

:Atrae

Financial Results Explanatory Material

Financial Results for the 4th Quarter of
Fiscal Year Ended September 30, 2021

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

Agenda

- 1. Company Overview**
- 2. FY2021 Financial Highlights**
- 3. FY2021 Guidance**
- 4. About Business**

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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.

Japan's First

People Tech Company

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

What We Value

Company = Making people who are involved happy



Employees



Clients



Stockholders



Partners



... and Society

Value Cycle of “Making People Happy”

By keeping this cycle and expanding the circle of people involved, we will pursue the creation of a sustainable organization and achieve our vision to **“Create the Company that Attracts People in the World”**.



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FY2021 Full-Year Financial Results

FY2021 Full-Year

Sales	4,464	Million yen	YoY +30.1	% Progress*	100.3	%
Operating Profit	1,010	Million yen	YoY +38.0	% Progress*	107.4	%

Business

Achieved YoY +69.5% in Q4 sales and YoY +30.1% in full year sales

Green's document screening pass rate has recovered to pre-COVID-19 levels. Contingency fee sales entering further growth phase.

Monthly churn rate for Wevox users remains below 1%

Topics

Wevox sales growth accelerates to YoY +100.0%

Sports Tech takes on the challenge of creating new value in the sports business. Aiming to be promoted to the B1 League in the shortest possible time, and to turn to profitability in the Fiscal Year Ending September 30, 2024.

* vs revised forecast disclosed on October 6, 2021

Quarterly Financial Highlights

Achieved YoY +69.5% in Q4 sales and YoY +30.1% in full year sales

(Million yen)	Y on Y			Q on Q		Y on Y		
	FY2021 Q4	FY2020 Q4	%	FY2021 Q3	%	FY2021 full-year	FY2020 full-year	%
Sales	1,359	802	+69.5%	1,221	+11.3%	4,464	3,430	+30.1%
Green	1,067	655	+62.9%	990	+7.8%	3,572	2,962	+20.6%
Wevox	264	132	+100.0%	206	+28.2%	802	416	+92.8%
New Business	28	15	+86.7%	25	+12.0%	90	52	+73.1%
Sports Tech	0	-	-	0	-	0	-	-
Operating Expense	1,312	638	+105.6%	850	+54.4%	3,454	2,698	+28.0%
Operating Profit	47	164	△71.3%	371	△87.3%	1,010	732	+38.0%
Operating Margin	3.5%	20.4%	△16.9pt	30.4%	△26.9pt	22.6%	21.3%	+1.3pt

YonY Comparison (sales)

Conducted measures to raise public recognition of Green such as TV commercials.
Granted approximately 90 million yen
in fiscal year-performance bonuses to employees.

(Million yen)	Y on Y					Y on Y				
	FY2021 Q4	% of Sales	FY2020 Q4	% of Sales	%	FY2021 full-year	% of Sales	FY2020 full-year	% of Sales	%
Sales	1,359	100.0%	802	100.0%	+69.5%	4,464	100.0%	3,430	100.0%	+30.1%
Operating Expense	1,312	96.5%	638	79.6%	+105.6%	3,454	77.4%	2,698	78.7%	+28.0%
Cost of sales	30	2.2%	13	1.6%	+130.8%	78	1.7%	52	1.5%	+50.0%
SG&A										
Web Ad Spend	378	27.8%	288	35.9%	+31.3%	1,274	28.5%	1,450	42.3%	△12.1%
TV Ad Spend and Other	441	32.5%	57	7.1%	+673.7%	653	14.6%	195	5.7%	+234.9%
Personnel Cost	294	21.6%	145	18.1%	+102.8%	837	18.8%	566	16.5%	+47.9%
Other	169	12.4%	135	16.8%	+25.2%	612	13.7%	435	12.7%	+40.7%
Operating Profit	47	3.5%	164	20.4%	△71.3%	1,010	22.6%	732	21.3%	+38.0%

* Operating Expense includes the cost of the Sports Tech Business.

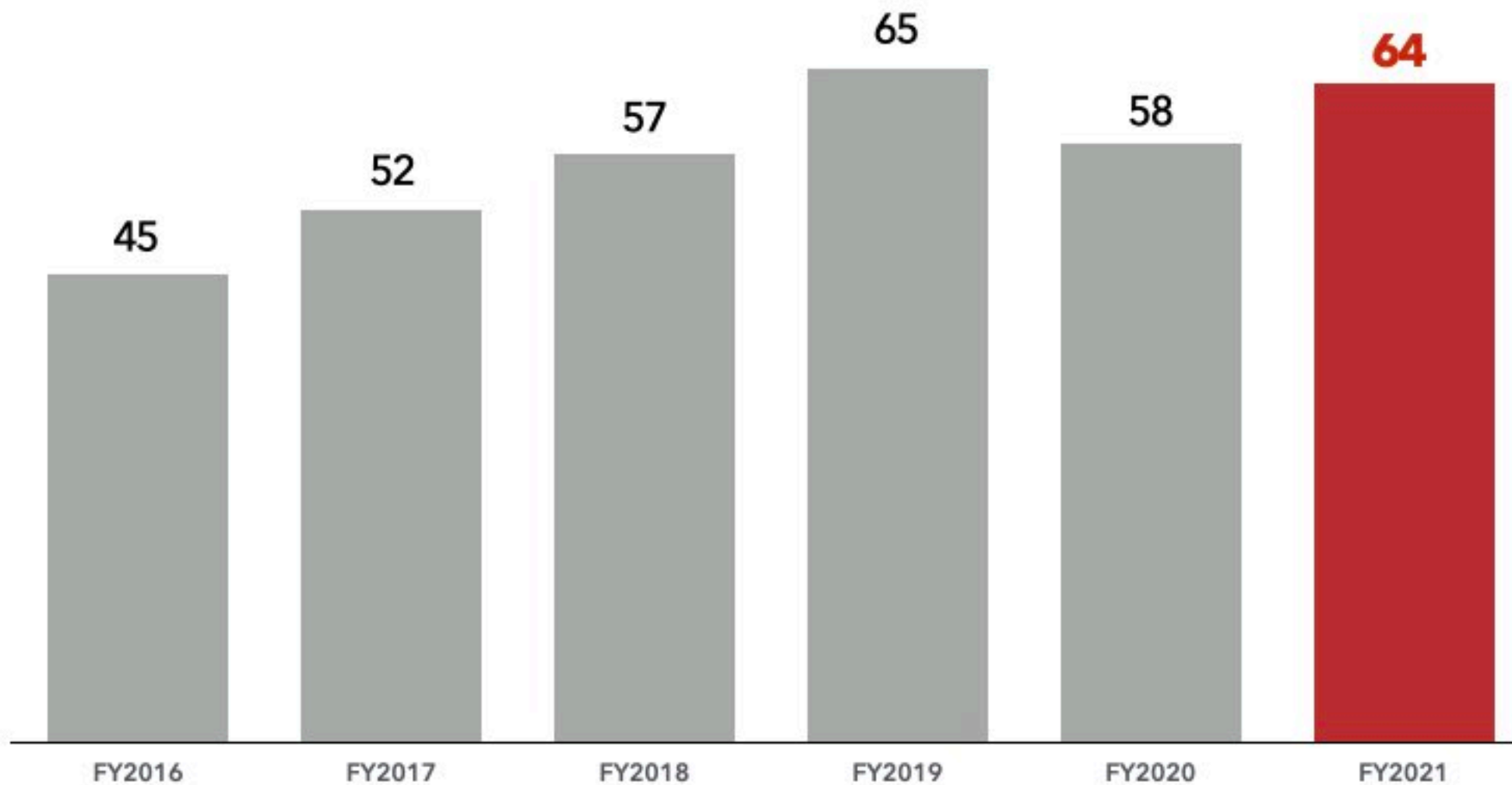
For Reference : Quarterly Financial Highlights

(Million yen)	FY2019				FY2020				FY2021			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sales	749	736	811	933	842	911	875	802	886	998	1,221	1,359
Green	704	681	751	837	745	804	758	655	713	802	990	1,067
Wevox	26	36	43	81	83	94	107	132	156	176	206	264
New Business	19	19	17	15	14	13	10	15	17	20	25	28
Sports Tech	-	-	-	-	-	-	-	-	0	0	0	0
Operating Expense	524	500	624	871	647	848	565	638	608	684	850	1,312
Cost of sales	14	12	15	16	15	14	10	13	12	16	20	30
SG&A												
Web Ad Spend	317	298	348	460	399	461	302	288	270	287	339	378
TV Ad Spend and Other	0	0	50	131	0	138	0	57	17	56	139	441
Personnel Cost	107	112	129	153	137	137	147	145	160	179	204	294
Other	86	78	82	111	96	98	106	135	149	146	148	169
Operating Profit	225	236	187	62	195	63	310	164	278	314	371	47
Operating Margin	30.0%	32.1%	23.1%	6.6%	23.2%	6.9%	35.4%	20.4%	31.4%	31.5%	30.4%	3.5%

