1Q 2020 Financial Results
We provide a foundation of intelligence that supports the needs of business and business people. We analyze, organize, and create global information so you can make the right decisions at the right time unleashing your creative and innovative potential.

We guide business people to insights that change the world.
Our Services

S P E E D A

Business Intelligence Platform
A business intelligence platform that provides financial institutions and general businesses with the insights they need to analyze and formulate business strategies, including global company financial, industry reports, market data, and M&A deals.

B2B Service
FORCAS

B2B Marketing Platform

A B2B marketing platform that integrates Uzabase Group's company information database with each customer's internal data to identify prospects with a high probability of closing based on in-depth data analysis. It also provides support for implementing Account Based Marketing practices.
Our Services

INITIAL

Startup Information Platform

A startup information platform that provides a one-stop source for general data, financing, investors, and business partners of startups, as well as original articles on related topics.

B2B Service
Social Business Media (Japanese Market)

A business news media for the Japanese market that provides users with economic and business news articles, along with comments from business professionals and experts. On top of news articles from over 100 worldwide media, NewsPicks' Editorial Team distributes its own original articles and video content.
Our Services

**QUARTZ**

Social Business Media (Global Market)

A business news media for the global market that provides global business news and insights for a new generation of business leaders around the world. Main content produced by Quartz includes Daily Briefs—email newsletters delivering news on global events every morning, and Field Guides—in-depth reports on specific topics.
Highlights of Consolidated Results

* All financials presented in this section are consolidated cumulative totals for each fiscal year.
Cost allocation system revised to reflect regular income more appropriately: starting from 2020, corporate costs are split into two parts for higher precision.

### Highlights of Consolidated Results: Change in Corporate Cost Allocation System

**Up to End-2019**

- **Business Structure**
  - Business Income
  - Business Costs
  - Corporate Cost
- **EBITDA**

**2020 Onwards**

- **Business Structure**
  - Business Income
  - Business Costs
  - **Direct Cost**
  - **Indirect Cost**
- **EBITDA**

Until the end of 2019, all expenses that now correspond to Indirect Costs had been allocated to the SPEEDA business. As a result of the above cost allocation system change, EBITDA and EBITDA margin for SPEEDA have improved.

- **Direct Cost**
  - Costs required for operating a business that are directly related to the services provided and the business itself, such as Corporate costs and office rents
  - →Allocated in proportion to usage by each business

- **Indirect Cost**
  - Costs incurred for consolidated business operations that are not directly related to the services provided or the business itself, such as listing fees and audit fees
  - →Allocated in proportion to net sales of each business

- EBITDA figures shown for each business, including past figures, have been recalculated according to the above system.
- Refer to Page 39 (“Appendix”) for each business’s EBITDA figures from 1Q 2018 onwards.
Flexibility has always been a key part of our corporate culture, which enabled the entire company to shift to full remote work early on, while maintaining regular business operations.
Highlights of Consolidated Results: Performance Overview

SPEEDA
Both net sales and EBITDA showed steady growth

FORCAS INITIAL
(Other B2B Businesses)
Net sales doubled, with EBITDA in positive territory

NEWS PICKS
Paid subscription sales growth substantially accelerated in late 1Q

QUARTZ
Paid subscription sales showed growth, but advertising revenue decreased significantly
Net sales slightly behind targets, but EBITDA growth outpaces plan.

- Full-Year Forecast refers to the figures announced on 12 February 2020.
- All monetary amounts and percentages are rounded to the nearest whole. (Same applies for slides that follow)
MRR, a crucial KPI for the Uzabase Group, growing steadily, ARR set to reach JPY 8.7 billion.

- One-off transactions such as initial costs and advertising sales are excluded.
- ARR refers to Annual Recurring Revenue, calculated as MRR multiplied by 12 months.
Net sales growth for all businesses except Quartz exceeded expectations.

Highlights of Consolidated Results: Net Sales

- **Net Sales**
  - Unit: JPY MM
  - YoY Change: +11%
  - Excluding Quartz: +30%

- **Quartz**
- **NewsPicks**
- **Other B2B**
- **SPEEDA**

- "Other B2B" is a total for FORCAS and INITIAL.
- Internal transactions between segments are excluded.
EBITDA for all domestic businesses expanded beyond initial forecasts.

Highlights of Consolidated Results: EBITDA

- EBITDA = Operating Profit + Depreciation and Amortisation (including Goodwill Amortisation).
- All EBITDA figures shown are calculated according to the revised cost allocation System.

