

UZABASE (3966)

Consolidated Fiscal Year (Million Yen)	Sales	EBITDA	Operating Profit	Recurring Profit	Profit At. to Owners of Parent	EPS (Yen)	DPS (Yen)	BPS (Yen)
FY12/2019	12,521	(411)	(1,236)	(1,429)	(1,620)	(51.35)	0.00	178.20
FY12/2020	13,809	917	104	(281)	(6,472)	(186.58)	0.00	158.01
FY12/2021CoE	15,600	1,800	1,380	1,240	690	19.89	0.00	-
FY12/2020	YoY	10.3%	-	-	-	-	-	-
FY12/2021CoE	YoY	13.0%	96.1%	-	-	-	-	-

Source: Company Data, WRJ Calculation)

1.0 Results Update (17 February 2021)

Persistent Growth Rate of 30%

On 10 February 2021, UZABASE, which has a mission of “we guide business people to insights that change the world”, released its FY12/2020 results. It has been revealed that the Company is planning to achieve sales of ¥100,000m for FY12/2028 by means of persistently seeing growth rate of 30% from a long-term perspective. For FY12/2021, the Company is to see growth rate rather limited, having pulled out of Quartz Business, but it is to aggressively invest in various services, including “SPEEDA”, “NewsPicks”, “FORCAS”, etc. with an object of beefing up their prospective growth potential. On top of this, the Company is also to implement investment to enhance own engineering team in order to ensure accelerated growth from a long-term perspective. FY12/2021 Company forecasts (announced on 10 February 2021) assume collective spending of some ¥1,650m (equal to 10.6% of sales), stemming from all those measures. Nevertheless, Company forecasts are going for surging EBITDA, driven by improvement in line with the withdrawal from Quartz Business. We are to interview with management through a web conference to discuss details more in depth so that we should be able to update [UZABASE \(3966\) Toward a New Phase \(5 January 2021\)](#) and release anew.

For your reference: [transcript of web briefing \(held on 10 February 2021\)](#)IR Representative: Daisuke Chiba, Executive Officer / CFO (81-(0)3 4533 1999 / ir@uzabase.com)

2.0 Company Profile

We guide business people to Insights that change the world

Company Name	Uzabase, Inc. Company Website IR Information Share price (Japanese)	UZABASE
Established	1 April 2008	
Listing	21 October 2016: Tokyo Stock Exchange Mothers (ticker: 3966)	
Capital	¥7,170m (as of the end of December 2020)	
No. of Shares	36,533,502 shares, including 258 treasury shares (as of the end of December 2020)	
Main Features	<ul style="list-style-type: none">● Providing a foundation of intelligence that supports the needs of business and business people● Analyzing, organizing and creating global information so you can make the right decisions at the right time● Unleashing your creative and innovative potential	
Business Segments	I . SPEEDA Business II . NewsPicks Business III. Quartz Business IV. Other Business (Other B2B Business)	
Representatives	Co-Chief Executive Officer: Yusuke Inagaki / Taira Sakuma	
Shareholders	Ryosuke Niino 17.0%, Yusuke Umeda 16.5%, Yusuke Inagaki 6.8%, SSBTC Client Omnibus Account 5.3% (as of the end of December 2020, but for treasury shares)	
Headquarters	Minato-ku, Tokyo, JAPAN	
No. of Employees	Consolidated: 611, Parent: 198 (as of the end of December 2020)	

