



Q2 of Fiscal Year Ending December 31, 2022
Materials for Financial Results Presentation

BASE, Inc.
(Tokyo Stock Exchange Growth: 4477)
August 4, 2022

- 1. Corporate Profile**
- 2. Executive Summary**
- 3. Results for Q2 of the Fiscal Year Ending December 31, 2022**
- 4. Policies and Progress for the Fiscal Year Ending December 31, 2022**
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1. Corporate Profile

Mission

Payment to the people, Power to the people.

BASE provides a platform in which individuals can transmit their thoughts, sensitivities and talents to any and all that are in need of them. Our hope is that our service gives way to new projects, ideas and activities, as well as fair compensation for our valued merchants.



Means of payment should be available to everyone in the world and beyond. As a company, we aim to provide each and every individual with the opportunity to freely transform their potential into value.

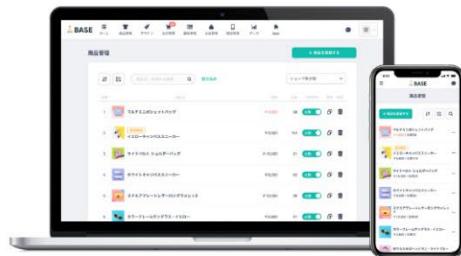
Creating an economy for People through the Power of Payment.



BASE Group's services aimed at empowering **individuals and small teams, startups, as well as purchasers**



For Individuals and Small Team Shops

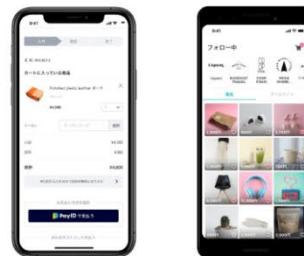


**Payment Support /
Online Shop Creation Support**

Online shop creation service enabling anyone to easily create storefront-type online shops at no cost



For Purchasers



**Payment ID /
Shopping App**

Shopping service providing a new payment experience and helping to build relationships with purchasers



For Startup Merchants

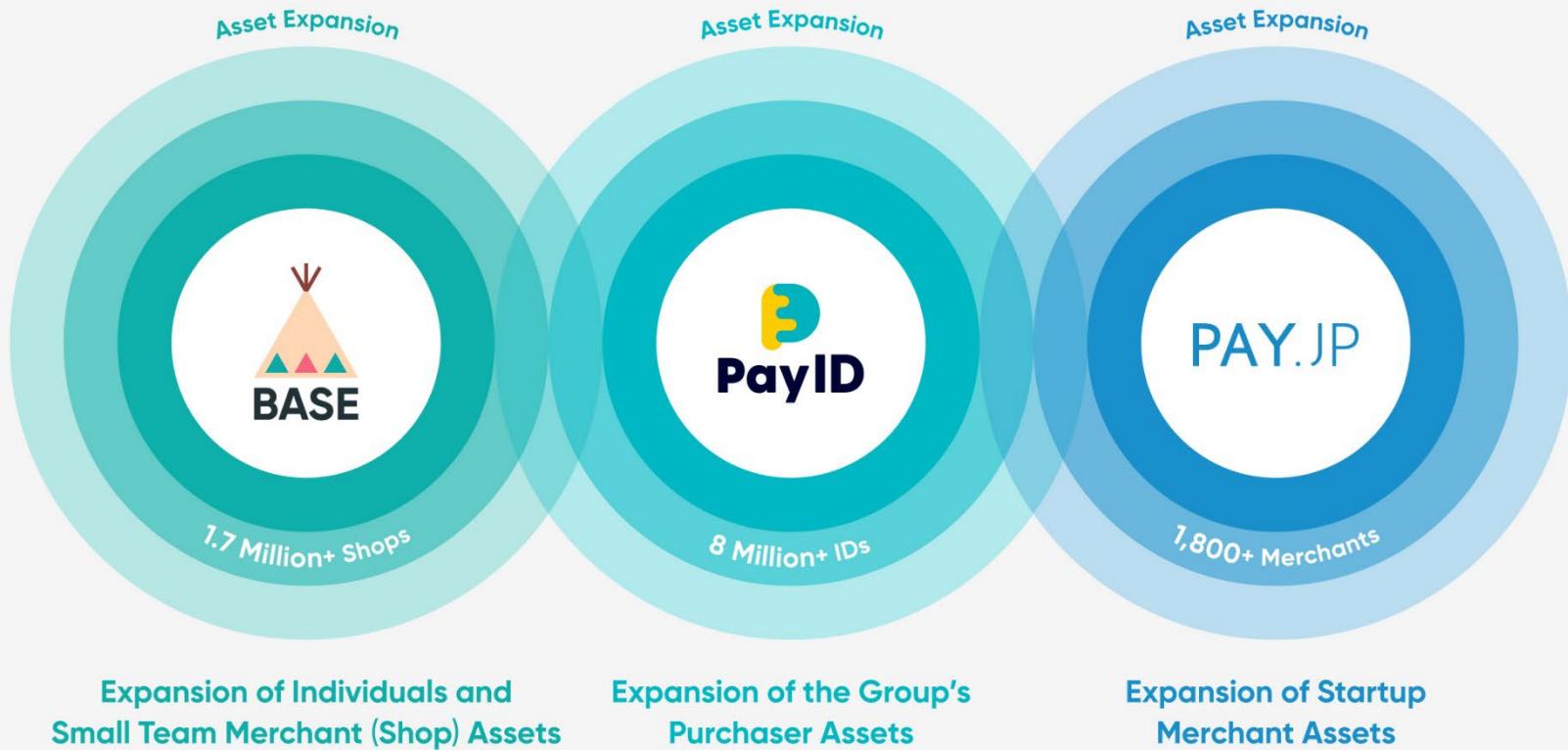


Payment Support

Online payment service for developers to easily integrate credit card payments to web services

Maximizing BASE Group's existing assets to build a unique payment network, and become a payment company providing services to both merchants and purchasers

Providing a Unique Payment Network Across The Group



2. Executive Summary

Topics

- **Continued high GMV growth for BASE business at CAGR +48.1% and PAY business at CAGR +62.3%_(Note1,2)**
- **Strategic take rate reduction for the BASE business through launch of the Monthly-Fee Plan**

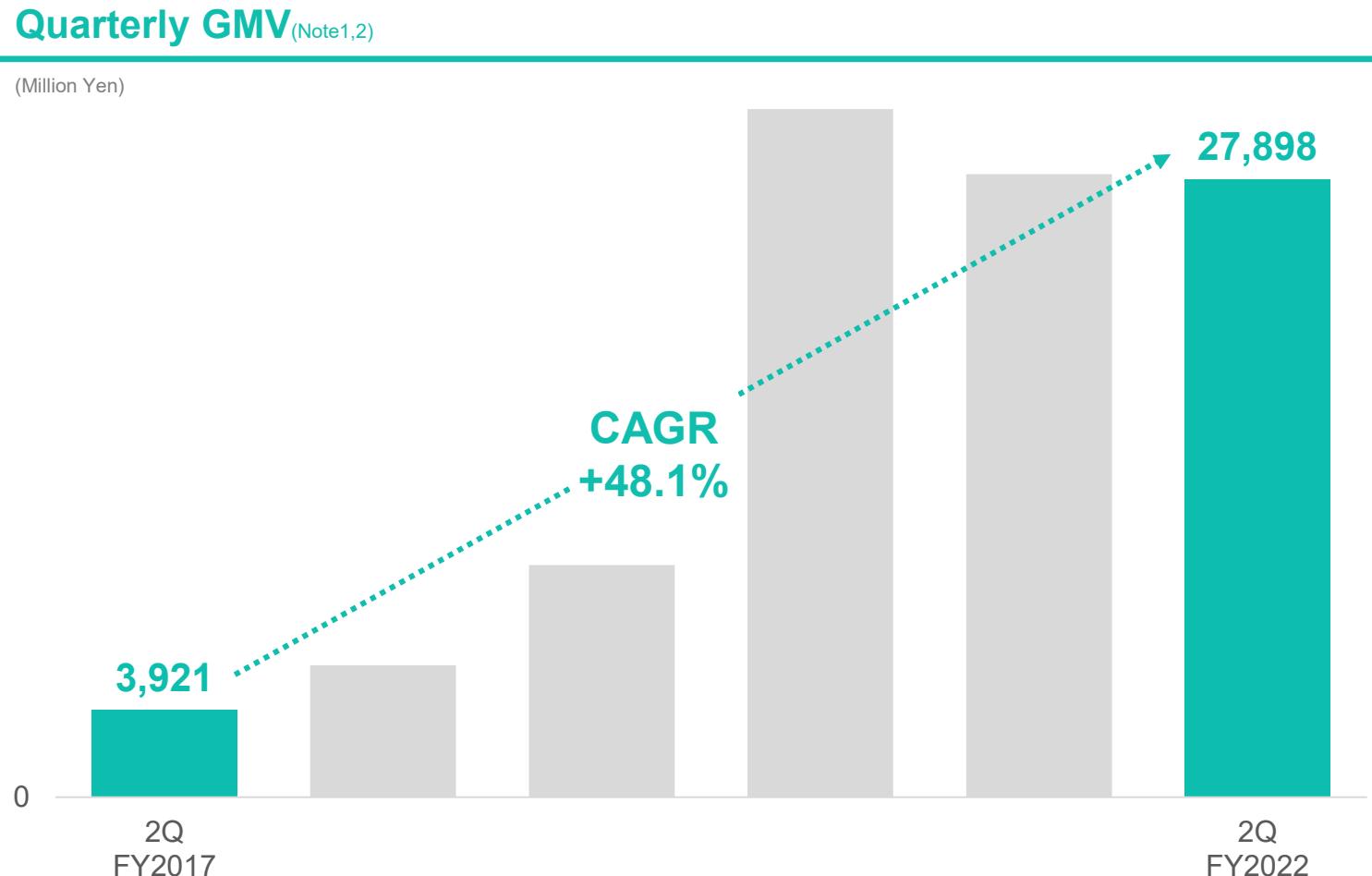
Results for Q2 of the Fiscal Year Ending December 31, 2022

- Deceleration of online consumption was more significant than expected due to the recovery of offline consumption associated with reopening
- BASE business GMV was largely flat YoY while PAY business GMV was +37.2% YoY as both businesses were affected by reopening headwinds
- Despite the BASE business's largely flat YoY GMV, Consolidated net sales for Q2 decreased YoY due to the strategic take rate reduction

Policies and Progress for the Fiscal Year Ending December 31, 2022

- Growth of BASE business GMV trended lower than what was projected at the beginning of the fiscal year due to reopening headwinds
- **Although monthly GMV for the BASE business increased YoY in July**, disclosure of earnings forecast will be withheld as trends for August and onwards remain uncertain
- **By launching the Monthly-Fee Plan**, implemented a strategic reduction in commissions paid by shops. Through this initiative, **we aim to maximize gross profit** by realizing higher GMV growth over the medium term

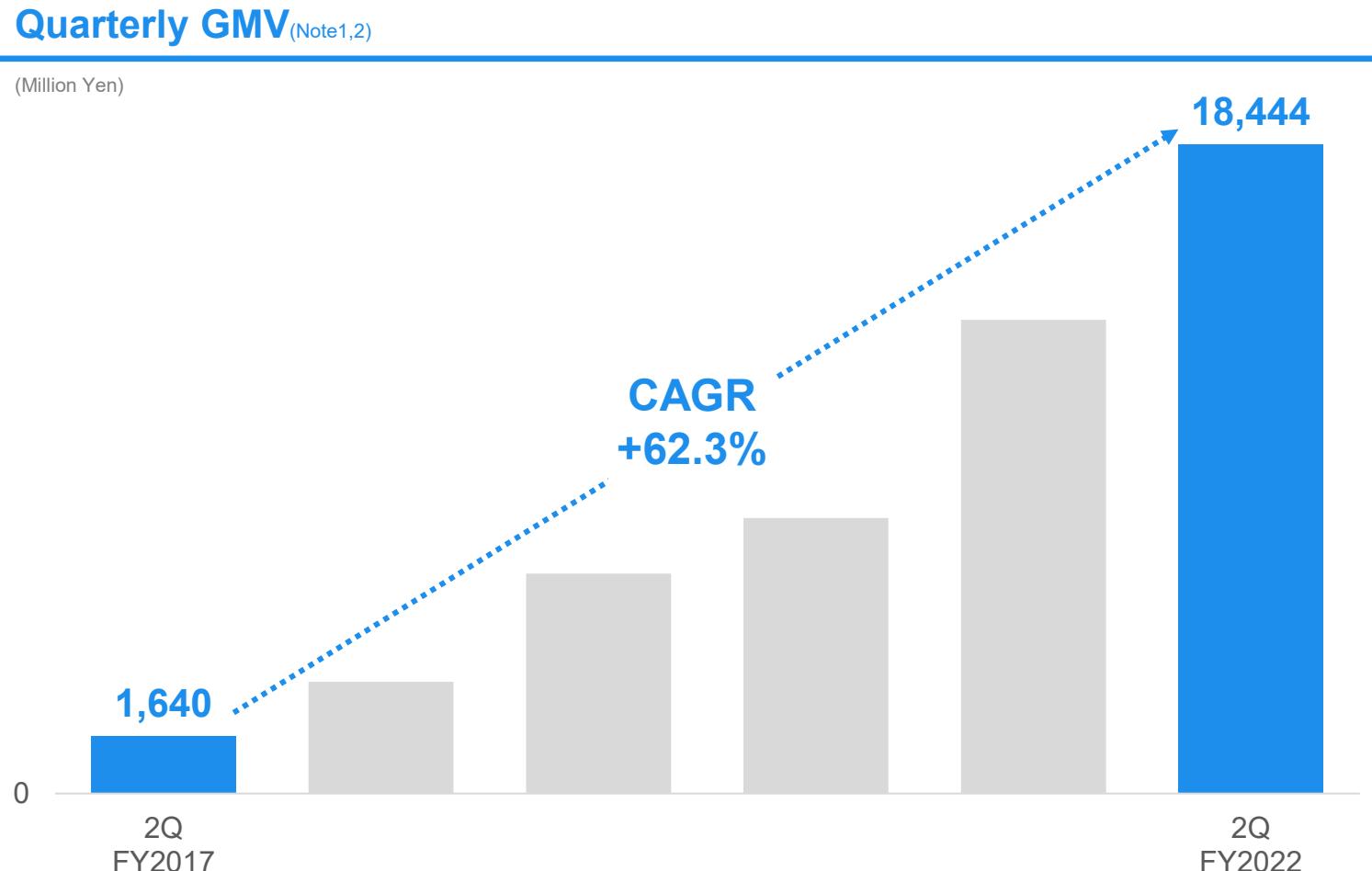
Continued high growth in GMV with CAGR of +48.1%



(Note1) GMV is based on the order date (order amount)

(Note2) 5 year compound average growth rate of the 2nd quarter of each fiscal year

Continued high growth in GMV with CAGR of +62.3%

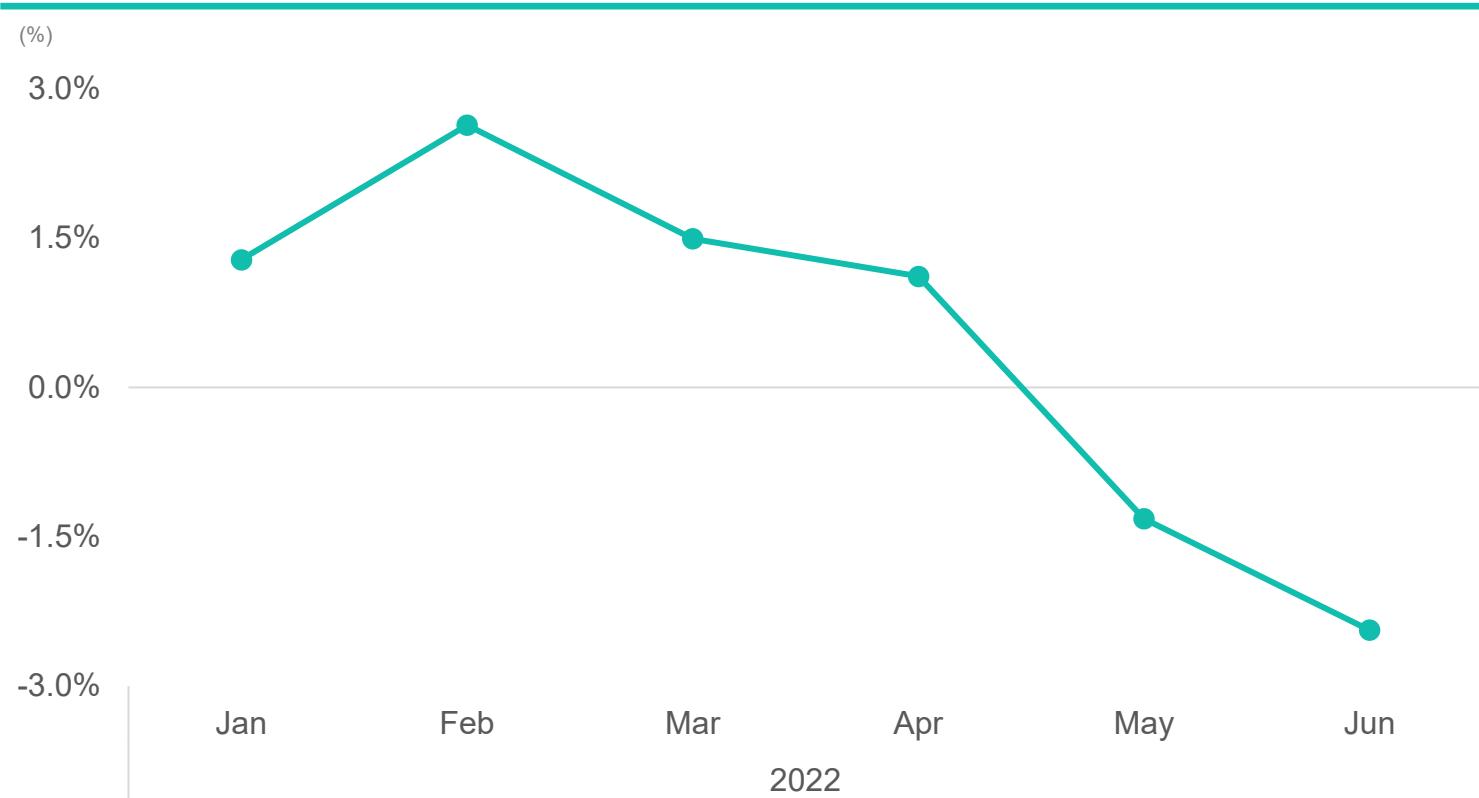


(Note1) GMV is based on the payment date (payment amount)

