



**Financial Results Explanatory Material**

**Financial Results for the 3rd Quarter of  
Fiscal Year Ending September 30, 2022**

**Atrae, Inc. (TSE Prime Market : 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.

**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



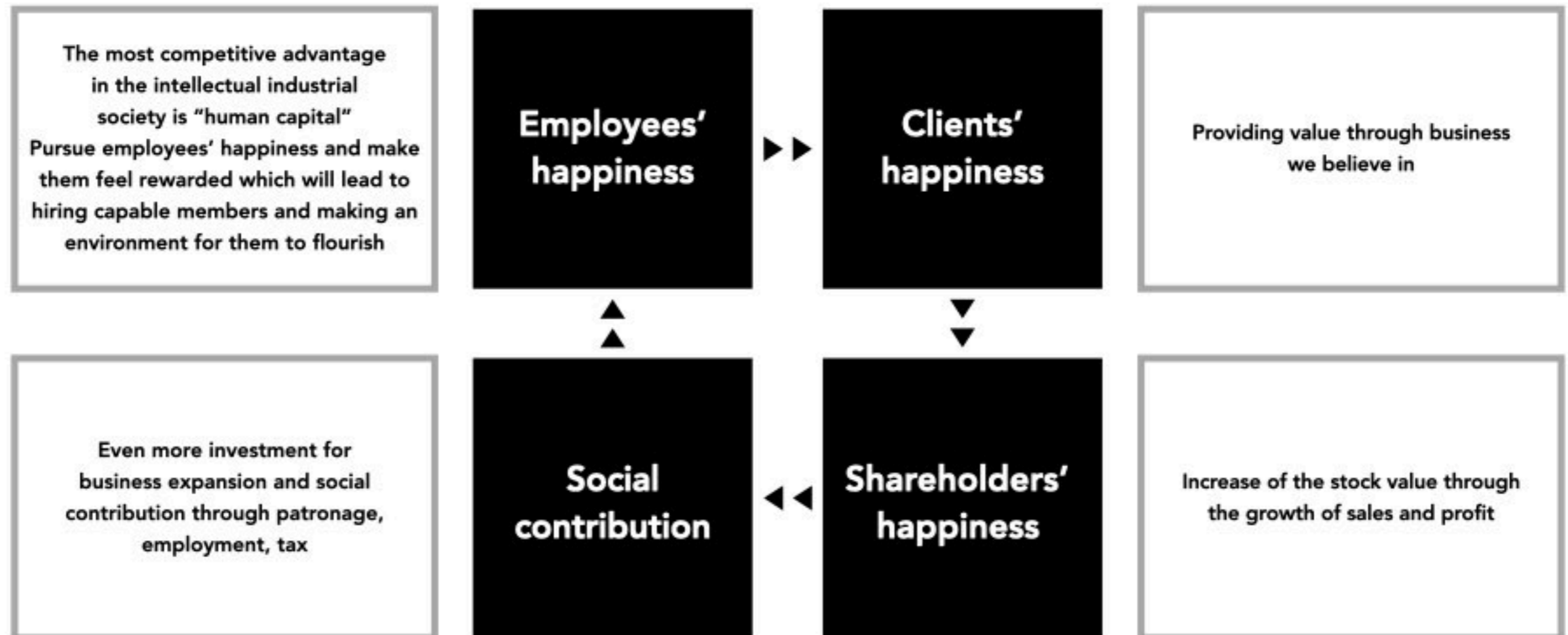
Partners



... 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 Q3

FY2022  
Q1-Q3

Sales **4,848** Million yen YoY **+56.1** % Progress **76.3** %

Operating Profit **971** Million yen YoY **+0.8** % Progress **97.1** %

※The forecast remains unchanged due to strategic investments to accelerate growth of Green and Wevox.

Business

Green's document screening pass rate remains at pre-COVID-19 normal levels

The number of people who were hired using Green reached a new record high

Monthly churn rate for Wevox users remains below 1%

Topics

Wevox achieved +81.2% YoY in Q3 cumulative sales growth

A new function Wevox Organizational Culture launched in May 2022  
Providing added value as an organizational capability platform

Ongoing dialogue with investors through quantitative disclosure of human capital using Wevox engagement scores

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

:Atrae

	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
<b>Mid-term average engagement score</b>	<b>89</b>	<b>90</b>	<b>91</b>
Number of hours spent discussing organization building by all employees	40	38	44

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



リコーリース株式会社



NECネットエスアイ



# Quarterly Financial Highlights

Achieved YoY +42.9% in Q3 sales and YoY +56.1% in Q3 cumulative sales

(Million yen)	YoY			QoQ		YoY		
	FY2022 Q3	FY2021 Q3	%	FY2022 Q2	%	FY2022 Q1-Q3	FY2021 Q1-Q3	%
<b>Sales</b>	<b>1,745</b>	<b>1,221</b>	<b>+42.9%</b>	<b>1,599</b>	<b>+9.1%</b>	<b>4,848</b>	<b>3,105</b>	<b>+56.1%</b>
Green	1,286	990	+29.9%	1,196	+7.5%	3,613	2,505	+44.2%
Wevox	373	206	+81.1%	304	+22.7%	975	538	+81.2%
New business	25	25	+0.0%	25	+0.0%	76	62	+22.6%
Sports Tech	61	0	-	74	△17.6%	184	0	-
<b>Operating Expens</b>	<b>1,439</b>	<b>850</b>	<b>+69.3%</b>	<b>1,383</b>	<b>+4.0%</b>	<b>3,877</b>	<b>2,142</b>	<b>+81.0%</b>
<b>Operating Profit</b>	<b>306</b>	<b>371</b>	<b>△17.5%</b>	<b>216</b>	<b>+41.7%</b>	<b>971</b>	<b>963</b>	<b>+0.8%</b>
<b>Operating Profit Margin</b>	<b>17.5%</b>	<b>30.4%</b>	<b>△12.9pt</b>	<b>13.5%</b>	<b>+4.0pt</b>	<b>20.0%</b>	<b>31.0%</b>	<b>△11.0pt</b>

# 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 Q3	% of Sales	FY2021 Q3	% of Sales	%	FY2022 Q1-Q3	% of Sales	FY2021 Q1-Q3	% of Sales	%
<b>Sales</b>	<b>1,745</b>	<b>100.0%</b>	<b>1,221</b>	<b>100.0%</b>	<b>+42.9%</b>	<b>4,848</b>	<b>100.0%</b>	<b>3,105</b>	<b>100.0%</b>	<b>+56.1%</b>
People Tech	1,684	96.5%	1,221	100.0%	+37.9%	4,664	96.2%	3,105	100.0%	+50.2%
Sports Tech	61	3.5%	0	0.0%	-	184	3.8%	0	0.0%	-
<b>Operating Expens</b>	<b>1,439</b>	<b>82.5%</b>	<b>850</b>	<b>69.6%</b>	<b>+69.3%</b>	<b>3,877</b>	<b>80.0%</b>	<b>2,142</b>	<b>69.0%</b>	<b>+81.0%</b>
People Tech	1,238	70.9%	835	68.4%	+48.3%	3,233	66.7%	2,105	67.8%	+53.6%
Cost of sales	27	1.5%	20	1.6%	+35.0%	75	1.5%	48	1.5%	+56.3%
SG&A										
Web Ad	657	37.7%	339	27.8%	+93.8%	1,337	27.6%	896	28.9%	+49.2%
TV Ad and Other	91	5.2%	139	11.4%	△34.5%	533	11.0%	212	6.8%	+151.4%
Personnel Cost	287	16.4%	195	16.0%	+47.2%	752	15.5%	521	16.8%	+44.3%
Other	176	10.1%	142	11.6%	+23.9%	536	11.1%	428	13.8%	+25.2%
Sports Tech	201	11.5%	15	1.2%	+1,240.0%	644	13.3%	37	1.2%	+1,640.5%
<b>Operating Profit</b>	<b>306</b>	<b>17.5%</b>	<b>371</b>	<b>30.4%</b>	<b>△17.5%</b>	<b>971</b>	<b>20.0%</b>	<b>963</b>	<b>31.0%</b>	<b>+0.8%</b>

# For Reference : Quarterly Financial Highlights

(Million yen)	FY2020				FY2021				FY2022		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
<b>Sales</b>	<b>842</b>	<b>911</b>	<b>875</b>	<b>802</b>	<b>886</b>	<b>998</b>	<b>1,221</b>	<b>1,359</b>	<b>1,504</b>	<b>1,599</b>	<b>1,745</b>
People Tech	842	911	875	802	886	998	1,221	1,359	1,455	1,525	1,684
Green	745	804	758	655	713	802	990	1,067	1,131	1,196	1,286
Wevox	83	94	107	132	156	176	206	264	298	304	373
New business	14	13	10	15	17	20	25	28	26	25	25
Sports Tech	-	-	-	-	-	-	-	-	49	74	61
<b>Operating Expens</b>	<b>647</b>	<b>848</b>	<b>565</b>	<b>638</b>	<b>608</b>	<b>684</b>	<b>850</b>	<b>1,312</b>	<b>1,055</b>	<b>1,383</b>	<b>1,439</b>
People Tech	647	848	565	638	596	674	835	1,271	882	1,113	1,238
Cost of sales	15	14	10	13	12	16	20	23	23	25	27
SG&A											
Web Ad	399	461	302	288	270	287	339	353	278	402	657
TV Ad and Other	0	138	0	57	17	56	139	441	201	241	91
Personnel Cost	137	137	147	145	154	172	195	283	206	259	287
Other	96	98	106	135	143	143	142	171	174	186	176
Sports Tech	-	-	-	-	12	10	15	41	173	270	201
<b>Operating Profit</b>	<b>195</b>	<b>63</b>	<b>310</b>	<b>164</b>	<b>278</b>	<b>314</b>	<b>371</b>	<b>47</b>	<b>449</b>	<b>216</b>	<b>306</b>
<b>Operating Profit Margin</b>	<b>23.2%</b>	<b>6.9%</b>	<b>35.4%</b>	<b>20.4%</b>	<b>31.4%</b>	<b>31.5%</b>	<b>30.4%</b>	<b>3.5%</b>	<b>29.9%</b>	<b>13.5%</b>	<b>17.5%</b>

