The following English translation is for reference purposes only, as it was originally prepared and published by the Company in Japanese and is qualified in its entirety by the original Japanese version submitted to the Tokyo Stock Exchange. Please refer to the Japanese version in the event of any discrepancy between the English and Japanese versions.

ATEAM HOLDINGS

FASF MEMBERSHIP

Consolidated Financial Results for The Fiscal Year Ended July 31, 2026 (Japan GAAP)

September 4, 2026

Company name: Ateam Holdings Co., Ltd.
Stock exchange listing: Tokyo Stock Exchange
Securities code: 3662
URL: https://www.a-tm.co.jp/en/
Representative: Takao Hayashi, President
Contact: Mayuko Morishita, Corporate Officer, General Manager of Corporate Development Division
Phone: +81-52-747-5573
Scheduled date of Annual General Shareholders' Meeting: October 28, 2026
Scheduled date for dividend payments: October 8, 2026
Scheduled date of filing securities report: October 27, 2026
Supplementary briefing material for the financial results: Yes
Schedule of financial results briefing: Yes (September 4, 2026, for institutional investors and analysts)

(Amounts of less than one million JPY are rounded off.)

1. Consolidated Financial Results for the Fiscal Year Ended July 31, 2026 (August 1, 2025 – July 31, 2026)

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes)

	Revenue		Adjusted EBITDA*		Operating Income		Ordinary Income		Net Income Attributable to Shareholders of Parent Company	
	Million JPY	%	Million JPY	%	Million JPY	%	Million JPY	%	Million JPY	%
Fiscal Year Ended July 31, 2026	22,997	-3.8	1,100	-36.0	1,095	29.6	584	-63.2	359	-65.3
Fiscal Year Ended July 31, 2025	23,917	-0.0	1,719	132.2	845	50.3	1,585	160.3	1,036	8.7

Note: Comprehensive income (Million JPY) Fiscal Year Ended July 31, 2026: 347 [-47.3%]
Fiscal Year Ended July 31, 2025: 660 [-20.3%]

	EBITDA *		Net Earnings per Share (Basic)	Net Earnings per Share (Diluted)	Return on Equity	Return on Asset	Operating Income to Revenue Ratio
	Million JPY	%	JPY	JPY	%	%	%
Fiscal Year Ended July 31, 2026	1,506	18.3	19.36	17.45	4.1	3.9	4.8
Fiscal Year Ended July 31, 2025	1,273	79.0	55.75	50.05	10.8	10.0	3.5

*Adjusted EBITDA = EBITDA + M&A related expenses (*1) + Provision of allowance for sales promotion expenses (*2) + Sales promotion expenses (*2) - Crypto asset equivalent of points granted (*2)

*1 M&A expenses include the following:

1. M&A execution fees: Brokerage fees (including Financial Advisory fees), various due diligence fees, etc.
2. Financing costs related to M&A (loan-related fees, public offering costs, etc.)

*2 Expenses arising from the business of Paddle Inc.

*EBITDA = Operating income + Depreciation + Amortization of goodwill + Amortization of customer-related assets + Amortization of marketing-related assets

Note: Equity in earnings of affiliates (Million JPY) Fiscal year ended July 31, 2026: –
Fiscal year ended July 31, 2025: –

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Million JPY	Million JPY	%	JPY
As of July 31, 2026	14,841	8,922	58.5	466.85
As of July 31, 2025	15,209	9,169	59.3	485.88

Note: Shareholders' equity (Million JPY) As of July 31, 2026: 8,676
Fiscal Year ended July 31, 2025: 9,021

(3) Consolidated Cash Flows

	Operating Activities	Investing Activities	Financing Activities	Cash and Cash Equivalents at End of Year
	Million JPY	Million JPY	Million JPY	Million JPY
Fiscal Year Ended July 31, 2026	-467	-1,113	254	5,038
Fiscal Year Ended July 31, 2025	1,624	382	-3,710	6,301

2. Dividends

	Annual Dividend per Share					Total Dividends Paid (Annual)	Dividend Payout Ratio (Consolidated)	Dividends on Equity Attributable to Shareholders of Parent Company (Consolidated)
	Q1	Q2	Q3	Q4	Total			
	JPY	JPY	JPY	JPY	JPY	Million JPY	%	%
Fiscal Year Ended July 31, 2025	–	0.00	–	22.00	22.00	410	39.5	4.2
Fiscal Year Ended July 31, 2026	–	14.00	–	14.00	28.00	522	144.6	5.9
Fiscal Year Ending July 31, 2027 (Forecast)	–	14.00	–	14.00	28.00		173.5	

3. Forecasts for the Fiscal Year Ending July 31, 2027 (August 1, 2026 - July 31, 2027)

(Percentages indicate year-on-year changes)

	Revenue		Adjusted EBITDA		Operating Income		Ordinary Income		Net Income Attributable to Shareholders of Parent Company	
	Million JPY	%	Million JPY	%	Million JPY	%	Million JPY	%	Million JPY	%
Full Year	24,000	4.4	1,200	9.1	600	-45.2	600	2.7	300	-16.6

	EBITDA		Net Income per Share
	Million JPY	%	JPY
Full Year	1,100	-27.0	16.14

***Notes**

(1) Significant changes in scope of consolidation during the current consolidated fiscal year : Yes

* Changes in scope of consolidation of specified subsidiaries:
Newly consolidated: SiGNITY, Inc.
Newly excluded companies: Ateam Finergy Inc.
Note: For more details, please refer to "5. Consolidated Financial Statements and Significant Notes Thereto (5) Notes to Consolidated Financial Statements (Notes on Changes in the Scope of Consolidation or the Scope of Application of the Equity Method)" on page 23 of the attached materials.

(2) Changes in accounting policies, accounting projections, or restatements

(i) Changes in accounting policies due to revisions in accounting standards, etc. : No
(ii) Changes in accounting policies other than above (i) : No
(iii) Changes in accounting projections : No
(iv) Restatement : No

(3) Number of shares issued (common stock)

(i) Number of shares issued at the end of the period (including treasury stock)	As of July 31, 2026	18,811,135	As of July 31, 2025	18,811,135
(ii) Number of shares of treasury stock at the end of the period	As of July 31, 2026	225,019	As of July 31, 2025	244,017
(iii) Average number of shares during the period	As of July 31, 2026	18,584,503	As of July 31, 2025	18,588,918

Note: The number of shares of common stock at the end of the period used for the calculation of the net assets per share and the average number of shares during the period that forms the basis for the calculation of net income per share-basic are calculated with the shares owned by The Master Trust Bank of Japan, Ltd. (Stock Grant ESOP (Employee Stock Ownership Plan) Trust account and Board Incentive Plan (BIP) Trust account) under the "Stock Grant ESOP Trust" and "Board Incentive Plan (BIP) Trust" included in the treasury stock deducted.

*Financial results reports are not required to be subjected to quarterly reviews

*Explanation of the proper use of financial results forecast and other notes

The forward-looking statements including earnings forecasts herein are based on information available to Ateam Holdings Co., Ltd. and certain assumptions deemed reasonable as of the date of publication of this document. They are not intended as the Company's commitment to achieve such forecasts, and actual results may differ significantly from these forecasts due to a wide range of factors. For conditions prerequisite to the financial results forecast, please refer to "1. Overview of Operating Results, (1) Overview of Operating Results in Fiscal Year Ended July 31, 2026, Outlook for Consolidated Performance in the Next Fiscal Year" on page 3 of the attachments to this financial results report.

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As used herein, “Ateam HD”, “we”, “our” and similar terms include Ateam Holdings Co., Ltd. and its subsidiaries, unless indicated otherwise.

1. Overview of Operating Results

The business combination with microCMS Inc. on June 3, 2024 has had provisional accounting treatment applied since the end of the fiscal year ended July 31, 2024. Conversely, the business combination with Paddle Inc. conducted on November 1, 2024 was provisionally accounted during the previous fiscal year and finalized at the end of last fiscal year. In analyzing comparisons with the previous consolidated cumulative third quarter, figures from after the finalization of provisional accounting procedures are used.

(1) Overview of Operating Results in Fiscal Year Ended July 31, 2026

Ateam Holdings Co., Ltd. and its consolidated subsidiaries adhere to the corporate purpose: “Combining Creativity and Tech to Deliver More Convenience and More Fun to All”. Under our “Ateam Purpose”, all directors and employees work together to provide services in various technical and business fields. The Digital Marketing Business consists of sub-segments “Media Solutions” and “D2C”. Media Solutions plans, develops, and operates various web services centered around the needs of daily life, including comparison sites, information media, and tools. They also provide support to corporations through digital customer attraction solutions. D2C plans, develops and operates multiple e-commerce websites that handle a variety of products. The Entertainment Business plans, develops, and operates games and tool applications that provide entertainment to people around the world with the core theme of connecting people.

Starting from the previous fiscal year, we have added EBITDA in our results to account for factors including the increase in amortization of goodwill stemming from future M&A activities. In addition, beginning in November 2024, expenses related to crypto assets were incurred as part of the consolidation of Paddle Inc. In order to represent the profitability of the core business, which is not readily apparent under current accounting standards, we have added Adjusted EBITDA as a measure that deducts one-time expenses related to M&A and factors in the impact of changes in the market value of crypto assets.