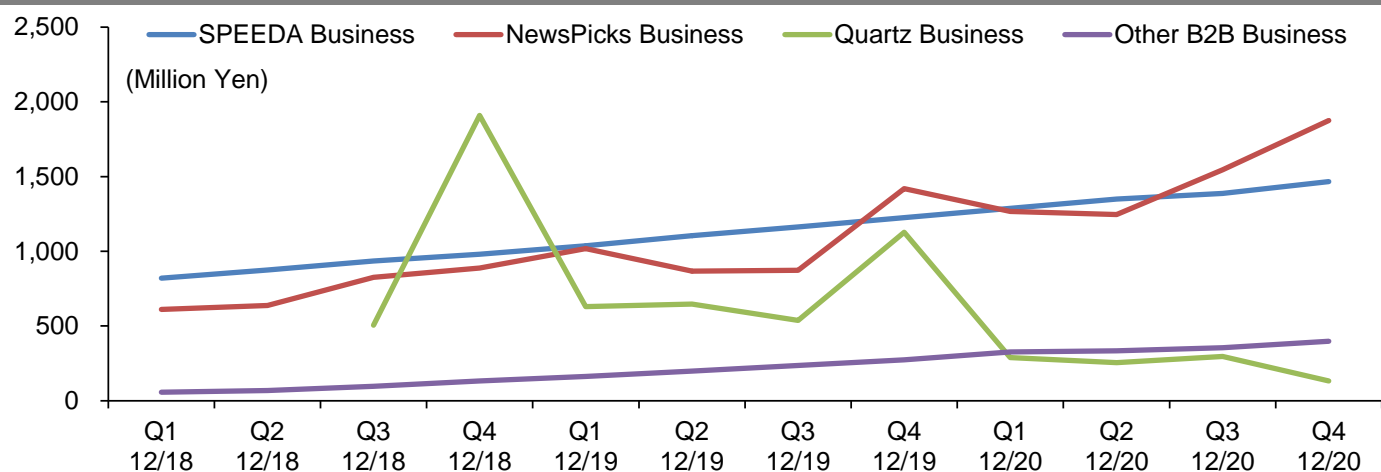
Source: Company Data

3.0 Recent Trading and Prospects

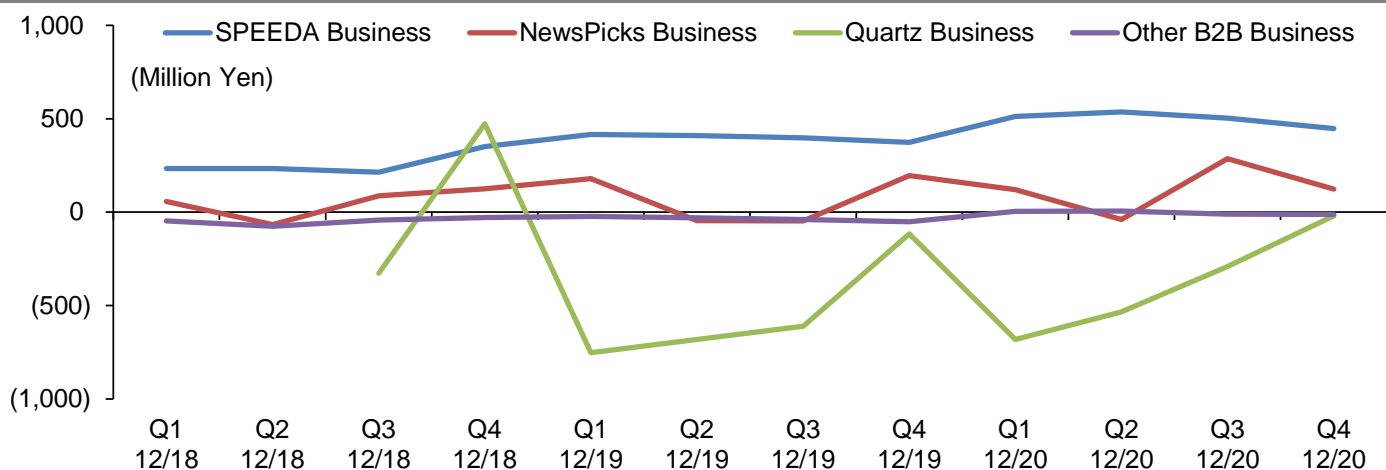
FY12/2020

In FY12/2020, sales came in at ¥13,809m (up 10.3% YoY), EBITDA ¥917m (versus minus ¥411m in the previous year), operating profit ¥104m (minus ¥1,236m), recurring profit minus ¥281m (minus ¥1,429m) and profit attributable to owners of parent minus ¥6,472m (minus ¥1,620m), while EBITDA margin 6.6% (up 9.9% points). Quartz, Inc. (Quartz Media, Inc.) has been excluded from consolidation since November 2020.

