



2023.12.8

# FY2024 Q1 Business Report

Ateam Inc. (Security code: 3662)

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- 2. Initiatives to Achieve Criteria to Maintain Listing on TSE Prime Market**
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# 1. Notice on Financing

**Flexible and Stable Means of Financing Secured through the Conclusion of a Commitment Line Contract**

Secured the working capital that is necessary to fuel further growth through a flexible and stable means of financing. Attempted to further stabilize financial base by impeding decrease in cash on hand due to pursuit of inorganic investments, such as M&A and capital and business alliances with external organizations based on the growth strategy.

(1) Amount	<b>3 billion JPY</b>
(2) Contract Form	<b>Bilateral Commitment Line Contract</b>
(3) Contract Date	<b>December 29, 2023 (scheduled)</b>
(4) Commitment Period	<b>From December 29, 2023 to December 29, 2024</b>
(5) Contract Party	<b>Sumitomo Mitsui Banking Corporation</b>

\* There will be no revision to the consolidated earnings forecast for the fiscal year ending July 31, 2024 as a result of the conclusion of this agreement.



## 2. Initiatives to Achieve Criteria to Maintain Listing on TSE Prime Market

## Initiatives to Achieve the Criteria

# Executing a Revamped Growth Strategy While Endeavoring to Enhance the Value of the Business With the Aim of Rejuvenating Growth

**1. Execution of Revamped Growth Strategy**

**2. Growth of the Investment Business and Turnaround of Businesses with Waning Profitability**

## Growth Strategy

### 1. Execution of Revamped Growth Strategy

We will focus on our strength in digital marketing to expand peripheral markets and functions for delivering services to a larger number of clients.

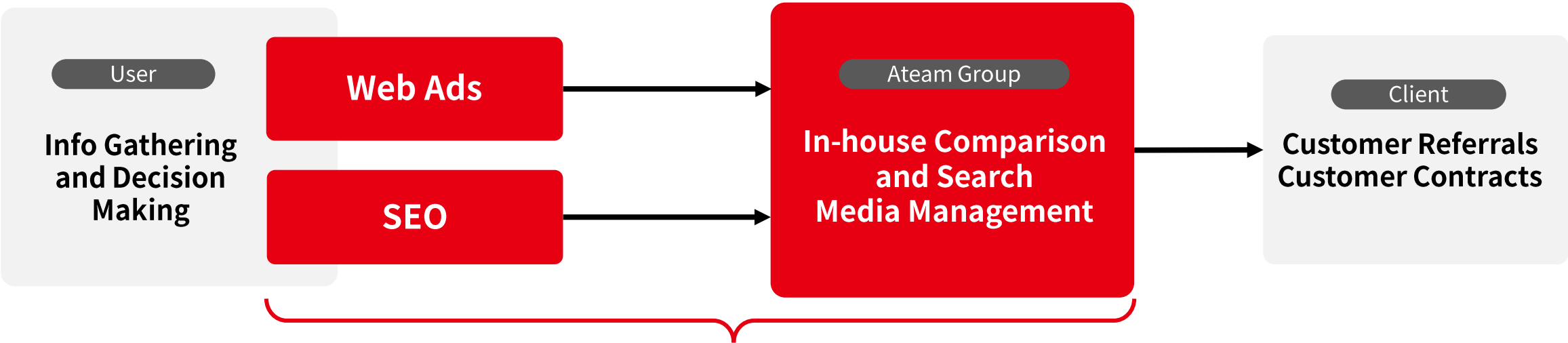
Also we will aim for further business growth by

**acquiring media and functions through inorganic investments.**

Growth Strategy Concept

# Our Strength: Digital Marketing

We will use our strength in digital marketing, including web ad management and content management (SEO) to achieve high profitability in our largest segment, the Lifestyle Support business.



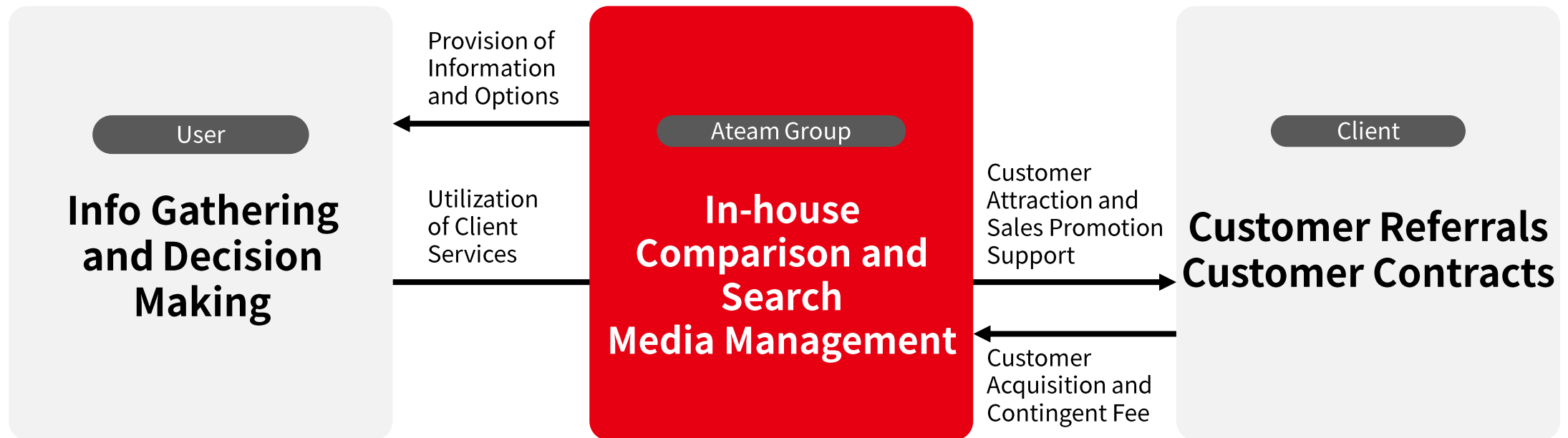
Using our integrated in-house implementation of web ad management, content management and in-house media management to realize digital marketing capabilities unrivaled by any other.

**Growth Strategy**

**Concept**

## Business Model where Compensation is Gained by Connecting Users and Clients

The main business model of the Lifestyle Support business is to assist partner clients in making choices and decisions by providing proper information and options based on users' challenges and concerns. Compensation from clients is gained as an outcome.

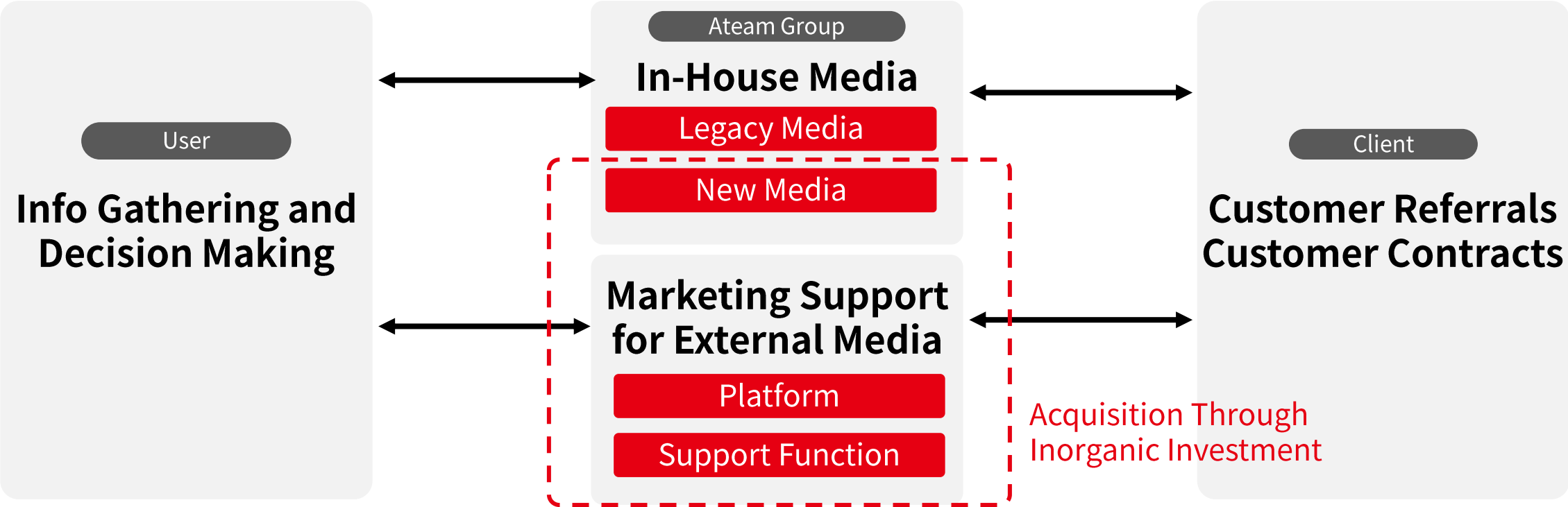


**Growth Strategy**

**Concept**

# Expansion of Business Model via Media and Functions Acquired through Inorganic Investments

In addition to adding new media over the medium- to long-term, our goal is to achieve discontinuous growth by expanding into businesses that generate a greater impact through a roll out and expansion of our digital marketing platforms and support functions for businesses outside of our in-house media.



Growth Strategy

Details

Increased the Number of Contacts by Selecting from a Large Pool of Candidate Companies and the Number of Interviews with Top Candidates



\*1 : IM…Information Memorandum (Business Overview Document)    \*2 : LOI…Letter of Intent (Basic Agreement)  
\* For further details on the future policy on M&A for the execution of the growth strategy, please refer to “APPENDIX: M&A Policy” on page 56 of this report.

Growth Strategy   Details

# Maximization of the Use of In-house and External Resources for Selecting a Large Number of Target Businesses

## Selection Method and Consideration Period

Selection Path

- In-house research
- Referral by external organizations (M&A brokers, financial institutions, VC, etc.)

Scale of Targets

- Up to 5 billion JPY

Consideration Period

- Signing of Letter of Intent (LOI) takes approximately one month
- Due diligence process takes approximately two months



## Growth of Investment Businesses

### 2. Growth of the Investment Business and Turnaround of Businesses with Waning Profitability

We are expecting to see returns on many of our investment projects by FY2025.

Even in the case of a potential delay in investment payback, expenditures will be limited via the implementation of a cap on the total investment amount.

Furthermore, we aim to turnaround businesses (mainly bridal services) that were negatively impacted by COVID-19.

Growth of Investment Businesses

Targeting an Increase in Profits by a Total of 1.5 Billion JPY in FY2025 Through Various Initiatives

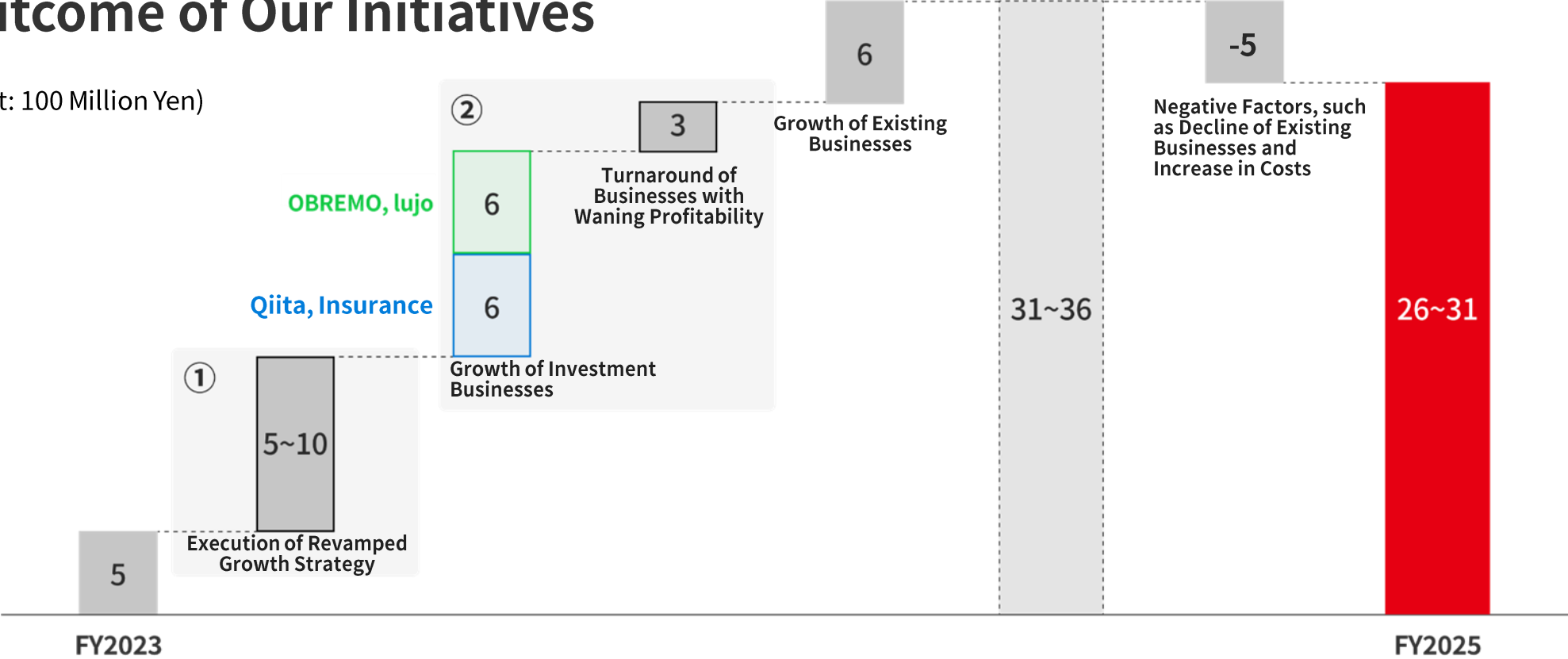
		Profit Increase	Initiatives
Growth of Investment Businesses	OBREMO, lujo	+600 million JPY*	<ul style="list-style-type: none"><li>· (OBREMO, lujo) Lifetime earnings are expected to exceed required costs, with profitability expected to improve as the number of clients increase</li><li>· (Qiita) Increase event revenues and control costs in line with revenue fluctuations</li><li>· (Insurance) Optimize efficiency in attracting new clients and renewing contracts with existing ones</li></ul>
	Qiita, Insurance	+600 million JPY*	
Turnaround of Businesses with Waning Profitability	Bridal	+300 million JPY*	<ul style="list-style-type: none"><li>· The number of weddings had declined sharply during the pandemic, but the industry is recovering with the categorization of COVID-19 as a Category 5 Infectious Disease</li><li>· Regain brand recognition to pre-COVID-19 levels and increase media value</li></ul>

\* This is a restatement of information disclosed on October 13, 2023 in “Notice Regarding Progress of Plan to Meet the Continued-Listing Criteria for the Prime Market and Partial Changes in the Plan”.