During the fiscal year ended July 31, 2026, revenue decreased year-on-year. Revenue benefited from the companies added to the Digital Marketing Business. However, this was offset by the exclusion of Ateam Finergy Inc. from the scope of consolidation due to its share transfer, decline in revenue from certain media businesses within the Digital Marketing Business, and ongoing revenue decline in the Entertainment Business’s game apps.

Adjusted EBITDA declined year-on-year primarily due to lower profit from decreased revenue in certain businesses and increased shareholder benefit costs tied to the increased number of eligible shareholders and higher expenses stemming from advancing our Medium-Term Business Plan.

Conversely, operating income increased year-on-year driven by a reversal of a provision for sales promotion expenses following the decline in crypto asset prices.

Ordinary income and net income attributable to shareholders of the parent company decreased year-on-year, despite the recording of extraordinary income due to the transfer of shares of Ateam Finergy Inc. in August 2025. This is due to lower profits and the a valuation loss on crypto assets as a result of falling market prices.

During the fiscal year ended July 31, 2026, Ateam HD posted revenue of 22,997 million JPY (down 3.8% year-on-year), Adjusted EBITDA of 1,100 million JPY (down 36.0% year-on-year), operating income of 1,095 million JPY (up 29.6% year-on-year), ordinary income of 584 million JPY (down 63.2% year-on-year), and net income attributable to shareholders of parent company of 359 million JPY (down 65.3% year-on-year).

The operating performance by segment for the fiscal year ended July 31, 2026 is detailed below.

<u>Media Solutions</u>

In Media Solutions (categorized within the Digital Marketing Business), we operate comparison sites and information media centered around the needs of daily life and provide business support services to corporations in the form of digital customer attraction.

Sites operated by Media Solutions guide user decision-making by presenting information and suggesting partner companies based on their specific needs and concerns. We, in turn, generate revenue through these referrals. By integrating the management of advertising, content, and media in-house, we've realized digital marketing capabilities unparalleled by competitors. We also continue to enhance our unique value and create a competitive edge in the market by utilizing accumulated user data. Our services are free of charge for individual users, with the main revenue source stemming from customer referrals and contract fees from our partner clients.

For corporate clients, we leverage our digital marketing capabilities cultivated through media operations to provide solutions for driving revenue. Services include consulting on customer acquisition and service management, as well as providing business support tools.

During the fiscal year ended July 31, 2026, revenue decreased year-on-year. This was mainly due to the exclusion of revenue from Ateam Finergy Inc. following its share transfer and the reduced advertising expenses in the financial media and human resources media businesses in accordance with our profitability-centered management policy. However, this decrease was partially offset by revenue from companies acquired.

Segment profit, despite increased advertising expenses due to the intensifying competition for user acquisition, increased year-on-year due to a reversal of provision for sales promotion expenses resulting from the decline in crypto asset price.

During the fiscal year ended July 31, 2026, Media Solutions posted revenue of 16,192 million JPY (down 7.3% year-on-year), and segment profit of 1,745 million JPY (up 31.5% year-on-year).

D2C

D2C (categorized within the Digital Marketing Business) operates multiple e-commerce websites, including the cosmetics brand "lujo". Product planning, development, and promotion is handled in-house, while manufacturing is outsourced under an OEM model. Our primary business structure is a subscription model. Going forward, we will continue to deliver services that surpass our customers' expectations while improving our product lineup, sale and purchasing methods, and delivery quality.

Revenue for the fiscal year ended July 31, 2026 increased year-on-year due to a steady increase in the number of subscribers to the cosmetics brand "lujo". Segment profit for the same period increased due to a rise in profit stemming from revenue increases, as well as efforts to improve operational efficiency in accordance with our profitability-centered business management policy.

During the fiscal year ended July 31, 2026, D2C posted revenue of 2,946 million JPY (up 31.0% year-on-year) and segment profit of 186 million JPY (compared to 7 million JPY in the previous year).

Entertainment

The Entertainment Business strives to deliver fun to consumers worldwide by offering in-house developed game applications via platforms specializing in the distribution of such applications, including the App Store and Google Play. Since most of our games are free to download, our primary revenue is generated through item purchases that provide an advantage to players.

Recent changes in the global game market environment, user needs, and technology have led the Entertainment Business to adopt a mid-to-long-term growth strategy. We are expanding our focus beyond mobile games and into global digital game distribution across mobile, PC, and consoles, while collaborating with popular global IPs. Moreover, by leveraging the skills and know-how cultivated through previous game development, we are establishing a stable earnings base through collaborative projects with other companies.

During the fiscal year ended July 31, 2026, revenue decreased year-on-year due to the overall continued downward trend across our game applications. Segment profit also fell during the same period due to the aforementioned decrease in revenue. However, we have remained profitable by efficiently managing existing titles and implementing cost-reducing measures.

As a result, during the fiscal year ended July 31, 2026, the Entertainment Business posted revenue of 3,858 million JPY (down 8.1% year-on-year) and segment profit of 309 million JPY (down 40.3% year-on-year).

Outlook for Consolidated Performance in the Next Fiscal Year

We leverage our core values of "Creativity x Tech" to promote the construction and optimization of our business portfolio through diversified business development. In the fiscal year ending July 31, 2027, we will continue to implement various initiatives aimed at increasing corporate value by promoting diverse strategies, such as creating new businesses, collaborating with other companies, and executing M&A, to strengthen our business portfolio. As for the growth strategy centered on M&A, we aim to achieve discontinuous growth by actively promoting M&A. We will implement disciplined investment by strengthening the M&A execution system and improve the quality and speed of the entire M&A execution process.

In Media Solutions, a sub-segment of the Digital Marketing Business, we will strengthen its revenue base by improving existing services to secure stable revenue. As for D2C, we will work to continuously generate revenue by expanding our product lineup and increasing the number of repeat customers.

In the Entertainment Business, there will continue to be a shift to a product portfolio centered on collaborative projects and an aim to manage the business with an emphasis on securing stable profits while reducing the burden of development costs.

The forward-looking statements mentioned above, and the earnings forecasts provided below have been prepared based on information readily available to us as of the date of this material's release. Actual results may differ due to various factors in the future.

Performance outlook for the fiscal year ending July 31, 2027 (August 1, 2026 - July 31, 2027)

Revenue	24,000 million JPY (up 4.4% year-on-year)
Adjusted EBITDA	1,200 million JPY (up 9.1% year-on-year)
EBITDA	1,100 million JPY (down 27.0% year-on-year
Operating income	600 million JPY (down 45.2% year-on-year)
Ordinary income	600 million JPY (up 2.7% year-on-year)
Net income attributable to shareholders of parent company	300 million JPY (down 16.6% year-on-year)

(2) Explanation of Financial Position

(i) Position of Assets, Liabilities and Net Asset

Assets

As of the end of the fiscal year under review, we posted total assets of 14,841 million JPY, a decrease of 367 million JPY compared with the previous fiscal year. This was mainly due to a decrease of 1,262 million JPY in cash and deposits, despite an increase of 533 million JPY in goodwill and an increase of 261 million JPY in customer related assets.

Liabilities

As of the end of the fiscal year under review, we posted liabilities of 5,919 million JPY, a decrease of 120 million JPY compared with the previous fiscal year. This was mainly due to a decrease of 457 million JPY in income taxes payable and a decrease of 426 million JPY in provision for sales promotion expenses, despite an increase of 830 million JPY in long-term borrowings.

Net Assets

As of the end of the fiscal year under review, we posted net assets of 8,922 million JPY, a decrease of 247 million JPY compared with the previous fiscal year. This was mainly due to a decrease of 330 million JPY in retained earnings, despite an increase of 61 million JPY in share acquisition rights.

(ii) Cash Flows

As of the end of the fiscal year under review, cash and cash equivalents ("cash") decreased by 1,262 million JPY from the end of the previous fiscal year to 5,038 million JPY. The respective statuses of cash flows during the fiscal year under review and their contributing factors are as follows:

Cash Flows from Operating Activities

Cash used in operating activities during the fiscal year under review was 467 million JPY (compared to 1,624 million JPY provided in the previous fiscal year). This was mainly due to the impact of income taxes paid of 977 million JPY, despite a profit before income taxes of 804 million JPY.

Cash Flows from Investing Activities

Cash used by investing activities during the fiscal year under review was 1,113 million JPY (compared to 382 million JPY provided in the previous fiscal year). This was mainly due to an expenditure of 1,013 million JPY for the acquisition of shares in affiliated companies.

Cash Flows from Financing Activities

Cash provided in financing activities during the fiscal year under review was 254 million JPY (compared to 3,710 million JPY used in the previous fiscal year). This was mainly due to the impact of proceeds from long-term borrowings of 1,000 million JPY, despite cash dividends paid of 666 million JPY.

(Reference) Trends in cash flow indicators

	Fiscal Year Ended July 31, 2022	Fiscal Year Ended July 31, 2023	Fiscal Year Ended July 31, 2024	Fiscal Year Ended July 31, 2025	Fiscal Year Ended July 31, 2026
Equity Ratio (%)	66.9	70.0	62.5	59.3	58.5
Market Value Equity Ratio (%)	93.0	92.1	75.9	148.4	114.0
Cash Flow to Interest-Bearing Liabilities Ratio (years)	—	0.0	0.0	0.0	—
Interest Coverage Ratio (times)	—	310.3	265.8	1,350.7	—

Equity ratio: equity / total assets
Market value equity ratio: market capitalization / total assets
Cash flow to interest-bearing debt ratio: interest-bearing debt / cash flow
Interest coverage ratio: cash flow / interest expenses paid
(Note 1) Market capitalization is calculated based on the number of shares issued excluding treasury stock.
(Note 2) Cash flow from operating activities is used for cash flow.
(Note 3) Interest-bearing debt includes all debt reported on the consolidated balance sheets on which interest is paid.
(Note 4) As for the fiscal year ended July 31, 2022 and the fiscal year ended July 31, 2026, cash flow to interest-bearing liabilities ratio and interest coverage ratio are not stated due to negative cash flows from operating activities.

