



2025.3.14

# FY2025 Q2 Business Report

**Ateam Inc. (Security code: 3662)**

- 1. Introduction of Adjusted EBITDA, Indicator of Core Business Profitability**
- 2. FY2025 Q2 Financial Results**
- 3. M&A Results and Progress**
- 4. FY2025 Guidance**
- 5. Supplementary Financial Data**

APPENDIX: Supplemental Information on Impacts of Start of Consolidation of Paddle Inc.

APPENDIX: Plan to Achieve Criteria to Maintain Listing on TSE Prime Market

APPENDIX: Medium-Term Business Plan

APPENDIX: Company Overview

Financial Results Highlights

## Largely Favorable Performance

### Adjusted EBITDA

FY2025 Q2

**400**  
million JPY

Cumulative FY2025 Q2

**711**  
million JPY

FY2024 Q2 **24** million JPY

FY2025 Q1 **310** million JPY

Cumulative FY2024 Q2

**-108** million JPY

HOT TOPIC

## Introduction of Adjusted EBITDA

We have changed our performance indicator as we have been executing our growth strategy through continuous M&A transactions and started the consolidation of Paddle Inc. ("Paddle"), a crypto-asset-related business operator. Our policy is to monitor adjusted EBITDA as a performance indicator that properly measures our core business's profitability.

### Adjusted EBITDA

One-time M&A execution expenses are deducted, and expenses related to crypto assets are adjusted.

**Adjusted EBITDA**

=

EBITDA

+

M&A-related expenses

±

Expenses related to crypto assets incurred by Paddle

Provision of allowance for sales promotion expenses + sales promotion expenses – crypto asset equivalent of points granted

\* For the details of the concept of adjusted EBITDA as a performance indicator, please refer to "1. Introduction of Adjusted EBITDA, Indicator of Core Business Profitability" (from p. 4) of this material.

# **1. Introduction of Adjusted EBITDA, Indicator of Core Business Profitability**

We have **changed our performance indicator to “adjusted EBITDA”** as we have been executing our growth strategy through continuous M&A transactions and started the consolidation of Paddle, a crypto-asset-related business operator.

Reason 1

Adjustments for One-Time  
M&A-Related Expenses

As we continue to push ahead with M&A transactions, we expect to continually incur one-time expenses associated with M&A execution.

Reason 2

Consolidation of Paddle,  
a Crypto-Asset-Related Business

We are now consolidating Paddle, and its P/L is significantly affected by fluctuations in the market prices of crypto assets.

**EBITDA and operating income are no longer appropriate as indicators to measure the profitability of our business, thus leading us to adopt adjusted EBITDA.**

We have adopted **adjusted EBITDA** to measure our core business's profitability in a way that cannot be discerned through accounting profits.

### Operating Income

+ ) Amortization of Goodwill

+ ) Depreciation

### EBITDA

+ ) M&A-Related Expenses<sup>\*1</sup>

+ ) Provision of Allowance for Sales  
Promotion Expenses (related to crypto assets)

+ ) Sales Promotion Expenses (related to crypto assets)

- ) Expenses for Points Granted during the Relevant  
Period<sup>\*2</sup>

### Adjusted EBITDA

### Adjusted EBITDA

We have made the following adjustments:

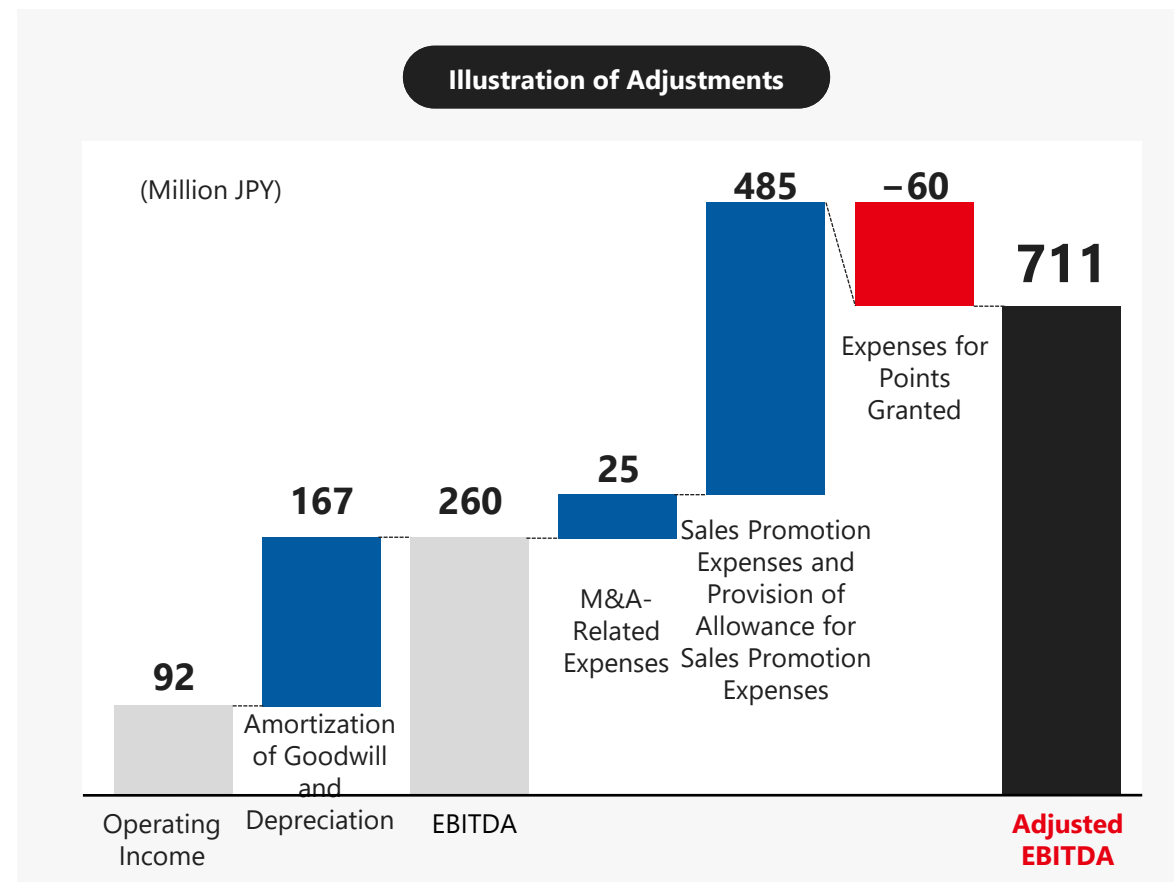
1. Deduction of one-time expenses related to M&A
2. Deduction of accounting expenses related to Paddle's crypto assets
3. Replacement of the accounting expenses deducted in (2) with expenses reflecting the actual state of the business

<sup>\*1</sup> M&A-related expenses: M&A execution fees (e.g., brokerage fees, including FA fees, and various DD expenses) and financing costs associated with M&A (e.g., loan-related fees and expenses associated with public offerings of new shares)

<sup>\*2</sup> Expenses for points granted during the relevant period: The closing price of crypto assets at month end × the number of points granted during the relevant period × the ratio of expired points

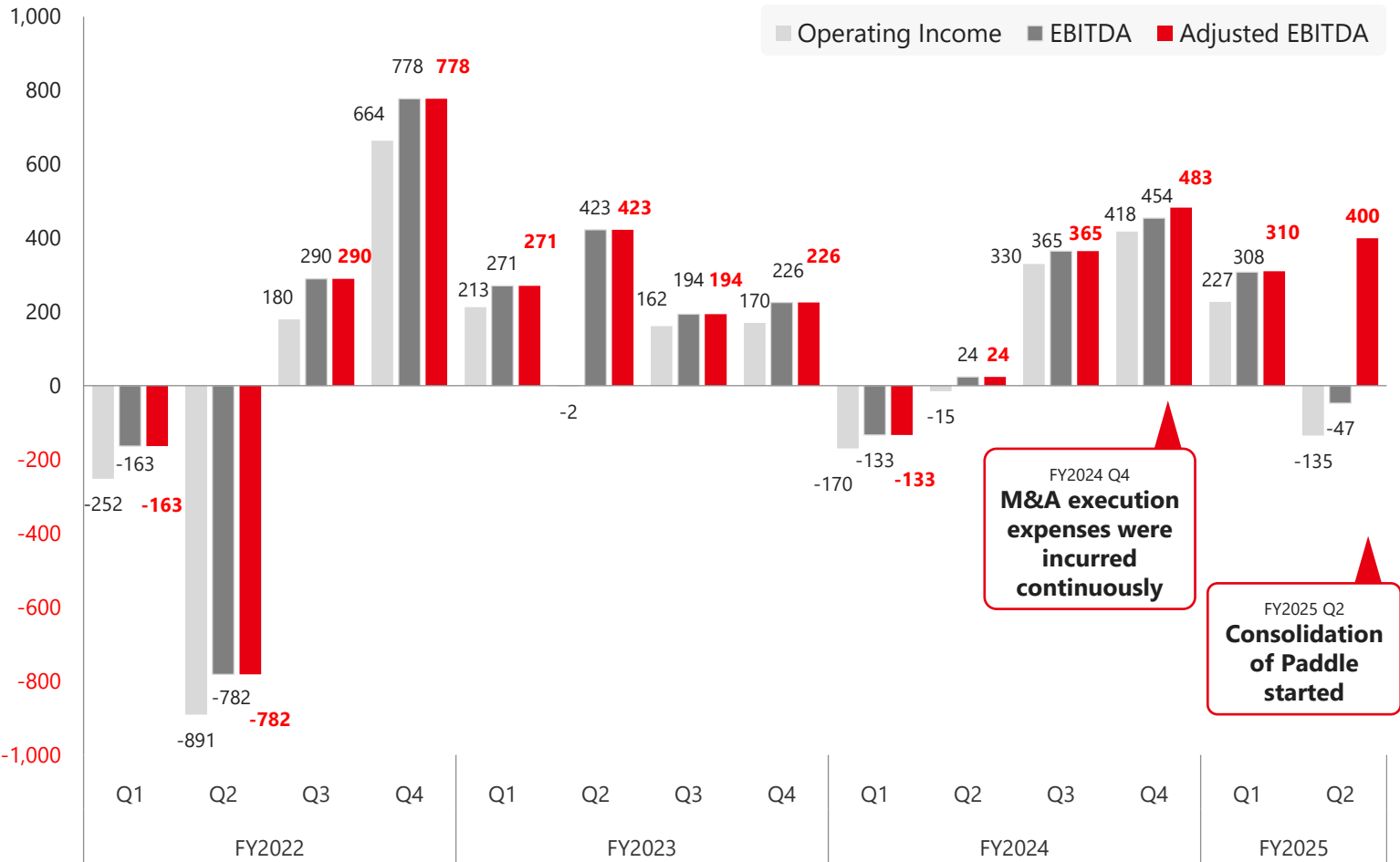
## Adjusted EBITDA of 711 Million JPY for Cumulative FY2025 Q2

Operating Income	92
<hr/>	
+ ) Amortization of Goodwill	121
+ ) Depreciation	46
<hr/>	
EBITDA	260
<hr/>	
+ ) M&A-Related Expenses	25
+ ) Provision of Allowance for Sales Promotion Expenses (related to crypto assets)	432
+ ) Sales Promotion Expenses (related to crypto assets)	52
- ) Expenses for Points Granted during the Relevant Period	60
<hr/>	
<b>Adjusted EBITDA</b>	<b>711</b>



● Quarterly Trends in Each Measure of Profitability (Operating Income, EBITDA, and Adjusted EBITDA) Over Three Years

Quarterly Trends in Each Measure of Profitability  
Over Three Years



- The differences among the measures of profitability were minor in and before FY2024 Q3.
- We consolidated microCMS in FY2025 Q1 and then Paddle, a crypto-asset-related business, in Q2.
- Differences among the measures of profitability became significant in and after FY2024 Q4 because we are continuously executing M&As according to our growth strategy policy.
- **We will monitor adjusted EBITDA as a performance indicator to appropriately measure the profitability of our business** as we have been executing our growth strategy through continuous M&A transactions and consolidated Paddle.



## Ordinary income can serve as a useful indicator of comparable accounting profits.

**Paddle owns crypto assets in preparation for future exchanges of points for crypto assets. When the market price of crypto assets fluctuates, operating expenses and gains/losses on the valuation of crypto assets are partially offset against each other. Accordingly, ordinary income can serve as a useful indicator of accounting profits.**

### Background

- **We need to provide an allowance for the points exchangeable for crypto assets** that have been granted to users of point collection apps BitWalk and Bit Start as well as other services operated by Paddle **in preparation for such exchanges in the future.**<sup>\*1</sup>
- If the market price of crypto assets **ris**es<sup>\*2</sup>, the provision amount will **increase**, so operating income will **decrease** and ordinary income will **increase**.<sup>\*3</sup> Conversely, if the market price of crypto assets **decl**ines<sup>\*2</sup>, the provision amount will **decrease**, so operating income will **increase** and ordinary income will **decrease**.<sup>\*3</sup>
- Since operating income/loss does not reflect gains/losses on the valuation of crypto assets resulting from fluctuations in their market prices, it does not indicate the overall income/loss of the crypto asset business. Accordingly, ordinary income is useful as a comparable accounting performance indicator.

