

:Atrae

Financial Results Explanatory Material

Financial Results for the 2nd Quarter of
Fiscal Year Ending September 30, 2021

Atrae, Inc. (TSE 1st Section : 6194)

Agenda

- 1. Company Overview**
- 2. Financial Highlights**
- 3. About Business**
- 4. References**

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Our Vision

Create the Company that Attracts People in the World.

We stick to creating a company and our services we are proud of to
continue being an attractive company that people want to cheer for.
We will become an essential company in the world
as Japan's global company.

Japan's First

People Tech Company

Redefined our company with a hope for
“Creating business that expands people’s possibility through technology”.

What We Value

.....

Company = Making people who are involved happy



Employees



Clients



Stockholders



Partners



... and Society

Value Cycle of “Making People Happy”

By keeping this cycle and expanding the circle of people involved,
we will pursue the creation of a sustainable organization and achieve our vision to
“Create the Company that Attracts People in the World”.



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Financial Results for FY2021 Q2

First Half of FY2021

Sales	1,884 Million yen	YonY	+7.5 %	Progress	50.9 %
Operating Profit	592 Million yen	YonY	+129.5 %	Progress	118.4 %

※ Sales progressed as expected.

The forecast for operating profit remains unchanged
due to strategic investments to accelerate future growth.

Business

Green's key indicator, the number of active users grew by +22.5% YonY

The next quarter will be a growth phase, despite the impact of the COVID-19

Sales of Green declined by $\Delta 0.2\%$ YonY, but will enter a growth phase in the future
from the recovery trend in QonQ

The number of jobs posted reached a new record high

Monthly churn rate of users for wevox remains less than 1%

Topics

Accelerated adoption of wevox by large corporations

SaaS wevox achieved sales growth of +87.2% YonY

Quarterly Financial Highlights

Sales continue to increase at YoY despite impact of the COVID-19

Growth phase from the third quarter onward

(Million yen)	Y on Y			Q on Q		Y on Y		
	FY2021 Q2	FY2020 Q2	%	FY2021 Q1	%	FY2021 First Half	FY2020 First Half	%
Sales	998	911	9.5%	886	12.6%	1,884	1,753	7.5%
Green	802	804	△0.2%	713	12.5%	1,515	1,549	△2.2%
wevox	176	94	87.2%	156	12.8%	332	177	87.6%
new business	20	13	53.8%	17	17.6%	37	27	37.0%
Operating Expense	684	848	△19.3%	608	12.5%	1,292	1,495	△13.6%
Operating Profit	314	63	398.4%	278	12.9%	592	258	129.5%
Operating Margin	31.5%	6.9%	24.6pt	31.4%	0.1pt	31.4%	14.7 %	16.7pt

YonY Comparison (sales)

Investment in advertising with emphasis on ROI in the first half

Pursue accelerated growth in the second half

(Million yen)		Y on Y					Y on Y				
		FY2021 Q2	% of Sales	FY2020 Q2	% of Sales	%	FY2021 First Half	% of Sales	FY2020 First Half	% of Sales	%
Sales		998	100.0%	911	100.0%	9.5%	1,884	100.0%	1,753	100.0%	7.5%
Operating Expense		684	68.5%	848	93.1%	△19.3%	1,292	68.6%	1,495	85.3%	△13.6%
	Cost of sales	16	1.6%	14	1.5%	14.3%	28	1.5%	29	1.7%	△3.4%
	SG&A										
	Web Ad Spend	287	28.8%	461	50.6%	△37.7%	557	29.6%	860	49.1%	△35.2%
	TV Ad Spend and Other	56	5.6%	138	15.1%	△59.4%	73	3.9%	138	7.9%	△47.1%
	Personnel Cost	179	17.9%	137	15.0%	30.7%	339	18.0%	274	15.6%	23.7%
	Other	146	14.6%	98	10.8%	49.0%	295	15.7%	194	11.1%	52.1%
Operating Profit		314	31.5%	63	6.9%	398.4%	592	31.4%	258	14.7%	129.5%

* Operating Expense includes the cost of the Sports Tech Business.

For Reference : Quarterly Financial Highlights

		FY2019				FY2020				FY2021	
(Million yen)		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Sales		749	736	811	933	842	911	875	802	886	998
	Green	704	681	751	837	745	804	758	655	713	802
	wevox	26	36	43	81	83	94	107	132	156	176
	New Business	19	19	17	15	14	13	10	15	17	20
Operating Expense		524	500	624	871	647	848	565	638	608	684
	Cost of sales	14	12	15	16	15	14	10	13	12	16
	SG&A										
	Web Ad Spend	317	298	348	460	399	461	302	288	270	287
	TV Ad Spend and Other	0	0	50	131	0	138	0	57	17	56
	Personnel Cost	107	112	129	153	137	137	147	145	160	179
	Other	86	78	82	111	96	98	106	135	149	146
Operating Profit		225	236	187	62	195	63	310	164	278	314
Operating Margin		30.0%	32.1%	23.1%	6.6%	23.2%	6.9%	35.4%	20.4%	31.4%	31.5%

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Our People Tech Business

Job offer media with contingency fee

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Advancing the mobility of human resources and energizing people and organizations through optimal matching between job seekers and employers.



Engagement Analysis Tool

.....

Visualize employee engagement in order to activate organization, utilize and nurture sustainment of personnel via SaaS model

Business Networking App

.....

Accelerate business with a valuable match between persons

Green



The origin of the name “Green”

Traffic light "green light" means that we can go. The site "Green" means that job seekers can find their own "green light".

Job Search Website for IT Industry with Contingency Fee

Point1

The first model in this industry

High recognition from both users and clients due to the leading advantage.

Point2

Inexpensive uniform fixed price

Comparing with competitive services, low cost of hiring excellent talent without risk.

Point3

Direct recruiting platform

Job seekers and companies can take action and communicate interactively.

Attain Efficient Matching Via Technology

**Labor intensive business model is being replaced by IT in many industries.
Green is replacing recruiting agencies by matching job seekers and companies through IT.**

e.g. Replacement of Travel Agency by Expedia



Customer

Expedia



Accommodations

Replacement of Recruiting Agency by Green



Job Seeker

Green



Companies

Internet Platform

Green Established a Unique Position

Technology x Low Cost x Superiority

Stock and Use of Big Data

Stocking and making use of data via Green ※1



High precision within the use of big data

Price Competitiveness

Low price due to no need of advisers and facility cost



Professional Adviser



Counseling Facility

Business with no fixed cost
High competitiveness in terms of cost

Predominant Superiority

Pioneer of Contingency fee model (over 15 years)