(3) Basic Policy Regarding Profit Distribution, and Dividend Payments for Current and Next Fiscal Year

We believe that it is important to solidify our financial base and upgrade our business portfolio through upfront investments in new business creation for sustained growth. At the same time, we view returning profits to shareholders to be a key priority, leading us to set a dividend policy of providing continuous and stable shareholder returns.

After comprehensively considering factors such as business performance and the financial situation in the fiscal year under review based on our policies, we have set the year-end dividend of 14.0 JPY (Ordinary Dividend: 14.0 JPY) per share.

For the next fiscal year, we plan to pay a dividend of 28.0 JPY per share (an interim dividend of 14.0 JPY and a year-end dividend of 14.0 JPY). This aligns with our goals under the Medium-Term Business Plan (FY2025-FY2028) of a total return ratio average of 100%. Going forward, we will pay stable dividends in line with our business performance and flexibly return profits to shareholders.

(4) Risk Factors

Listed below are the main factors that could pose a risk to our business operations. Additionally, non-risk matters critical for making investment decisions are also disclosed to ensure proactive transparency. Our group remains fully aware of the potential occurrence of these risks and is committed to preventing them from arising, as well as to responding swiftly in cases should any risk occur.

Among the matters listed below, those that relate to the future, unless otherwise stated, were determined by our group as of the end of the fiscal year under review. However, since such statements are subject to inherent uncertainties, actual results may differ. Additionally, this is not an exhaustive list of all potential risks.

Risk Management Policy

The IT industry in which our group operates is characterized by extremely rapid changes and shifts. Given the scope of our group's diversified business operations, the types of risks we face are equally diverse. For us to navigate the fast-changing market and technological environment, we are required to act flexibly. We are committed to swiftly addressing unexpected threats while seizing new growth opportunities. Based on this understanding, our risk management is positioned as a driver to meet the expectations of all stakeholders and contribute to the sustainable improvement and development of our corporate value.

Going forward, we will expand our business scope and increase corporate value by combining organic growth from our existing businesses and inorganic growth through M&A, all while fully leveraging our core value of "Creativity x Tech". Our group aims to achieve sustainable growth while safeguarding corporate value by properly identifying all internal and external risks, preventing them before they occur, and minimizing losses should they arise. By building a flexible and resilient corporate foundation through risk management, we will press ahead in realizing our management philosophy and purpose, as well as achieving our management strategy.

Risk Management System

We have established a Risk Management Committee to serve as the central coordinating body for risk management within our group. The committee is chaired by the President and consists of members including members of the Audit and Supervisory Committee (Outside Directors), the Head of the Internal Audit Department, and the Head of the Administration Department. We assess and verify risks that affect our group and implement risk controls—such as formulating preventive measures—for identified operational risks. Furthermore, to minimize losses resulting from the materialization of risks, we regularly analyze risks that have already arose, report them to key decision-making bodies such as the Board of Directors, and strive to prevent their recurrence.

1) Risks Related to the Business Environment

(i) Changes in the IT Market and Technological Innovation

The mobile game, internet and e-commerce markets in which we operate, have continued to grow significantly due to the spread of smartphones and an increasing number of internet users.
However, contracting markets, economic downturns, or market volatility could adversely affect our performance

and financial position.

In addition, in the IT industry, where technological innovation is rapid, failure to respond to the latest technologies such as generative AI in a timely and appropriate manner may impact our services' abilities to be competitive or render our business models obsolete. Furthermore, because our services rely on major platforms, changes in terms of service, fee revisions, and other policy changes could affect our business and performance. Our group will continue to monitor the latest technological trends, expand our services, and respond appropriately to platform regulations. However, should rapid market changes or drastic shifts in the business environment occur that exceed our expectations, our business and financial performance may be affected.

(ii) Competition

To improve competitiveness, we offer unique content and create websites in pursuit of optimal usability, and work to diversify services, improve the quality and enhance customer support, among other efforts. However, intensifying competition with corporations providing similar services and new up-and-coming business operators may affect our business and performance.

(iii) Disasters, Spread of Infectious Diseases, and Accidents

In the event of an earthquake, a typhoon, a tsunami or other natural disasters, as well as fires, power outages, international conflicts, or the spread of infectious diseases such as COVID-19, our business operations may be severely affected. For example, a large-scale natural disaster could lead to an unavoidable temporary suspension of service in affected areas. Furthermore, damage to facilities, power supply restrictions, or severe material or human losses caused by natural disasters or international conflicts, could render business operations difficult or impossible to maintain. Should such circumstances arise, our performance may be affected.

2) Business Strategy Risks

(i) Management Policy and Business Portfolio Management

In the rapidly changing IT industry, our group leverages our source of competitive value of "Creativity x Tech" to actively build, optimize, and diversify our business portfolio. To achieve sustainable growth for each business and enhance corporate growth, we recognize the importance of formulating our management policies and medium-term business plan in line with market trends, technological innovations, societal changes. Additionally, optimal management resource allocation and group-wide management and organizational strategies are essential.

However, if management policies and strategies fail to function in a timely and appropriate manner in response to rapid technological advancements, changes in the competitive environment, or diversification of market needs—or if our allocation of management resources and the strengthening of organizational functions do not keep pace with the speed of environmental changes—business portfolio management may become ineffective. This may lead to a decline in competitiveness and deteriorating profitability, which may hinder our sustainable growth and have an adverse effect on our business performance and financial position.

(ii) M&A Strategy

As part of our growth strategy aimed at continuously enhancing corporate value and expanding our business scope, our group views inorganic growth through M&A as a key pillar alongside organic growth in our existing businesses. When executing M&A, we select business areas where synergies with existing businesses can be expected and target companies where our assets can be utilized. Before moving forward, we conduct comprehensive due diligence across business, financial, legal, and IT domains. After thoroughly evaluating a company and assessing its potential risks, decisions are deliberated by the Investment Committee and finalized by the Board of Directors.

However, if contingent liabilities arise or unrecognized liabilities are discovered after our pre-acquisition due diligence, if business performance declines due to changes in market conditions following the acquisition, or if the post-merger integration does not proceed as planned, anticipated synergies or business growth may fail to materialize. As a result, delays in the business plan established at the time of acquisition could occur, which may adversely affect our operating results and financial condition.

3) Financial Risks

(i) Impairment of Goodwill and Other Assets from M&A

Our group actively pursues M&A to drive growth, resulting in a recording of intangible fixed assets such as goodwill, customer-related assets, and marketing-related assets. When conducting M&A transactions, we analyze the target company's projected profitability and potential group synergies. Post-acquisition, we regularly monitor the progress of business plans and profitability to ensure proper valuation and management. However, should drastic changes in the market conditions or intensified competition occur post-acquisition, or if progress falls short of expectations, the profitability of the assets recorded may decline, potentially requiring impairment losses.

As of the end of the current consolidated fiscal year, our group recorded 1,834 million JPY in goodwill arising from M&A transactions and 510 million JPY in customer-related assets. By combining the strengths of the acquired companies with our digital marketing capabilities, we have driven growth in these assets since their initial acquisition. However, should significant deviations from the business plan established at the time of acquisition occur due to factors such as sudden market changes, we may record a goodwill impairment loss, which could affect our operating results and financial position.

(ii) Fluctuations in the Market Value of Financial Assets Held

Our group makes direct investments in venture companies and contributes capital to limited liability investment partnerships (funds) with the aim of creating business synergies, developing new business opportunities, and fostering companies with high growth potential. We rigorously pre-screen target companies and their business operation, financial condition, and future growth projections before investing. We then regularly monitor companies after investing to appropriately identify and manage risks. While we are proactive in this regard, there is a risk that market volatility or other factors can lead to a decline in the market value of financial assets held by us. In addition, unlisted target companies may face performance downturn or operational uncertainties. If these factors render invested capital unrecoverable, resulting in valuation or impairment losses, it could have an adverse effect on our operating results and financial position.

(iii) Risk of Shareholder Value Dilution Due to Equity Financing

To support growth strategies aimed at sustainably improving corporate value and expanding our business footprint—whether through M&A, new business development, or growth investments in existing businesses—we may pursue equity financing to optimize our capital structure and meet funding needs. Potential funding mechanisms include public offerings, private placements, and the issuance of stock options. When executing equity financing, we will make decisions carefully, giving due consideration to the appropriateness of the use of funds and the prevention of dilution of existing shareholders' interests and stock value. If the total number of outstanding shares increases due to the issuance of new shares or other reasons, there is a risk that the value per share will be diluted, and changes in the supply and demand balance in the stock market may have an adverse effect on our stock price.

