

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		15,900	1,850	1,456	1,366	500	13.64	0.00	-
FY12/2020	YoY	10.3%	-	-	-	-	-	-	-
FY12/2021CoE	YoY	15.1%	101.6%	-	-	-	-	-	-
Consolidated Q1 to Q3		Sales	EBITDA	Operating Profit	Recurring Profit	Profit At. to Owners of Parent	EPS (Yen)	DPS (Yen)	BPS (Yen)
(Million Yen)									
Q1 to Q3 FY12/2020		9,938	395	(309)	(488)	(6,063)	-	-	-
Q1 to Q3 FY12/2021		11,738	1,767	1,447	1,321	495	-	-	-
Q1 to Q3 FY12/2021	YoY	18.1%	347.4%	-	-	-	-	-	-

Source: Company Data, WRJ Calculation

1.0 Executive Summary (24 January 2022)

CAGR of 30%

UZABASE, using Business Intelligence as the core assets, is to synergize SaaS and NewsPicks to a point of close fusion, looking to prospective sales enhancement for SaaS (products and services). The Company has come to a stage to advocate “awaken a world of play in business, with our insights” as Purpose, while calling for prospective sales of some ¥45,000m and EBITDA margin of 15% as performance target for FY12/2025, implying CAGR of 30% for sales and improvement of EBITDA margin by 3.4% points, when setting FY12/2021 Company forecasts as the point of origin. According to the Company, not only does it invest in marketing but also synergizes SaaS and NewsPicks to a point of close fusion for the sake of enhancing sales of SaaS (products and services), which is expected to realize a situation where NewsPicks users become SaaS users another and yet another. In particular, the Company is looking to a major contribution for the growth coming from SPEEDA EXPERT RESEARCH、FORCAS and AlphaDrive/NewsPicks (AD/NP), implying that the Company is to invest mainly in products and services belonging to all those domains.

IR Representative: Daisuke Chiba, Executive Officer / CFO (81-(0)3-4533-1999 / ir@uzabase.com)

2.0 Company Profile

Awaken a World of Play in Business, with Our Insights

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	¥7,185m (as of the end of September 2021)	
No. of Shares	36,724,758 shares, including 258 treasury shares (as of the end of September 2021)	
Main Features	<ul style="list-style-type: none">● Deeply involved with SaaS, using Business Intelligence as the core assets● Synergizing SaaS and NewsPicks to a point of close fusion● Bringing up NewsPicks to become the ultimate marketing channel for SaaS	
Segments	I . SPEEDA Business (Planned Segmentation) II . NewsPicks Business (Planned Segmentation)	
Representatives	Representative director and group Co-CEO: Yusuke Inagaki / Taira Sakuma	
Shareholders	Ryosuke Niino 17.0%, Yusuke Umeda 12.9%, Yusuke Inagaki 6.8%, SSBTC Client Omnibus Account 5.8% (as of the end of June 2021, but for treasury shares)	
Head Office	Minato-ku, Tokyo, JAPAN	
No. of Personnel	Group-wide: 743 (as of the end of Sep.2021 / regular and contract)	

Source: Company Data

3.0 Management Philosophy

The World We Want to Create

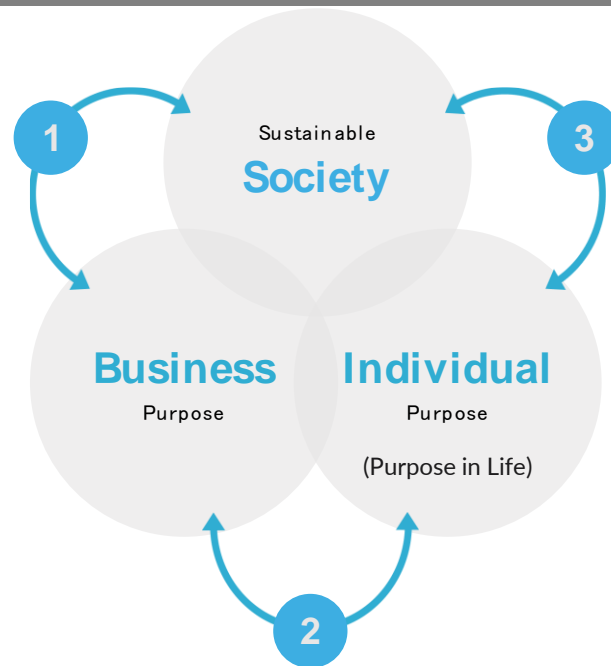
The Company, which has been run by new management setup led by Yusuke Inagaki and Taira Sakuma as representative directors and group Co-CEOs for some one year since the inception in January 2021, is now depicting “the world we want to create” for the future anew. Until recently, the Company used to advocate “we guide business people to insights that change the world” as Mission, while currently advocating “awaken a world of play in business, with our insights” as Purpose.

With respect to Mission of “we guide business people to insights that change the world”, the Company used to claim “We provide a foundation of intelligence that supports the needs of business and business people. We analyze, organize, and create global information so you can make the right decisions at the right time unleashing your creative and innovative potential.”, while having seen a favorable growth by means of launching a variety of products and services based on this Mission. On the other hand, with respect to Purpose of “awaken a world of play in business, with our insights”, the Company is to “verbalize the kind of a world we want to build and then build it together with everyone (both inside and outside the company) who wants to help bring this world about”.

As noted above, the Company launched a variety of products and services, having generated a necessity for the Company to make “the world we want to create” at the end of the day being articulated clearer than before and embodied more than before. Meanwhile, otherwise, it is too hard to fully exert the strengths for the Company as a whole by means of deepening cooperation amongst a variety of products and services, according to the Company, having implemented the changeover this time from Mission to Purpose in order to eliminate the issue (disclosed on 16 December 2021).

For example, in light of the fact that the Company cannot "change the world" on its own, the Company has come to an idea that it should strengthen measures to solidly embody "the world we want to create" and gain empathy of other companies and individuals being intricately linked to the Company. To this end, it is appropriate to eliminate inward-looking Mission and change it to outward-looking Purpose. In terms of Purpose, the aspects shared with the public are quite large, according to the Company.

"The world we want to create" by means of “awaken a world of play in business” is of “finding harmony amongst societal, business, and individual purposes”. The Company uses Business Intelligence as the core assets, i.e., data, contents and human knowledge, amplifying their power with human capabilities and technology to “awaken a world of play in business”. That is to say, people will be able to enjoy their business with the power of technology. For example, the Company says “We believe that technology, together with people's ingenuity will change the world. That’s why we will keep automating our processes and combining our expertise with the best technology solutions to deliver value to the world.” Meanwhile, the Company would like to share all those specific messages internally and with the whole society, while the background for the Company’s idea is as described as below:



Source: Company Data

The World We Want to Create / Harmony between Sustainable Society and Business Purpose

We believe that the pursuit of economic rationality and a sustainable society are not mutually exclusive. If the move towards sustainability gains significant traction amongst consumers, the market will actually start favoring companies that aim to create a sustainable society. Without a clear sustainability paradigm for social good, companies will not be able to attract talents. As a result, it will become more and more economically rational for companies to aim towards creating a sustainable society.

The World We Want to Create / Harmony between Business Purpose and Individual Purpose

