October 5, 2018

Company name: Uzabase, Inc.
Name of Representative:
Yusuke Umeda
Co-Chief Executive Officer
Yusuke Inagaki
Co-Chief Executive Officer
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Notice that NewsPicks USA, LLC will become a wholly-owned subsidiary of Uzabase group

Uzabase, Inc. (the "Company", "Uzabase") here by announces, as set forth below, that it has resolved at the meeting of the Board of Directors held today on the dissolution of the joint venture agreement for NewsPicks USA, LLC ("NewsPicks USA") with Dow Jones & Company, Inc. ("Dow Jones"), and to make NewsPicks USA as a wholly-owned subsidiary.

1. Purpose of the Dissolution of the Joint Venture

Uzabase's mission is "Business Intelligence to Change Your World". For the purpose of launching a NewsPicks USA product, we in March 2017 established NewsPicks USA, the Joint Venture with Dow Jones.

Uzabase completed the acquisition of Quartz Media, Inc. ("Quartz"), a global business news organization headquartered in New York, in July 2018. We believe the full integration of the two companies, NewsPicks USA and Quartz, will be most effective approach to further accelerate the growth of our media business in the United States. We have come to an agreement with Dow Jones to make NewsPicks USA a wholly-owned subsidiary of Uzabase Group. This full integration will allow us to combine the approximately 20 million monthly readers of Quartz with NewsPicks USA's platform and community management. Bringing those together lays the foundation for a successful business model with three key elements: (1) platforms, (2) media, and (3) communities. For the outline of this full integration strategy, please see the release document dated July 2, 2018[1].

Dow Jones and the Uzabase Group have agreed to continue with all its business alliances after the dissolution of the joint venture agreement; including the licensing of content from Dow Jones for NewsPicks US Edition and Japan Edition and Factiva and SPEEDA business alliances, and expect to have no other impact on our businesses.

We plan to announce the more detailed post-integration growth strategy for NewsPicks USA and Quartz later this year.

[1] https://www.uzabase.com/en/wp-content/uploads/page/Acquisition-of-US-Based-Quartz-Media-for-the-Global-Expansion-of-NewsPicks-Business-Presentation-Slideshowshow.pdf

2. Method of the Dissolution

The Company will proceed with the dissolution of the joint venture agreement and Quartz, a wholly-owned subsidiary of Uzabase in the United States, will acquire the 50% ownership interest in NewsPicks USA from Dow Jones. By this ownership interest acquisition, NewsPicks USA will become a wholly-owned subsidiary of Uzabase Group (NewsPicks, Inc. *1 50%, Quartz 50% ownership)

*1 NewsPicks, Inc. is a 100% owned subsidiary of Uzabase

3. Outline of the Joint Venture Company

(1) Name	NewsPicks USA, LLC	
(2) Location	1155 Avenue of Americas, New York, NY 10036, USA	
(3) Names and title of representative	CEO Ian Myers	
(4) Description of businesses	Development and provision of NewsPicks US Edition	
(5) Capital stock	8.5 million USD	
(6) Date of establishment	March 2017	
(7) Ownership	NewsPicks, Inc. 50%, Dow Jones 50% (voting rights)	
(8) Relationship between Uzabase and NewsPicks USA	Capital relationships	NewsPicks, Inc., a wholly-owned subsidiary of Uzabase, holds 50% ownership interest
	Personnel relationships	Uzabase has seconded executive
	Business relationships	None

* Consolidated operating results and consolidated financial position of NewsPicks USA for the past three years are not disclosed because NewsPicks USA is a joint venture company with Dow Jones which does not disclose its financial results and have the same policy for their affiliate companies. Therefore, for the ongoing relationship with Dow Jones, NewsPicks USA does not disclose its financial results.

4. Outline of the counter-party of the dissolution

(1) Name	Dow Jones & Company, Inc.
(2) Location	1211 Avenue of Americas, New York, NY, 10036, USA
(3) Names and title of representative	CEO William Lewis
(4) Description of businesses	Dow Jones is a global provider of news and business information, which distributes its content and data through a variety of media channels including newspapers, newswires, websites, applications for mobile devices, tablets and e-book readers, newsletters, magazines, proprietary database, conferences and video.
(5) Capital stock	Not disclosed

(6) Date of establishment	1882	
(7) Ownership	News Corporation 100% (voting rights)	
(8) Relationship between Uzabase and Dow Jones	Capital relationships	None
	Personnel relationships	None
	Business relationships	Receiving news contents
	Relationships with related parties	None

* Consolidated operating results and consolidated financial position of Dow Jones for the past three years are not disclosed as they are a private, non-listed company and do not disclose their financial results.

5. Purchase price and ownership interest of Uzabase group before and after the transaction

(1) Percentage of the ownership	NewsPicks, Inc. 50% (voting rights 50%)
(2) Acquired interest	50% (voting rights 50%)
(3) Purchase price	7.5 million USD (approx. JPY840 million *)
(4) Percentage of the ownership interest after the Acquisition	100% (NewsPicks, Inc. 50%, Quartz 50%) (voting rights ownership 100%)

* In determining the purchase price, we obtained corporate valuation report prepared by Akasaka International Accounting Co., Ltd. (“Akasaka International Accounting”), a third-party financial adviser. After taking into account the corporate valuation report which was calculated based on the discounted cash flow method (the DCF method), and, consulted with and negotiated with Dow Jones, we determined the purchase price. The final purchasing price does not substantially differ from the results of the Akasaka International Accounting calculation. The rate of exchange between the U.S. dollar and Japanese yen is translated, for convenience, at the rate of JPY113.00 per US$1.00.

6. Schedule

(1) Date of the Board Resolution	October 5, 2018
(2) Date of Execution of the agreement for the Acquisition	October 5, 2018
(3) Date of the Acquisition	October 8, 2018 (Scheduled)

7. Outlook

The impact of the acquisition on the consolidated performance of Uzabase is yet to be determined at this time and will be disclosed as soon as the impact has been determined.

(Reference)

Forecast of consolidated operating results for the fiscal year ending December 2018 (announced on July 2, 2018), and consolidated operating results for the fiscal year ended December 2017.

	Net Sales	EBITDA*	Operating Profit	Ordinary Profit	Profit attributable to owners of parent
Target for FY2018	JPY million 8,850 - 9,150	JPY million 902 - 1,130	JPY million 430 - 790	JPY million 30 - 400	JPY million (450) - (90)
FY2017 Results	4,565	595	545	518	438

* EBITDA = Operating profit + Depreciation + Amortisation