UZABASE

Uzabase, Inc.

2021 2nd Quarter Financial Results Briefing

August 5, 2021

Event Summary

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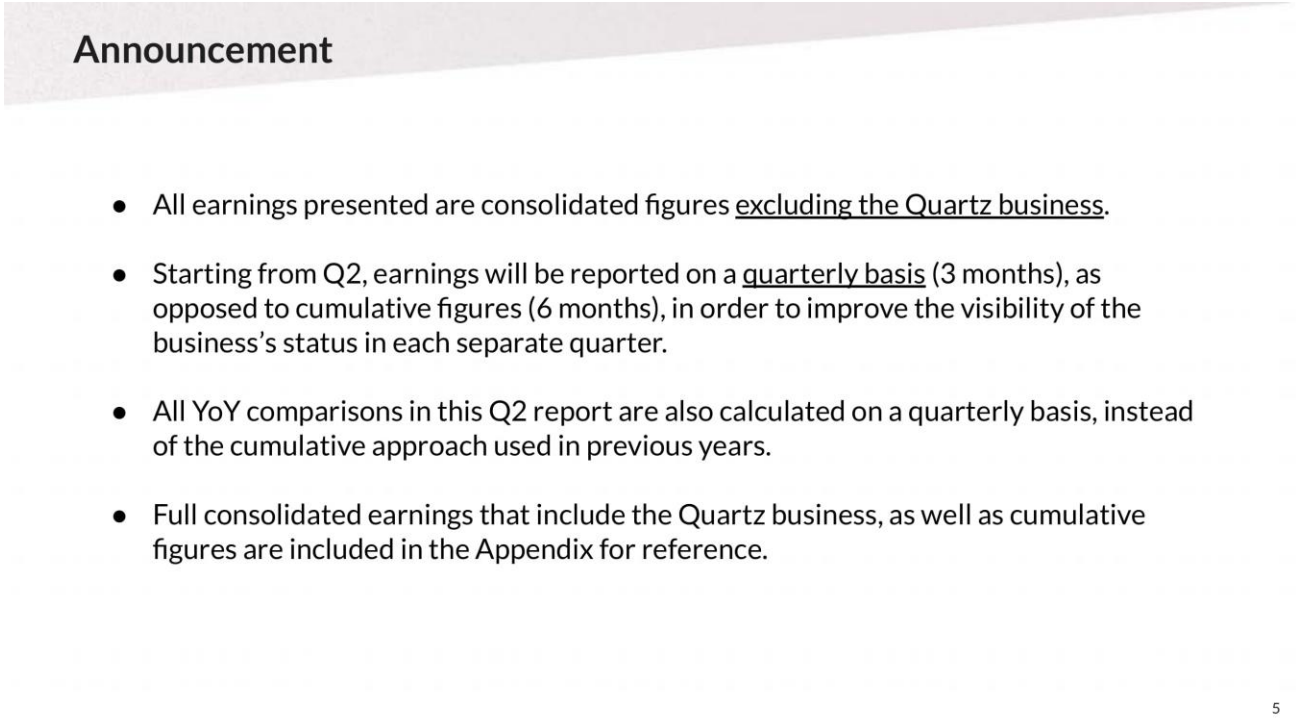
[Number of Speakers]	5

Yusuke Inagaki	Co-Chief Executive Officer
Taira Sakuma	Co-Chief Executive Officer
Daisuke Chiba	Executive Officer, Chief Financial Officer
Daisuke Sakamoto	Chief Executive Officer, NewsPicks, Inc.

Presentation

AndoModelator: Hi everyone. Thank you very much for taking time out of your busy schedules to join us today. Since the time has come, we will now begin a briefing session on the financial results for the second quarter of 2021.First of all, I would like to introduce our company's executives on stage. Yusuke Inagaki, Co-CEO.**Inagaki**: Nice to meet you.**Modelator:** Taira Sakuma, Co-CEO.**Sakuma**: Nice to meet you.**Modelator:** Daisuke Chiba, Executive Officer, CFO.**Chiba**: Nice to meet you.**Modelator:** Daisuke Sakamoto, CEO of NewsPicks, Inc.**Sakamoto**: Nice to meet you.**Modelator**: These 4 will give you the presentations. Sakuma will now explain our consolidated business results.**Sakuma**: I will begin by explaining the overall consolidated results.



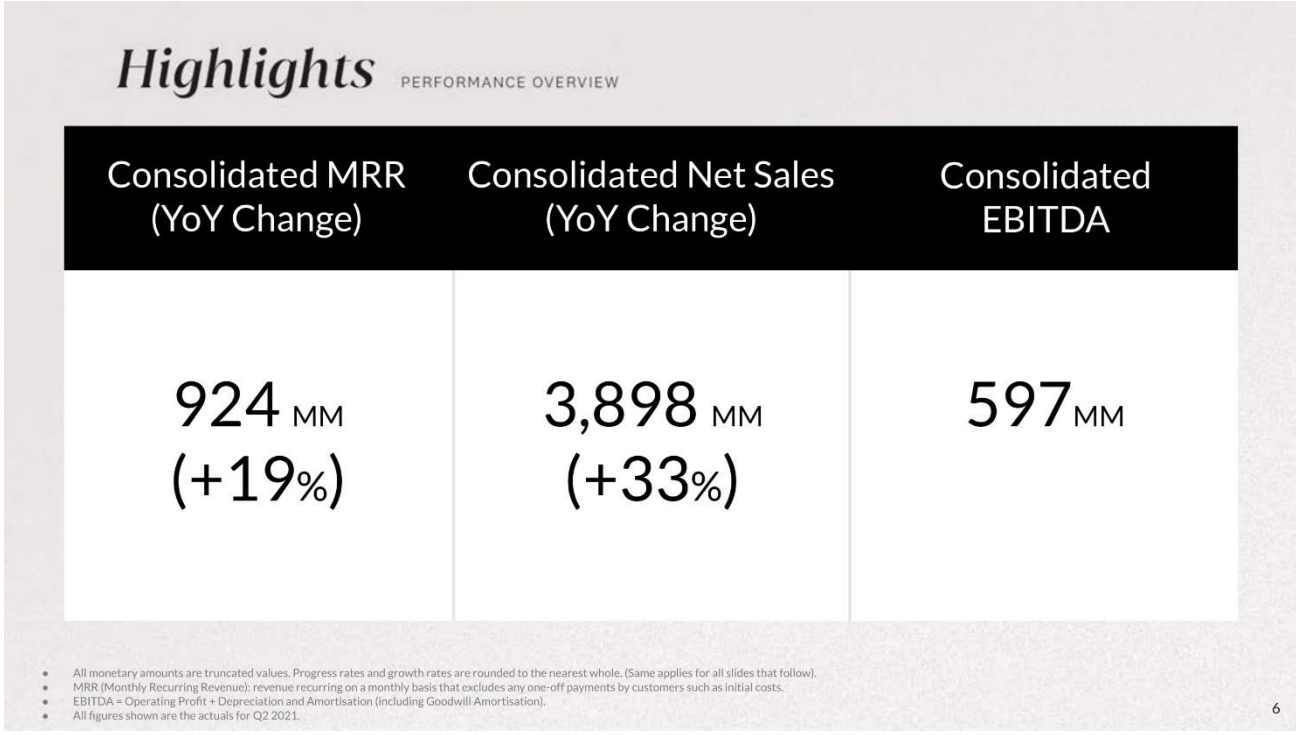
Before giving you the explanation about the figures, let me explain the changes we made to the presentation materials for the financial results.

First of all, regarding the past business results, when we compare the past business results with those of the Quartz business, especially the current business results, we compare them with the business results excluding the Quartz business.

Previously, we used to give 2 figures, which was quite difficult to understand, so we have made this change to simply give figures that are more in line with the actual situation. Please refer to the appendix for the past financial results including Quartz business.

The other change is to mainly report results for the quarterly accounting period instead of the quarterly cumulative period. For example, instead of reporting sales from January to June of this year as Q2 sales, we are now reporting Q2 sales for the 3 months from April to June. We have changed all the presentation materials for the financial results briefing to this format because it is easier to understand the movements of

each quarter. We hope you will keep this in mind.

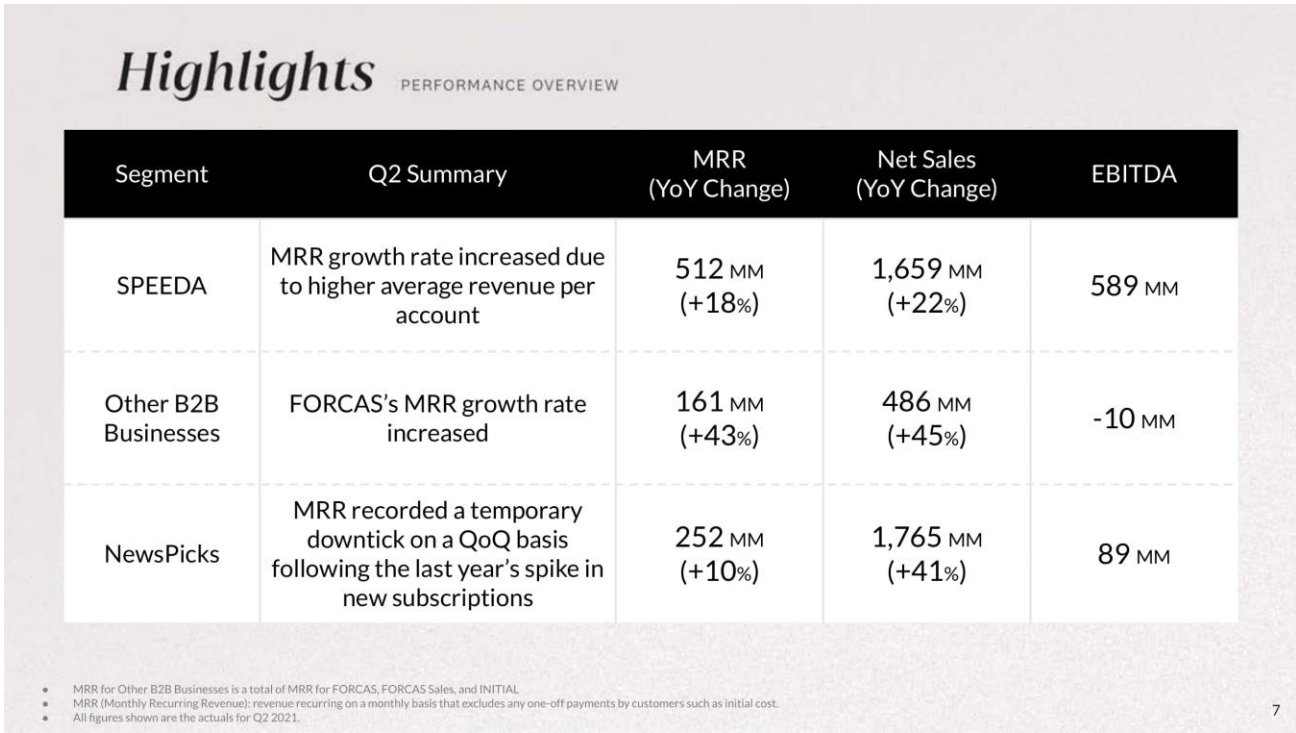


First, here is our overall performance.

The consolidated MRR was JPY924 million, and the YoY growth rate is 19%.

Consolidated net sales, for the period from April to June, was JPY3.898 billion, a 33% increase over the same period last year.

Consolidated EBITDA was JPY597 million.



