



2024.3.8

FY2024 Q2 Business Report

Ateam Inc. (Security code: 3662)

- 1. Notice on the Completed Business Transfer of a Consolidated Subsidiary and the Special Dividend**
- 2. Initiatives to Achieve the Criteria to Maintain Listing on the TSE Prime Market**
(with some additional materials on pp. 19 and 20)
- 3. FY2024 Q2 Financial Results**
- 4. FY2024 Q2 Business Details**
- 5. FY2024 Guidance**

APPENDIX: Company Overview

APPENDIX: Expansion of IR Activities

APPENDIX: Sustainability

APPENDIX: Supplementary Financial Data

1. Notice on the Completed Business Transfer of a Consolidated Subsidiary and the Special Dividend

Transfer of the Lalune Business, Completed to Optimize Our Business Portfolio

Going forward, we will optimize our management resources and reallocate them to areas where we can leverage our strengths.

We will utilize proceeds from the transfer of the Lalune business* as investment funds for our future growth strategy, and **pay a special dividend** from a portion of the proceeds.

* “Lalune” is a women’s health consultation application released in 2010. As disclosed on October 24, 2023 in [“Notice Regarding Succession of Rights and Obligations of Consolidated Subsidiary to MEDLEY Inc. Due to Company Split \(Simplified Absorption-Type Demerger\)”](#), we resolved to transfer the business to MEDLEY, Inc. and completed the business transfer on February 1, 2024.

Year-End Dividend Forecast Revised to **20.0 JPY**
(Ordinary Dividend: 16 JPY; **Special Dividend: 4 JPY**)

We have revised our year-end dividend forecast to 20.0 JPY (ordinary dividend: 16 JPY; special dividend: 4 JPY), which will be paid from a portion of the gains from the transfer of the Lalune business to MEDLEY, Inc.

	FY2023 Results	FY2024 Year-End Forecast (Disclosed on September 8, 2023)	FY2024 Revised Forecast (Disclosed on March 8, 2024)
Date	July 31	July 31	July 31
Dividend Per Share	16.0 JPY	16.0 JPY	20.0 JPY (Ordinary Dividend: 16.0 JPY) (Special Dividend: 4.0 JPY)
Dividend on Equity	3.0%	-	-

* The above dividend forecast is based on information available as of the date of announcement, and actual dividends may differ from the forecast due to various possible factors.

2. Initiatives to Meet the Criteria to Maintain Listing on the TSE Prime Market

with some additional materials

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 a Revamped
Growth Strategy**

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

Growth Strategy

1. Execution of a Revamped Growth Strategy

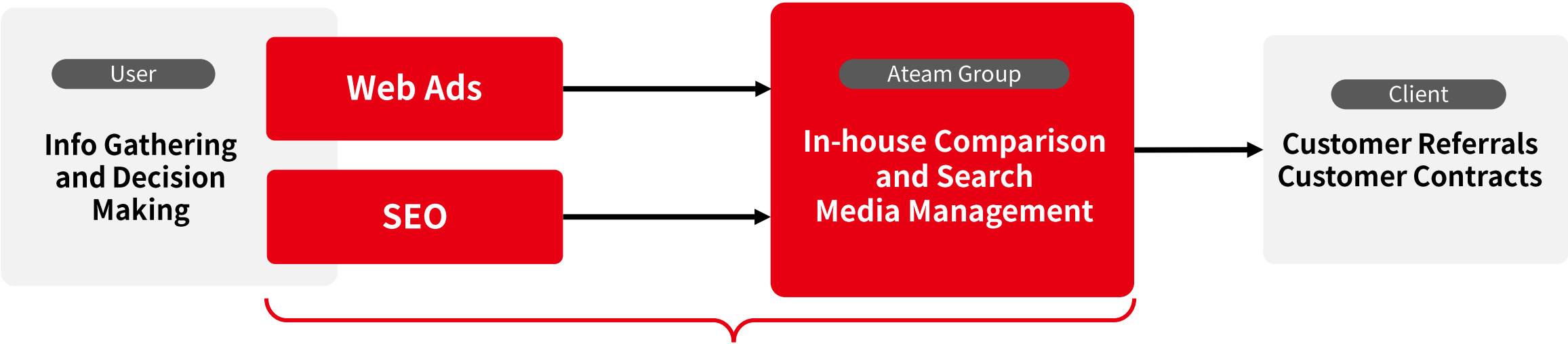
We will focus on our strength in digital marketing to expand peripheral markets and functions in order to deliver services to a larger number of clients.

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 to achieve high profitability in our largest segment, the Lifestyle Support business.



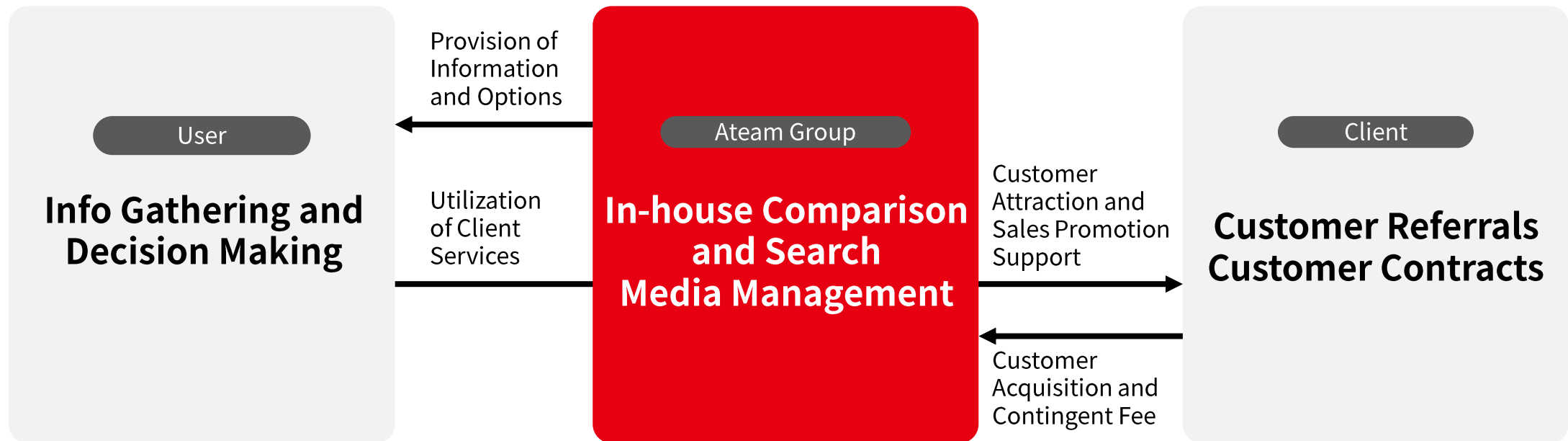
Using our integrated in-house implementation of web ad management, content management and in-house media management to realize unrivaled digital marketing capabilities.

Growth Strategy

Concept

Business Model Where Compensation Is Gained by Connecting Users and Clients

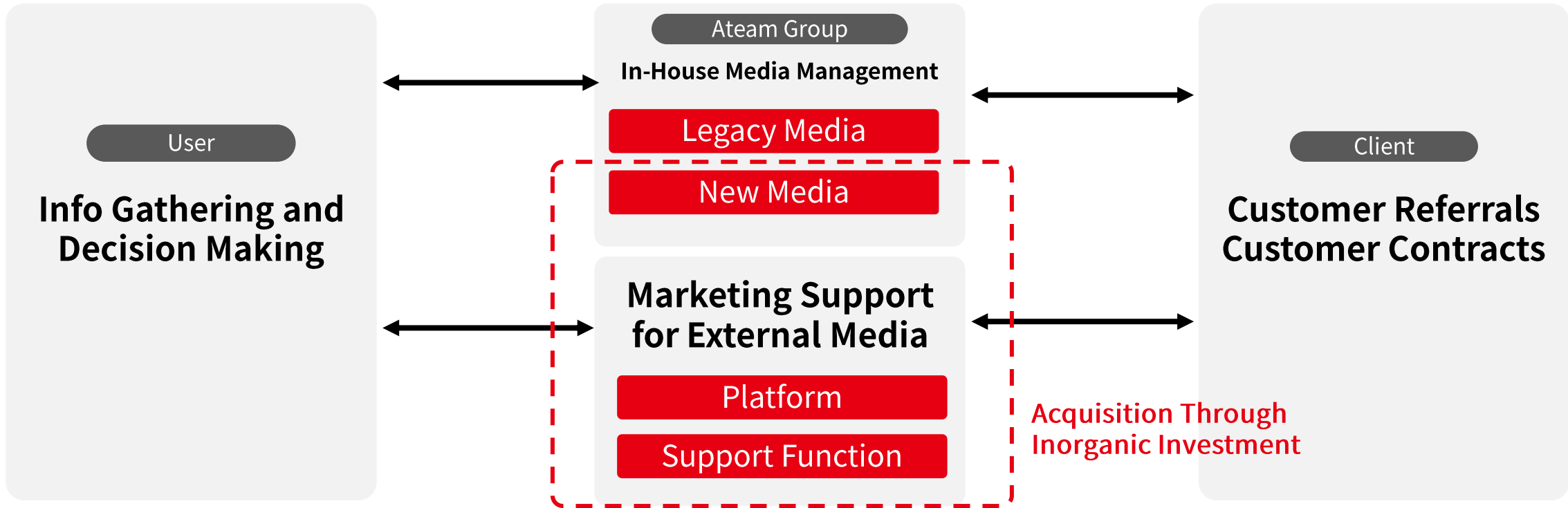
The main business model of the Lifestyle Support business is to assist partner clients in making choices and decisions by providing proper information and options based on users' challenges and concerns. Compensation from clients is gained as an outcome.



Growth Strategy **Concept**

Expansion of the Business Model via Media and Functions Acquired Through Inorganic Investments

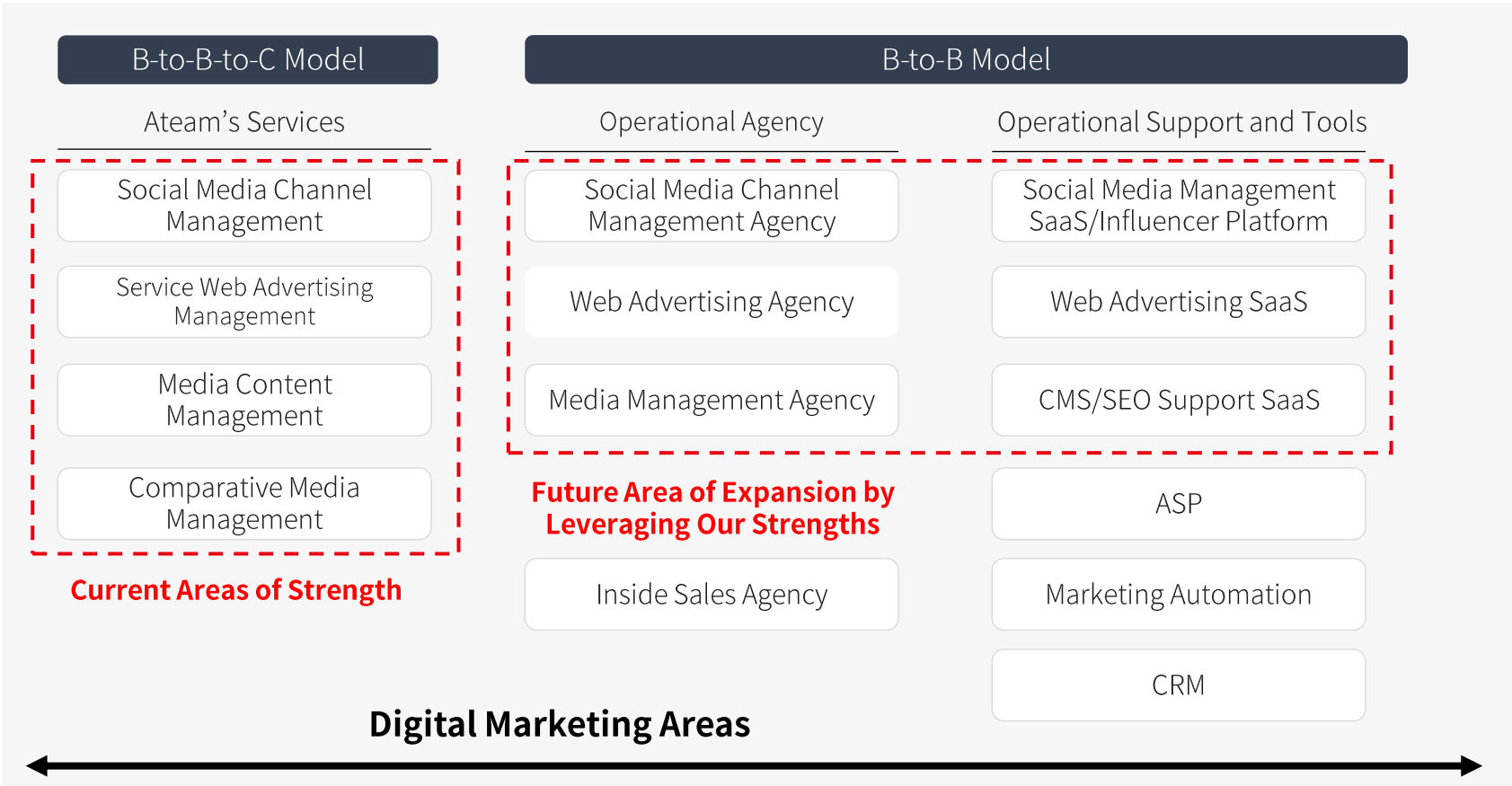
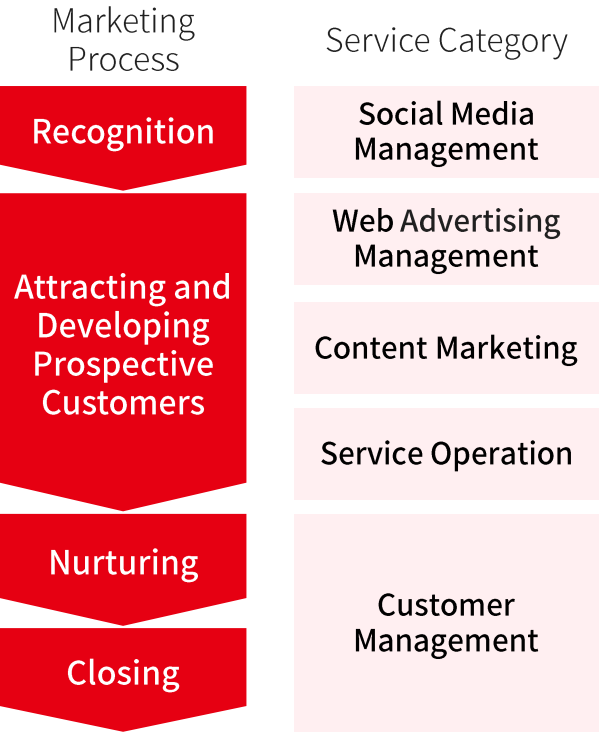
In addition to adding new media over the medium- to long-term, our goal is to achieve discontinuous growth by expanding into businesses that generate a greater impact through a roll out and expansion of our digital marketing platforms and support functions for businesses outside of our in-house media.



