

ULURU

IT Labor Solutions Innovator

Financial Results **For the Second Quarter of** **the Fiscal Year** **Ending March 31, 2025**

Uluru Co., Ltd.
Securities Code: 3979
November 14, 2024

*Financial data sheets in Excel format are available on our website (<https://www.uluru.biz/ir/>).

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1 Executive Summary

Executive Summary (Quarterly)

(Million yen)

Net Sales (Quarterly)

+15.2% YoY

1,554

- Sales in all businesses have generally grown as expected.

EBITDA and Operating Profit (Quarterly)

< EBITDA >

-48.1% YoY

174

< Operating Profit >

-59.3% YoY

118

- Based on the medium- and long-term policies, investments in human capital and advertising were made according to plan, and both EBITDA and operating profit have generally progressed as anticipated.

Whole ARR (NJSS, fondesk, en-photo)

+15.1% YoY

4,646

- The ARR of NJSS, nSearch, and fondesk grew steadily. The whole ARR exceeded 4.6 billion yen.

Net Sales by Segment (Quarterly)

NJSS

+11.2% YoY

789

fondesk

+16.9% YoY

241

en-photo

+25.3% YoY

142

(Excluding OurPhoto)

Business Processing Outsourcing (BPO)

+21.2% YoY

353

* EBITDA = Operating Profit + Depreciation and Amortization + Amortization of Goodwill.

Executive Summary (Cumulative)

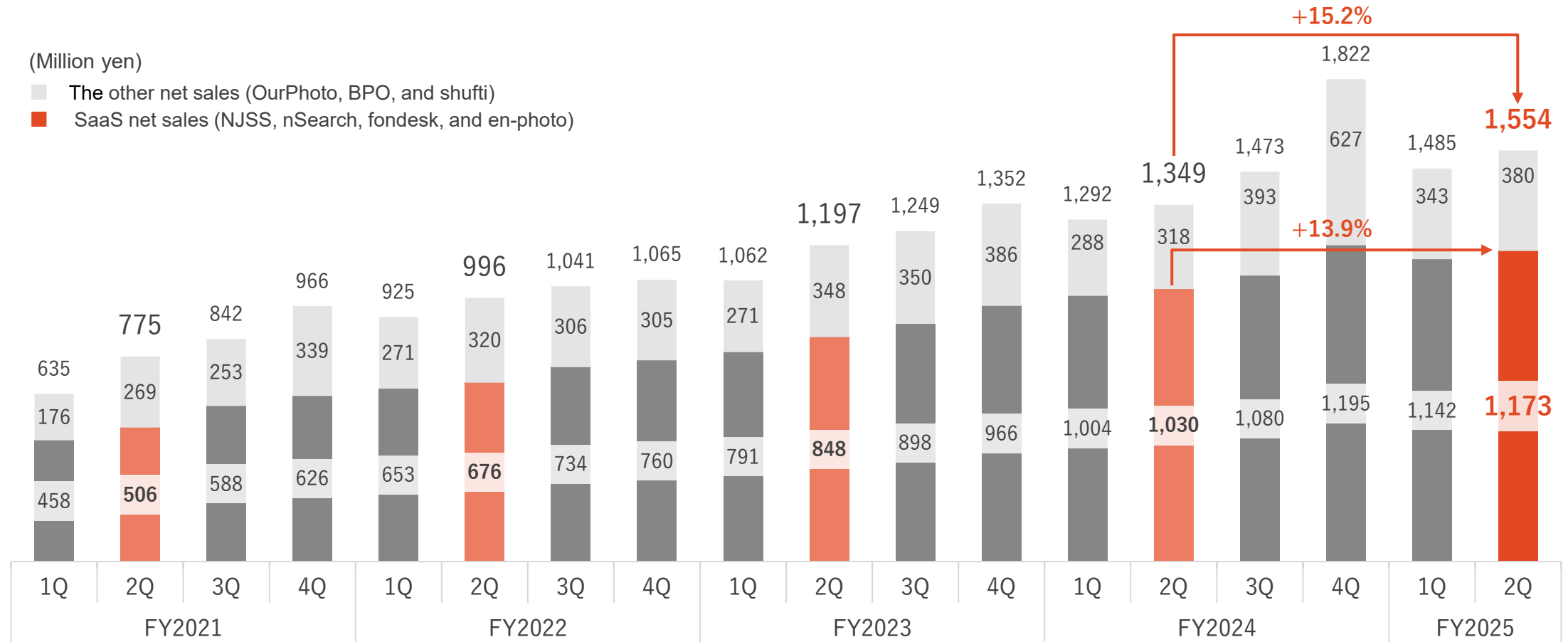
(Million yen)

Business	Item	FY2025				Details
		2Q cumulative results (million yen)	YoY comparison	Forecast	Achievement rate	
ULURU	Net sales	3,040	+15.1%	7,130	42.6%	<ul style="list-style-type: none"> Net sales grew as expected and reached a record high for the second quarter. EBITDA decreased YoY due to continued aggressive investment in hiring personnel and advertising following 1Q. In these areas, investments are expected to decrease in the second half of the fiscal year compared to the first half. In addition, EBITDA is expected to recover in the second half of the fiscal year due to an increase in stock-based revenues and seasonal sales growth in BPO and is generally in line with the full-year forecast.
	EBITDA	282	-54.3%	1,000	28.2%	
NJSS	Net sales	1,550	+12.2%	3,400	45.6%	<ul style="list-style-type: none"> Subscription sales, including NJSS, grew steadily in general. Although EBITDA was slightly down YoY due to aggressive personnel expansion in the current fiscal year, this effect was factored in at the time of the forecast and was largely in line with the plan.
	EBITDA	713	-4.4%	1,570	45.5%	
fondesk	Net sales	478	+17.2%	1,000	47.8%	<ul style="list-style-type: none"> Steady progress on schedule and in line with budget. EBITDA decreased YoY due to aggressive investment in mass advertising in 2Q as in 1Q. We plan to restrain advertising investment slightly in the second half, and we currently expect to achieve our EBITDA forecast for the full year.
	EBITDA	20	-83.8%	160	12.6%	
Photo (en-photo and OurPhoto)	Net sales	331	+14.5%	880	37.7%	<ul style="list-style-type: none"> en-photo sales per kindergarten and nursery school increased due to an increase in the ratio of dispatched photographers with high unit sales prices. EBITDA was in the red due to progress in hiring personnel, but it is expected to improve in the second half of the year due to seasonal sales increase, etc.
	EBITDA	-37	-	0	-	
BPO	Net sales	667	+21.9%	1,820	36.7%	<ul style="list-style-type: none"> BPaaS operations and recurring sales increased 21.9% YoY. BPO sales tend to be weighted toward the second half of each fiscal year; therefore, there is no concern about progress. EBITDA is expected to recover significantly in the second half in line with sales growth in the same half.
	EBITDA	5	-90.1%	250	2.0%	

2 Quarterly Consolidated Financial Highlights

Net Sales Trends

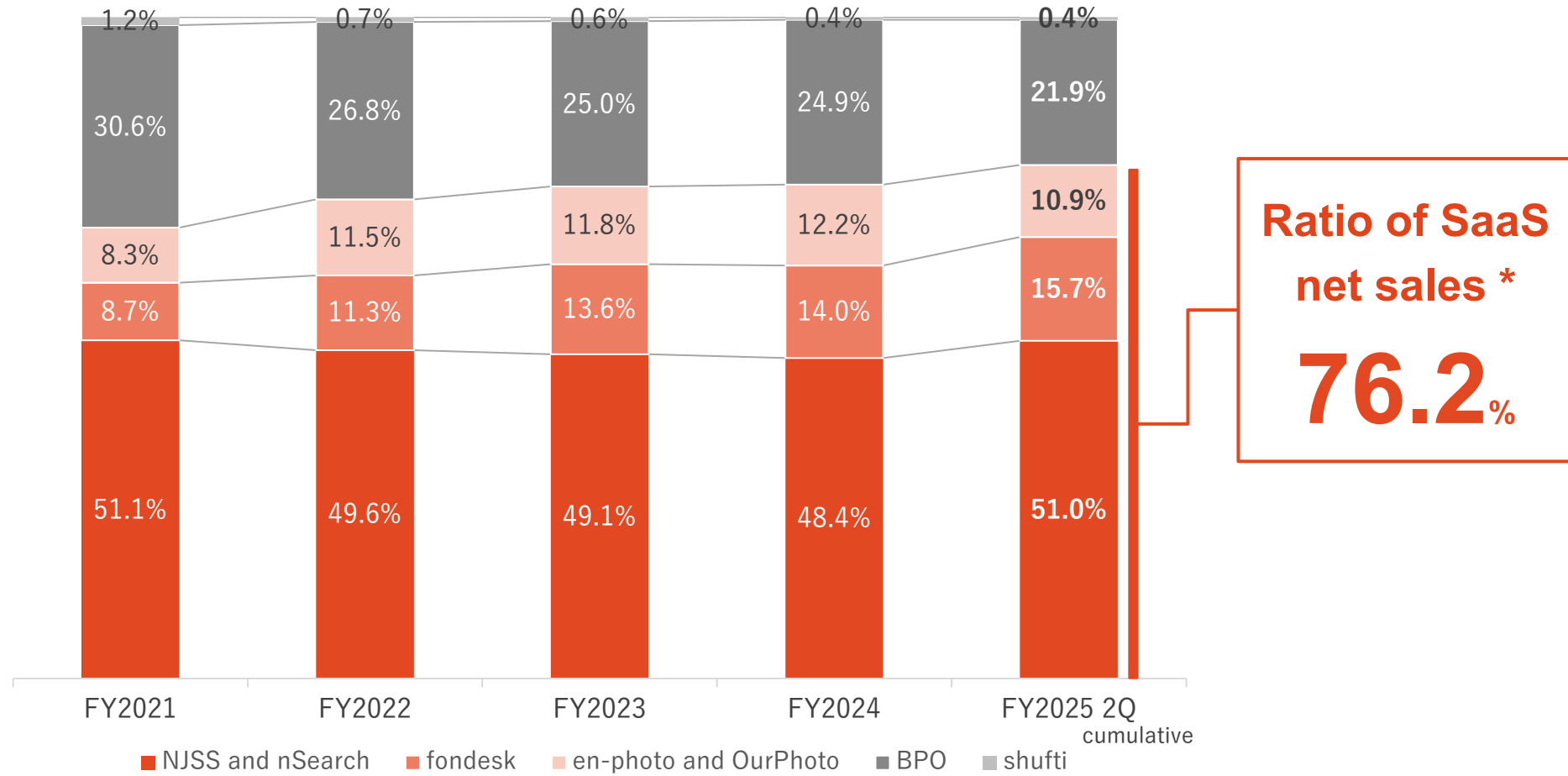
- The highest quarterly net sales ever recorded for 2Q were achieved, **increasing by 15.2% YoY**.
- SaaS products such as NJSS, nSearch, fondesk, and en-photo grew, resulting in SaaS net sales **increasing by 13.9% YoY**.



* Brainfeed Inc., which became a subsidiary on January 4, 2023, began to be included in the consolidated income statement from the 1Q of FY2024.

Sales Composition

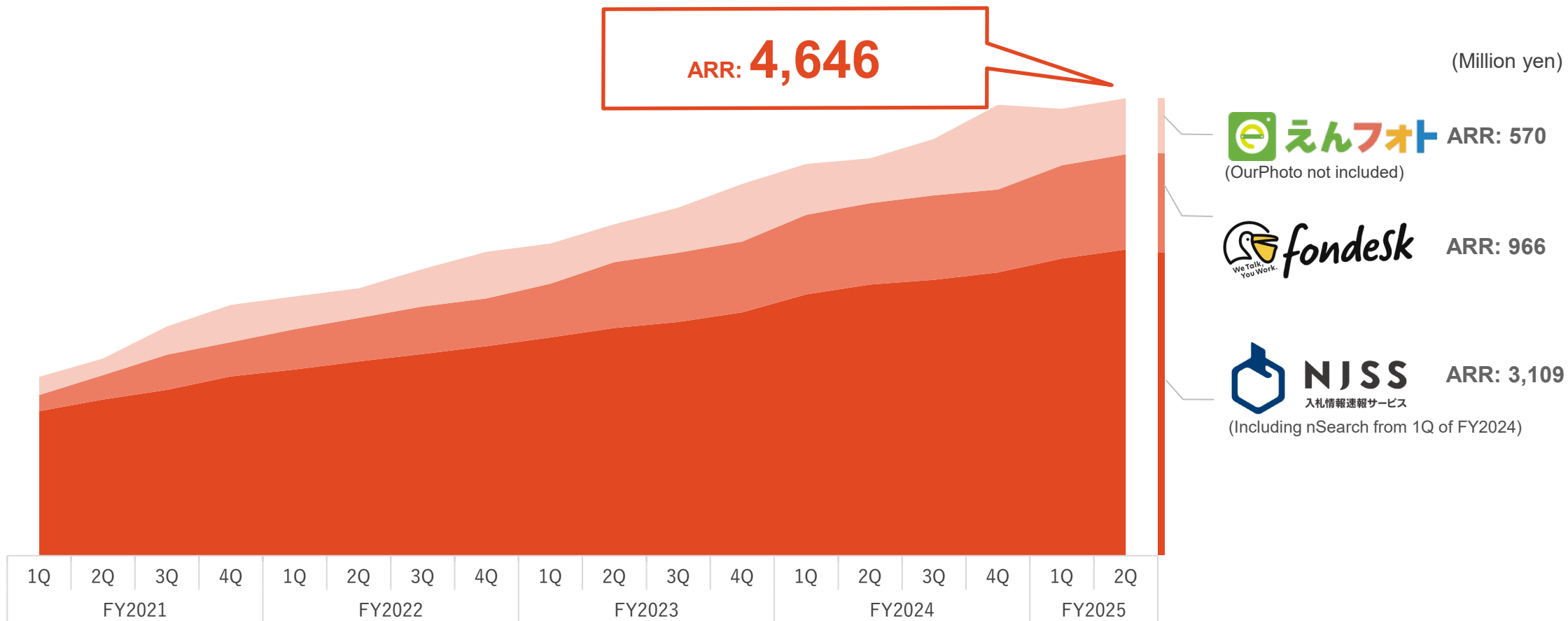
- SaaS services such as NJSS, nSearch, fondesk, and en-photo are the foundation of growth.



* SaaS net sales: NJSS, nSearch, fondesk, and en-photo (OurPhoto isn't included.)

ARR (Annual Recurring Revenue)

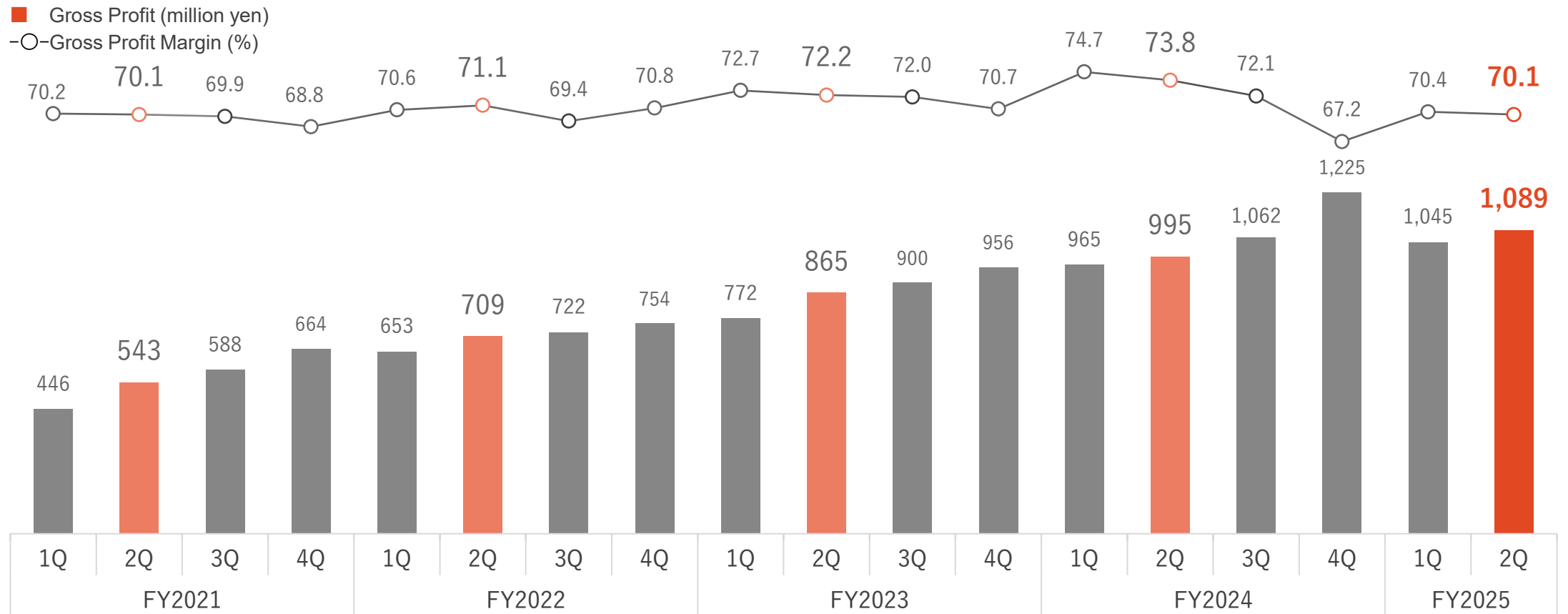
- The ARR of NJSS, nSearch, and fondesk grew steadily. The entire ARR exceeded 4.6 billion yen.



* ARR (Annual Recurring Revenue): ARR of NJSS is each quarter's subscription net sales multiplied by 4 until 3Q of FY2021, and MRR at the end of each quarter multiplied by 12 for 4Q of FY2021 and thereafter. From 1Q of FY2024, the ARR is the MRR including peripheral subscription businesses such as nSearch and GoSTEP multiplied by 12. ARR of en-photo is each quarter's recurring net sales multiplied by 4, and ARR of fondesk is each quarter's subscription sales plus each quarter's recurring net sales multiplied by 4.

Gross Profit Trends

- Gross profit remained steady.
- Going forward, the plan is to maintain a gross profit margin of approximately 70% or higher and grow gross profit in line with sales growth.

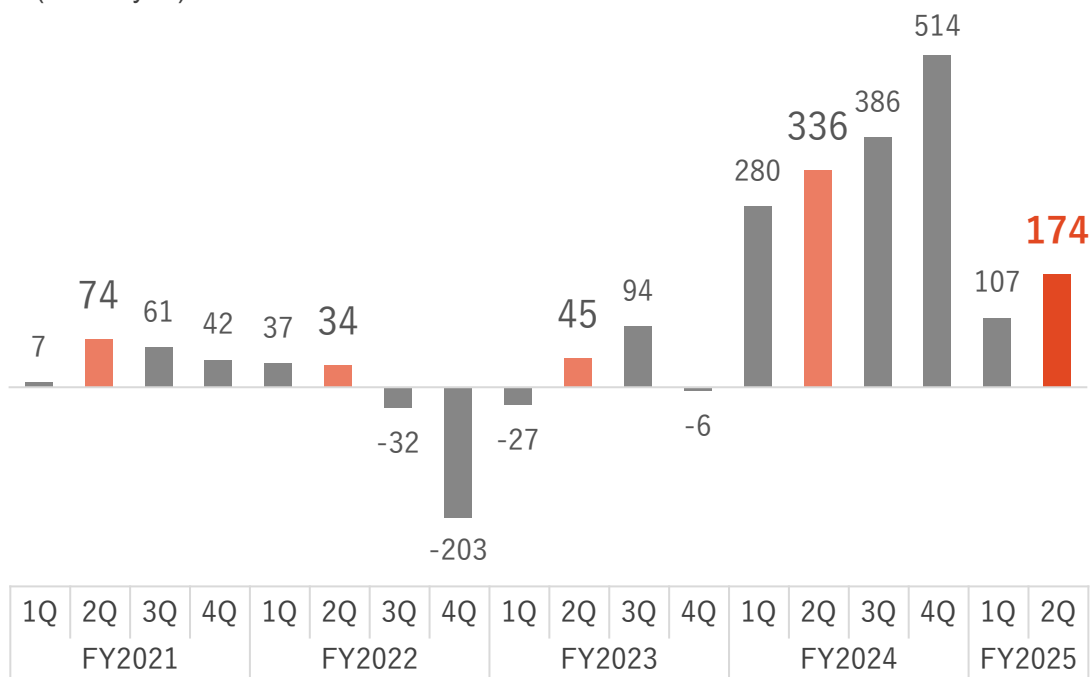


EBITDA and Operating Profit Trends

- Both EBITDA and operating profit decreased YoY due to accelerated investment in human capital and advertising following 1Q in accordance with the medium- and long-term policies.
- While we invested aggressively in mass advertising for fondesk in the first half, we plan to restrain advertising investment slightly in the second half, and both EBITDA and operating profit are expected to meet our full-year forecasts at this point of time.

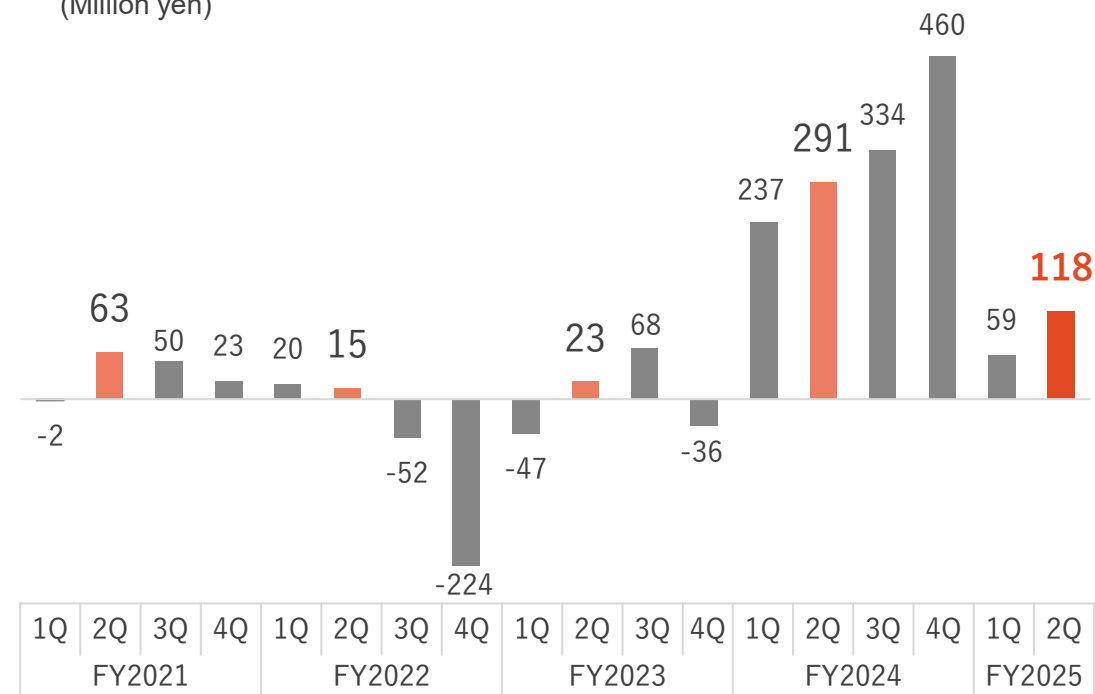
EBITDA

(Million yen)



Operating Profit

(Million yen)

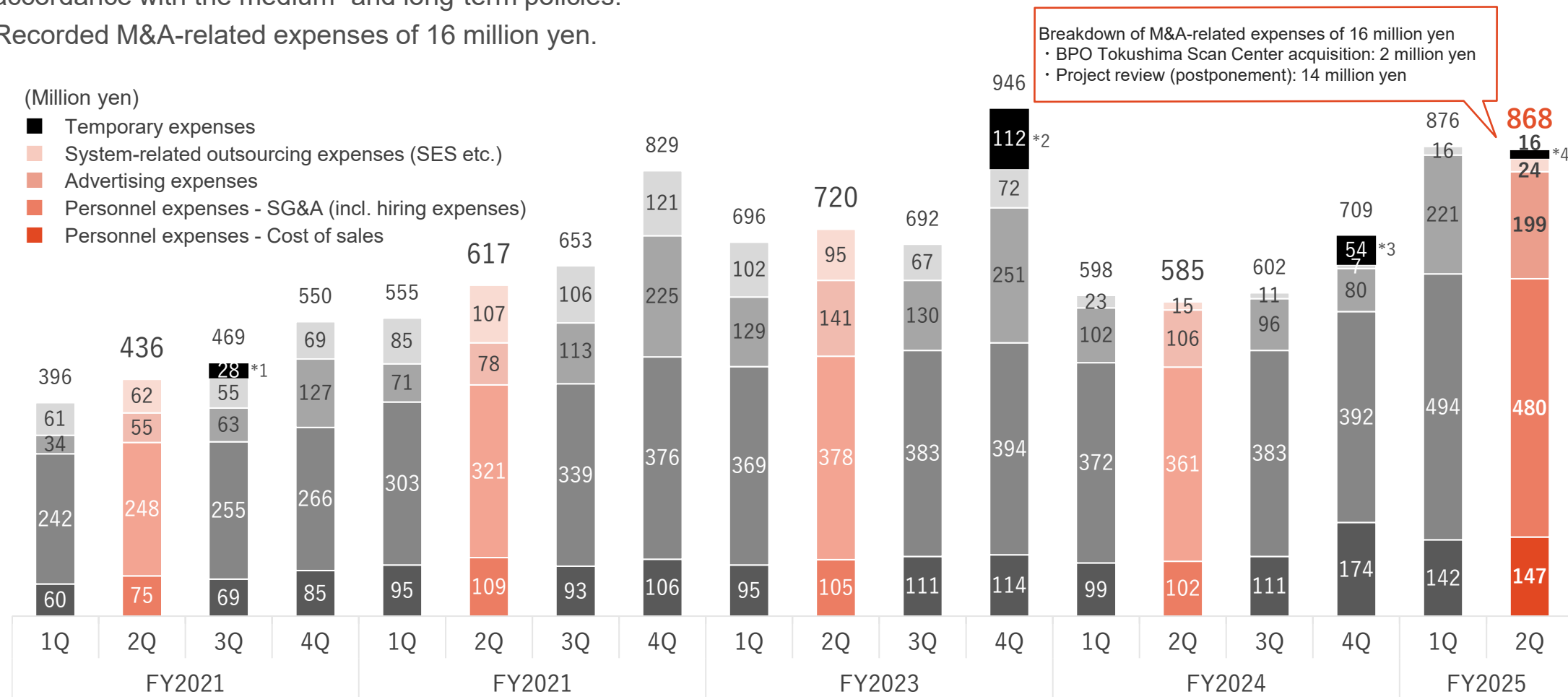


Major Expense Trends

- Continued to aggressively invest in Personnel expenses - SG&A (including hiring expenses) and Advertising expenses following 1Q in accordance with the medium- and long-term policies.
- Recorded M&A-related expenses of 16 million yen.

