



Financial Results Explanatory Material

**Financial Results for the 1st Quarter of
Fiscal Year Ending September 30, 2023**

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



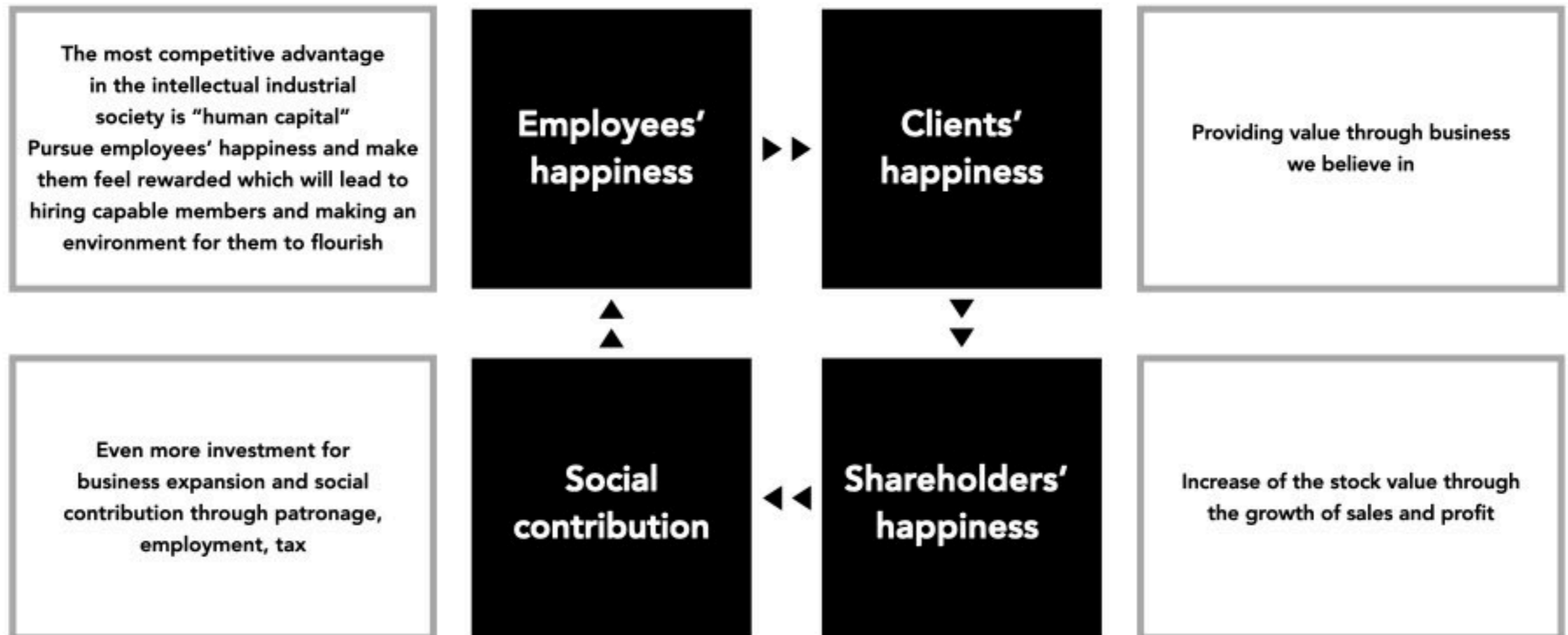
Partners



... 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 FY2023 Q1

FY2023
Q1

Sales	1,713	Million yen	YoY	+13.9 %	Progress	21.0 %
Operating Profit	305	Million yen	YoY	△32.1 %	Progress	27.2 %

Business

Green's revised marketing measures have resulted in improved CPA compared to Q4

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

Wevox achieved YoY +50.7% in Q1 sales, will be profitable for the full year in FY2023

Monthly churn rate for Wevox users remains below 1%

Topics

Green revised the contingency fee pricing in November 2022

Conducted joint research with Professor Mikiharu Noma of Hitotsubashi University Graduate School. Prof. Noma published a paper on 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

	FY2020	FY2021	FY2022
Long-vacation acquisition rate (including childcare leave and maternity leave)	8.9%	9.0%	7.7%
Turnover rate	5.9%	2.6%	4.3%
Number of nationalities of employees	3	4	3
Mid-term average engagement score	90	91	91
Number of hours spent discussing organization building by all employees	38	44	46

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



Quarterly Financial Highlights

Green's sales YoY +4.2% due to decrease in the number of hired employees
 Green's revised marketing measures have resulted in improved CPA compared to Q4
 Wevox achieved YoY +50.7% in Q1 sales

(Million yen)	FY2023 Q1	YoY		QoQ	
		FY2022 Q1	%	FY2022 Q4	%
Sales	1,713	1,504	+13.9%	1,740	△1.6%
Green	1,178	1,131	+4.2%	1,209	△2.6%
Wevox	449	298	+50.7%	435	+3.2%
New business	31	26	+19.2%	29	+6.9%
Sports Tech	55	49	+12.2%	67	△17.9%
Operating Expenses	1,408	1,055	+33.5%	1,651	△14.7%
Operating Profit	305	449	△32.1%	89	+242.7%
Operating Profit Margin	17.8%	29.9%	△12.1pt	5.1%	+12.7pt

YoY Comparison (sales)

Continued to focus on web advertising with an awareness of profitability

(Million yen)	FY2023 Q1	% of Sales	FY2022 Q1	YoY % of Sales	%
Sales	1,713	100.0%	1,504	100.0%	+13.9%
People Tech	1,658	96.8%	1,455	96.7%	+14.0%
Sports Tech	55	3.2%	49	3.3%	+12.2%
Operating Expenses	1,408	82.2%	1,055	70.1%	+33.5%
People Tech	1,186	69.2%	882	58.6%	+34.5%
Cost of sales	25	1.5%	23	1.5%	+8.7%
SG&A					
Web Ad	577	33.7%	278	18.5%	+107.6%
TV Ad and Other	73	4.3%	201	13.4%	△63.7%
Personnel Cost	294	17.2%	206	13.7%	+42.7%
Other	217	12.7%	174	11.6%	+24.7%
Sports Tech	222	13.0%	173	11.5%	+28.3%
Operating Profit	305	17.8%	449	29.9%	△32.1%

For Reference : Quarterly Financial Highlights

(Million yen)	FY2020				FY2021				FY2022				FY2023
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Sales	842	911	875	802	886	998	1,221	1,359	1,504	1,599	1,745	1,740	1,713
People Tech	842	911	875	802	886	998	1,221	1,359	1,455	1,525	1,684	1,673	1,658
Green	745	804	758	655	713	802	990	1,067	1,131	1,196	1,286	1,209	1,178
Wevox	83	94	107	132	156	176	206	264	298	304	373	435	449
New business	14	13	10	15	17	20	25	28	26	25	25	29	31
Sports Tech	-	-	-	-	-	-	-	-	49	74	61	67	55
Operating Expenses	647	848	565	638	608	684	850	1,312	1,055	1,383	1,439	1,651	1,408
People Tech	647	848	565	638	596	674	835	1,271	882	1,113	1,238	1,443	1,186
Cost of sales	15	14	10	13	12	16	20	23	23	25	27	30	25
SG&A	399	461	302	288	270	287	339	353	278	402	657	765	577
Web Ad	0	138	0	57	17	56	139	441	201	241	91	89	73
TV Ad and Other	137	137	147	145	154	172	195	283	206	259	287	371	294
Personnel Cost	96	98	106	135	143	143	142	171	174	186	176	188	217
Other	-	-	-	-	12	10	15	41	173	270	201	208	222
Sports Tech	-	-	-	-	12	10	15	41	173	270	201	208	222
Operating Profit	195	63	310	164	278	314	371	47	449	216	306	89	305
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%	17.8%

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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

Uniform fixed pricing system based on job category. Low cost of hiring excellent talent without risk.