Growth Strategy

Concept

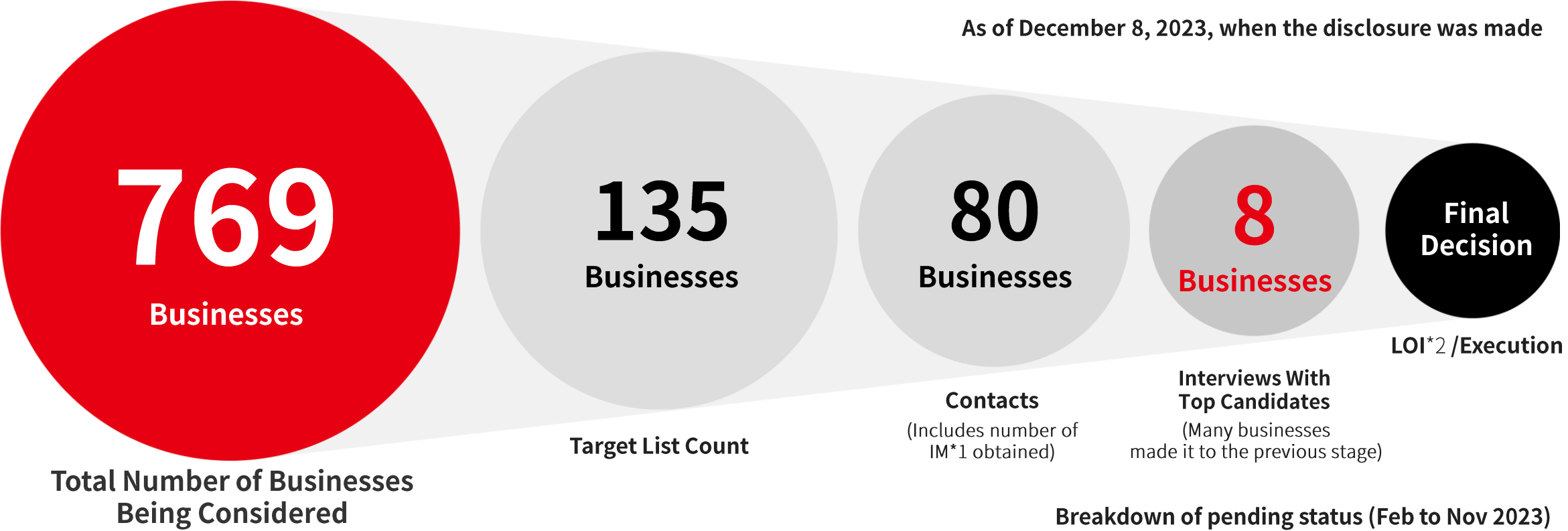
Expanding Business Areas Through M&As Aligned with Our Strengths for Further Growth



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

As of December 8, 2023, when the disclosure was made



*1: IM...Information Memorandum (Business Overview Document) *2: LOI...Letter of Intent (Basic Agreement)

Growth Strategy Details

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

As of December 8, 2023, when the disclosure was made

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

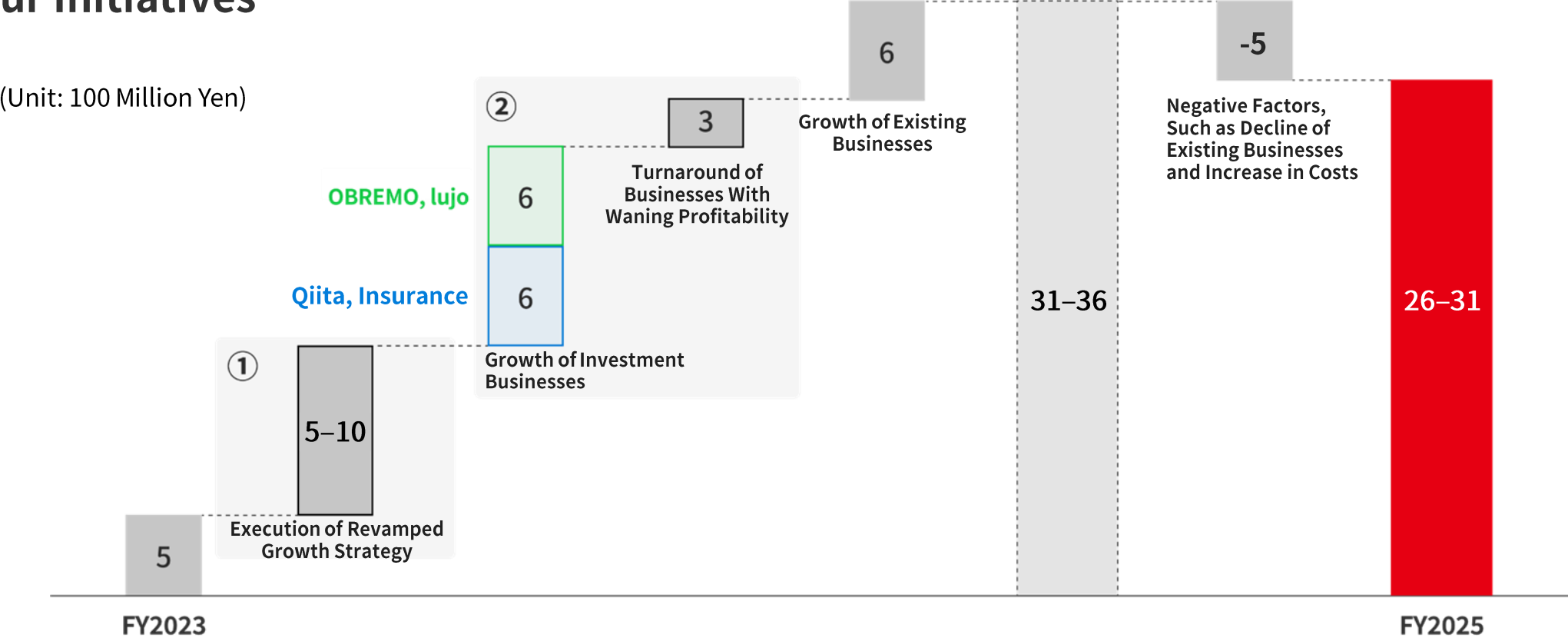
Targeting an Increase in Profits by a Total of 1.5 Billion JPY in FY2025 Through Various Initiatives

		Profit Increase	Initiatives
Growth of Investment Businesses	OBREMO, lujo	+600 million JPY*	<ul style="list-style-type: none">· (OBREMO, lujo) Lifetime earnings are expected to exceed required costs, with profitability expected to improve as the number of clients increase· (Qiita) Increase event revenues and control costs in line with revenue fluctuations· (Insurance) Optimize efficiency in attracting new clients and renewing contracts with existing ones
	Qiita, Insurance	+600 million JPY*	
Turnaround of Businesses With Waning Profitability	Bridal	+300 million JPY*	<ul style="list-style-type: none">· 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· Regain brand recognition to pre-COVID-19 levels and increase media value

* 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



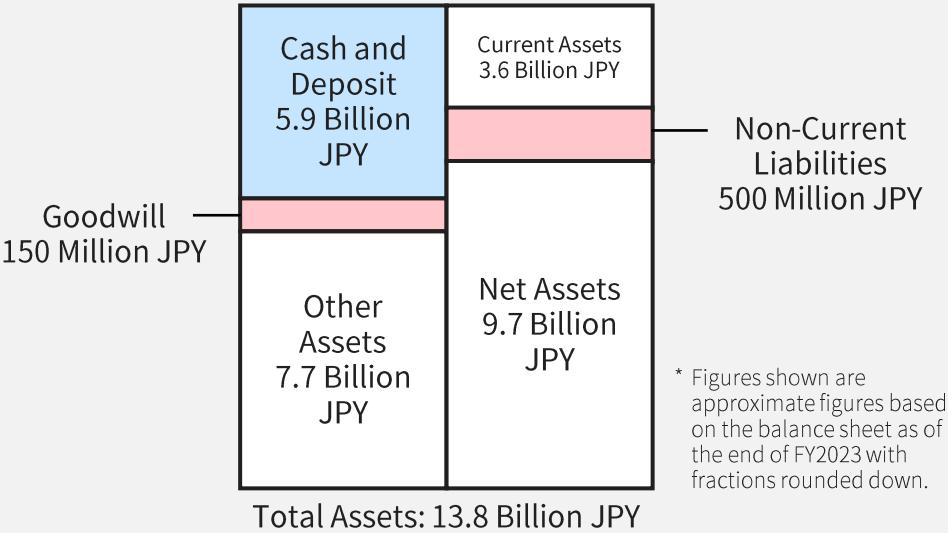
* This is a restatement of information disclosed on October 13, 2023 in “Notice Regarding Progress of Plan to Meet the Continued-Listing Criteria for the Prime Market and Partial Changes in the Plan.”
* Operating income, market capitalization of tradable shares, and stock price for the fiscal years ending 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

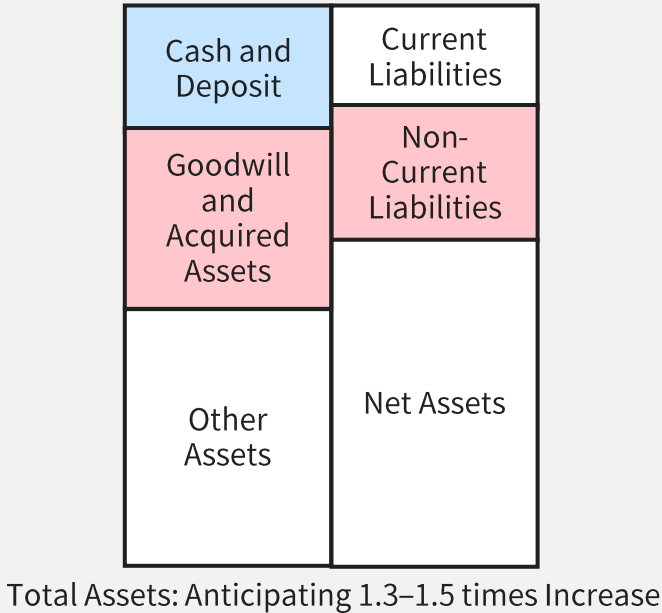
Our equity ratio is 70% and we are debt-free, resulting in a very safe capital structure with a high cash-to-deposit ratio. Conversely, we are not making effective use of our capital.



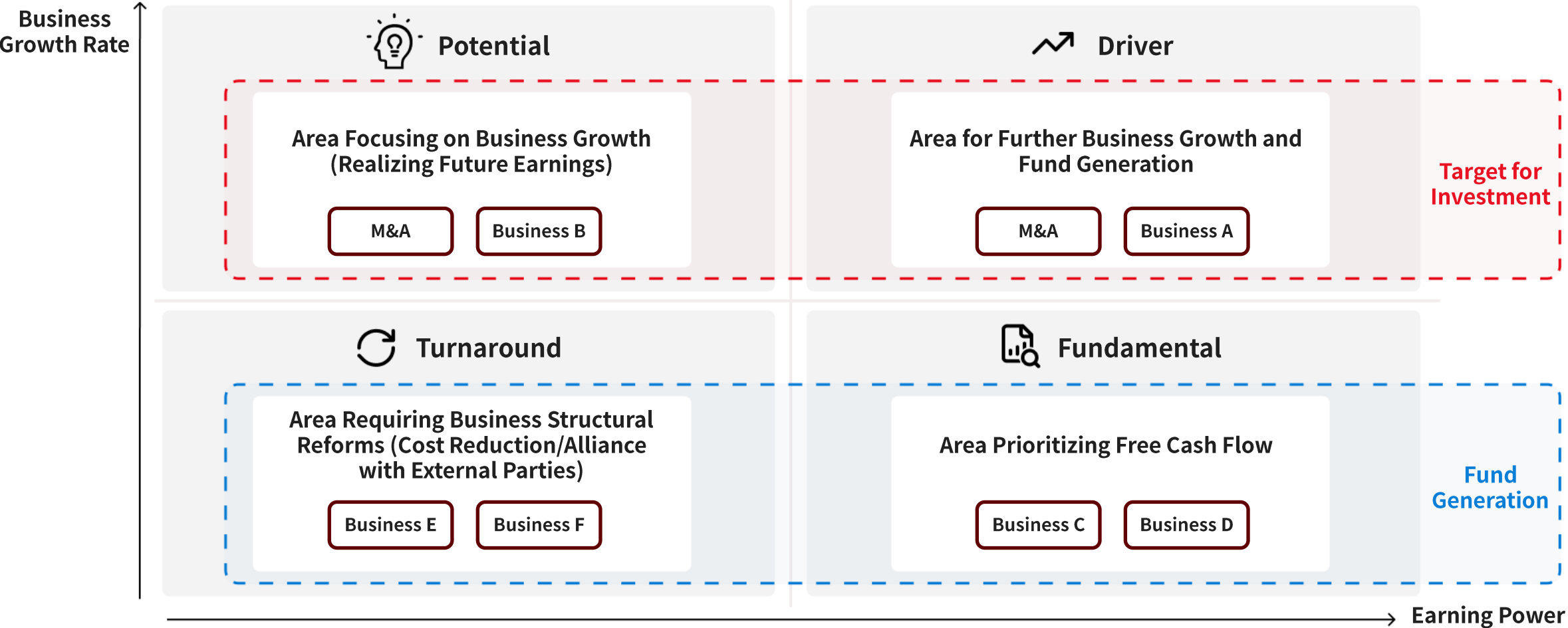
* Figures shown are approximate figures based on the balance sheet as of the end of FY2023 with fractions rounded down.

Anticipated B/S after Financing and Investment

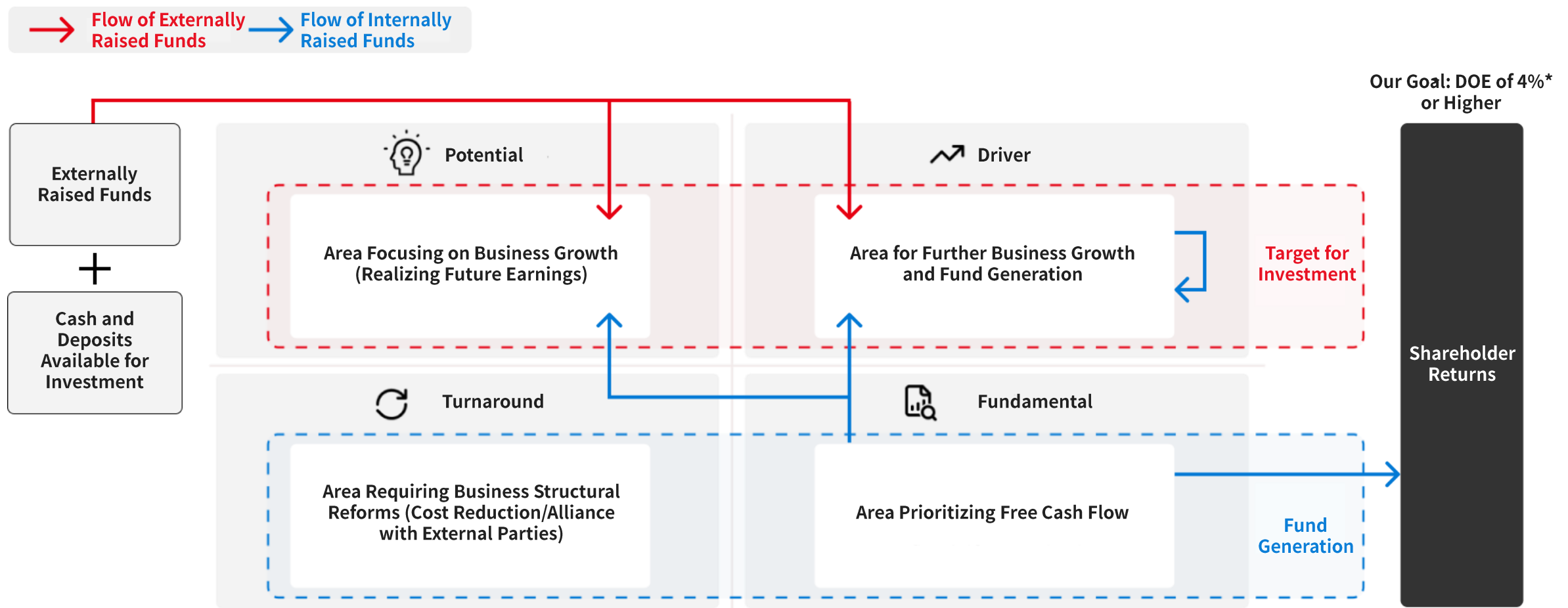
Assets including goodwill and liabilities will increase significantly due to external financing and investment. However, the equity ratio will be maintained at a certain level.



Transition to Business Portfolio Management to Generate Funds Necessary for Investment and Shareholder Returns



Realizing Stable Shareholder Returns While Allocating Externally/Internally Raised Funds to Investment for Future Growth



* This is a target as of the date of release of the above materials, and is not a guarantee of the actual figures.

