

Information for Attendees

Q3 2022 Financial Results Briefing

Date: November 9, 2022

Time: 4:00–5:00 PM JST (Zoom accessible from 3:50 PM)

Speakers: Yusuke Inagaki (Co-CEO/CTO), Taira Sakuma (Co-CEO),
Daisuke Chiba (CFO)

UZABASE



UZABASE

/ Financial Results

Q3 2022

Uzabase, Inc.

Q3 2022 Financial Results Briefing

Tender Offer by Carlyle

- **Details:** The following resolutions were made at today's Board of Directors meeting and disclosed externally.
 - Uzabase expresses its opinion in support of the tender offer by THE SHAPER Co. and becoming its wholly owned subsidiary.
 - Uzabase recommends that its shareholders tender their shares in the tender offer.
- **Reasons:** Uzabase believes that it will receive the following support as a wholly owned subsidiary of THE SHAPER Co., increasing its chances to achieve its Purpose, realize sustainable growth, and enhance long-term corporate value.
 - Accelerated investments with a long-term perspective of enhancing Uzabase's business insights and other core assets
 - Expertise and execution capability in establishing a management system that balances entrepreneurship with business expansion
 - Access to global management expertise and network of the Carlyle Group portfolio companies, such as Zoominfo and Dealogic

*For details, please refer to the "Announcement of Opinion Supporting the Tender Offer by THE SHAPER Co. and Recommendation of Tender" released on November 9, 2022.
- **To Our Shareholders**
 - Letters will be sent out to all shareholders indicated or recorded in the shareholder registry as of September 30, 2022.
 - Please contact Mitsubishi UFJ Morgan Stanley Securities or au Kabucom Securities for details on share tendering procedures.

Our Purpose

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

How Do Our Products Tie Into Our Purpose?

Awakening a World of Play in Business

Finding harmony among societal, business, and individual purposes

Business

Popularize a customer-oriented, highly adaptable approach to business management
(Agile Business Management)

Modernize and automate competitive analysis,
enabling businesses to quickly adapt to change

S P E E D A

Modernize and automate customer analysis,
connecting it to marketing and sales

FORCAS

Nurture more self-driven talent, creating
teams that seek out new customer value

AlphaDrive/
NewsPicks

Individual

Help more people discover a world of play in their work
and take meaningful action

Have more people **take interest**
in the world of business and **enjoy news**

NEWS PICKS

Have more people take interest in
societal issues, learn, and take action

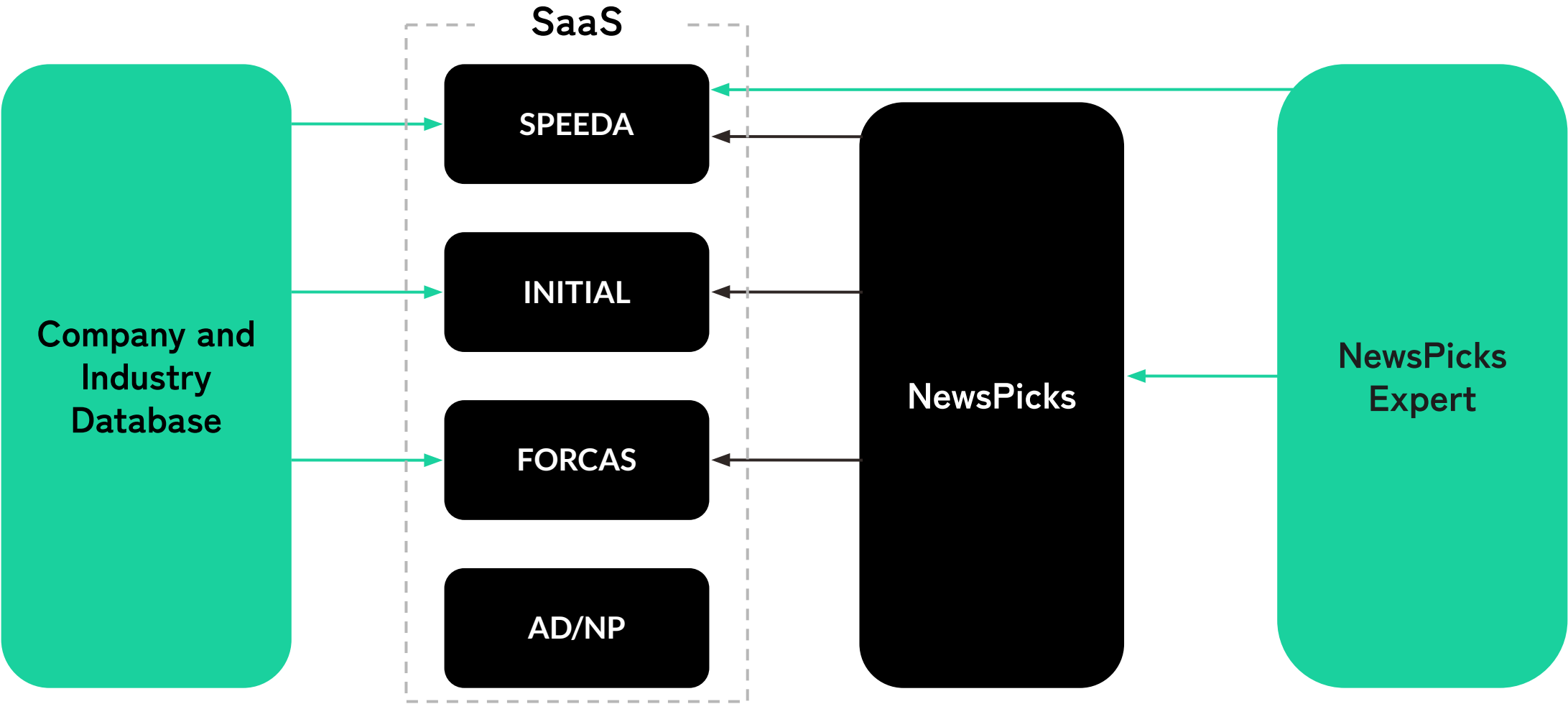
NEWS PICKS

Create a society in which sharing information
leads to new opportunities, and where
individual knowledge can be properly circulated

NEWS PICKS
EXPERT

Collaborative Use of Business Insights

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



1. AD/NP is also planning to release a new product that leverages the Company and Industry Database.
2. For details on “Company and Industry Database” and “NewsPicks Expert”, refer to Appendix on P47.

/ Index

01

Earnings Forecast Revision

02

Progress on Material Issues
and Major Policies for 2022

03

Financial Results for Q3 FY2022

04

Outlook for Q4 and Q&A for Q3

05

Appendix

/ Financial Results **Q3** 2022

01 Earnings Forecast Revision

Revision of Consolidated Earnings Forecast for FY2022

Unit: JPY MM	Previous Forecast	Revised Forecast	Reasons for Revision
Net Sales	19,500–20,000	18,200	Mainly due to the NewsPicks business falling behind plan. (See the following page for details.)
EBITDA	1,000–1,500	1,000	Expected within the original forecast range thanks to effective cost-cutting measures mainly in the NewsPicks business despite weak net sales.
Operating Profit	400–900	300	Higher-than-expected software amortization costs due to changes in the scope of asset recognition for software in the NewsPicks business
Ordinary Profit	400–900	400	Expected within the original forecast range thanks to the gain from the sale of shares owned by UB Ventures
Net Profit Attributable to Owners of Parent	Profitability	500	Expected significantly above the original forecast mainly thanks to recording of an additional 634 MM JPY of deferred tax assets related to net operating loss carryforwards based on the approval of the Company's business adaptation plan (business adaptation plan for growth and development)

1. The new accounting method for revenue recognition is applied retroactively to FY2021 figures.
 2. For details, see the "Notice Regarding a Revision of Consolidated Earnings Forecast for FY2022" released on November 9, 2022.

Key Factors in NewsPicks’ Weak Performance and Related Measures

Factors			Measures
Paid Subscriptions	Internal	<ul style="list-style-type: none"> Decline in subscribership due to lack of popular content in Q2, which resulted in cancellations outnumbering new acquisitions 	<ul style="list-style-type: none"> Leverage new acquisition channels (YouTube, TikTok, etc.) Create an acquisition funnel for paid subscriptions independent from content success
	Internal	<ul style="list-style-type: none"> Delay in hiring (advertising sales and production personnel) Average revenue per account behind target 	<ul style="list-style-type: none"> Vacancies filled, resource issues resolved Train sales personnel by modeling the expertise of top performers in making high-priced proposals (e.g., annual contracts instead of one-time ones)
Advertising	External	<ul style="list-style-type: none"> Inflationary pressure on B2C companies and deteriorating funding environment for startups make some target customers reluctant to place advertisements 	<ul style="list-style-type: none"> Identify customer groups by advertising product that are likely to use it on an ongoing basis and create a structure for tailored approach to these groups (implement account-based marketing)
Other (Publishing)	Internal	<ul style="list-style-type: none"> Lack of blockbusters vs. last year and fewer publications due to shortage of editors 	<ul style="list-style-type: none"> Adopt a conservative plan for the next year onward and maintain a lean structure adjustable to high uncertainties of the Publishing business

In addition to the above-stated measures, we shall focus all efforts on achieving a return to profitability for the NewsPicks Business in FY2023.

/ Financial Results **Q3** 2022

02 Progress on Material Issues and Major Policies for 2022

Sustainability: Uzabase's Initiatives to Address Material Issues

Material Issue		Main Initiatives
Social	1 Circulating Human Knowledge	<ul style="list-style-type: none"> No major updates in Q3
	2 “We Need What You Bring”	<ul style="list-style-type: none"> Released Maternity & Paternity Leave Handbooks for employees at Singapore, China, and Sri Lanka offices to drive D&I across the Group Held an event for Uzabase Group male employees to promote the use of paternity leave in line with amendments to Japan's Act on Child and Family Care Leave (effective from October 1)
	3 A World of Play in Business, for Everyone	<ul style="list-style-type: none"> NewsPicks held various in-person events for children aimed at facilitating family communication on business topics and encouraging diversity in children's interests
	4 Becoming a Technology Company	<ul style="list-style-type: none"> Held Okinawa's largest tech event Tech BASE Okinawa for Students (Date: Oct 2) to invigorate the market for engineering and boost recruiting efforts for engineering talent in Okinawa
Governance	5 Sustainable Management of Data and Content	<ul style="list-style-type: none"> Established and publicized internally “Guidelines for Data Compilation” to prevent infringement of third-party rights as a step in accelerating in-house data compilation
	6 New Business Model Fusing SaaS and Media	<ul style="list-style-type: none"> Enable login with NewsPicks IDs for all FORCAS accounts by year-end to maximize NewsPicks value delivered through our SaaS products
Environment	7 Addressing Climate Change	<ul style="list-style-type: none"> NewsPicks and SPEEDA both published a number of articles on issues surrounding climate change to provide detailed coverage and initiate changes in corporate and individual actions

Material Issue: A World of Play in Business, for Everyone

NewsPicks for Kids offers events that let children see the world from new angles, different from what their families see. It aims to set up a new type of community for children and their parents both by sparking discussions at home through its newspapers and offering experiences that go beyond the printed word.

Design



1. [Pixel Picture Workshop](#)

Held in collaboration with Tsutaya Roppongi Bookstore. Drawing pixel pictures in limited squares **requires the ability to observe an object and express it abstractly**. At this workshop, the children experienced **the process of balancing abstraction and concretization**, a routine task for designers.

Programming



2. [Programming for Families](#)

Held in collaboration with Uzabase's "Play Engineering Project," this workshop offered the children a chance to **experience a world of engineering and business as they learned programming skills** from real engineers and **solved puzzles related to the NewsPicks for Kids newspaper**.

Art



3. [Ultimate Red](#)

Held in collaboration with Kodomo Ellie Gakuen, this workshop featured its principal and artist Ellie Omiya as instructor. With "Ultimate Red" as the topic, the children were challenged to paint the sea with a single color, red. **Breaking the stereotype** that the sea should be painted blue, **they experienced the process of producing something new through creativity within set limits**.

Material Issue: Addressing Climate Change

Examples of Original Content on Climate Change Issues

SPEEDA

Trends Report: Carbon-Neutral Materials

Focusing on materials that are critical to achieving carbon neutrality (cement, concrete, steel, and others), the report introduces processes and technologies that promote the transition to a net-zero economy.



Practitioners Speak: What We Learned Through TCFD Disclosure

The report presents opinions and findings by various experts on TCFD disclosure, a hot topic triggered by the new TSE market classification. It targets managers and professionals in charge of future disclosures as well as those who are considering inclusion of response to climate change into their management strategies.



NewsPicks

GREEN Innovation Journey to the Earth's Limits

NewsPicks' first documentary series featuring comedian Satoshi Mukai as the narrator, this travelog follows extraordinary people tackling global issues that affect the very survival of humanity, including climate change and war-inflicted energy and food crises, through innovations beyond our imagination.