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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

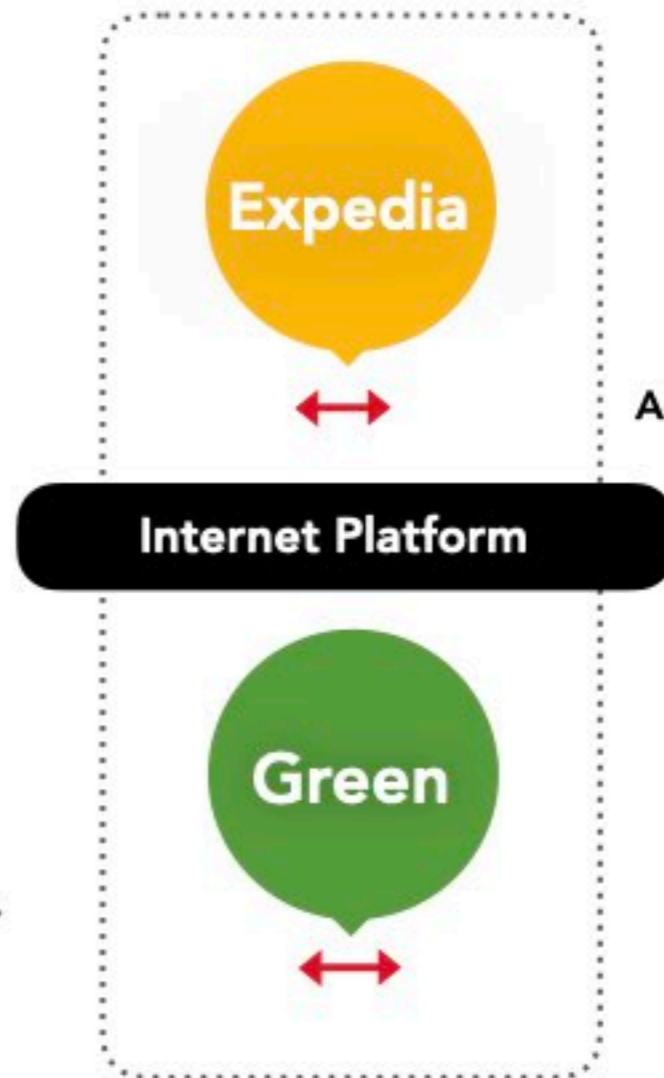
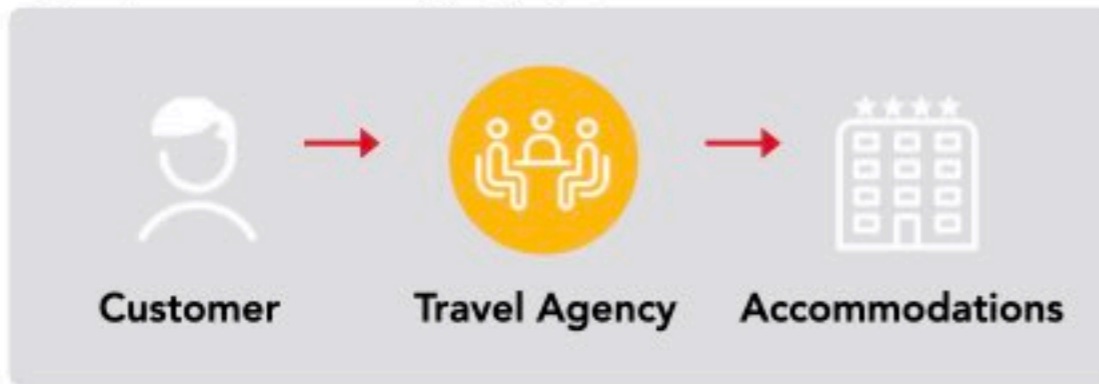
Job seekers and companies can take action and communicate interactively.



# 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

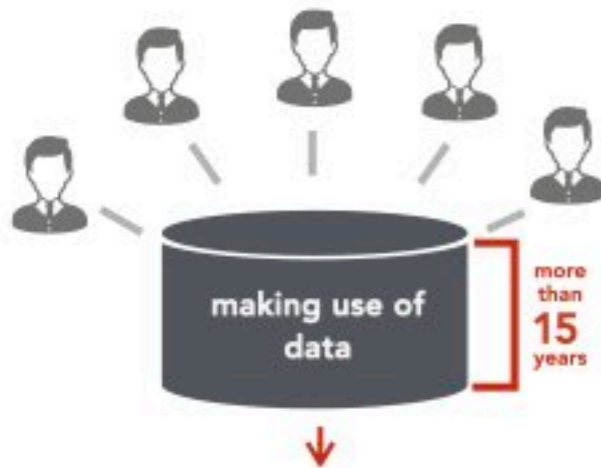


# Green Established a Unique Position

Technology × 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 **9,000**

Number of Registered User ID

More than **1.01 million**

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.

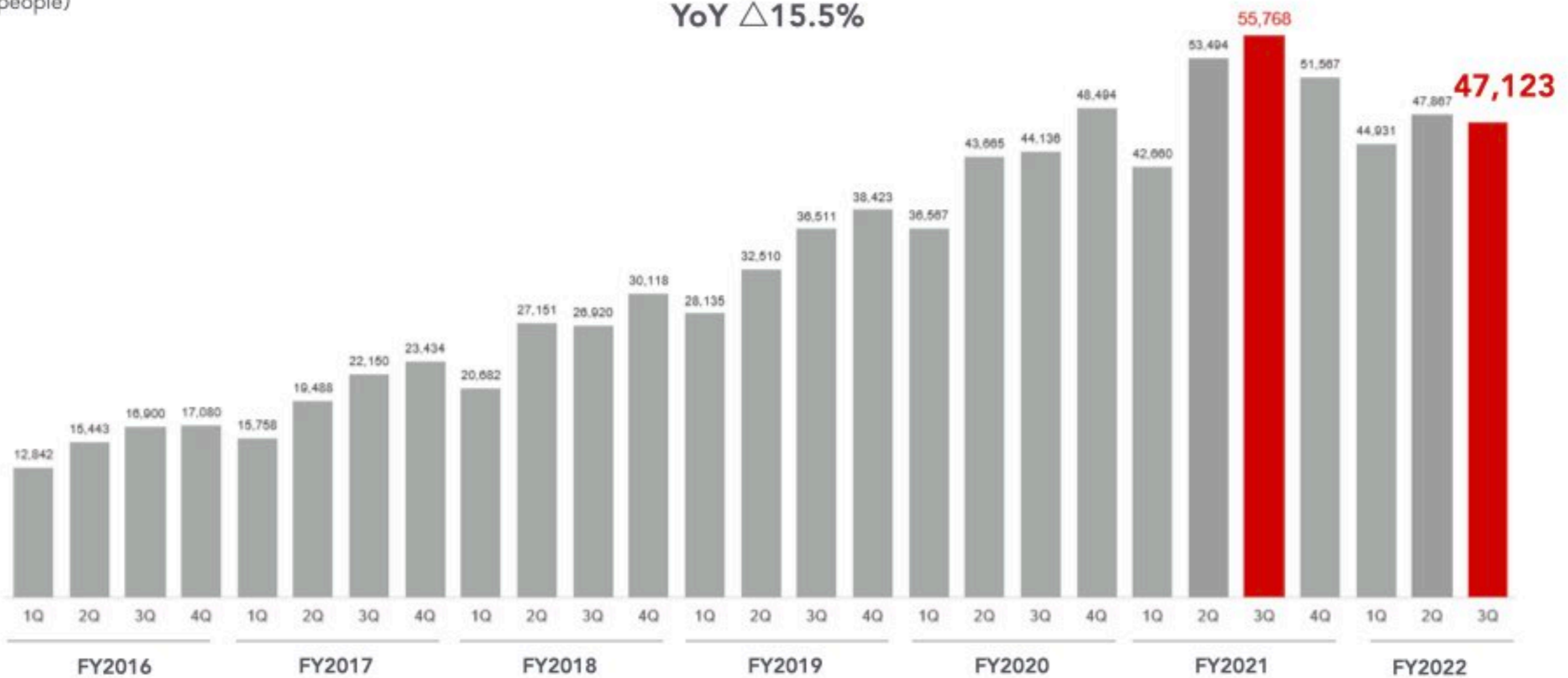


# Temporary decrease in newly registered users due to an increase in user acquisition cost and specification changes to improve matching accuracy

