



Company Name: Ateam Inc.

June 9, 2017

Representative: Takao Hayashi, President

(Code Number: 3662)

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## **Notice Concerning Revision of Consolidated Financial Forecast and Dividend Forecast**

In light of recent trends in business performance, Ateam Inc. (hereafter "Ateam") hereby announces that its Board of Directors today determined to revise the consolidated financial forecast for the fiscal year ending July 31, 2017 (August 1, 2016 through July 31, 2017) and the year-end dividend forecast that was announced on September 9, 2016. The revisions are as follows:

### ● Revision of Full-Year Consolidated Financial Forecast

#### 1. Revision of Consolidated Financial Forecast for the Fiscal Year Ending July 31, 2017

(August 1, 2016 through July 31, 2017)

|   | Revenue<br>(millions of yen) | Operating<br>Income<br>(millions of yen) | Ordinary<br>Income<br>(millions of yen) | Net Income<br>Attributable to<br>Shareholders<br>of Parent<br>Company<br>(millions of yen) | Net Income<br>Per Share<br>(yen) |
|---|------------------------------|--|---|--|----------------------------------|
| Previous Forecast (A)                                     | 32,000                       | 3,300                                    | 3,250                                   | 2,150  | 113.74                           |
| Revised Forecast (B)                                      | <b>34,000</b>                | <b>3,800</b>                             | <b>3,830</b>                            | <b>2,500</b>   | <b>132.24</b>                    |
| Variance in Amount (B-A)                                  | 2,000                        | 500                                      | 580                                     | 350  |                                  |
| Variance in Percentage (%)                                | 6.3                          | 15.2                                     | 17.8                                    | 16.3   |                                  |
| (Ref.) Results for the Fiscal<br>Year Ended July 31, 2016 | 22,967                       | 2,212                                    | 2,094                                   | 1,292  | 68.58                            |

#### 2. Reasons for Revision

In the Entertainment business, existing game applications such as "Valkyrie Connect" (released June 2016), and "Unison League" (released December 2014) performed well, resulting in both revenue and profit exceeding forecasts. However, due to the underperformance of "After School Girls Tribe" (released December 2016), revenue was below forecasts and predicted promotional costs went partially unspent, leading to predicted Entertainment segment revenue in line with forecasts and profit significantly exceeding forecasts.

In the Lifestyle Support business, both revenue and profit are expected to exceed previous forecasts thanks to moving-related, automobile-related, and financial media businesses.

In the E-commerce business, revenue is expected to exceed forecasts, but promotional and other expenses went slightly above predictions. Due to these reasons, profit is expected to be slightly below forecasts.

Additionally, due to partially unspent corporate costs, both full-year revenue and operating income are expected to exceed forecasts.

Regarding ordinary income, an exchange loss was anticipated in the previous forecast. However, in light of current trends, it is now expected to turn to a foreign exchange gain, mainly due to the overseas sales of the Entertainment business.

Net income Attributable to Shareholders of Parent Company has been calculated based on actual results up to the third quarter of the current fiscal year.

For the above reasons, Ateam determined to revise the full-year consolidated financial forecast for the fiscal year.

**(\*) Cautionary Statements with Respect to Future Statements and Other Notes**

The statements in this document regarding the future, including earnings forecasts, are estimates based on the information the company has at present and certain prerequisites which are regarded as reasonable. Actual performance may differ substantially from these forecasts subject to various factors.

● **Revision of Year-End Dividend Forecast**

**1. Dividend Forecast**

|  | Dividend per share (JPY) |          |              |
|--|--------------------------|----------|--------------|
|  | Mid-year                 | Year-end | Annual Total |
| Previous Forecast<br>(September 9, 2016) | 5.00                     | 15.00    | 20.00        |
| Dividend Forecast<br>(June 9, 2017)      |                          | 22.00    | 27.00        |
| Dividend to Be Paid<br>Fiscal Year 2017  | 5.00                     |          |              |
| (Reference)<br>Dividend Paid FY2016      | 5.00                     | 7.50     | 12.50        |

**2. Reasons for the Revision**

Ateam considers the return of earnings to shareholders to be a top management priority, and operates under basic policies centered on efforts to continuously implement dividends aiming for a payout ratio of 20% subject to full-year performance while sustaining corporate value growth and further strengthening its corporate financial standing. After a comprehensive performance evaluation, Ateam's Board of Directors resolved to pay 22.00 yen per share as year-end dividends, which were 15.00 yen per share in the dividend forecast announced September 9, 2016.