

# UZABASE

**Uzabase, Inc.**

Long-term strategy briefing for 2025

December 17, 2021

## Event Summary

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[Company Name]	Uzabase, Inc.
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[Event Name]	Long-term strategy briefing for 2025
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[Venue]	Webcast
[Venue Size]	
[Participants]	
[Number of Speakers]	3
	Yusuke Inagaki                      Co-CEO
	Taira Sakuma                      Co-CEO
	Daisuke Chiba                      Executive officer, CFO

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# Presentation

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**Moderator:** Ladies and gentlemen, thank you very much for attending our briefing today. It is now time for us to start Uzabase Inc.'s briefing on long-term strategy. I will give guidance on how to send questions. If you are joining in online, we have prepared a Q&A service called Slido. Please send your questions through this service. The secretariat has shared the link to Slido on the Zoom chat. Please access Slido from there to send your questions. If you are joining us in the venue, we will accept your questions after the presentation. If you have any questions, please raise your hand.

This venue is being live streamed. So, when you're asking questions, you do not have to mention your name or affiliation. Please share just the question itself. We have also handed the QR code to Slido at the reception. We are also free to use it. You can use Slido to send us questions any time during the presentation.

First of all, I will introduce the corporate officers present today. Uzabase Inc., Co-CEO, Taira Sakuma, nice to meet you. Co-CEO, Yusuke Inagaki, nice to meet you. CFO, Daisuke Chiba, nice to meet you. These are the 3 speakers present today.

**Sakuma:** First of all, I would like to extend my appreciation for your attendance today. I'll be very happy to talk about our long-term strategy. In the past, whenever we held an online financial results briefing, many people have attended online. And I would like to also take this opportunity to thank you for that. The previous time, I was absent because I had acute appendicitis and I was suffering at the time, so my apologies. I have fully recovered. I would like to take the lead here.

From 2021, earlier this year, we have changed our management formation to a co-CEO style, and we have always looked at what it is that we aim to make happen. And for that, what kind of indicators that we will be following, I'll explain these things in full.

There are three main premises regarding the material. First with regard to EBITDA, from next term going forward, we would like to introduce this stock compensation plan into our remuneration system. So, from next fiscal year onward, we would be announcing adjusted EBITDA. This is after taking into consideration the influence of the stock compensations.

Second, our past consolidated results figures will continue to include Quartz.

In terms of the third major point, reporting segments will change, as you see on this slide. Currently, what you see on the right side is the planned segmentation from 2022. In summary, we're going to just have SaaS and NewsPicks. SPEEDA and other B2B business will be grouped into one segment.

And the AlphaDrive/NewsPicks business, which is the enterprise service section of NewsPicks, will be included in the SaaS segment. All of our SaaS businesses use NewsPicks content, and segregating just AD/NP would not match the real picture, so they will be disclosed together as SaaS. Regarding NewsPicks, I think we can present it in a clear and simple structure comprising advertising, paid subscription, and others.

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## Uzabase Group: Key Facts



1. All figures are as of end-Sep 2021, presented in Japanese yen (JPY)
2. All monetary amounts are truncated figures. Share of Revenue from Subscriptions and Growth Rate are rounded to the nearest whole (same applies for all slides that follow).
3. Total Employees includes both full-time and contract-based employees.
4. Share of Subscription Revenue refers to the share of recurring revenue in the total consolidated revenue of the Group.
5. ARR (Annual Recurring Revenue) refers to the total amount of recurring revenue generated over a year, calculated as MRR (Monthly Recurring Revenue) multiplied by 12.
6. SaaS ARR is the sum total of ARRs for SPEEDA, INITIAL, SPEEDA Edge, FORCAS, FORCAS Sales, and AD/NP.
7. NewsPicks ARR is ARR from NewsPicks Premium and NewsPicks Learning (individual) subscriptions.

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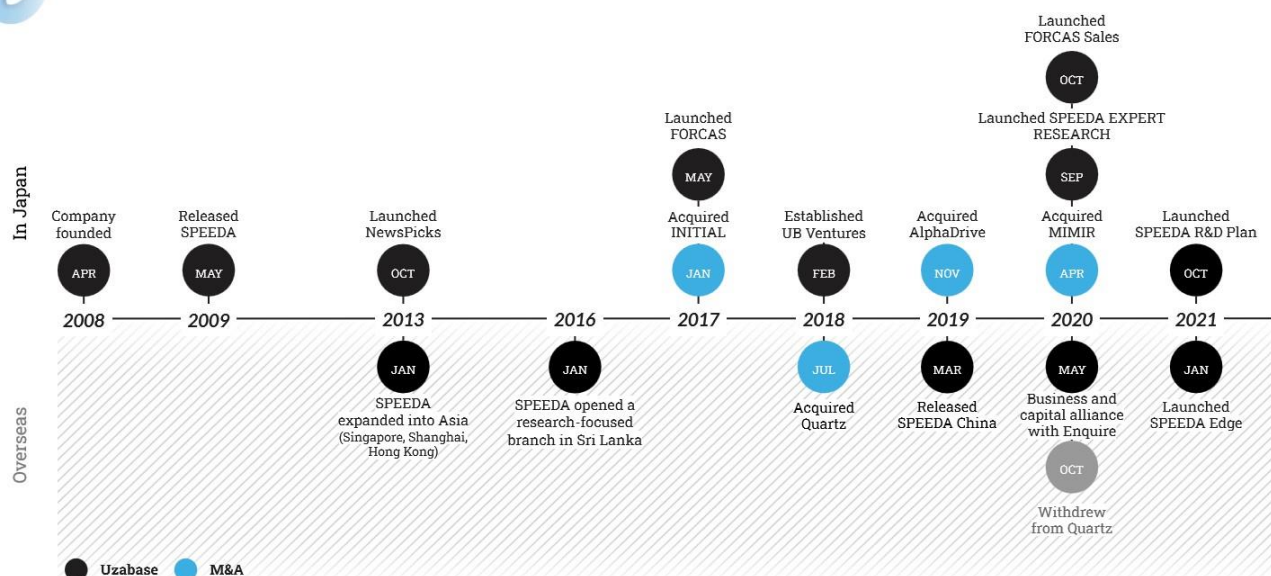
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First, I would like to give a bit of a recap of who we are. We were established in 2008. We have 743 employees, and we generate JPY11.6 billion in consolidated ARR: SaaS ARR at JPY9.1 billion, and NewsPicks ARR JPY2.5 billion, respectively. Some of the numbers have been shifted from NewsPicks to SaaS, namely the AlphaDrive portion of JPY600 million has moved over.

Uzabase has the policy of sustained growth with stable earnings, as shown in the ARR. In terms of the share of subscription revenue at NewsPicks, it's 73%. Apart from that, we have NewsPicks advertisement sales and also some consulting revenue within SaaS.



## Company History



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1. INITIAL changed its name from Japan Venture Research in November 2019.
2. Quartz has been excluded from consolidated results starting from November 2020. For details, refer to this [press release](#).
3. Enquire AI, Inc. changed its name from GlobalWorks, Inc. in September 2021.

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On this page, you can see the overview of our Company. Domestically and also internationally, we have launched many products with many ongoing endeavors.

In 2013, we launched NewsPicks and also expanded SPEEDA to overseas markets. There have been major developments in the past five years: we have FORCAS launched, and INITIAL has become our subsidiary, as well as AlphaDrive and MIMIR. In the past two years, we launched FORCAS Sales, SPEEDA EXPERT RESEARCH, SPEEDA Edge, and SPEEDA R&D plan.

Quartz is a business that we had to pull out of. But as you see here, in terms of M&A of SaaS businesses, INITIAL, AlphaDrive, MIMIR, have all shown good success. I would like to talk about them afterwards.



## Our Services

### SaaS

**SaaS Products Offering Support for the Implementation of Agile Management**

**Business Strategy:**  
Business planning, competitive analysis, M&A, investment strategy, new business development

**SPEEDA** **EDGE**  
**INITIAL**

**Customer Strategy:**  
Customer targeting, digital sales/marketing, new business development

**FORCAS** **FORCAS**  
Sales

**Organizational Strategy:**  
Corporate culture transformation, employee training, talent search, new business development

**AlphaDrive / NewsPicks**

### NewsPicks

**A Leading Business News Media in Japan**

NewsPicks delivers hand-picked business news from over 100 Japanese and international media outlets, as well as original articles and videos created by the NewsPicks Editorial Team. The content is accompanied by commentary from experts and business professionals from various fields.



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We have largely two types of services. One is SaaS, and we deliver value at the very center of management that has to do with business strategy, customer strategy, and organizational strategy. We support agile management, which adapts to changes in a speedy manner. And the other pillar is NewsPicks, which is a leading business news media in Japan.

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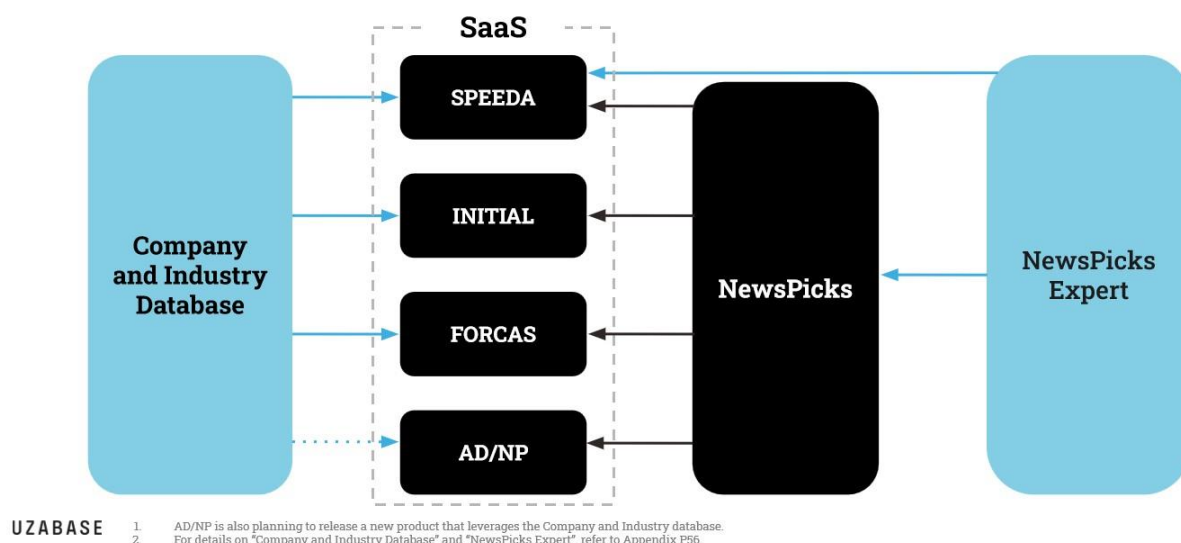
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## Collaborative Use of Business Intelligence

The collaborative use of business intelligence and insights across the entire Group serves as a strong competitive edge for Uzabase.



Now, in terms of our characteristics, these two pillars actually intermingle quite a bit. And we leverage on common data for SaaS.

We provide SaaS that uses company and industry data, and the database is shared across all of our services. All the SaaS businesses also use contents from NewsPicks.

Last year, we acquired MIMIR, and we changed the name to NewsPicks Expert. And one of the most valuable things about NewsPicks is its comments section, where various knowledge is shared, and NewsPicks Expert is starting to see pro-pickers boosting the value of such comments. On SPEEDA, we provide the value through the EXPERT RESEARCH service.

This is how we use the same common economic data. So, our return on investment is very high, which creates a high barrier to competition, as well as high growth and high profitability.

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### Mission

**We guide business people to insights that **change the world****

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.

### Purpose

**Verbalize the kind of a world we want to build and then build it together with everyone (both inside and outside the company) who wants to help bring this world about.**

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I would like to now talk about the world we want to create.

We have always talked about our Mission, but we will now shift from Mission to Purpose. Just to recap, our Mission has been “We guide businesspeople to insights that change the world.” Under this mission, we have been able to create new businesses and achieve growth.

But now, we would like to change it to Purpose, and there are two reasons why. One is looking inward, inside our Company; we have launched many different products. So, we feel that with many products ongoing, we need to be all united as one company with one clear objective, and that is the Purpose. And once we have that same vision together, of course, there's so much more that we can realize together.

And the other perspective is the outer perspective. Outside of Uzabase, we would like to be clear in what we aim to achieve, and we want to verbalize the kind of world we want to build and then build such a world together with the people of our Company, as well as the people outside. Now, this is the Purpose: Awakening a world of play in business, with our insights.

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## Awakening a world of play in business means...

### Finding harmony among societal, business, and individual purposes

#### 1 Harmony between Sustainable Society and Business Purpose

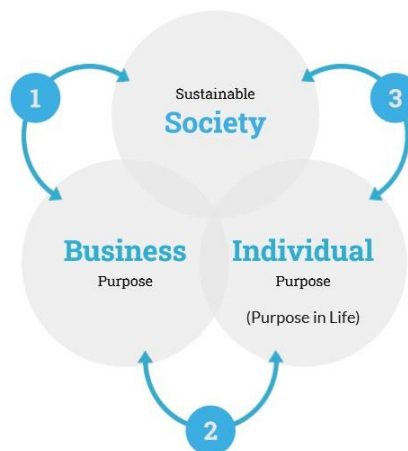
We believe that the pursuit of economic rationality and a sustainable society are not mutually exclusive. If the move towards sustainability gains significant traction among consumers, the market will actually start favoring companies that aim to create a sustainable society. Without a clear sustainability paradigm for social good, companies will not be able to attract talent. As a result, it will become more and more economically rational for companies to aim towards creating a sustainable society.