Other Contents

[NewsPicks: \[New\] Secrets of a great leap forward through carbon-neutral management](#)

[NewsPicks: Climate change and wine](#)

SPEEDA Trends Report: EV Charging Infrastructure

SPEEDA Insights: Scope 3 in Decarbonization: Best Trends and Measures

Progress on Major Policies for 2022

Major Policy	Main Initiatives
1 Continued investment in high-growth SaaS businesses: SPEEDA Expert Research, FORCAS, and AD/NP	<ul style="list-style-type: none"> Recruitment is progressing steadily, with nearly all positions for 2022 filled.
2 Investment in data shared across SaaS	<ul style="list-style-type: none"> Employee and executive transfer information, segment data, KPI data, etc. are being steadily enhanced.
3 Continued investment in NewsPicks marketing to accelerate growth	<ul style="list-style-type: none"> Effective patterns of TV advertisements identified in H1 are run in the Kanto and Kansai regions between October 15 and November 13. Significantly reduced investment in light of NewsPicks' sales performance.
4 Synergy between SaaS & NewsPicks: Finalize shared user IDs	<ul style="list-style-type: none"> Started the transition to enable login with NewsPicks IDs for existing SPEEDA accounts and all FORCAS accounts.
5 Synergy between SaaS & NewsPicks: Make NewsPicks a marketing channel for SaaS	<ul style="list-style-type: none"> Formed a capital and business alliance with EventHub Co., Ltd. (See the following slide for details.)

Capital and Business Alliance with EventHub, Inc.



Core strength

No. 1 event marketing platform in Japan^{*1}

- One-stop management of all processes related to event and webinar organization—online, hybrid, or offline
- Numerous communication functions maximizing customer contacts and encounters that lead to new business creation, including web-based negotiation and data analysis functions
- Support of marketing and sales activities through highly engaging events and webinars that generate leads and negotiations conducive to sales

UZABASE

Core strengths

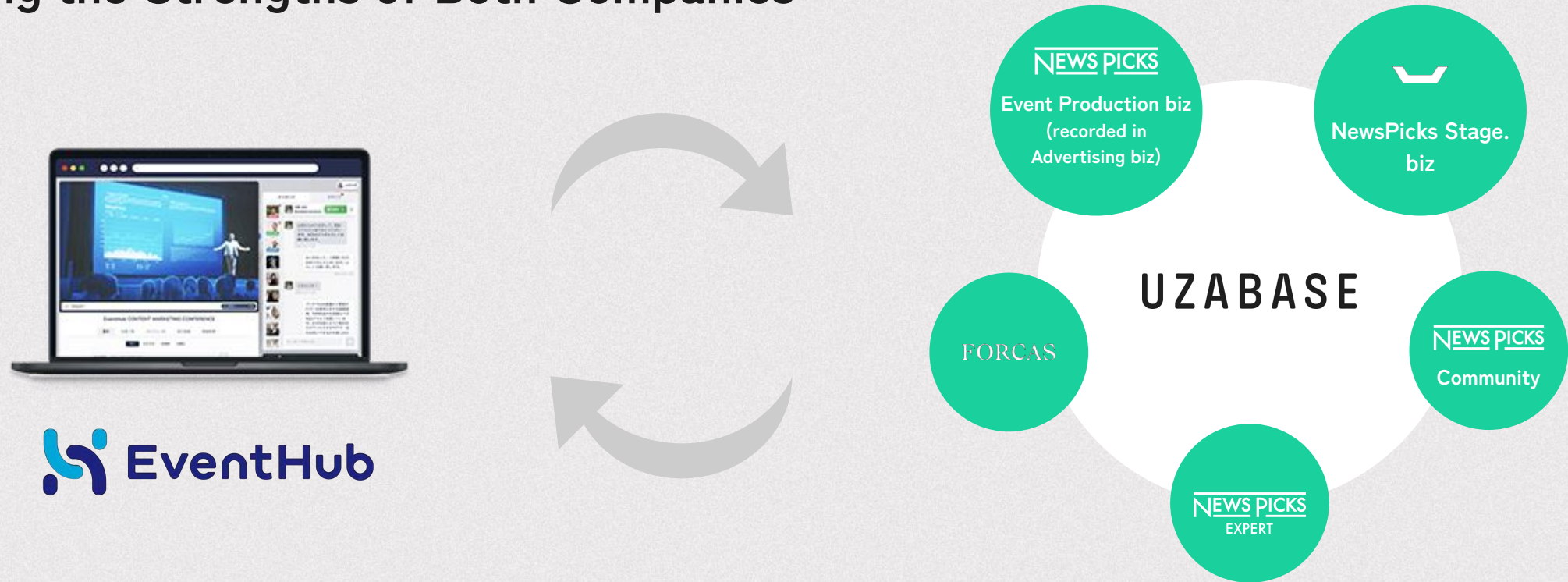
- **Company data and content creation capabilities**
- **Expertise in planning & running high-quality events**
- **Group-wide network of human knowledge**

- A massive track record of planning and running both online and offline B2B events
- Emphasis on B2B events as the largest marketing channel for the SaaS business and a contributor to sustainable growth of the NewsPicks Advertising business
- End-2021: Launch of NewsPicks Stage., a video distribution business that leverages our know-how in events and content creation, to promote the fusion of SaaS and NewsPicks

As a result of this capital and business alliance agreement and the subsequent acquisition by Uzabase of EventHub's shares issued through a third-party allotment, accompanied by partial acquisition of EventHub's shares held by Sansan, Inc., EventHub will become an equity-method affiliate of Uzabase.

^{*1} Based on competitive survey for online events by the Japan Marketing Research Organization (September 2020–August 2021)

Accelerate B2B Event Marketing Development by Fusing the Strengths of Both Companies



- ▶ The business alliance will focus on NewPicks Stage. and the Event Production business in NewsPicks (with sales recorded in the Advertising business), promoting cooperation in events and collaboration in data and content. It will also help to expand intent data in FORCAS, increase opportunities for NewsPicks Expert members, and enhance NewsPicks community value, maximizing value delivered to users.
- ▶ By fusing EventHub's unique event marketing platform with the data, content, and creative capabilities of Uzabase, we will accelerate the development of event marketing and leverage events to realize our purpose: "Awaken a world of play in business, with our insights."

/ Financial Results **Q3** 2022

03 Financial Results for Q3 FY2022

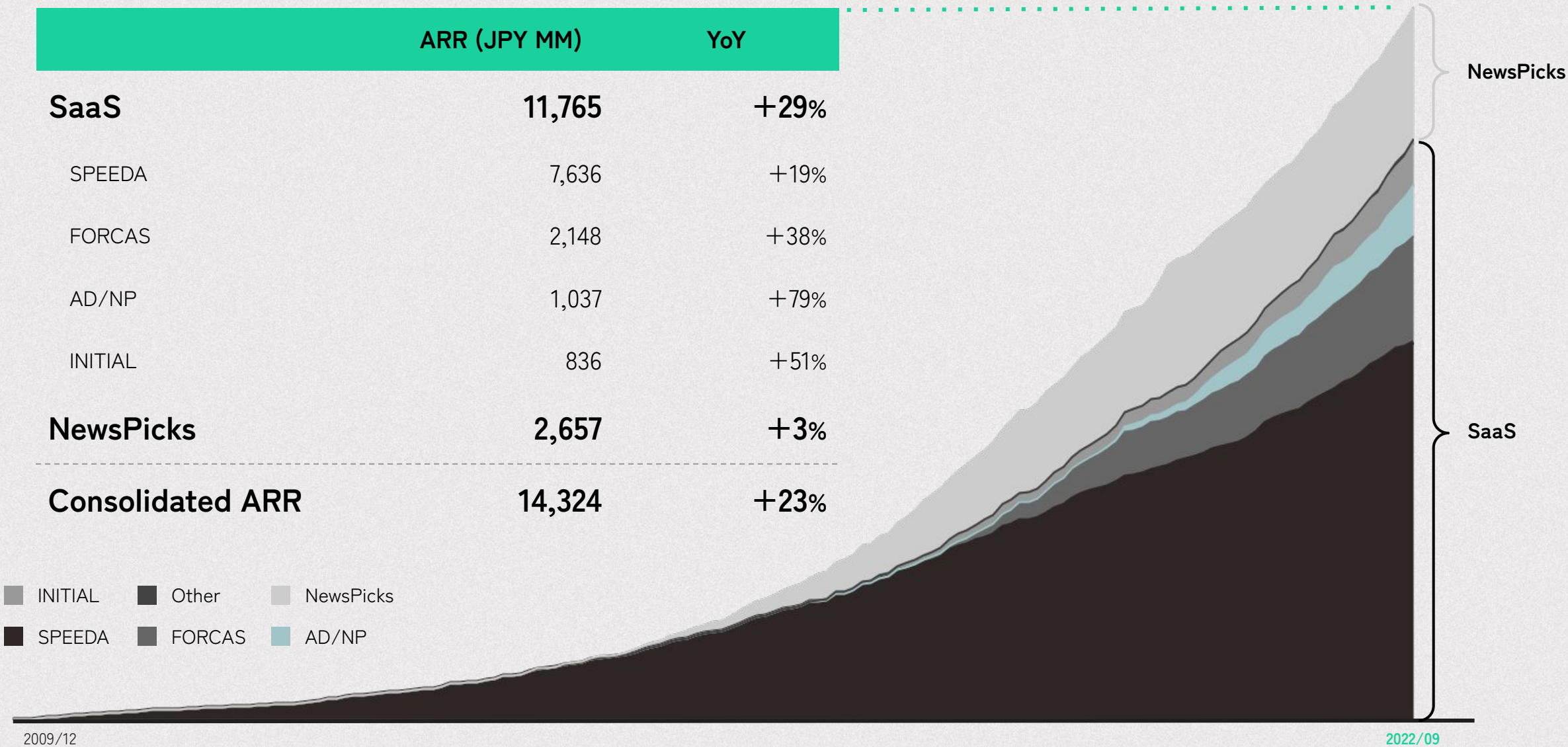
/ Financial Results **Q3** 2022

Highlights for Consolidated Results

Q3 2022 Highlights

Segment	Q3 Summary	ARR (YoY Change)	Net Sales (YoY Change)	EBITDA (Margin)
Consolidated	<ul style="list-style-type: none"> EBITDA moved into the black from the loss in Q2 mainly thanks to cost reductions in the NewsPicks business 	14,324MM (YoY +23%)	4,473MM (YoY +18%)	141MM (3.2%)
SaaS	<ul style="list-style-type: none"> Achieved nearly 30% growth rate for ARR and Net Sales EBITDA flat QoQ 	11,765MM (YoY +29%)	3,240MM (YoY +29%)	344MM (10.6%)
NewsPicks	<ul style="list-style-type: none"> ARR grew QoQ EBITDA loss improved QoQ due to cost reductions and the postponement of TV advertisement campaigns to Q4 	2,657MM (YoY +3%)	1,244MM (YoY -2%)	-188MM (—)

1. All monetary amounts are truncated values. Progress rates and growth rates are rounded to the nearest whole (same applies for all slides that follow).
2. 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.
3. SaaS ARR is the sum total of ARR for SPEEDA, INITIAL, SPEEDA EDGE, FORCAS, FORCAS Sales, and AD/NP.
4. NewsPicks ARR is ARR from NewsPicks Premium and NewsPicks Learning (individual) subscriptions.
5. EBITDA = Operating Profit + Depreciation and Amortization (including Goodwill Amortization) + Stock Compensations.



1. 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.
2. Consolidated ARR excludes internal transactions between segments.