(Note2) 5 year compound average growth rate of the 2nd quarter of each fiscal year

Deceleration of online consumption was more significant than expected due to the recovery of offline consumption associated with reopening

YoY Growth Rate of Domestic Online Consumption by Month(Note)

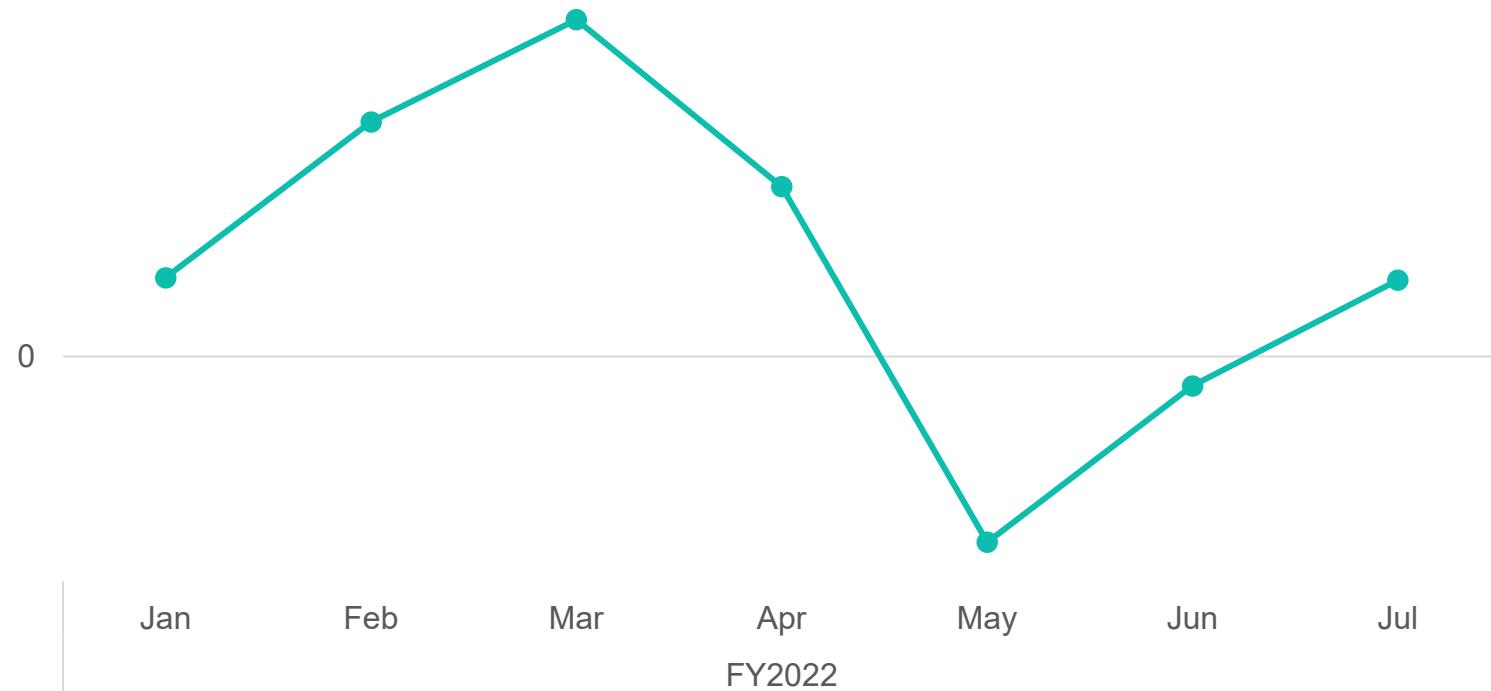


(Note) Prepared by BASE using "EC (Monthly/YoY)" data from Nowcast/JCB's "JCB Consumption NOW"

Although GMV growth trended lower than what was projected at the beginning of the fiscal year due to reopening headwinds, **GMV in July increased YoY**

YoY Growth Rate of Monthly GMV

(%)



By launching the Monthly-Fee Plan, implemented a strategic reduction in commissions paid by shops

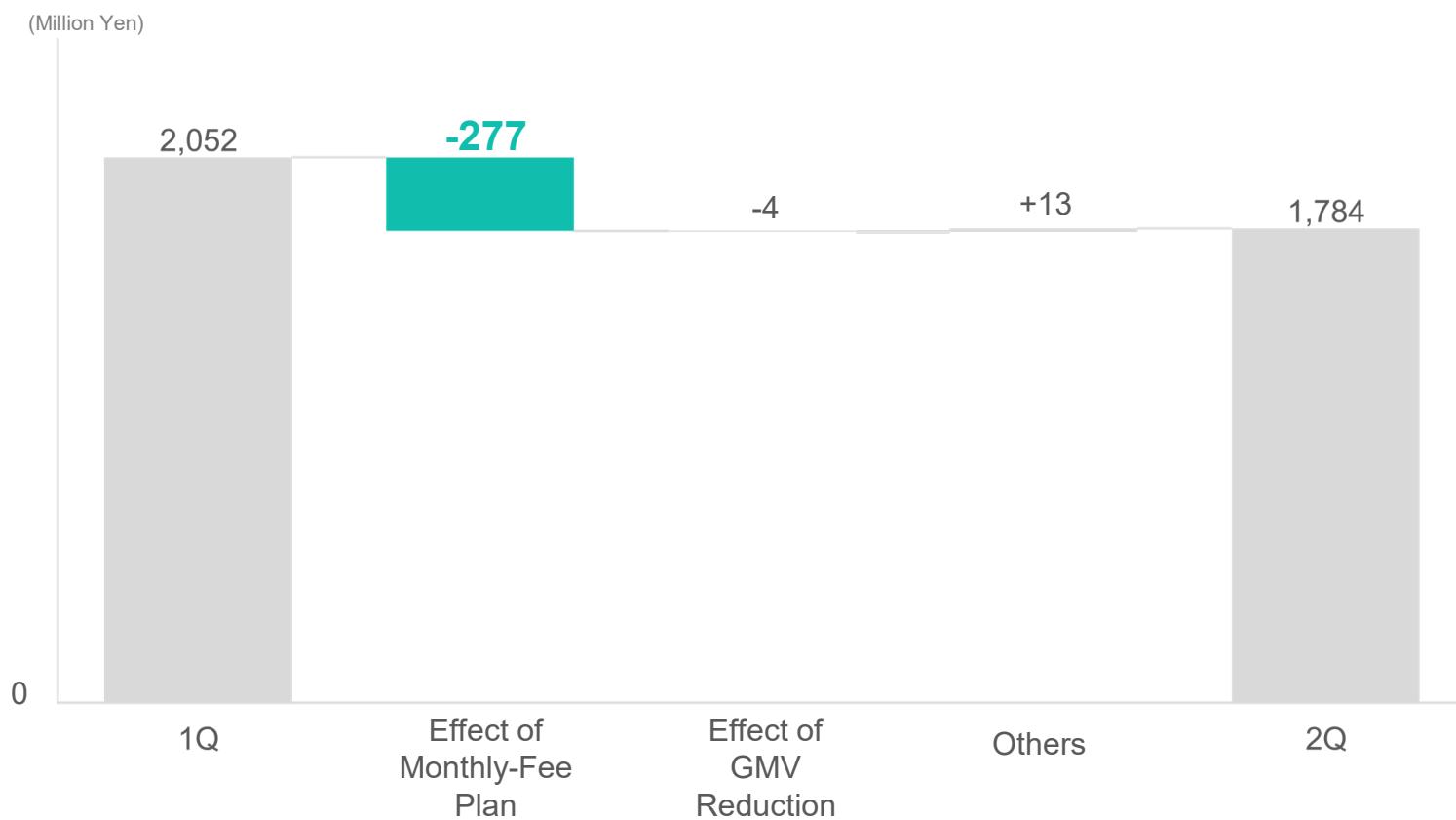
Expands outreach to individuals and small teams who had not selected “BASE” in the past due to pricing

	Conventional Plan (Unchanged)	Monthly-Fee Plan
Target	Individuals and small teams who want to operate an online shop with no risk	Individuals and small teams who can take risks to grow their online shop
Service Commission	3.0%(Note)	5,980Yen Per Month (tax incl.)
Payment Processing Commission	3.6%+40Yen(Note)	2.9%(Note)

(Note) Charged according to payment amount

Net sales decreased YoY due to launch of Monthly-Fee Plan and corresponding reduction of service and payment processing commissions

Effect of Monthly-Fee Plan on Net Sales

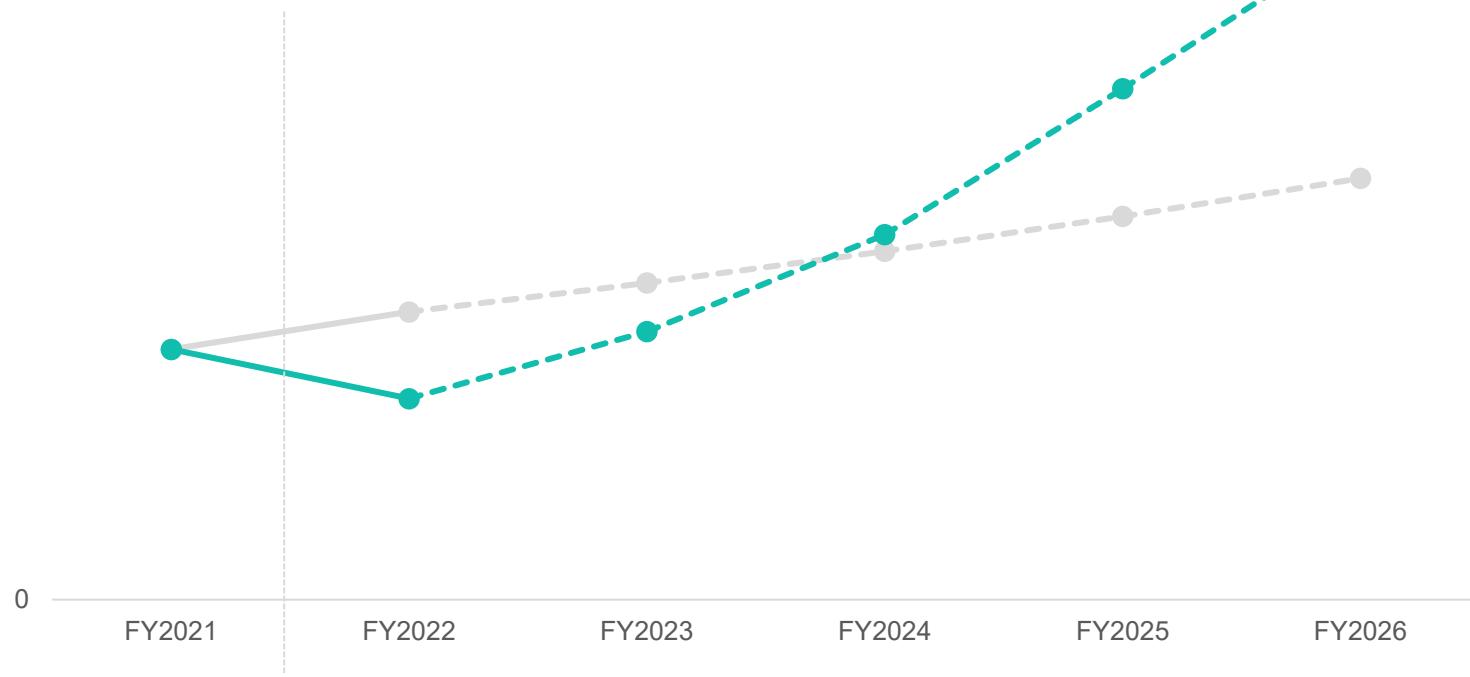


By strategically reducing service commission and payment processing commission, we aim to **maximize gross profit** through higher GMV growth over the medium term

Expected Gross Profit^(Note)

(Yen)

- Conventional Plan Only (Original Strategy)
- Both Plans Offered (New Strategy)



(Note) Excerpt from Q4 FY2021 presentation materials

3. Results for Q2 of the Fiscal Year Ending December 31, 2022

Consolidated

Consolidated net sales for H1 increased YoY despite the BASE business's strategic take rate reduction through the launch of the Monthly-Fee Plan

Despite the BASE business's flat YoY GMV, Consolidated net sales in Q2 decreased YoY due to lowered take rate

BASE Business

GMV_(Note) for Q2 was largely flat YoY/QoQ due to reopening headwinds

Net sales, gross profit and gross profit margin decreased YoY/QoQ due to the strategically lowered take rate resulting from the Monthly-Fee Plan

PAY Business

Despite strong trends in new merchant acquisition, GMV_(Note) for Q2 was **+37.2% YoY** due to softened growth of sale-of-goods merchants resulting from reopening headwinds

Net sales and gross profit were **+36.5%** and **+43.8% YoY** respectively as a result of GMV growth

Consolidated net sales for H1 increased YoY despite the BASE business's strategic take rate decrease through the launch of the Monthly-Fee Plan

Despite the BASE business's flat YoY, GMV Consolidated net sales in Q2 decreased YoY due to lowered take rate SG&A expenses increased YoY, largely due to an increase in personnel expenses that resulted in an operating loss

(Million Yen)	FY2022 2Q (April – June 2022)					FY2022 1H (Jan – June 2022)		
	Results	Same Period Last Year		Previous Quarter		Results	Same Period Last Year	
		Results	YoY	Results	QoQ		Results	YoY
Net Sales	2,294	2,446	-6.2%	2,512	-8.7%	4,807	4,684	+2.6%
Gross Profit	1,124	1,374	-18.2%	1,382	-18.7%	2,506	2,691	-6.9%
Gross Profit Margin	49.0%	56.2%	-7.2pt	55.0%	-6.0pt	52.1%	57.5%	-5.3pt
SG&A	1,721	1,658	+3.8%	1,654	+4.0%	3,376	2,961	+14.0%
Operating Profit	-597	-283	n/a	-272	n/a	-869	-270	n/a
Ordinary Profit	-591	-286	n/a	-267	n/a	-858	-273	n/a
Net Income	-622	-286	n/a	-299	n/a	-921	-246	n/a

Maintains a strong financial foundation with cash and deposits at 21,794 million yen as of June 30, 2022