(Million yen)

- Temporary expenses
- System-related outsourcing expenses (SES etc.)
- Advertising expenses
- Personnel expenses - SG&A (incl. hiring expenses)
- Personnel expenses - Cost of sales

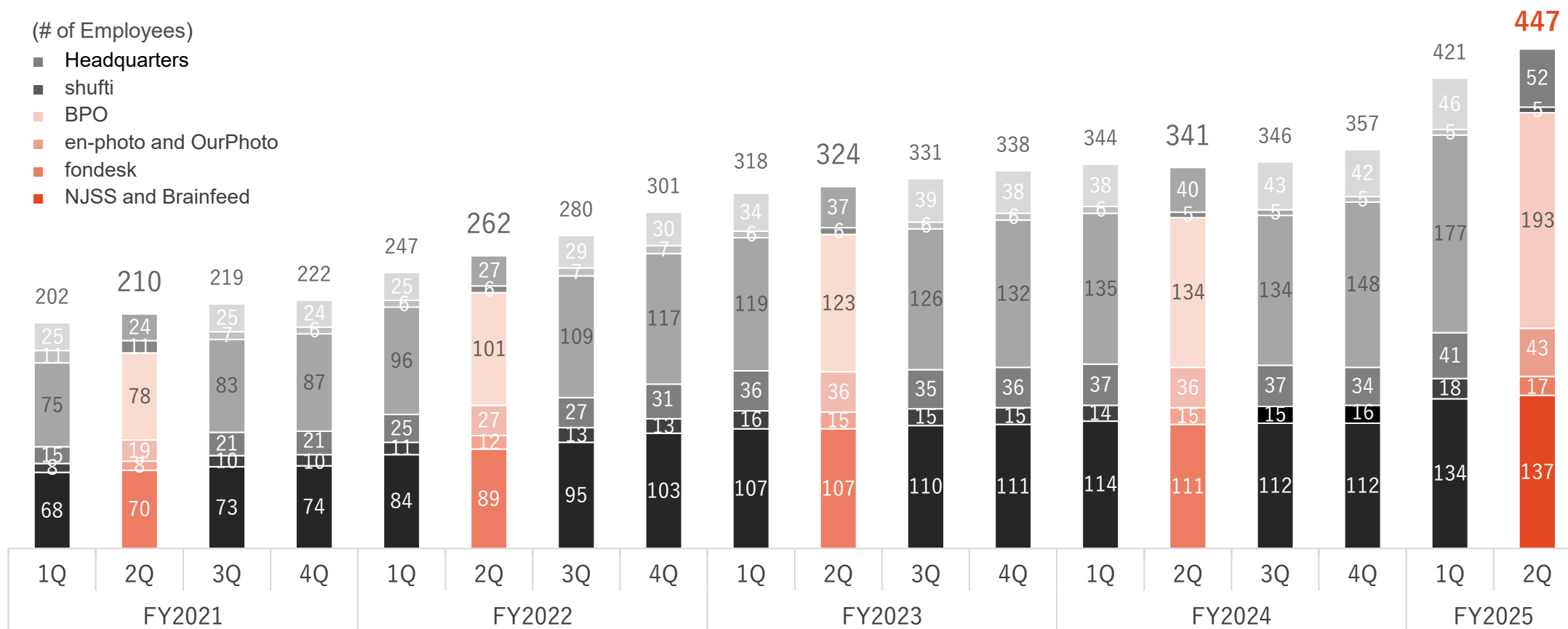


Breakdown of M&A-related expenses of 16 million yen
 • BPO Tokushima Scan Center acquisition: 2 million yen
 • Project review (postponement): 14 million yen

*1 M&A (OurPhoto subsidiary) related expenses *2 Tokushima Dai-3 Center and Oita Center establishment expenses & M&A (Brainfeed Inc. subsidiary) related expenses *3 Year-end bonus related expenses *4 M&A (including consideration) related expenses, etc.

Employee Status (Including Temporary Employees)

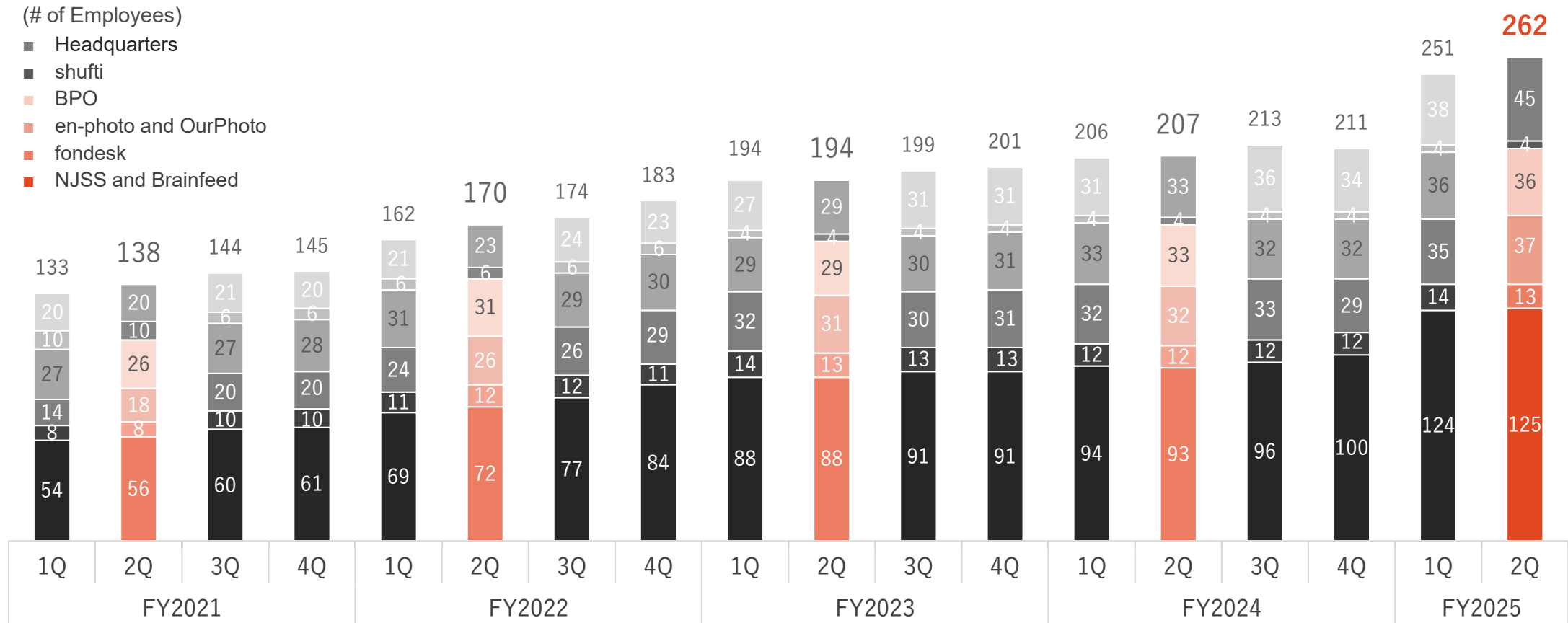
- In the previous fiscal year, hiring was restrained, but recruitment has progressed as planned in and after 1Q, **increasing by 106 employees YoY.**
- Hiring rate is expected to slow down in the second half of the fiscal year compared to the first half.



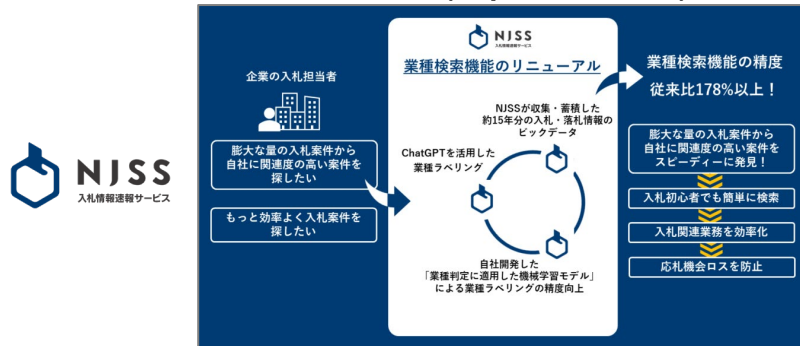
* Temporary employees include part-timers and temporary workers. The number of temporary employees is the average number of employees for the year.

Employee Status (Full-time Employees Only)

- Although hiring was restrained in the previous fiscal year, it has been progressing as planned since 1Q, and the number of full-time employees **increased by 55 YoY and 11 QoQ**.
- The corporate department was also expanded, and the back-office tasks were strengthened in line with business growth.

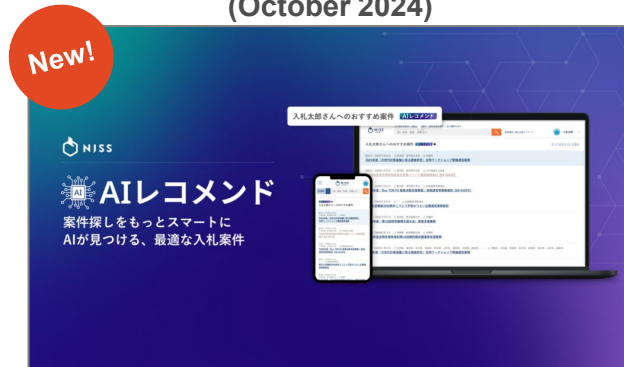


Improvement of Industry Search Function (September 2023)



By using our own AI system that utilizes generative AI, the accuracy of the industry search function is more than **178%** higher than the previous system.

AI Recommendation Function (October 2024)



Using NJSS's own AI, added a function that displays recommendations for accepted projects based on usage trends.

Specification Preparation Support Function (October 2024)



The addition of this feature enables public organizations to reduce specification preparation work by **up to 80%**.

Release of AI-OCR tool "eas" (September 2021)



AI-OCR x operator input enables highly accurate data conversion.

New Feature Using Generative AI (November 2024)



Expanding the scope of application of AI-OCR through the use of generative AI, speeds up data conversion and reduces costs

Release of Appearance Frequency Check Function (November 2024)



AI-based image analysis technology enables confirmation of the number of times a student appears in an album before it is published.

3 Business Segment Highlights

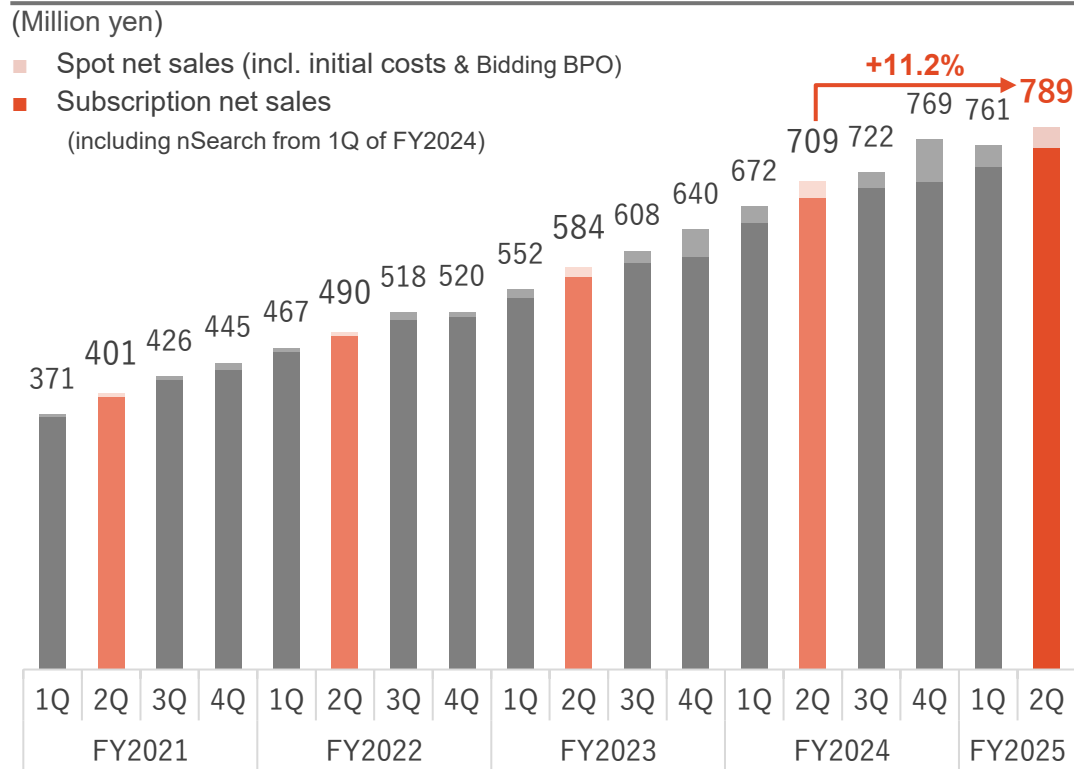


NJSS
入札情報速報サービス

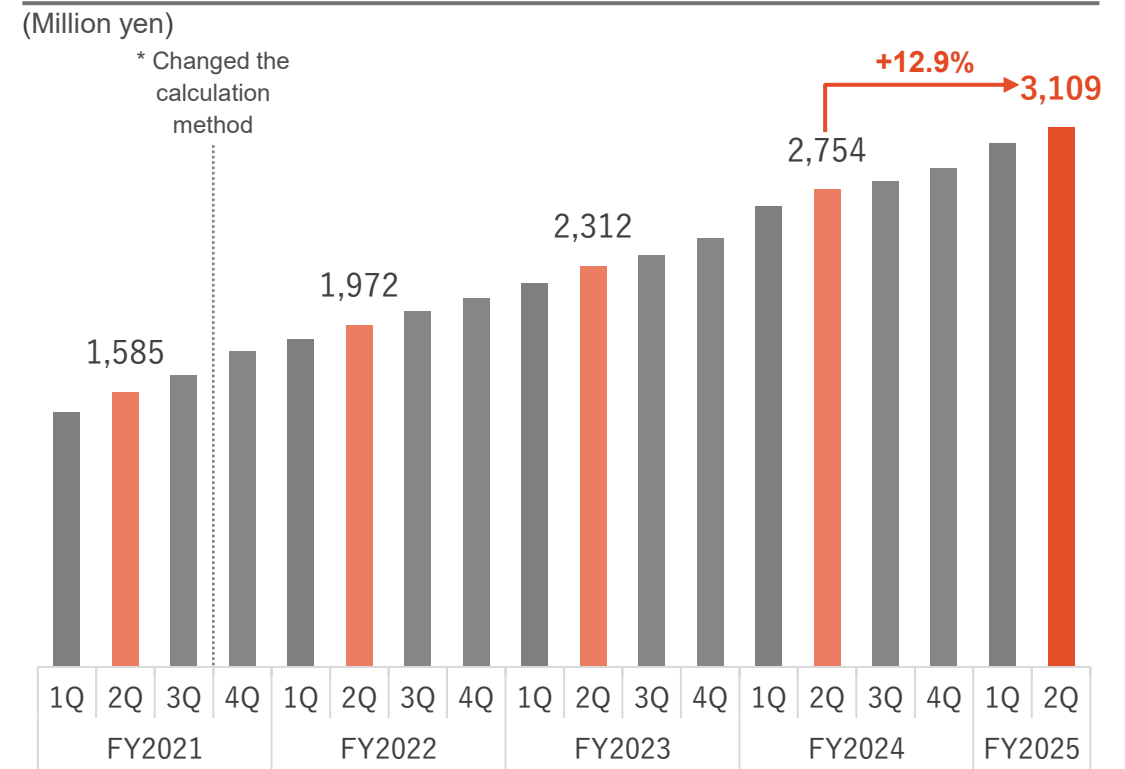
NJSS | Net Sales & ARR Trends (Quarterly)

- Net sales landed at a **11.2% increase YoY** (of total net sales of 789 million yen, nSearch accounted for 23 million yen). ARR continues to grow steadily, **up 12.9% YoY**.
- Spot net sales, including Bidding BPO, remained flat from 1Q as they tend to be weighted toward 4Q. Subscription net sales remained steady.

Net Sales (including nSearch)



ARR (including nSearch)

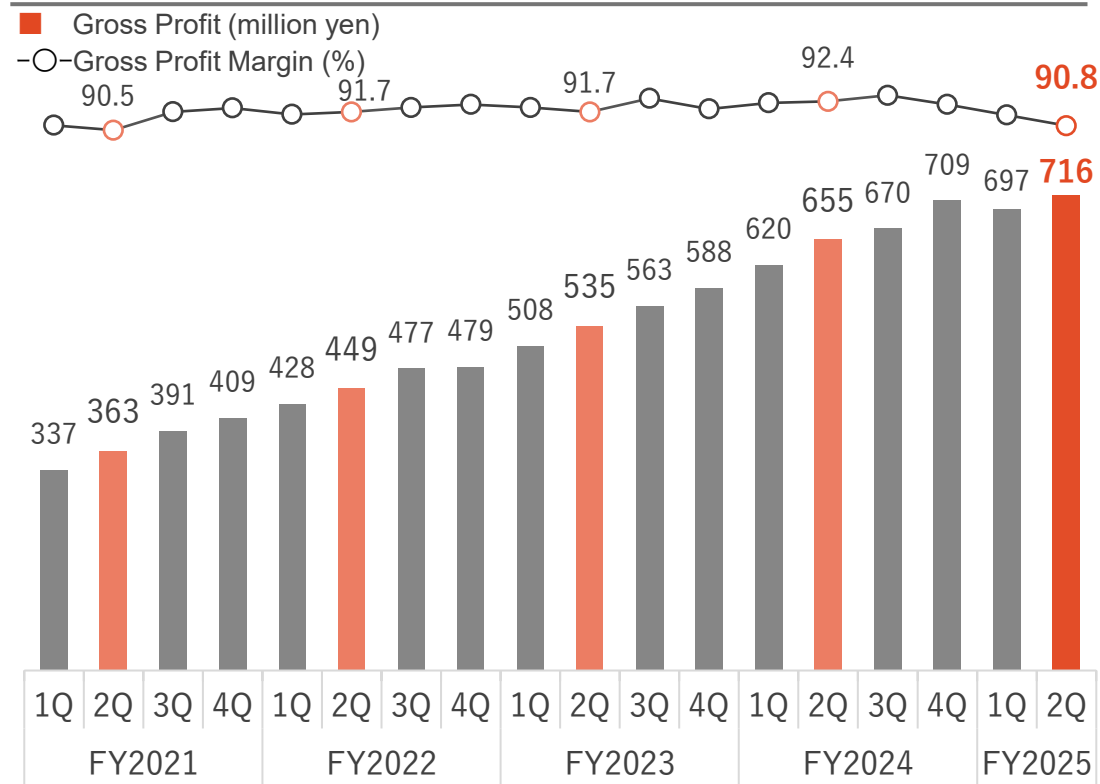


* ARR (Annual Recurring Revenue): ARR of "NJSS" is each quarter's subscription net sales multiplied by 4 until 3Q of FY2021, and MRR at the end of each quarter multiplied by 12 for 4Q of FY2021 and thereafter. From 1Q of FY2024, the ARR is the MRR including peripheral subscription businesses such as "nSearch" and "GoSTEP" multiplied by 12.

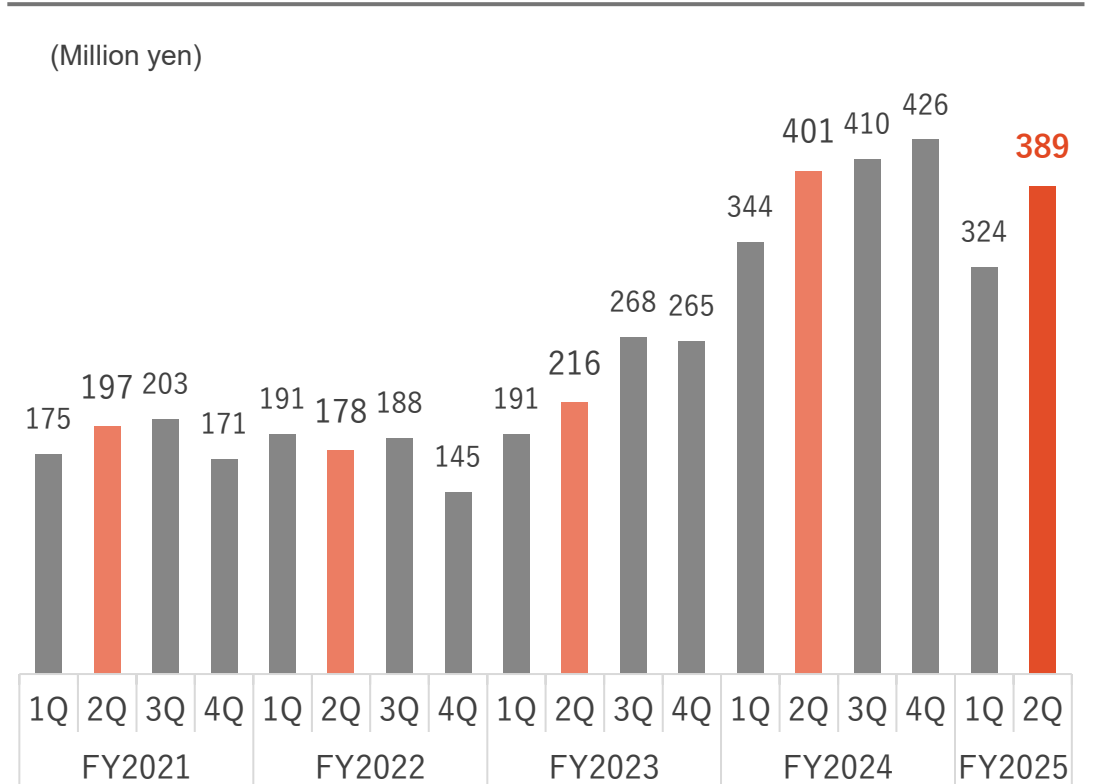
NJSS | Gross Profit Margin & EBITDA Trends (Quarterly)

- Gross profit margin declined slightly due to an increase in amortization of software developed.
- EBITDA increased due to lower investment in hiring and advertising expenses compared to 1Q.

Gross Profit (including nSearch)

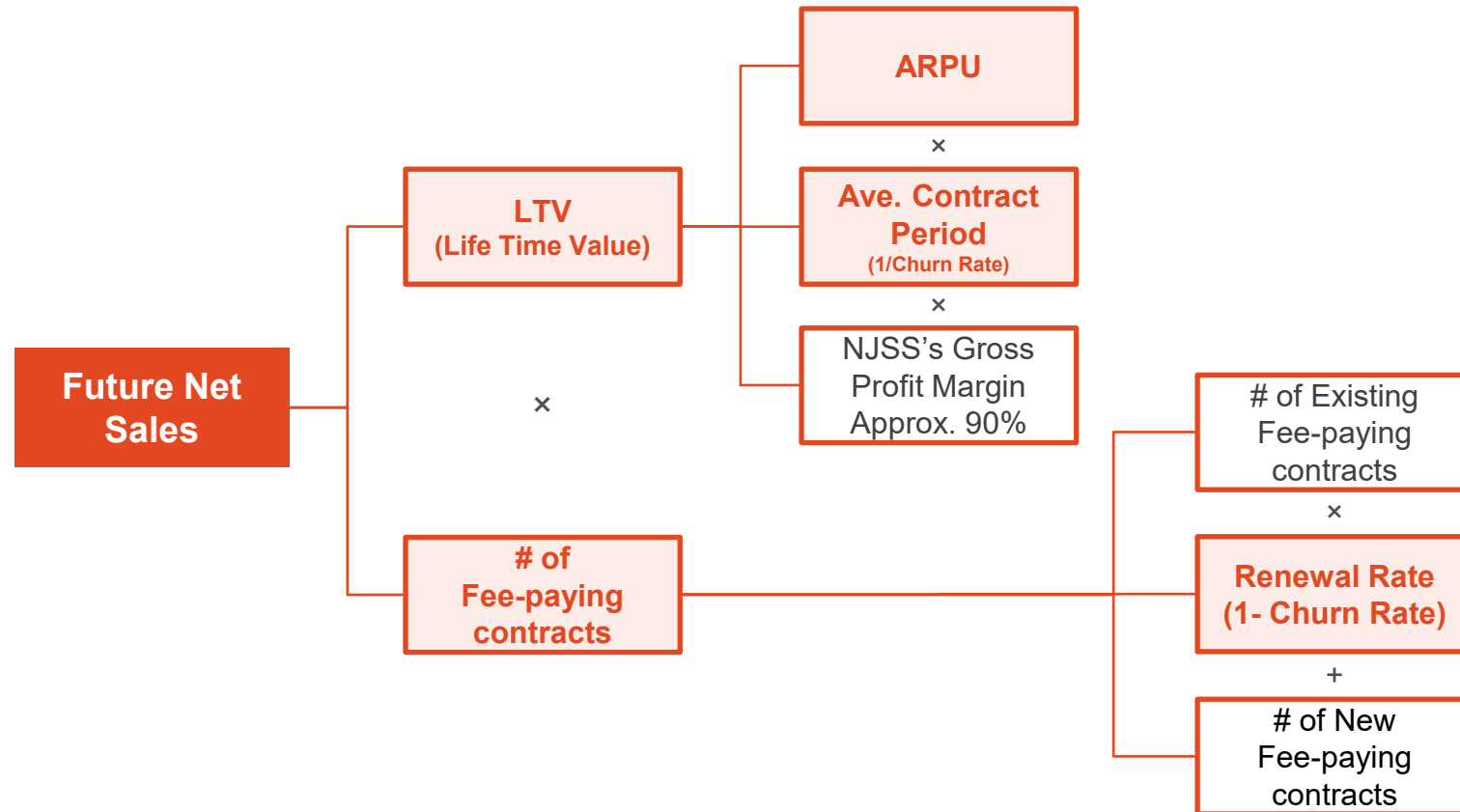


EBITDA (including nSearch)



*Including nSearch from 1Q of FY2024

- Until the previous fiscal year, priority was placed on increasing net sales by growing the number of fee-paying contracts while controlling LTV. From the current fiscal year, however, the policy has been changed to aim at increasing net sales by improving ARPU while maintaining the pace of acquiring new fee-paying contracts.

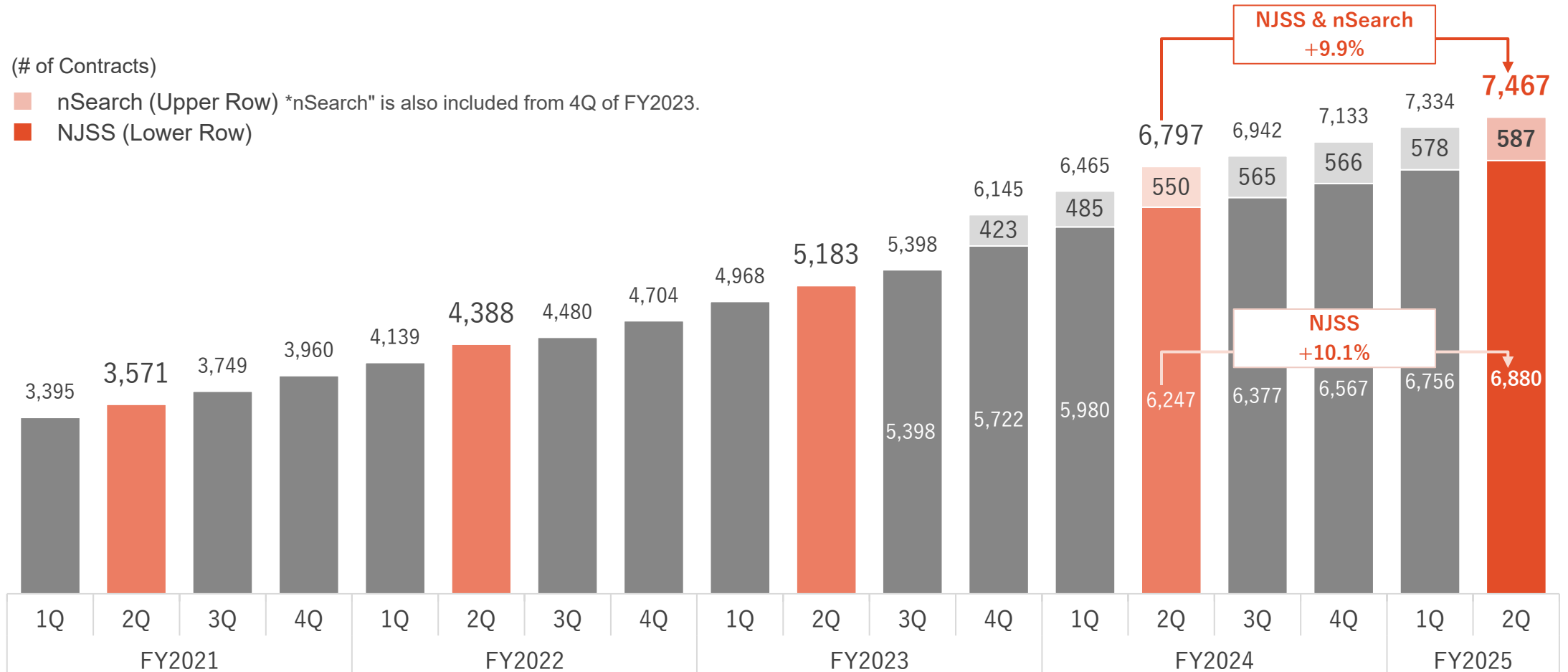


NJSS | Fee-paying Contracts Trends (Quarterly)

- Steady increase in the number of NJSS and nSearch fee-paying contracts, **up 9.9% YoY**.
- Number of non-consolidated NJSS fee-paying contracts **increased 10.1% YoY**.