Segment Sales



Segment EBITDA



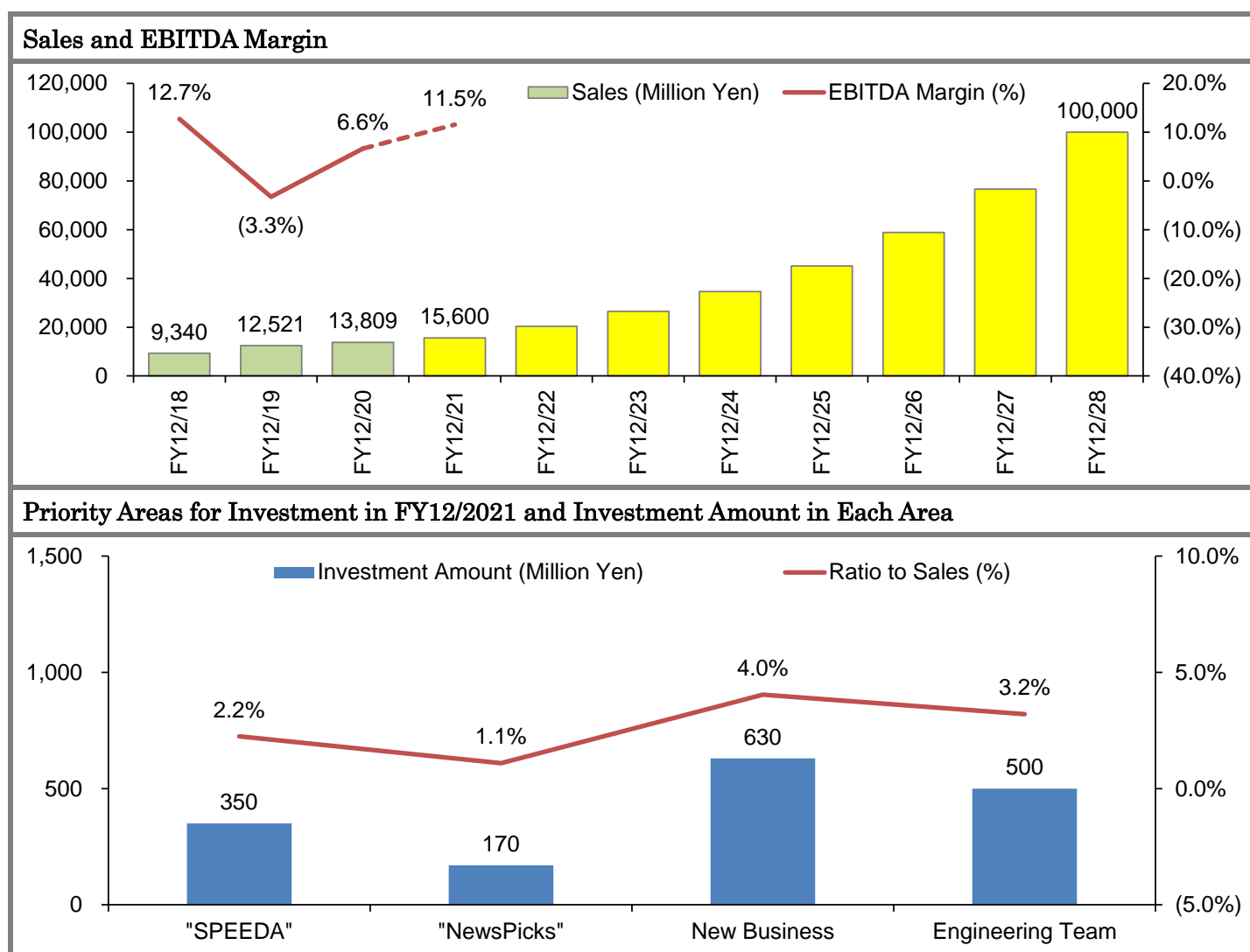
Source: Company Data, WRJ Calculation

In December 2020, MRR, i.e., the Company's most important management indicator, came in at ¥842m (up 23% over the same month of the previous year), when that of "Quartz" to be suspended from Q1 FY12/2021 is excluded, implying ARR of ¥10,100m, according to the Company. By type of services, "NewsPicks" saw MRR of ¥243m (up 38%), "FORCAS" MRR of ¥100m (up 33%), "INITIAL" MRR of ¥34m (up 44%) and "SPEEDA" MRR of ¥463m (up 13%). In other words, "NewsPicks", "FORCAS" and "INITIAL" all showed high growth with MRR exceeding 30%, but the growth rate in "SPEEDA", accounting for the majority of MRR as a whole for the Company, has slowed down. Meanwhile, the Company saw surging advertising revenue on the NewsPicks Business side due to successful introduction of video advertising in which the Company has been consistently investing since 2018.

