

Atrae

Financial Results Explanatory Material

Financial Results for the 2nd Quarter of
Fiscal Year Ending September 30, 2019

Atrae, Inc. (TSE 1st Section : 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 from all over the world as a global company of Japan.

Japan's First

People Tech Company

Redefined our company with a hope for
“Creating business that expands people’s possibility through technology”

What is “Company”?

Company = Making people who are involved happy



Employees



Clients



Stockholders



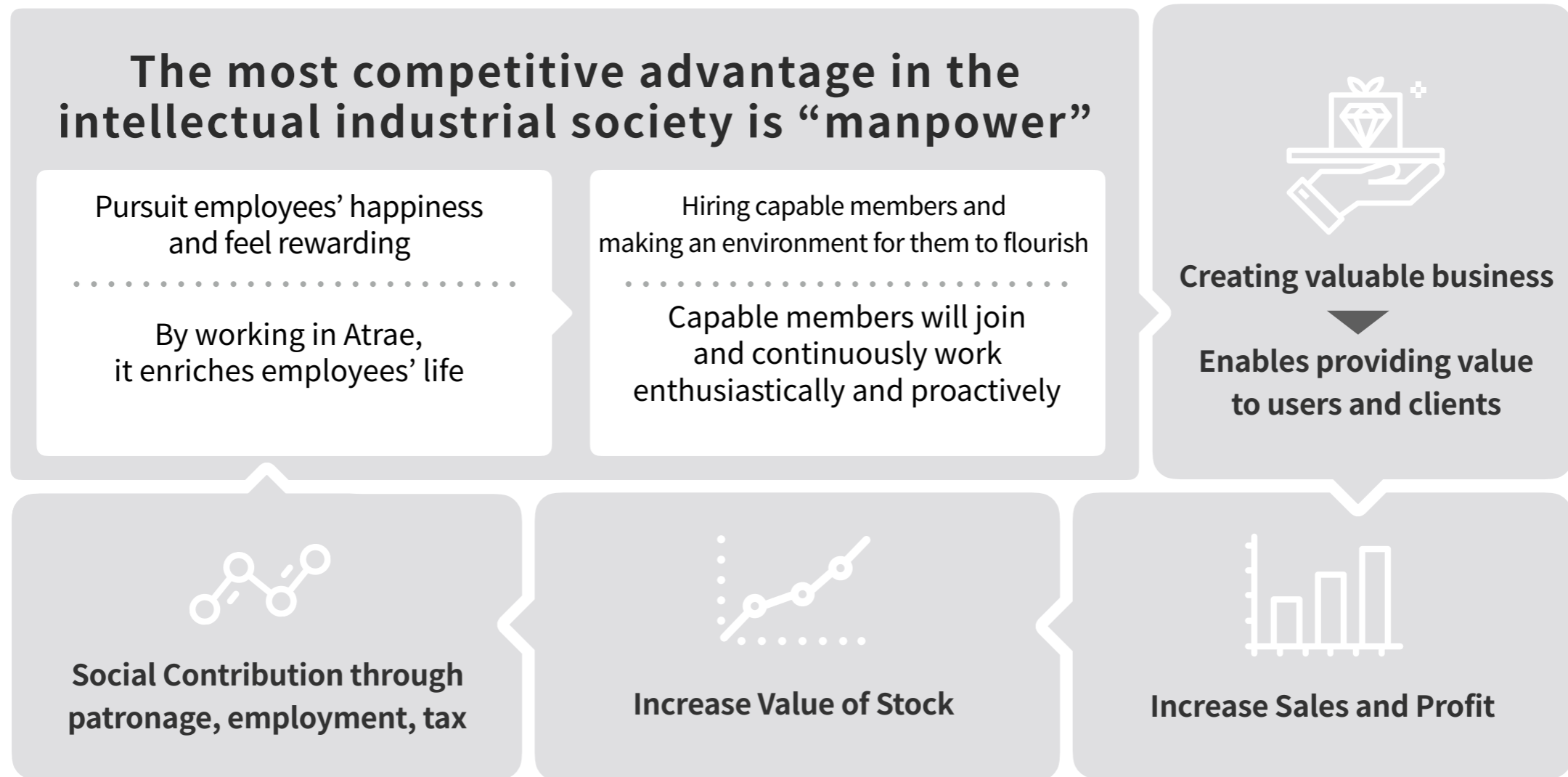
Partners



... and Society

Value cycle of “making people happy”

We think that it is important to always “do the right things” in order to continuously keep this cycle. By keeping this cycle and have more people get involved, we will achieve our vision to “Create the Company that Attracts People in the World”.



Our vision “Create the company that attracts people in the world.” is on the extension of the value cycle of “making people happy”.

The most competitive advantage in the intellectual industrial society is “manpower”

Pursuit employees' happiness and feel rewarding

.....
By working in Atræ, it enriches employees' life

Hiring capable members and making an environment for them to flourish

.....
Capable members will join and continuously work enthusiastically and proactively



Creating valuable business

▼
Enables providing value to users and clients



Social Contribution through patronage, employment, tax



Increase Value of Stock



Increase Sales and Profit

With our highly engaged organization, we challenge in creating business to expand people's possibility

Green

Creating many job satisfaction via suitable matching.
Continuous growth exceeding the market growth.

wevox

As one and only platform for organizational improvement,
contributed to improving engagement of many organizations

yenta

With a valuable matching,
becoming a must-have app throughout the world

New Business

Challenging a new business within the
People Tech field

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First Half of FY2019

FY2019 Q2

Sales **1,485** Million yen YonY **+41.9** % Progress **49.5** %
Operating Profit **461** Million yen YonY **+40.8** % Progress **66.0** %

Business

Green's major indicator

(Number of active users • Hired Employees • Job Posted • Cumulative Registered Companies)