(# of Contracts)

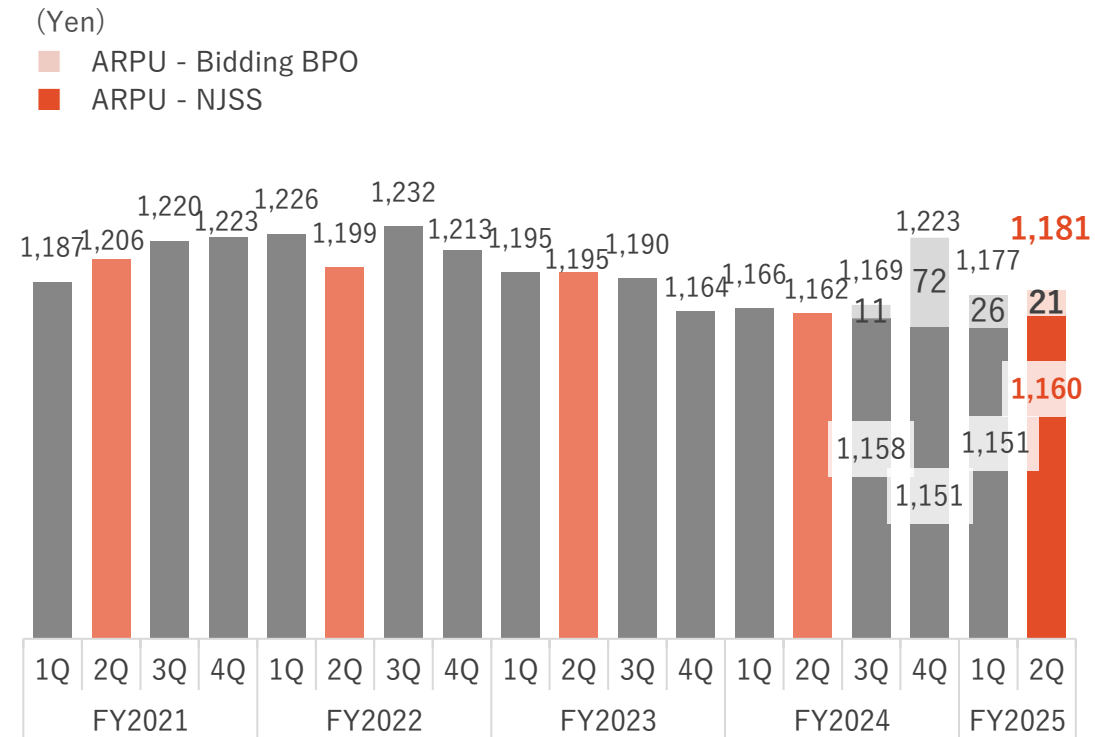
- nSearch (Upper Row) *nSearch" is also included from 4Q of FY2023.
- NJSS (Lower Row)



NJSS | ARPU & Churn Rate Trends (Quarterly)

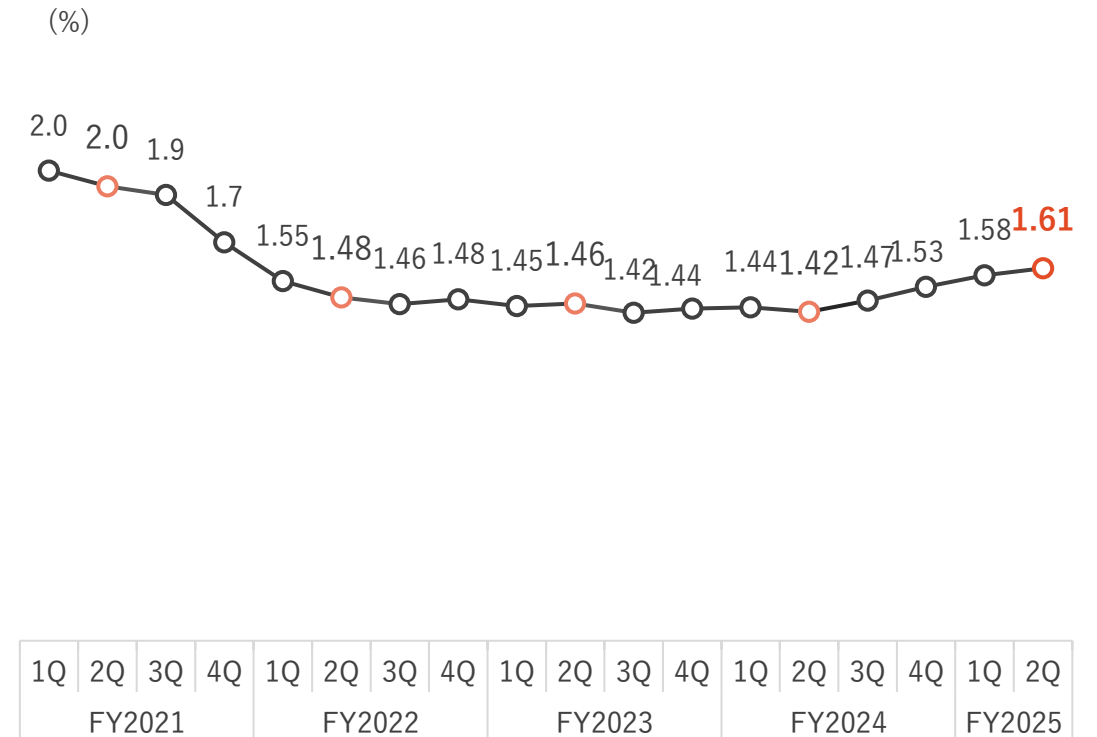
- The change to a policy of raising the unit price when acquiring new fee-paying contracts from the beginning of this fiscal year has led to an increase in new fee-paying contracts ARPU, and ARPU of NJSS has bottomed out.
- Bidding BPO tends to be weighted toward 4Q hence flat from 1Q.
- The churn rate slightly increased due to a change in the policy of raising the unit price at the time of contract renewal from the beginning of this fiscal year.

ARPU (on a daily basis, nSearch not included)



* ARPU is daily net sales per case. ARPU - Bidding BPO includes spot net sales.

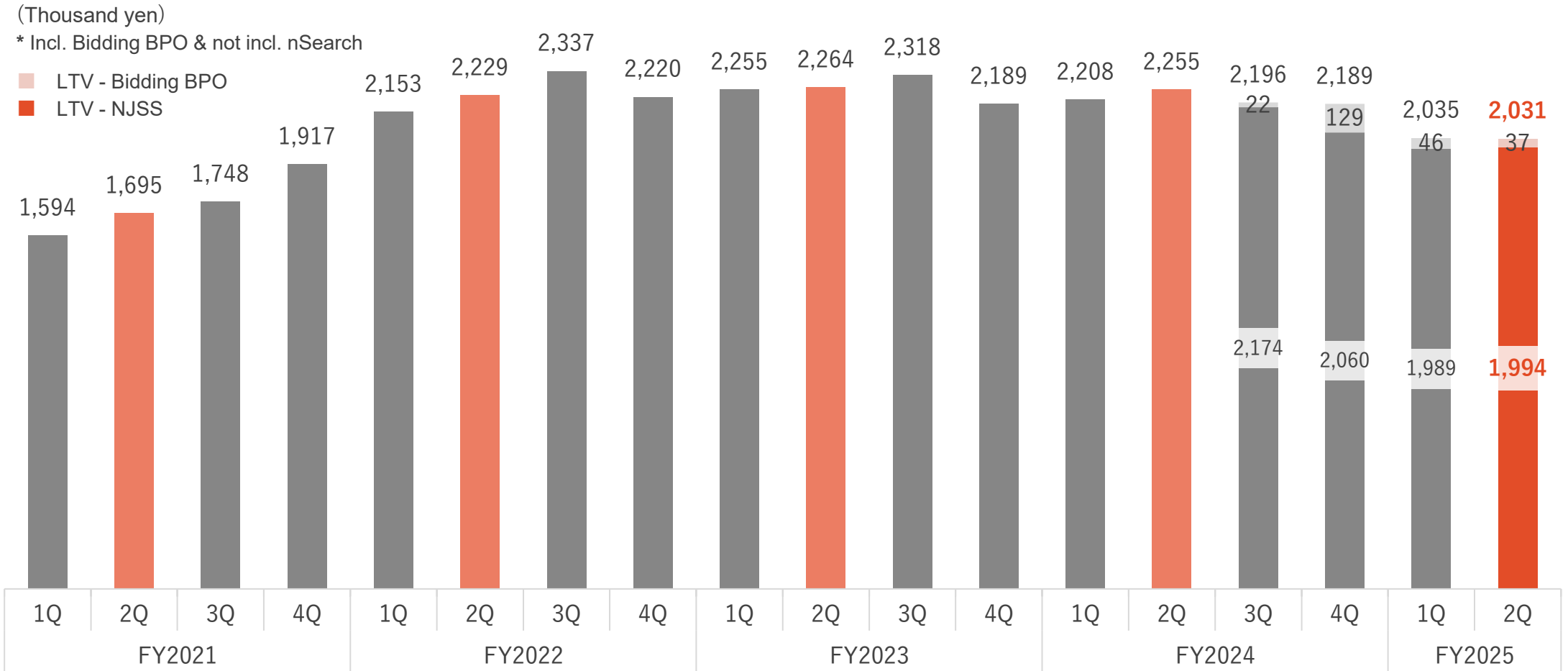
Churn Rate (nSearch not included)



*Churn rate is the average monthly churn rate for the last 12 months based on the number of fee-paying contracts.

NJSS | LTV Trends (Quarterly)

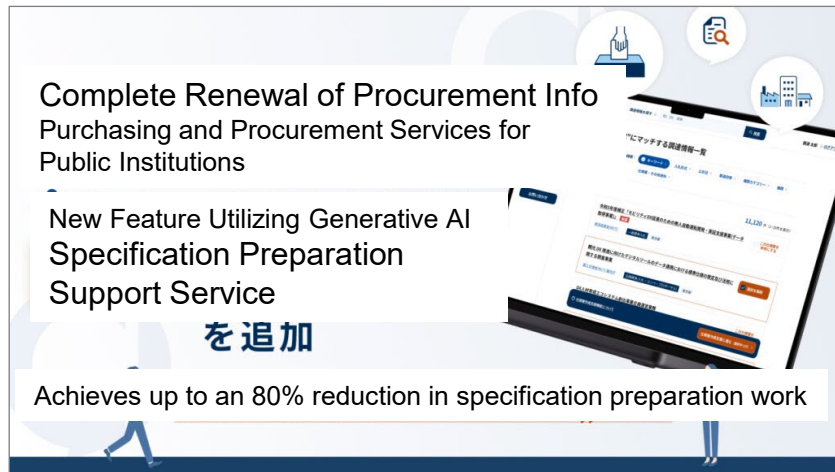
- While LTV of NJSS increased slightly, overall LTV decreased slightly due to a decrease in ARPU of Bidding BPO.



*LTV: Life Time Value. LTV = ARPU x [# of days in Q/3] x [1/Churn rate] x Gross profit margin (fixed at 0.9)

- Complete renewal of Procurement Info, including UI/UX renewal and the addition of a “specification preparation support function” utilizing generative AI
- Expanding in the private-sector bidding market to date but will also promote full-fledged expansion in the municipal bidding market going forward.

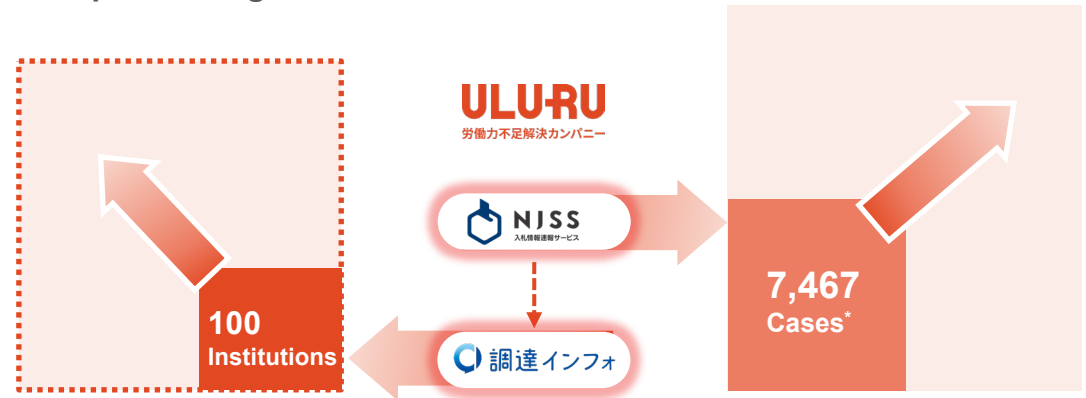
Complete Renewal of Procurement Info



Expansion in the Municipal Bidding Market

Municipal Bidding Market

Private-Sector Bidding Market



- Procurement Info is a service for public institutions to search nationwide bidding information based on information stored in NJSS.
- It further streamlined procurement operations for public institutions through a complete renewal of the UI/UX and the addition of a specification preparation support service that utilizes generative AI.
- Number of public institutions installing paid versions of Procurement Info exceeded **100**.

- We have expanded the private-sector bidding market through NJSS, and now we are expanding the municipal bidding market in earnest through Procurement Info.
- **We aim for growth through synergies with Bidding BPO** through our network with local governments and **development of new services** in addition to growth of Procurement Info stand-alone.

* Including nSearch

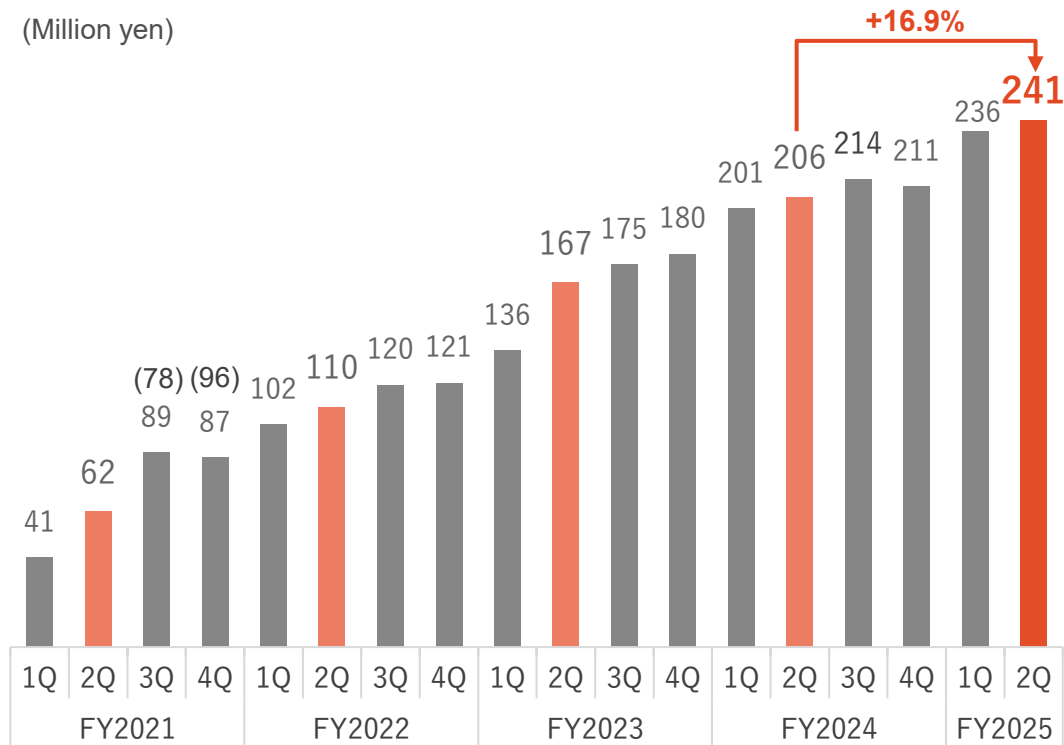


fondesk | Net Sales and EBITDA Trends (Quarterly)

- The acquisition of paid contracts is progressing as expected, **with net sales up by 16.9% YoY**.
- EBITDA decreased YoY due to the implementation of mass advertising (TV commercials, taxi ads, etc.), which continued from 1Q.
- We plan to restrain advertising investment slightly in the second half, so we currently expect to achieve our EBITDA forecast for the full year.

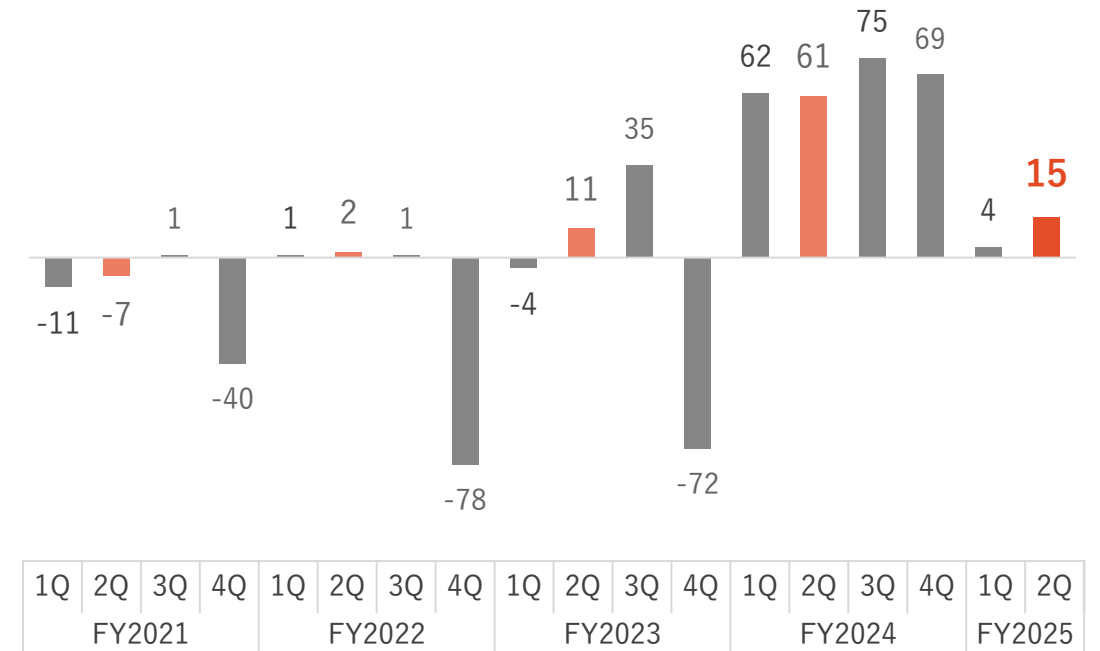
Net Sales

(Million yen)



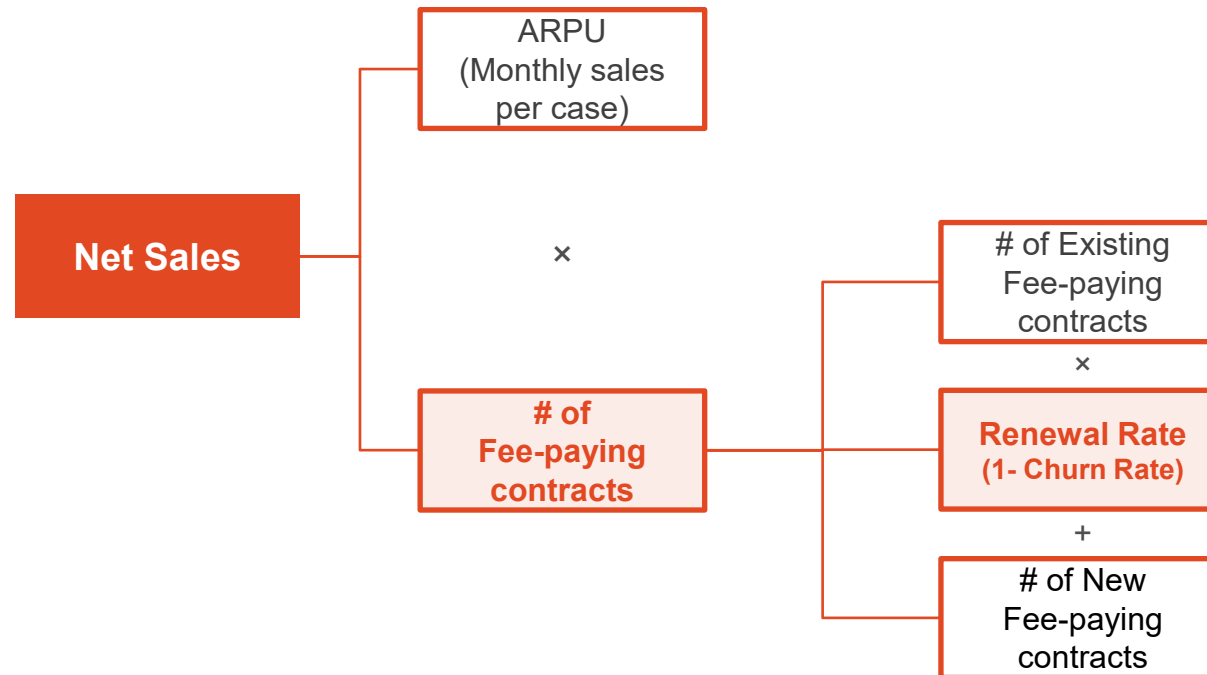
EBITDA

(Million yen)



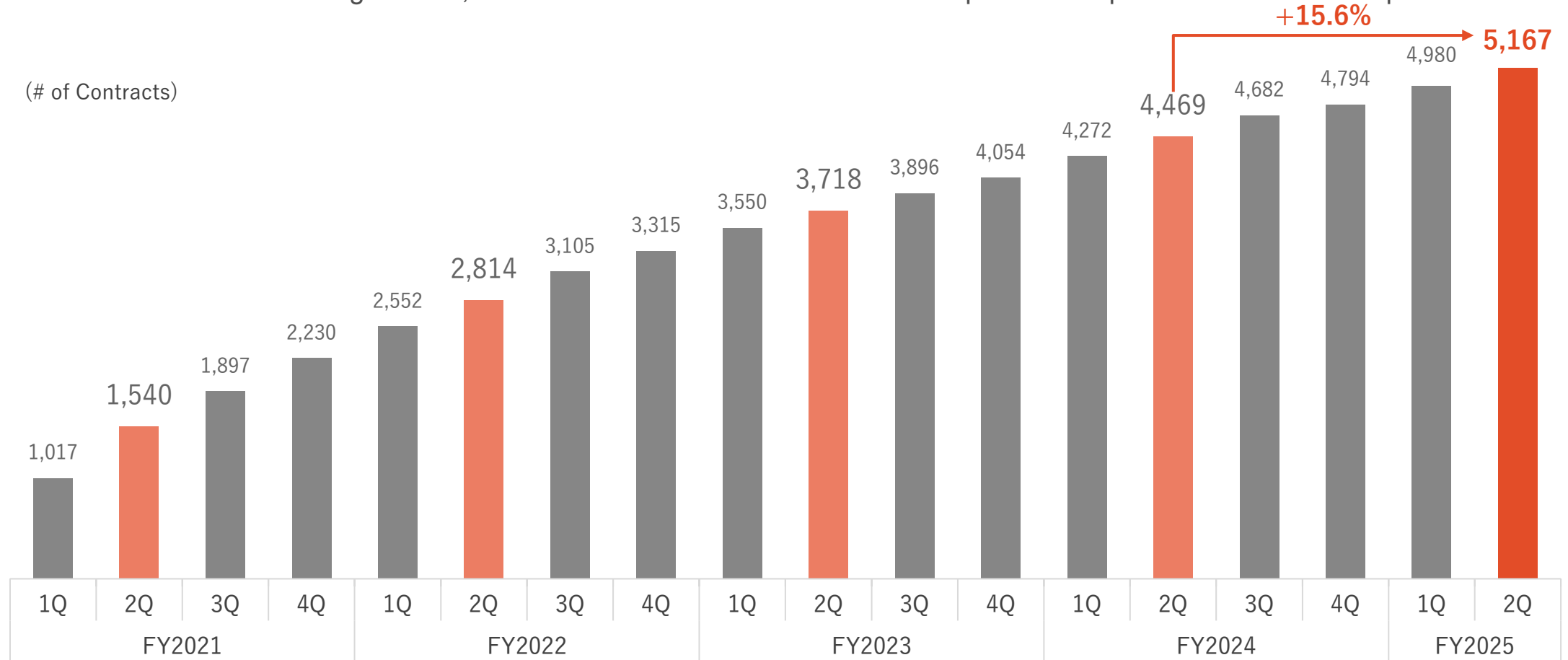
* Changed revenue recognition standard from 3Q FY2021 (Figures in parentheses are before the change)

- Continuously improve services to increase the number of fee-paying contracts and reduce the churn rate.



fondesk | Fee-paying Contracts Trends (Quarterly)

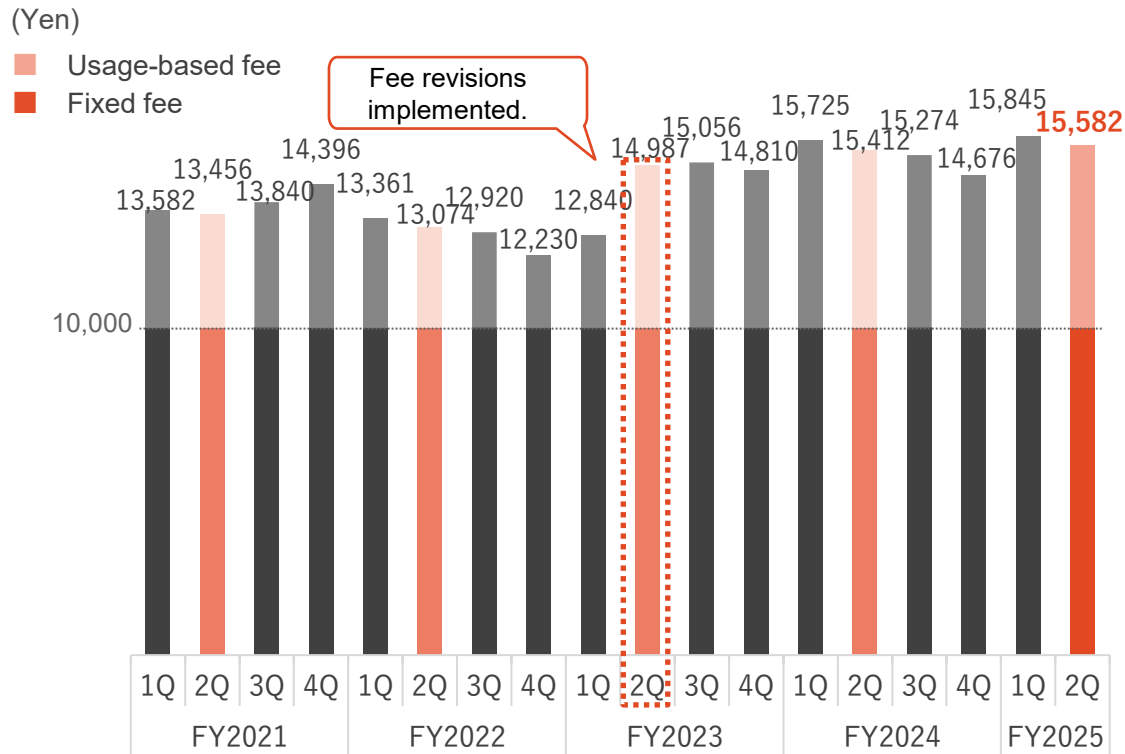
- The number of fee-paying contracts continued to grow **against the backdrop of corporate promotion of digital transformation (DX), up 15.6% YoY.**
- Investments in mass advertising (TV commercials, taxi ads, etc.) made in the first half of the fiscal year have steadily increased awareness of the service. Going forward, we aim to further increase the number of paid subscriptions as the market expands.



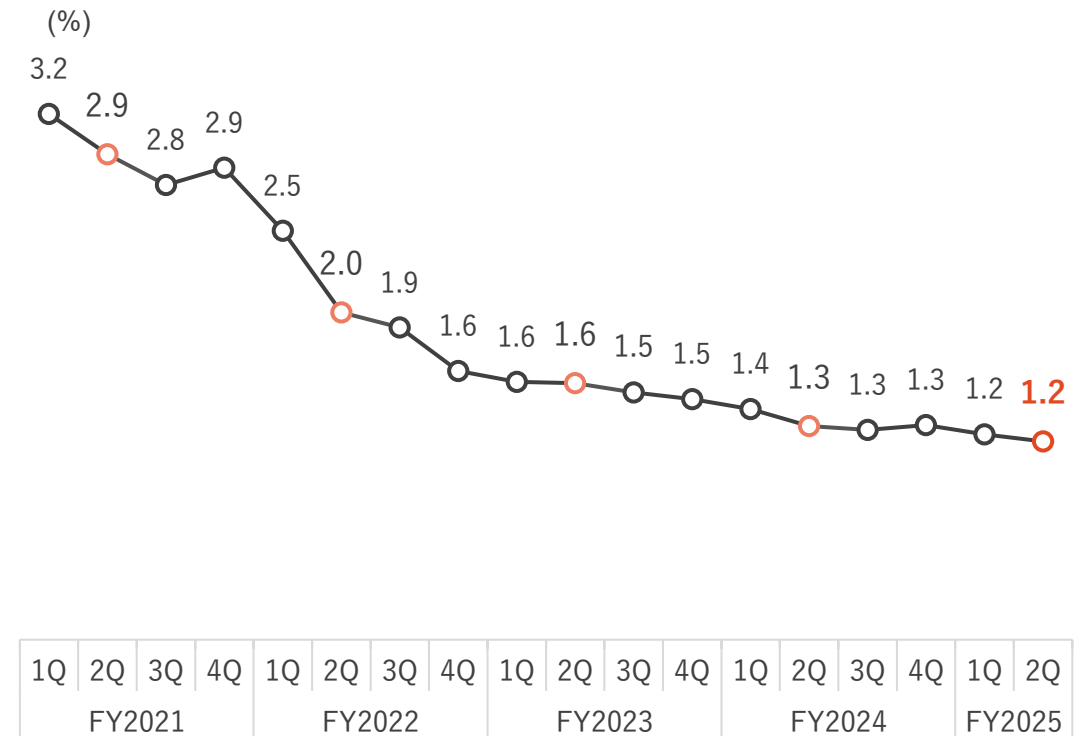
fondesk | ARPU and Churn Rate Trends (Quarterly)

- Ongoing product and service improvements have resulted in an average monthly churn rate of **1.2%** over the past 12 months, the lowest ever recorded.