<table>
<thead>
<tr>
<th></th>
<th>1Q 2018</th>
<th>1Q 2019</th>
<th>1Q 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quartz</td>
<td>238</td>
<td>179</td>
<td>121</td>
</tr>
<tr>
<td>NewsPicks</td>
<td>57</td>
<td>22</td>
<td>5</td>
</tr>
<tr>
<td>Other B2B</td>
<td>234</td>
<td>416</td>
<td>513</td>
</tr>
<tr>
<td>SPEEDA</td>
<td>-47</td>
<td>-179</td>
<td>-42</td>
</tr>
<tr>
<td>Consolidated EBITDA</td>
<td>-752</td>
<td>-682</td>
<td></td>
</tr>
</tbody>
</table>

YoY Change:
- Excluding Quartz: +137 MM
- Consolidated EBITDA: +12%
Highlights for SPEEDA
Following increase in contract IDs, MRR demonstrated favourable growth.

Unit: JPY MM

- MRR (Domestic + Overseas)

MRR refers to Monthly Recurring Revenue and excludes all one-off transactions such as initial costs.
Highlights for SPEEDA: Net Sales

Net sales growth rate continues to exceed 20% even amidst significant business scale expansion.

<table>
<thead>
<tr>
<th></th>
<th>1Q 2018</th>
<th>1Q 2019</th>
<th>1Q 2020</th>
<th>YoY Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>820</td>
<td>1,041</td>
<td>1,289</td>
<td>+24%</td>
</tr>
</tbody>
</table>

Unit: JPY MM

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

SPEEDA has established strong position as high-earning business.

- EBITDA Margin:
  - 28.6% in 1Q 2018
  - 40.0% in 1Q 2019
  - 39.8% in 1Q 2020

- EBITDA:
  - JPY 234 MM in 1Q 2018
  - JPY 416 MM in 1Q 2019
  - JPY 513 MM in 1Q 2020

- YoY Change: +23%

*All EBITDA figures shown are calculated according to the revised cost allocation system.*
SPEEDA unveiled plans to integrate MIMIR’s expert research service, adding human expertise to its business intelligence platform.
Highlights for Other B2B Businesses
New contract acquisition rate slowed down slightly in 1Q 2020 in reaction to high results in 4Q 2019; however, profitability on a monthly basis was reached, indicating favourable prospects for continuous growth.

Highlights for Other B2B Businesses: FORCAS MRR

- MRR refers to Monthly Recurring Revenue and excludes any one-off transactions such as initial costs.
FORCAS drove net sales growth, maintaining a YoY rate of over 100%.

<table>
<thead>
<tr>
<th></th>
<th>1Q 2018</th>
<th>1Q 2019</th>
<th>1Q 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>INITIAL</td>
<td>58</td>
<td>163</td>
<td>330</td>
</tr>
</tbody>
</table>

YoY Change: +102%

Internal transactions between segments are included.
INITIAL generated stable profits; FORCAS continued to receive investments from parent company, while managing to bring EBITDA under control.

EBITDA figures shown are calculated according to the revised cost allocation system.
Highlights for NewsPicks
MRR showed steady growth as number of paid subscriptions increased.

- MRR refers to Monthly Recurring Revenue and excludes any one-off transactions such as initial costs.
- Due to a data calculation mistake, the MRR figures announced on 12 February 2020 contained inaccuracies. The correct figures are: Dec 2019 MRR = JPY 176 MM; Dec 2018 MRR = JPY 137 MM.
Multiple factors, including the effects of COVID-19, have led paid subscriptions to triple since late March, which is expected to translate into substantial MRR growth in 2Q.

Number of Trial Paid Subscriptions
(Weekly)

Approx. x3 Increase
Growth rate slowed following deceleration in new user acquisition in 2H 2019; however, paid subscription business is expected to regain pace in 2Q onwards due to recent favourable performance.

### Highlights for NewsPicks:

<table>
<thead>
<tr>
<th></th>
<th>1Q 2018</th>
<th>1Q 2019</th>
<th>1Q 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td>611</td>
<td>1,019</td>
<td>1,267</td>
</tr>
<tr>
<td><strong>Other Income</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Paid Subscriptions</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Advertisement</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Other Income* mainly includes video production and external sales of content.

- Internal transactions between segments are included.

