



October 24, 2023

Company Name: Ateam Inc.
Representative: Takao Hayashi, President
(Code Number: 3662)
Contact: Mayuko Morishita, General Manager of Corporate Development Division
(Tel: +81-52-747-5573)

Notice Regarding Succession of Rights and Obligations of Consolidated Subsidiary to MEDLEY Inc. Due to Company Split (Simplified Absorption-Type Demerger)

Ateam Inc. (hereafter “Ateam”) resolved that MEDLEY Inc. will succeed assets, liabilities, contracts, and other rights and obligations of the Lalune Business (hereafter “the Business”), a women's health consultation application developed and managed in its consolidated subsidiary, Ateam Wellness Inc., by company split (simplified absorption-type demerger) (hereafter “the Reorganization”). The details are as follows.

The Reorganization is a simplified absorption-type demerger within our consolidated subsidiary, therefore, certain disclosure items and details are omitted.

1. Purpose of the Reorganization

In order to meet the listing criteria for the Prime Market in the TSE by the fiscal year ending July 31, 2025, we defined that digital marketing skills and know-how are our strength, and have been conducting reorganizations and initiatives based on the new growth strategy as well as optimizing management resources to increase business value, as mentioned in “Notice Regarding Progress of Plan to Meet the Continued-Listing Criteria for the Prime Market and Partial Changes in the Plan” (available only in Japanese) disclosed on October 13, 2023.

With the recent increase in competing services and changes in the advertising industry, it was necessary for the Business to expand new functions and establish a new revenue model in order to realize business growth, but there was no prospect of creating synergy to increase earnings within our group.

Therefore, we concluded that the Reorganization of the Business would maximize its value as MEDLEY Inc. has abundant knowledge in the healthcare field and a mission to “Creating the Future of Medical/Healthcare”. We will continue to optimize our management resources and reallocate them to areas where we can better demonstrate our group’s strengths.

About the Business

The Business released an online women's healthcare service as the first service of its kind that was available free of charge in July 2010 under the philosophy of "Peace of mind for all women." In February 2019, the service ranked third in monthly active users for Japan's health and fitness applications in the "App Annie Top Publisher Awards 2018."

2. Overview of the Reorganization

(1) Schedule of the Reorganization

Date of Resolution by the Board of Directors	October 24, 2023
Date of Contract	October 24, 2023
Effective Date	February 1, 2024 (tentative)

Pursuant to Article 784, Paragraph 2 of the Companies Act, the absorption-type demerger agreement shall be executed without obtaining approval at the General Meeting of Shareholders as provided for in Article 783, Paragraph 1 of the Companies Act.

(2) Method of the Reorganization

By means of an absorption-type demerger (simplified absorption-type demerger), Ateam Wellness Inc. will be the splitting company and MEDLEY Inc. will be the succeeding company.

(3) Details of Allotment Related to the Reorganization

Ateam Wellness Inc. will receive 500 million JPY from MEDLEY Inc. as consideration for the Reorganization.

(4) Treatment of Stock Option Rights Related to the Reorganization

Not Applicable.

(5) Increase/decrease in Capital Due to the Reorganization

There will be no increase or decrease in capital of Ateam Wellness Inc. under the Reorganization.

(6) Rights and Obligations Assumed by the Successor Company

On the effective date of the Reorganization, MEDLEY Inc. will succeed the designated rights and obligations as stipulated in the business succession agreement.

(7) Expected Fulfillment of Obligations

Ateam has determined there will be no problems with the ability to fulfill its obligations under the Reorganization.

Basis for Allotment Related to the Reorganization

We adopted the discounted cash flow method to reflect future performance trends and business growth potential of the Business, and also calculated the value of customer assets owned by the Business. Based on these calculations, the expected transfer price was estimated to be 500 million JPY (as mentioned above in “2. Overview of the Reorganization (3) Details of Allotment Related to the Reorganization”), which was deemed appropriate and agreed upon after several discussions between the two companies.

A significant increase or decrease in earnings is not anticipated in the financial projection on which the calculation is based.

4. Overview of Companies Involved in the Reorganization

	Splitting Company		Succeeding Company	
(1) Company Name	Ateam Wellness Inc.		MEDLEY Inc.	
(2) Location	28-12 Meieki 3-chome, Nakamura-ku, Nagoya, Aichi, Japan		6 Chome-10-1, Roppongi, Minato-ku, Tokyo, Japan	
(3) Representative	Representative Director, Fumio Mase		President and CEO, Kohei Takiguchi	
(4) Business Overview	<ul style="list-style-type: none"> Platform Business Plans, develops, and operates e-commerce websites 		<ul style="list-style-type: none"> HR Platform Business Medical Platform Business 	
(5) Capital	50 million JPY		22 million JPY	
(6) Date of Establishment	August 22, 2013		June 5, 2009	
(7) Issued Shares	100,000 shares		32,738,600 shares	
(8) Fiscal Year End	July 31		December 31	
(9) Major Shareholders	Ateam Inc.	100%	Kohei Takiguchi	18.56%
			The Master Trust Bank of Japan (securities investment trust account)	10.89%
			Goichiro Toyoda	10.71%

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.

			Custody Bank of Japan, Ltd. (securities investment trust account)	6.36%
			NORTHERN TRUST CO.(AVFC) RE IEDU UCITS CLIENTS NON LENDING 15 PCT TREATY ACCOUNT (standing proxy: HSBC Tokyo Branch)	5.06%
			CREDIT SUISSE (LUXEMBOURG) S.A. / CUSTOMER ASSETS. FUNDS UCITS (standing proxy: MUFG Bank, Ltd.)	4.46%
			NTT DOCOMO INC.	2.89%
			Keiichi Shibahara	2.60%
			MORGAN STANLEY & CO. LLC (standing proxy: Morgan Stanley MUFG Securities Co., Ltd.)	2.10%
			One Globe Capital	1.37%

(10) Financial Status and Business Performance

Fiscal Year End	Fiscal year ended July 31, 2022 Consolidated: Japan GAAP	Fiscal year ended December 31, 2022 Consolidated: Japan GAAP
Net Assets	511 million JPY	15,170 million JPY
Total Assets	878 million JPY	21,810 million JPY
Net Assets Per Share	5,112.53 JPY	469.79 JPY
Revenue	3,575 million JPY	14,185 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.

Operating Income	281 million JPY	1,290 million JPY
Ordinary Income	270 million JPY	1,526 million JPY
Net Income Attributable to Shareholders of Parent Company	168 million JPY	1,017 million JPY
Net Income Per Share	1,683.11 JPY	31.77 JPY

(1) Description of Business Division to Be Succeeded

Platform Business which develops and manages the women's health consultation application “Lalune”

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

Revenue of 277 million JPY

(3) Items and Amount of Assets and Liabilities to Be Succeeded (as of July 31, 2023)

Assets		Liabilities	
Item	Amount	Item	Amount
Current Assets	37 million JPY	Current Liabilities	23 million JPY
Fixed Assets	1 million JPY	Fixed Liabilities	— million JPY
Total	38 million JPY	Total	23 million JPY

5. Status After the Reorganization

There will be no changes in company name, location, representative, business overview, capital, and fiscal year of Ateam and MEDLEY Inc. under the Reorganization.

6. Future Outlook

Due to the Reorganization, we have revised the forecast figure for the net income attributable to shareholders of the parent company in the consolidated outlook for the fiscal year ending July 31, 2024. For more details, please refer to “Notice Regarding Expected Recording of Extraordinary Income and Revision of Full-Year Forecast (Upward Revision)” disclosed today.

We will promptly disclose any matters should they arise in the future.