Point 3

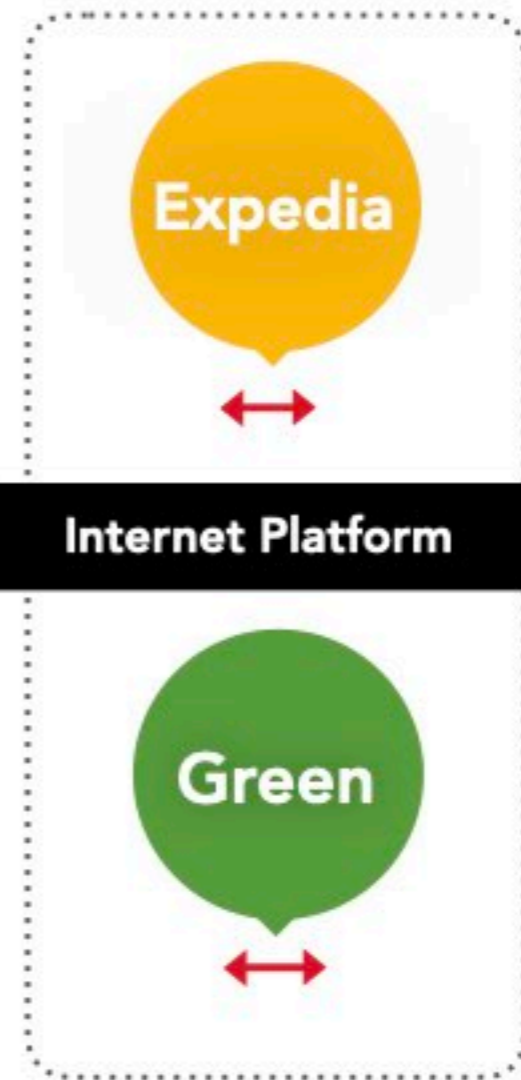
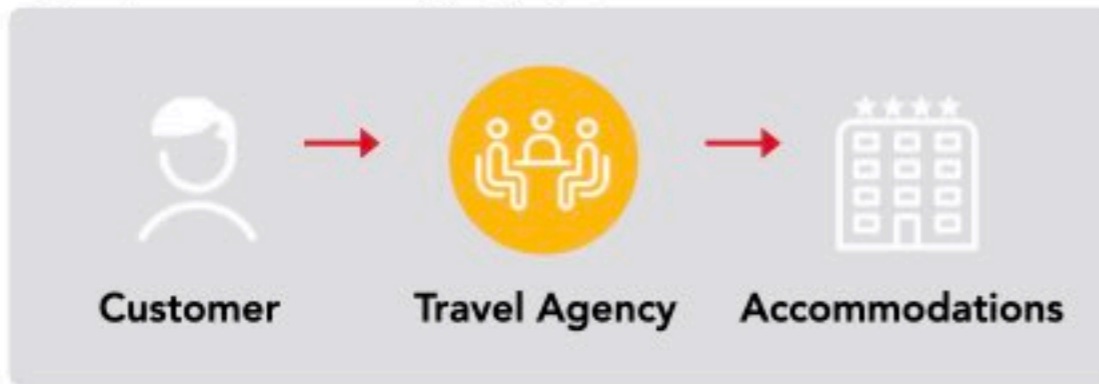
Direct recruiting platform

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

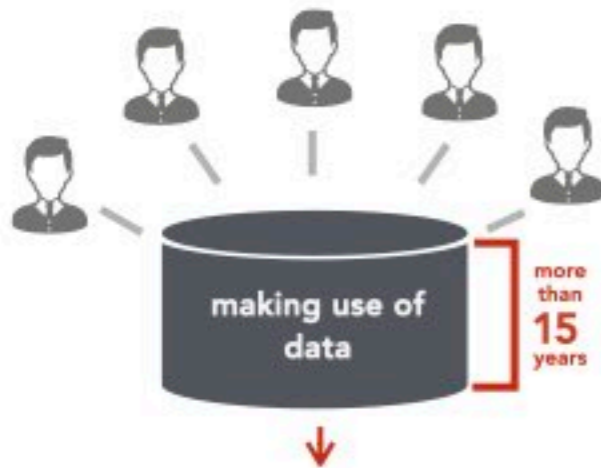


Green Established a Unique Position

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 **9,300**

Number of Registered User ID

More than **1.08** million

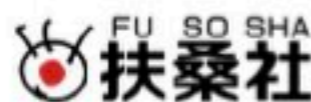
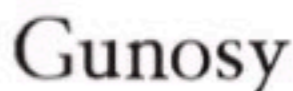
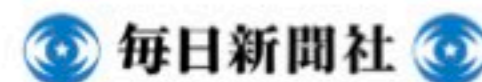
High recognition among recruiting companies

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.



Have a good Cashless.