Transition of Sales Per Employee

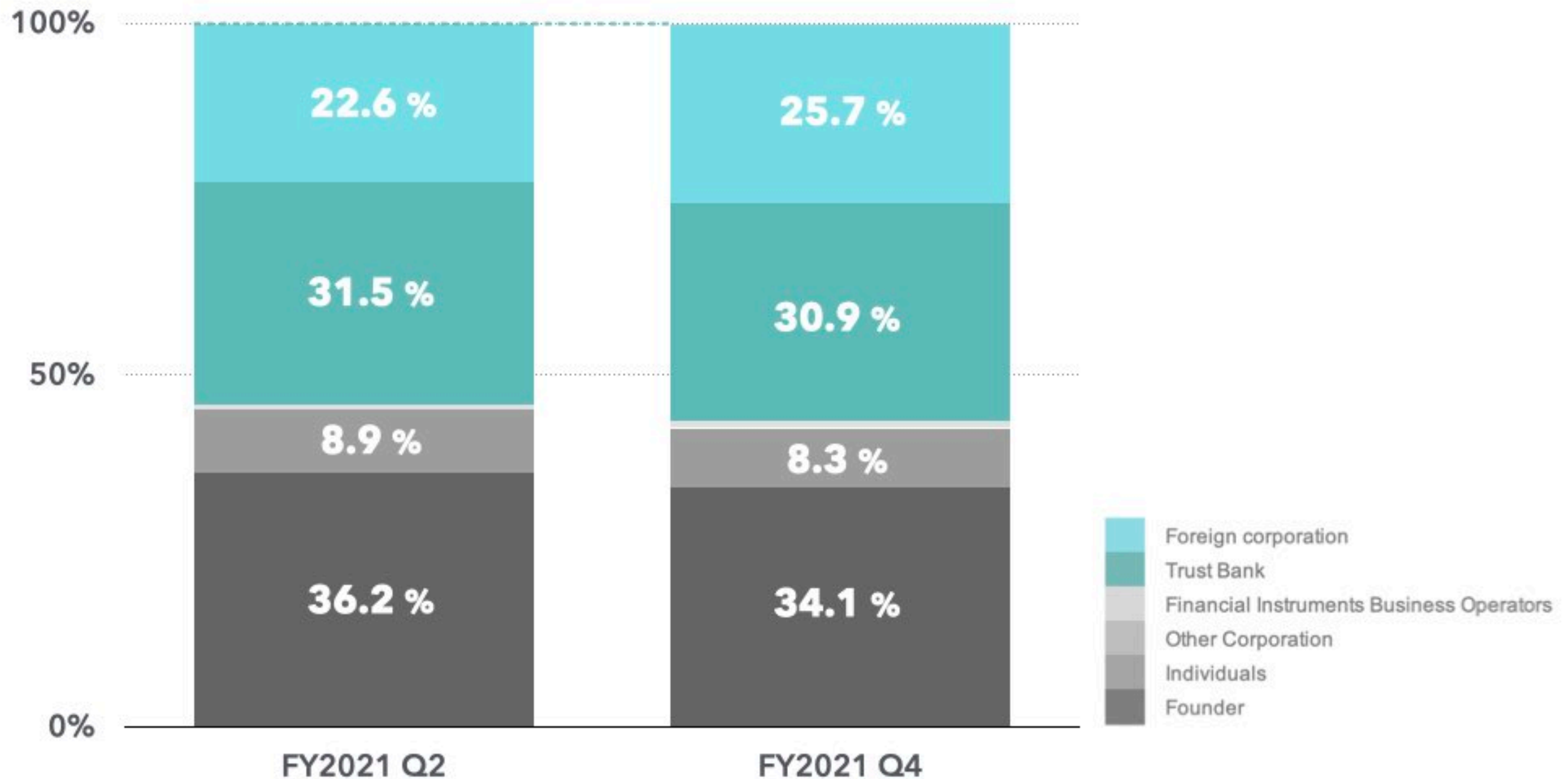
Number of employees at the end of the fiscal year increased by 22% YoY and achieved the highest level of productivity ever despite active investment in new businesses

(Million yen)



Shareholding Structure

More than 55% owned by domestic and foreign institutional investors



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View of FY2022 Forecast

Business

Assumptions / Considerations

Sales

Green

- Aim for continuous YoY +20% or more sales growth
- Rate of applicants passing the document screening recovered to pre-COVID-19 levels. Pursuing further growth in the current fiscal year

Wevox

- Driving the spread of engagement in Japanese society. Entering a phase of further TAM expansion
- Improve the value provided to customers by providing optional features through data accumulation and analysis

Altiri

- Creating a new sports business by combining the management know-how of PeopleTech Business
- Aiming to be promoted to the B1 League in the shortest possible time, and to turn to profitability in the Fiscal Year Ending September 30, 2024

Business

Assumptions / Considerations

Green

- Conducted measures to raise public recognition of Green such as TV commercials
- Continue to invest in web advertising with an awareness of ROI

Wevox

- Accelerate hiring of human resources, especially in customer success, in order to respond to the increase in requests from large corporations for implementation

Altiri

- Promotion to the B1 League is essential for the creation of the Sports Tech Business. This fiscal year and next fiscal year will be the investment phase

Investments

FY2022 Full-Year Forecast

Green leverages its competitive advantage in the job market to enter a further growth phase.

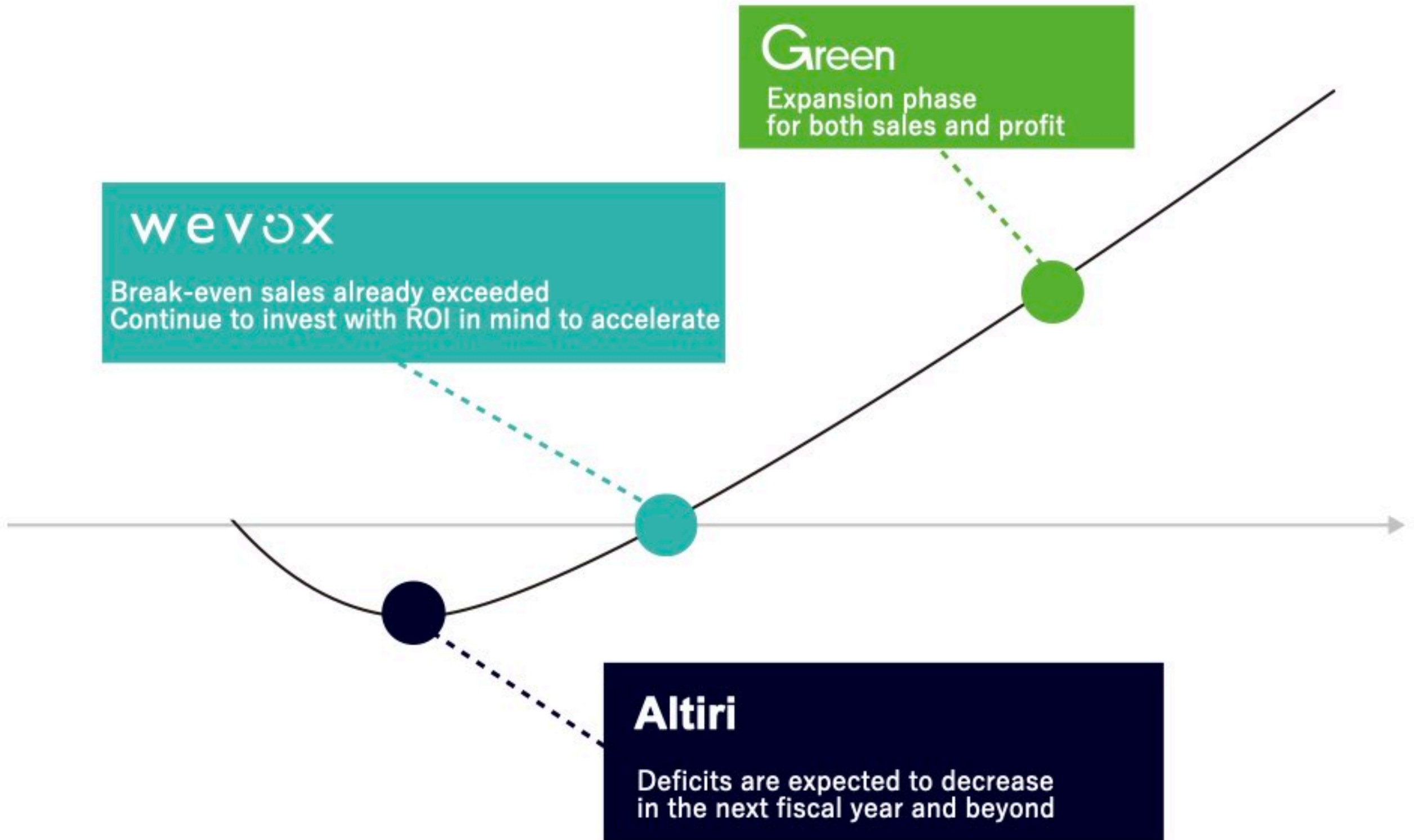
Wevox pursues accelerated growth

through investments focused on hiring customer success employees.

