



## **Financial Results Explanatory Material**

Financial Results for the 3rd Quarter of  
Fiscal Year Ending September 30, 2019

Atrae, Inc. (TSE 1st Section : 6194)

# Agenda

- 1. Company Overview**
- 2. Financial Highlights**
- 3. About Business**
- 4. References**

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## Our Vision

**Create the Company that  
Attracts People  
in the World.**

We stick to creating a company and our services we are proud of to continue being an attractive company that people want to cheer for.

We will become an essential company in the world  
as Japan's global company.

**First time in Japan**

# **People Tech Company**

Redefined our company with a hope for  
“Creating business that expands people’s possibility through technology”.

# What is “Company” ?

**Company = Making people who are involved happy**



Employees



Clients



Stockholders



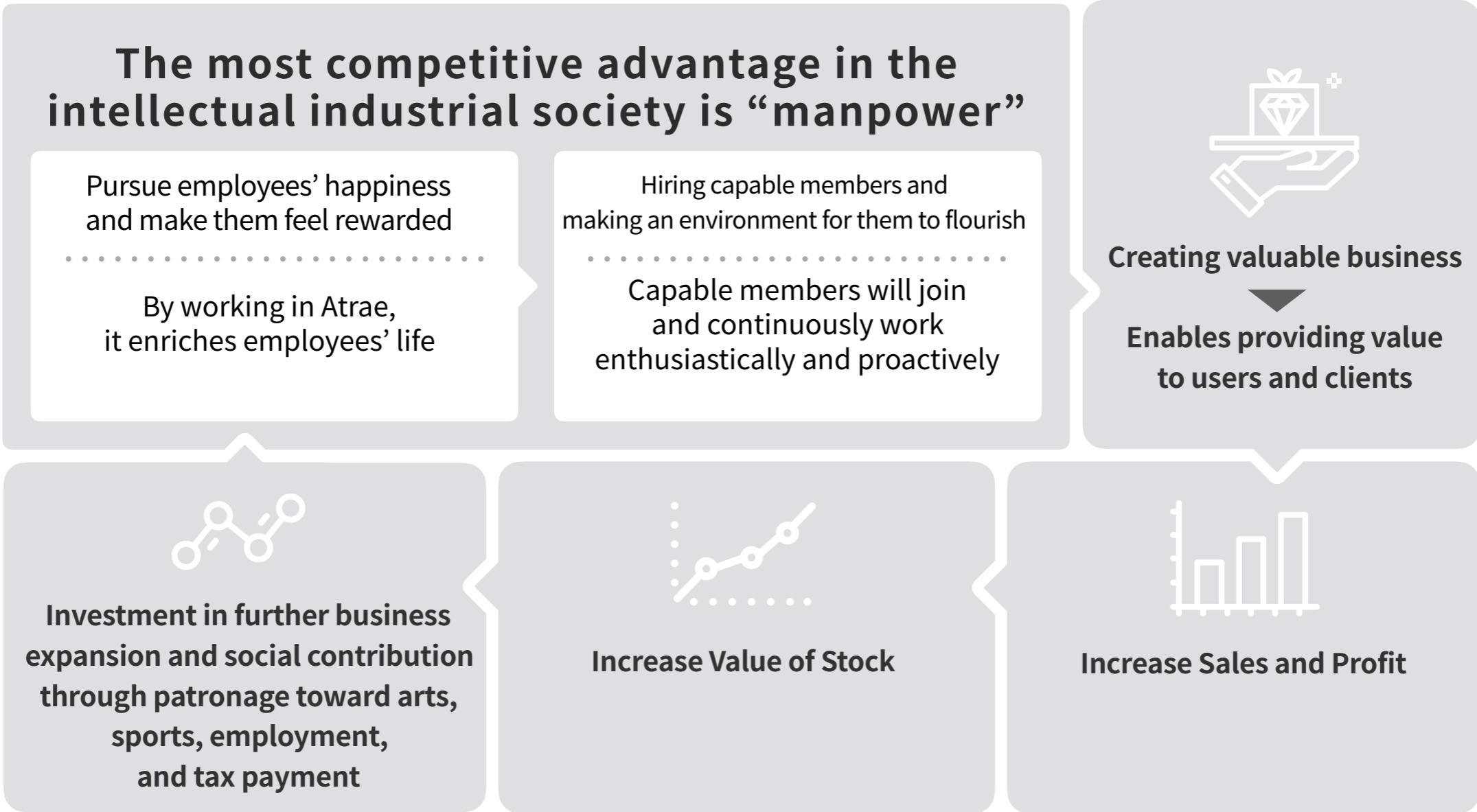
Partners



... and Society

# Value Cycle of “Making People Happy”

We think that it is important to always “do the right things” in order to continuously keep this cycle. By keeping this cycle and have more people get involved, we will achieve our vision to “Create the Company that Attracts People in the World”.



# Our Vision “Create the Company that Attracts People in the World.” is on the Extension of the Value Cycle of “Making People Happy”.

**The most competitive advantage in the intellectual industrial society is “manpower”**

Pursue employees’ happiness and make them feel rewarded

.....  
By working in Atræ,  
it enriches employees’ life

Hiring capable members and making an environment for them to flourish

.....  
Capable members will join  
and continuously work  
enthusiastically and proactively



**Creating valuable business**

▼  
**Enables providing value to users and clients**



**Investment in further business expansion and social contribution through patronage toward arts, sports, employment, and tax payment**



**Increase Value of Stock**



**Increase Sales and Profit**



# With our highly engaged organization, we challenge in creating business to expand people's possibility

**Green**

Creating job satisfaction via suitable matching  
Continuous growth exceeding the market growth

**wevox**

As one and only platform for organizational improvement,  
contributed to improving engagement of many organizations

**yenta**

With a valuable matching,  
becoming a must-have app throughout the world

**New Business**

Challenging a new business within the People Tech  
field

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# Q3 Cumulative(Oct-Jun)

FY2019 Q3

Sales **2,296** Million yen    YonY **+38.7** %    Progress **76.5** %  
Operating Profit **648** Million yen    YonY **+21.8** %    Progress **92.5** %

Business

Green's major indicator

(Number of active users • Hired Employees • Job Posted • Cumulative Registered Companies)

Companies adopting wevox

**Updated Our Best**

**Significant increase**

Topics

Realized growth of new businesses by 254.9% in sales (YonY)

