Information for Attendees

Q2 FY2021 Financial Results Briefing

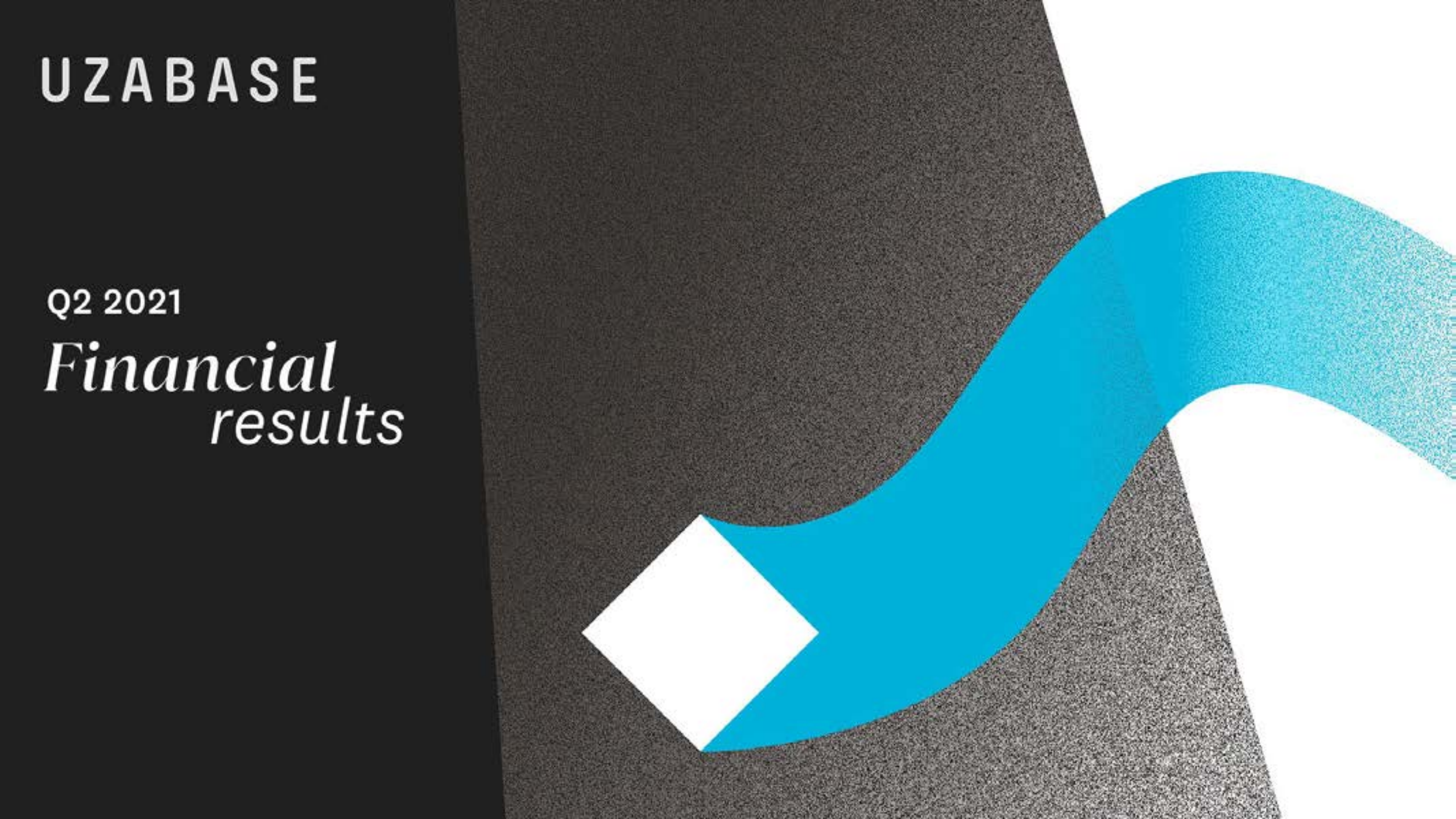
Time and Date:	August 5, 6:00–7:00 PM JST (Zoom accessible from 5:50 PM)
Speakers:	Yusuke Inagaki (Co-CEO), Taira Sakuma (Co-CEO) Daisuke Chiba (CFO) Daisuke Sakamoto (NewsPicks Inc., CEO)

UZABASE

UZABASE

Q2 2021

Financial results





We guide business people to insights that change the world

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.

*Our **mission***

Index

01 Highlights for Consolidated Results

02 Highlights for SPEEDA

03 Highlights for Other B2B Businesses

04 Highlights for NewsPicks

05 Appendix

Q2 2021

Financial results

1

Highlights for:

Consolidated Results

UZABASE

Announcement

- All earnings presented are consolidated figures excluding the Quartz business.
- Starting from Q2, earnings will be reported on a quarterly basis (3 months), as opposed to cumulative figures (6 months), in order to improve the visibility of the business's status in each separate quarter.
- All YoY comparisons in this Q2 report are also calculated on a quarterly basis, instead of the cumulative approach used in previous years.
- Full consolidated earnings that include the Quartz business, as well as cumulative figures are included in the Appendix for reference.

Highlights PERFORMANCE OVERVIEW

Consolidated MRR (YoY Change)	Consolidated Net Sales (YoY Change)	Consolidated EBITDA
924 MM (+19%)	3,898 MM (+33%)	597 MM

- All monetary amounts are truncated values. Progress rates and growth rates are rounded to the nearest whole. (Same applies for all slides that follow).
- MRR (Monthly Recurring Revenue): revenue recurring on a monthly basis that excludes any one-off payments by customers such as initial costs.
- EBITDA = Operating Profit + Depreciation and Amortisation (including Goodwill Amortisation).
- All figures shown are the actuals for Q2 2021.

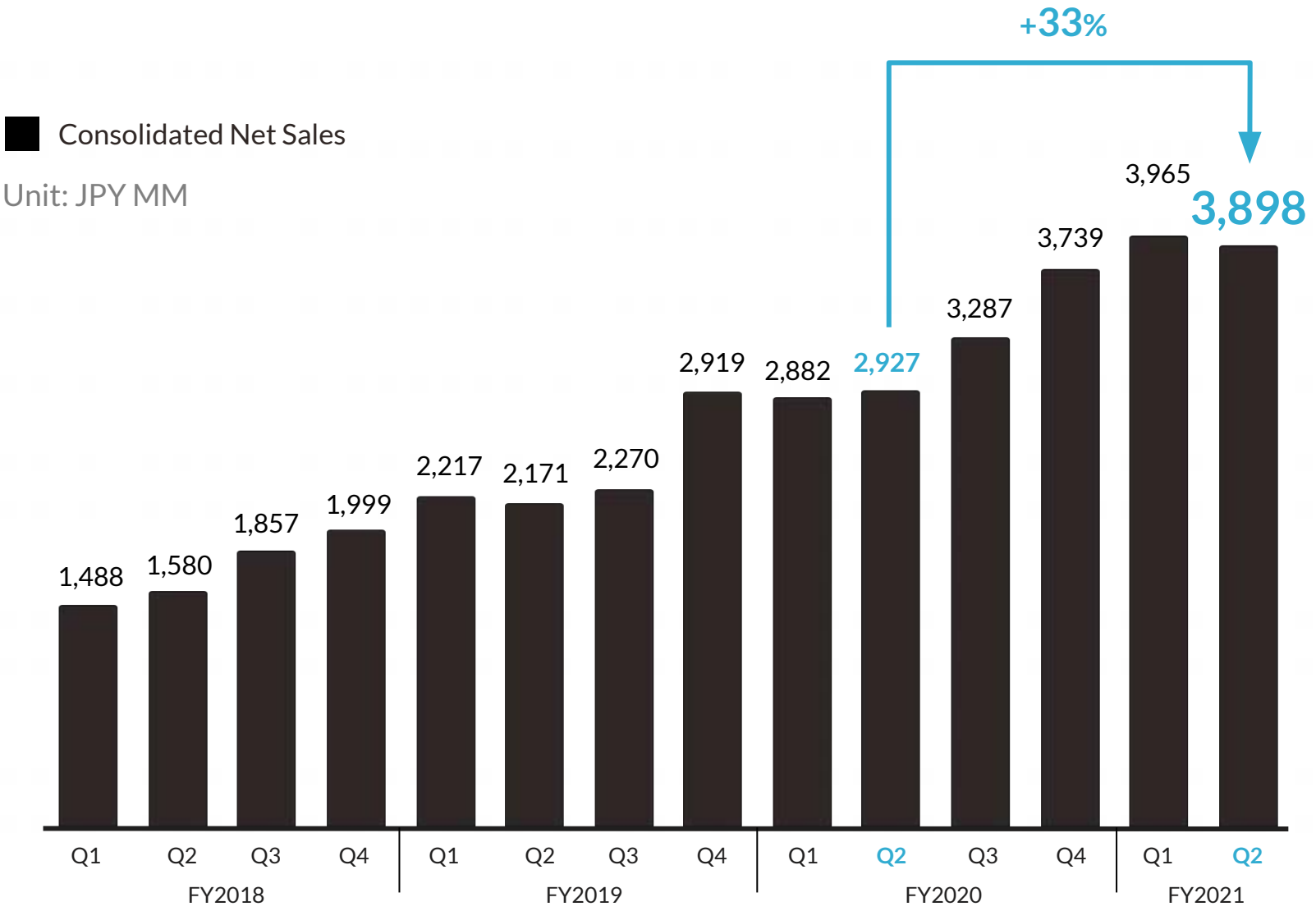
Highlights

PERFORMANCE OVERVIEW

Segment	Q2 Summary	MRR (YoY Change)	Net Sales (YoY Change)	EBITDA
SPEEDA	MRR growth rate increased due to higher average revenue per account	512 MM (+18%)	1,659 MM (+22%)	589 MM
Other B2B Businesses	FORCAS's MRR growth rate increased	161 MM (+43%)	486 MM (+45%)	-10 MM
NewsPicks	MRR recorded a temporary downtick on a QoQ basis following the last year's spike in new subscriptions	252 MM (+10%)	1,765 MM (+41%)	89 MM

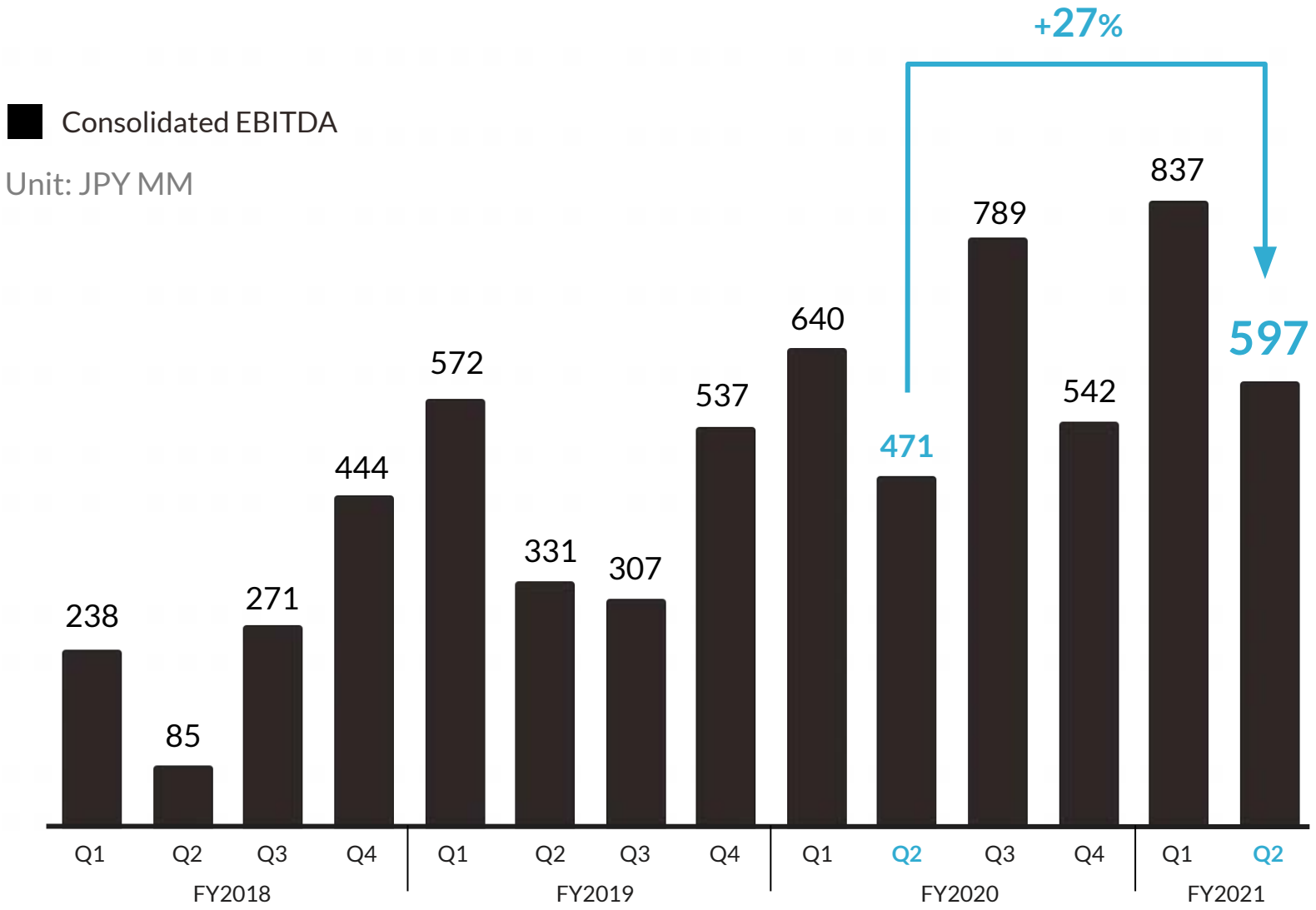
- MRR for Other B2B Businesses is a total of MRR for FORCAS, FORCAS Sales, and INITIAL
- MRR (Monthly Recurring Revenue): revenue recurring on a monthly basis that excludes any one-off payments by customers such as initial cost.
- All figures shown are the actuals for Q2 2021.