To consider growth strategies including M&A and alliances

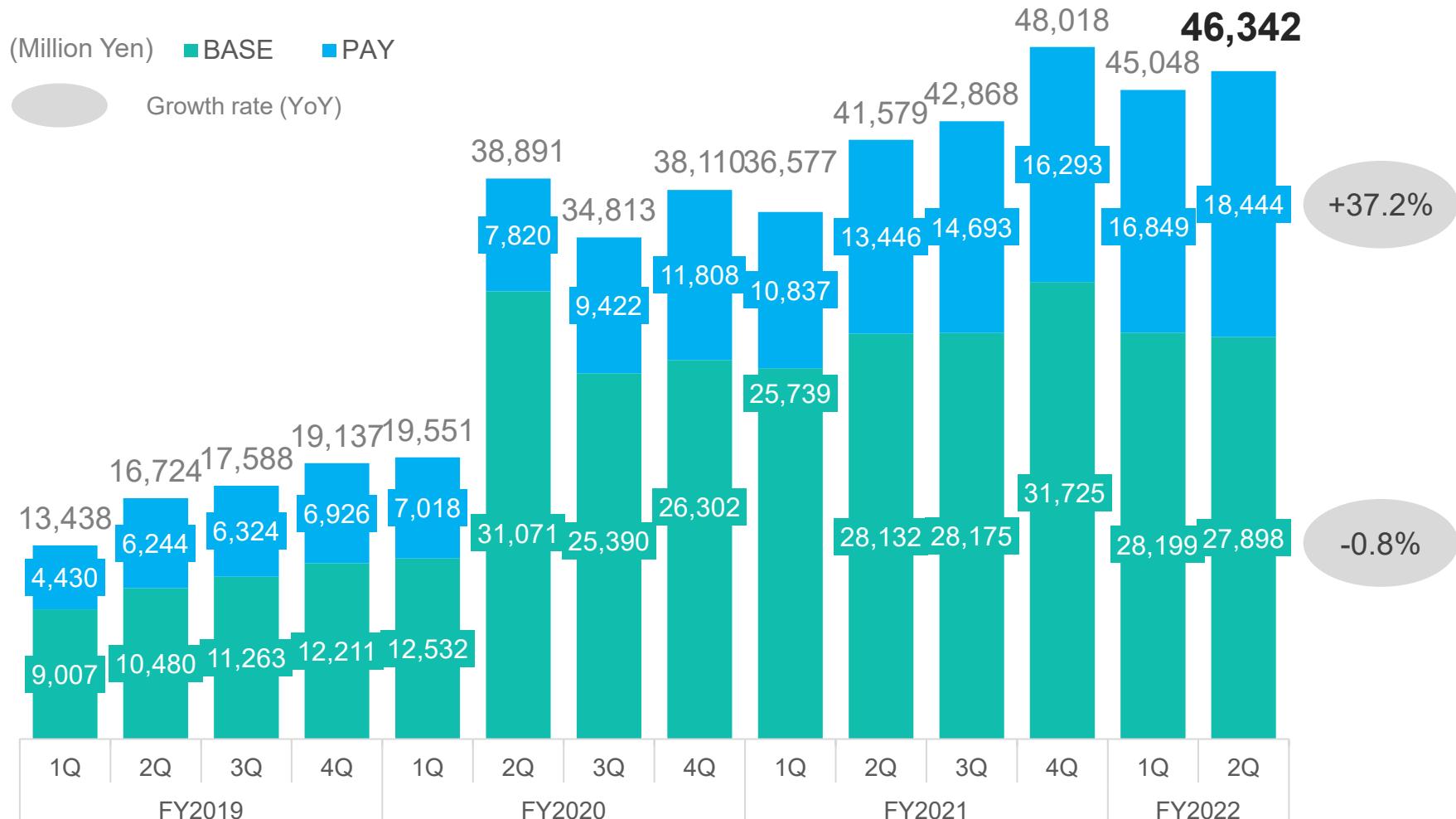
(Million Yen)	As of June 30, 2022	As of December 31, 2021	Change from the end of the previous fiscal year
Current assets	27,940	31,433	-11.1%
(of which, cash and deposits)	21,794	24,053	-9.4%
(of which, trade accounts receivable) (Note1)	5,685	6,631	-14.3%
Non-current assets	546	558	-2.2%
(of which, Investment securities)	131	183	-28.3%
Total assets	28,486	31,991	-11.0%
Current liabilities	14,129	16,823	-16.0%
(of which, trade accounts payable) (Note2)	9,415	12,745	-26.1%
(of which, operating deposits) (Note3)	4,142	3,707	+11.7%
Non-current liabilities	63	61	+2.9%
Total liabilities	14,193	16,885	-15.9%
Capital Stock	8,603	8,552	+0.6%
Capital surplus	7,413	7,362	+0.7%
Retained earnings	-1,734	-813	-
Valuation difference on available-for-sale securities	11	3	+215.8%
Total net assets	14,292	15,105	-5.4%

(Note1) Trade accounts receivable: The unpaid portion of the settlement amount to be paid to our company by the settlement service company.

(Note2) Trade accounts payable: In the BASE business, outstanding amount of settlement to be paid by our company to shops.

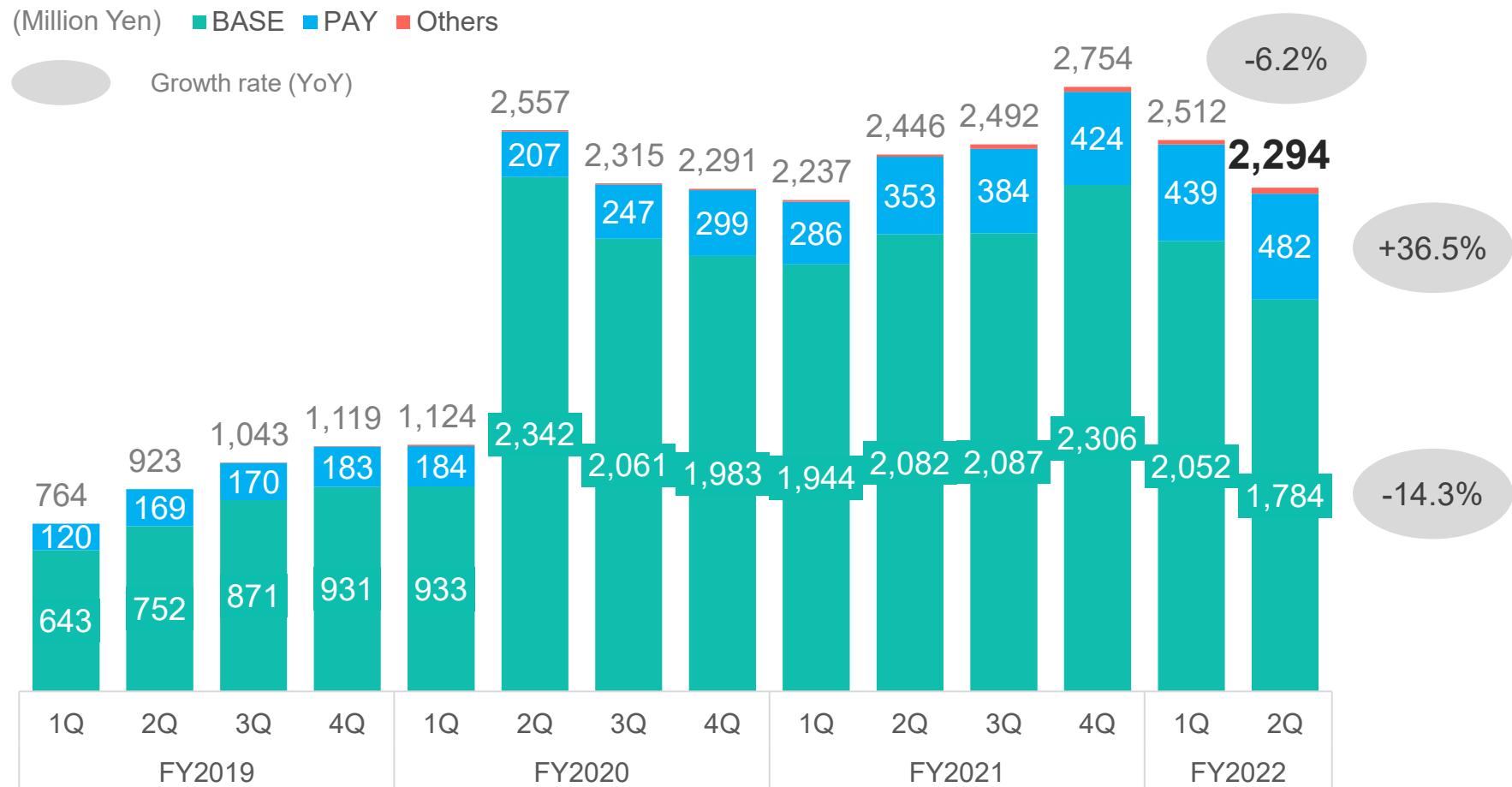
(Note3) Operating deposits: Outstanding amount of settlement to be paid by our company to member merchants in the PAY business.

GMV growth was largely flat YoY for the BASE business and +37.2% YoY for the PAY business as both segments faced reopening headwinds



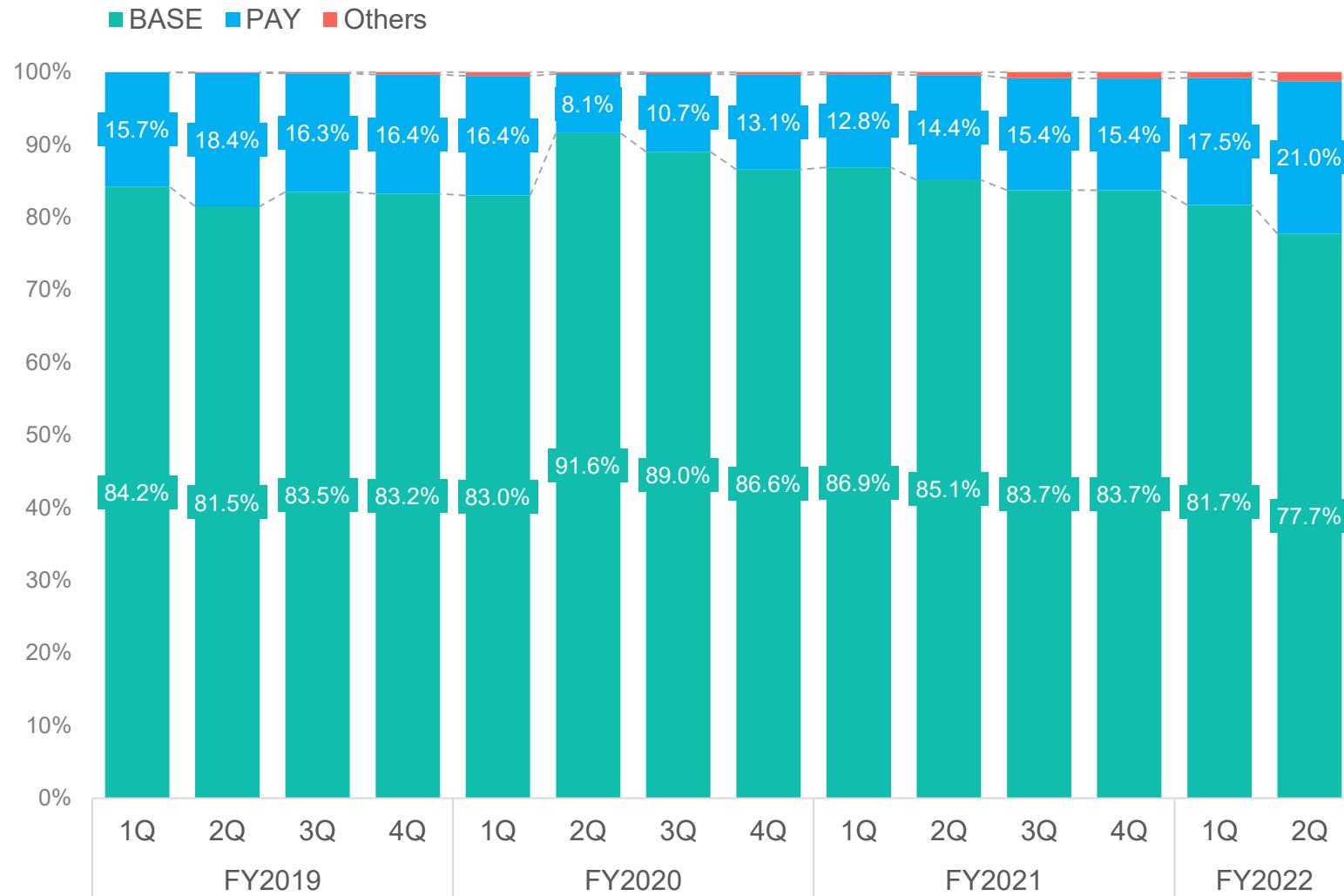
(Note) BASE's GMV is based on the order date (order amount). PAY's GMV is based on the payment date (payment amount).

Despite the BASE business's flat YoY GMV, consolidated net sales decreased YoY due to lowered take rate resulting from the launch of the Monthly-Fee Plan^(Note)



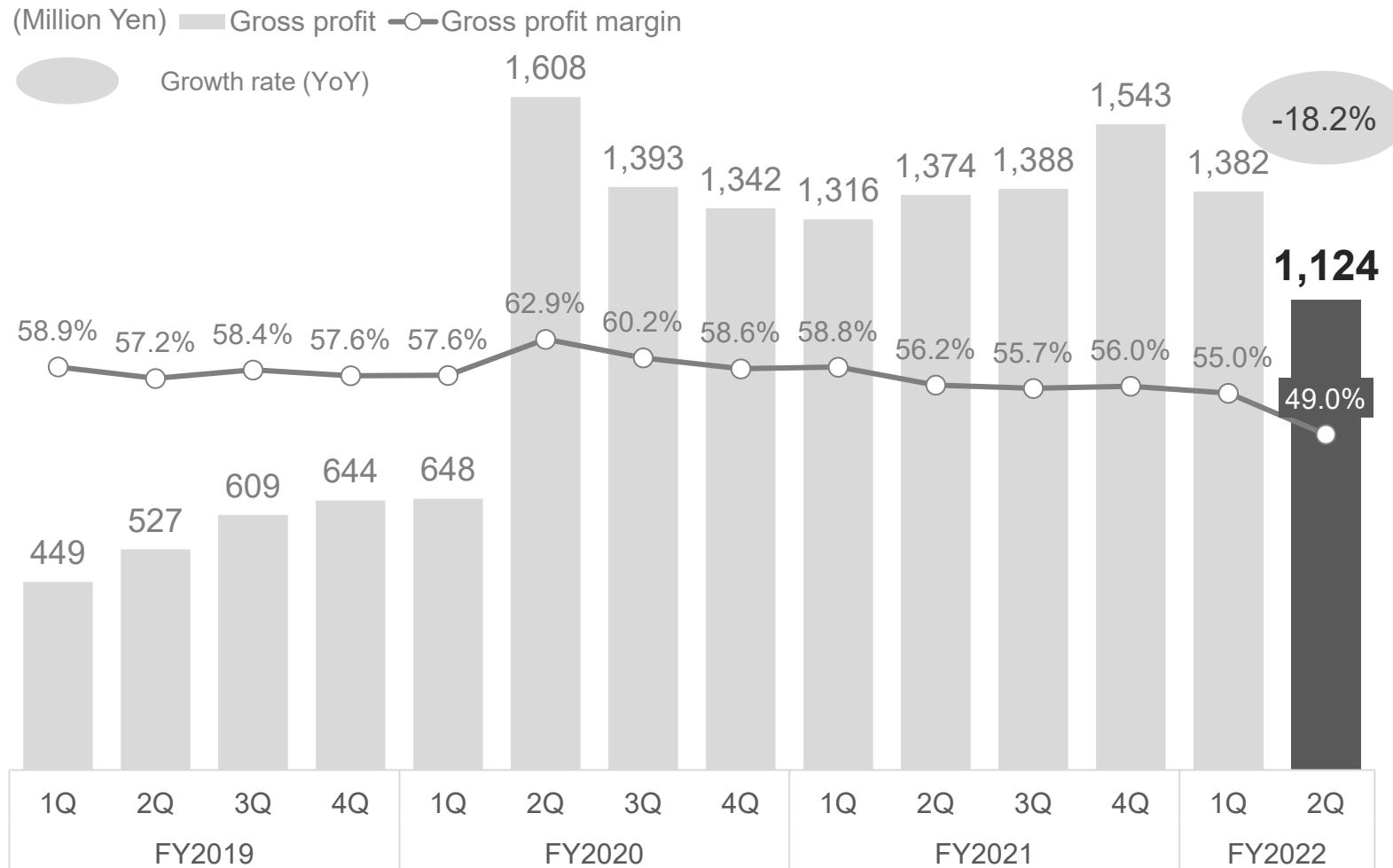
(Note) Monthly-Fee Plan is comprised of a 2.9% payment processing commission and 5,980 yen per month service commission. The Conventional Plan is comprised of a 3.6% + 40 yen payment processing commission and 3.0% service commission.

