



Sep 8, 2023

# FY2023 Business Report

Ateam Inc. (Security code: 3662)

- 1. FY2023 Full-Year Financial Results**
- 2. FY2023 Q4 Financial Results**
- 3. FY2023 Q4 Business Details**
- 4. FY2024 Guidance**
- 5. Initiatives and Notes on the Coming Fiscal Years**

APPENDIX: Company Overview

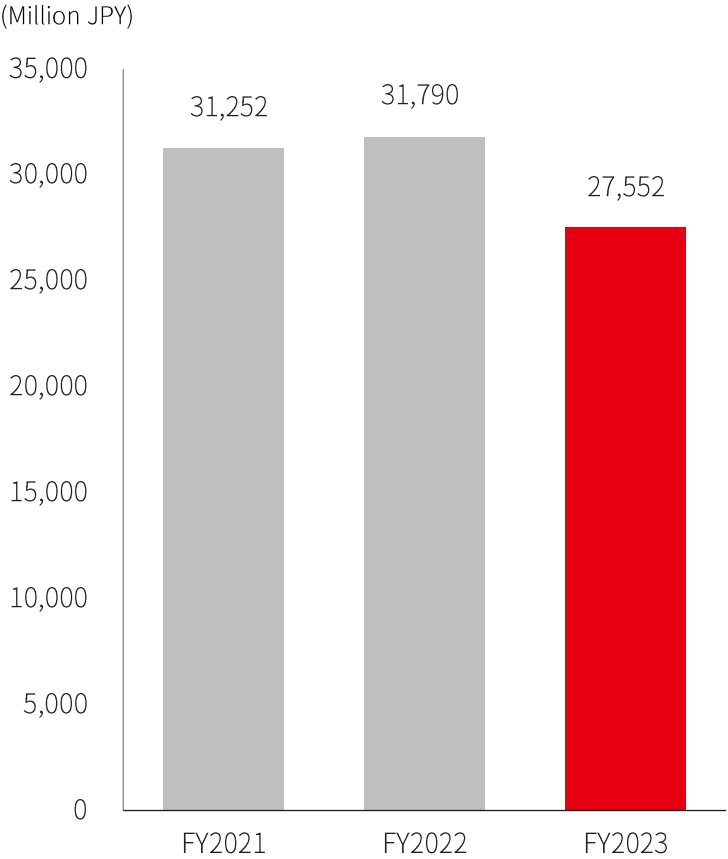
APPENDIX: Sustainability

APPENDIX: Supplementary Financial Data

# **1. FY2023 Full-Year Consolidated Financial Results**

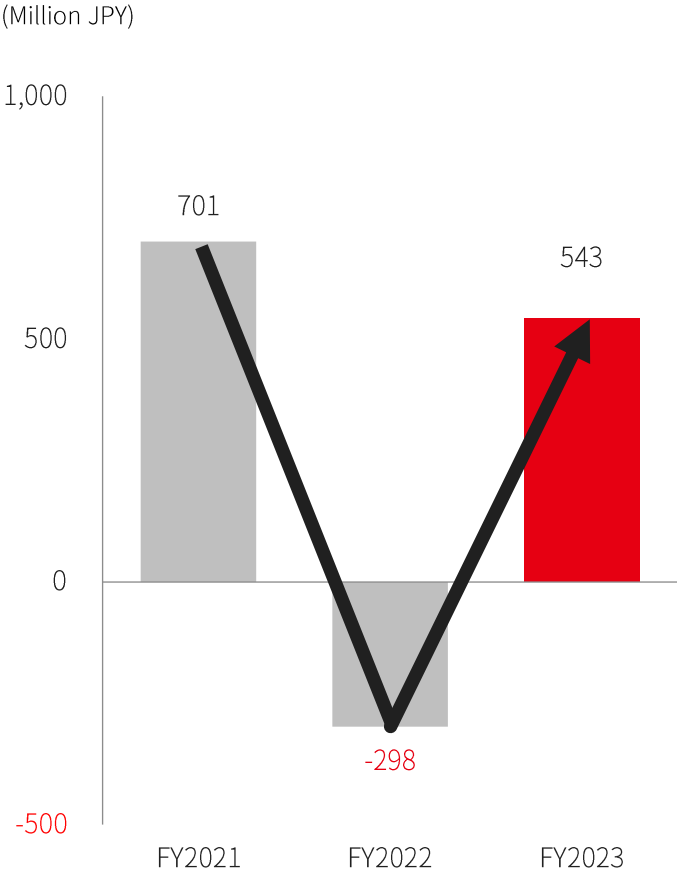
Revenue

**Down Y/Y Due to Transfer of “cyma”, etc.**



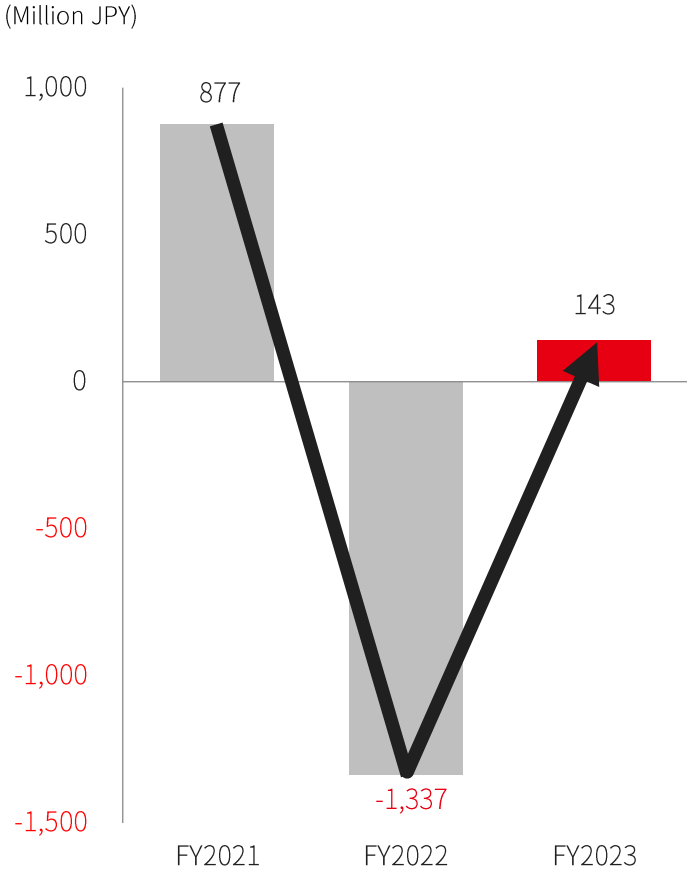
Operating Income

**Turned Profitable While Investing in Ads**



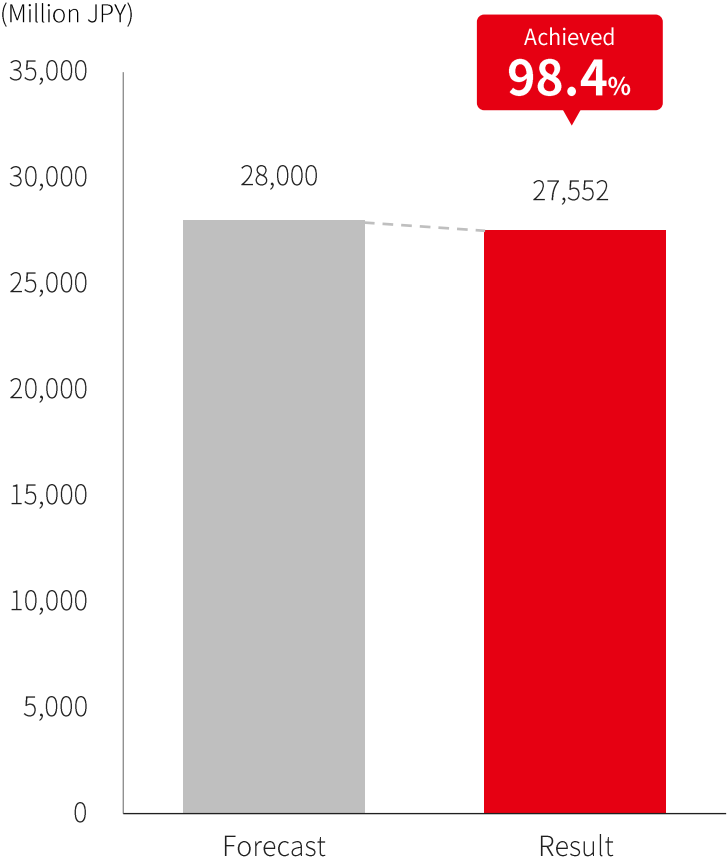
Net Income

**Turned Profitable Even with Extraordinary Losses**

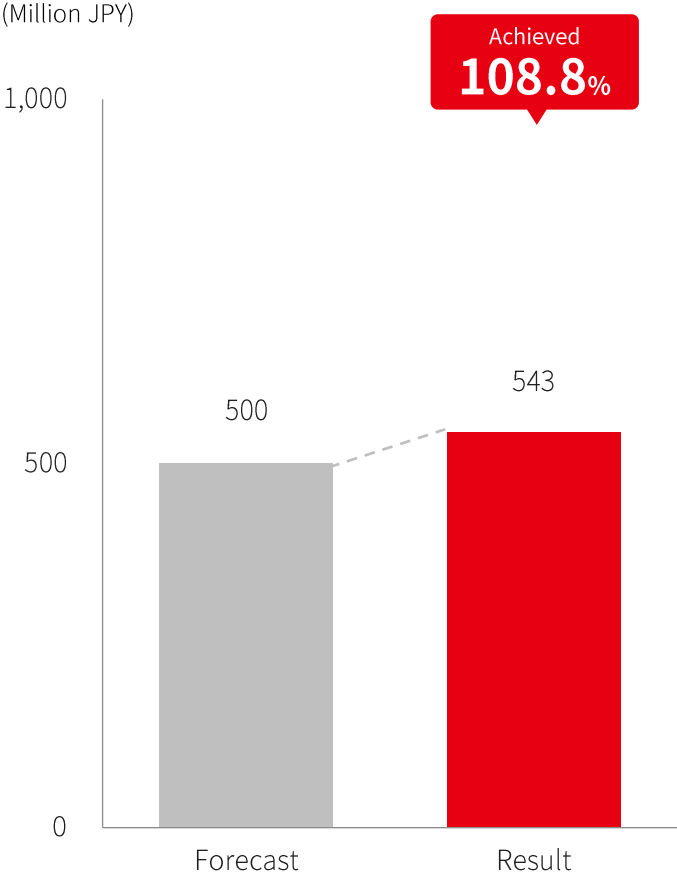


● Progress Against Revised Consolidated Forecast

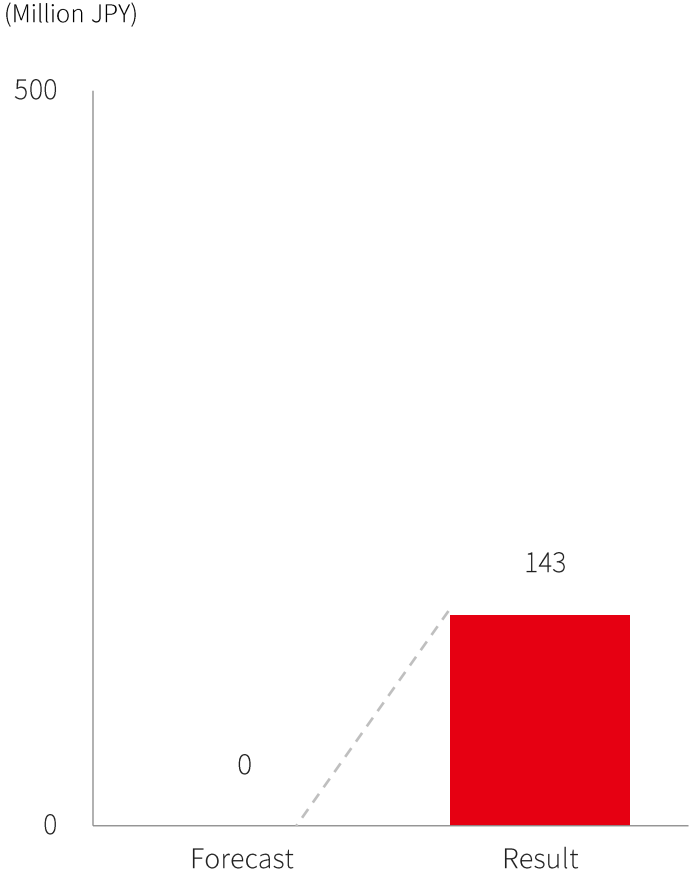
Revenue



Operating Income



Net Income



## Overall

### Profit Margin Improved by Optimizing Resources

- Worked on Optimizing Management Resources, Including the Service Termination of “FINAL FANTASY VII THE FIRST SOLDIER” and Transfer of “cyma”
- Turned Profitable Compared to Loss in the Previous Fiscal Year While Continuously Investing in Advertising for Further Growth

## Lifestyle Support

### Profit Up Despite Brand Investment and Negative Impact of Market Changes

- Profit Increased Despite the Negative Impact of Market Changes in Some of the Customer Referral Businesses
- Invested in Both Advertising to Acquire Further Brand Recognition and in a System for Common Management of User Data for the Integrated Brand While Prioritizing to Ensure Profit

## Entertainment

### Remarkable Profit Increase by Balancing Efficient Operation and Investment

- Reclassified Pipelines for New Games in Consideration of Changing Market Trends
- Turned Profit through Efficient Operation of Existing Games Despite Investing in Development of New Games

## EC

### Significant Revenue Down Due to Transfer of “cyma”, but “lujo” Turned Profitable in Q4

- Handing Over Bicycle Retail Business “cyma” to cyma Inc. and Transferring All of Its Shares on Mar 1, 2023, Resulted in Segment Revenue to Significantly Decrease
- Cosmetic Brand “lujo” Shifted From the Investment Phase to the Profit Contribution Phase and Turned to Profit in Q4

## **2. FY2023 Q4 Consolidate Financial Results**

Revenue and Profit Down Y/Y Due to Transfer of “cyma”\* and Impact in Customer Referrals to Electric Utility Companies and Telecommunications Carriers

Overall

Revenue

6,307

million JPY

( Y / Y 76.5 % , Q / Q 93.1 % )

Operating Income

170

million JPY

( Y / Y 25.6 % , Q / Q 104.7 % )

Net Income

141

million JPY

( Y / Y -% , Q / Q 92.2% )

\* For more details, please refer to “[Notice Regarding Subsidiary Company Split \(Absorption-Type Demerger\) and Transfer of Its Shares \(Transfer of Second-Tier Subsidiary\)](#)” disclosed on December 16, 2022, and “[\(Progress of Disclosure Matters\) Notice Regarding Completion of Subsidiary Company Split and Transfer of Its Shares](#)” disclosed on March 1, 2023.



