

UZABASE (3966)

Consolidated Fiscal Year		Sales	EBITDA	Operating Profit	Recurring Profit	Profit At. to Owners of Parent	DPS (Yen)
(Million Yen)							
FY12/2021		15,726	1,872	1,429	1,545	571	0.00
FY12/2022CoE (lower end)		19,500	1,000	400	400	-	0.00
FY12/2022CoE (median)		19,750	1,250	650	650	-	0.00
FY12/2022CoE (upper end)		20,000	1,500	900	900	-	0.00
FY12/2022CoE (lower end)	YoY	24.0%	(46.6%)	(72.0%)	(74.1%)	-	-
FY12/2022CoE (median)	YoY	25.6%	(33.2%)	(54.5%)	(57.9%)	-	-
FY12/2022CoE (upper end)	YoY	27.2%	(19.9%)	(37.0%)	(41.7%)	-	-
Consolidated Quarter		Sales	EBITDA	Operating Profit	Recurring Profit	Profit At. to Owners of Parent	DPS (Yen)
(Million Yen)							
Q1 FY12/2021		3,877	825	726	665	472	-
Q1 FY12/2022		4,305	658	517	700	418	-
Q1 FY12/2022	YoY	11.0%	(20.2%)	(28.8%)	5.3%	(11.5%)	-

Source: Company Data, WRJ Calculation (after retroactive adjustment for changes of accounting standards)

1.0 Results Update (18 May 2022)

Heading for Growth Rate of 30%

On 13 May 2022, UZABASE, using Business Intelligence as the core assets, released its Q1 FY12/2022 results. It has been revealed that FY12/2022 Company forecasts are going for sales growth rate of as much as 27% with the upper end of the suggested range in terms of changes after retroactive adjustment for changes of accounting standards. In other words, the Company is to almost achieve its long-term target of seeing CAGR of 30% for sales, when the upper end forecasts are met. However, sales have increased by no more than 11% for Q1 FY12/2022. Sales on the SaaS Business side have increased by no less than 26%, but sales on the NewsPicks Business side have declined by 11% or having come down over the same period of the previous year. This is due to declining sales of advertising and publishing operations on top of the impacts stemming from having pulled out of NewsPicks Ginza. Still, the mainstay operations of billing retail paid subscribers of NewsPicks saw ARR edged up. More importantly, the Company has started up implementing large-scale marketing investment for Q2 (April to June), represented by running TV commercial, with an objective of enhancing the acquisitions of non-paid subscribers. It will take a while for this to eventually lead to enhancement of the acquisitions of paid subscribers and thus ARR, which is anyhow expected to result in a recovery on the NewsPicks Business side as a whole at the end of the day.

For your reference:

- [Q1 FY2022 Financial Results Briefing \(transcript\)](#)
- 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	4 April 2022: Tokyo Stock Exchange Growth Market (ticker:3966) 21 October 2016: Tokyo Stock Exchange Mothers	
Capital	¥7,189m (as of the end of March 2022)	
No. of Shares	36,868,766 shares, including 304 treasury shares (as of the end of March 2022)	
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	Chiyoda-ku, Tokyo, JAPAN	
No. of Personnel	Consolidated: 611, Parent: 198 (as of the end of December 2021)	

Source: Company Data

3.0 Recent Trading and Prospects

Q1 FY12/2022

In Q1 FY12/2022, sales came in at ¥4,305m (up 11% YoY), EBITDA ¥658m (down 20%), operating profit ¥517m (down 29%), recurring profit ¥700m (up 5%) and profit attributable to owners of parent ¥418m (down 12%), while EBITDA margin 15.3% (down 6.0% points). Meanwhile, ARR for the Company as a whole came in at ¥12,958m (up 22%). According to the Company, the Q1 results are favorably in line with assumptions of initial Company forecasts.