Number of Cumulative Registered Company

More than **7,700**

Number of Registered User ID

More than **850** thousand

High recognition among recruiting companies

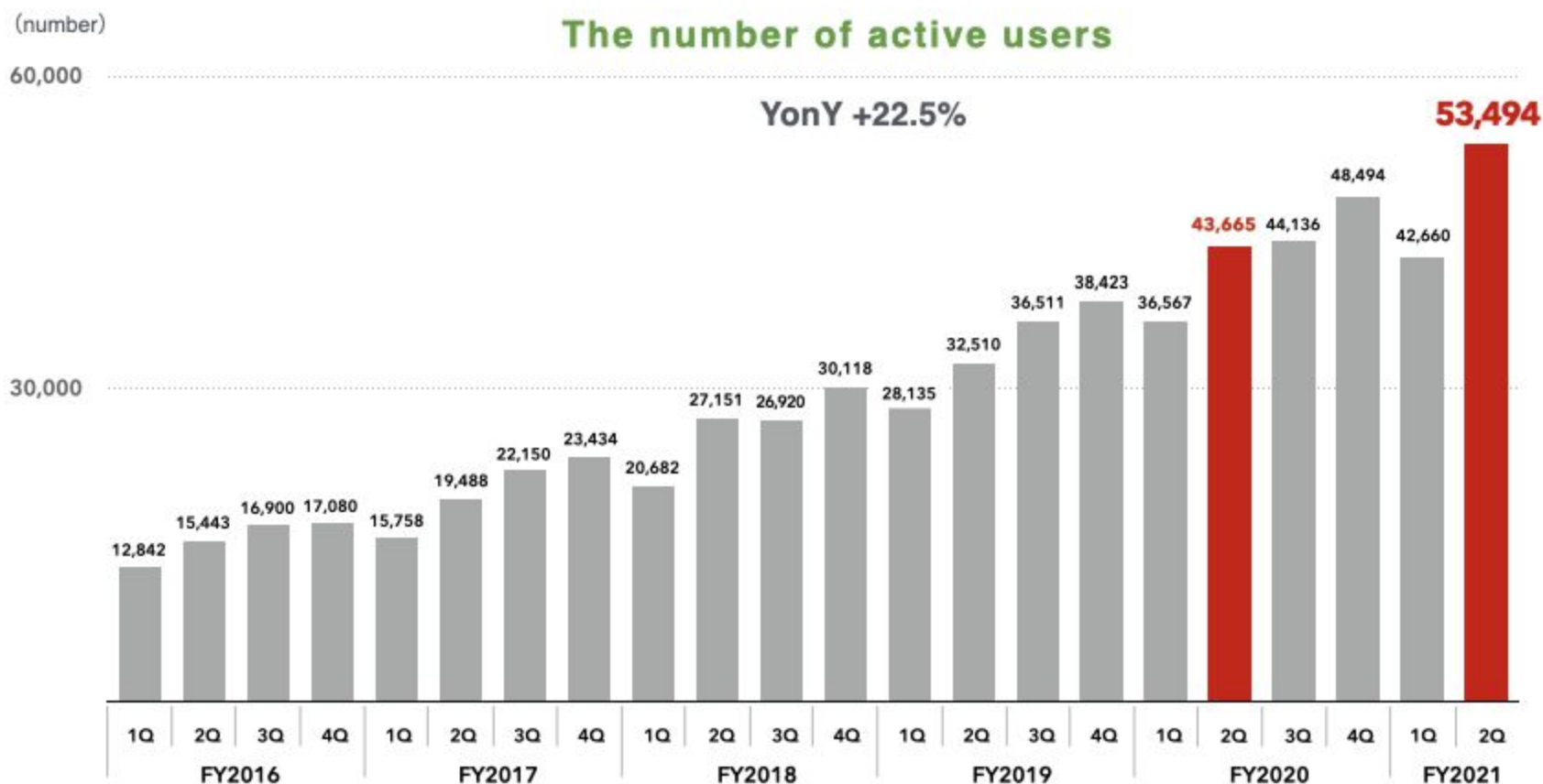
※1 Action data, profile data, selection data

Companies from Various Industries Introduce Green

Though companies adopting Green is mostly in the IT/Web industry, digitalization is taking part in many industries. With the raise of credibility and recognition due to the market change to 1st section of TSE, many prominent companies have introduced Green.



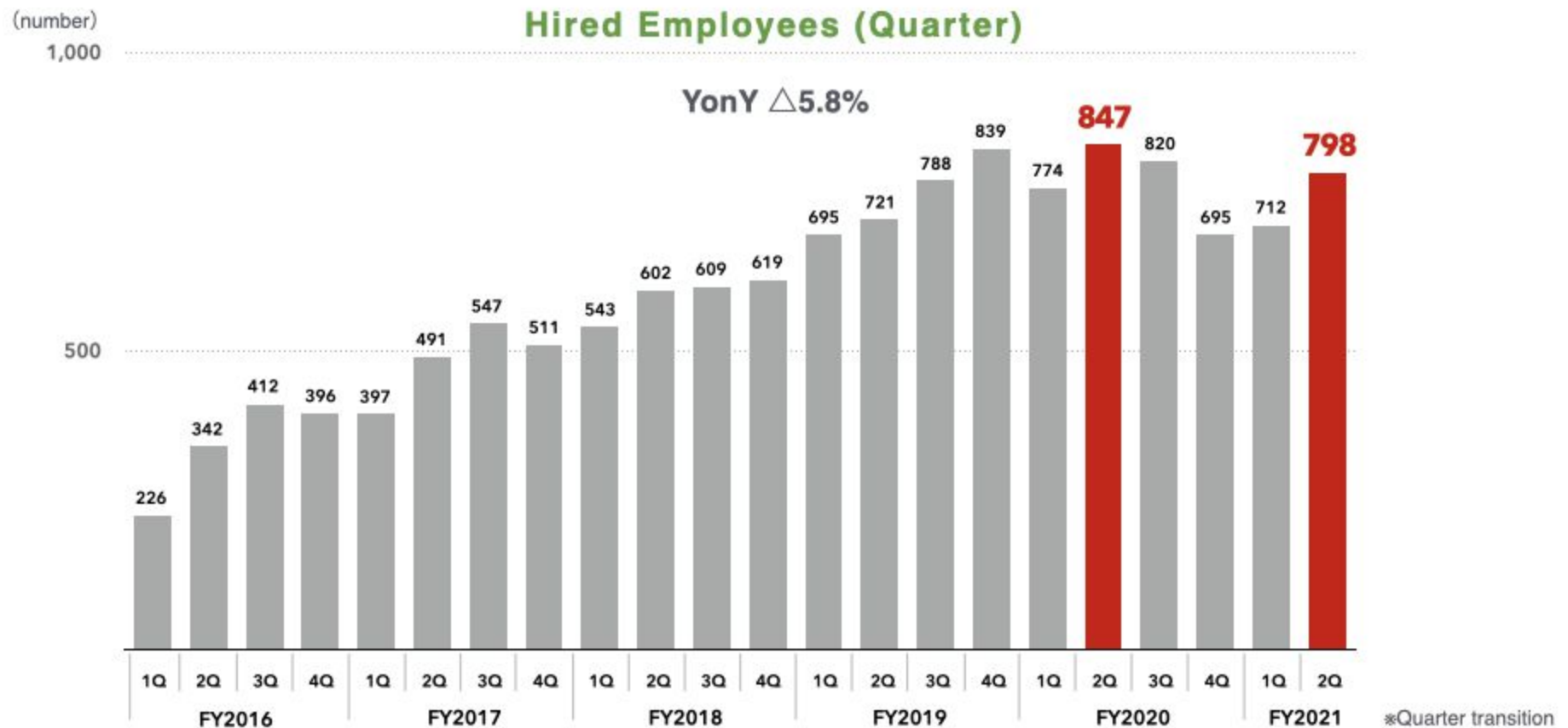
The number of active users reached a new record high



