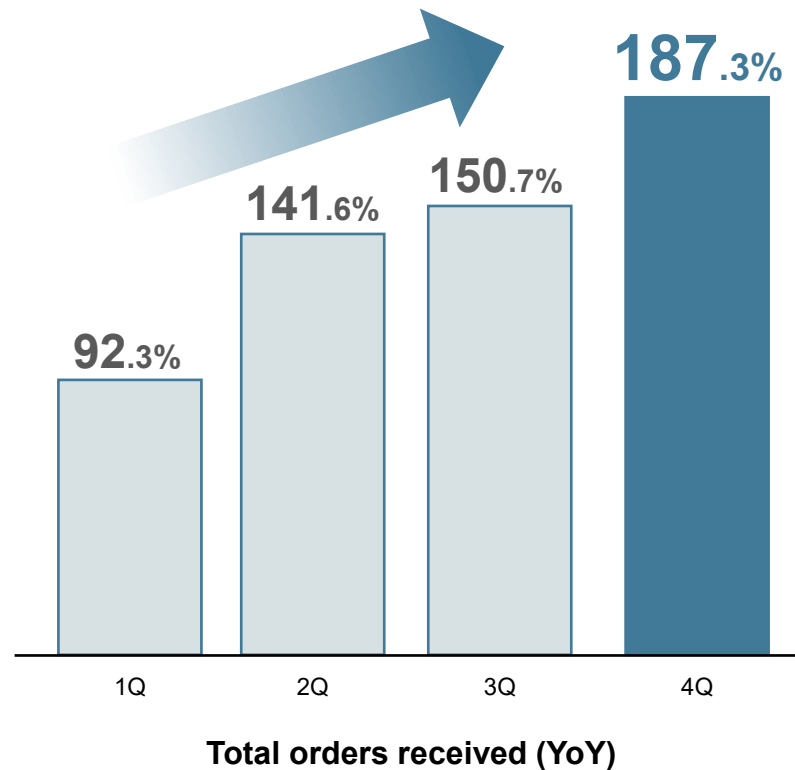
Performance Trends, Analysis of Changes in Operating Income

- While net sales remained down YoY as time was consumed in handling OutSystems license price increases at the start of the year, they recovered to a YoY increase in Q4.
- Income also faced challenges in H1 due to revisions to financial results and additional audit compensation, but it improved to profitability in Q4.
- While Q4 results were affected by a decrease in highly profitable license sales, income would have been up YoY if not for the effects of revisions to financial results.

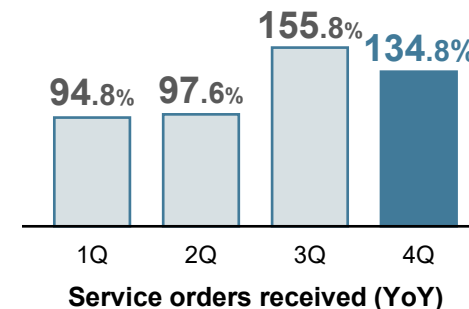
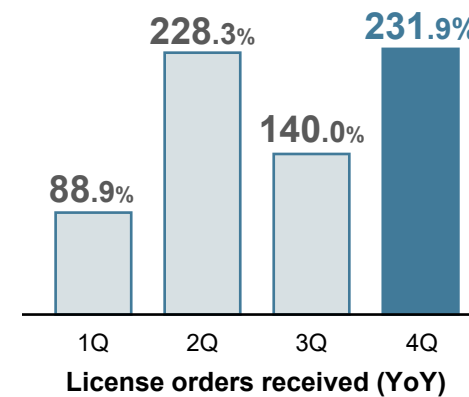


Trend in Orders Received

- Orders received are recovering after being down YoY in Q1, rising sharply YoY by 187.3% in Q4 and 146.1%* for the full year.
- License orders received were down YoY in Q1 because of the effects of a rush to make purchases before price increases, but a favorable trend since Q2 led to full-year growth of 176.0%*.
- Service orders were down YoY in H1 because of delays in starting service provision as a result of difficulties in negotiating for license price increases, but they recovered sharply in H2 to 125.0%* growth.

