

UZABASE (3966)

Consolidated Fiscal Year		Sales	EBITDA	Operating Profit	Recurring Profit	Profit At. to Owners of Parent	EPS (Yen)	DPS (Yen)	BPS (Yen)
(Million 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	18.86	0.00	-
FY12/2020	YoY	10.3%	-	-	-	-	-	-	-
FY12/2021CoE	YoY	13.0%	96.1%	-	-	-	-	-	-
Consolidated Quarter		Sales	EBITDA	Operating Profit	Recurring Profit	Profit At. to Owners of Parent	EPS (Yen)	DPS (Yen)	BPS (Yen)
(Million Yen)									
Q1 FY12/2020		3,171	(42)	(263)	(317)	(473)	-	-	-
Q2 FY12/2020		3,183	(62)	(288)	(348)	(637)	-	-	-
Q3 FY12/2020		3,584	499	242	177	(4,953)	-	-	-
Q4 FY12/2020		3,871	522	413	207	(409)	-	-	-
Q1 FY12/2021		3,965	837	739	677	482	-	-	-
Q1 FY12/2021	YoY	25.0%	-	-	-	-	-	-	-

Source: Company Data, WRJ Calculation)

1.0 Results Update (19 May 2021)

Favorable Startup with a 38% Increase in Sales

On 13 May 2021, UZABASE, advocating that “we guide business people to insights that change the world” as own mission, released its Q1 FY12/2021 results. It has been revealed that sales from continuing operations increased by 38% over the same period of the previous year, implying favorable startup for FY12/2021. In March 2021, the Company saw collective MRR of ¥883m (up 24% or ¥10,607m in terms of ARR), comprising that of SPEEDA, NewsPicks, FORCAS and INITIAL, while advertising revenue related to NewsPicks increased even faster mainly due to the rapid expansion of video advertising. Meanwhile, the Company saw EBITDA margin improved up to 21.1% for Q1, having had pulled out of Quartz Business which consistently suffered from loss. Nevertheless, for Q2 and thereafter, the Company is to unavoidably see some adjustments in earnings as assumed in Company forecasts in line with increasing expenses stemming from startup of growth investment on a full-fledged basis. With such growth investment to further drive existing operations, bring up new operations, enhance capability of development by hiring engineers, improve system, etc., the Company is going for performance target of continuing to increase sales by 30% from a long-term perspective. For prospective earnings from a long-term perspective, the Company is to disclose details after the results of FY12/2021.

For your reference: [“2021 Q1 Financial Results Transcript” by the Company](#)

[UZABASE \(3966\) Persistently Realizing High Growth \(9 April 2021\)](#)

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	¥7,179m (as of the end of March 2021)	
No. of Shares	36,663,954 shares, including 258 treasury shares (as of the end of March 2021)	
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	
Segments	I . SPEEDA Business II . NewsPicks Business III. Other B2B Business	
Representatives	Representative director and Co-CEO: 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)	
Head Office	Minato-ku, Tokyo, JAPAN	
No. of Employees	Consolidated: 611, Unconsolidated: 198 (as of the end of December 2020)	

