FY2019 Financial Results
OUR MISSION

Business Intelligence to Change Your World

Combining technological innovation with human ingenuity to organise and analyse business information from around the globe. We will reshape your world with a service that improves your productivity and unleashes your creativity.
OUR SERVICES

SPEEDA

Information platform providing company and industry analyses with statistical data

B2B Service
OUR SERVICES

Business and economic news media (for Japanese market)

B2C Service
OUR SERVICES

B2C Service

Business and economic news media (for Global market)
OUR SERVICES

B2B Service

FORCAS

B2B Marketing Platform

B2B Service
OUR SERVICES

INITIAL

Japan’s Largest Startup Database

B2B Service
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01 Highlights of Consolidated Results

* All financials presented in this section are consolidated cumulative totals for every financial year.
Highlights of Consolidated Results: Overview

**SPEEDA**
EBITDA of 30% reached one year earlier than expected

**FORCAS INITIAL**
(Other B2B Businesses)
Revenue of FORCAS saw rapid growth, INITIAL reached profitability

**NEWS PICKS**
Both revenue and profit saw steady growth

**QUARTZ**
Paid subscription business taking definitive shape, but advertising revenue decreased
Although Net Sales Missed the Target, EBITDA Landed Within the Planned Range.

Highlights of Consolidated Results: Forecast vs Actuals

**Net Sales**
- Full-Year Forecast: 13,500
- 2019 Results: 12,521

**Existing Business EBITDA**
- Full-Year Forecast: 1,775
- 2019 Results: 1,732

**Net Sales**
- Versus Target: 122%
- Versus Target: 93%
- Versus Target: 103%

*Achievement rates versus target shown are calculated in relation to FY2019 Target announced on 13 February 2019.*
*Existing Businesses is a total for SPEEDA and NewsPicks.*
*All monetary amounts and percentages are rounded to the nearest whole. (Same applies for slides that follow)*
Main Factor Behind Missed Revenue Target Is Advertising Business; Meanwhile, Subscription Revenue Is Showing Strong Growth

Highlights of Consolidated Results: MRR Growth

CAGR ※ +51%

Unit: JPY MM

* One-off transactions such as initial costs are excluded.
* CAGR (compound average growth rate): A geometric progression that provides an average growth rate over a period of several years.
* CAGR shown is for 8 years from FY12/2011 to FY12/2019.
Going forward, UB Group intends to use MRR as one of our primary business KPIs

What is MRR?

MRR refers to Monthly Recurring Revenue, a metric that allows for the evaluation of a business’s monthly income stream.
Highlights of Consolidated Results: Net Sales Growth

Net Sales Growth Rate Has Exceeded 30%

* Other Businesses is a total for FORCAS and INITIAL.
* Internal transactions between segments are excluded.

* 2018 for Quartz refers to five months following its acquisition (August to December).

<table>
<thead>
<tr>
<th>Year</th>
<th>Other B2B Businesses</th>
<th>Quartz</th>
<th>NewsPicks</th>
<th>SPEEDA</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>1,661</td>
<td>79</td>
<td>2,825</td>
<td>353</td>
<td>4,565</td>
</tr>
<tr>
<td>2018</td>
<td>2,962</td>
<td>2,414</td>
<td>3,610</td>
<td>4,177</td>
<td>12,521</td>
</tr>
<tr>
<td>2019</td>
<td>4,530</td>
<td>2,942</td>
<td>870</td>
<td>12,521</td>
<td></td>
</tr>
</tbody>
</table>

Unit: JPY MM

YoY Change

+34%
+38%
EBITDA of Existing Businesses Growing Steadily, Investment into New Businesses Including Quartz Maintained Within Planned Range

* Existing Businesses is a total for SPEEDA and NewsPicks.
* EBITDA = Operating Profit + Depreciation and Amortisation (including Goodwill Amortisation).
02 Highlights for SPEEDA
Record-High Annual Net Growth of Contract IDs; Growth Rate Has Continued to Accelerate Every Year Since Business Launch

*The figures shown are the number of IDs for SPEEDA only, and exclude those for FORCAS and INITIAL.*
Highlights for SPEEDA: MRR Growth

SPEEDA Changed Its Primary KPI to MRR, Which Provides a More Accurate Picture Than Number of IDs and Allows for Comparison with Other Businesses

*MRR refers to Monthly Recurring Revenue and excludes any one-off transactions such as initial costs.