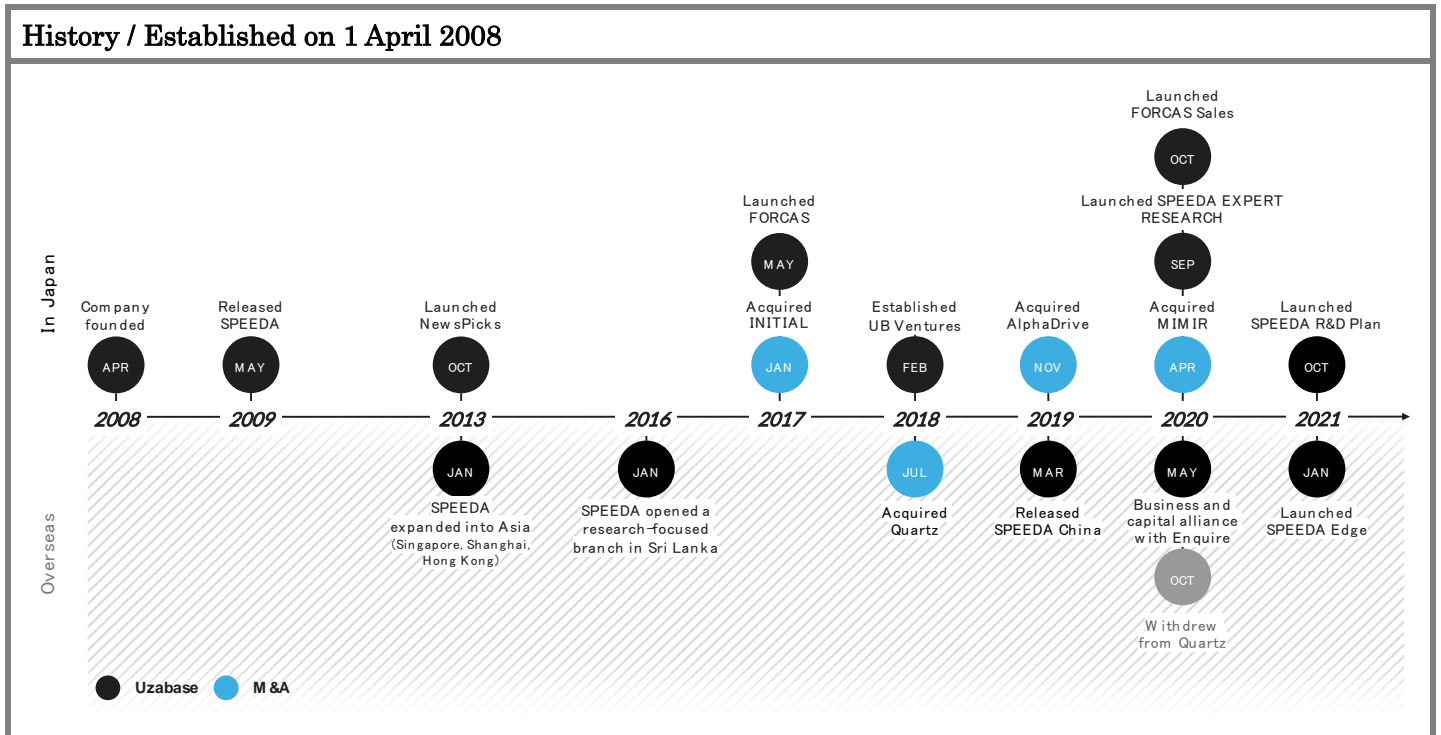
Finding enjoyment in work is often said to be an important part of finding enjoyment in life. There is a whole world of play that can be found in business, and awakening it can only bring more joy into your life. If you like the overall direction (=Purpose) of the company you work at, if you find it relatable to your own purpose in life, work may just become one of your many purposes in life, rather than a means to an end.

The World We Want to Create / Harmony between Individual Purpose and Sustainable Society

Enjoying business and enjoying life are only possible when we have hope for the future, i.e., our own and our children's. Contributing to the establishment of a sustainable society can bring such hope. Rather than working at the expense of our personal lives, we can create unique working styles to fit our unique lives, working styles that are sustainable and offer room for play. These can then be shared with the rest of the world!

History

Established on 1 April 2008, the Company released SPEEDA in May 2009, the following year, while having released a variety of products and services in Japan and overseas through in-house development and M&As. In January 2013, the Company made inroads into Singapore, Shanghai and Hong Kong with SPEEDA, while having launched NewsPicks in October of the same year. Then, in January 2017, the Company started providing INITIAL, having consolidated Japan Venture Research Co., LTD. as subsidiary, which was followed by the launch of FORCAS in May of the same year. Meanwhile, the Company has been always so successful with its M&As as found in consolidation of AlphaDrive Co.,Ltd as subsidiary in November 2019 and that of Mimir, Inc. in April 2020, but for that of Quartz Media, Inc. in July 2018.



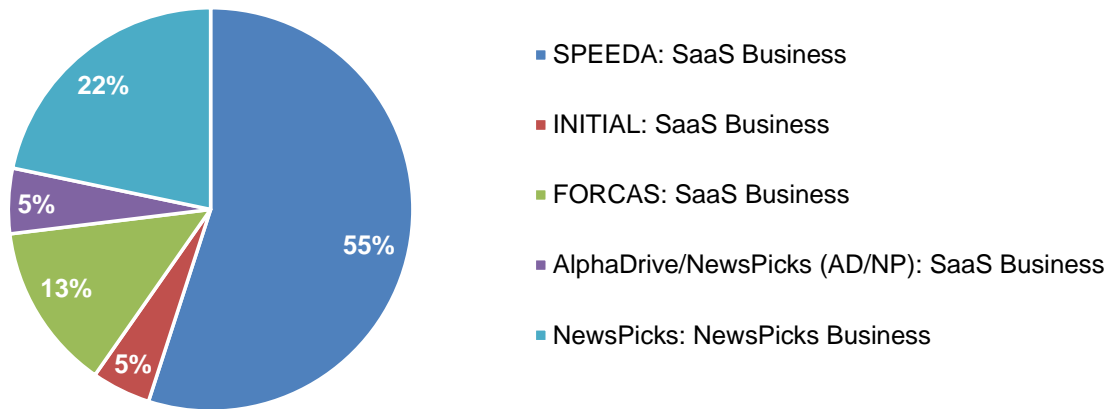
Source: Company Data

For FY12/2020, the consolidation of Quartz Media, Inc., resulted in booking of a major loss, having forced the Company to pull out of the operations (November 2020) and Yusuke Umeda, the CEO at the time, to voluntarily take responsibilities by resigning. Thus, the above-mentioned new management setup has started up. Meanwhile, the Company has continued to quickly launch new products and services lately, i.e., SPEEDA EXPERT RESEARCH in September 2020, FORCAS Sales in October 2020, SPEEDA Edge in January 2021 and SPEEDA R&D Plan in October 2021.

Business Overview

In Q3 (July to September) FY12/2021, the Company saw sales of ¥3,875m, while ARR (=MRR×12 / 12 times of monthly recurring revenue) of SaaS Business in September 2021 as much as ¥9,170m, having increased by 29% from the same month of the previous year. Meanwhile, so-called subscription revenue like this, stemming from charging on a recurring basis accounted for 73% of sales for the Company as a whole in Q3 (July to September). According to the Company, the bulk of the remaining 27% of sales is accounted for by advertising revenue associated with NewsPicks and revenue of consulting services for corporate clients on organizational strategy provided by AlphaDrive Co.,Ltd. Meanwhile, when we estimate breakdown of recurring revenue by ARR, SaaS Business accounted for 78% of total and NewsPicks Business for 22%. On the SaaS Business side, the Company provides SaaS (products and services) to support the implementation of agile management (quickly responding to environmental changes and circumstances rather than heavy planning) related to business strategy, customer strategy and organizational strategy.

Breakdown of Subscription Revenue



Source: Company Data, WRJ Calculation

SPEEDA and INITIAL

In the domain of business strategy mainly comprising business planning, competitive analysis, M&A, investment strategy and new business development, the Company is developing the mainstay SPEEDA as well as INITIAL. SPEEDA is defined as “a Business Intelligence platform that provides financial institutions and general businesses with the insights they need for business strategy development and market analysis, including global corporate data, industry reports, market data, M&A deals and expert insights”, while SPEEDA EXPERT RESEARCH, SPEEDA Edge and SPEEDA R&D Plan are products and services derived from here. For example, when using SPEEDA EXPERT RESEARCH, it is said that more precise decisions can be made compared with the use of SPEEDA only, with its function to promptly provide information and/or knowledge (acquired by experiences) in the optimal manner out of interviews, reports and advisories through accessing individual first-line experts in a variety of markets and/or domains as many as some 10,000 in the number in Japan and some overseas, which are not available on an open source basis. The Company is keen on pushing forward with up-selling strategy by means of focusing such services for the sake of raising ARPU. Meanwhile, SPEEDA Edge is defined as “a Market Intelligence platform for corporate innovation that provides industry-driven insights, such as emerging tech trends, disruptors, partnership deals and custom research”. For SPEEDA R&D Plan, the Company says that its use makes SPEEDA being able to “realize analysis enhanced in terms of commitment between intellectual property & technology information and management & business information” by means of adding retrieval function associated with the latest trends of patents for technology and/or R&D sectors as well as those of academic papers. Finally, INITIAL is defined as “a startup information platform that provides one-stop source to general data, financing, investors and business partners of startups as well as original articles on related topics”.

FORCAS

FORCAS has been introduced in the domain of customer strategy, comprising customer targeting, digitalization of sales & marketing and new business development, while being defined as “a B2B customer strategy platform that integrates its proprietary company information database with customer data to boost the accuracy of sales strategy and ABM (Account Based Marketing: marketing method to count each prospect and/or client account as a single market) performance via in-depth data analysis”. Meanwhile, the Company loads company information database exclusively focused on that of the operations into FORCAS Sales, whose utilization leads to creation of target lists with a high precision and understanding of customers in depth. On top of this, a data linkage with Salesforce enables it to improve operational effectiveness and proposal-making capabilities for sales and inside sales, according to the Company.

