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

S P E E D A

B2B Service

Information Platform Providing Company and Industry Analyses with Statistical Data
Our Services

B2C Service

Economic and Business News Media

(for Japanese Market)
QUARTZ

Our Services

B2C Service

Economic and Business News Media

(for US Market)
Our Services

B2B Service

B2B Marketing Platform
Our Services

B2B Service

One of Japan’s Largest Startup Databases
INDEX

01 Highlights for Consolidated Results
02 Highlights for SPEEDA Business
03 Highlights for NewsPicks Business
04 Highlights for Quartz Business
05 Highlights for Other Businesses
06 Appendix
U Z A B A S E

Highlights of Consolidated Results

* All financial figures presented in this material are consolidated financial results for the six months ended June 30, 2017, 2018 and 2019, respectively. (2Q = Jan to June cumulative financial figures)
* Monetary amounts displayed throughout this document are rounded down. Percentage figures are rounded to the nearest whole number.
Highlights of Consolidated Results (1)

**SPEEDA**
Net sales growing steadily, profit margin also rising

**NEWS PICKS**
Net sales and profit seeing significant growth

**QUARTZ**
Focusing on building up the premium content business

**Other Businesses**
Net sales showed significant growth
High Net Sales Growth Rate Recorded

Unit: JPY MM

- Quartz Business
- NewsPicks Business
- SPEEDA Business
- Other Businesses

<table>
<thead>
<tr>
<th></th>
<th>2Q (6months) 2017</th>
<th>2Q (6months) 2018</th>
<th>2Q (6months) 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quartz Business</td>
<td>690</td>
<td>1,249</td>
<td>1,276</td>
</tr>
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<td>NewsPicks Business</td>
<td>1,313</td>
<td>1,694</td>
<td>1,885</td>
</tr>
<tr>
<td>SPEEDA Business</td>
<td>23</td>
<td>124</td>
<td>360</td>
</tr>
<tr>
<td>Other Businesses</td>
<td>1,313</td>
<td>1,694</td>
<td>1,885</td>
</tr>
<tr>
<td>Total</td>
<td>2,027</td>
<td>3,068</td>
<td>5,665</td>
</tr>
</tbody>
</table>

YoY

- Excluding Quartz
  - +85%
  - +43%

* “Other Businesses” is a total for “entrepedia” and “FORCAS”.
* Internal transactions between segments are excluded.
EBITDA Doubled for Existing Businesses, Large Investments Directed to Quartz

Unit: JPY MM

<table>
<thead>
<tr>
<th></th>
<th>2Q(6months) 2017</th>
<th>2Q(6months) 2018</th>
<th>2Q (6months) 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>NewsPicks Business</td>
<td>323</td>
<td>78</td>
<td>53</td>
</tr>
<tr>
<td>SPEEDA Business</td>
<td>244</td>
<td>408</td>
<td>126</td>
</tr>
<tr>
<td>Other Businesses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quartz Business</td>
<td></td>
<td></td>
<td>528</td>
</tr>
<tr>
<td>Consolidated EBITDA</td>
<td></td>
<td></td>
<td>1,389</td>
</tr>
</tbody>
</table>

YoY
EBITDA
(853)
For Existing Businesses:
+97%

* "Existing Businesses" is a total for "SPEEDA" and "NewsPicks".
* EBITDA = Operating Profit + Depreciation and Amortisation (Incl. Goodwill Amortisation)
Increased Profits from Existing Businesses Invested in the US with discipline

Steady Profit Growth in Existing Businesses

- SPEEDA Income Growth: +330
- NewsPicks Income Growth: +117

New Investments Towards Future Growth

- Other Businesses Growth: +78
- Investments into Quartz: (1,389)

Unit: JPY MM

2Q(6months) 2018 EBITDA: 324
2Q(6months) 2019 EBITDA: (528)
Net Sales and EBITDA Growth Progressed at the Same Pace as Previous Years

