



Q1 of Fiscal Year Ending December 2021  
Materials for Financial Results Presentation

BASE, Inc.  
(Tokyo Stock Exchange Mothers: 4477)  
May 11, 2021

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# **1. Corporate Profile**

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## **Mission**

### **Payment to the people, Power to the people.**

To ensure that the thoughts, feelings, and talents kept deep inside to come out and reach those who need them around the world.

To realise ideas, works and activities born there.

To ensure that everyone receives fair value.

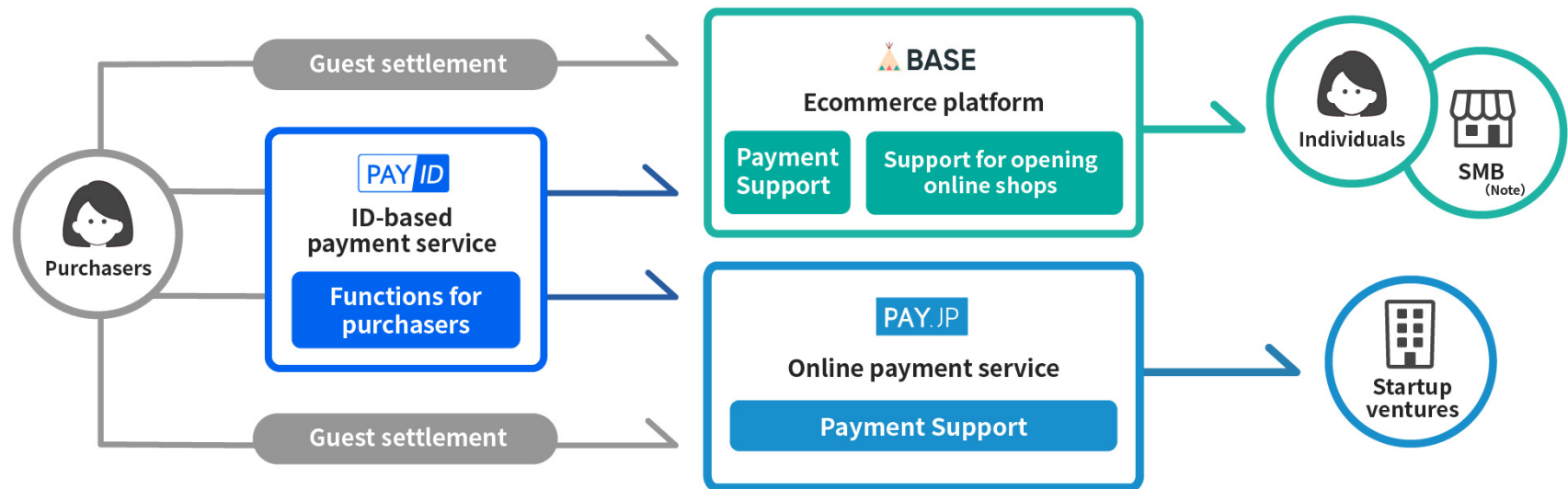
Making payment available to everyone around the globe.

To give everyone a chance to transform his/her power into value.

To create new economy through a new payment platform.



Focus on empowering individuals and SMBs<sub>(Note)</sub> through "BASE"  
and supporting startups through "PAY.JP"



## **2. Executive Summary**

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## Topics

- **GMV in BASE Business continued to grow at a high rate of 105.4% YoY.**

## Results for Q1 of the fiscal year ending December 31, 2021

- Net sales increased **99.0% YoY to 2,237 million yen**, and gross profit on sales increased **103.2% YoY to 1,316 million yen**, showing large increase.
- Although SG&A expenses increased by **92.7% YoY** due to an increase in promotional expenses, operating profit settled at **13 million yen** in the black.
- **The number of new shops opened in the BASE business increased 81% YoY, and the number of active shops per month continued to grow 78.6% YoY, and 6.2% QoQ.**
- Addition of Amazon Pay to "BASE Easy Payment" and Expansion of "Shop Design Function"
- Providing extended functions that enable even first-time users to easily serve Instagram and Google Shopping ads

## Forecast for Fiscal Year Ending December 2021

- The impact of the emergency declarations in January and April on GMV in BASE Business was limited, and net sales and gross profit for Q1 were within plan, and are expected to remain within plan for Q2 and beyond.
- GMV in BASE Business was flat QoQ in Q1, but aims to increase in Q2 and beyond

The number of new shops opened in Q1 of FY2021 remained at a high level of up **81% YoY**.  
The cumulative number of shops opened reached **1.4 million** in March 2021.

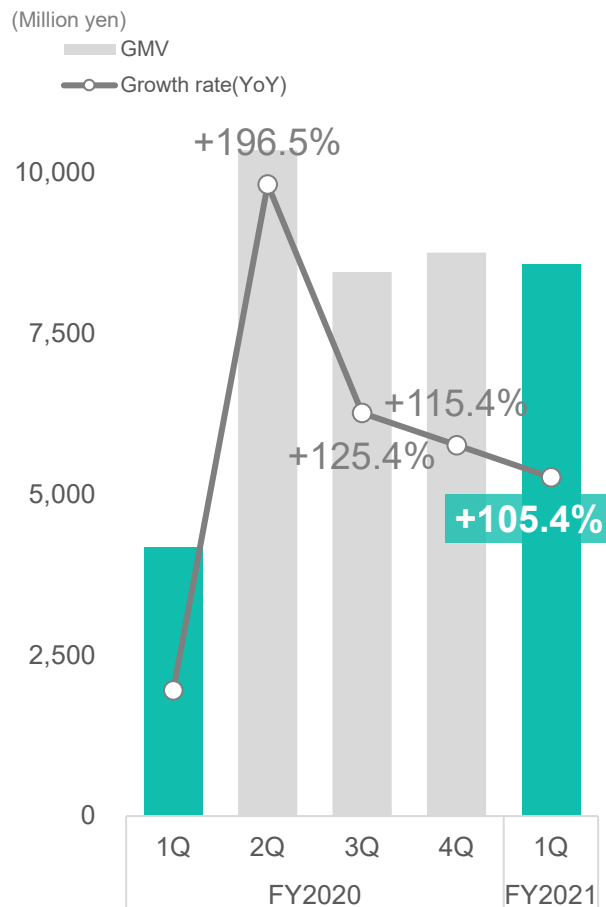




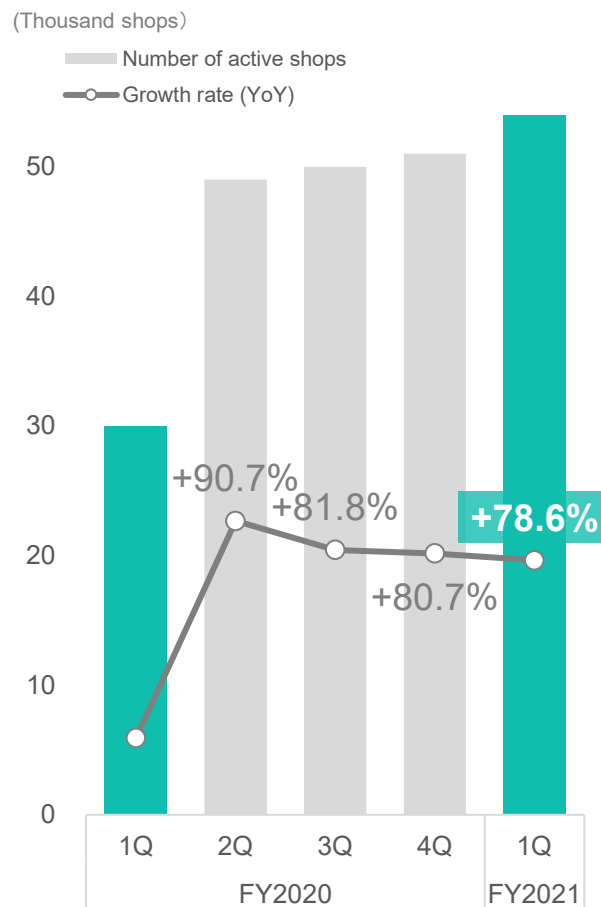
## Number of active shops per month remained steady.

Monthly average GMV per shop decreased QoQ due to seasonality, etc.

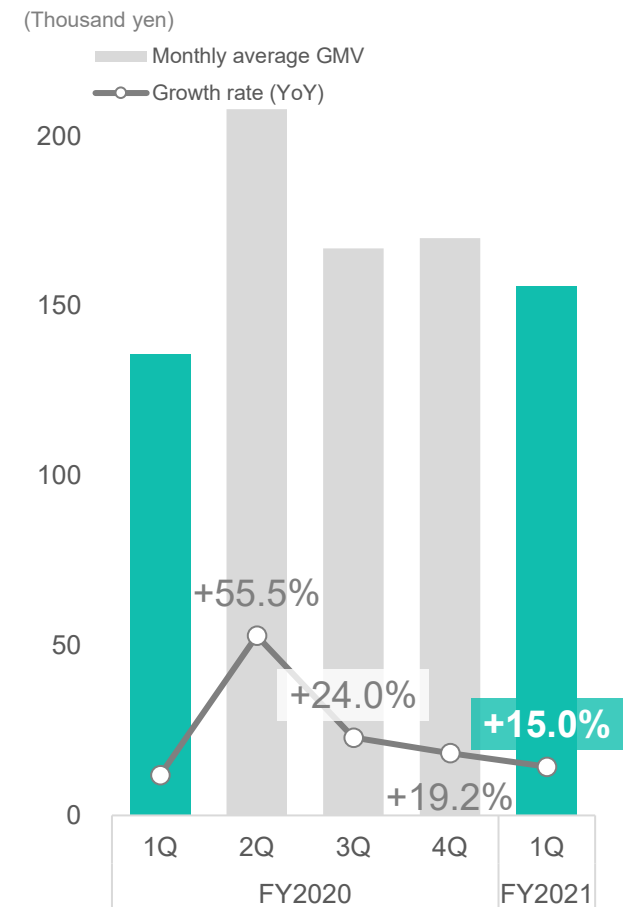
### Monthly GMV<sub>(Notes 1, 2)</sub>



### Number of active shops per month<sub>(Note 2)</sub>

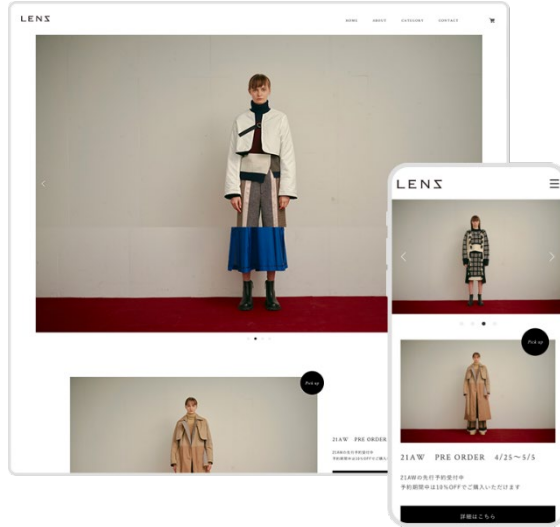


### Monthly average GMV per shop

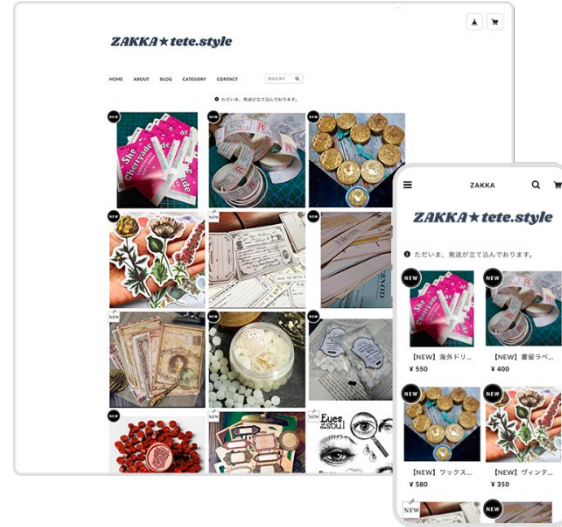


(Note 1) GMV is the order amount based on the order date

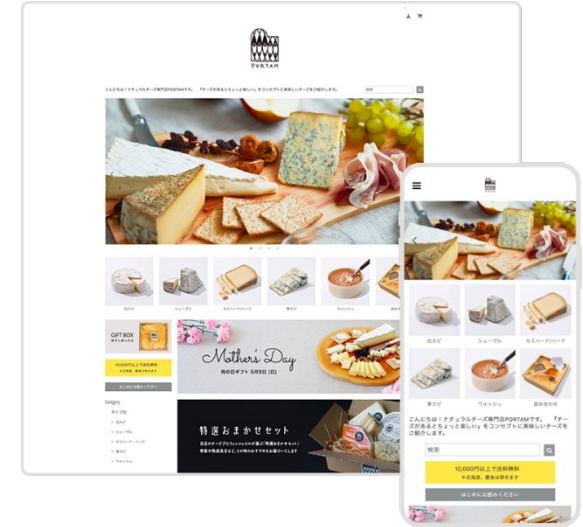
(Note 2) Monthly GMV and number of active shops are quarterly average



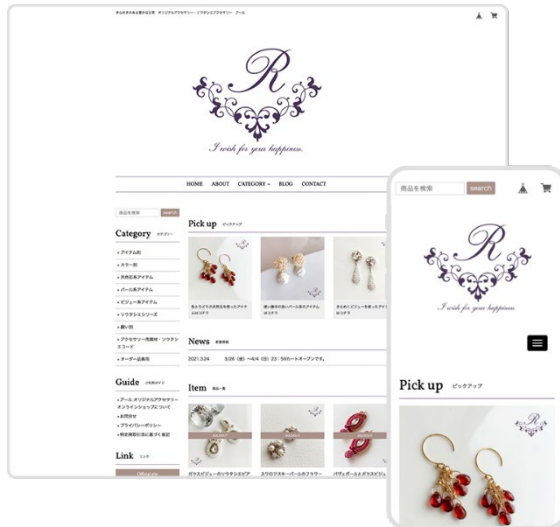
LENZ



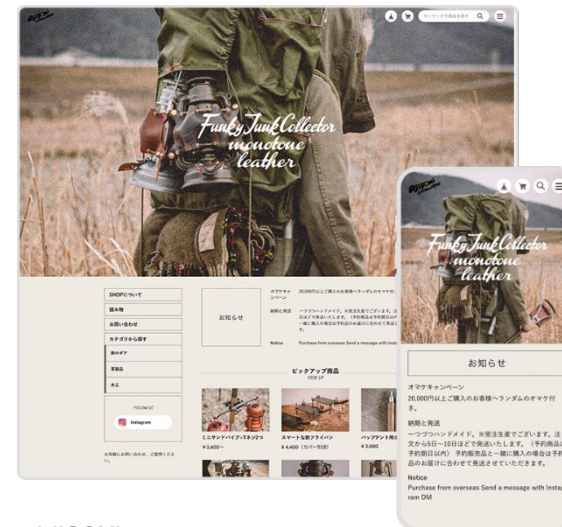
ZAKKA



PORTAM



R



AJIGOMI



KIU

## Added Amazon Pay to BASE Easy Pay

BASE shops can smoothly introduce Amazon Pay through BASE Easy Pay.