AlphaDrive/NewsPicks (AD/NP)

The domain of organizational strategy comprises corporate culture transformation, personnel training, talent search and new business development, while AlphaDrive/NewsPicks (AD/NP) is in charge of this. The mainstay here is NewsPicks Enterprise, defined as “a tool for human resources development and organizational revitalization, mainly comprising functions of NewsPicks customized for corporate use”. In the first place, organizational strategy is a domain with which AlphaDrive Co.,Ltd. has been involved for a while prior to being consolidated as subsidiary in November 2019, providing consulting services. By means of integrating expertise accumulated here and functions of NewsPicks, the Company intends to support “improvement in the value of human resources” to drive innovation and nurture ability to bring about change, fostering organizational cultures that create change from a bottom-up perspective. For a company to have introduced NewsPicks Enterprise, the personnel starts inputting and outputting data through the functions of NewsPicks, fostering communications and relationships among them. This is followed by a progress in creation of innovation and development & discovery of human resources towards internal transformation being accelerated.

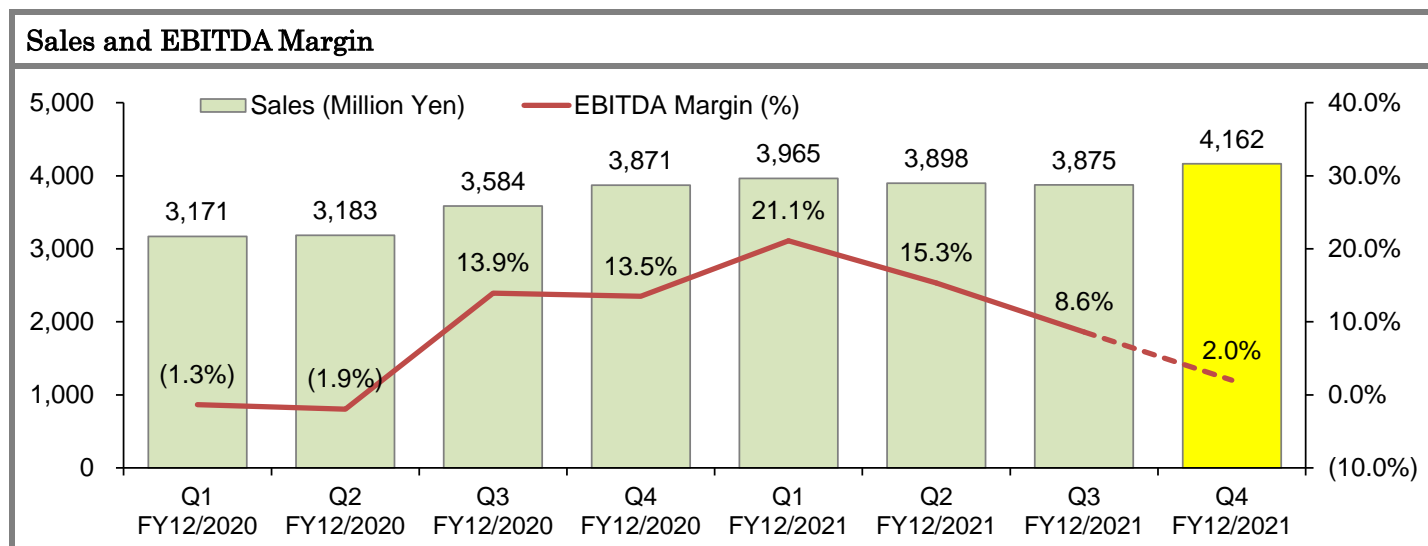
NewsPicks

NewsPicks is defined as “a social business media that provides users with economic and business news articles along with comments from business professionals and experts” and “NewsPicks' Editorial Team distributes its own original articles and video contents on top of news articles from over 100 worldwide media”. Meanwhile, as noted above, it is AlphaDrive/NewsPicks (AD/NP) that all those functions are applied to the domain of organizational strategy for companies. In other words, ARR of “NewsPicks services” is booked on both the SaaS Business side and NewsPicks Business side, i.e., the former is of AlphaDrive/NewsPicks (AD/NP) and the latter of NewsPicks Business, literally. The latter is of services being deployed for individuals, while the Company here says it will increase the number of people interested in economy and enjoying the news under the slogan "make economy more interesting".

4.0 Recent Trading and Prospects

Q1 to Q3 FY12/2021

In Q1 to Q3 FY12/2021, sales came in at ¥11,738m (up 18.1% YoY), EBITDA ¥1,767m (up 347.4%), operating profit ¥1,447m (versus minus ¥309m during the same period of the previous year), recurring profit ¥1,321m (minus ¥488m) and profit attributable to owners of parent ¥495m (minus ¥6,063m), while EBITDA margin 15.1% (up 11.1% points).

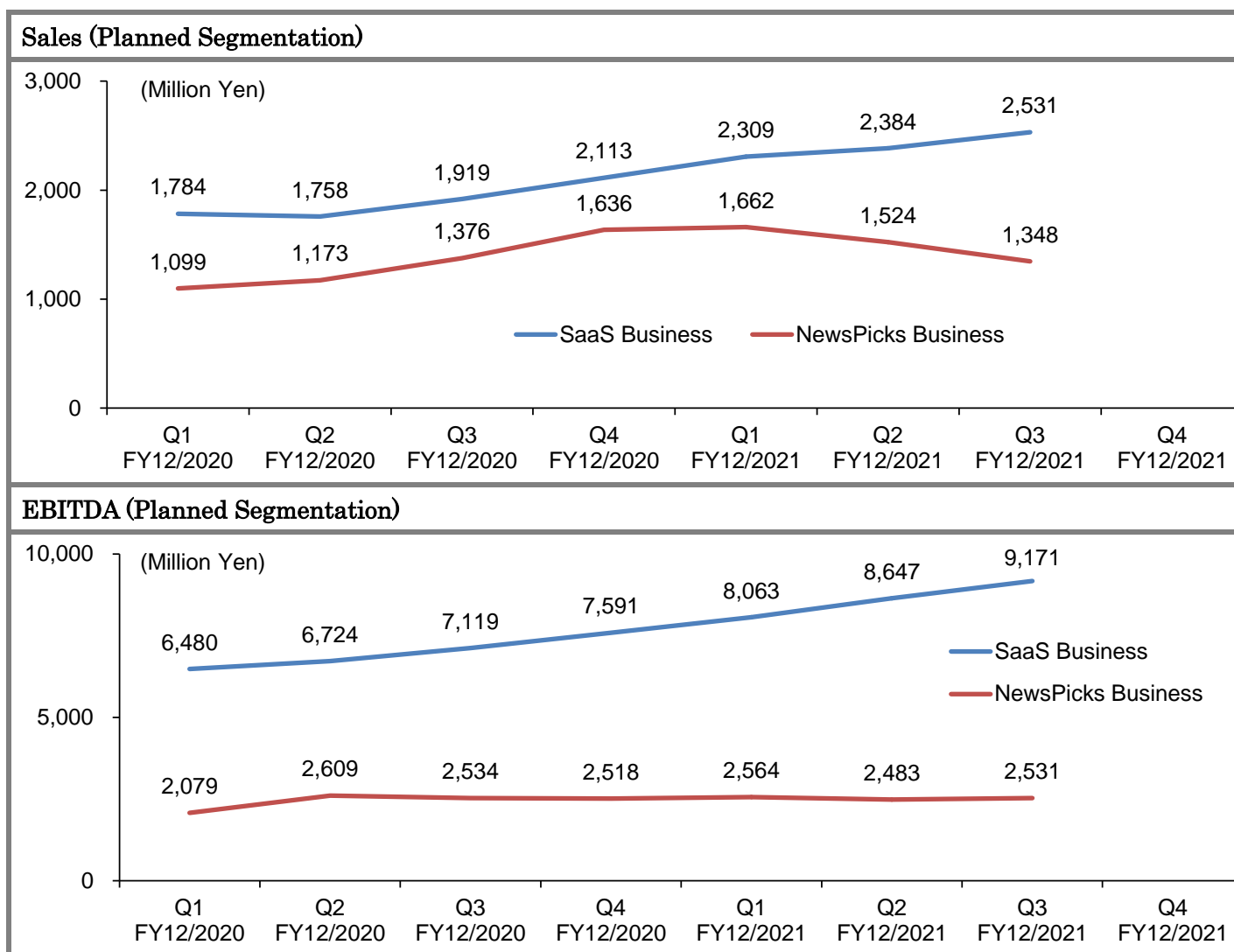


Source: Company Data, WRJ Calculation

Meanwhile, the Company has disclosed data on a “planned segmentation” basis, where SaaS Business and NewsPicks Business saw performance as in the text below. By the way, trends in both segments mentioned in other text parts of this report are also subject to this standard unless otherwise noted.

