



Ateam Inc.

Business Report FY2016

September 9, 2016

Index

1. FY2016 Financial Results
2. FY2016 Q4 Business Details
3. FY2017 Q1 Progress
4. FY2017 Guidance
5. Medium- and Long-Term Outlook

NEW ■ APPENDIX A: Company Overview

NEW ■ APPENDIX B: Business Strengths and Growth Strategies

■ APPENDIX C: Supplementary Financial Data

1. FY2016 Financial Results

2. FY2016 Q4 Business Details
3. FY2017 Q1 Progress
4. FY2017 Guidance
5. Medium- and Long-Term Outlook

FY2016 Full-Year Financial Summary

Overall

Record Revenue & Operating Income Achieved

- Revenue: 22,967 million JPY (Y/Y 145.1%)
- Operating income: 2,212 million JPY (Y/Y 106.0%)
- Net income: 1,292 million JPY (Y/Y 94.9%)

*Net income = Net income attributable to shareholders of parent company ((holds the same meaning on all following pages)

Net income down due to software asset transient costs

Entertainment

Both Revenue and Operating Income Up Y/Y, Record Revenue & Operating Income Achieved

- Revenue: 12,559 million JPY (Y/Y 158.7%)
- Segment Profit: 2,297 million JPY (Y/Y 129.7%)

Stable performance of existing titles and revenue from new titles led to significant growth

Full-Year
Revenue Ratio

54.7
%

Lifestyle Support

Both Revenue and Operating Income Up Y/Y, Record Revenue & Operating Income Achieved

- Revenue: 10,408 million JPY (Y/Y 131.5%)
- Segment Profit: 1,464 million JPY (Y/Y 123.8%)

Annual growth has remained at over 20% since the inception of the first lifestyle support service in 2006

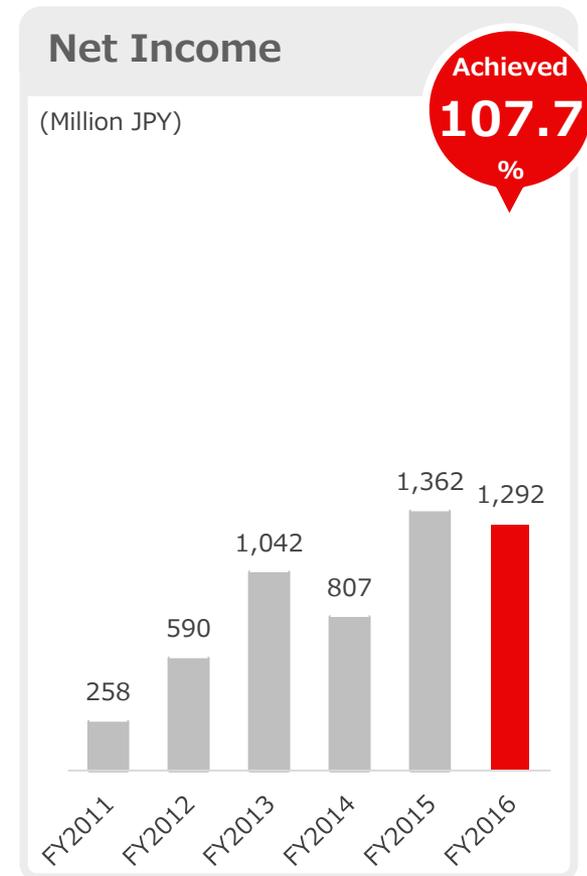
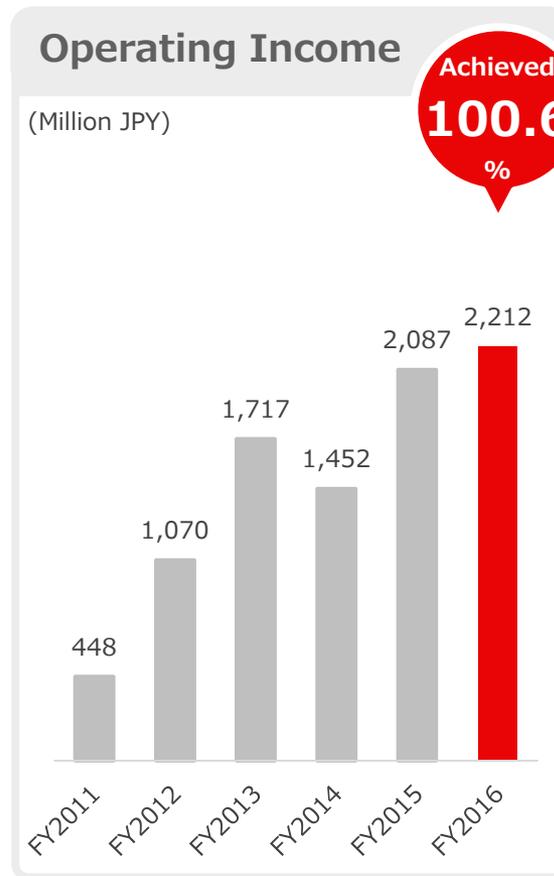
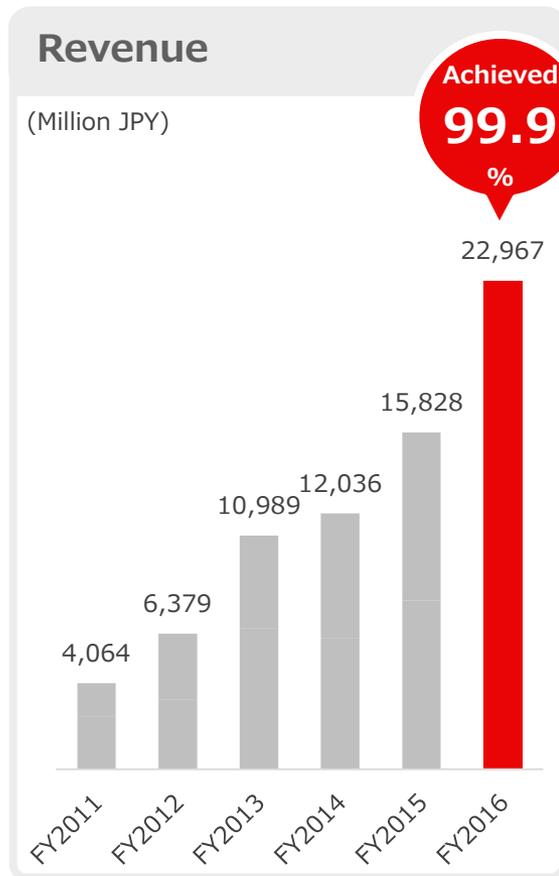
Full-Year
Revenue Ratio

45.3
%

FY2016 Full-Year Financial Results vs. Forecasts

Revenue and Operating Income in Line With Forecasts, Net Income Exceeded Forecasts

- (Reference) Revised forecasts announced Jul 29, 2016: Revenue: 23 billion JPY; Operating income: 2.2 billion JPY; Net income: 1.2 billion JPY



FY2016 Full-Year Financial Results by Segment

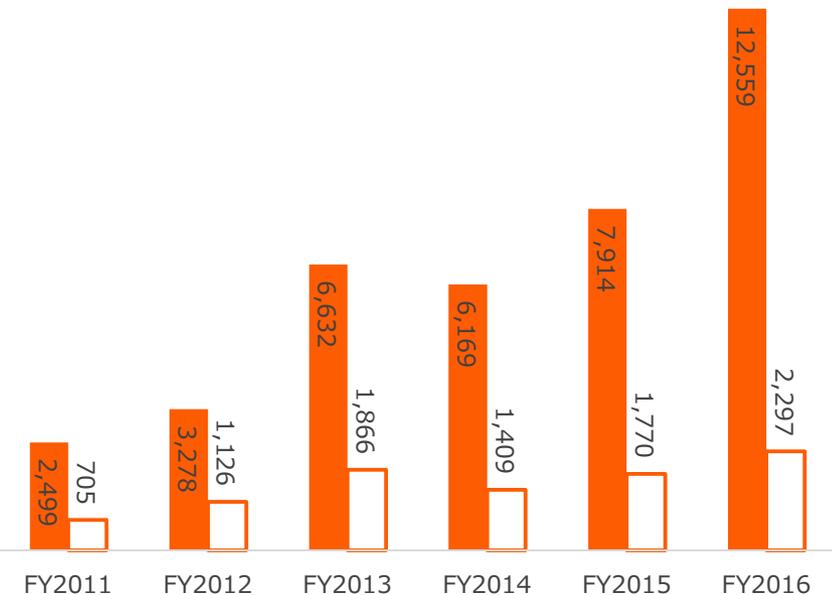
Entertainment

- Revenue & Operating Income Up Y/Y
- Record Segment Revenue & Operating Income Achieved

(Million JPY)

- Segment Revenue
- Segment Profit

Y/Y
+58.7
%



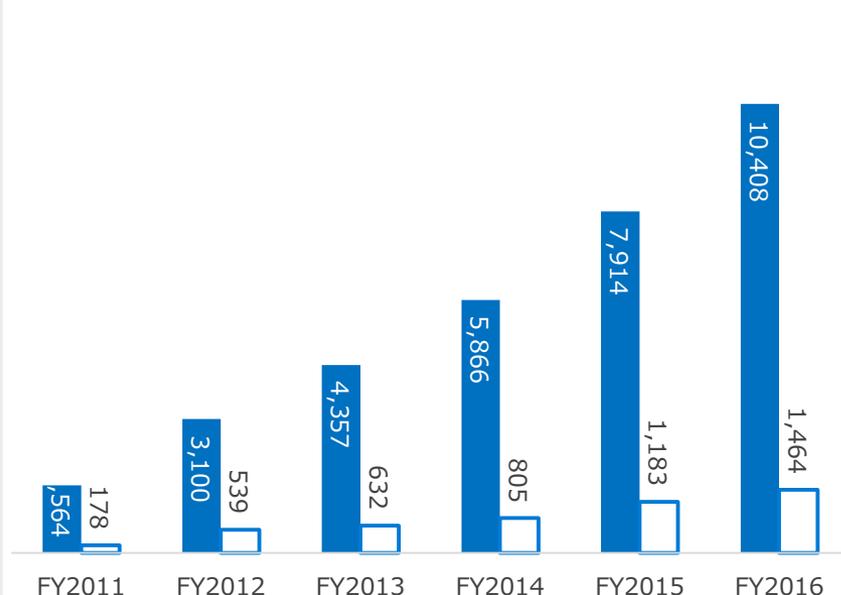
Lifestyle Support

- Both Revenue & Operating Income Grew Steadily
- Record Segment Revenue & Operating Income Achieved

(Million JPY)

- Segment Revenue
- Segment Profit

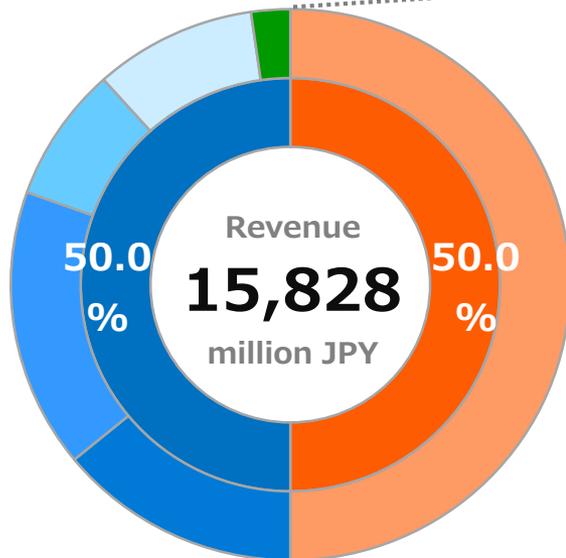
Y/Y
+31.5
%



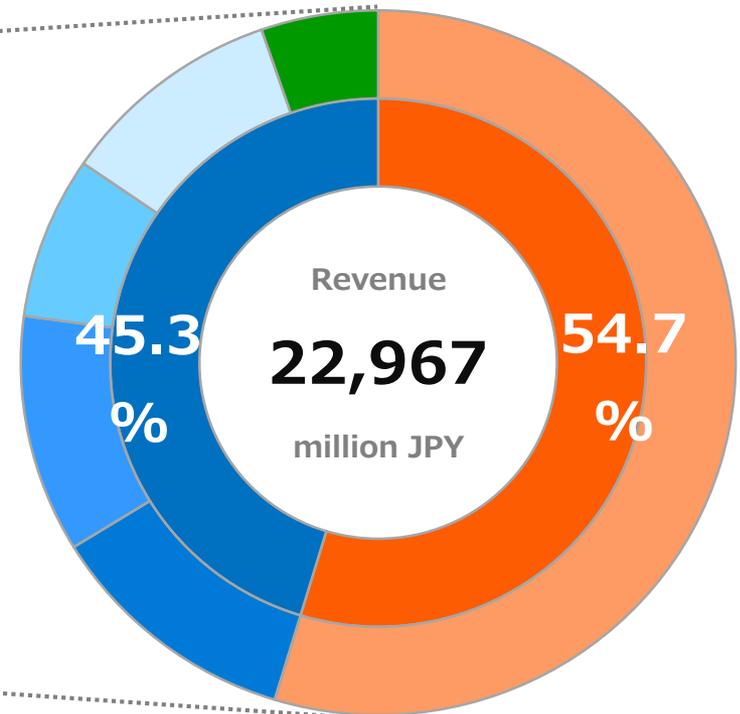
FY2016 Full-Year Financial Result Breakdown

Significant Growth in Entertainment and E-Commerce

Fiscal Year 2015



Fiscal Year 2016



- **Entertainment**
 - Game & Tool Apps
- **Lifestyle Support**
 - Moving Related
 - Automobile Related
 - Bridal Related
 - Financial Media & Others
 - E-Commerce

FY2016 Q4 Financial Summary (May - Jul 2016)

Overall

Both Revenue & Operating Income Up Y/Y, Record Revenue Achieved

- Revenue: 6,757 million JPY (Y/Y 148.1%, Q/Q 109.4%)
- Operating income: 748 million JPY (Y/Y 168.2%, Q/Q 93.7%)
- Net income: 504 million JPY (Y/Y 180.7%, Q/Q 105.0%)

Entertainment

Segment Revenue & Profit Up Y/Y & Q/Q, Record Revenue Achieved

- Revenue: 3,857 million JPY (Y/Y 156.5%, Q/Q 120.7%)
- Segment Profit: 706 million JPY (Y/Y 173.1%, Q/Q 117.5%)

Revenue rose due to new game “Valkyrie Connect”, which launched Jun 9

Lifestyle Support

Segment Revenue & Profit Up Y/Y, Down Q/Q Due to Seasonality

- Revenue: 2,899 million JPY (Y/Y 138.1%, Q/Q 97.2%)
- Segment Profit: 382 million JPY (Y/Y 123.6%, Q/Q 72.1%)

Lifestyle Support business grew significantly Y/Y, but decreased Q/Q due to some sub-segment businesses exiting peak business period