The number of active users

(people)

YoY  $\Delta$ 15.5%



\*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 remains at pre-COVID-19 normal levels

### Green's document screening pass rate



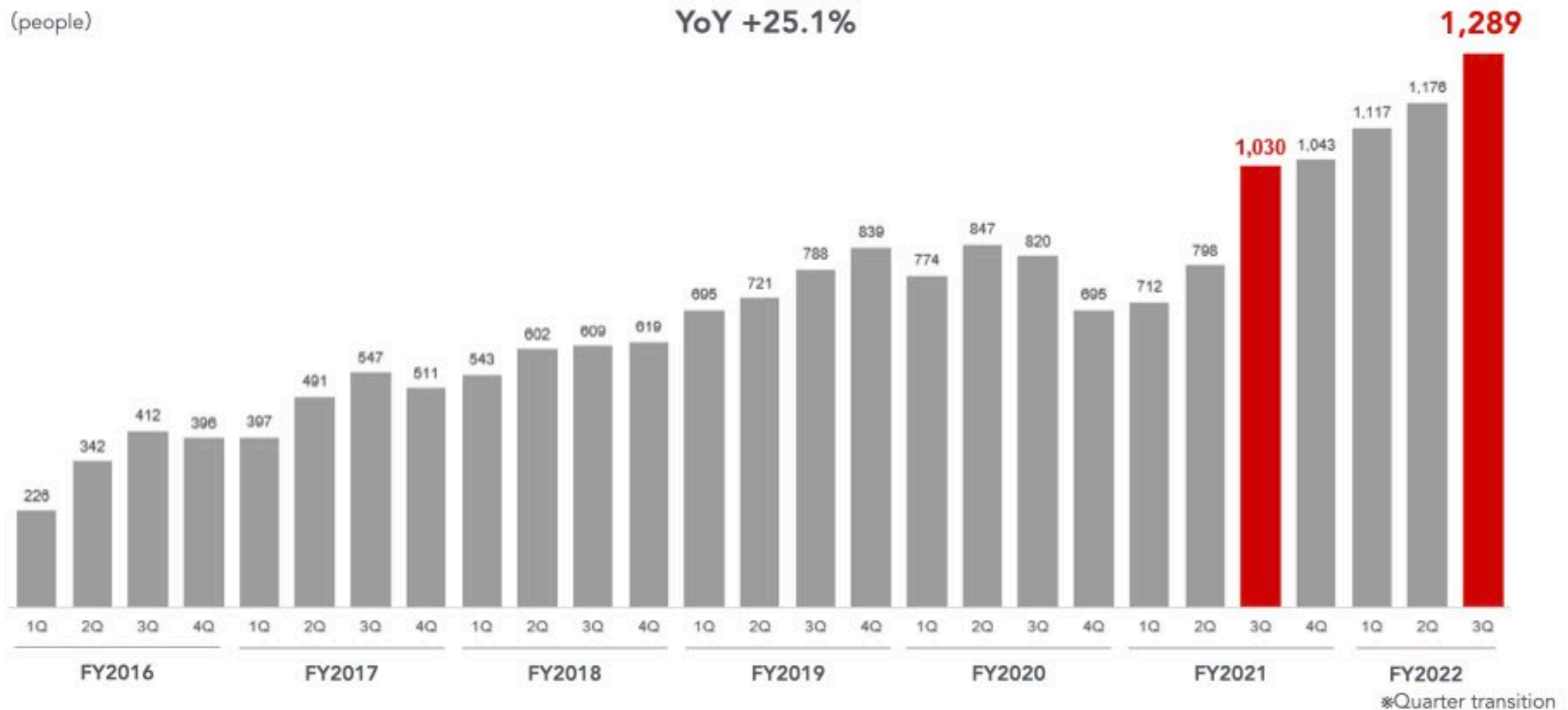
\* Green's document screening pass rate : Number of document screening pass ÷ Number of applications

# The number of people who were hired using Green reached a new record high

Hired Employees (Quarter)

(people)

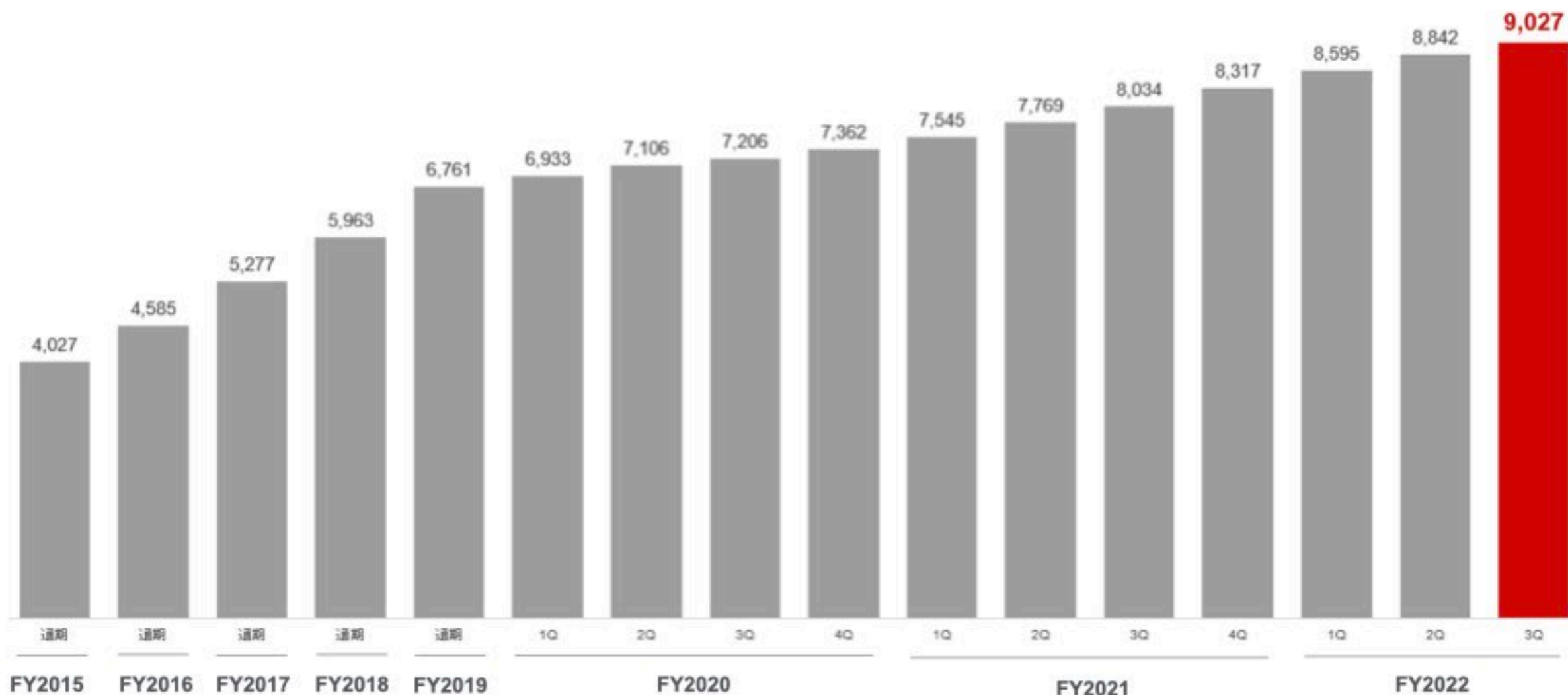
YoY +25.1%



# Steady Increase of Newly Registered Companies

## Cumulative Registered Companies

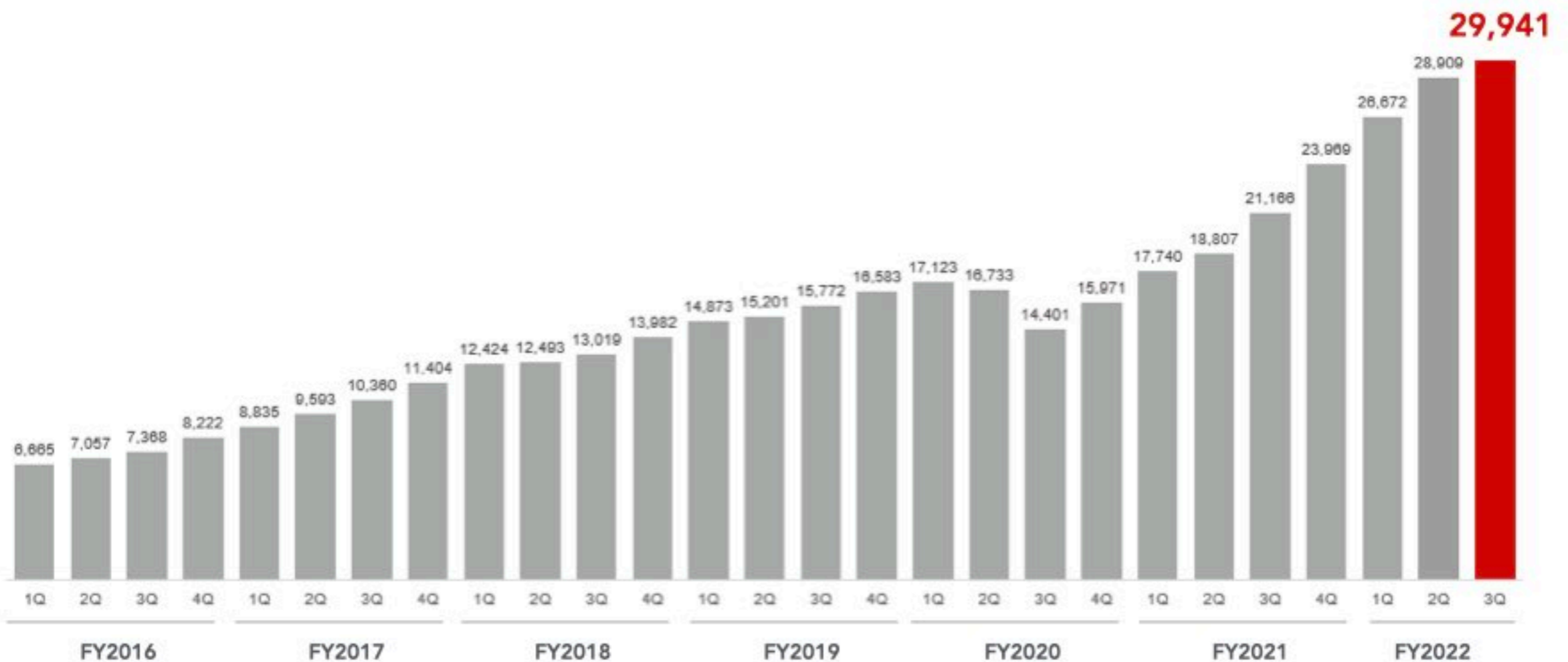
(Company)



