



Financial Results Explanatory Material

**Financial Results for the 2nd Quarter of
Fiscal Year Ending September 30, 2022**

Atrae, Inc. (TSE Prime Market : 6194)

Agenda

- 1. Company Overview**
- 2. Financial Highlights**
- 3. Upward Revision of Financial Forecast**
- 4. About Business**
- 5. 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.

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

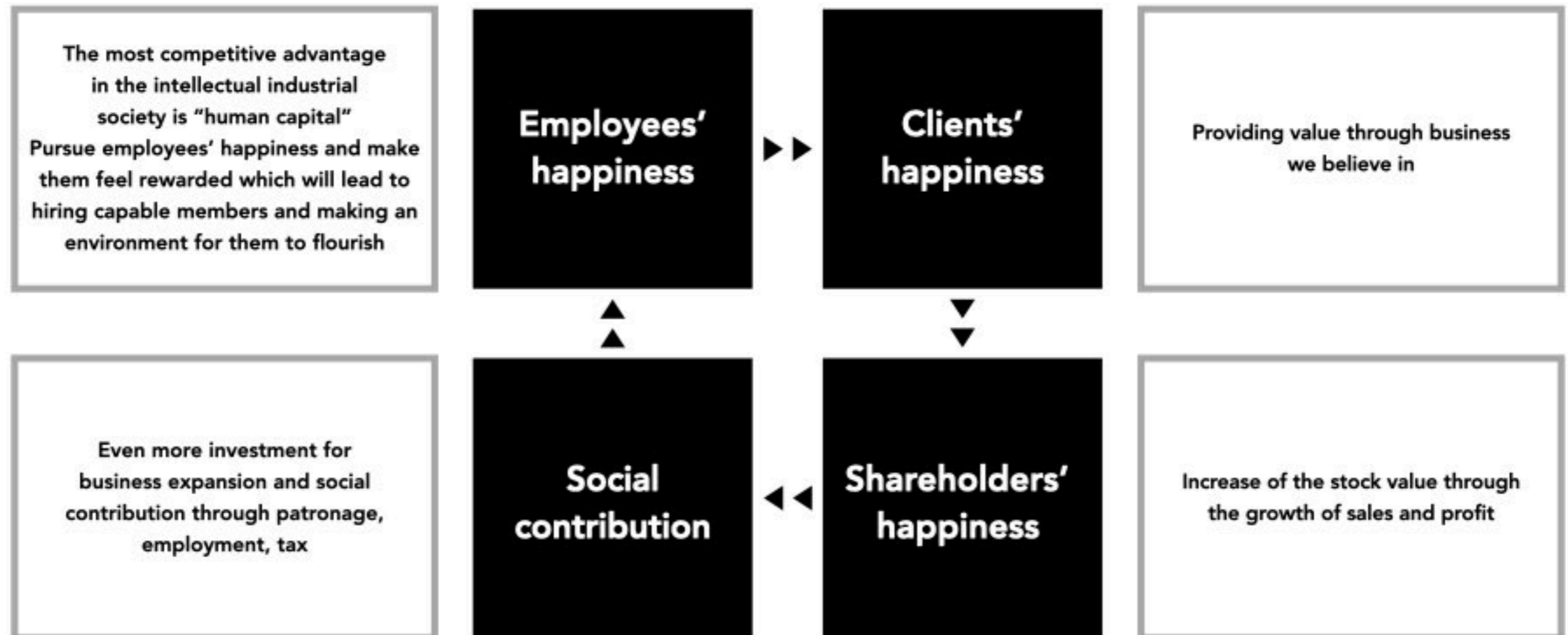


... and Society



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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Financial Results for FY2022 Q2

FY2022
Q1-Q2

Sales **3,103** Million yen YoY **+64.7** % Progress **53.0** %

Operating Profit **665** Million yen YoY **+12.3** % Progress **133.0** %

※Green and Wevox both progressing faster than initially planned, resulting in upward revision of full-year forecast

Business

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 achieved +81.3% YoY in Q2 cumulative sales growth

Listed on the TSE Prime Market from April 2022 (no transitional measures)

Implemented quantitative disclosure of human capital using Wevox engagement scores

Disclosure of ESG information using Wevox engagement scores as an indicator of human capital

Increasingly, other listed companies are using Wevox engagement scores for disclosure of human capital

Employees

	FY2019	FY2020	FY2021
Long-vacation acquisition rate (including childcare leave and maternity leave)	8.3%	8.9%	9.0%
Turnover rate	8.9%	5.9%	2.6%
Number of nationalities of employees	2	3	4
Mid-term average engagement score	89	90	91
Number of hours spent discussing organization building by all employees	40	38	44

Quarterly Financial Highlights

Achieved YoY +60.2% in Q2 sales and YoY +64.7% in Q2 cumulative sales

(Million yen)	YoY			QoQ		YoY		
	FY2022 Q2	FY2021 Q2	%	FY2022 Q1	%	FY2022 Q1-Q2	FY2021 Q1-Q2	%
Sales	1,599	998	+60.2%	1,504	+6.3%	3,103	1,884	+64.7%
Green	1,196	802	+49.1%	1,131	+5.7%	2,327	1,515	+53.6%
Wevox	304	176	+72.7%	298	+2.0%	602	332	+81.3%
New business	25	20	+25.0%	26	△3.8%	51	37	+37.8%
Sports Tech	74	0	-	49	+51.0%	123	0	-
Operating Expens	1,383	684	+102.2%	1,055	31.1%	2,438	1,292	+88.7%
Operating Profit	216	314	△31.2%	449	△51.9%	665	592	+12.3%
Operating Profit Margin	13.5%	31.5%	△18.0pt	29.9%	△16.4pt	21.4%	31.4%	△10.0pt

YoY Comparison (sales)