Actuals vs Revised Forecast

Progress on each item
against the revised
forecast

Unit: JPY MM	Actuals for Nine Months 2022	Revised Full-Year Forecast	Progress Rate
Net Sales	13,124	18,200	72%
EBITDA	795	1,000	80%
Operating Profit	249	300	83%
Ordinary Profit	403	400	101%
Net Profit Attributable to Owners of Parent	709	500	142%

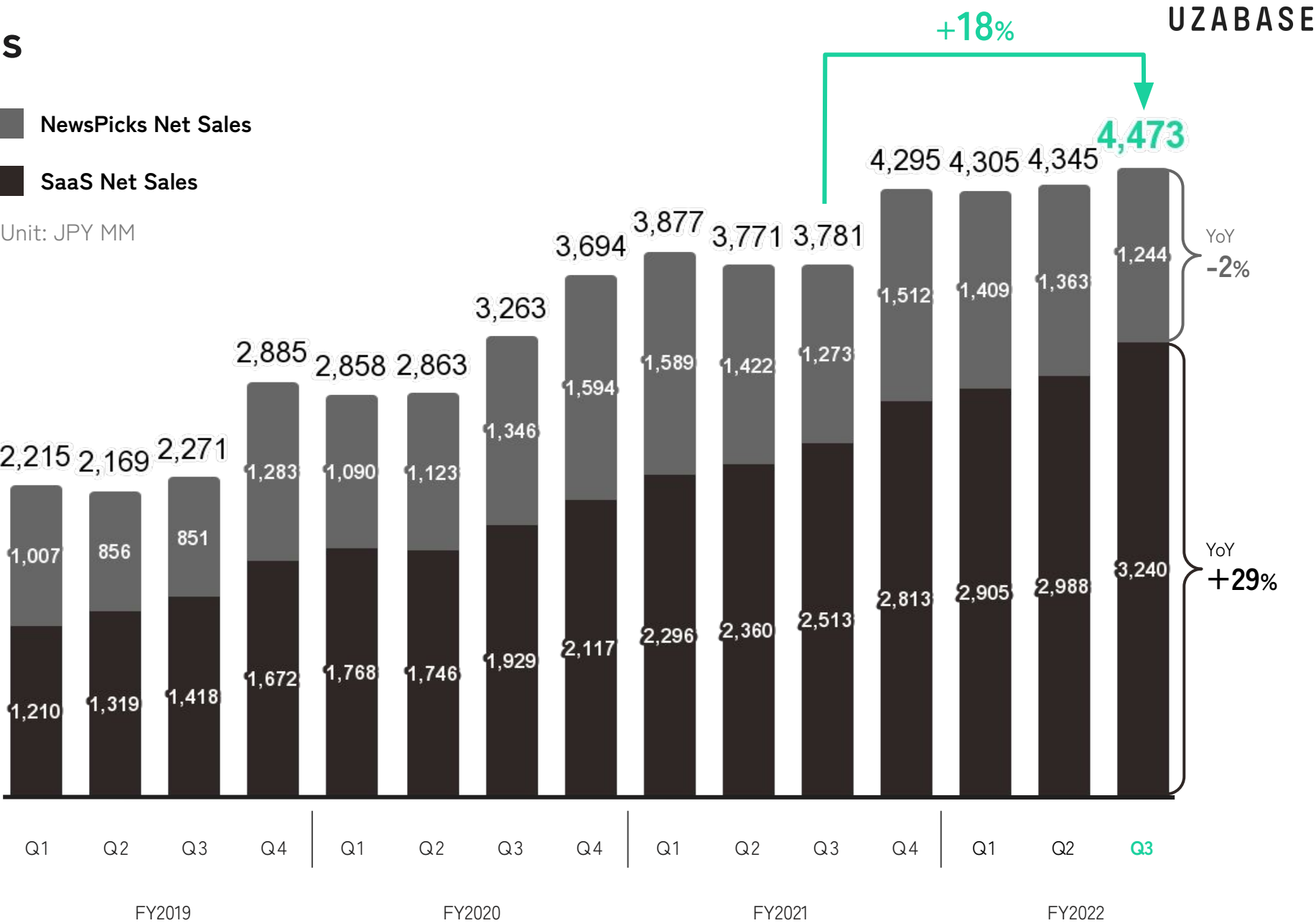
1. Revised Full-Year Forecast refers to figures disclosed in the “Notice Regarding a Revision of Consolidated Earnings Forecast for FY2022” on November 9, 2022.

Consolidated Net Sales

Record-high quarterly Net Sales

NewsPicks Net Sales
SaaS Net Sales

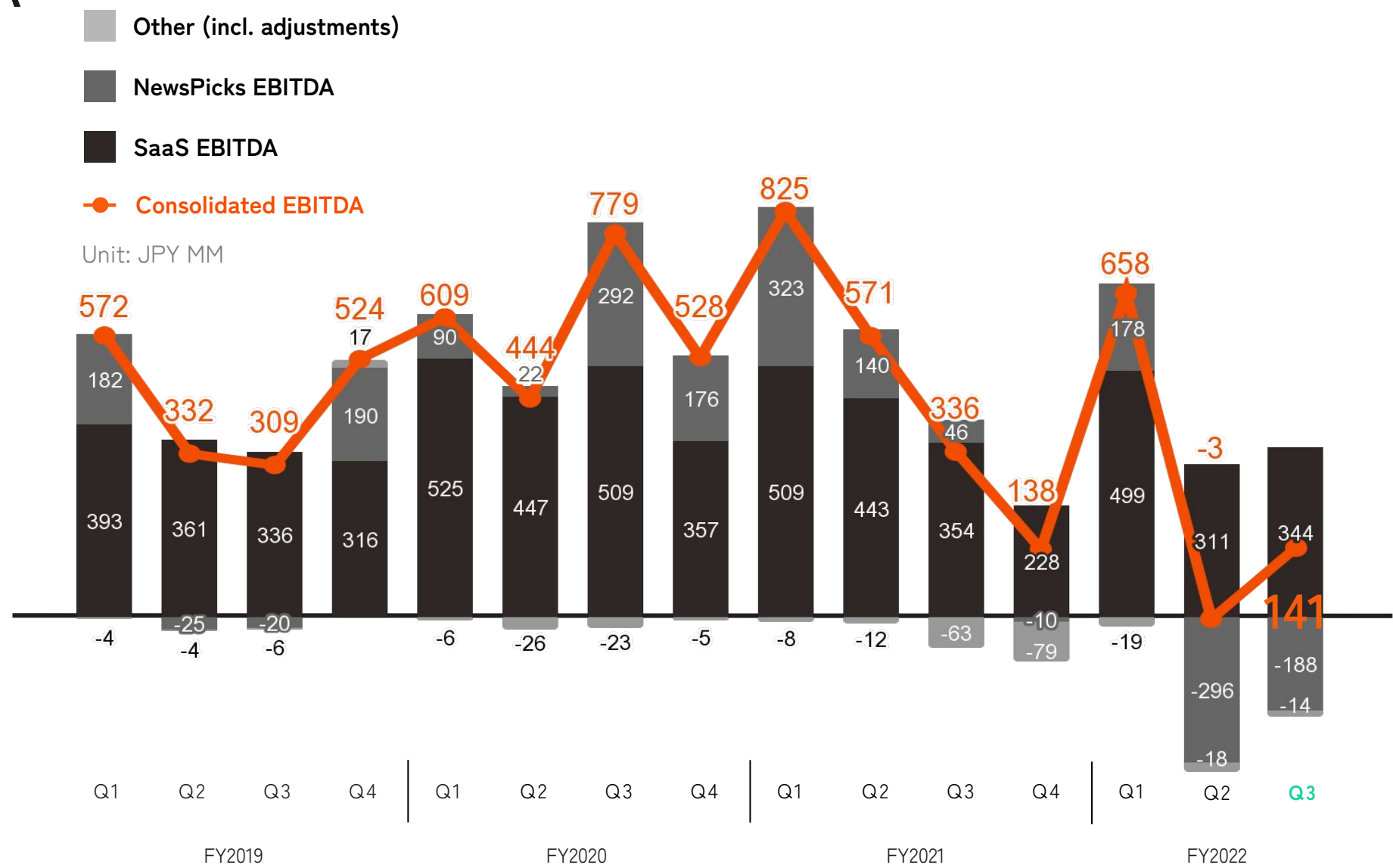
Unit: JPY MM



1. Consolidated net sales up to Q4 FY2020 exclude Quartz and are calculated as Consolidated Net Sales minus Quartz's Net Sales.
2. For consolidated net sales including the Quartz business in previous years, refer to the Appendix.
3. Net Sales for SaaS and NewsPicks include internal transactions between segments, hence their sum total does not match the Consolidated Net Sales.

Consolidated EBITDA

Investments into TV advertisements for NewsPicks were postponed to Q4, hence EBITDA moved into the black.



1. Consolidated EBITDA up to Q4 FY2020 excludes Quartz and is calculated as Consolidated EBITDA minus EBITDA for Quartz.
2. For consolidated EBITDA including the Quartz business in previous years, refer to the Appendix.
3. Other (incl. adjustments) refers to business segments outside of SaaS and NewsPicks, such as new businesses administered by Corporate, as well as SG&A expenses related to the entire Uzabase Group and not attributable to any particular business, and eliminations of internal transactions.

/ Financial Results **Q3** 2022

Highlights for SaaS Segment

We will continue achieving both high growth and stable earnings as a SaaS business.

In FY2022, we will continue our selective investments into SPEEDA Expert Research, FORCAS, and AD/NP.

	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 (excl. Expert Research)
	SPEEDA EDGE	INITIAL	
Customer Strategy Field	FORCAS		
Organizational Strategy Field	AD/NP		

1. Growth Rate refers to net sales growth rate; Profitability refers to EBITDA margin.

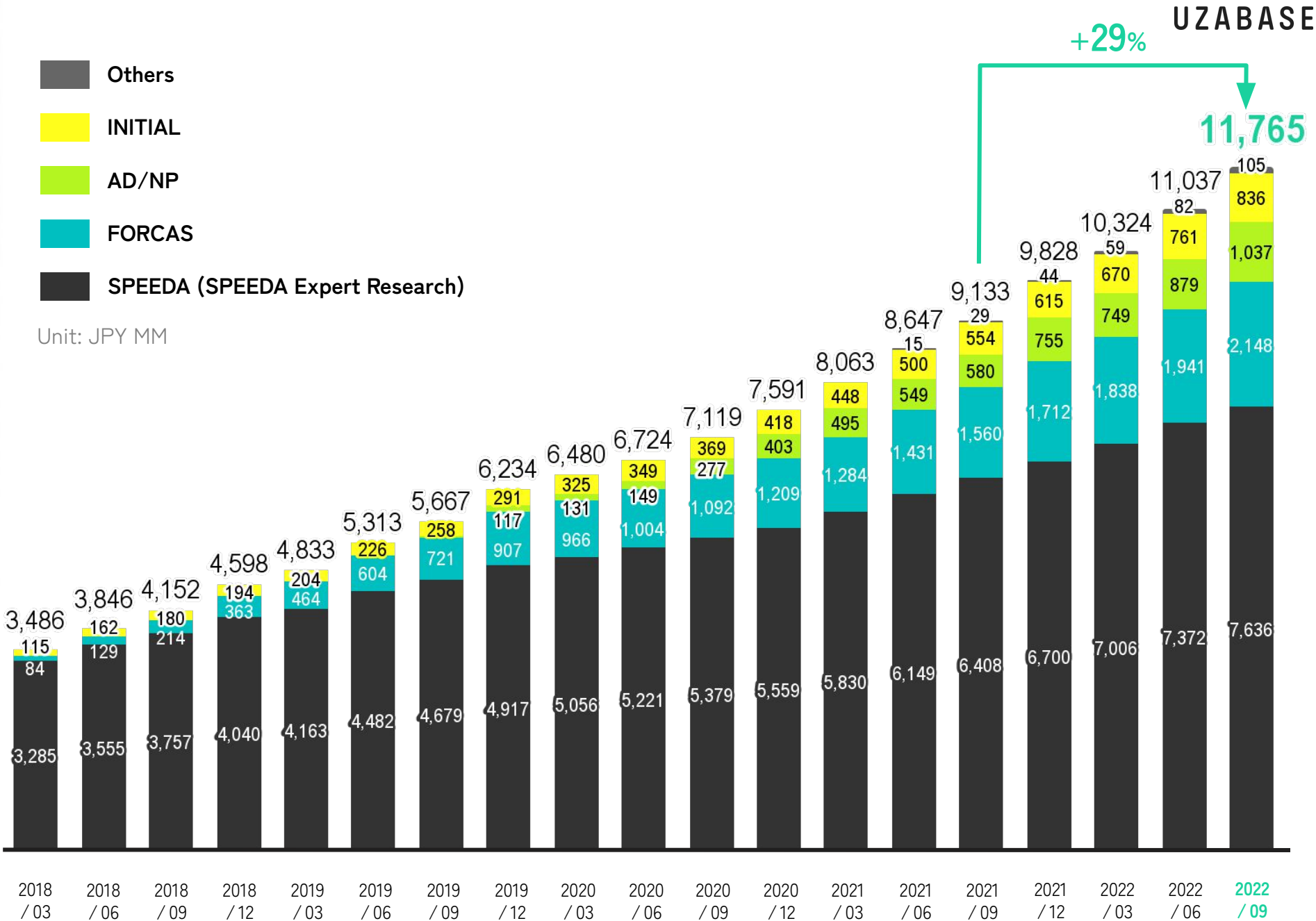
SaaS Segment: Q3 FY2022 Highlights

Category		Q3 Summary	ARR (YoY Change)	Net Sales (YoY Change)	EBITDA (Margin)
SaaS Overall		<ul style="list-style-type: none">Achieved growth rates of nearly 30% for both ARR and Net SalesEBITDA remained nearly flat QoQ	11,765MM (YoY + 29%)	3,240MM (YoY + 29%)	344MM (10.6%)
SPEEDA		<ul style="list-style-type: none">Maintained stable growth rate and high profitability	7,636MM (YoY + 19%)	2,083MM (YoY + 22%)	540MM (26.0%)
INITIAL		<ul style="list-style-type: none">Maintained high growth rate paired with stable profitability	836MM (YoY + 51%)	206MM (YoY + 46%)	28MM (13.9%)
High-Growth Businesses Targeted for Investment	SPEEDA Expert Research	<ul style="list-style-type: none">Maintained high growth rate	—	—	—
	FORCAS	<ul style="list-style-type: none">Maintained high growth rate	2,148MM (YoY + 38%)	523MM (YoY + 35%)	-53MM (—)
	AD/NP	<ul style="list-style-type: none">Maintained high growth rate	1,037MM (YoY + 79%)	418MM (YoY + 49%)	-86MM (—)