# 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 <sup>*3</sup>	Green's Occupancy <sup>*4</sup>
All Industry	252 B yen <sup>*1</sup>	151 B yen	1.9%
IT Industry	75 B yen <sup>*2</sup>	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

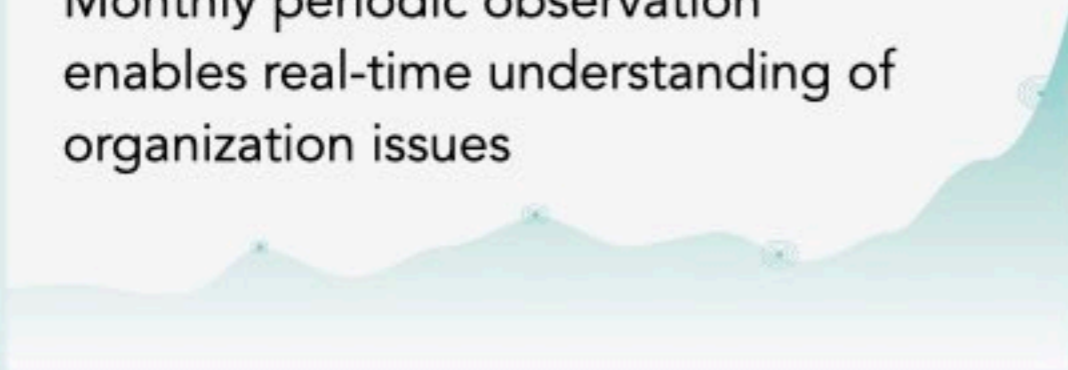
### Affordable price with SaaS model

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 120 million responses to machine learning

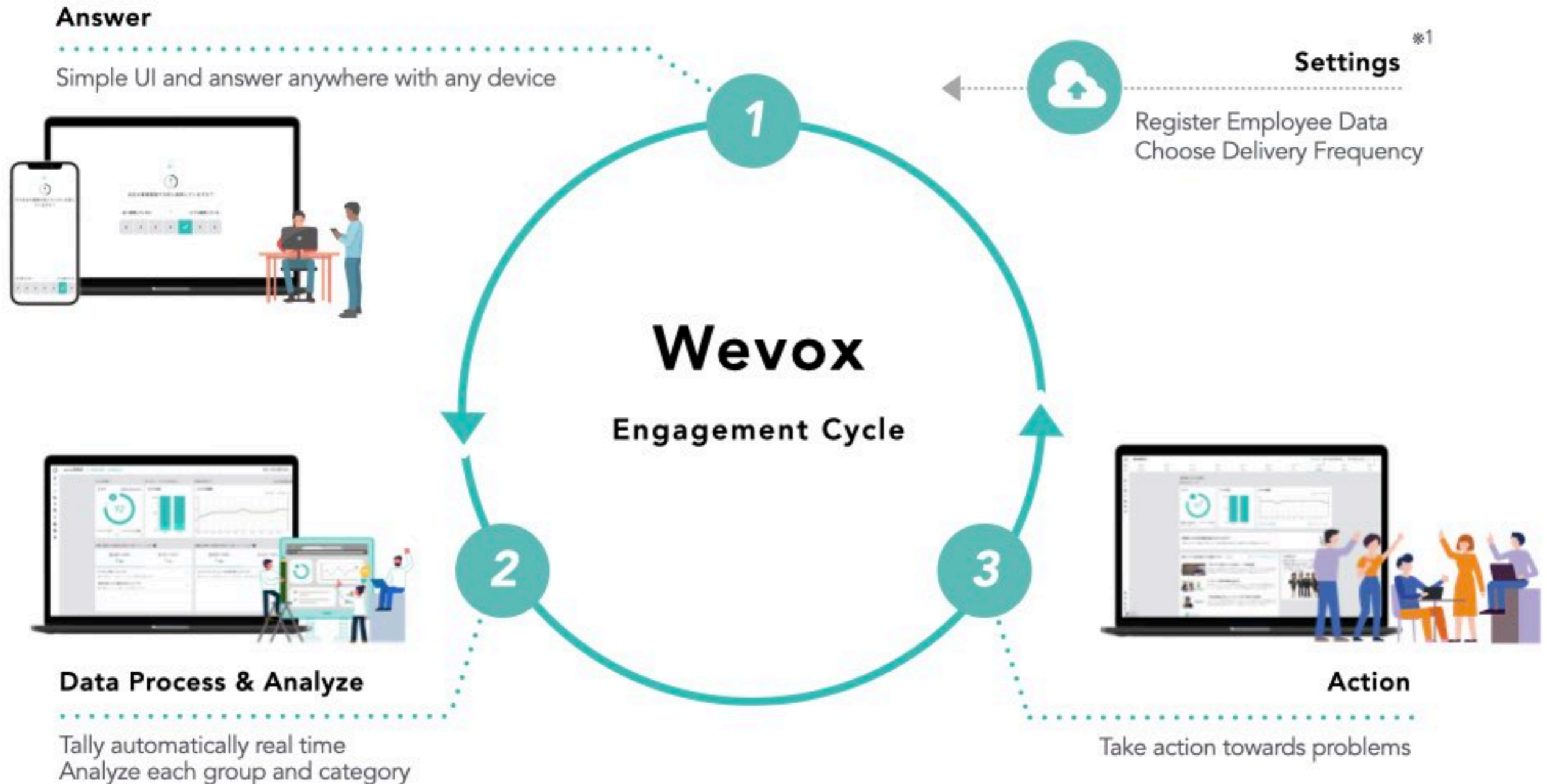


### 4 Academic basis

Professor Akito Shimazu, Keio University, a leading expert in the engagement research, joins as an advisor