Lifestyle Support

Revenue and Profit Down Y/Y, Q/Q

Profit Down Y/Y Due to Limited/Suspended Customer Referrals Despite Financial Media and Human Resources Media Contributing to Profits

Revenue	:	4,303 million JPY	( Y / Y	82.5 % ,	Q / Q	87.7 % )
Profit	:	283 million JPY	( Y / Y	35.1 % ,	Q / Q	51.0 % )

Entertainment

Revenue and Profit Down Y/Y, but Both Up Q/Q

Continuous Downward Trend in Existing Games Resulted in Revenue and Profit Decline Y/Y

Revenue	:	1,475 million JPY	( Y / Y	86.4 % ,	Q / Q	126.5 % )
Profit	:	140 million JPY	( Y / Y	85.0 % ,	Q / Q	- % )

EC

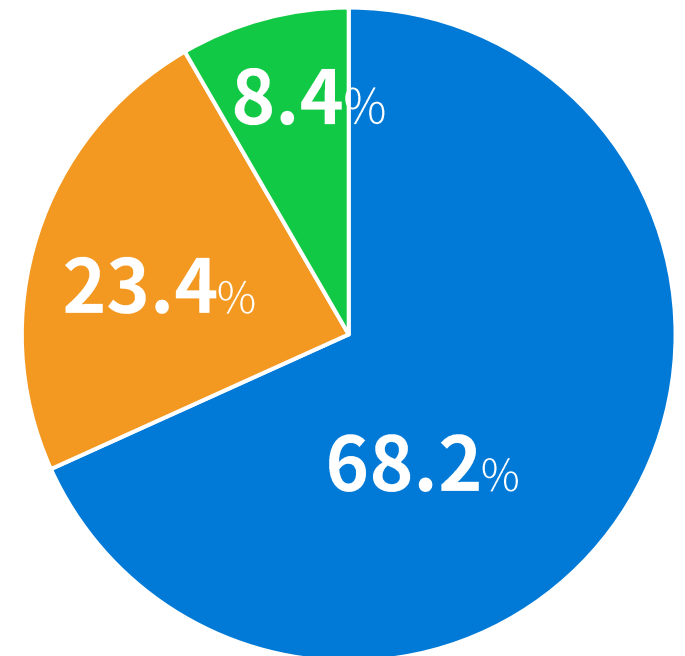
Revenue Down, but Profit Up Y/Y, Q/Q

Significant Revenue Decrease Y/Y Coinciding with the Transfer of “cyma”, but “lujo” Turned Profitable in Q4

Revenue	:	527 million JPY	( Y / Y	39.7 % ,	Q / Q	75.9 % )
Profit	:	-64 million JPY	( Y / Y	- % ,	Q / Q	- % )

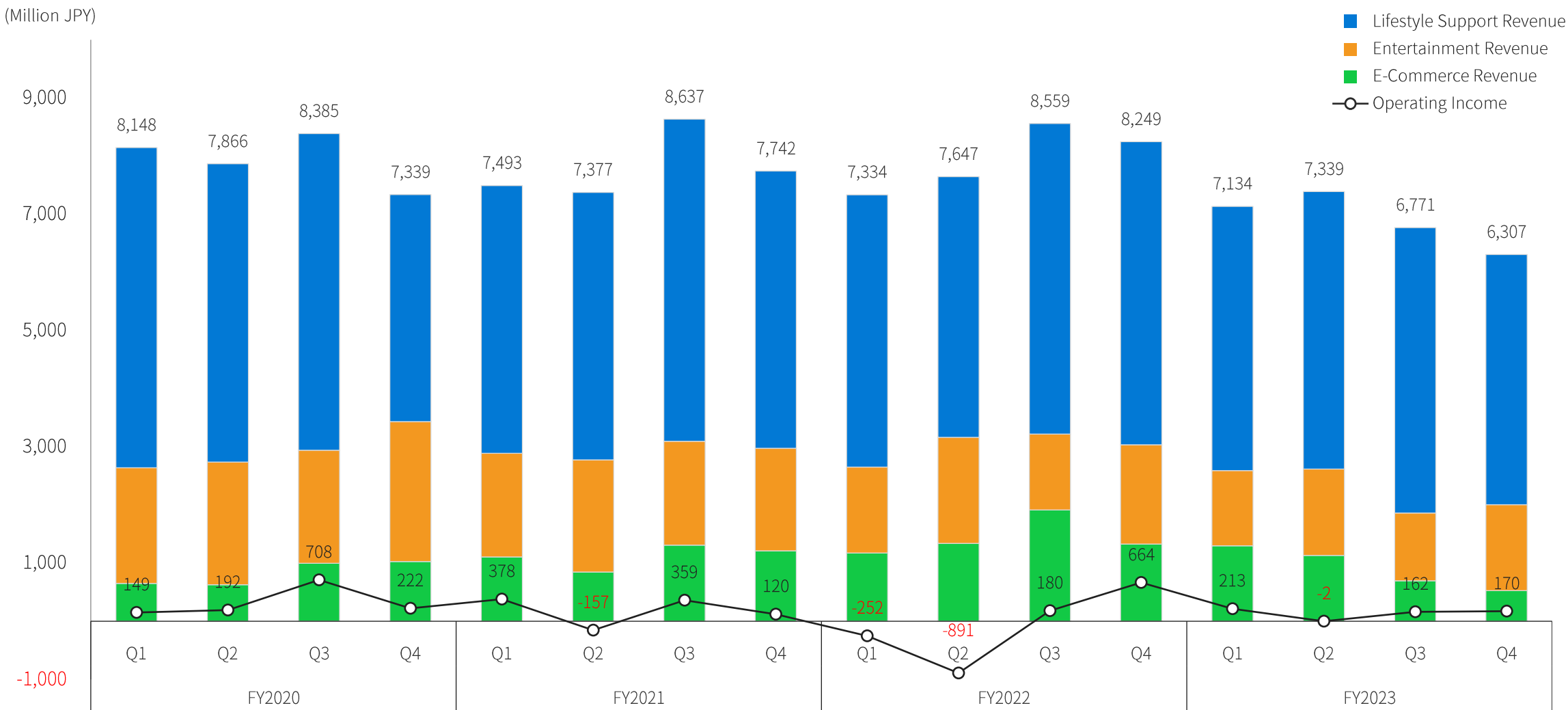
Revenue Ratio

- Lifestyle Support
- Entertainment
- E-Commerce



\* Segment classification has been changed from FY2023Q1. Figures shown are after the segment reclassification for the Lifestyle Support Business and the EC Business.

● Consolidated Quarterly Financial Trends

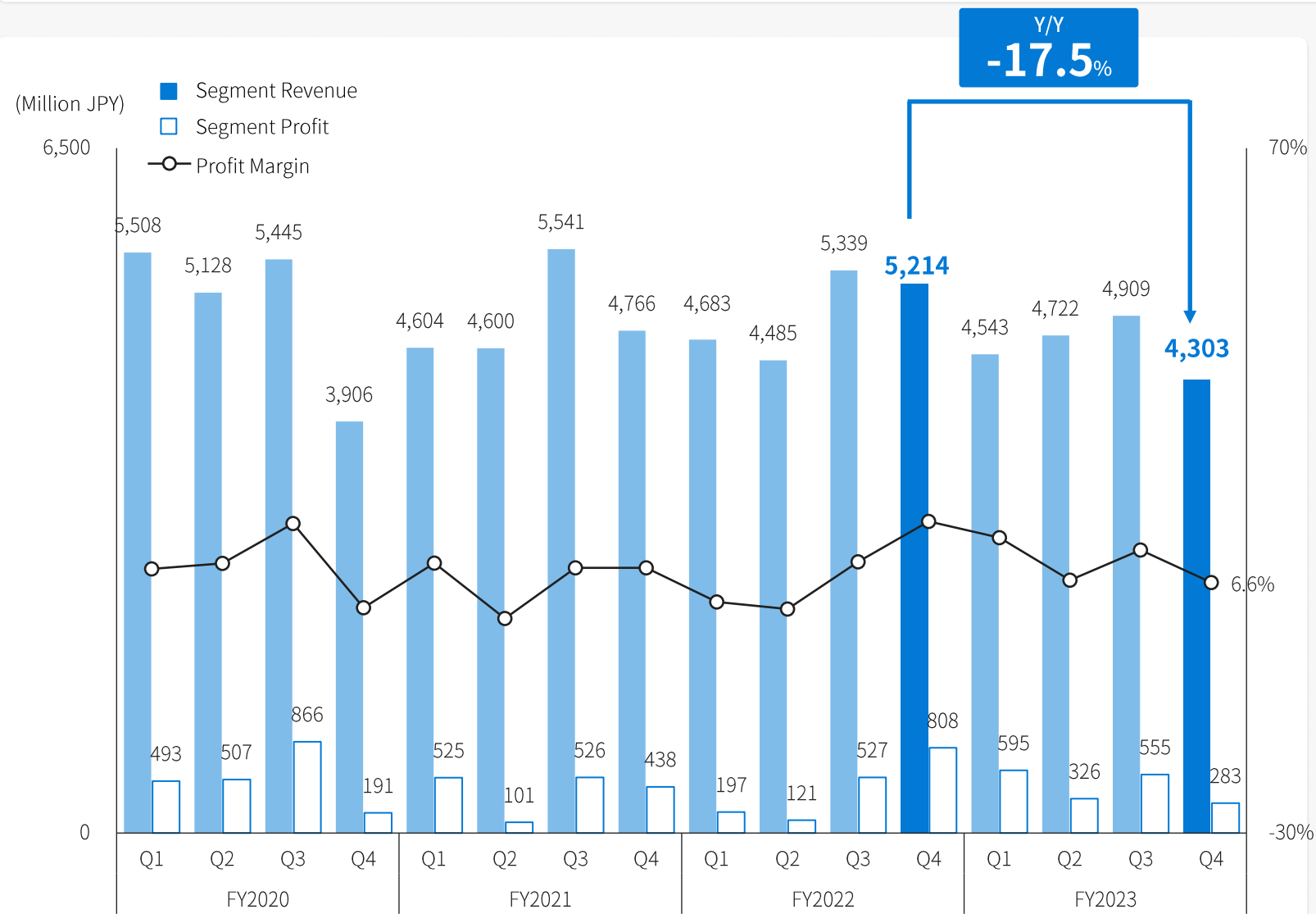


\* Segment classification has been changed from FY2023Q1. Figures shown are after segment reclassification for the Lifestyle Support Business and the EC Business.

# 3. FY2023 Q4 Business Details

# Lifestyle Support Business

Lifestyle Support Business: Performance Trends



\* Segment classification has been changed from FY2023Q1.  
Figures shown are after the segment reclassification for the Lifestyle Support Business and the EC Business.

Main Variable Factors

Revenue

- ◎ Insurance Agency Services
- Human Resources Media Services
- × Customer Referrals to Electric Utility Companies and Telecommunications Carriers

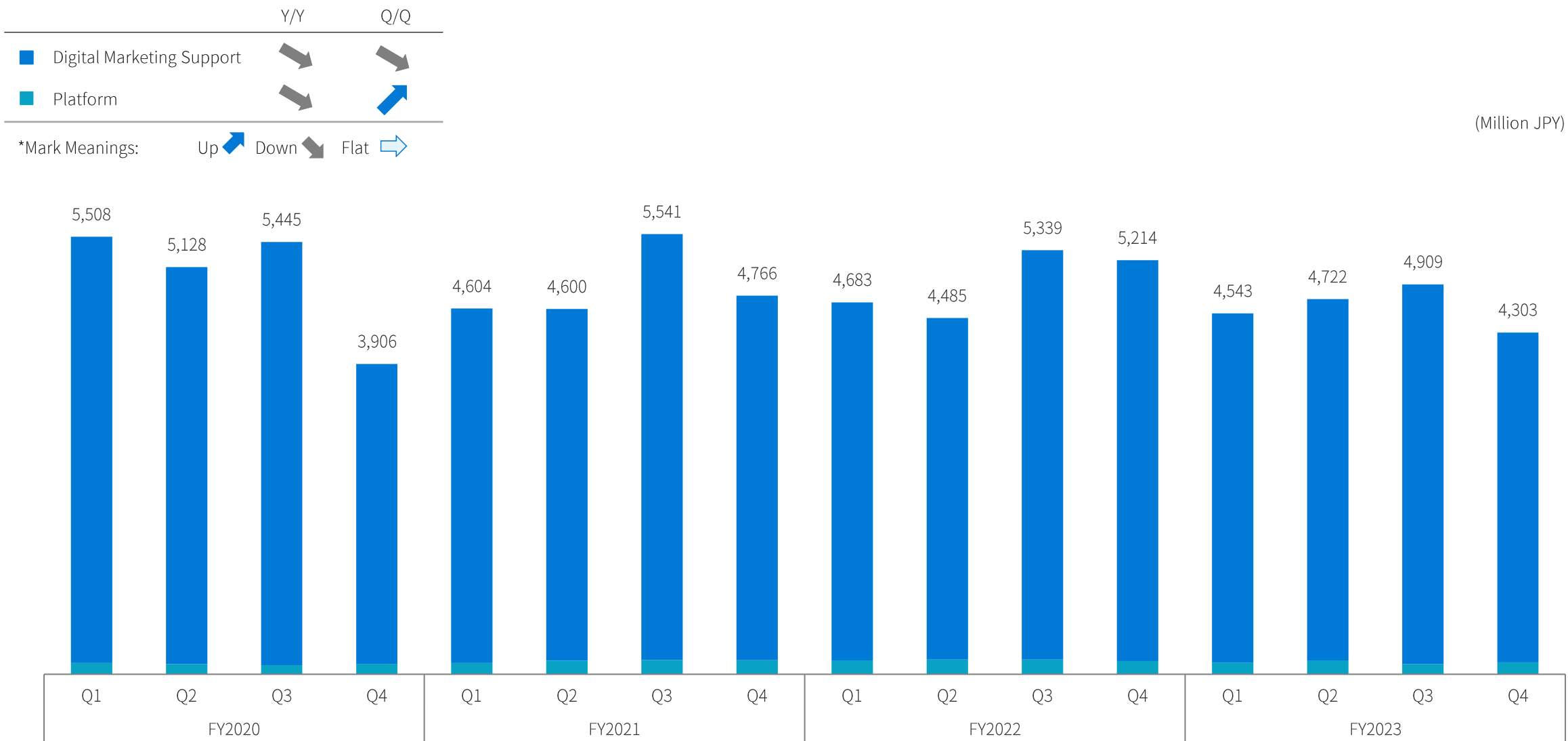
Profit

- ◎ Financial Media Service
  - × Customer Referrals to Electric Utility Companies and Telecommunications Carriers
  - × Bridal Services
- Increased Investment in Advertising in Preparation for Market Recovery