FY2016 Full-Year and FY2016 Q4 Financial Results

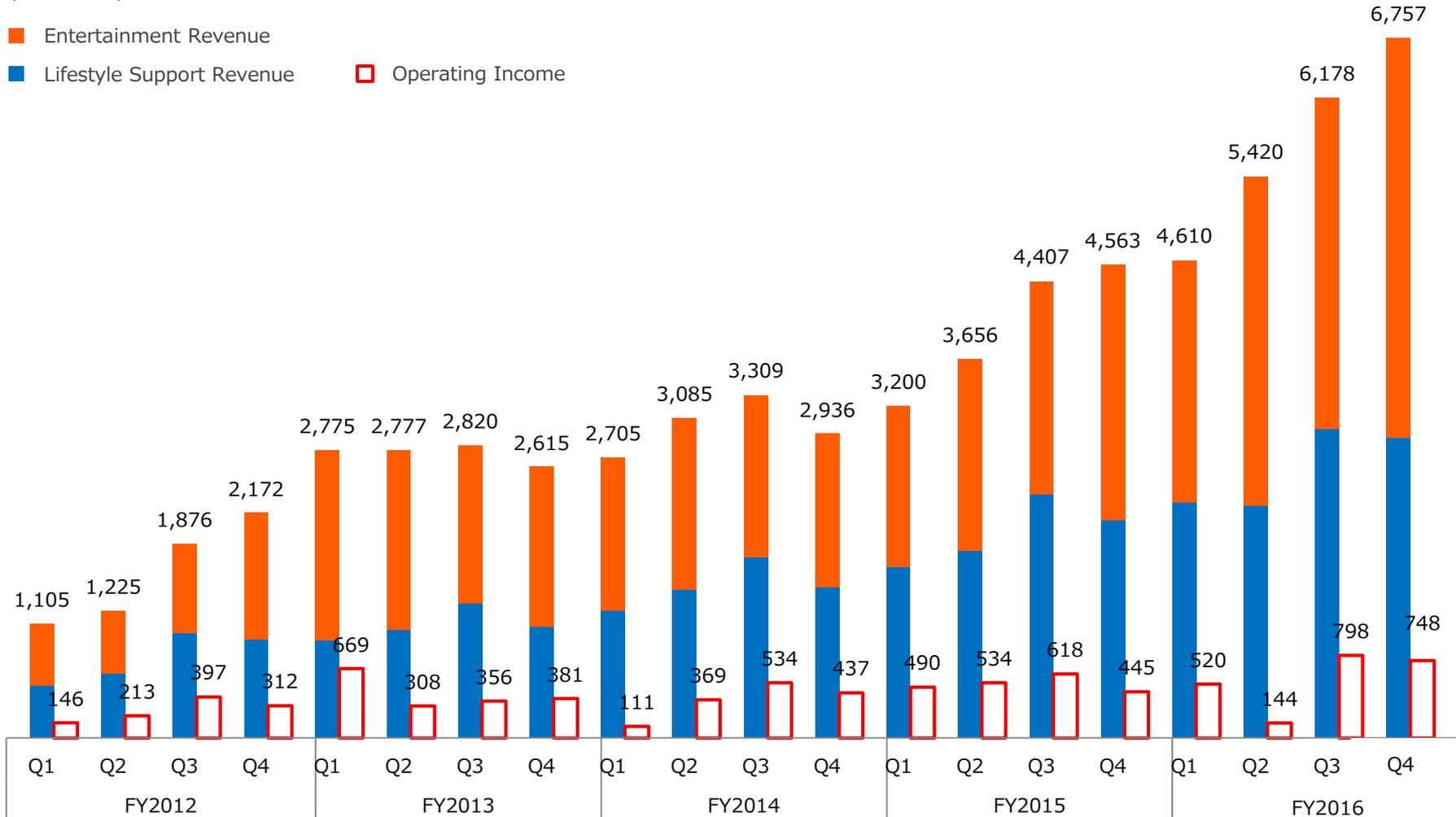
(Million JPY)

FY2016 Full Year (Aug 2015 - Jul 2016)					FY2016 Q4 (May - Jul 2016)					
	FY2016		FY2015	Y/Y	FY2016		FY2015	Y/Y	FY2016	Q/Q
	Full Year	%	Full Year		Q4	%	Q4		Q3	
Revenue	22,967	100.0%	15,828	145.1%	6,757	100.0%	4,563	148.1%	6,178	109.4%
Operating income	2,212	9.6%	2,087	106.0%	748	11.1%	445	168.2%	798	93.7%
Ordinary income	2,094	9.1%	2,164	96.8%	736	10.9%	452	162.6%	751	98.0%
Net income	1,292	5.6%	1,362	94.9%	504	7.5%	278	180.7%	479	105.0%

Consolidated Quarterly Financial Trends

(Million JPY)

■ Entertainment Revenue
■ Lifestyle Support Revenue □ Operating Income



*Lifestyle Support revenue peaks in Q3 (Feb - Apr) each year due to seasonal factors (moving-related service peak business period is Feb - Apr, bicycle- and automobile-related service peak business period is Dec - Feb).

Quarterly Trend of Key Management Indicators

(Million JPY)

	FY2014				FY2015				FY2016			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Revenue	2,705	3,085	3,309	2,936	3,200	3,656	4,407	4,563	4,610	5,420	6,178	6,757
Operating income	111	369	534	437	490	534	618	445	520	144	798	748
Promotional expenses	1,029	1,123	1,213	912	1,132	1,439	1,903	1,955	1,817	2,326	2,433	2,758
Labor costs, recruitment expenses	647	650	649	691	684	682	695	736	745	805	814	884
Commission fees, etc.	356	434	461	484	484	559	671	869	841	1,171	1,177	1,401
Subcontractor expenses, server fees	276	236	153	159	162	190	197	235	257	267	275	235
Office rental fees, utility expenses	102	107	108	100	110	105	105	111	138	235	177	177
Employees (people)	485	502	538	541	531	533	533	530	548	559	574	583

*Number of employees includes directors, auditors, full-time employees, contract employees, and part-time workers of all Ateam Group companies

*The number of part-time employees is calculated in FTE (Full-Time Equivalent)

FY2016 Q4 Operating Cost and Expenses Breakdown

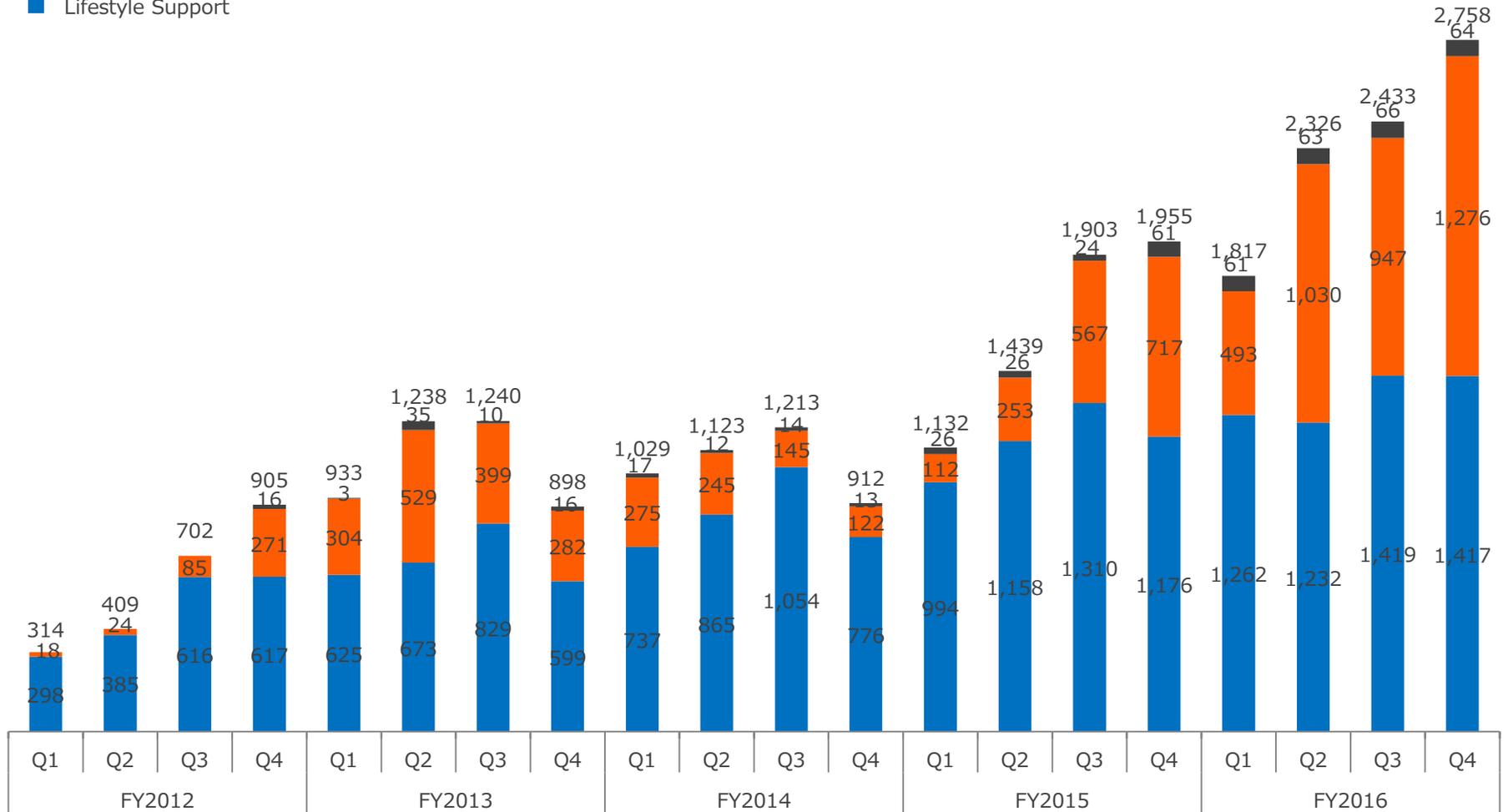
(Million JPY)

	Segment	FY2016 Q4		Q3	Q/Q	Operating Expense Details
		Amount	% of Revenue	Amt.		
Promotional expenses	Ent.	1,276	18.9%	947	+34.8%	Increased due to “Valkyrie Connect” and “Derby Impact” promotional expenses
	Lifestyle	1,417	21.0%	1,419	-0.1%	Moving-related, automobile-related, and E-commerce decreased, but bridal and financial media increased
Labor costs, recruitment expenses	Ent.	345	5.1%	314	+9.8%	Increased due to hiring in April and bonus payment
	Lifestyle	362	5.4%	334	+8.5%	Increased due to hiring in April and bonus payment
Commission fees, etc.	Ent.	1,150	17.0%	932	+23.4%	Increased along with rise in game revenue
	Lifestyle	232	3.4%	214	+8.1%	Increased due to seasonal trends in moving-related business, rise in cyma’s bicycle shipping costs
Sub-contractor expenses, server fees	Ent.	213	3.2%	254	-16.1%	Decreased due to reduction in outsourcing for existing titles
	Lifestyle	17	0.3%	16	+4.5%	—
Office rental fees, utility expenses	Ent.	82	1.2%	80	+1.4%	—
	Lifestyle	83	1.2%	85	-1.8%	—
Others	Ent.	83	1.2%	66	+25.8%	Increased due to factoring in of assets from development of newly released smartphone game
	Lifestyle	403	6.0%	381	+5.8%	Increased due to higher costs in moving- and bridal-related businesses

Quarterly Promotional Expense Trends

(Million JPY)

- Others
- Entertainment
- Lifestyle Support



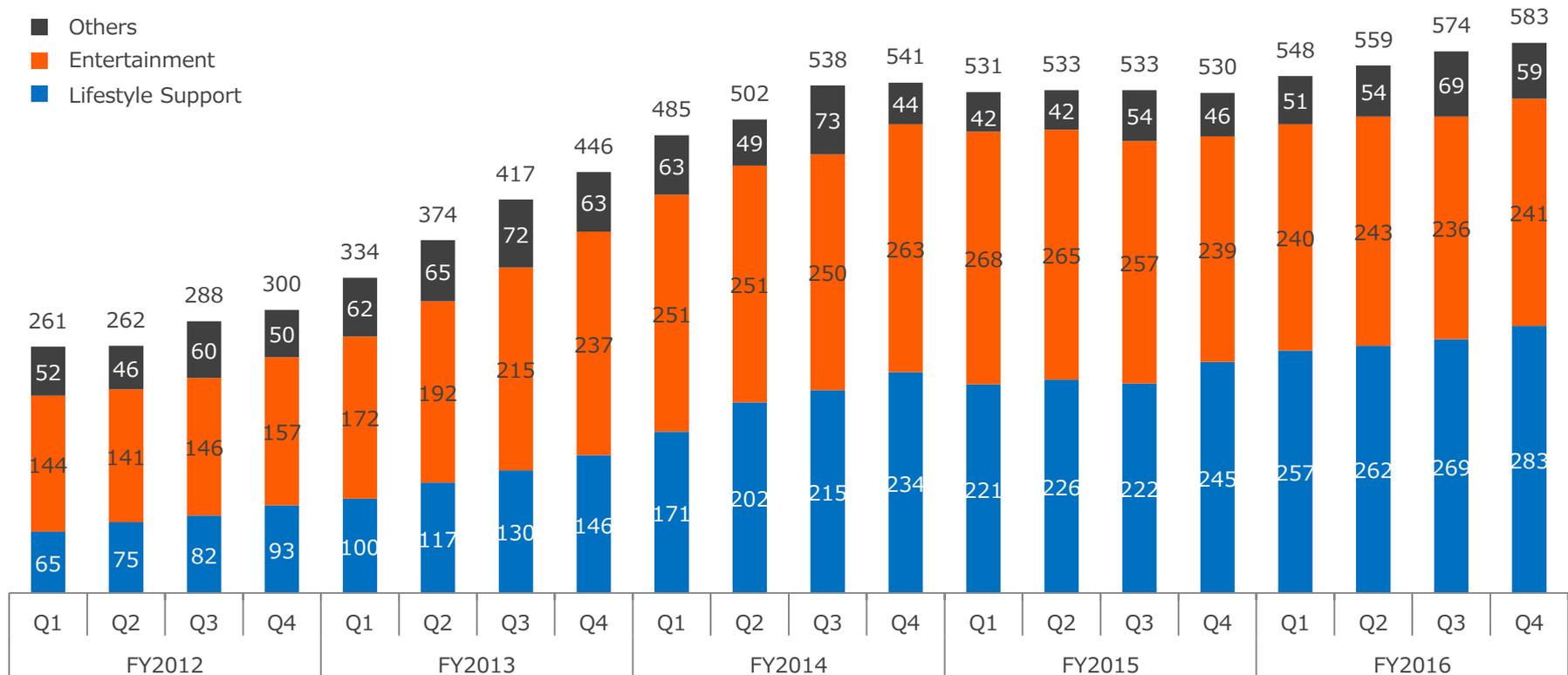
Number of Employees

New Graduates Temporarily Attributed to “Others” Category Completed Training and Were Assigned to Company Divisions as of Jun 1, 2016

Number of Employees Increased Through Active Recruiting

(People)

- Others
- Entertainment
- Lifestyle Support



*Number of employees includes directors, auditors, full-time employees, contract employees, and part-time workers of all Ateam Group companies

*The number of part-time employees is calculated in FTE (Full-Time Equivalent)

Balance Sheet

Cash and Cash Equivalents Rose

Increase in Accounts Payable Caused Rise in Liabilities

Shareholder's Equity & Net Assets Rose Due to Rise in Retained Earnings

(Million JPY)

	FY2016 Q4	FY2016 Q3
Current assets	6,918	5,642
Cash and cash equivalents	3,505	2,399
Accounts receivable	2,724	2,589
Non-current assets	2,668	2,613
Tangible assets	1,321	1,359
Intangible assets (software)	622	555
Total assets	9,586	8,255

