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Chapter 1

Five Year Goal
Become the World’s Most Influential Business Media in the Next 5 Years

1 M
Paid Subscribers Worldwide

10 M
MAU
entering the Next Stage of Evolution

2013
- Launched NewsPicks

2014
- Started paid services

2017
- Introduced monthly subscription plan (5,000 yen/mo)

2018
- Entered US market
- Started video streaming
- Established NewsPicks Studios

2023
- Open Silicon Valley office
- Next Stage
Past 5 Years

Establishing NewsPicks’ Successful Business Model

Next 5 Years

Accelerating NewsPicks’ Successful Business Model
Past 5 Years

What is NewsPicks’ Success Model?

Next 5 Years

Expansion Phase
Chapter 2

Success Model and Growth of the US Business
Balance of Three Key Elements

- Platform
- Community
- Media

Proven Business Model was Established in Japan
Entered the US Market with a validated Business Model

November 2017

Joint Venture with Dow Jones
Started with Two Fundamental Features (similar to Japan)

1. Platform

2. Community

Comment, "Pick", Follow

Curation

The NewsPicks newsroom was established 10 months after the service launched in Japan.
US Business Key KPIs are Growing Faster than Japan

1. DAU
2. Retention Rate
DAUs Growing Two Time Faster than Japan

DAU volume from start of service – Japan vs US

DAU: Daily Active Users
US Retention Rate Surpassed Japan

7-day Retention Rates – Japan vs US

<table>
<thead>
<tr>
<th>Year</th>
<th>Japan</th>
<th>US</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017.12</td>
<td>20%</td>
<td>15%</td>
</tr>
<tr>
<td>2018.01</td>
<td>25%</td>
<td>20%</td>
</tr>
<tr>
<td>2018.02</td>
<td>30%</td>
<td>25%</td>
</tr>
<tr>
<td>2018.03</td>
<td>35%</td>
<td>30%</td>
</tr>
<tr>
<td>2018.04</td>
<td>40%</td>
<td>35%</td>
</tr>
<tr>
<td>2018.05</td>
<td>45%</td>
<td>40%</td>
</tr>
<tr>
<td>2018.06</td>
<td>50%</td>
<td>45%</td>
</tr>
</tbody>
</table>
NewsPicks will acquire Quality Business Media leader QUARTZ to accelerate growth in the US and global markets.
QUARTZ Completes the Success Triangle

QUARTZ complements NewsPicks’ US Business Model
The world's first quality business media to successfully combine quality journalism and mobile technology.
Team of Experienced Media Professionals to pursue high value Journalism
Multi-award winning company established in 2012

ONA Awards
INMA Global Media Awards
Data Journalism Awards
World Digital Media Awards
Editor and Publisher Awards
B2B Marketer Awards
SABEW Best in Business Awards
Internationalist Awards for Innovative Digital Solutions

and more …
Won at the Gerald Loeb Awards, one of the most prestigious awards in business journalism
Quartz Editor-in-Chief hosting discussions at the World Economic Forum in Davos 2018
Chapter 3

Five Key Features of QUARTZ
Most Read among Young Global Business Leaders of Today

Comscore Index

C-suite Global Executives btw ages of 25-44

Quartz: 242
Economist: 166
FT: 148
NYT: 144
Forbes: 140
Bloomberg: 123
WSJ: 122

C-suite: Most senior executives of corporations such as CEO, COO, CFO etc.
2. Extensive Network of Global Reporters

115 countries

19 languages
Arabic, Bengali, Burmese, Cantonese, Croatian, English, Filipino, French, German, Greek, Hebrew, Hindi, Italian, Japanese, Kannada, Korean, Malay, Mandarin, Spanish
3. World-Class Journalists for Business Reporting

Yinka Adegoke (Reuters)
Kira Bindrim (Newsweek)
John Detrixhe (Bloomberg)
Alison Griswold (Bloomberg)
Heather Landy (Bloomberg)
Jason Karaian (The Economist)
Sarah Kessler (Washington Post)
Xana Antunes (CNBC)
Lauren Brown (Business Insider)
and more ...
4. User-friendly “Mobile-Native” Design
5. High-Quality, Creative Brand Contents

“GE: World in Motion”
Awarded the World Digital Media Award

Over 320 clients

Deloitte. ExxonMobil

JPMorgan Chase & Co.

VISA mastercard

Intel

Bank of America

Boeing

Cartier

and more …
Platform

Media

Community

Influential Global Readers

Global Network of Reporters

Top-Class Journalists

“Mobile-Native” Design

High-Quality Brand Contents
By becoming part of the NewsPicks team, we will further extend our capabilities to deliver quality journalism and products to business leaders throughout the world.