Unit: JPY MM

Net Sales
- Full-Year Target
- 2Q(6 months) 2019 Results

- EBITDA
- (528)
- (500)

Existing Business EBITDA
- 5,665
- 910
- Progress Rate 42%
- Progress Rate 53%

EBITDA
- 13,500
- 1,732

* Progress Rates shown are calculated in relation to FY2019 Target announced on 13 February 2019.
Highlights
Record-High Quarterly Net ID Growth, Total Number of IDs Continues to Increase

Total: 2,878 IDs

* The figures shown are the number of IDs for SPEEDA only, and exclude those for “entrepedia” and “FORCAS”.
Net Sales Growing Steadily

Unit: JPY MM

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Sales (JPY MM)</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>2Q (6 months)</td>
<td>1,313</td>
<td></td>
</tr>
<tr>
<td>2Q (6 months)</td>
<td>1,694</td>
<td>+27%</td>
</tr>
<tr>
<td>2Q (6 months)</td>
<td>2,148</td>
<td></td>
</tr>
</tbody>
</table>

YoY +27%
EBITDA Growth Rate Outpacing Revenue Growth

**EBITDA Margin**
- 2017: 18.6%
- 2018: 24.1%
- 2019: 34.4%

**EBITDA**
- 2Q (6 months) 2017: 244
- 2Q (6 months) 2018: 408
- 2Q (6 months) 2019: 739

**YoY**
+81%
Total Number of Paid Subscribers Exceeded 100 Thousand but Growth Slowed Down in 2Q

* The number of paid subscribers is a total of premium users for iOS (JPY 1,400/month), premium users for other platforms (JPY 1,500/month), users with student discounts (JPY 500/month), and NewsPicks Academia members (JPY 5,000/month).
1) **Reinforce the Editorial Team**
Enhancing timely articles with commentary explaining the background of breaking news, in addition to featured articles, under the direction of new Editor-in-Chief, Mitsufumi Ikeda

2) **Enhance News Video Programs**
Built a team to broadcast News Video Programs during a specific time every weekday over next year

3) **Launch B2B Sales**
Commenced full-fledged B2B sales targeting to acquire corporate bulk subscriptions
First B2B Client: The Ricoh Company with Approximately 90,000 Employees
Net Sales of Paid Subscriptions Increased, Advertisement Income Grew Substantially

Unit: JPY MM

- **Advertising**
- **Paid Subscriptions**
- **Other**

2Q (6months) 2017:
- Advertising: 691
- Paid Subscriptions: 301
- Other: 4

2Q (6months) 2018:
- Advertising: 1,252
- Paid Subscriptions: 951
- Other: 50

2Q (6months) 2019:
- Advertising: 1,894
- Paid Subscriptions: 1,543
- Other: 351

YoY +51%

- “Other” mainly includes video production and external sales of content
- Internal transactions between segments are included
EBITDA Tripled YoY, NewsPicks Is the Second Largest Income Contributor Following SPEEDA

* The EBITDA drop in 2Q 2018 compared to 2Q 2017 is attributed to the temporary effects of a large-scale promotional campaign launched in June 2018. For details, please refer to the 2Q 2018 financial report.
QUARTZ Highlights
FY2019 Strategy: Ensure Profitability of Existing Business and Focus Investments on New Business

Existing Business

Advertising Solutions

Turn Profitable

New Business

Paid Subscriptions

Investments (Deficit)
Advertisement Sales Down YoY Due to Business Shift Towards Paid Subscription

2Q (6 months) 2018
USD 11.9 MM
(in JPY) 1,310MM

2Q (6 months) 2019
USD 11.6 MM
(in JPY) 1,276MM

YoY
(3)%

* Figures for 2Q 2018 are pre-acquisition and are unaudited.
* Conversion rate of USD 1 = JPY 110.06 (January–June 2019 average) used for calculating 2Q 2018 and 2Q 2019 figures.
Improving Cost Structure of Existing Businesses and Investing in New Business

