

2024.9.6

# FY2024 Business Report

**Ateam Inc. (Security code: 3662)** 

- 1. FY2024 Full-Year Consolidated Financial Results
- 2. FY2024 Q4 Financial Results
- 3. FY2024 Q4 Business Details
- 4. FY2025 Guidance
- 5. Growth Strategy and M&A Progress

APPENDIX: Company Overview

APPENDIX: Supplementary Financial Data

### Executive Summary

FY2024 Full-Year Summary Revenue

23,917 million JPY

Y/Y 86.8%

**Operating Income** 

562 million JPY

Y/Y 103.4%

**Net Income** 

953 million JPY

Y/Y 665.1%

- Revenue down and profit up Y/Y, with significant growth in net income from the previous year.
- Sluggish revenue due to the divergence of hypercasual games revenue from the plan and changes in the external environment for Lifestyle Support Business, etc.
- Operating income secured through cost optimization.

FY2024 Q4 Summary

> (May 2024 – Jul 2024)

Revenue

5,736 million JPY

Y/Y 91 .0% Q/Q 91.5%

**Operating Income** 

418 million JPY

Y/Y 245.4% Q/Q 126.6%

**Net Income** 

376 million JPY

Y/Y 265.5% Q/Q 48.8%

- Revenue down and profit up both Y/Y and Q/Q. Profit from the Lifestyle Support Business contributed to the growth of operating income while we successfully reduced the deficit in E-Commerce.
- Profit secured through drastic and optimized cost management despite sluggish revenue.

FY2025 Forecast **Full-Year Forecast** 

Revenue

25,000

million JPY

**EBITDA** 

1,250

million JPY

Operating Income

Net Income

1,000 million JPY

560 million JPY

Year-End Dividend Forecast

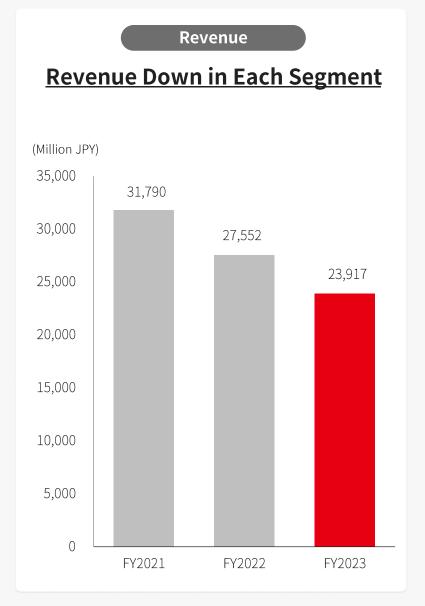
> Ordinary Dividend

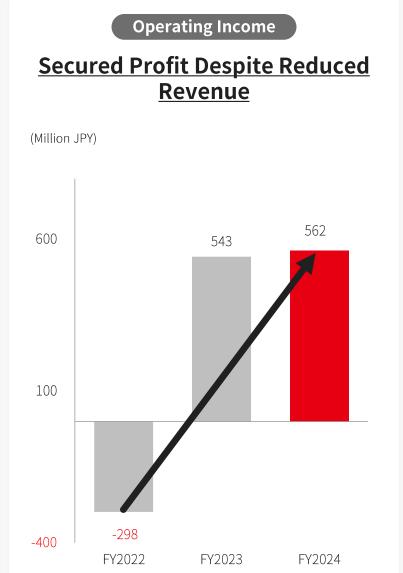
> > **22** JPY

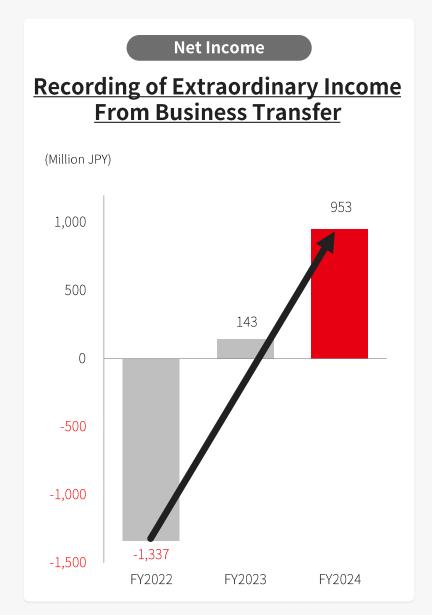
- We aim to secure profit by strengthening business management in FY2025 as the first year of our mediumterm business plan (FY2025 – FY2028).
- Anticipating continued profit growth going forward, we forecast the ordinary dividend to be 22 JPY.
- The payout ratio based on the forecast is 72.9%.

# 1. FY2024 Full-Year Consolidated Financial Results

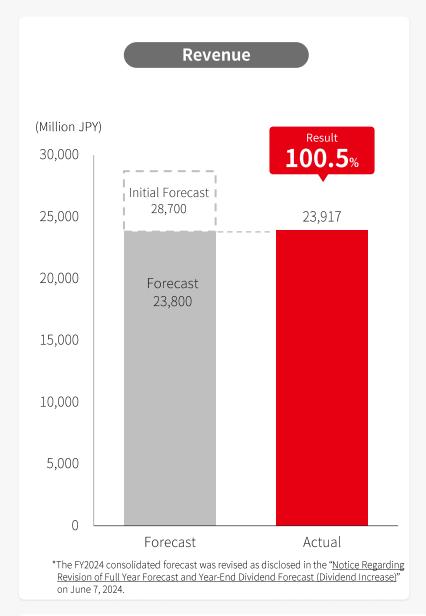
### FY2024 Full-Year Financial Summary (Aug 2023 – Jul 2024)

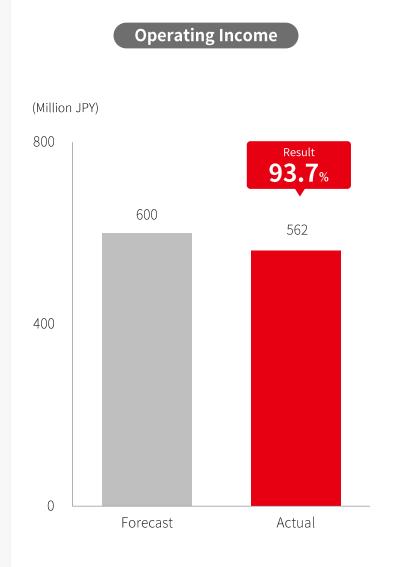


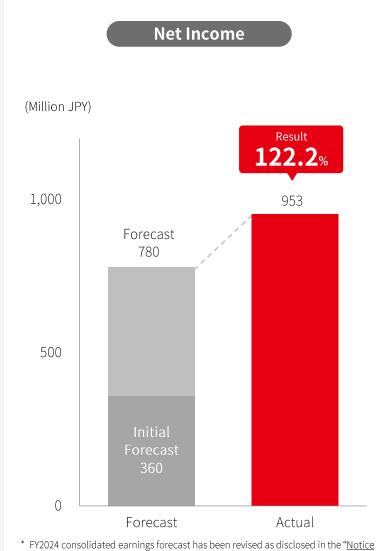




### Results Compared With Consolidated Forecast



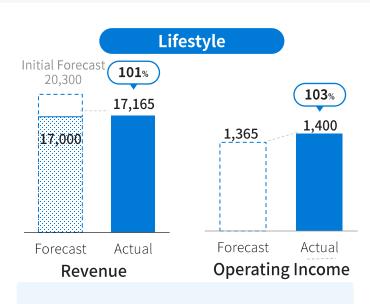




<sup>\*</sup> FY2024 consolidated earnings forecast has been revised as disclosed in the "<u>Notice Regarding Expected Recording of Extraordinary Income and Revision of Full-Year Forecast (Upward Revision)</u>" on October 24, 2023.



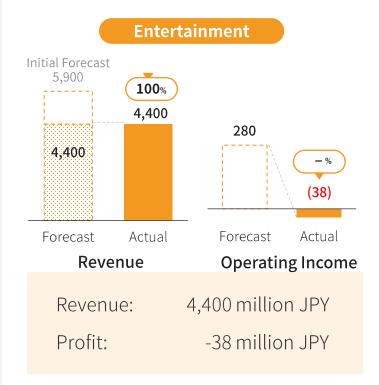
### FY2024 Full-Year Financial Summary by Segment (Aug 2023 – Jul 2024)



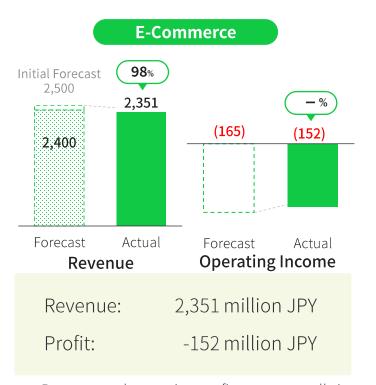
Revenue: 17,165 million JPY

Profit: 1,400 million JPY

- Revenue was in line with the revised forecast, although it fell below the initial revenue forecast. This was mainly due to a decrease in SEO-related acquisition numbers resulting from Google's core algorithm update.
- We secured operating income through cost optimization including advertising costs.



- Revenue was in line with the revised forecast, although it fell below the initial revenue forecast. This was due to a gradual decrease in the revenue of existing titles and the divergence of hypercasual games revenue from the plan.
- The segment reported a loss because the impact of decreased profit resulting from reduced revenue was greater than that of our efforts to secure profit through the improved efficiency of game app management and collaborative projects.