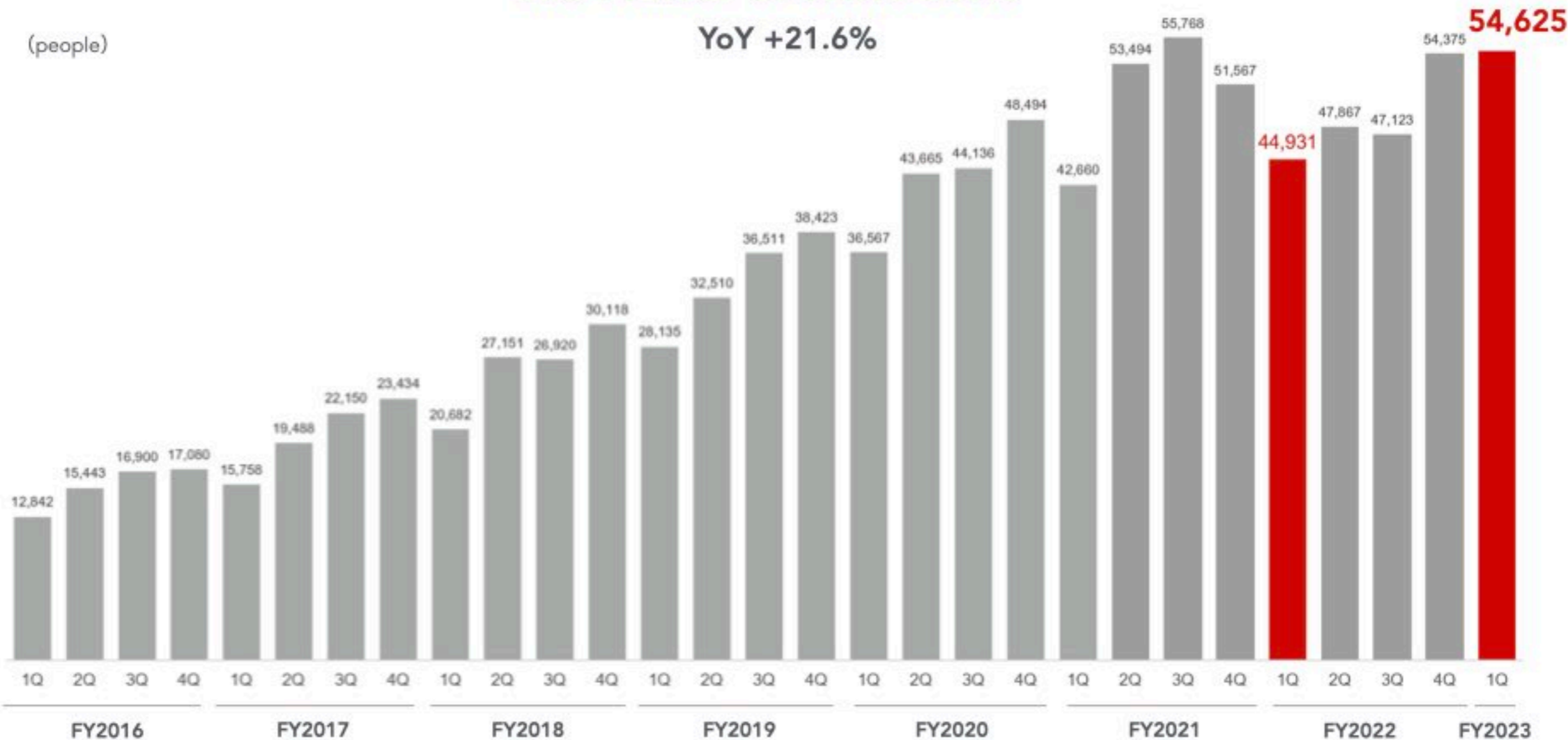


Improved marketing measures have resulted in lower CPA compared to Q4

The number of active users

YoY +21.6%

(people)

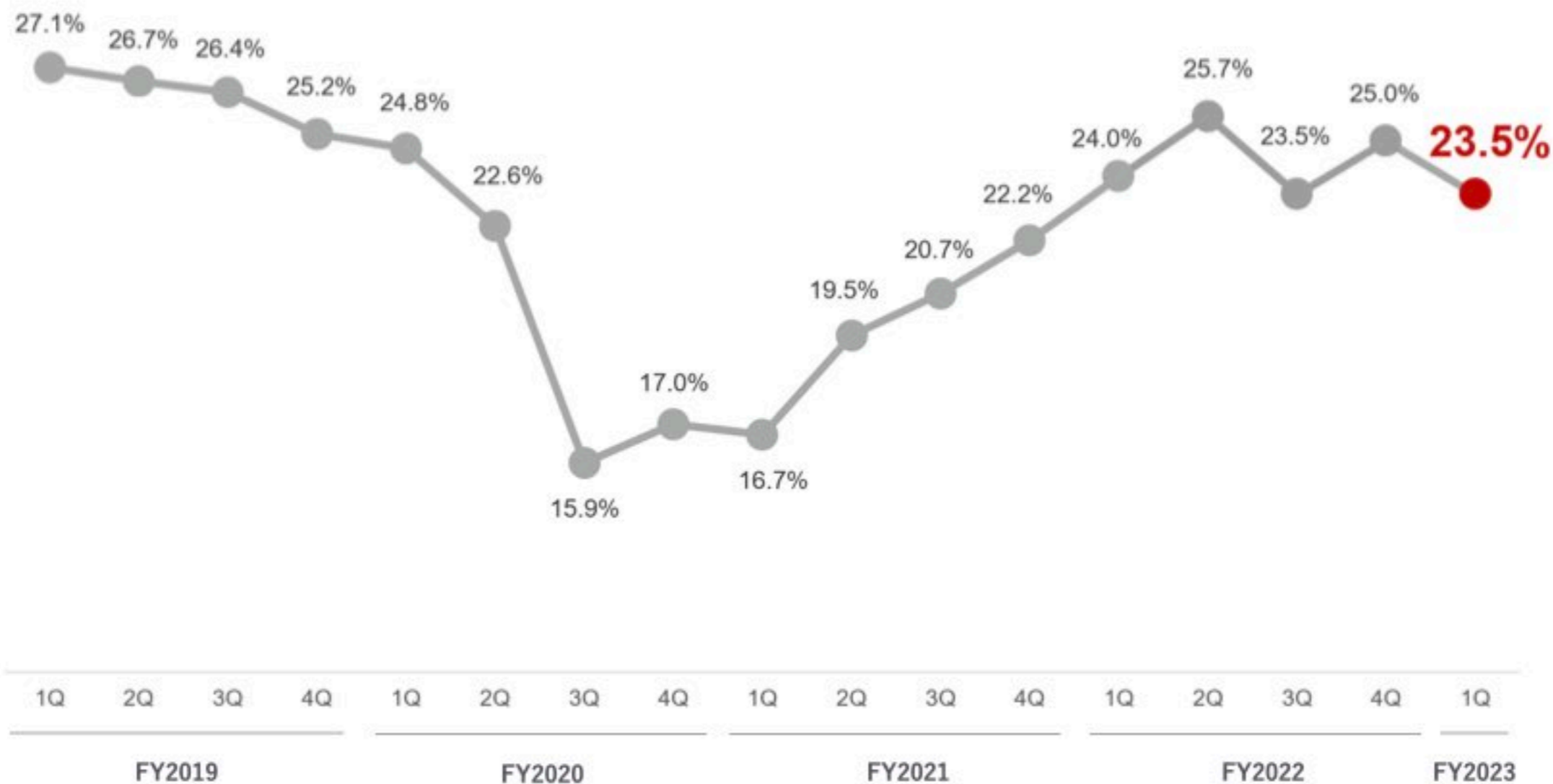


* Active user : Job seekers who log in at least once a month among job seekers who are registered with Green