3. FY2024 Q2 Financial Results

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

Overall

Revenue

5,940
million JPY
(Y/Y 80.9% , Q/Q 99.4 %)

Operating Income

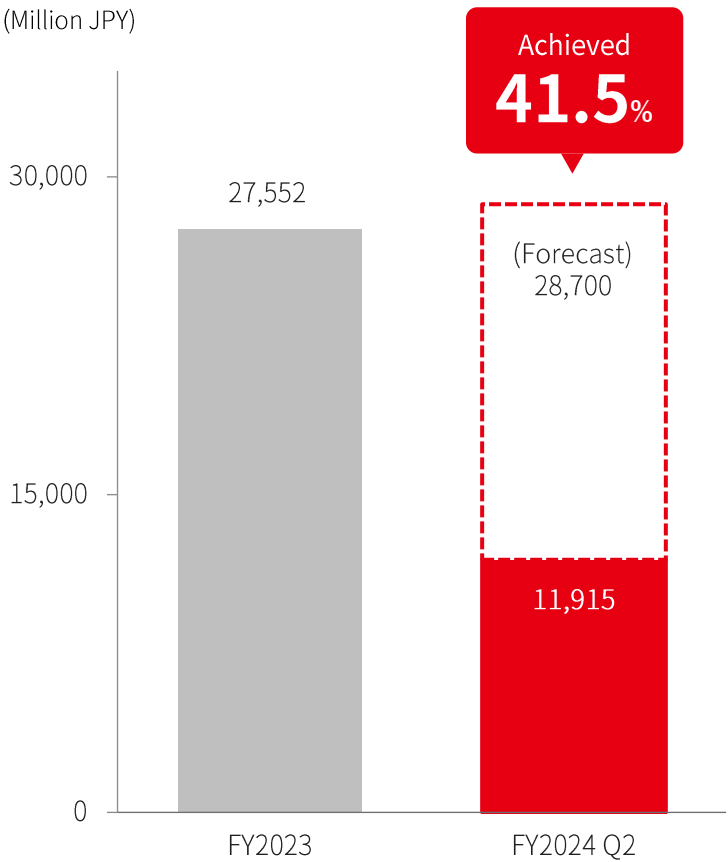
-15
million JPY
(Y/Y - % , Q/Q - %)

Net Income

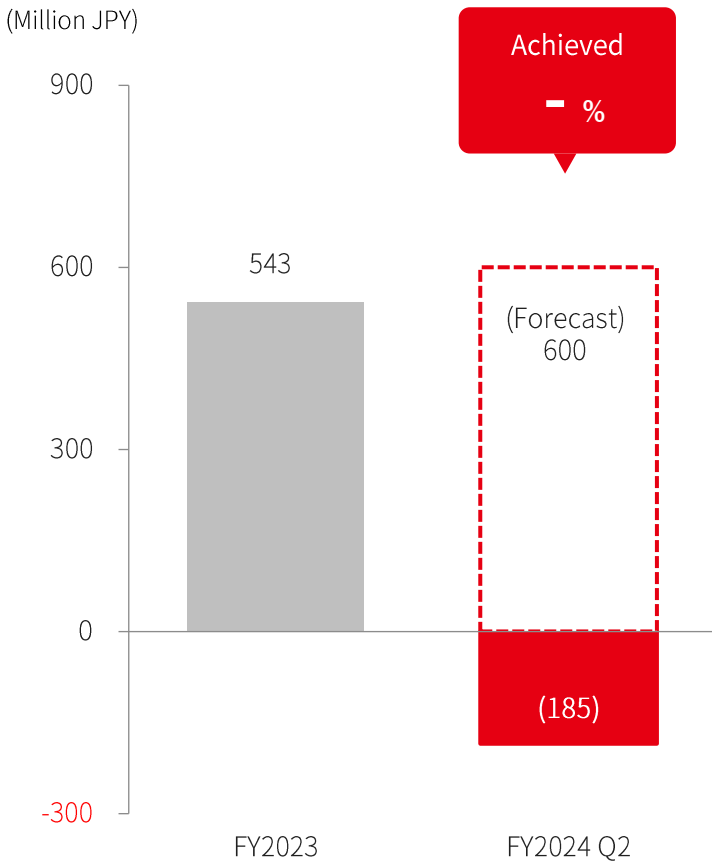
-51
million JPY
(Y/Y - % , Q/Q - %)

* 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.

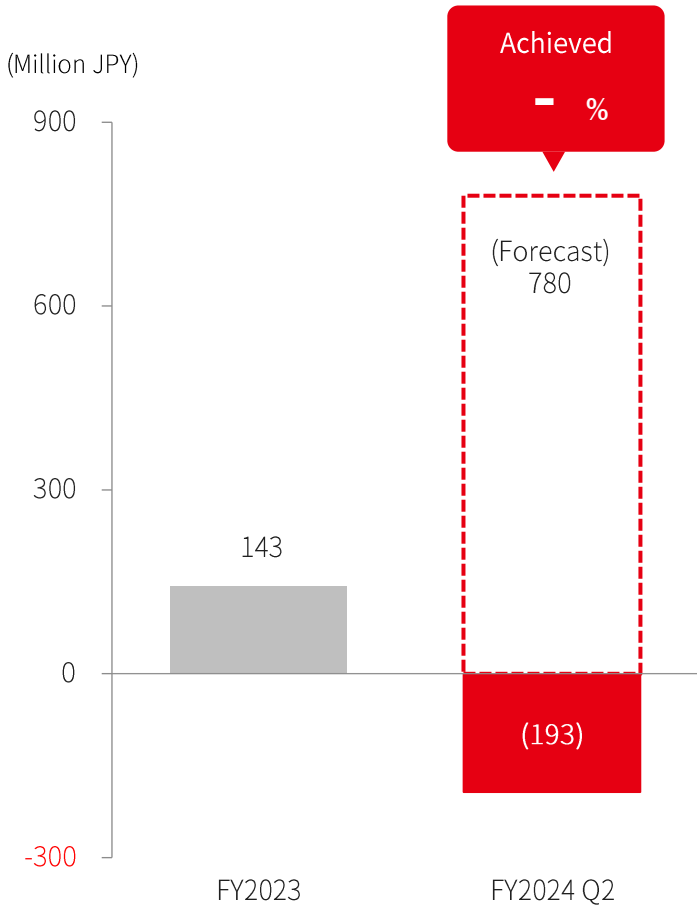
Revenue



Operating Income

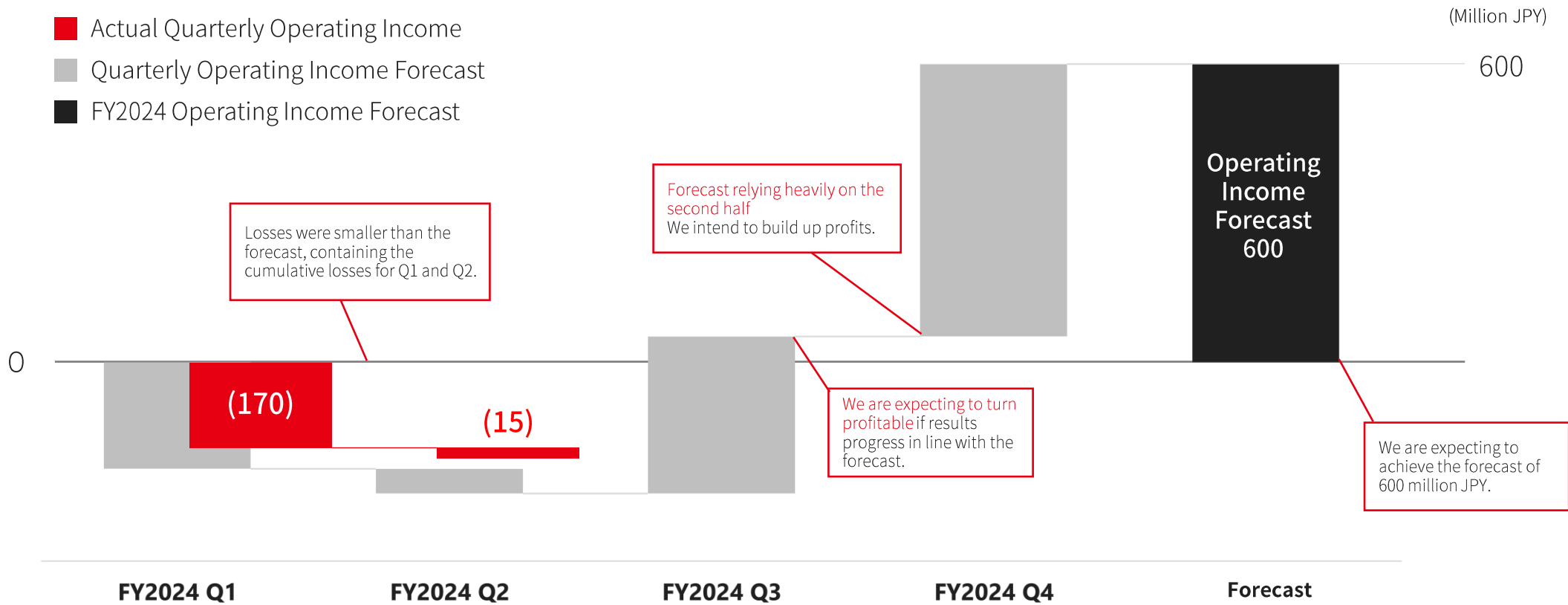


Net Income



* 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.

Operating Income Exceeded the Forecast for First Half Due to Smaller Losses Resulting From Investment Business Growth and Enhanced Business Management Focusing on Profits, Generally in Line with the Full-Year Forecast



* FY2024 operating income forecast and quarterly operating income forecasts are targets as of the date of release of the above materials, and are not guarantees of the actual figures.

Revenue and Profit Down Y/Y, but Operating Income Is Generally in Line with the Forecast

- Revenue declined Y/Y due to the significant decrease in sales in the E-Commerce segment after the transfer of “cyma”
- Losses in the E-Commerce segment shrank significantly, but operating income decreased in other segments, resulting in a Y/Y decline in overall income

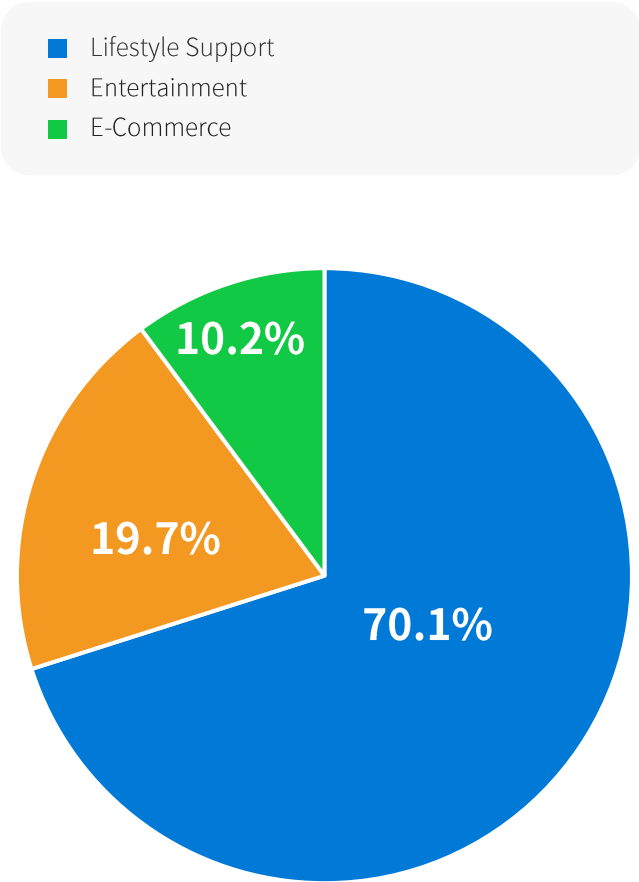
	FY2024	FY2023	Y/Y	FY2024	Q/Q	FY2024	Progress Rate
(Million JPY)	Q2	Q2		Q1		Forecast	
Revenue	5,940	7,339	80.9 %	5,974	99.4 %	28,700	41.5 %
Operating Income	-15	-2	- %	-170	- %	600	- %
Ordinary Income	3	-4	- %	-137	- %	600	- %
Net Income	-51	-271	- %	-142	- %	780*	- %

* 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	4,163	88.2 %	94.9 %	153	47.0 %	96.9 %
Entertainment	1,172	78.9 %	112.7 %	34	32.5 %	- %
E-Commerce	604	53.4 %	110.4 %	-45	- %	- %
Total	5,940	80.9 %	99.4 %	-15	- %	- %

Revenue Ratio



Lifestyle Support

Revenue and Profit Down Y/Y, Q/Q

Revenue: 4,163 million JPY
Profit: 153 million JPY

- Bridal, Car, Human Resources Media, and Insurance Agency Services saw an increase in sales Y/Y
- On the other hand, revenue decreased Y/Y due to the impact of restrictions on customer referrals to electric utility companies and telecommunication carriers and other factors, along with a decrease in SEO acquisition in Financial Media Services
- Segment profit declined Y/Y

Entertainment

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

Revenue: 1,172 million JPY
Profit: 34 million JPY

- Revenue and profit increased Q/Q due to the peak period during the year-end and New Year holidays
- Revenue decreased Y/Y due to a fall in revenue in existing titles resulting from their downward trend
- Profit decreased Y/Y due to lower segment revenue even though the efficiency of application management improved
- Segment profit decreased Y/Y, but went from the red to the black Q/Q

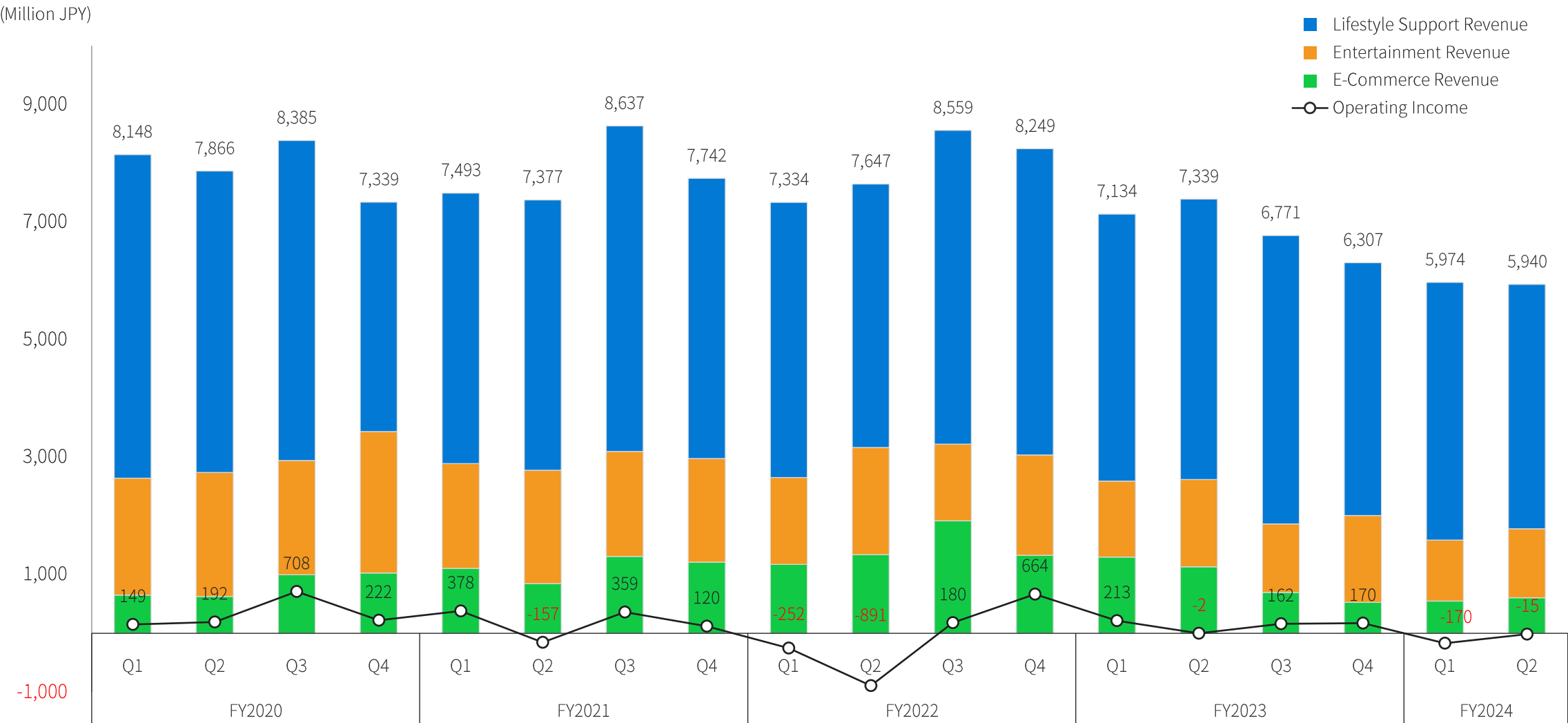
E-Commerce

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

Revenue: 604 million JPY
Profit: -45 million JPY

- Revenue continued to increase for “lujo” and “OBREMO,” due to the growth in the number of clients
- “lujo” has been profitable for three consecutive quarters since FY2023 Q4, largely mitigating E-Commerce’s overall losses and contributing to profits
- Overall revenue decreased substantially Y/Y due to the transfer of “cyma” in FY2023, but segment profit loss was largely mitigated