#### 2 Harmony between Business Purpose and Individual Purpose

Finding enjoyment in work is often said to be an important part of finding enjoyment in life. There is a whole world of play that can be found in business, and awakening it can only bring more joy into your life. If you like the overall direction (=purpose) of the company you work at, if you find it relatable to your own purpose in life, work may just become one of your many purposes in life, rather than a means to an end.

#### 3 Harmony between Individual Purpose and Sustainable Society

Enjoying business and enjoying life is only possible when we have hope for the future—our own and our children's. Contributing to the establishment of a sustainable society can bring such hope. Rather than working at the expense of our personal lives, we can create unique working styles to fit our unique lives, working styles that are sustainable and offer room for play. These can then be shared with the rest of the world!



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When coming up with its purpose, in the one year since new management have been in place, led by myself and Inagaki, we involved internal members in numerous discussions, so I can say that entire Uzabase created this Purpose.

Now in terms of awakening a world of play in business, what does that mean? We believe it means to realize harmony of society, business, and individuals. We believe that a sustainable society and business returns can go hand in hand; there needs to be that harmony.

At the same time, we want to create a world free of future anxiety, including for our children, in order to enjoy the present, enjoy business, and enjoy life. An individual's purpose should be aligned with the purpose of the business they work for, even if partially, and that agreement enables people to enjoy business and life.

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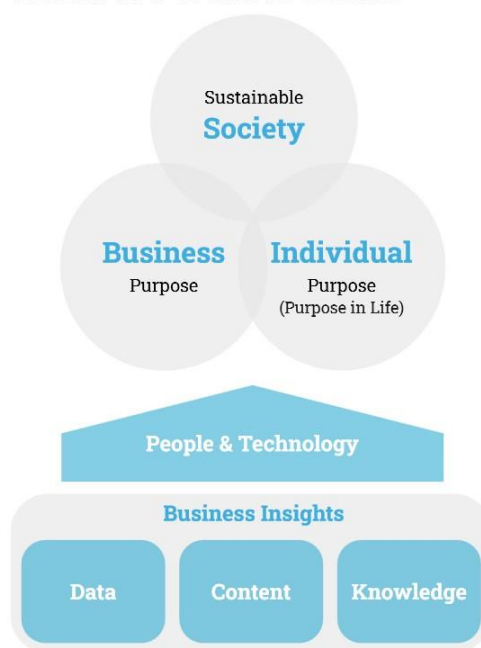


## Business Intelligence and the World We Want to Create

A World of Play in  
Business

Uzabase's Insights

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Our core assets are business insights, including data, content, and human knowledge. We will amplify their power with human capabilities and technology, to awaken a world of play in business.



## Our Pursuits on the Path Towards Fulfilling Our Purpose

**Awaken a world of play in business, with our insights.**

### Data that supports decisions

People and companies need the right data at the right time. And they need it anytime, because the world changes, fast. We not only keep up, we stay ahead. Our infrastructure quickly identifies, creates, organizes, and analyzes data so we can support a world where businesses pivot and deliver, alongside and even ahead of people's needs.

### Technology that changes the world

We believe that technology, together with people's ingenuity, will change the world. That's why we will keep automating our processes and combining our expertise with the best technology solutions to deliver value to the world.

### Content that creates change

We believe in the power of content. It can teach, and it can inspire. A society never stands still, because its people are always looking to grow, always looking to be inspired. Content can bring that inspiration. It can provide the courage and motivation people and businesses need to change and to grow. And when they do, society reaches sustainable development. Let's create that content and those businesses, together.

### Business that awakens play

Everything in harmony: individual, business, and society. We believe in creating a world where everyone can enjoy business and life, and we strive to deliver products that will make that a reality. With content that conveys ideas and practices and data that delivers fresh insights, we will create that sustainable world.

### Knowledge that's circulated

Curated expertise, unique experience, and a passion for depth. We believe in the power of human knowledge that comes from these sources. And we believe in sharing that knowledge. When diverse people share their wisdom and ideas, it creates economic value that's accessible to everyone and that helps promote the sustainable development of our society.

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And here on this page, we have tried to describe what we aim for in relation to some key words, namely data, content, knowledge of people, technology, and business that awakens play.

For example with technology: "We believe that technology, together with people's ingenuity will change the world. That's why we will keep automating our processes and combining our expertise with the best technology solutions to deliver value to the world."

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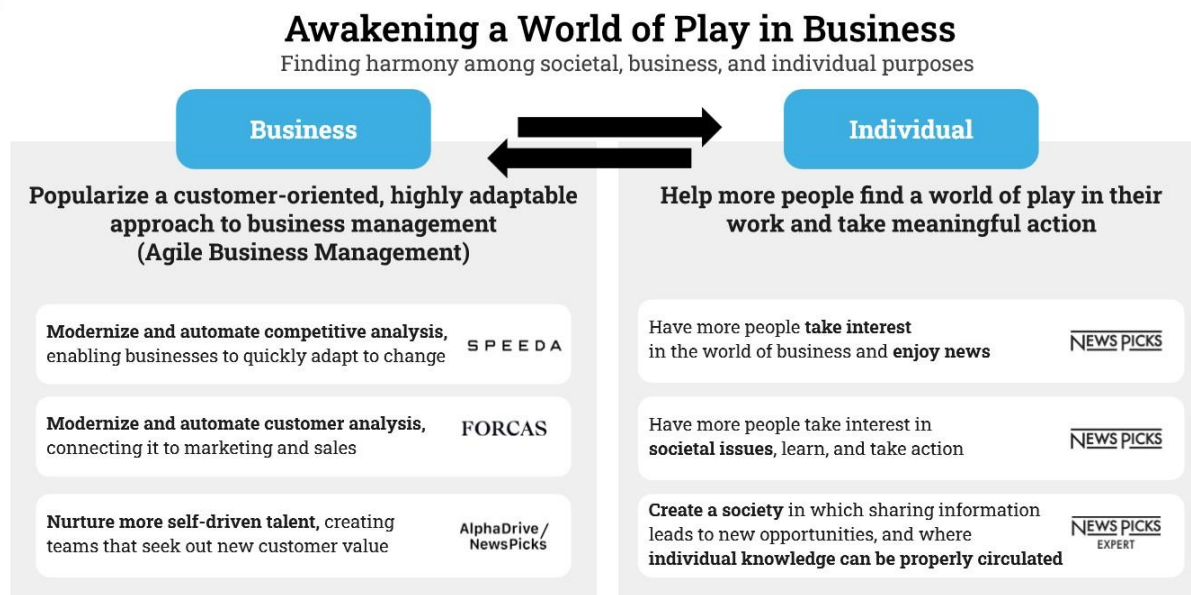
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We would like to share these more specific messages internally and with the whole society, to awaken a world of play in business with our insights.



## How Do Our Products Tie Into Our Purpose?



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In terms of how this links to our businesses, we provide services to businesses as well as individuals.

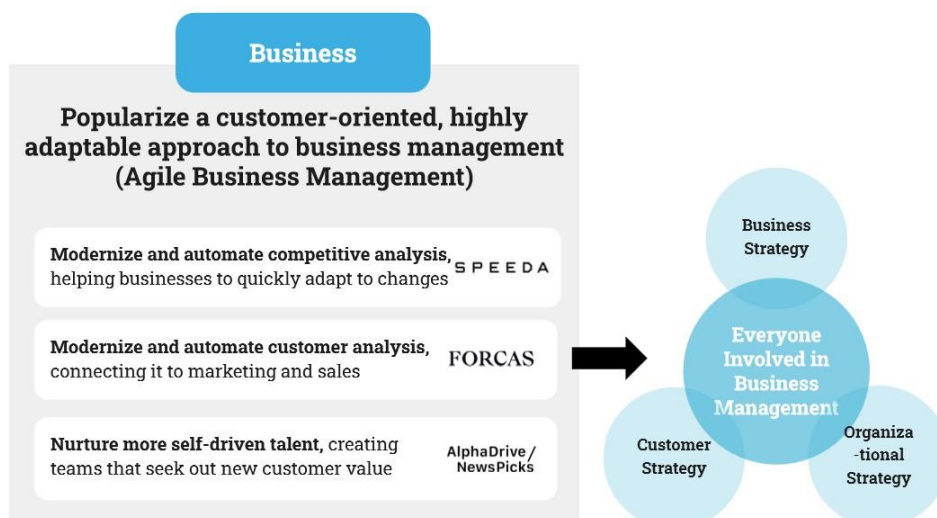
For B2B services, we promote agile management, which is to quickly adapt to changes with a customer-oriented perspective. This will enable our customers to feel that their performance is readily being delivered to their customers, involved in decision-making, and adapting to a changing landscape, which I believe truly is a world where everyone can have a sense of enjoyment in business.



## How Do Our Products Tie Into Our Purpose?

SPEEDA and INITIAL for business strategy needs, FORCAS for customer strategy, AD/NP for organizational and overall business strategy.

All of these align in the same direction as they address the most crucial elements of business management.



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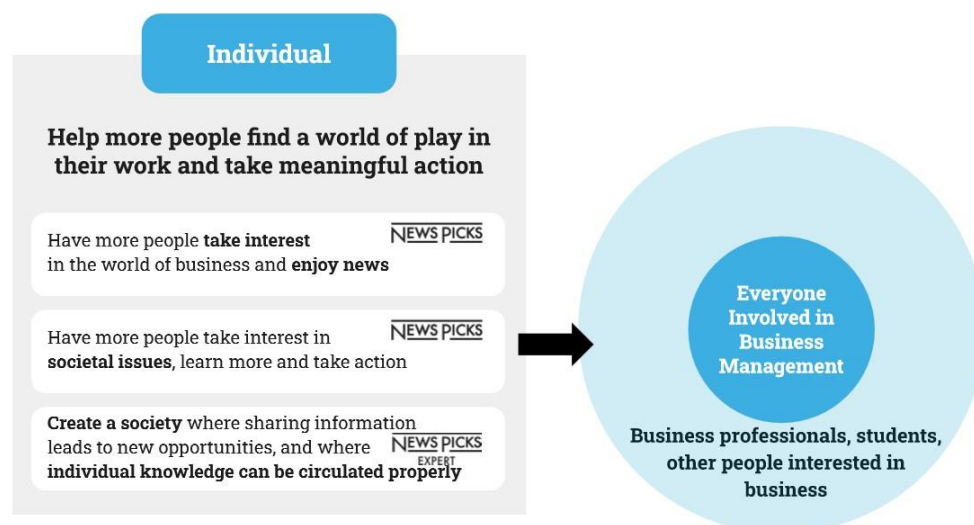
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With SPEEDA, we are making more advanced and automated competitive analysis possible, to enable management that is highly adaptable to fast-changing situations. With FORCAS, we are providing advanced and automated customer analysis which can lead to marketing and sales activities. At AlphaDrive/NewsPicks, we help the development of self-driven talent and organizations that keep exploring new customer value.

## **How Do Our Products Tie Into Our Purpose?**

NewsPicks aims to deliver value to an even wider audience, including professionals in all areas of business, as well as students.

However, professionals involved in business management are part of the core target group that is crucial for achieving the Purpose. This is where NewsPicks aligns with SaaS.



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With B2C services, we take a more direct approach to increase the number of people who enjoy business and take action. NewsPicks' slogan, is to make economic news more fun. We would like to increase the number of people who enjoy learning, reading, learning, and analyzing business news, and that needs to be tied to actual actions. Also, for societies, societal issues to be solved and diverse people's knowledge are quite important. Especially through NewsPicks Expert and NewsPicks, we would like to facilitate the circulation of individual knowledge for the benefit of the entire society.

And there is an overlap of where we want to deliver value. SPEEDA and INITIAL provides services for business strategy, FORCAS for client strategy, and AlphaDrive/NewsPicks for organizational and business strategy. These are all top-priority themes for management, and we aim to deliver these different values to our customers, who are involved in corporate management.

NewsPicks has a wider target, including all businesspeople and also students. In order to change Japan and the world, we need to change business, so our core target will be people involved in business management. So, SaaS and NewsPicks will share their core targets, essentially.

So, in pursuit of our Company Purpose, we are going to integrate SaaS and NewsPicks to a point of close fusion. This is our main message today.

And what do we mean by fusing or synergizing NewsPicks and SaaS businesses?

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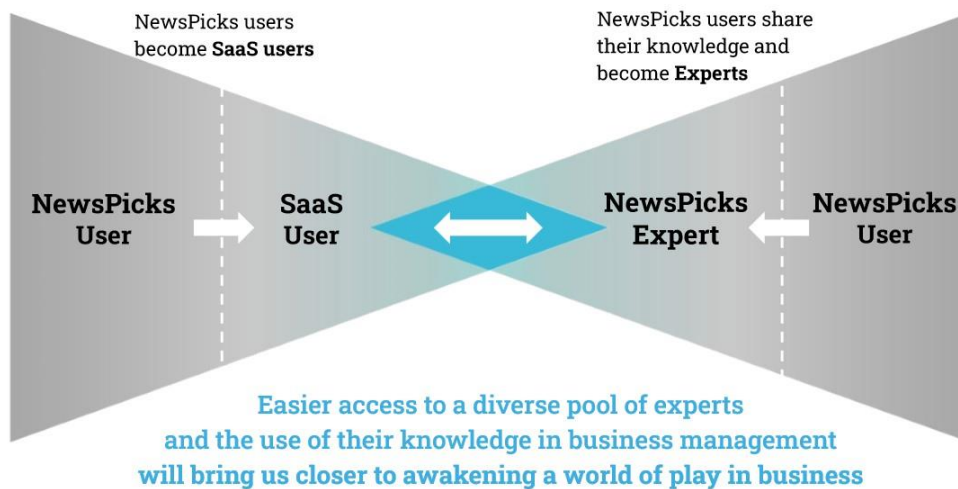
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## What Would the Qualitative Effects of This High Synergy Look Like?