Companies adopting wevox

Updated Our Best

Significant increase

Topics



**Great Place to Work Japan
under 100 members**



**Great Place to Work Asia
under 500 members**



Y on Y Comparison

Updated Our Best Sales and Operating Profit

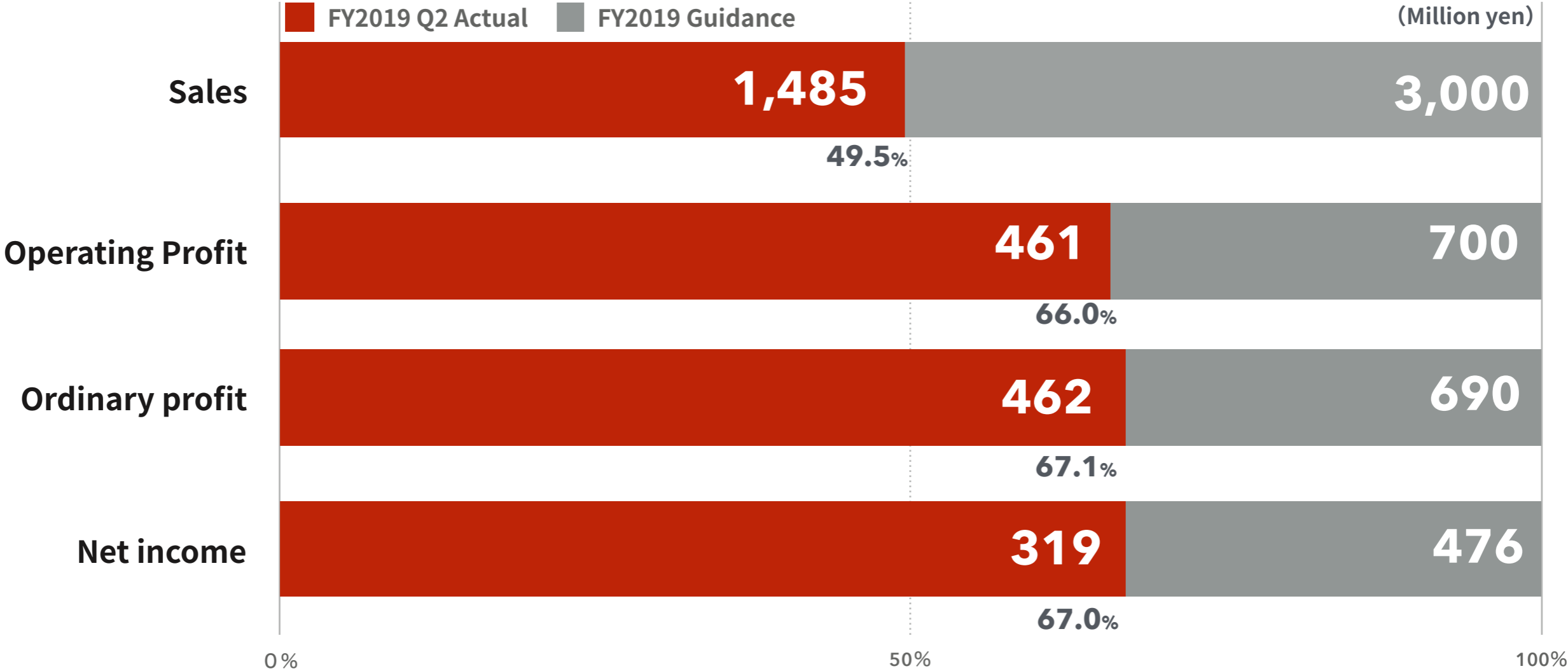
(Million yen)	FY2018 Q2	FY2019 Q2	YonY
Sales	1,047	1,485	+41.9%
Operating Expense	719	1,024	+42.4%
Operating Profit	327	461	+40.8%
Operating Margin	31.3%	31.1%	△ 0.2pt

Y on Y Comparison (sales)

(Million yen)	FY2018 Q2		FY2019 Q2		YonY			
	Actual	% of Sales	Actual	% of Sales		%	% of Sales	
Sales	1,047	100.0%	1,485	100.0%	+438	+41.9%	-	
Operating Expense	719	68.7%	1,024	68.9%	+304	+42.4%	+0.2pt	
(Ad Spend)	(439)	(41.9%)	(615)	(41.4%)	(+176)	+40.2%	(-0.5pt)	Investment in consideration of advertising effects
(Personnel Cost)	(164)	(15.7%)	(219)	(14.8%)	(+55)	+33.6%	(-0.9pt)	Hiring conscious of productivity
(Other)	(115)	(11.0%)	(188)	(12.7%)	(+73)	+63.4%	(+1.7pt)	Development costs etc
Operating Profit	327	31.3%	461	31.1%	+133	+40.8%	- 0.2pt	

