



Financial Results Explanatory Material

**Financial Results for the 4th Quarter of
Fiscal Year Ended September 30, 2022**

Atrae, Inc. (TSE Prime Market : 6194)

Agenda

- 1. Company Overview**
- 2. FY2022 Financial Highlights**
- 3. FY2023 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

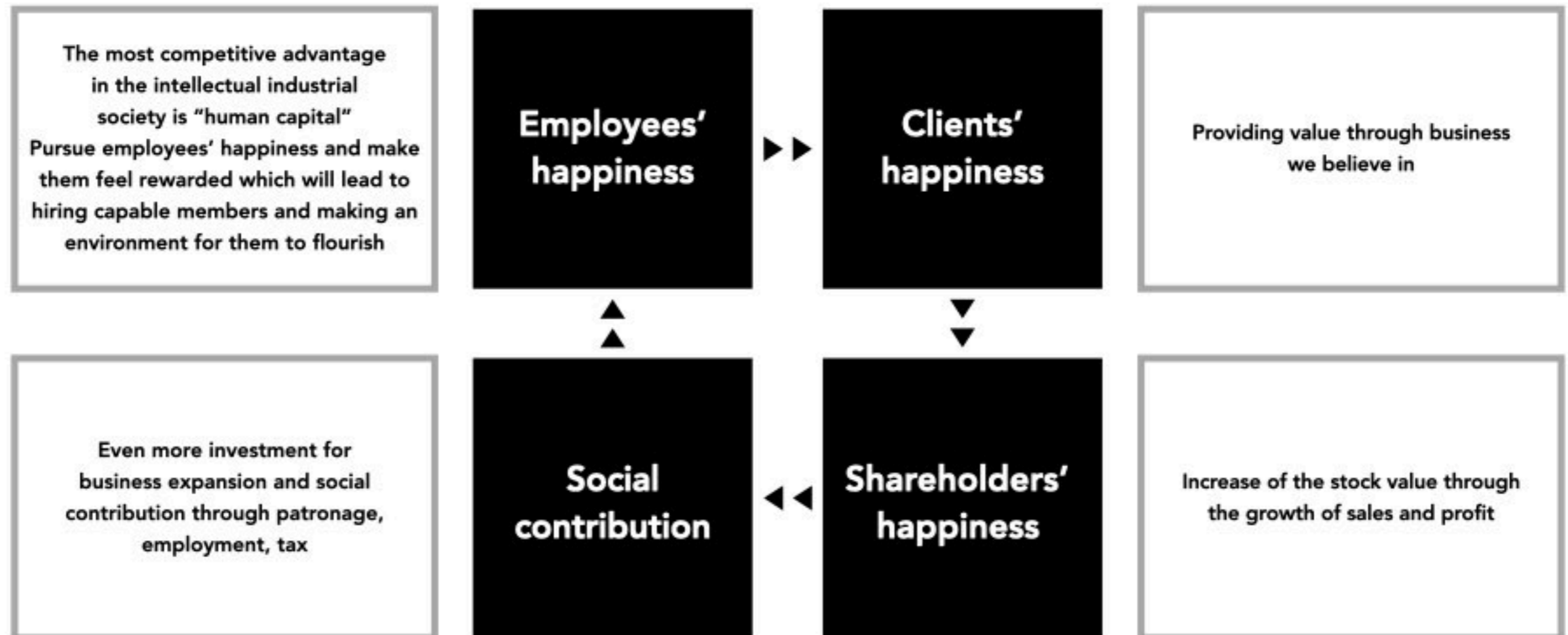


... and Society



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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FY2022 Full-Year Financial Results

FY2022 Full-Year

Sales	6,588 Million yen	YoY +47.6 %	Progress 103.7 %
Operating Profit	1,060 Million yen	YoY +5.0 %	Progress 106.0 %

Business

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

Wevox achieved YoY +75.8% in full year sales, turned profitable in FY2022 Q4 and will enter a profit growth phase going forward

Monthly churn rate for Wevox users remains below 1%

Topics

Started disclosing information based on TCFD recommendations on the Company's website

Joint research with Professor Mikiharu Noma of Hitotsubashi University Graduate School confirmed the correlation between stock prices and Wevox engagement scores

Shows potential for engagement to be adopted as a numeric indicator for the S (Social) aspect of ESG, and for it to become a common language for companies and investors as non-financial information that impacts corporate value

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
Mid-term average engagement score	89	90	91
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

In line with upwardly revised forecasts, achieved full-year sales YoY +47.6%

(Million yen)	YoY			QoQ		YoY			Actual vs Forecast	
	FY2022 Q4	FY2021 Q4	%	FY2022 Q3	%	FY2022 full-year	FY2021 full-year	%	FY2022 revised forecast*	Progress
Sales	1,740	1,359	+28.0%	1,745	△0.3%	6,588	4,464	+47.6%	6,350	103.7%
Green	1,209	1,067	+13.3%	1,286	△6.0%	4,822	3,572	+35.0%	4,740	101.7%
Wevox	435	264	+64.8%	373	+16.6%	1,410	802	+75.8%	1,310	107.6%
New business	29	28	+3.6%	25	+16.0%	105	90	+16.7%	100	105.0%
Sports Tech	67	0	-	61	+9.8%	251	0	-	200	125.5%
Operating Expenses	1,651	1,312	+25.8%	1,439	+14.7%	5,528	3,454	+60.0%	5,350	103.3%
Operating Profit	89	47	+89.4%	306	△70.9%	1,060	1,010	+5.0%	1,000	106.0%
Operating Profit Margin	5.1%	3.5%	+1.6pt	17.5%	△12.4pt	16.1%	22.6%	△6.5pt	15.7%	+0.4pt

※upwardly revised forecast disclosed on May 12, 2022

YoY Comparison (sales)

Green is continuing to invest in advertising to accelerate growth

Granted approximately 80 million yen in bonuses to employees for the fiscal year end

(Million yen)	YoY					YoY				
	FY2022 Q4	% of Sales	FY2021 Q4	% of Sales	%	FY2022 full-year	% of Sales	FY2021 full-year	% of Sales	%
Sales	1,740	100.0%	1,359	100.0%	+28.0%	6,588	100.0%	4,464	100.0%	+47.6%
People Tech	1,673	96.1%	1,359	100.0%	+23.1%	6,337	96.2%	4,464	100.0%	+42.0%
Sports Tech	67	3.9%	0	0.0%	-	251	3.8%	0	0.0%	-
Operating Expenses	1,651	94.9%	1,312	96.5%	+25.8%	5,528	83.9%	3,454	77.4%	+60.0%
People Tech	1,443	82.9%	1,271	93.5%	+13.5%	4,676	71.0%	3,376	75.6%	+38.5%
Cost of sales	30	1.7%	23	1.7%	+30.4%	105	1.6%	71	1.6%	+47.9%
SG&A										
Web Ad	765	44.0%	353	26.0%	+116.7%	2,102	31.9%	1,249	28.0%	+68.3%
TV Ad and Other	89	5.1%	441	32.5%	△79.8%	622	9.4%	653	14.6%	△4.7%
Personnel Cost	371	21.3%	283	20.8%	+31.1%	1,123	17.0%	804	18.0%	+39.7%
Other	188	10.8%	171	12.6%	+9.9%	724	11.0%	599	13.4%	+20.9%
Sports Tech	208	12.0%	41	3.0%	+407.3%	852	12.9%	78	1.7%	+992.3%
Operating Profit	89	5.1%	47	3.5%	+89.4%	1,060	16.1%	1,010	22.6%	+5.0%