\* Y/Y growth rate

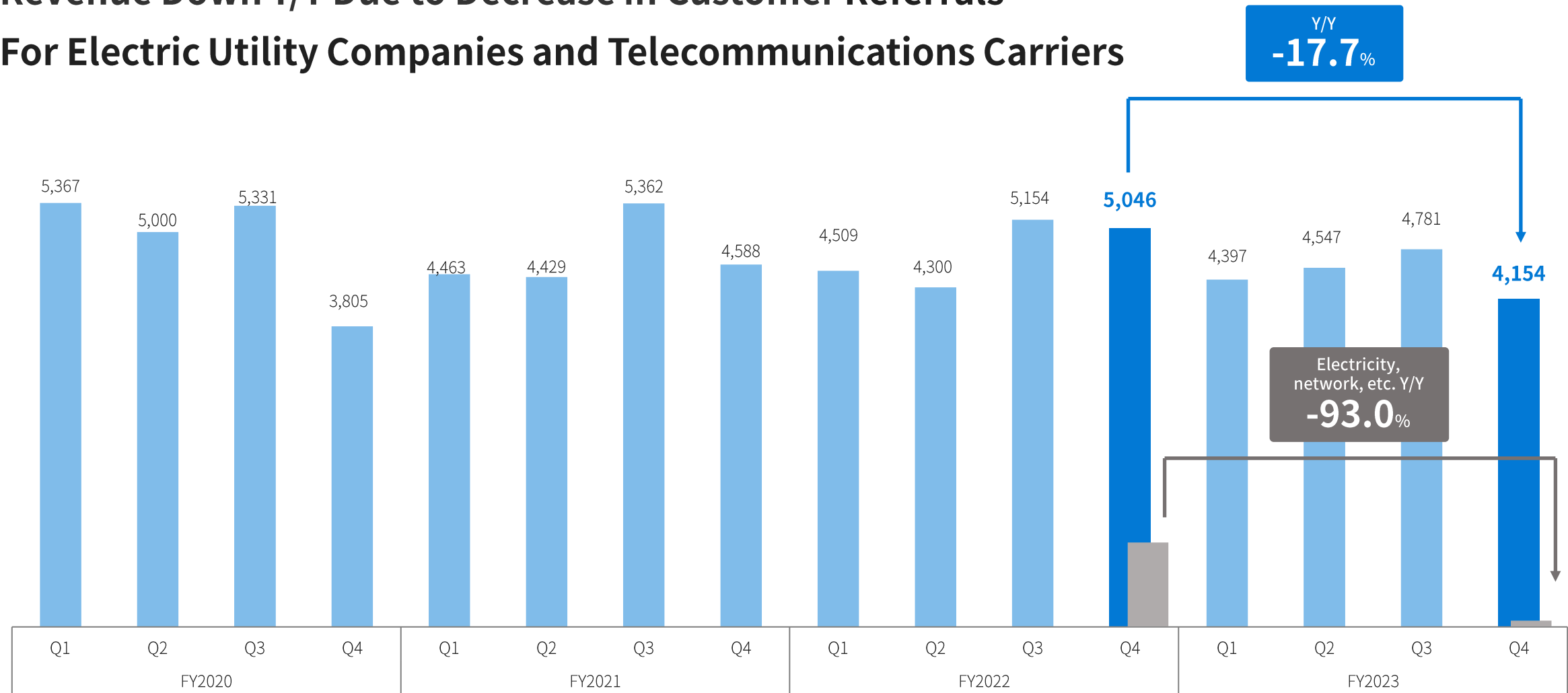
- ◎ More than +50%
- More than +10% but less than +50%
- × Less than -10%

Lifestyle Support Business: Sub-Segment Revenue Trends



\* Segment classification has been changed from FY2023Q1. Figures shown are after the segment reclassification for the Lifestyle Support Business and the EC Business.

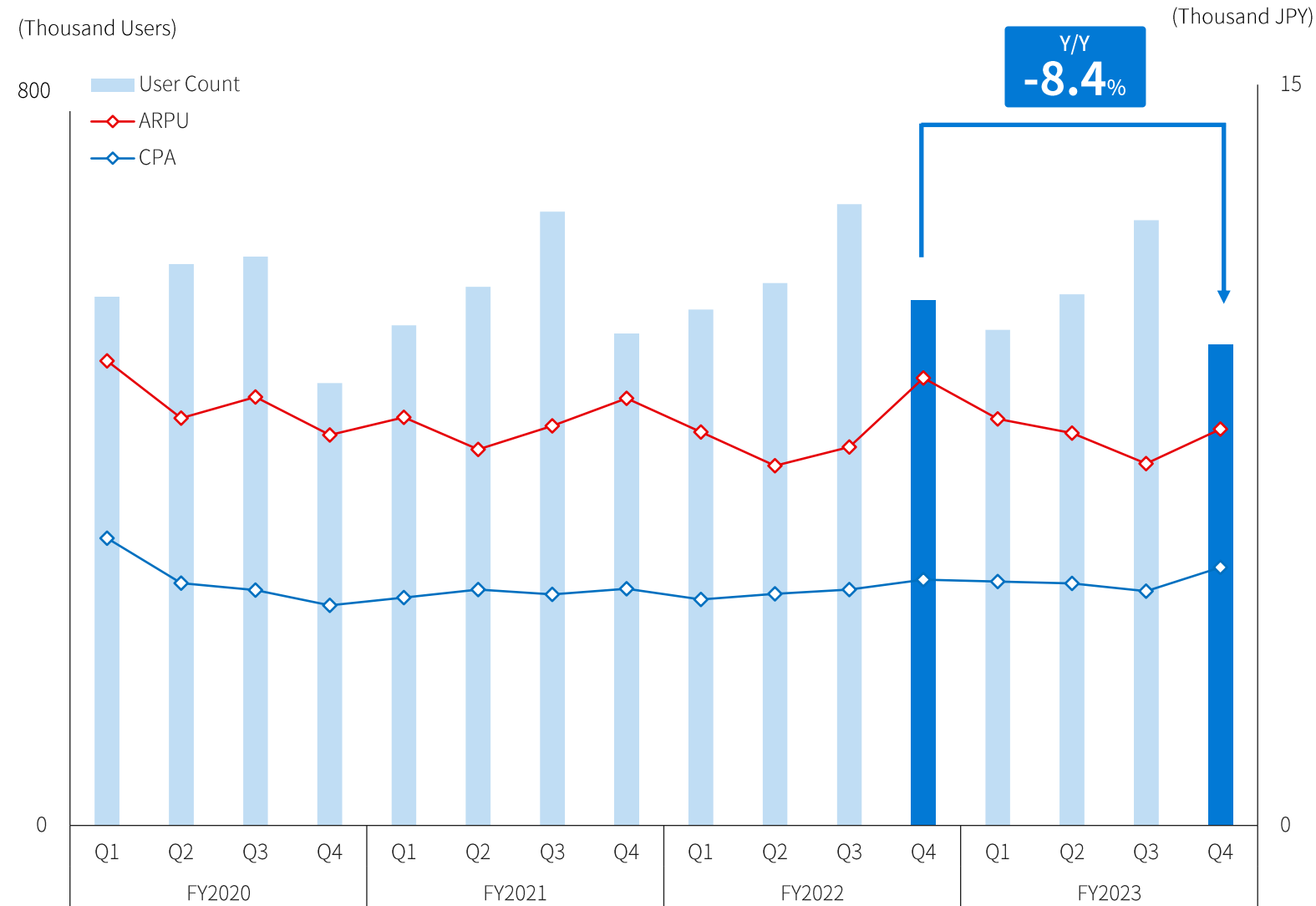
# Revenue Down Y/Y Due to Decrease in Customer Referrals For Electric Utility Companies and Telecommunications Carriers



## Main Variable Factors

Business	Business Condition Considering External Environment	Condition
Financial Media	Competition in web-ads has eased compared to FY2022 Q4 resulting in a profit increase along with efficient ads operation.	○
Car	Used car prices remain relatively high despite recovering new car market along with the increasing supply of semiconductors.	○
Moving-Adjacent	Moving business performance remained steady. However, referral services have not fully recovered despite signs of being able to attract new customers due to electricity rate hikes and continuing price competition among telecommunications carriers.	×
HR Media	Alongside its favorable environment with high demand from companies and job seekers, comparison of job search sites specializing in the nursing field also started in June 2023, aiming to generate a new revenue source.	◎
Bridal	Though the bridal market has taken time to fully recover from the impact of COVID-19, we conducted mass ads in May to improve brand recognition which temporarily declined due to COVID-19 with the aim of being ready for the market recovery expected after FY2024. Conducting mass ads also contributed to more bridal venues being listed on the wedding venue information site.	○
Insurance Agency	Even as the special demand in relation to COVID-19 has subsided, the number of customers has been growing Y/Y.	◎





● **User Count Down Y/Y Due to Continued Decreases in Customer Referrals to Electric Utility Companies and Telecommunications Carriers**

[Six Main Services]  
Moving/Moving-Adjacent Services, Car Services, Bridal Services, Financial Media, Human Resources Media, and Insurance Agency Service

[①User Count] = total users that generated segment revenue in six main sub-segment businesses

[②ARPU: Average Revenue Per User] = segment revenue ÷ [①User Count]

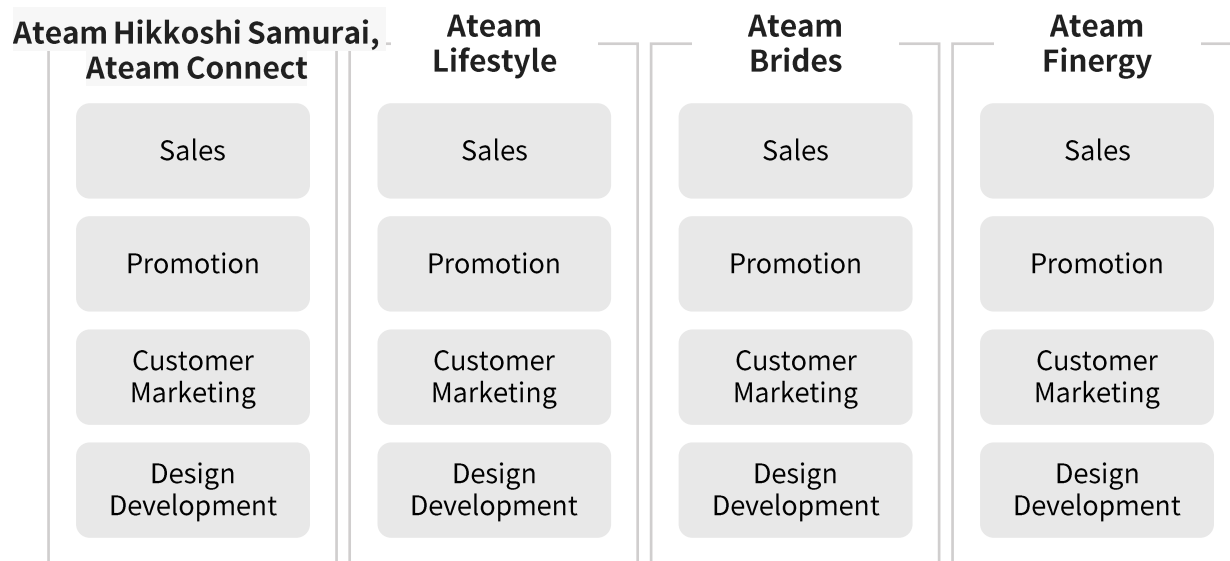
[③CPA: Cost Per user Acquisition] = advertising cost ÷ [①User Count]

# The Future of the Digital Marketing Support Business

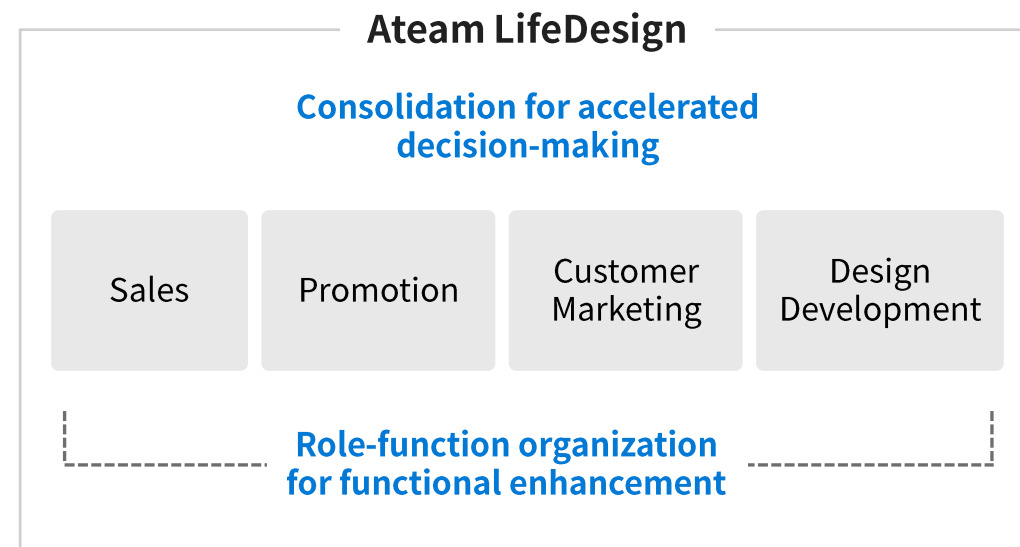
## ① Reorganization to Achieve Discontinuous Growth

- In February 2022, integrated subsidiaries operating the Digital Marketing Support Business into “Ateam LifeDesign Inc.”
- In August 2022, shifted from a divisional organization to a role-function organization