SaaS Business

Sales came in at ¥2,905m (up 26%), EBITDA ¥499m and EBITDA margin 17.2%, while ARR came in at ¥10,324m (up 28%). ARR comprises that of ¥7,006m (up 20%) for SPEEDA, ¥1,838m (up 43%) for FORCAS, ¥749m (up 51%) for AlphaDrive/NewsPicks and ¥670m (up 49%) for INITIAL. While ARR of SPEEDA, which has been a traditional service, continues to grow at a high rate, ARR of FORCAS, AlphaDrive/NewsPicks and INITIAL, in which the Company is investing for the sake of bringing them up as the next growth drivers, continues to grow at a considerably high rate. It should be highly appreciated that the Company saw EBITDA margin of 17.2% in this segment even after aggressive investment for the sake of bring up all those high growth potential services. It has been revealed that the Company has seen some losses at the EBITDA level, albeit not much, for FORCAS and AlphaDrive/NewsPicks, while limited surplus of EBITDA for INITIAL. On the other hand, SPEEDA saw sales of ¥1,949m (up 23%), EBITDA of ¥629m and EBITDA margin of 32.3%, implying that a major contribution is coming out from here for a high level of EBITDA margin in this segment as a whole.

NewsPicks Business

Sales came in at ¥1,409m (down 11%), EBITDA ¥178m and EBITDA margin 12.7%. Paid subscriptions to bill retail users saw sales of ¥611m (up 5%), advertising operations ¥708m (down 4%) and other operations ¥88m (down 67%), while paid subscriptions saw ARR of ¥2,668m (up 4%). It has been already mentioned how to recover growth rate of paid subscriptions, while the Company also argues that it is possible to pursue future growth for advertising operations, given ongoing strengths of business inquiries. The Company is currently implementing measures to expand its capacity to actually capture all those needs, while newly setting up a sales team dedicated to video ads. For other operations, sales declined, having pulled out of NewsPicks Ginza and having suffered from a non-reappearance of hit titles to have had appeared during the same period of the previous year.

FY12/2022 Company Forecasts

FY12/2022 Company forecasts in terms of ranges (announced on 9 February 2022) have remained unchanged, going for prospective sales of ¥20,000m (up 27% YoY), EBITDA of ¥1,500m (down 20%) and EBITDA margin of 7.5% (down 4.4% points) at the upper end of the ranges, while the lower end and the median are as noted in the table below. Meanwhile, Company forecasts assume implementation of aggressive investment to ensure a long-term CAGR of 30% in sales for the future in the first place.

FY12/2022 Company Forecasts				
Consolidated Fiscal Year (Million Yen)		Sales	EBITDA	EBITDA Margin
FY12/2021		15,726	1,872	11.9%
FY12/2022CoE (lower end)		19,500	1,000	5.1%
FY12/2022CoE (median)		19,750	1,250	6.3%
FY12/2022CoE (upper end)		20,000	1,500	7.5%
FY12/2022CoE (lower end)		YoY	24.0%	(46.6%)
FY12/2022CoE (median)		YoY	25.6%	(33.2%)
FY12/2022CoE (upper end)		YoY	27.2%	(19.9%)

Source: Company Data, WRJ Calculation (after retroactive adjustment for changes of accounting standards)

Since the beginning of FY12/2022, revenue recognition accounting standards have been adopted for the Company, which has changed criteria to book sales, etc. as follows: On the SaaS Business side, initial payment for using a service is now distributed over the entire contract period versus lump sum at the start of a contract prior to this. This has delayed sales and thus earnings accordingly. Meanwhile, on the NewsPicks Business side, a part of sales in advertising operations are now booked on a net basis versus all on a gross basis prior to this, having cut back on sales to a corresponding extent. Still, this does not affect earnings as cost of sales corresponding to this is now eliminated. By the way, this report is based on data after retroactive adjustment for changes of accounting standards, but for portions **highlighted** in the financial statements.