2Q (6 months) 2018

- JPY (980) MM
- USD (8.9) MM

2Q (6 months) 2019

- JPY (1,346) MM
- USD (12.2) MM

Optimise costs and reach a profitable full-year (1Q-3Q expect deficit as Ad-Sales are strong in 4Q (seasonality))

Continue investments in subscription business. Full-year deficit to be within JPY 2,000 MM

* Figures for 2Q 2018 are pre-acquisition and are unaudited.
* Conversion rate of USD 1 = JPY 110.06 (January–June 2019 average) used for calculating 2Q 2018 and 2Q 2019 figures.
* Excludes temporary expenses such as business restructuring costs.
Investing in Contents for Paid Subscription Business Plan to Announce the Number of Paid Subscription from End-FY2019

Feature Stories Delving Deep into Specific Topics

CEO Interviews (Video Content)

Implement a Metered Paywall and Include All Articles into the Premium Subscription

A note to Quartz readers from the publisher

By Jay Lauf • May 7, 2019
Publisher & CEO, Quartz
Other Businesses

Highlights
FORCAS Driving Substantial Growth in Net Sales

Unit: JPY MM

FORCAS

entrepedia

2Q (6months) 2017: 26
2Q (6months) 2018: 128
2Q (6months) 2019: 361

YoY +181%
Other Businesses Highlights (2)

MRR of FORCAS Break Past JPY 50 Million

Unit: JPY MM

* MRR (Monthly Recurring Revenue): Monthly revenue earned from recurring subscription and does not include any one-time revenue such as initial start-up revenue
Deficit Shrinking with Increasing Net Sales Investments Directed Towards Further Growth

<table>
<thead>
<tr>
<th>EBITDA</th>
<th>Unit: JPY MM</th>
</tr>
</thead>
<tbody>
<tr>
<td>2Q (6 months) 2017</td>
<td>0</td>
</tr>
<tr>
<td>2Q (6 months) 2018</td>
<td>(126)</td>
</tr>
<tr>
<td>2Q (6 months) 2019</td>
<td>(47)</td>
</tr>
</tbody>
</table>

YoY

+78 (JPY million)
Appendix
## Consolidated P&L (Actual)

(Unit: JPY MM)

<table>
<thead>
<tr>
<th></th>
<th>2Q (6months) 2017</th>
<th>2Q (6months) 2018</th>
<th>2Q (6months) 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td>2,027</td>
<td>3,068</td>
<td>5,665</td>
</tr>
<tr>
<td><strong>Net Sales Growth Rate</strong></td>
<td>47%</td>
<td>51%</td>
<td>85%</td>
</tr>
<tr>
<td><strong>SPEEDA Business</strong></td>
<td>1,313</td>
<td>1,694</td>
<td>2,142</td>
</tr>
<tr>
<td><strong>NewsPicks Business</strong></td>
<td>690</td>
<td>1,249</td>
<td>1,885</td>
</tr>
<tr>
<td><strong>Quartz Business</strong></td>
<td>23</td>
<td>124</td>
<td>1,276</td>
</tr>
<tr>
<td><strong>Other Businesses</strong></td>
<td>323</td>
<td>324</td>
<td>(528)</td>
</tr>
<tr>
<td><strong>EBITDA Margin</strong></td>
<td>16.0%</td>
<td>10.6%</td>
<td>-</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>301</td>
<td>292</td>
<td>(931)</td>
</tr>
<tr>
<td><strong>Operating Profit Margin</strong></td>
<td>14.9%</td>
<td>9.5%</td>
<td>-</td>
</tr>
<tr>
<td><strong>Ordinary Profit</strong></td>
<td>303</td>
<td>204</td>
<td>(1,007)</td>
</tr>
<tr>
<td><strong>Quarterly Net Profit Attributable to Parent Company Shareholders</strong></td>
<td>247</td>
<td>67</td>
<td>(965)</td>
</tr>
<tr>
<td><strong>Quarterly Net Profit Margin Attributable to Parent Company Shareholders</strong></td>
<td>12.2%</td>
<td>2.2%</td>
<td>-</td>
</tr>
<tr>
<td><strong>SPEEDA: Term-End Number of IDs</strong></td>
<td>1,780</td>
<td>2,299</td>
<td>2,878</td>
</tr>
<tr>
<td><strong>NewsPicks: Number of Paid Subscribers</strong></td>
<td>42,451</td>
<td>73,570</td>
<td>102,334</td>
</tr>
</tbody>
</table>

