

ULURU

Financial Results For the Second Quarter of the Fiscal Year Ending March 31, 2022

Uluru Co., Ltd.
Securities Code: 3979
November 12, 2021

1 Quarterly Consolidated Financial Highlights

2 Business Segment Highlights

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1 Quarterly Consolidated Financial Highlights

Results/Whole

- Net sales increased **28.5% YoY** to **996 million yen**, a record high for the second quarter.
- Both positive EBITDA of **34 million yen** and operating profit of **15 million yen** were achieved despite aggressively investing in personnel expenses and system-related outsourcing costs. The unused portion of the budget also contributed the surplus.
- We will not revise our forecast at this time as we plan to allocate portions of the excessive sales and the unused budget to 3Q or later and to invest more than initially planned.

Results/ Business

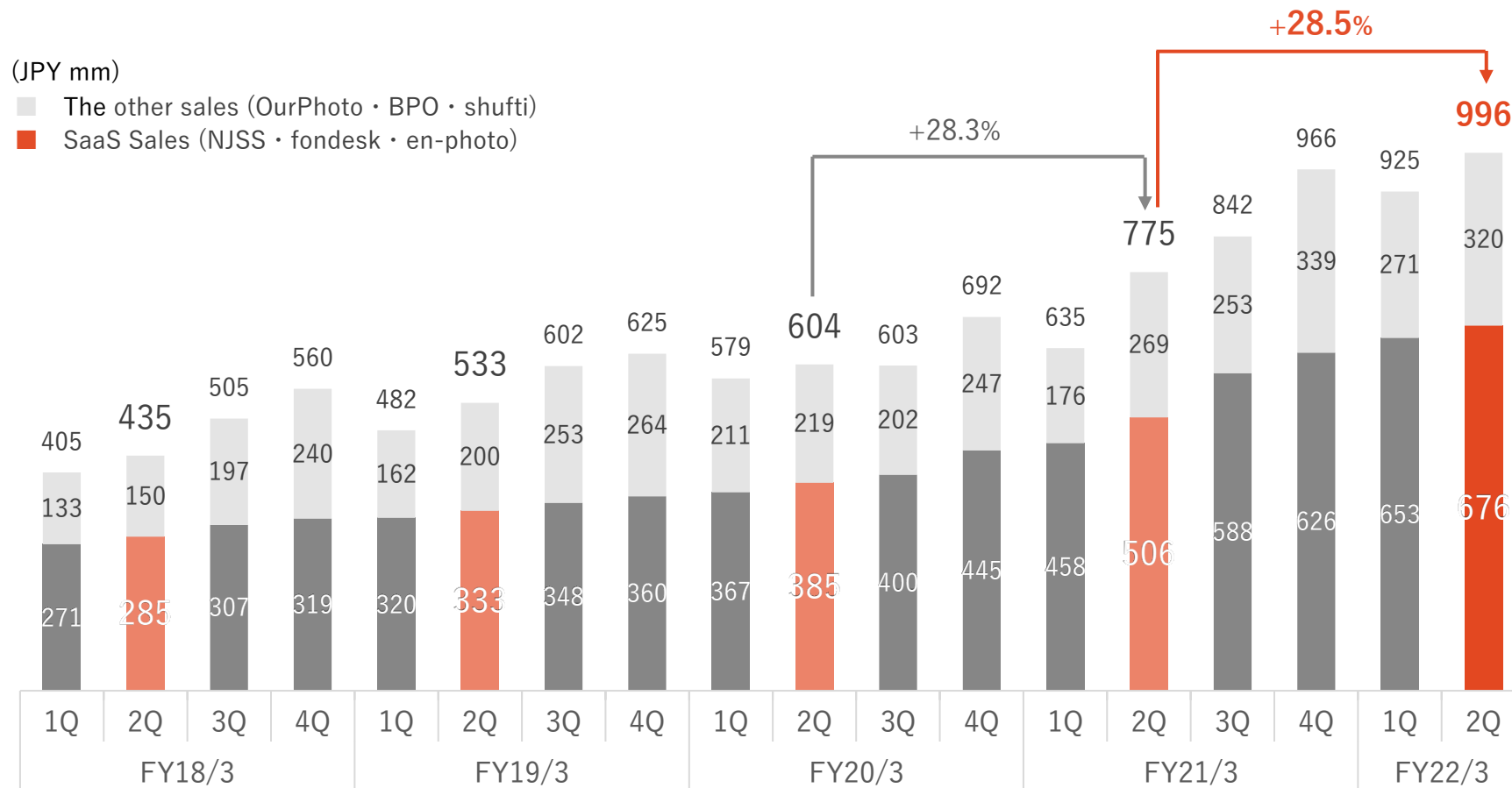
- Sales of SaaS such as "NJSS" "fondesk" and "en-photo" increased **33.5% YoY**.
- The key service, "NJSS" recorded the lowest churn rate of **1.5%** and steady growth in the sales of **22.1% YoY**.

Topics

- In order to increase the liquidity of the stock and expand the investor base, we conducted a 1:2 split of our common stock, effective October 1, 2021.

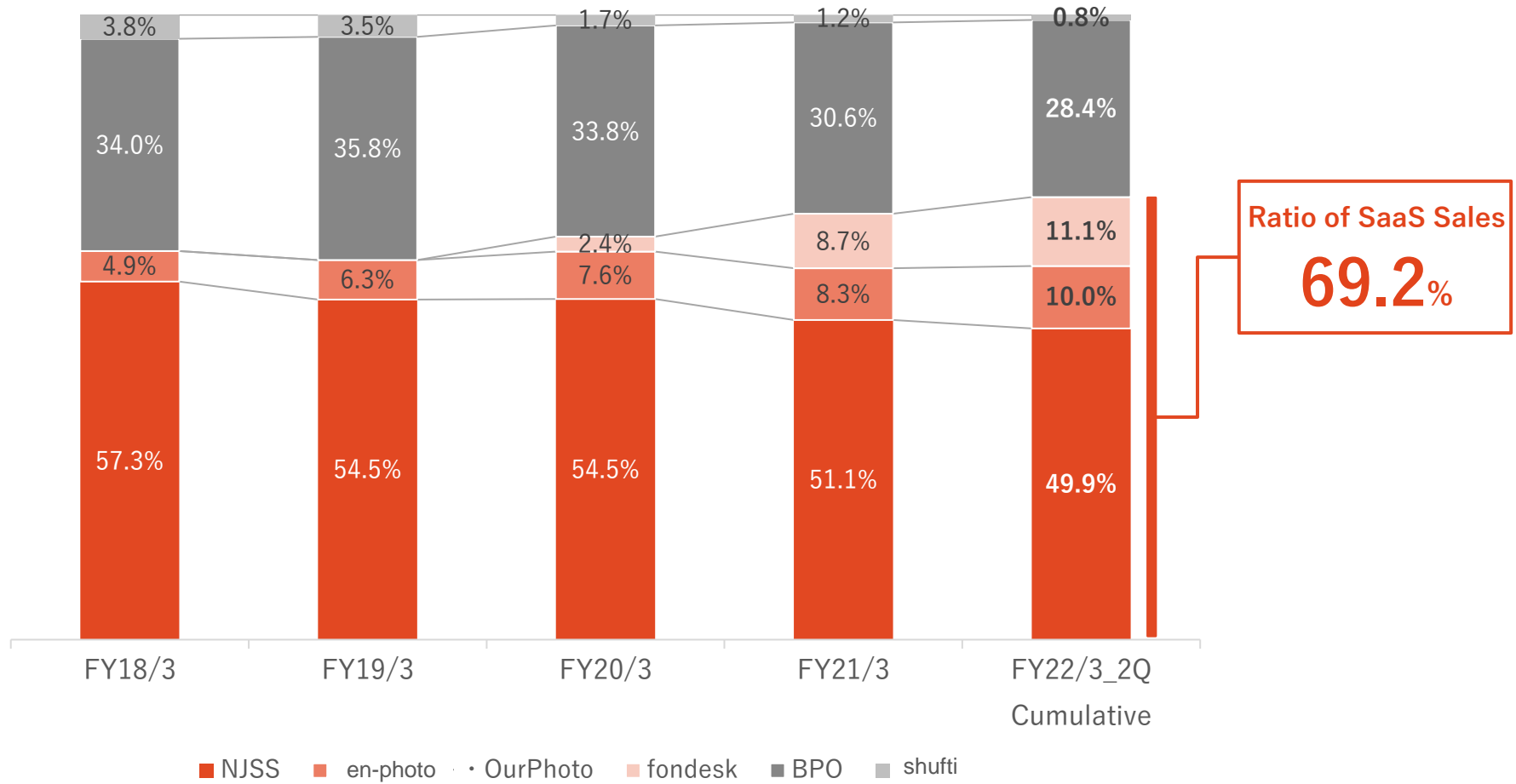
Net Sales Trends

- Record quarterly sales for 1Q, **up 28.5% YoY**.
- SaaS Services such as "NJSS", "fondesk", and "en-photo" grew, and SaaS sales increased **33.5% YoY**.



Sales Composition

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



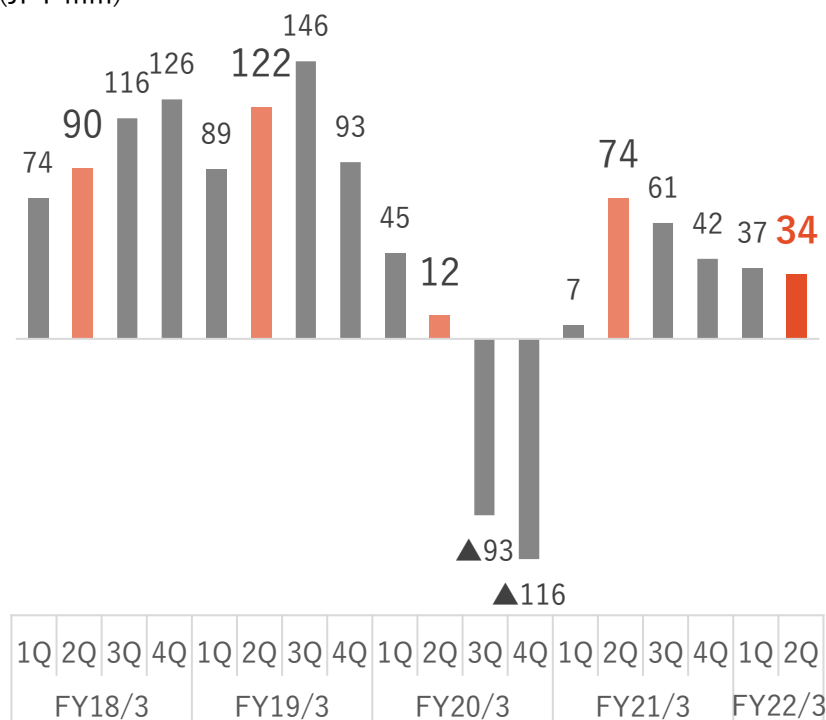
※ SaaS Sales: NJSS, fondesk, and en-photo (OurPhoto isn't included.)

EBITDA · Operating Profit Trends

- We have achieved positive EBITDA for the sixth consecutive quarter and positive operating profit for the fifth consecutive quarter while accelerating investment.

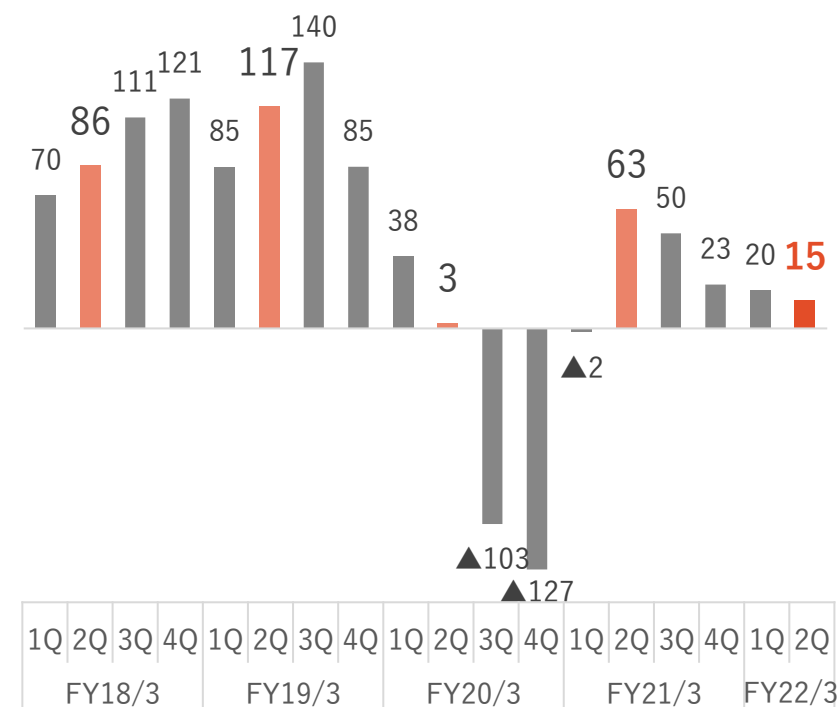
EBITDA

(JPY mm)



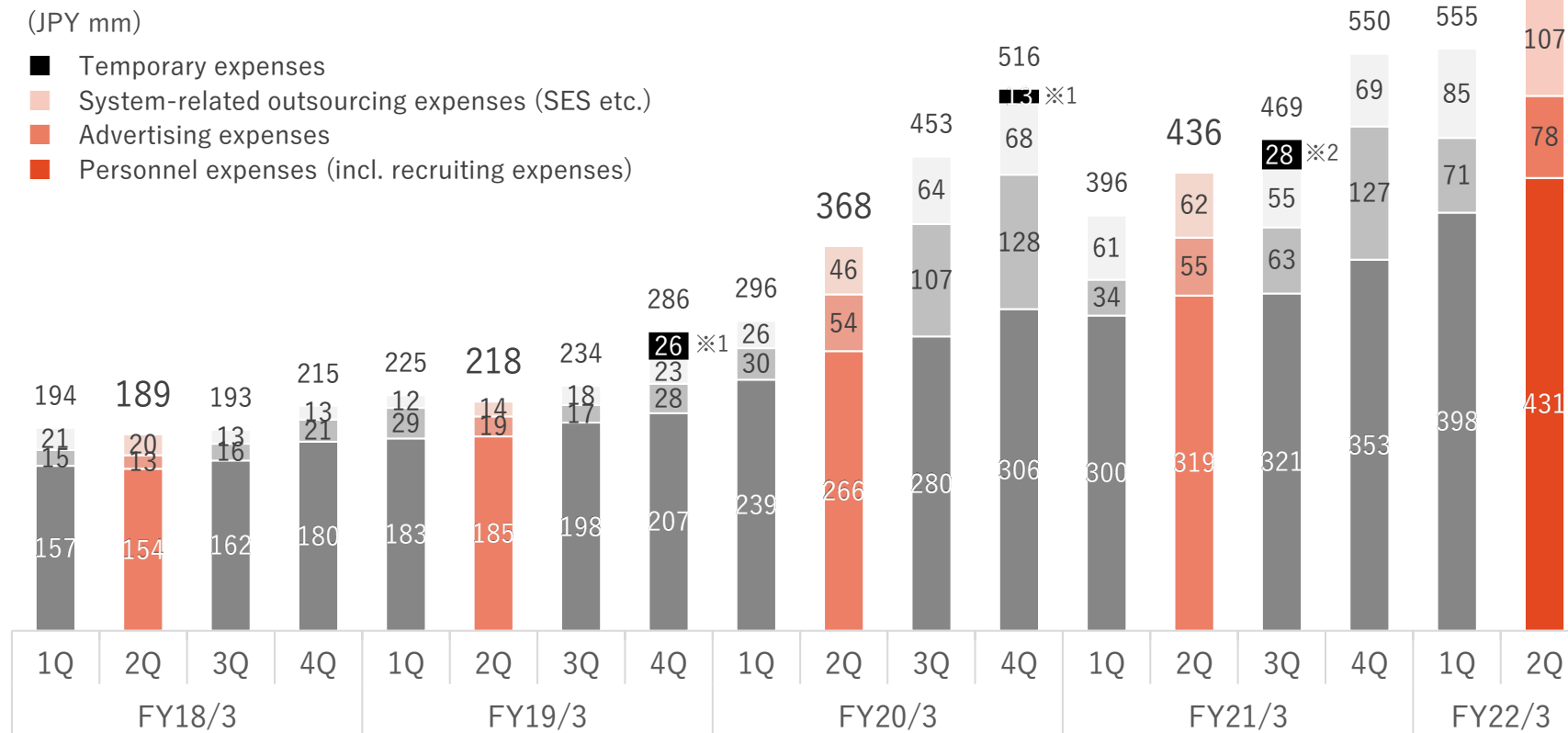
Operating Profit

(JPY mm)



Major Expense Trends

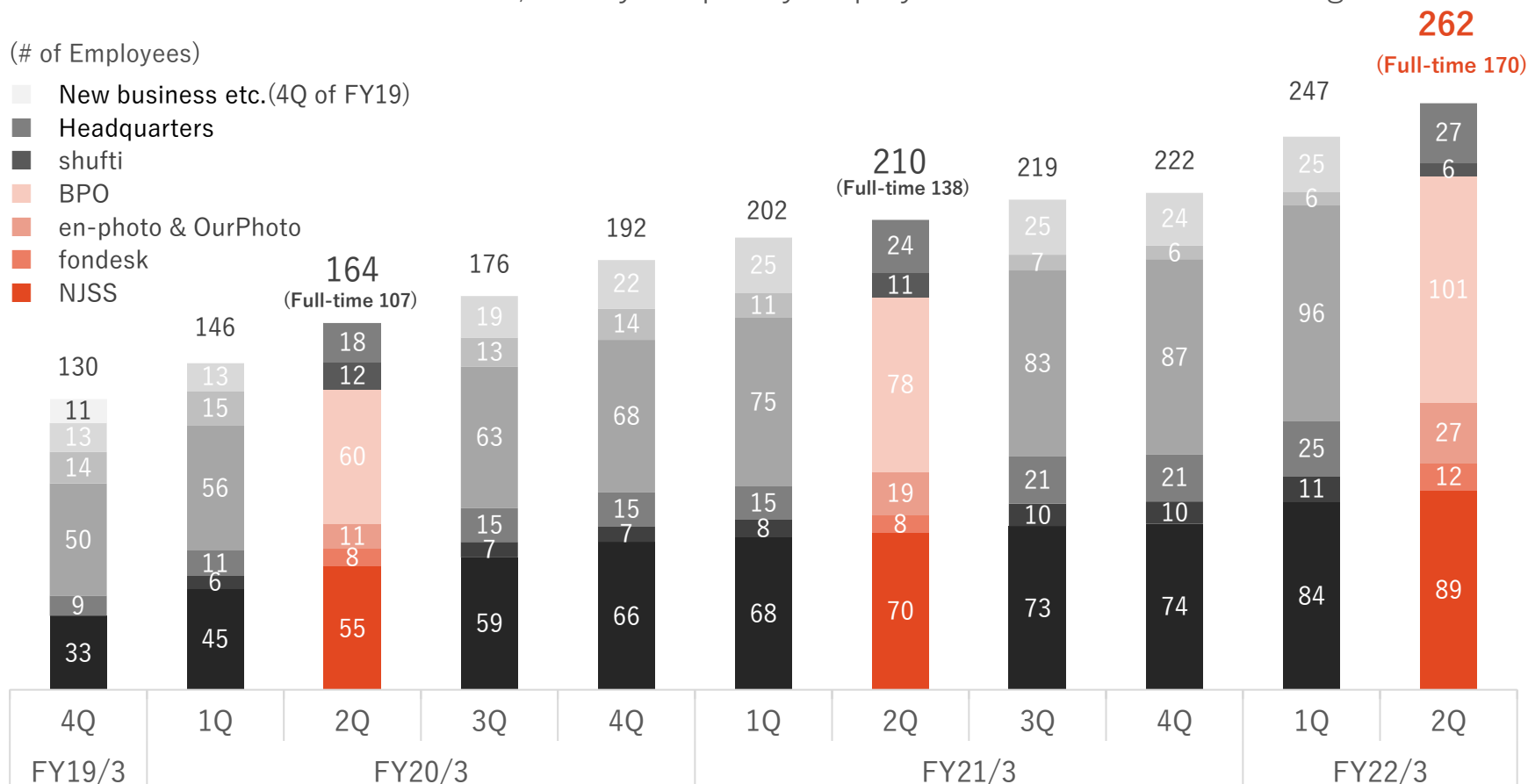
- Personnel expenses significantly increased QoQ due to an increase in the number of employees in "NJSS" and the "BPO" division.
- Due to the product renewal of "NJSS," system-related outsourcing expenses increased significantly QoQ.



