

November 9, 2022

To whom it may concern,

Company Name: Uzabase, Inc.  
Names of Representatives: Yusuke Inagaki,  
Representative Director and Co-CEO / CTO  
Taira Sakuma,  
Representative Director and Co-CEO  
(Code: TSE Growth 3966)  
Contact: Daisuke Chiba, Chief Financial Officer  
Tel (IR Direct): +81-3-4533-1999

### Notice Regarding a Revision of Consolidated Earnings Forecast for FY2022

Uzabase, Inc. (hereinafter “the Company”) hereby notifies that at the board of directors’ meeting held on November 9, 2022, with consideration towards the recent earnings trends, the Company resolved to revise its consolidated earnings forecast for the fiscal year ending December 31, 2022 (FY2022) originally disclosed on February 9, 2022 as follows.

#### 1. Revision of Financial Forecasts for FY2022 Consolidated Earnings

(Millions of yen unless otherwise stated)

	Consolidated Net Sales	Consolidated EBITDA	Consolidated Operating Profit	Consolidated Ordinary Profit	Net Profit Attributable to Owners of Parent	Earnings Per Share (Yen)
Previously Disclosed Forecast (A)	19,500– 20,000	1,000– 1,500	400– 900	400– 900	-	-
Revised Forecast (B)	18,200	1,000	300	400	500	13.55
Difference (B–A)	(1,300)– (1,800)	0– (500)	(100)– (600)	0– (500)	-	-
Percentage Comparison (%)	93.3%– 91.0%	100.0%– 66.7%	75.0%– 33.3%	100.0%– 44.4%	-	-
For Reference: FY2021 Consolidated Earnings	15,726	1,872	1,429	1,545	571	15.57

Note 1: EBITDA = Operating Profit + Depreciation + Amortization + Stock Compensation

Note 2: Earnings per Share are calculated based on the average number of outstanding shares for the first nine months of FY2022 (36,891,694).

Note 3: The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, 31 March 2020) and others were applied from the beginning of the first quarter of the fiscal year. The same standards have been retrospectively applied to FY2021 figures.

## **2. Reasons Behind the Forecast Revision**

In regard to the Consolidated Net Sales, the SaaS Segment, centered on SPEEDA, has reported strong performance. However, the NewsPicks Segment has been impacted by (1) lower business sentiment in regard to placing advertisements among a part of the client base due to external factors including the rapid depreciation of the Japanese yen and inflation; and (2) slower-than-expected hiring and training of sales and production staff in the Advertising business. As a result, the current outlook for Net Sales in the Advertising business of NewsPicks is significantly lower than the figures projected via the earnings forecast disclosed earlier this year. Furthermore, the current outlook for Net Sales in the NewsPicks' Subscription business is also significantly lower than the original forecast. Factors behind this include (1) subscription cancellations exceeding new user acquisitions amid a lack of major hit articles during Q2 FY2022, resulting in a decline in overall subscribership; (2) Net Sales for the Publishing business (as part of the Other Businesses) being significantly lower than the original forecast due to a lack of new major hits on the same level as in 2021, as well as there being fewer publications due to a lack of editorial staff. Due to all of the above, Consolidated Net Sales are expected lower than the original forecast.

On the other hand, Consolidated EBITDA is expected within the original forecast range due to successful cost reductions mainly focused on the NewsPicks Segment. Meanwhile, Consolidated Operating Profit is expected at JPY 300 million, below the original forecast figures. Factors behind this include a change in the scope of asset recognition for software in the NewsPicks Segment which resulted in software costs being higher than planned and software amortization exceeding the assumptions at the time of the original forecast. Nevertheless, the Consolidated Ordinary Profit is expected at JPY 400 million, within the original forecast range. Factors behind this include the expected recognition of gains on the sale of investment securities due to a sale of stocks held by an investment fund operated by the Company's consolidated subsidiary. Additionally, the Net Profit Attributable to Owners of Parent is projected at JPY 500 million due to an additional recognition of JPY 634 million in deferred tax assets on tax losses carried forward in Q3 following the approval of the Company's Business Adaptation Plan (as disclosed in the Notice of Approval of Business Adaptation Plan [Business Adaptation Plan for Growth and Development] on July 28, 2022).

Disclaimer: Note that the above forecasts are based on the data and information available at the time when this document was composed, and actual future performance and results may differ significantly from projections due to various factors.

End of notice