

Ateam Inc.

Business Report FY2020 Q1

December 6, 2019

(Updated)

*There was an error on pages 33, 34 and 36 of the “Business Report FY2020 Q1” materials presented on December 6, 2019, which has been corrected



Ateam is an IT Company that Develops Business Around the Internet

Market

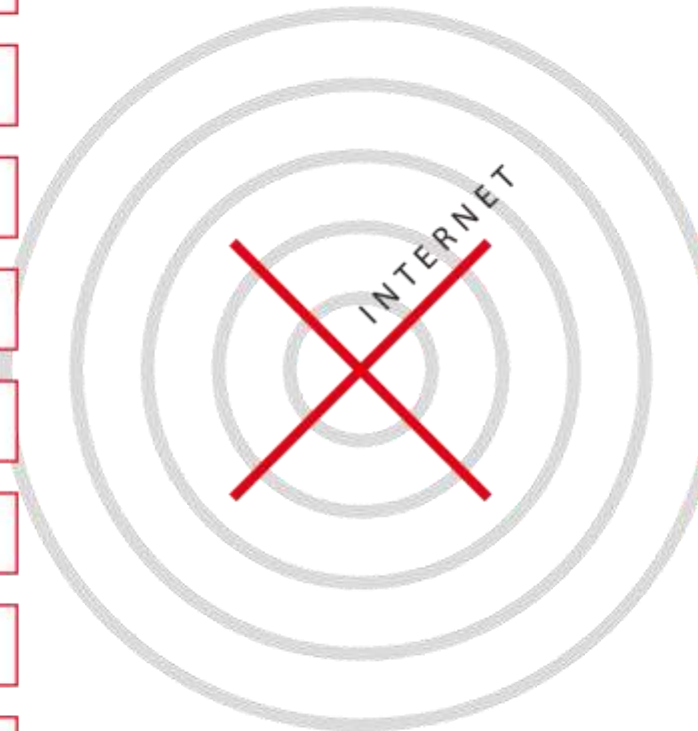
	Mobility
	Real Estate
	Finance
	Medical/Health Care
	Life Events
	Entertainment
	Consumer Products
	Human Resources

⋮

Technology/Services

Media	
Advertisement	
Platform	
Contents	
Internet of Things	
E-Commerce	
AI	
AR/VR	

⋮



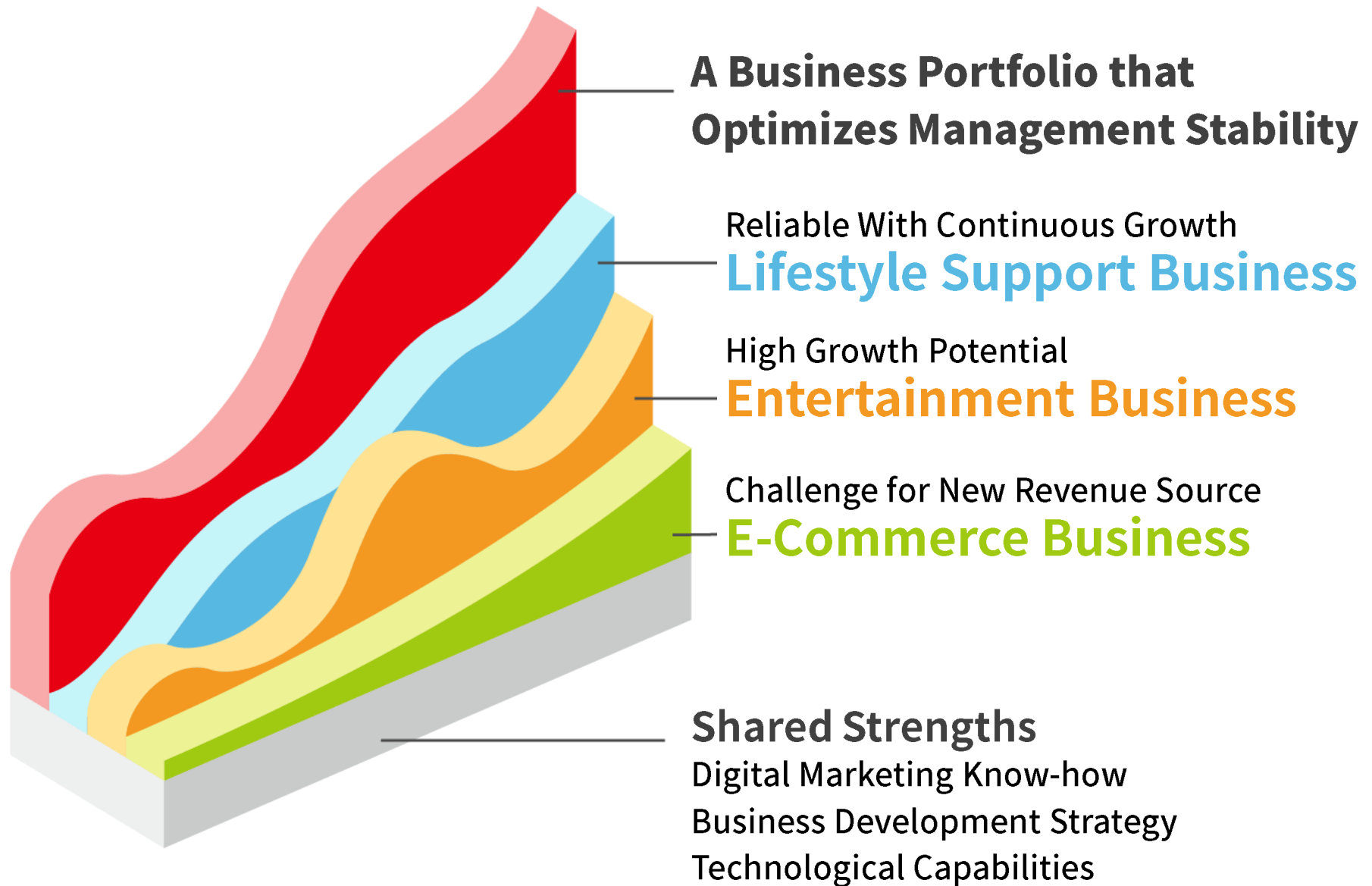
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1. Medium- and Long-Term Policy

- 2. FY2020 Q1 Financial Results
- 3. FY2020 Q1 Business Details
- 4. Segment Topics
- 5. FY2020 Guidance

Management Strategy

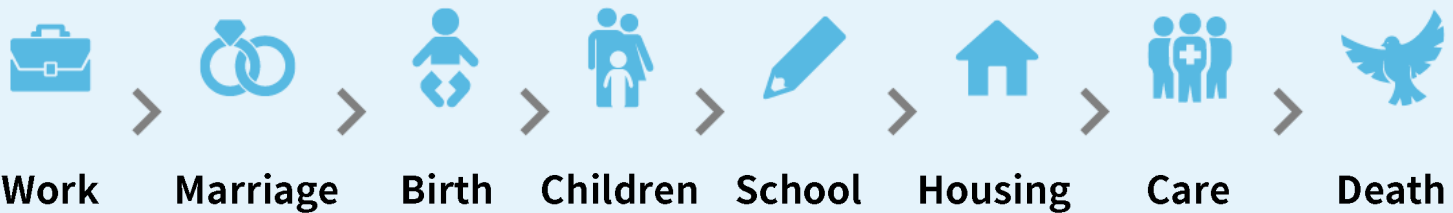


Lifestyle Support Business

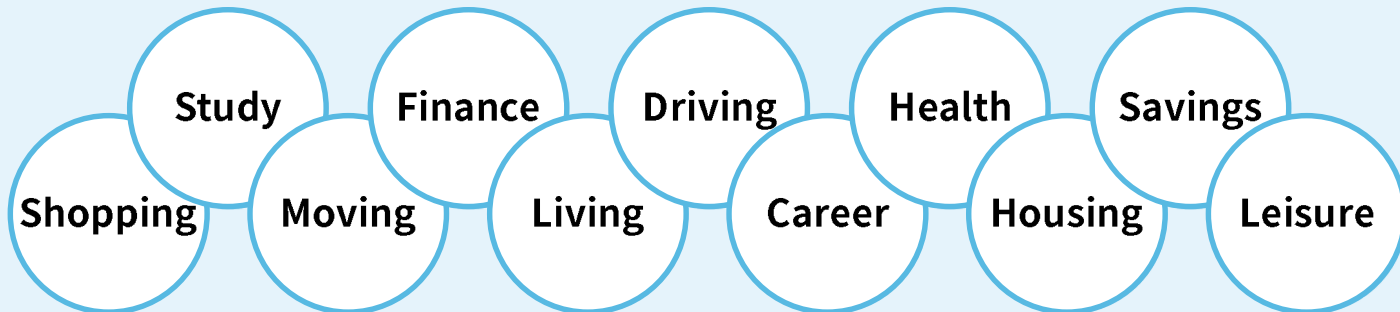
Vision of Lifestyle Support Business

■ From Cradle to Grave, Enrich Life Events For Greater Convenience

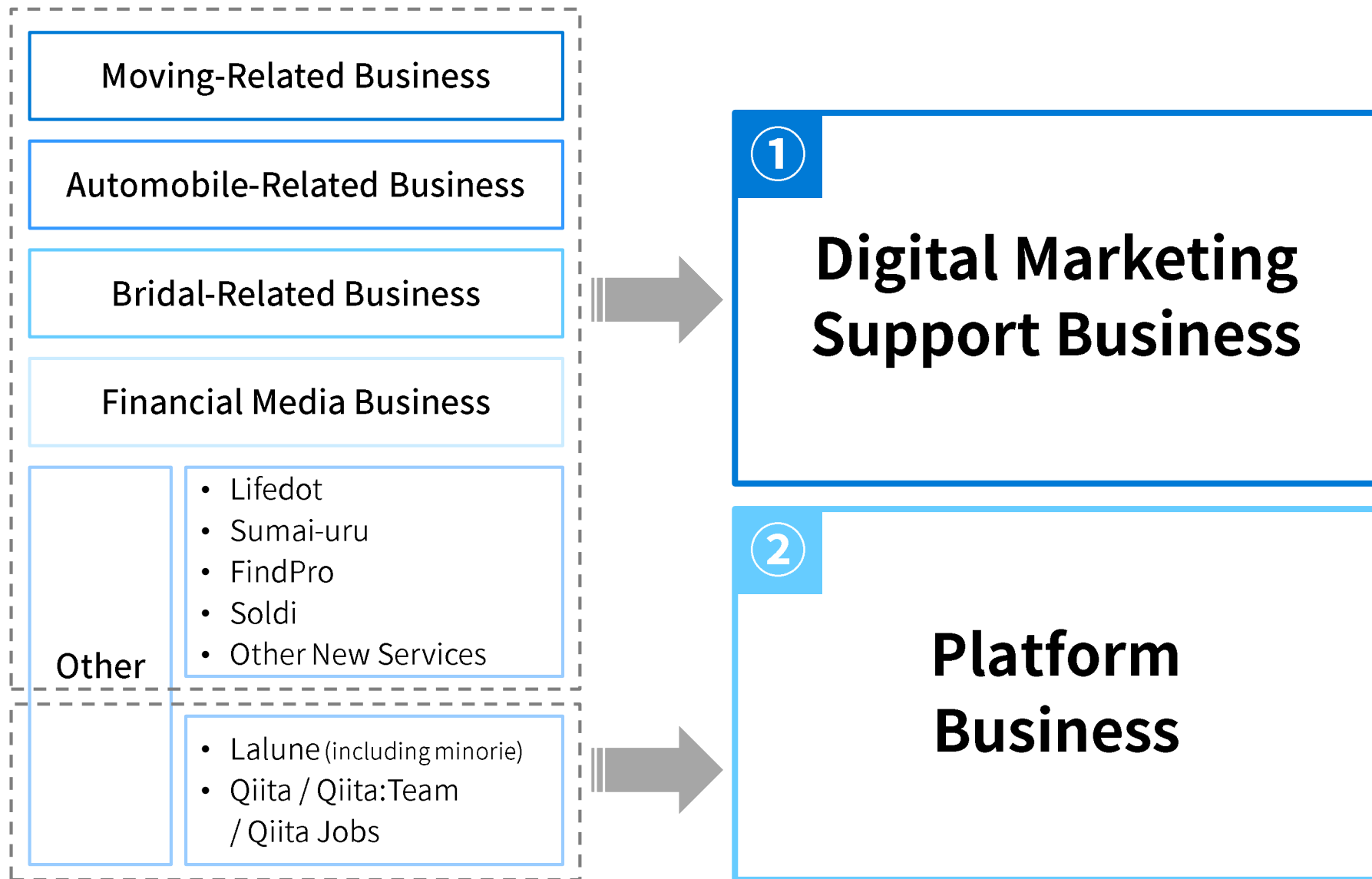
Life Events



Daily Events



Review of Sub-segments



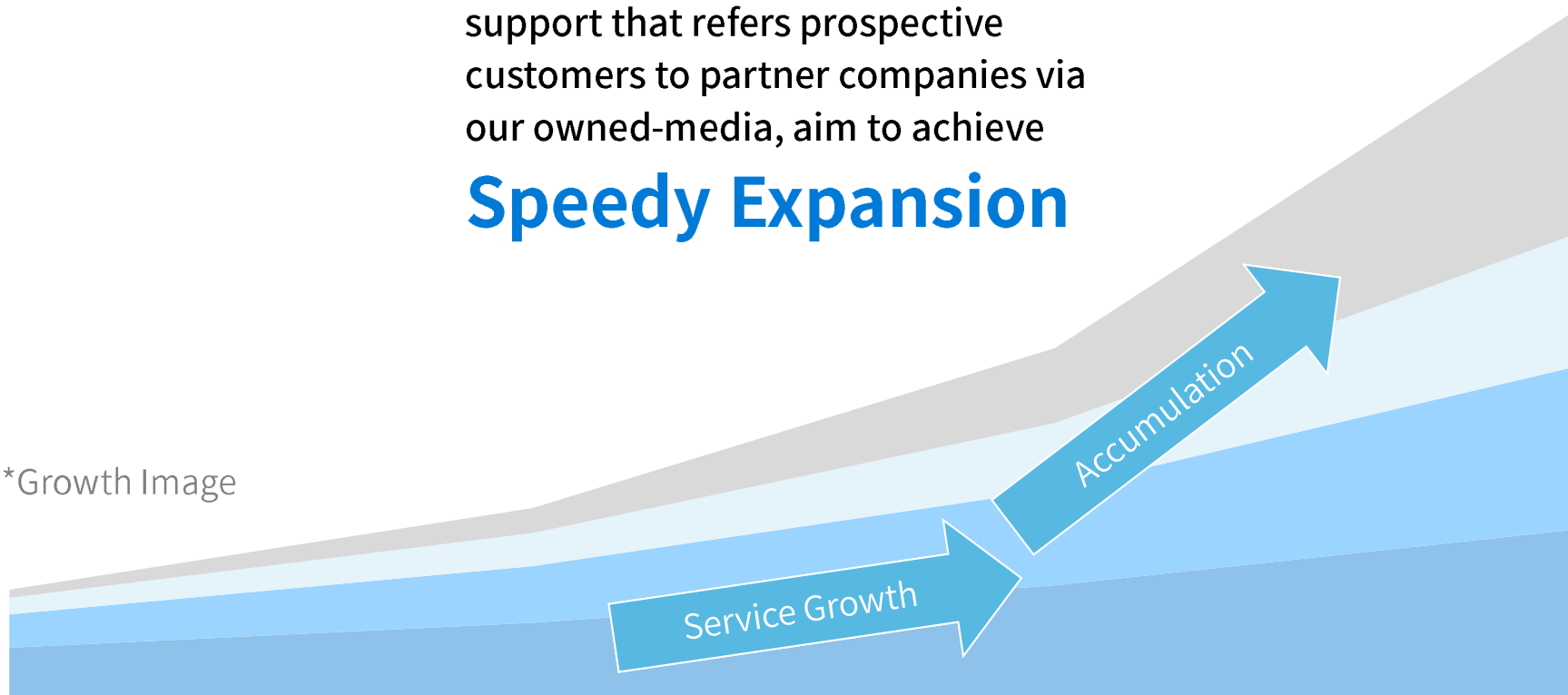
Digital Marketing Support Business

While Focusing on Life Events From Cradle to Grave, Aim to Promote Digital Marketing Support That Advances Industry Development

Centering on digital marketing support that refers prospective customers to partner companies via our owned-media, aim to achieve