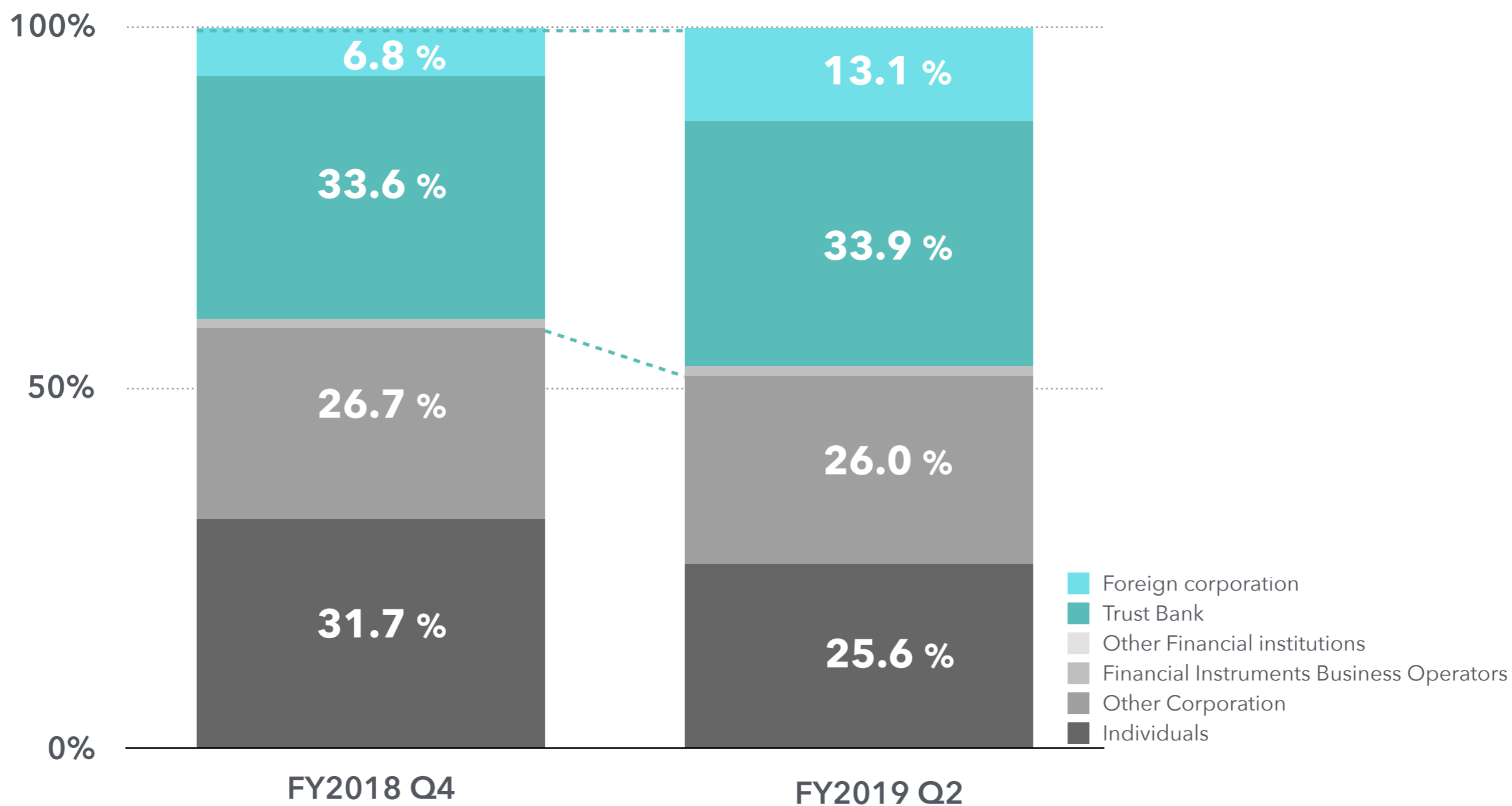
FY2019 Guidance

Progress as planned



Shareholding structure

Rising prevalence of Institutional investors



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Our People Tech Business

Job offer media with contingency fee

Attain locating the right person in the right place via suitable matching between company and job seeker



Organizational Improvement Platform

Visualize employee engagement in order to activate organization, utilize and nurture sustainment of personnel via Saas model

Business Networking App

With a valuable match between persons, accelerate business

Green



Where does the name of Green come from?

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 with IT.

Ex.:Replacement of Travel Agency by Expedia



Customer



Accommodations



Replacement of Recruiting Agency by Green



Job Seeker



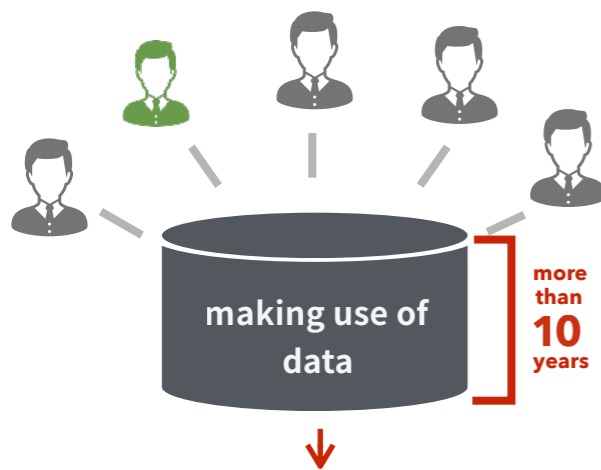
Companies

Green established a unique position

Superiority × Low Cost × Technology

Stock and Use of Big Data

Stocking and making use of data via Green ※1



High precision within the use of big 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 10 years)

Number of Cumulative Registered Company

More than **6,000**

Number of Registered User ID

More than **600** thousand

High recognition between both companies and users

※1 Action data, profile data, selection data

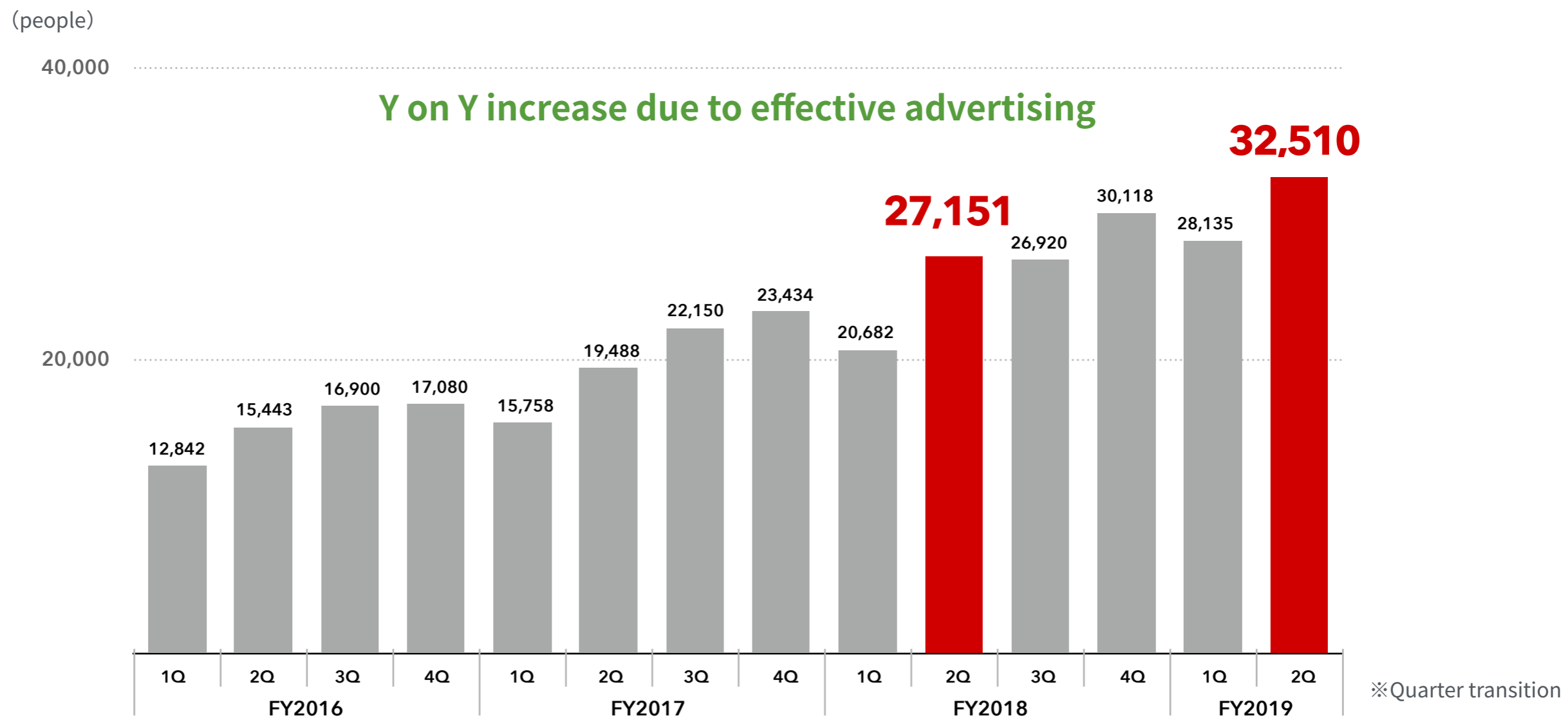
Companies from various industries introduce Green

