

**Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2024****[Japanese GAAP]**

Company name: ULURU.CO., LTD.

Listing: Tokyo Stock Exchange

Stock code: 3979

URL: <https://www.uluru.biz/>

Representative: Tomoya Hoshi, Representative Director and President

Contact: Yasuaki Uchimaru, Executive Director, Co-CFO

Tel: +81-3-6221-3069

Scheduled date of Annual General Meeting of Shareholders: June 27, 2024

Scheduled date of payment of dividend: June 28, 2024

Scheduled date of filing of Annual Securities Report: June 28, 2024

Preparation of supplementary materials for financial results: Yes

Holding of financial results meeting: Yes (for institutional investors and analysts)

\*Individual investors can watch the meeting online  
(All amounts are rounded down to the nearest million yen)**1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 – 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	%
Fiscal year ended Mar. 31, 2024	5,937	22.1	1,517	-	1,324	-	1,289	-	720	-
Fiscal year ended Mar. 31, 2023	4,862	20.7	105	-	8	-	5	-	(45)	-

\*EBITDA = Operating profit + Depreciation + Amortization of goodwill

Note: Comprehensive income (million yen) Fiscal year ended Mar. 31, 2024: 720 (-%)

Fiscal year ended Mar. 31, 2023: (45) (-%)

	Net income per share	Diluted net income per share	Return on equity	Ordinary profit to total assets	Operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended Mar. 31, 2024	104.11	-	29.4	24.2	22.3
Fiscal year ended Mar. 31, 2023	(6.58)	-	(2.2)	0.1	0.2

Reference: Equity in earnings of affiliates (million yen) Fiscal year ended Mar. 31, 2024: - Fiscal year ended Mar. 31, 2023: -

Note: Diluted net income per share for the fiscal year ended March 31, 2023 is not presented because net loss was posted although there were outstanding dilutive shares. Diluted net income per share for the fiscal year ended March 31, 2024 is not presented because there were no outstanding dilutive shares.

**(2) Consolidated financial position**

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2024	6,051	2,811	46.5	406.37
As of Mar. 31, 2023	4,621	2,088	45.2	301.98

Reference: Shareholders' equity (million yen) As of Mar. 31, 2024: 2,811 As of Mar. 31, 2023: 2,088

**(3) Consolidated cash flows**

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended Mar. 31, 2024	1,474	(441)	160	3,589
Fiscal year ended Mar. 31, 2023	328	(695)	(42)	2,396

**2. Dividends**

	Dividend per share					Total dividends	Payout ratio (consolidated)	Dividend on net assets (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
Fiscal year ended Mar. 31, 2023	Yen -	Yen 0.00	Yen -	Yen 0.00	Yen 0.00	Million yen -	% -	% -
Fiscal year ended Mar. 31, 2024	-	0.00	-	35.00	35.00	242	33.6	9.9
Fiscal year ending Mar. 31, 2025 (forecast)	-	0.00	-	10.00	10.00		15.4	

**3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2025 (April 1, 2024 – March 31, 2025)**

(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	7,130	20.1	1,000	(34.1)	750	(43.4)	700	(45.7)	450	(37.5)	65.03

Note: There is no first half forecast.

**\* Notes**

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

(2) 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

(3) Number of issued shares (common stock)

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

As of Mar. 31, 2024: 6,925,400 shares As of Mar. 31, 2023: 6,917,400 shares

2) Number of treasury shares at the end of period

As of Mar. 31, 2024: 5,951 shares As of Mar. 31, 2023: 308 shares

3) Average number of shares during the period

Fiscal year ended Mar. 31, 2024: 6,917,022 shares Fiscal year ended Mar. 31, 2023: 6,913,917 shares

**Reference: Summary of Non-consolidated Financial Results**

**1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 – March 31, 2024)**

(1) Non-consolidated operating results (Percentages represent year-on-year changes)

	Net sales		EBITDA		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Mar. 31, 2024	4,274	20.9	1,291	761.4	1,230	955.5	1,186	988.9	278	269.3
Fiscal year ended Mar. 31, 2023	3,536	23.8	149	-	116	-	108	-	75	23.4

	Net income per share		Diluted net income per share	
	Yen		Yen	
Fiscal year ended Mar. 31, 2024	40.24		-	
Fiscal year ended Mar. 31, 2023	10.90		10.89	

(2) Non-consolidated financial position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Million yen		Million yen		%		Yen	
As of Mar. 31, 2024	5,286		2,386		45.2		344.93	
As of Mar. 31, 2023	4,302		2,105		48.9		304.38	

Reference: Shareholders' equity (million yen) As of Mar. 31, 2024: 2,386 As of Mar. 31, 2023: 2,105

\* The current financial report is not subject to audit 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. Overview of Results of Operations, (4) Outlook" on page 6 for forecast assumptions and notes of caution for usage.