ARPU (on a monthly basis)



Churn Rate



* ARPU is calculated based on monthly sales per contract, and figures for FY2021 3Q and FY2021 4Q are before the change in revenue recognition standards.
Churn rate is the average monthly churn rate for the most recent 12 months based on the number of Fee-paying contracts.

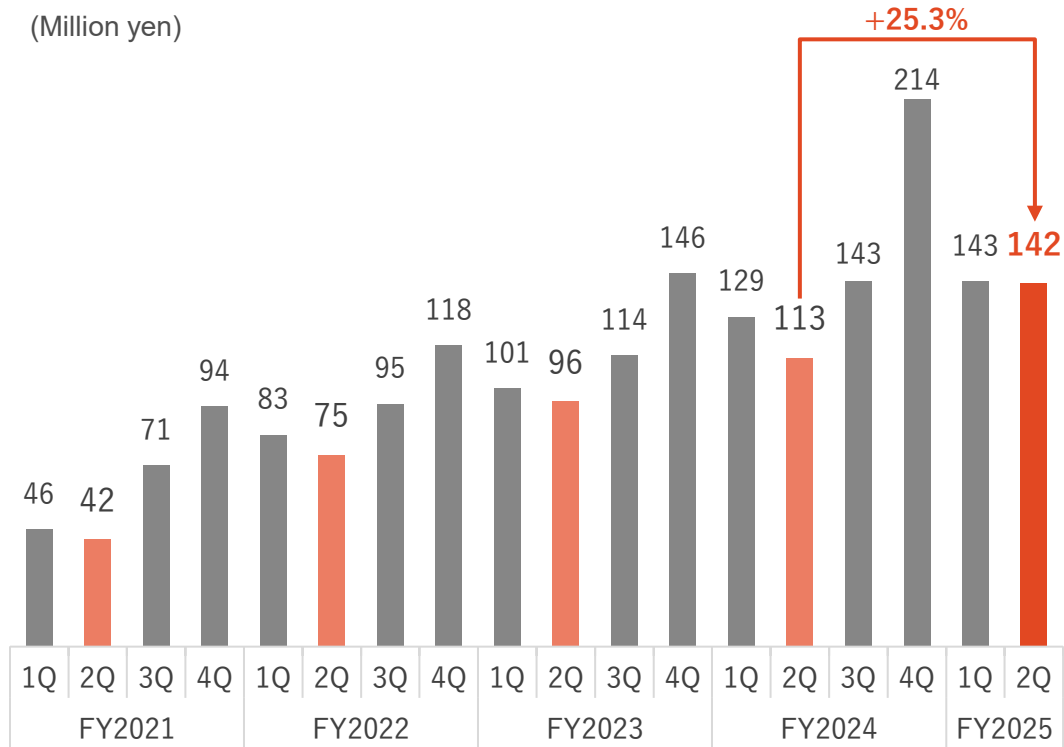


en-photo | Net Sales and EBITDA Trends (Quarterly)

- Net sales per kindergarten and nursery school **increased 25.3% YoY** due to an increase in the ratio of dispatched photographers with a high unit price of photo sales.
- EBITDA was in the red due to progress in hiring personnel for future growth. However, EBITDA is expected to improve in the second half due to seasonal sales increase, etc.

Net Sales

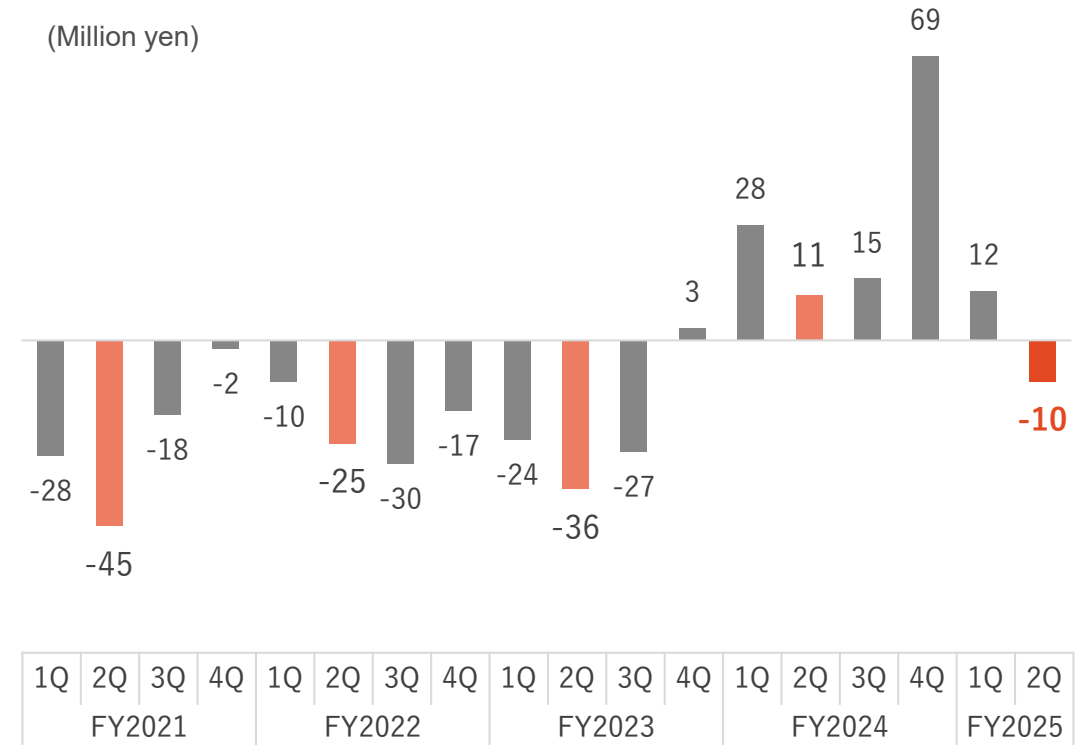
(Million yen)



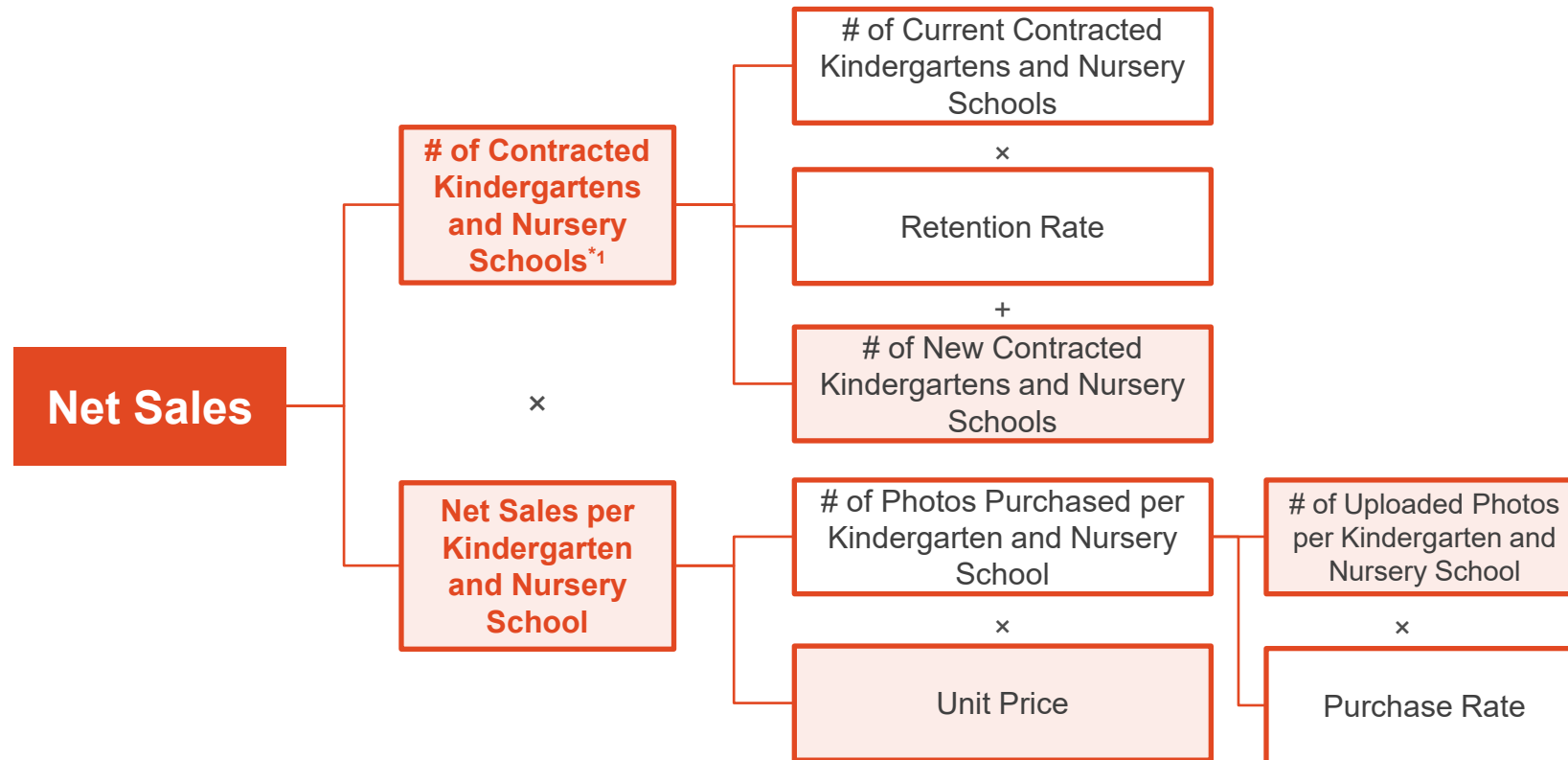
* 4Q sales increased due to photo purchases for events such as sports days and Christmas.

EBITDA

(Million yen)



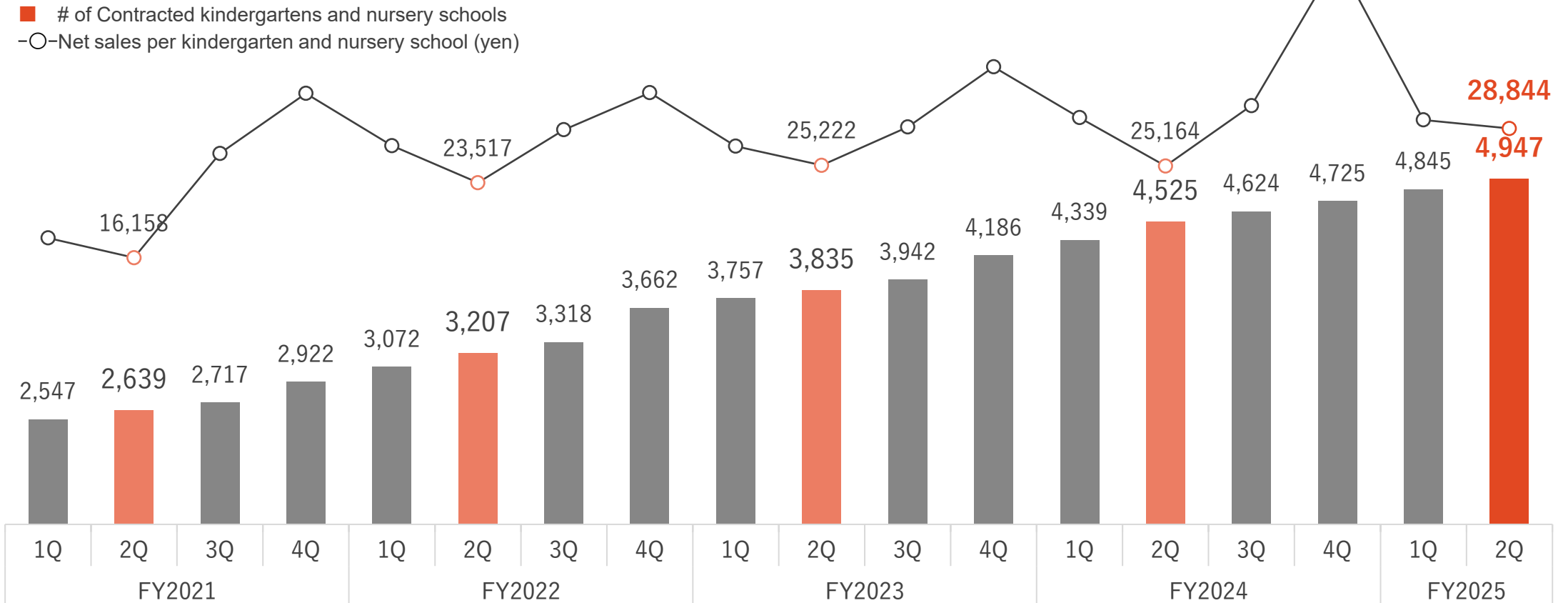
- Maximize net sales by expanding net sales per kindergarten and nursery school through increasing newly contracted kindergartens and nursery schools via referrals from already contracted kindergartens and nursery schools, the number of photos uploaded per kindergarten and nursery school, and the unit purchase price by expanding the lineup of photo books, graduation albums, and other products.
- The subscription retention rate is high because the fee for using the service is zero yen. Increasing the number of contracted kindergartens/nursery schools and increasing the frequency of service use will greatly contribute to sales growth.



* The number of contracted kindergartens and nursery schools includes users of the "Kurapuri" photo sales service provided to club and event organizations other than kindergartens and nursery schools, as well as contracted kindergartens and nursery schools of our partner companies.

en-photo | Number of Contracted Kindergartens and Nursery Schools and Net sales (Quarterly)

- Fee-paying contracts steadily increased.
- Net sales per kindergarten and nursery school increased due to an increase in the ratio of dispatched photographers and growth in cross-selling products.



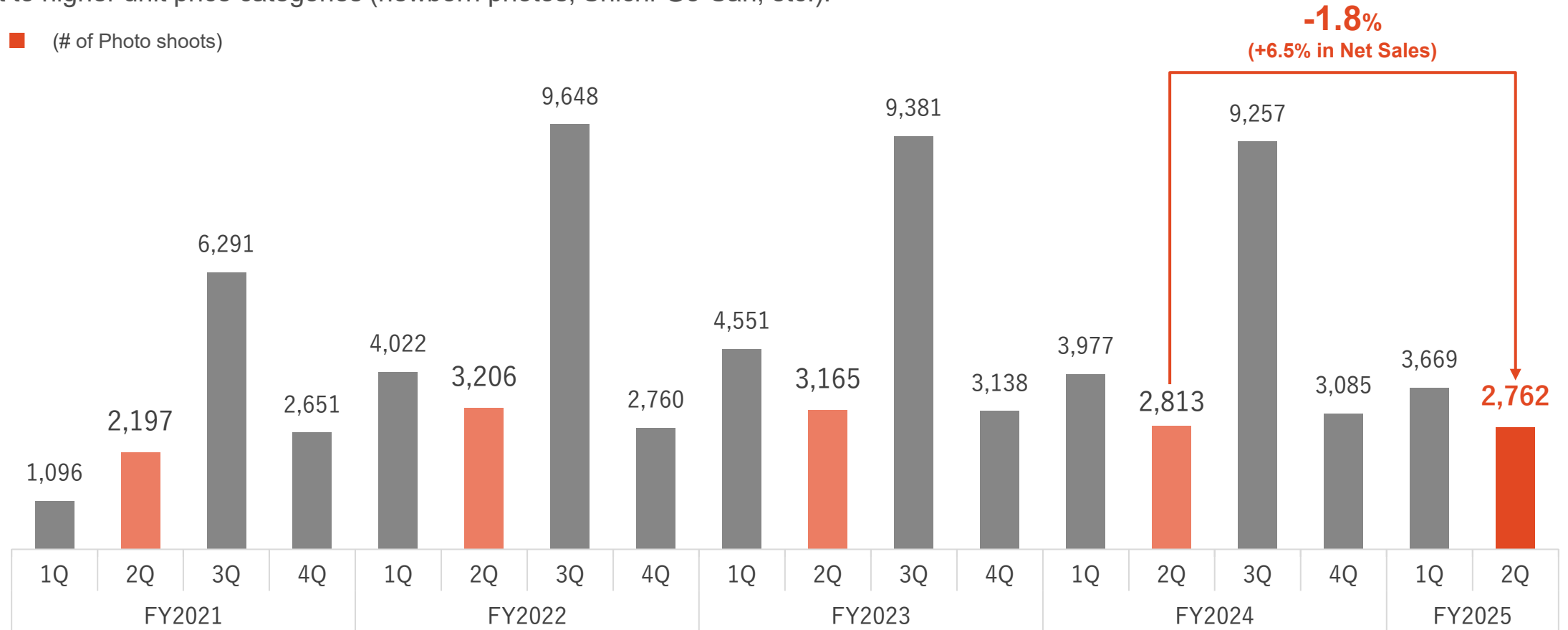
* The number of contracted kindergartens and nursery schools includes users of the "Kurapuri" photo sales service provided to club and event organizations other than kindergartens and nursery schools, as well as contracted kindergartens and nursery schools of our partner companies.

OurPhoto

OurPhoto | Photo Shoot Number Trends (Quarterly)

- Net sales growth in the photo studio industry as a whole, an adjacent field, remained sluggish due to the impact of high prices of commodities and other factors.
- Although the number of photo shootings was **down 1.8% YoY** due to the impact of the above, net sales **increased 6.5% YoY** due to an overall shift to higher unit price categories (newborn photos, Shichi-Go-San, etc.).

■ (# of Photo shoots)



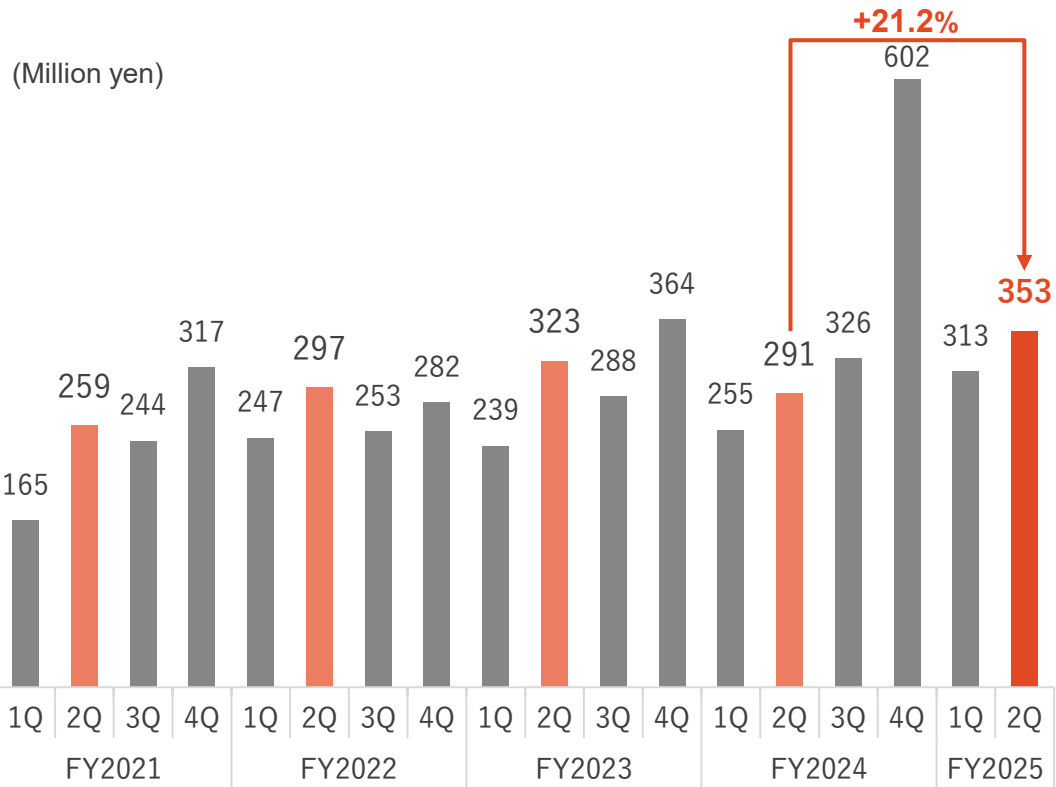
*3Q increase trend is due to the demand for Shichi-Go-San commemorative photos.

ULURU
B P O

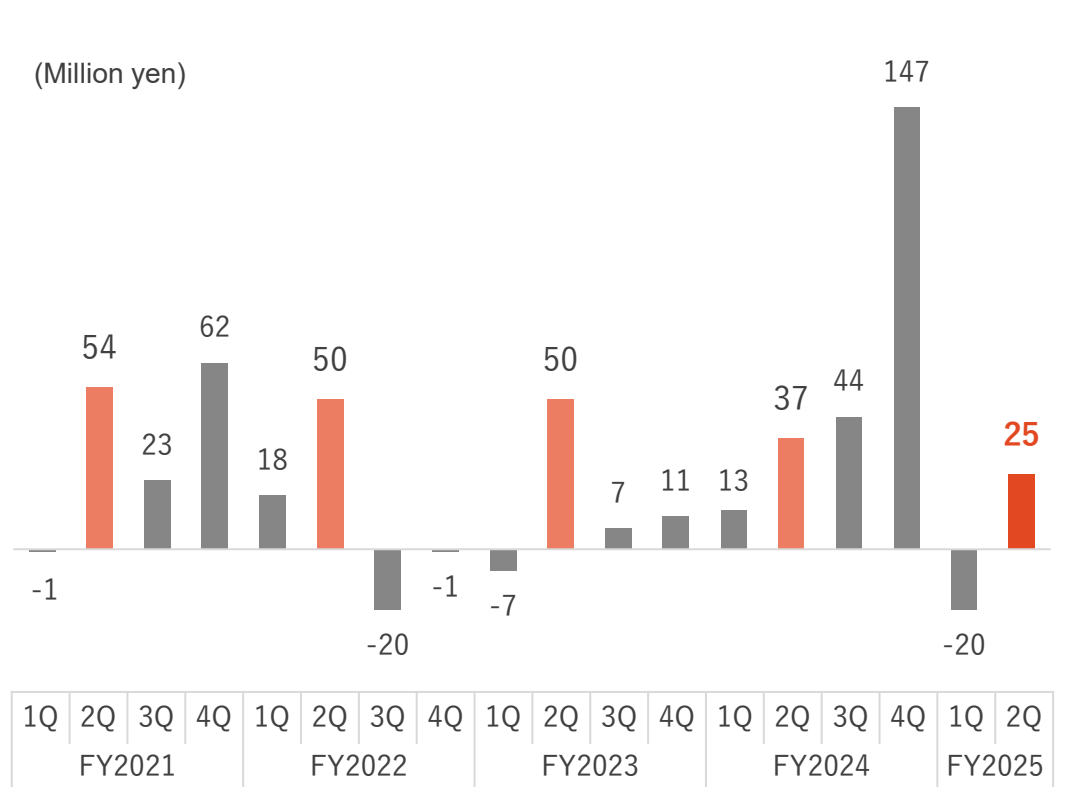
BPO | Net Sales and EBITDA Trends (Quarterly)

- BPaaS business net sales and recurring net sales increased, landing **an increase of 21.2% YoY**.
- EBITDA returned to the black. With the current favorable environment for orders, net sales and EBITDA are expected to increase from 3Q onward.

Net Sales



EBITDA



5 Medium- and Long-Term Policies

(Disclosed on May 14, 2024)

Medium- and Long-Term Policies “ULURU Sustainable Growth”

(Disclosed on May 14, 2024)

- Aim for continuous net sales and profit increase through disciplined investment in growth, centered on human capital investment, for the purpose of realizing the vision and the medium- to long-term growth of the Company.

Net sales

Aiming for **CAGR growth of 20% or more over the medium- to long-term.**

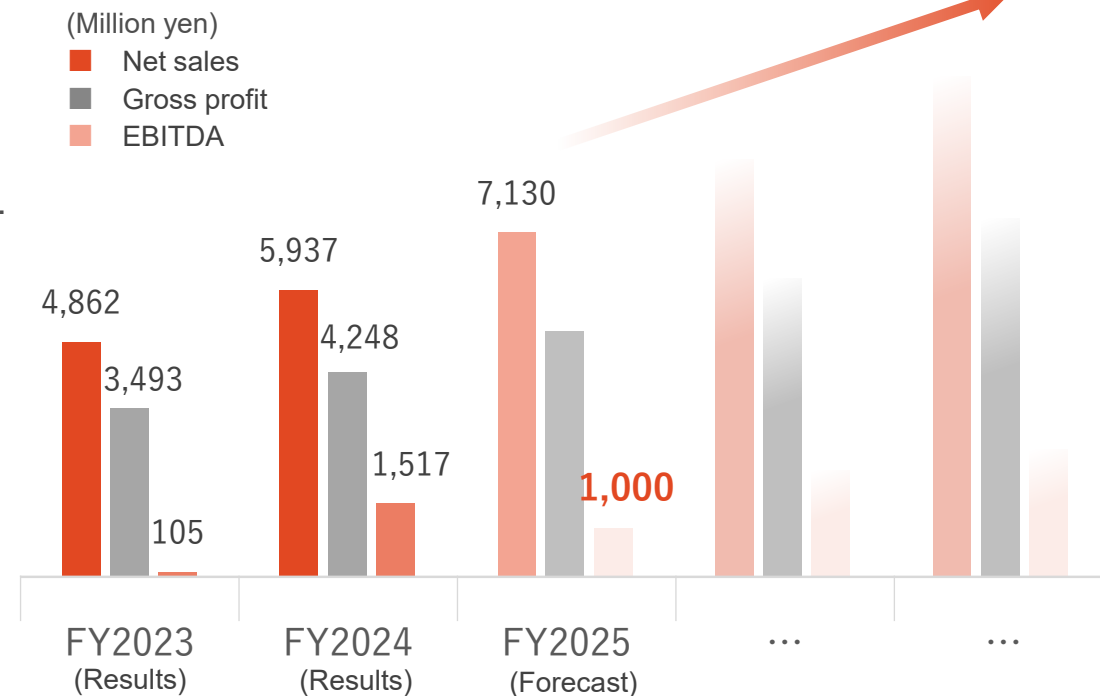
Gross profit

Maintain or improve the current level of **about 70%.**

EBITDA

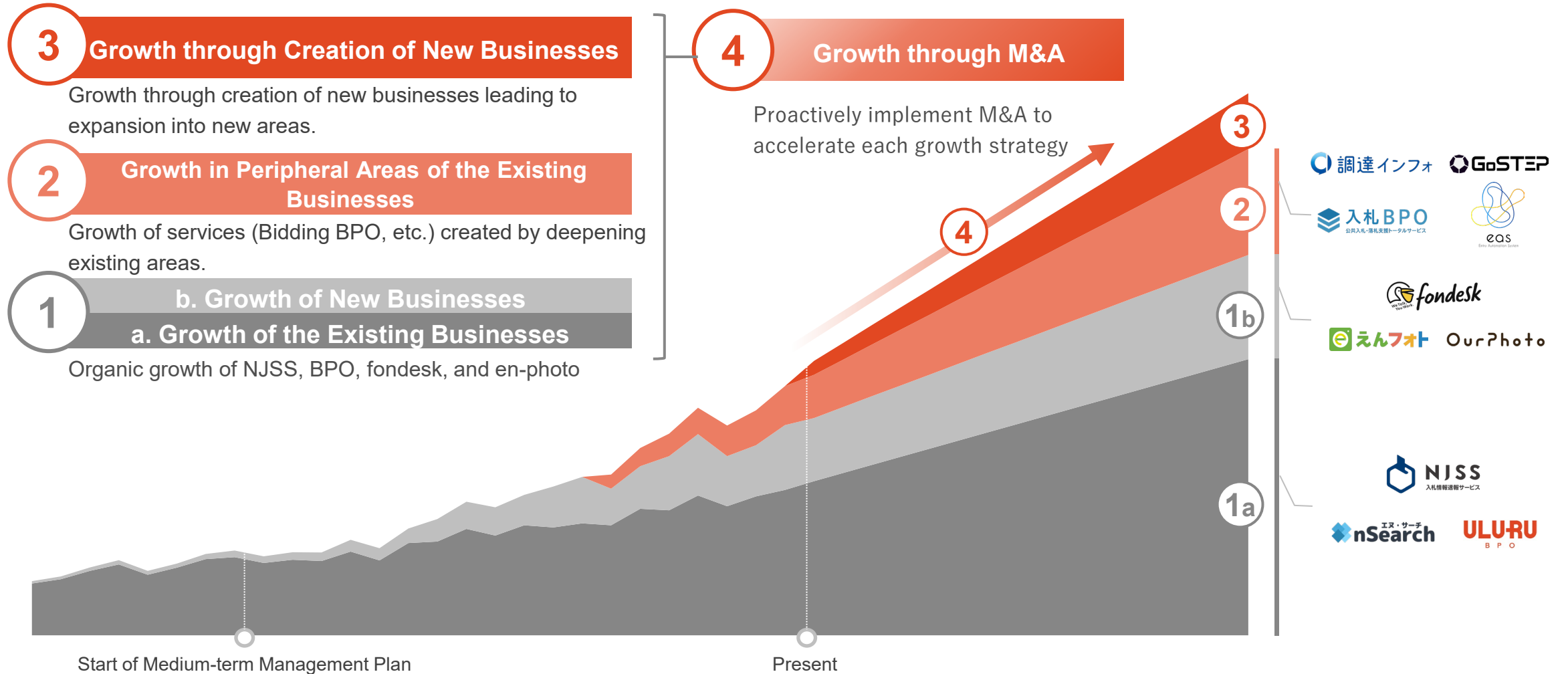
Aiming for **CAGR growth of 20% or more over the medium- to long-term.**
(EBITDA growth rate per fiscal year may increase or decrease due to one-time investments that are not currently expected.)