*Intersegment transactions are excluded.*
## Segment Information (2Q\textsubscript{(6months)} 2019)

<table>
<thead>
<tr>
<th></th>
<th>SPEEDA</th>
<th>NewsPicks</th>
<th>Quartz</th>
<th>Other Businesses</th>
<th>Total</th>
<th>Adjustment</th>
<th>Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td>2,148</td>
<td>1,894</td>
<td>1,276</td>
<td>361</td>
<td>5,681</td>
<td>(16)</td>
<td>5,665</td>
</tr>
<tr>
<td><strong>Sales to External Customers</strong></td>
<td>2,142</td>
<td>1,885</td>
<td>1,276</td>
<td>360</td>
<td>5,665</td>
<td>—</td>
<td>5,665</td>
</tr>
<tr>
<td><strong>Sales and Transfers Between Segments</strong></td>
<td>6</td>
<td>8</td>
<td>0</td>
<td>0</td>
<td>16</td>
<td>(16)</td>
<td>—</td>
</tr>
<tr>
<td><strong>Segment Profit</strong></td>
<td>696</td>
<td>157</td>
<td>(1,726)</td>
<td>(56)</td>
<td>(929)</td>
<td>(1)</td>
<td>(931)</td>
</tr>
<tr>
<td><strong>Profit Margin</strong></td>
<td>32.4%</td>
<td>8.3%</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>739</td>
<td>171</td>
<td>(1,389)</td>
<td>(47)</td>
<td>(526)</td>
<td>(1)</td>
<td>(528)</td>
</tr>
<tr>
<td><strong>EBITDA Margin</strong></td>
<td>34.4%</td>
<td>9.0%</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>Number of Employees</strong></td>
<td>193</td>
<td>144</td>
<td>218</td>
<td>56</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*UZABASE directors (including outside directors) and employee of Uzabase Corporate Division are excluded from the number of employees*
### Consolidated Balance Sheet Comparison

(Unit: JPY MM)

<table>
<thead>
<tr>
<th></th>
<th>End-2018</th>
<th>End-2Q 2019</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Assets</strong></td>
<td>8,592</td>
<td>8,484</td>
<td>(107)</td>
</tr>
<tr>
<td><strong>Cash and Deposits</strong></td>
<td>5,725</td>
<td>6,929</td>
<td>+1,203</td>
</tr>
<tr>
<td><strong>Fixed Assets</strong></td>
<td>10,211</td>
<td>9,809</td>
<td>(402)</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>18,804</td>
<td>18,293</td>
<td>(510)</td>
</tr>
<tr>
<td><strong>Current Liabilities</strong></td>
<td>3,566</td>
<td>3,738</td>
<td>+172</td>
</tr>
<tr>
<td><strong>Fixed Liabilities</strong></td>
<td>8,920</td>
<td>9,484</td>
<td>+563</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>12,487</td>
<td>13,223</td>
<td>+735</td>
</tr>
<tr>
<td><strong>(Interest-Bearing Debts)</strong></td>
<td>9,574</td>
<td>10,225</td>
<td>+650</td>
</tr>
<tr>
<td><strong>Total Net Assets</strong></td>
<td>6,316</td>
<td>5,070</td>
<td>(1,245)</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) has been applied to financial statements from 1Q 2019. The figures for the previous term (Consolidated Balance Sheet for End-2018) have been revised retroactively in accordance with these Amendments.
UZABASE

Business Intelligence to Change Your World

For more information on financial records, refer to “2019 Q2 Financial Results”
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.