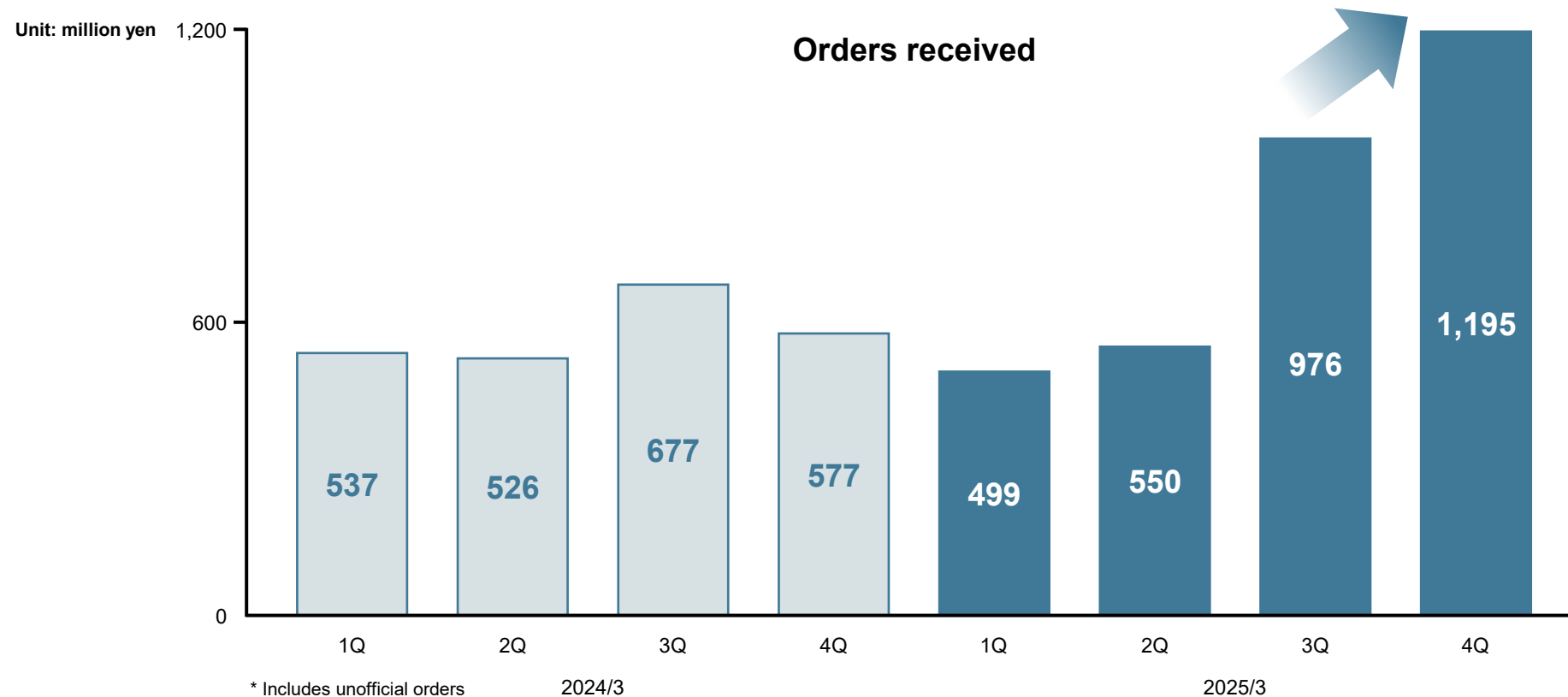


* Includes unofficial orders



Trend in Orders Received

- After facing difficulties in H1 due to the effects of OutSystems license price increases, orders received recovered with a change in sales strategies.
- Receipt of orders for multiple large-scale projects in Q3-Q4 resulted in 207%* growth YoY.
- We will strive to grow sales through resource enhancements, strengthening of the content of proposals, and use of digital labor in FY 2026/3.



