

UZABASE (3966)

Consolidated Fiscal Year		Sales	EBITDA	EBITDA Margin	Operating Profit	Recurring Profit	Profit At. to Owners of Parent
(Million Yen)							
FY12/2021		15,724	1,870	11.9%	1,428	1,543	570
FY12/2022CoE (lower end)		19,500	1,000	5.1%	400	400	-
FY12/2022CoE (median)		19,750	1,250	6.3%	650	650	-
FY12/2022CoE (upper end)		20,000	1,500	7.5%	900	900	-
FY12/2022CoE (lower end)	YoY	24%	(47%)	-	(72%)	(74%)	-
FY12/2022CoE (median)	YoY	26%	(33%)	-	(54%)	(58%)	-
FY12/2022CoE (upper end)	YoY	27%	(20%)	-	(37%)	(42%)	-
Consolidated Quarter		Sales	EBITDA	EBITDA Margin	Operating Profit	Recurring Profit	Profit At. to Owners of Parent
(Million Yen)							
Q1 FY12/2021		3,877	825	21.3%	726	665	472
Q2 FY12/2021		3,772	571	15.1%	468	439	249
Q3 FY12/2021		3,780	336	8.9%	219	183	(246)
Q4 FY12/2021		4,295	138	3.2%	15	256	95
Q1 FY12/2022		4,305	658	15.3%	517	700	418
Q2 FY12/2022		4,345	(3)	(0.1%)	(175)	(181)	(268)
Q1 FY12/2022	YoY	11%	(20%)	-	(29%)	5%	(12%)
Q2 FY12/2022	YoY	15%	-	-	-	-	-

Source: Company Data, WRJ Calculation

1.0 Results Update (10 August 2022)

Recovery of Growth Rate

On 4 August 2022, UZABASE, leveraging own data, content and knowledge as core assets, released its Q2 FY12/2022 results. It has been revealed that the Company is now seeing a recovery of year-on-year sales growth rate for Q2 over Q1, i.e., sales in the actual results increased by 15% for Q2 versus 11% for Q1. On the SaaS Business side, the Company has been seeing sales growth rate as fast as almost 30% for some time, while the extent of the decline in sales on the NewsPicks Business side has shrunk. FY12/2022 Company forecasts are going for a decline in EBITDA margin. It appears this is due mainly to that the Company forecasts assume increased cost burden stemming from investment to ensure consistent growth rate of 30% from a long-term perspective. For example, for Q2, were TV commercials launched on a trial basis with the aim of future growth in revenue of paid subscriptions accounting for roughly half of sales on the NewsPicks Business side. The Company says that it will continue launching them for H2 for the sake of efficiently acquiring free subscriptions and then encouraging the said free subscriptions to become paid subscriptions.

- Q2 FY12/2022 Results: [Presentation Slideshow](#) / [Briefing Video](#) / [Briefing Transcript](#)
- The Company's 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