FY2026 and thereafter
Net sales and EBITDA
CAGR 20% or more

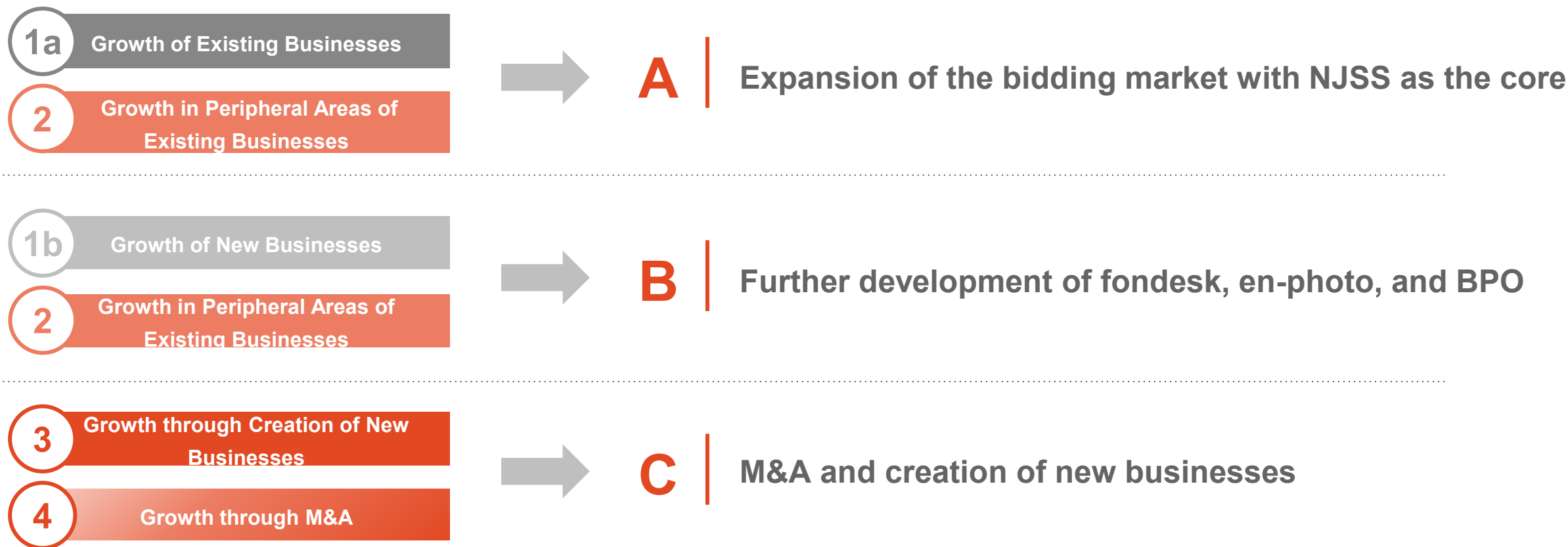


Medium- to Long-term Growth Plan (Disclosed on May 14, 2024)

- In addition to **organic growth in existing businesses**, aim for further growth through **expansion into peripheral areas** utilizing accumulated assets, **creation of new businesses**, and **M&A**.



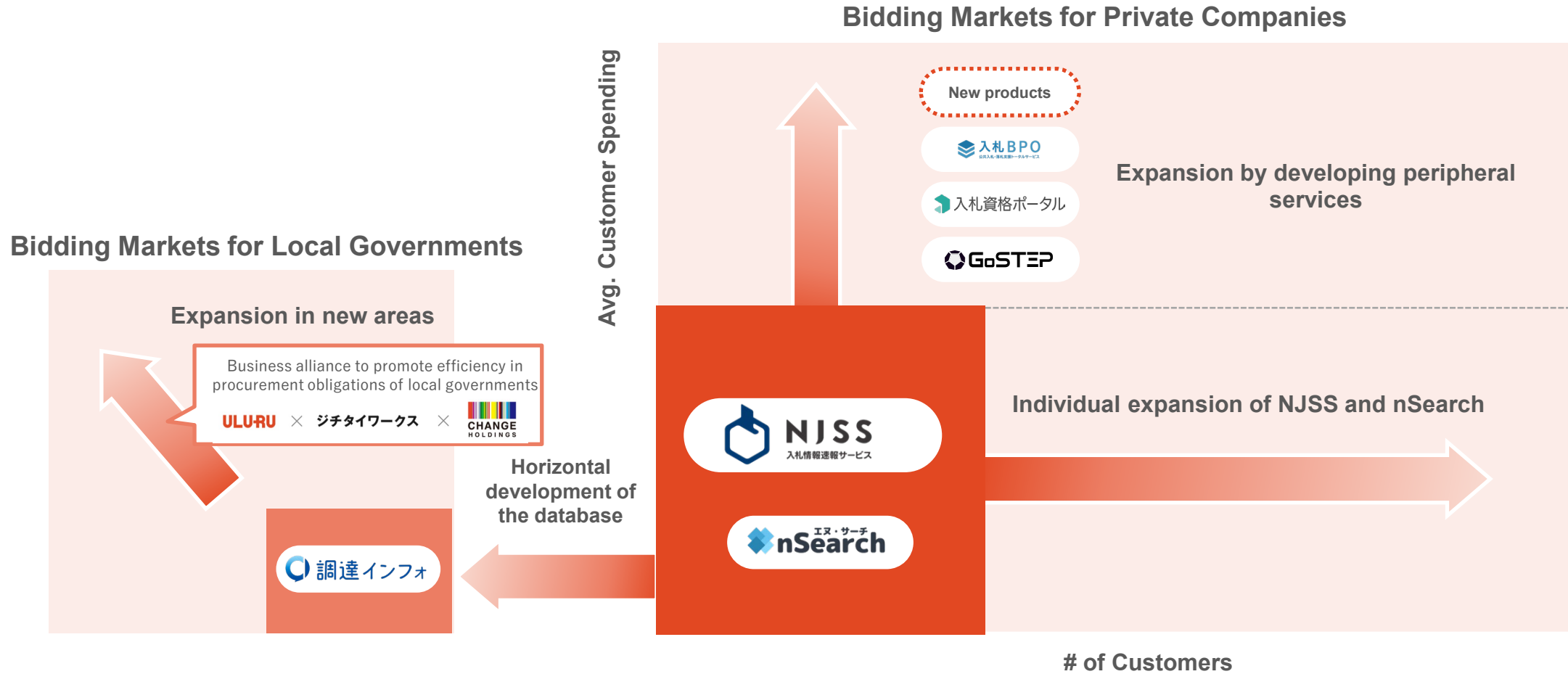
- To achieve medium- to long-term growth, the Company intends to pursue three specific business strategies.



A. Expansion of the Bidding Market with NJSS as the Core

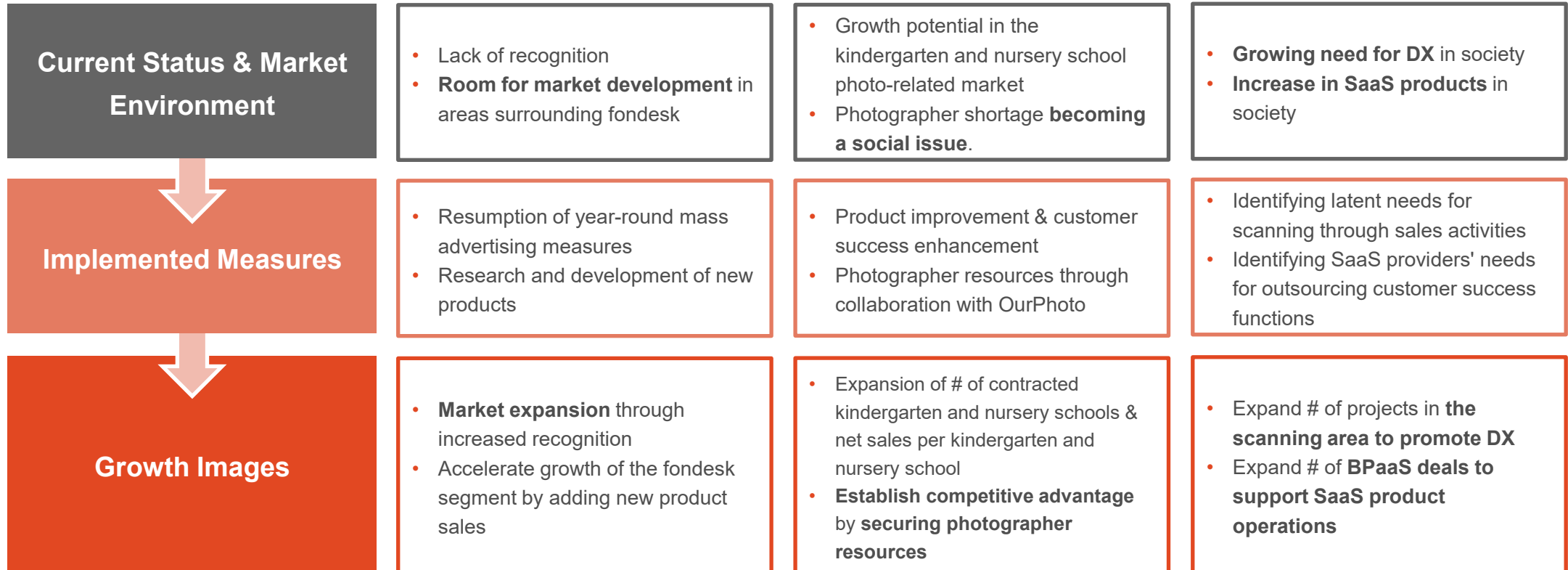
(Disclosed on May 14, 2024)

- With NJSS as the core, the Company will capture a share of the bidding market through the development of peripheral services and horizontal development of the database.



B. Further Development of fondesk, en-photo, and BPO

(Disclosed on May 14, 2024)



C. M&A and Creation of New Businesses

(Disclosed on May 14, 2024)

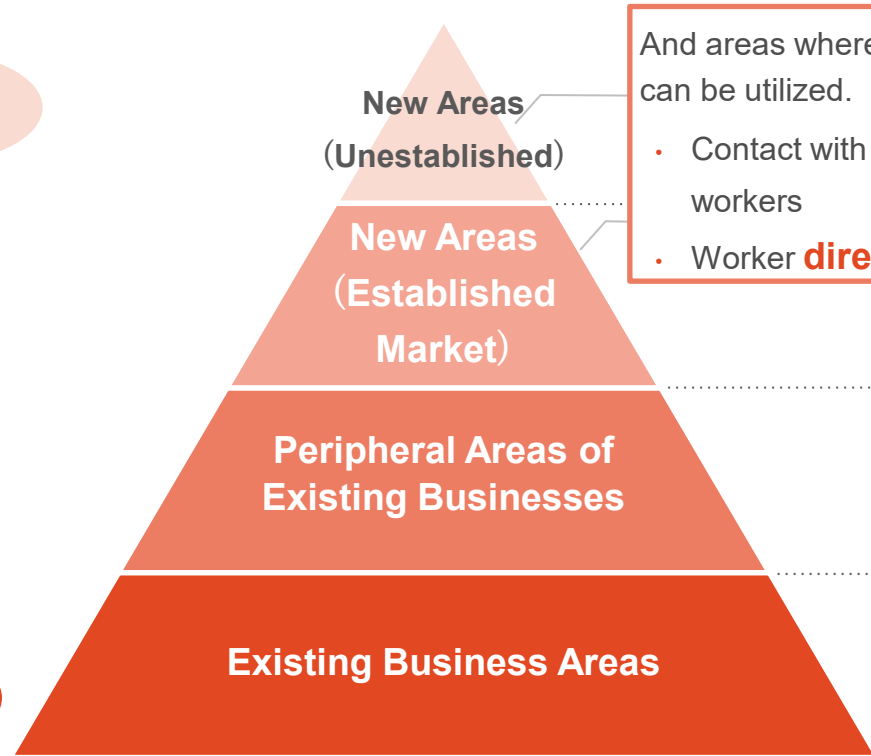
- To accelerate growth with a high probability of success, the Company will proactively pursue M&A and new business creation, prioritizing investment areas.

Investment
Priority

Medium



High



And areas where **the Company's unique assets** can be utilized.

- Contact with **more than 460,000** crowd workers
- Worker **direction know-how**

Past Achievements

3

New
Businesses

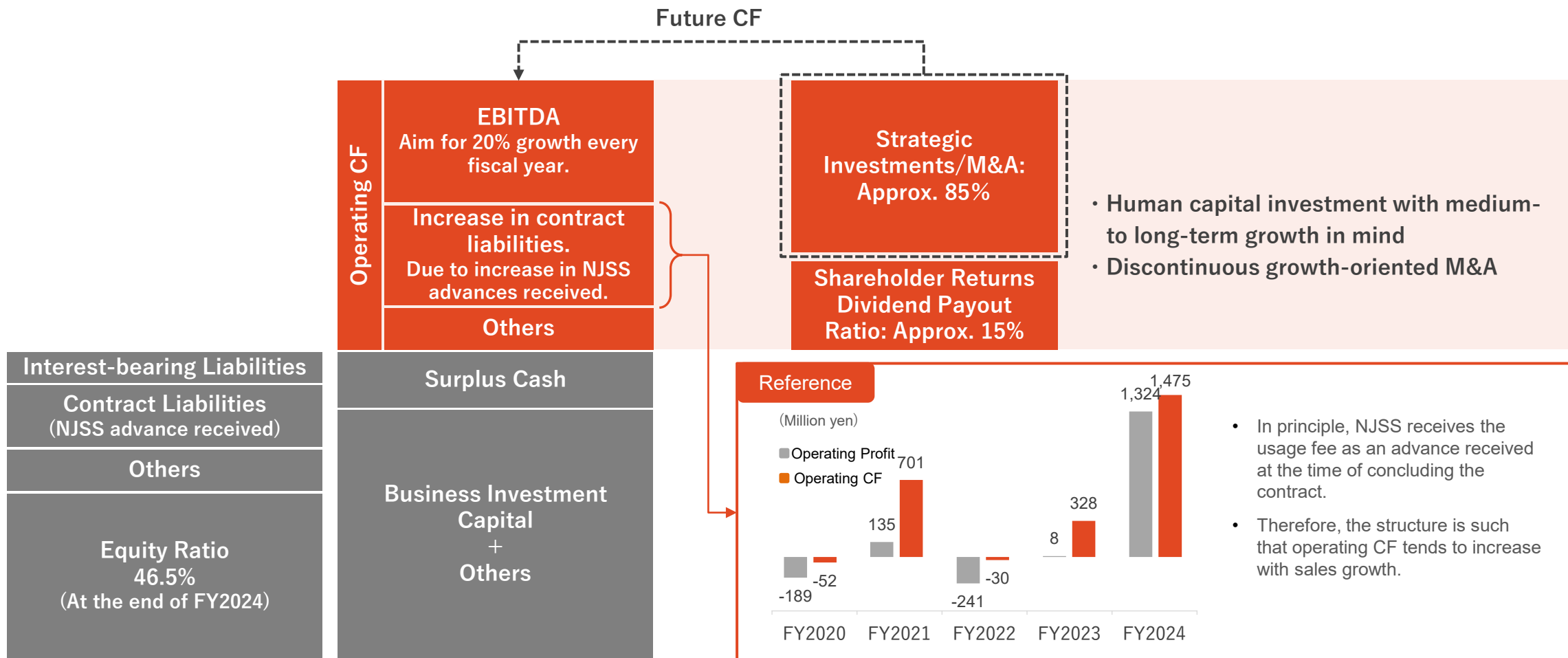
4

M&A



Capital Allocation (Disclosed on May 14, 2024)

- Investment in human resources, M&A and other investments for medium- to long-term growth while also achieving stable shareholder returns.



“ Solve the Labor Shortage and Enrich People and Companies ”

Japan is now facing the major social problem of a labor shortage.

The problem is worsening every day, with an expected loss of approximately 16 million workers and 69 trillion yen in the labor force by 2040.

For the growth of Japanese society, this problem cannot be ignored.

We, at ULURU, are working to solve it.

To create and enable the use of a new labor force.

To improve productivity by utilizing IT and AI and promoting DX.

To also think outside the box and create new solutions one after another with unique ideas.

We, at ULURU, are committed to solving the serious social problems that Japan is facing. Furthermore, we will tackle the social problems of the world.

6 Appendix

Profit and Loss (Quarterly/Consolidated)

(Million yen)	FY2025 2Q	FY2024 2Q	YoY	FY2025 1Q	QoQ
Net sales	1,554	1,349	+15.2%	1,485	+4.6%
NJSS	789	709	+11.2%	761	+3.6%
fondesk	241	206	+16.9%	236	+2.0%
Photo (en-photo and OurPhoto)	163	133	+22.6%	168	-3.2%
BPO	353	291	+21.2%	313	+13.1%
Cost of sales	464	353	+31.4%	440	+5.5%
Gross profit	1,089	995	+9.4%	1,045	+4.2%
SG&A	970	703	+37.9%	985	-1.5%
SG&A margin	62.5%	52.2%	-	66.3%	-
EBITDA	174	336	-48.1%	107	+62.0%
EBITDA margin	11.2%	24.9%	-	7.3%	-
Operating profit	118	291	-59.3%	59	+98.5%
Operating profit margin	7.6%	21.6%	-	4.0%	-
Ordinary profit	119	272	-56.1%	82	+45.7%
Corporate tax, etc.	49	102	-51.4%	33	+47.1%
Profit attributable to owners of parent	70	170	-58.9%	48	+44.7%
Number of employees	447	341	+31.1%	421	+6.2%

Profit and Loss (Quarterly Cumulative/Consolidated)

	(Million yen)	Cumulative FY2025 2Q	Cumulative FY2024 2Q	YoY	FY2025 forecast	Progress rate
Net sales		3,040	2,641	+15.1%	7,130	42.6%
NJSS		1,550	1,382	+12.2%	3,400	45.6%
fondesk		478	408	+17.2%	1,000	47.8%
Photo (en-photo and OurPhoto)		331	289	+14.5%	880	37.7%
BPO		667	547	+21.9%	1,820	36.7%
Cost of sales		905	680	+33.0%	-	-
Gross profit		2,134	1,960	+8.9%	-	-
SG&A		1,956	1,431	+36.7%	-	-
SG&A margin		64.4%	54.2%	-	-	-
EBITDA		282	616	-54.2%	1,000	28.2%
EBITDA margin		9.3%	23.4%	-	-	-
Operating profit		178	529	-66.3%	750	23.8%
Operating profit margin		5.9%	20.0%	-	-	-
Ordinary profit		202	521	-61.2%	700	28.9%
Corporate tax, etc.		83	193	-56.9%	-	-
Profit attributable to owners of parent		118	327	-63.8%	450	26.3%

Segment Information (Quarterly Cumulative/Consolidated)

(Million yen)	NJSS	fondesk	Photo	Other CGS	BPO	Crowd-Sourcing	Corporate expenses (Headquarters)
Net sales	1,550	478	331	-	667	12	-
EBITDA	713	20	-37	-45	5	-5	-368
EBITDA margin	46.0%	4.2%	-11.5%	-	0.8%	-	-
Segment profit	653	19	-43	-45	-28	-5	-373
Segment profit margin	42.2%	4.1%	-13.0%	-	-4.3%	-	-
Number of employees	137	17	43	2	193	5	50
<FY2025 forecast>							
(Million yen)	NJSS	fondesk	Photo	Other CGS	BPO	Crowd-Sourcing	Corporate expenses (Headquarters)
Net sales	3,400	1,000	880	-	1,820	-	-
EBITDA	1,570	160	0	-	250	-	-

*Photo: en-photo and OurPhoto

Segment Net Sales, Profit, and EBITDA (Quarterly/Consolidated) ①

(Million yen)		FY2024 2Q	FY2024 3Q	FY2024 4Q	FY2025 1Q	FY2025 2Q
NJSS	Net sales	709	722	769	761	789
	Profit	380	386	401	296	357
	EBITDA	401	410	426	324	389
fondesk	Net sales	206	214	211	236	241
	Profit	61	75	69	4	15
	EBITDA	61	75	69	4	15
Photo (en-photo and OurPhoto)	Net sales	133	203	233	168	163
	Profit	-23	12	42	-3	-39
	EBITDA	-15	20	51	-1	-36
Other CGS	Net sales	-	-	0	-	-
	Profit	-10	-9	-9	-14	-30
	EBITDA	-10	-9	-9	-14	-30

Segment Net Sales, Profit, and EBITDA (Quarterly/Consolidated) ②

(Million yen)		FY2024 2Q	FY2024 3Q	FY2024 4Q	FY2025 1Q	FY2025 2Q
BPO	Net sales	291	326	602	313	353
	Profit	25	28	130	-36	8
	EBITDA	37	44	147	-20	25
Crowd-Sourcing	Net sales	7	7	5	5	6
	Profit	-1	-2	-2	-1	-3
	EBITDA	-1	-2	-2	-1	-3
Corporate expenses (Headquarters)	Net sales	-	-	-	-	-
	Profit	-140	-156	-171	-184	-188
	EBITDA	-137	-152	-168	-182	-185

Expense Details (Quarterly/Consolidated)

(Million yen)	FY2024 2Q	FY2024 3Q	FY2024 4Q	FY2025 1Q	FY2025 2Q
Personnel expenses - Cost of sales	102	111	* 174	142	147
Ratio to net sales	7.6%	7.6%	9.6%	9.6%	9.5%
Personnel expenses - SG&A (incl. hiring expenses)	361	383	* 392	494	480
Ratio to net sales	26.8%	26.0%	21.5%	33.3%	30.9%
Advertising expenses	106	96	80	221	199
Ratio to net sales	7.9%	6.5%	4.4%	14.9%	12.9%
System-related outsourcing expenses	15	11	7	16	24
Ratio to net sales	1.1%	0.8%	0.4%	1.1%	1.6%
Depreciation + amortization of goodwill	45	51	54	48	56
Ratio to net sales	3.3%	3.5%	3.0%	3.2%	3.6%

* Year-end bonus-related expenses are included as temporary expenses in the financial results presentation and are not included in "Personnel expenses - Cost of sales" and "Personnel expenses - SG&A (including hiring expenses)."

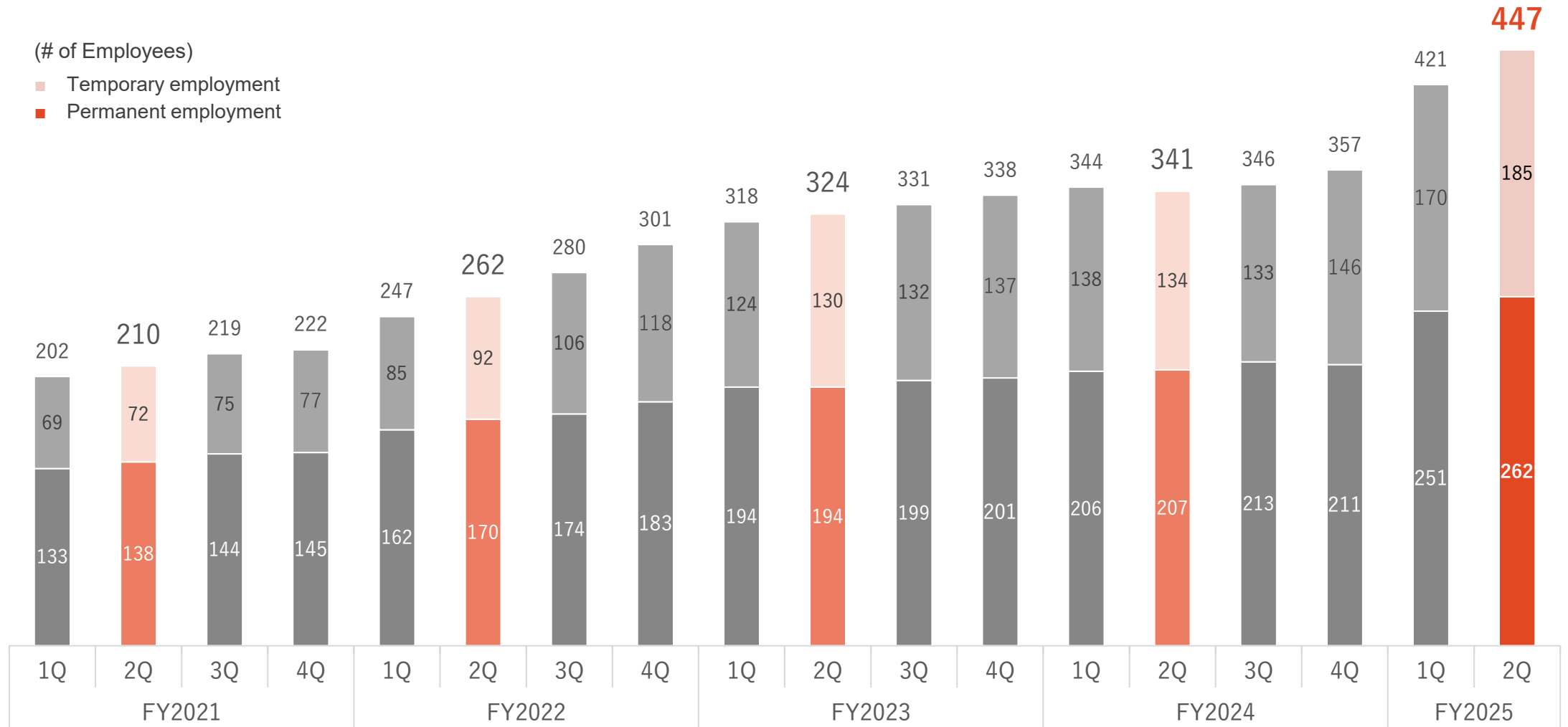
Major Expenses Invested by Business Segment

(Million yen)		FY2024 2Q	FY2024 3Q	FY2024 4Q	FY2025 1Q	FY2025 2Q
NJSS	Personnel expenses - Cost of sales	14	12	*1 13	16	20
	Personnel expenses - SG&A (incl. hiring expenses)	138	151	*1 161	222	198
	Advertising expenses	55	48	38	86	77
	System-related outsourcing expenses	5	3	3	5	*2 -2
fondesk	Personnel expenses - Cost of sales	2	1	*1 2	1	1
	Personnel expenses - SG&A (incl. hiring expenses)	21	22	*1 21	29	28
	Advertising expenses	38	32	36	115	108
	System-related outsourcing expenses	-	-	-	-	-
en-photo and OurPhoto	Personnel expenses - Cost of sales	-	-	-	-	-
	Personnel expenses - SG&A (incl. hiring expenses)	55	56	*1 54	68	70
	Advertising expenses	10	14	3	9	11
	System-related outsourcing expenses	9	7	3	10	21
BPO	Personnel expenses - Cost of sales	85	96	*1 159	124	125
	Personnel expenses - SG&A (incl. hiring expenses)	35	34	*1 33	34	38
	Advertising expenses	1	0	1	9	1
	System-related outsourcing expenses	0	0	0	0	0

*1 Year-end bonus-related expenses are included as temporary expenses in the financial results presentation and are not included in "Personnel expenses - Cost of sales" and "Personnel expenses - SG&A (including hiring expenses)."