<sup>\*1</sup> For Paddle's business model and how it is treated for accounting purposes, please refer to the APPENDIX "Supplemental Information on Impacts of Start of Consolidation of Paddle" (p. 40).

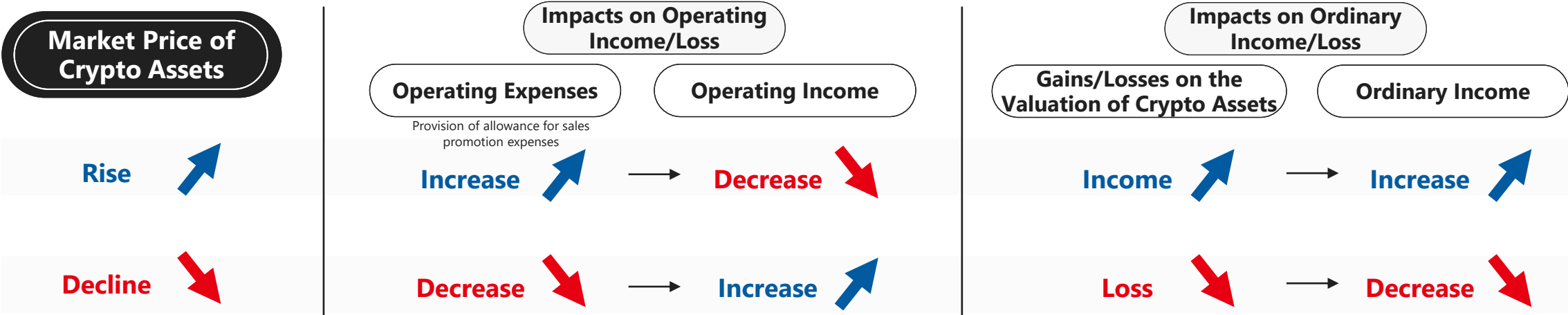
<sup>\*2</sup> While there are other variable factors such as the balance of points and anticipated expiration ratio, we suppose the range of fluctuations in those factors to be limited. The above description assumes that other factors are fixed.

<sup>\*3</sup> Due to the characteristics of its business model (see pp. 41-43), Paddle owns crypto assets and records gains/losses on the valuation of crypto assets, which are non-operating income/expenses. This increases or decreases ordinary income.

The consolidation of Paddle started in November 2024, resulting in substantial amounts of expenses and gains/losses on the valuation that are affected by the market prices of crypto assets.

**Example Service: Point Collection App BitWalk**

This service grants its users points that can be exchanged for crypto assets based on the number of steps walked. We provide an allowance for the future exchange of points.



Since operating income/loss does not reflect gains/losses on the valuation of crypto assets resulting from fluctuations in their market prices, it does not indicate the overall income/loss of the crypto-asset-related business. Accordingly, **ordinary income is useful** as a comparable **accounting performance indicator**.

\* Gains/losses on the valuation of crypto assets: Due to the characteristics of its business model (see pp. 41-43), Paddle needs to own a substantial amount of crypto assets to exchange the points granted to users for crypto assets in the future. As these owned crypto assets are affected by fluctuations in market prices, a substantial amount of expenses and gains/losses on the valuation are incurred.

The impacts of fluctuations in the market price of crypto assets are partially offset as ordinary income includes both gains on the valuation of crypto assets, which are non-operating income, and the provision of an allowance for sales promotion expenses, which are operating expenses.

(Million JPY)

P/L for Cumulative FY2025 Q2

Provision of Allowance for Sales  
Promotion Expenses

443<sup>\*1</sup>

Operating Income

92

Gains on the Valuation of Crypto  
Assets

545

Ordinary Income

775

When the market price of crypto assets fluctuates, operating expenses and gains/losses on the valuation of crypto assets are partially offset against each other.<sup>\*2</sup>

<sup>\*1</sup> Provision of allowance for sales promotion expenses indicates the consolidated total amount, not the amount of expenses incurred solely by Paddle's crypto-asset-related business.

<sup>\*2</sup> Provision of allowance for sales promotion expenses is calculated by multiplying the balance of valid points for each type of crypto asset by the expected exchange ratio (the ratio of points expected to be exchanged in the future without expiring) for each type of crypto asset.  
Expected exchange ratio = 1 - (Total number of points expired / Total number of points granted)  
In FY2025 Q2, the weighted average of the expected exchange ratios for each type of crypto asset owned is approximately 75%.  
As the number of points for each type of crypto asset nearly equals the number of each type of crypto asset owned, only the portion corresponding to the expected exchange ratio is offset.

We have defined “adjusted EBITDA” as a more appropriate indicator of our core business’s profitability.

Ordinary income can serve as a useful indicator for accounting purposes.

Adjusted EBITDA

Cumulative Q2

**711** million JPY

**Adjusted EBITDA is an indicator obtained by making adjustments for the following expenses:**

1. Deduction of one-time expenses related to M&A
2. Deduction of accounting expenses related to Paddle's crypto assets
3. Replacement of the accounting expenses deducted in (2) with expenses reflecting the actual state of the business

Ordinary Income

Cumulative Q2

**775** million JPY

Provision of an allowance for sales promotion expenses (impacting operating income/loss) and gains/losses on the valuation of crypto assets affected by the market prices of crypto assets (impacting ordinary income/loss) are partially offset against each other. Accordingly, **ordinary income is more useful than operating income as an indicator of comparable accounting profits.**

## 2. FY2025 Q2 Financial Results

Revenue Down and Profit Up Y/Y, Revenue and Profit Up Q/Q;  
Adjusted EBITDA and Ordinary Income Increased Y/Y Thanks to Strong  
Performance by All Businesses