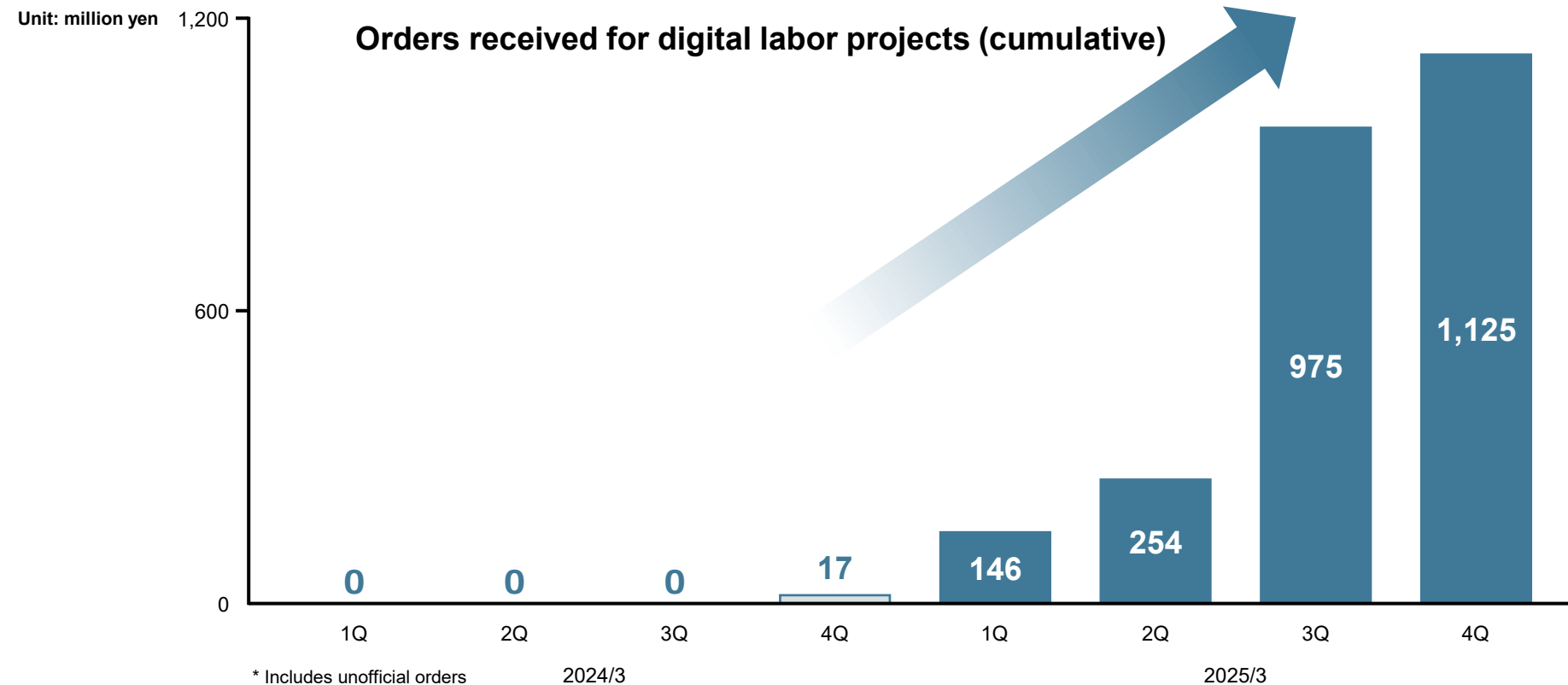
2

Initiatives in the current fiscal year toward achievement of the Medium-Term Management Plan