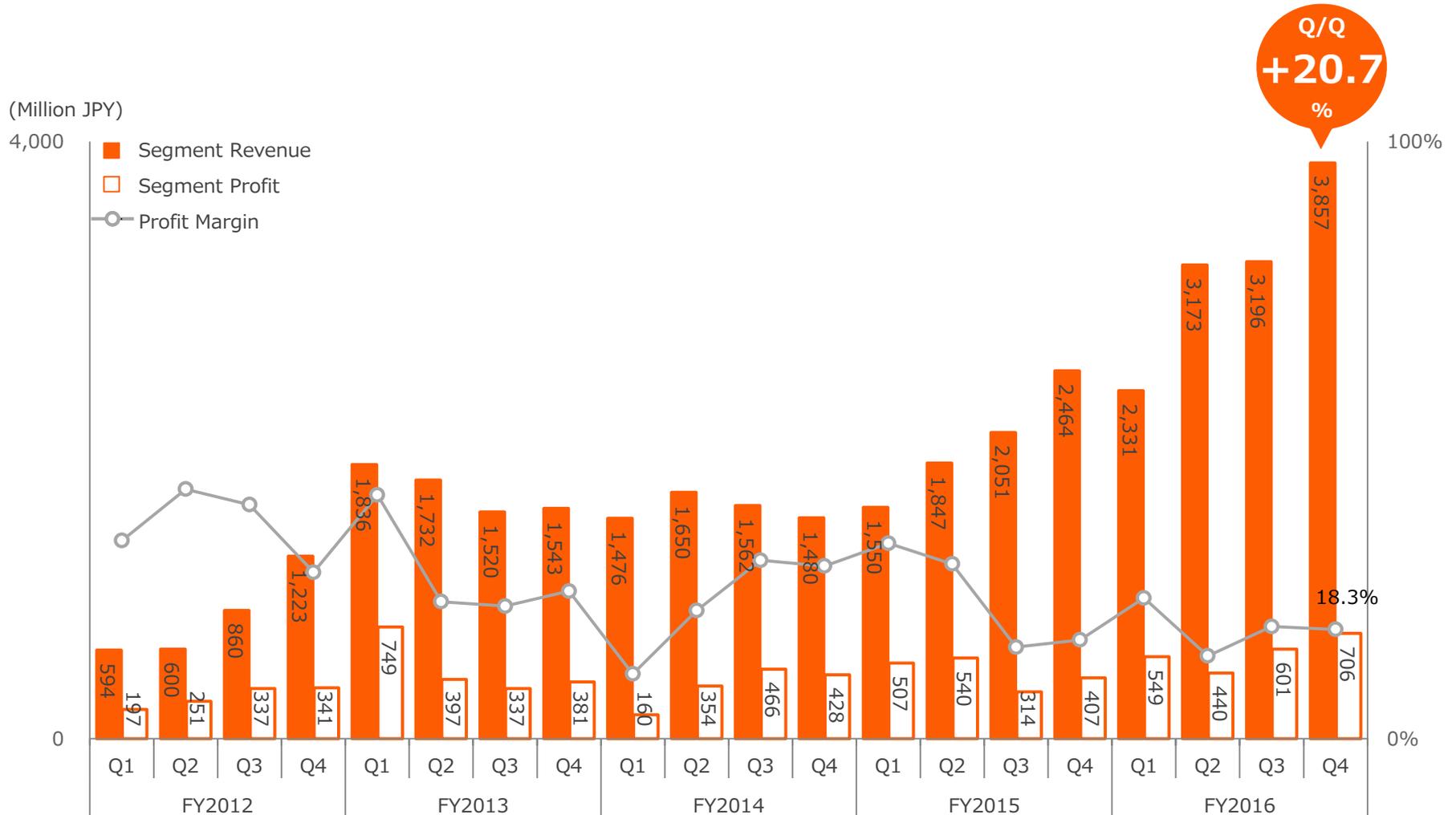
	FY2016 Q4	FY2016 Q3
Current liabilities	4,127	3,312
Non-current liabilities	387	386
Total liabilities	4,514	3,699
Short-term loans payable	1,166	1,262
Shareholder's equity	4,971	4,455
Total net assets	5,072	4,555
Liabilities and net assets	9,586	8,255

2. FY2016 Q4 Business Details

- 3. FY2017 Q1 Progress
- 4. FY2017 Guidance
- 5. Medium- and Long-Term Outlook

Entertainment Business Performance Trends

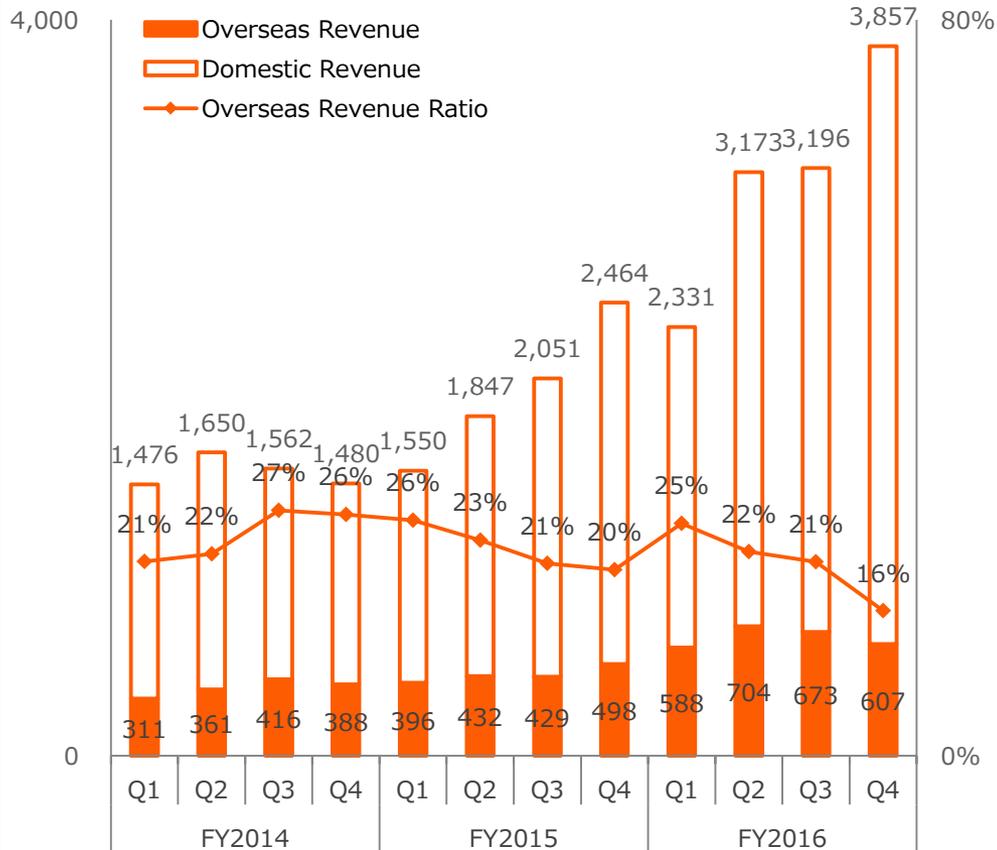
Revenue Rose Mainly Due to Newly Launched Game “Valkyrie Connect”



Entertainment Overseas Revenue Ratio Trends

Overseas Revenue Ratio Down Y/Y & Q/Q

(Million JPY)

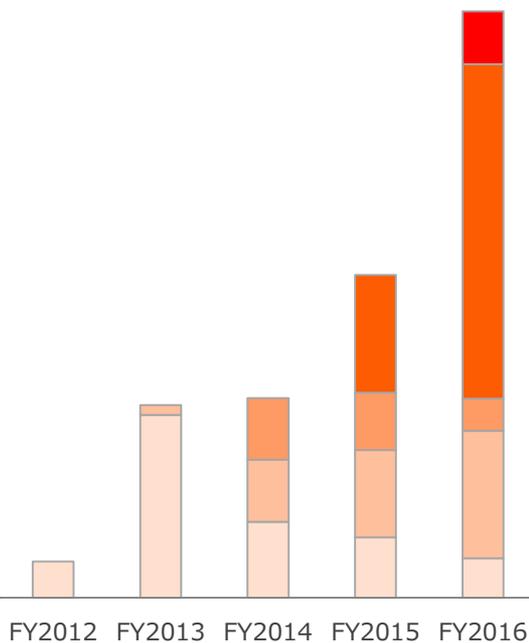


Title	Language	Release Country/Area
 Unison League	<ul style="list-style-type: none"> Japanese English, 5 European Languages Traditional Chinese Southeast Asian Languages Korean 	<ul style="list-style-type: none"> Japan 145 Countries worldwide Hong Kong, Taiwan, Macau Southeast Asia South Korea
 Dark Summoner	<ul style="list-style-type: none"> Japanese English 	<ul style="list-style-type: none"> Japanese 153 countries worldwide
 War of Legions	<ul style="list-style-type: none"> Japanese English 	<ul style="list-style-type: none"> Japanese 150 countries worldwide
 Derby Impact	<ul style="list-style-type: none"> Japanese Traditional Chinese 	<ul style="list-style-type: none"> Japan Hong Kong, Taiwan, Macau, Singapore, Malaysia
 Three Kingdoms Smash!	<ul style="list-style-type: none"> Japanese Traditional Chinese 	<ul style="list-style-type: none"> Japan Hong Kong, Taiwan, Macau, Singapore, Malaysia

Native App Performance Trends by Release Year

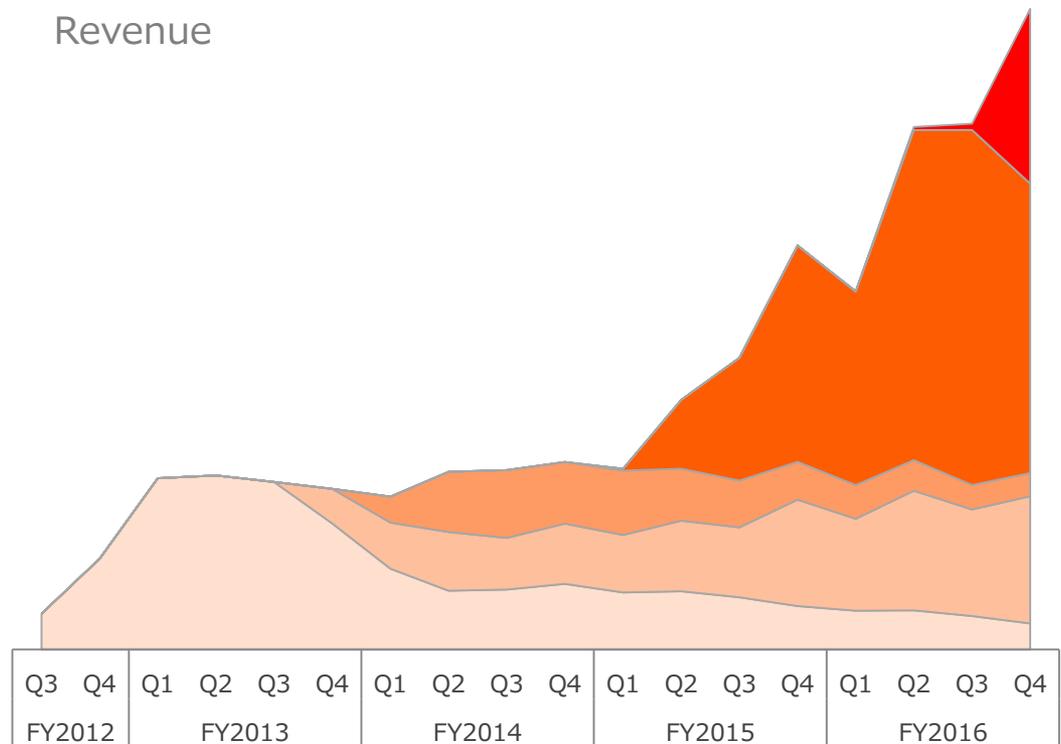
Trends by Release Year

- FY2012 Titles
- FY2013 Titles
- FY2014 Titles
- FY2015 Titles
- FY2016 Titles



Quarterly Trends by Release Year

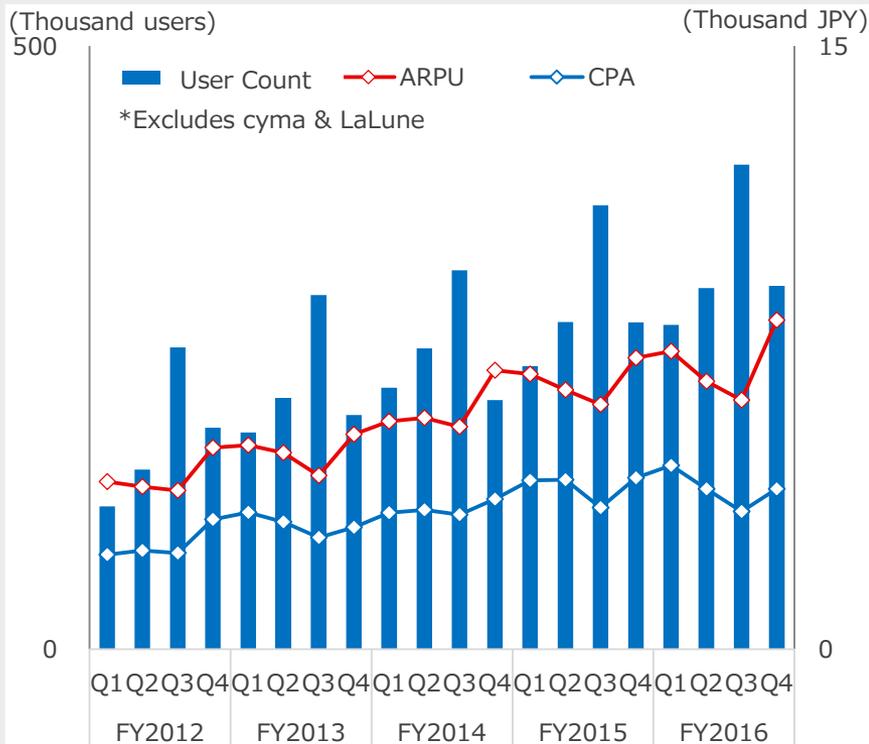
- | Derby Impact (FY2013) Continued Performing Well
- | Unison League & Three Kingdoms Smash! (FY2015) Made Large Contributions
- | Valkyrie Connect (FY2016) Further Drove Up Q4 Revenue



Lifestyle Support Key Performance Indicator Trends

User Count, ARPU, CPA

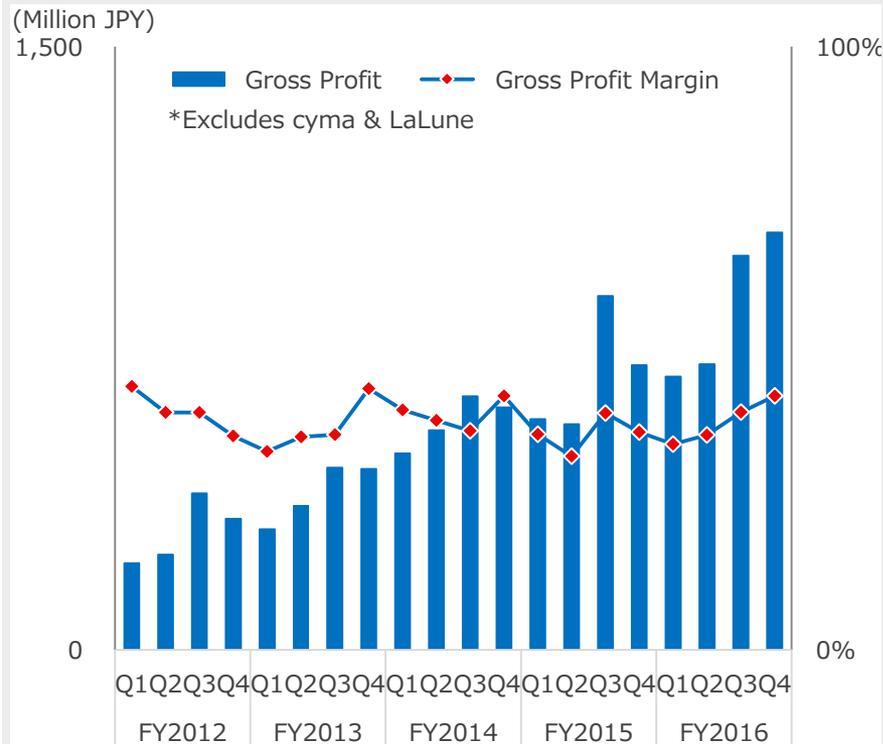
- Q3 Always Sees Peak User Count
- ARPU & CPA Trending Stably



- [① User count]=total users from 4 main sub-segment businesses (users that generated segment revenue)
- [② ARPU: Revenue per user]=segment revenue÷[① User count]
- [③ CPA: Cost per user acquisition]=advertising cost÷[① User count]