Green is continuing to invest in advertising to accelerate growth

Wevox is progressing as planned in hiring, especially for customer success roles

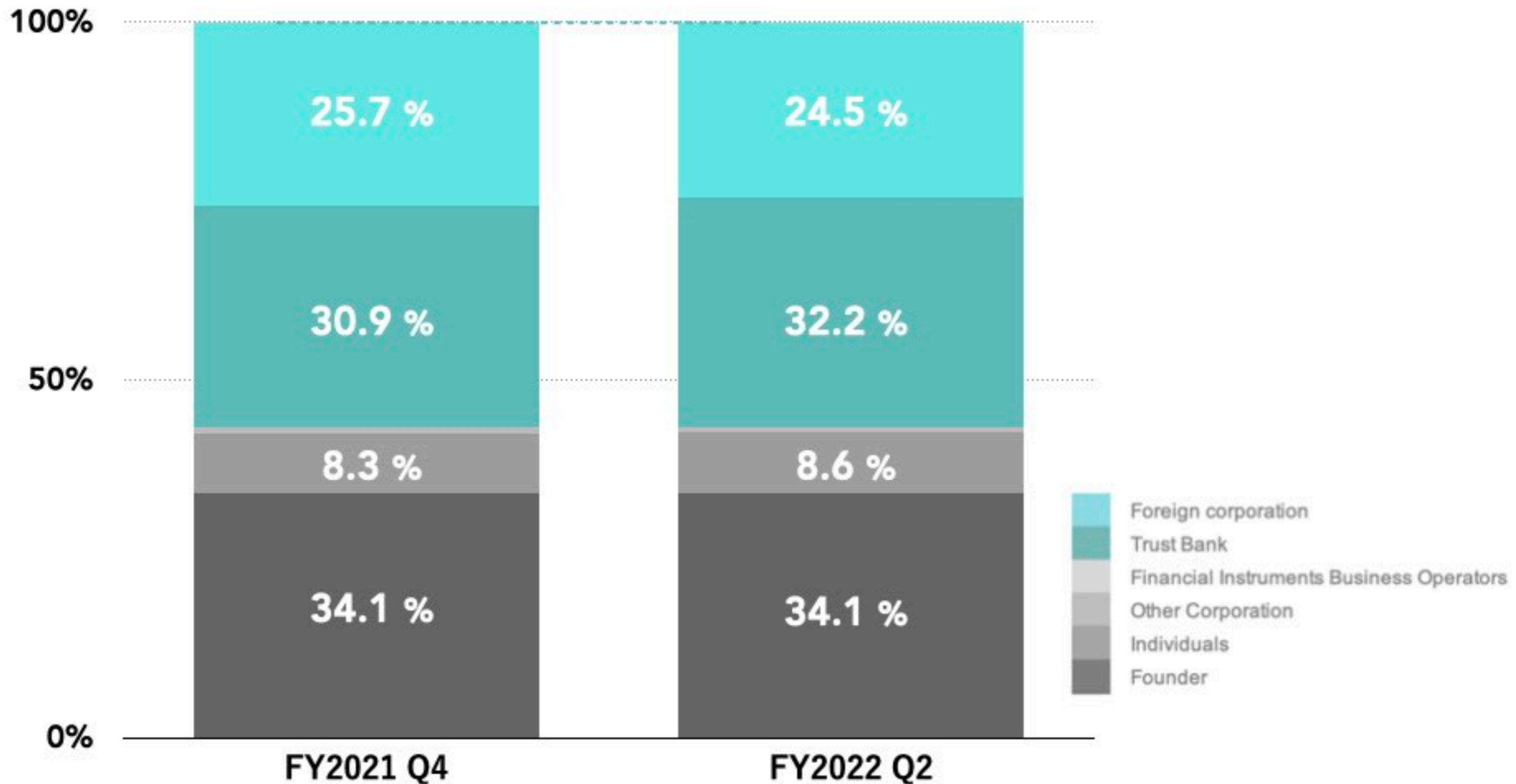
(Million yen)	YoY					YoY				
	FY2022 Q2	% of Sales	FY2021 Q2	% of Sales	%	FY2022 Q1-Q2	% of Sales	FY2021 Q1-Q2	% of Sales	%
Sales	1,599	100.0%	998	100.0%	+60.2%	3,103	100.0%	1,884	100.0%	+64.7%
People Tech	1,525	95.4%	998	100.0%	+52.8%	2,980	96.0%	1,884	100.0%	+58.2%
Sports Tech	74	4.6%	0	0%	-	123	4.0%	0	0.0%	-
Operating Expens	1,383	86.5%	684	68.5%	+102.2%	2,438	78.6%	1,292	68.6%	+88.7%
People Tech	1,113	69.6%	674	67.5%	+65.1%	1,995	64.3%	1,270	67.4%	+57.1%
Cost of sales	25	1.6%	16	1.6%	+56.3%	48	1.5%	28	1.5%	+71.4%
SG&A										
Web Ad	402	25.1%	287	28.8%	+40.1%	680	21.9%	557	29.6%	+22.1%
TV Ad and Other	241	15.1%	56	5.6%	+330.4%	442	14.2%	73	3.9%	+505.5%
Personnel Cost	259	16.2%	172	17.2%	+50.6%	465	15.0%	326	17.3%	+42.6%
Other	186	11.6%	143	14.3%	+30.1%	360	11.6%	286	15.2%	+25.9%
Sports Tech	270	16.9%	10	1.0%	+2,600.0%	443	14.3%	22	1.2%	+1,913.6%
Operating Profit	216	13.5%	314	31.5%	△31.2%	665	21.4%	592	31.4%	+12.3%

For Reference : Quarterly Financial Highlights

(Million yen)	FY2020				FY2021				FY2022	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Sales	842	911	875	802	886	998	1,221	1,359	1,504	1,599
People Tech	842	911	875	802	886	998	1,221	1,359	1,455	1,525
Green	745	804	758	655	713	802	990	1,067	1,131	1,196
Wevox	83	94	107	132	156	176	206	264	298	304
New business	14	13	10	15	17	20	25	28	26	25
Sports Tech	-	-	-	-	-	-	-	-	49	74
Operating Expens	647	848	565	638	608	684	850	1,312	1,055	1,383
People Tech	647	848	565	638	596	674	835	1,271	882	1,113
Cost of sales	15	14	10	13	12	16	20	23	23	25
SG&A	399	461	302	288	270	287	339	353	278	402
Web Ad										
TV Ad and Other	0	138	0	57	17	56	139	441	201	241
Personnel Cost	137	137	147	145	154	172	195	283	206	259
Other	96	98	106	135	143	143	142	171	174	186
Sports Tech	-	-	-	-	12	10	15	41	173	270
Operating Profit	195	63	310	164	278	314	371	47	449	216
Operating Profit Margin	23.2%	6.9%	35.4%	20.4%	31.4%	31.5%	30.4%	3.5%	29.9%	13.5%

Shareholding Structure

More than 55% owned by domestic and foreign institutional investors



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Upward Revision of FY2022 Full-Year Forecast

Green is continuing to invest in advertising to accelerate growth
and entering further growth phase

Wevox is progressing better than expected at the beginning of the period
Sports Tech is making disciplined investments within the scope of its initial forecast

(Million yen)	Revised Forecast		Previous Forecast (Released on November 11, 2021)			Revised Forecast /FY2021 Actual	
	FY2022 full-year		FY2022 full-year	Variance	%	FY2021 full-year	%
Sales	6,350		5,850	500	+8.5%	4,464	+42.2%
People Tech							
Green	4,740		4,300	440	+10.2%	3,572	+32.7%
Wevox	1,310		1,250	60	+4.8%	802	+63.3%
New business	100		100	0	+0.0%	90	+11.1%
Sports Tech							
Altiri	200		200	0	+0.0%	-	-
Operating Expens	5,350		5,350	0	+0.0%	3,454	+54.9%
People Tech	4,400		4,400	0	+0.0%	3,376	+30.3%
Sports Tech	950		950	0	+0.0%	78	+1,117.9%
Operating Profit	1,000		500	500	+100.0%	1,010	△1.0%
Operating Profit Margin	15.7%		8.5%	-	+7.2pt	22.6%	△6.9pt

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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.