Progressively proceed into the “engagement x sports” field with wevox

# YonY Comparison

Updated Our Best Sales and Operating Profit

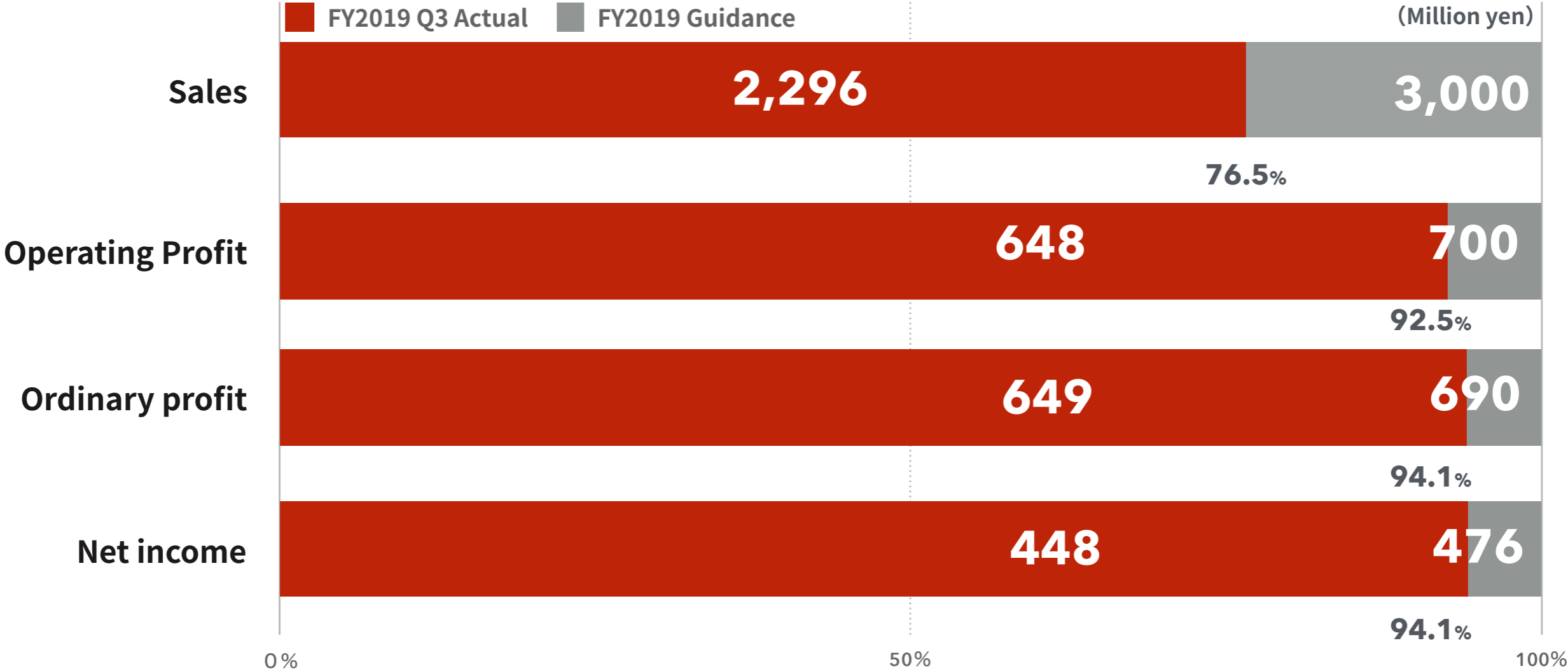
(Million yen)	FY2018 Q3	FY2019 Q3	YonY
Sales	1,655	2,296	+38.7%
Operating Expense	1,123	1,648	+46.7%
Operating Profit	531	648	+21.8%
Operating Margin	32.1%	28.2%	△ 3.9pt

# YonY Comparison (sales)

(Million yen)	FY2018 Q3		FY2019 Q3		YonY			
	Actual	% of Sales	Actual	% of Sales		%	% of Sales	
Sales	1,655	100.0%	2,296	100.0%	+640	+38.7%	-	
Operating Expense	1,123	67.9%	1,648	71.8%	+524	+46.7%	+3.9pt	
(Ad Spend)	(677)	(41.0%)	(1,013)	(44.1%)	(+335)	+49.5%	(+3.1pt)	Started testing video advertisement
(Personnel Cost)	(257)	(15.5%)	(348)	(15.2%)	(+91)	+35.5%	(-0.3pt)	Hire considering productivity
(Other)	(188)	(11.4%)	(285)	(12.4%)	(+97)	+52.0%	(+1.0pt)	Development costs etc
Operating Profit	531	32.1%	648	28.2%	+116	+21.8%	- 3.9pt	

# FY2019 Guidance

Progress as planned



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# Our People Tech Business

## Job offer media with contingency fee

Attain locating the right person in the right place via suitable matching between company and job seeker



## Organizational Improvement Platform

Visualize employee engagement in order to activate organization, utilize and nurture sustainment of personnel via SaaS model

## Business Networking App

With a valuable match between persons, accelerate business



# Green



## The origin of the name “Green”

Traffic light "green light" means that we can go. The site “Green” means that job seekers can find their own "green light”.

## Job Search Website for IT Industry with Contingency Fee

### Point 1

#### The First Model in this industry

High recognition from both users and clients due to the leading advantage.

### Point 2

#### Inexpensive uniform fixed price

Comparing with competitive services, low cost of hiring excellent talent without risk.

### Point 3

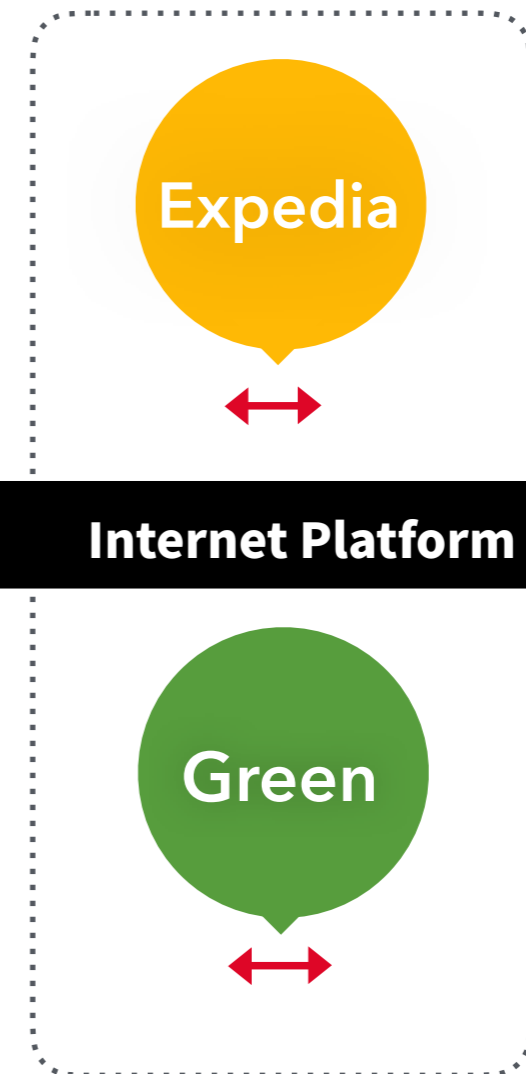
#### Direct recruiting platform

Job seekers and companies can take action and communicate interactively.

# Attain Efficient Matching Via Technology

Labor intensive business model is being replaced by IT in many industries.  
Green is replacing recruiting agencies by matching job seekers and companies with IT.

Ex.: Replacement of Travel Agency by Expedia



Replacement of Recruiting Agency by Green

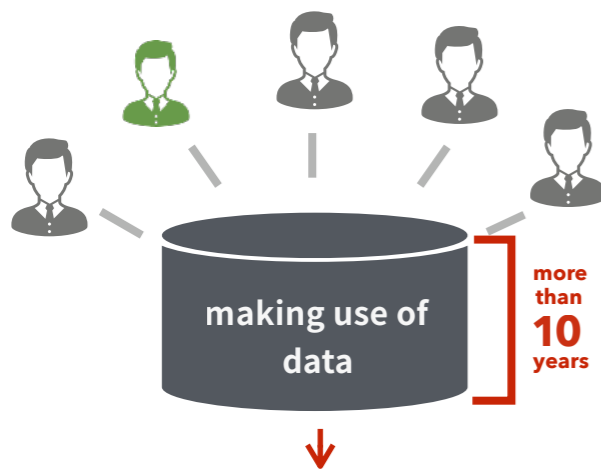


# Green Established an Unique Position

Superiority × Low Cost × Technology

## Stock and Use of Big Data

Stocking and making use of data via Green ※1



High precision within the use of big data

## Price Competitiveness

Low price due to no need of advisers and facility cost



Professional Adviser



Counseling Facility

Business with no fixed cost  
High competitiveness in terms of cost

## Predominant Superiority

Pioneer of Contingency fee model (over 10 years)