How to view supplementary information at the financial results meeting

ULURU plans to hold an information meeting for institutional investors and analysts on May 17, 2024. Individual investors can use the internet to view this meeting.

Materials used at this meeting were posted on the ULURU website and TDnet on the same day that fiscal year results of operations were announced. ULURU plans to post a video and audio file of the information meeting on its website soon after this meeting.

**Contents of Attachments**

1. Overview of Results of Operations	2
(1) Results of Operations	2
(2) Financial Position	6
(3) Cash Flows	6
(4) Outlook	6
2. Basic Approach to the Selection of Accounting Standards	7
3. Consolidated Financial Statements and Notes	8
(1) Consolidated Balance Sheet	8
(2) Consolidated Statements of Income and Comprehensive Income	10
Consolidated Statement of Income	10
Consolidated Statement of Comprehensive Income	11
(3) Consolidated Statement of Changes in Equity	12
(4) Consolidated Statement of Cash Flows	14
(5) Notes to Consolidated Financial Statements	15
Going Concern Assumption	15
Segment and Other Information	15
Per Share Information	18
Subsequent Events	18

## 1. Overview of Results of Operations

### (1) 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.

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 under our corporate vision of "Solve the labor shortage and enrich people and companies."

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 about the half of our sales and the majority of 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 2,099.0 billion yen in fiscal 2027 according to "Software Business New Markets 2023" by Fuji Chimera Research Institute, Inc.

The current fiscal year was the final year of the five-year medium-term business plan (fiscal year ended March 31, 2020 to March 31, 2024) established on May 14, 2019. The Company focused on achieving the medium-term business plan based on the concept of the medium to long-term growth of corporate value rather than pursuing earnings in the short term. As a result, net sales for the current fiscal year increased 22.1% year on year to 5,937 million yen, and EBITDA (operating profit + depreciation + amortization of goodwill) climbed 1,332.9% to 1,517 million yen. Meanwhile, operating profit was 1,324 million yen, up 14,847.4% year on year, and ordinary profit increased 21,467.5% to 1,289 million yen. Profit attributable to owners of parent was 720 million yen compared with a loss of 45 million yen one year earlier. Net sales were slightly below target, but EBITDA, our most important indicator, operating profit and ordinary profit exceeded the targets. Profit attributable to owners of parent was below the target due to the recording of 135 million yen as impairment losses on goodwill related to OurPhoto Co., Ltd., a consolidated subsidiary, under extraordinary losses.

Comparing the fiscal year ended March 31, 2019, the year before the medium-term business plan, to the current fiscal year, the final year of the plan, net sales rose by a factor of 2.6 from approximately 2,200 million yen, while EBITDA increased by a factor of 3.4 from approximately 450 million yen.

Total annual recurring revenue (ARR) continued to increase and surpassed 4,500 million yen. This is the sum of revenue for NJSS, en-photo and fondesk, which all use a SaaS business model.

Differences between results of operations and the initial forecasts announced on May 15, 2023 for the fiscal year that ended in March 2024 are as follows.

(Millions of yen)

	FY3/24 (Initial forecasts)	FY3/24 (Results)	Difference using initial forecasts (%)
Net sales	6,000	5,937	(1.0)%
EBITDA	1,500	1,517	1.2%
Operating profit	1,300	1,324	1.9%
Ordinary profit	1,280	1,289	0.7%
Profit attributable to owners of parent	800	720	(10.0)%

Business segment sales were as follows.