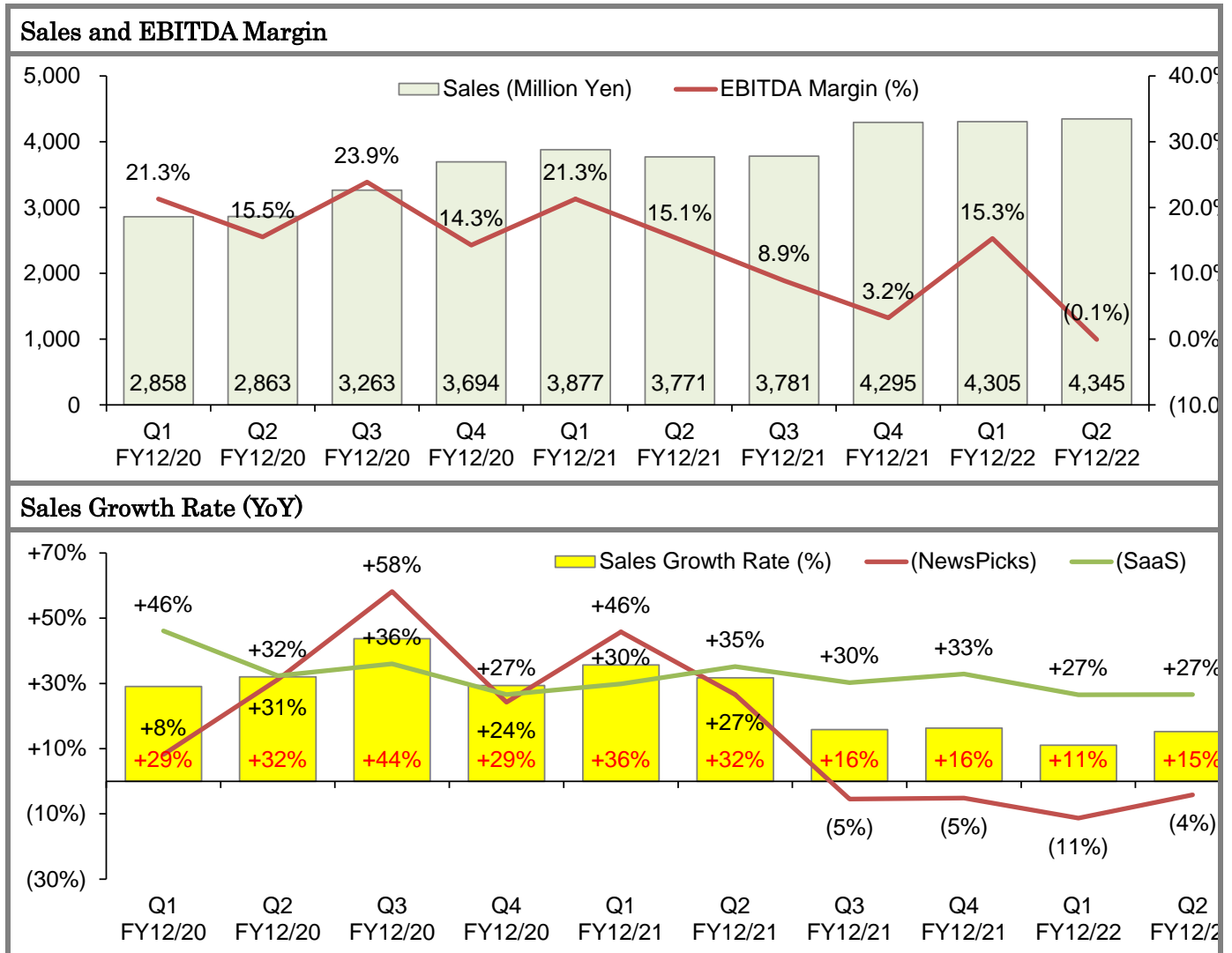
Company Name	Uzabase, Inc. Company Website IR Information Share price (Japanese)	<h1>UZABASE</h1>
Established	1 April 2008	
Listing	4 April 2022: Tokyo Stock Exchange Growth Market (ticker: 3966) 21 October 2016: Tokyo Stock Exchange Mothers	
Capital	¥7,193m (as of the end of June 2022)	
No. of Shares	36,903,806 shares, including 304 treasury shares (as of the end of June 2022)	
Main Features	<ul style="list-style-type: none"> ● Leveraging own data, content and knowledge ● Business intelligence / customer strategy platforms and social business media ● Taking on the challenges of changing the world 	
Segments	I . SaaS Business II . NewsPicks Business	
Representatives	Representative director and group Co-CEO / CTO: Yusuke Inagaki Representative director and group Co-CEO: Taira Sakuma	
Shareholders	Ryosuke Niino 16.3%, Yusuke Umeda 12.3%, Yusuke Inagaki 6.7%, PERSHING-DIV. Of DLJ SECS. CORPs 5.6%, Custody Bank of Japan, T. 5.0% (as of the end of June 2022, but for treasury shares)	
Head Office	Chiyoda-ku, Tokyo, JAPAN	
No. of Personnel	Consolidated: 779, Parent: 373 (as of the end of December 2021)	

Source: Company Data

3.0 Recent Trading and Prospects

Q2 FY12/2022

For Q2 FY12/2022, sales came in at ¥4,345m (up 15% YoY), EBITDA minus ¥3m and EBITDA margin minus 0.1%. Meanwhile, ARR for the Company as a whole came in at ¥13,574m (up 22%). By the way, earnings on a quarterly basis are inevitably forced to fluctuate significantly, depending on the amount of investment during the period. In light of this, we estimate performance for the last 12 months (Q3 FY12/2021 to Q2 FY12/2022) on a simple calculation basis, resulting in sales of ¥16,726m (up 15% YoY), EBITDA of ¥1,129m (down 58%) and EBITDA margin of 6.7% (down 11.8% points).