According to the Company, the impacts of Quartz Business are not included here and the sum of sales and/or EBITDA of the two segments is not consistent with the consolidated results for the Company as a whole. With respect to Quartz Business for the Company to have pulled out of in Q4 FY12/2020 (November 2020), a certain sales have booked for FY12/2020 and a massive loss in EBITDA as well as a significant extraordinary loss on the withdrawal from the operations. Meanwhile, the Company suggests that “planned segmentation” this time has a provisional aspect in some parts and revised data may be announced in line with a scheduled announcement of the FY12/2021 results on 9 February 2022.

Based on an existing segmentation basis, the Company saw performance as found in [Results Update "Recovery of SaaS Sales" \(9 November 2021\)](#). Meanwhile, a major point of change planned for segmentation this time is that a part of ARR belonging to existing NewsPicks Business is transferred to AlphaDrive/ NewsPicks (AD/NP) on the SaaS Business side, equating ¥610m in terms of the results in September 2021.



Source: Company Data, WRJ Calculation

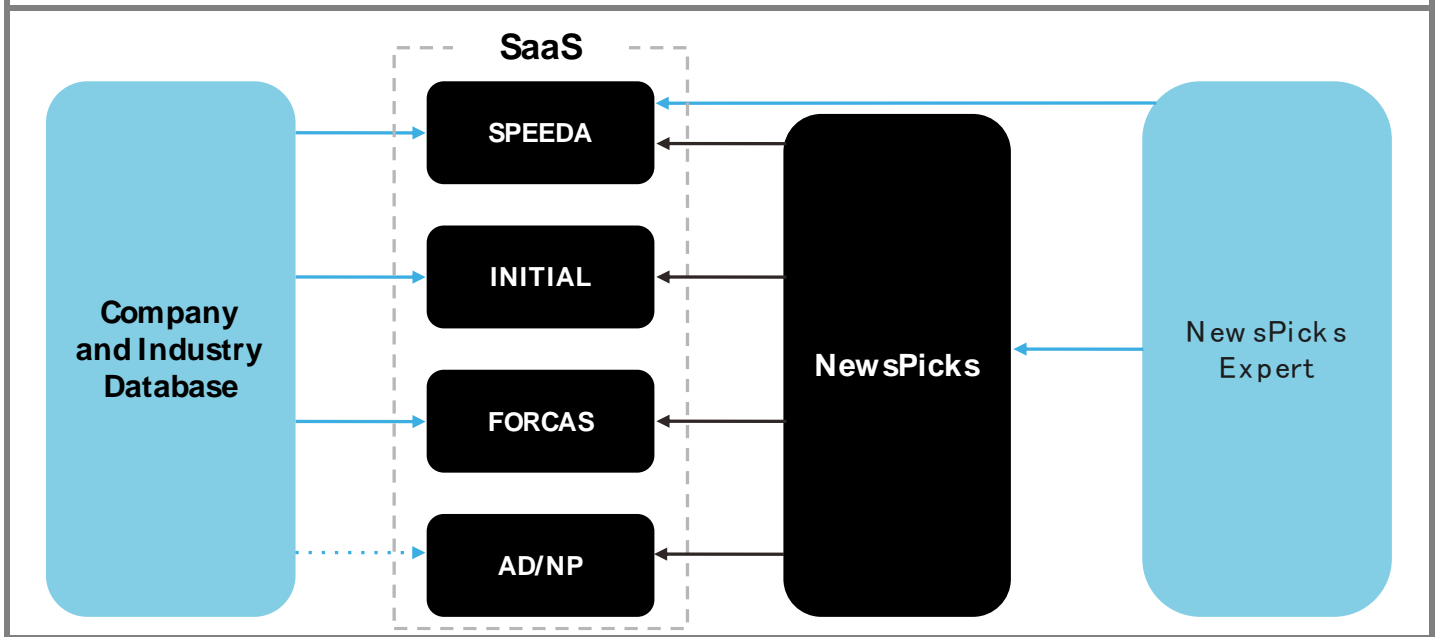
Planned Segmentation / SaaS Business

In Q1 to Q3, SaaS Business saw sales of ¥7,224m (up 32.3%), EBITDA of ¥1,580m (up 2.1%) and EBITDA margin of 21.9% (down 6.5% points). Meanwhile, ARR on the SaaS Business side came in at ¥9,170m (up 29%) for September 2021, comprising ¥6,410m (up 19%) in SPEEDA, ¥550m (up 50%) in INITIAL, ¥1,560m (up 43%) in FORCAS and ¥610m (up 123%) in AlphaDrive/NewsPicks (AD/NP). SPEEDA released in May 2009 continued to grow at a high rate, while other products and services launched more recently saw a fairly fast growth, having driven ARR on the SaaS Business side as a whole, i.e., INITIAL launched in January 2017, FORCAS in May 2017 and AlphaDrive/NewsPicks (AD/NP) in November 2019 (when based on the timing of AlphaDrive Co.,Ltd being consolidated).

Planned Segmentation / NewsPicks Business

In Q1 to Q3, NewsPicks Business saw sales of ¥4,534m (up 24.3%), EBITDA of ¥265m (down 23.4%) and EBITDA margin of 5.8% (down 3.6% points). Meanwhile, ARR on the NewsPicks Business side came in at ¥2,531m (down 0% or down 0.1%) for September 2021. The bulk of sales on the NewsPicks side on an existing basis mainly comprise advertising revenue associated with NewsPicks and revenue of charging to paid subscribers both individual and corporate, while AlphaDrive/NewsPicks (AD/NP) being responsible for charging to corporate paid subscribers is classified into the SaaS Business side on a planned segmentation basis, as above mentioned.

Collaborative Use of Business Intelligence



Source: Company Data

Meanwhile, Business Intelligence, used as the core assets for the Company, refers to Company and Industry Database held by the Company and “contents of NewsPicks”. The Company’s SaaS (products and services), represented by SPEEDA, INITIAL, FORCAS and AlphaDrive/NewsPicks (AD/NP) are all based on both of them. A part of “contents of NewsPicks” has an aspect of being attributable to functions of NewsPicks Expert introduced by consolidation of Mimir, Inc. in April 2020. As mentioned earlier, NewsPicks provides users with economic and business news articles along with comments from business professionals and experts and this is deployed by NewsPicks Expert.

Synergizing SaaS and NewsPicks to a Point of Close Fusion

With an objective of realizing Purpose of “awaken a world of play in business, with our insights”, the Company is to synergize SaaS and NewsPicks to a point of close fusion. On the qualitative side, the Company intends to steadily keep on increasing the number of NewsPicks users, which is expected to realize a situation where NewsPicks users become SaaS users another and yet another. In other words, the Company is looking to a series of generation for new NewsPicks experts to share their knowledge and perception. In the first place, it is not easy to facilitate access to human expertise, while the Company’s idea here will make it easier to do so for human expertise held by a variety of professionals. The Company will use SaaS to facilitate matching management issues and human expertise, aiming for utilization of human expertise in corporate management for the sake of “awakening a world of play in business”.

On the quantitative side, the Company is looking to a quantum improvement in marketing efficiency for SaaS, stemming from the synergizing, which is expected to bring in improved competitiveness for the Company from a long-term perspective. Currently in Japan, there are many SaaS companies who heavily invest in marketing for the sake of future growth as found in their TV commercials, ads in transportation facilities and so on, while this is indispensable also for the Company. More importantly, however, the Company is looking to a progress in its measure to utilize NewsPicks as marketing channel for SaaS, which will cut back on marketing expenses for the Company to a corresponding extent.

The Company says that NewsPicks and SaaS have the target users in common and thus the above-mentioned improvement in marketing efficiency will last from a long-term perspective. Meanwhile, for NewsPicks, the Company is trying to beef up comments on the contents from business professionals and experts based on the use of NewsPicks Expert, which is expected to set up a mechanism to accumulate human knowledge of individuals, which could be the most important Business Intelligence, planning to create a situation that the mechanism will be utilized across the board in a variety of business operations by means of making access available to the comments, etc. by all the products and services of SaaS.

The Company says that the synergizing has already made progress in a sense to date. As mentioned earlier, SPEEDA is defined as “a Business Intelligence platform that provides financial institutions and general businesses with the insights they need for business strategy development and market analysis, including global corporate data, industry reports, market data, M&A deals and expert insights”, while NewsPicks being defined as “a social business media that provides users with economic and business news articles along with comments from business professionals and experts” and “NewsPicks' Editorial Team distributes its own original articles and video contents on top of news articles from over 100 worldwide media”. Nevertheless, “original articles” by “NewsPicks' Editorial Team” are available not only in NewsPicks but also in SPEEDA and some SPEEDA users value the “original articles” most highly, according to the Company. Meanwhile, AlphaDrive/ NewsPicks(AD/NP) is originally based on NewsPicks and the Company has started providing INITIAL and FORCAS Sales with the contents of NewsPicks since 2021, which has been well accepted amongst users, according to the Company.