(Millions of yen)

Segment	FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)		FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)		YoY change in net sales (%)
	Net sales	Comp. (%)	Net sales	Comp. (%)	
CGS Business	3,618	74.4	4,435	74.7	22.6
NJSS	2,386	49.1	2,874	48.4	20.5
fondesk	660	13.6	833	14.0	26.3
Photo	572	11.8	726	12.2	27.0
Others	-	-	0	0	-
BPO Business	1,216	25.0	1,476	24.9	21.4
Crowdsourcing Business	27	0.6	26	0.4	(3.3)
Total	4,862	100.0	5,937	100.0	22.1

### 1) CGS NJSS

For NJSS, the main SaaS in the CGS business, subscription sales, which is the foundation of the business, posted steady growth, and Bidding BPO, which started in November 2023, also began contributing to sales. The ARPU for existing NJSS is now 1,151 yen, while (ARPU; average daily sales per user) for Bidding BPO is 72 yen, and the combined ARPU for these two services is rising to 1,223 yen.

As for other KPIs, the number of fee-paying contracts reached 6,567 as of March 31, 2024, an increase of 845 compared to March 31, 2023, and the average churn rate during the past 12 months based on fee-paying contracts was 1.53%, maintaining the 1% level. ARR was approximately 2.9 billion yen, continuing to grow.

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.

Consequently, NJSS sales increased 20.5% to 2,874 million yen, EBITDA was up 68.2% to 1,582 million yen and segment profit increased 62.1% to 1,492 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	769
Gross profit (Millions of yen)	508	535	563	588	620	655	670	709
EBITDA (Millions of yen)	191	216	268	265	344	401	410	426
ARR (Millions of yen)	2,215	2,312	2,374	2,471	2,654	2,754	2,801	2,875
NJSS Fee-paying contracts	4,968	5,183	5,398	5,722	5,980	6,247	6,377	6,567
NJSS ARPU (Yen)	1,195	1,195	1,190	1,164	1,166	1,162	1,158	1,151
Bidding BPO ARPU (yen)	-	-	-	-	-	-	-	72
NJSS Churn rate (%)	1.45	1.46	1.42	1.44	1.44	1.42	1.47	1.53
NJSS LTV (Thousands of yen)	2,255	2,264	2,318	2,189	2,208	2,255	2,174	2,060
Bidding BPO LTV (Thousands of yen)	-	-	-	-	-	-	22	129
nSearch Fee-paying contracts	-	-	-	423	485	550	565	566
Employees	107	107	110	111	114	111	112	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. Bidding BPO ARPU includes spot net sales.
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):  $\text{ARPU} \times (1/\text{Churn rate}) \times \text{Gross profit margin of } 90\%$
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 fondesk SaaS in the CGS business continued to benefit from a tailwind from corporate DX and other factors, with the number of fee-paying contracts growing to 4,794 as of March 31, 2024 (up 740 from March 31, 2023). We also continued measures to improve user convenience, including system upgrades to improve UI/UX. As a result, the average churn rate during the past 12 months based on fee-paying contracts was 1.3% (1.5% as of March 31, 2023), remaining at the lowest level.

In addition, as a result of curbing advertising expenses such as mass advertising, EBITDA for the current fiscal year returned to profitability.

As a result, net sales of fondesk in the CGS business for the current fiscal year increased 26.3% to 833 million yen, segment EBITDA was 269 million yen compared with negative 30 million yen one year earlier, and segment profit was 268 million yen compared with a loss of 31 million yen one year earlier.

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	211
EBITDA (Millions of yen)	(4)	11	35	(72)	62	61	75	69
Fee-paying contracts	3,550	3,718	3,896	4,054	4,272	4,469	4,682	4,794
ARPU (Yen)	12,840	14,987	15,056	14,810	15,725	15,412	15,274	14,676
Churn rate (%)	1.6	1.6	1.5	1.5	1.4	1.3	1.3	1.3
ARR (Millions of yen)	547	668	703	720	806	826	858	844
Employees	16	15	15	15	14	15	15	16

- 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

Despite a cooling in consumer sentiment due to rising prices, the en-Photo SaaS in the CGS business saw sales per kindergarten grow to 45,397 yen, up from 34,882 yen in the fourth quarter of the previous fiscal year due to a significant increase in sales of graduation albums, a cross-selling product, and other factors. In addition, the number of nursery school and kindergarten contracts grew steadily to 4,725 at the end of March 2024, 539 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.