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.
	12/2021	12/2021	12/2021	12/2021	12/2022	12/2022	12/2022	12/2022	12/2022	
Sales	3,877	7,863	11,738	16,063	4,305	-	-	-	-	+428
Cost of Sales	1,398	2,964	4,563	6,283	1,400	-	-	-	-	+2
Gross Profit	2,479	4,899	7,175	9,780	2,904	-	-	-	-	+425
SG&A Expenses	1,752	3,667	5,727	8,319	2,386	-	-	-	-	+634
Operating Profit	726	1,231	1,447	1,460	517	-	-	-	-	(209)
Non Operating Balance	(61)	(90)	(126)	116	183	-	-	-	-	+244
Recurring Profit	665	1,141	1,321	1,576	700	-	-	-	-	+35
Extraordinary Balance	-	-	(500)	(362)	(5)	-	-	-	-	(5)
Profit before Income Taxes	665	1,141	821	1,214	695	-	-	-	-	+30
Total Income Taxes	233	439	386	438	108	-	-	-	-	(125)
NP Belonging to Non-Controlling SHs	(40)	(41)	(59)	187	168	-	-	-	-	+208
Profit Attributable to Owners of Parent	472	743	495	589	418	-	-	-	-	(54)
Sales YoY	-	-	-	-	+11.0%	-	-	-	-	-
Operating Profit YoY	-	-	-	-	(28.8%)	-	-	-	-	-
Recurring Profit YoY	-	-	-	-	+5.3%	-	-	-	-	-
Profit Attributable to Owners of Parent YoY	-	-	-	-	(11.5%)	-	-	-	-	-
Gross Profit Margin	63.9%	62.3%	61.1%	60.9%	67.5%	-	-	-	-	+3.5%
Sales to SG&A Expenses Ratio	45.2%	46.6%	48.8%	51.8%	55.4%	-	-	-	-	+10.2%
Operating Profit Margin	18.7%	15.7%	12.3%	9.1%	12.0%	-	-	-	-	(6.7%)
Recurring Profit Margin	17.2%	14.5%	11.3%	9.8%	16.3%	-	-	-	-	(0.9%)
Profit Attributable to Owners of Parent Margin	12.2%	9.4%	4.2%	3.7%	9.7%	-	-	-	-	(2.5%)
Tax Charges / Pretax Profit	35.0%	38.5%	47.0%	36.1%	15.5%	-	-	-	-	(19.5%)
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.
	12/2021	12/2021	12/2021	12/2021	12/2022	12/2022	12/2022	12/2022	12/2022	
Sales	3,877	3,986	3,875	4,325	4,305	-	-	-	-	+428
Cost of Sales	1,398	1,566	1,599	1,720	1,400	-	-	-	-	+2
Gross Profit	2,479	2,420	2,276	2,605	2,904	-	-	-	-	+425
SG&A Expenses	1,752	1,915	2,060	2,592	2,386	-	-	-	-	+634
Operating Profit	726	505	216	13	517	-	-	-	-	(209)
Non Operating Balance	(61)	(29)	(36)	242	183	-	-	-	-	+244
Recurring Profit	665	476	180	255	700	-	-	-	-	+35
Extraordinary Balance	-	-	(500)	138	(5)	-	-	-	-	(5)
Profit before Income Taxes	665	476	(320)	393	695	-	-	-	-	+30
Total Income Taxes	233	206	(53)	52	108	-	-	-	-	(125)
NP Belonging to Non-Controlling SHs	(40)	(1)	(18)	246	168	-	-	-	-	+208
Profit Attributable to Owners of Parent	472	271	(248)	94	418	-	-	-	-	(54)
Sales YoY	-	-	-	-	+11.0%	-	-	-	-	-
Operating Profit YoY	-	-	-	-	(28.8%)	-	-	-	-	-
Recurring Profit YoY	-	-	-	-	+5.3%	-	-	-	-	-
Profit Attributable to Owners of Parent YoY	-	-	-	-	(11.5%)	-	-	-	-	-
(Costs of Sales / Sales)	36.1%	39.3%	41.3%	39.8%	32.5%	-	-	-	-	(3.5%)
Gross Profit Margin	63.9%	60.7%	58.7%	60.2%	67.5%	-	-	-	-	+3.5%
Sales to SG&A Expenses Ratio	45.2%	48.0%	53.2%	59.9%	55.4%	-	-	-	-	+10.2%
Operating Profit Margin	18.7%	12.7%	5.6%	0.3%	12.0%	-	-	-	-	(6.7%)
Recurring Profit Margin	17.2%	11.9%	4.6%	5.9%	16.3%	-	-	-	-	(0.9%)
Profit Attributable to Owners of Parent Margin	12.2%	6.8%	(6.4%)	2.2%	9.7%	-	-	-	-	(2.5%)
Tax Charges / Pretax Profit	35.0%	43.3%	-	13.2%	15.5%	-	-	-	-	(19.5%)