Expected Results

Anticipated Operating Income of 2.6 to 3.1 Billion JPY in FY2025 as an Outcome of Our Initiatives

(Unit: 100 Million Yen)



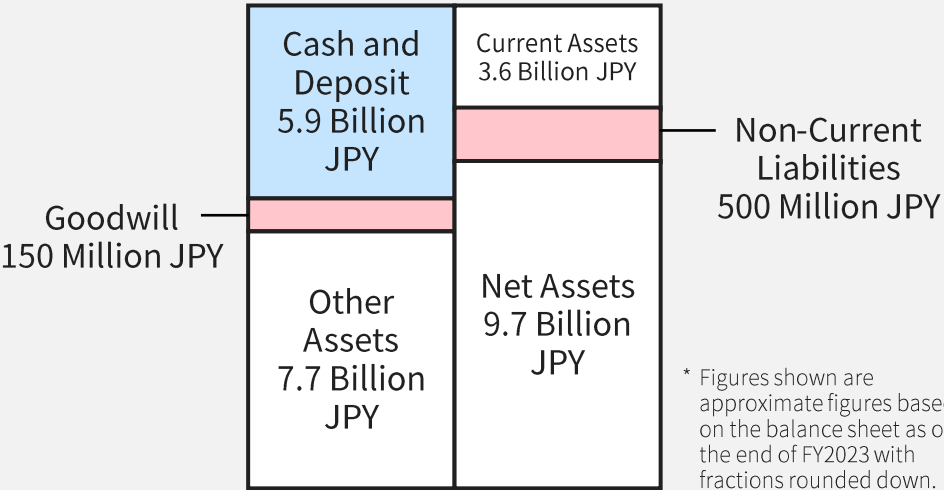
\* This is a restatement of information disclosed on October 13, 2023 in “Notice Regarding Progress of Plan to Meet the Continued-Listing Criteria for the Prime Market and Partial Changes in the Plan”.  
\* Operating income, market capitalization of tradable shares, and stock price for the fiscal years ending July 31, 2024 and 2025 are targets as of the date of release of the above materials, and is not a guarantee of the actual figures.

Change in B/S

Anticipated Changes in Financial Position Due to Financing and Investment

Current B/S

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.

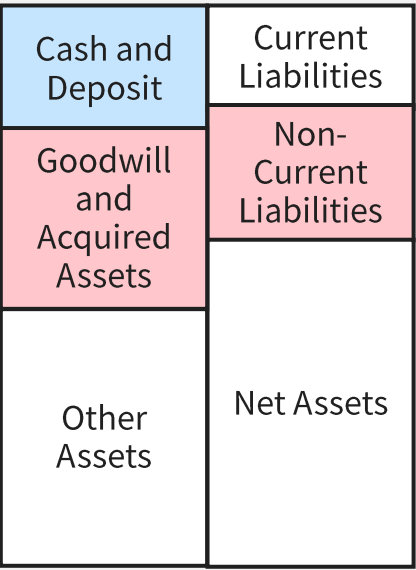


Total Assets: 13.8 Billion JPY

\* Figures shown are approximate figures based on the balance sheet as of the end of FY2023 with fractions rounded down.

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.



Total Assets: Anticipating 1.3 - 1.5 times Increase

# 3. FY2024 Q1 Financial Results

Revenue and Profit Down Y/Y. Decline in Revenue Due Mainly to the Transfer\* of “cyma” in FY2023, but Progress is Generally in Line with Forecast

Overall

Revenue

5,974

million JPY

( Y / Y 83.7% , Q/Q 94.7 %)

Operating Income

-170

million JPY

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

Net Income

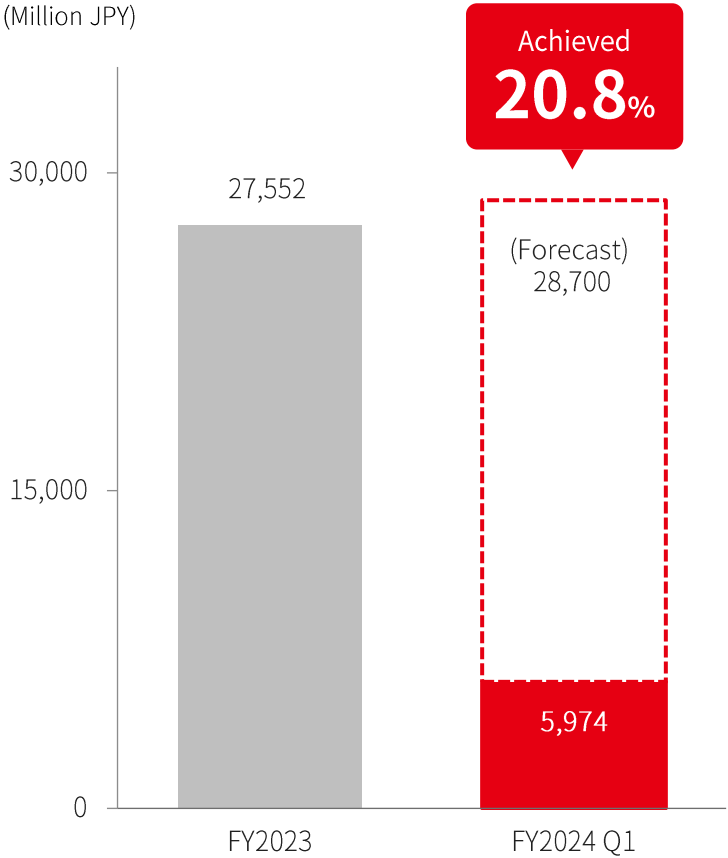
-142

million JPY

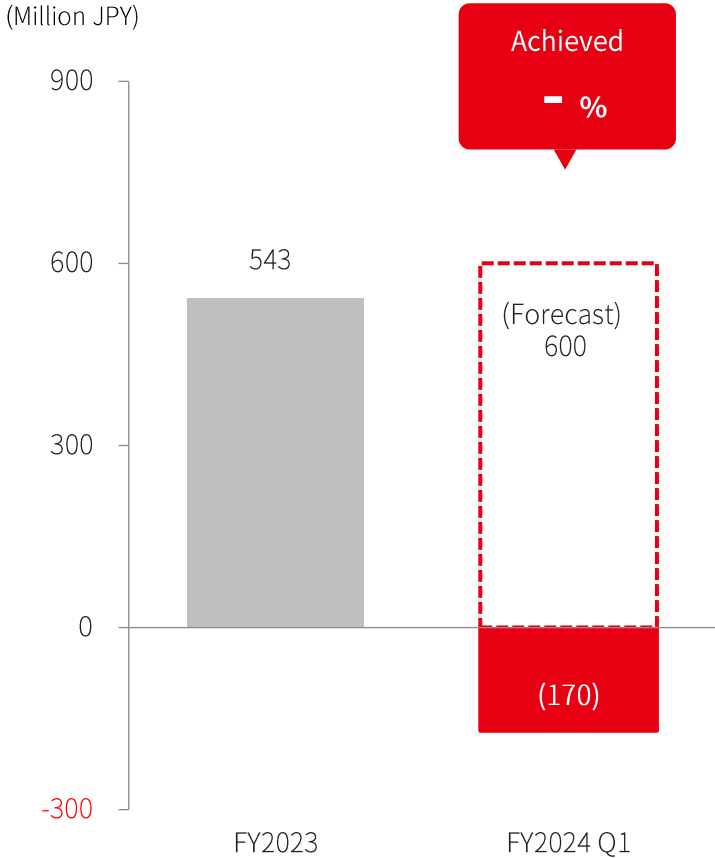
( Y / Y - % , Q/Q - %)

\* 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.

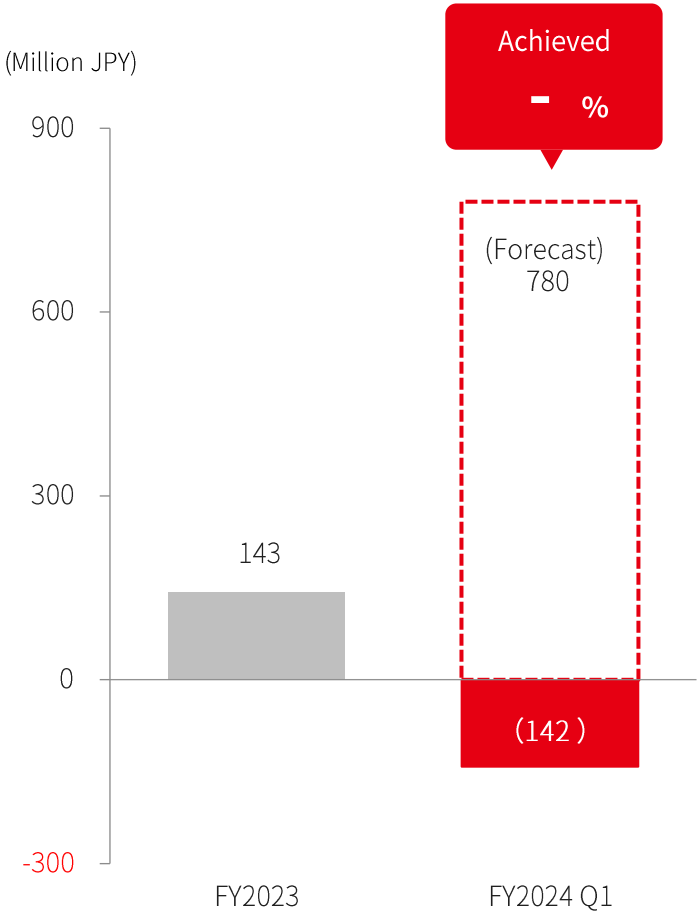
### Revenue



### Operating Income



### Net Income



\* FY2024 consolidated earnings forecast has been revised as disclosed in the "Notice Regarding Expected Recording of Extraordinary Income and Revision of Full-Year Forecast (Upward Revision)" on October 24, 2023.

## Revenue and Profit Down Both Y/Y and Q/Q, but Generally in Line with Forecast

- Revenue declined Y/Y due to the significant decrease in sales in the E-Commerce segment after the transfer of the “cyma”
- Operating income, ordinary income, and net income increased in the E-Commerce segment, but decreased in other segments, resulting in a Y/Y decline in overall income

	FY2024	FY2023	Y/Y	FY2023	Q/Q	FY2024	Progress Rate
(Million JPY)	Q1	Q1		Q4		Forecast	
Revenue	5,974	7,134	83.7 %	6,307	94.7 %	28,700	20.8 %
Operating Income	-170	213	- %	170	- %	600	- %
Ordinary Income	-137	223	- %	289	- %	600	- %
Net Income	-142	120	- %	141	- %	780	- %

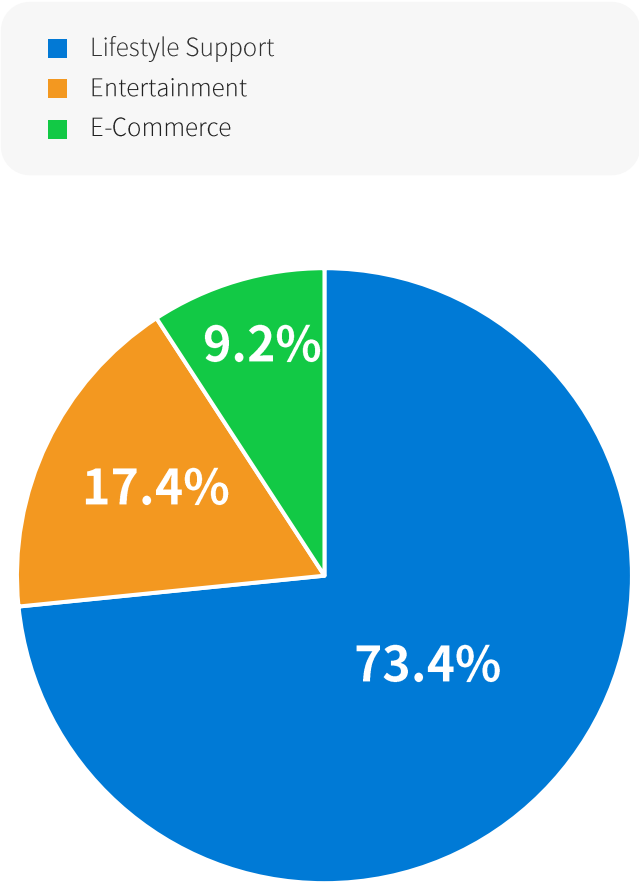
\* FY2024 consolidated earnings forecast has been revised as disclosed in the “Notice Regarding Expected Recording of Extraordinary Income and Revision of Full-Year Forecast (Upward Revision)” on October 24, 2023.



# Performance Report by Segment

(Million JPY)	Revenue			Profit		
	Actual	Y/Y	Q/Q	Actual	Y/Y	Q/Q
Lifestyle Support	4,387	96.6%	101.9%	158	26.6%	55.8%
Entertainment	1,039	80.4%	70.5%	-86	- %	- %
E-Commerce	547	42.2%	103.8%	-47	- %	- %
Total	5,974	83.7%	94.7%	-170	- %	- %

Revenue Ratio



## Lifestyle Support

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

Revenue: 4,387 million JPY  
Profit: 158 million JPY

- Human Resources Media and Insurance Agency Services saw an increase in revenue
- Revenue decreased due to the impact of restrictions on customer referrals to electric utility companies and telecommunication carriers along with an increase in advertising expenses for Car Services
- Segment profit declined Y/Y

## Entertainment

### Revenue and Profit Down Y/Y, Q/Q

Revenue: 1,039 million JPY  
Profit: -86 million JPY

- Continuous downward trend in existing games resulted in a decline of revenue
- Profit decrease is due to lower segment sales while investing in new titles and improving the efficiency of game application management
- Segment profit losses increased Y/Y

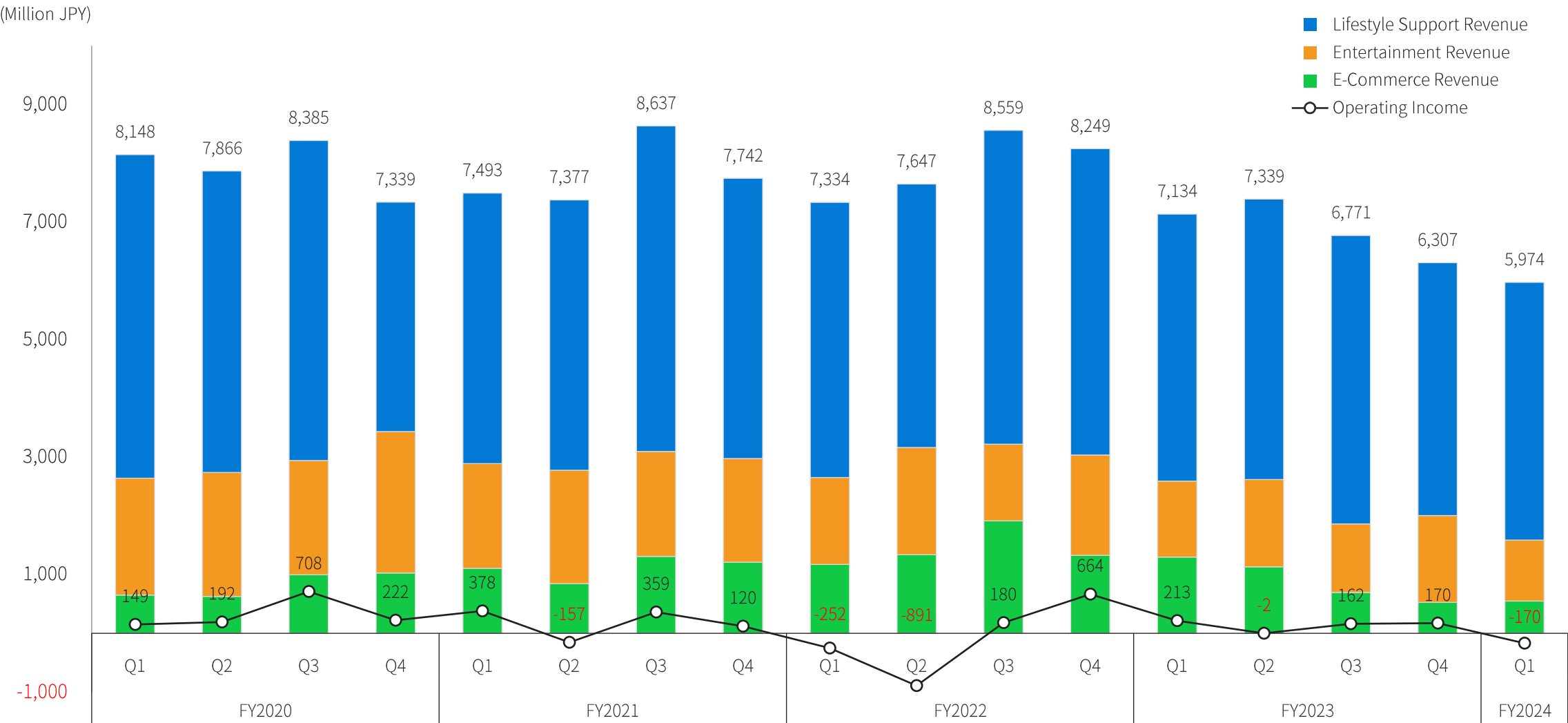
## E-Commerce

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

Revenue: 547 million JPY  
Profit: -47 million JPY

- Revenue significantly increased for “lujo” and “OBREMO” due in part to the growth in the number of clients
- Overall revenue decreased substantially Y/Y due to the transfer of “cyma” on March 1, 2023
- Segment profit loss was largely mitigated

● 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.