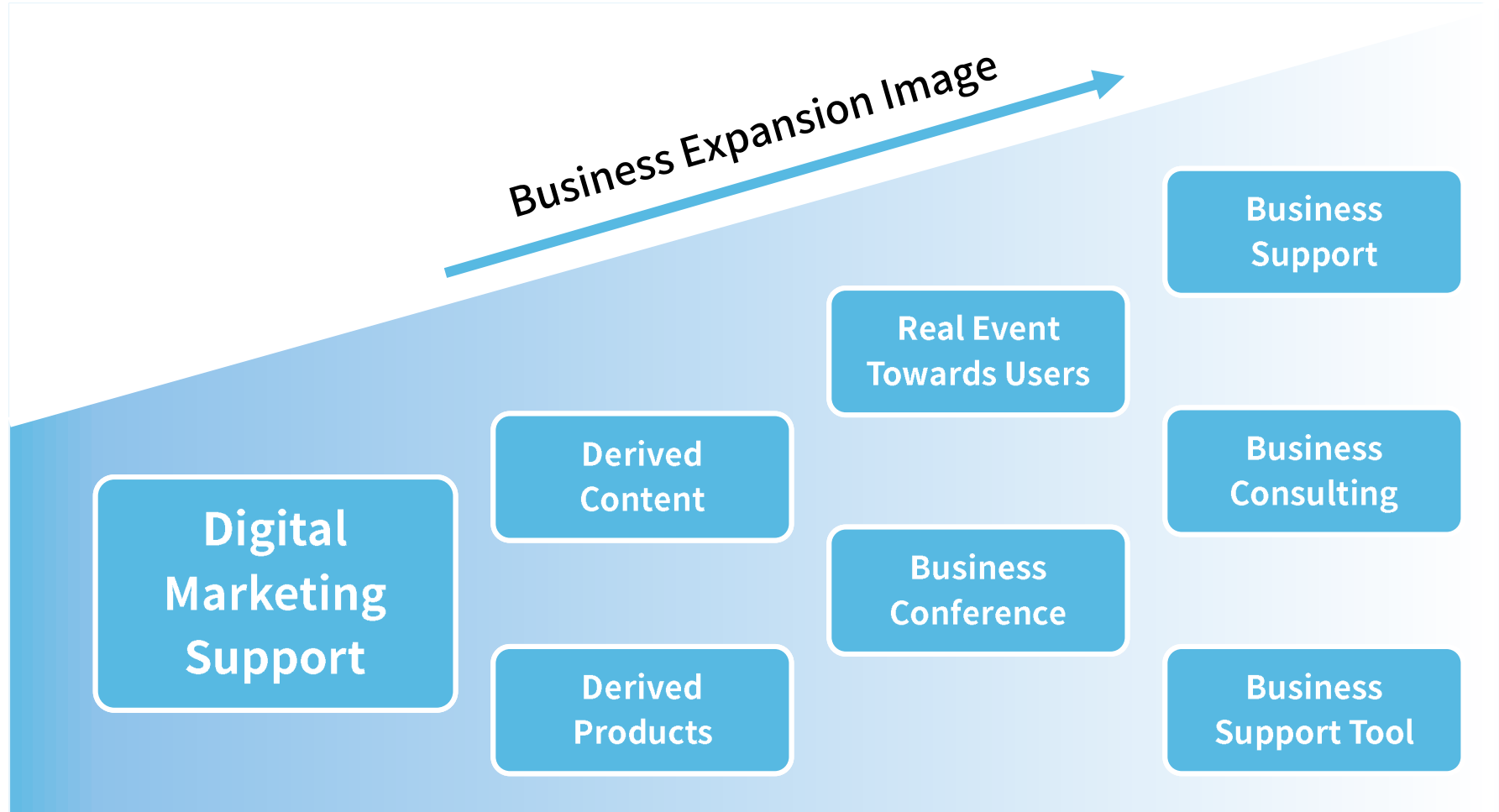
Speedy Expansion

*Growth Image



Digital Marketing Support Business Development

■ Going Beyond Digital Marketing Support, Aim for Various Business Expansion



Platform Business

**Aim to Increase Users While Accumulating Data by Expanding Services
in the Healthcare Industry and the Engineering Industry**

Providing a “place” where information is gathered
to enhance the original value of user data and

Building Market Advantage

Women's Healthcare Service

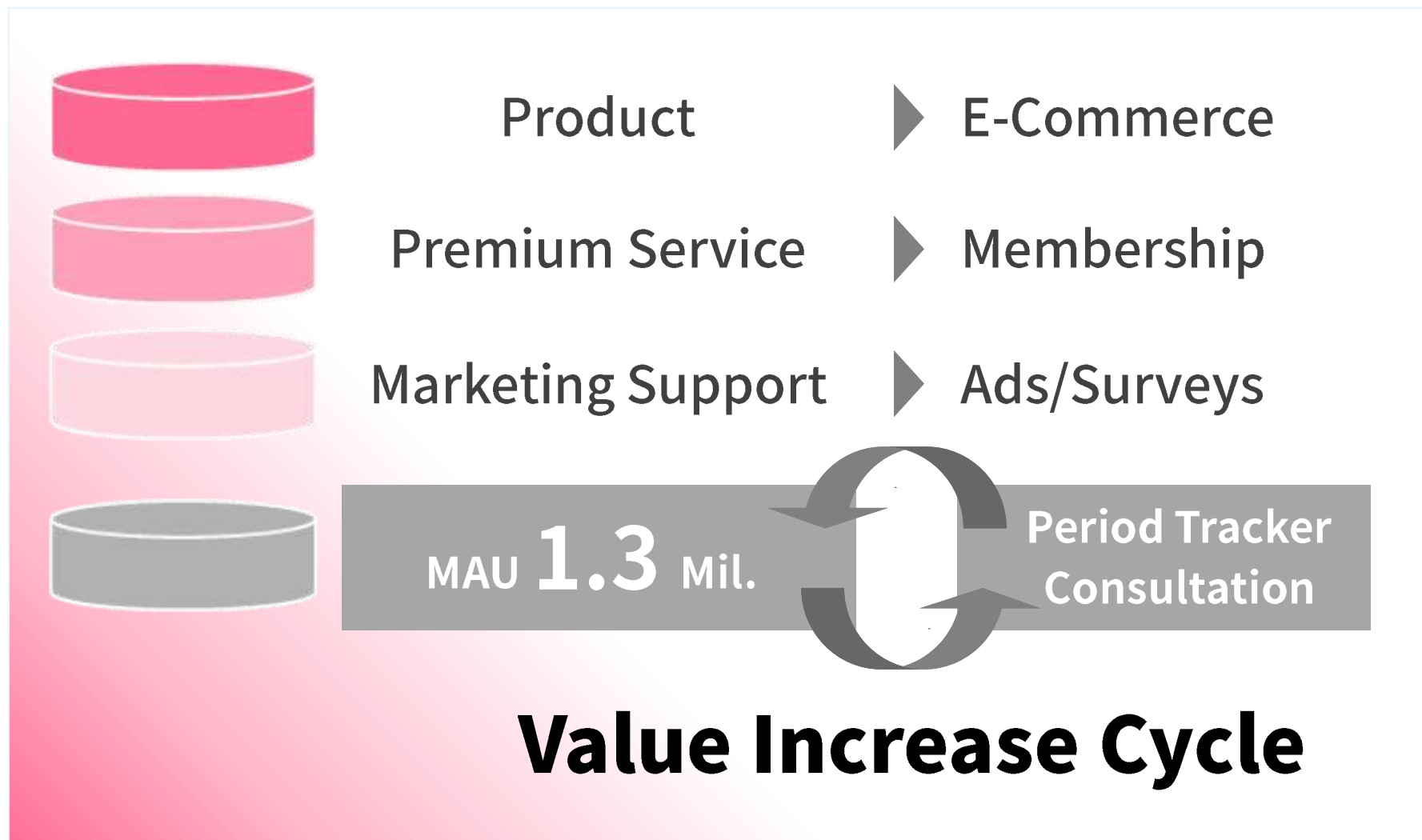


 **Lalune**

Engineering Service



Qiita



Qiita



Utilize Database



HR Support



Knowledge Sharing



Tool



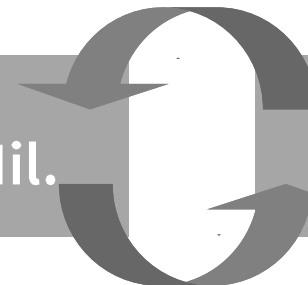
Marketing Support



Advertisement



Monthly
UU **6.79** Mil.



Knowledge/
Article Sharing

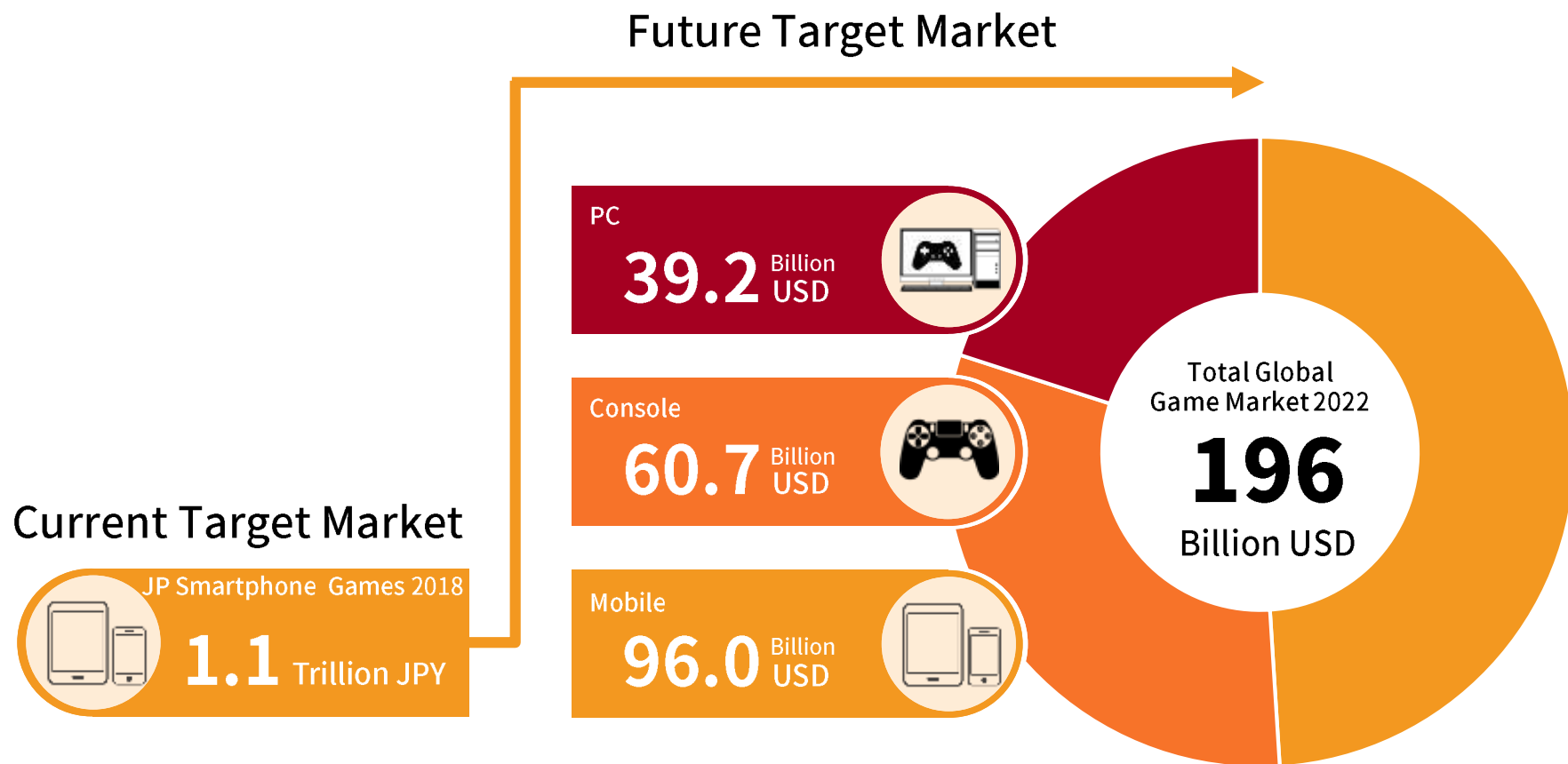
Value Increase Cycle

Entertainment Business

Business Policy

Not Just Smartphone Games! Global Focus with Multi-Device

“IP” × “Global” × “Multi-Device”



Source: Newzoo, 2019 Global Games Market Report, as of Jun 18, 2019

E-Commerce Business

Vision of E-Commerce Business

■ Bicycle EC that Balances User Convenience With Industry Development

The screenshot displays the cyma website interface. At the top, the cyma logo is followed by the tagline "cyma -サイマ- life & discovery". Navigation links include "自転車全品送料無料" (Free shipping on all bicycles), "送料について 配達方法 配達区域の確認" (About shipping, delivery methods, and area confirmation), and "よくあるご質問・お問い合わせフォーム" (FAQ and contact form). User account icons for "お気に入り" (Favorites), "マイページ" (My Page), and "カート" (Cart) are visible.

A horizontal menu lists bicycle categories: シティサイクル (City Cycle), 折りたたみ自転車 (Folding Bicycle), ミニベロ (小径車) (Mini Velo (Small Frame)), スポーツ車 (Sports Bike), 電動自転車 (Electric Bicycle), 子供乗せ自転車 (Child Carrier Bicycle), and こども用自転車 (Children's Bicycle). There are also links for "アウトレット" (Outlet) and "パーツ" (Parts).

A prominent banner states: "送料・組立無料! さらにアフターサポートも充実! 他の自転車通販とは違う cyma-サイマ- の詳しいサービス内容は [コチラ!](#)" (Free shipping and assembly! Even more after-sales support! The detailed service content of cyma-saima is [here!](#)).

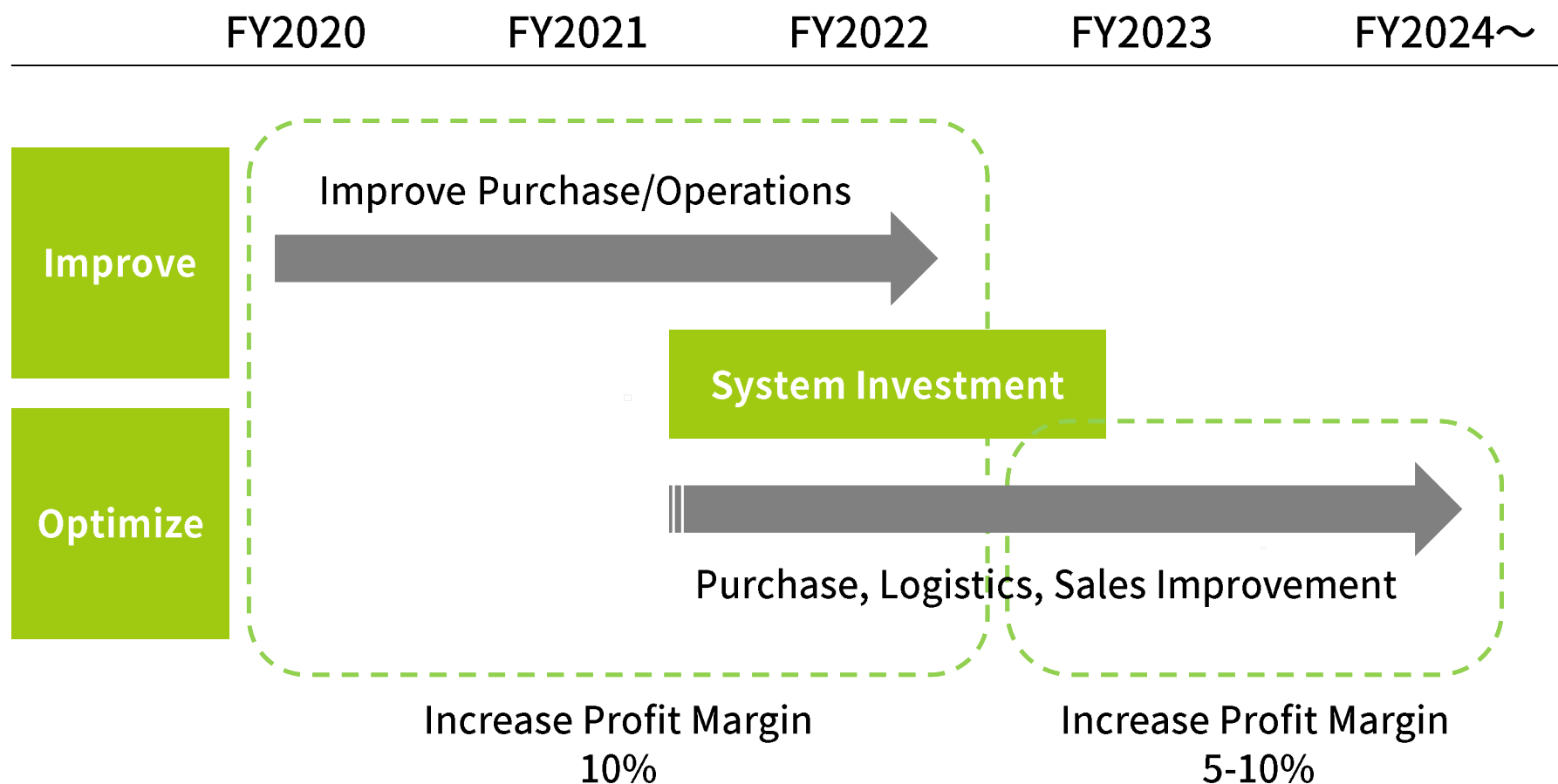
Below this, a large promotional banner features a blue bicycle and the text: "Everyday Low Price", "いつでもお得な自転車通販" (Always get a good deal on bicycle e-commerce), and "すべての自転車が毎日低価格、メーカー価格より最大30%OFF!" (All bicycles are at daily low prices, up to 30% off manufacturer prices!). It also highlights "組立料 無料" (Free assembly) and "配送料 無料" (Free shipping).

