



September 9, 2022

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## Notice Regarding Extraordinary Loss (Consolidated and Non-Consolidated) and Reversal of Deferred Tax Assets

Ateam Inc. (hereafter Ateam) hereby announces that Ateam recorded consolidated and non-consolidated extraordinary losses and reversed its deferred tax assets in the fourth quarter of the fiscal year ended July 31, 2022.

### 1. Details of Extraordinary Loss

#### a) The record of impairment losses on fixed assets (consolidated)

Ateam recorded impairment losses on fixed assets of 591 million JPY for the following reasons.

- Impairment loss associated with termination of some of the offices and stores

Ateam encourages our employees to work from home to realize diverse working styles along with the prevention of spread of COVID-19. Accordingly, Ateam recorded impairment losses of 105 million JPY due to termination of some offices on fixed assets as well as of some stores of the bridal business alongside its store operation plans.

- Impairment loss alongside the lower recoverability

Ateam carefully examined the recoverability of some fixed assets in the Lifestyle Support Business and the Entertainment Business, in consideration of the current performance trends. As a conclusion, Ateam recorded impairment losses of 485 million JPY due to the lower recoverability of book value.

#### b) The record of loss on stock value of subsidiaries (non-consolidated)

Ateam made a conclusion that the actual value of its subsidiaries' stocks decreased due to the current performance trend. Therefore, Ateam recorded a 627 million JPY extraordinary loss in accordance with the method prescribed in "Accounting Standard for Financial Instruments".

#### Details of loss on stock value of the subsidiaries

Ateam Finergy Inc.	364 million JPY
Qiita Inc.	163 million JPY

*The following English translation is for reference purposes only, as it was originally prepared and published by the Company in Japanese and is qualified in its entirety by the original Japanese version submitted to the Tokyo Stock Exchange. Please refer to the Japanese version in the event of any discrepancy between the English and Japanese versions.*

Ateam Entertainment Inc. 100 million JPY

- c) The record of provision of allowance for doubtful accounts (non-consolidated)

Ateam recorded provision of allowance for doubtful accounts of 524 million JPY for loans to the consolidated subsidiary, Ateam Entertainment Inc., due to its current business performance.

There is no effect on the consolidated financial results as the records of loss on stock value of the subsidiaries and provision of allowance for doubtful accounts mentioned above are eliminated from the consolidated financial statements.

## 2. Details of Reversal of Deferred Tax Assets

Considering the financial results for the fiscal year ended July 31, 2022 and financial forecasts for the next fiscal year, Ateam examined the recoverability of deferred tax assets, and decided to record the assets of 463 million JPY to the adjustment for income tax.

## 3. Effect on Financial Results

The extraordinary losses mentioned above are reflected in the “Consolidated Financial Results for the Fiscal Year Ended July 31, 2022 (Japan GAAP)” disclosed on September 9, 2022. We will promptly disclose the impact on financial results if any significant matters to be disclosed arise in the future.