The Company cites reasons to be able to “synergize SaaS and NewsPicks to a point of close fusion” by advocating “we are capable of creating multiple SaaS products that become must-have tools for our customers” and “we are able to increase the number of NewsPicks users”. As evidence of the former, the Company points out that the churn rate in SPEEDA, which had been forced to rise up to some 1.3% by the impacts stemming from COVID-19, is now estimated to have declined to some 1.0% for Q4 FY12/2021, as has been expected. At the same time, the Company suggests that the churn rate is trending downward for the rest of the Company’s SaaS, represented by FORCAS and INITIAL.

In the first place, the Company's SaaS Business is said to be exposed to markets with a high growth potential for the future. Meanwhile, the Company estimates that the TAM (Total Addressable Market: total potential market size on an ultimate basis) equates some ¥1.2 trillion in Japan at the moment and some ¥112,500m for the SOM (Serviceable Obtainable Market: market size reachable with the current value proposition), while the TAM on a global market equating some ¥20.0 trillion, versus some ¥7,500m for sales on the SaaS Business side for the Company as a whole in FY12/2020. For example, sales on the SaaS Business side with the Company accounts for no more than 6.7% of the SOM in Japan, when simply compared with each other, while being likely to increase in line with the growth of the SOM as well as due to increased share for the future, according to the Company. On top of this, the Company has an aspect of launching a series of new products and services into the market, which is always enlarging the SOM it faces.

On the other hand, with respect to “we are able to increase the number of NewsPicks users”, the Company claims that the awareness of NewsPicks has remained low so far, while there is an ample room to rise for the future, leading to a major increase in the number of paid subscribers for the future in line with the rise. According to the results of awareness survey (targeting 3,000 business media users) conducted by an outside entity in January 2020, the major newspapers saw awareness in 91% of total in terms of the average of three papers, including their electronic versions and 75% for business magazines on the same basis versus no more than 29% for NewsPicks. According to the Company, NewsPicks has a good opportunity to see an improved awareness as high as all those newspapers and business magazines for the future, while the Company is now keen on running video ads, represented by those of YouTube, as a policy to raise awareness. Currently, all those video ads account for more than 30% of the acquisitions of new paid subscribers, while the ratio will exceed 50% in the near future, according to the Company.

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		
Sales	3,171	6,354	9,938	13,809	3,965	7,863	11,738	-	-	+1,800
Cost of Sales	1,549	3,127	4,629	6,216	1,473	2,964	4,563	-	-	(66)
Gross Profit	1,621	3,226	5,308	7,592	2,491	4,899	7,175	-	-	+1,867
SG&A Expenses	1,885	3,778	5,618	7,488	1,752	3,667	5,727	-	-	+109
Operating Profit	(263)	(551)	(309)	104	739	1,231	1,447	-	-	+1,756
Non Operating Balance	(54)	(114)	(179)	(385)	(62)	(90)	(126)	-	-	+53
Recurring Profit	(317)	(665)	(488)	(281)	677	1,141	1,321	-	-	+1,809
Extraordinary Balance	-	(179)	(8,005)	(9,085)	-	-	(500)	-	-	+7,505
Profit before Income Taxes	(317)	(844)	(8,493)	(9,366)	677	1,141	821	-	-	+9,314
Total Income Taxes	185	317	(2,367)	(2,771)	235	439	386	-	-	+2,753
NP Belonging to Non-Controlling SHs	(29)	(50)	(63)	(122)	(40)	(41)	(59)	-	-	+4
Profit Attributable to Owners of Parent	(473)	(1,110)	(6,063)	(6,472)	482	743	495	-	-	+6,558
Sales YoY	+11.4%	+12.2%	+17.3%	+10.3%	+25.0%	+23.8%	+18.1%	-	-	-
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%	62.3%	61.1%	-	-	+7.7%
Sales to SG&A Expenses Ratio	59.4%	59.5%	56.5%	54.2%	44.2%	46.6%	48.8%	-	-	(7.7%)
Operating Profit Margin	(8.3%)	(8.7%)	(3.1%)	0.8%	18.6%	15.7%	12.3%	-	-	+15.4%
Recurring Profit Margin	(10.0%)	(10.5%)	(4.9%)	(2.0%)	17.1%	14.5%	11.3%	-	-	+16.2%
Profit Attributable to Owners of Parent Margin	(14.9%)	(17.5%)	(61.0%)	(46.9%)	12.2%	9.4%	4.2%	-	-	+65.2%
Tax Charges etc./Pretax Profit	-	-	-	-	34.7%	38.5%	47.0%	-	-	-

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		
Sales	3,171	3,183	3,584	3,871	3,965	3,898	3,875	-	-	+291
Cost of Sales	1,549	1,578	1,502	1,587	1,473	1,491	1,599	-	-	+97
Gross Profit	1,621	1,605	2,082	2,284	2,491	2,408	2,276	-	-	+194
SG&A Expenses	1,885	1,893	1,840	1,870	1,752	1,915	2,060	-	-	+220
Operating Profit	(263)	(288)	242	413	739	492	216	-	-	(26)
Non Operating Balance	(54)	(60)	(65)	(206)	(62)	(28)	(36)	-	-	+29
Recurring Profit	(317)	(348)	177	207	677	464	180	-	-	+3
Extraordinary Balance	-	(179)	(7,826)	(1,080)	-	-	(500)	-	-	+7,326
Profit before Income Taxes	(317)	(527)	(7,649)	(873)	677	464	(320)	-	-	+7,329
Total Income Taxes	185	132	(2,684)	(404)	235	204	(53)	-	-	+2,631
NP Belonging to Non-Controlling SHs	(29)	(21)	(13)	(59)	(40)	(1)	(18)	-	-	(5)
Profit Attributable to Owners of Parent	(473)	(637)	(4,953)	(409)	482	261	(248)	-	-	+4,705
Sales YoY	+11.4%	+13.0%	+27.6%	(4.4%)	+25.0%	+22.5%	+8.1%	-	-	-
Operating Profit YoY	-	-	-	+106.5%	-	-	(10.7%)	-	-	-
Recurring Profit YoY	-	-	-	+60.5%	-	-	+1.7%	-	-	-
Profit Attributable to Owners of Parent YoY	-	-	-	-	-	-	-	-	-	-
Gross Profit Margin	51.1%	50.4%	58.1%	59.0%	62.8%	61.8%	58.7%	-	-	+0.6%
Sales to SG&A Expenses Ratio	59.4%	59.5%	51.3%	48.3%	44.2%	49.1%	53.2%	-	-	+1.8%
Operating Profit Margin	(8.3%)	(9.0%)	6.8%	10.7%	18.6%	12.6%	5.6%	-	-	(1.2%)
Recurring Profit Margin	(10.0%)	(10.9%)	4.9%	5.3%	17.1%	11.9%	4.6%	-	-	(0.3%)
Profit Attributable to Owners of Parent Margin	(14.9%)	(20.0%)	(138.2%)	(10.6%)	12.2%	6.7%	(6.4%)	-	-	+131.8%
Tax Charges etc./Pretax Profit	-	-	-	-	34.7%	44.0%	-	-	-	-

Source: Company Data, WRJ Calculation

Segmented Information (Cumulative/Quarterly)

Segmented Information (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY
	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	Q1 to Q4 12/2021	Net Chg.
SPEEDA Business	1,288	2,638	4,026	5,492	1,589	3,243	4,943	-	-	+917
NewsPicks Business	1,266	2,511	4,057	5,932	1,938	3,695	5,345	-	-	+1,288
Quartz Business	289	544	840	972	-	-	-	-	-	(840)
Other B2B Business	327	660	1,014	1,412	436	921	1,440	-	-	+426
Other	-	-	-	-	-	3	9	-	-	+9
Sales	3,171	6,354	9,938	13,809	3,965	7,863	11,738	-	-	+1,800
SPEEDA Business	513	1,049	1,552	2,000	547	1,137	1,651	-	-	+99
NewsPicks Business	121	82	369	492	324	414	382	-	-	+13
Quartz Business	(682)	(1,216)	(1,507)	(1,527)	-	-	-	-	-	+1,507
Other B2B Business	5	11	1	(11)	12	2	(9)	-	-	(10)
Other	-	(32)	(21)	(50)	(47)	(120)	(255)	-	-	(234)
Company-wide / Eliminations	-	-	-	14	-	-	-	-	-	-
EBITDA	(42)	(104)	395	917	837	1,434	1,767	-	-	+1,372
SPEEDA Business	39.8%	39.7%	38.5%	36.4%	34.4%	35.1%	33.4%	-	-	(5.1%)
NewsPicks Business	9.6%	3.6%	9.1%	8.3%	16.7%	11.2%	7.1%	-	-	(1.9%)
Quartz Business	(236.0%)	(223.5%)	(179.4%)	(157.1%)	-	-	-	-	-	-
Other B2B Business	1.5%	1.7%	0.1%	(0.8%)	2.8%	0.2%	(0.6%)	-	-	(0.7%)
Other	-	-	-	-	-	-	-	-	-	-
Company-wide / Eliminations	-	-	-	0.1%	-	-	-	-	-	-
EBITDA Margin	(1.3%)	(1.6%)	4.0%	6.6%	21.1%	18.2%	15.1%	-	-	+11.1%