 Revenue and operating profit were generally in line with the initial forecast because we acquired lujo and OBREMO clients in line with the plan. 2. FY2024 Q4 Financial Results

FY2024 Business Report Ateam Inc. (Security code: 3662)

Revenue Down and Profit Up Y/Y and Q/Q. Profit Secured Stably Through Drastic and Optimized Cost Management Despite Sluggish Revenue, Resulting in Significant Profit Growth

Revenue

5,736 million JPY (Y/Y 91.0%, Q/Q 91.5%) **Operating Income** 

418 million JPY (Y/Y 245.4%, Q/Q 126.6%) **Net Income** 

376 million JPY (Y/Y 265.5%, Q/Q 48.8%)

**Overall** 

FY2024 Financial Summary (May 2024 – Jul 2024)

# Revenue Down and Profit Up Y/Y and Q/Q Operating Income Secured Through Cost Optimization Despite Sluggish Revenue

- Revenue was sluggish due to the divergence of hypercasual game revenue from the plan and changes in external environment for the Lifestyle Support Business, etc.
- We secured operating income through cost optimization implemented for the entire group.

|                  | FY2024 | FY2023 | V/V    | FY2024 | 0/0    | FY2024   |               | Achievement |
|------------------|--------|--------|--------|--------|--------|----------|---------------|-------------|
| (Million JPY)    | Q4     | Q4     | Y/Y    | Q3     | Q/Q    | Forecast | est Actual Ra |             |
| Revenue          | 5,736  | 6,307  | 91.0%  | 6,266  | 91.5%  | 23,800*1 | 23,917        | 100.5%      |
| Operating Income | 418    | 170    | 245.4% | 330    | 126.6% | 600      | 562           | 93.7%       |
| Ordinary Income  | 396    | 289    | 137.0% | 346    | 114.5% | 600      | 609           | 101.5%      |
| Net Income       | 376    | 141    | 265.5% | 771    | 48.8%  | 780*2    | 953           | 122.2%      |

<sup>\*1:</sup> Disclosed in "Notice Regarding Revision of Full Year Forecast and Year-End Dividend Forecast (Dividend Increase)" dated June 7, 2024.

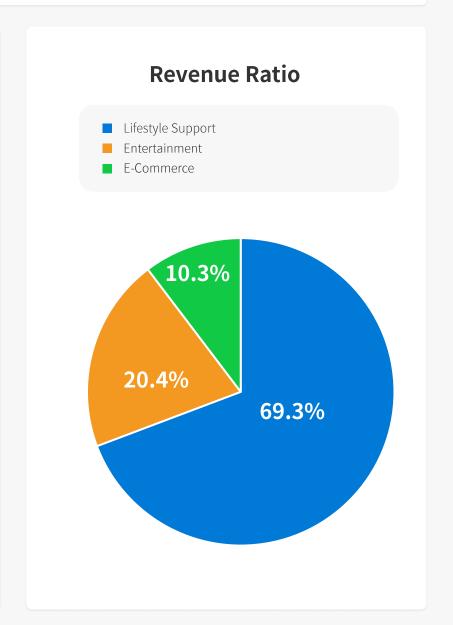
<sup>\*2:</sup> Disclosed in "Notice Regarding Expected Recording of Extraordinary Income and Revision of Full-Year Forecast (Upward Revision)" dated October 24, 2023.



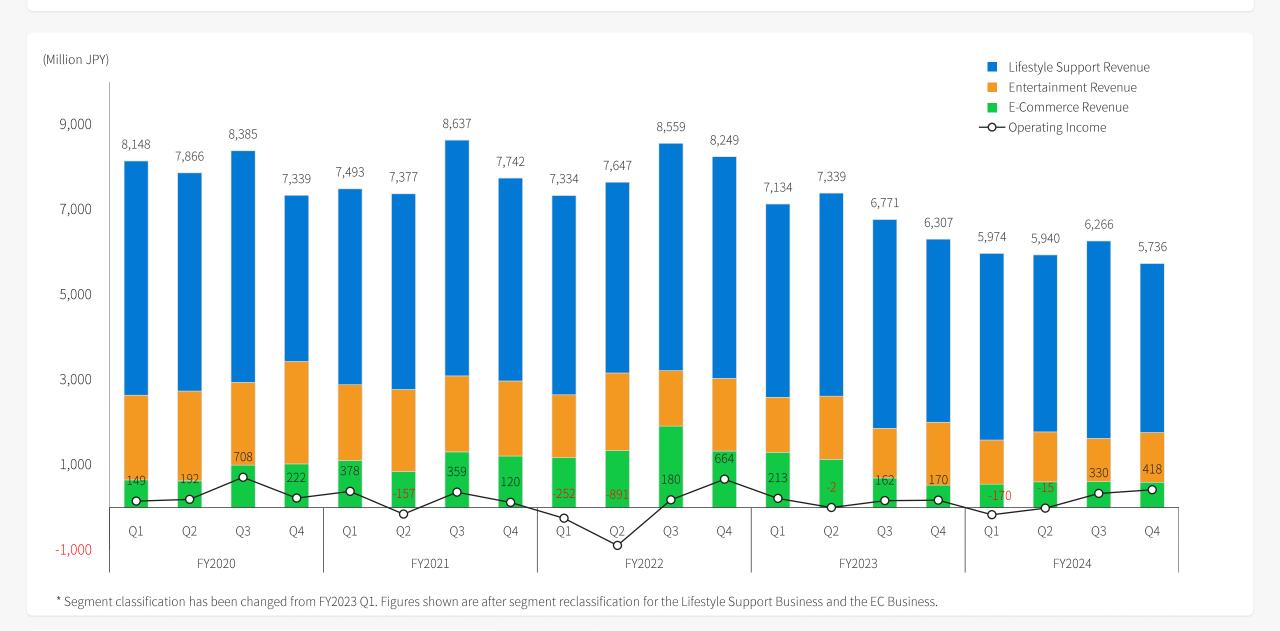
FY2024 Financial Summary (May 2024 – Jul 2024)

## **Performance Report by Segment**

| (Million IDV)        |        | Revenue |        | Profit |         |        |  |
|----------------------|--------|---------|--------|--------|---------|--------|--|
| (Million JPY)        | Actual | Y/Y     | Q/Q    | Actual | Y/Y     | Q/Q    |  |
| Lifestyle<br>Support | 3,972  | 92.3%   | 85.6%  | 480    | 169.5%  | 79.1%  |  |
| Entertainment        | 1,171  | 79.4%   | 115.2% | 81     | 57.9 %  | - %    |  |
| E-Commerce           | 592    | 112.3%  | 97.6%  | -1     | - %     | - %    |  |
| Total                | 5,736  | 91.0%   | 91.5%  | 418    | 245.5 % | 126.6% |  |



### Consolidated Quarterly Financial Trends

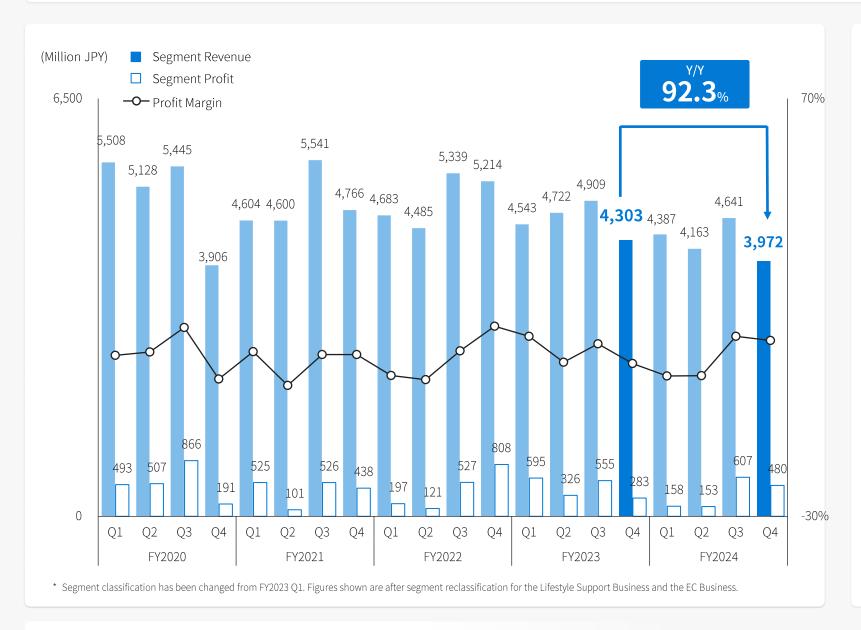


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3. FY2024 Business Details

### Lifestyle Support Business: Performance Trends



### **Main Variable Factors**

|                  | Revenue | Profit |
|------------------|---------|--------|
| Financial Media  | ×       | ×      |
| Car              |         | 0      |
| Moving           | ×       |        |
| HR Media         | 0       | ×      |
| Bridal           | 0       |        |
| Insurance Agency | ×       | 0      |
| Qiita            | 0       | 0      |