Despite its largely flat YoY GMV, sales composition of the BASE business decreased QoQ due to lowered take rate resulting from the launch of the Monthly-Fee Plan

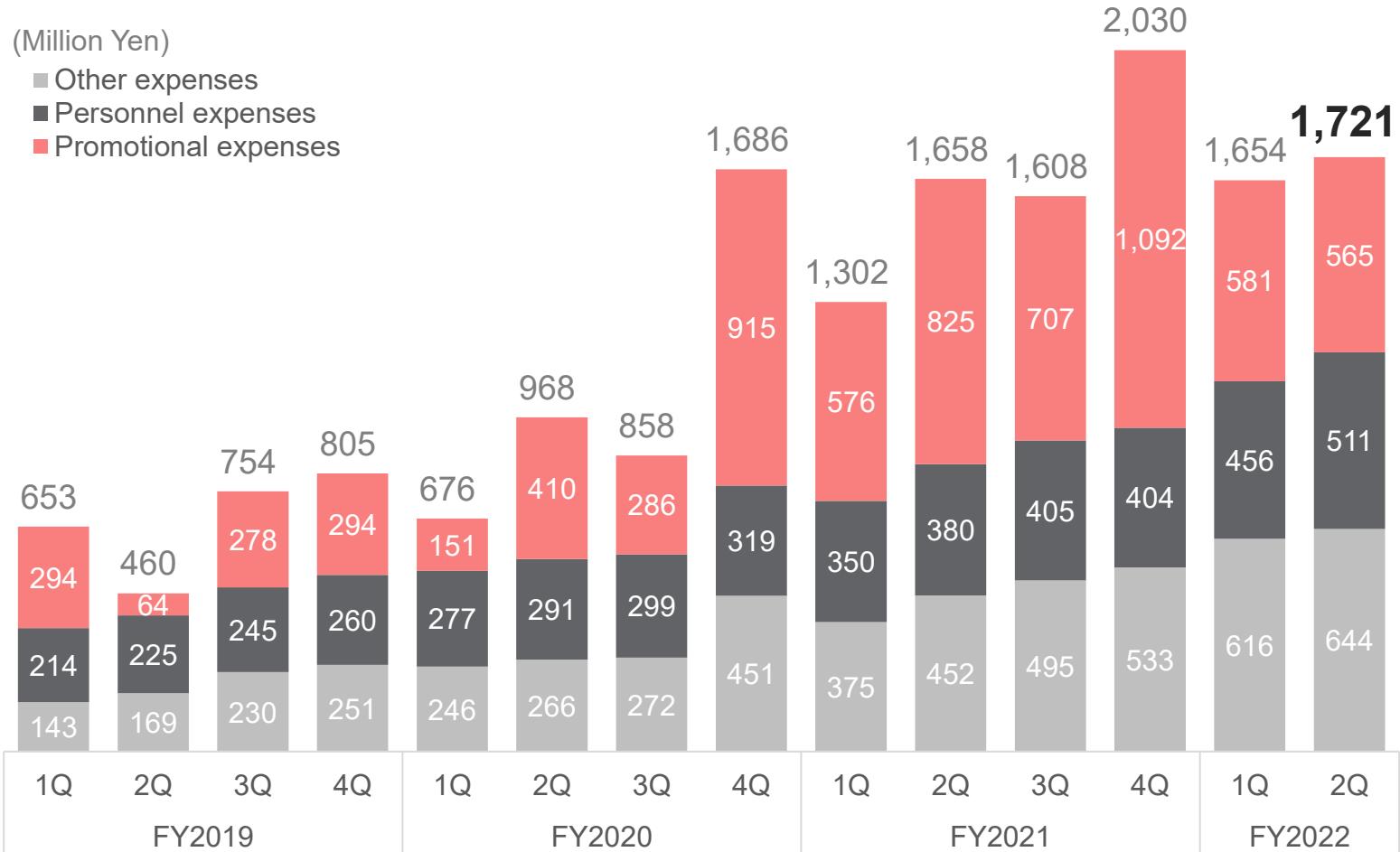


Gross profit decreased YoY/QoQ due to lower gross profit for the BASE business resulting from the strategically lowered take rate

Gross profit margin decreased QoQ due to the lower sales composition and gross profit margin of the BASE business



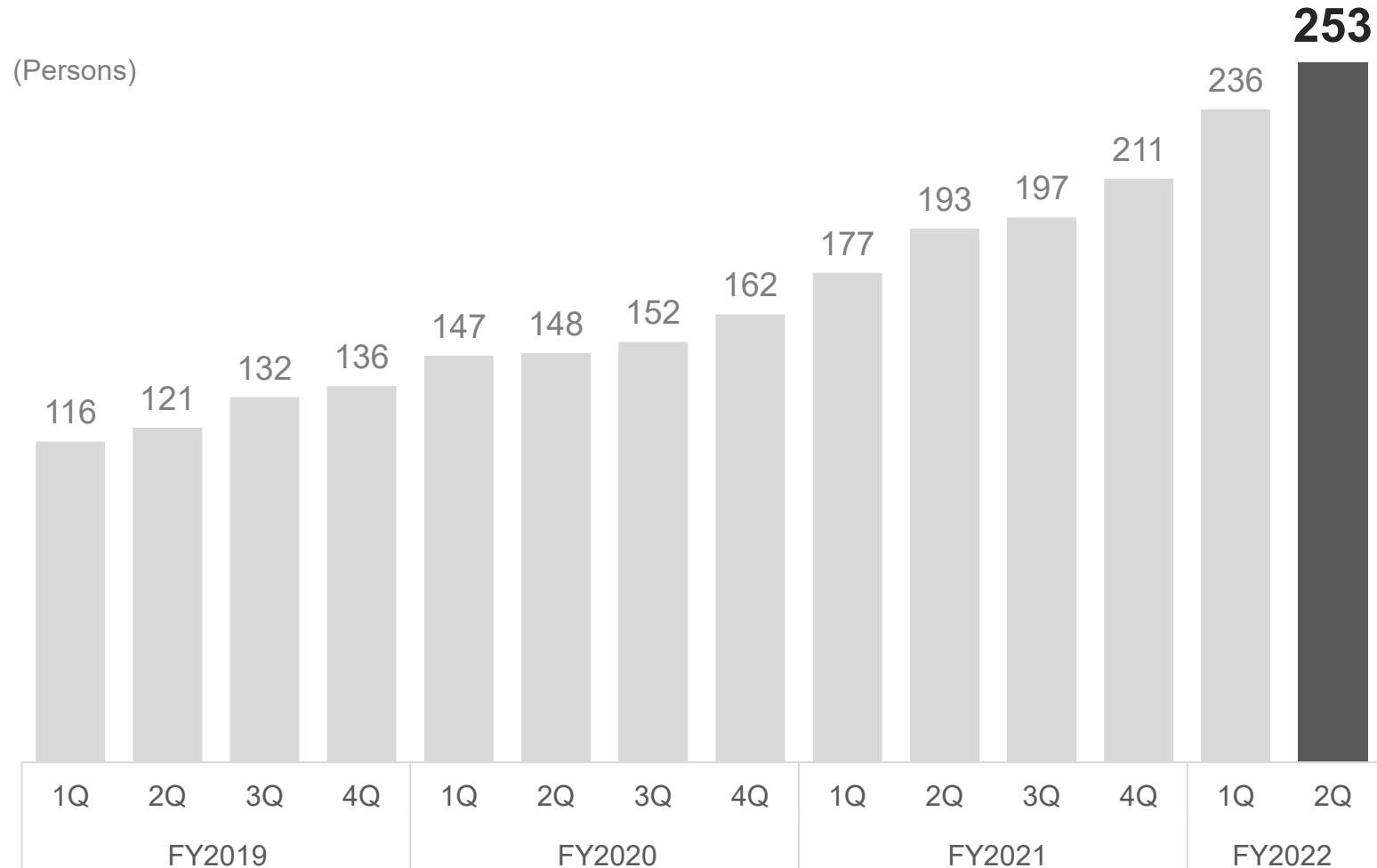
- SG&A expenses increased QoQ, largely due to an increase in personnel expenses associated with the strengthening of sales & marketing and product development functions
- Advertising expenses increased QoQ due to TV advertisements, while promotional expenses decreased as a result of lower coupon-related sales promotion expenses
- Promotional measures for brand recognition (namely TV advertisements) projected to decrease due to realization of unparalleled brand awareness



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

Headcount increased by 60 persons YoY (+31.1%)

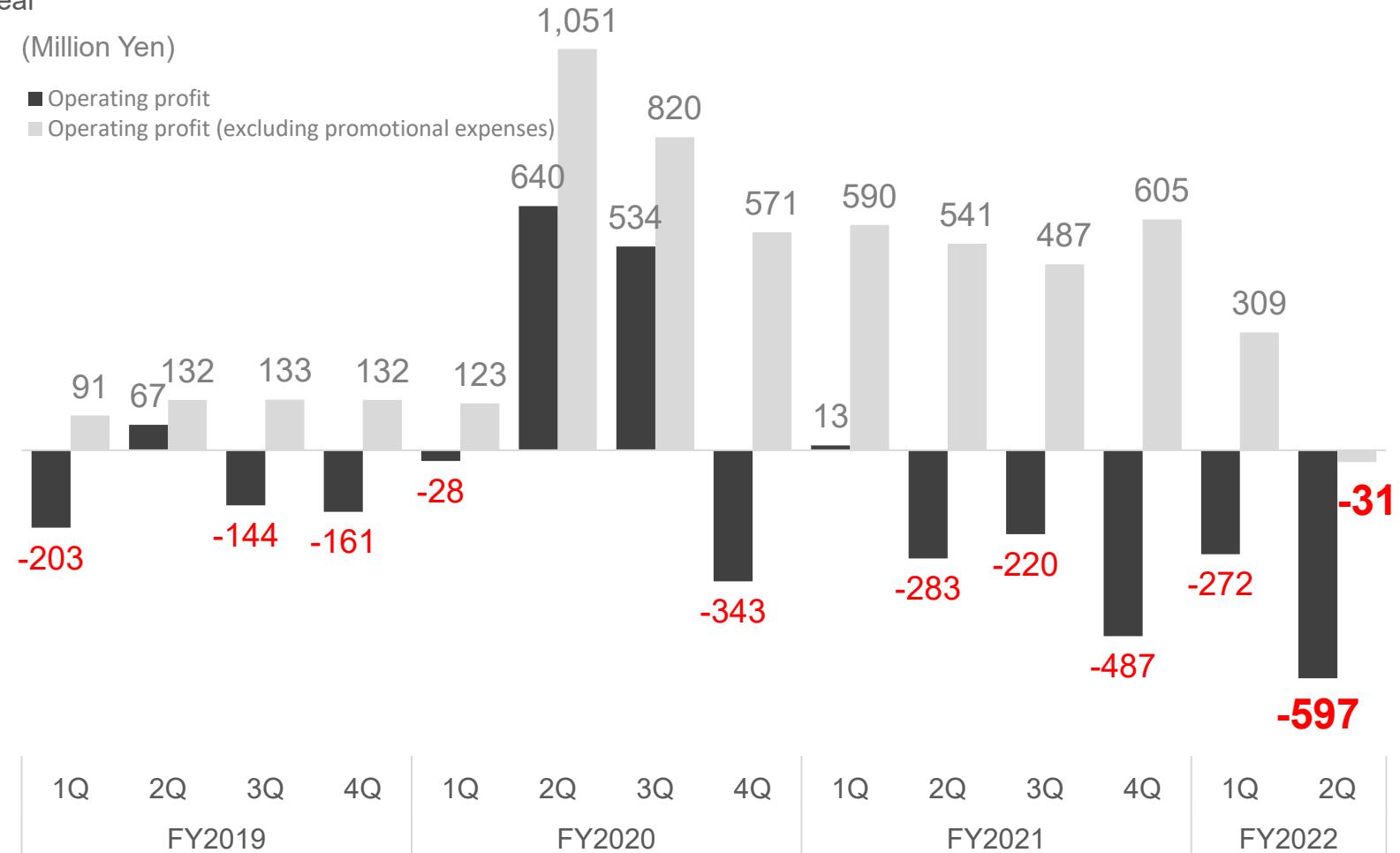
Continued focus on strengthening recruitment, especially in relation to product development



(Note) 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 persons seconded to subsidiaries as Directors.

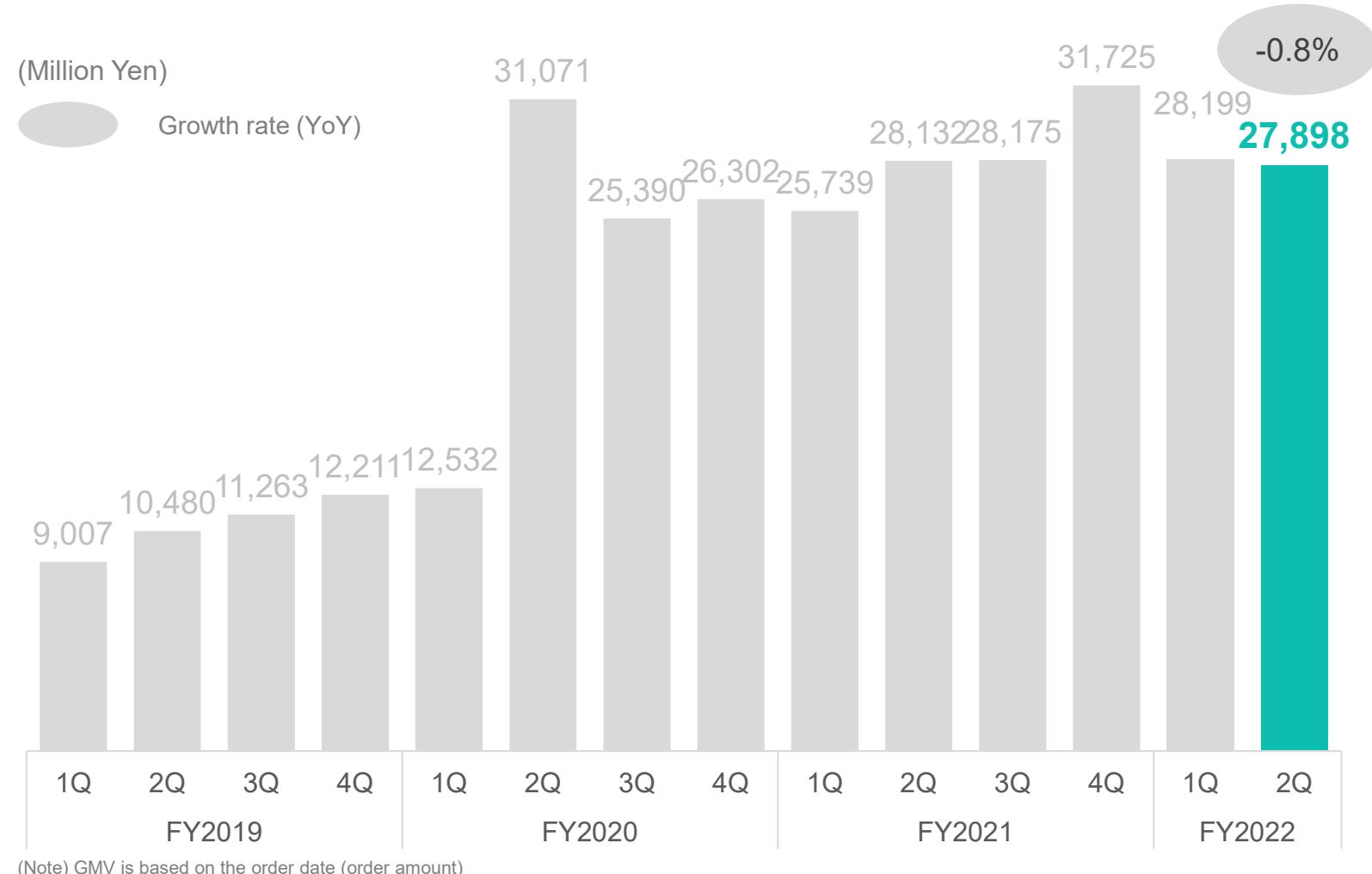
Operating loss expanded to **-597 million yen** (as opposed to **-283 million yen** in Q2 FY2021) due to a decrease in gross profit for the BASE business resulting from the launch of the Monthly-Fee Plan. Operating profit (excluding promotional expenses) also turned negative due to increases in personnel and other expenses(Note)

Operating profit and operating profit (excluding promotional expenses) to both turn negative in FY2022 as projected at the beginning of the fiscal year