Number of Cumulative Registered Company

More than **6,500**

Number of Registered User ID

More than **640** thousand

High recognition among recruiting companies

※1 Action data, profile data, selection data

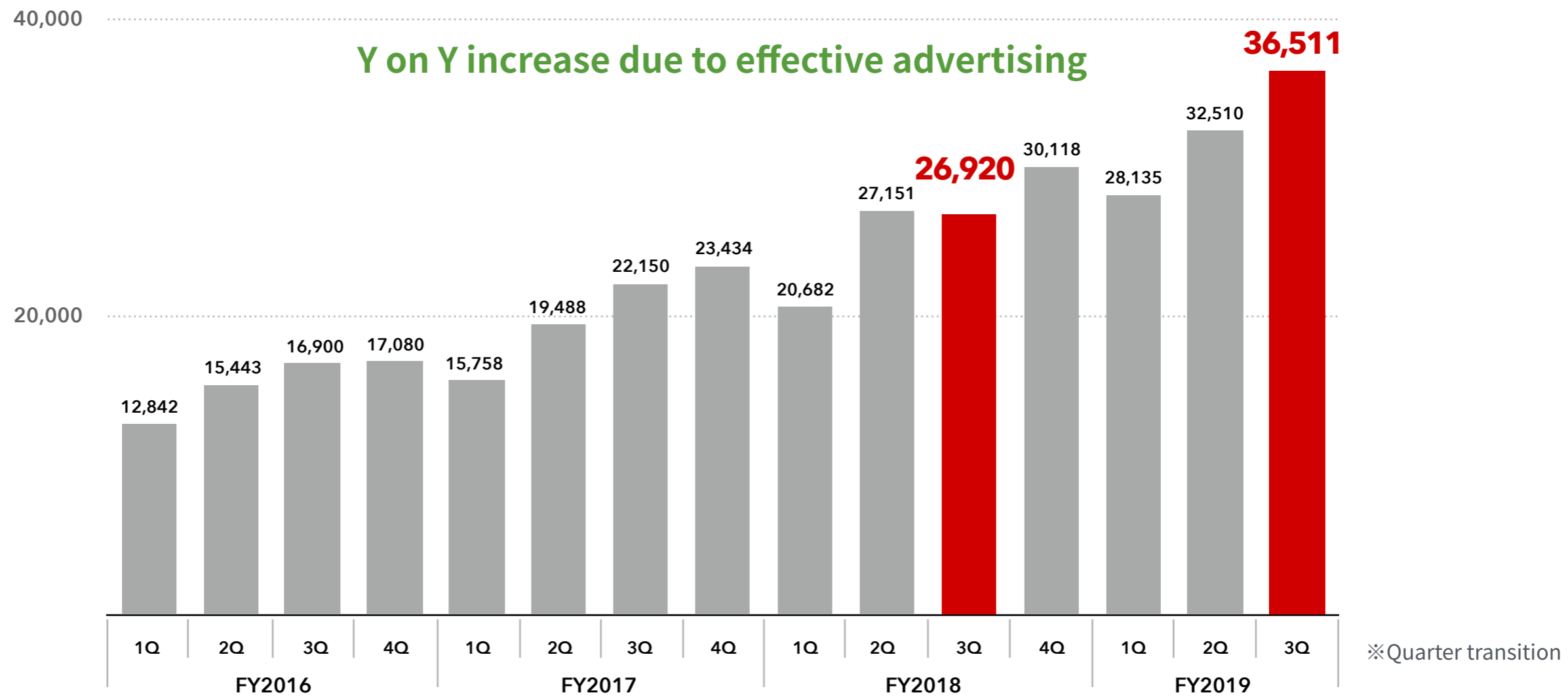
## Companies from Various Industries Introduce Green

Though companies adopting Green is mostly in the IT/Web industry, digitalization is taking part in many industries. With the raise of credibility and recognition due to the market change to 1st section of TSE, many prominent companies have introduced Green.