*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

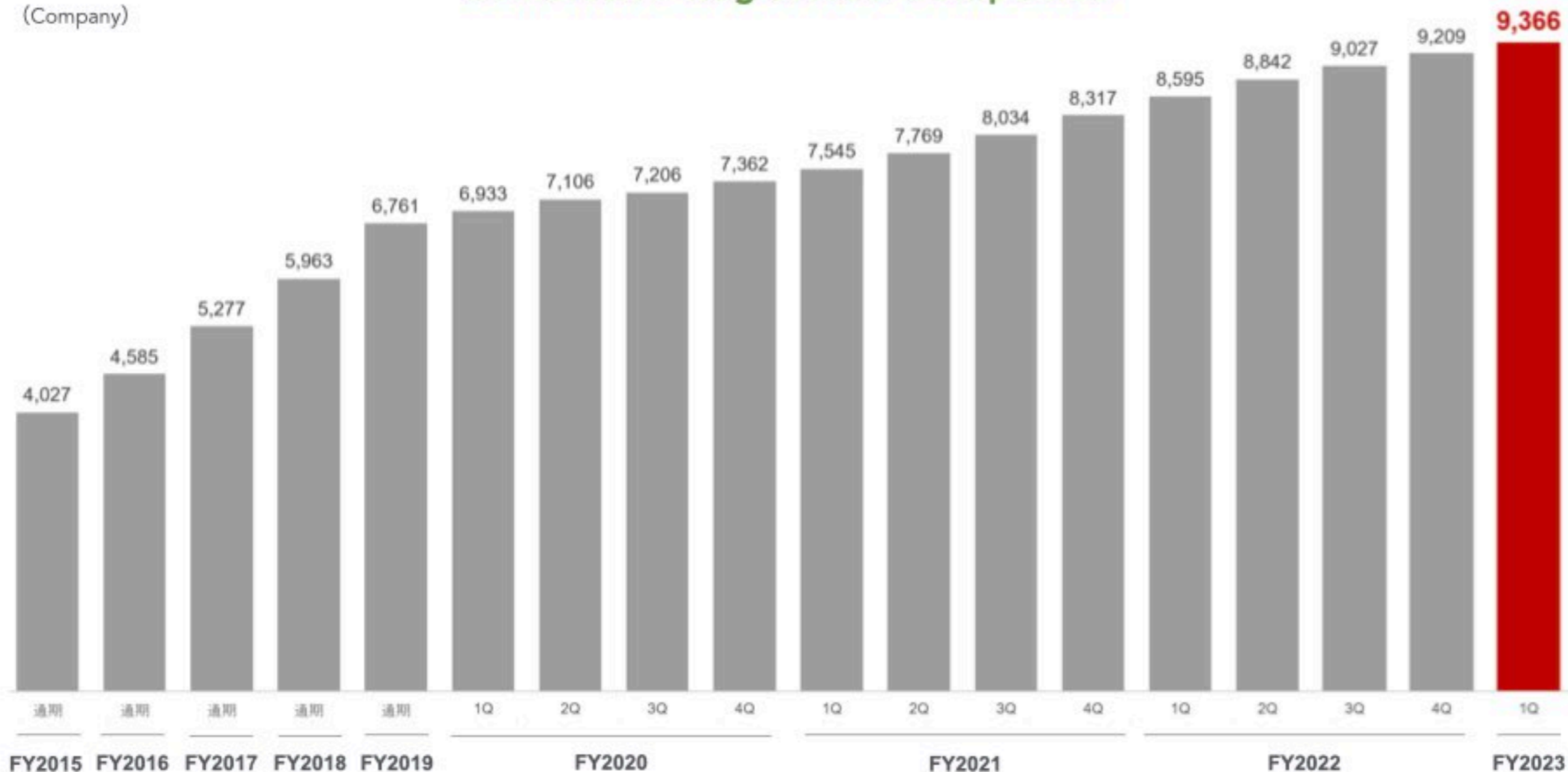
Decrease in the number of hired employees due to the impact of inefficient advertising investment in Q3 and Q4 of FY2022



Steady Increase of Newly Registered Companies

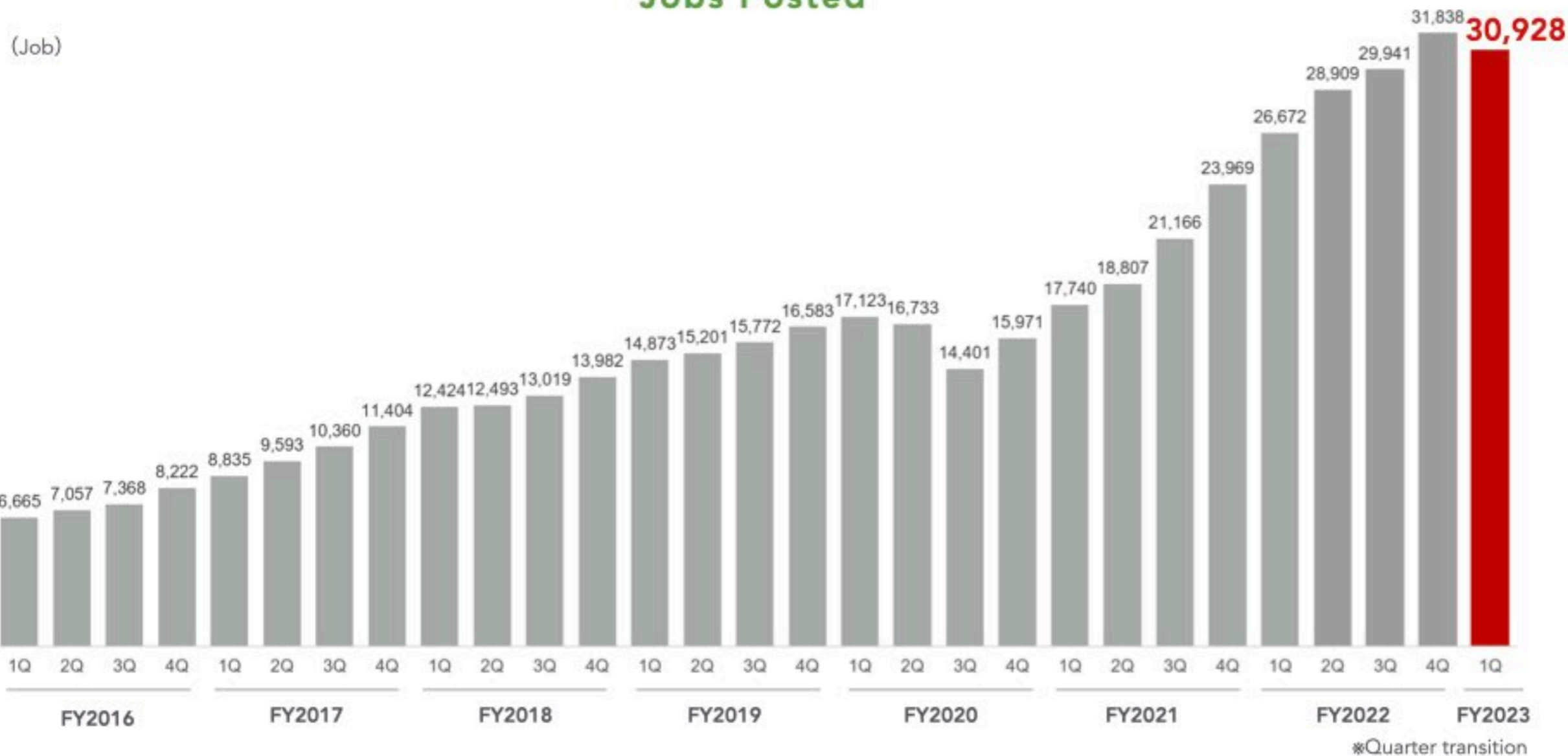
Cumulative Registered Companies

(Company)



Number of jobs posted temporarily decreased due to limitation of job listings to those that consented to contingency fee pricing revision