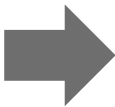
# 4. FY2024 Q1 Business Details

# Lifestyle Support Business

# Integration of Sub-Segments into the “Digital Marketing Support Business”

Before Integration

Segment	Sub-Segment
Lifestyle Support Business	Digital Marketing Support Business
	Platform Business

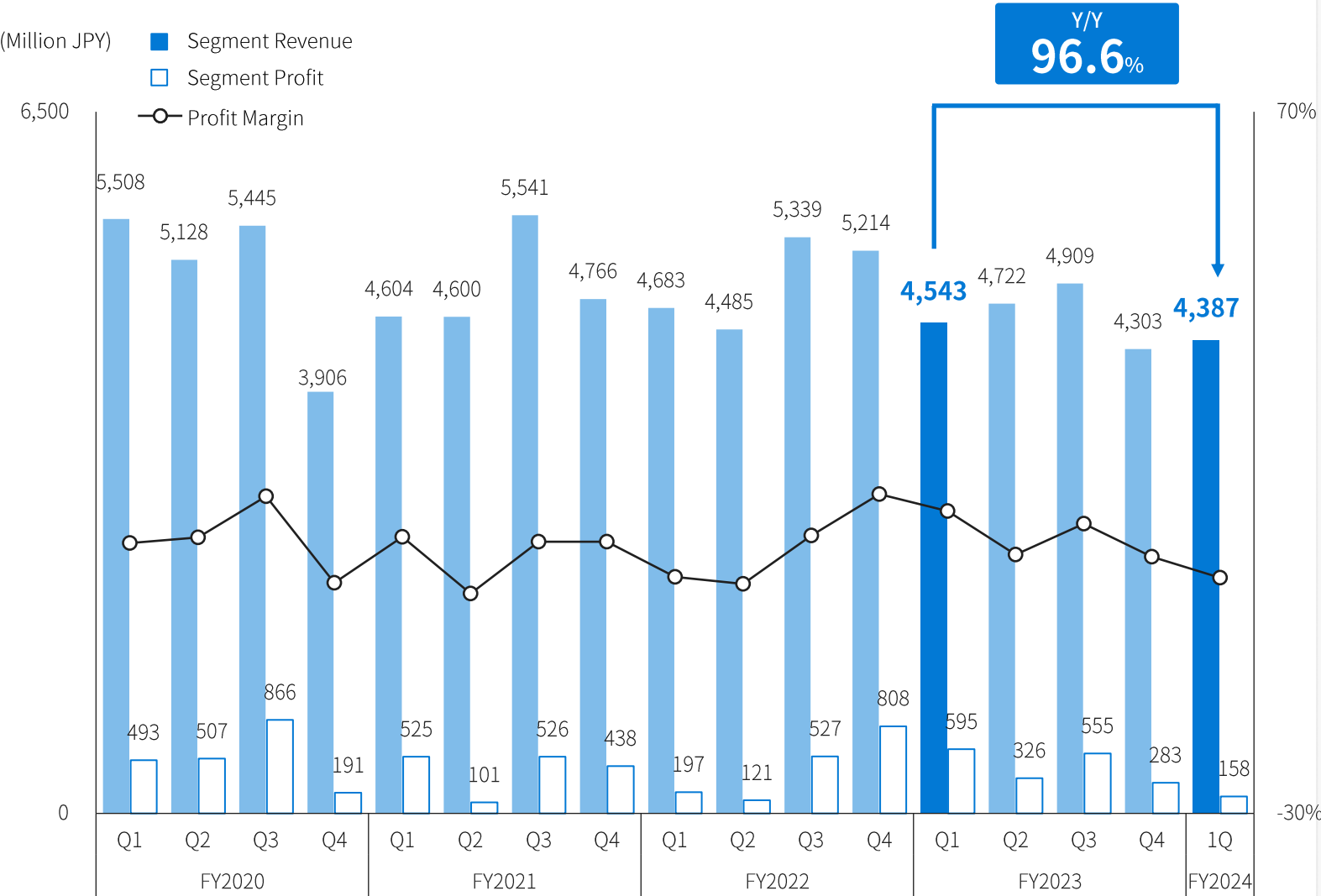


After Integration

Segment	Sub-Segment
Lifestyle Support Business	Digital Marketing Support Business

“Lalune” and “Qiita” were previously part of the “Platform Business”, but will be integrated into the “Digital Marketing Support Business”.

Lifestyle Support Business: Performance Trends



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

Main Variable Factors

Revenue

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

Profit

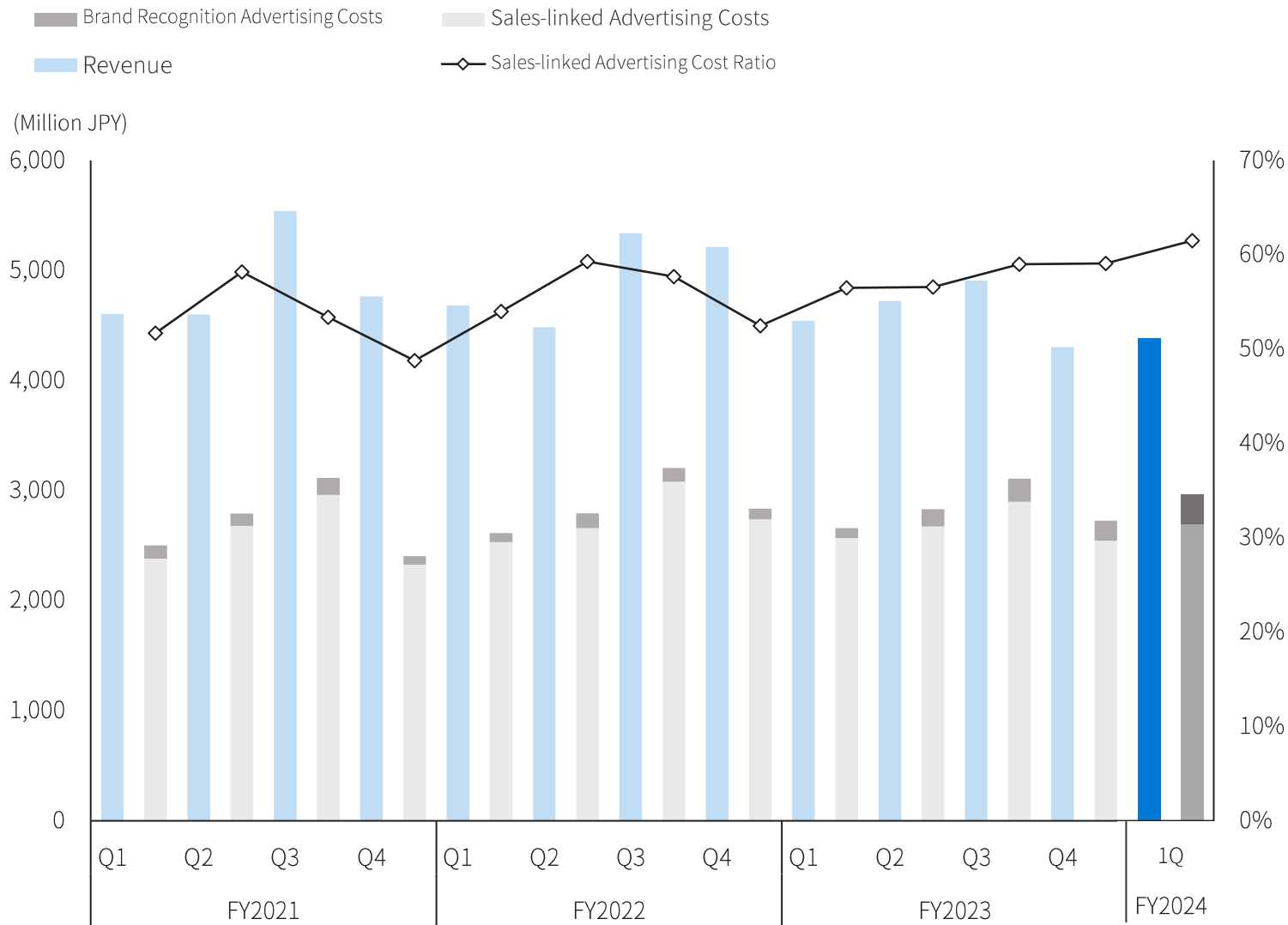
- × Car Services  
Due to increase in advertising cost
- × Customer Referrals to Electric Utility Companies and Telecommunications Carriers

- More than +10%
- △ Less than -10%
- Less than +10%
- × Less than -10%

\* Y/Y growth rate

\* The evaluation criteria of the Y/Y growth rate have been revised from the evaluation criteria described in the FY2023 Q4 Business Report.

Digital Marketing Support Business: Quarterly Advertising Cost Trend



- **Tracking of the cost-effectiveness for customer acquisition by separating advertising spend (e.g. web ads) from brand-building expenditures**
- **Advertising costs linked to sales have remained constant at around 60% of revenue for the Digital Marketing Support Business**

[Sales-linked Advertising Costs]  
Web Advertising and Other Advertising Costs

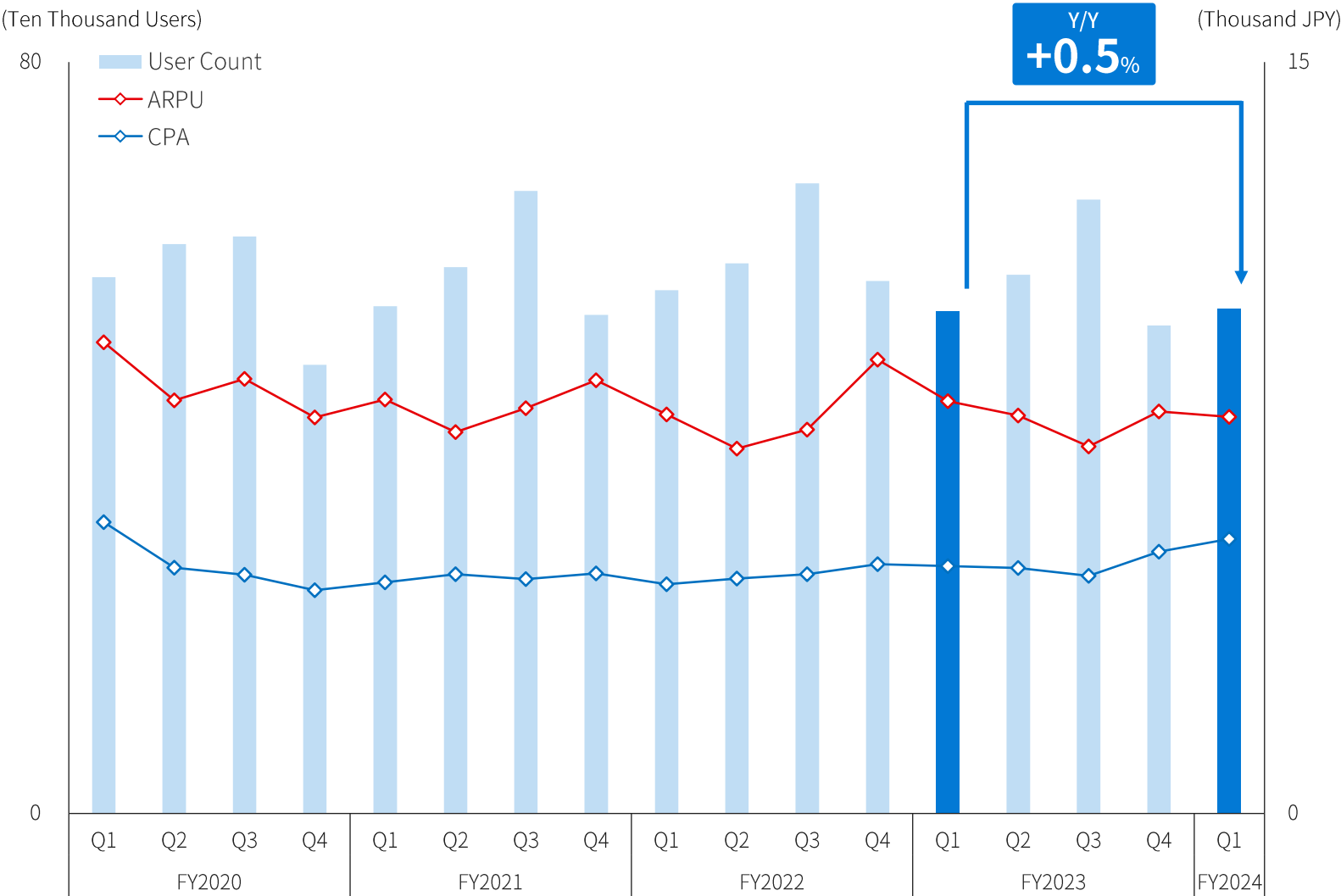
[Brand Recognition Advertising Costs]  
Advertising Costs for Brand Building Purposes

[Sales-linked Advertising Cost Ratio]  
 $\text{Sales-linked Advertising Costs} \div \text{Revenue}$



# Main Variable Factors

Business	External Environment	Current State
Financial Media	E-E-A-T further enhanced through Google’s core algorithm update.	Financial Media performance overall has remained flat.
Car	Used car prices remain relatively high despite a certain decline due to recovery in new car market.	Competition for procurement intensified due to increased advertising by competing services. Although revenue increased due to investment in advertising, profit decreased due to higher advertising costs.
Moving	Market remained generally flat.	Revenue has remained flat.
HR Media	Market environment remains favorable, with high demand from both companies and job seekers.	Revenue and profits continued in an upward trend Y/Y. Accumulated losses were eliminated by August 2023, with earnings building up going forward.
Bridal	Market has recovered to 80% of pre-COVID-19 levels.	Redoubled sales efforts have led to a recovery in the number of listed bridal venues. Additional investments will be considered in conjunction with investment efficiency and market environment.
Insurance Agency	Special demand in relation to COVID-19 has subsided and the market remains flat.	Number of customers has been steadily growing Y/Y. Efforts have been bolstered to increase the number of partner companies and sales of advertising space on our website.