More than +10%

<sup>△</sup> Less than -10%

O Less than +10%

<sup>×</sup> More than -10%

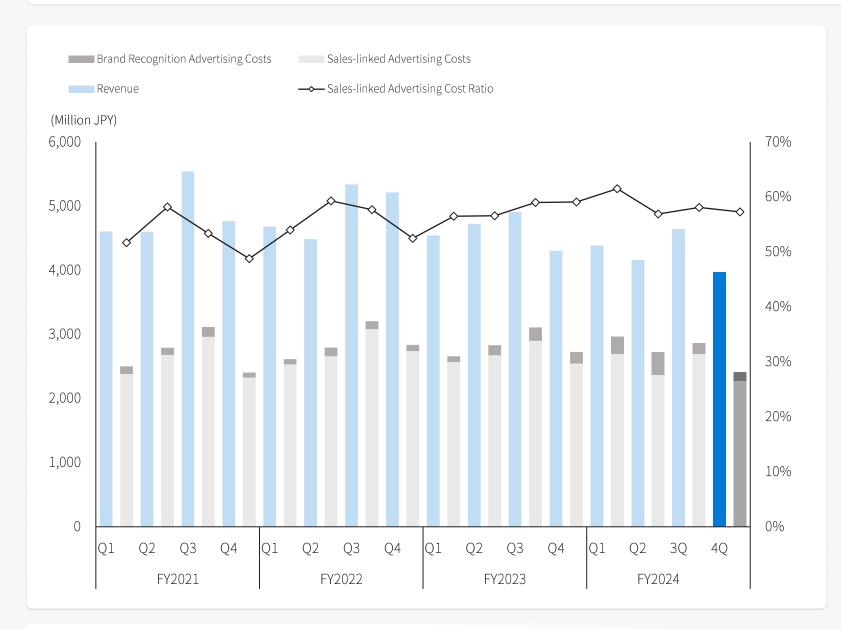
<sup>\*</sup> Y/Y growth rate

Digital Marketing Support Business: Main Variable Factors

### **Main Variable Factors**

| Business         | External Environment  | Current State   |
|------------------|---|---|
| Financial Media  | Google's core algorithm update and major clients' reduced budgets.                          | Revenue and profit decreased Y/Y and Q/Q due to a decrease in acquisition numbers resulting from Google's core algorithm update and clients' reduced budgets.   |
| Car              | Used car prices remain relatively high despite a decline due to recovery in new car market. | Successful expansion of customer attraction channels and improvement of customer attraction on the web resulted in an increase in numbers and significant growth in revenue and profit Y/Y.   |
| Moving           | Market remained generally flat. Google's core algorithm update.                             | Revenue decreased due to a decline in user numbers based on the impact of Google's core algorithm update on SEO acquisition. On the other hand, profit increased due to reduced loss related to suspension of customer referrals to electricity utility companies and telecommunication carriers. |
| HR Media         | Market environment remains favorable, with high demand from both companies and job seekers. | Revenue remained flat Y/Y and operating income significantly decreased due to the declining trend in acquisition numbers associated with a lower SEO rating.  |
| Bridal           | Market has recovered to 80% of pre-COVID-19 levels.   | Profit increased Y/Y due to revenue increasing Y/Y as well as improving investment efficiency by reducing advertising costs. Losses decreased significantly.  |
| Insurance Agency | Special demand in relation to COVID-19 has subsided and the market remains flat.            | Revenue decreased Y/Y due to a fall in acquisition numbers resulting from reduced advertising costs. Profit rose and losses decreased Y/Y due to the optimization of advertising and other costs.   |

### Digital Marketing Support Business: Quarterly Advertising Cost Trend



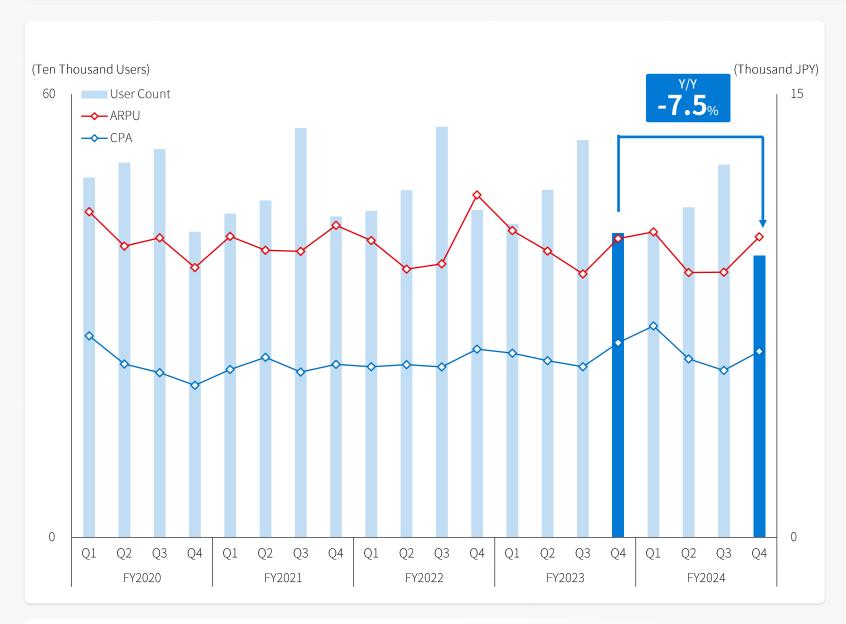
- Tracking of the costeffectiveness for customer acquisition by separating advertising spend (e.g. web ads) from brand-building expenditures
- Advertising costs and the sales-linked advertising cost ratio decreased Q/Q and Y/Y as revenue rose

[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] Sales-linked Advertising Costs ÷ Revenue

### Digital Marketing Support Business: KPI Trends



- The user count decreased slightly by 7.5% Y/Y
- The user count decreased Q/Q because Q3 is our peak period

#### [Six Main Services]

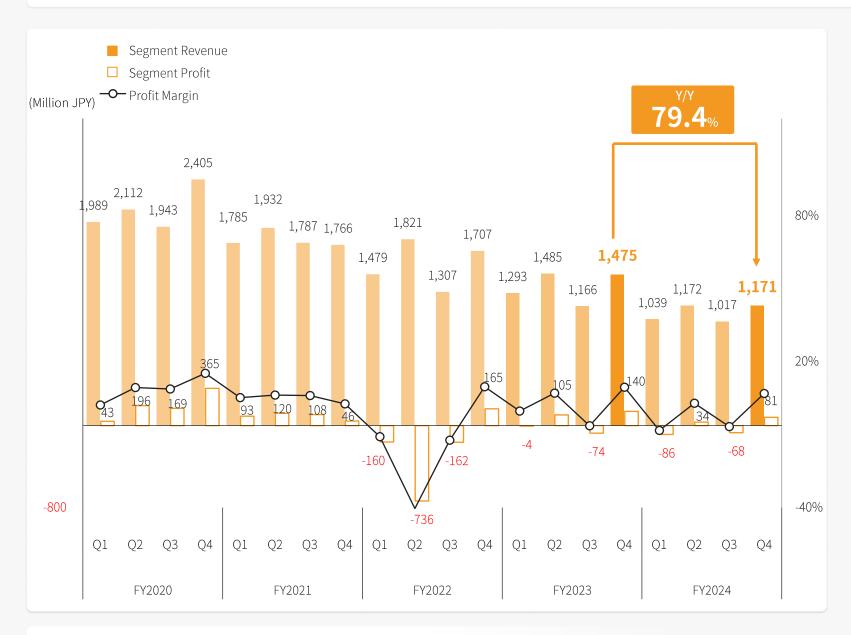
Moving/Moving-Adjacent Services, Car Services, Bridal Services, Financial Media, Human Resources Media, and Insurance Agency Service

 $\label{prop:count} \begin{tabular}{ll} \hline (\textcircled{1} User Count] = total users that generated segment revenue in six main sub-segment businesses \end{tabular}$ 

[②ARPU: Average Revenue Per User] = segment revenue  $\div$  [①User Count]

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

### Entertainment Business: Performance Trends



### **Main Variable Factors**

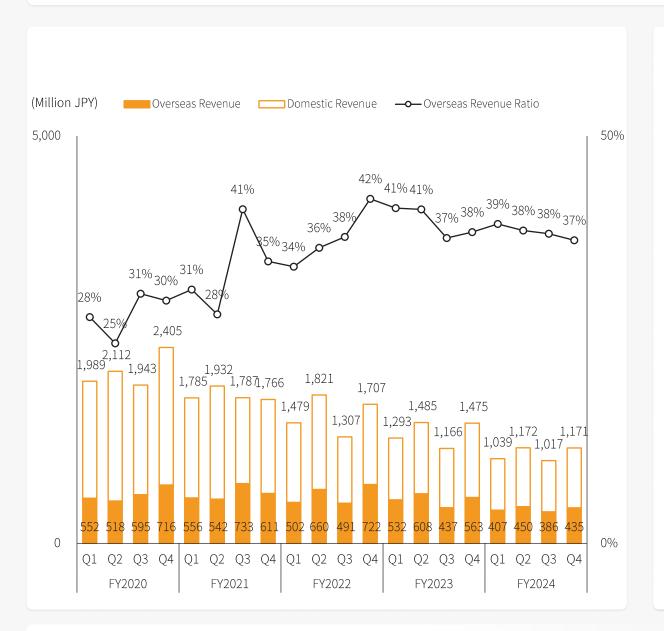
#### Revenue

 Overall, revenue continued to decline Y/Y due to the downward trends for existing titles

### **Profit**

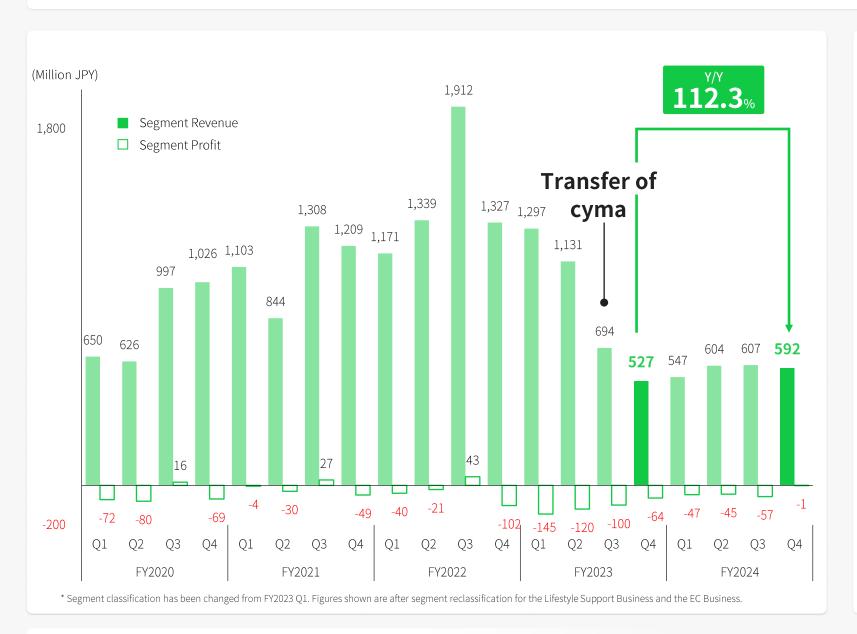
 Despite continued efficient management of existing titles and curbing of costs, profit decreased Y/Y due to reduced segment revenue

### **Entertainment Business: Overseas Revenue Ratio Trends**



| Region: | Japan | US | EU  | TW<br>HK    | KR | SE<br>Asia |
|---------|-------|----|-----|-------------|----|------------|
| 80      |       | •  |     | •           | •  | •          |
|         |       |    |     |             | •  | •          |
|         |       | •  |     |             | •  | •          |
|         | •     |    |     | •           |    |            |
|         | •     |    |     | •           |    |            |
|         | •     |    | Eng | glish Versi | on |            |
|         | •     |    | Eng | glish Versi | on |            |