Though companies adopting Green is mostly in the IT/Web industry, digitalization is taking part in many industries. With the raise of credibility and recognition due to the market change to 1st section of TSE, many prominent companies have introduced Green.



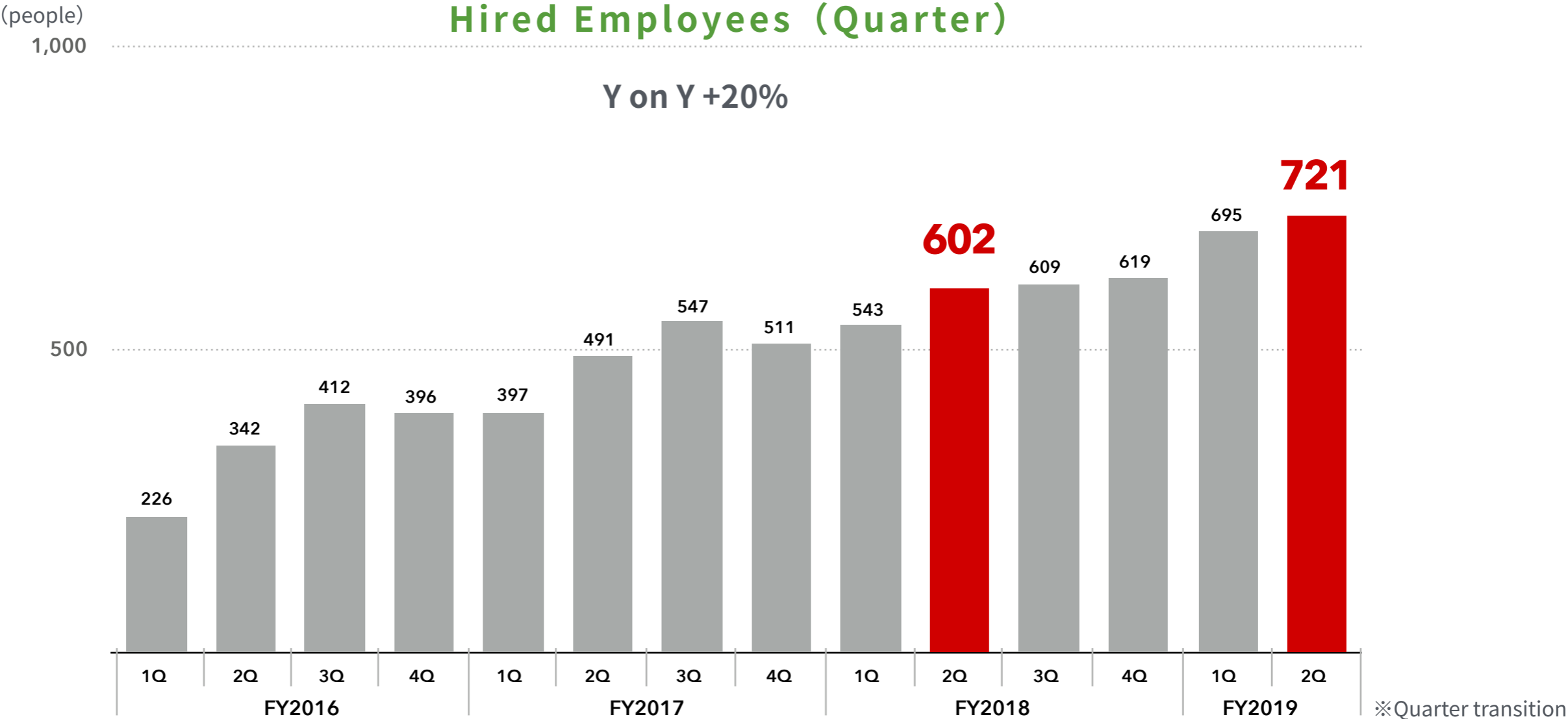
The number of active users

Updated the number of newly registered users too



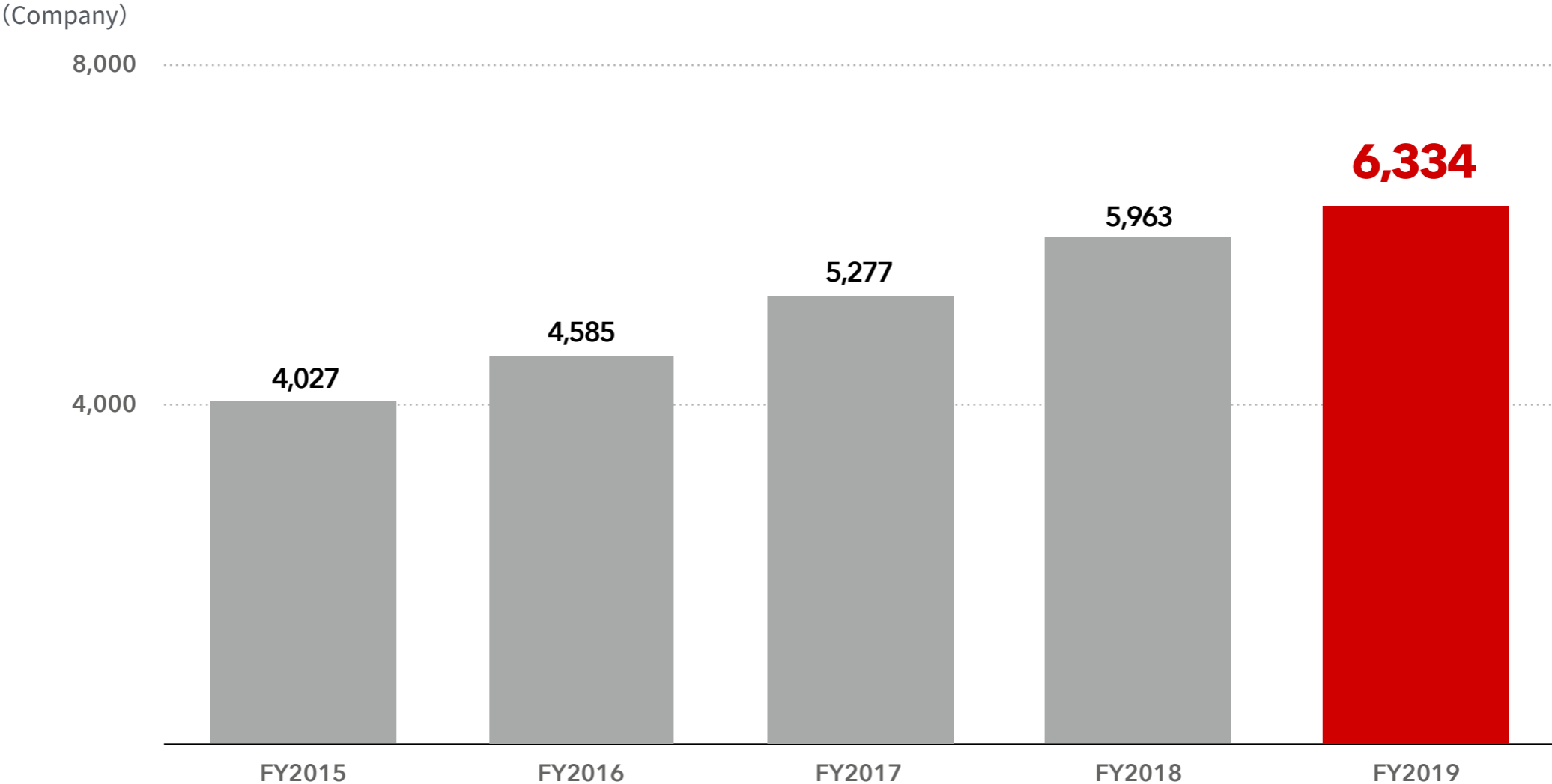
※1 Active user : Job seekers who log in at least once a month among job seekers who are registered with Green

