

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)
FY12/2020		13,809	917	104	(281)	(6,472)	(186.58)	0.00	158.01
FY12/2021		16,063	1,904	1,460	1,576	589	16.07	0.00	176.79
FY12/2022CoE		19,750	1,250	650	650	-	-	0.00	-
FY12/2021	YoY	16.3%	107.5%	-	-	-	-	-	-
FY12/2022CoE	YoY	23.0%	(34.3%)	(55.5%)	(58.8%)	-	-	-	-

Source: Company Data, WRJ Calculation (FY12/2022 Company forecasts: median of suggested range)

1.0 Results Update (14 February 2022)

Further Growth Investment

On 9 February 2022, UZABASE, using Business Intelligence as the core assets, released its FY12/2021 results. It has been revealed that FY12/2022 Company forecasts are going for increase by 30% for prospective sales at the upper end of suggested range, when excluding the impacts stemming from change in accounting standards and other factors. At the same time, the Company has reiterated that it is calling for prospective sales of ¥45,000m and EBITDA margin of 15.0% (versus 11.9% in FY12/2021 results) for FY12/2025, implying CAGR of some 30% (29.6%) for sales, when setting FY12/2021 results as the point of origin, and improvement in EBITDA margin by 3.1% during the same period. For FY12/2022, however, the Company will continue to aggressively implement growth investment, following on from FY12/2021, inevitably resulting in a here-today-gone-tomorrow adjustment in EBITDA margin. On the SaaS Business side, the Company is going for increase in expenses, principally that of newly hiring personnel to reinforce sales of SPEEDA EXPERT RESEARCH, FORCAS and AlphaDrive/NewsPicks, while that of marketing to increase the number of paid individual subscribers to be acquired on the NewsPicks Business side.

For your reference 1): [2021 Full-Year Financial Results Briefing \(9 February 2022\)](#)

For your reference 2): [Long-Term Strategy Briefing Report \(17 December 2021\)](#)

For your reference 3): (business model, etc.) [UZABASE \(3966\) CAGR of 30% \(24 January 2022\)](#)

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	(agenda) 4 April 2022: Tokyo Stock Exchange “growth market” 21 October 2016: Tokyo Stock Exchange Mothers (ticker: 3966)	
Capital	¥7,188m (as of the end of December 2021)	
No. of Shares	36,750,126 shares, including 258 treasury shares (as of the end of December 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 . SaaS Business II . NewsPicks Business	
Representatives	Representative director and group Co-CEO: Yusuke Inagaki / Taira Sakuma	
Shareholders	Ryosuke Niino 16.4%, Yusuke Umeda 12.4%, Yusuke Inagaki 6.8%, SSBTC Client Omnibus Account 5.8% (as of the end of December 2021, but for treasury shares)	
Head Office	Minato-ku, Tokyo, JAPAN	
No. of Personnel	Group-wide: 806 (as of the end of Dec. 2021 / directors, regular and contract)	