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

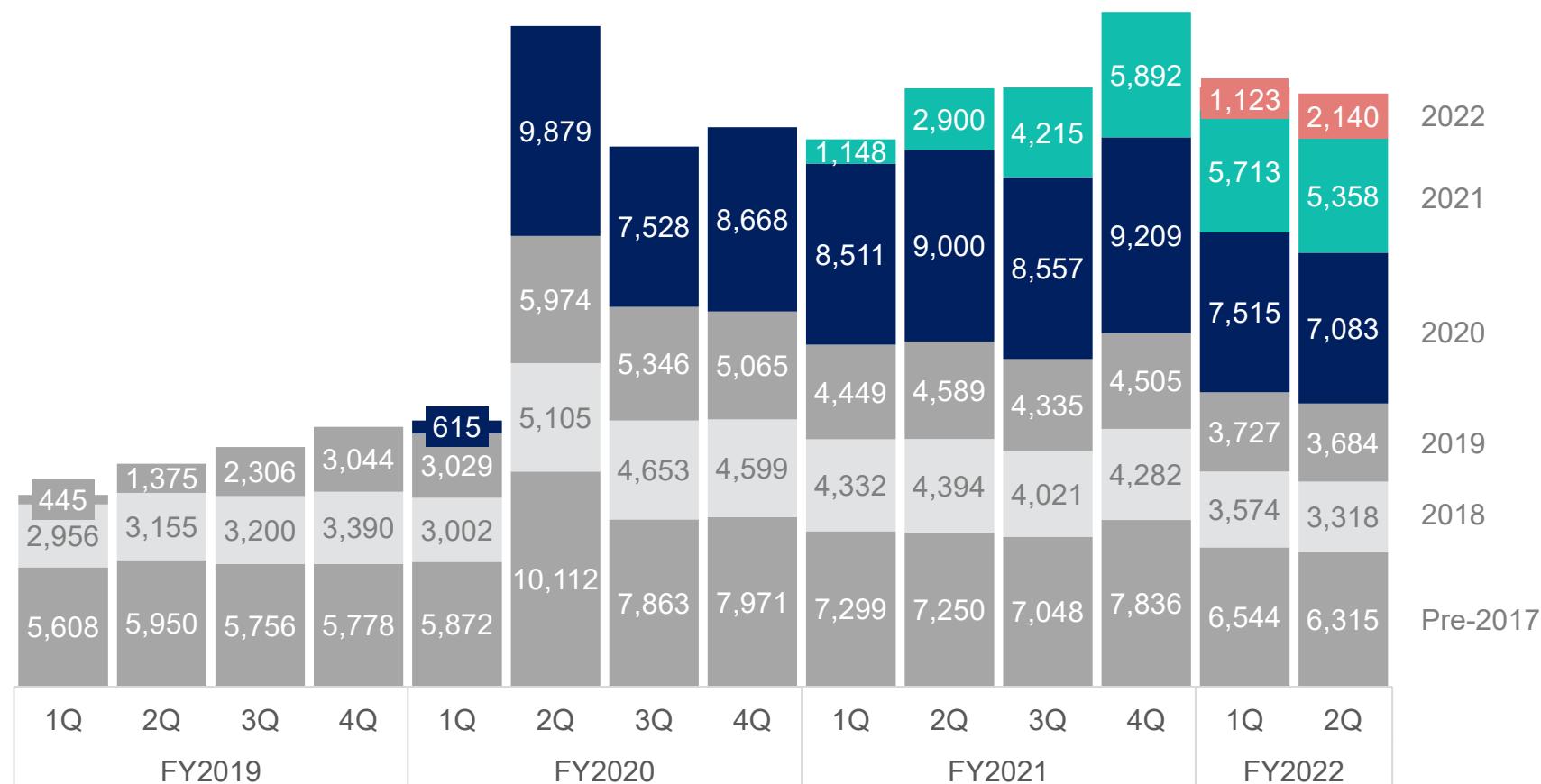
GMV was largely flat YoY/QoQ due to reopening headwinds



Amassed GMV of new shops, while GMV of existing shops decreased QoQ due to reopening headwinds

GMV Trend (By Year of Establishment)

(Million Yen) ■ Pre-2017 ■ 2018 ■ 2019 ■ 2020 ■ 2021 ■ 2022

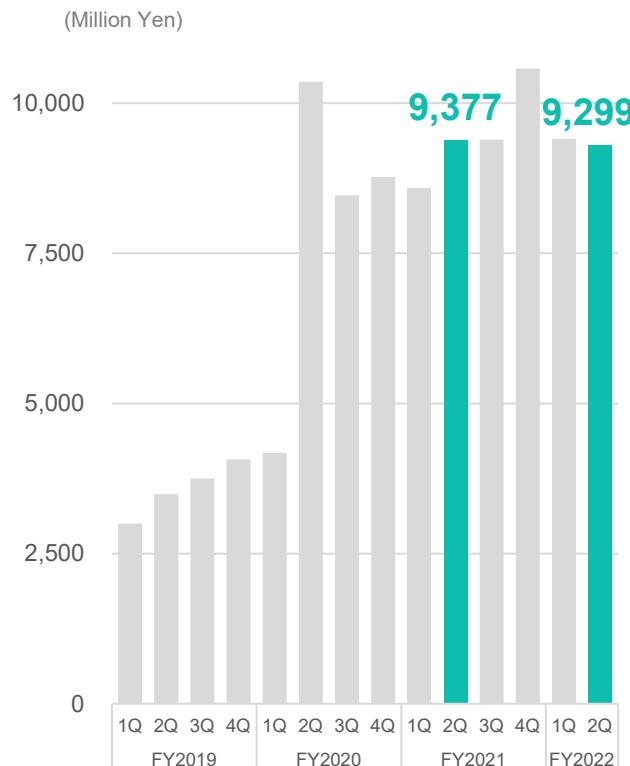


(Note) GMV is based on the order date (order amount)

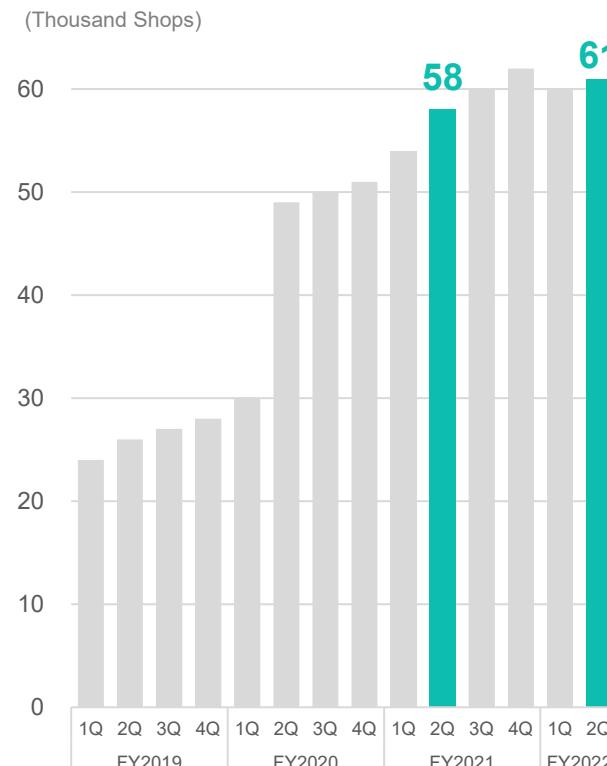
The number of monthly active shops increased QoQ, but was limited to a YoY increase of 3,000 shops due to cooled demand for online shop creation

Average monthly GMV per shop decreased YoY/QoQ due to a decrease in the number of online purchasers associated with reopening headwinds

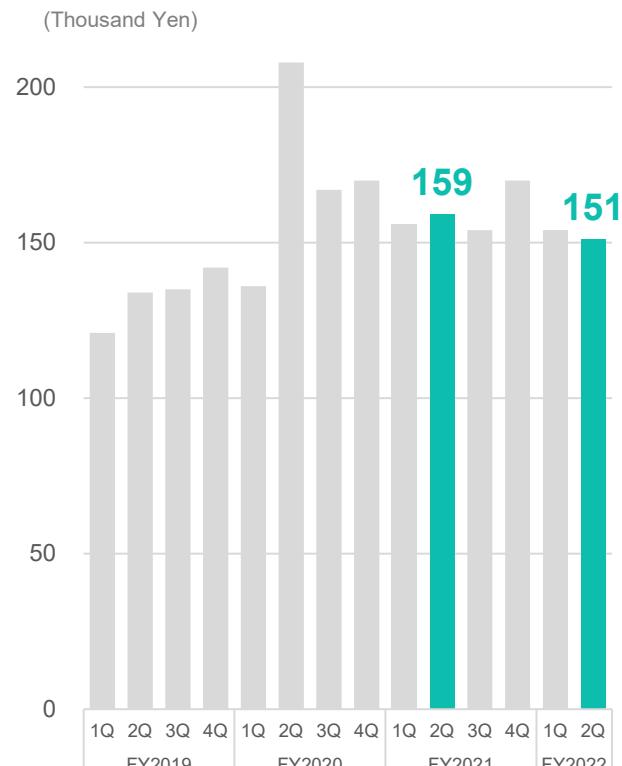
Monthly GMV^(Note1,2)



Number of Monthly Active Shops^(Note1)



Average Monthly GMV Per Shop



(Note1) GMV is based on the order date (order amount).

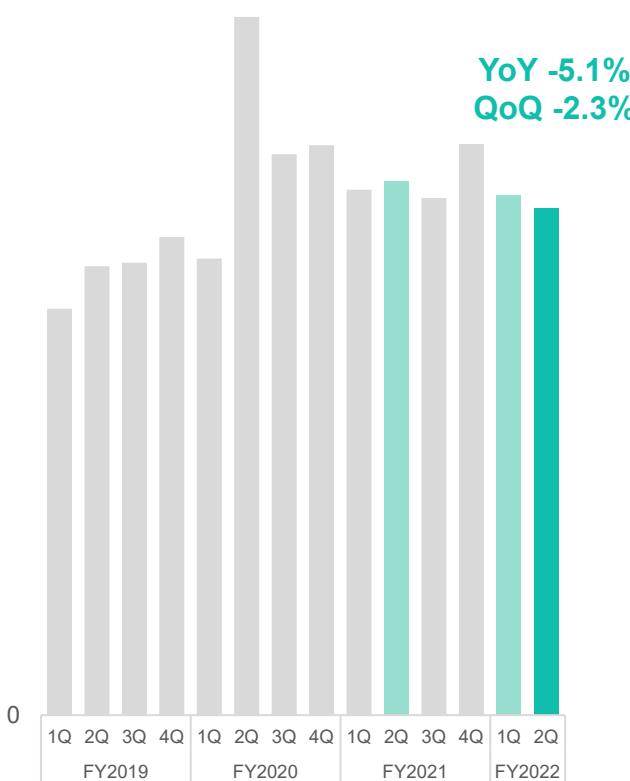
(Note2) Monthly GMV and the number of monthly active shops are the quarterly averages.

Purchase price per person increased YoY due to an increase in the number of high-value purchasers

On the other hand, the average number of purchasers per shop declined due to the overall decrease of purchasers due to reopening headwinds. As a result, average monthly GMV per shop also decreased YoY/QoQ

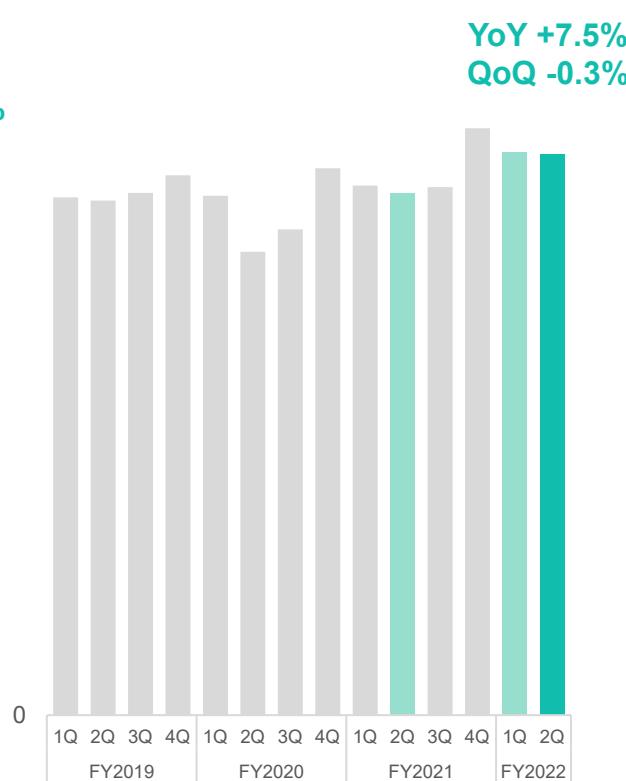
Average Monthly GMV per Shop

(Yen)



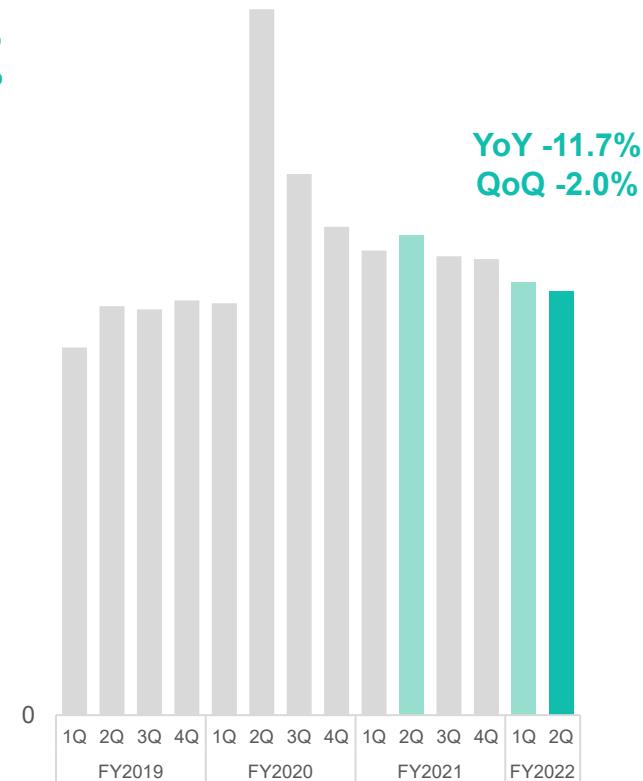
Purchase Price per Person

(Thousand Yen)



Average Number of Purchasers per Shop

(Persons)

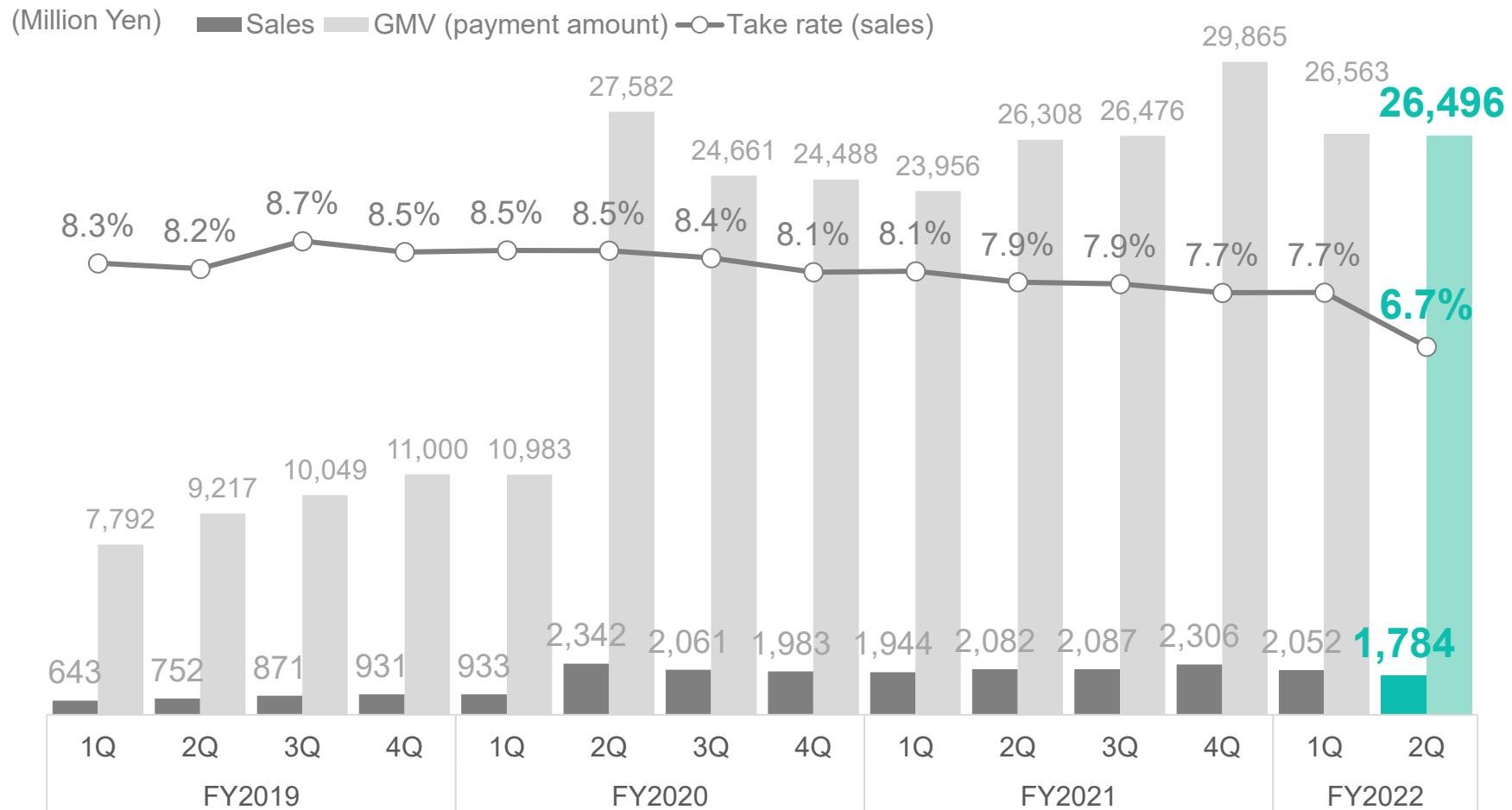


(Note1) GMV is based on the order date (order amount).