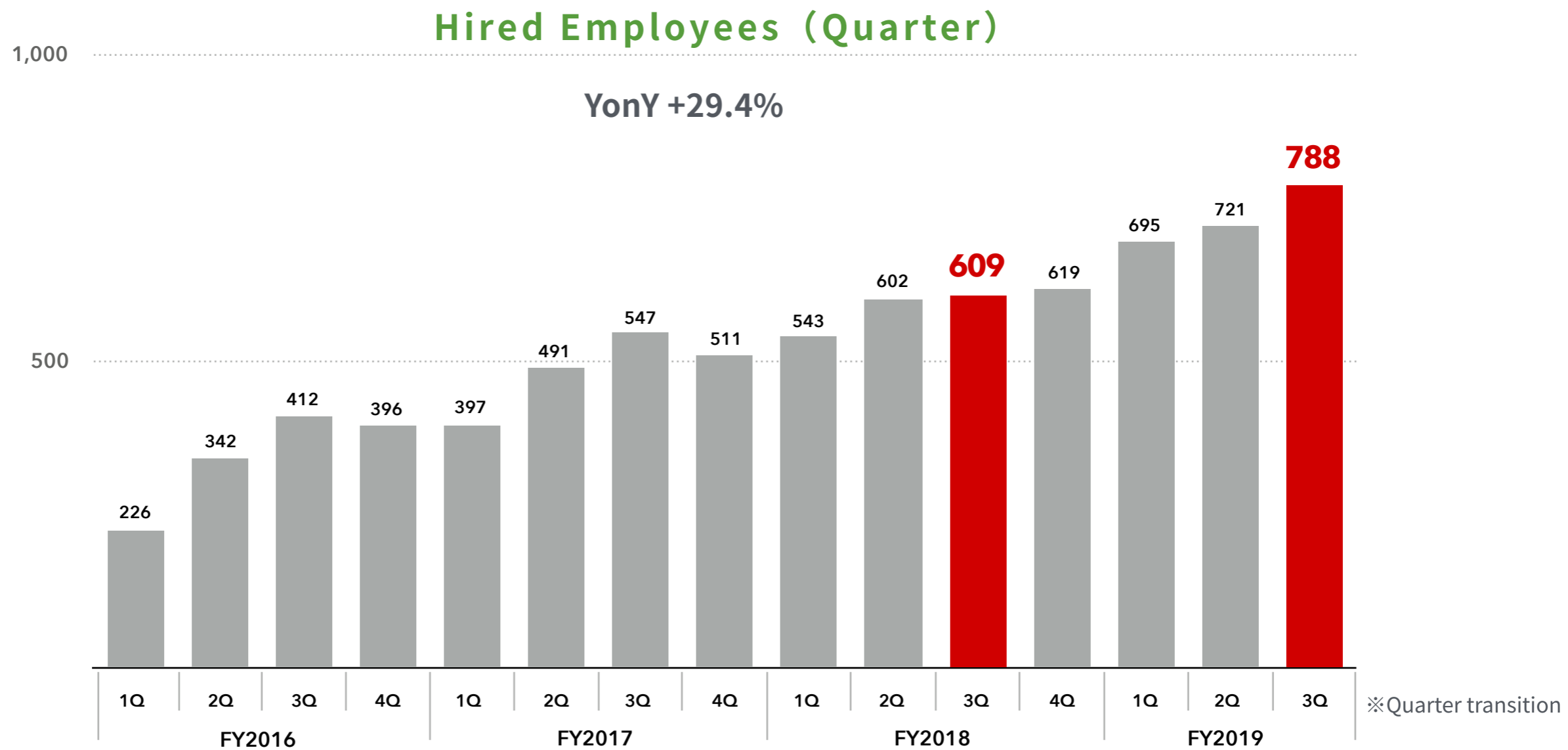
# The Number of Active Users

Updated the number of newly registered users too



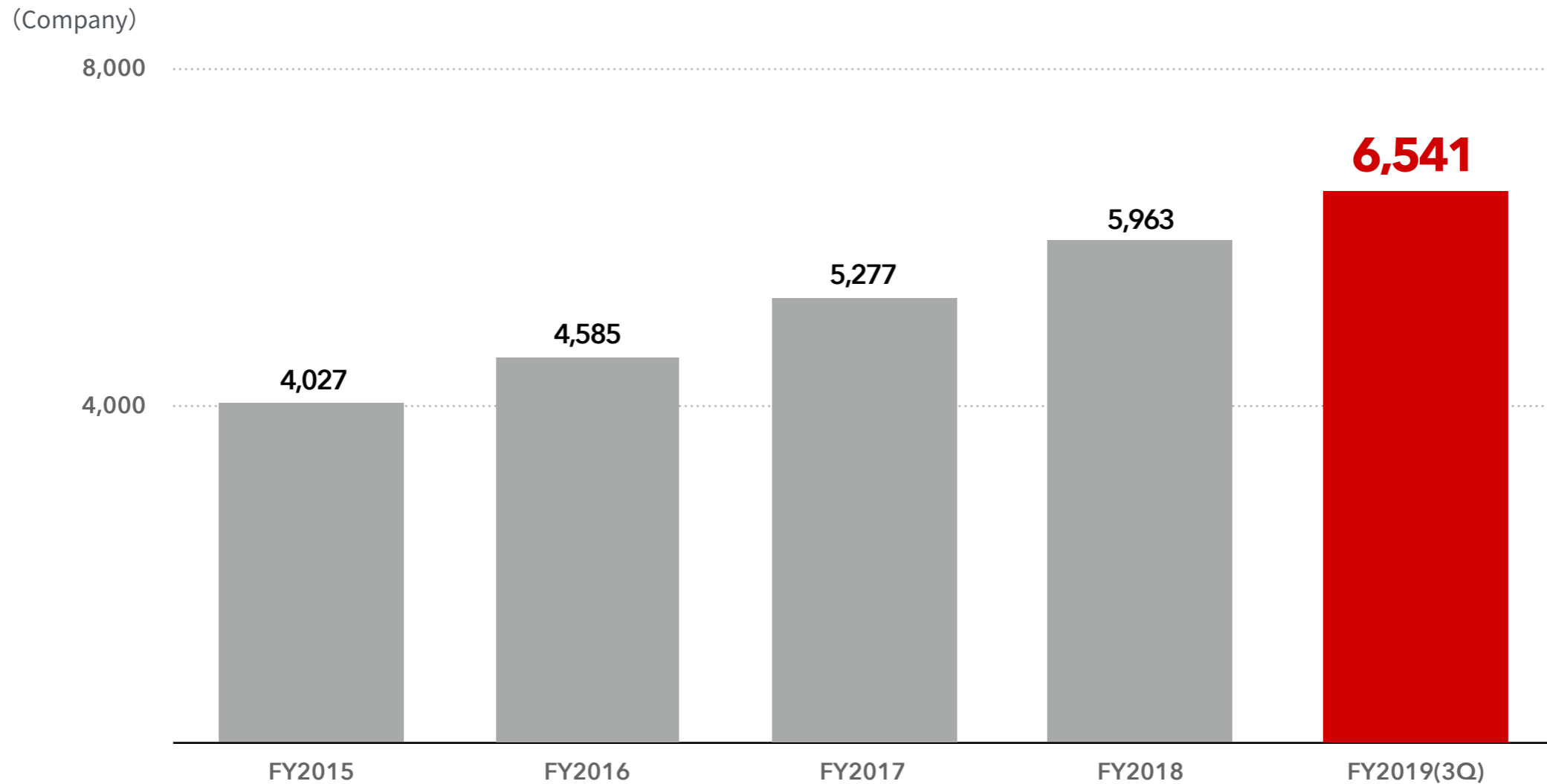
※1 Active user : Job seekers who log in at least once a month among job seekers who are registered with Green

# Regardless of the long holiday in May, accomplished 30% growth YonY.



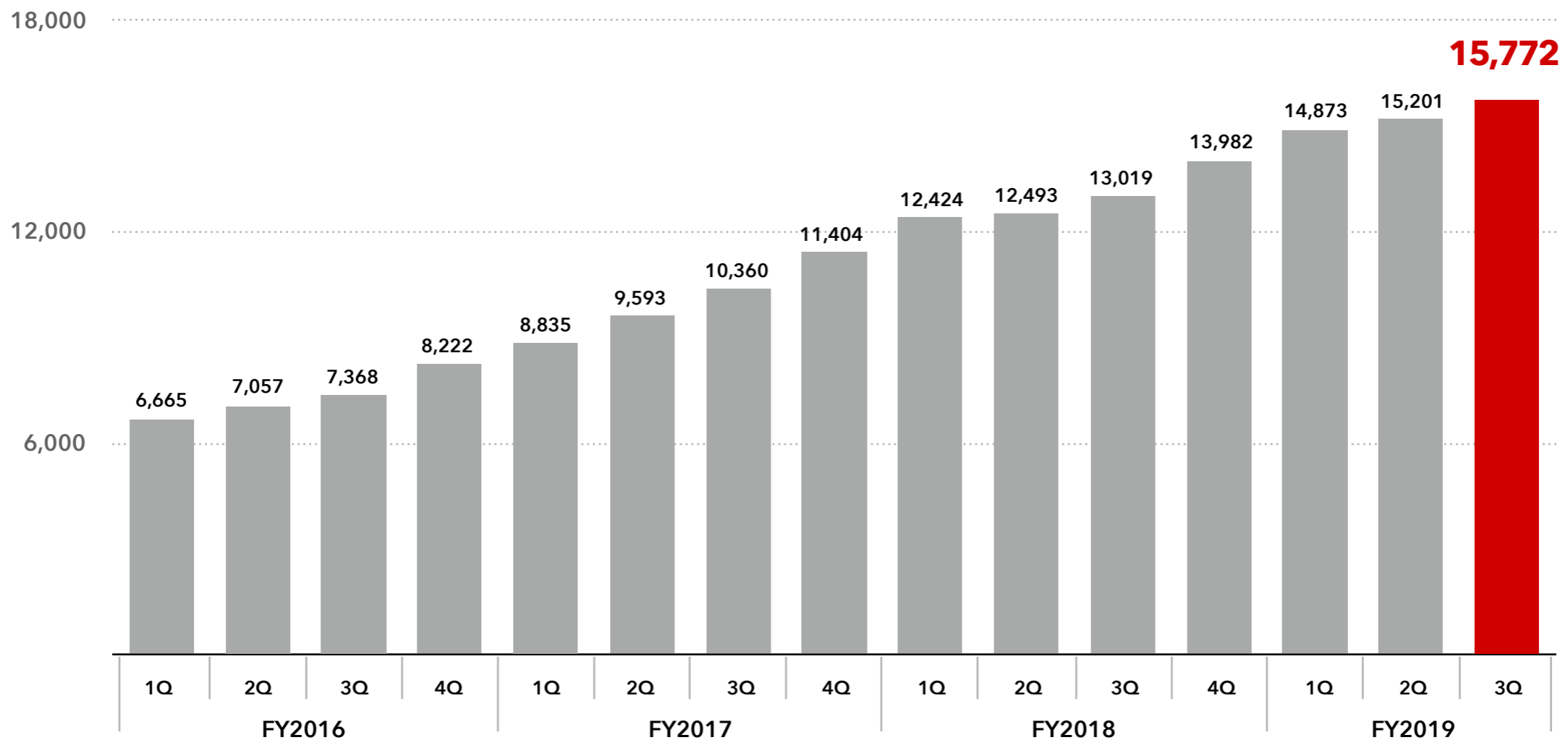
# Steady Increase of Newly Registered Companies

## Cumulative Registered Companies



# Increase of Jobs Posted Due to Increase of Registered Companies

## Jobs Posted



※Quarter transition



## Potential Growth of Green

Green not only covers IT industry but also sales, accounting, and more  
Occupancy of Green towards the market size is insignificant, huge potential of growth remains.