※1 Cost of establishing Tokushima Daiichi and Daini Centers, etc. ※2 Expenses related to M&A(OurPhoto), etc.

Employee Status

- As a result of a company-wide increase in the employees with an eye on medium to long-term growth, the number of employees increased by **52 YoY** and by **15 QoQ**.
- NJSS has increased its workforce, mainly full-time employees due to business expansion.
- BPO has increased its workforce, mainly temporary employees due to the recent strong orders.



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

- "NJSS", "fondesk", and "en-photo" performed better than expected.
- We will not revise our forecast at this time as we plan to allocate portions of the excessive sales and the unused budget to 3Q or later and to invest more than initially planned.

(JPY mm)	FY22/3_2Q	FY21/3_2Q	YoY	Cumulative FY22/3_2Q	Cumulative FY21/3_2Q	YoY	FY22/3 Forecast	Progress Rate
Net Sales	996	775	+28.5%	1,922	1,411	+36.2%	3,900	49.3%
NJSS	490	401	+22.1%	958	773	+24.0%	1,900	50.5%
fondesk · en- photo · OurPhoto	200	104	+91.7%	404	192	+110.2%	800	50.5%
BPO	297	259	+14.9%	545	424	+28.4%	1,100	49.5%
Gross profit	709	543	+30.4%	1,362	990	+37.6%	-	-
SG&A	693	480	+44.5%	1,327	929	+42.8%	-	-
SG&A margin	69.6%	61.9%	-	69.0%	65.8%	-	-	-
EBITDA	34	74	▲54.2%	71	81	▲13.0%	▲250	-
EBITDA margin	3.4%	9.6%	-	3.7%	5.8%	-	-	-
Operating Profit	15	63	▲75.9%	35	61	▲42.0%	▲340	-
Operating Profit margin	1.5%	8.2%	-	1.8%	4.3%	-	-	-

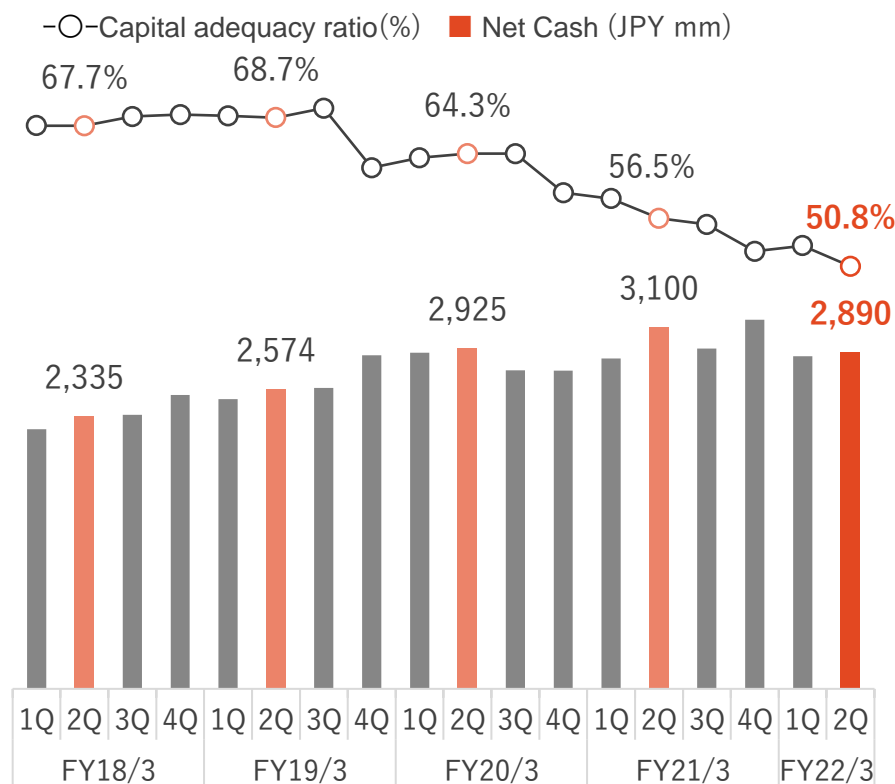
- We are building a strong cash base for future aggressive investments.
- With the increase in "NJSS" contracts, advances received for NJSS, which becomes future sales, increased further.

BS

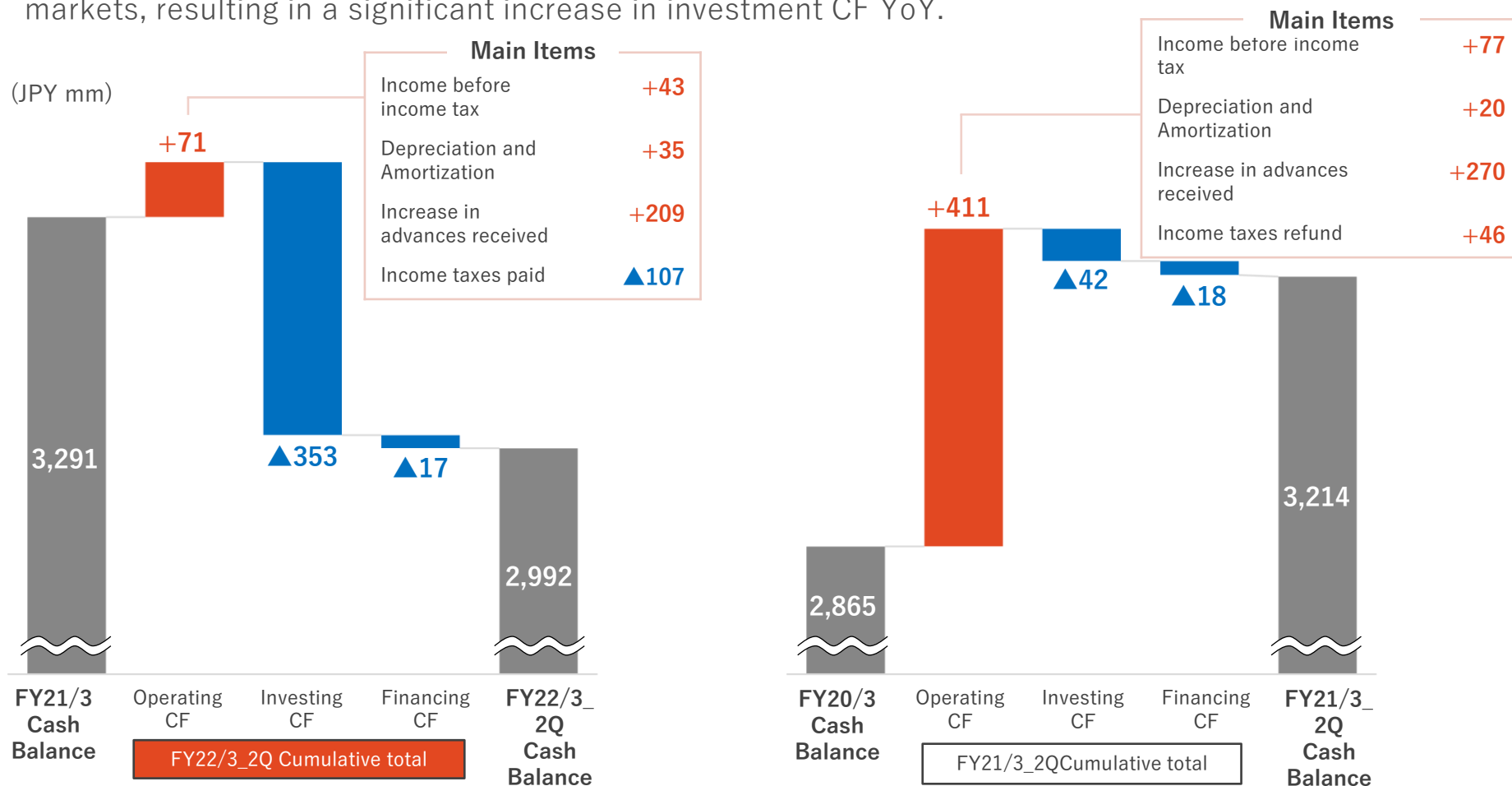
Capital adequacy ratio • Net Cash

(JPY mm)

FY21/3		FY22/3_2Q	
Current assets 3,686	Current liabilities 1,893 (Incl. Advances received 977)	Current assets 3,413 (Incl. Cash and deposits 2,992)	Current liabilities 1,996 (Incl. Advances received 1,186)
	Non-current liabilities 96		Non-current liabilities 74
Non-current assets 512	Total net assets 2,208	Non-current assets 796	Total net assets 2,138



- We achieved positive operating CF while accelerating investment.
- We invested 318 million yen in limited partner (LP) investments in VC to investigate in emerging markets, resulting in a significant increase in investment CF YoY.



2 Business Segment Highlights

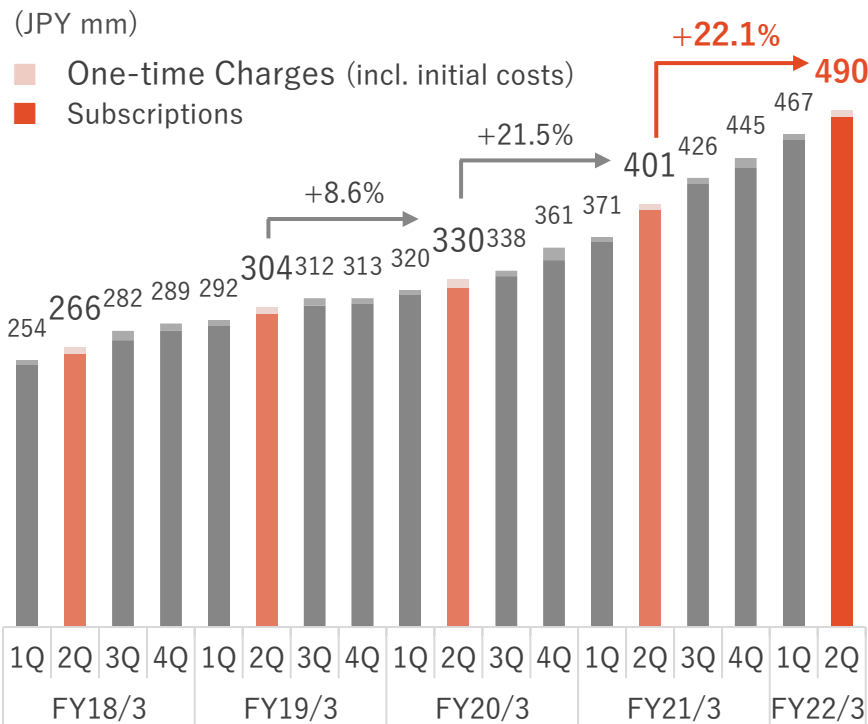


NJSS

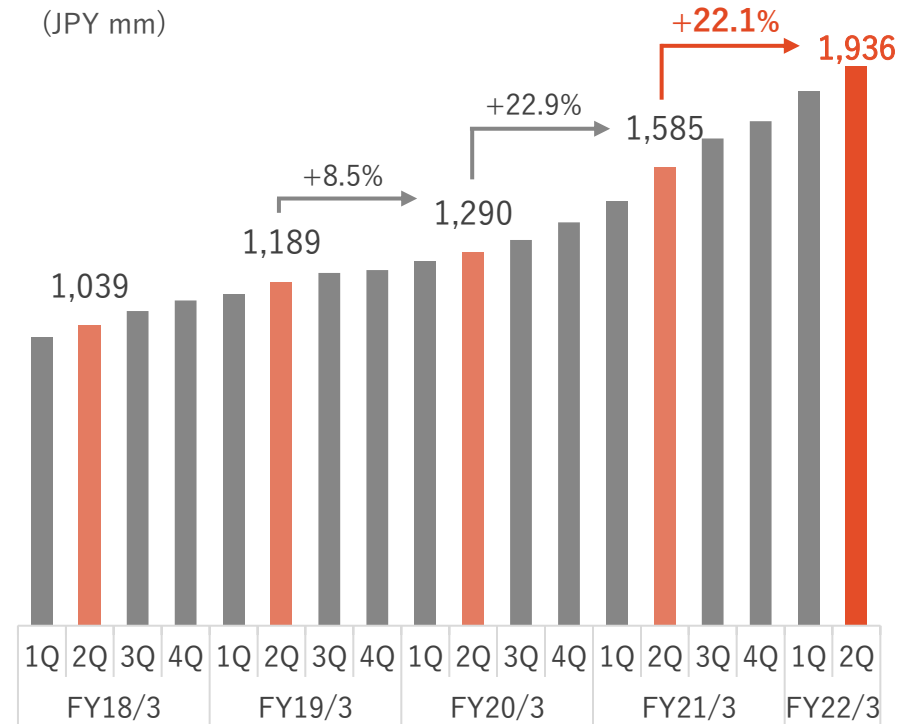
入札情報速報サービス

- Net sales increased **22.1% YoY** due to steady growth in subscription sales, which are the foundation of the business.
- ARR also continued its growth trend and reached **1.9 billion yen**, increased **22.1% YoY**.