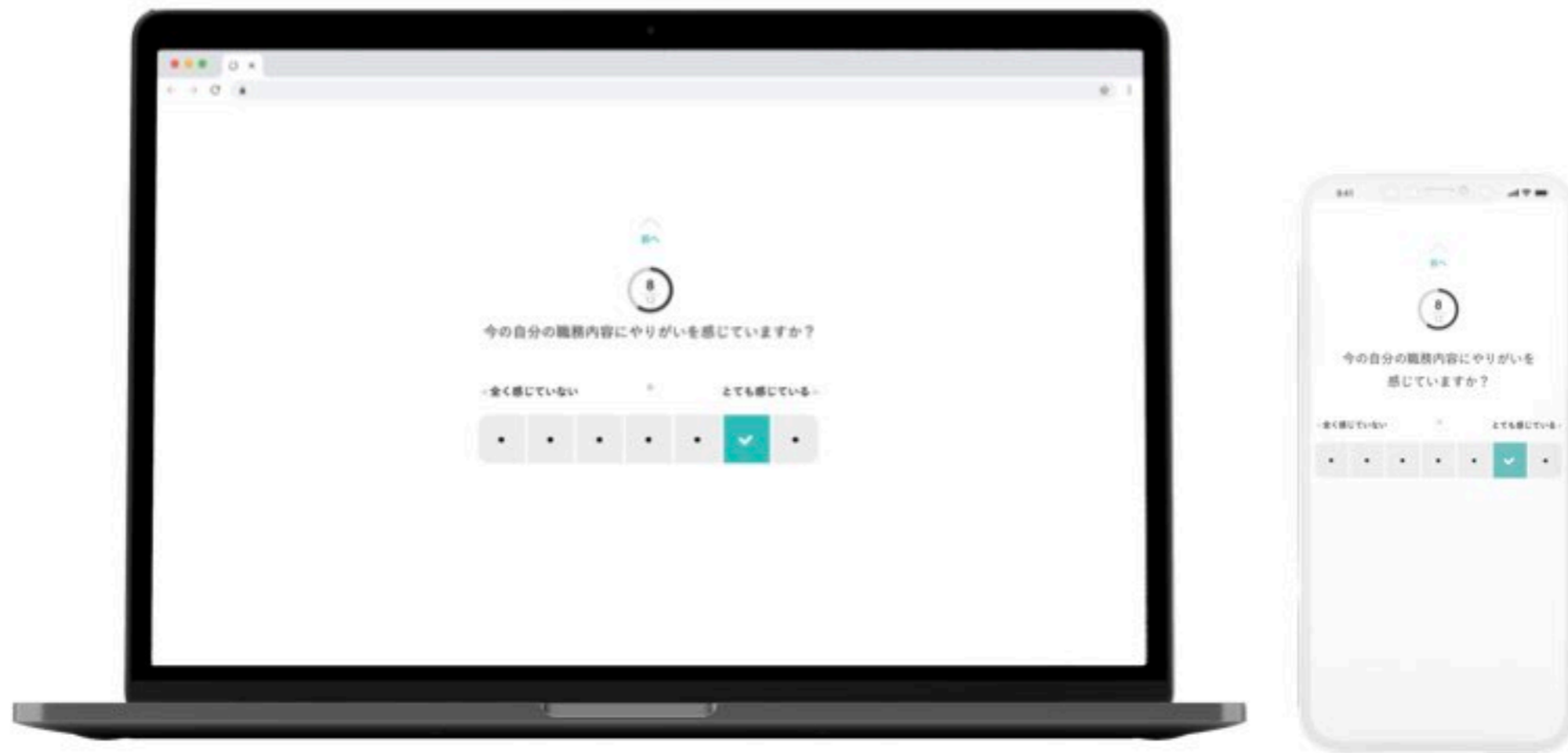


# Wevox Use Case



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

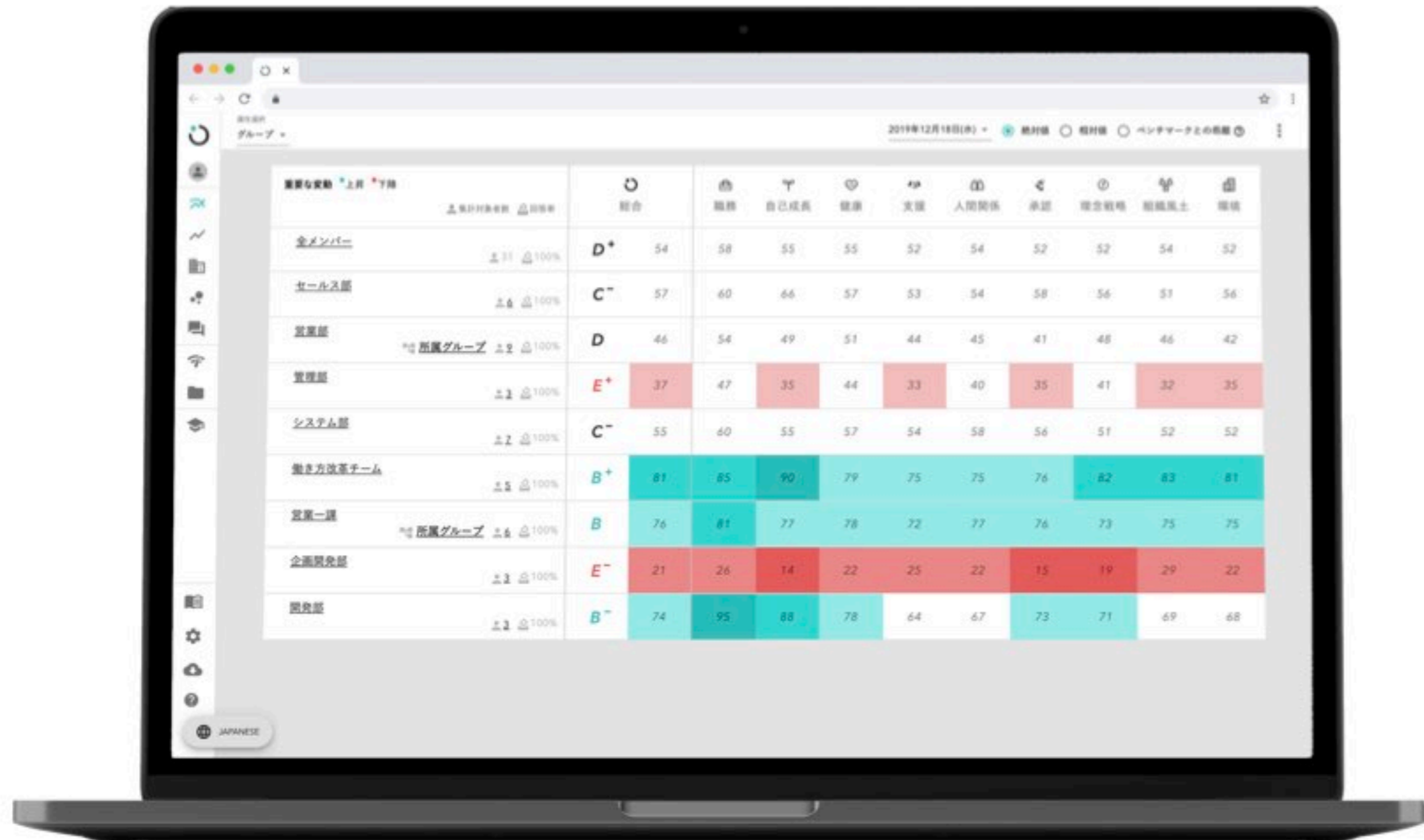
## Continuous improvement of UI/UX including multi-language support



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

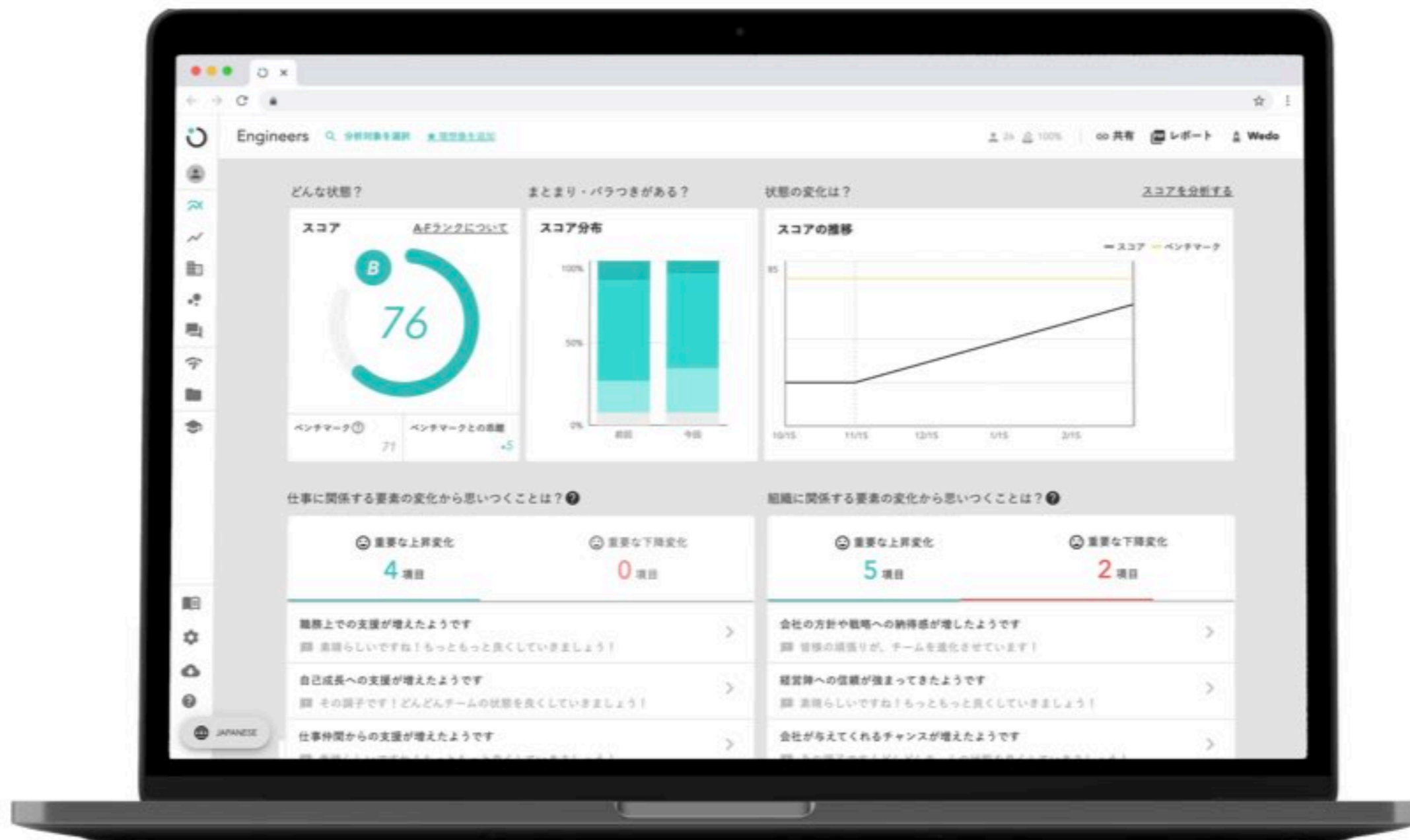
## View results in real time

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

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¥ **200** per employee  
per month