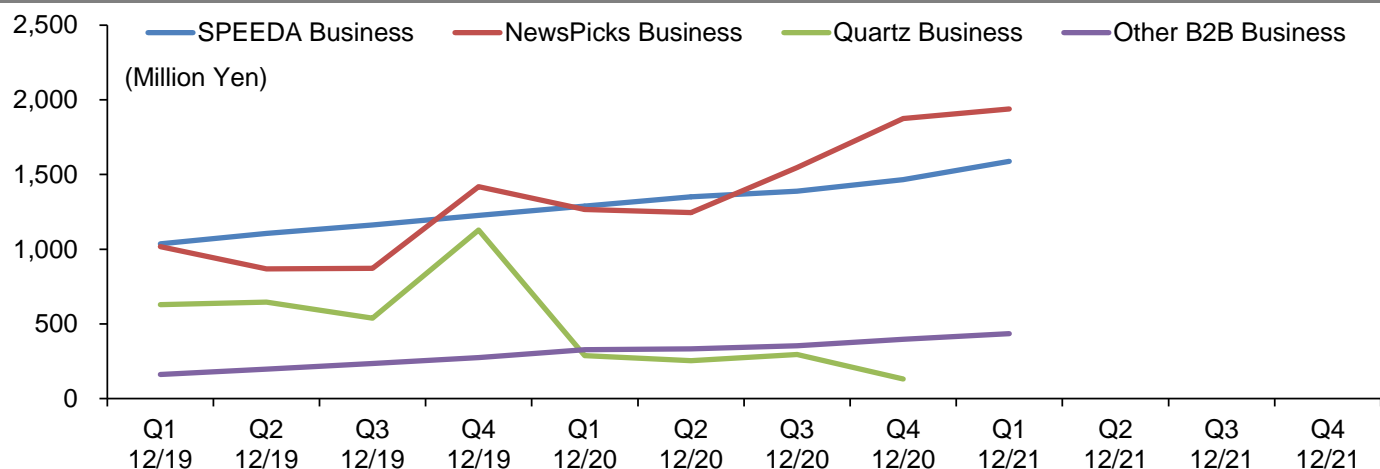
Source: Company Data

3.0 Recent Trading and Prospects

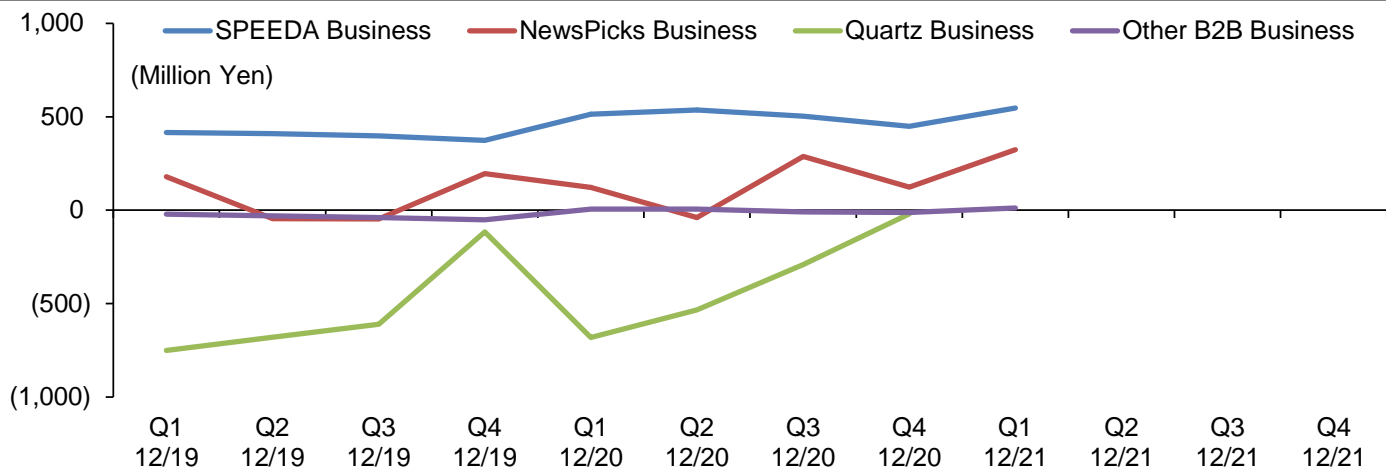
Q1 FY12/2021

In Q1 FY12/2021, sales came in at ¥3,965m (up 25.0% YoY), EBITDA ¥837m (versus minus ¥42m during the same period of the previous year), operating profit ¥739m (minus ¥263m), recurring profit ¥677m (minus ¥317m) and profit attributable to owners of parent ¥482m (minus ¥473m), while EBITDA margin 21.1% (up 22.4% points). The Company pulled out of Quartz Business in Q4 FY12/2020 (November 2020), while this business saw sales of ¥289m during the same period of the previous year, i.e., Q1 FY12/2020. When this is subtracted, sales as a whole for the Company increased by 38% over the same period of the previous year.

Sales by Segment



EBITDA by Segment



Source: Company Data, WRJ Calculation

For NewsPicks Business, sales came in at ¥1,938m (up 53.1%), EBITDA ¥324m (up 167.7%) and EBITDA margin 16.7% (up 7.2% points). This is the greatest contributor to the increase in sales as a whole for the Company. The same applies to earnings, when excluding the impacts of having had pulled out of Quartz Business.