1. Figures for SPEEDA include SPEEDA Expert Research.

ARR

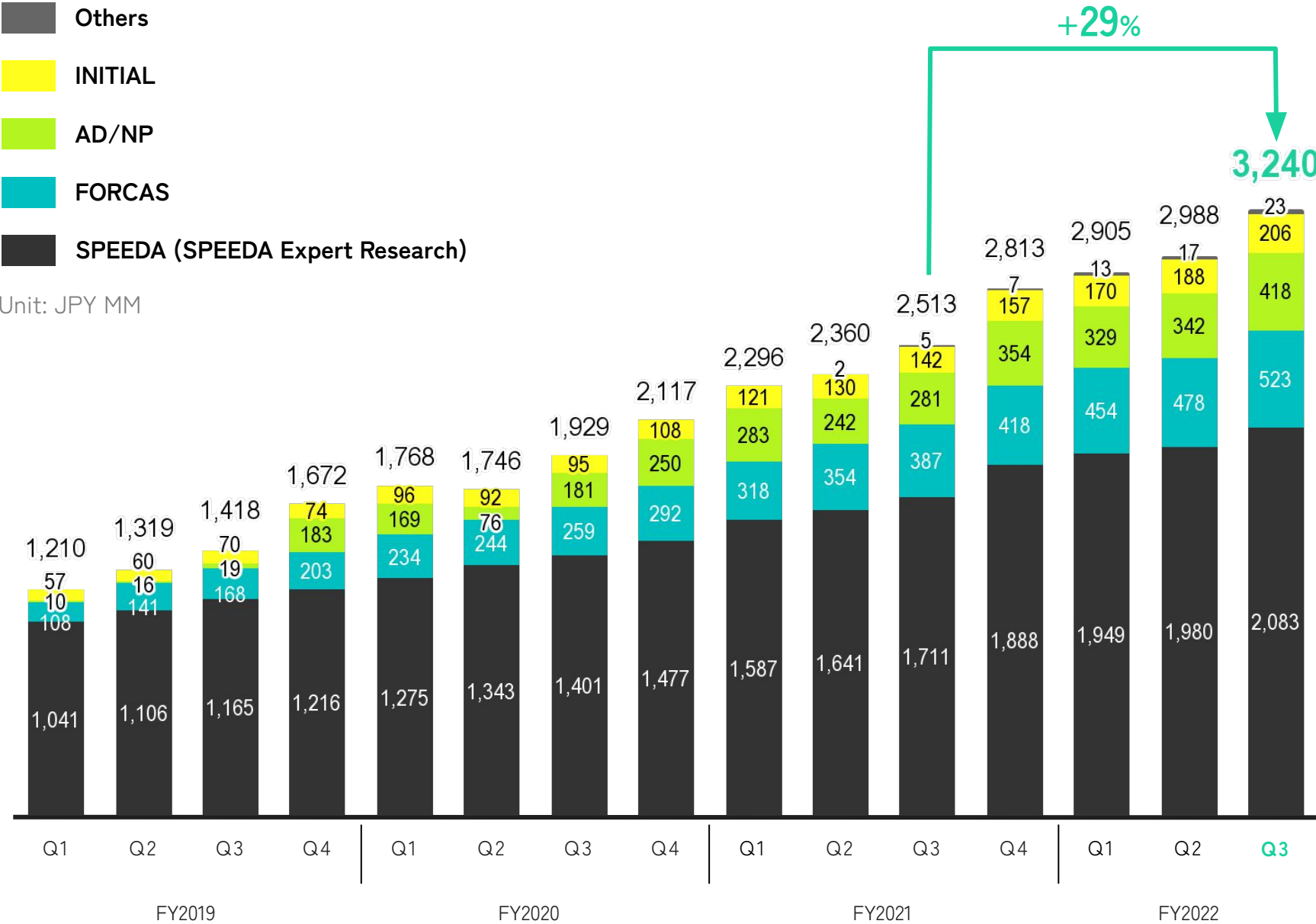
ARR increased by 29% YoY.



1. 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.

Net Sales

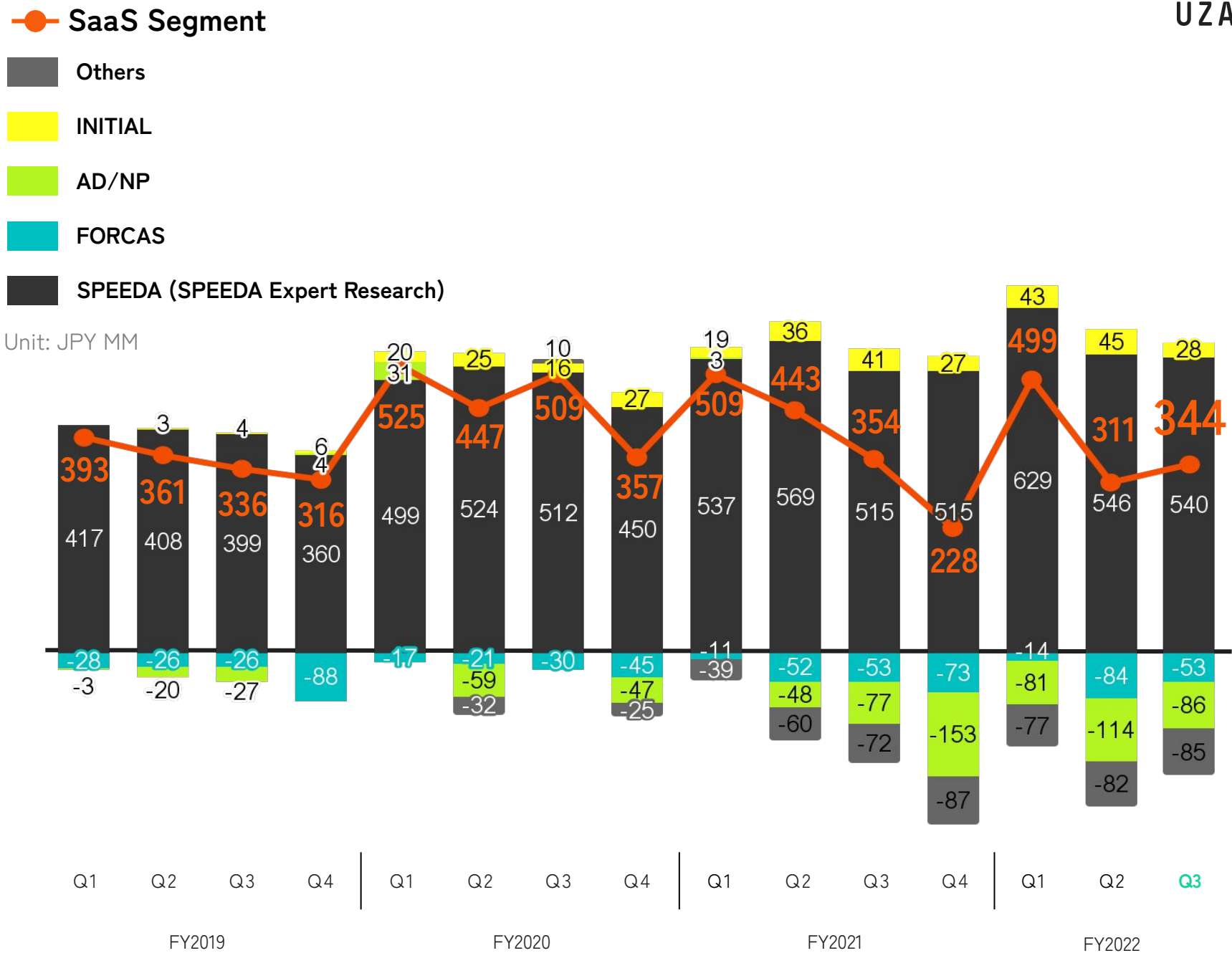
Net Sales also grew by 29% YoY.



1. Net Sales for each product include internal transactions within the SaaS segment, hence the sum total of each product does not match the total for the entire SaaS.
2. Intersegment sales with the NewsPicks business are included.

EBITDA

SaaS continues to generate steady profits amid ongoing investments into business growth.

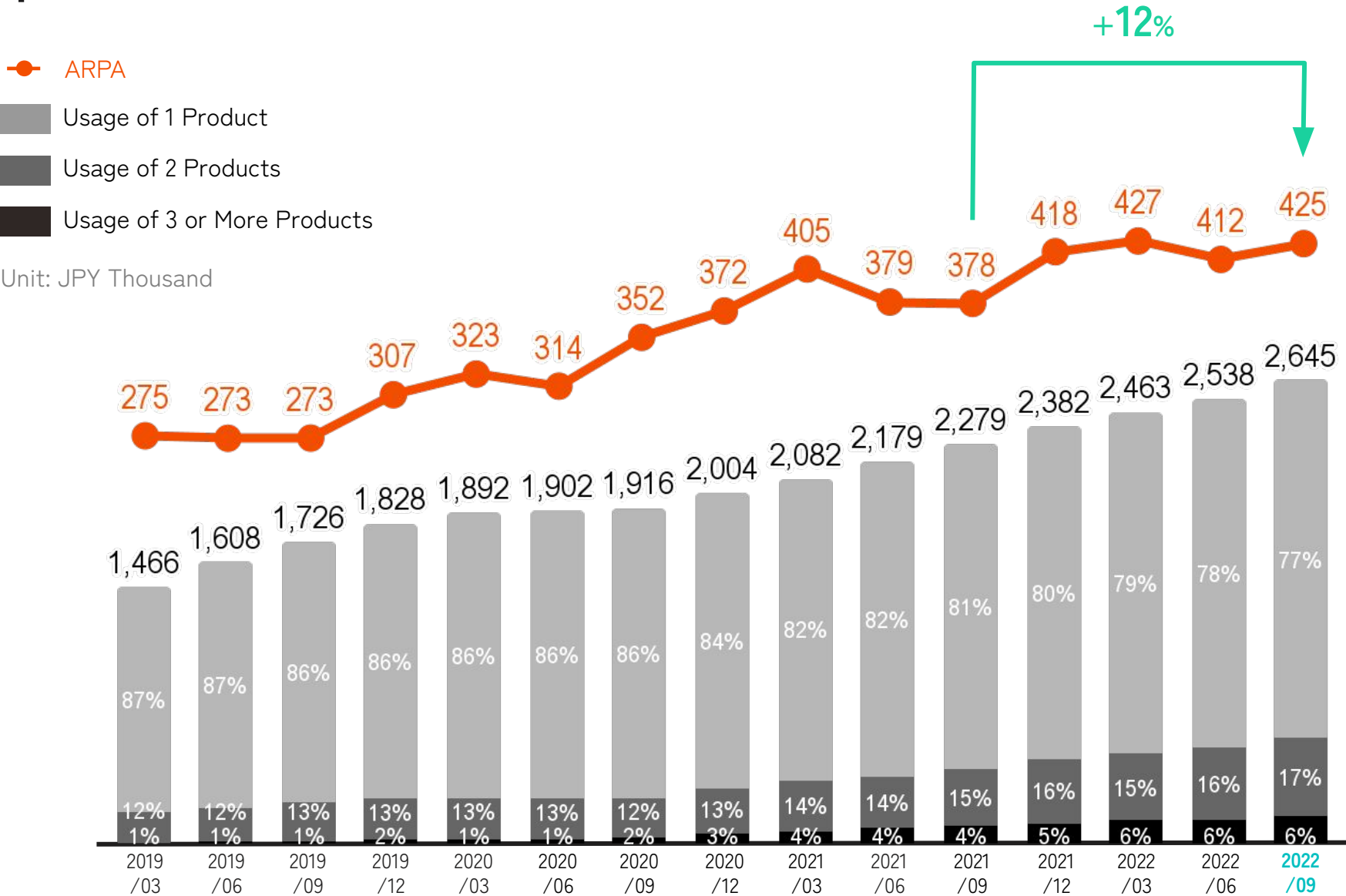


1. Transactions within the SaaS segment are included, hence the sum total of each product's EBITDA does not match that of SaaS.

SaaS: Number of Companies Subscribed and ARPA

ARPA grew steadily.

The ratio of companies that use two or more products also increased by approx. 1 percentage point QoQ.



1. If the same legal entity has contracts for multiple SaaS products, it is counted as 1 company for the purposes of this calculation.

2. ARPA is calculated by dividing actual monthly net sales by the number of companies subscribed across the SaaS segment as of the end of each month.

3. Monthly net sales figures for SaaS through 2021 are presented according to the previous version of accounting standards for revenue recognition.