- User count remains flat Y/Y
- CPA increased slightly due to increase in advertising costs

[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]

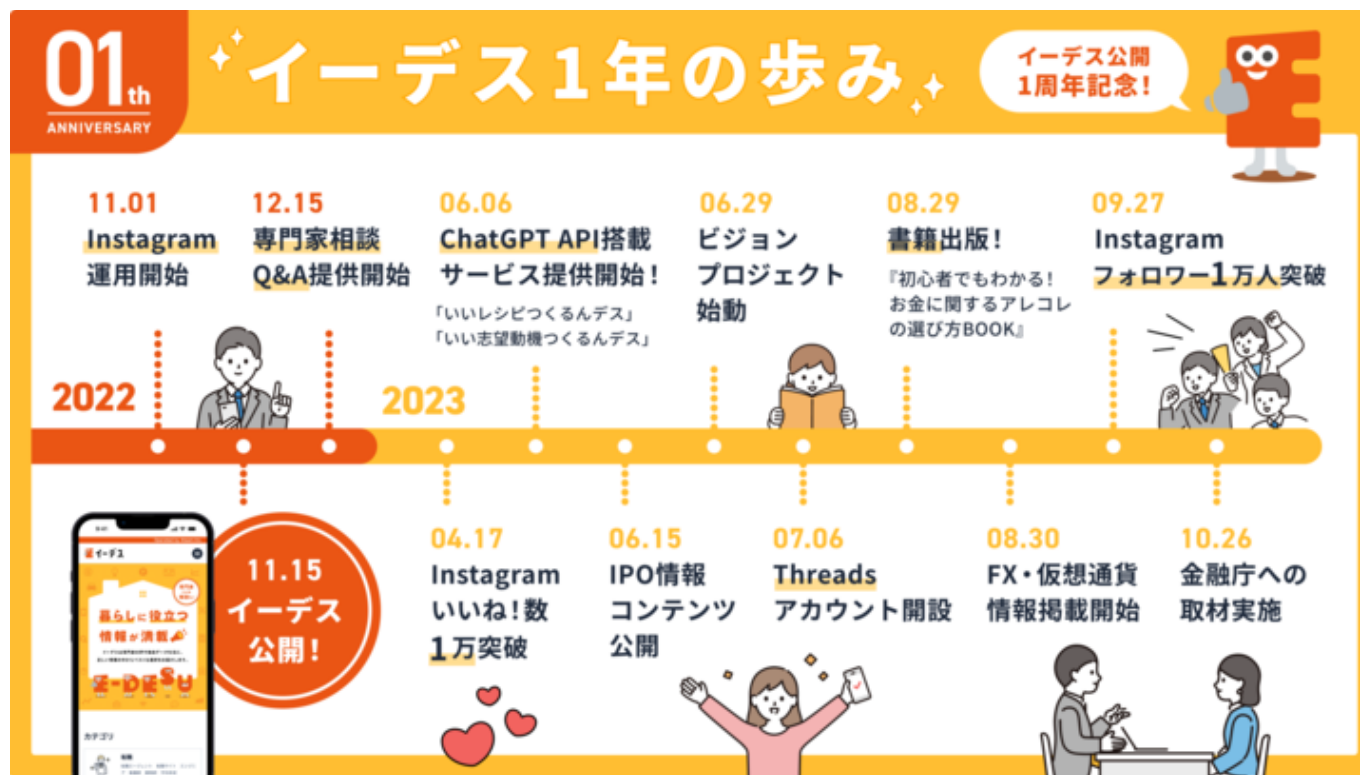
## “E-DESU” Marked its One-year Release Anniversary, with the Cumulative Number of Visitors Exceeding 28 Million

### More than 28 million cumulative visitors

The comprehensive lifestyle media “E-DESU” marked its one-year release anniversary on November 15, 2023, and its cumulative number of visitors exceeded 28 million.

### Aim of “E-DESU”

Ateam has been operating media that supports customers’ life events under each brand. With the release of “E-DESU,” our goal is to expand the categories of information available within the lifestyle field by standardizing brands, increasing contact with customers, building long-term relationships with customers, and improving earnings by increasing the number of users.



\* Please refer to “E-DESU, Information Media for Life’s Challenges, Celebrates Its One-Year Release Anniversary, with More than 28 Million Cumulative Visitors” released on November 22, 2023.

# Transfer of Lalune to MEDLEY, INC. via Simplified Absorption-type Split

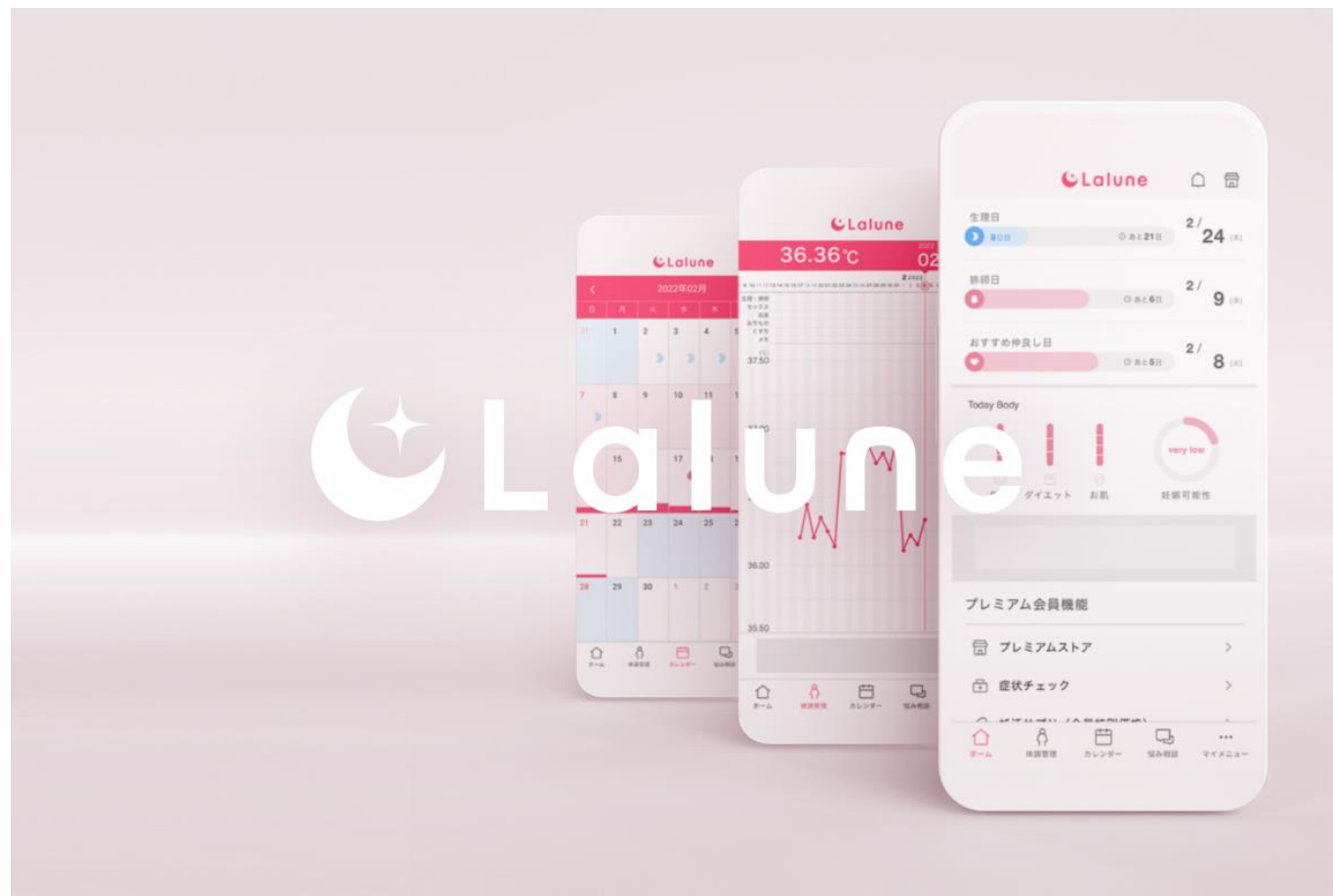
## Transfer of the Lalune business

Business succession is scheduled to take effect on February 1, 2024, which will be managed by MEDLEY, INC.’s medical platform business.

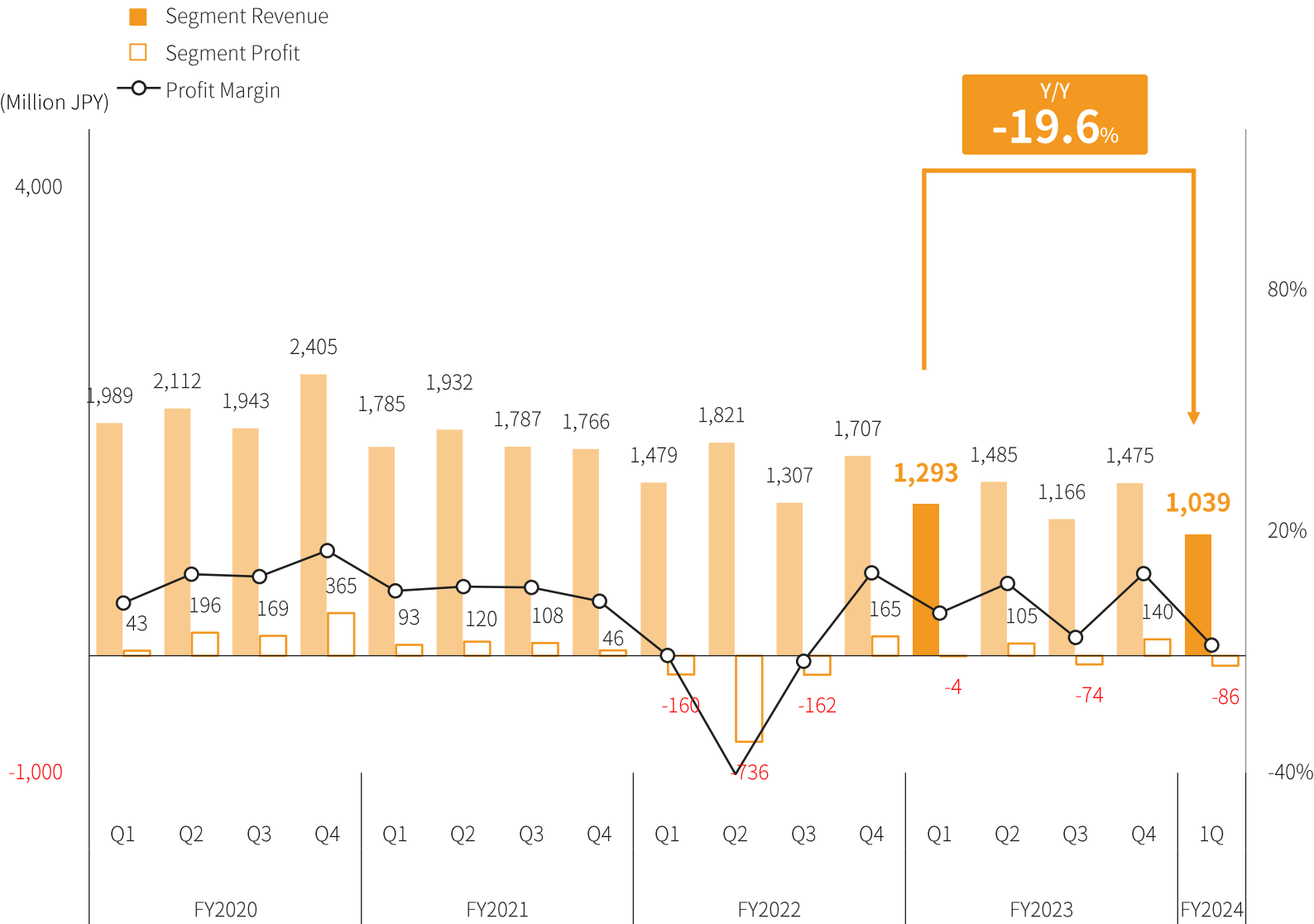
## Purpose of this reorganization

We determined that transferring the Lalune business to MEDLEY, Inc., which has extensive knowledge in the medical healthcare field, would be the best way to maximize the value of Lalune. Going forward, we will [optimize our management resources and reallocate them to areas where we can leverage our strengths](#).

\* Please refer to “[Notice Regarding Successions of Rights and Obligations of Consolidated Subsidiary to MEDLEY Inc. Due to Company Split\(Simplified Absorption-Type Demerger\)](#)” released on October 24, 2023.