Source: Company Data, WRJ

SaaS Business

Sales came in at ¥2,988m (up 27%), EBITDA ¥311m and EBITDA margin 10.4%, while ARR came in at ¥11,037m (up 28%). On the SaaS Business side, recurring revenue from the use of SaaS solutions represented by SPEEDA (a business intelligence platform provided since the Company's formation in April 2008) and FORCAS (a customer strategy platform for the B2B customers) accounts for a significant part of sales of the segment as a whole. Meanwhile, ARR (Annual Recurring Revenue is used to imply the scale of recurring revenue here on an annual basis. ARR for Q2 comprised ¥7,372m (up 20%) for SPEEDA, ¥1,941m (up 36%) for FORCAS, ¥879m (up 60%) for AlphaDrive/NewsPicks, ¥761m (up 52%) for INITIAL and ¥82m (up 5.5 times) for Other.

Given a situation that sales of the segment as a whole increased roughly in line with ARR, it should be the case that sales associated with non-recurring revenue (that of receipt of initial installation fees for the above-mentioned SaaS solutions and/or consulting fees, etc.) increased roughly in line with sales of the segment as a whole. Meanwhile, it has been revealed that SPEEDA is currently the key earnings pillar for the Company as a whole, given that it saw EBITDA of ¥546m, which is larger than that of the segment as a whole. At the same time, INITIAL saw EBITDA of ¥45m, having contributed to earnings. For FORCAS, AlphaDrive/NewsPicks and Other, which are expected to see a further acceleration in the rate of growth for the future, the Company is aggressively implementing investment to pursue the potential, currently resulting in losses at EBITDA level for each.

NewsPicks Business

Sales came in at ¥1,363m (down 4%), EBITDA minus ¥296m and EBITDA margin minus 21.7%. Meanwhile, sales comprised ¥610m (up 6%) for revenue of paid subscriptions, ¥667m (up 9%) for revenue of advertising and ¥85m (down 63%) for revenue of other operations, while paid subscriptions saw ARR of ¥2,581m (up 4%). In order to recover growth potential in revenue of paid subscriptions, the Company has launched TV commercials on a trial basis as mentioned earlier. With respect to revenue of advertising, the Company says that a problem of shortage in human resources has been solved to date and that a large-scale event scheduled for H2 will be contributing, currently looking to a recovery of growth rate for the future. Finally, with respect to revenue of other operations, sales have been negatively affected by withdrawal from NewsPicks Ginza and a decline in sales associated with publishing operations.

FY12/2022 Company Forecasts

FY12/2022 initial Company forecasts (announced on 9 February 2022) in terms of range format have remained unchanged, going for prospective sales of ¥19,750m (up 26% YoY), EBITDA of ¥1,250m (down 33%) and EBITDA margin of 6.3% (down 5.6% points) in terms of the median. Meanwhile, Company forecasts are going for sales growth rate of 27% for the upper end and 24% for the lower end, while 7.5% and 5.1%, respectively, for EBITDA margin.