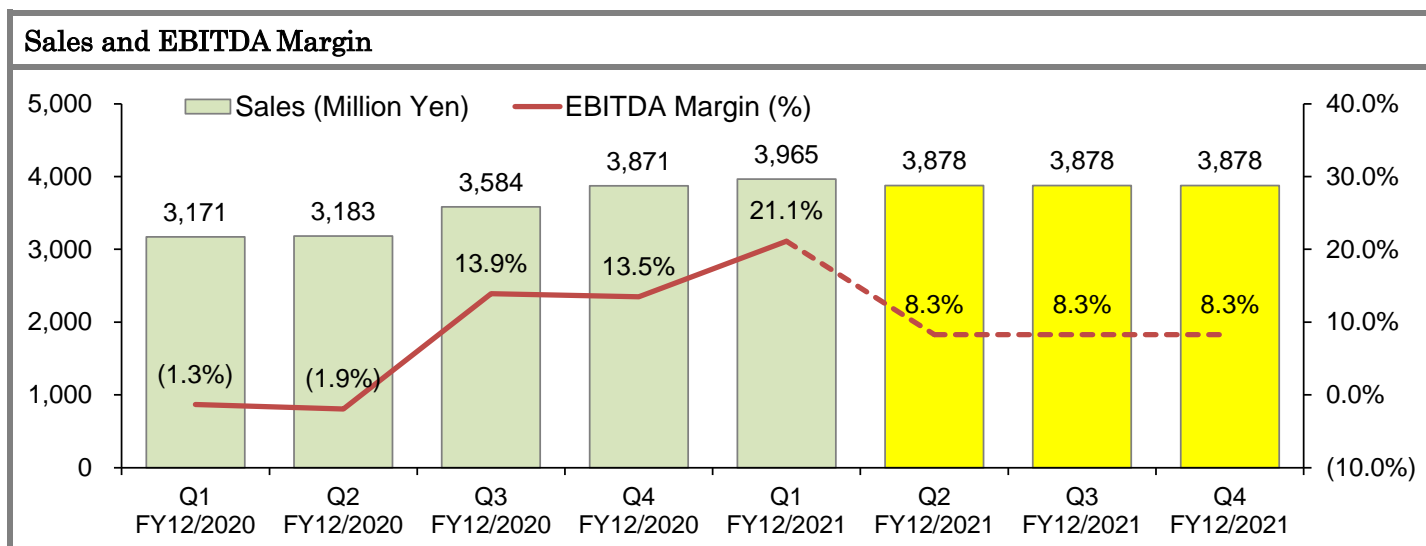
MRR related to NewsPicks in March 2021 came in at ¥254m (up 38%), implying continued strengths. Retail contracts were not quite inspiring, while corporate contracts were contributing. Meanwhile, for Q2, as retail contracts surged during the same period of the previous year, the Company is likely to suffer from a back action from here. Nevertheless, this will be just a one-off correction, according to the Company. More importantly, advertising revenue related to NewsPicks picked up so sharply, having driven sales in this segment far more substantially than MRR. This is due mainly to surging demand for video advertising where the Company is said to have distinguished expertise.

Meanwhile, for SPEEDA Business, which is the Company's largest source of earnings, sales came in at ¥1,589m (up 23.4%), EBITDA ¥547m (up 6.7%) and EBITDA margin 34.4% (down 5.4% points). In March 2021, MRR related to SPEEDA came in at ¥485m (up 15%), implying that the growth rate is now rather recovering. The churn rate can be said to have remained high, while the Company's view is that it has been able to halt the upward trend. Towards the end of the fiscal year, the Company plans to reduce the churn rate by bringing together the forces of its human resources in charge of development, contents and customer success to provide SPEEDA users with value greater than before. Elsewhere, Expert Research is taking off nicely, accelerate the growth rate of sales in this segment. However, this takeoff incurs expenses at the same time, which is the key reason why EBITDA margin in this segment is under pressure.

For Other B2B Business, MRR related to FORCAS came in at ¥107m (up 33%) in March 2021 and ¥37m (up 38%) for INITIAL, implying that the high growth is going on. This is likely to persist for the future, but earnings as whole for the Company have been almost immune to trends with them so far.

FY12/2021 Company Forecasts

FY12/2021 Company forecasts (announced on 10 February 2021) have remained unchanged, going for prospective sales of ¥15,600m (up 13.0% YoY), 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). When excluding the impacts stemming from having had pulled out of Quartz Business, the growth rate in sales should be 21.5%, according to the Company.