# Entertainment Business



Main Variable Factors

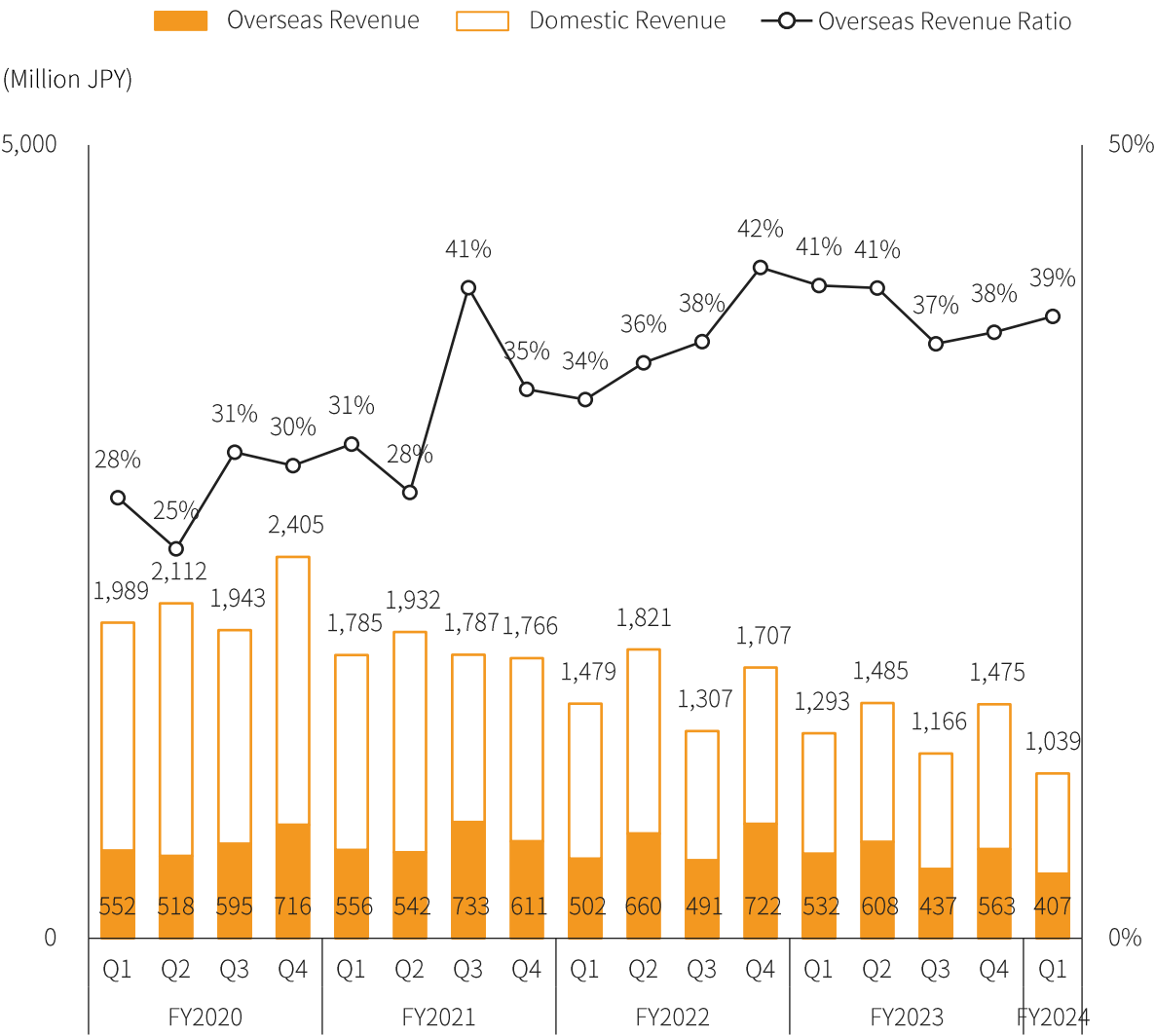
Revenue

Revenue continued to decline Y/Y due to the downward trends for existing titles.

Profit

Despite efficient operation and curving costs, losses increased Y/Y due to decreases in profits from declining segment revenue and investment into the development of new titles.

● 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 hypercasual 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.



## 3 Markets to Develop and Operate Continuously

### 1. Multi-platform Games

Planning/Developing

**2** titles

### 2. Hypercasual Games

Planning/  
Developing

Multiple

Released

**1** title

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

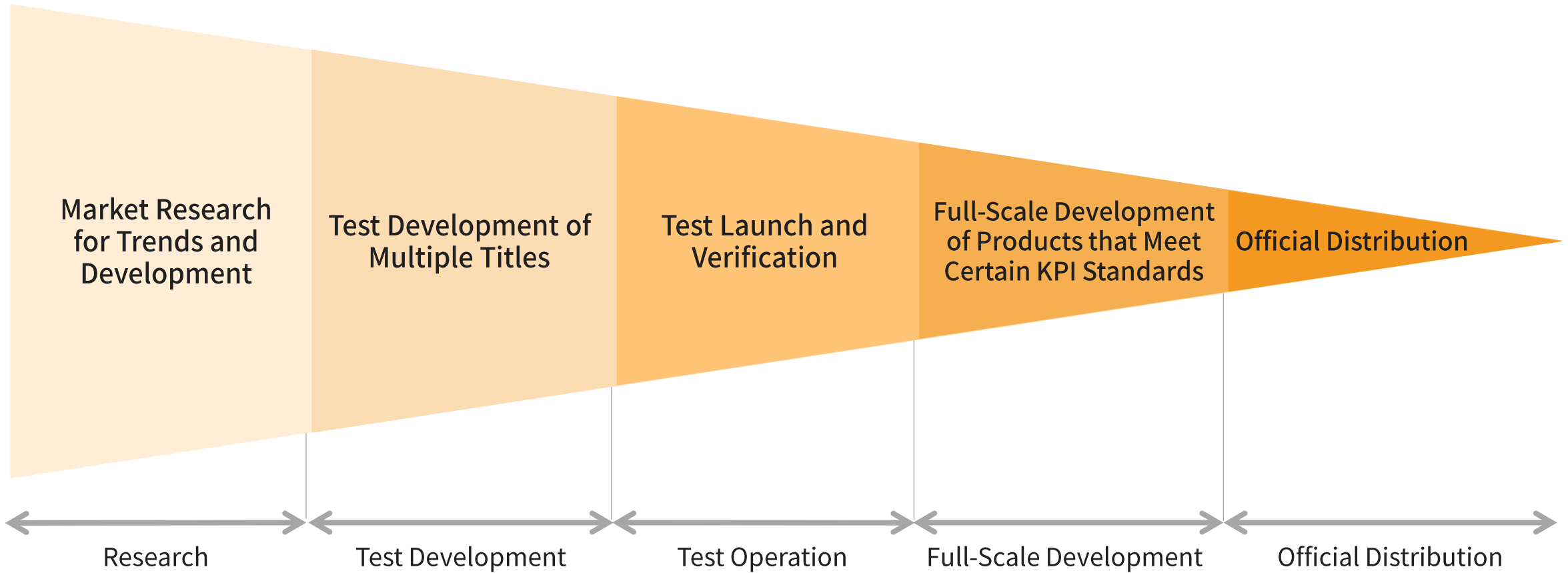
Planning/  
Developing

Multiple

Released

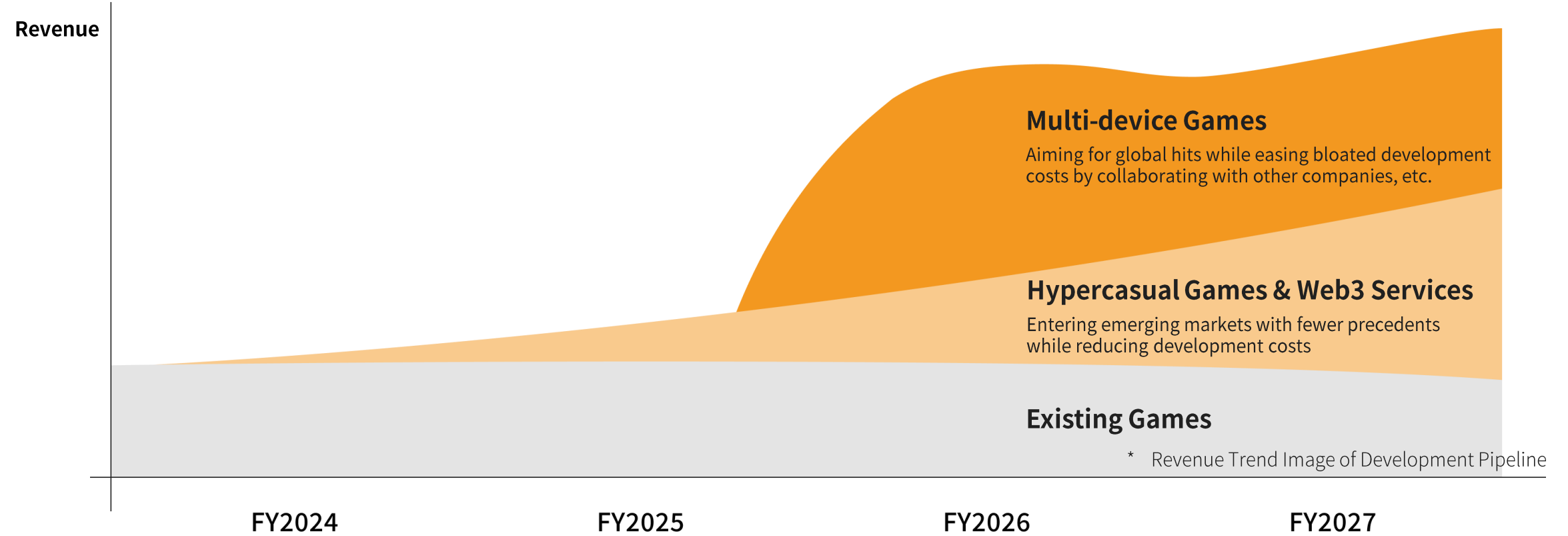
**1** title

## Market Size for Hypercasual Games is 4 Trillion Yen Worldwide\* We're Creating Hit Titles While Utilizing the PDCA Cycle for Speedy Development

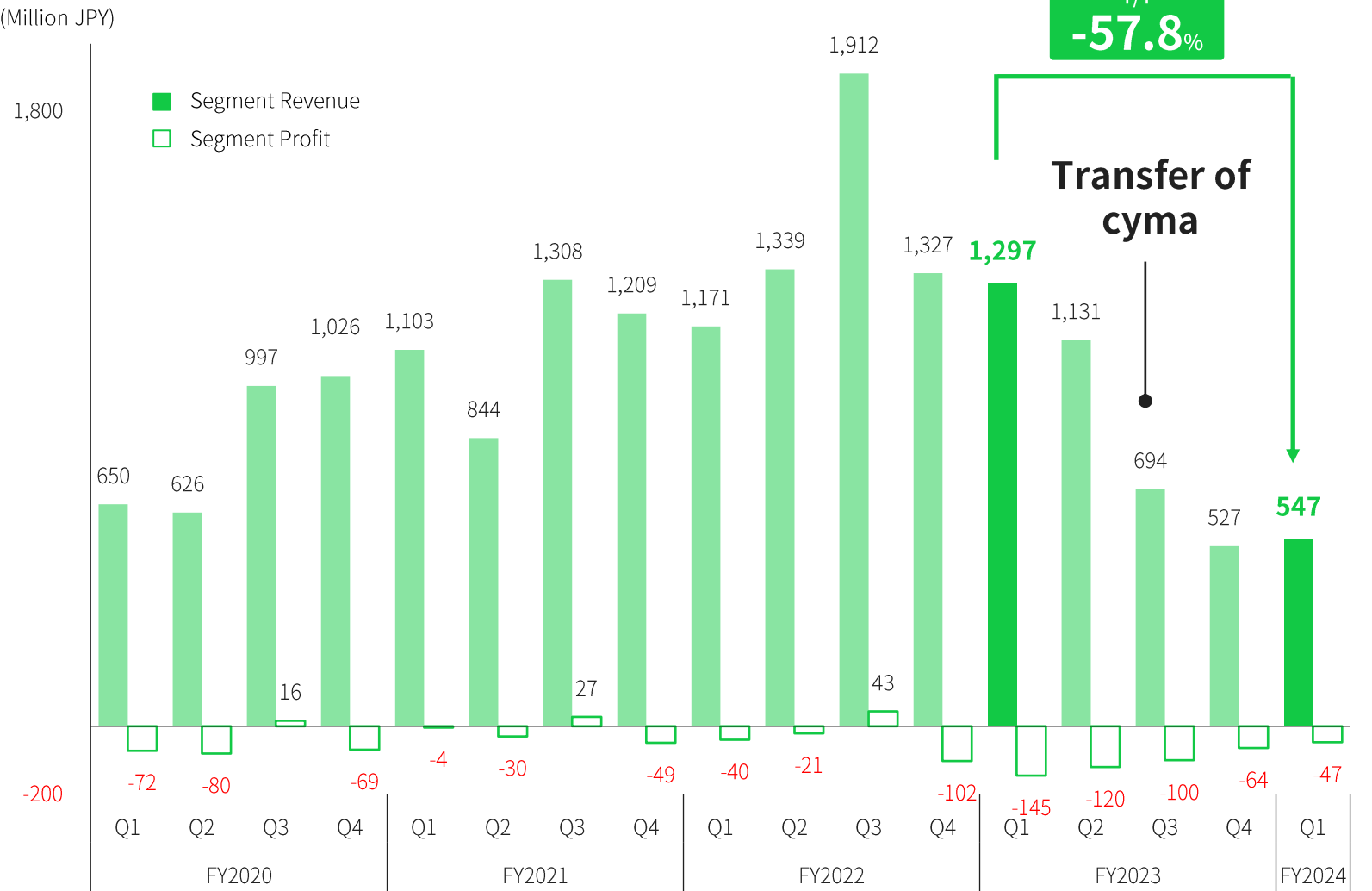


\* App Annie "2021 Mobile Game Market Update Report : Key Trends in Subgenres, Monetization, and User Acquisition"

Aiming to Accumulate Revenue through Hypercasual 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. Figures shown are after segment reclassification for the Lifestyle Support Business and the EC Business.

### Main Variable Factors

#### Revenue

Significantly down Y/Y with the transfer of “cyma” on March 1, 2023, However, the cosmetic brand “lujo” and the pet food brand “OBREMO” are significantly up due to increase in customers.

#### Profit

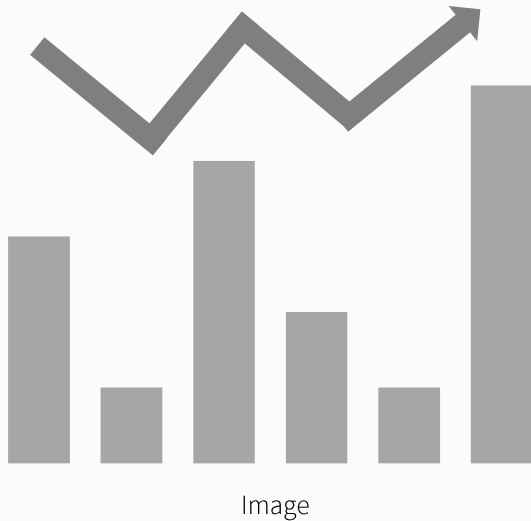
Losses in the entire segment decreased significantly due to the transfer of “cyma”, which was incurring operating losses, and “lujo” turning profitable in Q4.

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

# Subscription-based Business Model's Earning Structure Grows Through the Increase of Repeat Customers

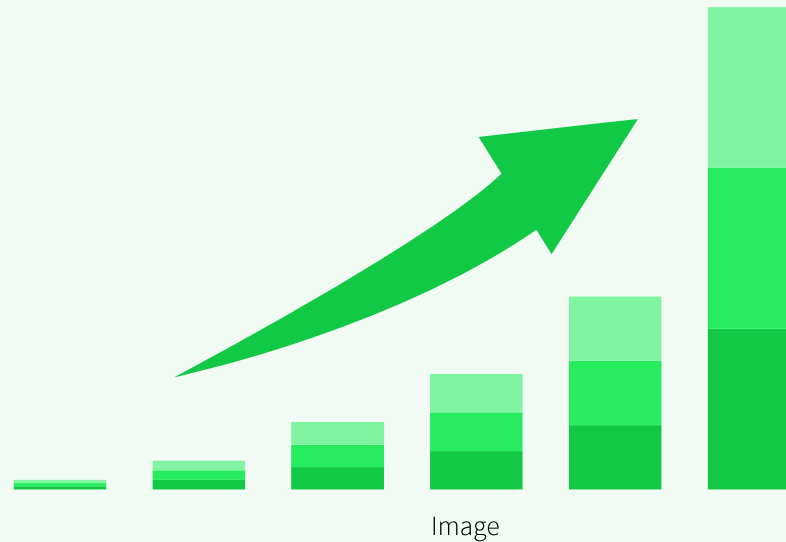
Previous EC Business

One-time purchase model led to a lack of consistent, repeat usage of the website.