Jobs Posted



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

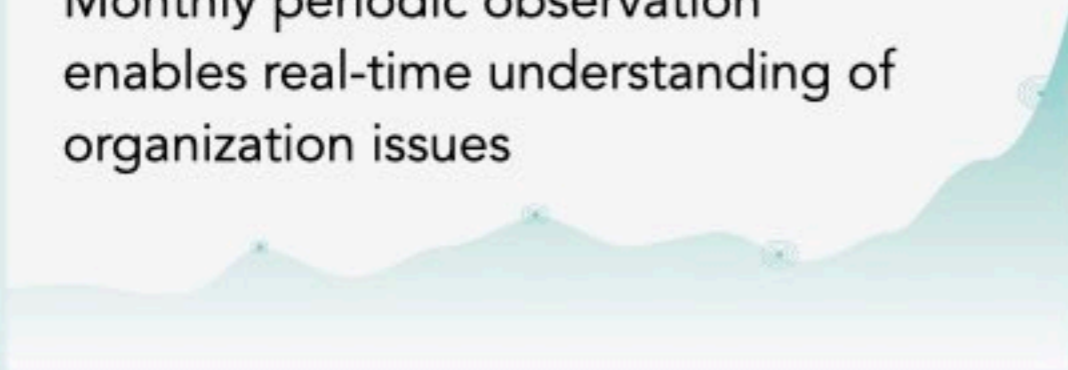
Affordable price with SaaS model

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 157 million responses to machine learning

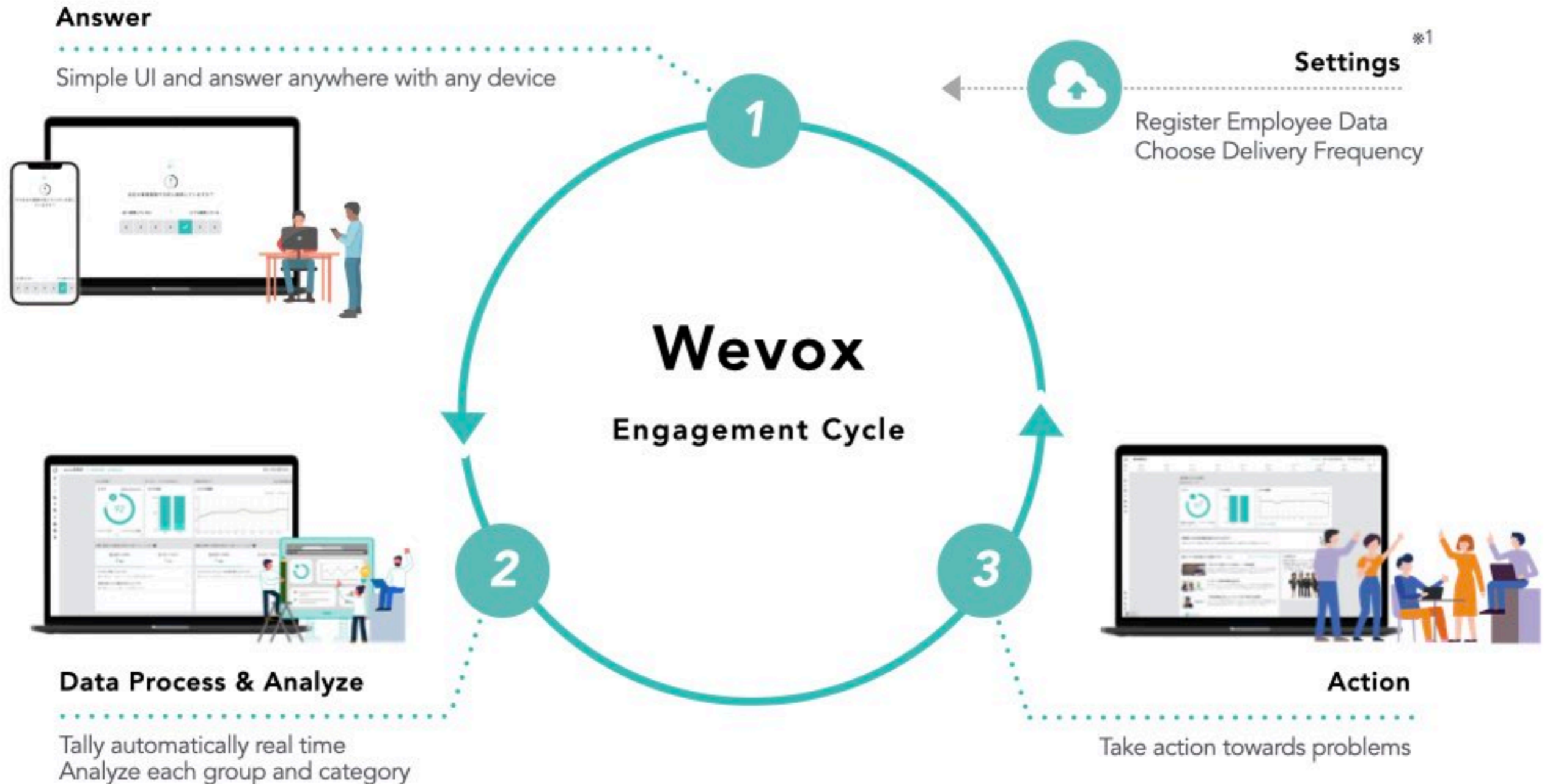


4 Academic basis

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

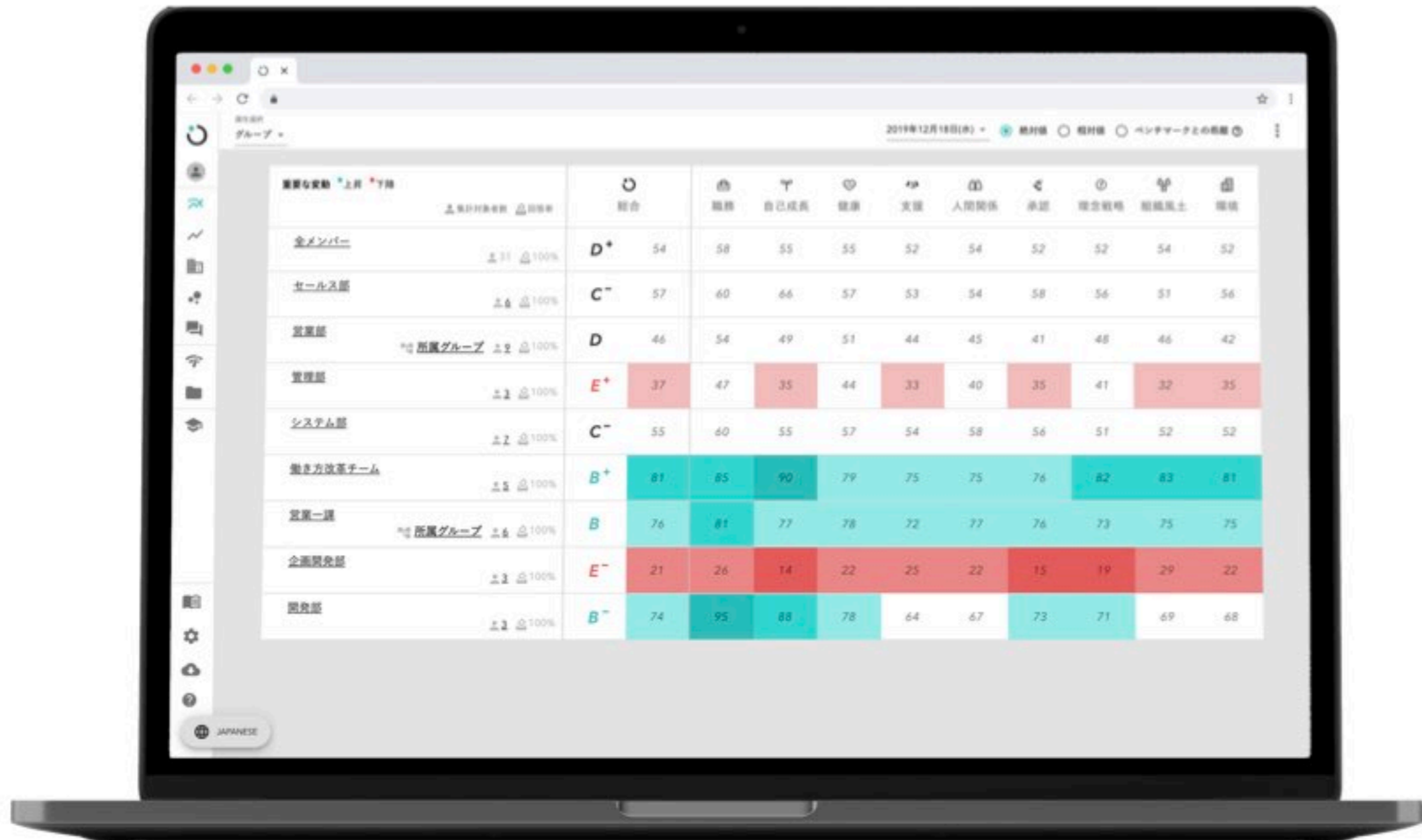
Continuous improvement of UI/UX including multi-language support