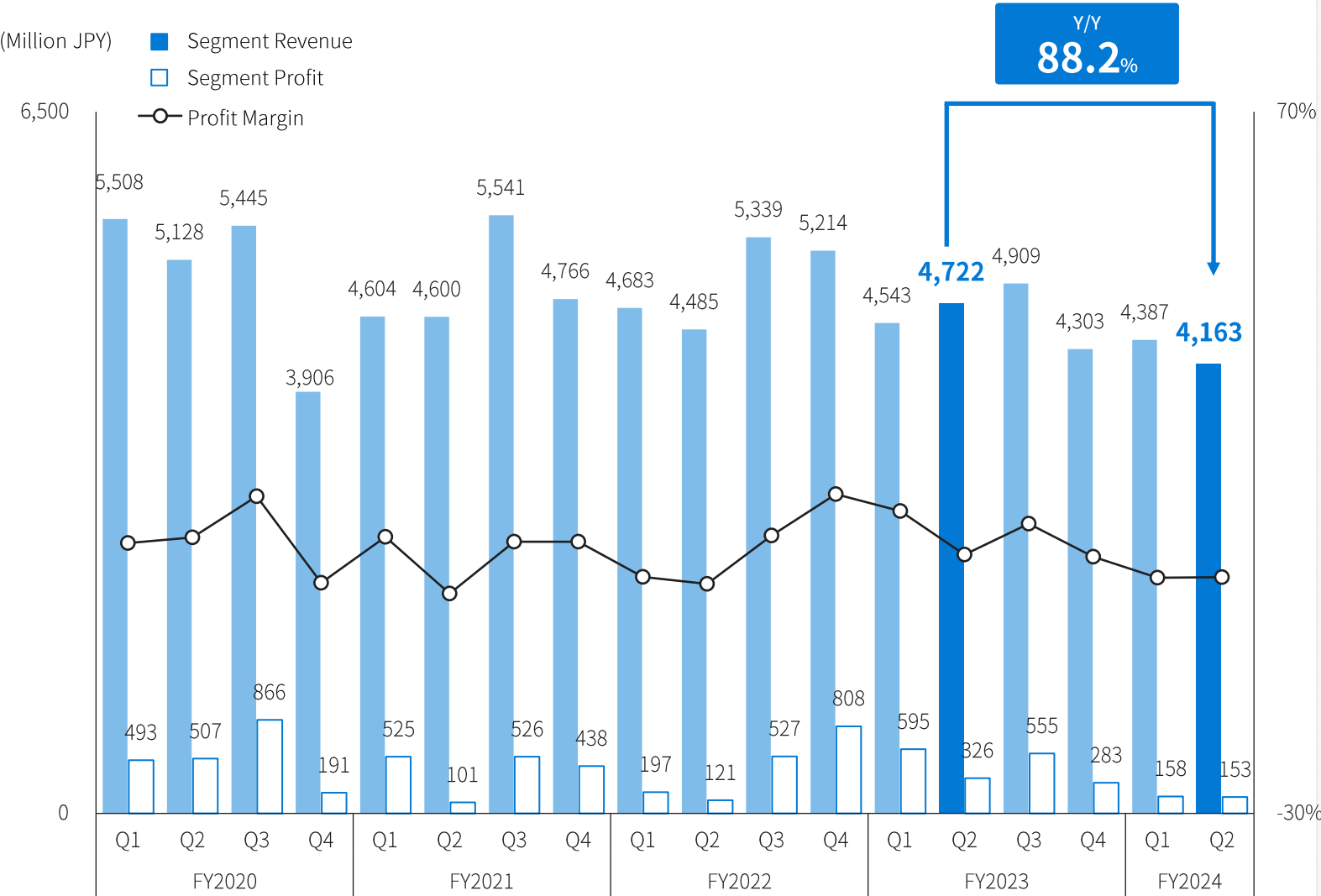
● Consolidated Quarterly Financial Trends



* Segment classification has been changed from FY2023 Q1. Figures shown are after segment reclassification for the Lifestyle Support Business and the E-Commerce Business.

4. FY2024 Q2 Business Details

Lifestyle Support Business



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

Main Variable Factors

	Revenue	Profit
Financial Media	×	×
Car	◎	×
Moving	×	×
HR Media	◎	△
Bridal	◎	×
Insurance Agency	◎	◎
Qiita	○	◎

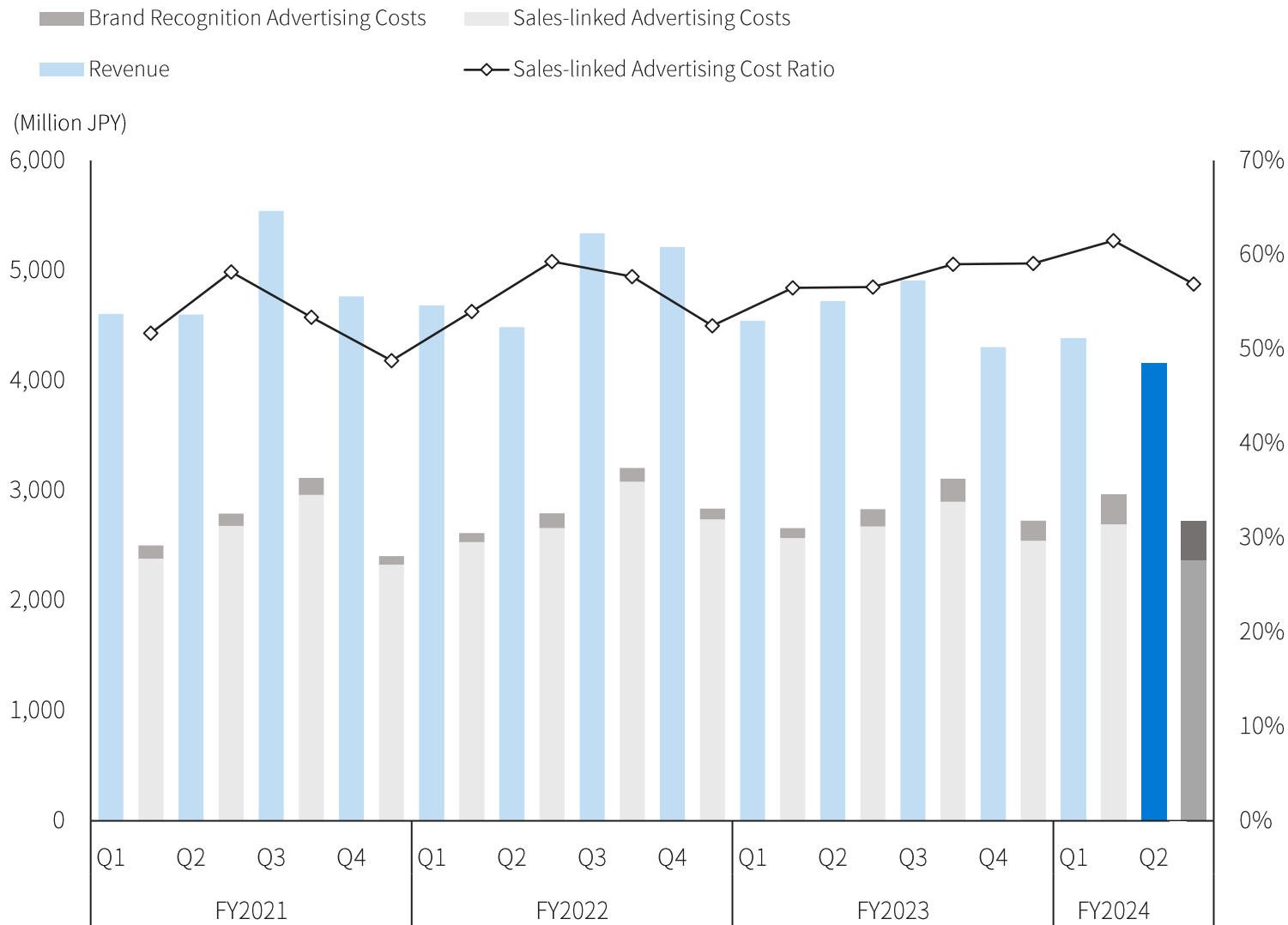
◎ More than +10% △ Less than -10%
○ Less than +10% × More than -10%

* Y/Y growth rate

Main Variable Factors

Business	External Environment	Current State
Financial Media	E-E-A-T further enhanced through Google’s core algorithm update.	The user count declined due to the impact of SEO acquisition resulting from Google’s core algorithm update. Revenue and profit decreased Y/Y and Q/Q.
Car	Used car prices remain relatively high despite a certain decline due to recovery in new car market.	Revenue increased due to increases in acquisition numbers, but profit decreased due to intensified competition with competing services and special demand in the used-car market coming to an end.
Moving	Market remained generally flat.	Revenue decreased in customer referrals to electricity utility companies and telecommunication carriers, services included in the Moving Business, due to restrictions on and suspension of customer referrals to our clients resulting from the changing market environment.
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. The business achieved a cumulative surplus in August 2023 and will transition into a profit-generating phase.
Bridal	Market has recovered to 80% of pre-COVID-19 levels.	Revenue increased Y/Y. Profit decreased Y/Y due to increased costs of investment in TV commercials and other brand recognition advertising. 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.

Digital Marketing Support Business: Quarterly Advertising Cost Trend

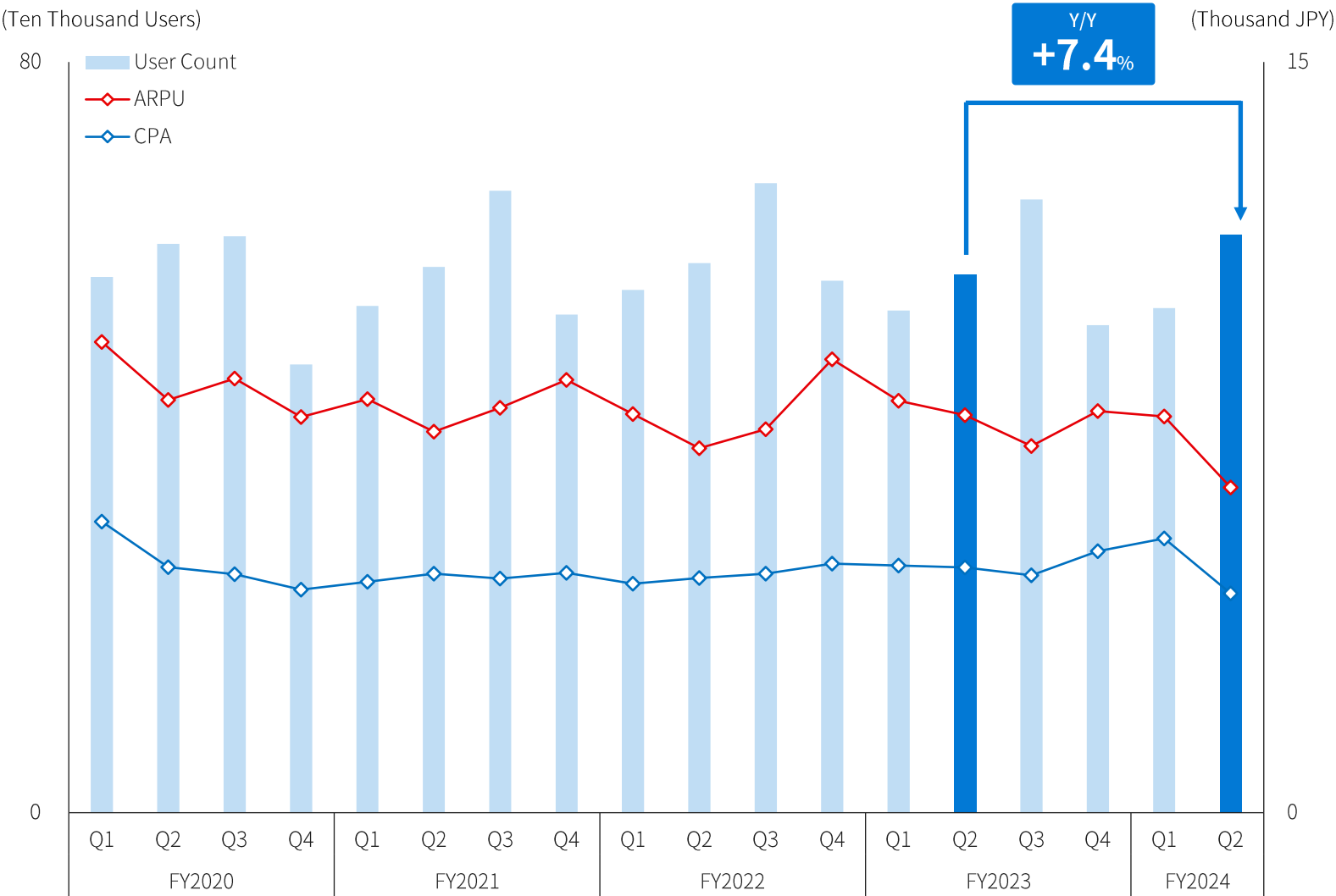


- Tracking of the cost-effectiveness for customer acquisition by separating advertising spend (e.g. web ads) from brand-building expenditures
- Advertising costs and sales-linked advertising cost ratio decreased Q/Q

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



- User count remains strong, with a slight Y/Y increase by 7.4%
- CPA declined due to lower advertising costs, but ARPU declined due to the impact of lower revenue

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

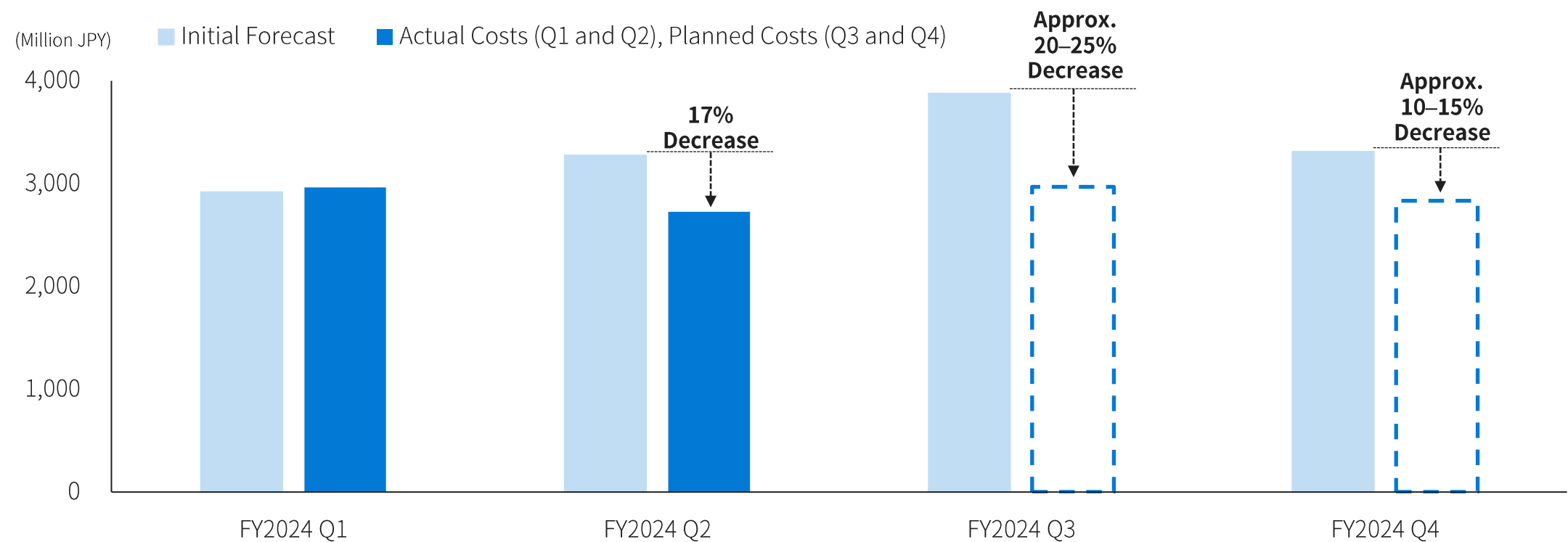
[①User Count] = total users that generated segment revenue in six main sub-segment businesses

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

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

Continuous Cost Optimization for Profit Generation in the Second Half

The entire Lifestyle Support Business will control costs for profit generation. Advertising costs for the first half were lower than the initial forecast at the beginning of the period. We plan to continue containing advertising costs in the second half.