As a result, sales of photo services in the CGS business increased 27.0% year on year to 726 million yen, segment EBITDA was 70 million yen compared with negative 210 million yen one year earlier, and segment profit came to 37 million yen compared with a 241 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	233
EBITDA (Millions of yen)	(56)	(74)	(40)	(38)	13	(15)	20	51
en-photo: Contracted facilities	3,757	3,835	3,942	4,186	4,339	4,525	4,624	4,725
en-photo: Sales per facility (Yen)	27,097	25,222	28,983	34,882	29,901	25,164	31,079	45,397
en-photo: ARR (Millions of yen)	407	386	457	584	518	455	574	858
OurPhoto: Number of photos taken	4,551	3,165	9,381	3,138	3,977	2,813	9,257	3,085
Employees	36	36	35	36	37	36	37	34

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

In the BPO business, scanning operations performed well, in line with growing demand for DX, and sales in the BPaaS area, which provides human resources support to SaaS providers, grew. Net sales and EBITDA increased in the fourth quarter due to the recording of net sales for large projects for which orders had been received in the third quarter. In addition, we have also continued to work on the BPaaS Bidding BPO, launched in November 2023, which combines the bid submission knowhow of NJSS and the project execution expertise of ULURU BPO.

As a result, net sales of the BPO business increased 21.4% to 1,476 million yen, segment EBITDA rose 287.3% to 242 million yen, and segment profit surged 567.4% to 187 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	602
EBITDA (Millions of yen)	(7)	50	7	11	13	37	44	147
Employees	119	123	126	132	135	134	134	148

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

In the Crowdsourcing business, the number of crowdworkers registered in the Shufti business was about 460,000 as of March 31, 2024. 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.

As a result, net sales of the Crowdsourcing business in the current fiscal year decreased 3.3% to 26 million yen, segment EBITDA was negative 10 million yen compared with negative 13 million yen one year earlier, and the segment loss was 10 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	5
EBITDA (Millions of yen)	(2)	(4)	(7)	0	(4)	(1)	(2)	(2)
Employees	6	6	6	6	6	5	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) Financial Position**

(Thousands of yen)

	FY3/23	FY3/24	YoY change (%)
Assets	4,621,583	6,051,359	30.9
Liabilities	2,532,755	3,239,489	27.9
Net assets	2,088,827	2,811,870	34.6

Total assets at the end of the current fiscal year increased 1,429 million yen from the end of the previous fiscal year to 6,051 million yen. This was mainly due to an increase of 1,193 million yen in cash and deposits, an increase of 269 million yen in accounts receivable-trade, a decrease of 208 million yen in goodwill, and an increase of 107 million yen in software.

Total liabilities increased 706 million yen from the end of the previous fiscal year to 3,239 million yen. This was mainly due to a 37 million yen increase in accounts payable-trade, a 113 million yen decrease in accounts payable-other, a 298 million yen increase in income taxes payable, a 115 million yen increase in contract liabilities, a 127 million yen increase in provision for bonuses, and a 158 million yen increase in long-term borrowings.

Total net assets increased 723 million yen from the end of the previous fiscal year to 2,811 million yen. This result was primarily attributable to an increase of 720 million yen in retained earnings.

**(3) Cash Flows**

Cash and cash equivalents at the end of the current fiscal year was 3,589 million yen, up 1,193 million yen over the end of the previous fiscal year. The cash flow components during the current fiscal year and the main reasons for changes are as described below.

(Thousands of yen)

	FY3/23	FY3/24	YoY change (%)
Cash flows from operating activities	328,863	1,474,943	348.5
Cash flows from investing activities	(695,046)	(441,288)	-
Cash flows from financing activities	(42,849)	160,107	-

**Cash flows from operating activities**

Net cash provided by operating activities was 1,474 million yen (328 million yen provided in the previous fiscal year). The main factors were 1,153 million yen in profit before income taxes, 119 million yen in depreciation, 73 million yen in amortization of goodwill, a 127 million yen increase in provision for bonuses, and a 115 million yen increase in contract liabilities.

**Cash flows from investing activities**

Net cash used in investing activities was 441 million yen (695 million yen used in the previous fiscal year). The main factors were purchases of property, plant and equipment of 95 million yen, purchases of intangible assets of 276 million yen, and purchases of investment securities of 72 million yen.

**Cash flows from financing activities**

Net cash provided by financing activities amounted to 160 million yen (42 million yen used in the previous fiscal year). This mainly reflects proceeds of 200 million yen from long-term borrowings and repayments of long-term borrowings of 40 million yen.

**(4) Outlook**

In the fiscal year ended March 31, 2024, the final year of our five-year medium-term business plan (fiscal year ended March 31, 2020 to March 31, 2024) established on May 14, 2019, the Group was able to achieve an EBITDA of 1,500 million yen. EBITDA is our most important indicator.