4. Product usage rate is rounded up to the nearest whole.

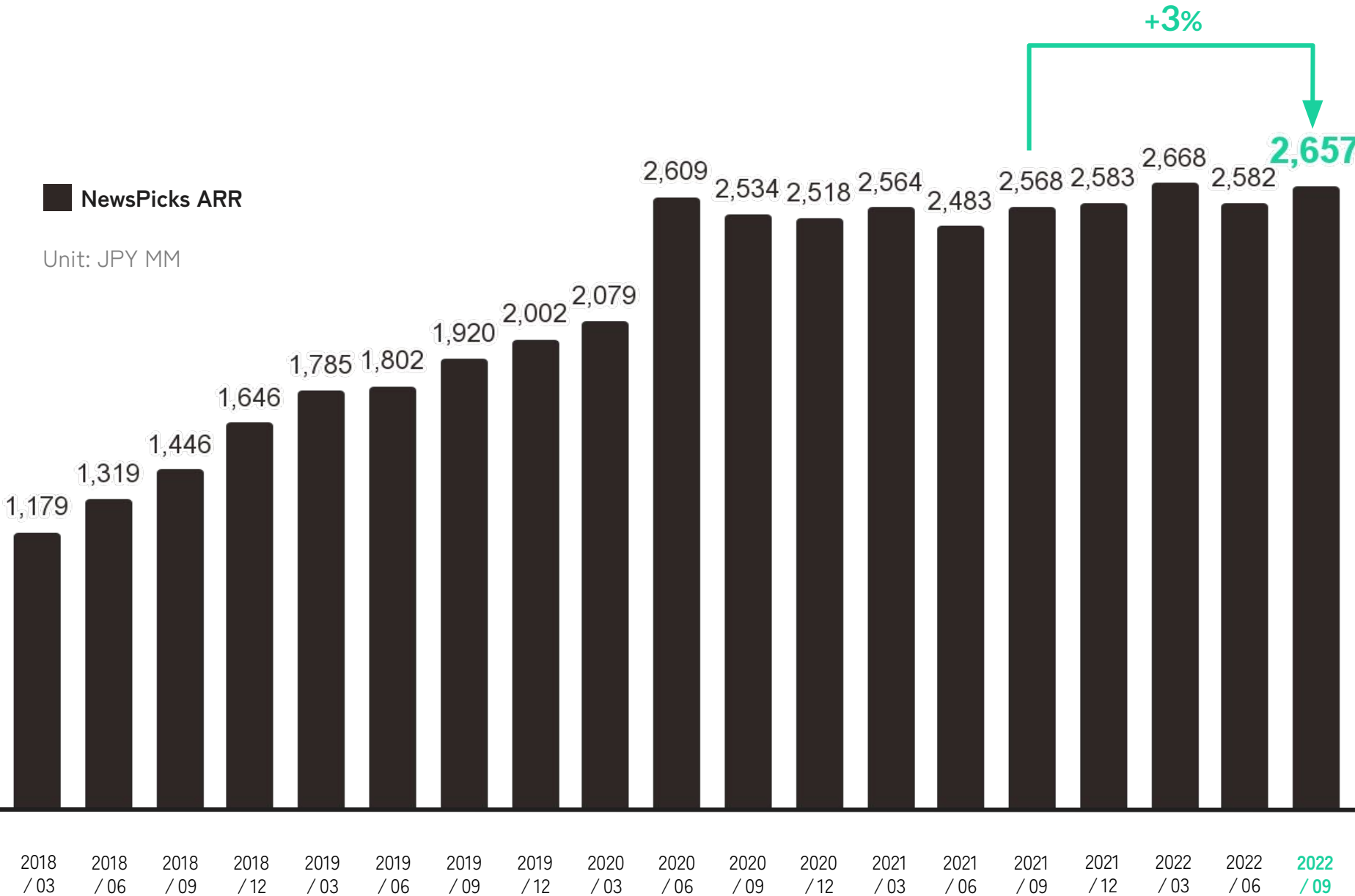
/ Financial Results **Q3** 2022

Highlights for NewsPicks Segment

NewsPicks Segment: Q3 FY2022 Highlights

Business	Q3 Summary	ARR (YoY Change)	Net Sales (YoY Change)	EBITDA (Margin)
NewsPicks Overall	<ul style="list-style-type: none"> Net Sales saw a slight downtick EBITDA loss improved QoQ due to the postponement of TV advertisement campaigns to Q4 	2,657MM (YoY +3%)	1,244MM (YoY -2%)	-188MM (—)
Paid Subscriptions	<ul style="list-style-type: none"> ARR and Net sales grew also QoQ 	2,657MM (YoY +3%)	611MM (YoY +5%)	—
Advertising	<ul style="list-style-type: none"> Net Sales below expectations 	—	570MM (YoY +11%)	—
Other	<ul style="list-style-type: none"> Net Sales in Publishing below expectations 	—	62MM (YoY -65%)	—

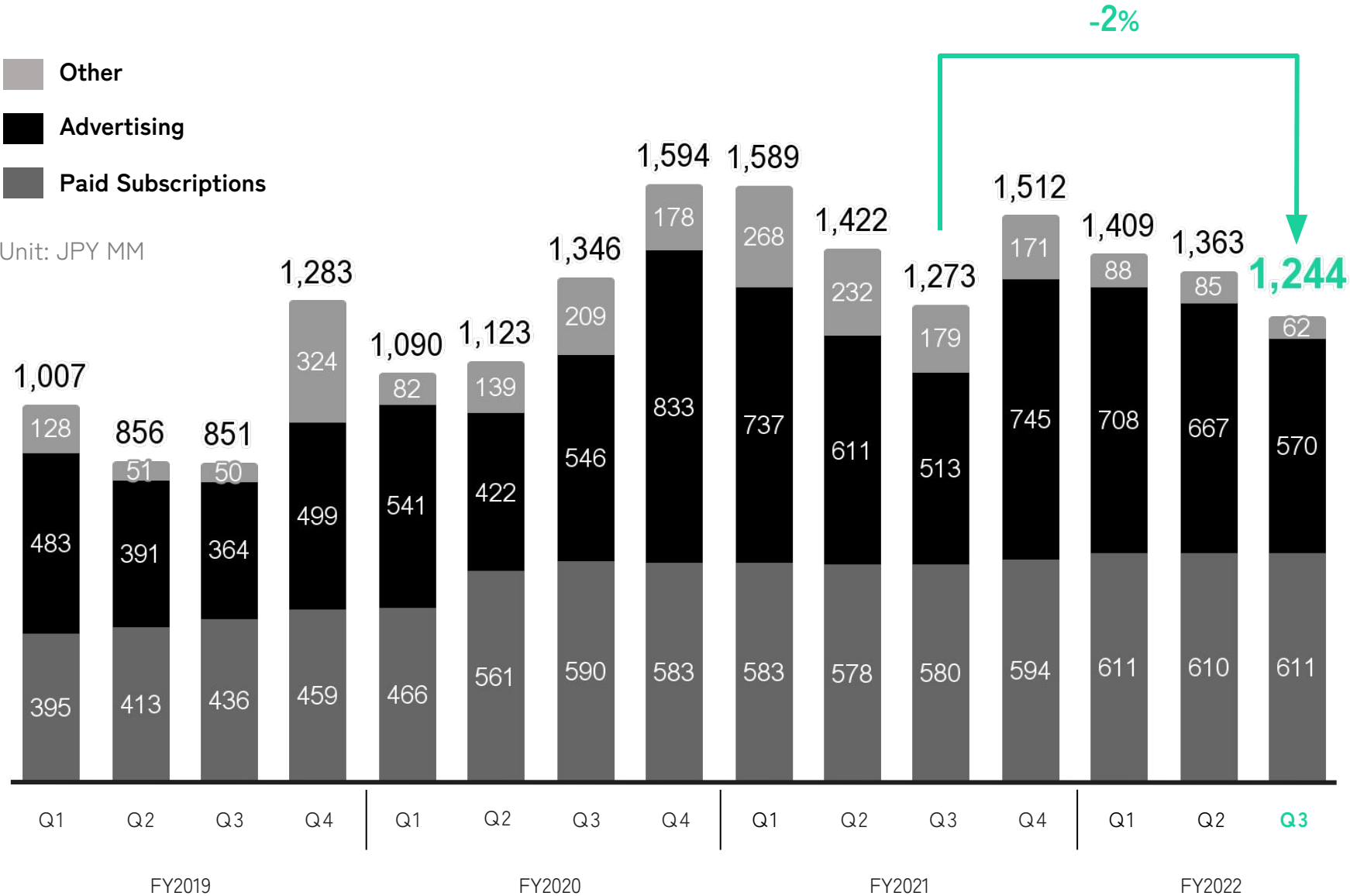
ARR grew QoQ thanks to popular video content released in August.



1. 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.

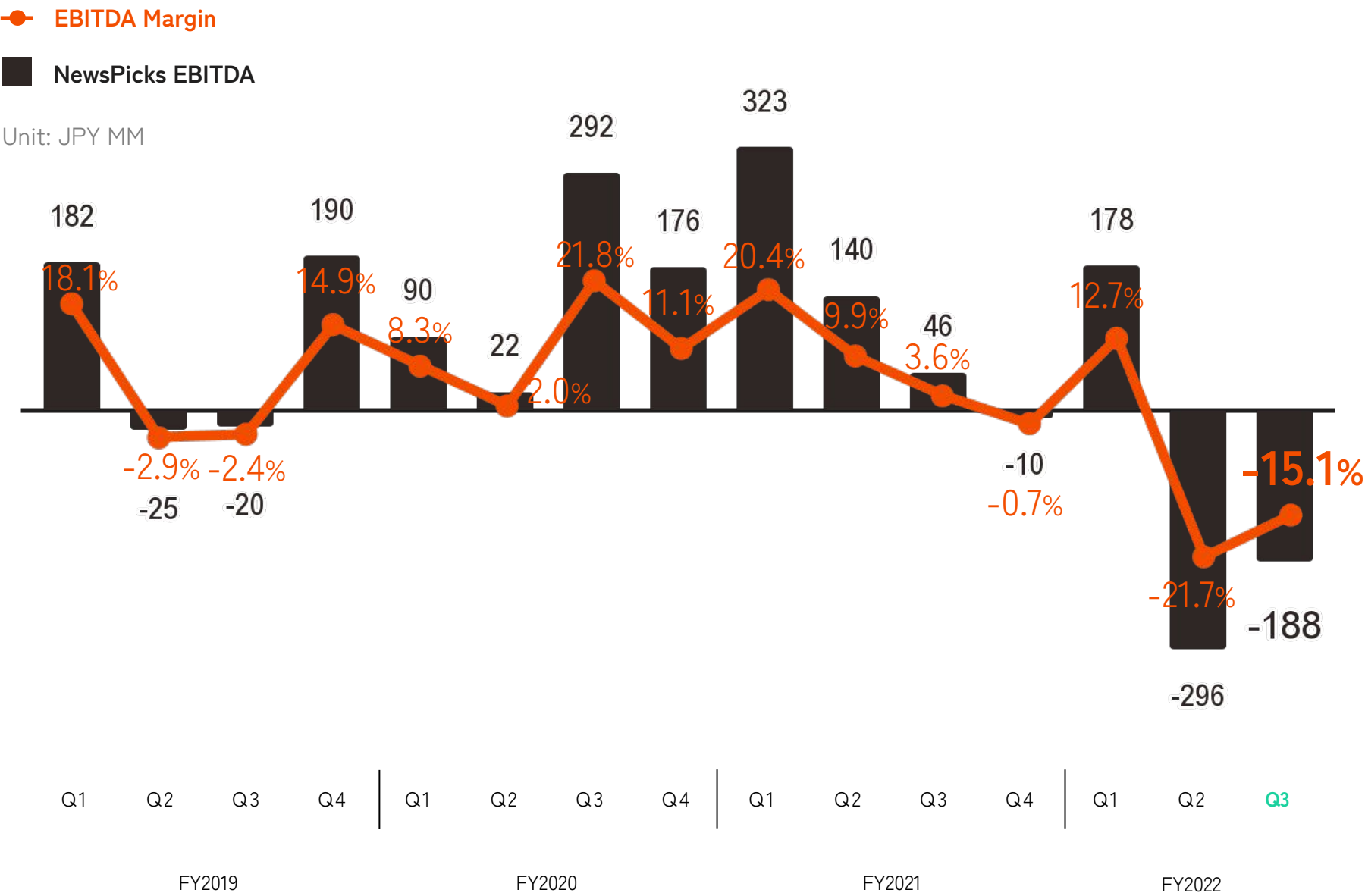
Net Sales

Both Paid Subscriptions and Advertising continued to post higher Net Sales YoY, which outweighed the drop in Other businesses.



1. Intersegment transactions with the SaaS Business are included.
2. The Paid Subscription business excludes the net sales of NewsPicks Enterprise and NewsPicks Learning (Enterprise).
3. Other businesses include publishing and content sales, but exclude the net sales of AlphaDrive and AlphaDrive Kochi, which have been moved to the SaaS Segment.

EBITDA loss improved due to reduced costs and the postponement of investments for TV advertisements to Q4.