MRR of “NewsPicks” surged, driven by strengths of corporate demand, according to the Company, while suggesting that it will launch new media services in early summer 2021 through a strategic alliance with NTT DoCoMo with a target to cultivate its corporate customers as many as collective 0.6m nationwide in the number of headcount. With respect to “FORCAS“, the Company is going for a further high growth for the future, given the fact that it faces a large TAM (Total Addressable Market), etc. Meanwhile, with respect to “SPEEDA”, the Company suggests that it saw favorable increases in new acquisitions of subscribers despite the impacts stemming from COVID-19, but MRR has inevitably suffered from decelerated growth rate, having seen consistent increases in churn rate on a 12-month moving average basis throughout FY12/2020. Going forward, for FY12/2021, the Company has set it as the ultimate issue for operations here to lower the churn rate.

FY12/2021 Company Forecasts

FY12/2021 Company forecasts (announced on 10 February 2021) are going for prospective sales of ¥15,600m (up 13.0% YoY / up 25.1%, excluding impacts to have pulled out of Quartz Business), EBITDA of ¥1,800m (up 96.1%), operating profit of ¥1,380m (versus ¥104m in the previous year), recurring profit of ¥1,240m (minus ¥281m) and profit attributable to owners of parent of ¥690m (minus ¥6,472m), while EBITDA margin of 11.5% (up 4.9% points).



Source: Company Data, WRJ Calculation

Company forecasts assume collective investment of some ¥1,650m (equal to 10.6% of sales) with an objective of enhancing growth potential over a long-term perspective. For “SPEEDA”, the Company plans to hire human resources to launch Expert Research, while also strengthening marketing at the same time. For “NewsPicks”, the Company also focuses on strengthening of personnel recruitment and marketing in order to further develop services for corporate customers. For New Business, the Company is to invest in “FORCAS Sales” and “SPEEDA Edge”. Here are Company forecasts going for prospective amount of investment as much as ¥630m, which is set as the maximum earmarked for a case for both of them to see favorable startups, i.e., depending on the progress of the operations, which is so-called milestone-based investment. Meanwhile, for the enhancement of Engineering Team, the Company is to hire engineers as many as 50 or more in the number of headcount as well as installing related systems.

4.0 Financial Statements

Income Statement (Cumulative/Quarterly)