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First on the qualitative side, we want to keep increasing NewsPicks users. And from the users, we want to generate more and more SaaS users. And on the opposite side of this diagram, amongst the increased number of NewsPicks users, we want to generate an increasing number of NewsPicks experts who share their views. And we want to facilitate access to human expertise, which is not always easy. We will use SaaS to facilitate matching and aim for a diverse range of expertise to circulate amongst the economy, which supports our Purpose of awakening a world of play in business.



## What Would the Quantitative Effects of This High Synergy Look Like?



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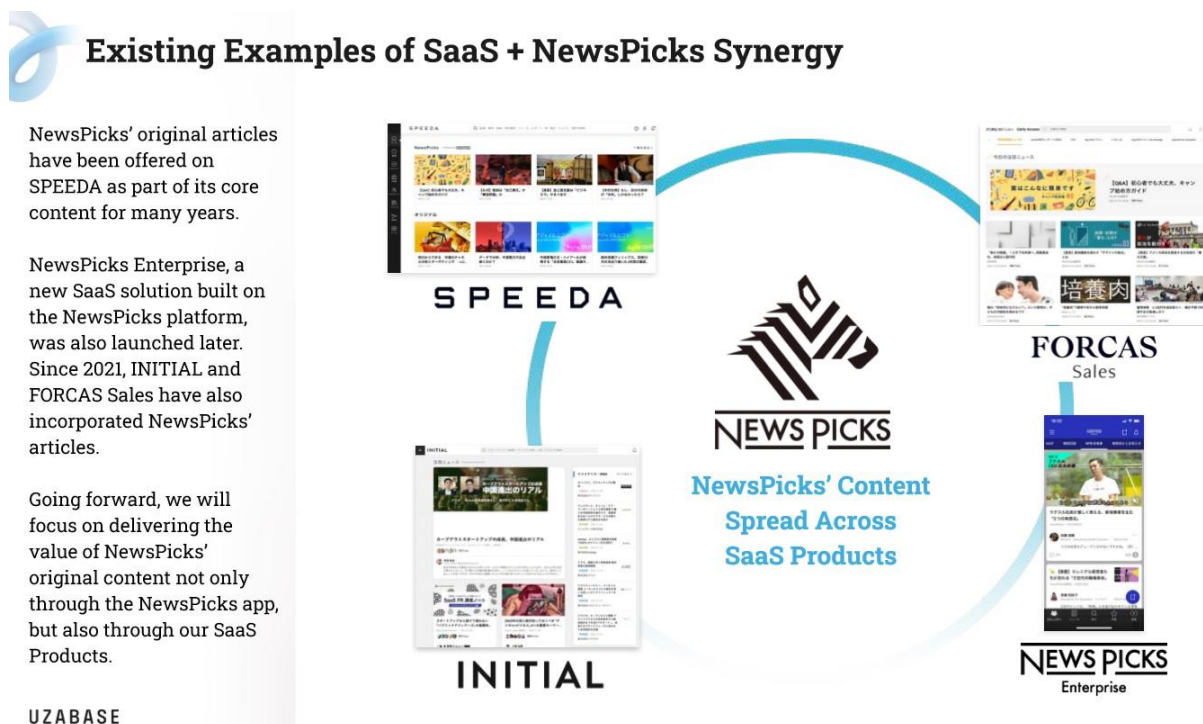




On the quantitative side, there is the improvement of SaaS marketing efficiency. Currently in Japan, there are many good SaaS companies; in order for them to grow, they invest heavily in marketing, for example, in TV commercials and ads in transportation facilities and so on.

In order to maintain high growth, we also have to keep expanding our marketing expenses. And we want to do this partially in-house, in order to raise efficiency. With NewsPicks and SaaS sharing the target users, we will be able to do this over the long term.

In the same way, on the right-hand side of this slide, we want to vastly improve the ease of finding new experts and have more and more NewsPicks experts coming on to our platform. By doing that, human insights, which is the most valuable form of business intelligence, can be accumulated and utilized in all of our SaaS services and be actually used in practical cases to establish a competitive advantage over the long term.



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And what has already been done in terms of the synergy between SaaS and NewsPicks?

The core content of SPEEDA is articles from NewsPicks. I haven't had many opportunities to share this. But actually, when I interview users of SPEEDA, many say that the most indispensable content is actually the top interview articles that feature prominent business leaders. And we do want them to feel the value of other aspect as well, but that shows how much the NewsPicks articles are valued in the platform. It shows the extent to which NewsPicks content is being established as core value in SPEEDA.

Then NewsPicks enterprise, as I mentioned, is the AD/NP business. From the fall of 2019, we have started this service centering on NewsPicks content to develop organizations.

And from this year, INITIAL and FORCAS Sales are also delivering NewsPicks content. And we have been able to gain positive feedback from our users. So, SaaS services are now needed for NewsPicks to maximize its value, and it has mutual benefits.

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## Marketing Collaboration Between SaaS and NewsPicks

Business webinars are the most prominent marketing channel for SaaS, garnering increased attention due to their high quality.

Focusing on business professionals involved in company management, each episode of this series of webinars has been attracting thousands of online viewers.

Starting from 2022, we will start providing access to these webinars via the NewsPicks platform, polishing up the NewsPicks => SaaS user acquisition channel.

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SaaS



NewsPicks



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I'd like to talk about the collaboration in marketing between SaaS and NewsPicks.

There has been a major change in SaaS marketing due to the pandemic. Off-line events, which used to be a main marketing channel, have practically become impossible, and we have been working on bringing them online. And we have been able to deliver cutting-edge value amongst SaaS businesses.

These are some online programs featuring SaaS marketing, and thousands of viewers are seeing them each time. And this also enables us to obtain available information for leads. And many such viewers are involved in business management.

With the pandemic, we can see how much the importance of online events is increasing in marketing. And NewsPicks has a high recognition rate among the audience, and work very well with NewsPicks platform. Going forward, we want to establish a funnel so that the NewsPicks users will eventually also become our SaaS users over the long term.

This is how we aim to awaken a world of play in business with our insights, and why we are boosting synergy between SaaS and NewsPicks. We will establish a structure in which we increase users of NewsPicks and go on to increase the number of SaaS users.

Next, I'd like to talk about why we think we can do it.

The reason is simple. We are capable of creating multiple SaaS products that are must-have tools, and we are able to increase the number of NewsPicks users.

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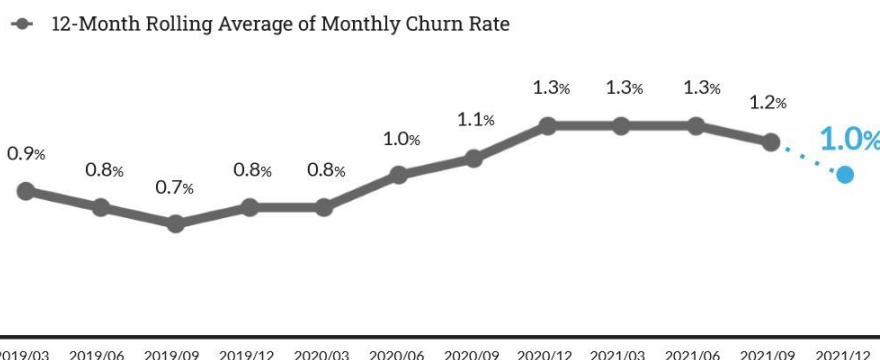
## SPEEDA: Churn Rate

We have committed to pushing down the churn rate to 1.0% by the end of 2021, and have successfully achieved that target.

With our goal to “Thrill the User”, Uzabase has the power to create truly must-have services.

Although we do not disclose the exact figures for them, FORCAS and INITIAL have also managed to curb their respective churn rates.

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1. The Churn Rate shown refers to Gross Revenue Churn Rate.

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This is a transition of the churn rate of SPEEDA. We have been able to bring it down to 1%.

Due to the pandemic, there was a rise in the churn rate, and we committed to bring it back to 1.0% within 2021. Currently, the year has not ended yet, but based on our contracts, we are able to see the year-end churn rate that is now down to 1.0%. I believe this is one strong evidence that we have been able to deliver must-have value to our customers through our services. We have not disclosed the figures, but all of the churn rates of the other SaaS businesses, including FORCAS and INITIAL, are also improving as well.

Next is our growth potential. We are able to create robust products and also consistently grow them.

When we explain the market scale, we haven't been able to give a clear picture. But this time, we made a clear definition of our target market.

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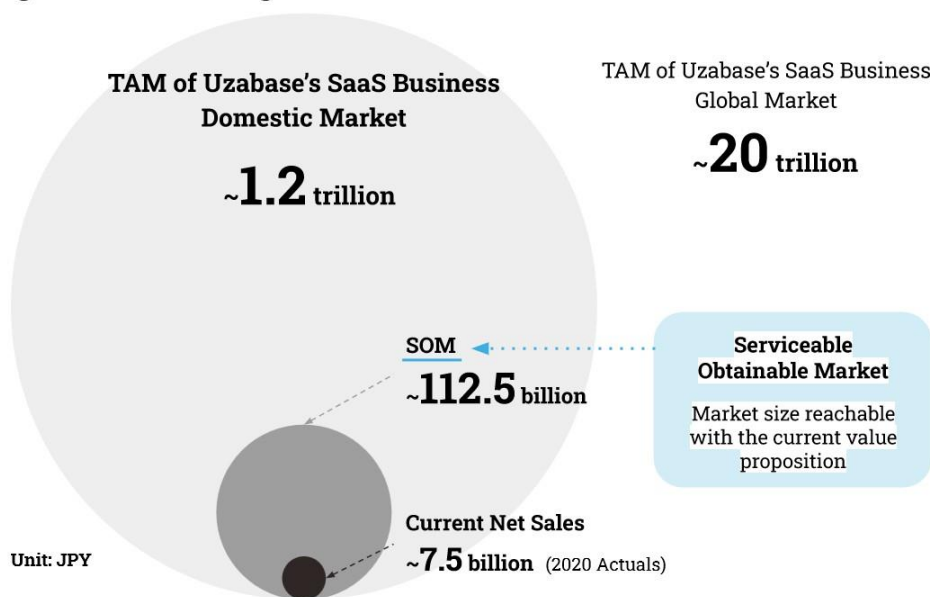


## Transforming Management Consulting Market: Cloud Shift and Democratization

The **TAM** of Uzabase's SaaS business, or the largest market that could be captured in the future, is estimated at **JPY 1.2 trillion in Japan, and JPY 20 trillion globally.**

Meanwhile, the **SOM**, or the size of the market that could be captured with the value proposition offered by the current product lineup and is also identifiable down to specific company names, is estimated at **JPY 112.5 billion for the entire SaaS business.**

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1. TAM (Total Addressable Market) is the total potential market size for Uzabase's SaaS business. The domestic market is estimated with reference to the domestic consulting services market forecast described in "Announcing the Domestic Consulting Services Market Forecast" (Japanese only) published by IDC Japan (July 1, 2021). The global market calculation references "Management Consulting Services - Global Market Trajectory & Analytics" by Global Industry Analysts Inc. (GIA).
2. SOM (Serviceable Obtainable Market) is estimated by calculating the number of target companies for each product using FORCAS, and then adding up all expected customer spending for each product.

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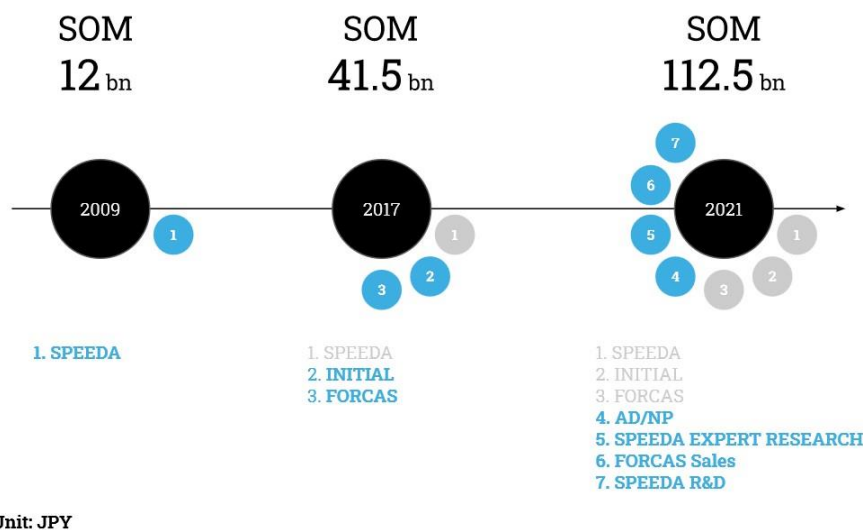
First of all, the value of our services, the SaaS services, as I mentioned, go right into the middle of business management, including value to business, client, and organizational strategies. This also leads to a cloud shift in democratization of business management consulting.

The total addressable market (TAM) is, we believe, JPY1.2 trillion in Japan. And on a global basis, this would be up to JPY20 trillion. So, that is the ultimate scale of the market we have a possibility to reach.

## Expansion of SOM Through Continuous Development of New Products

Within the vast market for management consulting services, we have continuously expanded our SOM by developing and releasing new products which leverage business intelligence and insights.

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1. For details on each product's SOM, refer to pages 60-61 of the Appendix.

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On the other hand, what we have been talking about in terms of market scale in our previous briefings, is now defined as our serviceable obtainable market (SOM). This is what is reachable through our existing products.

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And we have FORCAS to guide our customer strategies, and by utilizing it, we have created a list of targets for companies by name. For those companies, we will be able to deliver solid value through our existing products, and we estimate the scale of that market at JPY112.5 billion for all SaaS businesses.