/ Financial Results **Q3** 2022

04 Outlook for Q4 and Q&A for Q3

Segment	Outlook for Q4
Consolidated	<ul style="list-style-type: none">• A slight slowdown in growth rates of Net Sales and ARR for SaaS• EBITDA to increase QoQ
SaaS Segment	<ul style="list-style-type: none">• A slight slowdown in growth rates of Net Sales and ARR for SPEEDA and FORCAS mainly due to delays in training of new members• EBITDA for FORCAS to break even; EBITDA margin for INITIAL to recover
NewsPicks Segment	<ul style="list-style-type: none">• Record-high quarterly Net Sales for Advertising business

Q. You state that the main reason for missing the net sales forecast for this fiscal year is the NewsPicks segment. Is the SaaS segment solid?

While we expect a slight downturn in net sales and ARR growth rates for SPEEDA and FORCAS in Q4, the SaaS business overall is solid. In particular, AD/NP and INITIAL are outperforming expectations.

Q. Will you keep your 30% sales growth target?

We are currently discussing internally regarding corrections to our long-term management plan, if any. However, in light of this year's failure (including outlook) to increase the growth rate of NewsPicks, we believe it will be difficult to achieve a consolidated sales growth rate of 30%.

Q. Will you maintain your policy to gradually raise the OPM from the next fiscal year onward?

Yes, we will maintain our policy regarding the OPM.

Q. You are aiming for stable growth in the NewsPicks segment from the next fiscal year, with a particular focus on profitability. What is the target growth rate and will you actually manage to improve profitability?

Based on the NewsPicks business results for this year (including outlook), our first priority is its profitability improvement rather than growth. After we have a profitable structure in place, we will revisit our growth targets.

Q. What accounts for the QoQ decline in net sales for NewsPicks' Advertising business? Weren't you expecting a tailwind from a large-scale event?

Please see P12 for detailed explanations. Net sales from the large-scale event held in October, “CHANGE TO HOPE 2022,” will be recorded in Q4 and are therefore not included in Q3 results.

Q. The current economic environment has partially impacted advertising sales in the NewsPicks segment. Has the SaaS segment been affected as well?

We have yet to observe any impact on churn rate or customer acquisition in the SaaS segment.

Q. How susceptible are your business results to the weak yen?

Since the ratio of operations outside of Japan in our consolidated results (revenues and expenses) is about 5%, and the ratio of procurement costs from suppliers abroad and overseas server costs to total costs is very small, the weak yen has a negligible impact on our results.

Q&A for Tender Offer by Carlyle

Q. Why is Uzabase getting delisted? What can't be achieved if the listing is maintained?

Together with Carlyle, which supports our long-term strategy of a synergistic fusion of SaaS and NewsPicks and circulating human knowledge, we will implement medium-to-long-term reforms to boost the growth potential and profitability of our business in Japan without being affected by short-term fluctuations in our performance. Furthermore, by utilizing the Carlyle Group's global management expertise and network, we will define our global expansion strategy and execute it steadily over the long term. We believe this is the best option for Uzabase to realize its Purpose: "Awaken a world of play in business, with our insights."

Q. Do you have plans of re-listing?

No decisions have been made so far, but we will consider the possibility of re-listing in the future.

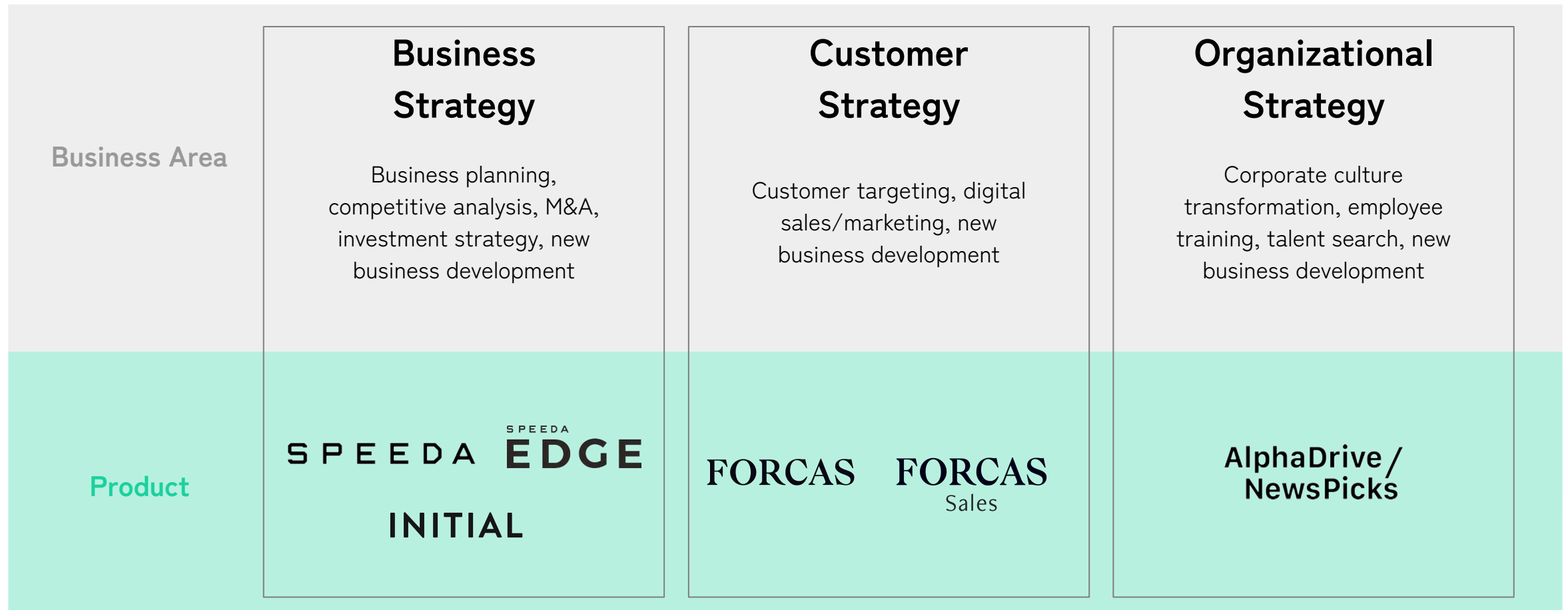
Q. Why did you choose Carlyle? Were there any other funds that you considered?

We also considered other funds but eventually selected Carlyle for the following reasons. In addition to the terms of the tender offer, we saw Carlyle as the best partner thanks to their global management expertise, network, and investment philosophy essential to executing our long-term strategy of a synergistic fusion of SaaS and NewsPicks and circulating human knowledge, as well as achieving our Purpose.

/ Financial Results **Q3** 2022

05 Appendix

SaaS Products Offering Support for the Implementation of Agile Management





A Leading Business News Media Outlet in Japan

3 Main Features

Platform

Curated news on business and the economy from over 100 media sources in Japan and abroad

Media

Original articles and video content created by NewsPicks' own editorial team and distributed via the platform

Community

Comments and detailed explanations on articles and videos provided by experts from various fields

Shared Strengths:

Business Insights System Based on Data, Content, and Knowledge

Business Insights

Competitive Edge

1

Data

Listed/Unlisted Companies (Global)	Startups (Global)
10.0+ million	1.57+ million
Company Features	IP/Patent Trends
1,800+ types	561 categories

- **Long-term partnerships** with top data suppliers in Japan and abroad (Morningstar, Tokyo Shoko Research, etc.)
- Original data (data on startups, software service usage statistics, etc.) **compiled over a long period of time and stored on the platform(s)**

2

Content

News Media Sources (Global)	Industry & Trends Reports
~2,500	5,000+
Original Articles (Cumulative)	Original Video Content (Cumulative)
20,000+	2,000+

- Top-class journalists, editors, and designers producing **high-quality articles on a regular basis**
- Our strong team of 70 analysts in Sri Lanka (since 2016) **produce a large volume of reports on a regular basis at a relatively low cost**

3

Knowledge

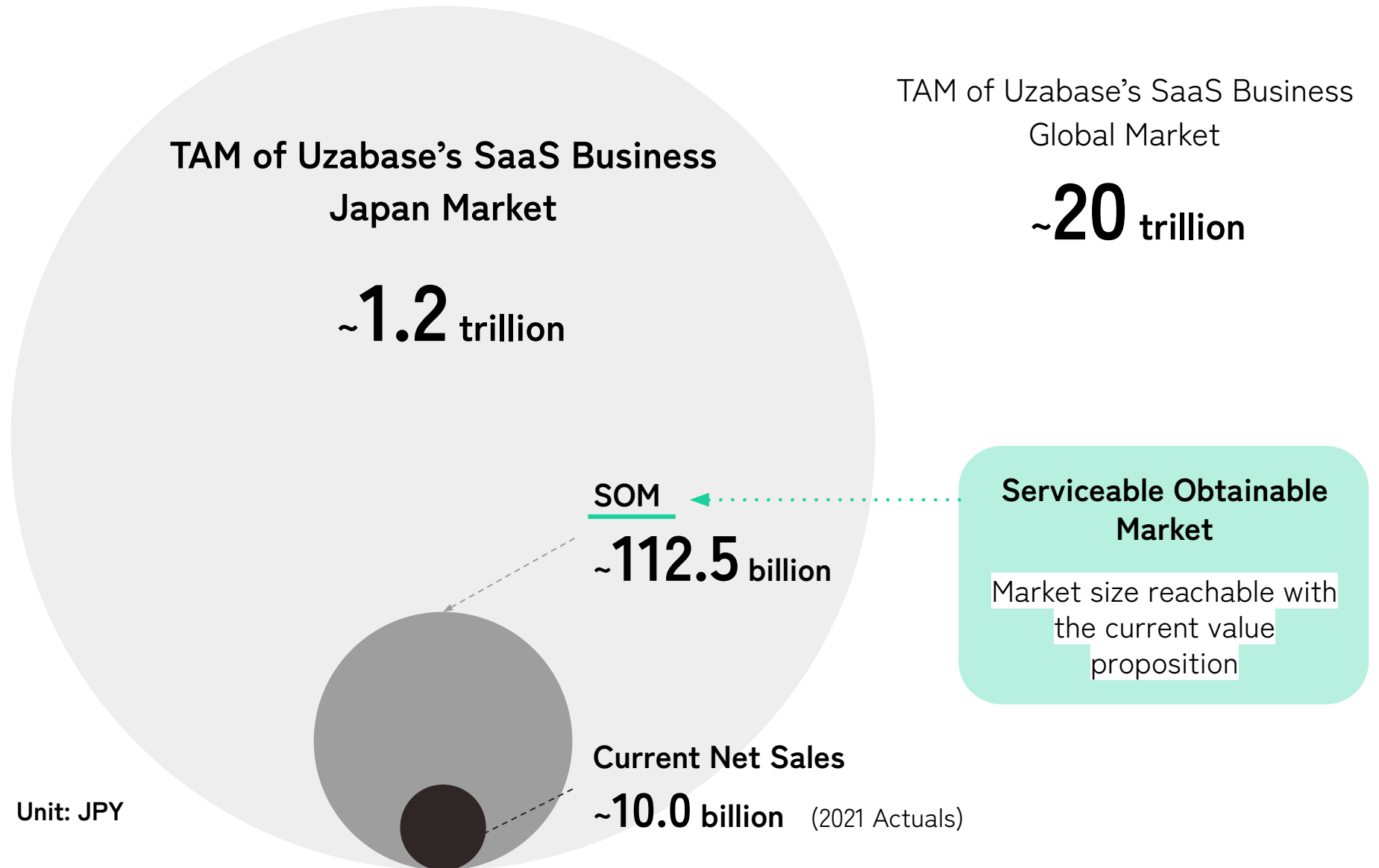
NewsPicks ProPickers	Expert Network
200+	130,000+
	Experts in Japan: ~20,000 Experts Abroad: ~110,000

- Value provided by **numerous ProPickers sharing their views via NewsPicks and the community around them**
- **Major expansion of expert network in Japan and abroad** via the acquisition of MIMIR in 2020 and partnerships with expert network providers abroad

Transforming Management Consulting Market: Cloud Shift and Democratization ^{UZABASE}

The TAM of Uzabase's SaaS business is estimated at JPY 1.2 trillion in Japan and JPY 20 trillion globally.