Seasonal fluctuation but steady growth



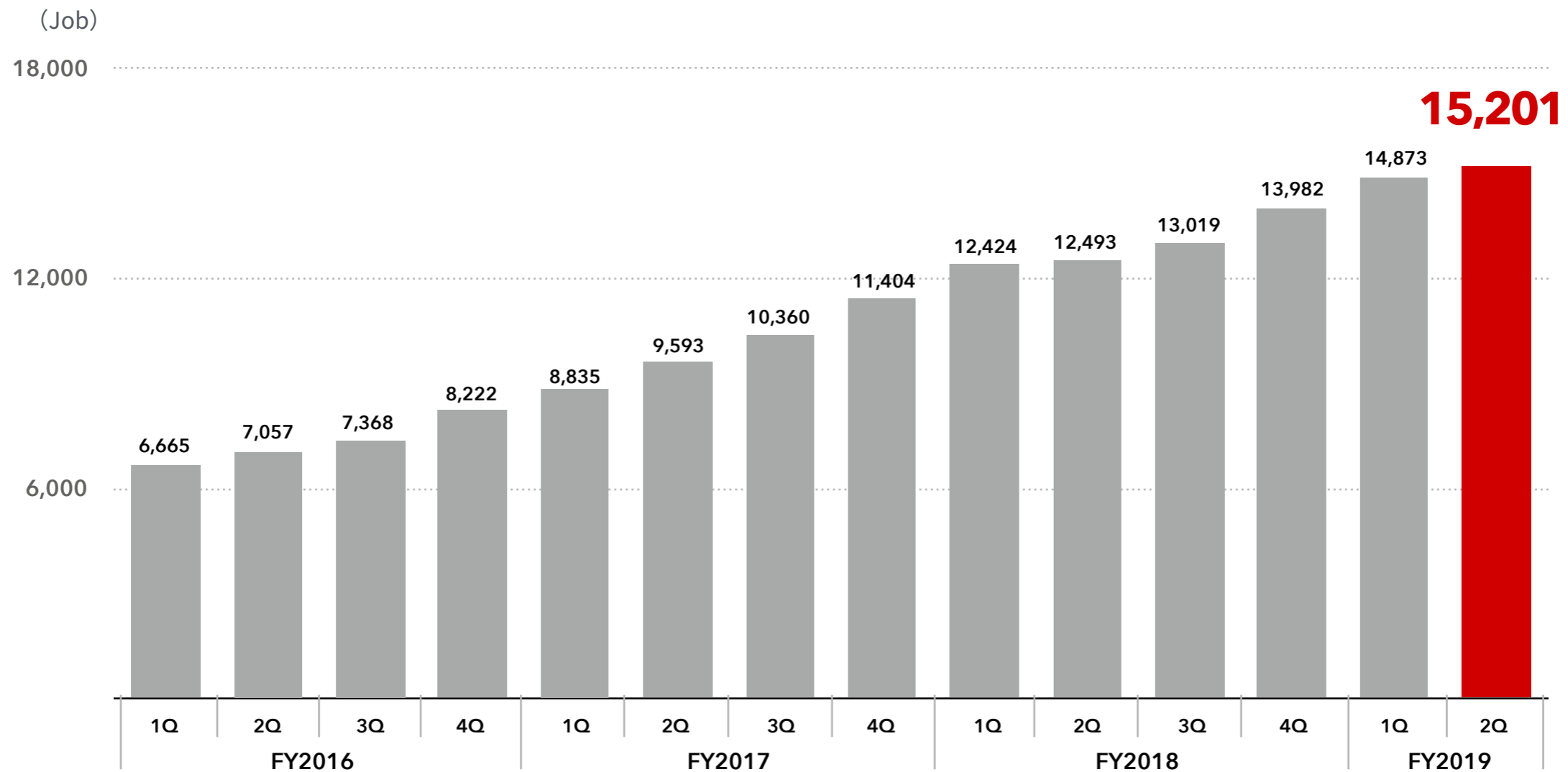
Steady increase of newly registered companies

Cumulative Registered Companies



Increase of job posted due to increase of registered companies

Jobs Posted



※Quarter transition

Potential Growth of Green

Green not only covers IT industry but also sales, accounting, and more
Occupancy of Green towards the market size is insignificant, huge potential of growth remains.

