



December 16, 2022

Company Name: Ateam Inc.

Representative: Takao Hayashi, President

(Code Number: 3662)

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Notice Regarding Subsidiary Company Split (Absorption-Type Demerger) and Transfer of Its Shares (Transfer of Second-Tier Subsidiary)

Ateam Inc. (hereafter “Ateam”) resolved to build a new company named cyma Inc. (hereafter “cyma”) to succeed assets, liabilities, contracts, and other rights and obligations of Ateam CommerceTech Inc.’s (hereafter “Ateam CommerceTech”) online bicycle business in a manner of a company split (hereafter “the Company Split”) and to transfer all issued shares of cyma (hereafter “the Share Transfer”) to Y. International, Inc. (hereafter “Y. International”). The Share Transfer to Y. International along with the Company Split will hereafter be referred to as “the Transaction”.

Due to the Company Split occurring within Ateam's consolidated subsidiary Ateam CommerceTech into a new wholly owned subsidiary, some disclosure items and details have been omitted.

1. Purpose of the Transaction

Under our corporate purpose of “Combining Creativity and Tech to Deliver More Convenience and More Fun to All”, Ateam aims to continue delivering added value services with high creativity to realize a sustainable and better society. Therefore, we have been working on creating an organization to achieve this purpose and optimizing our management resources by reassessing our business portfolio.

Regarding Ateam CommerceTech’s online bicycle business, the service was launched in 2013 with the intention of generating a new source of earnings apart from the Entertainment Business and Lifestyle Support Business. The service has grown into the No. 1 online comprehensive bicycle store in terms of annual revenue* by establishing its uniqueness of being an E-Commerce site where users can purchase fully assembled bicycles.

*As of February 10, 2020, according to ESP Research Institute, Inc.

However, not having retail stores is a hurdle to expand earnings and growth and it is expected that more time and investment will be necessary to resolve this issue.

Considering this situation, by transferring the business to Y. International which has abundant experience in bicycle online and retail stores, we determined that the Transaction can possibly realize sustained growth and increase earnings by fusing Y. International’s know-how with cyma’s e-commerce operational know-how.

2. Overview of the Transaction

(1) Schedule

Date of Share Transfer Agreement	December 16, 2022
Date of Establishment of New Company	Late December 2022 (tentative)
Date of Absorption-Type Demerger Agreement	Early January 2023 (tentative)
Effective Date of Absorption-Type Demerger	March 1, 2023 (tentative)
Date of Share Transfer	March 1, 2023 (tentative)

(2) Method of the Company Split

By means of an absorption-type demerger, Ateam CommerceTech will split to create the new company cyma as a succeeding company.

(3) Details of Allotment Related to the Company Split

There will be no allotment or delivery of shares, money, etc. from the new company cyma to Ateam CommerceTech in relation to the Company Split.

(4) Treatment of Stock Option Rights Related to the Company Split

Not Applicable.

(5) Increase/decrease in Capital Due to the Company Split

There will be no increase or decrease in capital of Ateam CommerceTech in relation to the Company Split.

(6) Rights and Obligations to Be Succeeded to by Successor Company

On the effective date of the Company Split, the new company will succeed the rights and obligations including assets and liabilities of the business as separately stipulated in the absorption-type demerger agreement.

(7) Prospect of Debt Fulfillment

It is determined that there will be no problems with the certainty of performance of obligations to be incurred by Ateam and the successor company in relation to the Company Split.

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.

3. Overview of Companies Involved in the Company Split

	Company to Undergo Company Split	Successor Company*
(1) Company Name	Ateam CommerceTech Inc.	cyma Inc.
(2) Location	28-12 Meieki 3-chome, Nakamura-ku, Nagoya, Japan	28-12 Meieki 3-chome, Nakamura-ku, Nagoya, Japan
(3) Representative	President, Kazuhiro Mochizuki	President, Kazuhiro Mochizuki
(4) Business Overview	E-Commerce business (planning, development and operation of multiple e-commerce websites that handle various products)	Online bicycle business
(5) Capital	50,000 thousand JPY	50,000 thousand JPY
(6) Date of Establishment	April 22, 2021	Late December 2022 (tentative)
(7) Issued Shares	100,000 shares	100,000 shares
(8) Financial Year Ending	July 31	February 28
(9) Major Shareholders	Ateam 100%	Ateam CommerceTech 100%
(10) Relationship with Ateam		
Capital Ties	Ateam owns 100% of the shares.	Ateam CommerceTech, a consolidated subsidiary of Ateam, will own 100% of the shares.
Personnel	President of Ateam is a member of the Board of Directors of Ateam CommerceTech.	Not applicable.
Transactions	The company has a business management contract with Ateam and loans to Ateam.	There is no business relationship with Ateam since the company has not started business yet.
Related Party Status	The absorption-type split company is a consolidated subsidiary of Ateam, thus, a related party.	The successor company is a wholly owned subsidiary of Ateam's consolidated subsidiary, thus, a related party.
(11) Financial Status and Operating Results for the Previous Fiscal Year		
Fiscal Year Ended July 2022		
Net Assets	227 million JPY	
Total Assets	885 million JPY	