Consolidated net sales increased by +33% YoY.



- Consolidated net sales (excl. Quartz) are calculated as Consolidated Net Sales minus Quartz's Net Sales up to Q4 FY2020.
- For consolidated net sales including the Quartz business in previous years, refer to the Appendix.

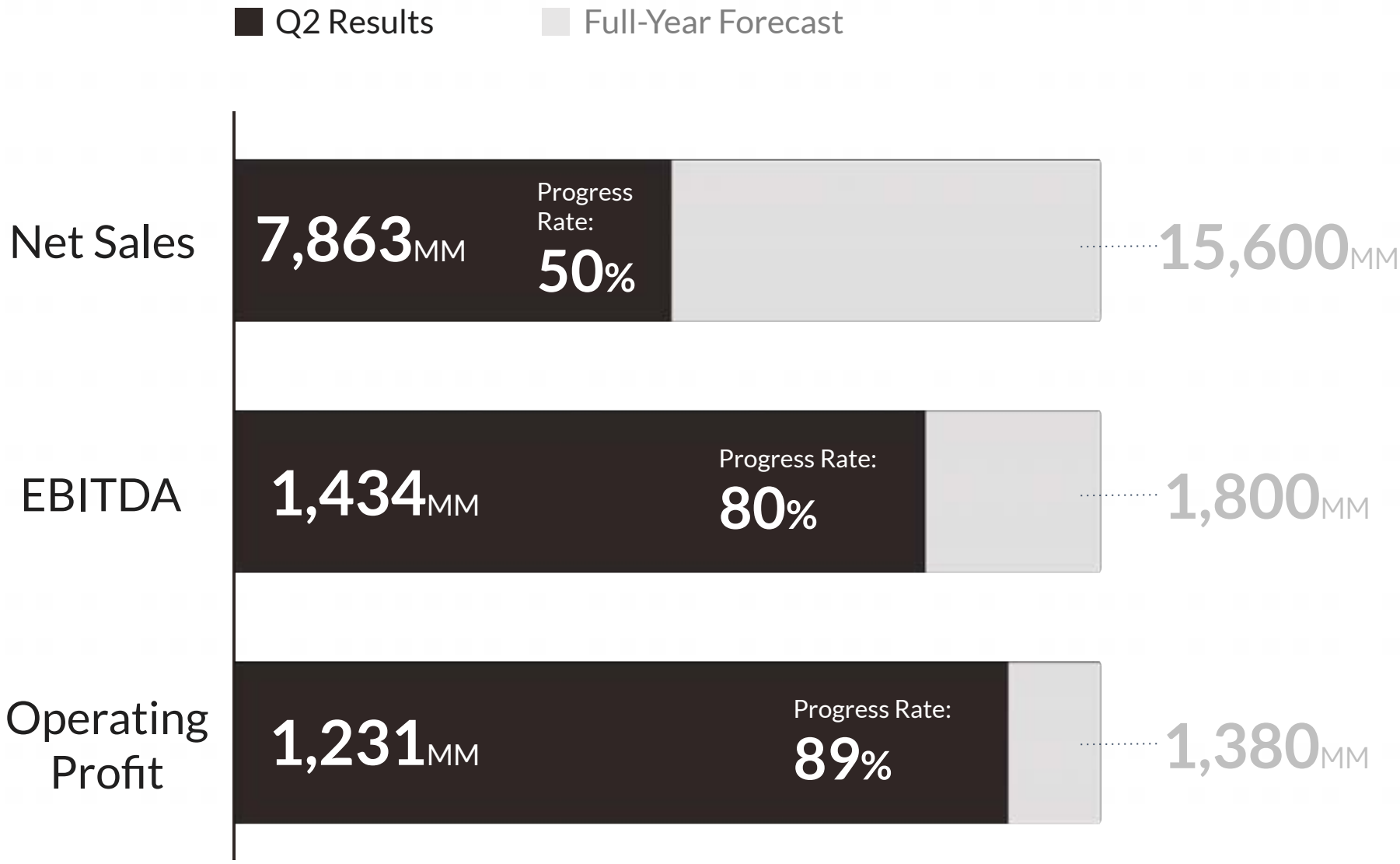
Consolidated EBITDA also increased by +27% YoY.



- Consolidated EBITDA (excl. Quartz) is calculated as Consolidated EBITDA minus EBITDA for Quartz up to Q4 FY2020.
- For consolidated EBITDA including the Quartz business in previous years, refer to the Appendix.

Net sales reached 50% of full-year target, demonstrating quicker progress than in an average year (e.g. compared with 40-42% in FY2020). As a result, EBITDA also saw favourable progress at 80% of the target.

- ➔ All growth investments are progressing according to the original plan, with a higher concentration in the latter half of the year.
- ➔ Any excess net sales will be used, with all due diligence, towards additional growth investments in Q3 onwards.



- Progress rate for Q2 2020 calculated as Net Sales Actuals (JPY 6,354 million) divided by Net Sales Full-Year Forecast (JPY 15-16 billion)
- "Full-Year Forecast" refers to the figures announced on 10 February 2021.

Q2 2021

Financial results

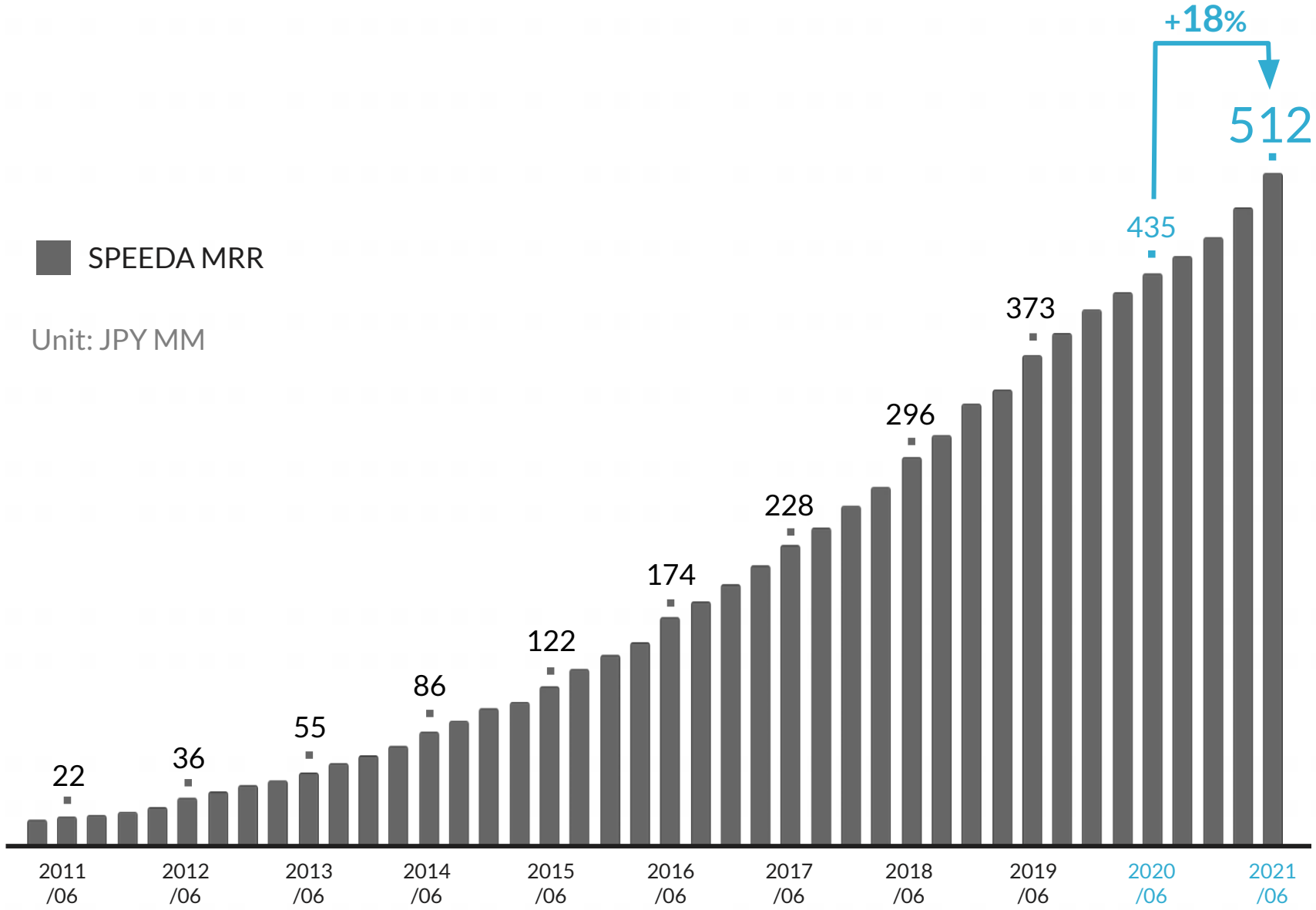
2

Highlights for:

SPEEDA

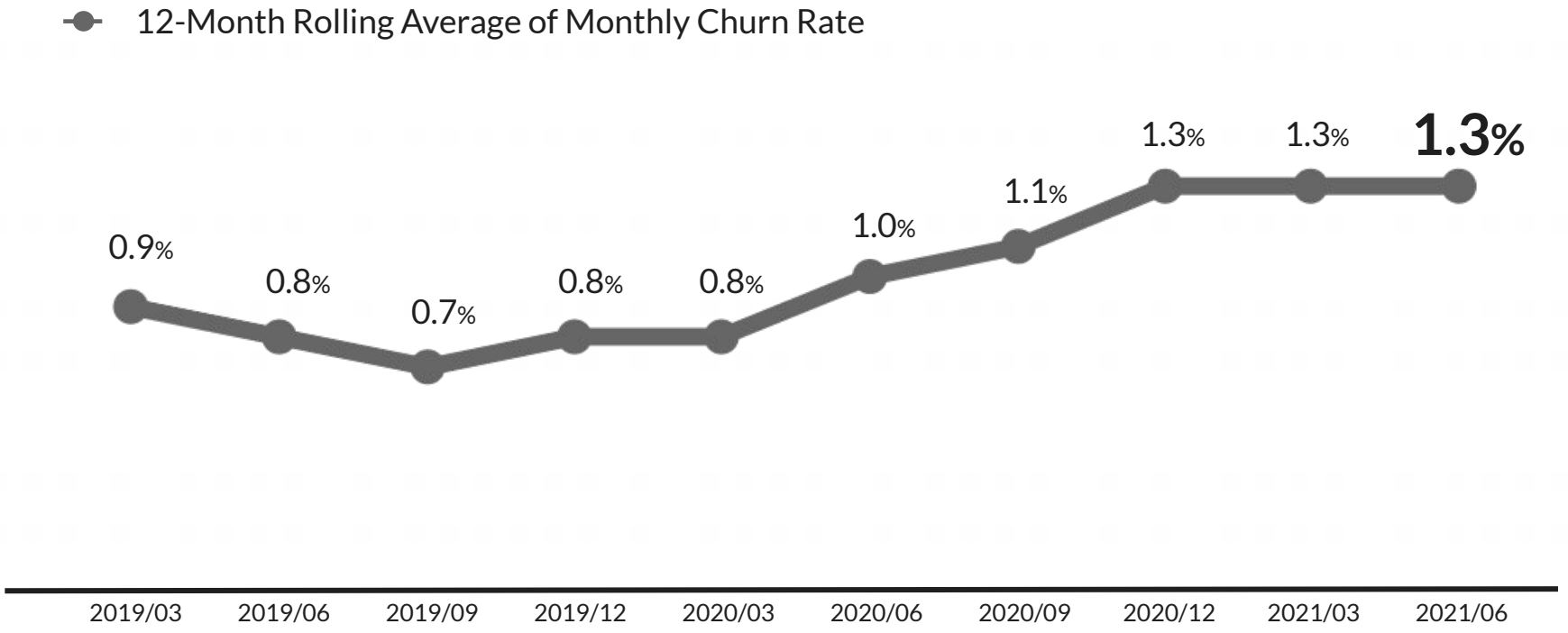
UZABASE

MRR recorded an increase of +18% YoY, continuing the uptrend from Q1.