Sales



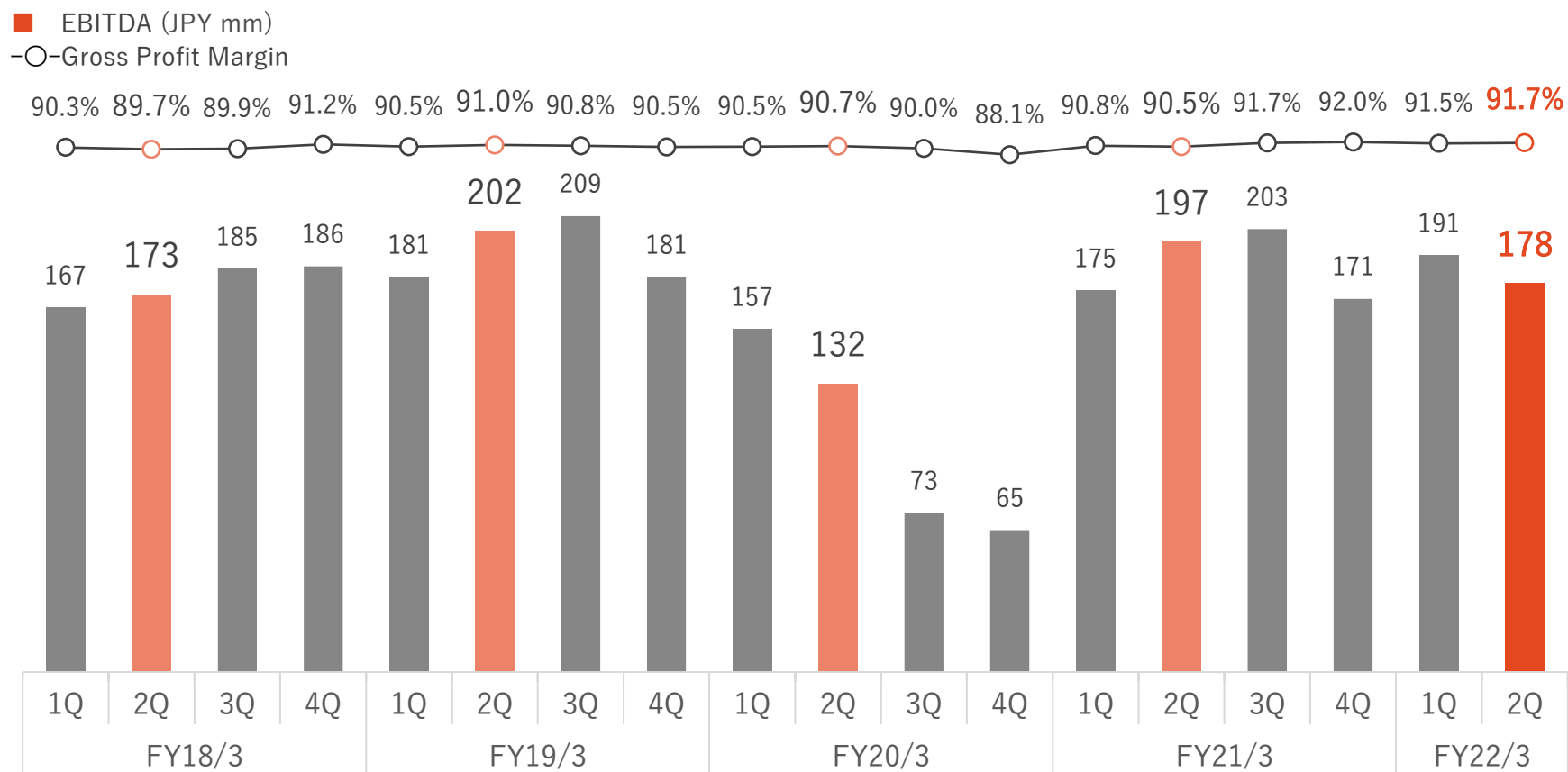
ARR



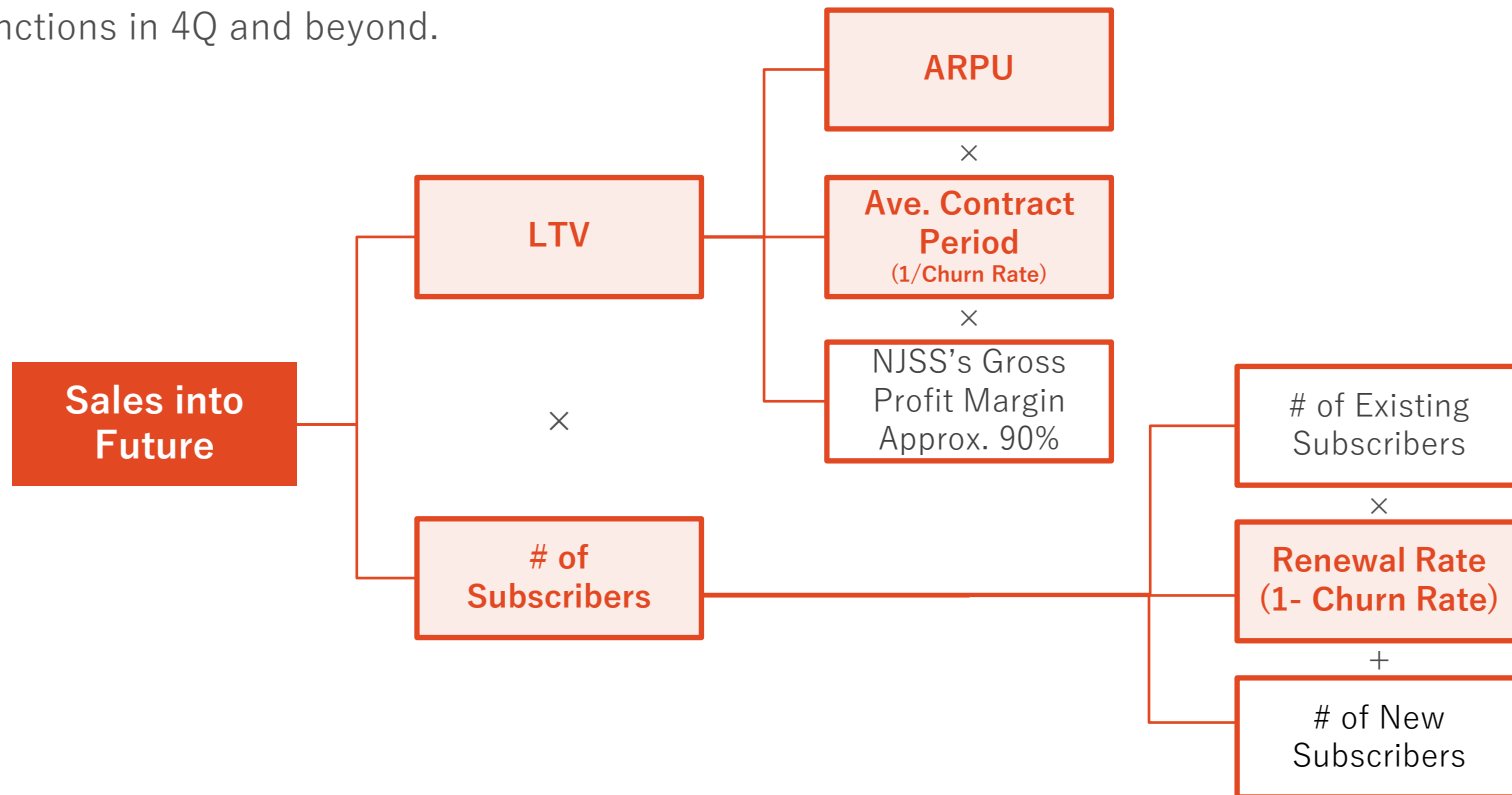
※ARR is calculated by multiplying each quarter's subscription sales by 4.

NJSS | Gross Profit Margin & EBITDA Trends (Quarterly) **ULURU**

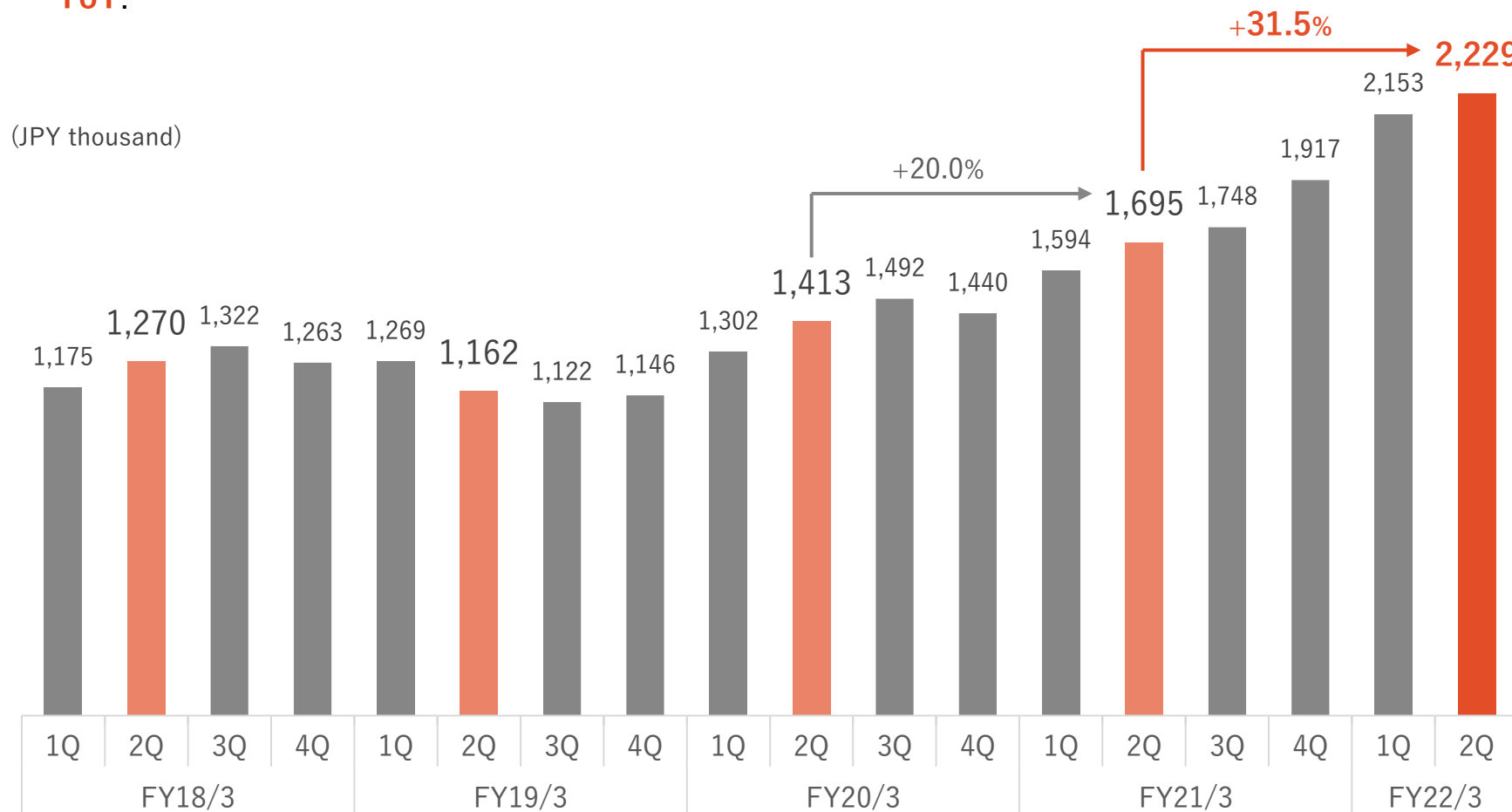
- Gross profit margin is high at 91.7%.
- Although EBITDA is affected by advertising and other investments, NJSS's strength is its stable and high gross profit margin.



- We invest aggressively in system development, human resources, advertising, etc., without chasing short-term profits, maximize LTV, and expand future sales.
- Until 2Q, our strategy was lowering the churn rate while increasing ARPU. From 3Q, we shift a strategy of optimizing ARPU and the number of paid subscriptions.
- We aim for further growth in sales by improving customer satisfaction through the release of new functions in 4Q and beyond.



- Through optimal control of ARPU, churn rate, and new subscriptions, LTV continue to grow, **up 31.5% YoY.**



※ LTV is ARPU x 1/Churn rate x Gross margin, which is fixed at 0.9.

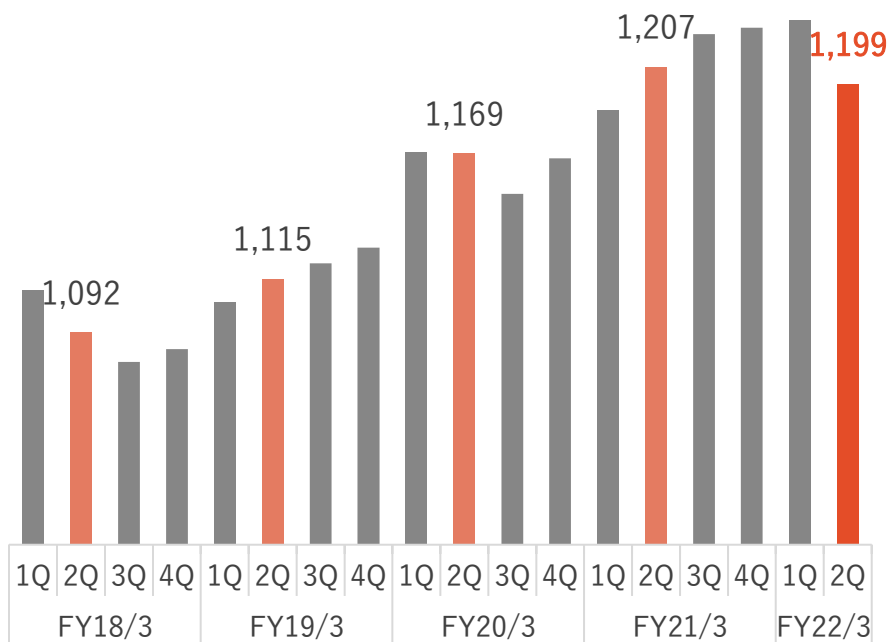
※ For more accurate LTV, churn rate with no fractional part is used from this document (Previously, the rate was rounded to the first decimal place)

NJSS | ARPU & Churn Rate Trends (Quarterly)

- ARPU temporarily decreased due to the increase in customer support caused by the release of the new system, which put a strain on sales resources and prioritized the number of new contracts. Aim to maintain and increase ARPU over the medium to long term by developing new functions.
- With the strengthening of the Customer Success (CS) department, the churn rate also continued to improve, reaching a record low of **1.5%**.

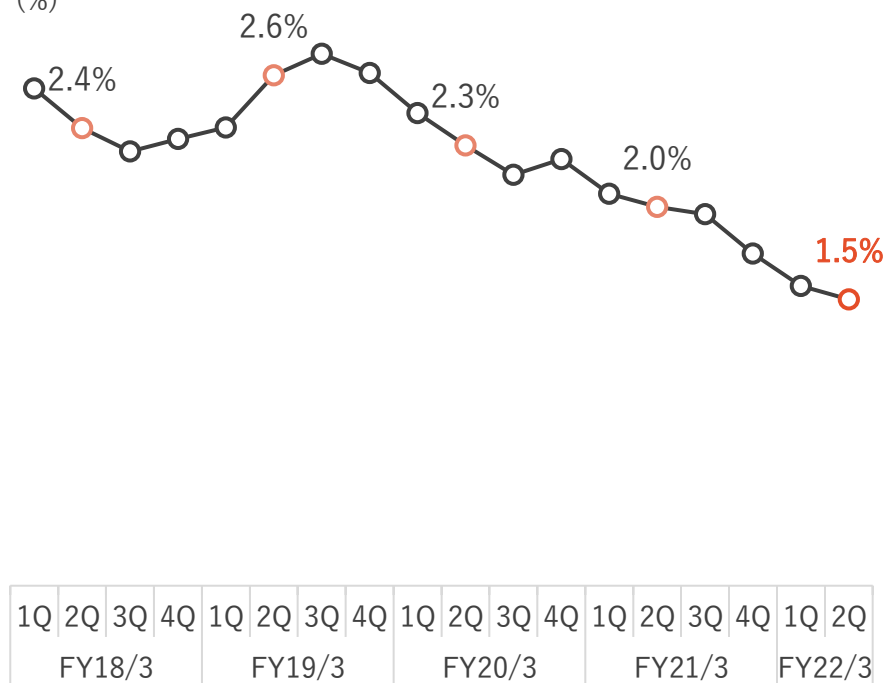
ARPU

(JPY)



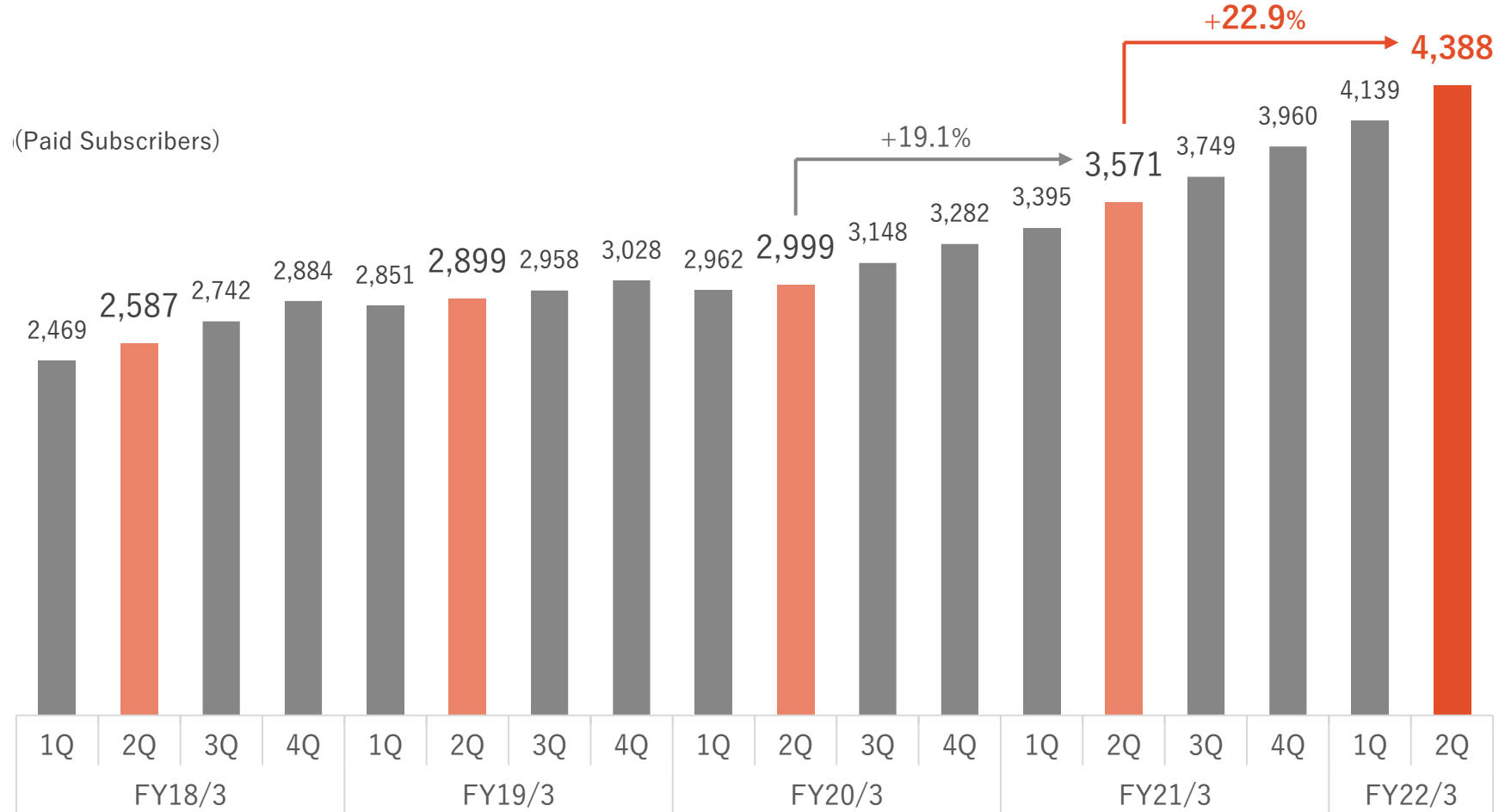
Churn Rate

(%)



※ARPU is daily sales per case. Churn rate is the average monthly churn rate for the last 12 months based on the number of paid subscriptions.

- We steadily increased the number of paid contracts by optimizing sales processes, resulting in a **22.9% YoY** increase.




- Received "Leader" Award for the third consecutive term in "ITreview Grid Award 2021 Fall."



Leader Award for Other Business Opportunity Searches in Marketing

https://www.itreview.jp/award/2021_fall.html

Customer Reviews (Excerpt from ITreview)



Private user
Company: Confirmed
Contact

Sales (user)
Software/SI
Employees:100-300
Contract type: Paid
use

★★★★☆

Date : 08/13/2021

Useful for keeping track of bidding info

| Good Points
Outstanding Points

- able to search and obtain bidding info
- able to check the past winning bid data
- able to try this system very easily

Reasons

- It gave us a chance to enter to the municipal bidding markets.
- It helped us set the price for bidding.
- Its trial period helped us make a smooth internal decision.