Source: Company Data, WRJ Calculation (Q2 to Q4 FY12/2021 : Company forecasts, after subtracting Q1 results, pro rata)

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.
	12/2020	12/2020	12/2020	12/2020	12/2021	12/2021	12/2021	12/2021	12/2021	
Sales	3,171	6,354	9,938	13,809	3,965	-	-	-	-	+794
Cost of Sales	1,549	3,127	4,629	6,216	1,473	-	-	-	-	(76)
Gross Profit	1,621	3,226	5,308	7,592	2,491	-	-	-	-	+870
SG&A Expenses	1,885	3,778	5,618	7,488	1,752	-	-	-	-	(133)
Operating Profit	(263)	(551)	(309)	104	739	-	-	-	-	+1,002
Non Operating Balance	(54)	(114)	(179)	(385)	(62)	-	-	-	-	(8)
Recurring Profit	(317)	(665)	(488)	(281)	677	-	-	-	-	+994
Extraordinary Balance	-	(179)	(8,005)	(9,085)	-	-	-	-	-	-
Profit before Income Taxes	(317)	(844)	(8,493)	(9,366)	677	-	-	-	-	+994
Total Income Taxes	185	317	(2,367)	(2,771)	235	-	-	-	-	+50
NP Belonging to Non-Controlling SHs	(29)	(50)	(63)	(122)	(40)	-	-	-	-	(11)
Profit Attributable to Owners of Parent	(473)	(1,110)	(6,063)	(6,472)	482	-	-	-	-	+955
Sales YoY	+11.4%	+12.2%	+17.3%	+10.3%	+25.0%	-	-	-	-	-
Operating Profit YoY	-	-	-	-	-	-	-	-	-	-
Recurring Profit YoY	-	-	-	-	-	-	-	-	-	-
Profit Attributable to Owners of Parent YoY	-	-	-	-	-	-	-	-	-	-
Gross Profit Margin	51.1%	50.8%	53.4%	55.0%	62.8%	-	-	-	-	+11.7%
Sales to SG&A Expenses Ratio	59.4%	59.5%	56.5%	54.2%	44.2%	-	-	-	-	(15.3%)
Operating Profit Margin	(8.3%)	(8.7%)	(3.1%)	0.8%	18.6%	-	-	-	-	+26.9%
Recurring Profit Margin	(10.0%)	(10.5%)	(4.9%)	(2.0%)	17.1%	-	-	-	-	+27.1%
Profit Attributable to Owners of Parent Margin	(14.9%)	(17.5%)	(61.0%)	(46.9%)	12.2%	-	-	-	-	+27.1%
Tax Charges etc./Pretax Profit	-	-	-	-	34.7%	-	-	-	-	-
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.
	12/2020	12/2020	12/2020	12/2020	12/2021	12/2021	12/2021	12/2021	12/2021	
Sales	3,171	3,183	3,584	3,871	3,965	-	-	-	-	+794
Cost of Sales	1,549	1,578	1,502	1,587	1,473	-	-	-	-	(76)
Gross Profit	1,621	1,605	2,082	2,284	2,491	-	-	-	-	+870
SG&A Expenses	1,885	1,893	1,840	1,870	1,752	-	-	-	-	(133)
Operating Profit	(263)	(288)	242	413	739	-	-	-	-	+1,002
Non Operating Balance	(54)	(60)	(65)	(206)	(62)	-	-	-	-	(8)
Recurring Profit	(317)	(348)	177	207	677	-	-	-	-	+994
Extraordinary Balance	-	(179)	(7,826)	(1,080)	-	-	-	-	-	-
Profit before Income Taxes	(317)	(527)	(7,649)	(873)	677	-	-	-	-	+994
Total Income Taxes	185	132	(2,684)	(404)	235	-	-	-	-	+50
NP Belonging to Non-Controlling SHs	(29)	(21)	(13)	(59)	(40)	-	-	-	-	(11)
Profit Attributable to Owners of Parent	(473)	(637)	(4,953)	(409)	482	-	-	-	-	+955
Sales YoY	+11.4%	+13.0%	+27.6%	(4.4%)	+25.0%	-	-	-	-	-
Operating Profit YoY	-	-	-	+106.5%	-	-	-	-	-	-
Recurring Profit YoY	-	-	-	+60.5%	-	-	-	-	-	-
Profit Attributable to Owners of Parent YoY	-	-	-	-	-	-	-	-	-	-
Gross Profit Margin	51.1%	50.4%	58.1%	59.0%	62.8%	-	-	-	-	+11.7%
Sales to SG&A Expenses Ratio	59.4%	59.5%	51.3%	48.3%	44.2%	-	-	-	-	(15.3%)
Operating Profit Margin	(8.3%)	(9.0%)	6.8%	10.7%	18.6%	-	-	-	-	+26.9%
Recurring Profit Margin	(10.0%)	(10.9%)	4.9%	5.3%	17.1%	-	-	-	-	+27.1%
Profit Attributable to Owners of Parent Margin	(14.9%)	(20.0%)	(138.2%)	(10.6%)	12.2%	-	-	-	-	+27.1%
Tax Charges etc./Pretax Profit	-	-	-	-	34.7%	-	-	-	-	-