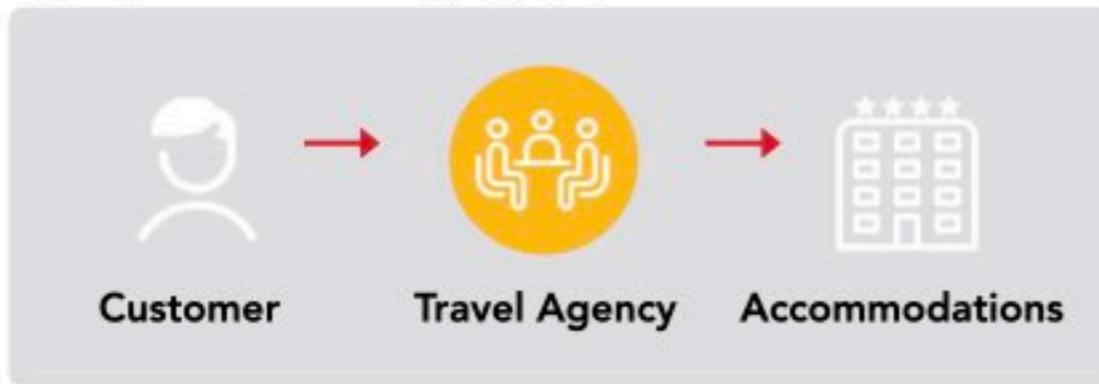
Point 3 Direct recruiting platform

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



Customer



Accommodations

Internet Platform

Replacement of Recruiting Agency by Green



Job Seeker



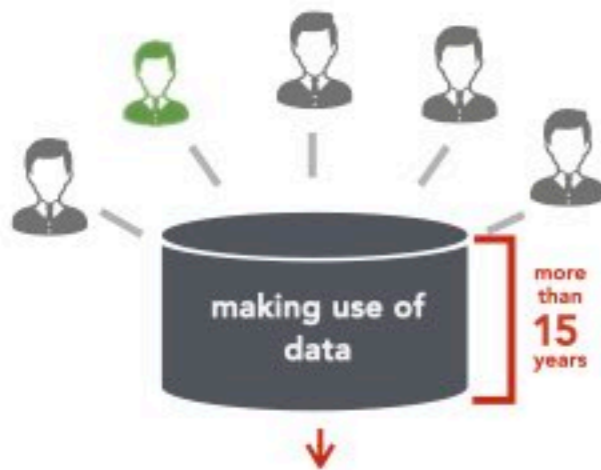
Companies

Green Established a Unique Position

Technology × Low Cost × 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 **8,800**

Number of Registered User ID

More than **980** thousand

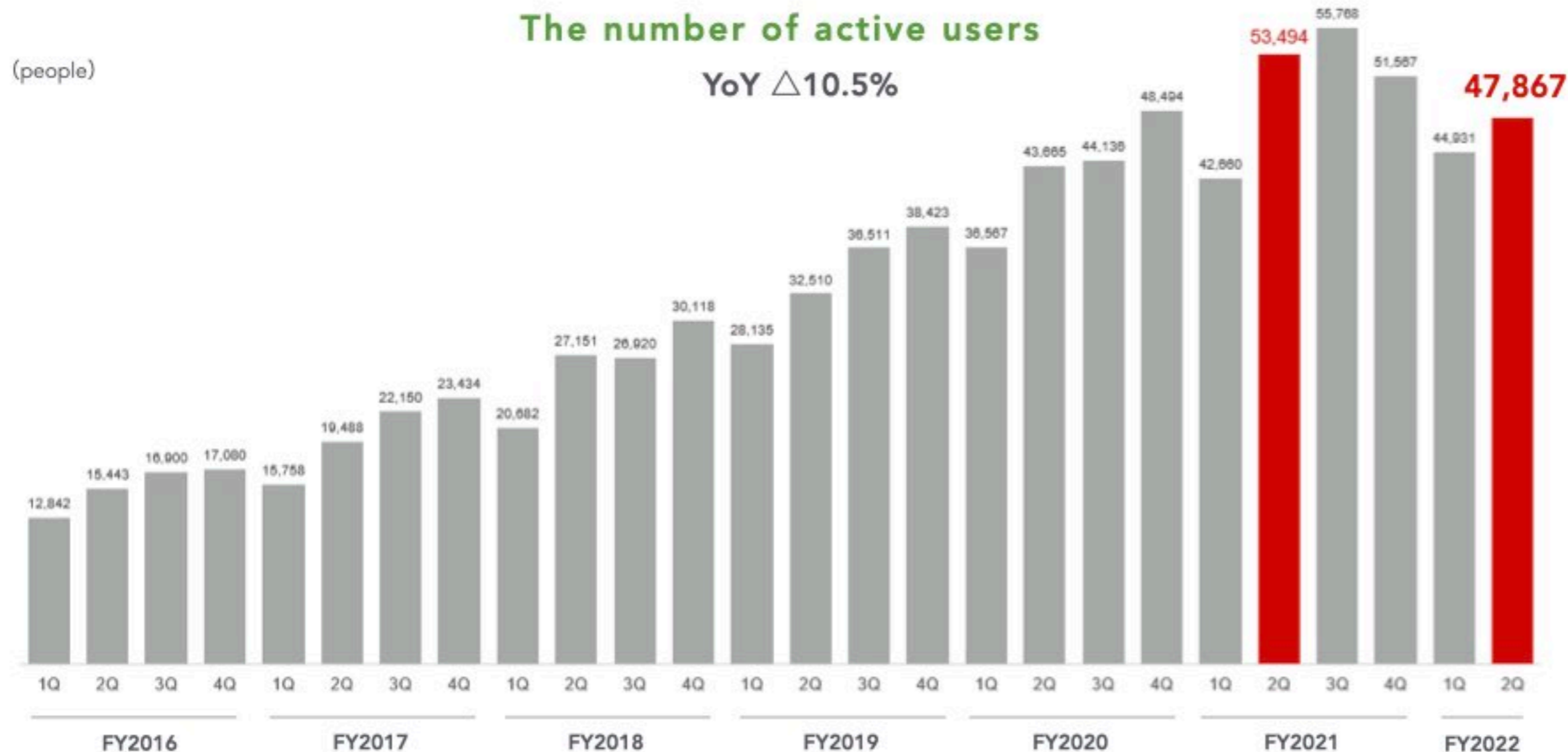
High recognition among recruiting companies

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 increased credibility and recognition due to being listed on the TSE Prime Market, many prominent companies have introduced Green.



The number of active users bottomed out in QoQ due to aggressive web advertising



*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



* 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)

(people)