Looking at the results by business segment, we think that the positive factor is that the growth rate of MRR is accelerating in both SPEEDA and other B2B business segments. I will talk about the detailed figures later in the explanation of business results by business segment,

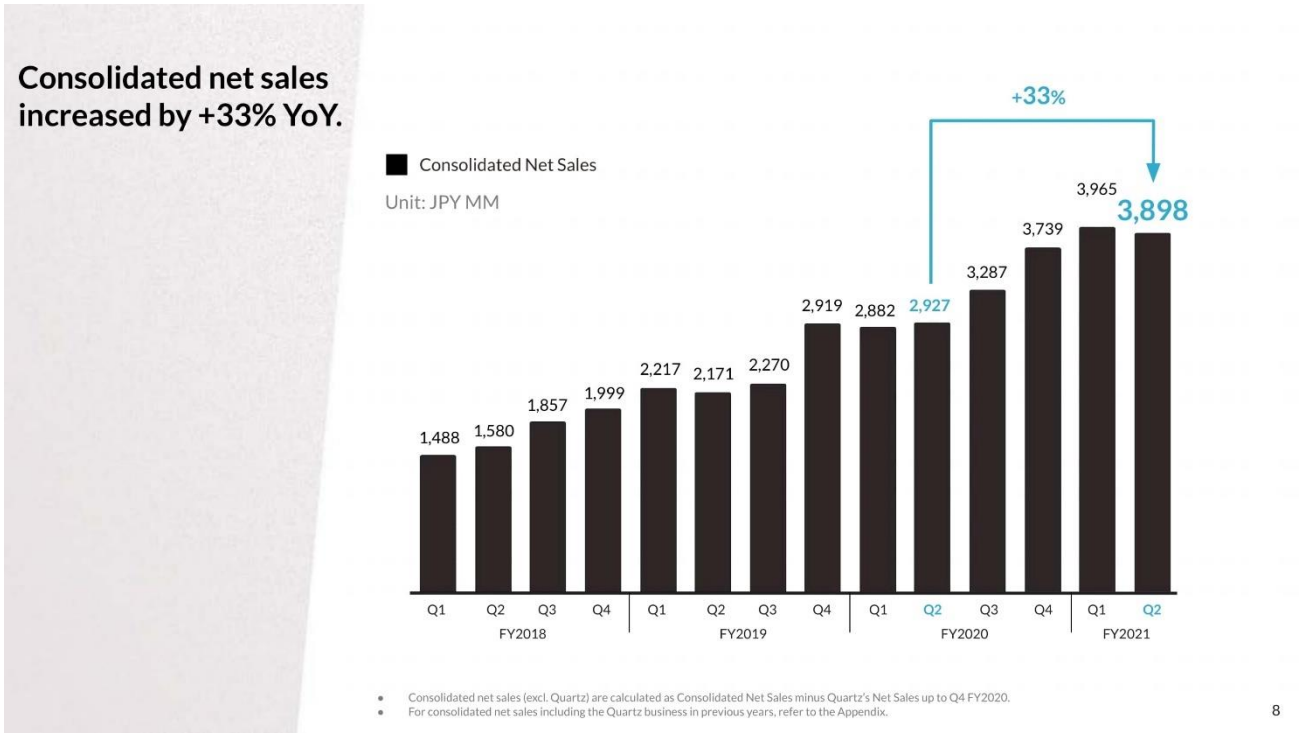
SPEEDA's MRR was JPY512 million, which is an 18% growth YoY. The growth rate was 15% in the previous quarter, and 13% in the quarter before that, so we think it is positive factor that the growth rate has recovered and is accelerating after the decline in the COVID-19 outbreak.

In other B2B businesses, the MRR growth rate of FORCAS, in particular, increased, and the combined MRR of INITIAL and FORCAS was JPY161 million, a very high growth rate of 43% compared to the previous year.

The MRR for NewsPicks was JPY252 million. In the previous quarter, it was JPY255 million, so it was down slightly by JPY3 million.

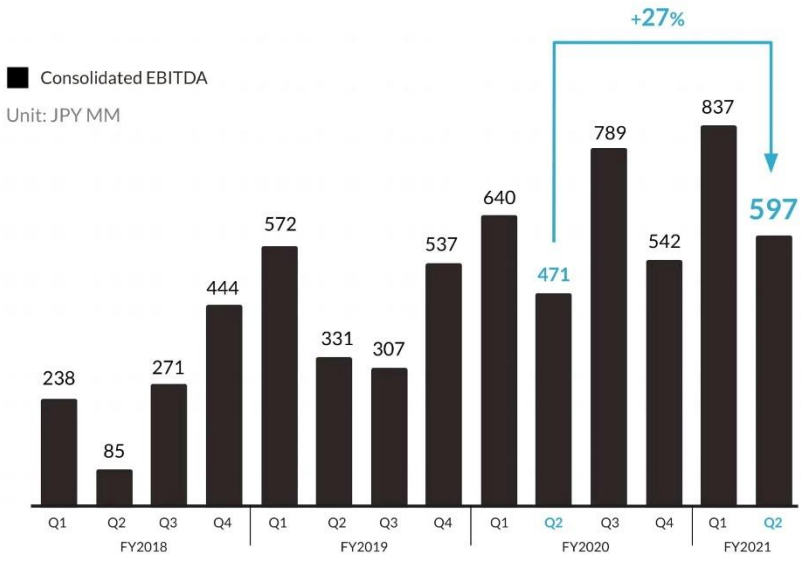
As I mentioned a little bit in the previous financial results, we are experiencing a temporary slight decrease in MRR due to a rebound from the large number of annualized acquisitions at the same time last year. Since this is a temporary impact, we believe that MRR will be on a growth track again from the third quarter.

To sum up the overall results for the second quarter, the results were remarkable. As I will explain later, the progress rate is very high compared to our plan, and the growth rate of MRR in SaaS businesses such as SPEEDA and FORCAS is accelerating, which we think is very positive factor.



This is the slide for net sales. The slides were prepared in this way, separated every 3 months. This slide shows a 33% growth to 3,898 million since the same period last year was JPY2.927 billion.

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.

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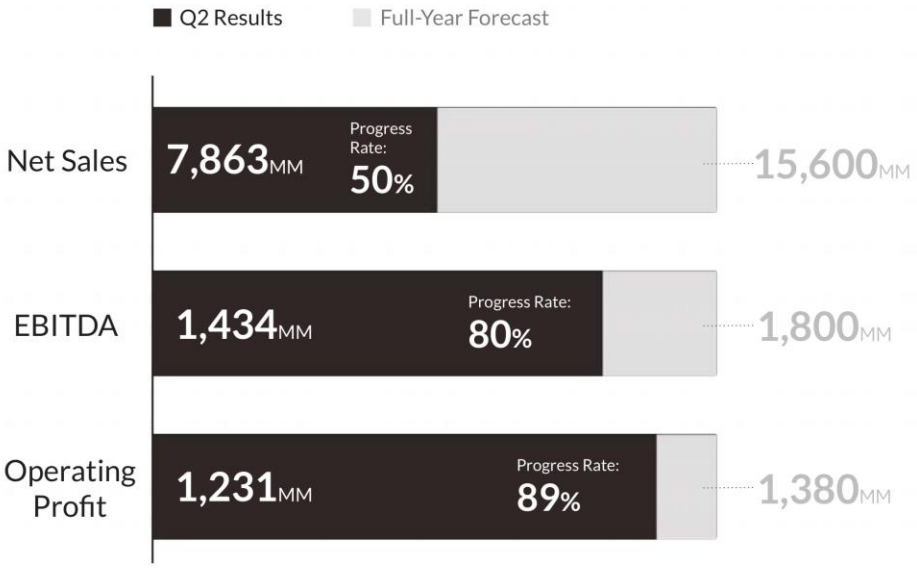
EBITDA's figure fluctuates a bit due to the seasonality of the NewsPicks business and the timing of our investments, but this time it was JPY597 million, up 27% from the previous year.

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.

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Here is a slide showing the percentage of progress compared to the Company plan.

The gray figured on the right side represent our targets. For the full year, we have set our corporate plan for sales of JPY15.6 billion, EBITDA of JPY1.8 billion, and operating income of JPY1.38 billion.

Against that, sales were JPY7.863 billion, and the progress rate was JPY15.6 billion, or about 50%. EBITDA is JPY1.434 billion against JPY1.8 billion, and the progress rate was 80%. Operating income was JPY1.231 billion, compared to JPY1.38 billion, and the progress rate was 89%.

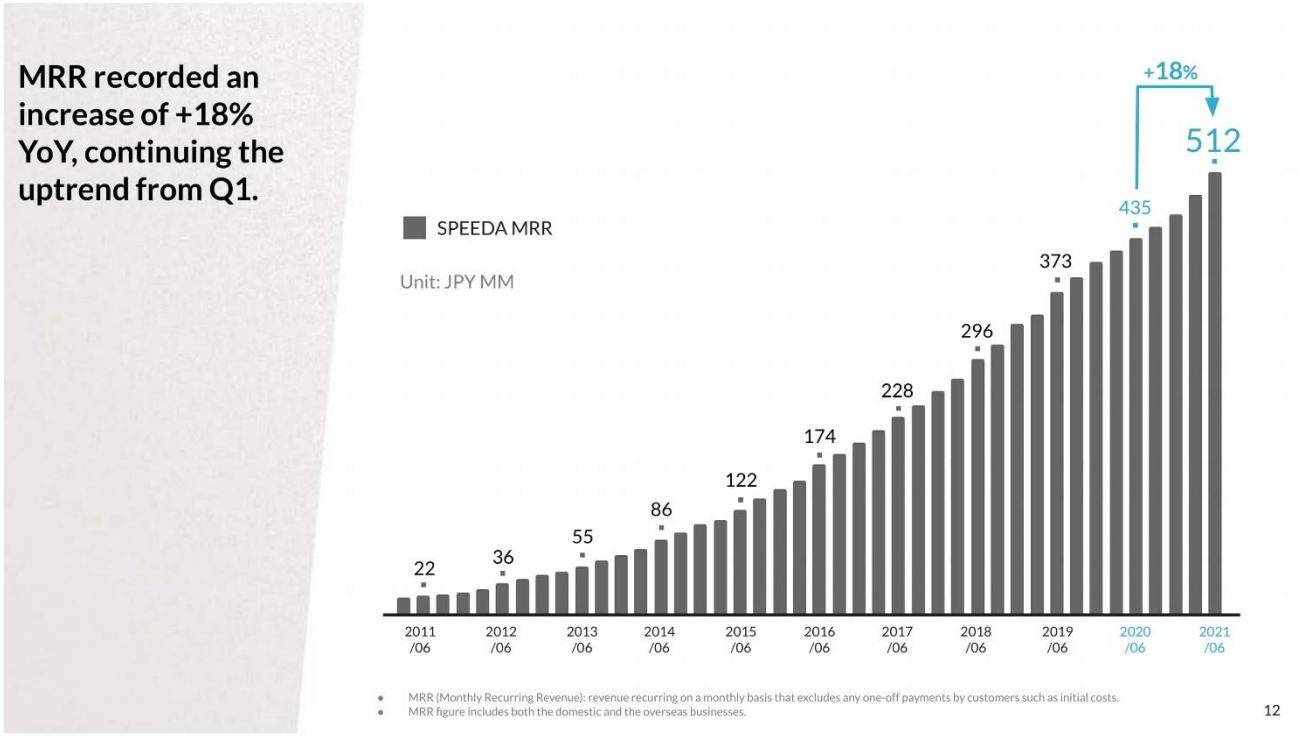
The net sales were very remarkable. We do a lot of SaaS and stock-type business, so achieving 50% in the first half is a very high level. In fact, in the previous years, the sales forecast was shown in a range, so the progress rate is also in a range, but in the previous years, the figure was between 40% and 42%. Therefore, we believe that 50% of sales is a remarkable result.

Against the backdrop of the steady progress of net sales compared to the original plan, the progress rate of EBITDA operating income has been very high.

However, as I mentioned at the timing of the previous year's full-year results, we have positioned this year as a year of investment, and we will greatly expand our engineering organization. We're investing in hiring engineers, in greatly expanding our sales force for each SaaS segment, and in NewsPicks marketing. Since we are originally planning for these investments in the second half of the fiscal year, we assumed that our profit plan would be heavily weighted toward the first half.

Therefore, we basically expect that EBITDA and operating income will be JPY1.8 billion and JPY1.38 billion respectively, for the full year as per our initial plan. However, we believe that it has the possibility that sales will exceed JPY15.6 billion.

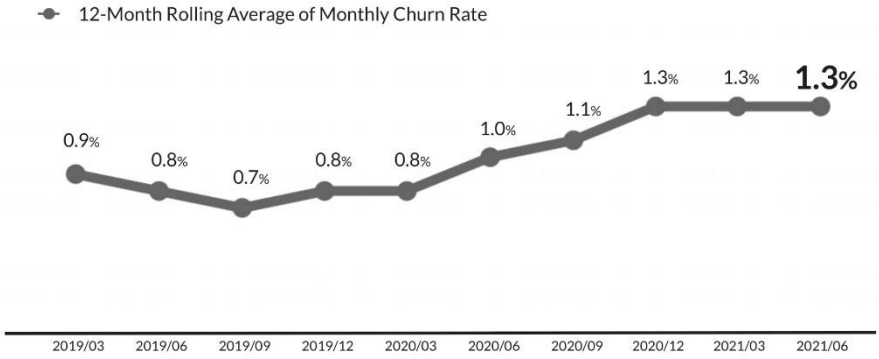
In the event of the excess net sales, we have set a goal of achieving 30% sales growth in the next fiscal year, and we will make investments that will contribute to this goal in a disciplined manner.



We will now move on to the explanation by business.

This is the MRR from SPEEDA that I mentioned earlier. As of the end of June, this figure was JPY512 million, an 18% growth compared to the same period last year. Since the previous quarter was 15% growth and the quarter before that was 13% growth, you can see that the growth rate has increased and been accelerating.

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.