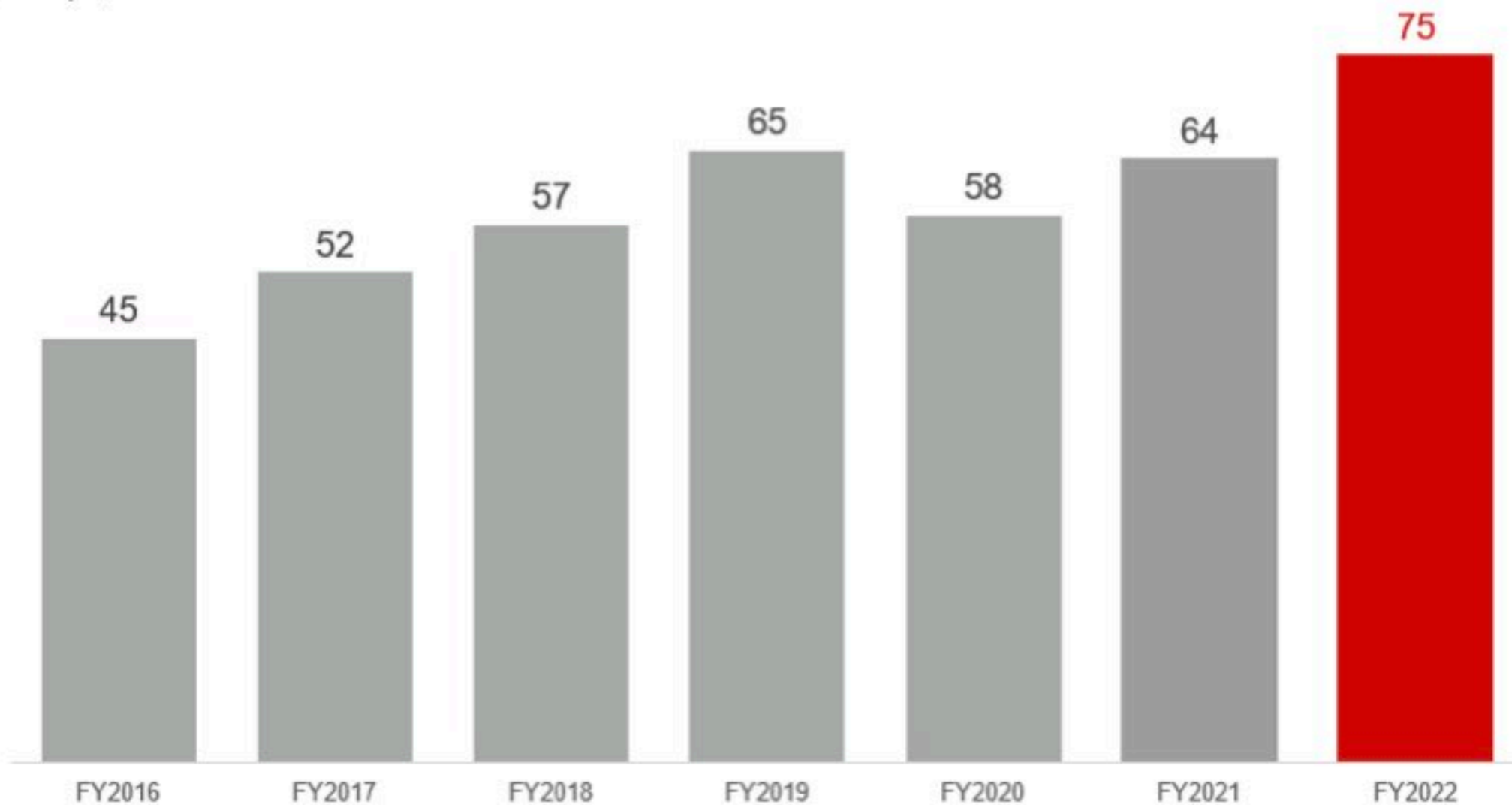
For Reference : Quarterly Financial Highlights

(Million yen)	FY2020				FY2021				FY2022			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sales	842	911	875	802	886	998	1,221	1,359	1,504	1,599	1,745	1,740
People Tech	842	911	875	802	886	998	1,221	1,359	1,455	1,525	1,684	1,673
Green	745	804	758	655	713	802	990	1,067	1,131	1,196	1,286	1,209
Wevox	83	94	107	132	156	176	206	264	298	304	373	435
New business	14	13	10	15	17	20	25	28	26	25	25	29
Sports Tech	-	-	-	-	-	-	-	-	49	74	61	67
Operating Expenses	647	848	565	638	608	684	850	1,312	1,055	1,383	1,439	1,651
People Tech	647	848	565	638	596	674	835	1,271	882	1,113	1,238	1,443
Cost of sales	15	14	10	13	12	16	20	23	23	25	27	30
SG&A	399	461	302	288	270	287	339	353	278	402	657	765
Web Ad	0	138	0	57	17	56	139	441	201	241	91	89
TV Ad and Other	137	137	147	145	154	172	195	283	206	259	287	371
Personnel Cost	96	98	106	135	143	143	142	171	174	186	176	188
Other	-	-	-	-	12	10	15	41	173	270	201	208
Sports Tech	-	-	-	-	12	10	15	41	173	270	201	208
Operating Profit	195	63	310	164	278	314	371	47	449	216	306	89
Operating Profit Margin	23.2%	6.9%	35.4%	20.4%	31.4%	31.5%	30.4%	3.5%	29.9%	13.5%	17.5%	5.1%

Transition of Sales Per Employee

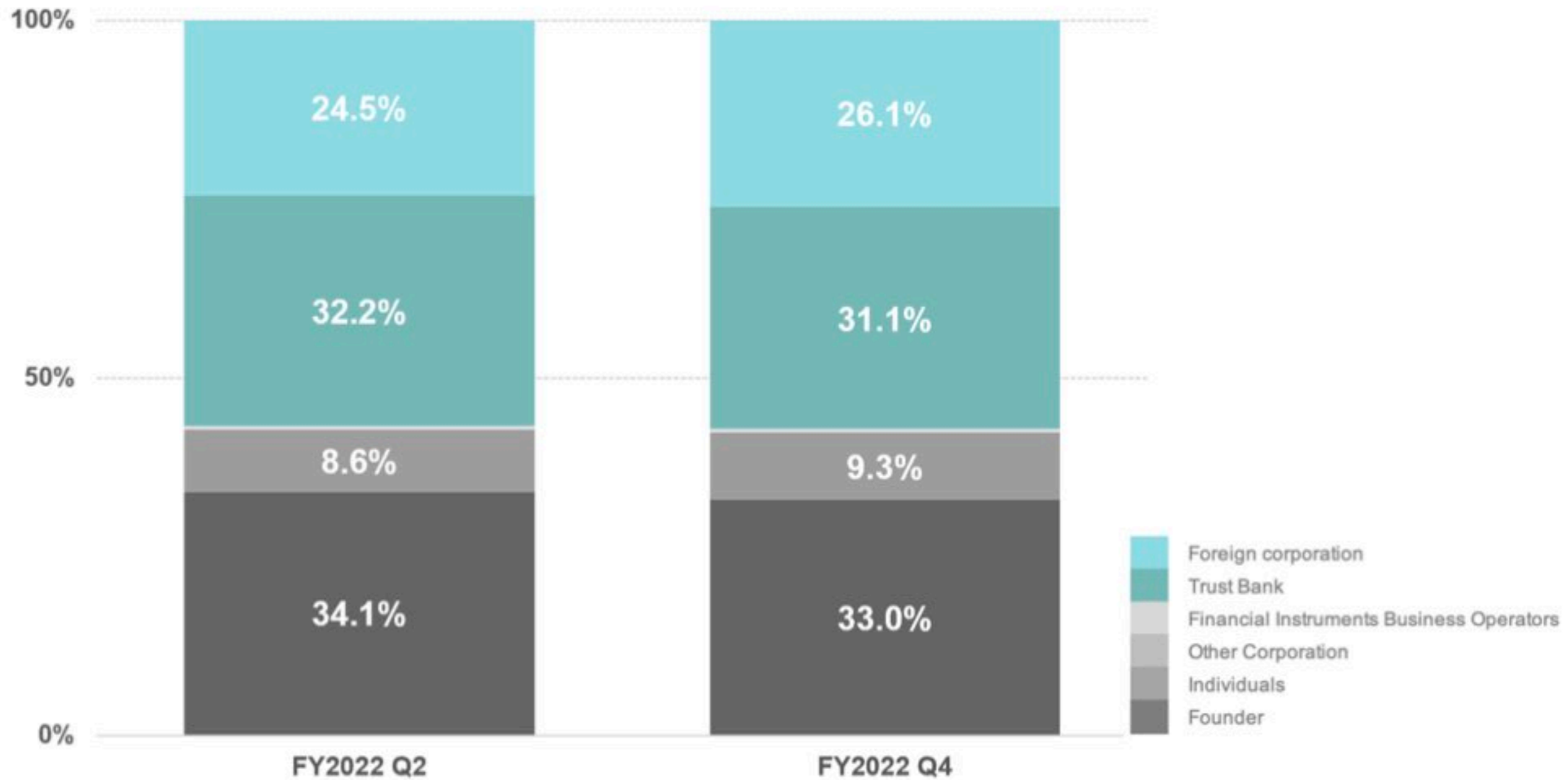
Achieved record productivity despite active investment in new businesses