The share acquisition rights and unsecured convertible bonds with share acquisition rights, based on the underwriting agreement between our group and AASC II P, L. P., are expected to be exercised multiple times in stages until June 26, 2029. Therefore, unlike the issuance of new shares in which dilution occurs immediately, this phased approach is expected to prevent a temporary oversupply of shares on the stock market, mitigating the impact on the interests of existing shareholders.

Since a portion (2,721,617 shares) of the unsecured convertible bonds with share acquisition rights were exercised on June 13, 2025, the number of shares of our group's common stock is capped at 5,054,383 shares, unless adjusted. Since the maximum number of shares to be delivered is fixed regardless of stock price, the dilution ratio will not exceed expectations.

In addition, with the aim of expanding our business performance and increasing corporate value over the medium-to-long-term, Ateam HD issues share acquisition rights (Paid-in Stock Options) to the employees of Ateam HD and the directors and employees of subsidiaries for the purpose of boosting motivation and morale while enhancing group-wide cohesiveness. If these share acquisition rights are exercised, the value of Ateam HD's stock per share may be diluted. However, the share acquisition rights are subject to the achievement of predetermined performance and share price targets as a condition for exercise, which we believe will directly contribute to enhancing share value.

(iv) Fundraising

Our group considers securing the necessary funds and maintaining appropriate liquidity to be key management priorities to promote various growth investments, including M&A, and to ensure stable long-term operations and development. When raising funds, we strive to establish a flexible and stable funding structure by assessing our cash position, project future funding needs, maintaining good relationships with our financial institutions, and formulating appropriate funding plans.

However, in the event of changes in our business performance or fluctuations in the financial market and financing environment, the timing, scale and conditions of fund procurement through borrowings, corporate bonds and the issuance of new shares may differ from expectations. This may lead to a decrease in funding liquidity and an increase in procurement costs, which may delay or require reassessment of our growth investments such as M&A. As a result, our business development, performance and financial position may be adversely affected.

4) Business Operation Risks

(i) Crypto Assets

Our group holds crypto assets primarily for apps operated by Paddle Inc., which enable users to exchange points for crypto assets. While we are implementing security measures and reinforcing our monitoring framework, the possibility of unauthorized access by malicious third parties leading to leaks, loss, or theft of our crypto assets cannot be ruled out. Such an event would adversely affect our performance and financial position. Furthermore, crypto assets are subject to substantial short-term market price volatility, which could also affect our performance.

Therefore, in order for investors to accurately assess the profitability of our businesses, we have introduced "Adjusted EBITDA" as a performance metric that excludes the impact crypto asset price fluctuations. We also strive to disclose information that supports sound investment decisions.

(ii) Foreign Exchange

The Entertainment Business provides content to users worldwide through digital distribution services or local overseas publishers, with sales of in-game items and other content collected in local currencies by foreign platform operators. As a result, exchange rate fluctuations may affect the company's business performance.

(iii) Product Quality Assurance

Our group operates a diverse range of businesses, including comparison sites and media platforms in the Digital Marketing Business, online D2C product sales, and game applications in the Entertainment Business. We recognize that improving the quality of the products, services, and content we provide, as well as ensuring their reliability, are our top priorities for earning and maintaining the trust of our clients, users, and business partners.

For this reason, in the D2C business, we select reliable business partners who are capable of manufacturing high-quality products and procuring raw materials. We are also dedicated to maintaining strong relationships with our clients, attending on-site inspections as necessary to enforce quality control, and implementing employee education and compliance awareness programs. Across our media and comparison site businesses, we strive to ensure the accuracy, objectivity, and transparency of the content we publish. In our Entertainment Businesses, we remain dedicated to delivering a safe and enjoyable experience for all players.

However, if the use of products sold in the D2C business adversely affects the health of customers, or if inaccurate information or inappropriate content is posted on media and comparison sites, it may cause a loss of trust from users and business partners and a deterioration of the brand image, which may adversely affect our business results and financial position.

5) Risks Related to the Organizational Structure

(i) Hiring, Training, and Retaining Employees

Our group positions human resources and organization as the source of value creation for driving sustainable corporate value growth. For this reason, we focus on hiring, training, and retaining individuals who strongly resonate with our purpose, philosophy and align with the core values of "Ateam People" along with highly specialized individuals and next-generation leaders who will drive business growth. Through various systems, development programs, and workplace improvements, we aim to foster autonomous growth and enhance employee engagement.

However, if we are unable to hire individuals aligned to our culture and values or specialized individuals required for business execution in a timely and appropriate manner due to intensifying competition for employees in the IT industry and changes in the employment environment, or if specialized employees leave due to delays in development plans or factors that hinder the exercise of abilities, there is a risk that business operations, new business development, and M&A efforts may be hindered. As a result, the group's growth rate could slow, which may have a negative impact on the group's performance and financial position.

(ii) Fostering and Preserving Organizational Culture

We regard our unique corporate culture built on our corporate philosophy, "Ateam Purpose", and "Ateam People", as the source of our sustainable development and competitive advantage. Through various internal communication initiatives, we are working to foster an organizational culture in which all employees can embody our philosophy and culture.

However, amid rapid business expansion, increasing number of group companies, organizational diversification, and work style changes, and work styles change, there is a risk that understanding of and alignment with philosophy and culture may become diluted. If this impacts the company's values and code of conduct that constitutes our strengths, and if these principles are not properly passed on to the next generation, there is a risk that the sense of unity and cohesion of the organization will decline, leading to a loss of creativity and innovative spirit. As a result, the group's brand image may decline and the organization may stagnate, which may have a negative impact on the sustainable enhancement of corporate value, business performance and financial position.

(iii) Dependence on Specific Managers and Fostering of Successors

Takao Hayashi, President and Founder of our company, possesses extensive experience as an engineer. He has driven the growth of our group since its establishment and plays an extremely important role in a wide range of management decisions, including the formulation of management strategies. To build a sustainable management structure that prevents over-reliance on any particular executive, our group is promoting the conversion of certain entities into subsidiaries and delegating authority to heads of business divisions and others, while also focusing on developing the next generation of leaders and executive candidates who will lead our group in the future.

Even so, in the event that he is no longer able to continue in his current capacity, or if leadership development fail to progress as intended, there is a possibility that the decision-making process will stagnate and organizational cohesion could weaken. As a result, the group's business development, performance, and financial position may be adversely affected.

(iv) Internal Control System

Our group recognizes that effective corporate governance is indispensable for achieving sustainable growth and enhancing medium-to-long-term corporate value. Therefore, we will continue to strengthen our management base alongside business scale, enhancing our internal control systems to ensure efficient and effective management.

However, should we fail to establish an adequate internal control management system, or if one is not established in a timely manner following rapid business expansion, our performance and business development may be adversely affected.

6) Risks Related to Compliance

(i) Laws and Regulations

In our business areas, the following laws and regulations apply: primarily the “Act on the Prevention of Unfair Trade Practices and Unfair Representations,” the “Act on the Protection of Personal Information,” the “Act on Specified Commercial Transactions,” the “Act on Payment Services,” the “Act to Partially Amend the Financial Instruments and Exchange Act and the Act on Payment Services,” the “Act on Securing the Quality, Efficacy, and Safety of Pharmaceuticals, Medical Devices, and Other Products,” and the “Act on Prohibition of Private Monopolization and Ensuring Fair Trade,” among other relevant laws, regulations, and guidelines Additionally, our expansion into new business domains through M&A and adoption of new technologies like generative AI subjects our group to a broader set of legal regulations. We are committed to educating our executives and employees through measures such as establishing strict compliance systems and providing compliance training. Services provided by our group may be subject to restrictions due to new or amended laws and regulations. Furthermore, in the event of a delay or failure to comply with any of these legal amendments and the occurrence of any violation of laws and regulations, our business, operating results, and financial position could be adversely affected by a loss of social trust, administrative penalties, or administrative fines.

(ii) Intellectual Property Rights

We actively protect our intellectual property (IP) rights and take great care to ensure that we do not infringe on the IP rights of third parties. When licensing our IP rights to third parties or obtaining licenses for third-party IP rights, we ensure proper oversight through license agreements. However, the unauthorized use or infringement of IP rights owned by the group or an affiliated third party could result in the deterioration of our profitability and brand image. In addition, if we unintentionally infringe on a third party's IP rights due to differences in interpretation of scope or contract conditions, or if we infringe on rights due to the use of new technologies such as generative AI, we may be sued for damages or injunctions. Not only would it require significant time and expense to resolve the issue, but it could also lead to the suspension of services among other consequences, which could adversely affect our business, operating results, and financial condition.

(iii) Management of Personal Information

We collect and maintain a large amount of personal information in connection with our various services. To prevent external leakage and falsification, we strictly control personal information in accordance with relevant laws and regulations by enforcing the business flow and authority system when handling personal information, implementing security measures such as access restriction and encryption, and providing education for officers and employees. However, there is a possibility that incidents such as the leakage or unauthorized use of personal information may occur due to cyberattacks, unauthorized access, intentional or negligent acts by relevant parties, or unforeseen circumstances of contractors or other third parties. As a result, this could lead to claims for damages, administrative sanctions, and a loss of public trust, among other consequences, which could adversely affect our business, operating results, and financial condition.