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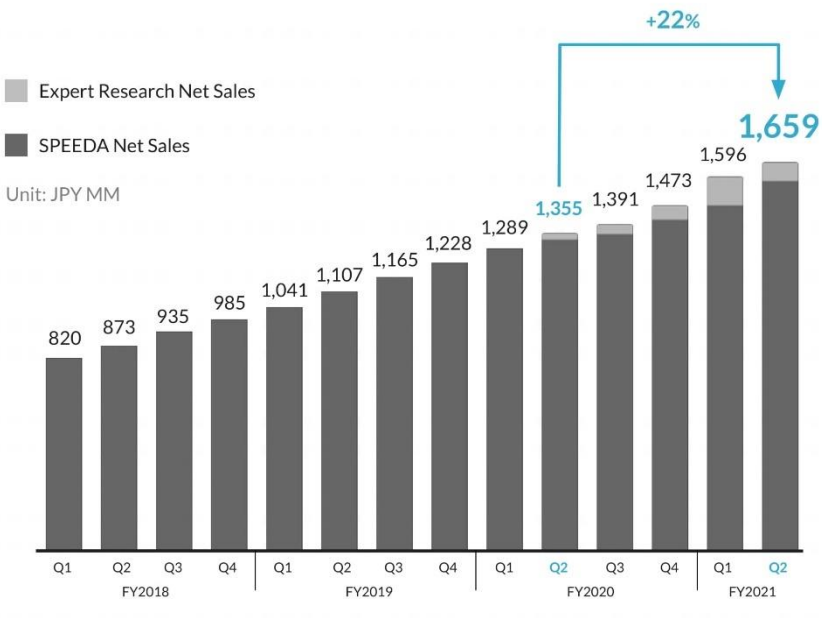
Here is the churn rate. This is the churn rate that we are targeting at 1% within this year. According to the most recent financial results, this was 1.3%, which continues to be flat from the previous quarter. However, as I have always said, the churn rate has been on a downtrend. We believe the churn rate is declining based on the current situation of customers and the current contract policy, and we can continue to aim for 1%.

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.

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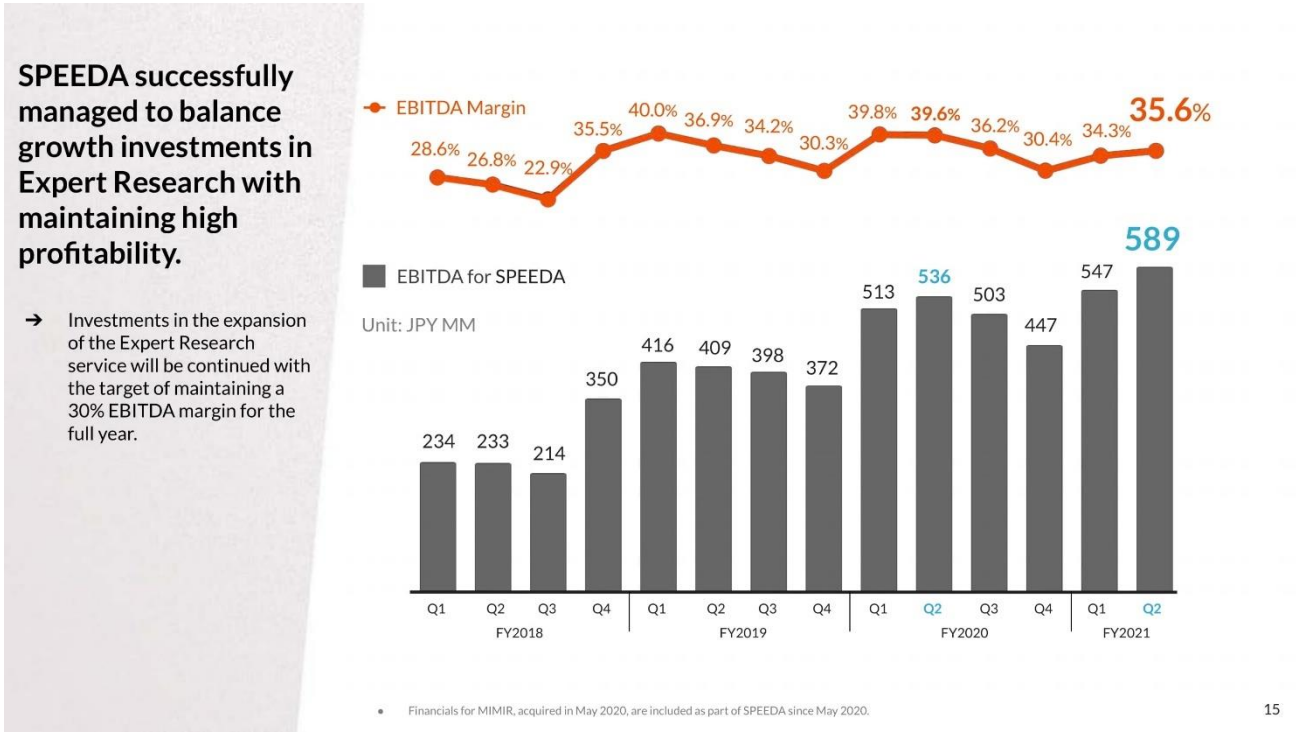
This page is sales growth rate.

Net sales for the second quarter was JPY1.659 billion, up 22% from JPY1.355 billion in the same period last year.

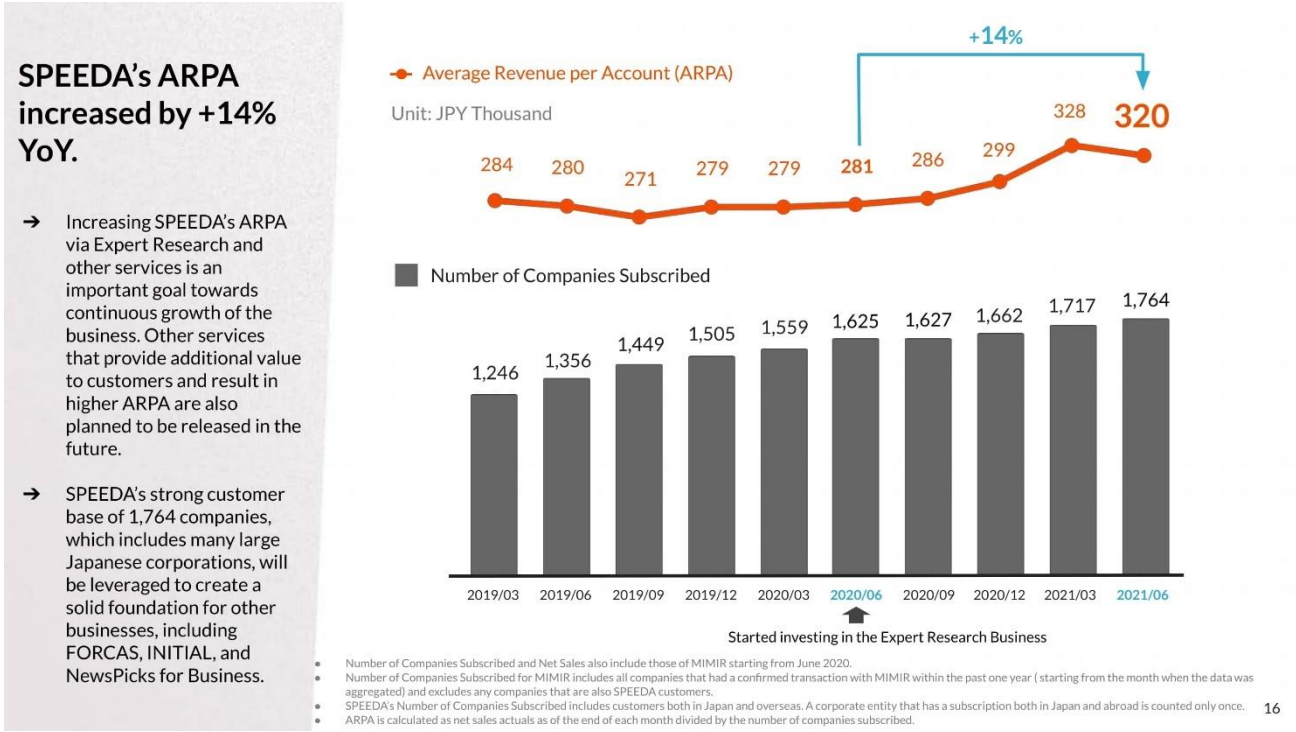
The gray area is sales for Expert Research. We believe that this will be a major growth driver for SPEEDA.

You can see that there was a slight decrease in the financial results this time, but this is not a major problem. The reason for this is because it is a temporary impact of the uneven sales in the January to March period due to customers' investment allocation and customers' budgets. We expect high growth in the second half of the year and into next year.



EBITDA for the SPEEDA business is JPY589 million, or 35.6%, which is a very high level.

As I mentioned before, we think we are making too much profit, and we are going to expand the Expert Research business. We are aiming to raise the growth rate of the SPEEDA business itself. To achieve this goal, this year we will invest in the Expert Research business with a target EBITDA margin of 30% for the full year. Therefore, we expect this figure of 35.6% to decline in the second half of the fiscal year.

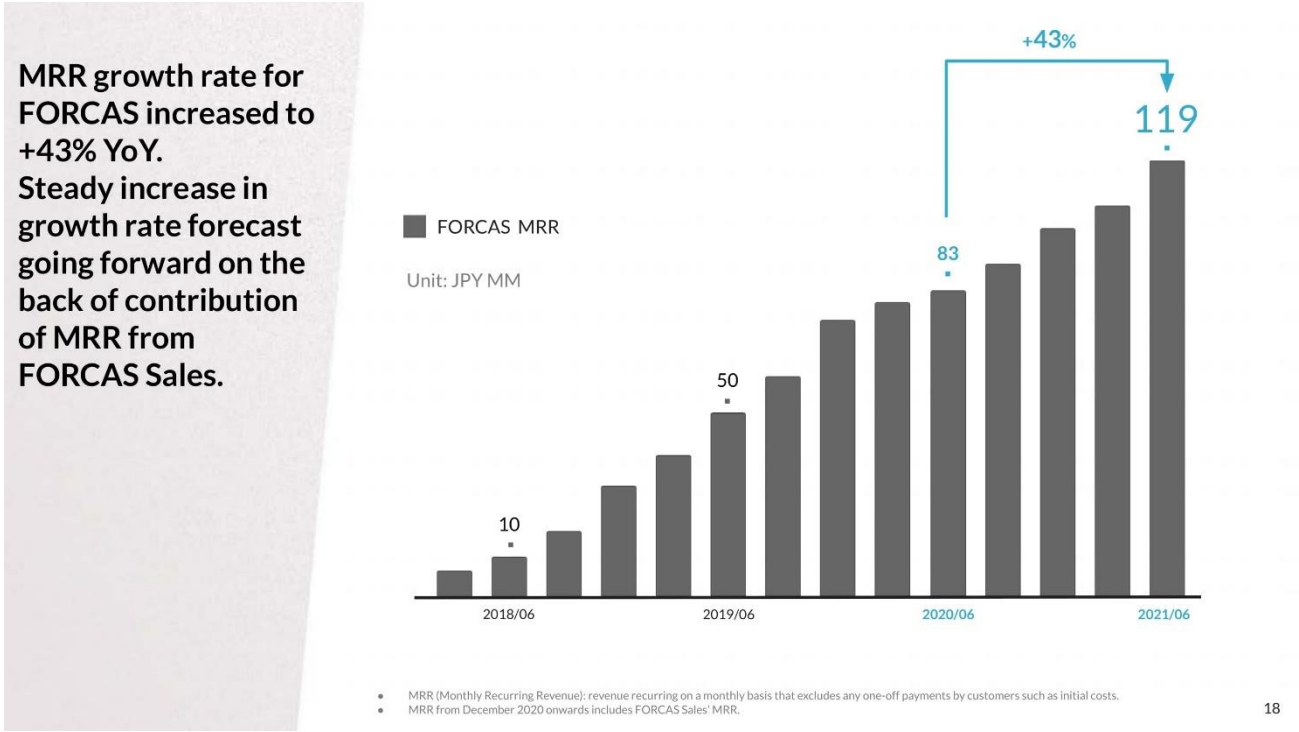


This is a graph of the number of companies subscribed and the average revenue per account, or ARPA, of the SPEEDA business disclosed for the first time.

What I want to tell you is the upper part. SPEEDA's ARPA is currently JPY320,000. The same period last year was JPY281,000, which means 14% growth. The Expert Research business is a major contributor to this.

In addition to the Expert Research business, we are also developing services to deliver value to each of our SPEEDA customers, for example, by expanding SPEEDA contracts to various departments within our existing customers, and by setting up sales to them. We are also developing services for this purpose, so we think that it will become a very important goal to continuously increase ARPA.

We have 1,764 customers of SPEEDA, which are mainly large and blue-chip companies that represent Japan. We will work closely with FORCAS, NewsPicks' corporate business, and other businesses to deliver the value of Uzabase's diverse products. We believe the customer base of SPEEDA will become the foundation for this.



Next, I will explain about other B2B business.