- MRR (Monthly Recurring Revenue): revenue recurring on a monthly basis that excludes any one-off payments by customers such as initial costs.
- MRR figure includes both the domestic and the overseas businesses.

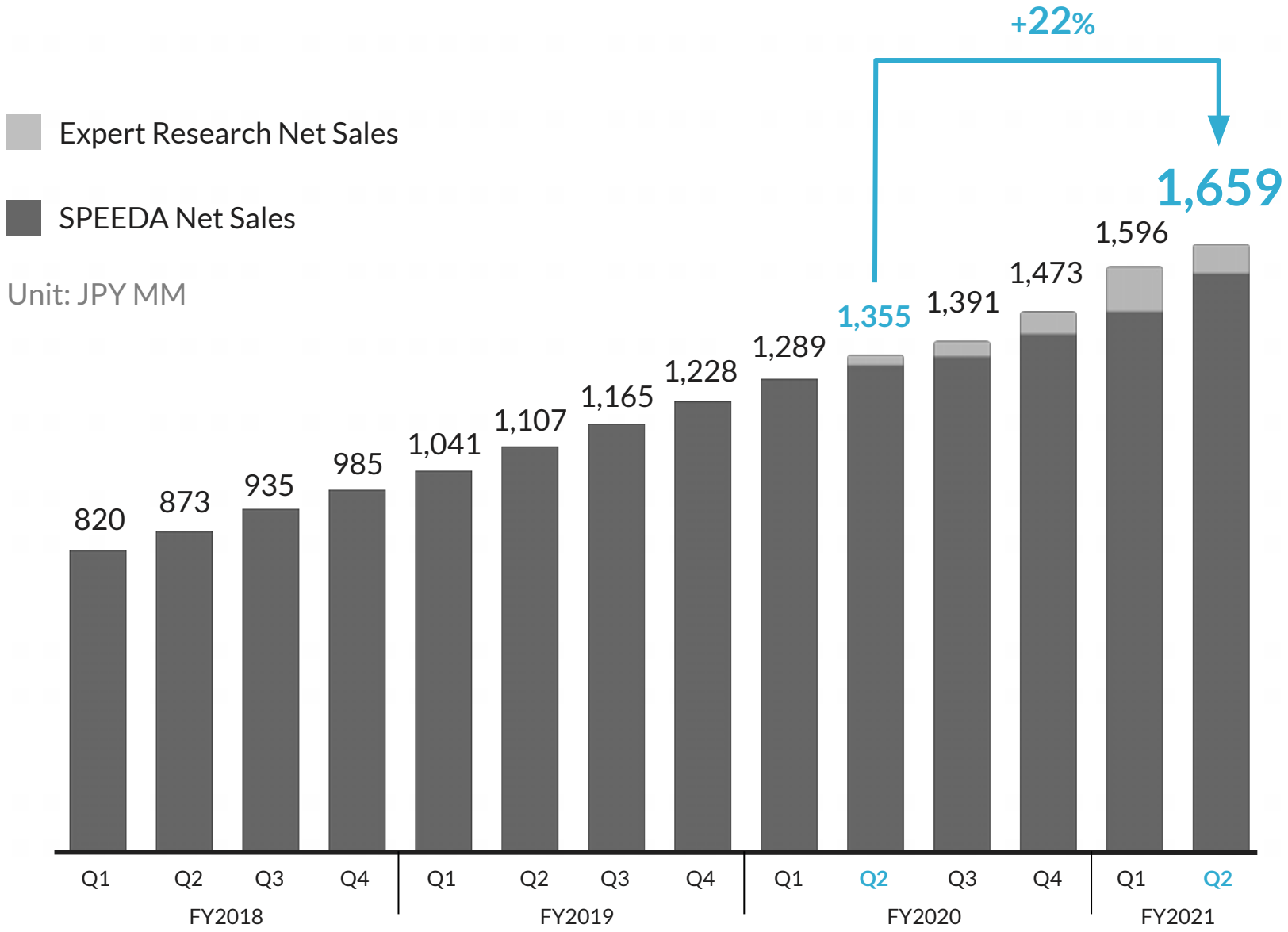
Churn rate continued to be flat in Q2 on a rolling average basis, but has been on a downtrend in more recent months. SPEEDA will continue working towards bringing it down to 1.0% within 2021.



- The Churn Rate shown refers to Gross Revenue Churn Rate.

Net sales increased by +22% YoY.

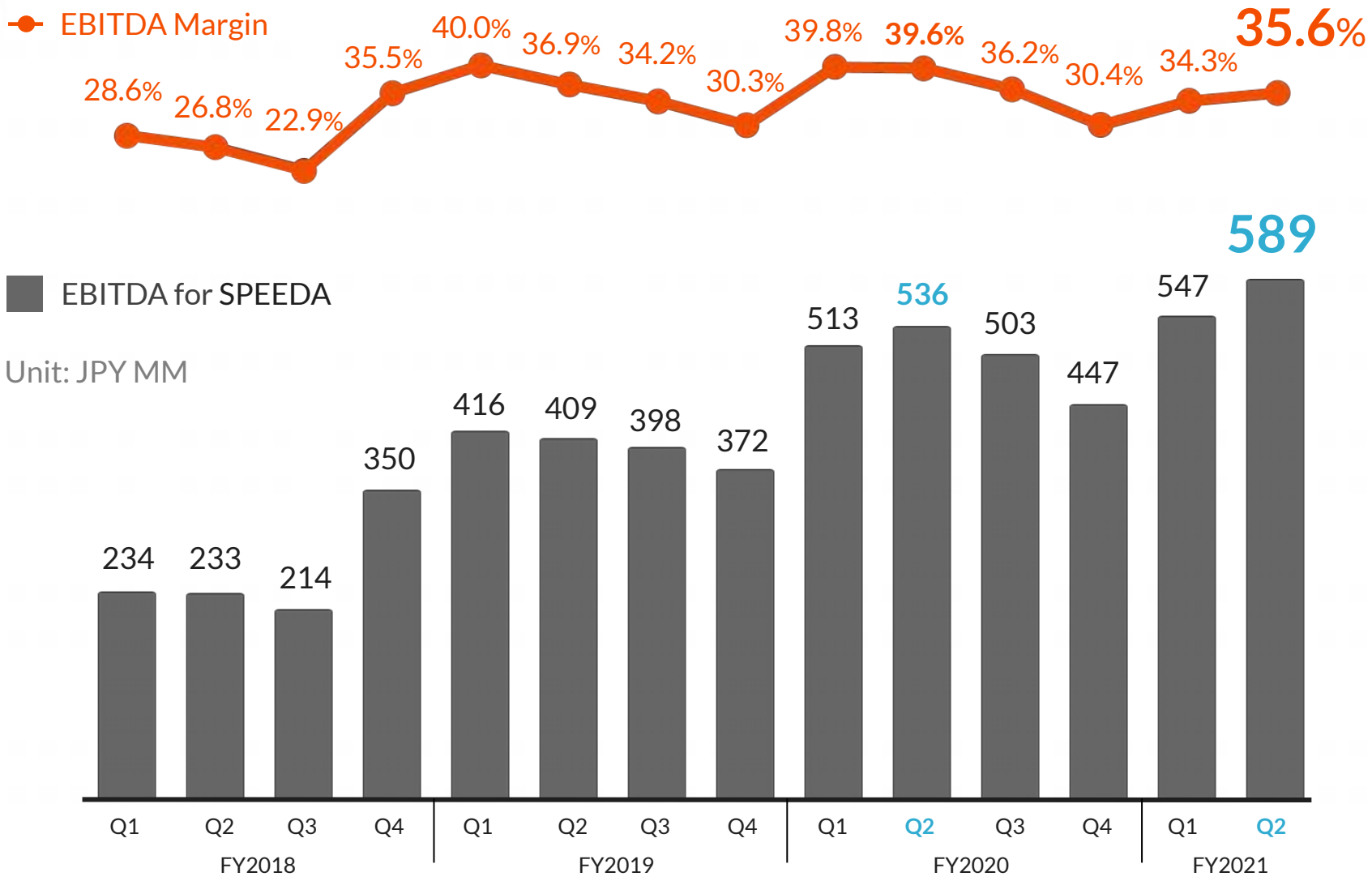
➔ The decrease in net sales for Expert Research was the result of a one-off overconcentration of sales in Q1. Going forward, favourable growth is projected.



- Internal transactions between segments are included.
- Financials for MIMIR, acquired earlier in 2020, are included as part of SPEEDA since May 2020.

SPEEDA successfully managed to balance growth investments in Expert Research with maintaining high profitability.

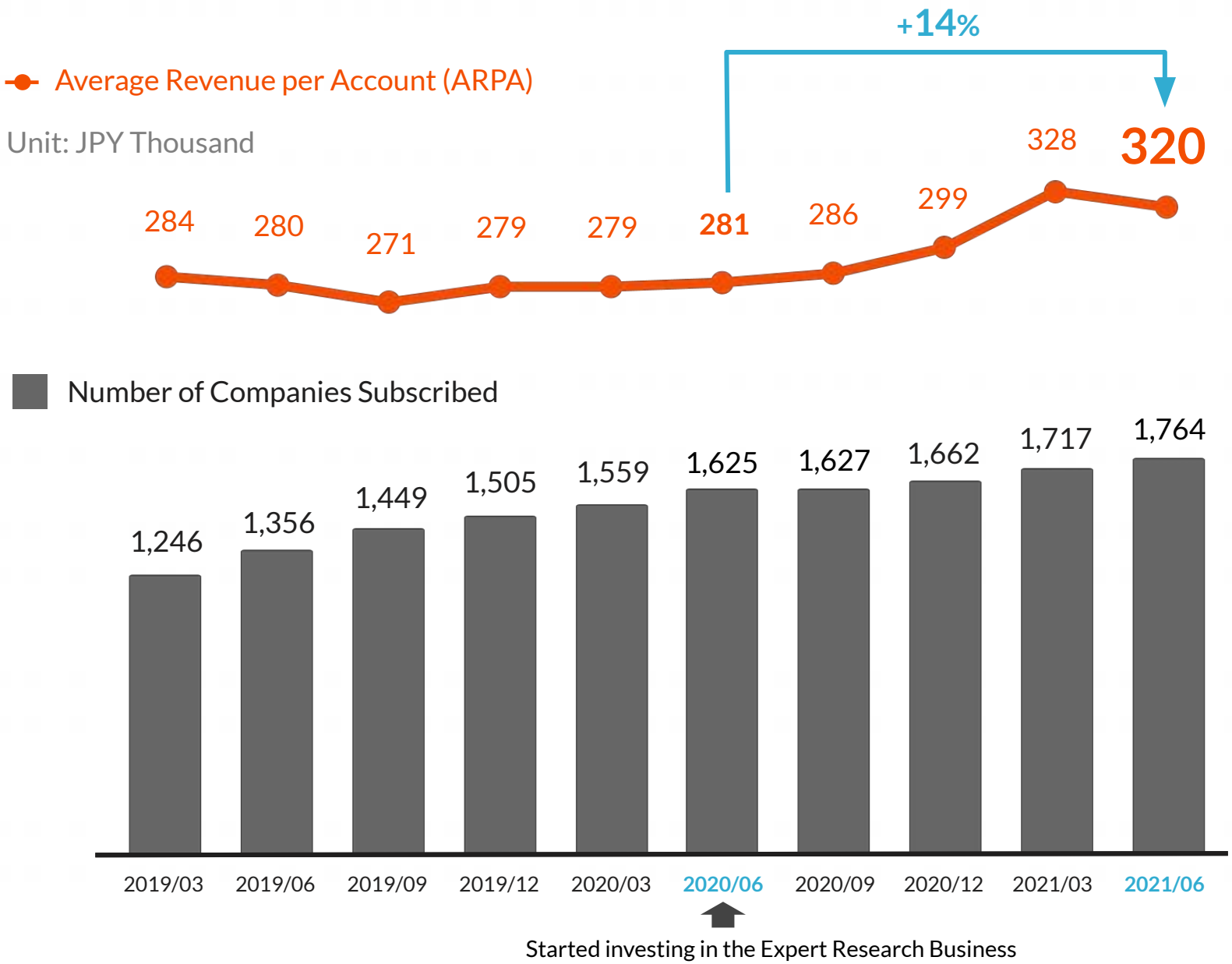
➔ Investments in the expansion of the Expert Research service will be continued with the target of maintaining a 30% EBITDA margin for the full year.