Sports Tech takes on the challenge of creating new value in the sports business.

(Million yen)		FY2022 full-year	FY2021 full-year	Variance	%
Sales		5,850	4,464	1,386	+31.0%
	People Tech				
	Green	4,300	3,572	728	+20.4%
	Wevox	1,250	802	448	+55.9%
	New Business	100	90	10	+11.1%
	Sports Tech				
	Altiri	200	-	200	-
Operating Expense		5,350	3,454	1,896	+54.9%
	People Tech	4,400	3,398	1,002	+29.5%
	Sports Tech	950	56	894	+1,596.4%
Operating Profit		500	1,010	△510	△50.5%
Operating Margin		8.5%	22.6%	-	△14.1pt

Image of the business stage of each product



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Our People Tech Business

- Creating a sense of purpose in life and work -



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

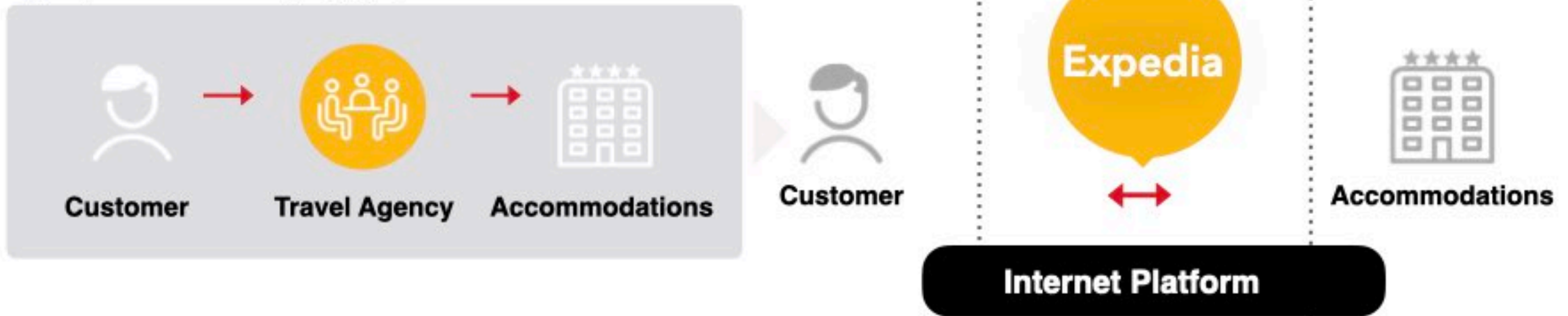
Direct recruiting platform

Job seekers and companies can take action and communicate interactively.

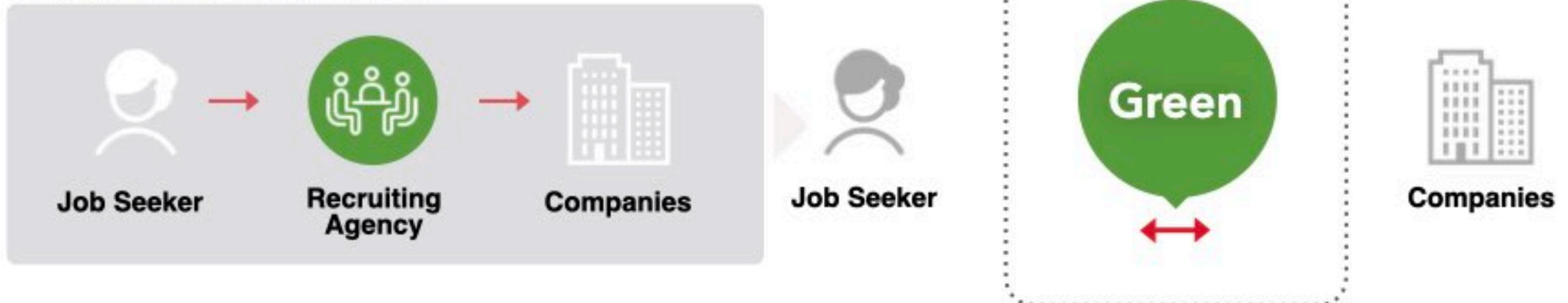
Attain Efficient Matching Via Technology

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

e.g. Replacement of Travel Agency by Expedia



Replacement of Recruiting Agency by Green

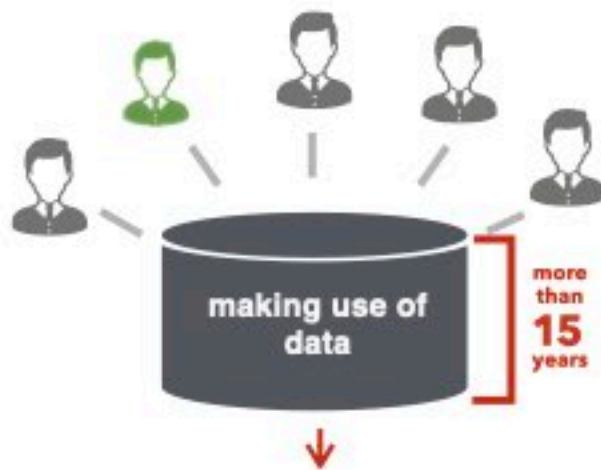


Green Established a Unique Position

Technology x Low Cost x Superiority

Stock and Use of Big Data

Stocking and making use of data via Green ^{※1}



High precision within the use of big data

※1 Action data, profile data, selection 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 15 years)

Number of Cumulative Registered Company

More than **8,300**

Number of Registered User ID

More than **920** thousand

High recognition among recruiting companies

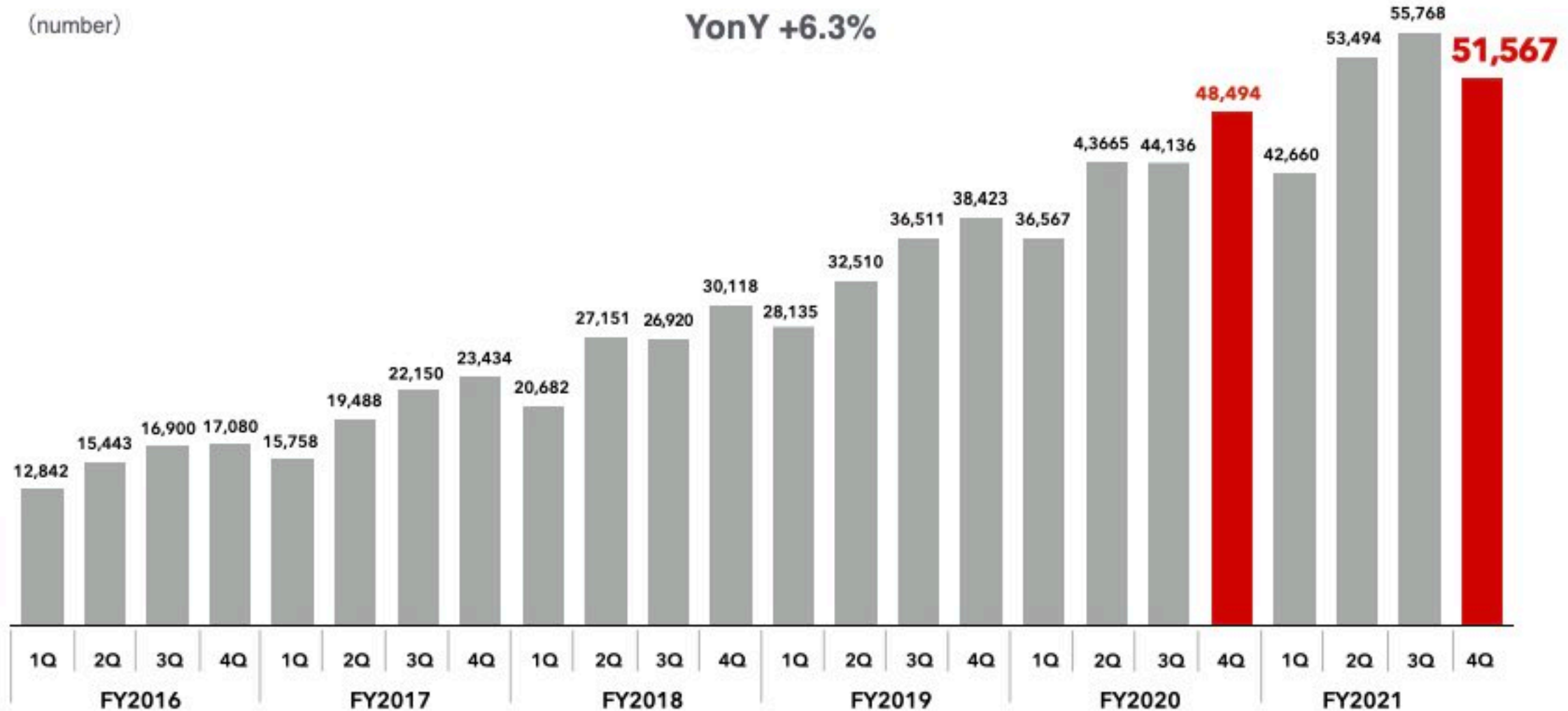
Companies from Various Industries Introduce Green

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.



