



Consolidated Financial Results for the Nine Months Ended September 30, 2018 [Japanese GAAP]

November 08, 2018

Company name: Uzabase, Inc.

Stock exchange listing: Tokyo

Code number: 3966

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

Representative: Yusuke Inagaki / Yusuke Umeda

Co-Chief Executive Officer

Contact: Mirai Murakami

CFO / Head of Finance & Planning

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Scheduled date of filing quarterly securities report: November 14, 2018

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: Yes

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

1. Consolidated Financial Results for the Nine Months Ended September 30, 2018 (January 01, 2018 to September 30, 2018)

(1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Net sales		EBITDA※		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Nine months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
September 30, 2018	5,431	71.2	267	(45.5)	105	(76.9)	(140)	(131.6)	(594)	(252.7)
September 30, 2017	3,173	45.6	491	88.5	457	93.0	445	108.4	389	113.9

(Note) Comprehensive income: Nine months ended September 30, 2018: ¥ (396) million [-%]

Nine months ended September 30, 2017: ¥ 397 million [103.7%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
September 30, 2018	(20.04)	-
September 30, 2017	13.48	12.33

(Note) The Company conducted a 2-for-1 stock split of common stocks as of July 1, 2017 and conducted a 2-for-1 stock split of common stocks as of January 1, 2018. The "Earnings per share" and "Diluted earnings per share" are calculated assuming that the said stock split was conducted at the beginning of the previous consolidated FY.

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Million yen	Million yen	%
September 30, 2018	16,676	5,352	25.6
December 31, 2017	4,408	1,819	41.1

(Reference) Equity: As of September 30, 2018: ¥ 4,270 million

As of December 31, 2017: ¥ 1,812 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2017	-	0.00	-	0.00	0.00
Fiscal year ending December 31, 2018	-	0.00	-		
Fiscal year ending December 31, 2018 (Forecast)				0.00	0.00

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2018(January 01, 2018 to December 31, 2018)

(% indicates changes from the previous corresponding period.)

	Net sales		EBITDA		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	9,000	97.1	1,000	68.0	650	19.1	350	(32.5)	350	(20.1)	11.80

(Note) Revision to the financial results forecast announced most recently: Yes

* Notes:

(1) Changes in significant subsidiaries during the nine months ended September 30, 2018

(changes in specified subsidiaries resulting in changes in scope of consolidation): Yes

New 2 (Company name: NewsPicks Studios, Inc.)
Quartz Media, Inc.

Exclusion: - (Company name:)

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

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

1) Changes in accounting policies due to the revision of accounting standards: Yes

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

3) Changes in accounting estimates: No

4) Retrospective restatement: No

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

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

September 30, 2018: 30,587,131 shares

December 31, 2017: 29,300,040 shares

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

September 30, 2018: 72 shares

December 31, 2017: 72 shares

3) Average number of shares during the period:

Nine months ended September 30, 2018: 29,658,422 shares

Nine months ended September 30, 2017: 28,884,818 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of December 31,2017	As of September 30,2018
Assets		
Current assets		
Cash and deposits	3,217,254	5,522,840
Notes and accounts receivable - trade	320,428	1,536,467
Other	198,645	249,154
Allowance for doubtful accounts	(3,735)	(26,126)
Total current assets	3,732,593	7,282,336
Non-current assets		
Property, plant and equipment	50,848	412,457
Intangible assets		
Goodwill	118,298	8,332,484
Other	8,985	19,894
Total intangible assets	127,283	8,352,378
Investments and other assets	497,982	629,805
Total non-current assets	676,114	9,394,641
Total assets	4,408,707	16,676,977

(Thousand yen)

	As of December 31,2017	As of September 30,2018
Liabilities		
Current liabilities		
Accounts payable - trade	183,964	258,263
Current portion of bonds	-	60,000
Current portion of long-term loans payable	202,601	496,868
Income taxes payable	84,415	150,831
Other	1,061,811	2,164,174
Total current liabilities	1,532,792	3,130,137
Non-current liabilities		
Bonds payable	-	210,000
Long-term loans payable	1,054,408	7,932,172
Asset retirement obligations	-	40,034
Other	2,064	11,908
Total non-current liabilities	1,056,472	8,194,115
Total liabilities	2,589,265	11,324,253
Net assets		
Shareholders' equity		
Capital stock	1,328,889	2,704,933
Capital surplus	191,338	1,657,161
Retained earnings	286,881	(307,374)
Treasury shares	(102)	(102)
Total shareholders' equity	1,807,006	4,054,618
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	-	403
Foreign currency translation adjustment	5,581	215,100
Total accumulated other comprehensive income	5,581	215,504
Subscription rights to shares	6,854	616,183
Non-controlling interests	-	466,417
Total net assets	1,819,442	5,352,723
Total liabilities and net assets	4,408,707	16,676,977

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the nine months)

(Thousand yen)

	For the nine months ended September 30,2017	For the nine months ended September 30,2018
Net sales	3,173,339	5,431,557
Cost of sales	1,423,486	2,443,928
Gross profit	1,749,853	2,987,629
Selling, general and administrative expenses	1,292,511	2,881,778
Operating profit	457,341	105,850
Non-operating income		
Penalty income	6,564	-
Other	2,543	5,093
Total non-operating income	9,107	5,093
Non-operating expenses		
Interest expenses	6,388	20,109
Share of loss of entities accounted for using equity method	7,307	184,722
Other	6,916	46,946
Total non-operating expenses	20,612	251,778
Ordinary profit (loss)	445,836	(140,834)
Extraordinary losses		
Acquisition expenses	-	262,195
Total extraordinary losses	-	262,195
Profit (loss) before income taxes	445,836	(403,029)
Income taxes - current	72,213	169,296
Income taxes - deferred	(18,786)	42,511
Total income taxes	53,427	211,808
Profit (loss)	392,409	(614,837)
Profit (loss) attributable to non-controlling interests	3,177	(20,582)
Profit (loss) attributable to owners of parent	389,232	(594,255)

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

(Thousand yen)

	For the nine months ended September 30,2017	For the nine months ended September 30,2018
Profit (loss)	392,409	(614,837)
Other comprehensive income		
Valuation difference on available-for-sale securities	-	403
Foreign currency translation adjustment	2,736	210,434
Share of other comprehensive income of entities accounted for using equity method	2,353	7,335
Total other comprehensive income	5,090	218,173
Comprehensive income	397,499	(396,664)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	394,322	(376,082)
Comprehensive income attributable to non-controlling interests	3,177	(20,582)