Provides a more advanced security environment

## Member Support

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¥ **200** per employee  
per month

Provides a feature to identify members who need support

\* only when consented by the employees

## Advanced Analytics

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¥ **200** per employee  
per month

Provides more advanced analysis capabilities and environment



## Challenge for improving further added value

A new function Wevox Organizational Culture launched

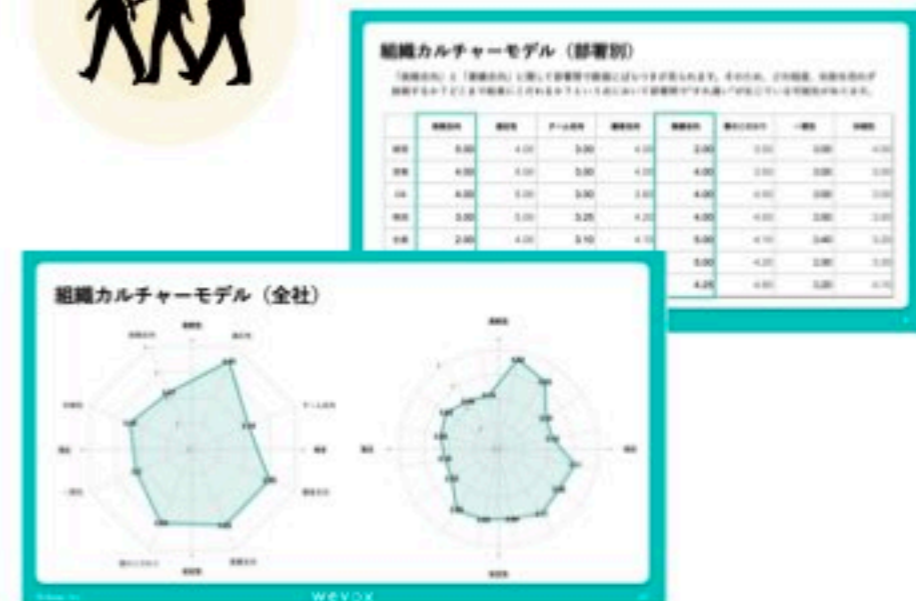
### Wevox Engagement

Are individual employees working proactively and enthusiastically?



### Wevox Organizational Culture

Are all members of the organization acting with the same discipline and standards of behavior?



×

## 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 **2,490** companies. Increase of users more than the growth of the companies and organizations introduced.

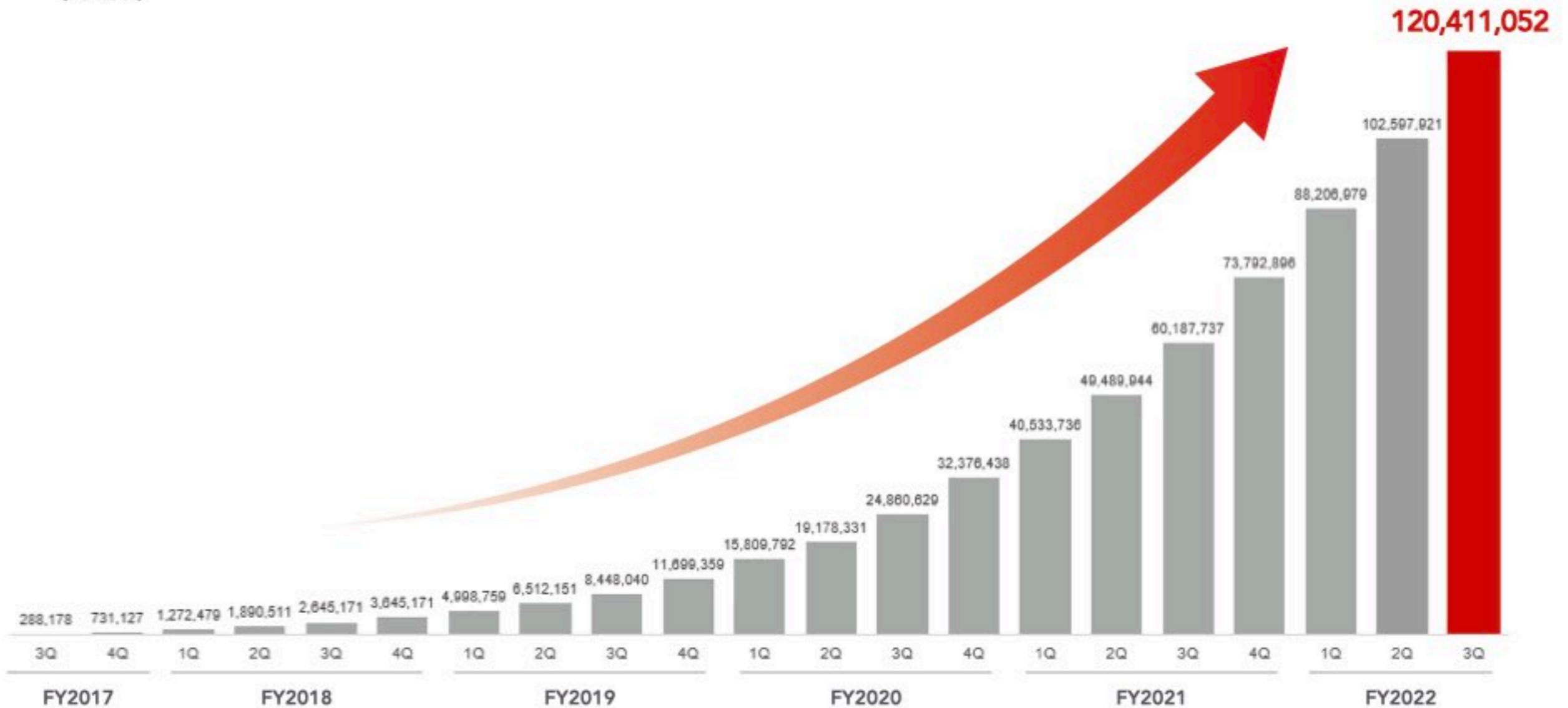


Reference from Wevox Website.