Growth rate of active users temporarily slowed down due to strategic control of web advertising expenditures in the 1st half

The number of active users

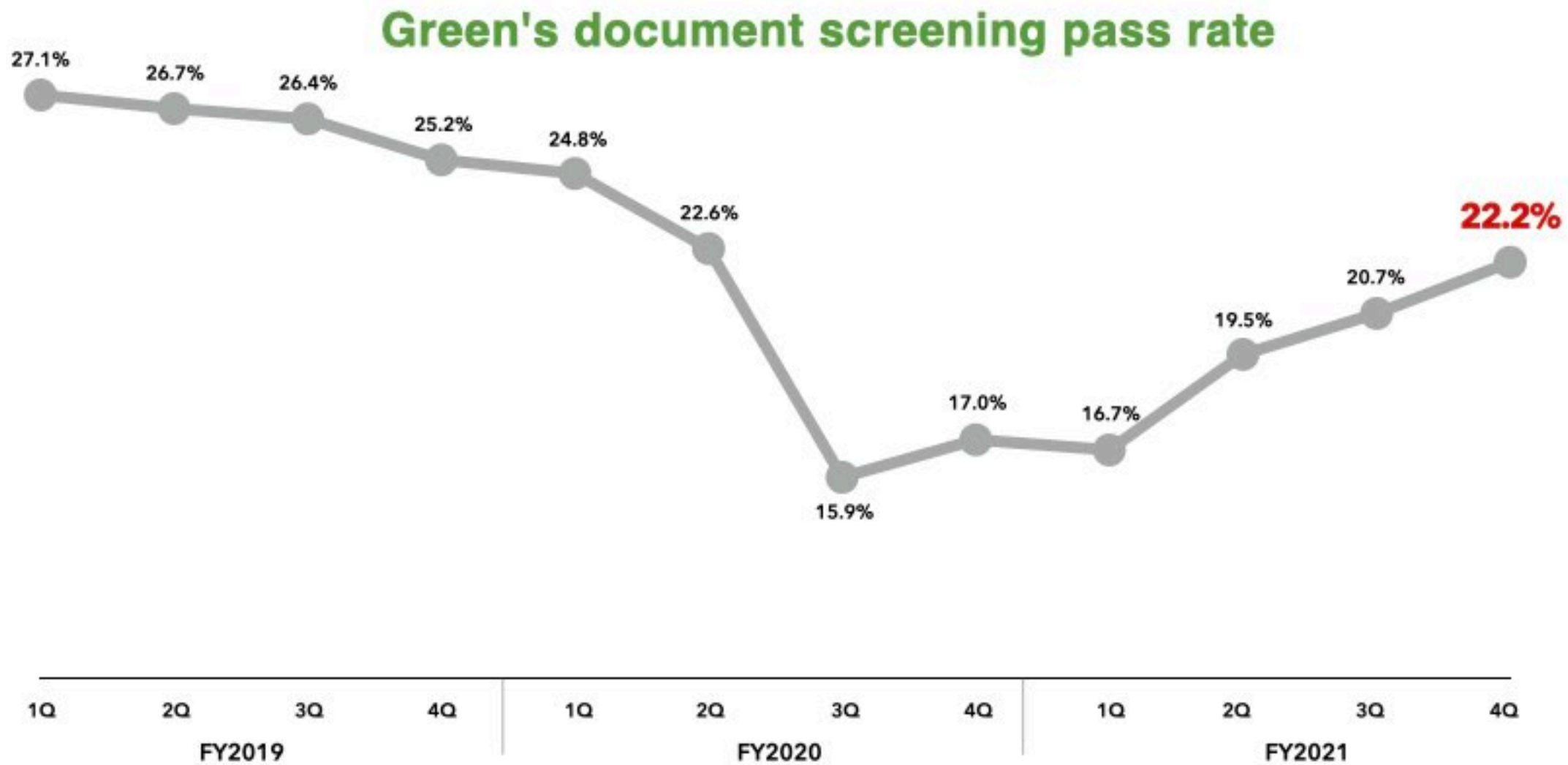


*1 Active user : Job seekers who log in at least once a month among job seekers who are registered with Green

*Quarter transition

Green's document screening pass rate has recovered to pre-COVID-19 levels.

Contingency fee sales entering further growth phase



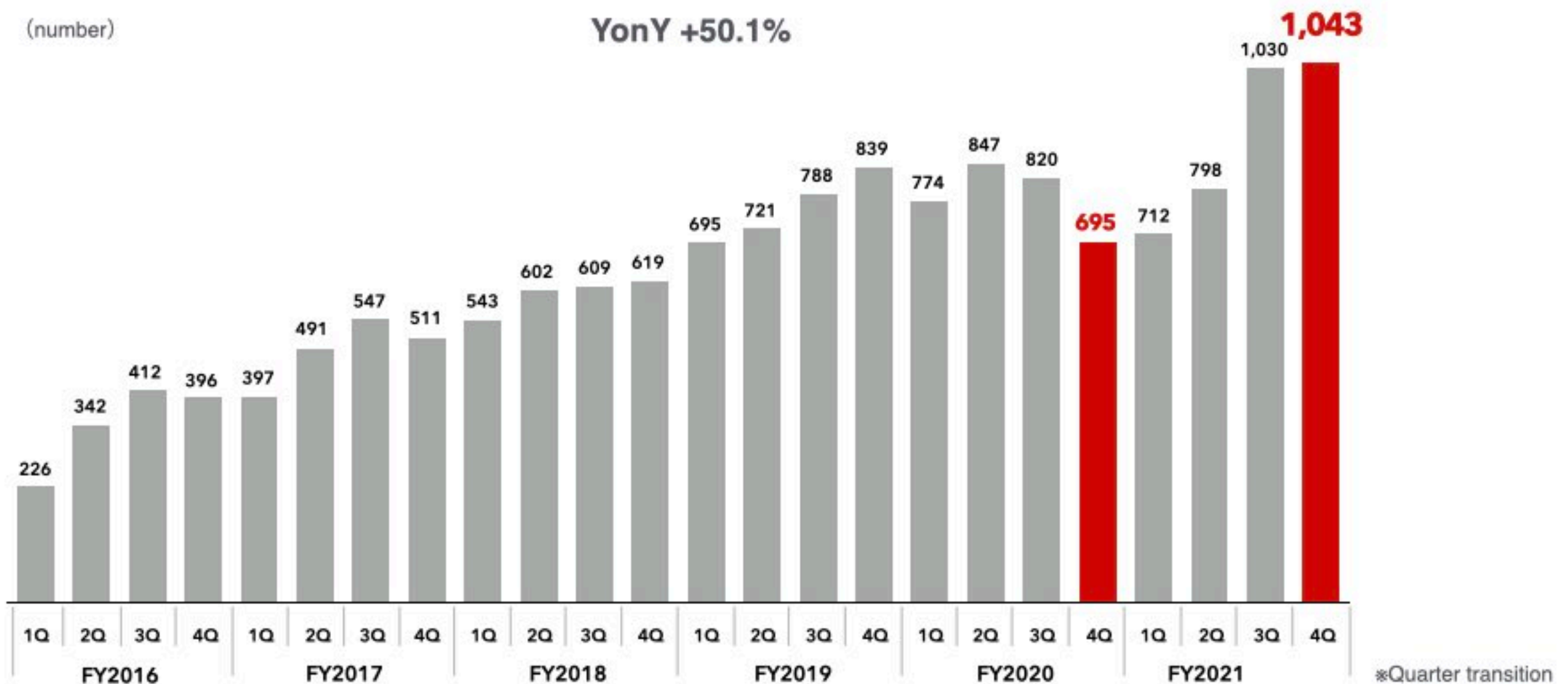
* Green's document screening pass rate : Number of document screening pass ÷ Number of applications

Leveraging Green's unique competitive advantage, we will move into a further growth phase

Hired Employees (Quarter)

(number)