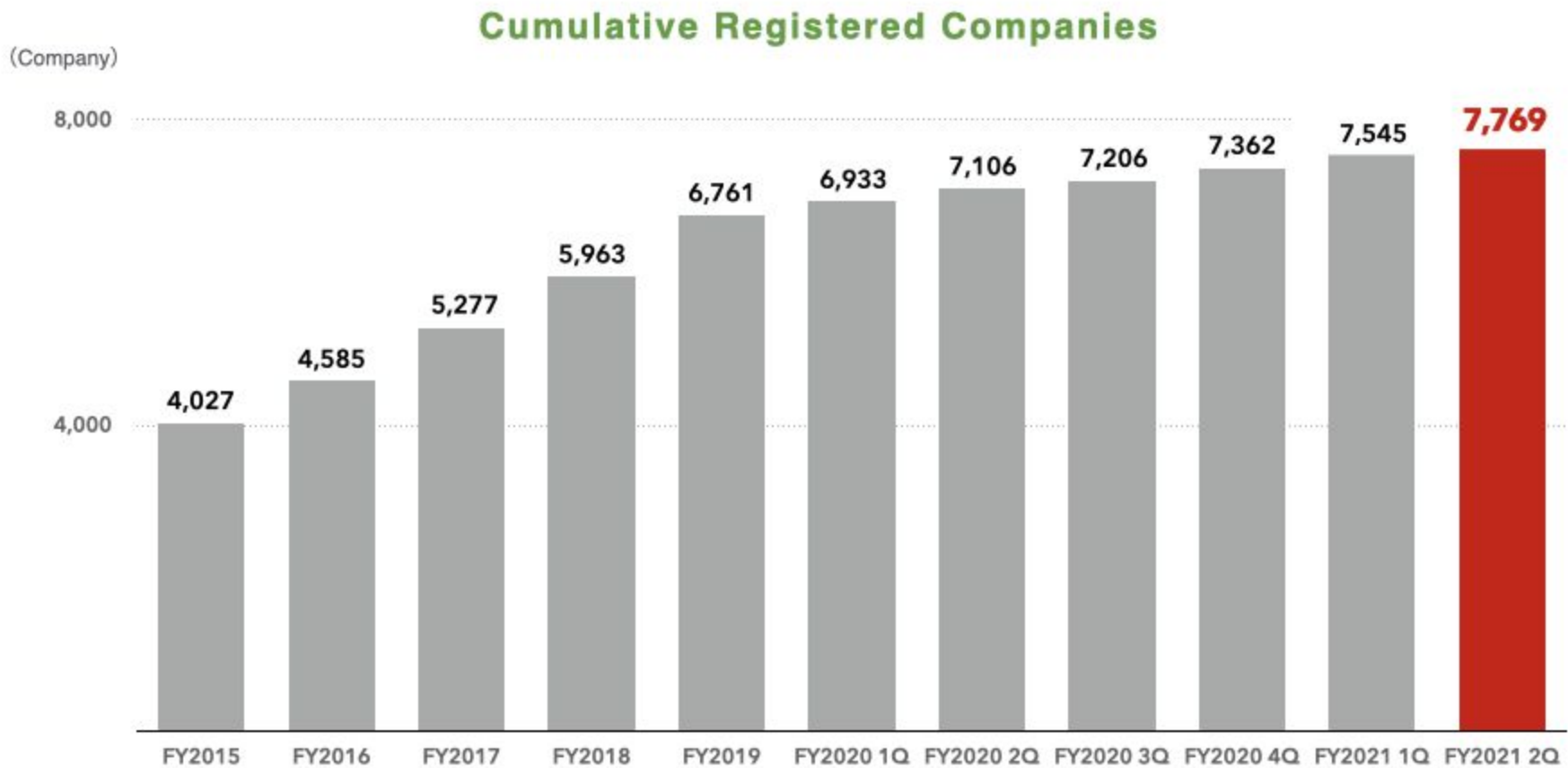
*1 Active user : Job seekers who log in at least once a month among job seekers who are registered with Green

*Quarter transition

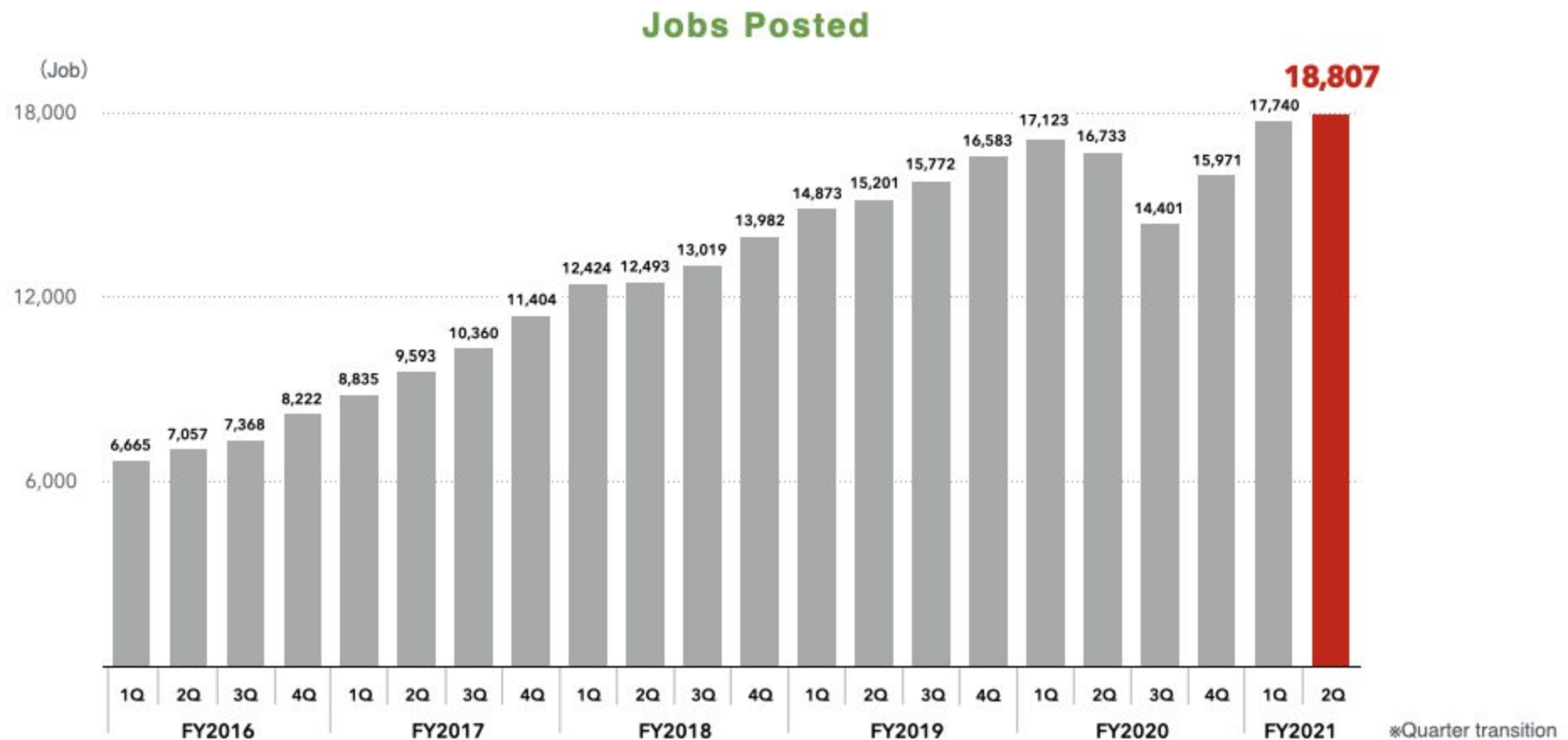
Despite $\triangle 5.8\%$ YonY decline,
the recovery trend in QonQ will lead to
a growth phase in the future