The MRR growth rate of FORCAS was 43%, up from JPY83 million in the same period last year to JPY119 million. I remember that the growth rate was 33% in the previous quarter, so the growth rate has recovered considerably.

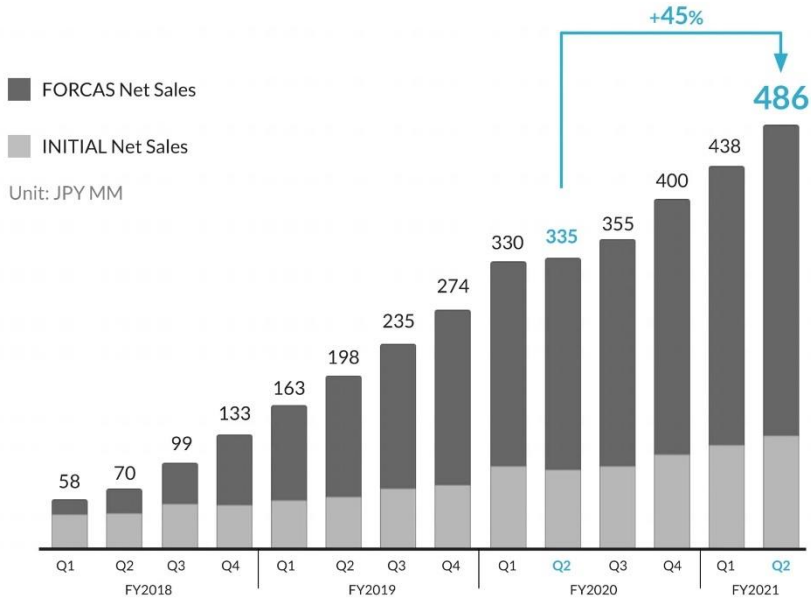
As you can see from this graph, the growth slowed down last year. This is partly due to the fact that FORCAS churn have increased due to the restraint on marketing investment, especially at the time of the spread of new coronavirus.

However, the trend is for marketing investment to resume, and in addition to that, the value of FORCAS is increasing enormously. In this context, FORCAS will be used not only for marketing, but also for management. For example, it has become common for customers to use FORCAS to analyze the most important management themes, such as what markets to target, and it is becoming a must-have tool.

As a result, we have been able to gradually reduce the churn rate, and I believe that these 2 factors are accelerating the growth rate of FORCAS.

In addition, today, I'd like to explain in detail about FORCAS Sales. The new product, which I have not been able to explain thoroughly, includes the MRR. Although its contributions is still small, we believe that FORCAS Sales will become a driver for further growth in the future.

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



• Internal transactions between segments are included.

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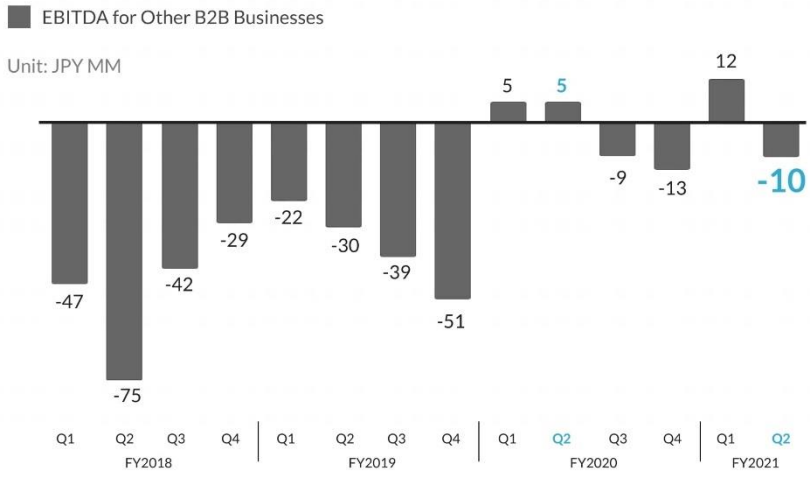
This is the overall net sales of other B2B business, including INITIAL. Net sales were JPY486 million, up 45% from JPY335 million in the same period of the previous fiscal year. Therefore, INITIAL is also growing very steadily.

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



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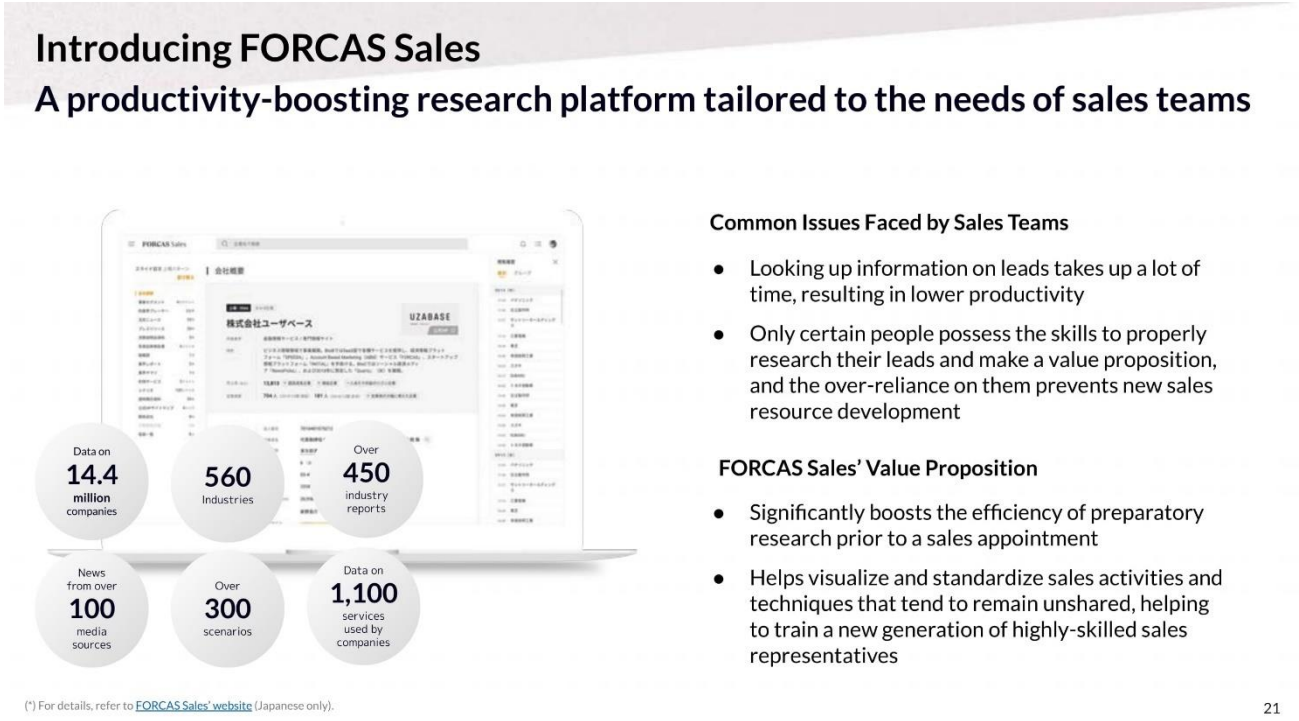
Here is a quarterly graph of EBITDA for the entire other B2B business. In 2018 and 2019, we have been making major investments as a growth period for FORCAS. In the most recent quarter, we had a small loss of JPY10 million, but the amount of loss was small, and we have been able to increase our growth rate.



Next, I'd like to introduce FORCAS Sales. FORCAS Sales is a very good service. It is a sales research platform that boosts the productivity of sales teams.

You can see the image of Uzabase, Inc., on the left side of the slide. It is a service that allows you to quickly see all kinds of information about Uzabase.

For example, company information and industry information such as that in SPEEDA. Information about what kind of services the company uses, such as those found in FORCAS. INITIAL start-up information, original article on NewsPicks. This is a service where all these things are gathered around specific companies. Moreover, we have devised and provided a UI that allows you to check the essence of it immediately.

I think it's hard for salespeople to think about how they can be of help to users. I also go on sales trips, but I have to make sure that I update my knowledge of the companies every time, understand the customers' situation, and create proposals that attracts them. Research is absolutely necessary at that time, and the time and effort involved will be dramatically reduced with FORCAS Sales. In addition, since they can obtain the necessary information, they can create customer-oriented proposals to attracts. Our goal is to provide a service that can greatly increase the productivity of sales teams as a whole.

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)

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This is a recent press release. We've linked up with FORCAS so that you can immediately see the latest news from our target companies.

Once logging in to FORCAS Sales, you can see the “Noteworthy News” on the first page, where you can find the latest news of your target companies, such as recent changes in their strategies, or the formation of a consortium among Company A, Company B, and Company C, etc.

This includes not only news, but also original articles from NewsPicks, and by the combination of FORCAS and FORCAS Sales, we will deliver value that will attract sales operations.

Of course, many of the users of FORCAS are marketing people. However, even if marketing determines the type of customers to whom the value should be delivered, it is meaningless if it is not translated into sales operations.

By linking FORCAS and FORCAS Sales, FORCAS Sales will be able to immediately see if this company is a target, if it should be approached as a priority, or if it already has contracts with other departments. The targeting information created by analyzing customers in FORCAS can then be smoothly connected to sales operations and inside sales operations.

Recently, we have seen an increase in the use of FORCAS Sales in customer success departments. We believe that FORCAS Sales will be useful in the area of customer success as well, since customer success is very similar to sales in that it helps us understand the latest trends of our existing customers and continue to propose ways to utilize them.

There aren't that many companies using FORCAS Sales yet, but there are some large companies with large sales organizations, and also startups. FORCAS Sales is being used especially by startups that have a strong inside sales organization, such as BDR or SDR.

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

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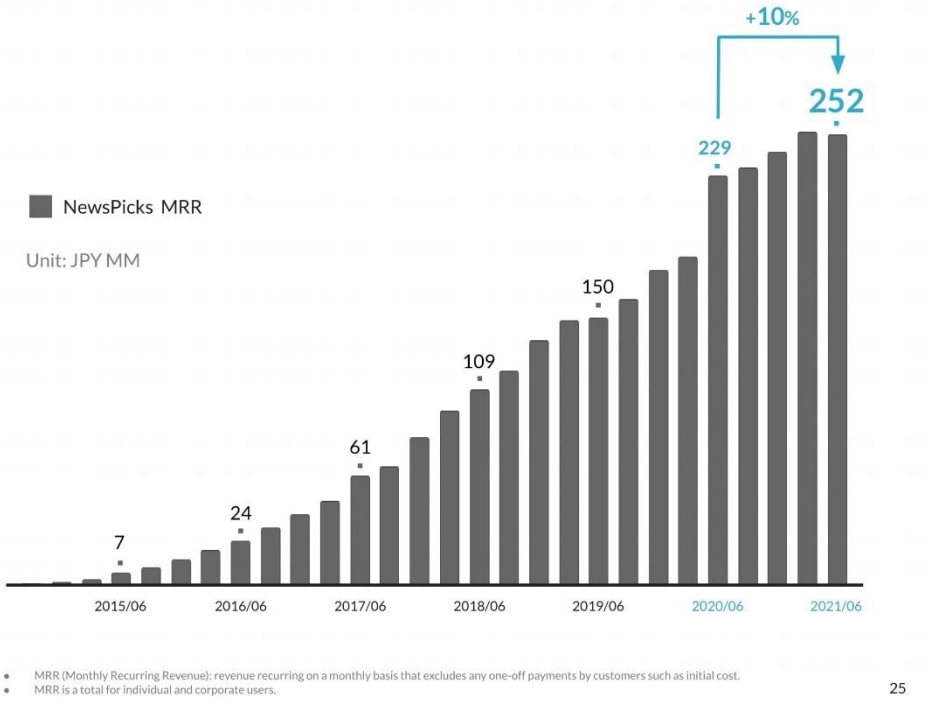
Among them is Adobe. Please read this first message, which states that FORCAS Sales has reduced the time spent on information gathering by 85% for our clients. I'm really happy about that. It's 85%. With the 85% reduction, you can use that time to actually deal with customers in depth, or to develop proposals to customers, or, in the case of inside sales, you can increase the total number of negotiations per person.

In this way, the productivity of the entire sales organization will be greatly improved. In addition to simply increasing productivity, FORCAS Sales has contents that provide insights into corporate strategy, such as industry reports from SPEEDA and the in-depth analysis articles from NewsPicks. So, they will be able to create proposals to attract.

We believe that this can only be a positive thing for the companies being approached, and we hope that FORCAS Sales will help us achieve this kind of customer-oriented sales.

My apologies for a bit long talk for FORCAS Sales. Let's move on to the NewsPicks business.

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.