### Before: Divisional Organization



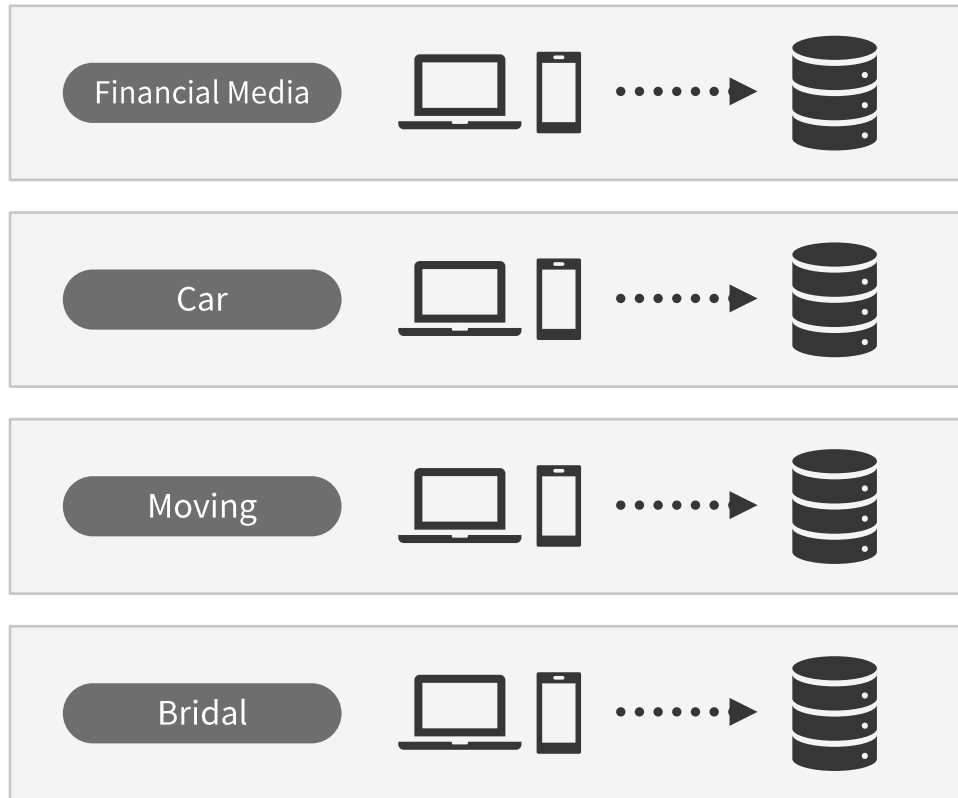
### Present: Role-function Organization



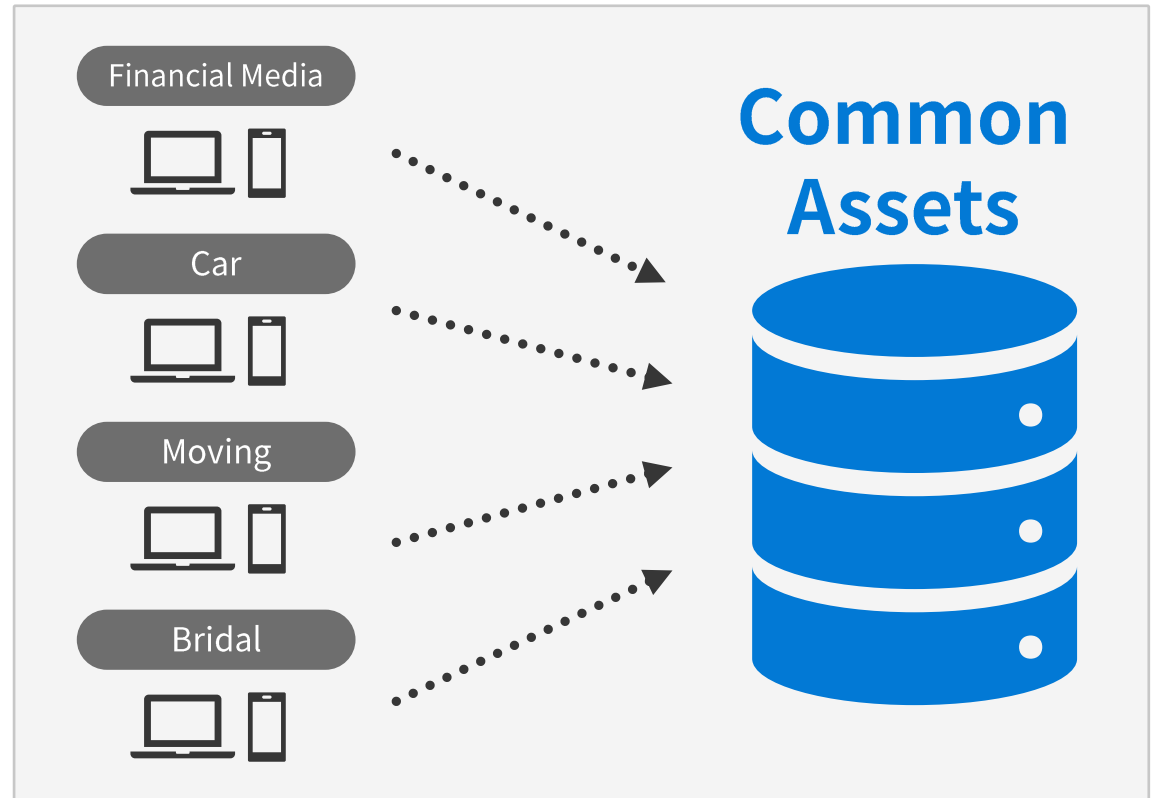
\* For more details, please refer to “(Progress of Disclosure Matters) Notice Regarding Completion of Reorganization of Consolidated Subsidiaries (Company Split and Absorption-Type Merger) and Company Name Change of Subsidiaries” disclosed on February 1, 2022.

## ② Creating Common Assets to Achieve Discontinuous Growth

Before: Managing customer and client relationships in each business

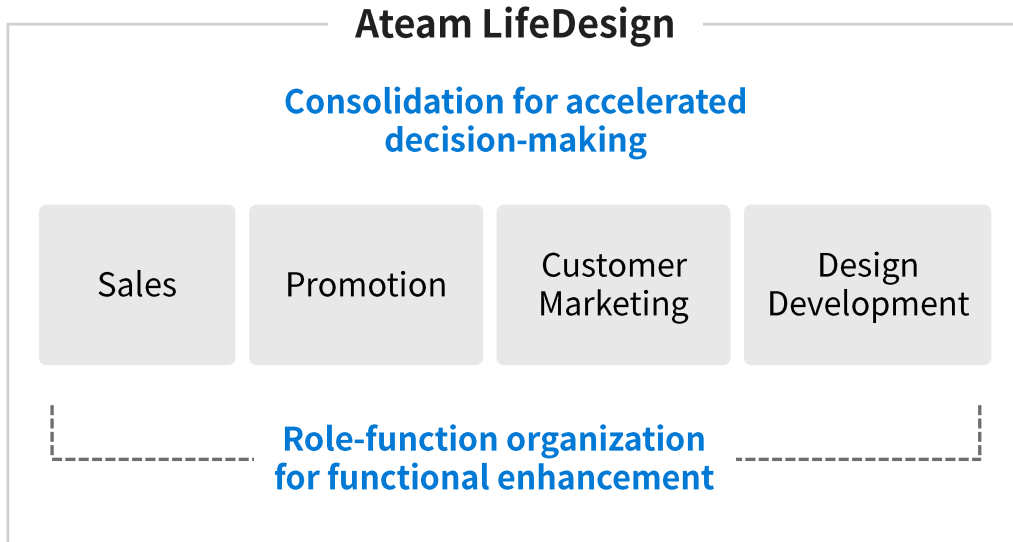


After: [Integrated management system for understanding the needs of customers and clients](#) among all businesses

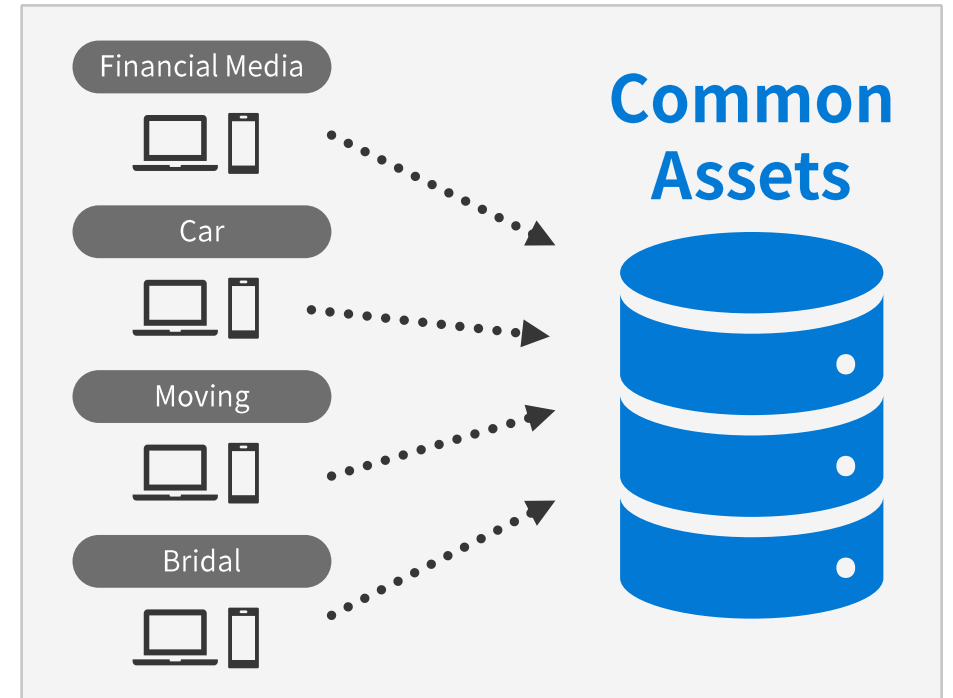


## ① Integrating Organizations

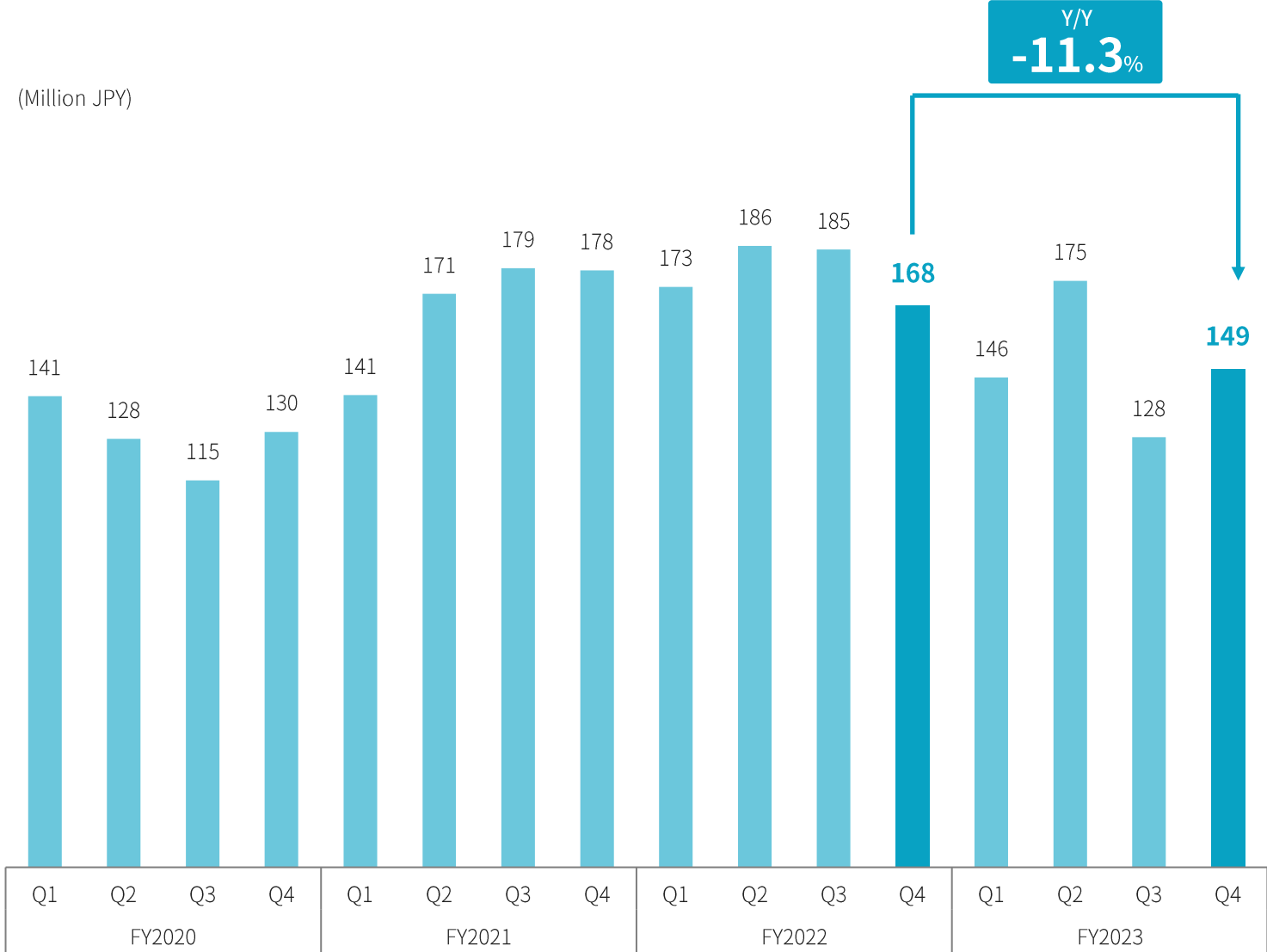
Present: Role-function Organization



## ② Creating Common Assets



# Achieving Discontinuous Growth



## Main Variable Factors

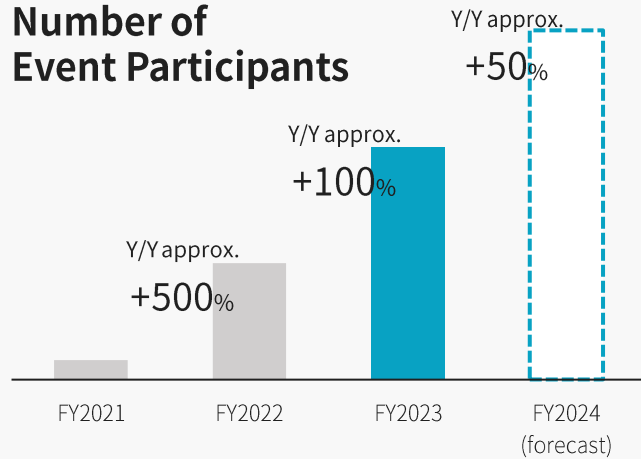
### Qiita

Increased Number of New Clients to Reach out in Order to Take Measures for Temporarily Curving Ad Placement by International Enterprises

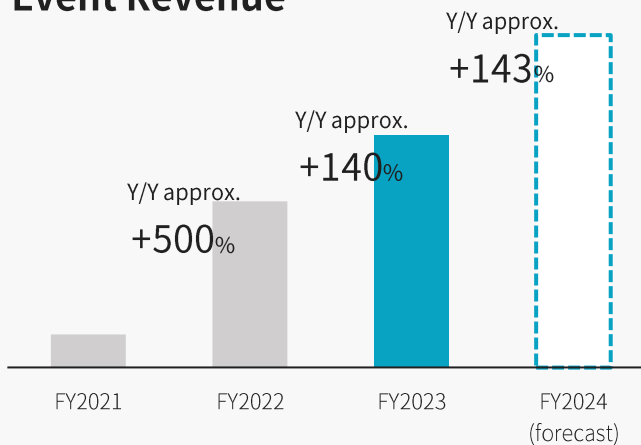
### Lalune

Affected by Lower Demand for In-feed Ads along with High Demand for Video Ads as well as Impact from Competitors