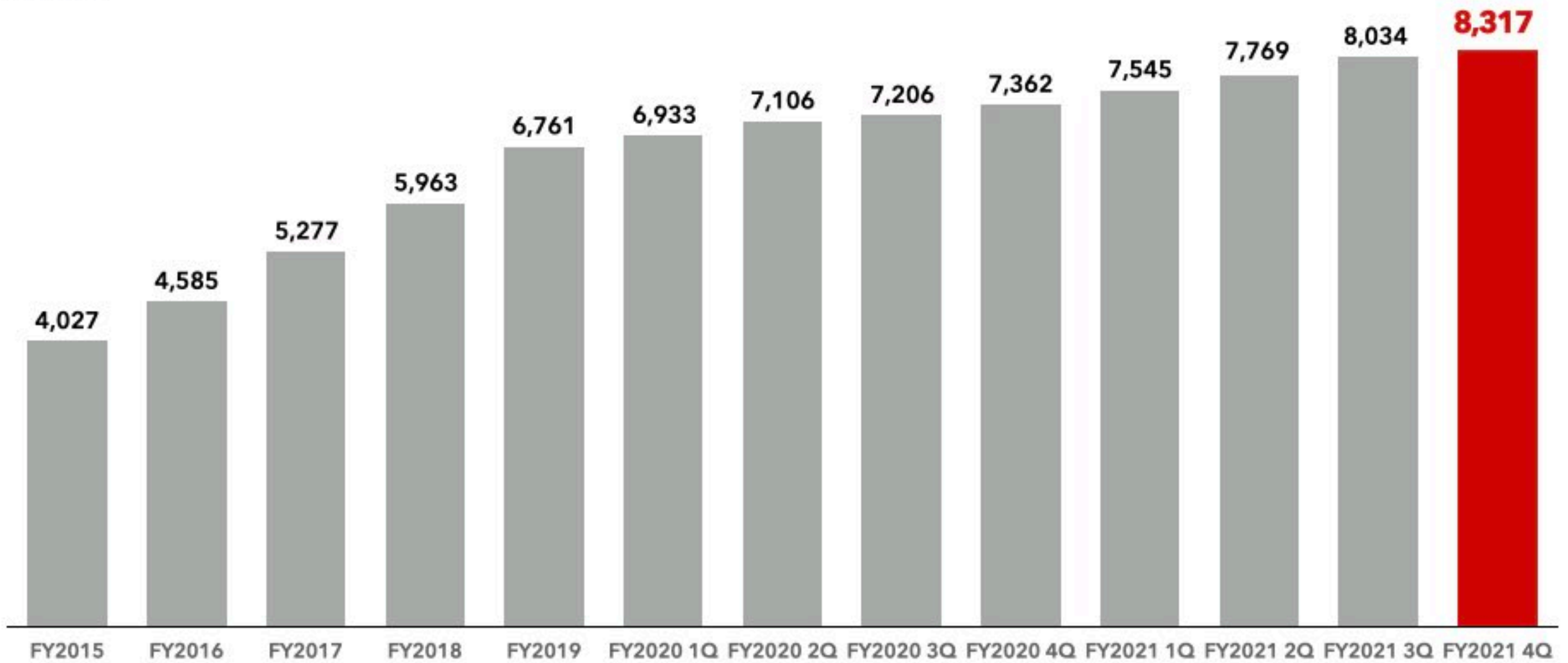
YoY +50.1%



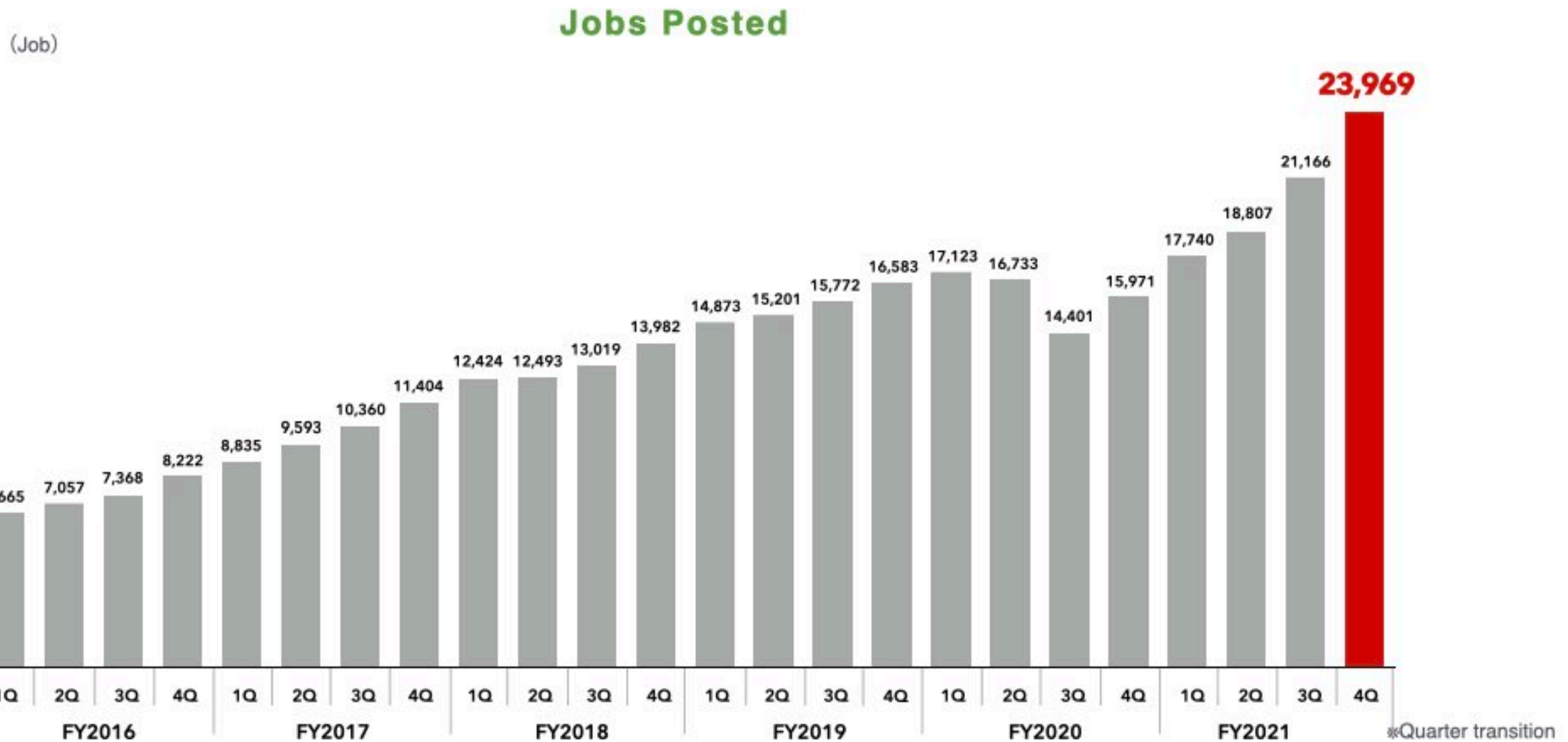
Steady Increase of Newly Registered Companies

Cumulative Registered Companies

(Company)



The number of jobs posted reached a new record high



Potential Growth of Green

Green covers not only IT industry but also sales, accounting, and more.

Occupancy of Green towards the market size is insignificant, meaning there is huge potential of growth.

	Recruitment Market Size	Green's Market Size ^{*3}	Green's Occupancy ^{*4}
All Industry	303 B yen ^{*1}	181 B yen	1.6%
IT Industry	90 B yen ^{*2}	54 B yen	5.4%

*1 Yano Research Institute "Current Status and Future of Human Resource Business 2019 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%

*4 Green's sales calculated as 2.9 B yen (FY2021 Actual)

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.

Engagement Analysis Tool utilizing pulse survey and machine learning

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

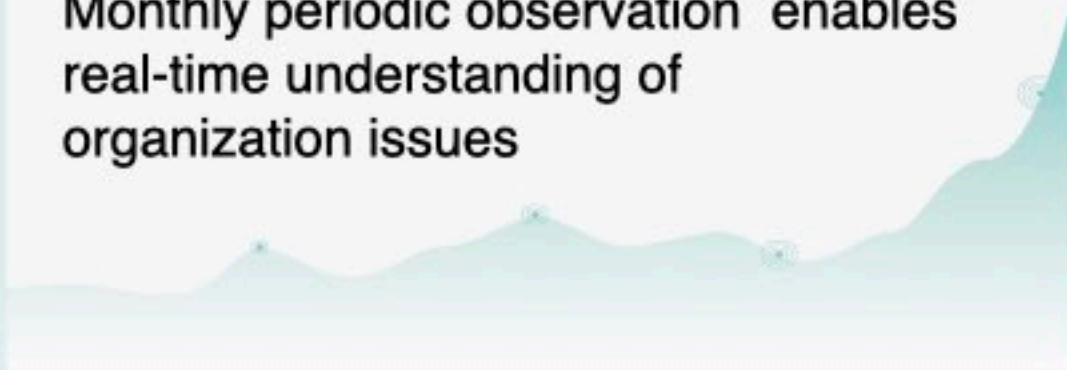
Affordable price with SaaS model

Offer a low price of ¥ 300 per employee per month

Wevox’s Competitive Advantage

1 Pulse survey

Monthly periodic observation enables real-time understanding of organization issues



2 Usability

Easy -to-use design for various devices (PC/tablet-type device/smartphone)