Gross Profit, Gross Profit Margin

- Q4 Gross Profit Up Y/Y
- Gross Profit Margin Trends Around 40%

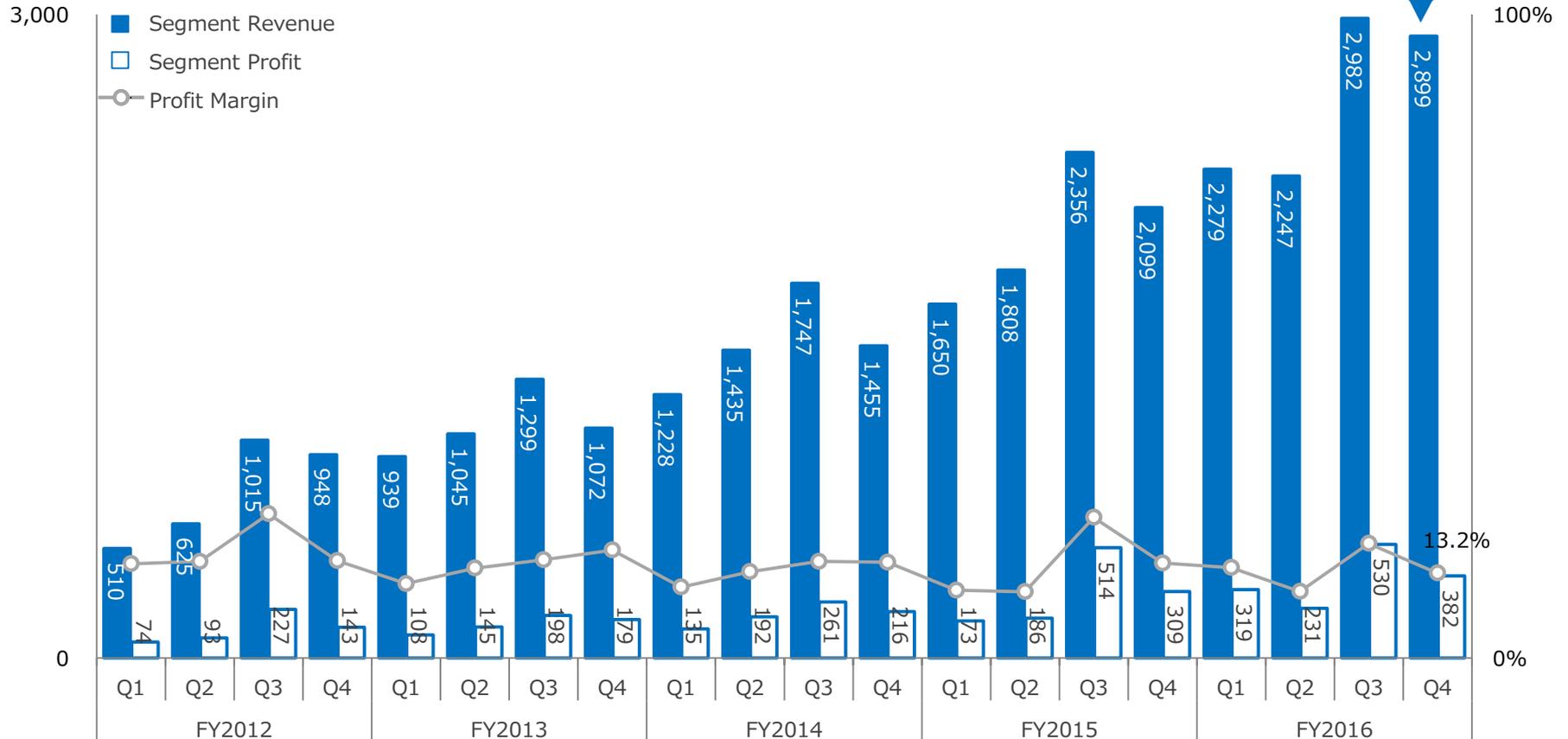


- [④ Gross profit]=segment revenue-(advertising+purchase costs)
 - [⑤ Gross profit margin]=[④ Gross profit]÷segment revenue
- *Purchase costs include A/C, bridal rings, Sugukon photo purchase costs, A/C installation fees, and bridal deferred payment package costs

Lifestyle Support Business Performance Trends

Y/Y Increase Due to Favorable Performance in Moving-Related, Bridal-Related and E-Commerce Businesses

(Million JPY)



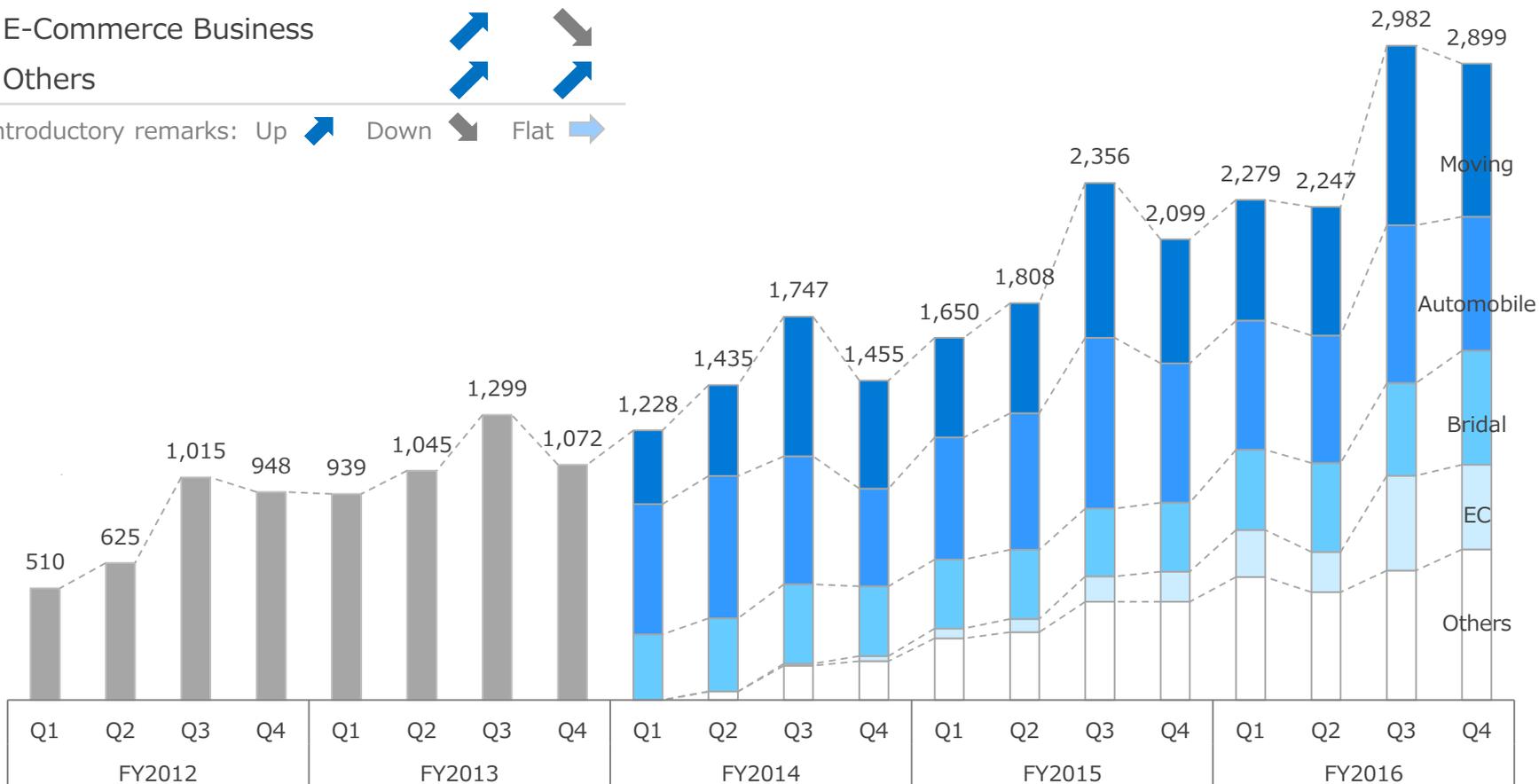
Lifestyle Support Sub-Segment Businesses Trends

(Million JPY)

Y/Y Q/Q

- Moving-Related Business ↗ ↘
- Automobile-Related Business ↘ ↘
- Bridal Related-Business ↗ ↗
- E-Commerce Business ↗ ↘
- Others ↗ ↗

*Introductory remarks: Up ↗ Down ↘ Flat ↔



3. FY2017 Q1 Progress

- 4. FY2017 Guidance
- 5. Medium- and Long-Term Outlook

FY2017 Q1 Topics

Entertainment

- | **Unison League**
 - ▶ Japanese version began collaboration event with “Hatsune Miku” on Sep 7, coming to global
 - ▶ Ran collaboration event with “Evangelion” from Aug 10, also held in global version from Aug 15
 - **TV commercials aired Aug 10 – Aug 31**



- | **Valkyrie Connect**
 - ▶ Trending favorably, preparing global release
 - ▶ Surpassed 3 million downloads on Sep 6
- | **Three Kingdoms Smash!**
 - ▶ Began second collaboration with anime “Ikki Tousen” on Aug 15

Lifestyle Support

- | **Bridal Related**
 - ▶ Large bridal events planned for Sep 10-11
 - **VR planned for broad release**
- | **Moving Related**
 - ▶ Competition increasing, began airing radio commercials
- | **Automobile Related**
 - ▶ Maintaining a top market share despite struggling numbers



EC

- | **Bicycle EC**
 - ▶ Continuing to strengthen operating foundation, focusing on customer support

4. FY2017 Guidance

5. Medium- and Long-Term Outlook

FY2017 Consolidated Financial Forecasts

(Million JPY)

	FY2016 Result		FY2017 (Aug 2016 – Jul 2017) Forecasts				
	Interim Result	Full-Year Result	Q1 Forecasts	Interim Forecasts	Full-Year forecasts	% of Revenue	Full-Year Y/Y
Revenue	10,031	22,967	7,000	14,800	32,000	100.0%	139.3%
Entertainment	5,505	12,559	-	-	19,000	59.4%	151.3%
Lifestyle Support	4,526	9,193	-	-	11,200	35.0%	121.8%
E-Commerce	-	1,214	-	-	1,800	5.6%	148.2%
Operating income	665	2,212	10	300	3,300	10.3%	149.1%
Ordinary income	606	2,094	10	300	3,250	10.2%	155.2%
Net income	308	1,292	6	180	2,150	6.7%	166.3%

*From FY2017 (Aug 1, 2016), bicycle EC was split into its own segment. Business segments are now Entertainment, Lifestyle Support, and EC.

FY2017 Initiatives

Overall

Strengthen Employee Hiring, Training, Work Environment, and Management Structure With a Focus on Mid- to Long-Term Growth

Entertainment

- | Release new title "After School Girls Tribe"
- | Release global version of "Valkyrie Connect"
- | More efficiently operate existing titles

Lifestyle Support

- | Increase user count, ARPU, and profit rate of existing services
- | Perform cross-service customer referrals, obtain more returning customers
- | Expand peripheral services of each sub-segment, explore new industrial services

EC

- | Prioritize strengthening of fulfilment* over turning profit
 - *Fulfilment: Management of online orders, stock, selection/packaging of goods, shipment, billing/payments, customer data management, customer support, and other vital core processes
- | Increase CVR*
 - *CVR (Conversion Rate): The percentage of EC site visitors that end up making a purchase

Notes on FY2017 Guidance

Overall

Investments Planned Aimed at Growth in FY2018 and Beyond

- | Expand headquarters office space
- | Advertise with an aim on increasing corporate awareness

Entertainment

Future Releases Forecasted Conservatively, Others Forecasted Based on Latest KPI

- | Contributions from future releases forecasted conservatively for second half of the fiscal year, pre-launch promotional investment costs mostly factored in for first half of the fiscal year
- | Valkyrie Connect forecasted based on recent KPI and overseas performance of existing titles
- | Other existing titles forecasted based on recent KPI trends, performance predicted to decrease

Lifestyle Support

Forecasted Based on Predictable Range, Peak Business Season Is Q3

- | Forecasted based on latest KPI and predicted seasonal trends
- | Investments are planned, but contributions forecasted for mid-to-long term
- | Only costs factored in for new services which have not yet launched

EC

Forecasted Based on Predictable Range, Peak Business Season Is Q3

- | Forecasts include continuing investments into strengthening operating foundation and structure
- | Forecasts made based on current KPI of each service, include predicted seasonal trends

Notes on FY2017 Q1 Forecasts

Overall

Planning Investments Aimed at Future Growth, Nearly Zero Operating Income Forecasted for Q1

Ent.

Large-Scale Promotions Held

- | Unison League x Evangelion TV commercial ran in August
- | Online promotion of Valkyrie Connect ran in August

Predicted Additional Investment

550 m JPY

Lifestyle Support

Promotion to Increase Brand Recognition Planned

- | Planning advertising campaigns to strengthen bridal service branding

Predicted Additional Investment

50 m JPY

EC

Promotion to Increase Brand Recognition Planned

- | Planning advertising campaigns to strengthen cyma branding

Predicted Additional Investment

30 m JPY

Others

Investments Into Staff Hiring, Training, etc.

- | Hiring and training costs, stock incentive plans (ESOP/BIP), other costs aimed at retaining staff

Predicted Additional Investment

70 m JPY

FY2016 Dividends and FY2017 Dividend Forecasts

FY2016 Full-Year Dividend: 12.5 JPY Per Share; Pay Out Ratio: 18.2%

FY2017 Full-Year Dividend Forecast: 20 JPY Per Share

Aiming for Payout Ratio of 20% Subject to Full-Year Performance

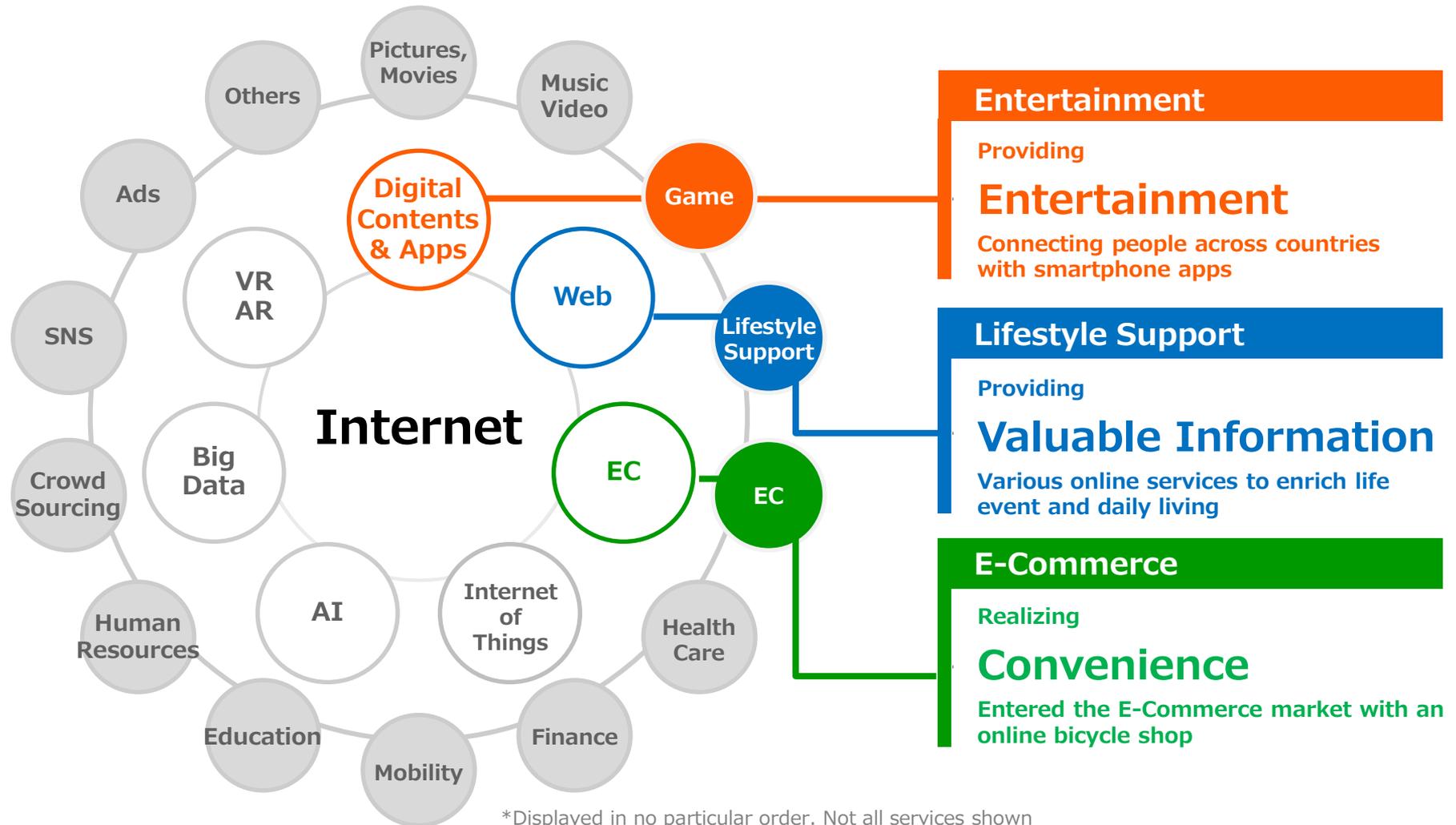
	FY2015 Result		FY2016 Result		FY2017 Forecasts	
	Interim	Year-End	Interim	Year-End	Interim	Year-End
Date of right allotment	Jan 31, 2015	Jul 31, 2015	Jan 31, 2016	Jul 31, 2016	Jan 31, 2017	Jul 31, 2017
Date of distribution	Apr 3, 2015	Oct 13, 2015	Apr 4, 2016	Oct 7, 2016 (Planned)	Apr 2017 (Planned)	Oct 2017 (Planned)
Dividend per share	5.00	7.50	5.00	7.50	5.00	15.00
Total dividend amount	238,021,850 JPY		95,590,400 JPY	143,606,100 JPY	-	-
Full year pay out ratio	17.7%		18.2%		Around 20% (Planned)	