(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



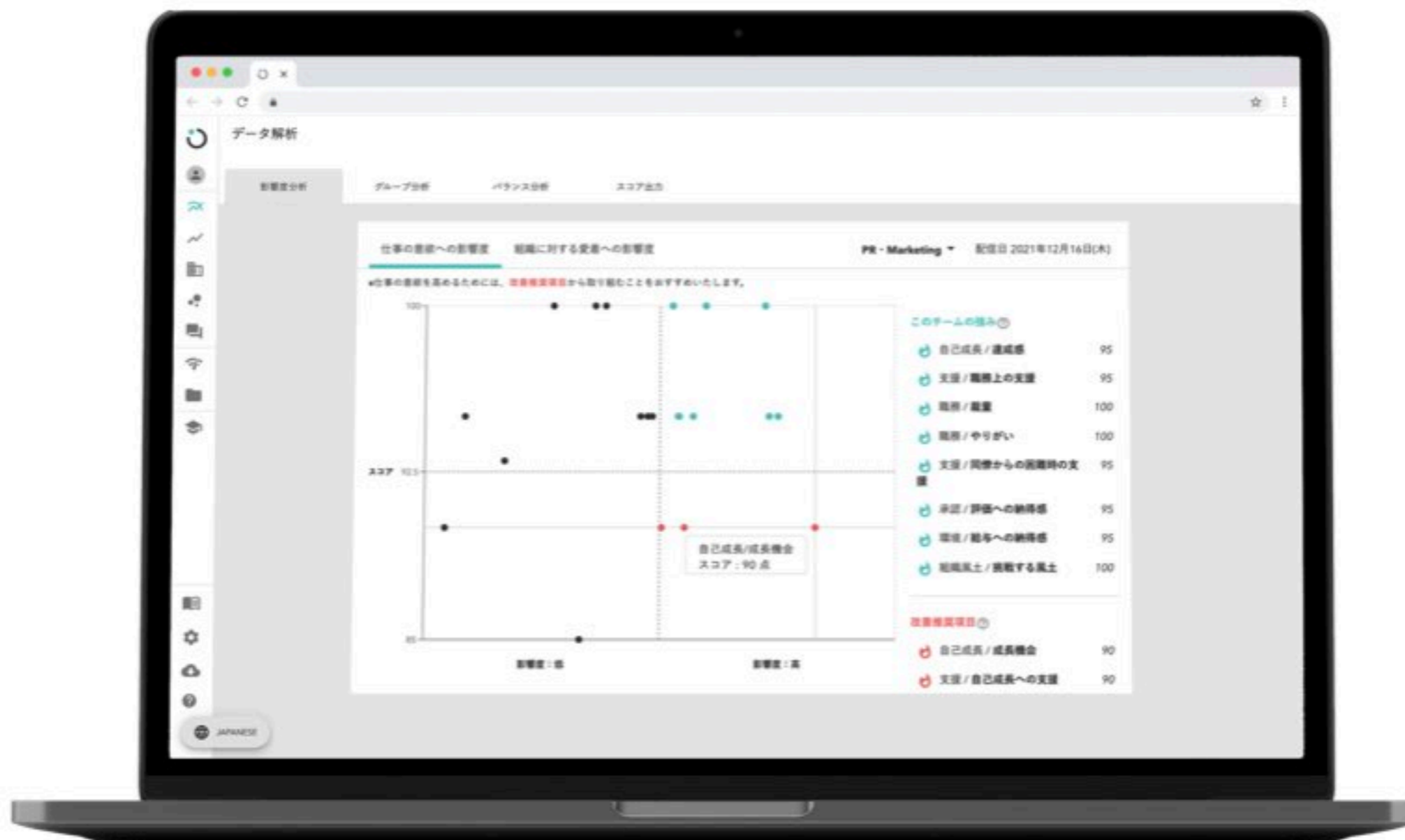
Periodic observation by pulse survey

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

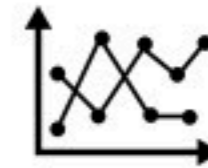


¥ **200** per employee
per month

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 **2,710** companies. Increase of users more than the growth of the companies and organizations introduced.

