



July 11, 2023

To whom it may concern,

Company name: Atrae, Inc.
Representative: Yoshihide Arai, President and CEO
Stock Code: 6194 TSE Prime Market
Contact: Hidekazu Suzuki, Director CFO

Notice on the Signing of a Basic Agreement to Establish a Joint Venture with Sumitomo Mitsui Financial Group, Inc.

In accordance with a board resolution dated July 11, 2023, Atrae, Inc. (hereinafter “Atrae”) has signed a basic agreement (hereinafter the “Agreement”) with Sumitomo Mitsui Financial Group, Inc. (President and Group Chief Executive Officer: Jun Ohta, hereinafter collectively referred to as “SMFG”) with the aim of establishing a joint venture company to help companies improve their organizational capabilities and corporate value.

1. The Background and Overview of the Agreement

Atrae’s vision is to create a company that attracts people all over the world. Since its foundation, Atrae has been committed to building an organization based on employees’ job engagement and satisfaction, and has chosen to eliminate job titles and adopt an autonomous decentralized organization. In 2016, a young employee had a new business idea aiming to increase the number of people who can work energetically and enthusiastically, and to help people realize the importance of organizational development and recognize that they can continuously build their own organization and workplace. Since then, this product, named Wevox, has supported the organizational development of over 2,800 clients.

Under the slogan “Break the Mold”, SMFG has implemented various new measures that do not follow the precedents and stereotypes of financial institutions, such as introducing a “dress code-free” policy in the workplace and an initiative called “Producing new CEOs”. In addition, some bottom-up proposals made by employees have led to the introduction of an internal social media service, which in turn has led to the creation of various new businesses. In April 2023, they established a new human resource policy in which their diverse professionals are fulfilled by their work environment and teams, and they are accelerating their undertaking of such challenges.

SMFG first introduced Atrae’s organizational capability platform Wevox to Sumitomo Mitsui Banking Corporation (President and Chief Executive Officer: Akihiro Fukutome, hereinafter “SMBC”) in 2020. As of 2023, Wevox has been introduced to SMFG’s various group companies, with approximately 70,000 employees across many group companies using it to facilitate day-to-day dialogue in their teams and improve their organizational capabilities.

The idea for the collaboration that led to the Agreement was initiated as a bottom-up proposal by volunteer employees from SMFG and Atrac, based on their determination to improve the engagement and organizational capabilities of Japanese companies, boosting their corporate value and broader appeal. To realize this initiative, an internal call will be made at SMBC for employees to participate in the considerations regarding the establishment of a joint venture.

Going forward, SMFG and Atrac will continue to consider the establishment of a joint venture, in order to combine the two parties' energies and resources to realize a world in which all people can work actively, thereby contributing to increased corporate value.

2. Business Domains under Consideration

- (1) "SMBC Wevox", a digital solution for improving organizational capabilities
- (2) Proposals for solutions to organizational problems, based on organizational capability data such as employee engagement data
- (3) Advisory services for improving corporate value through correlation analysis between non-financial and financial information, etc.

3. Outline of the Partner

(1) Name	Sumitomo Mitsui Financial Group, Inc.		
(2) Location	1-1-2, Marunouchi, Chiyoda-ku, Tokyo, Japan		
(3) Job title and name of representative	Group Chief Executive Officer: Jun Ohta		
(4) Description of business	Management of banks and other companies that can be treated as subsidiaries, as well as other related operations		
(5) Paid-in capital	2,342,537 million yen (as of March 31, 2023)		
(6) Date of establishment	December 2, 2002		
(7) Major shareholders and shareholding ratio (as of March 31, 2023)	The Master Trust Bank of Japan, Ltd. (Trust Account)		16.95%
	Custody Bank of Japan, Ltd. (Trust Account)		6.32%
	STATE STREET BANK WEST CLIENT - TREATY 505234		1.74%
(8) Relationship between listed company and the company	Capital relationship	Not applicable	
	Personnel relationship	Not applicable	
	Business relationship	Not applicable	
	Related party relationship	Not applicable	
(9) Financial condition and operating results of said company for the past three years			
As of Fiscal year ended	March 31, 2021	March 31, 2022	March 31, 2023
Consolidated net assets	11,899,046	12,197,331	12,791,106
Consolidated total assets	242,584,308	257,704,625	270,428,564
Net assets per share (yen)	8,629.73	8,825.53	9,430.52
Consolidated ordinary income	3,902,307	4,111,127	6,142,155
Consolidated ordinary profit	711,018	1,040,621	1,160,930
Profit attributable to owners of parent	512,812	706,631	805,842

Earnings per share (yen)	374.26	515.51	590.46
Dividend per share (yen)	190	210	240

(Millions of yen, unless otherwise stated)

4. Future Outlook

The two parties will discuss the details of the joint venture in accordance with the basic agreement. When matters requiring disclosure arise, they will be announced promptly.

Notes: This is an English translation of the captioned release. This translation is prepared and provided for the purpose of readers' convenience. All readers are recommended to refer to the original Japanese version of the release for complete information.