Segmented Information (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY
	Q1 12/2020	Q2 12/2020	Q3 12/2020	Q4 12/2020	Q1 12/2021	Q2 12/2021	Q3 12/2021	Q4 12/2021	Q4 12/2021	Net Chg.
SPEEDA Business	1,288	1,350	1,388	1,466	1,589	1,654	1,700	-	-	+312
NewsPicks Business	1,266	1,245	1,546	1,875	1,938	1,757	1,650	-	-	+104
Quartz Business	289	255	296	132	-	-	-	-	-	(296)
Other B2B Business	327	333	354	398	436	485	519	-	-	+165
Other	-	-	-	-	-	3	6	-	-	+6
Sales	3,171	3,183	3,584	3,871	3,965	3,898	3,875	-	-	+291
SPEEDA Business	513	536	503	448	547	590	513	-	-	+10
NewsPicks Business	121	(39)	287	123	324	90	(32)	-	-	(319)
Quartz Business	(682)	(534)	(291)	(20)	-	-	-	-	-	+291
Other B2B Business	5	6	(10)	(12)	12	(10)	(11)	-	-	(1)
Other	-	(32)	11	(29)	(47)	(73)	(135)	-	-	(146)
Company-wide / Eliminations	-	-	-	14	-	-	-	-	-	-
EBITDA	(42)	(62)	499	522	837	597	332	-	-	(167)
SPEEDA Business	39.8%	39.7%	36.2%	30.6%	34.4%	35.7%	30.1%	-	-	(6.2%)
NewsPicks Business	9.6%	(3.1%)	18.6%	6.6%	16.7%	5.1%	(1.9%)	-	-	(20.5%)
Quartz Business	(236.0%)	(209.4%)	(98.3%)	(15.2%)	-	-	-	-	-	-
Other B2B Business	1.5%	1.8%	(2.8%)	(3.0%)	2.8%	(2.1%)	(2.1%)	-	-	+0.7%
Other	-	-	-	-	-	-	-	-	-	-
Company-wide / Eliminations	-	-	-	0.4%	-	-	-	-	-	-
EBITDA Margin	(1.3%)	(1.9%)	13.9%	13.5%	21.1%	15.3%	8.6%	-	-	(5.4%)

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	9,278	9,245	-	-	(1,089)
Accounts Receivables	1,518	1,294	1,121	984	1,473	1,067	1,006	-	-	(115)
Other	390	362	380	658	663	505	554	-	-	+174
Current Assets	9,239	9,639	11,835	9,226	9,579	10,850	10,805	-	-	(1,030)
Tangible Assets	522	701	595	554	525	521	195	-	-	(400)
Intangible Assets	8,807	9,028	1,184	1,214	1,216	1,265	1,333	-	-	+149
Investments and Other Assets	1,370	1,714	4,824	4,831	4,782	5,063	5,646	-	-	+822
Fixed Assets	10,700	11,444	6,603	6,600	6,524	6,850	7,176	-	-	+573
Deferred Assets	-	-	96	87	78	70	61	-	-	(35)
Total Assets	19,940	21,083	18,536	15,915	16,182	17,770	18,042	-	-	(494)
Accounts Payables	250	237	223	370	409	354	357	-	-	+134
Corporate Bond (less than one year)	102	102	102	102	102	102	102	-	-	0
Short-Term Debt	1,408	1,636	1,734	761	930	1,020	1,003	-	-	(731)
Other	3,175	4,241	3,787	3,989	3,942	4,946	4,961	-	-	+1,174
Current Liabilities	4,935	6,216	5,846	5,222	5,383	6,422	6,423	-	-	+577
Corporate Bond	246	225	195	174	144	123	93	-	-	(102)
Long-Term Debt	7,929	7,480	5,104	3,270	2,911	2,630	2,501	-	-	(2,603)
Other	41	126	126	129	132	134	162	-	-	+36
Fixed Liabilities	8,216	7,831	5,425	3,573	3,187	2,887	2,756	-	-	(2,669)
Total Liabilities	13,151	14,048	11,271	8,796	8,570	9,309	9,179	-	-	(2,092)
Shareholders' Equity	5,663	6,026	6,173	5,796	6,296	6,562	6,321	-	-	+148
Other	1,125	1,009	1,091	1,322	1,315	1,898	2,542	-	-	+1,451
Net Assets	6,788	7,035	7,264	7,118	7,611	8,460	8,863	-	-	+1,599
Total Liabilities and Net Assets	19,940	21,083	18,536	15,915	16,182	17,770	18,042	-	-	(494)
Equity Capital	5,349	5,613	5,855	5,772	6,303	6,569	6,339	-	-	+484
Interest Bearing Debt	9,685	9,443	7,135	4,307	4,087	3,875	3,699	-	-	(3,436)
Net Debt	2,354	1,460	(3,199)	(3,277)	(3,356)	(5,403)	(5,546)	-	-	(2,347)
Capital Ratio	26.8%	26.6%	31.6%	36.3%	38.9%	37.0%	35.1%	-	-	-
Net Debt Equity Ratio	44.0%	26.0%	(54.6%)	(56.8%)	(53.2%)	(82.2%)	(87.5%)	-	-	-
ROE (12 months)	(35.8%)	(36.8%)	(132.2%)	(111.2%)	(94.7%)	(75.8%)	1.4%	-	-	-
ROA (12 months)	(7.2%)	(5.5%)	(2.0%)	(1.5%)	3.9%	7.9%	8.4%	-	-	-
Quick Ratio	179%	149%	196%	164%	166%	161%	160%	-	-	-
Current Ratio	187%	155%	202%	177%	178%	169%	168%	-	-	-

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	-	2,057	-	-	-	-
Investing Cash Flow	-	(931)	-	(2,028)	-	(571)	-	-	-	-
Operating CF and Investing CF	-	(666)	-	(1,002)	-	1,486	-	-	-	-
Financing Cash Flow	-	722	-	613	-	171	-	-	-	-

Source: Company Data, WRJ Calculation

FY12/2021 Company Forecasts

FY12/2021 Company forecasts (announced on 4 November 2021) have remained unchanged, going for prospective sales of ¥15,900m (up 15.1% YoY), EBITDA of ¥1,850m (up 101.6%), operating profit of ¥1,456m (versus ¥104m in the previous year), recurring profit of ¥1,366m (minus ¥281m) and profit attributable to owners of parent of ¥500m (minus ¥6,472m), while EBITDA margin of 11.6% (up 5.0% points).

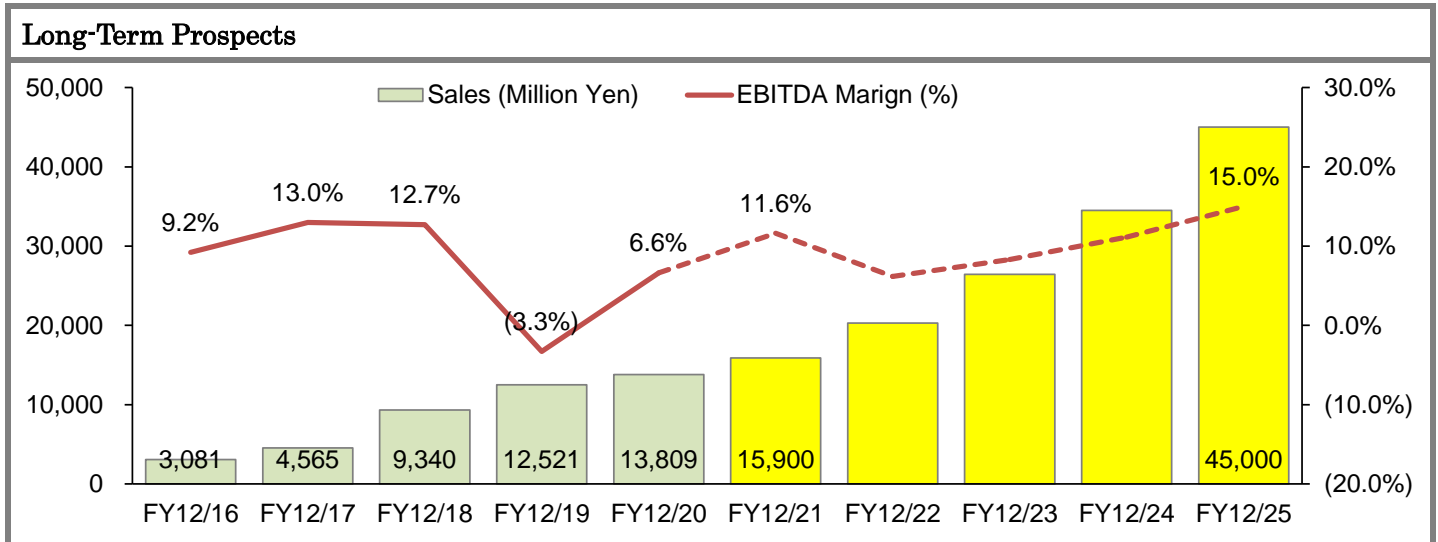
FY12/2021 Company Forecasts and the Actual Results