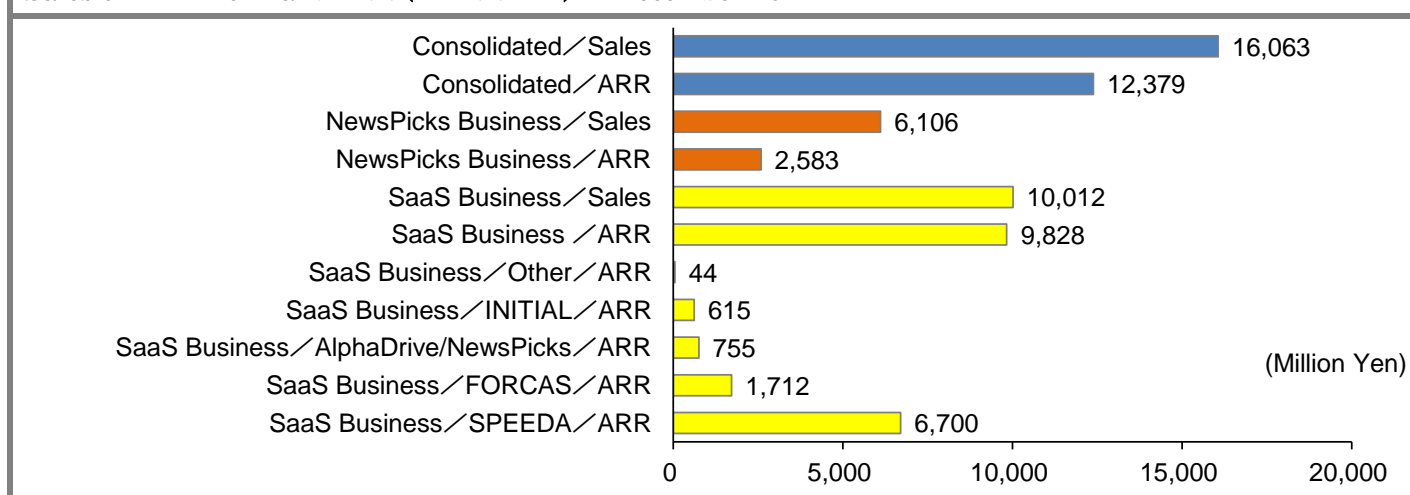
Source: Company Data

3.0 Recent Trading and Prospects

FY12/2021

In FY12/2021, sales came in at ¥16,063m (up 16.3% YoY), EBITDA ¥1,904m (up 107.5%), operating profit ¥1,460m (versus ¥104m in the previous year), recurring profit ¥1,576m (minus ¥281m) and profit attributable to owners of parent ¥589m (minus ¥6,472m), while EBITDA margin 11.9% (up 5.2% points). In terms of trends in continuing operations, the Company saw increase in sales by 25% from FY12/2020, while ARR came in at ¥12,379m (up 23%).

Sales of FY12/2021 and ARR (= MRR×12) in December 2021



Source: Company Data, WRJ Calculation

SaaS Business

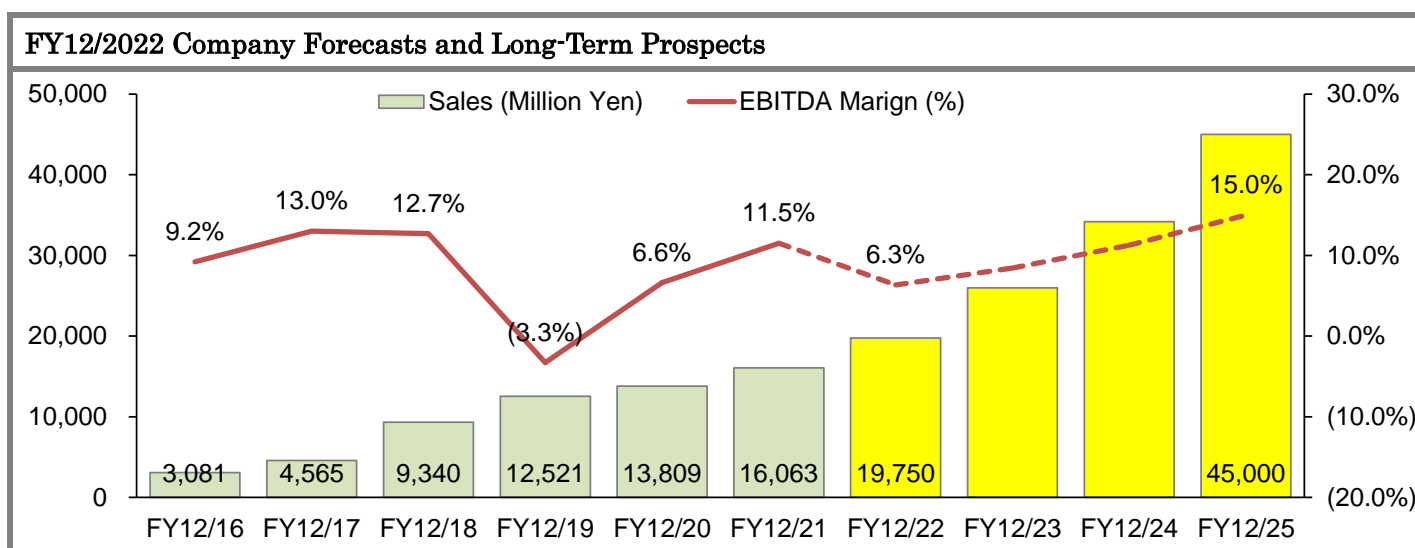
Sales came in at ¥10,012m (up 32%), ARR ¥9,828m (up 29%), EBITDA ¥1,580m and EBITDA margin 15.8%. ARR here, presumably accounting for some 90% of sales, representing the size of billing revenue from each product, comprises that of ¥6,700m (up 21%) for SPEEDA, ¥1,712m (up 42%) for FORCAS, ¥755m (up 87%) for AlphaDrive/NewsPicks, ¥615m (up 47%) for INITIAL and ¥44m for Other. With respect to that of the mainstay SPEEDA, the Company is currently seeing a trend of recovery in its growth rate together with a consistent decline in the churn rate. On top of this, sales of SPEEDA EXPERT RESEARCH are swiftly taking off, resulting in sales of ¥6,845m (up 24%) for those of SPEEDA as a whole. Meanwhile, the Company is seeing ongoing high growth in ARR of products launched rather lately, driving ARR for SaaS Business as a whole, i.e., FORCAS, AlphaDrive/NewsPicks and INITIAL.