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.
	12/2020	12/2020	12/2020	12/2020	12/2021	12/2021	12/2021	12/2021		
SPEEDA Business	1,288	2,638	4,026	5,492	1,589	-	-	-		+301
NewsPicks Business	1,266	2,511	4,057	5,932	1,938	-	-	-		+672
Quartz Business	289	544	840	972	-	-	-	-		(289)
Other B2B Business	327	660	1,014	1,412	436	-	-	-		+109
Other	-	-	-	-	-	-	-	-		-
Sales	3,171	6,354	9,938	13,809	3,965	-	-	-		+794
SPEEDA Business	513	1,049	1,552	2,000	547	-	-	-		+34
NewsPicks Business	121	82	369	492	324	-	-	-		+203
Quartz Business	(682)	(1,216)	(1,507)	(1,527)	-	-	-	-		+682
Other B2B Business	5	11	1	(11)	12	-	-	-		+7
Other	-	(32)	(21)	(50)	(47)	-	-	-		(47)
Company-wide / Eliminations	-	-	-	14	-	-	-	-		-
EBITDA	(42)	(104)	395	917	837	-	-	-		+879
SPEEDA Business	39.8%	39.7%	38.5%	36.4%	34.4%	-	-	-		(5.4%)
NewsPicks Business	9.6%	3.6%	9.1%	8.3%	16.7%	-	-	-		+7.2%
Quartz Business	(236.0%)	(223.5%)	(179.4%)	(157.1%)	-	-	-	-		-
Other B2B Business	1.5%	1.7%	0.1%	(0.8%)	2.8%	-	-	-		+1.2%
Other	-	-	-	(0.4%)	(1.2%)	-	-	-		(1.2%)
EBITDA Margin	(1.3%)	(1.6%)	4.0%	6.6%	21.1%	-	-	-		+22.4%

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.
	12/2020	12/2020	12/2020	12/2020	12/2021	12/2021	12/2021	12/2021		
SPEEDA Business	1,288	1,350	1,388	1,466	1,589	-	-	-		+301
NewsPicks Business	1,266	1,245	1,546	1,875	1,938	-	-	-		+672
Quartz Business	289	255	296	132	-	-	-	-		(289)
Other B2B Business	327	333	354	398	436	-	-	-		+109
Other	-	-	-	-	-	-	-	-		-
Sales	3,171	3,183	3,584	3,871	3,965	-	-	-		+794
SPEEDA Business	513	536	503	448	547	-	-	-		+34
NewsPicks Business	121	(39)	287	123	324	-	-	-		+203
Quartz Business	(682)	(534)	(291)	(20)	-	-	-	-		+682
Other B2B Business	5	6	(10)	(12)	12	-	-	-		+7
Other	-	(32)	11	(29)	(47)	-	-	-		(47)
Company-wide / Eliminations	-	-	-	14	-	-	-	-		-
EBITDA	(42)	(62)	499	522	837	-	-	-		+879
SPEEDA Business	39.8%	39.7%	36.2%	30.6%	34.4%	-	-	-		(5.4%)
NewsPicks Business	9.6%	(3.1%)	18.6%	6.6%	16.7%	-	-	-		+7.2%
Quartz Business	(236.0%)	(209.4%)	(98.3%)	(15.2%)	-	-	-	-		-
Other B2B Business	1.5%	1.8%	(2.8%)	(3.0%)	2.8%	-	-	-		+1.2%
Other	-	-	-	-	-	-	-	-		-
EBITDA Margin	(1.3%)	(1.9%)	13.9%	13.5%	21.1%	-	-	-		+22.4%