(Million yen)



Shareholding Structure







More than 55% owned by domestic and foreign institutional investors



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View of FY2023 Forecast

Sales		<ul style="list-style-type: none">● Assume positive impact of contingency fee price revision from 2nd half, and aim for contingency fee sales growth of more than YoY+20%● Initial fee sales are expected to be on par with FY2022 due to productivity-conscious inbound sales
		<ul style="list-style-type: none">● Turned profitable in FY2022 Q4 and will enter a profit growth phase going forward● Use as a disclosure indicator for the S (Social) aspect of ESG has accelerated its adoption by major companies
		<ul style="list-style-type: none">● Create a new sports business by combining it with the management expertise of the People Tech business● Aiming to be promoted to the B1 League in the shortest possible time
Investments		<ul style="list-style-type: none">● Continue to invest in advertising to accelerate growth while maintaining profitability with positive impact of contingency fee price revisions
		<ul style="list-style-type: none">● Pursue higher operating profit margin by focusing on inbound sales● Continue to invest mainly in hiring customer success roles to convert inquiries from large companies into orders
		<ul style="list-style-type: none">● Continue to invest with discipline in order to achieve promotion to the B1 League

FY2023 Full-Year Forecast

(Million yen)		FY2023 Full-year	FY2022 Full-year	Variance	%
Sales		8,150	6,588	1,562	+23.7%
People Tech	Green	5,625	4,822	803	+16.7%
	Wevox	2,100	1,410	690	+48.9%
	New business	105	105	0	+0.0%
Sports Tech	Altiri	320	251	69	+27.5%
Operating Expenses		7,030	5,528	1,502	+27.2%
People Tech		5,960	4,676	1,284	+27.5%
	Share-based payment expenses	305	246	59	+24.0%
	New business	581	219	362	+165.3%
Sports Tech		1,070	852	218	+25.6%
Operating Profit		1,120	1,060	60	+5.7%
Operating Profit Margin		13.7%	16.1%	-	△2.4pt

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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

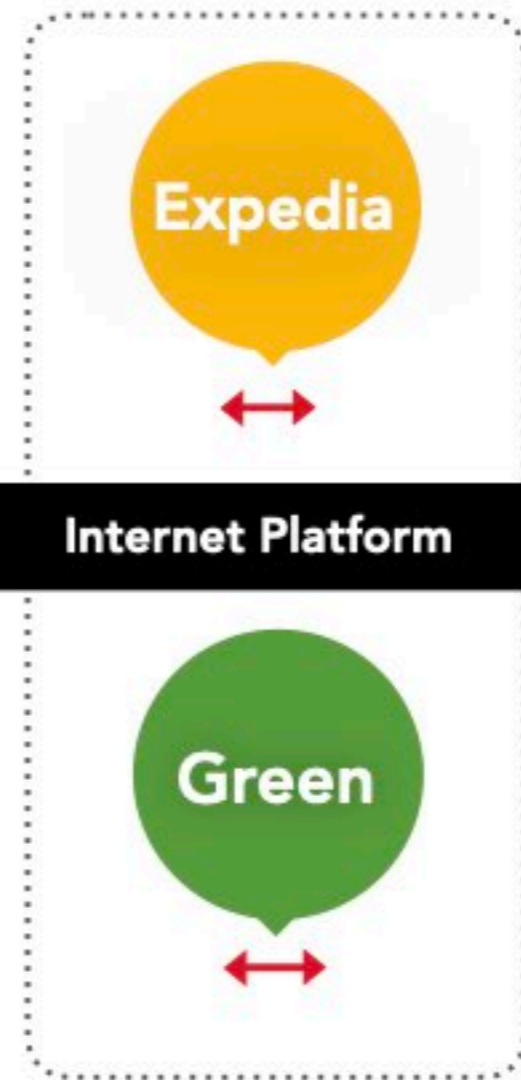
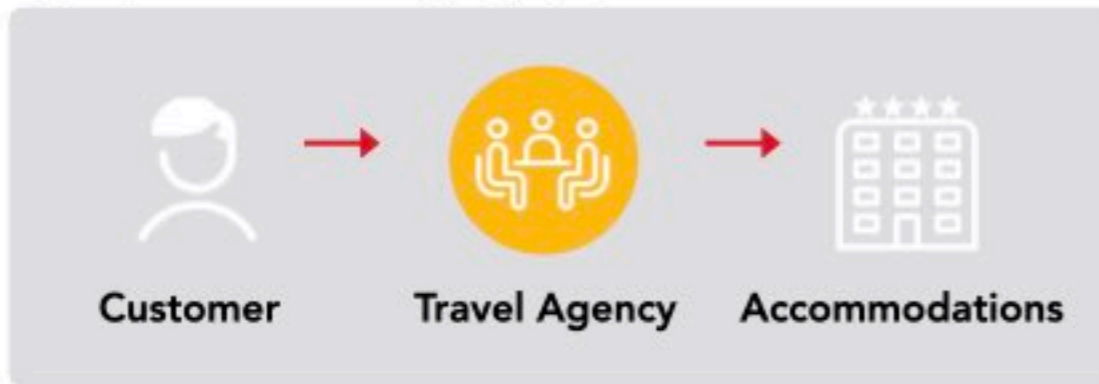
Direct recruiting platform

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

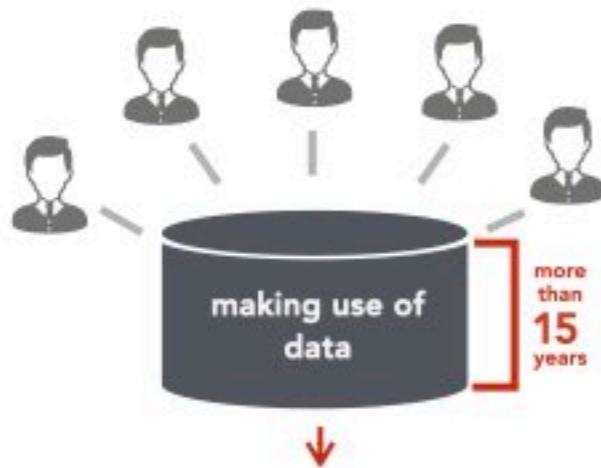


Green Established a Unique Position

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 **9,200**

Number of Registered User ID

More than **1.04 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.