(iv) Safety and Integrity of Services

Some of the services and content provided by our group have functions that enable users to communicate with each other. In order to protect minors using our services and to ensure a safe environment, we explicitly define inappropriate conduct in our terms of service and vigilantly monitor usage. Those who violate our terms are subject to measures from warnings to account or membership termination. However, as the number of users increases, it may not be possible to completely eliminate inappropriate behavior, and if disputes arise between users, we may be held legally liable regardless of the terms of service. Additionally, even if our legal responsibility does not come into question, business and performance may be affected by factors such as deterioration of the content's brand image.

(v) Litigation

We strive to prevent legal and regulatory violations by promoting legal compliance and maintaining internal oversight systems. However, regardless of fault by officers or employees, there is a risk of litigation, labor disputes, or other legal actions arising from unexpected trouble with users, business partners, employees, or other third parties. Furthermore, potential litigation or disputes could emerge over IP rights, personal information management, and the safety and soundness of our services.

Depending on the nature and outcome of such lawsuits and legal measures, it may take a significant amount of time and money to resolve the issues, while potentially damage our public trust, which may adversely affect our business, operating results and financial position.

7) Risks Related to Information Security

(i) Computer Systems and Communication Networks

Ateam HD's business includes providing services to users through communication networks that connect computer systems such as mobile devices and PCs. To promote stable system operations, we strive for early prevention and avoidance of system trouble primarily by decentralizing servers, making periodic backups and monitoring the operational status of systems. However, in the event of a communication network outage or disruption due to an unforeseen incident (including human error on the part of employees or non-employees of our company) or any other reason, our company's business and performance may be significantly affected.

Also, in the event that systems become inoperable for various unforeseeable reasons, such as servers being overloaded by a sudden increase in traffic to our sites, or interruptions in the power supply, it is possible that services will be suspended. As a result, our performance and the brand image may be affected.

(ii) Cyber Security

Cyberattacks could pose a significant risk to the Ateam HD's business continuity. System malfunction or unauthorized access from outside can lead to business stoppage, leakage of customer data, and financial loss. Cyberattack methods have become more sophisticated and sophisticated in recent years, with targeted attacks and ransomware posing serious threats to businesses.

We have implemented an Identity as a Service (IDaaS) solution to enforce our identity management policies and prevent employment impersonation through multi-factor authentication. In addition, we have introduced a wide range of security products such as EDR (Endpoint Detection and Response) and SSE (Security Service Edge) based on the Zero Trust Model. However, even with these measures in place, the risk of cyberattacks cannot be completely eliminated.

In the unlikely event of a serious cyberattack, it may take time for the company to recover, and business activities may be halted. In addition, leakage of customer information or trade secrets could cause a loss of public trust and have a serious impact on business performance.

(iii) Information Security System

As inadequate response to an information security incident could have a serious impact on our business activities, we are continuously working to strengthen our information security system. We've established the Ateam HD CSIRT (Computer Security Incident Response Team) to strengthen cyber security governance for the entire company and build a comprehensive and multifaceted system operation system to respond to cyberattacks. We also provide security training for all employees and security incident exercises for security personnel.

However, information security risks cannot be completely mitigated, and risks such as information leaks and unauthorized access due to system vulnerabilities and human error still exist. Recognizing these risks, we are committed to further strengthening our security measures. In the unlikely event that a serious incident involving information security occurs, our business and performance could be significantly affected.

(iv) IT Investment

IT investment is an essential element for strengthening a company's competitiveness and improving operational efficiency, but it also entails various risks. Since a large investment is required, it may not be commensurate with the investment, or it may take some time before the expected effect is achieved. In addition, IT technology advances rapidly and may require continuous system updates and additional investment.

Ateam HD is fully aware of the risks associated with IT investments, and we are committed to maximizing the benefits of its investments through a variety of measures, including careful examination of IT investment plans and in-depth evaluations prior to system implementation. However, if problems or system failures occur during installation, our business and earnings could be significantly affected.

2. **Status of the Corporation**

Ateam HD is currently comprised of Ateam Holdings Co., Ltd. and twelve wholly owned subsidiaries.

The group consists of two primary segments: the Digital Marketing Business and Entertainment Business.

Digital Marketing Business plans, develops, and operates various web services centered around the needs of daily life, including comparison sites, information media, and tools. They also provide support to corporations with digital customer acquisition solutions and manage multiple D2C sites that handle a variety of products.

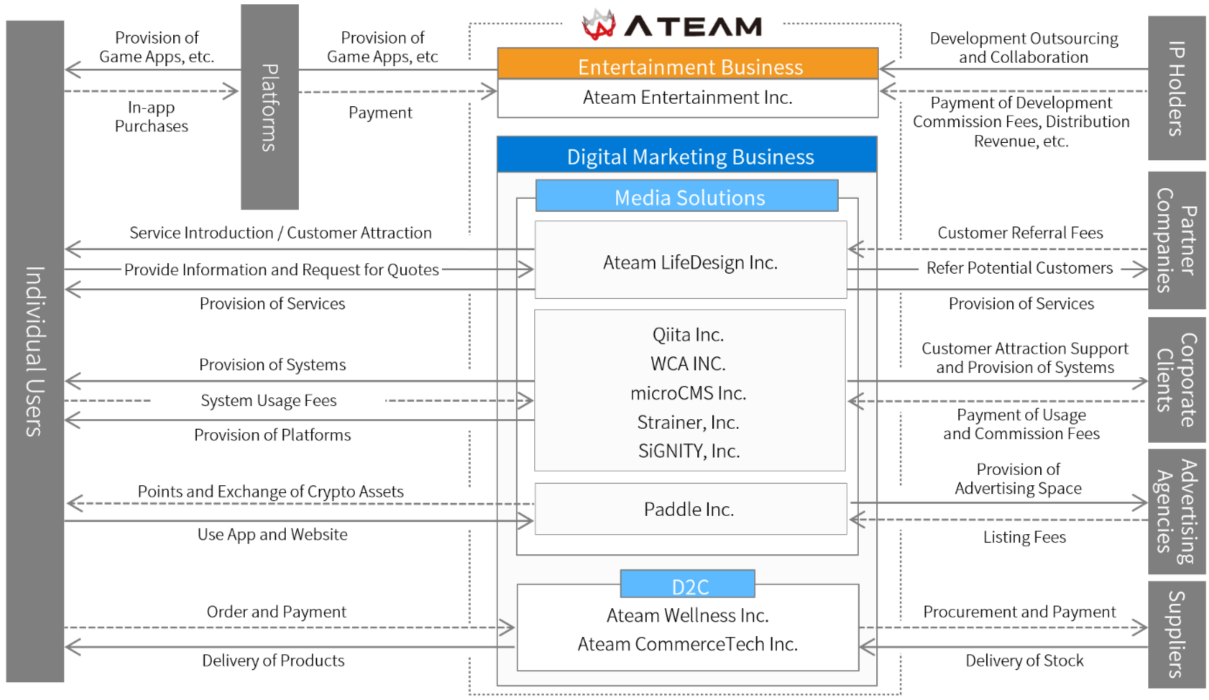
The Entertainment Business plans, develops, and operates games and tool applications that provide entertainment to people around the world with the core theme of connecting people. Our reportable segments are the sub-segments “Media Solutions” and ”D2C” within the Digital Marketing Business, alongside the Entertainment Business.

Ateam HD is a pure holding company. In line with the transition, Ateam HD falls under the category of, as stipulated in Article 49, Paragraph 2 of the Cabinet Office Ordinance on Regulation of Trading of Securities, “Specified Listed Companies, etc.”. Therefore, judgements will be based on consolidated figures, keeping in compliance with the immateriality criteria for material facts pertaining to insider trading regulations.

Company Name	Segment	Business Description	Relationship with the Company
Ateam Holdings Co., Ltd..	-	Business management of companies	–
Ateam Entertainment Inc.	Entertainment	Plans, develops and operates games and tool applications	Wholly owned subsidiary
Ateam LifeDesign Inc.	Media Solutions	Operates comparison sites and digital customer support businesses	Wholly owned subsidiary
Ateam Wellness Inc.	D2C	Plans, develops and operates cosmetics and skincare brand “lujo” and hair care brand “Resp”	Wholly owned subsidiary
Qiita Inc.	Media Solutions	Operates the engineer community "Qiita"	Wholly owned subsidiary
Ateam CommerceTech Inc.	D2C	Plans, develops and operates dog food brand “OBREMO”	Wholly owned subsidiary
microCMS Inc.	Media Solutions	Develops and markets the headless CMS “microCMS”	Wholly owned subsidiary
Paddle Inc.	Media Solutions	Plans, develops, and operates applications that enable users to exchange points for crypto assets	Wholly owned subsidiary
WCA INC.	Media Solutions	Digital marketing consulting and management services	Wholly owned subsidiary
Strainer, Inc.	Media Solutions	Operates the economic news media “Strainer”	Wholly owned subsidiary
SiGNITY, Inc.[2]	Media Solutions	Development and operation of the push notification service “PUSH ONE” and smartphone lock screen advertising business	Wholly owned subsidiary

2 other wholly owned subsidiaries

Schematic Overview of Ateam HD's Business



[1] On August 1, 2025, Ateam HD transferred all shares of Ateam Finergy Inc. and as a result, it is excluded from the scope of consolidation.

[2] On November 20, 2025, Ateam HD acquired 100% of the outstanding shares of SiGNITY, Inc. and made it a consolidated subsidiary.