(Note2) Monthly GMV and the number of monthly active shops are the quarterly averages.

GMV (payment amount)^(Note1) was largely flat YoY

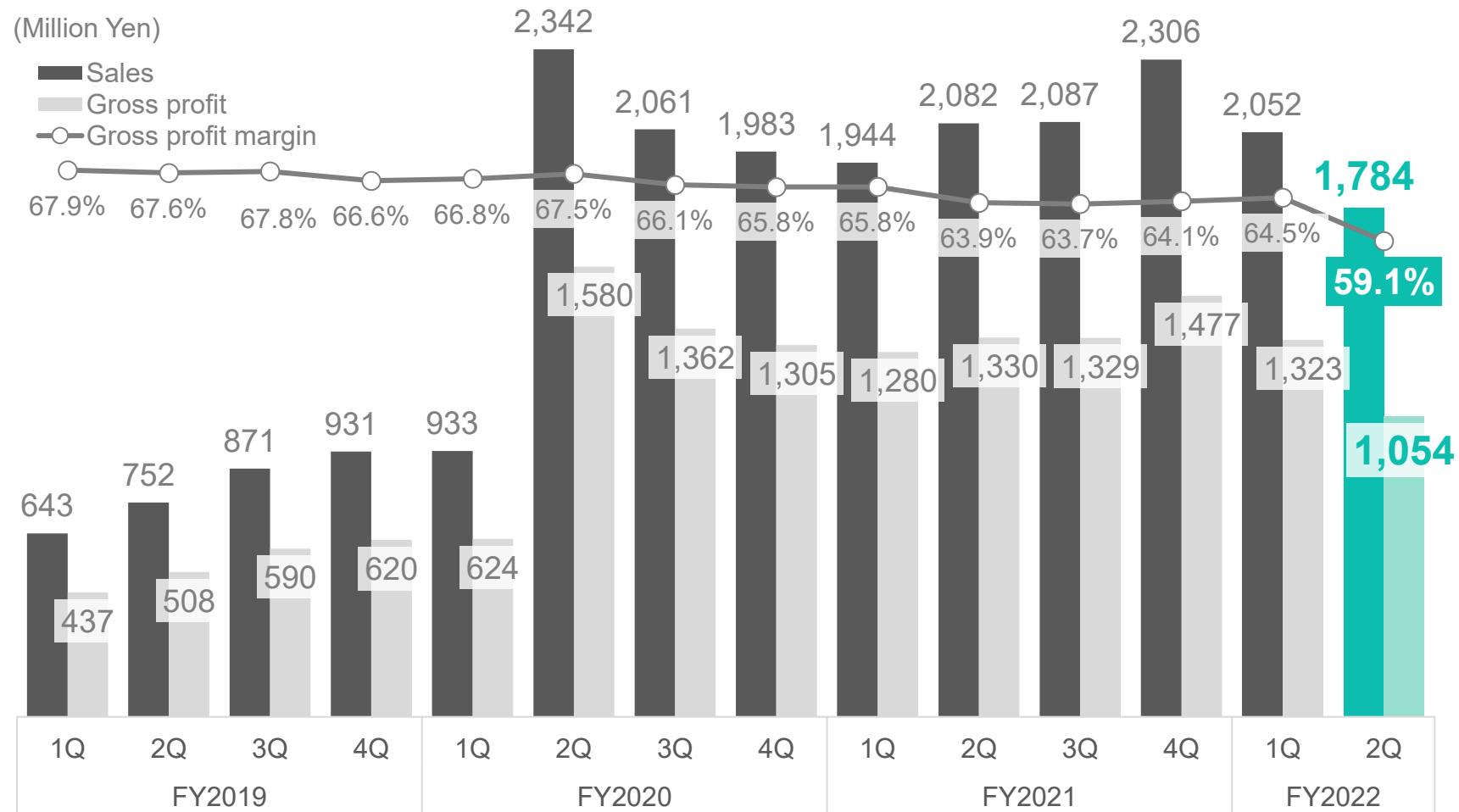
Take rate decreased QoQ due to lowered service and payment processing commissions resulting from the launch of the Monthly-Fee Plan^(Note2)



(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).

(Note2) Monthly-Fee Plan is comprised of a 2.9% payment processing commission and 5,980 yen per month service commission. The Conventional Plan is comprised of a 3.6% + 40 yen payment processing commission and 3.0% service commission.

Net sales, gross profit and gross profit margin decreased YoY/QoQ due to the strategically lowered take rate resulting from the launch of the Monthly-Fee Plan



Execution of outbound sales by the Scout Team and TV advertisements aimed at enhancing awareness of the Monthly-Fee Plan

In addition to the “Annual Subscription,” launched features tailored towards shops with a wider range of sales volume

	Monthly-Fee Plan	Sales	Marketing	Product Development
Current Situation	<ul style="list-style-type: none">✓ Launch of Monthly-Fee Plan✓ Launch of “Annual Subscription”	<ul style="list-style-type: none">✓ Full-scale launch of outbound sales by newly arranged Scout Team in April✓ Steady increase of shops newly acquired by Scout Team	<ul style="list-style-type: none">✓ Launch of new TV advertisement aimed at raising awareness of Monthly-Fee Plan✓ Reduced risk of potential churn through increased awareness of the plan	<ul style="list-style-type: none">✓ In addition to enhancing operational efficiency of shops with large sales volume, launched features aimed at providing a safer and more secure commerce environment for individuals and small teams
Future Measures	<p>(Completed as scheduled in Q2)</p>	<ul style="list-style-type: none">✓ Strengthening of migration tools and customer support with the aim of promoting migration from other platforms to “BASE”	<ul style="list-style-type: none">✓ Promotional measures for brand recognition (namely TV advertisements) projected to scale down due to realization of unparalleled brand awareness	<ul style="list-style-type: none">✓ Continued product development efforts with aim of tailoring towards shops with a wider range of sales volume✓ Expansion of CRM, operational efficiency, sales promotion, and design features for shops with larger sales✓ Continued focus on strengthening recruitment of product development personnel

Increased awareness of the new plan through marketing efforts including TV advertisements led to **reduced risk of potential churn**

Steady increase in the number of shops using the plan, namely for existing shops

Promotional measures for brand recognition (namely TV advertisements) projected to scale down in H2 due to realization of unparalleled level of brand awareness

Increased Awareness through Marketing

- ✓ Increased awareness of the Monthly-Fee Plan through marketing efforts including new TV advertisement
- ✓ **Promotional measures for brand recognition (namely TV advertisements) projected to scale down in H2** due to realization of unparalleled brand awareness

No.1 in online shop openings for **5** consecutive years

Open your online shop with



Monthly-Fee Plan Usage

New Shops

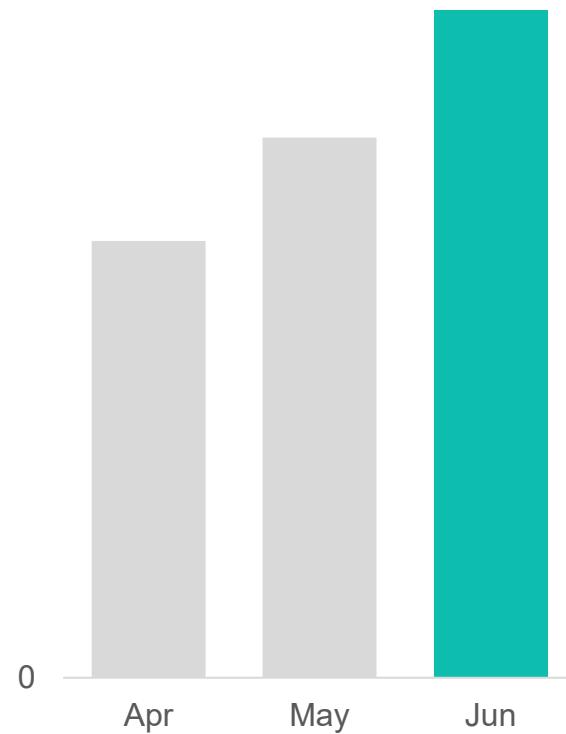
- ✓ Steady increase of new shop acquisitions by the Scout Team
- ✓ Aims to increase new shop openings through means other than the Scout Team via marketing and development of features for shops with wider range of sales volume

Existing Shops

- ✓ **Reduced risk of potential churn** through increased awareness of Monthly-Fee Plan
- ✓ A number of shops with large sales that surpass the break-even point between the two plans continue to use the Conventional Plan

Number of Shops using Monthly-Fee Plan

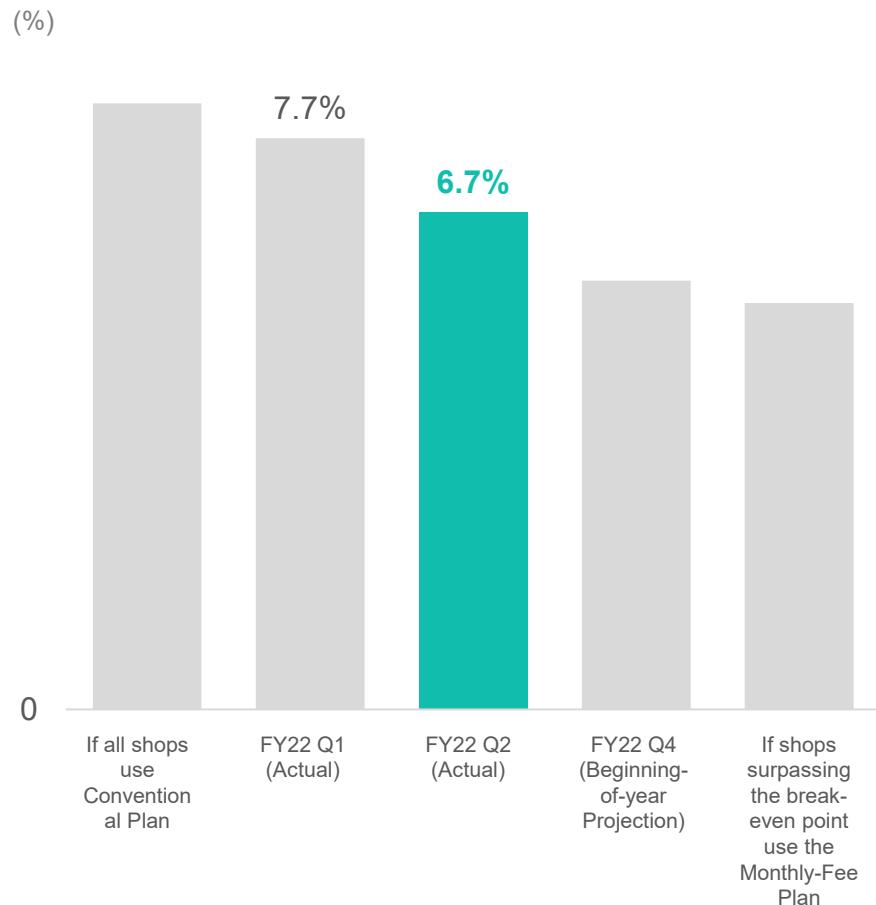
(Shops)



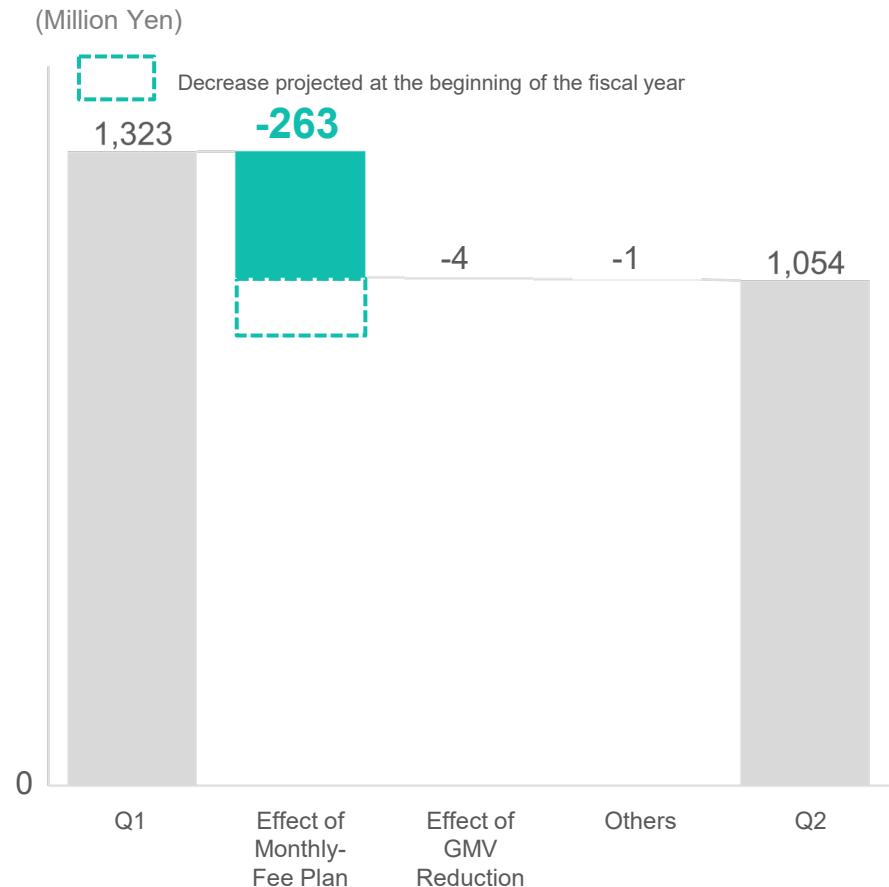
Implemented a strategic reduction in take rate by launching the Monthly-Fee Plan

Though most shops surpassing the break-even point between the two plans were initially projected to switch to the Monthly-Fee Plan, more shops than expected continue to use the Conventional Plan in order to avoid fixed costs. As a result, **take rate and gross profit are trending higher than projected at the beginning of the fiscal year**

Effect of Monthly-Fee Plan on Take Rate



Effect of Monthly-Fee Plan on Gross Profit

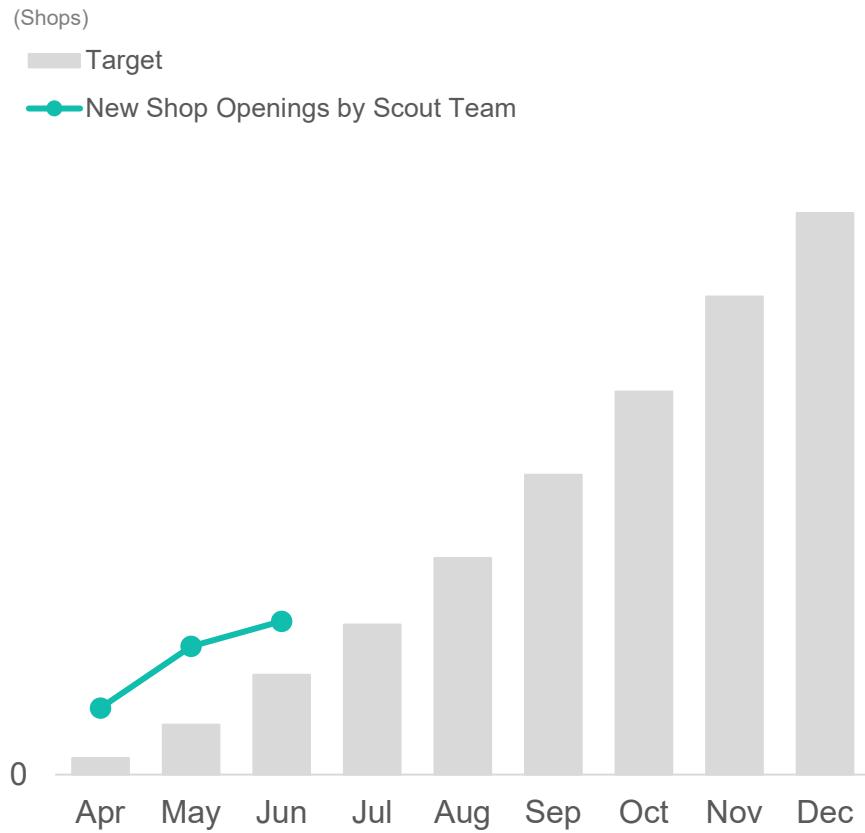


Status of Scout Team

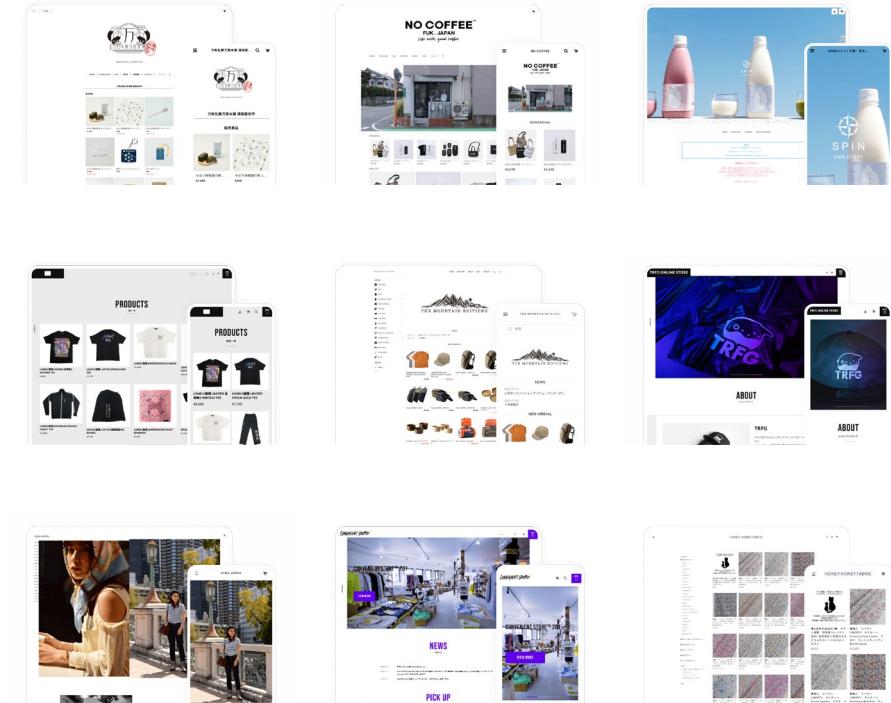
Since the full-scale launch of outbound sales, **shops newly acquired by the Scout Team have been steadily increasing**