NewsPicks Business

Sales came in at ¥6,106m (up 15%), ARR ¥2,583m (up 3%), EBITDA ¥488m and EBITDA margin 8.0%. Meanwhile, sales comprised those of ¥2,339m (up 6%) for paid subscriptions, ¥2,914m (up 18%) for advertising revenue and ¥852m (up 40%) for other (publishing, etc.). ARR here, representing the size of billing revenue from paid individual subscribers of NewsPicks, has inevitably suffered from a recoil reduction as a result of one-time surge in the number of paid individual subscribers occurred in FY12/2020, according to the Company.

FY12/2022 Company Forecasts

FY12/2022 Company forecasts (announced on 9 February 2022) are going for prospective sales of ¥19,750m (up 23.0% YoY), EBITDA of ¥1,250m (down 34.3%), operating profit of ¥650m (down 55.5%) and recurring profit of ¥650m (down 58.8%), while EBITDA margin of 6.3% (down 5.5 % points), in terms of median of suggested range, e.g., ¥19,500m (up 21%) to ¥20,000m (up 25%) for sales and ¥1,000m (down 47%) to ¥1,500m (down 21%) for EBITDA. By the way, prospective sales are expected to increase by 26% at the lower end of the range and 30% for the upper end, when excluding the impacts stemming from change in accounting standards and other factors on the NewsPicks Business side.



Source: Company Data, WRJ Calculation (FY12/2022 Company forecasts: median of suggested ranges)

SaaS Business

From FY12/2021 to FY12/2022, the Company is going for prospective sales growth rate by 30% to 33%, which will bring in some positive impacts to EBITDA, while the Company is also going for net increase in costs by collective ¥1,999m, comprising ¥493m from "marketing costs", ¥461m from "engineer labor costs" and ¥1,044m from "other labor costs (mainly sales)".

NewsPicks Business

From FY12/2021 to FY12/2022, the Company is going for prospective sales growth rate by 6% to 9%, while by 18% for the lower end of the range and 21% for the upper end, when excluding the impacts stemming from change in accounting standards and other factors, according to the Company. Anyhow, this will bring in some positive impacts to EBITDA, while the Company is also going for net increase in costs by collective ¥1,282m, comprising ¥732m from "marketing costs", ¥170m from "engineer labor costs" and ¥378m from "other labor costs (mainly editors and journalists)".

Moreover, for the Company as a whole, there will be spending of ¥320m on "investment in internal systems" and net increase in "other costs" by ¥738m. Meanwhile, Company forecasts are going for net increase in sales by ¥3,936m at the upper end of the range, bringing in EBITDA of ¥1,500m (upper end) after deducting each of net increase in costs above-mentioned, while they will be ¥3,436m and ¥1,000m, respectively, at the lower end, according to the Company.