Steady Increase of Newly Registered Companies



The number of jobs posted reached a new record high



Potential Growth of Green

Green covers not only IT industry but also sales, accounting, and more.

Occupancy of Green towards the market size is insignificant, meaning there is huge potential of growth.

	Recruitment Market Size	^{※3} Green's Market Size	^{※4} Green's Occupancy
All Industry	^{※1} 303 B yen	181 B yen	1.3%
IT Industry	^{※2} 90 B yen	54 B yen	4.6%

※1 Yano Research Institute "Current Status and Future of Human Resource Business 2019 Edition

※2 DODA job change job offer magnification report (July 2018) figures calculated for how many candidates for mid-career recruitment are applied to one job applicant

※3 Green is a discounted model of Recruitment Agency by 60%

※4 Green's sales calculated as 2.5 B yen (FY2020 Actual)

組織力を見える化し、成長を加速させる

wevox

Energize your team with honest communication cycle



Engagement

Index to measure the understanding and contribution of each employees for the company's strategy or goal.
Causal relationship with performance is academically proven.

Engagement Analysis Tool utilizing pulse survey and machine learning

Point1

Visualization of engagement score

The first platform to visualize engagement in Japan, supervised by professor Shimazu of Keio University, a leading expert in the country

Point2

Utilizing technology

Automatically analyze the huge amount of data collected and enables immediate grasp of the organization's issues

Point3

Affordable price with SaaS model

Offer a low price of ¥ 300 per employee per month

wevox's Competitive Advantage

1 Pulse survey

Monthly periodic observation enables real-time understanding of organization issues

2 Usability

Easy -to-use design for various devices (PC/tablet-type device/smartphone)



3 Data analysis

Applying over 49 million responses to machine learning

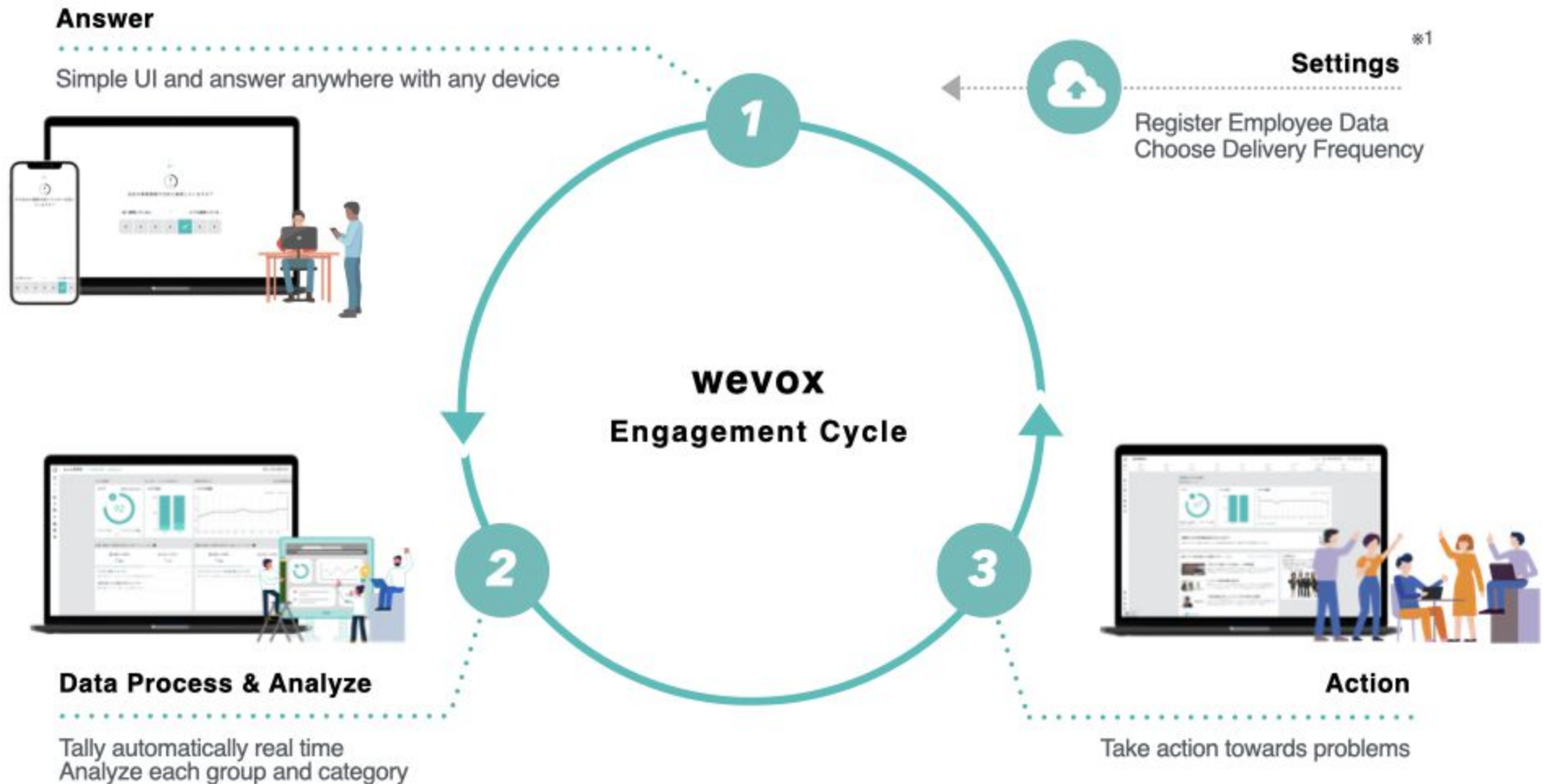


4 Academic basis

Supervised by Professor Akito Shimazu, Keio University, a leading expert in the engagement research



wevox Use Case



※1 wevox introduces “pulse survey” that is a simple questionnaire which repeats every 1-2 months

Continuous improvement of UI / UX

**Built an algorithm based on the user's response record and provides high usability.
High response rate by easy user interface**



Compatible with various communication tools and various devices
(e-mail · Slack · LINE WORKS · Workplace)

Adapted the needs to visualize the condition of organizations due to COVID-19

Facing difficulty to grasp the employees' condition due to remote work

Released a new survey that enables to grasp both physical and mental health of the employees

wevox

メンタルヘルスや身体健康に
関するサーベイを追加!!