Revenue

5,862

million JPY

Y / Y 98.7%

Q / Q 103.2%

Adjusted EBITDA

400

million JPY

Y / Y 1604.6%

Q / Q 129.1%

Ordinary Income

543

million JPY

Y / Y 15303.6%

Q / Q 233.5%

Net Income

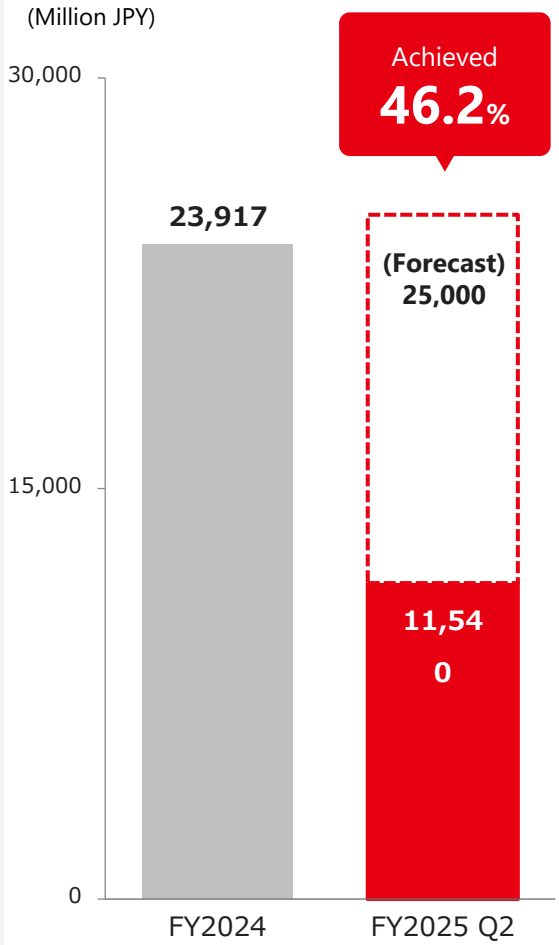
430

million JPY

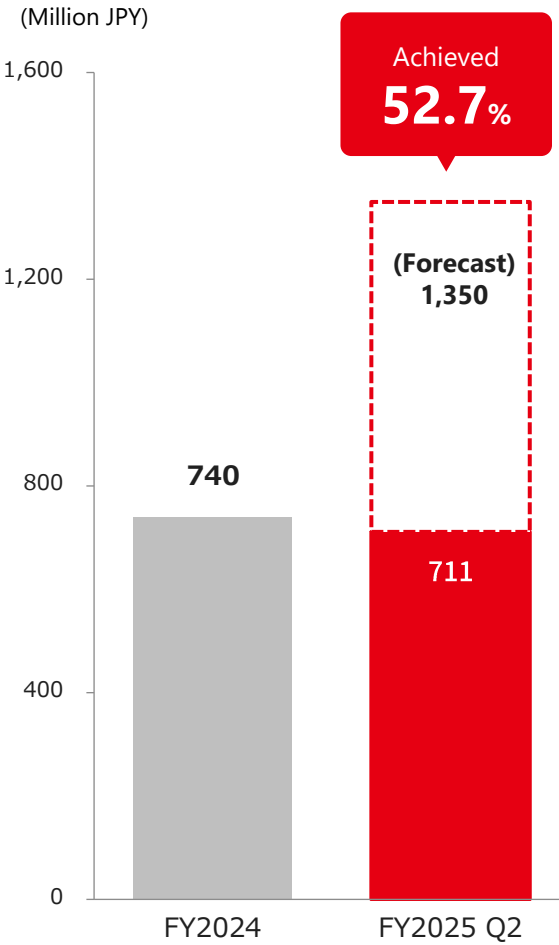
Y / Y - %

Q / Q 332.5%

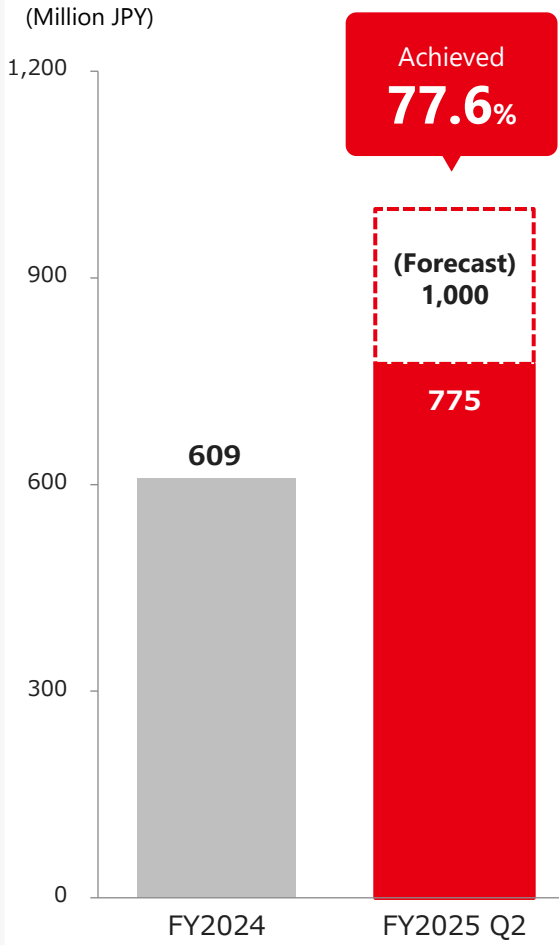
Revenue



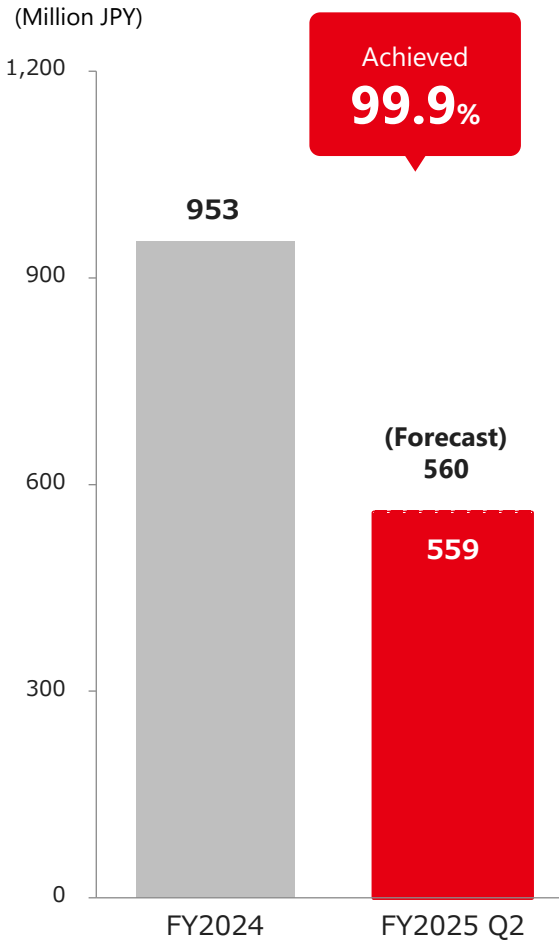
Adjusted EBITDA



Ordinary Income

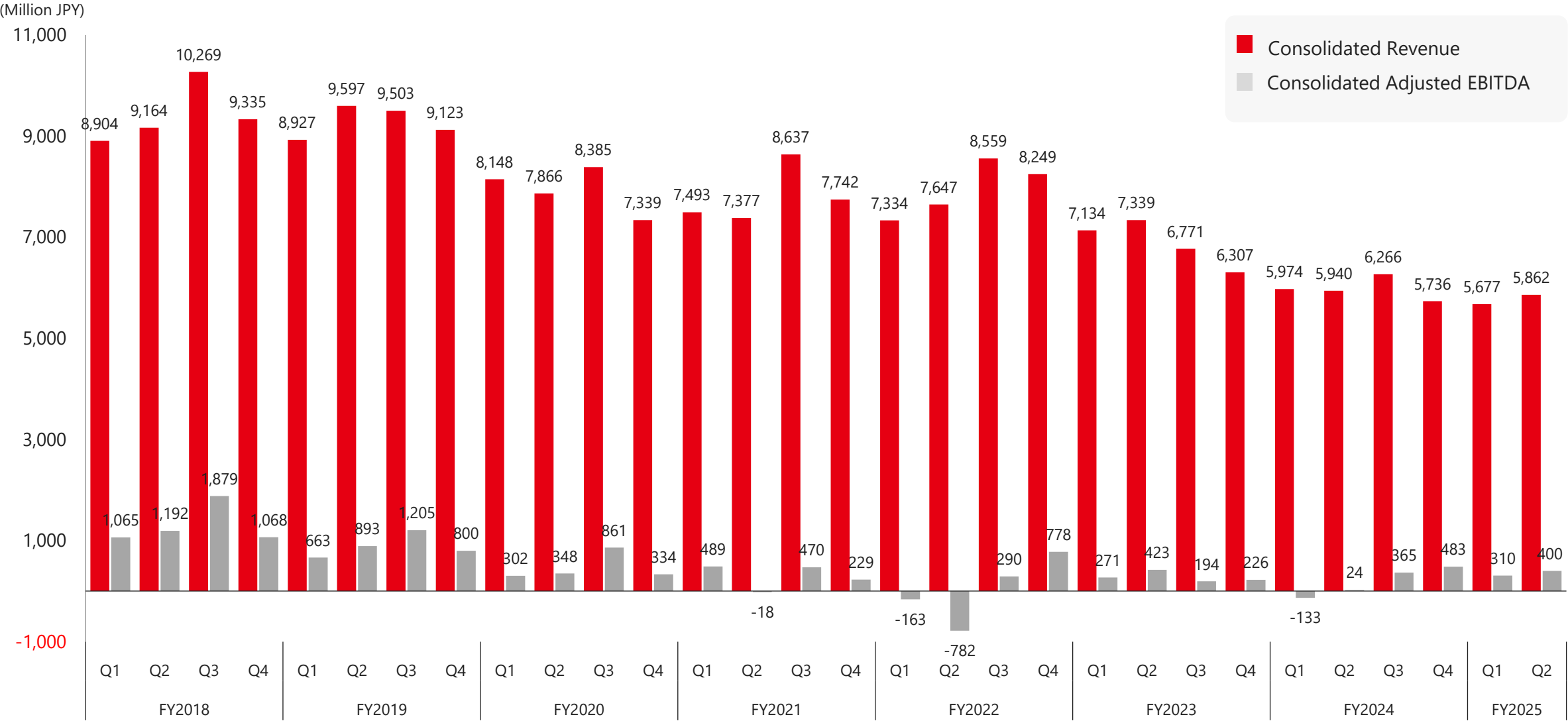


Net Income



\* Gains on the transfer of the Lalune business of 491 million JPY are recorded in FY2024 as extraordinary income.

● Consolidated Quarterly Financial Trends





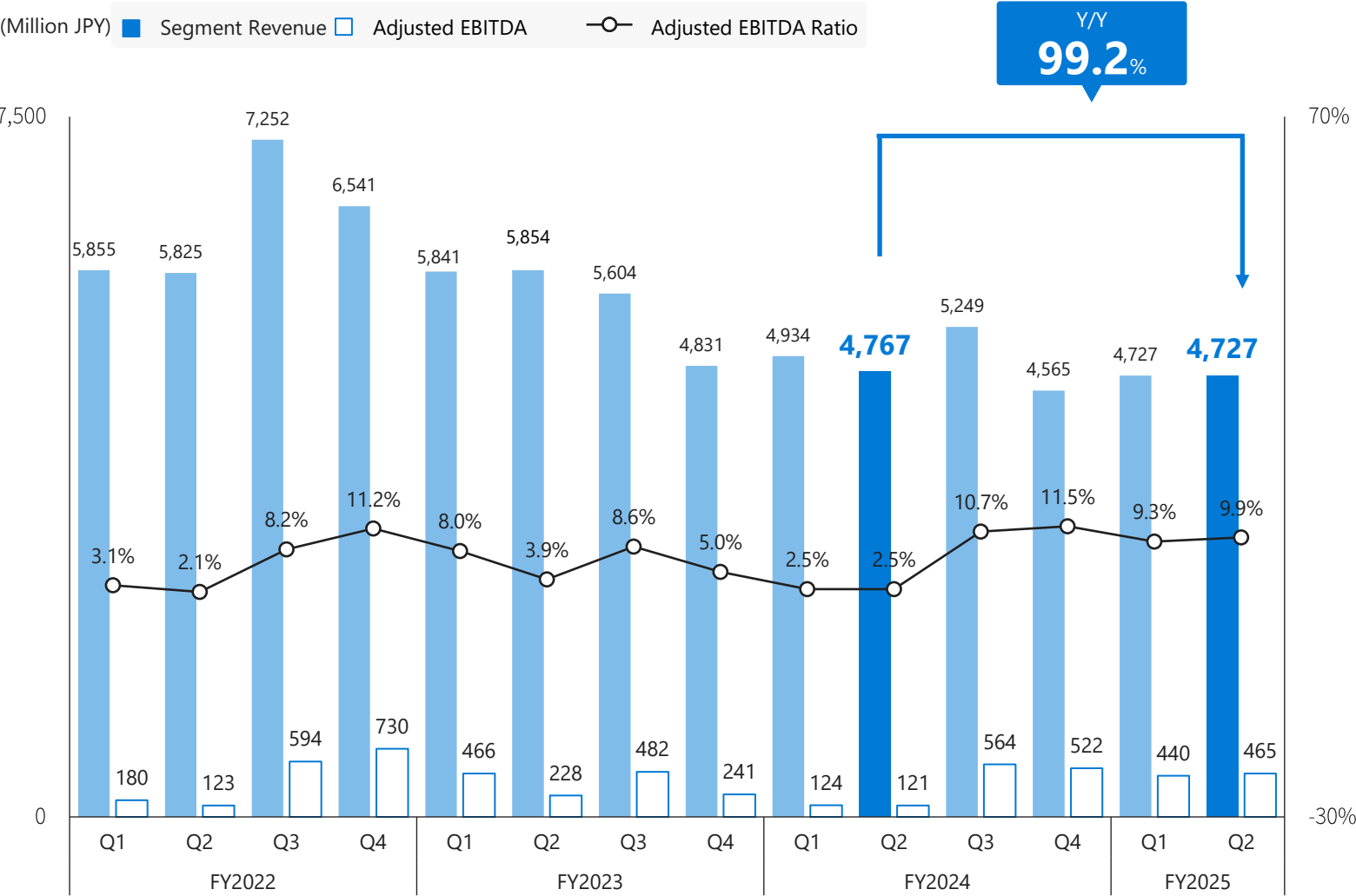
Adjusted EBITDA, Indicator of Core Business Profitability,  
and Ordinary Income Increased

(Million JPY)	FY2025 Q2	FY2024 Q2	Y/Y (%)	FY2025 Q1	Q/Q (%)
Revenue	5,862	5,940	98.7%	5,677	103.2%
Adjusted EBITDA	400	24	1604.6%	310	129.1%
EBITDA	-47	24	- %	308	- %
Operating Income	-135	-15	- %	227	- %
Ordinary Income	543	3	15303.6%	232	233.5%
Net Income	430	-51	- %	129	332.5%

Continued Steady Business Operation in Each Segment Since Q1

(Million JPY)		FY2025 Q2	FY2024 Q2	Y/Y (%)	FY2025 Q1	Q/Q (%)
Digital Marketing	Revenue	4,727	4,767	99.2%	4,727	100.0%
	Adjusted EBITDA	465	121	382.0%	440	105.8%
	Operating Income	-50	107	- %	377	- %
Entertainment	Revenue	1,134	1,172	96.8%	950	119.4%
	Adjusted EBITDA	197	34	572.9%	53	370.9%
	Operating Income	197	34	575.3%	53	372.2%

\* Although M&A-related expenses are classified as common expenses that do not belong to any reporting segment, the entire amount of such expenses is included in the digital marketing business as M&A expenses associated with the digital marketing business.



\* Segment classification has been changed from FY2024 Q1. Figures shown are after segment reclassification for the digital marketing business.

Revenue Slightly Down Y/Y and Flat Q/Q; Newly Adopted Adjusted EBITDA Up Y/Y and Q/Q

Revenue

- Revenue of companies acquired through M&A was recorded; Car Services remained strong.
- On the other hand, Financial Media revenue decreased due to a decline in user numbers resulting from external factors.

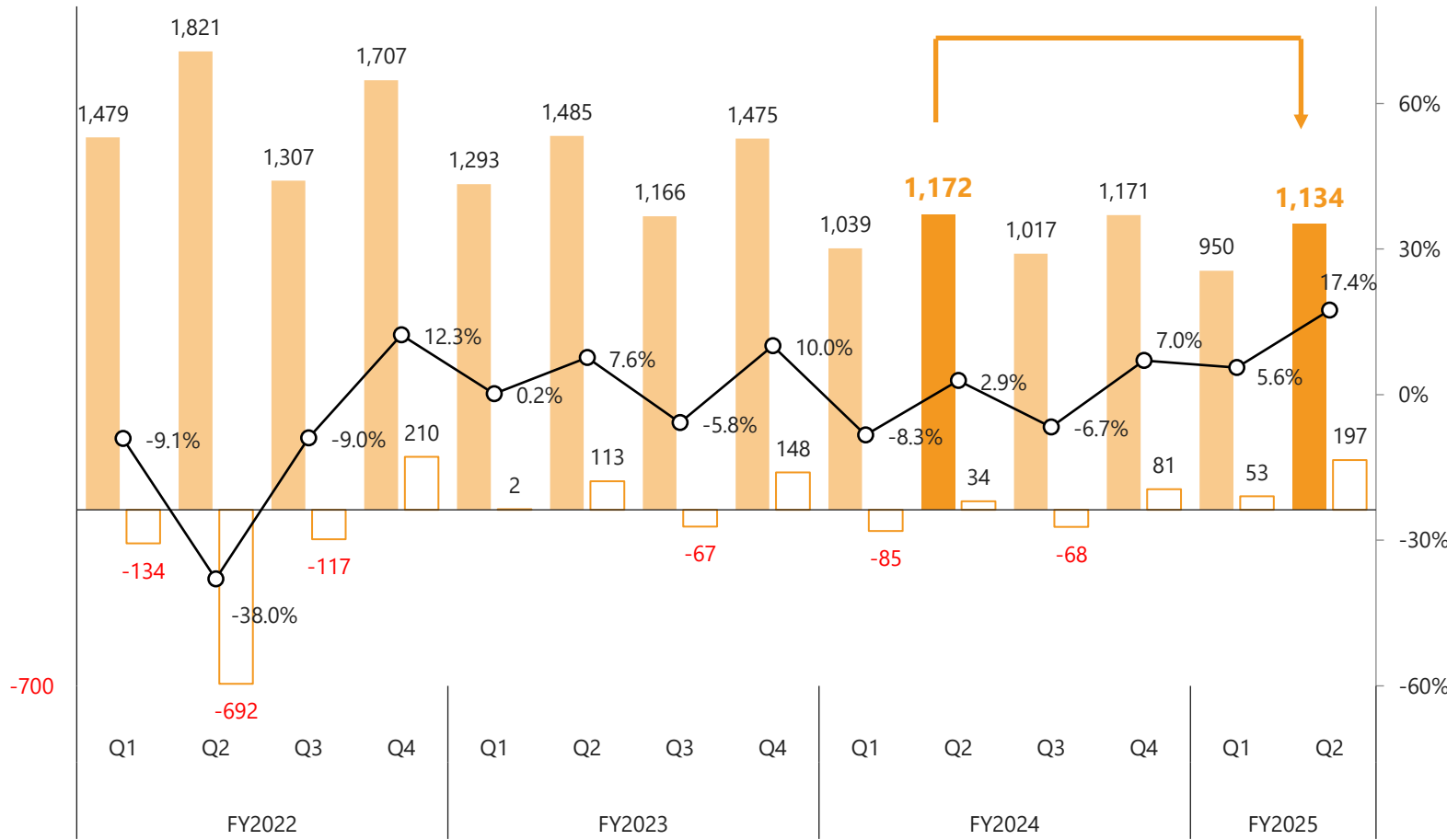
Adjusted EBITDA

- Adjusted EBITDA increased Y/Y as we continued to implement cost control by optimizing advertising costs in accordance with our business operation policy while prioritizing profitability.