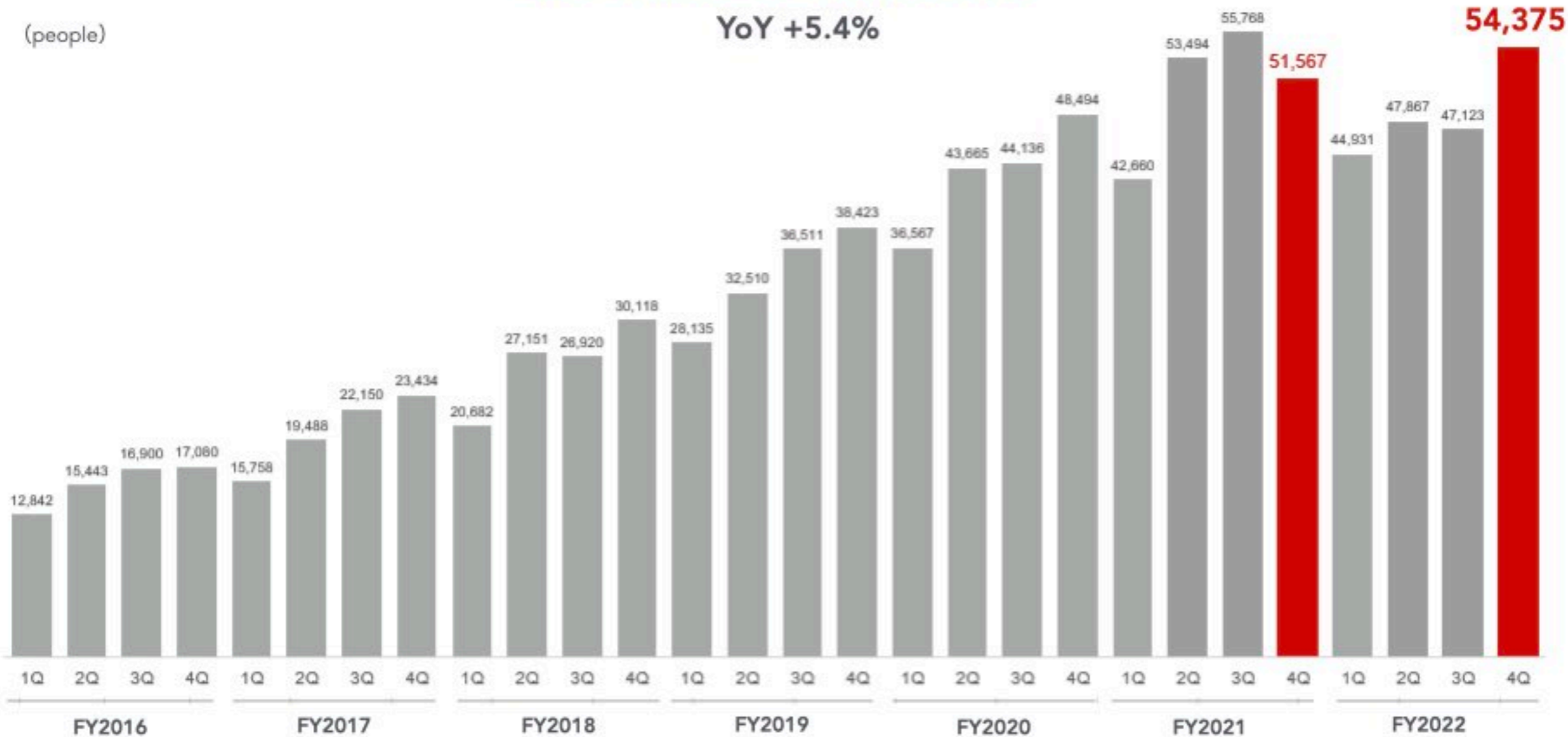


The number of active users has entered a growth phase again due to aggressive web advertising

The number of active users

YoY +5.4%

(people)

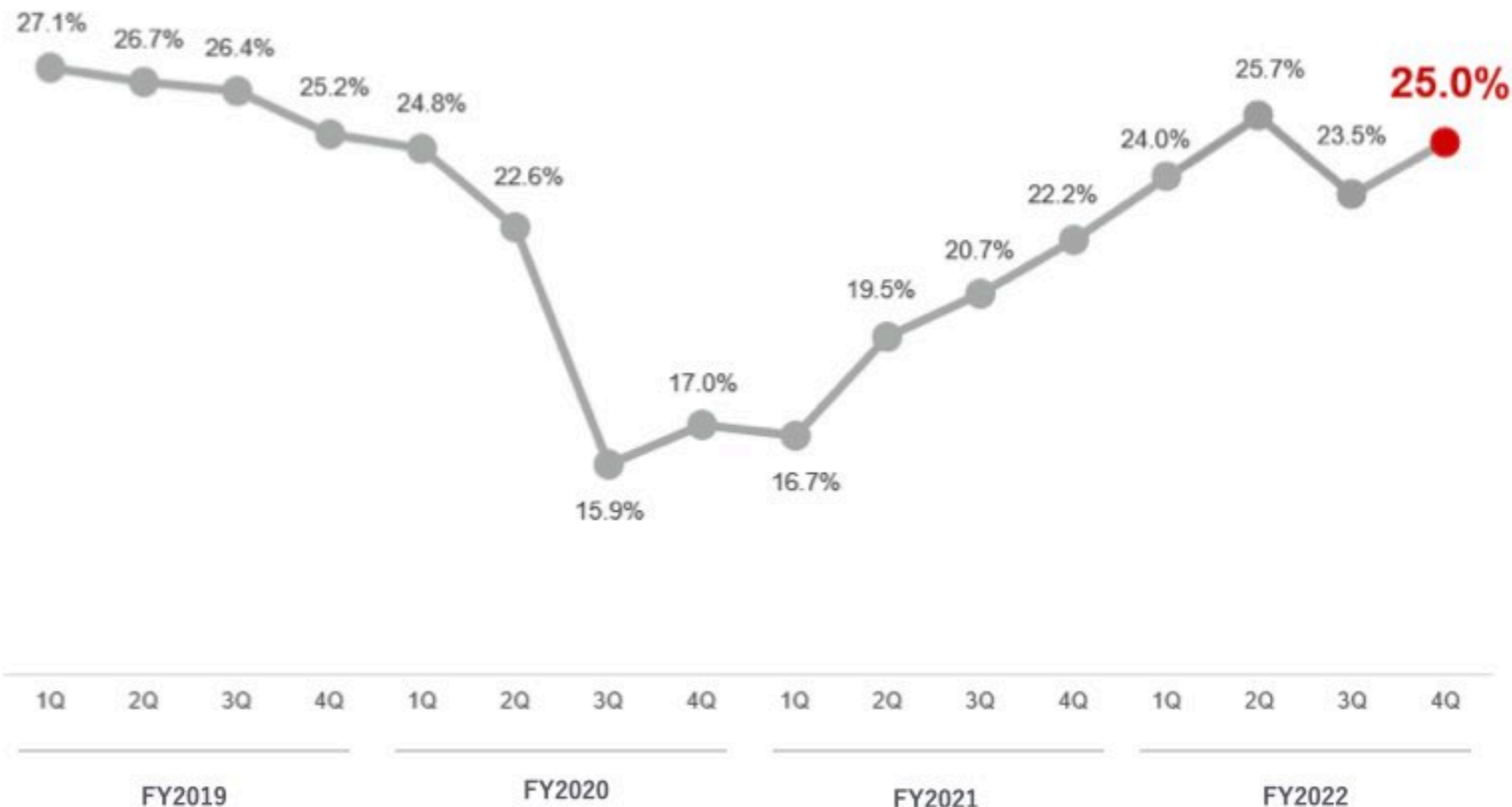


* Active user : Job seekers who log in at least once a month among job seekers who are registered with Green

