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Consolidated Financial Results for the Nine Months Ended September 30, 2017 [Japanese GAAP]

November 10, 2017

Company name: Uzabase, Inc.

Stock exchange listing: Tokyo

Code number: 3966

URL: <http://www.uzabase.com>

Representative: Yusuke Inagaki / Yusuke Umeda

Co-Chief Executive Officer

Contact: Mirai Murakami

Managing Director & Head of Corporate Division

Phone: +81-3-4574-6552

Scheduled date of filing quarterly securities report: November 14, 2017

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: Yes

(Amounts of less than one million yen are rounded down)

1. Consolidated Financial Results for the Nine Months Ended September 30, 2017 (January 01, 2017 to September 30, 2017)

(1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended September 30, 2017	3,173	45.6	457	93.0	445	108.4	389	113.9
September 30, 2016	2,178	-	237	-	213	-	181	-

(Note) Comprehensive income: Nine months ended September 30, 2017: ¥ 392 million [101.0%]
 Nine months ended September 30, 2016: ¥ 195 million [-%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
September 30, 2017	26.95	24.65
September 30, 2016	13.91	-

(Note) The Company conducted a 3-for-1 stock split of common stocks as of July 1, 2016 and conducted a 2-for-1 stock split of common stocks as of July 1, 2017. The "Earnings per share" and "Diluted earnings per share" are calculated assuming that the said stock split was conducted at the beginning of the previous consolidated FY.

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Million yen	Million yen	%
September 30, 2017	4,170	1,755	41.9
December 31, 2016	3,618	2,439	66.6

(Reference) Equity: As of September 30, 2017: ¥ 1,748 million
 As of December 31, 2016: ¥ 2,409 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2016	-	0.00	-	0.00	0.00
Fiscal year ending December 31, 2017	-	0.00	-		
Fiscal year ending December 31, 2017 (Forecast)				0.00	0.00

(Note) Revision to the forecast for dividends announced most recently: No

(Note) Breakdown of the 3rd quarter dividend for the fiscal year ending December 31, 2017 :

Commemorative dividend	- yen
Special dividend	- yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2017(January 01, 2017 to December 31, 2017)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	4,461	44.8	500	99.2	487	116.2	364	36.5	25.33

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

(1) Changes in significant subsidiaries during the nine months ended September 30, 2017

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

September 30, 2017: 14,499,372 shares

December 31, 2016: 14,405,766 shares

2) Total number of treasury shares at the end of the period:

September 30, 2017: - shares

December 31, 2016: - shares

3) Average number of shares during the period:

Nine months ended September 30, 2017: 14,442,409 shares

Nine months ended September 30, 2016: 13,083,414 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of December 31,2016	As of September 30,2017
Assets		
Current assets		
Cash and deposits	3,096,081	3,242,939
Notes and accounts receivable - trade	202,162	233,770
Prepaid expenses	66,340	119,313
Deferred tax assets	76,571	94,484
Other	4,791	24,831
Allowance for doubtful accounts	(1,040)	(3,133)
Total current assets	3,444,907	3,712,206
Non-current assets		
Property, plant and equipment	54,119	53,982
Intangible assets		
Goodwill	-	121,584
Other	7,210	9,602
Total intangible assets	7,210	131,187
Investments and other assets	112,174	273,593
Total non-current assets	173,504	458,763
Total assets	3,618,411	4,170,969

(Thousand yen)

	As of December 31,2016	As of September 30,2017
Liabilities		
Current liabilities		
Accounts payable - trade	88,904	156,340
Current portion of long-term loans payable	104,012	205,100
Accounts payable - other	129,504	111,081
Accrued expenses	163,820	60,482
Income taxes payable	45,293	75,647
Provision for bonuses	-	84,108
Unearned revenue	310,461	457,764
Other	116,758	158,752
Total current liabilities	958,755	1,309,278
Non-current liabilities		
Long-term loans payable	217,309	1,104,012
Deferred tax liabilities	43	43
Other	3,043	2,249
Total non-current liabilities	220,396	1,106,305
Total liabilities	1,179,152	2,415,584
Net assets		
Shareholders' equity		
Capital stock	1,303,190	1,321,535
Capital surplus	1,257,633	183,984
Retained earnings	(151,152)	238,079
Total shareholders' equity	2,409,671	1,743,599
Accumulated other comprehensive income		
Foreign currency translation adjustment	(159)	4,930
Total accumulated other comprehensive income	(159)	4,930
Subscription rights to shares	-	6,854
Non-controlling interests	29,747	-
Total net assets	2,439,259	1,755,384
Total liabilities and net assets	3,618,411	4,170,969

Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income (For the nine months)

(Thousand yen)

	For the nine months ended September 30,2016	For the nine months ended September 30,2017
Net sales	2,178,869	3,173,339
Cost of sales	975,039	1,423,486
Gross profit	1,203,829	1,749,853
Selling, general and administrative expenses	966,828	1,292,511
Operating income	237,001	457,341
Non-operating income		
Share of profit of entities accounted for using equity method	5,435	-
Compensation income	3,456	-
Penalty income	-	6,564
Other	2,909	2,543
Total non-operating income	11,801	9,107
Non-operating expenses		
Interest expenses	4,990	6,388
Foreign exchange losses	24,357	5,958
Share issuance cost	2,716	147
Listing expenses	2,795	-
Share of loss of entities accounted for using equity method	-	7,307
Other	-	810
Total non-operating expenses	34,859	20,612
Ordinary income	213,944	445,836
Extraordinary income		
Gain on sales of non-current assets	42	-
Total extraordinary income	42	-
Profit before income taxes	213,986	445,836
Income taxes - current	34,478	72,213
Income taxes - deferred	-	(18,786)
Total income taxes	34,478	53,427
Profit	179,508	392,409
Profit (loss) attributable to non-controlling interests	(2,456)	3,177
Profit attributable to owners of parent	181,965	389,232

Quarterly Consolidated Statements of Comprehensive Income (For the nine months)

(Thousand yen)

	For the nine months ended September 30,2016	For the nine months ended September 30,2017
Profit	179,508	392,409
Other comprehensive income		
Foreign currency translation adjustment	15,627	2,736
Share of other comprehensive income of entities accounted for using equity method	-	2,353
Total other comprehensive income	15,627	5,090
Comprehensive income	195,136	397,499
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	197,592	394,322
Comprehensive income attributable to non-controlling interests	(2,456)	3,177