(Million JPY)

■ Segment Revenue □ Adjusted EBITDA ○ Adjusted EBITDA Ratio

Y/Y  
96.8%



**Revenue Down and Profit Up Y/Y,  
Revenue and Profit Up Q/Q,  
Thanks to Increase in Orders  
Received for Collaborative  
Projects with Other Companies  
and Efficient Management of  
Existing Titles**

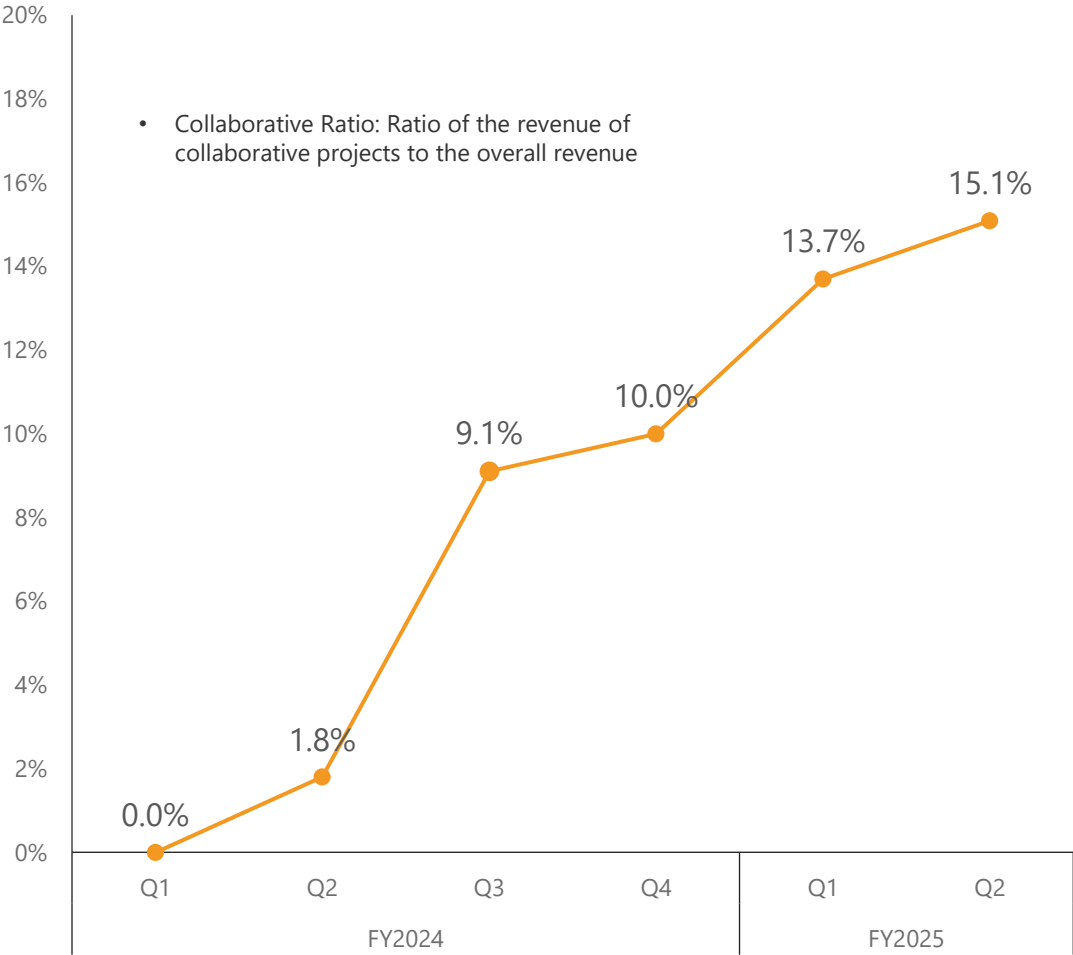
#### Revenue

- Revenue continued to decline Y/Y due to the declining trends for existing titles.

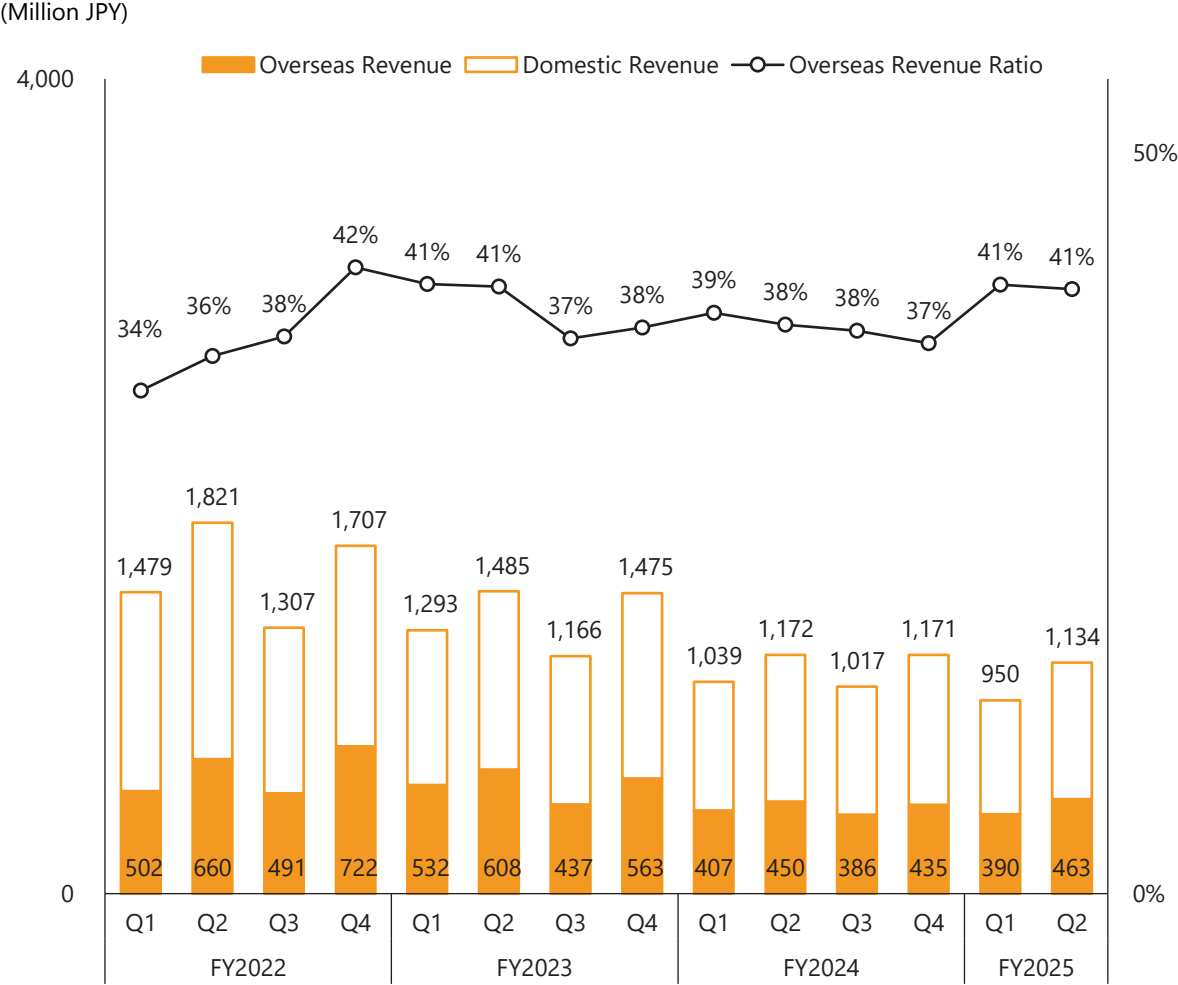
#### Adjusted EBITDA

- We continued to manage existing titles efficiently and reduce costs.
- The increased ratio of collaborative projects (collaborative ratio for FY2025 Q2: 15.1%) led to successful results, continued to compensate for the declining trends for existing titles, and helped to secure profits.

Collaborative Ratio



Overseas Ratio



# 3. M&A Results and Progress

WCA Inc. (“WCA”), Web Advertising Management Agency and Consulting Services Provider

1. Company Name	WCA INC.
2. Location	Yusei Fukushi Kotohira Building 4F, 1-14-1, Toranomom, Minato-ku, Tokyo
3. Representative	Takeshi Aoshima, Representative Director
4. Main Business	Web marketing management agency
5. Capital	30 million JPY
6. Number of Employees	50 (including 3 directors)
7. Number of Shares Acquired	24,000 shares (24,000 voting rights) on December 26, 2024
8. Acquisition Price	150 million JPY on December 26, 2024 Due diligence and other costs: approximately 3.8 million JPY Total: approximately 153.8 million JPY



\* Please refer to “Notice Regarding Acquisition of Shares in WCA INC. (Consolidation)” disclosed on December 26, 2024. The information contained in the above company overview is as of the time of the disclosure on December 26, 2024.

## Strengthening Our Capabilities for Supporting Online Customer Attraction by Expanding WCA's Delivery Functions



Expand advertising management agency and other support services in addition to customer attraction support through media

Online customer attraction support for new clients

Enhance digital marketing support with our digital marketing know-how and personnel exchanges

Various types of media operated by our group with one of the largest shares in the industry

Moving Quote Comparison Website



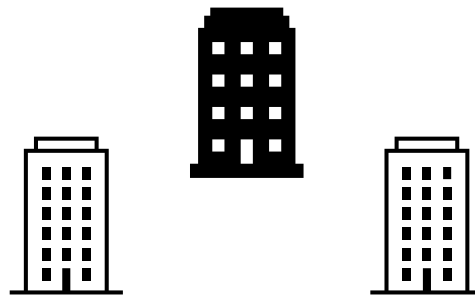
Car Appraisal Website



Wedding Venue Information Website



New corporate clients we are supporting as we transform into a Business Boost Company



Clients in the following industries are doing or have done business with WCA:

Automotive

Bridal

Education

Finance

Major Retailers

EC Malls

etc.



## WCA's Strengths Support Maximized Synergies Between Media and Advertising Management Agency

### WCA's Background

#### In-House Ad Agency



Founded as an in-house ad agency for a company that manages a comparison website business similar to our services

#### Nearly 20-Year Track Record



Started during the early days of digital advertising in 2005, they have cultivated advertising management know-how over the many years

### Extensive lineup of advertising management services; track record in supporting a wide range of corporate clients

Listing Ads

Web  
Advertising  
Management

LP Creation

Placement of  
Display Ads

Web  
Consulting

SEO Measures

# Strainer, Inc., Operator of Economic News Media “Strainer”

1. Company Name	Strainer, Inc.
2. Location	5-7-5 Yoyogi, Shibuya-ku, Tokyo
3. Representative	Yusuke Nozoe, Representative Director
4. Main Business	Operation of the economic news media “Strainer” Operation of the financial database “Finboard”
5. Capital	56 million JPY
6. Number of Employees	1
7. Number of Shares Acquired	11,833 shares (11,833 voting rights) on March 3, 2025
8. Acquisition Price	240 million JPY on March 3, 2025 Due diligence and other costs: approximately 23 million JPY Total: approximately 263 million JPY



\* Please refer to “Notice Regarding Acquisition of Shares in Strainer, Inc. (Consolidation)” disclosed on February 13, 2025. The information contained in the above company overview is as of the time of the disclosure on February 13, 2025.