*The company carried out a 2-for-1 split of its common stock with May 1, 2015 as the effective date. The dividend per share figures listed above reflect this split

5. Medium- and Long-Term Outlook

Our Vision of the Future

We Will Continue to Challenge Varied Businesses that Utilize the Internet



Medium- and Long-Term Business Outlook

Overall

Pursue New Markets and Generate New Revenue Sources in Three Core Segments

Entertainment

- | Provide Entertainment to the World
 - Expand beyond North America into European and Asian markets
- | Create Several Game Titles with 1b JPY+ Monthly Revenue
 - Aim to increase overseas revenue ratio above 50%

Lifestyle Support

- | Expand Four Main Services to 5b JPY Annual Revenue
 - Total annual revenue of 20-30b JPY from four main services
- | Introduce More Convenient Services to Enrich Users' Lives

EC

- | Aim to be the Number One Bicycle EC Site
 - Target a 3% domestic bicycle EC market share within 3 years
- | Attempt Sales of Products Not Yet Readily Available from EC

APPENDIX A

Company Overview

Company Profile as of July 31, 2016

Company Name	Ateam Inc.
Stocks listed on	Section 1 of the Tokyo Stock Exchange (3662)
Headquarters	Dai Nagoya Building 32F
Osaka studio	Umeda Hankyu Building Office Tower 26F
Tokyo studio	Shinagawa East One Tower 8F
Incorporated on	February 29, 2000
Account settled in	July
Affiliated banks	The Bank of Tokyo Mitsubishi UFJ Nagoya Main Office SMBC Nagoya Ekimae Branch
Auditor	Deloitte Touche Tohmatsu (DTT)
Group companies (Fully owned subsidiaries)	A.T.brides Inc. Hikkoshi Samurai Inc. Ateam Lifestyle Inc. A.T.Support Inc.
Consolidated revenue	22,967,773 thousand JPY (FY2016)
Consolidated ordinary income	2,094,629 thousand JPY (FY2016)
Number of employees	535 (excluding part-time employees), 9 directors



Dai Nagoya Building



Headquarters Reception



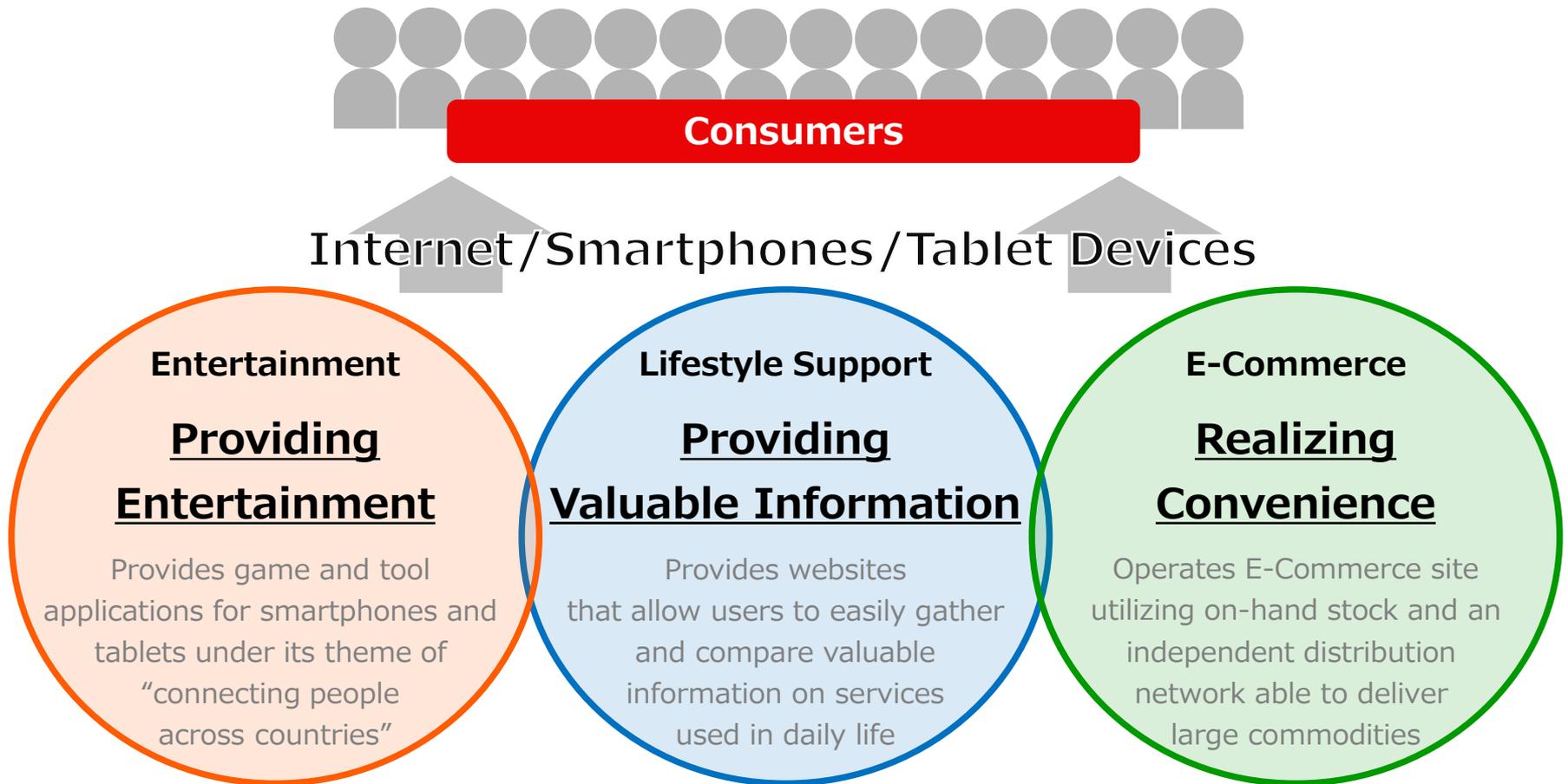
Umeda Hankyu Building



East One Tower

Three Businesses

We Provide Various Services to Consumers Through the Internet and Smart Devices (Smartphones and Tablets)



*From FY2017 (Aug 1, 2016), bicycle EC was split into its own segment. Business segments are now Entertainment, Lifestyle Support, and EC.

Business Segments



Entertainment

Provides games and tool apps for smartphones and tablets

Game Apps



Tool Apps



Lifestyle Support

Provides various online services for daily living

Moving Related



Automobile Related



Bridal Related



Financial Media



EC

Provides online bicycle shop that offers free repairs for one year from purchase



Bicycle E-Commerce



*From FY2017 (Aug 1, 2016), bicycle EC was split into its own segment. Business segments are now Entertainment, Lifestyle Support, and EC.

Entertainment Product Line-up

Game Apps

Mid-Core Role Playing Games					Action
 <p>NEW Pre-registration open</p> <p>After School Girls Tribe</p>	 <p>NEW</p> <p>Valkyrie Connect</p>	 <p>Unison League</p>	 <p>War of Legions</p>	 <p>Dark Summoner</p>	 <p>Three Kingdoms Smash!</p>
Simulation	Strategy	Puzzle	Mahjong	Feature Phone Games	
 <p>Derby Impact</p>	 <p>Big Bang Galaxy</p>	 <p>Pongo Combo</p>	 <p>Mahjong - Rising -</p>	 <p>Eternal Zone</p>	 <p>Million Versus</p>

Tool Apps

Social Networks	Customization	ZeoApp Series						
 <p>Jam</p>	 <p>Whoop</p>	 <p>[+]HOME</p>	 <p>Good Nights Sleep Alarm</p>	 <p>Quick Calorie Control</p>	 <p>Eye Training 3D</p>	 <p>3 minute Workout</p>	 <p>fast flashcards</p>	 <p>Customizable Mirror</p>

Lifestyle Support Service Line-up

Moving-Related Business



Hikkoshi Samurai

- Users can receive quotations from up to 10 moving companies by filling out an online form detailing their moving needs
- In partnership with more than 230 moving companies nationwide
- Maintaining a top market share

Automobile-Related Business



Navikuru

- Users can receive quotations from up to 10 car dealers by filling out an online form detailing their car information
- In partnership with carefully chosen top used car dealers
- Maintaining a top market share

Bridal-Related Business



Sugukon Navi

- Website and free consultation desks provide referrals to over 700 wedding halls
- Wedding consultation desks located in Kanto, Tokai, Kansai, and Kyushu areas
- Various payment options available, including deferred payment

Financial Media Business



Navi Navi Cashing

- Thorough comparisons of select top banks and consumer credit services
- Allows users to easily find a service that matches their needs

Women's Health Consultation Business



LaLune

- Women's health consultation application
- Simple graphs and features to track daily fertility, fetal growth, body temperature, manage body weight, and more
- Discuss fertility, contraception, and more with medical professionals

EC Service Introduction

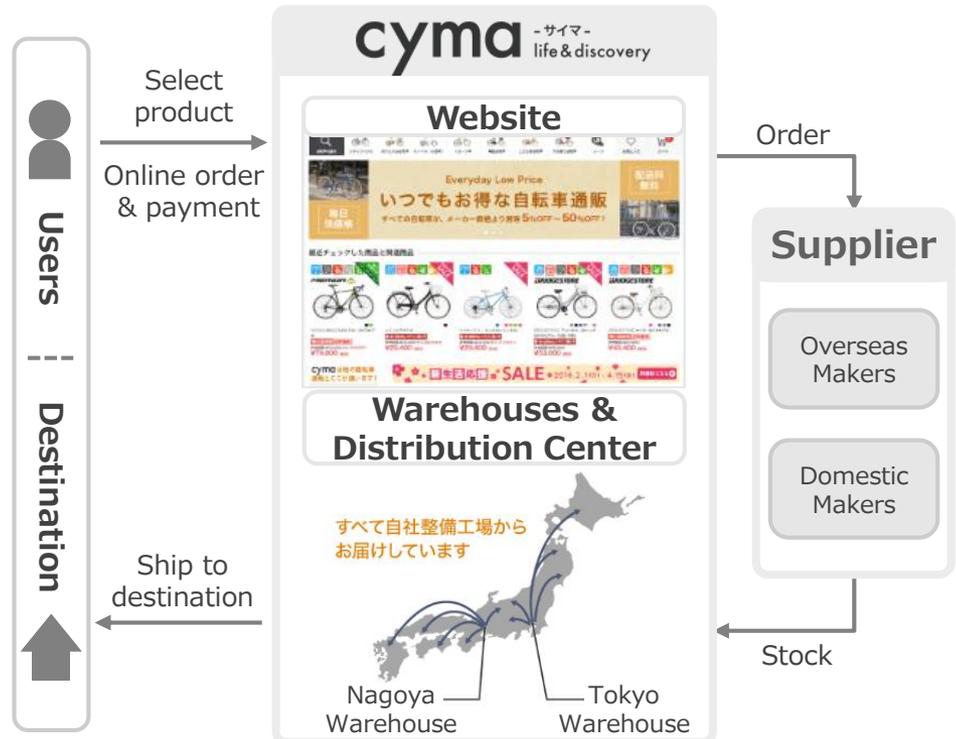
**Bicycle
EC**



- Selection of over 200 bicycle models
- Bicycles assembled and prepared by specialists, shipped ready-to-ride
- cyma support includes one year of free maintenance and repair, etc.



[B2C] Income from Consumers (Gross)



*From FY2017 (Aug 1, 2016), bicycle EC was split into its own segment. Business segments are now Entertainment, Lifestyle Support, and EC.

APPENDIX B-1

Entertainment

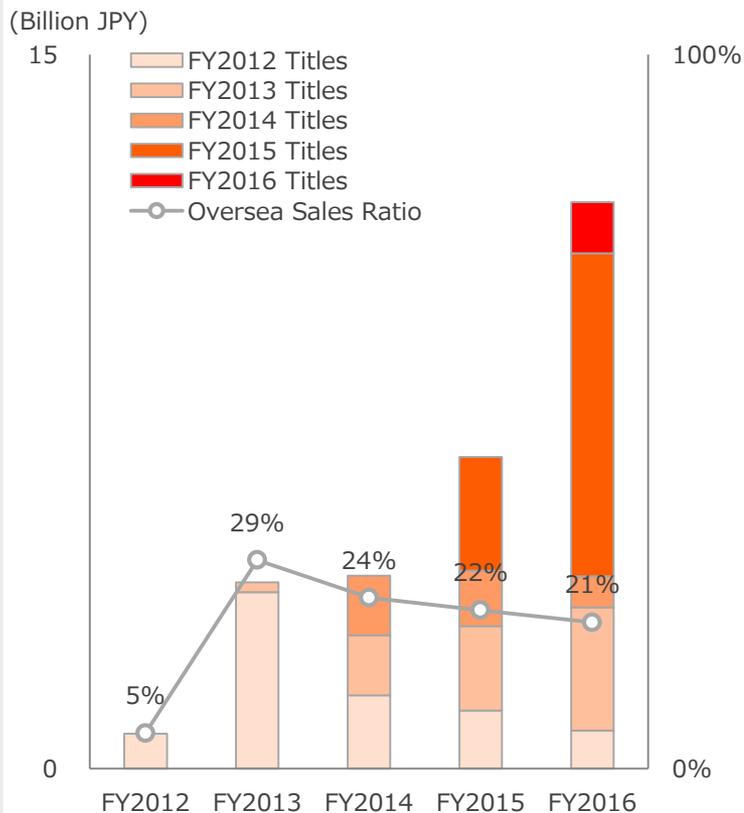
Business Strengths and Growth Strategies

Entertainment Business Strengths

Develops Original Game Titles, Maintains High Hit Ratio

Utilizes Overseas Promotion, Monetization, and Operation Knowhow

Revenue and Overseas Sales Ratio



Title

(Order of Release)

>100m JPY ← → <100m JPY

Hit Ratio

	>100m JPY	<100m JPY	Hit Ratio
FY2016 Titles	 Valkyrie Connect	 BBG Trivia Saga	1 of 3 succeeded
FY2015 Titles	 Unison League Three Kingdoms Smash!	 Pongo Combo	2 of 3 succeeded
FY2014 Titles	 War of Legions		1 of 1 succeeded
FY2013 Titles	 Derby Impact	 Dark Rebirth	1 of 2 succeeded
FY2012 Titles	 Dark Summoner	 Code de My Shop	1 of 2 succeeded

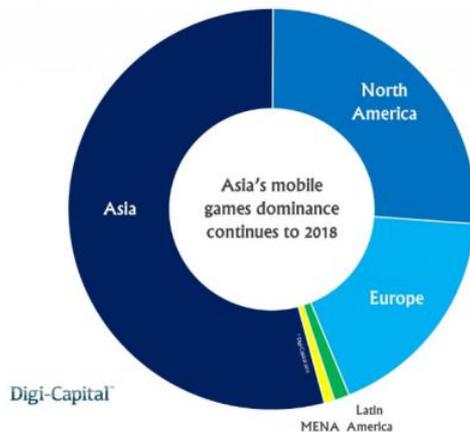
Entertainment Business Strategies

- Goal of Releasing 1-2 Titles Per Year While Maintaining High Hit Ratio
- Aim for Further Growth in Overseas Mobile Game Markets

Global Mobile Game Market Scale

- The global game market was valued at \$29b US in 2015, and is predicted to **grow to \$45b US by 2018**

Mobile games revenue from \$29B in 2015 to \$45B by 2018



■ Source: Digi Capital, "Games leaders to dominate \$45 billion mobile games revenue forecast by 2018", May 2015

Overseas Strategy

- Continue to aim for further growth in North American market
- Expand to new targets in European markets
- Strengthen presence and performance in traditional Chinese language markets (Taiwan, Hong Kong, Macau)
- Mid- to long-term plans to expand efforts towards new targets in regions with high potential