bluememe

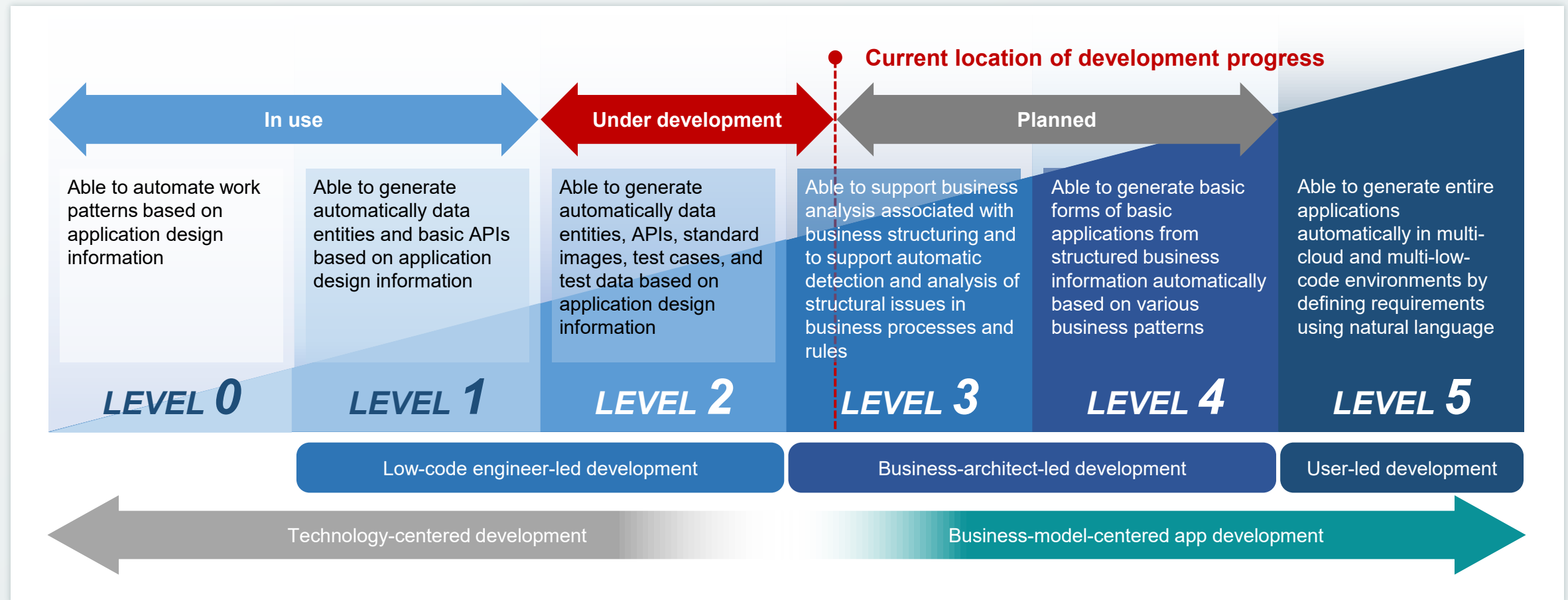
Status of application of digital labor to practical projects

- Development applying digital labor to practical projects has continued since FY 2024/3 Q4.
- The number of projects is growing steadily, driving the value of orders received for applicable projects to more than 1.1 billion yen* in FY 2025/3 Q4.
- We will continue to increase applicable projects and proceed with Level 2 and Level 3 development, aiming for commercialization.



Stages of Digital Labor Development

- Digital labor development continues at Level 2 and Level 3 through application to practical projects.
- Promoting development by growing projects using digital labor.



Order Received for the Sankyo Tateyama, Inc., Backbone System Upgrade Project

- Work has begun on a system upgrade project for Tateyama Advance, which handles Sankyo Tateyama's commercial facility business, in response to the increasing complexity of business and overreliance on paperwork.
- This order was received as a result of the client's high regard for our integrated DX support, including our agile development and flexible, speedy low-code development structures, our ability to propose optimization of overall business processes, and our ability to enable compliance with the Act on Special Provisions concerning Preservation Methods for Books and Documents Related to National Tax Prepared by Means of Computers and development of a data integration infrastructure.
- The client also highly regarded the way our support structure premised on in-house system operation could control future costs and cut the burdens of operation.