### Expansion of “BASE Easy Pay”

#### Payment methods offered by “BASE Easy Pay”

Credit Card



Carrier settlement



Bank transfer



Convenience storepayment /  
Pay-easy



Amazon Pay



PayPal



Deferred payment



#### Overview of “BASE Easy Pay”

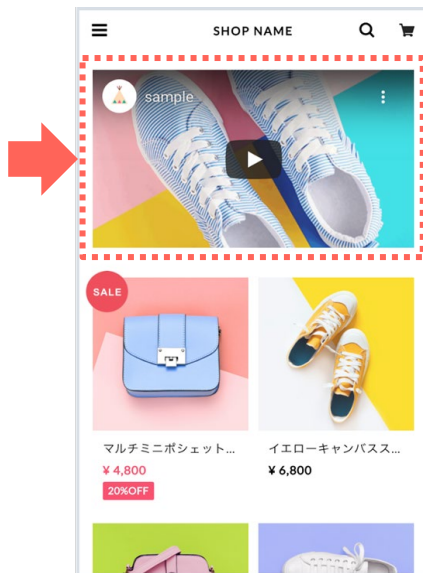
- ✓ The one-stop service from the opening of an online shop to the introduction of a settlement function eliminates the need for the complicated process of introducing a settlement function.
- ✓ Shortens the review time spent on adoption and offers the payment services from the next business day at the earliest without the need for complicated credit administration procedures
- ✓ Users can choose from seven payment methods
- ✓ Payment processing fees are inexpensive and flat-rated, which are just 6.6% of the transaction amount plus 40 yen for all of the payment methods (Including a service charge of 3.0%)

## "Shop design function" enables insertion of videos and maps.

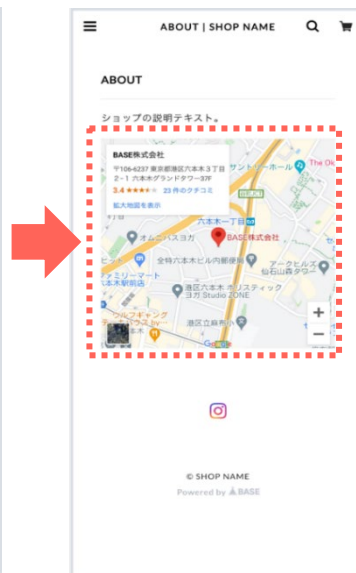
No-Code provides environment to produce the brand world-view easily.

### Expansion of "Shop Design Function"

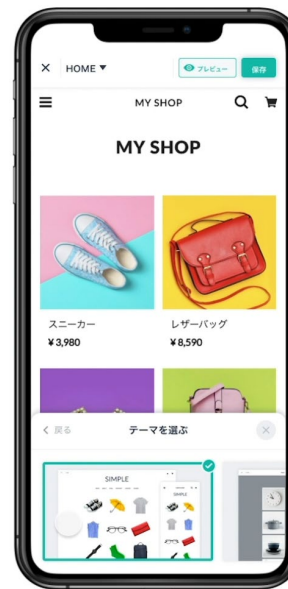
Inserting a video



Inserting a map



Overview of "Shop Design Function"



- ✓ Intuitive design editing with No-Code
- ✓ Designs can be edited both on smartphones and PCs.
- ✓ Providing 17 official themes that can be used for free
- ✓ Possible to easily set up more than 20 different items in the desired location
- ✓ More than 1,000 patterns can be designed by combining the official themes and items.

Click on the image to see the video.  
[https://baseu.jp/wp-content/uploads/shopdesign\\_video\\_sp.mp4](https://baseu.jp/wp-content/uploads/shopdesign_video_sp.mp4)

## Instagram ads and Google's shopping ads can be distributed easily even for the first time.

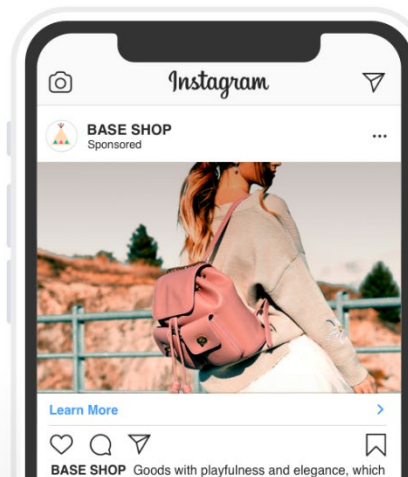
Strengthening functional expansion via links to external platforms to help increase recognition and promote sales.

### Instagram Ads App

Merchandise sold on BASE or Instagram posts can be distributed as Instagram ads easily with the minimal setup steps.

#### Instagram Ads

- ✓ Distribution to the interested users
- ✓ Minimal setup for beginners
- ✓ Easy reports measuring effectiveness



### Google Merchandise Cooperative App

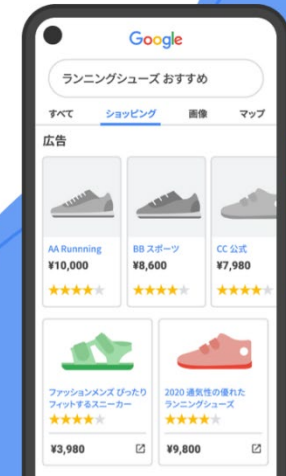
Information on merchandise sold on BASE can be easily displayed in Google's shopping ads via link to the Google Merchant Center.



#### Google Merchandise Cooperative App

- ✓ Easily link BASE Merchandise
- ✓ Merchandise information is automatically updated

※ Google and the Google logo are trademarks of Google LLC.





## Renewing "purchase completion mail" etc. and unification of the cart page domain into the shop page

### Implementing functional development for branding shops and improving purchase experience of purchasers

#### Renewal of "Purchase Completion Email".

E-mails sent from BASE to purchasers are converted into HTML form for the purpose of branding shops and improving purchase experience of purchasers.

By being able to display shop logos and messages, world-view can be delivered more effectively through e-mails.

購入者に送られる「購入完了メール」をリニューアルしました

Before

鈴木 太郎 様

このたびはshopnameでお買い物をいただき、ありがとうございました。

今回のご注文控えメールを送らせていただきます。  
こちらの商品は、銀行振込にてご購入いただいております。

下記振込先へ【2020/09/14】までに請求金額  
【11,767円】を前払いにてお振り込み下さい。  
商品発送は、入金確認後となっております。

■振込依頼人名についてのご注意  
\* 4~5桁の数字（12209）を必ずふくめ、数字とご購入者様氏名の間にスペースを入れ、氏名はカタカナで入力ください。  
例：「12209 スズキタロウ」

なお、商品がお手元に届くまで、こちらのメールは大切に保管してください。

ご注文情報照会：  
[https://c.thebase.in/dynamic\\_receipts/dogismylife/8D0FBC117A3140F3](https://c.thebase.in/dynamic_receipts/dogismylife/8D0FBC117A3140F3)

After

SHOP NAME

ご購入ありがとうございます！

このたびはSHOP NAMEでお買い物をいただき、ありがとうございました。  
商品がお手元に届くまで、こちらのメールは大切に保管してください。

ご注文内容

注文ID：46C50F77AD9B5EA7



クロコ型押しクラッチバッグ

1点

¥5,200

小計 ¥5,200

### **3. Results for Q1 of the Fiscal Year Ending December 2021**

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## Consolidated

Net sales increased by **99.0% YoY** to **2,237 million yen**, and gross profit on sales increased **103.2% YoY** to **1,316 million yen**, showing an increase due to the growth of GMV in the BASE business.

SG&A expenses increased by **92.7% YoY**, due to an increase in promotional expenses, however operating profit settled at **13 million yen in the black** (**-28 million** in the same quarter of the previous year)

## BASE Business

GMV (Note) continued to grow at a high rate of **105.4% YoY** due to growth in the number of active shops per month. GMV was flat QoQ due to seasonality, etc.

Increase in GMV led to an increase in **net sales by 108.3% YoY** and **gross profit on sales by 105.2% YoY**.

## PAY Business

GMV (Note) increased by **54.4% YoY**, however it decreased QoQ due to last quarter's inclusion of large, temporary GoTo campaign deals.

Increase in GMV led to an increase in **net sales by 54.7% YoY** and **gross profit on sales by 62.2% YoY**.



Net sales increased by **99.0%** YoY and gross profit on sales increased by **103.2%** YoY.

SG&A expenses increased by **92.7%** YoY, due to forward-looking investments for promotion of sustainable growth of the BASE business, however operating profit settled **in the black**.

(Million yen)	FY 2021 1Q (January - March 2021)				
	Results	Same period last year		Previous quarter	
		Results	YoY	Results	QoQ
Net sales	2,237	1,124	+99.0%	2,291	-2.3%
Gross profit on sales	1,316	648	+103.2%	1,342	-1.9%
Gross profit rate	58.8%	57.6%	+1.2pt	58.6%	+0.2pt
Selling, general and administrative expenses	1,302	676	+92.7%	1,686	-22.7%
Operating profit	13	-28	n/a	-343	n/a
Ordinary profit	12	-26	n/a	-400	n/a
Profit	40	-29	n/a	-364	n/a

As of the end of March 2021, cash and deposits increased by 270 million yen from the end of the previous fiscal year to 22,542 million yen, maintaining a strong financial base.

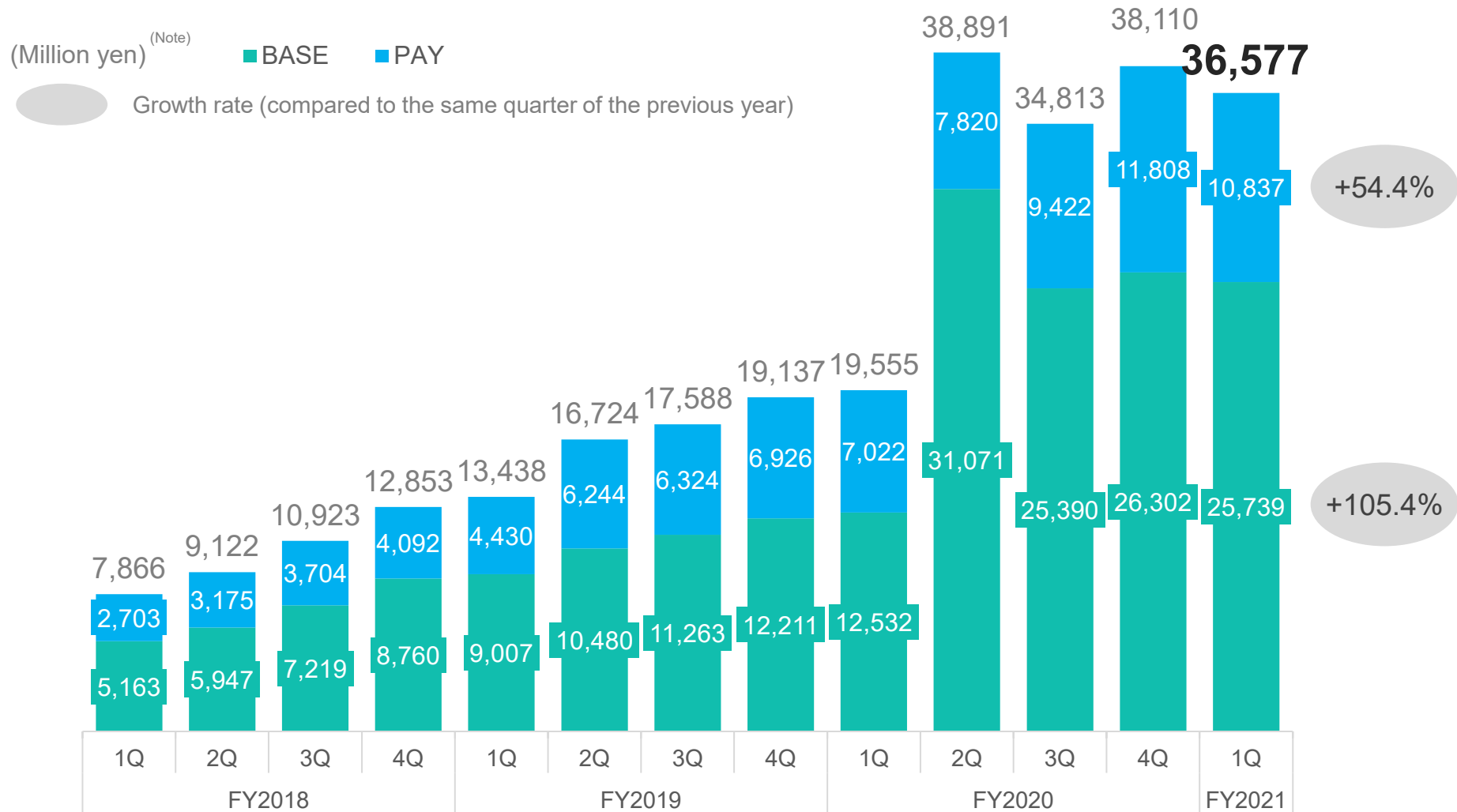
(Million yen)	As of March 31, 2021	As of December 31, 2020	Change from the end of the previous fiscal year
Current assets	26,925	27,693	-2.7%
(of which, cash and deposits)	22,542	22,271	+1.2%
(of which, trade accounts receivable) *1	4,249	4,971	-14.5%
Non-current assets	811	811	-0.0%
(Investment securities)	439	435	+0.8%
<b>Total assets</b>	<b>27,737</b>	<b>28,505</b>	<b>-2.6%</b>
Current liabilities	11,411	12,224	-6.6%
(of which, trade accounts payable) *2	8,502	8,989	-5.4%
(of which, operating deposits) *3	2,564	2,589	-0.9%
Non-current liabilities	63	63	0.1%
<b>Total liabilities</b>	<b>11,475</b>	<b>12,287</b>	<b>-6.6%</b>
Capital Stock	8,514	8,513	+0.0%
Capital surplus	7,324	7,323	+0.0%
Retained earnings	421	380	+10.5%
Valuation difference on available-for-sale securities	1	-0	-
<b>Total net assets</b>	<b>16,261</b>	<b>16,217</b>	<b>+0.2%</b>

\*1: Trade accounts receivable: The unpaid portion of the settlement amount to be paid to our company by the settlement service company.

\*2: Trade accounts payable: In the BASE business, outstanding amount of settlement to be paid by our company to shops.