### **E-Commerce Business: Performance Trends**



### **Main Variable Factors**

#### Revenue

Revenue for the cosmetic brand lujo and pet food brand OBREMO increased Y/Y due to an increase in customers

#### **Profit**

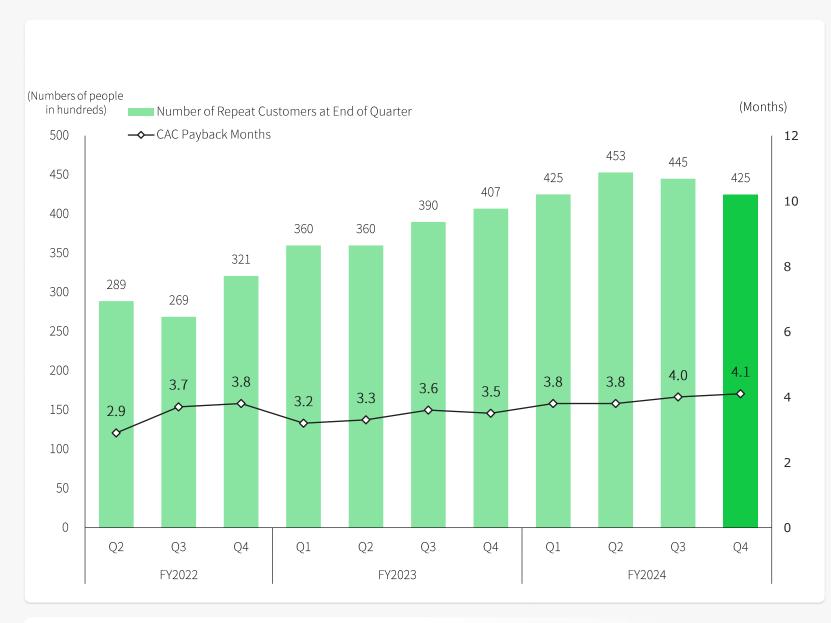
Profit increased Y/Y due to increased revenue from lujo and **OBREMO** 

<sup>\*</sup> Online bicycle business which operates online bicycle store was transferred on March 1, 2023. For more details, please refer to the related announcement.

<sup>\*</sup> Cosmetic brand "lujo" was launched on March 10, 2020.

<sup>\*</sup> Pet food brand "OBREMO" was launched on August 30, 2021.

### E-Commerce Business: KPI Trends



- The number of customers decreased slightly Q/Q due to cost optimization
- CAC payback months will be kept constant to some extent while maintaining efficiency

- \* The graph covers data available from FY2022 Q2.
- \* The data is the aggregation of "lujo" and "OBREMO."

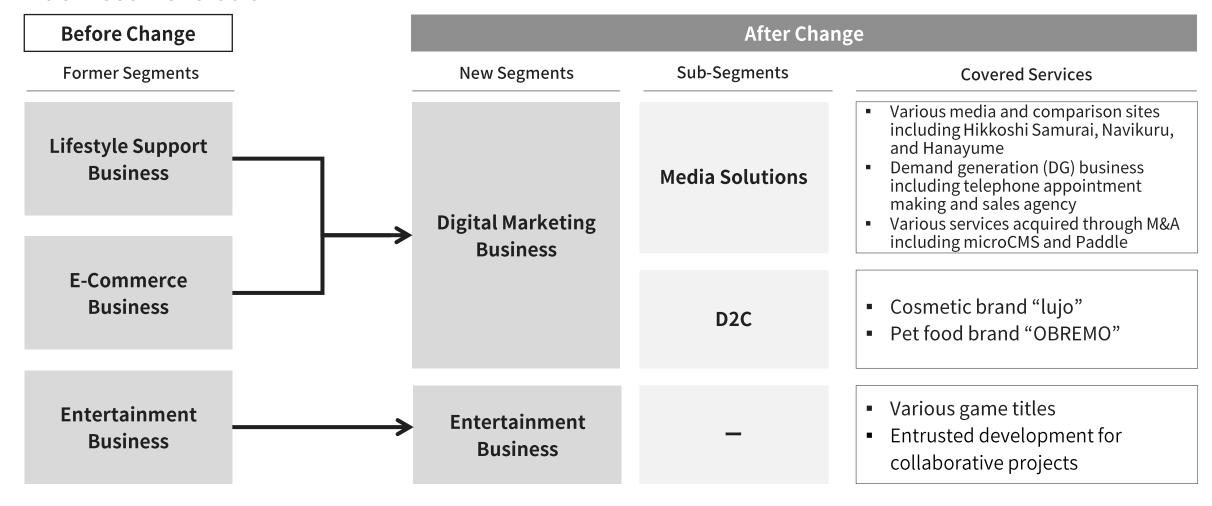
[Number of Repeat Customers at End of Quarter]
The number of repeat customers as of the end of quarter

[CAC]

Customer Acquisition Cost: The acquisition cost per customer

[CAC Payback Months] CAC ÷ Marginal profit per customer 4. FY2025 Guidance

### Change of Business Segments to Enhance Business Management Through Optimum **Business Portfolio**



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Roles and Management Policies of Each Business Aimed at Reducing Risks and Volatility

# Reorganized Roles and Management Policies of Existing Businesses to Generate Stable Profits Under the Following Policies:

| Segments                      | Sub-Segments    | Roles  | Management Policies   |  |  |
|-------------------------------|-----------------|--|---|--|--|
| Digital Marketing<br>Business | Media Solutions | <ul> <li>Further accumulating expertise in customer attraction while generating stable revenue with digital marketing</li> <li>Driving growth through customer attraction support services by combining media, DG (call centers), SaaS, and other services</li> </ul>                            | <ul> <li>We will generate stable profits from comparison sites and media as a base.</li> <li>We will invest appropriately in business support services for corporate clients acquired through M&amp;A, DG (call centers) and Qiita to achieve revenue growth.</li> </ul>                              |  |  |
| Dusilless                     | D2C             | <ul> <li>Accumulating expertise in customer attraction and retention</li> <li>Consistent earnings through the acquisition of repeat customers</li> </ul>   | <ul> <li>We aim to achieve stable growth of this<br/>sub-segment to an extent that will not<br/>squeeze the company's overall profits as it<br/>is currently in the investment phase.</li> </ul>  |  |  |
| Entertainment<br>Business     | _               | <ul> <li>Acquiring collaborative projects by utilizing our technological capabilities (communications and infrastructure) cultivated to date</li> <li>Further enhancing technologies while generating stable revenue through collaborative projects that can reduce development costs</li> </ul> | <ul> <li>We will secure operating income while curbing development costs through entrusted development for collaborative projects, etc.</li> <li>We will avoid expansion of losses by shifting mainly to entrusted development in light of the highly volatile nature of this sub-segment.</li> </ul> |  |  |



### FY2025 Consolidated Forecast

|                  |                            |                                  | Ref. FY2024 |         |                                 |           |
|------------------|----------------------------|----------------------------------|-------------|---------|---------------------------------|-----------|
|                  |                            | Full-Year Forecast (Million JPY) | Ratio (%)   | Y/Y (%) | Full-Year Results (Million JPY) | Ratio (%) |
| Revenue          |                            | 25,000                           | 100.0       | 104.5   | 23,917                          | 100.0     |
|                  | Digital Marketing Business | 20,700                           | 82.8        | 106.1   | 19,516                          | 81.6      |
|                  | Entertainment Business     | 4,300                            | 17.2        | 97.7    | 4,400                           | 18.4      |
| EBITDA           |                            | 1,250                            | _           | _       | 711                             | _         |
| Operating Income |                            | 1,000                            | _           | 177.9   | 562                             |           |
| Net Income       |                            | 560                              | _           | 58.8    | 953                             |           |

<sup>\*</sup> EBITDA = Operating income (loss) + depreciation (including intangible assets) and amortization of goodwill



# Achieving Improved Results by Pursuing Transformation Into "Business Boost Company" and Enhancing Business Management

### **Enhancing Business Management**

Stable improvement of results through management support based on business alliance

- Enhancing and refining business management through our business alliance with Advantage Advisors, Inc.
- Enhancing our governance structure

### **Pursuing M&As**

# Growing profit by deciding on M&As and accelerating execution

- Contributing to revenue through the 2 M&As that have been decided
- Enhancing expected revenue by improving our M&A execution capabilities and accelerating the M&A process

We are working to establish a management environment where steady improvements in results and profit growth may be expected from FY2025 onward

# **22.0 JPY per Share** in Expectation of Stable, Continuous Future Profit Growth Stable Dividend and Flexible Shareholder Returns in Line With Anticipated Future Financial Results

|                    | FY2023 Results | FY2024 Results   | FY2025<br>Year-End Dividend<br>Forecast |
|--------------------|----------------|--|---|
| Date               | July 31        | July 31  | July 31                                 |
| Dividend per Share | 16.0 JPY       | 22.0 JPY<br>Ordinary Dividend: 18.0 JPY<br>Special Dividend: 4.0 JPY | <b>22.0</b> JPY                         |
| Payout Ratio       | 207.0%         | 42.8%  | 72.9%                                   |

<sup>\*</sup> 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.

5. Growth Strategy and M&A Progress

Intended Outcome of Growth Strategy

# Providing Corporate Business Growth Services That Leverage Our Digital Marketing Pursuing Transformation Into a "Business Boost Company"

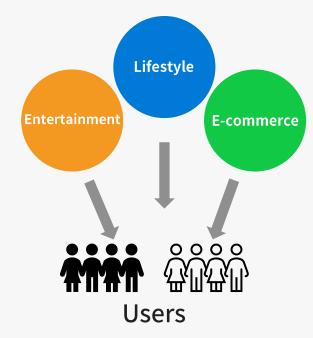
Many companies around the world are facing various problems in their business activities. We are transforming ourselves into a "Business Boost Company" by developing services such as offering customer attraction and service operations consultation and providing businesses with support tools. These services will fully utilize the digital marketing capabilities we have developed through media management since 2006.