	Recruitment Market Size	Green's Market Size ^{※3}	Green Occupancy ^{※4}
All Industry	286 B yen ^{※1}	170 B yen	1.3%
IT Industry	86 B yen ^{※2}	51 B yen	4.5%

※1 Yano Research Institute "Current Status and Future of Human Resource Business 2017 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% The market size is estimated 1700 B yen

※4 Green's sales calculated as 23 B yen (FY2019 Guidance)

組織力を見える化し、成長を加速させる

wevox

Energize your team with honest communication cycle



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.

Platform for organizational improvement

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

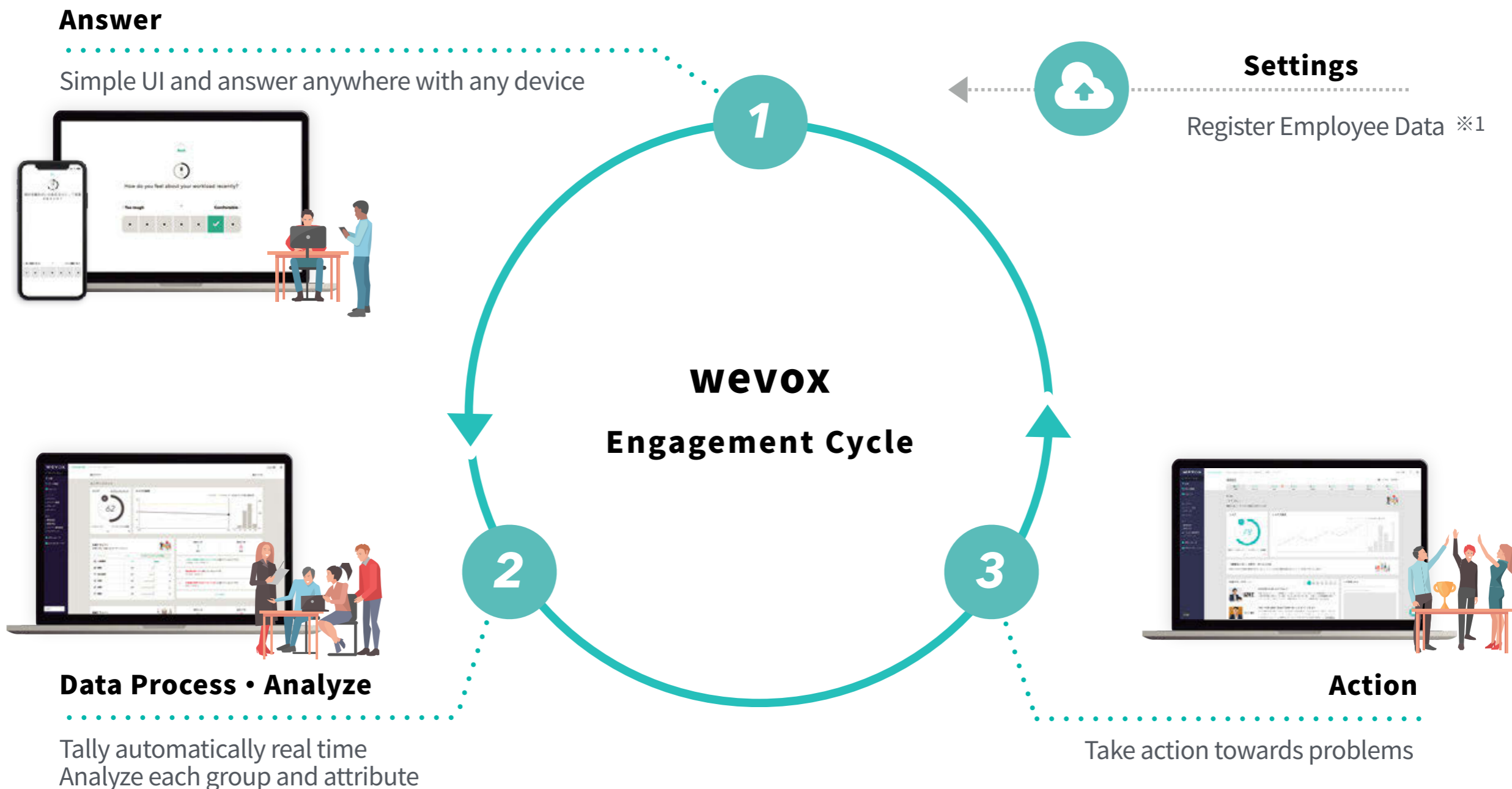
Automatically analyze the huge amount of data collected and enables immediate grasp of the organization's issues

Point 3

Low price with SaaS model

Offer a low price of ¥ 300 per employee per month

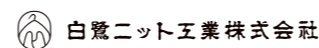
wevox Use Case



※1 wevox introduces “pulse survey” that is a simple questionnaire which repeats every 1-2 months

wevox has been introduced in many industries

Companies adopting wevox cover many different industries and sectors such as, IT, securities, medical, food, sports teams. Currently, more than **750** companies and organizations adopts wevox and obtained more than **7 million** respond data.



Reference from wevox homepage

Potential growth of wevox

Potential Target

Price Competitiveness

Potential Market Size

Number of Employed Person

67.2M^{※1}
People

¥ **300** per month

More than

¥ **240B**^{※2}
yearly

Wide range of industries including sports and educational organizations

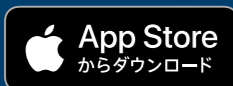
Targeting wide range of clients via SaaS model

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

yenta



Professional networking app to create “Encounters for accelerating business”

Point 1

Realize an attractive encounter beyond organizational boundaries

Promote open innovation, diversification of working methods, productivity improvement, etc.

Point 2

Utilizing technology

Artificial intelligence realizes large number of matching

Point 3

High user satisfaction

★4.1 (309 responds)
Most responds are positive with a high satisfaction rate

How to use yenta

Recommendation



Analyze swipe data with artificial intelligence and select 10 candidates who are compatible with users. Recommend at 12 o'clock every day.