Strengthening of migration tools and customer support in order to shorten longer-than-expected time gap between acquisition and effect on financials

New Shop Openings by Scout Team(Note)



Examples of Shops Newly Acquired by Scout Team



(Note) "New Shop Openings by Scout Team" is the cumulative total of shops acquired by the Scout Team

Among the first to release features enabling a safer and more secure commerce environment for individuals and small teams

Plans to expand logistics and customer loyalty-related functions in the future

Hiding Contact Information

Individual shop owners can prevent their addresses and phone numbers from being displayed on their respective online shops

Used by over 110 thousand shop since Jan. 2022 release

Disclosure of Specified Transactions
Act Information

**Private settings of
location address and
contact information
now available**





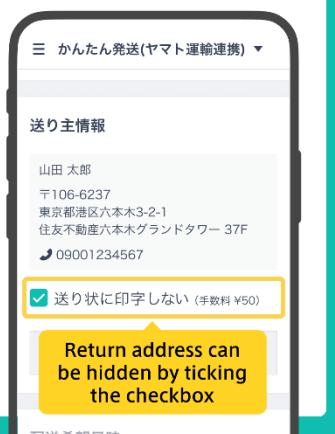
Anonymous Shipping Feature

Updated the “Easy Shipping App (in partnership with Yamato Transit)” which allows domestic flat rate shipping

Shop owners can ship products anonymously

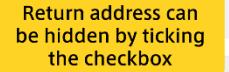
The Easy Shipping App (in partnership with Yamato Transport) has been updated

**Products can now be
shipped anonymously!**

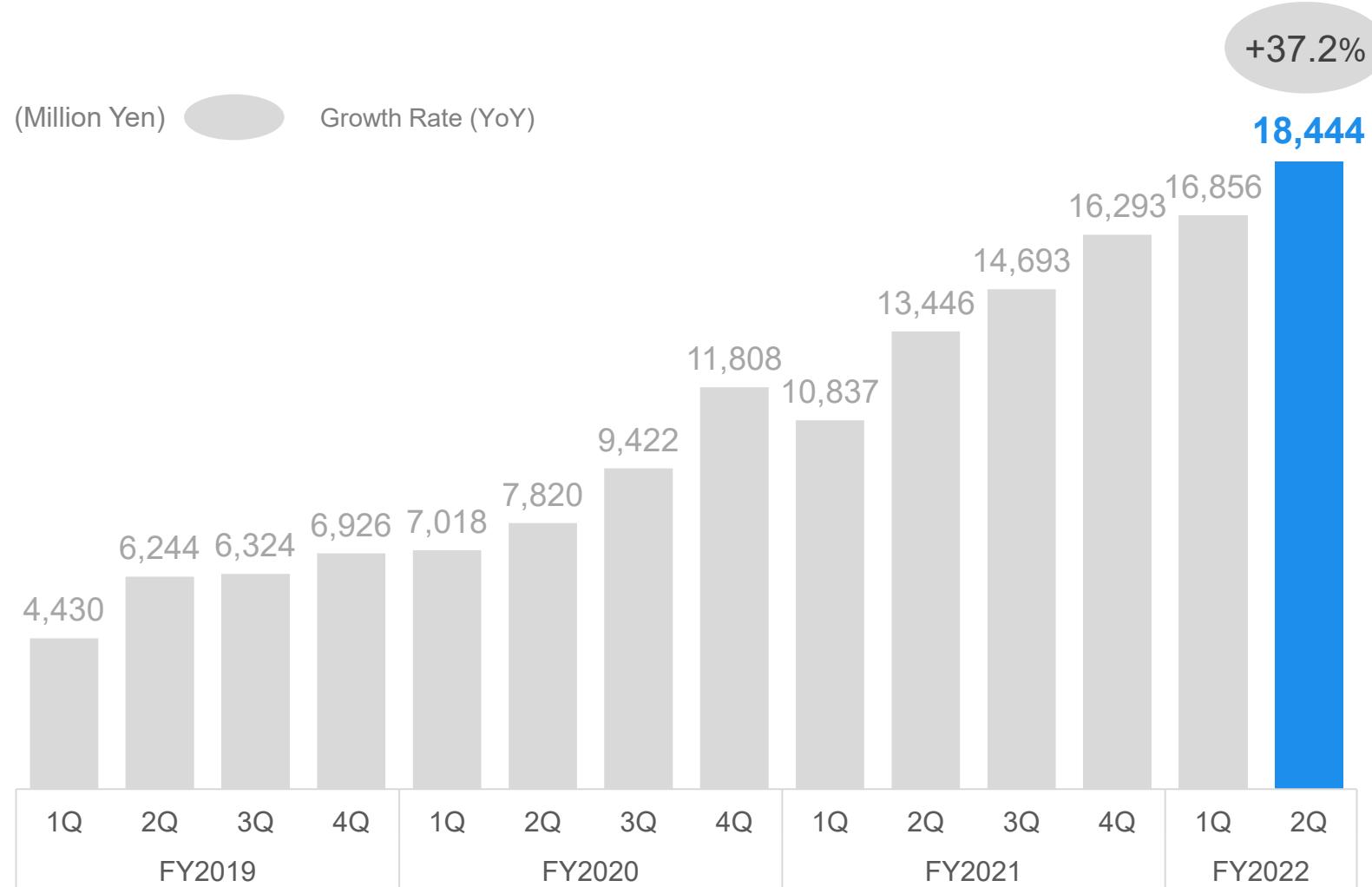




Note: The "Easy Shipping App (in partnership with Yamato Transport)" must be installed



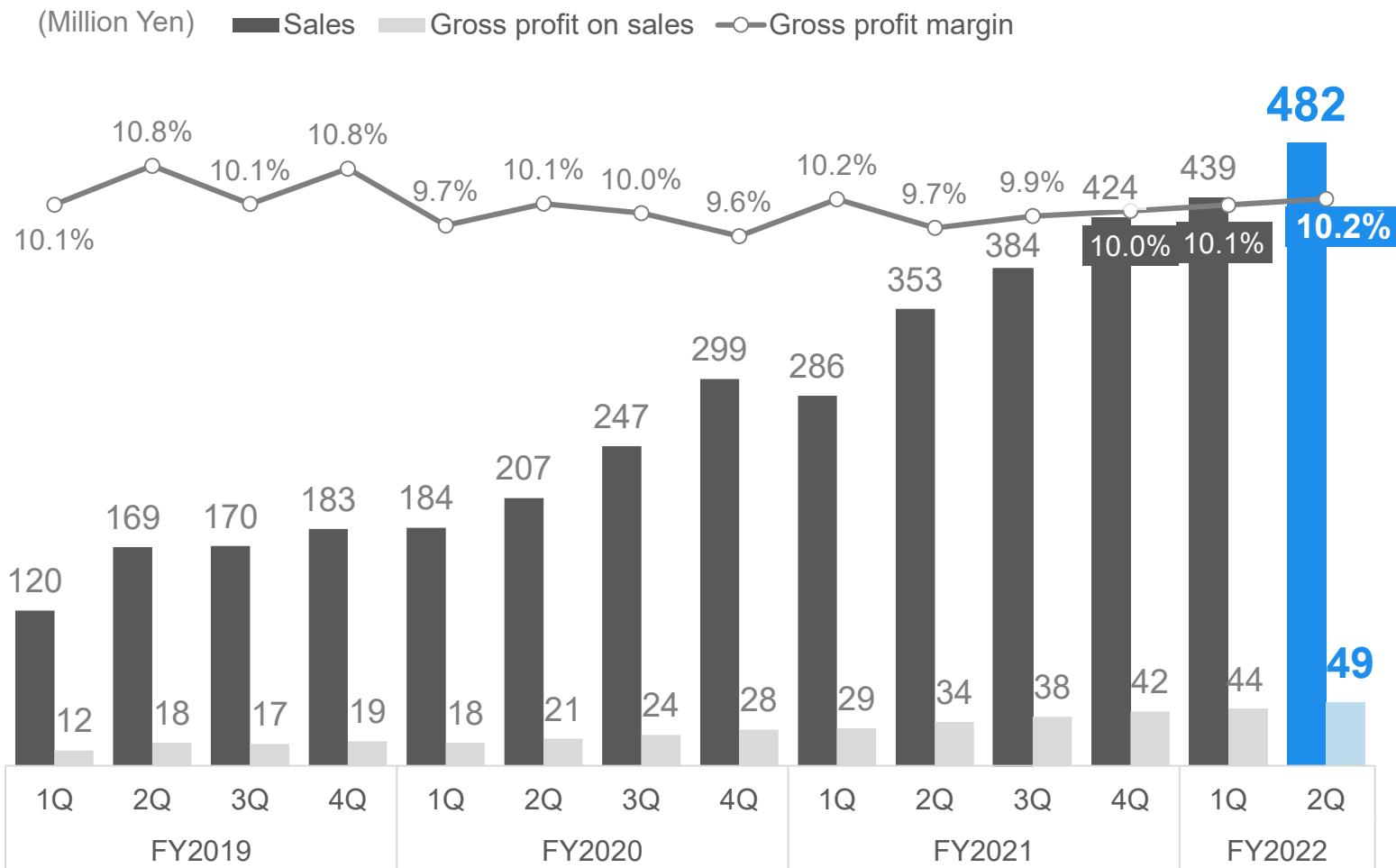
Despite strong trends in new merchant acquisition, GMV for Q2 was **+37.2% YoY** due to softened growth of sale-of-goods merchants resulting from reopening headwinds



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

Trends in Net sales and gross profit

Net sales and gross profit were **+36.5%** and **+43.8% YoY** respectively as a result of GMV growth



4. Policies and Progress for the Fiscal Year Ending December 31, 2022

Policies for FY2022

Summary of Policies Announced during FY2021 Earnings

Consolidated

- ✓ Continue to focus on the BASE business and continue to make upfront investments with the aim of medium- to long-term profit growth rather than short-term profits
- ✓ Aim to return to profitability in FY2025, although operating loss will expand in the short term due to the reduction in take rate resulting from the Monthly-Fee Plan as well as an increase in SG&A from strengthened recruiting efforts

BASE

- ✓ Despite FY2022 GMV growth decelerating as a result of reopening headwinds, aim to achieve three-year CAGR of +40% and FY2024 GMV of 300,000 million yen through the initiatives including the launch of the Monthly-Fee Plan
- ✓ Investments in brand recognition marketing to be suppressed, and investments to be made towards sales & marketing in relation to the acquisition of shops with larger sales
- ✓ Strengthening competitive features for first-time online shop owners, while also expanding features tailored towards shops with larger sales

Pay ID

- ✓ Strengthening product development hiring for BNPL, with prototype completion by the end of the year

PAY.JP

- ✓ Promote acquisition of new merchants as well as continued use by existing merchants through strengthening product development and customer support

Other
(Finance)

- ✓ Start developing functions that will contribute to improving the take rate of the BASE business in the medium term

Q2 FY2022 Updates

- ✓ **Continue to focus on the BASE business and continue to aim for medium-term profit growth as well as positive operating profit in FY2025**
- ✓ Consideration of growth strategies such as M&A and alliances

- ✓ Deceleration of online consumption was more significant than expected due to recovery of offline consumption associated with reopening, and GMV trended lower than what was projected at the beginning of the fiscal year

- ✓ **Gross profit is trending higher than projected at the beginning of the fiscal year**, since more shops than expected continue to use the Conventional Plan in order to avoid fixed costs

- ✓ **Promotional measures for brand recognition (namely TV advertisements) projected to scale down in H2** due to realization of unparalleled brand awareness

- ✓ BNPL planned to be released in Q1 FY2023 in partnership with a third party

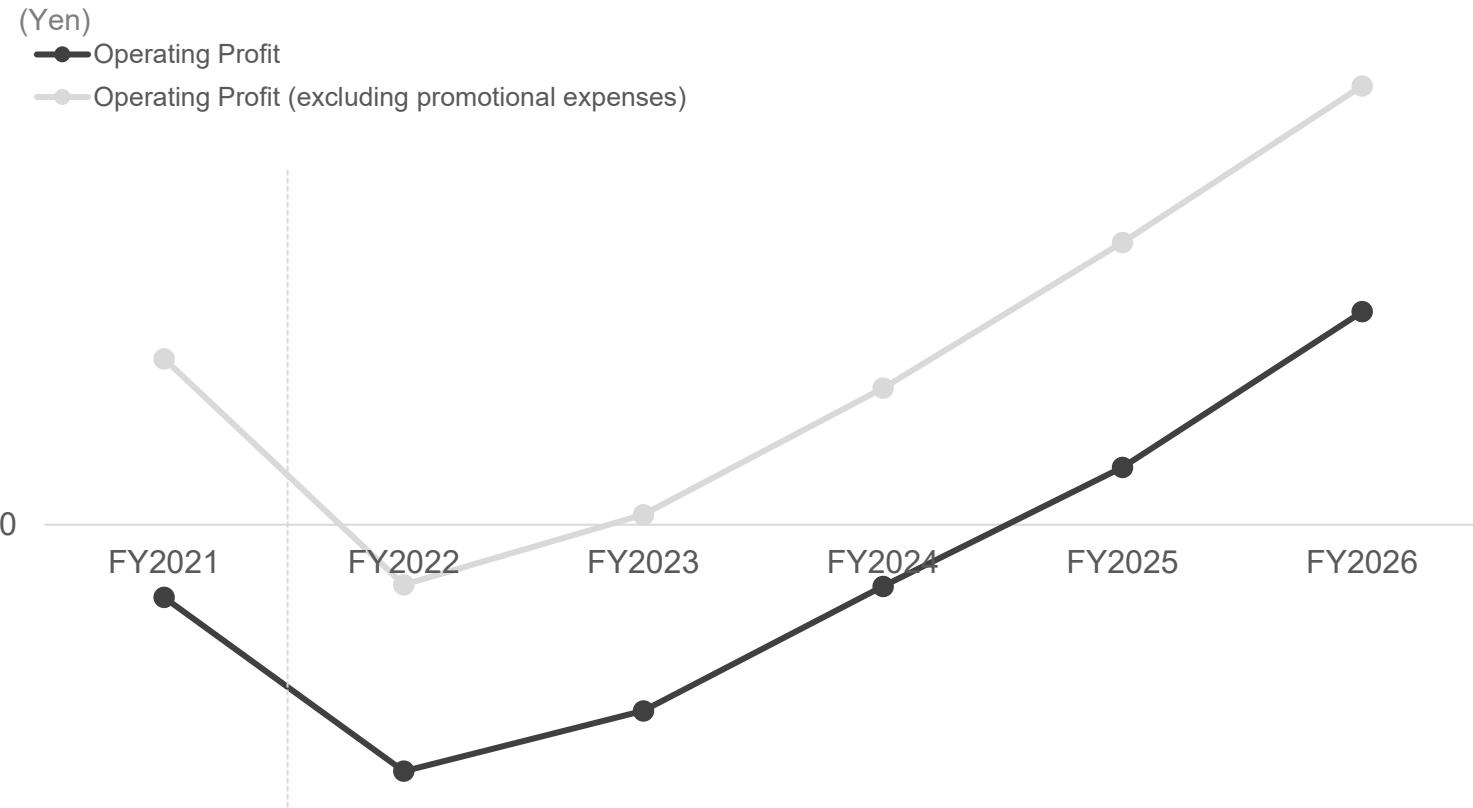
- ✓ Softened growth of sale-of-goods merchants resulting from reopening headwinds
- ✓ Invest in marketing to further strengthen acquisition of new merchants