APPENDIX B-2

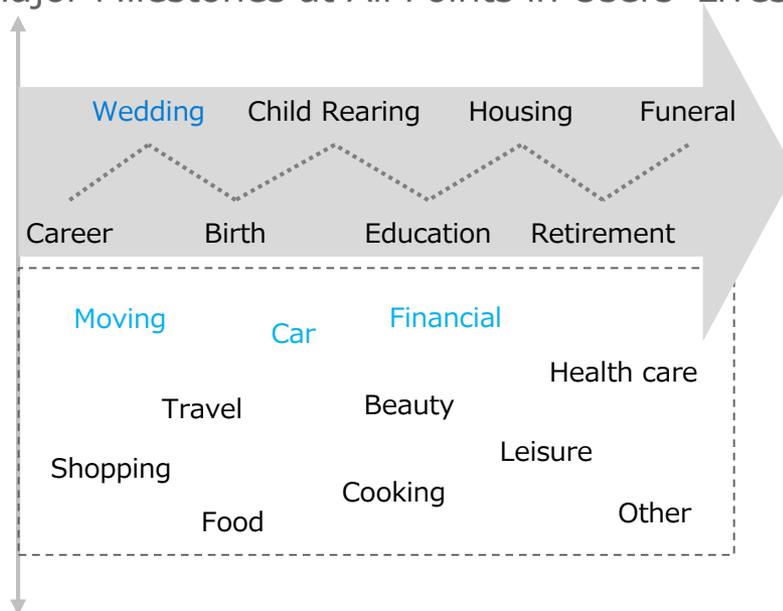
Lifestyle Support Business Strengths and Growth Strategies

Lifestyle Support Business Overview

Lifestyle Support Includes Both **Platforms (Online + Physical)** to Enrich Major Milestones at All Points in Users' Lives and **Affiliate Websites (Online Only)** to Ease Life Events That Are Often Complex

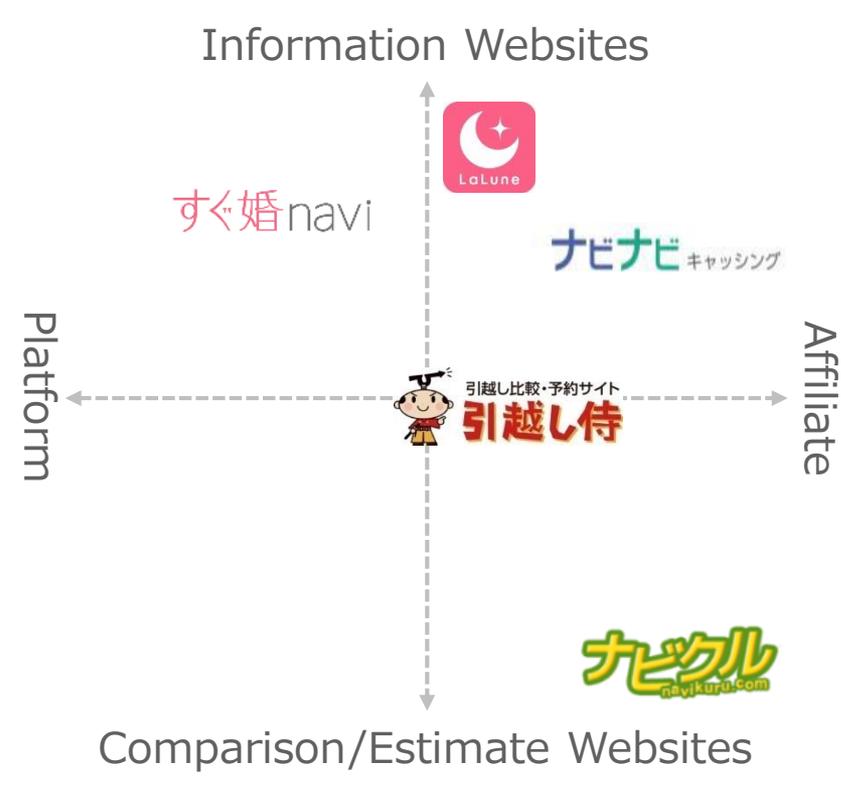
Service Type Classification 1

Platforms (Online + Physical) to Enrich Major Milestones at All Points in Users' Lives



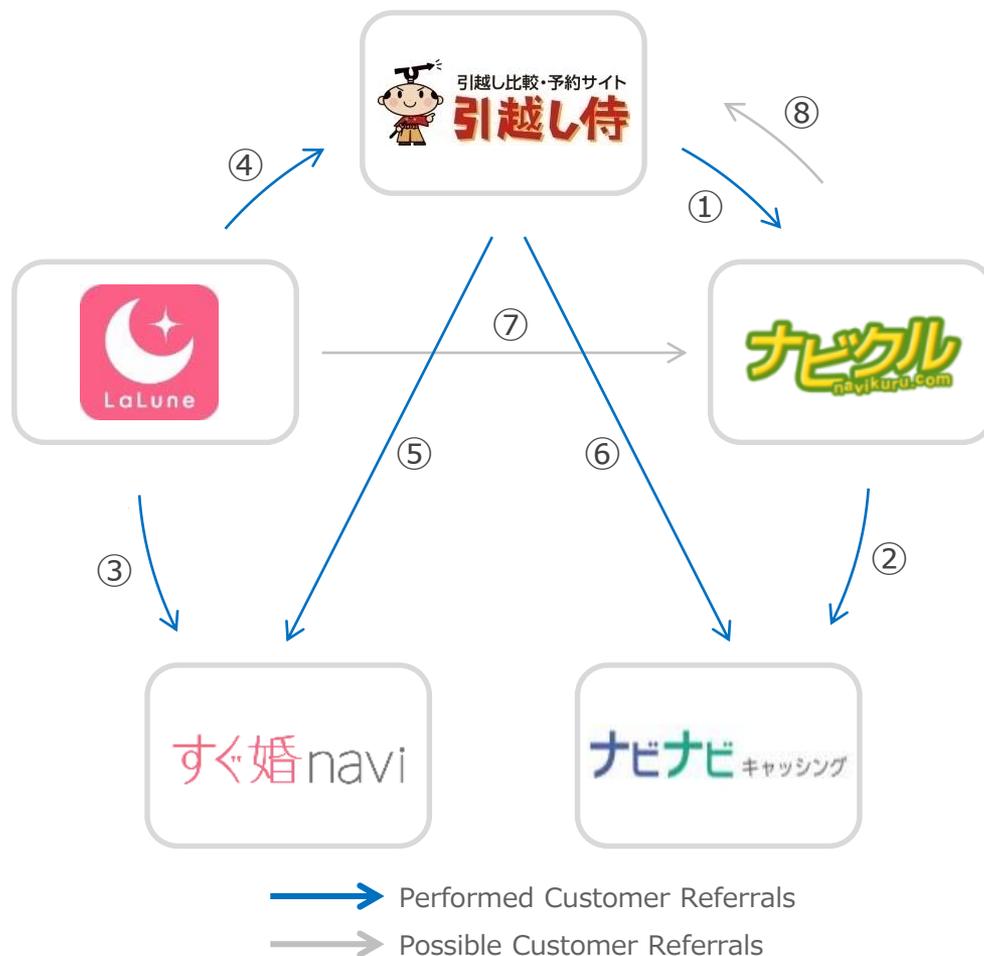
Online Services & Applications to Ease Life Events That Are Often Complex

Service Type Classification 2



Lifestyle Support Business Features

Perform Cross-Service Customer Referrals, Plans to Strengthen User Acquisition Efforts



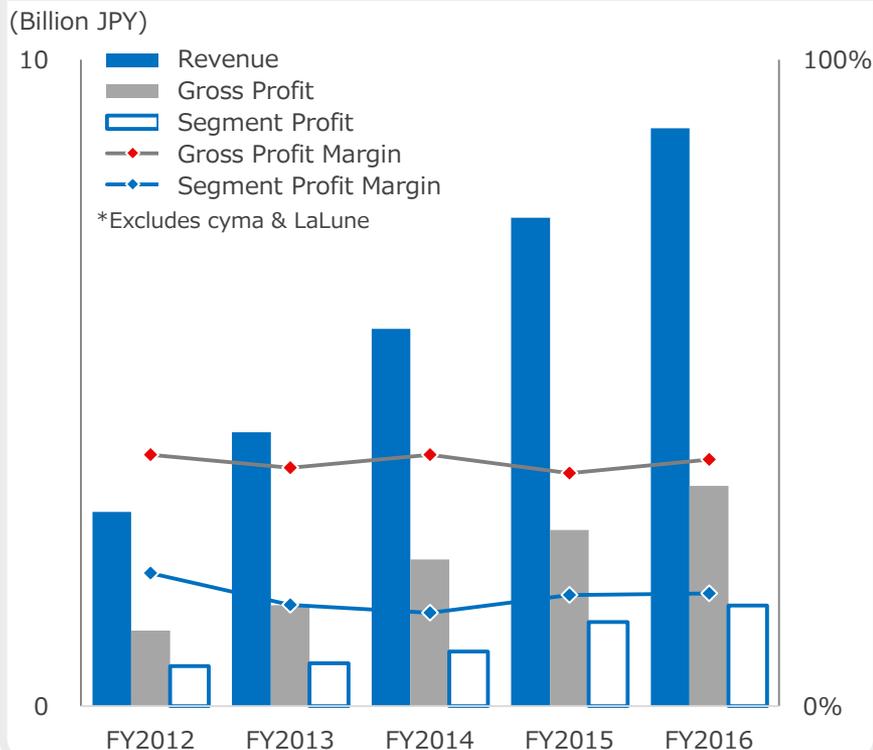
- ① Hikkoshi Samurai users request car estimates through Navikuru
- ② Navikuru users compare card loans through Navinavi Cashing
- ③ LaLune users search wedding halls through Sugukon Navi
- ④ LaLune users compare estimates through Hikkoshi Samurai
- ⑤ Hikkoshi Samurai users search wedding halls with Sugukon Navi
- ⑥ Hikkoshi Samurai users compare card loans with Navinavi Cashing

- ⑦ LaLune users receive car appraisals through Navikuru
- ⑧ Navikuru users compare moving estimates with Hikkoshi Samurai

Lifestyle Support Key Performance Indicator Trends

Revenue, Gross Profit/Gross Profit Margin, Segment Profit/Segment Profit Margin

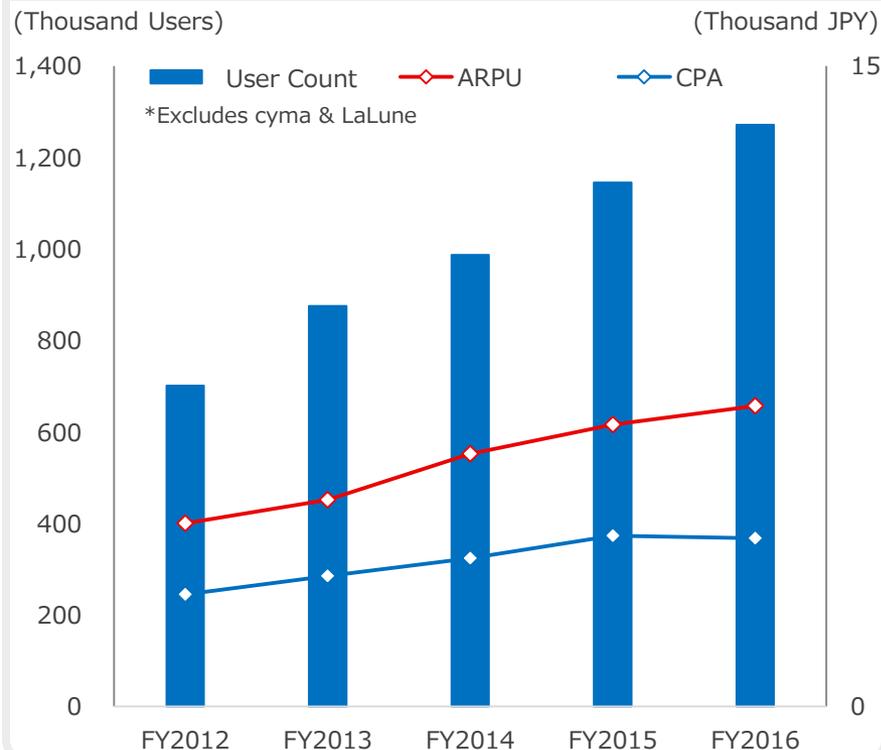
- Revenue and Profit Increasing Annually
- Gross Profit Margin Trends Stable Around 40%, Segment Profit Margin Near 20%



- Revenue and operating income are totals from four main services (excluding cyma and LaLune)
- See page 20 for definitions of "gross profit" and "gross profit margin"

User Count, ARPU, CPA

- User Count Increasing Favorably
- ARPU Increasing, CPA Trending Down



- See page 20 for definitions of "user count", "ARPU", and "CPA"

APPENDIX B-2'

Lifestyle Support Sub-Segments

Business Strengths and Growth Strategies

Moving-Related Business Strengths

- Service Strength:** Offers a choice between (A) making a reservation online from a list comparing moving companies and (B) receiving quotations from up to 10 companies
- Operation Strengths:** Partnered with over 230 moving companies, implements improvements based on user feedback, continually brings value to partnered companies
- Marketing Strength:** Possesses strong search engine optimization knowhow allowing for higher profit margins through efficiency

[B2B2C]

Revenue from Partnered Companies: Commission Fees/Revenue Share (Net)

[B2C]

Revenue from Users (Gross)

- On the Hikkoshi Samurai website, choose
(A) Online comparison & reservation, then enter your residence info or
(B) Multi-company quote



A: Compare & Reserve

- Compare estimates
- User reviews
- Online reservations

B: Quotes

- Receive estimates from up to 10 companies
- Communicate via e-mail or telephone

- Introduce various peripheral services often needed when moving



- Piano Sales Quote Service
- Piano Moving Quote Service



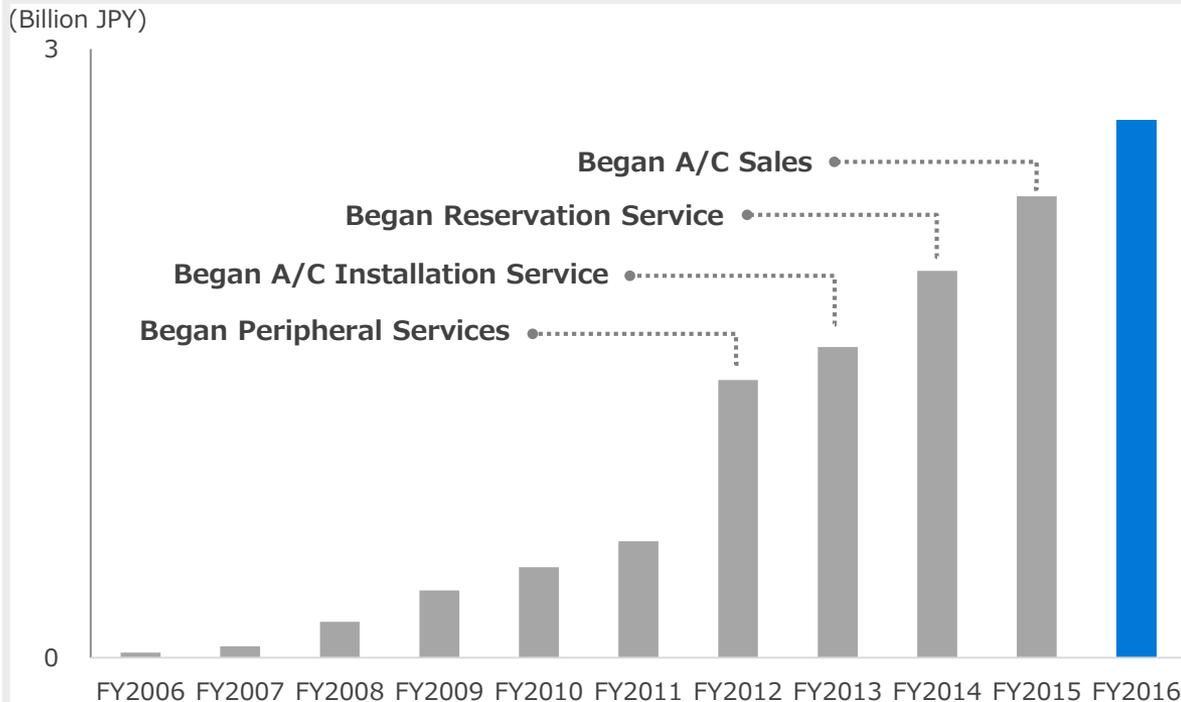
- Online A/C Sales
- A/C Installation Quote Service