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	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	7,863	11,738	16,063		+2,254
Cost of Sales	1,549	3,127	4,629	6,216	1,473	2,964	4,563	6,283		+67
Gross Profit	1,621	3,226	5,308	7,592	2,491	4,899	7,175	9,780		+2,188
SG&A Expenses	1,885	3,778	5,618	7,488	1,752	3,667	5,727	8,319		+831
Operating Profit	(263)	(551)	(309)	104	739	1,231	1,447	1,460		+1,356
Non Operating Balance	(54)	(114)	(179)	(385)	(62)	(90)	(126)	116		+501
Recurring Profit	(317)	(665)	(488)	(281)	677	1,141	1,321	1,576		+1,857
Extraordinary Balance	-	(179)	(8,005)	(9,085)	-	-	(500)	(362)		+8,723
Profit before Income Taxes	(317)	(844)	(8,493)	(9,366)	677	1,141	821	1,214		+10,580
Total Income Taxes	185	317	(2,367)	(2,771)	235	439	386	438		+3,209
NP Belonging to Non-Controlling SHs	(29)	(50)	(63)	(122)	(40)	(41)	(59)	187		+309
Profit Attributable to Owners of Parent	(473)	(1,110)	(6,063)	(6,472)	482	743	495	589		+7,061
Sales YoY	+11.4%	+12.2%	+17.3%	+10.3%	+25.0%	+23.8%	+18.1%	+16.3%		-
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%	60.9%		+5.9%
Sales to SG&A Expenses Ratio	59.4%	59.5%	56.5%	54.2%	44.2%	46.6%	48.8%	51.8%		(2.4%)
Operating Profit Margin	(8.3%)	(8.7%)	(3.1%)	0.8%	18.6%	15.7%	12.3%	9.1%		+8.3%
Recurring Profit Margin	(10.0%)	(10.5%)	(4.9%)	(2.0%)	17.1%	14.5%	11.3%	9.8%		+11.8%
Profit Attributable to Owners of Parent Margin	(14.9%)	(17.5%)	(61.0%)	(46.9%)	12.2%	9.4%	4.2%	3.7%		+50.5%
Tax Charges / Pretax Profit	-	-	-	-	34.7%	38.5%	47.0%	36.1%		-
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	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	3,898	3,875	4,325		+454
Cost of Sales	1,549	1,578	1,502	1,587	1,473	1,491	1,599	1,720		+133
Gross Profit	1,621	1,605	2,082	2,284	2,491	2,408	2,276	2,605		+321
SG&A Expenses	1,885	1,893	1,840	1,870	1,752	1,915	2,060	2,592		+722
Operating Profit	(263)	(288)	242	413	739	492	216	13		(400)
Non Operating Balance	(54)	(60)	(65)	(206)	(62)	(28)	(36)	242		+448
Recurring Profit	(317)	(348)	177	207	677	464	180	255		+48
Extraordinary Balance	-	(179)	(7,826)	(1,080)	-	-	(500)	138		+1,218
Profit before Income Taxes	(317)	(527)	(7,649)	(873)	677	464	(320)	393		+1,266
Total Income Taxes	185	132	(2,684)	(404)	235	204	(53)	52		+456
NP Belonging to Non-Controlling SHs	(29)	(21)	(13)	(59)	(40)	(1)	(18)	246		+305
Profit Attributable to Owners of Parent	(473)	(637)	(4,953)	(409)	482	261	(248)	94		+503
Sales YoY	+11.4%	+13.0%	+27.6%	(4.4%)	+25.0%	+22.5%	+8.1%	+11.7%		-
Operating Profit YoY	-	-	-	+106.5%	-	-	(10.7%)	(96.9%)		-
Recurring Profit YoY	-	-	-	+60.5%	-	-	+1.7%	+23.2%		-
Profit Attributable to Owners of Parent YoY	-	-	-	-	-	-	-	-		-
(Costs of Sales / Sales)	48.8%	49.6%	41.9%	41.0%	37.2%	38.3%	41.3%	39.8%		(1.2%)
Gross Profit Margin	51.1%	50.4%	58.1%	59.0%	62.8%	61.8%	58.7%	60.2%		+1.2%
Sales to SG&A Expenses Ratio	59.4%	59.5%	51.3%	48.3%	44.2%	49.1%	53.2%	59.9%		+11.6%
Operating Profit Margin	(8.3%)	(9.0%)	6.8%	10.7%	18.6%	12.6%	5.6%	0.3%		(10.4%)
Recurring Profit Margin	(10.0%)	(10.9%)	4.9%	5.3%	17.1%	11.9%	4.6%	5.9%		+0.5%
Profit Attributable to Owners of Parent Margin	(14.9%)	(20.0%)	(138.2%)	(10.6%)	12.2%	6.7%	(6.4%)	2.2%		+12.7%
Tax Charges / Pretax Profit	-	-	-	-	34.7%	44.0%	-	13.2%		-

Source: Company Data, WRJ Calculation

Profit and Loss Sheet by Segment (Quarterly)

Profit and Loss Sheet by Segment (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		
SaaS Business / Sales	1,784	1,760	1,923	2,117	2,309	2,384	2,507	2,810	+693	
NewsPicks Business / Sales	1,099	1,173	1,376	1,639	1,664	1,525	1,372	1,543	(96)	
SaaS Business / Sales (YoY)	+47.3%	+33.4%	+35.8%	+25.6%	+29.4%	+35.5%	+30.4%	+32.7%	-	
NewsPicks Business / Sales (YoY)	+8.9%	+36.7%	+61.7%	+25.6%	+51.4%	+30.0%	(0.3%)	(5.9%)	-	
SaaS Business / EBITDA	539	462	503	360	524	471	354	230	(130)	
NewsPicks Business / EBITDA	90	21	291	175	321	138	42	(14)	(189)	
SaaS Business / EBITDA Margin	30.2%	26.3%	26.2%	17.0%	22.7%	19.8%	14.1%	8.2%	(8.8%)	
NewsPicks Business / EBITDA Margin	8.2%	1.8%	21.1%	10.7%	19.3%	9.0%	3.1%	(0.9%)	(11.6%)	
SaaS Business / ARR	6,480	6,724	7,119	7,591	8,063	8,647	9,133	9,828	+2,237	
NewsPicks Business / ARR	2,079	2,609	2,534	2,518	2,564	2,483	2,568	2,583	+65	
SaaS Business / ARR (YoY)	+34%	+27%	+26%	+22%	+24%	+29%	+28%	+29%	-	
NewsPicks Business / ARR (YoY)	+16%	+45%	+32%	+26%	+23%	(5%)	+1%	+3%	-	