Matching



Swipe the recommended users based on your interest. Matching is made only when both users swipe right.

Meet Up



User exchange messages and meet up for a lunch or a tea etc. It also leads to entrepreneurship, investment and recruitment

Matching Cases



Entrepreneurship

Inner Resource Inc.
Entrepreneur × Engineer



Recruitment

connehito Inc.
Internal PR × Engineer



Obtained Job Offers

Freelance Researcher Mr. Kuroda
Freelance × Various Business Persons



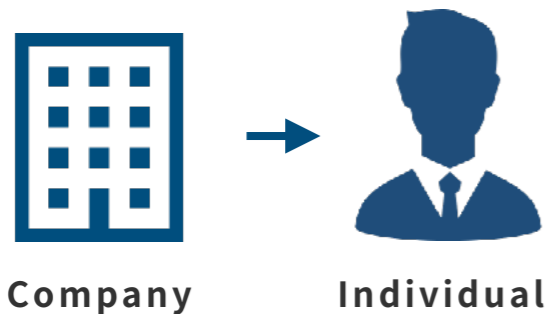
Investment & Participation

Freak Out Inc.
Executive × Engineer



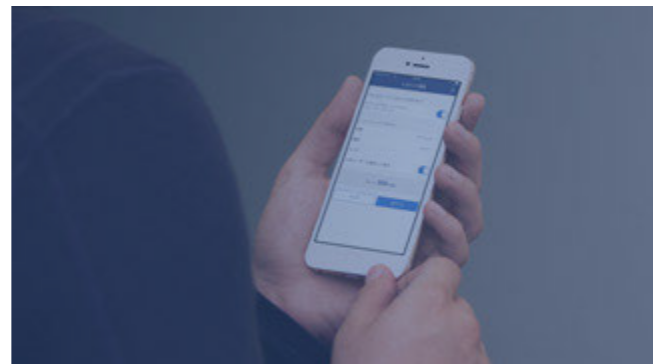
Potential growth of yenta

Shifting from companies to individuals



Platforms such as SNS or Crowdfunding has expanded and widen individuals' stages which led to an era independent from companies and organizations

High Active Rate



Currently, yenta has a high active rate despite of saving on advertisement expenses. In future, yenta will start strategic advertisement and aim on obtaining more users by expanding areas.

Expansion based on cities



Since yenta is an app, it is relatively easy to expand both locally and globally. Especially in South East Asia, there is a high demand on meet ups between business persons

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Organizational Strength to Attain Growth Strategy