Moving-Related Business Strategies

- Service Strategy:** Further expand moving-related peripheral services, focus on becoming a "one-stop" service
- Market Strategy:** Perform mass marketing aimed at increasing brand recognition, approach users that select a moving company without utilizing comparison sites

Moving-Related Service Revenue Trends

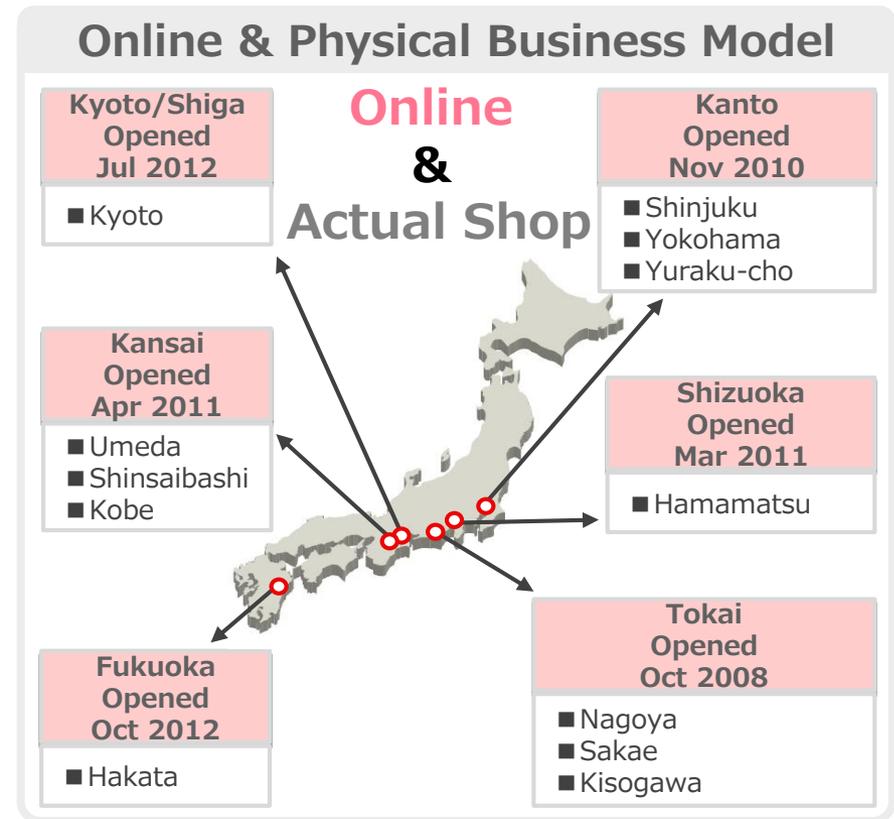
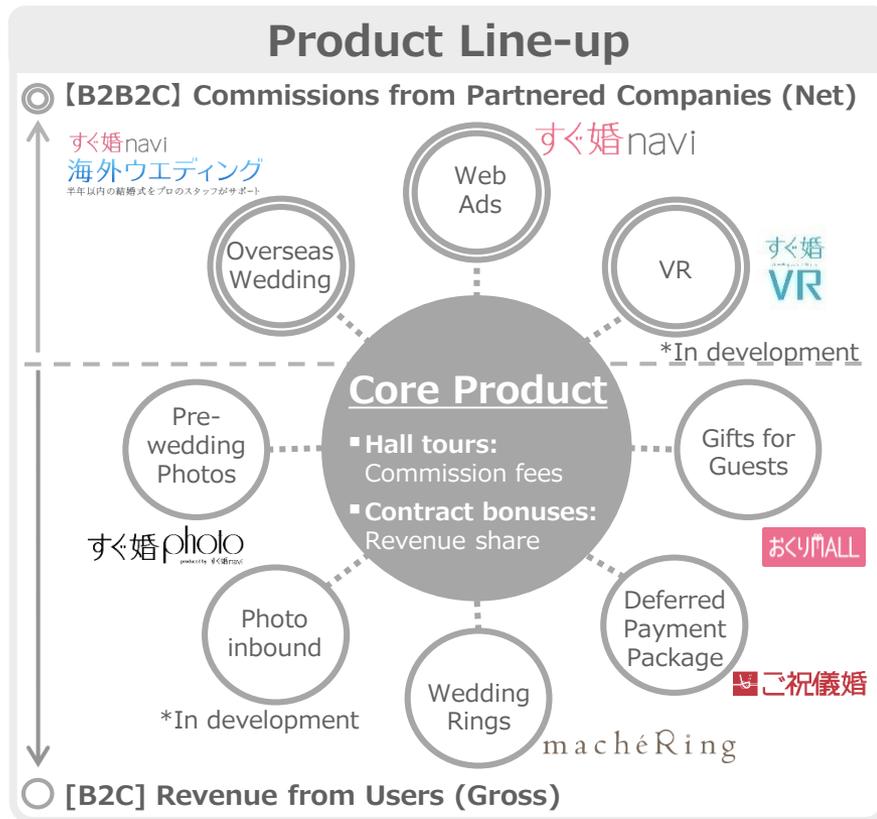


Focal Points

- Increase CVR and ARPU of comparison and reservation services
- Raise ARPU by further expanding peripheral services
- Strengthen A/C installation and sales

Bridal-Related Business Strengths

- Business Model Strength:** Original hybrid business model of online + physical shops
- Service Strength:** Defined target user for each product, unified management of online & physical shop customers
- Revenue Structure Strength:** Substantial service portfolio, varied monetization methods



Bridal-Related Business Strategies

- Product Strategy:** Create multiple revenue opportunities via varied product line-up, increase value per customer
- Target Strategy:** Improve user friendliness, approach a wider range of user types, increase user count, expand market share

Introductory Notes



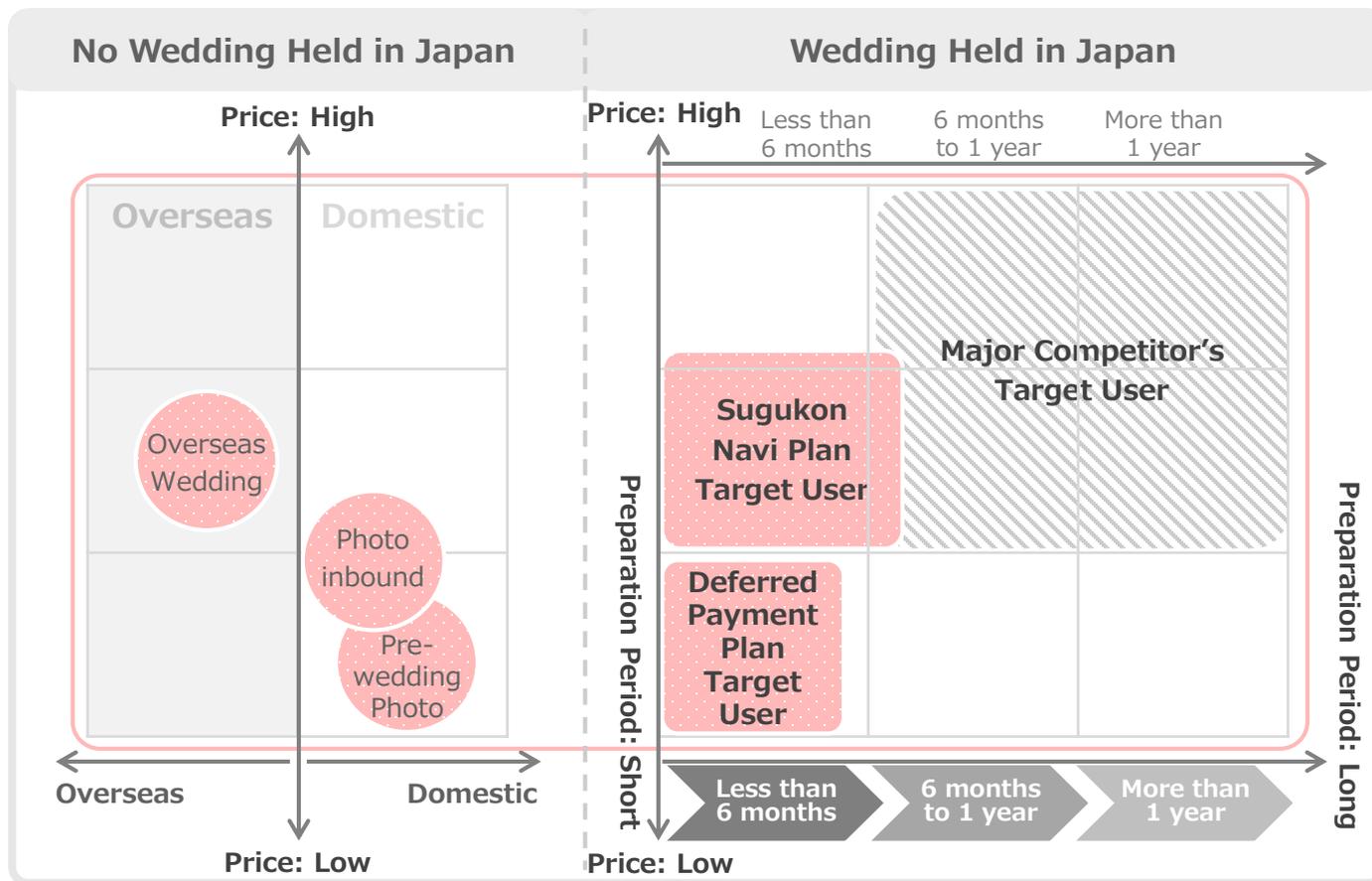
Current Status of Major Competitor Service



Current Status of Ateam Bridal-Related Business



Future Prospects of Ateam Bridal-Related Business



Automobile-Related Business Strengths & Strategies

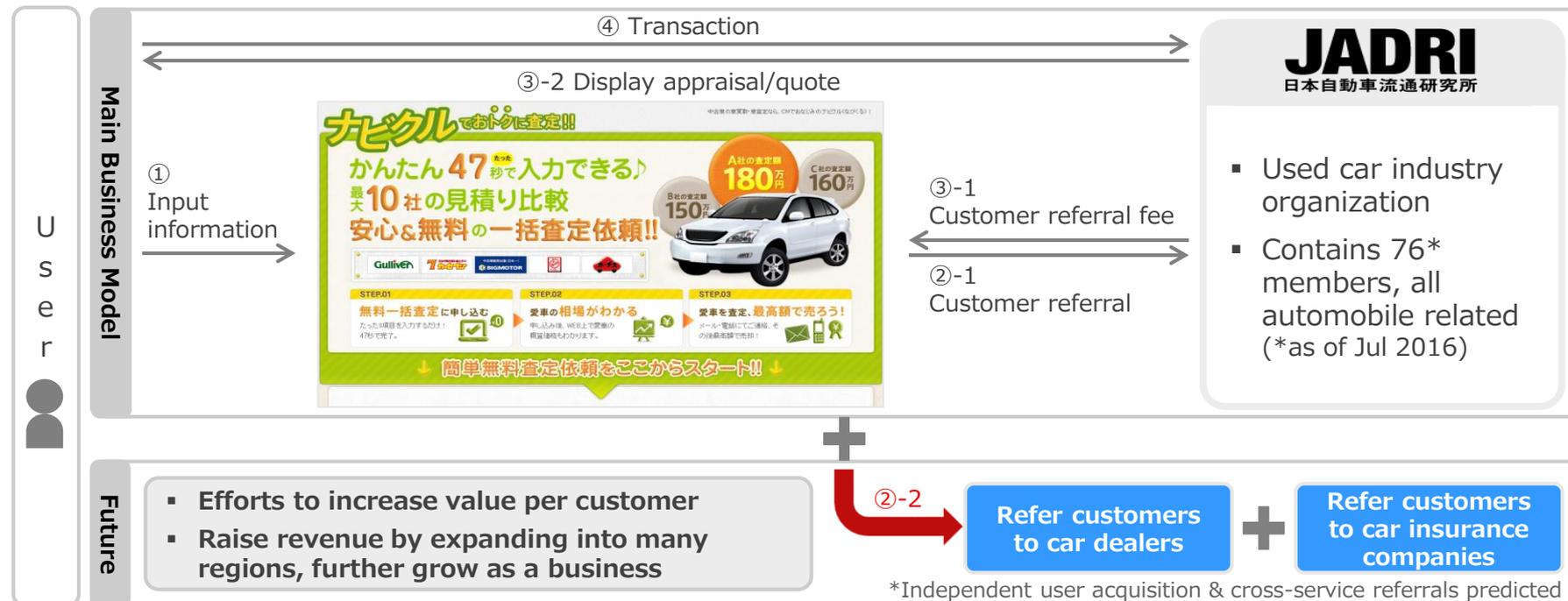
Strengths:

- Operation with original customer referral system, **online marketing knowhow**
- Business scheme developed with JADRI (Japan Automobile Distribution Research Institute)

Future Strategy:

- Expand peripheral services such as automobile sales, insurance, etc.

[B2B2C] Revenue from Partnered Companies: Customer Referral Fees (Net)



Financial Media Business Strengths & Strategies

Strength:

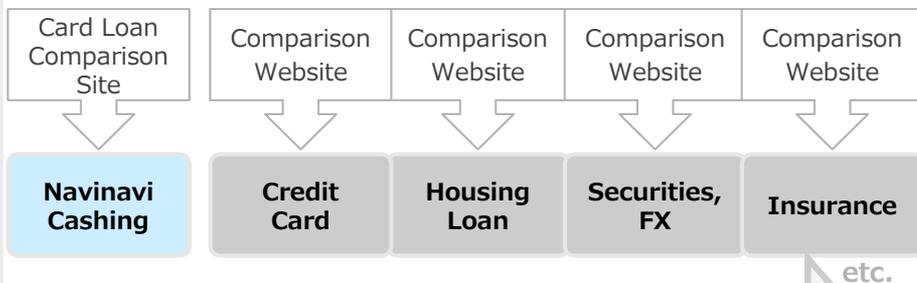
Operation with original customer referral system, **online marketing knowhow**

Future Strategy:

Plans to develop media platform combining features from various comparison sites, further plans to monetize through data management platform

Future Service Image

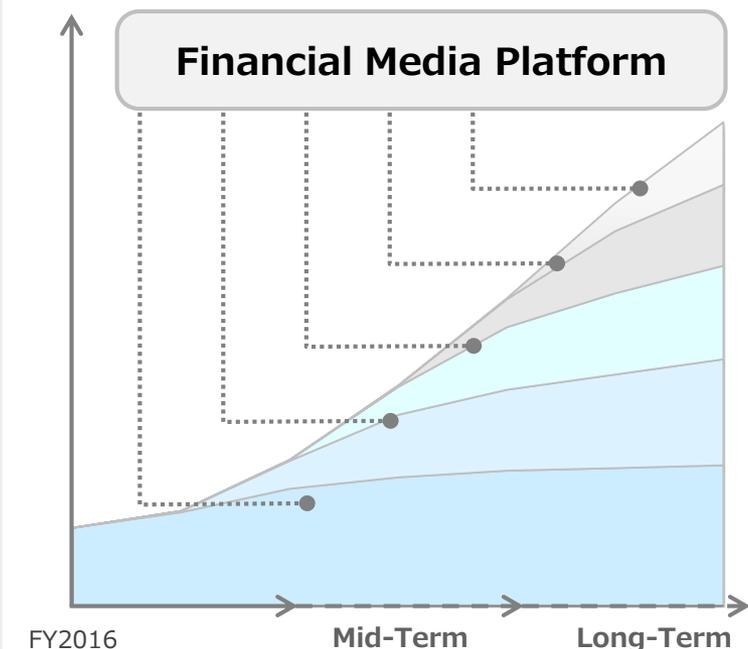
[B2B2C] Income from Partnered Companies:
Commission Fees/Revenue Share (Net)



Plans to rapidly expand many financial comparison sites

Financial Media Platform

Mid- to Long-Term Growth Image



APPENDIX B-3

E-Commerce

Business Strengths and Growth Strategies

EC Business Strengths

Strength: Compared to Local Shops

- | No actual shop = reduced fixed costs
- | All products assembled in-house, bicycles delivered ready to ride
- | Offer B2B sales, gift vouchers, etc.