	Recruitment Market Size	Green's Market Size <sup>※3</sup>	Green Occupancy <sup>※4</sup>
All Industry	<b>286 B yen</b> <sup>※1</sup>	<b>170 B yen</b>	<b>1.3%</b>
IT Industry	<b>86 B yen</b> <sup>※2</sup>	<b>51 B yen</b>	<b>4.5%</b>

※1 Yano Research Institute "Current Status and Future of Human Resource Business 2017 Edition

※2 DODA job change job offer magnification report (July 2018) figures calculated for how many candidates for mid-career recruitment are applied to one job applicant

※3 Green is a discounted model of Recruitment Agency by 60% The market size is estimated 1700 B yen

※4 Green's sales calculated as 23 B yen (FY2019 Guidance)

組織力を見える化し、成長を加速させる

# wevox

Energize your team with honest communication cycle



## Engagement

Index to measure the understanding and contribution of each employees for the company's strategy or goal.  
Causal relationship with performance is academically proven.

# Platform for Organizational Improvement

## Point 1

### Visualization of engagement score

The first platform to visualize engagement in Japan, supervised by professor Shimazu of Keio University, a leading expert in the country

## Point 2

### Utilizing technology

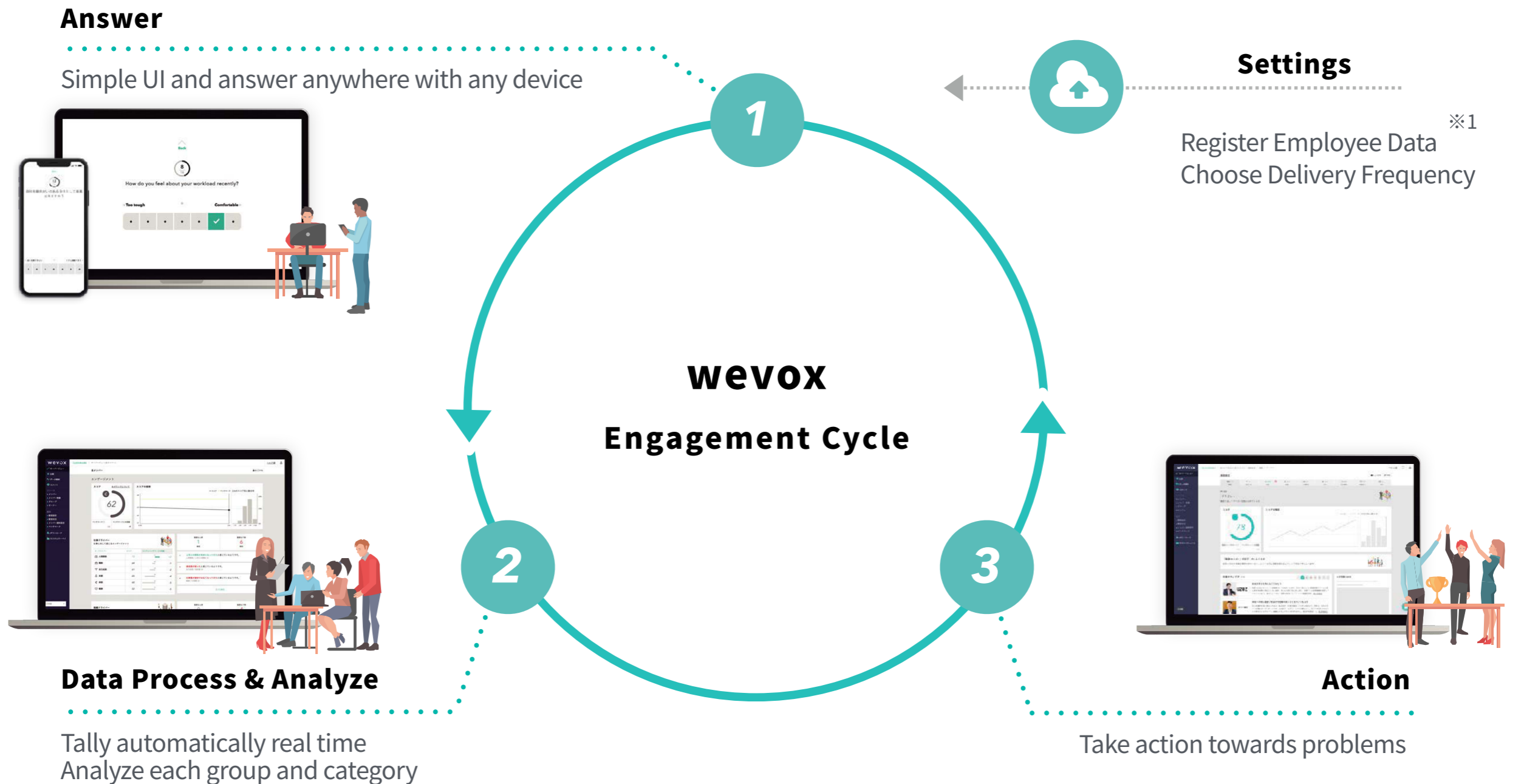
Automatically analyze the huge amount of data collected and enables immediate grasp of the organization's issues

## Point 3

### Affordable price with SaaS model

Offer a low price of ¥ 300 per employee per month

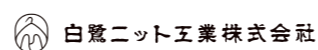
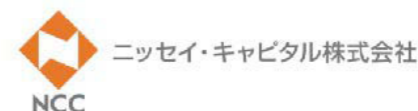
# wevox Use Case



※1 wevox introduces “pulse survey” that is a simple questionnaire which repeats every 1-2 months