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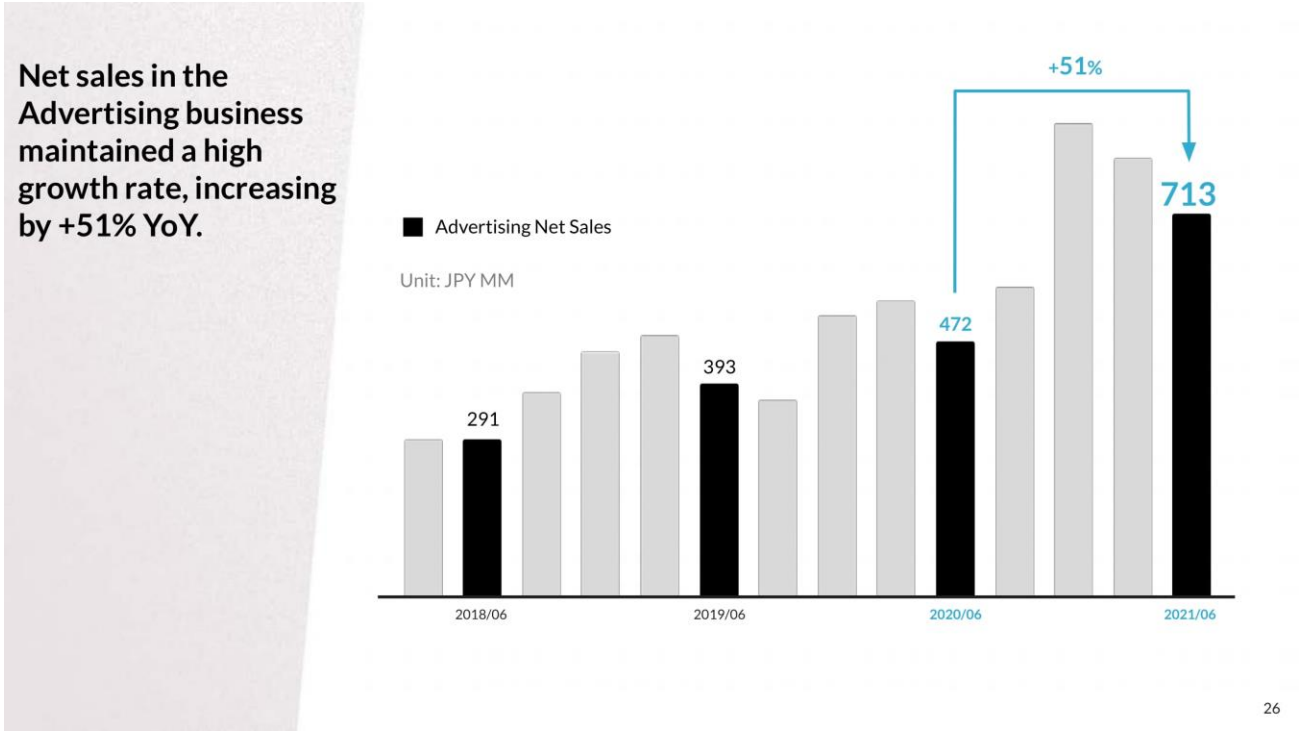
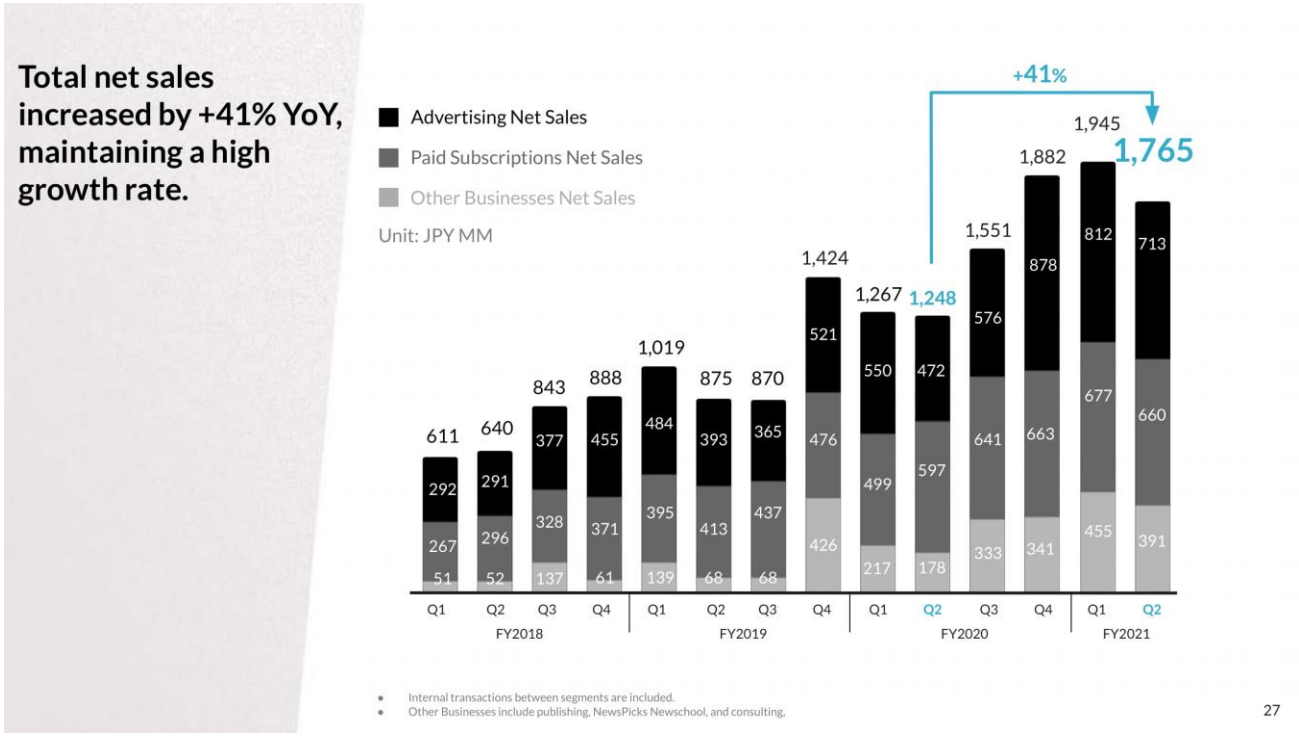
In terms of the NewsPicks business, the MRR, as I mentioned at the beginning of this report, has decreased by about JPY3 million from JPY255 million to JPY252 million. Compared to the same period last year, the growth rate was 10%.

In the second quarter of last year, when COVID-19 started spreading, the number of paid members of NewsPicks increased rapidly due to the growing needs for high quality information. Among them, a certain number of customers signed up for annual contracts, and the timing of their renewal was just in this quarter, so some of them cancelled their contracts as a reaction.

However, as I mentioned earlier, this is only a temporary situation, and we expect the MRR to return to a solid growth trend from the next quarter onward.

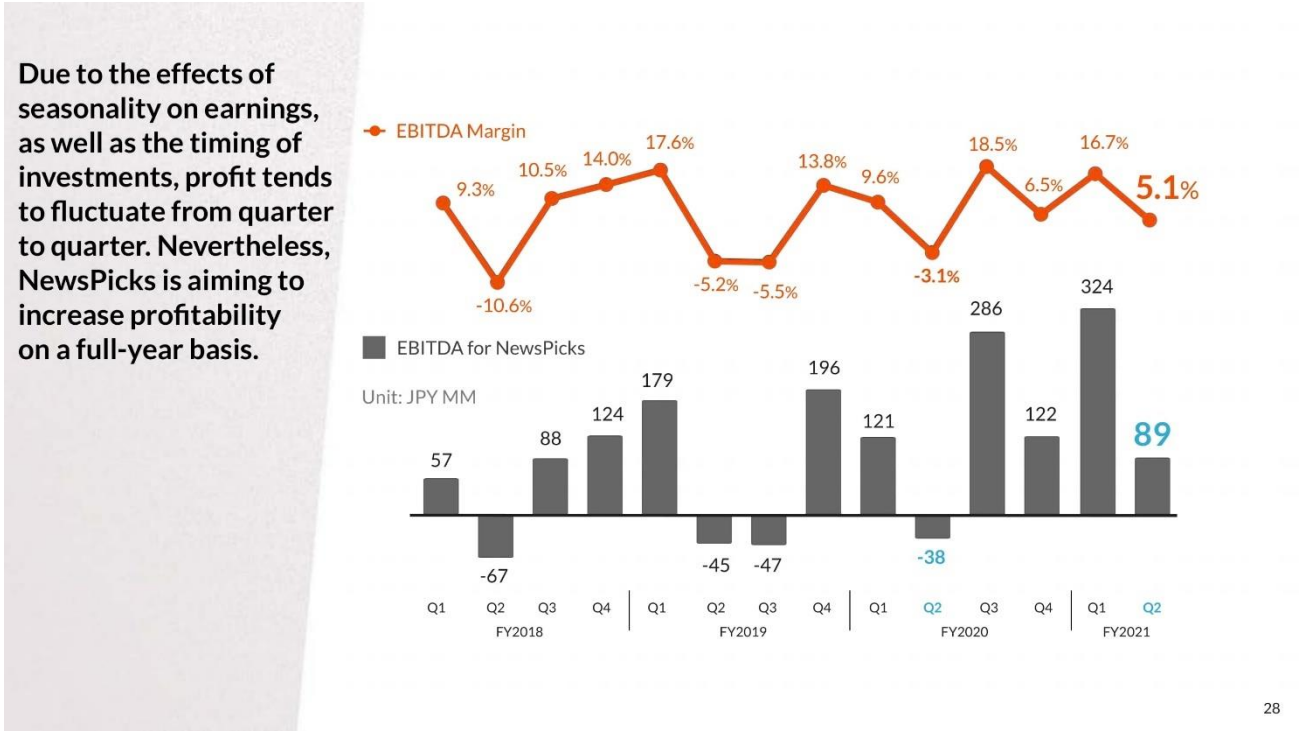


As for the advertising business, due to the seasonality, the second quarter is basically a weak period for us, but it was JPY713 million. Compared to JPY472 million in the same period of the previous year, the growth was 51%, which is very high.



Here is the quarterly trend of NewsPicks' overall net sales.

Sales for this NewsPicks quarter, overall, was JPY1.765 billion. Compared to JPY1.248 billion in the same period last year, the growth rate was 41%, which is very high.

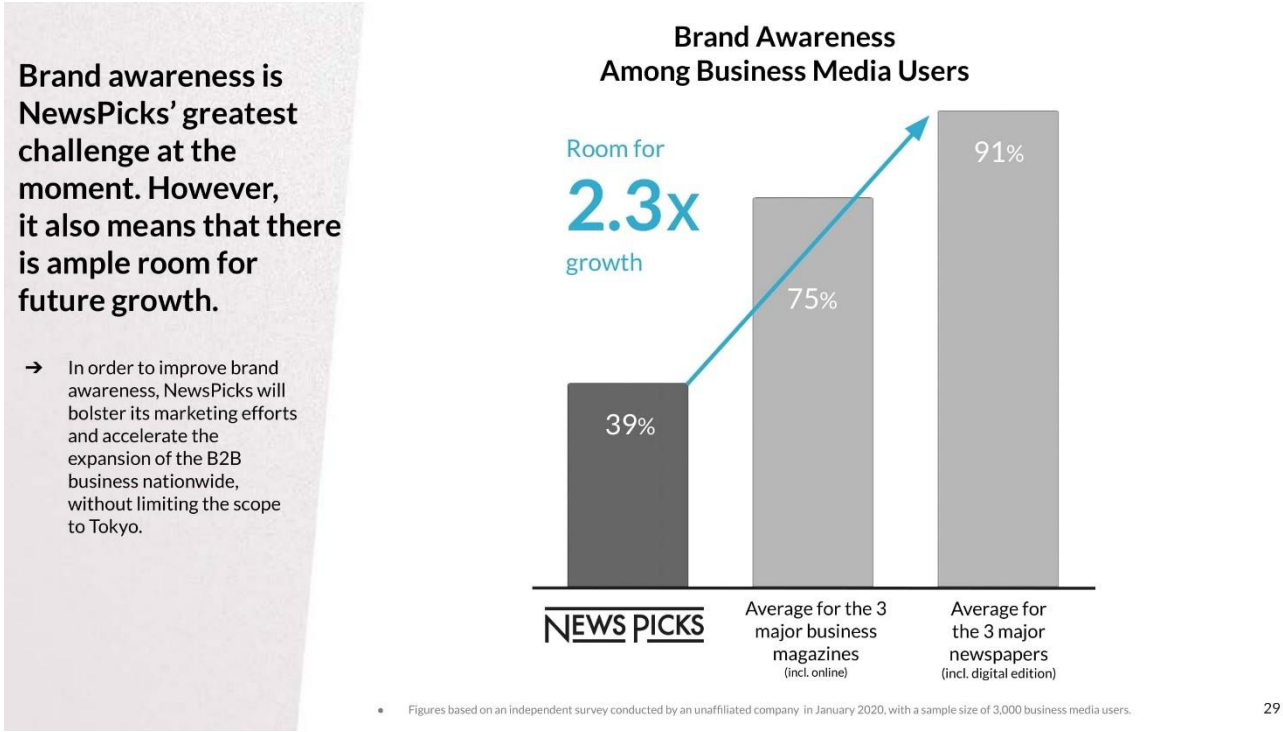


Here are the quarterly EBITDA figures.