## 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)

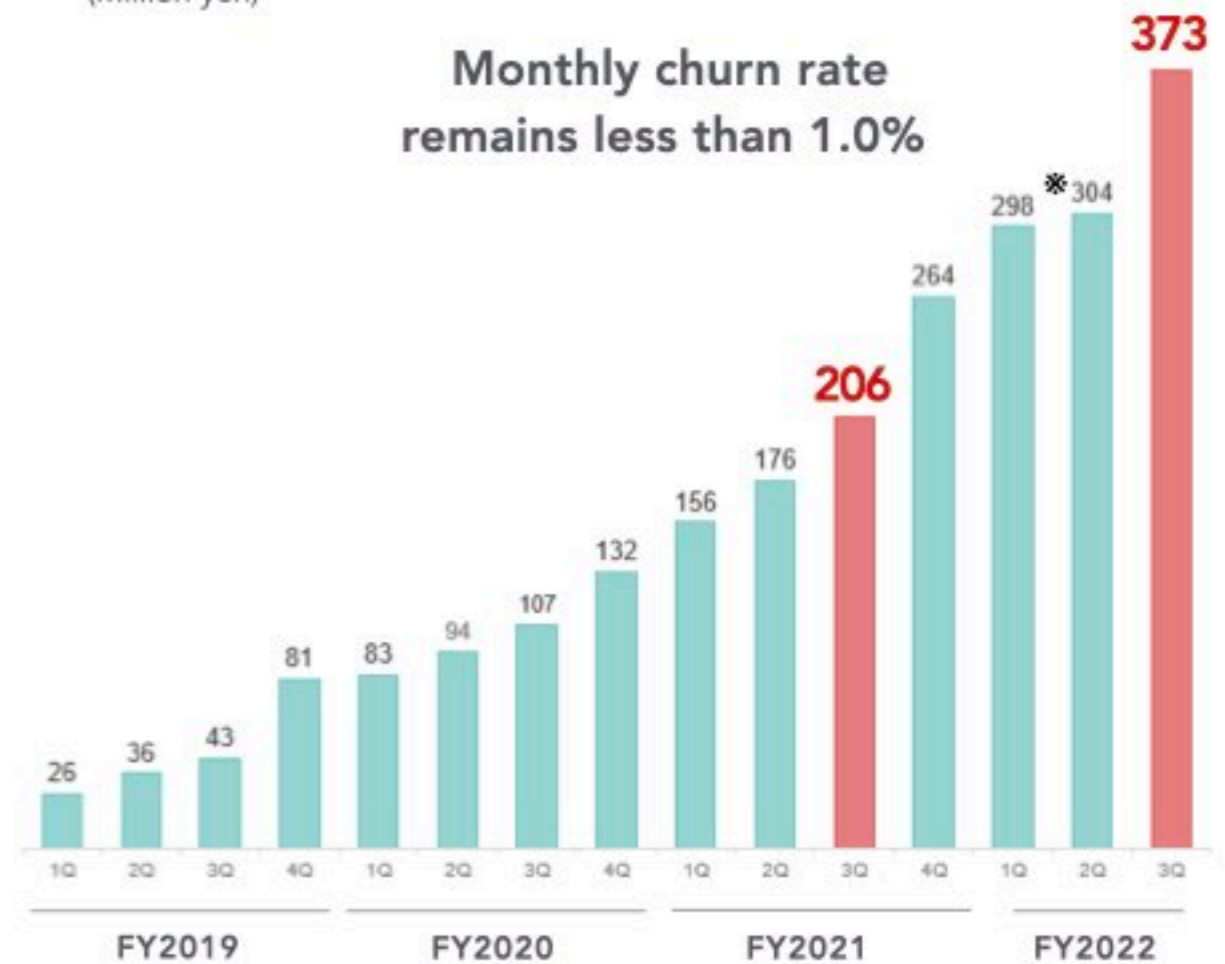


Transition in Sales

YoY +81.1%

Monthly churn rate remains less than 1.0%

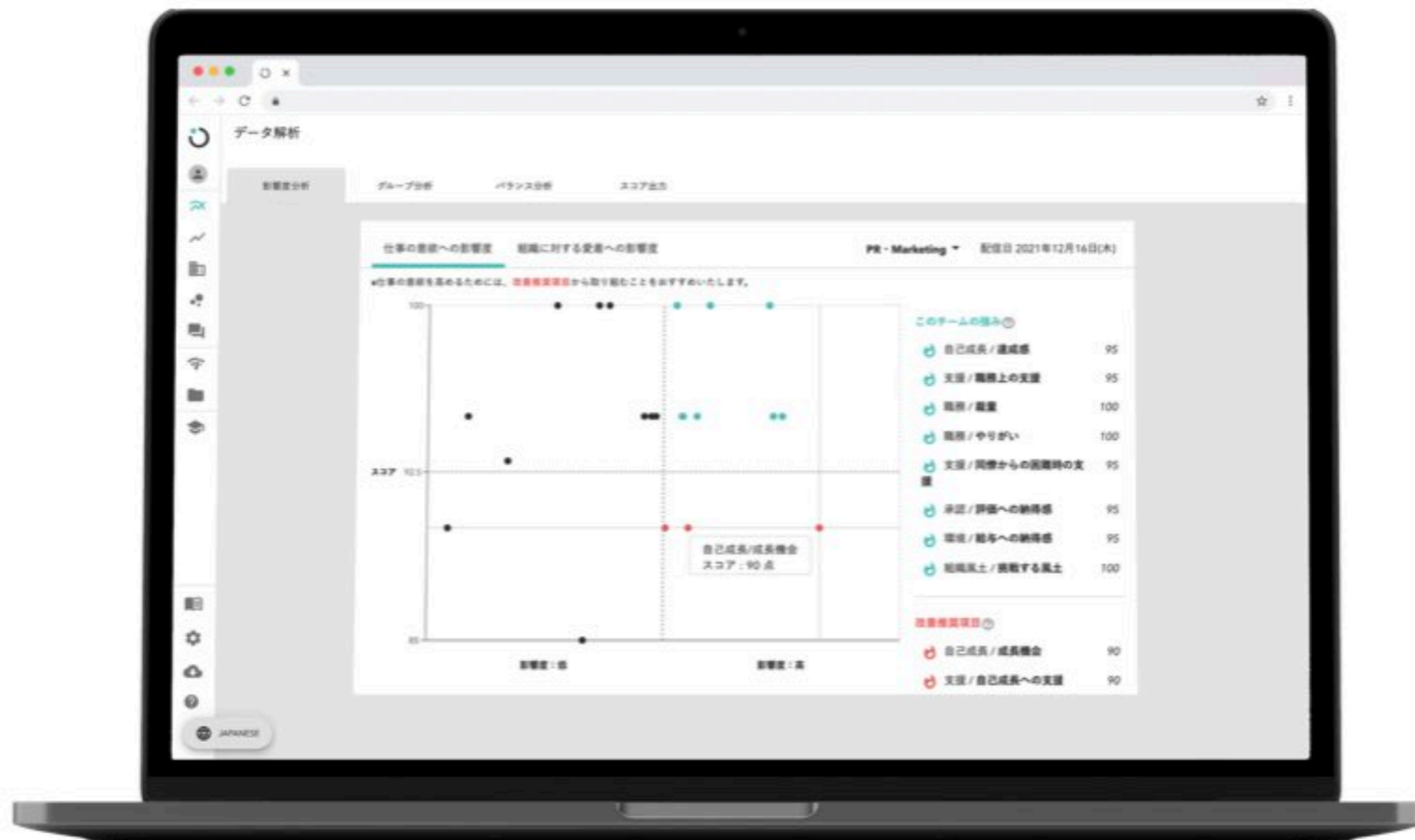
(Million yen)



\*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

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All Employed Persons

**67.2M**<sup>※1</sup>  
People

Wide range of industries  
including sports and  
educational organizations

### Price Competitiveness

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¥ **300** per month

Targeting wide range of  
clients via SaaS model

### Potential Market size

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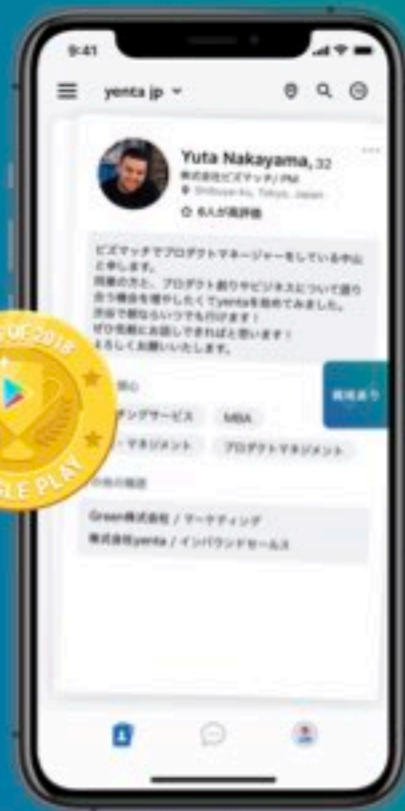
More than

**240B**<sup>※2</sup>  
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

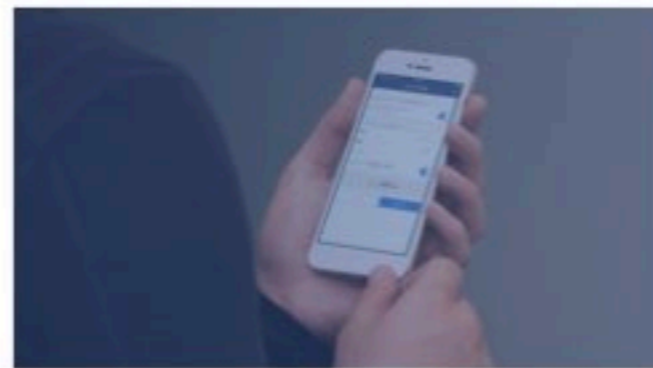
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Platforms such as SNS or Crowdfunding have expanded and widened individuals' stages, which led to an era independent from companies and organizations.

### 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

Promoted to the B2 League in the shortest possible time

2021-22 B3 League regular season results

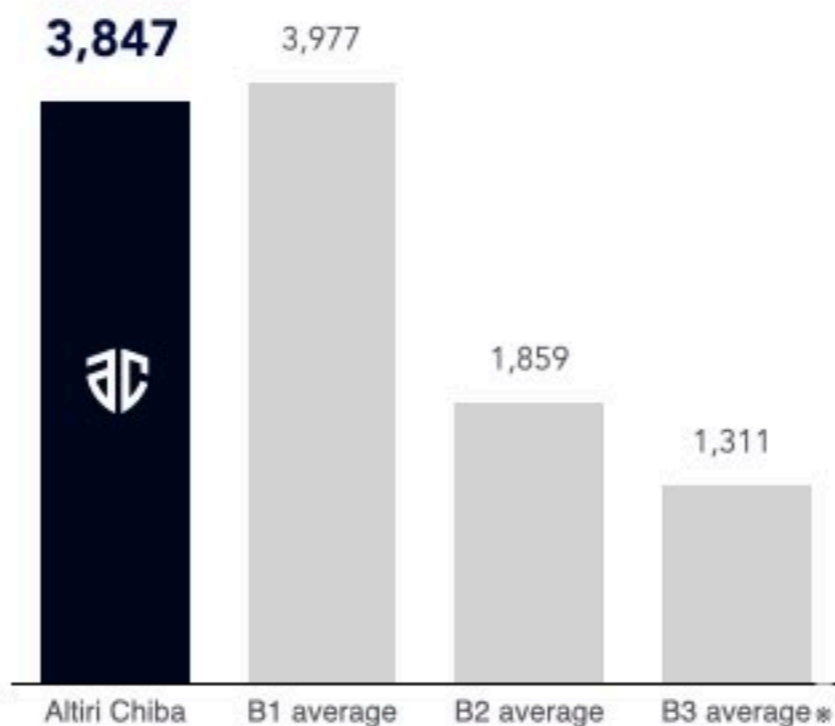
**37** wins and **7** losses



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 Opener

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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# 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