3 Data analysis

Applying over 73 million responses to machine learning

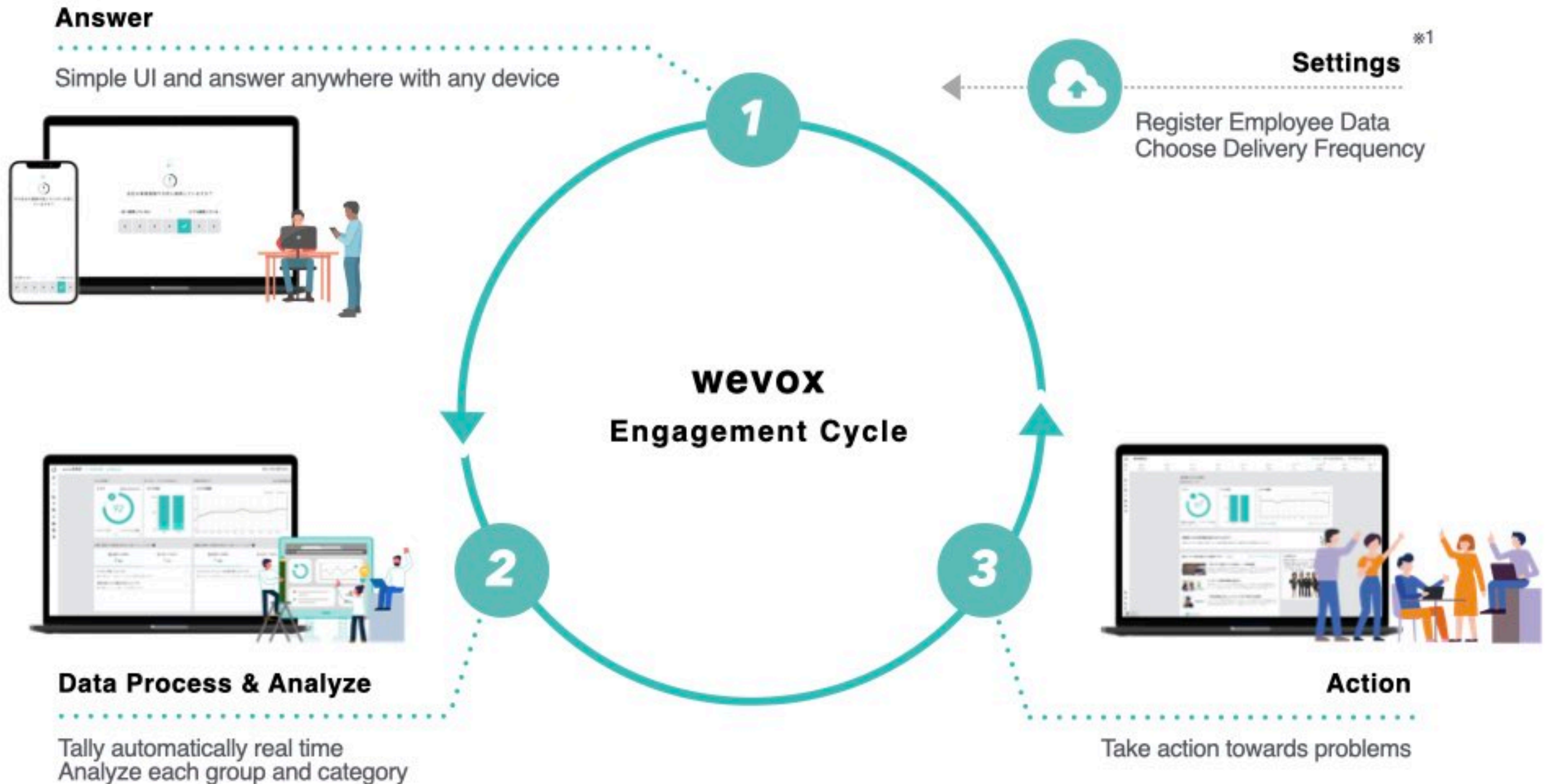


4 Academic basis

Supervised by Professor Akito Shimazu, Keio University, a leading expert in the engagement research



Wevox Use Case



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

Continuous improvement of UI/UX including multi-language support

Built an algorithm based on the user's response record and provides high usability.
High response rate by easy user interface



Compatible with various communication tools and various devices
(e-mail · Slack · LINE WORKS · Workplace · Teams)

“Wevox” Engagement Analysis Tool

View results in real time

Analyze by various attributes such as department, position, year of joining, new graduate / mid-career

絶対値 相対値 [ベンチマークとの乖離?](#) 重要な変動 ●上昇 ●下降 集計対象更新 [スコア出力](#)

グループ

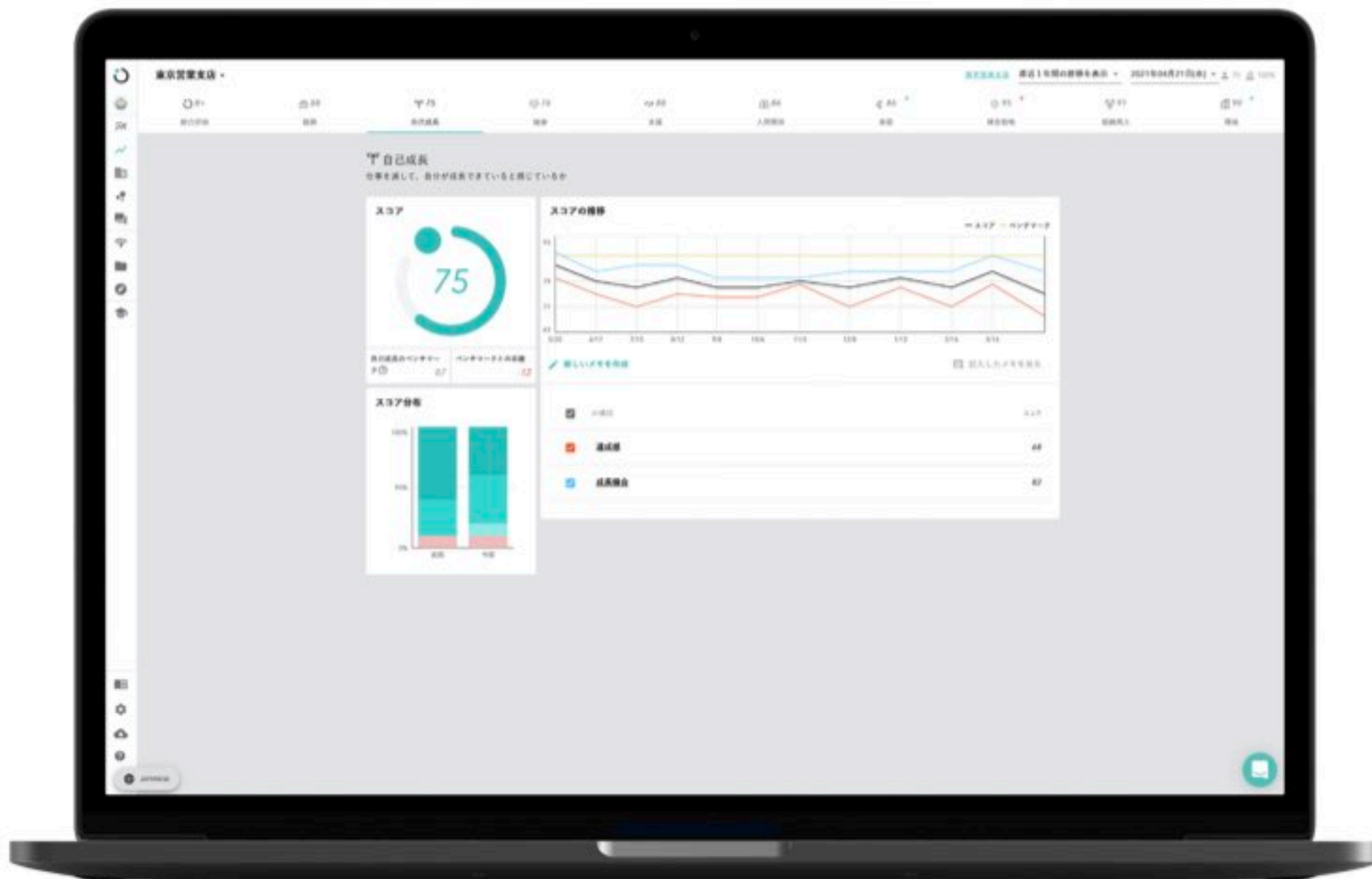
● 集計対象者数 ○ 参加率

総合評価 職務 自己成長 健康 支援 人間関係 承認 理念戦略 組織風土 環境

グループ	集計対象者数	参加率	総合評価	職務	自己成長	健康	支援	人間関係	承認	理念戦略	組織風土	環境
全メンバー	41	0%	C ⁺	66	66	65 ●	68	69	63	74	73	70
新規事業促進部	4	0%	B ⁻	79	73	71	39	75	76	76	76	70
管理部	6	0%	C ⁺	70	66	70	74	71	35 ●	77	73	75
社内システム部	10	0%	C ⁺	56	62	69 ●	67	68 ●	69	73	72	73
システム開発部	15	0%	C ⁺	65	64	70	58	68	69	73	72	68
法人営業部	16	0%	B ⁻	65	67 ●	60	73	68	67	74	72	71
2012年世代	4	0%	B ⁻	73	73	74	60	76	76	79	76	73
サンプル①事業部	28	0%	C ⁺	66	65	64	66	68	66	74	72	68