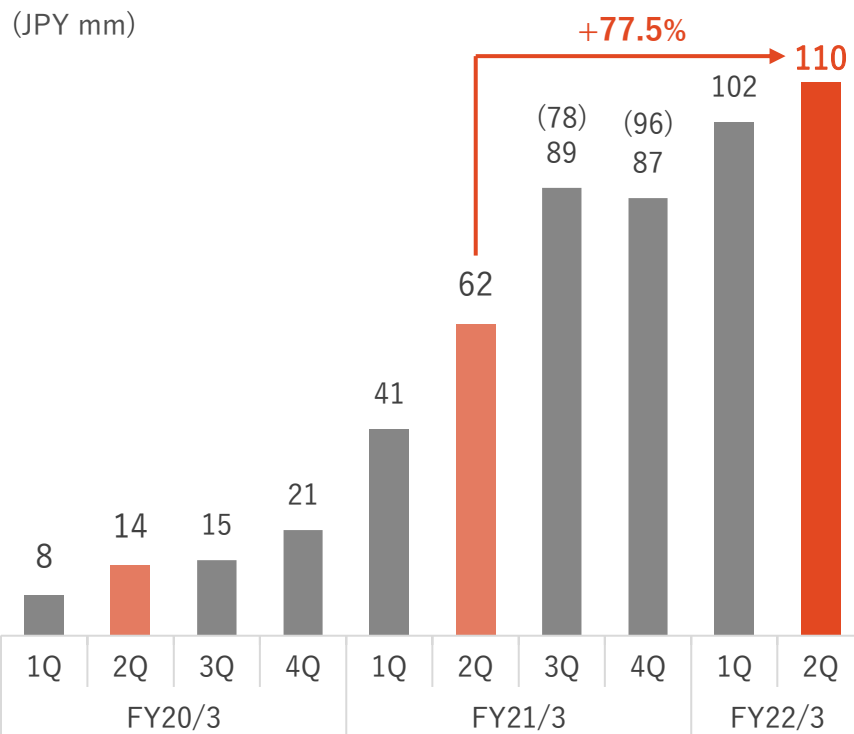
| Points for Improvement
Since the names of the categories of our products are not consistent in local governments, a function that allows us to collate names would be useful for real-time monitoring and preventing overlooked cases.

| How did this service help you solve your problem? What benefits did you gain?
It helped us to enter the municipal bidding markets. In addition, by referring to past successful bidding data, it helped us find sales partner companies and expand our sales channels.

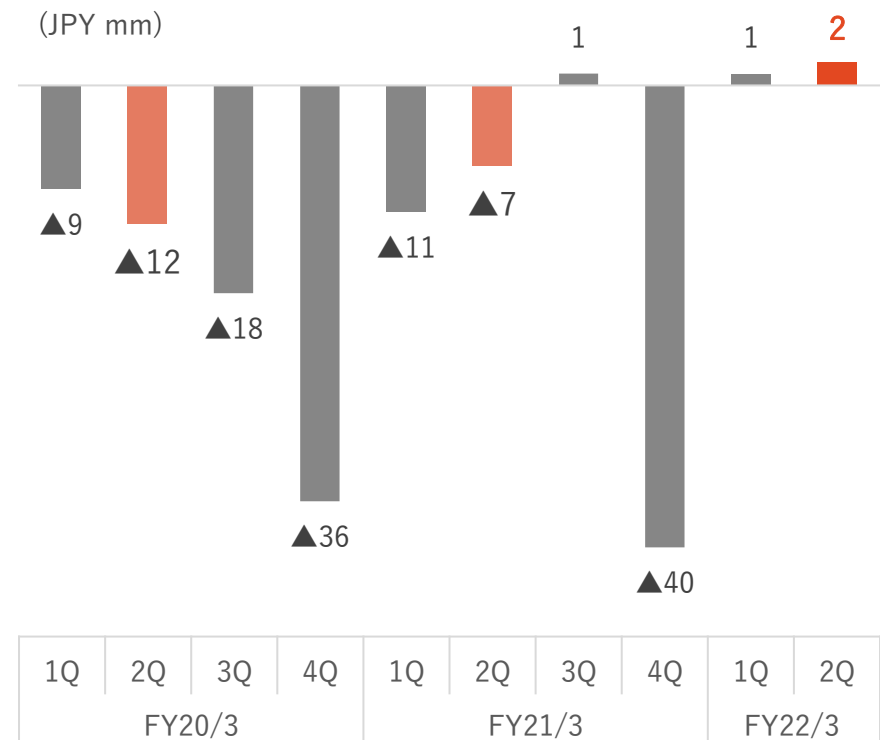


- Net sales increased **77.5% YoY** due to the expansion of demand for phone answering services with the spread of telework and the shift to DX.

Sales



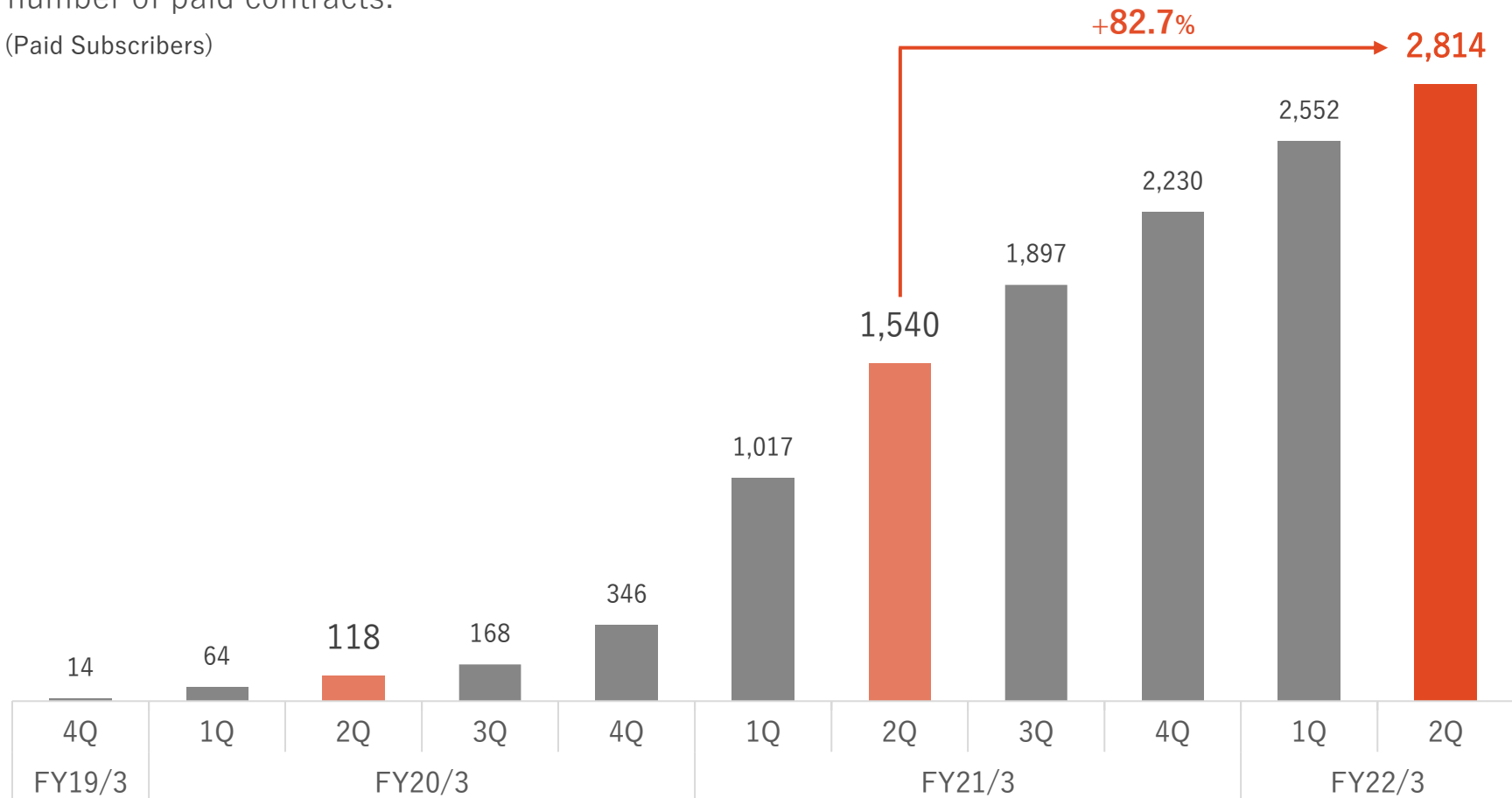
EBITDA



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

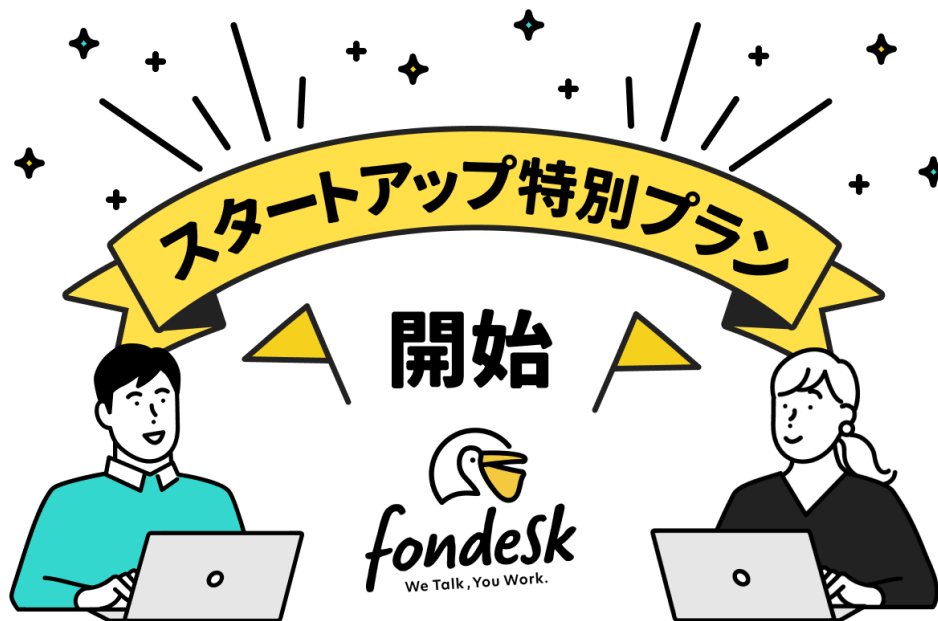
- Since the launch on February 18, 2019, the number of fondesk's paid subscribers has grown significantly, **up 82.7% YoY.**
- Rapid spread of telework due to the COVID-19 pandemic and DX have led to a sharp increase in the number of paid contracts.

(Paid Subscribers)



- Starting from September 6, 2021, a special plan with free basic monthly fee for the first 3 months is offered to start-up companies via VC.
- We promote business efficiency and DX in start-up companies and support improving the environment where they can focus on business and product development.

Special Plan Overview



■ Plan Name

“Start-up Special Plan”

The most affordable plan to date, offering 3 months of free basic monthly fee.

■ Subject

Start-up companies in which participating VCs have invested or provided support.

■ Application Process

Please contact the VC companies.

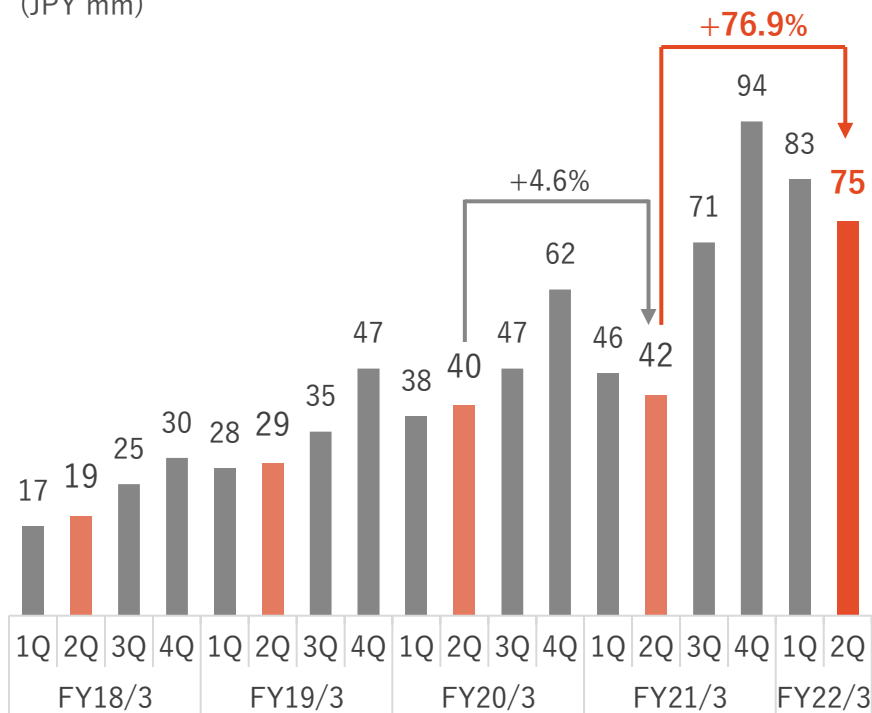


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- Net sales increased **76.9% YoY** due to steady growth in contracted kindergartens/nursery schools and increased frequency of use by them.
- EBITDA deficit decreased YoY despite aggressively spending on system-related outsourcing costs, etc.

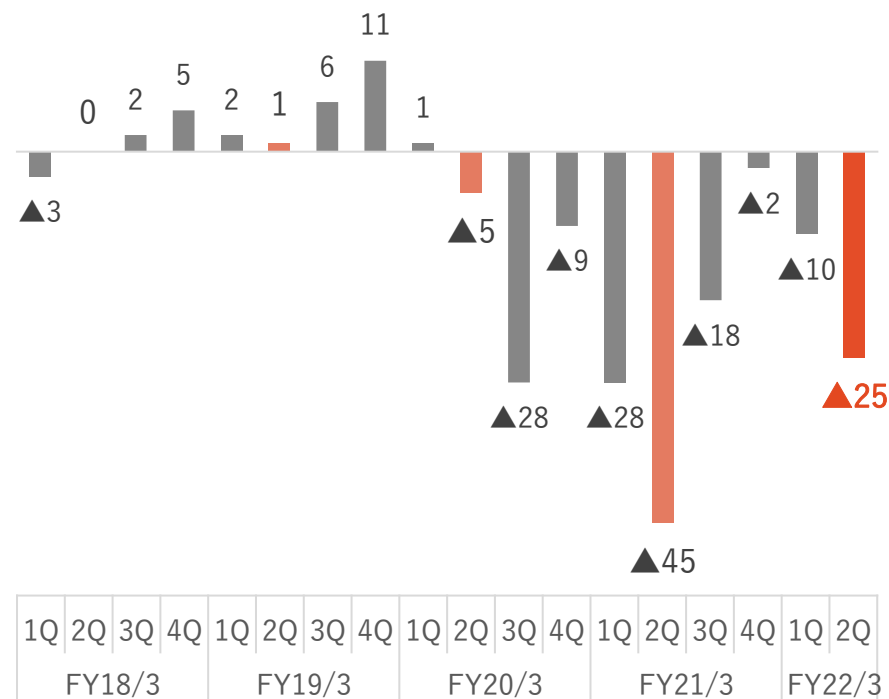
Sales

(JPY mm)



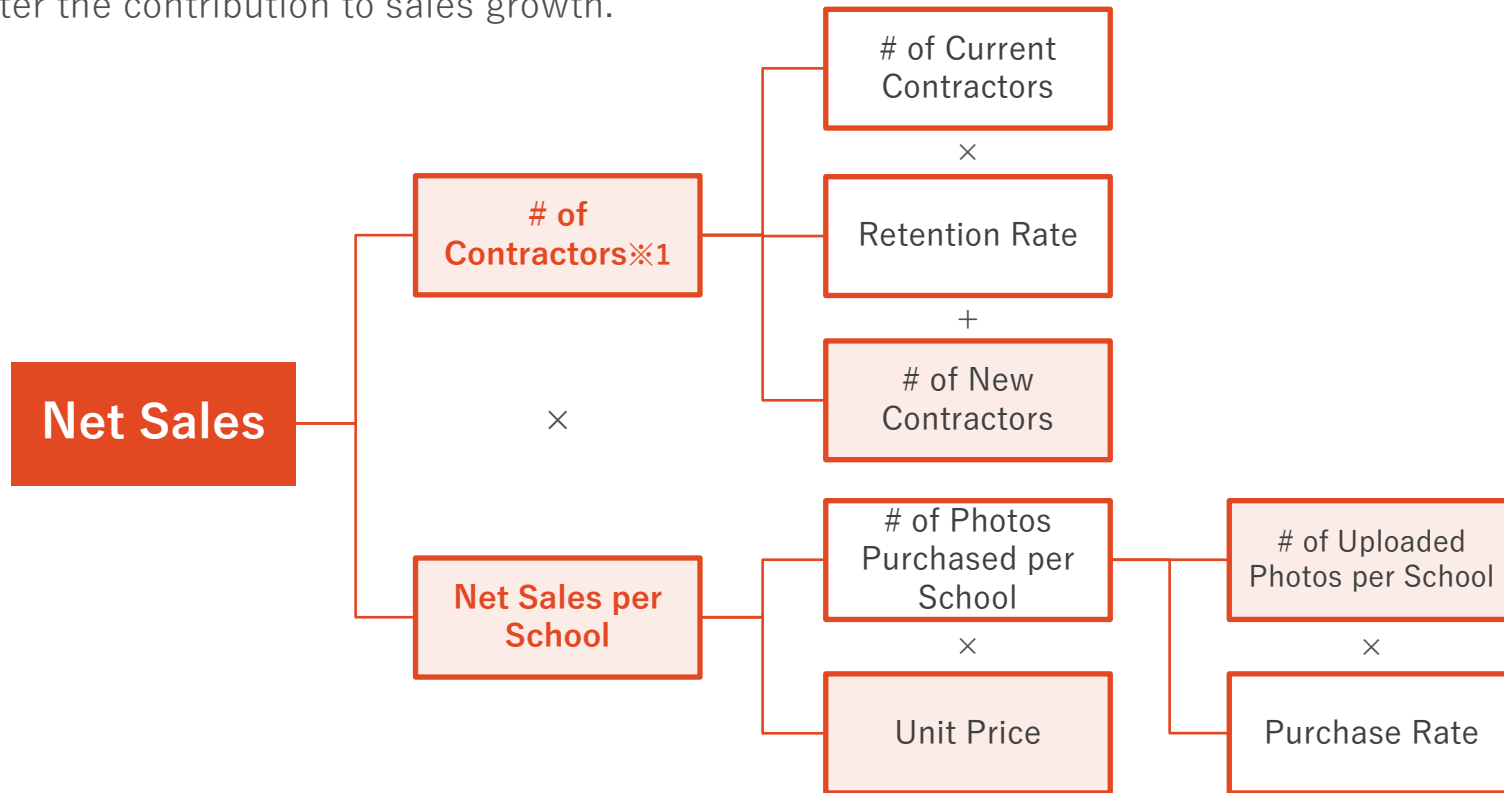
EBITDA

(JPY mm)



※ Increase in 4Q due to purchase of photos for events such as sports days and Christmas.