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	10,613	+3,029	
Accounts Receivables	1,518	1,294	1,121	984	1,473	1,067	1,006	1,147	+163	
Other	390	362	380	658	663	505	554	577	(81)	
Current Assets	9,239	9,639	11,835	9,226	9,579	10,850	10,805	12,337	+3,111	
Tangible Assets	522	701	595	554	525	521	195	271	(283)	
Intangible Assets	8,807	9,028	1,184	1,214	1,216	1,265	1,333	1,418	+204	
Investments and Other Assets	1,370	1,714	4,824	4,831	4,782	5,063	5,646	6,206	+1,375	
Fixed Assets	10,700	11,444	6,603	6,600	6,524	6,850	7,176	7,896	+1,296	
Deferred Assets	-	-	96	87	78	70	61	52	(35)	
Total Assets	19,940	21,083	18,536	15,915	16,182	17,770	18,042	20,286	+4,371	
Accounts Payables	250	237	223	370	409	354	357	484	+114	
Corporate Bond (less than one year)	102	102	102	102	102	102	102	102	0	
Short-Term Debt	1,408	1,636	1,734	761	930	1,020	1,003	1,218	+457	
Other	3,175	4,241	3,787	3,989	3,942	4,946	4,961	5,660	+1,671	
Current Liabilities	4,935	6,216	5,846	5,222	5,383	6,422	6,423	7,464	+2,242	
Corporate Bond	246	225	195	174	144	123	93	72	(102)	
Long-Term Debt	7,929	7,480	5,104	3,270	2,911	2,630	2,501	2,622	(648)	
Other	41	126	126	129	132	134	162	158	+29	
Fixed Liabilities	8,216	7,831	5,425	3,573	3,187	2,887	2,756	2,852	(721)	
Total Liabilities	13,151	14,048	11,271	8,796	8,570	9,309	9,179	10,316	+1,520	
Shareholders' Equity	5,663	6,026	6,173	5,796	6,296	6,562	6,321	6,422	+626	
Other	1,125	1,009	1,091	1,322	1,315	1,898	2,542	3,548	+2,226	
Net Assets	6,788	7,035	7,264	7,118	7,611	8,460	8,863	9,970	+2,852	
Total Liabilities and Net Assets	19,940	21,083	18,536	15,915	16,182	17,770	18,042	20,286	+4,371	
Equity Capital	5,349	5,613	5,855	5,772	6,303	6,569	6,339	6,496	+724	
Interest Bearing Debt	9,685	9,443	7,135	4,307	4,087	3,875	3,699	4,014	(293)	
Net Debt	2,354	1,460	(3,199)	(3,277)	(3,356)	(5,403)	(5,546)	(6,599)	(3,322)	
Capital Ratio	26.8%	26.6%	31.6%	36.3%	38.9%	37.0%	35.1%	32.0%	-	
Net Debt Equity Ratio	44.0%	26.0%	(54.6%)	(56.8%)	(53.2%)	(82.2%)	(87.5%)	(101.6%)	-	
ROE (12 months)	(35.8%)	(36.8%)	(132.2%)	(111.2%)	(94.7%)	(75.8%)	1.4%	9.6%	-	
ROA (12 months)	(7.2%)	(5.5%)	(2.0%)	(1.5%)	3.9%	7.9%	8.4%	8.7%	-	
Quick Ratio	179%	149%	196%	164%	166%	161%	160%	158%	-	
Current Ratio	187%	155%	202%	177%	178%	169%	168%	165%	-	

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	-	2,696	+1,670	
Investing Cash Flow	-	(931)	-	(2,028)	-	(571)	-	(1,066)	+962	
Operating CF and Investing CF	-	(666)	-	(1,002)	-	1,486	-	1,630	+2,632	
Financing Cash Flow	-	722	-	613	-	171	-	1,404	+791	

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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