

May 14, 2020

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Notice on Business Restructuring at Subsidiary Quartz Media, Inc.

Uzabase, Inc. (hereinafter referred to as “Uzabase”) hereby announces that it resolved at a meeting of the Board of Directors held on May 14, 2020 to undertake a business restructuring at its US subsidiary Quartz Media, Inc. (hereinafter referred to as “Quartz”), as set forth below.

1. Reason for Business Restructuring at Quartz

Under its mission of building a global business intelligence infrastructure, Uzabase has been actively expanding beyond Japan, starting with the establishment of an Asian branch of SPEEDA in 2013.

As part of these efforts, Uzabase acquired Quartz, a US-based business media covering the global market, in July 2018. However, amidst the slowdown in business activities due to the COVID-19 pandemic, many companies, particularly in the USA, have been putting restraints on their advertising expenditures. These factors have affected the advertising business of Quartz. As of 1Q 2020, net sales have recorded a significant drop of 54.1%, or around JPY 340 million, on a year-on-year basis. As such, Uzabase has made a decision to accelerate efforts to reorganize Quartz’s business and to eliminate any potential future risks at an early stage, which will involve a shift towards a leaner structure through a fundamental business reform focused on restructuring the advertising business (approximately 40% headcount reduction).

At the same time, Quartz’s paid subscription business, launched after the acquisition by Uzabase, continues to demonstrate steady growth as planned, and Uzabase intends to maintain the focus on expanding it further.

2. Future Outlook

Uzabase will promptly report the more details of business restructuring and associated temporary costs at Quartz as soon as the exact figures are finalized.