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 12/2020	Q2 12/2020	Q3 12/2020	Q4 12/2020	Q1 12/2021	Q2 12/2021	Q3 12/2021	Q4 12/2021		
Cash and Deposit	7,331	7,983	10,334	7,584	7,443	-	-	-	-	+112
Accounts Receivables	1,518	1,294	1,121	984	1,473	-	-	-	-	(45)
Other	390	362	380	658	663	-	-	-	-	+273
Current Assets	9,239	9,639	11,835	9,226	9,579	-	-	-	-	+340
Tangible Assets	522	701	595	554	525	-	-	-	-	+3
Intangible Assets	8,807	9,028	1,184	1,214	1,216	-	-	-	-	(7,591)
Investments and Other Assets	1,370	1,714	4,824	4,831	4,782	-	-	-	-	+3,412
Fixed Assets	10,700	11,444	6,603	6,600	6,524	-	-	-	-	(4,176)
Deferred Assets	-	-	96	87	78	-	-	-	-	+78
Total Assets	19,940	21,083	18,536	15,915	16,182	-	-	-	-	(3,758)
Accounts Payables	250	237	223	370	409	-	-	-	-	+159
Corporate Bond (less than one year)	102	102	102	102	102	-	-	-	-	-
Short-Term Debt	1,408	1,636	1,734	761	930	-	-	-	-	(478)
Other	3,175	4,241	3,787	3,989	3,942	-	-	-	-	+767
Current Liabilities	4,935	6,216	5,846	5,222	5,383	-	-	-	-	+448
Corporate Bond	246	225	195	174	144	-	-	-	-	(102)
Long-Term Debt	7,929	7,480	5,104	3,270	2,911	-	-	-	-	(5,018)
Other	41	126	126	129	132	-	-	-	-	+91
Fixed Liabilities	8,216	7,831	5,425	3,573	3,187	-	-	-	-	(5,029)
Total Liabilities	13,151	14,048	11,271	8,796	8,570	-	-	-	-	(4,581)
Shareholders' Equity	5,663	6,026	6,173	5,796	6,296	-	-	-	-	+633
Other	1,125	1,009	1,091	1,322	1,315	-	-	-	-	+190
Net Assets	6,788	7,035	7,264	7,118	7,611	-	-	-	-	+823
Total Liabilities and Net Assets	19,940	21,083	18,536	15,915	16,182	-	-	-	-	(3,758)
Equity Capital	5,349	5,613	5,855	5,772	6,303	-	-	-	-	+954
Interest Bearing Debt	9,685	9,443	7,135	4,307	4,087	-	-	-	-	(5,598)
Net Debt	2,354	1,460	(3,199)	(3,277)	(3,356)	-	-	-	-	(5,710)
Capital Ratio	26.8%	26.6%	31.6%	36.3%	38.9%	-	-	-	-	-
Net Debt Equity Ratio	44.0%	26.0%	(54.6%)	(56.8%)	(53.2%)	-	-	-	-	-
ROE (12 months)	(35.8%)	(36.8%)	(132.2%)	(111.2%)	(94.7%)	-	-	-	-	-
ROA (12 months)	(7.2%)	(5.5%)	(2.0%)	(1.5%)	3.9%	-	-	-	-	-
Quick Ratio	179%	149%	196%	164%	166%	-	-	-	-	-
Current Ratio	187%	155%	202%	177%	178%	-	-	-	-	-

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 12/2020	Q1 to Q2 12/2020	Q1 to Q3 12/2020	Q1 to Q4 12/2020	Q1 12/2021	Q1 to Q2 12/2021	Q1 to Q3 12/2021	Q1 to Q4 12/2021		
Operating Cash Flow	-	265	-	1,026	-	-	-	-	-	-
Investing Cash Flow	-	(931)	-	(2,028)	-	-	-	-	-	-
Operating CF and Investing CF	-	(666)	-	(1,002)	-	-	-	-	-	-
Financing Cash Flow	-	722	-	613	-	-	-	-	-	-

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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