*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

Continuous growth in the number of hired employees due to our unique competitive advantage

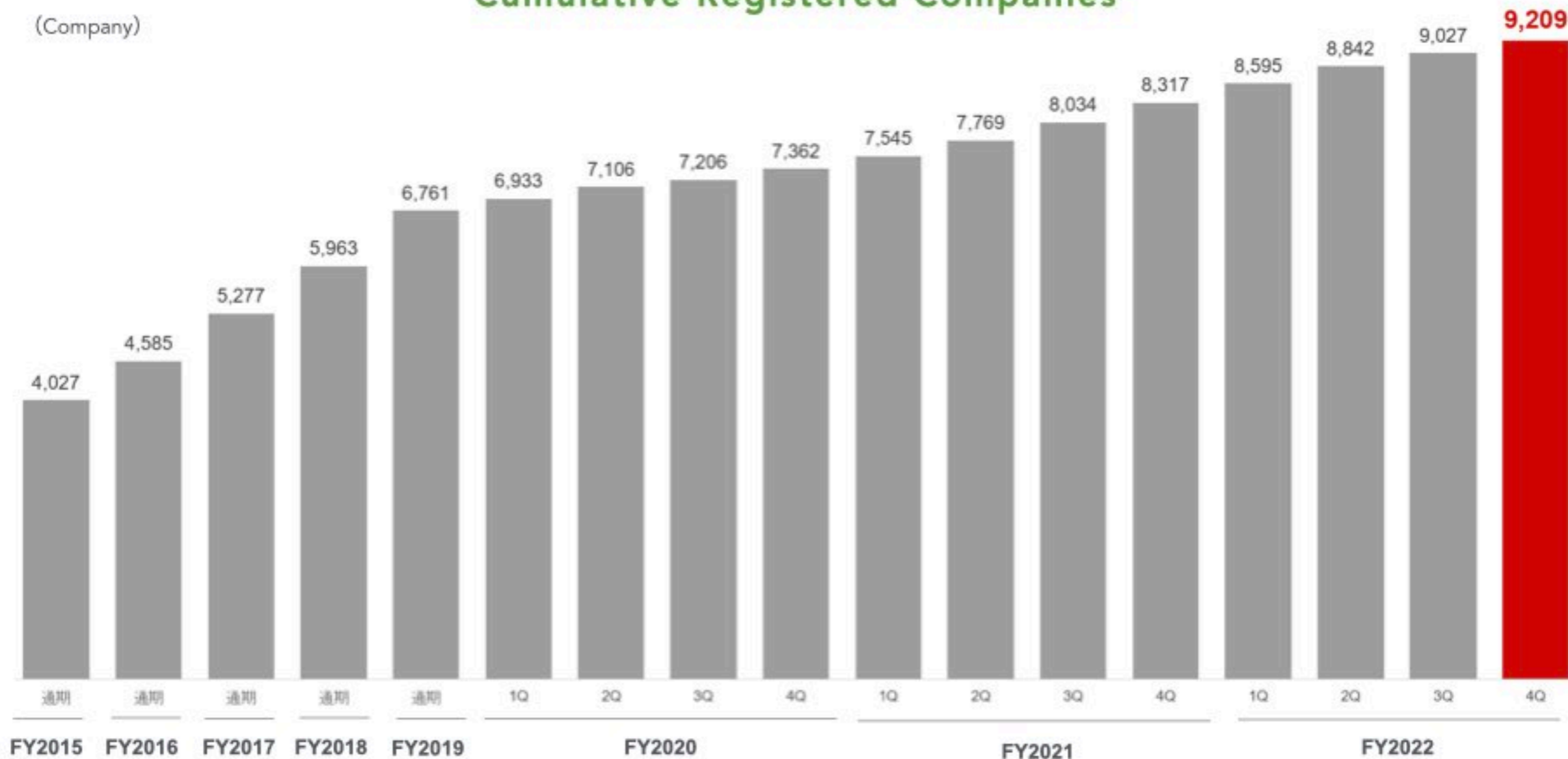


*Quarter transition

Steady Increase of Newly Registered Companies

Cumulative Registered Companies

(Company)



The number of jobs posted reached a new record high

Jobs Posted



*Quarter transition

Potential Growth of Green

Recruitment market recovered to pre-COVID levels and entered a growth phase again
Green's market share is increasing due to sales growth

	Recruitment Market Size	Green's Market Size ^{*1}	Green's Occupancy ^{*2}
All Industry	296 B yen ^{*3} (252 B yen) ^{*4}	177 B yen (151 B yen)	2.3% (1.9%)
IT Industry	88 B yen ^{*5} (75 B yen)	52 B yen (45 B yen)	7.7% (6.4%)

*1 Green is a discounted model of Recruitment Agency by 60%

*2 Green's sales calculated as 4.0 B yen (FY2022 Actual)

*3 Yano Research Institute "Current Status and Future of Human Resource Business 2022 Edition

*4 Figures in brackets indicate previous year results

*5 We estimate that approximately 30% of the total recruitment market is IT industry related

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

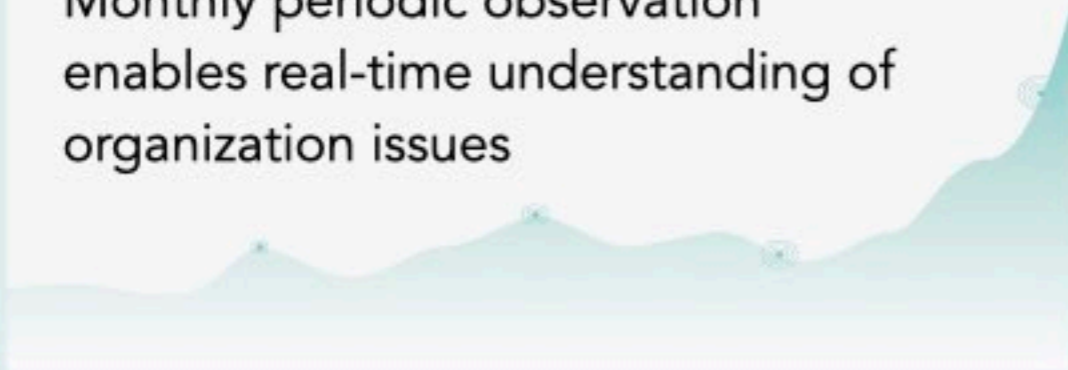
Affordable price with SaaS model

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 138 million responses to machine learning