- Financials for MIMIR, acquired in May 2020, are included as part of SPEEDA since May 2020.

SPEEDA's ARPA increased by +14% YoY.

- ➔ Increasing SPEEDA's ARPA via Expert Research and other services is an important goal towards continuous growth of the business. Other services that provide additional value to customers and result in higher ARPA are also planned to be released in the future.
- ➔ SPEEDA's strong customer base of 1,764 companies, which includes many large Japanese corporations, will be leveraged to create a solid foundation for other businesses, including FORCAS, INITIAL, and NewsPicks for Business.



- Number of Companies Subscribed and Net Sales also include those of MIMIR starting from June 2020.
- Number of Companies Subscribed for MIMIR includes all companies that had a confirmed transaction with MIMIR within the past one year (starting from the month when the data was aggregated) and excludes any companies that are also SPEEDA customers.
- SPEEDA's Number of Companies Subscribed includes customers both in Japan and overseas. A corporate entity that has a subscription both in Japan and abroad is counted only once.
- ARPA is calculated as net sales actuals as of the end of each month divided by the number of companies subscribed.

Q2 2021

Financial results

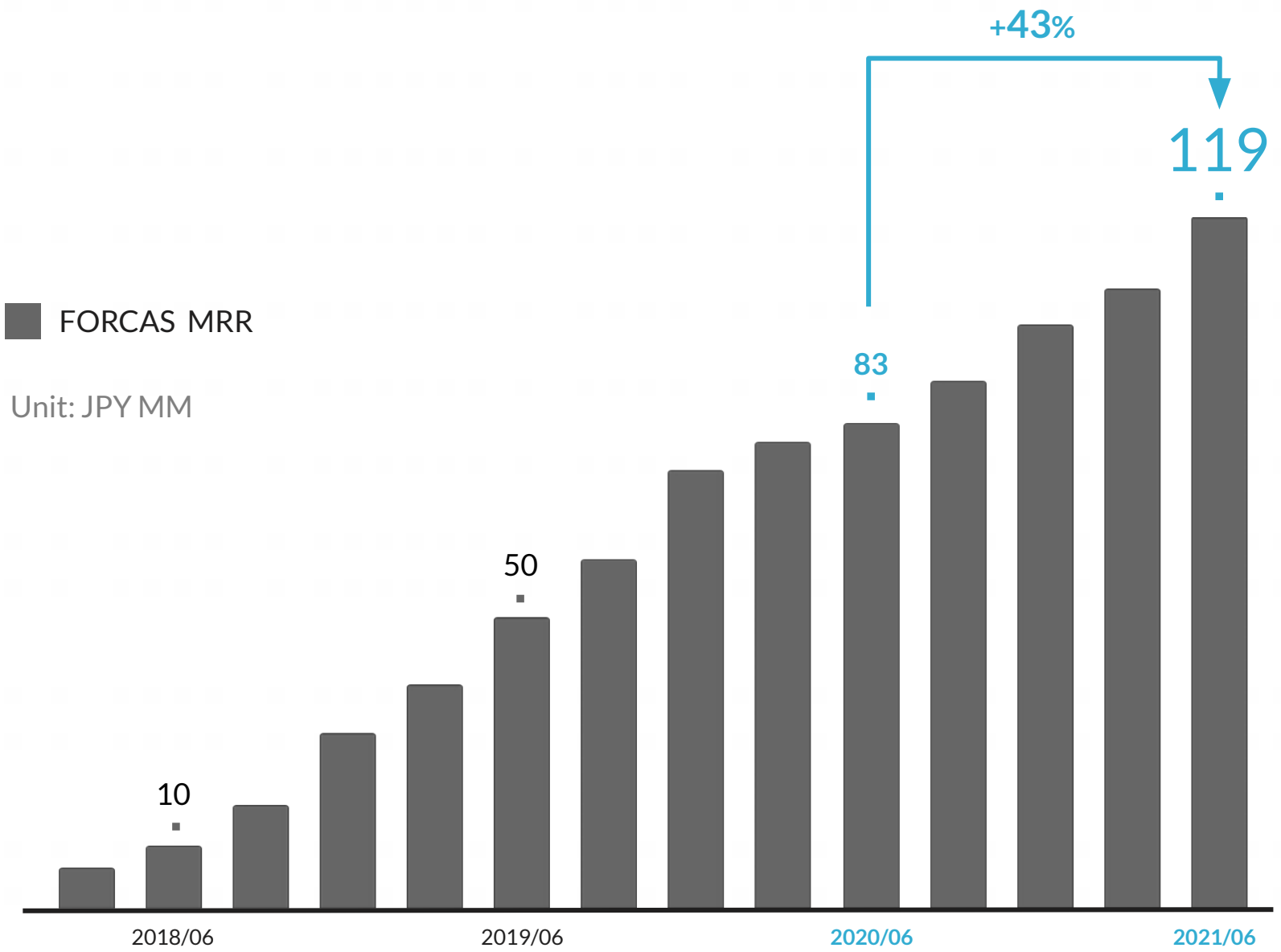
3

Highlights for:

Other B2B Business

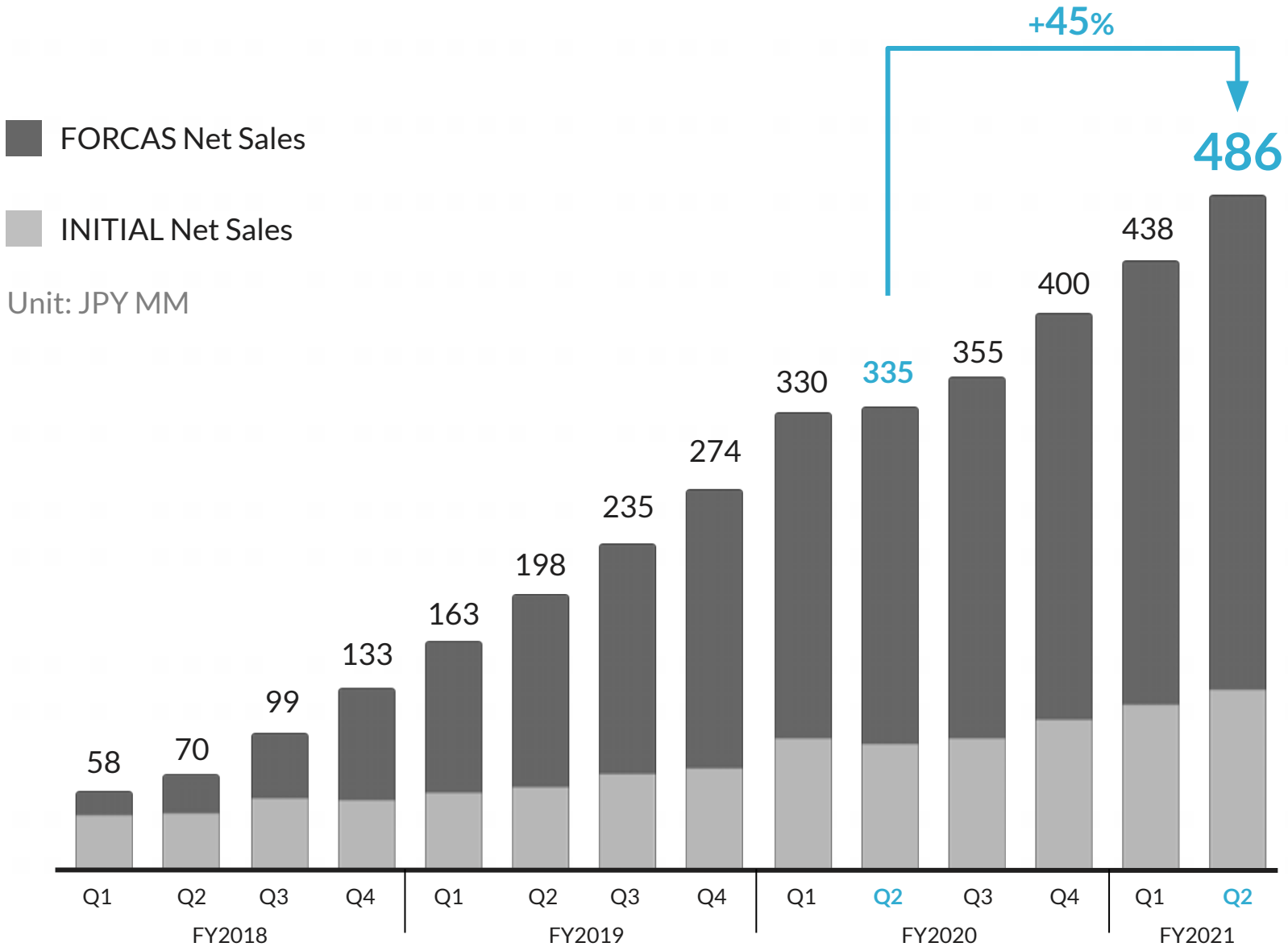
UZABASE

MRR growth rate for FORCAS increased to +43% YoY.
Steady increase in growth rate forecast going forward on the back of contribution of MRR from FORCAS Sales.



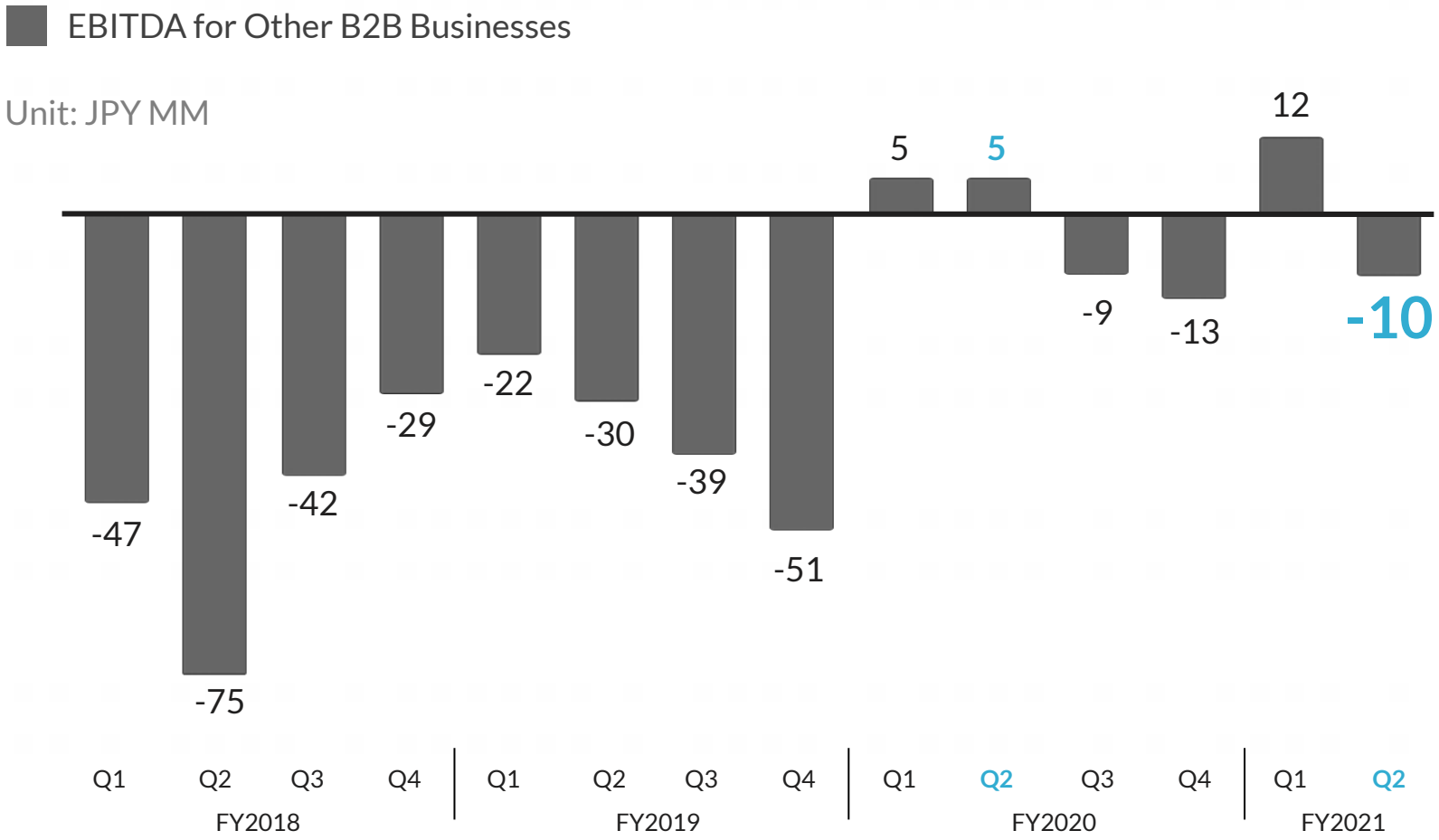
- MRR (Monthly Recurring Revenue): revenue recurring on a monthly basis that excludes any one-off payments by customers such as initial costs.
- MRR from December 2020 onwards includes FORCAS Sales' MRR.

