Q&A for Q2 2022

UZABASE

Q. The progress for Consolidated Net Sales is slightly behind the forecasts—is the forecast figure still achievable?

The slight delay in progress is due to the effects of net sales in NewsPicks' Advertising business. In H2, we expect advertising sales to increase due to large-scale business events planned, among other factors. As such, we are expecting the final figure to land within the forecast range.

Q. The growth rate of Consolidated Net Sales was once again in the 10% range, continuing on from Q1. How is the progress towards the 30% target and what are the prospects of actually reaching it?

The growth rate for Net Sales in the SaaS segment is currently close to 30% and we will aim to reach the target by increasing the share of contributions from new, fast-growing businesses. As for the NewsPicks segment, we are expecting a recovery towards an uptrend in Net Sales for the Advertising business from Q3 onwards. In the Paid Subscriptions business, we intend to achieve continuous growth via TV advertisements and other measures, aiming to boost the overall growth rate for Net Sales.

Q. What are the factors behind the EBITDA loss despite flat Consolidated Net Sales YoY?

Main factors include the significant increase in advertising costs due to the experimental run of NewsPicks' TV advertisements and an early uptick in labor costs due to the steady progress of hiring in sales and customer success teams within the SaaS segment.

Q. Has the overall economic environment, including the possibility of recession, had an impact on Uzabase's business?

We have yet to observe any impact on churn rate or other metrics in the SaaS segment. As for NewsPicks, some effects have been partially seen on high-priced video advertisements. As such, we intend to minimize the effects on advertising sales via measures including the hosting of large-scale business events.

Q&A for Full-Year FY2022

UZABASE

Q. What are the factors behind SPEEDA's EBITDA Margin not reaching 30%? What are the future prospects for it?

Growth investments into SPEEDA EXPERT RESEARCH are the main factor behind this. As growth investments continue in the future, we expect the margin to temporarily dip slightly below the 30% mark in FY2022.

Q. What is the reason for such a noticeable drop in ARR on a QoQ basis despite the launch of TV advertisements ?

The TV advertisements are aimed at acquiring users for the free version of NewsPicks, and converting them to paying users will take some time. The decrease in ARR as of Q2 is attributed to the decrease in subscribership (**not accompanied** by churn deterioration) as part of the recoil effect following the acquisition of an irregularly high number of new users two years ago and a discounted annual subscription campaign one year ago.

Q. Having received approval for the Business Adaptation Plan from the Ministry of Economy, Trade and Industry, what numerical effects will the company see on the Net Profit Attributable to Parent Company Shareholders in FY2022?

Net Profit Attributable to Parent's Shareholders is expected to increase due to tax breaks on corporate, municipal, and business taxes, as well as the recognition of deferred tax assets. However, we are still assessing the exact numerical effects on earnings and intend to disclose them once a rational estimate can be projected. For more details on the Business Adaptation Plan and relevant tax breaks, see this notice.

Q. As Uzabase's stock price remains weak, what are the factors behind this trend and what steps are you taking to improve the situation?

One factor is that the target growth rate of the business, which we discussed during the briefing on the Long-Term Strategic Plan, has yet to be borne out with actual results. Through the synergistic fusion of SaaS and NewsPicks, we are looking to achieve growth in both businesses and increase the stock price.