Consolidated Fiscal Year (Million Yen)	Date	Event	Sales	EBITDA	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent
FY12/2021CoE	10-Feb-21	Q4 Results	15,600	1,800	1,380	1,240	690
FY12/2021CoE	13-May-21	Q1 Results	15,600	1,800	1,380	1,240	690
FY12/2021CoE	5-Aug-21	Q2 Results	15,600	1,800	1,380	1,240	690
FY12/2021CoE	4-Nov-21	Q3 Results	15,900	1,850	1,456	1,366	500
		Amount of Gap	300	50	76	126	(190)
		Rate of Gap	1.9%	2.8%	5.5%	10.2%	(27.5%)
FY12/2021CoE	10-Feb-21	Q4 Results	15,600	1,800	1,380	1,240	690
FY12/2021CoE	4-Nov-21	Q3 Results	15,900	1,850	1,456	1,366	500
		Amount of Gap	300	50	76	126	(190)
		Rate of Gap	1.9%	2.8%	5.5%	10.2%	(27.5%)
Consolidated Half Year (Million Yen)	Date	Event	Sales	EBITDA	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent
Q1 to Q2 FY12/2021CoE	10-Feb-21	Q4 Results	-	-	-	-	-
Q1 to Q2 FY12/2021CoE	13-May-21	Q1 Results	-	-	-	-	-
Q1 to Q2 FY12/2021Act	5-Aug-21	Q2 Results	7,863	1,434	1,231	1,141	743
		Amount of Gap	-	-	-	-	-
		Rate of Gap	-	-	-	-	-
Q1 to Q2 FY12/2021CoE	10-Feb-21	Q4 Results	-	-	-	-	-
Q1 to Q2 FY12/2021Act	5-Aug-21	Q2 Results	7,863	1,434	1,231	1,141	743
		Amount of Gap	-	-	-	-	-
		Rate of Gap	-	-	-	-	-
Consolidated Half Year (Million Yen)	Date	Event	Sales	EBITDA	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent
Q3 to Q4 FY12/2021CoE	10-Feb-21	Q4 Results	-	-	-	-	-
Q3 to Q4 FY12/2021CoE	13-May-21	Q1 Results	-	-	-	-	-
Q3 to Q4 FY12/2021CoE	5-Aug-21	Q2 Results	7,737	366	149	99	(53)
Q3 to Q4 FY12/2021CoE	4-Nov-21	Q3 Results	8,037	416	225	225	(243)
		Amount of Gap	300	50	76	126	(190)
		Rate of Gap	3.9%	13.7%	51.0%	127.3%	-

Source: Company Data, WRJ Calculation

Long-Term Prospects

On 10 December 2021, the Company held a briefing session for its Long-Term Strategic Plan and revealed its performance target from a long-term perspective, i.e., prospective sales of some ¥45,000m and EBITDA margin of 15% for FY12/2025, implying CAGR of 30% for sales and improvement of EBITDA margin by 3.4% points, when setting FY12/2021 Company forecasts as the point of origin.



Source: Company Data, WRJ Calculation (FY12/2022 to FY12/2024: WRJ estimates)

Meanwhile, the Company is going for prospective EBITDA of no more than some ¥1,000m to some ¥1,500m for FY12/2022 due to significant investment in hiring on the SaaS Business side and marketing on the NewsPicks Business side. In light of the fact that FY12/2021 Company forecasts are going for prospective EBITDA of ¥1,850m, the Company is to suffer from a one-time adjustment in EBITDA for FY12/2022, even when the upper end of the assumptions is met. As far as we could see, the Company is looking to a situation where short-term increase in contribution of expenses in line with the above-mentioned growth investment will be more than compensated for by the positive impacts stemming from here from a long-term perspective.

By the way, according to the Company, there is a discontinuity in EBITDA aimed for FY12/2022 and thereafter, when compared with existing EBITDA. The Company is planning to introduce stock compensation plan from FY12/2022, correspondingly incurring expenses of stock compensations stemming from here, which is assumed for prospective EBITDA. That is to say, EBITDA will be larger to an extent of all those expenses falling under the category of non-cash charges. The Company argues that it would like to increase the number of personnel being capable of viewing the business from the perspectives of entrepreneurs, business managers and shareholders, while enlarging own corporate value from a long-term perspective at the same time, by means of introducing stock compensation plan. The Company also says it would like to pursue enhancement of the plan, raising the levels of remuneration for the future in order to attract the best possible talents on a global basis.

Goals for FY12/2025

As Goals for FY12/2025, Yusuke Inagaki and Taira Sakuma, both being representative director and group Co-CEO with the Company, are calling for a remarkable stride towards “awaken a world of play in business, with our insights”, advocated as Purpose by means of synergizing SaaS (products and services) and NewsPicks to a point of close fusion. Meanwhile, the Company intends to provide high economic returns to all the stakeholders as well as proving that achieving Purpose and pursuing economic rationality are not mutually exclusive by means of achieving above-mentioned high growth for itself. What is assumed for FY12/2025 as the overall picture is a consistently expanding value provided to users, driven by the measure of synergizing SaaS (products and services) and NewsPicks to a point of close fusion. At the same time, the Company is planning to appropriately implement investment in order to realize assumptions as follows:

On the SaaS Business side, it is assumed that the use of SaaS (products and services) provided by the Company on a combined basis will make progress, driving a makeover another and yet another towards “management to promptly respond to changes from a perspective of customers to support Purpose (agile management)” amongst large-sized companies in particular. For example, it is assumed for the operations of SPEEDA in Japan that the Company will lead the market with SPEEDA EXPERT RESEARCH dedicated to non-financial companies, while new products to further pursue up-selling strategy to follow SPEEDA EXPERT RESEARCH and SPEEDA R&D Plan will be launched another and yet another, consistently increasing the value provided by the Company and ARPU. For the operations overseas of SPEEDA, it is assumed that SPEEDA Edge will become must-have services for local users across the board in each region overseas and enter into a high growth phase, while SPEEDA China will establish a growth model and gradually start driving development in other regions represented by the United States. Meanwhile, with respect to FORCAS, it is assumed that the Company will command the market for B2B marketing with an overwhelming market share in Japan, while the use in the domains of sales, customer success, product development and business strategy will come to stay and the concept of customer-driven management will be spreading across Japan. Finally, for AlphaDrive/NewsPicks (AD/NP), it is assumed that the Company will become the bogging leader in Japan in the domains of corporate transformation and new business development, while increasing the number of self-driven personnel working in companies throughout Japan.

Meanwhile, on the NewsPicks Business side, it is assumed that the Company will roughly double the awareness of NewsPicks from the current levels up to over 80%, fostering talents able to take meaningful actions to bring about a sustainable society another and yet another, while being recognized as a media aiming to help people find a world of play in business and work to solve social issues together.

The Company is looking to SPEEDA EXPERT RESEARCH, FORCAS and AlphaDrive/NewsPicks(AD/NP) as the key contributors for upcoming growth for the Company as a whole and thus it appears that the Company is planning to implement investment intensively in products and services belonging to all those domains. For example, as above mentioned, the Company suggests that EBITDA will be forced to adjust for FY12/2022, albeit temporarily, due to investment in hiring on the SaaS Business side and marketing on the NewsPicks Business side. At the same time, however, the Company is calling for prospective sales of some ¥45,000m and EBITDA margin of 15% for FY12/2025, which suggests EBITDA of some ¥6,750m for FY12/2025, implying CAGR of 38.2%, when setting prospective EBITDA of ¥1,850m in FY12/2021 Company forecasts as the point of origin.