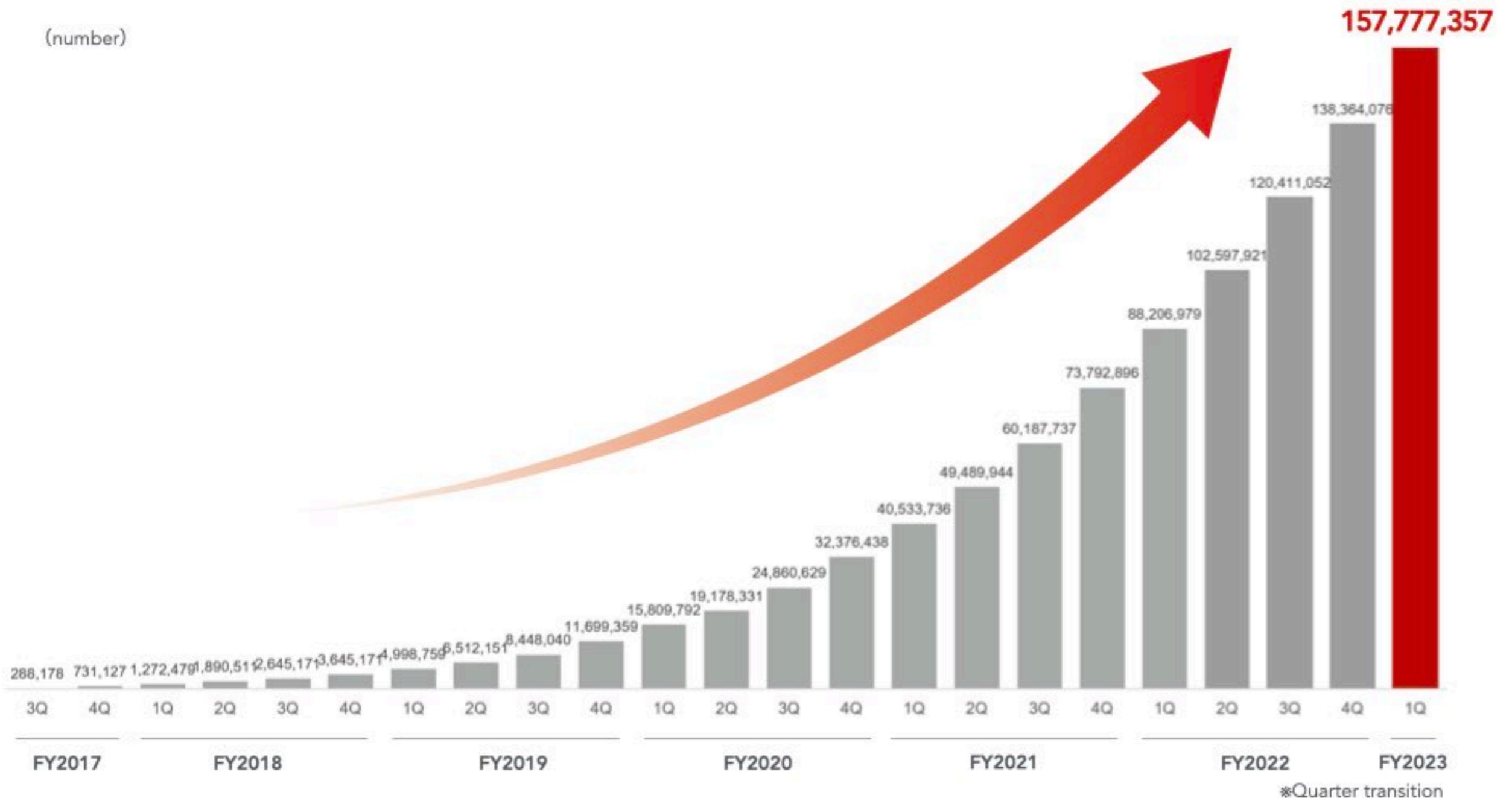


Reference from Wevox Website.

Increase of Answer Data

Continuously developing new features using response data to take competitive advantage

(number)



Realize a subscription model with high growth potential

Transition in the number of companies adopted

(Company)



Transition in Sales

YoY +50.7%

Monthly churn rate remains less than 1.0%

(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

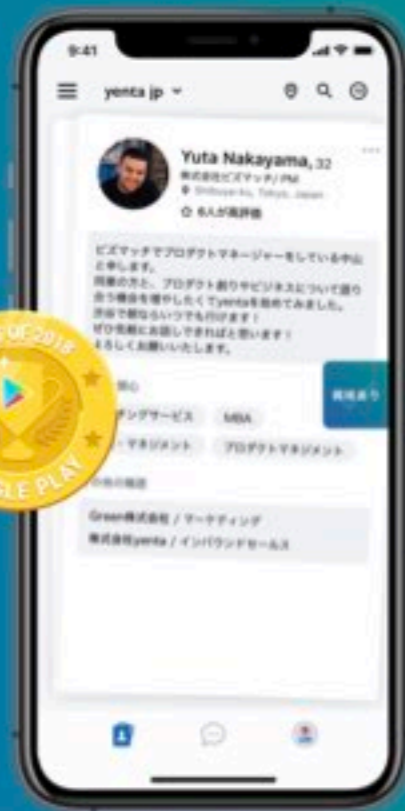
More than

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 × ¥300 per person × 12 months = ¥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