## Number of Event Participants



## Event Revenue



## Some Events during FY2023 Q4

### ▼ Qiita Conference



### ▼ Qiita Career Meetup for STUDENT



## Focusing on Generating Revenue from Events in addition to Ad Revenue

### Leveraging Brand Strength

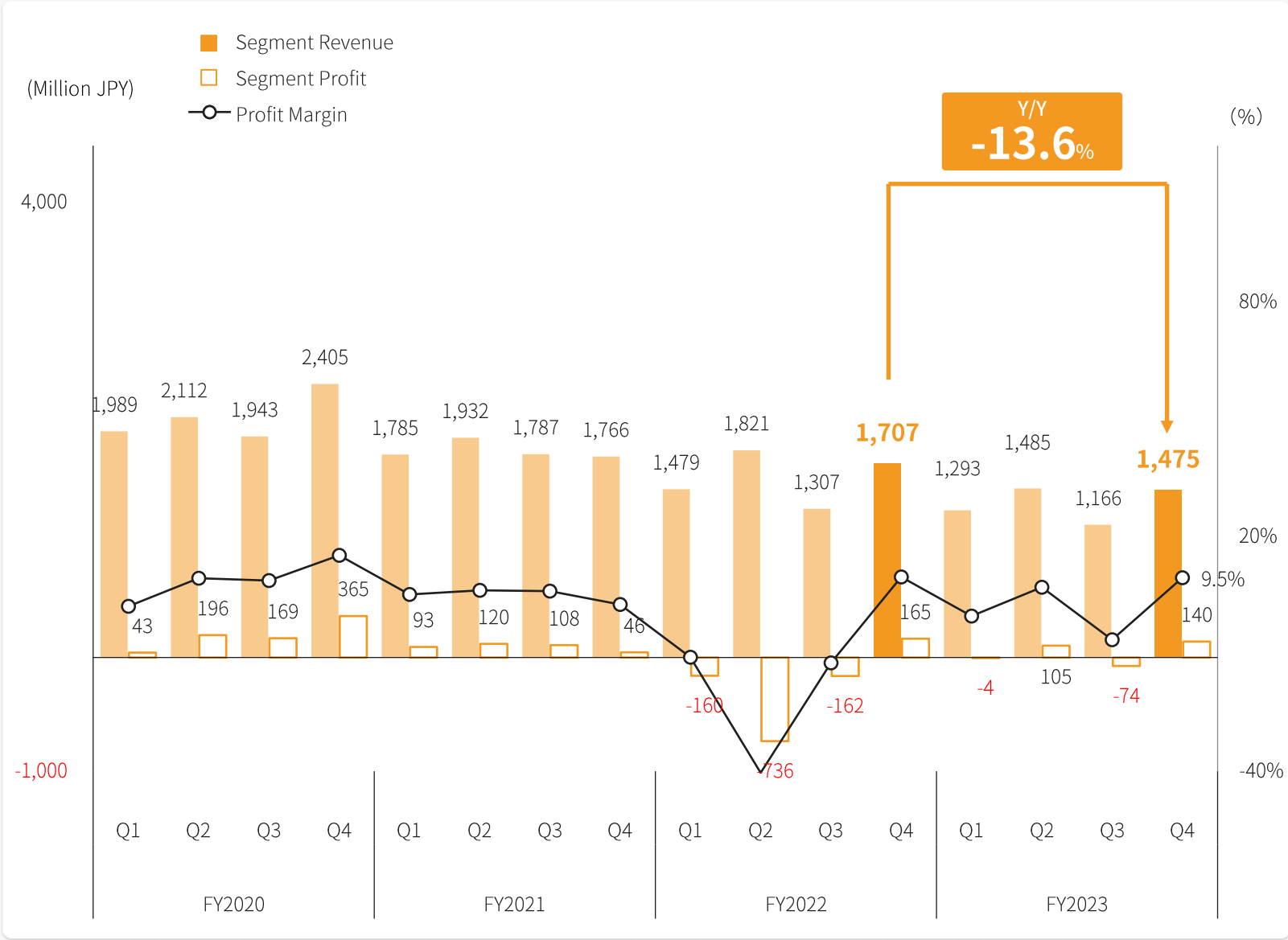
- Informing Events on Qiita Can Reach 100 Million Users
- Collaborating with Numerous Companies with Qiita's Brand Power

### Outcomes through Events

- Increasing Number of Qiita Users and Reducing Churn Rate
- Increasing Number of Articles to be Posted on Qiita through Promotion at Events
- Further Enhancing Brand Power

# Entertainment Business





## Main Variable Factors

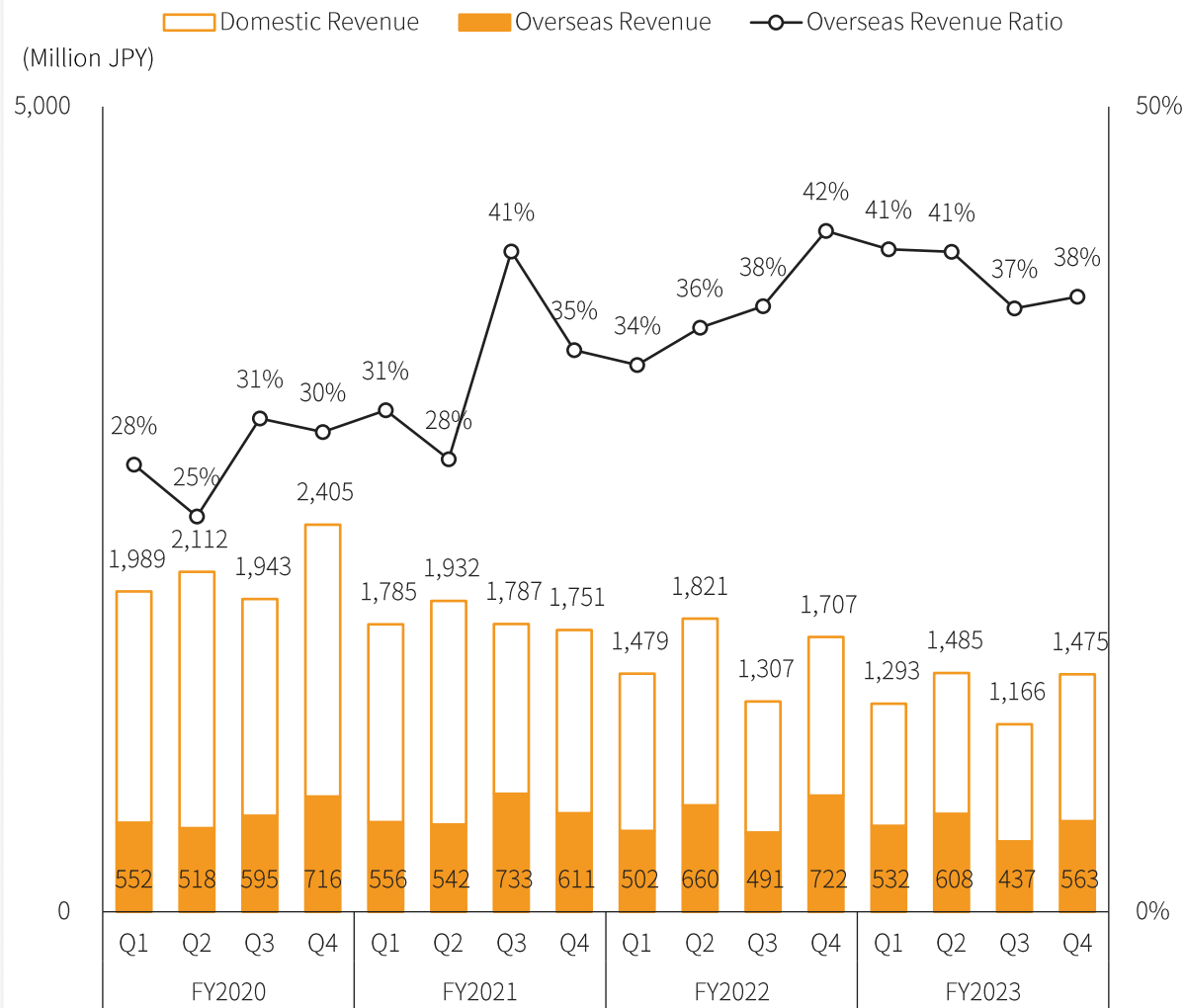
### Revenue










Down Y/Y Due to Decreases in Existing Game Titles

### Profit

Profit Margin Remained Y/Y Due to Efficient Operation and Curving Costs While Continuously Investing in Development of New Games

Entertainment Business: Overseas Revenue Ratio Trends



Region:	Japan	US	EU	TW HK	KR	SE Asia
	●	●	●	●	●	●
	●	●	●	●	●	●
	●			●	●	
	●	●	●	●	●	●
	●	●	●	●	●	●
	●			●		
	●			●		
	●	English Version				
	●	English Version				

## Market

Although the smartphone game market is expanding, development costs for large-scale titles has bloated.

## Competitors

Competitors in the smartphone game industry are focusing more on Hyper-casual games and Web3 services including Blockchain games.

## Ateam

Instead of investing in the smartphone game market with bloated development costs, we will endeavor to make hits in growing markets while keeping risks in check. As for smartphone games, we will release them globally on multiple devices while easing costs by collaborating with other companies.

## Reclassified Pipeline: 3 Markets to Develop and Operate

### 1. Multi-device Games

Planning/Developing

**2** titles

### 2. Hyper Casual Games

Planning/  
Developing

Multiple

Released

**1** title

### 3. Web3 Services (i.e. Blockchain Games)

Planning/  
Developing

Multiple

Released

**1** title

## New Original Blockchain Game “Crypt Busters”

### Exhibited at IVS 2023 KYOTO

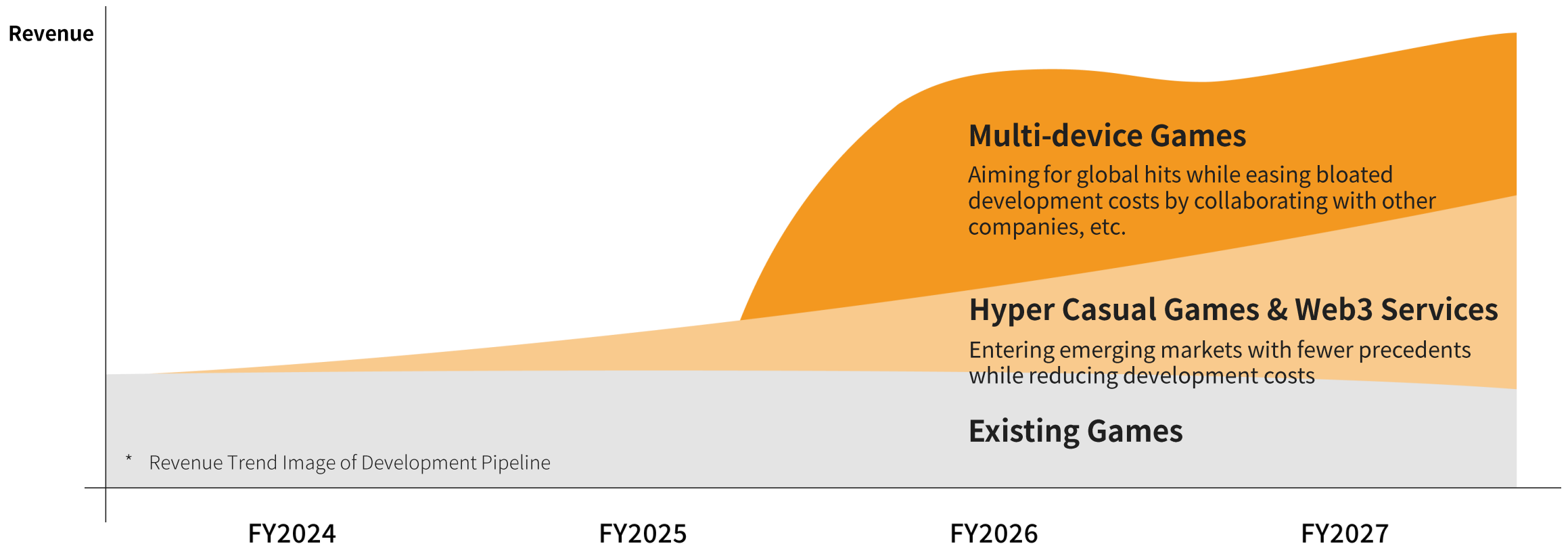
Participated in **IVS 2023 KYOTO** held at the End of June, where “Crypt Busters” Was Played by Many of the Participants, both from Japan and Abroad.

### Pre-sale on July 25 sold out!

NFT Presale was Held on July 25, Where 1,250 packs with 12 Merc NFTs in Each Pack Were **Sold Out!**  
The Game Was Officially Launched on August 3.



## Aiming to Accumulate Revenue through Hyper Casual Games and Web3 Services, with Multi-device titles, Which Are Expected to Contribute Significantly to Earnings, needing a Longer Development Period



# E-Commerce Business



\* Segment classification has been changed from FY2023Q1.  
The figures are the ones after the segment reclassification for the Lifestyle Support Business and the EC Business.

## Main Variable Factors

### Revenue

Significantly Down Y/Y Due to the Transfer of “cyma” on March 1, 2023, Despite Remarkable Growth in Cosmetic Brand

### Loss

Down Y/Y Due to Investment in “OBREMO” Despite “lujo” Turning Profitable in Q4

- \* Online bicycle business which operates online bicycle store “cyma” was transferred on March 1, 2023. For more details, please refer to [the related announcement](#).
- \* Pet food brand “OBREMO” was launched on August 30, 2021.
- \* Cosmetic brand “lujo” was launched on March 10, 2020.



# Cosmetic Brand “lujo” Turned Profitable in Q4!

Combining Strengths to Achieve Continuous Revenue Growth and Turn a Profit in FY2023 Q4

## Strength 1: Product Development

- Develop and sell only products we are confident selling with a thorough market-in approach to accurately grasp customer needs
- Direct sales to customers without intermediaries enables us to improve our products after the sale based on customer response.



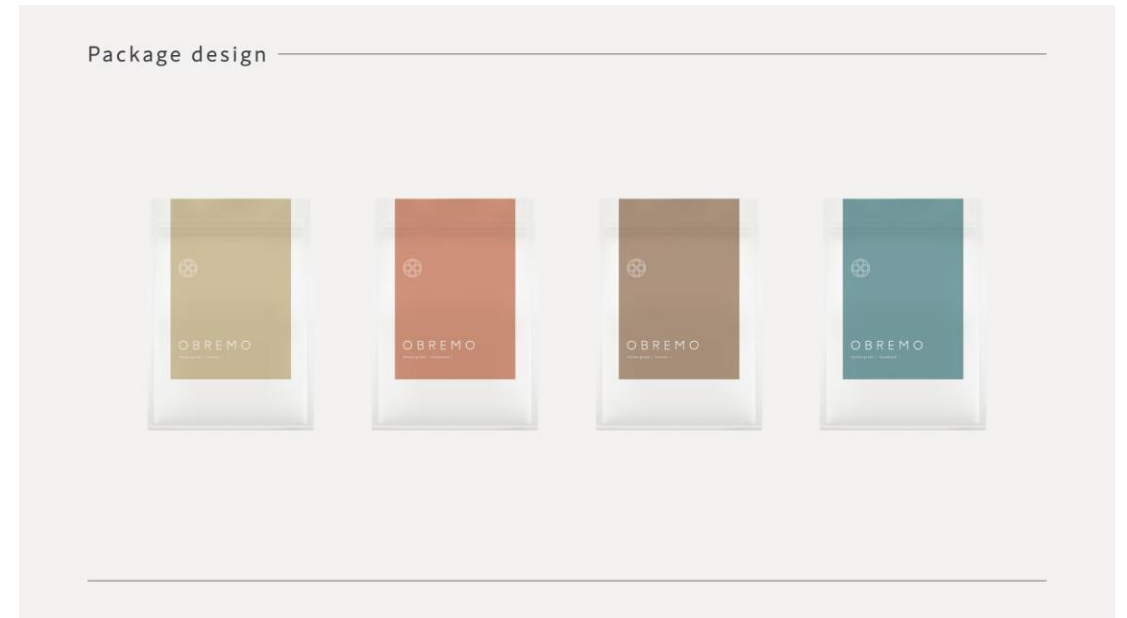
## Strength 2: Digital Marketing

- Utilize digital marketing skills and know-how cultivated in the Lifestyle Support Business
- Established a system and infrastructure for a speedy PDCA cycle
  - ✓ Web designers and engineers belong to the same organization, enabling rapid implementation of marketing initiatives.
  - ✓ With the website being as the main sales channel, it is possible to accumulate customer data, create an environment to monitor sales trends, and build the analytical environment with high precision, thereby achieving a high-speed PDCA cycle.