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.
	12/2021	12/2021	12/2021	12/2021	12/2022	12/2022	12/2022	12/2022		
Sales	3,877	7,649	11,430	15,725	4,305	8,650	-	-	-	+1,001
Cost of Sales	1,398	2,787	4,288	5,976	1,400	2,994	-	-	-	+207
Gross Profit	2,479	4,862	7,142	9,749	2,904	5,656	-	-	-	+794
SG&A Expenses	1,752	3,667	5,726	8,318	2,386	5,314	-	-	-	+1,647
Operating Profit	726	1,194	1,414	1,429	517	342	-	-	-	(852)
Non Operating Balance	(61)	(90)	(53)	(294)	183	177	-	-	-	+267
Recurring Profit	665	1,104	1,287	1,543	700	519	-	-	-	(585)
Extraordinary Balance	-	-	-	-	(5)	(75)	-	-	-	(75)
Profit before Income Taxes	665	1,104	-	-	695	444	-	-	-	(660)
Total Income Taxes	233	424	-	-	108	172	-	-	-	(252)
NP Belonging to Non-Controlling SHs	(40)	(41)	-	-	168	122	-	-	-	+163
Profit Attributable to Owners of Parent	472	721	476	571	418	149	-	-	-	(572)
Sales YoY	+23%	+22%	+16%	+15%	+11%	+13%	-	-	-	-
Operating Profit YoY	-	-	-	-	(29%)	(71%)	-	-	-	-
Recurring Profit YoY	-	-	-	-	+5%	(53%)	-	-	-	-
Profit Attributable to Owners of Parent YoY	-	-	-	-	(12%)	(79%)	-	-	-	-
Gross Profit Margin	63.9%	63.6%	62.5%	62.0%	67.5%	65.4%	-	-	-	+1.8%
Sales to SG&A Expenses Ratio	45.2%	47.9%	50.1%	52.9%	55.4%	61.4%	-	-	-	+13.5%
Operating Profit Margin	18.7%	15.6%	12.4%	9.1%	12.0%	4.0%	-	-	-	(11.7%)
Recurring Profit Margin	17.2%	14.4%	11.3%	9.8%	16.3%	6.0%	-	-	-	(8.4%)
Profit Attributable to Owners of Parent Margin	12.2%	9.4%	4.2%	3.6%	9.7%	1.7%	-	-	-	(7.7%)
Tax Charges / Pretax Profit	35.0%	38.4%	-	-	15.5%	38.7%	-	-	-	+0.3%
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.
	12/2021	12/2021	12/2021	12/2021	12/2022	12/2022	12/2022	12/2022		
Sales	3,877	3,772	3,781	4,295	4,305	4,345	-	-	-	+573
Cost of Sales	1,398	1,389	1,501	1,688	1,400	1,594	-	-	-	+205
Gross Profit	2,479	2,383	2,280	2,607	2,904	2,752	-	-	-	+369
SG&A Expenses	1,752	1,915	2,059	2,592	2,386	2,928	-	-	-	+1,013
Operating Profit	726	468	220	15	517	(175)	-	-	-	(643)
Non Operating Balance	(61)	(29)	37	(241)	183	(6)	-	-	-	+23
Recurring Profit	665	439	183	256	700	(181)	-	-	-	(620)
Extraordinary Balance	-	-	-	-	(5)	(70)	-	-	-	(70)
Profit before Income Taxes	665	439	-	-	695	(251)	-	-	-	(690)
Total Income Taxes	233	191	-	-	108	64	-	-	-	(127)
NP Belonging to Non-Controlling SHs	(40)	(1)	-	-	168	(46)	-	-	-	(45)
Profit Attributable to Owners of Parent	472	249	(245)	95	418	(268)	-	-	-	(517)
Sales YoY	+23%	+21%	+6%	+12%	+11%	+15%	-	-	-	-
Operating Profit YoY	-	-	(11%)	(96%)	(29%)	-	-	-	-	-
Recurring Profit YoY	-	-	+0%	+24%	+5%	-	-	-	-	-
Profit Attributable to Owners of Parent YoY	-	-	-	-	(12%)	-	-	-	-	-
Gross Profit Margin	63.9%	63.2%	60.3%	60.7%	67.5%	63.3%	-	-	-	+0.2%
Sales to SG&A Expenses Ratio	45.2%	50.8%	54.5%	60.3%	55.4%	67.4%	-	-	-	+16.6%
Operating Profit Margin	18.7%	12.4%	5.8%	0.3%	12.0%	(4.0%)	-	-	-	(16.4%)
Recurring Profit Margin	17.2%	11.6%	4.8%	6.0%	16.3%	(4.2%)	-	-	-	(15.8%)
Profit Attributable to Owners of Parent Margin	12.2%	6.6%	(6.5%)	2.2%	9.7%	(6.2%)	-	-	-	(12.8%)
Tax Charges / Pretax Profit	35.0%	43.5%	-	-	15.5%	-	-	-	-	-