There is a lot of variability in the timing of investments and the seasonality of the advertising business, as I mentioned earlier, but we think it is positive that we were able to secure a solid profit in the second quarter. In the second quarter, the advertising business was weak, and we were in the red last year, and the year before that, and the year before that on a quarterly basis, but we were able to generate a solid profit, which we consider a positive.

Next, . Sakamoto, the representative of NewsPicks, will explain about the specific projects that NewsPicks is currently working on and their significance.

Sakamoto: Yes, I would like to explain a little from now on. The first thing I would like to talk about is how I, as the owner of NewsPicks, feel about the decline in MRR, even if it is temporary, and then I would like to talk about our latest initiatives.



First of all, I would like to talk about NewsPicks, how I see the current situation, and how I think the number of paid members of NewsPicks will grow in the future.

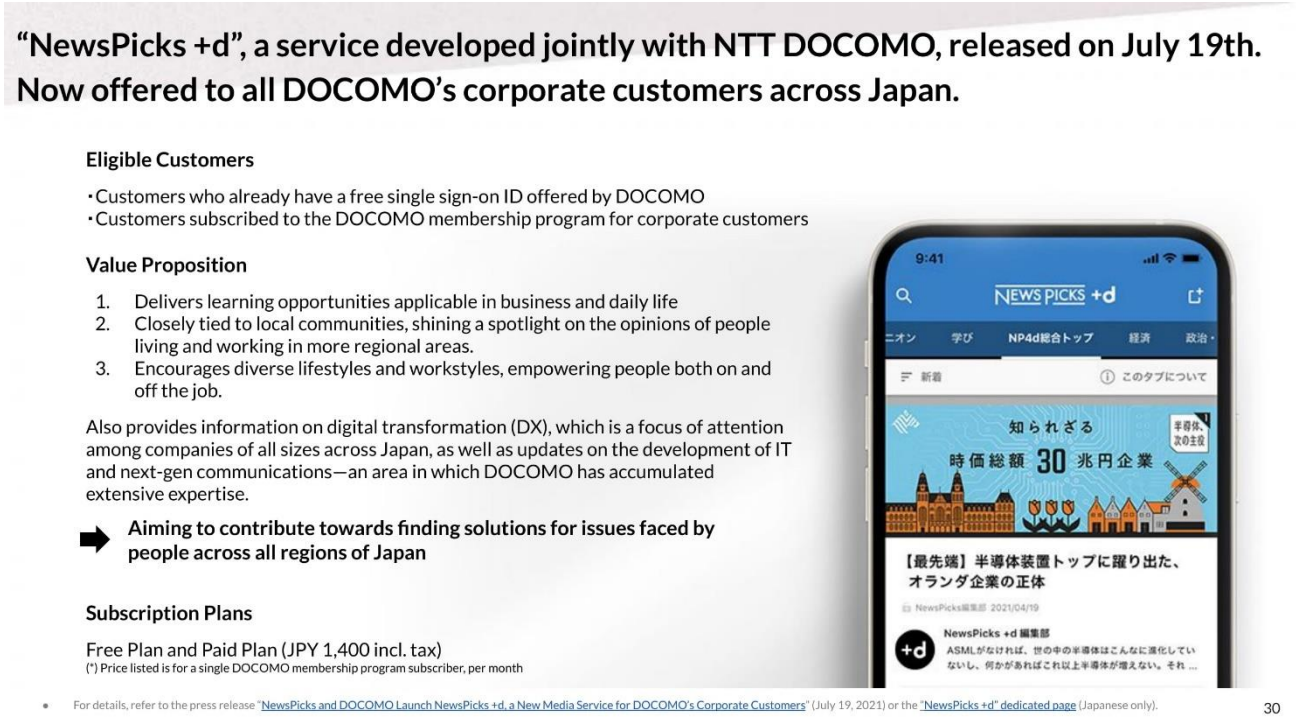
The data behind this is, as you can see on the slide now, the brand recognition of the NewsPicks service. As you can imagine, we have data that shows that our brand recognition is more than 2.3 times higher than that of major economic media companies, TV stations, and other media including newspapers.

NewsPicks is very well known in IT companies and people like that, but I've met about 1 in 3 people from large companies in Tokyo, who knows NewsPicks. In cities such as Osaka and Fukuoka, I feel that only about 1 in 5 people in large corporations know about NewsPicks. In the first place, NewsPicks is not reaching all of Japan.

Therefore, I believe that the most important thing is to expand this area, so that we can grow NewsPicks.

So, in order to raise this awareness, we tested commercials last year, but some may say that we should run more awareness ads. As for what we think about this, we can invest without regard to profits, but we are determined to grow while generating profits this fiscal year. However, when we tested commercials last year, we found that we could not simply recover the cost per user acquisition in 1 or 2 years. I think there is a possibility of recovering the money in the long run, but the level was not recoverable in 1 or 2 years.

What we are doing now is, first of all, to increase the LTV of the app, to increase the user retention rate in the app, and then to develop the business firmly in the corporate sector. This includes our efforts with DOCOMO, which I will talk about later, and we will also strengthen our corporate development. When these 2 things overlap, we need to make sure to advertise awareness. We believe this will allow us to recover our profits in a short period of time, so we hope to make sure to advertise our awareness of it at the right time.



This is our current understanding of the situation, and the next 2 will be the contents I am working on.

The first is a service jointly developed with NTT DOCOMO, released on July 19. We already had announced in the press that we would be cooperating with DOCOMO, and we launched the service on July 19.

What this service is about is that DOCOMO's corporate team is currently developing business d-accounts, which are accounts for DOCOMO's corporate clients all over Japan. Once logging in to NewsPicks with that account, you can see the NewsPicks paper that only DOCOMO's members or d-account members can see, as you can see here on the slide. We are starting to sell the product to DOCOMO's dealers and regular partners as well.

The results will probably not be available until next year, but this release shows that we have started such a project.



Another initiative that we have been working on is WestShip. We are now announcing that we will be starting conferences and media development in cities other than Tokyo.

Until last year, we had a conference in Osaka called WestShip, and we had over 1,000 people who signed up for paid membership, and last year we had several thousand people who signed up online.

We feel that we have achieved a certain level of success, and we are planning to hold the event in Fukuoka this and next year. From next year onwards, we will expand the event to cities other than Osaka and Fukuoka.

The reason why we want to do this as NewsPicks is because I, as well as the staffs of NewsPicks in Uzabase, want to deliver the value of NewsPicks to all readers in Japan, not just those in the Kanto area. We want to deliver the value of NewsPicks to readers all over Japan. In order to do so, I think we need to incorporate local economic initiatives and other such things into NewsPicks.

However, I believe that it is difficult to reach out to the public with just the content, so by providing a solid combination of events and content, I hope to spread NewsPicks throughout Japan. Therefore, we are working with the local government, local businesses, and the media to develop this event in Fukuoka.

In this way, NewsPicks still needs to expand, and as I mentioned earlier about the brand awareness, I'm not satisfied with the current level, current sales, or current number of members at all, and we need to grow even more in the future. We hope to make various efforts to achieve this goal in the future.

That's all from me.

Inagaki: This is the end of the explanation of the financial results.

This overlaps with what I mentioned a little bit at the beginning of this report, but we think that, overall, the financial results were very good. In particular, the growth rate of MRR in the SaaS business, SPEEDA, and FORCAS is increasing exponentially, and as . Sakamoto mentioned earlier, the MRR of NewsPicks has great potential for growth. If we can show everyone that this is really going to accelerate its growth, we will be able to achieve 30% growth, as a whole.

We are currently working on concrete measures to achieve this goal, and we believe that we will be able to talk about concrete measures to firmly grow NewsPicks' MRR in the next quarter.

In addition, although the contribution to our business performance is still very small, we have been able to acquire customers for FORCAS Sales, SPEEDA H, and other new businesses, and we are receiving good feedback from them. Therefore, we expect that these businesses will contribute to our growth from next year onward, and we believe that we have reached the current timing with very good momentum overall.

Question & Answer

Sakuma: Next, let's move on to Q&A. Let me first introduce . Murakami. Many of you may know that he used to be the CFO of our company. . Murakami and I were colleagues at a securities company, and he is a very good moderator, so he will be moderating the Q&A session this time. . Murakami, you may begin.

Murakami: Hello, my name is Murakami. We would now like to start a Q&A session.

I'm going to appoint a member of the management team to answer your questions, but if you have any supplementary information, or if you have more answers to questions, please cut in or continue to explain.

Now the first question: "Please explain the reason for the accelerated growth in MRR of SPEEDA and FORCAS from the previous quarter. Do you expect the acceleration in growth to continue?"

Mr. Sakuma, what do you think about this?

Sakuma: I'll give you my answer. For SPEEDA, I think 1 of the major factors is that the revenue organization, including customer success and initial sales, has become very strong. We've been expanding this organization since last year, and as I mentioned in our results briefing before, Mr. Fukuda from Japan Cloud, I've been learning a lot about SaaS organization from him.

Mr. Fukuda provided a great deal of practical support to expand the organization and build a strong team, and as a result, various conversion rates have increased. The conversion rates from leads to business negotiations, from business negotiations to the pipeline, and from the pipeline to the contract rate have all increased, thanks to the improved skills of the staffs in charge of those conversions. I think that is 1 of the major factors.

We will continue to expand our enablement, which is often referred to in the SaaS world as personnel augmentation and training, so the growth rate of SPEEDA will not be at the current level, but we think we can increase it further.

There is also a similar trend regarding FORCAS. As for FORCAS, we have built a very strong team. Just about a month ago, we announced the appointment of 2 new Executive Officers, Segi and Yoshida, as Chief Customer Officer of FORCAS and as Director of Consumer Affairs, respectively. The leading members of team has become much stronger than it was a year or 2 ago. Therefore, we are able to promote values to our customers to continue using FORCAS. As a result, MRR has been increasing.

Of course, there are a variety of factors, but our product is now better able to meet the needs of our customers. If I had to pick 1 factor, I would say this. Therefore, we believe that we can further accelerate the growth of FORCAS from 43% this time.

Murakami: Thank you very much. Thanks to all of you, we have received many questions, and I would like to answer as many as possible in the time available.

Now for the next question: “I was wondering if you could keep an archive of the video of the financial results briefings for each quarter?”

I would like to ask . Chiba, the CFO, who is thinking about various IR systems.

Chiba: Thank you for your question. We are now trying to protect the Fair Disclosures by providing full transcriptions every morning before the forum opens, without leaving any archives. However, as you mentioned, we have received requests from investors who would like to view the videos at a later date because they cannot view in real time, so we would like to consider this.

Murakami: Thank you very much. The next question is also about disclosure: “I would like you to disclose your cost structure and headcount on a quarterly basis. I heard that you will invest in engineers this fiscal year and aim for a net increase of 50 employees, but even if you disclose the number of employees only in the annual securities report, it is difficult to understand the rate of progress. Is it your strategy to not disclose the cost structure? Most of the other SaaS companies do disclose. What is the reason for not disclosing the information?”

Chiba, please answer.

Chiba: I think you are exactly right about this as well. We would like to consider increasing the content of our disclosure as well. When we were listed on the stock exchange, there were only 2 businesses, SPEEDA and NewsPicks, so I think it would have been better if we had a rather simple cost structure and if you could see the profit in the end.

As I explained in this presentation, FORCAS has been growing considerably. Although the business models of each business are not so different, the rate of progress of each business is somewhat different, so we would like to disclose which business is earning the most money, and what kind of structure it has, so that it will be easier to model.

Murakami: Thank you very much. Now, let's move on to the next question: “You said that NewsPicks' MRR is JPY252 million, but paid subscription sales are JPY660 million, and I believe there is MRR included in other sales. What are the details of that?"

This is what you are asking about: the MRR of NewsPicks is JPY252 million and the paid billing revenue of JPY660 million is the quarter's revenue. With that in mind, I think it would be better to explain what is included in the other sales. . Chiba, please answer.

Chiba: As . Murakami just explained, the JPY660 million in sales from paid subscribers is the total sales for 3 months. On the other hand, MRR is almost equivalent to the monthly sales, so to speak, of a single month as of the end of June, so I would like to additionally explain that the amounts there do not match first.

As for other sales, 1 of the major ones is sales from our publishing business, NewsPicks Publishing.

The other part is the sales of consulting services provided by a subsidiary called AlphaDrive. This is mainly consulting fees for setting up new businesses for large companies, but it also includes so-called non-MRR sales.

In addition, membership fee income from events is included in this category, and while we mainly focus on so-called “recurring” sales, which are sales to paid members, and advertising sales, the advertising sales are

somewhat seasonal but are growing very rapidly. I would like you to understand that we have recorded everything that would be misleading to count in other sales.