In the previous fiscal year, we had JPY7.5 billion from the SaaS businesses in revenue. So, the SOM will be over 10 times the current level. And eventually, we will aim for JPY1.2 trillion in Japan and JPY20 trillion in the world.

This SOM is dynamic, and it keeps expanding as we develop new products and services. So here, this is the historical change.

We released SPEEDA in 2009, targeting securities firms and consulting firms, and the SOM then was JPY12 billion. After that, SPEEDA also started delivering to nonfinancial companies, and we also launched INITIAL and FORCAS. So, the SOM in 2017 was expanded to JPY41.5 billion.

And now, we have AD/NP and SPEEDA Expert Research, FORCAS Sales, and SPEEDA R&D, which has expanded the SOM to JPY112.5 billion. Again, we have identified all of the companies that have potential to enjoy our services.

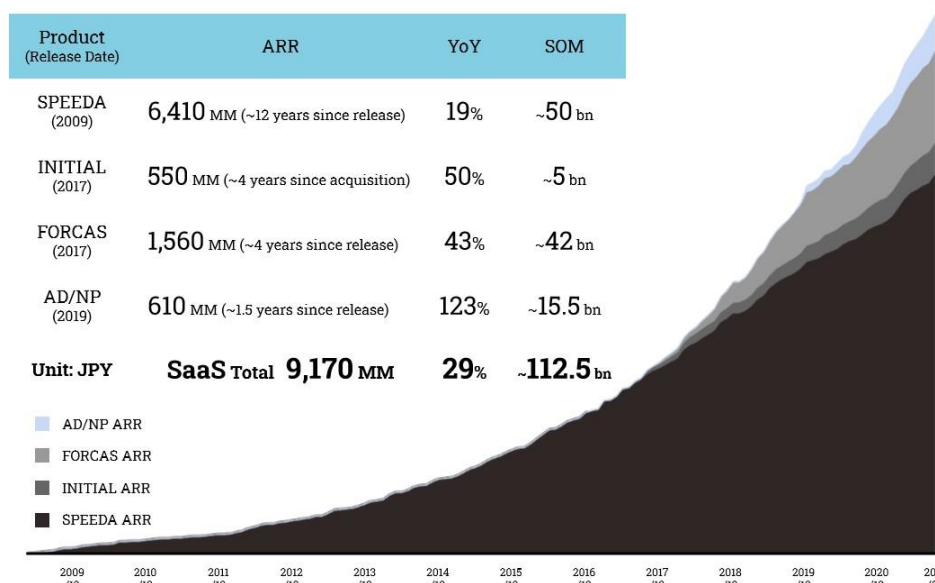


## SaaS Business: Track Record of Growth

Uzabase has a proven track record of launching multiple SaaS products and growing them quickly.

Particularly notable examples are FORCAS which reached an ARR of over JPY 1.5 billion around four years after its launch; and AD/NP which has grown rapidly to reach an ARR of over JPY 600 million around 1.5 years after its launch.

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1. All figures presented are as of end-Sep 2021.  
 2. SaaS Total also includes ARR of SPEEDA Edge.  
 3. For details on each product's SOM, refer to the Appendix (p. 60-61)

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And in the SaaS business, this is a track record of successful products. So, this to answer the question of whether or not we are actually able to achieve growth.

We have been achieving growth through all of our products, especially in recent years; FORCAS has reached JPY1.5 billion in ARR, and it's four years since release. And from AlphaDrive/NewsPicks, it's just 1.5 years since its release, but the ARR is already JPY600 million.

The reason we're able to do this is that we have business intelligence as core assets. We are able to speedily develop SaaS products, and we have established the know-how of creating what the customers need. So, we will keep releasing new products, and we will further accumulate know-how of successful businesses to achieve high growth in a short span of time.

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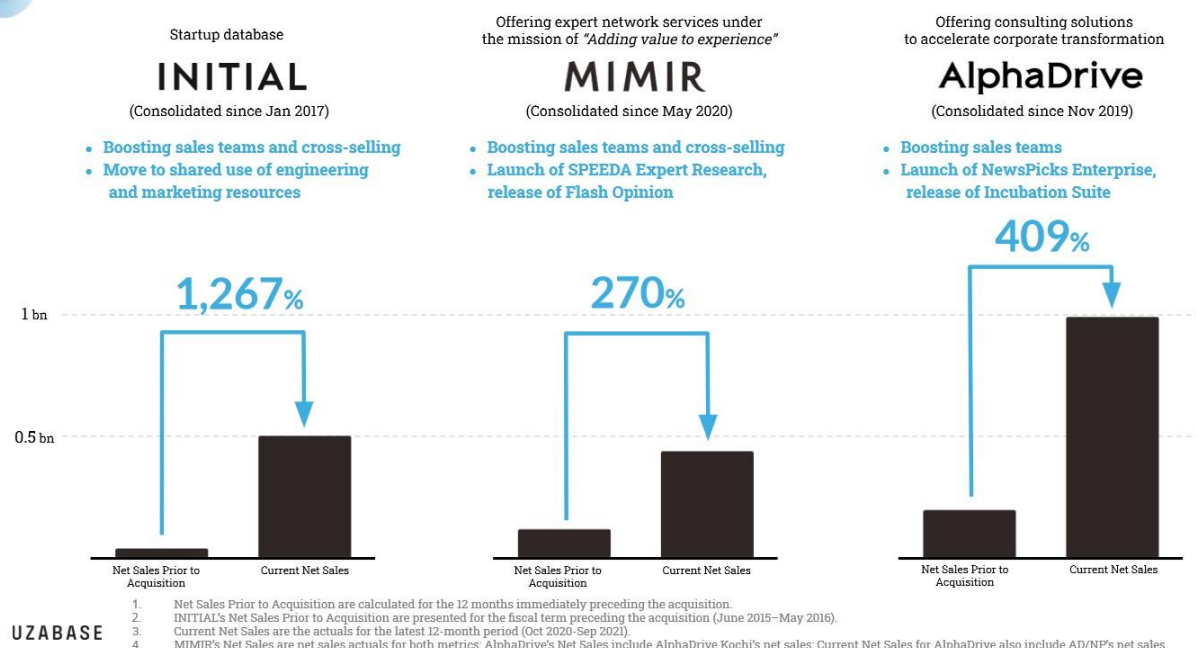
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## SaaS Business: Successful M&A Track Record



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This is the track record of M&A.

Regarding INITIAL, in 2017, we made it a consolidated subsidiary. It's 4.5 years, but its sales have grown by 12x. MIMIR was consolidated in May 2020; it's a year and several months, and it has well grown by about three times. AlphaDrive was consolidated in November 2019. It's not two years yet, but it is now four times as large.

So, we have seen success in all of such acquisition cases. We have made acquisitions of companies that own databases, namely MIMIR and AlphaDrive, which previously didn't have SaaS products, but we have been able to develop them to boost their value as SaaS. Going forward, M&A remains one of our important strategies toward growth.

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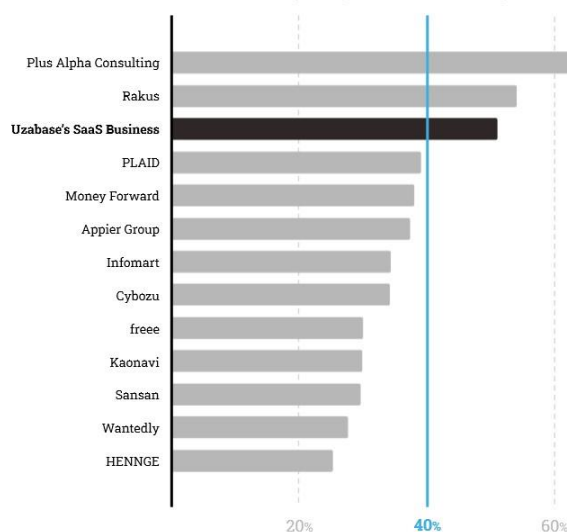
## The Rule of 40 among Japanese SaaS Companies

Companies developing SaaS products often use the Rule of 40 to benchmark their performance: if the sum total of a company's net sales growth rate and EBITDA margin exceeds 40%, it is considered to be performing well.

In Japan, there are only a few companies that exceed this 40% threshold. Uzabase's SaaS business, however, is one of those above the 40% mark.

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Net Sales Growth Rate (YoY) + EBITDA Margin Comparison



1. The Rule of 40 can also be calculated by adding the operating margin and free cash flow margin to the net sales growth rate, but the EBITDA margin was adopted.
2. The net sales growth rate and EBITDA margin of each company are calculated by Uzabase using SPEEDA based on the latest 12-month (1 year) period of disclosed consolidated or non-consolidated financial data.
3. Only companies with a ratio of subscription revenue to total net sales of 65% or more and an ARR of JPY 3 billion or more are included (data compiled by Uzabase).

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This is a technical indicator, the sum of the sales growth rate and EBITDA margin. Typically in the US, there's the so-called rule of 40. The view is that you can determine whether it's a successful service based on whether this sum reaches 40%. We've had high growth and high profitability, which we aim to keep balancing going forward. And in this indicator, our level is 50%, which is in the top level among Japanese companies.



## SaaS Business: High Sales Growth Paired with High Profitability

Our SaaS business has achieved a high net sales growth rate + EBITDA margin by leveraging our core asset of business intelligence.

The business has also continuously achieved a combined margin of 50%, well above the Rule of 40, on a consistent basis.

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1. SaaS Net Sales Growth Rate includes net sales for SPEEDA, FORCAS, FORCAS Sales, INITIAL, SPEEDA Edge, and AD/NP.
2. SaaS EBITDA Margin calculated based on earnings for SPEEDA, FORCAS, FORCAS Sales, INITIAL, SPEEDA Edge, and AD/NP over the past 12 months.

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Of course, what I have mentioned is not just a one-off good number. You can see here the trend in this dark black line. That's an addition of the sales growth rate and EBITDA margin. The line below it is sales growth, and the bottom one is the EBITDA margin.

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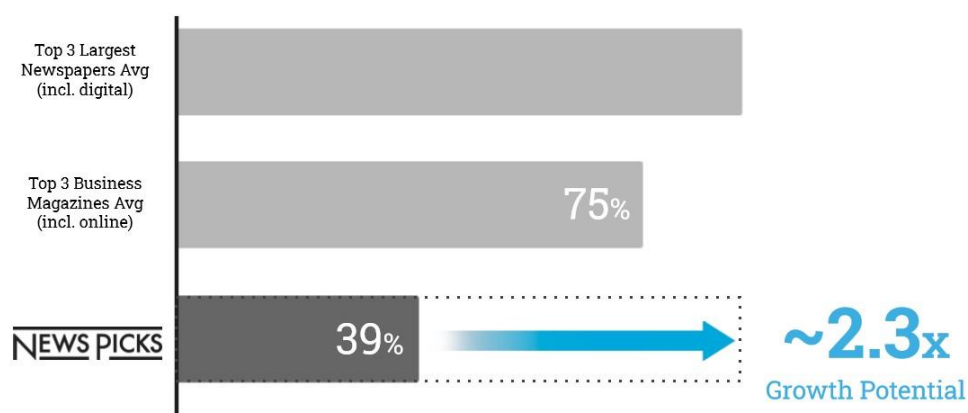
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You can see that the sum continues to be above the 50% threshold, and we have a good balance of high growth and high profitability over the long term. And we're confident that we can continue this trend going forward.

## **Brand Recognition Among Users of Business Media (Japan)**

Compared to other business media outlets in Japan, NewsPicks is still not very widely known, **indicating significant potential for future growth.**



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1. Brand recognition rates are from a survey of 3,000 business media users conducted by an independent company in January 2020.

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The next part is why we think we can do this in terms of growing the number of NewsPicks users.

This graph shows that the growth potential for NewsPicks. It has been achieving a high rate of growth, but NewsPicks still has much more potential for growth, given the low brand recognition compared to other business media. out there. And the question is, how do we capture that? We think that video could be the clue to success.

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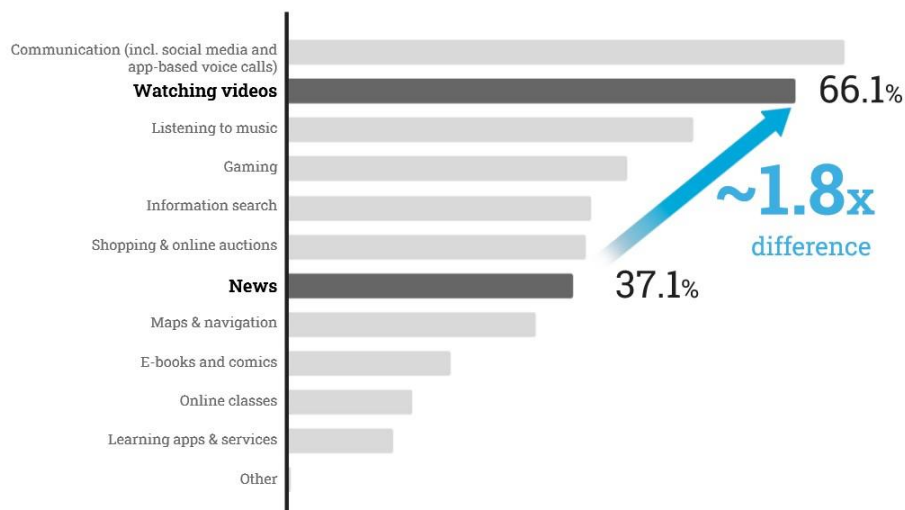
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## Reasons for Using the Internet on Smartphones

According to a survey conducted in 2021, 66.1% of respondents used their smartphones to watch videos online. This was almost twice as much as the figure for news (37.1%)



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1. The above chart was compiled by Uzabase based on survey results from "TIME&SPACE", an online media operated by KDDI. For details, refer [here](#) (Japanese only).