Income Statement	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY
(Million Yen)	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4		Net Chg.
	12/2019	12/2019	12/2019	12/2019	12/2020	12/2020	12/2020	12/2020	12/2020	
Sales	2,847	5,665	8,473	12,521	3,171	6,354	9,938	13,809		+1,288
Cost of Sales	1,216	2,495	3,695	5,321	1,549	3,127	4,629	6,216		+895
Gross Profit	1,630	3,170	4,777	7,200	1,621	3,226	5,308	7,592		+392
SG&A Expenses	2,010	4,101	6,214	8,437	1,885	3,778	5,618	7,488		(949)
Operating Profit	(380)	(931)	(1,436)	(1,236)	(263)	(551)	(309)	104		+1,340
Non Operating Balance	(15)	(76)	(122)	(193)	(54)	(114)	(179)	(385)		(192)
Recurring Profit	(395)	(1,007)	(1,558)	(1,429)	(317)	(665)	(488)	(281)		+1,148
Extraordinary Balance	311	311	311	299	-	(179)	(8,005)	(9,085)		(9,384)
Profit before Income Taxes	(84)	(696)	(1,247)	(1,130)	(317)	(844)	(8,493)	(9,366)		(8,236)
Total Income Taxes	247	345	447	619	185	317	(2,367)	(2,771)		(3,390)
NP Belonging to Non-Controlling SHs	(34)	(76)	(124)	(130)	(29)	(50)	(63)	(122)		+8
Profit Attributable to Owners of Parent	(296)	(965)	(1,571)	(1,620)	(473)	(1,110)	(6,063)	(6,472)		(4,852)
Sales YoY	+91.3%	+84.6%	+56.0%	+34.1%	+11.4%	+12.2%	+17.3%	+10.3%		-
Operating Profit YoY	-	-	-	-	-	-	-	-		-
Recurring Profit YoY	-	-	-	-	-	-	-	-		-
Profit Attributable to Owners of Parent YoY	-	-	-	-	-	-	-	-		-
Gross Profit Margin	57.3%	56.0%	56.4%	57.5%	51.1%	50.8%	53.4%	55.0%		(2.5%)
Sales to SG&A Expenses Ratio	70.6%	72.4%	73.3%	67.4%	59.4%	59.5%	56.5%	54.2%		(13.2%)
Operating Profit Margin	(13.3%)	(16.4%)	(16.9%)	(9.9%)	(8.3%)	(8.7%)	(3.1%)	0.8%		+10.6%
Recurring Profit Margin	(13.9%)	(17.8%)	(18.4%)	(11.4%)	(10.0%)	(10.5%)	(4.9%)	(2.0%)		+9.4%
Profit Attributable to Owners of Parent Margin	(10.4%)	(17.0%)	(18.5%)	(12.9%)	(14.9%)	(17.5%)	(61.0%)	(46.9%)		(33.9%)
Tax Charges etc./Pretax Profit	-	-	-	-	-	-	-	-		-
Income Statement	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY
(Million Yen)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		Net Chg.
	12/2019	12/2019	12/2019	12/2019	12/2020	12/2020	12/2020	12/2020	12/2020	
Sales	2,847	2,818	2,808	4,048	3,171	3,183	3,584	3,871		(177)
Cost of Sales	1,216	1,279	1,200	1,626	1,549	1,578	1,502	1,587		(39)
Gross Profit	1,630	1,540	1,607	2,423	1,621	1,605	2,082	2,284		(139)
SG&A Expenses	2,010	2,091	2,113	2,223	1,885	1,893	1,840	1,870		(353)
Operating Profit	(380)	(551)	(505)	200	(263)	(288)	242	413		+213
Non Operating Balance	(15)	(61)	(46)	(71)	(54)	(60)	(65)	(206)		(135)
Recurring Profit	(395)	(612)	(551)	129	(317)	(348)	177	207		+78
Extraordinary Balance	311	-	-	(12)	-	(179)	(7,826)	(1,080)		(1,068)
Profit before Income Taxes	(84)	(612)	(551)	117	(317)	(527)	(7,649)	(873)		(990)
Total Income Taxes	247	98	102	172	185	132	(2,684)	(404)		(576)
NP Belonging to Non-Controlling SHs	(34)	(42)	(48)	(6)	(29)	(21)	(13)	(59)		(53)
Profit Attributable to Owners of Parent	(296)	(669)	(606)	(49)	(473)	(637)	(4,953)	(409)		(360)
Sales YoY	+91.3%	+78.3%	+18.8%	+3.6%	+11.4%	+13.0%	+27.6%	(4.4%)		-
Operating Profit YoY	-	-	-	(72.4%)	-	-	-	+106.5%		-
Recurring Profit YoY	-	-	-	(80.9%)	-	-	-	+60.5%		-
Profit Attributable to Owners of Parent YoY	-	-	-	-	-	-	-	-		-
Gross Profit Margin	57.3%	54.6%	57.2%	59.9%	51.1%	50.4%	58.1%	59.0%		(0.9%)
Sales to SG&A Expenses Ratio	70.6%	74.2%	75.2%	54.9%	59.4%	59.5%	51.3%	48.3%		(6.6%)
Operating Profit Margin	(13.3%)	(19.6%)	(18.0%)	4.9%	(8.3%)	(9.0%)	6.8%	10.7%		+5.7%
Recurring Profit Margin	(13.9%)	(21.7%)	(19.6%)	3.2%	(10.0%)	(10.9%)	4.9%	5.3%		+2.2%
Profit Attributable to Owners of Parent Margin	(10.4%)	(23.7%)	(21.6%)	(1.2%)	(14.9%)	(20.0%)	(138.2%)	(10.6%)		(9.4%)
Tax Charges etc./Pretax Profit	-	-	-	147.0%	-	-	-	-		-

Source: Company Data, WRJ Calculation

Segmented Information (Cumulative/Quarterly)