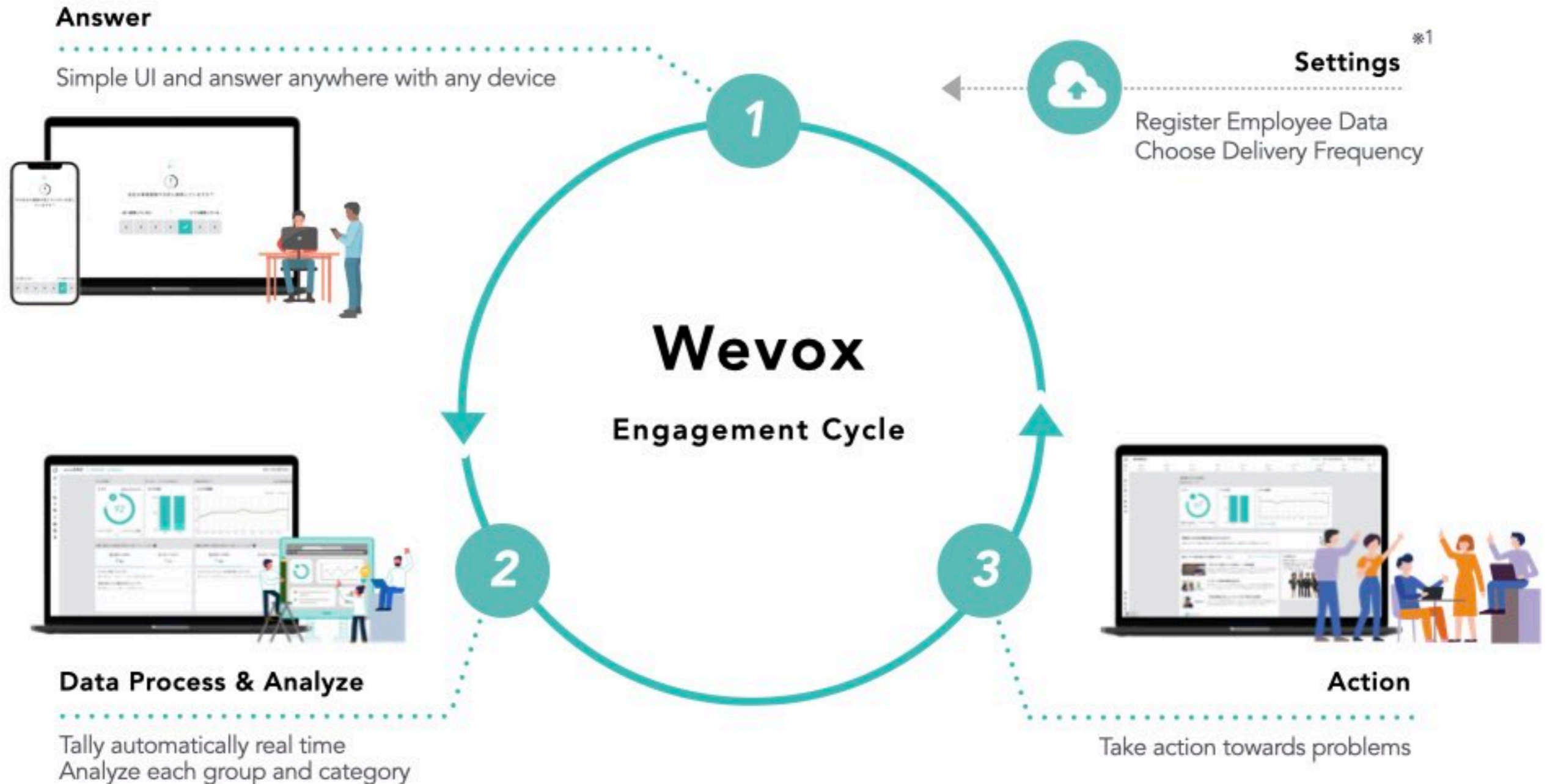


4 Academic basis

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

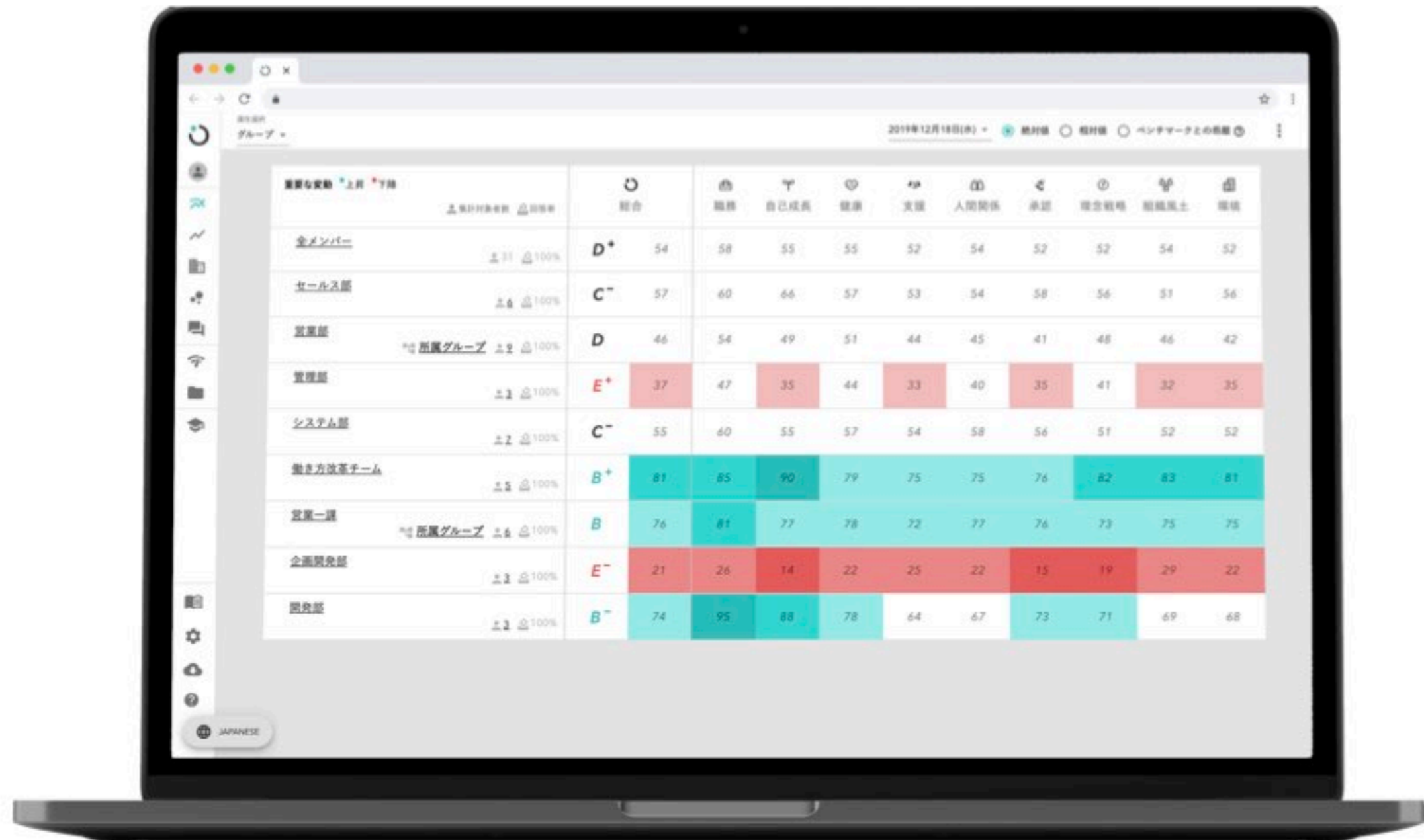
Continuous improvement of UI/UX including multi-language support