M&A Progressing Steadily Thanks to Our Reinforced M&A Team Structure;  
Two More Companies Acquired via M&A;  
Continue to Increase and Accelerate Activities to Execute M&A

	Total Number up to FY2025 Q1		Total Number up to FY2025 Q2	Rate of Increase
<div>1</div> <div>Contacts</div> <div>Includes the number of IM (*1) obtained</div>	205		216	+5.4%
<div>2</div> <div>Interviews With Top Candidates</div>	35	▶	39	+11.4%
<div>3</div> <div>SPA<sup>*2</sup> /Execution</div>	2		4	+100%

\*1 IM: Information Memorandum (Business Overview Document) \*2 SPA: Stock Purchase Agreement

## Over 10 Billion JPY to Be Invested in M&A by FY2028 to Accelerate Growth Investment

Industries	Intent	Company Size (Reference)	Anticipated Revenue (Reference)
Web Marketing Consulting/ Web Marketing Management Agency	<ul style="list-style-type: none"> <li>Our group will adopt a model of support services for corporate clients</li> <li>We will further expand the businesses of our client companies through collaboration with our media business</li> </ul>	<ul style="list-style-type: none"> <li>Number of employees: 50 to 100</li> <li>Operating income (EBITDA): approx. 0.3 to 0.5 billion JPY</li> </ul>	Over 3 billion JPY
Digital Marketing SaaS	<ul style="list-style-type: none"> <li>We will support our client companies in technology domains, one of our strong points</li> <li>We will realize stable improvement of revenue</li> </ul>	<ul style="list-style-type: none"> <li>Number of employees: 10 to 30</li> <li>We will also emphasize MRR growth in addition to operating income (EBITDA)</li> </ul>	Over 1 billion JPY
Customer Referral Media	<ul style="list-style-type: none"> <li>We will further enhance profitability by collaborating with our media business</li> <li>We will reach potential clients in the applicable industries</li> </ul>	<ul style="list-style-type: none"> <li>Number of employees: 10 to 30</li> <li>Operating income (EBITDA): approx. 0.1 to 0.5 billion JPY</li> </ul>	Over 0.5 billion JPY

## 4. FY2025 Guidance

	FY2025			Ref. FY2024	
	Full-Year Forecast (Million JPY)	Ratio (%)	Y/Y(%)	Full-Year Results (Million JPY)	Ratio (%)
Revenue	25,000	100.0	104.5	23,917	100.0
Digital Marketing Business	20,700	82.8	106.1	19,516	81.6
Entertainment Business	4,300	17.2	97.7	4,400	18.4
Adjusted EBITDA	1,350	—	182.3	740	—
EBITDA	1,250	—	175.7	711	—
Operating Income	1,000	—	177.8	562	—
Ordinary Income	1,000	—	164.2	609	—
Net Income	560	—	58.7	953	—

\* EBITDA = Operating income (loss) + depreciation (including intangible assets) and amortization of goodwill, Adjusted EBITDA = EBITDA + M&A-related expenses + provision of allowance for sales promotion expenses\* + sales promotion expenses\* – crypto asset equivalent of points granted\* \* Expenses incurred by Paddle's business

**22.0 JPY per Share** in Expectation of Stable, Continuous Future Profit Growth;  
Stable Dividend and Flexible Shareholder Returns in Line With Anticipated  
Future Financial Results

	FY2025 Year-End Dividend Forecast	FY2024 Results	FY2023 Results
Date	July 31	July 31	July 31
Dividend per Share	<b>22.0</b> JPY	<b>22.0</b> JPY Ordinary Dividend: 18.0 JPY Special Dividend: 4.0 JPY	<b>16.0</b> JPY
Payout Ratio	<b>72.9%</b>	<b>42.8%</b>	<b>207.0%</b>

\* The above dividend forecast is based on information available as of the date of announcement, and actual dividends may differ from the forecast due to various possible factors.

**Shareholder Benefit Program** Established to Increase the Liquidity of Stock Trading by Improving the Investment Attractiveness of Ateam's Shares

We will present the shareholder benefit to shareholders holding five units (500 shares) or more of Ateam's stock (holders who are listed or recorded in the shareholder register as of the last day of January and July each year).

Details of Benefit		Requirement	Benefit
	Annual Shareholder Benefit	5 units (500 shares)	QUO Card 20,000 JPY
Breakdown of Benefit	End of January Every Year	5 units (500 shares)	QUO Card 10,000 JPY
	End of July Every Year	5 units (500 shares)	QUO Card 10,000 JPY

\* For more details, please refer to the "Notice Regarding Establishment of Shareholder Benefit Program" disclosed on December 3, 2024.



**We will send shareholder benefit gifts in early April.**

**We plan to present the next shareholder benefit gifts to those who are shareholders as of the end of July 2025.**



# On April 4, 2025, Ateam Inc. Will Become Ateam Holdings Co., Ltd.



Ateam Inc. will change its corporate name to Ateam Holdings Co., Ltd. to strengthen its functions as a pure holding company. The change of corporate name reflects our enthusiasm for maximizing our group synergies by strengthening the implementation structure of group-wide strategies and group governance.

Ateam Holdings will demonstrate its governance, strengthen ties with operating companies, and accelerate the pace of new value creation through collaboration and co-creation with the operating companies. By integrating all the resources, businesses, and services offered by group companies, Ateam will push forward with its transformation into a “Business Boost Company.”

# 5. Supplementary Financial Data

(Million JPY)

	FY2022				FY2023				FY2024				FY2025	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Revenue	7,334	7,647	8,559	8,249	7,134	7,339	6,771	6,307	5,974	5,940	6,266	5,736	5,677	5,862
Q/Q (%)	-5.3	+4.3	+11.9	-3.6	-13.5	+2.9	-7.8	-6.9	-5.3	-0.6	+5.5	-8.5	-1.0	+3.3
Digital Marketing	5,855	5,825	7,252	6,541	5,841	5,854	5,604	4,831	4,934	4,767	5,249	4,565	4,727	4,727
Entertainment	1,479	1,821	1,307	1,707	1,293	1,485	1,166	1,475	1,039	1,172	1,017	1,171	950	1,134
Cost of revenues	2,076	2,058	2,378	1,950	1,492	1,534	1,066	969	894	909	903	839	853	814
Cost rate (%)	28.3	26.9	27.8	23.6	20.9	20.9	15.7	15.4	15.0	15.3	14.4	14.6	15.0	13.9
Selling, G&A expenses	5,510	6,480	5,999	5,634	5,428	5,807	5,542	5,167	5,250	5,046	5,032	4,479	4,596	5,183
Selling, G&A expenses ratio (%)	75.1	84.7	70.1	68.3	76.1	79.1	81.8	81.9	87.9	85.0	80.3	78.1	81.0	88.4
Total cost and G&A expenses	7,587	8,538	8,378	7,584	6,920	7,342	6,608	6,136	6,145	5,955	5,936	5,318	5,450	5,997
Labor costs & recruitment expenses	1,590	1,557	1,519	1,282	1,456	1,436	1,354	1,346	1,320	1,299	1,257	1,122	1,218	1,249
Promotional expenses	3,057	3,980	3,602	3,357	3,191	3,297	3,515	3,131	3,334	3,144	3,272	2,788	2,891	2,835
Promotional expenses ratio (%)	41.7	52.1	42.1	40.7	44.7	44.9	51.9	49.6	55.8	52.9	52.2	48.6	50.9	48.4
Digital Marketing	2,908	3,089	3,504	3,208	3,133	3,187	3,427	3,051	3,300	3,096	3,231	2,719	2,832	2,757
Entertainment	131	874	81	132	65	96	75	65	31	45	37	67	56	75
Commissions, etc.	1,264	1,100	1,088	1,266	837	976	774	804	748	755	664	700	611	653
Subcontractor expenses, server fees	576	552	463	436	365	308	284	284	285	267	252	223	205	227
Office rental fees, utility expenses	266	260	243	241	238	237	214	200	194	173	164	156	156	156
Other expenses	832	1,087	1,461	999	831	1,085	464	369	261	314	324	327	366	875
EBITDA	-163	-782	290	778	271	423	194	226	-133	24	365	454	308	-47
Adjusted EBITDA	-163	-782	290	778	271	423	194	226	-133	24	365	483	310	400
Operating income	-252	-891	180	664	213	-2	162	170	-170	-15	330	418	227	-135
Q/Q (%)	-309.4	+252.8	-120.3	+268.3	-67.9	-101.3	—	+4.7	-199.9	-90.8	—	+26.6	-45.5	-159.3
Digital Marketing	157	99	570	705	449	205	455	218	110	107	550	479	377	-50
Entertainment	-160	-736	-162	165	-4	105	-74	140	-86	34	-68	81	53	197
Others	-249	-253	-228	-206	-231	-313	-217	-189	-194	-157	-152	-142	-202	-282
Operating income margin (%)	—	—	2.1	8.1	3.0	—	2.4	2.7	—	—	5.3	7.3	4.0	-2.3
Ordinary income	-242	-893	201	715	223	-4	202	289	-137	3	346	396	232	543
Net income	-145	-584	-104	-502	120	-271	153	141	-142	-51	771	376	129	430
Number of employees	1,129	1,171	1,092	1,069	1,019	991	931	910	894	883	858	858	826	864
Digital Marketing	648	691	646	616	583	556	498	482	458	457	438	439	418	455
Entertainment	371	364	346	352	340	344	343	338	337	331	326	324	314	310
Others	110	116	100	101	96	91	90	90	99	95	94	95	94	99

\* Profit and loss statement above consists of figures after the segment reclassification in FY2025.

● P/L (FY2017 - FY2024 Full Year)

(Million JPY)

	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Revenue	34,603	37,674	37,151	31,739	31,252	31,790	27,552	23,917
Y/Y (%)	+50.7	+8.9	-1.4	-14.6	-1.5	+1.7	-13.3	-13.2
Digital Marketing	15,343	21,506	24,573	23,289	23,979	25,474	22,131	19,516
Entertainment	19,259	16,168	12,577	8,450	7,272	6,316	5,421	4,400
Cost of revenues	5,669	6,960	7,518	7,654	8,193	8,463	5,062	3,546
Cost rate (%)	16.4	18.5	20.2	24.1	26.2	26.6	18.4	14.8
Selling, G&A expenses	24,855	26,012	26,820	22,811	22,357	23,625	21,945	19,808
Selling, G&A expenses ratio (%)	71.8	69.0	72.2	71.9	71.5	74.3	79.7	82.8
Total cost and G&A expenses	30,525	32,973	34,339	30,465	30,550	32,089	27,008	23,355
Labor costs & recruitment expenses	3,807	4,754	6,032	6,274	6,273	5,949	5,594	5,000
Promotional expenses	14,018	14,805	15,048	12,444	12,380	13,998	13,136	12,539
Promotional expenses ratio (%)	40.5	39.3	40.5	39.2	39.6	44.0	47.7	52.4
Digital Marketing	7,882	10,715	12,452	11,648	11,813	12,711	12,778	12,347
Entertainment	5,895	3,785	2,355	706	494	1,219	302	181
Commissions, etc.	7,318	6,117	5,387	4,662	5,180	4,719	3,392	2,869
Subcontractor expenses, server fees	1,198	2,277	2,574	2,115	2,058	2,029	1,243	1,029
Office rental fees, utility expenses	879	1,080	1,179	1,142	1,129	1,011	891	688
Other expenses	3,303	3,937	4,116	3,825	3,528	4,380	2,750	1,227
EBITDA	4,555	5,199	3,562	1,847	1,149	122	1,115	711
Adjusted EBITDA	4,555	5,206	3,562	1,847	1,170	122	1,115	740
Operating income	4,077	4,701	2,811	1,273	701	-298	543	562
Y/Y (%)	+84.3	+15.3	-40.2	-54.7	-44.9	—	—	+3.4
Digital Marketing	1,751	2,864	2,927	1,853	1,535	1,533	1,329	1,248
Entertainment	3,820	3,587	1,532	776	369	-894	166	-38
Others	-1,493	-1,751	-1,648	-1,356	-1,203	-937	-951	-647
Operating income margin (%)	11.8	12.5	7.6	4.0	2.2	—	2.0	2.4
Ordinary income	4,118	4,730	2,809	1,249	895	-219	711	609
Pre-tax income	3,854	4,732	2,354	0	1,511	-734	432	1,152
Net income	2,579	3,306	1,473	-519	877	-1,337	143	953
Number of employees	726	944	1,118	1,177	1,162	1,082	910	861
Digital Marketing	391	544	635	703	682	629	485	442
Entertainment	268	312	381	382	373	351	337	324
Others	67	88	102	92	107	102	88	95

\* Profit and loss statement above consists of figures after the segment reclassification in FY2025.

(Million JPY)

		FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025 Q2
Assets										
	Current assets*	9,613	11,488	11,543	11,130	10,383	10,471	10,264	11,562	13,593
	Cash and cash equivalents	5,004	5,984	6,713	6,480	6,035	5,223	5,992	8,050	8,580
	Non-current assets*	3,527	5,214	5,729	4,932	5,368	4,290	3,591	4,729	4,256
	Tangible assets	1,666	1,684	1,711	1,384	1,195	844	389	365	345
	Intangible assets	507	2,070	1,522	477	792	391	216	1,637	1,746
	Investments and other assets*	1,353	1,459	2,495	3,070	3,380	3,055	2,985	2,726	2,164
Total assets		13,140	16,702	17,273	16,063	15,751	14,762	13,855	16,291	17,850
Liabilities										
	Current liabilities	5,202	4,464	4,031	3,847	3,640	4,205	3,621	3,045	4,778
	Non-current liabilities	481	583	730	493	527	674	529	2,972	2,867
Total liabilities		5,683	5,047	4,761	4,340	4,168	4,880	4,151	6,017	7,645
	Interest-bearing liabilities	632	186	—	—	—	—	—	35	108
Net assets										
	Shareholder's equity	7,361	11,566	12,452	11,663	11,232	9,088	8,969	9,642	9,803
	Treasury stock	-1,177	-481	-438	-397	-1,394	-1,896	-1,862	-1,846	-1,837
	Stock option	96	85	85	82	82	—	—	22	22
Total net assets		7,456	11,655	12,511	11,722	11,582	9,882	9,704	10,274	10,205
Total liabilities and net assets		13,140	16,702	17,273	16,063	15,751	14,762	13,855	16,291	17,850

\* From FY2019, applied "Partial Amendments to the Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, Feb 16, 2018) causing category change from "Deferred Tax Assets" to "Investments and Other Assets." Above values are based on new standards causing differences from previous published materials.