*All monetary figures are rounded down.
Highlights for SPEEDA: Net Sales Growth

Net Sales Growth Rate Consistently Exceeding 25%

Unit: JPY MM

Year | Net Sales
-----|------------
2017 | 2,825
2018 | 3,615
2019 | 4,543

YoY Growth +26%

* Internal transactions between segments are included.
Highlights for SPEEDA: EBITDA Growth

EBITDA Reached 30% One Year Earlier Than Anticipated

EBITDA Margin
- 17.5% in 2017
- 23.4% in 2018
- 30.5% in 2019

EBITDA
- 493 MYP in 2017
- 845 MYP in 2018
- 1,386 MYP in 2019

Unit: JPY MM

YoY Growth
+64%
03 Highlights for Other B2B Businesses
Highlights for Other B2B Businesses: MRR Growth

MRR of FORCAS Maintains Steady Growth

*MRR refers to Monthly Recurring Revenue and excludes any one-off transactions such as initial costs.*
FORCAS Driving Rapid Growth of “Other B2B Businesses”

Highlights for Other B2B Businesses: Net Sales Growth

YoY Growth +141%

Unit: JPY MM

FORCAS
INITIAL

2017  84
2018  362
2019  871
Increased Revenue and Slower-Than-Anticipated Hiring Have Resulted in Smaller Deficit Compared to Previous Year

EBITDA Growth

YoY Growth

<table>
<thead>
<tr>
<th>Year</th>
<th>EBITDA (JPY MM)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>-33</td>
</tr>
<tr>
<td>2018</td>
<td>-193</td>
</tr>
<tr>
<td>2019</td>
<td>-127</td>
</tr>
</tbody>
</table>

Unit: JPY MM
04 Highlights for NewsPicks
Highlights for NewsPicks: Number of Paid Users

Full-Scale Launch of NewsPicks for Business Contributed to Significant Increase in Paid Users

* Paid users refers to those subscribed to the premium monthly plan priced at JPY 1,500/month (including yearly discounted plan at JPY 1,250/month and student discounted plan at JPY 500/month), and NewsPicks Academia plan at JPY 5,000/month.
* All new premium plan subscriptions through the App Store and Google Play starting from 1 November 2019 are priced at JPY 1,600.
* ARPPU refers to Average Revenue Per Paying User.
Highlights for NewsPicks: MRR Growth

NewsPicks Will Disclose MRR as a Primary KPI As Part of Effort to Increase the Number of Services with Different Pricing

Unit: JPY MM

- MRR

<table>
<thead>
<tr>
<th>Year</th>
<th>MRR (MM)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014/12</td>
<td>2</td>
</tr>
<tr>
<td>2015/12</td>
<td>14</td>
</tr>
<tr>
<td>2016/12</td>
<td>39</td>
</tr>
<tr>
<td>2017/12</td>
<td>82</td>
</tr>
<tr>
<td>2018/12</td>
<td>131</td>
</tr>
<tr>
<td>2019/12</td>
<td>170</td>
</tr>
</tbody>
</table>

*MRR refers to Monthly Recurring Revenue and excludes any one-off transactions such as initial costs.*

*All monetary figures are rounded down.*
Highlights for NewsPicks: Net Sales Growth

Premium Subscription Income Maintaining Steady Growth, Advertising Income Reached Record High in 4Q

Unit: JPY MM

YoY Growth

+40%

* Other Income mainly includes video production and external sales of content.
* Internal transactions between segments are included.
Highlights for NewsPicks: EBITDA Growth

EBITDA Margin Decreased Due to Active Business Investment (Recruitment Ahead of Schedule)

EBITDA Margin
- 2017: 8.1%
- 2018: 10.2%
- 2019: 9.3%

EBITDA (Unit: JPY MM)
- 2017: 134
- 2018: 303
- 2019: 389

YoY Growth: +28%
Solid Growth in Paid Subscription Business,
Number of Paid Subscribers Exceeded 12,000

*Includes paid subscribers of Quartz Japan.
Highlights for Quartz: MRR Growth

Subscription Business Is Optimised for Monthly Recurring Revenue

*MRR refers to Monthly Recurring Revenue and excludes any one-off transactions such as initial costs.

* All monetary figures are rounded to the nearest hundredth.

* ARPPU refers to Average Revenue Per Paying User.