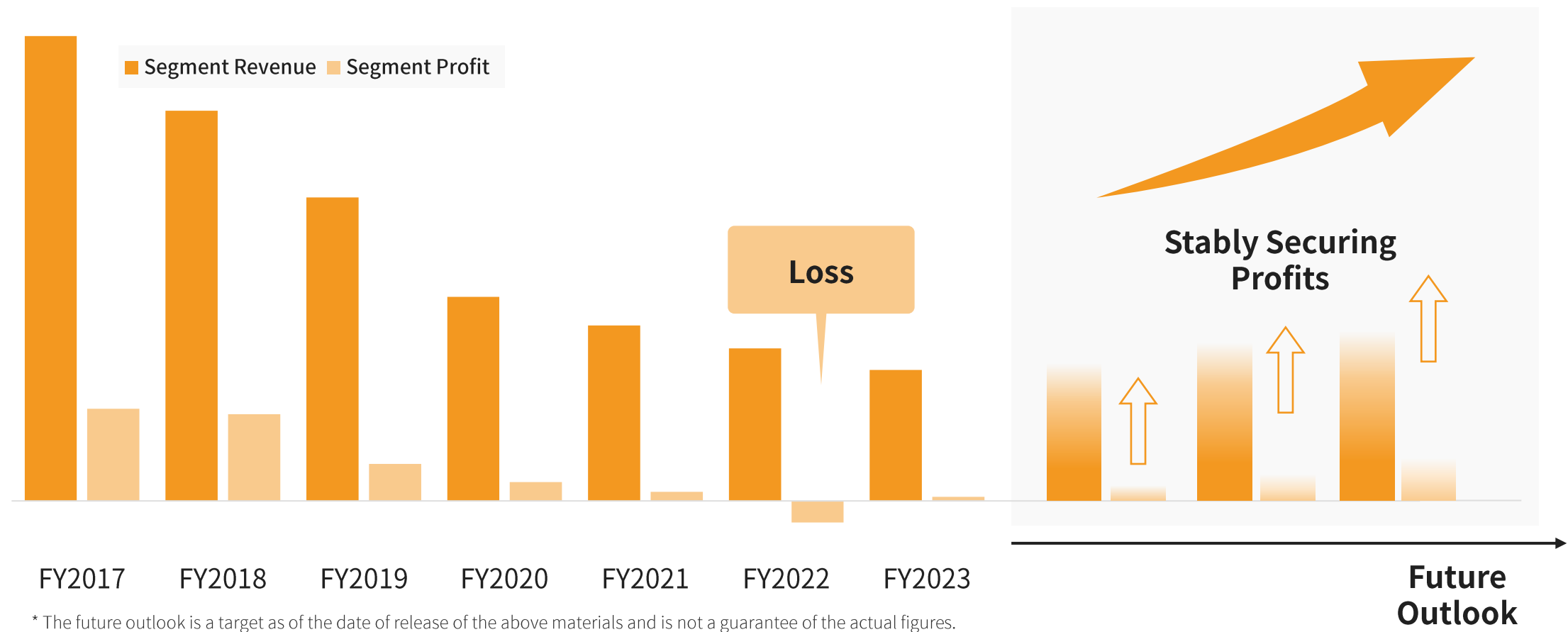


* The initial advertising cost forecast for the second half and the planned advertising costs for the second half are targets as of the date of release of the above materials, and are not guarantees of the actual figures.

Entertainment Business

Stably Securing Profits Through Combination of Efficiently Managed Existing Titles and Collaborative Projects

Losses bottomed out in FY2022 as a result of stable profit generation with existing titles. We are expecting to see growth through collaborative projects.



Market

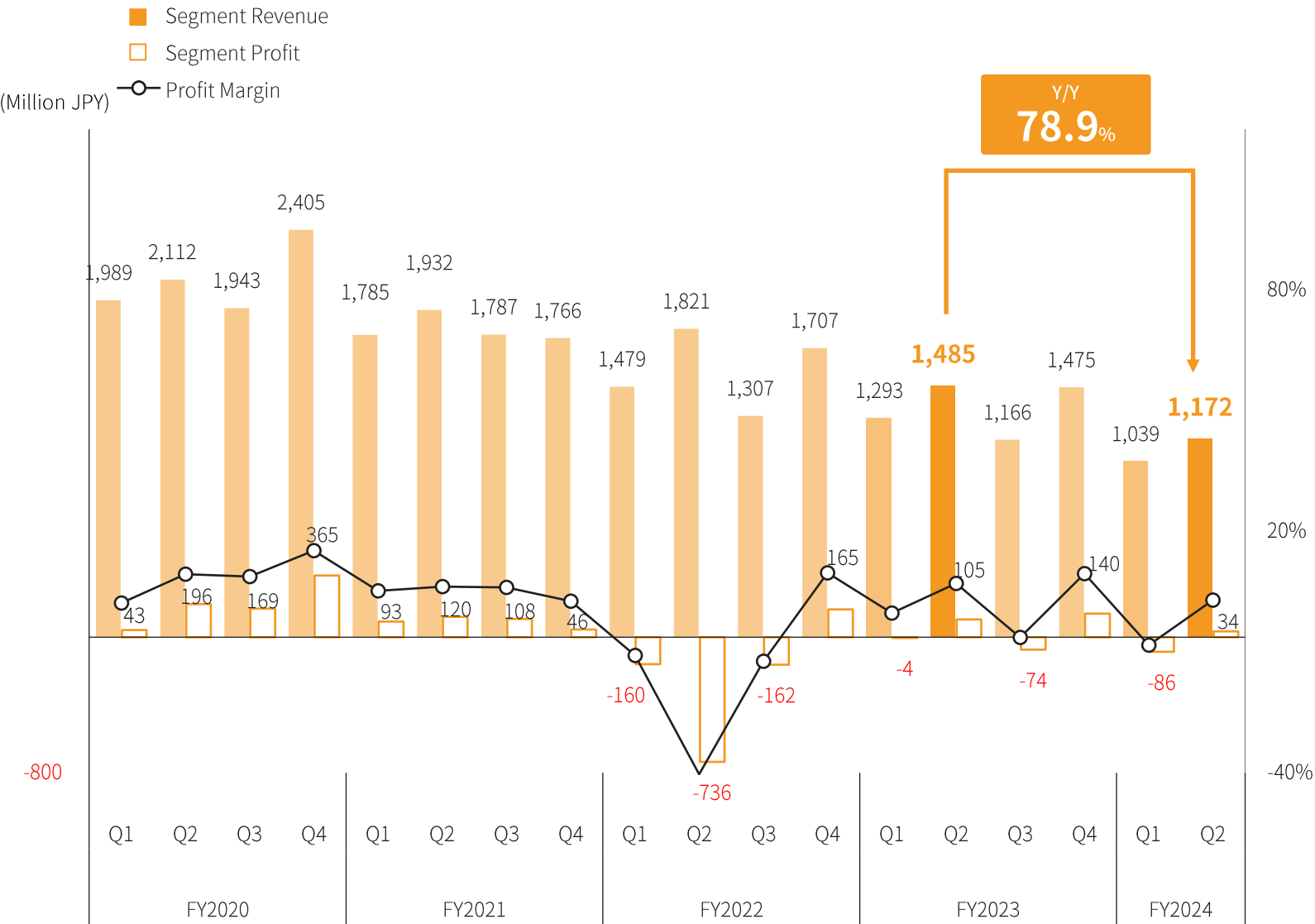
- Although the smartphone game market is expanding, development costs have bloated.

Competitors

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

Ateam

- Existing titles are steadily generating profits due to improvements in management efficiency.
- Instead of investing in the increasingly risky smartphone game market, we will endeavor to make hits in growing markets while keeping risks in check.
- We will ease development costs by collaborating with other companies and invest in our original IP titles for the global market.
- We will develop multiple hypercasual games on a test basis, and then develop those satisfying certain KPIs at full-scale.



Main Variable Factors

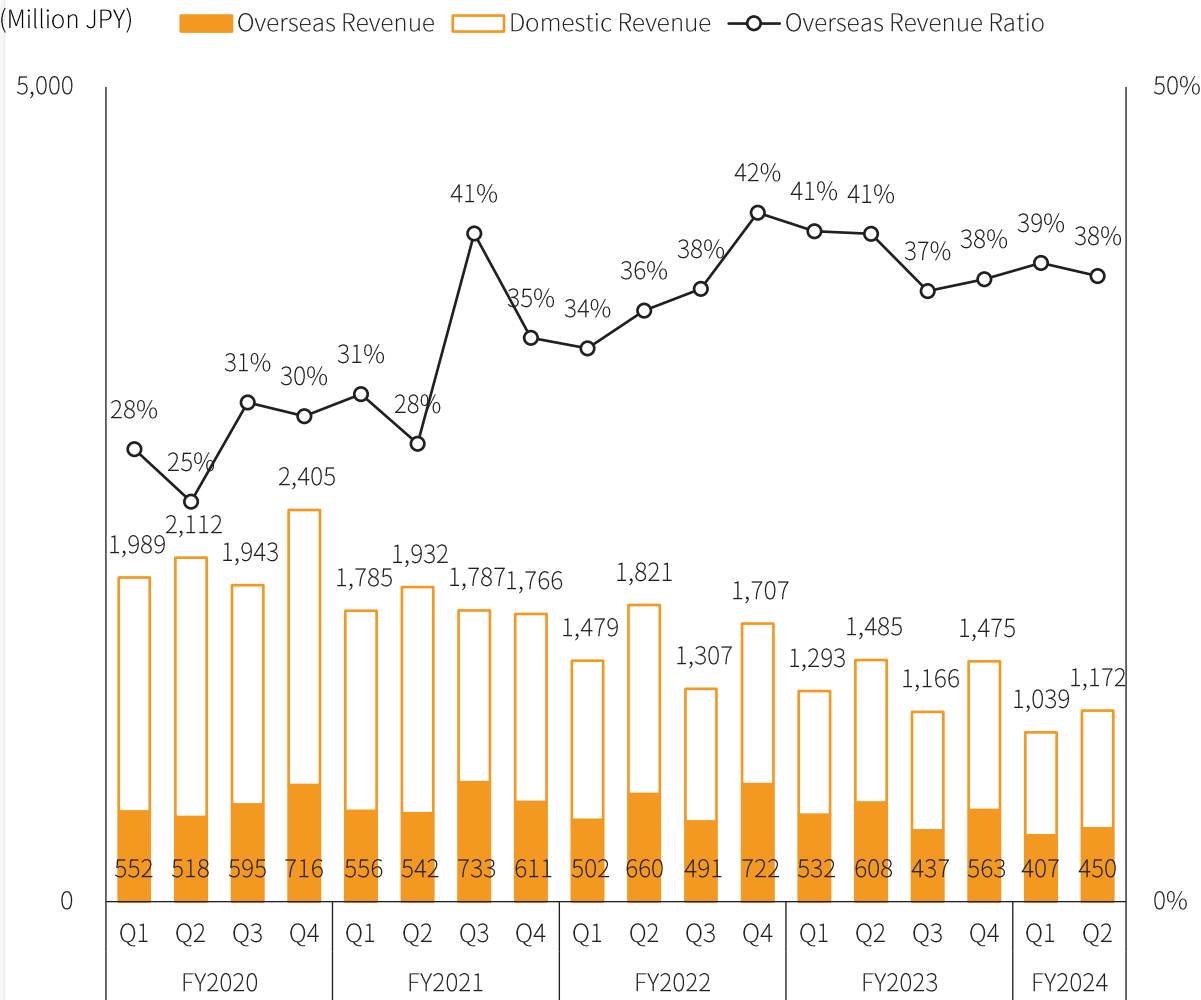
Revenue








- Revenue continued to decline Y/Y due to the downward trends for existing titles.
- Revenue increased slightly Q/Q due to the busy New Year's holiday season.

Profit

- Despite efficient operation of existing titles and curving costs, losses increased Y/Y due to decreases in profit in line with declining segment revenue.
- Profits declined Y/Y but returned to the black Q/Q.

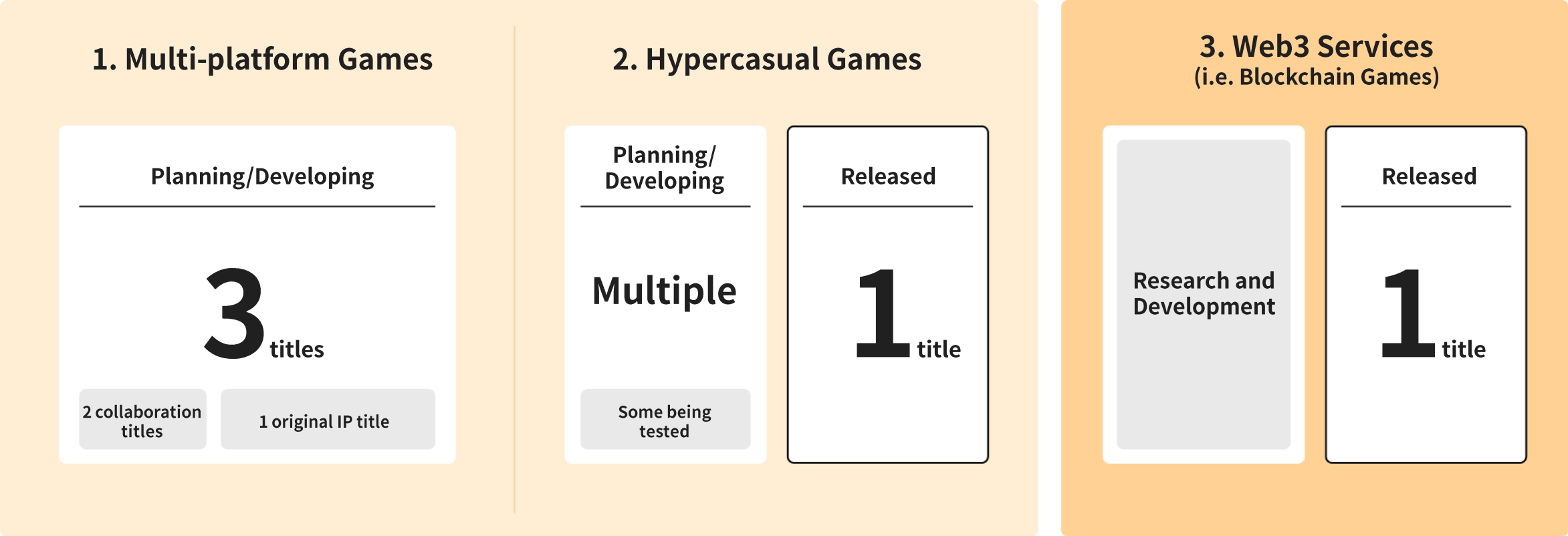
● Entertainment Business: Overseas Revenue Ratio Trends