Periodic observation by pulse survey

Enables detailed analysis through comparing with the past data



Improving the added value provided to customers

Security



¥ **200** per employee
per month

Provides a more advanced security environment

Member Support

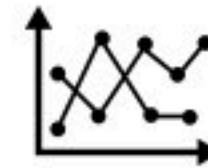


¥ **200** per employee
per month

Provides a feature to identify members who need support

* only when consented by the employees

Advanced Analytics

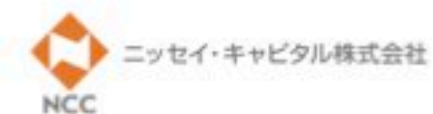
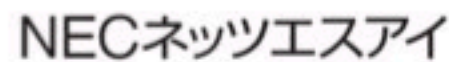


¥ **200** per employee
per month

Provides more advanced analysis capabilities and environment

Wevox has been introduced in many industries

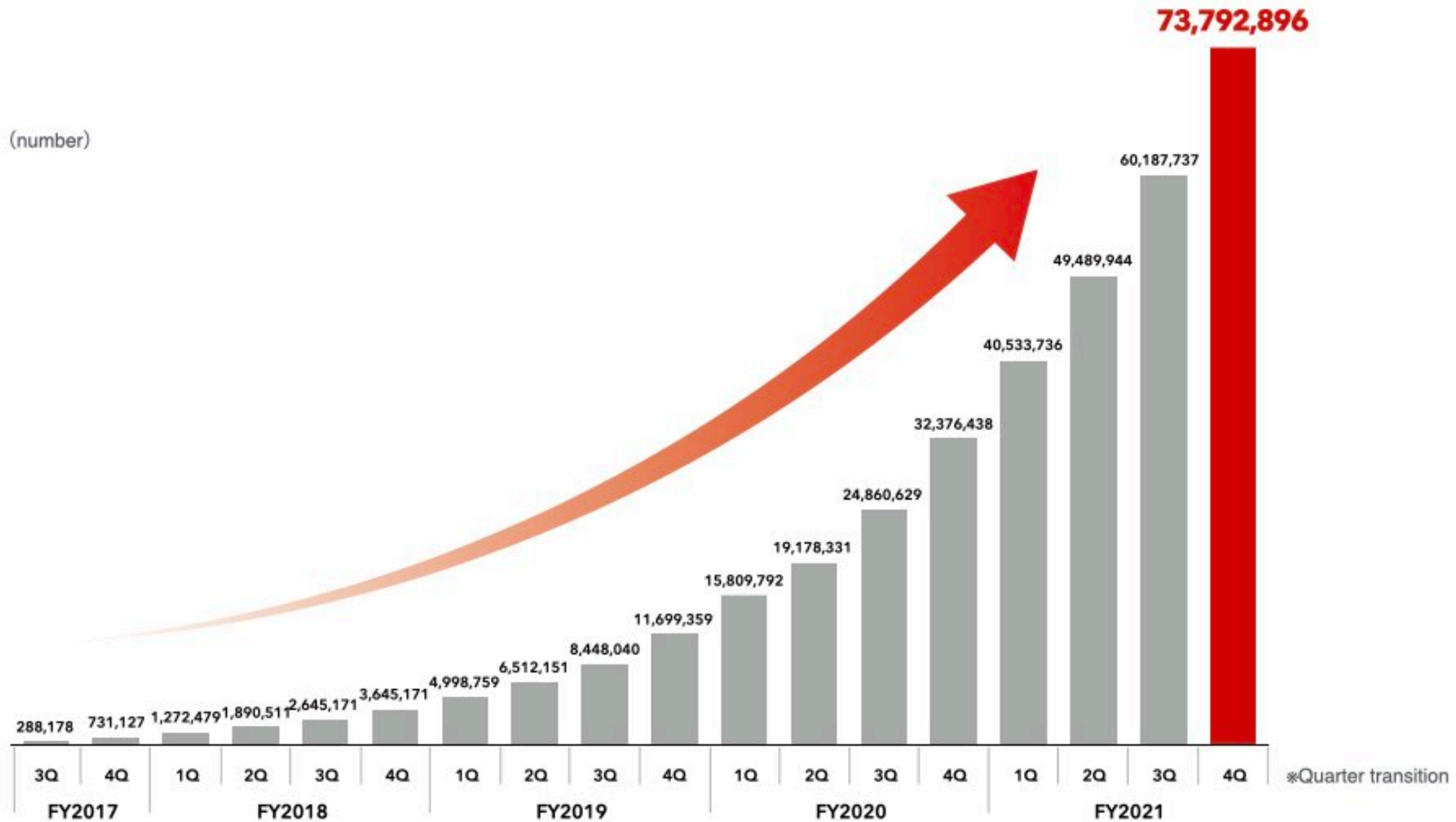
Companies adopting Wevox cover many different industries and sectors such as IT, securities, bank, medical, food, sports teams. Currently, Wevox is adopted by more than **2,140** companies. Increase of users more than the growth of the companies and organizations introduced.



Reference from Wevox homepage

Increase of Answer Data

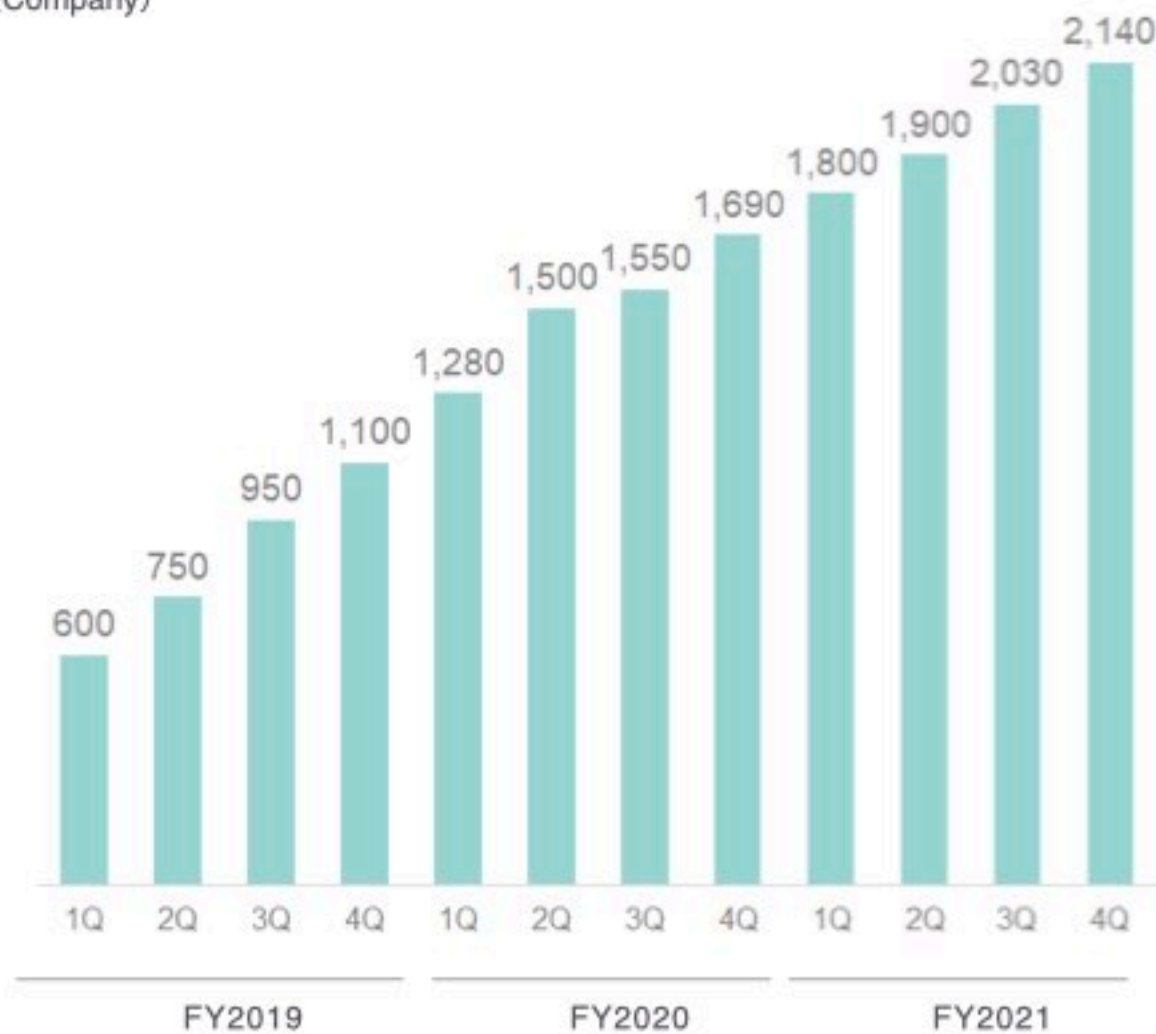
Continuously developing new features using response data to take competitive advantage