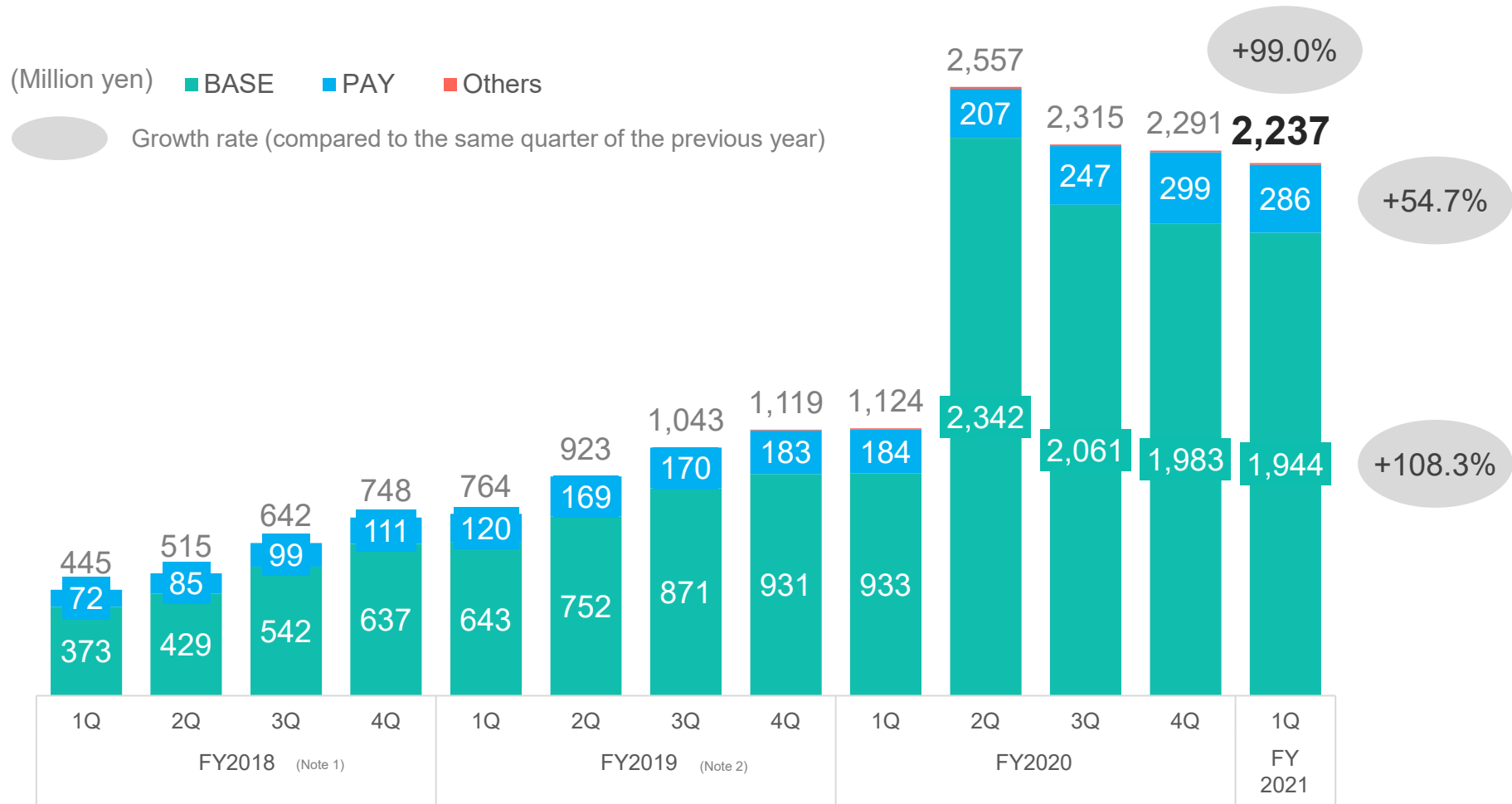
\*3: Operating deposits: Outstanding amount of settlement to be paid by our company to franchised stores in the PAY business.

The BASE business increased by **105.4%** YoY and the PAY business increased by **54.4%** YoY, showing growth.



(Note) BASE's GMV is based on the order date (order amount). PAY's GMV is based on the payment date (payment amount).

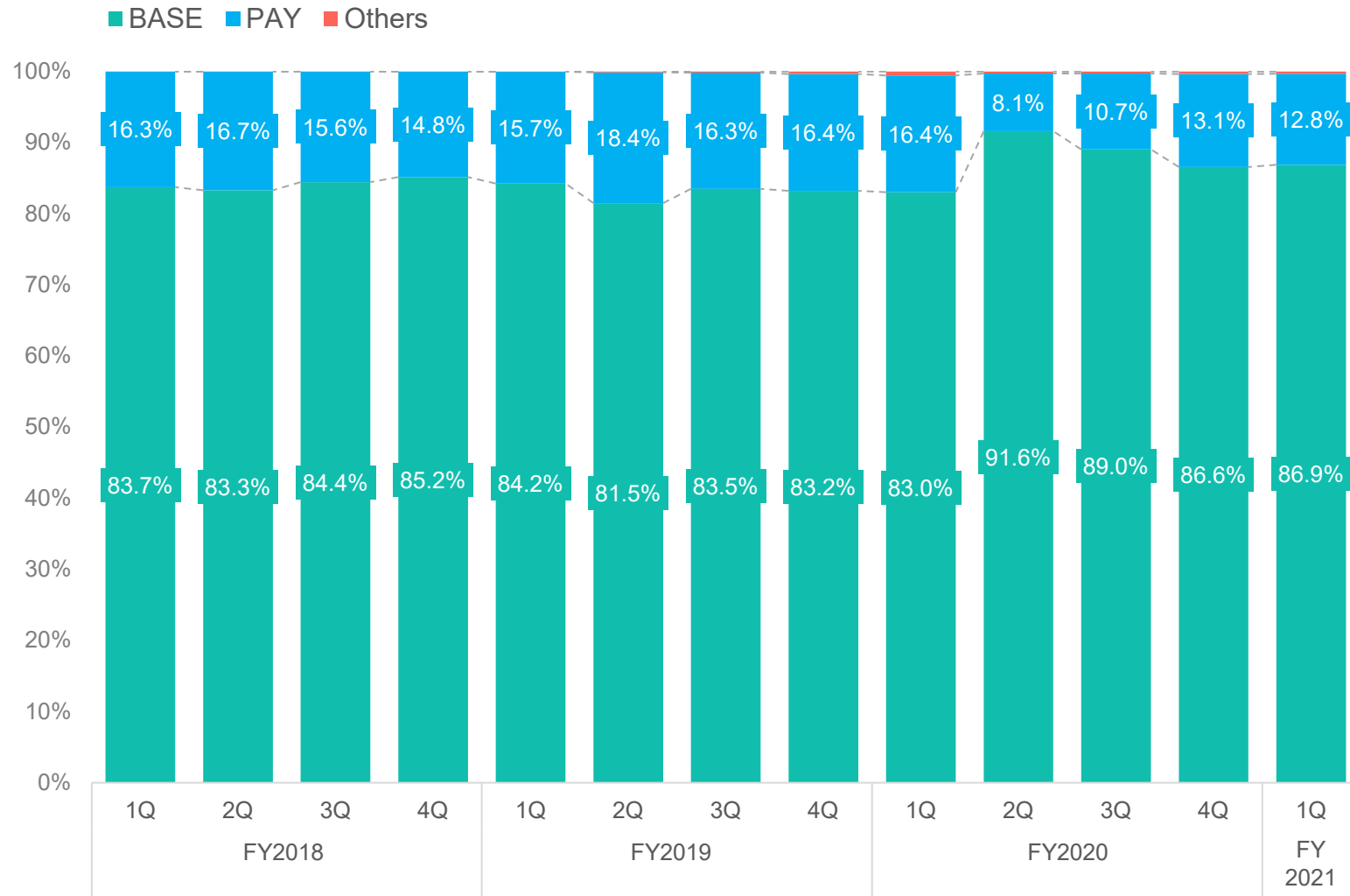
Increased by **99.0%** YoY due to increase in net sales (**+108.3%** YoY) owing to increase in GMV in the BASE business.



(Note 1) Because PAY business was consolidated through the incorporation-type company split in the fiscal year ended December 2018, only figures for PAY, Inc. are consolidated in the fiscal year ended December 2018.

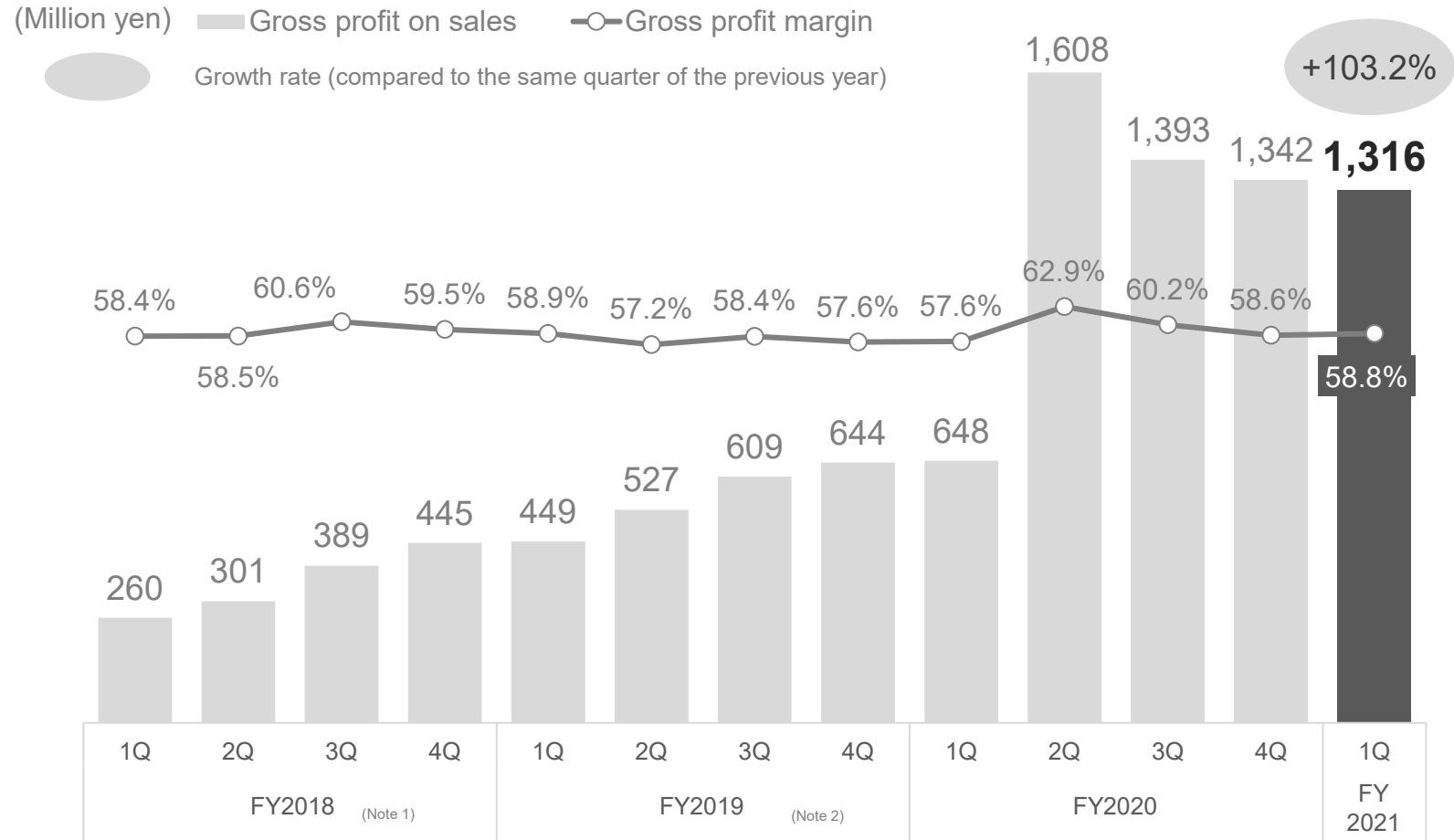
(Note 2) BASE BANK, Inc. was established in the fiscal year ended December 2018, and the consolidating subsidiary was implemented in the fiscal year ended December 2019. Therefore, figures for the fiscal year ended December 2019 are consolidated.

The sales composition ratio of the BASE business slightly increased QoQ.



Increased by **103.2%** YoY due to increase in gross profit on sales in the BASE business.

Gross profit margin slightly increased QoQ as the sales composition ratio of the BASE business slightly rose.



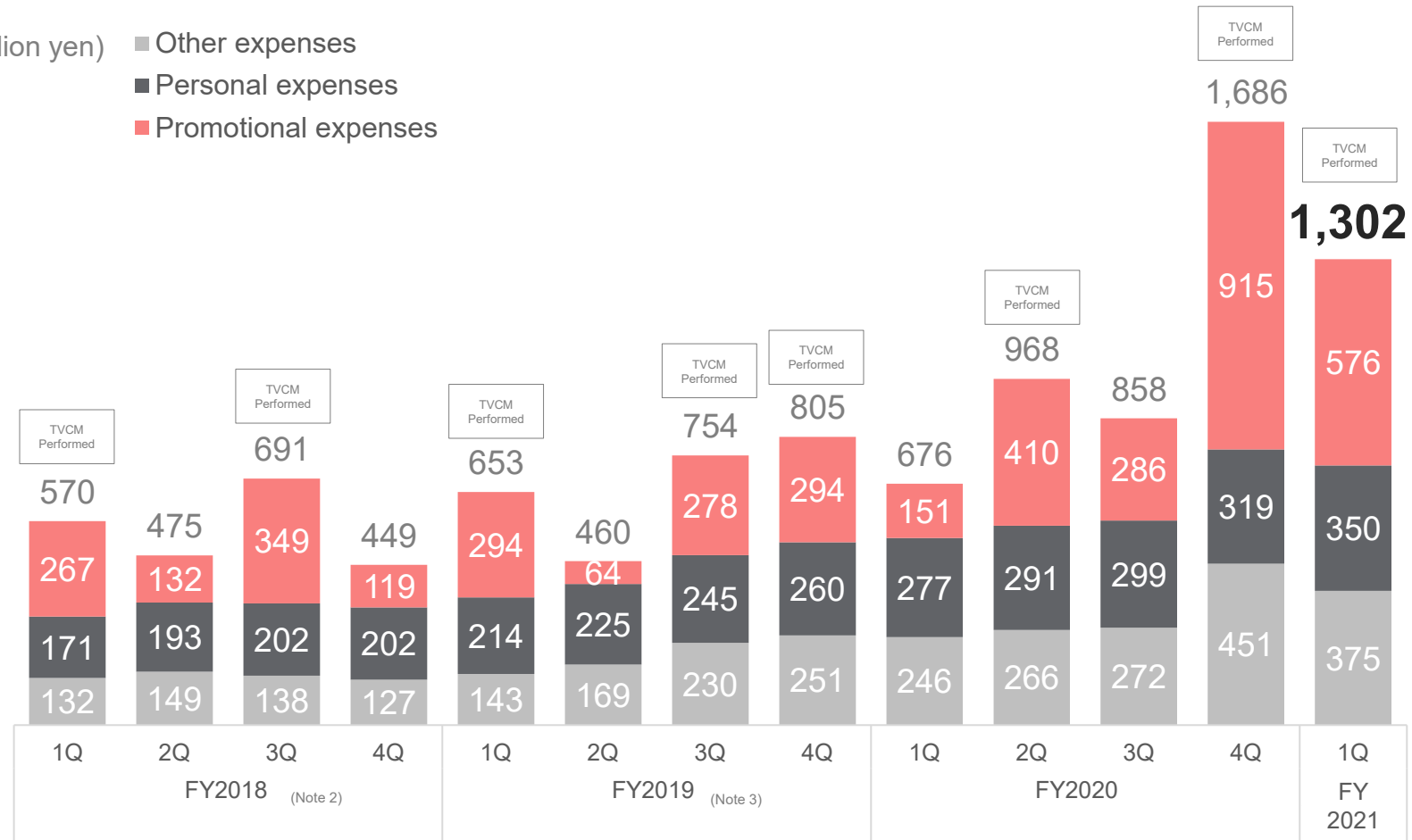
(Note 1) Because PAY business was consolidated through the incorporation-type company split in the fiscal year ended December 2018, only figures for PAY, Inc. are consolidated in the fiscal year ended December 2018.