High Retention Rate

Yearly Average People Leaving

1.6 people

※ immediate 3 years

Average Age

29.5 years old

High Engagement



wevox

Energize your team with honest communication cycle

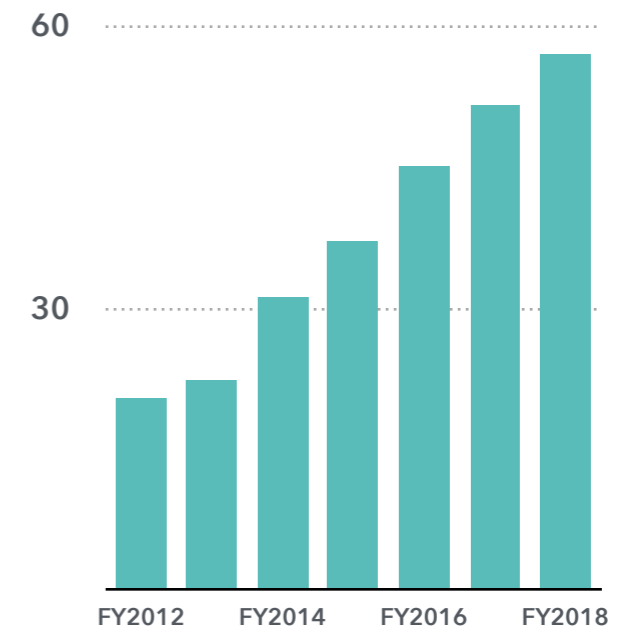


※ under 100 members



※ SMALL AND MEDIUM

High Productivity

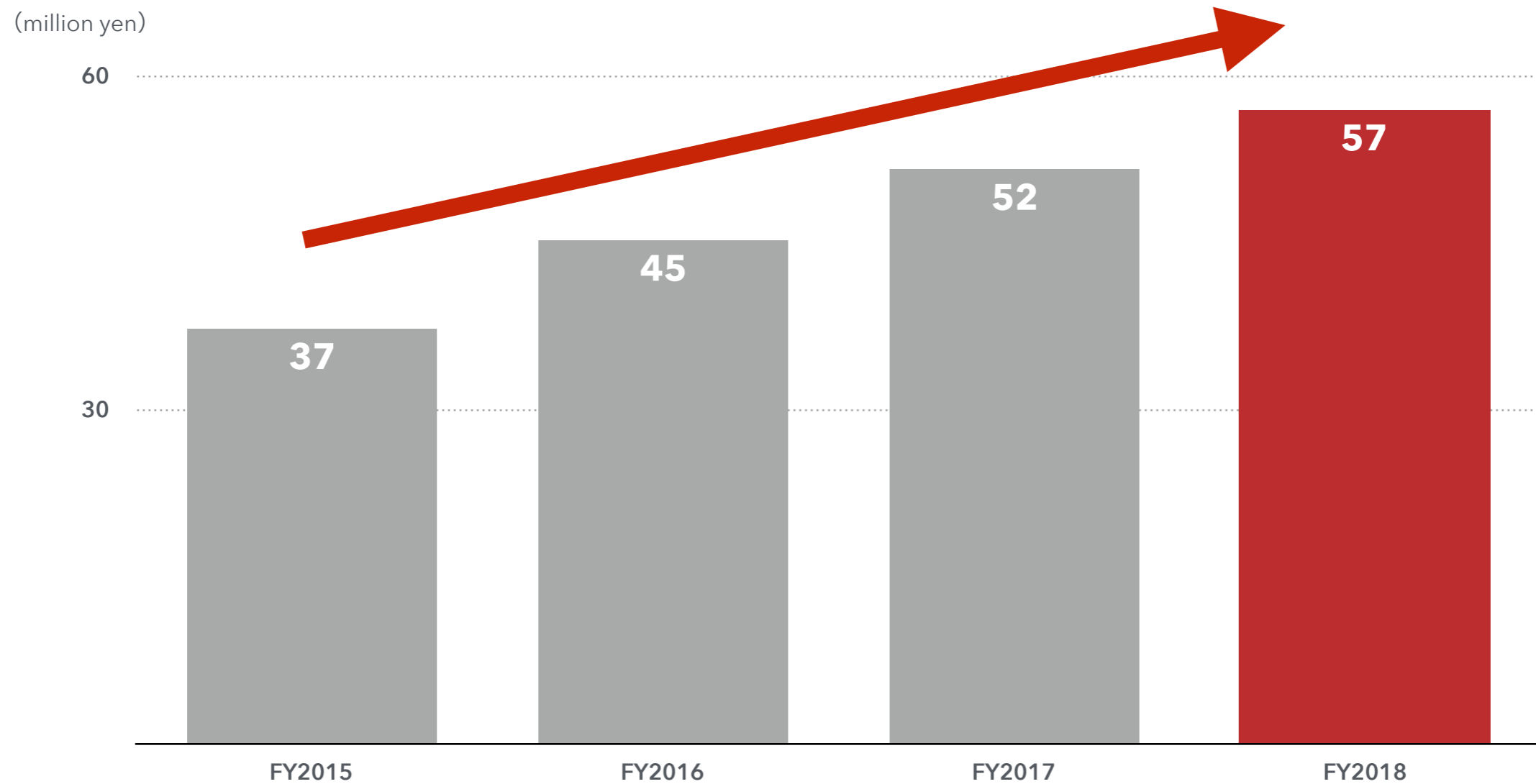


High employee engagement enables mid/long term strategy planning and practicing

Productivity has been increasing this past 7 years

Transition of sales per employee

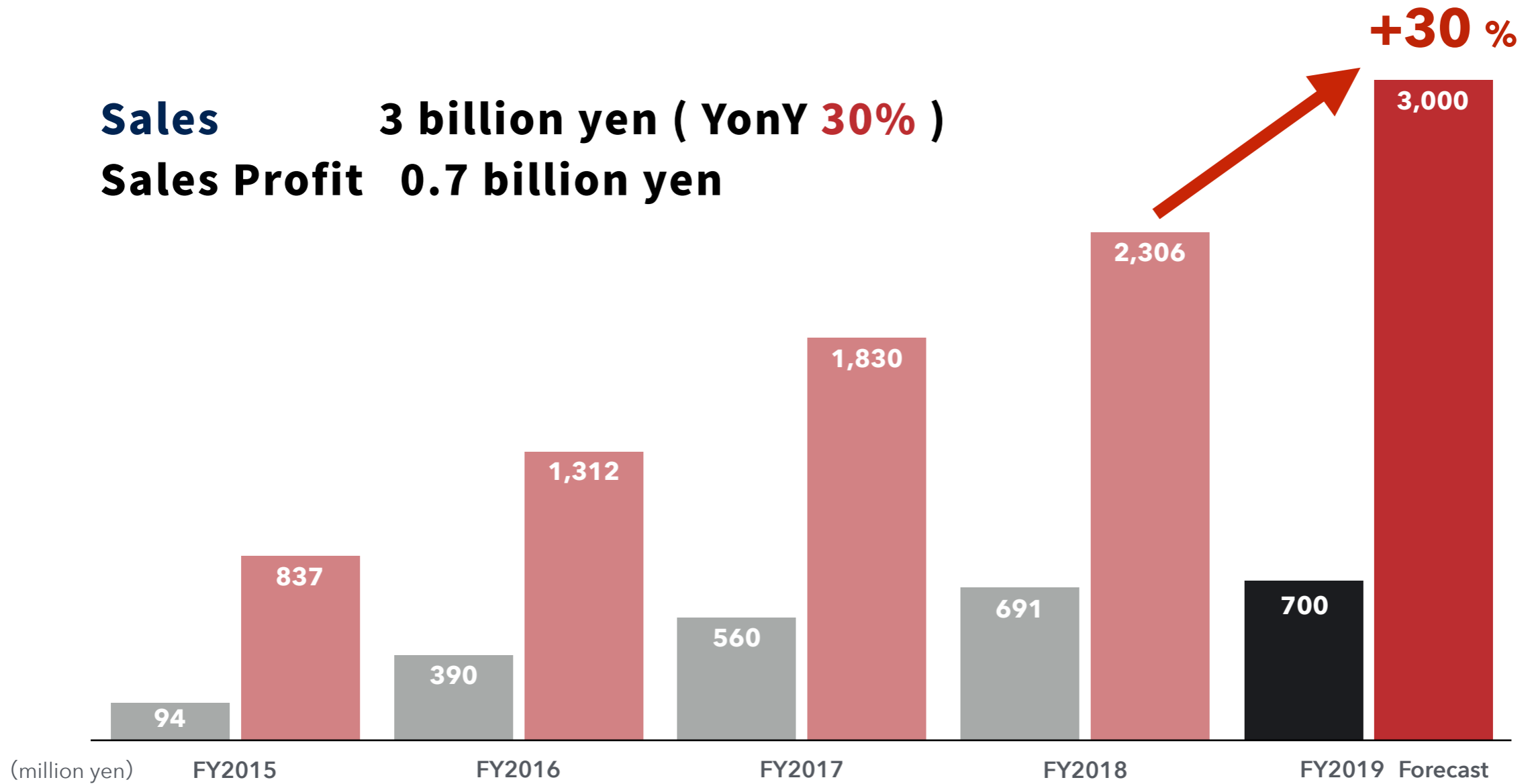
**Updated our best
productivity**



FY 2019 Guidance

Green will maintain a high growth rate
wevox and yenta will invest in advance for the expanding phase

Sales **3 billion yen (YoY 30%)**
Sales Profit **0.7 billion yen**



FY 2019 Guidance

	FY2018	FY2019	YonY
(million yen)			
Sales	2,306	3,000	+30.1%
Operating Profit	691	700	+1.3%
Ordinary profit	659	690	+4.6%
Net Income	464	476	+2.7%

Atrae

Name	Atrae, Inc.
Business Outline	Green : a contingency fee basis job site yenta : a matching app for business professionals with an AI based recommending system wevox : a platform for organizational improvement
Foundation	October, 2003
Management	Yoshihide Arai, Founder/CEO
Employee	46 (As of March, 2019)
Capital Stock	1,074(in JPY MM)
Location	Minato-ku, Tokyo, Japan

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