The lower section contains several smaller promotional tiles:

- A tile for "cymaは他の自転車通販とここが違います!" (cyma is different from other bicycle e-commerce here!) with a "初めての方へ" (For first-time users) section mentioning "送料・組立0円" (Free shipping and assembly) and "日本最大級の自転車通販サイトです。" (This is the largest bicycle e-commerce site in Japan).
- A tile for "本格スポーツバイク好評販売中" (Authentic sports bikes on sale) featuring "Y's Road cyma-サイマ-店" and "Bianchi GIOS" brands.
- A tile for "子ども乗せ自転車対象" (Child carrier bicycle target) offering "シートカバーがもらえる!" (Get a seat cover!) with a "11/23(金)・12/5(水)" deadline.
- A tile for "Panasonic Gyuno ギュノ" (Panasonic Gyuno Gyuno) featuring a "特典付き" (With bonus) "羊持典プレゼントキャンペーン" (Sheep holding classic gift campaign).
- A tile for "人気の自転車" (Popular bicycle) featuring a "BRIDGESTONE" bicycle with a price of "¥21,813~" and a note "他のミニベロ (小径車) を見る >" (View other mini velos (small frame) >).
- A tile for "魔法のような軽さ! 電動車の愛されモデル" (Magic-like lightness! Favorite model of electric bikes) featuring a "BRIDGESTONE" electric bicycle with a price of "¥79,781~" and a note "他の電動自転車を見る >" (View other electric bicycles >).

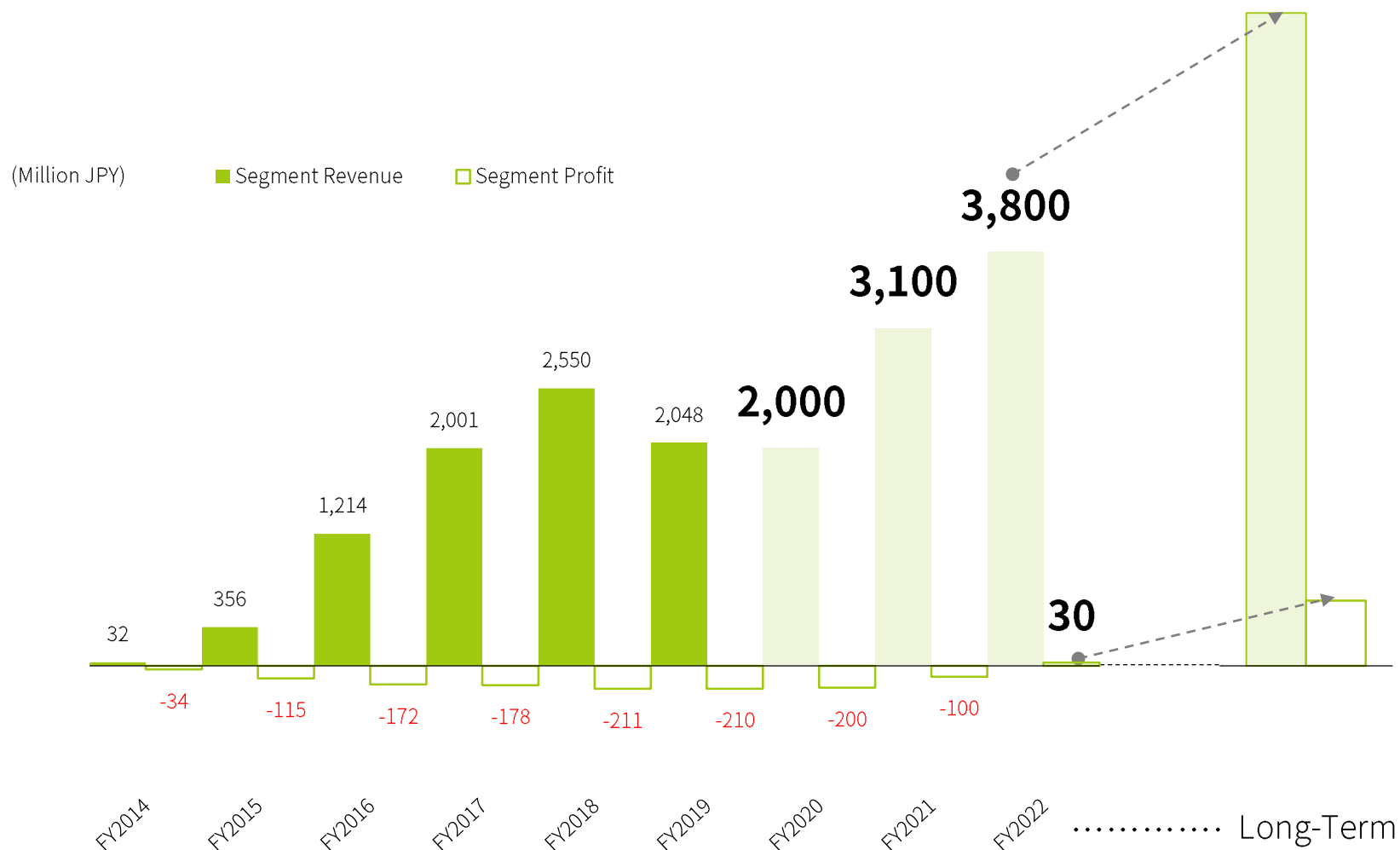
Initiatives for Medium- to Long-Term Growth

■ Besides Operational Improvements, Plan to Invest in Systems for Automation



Medium- to Long-Term Growth Image

■ Upon Profitability in FY2022, Accelerate Growth and Improve Profitability



Getting IT Done



2. FY2020 Q1 Financial Results

- 3. FY2020 Q1 Business Details
- 4. Segment Topics
- 5. FY2020 Guidance

FY2020 Q1 Financial Summary (Aug 2019 - Oct 2019)

Overall

Revenue Down Y/Y & Q/Q, OP Down Due to Investment

- Revenue: 8,148 million JPY (Y/Y 91.3%, Q/Q 89.3%)
- Operating income: 149 million JPY (Y/Y 30.9%, Q/Q 23.6%)
- Net income: 75 million JPY (Y/Y 29.5%, Q/Q 20.3%)

Lifestyle Support

Revenue Up But Profit Down Y/Y, Both Down Q/Q

- Revenue: 5,521 million JPY (Y/Y 106.7%, Q/Q 89.8%)
- Profit: 471 million JPY (Y/Y 73.4%, Q/Q 60.0%)

Stable Revenue Y/Y, Q/Q Drop Due to Seasonality. Investment Affects Profit

% of Revenue

67.8%

Ent.

Both Revenue and Profit Down Y/Y & Q/Q

- Revenue: 1,989 million JPY (Y/Y 61.3%, Q/Q 80.8%)
- Profit: 43 million JPY (Y/Y 15.9%, Q/Q 15.9%)

Revenue Decline of Existing Games, New Development Costs Cause Profit Dip

% of Revenue

24.4%

EC

Revenue Up Both Y/Y & Q/Q

- Revenue: 637 million JPY (Y/Y 124.8%, Q/Q 124.3%)
- Profit: -50 million JPY (Y/Y —, Q/Q —)

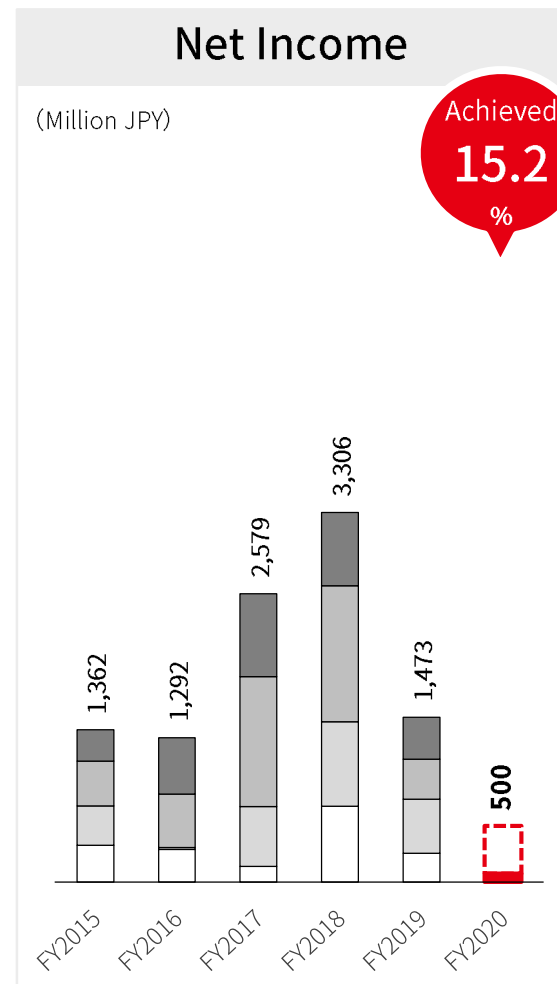
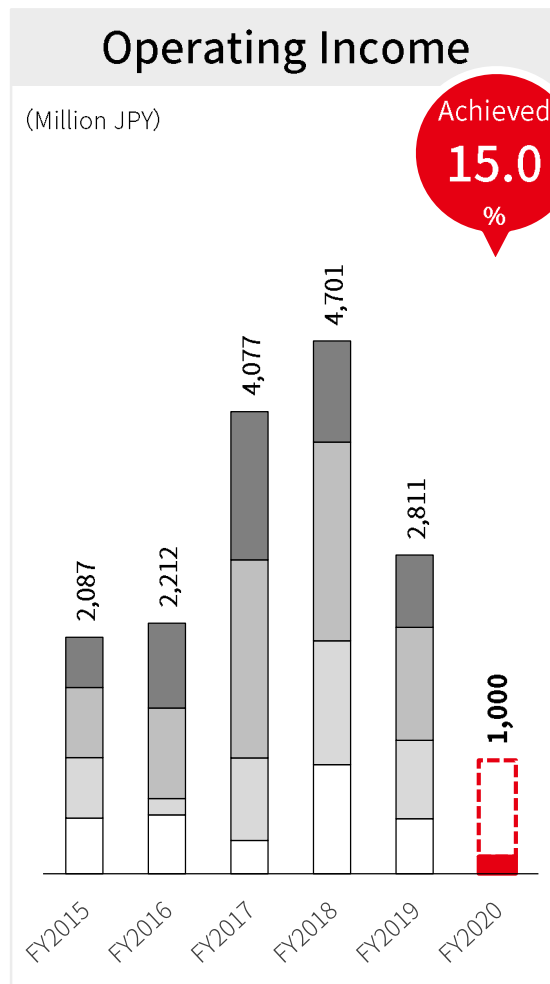
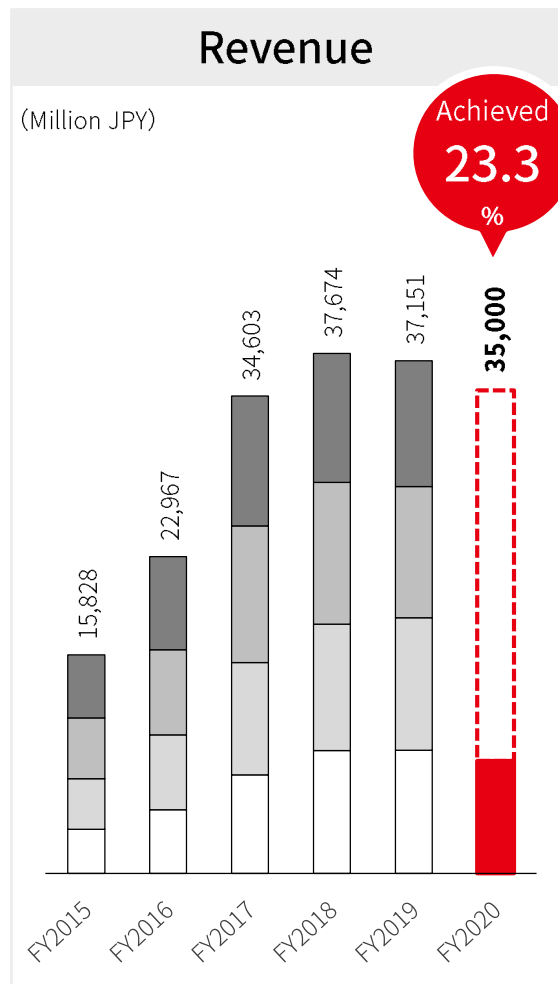
Operational Progress & Demand Before Tax Hike Cause Revenue Increase

% of Revenue

7.8%

FY2020 Financial Results vs. Forecasts

■ Profit Concentrated in H2 Due to Seasonal Factors; In-Line With Forecasts



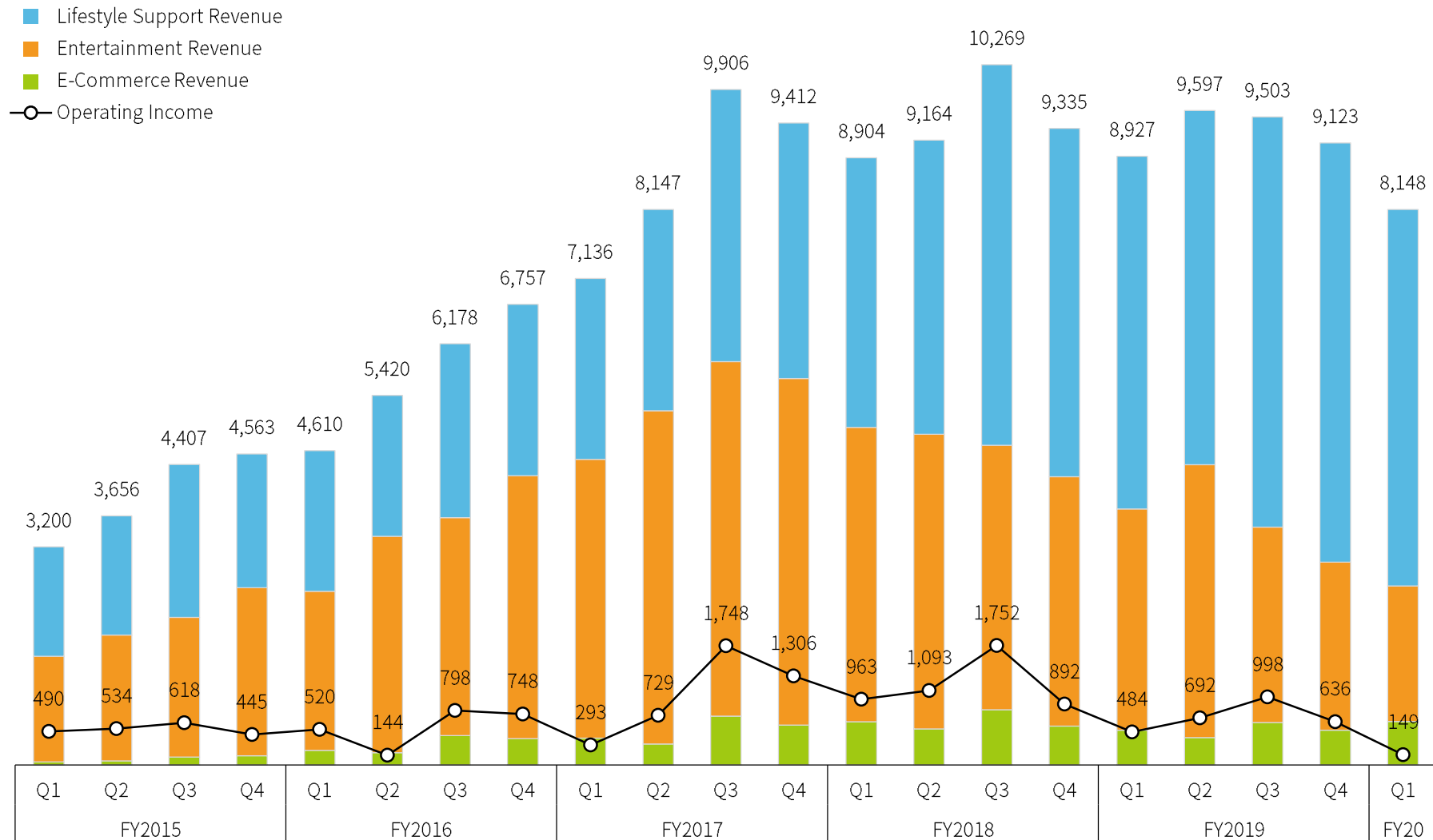
FY2020 Q1 Three-Month Results

(Million JPY)

FY2020 Q1 <u>Three-Month Results</u> (Aug – Oct 2019)								
	FY2020 Q1		FY2019 Q1		FY2019 Q4		FY2020 Full Year Forecast	
		%		Y/Y		Q/Q		Progress
Revenue	8,148	100.0%	8,927	91.3%	9,123	89.3%	35,000	23.3%
Operating income	149	1.8%	484	30.9%	636	23.6%	1,000	15.0%
Ordinary income	144	1.8%	507	28.4%	632	22.8%	1,000	14.4%
Net income	75	0.9%	257	29.5%	373	20.3%	500	15.2%

Consolidated Quarterly Financial Trends

(Million JPY)



Quarterly Trend of Key Management Indicators

(Million JPY)