Realize a subscription model with high growth potential

Transition in the number of companies adopted

(Company)



Transition in Sales

YoY +100.0%

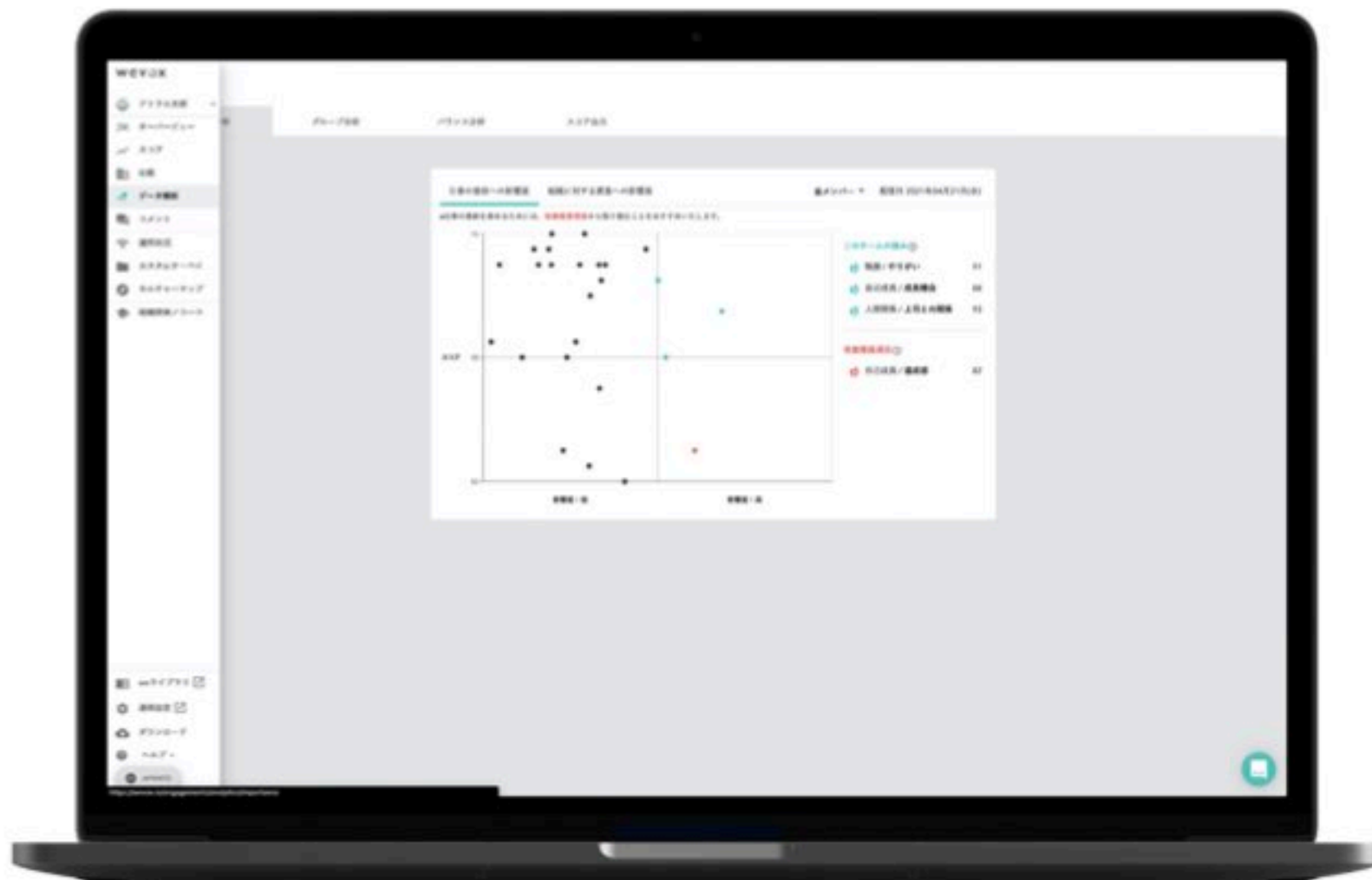
Monthly churn rate remains less than 1.0%

(Million yen)



Improvement of additional value through the accumulation and analysis of data

Visualize the degree of influence of each factor on engagement by analyzing accumulated data. Enables effective organizational improvements based on data



Potential Growth of Wevox

Potential target

Price
Competitiveness

Potential
Market size

All Employed Persons

67.2M^{*1}
People

¥ **300** per month

More than

240B^{*2}
yearly

Wide range of industries
including sports and
educational organizations

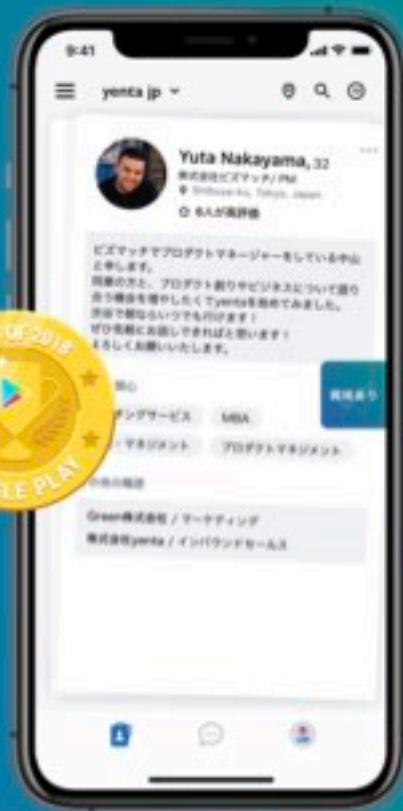
Targeting wide range of
clients via SaaS model

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×¥300per person×12months=¥242B

yenta



Professional Networking App to Create “Encounters for Accelerating Business”

Point1

Create an attractive encounter beyond organizational boundaries

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

Point2

Utilizing technology

Artificial intelligence realizes large number of matches

Point3

High user satisfaction

★4.1 (880 responds)

Most responds are positive with a high satisfaction rate

User Cases



Capital and business alliance

An entrepreneur and Venture Capitalist from the same Tokyo Tech University met through Yenta and concluded a capital and business alliance.



Obtained work

Used to actively job hunt and freelance at the same time, but met people via Yenta and obtained work from more than 7 companies. This led to having the confidence in continuing as a freelancer.



Co-founded a startup company

An architect who worked overseas became co-founder of a real estate startup with the people they met via Yenta.

Making use of the skills as an architect, created a new business in Japan despite the lack of network.

Other than listed above, realized recruitment and meeting mentors through Yenta.

Potential Growth of Yenta

Shifting from companies to individuals



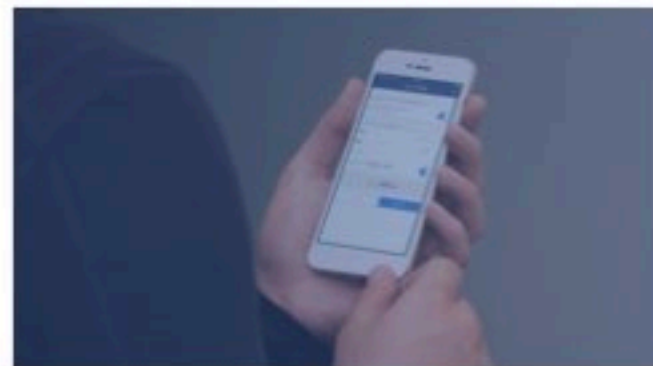
Company



Individual

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

High Active Rate



Currently, Yenta has a high active rate despite saving on advertisement expenses. In the future, Yenta will start strategic advertisement and aim to obtain 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 meetups between business persons. The national version was released in Japan in May 2020. The global version was released in India, the first country to launch the app globally in August 2020.



“Create a sports team that attracts people all over the world”

Professional Basketball Team ALTIRI CHIBA



Founded the professional basketball team "ALTIRI CHIBA"
Joined the B3 League from the 2021-22 season, based in Chiba
City, Chiba Prefecture

Aiming to be promoted to the B1 League in the shortest possible time since the team's founding



Number of Spectators

10/16	1,983
10/17	1,864

The opening game held at the home arena "Chiba Port Arena", achieved the highest level of attendance ever in the B3 League, despite the limited capacity at COVID-19



B3 League Results

Won all 8 games
since the opening round
(2021/11/11)



Number of Twitter Followers

over **12,000**

:Atrae

Name	Atrae, Inc.
Business Outline	Green : a contingency fee basis job site Wevox : an engagement analysis tool Yenta : a matching app for business professionals
Foundation	October, 2003
Management	Yoshihide Arai, President & CEO
Employee	77 (As of September, 2021)
Capital Stock	1,123 (in JPY MM)
Location	Minato-ku, Tokyo, Japan

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