～エンゲージメントに加え、より深い「状態理解」を可能に～

View results in real time

Analyze by various attributes such as department, position, year of joining, new graduate / mid-career

絶対値

相対値

ベンチマークとの乖離？

重要な変動

上昇

下降

集計対象更新

スコア出力

グループ

集計対象者数

参加率

総合評価

職務

自己成長

健康

支援

人間関係

承認

理念戦略

組織風土

環境

全メンバー

41

0%

C⁺

66

66

65

68

69

63

74

73

70

新規事業促進部

4

0%

B⁻

79

73

71

39

75

76

76

76

70

管理部

6

0%

C⁺

70

66

70

74

71

35

77

73

75

社内システム部

10

0%

C⁺

56

62

69

67

68

69

73

72

73

システム開発部

15

0%

C⁺

65

64

70

58

68

69

73

72

68

法人営業部

16

0%

B⁻

65

67

60

73

68

67

74

72

71

2012年世代

4

0%

B⁻

73

73

74

60

76

76

79

76

73

サンプル①事業部

28

0%

C⁺

66

65

64

66

68

66

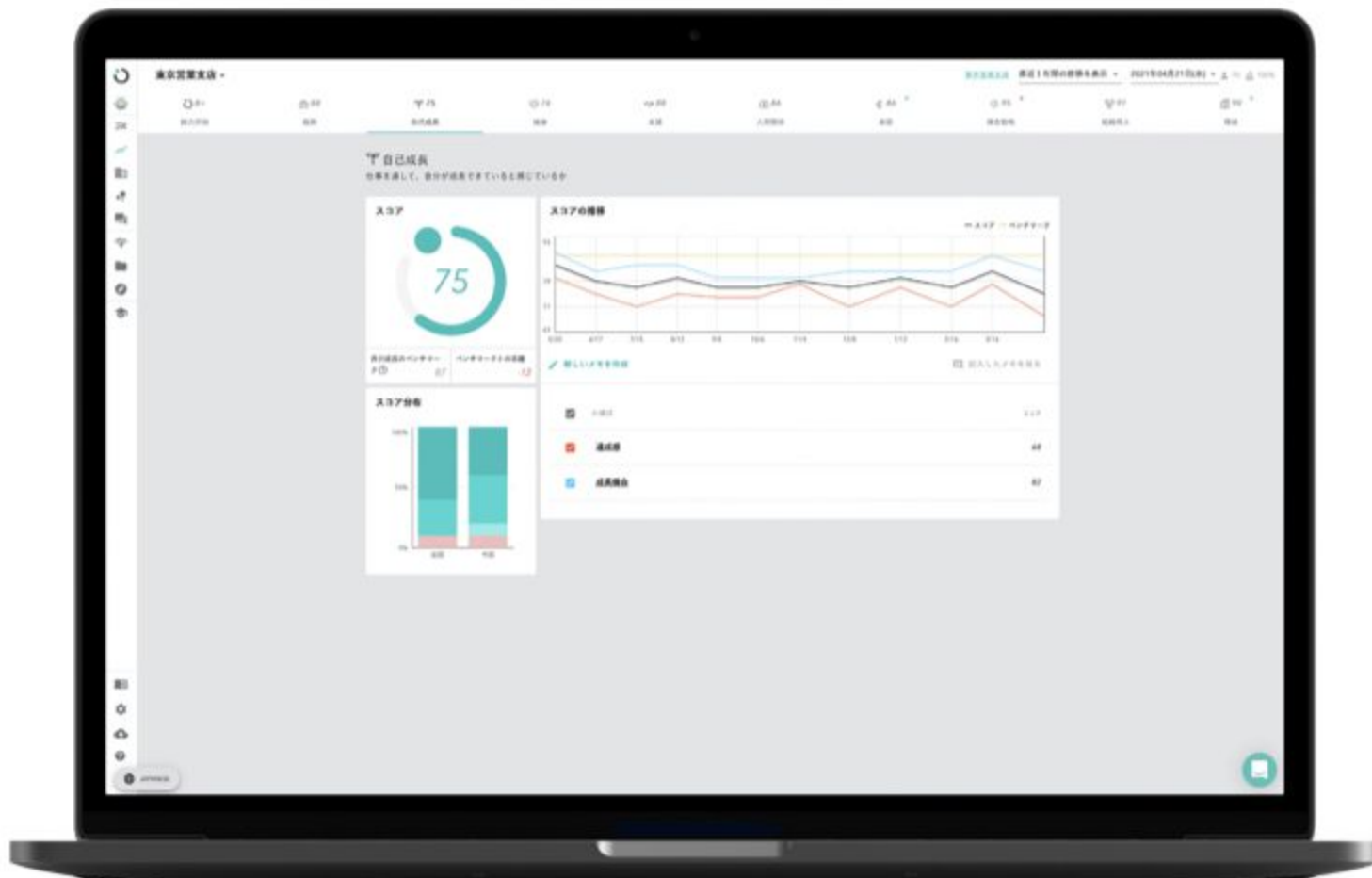
74

72

68