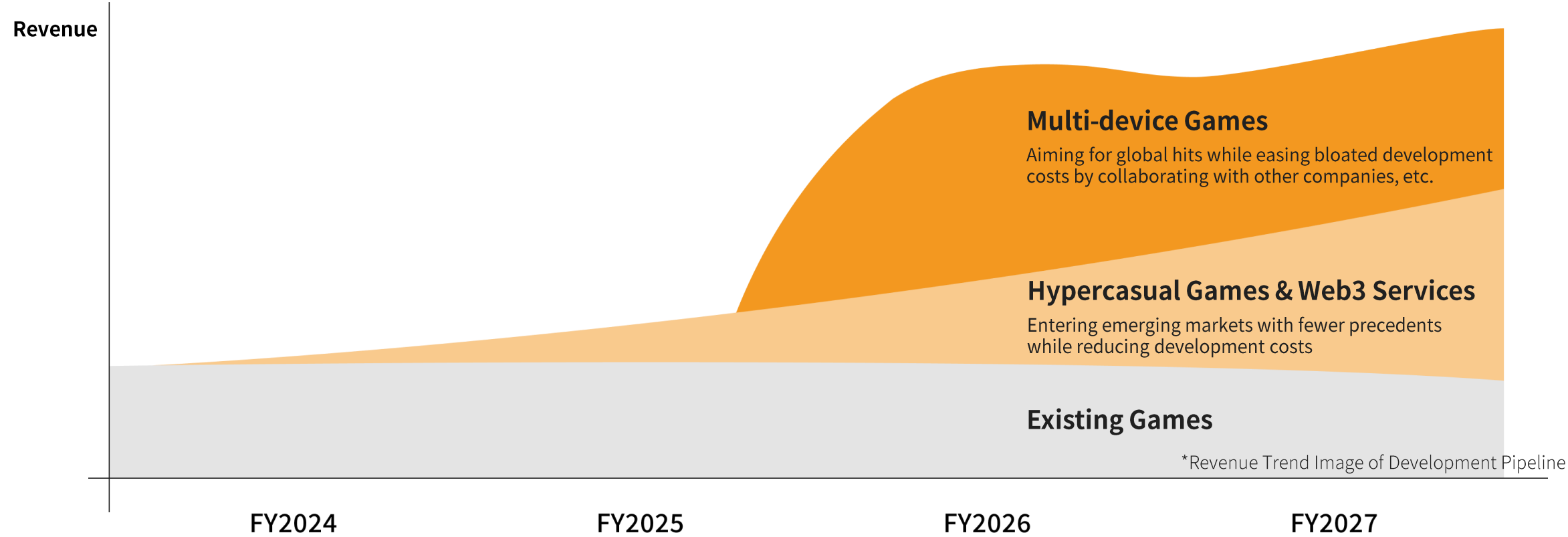
Region:	Japan	US	EU	TW HK	KR	SE Asia
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	●	English Version				

Improve Structure Toward Stable Profit Generation Through Efficiently Managed Existing Titles and Collaborative Projects

We will generate stable profits in existing titles through efficient management and reduce the burden of development costs through collaborations on (new) multi-device games. While securing stable profits, we will seek a balanced investment in original IP titles.



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

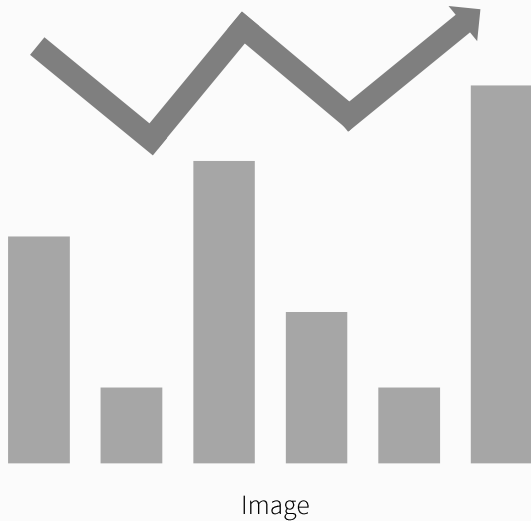


E-Commerce Business

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

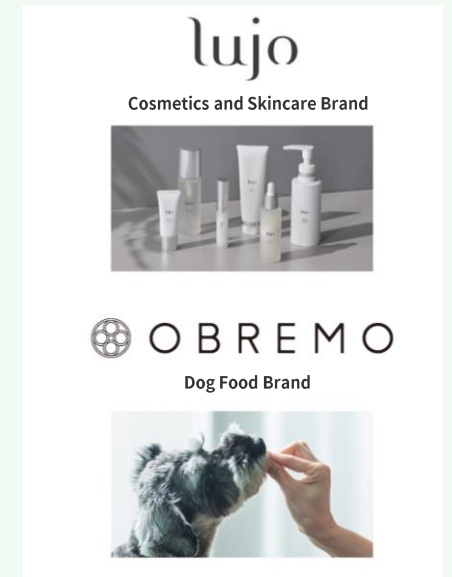
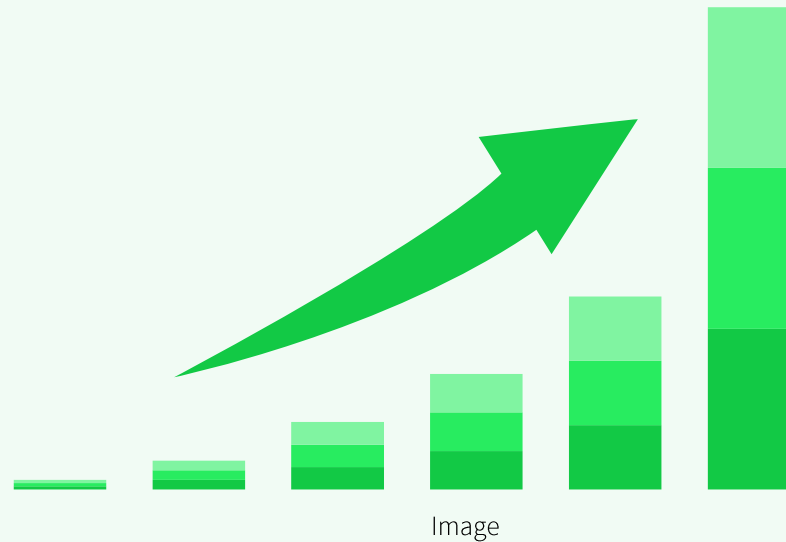
Previous E-Commerce Business

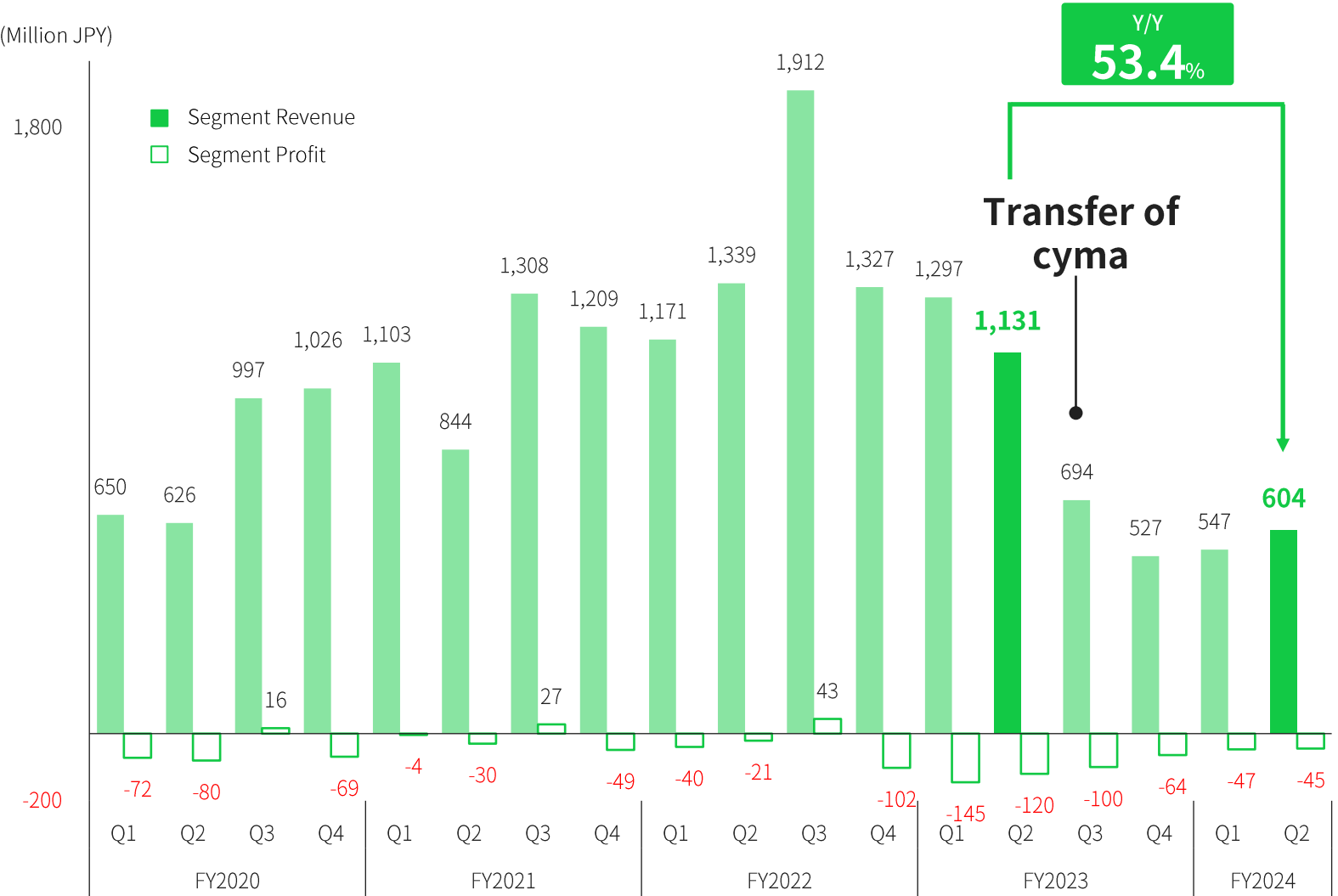
One-time purchase model led to a lack of consistent, repeat usage of the website.



Future E-Commerce 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.





* Segment classification has been changed from FY2023 Q1. Figures shown are after segment reclassification for the Lifestyle Support Business and the E-Commerce Business.

Main Variable Factors

Revenue

- Significantly down Y/Y with the transfer of “cyma” on March 1, 2023.
- Revenue for the cosmetic brand “lujo” and the pet food brand “OBREMO” continued to grow significantly due to an increase in customers.

Profit

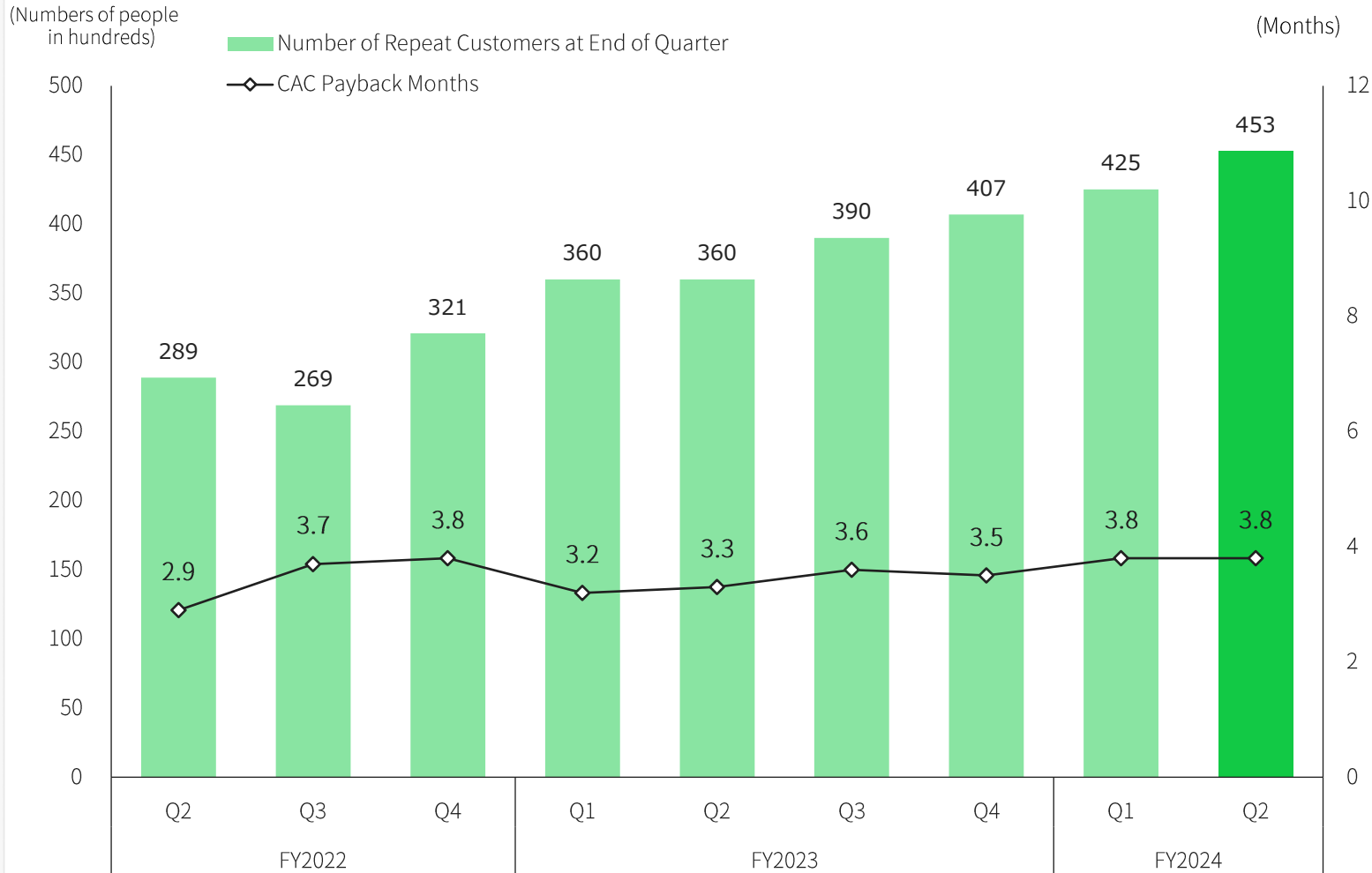
- Losses shrank due to the transfer of “cyma.”
- “lujo” posted a profit for three consecutive quarters from FY2023 Q4, contributing to an increase in profits.

* 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.

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 FY2022 Q2 due to data availability.