Project background

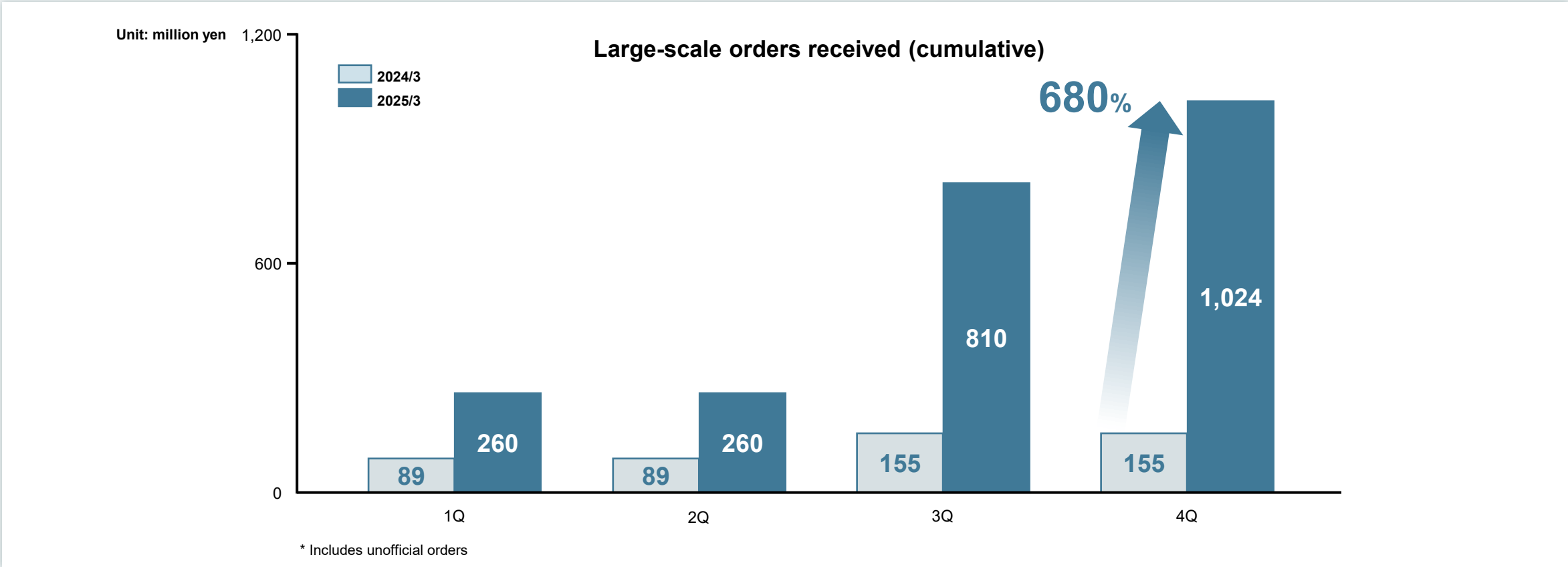
- While promoting DX, it has not been easy for Tateyama Advance to adopt new systems.
- Need to promote business standardization and efficiency by building a flexible system foundation using low-code technology to deliver solutions.
- Also need to improve speed and precision in business processes overall by reducing manual work and centralizing information management.
- Furthermore, building a system able to adapt swiftly to future market changes by securing system expandability.

Details of BlueMeme's support

- Backbone business system (project progress control, business calculations, sales administration) upgrade.
- Supporting business efficiency improvements by enhancing collaboration with the business workflow system.
- Adopting an information sharing infrastructure compliant with the Act on Special Provisions concerning Preservation Methods for Books and Documents Related to National Tax Prepared by Means of Computers and building an environment to facilitate data coordination with suppliers.
- Building infrastructure to support Tateyama Advance's medium-/long-term DX strategy.