(Note 2) BASE BANK, Inc. was established in the fiscal year ended December 2018, and the consolidating subsidiary was implemented in the fiscal year ended December 2019. Therefore, figures for the fiscal year ended December 2019 are consolidated.

- Due to a decrease in promotional expenses, etc. of the BASE business, SG&A expenses decreased 383 million yen QoQ (-22.7% QoQ).
- Promotional expenses decreased due to a decrease in TVCM and Web advertising in the BASE business.
- Personnel expenses increased due to an increase in the number of employees for product enhancement, etc.
- Other expenses (Note 1) decreased due to decrease in taxes and dues, etc.

(Million yen)

- Other expenses
- Personal expenses
- Promotional expenses



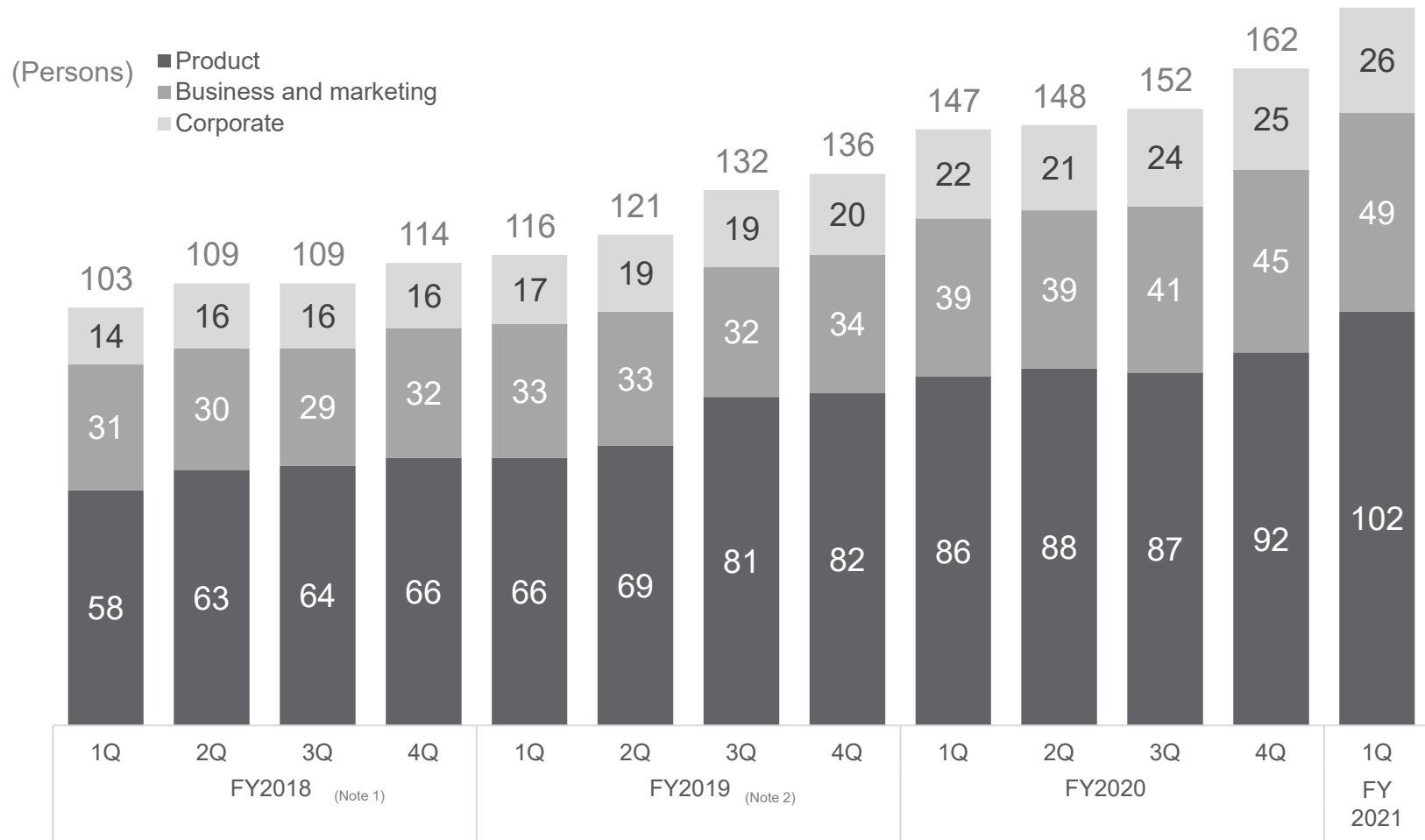
(Note 1) Other expenses consist mainly of office expenses, system expenses, remuneration and outsourcing expenses, and taxes.

(Note 2) Because PAY business was consolidated through the incorporation-type company split in the fiscal year ended December 2018, only figures for PAY, Inc. are consolidated in the fiscal year ended December 2018.

(Note 3) BASE BANK, Inc. was established in the fiscal year ended December 2018, and the consolidating subsidiary was implemented in the fiscal year ended December 2019. Therefore, figures for the fiscal year ended December 2019 are consolidated.

Enhanced hiring of product personnel, etc. to expand services.

Number of employees increased by **30 YoY (+20.4% YoY)**.



(Note 1) Because PAY business was consolidated through the incorporation-type company split in the fiscal year ended December 2018, only figures for PAY, Inc. are consolidated in the fiscal year ended December 2018.

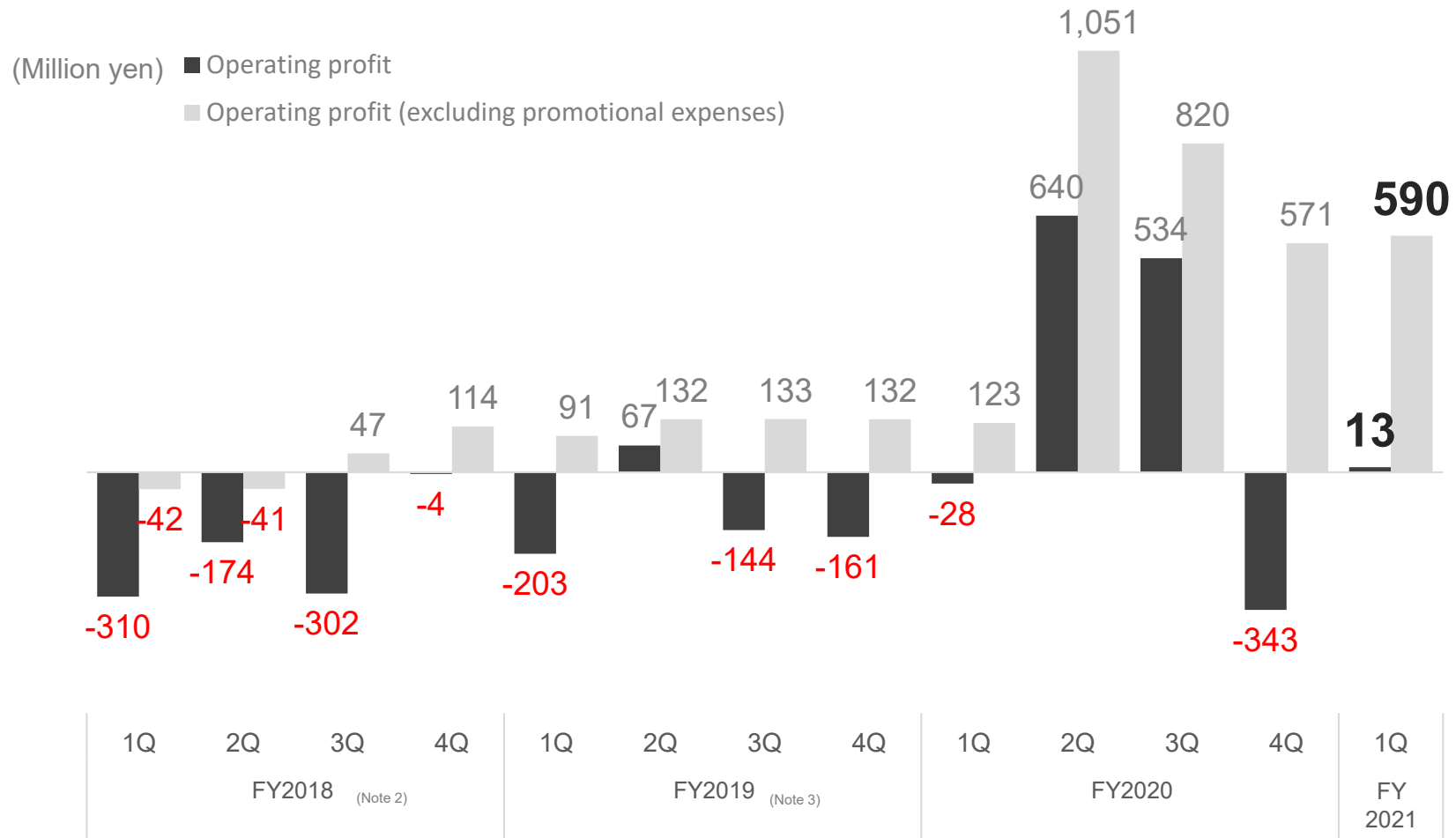
(Note 2) BASE BANK, Inc. was established in the fiscal year ended December 2018, and the consolidating subsidiary was implemented in the fiscal year ended December 2019. Therefore, figures for the fiscal year ended December 2019 are consolidated.

(Note 3) The number of employees is the number of regular employees and contract employees, and does not include the number of Directors and temporary employees. However, the number of employees includes the number of senior executive officers and persons seconded to subsidiaries as Directors.



Operating profit settled at **13 million yen** in the black due to a decrease in SG&A expenses caused by a decrease in promotional expenses, etc.

Operating profit (excluding promotion expenses) increased QoQ due to decrease in other expenses (Note 1).



(Note 1) Other expenses are SG&A expenses excluding promotional costs and personnel expenses.

(Note 2) Because PAY business was consolidated through the incorporation-type company split in the fiscal year ended December 2018, only figures for PAY, Inc. are consolidated in the fiscal year ended December 2018.

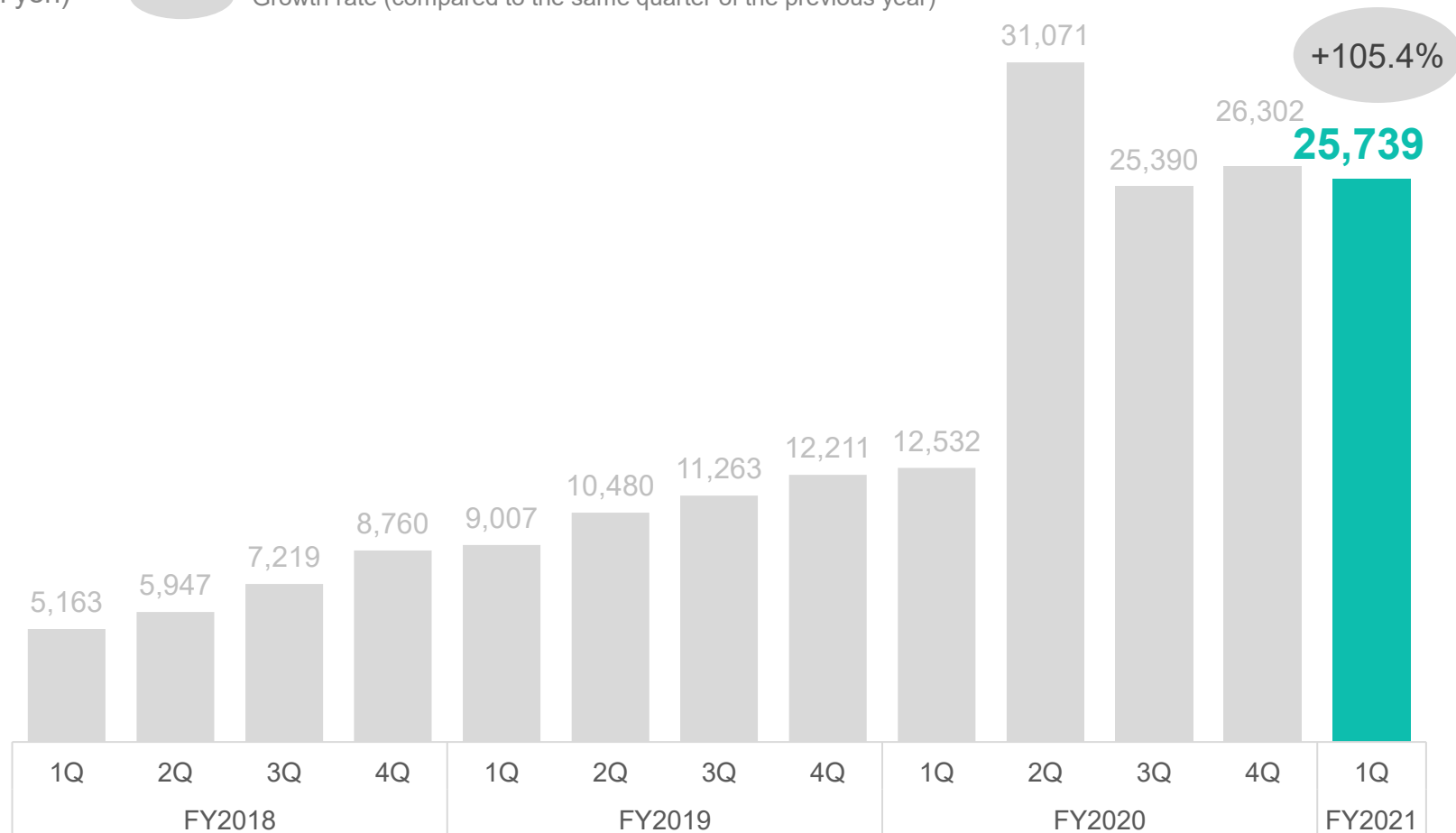
(Note 3) BASE BANK, Inc. was established in the fiscal year ended December 2018, and the consolidating subsidiary was implemented in the fiscal year ended December 2019. Therefore, figures for the fiscal year ended December 2019 are consolidated.