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Net Assets Per Share	2,275 JPY
Revenue	4,326 million JPY
Operating Loss	186 million JPY
Ordinary Loss	191 million JPY
Net Loss Attributable to Shareholders of Parent Company	153 million JPY
Net Loss Per Share	1,531 JPY

*Note: The establishment of the successor company is scheduled in late December 2022, therefore, all of the above items are tentative.

4. Overview of Business Division to Be Split

(1) Business

Online bicycle business

(2) Business Performance (as of the fiscal year ended July 31, 2022)

Revenue of 4.3 billion JPY

(3) Items and Amount of Assets and Liabilities to Be Split (as of October 31, 2022)

Assets		Liabilities	
Item	Amount	Item	Amount
Current Assets	879 million JPY	Current Liabilities	357 million JPY
Fixed Assets	41 million JPY	Fixed Liabilities	— million JPY
Total	920 million JPY	Total	357 million JPY

Note: The above amount is calculated based on the balance sheet as of October 31, 2022. The actual amount of assets and liabilities to be split will be the amount after adding or subtracting any increase or decrease that occurs up to the effective date.

5. Status After the Company Split (as of March 1, 2023 (tentative))

	Company to Undergo Company Split	Successor Company
(1) Company Name	Ateam CommerceTech Inc.	cyma Inc.
(2) Location	28-12 Meieki 3-chome, Nakamura-ku, Nagoya, Japan	28-12 Meieki 3-chome, Nakamura-ku, Nagoya, Japan
(3) Representative	President, Kazuhiro Mochizuki	President, Kazuhiro Mochizuki
(4) Business Overview	E-Commerce business	Online bicycle business
(5) Capital	50,000 thousand JPY	50,000 thousand JPY
(6) Fiscal Year Ending	July 31	February 28

6. Overview of Company Receiving Stock Transfer

(1) Name	Y. International., Inc.
(2) Location	1-27-8 Higashi-Ikebukuro, Toshima-ku, Tokyo
(3) Representative	President, Keiichiro Torii
(4) Business Overview	<ul style="list-style-type: none"> - Domestic sales of sports cycles, bicycle parts, and accessories - Planning, manufacturing, and sales of original products - Production of custom-made bicycles - Maintenance and tune-up of sports cycles - Purchase and sales of used sports cycles
(5) Capital	50,000 thousand JPY
(6) Date of Establishment	August 23, 2021 (established in 1898)
(7) Total Assets	9,051,689 thousand JPY (actual results for the fiscal year ended February 28, 2022)
(8) Net Assets	3,243,847 thousand JPY (actual results for the fiscal year ended February 28, 2022)
(9) Major Shareholders	Investment Partnership “DPIP Enterprise Support No.1” 100%
(10) Relationship with Ateam	
Capital Ties	Not applicable.
Personnel	Not applicable.
Transactions	Not applicable.
Related Party Status	Not applicable.

7. Number of Shares Transferred, Transfer Price, and Status of Shares Held Before and After Transfer

New Company (cyma Inc.)

(1)	Number of Shares Before Transfer	100,000 shares (ratio of voting rights: 100.00%)
(2)	Number of Shares to Be Transferred	100,000 shares (ratio of voting rights: 100.00%)
(3)	Number of Shares After Transfer	0 share (ratio of voting rights: 0.00%)
(4)	Price of the Share Transfer	Undisclosed

*Note: Although the price of the Share Transfer is undisclosed due to an agreement with the company receiving stock transfer, it is recognized as a fair price based upon discussions between the two parties.

8. Outlook

Considering the impact of the Transaction on our business performance, the necessity to revise our full-year forecasts is currently under examination. We will promptly disclose any decisions regarding a forecast revision.