Net sales across all Other B2B Businesses increased by +45% YoY.



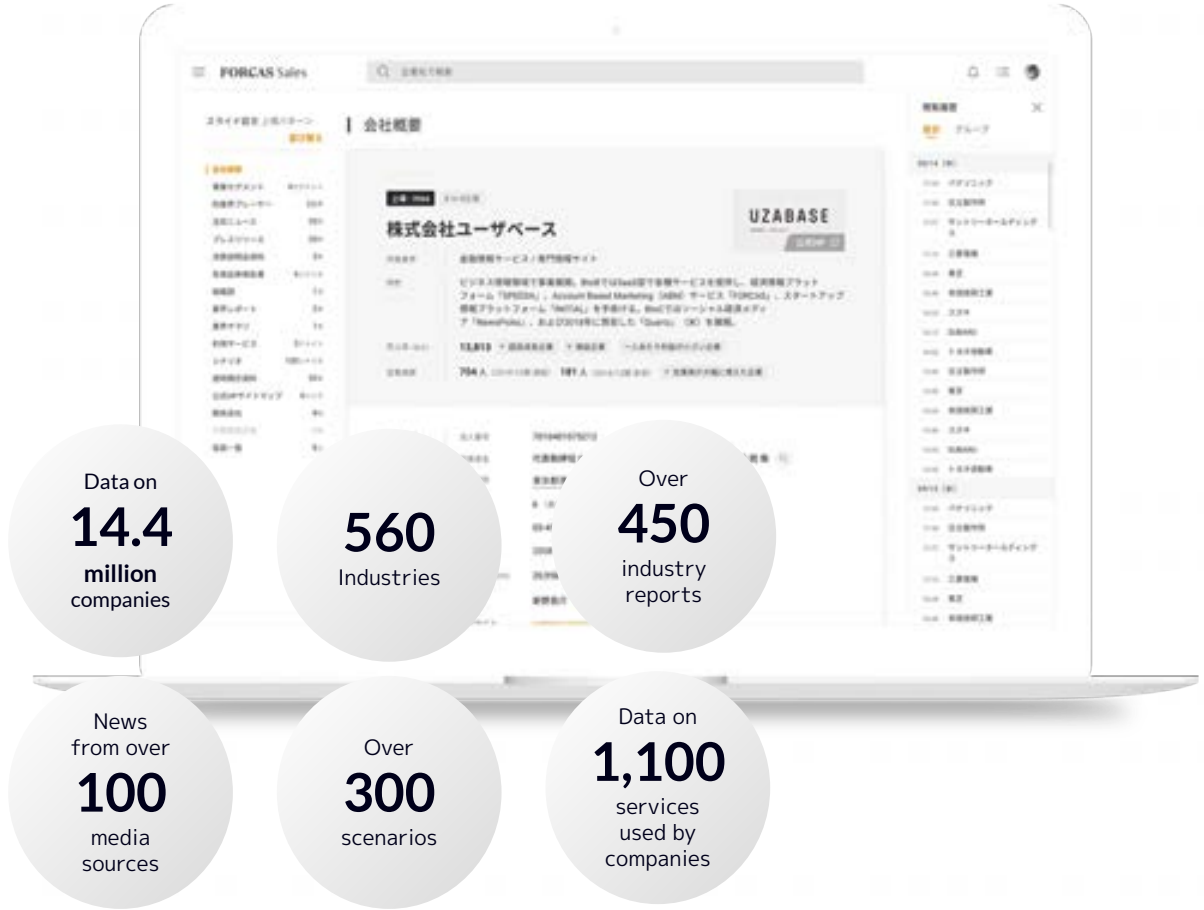
- Internal transactions between segments are included.

EBITDA decreased on a YoY basis due to investments into FORCAS Sales.



Introducing FORCAS Sales

A productivity-boosting research platform tailored to the needs of sales teams



Common Issues Faced by Sales Teams

- Looking up information on leads takes up a lot of time, resulting in lower productivity
- Only certain people possess the skills to properly research their leads and make a value proposition, and the over-reliance on them prevents new sales resource development

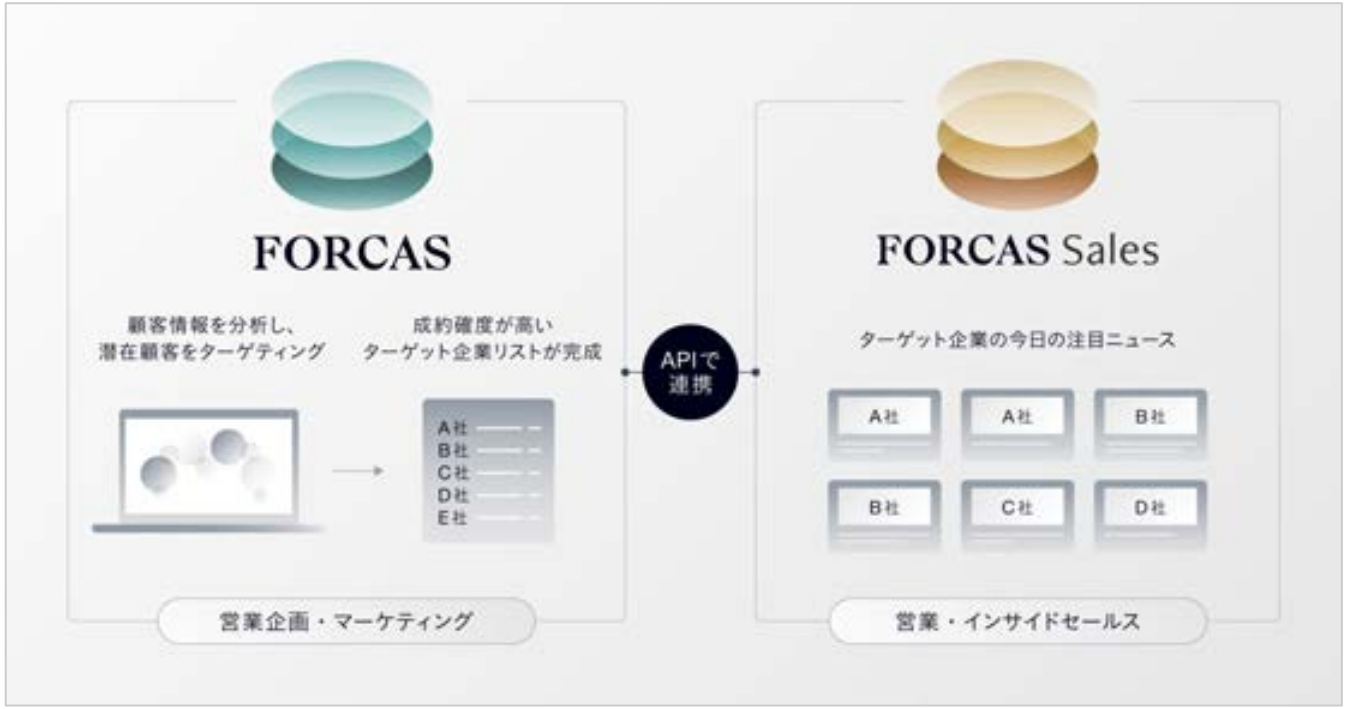
FORCAS Sales' Value Proposition

- Significantly boosts the efficiency of preparatory research prior to a sales appointment
- Helps visualize and standardize sales activities and techniques that tend to remain unshared, helping to train a new generation of highly-skilled sales representatives

(*) For details, refer to FORCAS Sales' website (Japanese only).

FORCAS Sales is now connected to FORCAS

The latest information on leads enables sales teams to create timely, customer-focused sales proposals.



Main Features

- **Quick access to major news related to companies targeted through FORCAS**
- All NewsPicks Premium articles available, linked to company pages
- A target company's flags can be displayed in company lists on FORCAS Sales in order to assist with setting priorities as well as promoting cross-sales

- For details, refer to the "FORCAS Sales Connects with FORCAS to Deliver Top News on Sales Leads" press release (Japanese only)
- For details on the Company News function, refer to the "FORCAS Sales Connects with NewsPicks to Deliver Latest Company News" press release (Japanese only)

Adobe: Successfully leveraged FORCAS Sales to reduce time spent on researching target companies by around 85%



- Created sales proposals for each customer by using the “Services Used” function, which aggregates information from the web in the form of easy-to-use tags
- Gained useful insights that can be utilised in future proposals by reading feature stories published on NewsPicks, in addition to general news articles
- Extracted information from the latest company news and press releases to use as a base for strategy meetings to plan the approach to new departments or key persons on the client side
- Enabled teams to hold brainstorming sessions on a variety of topics, from sharing information on executive-class professionals to potential ice-breakers during sales appointments

Time spent on researching
target companies **reduced by around 85%,**
while also increasing the quality of sales proposals

Q2 2021

Financial results

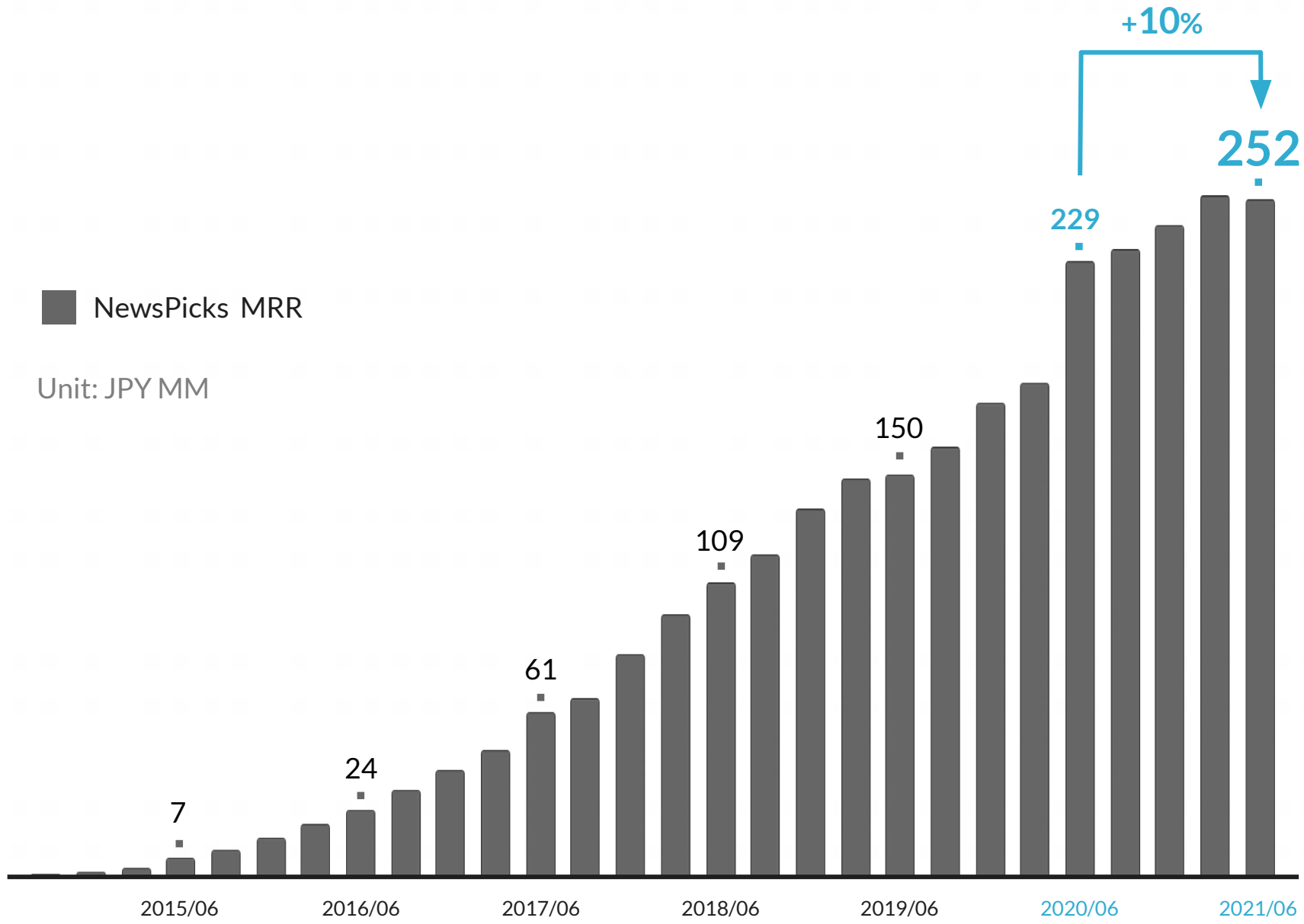
4

Highlights for:

NewsPicks

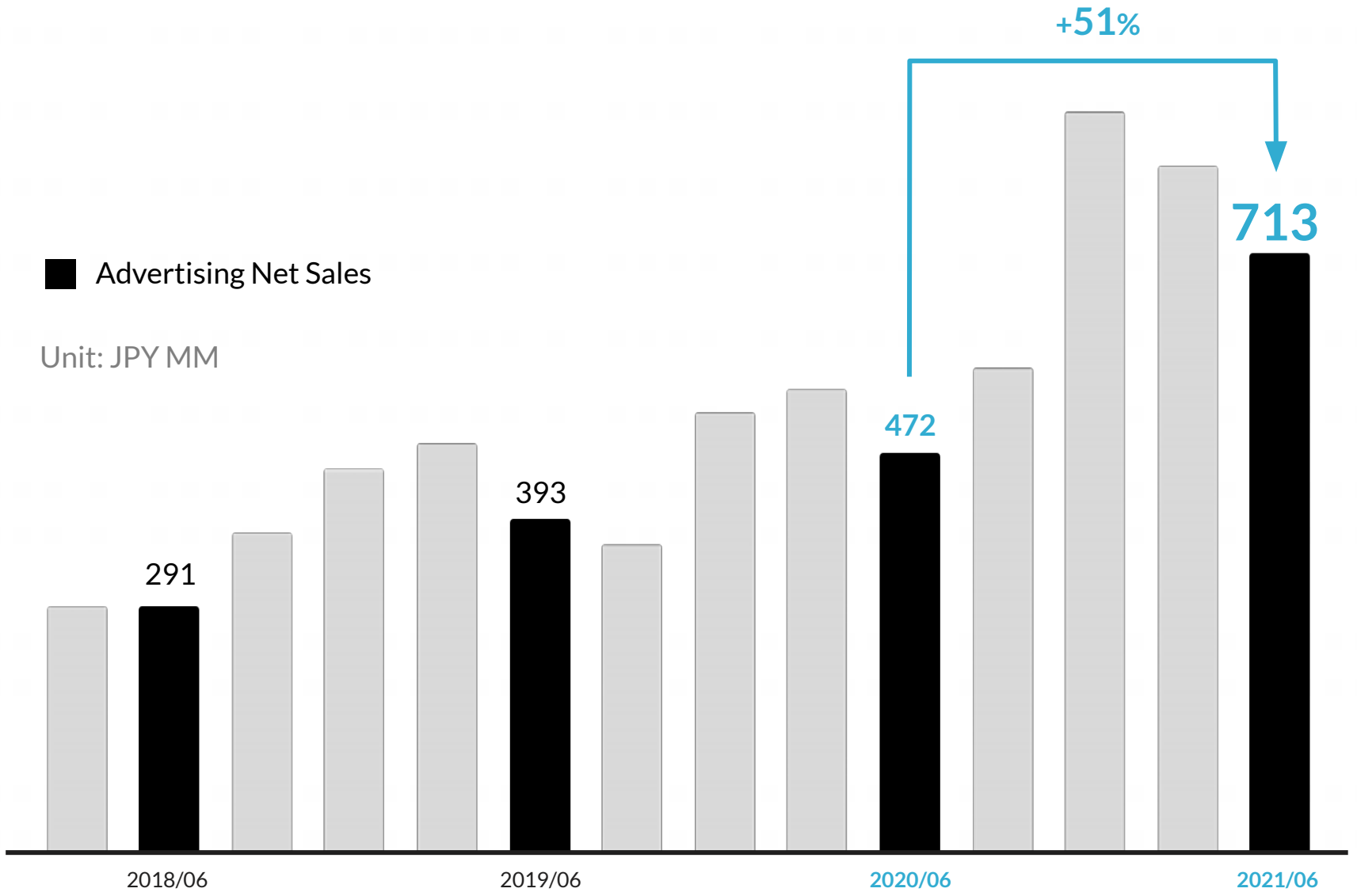
UZABASE

Following the surge in new subscribers in Q2 2020, MRR in Q2 2021 dropped temporarily on a QoQ basis, but is expected to increase from Q3 onwards.

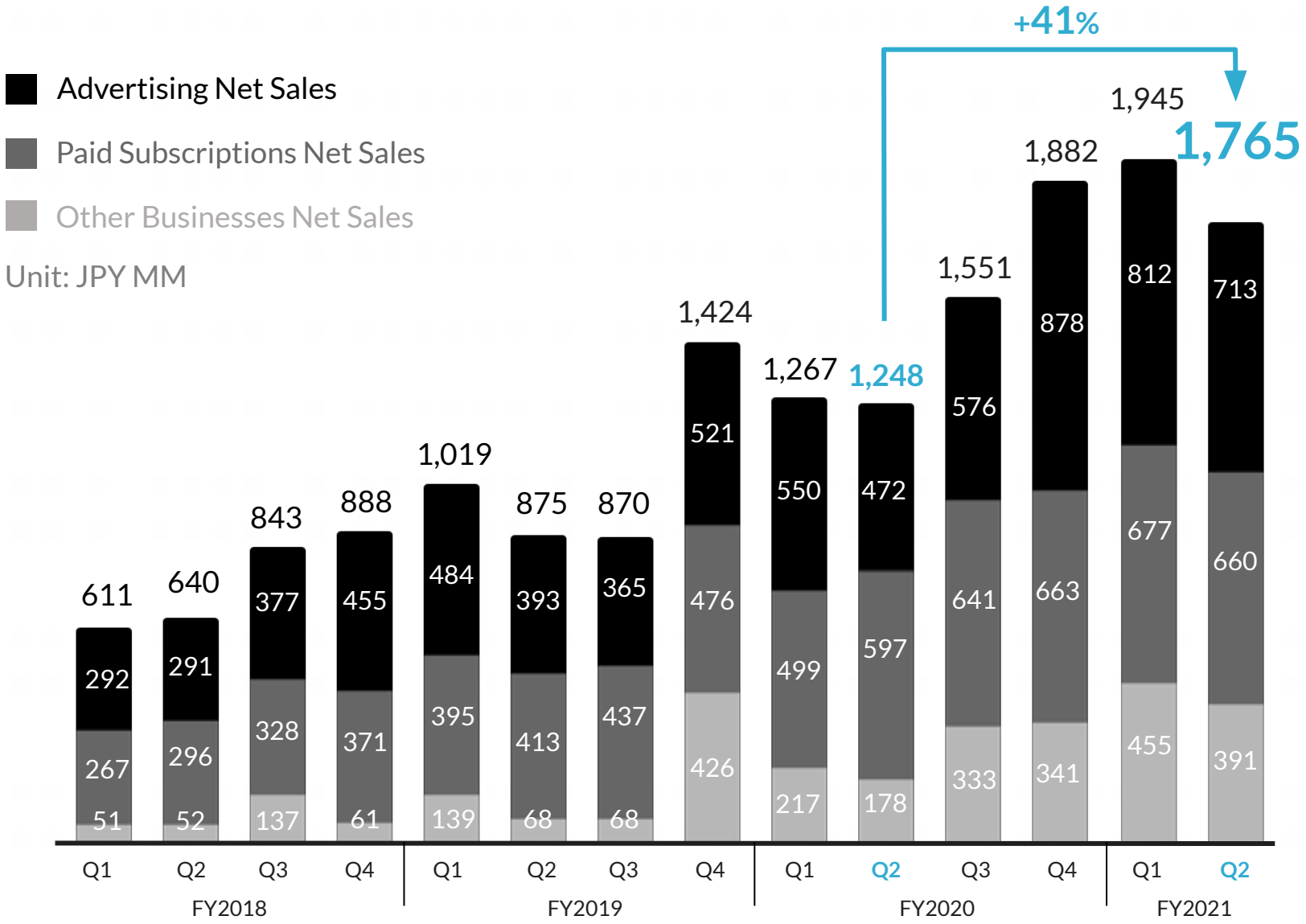


- MRR (Monthly Recurring Revenue): revenue recurring on a monthly basis that excludes any one-off payments by customers such as initial cost.
- MRR is a total for individual and corporate users.

Net sales in the Advertising business maintained a high growth rate, increasing by +51% YoY.

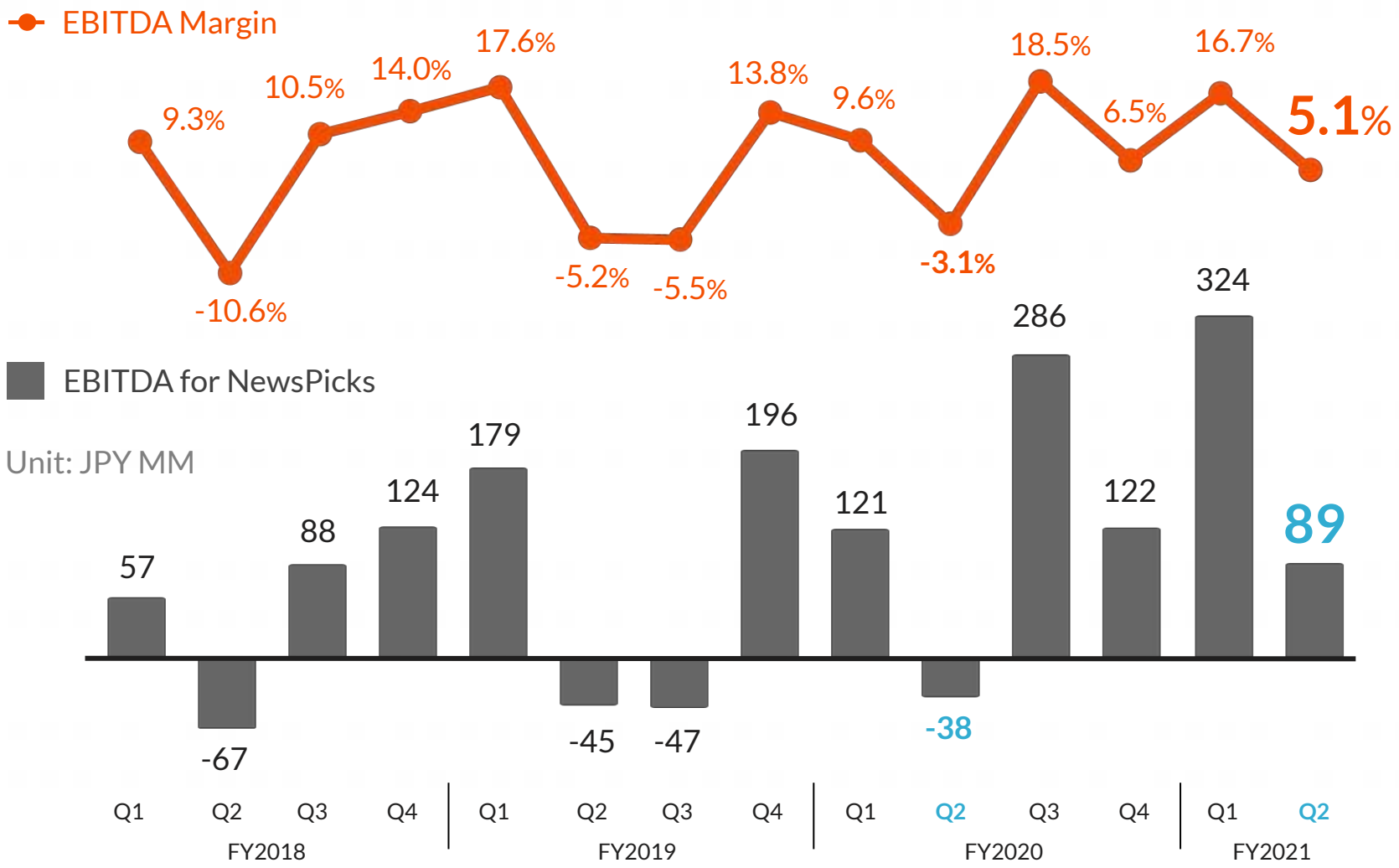


Total net sales increased by +41% YoY, maintaining a high growth rate.