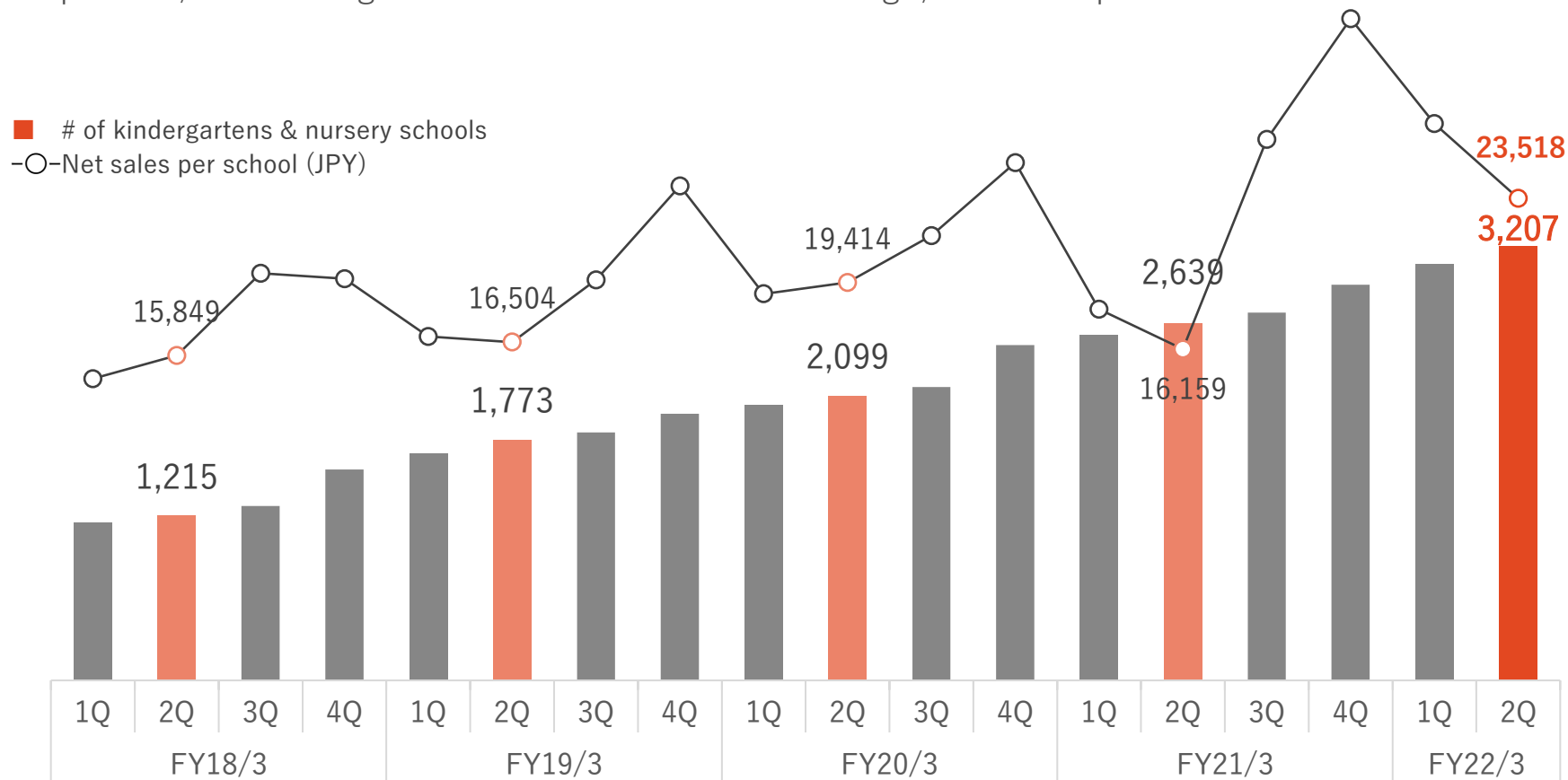
- Maximize sales by increasing the number of new contracted kindergartens/nursery schools through referrals from contracted ones, increasing the number of photo uploads per school, and raising the unit price of photos by increasing the number of products.
- Since the usage fee for school is free, the retention rate is extremely high, and the more schools sign up, the greater the contribution to sales growth.



※ The number of contracted preschools include users of the “Kurapuri” photo sales service for clubs and events and the preschools contracted with our partner companies.

en-photo | Contracted Facilities Trends (Quarterly) ULURU

- The number of contracts with kindergartens and nursery schools steadily increased despite the impact of the COVID-19 pandemic.
- Because of the nature of the products we handle, children's photographs, there is always demand from their parents, so the usage rate of contracted schools is high, and sales per contracted school is on the rise.



※ The number of contracted preschools include users of the “Kurapuri” photo sales service for clubs and events and the preschools contracted with our partner companies.

- On November 8, 2021, we donated to Mirai Kodomo Foundation, a general incorporated foundation which supports children, based on the number of photos uploaded to en-photo.
- In November, We donated 0.02 yen per photo for 6,495,302 photos uploaded between April and September in total of 129,906 yen. We plan to continue to donate once every 6 months.

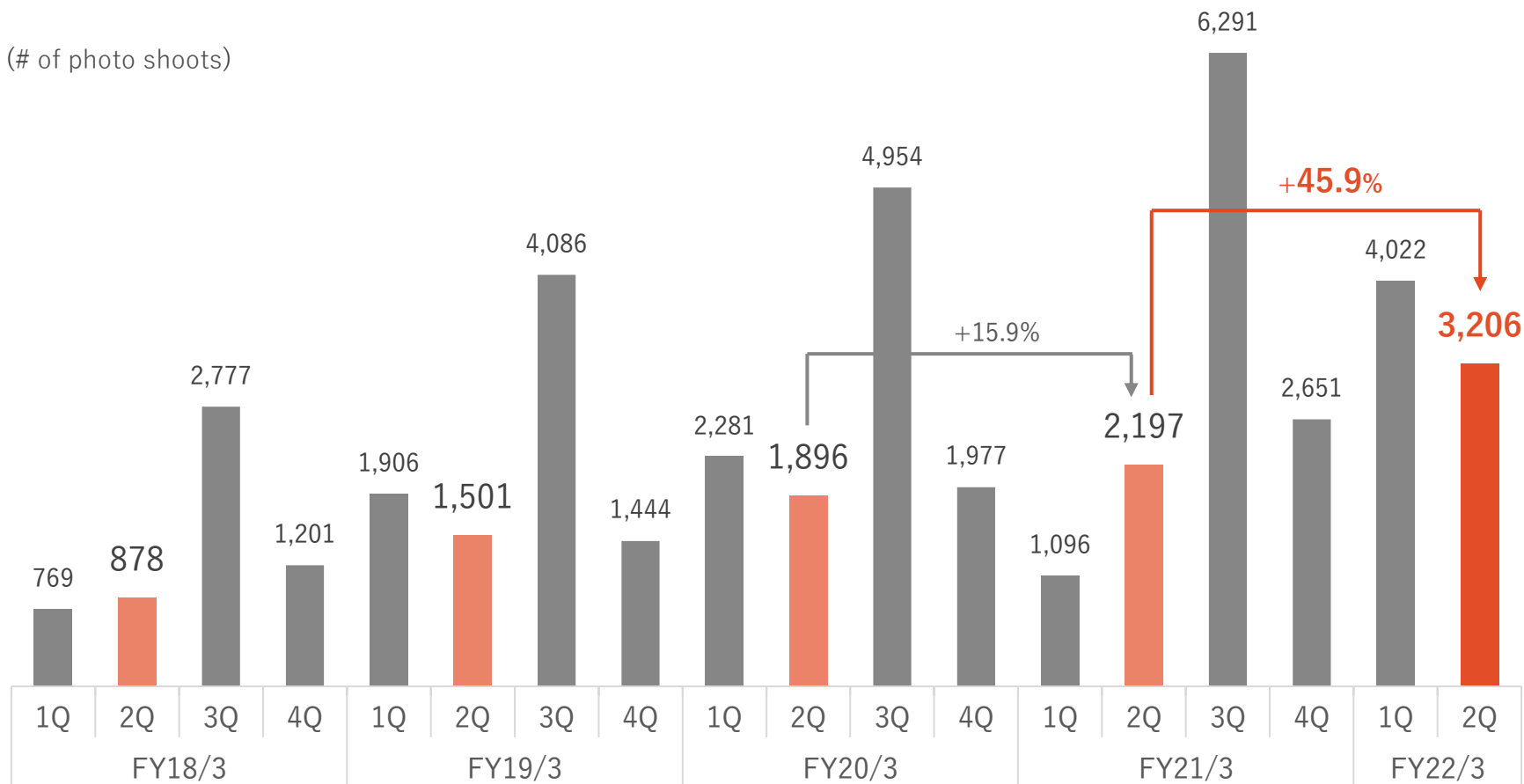


Our?photo

OurPhoto | Photo Shoot Number Trends (Quarterly) ULURU

- Although there are fluctuations from quarter to quarter due to seasonality, the number of photo shoots continued to grow, **up 45.9% YoY**.

(# of photo shoots)



※Increase in 3Q due to demand for Shichi-Go-San commemorative photos.

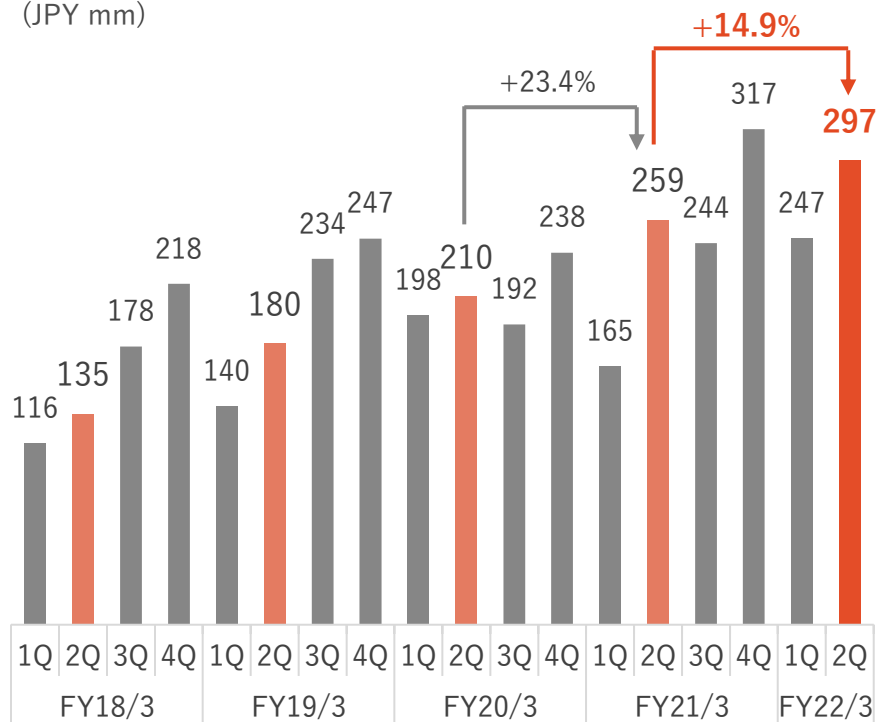
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BPO | Sales & EBITDA Trends (Quarterly)

- Net sales continued to grow, **up 14.9% YoY**.
- EBITDA was positive for the fifth consecutive quarter.

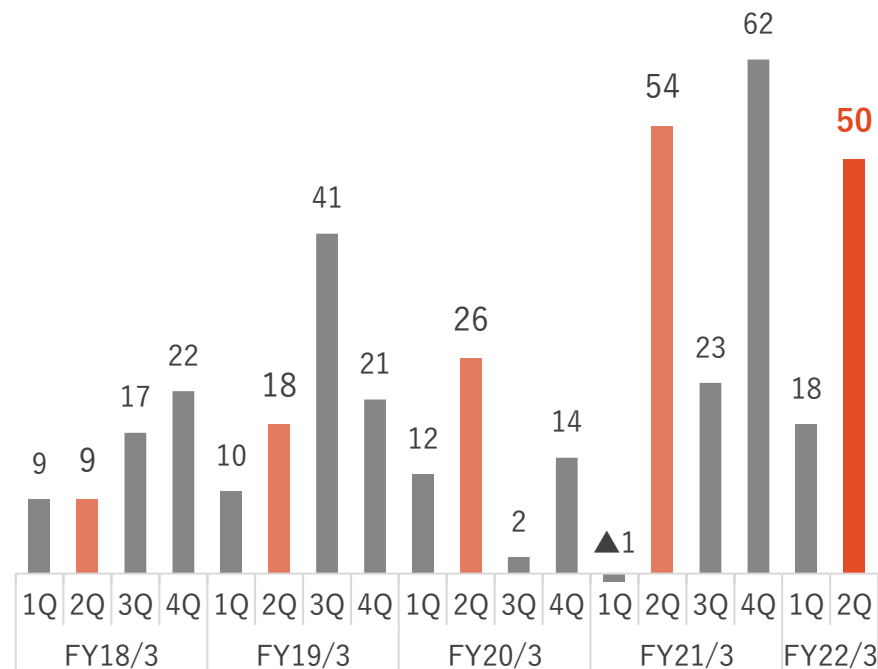
Sales

(JPY mm)

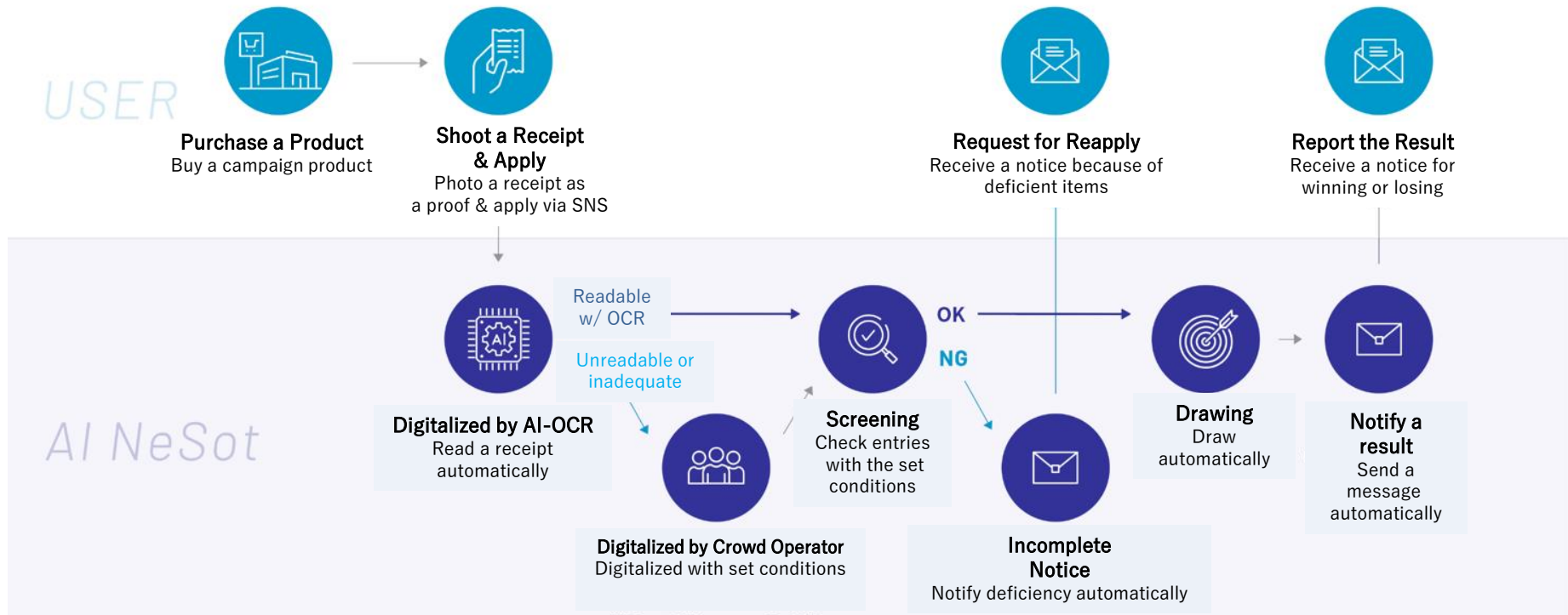


EBITDA

(JPY mm)

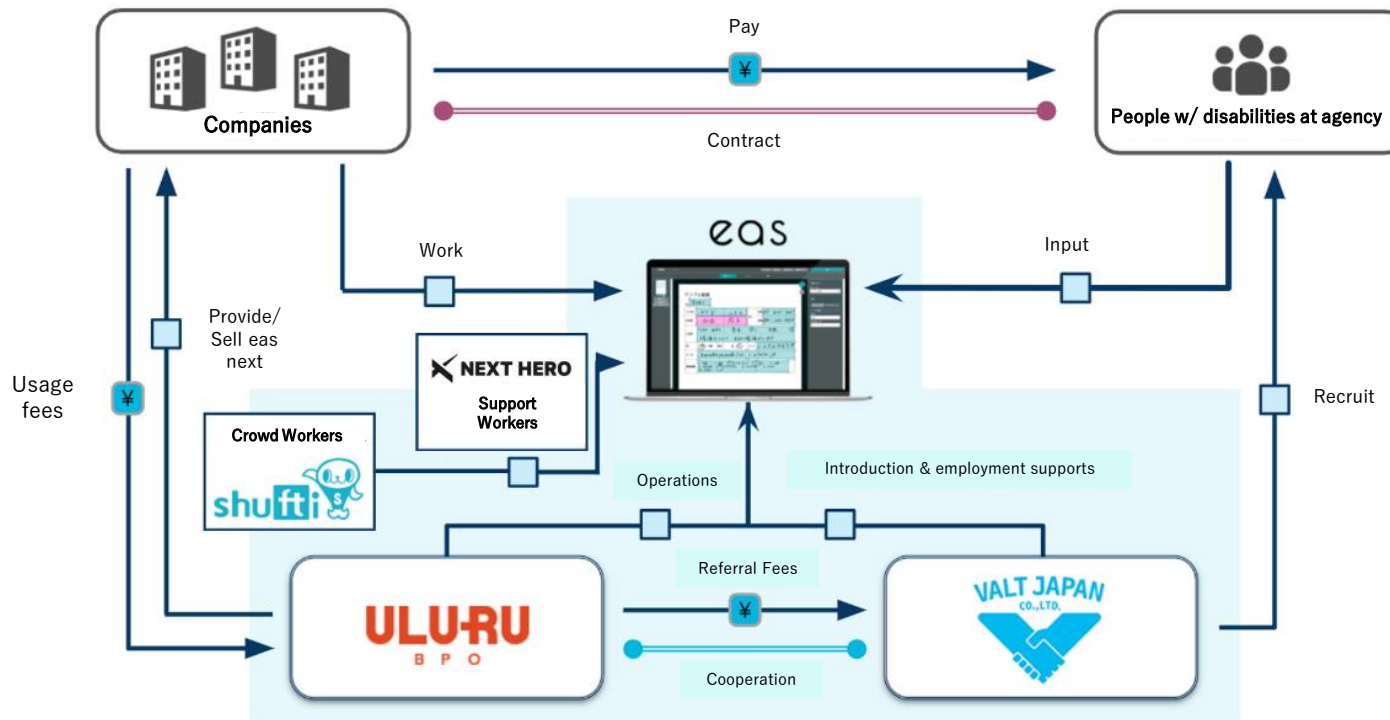


- On September 1, 2021, we launched "AI NeSot," a receipt entry campaign system that utilizes AI-OCR and human resources (crowd workers).
- Linking with SaaS-type data automation service "eas", we support campaign implementation and marketing measures on SNS.



