



December 22, 2017

Company Name: Ateam Inc..

Representative: Takao Hayashi, President

(Code Number: 3662)

Contact: Akinori Mitsuoka, Corporate Officer/IR Officer, General Manager of Corporate Development Division
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Notice Concerning Company Acquisition of Increments Inc.

As of December 22, 2017, Ateam Inc. (hereby “Ateam”) announces that the company has made a resolution about a 100% share acquisition of Increments Inc. (Location: Shibuya, Tokyo; Representative: Hiroshige Umino) to become a wholly-owned subsidiary as outlined below. This decision was determined by document resolution in accordance with Article 370 of the Companies Act and Article 26 of the Company’s Articles of Incorporation, to replace the Board of Directors meeting.

1. Purpose of Company Acquisition

In pursuing our vision, Ateam has focused on realizing medium- to long-term growth in addition to increasing corporate value by merging with companies that can either strengthen our existing businesses and/or companies involved in businesses with high market entry barriers, of which the latter applies to our acquisition of Increments Inc.

2. Background of Increments Inc.

Increments Inc. develops software to promote effectiveness for engineers via services and tools in the hopes that the provided services will contribute to the benefitting of society. In order to achieve such contribution, Increments Inc. has developed a technological information distribution service “Qiita”, along with a privatized online community-driven question and answer website called “Qiita:Team”.

3. Future Business Outlook

Even after the acquisition is complete, Ateam and Increments Inc. will work together to continue to pursue Increments Inc.’s mission statement “To Produce Happiness to Engineers” by utilizing existing business developing know-how in combination with the skillset of all our engineers to further improve both “Qiita” and “Qiita:Team” services. Furthermore, with this consolidation, Ateam anticipates to create a new service that will incorporate technological information exchange services like “Qiita” and “Qiita:Team”, resulting in the expansion of our business domain and strengthening of our management infrastructure.

4. Overview of Target Company (as of December 22, 2017)

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(1) Company Name	Increments Incorporated		
(2) Head Office	1 st Akatsuki Bldg 4 th FL 1 Chome-19-9 Dōgenzaka, Shibuya-ku, Tōkyō		
(3) Representative	Representative Director, Hiroshige Umino		
(4) Main Business	The development and operation of “Qiita”, a technological reference service along with “Qiita:Team”, a privatized community-driven website.		
(5) Date of Establishment	February 29, 2012		
(6) Shareholder’s Equity	209 Million JPY		
(7) Major Shareholders and Percentage of Shares Held	Representative Director and Founding Members 56.4%、 Others 43.6% *(Principal shareholders include Representative Director Mr. Hiroshige Umino, along with 1 individual and 2 corporations. Excluding Mr. Umino, will not disclose shareholder information due to privacy concerns.)		
(8) Fiscal Year Ending	December		
(9) Number of Employees	27 Employees (3 Corporate Officers, 17 Full-time Employees,7 Part-time Employees)		
(10) Relationship with Acquiring Company	No capital, personal and/or transactional relationship prior		
(11) Target Company’s Financial Results for the Past 3 Years			
Fiscal Year	FY2015 February	FY2016 February	FY2016 December
Net Assets (Thousand JPY)	34,154	333,530	253,303
Total Assets (Thousand JPY)	37,825	340,607	275,148
Total Equity Attributable to Owners of Parent Company Per Share (JPY)	25,679	2,052	1,559
Revenue (Thousand JPY)	33,732	73,631	89,953
Operating Income (Thousand JPY)	-17,632	-33,413	-78,711
Ordinary Income (Thousand JPY)	-17,625	-33,751	-78,721
Net Income (Loss) Attributable to Parent Company (Thousand JPY)	-17,807	-34,041	-80,227
Net Income (Loss) Attributable to Owners of Parent Company Per Share (JPY)	-13,388	-209	-494

Note:

- (1) Increments Inc. has altered their fiscal period as of 2016 (FY2016 December: March 2016 – December 2016, totaling 10 months)
- (2) Increments Inc. has carried out a 100-for-1 stock split in April 2015. The above mentioned total equity attributable to owners of parent company per share and net income (loss) attributable to owners of parent company per share is that of the stock price post-split.

5. Overview of Acquiring Company

(1) Name	Hiroshige Umino
(2) Address	Setagaya-ku, Tokyo
(3) Relationship Between Parties	No capital, personal and/or transactional relationship prior

Note: Other than the above mentioned, arrangements are made to acquire stocks from 4 individuals and 3 corporations. In addition, with the exclusion of Mr. Umino, will not disclose shareholder information due to privacy concerns.

6. Acquired Number of Stocks and Stock Ownership Prior to and After Acquisition

(1) Number of Stocks Prior to Transaction	0 Stocks
(2) Number of Acquired Stocks	162,506 Stocks (Number of Voting Rights : 162,506)
(3) Valuation Price	<div>Increments Inc.'s Stock 1,446 Million JPY</div> <div>Advisory Costs (Estimated/Average) 6 Million JPY</div> <div>Total (Estimated/Average) 1,453 Million JPY</div>
(4) Number of Shares Following Transaction	162,506 Shares (Number of Voting Rights : 162,506) (Voting Rights Ratio : 100%)

7. Valuation Method

As per the table above, price for stock acquisition was determined and agreed upon via DCF analysis and other similar comparative ratio appraisals through a third party.

8. Schedule

(1) Board of Directors Meeting	December 22, 2017
(2) Execution of Company Merger Agreement	December 22, 2017
(3) Execution of Stock Transfer	December 25, 2017 (tentative)

9. Impact on Business Forecast

As of this notification date, no changes will be made to our consolidated financial forecast for fiscal year ending July 31, 2018. Ateam will immediately announce if and when any changes to the current forecast were to occur.

(Reference)

Consolidated Financial Forecast for Fiscal Year ending July 31, 2018 (From August 1, 2017 to July 31, 2018)

	Consolidated Revenue	Consolidated Operating Income	Consolidated Ordinary Income	Net Income (attributable to owners of the parent company)
	Million JPY	Million JPY	Million JPY	Million JPY
Forecast for FY2018 (Announced Sept 8, 2017)	40,000	4,700	4,700	3,100
Results for FY2017	34,603	4,077	4,118	2,579