On November 14, 2023, we announced ULURU Sustainable Growth, a new management policy for the period after the medium-term business plan (fiscal year ending March 31, 2025 and beyond), which targets not only sales growth but also sustainable profit growth through disciplined growth investments centered on human capital investment, M&A, etc.

Based on the ULURU Sustainable Growth plan, for the fiscal year ending March 31, 2025, we are targeting net



sales growth of 20% to 7,130 million yen, and EBITDA of 1,000 million yen, based on a balance between investment for growth and securing profits.

#### FY3/24 Consolidated Sales and Earnings and FY3/25 Forecasts

(Millions of yen)

	FY3/24 (Results)	FY3/25 (Forecasts)
Net sales	5,937	7,130
EBITDA	1,517	1,000
Operating profit	1,324	750
Ordinary profit	1,289	700
Profit attributable to owners of parent	720	450

Starting from the fiscal year ending March 31, 2026, we will continue to invest in growth with discipline, focusing on human capital, aiming for continuous medium- to long-term growth of net sales and EBITDA with CAGR of 20% or more.

In addition, to achieve both net sales and profit growth as well as providing shareholder returns, we will focus on medium- to long-term EPS growth and aim to increase dividends every year with a dividend payout ratio of 15% or more of profit attributable to owners of parent as an ordinary dividend starting from the fiscal year ending March 31, 2025.

These forecasts are based on information available at the time this report was prepared. Actual results may differ for a number of reasons.

## 2. Basic Approach to the Selection of Accounting Standards

The ULURU Group will continue to prepare consolidated financial statements using generally accepted accounting principles in Japan for the time being to permit comparisons with the financial data of our peer companies in Japan.

**3. Consolidated Financial Statements and Notes****(1) Consolidated Balance Sheet**

(Thousands of yen)

	FY3/23 (As of Mar. 31, 2023)	FY3/24 (As of Mar. 31, 2024)
Assets		
Current assets		
Cash and deposits	2,396,104	3,589,867
Accounts receivable-trade	343,102	613,057
Work in process	34,536	15,173
Other	161,167	155,620
Allowance for doubtful accounts	(3,477)	(6,502)
Total current assets	2,931,434	4,367,217
Non-current assets		
Property, plant and equipment		
Buildings and structures	189,991	190,898
Tools, furniture and fixtures	178,355	238,315
Other	11,021	11,021
Accumulated depreciation	(178,084)	(220,547)
Total property, plant and equipment	201,283	219,688
Intangible assets		
Software	189,503	297,430
Software in progress	55,426	161,875
Goodwill	434,211	225,630
Other	991	782
Total intangible assets	680,133	685,719
Investments and other assets		
Investment securities	448,663	464,123
Deferred tax assets	307,459	277,822
Leasehold and guarantee deposits	30,400	24,972
Long-term prepaid expenses	22,208	11,816
Total investments and other assets	808,732	778,734
Total non-current assets	1,690,149	1,684,142
Total assets	4,621,583	6,051,359

	(Thousands of yen)	
	FY3/23 (As of Mar. 31, 2023)	FY3/24 (As of Mar. 31, 2024)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable-trade	167,031	204,113
Current portion of long-term borrowings	38,880	40,004
Accounts payable - other	234,023	120,230
Accrued expenses	231,928	178,268
Income taxes payable	81,295	380,223
Contract liabilities	1,481,810	1,596,945
Provision for bonuses	-	127,260
Deposits received	223,783	232,231
Other	61,283	190,754
<b>Total current liabilities</b>	<b>2,520,037</b>	<b>3,070,031</b>
<b>Non-current liabilities</b>		
Long-term borrowings	-	158,329
Other	12,718	11,128
<b>Total non-current liabilities</b>	<b>12,718</b>	<b>169,457</b>
<b>Total liabilities</b>	<b>2,532,755</b>	<b>3,239,489</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	1,036,616	1,037,746
Capital surplus	1,018,916	1,020,046
Retained earnings	33,600	753,710
Treasury shares	(353)	(427)
<b>Total shareholders' equity</b>	<b>2,088,780</b>	<b>2,811,076</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	47	793
<b>Total accumulated other comprehensive income</b>	<b>47</b>	<b>793</b>
<b>Total net assets</b>	<b>2,088,827</b>	<b>2,811,870</b>
<b>Total liabilities and net assets</b>	<b>4,621,583</b>	<b>6,051,359</b>