Periodic observation by pulse survey

Enables detailed analysis through comparing with the past data



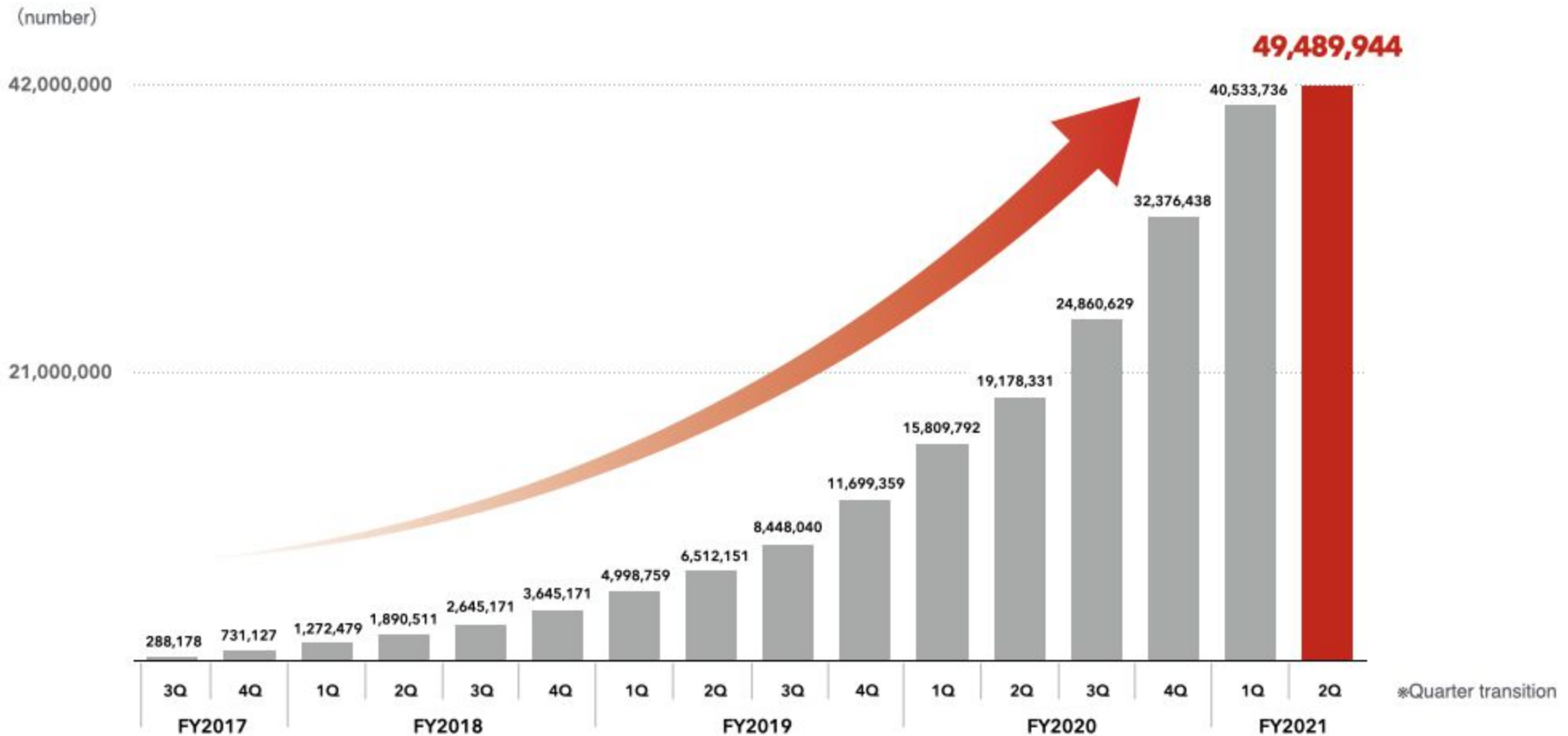
wevox has been introduced in many industries

Companies adopting wevox cover many different industries and sectors such as IT, securities, bank, medical, food, sports teams. Currently, wevox is adopted by more than **1,900** companies. Increase of users more than the growth of the companies and organizations introduced.



Increase of Answer Data

Continuously developing new features using response data to take competitive advantage



Realize a subscription model with high growth potential

Transition in the number of companies adopted

(Company)

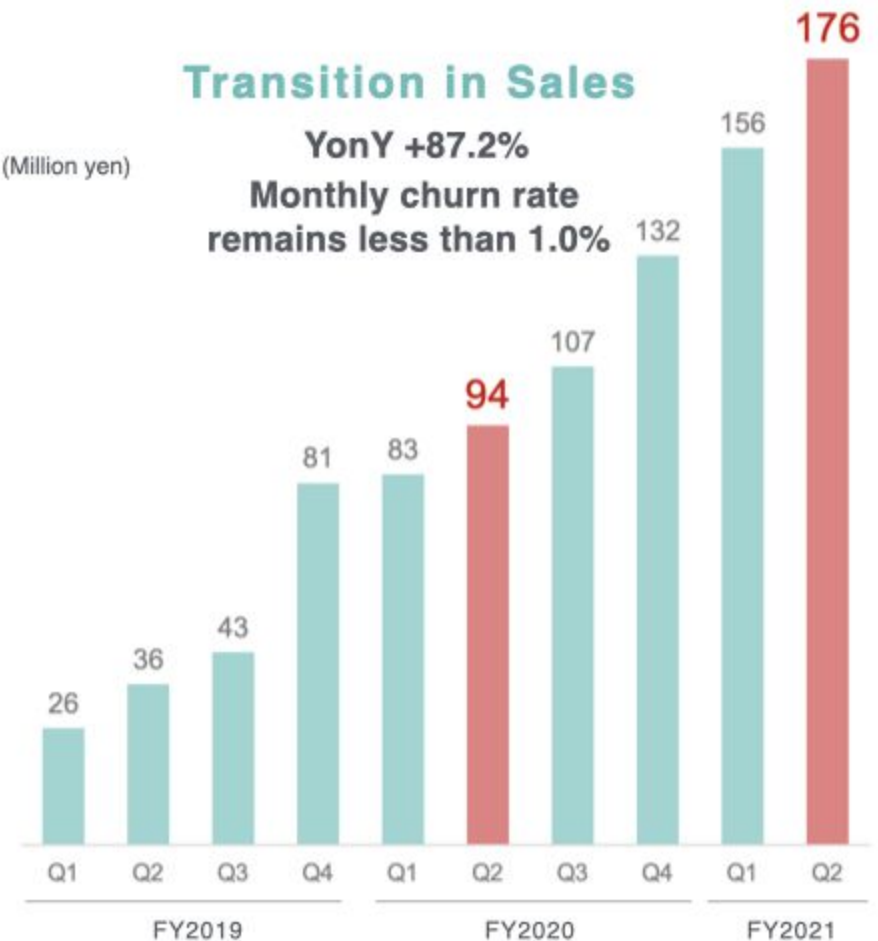


Transition in Sales

(Million yen)