YoY +47.4%

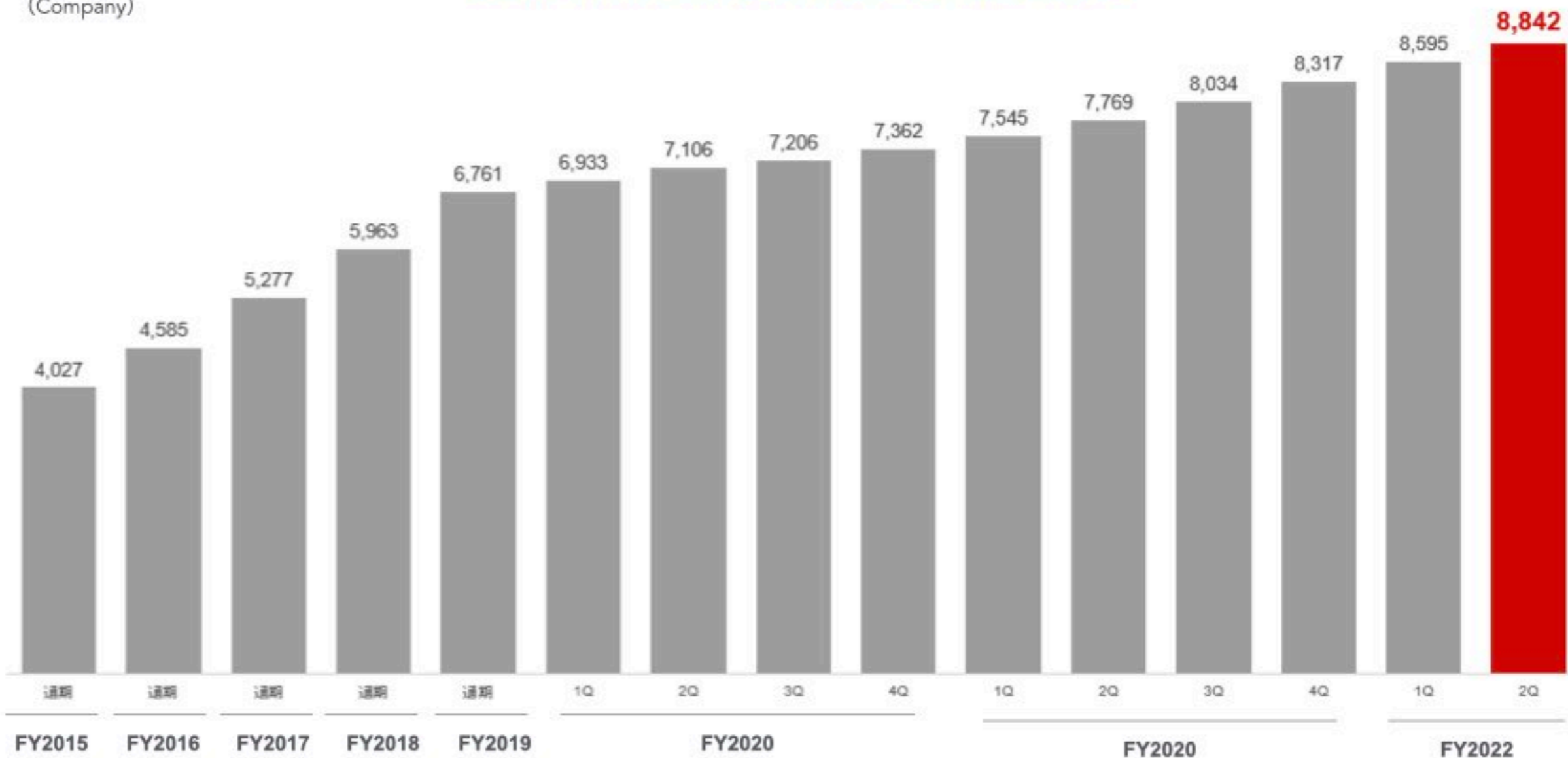


*Quarter transition

Steady Increase of Newly Registered Companies

Cumulative Registered Companies

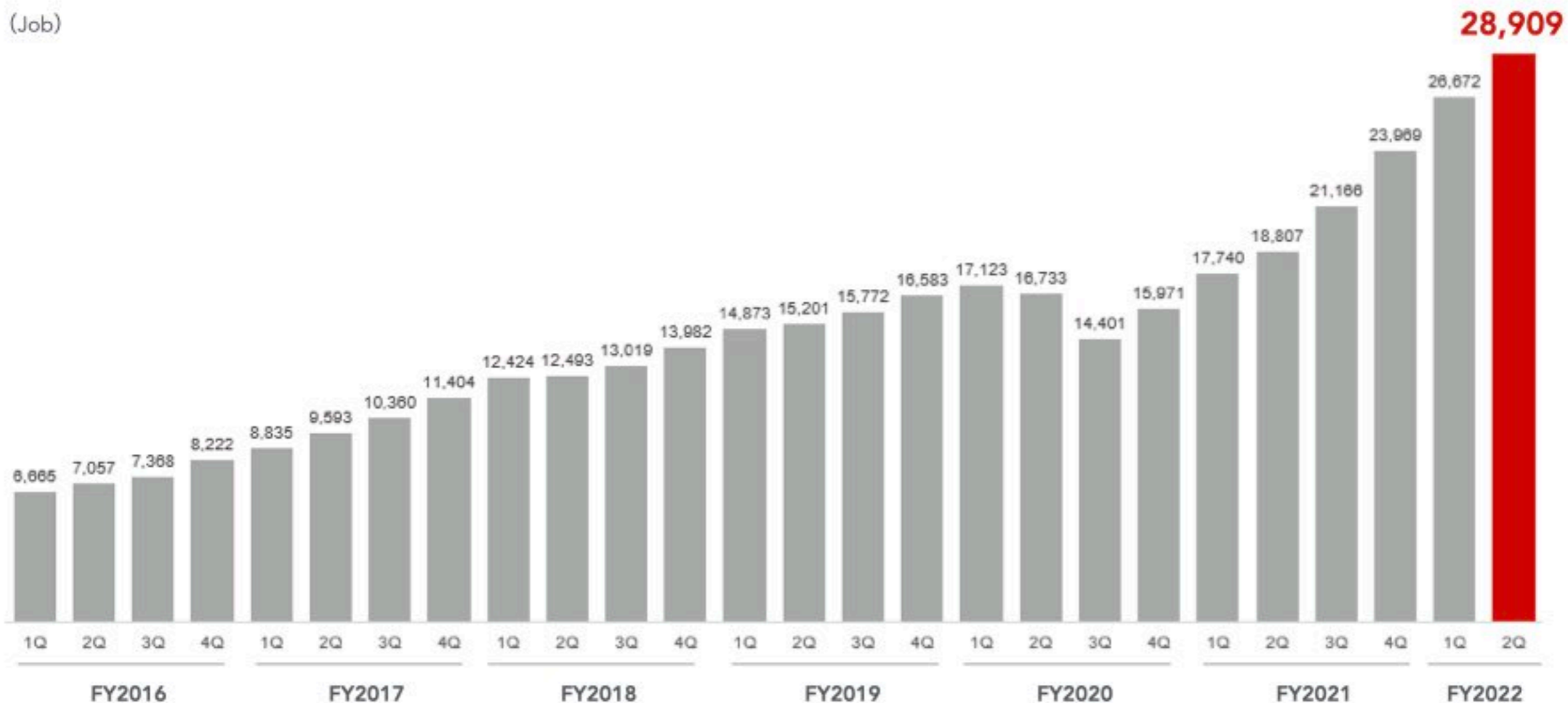
(Company)



The number of jobs posted reached a new record high

Jobs Posted

(Job)



*Quarter transition

Potential Growth of Green

Despite a slight contraction in the recruitment market due to the impact of COVID-19, Green's market share is on an upward trend due to sales growth

	Recruitment Market Size	Green's Market Size ^{*3}	Green's Occupancy ^{*4}
All Industry	252 B yen ^{*1}	151 B yen	1.9%
IT Industry	75 B yen ^{*2}	45 B yen	6.4%

*1 Yano Research Institute "Current Status and Future of Human Resource Business 2021 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)

wevox



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.



Organizational Capability Platform 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

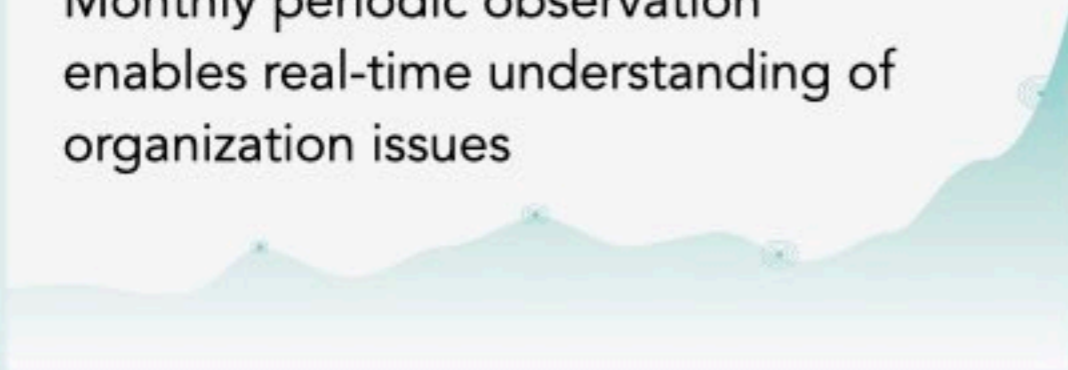
Affordable price with SaaS model

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 100 million responses to machine learning