USD 105,000
(JPY: 11MM)

* Conversion rate of USD 1 = JPY 109.06 (January-December 2019 average) used.
Highlights for Quartz: Net Sales Growth

Accelerated Shift to Paid Subscriptions
Total Revenue, Primarily Advertising, Down 22% YoY

<table>
<thead>
<tr>
<th>Year</th>
<th>USD (MM)</th>
<th>JPY (MM)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>26.9</td>
<td>3,798</td>
</tr>
<tr>
<td>2019</td>
<td>26.9</td>
<td>2,944</td>
</tr>
</tbody>
</table>

YoY Change: -22%

Conversion rate of USD 1 = JPY 109.06 (January–December 2019 average) used for calculating both 2018 and 2019 figures.

* 2018 (Cumulative) data includes business results prior to the acquisition, which are unaudited.
Highlights for Quartz: EBITDA Growth

Invested in Paid Subscription Business While Reviewing Costs in Existing Business, Resulting in EBITDA Within Target Range. EBITDA is Expected to Improve in 2020

USD $10.7 MM
JPY $1,175 MM

USD $18.4 MM
JPY $2,017 MM

A comprehensive cost review significantly lowered the break-even point, but the decrease in advertising revenue resulted in losses.

Enhanced content creation and effective email marketing campaigns have boosted the paid subscribership while managing marketing costs.

* Conversion rate of USD 1 = JPY 109.06 (2019 average) used for calculating both 2018 and 2019 figures.
* Excludes temporary expenses such as business restructuring costs.
* 2018 (Cumulative) data includes business results prior to the acquisition, which are unaudited.
06 Forecast for FY12/2020
Business Intelligence to Change Your World

Combining technological innovation with human ingenuity to organise and analyse business information from around the globe, improving your productivity and unleashing your creativity.

We believe that our business intelligence provides strong support for decision-making processes in today’s global economy, bringing about real and meaningful change to the world.
Aim to Develop Services That Provide Support for Business People in Various Scenarios

“I want to have a good grasp on global business information and develop truly global enterprises”

“I want to maximise our results by increasing work efficiency”

“I want to further my career at a quicker pace”

“I want to increase my own value in the job market”

“I want to utilise the latest technology to start a new business”

“I want to draft a long-term strategy for my business”

“I want to start my own company to solve issues in society”
Forecast for FY12/2020: Inter-Business Synergy

We Intend to Reach a Wide Audience of Business Professionals via B2C Services and Convert Them into Paying Subscribers; We Also Plan to Create a Shared ID System Usable Across All Our Services

**B2C Subscription Income**
Net Sales of JPY 1,815 MM (15%)

**Advertising Income**
Net Sales of JPY 4,624 MM (39%)

**B2B Subscription Income**
Net Sales of JPY 5,343 MM (45%)

*Initial costs and NewsPicks’ video production and external sales of content are excluded.
*Quartz is excluded from the Shared ID System.
Forecast for FY2020: Change in Management Structure

Enhance Co-Management of Business by Umeda and Inagaki Through a Change in Management Structure; Focus Not Only on Individual Business Optimisation but Also on Optimal Growth of the Entire Company

Before

Yusuke Umeda
Yusuke Inagaki

Co-CEO

After

Yusuke Umeda
Yusuke Inagaki
Taira Sakuma

CEO

COO

Board Director (Planned)

All Japanese
B2B Services
Focus on Returning to Profitability in 2020, Aiming for Net Sales of JPY 15–16 Billion and Positive EBITDA

(The forecast takes into the consideration the suspension of operations in SPEED as China business due to the effects of the coronavirus outbreak, as well as uncertainty in the advertising business)

Unit: JPY MM

- Net Sales
- EBITDA Margin

Forecast for FY12/2020: Overall Business Performance Forecast

15,000–16,000 (±20–28% YoY)

Positive EBITDA
### Creating a Well-Balanced Business Portfolio

<table>
<thead>
<tr>
<th>Speeda</th>
<th>Profitability Goals Set in 2018</th>
<th>Current Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA of 30% by 2020</td>
<td>Achieved 1 year early</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Forcas</th>
<th>Profitability Goals Set in 2018</th>
<th>Current Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reach profitability by 2020</td>
<td>Changed to profitability on a monthly basis (by 2020)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Initial</th>
<th>Profitability Goals Set in 2018</th>
<th>Current Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reach profitability by 2019</td>
<td>Profitability reached as per plan</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>News Picks</th>
<th>Profitability Goals Set in 2018</th>
<th>Current Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reach profitability in NewsPicks Studio (NPS, a new business) by 2021</td>
<td>Changed to EBITDA margin of 20% for consolidated NewsPicks business by 2022</td>
<td></td>
</tr>
<tr>
<td>NewsPicks’ EBITDA margin (excl. NPS) of 30% by 2020</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Quartz</th>
<th>Profitability Goals Set in 2018</th>
<th>Current Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reach profitability by 2022 (goal set following acquisition in 2018)</td>
<td>Unchanged</td>
<td></td>
</tr>
</tbody>
</table>
07 Appendix
## Consolidated P&L