3. Business Policies

Fundamental Business Policies

Ateam HD is driven by a dual philosophy: "To Be a Company Where All Can Achieve Happiness Together" and "To Be a Company that Continues 100 Years from Today." In pursuit of this philosophy, we have been developing internet-centric B-to-C and B-to-B-to-C businesses in various technological and business domains, providing content and services that are continuously supported and utilized by individual users for their PCs and smart devices.

Currently, we are building and optimizing a diversified business portfolio by making full use of core source of value, "Creativity x Tech". Specifically, as part of our growth strategy toward continual corporate value growth, we are pursuing not only organic growth through our existing businesses but also discontinuous growth through M&A. We will strengthen our business portfolio by promoting a variety of strategies, including the creation of new businesses, collaboration with other companies, and execution of mergers and acquisitions. At the same time, we will accurately assess the growth potential, profitability, and capital efficiency of each business, appropriately allocate management resources to business areas where high value is expected to be created in the future, and aim to improve corporate value.

In addition, we operate under the "Ateam Purpose": "Combining Creativity and Tech to Deliver More Convenience and More Fun to All". We aim to provide high-value-added services by utilizing our creativity and technological capabilities to realize sustainable corporate growth and society. To this end, we will develop, operate, and restructure businesses that are needed by society, build a strong organization for sustainable corporate value enhancement, and engage in constructive dialogue with all stakeholders to improve corporate value.

Policies in Each Business Segment

The Digital Marketing Business consists of two sub-segments: Media Solutions and D2C. Media Solutions plans, develops, and operates comparison and information websites that are closely linked to daily life, and provides various support services to corporations to help them increase sales by attracting digital customers. Our sites empower users by presenting a wealth of information and options to find the ideal partner company for the everyday challenges or life events they face, enriching and simplifying their lives. For our corporate clients, we leverage our digital marketing capabilities cultivated through the planning, development and operation of comparison and information sites to offer a customized solutions tailored to their challenges, including business outsourcing, consulting, and business support tools related to attracting digital customers and operating services. D2C focuses on delivering a better customer experience and driving profitability across multiple e-commerce sites, strengthening our digital marketing capabilities by accumulating know-how on customer acquisition and retention.

In the Entertainment Business, we have developed our own original games for smartphones, actively promoting overseas expansion while focusing on Japan. However, in light of changes in the market, we will make use of the skills and expertise we have cultivated through the development of game applications and shift our product portfolio to focus on collaborative projects undertaken in partnership with globally popular IP.

4. **Basic Rationale for Selection of Accounting Standards**

Ateam HD chooses to use Japanese accounting standards based on comprehensive consideration of the business environment encompassing the company, the current deployment of business operations, and other factors.

We are evaluating a transition to International Financial Reporting Standards (IFRS) in the future. Factors to be taken into consideration for this evaluation will include internal and external factors as well as the company’s management strategy.

5. Consolidated Financial Statements and Significant Notes Thereto

(1) Consolidated Balance Sheets

(Million JPY)

	As of July 31, 2025	As of July 31, 2026
Assets		
Current assets		
Cash and deposits	6,301	5,038
Accounts receivable - trade	2,658	2,764
Merchandise	291	421
Supplies	11	23
Crypt assets	1,236	750
Other	666	908
Allowance for doubtful accounts	-4	-6
Total current assets	11,160	9,900
Non-current assets		
Property, plant and equipment		
Buildings	1,004	1,006
Accumulated depreciation	-736	-771
Buildings, net	267	235
Tools, furniture and fixtures	434	430
Accumulated depreciation	-355	-351
Tools, furniture and fixtures, net	78	78
Total property, plant and equipment	346	314
Intangible assets		
Goodwill	1,300	1,834
Software	20	7
Customer-related intangible assets	248	510
Marketing-related assets	21	—
Total intangible assets	1,591	2,351
Investments and other assets		
Investment securities	1,726	1,879
Leasehold and guarantee deposits	377	365
Other	12	37
Allowance for doubtful accounts	-5	-7
Total investments and other assets	2,111	2,275
Total non-current assets	4,048	4,941
Total assets	15,209	14,841

(Million JPY)

	As of July 31, 2025	As of July 31, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	321	349
Current portion of long-term borrowings	11	103
Accounts payable - other	2,174	1,993
Income taxes payable	567	109
Provision for sales promotion expenses	983	556
Provision for share awards	26	32
Provision for share awards for directors (and other officers)	7	1
Provision for shareholder benefit program	82	109
Other	622	415
Total current liabilities	4,797	3,670
Non-current liabilities		
Convertible-bond-type bonds with share acquisition rights	750	750
Long-term borrowings	23	853
Deferred tax liabilities	144	315
Asset retirement obligations	318	321
Other	6	8
Total non-current liabilities	1,242	2,248
Total liabilities	6,039	5,919
Net assets		
Shareholders' equity		
Share capital	1,713	1,713
Capital surplus	1,687	1,687
Retained earnings	5,775	5,444
Treasury stock	-368	-334
Total shareholders' equity	8,807	8,510
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	345	364
Deferred gains or losses on hedges	-143	-229
Foreign currency translation adjustment	11	31
Total accumulated other comprehensive income	214	166
Share acquisition rights	35	96
Non-controlling interests	113	149
Total net assets	9,169	8,922
Total liabilities and net assets	15,209	14,841

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income (Cumulative)

(Million JPY)

	Fiscal Year Ended July 31, 2025	Fiscal Year Ended July 31, 2026
Revenue	23,917	22,997
Cost of sales	3,395	3,555
Gross profit	20,522	19,441
Selling, general and administrative expenses	19,676	18,345
Operating income (loss)	845	1,095
Non-operating income		
Interest and dividend income	2	7
Foreign exchange gains	54	69
Commission income	19	21
Gain on investments in investment partnerships	55	—
Gain on valuation of crypto assets	610	—
Other	33	18
Total non-operating income	775	116
Non-operating expenses		
Interest expenses	1	9
Loss on sale of receivables	20	6
Loss on investments in investment partnerships	—	8
Commission expenses	4	3
Taxes and dues	6	—
Loss on valuation of crypto assets	—	599
Other	3	2
Total non-operating expenses	35	628
Ordinary income (loss)	1,585	584
Extraordinary income		
Gain on sale of investment securities	212	67
Gain on sale of businesses	304	—
Gain on sale of shares of subsidiaries and associates	—	153
Total extraordinary income	517	220
Extraordinary losses		
Impairment losses	227	—
Total extraordinary losses	227	—
Profit (loss) before income taxes	1,875	804
Income taxes	756	359
Income taxes - deferred	63	50
Total income taxes	820	409
Net income (loss)	1,054	395
Net income (loss) attributable to non-controlling interest	18	35
Net income (loss) attributable to shareholders of parent company	1,036	359

Consolidated Statements of Comprehensive Income (Cumulative)

(Million JPY)

	Fiscal Year Ended July 31, 2025	Fiscal Year Ended July 31, 2026
Net income (loss)	1,054	395
Other comprehensive income		
Valuation difference on available-for-sale securities	-397	18
Deferred gains or losses on hedges	23	-86
Foreign currency translation adjustment	-20	19
Total other comprehensive income	-394	-47
Comprehensive income	660	347
Breakdown		
Comprehensive income attributable to owners of parent	641	311
Comprehensive income attributable to non-controlling interests	18	35

(3) Consolidated Statement of Changes in Equity

Fiscal Year Ended July 31, 2025

(Million JPY)

	Shareholders' Equity				
	Share Capital	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Balance at Beginning of Period	838	832	9,818	-1,846	9,642
Changes During Period					
Issuance of New Shares - Exercise of Share Acquisition Rights	875	875			1,750
Dividends of Surplus			-408		-408
Profit (Loss) Attributable to Owners of Parent			1,036		1,036
Purchase of Treasury Stock				-3,222	-3,222
Disposal of Treasury Stock				9	9
Cancellation of Treasury Stock		-4,691		4,691	—
Transfer from Retained Earnings to Capital Surplus		4,671	-4,671		—
Net Changes in Items Other than Shareholders' Equity					
Total Changes During Period	875	855	-4,043	1,477	-835
Balance at End of Period	1,713	1,687	5,775	-368	8,807

	Accumulated Other Comprehensive Income				Share Acquisition Rights	Non-Controlling Interests	Total Net Assets
	Valuation Difference on Available-for-Sale Securities	Deferred Hedge Gain (Loss)	Foreign Currency Translation Adjustment	Total Accumulated Other Comprehensive Income			
Balance at Beginning of Period	743	-166	32	608	22	—	10,274
Changes During Period							
Issuance of New Shares - Exercise of Share Acquisition Rights							1,750
Dividends of Surplus							-408
Profit (Loss) Attributable to Owners of Parent							1,036
Purchase of Treasury Stock							-3,222
Disposal of Treasury Stock							9
Cancellation of Treasury Stock							—
Transfer from Retained Earnings to Capital Surplus							—
Net Changes in Items Other than Shareholders' Equity	-397	23	-20	-394	12	113	-269
Total Changes During Period	-397	23	-20	-394	12	113	-1,104
Balance at End of Period	345	-143	11	214	35	113	9,169

Fiscal Year Ended July 31, 2026

(Million JPY)