*2 Landed in the negative due to management accounting adjustments.

Changes in Number of Employees by Employment Type



* The number of temporary employees is the average number of employees for the year

Balance Sheet (Quarterly/Consolidated)

(Million yen)	FY2025 2Q	FY2024	QoQ	FY2024 2Q	YoY
Current assets	3,845	4,367	-11.9%	3,403	+13.0%
Cash and deposits	3,304	3,589	-7.9%	2,962	+11.5%
Non-current assets	1,789	1,684	+6.3%	1,730	+3.4%
Property, plant and equipment	231	219	+5.5%	226	+2.4%
Intangible assets	800	685	+16.7%	745	+7.4%
Goodwill	203	225	-5.3%	397	-48.9%
Investments and other assets	757	778	-2.7%	759	-0.2%
Total assets	5,635	6,051	-6.9%	5,133	+9.8%
Current liabilities	2,797	3,070	-8.9%	2,701	+3.6%
Contract liabilities (formerly advances received)	1,839	1,596	+15.2%	1,664	+10.6%
Borrowings	40	40	0.0%	18	+113.5%
Non-current liabilities	149	169	-11.9%	11	-
Borrowings	138	158	-12.6%	-	-
Total liabilities	2,946	3,239	-9.0%	2,713	+8.6%
Total net assets	2,688	2,811	-4.4%	2,420	+11.1%
Total liabilities and net assets	5,635	6,051	-6.9%	5,133	+9.8%
Capital adequacy ratio	47.7%	46.5%	-	47.1%	-
Net cash	3,126	3,391	-7.8%	2,943	+6.2%

Cash Flow (Interim/Consolidated)

(Million yen)	1 st Half of FY2025	1 st Half of FY2024
CF from operating activities	238	768
Profit before income taxes	202	521
Depreciation	81	50
Amortization of goodwill	22	36
Increase due to contract liabilities	242	182
CF from investing activities	-266	-182
CF from financing activities	-258	-18
Net increase (decrease) in cash and cash equivalents	-285	566
Cash and cash equivalents at beginning of period	3,589	2,396
Cash and cash equivalents at end of period	3,304	2,962

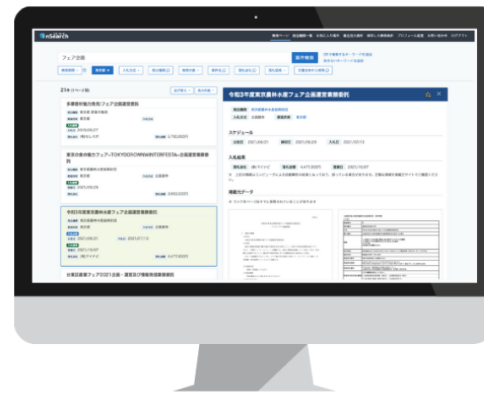
CGS Business-Bidding Information Flash Service - “NJSS”

- A service that provide a database of bidding information ordered by public offices and other agencies.
- Hundreds of crowd workers collect information from approx. 8,500 bidding agencies, and the Company builds a database of information on bids and winning projects.



- 1** | Providing Service with **SaaS Model**
Providing a bid/offer database created by utilizing **Crowd-Sourcing** via **the Cloud**.
It maintains a **high gross profit margin** (Gross profit margin: 92.0% in FY2023 and 92.4% in FY2024).
- 2** | Sales Are by **Subscription**
Sales are **stock-based**, consisting of **subscriptions**.
- 3** | **Original Business Model** and **Barrier to Entry**
A highly comprehensive bid/offer database is built through the combined use of a large amount of crowd workers' workforce and IT, such as **Web crawlers** and **AI**.
As an additional benefit, the difficulty in collecting past bid-winning data creates a **barrier to entry** for competitors.
- 4** | **System Highly Contributing to Free Cash Flow (FCF)**
In principle, receiving the usage fee in advance at the time of contract.
The more sales increase, the more FCF increases. No normal working capital occurs.

- On January 4, 2023, we acquired 100% of the outstanding shares of Brainfeed, Inc. which operates nSearch, a bidding information search service, for 270 million yen. Classification under revenue in the consolidated financial statements started on April 1, 2023.
- nSearch service was launched in November 2021.

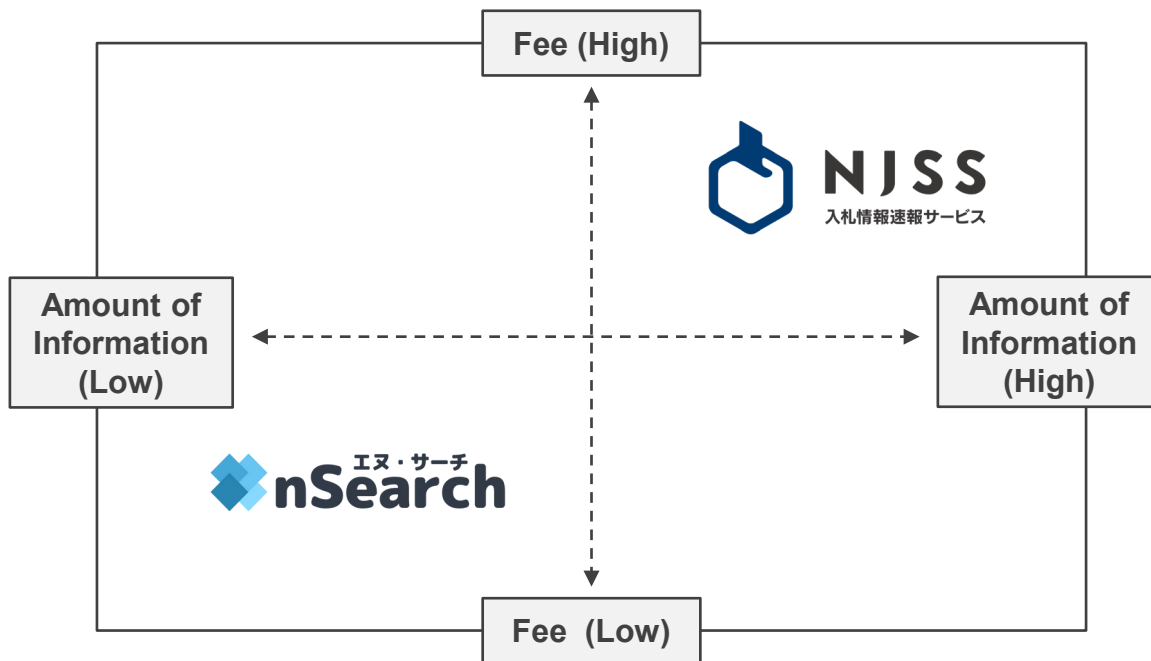


- All features for 10,000 yen per month (excluding tax)**
- 3,000 yen per month (excluding tax) for one-prefecture plan.**
- Extensive bid information can be searched.**
- Search service for tenders and publicly posted projects.**
- ✓ Low price made possible by automatic collection
- ✓ Searchable information on over 7 million successful bids
- ✓ Receive an email notification the next morning when a new listing for the search criteria you set becomes available.

<https://nsearch.jp/>

- Aiming to maximize the market and expand market share by offering both NJSS and nSearch

Positioning



Differences and Synergies between nSearch and NJSS

	nSearch	NJSS	Synergies
Data Collecting Method	AI-based Web Crawler	Web Crawler + manpower	Reduce NJSS' data-collection costs by leveraging nSearch's technological capabilities for NJSS as well. Centralize the information collection system in the future to improve efficiency.
Sales Force	Minimum	Inside Sales & Field Sales	Customer leads acquired through nSearch are also used for NJSS.
Customer Service	Minimum	Customer Success	Upsell customers seeking quality higher than nSearch to NJSS
Average Spending per Customer	Low	High	Reach a broader customer base



NJSS | NJSS's Potential (How to think of TAM)

- The number of both NJSS's and nSearch's fee-paying contracts combined is approximately 2% of the roughly 400,000 companies that have won bids, and approximately 10% of the roughly 70,000 companies that have unified qualifications for all ministries and agencies, indicating that they have **sufficient potential**.
- **Considering future business growth, we have started to approach companies that have not yet qualified to participate in bidding, and TAM is expected to expand in the future.**



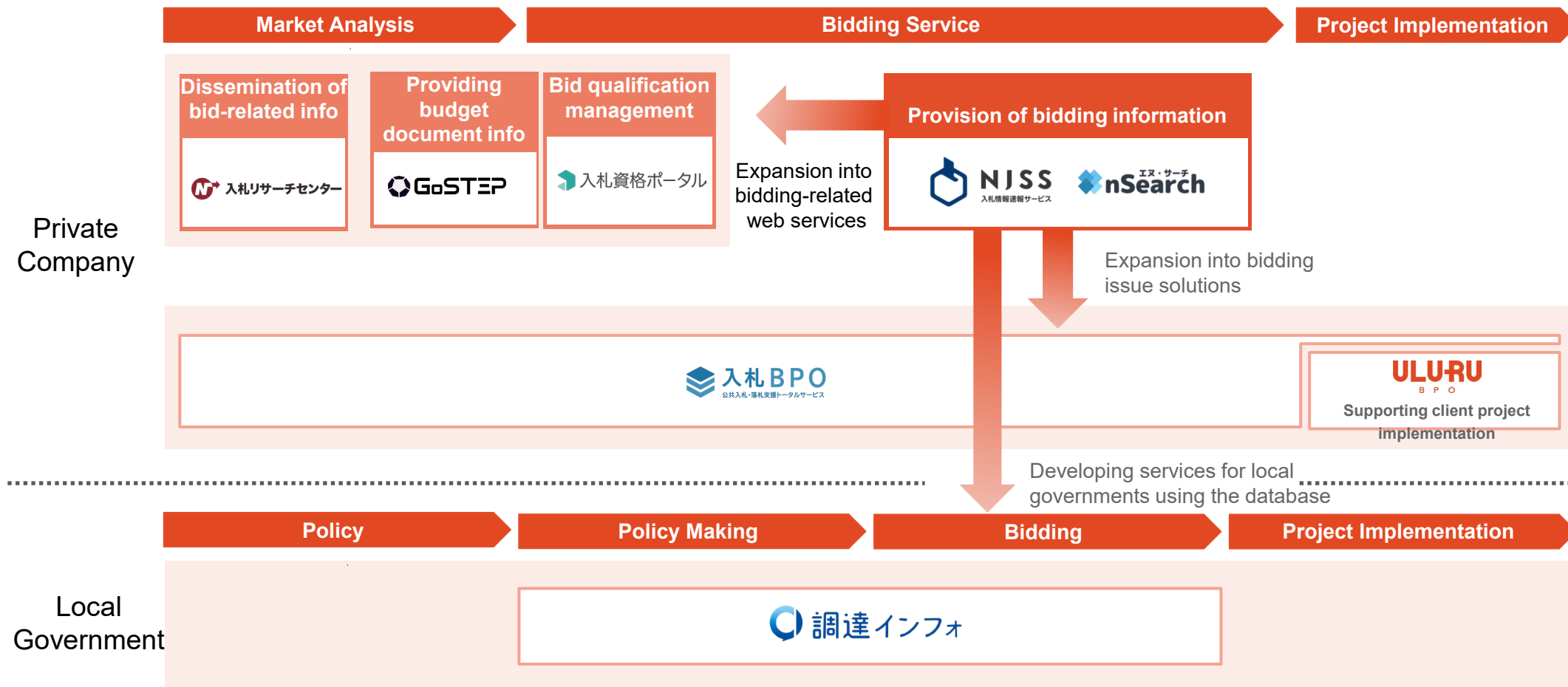
* 1 MIC Administrative Business Reviews of FY 2018 * 2 As of 2019 From NJSS Database

- NJSS was introduced in September 2008 and has grown to become a pillar of the group's sales.
- **Focus on developing peripheral services** to further expand the bidding market.

Service	Start Date	Description	URL
 <p>NJSS 入札情報速報サービス</p>	September 2008	A business support service that enables batch search and management of bidding and winning information nationwide. Utilizes web crawlers and human resources to provide highly comprehensive information.	https://www2.njss.info/
 <p>調達インフォ</p>	November 2019	A service that allows procurement staff of public offices and local governments to browse and gather information on bidding projects and winning bids nationwide. Business tie-up with JICHITAI WORKS, INC. and CHANGE HD, Inc. to strengthen paid version.	https://bid-info.jp/
 <p>入札リサーチセンター</p>	August 2022	An owned media that conveys the appeal of the bidding market by providing useful information for bidders. It analyzes signs of changes and trends in the bidding market and releases monthly reports and other information on the status of bids and winners.	https://research.njss.info/
 <p>nSearch エヌ・サーチ</p>	November 2021 *Became a subsidiary in Jan. 2023	A business support service that enables batch search and management of bidding and winning information nationwide. Information is collected by an AI-based web crawler and provided at a low price. *Operated by Brainfeed, Inc.	https://nsearch.jp/
 <p>GoSTEP</p>	March 2023	A platform to search and manage all the information on the projects (budgets) of public organizations, public and statistical information, trends and characteristics of municipalities based on bidding data, and organizational information necessary for approaching them.	https://www.gostep.biz/
 <p>入札資格ポータル</p>	July 2023	A service that allows centralized management of bidding qualification information. Provides notifying function to prevent unnoticed updates and convenient management formats. Paid version launched in July 2024.	https://nsp.njss.info/
 <p>入札BPO 公共入札・落札支援トータルサービス</p>	November 2023	A Business Process as a Service (BPaaS) type service that undertakes all bid-related tasks from market research and analysis prior to the public announcement of bids to the actual execution of projects, providing total support for improving operational efficiency and winning bids.	https://bpo.njss.info/

Customer Journey

- NJSS and nSearch cover only a part of the bidding business processes, and peripheral services covering other processes are also being developed.
- Also, utilizing the NJSS database, the Company is developing services for local governments.



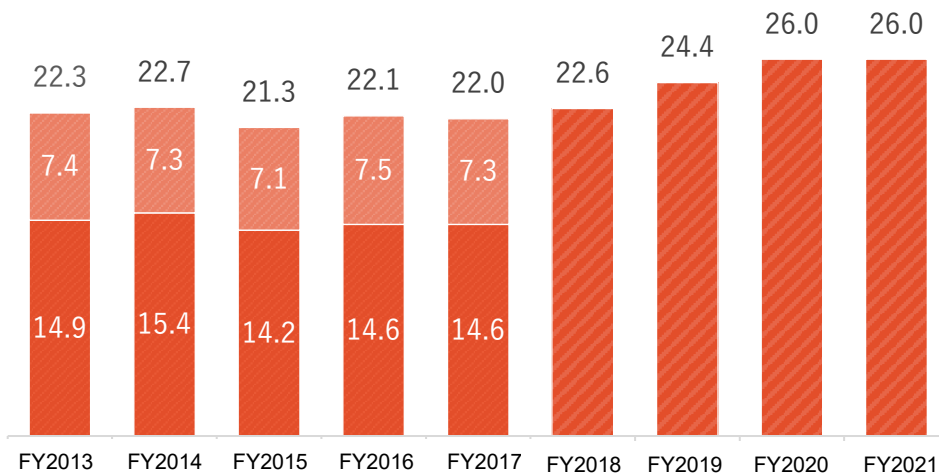
Bidding Market Trends

- Stable market worth over **25 trillion yen per year***

■ For non-SMEs
■ For SMEs

(Trillion yen)

No breakdown data after FY2018



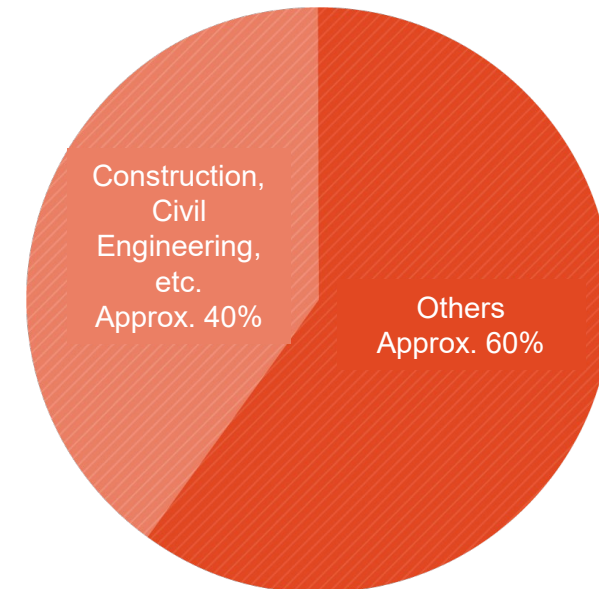
*FY2019 - FY2021 average

Source: Small and Medium Enterprise Agency "Guide to Contracts in the Public Sector," "Contract Results for SMEs and Small Businesses," and "Changes in Public Sector Contract Performance by Local Governments."

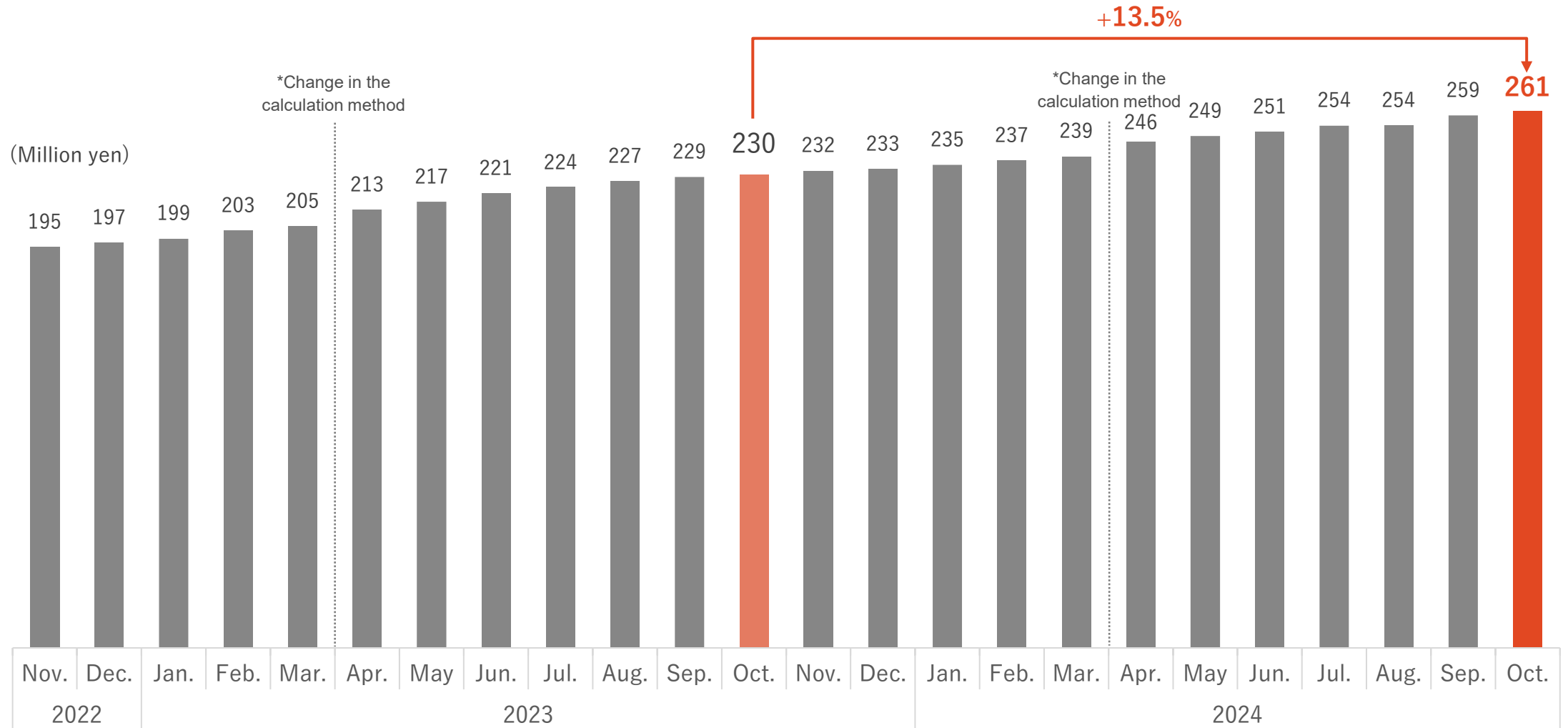
• Results for local governments are the total of prefectures, cities with populations of 100,000 or more, and Tokyo special wards.

Ratio of Industries

- Construction, civil engineering, and other construction projects accounted for about 40% in terms of value.
- Orders other than construction**, such as goods and services, account for **about 60%**.



Source: Small and Medium Enterprise Agency, Outline of "Act on Ensuring the Receipt of Orders from the Government and Other Public Agencies in FY2022"



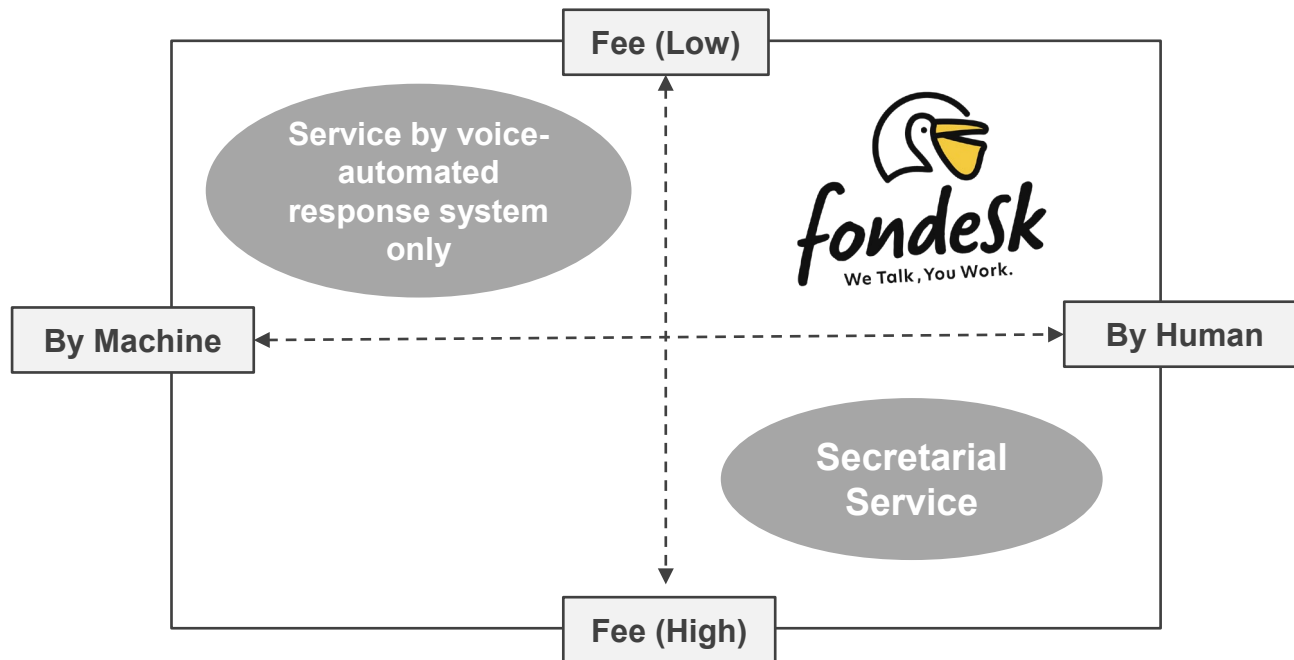
* MRR (Monthly Recurring Revenue): Not affected by the number of business days in a month.
 From April 2023, MRR is calculated including peripheral subscription businesses such as "nSearch" and "GoSTEP" and listed retroactively.
 Starting from April 2024, MRR is calculated to include "Bidding BPO (recurring revenue only)" and "Chotatsu Info."

- “A smart phone answering service starting at 10,000 yen per month.”
- Crowd workers receive incoming calls on behalf of the company and relay the messages via chat tools such as Slack, Chatwork, and Microsoft Teams.



- By having a human operator answer the phone, it is possible to provide services that match the needs of customers, which is difficult to do with an automated voice response system, and the simple service design makes the price competitive.
- In addition, by leveraging our expertise in human resource utilization and continuous investment in application development, we have an advantage over competitors in the same positioning.

Positioning

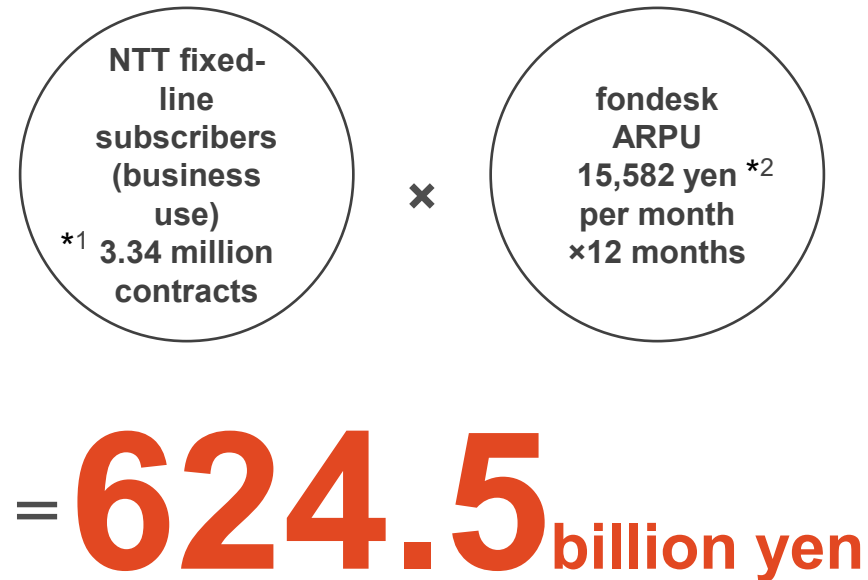


Strengths

Call Handling	Since a human operator answers the phone, there is a low psychological barrier for customers when introducing the system. In addition, the operator can ask simple questions such as the caller's name and to whom the caller wants to talk while talking to the caller, so there is less frustration for the caller compared to a machine voice.
Hiring/Quality	Since we operate our own crowdsourcing service, shufti, it is easy to recruit excellent operators nationwide. In addition, by specializing in primary telephone call handling, we have standardized our operations and established training programs, enabling us to maintain a high level of quality.
CX Performance	Applications are developed in-house, and continuous improvement can increase customer value. <ul style="list-style-type: none"> • Can start using the service with a 5-minute online procedure. • A wide range of notification methods can be selected from chat tools such as Slack and LINE. • More functions such as name change, block list, etc.

- The COVID-19 pandemic (2020 - 2023) greatly expanded demand for teleworking.
- Following the transition to the category V infectious diseases of the novel coronavirus infection, companies are now following the trend toward a DX approach.

Total Addressable Market (TAM)



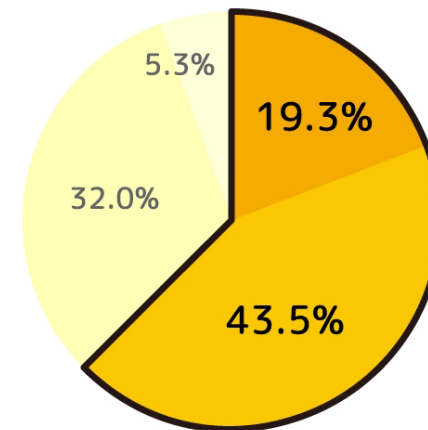
*1 Source: Ministry of Internal Affairs and Communications, WHITE PAPER Information and Communications in Japan (Year 2020) As of the end of FY2019

*2 Source: Actual figures for 2Q of FY2025

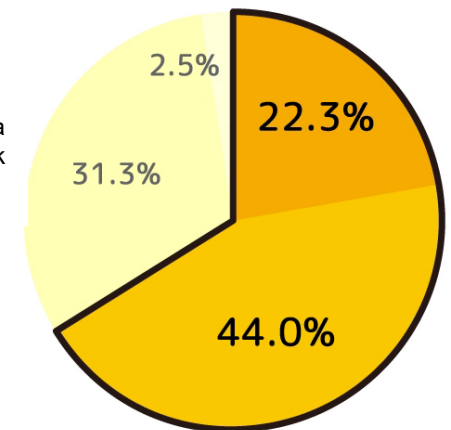
Survey on the realities of handling phone calls in the workplace

More than 60% of workers say that phone calls to the office are “unnecessary/stressful.”