(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



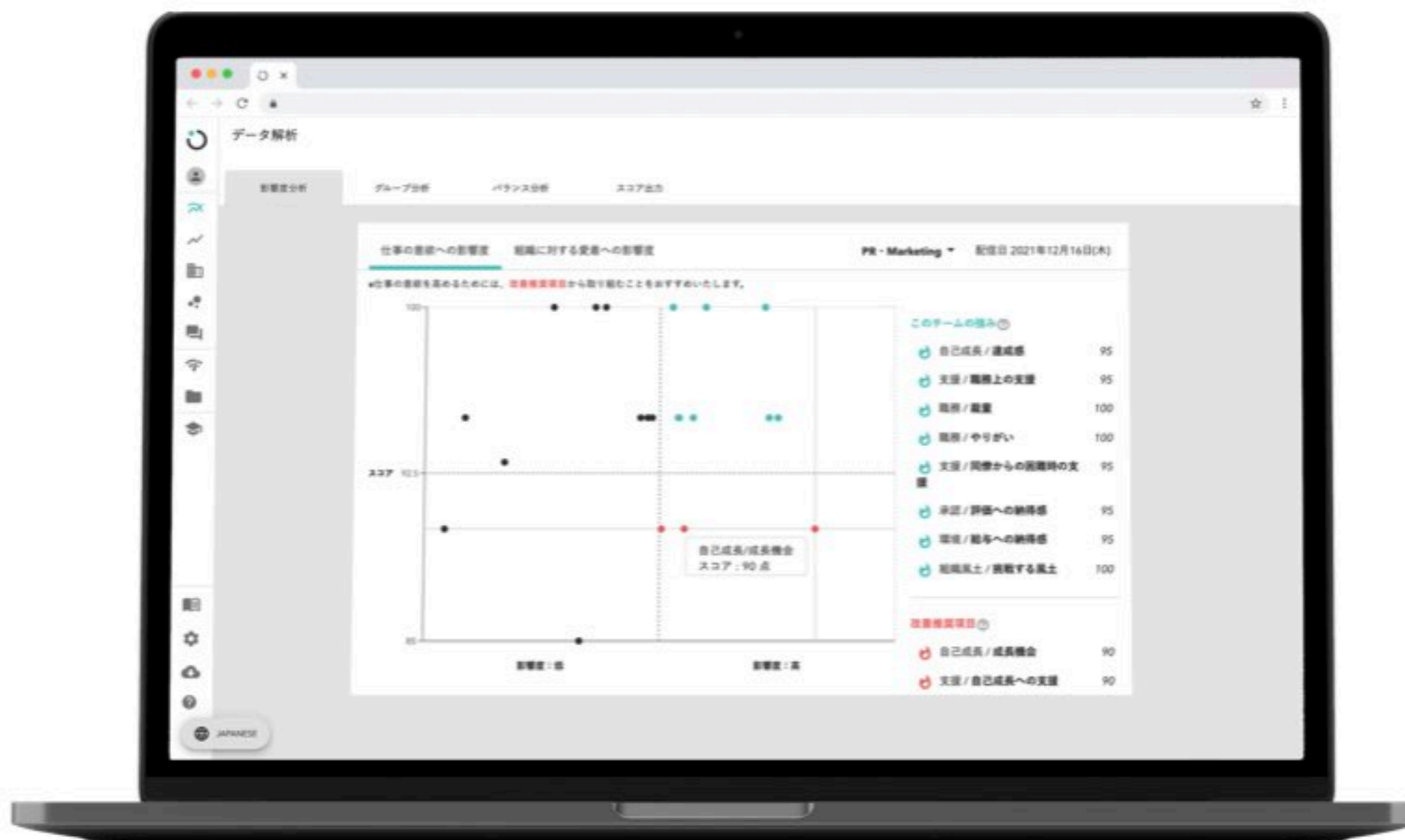
Periodic observation by pulse survey

Enables detailed analysis through comparing with the past data



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



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

Challenge for improving further added value

A new function Wevox Organizational Culture launched

Wevox Engagement

Are individual employees working proactively and enthusiastically?



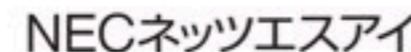
Wevox Organizational Culture

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 **2,600** companies. Increase of users more than the growth of the companies and organizations introduced.

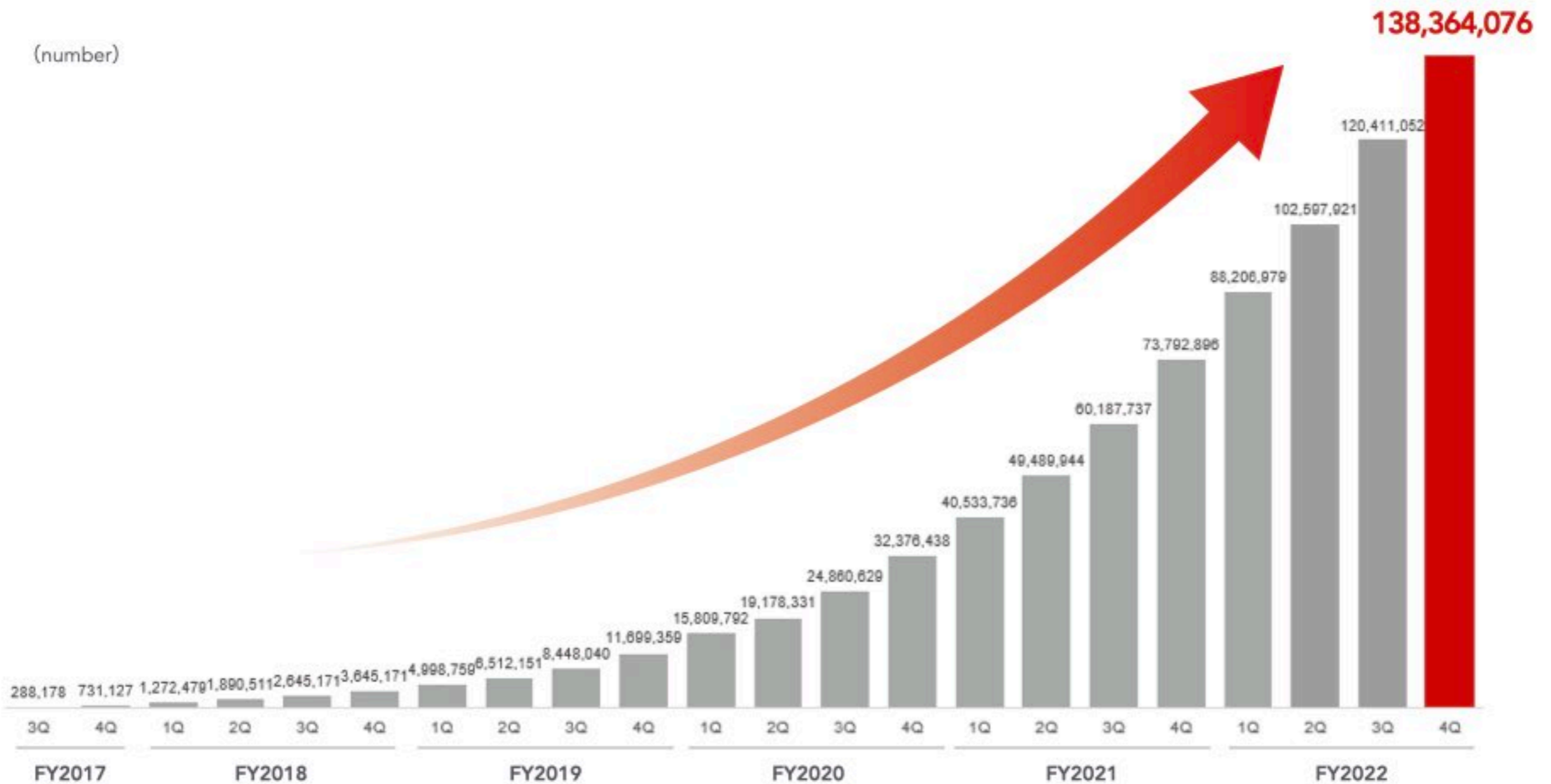


Reference from Wevox Website.