Source: Company Data, WRJ Calculation

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.
(Million Yen)	12/2021	12/2021	12/2021	12/2021	12/2022	12/2022	12/2022	12/2022		
Cash and Deposit	-	-	-	10,613	8,400	8,677	-	-	-	-
Accounts Receivables	-	-	-	1,147	1,353	948	-	-	-	-
Other	-	-	-	577	611	688	-	-	-	-
Current Assets	-	-	-	12,337	10,364	10,313	-	-	-	-
Tangible Assets	-	-	-	271	237	235	-	-	-	-
Intangible Assets	-	-	-	1,418	1,641	1,846	-	-	-	-
Investments and Other Assets	-	-	-	6,231	7,271	7,475	-	-	-	-
Fixed Assets	-	-	-	7,921	9,149	9,558	-	-	-	-
Deferred Assets	-	-	-	52	43	35	-	-	-	-
Total Assets	-	-	-	20,312	19,557	19,907	-	-	-	-
Accounts Payables	-	-	-	484	426	344	-	-	-	-
Corporate Bond (less than one year)	-	-	-	102	102	102	-	-	-	-
Short-Term Debt	-	-	-	1,218	1,128	1,093	-	-	-	-
Other	-	-	-	5,744	5,126	6,275	-	-	-	-
Current Liabilities	-	-	-	7,548	6,782	7,814	-	-	-	-
Corporate Bond	-	-	-	72	42	21	-	-	-	-
Long-Term Debt	-	-	-	2,622	2,349	2,099	-	-	-	-
Other	-	-	-	158	58	64	-	-	-	-
Fixed Liabilities	-	-	-	2,852	2,449	2,184	-	-	-	-
Total Liabilities	-	-	-	10,400	9,231	9,999	-	-	-	-
Shareholders' Equity	-	-	-	6,363	6,783	6,522	-	-	-	-
Other	-	-	-	3,548	3,543	3,385	-	-	-	-
Net Assets	-	-	-	9,911	10,326	9,907	-	-	-	-
Total Liabilities and Net Assets	-	-	-	20,312	19,557	19,907	-	-	-	-
Equity Capital	-	-	-	6,437	6,922	6,783	-	-	-	-
Interest Bearing Debt	-	-	-	4,014	3,621	3,315	-	-	-	-
Net Debt	-	-	-	(6,599)	(4,779)	(5,362)	-	-	-	-
Capital Ratio	-	-	-	31.7%	35.4%	34.1%	-	-	-	-
Net Debt Equity Ratio	-	-	-	(102.5%)	(69.0%)	(79.1%)	-	-	-	-
ROE (12 months)	-	-	-	-	-	-	-	-	-	-
ROA (12 months)	-	-	-	-	-	-	-	-	-	-
Quick Ratio	-	-	-	156%	144%	123%	-	-	-	-
Current Ratio	-	-	-	163%	153%	132%	-	-	-	-

Source: Company Data, WRJ Calculation

Cash Flow Statement (Cumulative / Quarterly)

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.
(Million Yen)	12/2021	12/2021	12/2021	12/2021	12/2022	12/2022	12/2022	12/2022		
Operating Cash Flow	-	2,057	-	2,696	(390)	924	-	-	-	(1,133)
Investing Cash Flow	-	(571)	-	(1,066)	(1,231)	(1,804)	-	-	-	(1,233)
Operating CF and Investing CF	-	1,486	-	1,630	(1,621)	(880)	-	-	-	(2,366)
Financing Cash Flow	-	171	-	1,404	(632)	(1,160)	-	-	-	(1,331)
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	Q2	Q3	Q4	Q1	Q2	Q3	Q4		Net Chg.
(Million Yen)	12/2021	12/2021	12/2021	12/2021	12/2022	12/2022	12/2022	12/2022		Net Chg.
Operating Cash Flow	-	-	-	-	(390)	1,314	-	-	-	-
Investing Cash Flow	-	-	-	-	(1,231)	(573)	-	-	-	-
Operating CF and Investing CF	-	-	-	-	(1,621)	741	-	-	-	-
Financing Cash Flow	-	-	-	-	(632)	(528)	-	-	-	-

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.

Company name: Walden Research Japan Incorporated

Head office: Level 4 Ginza Ishii Building, 6-14-8 Ginza Chuo-ku Tokyo 104-0061, JAPAN

URL: <https://walden.co.jp/>

E-mail: info@walden.co.jp

Tel: 81-(0)3-3553-3769