## Brand Renewal in Dogfood Brand “OBREMO”

Dogfood Brand “OBREMO” Conducted Brand Renewal to Increase Its Brand Value.

“OBREMO” Changed Its Logo, Package, and New Tagline etc.



## 4. FY2024 Guidance

	FY2024			Ref. FY2023	
	Full-Year Forecast (million JPY)	Ratio (%)	Y/Y (%)	Full-Year Results	Ratio (%)
Revenue	28,700	100.0	104.2	27,552	100.0
Lifestyle Support	20,300	70.7	109.8	18,480	67.1
Entertainment	5,900	20.6	108.8	5,421	19.7
E-Commerce	2,500	8.7	68.5	3,651	13.3
Operating Income	600		110.3	543	
Lifestyle Support	1,365	—	77.5	1,760	—
Entertainment	280	—	168.2	166	—
E-Commerce	-165	—	—	-431	—
Others	-880	—	—	-951	—
Net Income	360		251.2	143	

# 16.0 JPY Per Share for Stable Returns

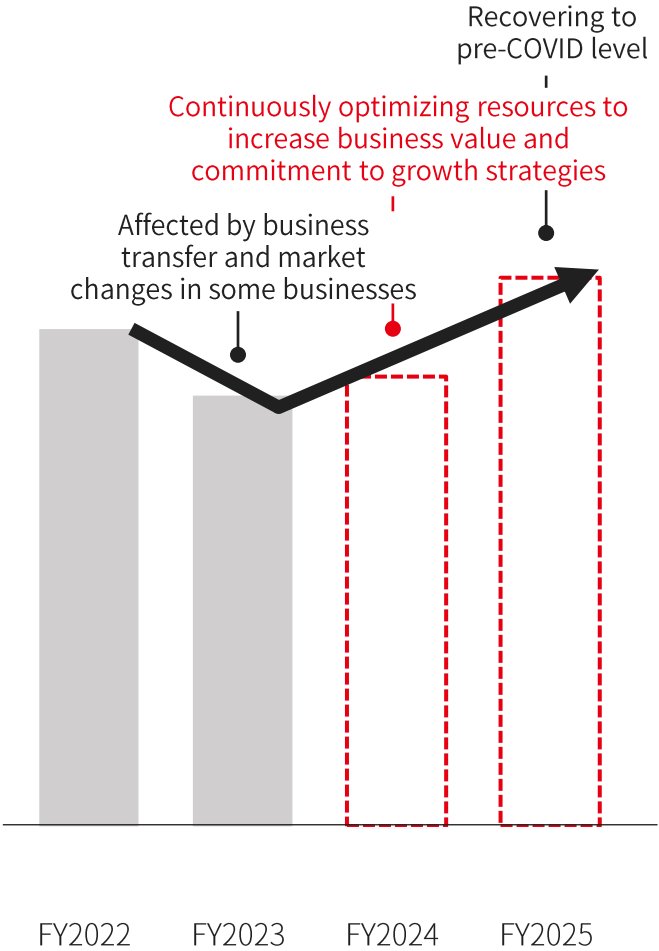
With continuous and stable shareholder returns in mind, we aim to keep our dividend the same as FY2023. We will disclose promptly if there is a change in return policy depending on changes in business performance.

	FY2022 Results	FY2023 Results	FY2024 Forecast
Date	July 31	July 31	July 31
Dividend Per Share	16.0 JPY	16.0 JPY	<b>16.0 JPY</b>
Dividend on Equity	2.8%	3.0%	—

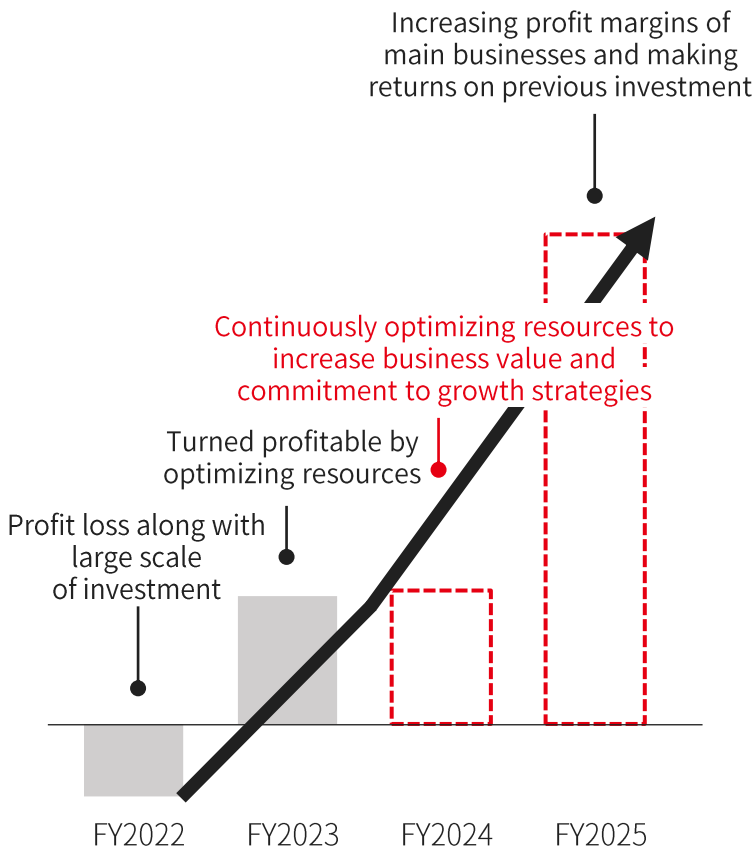
# **5. Initiatives and Notes on the Coming Fiscal Years**

● Initiatives and Notes on the Coming Fiscal Years: Earnings Trend Image

Revenue Trend



Operating Income Trend



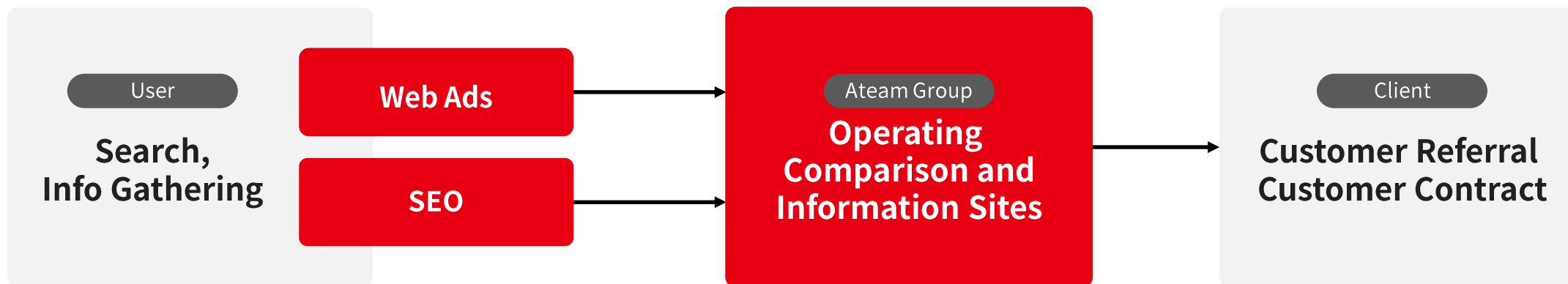
Aiming to Achieve the Criteria for the TSE Prime Market by the End of July 2025\* We Will Strive to Recover Revenue to pre-COVID Levels and to Significantly Increase Operating Income, Setting FY2023 as a Baseline.

Going forward with Regrowth in FY2025, We will Conduct Initiatives Based upon a Growth Strategy (details in the following slides) in FY2024.

\* We disclosed the plan to achieve the Prime Market Criteria on October 27, 2022. However, progress towards the plan will be disclosed this October after receiving the results from the examination by the TSE performed as of July 31, 2023.

## Our Competency: Digital Marketing

The Factor of High Profitability\* is Our Digital Marketing Skills and Know-how that We Cultivated in the Digital Marketing Support Business of the Lifestyle Support Business.

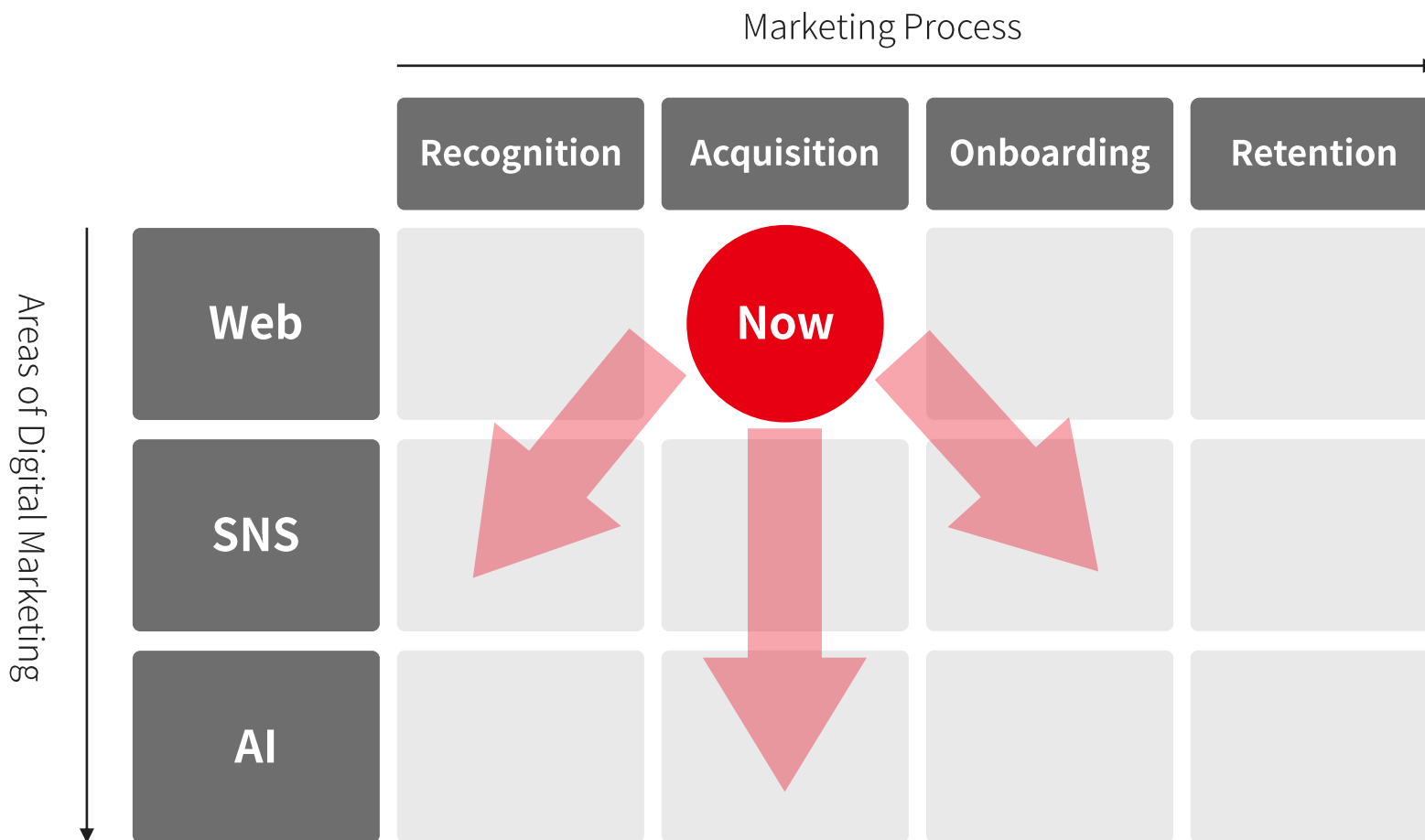


**Integrating the Operation of Ads, SEO, and Our Own Sites  
Enables Us to Achieve Competitive Digital Marketing Skills**

\* The Digital Marketing Business has 96.5% of the revenue of the Lifestyle Support Business, and the Lifestyle Support Business has 67.1% of overall revenue and its profit margin is 9.5%.



## Utilizing Our Strengths To Enhance Other Areas and Processes

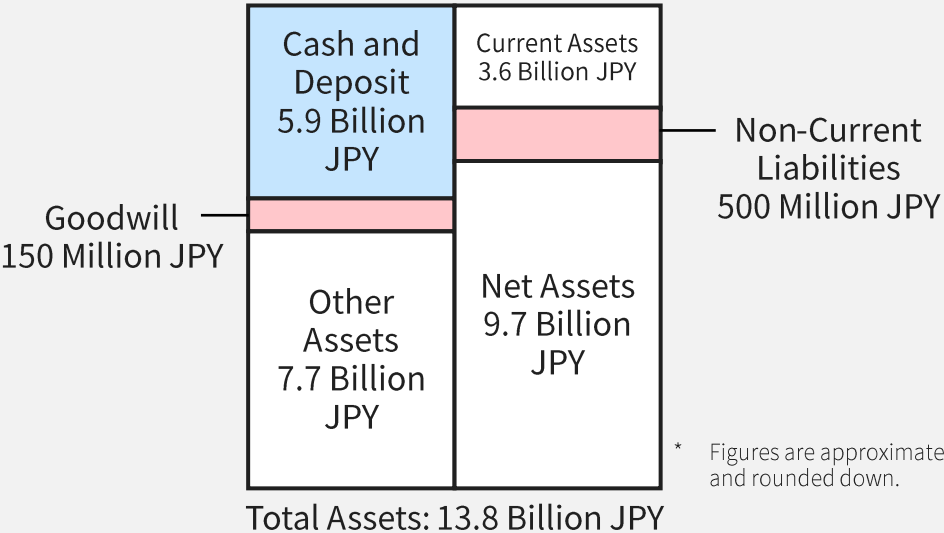


We have a clear strength in the area of **web acquisition**, and we are looking to leverage this strength in other areas and processes by aiming for and investing in **organic and inorganic growth**.

# Anticipated Changes in Financial Position Due to Financing and investment

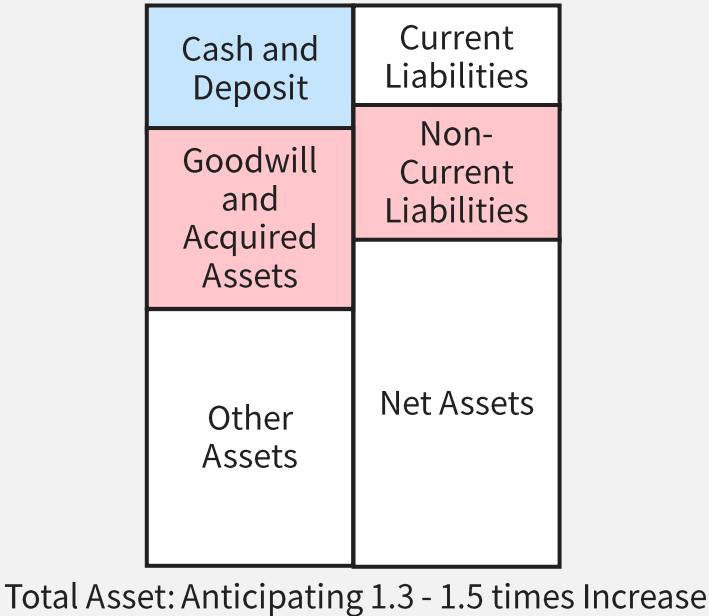
B/S as of July 31, 2023

Our equity ratio is 70% and we are debt-free, resulting in a very safe capital structure with a high cash-to-deposit ratio. Conversely, we are not making effective use of our capital.