**(2) Consolidated Statements of Income and Comprehensive Income****Consolidated Statement of Income**

(Thousands of yen)

	FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)	FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)
Net sales	4,862,379	5,937,912
Cost of sales	1,368,407	1,689,423
Gross profit	3,493,971	4,248,488
Selling, general and administrative expenses	3,485,112	2,924,192
Operating profit	8,859	1,324,296
Non-operating income		
Interest income	25	193
Dividend income	177	186
Subsidy income	7,400	10,640
Other	2,042	3,063
Total non-operating income	9,644	14,083
Non-operating expenses		
Interest expenses	313	539
Share issuance costs	76	-
Loss on investments in investment partnerships	11,331	48,016
Other	807	818
Total non-operating expenses	12,527	49,374
Ordinary profit	5,976	1,289,005
Impairment losses	-	135,027
Total extraordinary losses	-	135,027
Profit before income taxes	5,976	1,153,978
Income taxes-current	92,847	404,560
Income taxes-deferred	(41,363)	29,307
Total income taxes	51,483	433,868
Profit (loss)	(45,507)	720,109
Profit (loss) attributable to owners of parent	(45,507)	720,109

**Consolidated Statement of Comprehensive Income**

(Thousands of yen)

	FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)	FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)
Profit (loss)	(45,507)	720,109
Other comprehensive income		
Valuation difference on available-for-sale securities	(293)	745
Total other comprehensive income	(293)	745
Comprehensive income	(45,800)	720,855
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(45,800)	720,855

**(3) Consolidated Statement of Changes in Equity**

FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,033,456	1,015,756	79,107	(275)	2,128,044
Changes during period					
Issuance of new shares-exercise of share acquisition rights	267	267			535
Issuance of new shares-restricted stock compensation	2,893	2,893			5,786
Profit (loss) attributable to owners of parent			(45,507)		(45,507)
Purchase of treasury shares				(78)	(78)
Net changes in items other than shareholders' equity					
Total changes during period	3,160	3,160	(45,507)	(78)	(39,264)
Balance at end of period	1,036,616	1,018,916	33,600	(353)	2,088,780

	Accumulated other comprehensive income		Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income	
Balance at beginning of period	341	341	2,128,385
Changes during period			
Issuance of new shares-exercise of share acquisition rights			535
Issuance of new shares-restricted stock compensation			5,786
Profit (loss) attributable to owners of parent			(45,507)
Purchase of treasury shares			(78)
Net changes in items other than shareholders' equity	(293)	(293)	(293)
Total changes during period	(293)	(293)	(39,557)
Balance at end of period	47	47	2,088,827

FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,036,616	1,018,916	33,600	(353)	2,088,780
Changes during period					
Issuance of new shares-exercise of share acquisition rights	1,130	1,130			2,260
Profit (loss) attributable to owners of parent			720,109		720,109
Purchase of treasury shares				(73)	(73)
Net changes in items other than shareholders' equity					
Total changes during period	1,130	1,130	720,109	(73)	722,296
Balance at end of period	1,037,746	1,020,046	753,710	(427)	2,811,076

	Accumulated other comprehensive income		Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income	
Balance at beginning of period	47	47	2,088,827
Changes during period			
Issuance of new shares-exercise of share acquisition rights			2,260
Profit (loss) attributable to owners of parent			720,109
Purchase of treasury shares			(73)
Net changes in items other than shareholders' equity	745	745	745
Total changes during period	745	745	723,042
Balance at end of period	793	793	2,811,870

**(4) Consolidated Statement of Cash Flows**

(Thousands of yen)

	FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)	FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)
Cash flows from operating activities		
Profit before income taxes	5,976	1,153,978
Depreciation	68,619	119,706
Amortization of goodwill	28,426	73,553
Share-based payment expenses	30,110	26,980
Impairment losses	-	135,027
Loss (gain) on investments in investment partnerships	11,331	48,016
Increase (decrease) in allowance for doubtful accounts	1,754	3,024
Interest and dividend income	(202)	(379)
Subsidy income	(7,400)	(10,640)
Interest expenses	313	539
Decrease (increase) in trade receivables	(87,212)	(269,954)
Decrease (increase) in inventories	6,085	19,362
Increase (decrease) in trade payables	34,908	37,081
Increase (decrease) in provision for bonuses	-	127,260
Increase (decrease) in contract liabilities	282,805	115,134
Other, net	(39,092)	1,405
Subtotal	336,422	1,580,096
Interest and dividends received	202	379
Subsidies received	7,400	10,640
Interest paid	(313)	(539)
Income taxes paid	(42,897)	(115,633)
Income taxes refund	28,049	0
Net cash provided by (used in) operating activities	328,863	1,474,943
Cash flows from investing activities		
Purchase of property, plant and equipment	(81,133)	(95,979)
Purchase of intangible assets	(205,809)	(276,922)
Purchase of investment securities	(138,911)	(72,500)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(260,629)	-
Other, net	(8,561)	4,114
Net cash provided by (used in) investing activities	(695,046)	(441,288)
Cash flows from financing activities		
Proceeds from long-term borrowings	-	200,000
Repayments of long-term borrowings	(41,810)	(40,547)
Repayments of lease liabilities	(1,495)	(1,531)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	535	2,260
Other, net	(78)	(73)
Net cash provided by (used in) financing activities	(42,849)	160,107
Effect of exchange rate change on cash and cash equivalents	-	-
Net increase (decrease) in cash and cash equivalents	(409,032)	1,193,763
Cash and cash equivalents at beginning of period	2,805,136	2,396,104
Cash and cash equivalents at end of period	2,396,104	3,589,867



## **(5) Notes to Consolidated Financial Statements**

### **Going Concern Assumption**

Not applicable.

### **Segment and Other Information**

Segment information

#### 1. Overview of reportable segments

##### (1) Method of determining the reportable segments

The reportable segments of the ULURU Group are components for which discrete financial information is available and whose operating results are regularly reviewed by the Board of Directors to make decisions about resource allocation and to assess performance.

##### (2) Products and services of the reportable segments

CGS NJSS is the NJSS service that uses crowdworkers for the provision of up-to-date information about bids and winning bids for public-sector tenders and other bid solicitations.

CGS fondesk is the fondesk telephone call answering service that uses crowdworkers.

CGS photo is the en-photo photo sales management system for nursery schools and kindergartens and the OurPhoto service for matching individuals and professional photographers.

CGS others is the CGS services that do not belong to the NJSS, fondesk or photo segments.

BPO performs a broad spectrum of outsourced business processes for the non-core activities of client companies, primarily involving data entry and data scanning.

Crowdsourcing is the Shufti service that provides a platform for matching the requirements of client companies that want to place orders for specific tasks with suitable crowdworkers.

##### 2. Method of calculating net sales, profit/loss, assets, liabilities and other items for reportable segments

The accounting method used for reportable business segments are generally the same as those used for the preparation of consolidated financial statements.” Segment profit for reportable segments is based on operating profit. Inter-segment sales and transfers are based on market prices.

## 3. Information related to net sales, profit/loss, assets, liabilities and other items for reportable segments

FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)

(Thousands of yen)

	Reportable segment							Adjustment (Notes 1, 2, 3)	Amounts shown on consolidated financial statements (Note 4)
	CGS NJSS	CGS fondesk	CGS photo	CGS others	BPO	Crowd- sourcing	Total		
Net sales									
External sales	2,386,369	660,035	572,539	-	1,216,020	27,415	4,862,379	-	4,862,379
Inter-segment sales and transfers	-	-	-	-	420	14,913	15,333	(15,333)	-
Total	2,386,369	660,035	572,539	-	1,216,440	42,329	4,877,713	(15,333)	4,862,379
Segment profit (loss)	920,757	(31,014)	(241,967)	(51,228)	28,136	(14,370)	610,313	(601,453)	8,859
Other items									
Depreciation	20,143	836	3,118	88	34,561	377	59,126	9,493	68,619
Amortization of goodwill	-	-	28,426	-	-	-	28,426	-	28,426

- Notes: 1. The negative adjustment of 601,453 thousand yen to segment profit (loss) includes elimination for inter-segment transactions of negative 368 thousand yen and corporate expenses (mainly selling, general and administrative expenses) of negative 601,084 thousand yen that are not allocated to any reportable segment.
2. The 9,493 thousand yen adjustment to depreciation includes corporate expenses of 9,493 thousand yen that are not allocated to any reportable segment.
3. Segment assets and liabilities are not shown because this information is not provided on a regular basis to the Board of Directors and other high-ranking decision-making bodies and this information is not used for the evaluation of results of operation.
4. Segment profit (loss) is adjusted to be consistent with operating loss in the consolidated statement of income.

FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)

(Thousands of yen)

	Reportable segment							Adjustment (Notes 1, 2, 3)	Amounts shown on consolidated financial statements (Note 4)
	CGS NJSS	CGS fondesk	CGS photo	CGS others	BPO	Crowd- sourcing	Total		
Net sales									
External sales	2,874,494	833,793	726,858	100	1,476,155	26,510	5,937,912	-	5,937,912
Inter-segment sales and transfers	-	-	-	-	1,830	17,513	19,343	(19,343)	-
Total	2,874,494	833,793	726,858	100	1,477,985	44,023	5,957,255	(19,343)	5,937,912
Segment profit (loss)	1,492,396	268,586	37,246	(40,886)	187,771	(10,414)	1,934,699	(610,403)	1,324,296
Segment assets	672,147	41,514	218,236	836	925,053	98,263	1,956,051	4,095,308	6,051,359
Other items									
Depreciation	45,324	952	4,632	265	55,075	279	106,530	13,176	119,706
Amortization of goodwill	45,126	-	28,426	-	-	-	73,553	-	73,553

- Notes: 1. The negative adjustment of 610,403 thousand yen to segment profit (loss) includes elimination for inter-segment transactions of 120 thousand yen and corporate expenses (mainly selling, general and administrative expenses) of negative 610,523 thousand yen that are not allocated to any reportable segment.
2. The 13,176 thousand yen adjustment to depreciation includes corporate expenses of 13,176 thousand yen that are not allocated to any reportable segment.
3. The 4,095,308 thousand yen adjustment to segment assets includes negative 16,886 thousand yen in elimination of the offsetting receivables and corporate assets of 4,112,194 thousand yen that are not allocated to any reportable segment. Corporate assets include surplus funds (cash and deposits), long-term investments (investment securities) and assets related to the administrative division.
4. Segment profit (loss) is adjusted to be consistent with operating profit in the consolidated statement of income.

## 5. Overview of reportable segments

M&A related expenses are corporate expenses that are not allocated to any reportable segment and included in adjustment in order to evaluate the performance of each reportable segment appropriately.

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

Segment information for the previous fiscal year has been prepared using the new classification after this change.

Information related to impairment losses on non-current assets for each reportable segment

FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)

Not applicable.

FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)

(Thousands of yen)

	Reportable segment							Total
	CGS NJSS	CGS fondesk	CGS photo	CGS others	BPO	Crowd-sourcing	Total	
Impairment loss	-	-	135,027	-	-	-	135,027	135,027

Information related to goodwill amortization and the unamortized balance for each reportable segment

FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)

(Thousands of yen)

	Reportable segment							Corporate/eliminate	Total
	CGS NJSS	CGS fondesk	CGS photo	CGS others	BPO	Crowd-sourcing	Total		
Balance at end of period	270,757	-	163,454	-	-	-	434,211	-	434,211

FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)

(Thousands of yen)

	Reportable segment							Corporate/eliminate	Total
	CGS NJSS	CGS fondesk	CGS photo	CGS others	BPO	Crowd-sourcing	Total		
Balance at end of period	225,630	-	-	-	-	-	225,630	-	225,630

Note: Goodwill amortization is omitted since the same information is disclosed in segment information.

**Per Share Information**

(Yen)

	FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)	FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)
Net assets per share	301.98	406.37
Net income (loss) per share	(6.58)	104.11
Diluted net income per share	-	-

Notes: 1. Diluted net income per share for FY3/23 is not presented because net loss was posted although there were outstanding dilutive shares. Diluted net income per share for FY3/24 is not presented because there were no outstanding dilutive shares.

2. The basis of calculating net income (loss) per share is as follows:

	FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)	FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)
Net income (loss) per share		
Profit (loss) attributable to owners of parent (Thousands of yen)	(45,507)	720,109
Amount not attributable to common shareholders (Thousands of yen)	-	-
Profit (loss) attributable to owners of parent applicable to common shares (Thousands of yen)	(45,507)	720,109
Average number of shares outstanding (Shares)	6,913,917	6,917,022

**Subsequent Events**

Not applicable.

*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.*