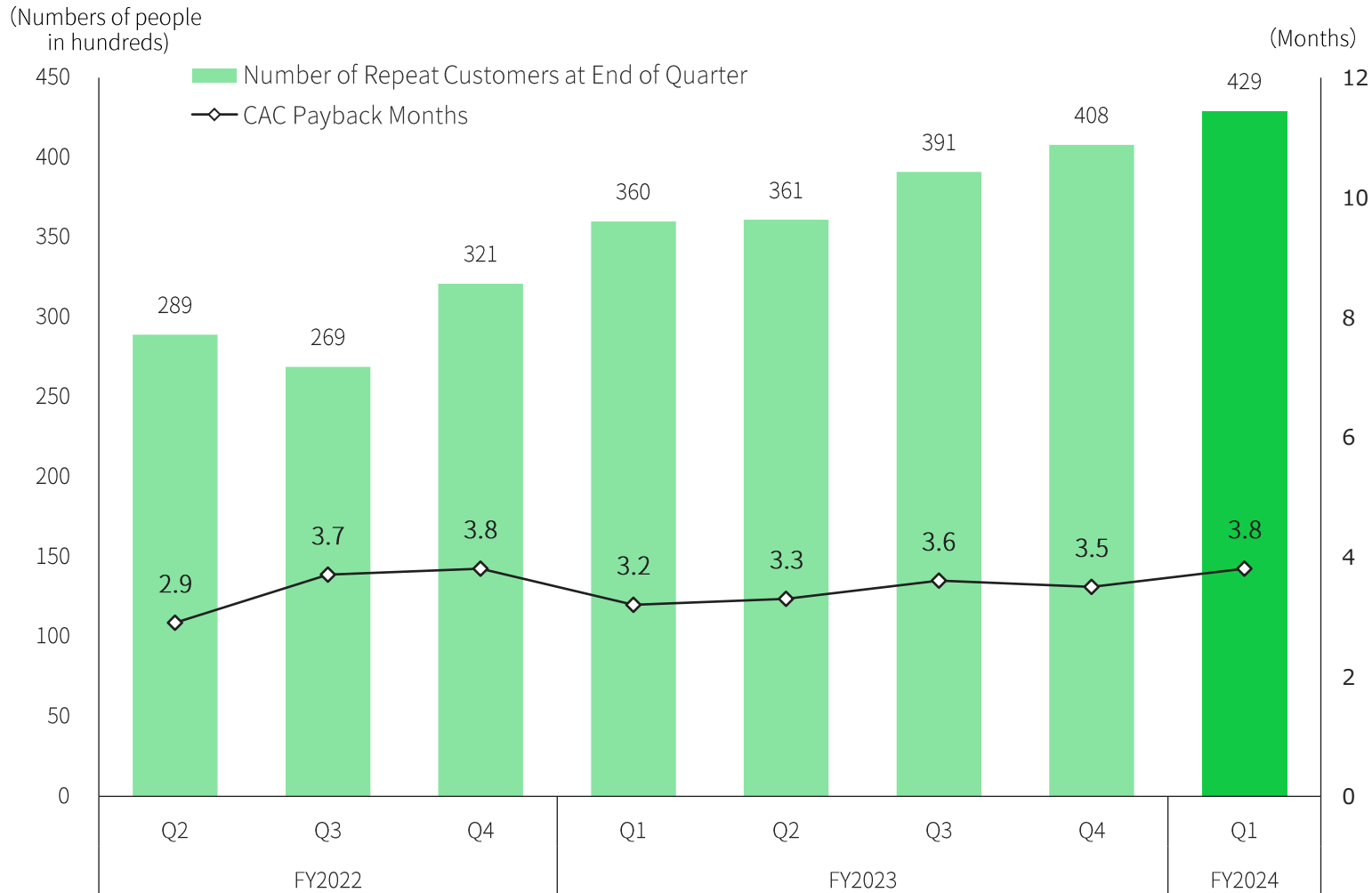


Future EC Business after the transfer of "cyma"

The D2C x Subscription-based business model will create an earnings structure with stable growth through the increase of repeat customers.



## ● E-Commerce Business: KPI Trends



- **Number of repeat customers and CAC payback months will be monitored as KPIs**
- **Customers has been steadily increasing since the start of services**
- **CAC payback months will be kept constant to some extent while maintaining efficiency**

\* The graph covers data from FY2022Q2 due to data availability.

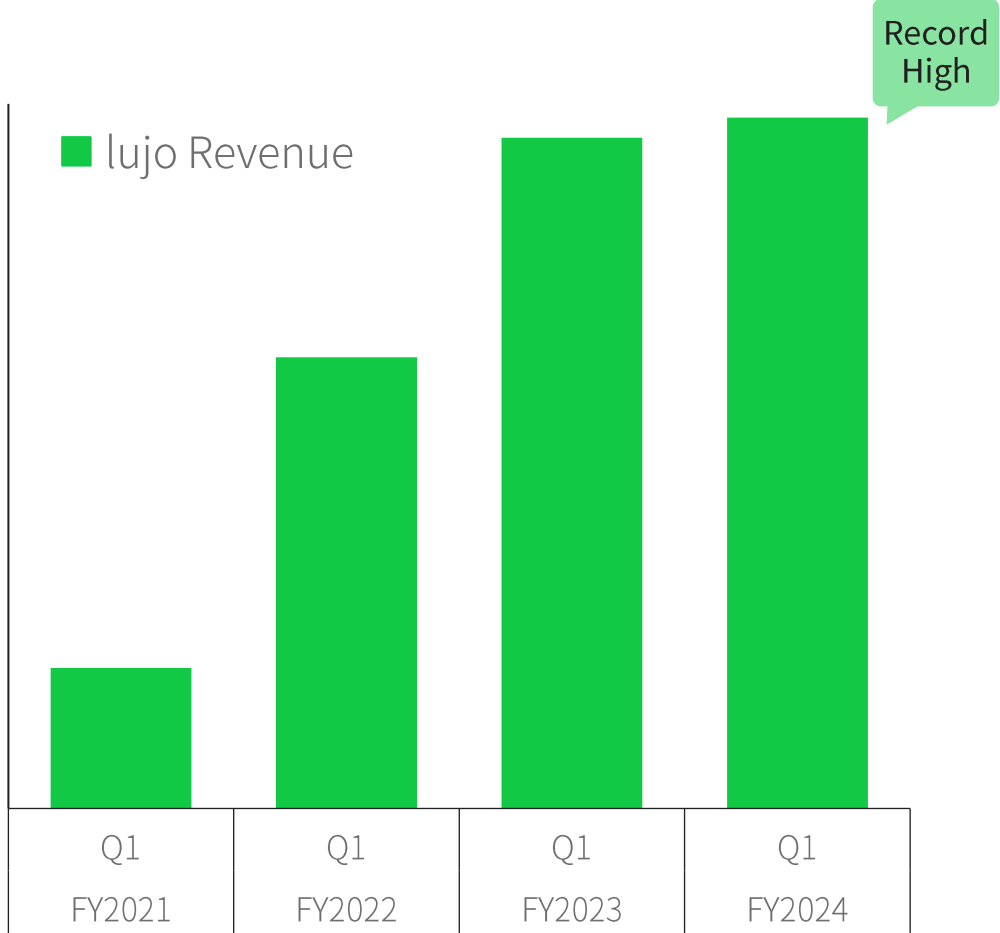
\* The data is the aggregation of “lujo” and “OBREMO”.

[Number of Repeat Customers in Q4]  
The number of repeat customers as of the end of Q4

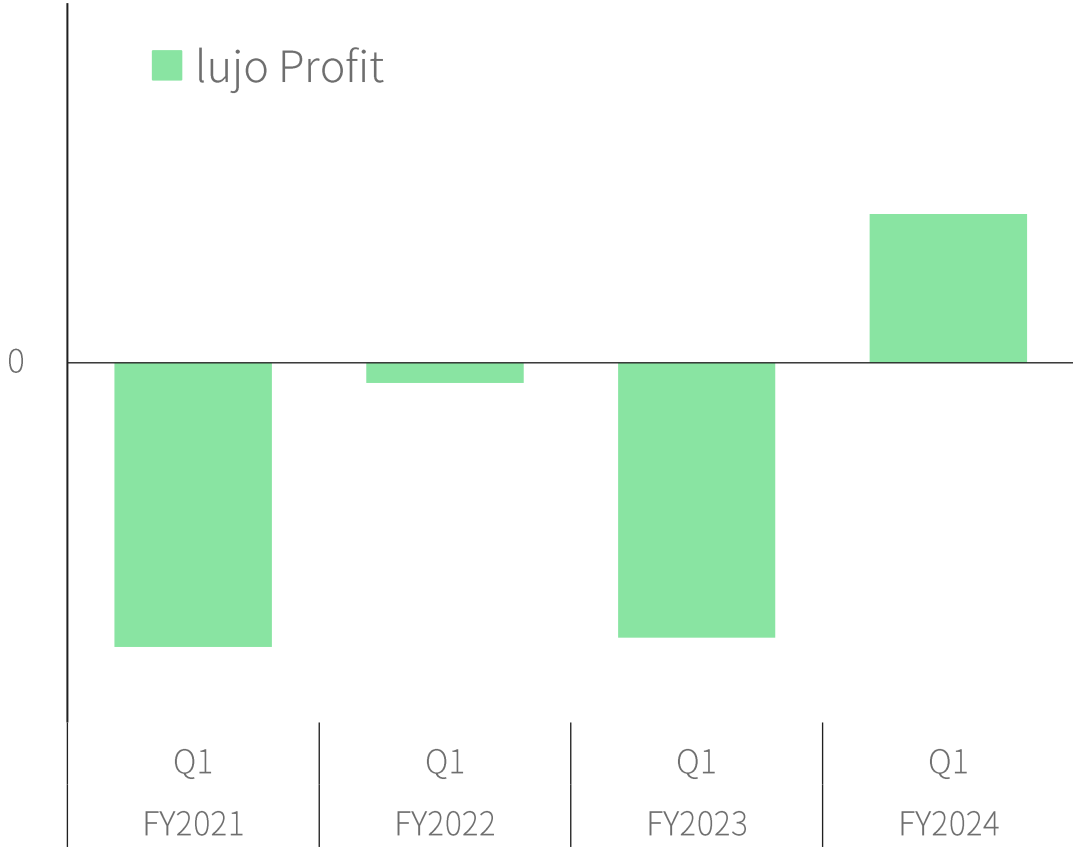
[CAC]  
Customer Acquisition Cost: The acquisition cost per customer

[CAC Payback Months]  
 $\text{CAC} \div \text{Marginal profit per customer}$

# Q4 Revenue Hit a Record High and Revenue has Remained Strong

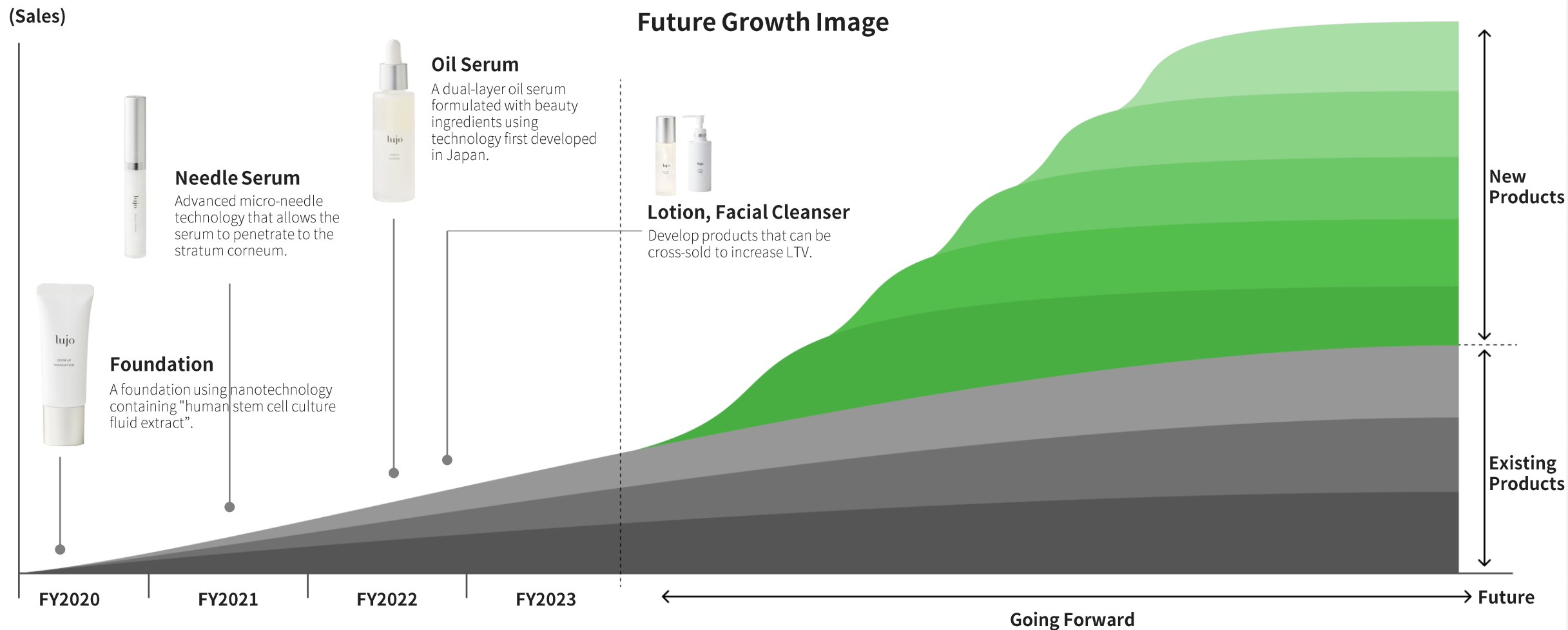


# The Number of Repeat Customers has Steadily Increased, Contributing to Profit Generation





# Increase Top-line Sales by Building Sales via Product Lineup Expansion



# 5. FY2024 Guidance

## FY2024 Consolidated Financial Forecasts Were Revised Upward Due to Expected Extraordinary Gains\*

	FY2024 Full-Year Forecast				Ref. FY2023	
	Disclosed on October 24	Disclosed on September 8	Ratio (%)	Y/Y (%)	Full-Year Results (Million JPY)	Ratio (%)
<b>Revenue</b>	28,700	28,700	100.0	104.2	27,552	100.0
Lifestyle Support	20,300	20,300	70.7	109.8	18,480	67.1
Entertainment	5,900	5,900	20.6	108.8	5,421	19.7
E-Commerce	2,500	2,500	8.7	68.5	3,651	13.3
<b>Operating Income</b>	600	600		110.3	543	
Lifestyle Support	1,365	1,365	—	77.5	1,760	—
Entertainment	280	280	—	168.2	166	—
E-Commerce	-165	-165	—	—	-431	—
Others	-880	-880	—	—	-951	—
<b>Net Income</b>	<b>780</b>	360		544.2	143	

\* We have revised our FY2024 consolidated financial forecasts as disclosed in the "Notice Regarding Expected Recording of Extraordinary Income and Revision of Financial Forecasts (Upward Revision)" on October 24, 2023.