Sakuma: Maybe this is not what the questioner wanted to hear. In the previous quarter, the MRR was about the same, so if you multiply it by 3, it comes to about JPY750 million, which is lower than that of paying members. In fact, there are MRR items other than NewsPicks Premium, so why don't you explain about this?

Chiba: In addition to NewsPicks paid members and corporate members, we are also developing the SaaS business together with AlphaDrive, which is also being developed in collaboration with NewsPicks, and I think 1 of the reasons for this is that the revenue from that is added up.

Murakami: Thank you very much. Next question: “Why did you not change your full-year forecast despite the 89% progress in operating income?” We have a similar question asking, “Is there any reason why you did not revise the full-year sales forecast upward?”

This must be about the entire current fiscal year. . Sakuma, what do you think?

Sakuma: As for net sales, we are considering the possibility of exceeding JPY15.6 billion, as I explained earlier. However, we do not currently anticipate the high performance, so we did not implement an upward revision.

Operating income is also as explained at the beginning of this report. We have originally planned for a modulation of costs in the second half of the year, and we will be able to achieve this. We also expect operating income to be at the level we initially planned.

Murakami: Thank you very much. Let's move on to next question: “I think that it's time for FORCAS to be released as a standalone segment.”

I think this is something that the CEO and CFO have always discussed. What do you think, . Chiba?**Chiba**: To a certain extent, we also use the term “other B2B,” but the management team has always discussed the idea of making it a separate segment when it has grown into a large business.

In that sense, I believe that FORCAS is getting closer to the level we originally planned. Basically, we understand that segment changes are made only once a year, so we would like to make a final decision on whether or not to launch the new segment next year after conducting a simulation including the earnings forecast for the next fiscal year.

Murakami: Thank you very much. Okay, next: “What percentage of MRR do you think NewsPicks can grow at in the future?”

This is regarding the growth potential. What do you think, . Sakamoto?**Sakamoto**: As I mentioned earlier, I don't think that we are saturated at the current level. I think the most recent level was 10%, but I don't think that this level of 10% is insufficient. We are currently discussing how many percentages we can raise in the next fiscal year, as we have set an overall growth target of 30%. **Murakami**: Thank you very much. Now, let's move on to the next question: “You are planning to hire more than 50 engineers this fiscal year. Please tell us about the progress of hiring.”

How about you, . Inagaki, who is working on creating a strong group of engineers?

Inagaki: Thank you very much. Currently, 90% of the hiring is already completed, and we are succeeding in hiring well ahead of schedule. Also, Hatena and Qiita are strong media for hiring engineers. They also let me form a project team with them, and we're currently working on branding elements such as our previous attempts at [inaudible].

As a result, we have succeeded in hiring some very high-end employees that we could not hire in the past, so I think we are making pretty good progress overall. Within this year, we would like to make additional investments in this area, and we hope to hire 20 additional people so that we can move forward with the [inaudible] development next year.

Murakami: Thank you very much. I'll go to the next question: “What is the current status of the partnership with DOCOMO? You just explained about the release, but could you give us some additional information about the current situation?”

Sakamoto: As for the current situation, we are currently holding study sessions with the branch offices in each city of DOCOMO; and as I mentioned earlier on Slack, there was a request to go to a study session at each branch office on Slack. We are now in the process of discussing how to sell the product closely with the people in the field.

Murakami: Thank you very much. Next question: “What specific types of investments do you envision?”

How about this 1, . Sakuma?**Sakuma**: As . Inagaki mentioned earlier, the investment in hiring engineers is very important. He said that 90% of the recruitment is done, but it does not mean that 90% of the cost is reflected in the cost. There are many people who are just starting to join the Company, and the cost of the members hired in the first half of the year will be greatly affected in the second half. Also we are aiming to hire an additional 20 engineers in addition to the original 50, for a total of 70. This is the maximum.

Likewise, as I mentioned earlier in my explanation of SPEEDA and FORCAS, the revenue organization is becoming very strong, and we are able to develop human resources well. So we can keep increasing the number of these personnel. We believe that we will make investments for this purpose.

Other than that, we will increase our marketing investment in NewsPicks, SPEEDA, and FORCAS. These are the main areas of investment.

Murakami: Thank you very much. Next question: “I'd like to see NewsPicks' MRRs broken down by corporation and individual. If you evaluate your company as a SaaS company, I think it is appropriate to use PSR as the basis for the ARR for corporate users; that is, SPEEDA, FORCAS and NewsPicks. In addition to that, we think that NewsPicks' personal billing and advertising business should be added on as media. So, can't you separate the MRR in evaluating your company?”. Chiba, what do you think?

Chiba: I remember saying this when we started the corporation. We, as the management of the Company, are planning to divide the Company into separate units when it reaches a certain size and explain the growth of the Company.

Now, after 2 or 3 years of corporate expansion, the scale has finally grown to a reasonable level. When we started the Company, we wanted to develop our business while calmly assessing how much the churn rate would be in the following year, but now that the timing has finally settled down, we would like to consider separate disclosures for the next fiscal year and beyond to fulfill our accountability.

Murakami: Thank you very much. I would now like to close the call for new questions. We will try to answer as many questions as we can in this time.

The next question is written in English, but if I read the content in Japanese: “You are targeting 30% sales and growth rate for SPEEDA. However, the current level is 23%. What are we going to do to accelerate this growth rate and when are we going to get closer to 30%?”

This is regarding SPEEDA. And the next question: “I would like to ask you to introduce the moves to increase or decrease the specificity of the top line growth of 30% or more in the next fiscal year and beyond, both in this quarter and in the current situation, and indicate whether confidence is deepening overall.”

We have received questions about 30% growth here. . Sakuma, how about you?

Sakuma: I'll give you my answer. I’ll start with SPEEDA to answer.

I told you last time that it would be difficult to answer when this would happen. However, we believe that 30% is achievable, and that it is a level that we will achieve in the next few years. How to achieve this is to increase ARPA, as explained in the new slide. It will be very important for us to increase the value we can provide to each and every customer, and as a result, increase ARPA.

To that end, the Expert Research business. In addition to that, we are planning to release services to further increase the value for customers of SPEEDA, so I would like to talk with you in the future.

Moves to increase or decrease embodiment for overall growth of 30%. As for increase embodiment, the growth rate of the SaaS business has been accelerating, which is a big reason for the increase.

From the perspective of 30% growth, a strong revenue organization is essential, as I have mentioned many times today. We believe that we need to invest in that area in a much different way than we have in the past, and we were not able to do that at a time when we had a large deficit in the Quartz business, so we are going to make it bigger. It is not simply a matter of hiring people, but also of creating a solid operation. And we will build a foundation that will allow people to develop and be active. We are also making progress on that, so let me introduce it as 1 of the moves to increase the realization of the project.

As for a move to decrease, I honestly can't think of any moves to make it lower, though. I'm sorry, I can't think of anything. So, I would answer that our confidence is deepening for an overall growth of more than 30%.

Murakami: Now let's move on. “You mentioned that you will launch a new service in the second half of the year, but I was wondering how the progress is going?” . Sakamoto, please.

Sakamoto: We were talking about launching a new service at NewsPicks. We are currently in the process of preparing for this and hope to talk about it when we announce our next financial results.

Murakami: Thank you very much. The next question: “It is difficult to understand the explanation that the QoQ decline in Expert Research is temporary. I would like you to explain a little more clearly and give us some hints about the pace of growth and outlook for the third quarter and beyond.”. Sakuma, please answer.

Sakuma: To put it simply, the Expertise Research business is still in the start-up phase, with only a few sales members and the timing of the first quarter, for example, so to be honest, the results may fluctuate.

However, we have invested in the Expert Research business, increased the number of staff, and have established a revenue organization that can calculate the revenue from the investment. Therefore, we believe that we have increased the possibility of sustainable high growth.

The response from user customers is still very good. Because SPEEDA is 1 step ahead of researching industry information, company information, etc. In addition, you can do very detailed research around a specific technology field or a specific trend by accessing experts who can do the research 1 step ahead of you. So the feedback from our user customers is very good, and we continue to be confident that we can achieve a growth pace and high growth.

Murakami: Thank you very much. “How do you feel about the current stock price? As a shareholder, I am not too dissatisfied because of the strong performance, but the market does not seem to believe that this growth will continue, so what do your management team feel about the market’s low valuation?”

I would like to ask . Sakuma and . Chiba to talk a little bit about this, as the members of the management team. This stock price.

Sakuma: We are very sorry that the stock price has been very weak. I think the biggest reason for the low evaluation in the market is that people are not convinced of our growth story and that we will continue to increase customer value by maintaining the 30% growth rate. 1 thing we must do is to continue to demonstrate our good performance. If we continue to produce numerical results that allow us to achieve 30% on a consistent basis, we will continue to produce numerical results that show that, and the story behind it.

We sometimes receive feedback that it is very difficult to understand how various companies are connected to achieve high growth as a whole, so it is important for me to create a story that realizes significant growth as Uzabase. This is exactly what I need to work on, so I think it is important to create that story and realize it.

Murakami: . Chiba, do you have a supplement?

Chiba: I think so, too. As mentioned in the questions this time, we need to raise the level of disclosure to a level that is comparable to that of other companies, so that investors can simulate the kind of growth that can be achieved from this information and create a foundation for dialogue based on this. I personally mentioned this as a theme for this year, so we would like to improve it step by step and continue focusing on raising the possibility of future growth based on this.

Murakami: Thank you very much. Now, let’s move on to the next question: “How much is the upper limit for SPEEDA clients? The TAM of SPEEDA has been said to be around JPY110 billion for a long time, but when you think about it in terms of ARPA and the number of customer companies, how much is each?”

I would like to ask . Chiba to answer this question. . Sakuma will answer. **Sakuma**: We are using FORCAS to understand the attributes of the companies that SPEEDA should target and can deliver value to. This moves dynamically. For example, SPEEDA is a tool that shows its value in corporate research, so among various companies, for example, the destination that procures resources and materials is also a company. From there, you can make or produce something, and then sell it to the wholesaler or seller, which is also a company. Both upstream and downstream of the value chain are companies. In this way, the research needs of companies will be constantly generated, and M&A opportunities will also arise.

If you are such a customer, SPEEDA will fit well into your daily research work. The number of customers with such profiles, for example, is currently around 5,000. However, it moves dynamically. So, we have the number of customers that we can deliver value to. So, if I were to tell you the upper limit of the number of clients that I can deliver value to, I would simply say that it is 5,000 clients.

With regard to TAM, of course, the number of customers itself can be expanded by developing the functions of SPEEDA, and SPEEDA will be expanded globally. In the recent past, our business in China has been producing solid results, and we have not given up on expanding our business globally.

In addition, the theme of today's financial results briefing, or rather the theme, is ARPA that I have talked about several times, the Expert Research business, and further services, which will raise the customer value of SPEEDA and increase ARPA. We believe that the multiplication of these 3 factors will allow us to expand the TAM of SPEEDA. I'm sorry I can't be a little more specific.

Murakami: Thank you very much. Now, let's move on to the next question: “The situation in the COVID-19 pandemic has become more serious in recent days, and the future is uncertain. I would like you to explain how this situation may affect your company in the near future.”

Sakuma, please answer.

Sakuma: I would like to answer this question. The number of cases in Tokyo today exceeded 5,000, and the situation is very serious. Last year, when the new coronavirus first became widespread, the churn rate widened, and there was a temporary decrease in demand, especially from customers with relatively small businesses, corporations, and customers in certain industries, such as travel, that are greatly affected by the outbreak. There was a temporary decrease in demand from customers in certain industries, such as travel.

To put it simply, I think we are in a state of recovery. As I mentioned earlier, we feel that marketing investment is also recovering, especially in FORCAS. With FORCAS and SPEEDA, we also feel a very strong need to change the business model at this time. Therefore, it is difficult to give a clear answer, but I think that our performance is more positive than negative.

Murakami: Thank you very much. Now, let's move on to the next question: “Recently, the world is seeing a lot of attention and growth in SaaS for tools that support non-face-to-face sales. When I heard the explanation of FORCAS Sales, I was wondering if you could provide such a tool?”. Sakuma, what do you think?

Sakuma: Thank you for the idea. This is exactly the kind of support we will provide in collaboration with FORCAS for operations beyond targeting. For example, by partnering with other companies such as ONLY STORY, which I mentioned in the previous quarter, we will be able to support the actual sales and marketing activities. We are also considering the possibility of creating our own services to meet the needs of the market. We would very much like to consider it.

Murakami: Thank you very much. Next question is: “You have stated 30% sales growth, but I would like to see some kind of reference to the profit growth part. You will announce it when they forecast next fiscal year, but I think the market recognize that you will not make any profit at all. Hopefully you clear up some misunderstandings in the market.”

How about this 1, . Sakuma?