Segmented Information	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY
(Million Yen)	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4		Net Chg.
	12/2019	12/2019	12/2019	12/2019	12/2020	12/2020	12/2020	12/2020		
SPEEDA Business	1,037	2,142	3,304	4,530	1,288	2,638	4,026	5,492		+962
NewsPicks Business	1,017	1,885	2,758	4,177	1,266	2,511	4,057	5,932		+1,755
Quartz Business	629	1,276	1,814	2,942	289	544	840	972		(1,970)
Other Business (Other B2B Business)	162	360	596	870	327	660	1,014	1,412		+542
Other	-	-	-	-	-	-	-	-		-
Sales	2,847	5,665	8,473	12,521	3,171	6,354	9,938	13,809		+1,288
SPEEDA Business	416	826	1,224	1,597	513	1,049	1,552	2,000		+403
NewsPicks Business	179	133	86	282	121	82	369	492		+210
Quartz Business	(752)	(1,433)	(2,044)	(2,160)	(682)	(1,216)	(1,507)	(1,527)		+633
Other Business (Other B2B Business)	(22)	(53)	(92)	(144)	5	11	1	(11)		+133
Other	-	-	-	-	-	(32)	(21)	(50)		(50)
Company-wide / Eliminations	-	(1)	(5)	13	-	-	-	14		+1
EBITDA	(179)	(528)	(832)	(411)	(42)	(104)	395	917		+1,328
SPEEDA Business	40.1%	38.4%	37.0%	35.3%	39.8%	39.7%	38.5%	36.4%		+1.2%
NewsPicks Business	17.6%	7.1%	3.1%	6.8%	9.6%	3.6%	9.1%	8.3%		+1.5%
Quartz Business	(119.6%)	(112.3%)	(112.7%)	(73.4%)	(236.0%)	(223.5%)	(179.4%)	(157.1%)		(83.7%)
Other Business (Other B2B Business)	(13.6%)	(14.7%)	(15.4%)	(16.6%)	1.5%	1.7%	0.1%	(0.8%)		+15.8%
Other	-	-	-	-	-	-	-	(0.4%)		(0.4%)
EBITDA Margin	(6.3%)	(9.3%)	(9.8%)	(3.3%)	(1.3%)	(1.6%)	4.0%	6.6%		+9.9%

Segmented Information	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY
(Million Yen)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		Net Chg.
	12/2019	12/2019	12/2019	12/2019	12/2020	12/2020	12/2020	12/2020		
SPEEDA Business	1,037	1,105	1,162	1,226	1,288	1,350	1,388	1,466		+240
NewsPicks Business	1,017	868	873	1,419	1,266	1,245	1,546	1,875		+456
Quartz Business	629	647	538	1,128	289	255	296	132		(996)
Other Business (Other B2B Business)	162	198	236	274	327	333	354	398		+124
Other	-	-	-	-	-	-	-	-		-
Sales	2,847	2,818	2,808	4,048	3,171	3,183	3,584	3,871		(177)
SPEEDA Business	416	410	398	373	513	536	503	448		+75
NewsPicks Business	179	(46)	(47)	196	121	(39)	287	123		(73)
Quartz Business	(752)	(681)	(611)	(116)	(682)	(534)	(291)	(20)		+96
Other Business (Other B2B Business)	(22)	(31)	(39)	(52)	5	6	(10)	(12)		+40
Other	-	-	-	-	-	(32)	11	(29)		(29)
Company-wide / Eliminations	-	(1)	(4)	18	-	-	-	14		(4)
EBITDA	(179)	(349)	(304)	421	(42)	(62)	499	522		+101
SPEEDA Business	40.1%	37.1%	34.3%	30.4%	39.8%	39.7%	36.2%	30.6%		+0.1%
NewsPicks Business	17.6%	(5.3%)	(5.4%)	13.8%	9.6%	(3.1%)	18.6%	6.6%		(7.3%)
Quartz Business	(119.6%)	(105.3%)	(113.6%)	(10.3%)	(236.0%)	(209.4%)	(98.3%)	(15.2%)		(4.9%)
Other Business (Other B2B Business)	(13.6%)	(15.7%)	(16.5%)	(19.0%)	1.5%	1.8%	(2.8%)	(3.0%)		+16.0%
Other	-	-	-	-	-	-	-	-		-
EBITDA Margin	(6.3%)	(12.4%)	(10.8%)	10.4%	(1.3%)	(1.9%)	13.9%	13.5%		+3.1%

Source: Company Data, WRJ Calculation

Balance Sheet (Quarterly)