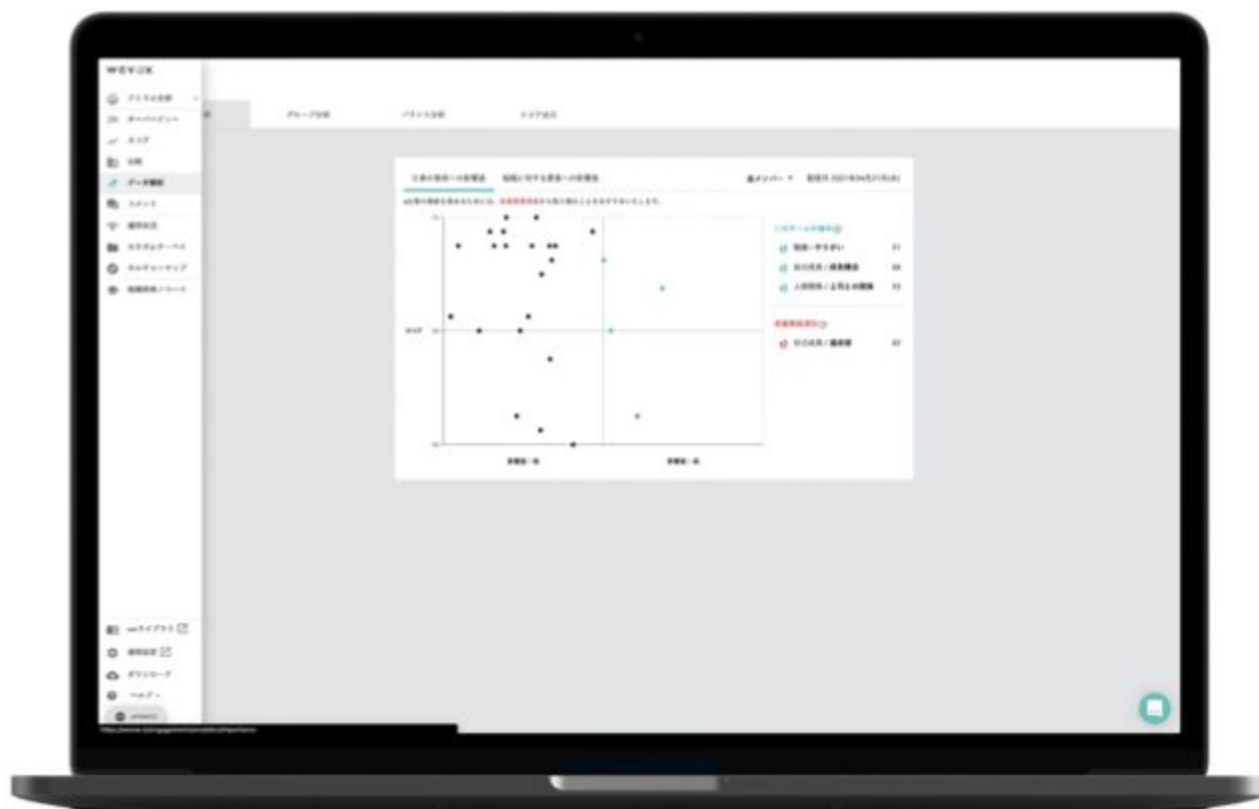
YoY +87.2%

Monthly churn rate
remains less than 1.0%



Improvement of additional value through the accumulation and analysis of data

Visualize the degree of influence of each factor on engagement by analyzing accumulated data. Enables effective organizational improvements based on data



Potential Growth of wevox

Potential target

All Employed Persons

67.2M^{※1}
People

Wide range of industries
including sports and
educational organizations

Price Competitiveness

¥ **300** per month

Targeting wide range of
clients via SaaS model

Potential Market size

More than

240B^{※2}
yearly

Pursuit the expansion
of the market size by
rising wevox's pricing

※1 Ministry of Internal Affairs and Communications Statistics Bureau

※2 Calculation : Number of Employed Person 67.25M people × ¥300 per person × 12 months = ¥242B

yenta



Professional Networking App to Create “Encounters for Accelerating Business”

Point1

Create an attractive encounter beyond organizational boundaries

Promote open innovation, diversification of working methods, productivity improvement, etc.

Point2

Utilizing technology

Artificial intelligence realizes large number of matches

Point3

High user satisfaction

★4.1 (880 responds)

Most responds are positive with a high satisfaction rate

User Cases



Capital and business alliance

An entrepreneur and Venture Capitalist from the same Tokyo Tech University met through Yenta and concluded a capital and business alliance.



Obtained work

Used to actively job hunt and freelance at the same time, but met people via Yenta and obtained work from more than 7 companies. This led to having the confidence in continuing as a freelancer.



Co-founded a startup company

An architect who worked overseas became co-founder of a real estate startup with the people they met via Yenta.

Making use of the skills as an architect, created a new business in Japan despite the lack of network.

Other than listed above, realized recruitment and meeting mentors through Yenta.

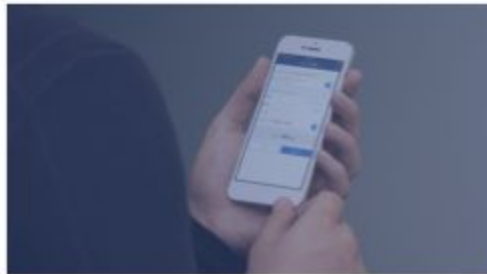
Potential Growth of Yenta

Shifting from companies to individuals



Platforms such as SNS or Crowdfunding have expanded and widened individuals' stages, which led to an era independent from companies and organizations.

High Active Rate



Currently, Yenta has a high active rate despite saving on advertisement expenses. In the future, Yenta will start strategic advertisement and aim to obtain more users by expanding areas.

Expansion based on cities



Since Yenta is an app, it is relatively easy to expand both domestically and globally. Especially in South East Asia, there is a high demand on meetups between business persons. The national version was released in Japan in May 2020. The global version was released in India, the first country to launch the app globally in August 2020.

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FY2021 Full-Year Forecast

Pursuing to expand market share by leveraging Green's competitive advantage in the job market

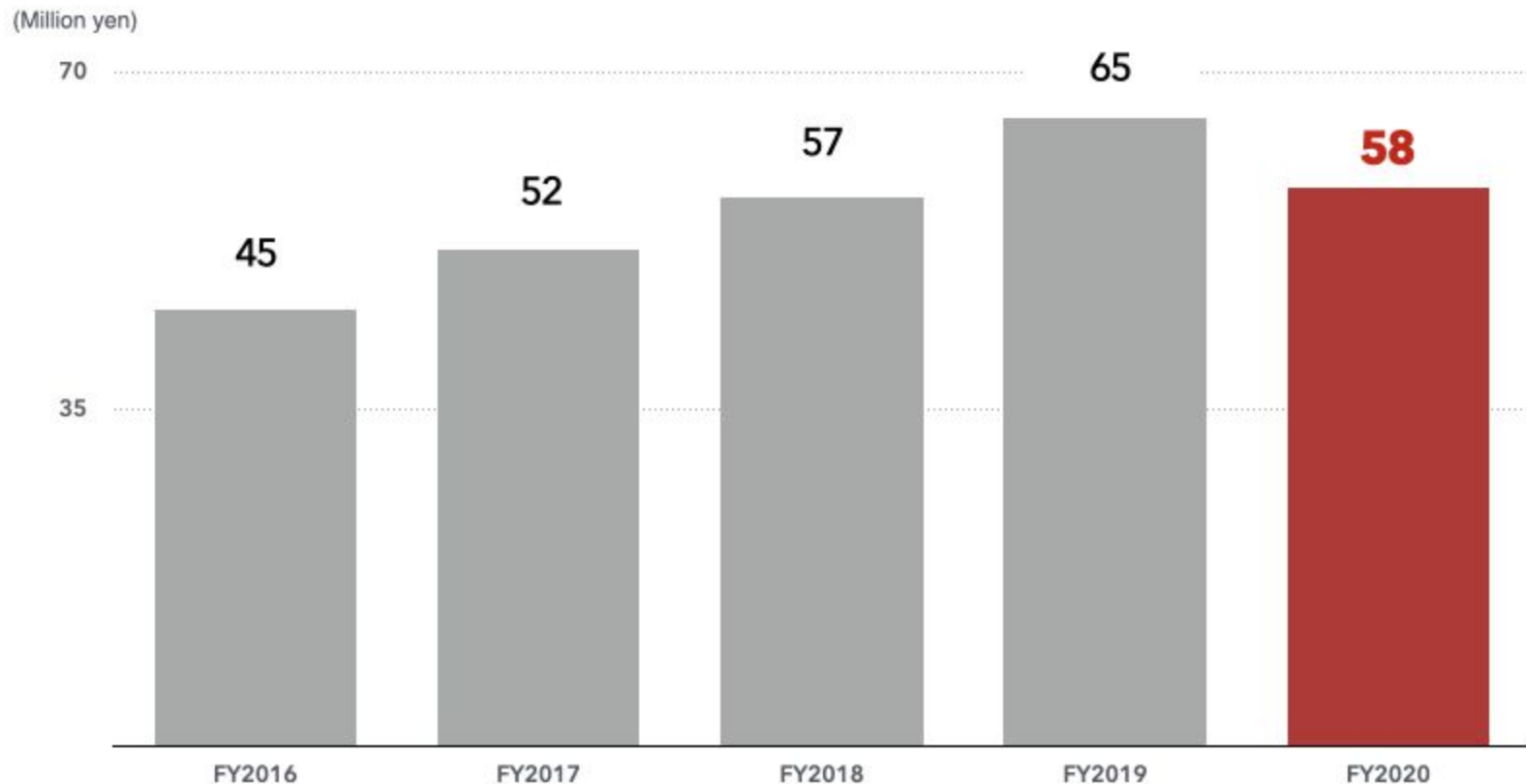
Strategic investments planned to accelerate wevox's growth