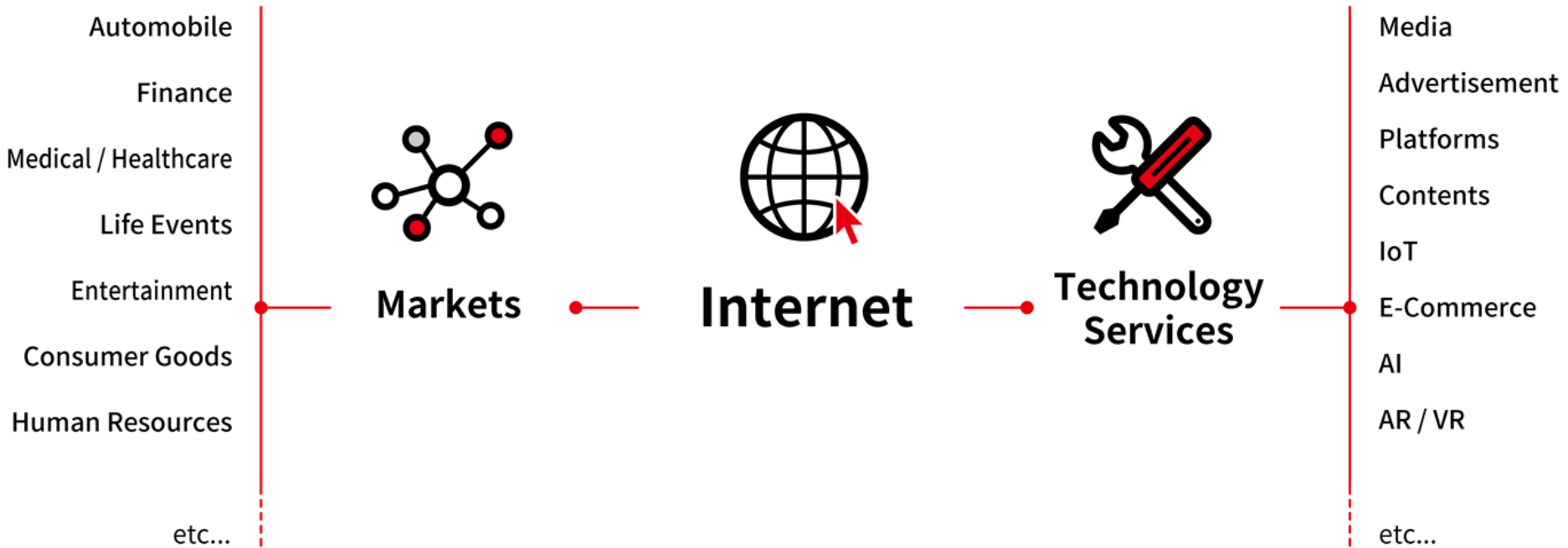
# 16.0 JPY Per Share for Stable Returns

With continuous and stable shareholder returns in mind, we aim to keep our dividend the same as FY2023. We will promptly disclose any changes 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%	—

# APPENDIX: Company Overview

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

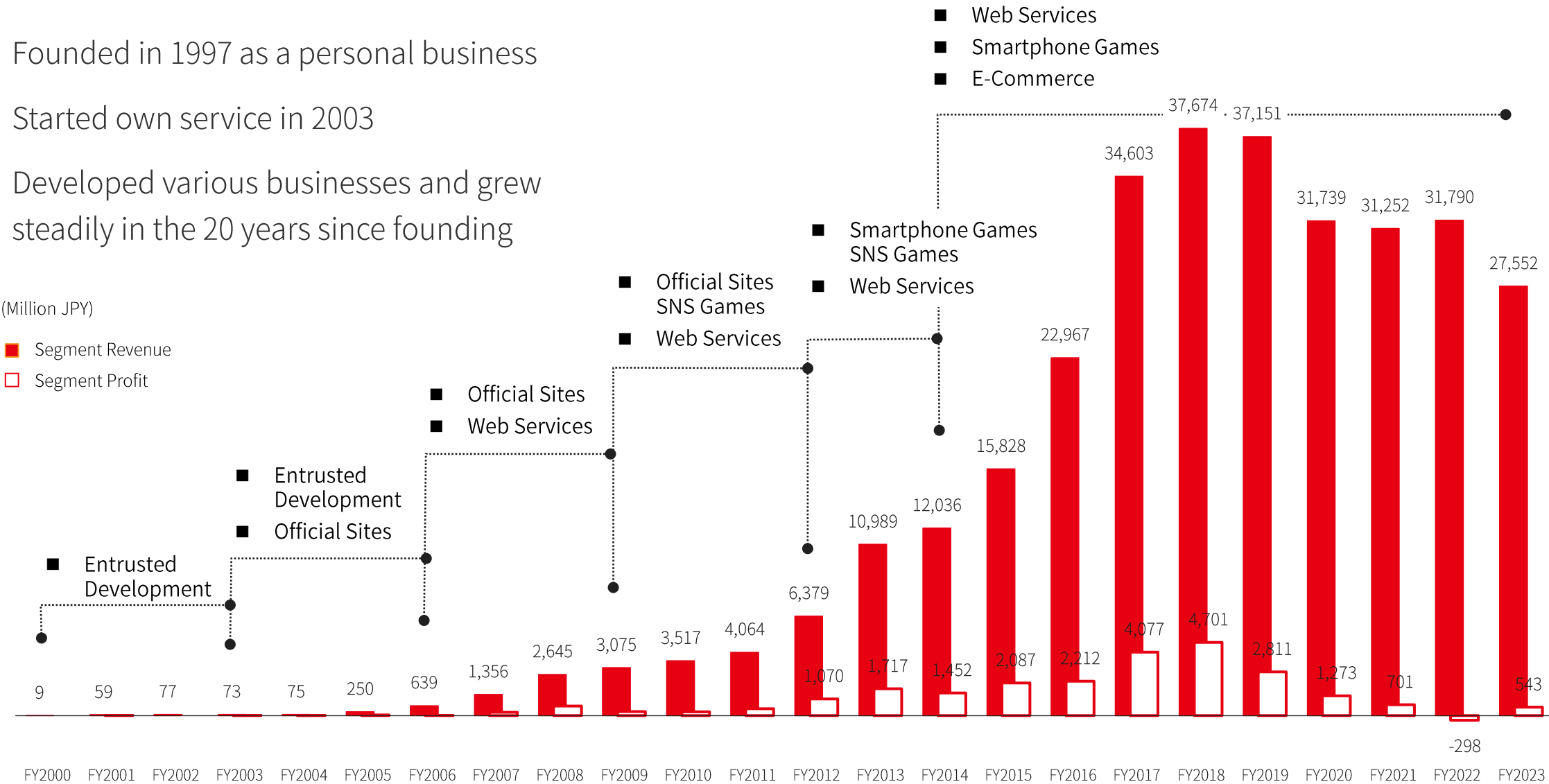


Company name	<b>Ateam. Inc</b>
Security code	3662:JP, TSE PRM
Incorporated on	February 29, 2000
Headquarters	Nagoya, Japan
President	Takao Hayashi
Industry	Information & Communication
Sector	Internet, Mobile Game
Account settled in	July
Group companies (Fully owned subsidiaries)	8 (includes 1 overseas subsidiary)
Number of employees	847 (excludes directors & part-time employees)
Shares per unit	100 shares



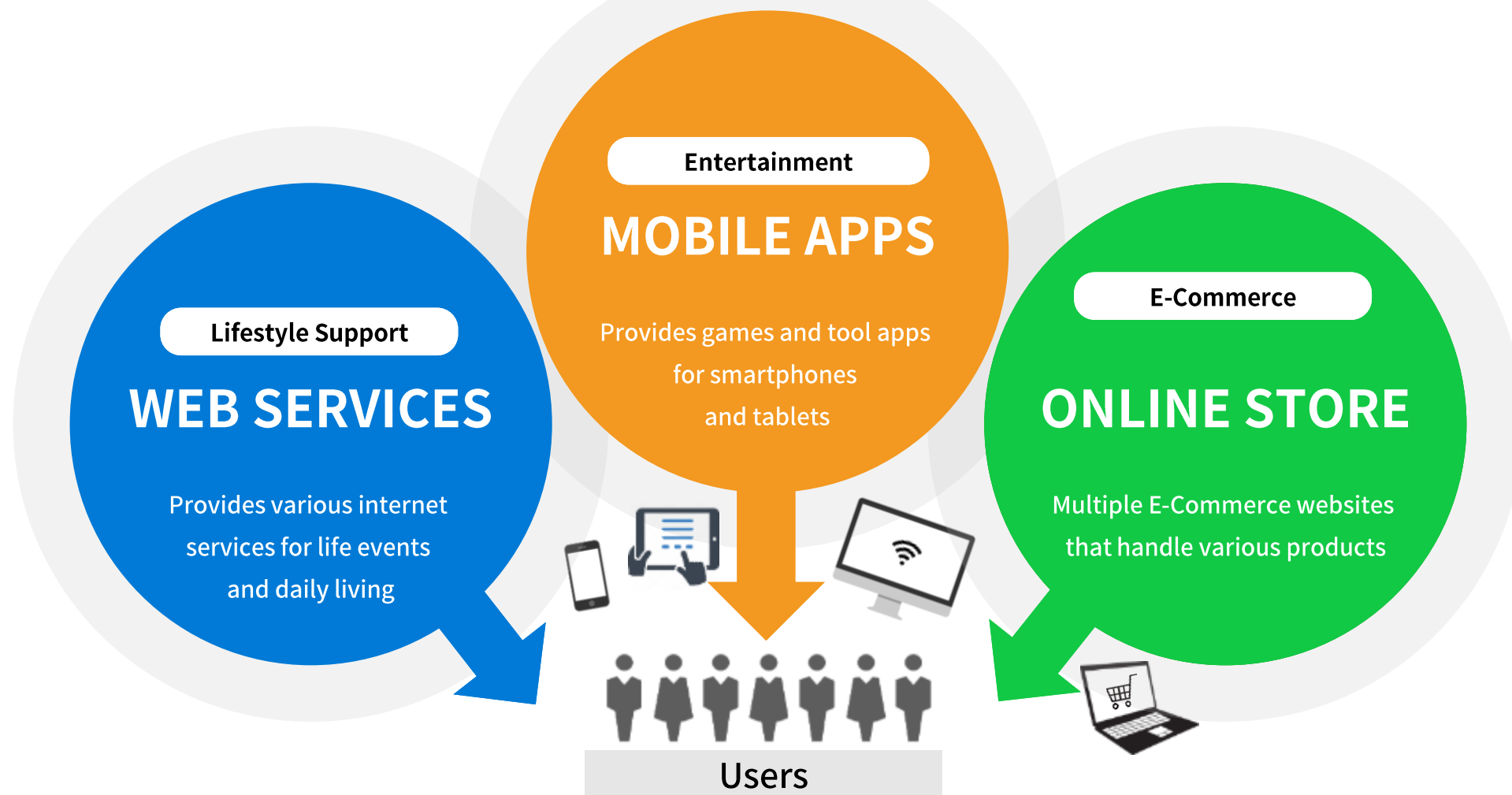
● Company History

- Founded in 1997 as a personal business
- Started own service in 2003
- Developed various businesses and grew steadily in the 20 years since founding



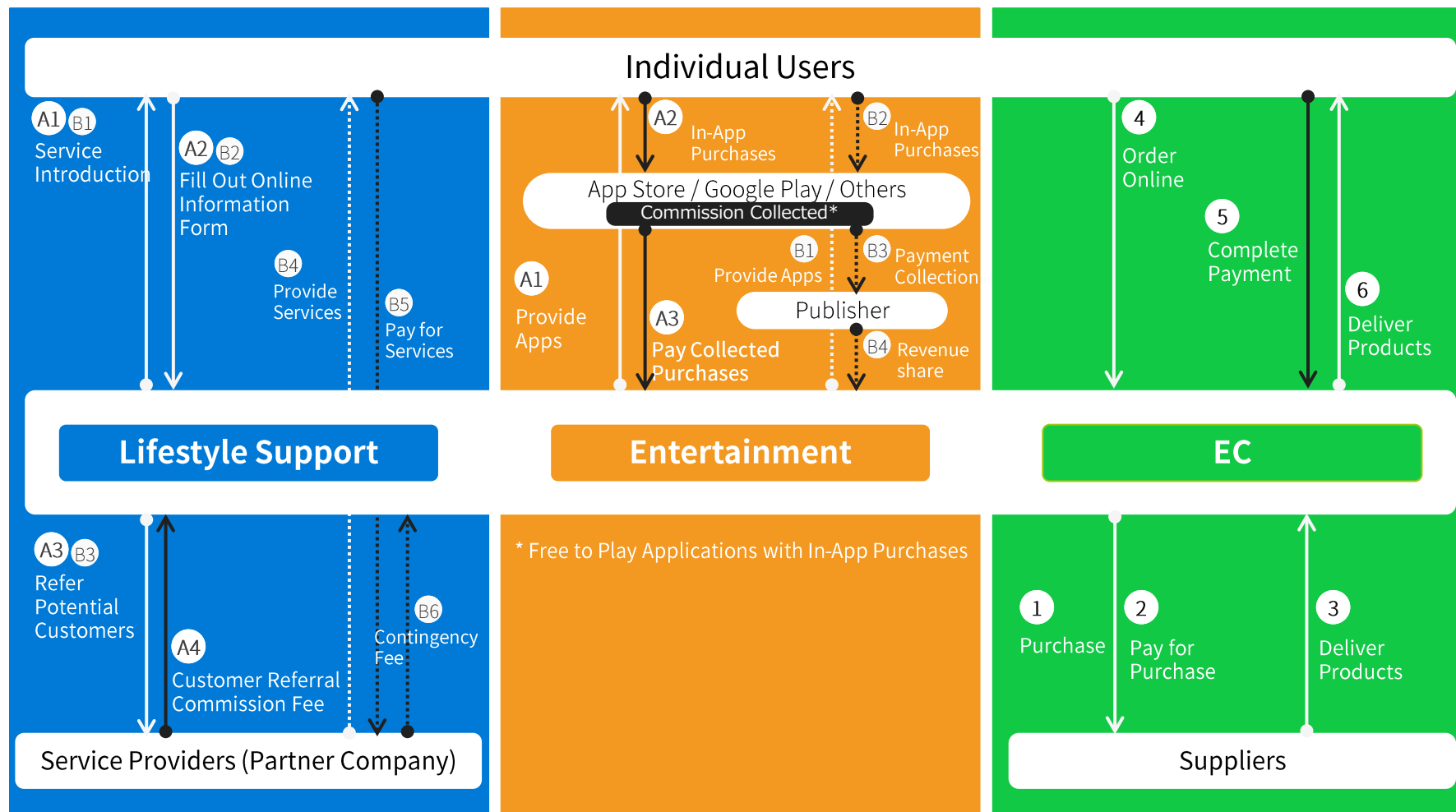


## Ateam Provides Various Services Through the Internet and Smart Devices



## ● Business Models

(A) Main Business Model (Solid Arrow) (B) Sub Business Model (Dotted Arrow)  Commercial Distribution  Financial Flow