Strength: Compared to Stock-less EC

- | **No direct competitor**
- | Developed and operated in-house, **independent shipping network allows for lower prices**
- | Includes free one-year warranty

Bicycle EC Combining Strengths of Local Bicycle Shops & Online Sales

	Purchase Condition	Product Selection	Warranty	Old Bicycle Collection
Local Shop	◎ Ready to ride	△ Shop stock + order	○ Available at shop only	△ Varies by shop
Online Sales	△ Assembly required	◎ Varied lineup	△ Warranty provided	△/× Fee often required
cyma	◎  Licensed technicians on staff Delivered ready-to-ride	◎  Over 10,000 bikes on hand Shipping from owned warehouse	◎  Free one-year warranty 24-hour support	◎  Free collection service offered

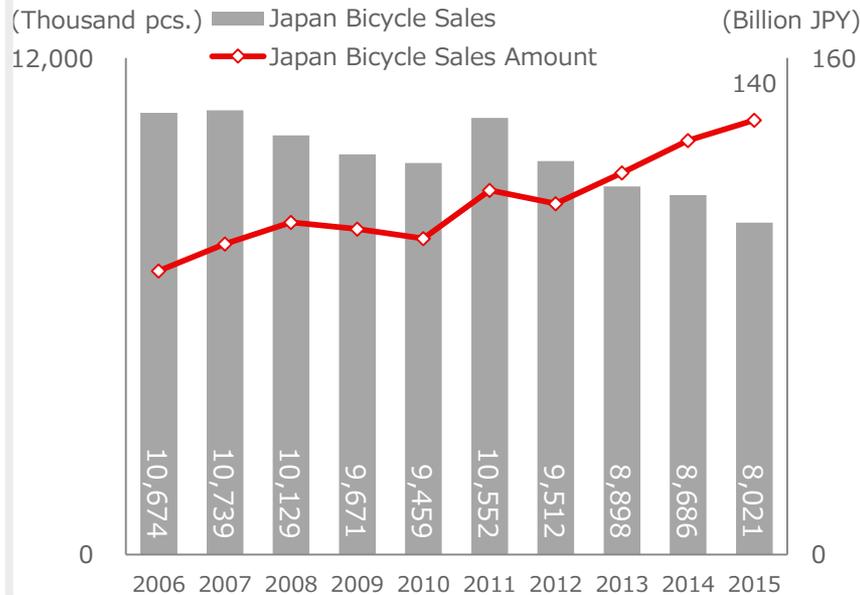
Japanese Bicycle Market Size

Japan Bicycle Purchase Price Base Trending Up

B2C EC Market Valued Over 13 Trillion JPY

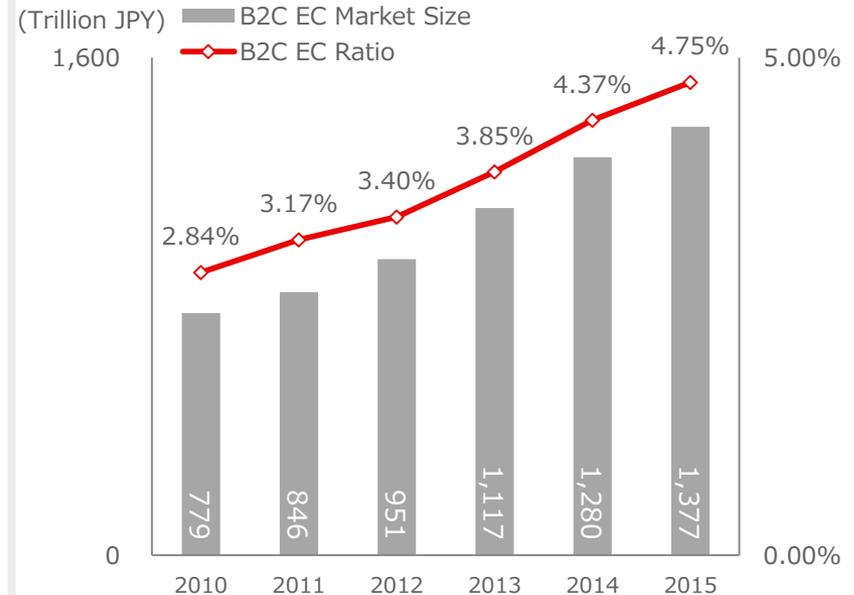
4.75% of Total Market Converted to EC, Increasing Yearly

Bicycle Production & Imports



■ Source: Japan Bicycle Promotion Institute - Bicycle production dynamics, import and export. Calculation method: Domestic production+imports (purchase price base)

B2C EC Market Size & EC Ratio

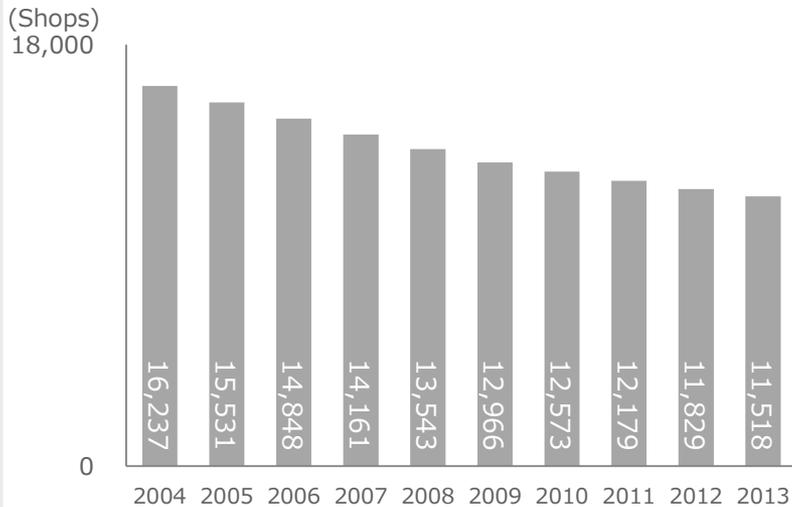


■ Source: 2015 Results of the E-Commerce Market Survey Compiled (Market scale of cross-border EC among three countries, namely, Japan, the U.S., and China) (March 2016)

EC Business Strategies

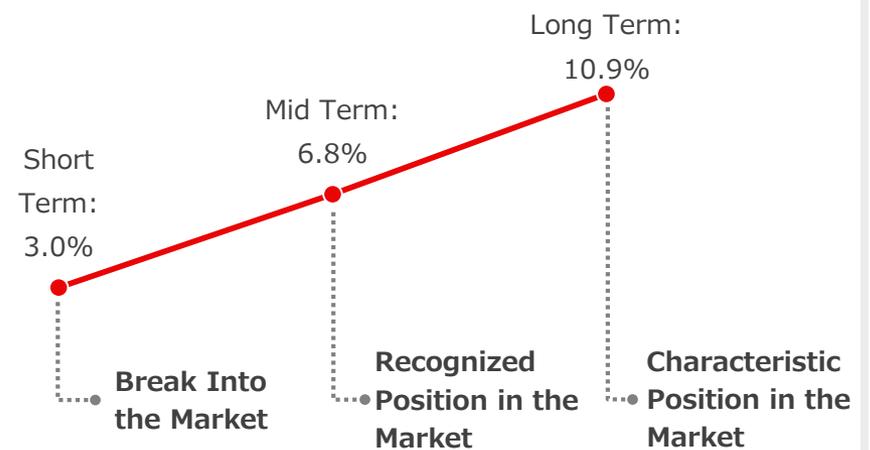
- Brand Strategy:** Make online bicycle purchases the norm, make “cyma” synonymous with online bicycle sales
- Market Strategy:** Utilize relationships made with moving companies developed through moving-related business
- Target Market Share:** Initial target of 3% domestic and import sales. Aim to rise above B2C-EC ratio in the mid term and raise brand awareness among consumers in the long term, plan to expand product lineup to items other than bicycles

Bicycle Shop Registration Trends



■ Source: TownPage Data Base (NTT East, West Japan) created by NTT TownPage Corporation

Target Market Share



APPENDIX C

Supplementary Financial Data

P/L (FY2014 Q4 - FY2016 Q4)

(Million JPY)

	FY2014	FY2015				FY2016			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Revenue	2,936	3,200	3,656	4,407	4,563	4,610	5,420	6,178	6,757
Q/Q (%)	-11.3	9.0	14.2	20.6	3.5	1.0	17.6	14.0	9.4
Entertainment	1,480	1,550	1,847	2,051	2,464	2,331	3,173	3,196	3,857
Lifestyle Support	1,455	1,650	1,808	2,356	2,099	2,279	2,247	2,982	2,899
Cost of revenues	475	521	533	615	718	763	825	987	1,038
Cost rate (%)	16.2	16.3	14.6	14.0	15.8	16.6	15.2	16.0	15.4
Selling, G&A expenses	2,023	2,189	2,587	3,173	3,399	3,326	4,450	4,392	4,969
Selling, G&A expenses ratio (%)	68.9	68.4	70.8	72.0	74.5	72.1	82.1	71.1	73.6
Total cost and G&A expenses	2,499	2,710	3,121	3,789	4,118	4,089	5,276	5,380	6,008
Labor costs & recruitment expenses	691	684	682	695	736	745	805	814	884
Promotional expenses	912	1,132	1,439	1,903	1,955	1,817	2,326	2,433	2,758
Entertainment	122	112	253	567	717	493	1,030	947	1,276
Lifestyle Support	776	994	1,158	1,310	1,176	1,262	1,232	1,419	1,417
Commissions, etc.	484	484	559	671	869	841	1,171	1,177	1,401
Subcontractor expenses, server fees	159	162	190	197	235	257	267	275	235
Office rental fees, utility expenses	100	110	105	105	111	138	235	177	177
Other expenses	150	136	145	215	209	289	470	501	551
Operating income	437	490	534	618	445	520	144	798	748
Q/Q (%)	-18.2	12.0	9.0	15.7	-28.0	17.0	-72.2	452.0	-6.3
Entertainment	428	507	540	314	407	549	440	601	706
Lifestyle Support	216	173	186	514	309	319	231	530	382
Operating income margin	14.9	15.3	14.6	14.0	9.8	11.3	2.7	12.9	11.1
Ordinary income	437	495	565	650	452	493	112	751	736
Net income	215	328	353	401	278	291	17	479	504

P/L (FY2011 - FY2016)

(Million JPY)

	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	Y/Y (%)
Revenue	4,064	6,379	10,989	12,036	15,828	22,967	+45.1
Y/Y (%)	15.5	57.0	72.3	9.5	31.5	45.1	-
Entertainment	2,499	3,278	6,632	6,169	7,914	12,559	+58.7
Lifestyle Support	1,564	3,100	4,357	5,866	7,914	10,408	+31.5
Cost of revenues	906	927	1,392	2,132	2,389	3,615	+51.3
Cost rate (%)	22.3	14.5	12.7	17.7	15.1	15.7	+0.6
Selling, G&A expenses	2,709	4,381	7,880	8,451	11,351	17,139	+51.0
Selling, G&A expense ratio (%)	66.7	68.7	71.7	70.2	71.7	74.6	+2.9
Total cost and G&A expenses	3,615	5,309	9,272	10,583	13,740	20,755	+51.0
Labor costs & recruitment expenses	1,297	1,540	2,083	2,638	2,816	3,250	+16.1
Promotional expenses	1,035	2,331	4,310	4,279	6,430	9,335	+45.2
Entertainment	125	399	1,571	789	1,651	3,748	+126.9
Lifestyle Support	907	1,914	2,673	3,431	4,640	5,330	+14.9
Commissions, etc.	530	624	1,600	1,737	2,586	4,592	+77.6
Subcontractor expenses, server fees	218	250	528	826	785	1,035	+31.8
Office rental fees, utility expenses	151	190	337	420	433	728	+67.8
Other expenses	383	371	411	682	706	1,812	+156.6
Operating income	448	1,070	1,717	1,452	2,087	2,212	+6.0
Y/Y (%)	82.7	138.5	60.4	-15.4	43.8	6.0	-
Entertainment	705	1,126	1,866	1,409	1,770	2,297	+29.7
Lifestyle Support	178	539	632	805	1,183	1,464	+23.7
Operating income margin	11.0	16.8	15.6	12.1	13.2	9.6	-3.6
Ordinary income	446	1,047	1,718	1,470	2,164	2,094	-3.2
Pre-tax income	435	1,008	1,688	1,364	2,091	1,858	-11.2
Net income	258	590	1,042	807	1,362	1,292	+9.5

*From FY2013 Q3, Ateam releases consolidated financial statements that contain figures for businesses spun off through absorption-type demerger into subsidiaries. Figures listed above therefore include data from the same businesses, and are listed for easier comparison to past fiscal years.

B/S (FY2011 - FY2016)

(Million JPY)

	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016
Assets						
Current assets	1,340	2,709	3,760	4,034	6,334	6,918
Cash and cash equivalents	553	1,339	1,944	2,217	3,097	3,505
Non-current assets	460	443	881	1,470	1,322	2,668
Tangible assets	40	45	102	120	125	1,321
Intangible assets	159	120	410	355	460	622
Investments and other assets	261	277	367	994	736	724
Total assets	1,801	3,153	4,641	5,504	7,656	9,586
Liabilities						
Current liabilities	657	1,153	1,136	1,305	3,648	4,127
Non-current liabilities	105	0	0	0	0	387
Total liabilities	763	1,153	1,136	1,305	3,648	4,514
Interest-bearing liabilities	270	100	0	0	1,700	1,166
Net assets						
Shareholder's equity	1,038	1,999	3,500	4,130	3,900	4,971
Treasury stock	0	0	0	0	-1,403	-1,222
Stock option	0	0	5	67	108	100
Total net assets	1,038	1,999	3,505	4,198	4,008	5,072
Total liabilities and net assets	1,801	3,153	4,641	5,504	7,656	9,586

*From FY2013 Q3, Ateam releases consolidated financial statements that contain figures for businesses spun off through absorption-type demerger into subsidiaries. Figures listed above therefore include data from the same businesses, and are listed for easier comparison to past fiscal years.

Others (FY2011 - FY2016)

	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016
Number of shares issued (year-end)	16,050,000	18,393,000	19,195,000	19,349,200	19,405,600	19,450,000
Treasury stock (shares)	0	0	0	0	580,020	574,020
Average number of shares during the FY	16,050,000	16,882,352	18,933,262	19,255,641	19,310,191	18,846,317
EPS (JPY)	16.09	34.99	55.04	41.96	70.54	68.58
EPS Y/Y (%)	–	117.5	57.3	-23.8	45.6	-2.8
ROA (Ordinary income on total assets, %)	25.9	42.3	44.1	29.0	32.9	24.3
Net assets per share (JPY)	64.7	108.7	182.4	213.5	207.2	263.4
Dividend per share (JPY)	0.00	0.00	10.61	10.00	12.50	12.50
Interim dividend (JPY)	0.00	0.00	5.00	5.00	5.00	5.00
Total dividend amount (JPY)	0.00	0.00	203	192	238	239
Payout ratio (%)	0	0	19.3	23.8	17.7	18.2
Shareholder's equity ratio (%)	57.6	63.4	75.4	75.0	50.9	51.9
Equity ratio (%)	57.6	63.4	75.4	75.1	50.9	51.9
ROE (%)	28.4	38.9	37.9	21.2	33.9	29.1
ROIC (= ① ÷ ②, %)	20.3	29.9	30.3	20.8	21.0	25.1
① Net operating income after taxes	266	626	1,059	859	1,178	1,539
② Invested capital (=③+④)	1,308	2,099	3,500	4,130	5,600	6,137
③ Shareholder's equity	1,038	1,999	3,500	4,130	3,900	4,971
④ Short-term loans payable	270	100	0	0	1,700	1,166

*The company carried out common stock splits of 100-for-1 on Oct 27, 2011, 3-for-1 on Jun 1, 2012, and 2-for-1 on May 1, 2015. The per share figures listed above have been adjusted to reflect these splits, and some therefore differ from those in previous materials released by the company.

Our Mission Is to Produce Happiness Through Business and to Grow for the Next 100 Years



These materials contain statements made based on current conditions, assumptions of future conditions, and internal forecasts. Unforeseen events may cause actual results to differ from content printed in these materials. Such risks and uncertainties include general trade and market status, interest rate and exchange rate fluctuations, and the general economic status of Japanese and oversea markets. Ateam Inc. is not responsible for updating or modifying the forecasts contained in these materials, even in the event that such unforeseen events occur in the future.