- Internal transactions between segments are included.
- Other Businesses include publishing, NewsPicks Newschool, and consulting,

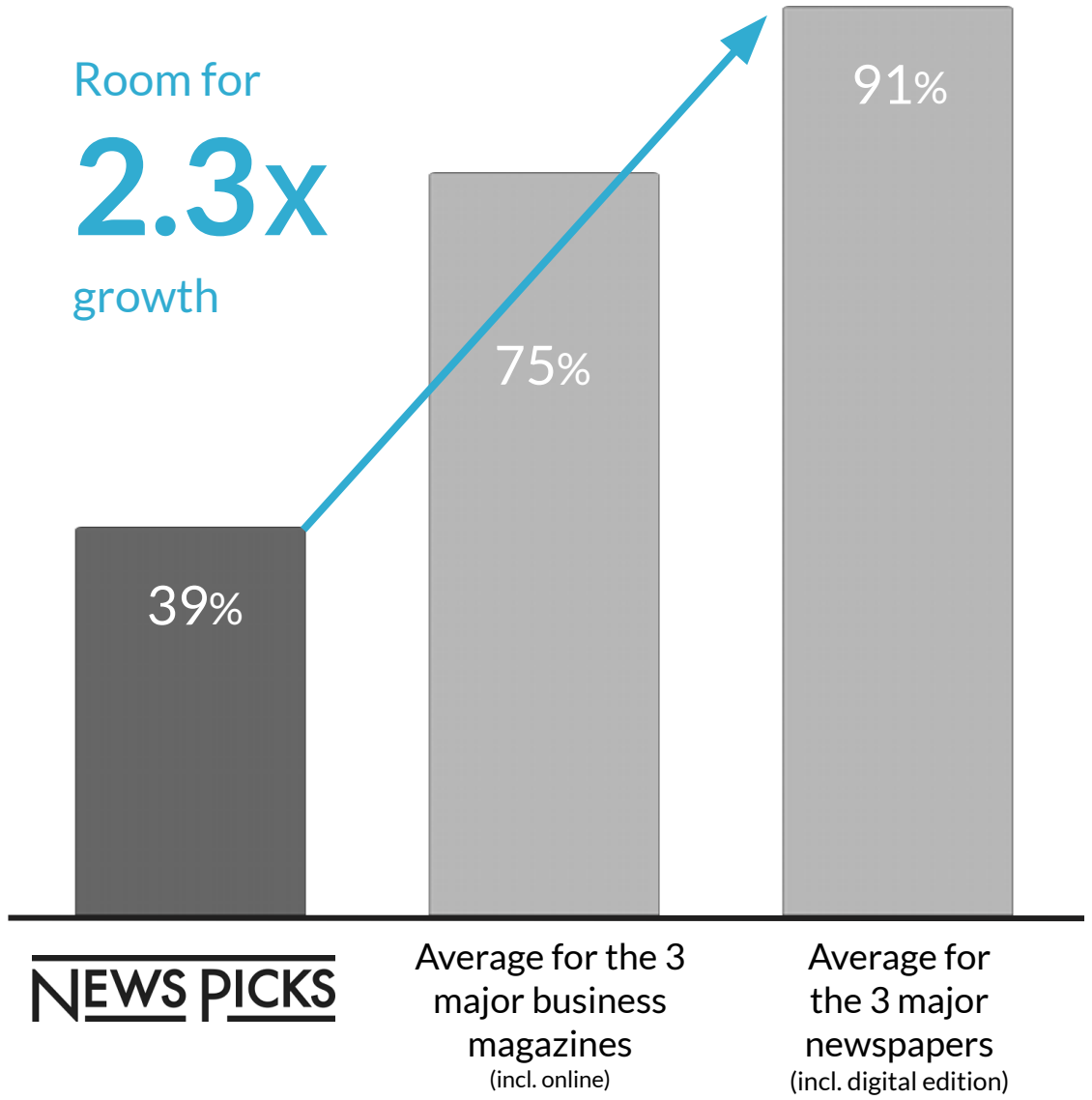
Due to the effects of seasonality on earnings, as well as the timing of investments, profit tends to fluctuate from quarter to quarter. Nevertheless, NewsPicks is aiming to increase profitability on a full-year basis.



Brand awareness is NewsPicks' greatest challenge at the moment. However, it also means that there is ample room for future growth.

➔ In order to improve brand awareness, NewsPicks will bolster its marketing efforts and accelerate the expansion of the B2B business nationwide, without limiting the scope to Tokyo.

Brand Awareness Among Business Media Users



- Figures based on an independent survey conducted by an unaffiliated company in January 2020, with a sample size of 3,000 business media users.

“NewsPicks +d”, a service developed jointly with NTT DOCOMO, released on July 19th. Now offered to all DOCOMO’s corporate customers across Japan.

Eligible Customers

・Customers who already have a free single sign-on ID offered by DOCOMO
・Customers subscribed to the DOCOMO membership program for corporate customers

Value Proposition

1. Delivers learning opportunities applicable in business and daily life
2. Closely tied to local communities, shining a spotlight on the opinions of people living and working in more regional areas.
3. Encourages diverse lifestyles and workstyles, empowering people both on and off the job.

Also provides information on digital transformation (DX), which is a focus of attention among companies of all sizes across Japan, as well as updates on the development of IT and next-gen communications—an area in which DOCOMO has accumulated extensive expertise.

➡ **Aiming to contribute towards finding solutions for issues faced by people across all regions of Japan**

Subscription Plans

Free Plan and Paid Plan (JPY 1,400 incl. tax)
(*) Price listed is for a single DOCOMO membership program subscriber, per month



- For details, refer to the press release “NewsPicks and DOCOMO Launch NewsPicks +d, a New Media Service for DOCOMO’s Corporate Customers” (July 19, 2021) or the ”NewsPicks +d” dedicated page (Japanese only).

Multiple large-scale, region-focused events planned in Japan's major cities. NewsPicks app will assist with information sharing, contributing to the revitalization of regional economies



Launched "Re:gion"
to expand the activity nationwide

NEWS PICKS
Re:gion

Events in 2020

The WestShip conference organized in collaboration with Osaka Prefectural Government attracted over 3,500 attendees.

Business professionals from West Japan and familiar faces from NewsPicks discussed various topics surrounding the reality of modern business.

The event offered all attendees a chance to hear the stories of success and failure as told by business leaders themselves, providing useful hints and business opportunities in the process.(Attendee satisfaction rate: 87.3%)

What is Re:gion?

NewsPicks will work with local governments, associations, and private companies to organize a number of conferences focused on regional economies, with a goal of leading change in Japanese society.

The first large-scale conference as part of this project will be hosted by the city of Fukuoka on August 31, 2021.

A series of original articles on the future of regional economies in Japan (free access) will also be released via the NewsPicks app, along with a number of curated articles from other media that cover the topic.

- For details on Re:gion, refer to the NewsPicks Launches 'Re:gion', a Regional Project Focused on Regional Economies" press release (July 2, 2021) and the official website for Re:gion (Japanese only)

Q2 2021

Financial results

5 Appendix

UZABASE

Business segments

SPEEDA

Business Intelligence Platform
Provides the information necessary for business strategy development and market analysis, including global and local company/market data, industry reports, M&A information, patent- related trends, and more.

Expert Network
Provides “SPEEDA Expert Research”, a service that offers access to the opinions of industry experts in cutting-edge fields.

Other B2B Services

B2B Marketing Platform
Offers support for implementing ABM practices to help identify high probability prospects via data analysis.

Sales Research Platform
Service looking to improve the productivity of sales teams via a selling process based around solutions for customers problems.

Startup Information Platform
Provides business descriptions, funding round information, and original articles on startups.

NewsPicks

Business News Media
Provides news articles from over 100 media in Japan and overseas, as well as its own original articles and video content, alongside comments from industry professionals and experts.

Consulting Business
Provides NewsPicks tailored to corporate clients, offering support in the areas of organisational revitalization and new business development, in addition to SaaS to support new business development.

Other

US-Focused Emerging Industry Analysis Platform
Provides information on startups, funding, investors, and news mapped to specific sectors to cater to clients’ analytical research needs.

Venture Capital Business
Seed and early-stage investment business specializing in SaaS and media-related startups.

3 Core Assets SHARED BETWEEN CORE PRODUCTS

Expert Network

- Comments from NewsPicks' ProPickers
- Expanded significantly through acquisition of MIMIR and partnership with GlobalWonks



- Number of Experts in Japan is as of April 2021.

Data

SPEEDA

Listed/Private Companies	Industry/Trend Reports
Over 9.5 Million	Over 3,000

Data on over 9.5 million companies and over 3,000 pieces of original content

FORCAS

Listed/Private Companies	Unique Features of Companies
Over 1.5 Million	Over 1,390

Data on software services used by Japanese companies, their disclosures and job ads—analyzed and visualized

INITIAL

Startups	Investors
Over 950,000	13,800

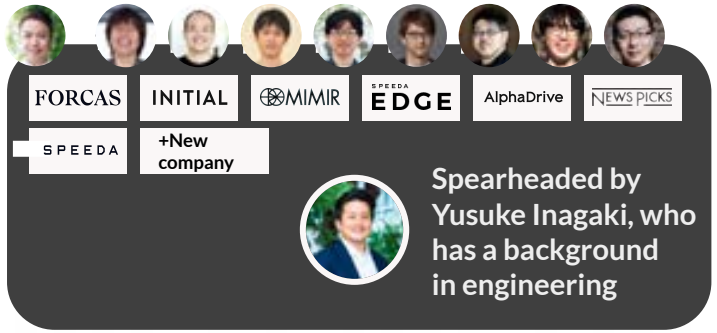
Original data on startups
(*) Only basic information available for certain non-Japanese startups

Technology

Building the team and infrastructure for one-stop collaboration within Uzabase Group

CTOs and highly-skilled engineers who can improve the technological quality of products

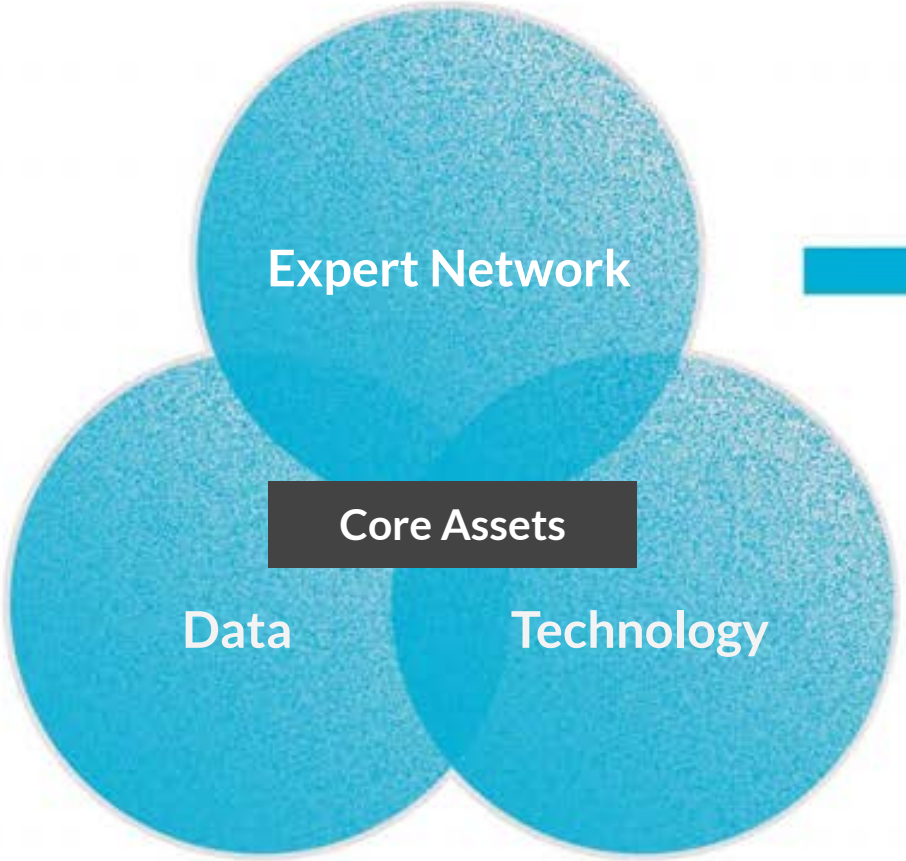
"Uzabase Fellows" – 9 engineers



Uzabase intends to further bolster its engineering team in 2021 by hiring at least 50 more engineers

Appendix: Relationship between core assets and products

These 3 Core Assets are leveraged to provide the optimum product to match client needs.