GMV continued to grow at a high rate of **105.4%** YoY.

It was flat QoQ due to seasonality, etc.

(million yen)

Growth rate (compared to the same quarter of the previous year)

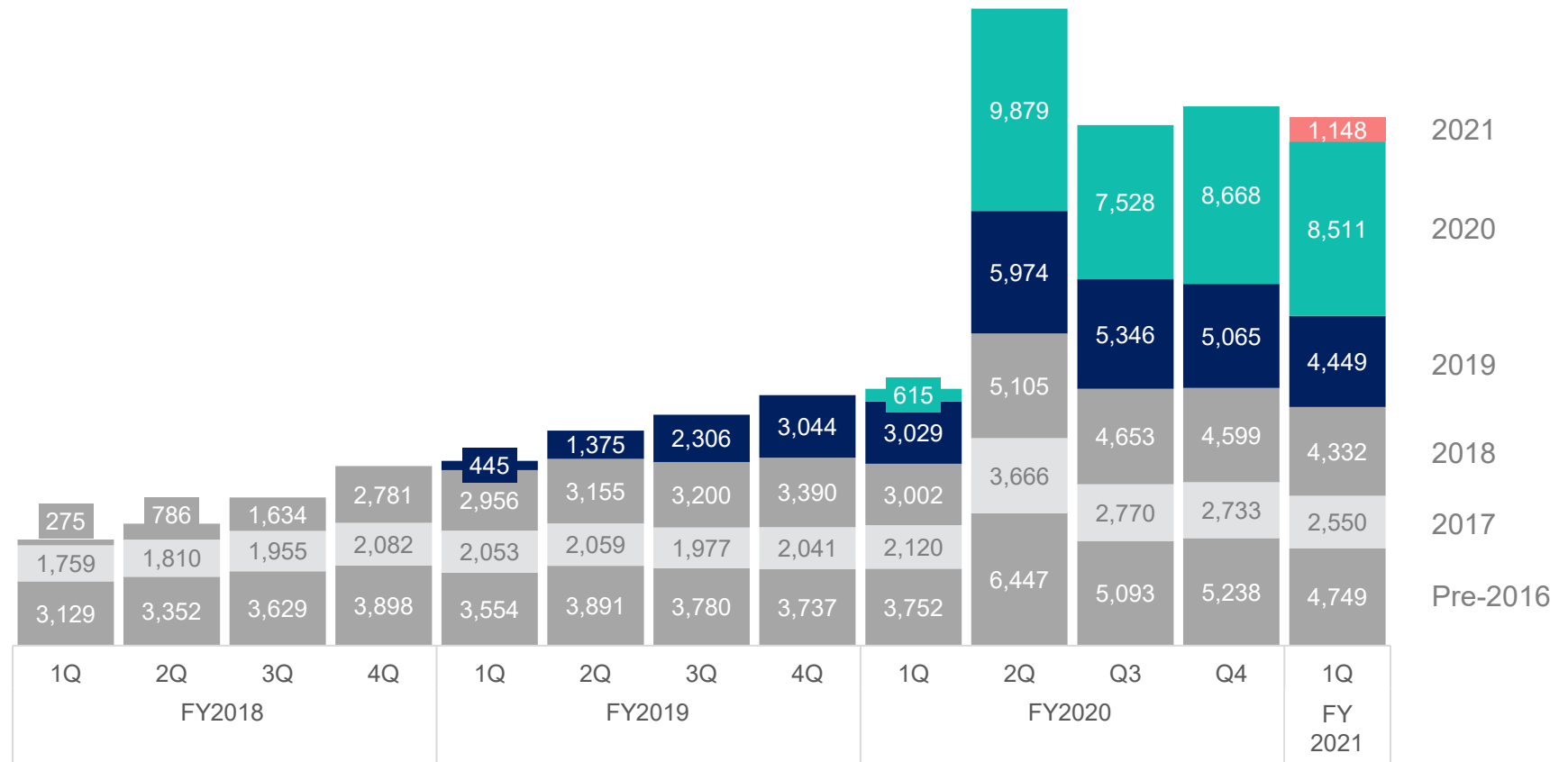


(Note) GMV is based on the order date (order amount)

In addition to a continued high level of GMV in or before 2020 due to continued use by existing shops, GMV in 2021 also increased steadily due to opening of new shops.

### GMV trend (by year of establishment)

(Million yen) ■ Pre-2016 ■ 2017 ■ 2018 ■ 2019 ■ 2020 ■ 2021



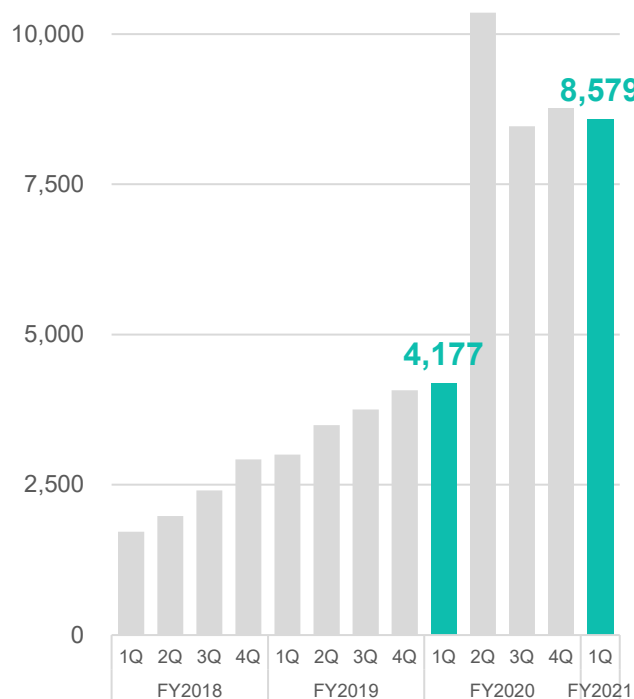
(Note) GMV is based on the order date (order amount)

The number of active shops per month increased by **78.6%** YoY, and also monthly average GMV per shop grew by **15.0%** YoY.

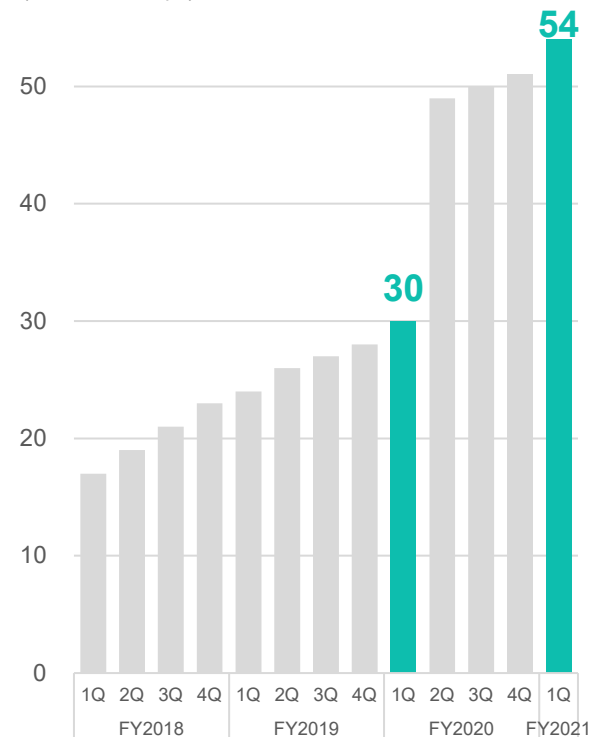
Average GMV per shop decreased QoQ due to seasonality, etc.

**Monthly GMV** (Notes 1, 2)

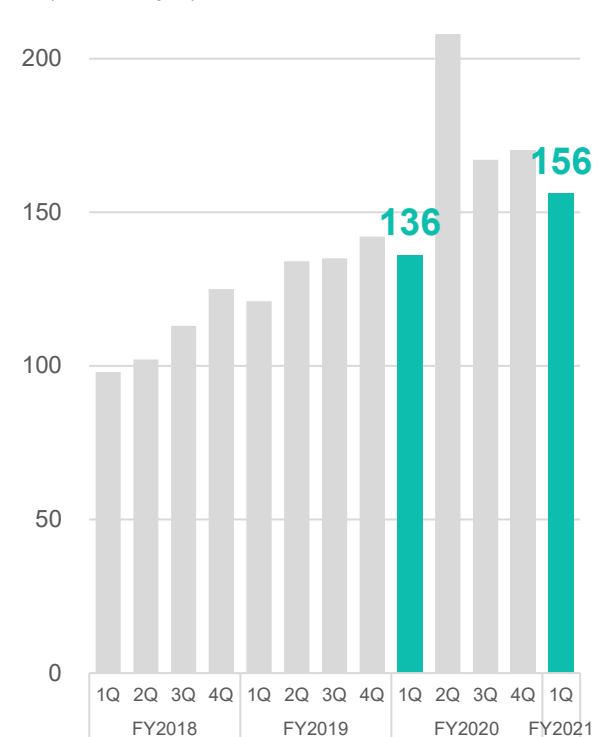
(million yen)

**Number of active shops per month** (Note 2)

(Thousand shops)

**Monthly average GMV per shop**

(Thousand yen)

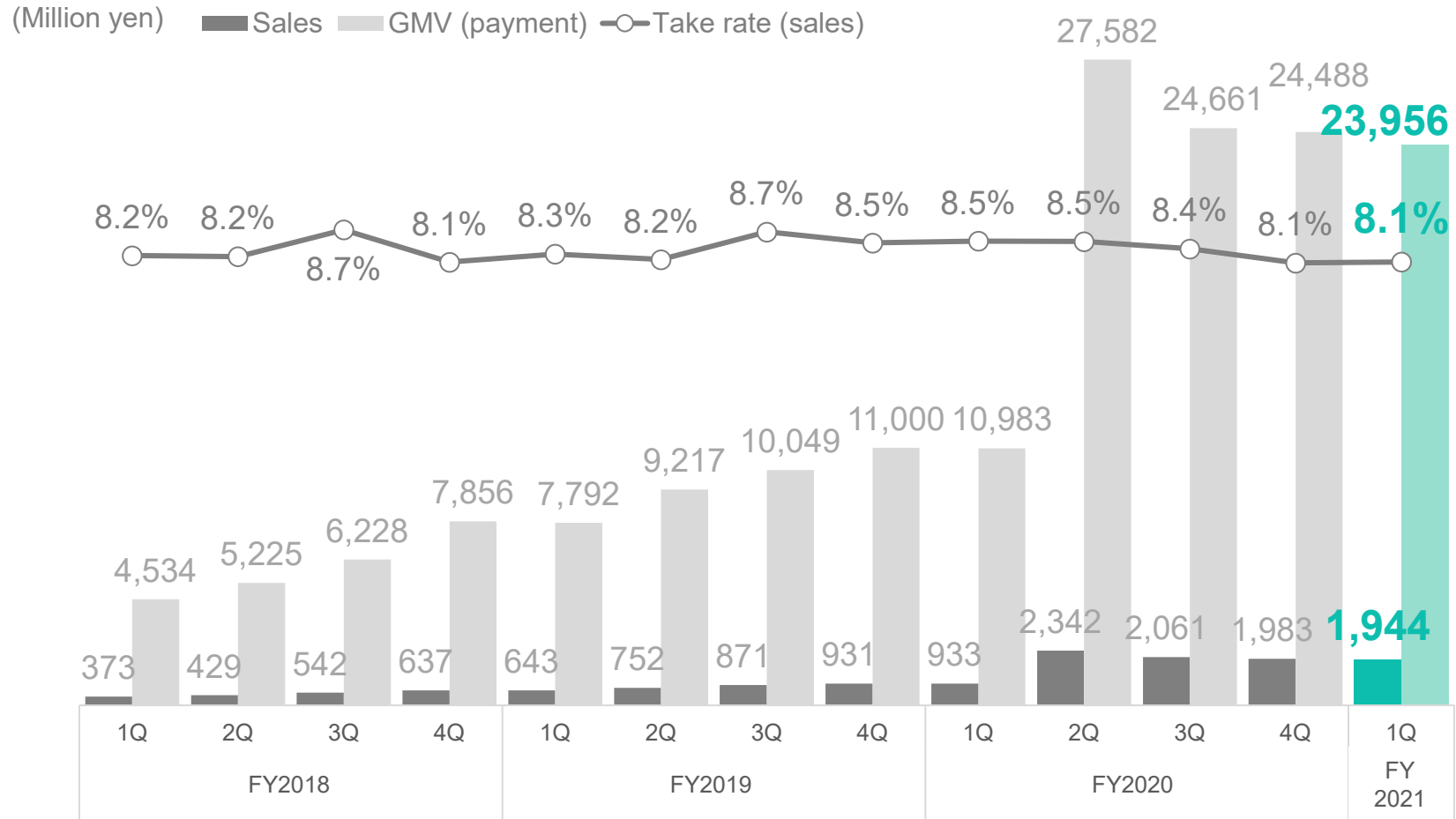


(Note 1) BASE's GMV is based on the order date (order amount).

(Note 2) Monthly GMV and the number of active stores per month are the quarterly averages.