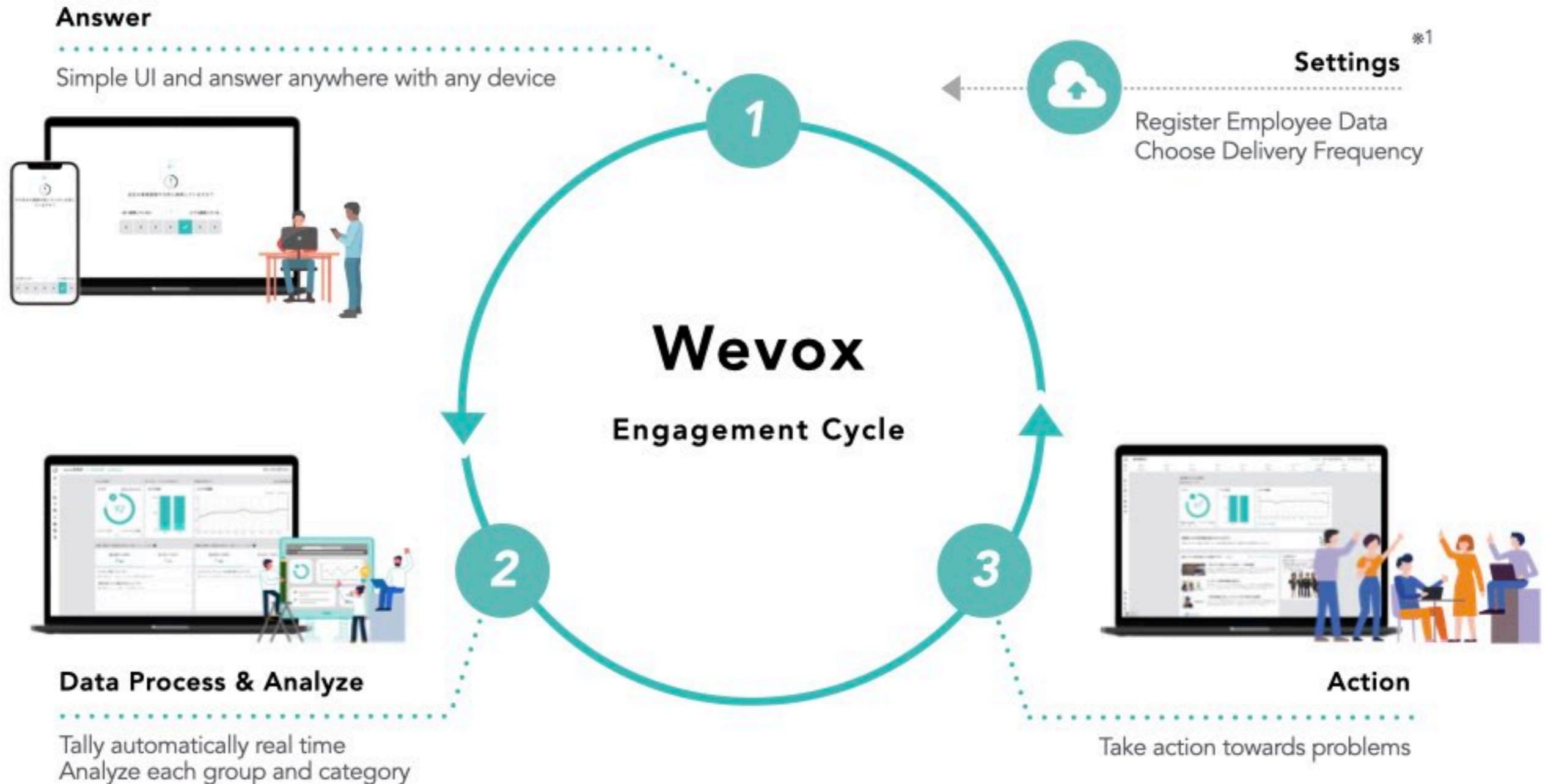


4 Academic basis

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

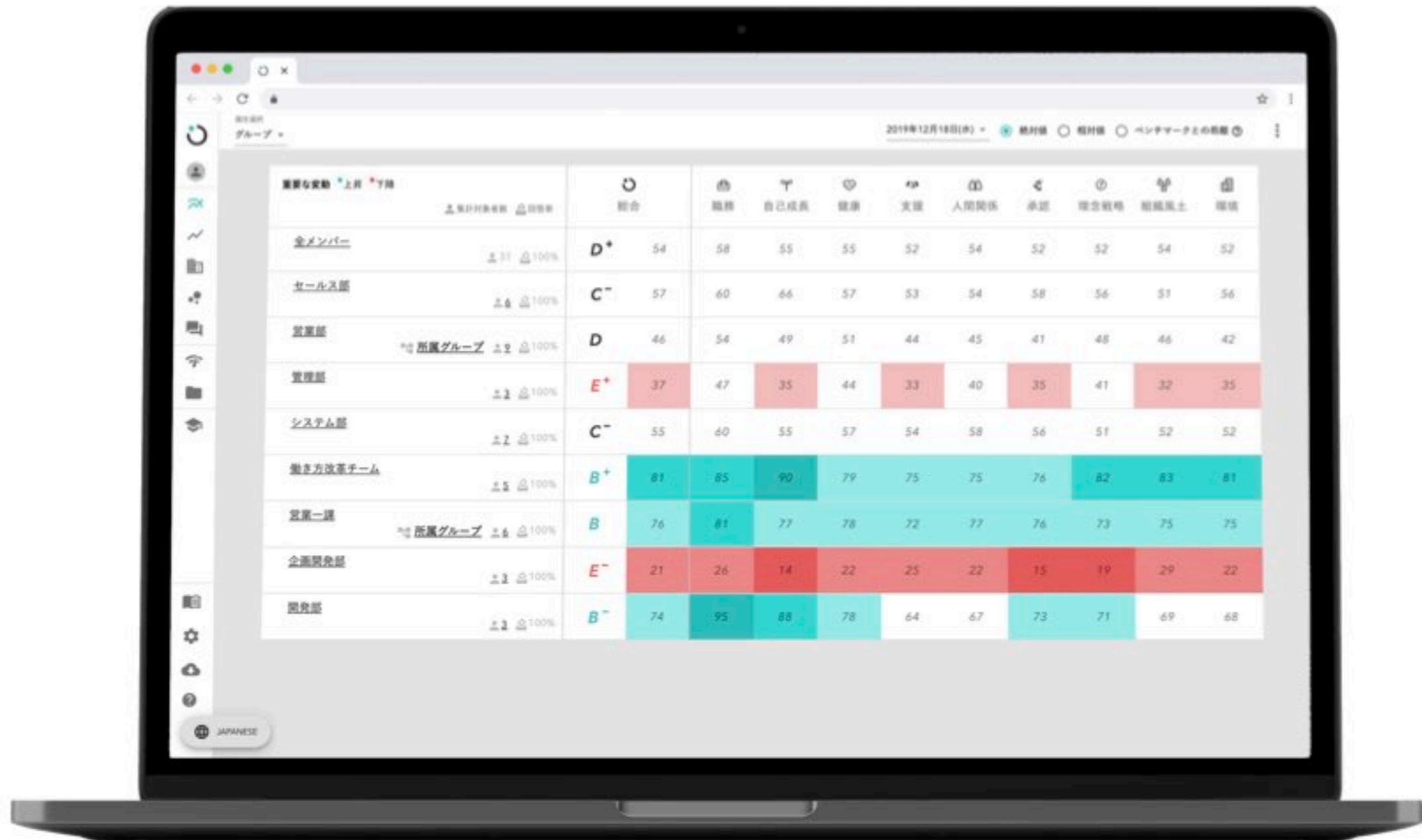
Continuous improvement of UI/UX including multi-language support



(e-mail • Slack • LINE WORKS • Workplace • Teams)

View results in real time

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



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 **2,350** companies. Increase of users more than the growth of the companies and organizations introduced.