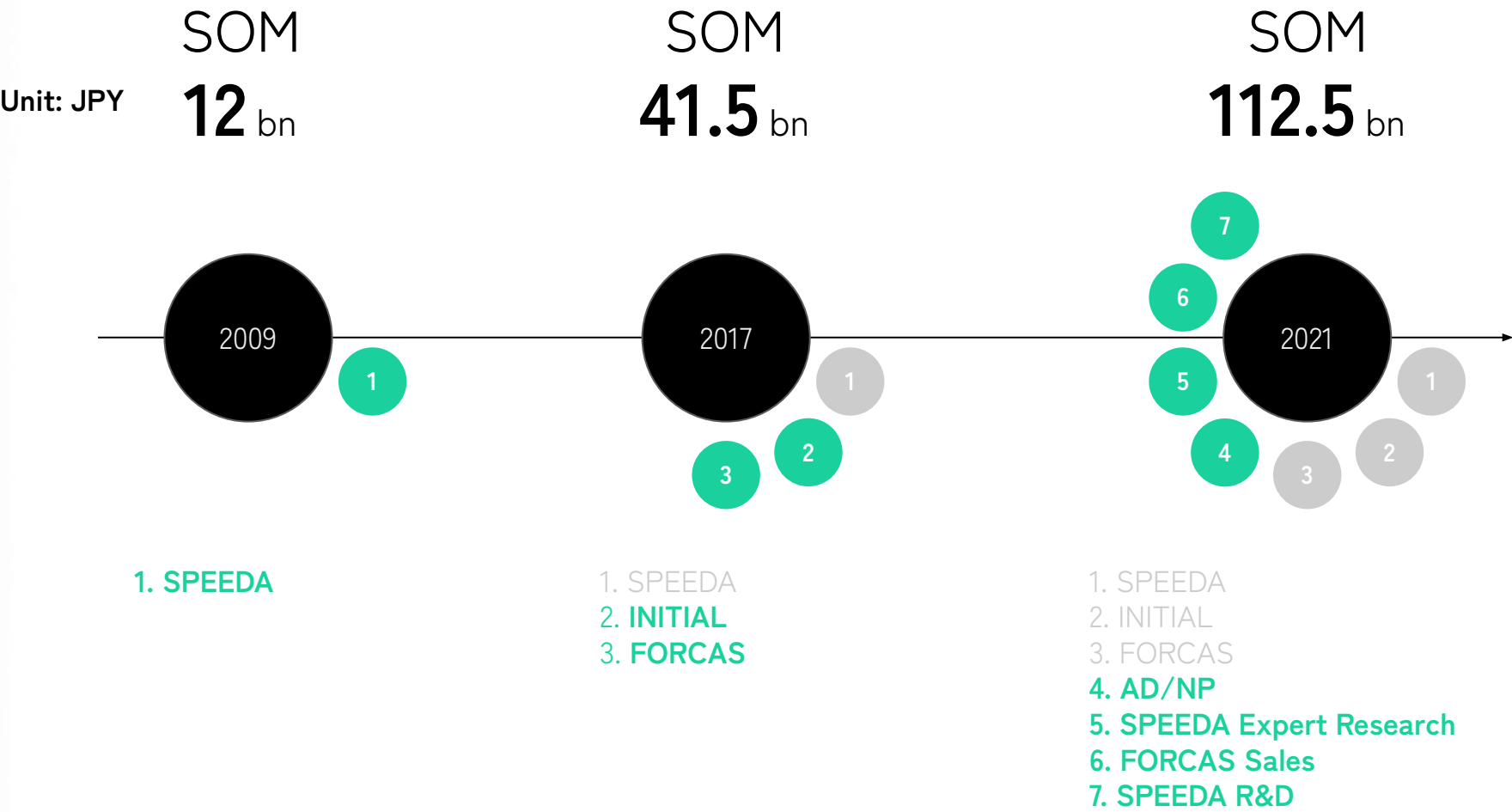
Meanwhile, the SOM, or the size of the market that could be captured with the value proposition offered by the current product lineup and is also identifiable down to specific company names, is estimated at JPY 112.5 billion for the entire SaaS business.



1. TAM (Total Addressable Market) is the total potential market size for Uzabase's SaaS business. The market in Japan 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.

Expansion of SOM Through Continuous Development of New Products

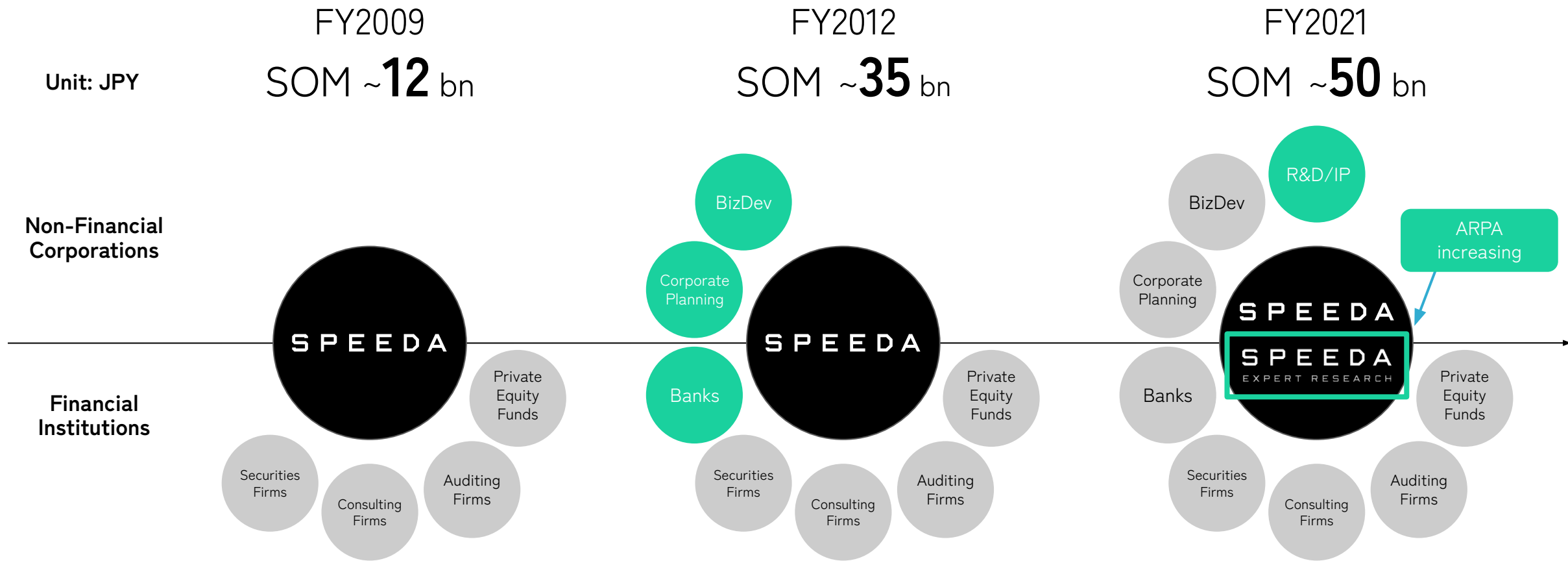
Within the vast market for management consulting services, we have continuously expanded our SOM by developing and releasing new products that leverage business insights.



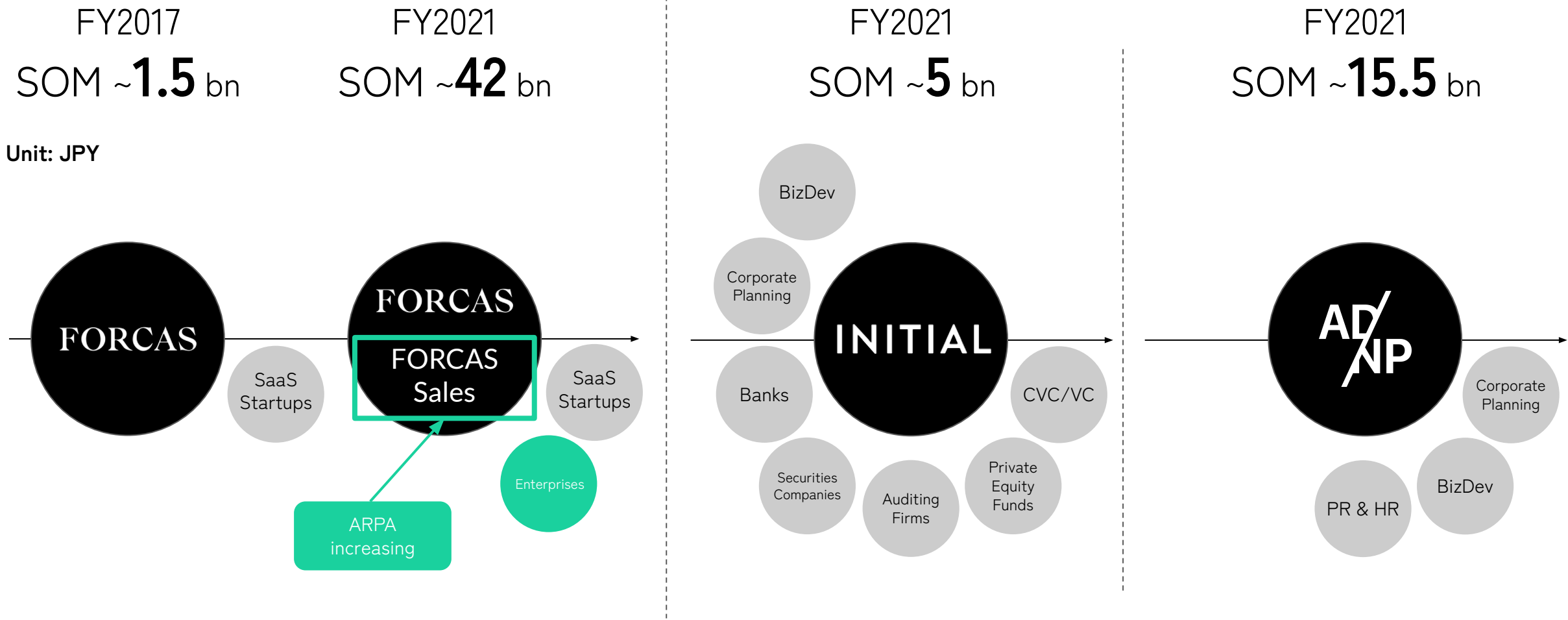
1. For details on each product's SOM, refer to P50-51 of the Appendix.

Expansion of SOM for SPEEDA

Starting off with purely financial institutions, SPEEDA has since expanded its SOM to include non-financial corporations.