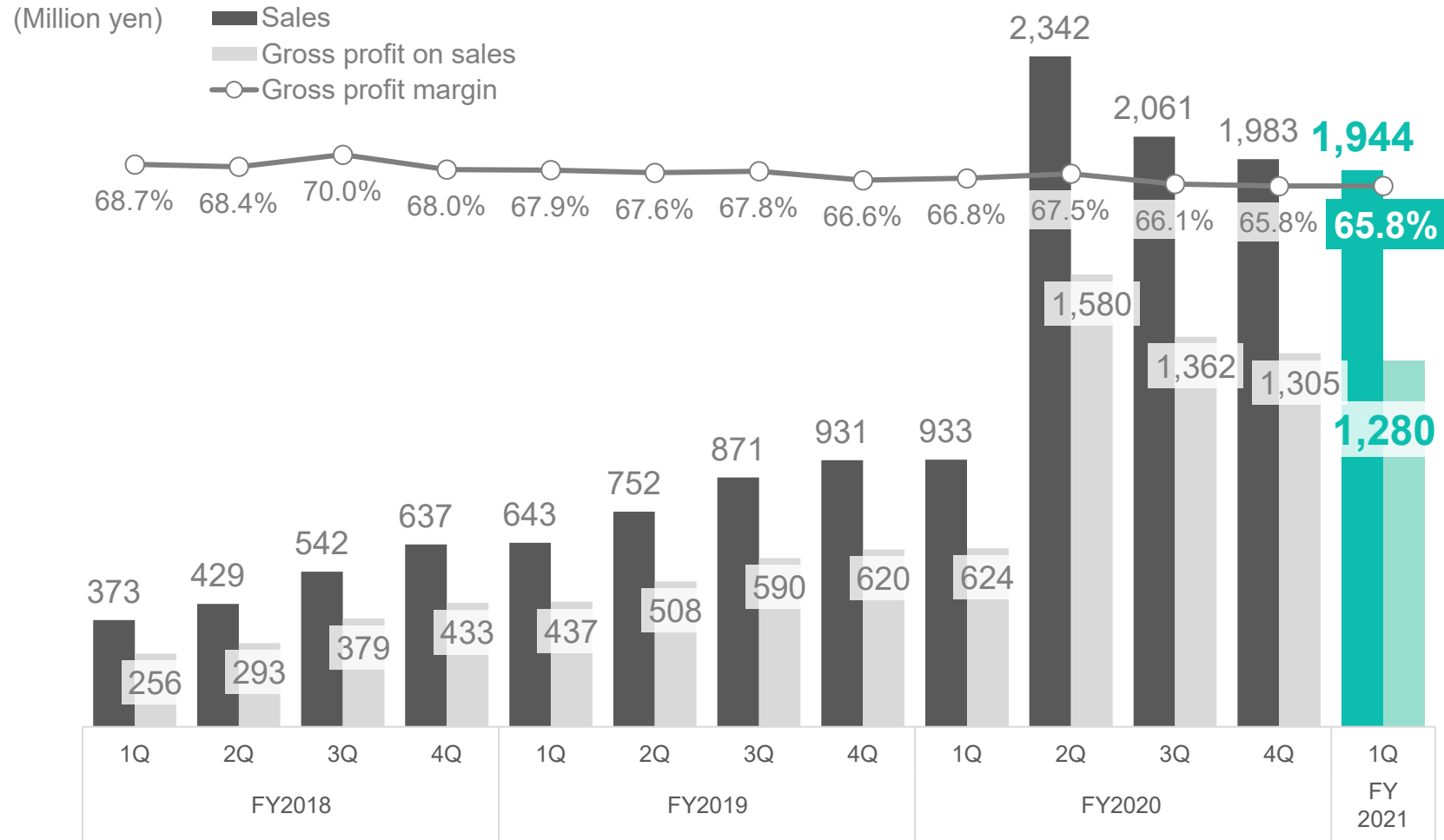
GMV (payment)<sup>(Note 1)</sup> continued to grow at a high rate of **118.1%** YoY.

No change in take rate QoQ



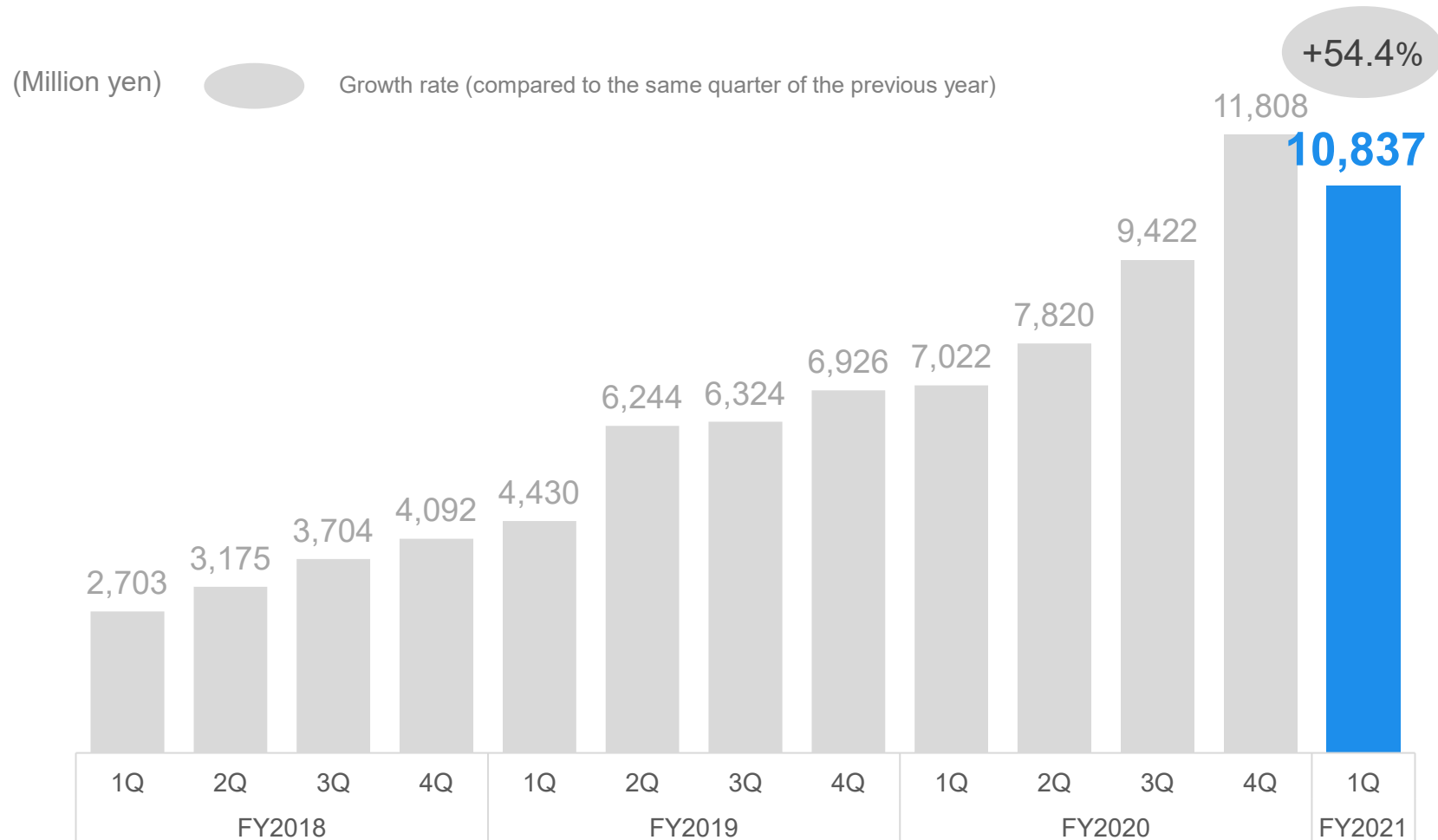
(Note1) Of the total amount of orders (GMV based on the order date), GMV (payment amount) is the amount that has been paid, and is recorded in the month of payment date. There is monthly time lag from order to settlement because the order date and settlement date are different. Also, the amount of GMV is different from the order amount (GMV based on the order date) because the amount that has not been paid due to cancellation is not included in GMV (payment amount).

Increase in GMV led to an increase in net sales by **108.3%** YoY and gross profit on sales by **105.2%** YoY.  
Gross profit margin unchanged QoQ



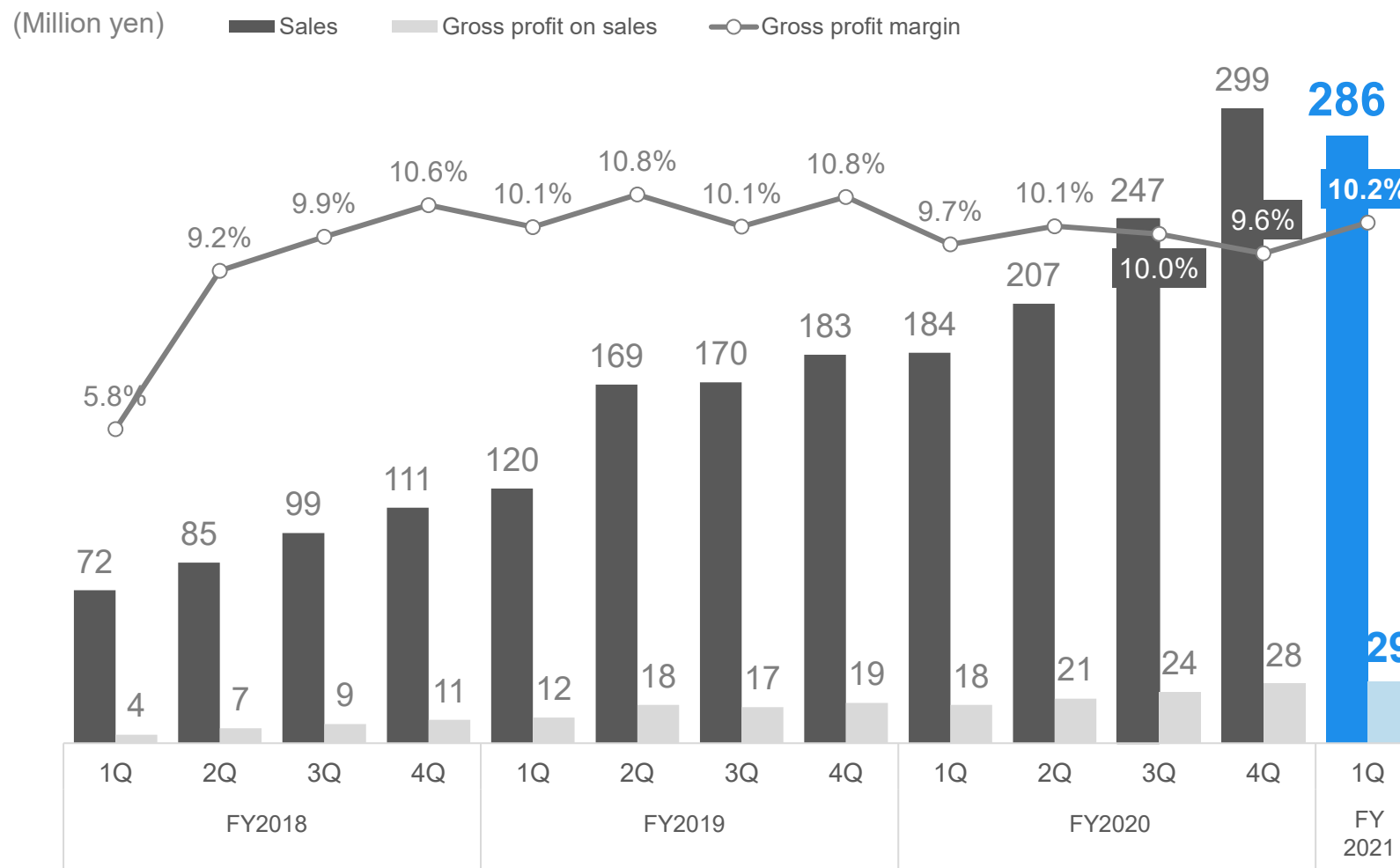
GMV achieved growth of **54.4%** YoY.

It decreased QoQ due to last quarter's inclusion of large, temporary GoTo campaign deals.



(Note) GMV is based on the payment date (payment amount).

Increase in GMV led to an increase in net sales by **54.7%** YoY and gross profit on sales by **62.2%** YoY. Gross profit margin up slightly QoQ.





## **4. Forecast for Fiscal Year Ending December 2021**

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## Consolidated

- Continuing forward-looking investments aimed not at short-term profits, but rather at growth in mid- to long-term profits.
- Implementing forward-looking investments in a disciplined manner to ensure a surplus operating profit (excluding promotion fees)
- Consideration for strategic investment and M&A for mid- to long-term growth
- Strengthening governance to enhance corporate value over the mid- to long-term by introducing the executive officer system, reviewing the composition of the board of directors, and establishing a nomination and compensation committee as measures to strengthen ESG (Note 1)
- Plan to implement a stock split at 1:5 to expand investor categories, and increase stock liquidity by lowering the investment unit (Note 2)

## BASE Business

- Place focus on growth of GMV and gross profits, and actively implement forward-looking investments.
- Strengthening advertising and publicity in order to bolster recognition and acquisition of new stores
- Strengthening sales promotion support for stores utilizing “BASE” shopping app and coupons
- Accelerating forward-looking investments, such as hiring of product personnel to expand services
- In product development, expanding services to support member stores continued use of our services, such as functional developments to promote utilization by a wider range of users, strengthening functional expansion, provision of funds, improved cash flow, and making efforts towards long-term utilization and enhanced LTV
- Ongoing support for business continuity to offset suffering from Corona disaster

## PAY Business

- Continuing to control costs, endeavoring to strengthen products and increase the number of member stores, and aiming for GMV growth

(Note1) The Nomination and Compensation Committee was established at the Board of Directors meeting held on January 14, 2021, and the Directors, Senior Executive Officers and Executive Officers were elected at the General Meeting of Shareholders and the Board of Directors meeting held on March 25, 2021.

(Note2) Implemented on April 1, 2021

The impact of the emergency declarations in January and April on GMV was limited, and net sales and gross profit for Q1 were within plan, and are expected to remain within plan for Q2 and beyond. SG&A expenses are expected to be in line with the full-year forecast due to the strategic restraint of promotions, etc. in Q1, which will be strengthened in Q2 and beyond.