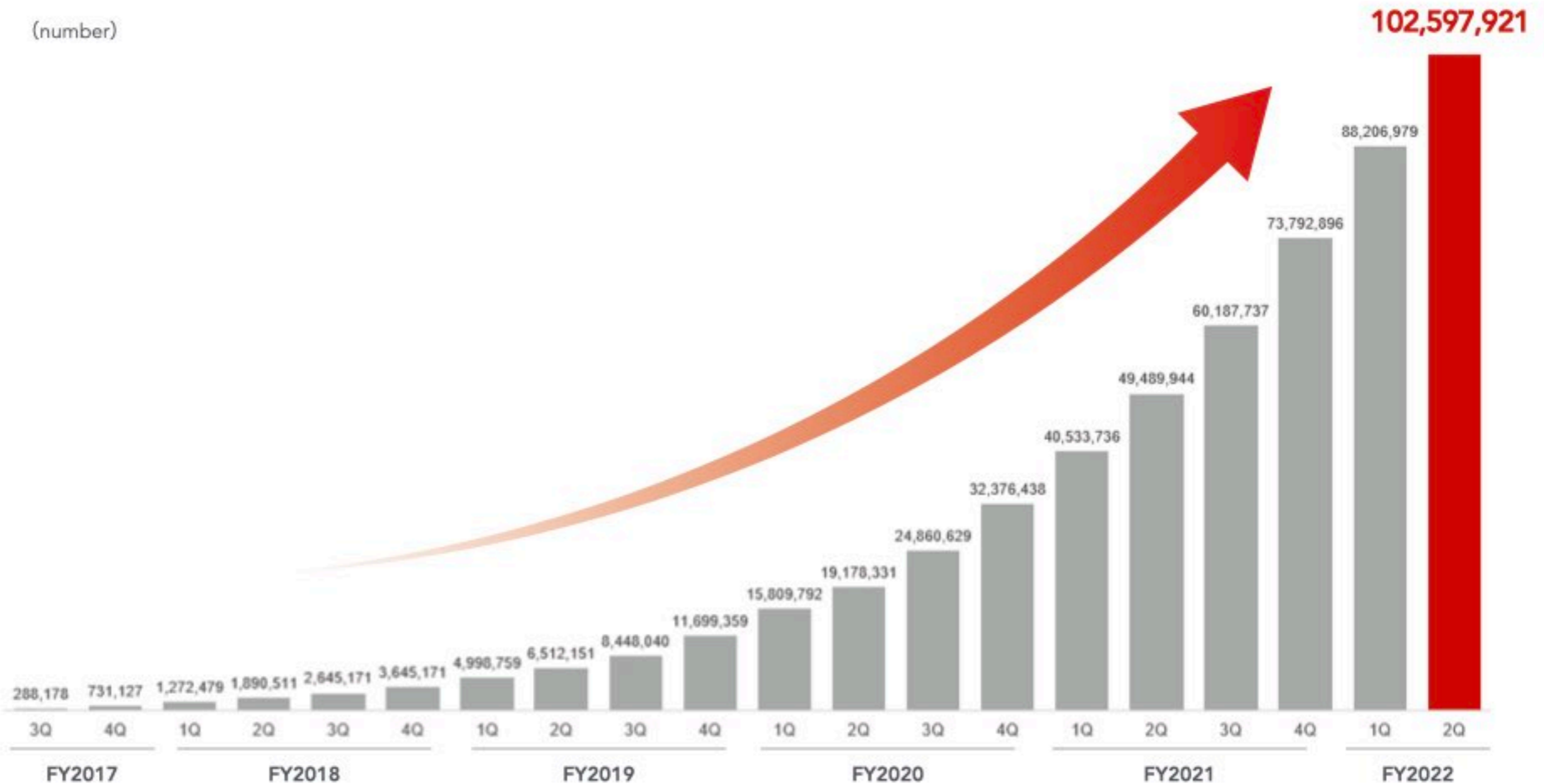


Reference from Wevox Website.

Increase of Answer Data

Continuously developing new features using response data to take competitive advantage

(number)



*Quarter transition

Realize a subscription model with high growth potential

Transition in the number of companies adopted

(Company)