5.0 Financial Statements

Income Statement

Income Statement (Million Yen)	Cons. Act	Cons. Act	Cons. Act	Cons. Act	Cons. Act	Cons. CoE	
	FY 12/2016	FY 12/2017	FY 12/2018	FY 12/2019	FY 12/2020	FY 12/2021	YoY Net Chg.
Sales	3,081	4,565	9,340	12,521	13,809	15,900	+2,091
Cost of Sales	1,377	2,091	3,567	5,321	6,216	-	-
Gross Profit	1,703	2,474	5,772	7,200	7,592	-	-
SG&A Expenses	1,452	1,928	4,942	8,437	7,488	-	-
Operating Profit	250	545	830	(1,236)	104	1,456	+1,352
Non Operating Balance	(25)	(27)	(296)	(193)	(385)	(90)	+295
Recurring Profit	225	518	533	(1,429)	(281)	1,366	+1,647
Extraordinary Balance	0	0	354	299	(9,085)	-	-
Profit before Income Taxes	225	519	888	(1,130)	(9,366)	-	-
Total Income Taxes	(43)	77	325	619	(2,771)	-	-
NP Belonging to Non-Controlling SHs	1	3	(48)	(130)	(122)	-	-
Profit Attributable to Owners of Parent	267	438	610	(1,620)	(6,472)	500	+6,972
Sales YoY	+60.9%	+48.2%	+104.6%	+34.1%	+10.3%	+15.1%	-
Operating Profit YoY	-	+117.5%	+52.1%	-	-	-	-
Recurring Profit YoY	-	+130.0%	+2.9%	-	-	-	-
Profit Attributable to Owners of Parent YoY	+141.5%	+63.8%	+39.5%	-	-	-	-
Gross Profit Margin	55.3%	54.2%	61.8%	57.5%	55.0%	-	-
Sales to SG&A Expenses Ratio	47.1%	42.2%	52.9%	67.4%	54.2%	-	-
Operating Profit Margin	8.1%	12.0%	8.9%	(9.9%)	0.8%	9.2%	+8.4%
Recurring Profit Margin	7.3%	11.4%	5.7%	(11.4%)	(2.0%)	8.6%	+10.6%
Profit Attributable to Owners of Parent Margin	8.7%	9.6%	6.5%	(12.9%)	(46.9%)	3.1%	+50.0%
Tax Charges etc./ Pretax Profit	-	15.0%	36.7%	-	-	-	-

Source: Company Data, WRJ Calculation

Segmented Information

Segmented Information (Million Yen)	Cons. Act	Cons. Act	Cons. Act	Cons. Act	Cons. Act	Cons. CoE	
	FY 12/2016	FY 12/2017	FY 12/2018	FY 12/2019	FY 12/2020	FY 12/2021	YoY Net Chg.
SPEEDA Business	2,143	2,825	3,610	4,530	5,492	-	-
NewsPicks Business	938	1,661	2,962	4,177	5,932	-	-
Quartz Business	-	-	2,414	2,942	972	-	-
Other B2B Business	-	79	353	870	1,412	-	-
Other	-	-	-	-	-	-	-
Sales	3,081	4,565	9,340	12,521	13,809	15,900	+2,091
SPEEDA Business	-	-	1,033	1,597	2,000	-	-
NewsPicks Business	-	-	202	282	492	-	-
Quartz Business	-	-	146	(2,160)	(1,527)	-	-
Other B2B Business	-	-	(194)	(144)	(11)	-	-
Other	-	-	-	-	(50)	-	-
Company-wide / Eliminations	-	-	-	13	14	-	-
EBITDA	-	-	1,187	(411)	917	1,850	+933
SPEEDA Business	-	-	28.6%	35.3%	36.4%	-	-
NewsPicks Business	-	-	6.8%	6.8%	8.3%	-	-
Quartz Business	-	-	6.0%	(73.4%)	(157.1%)	-	-
Other B2B Business	-	-	(55.0%)	(16.6%)	(0.8%)	-	-
Other	-	-	-	-	-	-	-
Company-wide / Eliminations	-	-	0.0%	0.1%	0.1%	-	-
EBITDA Margin	9.2%	13.0%	12.7%	(3.3%)	6.6%	11.6%	+5.0%

Source: Company Data, WRJ Calculation

Balance Sheet

Balance Sheet (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.CoE	
	FY 12/2016	FY 12/2017	FY 12/2018	FY 12/2019	FY 12/2020	FY 12/2021	YoY Net Chg.
Cash and Deposit	3,096	3,217	5,725	7,954	7,584	-	-
Accounts Receivables	202	320	2,486	1,916	984	-	-
Other	146	194	381	354	658	-	-
Current Assets	3,444	3,732	8,592	10,224	9,226	-	-
Tangible Assets	54	50	426	344	554	-	-
Intangible Assets	7	127	9,291	9,001	1,214	-	-
Investments and Other Assets	112	497	494	1,388	4,831	-	-
Fixed Assets	173	676	10,211	10,733	6,600	-	-
Deferred Assets	-	-	-	-	87	-	-
Total Assets	3,618	4,408	18,804	20,958	15,915	-	-
Accounts Payables	88	183	284	319	370	-	-
Corporate Bond (less than one year)	-	-	102	102	102	-	-
Short-Term Debt	104	202	592	1,123	761	-	-
Other	765	1,146	2,588	3,587	3,989	-	-
Current Liabilities	958	1,532	3,566	5,131	5,222	-	-
Corporate Bond	-	-	378	276	174	-	-
Long-Term Debt	217	1,054	8,501	8,378	3,270	-	-
Other	3	2	41	41	129	-	-
Fixed Liabilities	220	1,056	8,920	8,695	3,573	-	-
Total Liabilities	1,179	2,589	12,487	13,826	8,796	-	-
Shareholders' Equity	2,409	1,807	5,313	6,118	5,796	-	-
Other	29	12	1,003	1,013	1,322	-	-
Net Assets	2,439	1,819	6,316	7,131	7,118	-	-
Total Liabilities and Net Assets	3,618	4,408	18,804	20,958	15,915	-	-
Equity Capital	2,409	1,812	5,261	5,871	5,772	-	-
Interest Bearing Debt	321	1,257	9,573	9,879	4,307	-	-
Net Debt	(2,774)	(1,960)	3,848	1,925	(3,277)	-	-
Capital Ratio	66.6%	41.1%	28.0%	28.0%	36.3%	-	-
Net Debt Equity Ratio	(115.2%)	(108.2%)	73.1%	32.8%	(56.8%)	-	-
ROE (12 months)	17.6%	20.7%	17.3%	(29.1%)	(111.2%)	-	-
ROA (12 months)	8.5%	12.9%	4.6%	(7.2%)	(1.5%)	-	-
Quick Ratio	344%	231%	230%	192%	164%	-	-
Current Ratio	359%	244%	241%	199%	177%	-	-

Source: Company Data, WRJ Calculation

Cash Flow Statement

Cash Flow Statement (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.CoE	
	FY 12/2016	FY 12/2017	FY 12/2018	FY 12/2019	FY 12/2020	FY 12/2021	YoY Net Chg.
Operating Cash Flow	474	817	145	60	1,026	-	-
Investing Cash Flow	(40)	(547)	(6,592)	(851)	(2,028)	-	-
Operating CF and Investing CF	433	270	(6,447)	(791)	(1,002)	-	-
Financing Cash Flow	1,395	(152)	8,968	3,282	613	-	-

Source: Company Data, WRJ Calculation

Per Share Data

Per Share Data (Before Adjustments for Split) (Yen)	Cons. Act FY 12/2016	Cons. Act FY 12/2017	Cons. Act FY 12/2018	Cons. Act FY 12/2019	Cons. Act FY 12/2020	Cons. CoE FY 12/2021	YoY Net Chg.
No. of Shares FY End (thousand shares)	7,203	29,300	30,892	32,950	36,534	-	-
Net Profit/ EPS (thousand shares)	6,663	28,951	29,918	31,548	34,688	-	-
Treasury Shares FY End (thousand shares)	-	0	0	0	0	-	-
Earnings Per Share	40.14	15.13	20.42	(51.35)	(186.58)	13.64	-
Earnings Per Share (Fully Diluted)	36.62	13.84	19.07	-	-	-	-
Book Value Per Share	338.65	61.86	170.33	178.20	158.01	-	-
Dividend Per Share	0.00	0.00	0.00	0.00	0.00	0.00	-

Per Share Data (After Adjustments for Split) (Yen)	Cons. Act FY 12/2016	Cons. Act FY 12/2017	Cons. Act FY 12/2018	Cons. Act FY 12/2019	Cons. Act FY 12/2020	Cons. CoE FY 12/2021	YoY Net Chg.
Share Split Factor	4	1	1	1	1	1	-
Earnings Per Share	10.04	15.13	20.42	(51.35)	(186.58)	13.64	-
Book Value Per Share	84.66	61.86	170.33	178.20	158.01	-	-
Dividend Per Share	0.00	0.00	0.00	0.00	0.00	0.00	-
Payout Ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-

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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