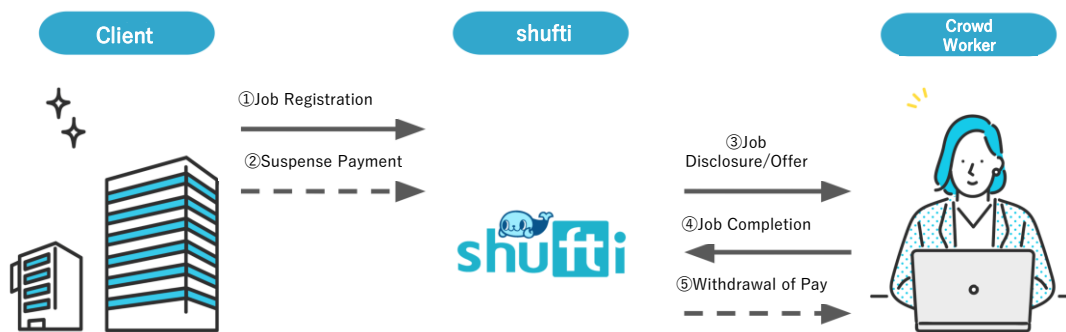
BPO | Total Support Service for Employment of People with Disabilities “eas next”

- On December 1, 2021, we will begin offering "eas next," a total support service for the employment of people with disabilities that provides comprehensive support for hiring people with disabilities and making them effective.
- Working with VALT JAPAN Co. Ltd. to create a society in which all types of human resources can play an active role, we support companies in solving the issues of employing people with disabilities and DX for their operations.





- From November 16, 2021, the bank transfer fee for crowd workers to withdraw their pay will be drastically reduced.
- With the change in fees, the rermittance fee and minimum transfer amount were also lowered. Providing an environment that facilitates the challenge of diverse work.



	Before	After
Transfer Fee which incurs each time a bank transfer is made from shufti.	550 yen	330 yen
Reremittance Fee which incurs when the account info is incorrect.	55 yen	33 yen
Min. Transfer Amt.	605 yen	363 yen

ULURU

- In order to increase the liquidity of the share and expand the investor base, we conducted a 1:2 split of our common share.

Overview of the Share Split	
(1) Method of Split	
With Thursday, September 30, 2021, as the record date, a 2-for-1 stock split will be conducted for each share of common stock held by shareholders registered or recorded in the final shareholders' register as of that date.	
(2) Number of Shares to be Increased by the Split	
① Total number of shares issued before the split.	3,425,500
② Number of shares to be increased by this share split	3,425,500
③ Total number of shares issued after the split.	6,851,000
④ Total number of authorized shares after the split.	11,199,200
<p>Note: The total number of shares issued and the number of shares to be increased above may increase due to the exercise of share acquisition rights (share options) before the record date of the share split.</p>	

- To increase the number of “fan” investors, we hold frequent briefings for individual investors, mainly in collaboration with the highly passionate investor community.
- Using "Pening - Question Box," continuously disseminate useful information, such as IR-related Q&A.

Results and schedule of recent briefings for individual investors

Date	Place	Organizers/Seminar Title
2/22/2020	Kanagawa	Shonan Investment Workshop
9/12/2020	Tokyo	Investment Bridge Premium Bridge Salon
11/28/2020	Aichi	Kabu Berry IR Seminar
2/20/2021	Online	IR Seminar for Facebook Group
3/28/2021	Kanagawa	Shonan Investment Workshop
9/11/2021	Kanagawa	Investment Bridge Premium Bridge Salon
9/18/2021	Hyogo	Kobe Investment Workshop
(Scheduled) 11/27/2021	Aichi	<u>Kabu Berry IR Seminar</u>
(Scheduled) 12/18/2021	Tokyo	<u>IR Seminar for Facebook Group</u>
(Scheduled) 3/19/2022	Kanagawa	Shonan Investment Workshop

Q&A Using “Peing-Question Box”

The screenshots show the following Q&A pairs:

- Post 1:** Question: "中期経営計画の中身を見た際に来期から来々期にかけて急激に利益率が向上しますが、具体的には販管費のうちどの部分が前年度より減少するとお考えなのでしょうか?" Answer: "積極的なIR姿勢を好感しております。ただ御社はすでに個人投資家への露出も多く認知度も高いため、会社の紹介より月次などの開示を検討された方がよろしいかと存じます。老練心ながら失礼いたしました。"
- Post 2:** Question: "2024/3期において、販管費の中で削減を見込んでいる項目として、システム関連委託費、広告宣伝費を見込んでおります。"
- Post 3:** Question: "シュフティの人材を他社に提供してCGSの仕組みを貸し出すビジネスモデルは検討されていませんか?様々な会社がクラウドワーカーの手を借りたいと思っております。"
- Post 4:** Question: "NJSSについて競合環境はどのくらい意識されてますか。アナリストレポートなどをみて数社存在することは分かってますが、今回のアップデートを受けてどのような位置付けになったと社内には捉えているのでしょうか。主観で構わないので現状の評価とアップデート後の理想について教えてください。"

<https://ssl4.eir-parts.net/doc/3979/tdnet/2019479/00.pdf>

- Implementing initiatives to solve social issues, such as improving administrative efficiency, providing work opportunities, and promoting the advancement of women.

Examples

- In order to promote the activities of women, We launched the in-house project "Joshi Juku (Women's Workshop)". As a result of this effort, the ratio of female managers exceeded 20% as of September 30, 2021.
- We donate twice a year to Mirai Kodomo Foundation, a general incorporated foundation which supports children, based on the number of photos uploaded to en-photo.
- On December 1, 2021, we will begin offering "eas next," a total support service for the employment of people with disabilities that provides comprehensive support for hiring people with disabilities and making them effective.
- The NJSS database is offered free of charge to government and municipal employees under the name "Procurement Info". Helping to improve administrative efficiency.

The Best Social Contribution Award Winner



データ活用形 ASP・SaaS 部門

ベスト社会貢献賞

入札情報速報サービス
NJSS
エヌジェス

In November 2020, NJSS won the Best Social Contribution Award in the "Data Utilization ASP/SaaS Category" of the "ASPIC IoT, AI, and Cloud Awards 2020."

<https://www.aspicjapan.org/event/award/14/index.html>

“

”

Make the World More Convenient with Power of People

Our concept of “Power of People” refers to the wisdom and workforce of people around the world via the Internet.

With the evolution of the Net, we are now able to gather and transport “Power of People” without the constraints of location or time.

We will continue to contribute to society by creating systems that utilize “Power of People” more and providing unprecedentedly convenient services to the world.

3 Appendix

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 Lifetime Value. It is a calculation of how much one person, or one customer of a company brings from the beginning to the end of the relationship.
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. It refers to “daily sales per case” in this report.
Crowd Workers	It refers to workers who receive orders through crowd-sourcing. Our “shufti” registrants are mainly homemakers.	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, or consulting fees. In this report, it refers to “the number obtained by multiplying each quarterly fixed revenue by 4.”
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.	EBITDA	Abbreviation of Earnings Before Interest, Taxes, Depreciation and Amortization. It refers to the total amount of operating income, depreciation and amortization, 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 mid-term management plan.
SaaS	Abbreviation of Software as a Service. It refers to software provided in 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.	PSR	Abbreviation of Price to Sales Ratio. It is defined as market capitalization divided by annual sales. It is used as an index to measure the stock price level of emerging growth companies.



Ayers Rock, one of the largest monoliths in the world, is located in the center of Australia. It is considered a sacred place by the Aboriginal people of Australia and is called "Uluru" in the aboriginal language.

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 mysterious landscape in this world.”

“I felt the majesty of the earth in its tremendous presence. Although there are many more magnificent and mysterious places in the world, I want to remember the emotion I felt at that time. I really want you to taste 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.

Board of Directors



President
Tomoya Hoshi



Vice President
Yuhei Okeyama



Director
(IT Strat. • Risk Mgmt.)
Yosuke Nagaya



Director
(Branding Strat.)
Shinsuke Kobayashi



Director
(Finance & Accounting)
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 **Mika Yanagisawa**

Executive Officers



Executive Officer
(HR)
Yuki Akimoto



Executive Officer
(Omoide Business※2)
Taketsugu Tanaka



Executive Officer
(shufti)
Emi Nosaka

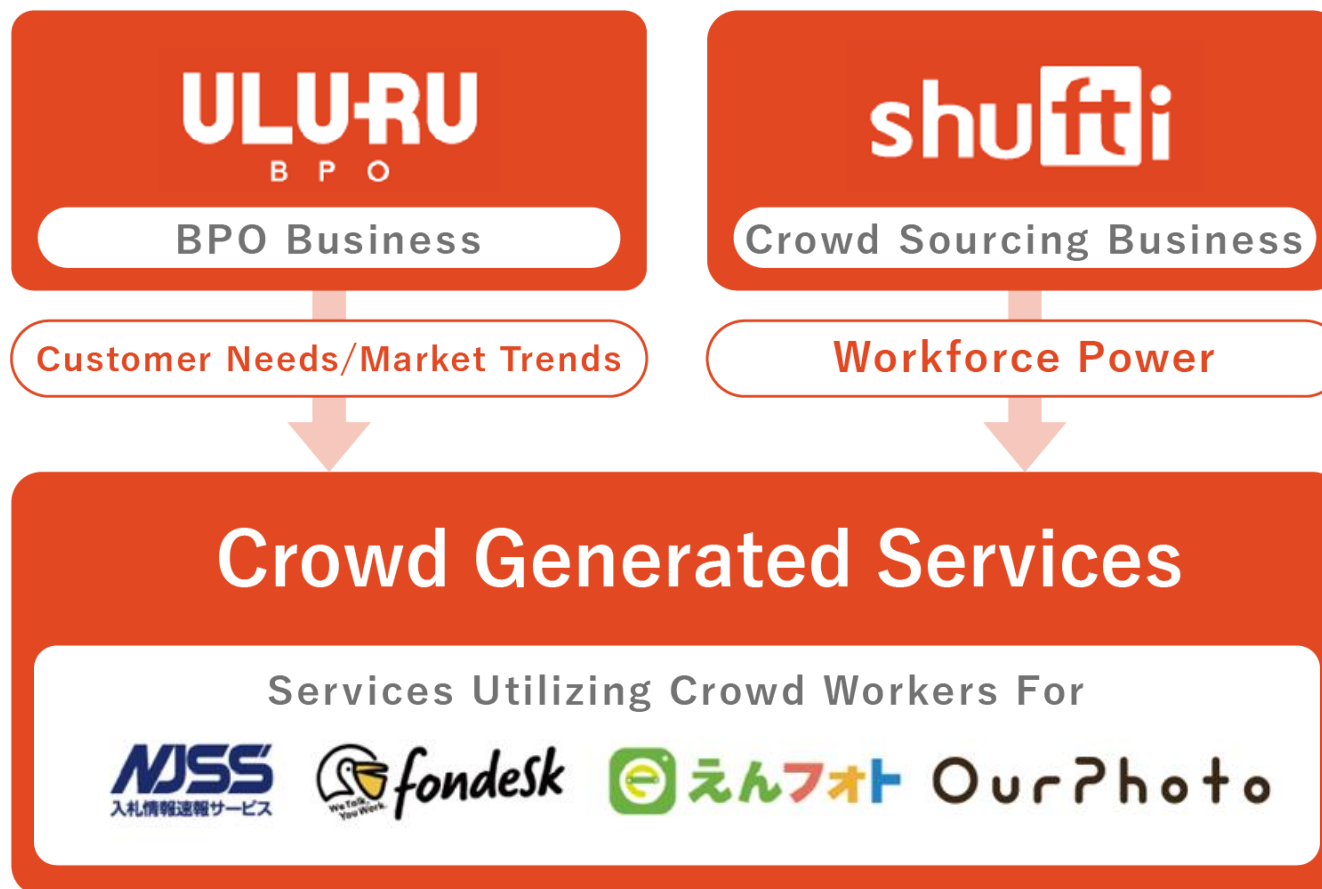


Executive Officer
(fondesk)
Shunta Wakimura

※1 Govtech Business: NJSS & Procurement Info

※2 Omoide Business: en-photo & OurPhoto

- Our company consists 3 businesses: CGS (Crowd Generated Service), BPO, & Crowd-Sourcing.



CGS Business-bidding information flash service, “NJSS”

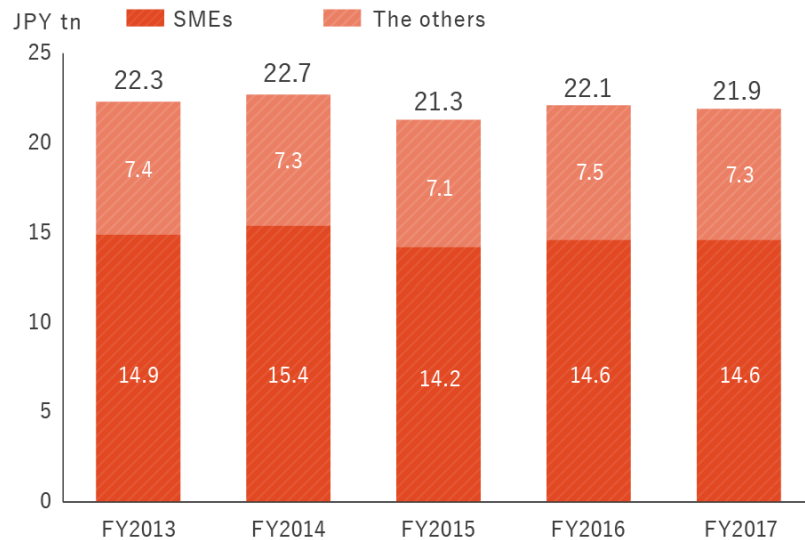
- A service that provide a database of bidding information ordered by public offices and other agencies.
- Hundreds of crowd workers collect information from approx. 7,700 bidding agencies, and we build a database of information on bids and winning projects.



- 1** | Providing Service with **SaaS Model**
Providing a bid/offer database created by utilizing **Crowd-Sourcing** via **the Cloud**.
It maintains a **high marginal profit margin**. (Profitability of Sales: 90.0% in FY2020 & 91.3% in FY2021)
- 2** | Sales are by **Subscription**
Sales are **stock-based**, consisting of **subscriptions**.
- 3** | **Original Business Model & Barrier to Entry**
a **bid/offer database** by combining a **large amount of crowd workers' workforce** and **Web crawlers**.
As an additional benefit, the difficulty in collecting bid data creates a barrier to entry for competitors.
- 4** | **FCF (Free Cash Flow) – A System with a High Level of Contribution**
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.

Bidding Market Trends

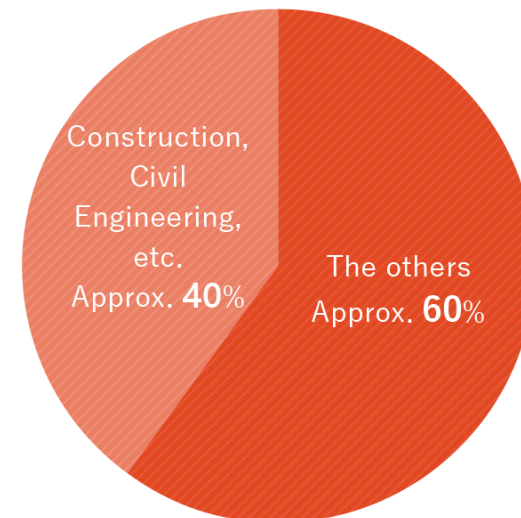
- Huge Market with steady orders of **Over JPY 20 tn/yr.**
- **Over 60%** won by **small and mid-sized enterprises (SMEs)**



Source : Small and Medium Enterprise Agency "Guide to Contracts in the Public Sector"

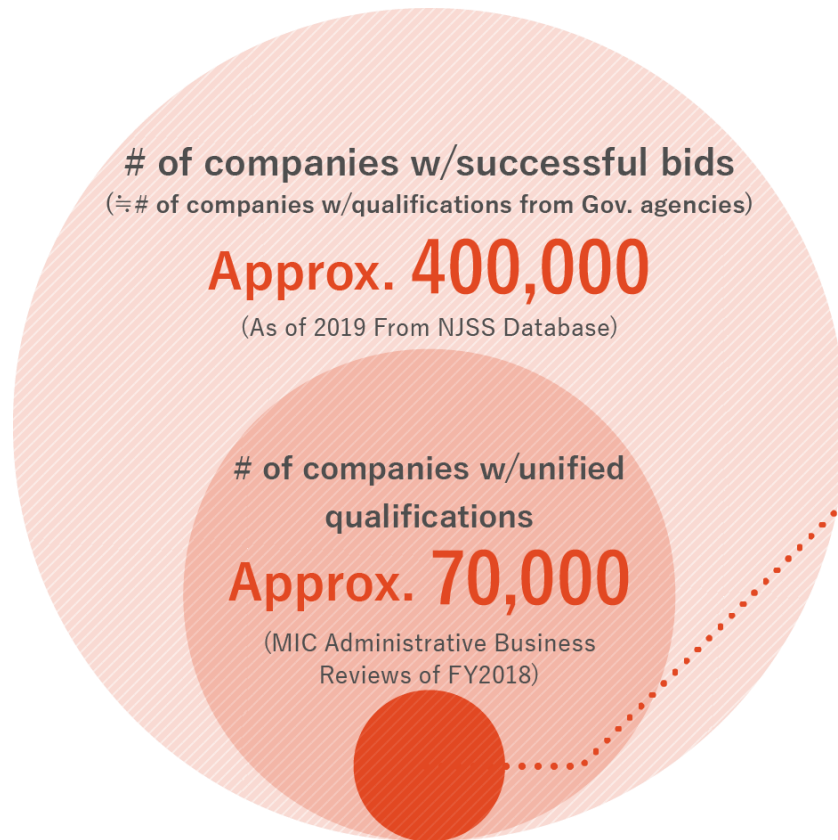
Ratio of Industries

- 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 "Guide to Contracts in the Public Sector"

- The number of NJSS paid subscribers is approx. 1 % of approx. 400,000 companies that have won bids, and approx. 6 % of approx. 70,000 companies that have unified qualifications from all ministries and agencies. This shows plenty of potential.