# wevox has been introduced in many industries

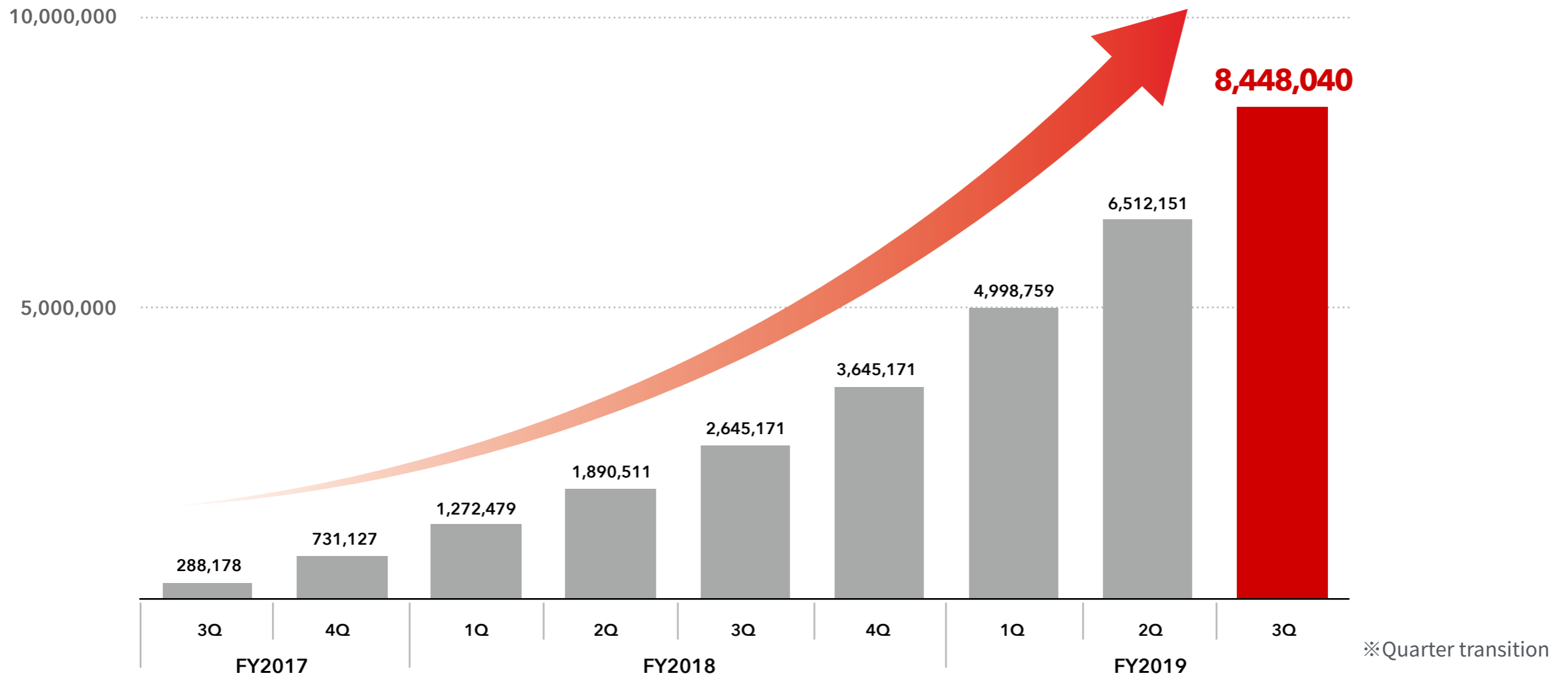
Companies adopting wevox cover many different industries and sectors such as, IT, securities, medical, food, Sports teams. Currently, more than **950** companies and organizations adopts wevox and obtained more than **10million** respond data. (As of August 9, 2019)



Reference from wevox homepage

## Increase of Answer Data

Continuously developing new features analyzing user answer data and actual condition



# Potential Growth of wevox

Potential target

Price  
Competitiveness

Potential  
Market size

All Employed Persons

**67.2M**<sup>※1</sup>  
People

¥ **300** per month

More than

**240B**<sup>※2</sup>  
yearly

Wide range of industries  
including sports and  
educational organizations

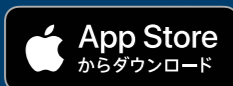
Targeting wide range of  
clients via SaaS model

Pursuit the expansion  
of the market size by  
rising wevox's pricing

※1 Ministry of Internal Affairs and Communications Statistics Bureau

※2 Calculation : Number of Employed Person 67.25M people × ¥300 per person × 12 months = ¥242B

# yenta



## Professional Networking App to Create “Encounters for Accelerating Business”

### Point 1

#### Create an attractive encounter beyond organizational boundaries

Promote open innovation, diversification of working methods, productivity improvement, etc.

### Point 2

#### Utilizing technology

Artificial intelligence realizes large number of matching

### Point 3

#### High user satisfaction

★4.1 (309 responds)  
Most responds are positive with a high satisfaction rate

## How to Use yenta

### Recommendation



1 Analyze swipe data with artificial intelligence and select 10 candidates who are compatible with users. Recommend at noon for 12pm every day.

### Matching



2 Swipe the recommended users based on your interest. Matching is made only when both users swipe right.

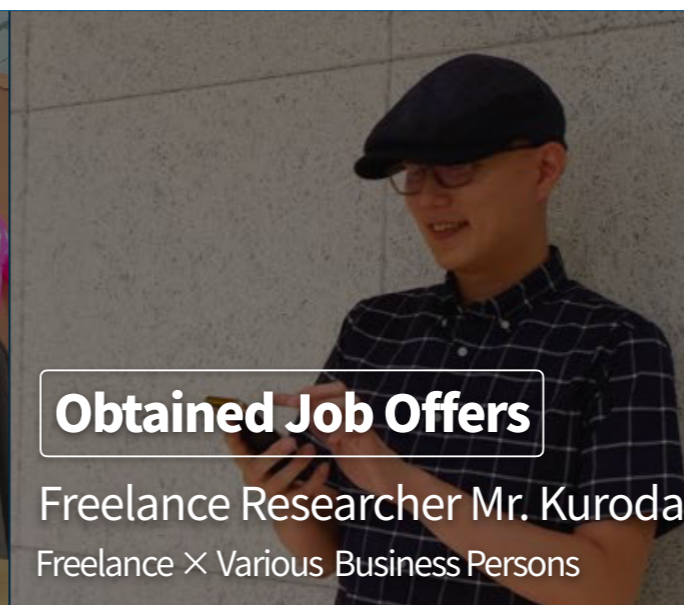
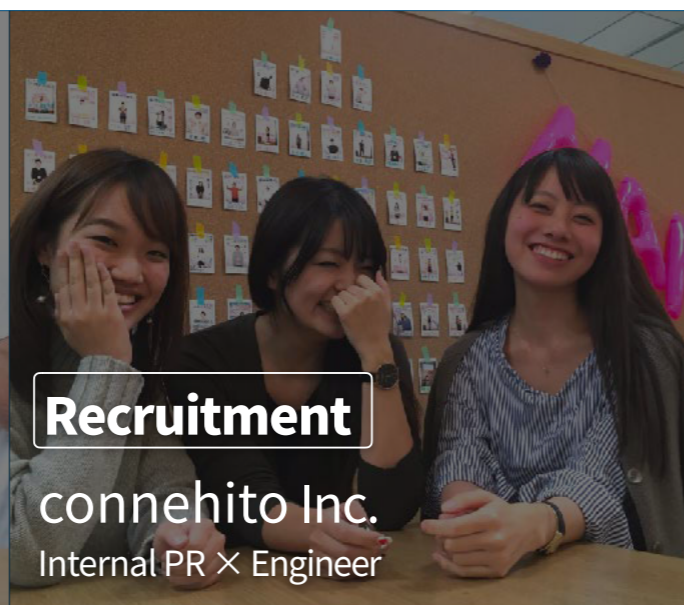
### Meet up



3 User exchange messages and meet up for lunch or tea etc. It also leads to entrepreneurship, investment and recruitment.

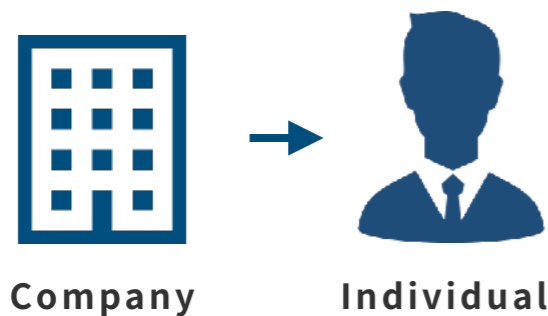


# Matching Cases



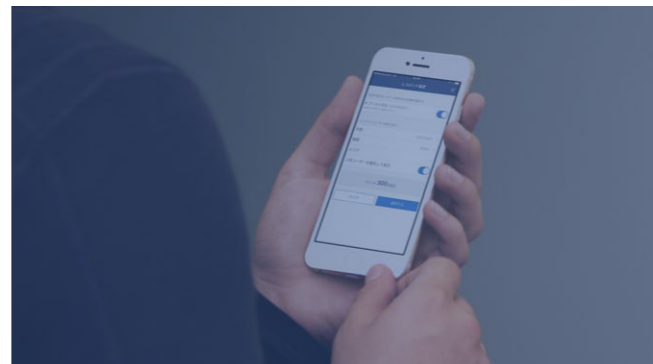
## Potential Growth of yenta

### Shifting from companies to individuals



Platforms such as SNS or Crowdfunding has expanded and widen individuals' stages which led to an era independent from companies and organizations.