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

[Number of Repeat Customers at End of Quarter]

The number of repeat customers as of the end of quarter

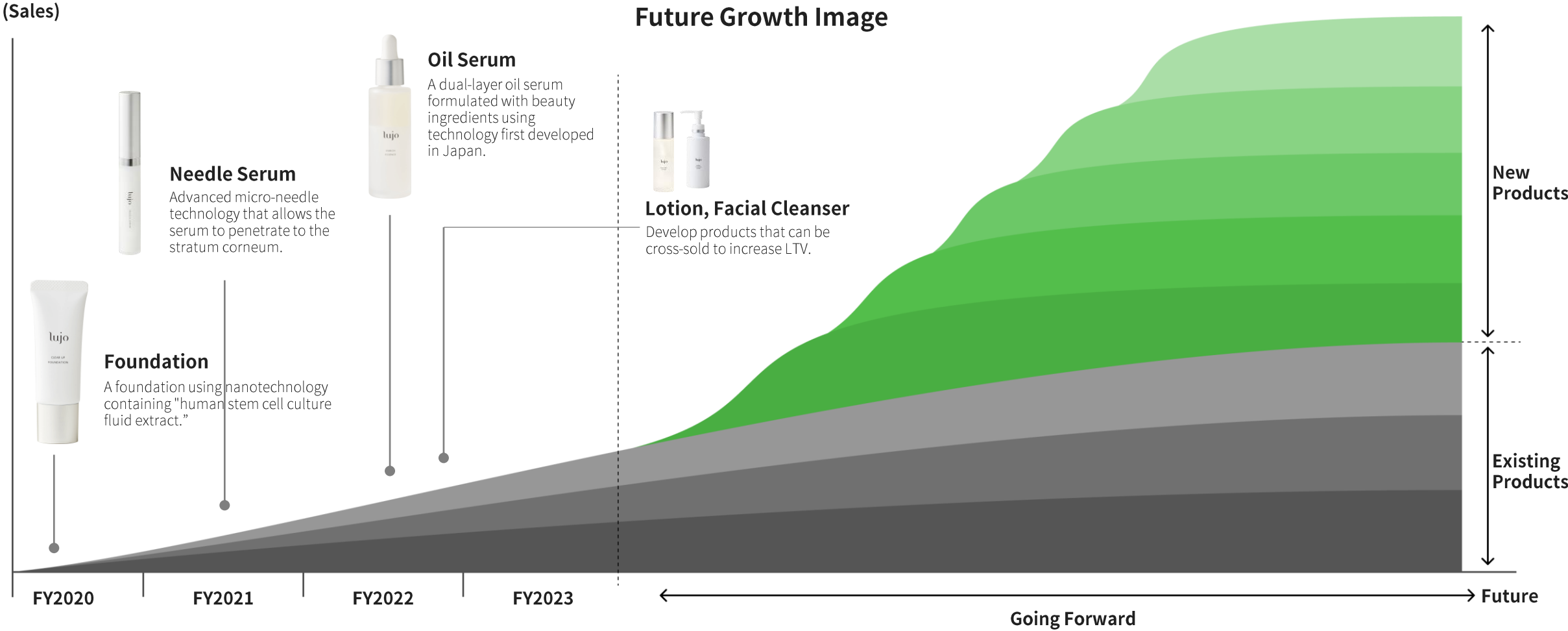
[CAC]

Customer Acquisition Cost: The acquisition cost per customer

[CAC Payback Months]

$CAC \div \text{Marginal profit per customer}$

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



Release Two Products to Expand the Product Lineup and Boost Sales

We will seek to increase sales through expanding the product lineup and investment in ads aimed at gaining new customers.

New Product 1

Category	Night Pack
Release Date	Oct 6, 2023
Feature	Based on the innovative idea of turning sleeping time into beauty time, the thin-film lifting pack full of beauty ingredients will help solve skin problems overnight.



New Product 2

Category	Cushion Foundation
Release Date	Feb 1, 2024
Feature	The micro-needles will help deliver next-generation beauty ingredients deep inside the skin* and cover up skin problems, turning the daytime into skincare time. <small>* Deep inside the skin” means “into the stratum corneum.”</small>



* The product features above are based on information available as of the release of the above materials.

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 (%)
Revenue	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
Operating Income	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	-
Net Income	780	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 Full-Year Forecast (Upward Revision)” on October 24, 2023.

Aiming for a Stable Shareholder Return, the Forecast for a Per-Share Dividend will Increase to **20.0 JPY** by Adding a Special Dividend of 4 JPY

We initially planned to keep our per-share dividend unchanged from FY2023 in line with our dividend policy to provide continuous and stable shareholder returns. However, we revised the forecast to 20.0 JPY by adding a special dividend of 4 JPY to the ordinary dividend of 16 JPY.

	FY2022 Results	FY2023 Results	FY2024 Initial Forecast	FY2024 Revised Forecast
Date	July 31	July 31	July 31	July 31
Dividend Per Share	16.0 JPY	16.0 JPY	16.0 JPY	20.0 JPY
Dividend on Equity	2.8%	3.0%	-	-

* The above dividend forecast is based on information available as of the date of announcement, and actual dividends may differ from the forecast due to various possible factors.

24 YEARS

エイチーム 設立24周年

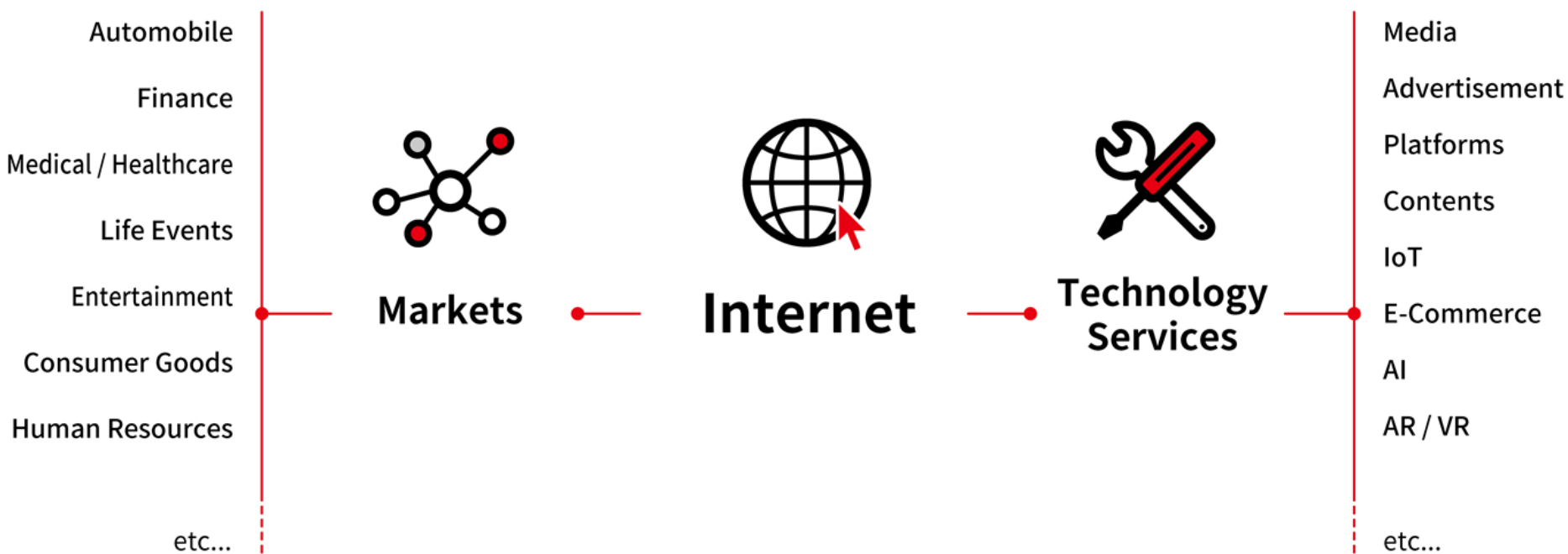
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Ateam celebrated its 24th anniversary on February 29, 2024. We would like to express our sincere gratitude to all shareholders and investors for their support and patronage.

APPENDIX: Company Overview

Ateam Is an IT Company That Develops Businesses Around the Internet

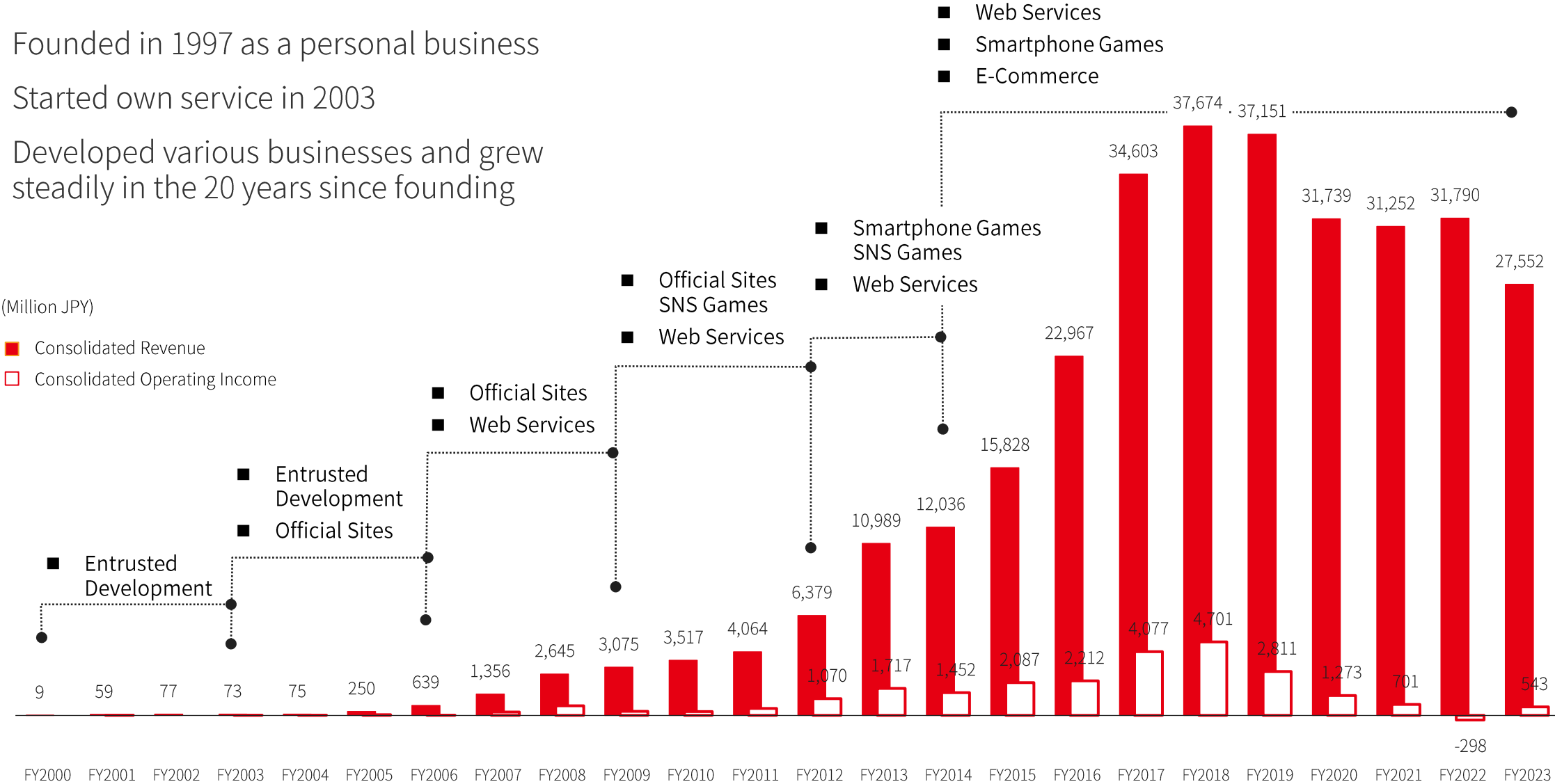


Company name	Ateam Inc.
Security code	3662:JP, TSE PRM
Incorporated on	February 29, 2000
Headquarters	Nagoya, Japan
President	Takao Hayashi
Industry	Information & Communication
Sector	Internet, Mobile Game
Fiscal Year-end	July
Group companies (Fully owned subsidiaries)	8 (includes 1 overseas subsidiary)
Number of employees	834 (excludes directors & part-time employees)
Shares per unit	100 shares