**YoY Change**: +24%
Highlights for NewsPicks: EBITDA

Profit margin down due to earlier than planned hiring in 2019, but still showed higher growth than original forecasts.

EBITDA

<table>
<thead>
<tr>
<th></th>
<th>1Q 2018</th>
<th>1Q 2019</th>
<th>1Q 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>JPY 57MM</td>
<td>JPY 179MM</td>
<td>JPY 121MM</td>
</tr>
<tr>
<td>EBITDA Margin</td>
<td>9.3%</td>
<td>17.6%</td>
<td>9.6%</td>
</tr>
</tbody>
</table>

YoY Change

-58 MM
05

Highlights for Quartz

UZABASE

We guide business people to insights that change the world
Highlights for Quartz: MRR

Subscription MRR growing steadily as planned.

- MRR refers to Monthly Recurring Revenue and excludes any one-off transactions such as initial costs.
- Conversion rate of USD 1 = JPY 108.97 (January-March 2020) used.
Paid subscriptions growing at increased pace since late March, showing similar trend to NewsPicks.
Advertising revenue has declined significantly due to COVID-19 impact.

Highlights for Quartz: Net Sales

- Net Sales USD 5.7 MM
- Net Sales USD 5.4 MM

Data for 1Q 2020
- Conversion rate of USD 1 = JPY 108.97 (January-March 2020) used.
- Data for 1Q 2018 includes business results prior to the acquisition, which are unaudited.

1Q 2018
- USD 2.6 MM
- JPY 602 MM

1Q 2019
- USD 5.7 MM
- JPY 629 MM

1Q 2020
- USD 2.6 MM
- JPY 289 MM

YoY Change
- JPY -340 MM
Despite year-on-year decrease in advertising sales, deficit reduced due to cost-savings initiatives since 2019.

Highlights for Quartz: EBITDA

- Data for 1Q 2020 conversion rate of USD 1 = JPY 108.97 (January-March 2020) used.
- Data for 1Q 2018 includes business results prior to the acquisition, which are unaudited.
- All EBITDA figures shown are calculated according to the revised cost allocation system.
Carry out a large-scale restructuring centering on the advertising business (approx. 40% headcount reduction). Prepare for potential risks and an uncertain economic environment.

Build a foundation for profitability between 2021–2022.
Appendix
Appendix: EBITDA for 2018 Onwards Following Revision of Cost Allocation System

(Unit: JPY MM)

<table>
<thead>
<tr>
<th>New System</th>
<th>2018</th>
<th></th>
<th></th>
<th>2019</th>
<th></th>
<th></th>
<th>2020</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1Q</td>
<td>2Q(C.)</td>
<td>3Q(C.)</td>
<td>4Q(C.)</td>
<td>1Q</td>
<td>2Q(C.)</td>
<td>3Q(C.)</td>
<td>4Q(C.)</td>
<td>1Q</td>
</tr>
<tr>
<td>SPEEDA</td>
<td>234</td>
<td>468</td>
<td>682</td>
<td>1,061</td>
<td>416</td>
<td>826</td>
<td>1,224</td>
<td>1,597</td>
<td>513</td>
</tr>
<tr>
<td>NewsPicks</td>
<td>57</td>
<td>-10</td>
<td>77</td>
<td>171</td>
<td>179</td>
<td>133</td>
<td>86</td>
<td>282</td>
<td>121</td>
</tr>
<tr>
<td>Quartz</td>
<td>-</td>
<td>-</td>
<td>-327</td>
<td>165</td>
<td>-752</td>
<td>-1,433</td>
<td>-2,044</td>
<td>-2,160</td>
<td>-682</td>
</tr>
</tbody>
</table>

(Unit: JPY MM)

<table>
<thead>
<tr>
<th>Previous System</th>
<th>2018</th>
<th></th>
<th></th>
<th>2019</th>
<th></th>
<th></th>
<th>2020</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1Q</td>
<td>2Q(C.)</td>
<td>3Q(C.)</td>
<td>4Q(C.)</td>
<td>1Q</td>
<td>2Q(C.)</td>
<td>3Q(C.)</td>
<td>4Q(C.)</td>
<td>1Q</td>
</tr>
<tr>
<td>SPEEDA</td>
<td>210</td>
<td>408</td>
<td>566</td>
<td>845</td>
<td>376</td>
<td>739</td>
<td>1,096</td>
<td>1,386</td>
<td>-</td>
</tr>
<tr>
<td>Other B2B</td>
<td>-53</td>
<td>-126</td>
<td>-169</td>
<td>-193</td>
<td>-22</td>
<td>-47</td>
<td>-81</td>
<td>-127</td>
<td>-</td>
</tr>
<tr>
<td>NewsPicks</td>
<td>87</td>
<td>53</td>
<td>172</td>
<td>303</td>
<td>197</td>
<td>171</td>
<td>144</td>
<td>389</td>
<td>-</td>
</tr>
<tr>
<td>Quartz</td>
<td>-</td>
<td>-</td>
<td>-301</td>
<td>232</td>
<td>-730</td>
<td>-1,389</td>
<td>-1,986</td>
<td>-2,052</td>
<td>-</td>
</tr>
</tbody>
</table>