	FY2017				FY2018				FY2019				FY20
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Revenue	7,136	8,147	9,906	9,412	8,904	9,164	10,269	9,335	8,927	9,597	9,503	9,123	8,148
Operating income	293	729	1,748	1,306	963	1,093	1,752	892	484	692	998	636	149
Promotional expenses	3,432	3,551	3,623	3,410	3,600	3,866	3,730	3,609	3,931	3,980	3,726	3,410	3,600
Labor costs, recruitment expenses	872	935	931	1,066	1,025	1,089	1,195	1,443	1,435	1,463	1,529	1,604	1,581
Commission fees, etc.	1,468	1,779	2,051	2,108	1,588	1,572	1,561	1,395	1,304	1,592	1,289	1,201	1,047
Subcontractor expense, server fees	254	297	315	331	532	518	620	605	605	646	661	660	548
Office rental fees, utility expenses	178	218	238	243	249	251	288	291	292	293	296	296	287
Employees (people)	605	627	710	718	723	788	898	955	989	1,024	1,115	1,115	1,113

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

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

Quarterly Promotional Expense Trends

Along with Existing, Lifestyle Support Strengthened New Service Promotions

Entertainment Continued to Suppress Promotional Costs

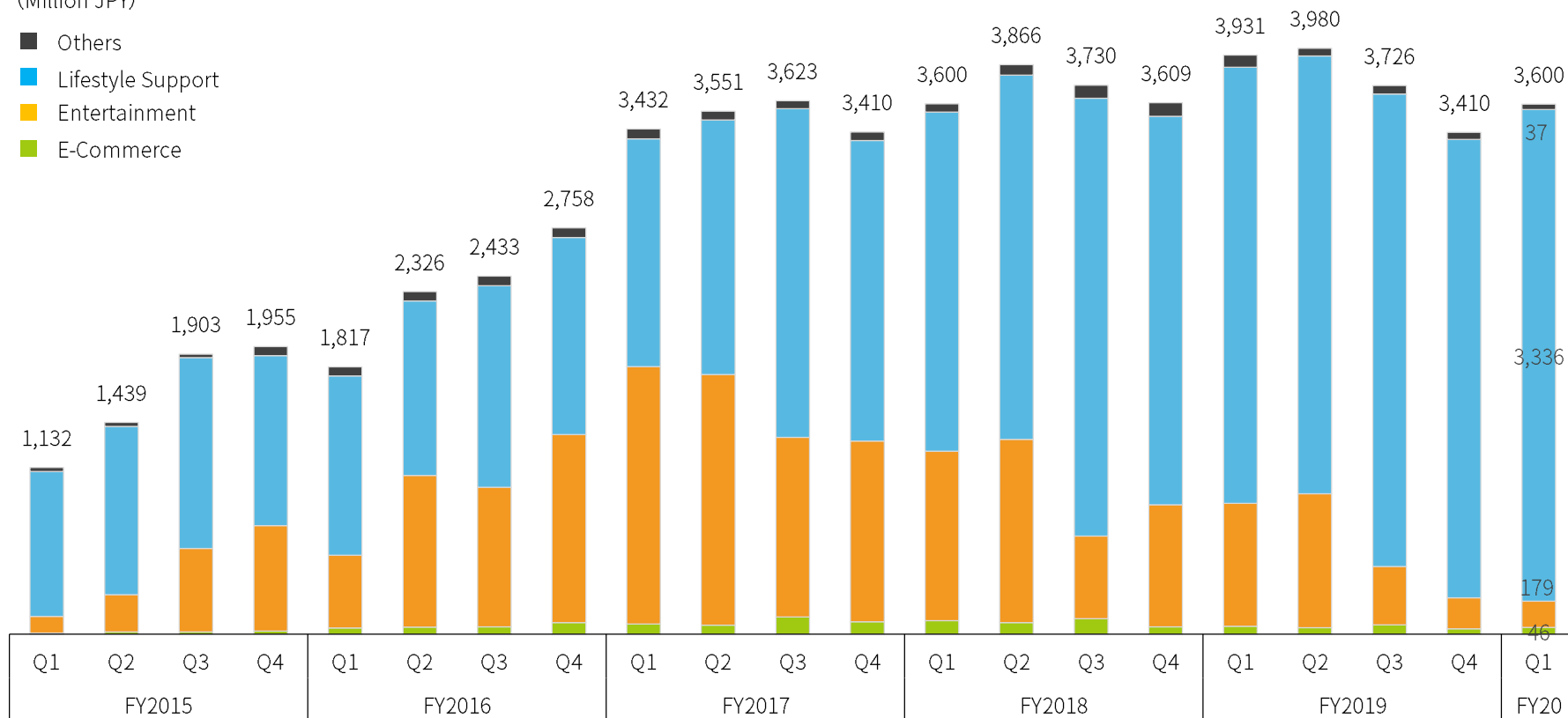
(Million JPY)

Others

Lifestyle Support

Entertainment

E-Commerce



* Breakdown of promotional expenses by segment is shown on “Supplementary Financial Data” of this business report

Number of Employees

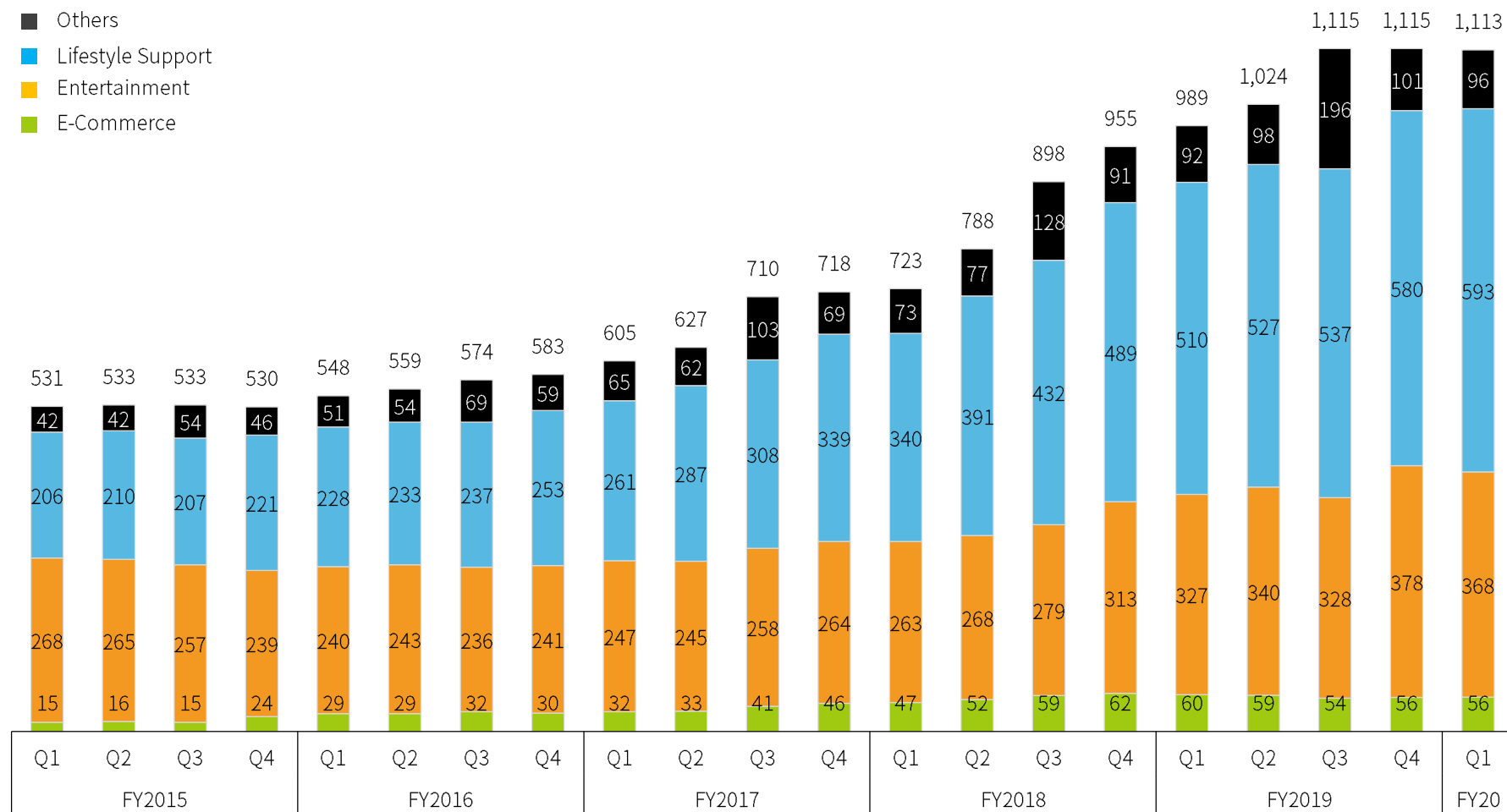
(People)

Others

Lifestyle Support

Entertainment

E-Commerce



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

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

* Newly hired university graduates are included in "Others" as of the end of Q3, and assigned to different segments as of June 1

Balance Sheet

(Million JPY)

	FY2020 Q1	FY2019 Q4
Current assets	10,751	11,543
Cash and cash equivalents	5,900	6,713
Accounts receivable	3,539	3,503
Non-current assets	6,212	5,729
Tangible assets	1,736	1,711
Intangible assets	1,507	1,522
Total assets	16,964	17,273

	FY2020 Q1	FY2019 Q4
Current liabilities	3,900	4,031
Non-current liabilities	738	730
Total liabilities	4,639	4,761
Short-term loans payable	0	0
Shareholder's equity	12,256	12,452
Total net assets	12,324	12,511
Liabilities and net assets	16,964	17,273

3. FY2020 Q1 Business Details

- 4. Segment Topics
- 5. FY2020 Guidance

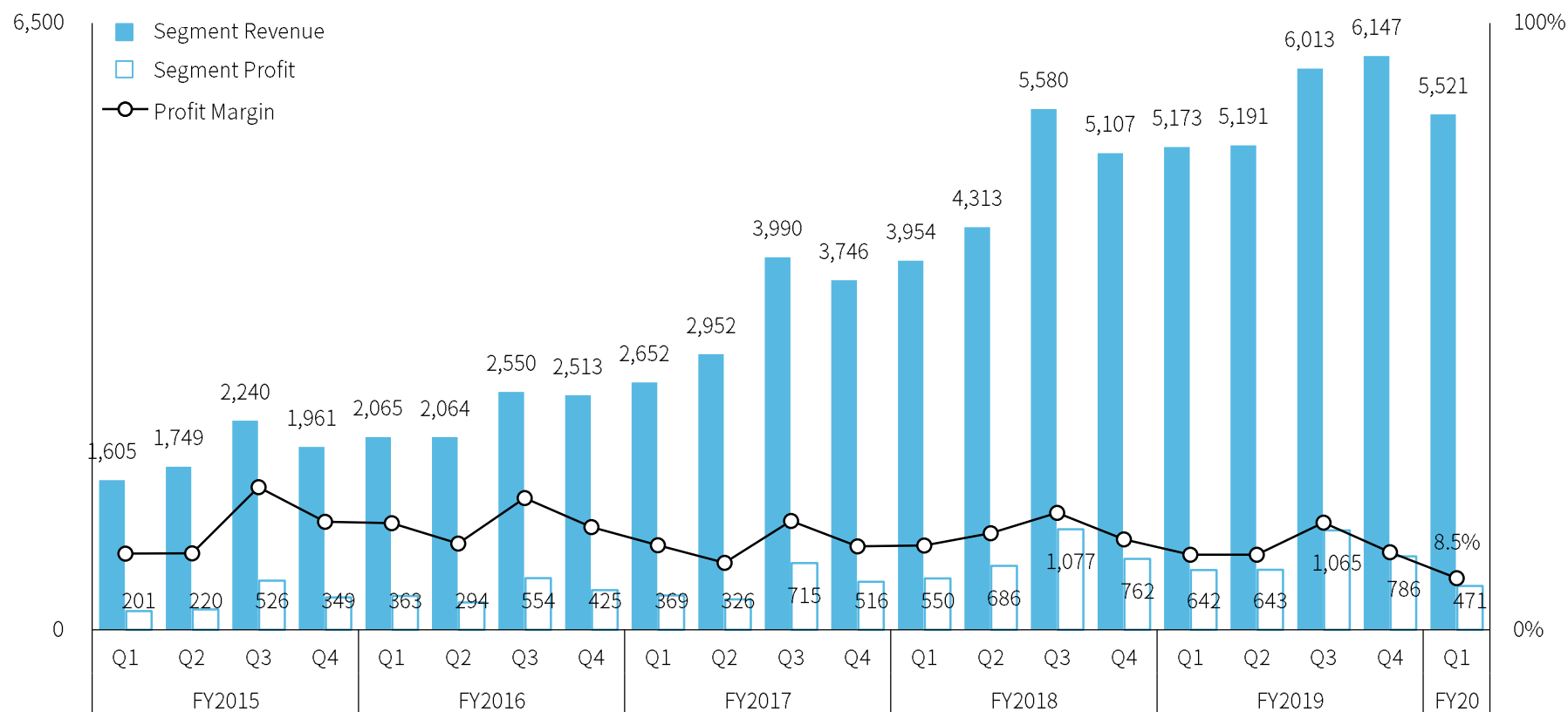
Lifestyle Support Business Performance Trends

■ Stable Revenue Growth Y/Y, Seasonal Factor of A/C Sales Cause Q/Q Decline

■ Increased Investment in New Services Result in Profit Dip Y/Y

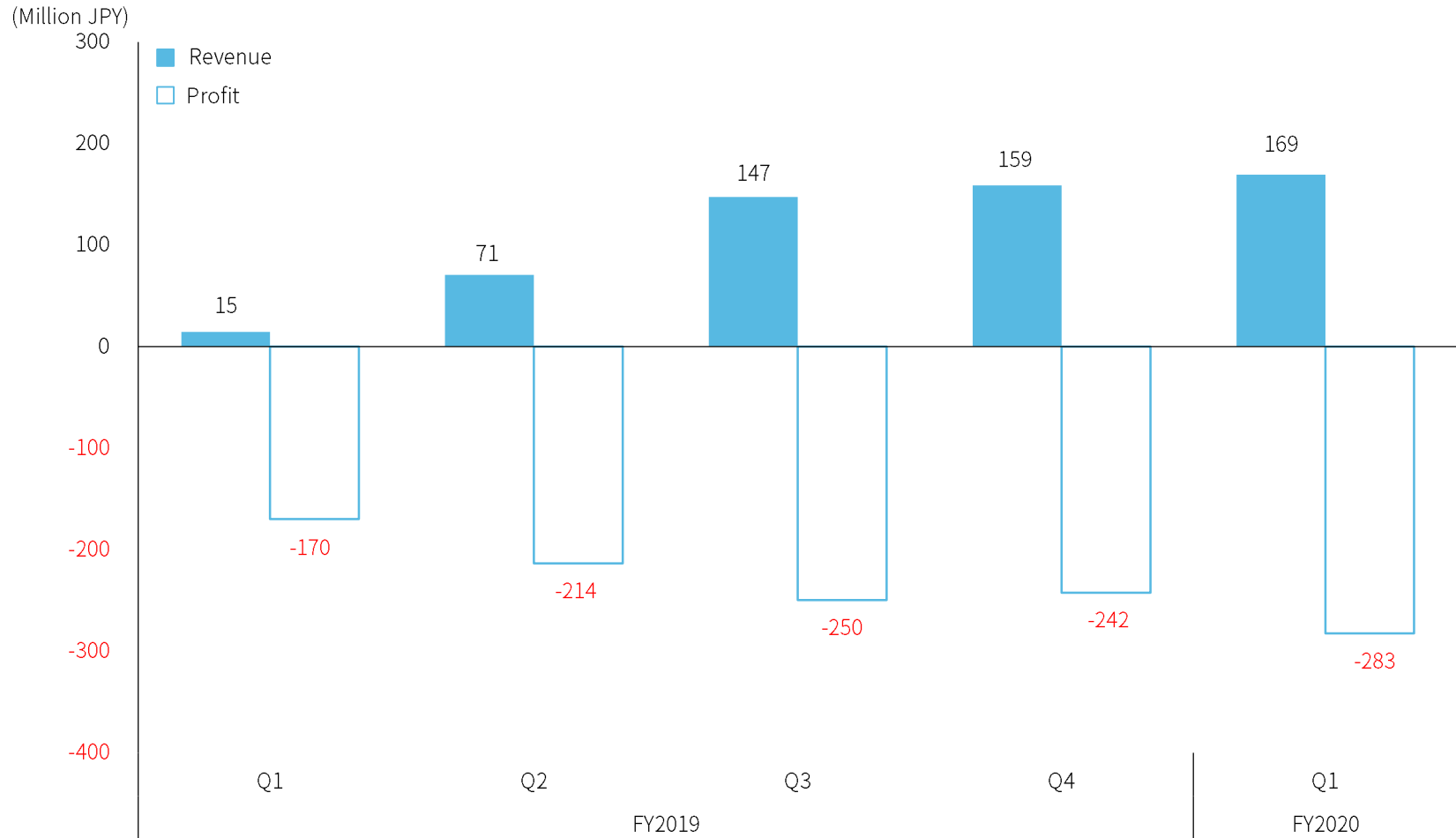
Y/Y
+6.7
%

(Million JPY)