### Leveraging Digital Marketing to Transform Ourselves Into a "Business Boost Company"

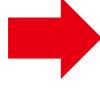
**Until Now** 

### **Comprehensive IT Company**

Operations aimed at individual users of game and web services (comparison and information sites) and e-commerce sites.



Transformation



**Our Future** 

### **Business Boost Company**

Becoming a company that provides corporations with support tools and consulting services to support customer attraction.

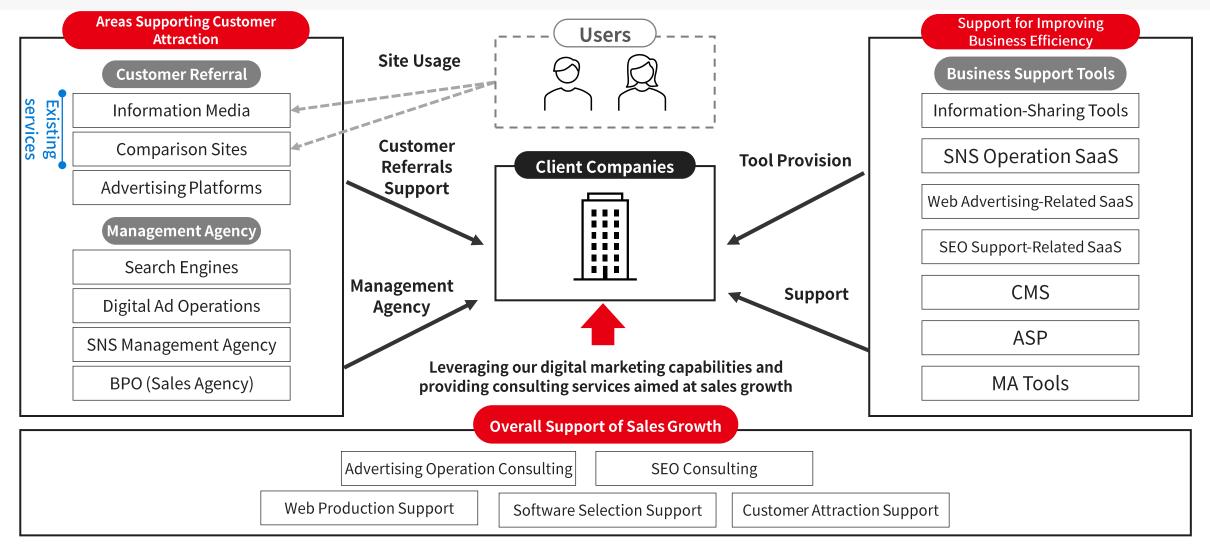
**Client Companies** 



Supporting Sales Growth

### **Digital Marketing Support**

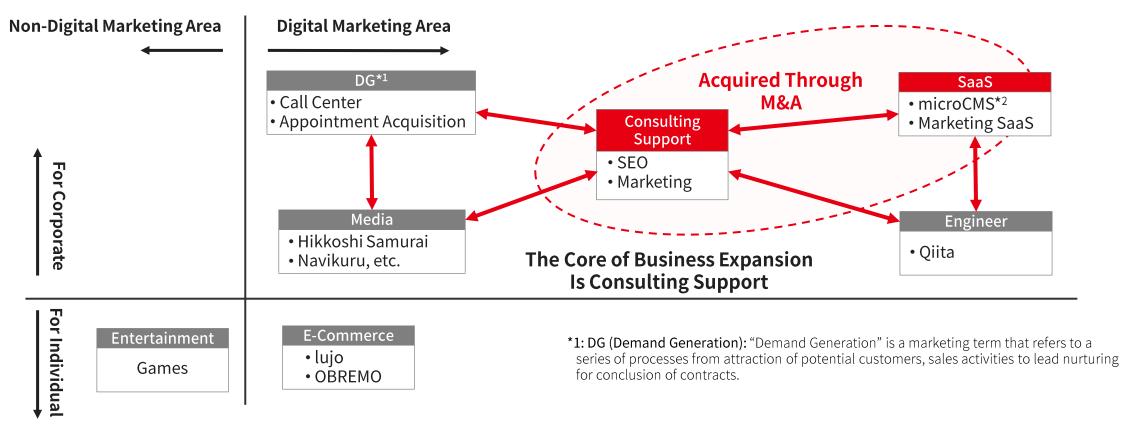
Customer Attraction Support and Consulting Providing Tools and Additional Capabilities Business Development Aimed at Becoming a "Business Boost Company"



We will become a one-stop service providing solutions needed for sales growth

### Future Development Based on Business Synergy

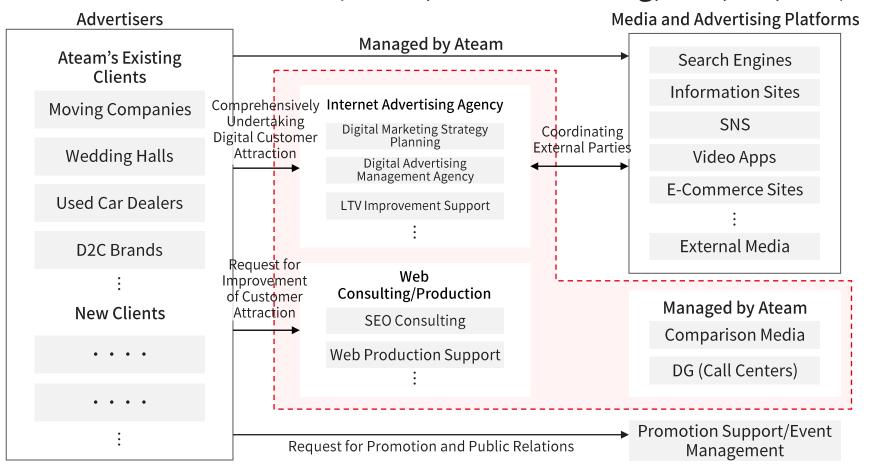
The Core of Our Strategy Is the Business Support Area, Such as Consulting Services for Corporate Clients Grow as a "Business Boost Company" by Acquiring Services That Create Business Synergies Through M&A



<sup>\*2:</sup> As announced in the "Notice Regarding Acquisition of Shares in microCMS Inc. (Consolidation)" on May 9, 2024, we decided to acquire shares of microCMS and acquired all of its shares on June 3, 2024.



### **One-Stop Support for Diversified Customer Attraction Needs** (Media, Web Advertising, SEO, DG, etc.)





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## Digital Marketing Services to Be Acquired Through M&A Mainly in Following Three Industries

**Industries** 

### Intent

## Company Size (Reference)

Anticipated Revenue (Reference)

Web Marketing
Consulting/
Web Marketing
Management Agency

- Our group will adopt a model of support services for corporate clients.
- We will further expand the businesses of our client companies through collaboration with our media business.
- Number of employees: 50 to 100
- Operating income (EBITDA):
   approx. 300 to 500 million JPY

3 to 5 billion JPY

Digital Marketing SaaS

- We will support our client companies in technology domains, one of our strong points.
- We will realize stable improvement of revenue.

- Number of employees: 10 to 30
- We will also emphasize MRR growth in addition to operating income (EBITDA).

1 to 3 billion JPY

**Customer Referral Media** 

- We will further enhance profitability by collaborating with our media business.
- We will reach potential clients in the applicable industries.

- Number of employees: 10 to 30
- Operating income (EBITDA): approx. 100 to 500 million JPY

**0.5 to 3** billion JPY

### Current Approach and Progress of M&As

We have continued to contact many candidate companies. There are more interviews with top candidates, and we have executed SPA agreements with 2 companies. Going forward, we will continue pursuing M&As in order to transform ourselves into a "Business Boost Company".



192

**Businesses** 

**Target List Count** 

**177** 

**Businesses** 

16

Breakdown of pending status (Feb 2023 to Jul 2024)

**Businesses** 



SPA\*2/Execution

**Contacts** 

(Includes number of IM\*1 obtained)

Interviews With Top Candidates

(Many businesses made it to the previous stage)

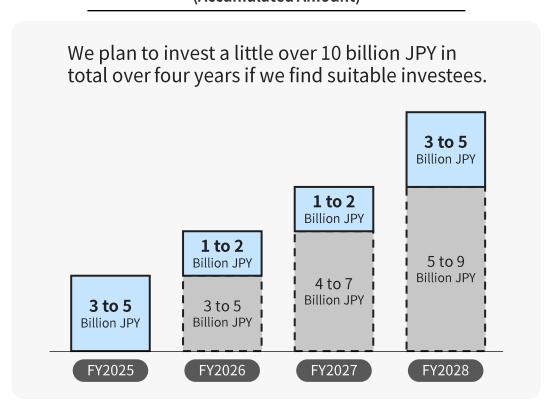
Funds Available for Investment in M&A and Plan Image

# Currently, Approximately 9 Billion JPY of Funds Are Available for Investment Approximately 10 Billion JPY Planned to Be Invested in Light of Additional Surplus Funds Available in Future