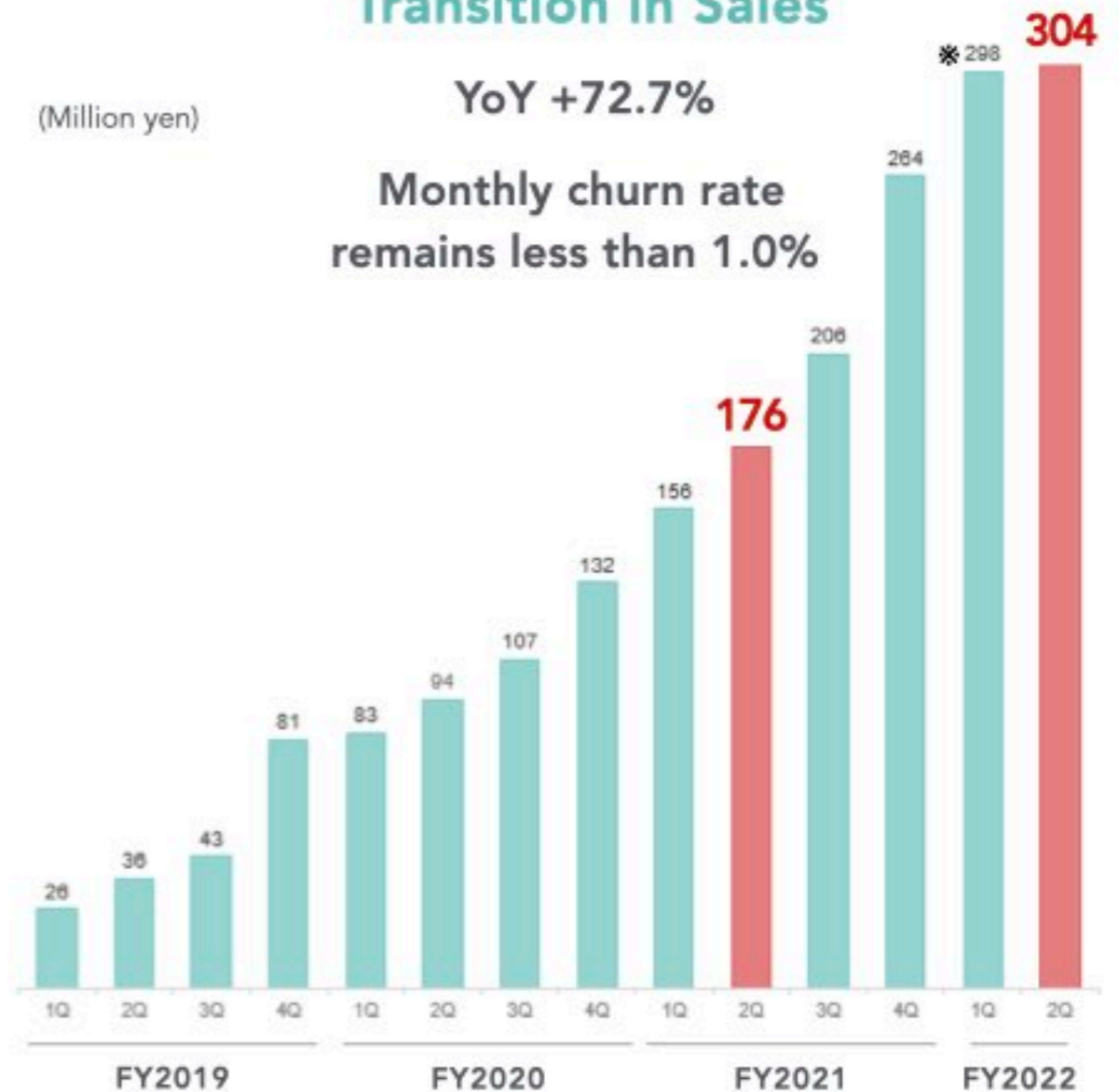


Transition in Sales

(Million yen)

YoY +72.7%

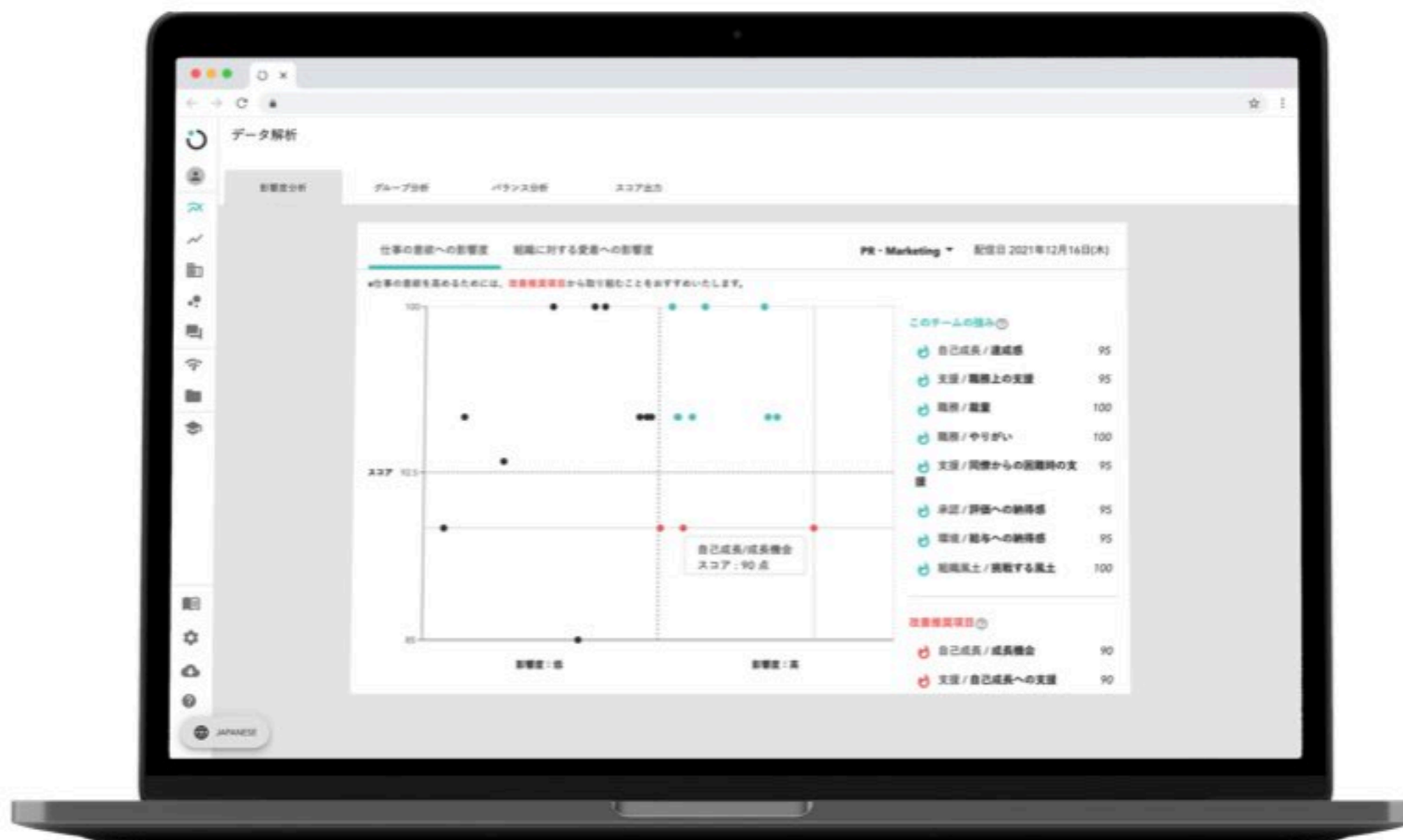
Monthly churn rate remains less than 1.0%



*Due to special needs of customers, FY2022 Q1 sales of irregular usage amounted to approx. 16 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

All Employed Persons

67.2M^{※1} People

Wide range of industries including sports and educational organizations

Price Competitiveness

¥ **300** per month

Targeting wide range of clients via SaaS model

Potential Market size

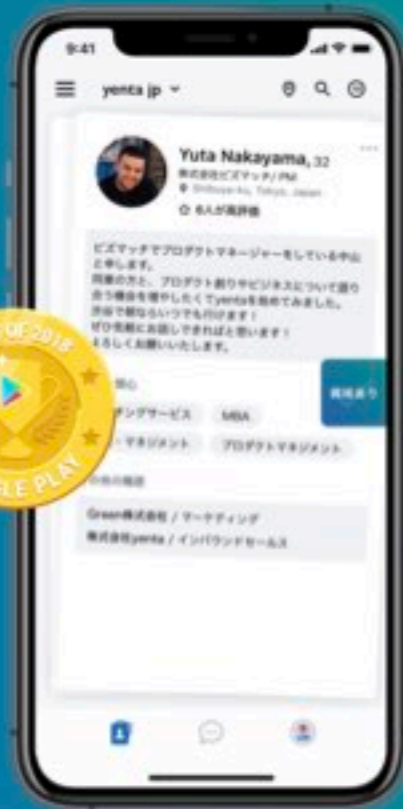
More than

240B^{※2} yearly

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



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

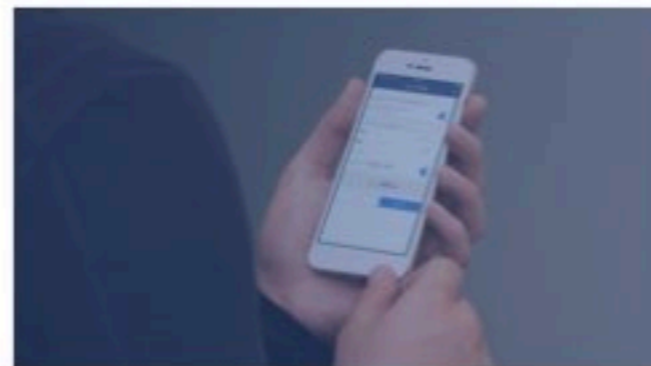
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Platforms such as SNS or Crowdfunding have expanded and widened individuals' stages, which led to an era independent from companies and organizations.

High Active Rate

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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

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Increased user registrations from not only Tokyo but from all over Japan due to the increased prevalence of online matching. Global expansion in multiple countries is under consideration.