Increase of Answer Data

Continuously developing new features using response data to take competitive advantage

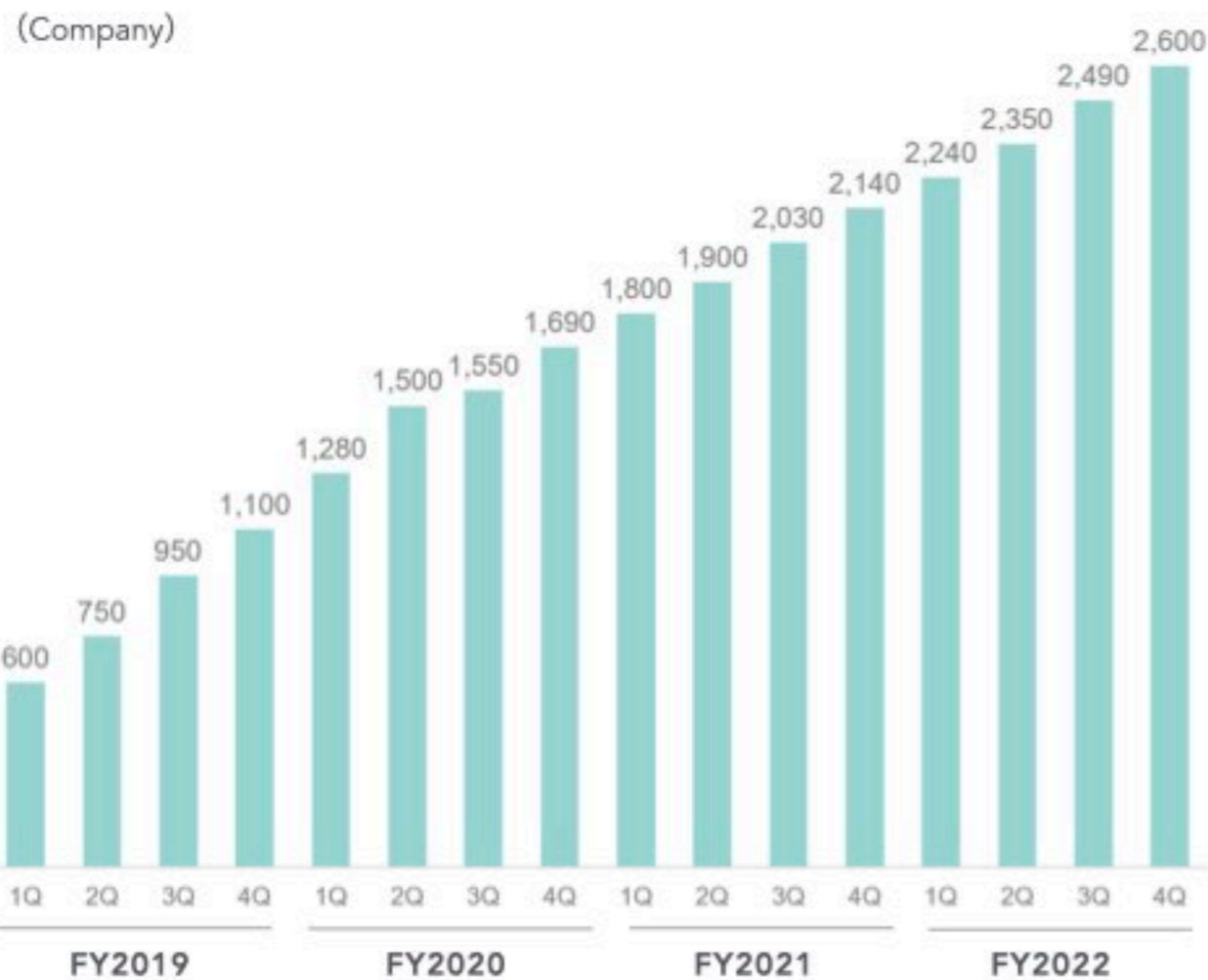
(number)



*Quarter transition

Realize a subscription model with high growth potential

Transition in the number of companies adopted



Transition in Sales



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

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

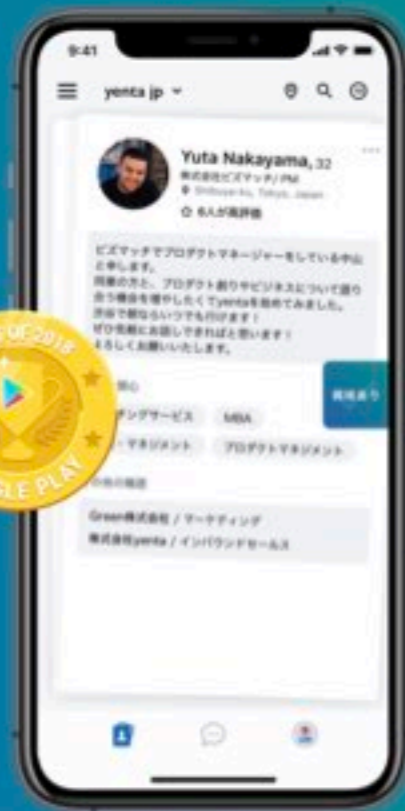
More than

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



“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

B2 League Rankings

2022-23 B2 League regular season

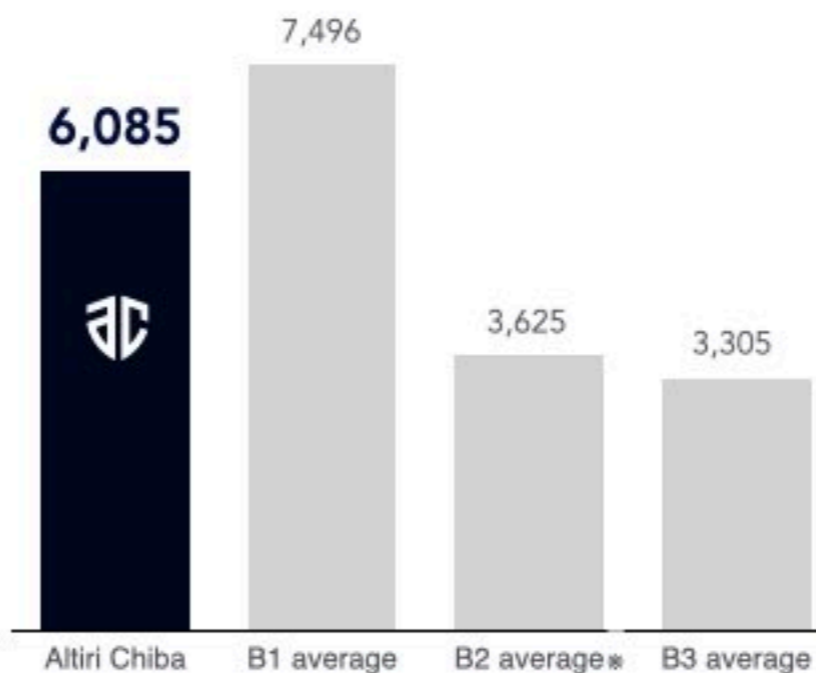
2nd in the East District



Audience Turnout at Each Home Opener for 2022-23 Season

Audience at the opening home game was near the B1 League average and ranked 18th in the combined B1 to B3 League rankings, boasting a B1-level audience

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



*Average for B2 League excluding Altiri Chiba

Audience Turnout Ranking for Home Opener

League	Team	Total
B1	A.TOKYO	18,086
B3	TOKYO.U	17,415
B1	RYUKYU	14,532
B1	KAWASAKI	9,535
B1	UTSUNOMIYA	8,741
B1	AKITA	8,707
B1	CHIBA	8,677
B1	SAN-EN	8,649
B1	SENDAI	8,136
B1	YOKOHAMA	8,113
B1	IBARAKI	7,440
B1	NAGOYA.D	7,271
B1	OSAKA	6,951
B1	HOKKAIDO	6,779
B1	SHINSHU	6,700
B1	HIROSHIMA	6,390
B1	SHIMANE	6,244
B2	Altiri Chiba	6,085
B1	SR.SHIBUYA	6,056
B2	NAGASAKI	5,693

Solving social issues through sports

Aiming to develop youth through sports and contribute to the local community, we actively participate in community contribution activities such as basketball classes for children and clean-up activities



: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-based matching platform for professionals
Foundation	October, 2003
Management	Yoshihide Arai, President & CEO
Employee	98 (As of September, 2022)
Capital Stock	1,231 (in JPY MM)
Location	Minato-ku, Tokyo, Japan

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