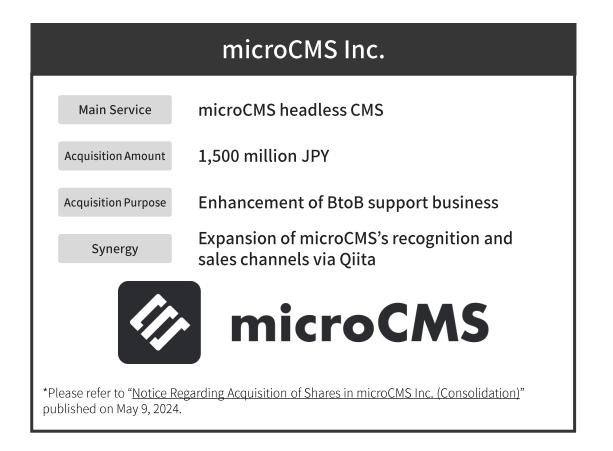
### **Funds Available for Investment**

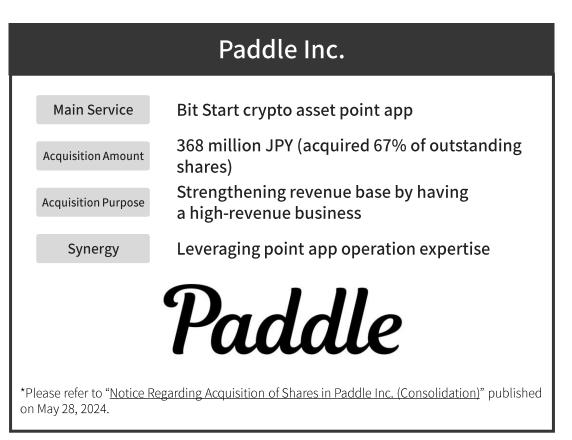
#### Currently Available Surplus $\bar{\ }$ Additional Surplus Funds to Funds for Investment Be Available in Future **Funds Expected** to Be Available Through Borrowing **3** Billion JPY or more **Stock Option** Cash and 2.5 Billion JPY Deposit Available for (by 2029) Investment Surplus Funds Approx. 6 Billion Available for Investment JPY Earned From **Business Revenue** (in Future)

## (Accumulated Amount)



## Execution of M&A of microCMS Inc. and Paddle Inc. to Strengthen Our Digital Marketing Capabilities





## Accelerating Growth Strategy and Increasing Ability to Execute It With the Aim of Enhancing Corporate Value

Strengthening Capacity to Pursue Strategy via a Business Alliance and Financing Arrangement With Advantage Advisors







Key Point 1

Access to Advantage Advisor's strategic advice and extensive network

Key Point 2

Management support for accelerating our growth strategy and increasing the ability to execute it

Key Point 3

Strengthen our management base and expand our business through financing

#### **About Advantage Advisors**

A part of Advantage Partners Group, a pioneer in domestic private equity funds (PE funds), Advantage Advisors is a company that handles private investments to support the growth of publicly listed companies\*. To date, it has a track record of consulting and supporting the growth of many public listed companies.

\*Investment strategy that engages in acquiring shares in publicly listed companies as well as enhancing corporate value by integrating management teams



|   | Support Areas   |  | Details  |  |  |  |  |  |
|---|---|--|--|--|--|--|--|--|
| Enhancing value by leveraging strength:           | ① M&A Promotion & PMI                                   | Establishing new growth drivers  | <ul> <li>Creating synergy with existing businesses by promoting M&amp;A and PMI</li> <li>Aiming for active transformation of corporate domain in the medium and long term</li> </ul>   |  |  |  |  |  |
| g value by<br>strengths                           | <sup>2</sup> Profit Level Improvement<br>From Marketing | Enhancing revenue from media, comparison sites, etc.                             | <ul> <li>Refining strategy for existing businesses such as media<br/>and comparison sites and supporting execution of strat</li> </ul>   |  |  |  |  |  |
| Thorough strengthening company-wide managem       | <sup>3</sup> Business Management Enhancement            | Supporting development of system to promote company-wide strategy                | <ul> <li>Promoting company-wide strategy (portfolio management)</li> <li>Developing system for optimal company-wide resource allocation and improving investment efficiency</li> </ul> |  |  |  |  |  |
| Thorough strengthening of company-wide management | IR Strategy Planning and Execution                      | Executing various<br>measures aimed at<br>maintaining listing on<br>Prime Market | <ul> <li>Strengthening communication strategy and system</li> <li>Receiving support related to capital policy and shareholder return policy</li> </ul>                                 |  |  |  |  |  |

\*Besides the above, we will continue to consider and implement measures for support areas that will contribute to performance improvements and business growth.

## Enhanced M&A Promotion Structure to Accelerate the M&A Process and Improve Our M&A Execution Capabilities



Takafumi Yamaguchi Corporate Officer, General Manager of the Corporate Strategy Division

Mr. Yamaguchi joined Advantage Advisors in 2016. In his previous job at Funai Consulting Inc., he was engaged in corporate turnaround and other management consulting.

#### **Ateam's Corporate Strategy Division**

We assigned three additional staff members to establish a structure that can quickly implement the selection of M&A target companies, negotiation, conclusion of contracts, and DD.



Advantage Advisors has joined our M&A promotion structure in its efforts to promote M&A and support PMI. This refines our structure by utilizing Advantage Advisors' sophisticated knowledge and expertise on finance and M&A.



In Charge of Sourcing



In Charge of DD



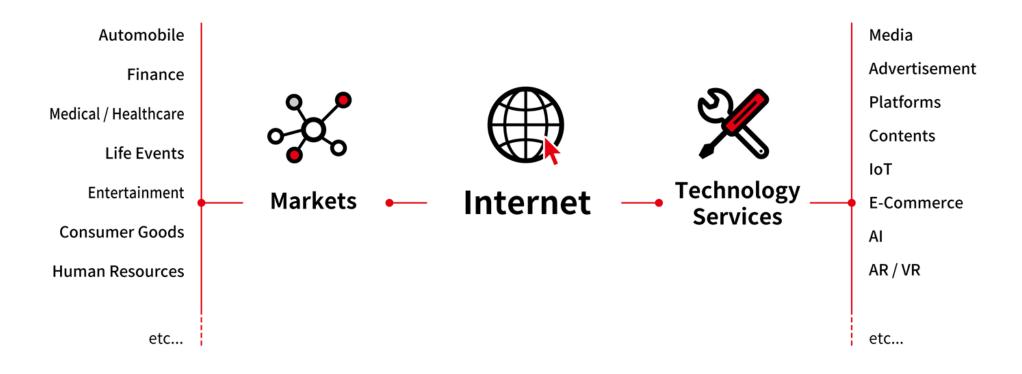
In Charge of PMI

Advantage Advisors

<sup>\*</sup> Our M&A promotion structure as of September 6, 2024, when this slide was disclosed.

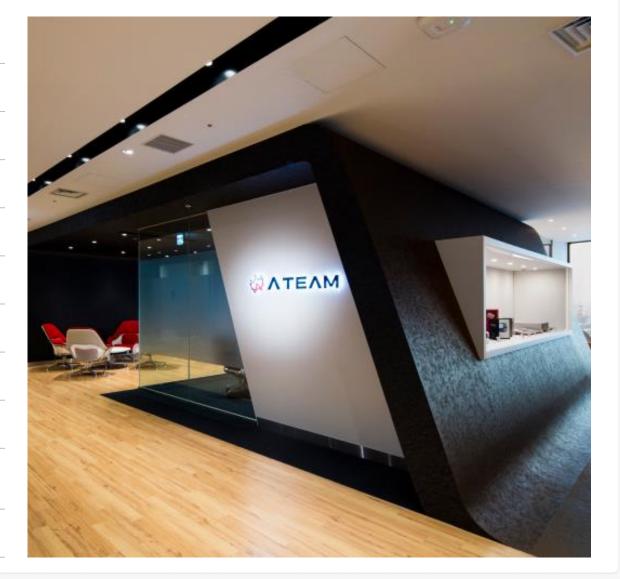
### **APPENDIX: Company Overview**

#### Ateam Is an IT Company That Develops Businesses Around the Internet

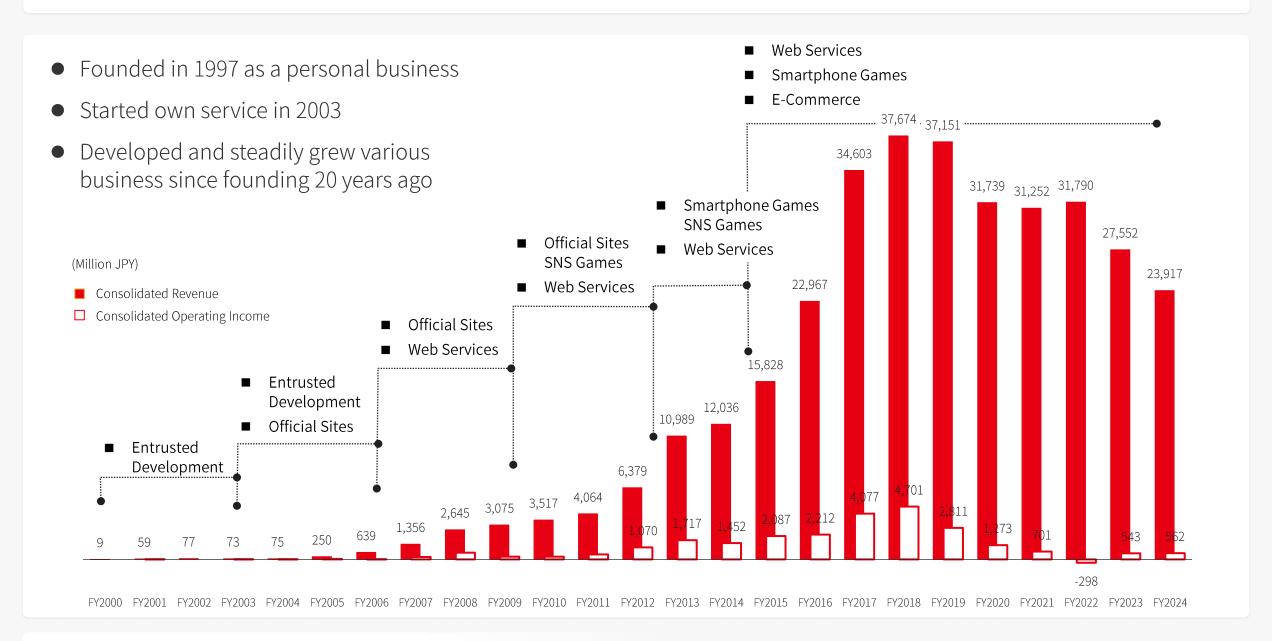


#### Company Profile as of July 31, 2024

| 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<br>(Fully owned subsidiaries) | 9 (includes 1 overseas subsidiary)             |
| Number of employees                           | 814 (excludes directors & part-time employees) |
| Shares per unit                               | 100 shares                                     |