Large-scale orders received

- The revision of sales targets in H1 has resulted in growth in large-scale orders received since H2.
- In FY 2025/3 Q3, we received the order for the Sankyo Tateyama, Inc., backbone system upgrade project.
- Large-scale orders received have grown by 680%* from 150 million yen in FY 2024/3 to 1.02 billion yen in FY 2025/3.



APAC: Closed Deals Award received for largest volume of OutSystems orders received

- Won the APAC: Closed Deals Award in the OutSystems Partner of the Year Awards 2024 for contributions to promoting OutSystems and the largest volume of orders received in the Asia-Pacific region.
- Won the OutSystems Training Excellence of APAC award in October 2024 for results in training OutSystems engineers.



Acquisition of Stock in Microcourt Co., Ltd.

- Formally decided on a strategic alliance with Microcourt, a Fukuoka-based company promoting digital transformation (DX) with strong ties to the region.
- In addition to further enhancing earnings abilities and expanding business territory, this alliance will aim to further strengthen IT HR development in the Kyushu region.
- Both companies will cooperate to develop next-generation engineers and build foundations for sustainable growth by supporting DX by firms in the region.

Advantages of addition to the Group, and future initiatives

- **Improving earnings potential through strengthening development resources**
 - Integration of development resources will enable swift handling of existing projects and expanding orders received for new ones.
 - Realizing business growth by building stable, sustainable revenue foundations.
- **Swift, community-oriented services by enhancing the business territory**

Contributing to solutions to community issues using Microcourt's relations with community businesses and understanding of their needs.
- **Growing engineer resources and improving service quality through HR hiring and development**

Sharing our expertise to enhance training structures and develop numerous engineers able to contribute right away.



Business and Capital Alliance with AIK Co., Ltd.

- **BlueMeme formed a business and capital alliance with AIK, which promotes DX in the security industry by providing security systems using AI technologies.**
- **The aim of this investment in AIK through BlueMeme Investment LLP 1, operated by BlueMeme Partners, is to accelerate DX in the security industry, improve security human resources' skills, and strengthen the next-generation security infrastructure.**

Background and objectives of alliance

- DX progress in the security industry in Japan is delayed, and its stagnant business efficiency and labor shortages are growing increasingly more severe.
- To realize a Web platform for automating security services by combining AIK's DX solutions with our technological capabilities.
- Supporting swift decision-making by enabling real-time information sharing and analyzing as a result.
- AIK develops features suited to industry-specific needs and contributes to business efficiency improvements, cost cutting, and safety across the entire security industry.

Details of alliance

- **Providing specialized DX solutions for the security industry**
Leveraging the latest technologies and system development expertise to accelerate automation and data utilization in the security industry.
- **Joint development of training programs**
Developing programs for comprehensive support of HR development after adoption of DX solutions.
- **Industry-wide value improvement**
Aiming to improve the image of the security industry by combining the strengths of both companies.

Completion of Investment in Nurve

- **BlueMeme Investment LLP 1, operated by BlueMeme Partners, has completed its investment in Nurve, which deploys XR (virtual reality) services.**
- **This investment will support Nurve's further growth and new business expansion using XR technologies.**

About Nurve

- Provides innovative services using XR technologies.
- Provides innovative virtual experience services to the real estate, travel, and other industries.
- Its VR Naiken[®] service already has secured solid market share in this field as the leader in VR open houses.
- It also is deploying services to support solutions for businesses requiring stability and those where it is difficult to share resources due to geographical constraints.
- It has concluded a business alliance with a major real estate information site and offers the VR Naiken[®] service broadly across the real estate industry, for more efficient sales.