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We've done some research after the COVID-19 pandemic happened on how people are using their smartphones. The percentage of people viewing videos is 66%, which means that the market addressable there with the video is twice as big as the text-based news market.



## Strengthening in Area of Business-Related Videos for Smartphones

We leverage data analysis tools to see what types of videos get more views and attract more new subscribers. This knowledge helps us improve the efficiency of our video content production.



### 2 Sides

A debate-style show looking at two differing opinions. Each episode features two guests who delve deep into the visible and invisible sides of a business-related topic and engage in constructive debate.



### 2040: Advice from the Future

Hosted by Makoto Naruke (ex-CEO of Microsoft Japan), this show is based around forecasting future trends.

Specialists from various fields analyze the challenges humanity faces today and discuss what we should be done over the next 10 years.



### Due Diligence Dan!

Each episode focuses on a single fast-growing company, painting a true-to-life picture of its competitive edge. Features in-depth research provided by NewsPicks' journalists and interviews with top managers.



### Carrier Pigeon TV

Two Silicon Valley journalists and a mysterious celebrity investor "Ray" cover the latest news and stories from the US.

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We think that this video market has quite a bit of potential for us. From four years ago, we have engaged in video content in different ways. We have started a variety of economic news programs this year. And we have been analyzing how users enjoy our videos and how that can lead to subscription. We think that this type of content, dealing with economic content in a video format, is something that we can continue on and make successful.

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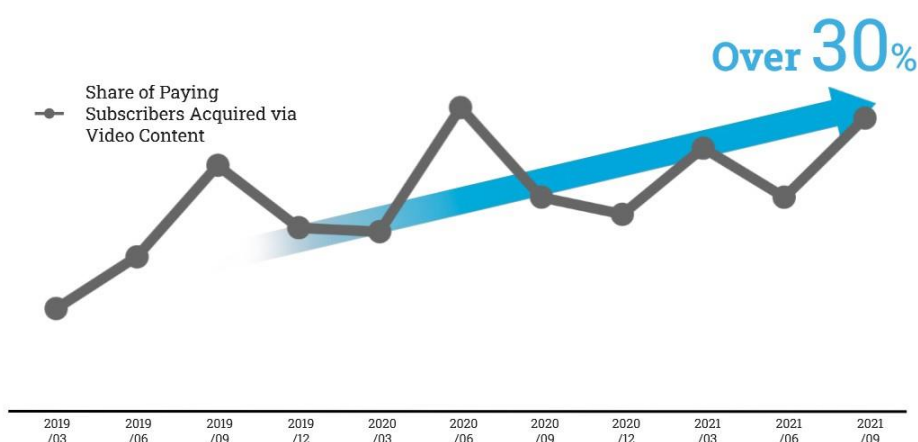
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This is not known very well among investors, but please open the NewsPicks app and look for this Video tab. We have programs like 2 Sides. This MC talent Kato is quite a known figure here in Japan. And there is Due Dili-Dan! which dives deep into growing companies, and other programs as you see on this page. We are very confident with the quality of the programs, and I hope you can take a look and enjoy them.

## Growing Number of Subscribers Now Acquired via Video Content

Enriching our video content on business topics and refining our user acquisition channels (e.g. YouTube) have produced results: over 30% of new paying subscribers are now acquired through video content.



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1. Video content includes videos posted on YouTube and other platforms.  
2. The exact figures are not disclosed due to strategy-related factors.

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In terms of the growing number of subscribers, acquisition via video is increasing in portion. We are seeing very efficient user acquisition through YouTube and other video channels. It's over 30%, and we think that this number will grow to be over 50% in the near future.

Of course, we also need to closely trace the churn rate. Especially to succeed in economic content in video format, and for us to be recognized as a key player in that market, we would make necessary marketing investments.

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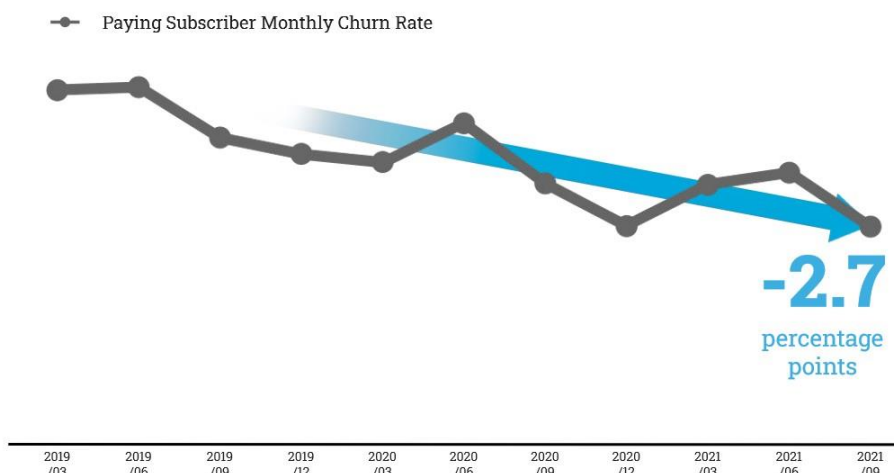




## Paying Subscriber Churn Rate

Over the past two and a half years, we have focused on decreasing the churn rate among paying subscribers, and managed to improve it significantly.

Now that the retention rate is at a high level, we will focus resources on marketing strategies that highlight the value of video content, and further increase our subscriber count starting from 2022.



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1. Paying Subscribers include those on monthly 1-year (discounted), and 3-year contracts.
2. The exact figures are not disclosed due to strategy-related factors.

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But even if we catch people's attention, it would be meaningless if people quickly cancel the service. So retention is quite important. The COVID-19 pandemic has caused a surge in new users, but over the last three years, we have prioritized investment into engagement with existing users.

And you can see that the churn rate is much more favorable than before, down by 2.7 points. And this low churn rate is a good sign that we can retain new subscribers. We think that we now have the foundation for us to continue to invest in marketing and boosting the value of our video content, so that we can capture a wider audience.

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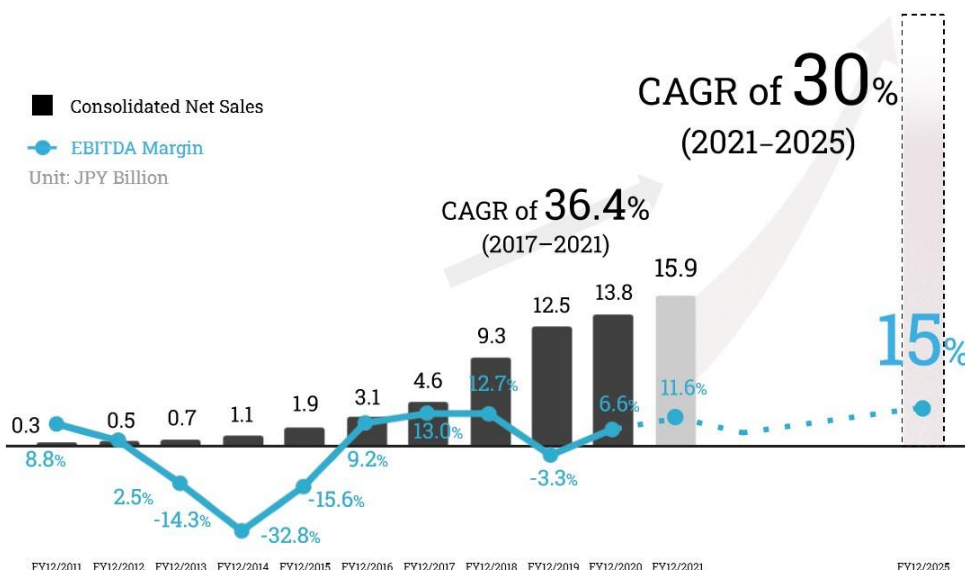
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## Financial Targets Towards 2025

Our goal is to ensure that our **consolidated net sales increase at a CAGR of 30% towards 2025.**

Consolidated EBITDA of between JPY 1 to 1.5 billion is expected across Uzabase in 2022, due to significant investment in recruitment in the SaaS business and marketing efforts to boost NewsPicks' brand recognition.

Following that, we will focus on gradually improving profitability, with a **goal of raising the EBITDA margin to 15% by 2025.**



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1. Figures presented also include the earnings of Quartz.  
2. Figures for FY12/2021 are a projection based on the revised forecast (published on Nov 4, 2021)

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Let me talk about our 2025 vision and how we are preparing to achieve the goals.

Toward 2025, we aim for CAGR 30%, a number that we have been mentioning from before, in consolidated net sales.

Especially in 2022, we will invest in headcount increase for SaaS business, and also marketing for NewsPicks. And EBITDA-wise, JPY1 billion to JPY1.5 billion range is what we aim to achieve. This is lower than our forecast for this year, and we plan to bottom out in 2022 to recover profitability from there, to aim for an EBITDA margin of 15% by 2025, which is a level that we haven't achieved so far.

## SaaS Business: Product Portfolio Management Policy

Fuelled by collaborative use of our business insight assets, we have created a series of new businesses in the SaaS field, maintaining sustained high growth while also producing stable financial results at the same time.

Through 2025, **we will be earmarking investments for SPEEDA Expert Research, FORCAS, and AD/NP, in particular.**

	Business Launch	High Growth Phase	Stable Growth Phase
Growth Rate Reference	50% or more	Around 40%	Up to 30%
Profitability Reference	Still unprofitable or breaking even	0-20%	20-35%
Business Strategy Field	SPEEDA Expert Research		SPEEDA (Excluding Expert Research)
	SPEEDA Edge	INITIAL	
Customer Strategy Field	FORCAS		
Organizational Strategy Field	AD/NP		

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1. "Growth Rate" refers to net sales growth rate, "Profitability" refers to EBITDA margin.  
2. The positioning of each product is based on actual results up to end-September 2021.

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SaaS is at the very center of our investments. So, let me talk about our policy in SaaS portfolio management.

We are creating a number of SaaS service while making use of economic information. The part on the left shows the early startup phase, and towards the right, the business shifts to the phase of stable growth and solid profitability.

We have many businesses that are in the early phase with high growth. Especially SPEEDA EXPERT RESEARCH FORCAS, and AD/NP are main areas we intend to focus our investments in towards 2025.

## Investment Discipline in Each Business

To achieve high growth and profitability across Uzabase, we are setting a clear and quantifiable guide for each business to ensure the necessary investment discipline for growth.

### SaaS

Total of Net Sales  
Growth Rate + EBITDA  
Margin at **40% or more**  
across the entire  
business.

### NewsPicks

**Step-by-step investments**  
in marketing, on the  
condition that LTV clearly  
exceeds user acquisition  
costs.

### New Businesses

Reach **profitability on a  
single-month basis**  
**within 3 years** of initial  
launch.

Investments into efficient  
marketing could lead to a  
certain amount of losses for  
NewsPicks in 2022, but will  
produce solid returns later,  
and we **plan to turn a profit  
in 2023 and then to  
gradually improve  
profitability**

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1. For the latest results of the SaaS and NewsPicks businesses, refer to the Appendix (p.73).  
2. In the event that the above criteria are not met, our policy will be to make the most appropriate decisions on a case-by-case basis, taking into account the situation of the entire company. 44

We will maintain a good balance with lower growth rates being accompanied by high profitability.

And we need to have a discipline when it comes to deciding on investment.

With regard to SaaS, we will continue to monitor against the Rule of 40: the growth rate and EBITDA margin combined to be 40% or more continues to be the threshold that we would want to continuously clear.

With NewsPicks, we feel that there is much potential with video. But when it comes to marketing as such products, we will be cautiously checking the returns and the results of investment and take a step-by-step increase under the conditions that the user LTV clearly exceeds the acquisition cost.

If the marketing can be done efficiently with ROI at the level that we aim for, we will allow for the NewsPicks to make a certain amount of loss in 2022. In that case, we will require that NewsPicks turn to profitability in 2023.

Given the possible change in marketing investment for NewsPicks, we are giving the range of JPY1 billion to JPY1.5 billion as consolidated EBITDA next year.

Regarding new businesses, AD/NP was launched a year and a half ago, and some others are younger than three years. But for all the new businesses, we require them reach profitability on a single-month basis within three years of the launch. Of course, FORCAS and INITIAL have achieved this, and this will be the criteria for new businesses.

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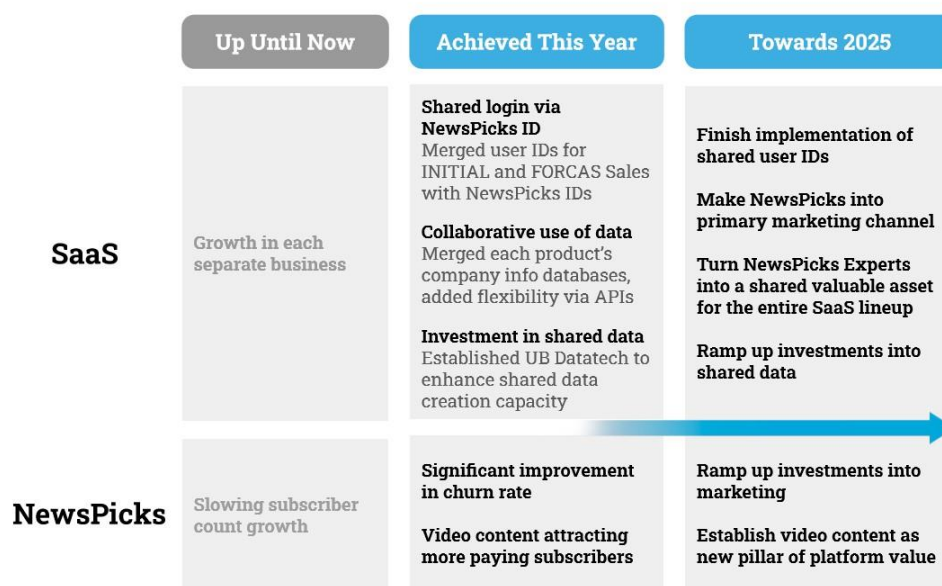
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## Change in Business Models for SaaS and NewsPicks

Towards 2025, we will shift to a new model centred on high synergy between SaaS and NewsPicks, and will focus on deepening it further to improve marketing efficiency, user retention, and other quantitative metrics.