### High Active Rate



Currently, yenta has a high active rate despite of saving on advertisement expenses. In future, yenta will start strategic advertisement and aim on obtaining more users by expanding areas.

### Expansion based on cities



Since yenta is an app, it is relatively easy to expand both domestically and globally. Especially in South East Asia, there is a high demand on meet ups between business persons.

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## Organizational Strength to Attain Growth Strategy

### High Reaction Rate

Yearly Average Turnover

**1.6** people

※ immediate 3 years

Average Age

**29.5** years old

### High Engagement



**wevox**

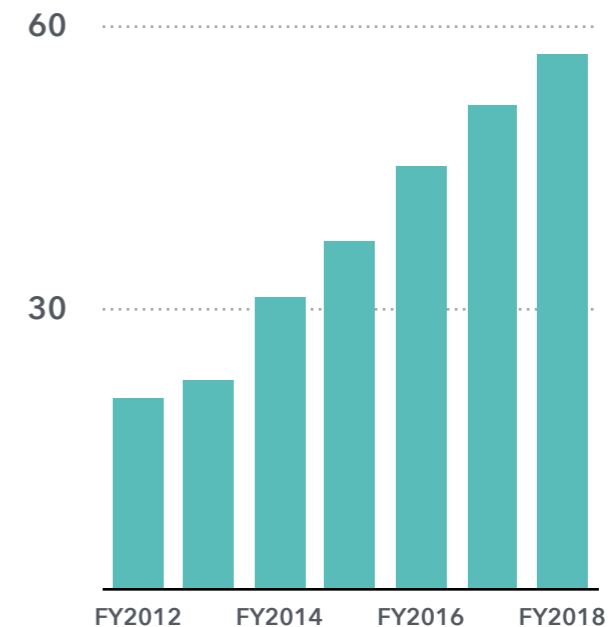
Energize your team with honest communication cycle



※ under 100 members

※ SMALL AND MEDIUM

### High Productivity

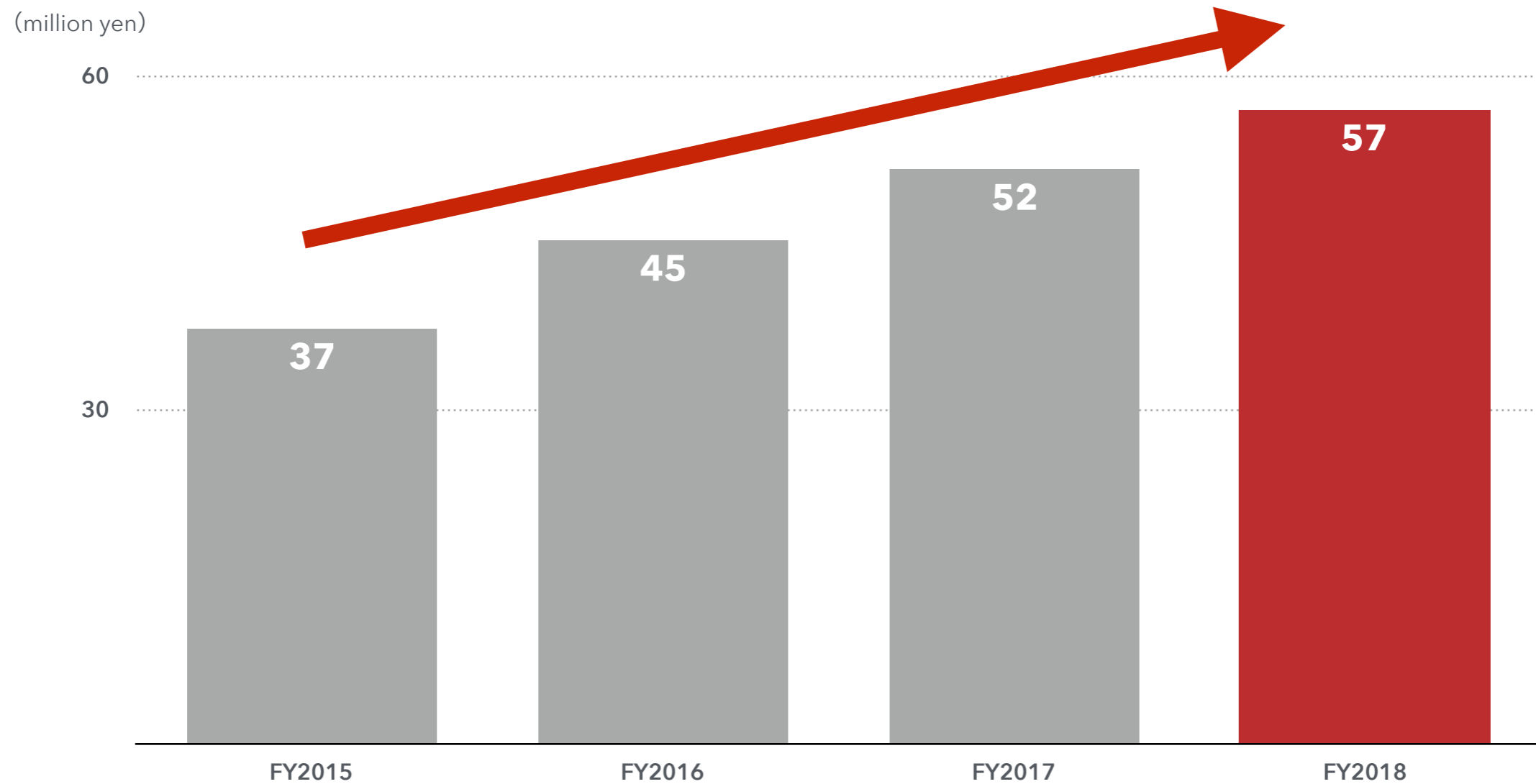


High employee engagement enables mid/long term strategy planning and implementation.

Productivity has been increasing this past 7 years.