“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

B3 League Results

2nd place confirmed in 2021-22 B3 League regular season

37 wins and **7** losses since the opening game

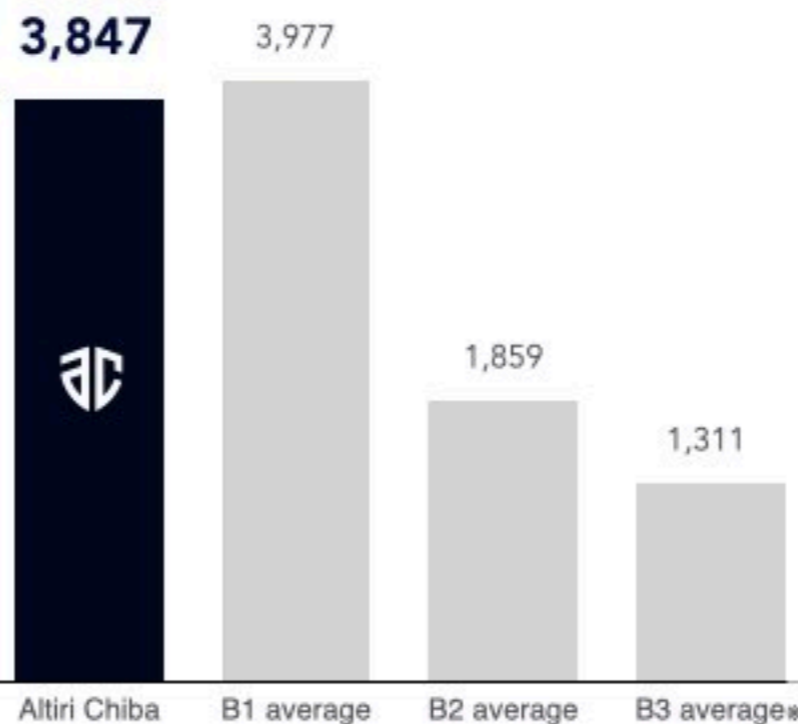
(2022/5/12)

Audience Turnout at Each Home Opener for 2021-22 Season

The audience turnout for Altiri's home opener is the same level as the average turnout for B1 teams. It ranks 18th in the B1-B3 combined ranking, boasting a B1-class audience in its first year



Average Audience Turnout for the Home Opener Games Per League (persons)



*Average for B3 League excluding Altiri Chiba

Audience Turnout Ranking for Home Openers

League	Team	Total
B1	RYUKYU	7,819
B1	OSAKA	5,431
B1	KAWASAKI	4,832
B1	CHIBA	4,508
B1	NAGOYA	4,330
B1	IBARAKI	4,317
B1	TOYAMA	4,247
B1	UTSUNOMIYA	4,236
B1	SAN-EN	4,186
B1	SHINSHU	4,071
B1	HOKKAIDO	3,979
B1	AKITA	3,974
B2	SENDAI	3,924
B1	HIROSHIMA	3,915
B3	Altiri Chiba	3,847
B1	YOKOHAMA	3,814
B1	SHIMANE	3,465
B1	SHIGA	3,302

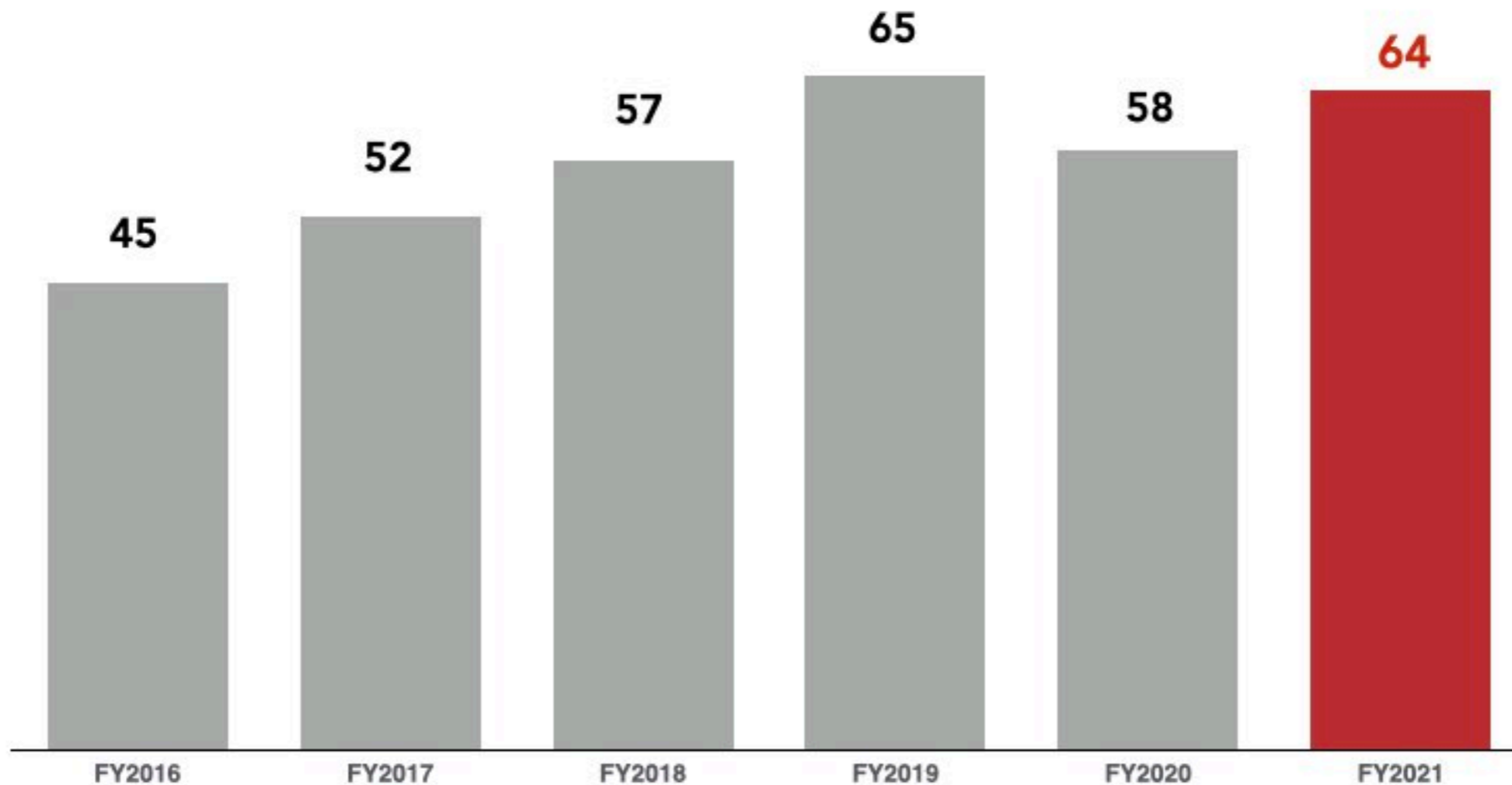
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Transition of Sales Per Employee

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)



:Atrae

Name	Atrae, Inc.
Business Outline	Green : a contingency fee basis job site Wevox : a organizational capability platform Yenta : a matching app for business professionals Inow : a job-type matching service for seniors Planning and development of new businesses
Foundation	October, 2003
Management	Yoshihide Arai, President & CEO
Employee	88 (As of March, 2022)
Capital Stock	1,231 (in JPY MM)
Location	Minato-ku, Tokyo, Japan

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:Atrae

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