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2019 Number of Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td>4,565</td>
<td>9,340</td>
<td>12,521</td>
<td></td>
</tr>
<tr>
<td><strong>Net Sales Growth Rate</strong></td>
<td>48%</td>
<td>105%</td>
<td>34%</td>
<td></td>
</tr>
<tr>
<td><strong>SPEEDA</strong></td>
<td>2,825</td>
<td>3,610</td>
<td>4,530</td>
<td>211</td>
</tr>
<tr>
<td><strong>NewsPicks</strong></td>
<td>1,661</td>
<td>2,962</td>
<td>4,177</td>
<td>184</td>
</tr>
<tr>
<td><strong>Quartz</strong></td>
<td>2,414</td>
<td>2,942</td>
<td></td>
<td>188</td>
</tr>
<tr>
<td><strong>Other B2B Businesses</strong></td>
<td>79</td>
<td>353</td>
<td>870</td>
<td>73</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>595</td>
<td>1,187</td>
<td>-411</td>
<td></td>
</tr>
<tr>
<td><strong>EBITDA Margin</strong></td>
<td>13%</td>
<td>13%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Operating Profit</strong></td>
<td>545</td>
<td>830</td>
<td>-1,236</td>
<td></td>
</tr>
<tr>
<td><strong>Operating Profit Margin</strong></td>
<td>12%</td>
<td>9%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Ordinary Profit</strong></td>
<td>518</td>
<td>533</td>
<td>-1,429</td>
<td></td>
</tr>
<tr>
<td><strong>Ordinary Profit Margin</strong></td>
<td>11%</td>
<td>6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net Profit Attributable to Parent Company Shareholders</strong></td>
<td>438</td>
<td>610</td>
<td>-1,620</td>
<td></td>
</tr>
<tr>
<td><strong>Net Profit Margin Attributable to Parent Company Shareholders</strong></td>
<td>10%</td>
<td>7%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Internal transactions between segments are excluded.
* 2018 (Cumulative) for Quartz only refers to five months following its acquisition (August to December).
* Number of employees includes full-time and contracted employees. Uzabase’s Board Directors (including External) and Corporate Division employees are excluded.
### Consolidated Balance Sheet Comparison

<table>
<thead>
<tr>
<th>(Unit: JPY MM)</th>
<th>End-2018</th>
<th>End-2019</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Assets</strong></td>
<td>8,592</td>
<td>10,224</td>
<td>1,632</td>
</tr>
<tr>
<td>(Cash and Deposits)</td>
<td>5,725</td>
<td>7,954</td>
<td>2,228</td>
</tr>
<tr>
<td><strong>Fixed Assets</strong></td>
<td>10,211</td>
<td>10,733</td>
<td>521</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>18,804</td>
<td>20,958</td>
<td>2,154</td>
</tr>
<tr>
<td><strong>Current Liabilities</strong></td>
<td>3,566</td>
<td>5,131</td>
<td>1,564</td>
</tr>
<tr>
<td><strong>Fixed Liabilities</strong></td>
<td>8,920</td>
<td>8,695</td>
<td>△225</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>12,487</td>
<td>13,826</td>
<td>1,339</td>
</tr>
<tr>
<td>(Interest-Bearing Debts)</td>
<td>9,574</td>
<td>9,879</td>
<td>305</td>
</tr>
<tr>
<td><strong>Total Net Assets</strong></td>
<td>6,316</td>
<td>7,131</td>
<td>815</td>
</tr>
</tbody>
</table>

*Partial Amendments to Accounting Standard for Tax Effect Accounting* *(Accounting Standards Board of Japan Statement No. 28 issued on 16 February 2018)* have been applied to financial statements since 1Q 2019, and the figures for the previous term *(Consolidated Balance Sheet for end-2018)* have been revised retroactively in accordance with these Amendments.
For more information on financial records, refer to the full “FY2019 Financial Report”
Disclaimer

The purpose of this material is to provide information to investors, and not to solicit investment in any particular service.

The information disclosed in this material and projections for future performance are based on the data and information available at the time when this material was composed, and may contain uncertainties.

Please be aware that the actual future performance and results may vary greatly from the projections due to various factors.

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