Source: Company Data, WRJ Calculation (after retroactive adjustment for changes of accounting standards)

Segment PL (Quarterly)

Segment PL (Quarterly)	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.
	12/2021	12/2021	12/2021	12/2021	12/2022	12/2022	12/2022	12/2022		
SaaS Business (before adjustment)	2,296	2,360	2,513	2,813	2,905	-	-	-		+609
NewsPicks Business (before adjustment)	1,589	1,422	1,273	1,512	1,409	-	-	-		(180)
Sales	3,885	3,782	3,786	4,325	4,314	-	-	-		+429
SaaS Business	+30%	+35%	+30%	+33%	+26%	-	-	-		-
NewsPicks Business	+46%	+27%	(5%)	(5%)	(11%)	-	-	-		-
Sales (YoY)	+36%	+32%	+16%	+17%	+11%	-	-	-		-
SaaS Business	59%	62%	66%	65%	67%	-	-	-		-
NewsPicks Business	41%	38%	34%	35%	33%	-	-	-		-
Sales (Composition)	100%	100%	100%	100%	100%	-	-	-		-
SaaS Business	509	443	354	228	499	-	-	-		(10)
NewsPicks Business	323	140	46	(10)	178	-	-	-		(145)
EBITDA (Simple Total but fot Other)	833	583	400	218	677	-	-	-		(156)
SaaS Business	(3%)	(1%)	(30%)	(36%)	(2%)	-	-	-		-
NewsPicks Business	+259%	+536%	(84%)	-	(45%)	-	-	-		-
EBITDA (YoY)	+35%	+24%	(50%)	(59%)	(19%)	-	-	-		-
SaaS Business	61%	76%	89%	105%	74%	-	-	-		-
NewsPicks Business	39%	24%	12%	(5%)	26%	-	-	-		-
EBITDA (Composition)	100%	100%	100%	100%	100%	-	-	-		-
SaaS Business	22.2%	18.8%	14.1%	8.1%	17.2%	-	-	-		(5.0%)
NewsPicks Business	20.3%	9.8%	3.6%	(0.7%)	12.6%	-	-	-		(7.7%)
EBITDA Margin	21.4%	15.4%	10.6%	5.0%	15.7%	-	-	-		(5.7%)

Source: Company Data, WRJ Calculation (after retroactive adjustment for changes of accounting standards)

ARR (Quarterly)

ARR	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.
	12/2021	12/2021	12/2021	12/2021	12/2022	12/2022	12/2022	12/2022		
SaaS Business	8,063	8,647	9,133	9,828	10,324	-	-	-		+2,261
NewsPicks Business	2,564	2,483	2,568	2,583	2,668	-	-	-		+104
ARR	10,627	11,130	11,701	12,411	12,992	-	-	-		+2,365
SaaS Business	+24%	+29%	+28%	+29%	+28%	-	-	-		-
NewsPicks Business	+23%	(5%)	+1%	+3%	+4%	-	-	-		-
ARR (YoY)	+24%	+19%	+21%	+23%	+22%	-	-	-		-
SaaS Business	76%	78%	78%	79%	79%	-	-	-		-
NewsPicks Business	24%	22%	22%	21%	21%	-	-	-		-
ARR (YoY)	100%	100%	100%	100%	100%	-	-	-		-