Lifestyle Support Business New Service Quarterly Trends

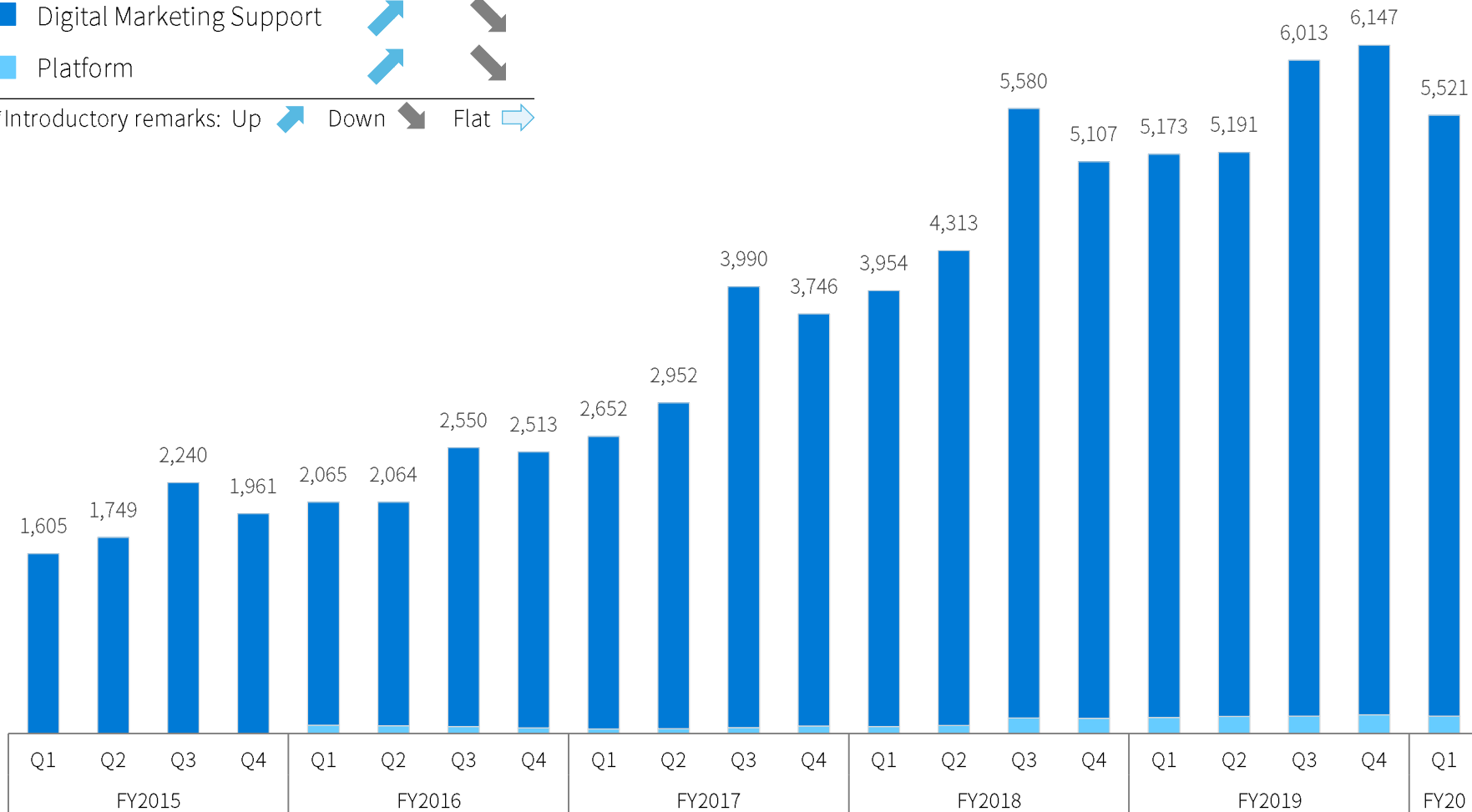
■ Each Service Shifting From a “Seed” Phase to a “Growth” Phase



* “New Service” refers to several services launched from FY2018 including Navinavi mortgage loan, FindPro, Sumai-uru, minorie, Qiita Jobs, etc.

Lifestyle Support Sub-Segment Business Trends

(Million JPY)

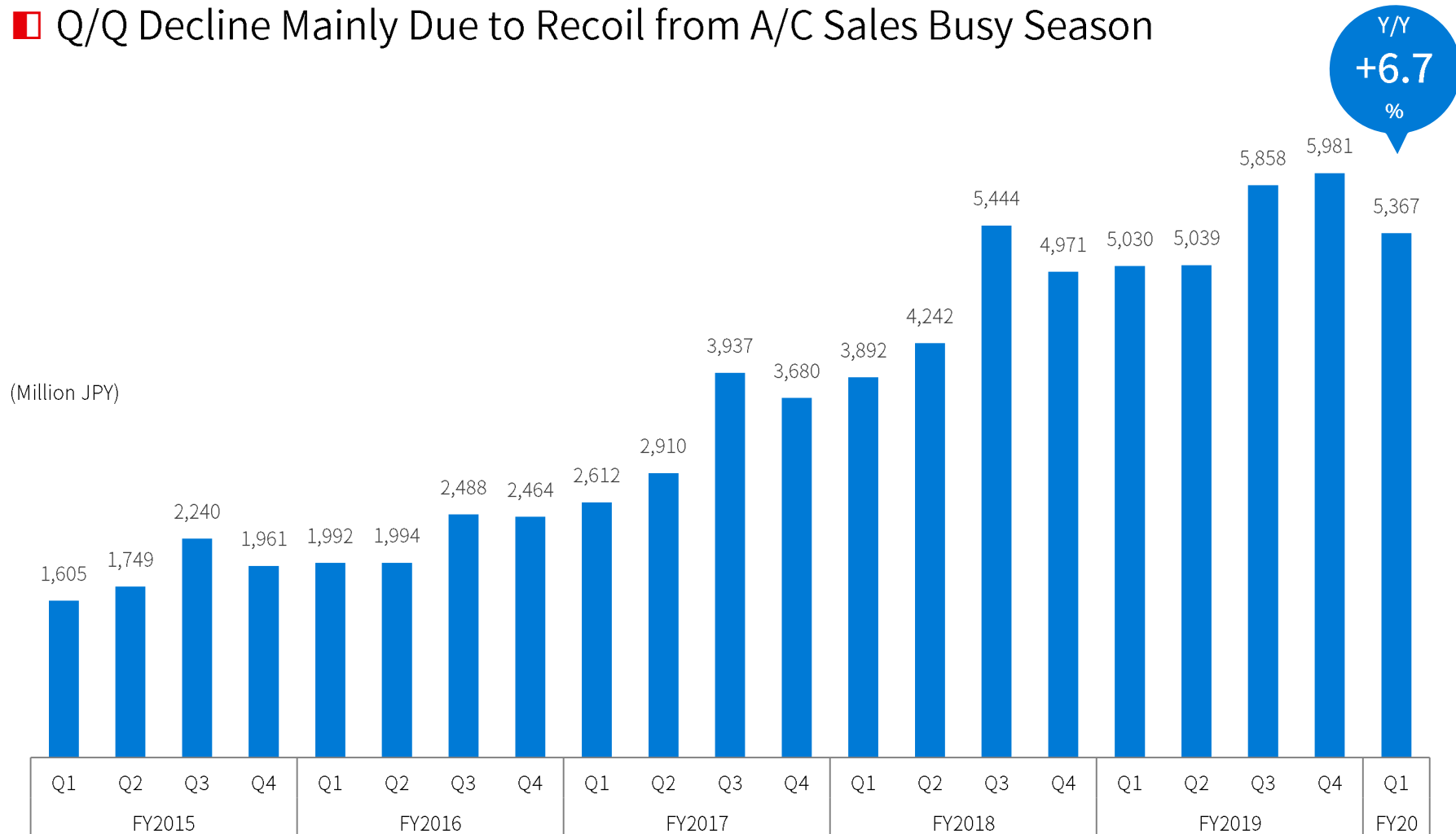


* "Lalune" was classified within the Entertainment Business during FY2014 and FY2015, thus the revenue for FY2015 is not included in this graph

Digital Marketing Support Business Revenue Trends

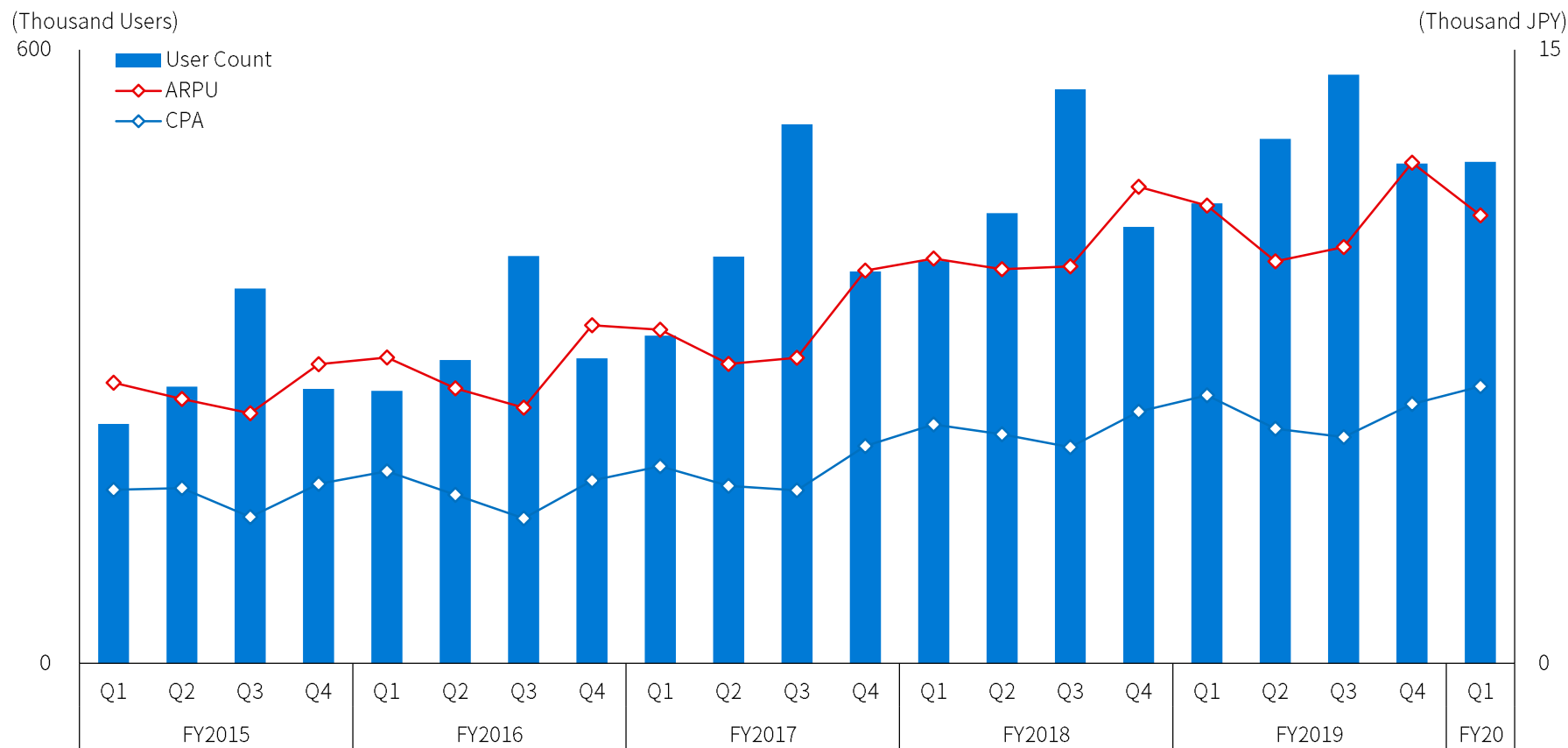
■ “Hikkoshi Samurai”, Credit Card & Mortgage Loan Services Trending Well

■ Q/Q Decline Mainly Due to Recoil from A/C Sales Busy Season



Digital Marketing Support Business KPI Trends

Drop in Ratio of High ARPU Services Such as A/C Sales Cause Overall Decline

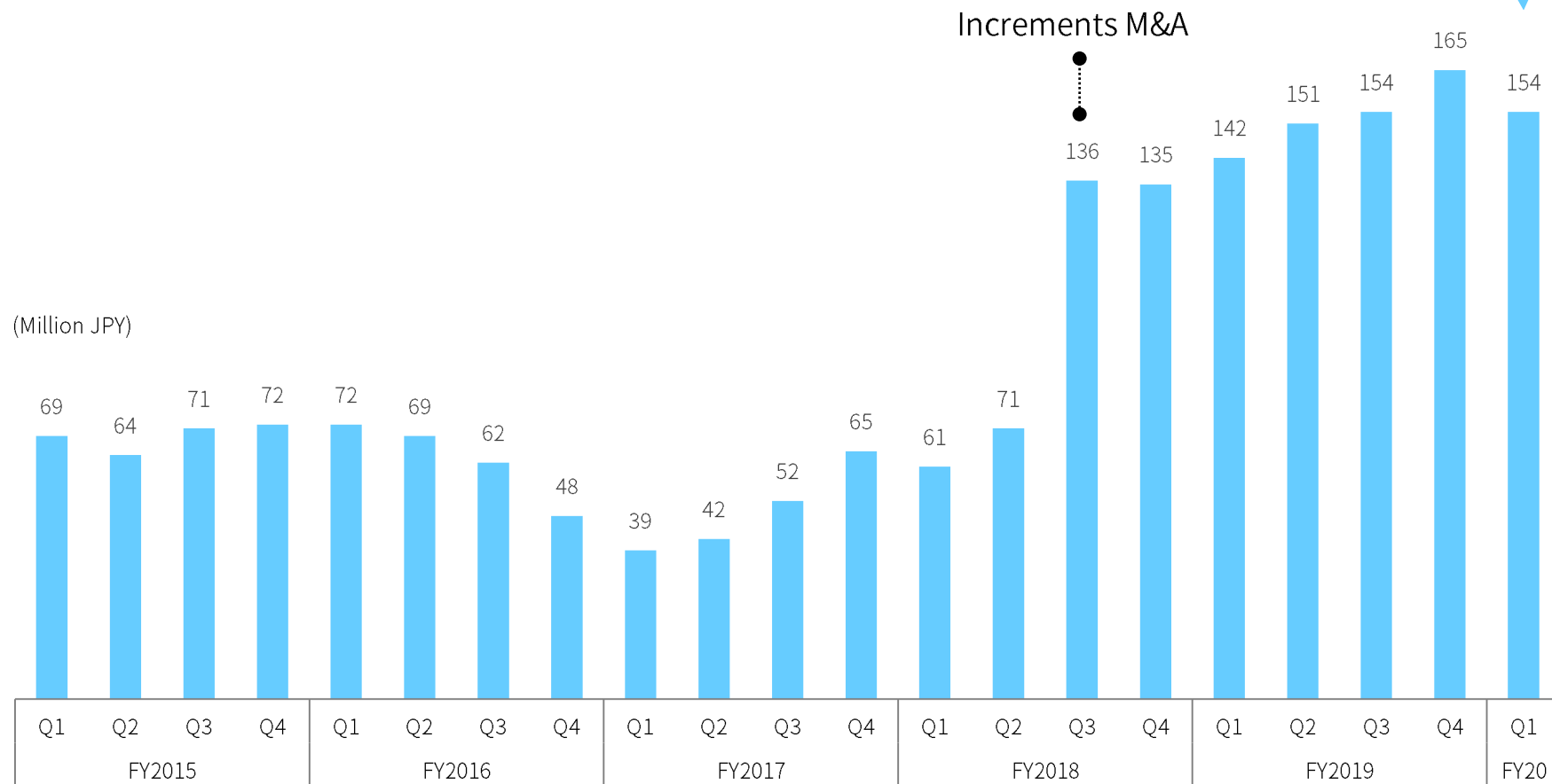


- [① User count] = total users from four main sub-segment businesses (users that generated segment revenue)
- [② ARPU: Average revenue per user] = segment revenue ÷ [① User count]
- [③ CPA: Cost per user acquisition] = advertising cost ÷ [① User count]

Platform Business Revenue Trends

- Stable Y/Y Growth Due to Expansion of Peripheral Services
- Temporary Factors in Operation Caused Slight Q/Q Decline