Reasons for investment

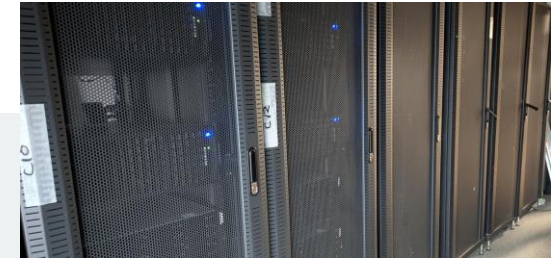
- Our assessment of Nurve's outstanding technological strengths and its high growth potential in the market.
- Its XR technologies are effective for HR development and operation procedures support.
- Expected business development using XR technologies and data analysis.
- Planning to offer new VR services to meet customers' needs, leveraging a wealth of partnerships in the long-term care, welfare, and medical fields.

Quantum AI Research with Kyushu University: Applications to Bio-Medical Fields

- Since April 2023, we have been advancing joint research with the Medical Institute of Bioregulation, Kyushu University, toward social implementation of a biomedical language model utilizing quantum AI. This initiative will promote progress in AI technologies in biomedical information analysis fields and social implementation of quantum computing technologies. **Plans call for publishing some results of this research in a paper during 2025.**

- Press release: BlueMeme and Kyushu University launch joint research to develop a large language model using quantum AI
<https://www.bluememe.jp/press-release-2023-06-14/>
- Press release: BlueMeme and Kyushu University launch R&D on a network AI statistical analysis infrastructure
<https://www.bluememe.jp/press-release2023-12-12/>

HPC for quantum computing simulation
(Medical Institute of Bioregulation,
Kyushu University)



Quantum AI

Quantum AI technology combines the computing power of quantum computers with AI technology to enable faster, more advanced processing than traditional AI.

This technology demonstrates considerable effects in solutions to **issues involving processing of vast volumes of data and complex optimization** in particular.

Differences from traditional AI

Data learning efficiency:

The distinctive features of quantum computers make it possible to identify patterns and learn effectively even using small sample sizes (even where vast volumes of training data would be needed with traditional AI).

Finding optimal solutions:

Derives more precise solutions to complex forecasting tasks.

Information processing capabilities:

Quantum superposition makes it possible to compute simultaneously vast combinations that were not practical in terms of time constraints when using standard computers.

Share buyback

- The August 20, 2024, meeting of the Board of Directors resolved on a share buyback to enable dynamic capital policies in response to changing business conditions.
- The November 14, 2024, meeting of the Board of Directors resolved to increase the total number of shares bought and their total purchase price, aiming to realize appropriate value for shareholders by further increasing returns of profit to shareholders and capital efficiency.
- As of March 31, 2025, we had acquired 67,100 shares (approx. 45% of the maximum to be acquired). Going forward, we will continue to purchase shares in line with the current limit.

	Details of Board resolution	Buyback results (as of March 31, 2025)
Timing of purchase	August 21, 2024, to August 20, 2025	August 21, 2024, to March 31, 2025
Total shares to be acquired	150,000 (maximum) Percentage of total shares issued and outstanding (not including treasury shares) ➡ approx. 4.2%	67,100 (approx. 45% of the maximum)
Total amount	150,000,000 yen	71,014,400 yen (approx. 47% of the maximum)

3

FY 2026/3 full-year forecasts and growth strategy

bluememe

Full-year forecasts

- FY 2026/3 net sales are projected to be lower than targeted in the Medium-term Management Plan due to the lingering effects of delays in the timing of service proposals in FY 2025/3.
- Profit also is projected to fall short of the Medium-term Management Plan as a result of planned continual investment in HR (including hiring and training), digital labor R&D, and M&As and other strategic investments, in addition to lower than planned sales.
- We will aim for a sharp YoY increase in sales through sales activities targeting backbone system migration projects this period.