● Others (FY2017 - FY2024)

	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Number of shares issued (year-end)	19,469,800	19,738,200	19,756,200	19,783,200	19,789,200	19,789,200	19,789,200	19,789,200
Treasury stock (shares)	302,562	35,562	35,562	35,588	663,388	1,127,988	1,128,021	1,128,082
Average number of shares during the FY	18,904,872	19,401,921	19,510,259	19,551,565	19,477,509	18,651,778	18,551,109	18,561,198
EPS (JPY)	136.45	170.40	75.52	-26.59	45.07	-71.68	7.73	51.36
EPS Y/Y (%)	99.0	24.9	-55.7	—	—	—	—	564.4
ROA (Ordinary income on total assets, %)	36.2	31.7	16.5	7.5	5.6	-1.4	5.0	4.0
Net assets per share (JPY)	389.03	593.76	636.32	594.54	605.98	533.23	523.06	552.28
Dividend per share (JPY)	27.00	32.50	16.00	16.00	16.00	16.00	16.00	22.00
Interim dividend (JPY)	5.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total dividend amount (mil. JPY)	517	640	315	315	306	298	296	410
Payout ratio (%)	19.8	19.1	21.2	—	35.5	—	207.0	42.8
Shareholder's equity ratio (%)	56.0	69.2	72.1	72.6	71.3	61.6	64.7	59.2
Equity ratio (%)	56.0	69.3	71.9	72.5	73.0	66.9	70.0	62.9
ROE (%)	41.8	34.9	12.3	-4.3	7.6	-12.5	1.5	9.6
ROIC (=①÷②, %)	34.1	27.9	14.1	7.6	4.3	-2.2	4.2	3.2
① Net operating income after taxes (mil. JPY)	2,729	3,284	1,759	884	486	-207	377	390
② Invested capital (=③+④, mil. JPY)	7,993	11,752	12,452	11,663	11,232	9,088	8,969	12,178
③ Shareholder's equity (mil. JPY)	7,361	11,566	12,452	11,663	11,232	9,088	8,969	9,642
④ Short-term loans payable (mil. JPY)*	632	186	—	—	—	—	—	2,535

\* Includes "Convertible bond-type bonds with share acquisition rights."

# **APPENDIX:**

## **Supplemental Information on Impacts of Start of Consolidation of Paddle**



## Paddle Offers Affiliate-Type “Bit Start” App and Walking-Type “BitWalk” App for Earning Points Exchangeable for Crypto Assets

### Bit Start



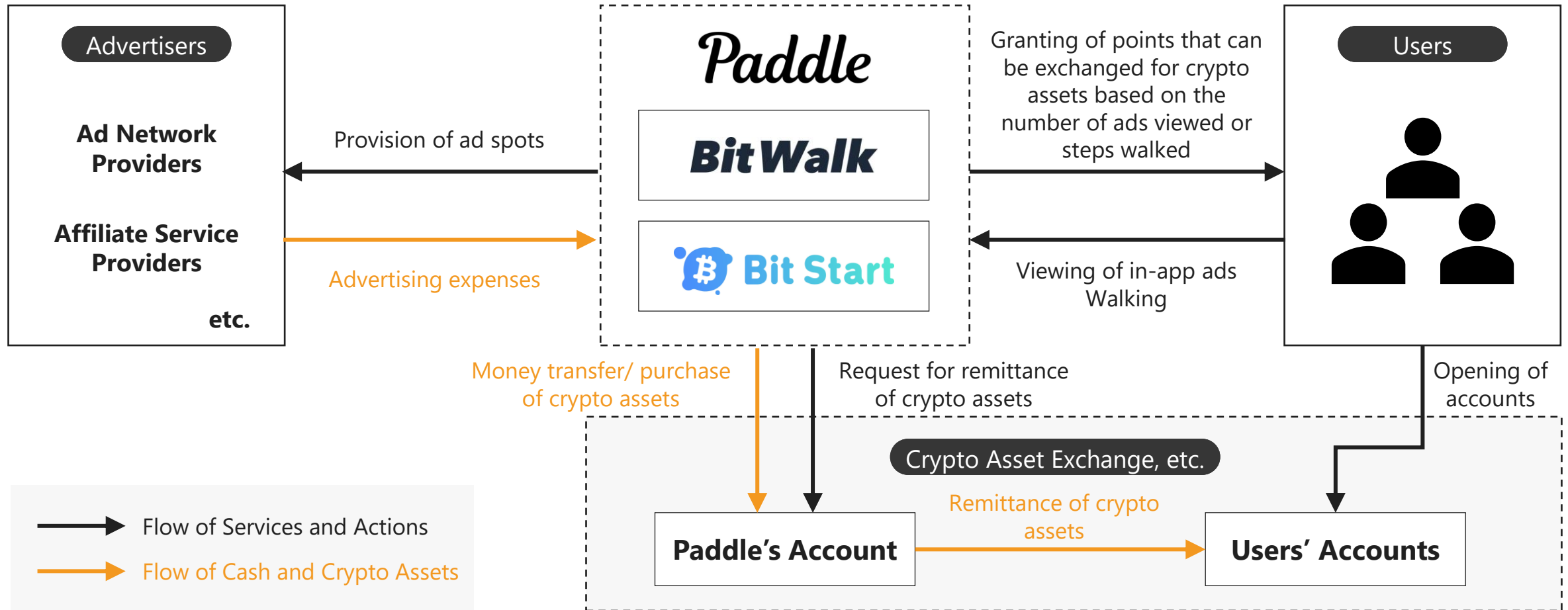
- Point collection app for earning points that can be exchanged for crypto assets
- Points can be earned by using affiliate advertisers' services
- Offers extensive content for beginners, including simulated trading and bitcoin courses

### BitWalk



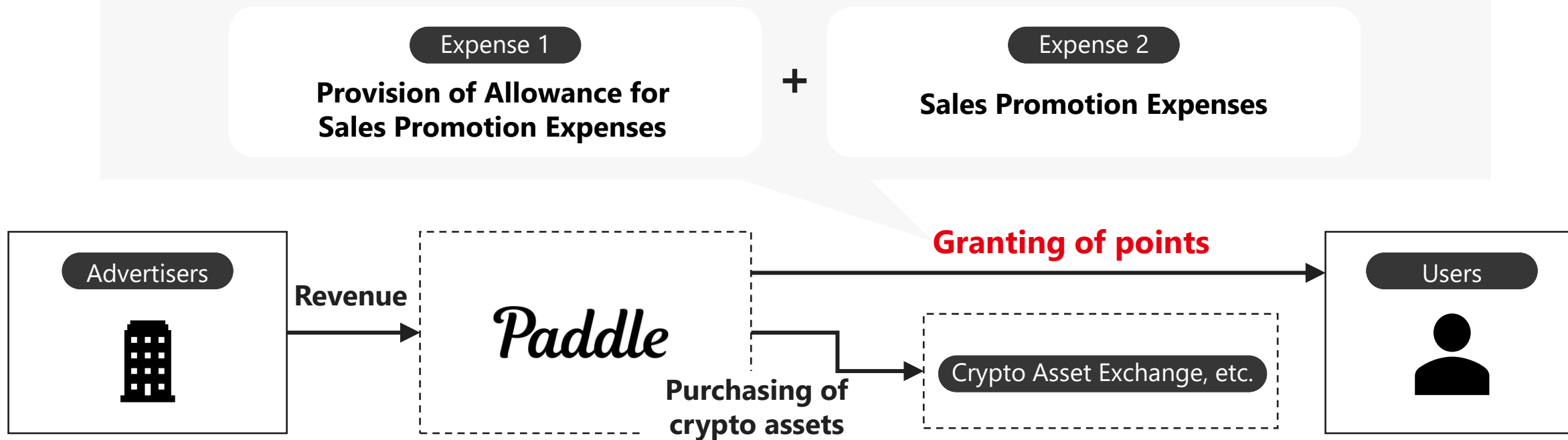
- Walking-type point collection app for earning points that can be exchanged for crypto assets
- Points are earned based on the number of steps walked each day
- Derivative apps XRP Walk and DogeWalk have also been released

## Business Model of Granting Points Exchangeable for Crypto Assets for App Use



## Paddle's business true capability is not properly reflected in financial statements due to the characteristics of its business model.

Paddle purchases crypto assets and records them as assets depending on the usage of its services. It **records** an amount equivalent to the points to be exchanged in the future **as expenses (provision of an allowance)**.

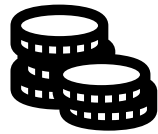


## Treatment of Accounting Expenses for Crypto-Asset-Related Business

**Each type of expense is affected by fluctuations in the market prices of crypto assets.**

### Expense 1

#### Provision of Allowance for Sales Promotion Expenses



The amount of points owned by all users that is estimated to be exchanged for crypto assets in the future is recorded as an allowance for sales promotion expenses.

(Described as **provision of an allowance for sales promotion expenses** on the P/L)

+

### Expense 2

#### Sales Promotion Expenses



If expenses incurred to exchange points for crypto assets exceed the amount of the allowance due to rising prices of crypto assets or other factors, such excess expenses are recorded as **sales promotion expenses**.

\* We consider it appropriate to use the prices of crypto assets at the end of each period when calculating the amount of the allowance because the prices are highly volatile. On the other hand, when calculating expenses incurred to exchange points for crypto assets, the price at the time of such exchange is used. Accordingly, if there is a shortfall in the allowance due to price fluctuations, expenses are recorded under the aforementioned item.

## Expenses related to crypto assets are replaced in our adjusted EBITDA, an indicator of our core business's profitability.

### Accounting Expenses

Accounting expenses related to crypto assets cannot measure the profitability of our core business correctly as they are affected by fluctuations in their market prices.

Provision of Allowance for Sales Promotion Expenses

+

Sales Promotion Expenses

Replace

### Expenses for Points Granted During Relevant Period

Accounting expenses are replaced with expenses for valid points during the relevant period in order to measure the profit/loss for the period in a way that reflects the actual state of the business.