Y/Y
+8.5
%

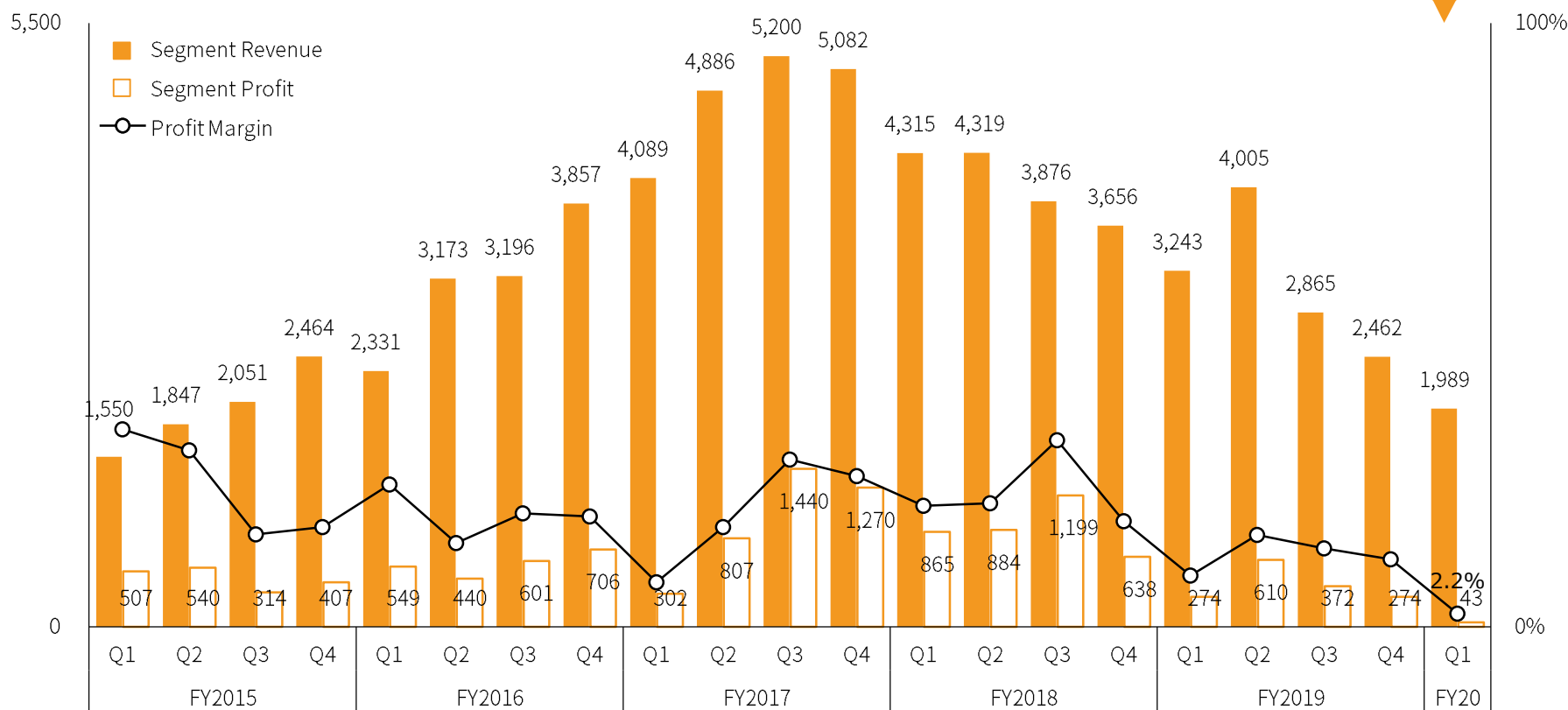


Entertainment Business Performance Trends

■ Downtrend Continues for Existing, Focusing on New Title Development

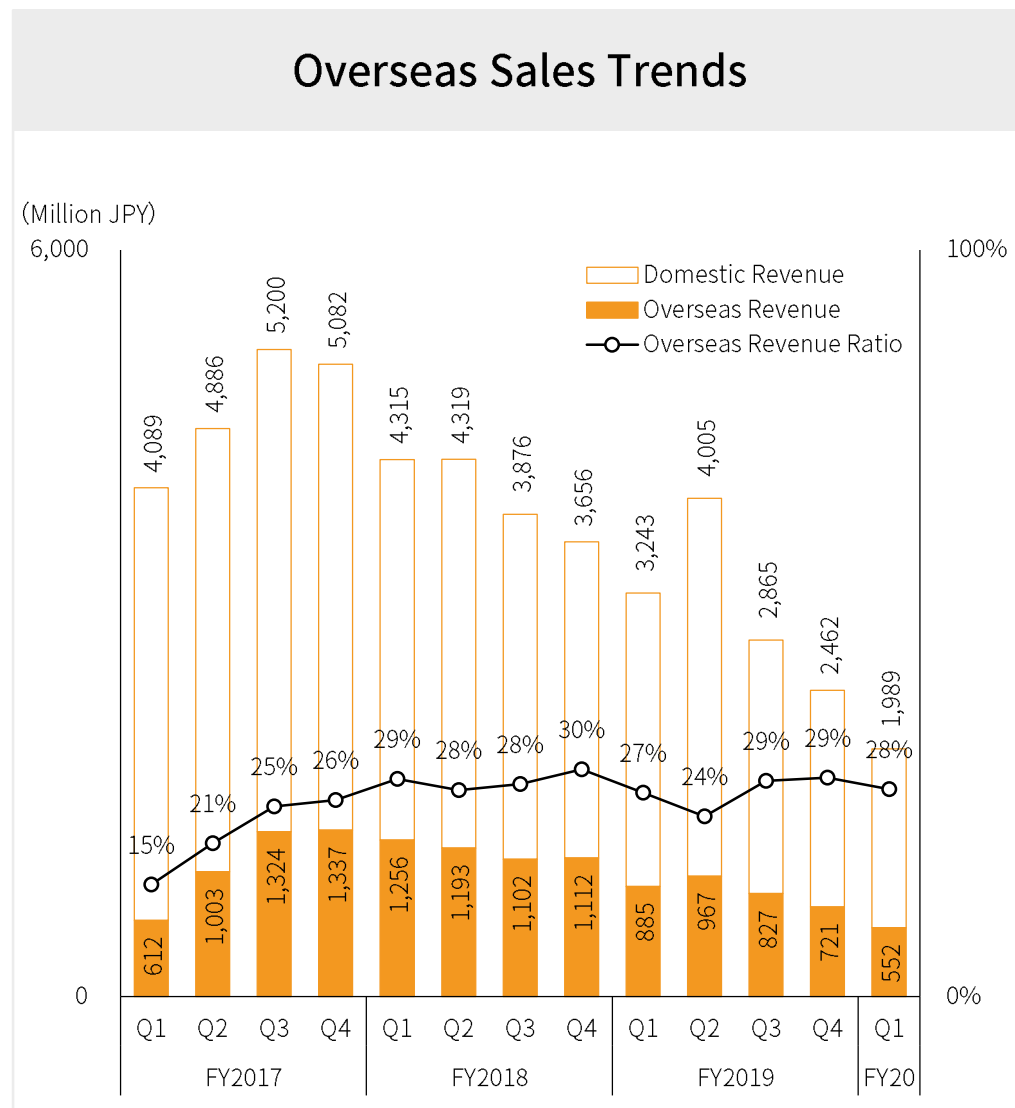
■ The Expensed New Title Development Costs Result in Profit Dip

(Million JPY)



Change in Revenue Reporting within the Entertainment Business: Previously, all revenue was recorded at the time of in-app purchase charges; however, for titles released from 2018 and onward, revenue is recorded upon consumption of the in-app items purchased

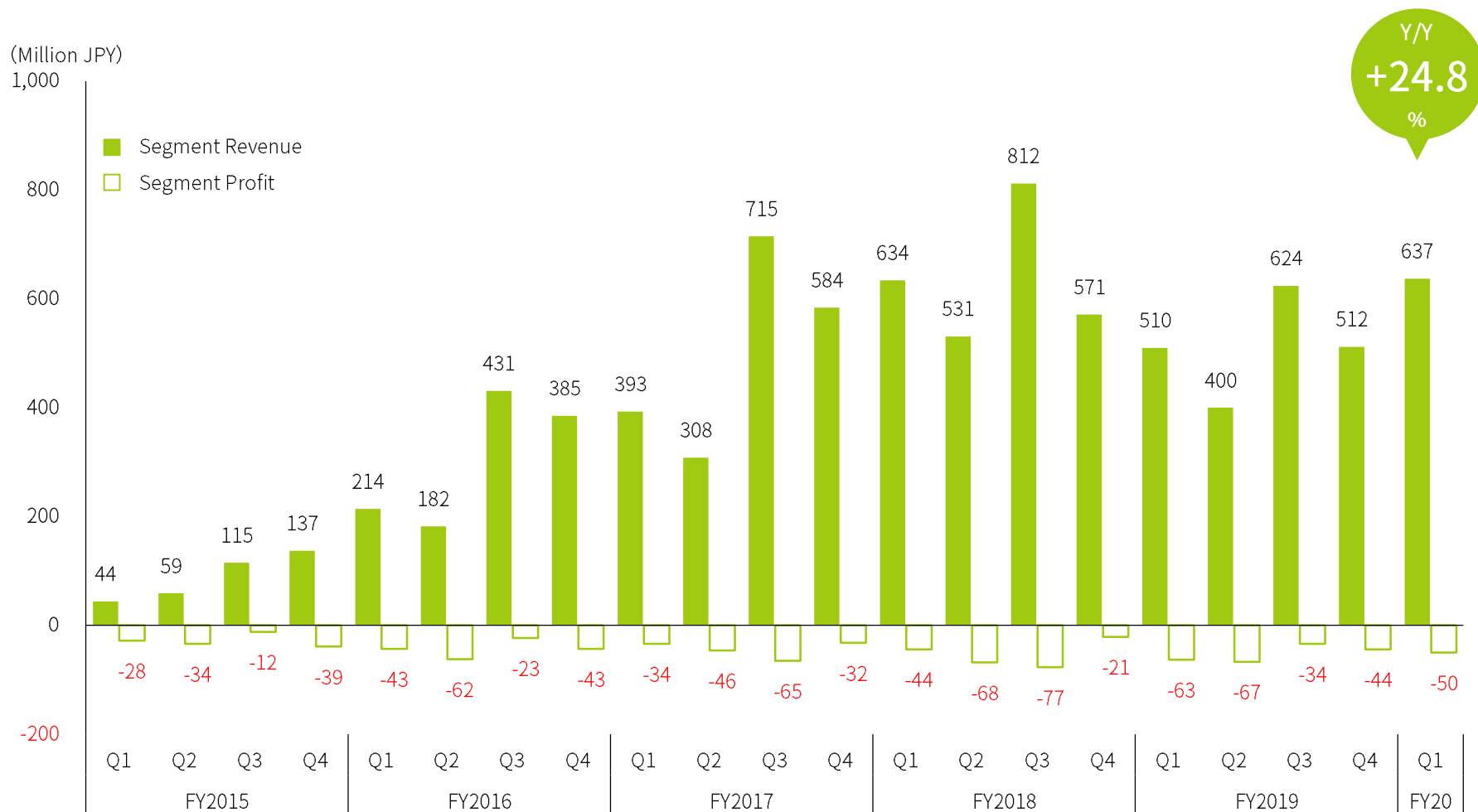
Entertainment Overseas Revenue Ratio Trends



Region:	JP	US	EU	TW HK MO	KR	SE Asia	CN
Revue Starlight	●	●	●	●	●		
BASSA	●			●	●		
Valkyrie	●	●	●	●	●	●	●
Unison	●	●	●	●	●	●	
Derby	●			●		●	
Smash!	●			●			
Legions	●	English Version					
Summoner	●	English Version					

E-Commerce Business Performance Trends

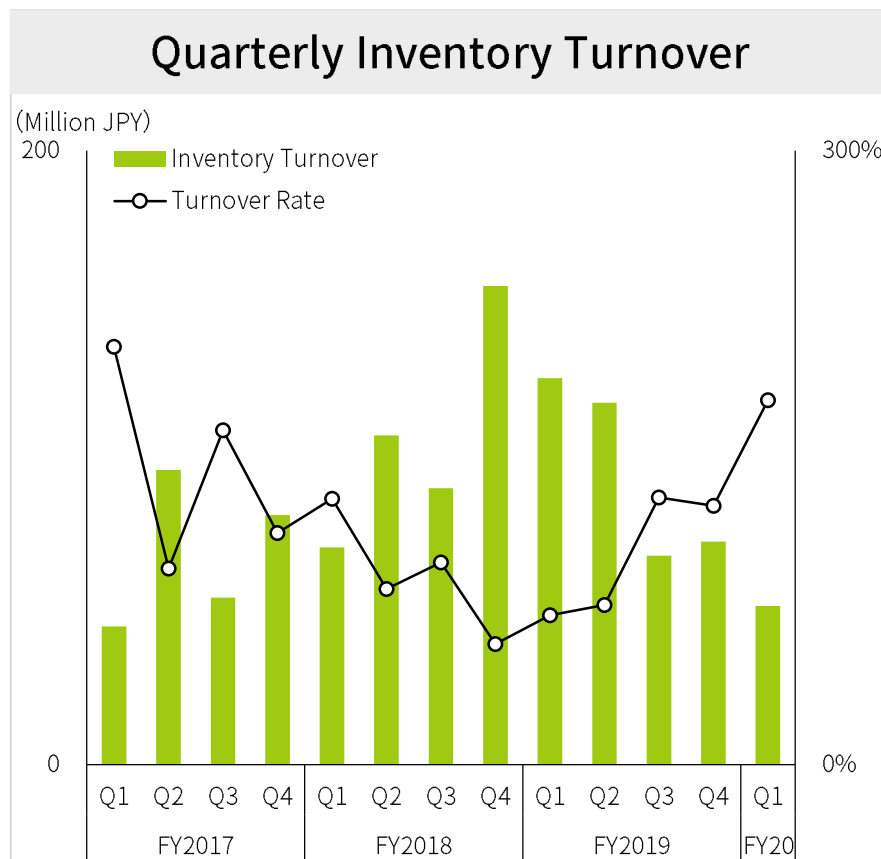
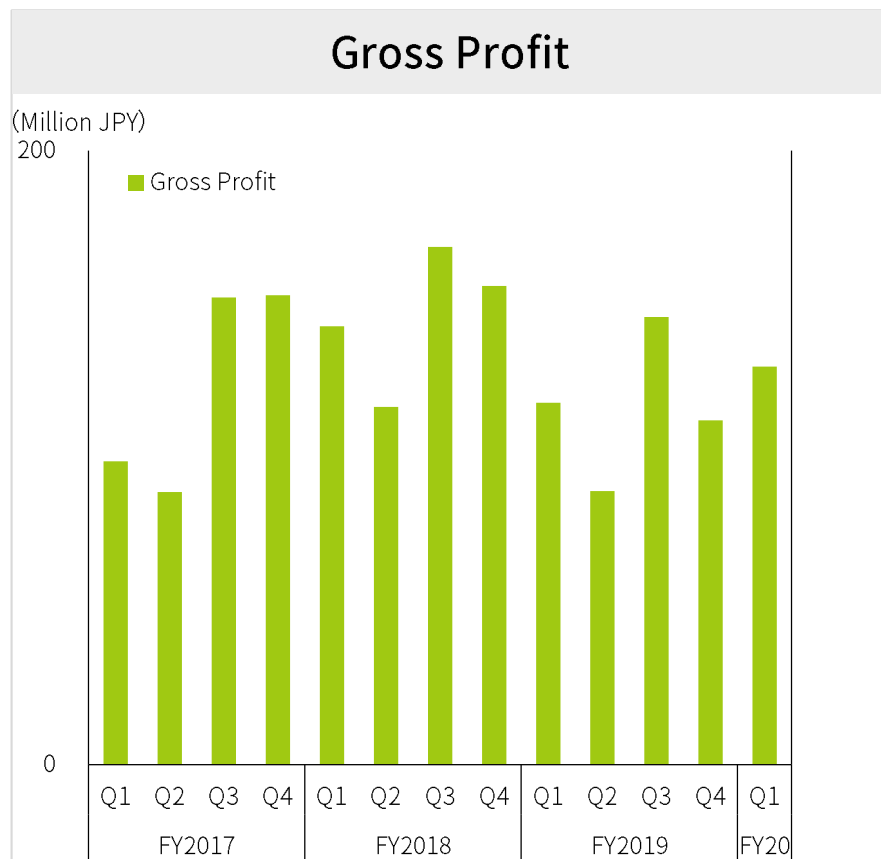
■ Operation Recovery and Pre-Tax Hike Rush Resulted in Revenue Increase



* Peak business period is March – April (Q3)

E-Commerce Business Quarterly KPI Trends

- E-Bike Needs Cause GP to Drop, Q1 Improved Upon Review of Variable Costs
- Turnover Improved From FY19Q3 Due to Measures Taken After Restructure



■ [Gross profit] = segment revenue – variable costs

* Variable costs = purchase + delivery + commission + subcontractor + consumables

■ [①Inventory turnover] = days during the period ÷ [②Inventory rate]

■ [②Inventory rate] = purchase costs ÷ [(beginning inventory + end inventory) ÷ 2]

4. Segment Topics

5. FY2020 Guidance

Segment Topics

Digital Market- ing Support

Hikkoshi Samurai

NEW

Moving-Related One-Stop Service “Marugoto Switch” Released

■ Service Overview:

A moving-related one-stop online service,
in cooperation with the Cabinet Secretariat

■ Future Objective:

To be able to apply for various processes related to
electricity, gas, water and other address updates online

■ Service Launch:

December 2, 2019

(Demonstration Period: December 2-24, 2019)



Hanayume

■ “Hanayume” New CM On Air

■ “Bridal Festival by Hanayume”
Held In Kansai and Fukuoka in
September and October



Segment Topics

Platform

Lalune

First Ever Incorporation of Menstrual / Ovulation AI

- Introduced AI to menstrual / ovulation predictions for premium members (monthly fee of 300 JPY)
- AI predictions based on user data improves the accuracy of menstrual predictions



Qiita

Qiita Advent Calendar 2019

- A posting event held yearly that specializes in programming-related articles
- Participants of 2018: 12,851 users



Qiita:Team

Awarded “ASPIC President Award”

- Awarded the “ASP・SaaS_Support Division” of the “ASPIC IoT・AI・Cloud Award 2019”



Segment Topics

Ent.