Commission Collected

\* Commission fees are collected by providers of application distribution platforms such as the iTunes App Store & Google Play

## Lifestyle Support Business

Moving Quote  
Comparison Website



Car Appraisal  
Website



Wedding Venue  
Information Website



Information Media  
for Life's Challenges



Engineering Technology  
Online Community



## Entertainment Business



Revue Starlight  
Re LIVE



Valkyrie Connect



Unison League



Derby Impact



Dark Summoner



Good Night's Sleep Alarm

## E-Commerce Business

lujo

Cosmetics and Skincare Brand



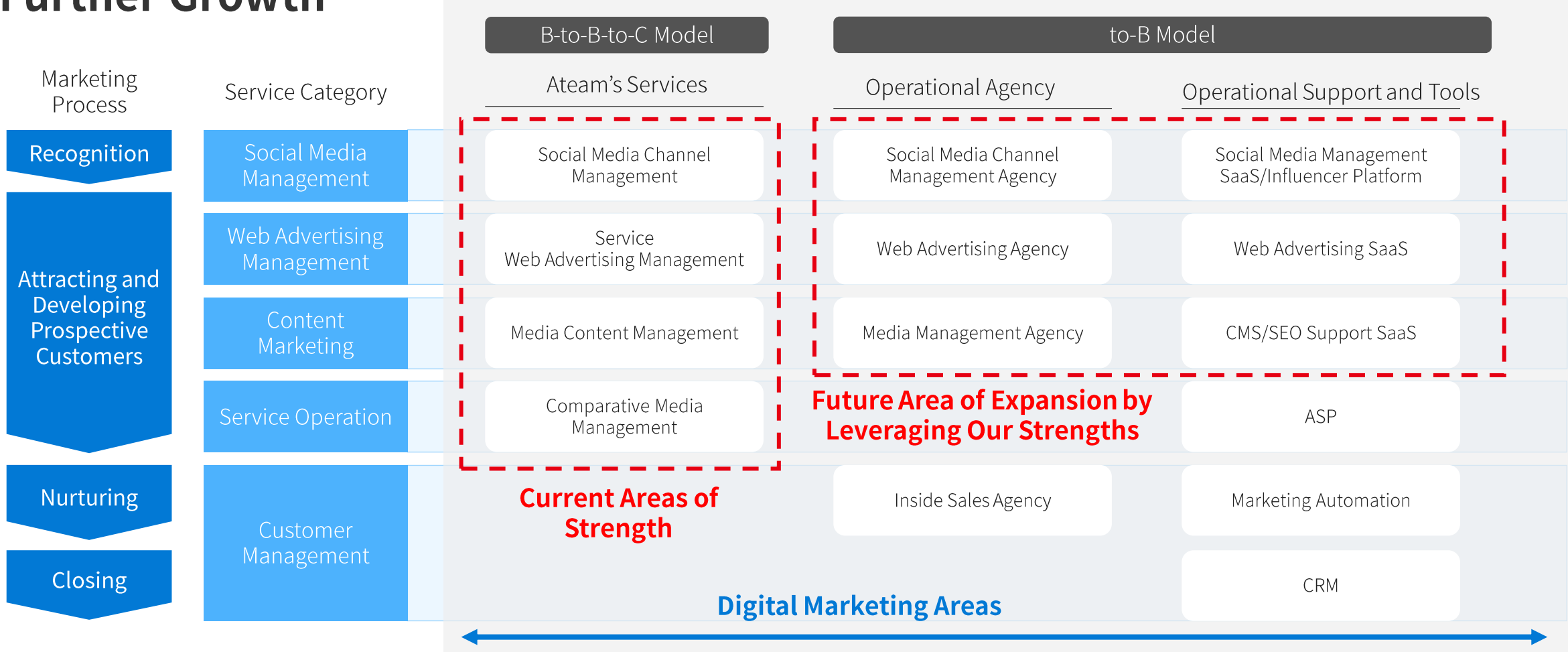
OBREMO

Dog Food Brand



# APPENDIX: M&A Policy

# Expanding Business Areas Through M&As that Align with Our Strengths for Further Growth



# Appendix: Sustainability

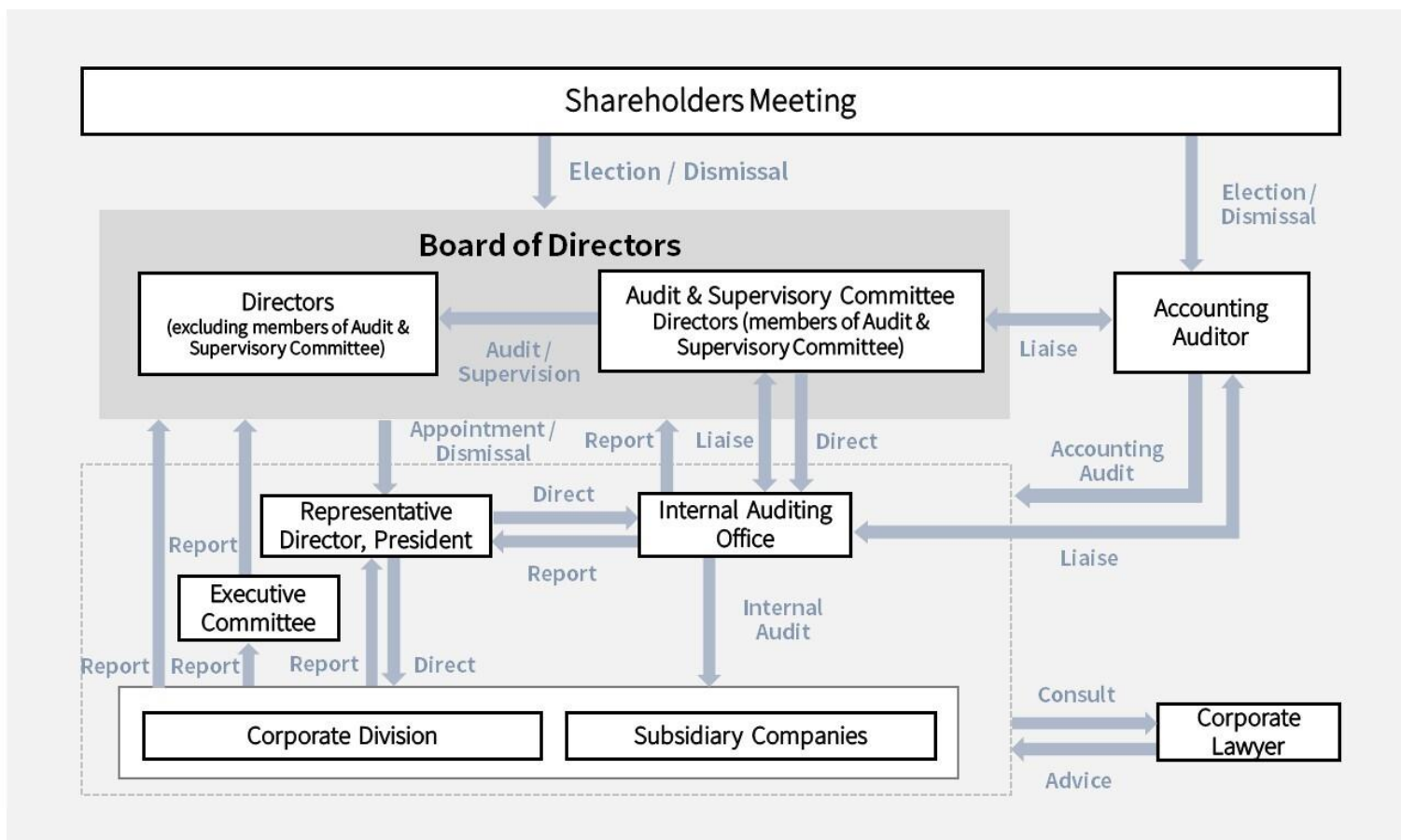
# Ateam’s Donation Activities in FY2024

Year	Donation amount (thousand yen)	Year	Donation amount (thousand yen)
FY2011	3,550	FY2017	25,840
FY2012	11,080	FY2018	31,830
FY2013	15,450	FY2019	29,380
FY2014	18,750	FY2022	8,773
FY2015	19,780	FY2024	1,400
FY2016	21,800	Total	187,633

**Ateam donated 1.4 million yen** through the Japanese Red Cross Society to aid victims of the heavy rains and typhoons that hit Japan, as well as floods and earthquakes that occurred overseas in FY2023, and to support reconstruction efforts in the affected areas.

Since the occurrence of the Great East Japan Earthquake in March 2011, Ateam has continued to provide support to children and other in need of help in earthquake- and disaster-stricken areas. Ateam is committed to continue its support by returning a portion of the profits earned by the Ateam Group to society through “Ateam Donation Activities”.

## Transition to a Company with an Audit & Supervisory Committee



With the aim of enhancing the supervisory function and monitoring system of the Board of Directors and further enhancing corporate governance, Ateam has transitioned from a company with an Audit & Supervisory Board to a company with an Audit & Supervisory Committee on October 26, 2023.

We adopted this system because we believe it will enable us to ensure thorough compliance and improve risk management and internal controls.



# **APPENDIX:**

# **Supplementary Financial Data**

# ● P&L (FY2021 Q1 – FY2024 Q1)

(Million JPY)

	FY2021				FY2022				FY2023				FY2024
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
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	5,974
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	-5.3
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	4,387
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	1,039
E-Commerce*	1,103	844	1,308	1,209	1,171	1,339	1,912	1,327	1,297	1,131	694	527	547
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	894
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	15.0
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	5,250
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	87.9
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	6,145
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	1,320
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	3,334
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	55.8
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	2,962
Entertainment	128	126	111	127	131	874	81	132	65	96	75	65	31
E-Commerce*	195	217	271	312	293	295	298	372	454	355	317	325	337
Commissions, etc.	1,114	1,329	1,358	1,378	1,264	1,100	1,088	1,266	837	976	774	804	748
Subcontractor expenses, server fees	457	464	502	633	576	552	463	436	365	308	284	284	285
Office rental fees, utility expenses	299	298	270	260	266	260	243	241	238	237	214	200	194
Other expenses	851	705	1,039	931	832	1,087	1,472	988	831	1,085	464	369	261
Operating income	378	-157	359	120	-252	-891	180	664	213	-2	162	170	-170
Q/Q (%)	70.3	—	—	-66.5	—	—	—	268.3	-67.8	—	—	104.7	—
Lifestyle Support*	525	101	526	438	197	121	527	808	595	326	555	283	158
Entertainment	93	120	108	46	-160	-736	-162	165	-4	105	-74	140	-86
E-Commerce*	-4	-30	27	-49	-40	-21	43	-102	-145	-120	-100	-64	-47
Others	-235	-349	-302	-315	-249	-253	-228	-206	-231	-313	-217	-189	-194
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	223	-4	202	289	-137
Net income	258	483	239	-103	-145	-584	-104	-502	225	-271	153	141	-142
Number of employees	1,162	1,182	1,197	1,155	1,129	1,171	1,092	1,069	1,019	991	931	910	888
Lifestyle Support*	624	647	649	612	590	636	591	561	※512	※487	※466	452	435
Entertainment	378	375	378	374	371	364	346	352	340	344	343	338	336
E-Commerce*	58	59	63	60	58	55	55	55	※71	※69	※32	30	28
Others	102	101	107	109	110	116	100	101	96	91	90	90	89

\* 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 Full Year)

(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	34,339	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	2,115	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	4,116	3,825	3,528	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	-1,356	-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. However, number of employees before FY2023 are figures before the reclassification.

## ● Balance Sheet (FY2017 - FY2023 Full Year)

(Million JPY)

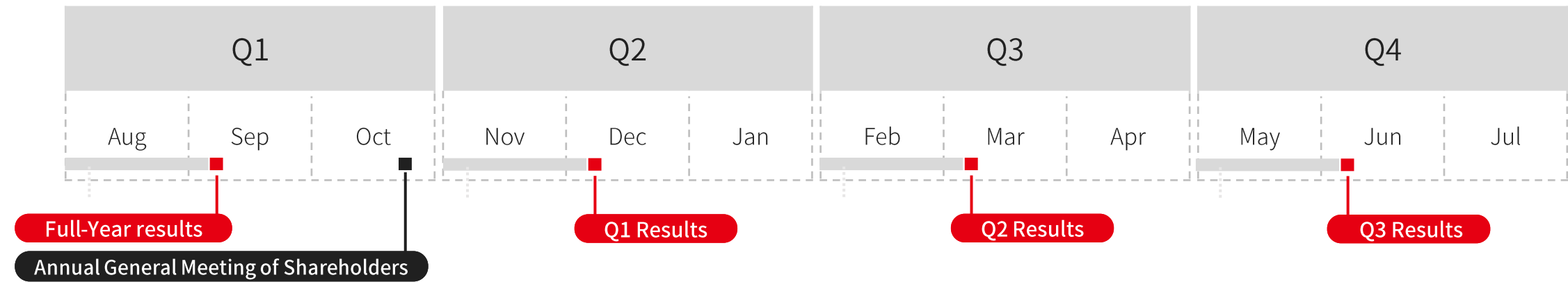
		FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024 Q1
Assets									
	Current Assets*	9,613	11,488	11,543	11,130	10,383	10,471	10,264	9,848
	Cash and cash equivalents	5,004	5,984	6,713	6,480	6,035	5,223	5,992	5,588
	Non-current assets*	3,527	5,214	5,729	4,932	5,368	4,290	3,591	3,733
	Tangible assets	1,666	1,684	1,711	1,384	1,195	844	389	410
	Intangible assets	507	2,070	1,522	477	792	391	216	198
	Investments and other assets*	* 1,353	1,459	2,495	3,070	3,380	3,055	2,985	3,124
Total assets		13,140	16,702	17,273	16,063	15,751	14,762	13,855	13,582
Liabilities									
	Current liabilities	5,202	4,464	4,031	3,847	3,640	4,205	3,621	3,557
	Non-current liabilities	481	583	730	493	527	674	529	677
Total liabilities		5,683	5,047	4,761	4,340	4,168	4,880	4,151	4,234
	Interest-bearing liabilities	632	186	—	—	—	—	—	—
Net assets									
	Shareholder's equity	7,361	11,566	12,452	11,663	11,232	9,088	8,969	8,545
	Treasury stock	-1,177	-481	-438	-397	-1,394	-1,896	-1,862	-1,846
	Stock option	96	85	85	82	82	—	—	—
Total net assets		7,456	11,655	12,511	11,722	11,582	9,882	9,704	9,347
Total liabilities and net assets		13,140	16,702	17,273	16,063	15,751	14,762	13,855	13,582

\* 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 - FY2023)

	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)	389.03	593.76	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	298
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	-12.5	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	11,752	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

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- Shared Research Report: <https://sharedresearch.jp/en/3662>
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# **Combining Creativity and Tech to Deliver More Convenience and More Fun to All**

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