# Transition of Sales Per Employee

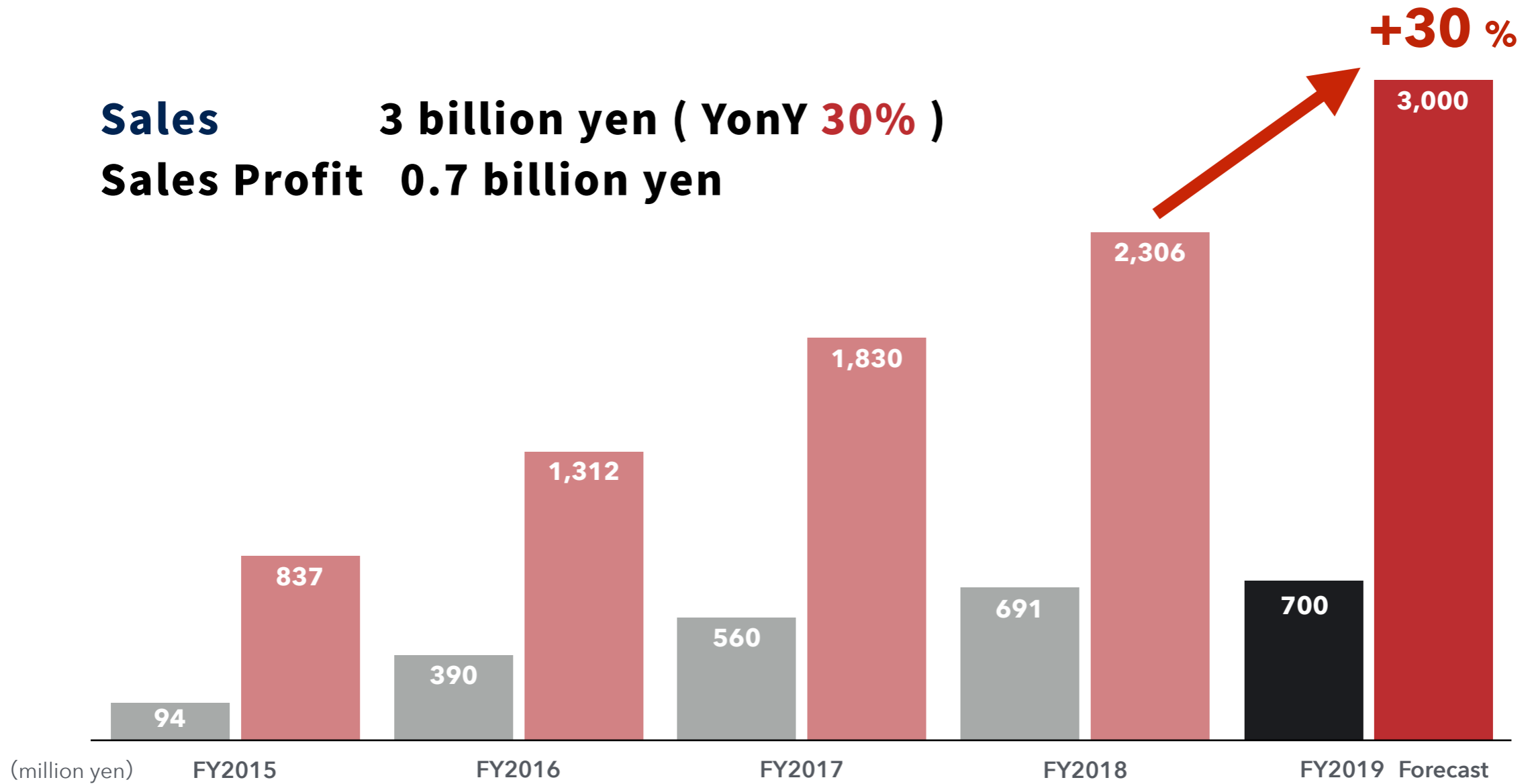
Updated our best productivity



# FY 2019 Guidance

Green will maintain a high growth rate.  
wevox and yenta will invest in advance for the expanding phase.

**Sales**            **3 billion yen ( YoY 30% )**  
**Sales Profit**   **0.7 billion yen**

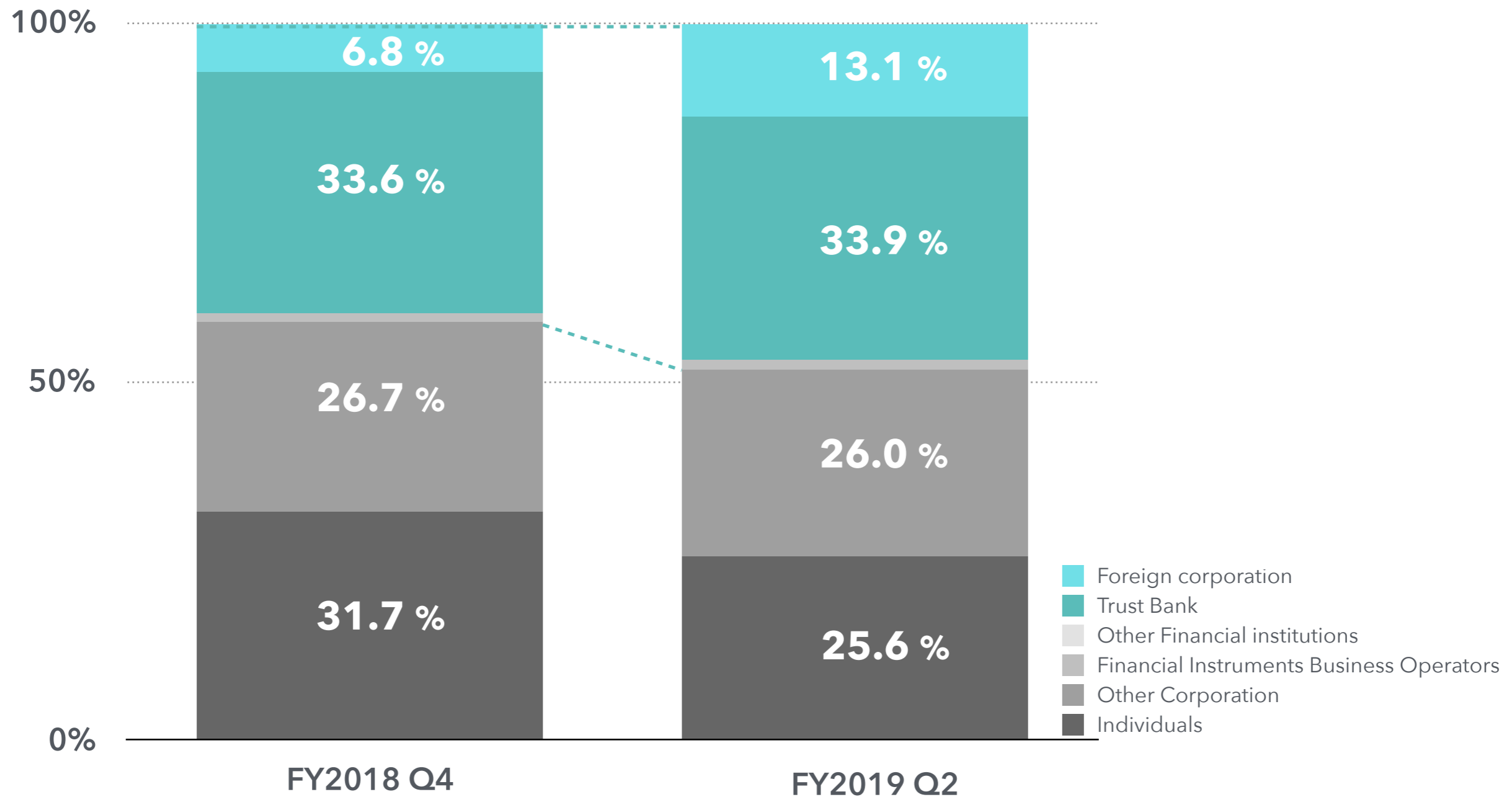


# FY 2019 Guidance

	<b>FY2018</b>	<b>FY2019</b>	<b>YonY</b>
(million yen)			
Sales	<b>2,306</b>	<b>3,000</b>	<b>+30.1%</b>
Operating Profit	<b>691</b>	<b>700</b>	<b>+1.3%</b>
Ordinary profit	<b>659</b>	<b>690</b>	<b>+4.6%</b>
Net Income	<b>464</b>	<b>476</b>	<b>+2.7%</b>

# Shareholding Structure

Rising prevalence of Institutional investors





## Appendix

# Atrae

<b>Name</b>	Atrae, Inc.
<b>Business Outline</b>	Green : a contingency fee basis job site yenta : a matching app for business professionals with an AI based recommending system wevox : a platform for organizational improvement
<b>Foundation</b>	October, 2003
<b>Management</b>	Yoshihide Arai, Founder/CEO
<b>Employee</b>	56 (As of June, 2019)
<b>Capital Stock</b>	1,074(in JPY MM)
<b>Location</b>	Minato-ku, Tokyo, Japan

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