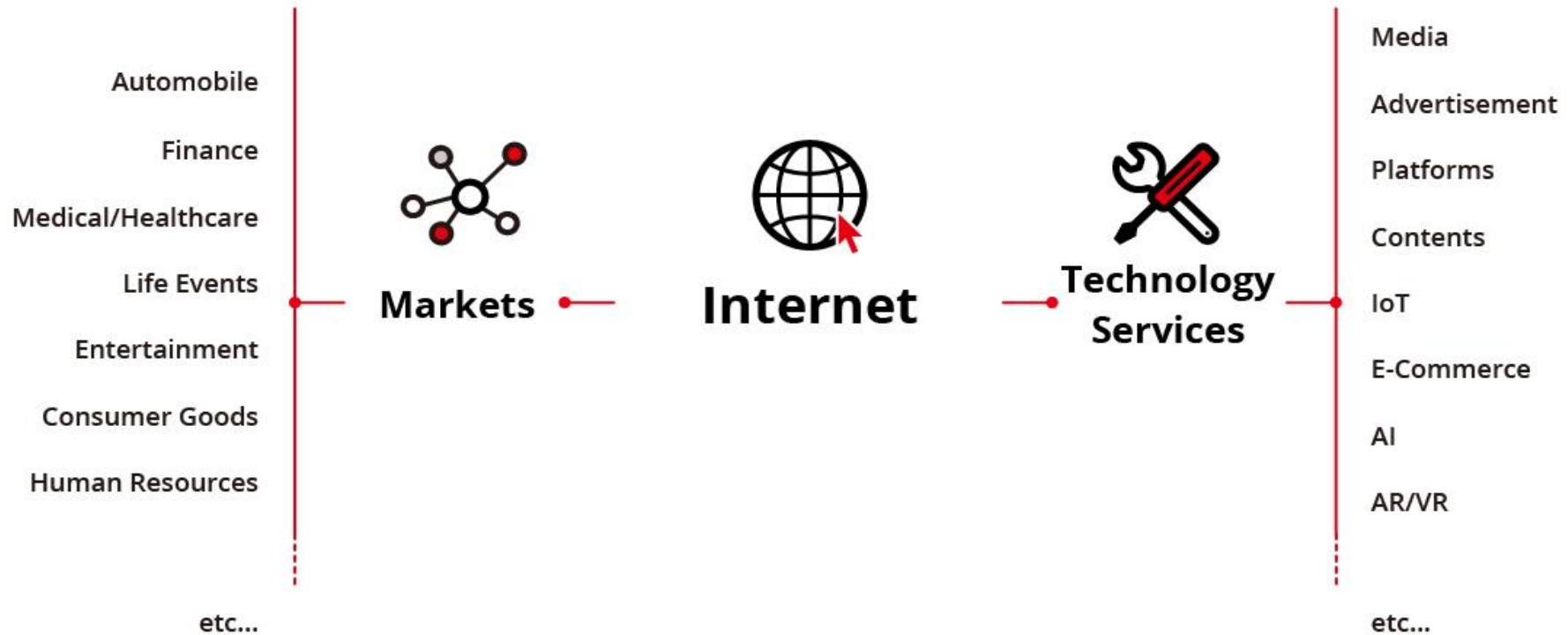
Anticipated B/S after Financing and Investment

Assets including goodwill and liabilities will increase significantly due to external financing and investment. However, the equity ratio will be maintained at a certain level.



# APPENDIX: Company Overview

# Ateam is an IT Company that Develops Business around the Internet



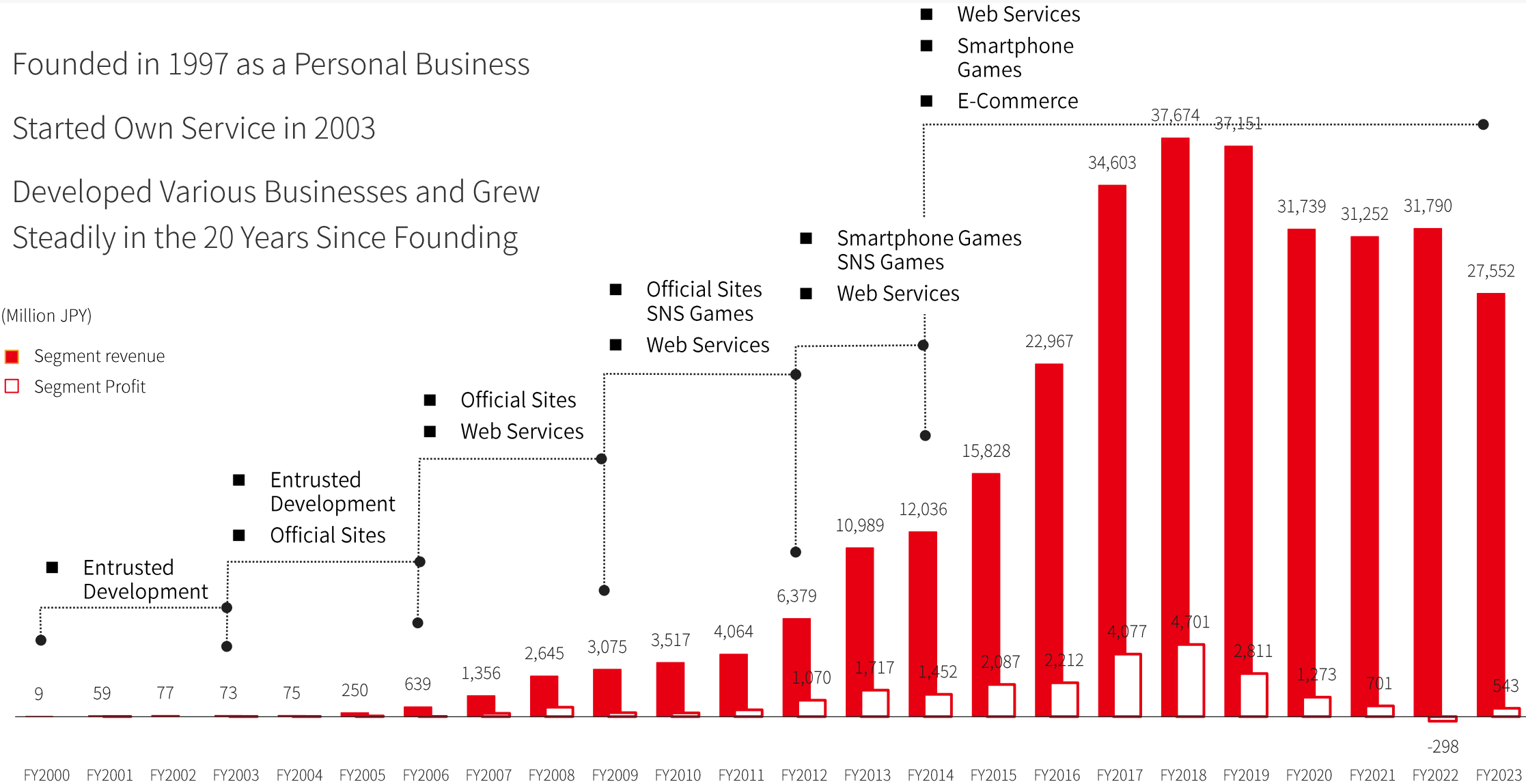
## ● Company Profile as of July 31, 2023

Company name	<b>Ateam. Inc</b>
Security code	3662:JP, TSE PRM
Incorporated on	February 29, 2000
Headquarters	Nagoya, Japan
President	Takao Hayashi
Industry	Information & Communication
Sector	Internet, Mobile Game
Account settled in	July
Group companies (Fully owned subsidiaries)	8 (includes 1 overseas subsidiary)
Number of employees	872 (excludes directors & part-time employees)
Shares per unit	100 shares

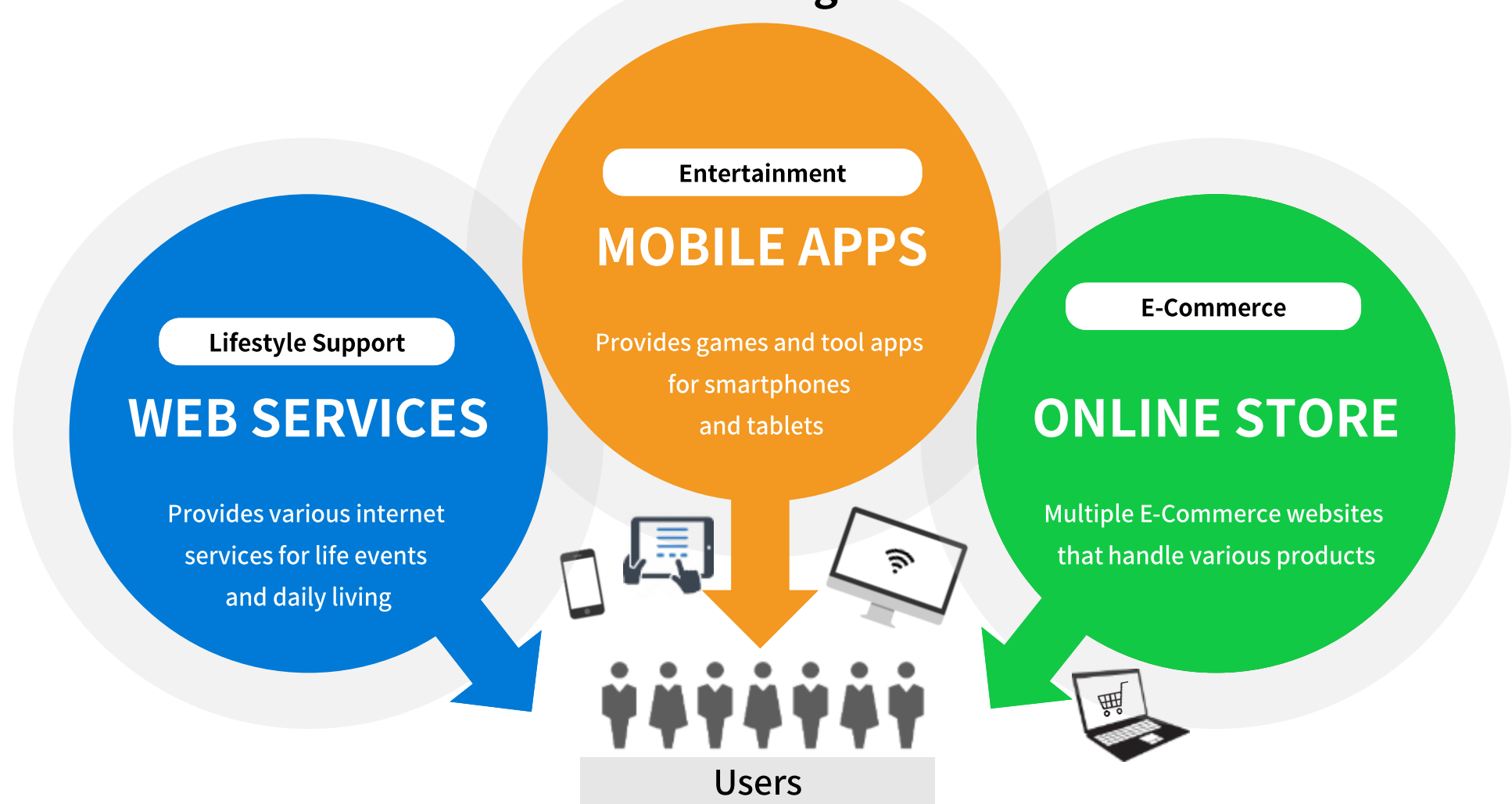


● Company History

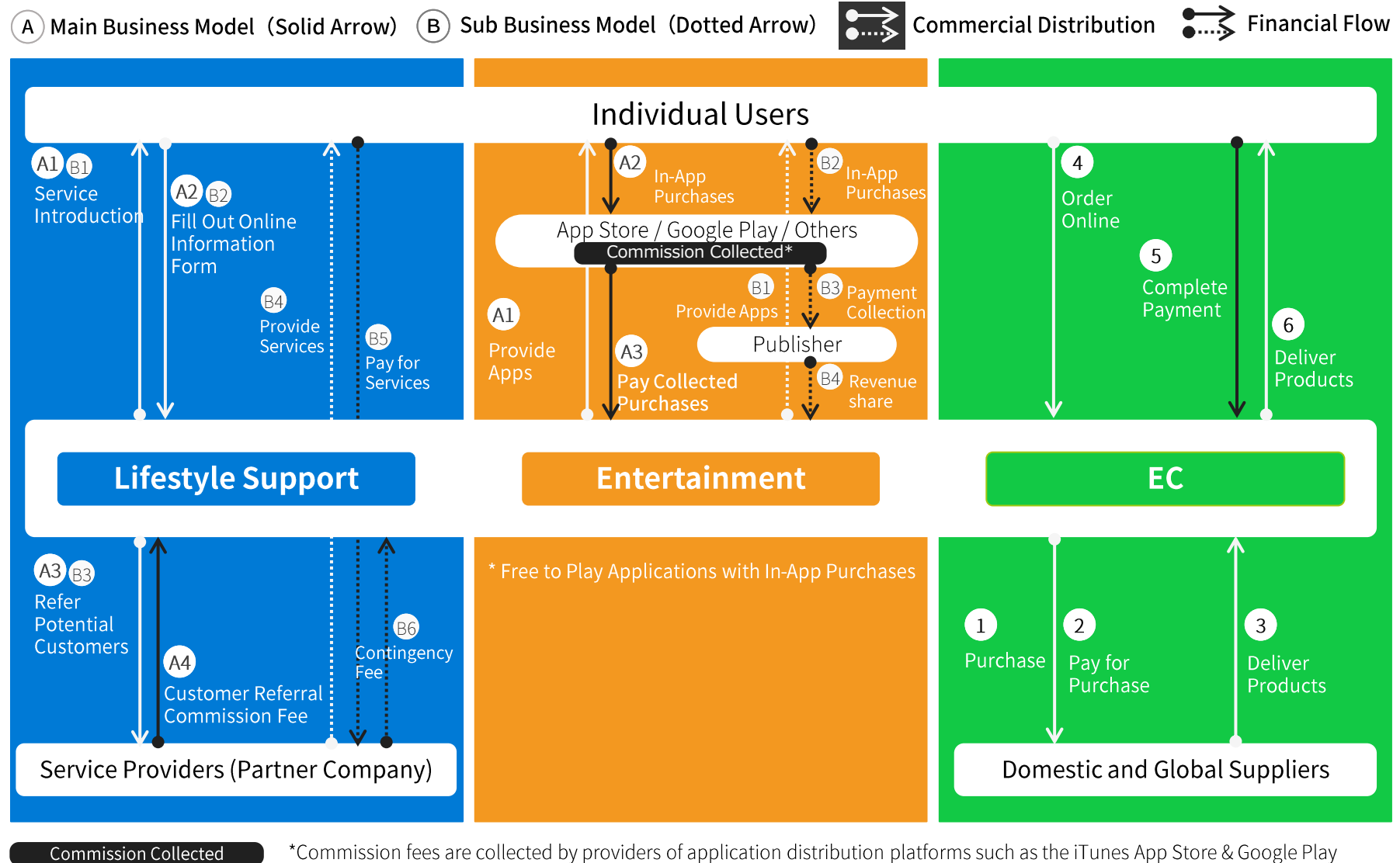
- Founded in 1997 as a Personal Business
- Started Own Service in 2003
- Developed Various Businesses and Grew Steadily in the 20 Years Since Founding



## Ateam Provides Various Services Through the Internet and Smart Devices

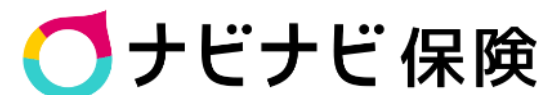


## ● Business Models





## Digital Marketing Support Business



## Platform Business



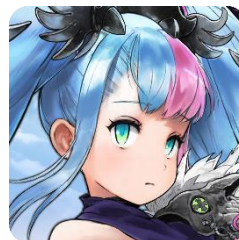
## Game Apps



Hatsune Miku –  
Tap Wonder



Revue Starlight Re LIVE



Valkyrie Connect



Unison League



BASSA WARRIORS



Three Kingdoms Smash!