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I will now talk about the change in business models for SaaS and NewsPicks, and how we're going to make the synergy work.

As I have explained when I touched upon the purpose, we have been focused on our Mission to guide people to insights that change the world. With that mission, which allows for a wide range of interpretations, we have achieved growth in for business, but not necessarily in a coordinated manner.

Since becoming Director in charge of SaaS in 2020, I have been working with Inagaki to change this structure, as Co-CEO from this year.

First, we are integrating the user IDs to NewsPicks IDs. This will allow us to track user conversion from NewsPicks to SaaS, and we expect to significantly raise the efficiency of cross-selling.

And as I talked at the beginning of this presentation, we have been establishing an integrated company/industry database, which allows us to utilize the data in ideal ways via API. This gives us the foundation of highly efficient use of data investment, which we will increase. We have established the company UB Datatech for that purpose.

When it comes to NewsPicks, we have started to see a slowdown in growth of subscribers. Rather than trying to acquire more new users, we have tackled this issue of lowering the churn rate, and that challenge has been successful. We have also been attracting more paying subscribers from video.

These are the achievements of this year. We will stay on course towards 2025 to establish a business model with the fusion of SaaS and NewsPicks.

We will unify the user IDs across all SaaS, and make NewsPicks the largest marketing channel for SaaS. NewsPicks Experts will be used not just for SPEEDA, but in all SaaS to become a shared value. We will expand investment into shared data to build a strong competitive barrier. And we will turn video into a main value of NewsPicks, and take steps to expand marketing investment.

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## Timeline for SaaS + NewsPicks Synergistic Fusion

In 2021, Uzabase has implemented multiple preparatory measures towards deepening the synergy between SaaS and NewsPicks businesses.

Going forward, the process will follow the schedule through 2025 that is shown on the right.



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What I'm talking about will take some time to realize. Between now and 2025, what is the timeline, and what do we achieve piece by piece? Of course, we will realize whatever we can right away, including holding SaaS online events in collaboration with NewsPicks, which we will start early next year.

But the full integration of user IDs between SPEEDA and NewsPicks will take some time. It requires technical development, and we have to convey the benefits clearly to our users. And that's why we have set the timeline for completion at 2023.

And in 2024, we expect NewsPicks to become the largest marketing channel for all SaaS businesses. Towards 2025, this is the schedule for us to integrate SaaS and NewsPicks to create great value.

This slide summarizes the areas of investment for each business to achieve the 2025 goals.

Again, the synergies of SaaS and NewsPicks make it possible for us to awaken a world of play in business through sustained growth of user value and high growth. That's what we want to realize by 2025.

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## 2025 Goals of Each Business and Main Investment Areas

Category	Business	Goal for End-2025	Main Investment Focus
All Uzabase Group		With the integration of SaaS and NewsPicks, achieve sustainable growth and expansion of value provided to users, and move one step closer to fulfilling our Purpose of awakening a world of play in business with our insights	<ul style="list-style-type: none"> <li>Company data</li> <li>Expert roster expansion</li> <li>M&amp;A, minority investments</li> </ul>
SaaS	All	Leverage the full range of SaaS products to help companies, especially large ones, to transform themselves through Agile Management, a management approach that adapts quickly to change in order to achieve a company's Purpose.	<ul style="list-style-type: none"> <li>New products</li> <li>Company data</li> <li>Expert roster</li> </ul>
	SPEEDA	Become the leading expert research service used by non-financial companies in Japan. Develop more upselling products such as Expert Research and SPEEDA R&D, and continuously increase the value we provide and average revenue per customer.	<ul style="list-style-type: none"> <li>Expert Research</li> <li>Revenue teams</li> <li>New upselling products</li> </ul>
	FORCAS	Become Japan's leading service by far in B2B data marketing space. Beyond marketing, ensure that FORCAS is frequently used for sales, customer success, product development, and business strategy, and start spreading the concept of customer-driven management across Japan.	<ul style="list-style-type: none"> <li>FORCAS Sales</li> <li>Company analysis via AI/ML</li> </ul>
	ADNP	Become Japan's leading service by far for corporate transformation and new business development. Increase the number of self-driven employees working in companies throughout Japan.	<ul style="list-style-type: none"> <li>Revenue teams</li> <li>New upselling products</li> </ul>
Media	NewsPicks	Double NewsPicks brand recognition to over 80% and ensure it is recognized as a media that fosters talent able to take meaningful action to bring about a sustainable society, and a platform aiming to help people find a world of play in business and work to solve social issues together.	<ul style="list-style-type: none"> <li>Brand recognition</li> <li>Mobile video content</li> <li>NewsPicks Topics</li> </ul>
Global Market	SPEEDA SPEEDA Edge	Become must-have services for local users and enter a high growth phase. Start expanding the growth model of SPEEDA China to other regions such as the US.	<ul style="list-style-type: none"> <li>SPEEDA China</li> <li>SPEEDA Edge</li> </ul>

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When it comes to SaaS, we will invest heavily in SPEEDA Expert Research, FORCAS, and AlphaDrive/NewsPicks. We will also take efforts in cross-selling, encouraging the full use of our SaaS services to make major changes in business management. And we would like to make sure that to drive the penetration of agile management throughout Japan.

Regarding NewsPicks, as brand recognition is a key challenge, we will make efficient marketing investments to bring the recognition level to over 80%, and we would also like to change the perception towards NewsPicks, what kind of media it is, aiming to increase the number of people who act upon their learning from NewsPicks to enjoy business and bring solutions to social issues.

When it comes to global markets, we still have much more to go. So we didn't include global contribution in our SOM estimation I showed you. There are positive developments, such as high growth of SPEEDA China, but we will focus on creating a must-have services for local users in each region, and we will aim for a high growth phase towards the end of 2025.

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## Change in Business Models for SaaS and NewsPicks

Towards 2025, we will shift to a new model centred on high synergy between SaaS and NewsPicks, and will focus on deepening it further to improve marketing efficiency, user retention, and other quantitative metrics.

	Up Until Now	Achieved This Year	Towards 2025
<b>SaaS</b>	Growth in each separate business	<b>Shared login via NewsPicks ID</b> Merged user IDs for INITIAL and FORCAS Sales with NewsPicks IDs  <b>Collaborative use of data</b> Merged each product's company info databases, added flexibility via APIs  <b>Investment in shared data</b> Established UB Datatech to enhance shared data creation capacity	<b>Finish implementation of shared user IDs</b>  <b>Make NewsPicks into primary marketing channel</b>  <b>Turn NewsPicks Experts into a shared valuable asset for the entire SaaS lineup</b>  <b>Ramp up investments into shared data</b>
<b>NewsPicks</b>	Slowing subscriber count growth	<b>Significant improvement in churn rate</b>  <b>Video content attracting more paying subscribers</b>	<b>Ramp up investments into marketing</b>  <b>Establish video content as new pillar of platform value</b>

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Towards 2025, our business portfolio will change quite dramatically. This is our expectation of the contribution coming from each product or business. CAGR 30% means that we will achieve net sales of JPY45 billion 2025. For that, we aim for major growth in SPEEDA EXPERT RESEARCH, FORCAS, and AD/NP for the portfolio to change over time as shown in this slide.



## Building A Strong Management Team Committed to Business Growth



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And to fully commit to this long-term growth, we have issued a press release today to introduce a group executive officer structure. We have various businesses, and across those businesses, we will have the corporate officers work on synergies of SaaS and NewsPicks, and we will have the right structure for that.

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Especially with the group executive officers. We will implement a stock compensation system to share perspectives with shareholders and aim for long-term growth. For the three Board members, we will reduce the cash amount of the current compensation and introduce stock compensation.



## Closing Comment

Through the synergistic fusion of our SaaS products and NewsPicks, we believe that, by 2025, we will be much closer to achieving our goal of awakening the world of play in business with our insights.

At the same time, we will continue to achieve high growth and provide high economic returns to all of our stakeholders, proving that achieving a purpose and maintaining economic rationality are not mutually exclusive.

Uzabase Co-CEOs Yusuke Inagaki & Taira Sakuma

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As closing comments, through the synergistic fusion of SaaS and NewsPicks, we will be much closer to achieving our goal of awakening the world of play in business with our insights by 2025. At the same time, we will continue to achieve high growth and provide high economic returns to all of our stakeholders, proving that achieving our purpose and maintaining economic rationality are not mutually exclusive. I would like to close my presentation. Thank you.

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## Question & Answer

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**Moderator [M]:** Now, we will move on to the Q&A session. Again, I will give guidance on how to send us questions. If you are joining in online, we have prepared Q&A service called Slido. So, please send your questions there. The secretariat has shared the link to Slido on the Zoom chat. Please access Slido through this link to send your questions. If you're joining us in the venue, if you have any questions, please raise your hand.

This venue is being live streamed. If you are asking questions, you do not have to mention your name or company. Please just share your question itself. You can also access Slido through the QR code that we handed to you at the reception.

Now first, we'd like to take questions from the venue. If you have any questions, please raise your hand.

**Participant [Q]:** I have nothing but high expectations for your leadership. But in terms of communication with the stock market, I have some questions.

In February, in the full year briefing - you have a very accurate and detailed transcription of the briefing, which is very helpful. You said, "Based on the 2021 results, we will be setting profit guidelines for 2022. We have the 50% rule for each business, so we're basically aiming to improve margins. We will inform you when there are signs of high growth in new businesses that call for significant investments."

In the following briefing, you said that you are going to explain about the FY2022 margin in February 2022. It's okay if that's your answer this time. But based on what you said in February, has there been any change in the standard criteria, or do you see any prospects for further growth? Do you have any additional thoughts toward the next year? You said JPY1 billion to JPY1.5 billion, which means the margin is going to be lower, so given the background of your previous comment, I'd like you to explain how you made this decision or this amount this time.

And regarding the significance of presenting figures for 2025, in the SaaS industry, there are many companies that are generating great losses to make investments. What is the significance and assumptions of these profit outlooks for you? I would like to hear about the basis of your target number in 2025. Should we regard this as a number that can be changed due to any factors?

**Sakuma [A]:** Thank you for your question. First, about the change in the premise for 2022, especially for the SaaS businesses.

There are several businesses that have been growing beyond our expectations. For example, AD/NP has grown significantly in 1.5 years. FORCAS Sales within the FORCAS business also grew significantly this year.

Of course, we have businesses where we can control the profit level. So, we can increase it YoY. But if there are signs of significant growth, be it AD/NP, FORCAS, or NewsPicks videos, we believe that we should capture the opportunities whenever we see such signs, which are the basis for our change in the decision.

**Participant [Q]:** So then, in your Company, there's been a change in the policy. In February, I believe your condition was whether you have been some signs of further growth. But rather than the change in future prospects, is it essentially a change of strategy?

**Sakuma [A]:** Well, there's a change of strategy based on the signs of growth, namely growth of AD/NP and also FORCAS Sales within the FORCAS business. So, I believe we have to invest heavily to drive this growth.

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Also, in NewsPicks, we are seeing good results in the video category. We are watching the changes, and we are adjusting the policies in line with that.

**Participant [Q]:** So, to check about the video content, there are about 430-440K followers on NewsPicks' YouTube channel. I guess some videos are being played like 100,000 times, but some of them just tens of thousands. But do you think there's further room for growth for the viewings? But I think it's quite a challenging number to determine if it is performing well. What is the potential you see in the video content? You have said that you're targeting the paying subscribers. But what is the basis for your high expectations toward video content, if I'm missing something?

**Sakuma [A]:** We have been able to acquire subscribers very efficiently through YouTube. And there's a very high LTV among those users compared to other user acquisition channels. Among the paying subscribers of NewsPicks, the majority is seeing both text and video content, but there is also a growing number of users who are only seeing the video content and are interested in videos. Looking at the value we have delivered to them, we believe there is still significant room for improvement and number of users that we can capture.

**Participant [Q]:** So, do you think views are currently quite strong when it's like tens of thousands? Within the category of business-themed videos, is this quite a promising number?

**Sakuma [A]:** Well, we have various types of video content, including short versions for marketing purposes. So, we don't just look at the number of how many times it was played. We see it as a marketing channel, and the number varies from tens of thousands to hundreds of thousands. But the important indicator is the number of paying subscribers, including from other channels, rather than how many times the video is played.

There's this second part of your question which I haven't been able to address. In terms of any change in policy, there's basically no change going forward. We believe that 15% by 2025 is a level that we definitely have to aim for. The numbers are based on quantitative simulations and growth strategy of each business.

In terms of why we aim for profits, we simply believe that our capital equity is still not enough. Only through expanding this significantly can we grow stable while capturing investment opportunities. We believe it is critical for us to generate solid profits to enhance our equity to be structurally ready for major initiatives up to 2025.

**Participant [Q]:** Thank you very much. I would like to go to page 42. You have your financial targets for 2025. I saw your Q3 results report, where you talked about CAGR 30% and JPY100 billion. Those are the numbers that you mentioned in your previous announcement. I wonder if you have changed the course of your target number from 2028, given that the timeline is shortened to 2025. Also, regarding your target of EBITDA 15%, I would like to ask if you intend to make your investment without going below a threshold of breakeven in terms of EBITDA.