Source: Company Data, WRJ Calculation (after retroactive adjustment for changes of accounting standards)

Balance Sheet (Quarterly)

Balance Sheet	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.
	12/2021	12/2021	12/2021	12/2021	12/2022	12/2022	12/2022	12/2022		
Cash and Deposit	7,443	9,278	9,245	10,613	8,400	-	-	-	-	-
Accounts Receivables	1,473	1,067	1,006	1,147	1,353	-	-	-	-	-
Other	663	505	554	577	611	-	-	-	-	-
Current Assets	9,579	10,850	10,805	12,337	10,364	-	-	-	-	-
Tangible Assets	525	521	195	271	237	-	-	-	-	-
Intangible Assets	1,216	1,265	1,333	1,418	1,641	-	-	-	-	-
Investments and Other Assets	4,782	5,063	5,646	6,231	7,271	-	-	-	-	-
Fixed Assets	6,524	6,850	7,176	7,921	9,149	-	-	-	-	-
Deferred Assets	78	70	61	52	43	-	-	-	-	-
Total Assets	16,182	17,770	18,042	20,312	19,557	-	-	-	-	-
Accounts Payables	409	354	357	484	426	-	-	-	-	-
Corporate Bond (less than one year)	102	102	102	102	102	-	-	-	-	-
Short-Term Debt	930	1,020	1,003	1,218	1,128	-	-	-	-	-
Other	3,942	4,946	4,961	5,744	5,126	-	-	-	-	-
Current Liabilities	5,383	6,422	6,423	7,548	6,782	-	-	-	-	-
Corporate Bond	144	123	93	72	42	-	-	-	-	-
Long-Term Debt	2,911	2,630	2,501	2,622	2,349	-	-	-	-	-
Other	132	134	162	158	58	-	-	-	-	-
Fixed Liabilities	3,187	2,887	2,756	2,852	2,449	-	-	-	-	-
Total Liabilities	8,570	9,309	9,179	10,400	9,231	-	-	-	-	-
Shareholders' Equity	6,296	6,562	6,321	6,363	6,783	-	-	-	-	-
Other	1,315	1,898	2,542	3,548	3,543	-	-	-	-	-
Net Assets	7,611	8,460	8,863	9,911	10,326	-	-	-	-	-
Total Liabilities and Net Assets	16,182	17,770	18,042	20,312	19,557	-	-	-	-	-
Equity Capital	6,303	6,569	6,339	6,437	6,922	-	-	-	-	-
Interest Bearing Debt	4,087	3,875	3,699	4,014	3,621	-	-	-	-	-
Net Debt	(3,356)	(5,403)	(5,546)	(6,599)	(4,779)	-	-	-	-	-
Capital Ratio	38.9%	37.0%	35.1%	31.7%	35.4%	-	-	-	-	-
Net Debt Equity Ratio	(53.2%)	(82.2%)	(87.5%)	(102.5%)	(69.0%)	-	-	-	-	-
ROE (12 months)	(94.9%)	(75.8%)	1.4%	9.6%	8.1%	-	-	-	-	-
ROA (12 months)	3.9%	7.9%	8.4%	8.7%	9.0%	-	-	-	-	-
Quick Ratio	166%	161%	160%	156%	144%	-	-	-	-	-
Current Ratio	178%	169%	168%	163%	153%	-	-	-	-	-

Source: Company Data, WRJ Calculation (after retroactive adjustment for changes of accounting standards)

Cash Flow Statement (Cumulative)

Cash Flow 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.
	12/2021	12/2021	12/2021	12/2021	12/2022	12/2022	12/2022	12/2022		
Operating Cash Flow	-	2,057	-	2,696	-	-	-	-	-	-
Investing Cash Flow	-	(571)	-	(1,066)	-	-	-	-	-	-
Operating CF and Investing CF	-	1,486	-	1,630	-	-	-	-	-	-
Financing Cash Flow	-	171	-	1,404	-	-	-	-	-	-

Source: Company Data, WRJ Calculation (after retroactive adjustment for changes of accounting standards)

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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