Closing Prices of Crypto Assets  
at the End of the Month

×

Number of Points Granted  
During the Relevant Period

×

Ratio of Points Expired

### Definition of Adjusted EBITDA

Operating Income

+ ) Amortization of Goodwill

+ ) Depreciation

EBITDA

+ ) M&A-Related Expenses

+ ) Provision of Allowance for Sales Promotion Expenses

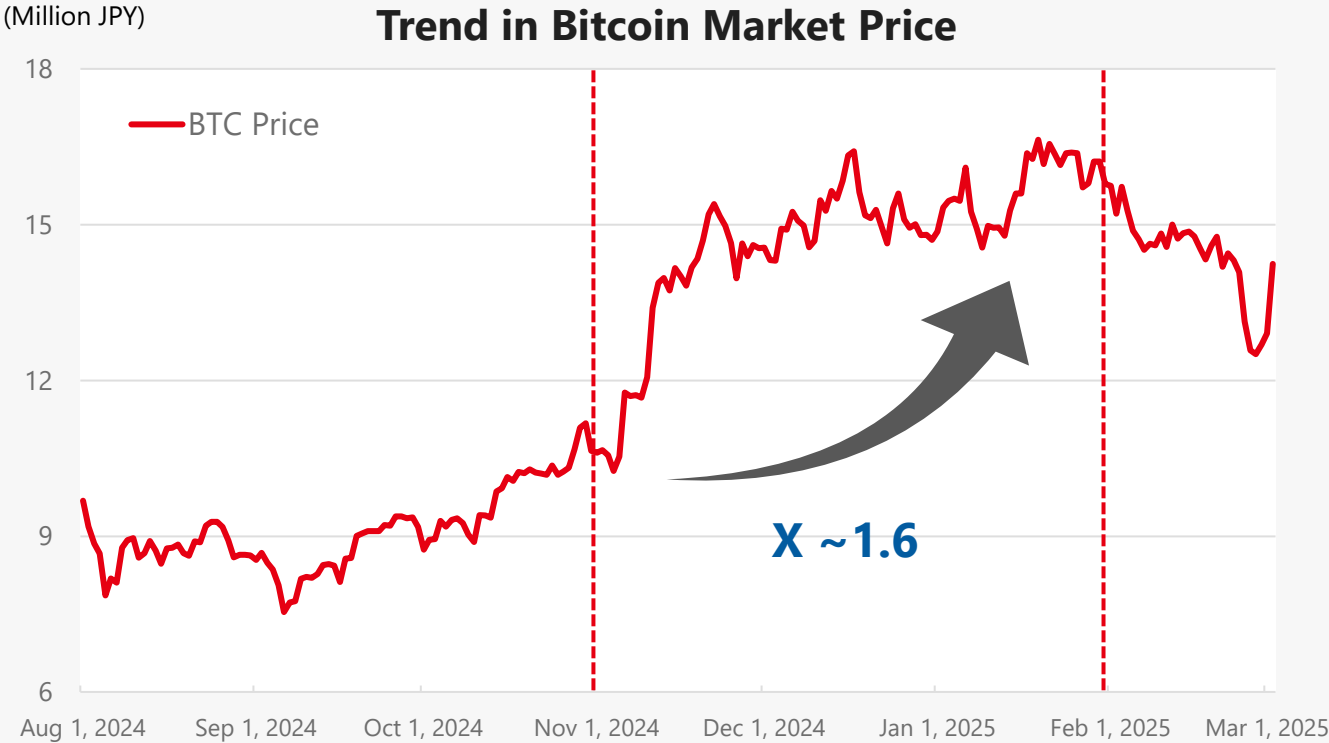
+ ) Sales Promotion Expenses

- ) Expenses for Points Granted during the Relevant Period

**Adjusted EBITDA**

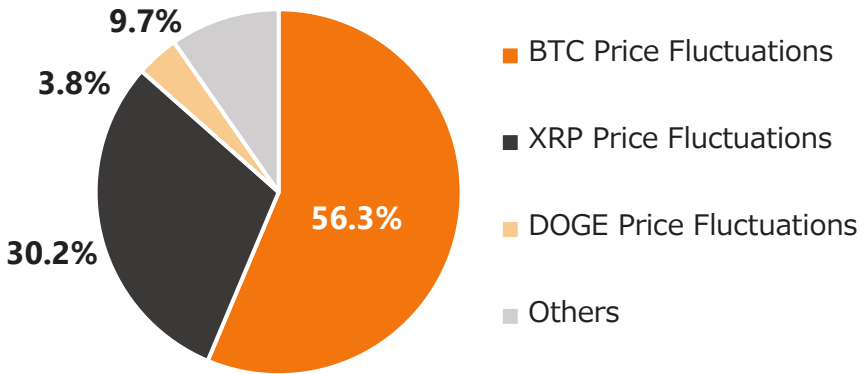
Bitcoin’s price rose substantially from approx. 10 million JPY to approx. 16 million JPY in FY2025 Q2.

The prices of Ripple and Dogecoin, which are owned by Paddle, also rose, demonstrating the huge impacts of price fluctuations.



	Oct 31, 2024	Jan 31, 2025
Bitcoin Price	10 million JPY	16 million JPY
Ripple Price	78 JPY	477 JPY
Dogecoin Price	25 JPY	51 JPY

**Ratio of Factors Affecting Provision of Allowance for Sales Promotion Expenses**



Provision of allowance for sales promotion expenses in FY2025 Q2: **432 million JPY**

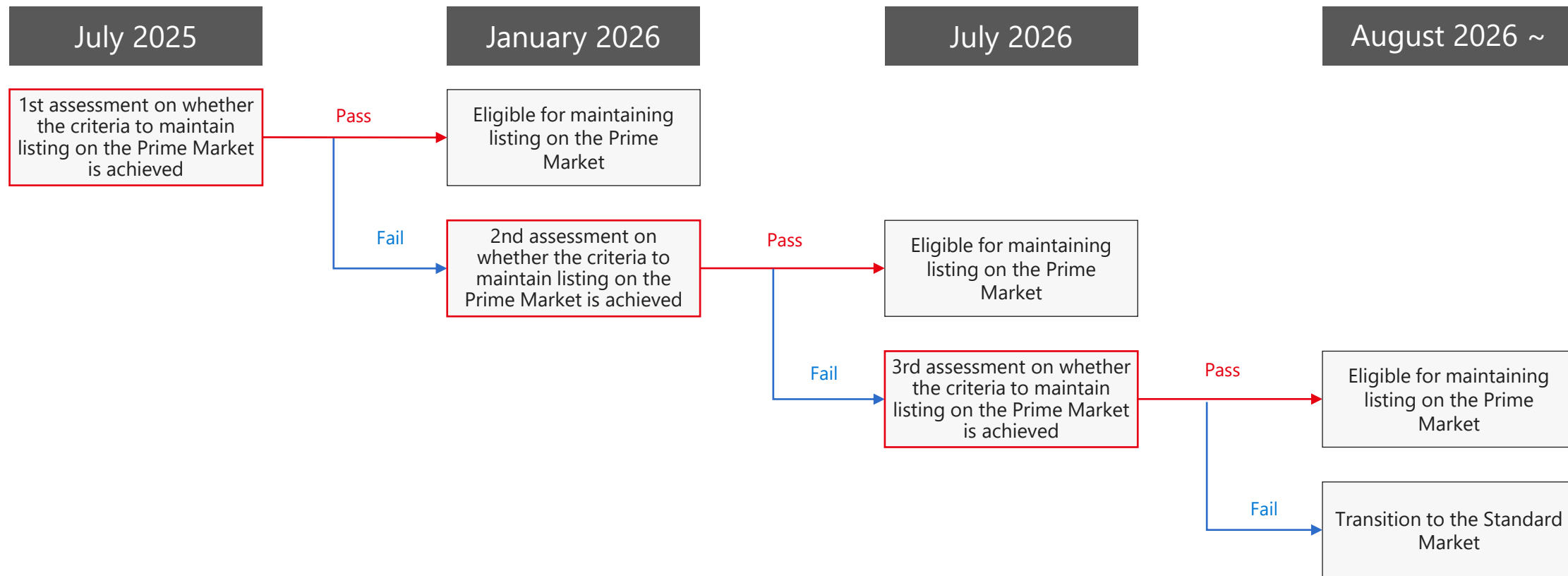
\* While the crypto assets owned by Paddle include XRP and DOGE in addition to BTC, the above graph illustrates the market price trend of BTC as a typical example.  
Source: “List of Closing Prices Published by GMO Coin, Which Is Operated by GMO Coin, Inc.”

# **APPENDIX:**

## **Plan to Achieve Criteria to Maintain Listing on TSE Prime Market**

## We will promote various measures to maintain our listing on the TSE Prime Market within three assessments.

In the unlikely event that we fail to achieve this, we will avoid delisting by transitioning to the Standard Market.





**We will continue our efforts to maintain our listing on the TSE Prime Market by improving our financial results and enhancing shareholder returns based on the execution of growth strategies and enhanced business management.**

**Thorough Implementation of Strategies and Operations Maximizing the Company's Overall Profits**

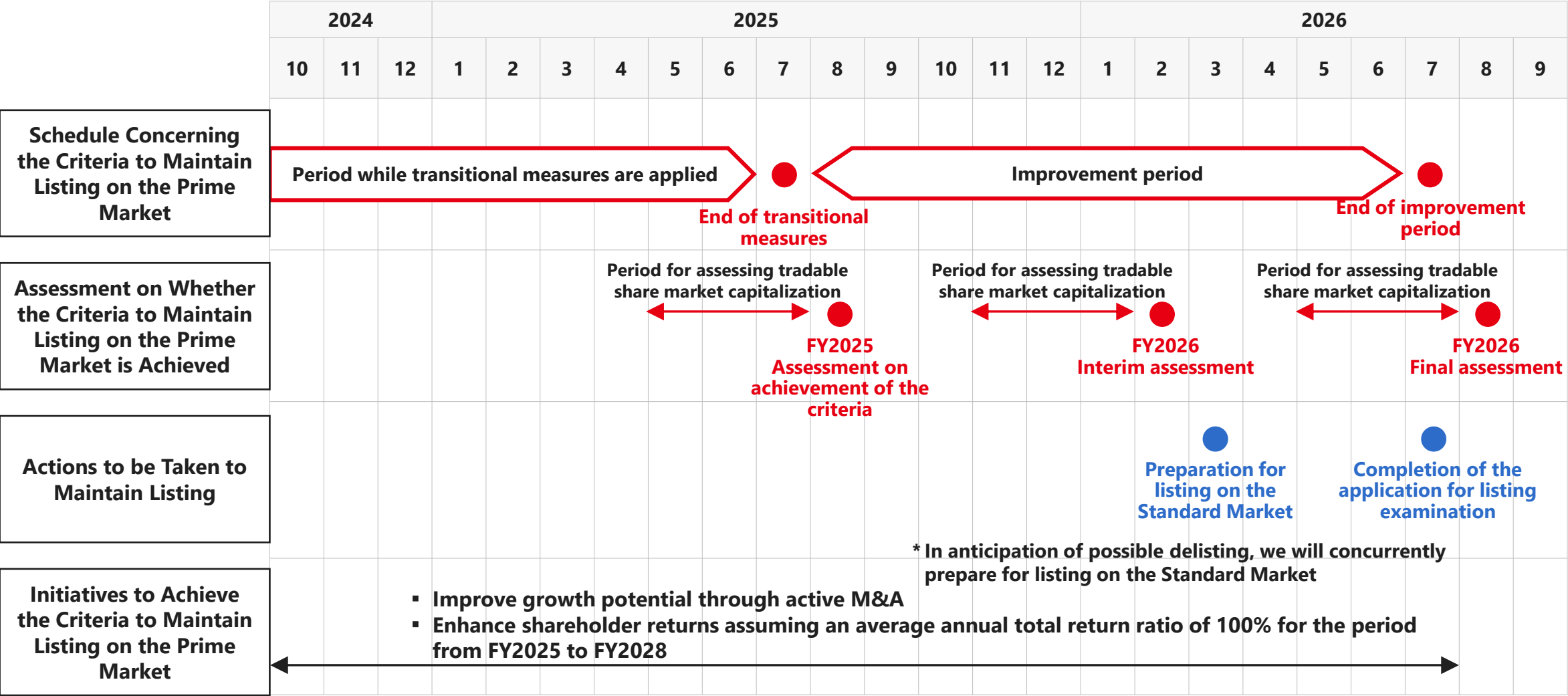
In order to maximize the company's overall profits, we will thoroughly manage the business, budgets and results of the group as a whole. Media Solutions will generate stable profits, and Entertainment will shift to collaborative projects for entrusted development to secure profits.

**Execution of Large-Scale M&A Serving as the Core Driver to Transform Ourselves Into a Business Boost Company**

We will aim to execute large-scale M&A to acquire services in the area of consulting services for corporate clients, advertising agencies, and other digital customer attraction support, which is positioned as the core of our growth strategy.

**Active Shareholder Returns to Improve the Liquidity of Shares**

We will consider shareholder benefit programs and dividends as active shareholder returns. Moreover, we will also examine the possible acquisition of treasury shares and other capital policy as effective measures to raise stock prices. We will aim to improve the liquidity of shares.



# **APPENDIX:**

## **Medium-Term Business Plan**

● Overview of Medium-Term Business Plan (FY2025 – FY2028)

Medium-Term Business Plan

Revenue

34 billion JPY

10 billion JPY in M&A investments

EBITDA

4.0 billion JPY

Operating Income

2.0 billion JPY

Total Return Ratio

Average

100%

or more

Total shareholder returns: 4-5 billion JPY

Initiatives

Improving Growth Potential

We will invest at least 10 billion JPY in M&A by FY2028 to transform ourselves into a “Business Boost Company” by leveraging touchpoints with client companies in the media business and our digital marketing capabilities.

Reducing Risks and Volatilities

We will strictly manage budgets and results and returns on investment to pursue return-oriented management by increasing the revenue ratio in the business support service area for corporate clients and overhauling our conference body for deliberations on management and decision making.

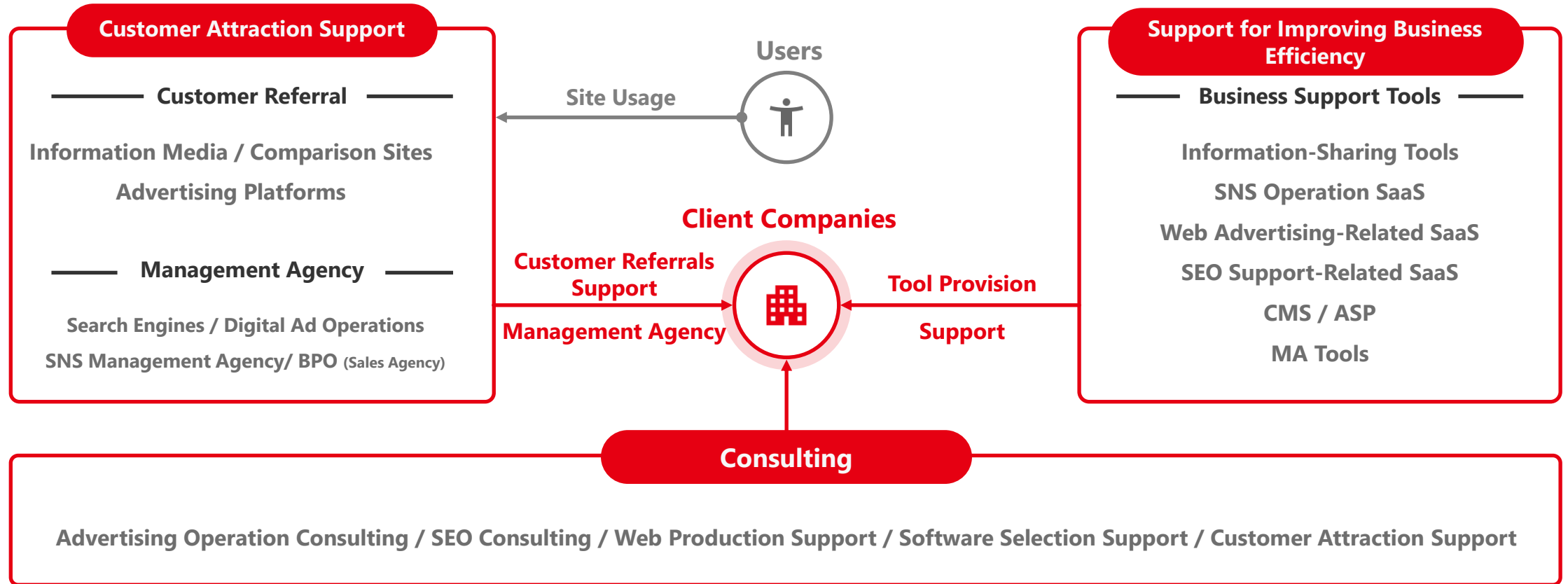
Enhancing Shareholder Returns

We expect to raise the annual total return ratio to an average of 100% or more in the four years from August 2025, and we forecast that the total shareholder returns in the same period will be 4–5 billion JPY.