**Sakuma [A]:** In terms of our target of 30%, that stays the same. JPY100 billion by 2028 also stays the same. And with that backdrop, our number to be on track is 45 billion by 2025.

As for profit and investment, your understanding is correct. We don't intend to make large investments at a loss, or to invest beyond our profit level.

**Moderator [Q]:** Then, we will start answering the questions on Slido. We will start answering from the top.

Regarding the evaluation for the organization on page 68, it is high, but it is becoming lower. Is used to be number two or three in Japan, and seems to have fallen quite a lot. And the comments suggest that there is some opposition toward a change in the management policy. I'm concerned about the motivation of your employees.

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**Inagaki [A]:** Honestly and openly speaking, I think many of the comments were related to the withdrawal from the Quartz business. That was a huge decision for us at the time, and we also overhauled the management structure and strategy. Honestly speaking, I assumed there would be some opposition among the members.

And in order for the members to have a fair opportunity, we also prepared a voluntary resignation package. There were actually close to 10 resignations. But we were clear in our policy, and we also communicated in a straightforward manner that we wanted our remaining employees to go forward with a positive attitude.

We have also been taking various measures including company-wide communication and one-on-one dialogue. At this time, we haven't been able to disclose the results, but we have introduced a new survey. And looking at the results, we are also seeing very good feedback and reactions, with the survey provider saying that we have top-class results. So, in terms of the quantitative figures and also in my personal view, I do not think there is a significant problem. I believe that we are all positively poised toward further growth next year.

**Moderator [Q]:** Thank you. I will go on to the next question. This is probably about the collaboration with Arches: How much contribution do you expect the capital/business alliance to generate, at what timeline?

**Sakuma [A]:** Well, it's just started, but we would like to extend the value of our experts to Southeast Asia. We don't have a particular revenue number set up yet. The first target is to make sure that the users there feel that our product is valuable.

**Moderator [Q]:** Next question: What is the unique strength of Uzabase?

**Sakuma [A]:** I think there mainly two factors. One is, as Inagaki said, the strength of the organization, which is top class in Japan. We are not a uniform organization, but we have very high diversity. We have business people, designers, reporters, editors, engineers, analysts, and creators, both in Japan and overseas.

We have members with different skills and backgrounds who work together, and we combine those different skills to create value in our product and deliver it to our customers. We have a pretty complex structure, and we have the strength of the organization to enable that.

The other thing is what I repeated in the presentation about business intelligence. We have a significant range of data held in-house. We have high-quality content and the capability to keep creating it at a low cost among our members. We have had such capacity in Sri Lanka for over 5 years.

We have the data, the content, and human insights of experts on NewsPicks, as well as the partnership with Arches to develop the area of human intelligence. So, those are our main strengths.

**Moderator [Q]:** The next question: I think there is a broad nuance when you say interesting or having fun, in the Purpose. What's the nuance, funny or interesting?

**Sakuma [A]:** It's simply "play." The English version of our Purpose is "Awakening a world of play in business , with our insights."

The word play has many meanings. It could be joyous. It could be something that you enjoy doing, and also playing a role, with a sense of responsibility. And sometimes when you're playing, wonderful ideas and insights come to your mind. I think to be immersed in the act of play sometimes has new discoveries that enhance your work. That's what we mean.

**Moderator [Q]:** Next question: It's great that the management is getting stock compensation, but it's unfortunate that there is some dilution. Couldn't you think of a scheme, for example, from purchasing stock from the co-founders Niino-san or Umeda-san at market value?

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**Sakuma [M]:** Chiba will answer this question as CFO.

**Chiba [A]:** Basically, as you mentioned, we have made a comprehensive decision also taking what you said into consideration. We wanted the officers to share the perspective with shareholders and also for the company to have the capacity of attracting good talent.

This is about compensation of Board members, so it will be finalized at the general shareholders' meeting resolution, but that is our intention. I appreciate your understanding.

**Moderator [Q]:** Thank you. The next question: I'm always enjoying your contents and new initiatives. But when it comes to IR, I do feel that there is social significance in what you do, but it's hard to link that with numbers such as sales figures. What is the key message that you want to extend in IR?

**Chiba [A]:** Our basic perspective in IR is what needs to be conveyed to shareholders, or what influences an event might have upon the stock price. I think depending upon the content, the information we are sharing around sales and profits might differ in terms of the timeline. Going forward, we are thinking of distinguishing PR-oriented and IR-oriented information when we make disclosures.

**Moderator [Q]:** Next question: Aren't you thinking of any new services that arrange various economic information to target retail investors?

**Sakuma [A]:** We have been thinking about this from the time of our founding. I wasn't there yet, but from the initial pitch deck, this has always been a possibility. But for retail investors, there are many existing services, and we want to be sure that we will have outstanding value if we are to launch a service. And we haven't been able to find the right solution yet.

But in order to pursue our purpose, we want to create a service that delivers solid value to the individual investors as well. We will continue exploring the possibility.

**Moderator [M]:** The next question. It's actually a comment. It's good that management members hold shares, but I would like you to utilize stock options put into action at the time when the management numbers are achieved as targets. I'm worried about dilution that can happen with the stock price this low.

**Chiba:** We have been using stock options tied to performance targets, and we will remain flexible in taking measures. This time around, the main purpose is to reduce the amount of cash payout as compensation and increase the compensation in way of stocks. So, please understand our main intention is to share the perspective of shareholders and investors and gain returns in due course.

**Inagaki:** I would like to also comment on this point: when it comes to management members and how we are evaluated in terms of our performance, we have strict guidelines to decide compensation/remuneration. Everything is open to internal members, and members can raise opposition if there is any disagreement.

Based on this governance, if there is any value generated through our performance, that is returned by way of remuneration. We promise to continue building a highly disciplined compensation system.

**Moderator [M]:** Thank you very much for all of your questions. We would like to take questions from the venue. If anyone has questions, please raise your hand.

**Participant [Q]:** With the Co-CEO structure, looking at the management team profile, it seems that Mr. Sakuma is to make final decisions for the SPEEDA business. But for NewsPicks, both of you are the CEOs. How are you going to handle the final decision-making process?

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**Sakuma [A]:** The NewsPicks organization will be like the same as across the Uzabase Group. We are the two CEOs of the Group, with Inagaki in charge of organizational side, and I am in charge of the business side.

The decision-making roles are split like this. But we've been working for a long time together. So, we have flexible roles and rely on each other. And that structure is also established at NewsPicks. We believe that will lead to speedier decision making.

**Moderator [Q]:** Thank you for the question. Now I would like to go back to Slido to pick up on the next question. Regarding your initiatives for training/education of female managers and reeducation of new skills, those also relate to national policy. I wonder if you have any collaboration you're thinking of with local governments or major companies.

**Sakuma [M]:** I think this question relates to our press release on the collaboration with IBM. It can be extended fully by Inagaki.

**Inagaki [A]:** We issued a press release on our collaboration with IBM on December 13. Apart from that, including reeducation and how to utilize whatever that has been learned through the process, such as promoting side jobs, are issues in Japan and we want to contribute as a part of achieving our Purpose.

Working together with a large enterprise is one way, and we are receiving offers from municipalities as well as the METI. We are currently looking at different possibilities to work out this process. Whenever it's ready, we will make an announcement.

**Moderator [Q]:** Next: I think it's good to integrate your services, but I don't have a clear picture of new creations and major business growth. What is your idea?

**Sakuma [A]:** We have the 7 values. And the first one is about Freedom. We are very straightforward in stating that our most important value is freedom. We believe that generates creativity and the ability of creating new value to our customers.

I've been working for years at Uzabase, and I have always been making use of this freedom to have full focus on the customers to build various services. We will be maintaining this DNA and culture, and that is at the root of everything we do as an organization.

How to integrate services in a way that ensures freedom, I believe, is an important theme. And I often say internally that we are further integrated and that will create the freedom to keep creating new things. For example, FORCAS Sales, which is a new business, is delivering its core value in the form of NewsPicks content to deliver value quickly and grow significantly. We have a shared foundation of business intelligence through which we can quickly establish new services in different ways that will benefit the users.

This culture of freedom and our strength in business intelligence, are our two major strengths. We want people to believe that launching a new business at Uzabase is the best way to create a successful business and keep it growing to realize their vision.

**Moderator [Q]:** The next question has to do with our plan for the listing on the prime market. What is the time span?

**Chiba [A]:** I'm sorry to say we cannot talk about the specific time frame. But we would like to make the change as early as possible. Today, we made an announcement that next April, we start with the growth market. And then, we would like to move up to having prime market listing as soon as possible.

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**Moderator [Q]:** We'll go on to the next question: Business results are good, but the stock price is on a down trend. What is your measure toward it in terms of shareholder returns or focus on growth investment and communication with investors?

**Chiba [A]:** In terms of shareholder returns, we have been discussing many matters, and we are always exploring different possibilities. At this time, I cannot disclose the actual plan.

For growth investment, there were opinions that we should be generating more profit, but we want to heighten our topline growth rate at this point toward CAGR 30%. We want to make steady investments to enjoy returns down the road in the form of sales growth.

And as the IR team, in terms of recognition and communication, we believe there are many issues that we have to improve on. We are always working on this, as well as developing communications with new investors, and we appreciate your continued support in our efforts.

**Moderator [Q]:** And the next two questions: With regard to the lowering churn rate of paying subscribers, maybe this is on the back of the slowing growth rate of the paying customer sign-up? And the other is: What measures are you taking with to improve the churn rate of NewsPicks?

**Sakuma [A]:** When it comes to lowering churn rate, you have to do everything you can think of. There is no one single successful way.

For example, when it comes to conversion of paying subscribers, rather than to pay on monthly basis, we try to offer an annual package. We also try to make sure that the content is the right kind for viewers to subscribe, and that we are focusing investments in successful campaigns. These are just one-by-one efforts to lower the churn rate. We have been analyzing the impacts of each measure, and it's not that we have a smaller number of new subscribers resulting in a lower churn rate.

**Moderator [Q]:** Next question: I believe that in the previous financial briefing, you said that the profit will hit bottom this year and will start to grow for next year. But you're now saying that the bottom is next year. So, what does this mean?

**Sakuma [A]:** As mentioned at the beginning, we have changed our policy. At the beginning of the year, we were expecting that the profit will bottom this year. But we are seeing signs of high growth potential for several SaaS businesses. And we also want to make investments in video content in order to capture more paying subscribers. We have made a change in our policy based on such factors.

**Moderator [Q]:** Next question: There seems to be too many SaaS products and service characteristics, and the targeting is not so clear. What's the reaction on the part of the customers?

**Sakuma [A]:** If you could refer to the appendix of today's material, you can see the actual comments from customers.

In summary, we think that the value of Uzabase is to make sure that we are right on with the demand of the users. We feel that our service is very much in the scope or at the center of the scope of user demand. And that's the reason why we are seeing an improved churn rate at SPEEDA. And for other services as well, the churn rate is an indicator of the satisfaction level of our customers. We'll continue to do good work as we watch the numbers to keep delivering value to our users.

**Moderator [Q]:** Next, I'd like to try using SPEEDA. Can you consider this as a benefit to shareholders, such as having a longer period of trial use depending on the number of shares held?

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**Sakuma [A]:** Yes, we will consider your idea.

**Moderator [Q]:** The next question is with regard to KPI. Are you thinking of a monthly disclosure?

**Sakuma [A]:** Currently, we are not thinking to disclose KPI on a monthly basis. But in the future, if there is such a high need, we will consider that.

**Moderator [Q]:** Next, what is your assumption of the EBITDA margin as of 2025?

**Sakuma [A]:** Of course, there are some differences. For SPEEDA, we want to have at least 30%, excluding the network research. And for the others, as I explained in the business portfolio, we want to see a higher margin as growth becomes slower. For NewsPicks, we believe that it will be in line with recovery of the overall profitability.

**Moderator [Q]:** The next question is with regard to the market cap. You need to actually double your stock price in order to fulfill the requirements for the prime listing. It seems like the stockholders are not at the center of your priority setting. How do you intend to win trust from the market?

**Sakuma [A]:** As Chiba said, we will continue to improve our communication with investors. I would like to mention is that we need to be clear with our objectives, and we need to be clear with the performance against such objectives. Today, we have been able to show our road map to our goal set in 2025, and we will continue to strive to achieve each and every goal that we stated today.

**Moderator [Q]:** Next: You're aiming to become number 1 in Japan in expert research by the end of 2025. Does this mean number 1 in sales? And do you have actual rival services in mind? And the next question is about the competitor VisasQ, which is larger in terms of the number of experts. How are we going to compete?

**Sakuma [A]:** We are aiming to become number 1 in sales toward business corporations. And as competitors, there's VisasQ as noted, and GLG, Guidepoint, and several other companies that are based overseas.

In terms of the number of experts, of course, the number is a very important indicator. But more than that, we want to ensure the quality of experts that can meet our users' needs. So, we will focus on high-quality, highly experienced experts to capture.

And that will be achieved through our partnership with Arches and GlobalWonks, which has changed its name to Enquire AI. Recently, we are proceeding with this effort to capture more and better experts that can meet the needs of our customers.

Also, technology is key here. The expert network service has a very long history as a service. For example, consulting firms are often searching for certain people working in certain industries. And there are services that will find those people and match them with their customers, taking days or weeks.

We have the platform SPEEDA that business corporations use on a daily basis. Through this, we are delivering a service called Flash Opinion, where you can very quickly access the experts that you're looking for. You can ask very specific questions, and each question can be answered within hours or within a day.

The number of experts is important, but we are prioritizing the number of people who are actually able to effectively meet the needs of the customers who are asking them questions, and to leverage that capability with technology.

**Moderator [Q]:** The next question: For NewsPicks to become the biggest lead channel in your SaaS business, what kind of a customer journey are you envisioning?