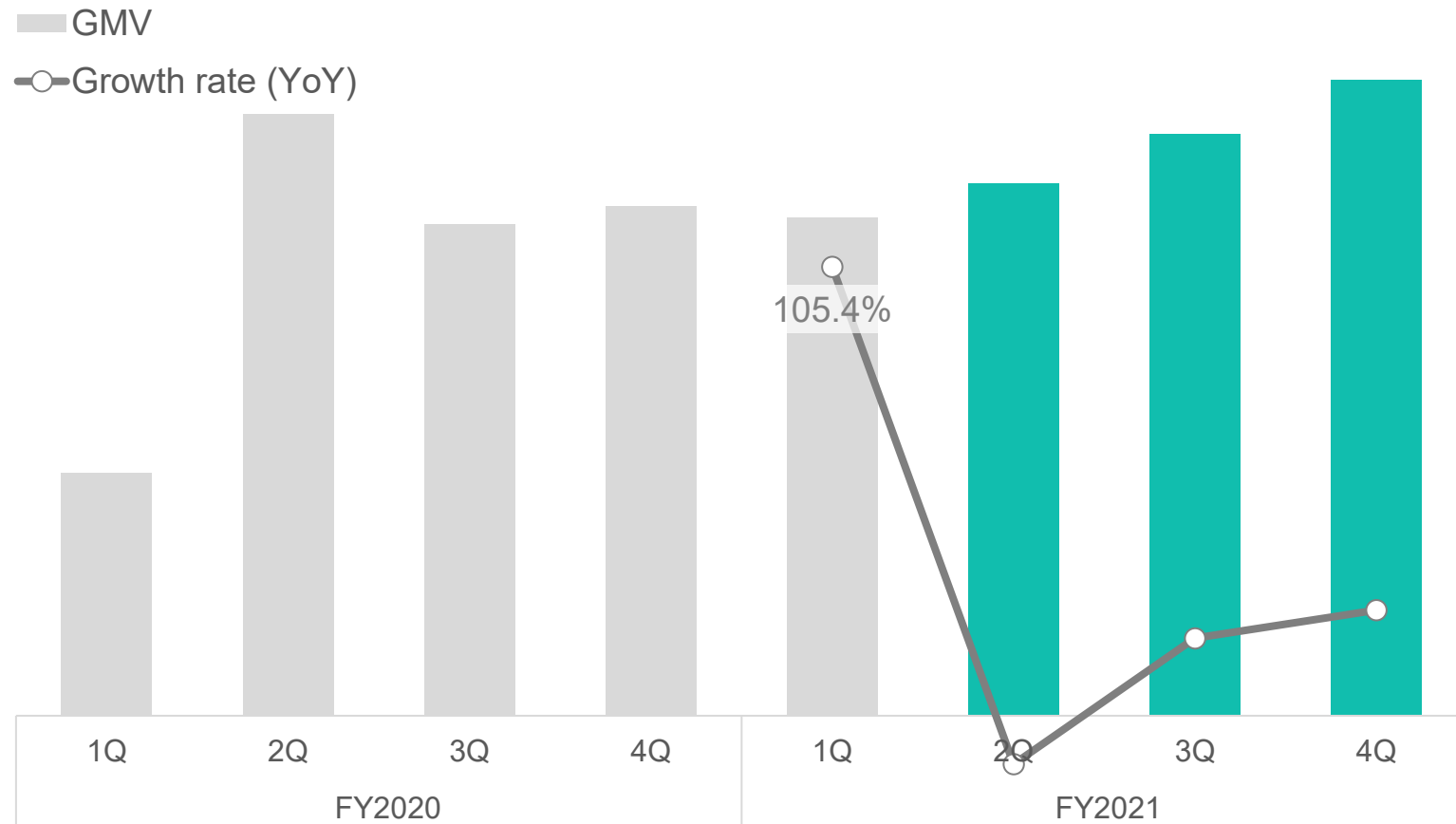
(Million yen)	Forecast for FY2021	FY2020 Results	YoY	FY2021 (Jan – Mar)	Progress rate (Note)
Net sales	9,750 ~10,536	8,288	+17.6% ~+27.1%	2,237	23.0%
Gross profit on sales	5,614 ~6,118	4,992	+12.5% ~+22.6%	1,316	23.5%
Selling, general and administrative expenses	7,047	4,189	+68.2%	1,302	18.5%
Operating profit	-1,433 ~-929	803	-	13	-
Ordinary profit	-1,433 ~-929	747	-	12	-
Net income attributable to shareholders of the parent company	-1,437 ~-933	584	-	40	-

(Note) Progress against the lower limit of the full-year earnings forecast for the fiscal year ending December 31, 2021

GMV was flat QoQ in Q1, but aims to increase in Q2 and beyond.

GMV growth in Q2 was negative YoY due to a rebound from the rapid growth in 2020, but positive growth is expected from Q3 onwards.

### Trends in GMV (forecast)



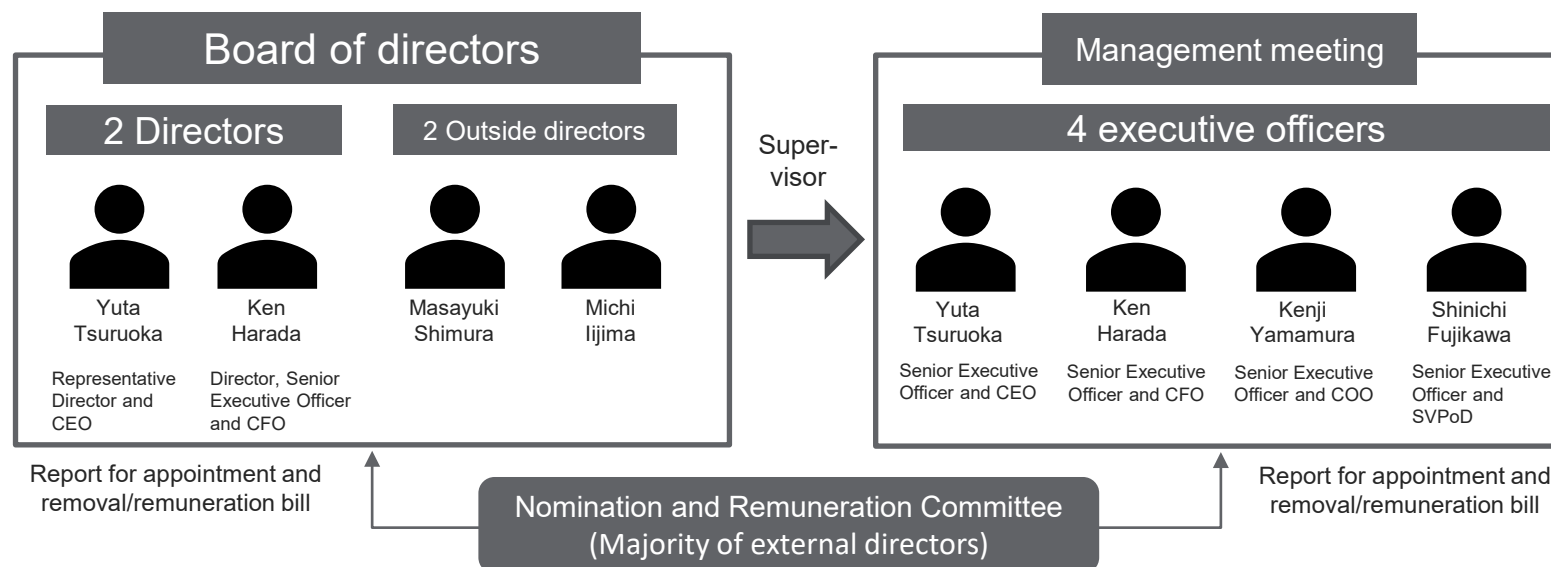
(Note) Actual results through Q1 2021; lower limit of forecast for Q2 2021 and beyond

## 5. References

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# Corporate Governance Structure

- Outside directors comprise half of the Board of Directors.
- Supervisory and executive functions were separated through the executive officer system.
- The Nomination and Remuneration Committee, the majority of which is held by outside directors, was established.



## Outside directors

### Masayuki Shimura

In 1982, joined Mitsui Bank (present Sumitomo Mitsui Banking Corporation) Served as the Director-General of the Asia-Pacific Region of the Bank and the Representative Director and Senior Managing Executive Officer of Sumitomo Mitsui Card Company, Limited In July 2019, assumed office as the Representative Director of Shimura & Partners Co., Ltd., the Director of bitFlyer, Inc. and the Advisor of CAMPFIRE, Inc. In August 2019, he was appointed as an outside director of our company.

### Michi Iijima

Joined Johnny & Associates, Inc. in 1978. Assumed the position of Director of J dream Inc. in 2005. After that, established CULEN Inc. in July 2016 and mobo・moga inc. in April 2018, and assumed the position of Representative Director. In March 2021, he was appointed as an outside director of our company.



## **Yuta Tsuruoka (Senior executive officer and CEO)**

Born in 1989. After experiencing back-end programming and direction of several Internet services when he was in university, he established BASE, Inc. in December 2012 at the age of 22. Based on its mission of “Payment to the People, Power to the People,” the company has developed a business focusing on the simplification of settlement and operates “BASE,” one of Japan’s largest e-commerce platforms. He also serves as the CEO and Representative Director of BASE BANK, Inc., a wholly owned subsidiary of BASE, that engages in the financial business.



## **Shinichi Fujikawa (Senior executive officer and SVP of Development)**

After working at an FA equipment manufacturer and a Web production venture, he joined GMO Pepabo in 2006. In 2007, he independently began developing and operating a Twitter Web service client “movatwi” for mobile devices. He established Sousousha in 2010 and served as President and Representative Director until April 2012. He was appointed as CTO of our company in August 2014. In January 2018, he completed the doctoral course of the Graduate School of Media Design, Keio University. In July 2019, he resigned as CTO of our company and was appointed as EVP of Development. In March 2021, he was appointed as Senior Executive Officer of our company.



## **Ken Harada (Senior executive officer and CFO)**

After graduating from School of Commerce, Waseda University, he was in charge of accounting and finance at a major general contractor from 2000. After that, he was in charge of operations such as accounting manager and management planning at mixi, Inc. from 2007, and joined FreakOut, inc. as a management manager in 2013, and conducted its IPO in June 2014. After the IPO, he oversaw and was in charge of overall accounting and finance, corporate planning, and IR operations. He joined our company as CFO in June 2015 and was appointed as Director and CFO of our company in February 2016. He oversees overall corporate operations. In March 2021, he was appointed as Senior Executive Officer of our company.



## **Kenji Yamamura (Senior executive officer and COO)**

After graduating from Ritsumeikan University, he worked at a food company and joined Recruit Co., Ltd. in 2004. He served as a business planning member and manager in the learning business, group purchase service “Ponpare,” CS promotion, EC business promotion office, “Air cashier,” etc. He joined our company in January 2017. He promoted “BASE” e-commerce platform business and strengthened the organizational structure, and was appointed as Director and COO of our company in June 2018. In March 2021, he was appointed as Senior Executive Officer of our company.

## Consolidated

- Continuous focus on BASE business
- Implementing forward-looking investments in a disciplined manner to ensure a surplus operating profit (excluding promotion fees).

## BASE Business

- Regarding BASE, focus on empowering individuals and SMBs.
- For storefront-type EC markets, the long tail market targeted at individuals and SMBs can expect higher GMV growth rates and take rates than markets targeting large shops.
- BASE has the largest share in Japan of the long tail market.
- Strengthen forward-looking investments to realize sustainable growth by building a solid position for long tail markets.
- Aiming for mid-term gross profit growth by further increasing the added value of products and maintaining the take rate.

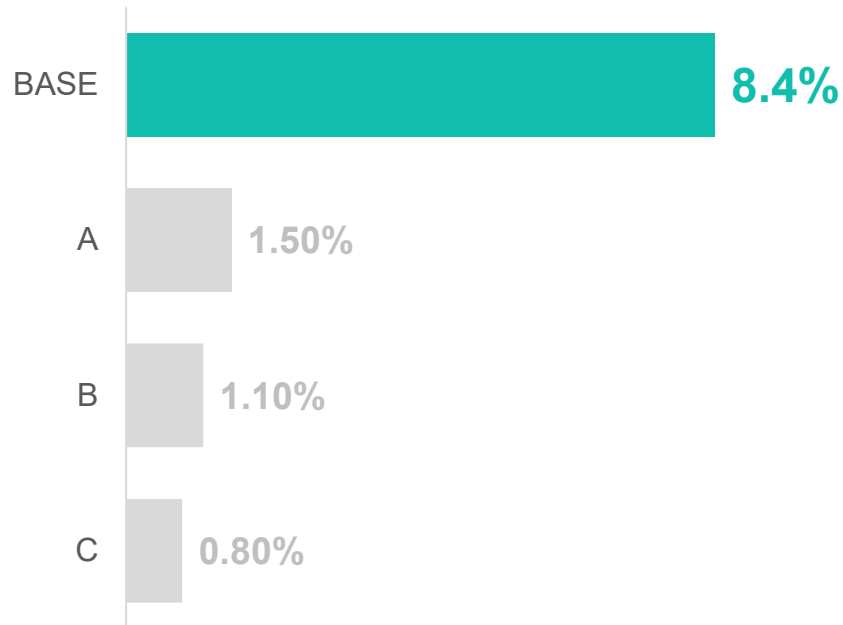
## PAY Business

- Continuing to control costs, endeavoring to strengthen products and increase the number of member stores, and aiming for GMV growth

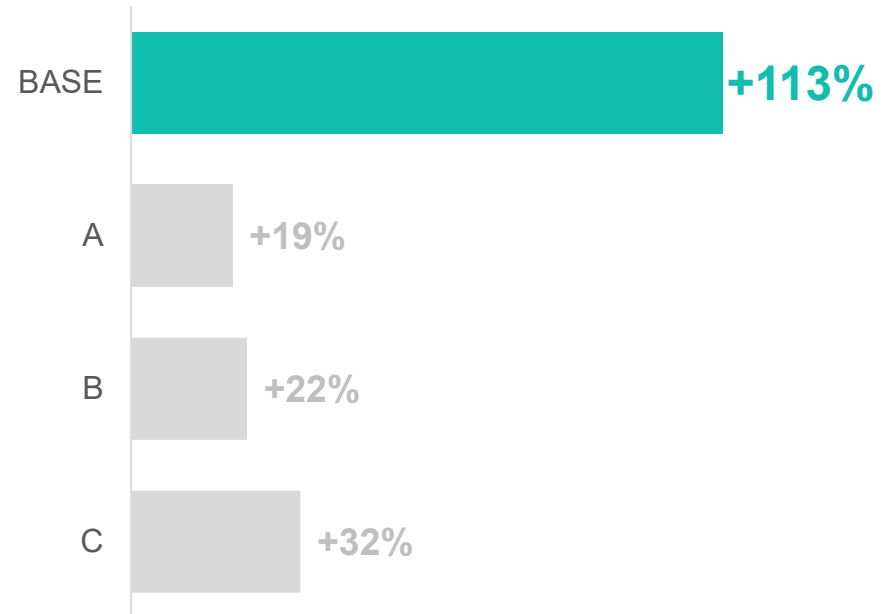


Higher GMV growth rate and take rate can be expected in the long tail market compared to the market for large-scale shops.