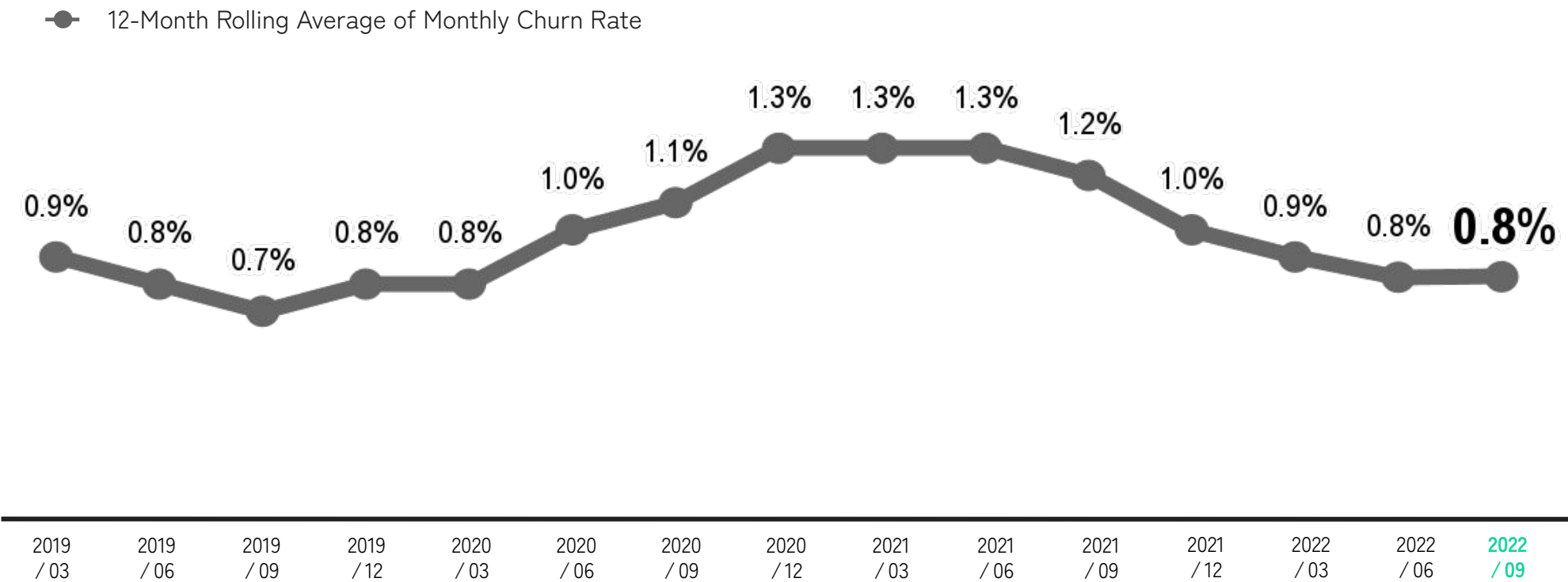


Expansion of SOM for Other SaaS Products



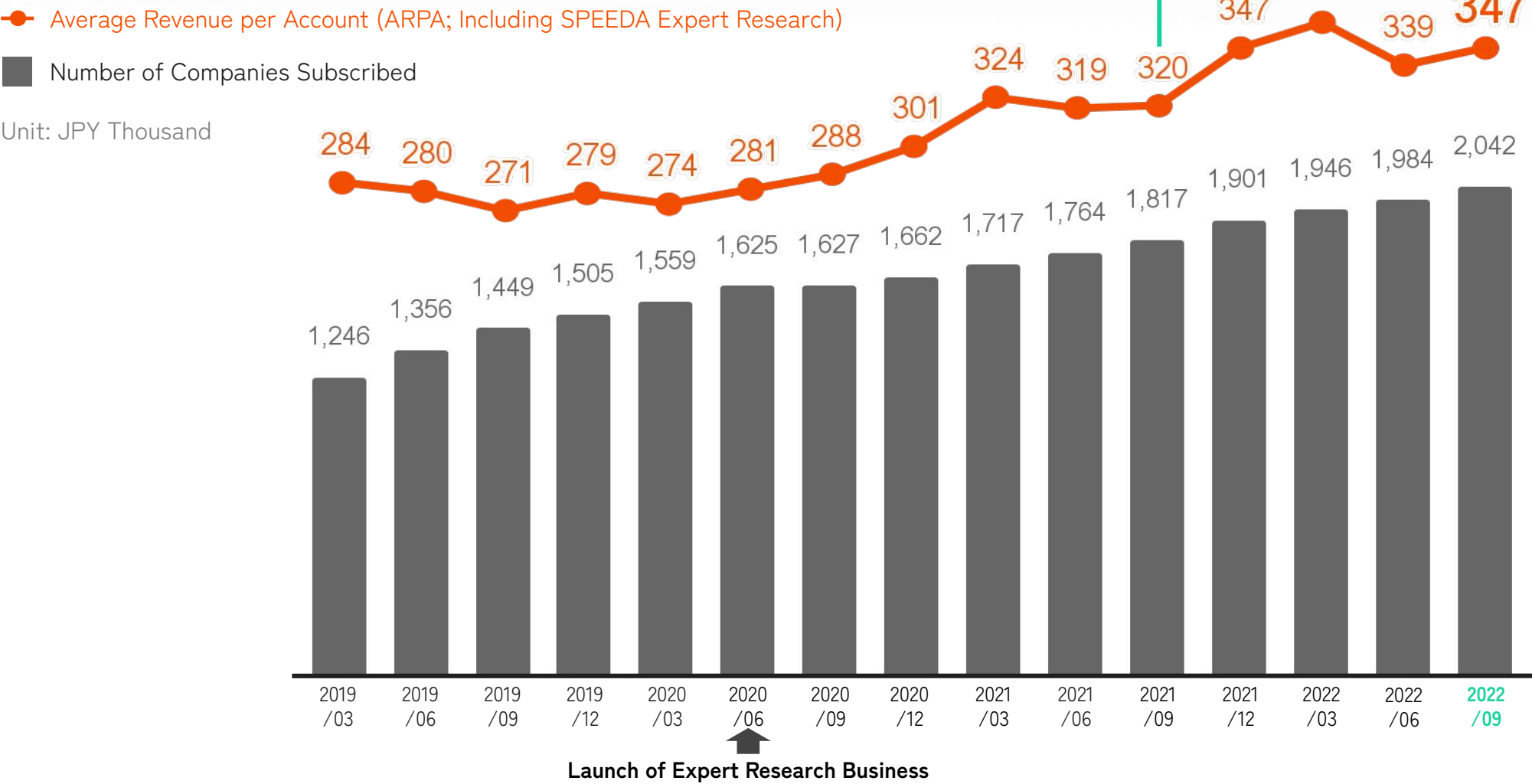
1. SOM (Serviceable Obtainable Market) refers to the obtainable revenue at the value proposition of each product offered in the fiscal year shown, calculated as the number of potential target companies multiplied by the expected average revenue per customer in each given year, for each given product.

SPEEDA Churn Rate



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

SPEEDA: Number of Companies Subscribed and ARPA



1. Number of Companies Subscribed and Net Sales also include those of MIMIR starting from June 2020.

2. Number of Companies Subscribed for MIMIR includes all companies that had a confirmed transaction with MIMIR within the past one year (starting from the month when the data was aggregated) and excludes any companies that are also SPEEDA customers.

3. SPEEDA's Number of Companies Subscribed includes customers both in Japan and abroad. A corporate entity that has a subscription both in Japan and abroad is counted only once.

4. ARPA is calculated by dividing monthly net sales by the number of companies subscribed as of the end of each month.

5. The new accounting method for revenue recognition is applied retroactively to monthly net sales, resulting in partial discrepancies with previously disclosed ARPA figures.

Consolidated Profit and Loss Statement (Quarterly Figures)

(Unit: JPY MM)											
	FY2020				FY2021				FY2022		
	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3
Net Sales	3,147	3,118	3,560	3,825	3,877	3,771	3,781	4,295	4,305	4,345	4,473
Net Sales Growth Rate	+11%	+11%	+27%	-5%	+23%	+21%	+6%	+12%	+11%	+15%	+18%
Cost of Sales	1,541	1,528	1,471	1,541	1,398	1,388	1,501	1,688	1,400	1,593	1,649
Gross Profit	1,606	1,590	2,088	2,283	2,479	2,382	2,279	2,607	2,904	2,751	2,823
Gross Profit Margin	51.0%	51.0%	58.7%	59.7%	63.9%	63.2%	60.3%	60.7%	67.5%	63.3%	63.1%
Selling, General, and Administrative Expenses	1,885	1,893	1,839	1,870	1,752	1,915	2,059	2,592	2,386	2,927	2,916
Operating Profit	-278	-302	248	413	726	467	220	15	517	-175	-92
Operating Profit Margin	-8.9%	-9.7%	7.0%	10.8%	18.7%	12.4%	5.8%	0.4%	12.0%	-4.0%	-2.1%
EBITDA	-56	-75	506	520	825	571	336	138	658	-3	141
EBITDA Margin	-1.8%	-2.4%	14.2%	13.6%	21.3%	15.2%	8.9%	3.2%	15.3%	-0.1%	3.2%
Ordinary Profit	-332	-362	183	207	665	439	183	256	700	-181	-115
Ordinary Profit Margin	-10.6%	-11.6%	5.2%	5.4%	17.2%	11.6%	4.9%	6.0%	16.3%	-4.2%	-2.6%
Net Profit Attribute to Owners of Parent	-484	-647	-4,949	-411	472	248	-245	95	418	-268	560

1. Figures for FY2020 include figures for the Quartz business.
2. The new accounting method for revenue recognition is applied retroactively to FY2020 and FY2021 figures.

Consolidated Expenses (Quarterly Figures)

(Unit: JPY MM)

	FY2020				FY2021				FY2022		
	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3
Purchases	168	165	185	190	196	190	179	222	224	240	253
Labor and Outsourcing Expenses	1,367	1,366	1,300	1,314	1,115	1,145	1,301	1,380	1,250	1,362	1,432
Advertising Expenses	184	220	131	323	280	260	281	495	362	711	456
Personnel Expenses	845	797	771	740	743	799	880	992	1,044	1,113	1,232
Stock-based Compensation Expenses	0	0	0	-1	0	-1	0	0	0	51	51
Commissions	228	230	237	250	230	248	187	264	279	290	291
Depreciation and Amortization, and Amortization of Goodwill	221	226	256	108	98	105	116	123	140	120	182
Other Expenses	409	413	427	484	485	555	614	800	485	631	665

- Figures for FY2020 include figures for the Quartz business.
- The new accounting method for revenue recognition is applied retroactively to FY2020 and FY2021 figures.
- “Labor and Outsourcing Expenses” include engineering team costs, as well as content production costs, including reporter labor costs and advertising/video program production costs.
- “Commissions” include various commission fees such as those paid to Apple, as well as system usage fees. “Depreciation and Amortization” includes software amortization.
- “Other Expenses” include service commission expenses, recruiting and training expenses, communications expenses, compensations, and rent.

Consolidated Balance Sheet

(Unit: JPY MM)	FY2021	End-Q3 FY2022	Change
Current Assets	12,337	8,929	-3,408
(Cash and Deposits)	10,613	6,950	-3,662
Non-Current assets	7,921	11,871	3,949
Deferred Assets	52	26	-26
Total Assets	20,312	20,827	515
Current Liabilities	7,548	7,478	-69
Non-Current Liabilities	2,852	2,610	-242
Total Liabilities	10,400	10,088	-311
(Interest-Bearing Liabilities)	4,015	3,501	-514
Total Net Assets	9,911	10,738	827

Consolidated Cash Flow Statement

(Unit: JPY MM)	FY2021	End-Q3 FY2022
Cash Flow from Operating Activities	2,696	288
Cash Flow from Investing Activities	-1,066	-3,129
Free Cash Flow	1,630	-2,841
Cash Flow from Financing Activities	1,404	-964
Change in Cash and Cash Equivalents	3,100	-3,662
Cash and Cash Equivalents at the Beginning of Period	7,513	10,613
Cash and Cash Equivalents at the End of Period	10,613	6,950

Profit and Loss Statement by Segment (Quarterly Figures)

(Unit: JPY MM)		FY2020				FY2021				FY2022		
		Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3
SaaS	Net Sales	1,768	1,746	1,929	2,117	2,296	2,360	2,513	2,813	2,905	2,988	3,240
	Net Sales Growth Rate	+46%	+32%	+36%	+27%	+30%	+35%	+30%	+33%	+26%	+27%	+29%
	EBITDA	525	447	509	357	509	443	354	228	499	311	344
	EBITDA Margin	29.7%	25.6%	26.4%	16.9%	22.2%	18.8%	14.1%	8.1%	17.2%	10.4%	10.6%
	ARR	6,480	6,724	7,119	7,591	8,063	8,647	9,133	9,828	10,324	11,037	11,765
	ARR Growth Rate	+34%	+27%	+26%	+22%	+24%	+29%	+28%	+29%	+28%	+28%	+29%
NewsPicks	Net Sales	1,090	1,123	1,346	1,594	1,589	1,422	1,273	1,512	1,409	1,363	1,244
	Net Sales Growth Rate	+8%	+31%	+58%	+24%	+46%	+27%	-5%	-5%	-11%	-4%	-2%
	EBITDA	90	22	292	176	323	140	46	-10	178	-296	-188
	EBITDA Margin	8.3%	2.0%	21.8%	11.1%	20.4%	9.9%	3.6%	-0.7%	12.7%	-21.7%	-15.1%
	ARR	2,079	2,609	2,534	2,518	2,564	2,483	2,568	2,583	2,668	2,581	2,657
	ARR Growth Rate	+16%	+45%	+32%	+26%	+23%	-5%	+1%	+3%	+4%	+4%	+3%

1.

Internal transactions between segments are included.

2.

The new accounting method for revenue recognition is applied retroactively to FY2020 and FY2021 figures.

3.

Net Sales Growth Rates are year-over-year figures (compared to the same period of the previous year).

Difference Between EBITDA and Operating Profit

UZABASE

(Unit: JPY MM)											
FY2020					FY2021				FY2022		
	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3
EBITDA	609	444	779	528	825	571	336	138	658	-3	141
Goodwill Amortization	13	20	23	23	23	23	23	23	23	23	23
Depreciation and Amortization Costs	40	41	70	86	74	81	93	100	116	96	159
Stock-Based Compensation	0	0	0	-1	0	-1	0	0	0	51	51
Operating Profit	554	382	684	420	726	467	220	15	517	-175	-92

1.

The new accounting method for revenue recognition is applied retroactively to FY2020 and FY2021 figures.

2.

Figures for FY2020 exclude figures for the Quartz business.

3.

Depreciation and Amortization Costs also include software amortization.

Existing Stock Incentives

			End-Dec 2021	End-Sept 2022
Category	Tied to Performance or Stock Price Conditions?	Status	Number	Number
Stock Options	No	Opening Balance	891,552	761,928
		Granted	0	566,290
		Exercised	-129,624	-161,328
		Cancelled	0	-12,244
		Closing Balance	761,928	1,154,646
		(Incl. Vesting Portion)	761,928	739,122
	Yes	Opening Balance	3,333,700	2,957,800
		Granted	0	0
		Exercised	-5,400	-21,000
		Cancelled	-370,500	-6,000
		Closing Balance	2,957,800	2,930,800
		(Incl. Vesting Portion)	173,400	1,103,600
Restricted Stock Units	No	Opening Balance	0	0
		Granted	0	84,342
		Exercised	0	-21,103
		Cancelled	0	0
		Closing Balance	0	63,239
		(Incl. Vesting Portion)	0	21,088
Total Potentially Dilutive Shares			3,719,728	4,148,685
Shares Outstanding			36,750,126	37,067,757
Percentage of Stock Incentives			10.12%	11.19%
(Incl. Vesting Portion)			2.55%	5.03%

Disclaimer

The purpose of this document is to provide information to investors and not to solicit investment in any particular service.

The information disclosed in this document and projections for future performance are based on the data and information available at the time when this document was composed and may contain uncertainties.

Please be aware that actual future performance and results may differ significantly from projections due to various factors.

UZABASE

November 9, 2022

For any questions that were not answered today, or any other inquiries, please contact Uzabase's IR Team:

E-mail: ir@uzabase.com

Phone: +81-3-4533-1999

The announcement of financial results for the Full FY2022 and the briefing session are scheduled for the following dates:

Announcement of financial results: February 8 (Wednesday), after 3:00 PM JST

Financial results briefing session: February 8 (Wednesday), Time TBD

UZABASE

Thank you very much for your time.