Q. I often feel it is “an unnecessary call” when I receive a call to my office.



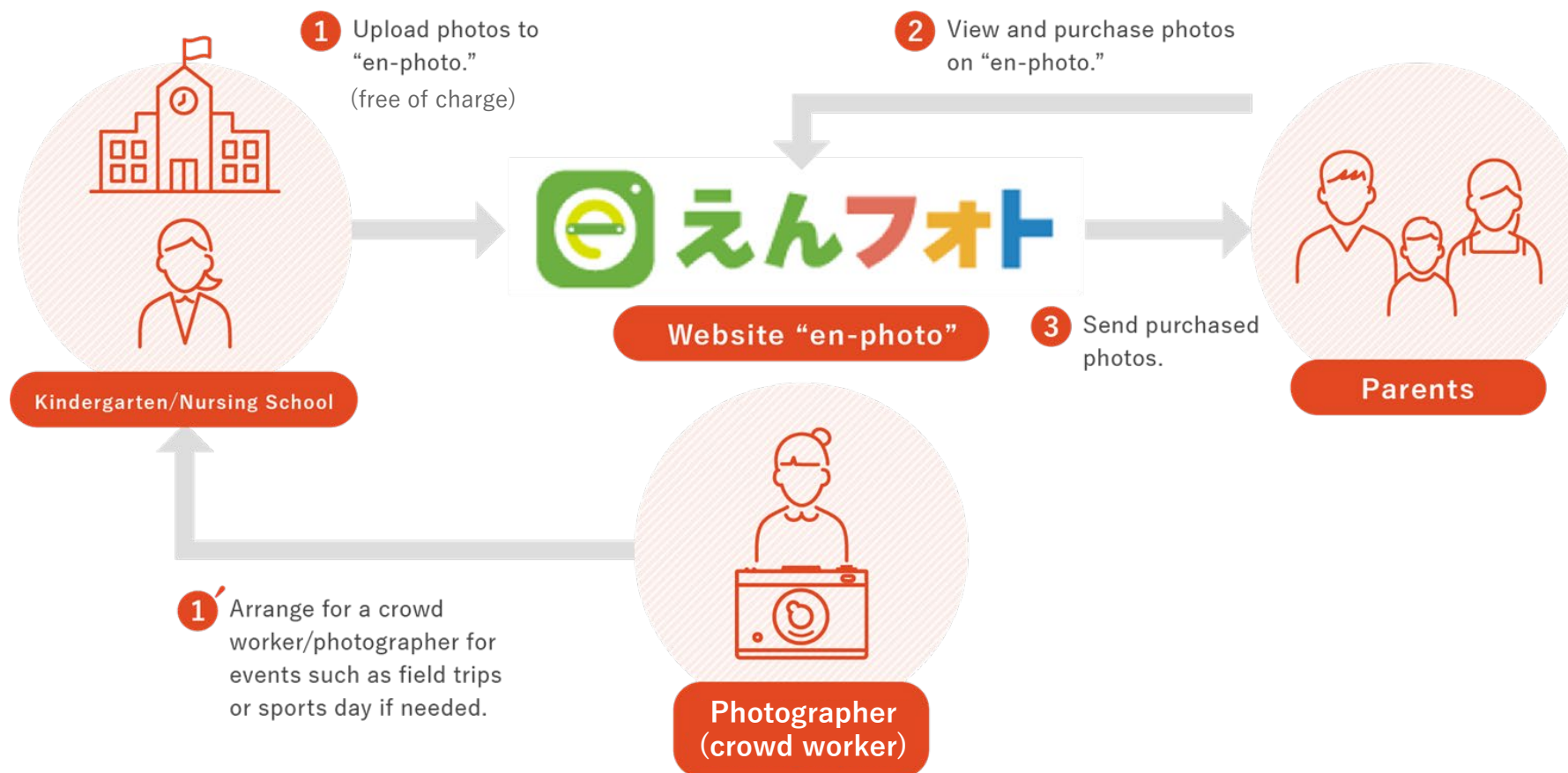
Q. I feel stress when I receive a call which I think is unnecessary.



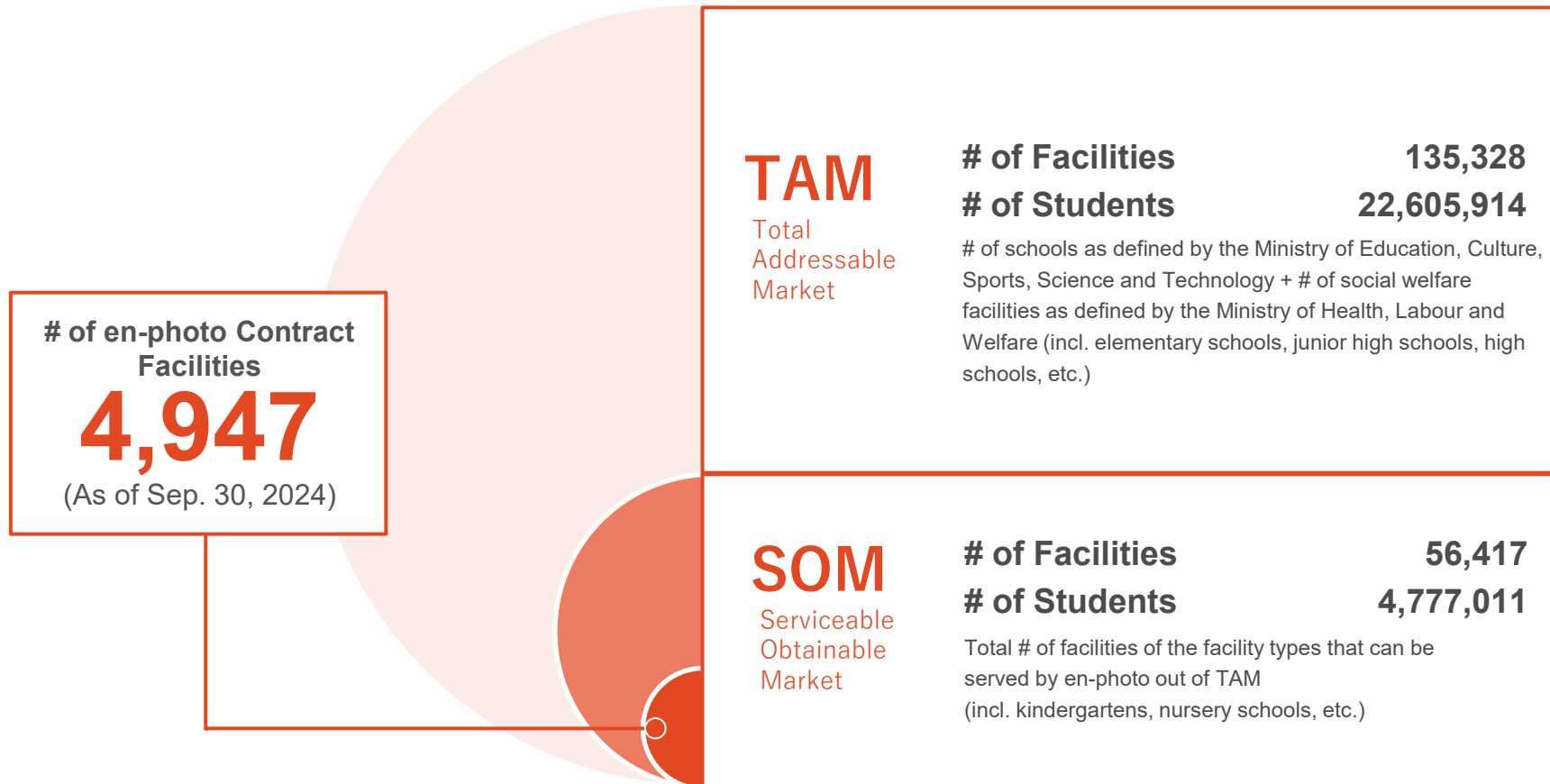
* Source: Company data

CGS Business - “en-photo”

- A photo sales system that drastically reduces time and effort of kindergartens, nursery schools, and parents.
- Providing added value by arranging for a crowd worker/photographer at kindergarten events.



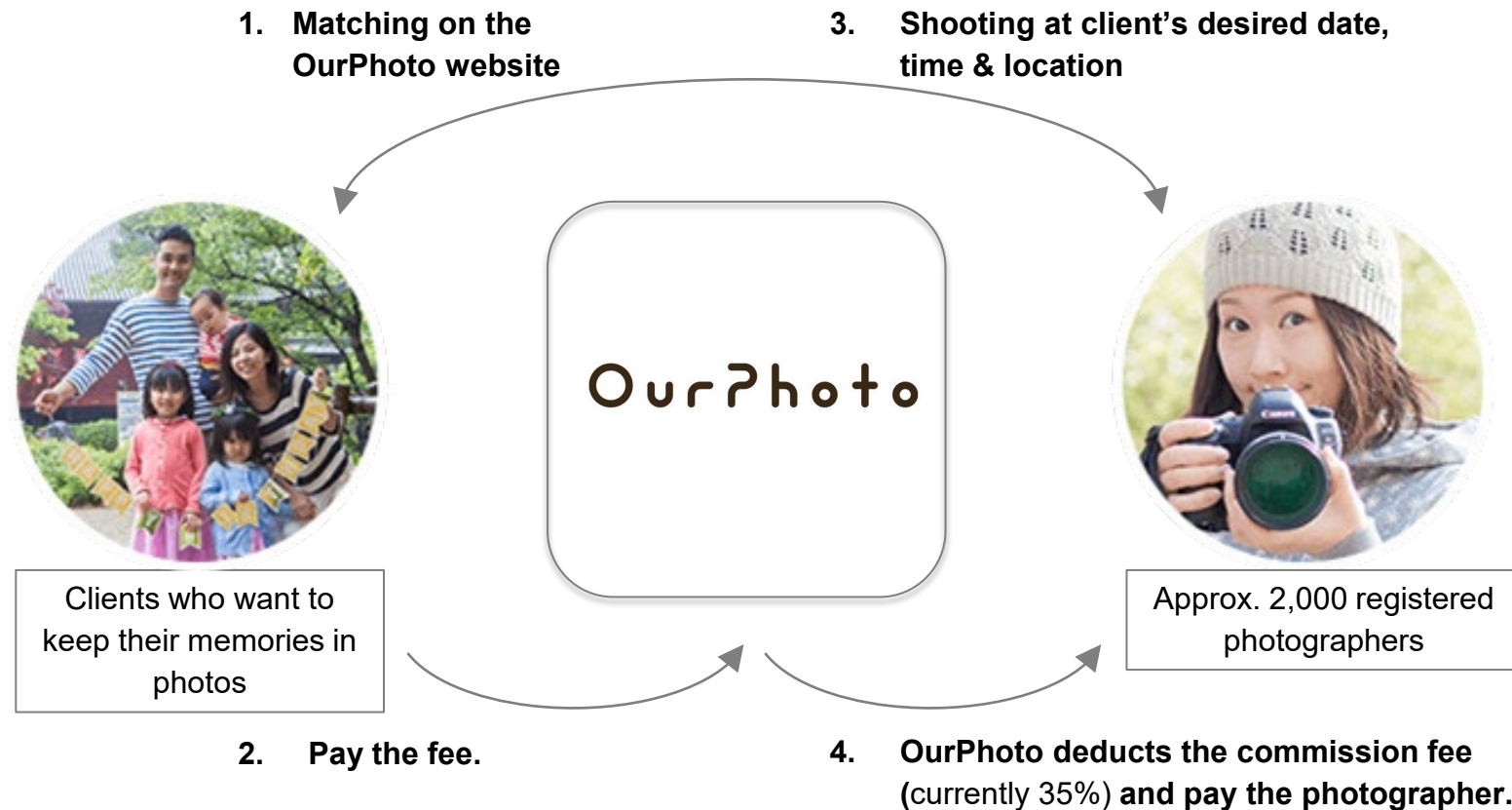
- Many public preschools have yet to introduce ICT tools, leaving ample room for growth.
- Not currently included in possible TAMs but may be expanded to include kids' sports clubs in the future.



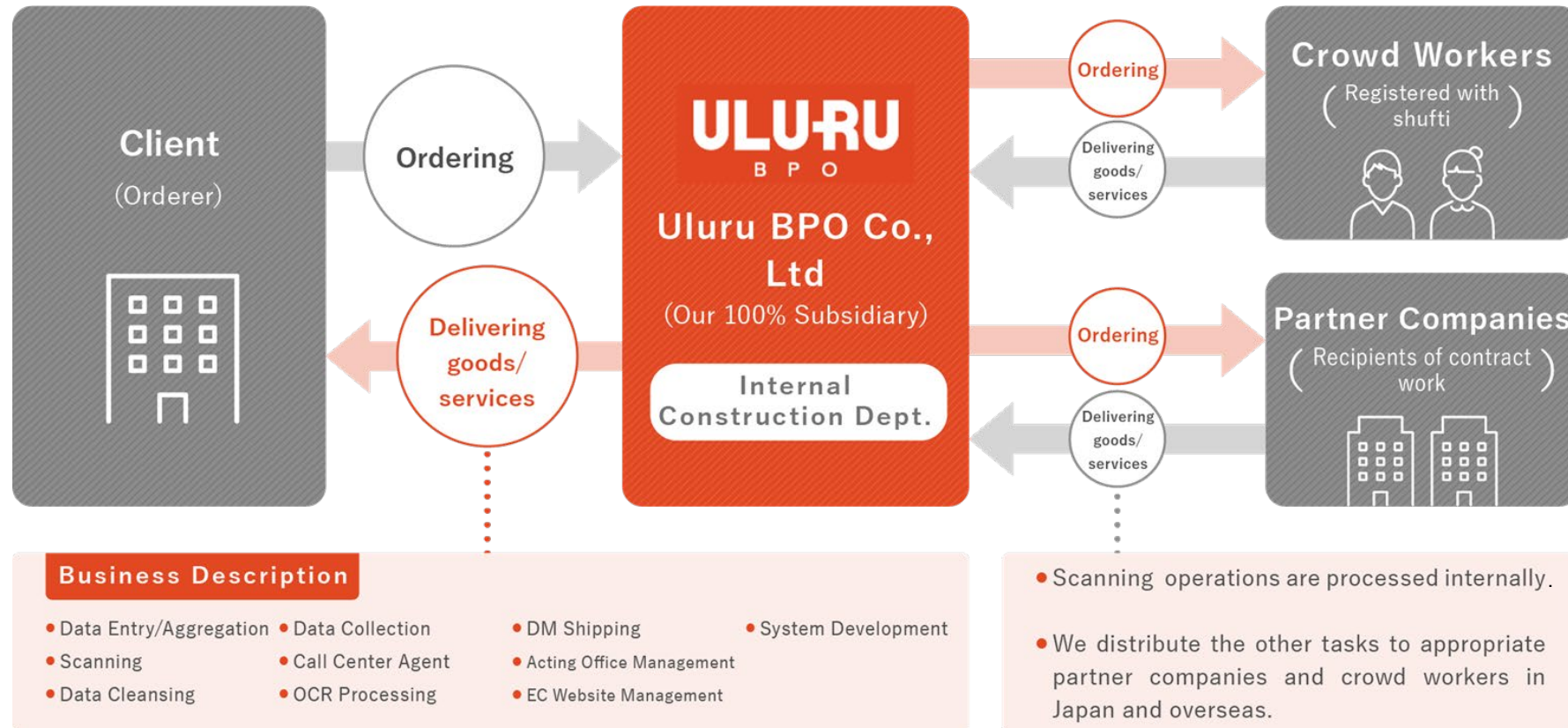
Sources: Survey of Social Welfare Institutions and School Basic Survey

CGS Business - “OurPhoto”

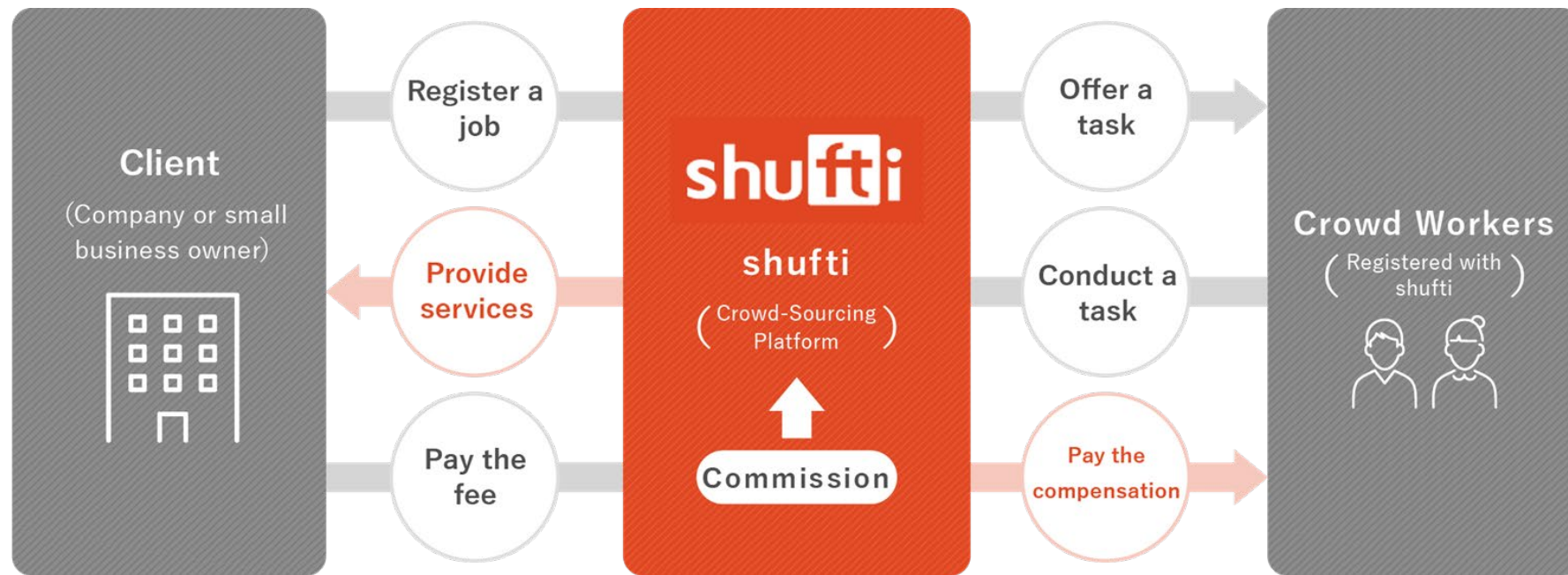
- The on-site photography matching service OurPhoto.
- About 2,000 registered photographers (as of Nov. 2024) and clients who want to preserve their memories in photographs are matched on the OurPhoto website. OurPhoto deducts the commission from the shooting fee and pays the photographer.



- The Company is entrusted with non-core operations of our client companies and provides solutions by utilizing various resources such as domestic and overseas partner companies and crowd workers.
- The Company has particular strengths in scanning and data entry to digitize paper-based information.



- shufti, a crowd-sourcing platform, matches client companies which want to request work with crowd workers who want to work without restrictions on time and location.
- It has approximately 470,000 registered crowd workers (as of September 30, 2024).



- Numerous initiatives to solve social issues, such as contributing to government and municipal DX, promoting accessibility, and promoting women's activities
- Winner of multiple awards for services that contribute to society.

Examples

- To support NPOs to focus on social contribution projects, we offer the **"NPO Support Plan"** with three months of free basic monthly fees for "fondesk."
- Every six months, **we donate based on the number of photos publicized on the en-photo service** to an organization that is working to bring smiles to the faces of children and their families. In the past, donations went to Mirai Kodomo Foundation, Musubie (a certified NPO), Yokohama Children's Hospice Project (a certified NPO), and Heart full family.
- We provided support for parents who lost or sustained damage to photos purchased through en-photo as a result of the 2024 Noto Peninsula Earthquake **by providing photos free of charge.**
- The third term of **assistant CIO services** in Komatsushima City, Tokushima Prefecture started.
- "eas next" was selected by the Organisation for Economic Co-operation and Development (OECD) as **a case study of innovation** to promote participation of people with disabilities in the labor market through AI-based technologies.
- Continuously improving the working environment so that diverse human resources can fully demonstrate their abilities. **The ratio of female managers was 21.6%** as of September 30, 2024.

Awards Received for Social Contribution



- Actively conducting IR activities for institutional and individual investors to carefully explain the Company's growth potential and engage in constructive dialogue.
- Continuously disseminating useful IR information using IT tools such as X (formerly Twitter), note, Peing-Question Box, and QA Station.

Individual Investor Events in the Past Year and Plan

Date held	Location	Organizer/Seminar Name
Nov. 15, 2023	Tokyo	Financial Results Briefing for 2Q of FY2024
Nov. 18, 2023	Aichi	Kabu Berry Lab IR Seminar
Dec. 2, 2023	Tokyo	IR Seminar for Facebook Group
Feb. 18, 2024	Kanagawa	Shonan Investment Workshop
Mar. 30, 2024	Tokyo	HANAMIRA IR Seminar
May 17, 2024	Tokyo	Financial Results Briefing for FY2024 (Streaming Available)
Aug. 24, 2024	Tokyo	IR Seminar for Facebook Group
Sept. 21, 2024	Kobe	Kobe Investment Workshop
Nov. 15, 2024 (Plan)	Tokyo	Financial Results Briefing for 2Q of FY2025
Nov. 23, 2024 (Plan)	Aichi	Kabu Berry Lab IR Seminar

Information Dissemination through IT Tools



https://twitter.com/uluru_ir

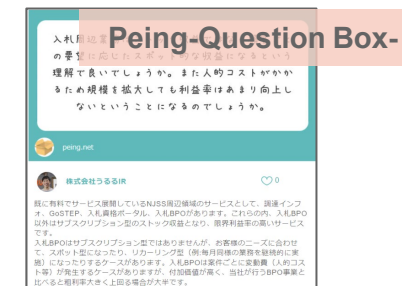


https://note.com/uluru_ir/



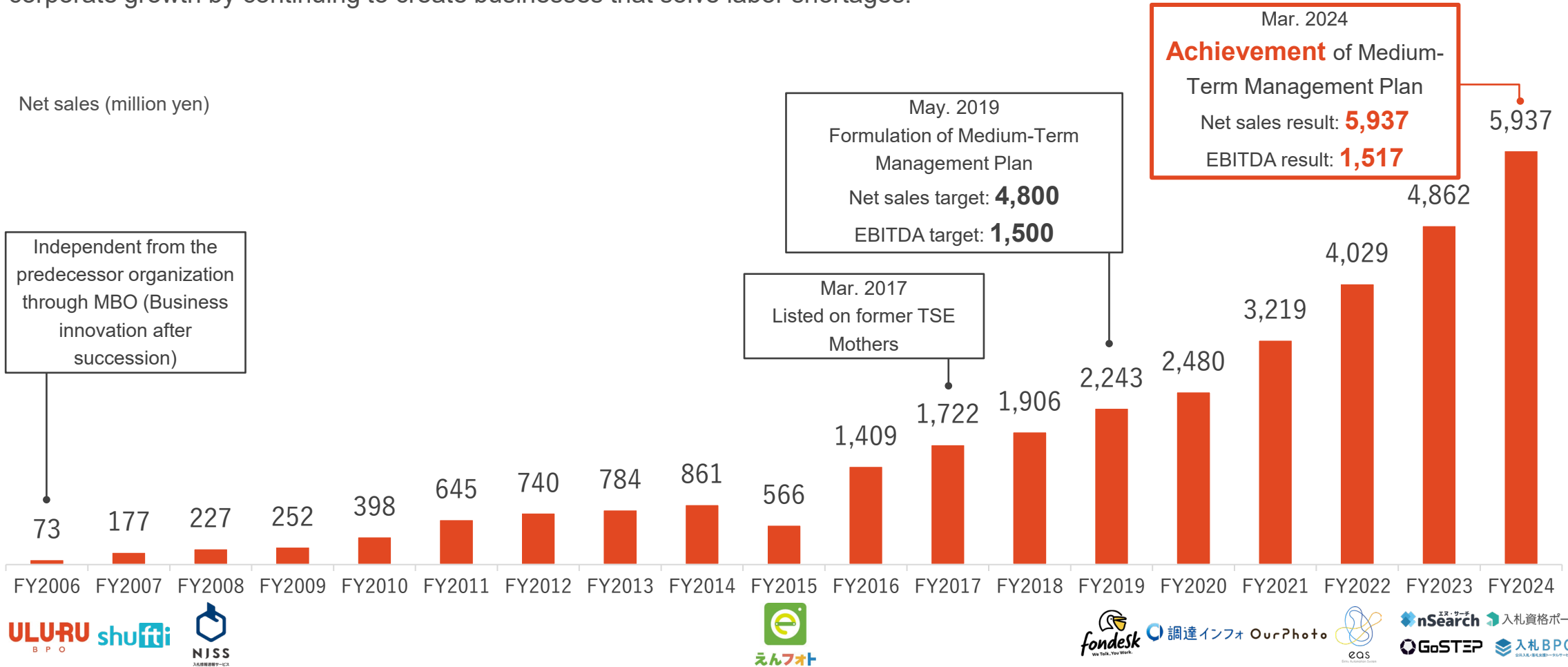
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History of ULURU

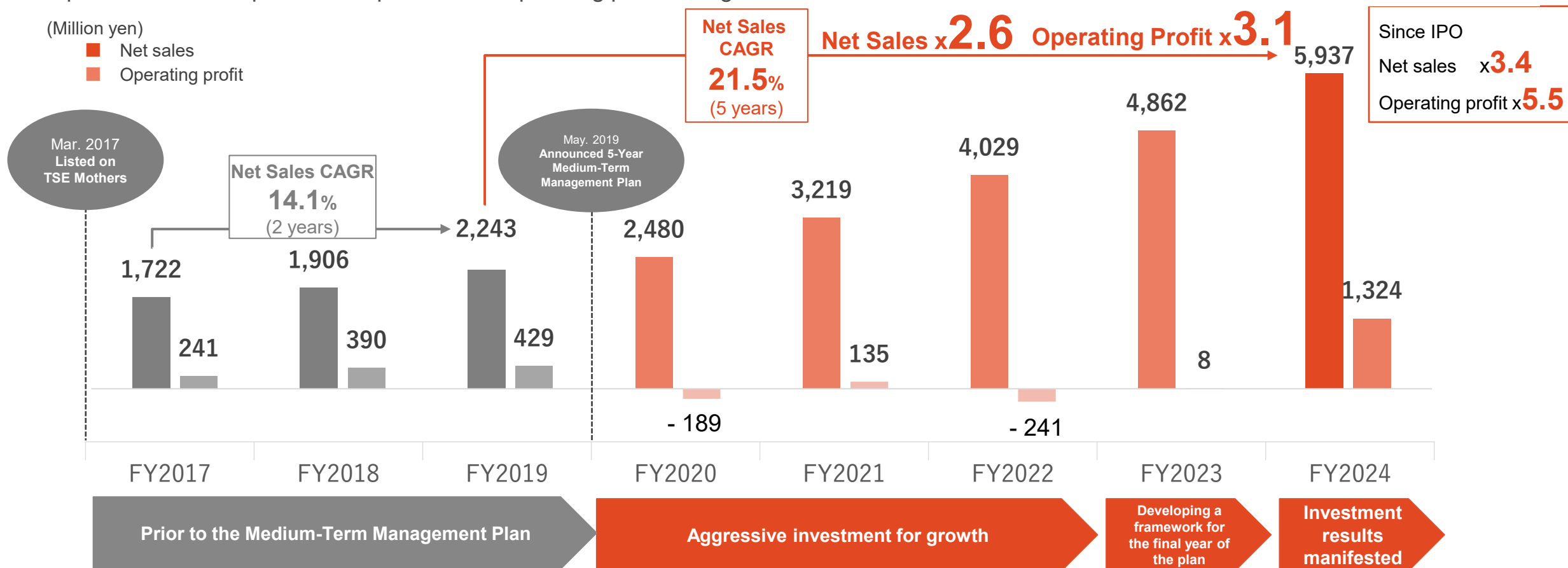
- Since launching a data entry specialty store in October 2003 that utilizes workers from home, we have consistently sustained our corporate growth by continuing to create businesses that solve labor shortages.