Take rate (Note1)



GMV growth rate (Note2)



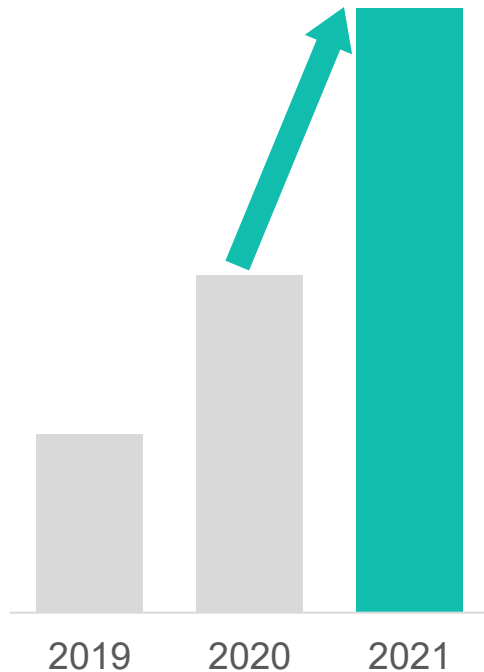
(Note1) Take rate between July and September 2020

(Note2) GMV growth rate since September 2019 to September 2020

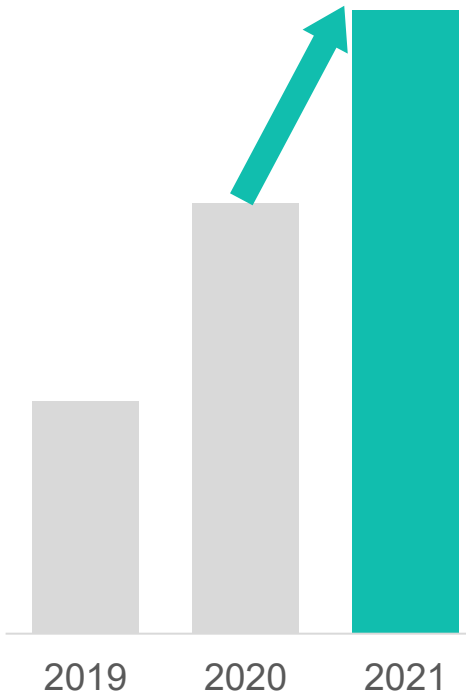
Further enhance forward-looking investments for promotion.

Establish a strong position in the long tail market and aim for sustainable growth by raising awareness of BASE services.

Changes in  
promotion expenses



Changes in  
Service Awareness



- Increase in the number of new shops over the medium- to long-term
- Strong position in the long tail market and sustainable growth

Accelerate forward-looking investments in product development, etc. by promoting the recruitment of human resources and utilizing external human resources.

Establish a strong position in the long tail market and aim for sustainable growth by further increasing the added value of products.

**Number of employees in  
BASE business**



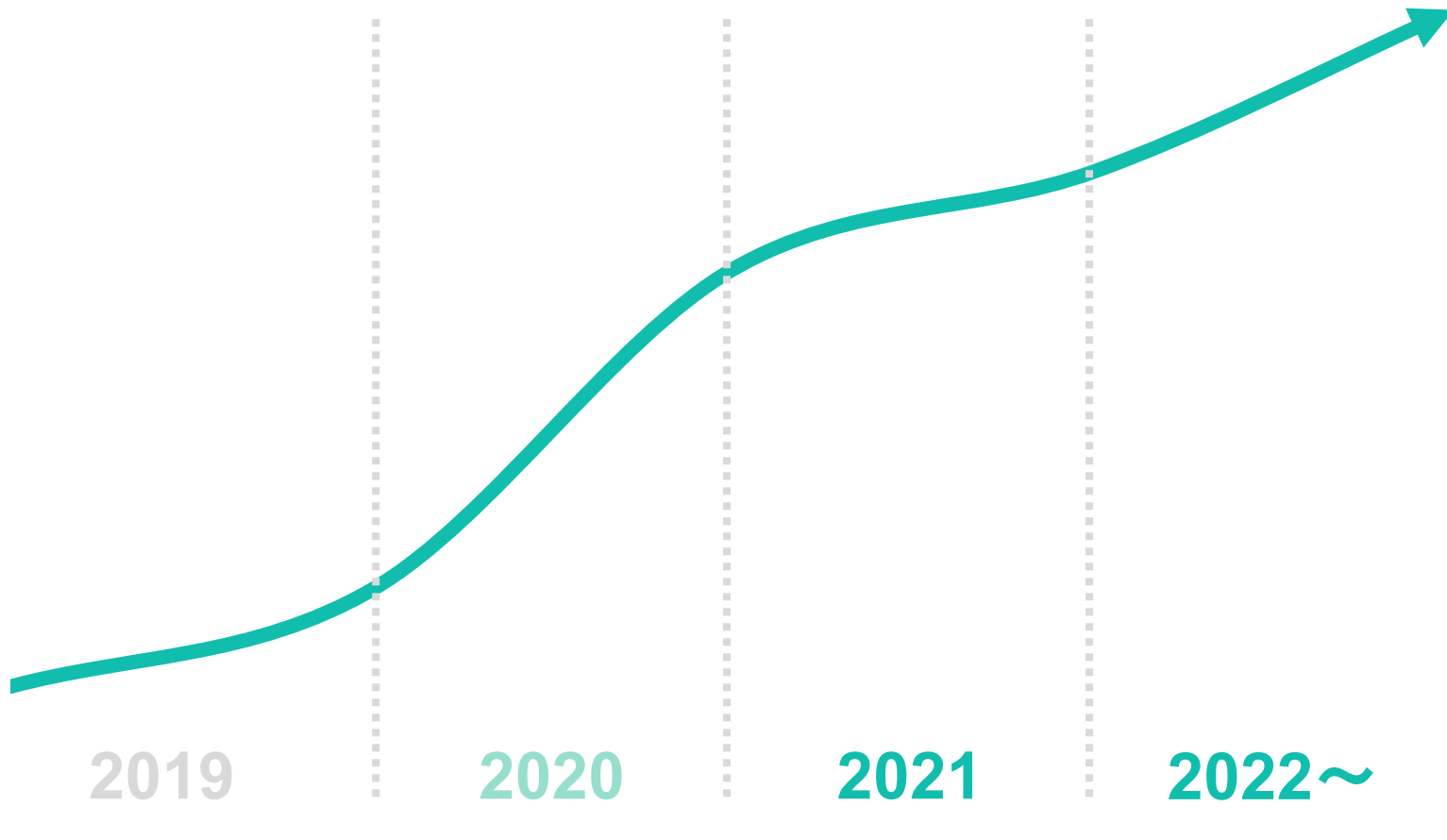
**Personnel expenses and  
outsourcing expenses**



- Further increase in the added value of products
- Strong position in the long tail market and sustainable growth

Focus on continuing to empower individuals and SMBs, not short-term GMV growth.

**Establish a strong position in the long tail market and aim for medium- to long-term growth in gross profit on sales.**

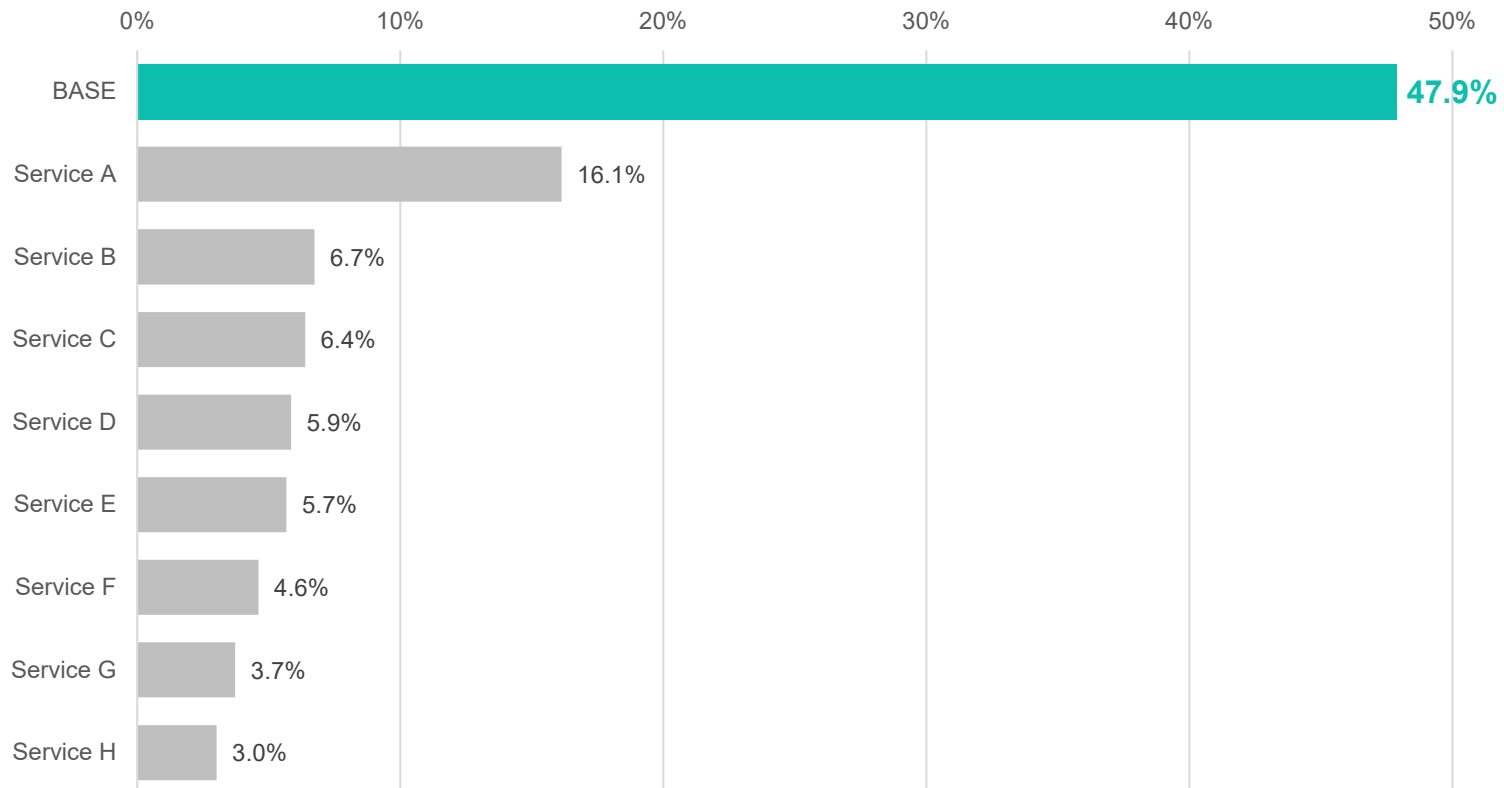


Incurring cost from the initial stage when products don't sell is a risk for SMBs.

The strengths of our services that it is easy to set up an e-commerce site and introduce a payment function, and that initial and monthly costs are free of charge, are a major differentiators from similar services.

### Survey on actual use of our cart-style online retail shop creation service (Feb 2021)

Please reply with all of the online retail shop creation services you used when opening your online retail shop within the most recent year.



# Profit and Loss Statement (By Segment)

(Million yen)		FY2019				FY2020				FY2021
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Sales	BASE	643	752	871	931	933	2,342	2,061	1,983	1,944
	PAY	120	169	170	183	184	207	247	299	286
	Others	0	0	1	3	6	7	6	7	7
Gross profit on sales	BASE	437	508	590	620	624	1,580	1,362	1,305	1,280
	PAY	12	18	17	19	18	21	24	28	29
	Others	0	0	1	3	6	7	6	7	7
Segment profit	BASE	-108	144	-71	-81	56	718	601	-264	102
	PAY	-43	-31	-28	-24	-25	-26	-19	-19	-18
	Others	-15	-12	-11	-14	-10	-13	-6	-14	-15
	Corporate expenses	-34	-32	-33	-41	-47	-38	-40	-44	-54
Operating profits	Entire company	-203	67	-144	-161	-28	640	534	-343	13

year	month	Quarterly GMV (million yen) <small>(Note1)</small>	Monthly GMV (million yen) <small>(Note1)</small>	Number of shops	Monthly GMV per shops (yen) <small>(Note1)</small>	Quarterly GMV (Settlement amount) (million yen) <small>(Note2)</small>
2018	March	5,163	1,721	17,532	98,167	4,534
	June	5,947	1,982	19,326	102,589	5,225
	September	7,219	2,406	21,216	113,426	6,228
	December	8,760	2,920	23,183	125,968	7,856
2019	March	9,007	3,002	24,770	121,218	7,792
	June	10,480	3,493	26,071	134,001	9,217
	September	11,263	3,754	27,811	135,000	10,049
	December	12,211	4,070	28,537	142,638	11,000
2020	March	12,532	4,177	30,658	136,262	10,983
	June	31,071	10,357	49,715	208,330	27,582
	September	25,390	8,463	50,553	167,417	24,661
	December	26,302	8,767	51,558	170,051	24,488
2021	March	25,739	8,579	54,742	156,734	23,956

(Note 1) BASE's GMV is based on the order date (order amount).

(Note 2) Of the total amount of orders (GMV based on the order date), GMV (payment amount) is the amount that has been paid, and is recorded in the month of payment date.

There is monthly time lag from order to settlement because the order date and settlement date are different. Also, the amount of GMV is different from the order amount (GMV based on the order date) because the amount that has not been paid due to cancellation is not included in GMV (payment amount).

year	month	Quarterly GMV (million yen)
2018	March	2,703
	June	3,175
	September	3,704
	December	4,092
2019	March	4,430
	June	6,244
	September	6,324
	December	6,926
2020	March	7,018
	June	7,820
	September	9,422
	December	11,808
2021	March	10,837



(Million yen)	Forecast for FY2021	FY2020 Results	YoY	FY2021 (Jan – Mar)	Progress rate (Note)
GMV (orders)	115,000 ~125,000	95,296	+20.7% ~+31.2%	25,739	22.4%
GMV (payment)	103,500 ~112,500	87,717	+18.0% ~+28.3%	23,956	23.1%
Net sales	8,350 ~9,100	7,321	+14.1% ~+24.3%	1,944	23.3%
Take rate	8.1%	8.3%	-	8.1%	-
Gross profit on sales	5,450 ~5,950	4,872	+11.9% ~+22.1%	1,280	23.5%
GMV (settlement base) rate	5.3%	5.6%	-	5.3%	-
Gross profit rate	65.3%	66.6%	-	65.8%	-

(Note) Progress against the lower limit of the full-year earnings forecast for the fiscal year ending December 31, 2021

(Million yen)	Forecast for FY2021	FY2020 Results	YoY	FY2021 (Jan – Mar)	Progress rate (Note)
GMV	52,600 ~54,000	36,069	+45.8% ~+49.7%	10,837	20.6%
Net sales	1,370 ~1,406	939	+45.8% ~+49.6%	286	20.9%
Thake rate	2.6%	2.6%	-	2.6%	-
Gross profit on sales	134 ~138	92	+45.1% ~+49.5%	29	21.8%
GMV ratio	0.3%	0.3%	-	0.3%	-
Gross profit rate	9.8%	9.8%	-	10.2%	-

(Note) Progress against the lower limit of the full-year earnings forecast for the fiscal year ending December 31, 2021

# Ratio of Dilutive Shares

		FY2021 1Q	FY 2020
SO	Beginning balance	1,439,200	1,810,800
	Granted	0	0
	Exercised	-14,800	-325,600
	Renounced	-5,600	-46,000
	Ending balance	1,418,800	1,439,200
Number of shares outstanding		21,954,200 (Note)	21,939,400
Ratio of dilutive shares		6.5%	6.6%

(Note) The Company conducted a 5-for-1 stock split with an effective date of April 1, 2021. The number of shares issued and outstanding after the stock split is 109,771,000 shares.

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**BASE**