#### Company History



#### **Ateam Provides Various Services Through the Internet and Smart Devices**

**Entertainment** 

#### **MOBILE APPS**

Provides games and tool apps for smartphones and tablets

**Users** 

**E-Commerce** 

#### **ONLINE STORE**

Multiple E-Commerce websites that handle various products





**Lifestyle Support** 

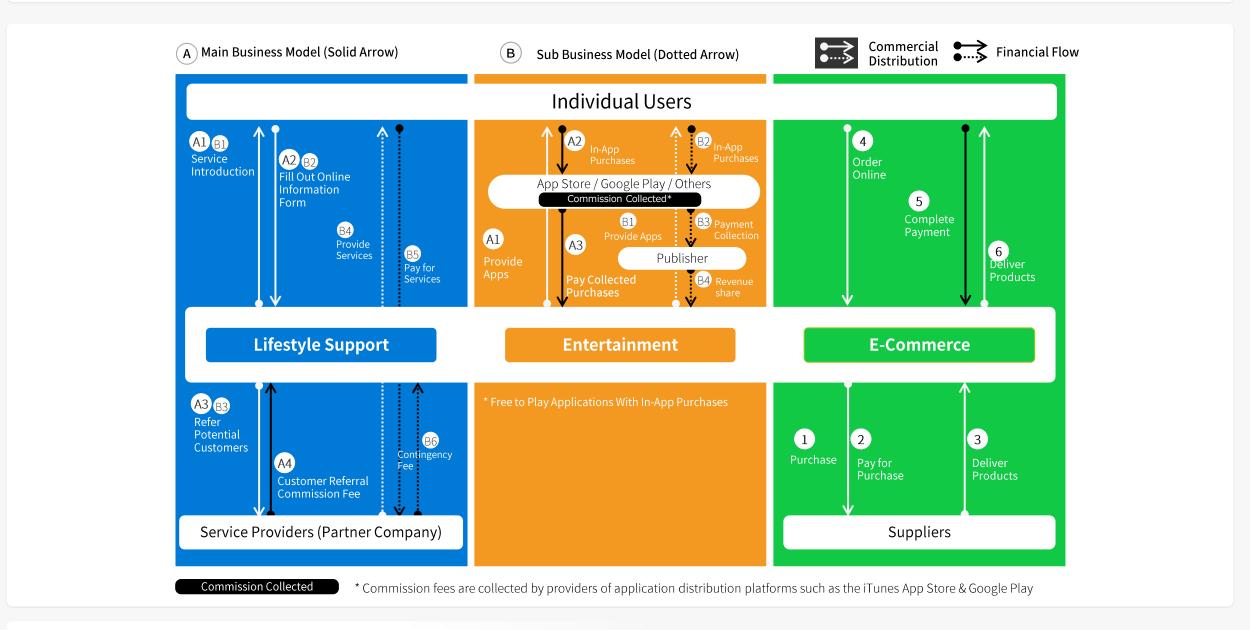
**WEB SERVICES** 

**Provides various internet** 

services for life events

and daily living

#### Business Models



#### **Lifestyle Support Business**



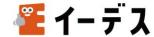
Car Appraisal Website



**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** 



#### **E-Commerce Business**



Cosmetics and Skincare Brand







# APPENDIX: Supplementary Financial Data

#### P/L (FY2021 Q1 – FY2024 Q3)

|                                      |       |       |       |          |       |       |       |       |              |             |              |       |       |       |       | Million JPY) |
|--------------------------------------|-------|-------|-------|----------|-------|-------|-------|-------|--------------|-------------|--------------|-------|-------|-------|-------|--------------|
|                                      |       |       | 2021  |          |       | FY2   | 022   |       |              | FY2         | 023          |       |       | FY2   | 024   |              |
|                                      | Q1    | Q2    | Q3    | Q4       | Q1    | Q2    | Q3    | Q4    | Q1           | Q2          | Q3           | Q4    | Q1    | Q2    | Q3    | Q4           |
| 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 | 6,266 | 5,736        |
| 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  | +5.5  | -8.5         |
| 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 | 4,641 | 3,972        |
| 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 | 1,017 | 1,171        |
| 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   | 607   | 592          |
| 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   | 903   | 839          |
| 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  | 14.4  | 14.6         |
| 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 | 5,032 | 4,479        |
| 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  | 80.3  | 78.1         |
| 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 | 5,936 | 5,318        |
| Labor costs & recruitment            | 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 | 1,257 | 1,122        |
| expenses                             |       | ·     | ,     | <u> </u> | ·     |       |       | ,     | ,            | ·           | ·            | ·     | ·     | ,     | · ·   | ·            |
| 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 | 3,272 | 2,788        |
| 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  | 52.2  | 48.6         |
| 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 | 2,860 | 2,411        |
| Entertainment                        | 128   | 126   | 111   | 127      | 131   | 874   | 81    | 132   | 65           | 96          | 75           | 65    | 31    | 45    | 37    | 67           |
| E-Commerce*                          | 195   | 217   | 271   | 312      | 293   | 295   | 298   | 372   | 454          | 355         | 317          | 325   | 337   | 370   | 370   | 307          |
| Commissions, etc.                    | 1,114 | 1,329 | 1,358 | 1,378    | 1,264 | 1,100 | 1,088 | 1,266 | 837          | 976         | 774          | 804   | 748   | 755   | 664   | 700          |
| Subcontractor expenses, server       | 457   | 464   | 502   | 633      | 576   | 552   | 463   | 436   | 365          | 308         | 284          | 284   | 285   | 267   | 252   | 223          |
| fees                                 |       | -     |       |          |       |       |       |       |              |             |              | _     |       |       | -     |              |
| Office rental fees, utility expenses |       | 298   | 270   | 260      | 266   | 260   | 243   | 241   | 238          | 237         | 214          | 200   | 194   | 173   | 164   | 156          |
| Other expenses                       | 851   | 705   | 1,039 | 931      | 832   | 1,087 | 1,461 | 999   | 831          | 1,085       | 464          | 369   | 261   | 314   | 324   | 327          |
| Operating income                     | 378   | -157  | 359   | 120      | -252  | -891  | 180   | 664   | 213          | -2          | 162          | 170   | -170  | -15   | 330   | 418          |
| Q/Q (%)                              | 70.3  | -     | -     | -66.5    | -     | -     | -     | 268.3 | -67.9        | -           | _            | 104.7 | -     | -     | -     | +26.6        |
| Lifestyle Support*                   | 525   | 101   | 526   | 438      | 197   | 121   | 527   | 808   | 595          | 326         | 555          | 283   | 158   | 153   | 607   | 480          |
| Entertainment                        | 93    | 120   | 108   | 46       | -160  | -736  | -162  | 165   | -4           | 105         | -74          | 140   | -86   | 34    | -68   | 81           |
| E-Commerce*                          | -4    | -30   | 27    | -49      | -40   | -21   | 43    | -102  | -145         | -120        | -100         | -64   | -47   | -45   | -57   | -1           |
| Others                               | -235  | -349  | -302  | -315     | -249  | -253  | -228  | -206  | -231         | -313        | -217         | -189  | -194  | -157  | -152  | -142         |
| Operating income margin (%)          | 5.1   | -     | 4.2   | 1.6      | -     | -     | 2.1   | 8.1   | 3.0          | -           | 2.4          | 2.7   | -     | -     | 5.3   | 7.3          |
| Ordinary income                      | 393   | -30   | 370   | 161      | -242  | -893  | 201   | 715   | 223          | -4          | 202          | 289   | -137  | 3     | 346   | 396          |
| Net income                           | 258   | 483   | 239   | -103     | -145  | -584  | -104  | -502  | 120          | -271        | 153          | 141   | -142  | -51   | 771   | 376          |
| 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   | 856   | 859          |
| Lifestyle Support*                   | 624   | 647   | 649   | 612      | 590   | 636   | 591   | 561   | <b>※</b> 512 | <b></b>     | <b> *466</b> | 452   | 430   | 430   | 411   | 411          |
| Entertainment                        | 378   | 375   | 378   | 374      | 371   | 364   | 346   | 352   | 340          | 344         | 343          | 338   | 337   | 331   | 326   | 325          |
| E-Commerce*                          | 58    | 59    | 63    | 60       | 58    | 55    | 55    | 55    | <b>%71</b>   | <b>%</b> 69 | <b>%32</b>   | 30    | 28    | 27    | 27    | 28           |
| Others                               | 102   | 101   | 107   | 109      | 110   | 116   | 100   | 101   | 96           | 91          | 90           | 90    | 90    | 93    | 92    | 95           |