	Shareholders' Equity				
	Share Capital	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Balance at Beginning of Period	1,713	1,687	5,775	-368	8,807
Changes During Period					
Dividends of Surplus			-668		-668
Profit (Loss) Attributable to Owners of Parent			359		359
Disposal of Treasury Stock				34	34
Transfer from Retained Earnings to Capital Surplus			-21		-21
Net Changes in Items Other than Shareholders' Equity					
Total Changes During Period	―	―	-330	34	-296
Balance at End of Period	1,713	1,687	5,444	-334	8,510

	Accumulated Other Comprehensive Income				Share Acquisition Rights	Non-Controlling Interests	Total Net Assets
	Valuation Difference on Available-for-Sale Securities	Deferred Hedge Gain (Loss)	Foreign Currency Translation Adjustment	Total Accumulated Other Comprehensive Income			
Balance at Beginning of Period	345	-143	11	214	35	113	9,169
Changes During Period							
Dividends of Surplus							-668
Profit (Loss) Attributable to Owners of Parent							359
Disposal of Treasury Stock							34
Transfer from Retained Earnings to Capital Surplus							-21
Net Changes in Items Other than Shareholders' Equity	18	-86	19	-47	61	35	49
Total Changes During Period	18	-86	19	-47	61	35	-247
Balance at End of Period	364	-229	31	166	96	149	8,922

(4) Summary of Consolidated Statements of Cash Flows

(Million JPY)

	Fiscal year ended July 31, 2025	Fiscal year ended July 31, 2026
Cash flows from operating activities		
Profit before income taxes	1,875	804
Depreciation	196	168
Impairment losses	227	—
Amortization of goodwill	232	242
Increase (decrease) in allowance for doubtful accounts	-2	3
Increase (decrease) in provision for sales promotion expenses	329	-426
Increase (decrease) in provision for share awards	17	5
Increase (decrease) in provision for share awards for directors (and other officers)	7	-6
Increase (decrease) in provision for shareholder benefit program	82	27
Interest and dividend income	-2	-7
Interest expenses	1	9
Loss (gain) on sale of businesses	-304	—
Foreign exchange losses (gains)	-42	-93
Loss (gain) on sale of investment securities	-212	-67
Loss (gain) on investments in investment partnerships	-55	8
Loss (gain) on sale of shares of subsidiaries and associates	—	-153
Loss (gain) on valuation of crypto assets	-610	599
Subsidy income	-0	-2
Decrease (increase) in trade receivables	122	-70
Decrease (increase) in inventories	25	-141
Increase (decrease) in trade payables	-18	21
Increase (decrease) in accounts payable - other	-136	-129
Other, net	546	-346
Subtotal	2,277	443
Interest and dividends received	2	7
Interest paid	-1	-9
Income taxes paid	-669	-977
Income taxes refund	15	65
Subsidies received	0	2
Net cash provided by (used in) operating activities	1,624	-467
Cash flows from investing activities		
Purchase of property, plant and equipment	-16	-74
Purchase of intangible assets	-1	—
Purchase of investment securities	-133	-317
Proceeds from sale of investment securities	430	136
Proceeds from distributions from investment partnerships	87	58
Payments of leasehold and guarantee deposits	-4	-6
Proceeds from refund of leasehold and guarantee deposits	4	11
Proceeds from sale of businesses	310	—
Proceeds from Purchase of shares of subsidiaries and affiliates resulting in change in scope of consolidation	76	—
Purchase of shares of subsidiaries and affiliates resulting in change in scope of consolidation	-361	-1,013
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	—	110
Other, net	-7	-17
Net cash provided by (used in) investing activities	382	-1,113

(Million JPY)

	Fiscal year ended July 31, 2025	Fiscal year ended July 31, 2026
Cash flows from financing activities		
Repayments of short-term borrowings	-50	—
Proceeds from long-term borrowings	—	1,000
Repayments of long-term borrowings	-30	-78
Purchase of treasury shares	-3,222	—
Proceeds from issuance of share acquisition rights	1	—
Dividends paid	-408	-666
Net cash provided by (used in) financing activities	-3,710	254
Effect of exchange rate change on cash and cash equivalents	-46	63
Net increase (decrease) in cash and cash equivalents	-1,749	-1,262
Cash and cash equivalents at beginning of period	8,050	6,301
Cash and cash equivalents at end of period	6,301	5,038

(5) Notes on Consolidated Financial Statements

Notes on Going Concern

Not applicable.

Notes on Changes in the Scope of Consolidation or the Scope of Application of the Equity Method

Ateam HD transferred all shares of Ateam Finergy Inc. on August 1, 2025, and it is excluded from the scope of consolidation.

Ateam HD acquired all shares of SiGNITY, Inc. on November 20, 2025, and it is included in the scope of consolidation.

Notes on Additional Information

(Temporary Treatment of Accounting for Virtual Currencies under the Payment Services Act)

(1) Matters Concerning the Status of Crypto Assets

(i) Policy on Crypto Assets

We hold crypto assets under the Payment Services Act (Act No. 59 of 2009) and the Act Amending the Financial Instruments and Exchange Act and the Payment Services Act, primarily for the operation of a points app exchangeable for crypto assets at Paddle Inc. Furthermore, crypto assets are managed by our Administration Department and our consolidated subsidiaries in accordance with the Detailed Rules for the Handling of Crypto Assets.

(ii) Risks Related to Owing Crypto Assets

In the event of unauthorized access to crypto assets by a malicious third party, the possibility of leakage or loss of crypto assets held by us cannot be denied, and our business and performance may be significantly affected. In addition, crypto assets are subject to risks such as fluctuations in market prices, and their trading prices may fluctuate significantly in the short term. This could have a significant impact on our business and financial performance.

(iii) Risk Management System for Crypto Assets

Regarding the risk of crypto assets outflow, we have taken measures such as selecting external depositors, separating duties, managing access to crypto assets wallets and information systems, and monitoring crypto assets balances. Regarding the risks associated with fluctuations in the market price of crypto assets, we regularly monitor the current market value and the status of the issuer, and report this information to the Board of Directors quarterly as part of our financial results.

(2) Crypto Assets on the Consolidated Balance Sheet

	As of July 31, 2025 (Million JPY)	As of July 31, 2026 (Million JPY)
Crypto Assets Held (Excluding Crypto Assets Held from the Depositor)	1,236	750
Crypto Assets Held by the Depositor	—	—
Total	1,236	750

(3) Quantity of Crypto Assets Held by Type and Amount Recorded on the Consolidated Balance Sheet

(i) Crypto Assets with Active Markets

Type	As of July 31, 2025 (Million JPY)		As of July 31, 2026 (Million JPY)	
	Quantity of Crypto Assets Held (Unit)	Amount Recorded on the Consolidated Balance Sheet (Million JPY)	Quantity of Crypto Assets Held (Unit)	Amount Recorded on the Consolidated Balance Sheet (Million JPY)
Bitcoin	59.1667 BTC	1,048	67.6895 BTC	676
Dogecoin	785,500.8297 DOGE	25	947,462.1815 DOGE	10
XRP	325,500.0400 XRP	150	322,483.0871 XRP	54
Solana	—	—	448.2835 SOL	5
Other	—	11	—	4
Total	—	1,236	—	750

(ii) Crypto Assets without Active Markets

Not applicable.

Note in Segment Information

1. Overview of Reportable Segment

The reportable segments of Ateam HD are constituent units of the company whose separate financial information is available, and which are periodically examined by the Board of Directors in deciding the allocation of management resources and in evaluating performance.

Ateam HD is composed of segments classified according to services based on the business divisions. It has three reportable segments: "Media Solutions" and "D2C" in the Digital Marketing Business and "Entertainment" in the Entertainment Business.

"Media Solutions" plans, develops, and operates various web services including comparison sites, informational media, and tools closely related to daily life for individuals, while providing digital customer acquisition and business support services for corporate clients. "D2C" plans, develops, and operates multiple e-commerce websites. "Entertainment" plans, develops, and operates games and tool applications that provide entertainment to people around the world under the core theme of connecting people.

2. Accounting Method for Revenue, Income or Loss, Assets, Liabilities and Other Items by Reportable Segment

The accounting method for the business segments that are reported is largely the same as the accounting policies applied in the preparation of the consolidated financial statements. Segment profit is based on operating profit.

3. Revenue, Income or Loss, Assets, Liabilities, and Other Items Listed by Reportable Segment

Fiscal Year Ended July 31, 2025 (August 1, 2024 - July 31, 2025)

(Million JPY)

	Reportable Segments				Adjustment*1	Amount on the consolidated statements of Income*2
	Media Solutions	D2C	Entertainment	Total		
Revenue						
External Customers	17,469	2,248	4,199	23,917	—	23,917
Inter-segment Sales and Transfers	—	—	—	—	—	—
Total	17,469	2,248	4,199	23,917	—	23,917
Segment Profit (Loss)	1,327	7	518	1,853	-1,008	845
Other items						
Depreciation	114	0	0	115	80	196
Amortization of Goodwill	232	—	—	232	—	232
Impairment losses	227	—	—	227	—	227

(Notes) 1. Adjustment of minus 1,008 million JPY for segment loss is for corporate expenses not attributable to reportable segments.
2. Adjustments are made between segment profit and operating income reported in the quarterly consolidated statements of income.
3. Segment assets have not been shown, as they are not used as the basis for deciding the allocation of management resources and evaluating performance.