Number of NJSS Paid Subscribers

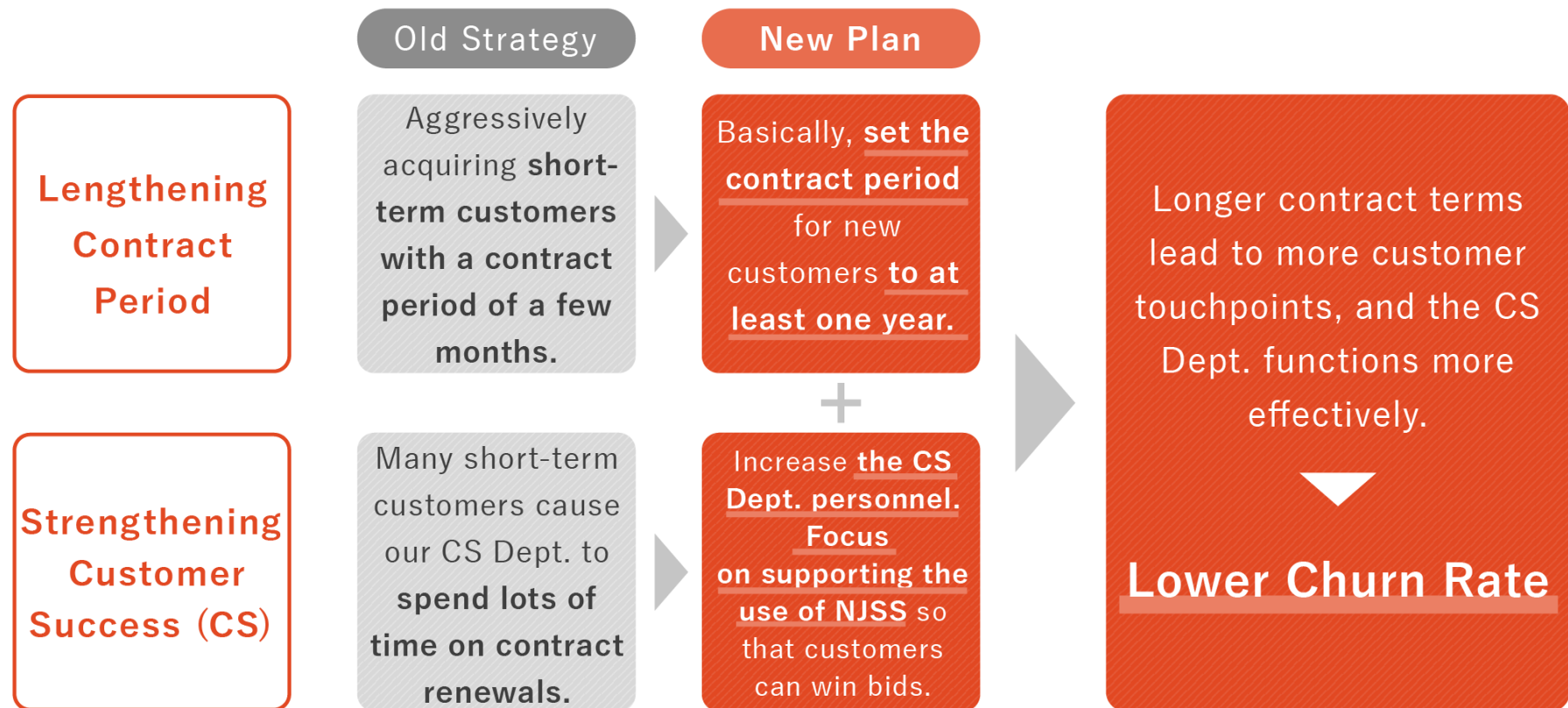
4,388

(As of the end of September. 2021)

Regarding the consideration of TAMs, **companies** which are interested in entering the bidding market but **have not yet qualified to participate** will also be targeted; therefore, there is **room to expand** the number of paid subscribers **by tens of times.**

NJSS-Improvement Measures Based on the Mid-Term Management Plan (Sales Structure)

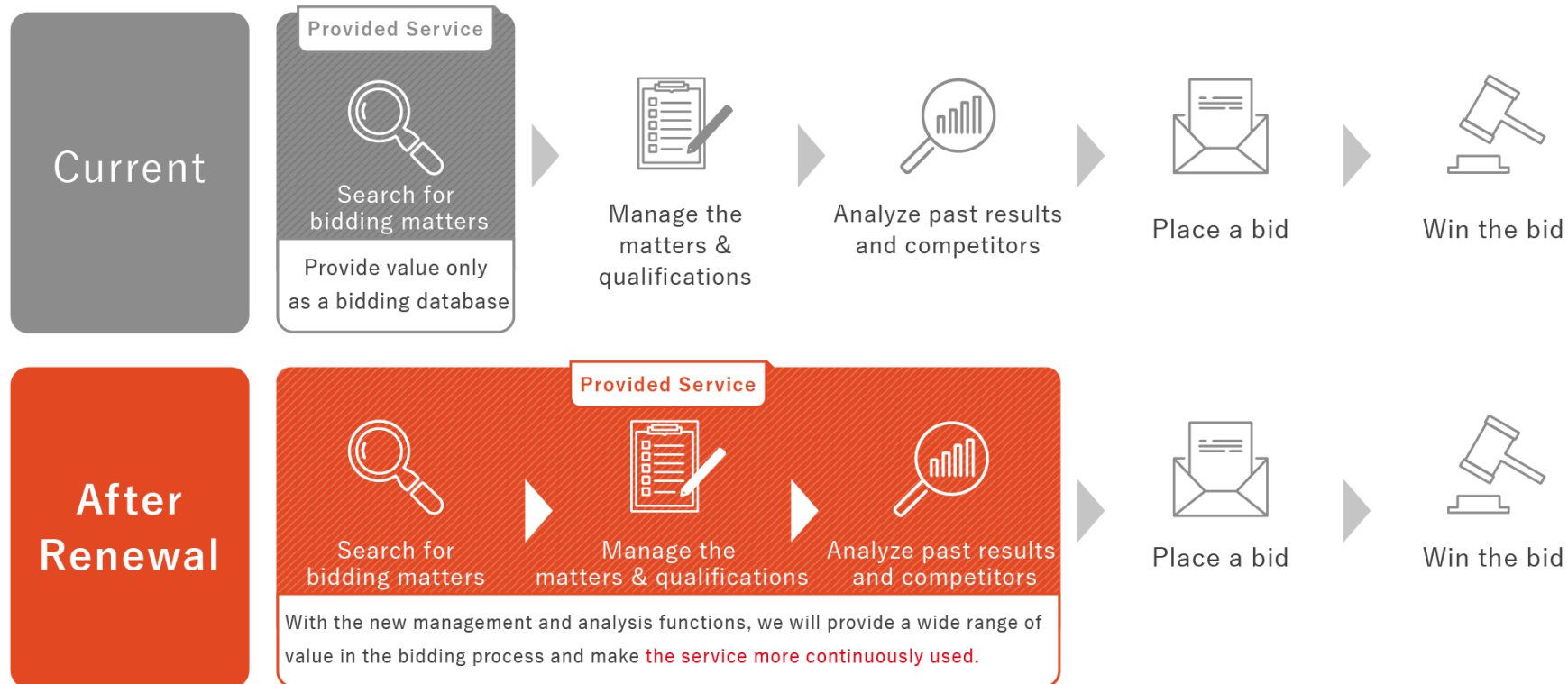
- Significantly updated its sales structure based on the mid-term management plan.
- Succeeded in lowering churn rate by extending contract period and strengthening customer success (CS).



NJSS-Improvement Measures Based on the Mid-Term Management Plan (Package Renewals)

- Full renewal of NJSS product on July 26, 2021 in accordance with the medium-term management plan

Customer Journey and NJSS Service & Value



- “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.

1 Answering Calls

Thank you for calling.
Uluru Company Limited.


Can I speak to Ms. Sato of
Production Department?

I' m very sorry she is not here
right now. I' ll have her call you
back as soon as she returns.

May I have your name and
phone number, and what your
call is regarding?



2 Reporting Calls

 fondesk Operator
Oct. 22 at 3:05

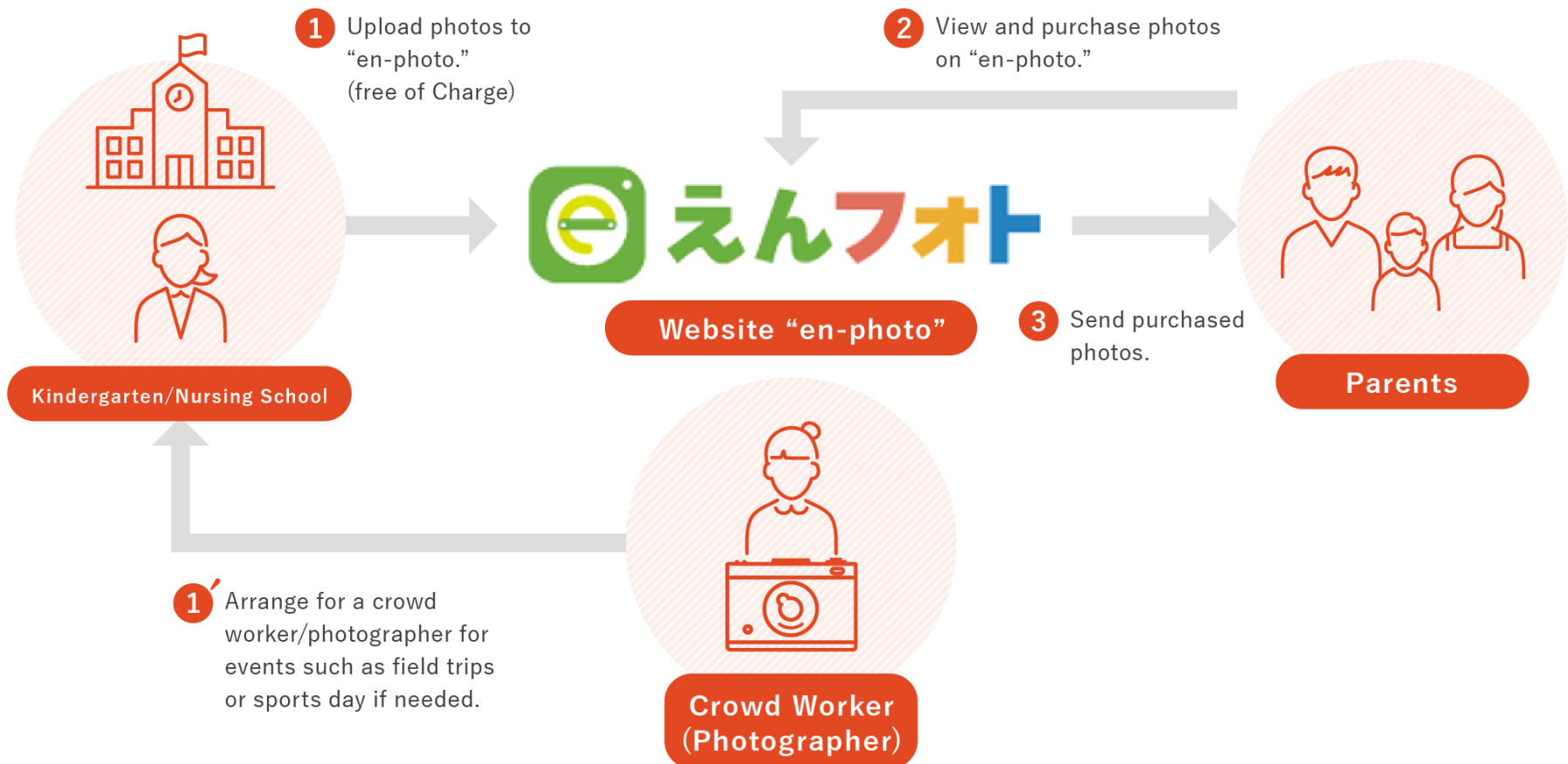
This is fondesk Operator.
I received a call with the following.
Please confirm:

Time : 2018-10-22 15:05:27
Name : Mr.Suzuki from △△
Phone # : 090-xxxx-xxxx
Content : To Ms.Sato
Call Back : Necessary



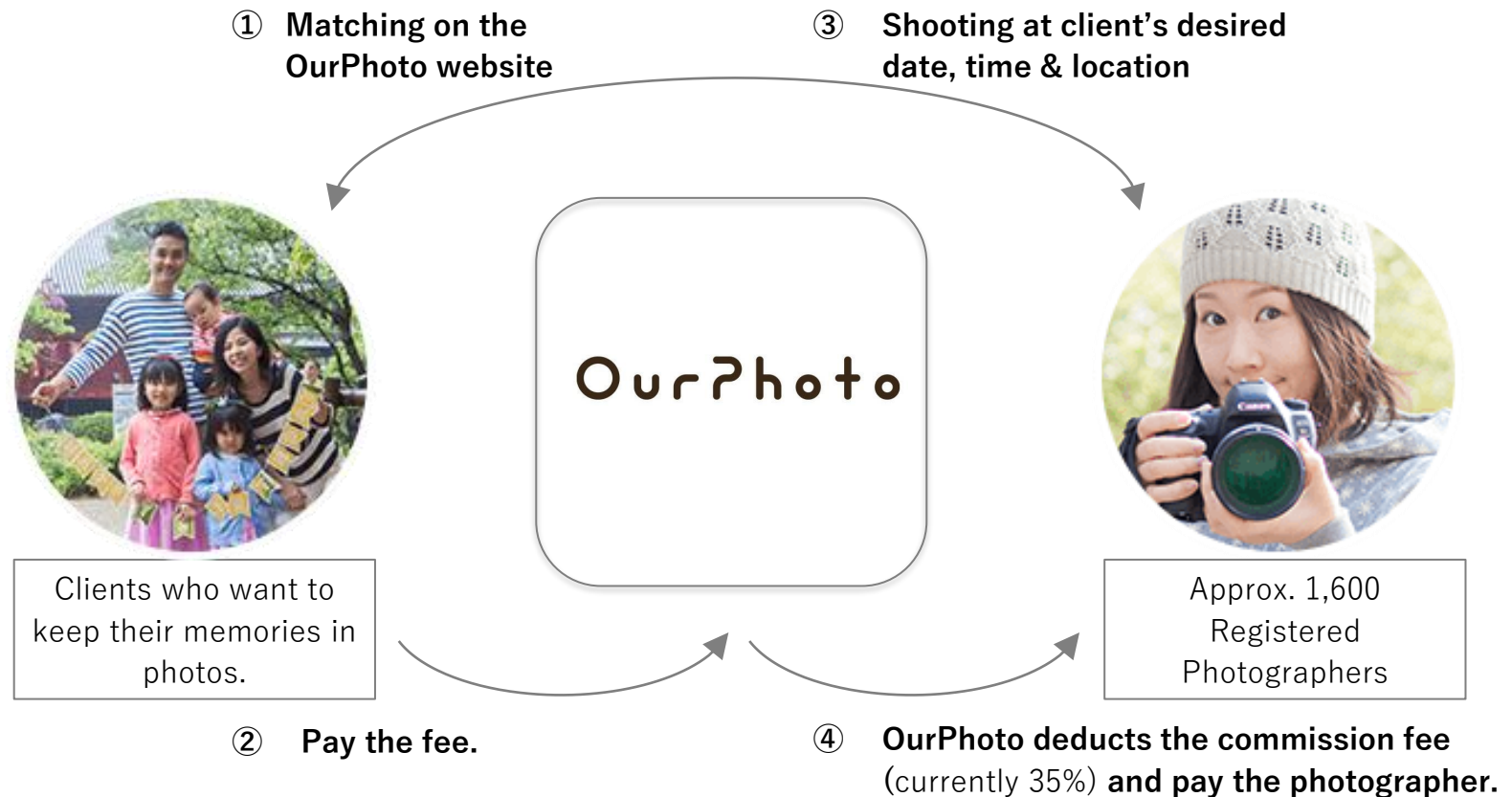
Other CGS Business-“en-photo”

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

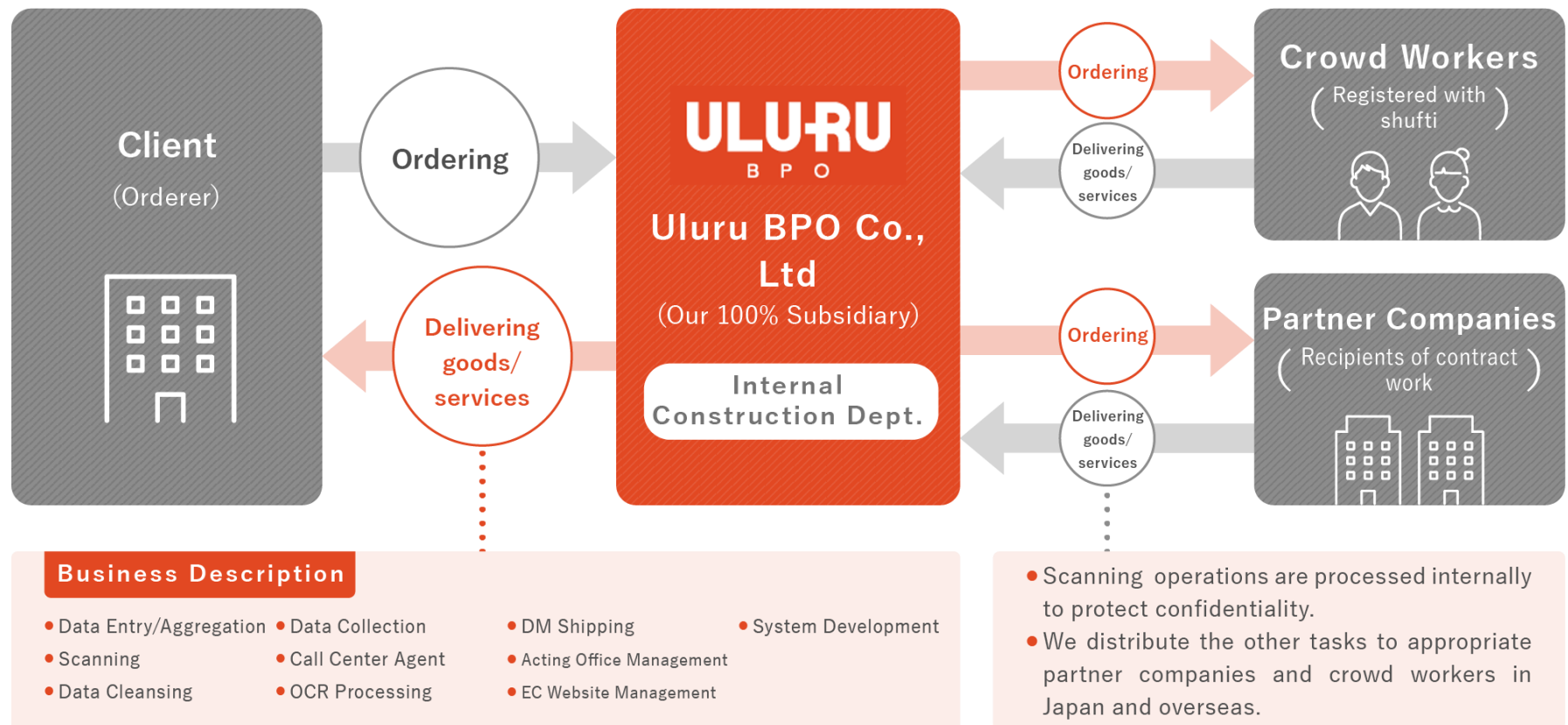


Other CGS Business-“OurPhoto”

