



May 14, 2024

To whom it may concern,

Company name: Atrae, Inc.  
Representative: Yoshihide Arai, President and CEO  
(Stock Code: 6194 TSE Prime Market)  
Contact: Hidekazu Suzuki, Director CFO

## Notice Regarding Change in Consolidated Subsidiary (Transfer of Shares) and Recording of Extraordinary Loss in Non-Consolidated financial Statements

Atrae, Inc. (the "Company") hereby announces that, as of May 14, 2024, the Board of Directors has resolved to transfer a portion of the shares (the "Share Transfer") of its consolidated subsidiary Altiri, Inc. ("Altiri"), as described below. If the Share Transfer is executed as planned, Altiri will be excluded from the scope of consolidation of the Company as of the fiscal year ending September 30, 2024.

### 1. Reason for the change

In July 2020, the Company established a wholly owned subsidiary, Altiri, and entered the "Sports Tech business." The Company founded a professional basketball club, Altiri Chiba, and this club based in Chiba City, Chiba Prefecture. The purpose of the Share Transfer is to transfer Altiri shares from the Company to individuals, including the Altiri management team, for the purpose of increasing management mobility and flexibility, and we would like to take on the challenge of creating new value in the sports business.

### 2. Outline of the subsidiary whose shares are to be transferred (as of March 31, 2024)

(1) Name	Altiri, Inc.	
(2) Location	22F-West, Chiba Port Side Tower, 1-35 Tonyacho, Chuo-ku, Chiba-city, Chiba, Japan	
(3) Job title and name of representative	Yoshihide Arai, President and CEO	
(4) Description of business	Planning and management of professional basketball club, Altiri Chiba	
(5) Paid-in capital	10 million yen	
(6) Date of establishment	July 1, 2020	
(7) Major shareholders and shareholding ratio	Atrae, Inc. 100%	
(8) Relationship between listed company and the company	Capital relationship	The Company owns all voting rights in Altiri.
	Personnel relationship	President and CEO, one director and one auditor of Altiri are officers and employees of the Company.
	Related party relationship	There are transactions such as payment of sponsorship fees from the Company to Altiri.

(9) Financial condition and operating results of said company for the past three years			
As of Fiscal year ended	June 30, 2021	June 30, 2022	June 30, 2023
Net assets	118	814	872
Total assets	157	889	1,022
Net assets per share (yen)	6,256.71	8,572.88	9,183.91
Net sales	-	782	1,213
Operating profit	(70)	(64)	(37)
Ordinary profit	(70)	(64)	(31)
Profit	(71)	(64)	58
Earnings per share (yen)	(12,583.59)	(811.94)	611.03
Dividend per share (yen)	-	-	-

(Millions of yen, unless otherwise stated)

### 3. Outline of the counterparty to the Share Transfer

(1) Name	Yoshihide Arai
(2) Address	Minato-ku, Tokyo
(3) Relationship between the Company and said person	Yoshihide Arai, together with his asset management company Laulea LLC, owns 8,427,200 shares of the Company. He is also President and CEO of the Company and Altiri.

(1) Name	Youhei Iimura
(2) Address	Chiba-city, Chiba
(3) Relationship between the Company and said person	He is a director of Altiri. He also holds share acquisition rights of the Company.

(1) Name	Fumiaki Koizumi
(2) Address	Shibuya-ku, Tokyo
(3) Relationship between the Company and said person	Not applicable

(1) Name	Kenji Nishida
(2) Address	Shibuya-ku, Tokyo
(3) Relationship between the Company and said person	Not applicable

(1) Name	Toru Yoshikawa
(2) Address	Minato-ku, Tokyo
(3) Relationship between the Company and said person	Not applicable

4. Number of shares transferred, transfer price, shares held and Ratio of voting rights held before and after the transfer

(1) Number of shares held before the transfer	95,000 shares (Number of voting rights:95,000 units) (Ratio of voting rights held 100%)
(2) Number of shares transferred	81,700 shares (Number of voting rights: 81,700 units) (Ratio of voting rights held 86%)
(3) Transfer price	Total 516 million yen
(4) Number of shares held after the transfer	13,300 shares (Number of voting rights: 13,300 units) (Ratio of voting rights held 14%)

5. Schedule

(1) Date of resolution at the Board of Directors	May 14, 2024
(2) Date of execution of share transfer agreement	May 14, 2024
(3) Date of execution of Share Transfer	July 1, 2024(Scheduled)

6. Future Outlook

If the Share Transfer is executed as planned, Altiri will be excluded from the scope of consolidation of the Company as of the fiscal year ending September 30, 2024. In addition, we expect to record loss on sale of shares of subsidiaries and associates (extraordinary loss) of approximately 300 million yen in our non-consolidated financial statements for the fiscal year ending September 30, 2024 as a result of the Share Transfer. Loss or gain on sale of shares of subsidiaries and associates (extraordinary loss or profit) in the consolidated financial statements will be calculated based on the consolidated book value of Altiri shares as of the end of June 2024 and the transfer price, and will be announced promptly when it becomes clear that disclosure is necessary.

There is no change to the consolidated financial results forecast for the fiscal year ending September 30, 2024 that was announced on November 13, 2023.