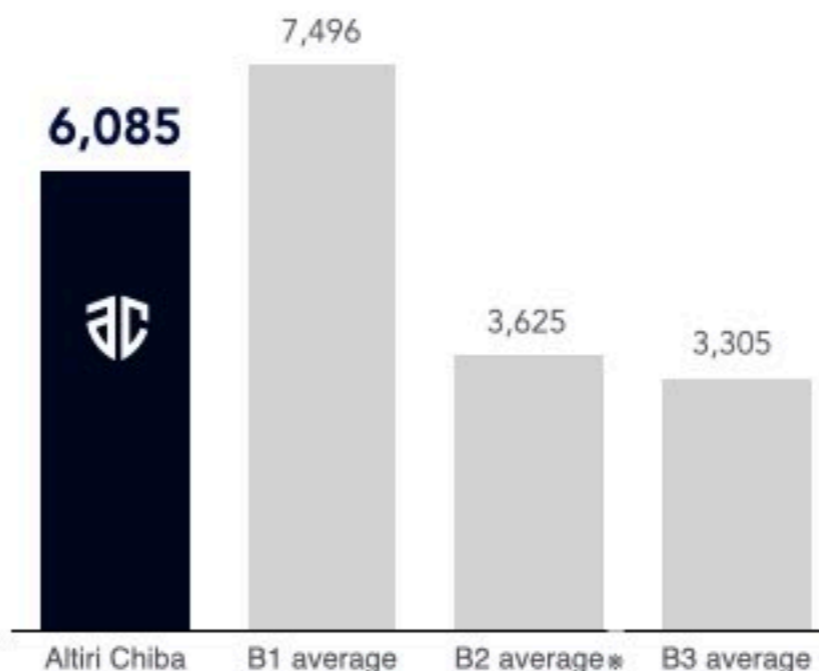
1st in the East District



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



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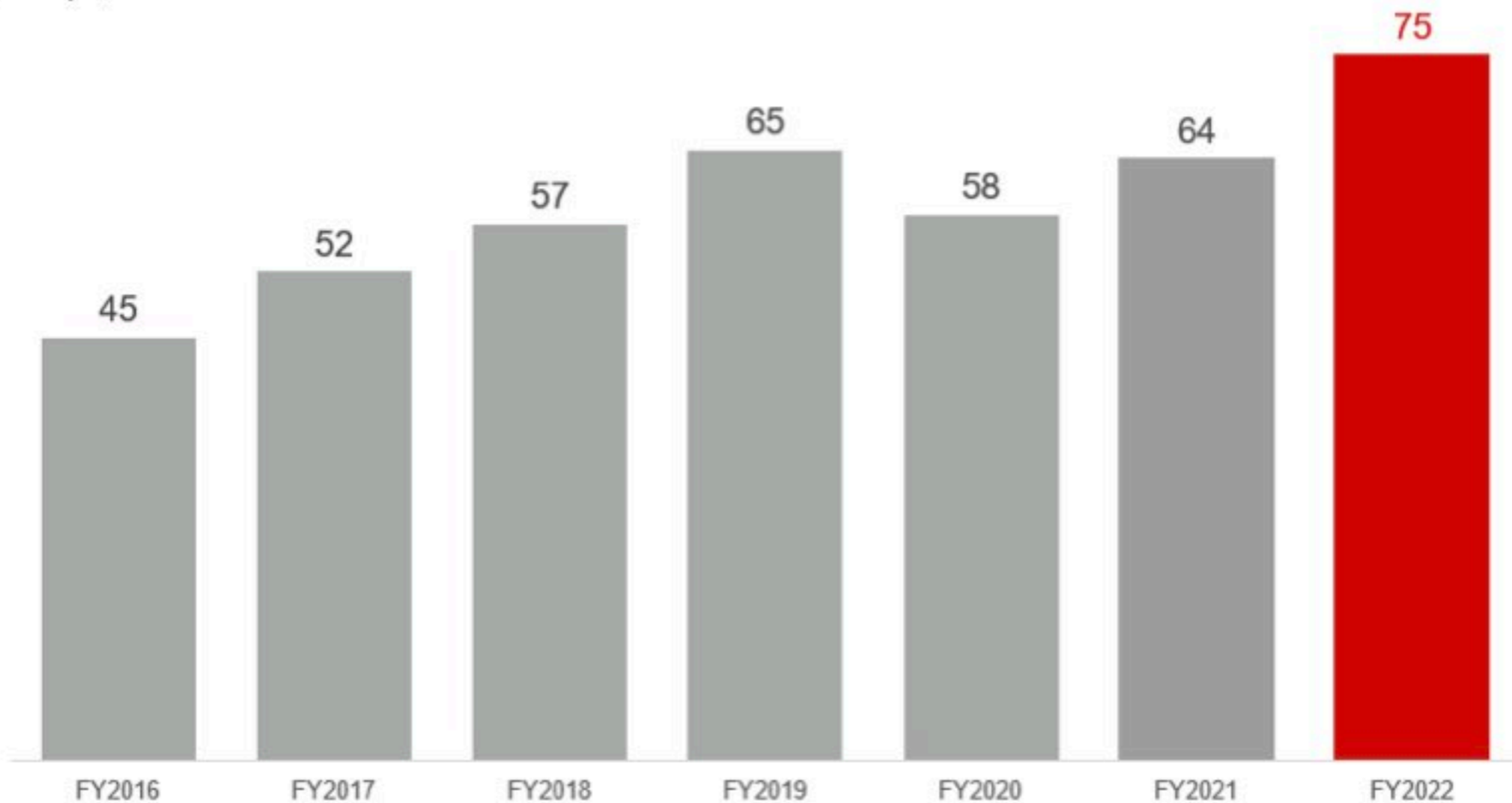
FY2023 Full-Year Forecast

(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				
	Share-based payment expenses	5,960	4,676	1,284	+27.5%
	New business	305	246	59	+24.0%
	New business	581	219	362	+165.3%
	Sports Tech				
	Altiri	1,070	852	218	+25.6%
Operating Profit		1,120	1,060	60	+5.7%
Operating Profit Margin		13.7%	16.1%	-	△2.4pt

Transition of Sales Per Employee

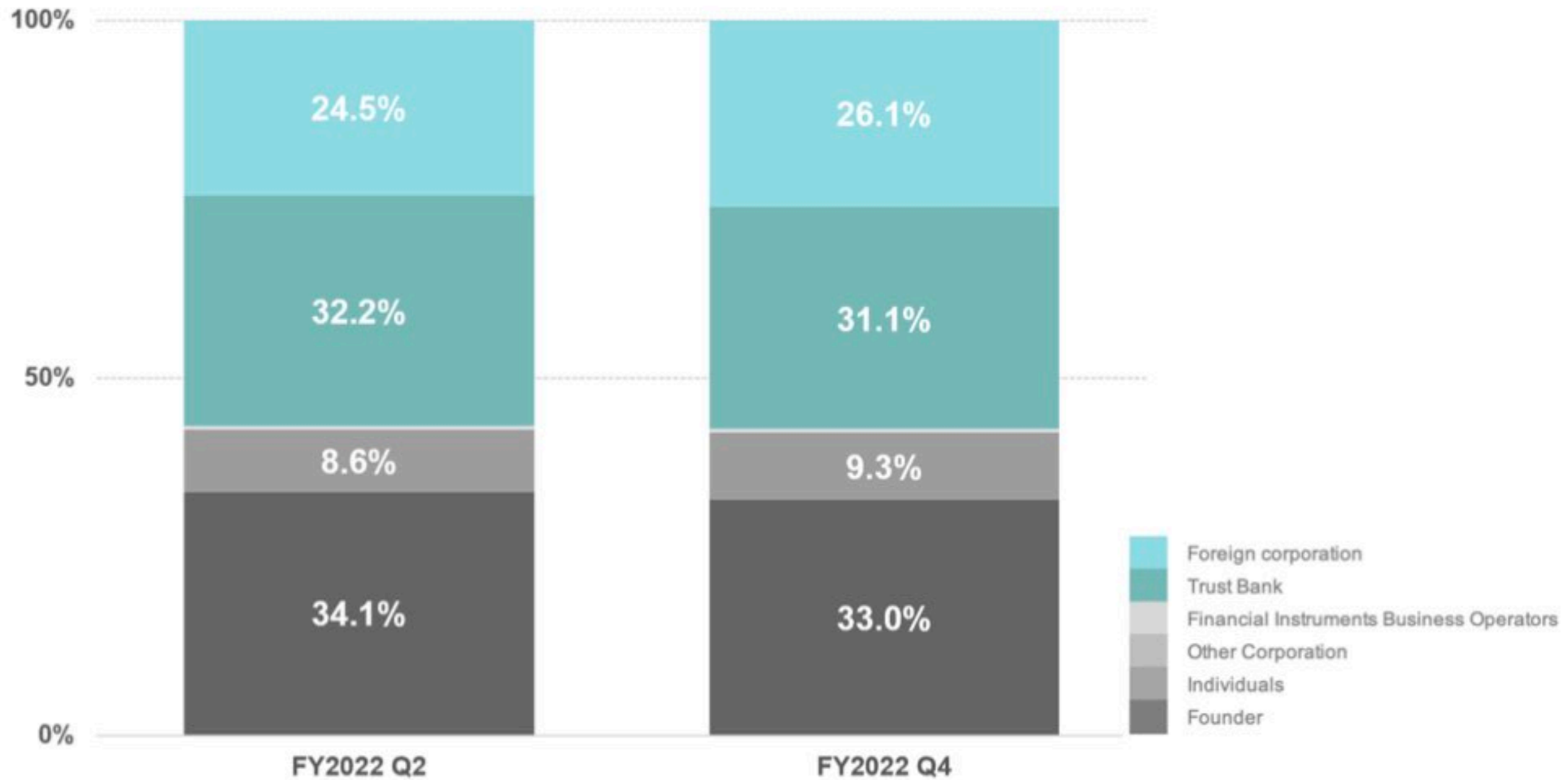
Achieved record productivity despite active investment in new businesses

(Million yen)



Shareholding Structure

More than 55% owned by domestic and foreign institutional investors



: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 December, 2022)
Capital Stock	1,231 (in JPY MM)
Location	Minato-ku, Tokyo, Japan

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