Derby Impact



War of Legions



Dark Summoner

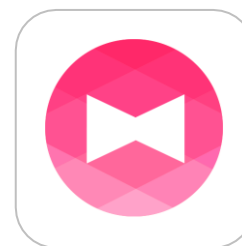
## Tool Apps



Jam



Game Boost Master



[+]HOME



Sleep Alarm

**Mission**

**Realize Mid- and Long-Term Vision While Expediting Increase in Corporate Value**

**M&A**

- **Companies Expected to Increase Ateam's Competitiveness**  
e.g. Lifestyle Support: companies or media that would increase our market share or synergize well with our existing businesses  
Entertainment: media that can acquire more users globally  
E-Commerce: domestic and international e-commerce sites and businesses
- **Companies in Industries with High Barriers to Entry**

**Capital Investment**

- **Companies in Business Industries That Have High Uncertainty But Have Large Future Potential**
- **Unlisted Companies That Develop Businesses which Can Expect Large Growth Utilizing Our Know-how**

# Appendix: Sustainability

## “Ateam Family Magazine vol.1” Won the Bronze Award in the Paper In-House Magazine Category at the In-House Magazine Awards 2023



“Ateam Family Magazine vol.1” Won the Bronze Award in the Paper In-House Magazine Category at the In-House Magazine Hosted by Wizworks Inc.

We Received the Reward because The Magazine’s Concept and Information Structure Directly Reflected Ateam’s Corporate Philosophy, Which Can Be Utilized by the Families of Ateam Employees to Learn More about Ateam.

# **APPENDIX:**

# **Supplementary Financial Data**

# ● P&L (FY2021 Q1 – FY2023 Q4)

(Million JPY)

	FY2021				FY2022				FY2023			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Revenue	7,493	7,377	8,637	7,742	7,334	7,647	8,559	8,249	7,134	7,339	6,771	6,307
Q/Q (%)	+2.1	-1.5	+17.1	-10.4	-5.3	+4.3	+11.9	-3.6	-13.5	+2.9	-7.8	-6.9
Lifestyle Support*	4,604	4,600	5,541	4,766	4,683	4,485	5,339	5,214	4,543	4,722	4,909	4,303
Entertainment	1,785	1,932	1,787	1,766	1,479	1,821	1,307	1,707	1,293	1,485	1,166	1,475
E-Commerce*	1,103	844	1,308	1,209	1,171	1,339	1,912	1,327	1,297	1,131	694	527
Cost of revenues	1,855	1,832	2,194	2,310	2,076	2,058	2,378	1,950	1,492	1,534	1,066	969
Cost rate (%)	24.8	24.8	25.4	29.8	28.3	26.9	27.7	23.6	20.9	20.9	15.7	15.4
Selling, G&A expenses	5,259	5,702	6,083	5,311	5,510	6,480	6,011	5,623	5,428	5,807	5,542	5,167
Selling, G&A expenses ratio (%)	70.2	77.3	70.4	68.6	75.1	84.7	70.2	68.1	76.0	79.1	81.8	81.9
Total cost and G&A expenses	7,114	7,535	8,278	7,622	7,587	8,538	8,390	7,573	6,920	7,342	6,608	6,136
Labor costs & recruitment expenses	1,548	1,582	1,585	1,556	1,590	1,557	1,519	1,282	1,456	1,436	1,354	1,346
Promotional expenses	2,843	3,153	3,521	2,861	3,057	3,980	3,602	3,357	3,191	3,297	3,515	3,131
Promotional expenses ratio (%)	37.9	42.7	40.8	37.0	41.7	52.1	42.0	40.7	44.7	44.9	51.9	49.7
Lifestyle Support*	2,502	2,791	3,117	2,404	2,615	2,793	3,205	2,836	2,658	2,832	3,109	2,726
Entertainment	128	126	111	127	131	874	81	132	65	96	75	65
E-Commerce*	195	217	271	312	293	295	298	372	454	355	317	325
Commissions, etc.	1,114	1,329	1,358	1,378	1,264	1,100	1,088	1,266	837	976	774	804
Subcontractor expenses, server fees	457	464	502	633	576	552	463	436	365	308	284	284
Office rental fees, utility expenses	299	298	270	260	266	260	243	241	238	237	214	200
Other expenses	851	705	1,039	931	832	1,087	1,472	988	831	1,085	464	369
Operating income	378	-157	359	120	-252	-891	180	664	213	-2	162	170
Q/Q (%)	70.3	-141.6	—	-66.5	-309.4	—	—	268.3	-67.8	—	—	104.7
Lifestyle Support*	525	101	526	438	197	121	527	808	595	326	555	283
Entertainment	93	120	108	46	-160	-736	-162	165	-4	105	-74	140
E-Commerce*	-4	-30	27	-49	-40	-21	43	-102	-145	-120	-100	-64
Others	-235	-349	-302	-315	-249	-253	-228	-206	-231	-313	-217	-189
Operating income margin (%)	5.1	—	4.2	1.6	—	—	2.1	8.0	2.9	—	2.4	2.7
Ordinary income	393	-30	370	183	-242	-893	201	715	231	-4	202	289
Net income	258	483	239	-103	-145	-584	-104	-502	225	-271	153	141
Number of employees	1,162	1,182	1,197	1,155	1,129	1,171	1,092	1,069	1,019	991	931	910
Lifestyle Support*	624	647	649	612	590	636	591	561	512*	487*	466*	452
Entertainment	378	375	378	374	371	364	346	352	340	344	343	338
E-Commerce*	58	59	63	60	58	55	55	55	71*	69*	32*	30
Others	102	101	107	109	110	116	100	101	96	91	90	90

\* Profit and loss statement above consists of figures after the segment reclassification. However, number of employees before FY2023 are figures before the reclassification.



# ● P&L (FY2017 - FY2023)

(Million JPY)

	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Revenue	34,603	37,674	37,151	31,739	31,252	31,790	27,552
Y/Y (%)	+50.7	+8.9	-1.4	-14.6	-1.5	+1.7	-13.3
Lifestyle Support*	13,342	18,955	22,507	19,988	19,514	19,723	18,480
Entertainment	19,259	16,168	12,577	8,450	7,272	6,316	5,421
E-Commerce*	2,001	2,550	2,066	3,301	4,465	5,751	3,651
Cost of revenues	5,669	6,960	7,518	7,654	8,193	8,463	5,062
Cost rate (%)	16.4	18.5	20.2	24.1	26.2	26.6	18.4
Selling, G&A expenses	24,855	26,012	26,820	22,811	22,357	23,625	21,945
Selling, G&A expenses ratio (%)	71.8	69.0	72.2	71.9	71.5	74.3	79.7
Total cost and G&A expenses	30,525	32,973	34,337	30,465	30,550	32,089	27,008
Labor costs & recruitment expenses	3,807	4,754	6,032	6,274	6,273	5,949	5,594
Promotional expenses	14,018	14,805	15,048	12,444	12,380	13,998	13,136
Promotional expenses ratio (%)	40.5	39.3	40.5	39.2	39.6	44.0	47.7
Lifestyle Support*	7,547	10,385	12,204	11,284	10,815	11,450	11,326
Entertainment	5,895	3,785	2,355	706	494	1,219	302
E-Commerce*	335	330	247	363	997	1,261	1,452
Commissions, etc.	7,318	6,117	5,387	4,662	5,180	4,719	3,392
Subcontractor expenses, server fees	1,198	2,277	2,574	2,114	2,058	2,029	1,243
Office rental fees, utility expenses	879	1,080	1,179	1,142	1,129	1,011	891
Other expenses	3,303	3,937	4,115	3,826	3,081	4,380	2,750
Operating income	4,077	4,701	2,811	1,273	701	-298	543
Y/Y (%)	+84.3	+15.3	-40.2	-54.7	-44.9	—	—
Lifestyle Support*	1,929	3,096	3,239	2,059	1,592	1,655	1,760
Entertainment	3,820	3,587	1,532	776	369	-894	166
E-Commerce*	-178	-211	-310	-206	-57	-122	-431
Others	-1,493	-1,751	-1,648	-1,341	-1,203	-937	-951
Operating income margin	11.8	12.5	7.6	4.0	2.2	—	2.0
Ordinary income	4,118	4,730	2,809	1,249	895	-219	711
Pre-tax income	3,854	4,732	2,354	0	1,511	-734	432
Net income	2,579	3,306	1,473	-519	877	-1,337	143
Number of employees	726	944	1,118	1,177	1,162	1,082	910
Lifestyle Support	345	482	578	647	621	574	454
Entertainment	268	312	381	382	373	351	337
E-Commerce	46	62	57	56	61	55	31
Others	67	88	102	92	107	102	88

\* Profit and loss statement above consists of figures after the segment reclassification except for number of employees.



## ● Balance Sheet (FY2017 - FY2023)

(Million JPY)

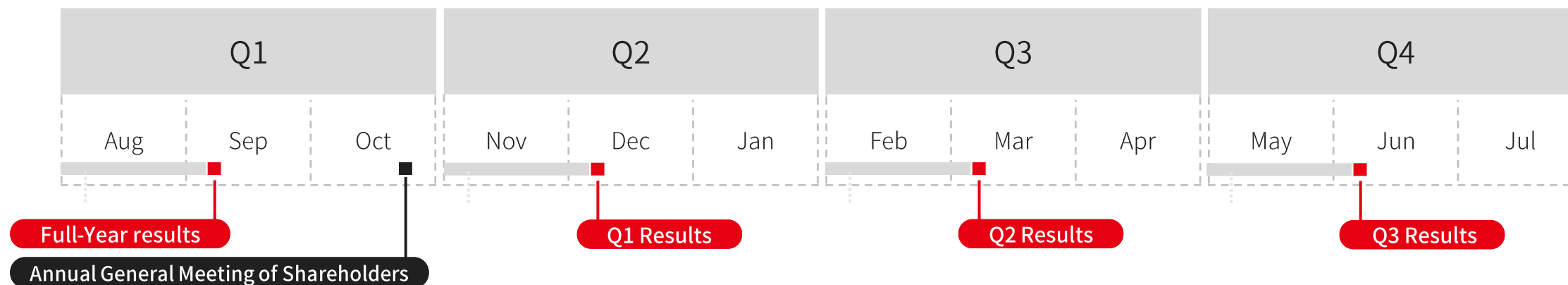
	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Assets*							
Current Assets	9,613	11,488	11,543	11,130	10,383	10,471	10,264
Cash and cash equivalents	5,004	5,984	6,713	6,480	6,035	5,223	5,992
Non-current assets*	3,527	5,214	5,729	4,932	5,368	4,290	3,591
Tangible assets	1,666	1,684	1,711	1,384	1,195	844	389
Intangible assets	507	2,070	1,522	477	792	391	216
Investments and other assets*	1,353	1,459	2,495	3,070	3,380	3,055	2,985
Total assets	13,140	16,702	17,273	16,063	15,751	14,762	13,855
Liabilities							
Current liabilities	5,202	4,464	4,031	3,847	3,640	4,205	3,621
Non-current liabilities	481	583	730	493	527	674	529
Total liabilities	5,683	5,047	4,761	4,340	4,168	4,880	4,151
Interest-bearing liabilities	632	186	—	—	—	—	—
Net assets							
Shareholder's equity	7,361	11,566	12,452	11,663	11,232	9,088	8,969
Treasury stock	-1,177	-481	-438	-397	-1,394	-1,896	-1,862
Stock option	96	85	85	82	82	—	—
Total net assets	7,456	11,655	12,511	11,722	11,582	9,882	9,704
Total liabilities and net assets	13,140	16,702	17,273	16,063	15,751	14,762	13,855

\* From FY2019, applied "Partial Amendments to the Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, Feb 16, 2018) causing category change from "Deferred Tax Assets" to "Investments and Other Assets". Above values are based on new standards causing differences from previous published materials.

● Others (FY2017 - FY2022)

	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Number of shares issued (year-end)	19,469,800	19,738,200	19,756,200	19,783,200	19,789,200	19,789,200	19,789,200
Treasury stock (shares)	302,562	35,562	35,562	35,588	663,388	1,127,988	1,128,021
Average number of shares during the FY	18,904,872	19,401,921	19,510,259	19,551,565	19,477,509	18,651,778	18,551,109
EPS (JPY)	136.45	170.40	75.52	-26.59	45.07	-71.68	7.73
EPS Y/Y (%)	99.0	24.9	-55.7	—	—	—	—
ROA (Ordinary income on total assets, %)	36.2	31.7	16.5	7.5	5.6	-1.4	5.0
Net assets per share (JPY)	389.0	593.7	636.32	594.54	605.98	533.23	523.06
Dividend per share (JPY)	27.00	32.50	16.00	16.00	16.00	16.00	16.00
Interim dividend (JPY)	5.00	0.00	0.00	0.00	0.00	0.00	0.00
Total dividend amount (JPY)	517	640	315	315	306	298	296
Payout ratio (%)	19.8	19.1	21.2	—	35.5	—	207.0
Shareholder's equity ratio (%)	56.0	69.2	72.1	72.6	71.3	61.6	64.7
Equity ratio (%)	56.0	69.3	71.9	72.5	73.0	66.9	70.0
ROE (%)	41.8	34.9	12.3	-4.3	7.6	-13.1	1.5
ROIC (=①÷②, %)	34.1	27.9	14.1	7.6	4.3	-2.2	4.2
① Net operating income after taxes	2,729	3,284	1,759	884	486	-207	377
② Invested capital (=③+④)	7,993	11,755	12,452	11,663	11,232	9,088	8,969
③ Shareholder's equity	7,361	11,566	12,452	11,663	11,232	9,088	8,969
④ Short-term loans payable	632	186	—	—	—	—	—

## Yearly Schedule



## Corporate Information

### Corporate Development Division Investor Relations

E-mail : [ir@atm.co.jp](mailto:ir@atm.co.jp)

Inquiries : [Shareholder/Investor Inquiries](#)

- Corporate Website Shareholder/Investor Information: <https://www.a-tm.co.jp/en/ir/>
- Shared Research Report: <https://sharedresearch.jp/en/3662>
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