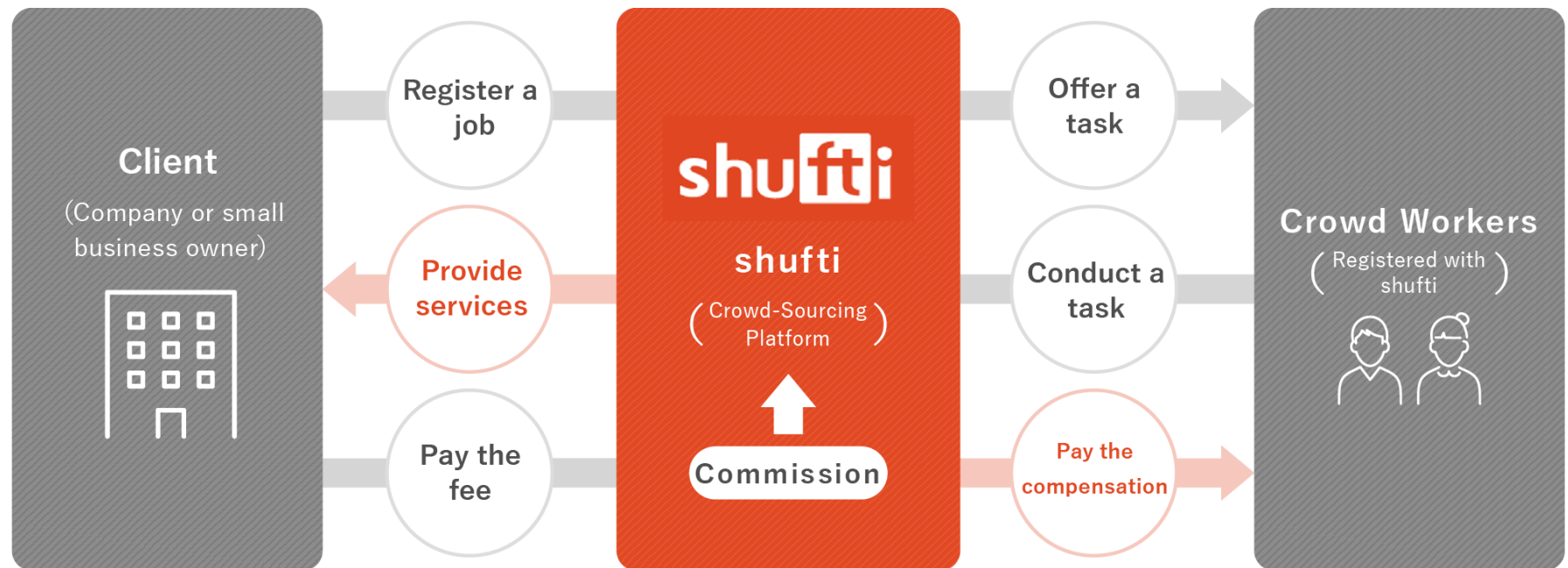
- The on-site photography matching service “OurPhoto.”
- About 1,600 registered photographers and clients who want to preserve their memories in photographs are matched on the OurPhoto website. OurPhoto deducts the commission from the shooting fee and pays the photographer.



- We are entrusted with non-core operations of our client companies and provide solutions by utilizing domestic and overseas partner companies and crowd workers.
- We have 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 over 430,000 registered crowd workers (as of September.30, 2021).



PL (Quarterly/Consolidated)

(JPY mm)	FY22/3_2Q	FY21/3_2Q	YoY	FY22/3_1Q	QoQ
Net Sales	996	775	+28.5%	925	+7.7%
Cost of sales	287	232	+24.1%	271	5.9%
Gross profit	709	543	+30.4%	653	8.5%
SG&A	693	480	+44.5%	633	9.5%
SG&A margin	69.6%	61.9%	-	68.4%	-
EBITDA	34	74	▲54.2%	37	▲8.1%
EBITDA margin	3.4%	9.6%	-	4.0%	-
Operating Profit	15	63	▲75.9%	20	▲23.6%
Operating Profit margin	1.5%	8.2%	-	2.2%	-
Ordinary Profit	12	63	▲80.3%	30	▲59.1%
Profit attributable to owners of parent	▲43	27	-	▲9	-
Number of employees	262	210	+24.8%	247	+6.1%

PL (Quarterly Cumulative / Consolidated)

(JPY mm)	Cumulative FY22/3_2Q	Cumulative FY21/3_2Q	YoY	FY22/3 Forecast	Progress Rate
Net Sales	1,922	1,411	+36.2%	3,900	49.3%
Cost of sales	559	421	+33.0%	-	-
Gross profit	1,362	990	+37.6%	-	-
SG&A	1,327	929	+42.8%	-	-
SG&A margin	69.0%	65.8%	-	-	-
EBITDA	71	81	▲13.0%	▲250	-
EBITDA margin	3.7%	5.8%	-	-	-
Operating Profit	35	61	▲42.0%	▲340	-
Operating Profit margin	1.8%	4.3%	-	-	-
Ordinary Profit	43	77	▲44.2%	▲340	-
Profit attributable to owners of parent	▲53	32	-	▲380	-
Number of employees	262	210	+24.8%	-	-

Segment Information (Second Quarter Cumulative / Consolidated)

ULURU

	JPY mm	NJSS	fondesk	photo	Other CGS	BPO	Crowd-sourcing	The Whole Company (Headquarters)
Sales		958	212	191	0	545	14	-
EBITDA		370	3	▲86	▲4	69	▲16	▲249
EBITDA margin		38.6%	1.6%	-	-	12.8%	-	-
Segment Profit		367	3	▲101	▲4	56	▲16	▲253
Segment Profit margin		38.3%	1.5%	-	-	10.3%	-	-
Number of employees (As of the end of 2Q of FY2022)		89	12	27	-	101	6	27
Number of employees (As of the end of 2Q of FY2021)		70	8	19	-	78	11	24

BS (Quarterly / Consolidated)

ULURU

(JPY mm)	FY22/3_2Q	FY21/3	QoQ	FY21/3_2Q	YoY
Current assets	3,413	3,686	▲7.4%	3,581	▲4.7%
Cash and deposits	2,992	3,291	▲9.1%	3,239	▲7.6%
Non-current assets	796	512	+55.5%	301	+164.4%
Property, plant and equipment	148	152	▲2.5%	151	▲1.9%
Intangible assets	244	248	▲1.7%	25	+851.5%
Investments and other assets	403	111	+263.1%	124	+224.7%
Total assets	4,209	4,198	+0.3%	3,882	+8.4%
Current liabilities	1,996	1,893	+5.4%	1,570	+27.1%
Advances received	1,186	977	+21.4%	962	+23.2%
Borrowings	42	42	±0.0%	40	+5.1%
Non-current liabilities	74	96	▲23.0%	116	▲36.2%
Borrowings	59	80	▲26.2%	99	▲40.1%
Total liabilities	2,070	1,990	+4.1%	1,687	+22.7%
Total net assets	2,138	2,208	▲3.2%	2,195	▲2.6%
Total liabilities and net assets	4,209	4,198	+0.3%	3,882	+8.4%
Capital adequacy ratio	50.8%	52.6%	-	56.5%	-
Net cash	2,890	3,168	▲8.8%	3,100	▲6.8%

Revision of Mid-Term Management Plan | The Whole Company

(Announced in May 2021)

- Achieve sales of 4.8 billion yen, which was originally planned for the fifth year, one year ahead of schedule, to 5.8 billion yen in FY2024 (+20.9% compared to the original plan), with a five-year CAGR of 16% to 21%.
- We will continue to invest in growth as we did to FY2021, when we were able to achieve significant results. In addition to increasing personnel expenses, we will invest in additional system-related outsourcing expenses and advertising expenses in FY2022 and FY2023. Accelerate sales growth and increase the probability of achieving the initial plan of 1.5 billion yen EBITDA in FY2024.

Init. Plan (JPY mm)	FY20/3(Plan)	FY21/3(Plan)	FY22/3(Plan)	FY23/3(Plan)	FY24/3(Plan)
Net Sales	2,300	-	3,300	-	4,800
EBITDA	▲300	±0	400	-	1,500
EBITDA margin	-	-	12%	-	32%
Number of employees (As of the end of FY)	177	-	-	-	196
		▼			
Results/Revised Plan	FY20/3	FY21/3	FY22/3(Plan)	FY23/3(Plan)	FY24/3(Plan)
Net Sales	2,400	3,200	3,900	4,800	5,800
EBITDA	▲100	180	▲250	50	1,500
EBITDA margin	-	6%	-	1%	25%
Number of employees (As of the end of FY)	192	222	-	-	265

Revision of Mid-Term Management Plan | NJSS

(Announced in May 2021)

ULURU

- Based on the growth strategy, we will strengthen our sales, CS, and engineering departments, and will also invest heavily in system-related outsourcing and advertising expenses in FY2022 and FY2023. Accelerate sales growth through investment.

Init. Plan (JPY mm)	FY20/3(Plan)	FY21/3(Plan)	FY22/3(Plan)	FY23/3(Plan)	FY24/3(Plan)
Net Sales	1,200	1,400	1,700	1,900	2,150
EBITDA	300	650	900	1,100	1,350
EBITDA margin	25%	46%	54%	60%	63%
Number of employees (As of the end of FY)	61	-	-	-	54

Results/Revised Plan	FY20/3	FY21/3	FY22/3(Plan)	FY23/3(Plan)	FY24/3(Plan)
Net Sales	1,300	1,600	1,900	2,300	2,700
EBITDA	420	740	550	700	1,350
EBITDA margin	32%	45%	-	-	50%
Number of employees (As of the end of FY)	66	74	-	-	106

Revision of Mid-Term Management Plan | fondesk · en-photo · OurPhoto (Announced in May 2021)

- Substantial upward revision of "fondesk," which grew faster than expected, and addition of "OurPhoto," which was added in December 2020.
- Accelerate sales growth, especially in en-photo and OurPhoto, by investing in system-related outsourcing costs in FY2022 and FY2023.

Init. Plan (JPY mm)	FY20/3(Plan)	FY21/3(Plan)	FY22/3(Plan)	FY23/3(Plan)	FY24/3(Plan)
Net Sales	200	-	600	-	1,300
EBITDA	▲100	-	±0	-	500
EBITDA margin	-	-	-	-	39%
Number of employees (As of the end of FY)	21	-	-	-	31
		▼			
Results/Revised Plan	FY20/3	FY21/3	FY22/3(Plan)	FY23/3(Plan)	FY24/3(Plan)
Net Sales	230	540	800	-	1,800
EBITDA	▲160	▲160	▲350	-	500
EBITDA margin	-	-	-	-	27%
Number of employees (As of the end of FY)	22	31	-	-	40

Revision of Mid-Term Management Plan | BPO

(Announced in May 2021)

- We will continue to improve profit margins by reviewing our sales and construction systems. At the same time, we will aim to receive orders for large projects related to the SaaS-type data automation service "eas" to further increase sales.

Init. Plan (JPY mm)	FY20/3(Plan)	FY21/3(Plan)	FY22/3(Plan)	FY23/3(Plan)	FY24/3(Plan)
Net Sales	800	-	900	-	1,200
EBITDA	100	-	150	-	300
EBITDA margin	10%	-	16%	-	23%
Number of employees (As of the end of FY)	54	-	-	-	70

▼

Results/Revised Plan	FY20/3	FY21/3	FY22/3(Plan)	FY23/3(Plan)	FY24/3(Plan)
Net Sales	830	980	1,100	-	1,300
EBITDA	50	130	100	-	300
EBITDA margin	7%	14%	9%	-	23%
Number of employees (As of the end of FY)	68	87	-	-	79

Shareholder Composition

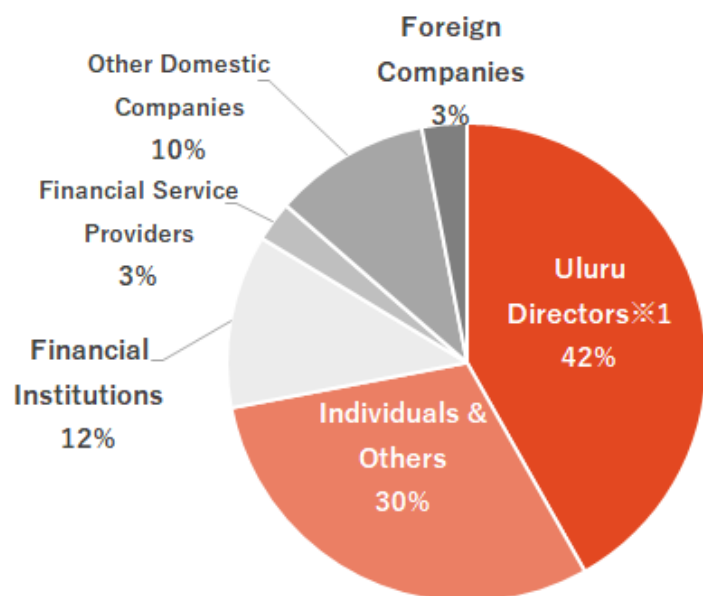
■ No. of Shares & Shareholders (As of Sept. 30, 2021)

Total Number of Authorized Shares	11,199,200
Total Number of Issued Shares	3,451,000
Total Number of Shareholders	1,102

■ Major Shareholders (Based on the list of shareholders as of Sept. 30, 2021)

Rank	Name	# of Shares	Ratio (%)
1	Tomoya Hoshi	660,200	19.13
2	Ayers Rock Co., Ltd (CEO: Tomoya Hoshi)	330,000	9.56
3	HIKARI TSUSHIN, Inc.	311,500	9.02
4	Yuhei Okeyama	214,400	6.21
5	Keisuke Hikiji	190,400	5.51
6	Daisuke Gomi	170,000	4.92
7	Custody Bank of Japan Ltd. (Trust Account)	166,700	4.83
	Simplex Asset Management Co., Ltd.	(136,400)	(3.95)
8	Yosuke Nagaya	104,000	3.01
9	Hisashi Suzuki	98,200	2.84
10	Nippon Life Insurance Company	95,000	2.75

■ Shareholder Composition (As of Sept. 30, 2021)



※ Incl. Tomoya Hoshi's asset management company

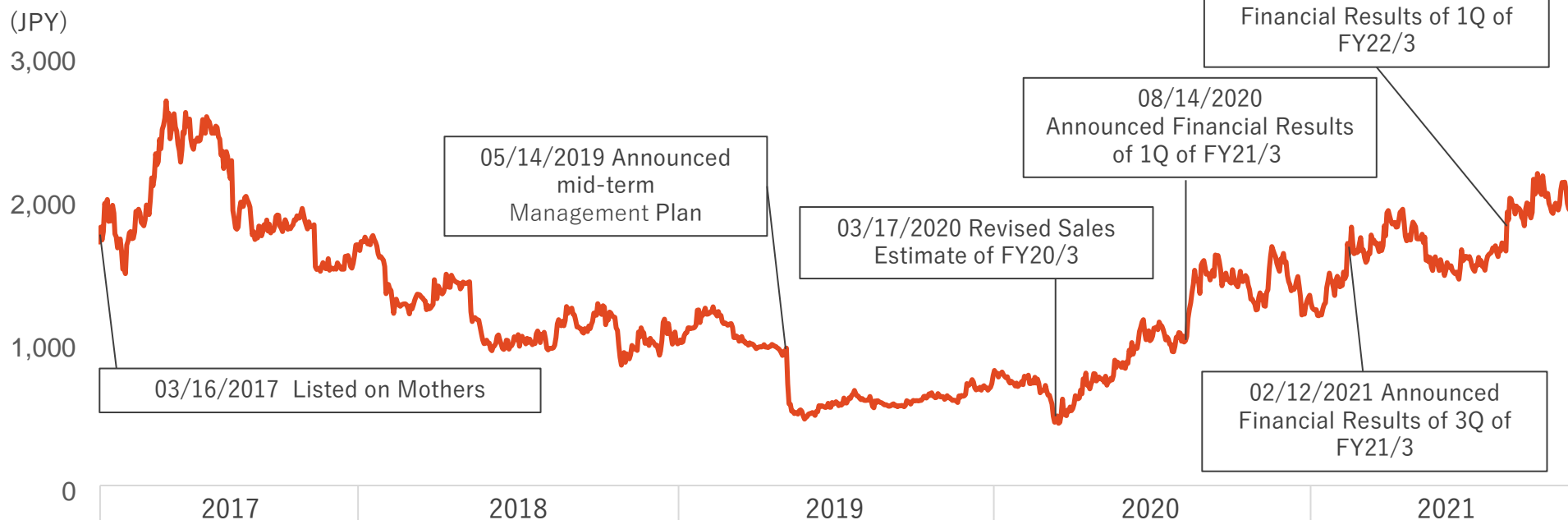
Share Price Trends

Public Offering Price	1,500 yen
First Quotation	1,665 yen(03/16/2017)
All-time High	2,800 yen(06/01/2017)
All-time Low	458.5 yen(03/23/2020)

	FY17/3	FY18/3	FY19/3	FY20/3	FY21/3
PSR	6.5	4.4	2.9	1.5	4.1
PER	46.4	29.4	26.0	-	317.8

※Calculated using the stock price on the closing date

■ Share Price (03/16/2017~10/31/2021)



※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.

Fractions in this report are rounded down (or rounded off in the case of %) in principle.

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 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/>

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| Official IR Twitter https://twitter.com/uluru_ir