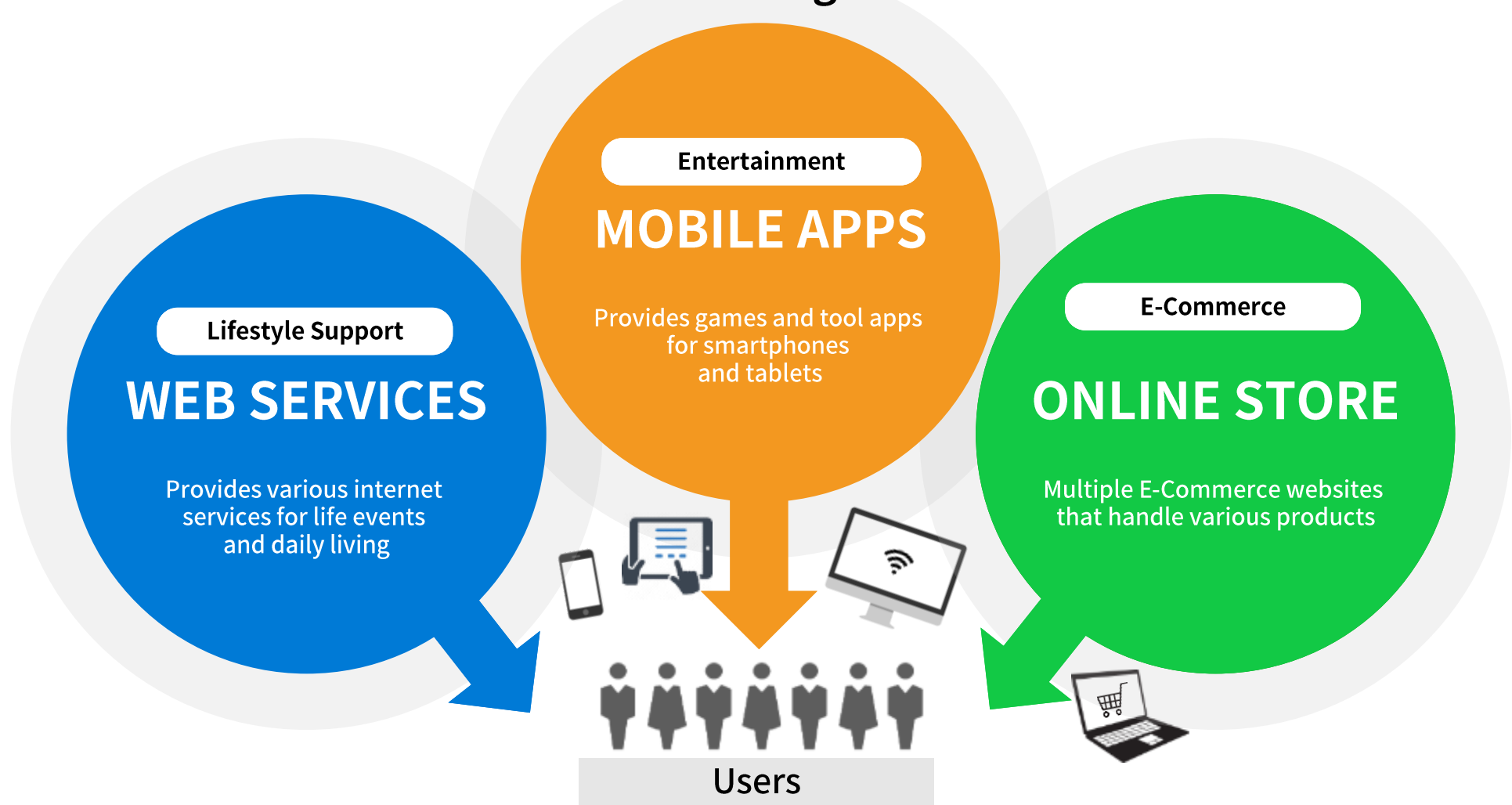


● Company History

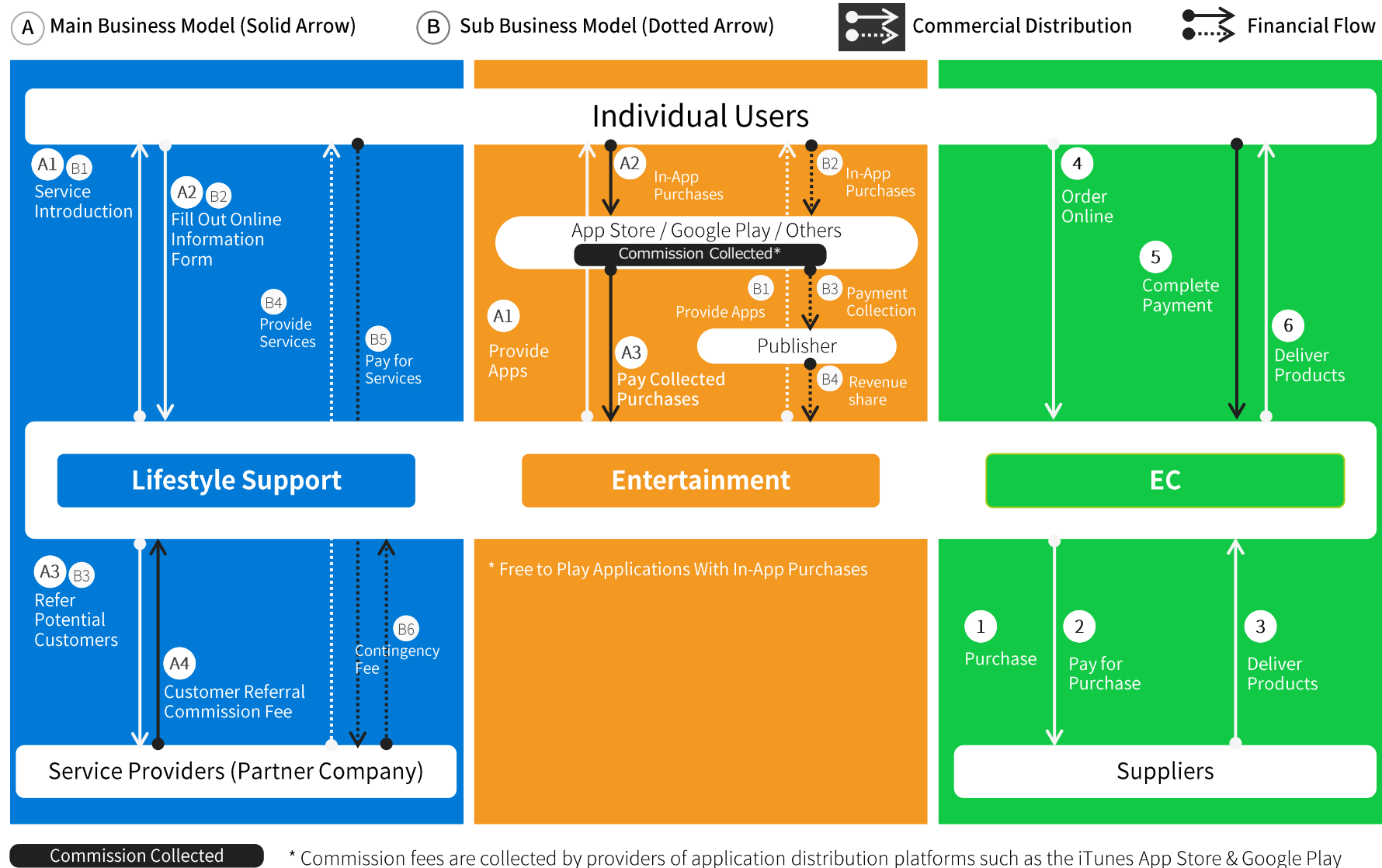
- Founded in 1997 as a personal business
- Started own service in 2003
- Developed various businesses and grew steadily in the 20 years since founding



Ateam Provides Various Services Through the Internet and Smart Devices



● Business Models



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: Expansion of IR Activities

Participating in “IR note Magazine” and Launching “Ateam IR Correspondence”

Background Behind Launch

As a part of our efforts to further expand our IR activities, we have participated in “IR note Magazine,” operated by the media platform “note,” and launched “Ateam IR Correspondence.” The aim is to enhance the communication of information expected by our shareholders and investors and create an opportunity to converse with them.

Content to Be Posted


- Notification, transcriptions, explanations, etc. of financial results briefings
- Explanation of financial results briefing materials and briefing materials for investors
- Information on our businesses and services
- Information on and analysis of market environments, etc.
- Interviews with our directors and business managers
- Information on our sustainability/ESG activities



* Please refer to “[Ateam Joins Media Platform note’s ‘IR note Magazine’](#)” released on December. 12, 2023. (Available only in Japanese)

Delivering a Speech at the “IR Seminar for Individual Investors” Organized by logmi Finance on March 23, 2024

We will hold a briefing session for individual investors to create opportunities for dialogue with our shareholders and investors. We would like to take this opportunity to invite you to watch the video to deepen your understanding of our company.

Date and time	Scheduled from 11:00 a.m. to 5:00 p.m. on Saturday, March 23, 2024 <ul style="list-style-type: none">• Speakers are invited from several different companies.• Our company’s session is scheduled for 1:55 to 2:45 p.m.	
Organizer	Logmi, Inc.	
Method	To be delivered online via Zoom webinar	
Application procedure	Please apply on logmi Finance. https://finance.logmi.jp/ir_live/450 * For viewing, please sign up to “logmi Finance” before the session (free of charge).	
Speaker	President Takao Hayashi	
Content	Introduction of our company and businesses, explanation of our plans and initiatives for future growth, QA session, etc.	

Appendix: Sustainability

Environmental

CDP Climate Change Response Report 2023

We, for the first time, submitted our response to the “CDP Climate Change 2023 Questionnaire” and earned a “D” score. This is a survey on climate change conducted by CDP, an international non-profit organization working on global environmental issues. In September 2022, we also expressed our support for the recommendations of the TCFD (Task Force on Climate-Related Financial Disclosures).



Social

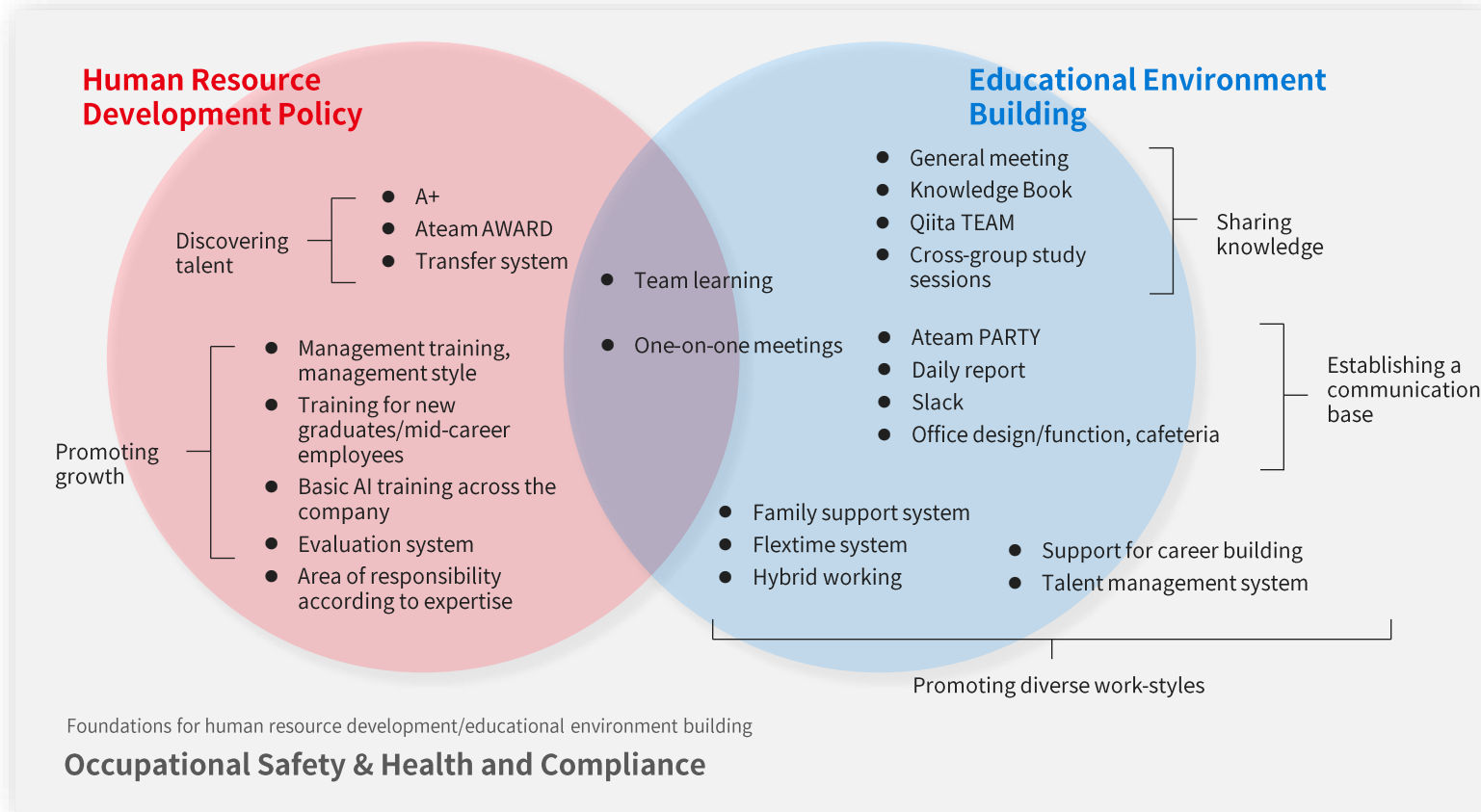
Provide Materials to Financial Education Class

“Navi Navi Asset Management Design Game,” developed and operated by Ateam Finergy Inc. (the operator of “Navi Navi Insurance”), was used as material for a financial education class held at Aichi Prefectural Toyota Minami High School. We will participate in financial education with the mission of “eliminating anxiety over money in society.”



Social

Formulate Ateam's Basic Policy on Human Capital



* Please refer to “2. Policies and Initiatives on Sustainability” in the FY2024 Securities Report disclosed on October 26, 2023. (Available only in Japanese)

We define “Ateam People” as our human resource policy, and have laid out policies on human resource development and educational environment building.

Our group recognizes that human capital is the source of value creation. We set our shared value, “Ateam People,” as our human resource policy and have laid out policies on human resource development and educational environment building, to help our employees demonstrate their capabilities.

Having set the themes for the human resource development policy as “discovering talent” and “promoting growth,” and those for educational environment building as “sharing knowledge,” “establishing a communication base,” and “promoting diverse work-styles,” we are working on initiatives for them.

APPENDIX: Supplementary Financial Data

(Million JPY)

	FY2021				FY2022				FY2023				FY2024	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
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	5,940
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	-0.6
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	4,163
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	1,172
E-Commerce*	1,103	844	1,308	1,209	1,171	1,339	1,912	1,327	1,297	1,131	694	527	547	604
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	909
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	15.3
Selling, G&A expenses	5,259	5,702	6,083	5,311	5,510	6,480	5,999	5,634	5,428	5,807	5,542	5,167	5,250	5,046
Selling, G&A expenses ratio (%)	70.2	77.3	70.4	68.6	75.1	84.7	70.1	68.3	76.1	79.1	81.8	81.9	87.9	85.0
Total cost and G&A expenses	7,114	7,535	8,278	7,622	7,587	8,538	8,378	7,584	6,920	7,342	6,608	6,136	6,145	5,955
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	1,299
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	3,144
Promotional expenses ratio (%)	37.9	42.7	40.8	37.0	41.7	52.1	42.1	40.7	44.7	44.9	51.9	49.6	55.8	52.9
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	2,725
Entertainment	128	126	111	127	131	874	81	132	65	96	75	65	31	45
E-Commerce*	195	217	271	312	293	295	298	372	454	355	317	325	337	370
Commissions, etc.	1,114	1,329	1,358	1,378	1,264	1,100	1,088	1,266	837	976	774	804	748	755
Subcontractor expenses, server fees	457	464	502	633	576	552	463	436	365	308	284	284	285	267
Office rental fees, utility expenses	299	298	270	260	266	260	243	241	238	237	214	200	194	173
Other expenses	851	705	1,039	931	832	1,087	1,461	999	831	1,085	464	369	261	314
Operating income	378	-157	359	120	-252	-891	180	664	213	-2	162	170	-170	-15
Q/Q (%)	70.3	-	-	-66.5	-	-	-	268.3	-67.9	-	-	104.7	-	-
Lifestyle Support*	525	101	526	438	197	121	527	808	595	326	555	283	158	153
Entertainment	93	120	108	46	-160	-736	-162	165	-4	105	-74	140	-86	34
E-Commerce*	-4	-30	27	-49	-40	-21	43	-102	-145	-120	-100	-64	-47	-45
Others	-235	-349	-302	-315	-249	-253	-228	-206	-231	-313	-217	-189	-194	-157
Operating income margin (%)	5.1	-	4.2	1.6	-	-	2.1	8.1	3.0	-	2.4	2.7	-	-
Ordinary income	393	-30	370	161	-242	-893	201	715	223	-4	202	289	-137	3
Net income	258	483	239	-103	-145	-584	-104	-502	120	-271	153	141	-142	-51
Number of employees	1,162	1,182	1,197	1,155	1,129	1,171	1,092	1,069	1,019	991	931	910	885	881
Lifestyle Support*	624	647	649	612	590	636	591	561	※512	※487	※466	452	430	430
Entertainment	378	375	378	374	371	364	346	352	340	344	343	338	337	331
E-Commerce*	58	59	63	60	58	55	55	55	※71	※69	※32	30	28	27
Others	102	101	107	109	110	116	100	101	96	91	90	90	90	93

* 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.

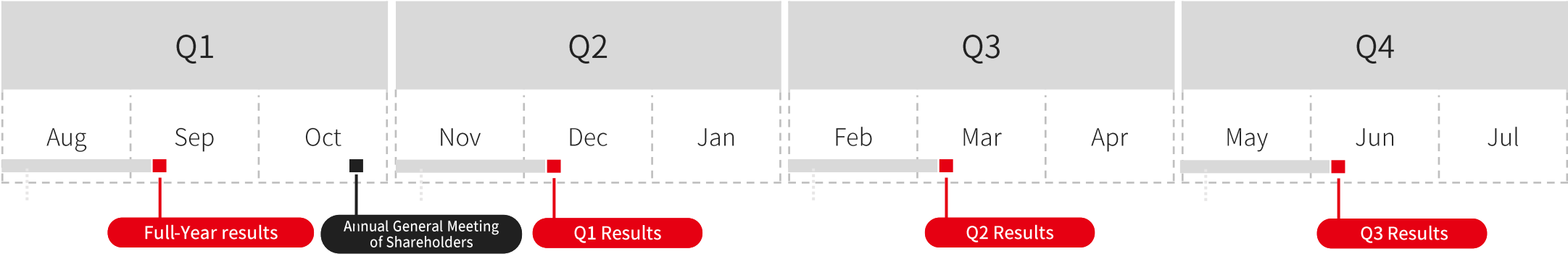
		FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024 Q2
Assets									
	Current Assets*	9,613	11,488	11,543	11,130	10,383	10,471	10,264	9,502
	Cash and cash equivalents	5,004	5,984	6,713	6,480	6,035	5,223	5,992	5,695
	Non-current assets*	3,527	5,214	5,729	4,932	5,368	4,290	3,591	3,519
	Tangible assets	1,666	1,684	1,711	1,384	1,195	844	389	392
	Intangible assets	507	2,070	1,522	477	792	391	216	182
	Investments and other assets*	1,353	1,459	2,495	3,070	3,380	3,055	2,985	2,944
Total assets		13,140	16,702	17,273	16,063	15,751	14,762	13,855	13,021
Liabilities									
	Current liabilities	5,202	4,464	4,031	3,847	3,640	4,205	3,621	3,072
	Non-current liabilities	481	583	730	493	527	674	529	681
Total liabilities		5,683	5,047	4,761	4,340	4,168	4,880	4,151	3,754
	Interest-bearing liabilities	632	186	-	-	-	-	-	-
Net assets									
	Shareholder's equity	7,361	11,566	12,452	11,663	11,232	9,088	8,969	8,495
	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	9,267
Total liabilities and net assets		13,140	16,702	17,273	16,063	15,751	14,762	13,855	13,021

* 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 (mil. 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 (mil. JPY)	2,729	3,284	1,759	884	486	-207	377
② Invested capital (=③+④, mil. JPY)	7,993	11,752	12,452	11,663	11,232	9,088	8,969
③ Shareholder's equity (mil. JPY)	7,361	11,566	12,452	11,663	11,232	9,088	8,969
④ Short-term loans payable (mil. JPY)	632	186	-	-	-	-	-

Yearly Schedule



Corporate Information

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E-mail: ir@a-tm.co.jp

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- Corporate Website Shareholder/Investor Information: <https://www.a-tm.co.jp/en/ir/>
- Shared Research Report: <https://sharedresearch.jp/en/3662>
- Ateam IR Facebook Page: <https://www.facebook.com/ateamir/>



Combining Creativity and Tech to Deliver More Convenience and More Fun to All

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