Jay Lauf  
Co-President and Publisher

Kevin J. Delaney  
Co-President and Editor-in-Chief
Establishing NewsPicks’ Successful Business Model

Past 5 Years

Next 5 Years

How do we reach the Next Stage?
Despite its Strengths QUARTZ needs to Shift its Business Model

Decline largely due to dependency on advertising income
QUARTZ to Establish a Paid Subscription Business Model
## Strategy Going Forward = Membership Funnel Strategy

### Membership Funnel

- **Readers**
  - $0

- **Communities**
  - $0

- **Premium Users**
  - $15 / mo.

- **Hyper-Premium Users**
  - $50 / mo.

### Main Content

- **Free articles**
- **User-posted comments**
- **User-posted competitor sites**
- **Paid original articles**
- **Paid original videos**
- **Books**
- **Magazines**
- **Lectures and events**

### Main source of income

- **Ads**
- **Fee**
step 1

Expand Reader Universe

Funnel Entry

Continue to deliver free articles to expand existing Quartz readers

20 M+ Readers
Create Communities

Readers
$0

Communities
$0

Premium Users
$15/mo.

Hyper-Premium Users
$50/mo.

Increase Engagement

User Registration
Convert to Paid Membership

Readers
$0

Communities
$0

Premium Users
$15 / mo.

Hyper-Premium Users
$50 / mo.

Start delivering premium articles

Form a QUARTZ team that specializes in writing premium paid articles
Roadmap

2018
Increase investment

2019

2020

2021
Monetize

2022

2023

Become the world's most Influential Business Media

1M
Paid subscribers

10M
MAU

Develop a paid subscription model on a global scale
The Acquisition Considerations and Structure

A. The considerations for the acquisition consist of US$ 75m upfront payment and an earn-out payment (additional stock and cash payment when Quartz reaches an agreed level of financial performance and/or the number of paid subscribers in the future).

<table>
<thead>
<tr>
<th>Purchase Price</th>
<th>Earn-out payment</th>
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</thead>
<tbody>
<tr>
<td><strong>US$ 75M</strong></td>
<td></td>
</tr>
<tr>
<td>(Approx. JPY 8.25BN)</td>
<td></td>
</tr>
<tr>
<td>Cash:</td>
<td>Stock:</td>
</tr>
<tr>
<td>USD 50 M</td>
<td>USD 25 M</td>
</tr>
<tr>
<td>(Approx. JPY 5.5 BN)</td>
<td>(Approx. value JPY 2.75 BN)</td>
</tr>
</tbody>
</table>

Structure

100% ownership acquisition

Closing date

July 31 2018 (scheduled)
Q2 Is the purchase price reasonable?

A. The purchase price was determined using DCF valuation and comparable transaction analysis in the US digital media sector, as well as comparable companies data as reference.

Comparative transactions - emerging digital media deals
(NTM Enterprise Value/Revenue)

Axel Springer / Business Insider
AOL / Huffington Post
AOL / TechCrunch ※
NewsPicks / Quartz
Univision Communications / Gawker Media Group ※
Ziff Davis / Everyday Health

※ Used LTM (Last Twelve Months) multiple as reference as NTM (Next Twelve Month) multiple could not be calculated from publicly disclosed information.
Newly issued stock acquisition rights in conjunction with the transaction

A. The exercise price for the newly issued stock acquisition rights is set so that it will not fall below the closing price of the trading day immediately before the issue resolution date. As a result, the rights will not be exercised unless stock prices increase after the acquisition. We believe that any equity issuance from these rights should happen only when our shareholders expect and support the next level of growth (i.e. stock prices go up), and the stock acquisition rights terms are set accordingly.

Estimated amount of financing: JPY 6.5 BN
Exercise period (Aug 2018-July 2020)

※ This is for illustrative purpose only and there is no guarantee on future stock performance.
What is the impact of this acquisition on UZABASE consolidated performance?

A. Our main businesses SPEEDA and NewsPicks are performing as planned. With the consolidation of QUARTZ, our revenue and EBITDA forecast will be revised upwardly. Net profit will be revised downward due to goodwill amortization arise from the transaction and one-time acquisition related costs.

<table>
<thead>
<tr>
<th></th>
<th>Most recent (2018/2)</th>
<th>Est. Revision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>67.6</td>
<td>88.5~91.5</td>
</tr>
<tr>
<td>EBITDA</td>
<td>9.0</td>
<td>9.0~11.3</td>
</tr>
<tr>
<td>Net Profit</td>
<td>-4.5~0.9</td>
<td></td>
</tr>
</tbody>
</table>

(100M yen)