Revue Starlight Re -LIVE-

- Held “1st Anniversary Campaign” for 1 year anniversary on Oct 21
- First collaboration café “Revue Starlight Re -LIVE- Café 2019” opened on Oct 11



Unison League

- Held 5 year anniversary event starting Nov 27

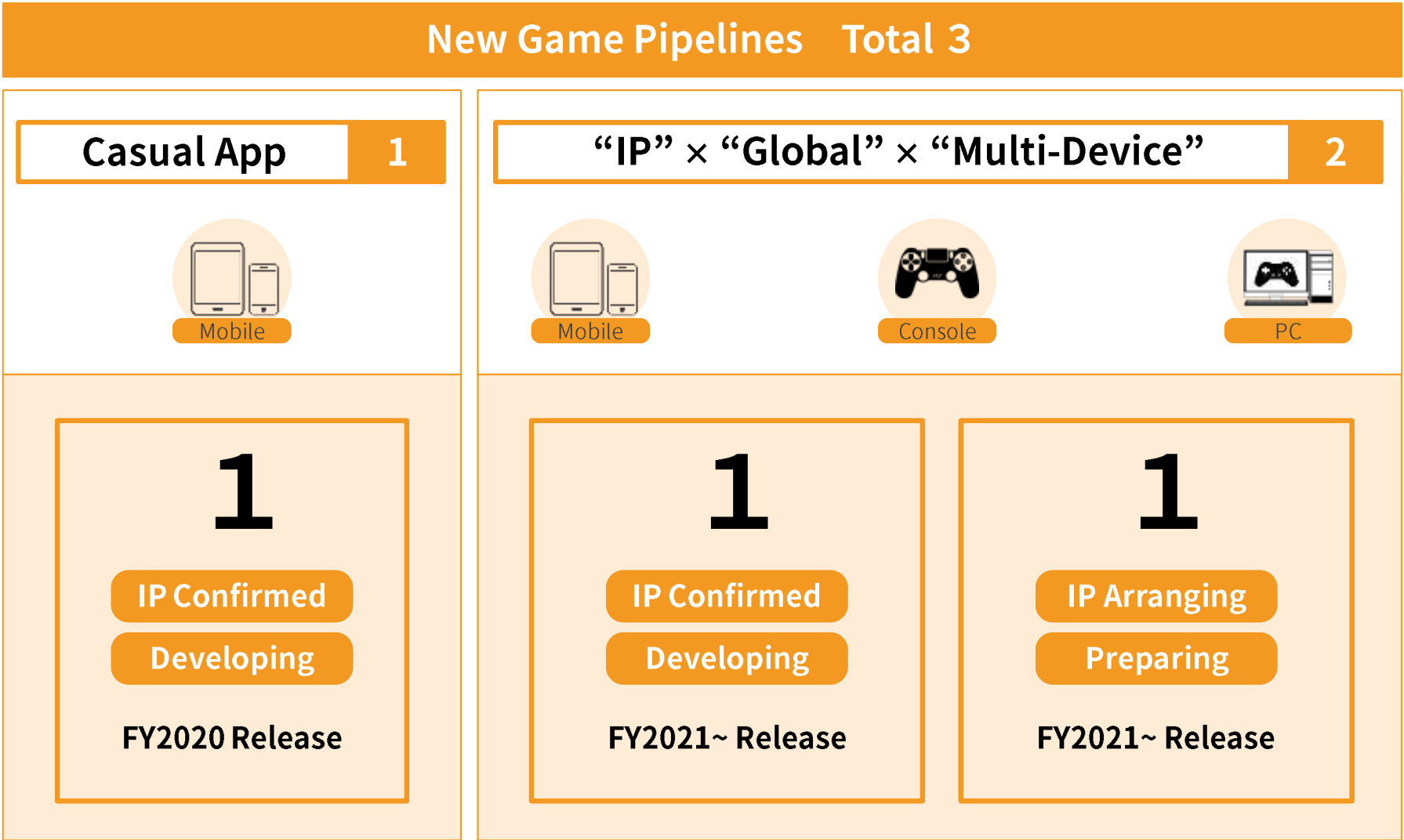


Valkyrie Connect

- Surpassed 18 million downloads worldwide



New Game Pipeline Developments



5. FY2020 Guidance

FY2020 Consolidated Financial Forecast

(Million JPY)

	FY2019 Results		FY2020 (Aug 2019 – Jul 2020)			
	Q1	Full-Year	Q1 Results	Full-Year Forecast	% of Revenue	Y/Y
Revenue	8,927	37,151	8,148	35,000	100.0%	94.2%
Lifestyle Support	5,173	22,525	5,521	25,000	71.4%	111.0%
Entertainment	3,243	12,577	1,989	8,000	22.9%	63.6%
EC	510	2,048	637	2,000	5.7%	97.7%
Operating Income	484	2,811	149	1,000	2.9%	35.6%
Lifestyle Support	642	3,137	471	2,500	7.1%	79.7%
Entertainment	274	1,532	43	0	-	-
EC	-63	-210	-50	-200	-	-
Other	-368	-1,648	-315	-1,300	-	-
Ordinary Income	507	2,809	144	1,000	2.9%	35.6%
Net Income	257	1,473	75	500	1.4%	33.9%

Initiatives and Notes on FY2020 Guidance

Overall

A Year of Growth & Endurance After Seed Stage

- Multiple “seeds” planted and nurtured simultaneously in hopes of the next catalyst
- Steadily preparing for large growth after FY2021

Lifestyle Support

Increase Revenue While Maintaining Profits for Existing Services; Accelerate Upfront Investment for New Services

- Existing: Bridal-related will continue to be a driving force for growth; others are entering maturity
- New: Forecasts based on the premise of accelerating investment prior to gradual top-line growth

Ent.

Focus on New Development Based on Policy Change; Partial Cost of New IP Game Development to be Expensed

- Existing: Aim to maximize efficiency and profitability. Forecasts based on recent KPI trends
- New: Development costs are incorporated into forecast based on current outlook

EC

Focus on Strategic Improvements to Achieve Profit by FY2022

- Realistic forecast based on recent KPI trends
- Costs related to optimization of product mix, turnover rate and continued fulfillment included

Notes on FY2020 Guidance

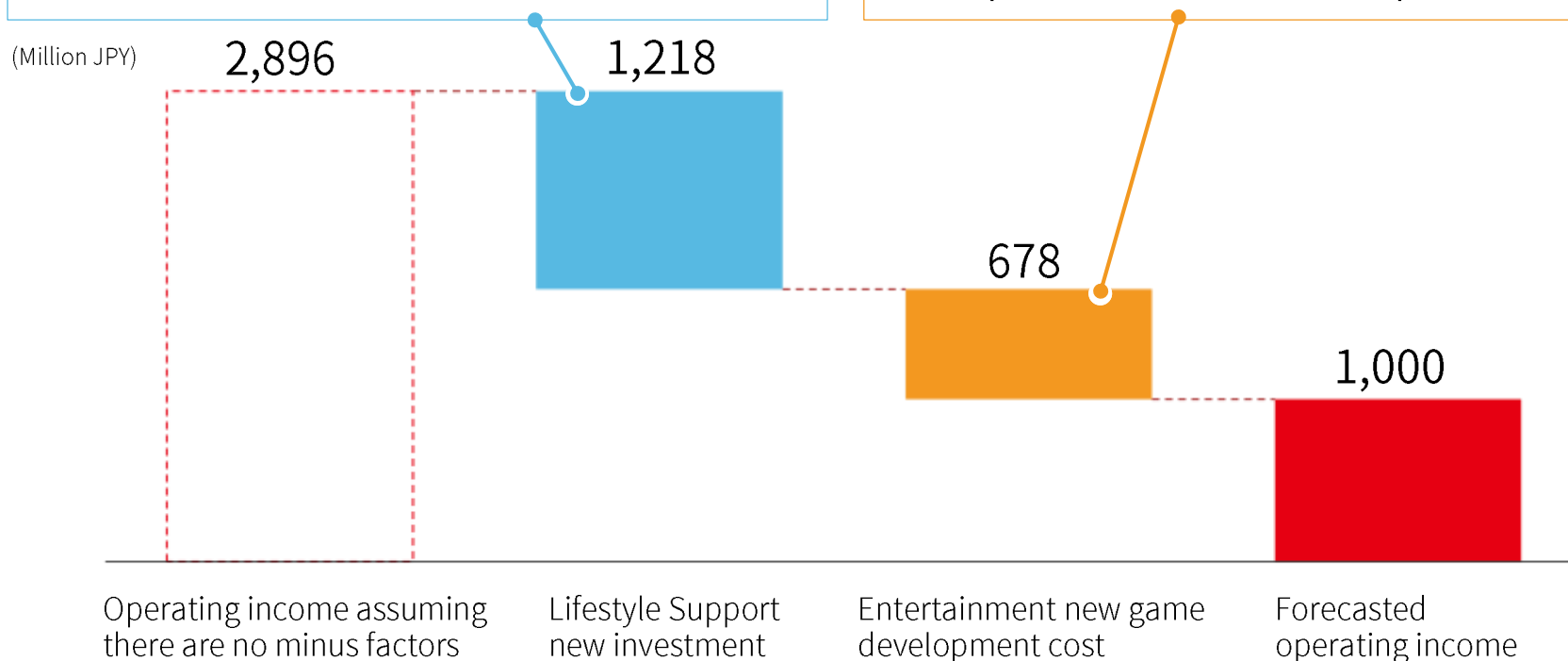
Temporary Increase in Expense Results in Abnormal Pressure on Profit

New Business Investment to Lower Profit

- From seed stage to growth stage
- Additional service releases in FY2020

Expense for New Collaboration Cost

- Unlike previous collaborations, part of development costs will be expensed rather than capitalized



FY2020 Year-End Dividend Forecast

■ Continue to Provide Stable Shareholder Returns Over the Long Term While Taking into Account Business Performance

	FY2016 Result		FY2017 Result		FY2018 Result	FY2019 Result	FY2020 Forecast
	Interim	Year-End	Interim	Year-End	Year-End	Year-End	Year-End
Date of allotment	01/31	07/31	01/31	07/31	07/31	07/31	07/31
Date of distribution	04/04	10/07	04/04	10/06	10/05	10/04	October
Dividend per share	5.0 JPY	7.5 JPY	5.0 JPY	22.0 JPY	32.5 JPY	16.0 JPY	16.0 JPY
Total dividend amount	239 million JPY		517 million JPY		640 million JPY	315 million JPY	-
Full-year payout ratio	18.2%		19.8%		19.1%	21.2%	-

*As of FY2018, full-year performance based dividend will be paid once annually due to the nature of business and profit biased in the second-half of the fiscal year

APPENDIX

Company Overview

Company Profile as of October 31, 2019

Company name	Ateam Inc.
Security code	3662:JP, TSE Section 1
Incorporated on	February 29, 2000
Headquarters	Nagoya, Japan
President	Takao Hayashi
Industry	Information & Communication
Sector	Internet, Mobile Game
Account settled in	July
Group companies (Fully owned subsidiaries)	8 (includes 1 overseas subsidiary)
Number of employees	1,042 (excludes directors & part-time employees)
Shares per unit	100 shares



Personal History of Takao Hayashi, President



1971.12.18 Born in Toki City, Gifu Prefecture, Japan

1982.12 Started computer programming

1987.03 Graduated from Tajimi Junior High School

1987.04 ~ Managed a private preparatory school and involved in part-time jobs of various types

1997.06 Founded Ateam as an unincorporated enterprise

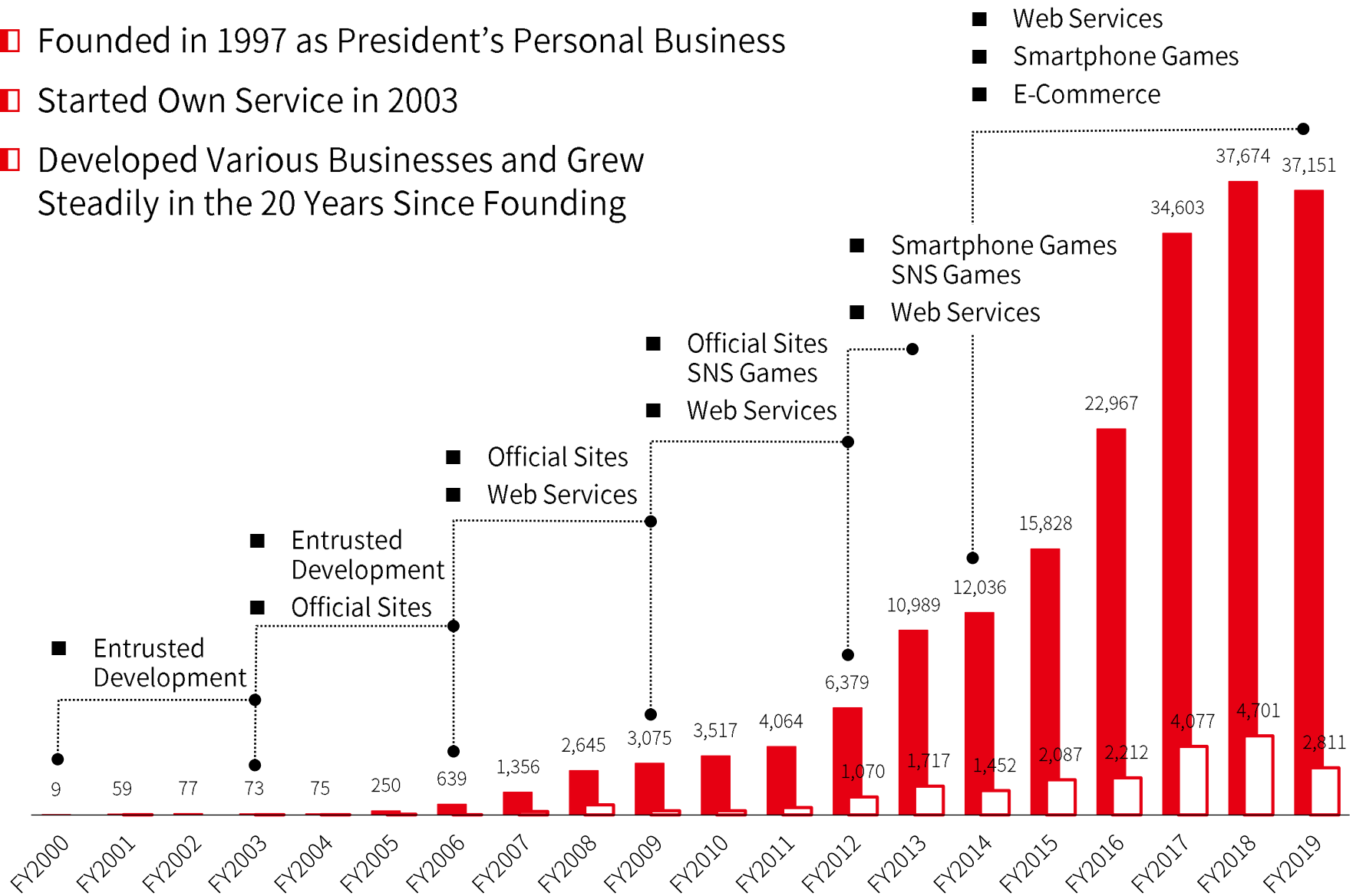
2000.02.29 Established Ateam Ltd.