- Figures for 2Q, 3Q, and 4Q are cumulative, denoted as "(C.)". 1Q figures are for that quarter only.
- Under the previous system up to 4Q 2019, costs pertaining to the US business were excluded from the segment figures, but these are now allocated to each segment, resulting in some discrepancies in total EBITDA.
# Appendix: Consolidated Profit and Loss Sheet

## Consolidated Profit and Loss Sheet (Actuals)

<table>
<thead>
<tr>
<th>(Unit: JPY MM)</th>
<th>1Q 2018</th>
<th>1Q 2019</th>
<th>1Q 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>1,488</td>
<td>2,847</td>
<td>3,171</td>
</tr>
<tr>
<td>Net Sales Growth Rate</td>
<td>53%</td>
<td>91%</td>
<td>11%</td>
</tr>
<tr>
<td>SPEEDA</td>
<td>820</td>
<td>1,037</td>
<td>1,288</td>
</tr>
<tr>
<td>Other B2B</td>
<td>56</td>
<td>162</td>
<td>327</td>
</tr>
<tr>
<td>NewsPicks</td>
<td>611</td>
<td>1,017</td>
<td>1,266</td>
</tr>
<tr>
<td>Quartz</td>
<td>-</td>
<td>629</td>
<td>289</td>
</tr>
<tr>
<td>EBITDA</td>
<td>238</td>
<td>-179</td>
<td>-42</td>
</tr>
<tr>
<td>EBITDA Margin</td>
<td>16%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>226</td>
<td>-380</td>
<td>-263</td>
</tr>
<tr>
<td>Operating Profit Margin</td>
<td>15%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Ordinary Profit</td>
<td>167</td>
<td>-395</td>
<td>-317</td>
</tr>
<tr>
<td>Ordinary Profit Margin</td>
<td>11%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Quarterly Net Profit Attributable to Parent Company Shareholders</td>
<td>117</td>
<td>-296</td>
<td>-473</td>
</tr>
<tr>
<td>Quarterly Net Profit Margin Attributable to Parent Company Shareholders</td>
<td>8%</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

*Internal transactions between segments are excluded.*
Appendix: Consolidated Balance Sheet Comparison

### Consolidated Balance Sheet Comparison

<table>
<thead>
<tr>
<th>(Unit: JPY MM)</th>
<th>End-2019</th>
<th>1Q 2020</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Assets</strong></td>
<td>10,224</td>
<td>9,239</td>
<td>-984</td>
</tr>
<tr>
<td>(Cash and Deposits)</td>
<td>7,954</td>
<td>7,331</td>
<td>-622</td>
</tr>
<tr>
<td>Fixed Assets</td>
<td>10,733</td>
<td>10,700</td>
<td>-33</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>20,958</td>
<td>19,940</td>
<td>-1,018</td>
</tr>
<tr>
<td><strong>Current Liabilities</strong></td>
<td>5,131</td>
<td>4,935</td>
<td>-196</td>
</tr>
<tr>
<td>Fixed Liabilities</td>
<td>8,695</td>
<td>8,216</td>
<td>-478</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>13,826</td>
<td>13,151</td>
<td>-675</td>
</tr>
<tr>
<td>(Interest-Bearing Liabilities)</td>
<td>9,879</td>
<td>9,685</td>
<td>-194</td>
</tr>
<tr>
<td><strong>Total Net Assets</strong></td>
<td>7,131</td>
<td>6,788</td>
<td>-342</td>
</tr>
</tbody>
</table>
UZABASE

We guide business people to insights that change the world

For more information on financial records, refer to the full “FY12/2020 1Q Financial Report (Consolidated)"
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.

UZABASE
May 14 2020
We guide business people to insights that change the world.