Balance Sheet (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY Net Chg.
	Q1 12/2019	Q2 12/2019	Q3 12/2019	Q4 12/2019	Q1 12/2020	Q2 12/2020	Q3 12/2020	Q4 12/2020		
Cash and Deposit	5,512	6,929	6,259	7,954	7,331	7,983	10,334	7,584	(370)	
Accounts Receivables	1,804	1,248	1,285	1,916	1,518	1,294	1,121	984	(932)	
Other	384	307	301	354	390	362	380	658	+304	
Current Assets	7,700	8,484	7,845	10,224	9,239	9,639	11,835	9,226	(998)	
Tangible Assets	406	378	363	344	522	701	595	554	+210	
Intangible Assets	9,103	8,685	8,618	9,001	8,807	9,028	1,184	1,214	(7,787)	
Investments and Other Assets	572	744	1,005	1,388	1,370	1,714	4,824	4,831	+3,443	
Fixed Assets	10,082	9,809	9,988	10,733	10,700	11,444	6,603	6,600	(4,133)	
Deferred Assets	-	-	-	-	-	-	96	87	+87	
Total Assets	17,783	18,293	17,833	20,958	19,940	21,083	18,536	15,915	(5,043)	
Accounts Payables	215	203	190	319	250	237	223	370	+51	
Corporate Bond (less than one year)	102	102	102	102	102	102	102	102	0	
Short-Term Debt	607	679	820	1,123	1,408	1,636	1,734	761	(362)	
Other	2,424	2,754	2,897	3,587	3,175	4,241	3,787	3,989	+402	
Current Liabilities	3,348	3,738	4,009	5,131	4,935	6,216	5,846	5,222	+91	
Corporate Bond	348	327	297	276	246	225	195	174	(102)	
Long-Term Debt	8,337	9,116	8,828	8,378	7,929	7,480	5,104	3,270	(5,108)	
Other	41	41	41	41	41	126	126	129	+88	
Fixed Liabilities	8,726	9,484	9,166	8,695	8,216	7,831	5,425	3,573	(5,122)	
Total Liabilities	12,075	13,223	13,175	13,826	13,151	14,048	11,271	8,796	(5,030)	
Shareholders' Equity	4,776	4,374	3,778	6,118	5,663	6,026	6,173	5,796	(322)	
Other	931	696	880	1,013	1,125	1,009	1,091	1,322	+309	
Net Assets	5,707	5,070	4,658	7,131	6,788	7,035	7,264	7,118	(13)	
Total Liabilities and Net Assets	17,783	18,293	17,833	20,958	19,940	21,083	18,536	15,915	(5,043)	
Equity Capital	4,695	3,973	3,391	5,871	5,349	5,613	5,855	5,772	(99)	
Interest Bearing Debt	9,394	10,224	10,047	9,879	9,685	9,443	7,135	4,307	(5,572)	
Net Debt	3,882	3,295	3,788	1,925	2,354	1,460	(3,199)	(3,277)	(5,202)	
Capital Ratio	26.4%	21.7%	19.0%	28.0%	26.8%	26.6%	31.6%	36.3%	-	
Net Debt Equity Ratio	82.7%	82.9%	111.7%	32.8%	44.0%	26.0%	(54.6%)	(56.8%)	-	
ROE (12 months)	6.0%	(14.3%)	(9.6%)	(29.1%)	(35.8%)	(36.8%)	(132.2%)	(111.2%)	-	
ROA (12 months)	(0.2%)	(5.3%)	(5.1%)	(7.2%)	(7.2%)	(5.5%)	(2.0%)	(1.5%)	-	
Quick Ratio	219%	219%	188%	192%	179%	149%	196%	164%	-	
Current Ratio	230%	227%	196%	199%	187%	155%	202%	177%	-	

Source: Company Data, WRJ Calculation

Cash Flow Statement (Cumulative)

Cash Flow Statement (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY Net Chg.
	Q1 12/2019	Q1 to Q2 12/2019	Q1 to Q3 12/2019	Q1 to Q4 12/2019	Q1 12/2020	Q1 to Q2 12/2020	Q1 to Q3 12/2020	Q1 to Q4 12/2020		
Operating Cash Flow	-	358	-	60	-	265	-	1,026	+966	
Investing Cash Flow	-	(258)	-	(851)	-	(931)	-	(2,028)	(1,177)	
Operating CF and Investing CF	-	100	-	(791)	-	(666)	-	(1,002)	(211)	
Financing Cash Flow	-	1,390	-	3,282	-	722	-	613	(2,669)	

Source: Company Data, WRJ Calculation

Disclaimer

Information here is a summary of “IR Information” of the Company, compiled by Walden Research Japan, from a neutral and professional standing point, in the form of a report. “IR Information” of the Company comprises a) contents of our interview with the Company, b) contents of presentations for institutional investors, c) contents of timely disclosed information and d) contents of the homepage, etc.

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