Products	Customer Needs
SPEEDA	Financial and business management strategy
FORCAS FORCAS Sales	Sales and marketing
INITIAL	Startup investment and partnerships
incubation suite	Development of new businesses
NEWS PICKS	Business news
NEWS PICKS Enterprise	Organizational strategy
New services	New customer needs

Appendix: Consolidated MRR Changed from Gross to Net Presentation

Reasons for Change

- Up until now, some transactions overlapped between SPEEDA and NewsPicks, but due to their insignificance in monetary terms, Uzabase's disclosures still showed the gross MRR.

- However, this overlap is anticipated to grow in the future due to various collaborative projects involving NewsPicks, such as the FORCAS Sales × NewsPicks initiative. As such, Uzabase has deemed that the disclosure of the net MRR will be a more appropriate and accurate representation of the company's transactions, and will switch to that format going forward.

Past figures for consolidated MRR will change as per the table below:

Unit: JPY MM	End-Dec 2019	End-Mar 2020	End-June 2020	End-Sep 2020	End-Dec 2020
Before (Gross)	696	725	793	821	842
After (Net)	694	724	792	819	840
Change (Intercompany Eliminations)	-1	-1	-1	-1	-1

- MRR for Quartz is included up until end-September 2020
- All monetary amounts are truncated values.

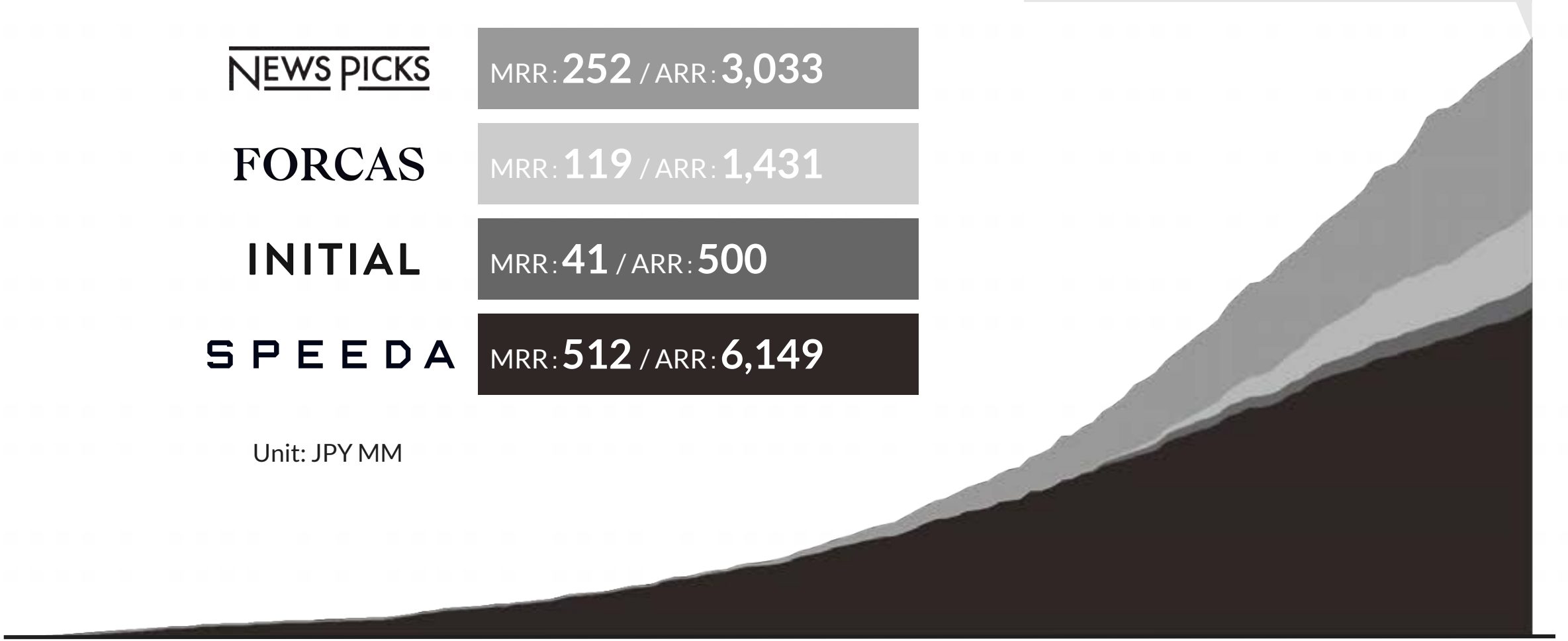
Appendix: MRR and ARR

Consolidated MRR: **924**

Consolidated ARR: **11,096**

NEWS PICKS	MRR: 252 / ARR: 3,033
FORCAS	MRR: 119 / ARR: 1,431
INITIAL	MRR: 41 / ARR: 500
SPEEDA	MRR: 512 / ARR: 6,149

Unit: JPY MM



- MRR (Monthly Recurring Revenue): revenue recurring on a monthly basis that excludes any one-off payments by customers such as initial cost.
- ARR (Annual Recurring Revenue): fixed annual earnings calculated as MRR multiplied by 12 months.
- As Quartz has been excluded from the consolidated results since November 2020, its MRR is also excluded.

Business model with a subscription-based revenue stream.

Data Sources

Data Suppliers

野村総合研究所 Nomura Research Institute
JIJI PRESS 時事通信社
MORNINGSTAR
TSR
EUROMONITOR INTERNATIONAL
and more...

In-House Resources

Analysts and editors in Japan and Asia

Financial Data, Statistics, etc.

Original Content

SPEEDA



Provision of Services

Monthly Fee (incl. one-off payments)

End-users

Financial Institutions

45%

Business Corporations

55%

*As of end-June 2021

- Financial Institutions include banks and brokerage firms, audit firms, and M&A advisory firms.
- Business Corporations include general electrical manufacturers, general contractors, as well as firms in real estate, pharmaceuticals, biotechnology, infrastructure, telecom, and IT industries.

Business model with two revenue streams: Subscriptions and Advertising.

Data Sources

Media

and more...

Expert Insights

In-House Resources

Reporters/Editors

Business News

News Commentary

Original Content

NEWS PICKS



Provision of Services

Monthly Fee

Ad Revenue

End Users

Readership (Total)

6.41M

Paid Subscribers

172K

Clients

Advertisers

- The content includes both articles and video feeds.
- All figures shown are as of end-June 2021.
- The number of Paid Subscribers is the sum of individual and corporate members.

Appendix: Consolidated Profit and Loss Sheet (Cumulative Figures)

(Unit: JPY MM)	Q2 2019 (Cumulative)	Q2 2020 (Cumulative)	Q2 2021 (Cumulative)
Net Sales	5,665	6,354	7,863
Net Sales Growth Rate	85%	12%	24%
Cost of Sales	2,495	3,127	2,964
Gross Profit	3,170	3,226	4,899
Gross Profit Margin	56%	51%	62%
Selling, General, and Administrative Expenses	4,101	3,778	3,667
Operating Profit	-931	-551	1,231
Operating Profit Margin	-	-	16%
EBITDA	-528	-104	1,434
EBITDA Margin	-	-	18%
Ordinary Profit	-1,007	-665	1,141
Ordinary Profit Margin	-	-	15%
Net Profit Attributable to Parent Company Shareholders	-965	-1,110	743
Net Profit Margin Attributable to Parent Company Shareholders	-	-	9%

Appendix: P&L by Business Segment (Cumulative Figures)

(Unit: JPY MM)		Net Sales	YoY	EBITDA	YoY
Q2 2021 (Cumulative)	Consolidated	7,863	+24%	1,434	-
	Consolidated (excl. Quartz)	7,863	+35%	1,434	+29%
	SPEEDA	3,243	+23%	1,137	+8%
	Other B2B	921	+39%	2	-77%
	NewsPicks	3,695	+47%	414	+400%
Q2 2020 (Cumulative)	Consolidated	6,354	+12%	-104	-
	Consolidated (excl. Quartz)	5,809	+32%	1,112	+23%
	SPEEDA	2,638	+23%	1,049	+27%
	Other B2B	660	+83%	11	-
	NewsPicks	2,511	+33%	82	-38%
	Quartz	544	-57%	-1,216	-
Q2 2019 (Cumulative)	Consolidated	5,665	+85%	-528	-
	Consolidated (excl. Quartz)	4,389	+43%	904	+179%
	SPEEDA	2,142	+27%	826	+76%
	Other B2B	360	+190%	-53	-
	NewsPicks	1,885	+51%	133	-
	Quartz	1,276	-	-1,433	-

- Internal transactions between segments are excluded.

Appendix: Consolidated Profit and Loss Sheet (Quarterly Figures)

(Unit: JPY MM)	FY2019				FY2020				FY2021	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Net Sales	2,847	2,818	2,808	4,048	3,171	3,182	3,583	3,871	3,965	3,898
Growth rate	+91%	+78%	+19%	+4%	+11%	+13%	+28%	-4%	+25%	+22%
Net Sales (excl. Quartz)	2,217	2,171	2,270	2,919	2,882	2,927	3,287	3,739	3,965	3,898
Growth rate (excl. Quartz)	+49%	+37%	+22%	+46%	+30%	+35%	+45%	+28%	+38%	+33%
SPEEDA	1,037	1,104	1,162	1,225	1,288	1,349	1,388	1,466	1,589	1,654
Other B2B	162	198	235	274	327	332	353	397	436	484
NewsPicks	1,017	868	872	1,419	1,266	1,244	1,545	1,875	1,938	1,756
Quartz	629	646	537	1,128	289	255	296	131	-	-
EBITDA	-179	-349	-304	421	-42	-61	499	522	837	597
EBITDA (excl. Quartz)	572	331	307	537	640	471	789	542	837	597
SPEEDA	416	409	398	372	513	536	503	447	547	589
Other B2B	-22	-30	-39	-51	5	5	-9	-13	12	-10
NewsPicks	179	-45	-47	196	121	-38	286	122	324	89
Quartz	-752	-681	-611	-115	-682	-533	-290	-20	-	-

- Internal transactions between segments are excluded.
- Net sales growth rate presented as compared to the same quarter of the previous year.

Appendix: Consolidated Balance Sheet

(Unit: JPY MM)	End-2020	End-Q2 2021	Change
Current Assets	9,226	10,850	1,623
(Cash and Deposits)	7,584	9,278	1,694
Non-Current assets	6,600	6,850	249
Deferred Assets	87	70	-17
Total Assets	15,915	17,770	1,855
Current Liabilities	5,222	6,422	1,199
Non-Current Liabilities	3,573	2,887	-686
Total Liabilities	8,796	9,309	512
(Interest-Bearing Liabilities)	4,308	3,876	-431
Total Net Assets	7,118	8,460	1,342



For more information on financial records, refer to the full “FY12/2021 2Q Financial Report (Consolidated)”

UZABASE

Disclaimer

The purpose of this material is to provide information to investors, and not to solicit investment in any particular service.

The information disclosed in this material and projections for future performance are based on the data and information available at the time when this material was composed, and may contain uncertainties.

Please be aware that actual future performance and results may differ significantly from projections due to various factors.

UZABASE

August 5, 2021

UZABASE