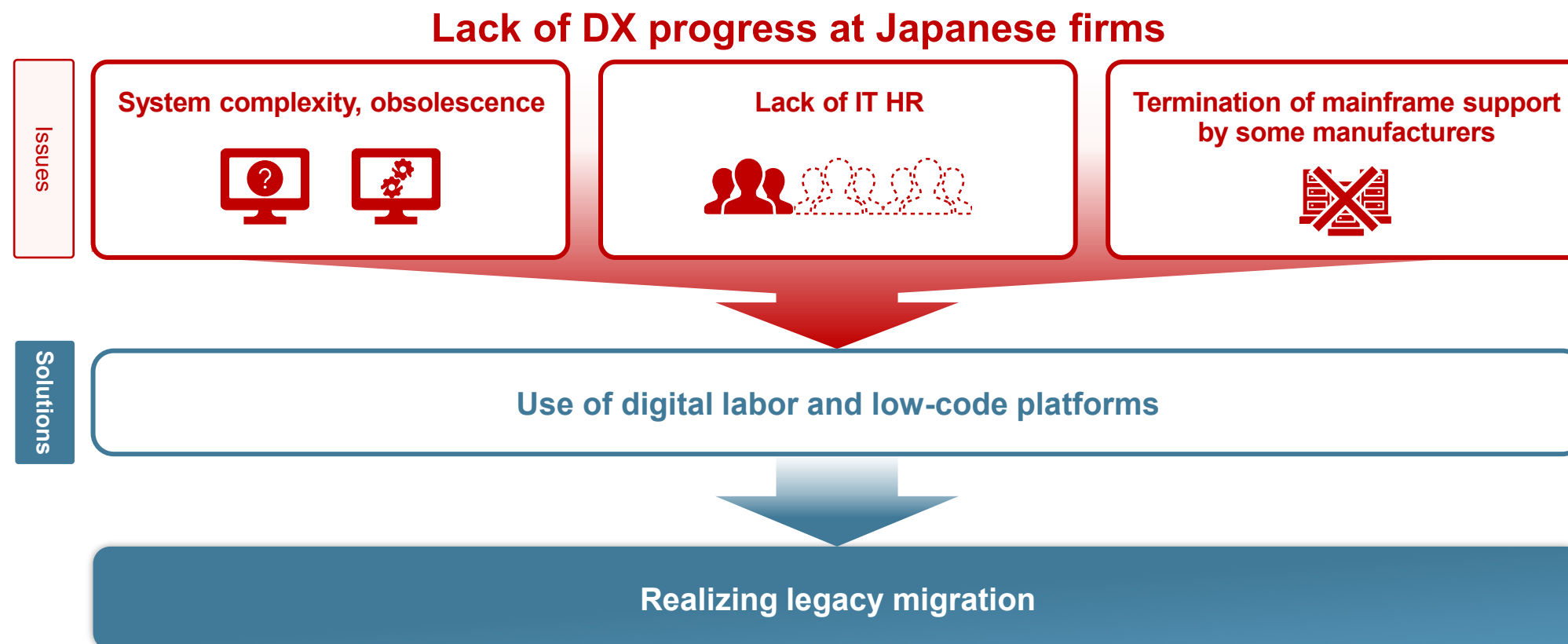
Unit: Million yen

	FY 2025/3 full-year results	FY 2026/3 full-year forecasts	YoY
Net sales	2,349	3,300	40.4%
Operating income	31	150	379.9%
Ordinary income	20	150	627.0%
Net income attributable to owners of parent	▲ 17	100	-

Note: Amounts rounded down to nearest million

Focusing on backbone system migration in FY 2026/3

- The target for securing new clients in FY 2026/3 will be the backbone system migration field, in which demand is expected to grow.
- We will leverage our strengths in areas such as use of digital labor and low-code platforms to support DX promotion.



Providing added value to support use of low-code development infrastructure by user firms

- Currently, in addition to development services we sell low-code development infrastructure licenses.
- While promoting low-code development infrastructure, we also will differentiate our solutions through not only integrated provision with development and operation services but also provision of solutions embedding various components to support effective use of low-code development infrastructure by user firms.