Create and monetize new businesses in order to sustain long-term growth

(Million yen)		Consolidated FY2021 full-year	Parent-only FY2020 full-year	Variance	%
Sales		3,700	3,430	270	7.9%
	Green	2,970	2,962	8	0.3%
	wevox	700	416	284	68.3%
	new businesses	30	52	△22	△42.3%
Operating Expense		3,200	2,698	502	18.6%
	Stock-based compensation expense	100	35	65	185.7%
Operating Profit		500	732	△232	△31.7%
Operating Margin		13.5%	21.3%	-	△7.8pt

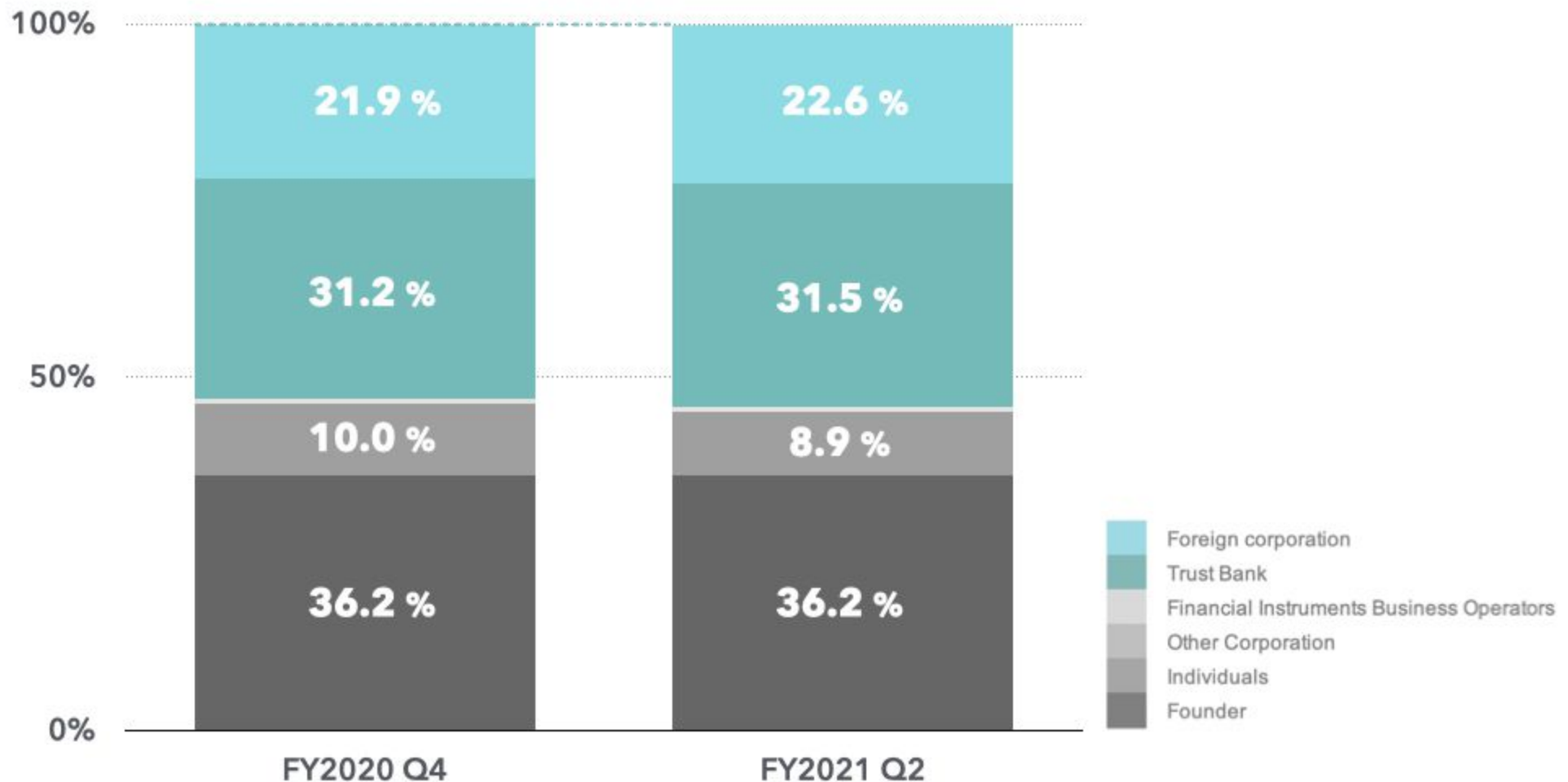
Transition of Sales Per Employee

Despite the decrease of productivity due to the impact of the COVID-19, productivity improvements will be focused as a key management indicator.



Shareholding Structure

More than 50% owned by domestic and foreign institutional investors



:Atrae

Name	Atrae, Inc.
Business Outline	Green : a contingency fee basis job site wevox : an engagement analysis tool Yenta : a matching app for business professionals
Foundation	October, 2003
Management	Yoshihide Arai, President & CEO
Employee	68 (As of March, 2021)
Capital Stock	1,123 (in JPY MM)
Location	Minato-ku, Tokyo, Japan

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