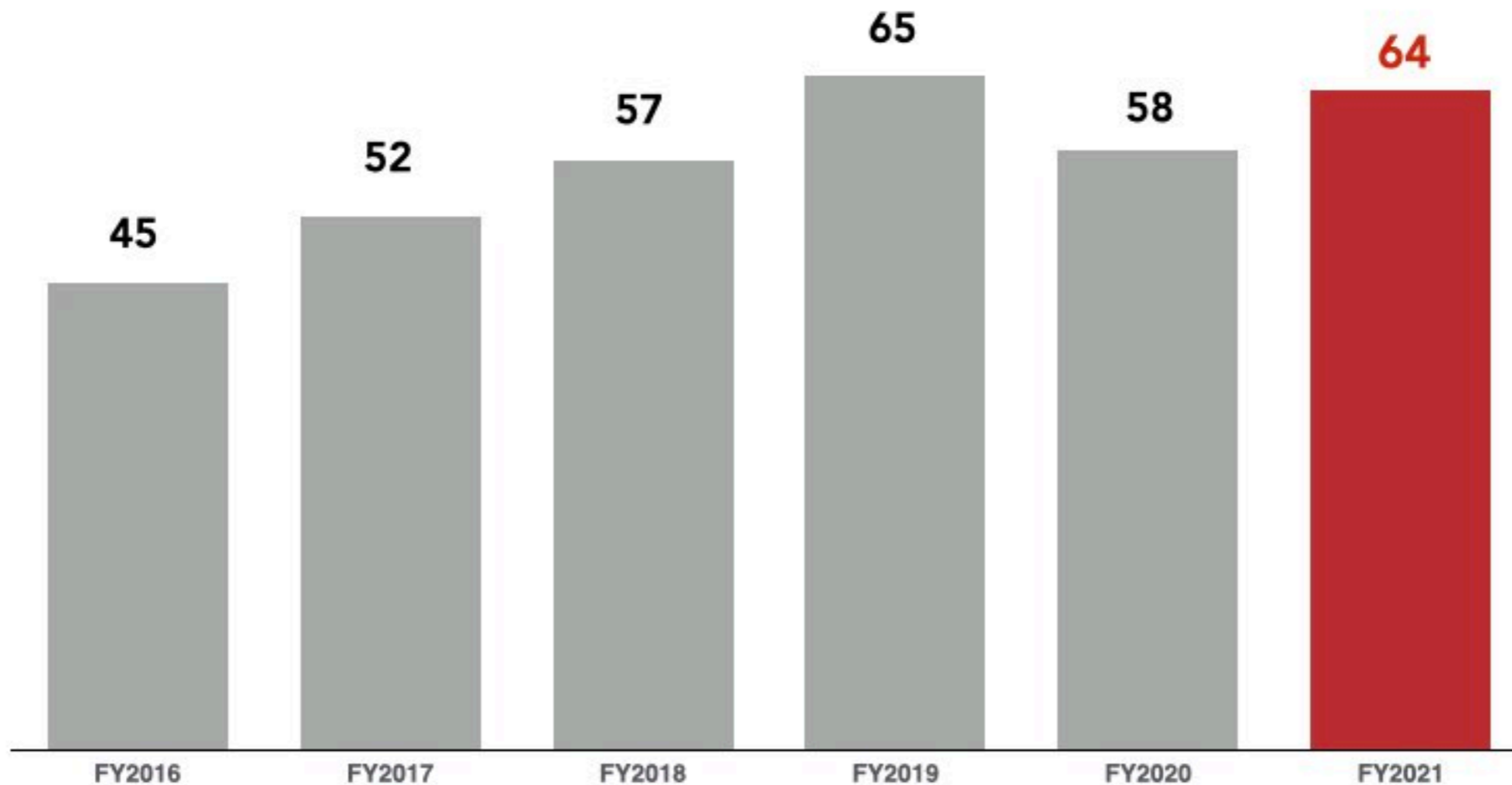
(Million yen)	Revised Forecast		Previous Forecast (Released on November 11, 2021)			Revised Forecast /FY2021 Actual	
	FY2022 full-year		FY2022 full-year	Variance	%	FY2021 full-year	%
<b>Sales</b>	<b>6,350</b>		<b>5,850</b>	<b>500</b>	<b>+8.5%</b>	<b>4,464</b>	<b>+42.2%</b>
People Tech							
Green	4,740		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%	-	-
<b>Operating Expens</b>	<b>5,350</b>		<b>5,350</b>	<b>0</b>	<b>+0.0%</b>	<b>3,454</b>	<b>+54.9%</b>
People Tech	4,400		4,400	0	+0.0%	3,376	+30.3%
Sports Tech	950		950	0	+0.0%	78	+1,117.9%
<b>Operating Profit</b>	<b>1,000</b>		<b>500</b>	<b>500</b>	<b>+100.0%</b>	<b>1,010</b>	<b>△1.0%</b>
<b>Operating Profit Margin</b>	<b>15.7%</b>		<b>8.5%</b>	<b>-</b>	<b>+7.2pt</b>	<b>22.6%</b>	<b>△6.9pt</b>

\*Upwardly revised on May 12, 2022

# Transition of Sales Per Employee

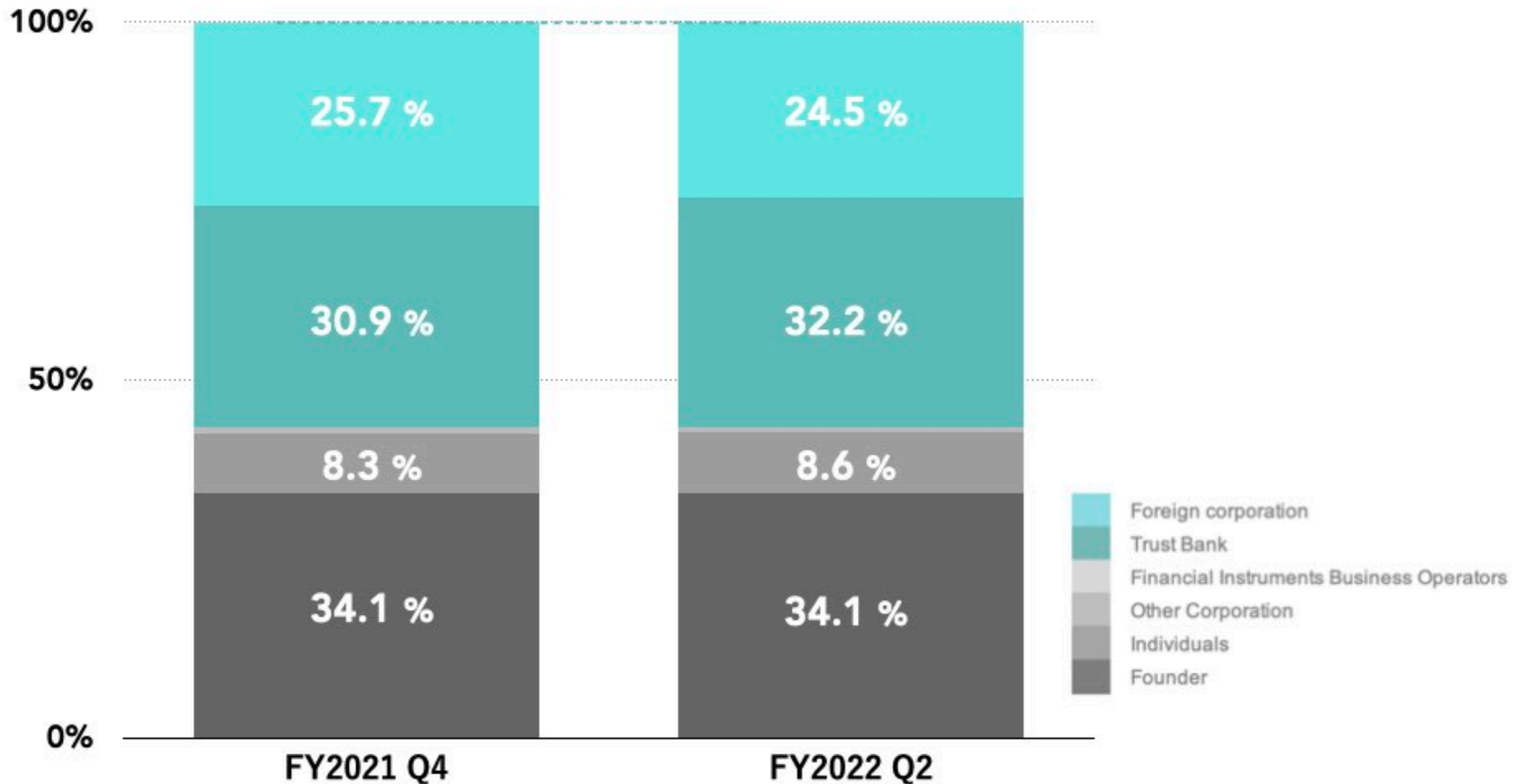
Number of employees at the end of the fiscal year increased by 22% YoY and achieved the highest level of productivity ever despite active investment in new businesses

(Million yen)



# Shareholding Structure

More than 55% owned by domestic and foreign institutional investors



# :Atrae

<b>Name</b>	Atrae, Inc.
<b>Business Outline</b>	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
<b>Foundation</b>	October, 2003
<b>Management</b>	Yoshihide Arai, President & CEO
<b>Employee</b>	98 (As of June, 2022)
<b>Capital Stock</b>	1,231 (in JPY MM)
<b>Location</b>	Minato-ku, Tokyo, Japan



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