Sakuma: I think you are right. We will make a firm policy on profits and explain it to you. I have already mentioned this before, but I would like to explain our profit policy at the timing of the next full-year results.

Murakami: Thank you very much. Now, let's move on to the next question: “Is it correct to think of NewsPicks' business with NTT DOCOMO as revenue sharing with DOCOMO? There are nearly 600,000 companies that have DOCOMO's business d-accounts. With such a large customer base, do you think the business will start up and contribute to business performance quite quickly? Also, since free registration is available, will it contribute to the sales of the advertising business?”

Mr. Sakamoto, please.

Sakamoto: Thank you for your question. I think it would be easier to answer the question below, perhaps as a set. First of all, in terms of revenue from DOCOMO, you are correct that it is revenue sharing. When DOCOMO sells paid memberships, NewsPicks' sales are increased by that revenue share.

In addition, free members can also see advertisements, so if they spread, as you mentioned, it will lead to an increase in advertising sales. However, as for the timing of the contribution, from my first-hand experience of working with DOCOMO, I believe that the business contribution will happen in the next year.

Murakami: Thank you very much. Next question: “It seemed that you have spent a lot of time on FORCAS, and I am aware that the management has very high expectations for FORCAS. Does this mean that you will shift the focus of your investment to FORCAS in the future?”. Sakuma, please.

Sakuma: Yes. I have very high expectation for FORCAS. I'm not sure about shifting the focus of investment, though. We have been investing in FORCAS and will continue to do so based on its growth potential.

Murakami: Thank you very much. Now, let's move on to the next question: “I think it is almost hopeless to be listed on the prime market, but I wonder if nothing is being done about it. What do you think about the fact that the stock price will be cut in half in less than a year?”

How about you, . Chiba?**Chiba**: Regarding the stock price, I answered another question earlier, and I will make every effort to raise the price. As for this 1, I hope to be able to provide a supplementary explanation on the status of preparations for the prime market. At this point, the team is preparing to list on the prime market in the shortest possible time with the securities companies, so I am sorry that I cannot give you a specific time frame, but I hope you understand that we are preparing for the shortest possible time.

Murakami: Thank you very much. Now, let's move on to the next question: “What is the marginal profit ratio for each business, SPEEDA, FORCAS, and NewsPicks?”. Chiba, please.

Chiba: I don't think there has been much change in each business, but we always say that the percentage is about 70%. Each of our businesses has a fairly high fixed cost ratio, so I hope you understand that variable costs associated with sales are basically at a constant 20% or 30% level.

Murakami: Thank you very much. Next, let's talk about organization. “Please tell us about the allocation of Company-wide resources. In terms of services, I think FORCAS has high growth potential. It seems to be a rational decision to invest more management resources in FORCAS than in NewsPicks and SPEEDA, which have a high degree of difficulty in achieving 30% growth in their core MRR.”

How about this 1, . Inagaki?**Inagaki**: As . Sakuma mentioned earlier, we are committed to identifying the appropriate growth rate for each business and allocating our investments accordingly. I hope that we will be able to invest in FORCAS by carefully assessing its growth rate.

Murakami: Thank you very much. The next question: “NewsPicks has 6.41 million registered members, but only 172,000 paid members, or 2.7% of the total, as you wrote. Do you think it is because the value is not reaching the users? Or do you think it is because NewsPicks itself is not able to create that much value?”

Sakamoto, what do you think?

Sakamoto: I think it's both. As I have mentioned several times before, there is still a lack of recognition of the value of our services, and we have not been able to deliver the value of our paid services in the first place. Therefore, there is a lot of room for growth.

On the other hand, we also feel that we have not yet created enough value for the users who are watching. We are preparing to develop new functions for this area, and we hope to announce them in the next financial results.

Murakami: Thank you very much. Next question: “In terms of corporate evaluation, I think multiple evaluation is low compared to other domestic SaaS companies. If NewsPicks sales and Mimir sales are increasing, it would be harder to get a reputation as a purer SaaS, but how do you think about that in terms of how you present your company? I'd like to ask you how you would like to present our company as a SaaS company?”

Sakuma, please.

Sakuma: For example, Mimir's sales are very recurring as marketplace-type sales. In other words, I think we can review the sales that have a high potential for stable growth, and there are examples of overseas SaaS companies that have multiple sales from both subscription and marketplace.

Of course, as I mentioned earlier, we feel that the way we present our work is an issue. However, we believe that if sales of Mimir increase steadily, we can solve this problem by changing the way we present the product to suit the needs of the market. It is the same for NewsPicks.

Murakami: Thank you very much. Now, let's move on to the next question: "How do you think the departure of . Norihiko Sasaki and . Yuichi Kinoshita from NewsPicks Studios will affect the Company's content and business?". Sakamoto, what do you think?

Sakamoto: I think the only thing we can do here is to show the results of our future content, but I think we have built a system that is capable of producing good content and business, even if the 2 of us leave. We have a good team around Ayana Kizaki, who was recently appointed to the Board of Directors, and we are planning to launch new programs in the future, and I am confident that we will be able to deliver something very interesting. The advertising business has also been growing very steadily since the beginning of this year, so I don't think there will be any problems here either.

Murakami: Thank you very much. The next question: "In considering the growth of the SPEEDA business, it would be effective to utilize the fee-paying customer base of financial institutions and consultants, etc. Are you considering adding to this base by cross-selling or increasing unit prices in addition to the expert network of Mimir?" How about this one, . Sakuma?**Sakuma**: Of course, we are considering it. As I mentioned earlier, we are also thinking of creating a product for further cross-selling in the SPEEDA business. In addition, cross-selling across businesses, such as FORCAS, NewsPicks, and corporate businesses, is producing results now, and we will continue to expand on these results.

This is what I originally wanted to achieve when I took charge of the SaaS business in 2020, and now, a year and a half later, we've seen progress in the understanding of the products of other businesses by salespeople, and in the actual exchange of people, and we're seeing more and more cross-selling. We would like to strengthen these efforts.

Murakami: Thank you very much. Next question: "Please let us know the fee structure and the number of IDs used for FORCAS and FORCAS Sales, respectively.". Sakuma, please.

Sakuma: It is quite difficult to explain the fee structure verbally, so what should we do about this, . Chiba?

Chiba: With regard to FORCAS, there is not a single fee price table, so there are several separate fee tables, which I think is the part that . Sakuma had difficulty explaining.

Sakuma: Understood. In fact, I envisioned something like a price table. In terms of the fee structure, FORCAS Sales is user-based. As the number of users increases, the price we charge increases.

As for FORCAS, it's a bit complicated. The fee structure is determined based on the analysis model used by FORCAS to determine the target, and the number of users who use the service and are connected at the same time.

We would like to refrain from disclosing the number of IDs used.

Murakami: Thank you very much. Now, let's move on to the next question: “Looking at the MRR growth of SPEEDA and the MRR growth of NewsPicks, there may be a limit to how high growth can be achieved along the current path. What is your view of the growth rate toward the mid-term plan and the possibility of achieving it?”. Sakuma, please.

Sakuma: As for SPEEDA, as mentioned in the first question I think, we will achieve 30% in sales, including the Expert Research business. Within that number, we would like to aim for an MRR level of 20%. As for the image of NewsPicks' MRR growth, I think . Sakamoto answered that earlier.

Murakami: Thank you very much. Next question: “Is video still the reason why NewsPicks advertising is favorable?”

How about this one, . Sakamoto?

Sakamoto: Yes, videos.

Murakami: Thank you very much. “It's not a question, but I was just wondering if the answers to the Q&A should be in order of the number of likes, not in order of the questions?”

I would like to thank you for your advice on how to explain the financial results. Uzabase is considering how to deliver better information to everyone. We would like to refer to it and consider it for the next presentation of financial results.

Next question: “Thank you for always providing an open forum. The growth rate of INITIAL does not seem to be high. What are your thoughts on future growth strategies and TAM?”

How about this one, . Sakuma?

Sakuma: It's high. The growth rate is about the same as FORCAS. Regarding the figures this time, as for the TAM, it is true that a certain limited number of customers, such as venture capitalists and CVCs of business companies, are using INITIAL, so there may be some concern that the TAM is too small. We believe that this can be expanded.

The other day, we released a press release regarding the development of a function in INITIAL that allows users to view information not only on domestic startups but also on overseas startups. For example, Japanese business companies can see what kind of global startups will become a threat to them in the future or will be their partners. INITIAL will become a must-have tool for researching such a global competitive environment in cooperation with SPEEDA.

Therefore, I think that it is possible to make INITIAL a must-have tool for almost all users of SPEEDA. We have only just begun to deliver global startup company data in a form that has value, but that is what we envision in the end.

Murakami: Thank you very much. “What is your company's policy on market selection for the TSE reorganization?”

How about this one, . Chiba?

Chiba: As I explained in the previous briefing or the full-year briefing, we would like to make preparations so that we can choose the prime market.

Murakami: Thank you very much. Next question: “There was an announcement that the new company of . Sasaki, the former editor-in-chief of NewsPicks, will provide an economic content application for the C2C

market. How do you think this will affect NewsPicks' business in the future, such as the emergence of similar content or overlapping target users?". Sakamoto, please.

Sakamoto: As for this market, we expect to face some competition, but as the market we have is still small, we believe that we can create a market together.

Another thing is that we are, of course, a company that creates contents, but we also have relationships with various media companies as a platform, so we would like to discuss various issues with . Sasaki's company and create a market together.

Murakami: Thank you very much. The next question: "NewsPicks, I am wondering if there is a difference in the needs of urban companies and rural companies?". Sakamoto, please.

Sakamoto: I think your point is correct. We are currently working with DOCOMO on a joint editing team, and the content creation team called Region is currently creating contents for companies outside the Kanto area. We would like to find out what the actual needs are while looking at the figure.

Murakami: Thank you very much. Now for the last question: "It is not clear that EBITDA is only about JPY350 million in the third and fourth quarters. Please explain in simple terms why EBITDA will decrease by JPY1.1 billion despite the fact that JPY1.4 billion was generated in the first and second quarters and sales will continue to build up in third and fourth quarters?"

I think this is about the investment I mentioned earlier. . Sakuma, please answer.

Sakuma: It's hard to explain more than what I've told you a few times. Some of these investments will be accumulated in the second half of the year. For example, in terms of hiring engineers, there are many members who will be joining us in the future, and for those who joined us in the first half of the year, their personnel costs will be reflected in the second half of the year, as a whole.

Investment in personnel will be effective for the entire second half of the fiscal year, and we are also planning to invest in marketing to achieve further growth. With these 2 main factors as the backdrop, we have made a plan to have a large cost outflow in the second half of the fiscal year.

Murakami: Thank you very much. All your questions have been answered.

Lastly, at first glance, Co-CEOs look a little stiff, but we actually received many messages that they are both very lively and excited about building organizations and businesses through their owned media and internal messages. I, myself, have great respect for both of them. I'm really excited about this Co-CEO system, so I'd like you to tell us a little about your inner passion. . Inagaki, . Sakuma, please.

Inagaki: Thank you very much. This year, we have had a major change in our organization, and we continue to face a difficult situation amid the COVID-19 pandemic, so at the start, it is difficult to decide how to build this team and how to increase the overall challenge. The team is in a very good position right now, and each of them is continuing to make good challenges. As a result, I believe that we were able to achieve solid results in the first half of this year.

Therefore, I am really proud of the fact that we have become a company that can achieve these results through our strong teams and systems, rather than a system in which the founder works hard.

We are now in the process of creating various internal systems for new businesses and adjustments, and a new manager has been born, so the entire team is discussing and promoting how we can increase the amount

of challenges for the entire Company for next year. We will work hard during the year to show you a new database, and I hope to be able to share the figures with you.

Sakuma: What really excites me are the products. I like creating products with other people very much. So, I regret that I talked about FORCAS Sales for too long. In addition to that, I also talked about the expansion of INITIAL's global startups and how Expert Research has been highly appreciated by customers.

In addition to that, the collaboration between NewsPicks and FORCAS Sales has created value in that we can now instantly deliver news about target companies that was previously unavailable, as well as in-depth news that analyzes the companies.

What I can't talk about this time is the SPEEDA Edge. As for SPEEDA Edge, we finally have a solid customer base, and we have a mission to change the world with our economic information outside of Japan, but it is difficult to make a large investment in overseas business when we withdrew from the Quartz business last year. It's a difficult situation, but these businesses have been well received by customers. The fact that the value of such products reaches the customers and is appreciated by them is the root of my excitement.

Murakami: Thank you very much. It was good to hear a little about the two of you.

Thank you very much for your many questions today. Thank you very much for your time. This concludes Uzabase's financial results briefing for the second quarter of 2021.

If you have any additional questions or other inquiries, please contact us at IR@uzabase.com. We will also release a transcript of today's financial results briefing at a later date.

In addition, the financial results briefing for the third quarter has been scheduled for November 4, and we would appreciate your participation in that as well.

Thank you very much for your time today.

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