Strengthening Governance

We will define the skill matrix for directors to enhance the Board of Directors' effectiveness. We will also establish a structure in which the HD makes decisions on strategic investments and leads the management of budgets and results in order to optimize investment and resource allocation.

## Providing Corporate Business Growth Services That Leverage Our Digital Marketing Aiming to Become a “Business Boost Company”

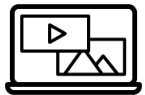


### Challenges Faced by Companies Around World

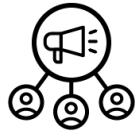
Many companies are having trouble attracting digital customers due to the diversification and sophistication of customer attraction methods.

Business Challenge Faced by Many Companies:  
**Attracting Digital Customers**

Media Mix



Diversified Methods of Attracting Customers



Specialist Know-How



Advanced Technological Skills

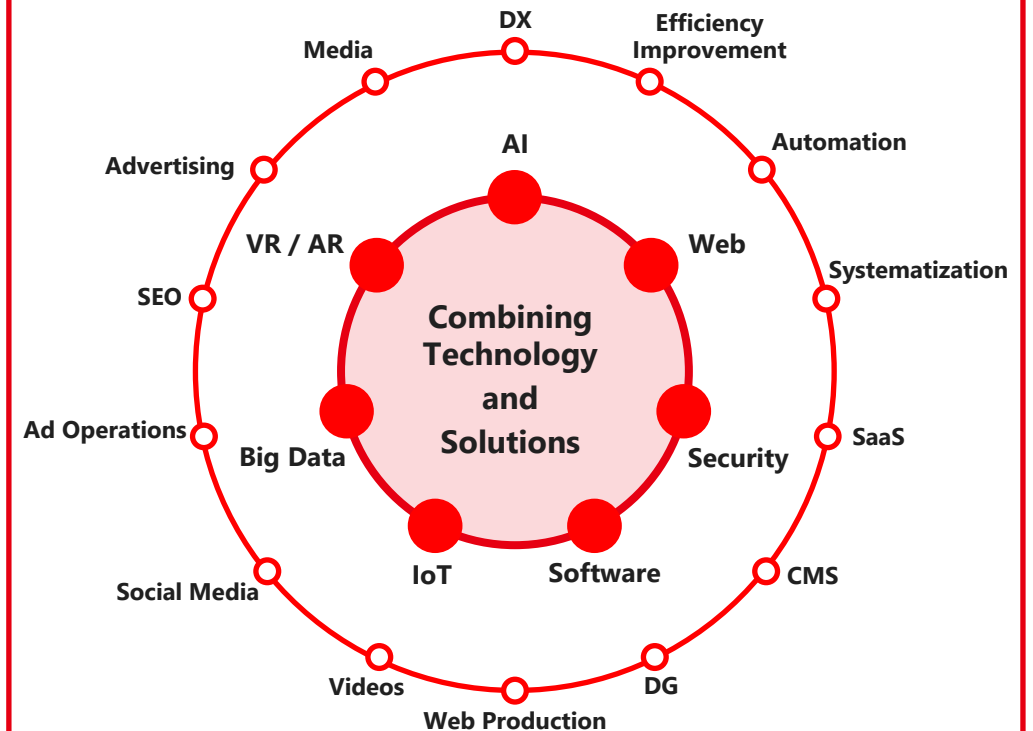


Fiercer Competition in Attracting Customers on the Web



### Our Value

We provide customer attraction support services for corporate clients that make the most of our digital marketing know-how.



# **APPENDIX:**

## **Company Overview**

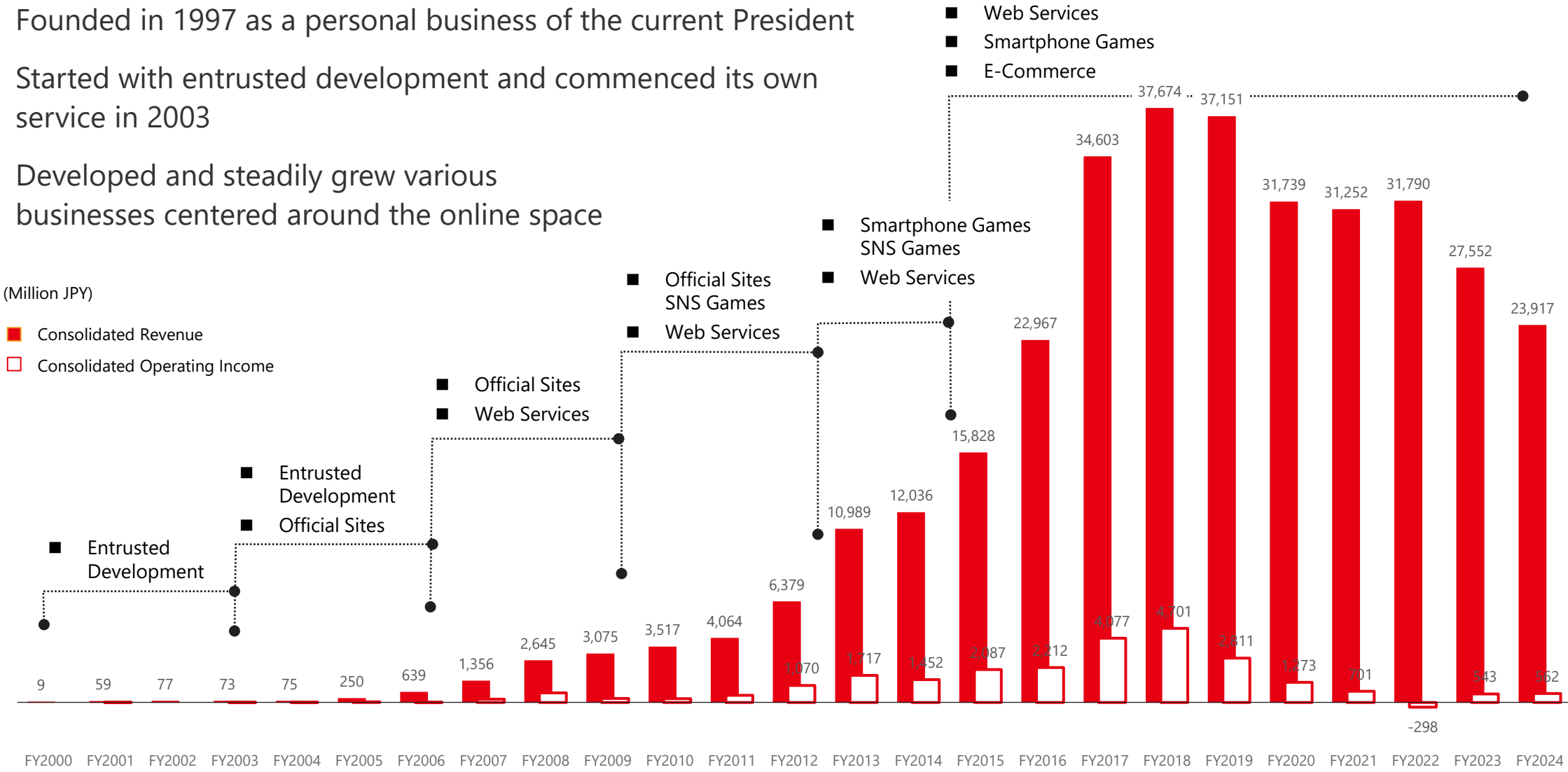
Company name	<b>Ateam Inc.</b>
Security code	3662:JP, TSE PRM
Incorporated on	February 29, 2000
Headquarters	Nagoya, Japan
President	Takao Hayashi
Industry	Information & Communication
Sector	Internet, Mobile Game
Fiscal Year-end	July
Group companies (Fully owned subsidiaries)	11 (includes 1 overseas subsidiary)
Number of employees	817 (excludes directors & part-time employees)
Shares per unit	100 shares





● Company History

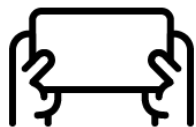
- Founded in 1997 as a personal business of the current President
- Started with entrusted development and commenced its own service in 2003
- Developed and steadily grew various businesses centered around the online space



**We are an IT Company that develops a wide range of businesses centered around the online space and we offer various solutions by leveraging our strengths in **technology and digital marketing**.**

### Entertainment

#### Game Development

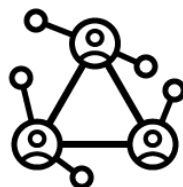


We offer game apps to people around the world. We develop our original IP as well as games for collaborative projects.

### Media Solutions

#### Media

#### Customer Referrals and Attraction



We plan, develop, and manage comparison and informational websites and various other web services.

#### Solutions

#### Corporate Client Support



We offer solutions to attract digital customers and support for improving business efficiency to corporate clients.

### D2C

#### Web Selling



We handle multiple types of products in our D2C business. We acquire repeat customers via our subscription-based business model.

## Entertainment



Valkyrie Connect



Unison League



Dark Summoner



Three Kingdoms Smash!



Derby Impact



War of Legions

## Media Solutions

Moving Quote  
Comparison  
Website



Car Appraisal  
Website



Wedding Venue  
Information  
Website



Information  
Sharing Website  
for Engineers

Qiita

Website Creation  
and Management  
Tool



## D2C

lujo

Cosmetic and Skincare Brand

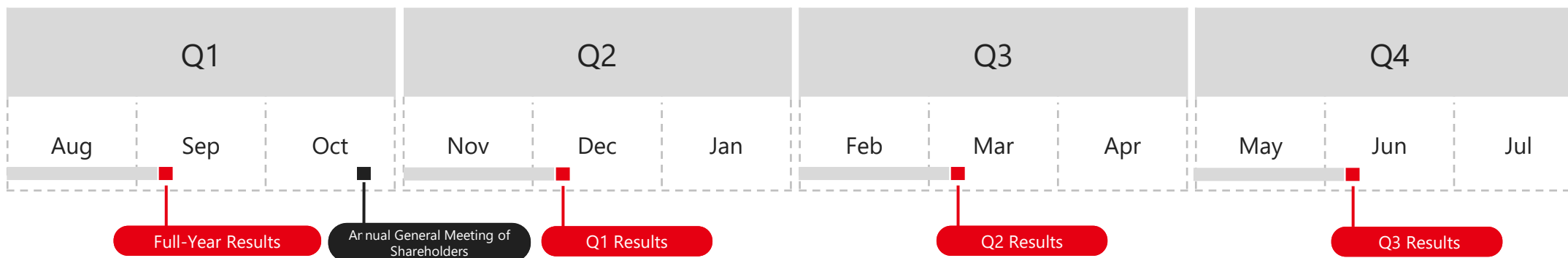


OBREMO

Dog Food Brand



## Yearly Schedule



## Corporate Information

### Corporate Development Division Investor Relations

E-mail: [ir@atm.co.jp](mailto:ir@atm.co.jp)

Inquiries: [Shareholder/Investor Inquiries](#)

- Corporate Website Shareholder/Investor Information: <https://www.a-tm.co.jp/en/ir/>
- Shared Research Report: <https://sharedresearch.jp/en/3662>
- Ateam IR Facebook Page: <https://www.facebook.com/ateamir/>



# **Combining Creativity and Tech to Deliver More Convenience and More Fun to All**

These materials contain statements made based on current and future conditions and internal forecasts. Unforeseen events may cause results to differ from content printed in these materials. Such risks include general trade and market status, interest rate and exchange rate fluctuations, and the general economic status of Japan and overseas markets. Ateam Inc. is not responsible for updating / modifying the forecasts contained in these materials, even in the event that such unforeseen events occur in the future.