Fiscal Year Ended July 31, 2026 (August 1, 2025 - July 31, 2026)

(Million JPY)

	Reportable Segments				Adjustment*1	Amount on the consolidated statements of Income*2
	Media Solutions	D2C	Entertainment	Total		
Revenue						
External Customers	16,192	2,946	3,858	22,997	—	22,997
Inter-segment Sales and Transfers	0	—	—	—	-0	—
Total	16,192	2,946	3,858	22,997	-0	22,997
Segment Profit	1,745	186	309	2,241	-1,146	1,095
Other items						
Depreciation	95	0	1	97	70	168
Amortization of goodwill	242	—	—	242	—	242

(Notes) 1. Adjustment of minus 1,146 million JPY for segment loss is corporate expenses not attributable to reportable segments.
2. Adjustments are made between segment profit and operating income reported in the quarterly consolidated statements of income.
3. Segment assets have not been shown, as they are not used as the basis for deciding the allocation of management resources and evaluating performance.

Note on Related Business Combinations

(Transfer of Shares of Subsidiaries and Associates)

At a meeting of the Board of Directors held on May 15, 2025, Ateam HD resolved to transfer all outstanding shares of our consolidated subsidiary, Ateam Finergy Inc. (hereafter "Ateam Finergy") to Sasuke Financial Lab Inc. and enacted a share transfer agreement on the same date, with the share transfer being executed on August 1, 2025.

1. **Overview of Share Transfer**

   1. **Name of the Transferee Company**

      Sasuke Financial Lab Inc.

   2. **Name and Business of the Consolidated Subsidiary**

      Name: Ateam Finergy Inc.

      Description: Planning, development, and operation of various web services including the insurance agency business and the operation of comparison sites and information sites for providing solutions to financial problems.

   3. **Purpose**

      Although revenue for "NaviNavi Insurance", the main business of Ateam Finergy, had been growing steadily since the launch of the service in 2020, the cost of acquiring customers had increased gradually due to intensified competition. Additionally, we recognized our initial strategy of leveraging our web marketing strengths limited the company's potential future revenue and profit. For us to realize further growth, it would have been necessary to reassess our strategies and make substantial additional investments, such as large-scale advertising expenditures and personnel increases. Given this situation, we needed to conduct extensive analysis of the business's future with an emphasis on maximizing its value while allocating management resources in alignment with our growth strategy.

      Since its establishment in 2016, Sasuke Financial Lab Inc. has been leveraging digital technology to achieve customer peace of mind through insurance, offering a variety of insurance services, one example being "Ko no Hoken!" We have decided to transfer all shares of Ateam Finergy to Sasuke Financial Lab Inc. because we believe that this transfer will optimize the business portfolio of the entire company and maximize the business value of "NaviNavi Insurance" and other businesses operated by Ateam Finergy.

   4. **Share Transfer Date**

      August 1, 2025

   5. **Outline of Other Transactions Including Legal Form**

      Transfer of shares with cash as consideration received

2. **Overview of Accounting Process**

   (1) Amount of Gain (Loss) on Transfer

   Gain on sale of shares of subsidiaries and associates: 153 million JPY

(2) Appropriate Book Value of Assets and Liabilities Related to the Transferred Subsidiary

Current Assets	90 million JPY
Non-Current Assets	0 million JPY
Total Assets	90 million JPY
Current Liabilities	61 million JPY
Total Liabilities	61 million JPY

(3) Accounting Treatment

The difference between the consolidated book value of the transferred shares and the sale price is recorded as extraordinary income as "Gain on sale of shares of subsidiaries".

3. Name of Reporting Segment

Media Solutions

4. Estimated Profit and Loss Relating to the Subsidiary Whose Shares Were Transferred and Included in the Quarterly Consolidated Income Statement for the Quarterly Consolidated Cumulative Period

Since the date of the share transfer was the beginning of the current fiscal year, the consolidated statement of income for the current fiscal year does not include the gain or loss related to the subsidiary to which the shares were transferred.

(Business Combination by Acquisition)

Ateam Holdings Co., Ltd. resolved at the Board of Directors meeting held on September 30, 2025 to acquire the shares of SiGNITY, Inc. (hereafter "SiGNITY") and make it a subsidiary. The share transfer agreement was concluded on the same day, with Ateam HD acquiring all shares on November 20, 2025.

1. Overview of Business Combination

(1) Name of Acquired Business and Description of its Business

Company Name: SiGNITY, Inc.

Description: Development and operation of the push notification service PUSH ONE and smartphone lock screen advertising business.

(2) Purpose

SiGNITY's philosophy of energizing society through the power of people and digital technology has led them to create PUSH ONE, an effective marketing service that sends push notifications direct to the user, bypassing the need for an application. They've also created Smartphone Lock Screen Advertising, which enables the promotion of products to a user's lock screen on their smartphone device.

In response to the fundamental restructuring of the mass media industry stemming from a shift towards the digital space due to the proliferation of smartphones, SiGNITY developed a way to effectively obtain members through PUSH ONE. This has led to an expanded client base in the mass media and publishing industries, contributing to an increase in membership for their web media business.

With their wealth of user data accumulated since launching PUSH ONE in 2018 and patent rights in Japan and the United States for programs related to the distribution of web advertisements using push notifications, SiGNITY has claimed an advantage over their competitors. Combined with our resources and expertise in digital customer acquisition, SiGNITY's business is expected to further increase their earnings. We also believe that PUSH ONE is a valuable product for acquiring new clients for our digital marketing support as well as for cross-selling to existing customers. For these reasons, we have resolved to acquire their shares.

(3) Date of Business Combination

November 20, 2025: Date of share acquisition
November 30, 2025: Deemed acquisition date

(4) Legal Form of Business Combination

Acquisition of shares

(5) Name of Company after Business Combination

No change

(6) Percentage of Voting Rights Acquired

100%

(7) Basis for Company Acquisition

Acquisition of shares in exchange for cash

2. Period of the Acquired Company's Results Included in the Quarterly Consolidated Statements of Income for the Nine Months Ended April 30, 2026

December 1, 2025 - July 31, 2026

3. Acquisition Cost of the Acquired Company and Consideration

Consideration for Acquisition	Cash	1,050 million JPY
Acquisition Cost		1,050 million JPY

4. Costs Relating to the Acquisition

Fees and commissions for advisory services: 52 million JPY

5. Goodwill Amount, Reason for Goodwill, and the Calculation Method and Period for Amortization

(1) Goodwill Amount

776 million JPY

*Provisional accounting treatment for the business combination was finalized during this fiscal year.

(2) Reason for Goodwill

Excess profitability expected from future business development.

(3) Amortization Method and Period

Straight-line depreciation over nine years.

6. Details of Assets Received and Liabilities Assumed on the Date of the Business Combination

	(Million JPY)
Current Assets	84
Non-Current Assets	9
Total Assets	94
Current Liabilities	28
Total Liabilities	28

7. Amounts Allocated to Intangible Fixed Assets Other Than Goodwill and Amortization Period

Intangible Fixed Assets (Customer-Related Assets): 321 million JPY (amortization period: 9 years)

8. Estimated Impact (and Calculation Method Thereof) on the Statement of Income for the First Nine Months of the Current Fiscal Year Assuming Completion of Business Combination on the First Day of Said Period

This information is omitted due to its immateriality.

Notes on Per Share Information

(JPY)

	Fiscal Year Ended July 31, 2025 (August 1, 2024 - July 31, 2025)	Fiscal Year Ended July 31, 2026 (August 1, 2025 - July 31, 2026)
Net Assets per Share	485.88	466.85
Net Income per Share (Basic)	55.75	19.36
Net Income per Share (Diluted)	50.05	17.45

(Notes)

1. The basis of calculating Net Income per Share (Basic) and Net Income per Share (Diluted) is as follows:

	Fiscal Year Ended July 31, 2025 (August 1, 2024 - July 31, 2025)	Fiscal Year Ended July 31, 2026 (August 1, 2025 - July 31, 2026)
Net Income per Share (Basic)		
Net Income Attributable to Shareholders of Parent Company (Million JPY)	1,036	359
Net Income Attributable to Shareholders of Parent Company Regarding Common Stock (Million JPY)	1,036	359
Average Number of Shares of Common Stock During Period (Shares)	18,588,918	18,584,503
Net Income per Share (Diluted)		
Adjustment of Net Income Attributable to Shareholders of Parent Company (Million JPY)	—	—
Increase in Number of Common Stocks (shares)	2,117,032	2,031,965
(Of which, Share Acquisition Rights (shares))	(2,117,032)	(2,031,965)
Outline of Potential Shares Not Included in Net Earnings per Diluted Share's Calculation Because They Do Not Have a Dilutive Effect	10th series of Share Acquisition Rights 644,000 shares	10th series of Share Acquisition Rights 544,000 shares

(Notes)

2. The number of shares of common stock at the end of the period used for the calculation of the net assets per share and the average number of shares during the period that forms the basis for the calculation of Net Income per Share (Basic) are calculated with the shares owned by The Master Trust Bank of Japan, Ltd. (Stock Grant ESOP (Employee Stock Ownership Plan) Trust account and Board Incentive Plan (BIP) Trust account) under the "Stock Grant ESOP Trust" and "Board Incentive Plan (BIP) Trust" (94,000 shares at the end of the previous fiscal year and an average of 94,569 shares during the previous period, 75,002 shares at the end of the current fiscal year and an average of 76,615 shares during the current period) included in the treasury stock deducted.

Notes on Significant Subsequent Events

Not applicable.