2004.11.01 Organizational Change to Ateam Inc.

Company History

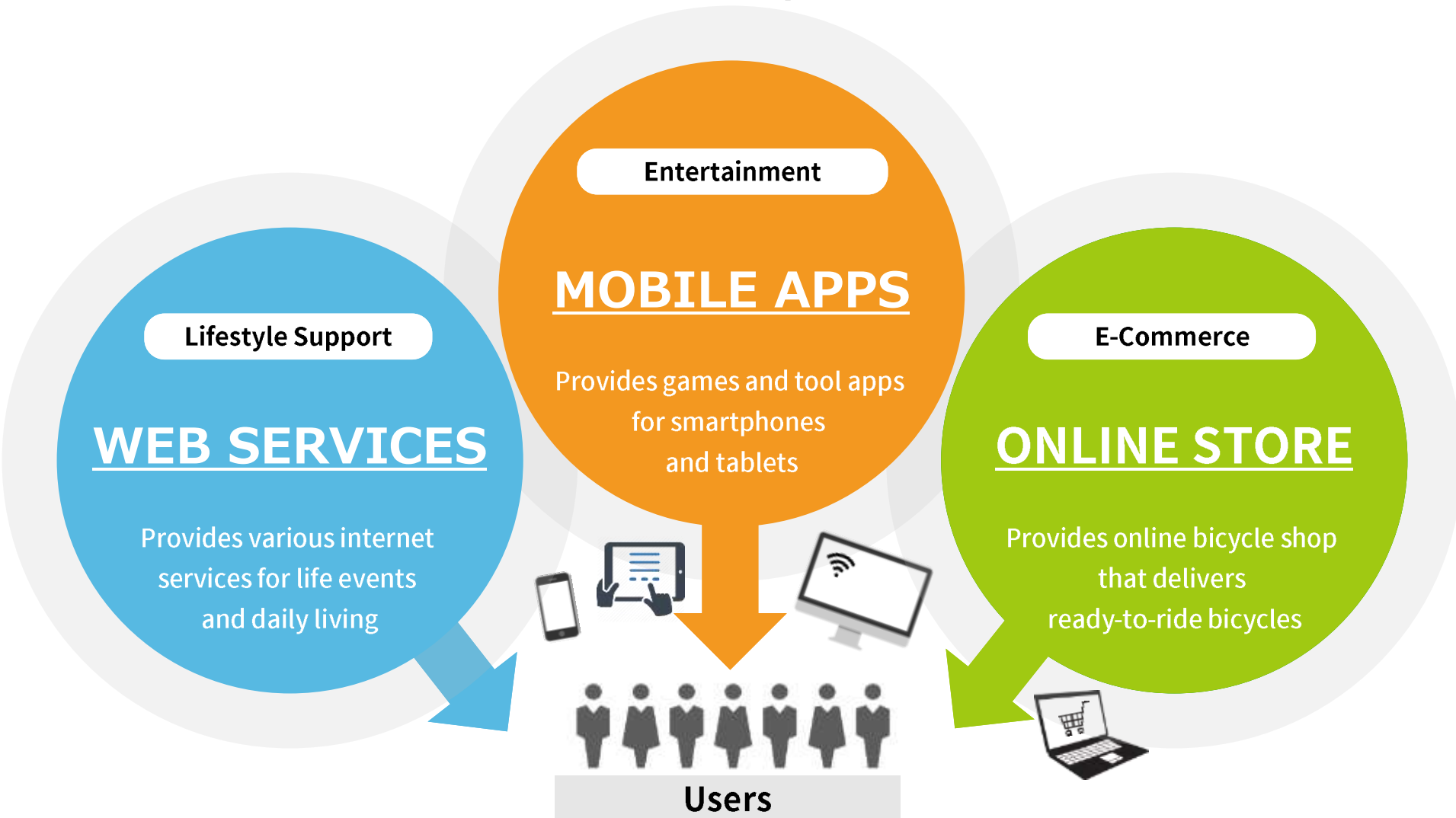
(Million JPY)

- Founded in 1997 as President's Personal Business
- Started Own Service in 2003
- Developed Various Businesses and Grew Steadily in the 20 Years Since Founding



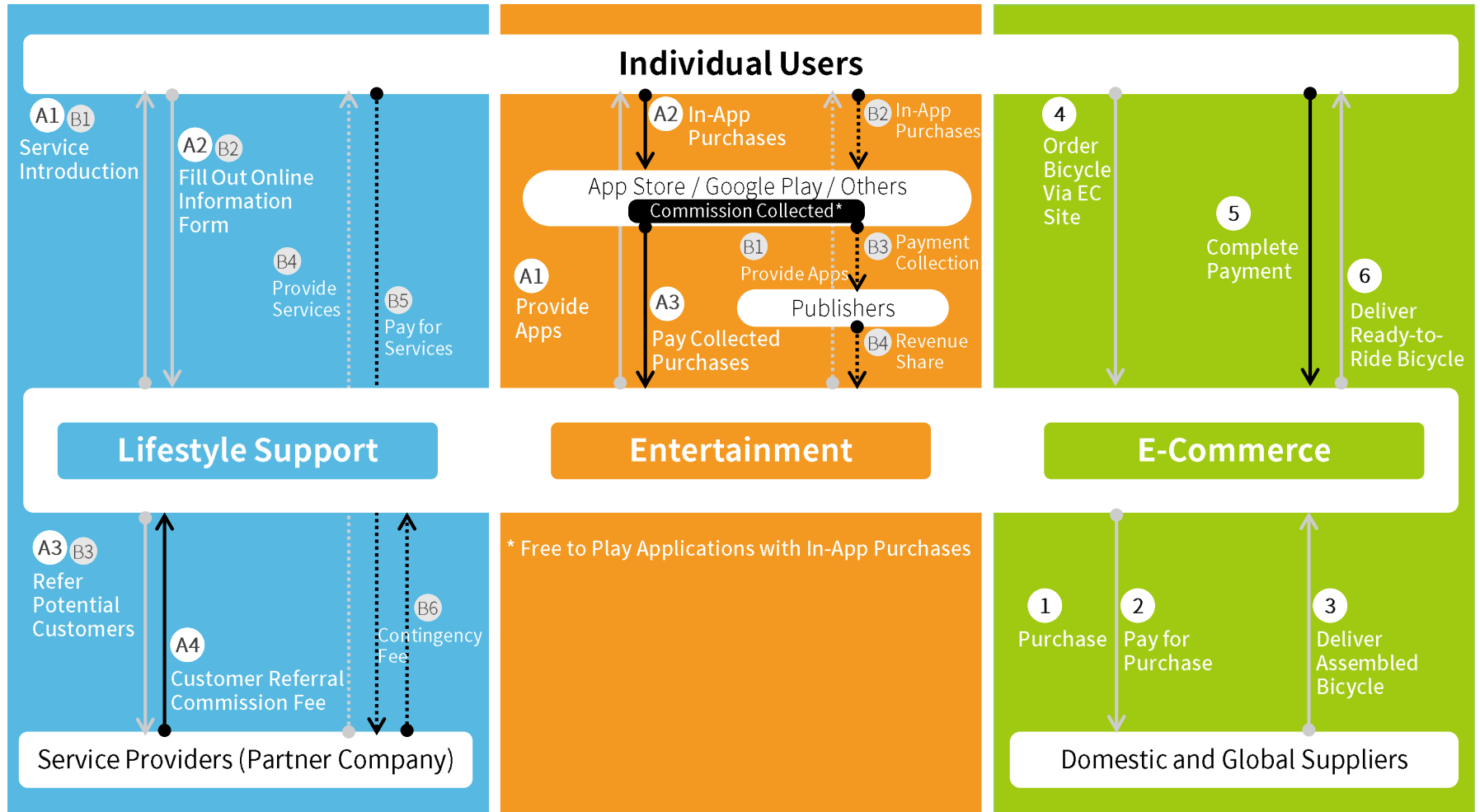
Our Businesses

Ateam Provides Various Services Through the Internet and Smart Devices



Business Models

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



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

Business Investment Strategy

Mission

Realize Mid- and Long-Term Vision While
Expediting Increase in Corporate Value

M & A

Companies Expected to Increase Ateam's Competitiveness

- Lifestyle Support: (e.g.) Companies or media that would increase our market share or synergize well with our existing businesses
- Entertainment: (e.g.) Media that can acquire more users globally
- EC: (e.g.) E-commerce companies or business other than bicycles

Companies in Industries with High Barriers to Entry

Capital Investment

Companies in Business Industries That Have High Uncertainty
But Have Large Future Potential

Companies That Will Develop Businesses Which Can Expect
Large Growth Utilizing Our Know-how

APPENDIX

Supplementary Financial Data

P/L (FY2018 Q1 - FY2020 Q1)

(Million JPY)

	FY2018				FY2019				FY2020
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Revenue	8,904	9,164	10,269	9,335	8,927	9,597	9,503	9,123	8,148
Q/Q (%)	-5.4	+2.9	+12.1	-9.1	-4.4	+7.5	-1.0	-4.0	-10.7
Lifestyle Support	3,954	4,313	5,580	5,107	5,173	5,191	6,013	6,147	5,521
Entertainment	4,315	4,319	3,876	3,656	3,243	4,005	2,865	2,462	1,989
E-Commerce	634	531	812	571	510	400	624	512	637
Cost of revenues	1,476	1,649	1,959	1,875	1,765	1,878	1,958	1,917	1,808
Cost rate (%)	16.6	18.0	19.1	20.1	19.8	19.6	20.6	21.0	22.2
Selling, G&A expenses	6,464	6,421	6,558	6,567	6,677	7,026	6,547	6,569	6,190
Selling, G&A expenses ratio (%)	72.6	70.1	63.9	70.4	74.8	73.2	68.9	72.0	76.0
Total cost and G&A expenses	7,940	8,071	8,517	8,443	8,442	8,904	8,505	8,486	7,998
Labor costs & recruitment expenses	1,025	1,089	1,195	1,443	1,435	1,463	1,529	1,604	1,581
Promotional expenses	3,600	3,866	3,730	3,609	3,931	3,980	3,726	3,410	3,600
Promotional expenses ratio (%)	40.4	42.2	36.3	38.7	44.0	41.5	39.2	37.4	44.2
Lifestyle Support	2,302	2,472	2,973	2,637	2,959	2,972	3,208	3,111	3,336
Entertainment	1,150	1,244	560	829	835	910	396	212	179
E-Commerce	93	79	106	50	54	44	63	36	46
Commissions, etc.	1,588	1,572	1,561	1,395	1,304	1,592	1,289	1,201	1,047
Subcontractor expenses, server fees	532	518	620	605	605	646	661	660	548
Office rental fees, utility expenses	249	251	288	291	292	293	296	296	287
Other expenses	945	773	1,121	1,096	873	928	1,001	1,313	933
Operating income	963	1,093	1,752	892	484	692	998	636	149
Q/Q (%)	-26.3	+13.4	+60.3	-49.1	-45.7	42.8	44.1	-36.3	-76.4
Lifestyle Support	550	686	1,077	762	642	643	1,065	786	471
Entertainment	865	884	1,199	638	274	610	372	274	43
E-Commerce	-44	-68	-77	-21	-63	-67	-34	-44	-50
Others	-407	-483	-446	-487	-368	-493	-405	-380	-315
Operating income margin (%)	10.8	11.9	17.1	9.6	5.4	7.2	10.3	7.0	1.8
Ordinary income	980	1,096	1,775	877	507	661	1,008	632	144
Net income	678	754	1,217	655	257	484	358	373	75

P/L (FY2014 - FY2019)

(Million JPY)

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	Y/Y(%)
Revenue	12,036	15,828	22,967	34,603	37,674	37,151	-1.4
Y/Y (%)	9.5	31.5	45.1	50.7	8.9	-1.4	—
Lifestyle Support	5,834	7,557	9,193	13,342	18,955	22,525	18.8
Entertainment	6,169	7,914	12,559	19,259	16,168	12,577	-22.2
E-Commerce	32	356	1,214	2,001	2,550	2,048	-19.7
Cost of revenues	2,132	2,389	3,615	5,669	6,960	7,518	8.0
Cost rate (%)	17.7	15.1	15.7	16.4	18.5	20.2	+1.7
Selling, G&A expenses	8,451	11,351	17,139	24,855	26,012	26,820	+3.1
Selling, G&A expense ratio (%)	70.2	71.7	74.6	71.8	69.0	72.2	+3.2
Total cost and G&A expenses	10,583	13,740	20,755	30,525	32,973	34,337	+4.1
Labor costs & recruitment expenses	2,638	2,798	3,250	3,807	4,754	6,032	+26.9
Promotional expenses	4,279	6,430	9,335	14,018	14,805	15,048	+1.6
Promotional expenses ratio (%)	35.6	40.6	40.6	40.5	39.3	40.5	+1.2
Lifestyle Support	3,422	4,578	5,109	7,547	10,385	12,251	+18.0
Entertainment	789	1,651	3,748	5,895	3,785	2,355	-37.8
E-Commerce	8	61	221	335	330	200	-39.3
Commissions, etc.	1,737	2,586	4,592	7,318	6,117	5,387	-11.9
Subcontractor expenses, server fees	826	785	1,035	1,198	2,277	2,574	+13.1
Office rental fees, utility expenses	420	433	728	879	1,080	1,179	+9.2
Other expenses	682	706	3,340	3,303	3,937	4,115	+4.5
Operating income	1,452	2,087	2,212	4,077	4,701	2,811	-40.2
Y/Y (%)	-15.4	43.8	6.0	84.3	15.3	-40.2	—
Lifestyle Support	840	1,298	1,637	1,929	3,076	3,137	+2.0
Entertainment	1,409	1,770	2,297	3,820	3,587	1,532	-57.3
E-Commerce	-34	-115	-172	-178	-211	-210	-0.9
Others	-762	-865	-1,549	-1,493	-1,751	-1,648	-5.9
Operating income margin	12.1	13.2	9.6	11.8	12.5	7.6	-4.9
Ordinary income	1,470	2,164	2,094	4,118	4,730	2,809	-40.6
Pre-tax income	1,364	2,091	1,858	3,854	4,732	2,354	-51.3
Net income	807	1,362	1,292	2,579	3,306	1,473	-55.4

B/S (FY2014 - FY2019)

(Million JPY)

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Assets						
Current assets*	3,973	6,257	6,827	9,613	11,488	11,543
Cash and cash equivalents	2,217	3,097	3,505	5,004	5,984	6,713
Non-current assets*	1,531	1,399	2,759	3,527	5,214	5,729
Tangible assets	120	125	1,321	1,666	1,684	1,711
Intangible assets	355	460	622	507	2,070	1,522
Investments and other assets*	1,055	814	815	1,353	1,459	2,495
Total assets	5,504	7,656	9,586	13,140	16,702	17,273
Liabilities						
Current liabilities	1,305	3,648	4,127	5,202	4,464	4,031
Non-current liabilities	0	0	387	481	583	730
Total liabilities	1,305	3,648	4,514	5,683	5,047	4,761
Interest-bearing liabilities	0	1,700	1,166	632	186	0
Net assets						
Shareholder's equity	4,130	3,900	4,971	7,361	11,566	12,452
Treasury stock	0	-1,403	-1,222	-1,177	-481	-438
Stock option	67	108	100	96	85	85
Total net assets	4,198	4,008	5,072	7,456	11,655	12,511
Total liabilities and net assets	5,504	7,656	9,586	13,140	16,702	17,273

* 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

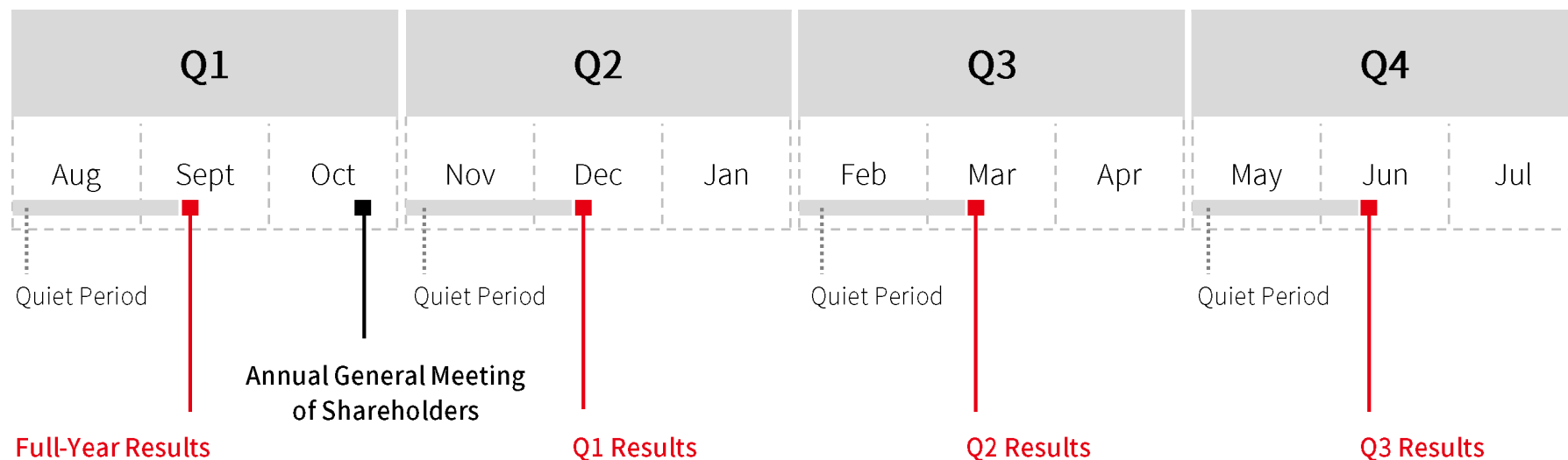
Others (FY2014 - FY2019)

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Number of shares issued (year-end)	19,349,200	19,405,600	19,450,000	19,469,800	19,738,200	19,756,200
Treasury stock (shares)	0	580,020	302,562	302,562	35,562	35,562
Average number of shares during the FY	19,255,641	19,310,191	18,846,317	18,904,872	19,401,921	19,510,259
EPS (JPY)	41.96	70.54	68.58	136.45	170.40	75.52
EPS Y/Y (%)	-23.8	45.6	-2.8	+99.0	+24.9	-55.7
ROA (Ordinary income on total assets, %)	29.0	32.9	24.3	36.2	31.7	16.5
Net assets per share (JPY)	213.5	207.2	263.4	389.0	593.7	636.32
Dividend per share (JPY)	10.00	12.50	12.50	27.00	32.50	16.00
Interim dividend (JPY)	5.00	5.00	5.00	5.00	0.00	0.00
Total dividend amount (JPY)	192	238	239	517	640	315
Payout ratio (%)	23.8	17.7	18.2	19.8	19.1	21.2
Shareholder's equity ratio (%)	75.0	50.9	51.9	56.0	69.2	72.1
Equity ratio (%)	75.1	50.9	51.9	56.0	69.3	71.9
ROE (%)	21.2	33.9	29.1	41.8	34.9	12.3
ROIC (=①÷②, %)	20.8	21.0	25.1	34.1	27.9	14.1
① Net operating income after taxes	859	1,178	1,539	2,729	3,284	1,759
② Invested capital (=③+④)	4,130	5,600	6,137	7,993	11,755	12,452
③ Shareholder's equity	4,130	3,900	4,971	7,361	11,566	12,452
④ Short-term loans payable	0	1,700	1,166	632	186	0

* 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

IR Schedule & Contact Information

Yearly Schedule



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Ateam IR Facebook Page: <https://www.facebook.com/ateamir/>

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



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