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**Sakuma [A]:** In terms of the image of customer journey, I think the slide about the online programs are easy to understand. We are creating online programs with themes directly related to SPEEDA's competition analysis, such as MaaS and Smart City. And we believe that these are valuable contents for NewsPicks users as well.

We would like to basically have that as an opportunity to create leads. The users register with lead information including their company name, and we intend to create a cycle of people satisfied with the program to enjoy the value of services that are relevant to the topics.

This is an online version of what we used to do at offline events. I think here's quite a bit of potential here.

**Moderator [Q]:** Next: What do you think about the current stock price?

**Sakuma [A]:** As mentioned before, in IR activities we are attempting to communicate our growth stories. We haven't been able to fully do that. And as a result, we believe that the stock price is too low.

So, including the briefing today, we want to convey our growth story in a compelling way and increase the number of investors who recognize our strength, while we show our actual performance to pull up the stock price.

**Moderator [Q]:** The next question has to do with NewsPicks articles. Why did you not use NewsPicks articles in products other than SPEEDA? Any particular reason?

**Sakuma [A]:** There actually is no particular reason. FORCAS Sales from launch has utilized NewsPicks content and also INITIAL has recently started to leverage media to obtain leads. So, NewsPicks had been utilized and integrated in different ways at such a timing of focal points.

**Moderator [Q]:** Next: It's hard to see the flow of NewsPicks users becoming SaaS users. Rather than many users, are you focusing on the users that have the decision-making authority to introduce products in their company?

**Sakuma [A]:** This relates to the customer journey that I mentioned. Of course, approaching the decision maker and conveying the value of the service is very important. But more than that, the actual users of the service have to understand what it is all about.

I mean, in Japan, compared to other countries, there's a very high probability that proposals are approved by the decision maker, if the people on the front lines fully understand the value of a service and are able to convince them. But if the people who are actually using a SaaS product don't feel its value, they're very easily canceled. We want the actual users to first understand the value of our services, and that is very important. And I believe we can create synergies in marketing through the combination with NewsPicks.

**Moderator [Q]:** The next question is with regard to this net sales target for 2025 for NewsPicks. What is the ratio of paid subscription and advertisement?

**Sakuma [A]:** We don't expect the breakdown to be significantly different from the current one.

**Moderator [Q]:** Next: About the SOM of SaaS products, JPY112.5 billion. How is the probability of replacing other companies' products? And is this reachable market actually growing every year?

**Sakuma [A]:** Of course, it differs by product. But basically, we don't think about offering our services that overlap with existing ones. We have a unique strength in business intelligence, and we have unique services that generate growth. As I mentioned before, for example, the expert research. There are some competitors,

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and there are many companies that can be deemed competitors, but we have a unique way of combining business intelligence and technology. Rather than replacing, we can create new value to pursue. And for the SOM that can be captured by existing products, I don't know if it's every year, but it will be growing. For example, with SPEEDA expert research or SPEEDA R&D and additional functions for business corporations, we will be able to generate SOM growth in stages.

**Moderator [Q]:** Now, the next question: Your movie content is very high in quality, but for example, Investors is very interesting to watch, but that doesn't bring in new sign-ups. Do you think that the content for the existing users is different from content to attract new users? How do you want to tackle the production capacity? Is it the number of videos or the quality?

**Sakuma [A]:** We look at two indicators: the penetration indicator amongst the paying subscribers, what ratio basically are exposed to content, and new viewer acquisition.

Of course there is content that doesn't necessarily lead to new user acquisition, but are highly valuable for existing subscribers. But there isn't a significant gap, and we are able to monitor the actual numbers, which helps us keep creating contents that satisfy the existing users and also capture new users.

With regard to the production capacity. We're not currently planning to build significantly further on our production capacity. But amongst the content as a whole, text video ratio-wise, we may have more video in the future. So rather than boosting the number of videos, we will gradually increase them as we improve their quality.

**Moderator [Q]:** Next: I understood your initiatives of compensation to officers, but what is your policy toward investing in organization and people to generate growth?

**Inagaki [A]:** Following a change in policy at the end of last year we have been focusing on hiring more engineers during this year, and we have been able to establish a good team. From next year, we will return to a cruising pace of hiring in line with our business growth.

We believe that it's extremely important to create an environment where the members can grow, and that people grow the most through new business development. We are creating a framework to facilitate that so people can take on challenges and also achieve personal growth.

This is fully in line with our growth plan for the company's business. We believe that trying new businesses and building on the outcome at high speed will drive growth both on the business side and organizational side.

**Moderator [Q]:** The next question has to do with the brand recognition of NewsPicks. What are the characteristics of the people who do not know about NewsPicks? And is there a potential need? At the financial briefing, you emphasized the words "region" and "topicks," but why did you put a lot of emphasis on video content this time?

**Sakuma [A]:** On the flip side, NewsPicks has high recognition among people in the 20s and 30s. But people in their 40s and 50s tend to not to recognize it as much. The older the age group, the lower recognition tends to be.

And since we are focusing on business content, the type of person who always has antennas up to capture business news recognize NewsPicks, but those who do not feel a strong need to check business information tend not to.

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So, in our efforts in video, we are mainly targeting the latter. Of course, we can deliver value to the former group, but we want to fully capture the people who may not read NewsPicks articles daily, but are interested in video content that educates them in an entertaining way.

Regarding the second half of your question, on talking about regions and topics in the financial results briefing, but you focusing on video content this time, we talked about video content extensively because we emphasized our long-term investment policy this time.

Of course, there is a large growth potential in regional Japan, and topics is a place on NewsPicks for users to create their own content and monetize on them, for which we envision a huge opportunity as well.

But both of them are long-term initiatives, and not our focus of investment next year. So this time, we prioritized talking about investment and elaborated on video content, where we see a lot of potential as a result of investment. That's why we talked about that intensively. Eventually, I believe all of these factors can come together to generate significant growth of NewsPicks.

**Moderator [Q]:** Next: By using the combination of UB's SaaS products, from the perspective of the transition to agile management, have there been any significant success cases among major corporations?

**Sakuma [A]:** If you go to the appendix, we have some use cases. I think you can refer to them for example.



For example, the Sony group is using SPEEDA. Sony's B2B marketing subsidiary uses FORCAS. They analyze the competitive landscape in SPEEDA, and, based on the insights, they further analyze potential customers and have concrete policies for sales and marketing. I believe that's an important case.

And there's also Hitachi and Dentsu and other large corporations using multiple products among SPEEDA and SPEEDA experts research, FORCAS, INITIAL, and AlphaDrive/NewsPicks.

**Moderator [Q]:** And the next question: Please tell us more in detail about AD/NP. And if there is a competitor product, please talk about the differences.

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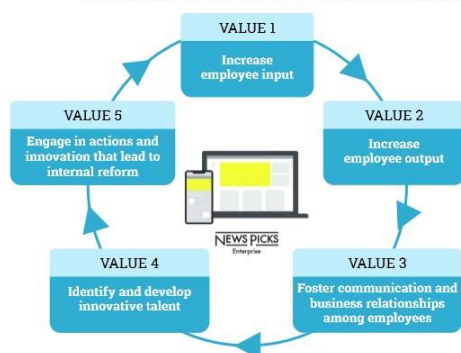
Sakuma [A]: If you could, please go to page 58 of the appendix.

## Overview of AD/NP Services

### 1) NewsPicks Enterprise

NewsPicks customized for corporate use.  
A tool for human resource development and organizational revitalization.

- Fostering organizational cultures that create change from the bottom up by helping companies to improve the value of their human resources, driving innovation and nurturing their ability to bring about change.



### 2) Incubation Suite

A comprehensive support tool for new business development that combines all the necessary support for new business development into a single platform.

- Providing administrative functions that support those running new business development programs, as well as content that accelerates the learning process for entrepreneurs.



UZABASE 1. For more information on each service and an overview of other services, please refer to [the website](#) (Japanese only).

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The page explains this main services NewsPicks Enterprise and Incubation Suite.

NewsPicks Enterprise centers its service around new content to support human resource development and discovery. Companies create a closed version of NewsPicks and also share internal information. With NewsPicks, you posts comments and that's it, but here, you can engage in mutual communication.

By doing this, you can see comments to find promising talent within the company which were hard to identify, especially in large corporations. You can also use this as a venue to send top messages to different layers of employees and make sure they get reactions and penetrate the organization.

Incubation Suite is basically a service to support the program management of new business development within large enterprises. New business competitions need a very complicated flow to carry out in large companies. There could be hundreds of pitches, and you have to choose the right business ideas and follow the progress of each project. Incubation Suite is a one-stop provider of such operations.

Both of these services are quite unique, so there are no clear competitors that we recognize.

**Moderator [Q]:** Next, if you're going to make investments at the expense of profits in 2022, I think your sales growth should be at least 30%. I'm not convinced that you maintain your sales growth and make investments while reducing profits.

**Sakuma [A]:** We want to raise the probability of 30% for overall sales growth toward 2025. And I appreciate your understanding that we will make investments to make it a sure possibility. We will keep showing our performance to be able to convince our stakeholders with our policy.

**Moderator [Q]:** The next question has to do with numeration: For stock compensation to be felt as beneficial, the stock price needs to go up. But partly since you are using stock options from before, I feel that there's a sense of dilution. What are your thoughts?

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**Chiba [A]:** As you said, the stock options we have issued before IPO are still remaining. Some of them are still unexecuted, including those with performance criteria and those without.

Currently, about 10% of what's been issued is in the category of stock option. And they will be executed over time. We will be balancing the amount of them with the new stock compensation as we issue new ones. Going forward, we are thinking of issuing them as incentives, mainly through stock compensation, at about 1% in the year as a benchmark.

**Moderator [Q]:** Next, don't you have any plans to offer SPEEDA to retail investors at a lower price? It seems to be a high bar to become infrastructure of business information.

**Sakuma [A]:** As mentioned in a previous question, over the long term, we are considering a service that leverages our business intelligence to target retail investors. And I'm sorry that it seems to be a high bar for individuals.

**Moderator [Q]:** You made an announcement about NewsPicks Stage today. What is the difference between NewsPicks Stage and the sponsored programs or video that you have run on NewsPicks?

**Sakuma [A]:** We can go back to the marketing journey that I talked about earlier. Rather than just sponsoring content, we are working on establishing a model where we deliver contents that the audience truly finds valuable, and gives sponsors returns in the form of leads.

So, it's not a simple sponsorship model. It's a platform that supports content marketing through online videos.

**Moderator [Q]:** Next: About the stock compensation, you said it's 50% for the CEO. Does this mean that the higher the stock price is, there are fewer shares to be provided?

**Sakuma [A]:** Yes. We have a fixed monetary value, which is divided by the stock price to determine the number of shares.

**Moderator [Q]:** The next question is with regard to this strategy for revenue having changed in less than a year. You may change your 2025 vision again. That's my concern.

**Sakuma [A]:** My apologies are extended in terms of this change with regard to strategy. What we shared today is our plan as new management to set our direction towards 2025. I promise that we will not make changes easily in this plan.

**Moderator [Q]:** Next: What do you think is the reason for the churn rates to rise at Uzabase?

**Sakuma [A]:** I wonder if this question is about SPEEDA. If it's about SPEEDA, as explained, we are now seeing 1% in view. We are able to lower it, and basically, we'll keep it lower than 1.0.

But when we tackle new challenges and develop new functions for new customers, there might be phases where the churn rate goes up. It's important for us to be in control of it. We will basically keep it at a level of maximum 1.0 over the medium term.

**Moderator [Q]:** The next question has to do with collaboration with the local government in Hokkaido Prefecture. Do you think there is expansion possibly in the future for this?

**Inagaki [A]:** There's a possibility of an expansion doing a similar type of co-working structure with other prefectures as well. We are receiving many inquiries from local governments, and we want to contribute what we can in line with our Purpose. I think the most profit can be generated from the funnel that Sakuma mentioned, the part to increase the recognition level of NewsPicks.

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Case in point is our alliance with Osaka Prefecture to host events and for us to help support the realization of Smart City. We have benefitted from this joint initiative as well: we have the data which shows that in Osaka prefecture, recognition of NewsPicks has clearly risen, and the usage of SaaS products including SPEEDA have improved as a result.

This is one set of data in one region, so we would like to study the impacts thoroughly and make sure to expand it to other regions in a way that ensures mutual significance and profit.

**Moderator [Q]:** Last question: I believe that there is a contradiction between awakening a world of play in business and the ABM concept of being highly selective of your target users. Have you changed your policy in terms of customer selection?

**Sakuma [A]:** I don't think there's a contradiction at all. I think there are two aspects.

One, ABM itself is to find the right customers to get the right value. And if you imagine your work without this, you might have to make 200 cold calls a day, and you have no idea who you are trying to reach, and it's very exhausting. The caller is exhausted, and the person rejecting it will have to also be really stressed.

With ABM, we select our approach to people who would really appreciate our value. The salespeople will be able to be positive that they can deliver value to their leads. And the receiving side will be excited about potential solutions to issues that they have in their company.

In our practice, we will be highly focused on the customers that will appreciate our values. And we want to expand the range of customers we are able to deliver value to, as I explained with SOM. So, that is why I think ABM is completely aligned with a world of play in business.

That's all for the Q&A session.

**Moderator:** Thank you very much for all of the questions. We have run over time. But with this, we would like to close our briefing for our long-term strategy of Uzabase, Inc. If you have any additional questions or inquiries, please contact us through e-mail at [ir@uzabase.com](mailto:ir@uzabase.com). Regarding today's briefing on long-term strategy, we will issue a report tomorrow. The Zoom meeting will be closed in 3 minutes. Thank you very much for joining us at our long-term strategy briefing.

[END]

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