<sup>\*</sup> 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 | FY2024 |
|--------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|
| Revenue                              | 34,603 | 37,674 | 37,151 | 31,739 | 31,252 | 31,790 | 27,552 | 23,917 |
| Y/Y (%)                              | +50.7  | +8.9   | -1.4   | -14.6  | -1.5   | +1.7   | -13.3  | -13.2  |
| Lifestyle Support*                   | 13,342 | 18,955 | 22,507 | 19,988 | 19,514 | 19,723 | 18,480 | 17,165 |
| Entertainment                        | 19,259 | 16,168 | 12,577 | 8,450  | 7,272  | 6,316  | 5,421  | 4,400  |
| E-Commerce*                          | 2,001  | 2,550  | 2,066  | 3,301  | 4,465  | 5,751  | 3,651  | 2,351  |
| Cost of revenues                     | 5,669  | 6,960  | 7,518  | 7,654  | 8,193  | 8,463  | 5,062  | 3,546  |
| Cost rate (%)                        | 16.4   | 18.5   | 20.2   | 24.1   | 26.2   | 26.6   | 18.4   | 14.8   |
| Selling, G&A expenses                | 24,855 | 26,012 | 26,820 | 22,811 | 22,357 | 23,625 | 21,945 | 19,808 |
| Selling, G&A expenses ratio (%)      | 71.8   | 69.0   | 72.2   | 71.9   | 71.5   | 74.3   | 79.7   | 82.80  |
| Total cost and G&A expenses          | 30,525 | 32,973 | 34,339 | 30,465 | 30,550 | 32,089 | 27,008 | 23,355 |
| Labor costs & recruitment expenses   | 3,807  | 4,754  | 6,032  | 6,274  | 6,273  | 5,949  | 5,594  | 5,000  |
| Promotional expenses                 | 14,018 | 14,805 | 15,048 | 12,444 | 12,380 | 13,998 | 13,136 | 12,539 |
| Promotional expenses ratio (%)       | 40.5   | 39.3   | 40.5   | 39.2   | 39.6   | 44.0   | 47.7   | 52.4   |
| Lifestyle Support*                   | 7,547  | 10,385 | 12,204 | 11,284 | 10,815 | 11,450 | 11,326 | 10,960 |
| Entertainment                        | 5,895  | 3,785  | 2,355  | 706    | 494    | 1,219  | 302    | 181    |
| E-Commerce*                          | 335    | 330    | 247    | 363    | 997    | 1,261  | 1,452  | 1,386  |
| Commissions, etc.                    | 7,318  | 6,117  | 5,387  | 4,662  | 5,180  | 4,719  | 3,392  | 2,869  |
| Subcontractor expenses, server fees  | 1,198  | 2,277  | 2,574  | 2,115  | 2,058  | 2,029  | 1,243  | 1,029  |
| Office rental fees, utility expenses | 879    | 1,080  | 1,179  | 1,142  | 1,129  | 1,011  | 891    | 688    |
| Other expenses                       | 3,303  | 3,937  | 4,116  | 3,825  | 3,528  | 4,380  | 2,750  | 1,227  |
| Operating income                     | 4,077  | 4,701  | 2,811  | 1,273  | 701    | -298   | 543    | 562    |
| Y/Y (%)                              | +84.3  | +15.3  | -40.2  | -54.7  | -44.9  | -      | -      | +3.4   |
| Lifestyle Support*                   | 1,929  | 3,096  | 3,239  | 2,059  | 1,592  | 1,655  | 1,760  | 1,400  |
| Entertainment                        | 3,820  | 3,587  | 1,532  | 776    | 369    | -894   | 166    | -38    |
| E-Commerce*                          | -178   | -211   | -310   | -206   | -57    | -122   | -431   | -152   |
| Others                               | -1,493 | -1,751 | -1,648 | -1,356 | -1,203 | -937   | -951   | -647   |
| Operating income margin              | 11.8   | 12.5   | 7.6    | 4.0    | 2.2    | -      | 2.0    | 2.4    |
| Ordinary income                      | 4,118  | 4,730  | 2,809  | 1,249  | 895    | -219   | 711    | 609    |
| Pre-tax income                       | 3,854  | 4,732  | 2,354  | 0      | 1,511  | -734   | 432    | 1,152  |
| Net income                           | 2,579  | 3,306  | 1,473  | -519   | 877    | -1,337 | 143    | 953    |
| Number of employees                  | 726    | 944    | 1,118  | 1,177  | 1,162  | 1,082  | 910    | 862    |
| Lifestyle Support                    | 345    | 482    | 578    | 647    | 621    | 574    | 454    | 413    |
| Entertainment                        | 268    | 312    | 381    | 382    | 373    | 351    | 337    | 325    |
| E-Commerce                           | 46     | 62     | 57     | 56     | 61     | 55     | 31     | 29     |
| Others                               | 67     | 88     | 102    | 92     | 107    | 102    | 88     | 95     |

<sup>\*</sup> Profit and loss statement above consists of figures after the segment reclassification. However, number of employees before FY2023 are figures before the reclassification.



(Million JPY)

|                                  | FY2017 | FY2018 | FY2019 | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|----------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|
| Assets                           |        |        |        |        |        |        |        |        |
| Current Assets*                  | 9,613  | 11,488 | 11,543 | 11,130 | 10,383 | 10,471 | 10,264 | 11,562 |
| Cash and cash equivalents        | 5,004  | 5,984  | 6,713  | 6,480  | 6,035  | 5,223  | 5,992  | 8,050  |
| Non-current assets*              | 3,527  | 5,214  | 5,729  | 4,932  | 5,368  | 4,290  | 3,591  | 4,729  |
| Tangible assets                  | 1,666  | 1,684  | 1,711  | 1,384  | 1,195  | 844    | 389    | 365    |
| Intangible assets                | 507    | 2,070  | 1,522  | 477    | 792    | 391    | 216    | 1,637  |
| Investments and other assets*    | 1,353  | 1,459  | 2,495  | 3,070  | 3,380  | 3,055  | 2,985  | 2,726  |
| Total assets                     | 13,140 | 16,702 | 17,273 | 16,063 | 15,751 | 14,762 | 13,855 | 16,291 |
| Liabilities                      |        |        |        |        |        |        |        |        |
| Current liabilities              | 5,202  | 4,464  | 4,031  | 3,847  | 3,640  | 4,205  | 3,621  | 3.045  |
| Non-current liabilities          | 481    | 583    | 730    | 493    | 527    | 674    | 529    | 2,972  |
| Total liabilities                | 5,683  | 5,047  | 4,761  | 4,340  | 4,168  | 4,880  | 4,151  | 6,017  |
| Interest-bearing liabilities     | 632    | 186    | -      | -      | -      | -      | -      | 35     |
| Net assets                       |        |        |        |        |        |        |        |        |
| Shareholder's equity             | 7,361  | 11,566 | 12,452 | 11,663 | 11,232 | 9,088  | 8,969  | 9,642  |
| Treasury stock                   | -1,177 | -481   | -438   | -397   | -1,394 | -1,896 | -1,862 | -1,846 |
| Stock option                     | 96     | 85     | 85     | 82     | 82     | -      | -      | 22     |
| Total net assets                 | 7,456  | 11,655 | 12,511 | 11,722 | 11,582 | 9,882  | 9,704  | 10,274 |
| Total liabilities and net assets | 13,140 | 16,702 | 17,273 | 16,063 | 15,751 | 14,762 | 13,855 | 16,291 |

<sup>\*</sup> 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)

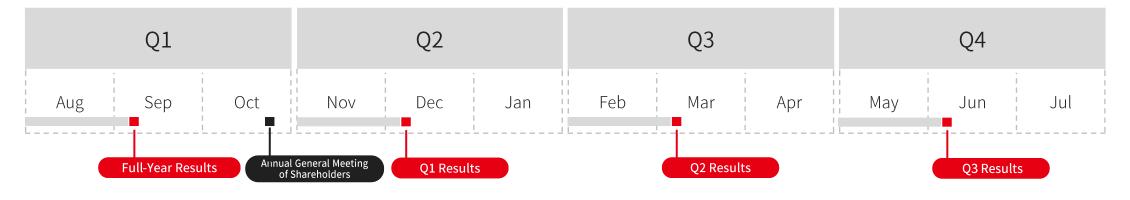
|   | FY2017     | FY2018     | FY2019     | FY2020     | FY2021     | FY2022     | FY2023     | FY2024     |
|---|------------|------------|------------|------------|------------|------------|------------|------------|
| Number of shares issued (year-end)            | 19,469,800 | 19,738,200 | 19,756,200 | 19,783,200 | 19,789,200 | 19,789,200 | 19,789,200 | 19,789,200 |
| Treasury stock (shares)                       | 302,562    | 35,562     | 35,562     | 35,588     | 663,388    | 1,127,988  | 1,128,021  | 1,128,082  |
| 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 | 18,561,198 |
| EPS (JPY)                                     | 136.45     | 170.40     | 75.52      | -26.59     | 45.07      | -71.68     | 7.73       | 51.36      |
| EPS Y/Y (%)                                   | 99.0       | 24.9       | -55.7      | -          | -          | -          | -          | 564.4      |
| ROA (Ordinary income on total assets, %)      | 36.2       | 31.7       | 16.5       | 7.5        | 5.6        | -1.4       | 5.0        | 4.0        |
| Net assets per share (JPY)                    | 389.03     | 593.76     | 636.32     | 594.54     | 605.98     | 533.23     | 523.06     | 552.28     |
| Dividend per share (JPY)                      | 27.00      | 32.50      | 16.00      | 16.00      | 16.00      | 16.00      | 16.00      | 22.00      |
| Interim dividend (JPY)                        | 5.00       | 0.00       | 0.00       | 0.00       | 0.00       | 0.00       | 0.00       | 0.00       |
| Total dividend amount (mil. JPY)              | 517        | 640        | 315        | 315        | 306        | 298        | 296        | 410        |
| Payout ratio (%)                              | 19.8       | 19.1       | 21.2       | -          | 35.5       | -          | 207.0      | 42.8       |
| Shareholder's equity ratio (%)                | 56.0       | 69.2       | 72.1       | 72.6       | 71.3       | 61.6       | 64.7       | 59.2       |
| Equity ratio (%)                              | 56.0       | 69.3       | 71.9       | 72.5       | 73.0       | 66.9       | 70.0       | 62.9       |
| ROE (%)                                       | 41.8       | 34.9       | 12.3       | -4.3       | 7.6        | -12.5      | 1.5        | 9.6        |
| ROIC (=①÷②,%)                                 | 34.1       | 27.9       | 14.1       | 7.6        | 4.3        | -2.2       | 4.2        | 3.2        |
| ① Net operating income after taxes (mil. JPY) | 2,729      | 3,284      | 1,759      | 884        | 486        | -207       | 377        | 390        |
| ② Invested capital (=③+④, mil. JPY)           | 7,993      | 11,752     | 12,452     | 11,663     | 11,232     | 9,088      | 8,969      | 12,178     |
| ③ Shareholder's equity (mil. JPY)             | 7,361      | 11,566     | 12,452     | 11,663     | 11,232     | 9,088      | 8,969      | 9,642      |
| ④ Short-term loans payable (mil. JPY)*        | 632        | 186        | -          | -          | -          | -          | -          | 2,535      |

<sup>\*</sup> Includes "Convertible bond-type bonds with share acquisition rights".



#### IR Schedule & Contact Information

#### **Yearly Schedule**



#### **Corporate Information**

#### **Corporate Development Division Investor Relations**

E-mail: <u>ir@a-tm.co.jp</u>

Inquiries: Shareholder/Investor Inquiries

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





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

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