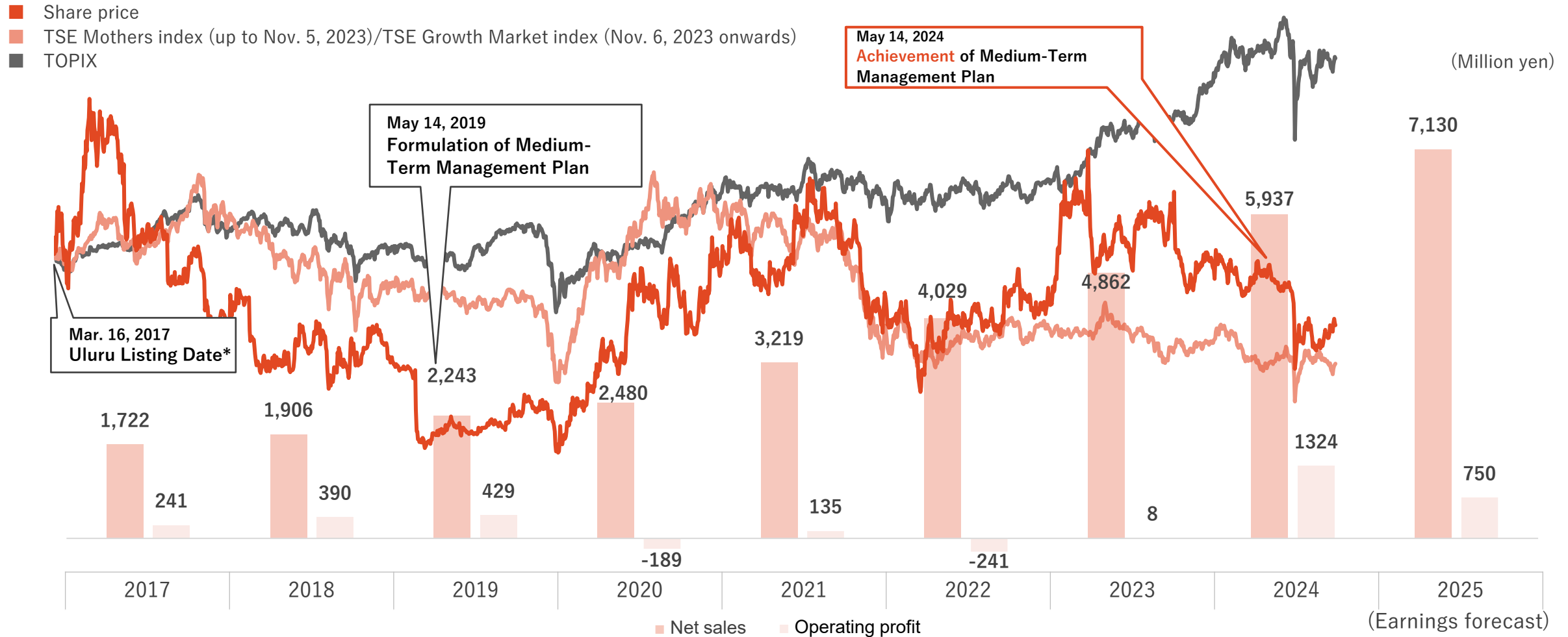
* From FY2006 to FY2014, the fiscal year ended in September.

Review of Mid-Term Management Plan (Growth Process)

- As a result of the implementation of the medium-term management plan from FY2020 to FY2024 based on the concept of “enhancing corporate value over the medium to long term rather than pursuing short-term profits,” net sales grew 2.6 times compared to FY2019, the period before the plan was implemented. Operating profit also grew 3.1 times.



ULURU's Share Price and Financial Performance

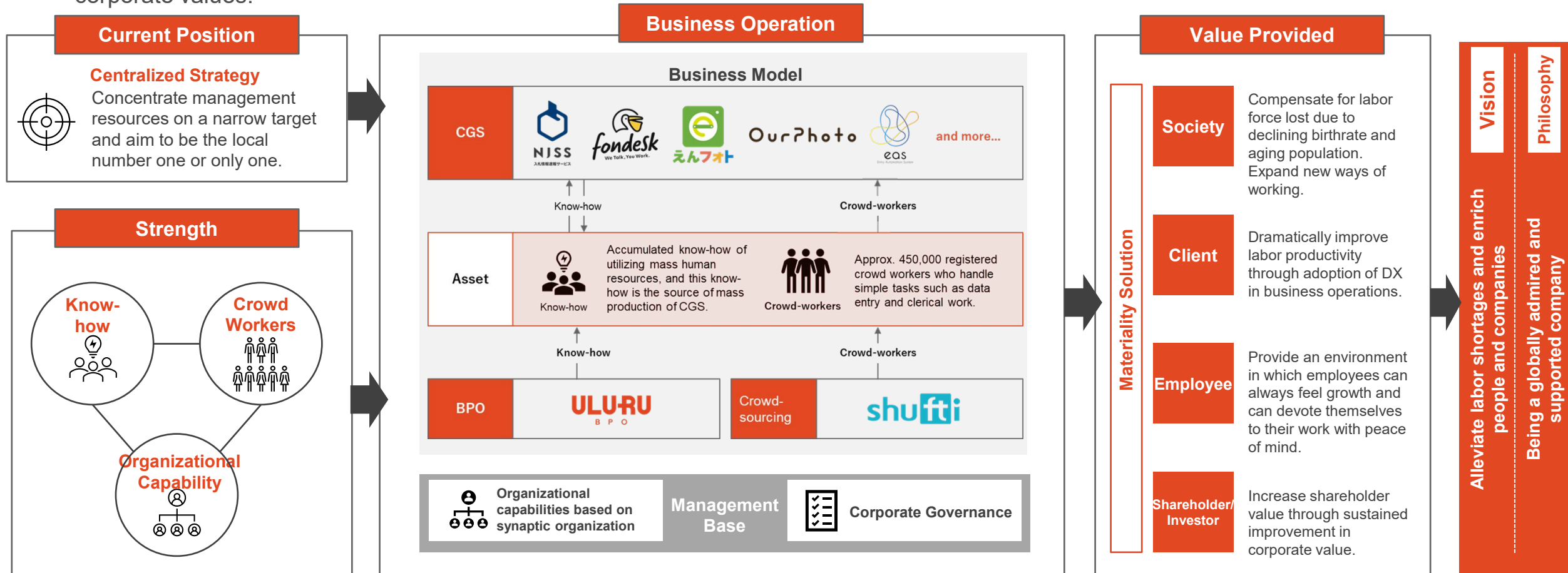


*A two-for-one stock split was conducted with an effective date of October 1, 2021. The above share prices have been retroactively adjusted to take into account the effect of the stock split.

*The share price transition graph shows the increase or decrease in the Uluru share price, TSE Mothers Index/TSE Growth Market 250 Index, and TOPIX, each with the closing price on March 16, 2017, set at 100.

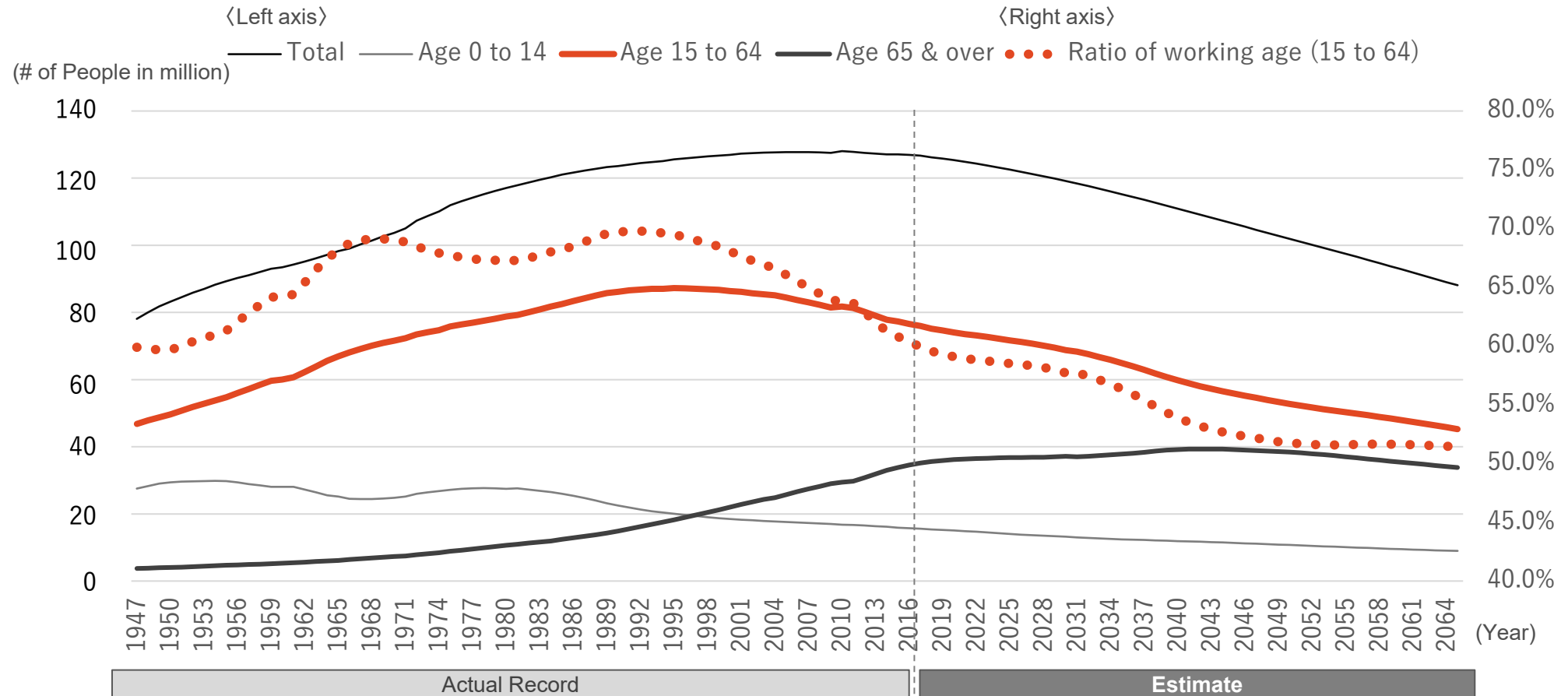
Value Creation Process

- Guided by our philosophy of being a globally admired and supported company and our vision to alleviate labor shortages and enrich people and companies, we conduct business by leveraging our strengths. We strive to contribute to a sustainable society and help companies attain better corporate values.



Labor Shortage Solution Company -Decrease in Working Age Population-

- Due to the declining birthrate and aging population, the working-age population in Japan is expected to decline by 16 million by 2040, resulting in a loss of 69 trillion-yen worth of the labor force.



Source: Ministry of Internal Affairs and Communications, WHITE PAPER Information and Communications in Japan (Year 2018)

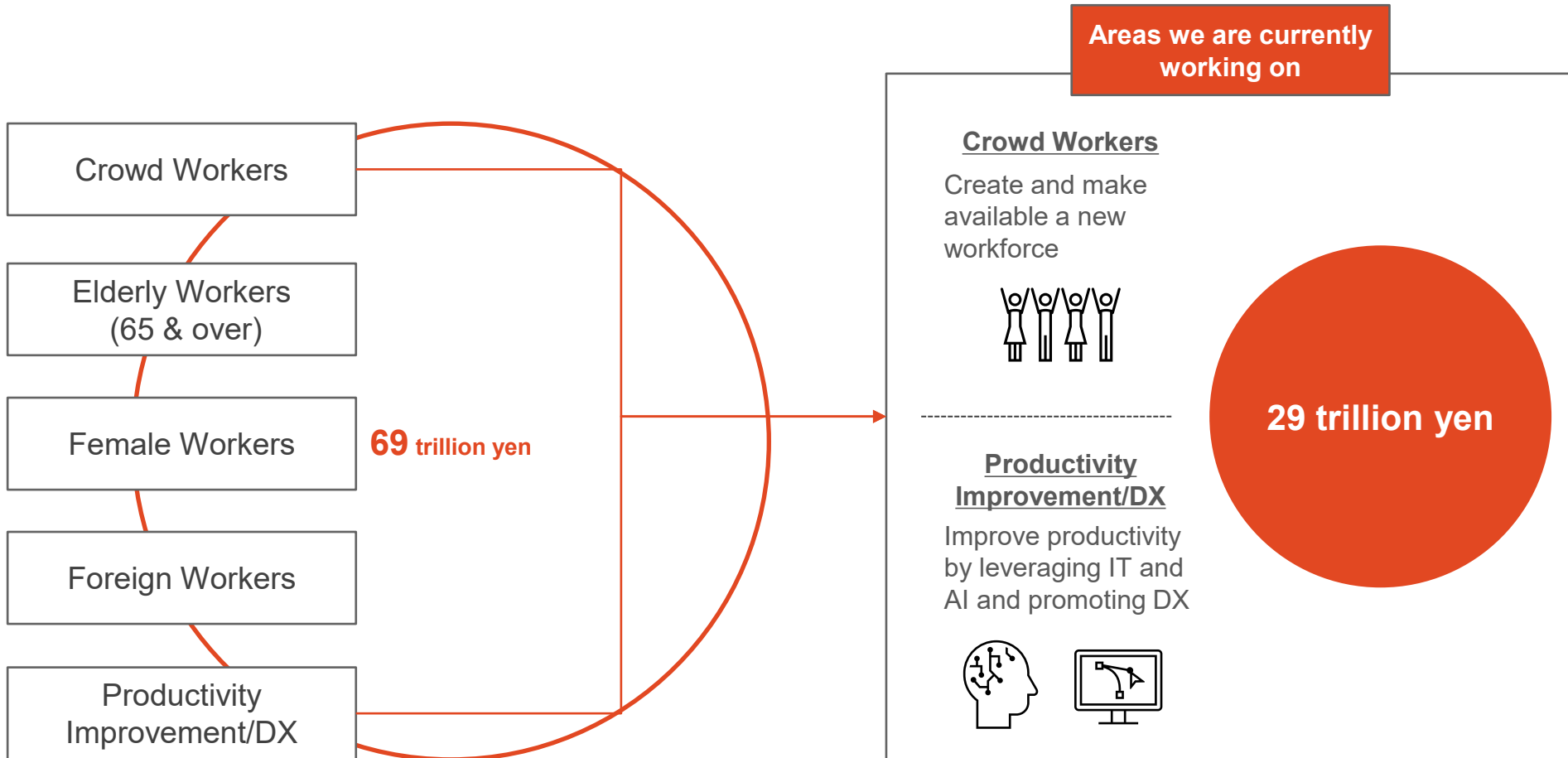
Labor Shortage Solution Company -Candidates to Replace Scarce Labor-

- 69 trillion-yen labor force that will have disappeared by 2040 is expected to be replaced by crowd workers, elderly workers, and labor productivity improvement/DX.

Alternative Candidates	Complementary Labor Force (million)	Compensation per Worker (million yen)	Labor Shortage Amount (trillion yen)	Remarks
Crowd Workers	10	0.3 (Assumes approximately 300 hours of work annually)	3	Our company conducts projects that enable people to work in the workforce by taking advantage of their spare time.
Elderly Workers (65 & over)	12	2.16 (Assumes 1/2 working hours of working age)	26	About 30% of the 39.21 million people in 2040 will be active
Female workers	2.4	2.87 (Statistical Survey of Actual Status for Salary in the Private Sector in 2017)	7	40% of the 6 million full-time housewives were active as of 2018 (number of full-time housewives is from a survey by the Japan Institute for Labor Policy and Training)
Foreign Workers	2	4.32 (Assumed to be about average annual income)	9	Increased by about 40% from 1.46 million as of October 2018 (number of foreign employees is from a survey by the Ministry of Health, Labor, and Welfare).
Productivity Improvement/DX	6	4.32 (Statistical Survey of Actual Status for Salary in the Private Sector in 2017)	26	Productivity increase by about 10% from 59.78 million people as of 2040 (the number as of 2016 is from the WHITE PAPER on Information and Communications, 2018).

Source: Our estimations

- As a “Labor Shortage Solution Company,” Uluru is going to solve the serious social issue of labor shortages through the use of crowd workers and DX.



Origin of Our Company Name



The world's largest monolith called "Uluru (Ayers Rock)" is located in the center of Australia. It is considered a sacred place by the Aboriginals, the indigenous people of Australia.

When Tomoya Hoshi, the CEO of our company, traveled to Australia at the age of 20, he was strongly impressed by Uluru, saying, "never knew there was such a magnificent and mystical landscape in this world."

"I felt the majesty of the earth in its tremendous presence. Although there are many more magnificent and mystical places in the world, I want to remember the emotion I felt at that time. I really want people to feel it, too. I want to be like this place, the center of the world, called the "Earth's belly button."

This is one of the reasons why Hoshi started the company, and we named our company "Uluru" to express our desire to share the excitement he felt with many people involved in our business.

Management Team

Director



**Representative
Director and President
Tomoya Hoshi**



**Director and Vice President
President Uluru BPO. Co., Ltd.
Yuhei Okeyama**



**Director
CISO
Yosuke Nagaya**



**Director
Chief Culture Officer
Shinsuke Kobayashi**



**Director
Co-CFO
Hirokazu Kondo**



**Director
(Govtech Business* 1)
Takahiko Watanabe**

Outside Directors · Auditors · Outside Auditors

**Outside Director Takahiro Ichikawa
Auditor Hidekazu Suzuki**

**Outside Director Takeshi Matsuoka
Outside Auditor Norio Suzuki**

Outside Auditor Rena Hagiwara

Executive Officers



**Executive Officer
(Omoide Business* 2)
President OurPhoto CO., LTD.
Taketsugu Tanaka**



**Executive Officer
(shufti · eas)
Emi Nosaka**



**Executive Officer
(fondesk)
Shunta Wakimura**



**Executive Officer
Co-CFO
Yasuaki Uchimaru**

* 1 Govtech Business: Developing services such as “NJSS” to increase convenience and efficiency of government and local governments through the power of technology. * 2 Omoide Business: en-photo and OurPhoto

Skills Matrix for Directors and Auditors

- A team of executives with optimal and well-balanced skill sets to achieve our mission of "Solve the Labor Shortage and Enrich People and Companies."

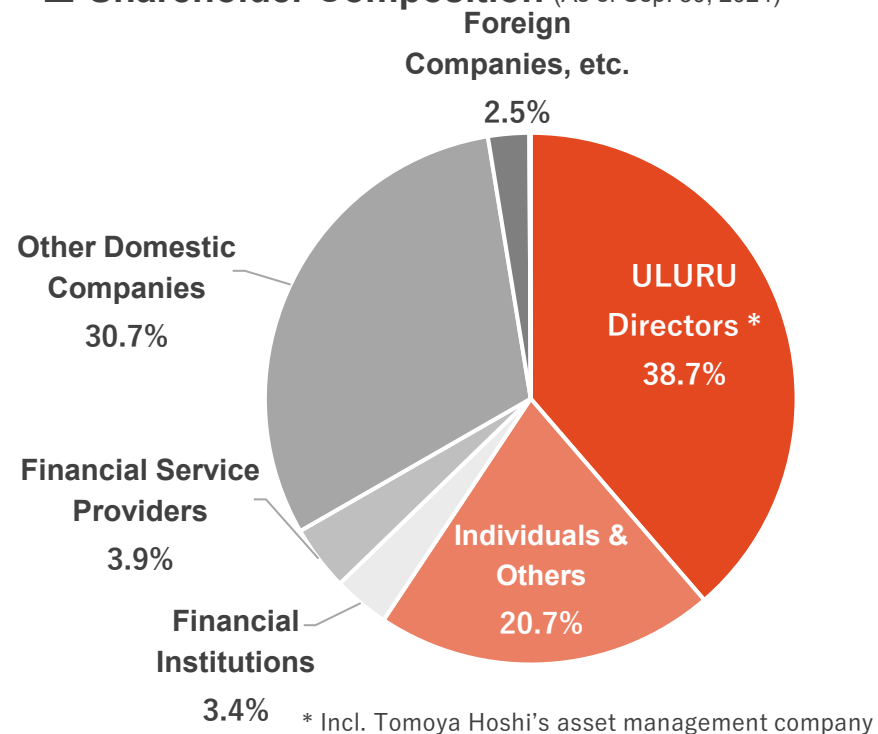
Name	Title	Independent Director	General Management	Business Strategy, Marketing, and New Business Development	Finance and Accounting	M&A	IT and DX	Organization, HR, Human Resource Development	PR and IR	Legal and Compliance
T. Hoshi	Representative Director and President		○	○		○		○		
Y. Okeyama	Director and Vice President		○	○						
Y. Nagaya	Director and CISO						○			○
S. Kobayashi	Director and Chief Culture Officer							○	○	
H. Kondo	Director and Co-CFO				○	○			○	○
T. Watanabe	Director (Officer in charge of Govtech Business)			○						
T. Ichikawa	Outside Director	○	○		○					
T. Matsuoka	Outside Director	○	○	○			○			
H. Suzuki	Auditor		○		○					○
N. Suzuki	Outside Auditor	○			○	○				○
R. Hagiwara	Outside Auditor	○				○		○		○

Shareholder Composition

■ No. of Shares & Shareholders (As of Sep. 30, 2024)

Total Number of Authorized Shares	11,199,200
Total Number of Issued Shares	6,925,400
Total Number of Shareholders	1,467

■ Shareholder Composition (As of Sep. 30, 2024)



■ Major Shareholders (Based on shareholder registry as of September 30, 2024; shareholding ratios are rounded to two decimal places.)

Rank	Name	# of Shares	Ratio* (%)
1	Tomoya Hoshi	1,209,400	17.48
2	Ayers Rock Co., Ltd (CEO: Tomoya Hoshi)	660,000	9.54
3	UH Partners 3, Inc.	529,200	7.65
4	HIKARI TUSHIN, Inc.	525,000	7.59
4	UH Partners 2, Inc.	525,000	7.59
6	Yuhei Okeyama	381,000	5.51
7	Daisuke Gomi	197,200	2.85
8	Yosuke Nagaya	192,300	2.78
9	Nippon Life Insurance Company	190,000	2.75
10	H Sekkei Kobo Inc.	181,900	2.63

*Number of shares held as a percentage of the total number of shares issued (excluding treasury shares)

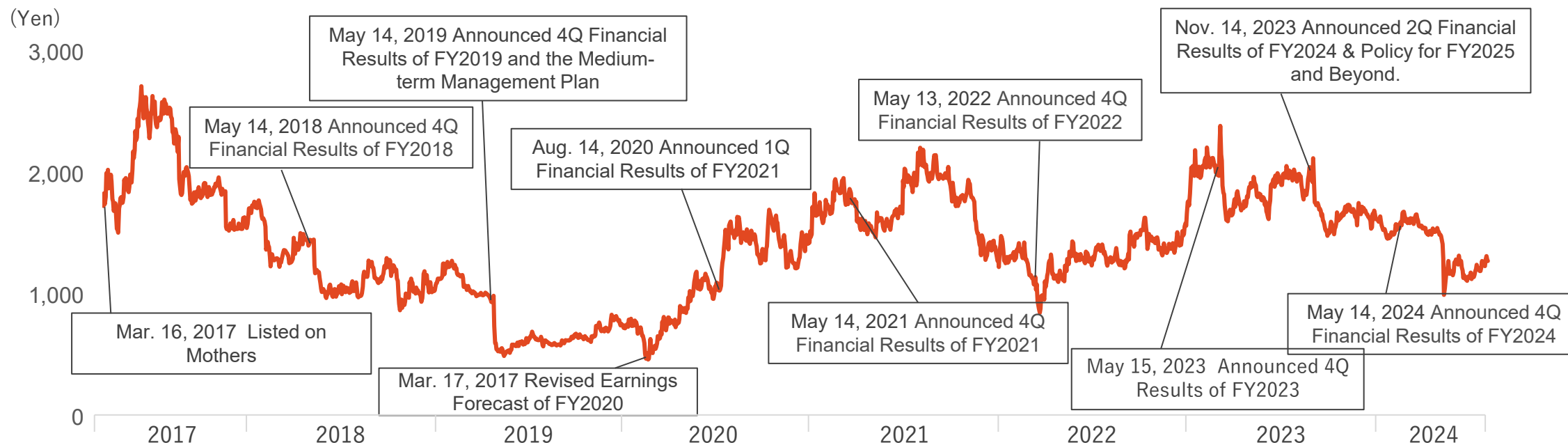
Stock Price Trends

Public Offering Price	1,500 yen
First Quotation	1,665 yen (Mar. 16, 2017)
All-time High	2,800 yen (Jun. 1, 2017)
All-time Low	458.5 yen (Mar. 23, 2020)

	FY2020	FY2021	FY2022	FY2023	FY2024
PSR	1.5	4.1	2.3	2.8	1.9
PER	-	317.9	-	-	15.7
ROE	-	1.9%	-	-	29.4%

* Calculated using the stock price on the settlement date

■ Share Price (Mar. 16, 2017 to Oct. 31, 2024)



* The Company conducted a 2-for-1 share split effective October 1, 2021. The above share prices have been adjusted retroactively to take into account the impact of this share split.

Glossary of Terms

CGS	Acronym of Crowd Generated Service which was coined internally. It refers to a service/services created by utilizing crowd workers. In addition to our signature CGS, NJSS, a bidding information flash service, we have “fondesk”, “en-photo” and “OurPhoto.”	LTV	Abbreviation of Life Time Value. It is a calculation of how much one person, or one customer of a company provides profit from the beginning to the end of the transaction.
Crowd-Sourcing	A term coined from the combination of crowd and outsourcing. It refers to ordering and receiving of work from and to an unspecified number of workers via the Internet. We are operating a crowd-sourcing site, “shufti.”	ARPU	Abbreviation of Average Revenue Per User. In this document, it refers to “daily net sales per case” in NJSS and “monthly net sales per case” in fondesk.
Crowd Workers	It refers to workers who receive orders through crowd-sourcing. Our “shufti” registrants are mainly housewives.	MRR	Abbreviation for Monthly Recurring Revenue. It does not include initial costs, additional purchase costs, consulting fees, etc., and is composed of subscription and recurring revenue. It is not affected by the number of business days in a month.
BPO	Abbreviation of Business Process Outsourcing. It refers to the outsourcing of part of a company's business (mainly non-core operations) to external specialists. We provide comprehensive outsourcing services including digitization business such as data entry and scanning.	ARR	Abbreviation of Annual Recurring Revenue. It refers to a year's worth of earnings and sales that are fixed each year. It does not include initial costs, additional purchase costs, consulting fees, etc., and is composed of subscription and recurring revenue. For NJSS, figures are obtained by multiplying quarterly subscription net sales by 4 through 3Q of FY2021 and by multiplying MRR at the end of each quarter by 12 in and after 4Q of FY2021. For en-photo, figures are obtained by multiplying recurring net sales of each quarter by 4. For fondesk, figures are obtained by multiplying subscription net sales of each quarter + recurring net sales of each quarter by 4.
SaaS	Abbreviation of Software as a Service. It refers to software provided in the cloud.	EBITDA	Abbreviation of Earnings Before Interest, Taxes, Depreciation and Amortization. In this document, it refers to the total amount of operating profit, depreciation, and amortization of goodwill. We set EBITDA as a key indicator in order to actively consider M&A and other activities which will contribute to the achievement of our medium-term management plan.
BPaaS	Abbreviation of Business Process as a Service, a term coined by combining the words SaaS and BPO. It refers to a service format that allows companies to outsource their business processes and necessary software via the cloud.	YoY/QoQ	Abbreviations of year over year and quarter over quarter, respectively.
Subscription	It refers to a method of paying for a product or service based on the length of time used. In recent years, it has often been adopted as a form of software usage. In this document, fees are fixed rates and are components of ordinary profit. The amount of sales recorded for the first month of the contract is calculated on a pro-rata basis.	PSR	Abbreviation of Price to Sales Ratio. It is defined as market capitalization divided by annual net sales. It is used as an index to measure the stock price level of emerging growth companies.
Recurring	It refers to a business model that aims to generate ordinary profit. In this document, fees are a component of a pay per use basis.		

As a general rule, figures in this report are rounded down, except for percentages, which are rounded to the nearest whole number.

The materials and information provided in this announcement include so-called "forward-looking statements."

These are based on current expectations, forecasts, and assumptions that are subject to risks and include uncertainties that could cause actual results to differ materially from those in the forward-looking statements.

These risks and uncertainties include general domestic and international economic conditions such as general industry and market conditions, interest rates, and currency exchange fluctuations.

The purpose of this report is to provide information about the Company and not to solicit the purchase and sale of its shares. Investment decisions should be made at your own discretion.

| Uluru Co., Ltd.

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

| For Inquiries

ir@uluru.jp

| Official IR X (formerly Twitter)

https://x.com/uluru_ir