- ✓ Continue developing functions that contribute to improving take rate of BASE business

Although operating profit and operating profit (excluding promotional expenses) are expected to remain negative FY2022 as projected at the beginning of the fiscal year, **we continue to aim to achieve a positive operating profit (excluding promotional expenses) in FY2023 and positive operating profit in FY2025**

To consider growth strategies including M&A and strategic alliances utilizing strong financial foundation^(Note1) of approximately 21.7 billion yen in cash and deposits and 14.2 billion yen in total net assets

Expected Operating Profit (Note2)



(Note1) As of June 30, 2022

(Note2) Excerpt from Q4 FY2021 presentation materials

5. Reference Materials

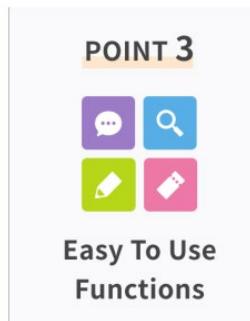
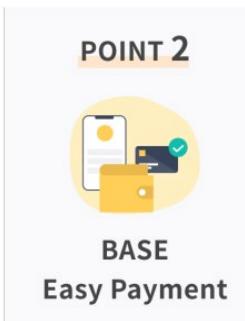
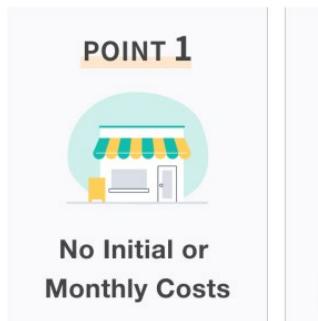
5-1. Historical Growth of BASE Group

Since its foundation, “BASE” has focused on providing services to enable individuals and SMBs to **easily set up online shops and install payment systems with a risk-free fee structure**

With one of the largest number of monthly active shops, “BASE” has built a strong position in the long-tail market

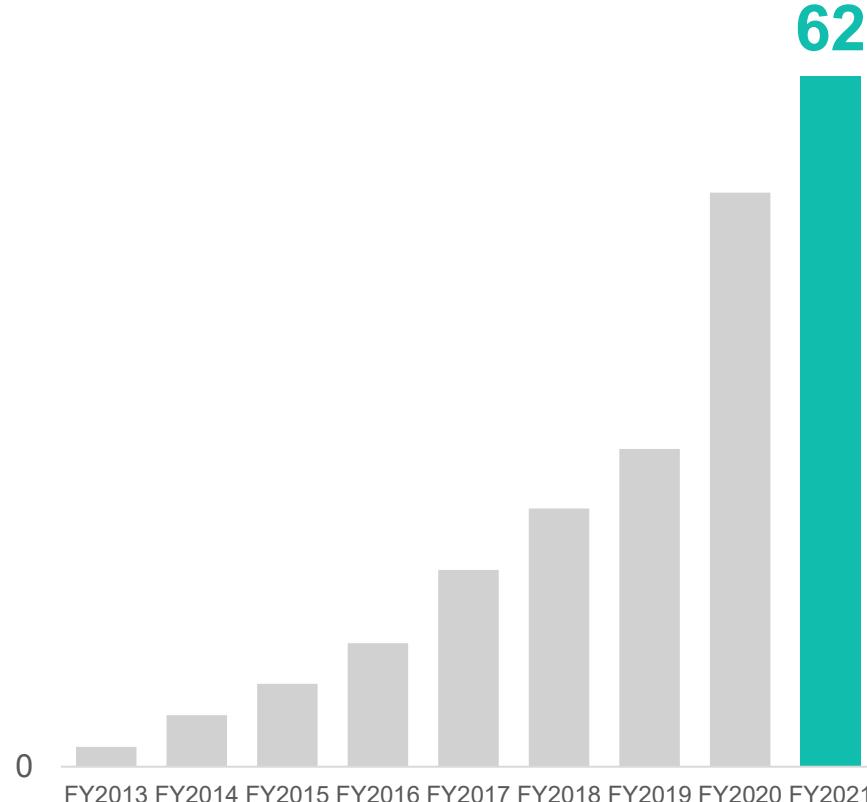
Risk-free Opportunities for All Users

- ✓ No initial or monthly costs, and fees are paid only when products are sold (Note1)
- ✓ Unique and easy to install payment system for all users
- ✓ Easy to operate standard functions, and extensions function to extend functionalities depending on needs



Large Number of Active Shops(Note2)

(Thousand Shops)



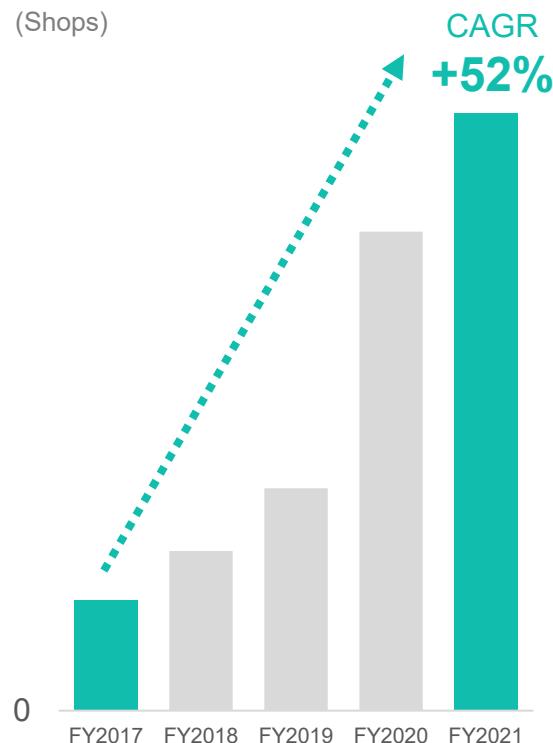
(Note1)3.6%+40Yen payment processing fees and 3% service fee on the amount of products sold

(Note2)Number of monthly active shops in the 4th quarter of each fiscal year

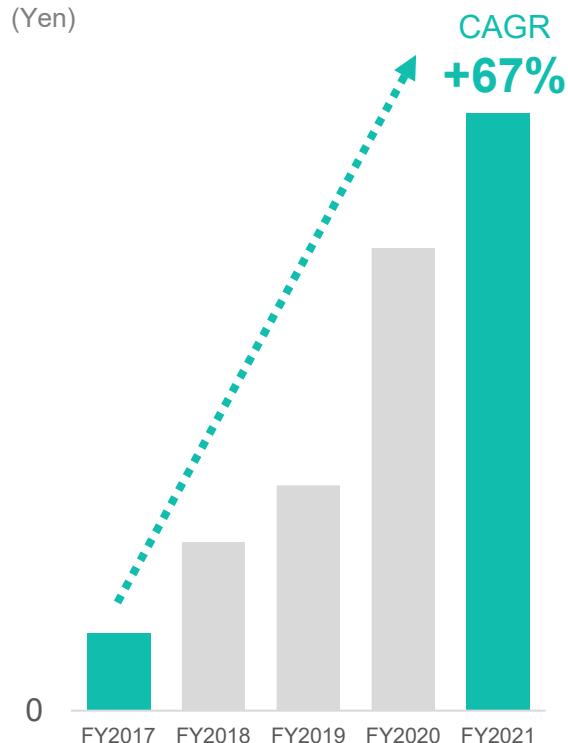
Increasing capacity to support shops, as a service used by shops with large sales
Becoming a platform with many individuals and small teams with continuous growth

Growth in Large-Scale Shops^(Note1)

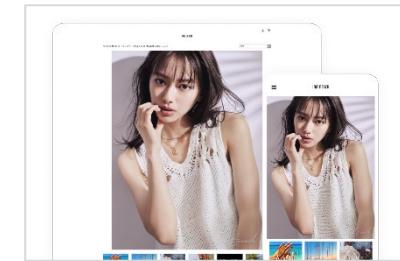
Number of Large-Scale Shops^(Note2)



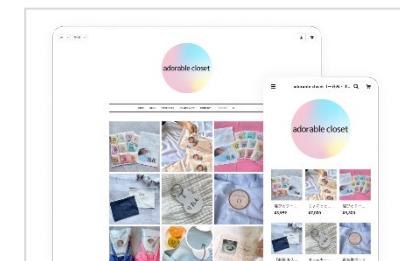
Monthly Average GMV Per Shop of the Top 3 Shops



Examples of Large-Scale Shops



IRIE BEACH



adorable closet



Senbei Brothers

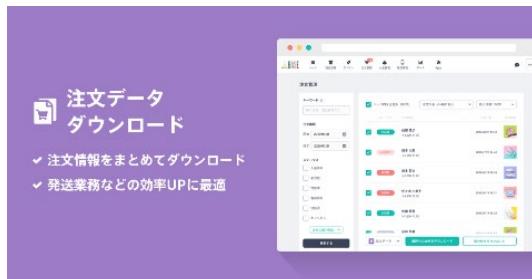
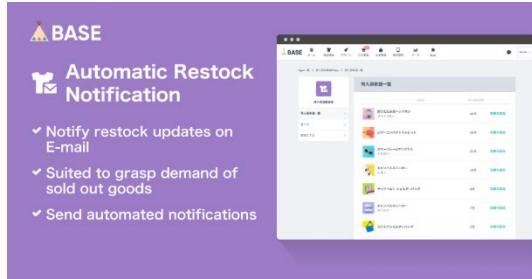
(Note1) Large-scale shops refer to shops with more than 1 million yen sales per month

(Note2) Number of monthly active shops in the 4th quarter of each fiscal year

Offering numerous functions with high demand from shops with high growth potential and large sales to enhance operational efficiency, CRM, and designs

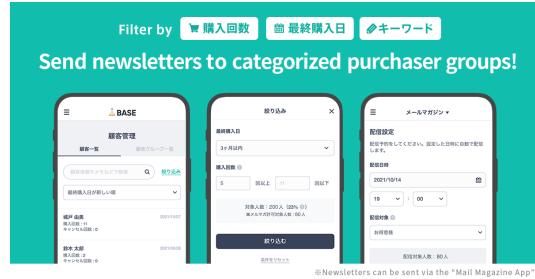
Operational Efficiency

Functions to support the operational efficiency of shops with large sales and order volume, and complicated back-office operations to help reduce the workload in operating an online shop



CRM (Client Relationship Management)

Helping shops build lasting relationships with purchasers marketed through SNS and other channels, contributing to an increase in new and repeat purchasers



Design

Design features and services that meet the needs of large-scale shops which place importance on expressing each shops' worldview and seek unique designs



Promoting faster cash flow for “BASE” shops by providing various financial services

Financial Services Offering for “BASE” Shops(Note)

YELL BANK

- ✓ “BASE” forecasts future sales, and purchases the receivables enabling shops to raise funds without risk

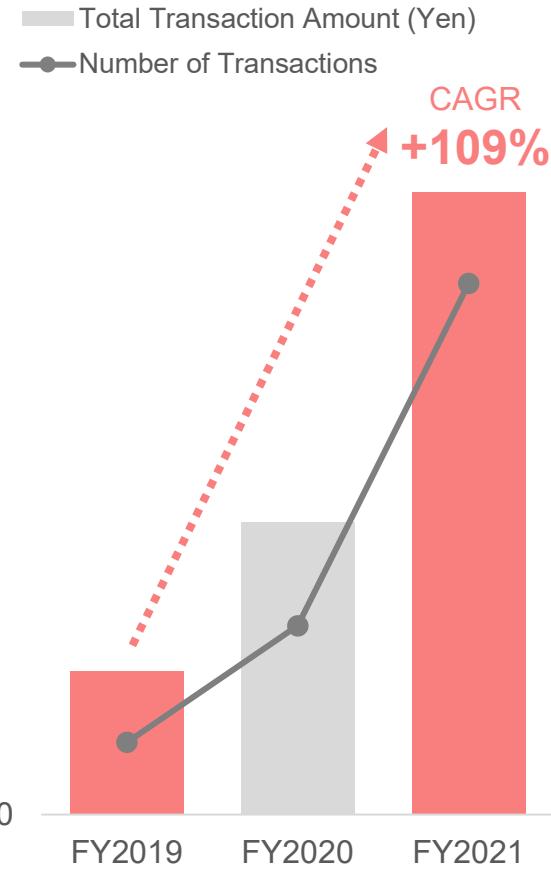
Express Bank Transfers

- ✓ Shortening the standard deposit period of 10 days, enabling the transfer of funds 1 day after application

BASE Card

- ✓ Spend proceeds from online shop sales at VISA member merchants nationwide

Growth of “YELL BANK”



User examples of “YELL BANK”

YELLの先には vol.7

一瞬で入金される
体験が圧倒的

La crieならではの資金活用方法。



YELLの先には vol.6

YELL BANKを
利用し続けて2年

「好き」の詰まった
M-BROWN のショップ作り



YELLの先には vol.5

計画なく気軽に
資金を調達できるから
ちょうどいい

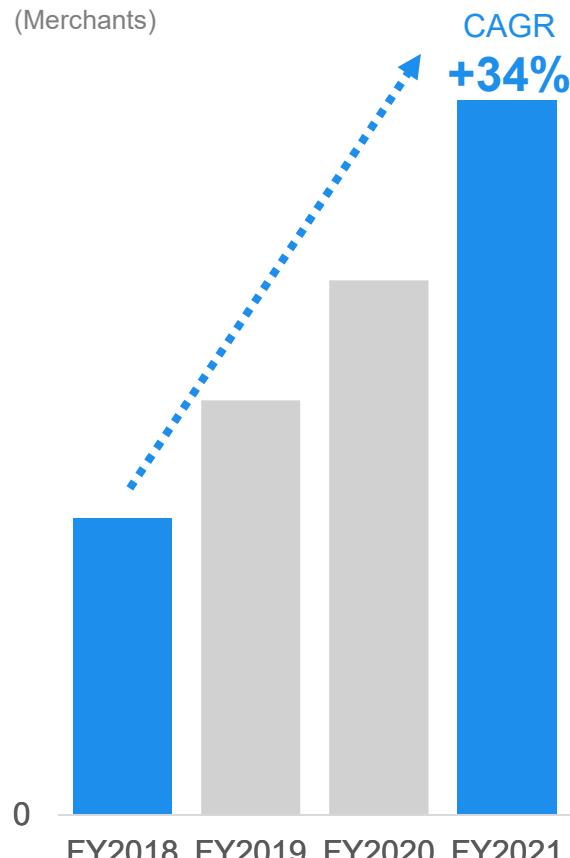
HACOMIDORI が実践する
お金との上手な付き合い方



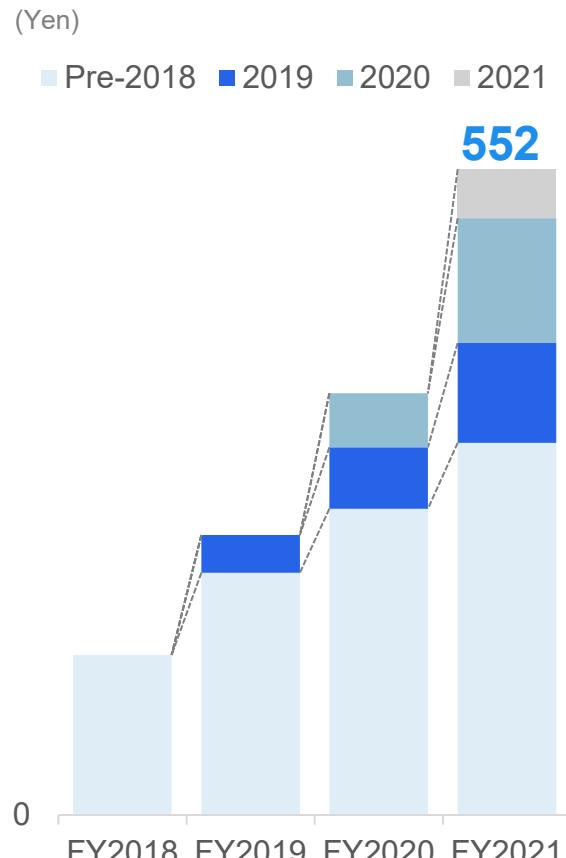
Solving issues for ventures and start ups in introducing online payment

Steady growth maintained with continuous growth by existing merchants, and additional increases by new merchant

Increase in Merchants



Growth in GMV



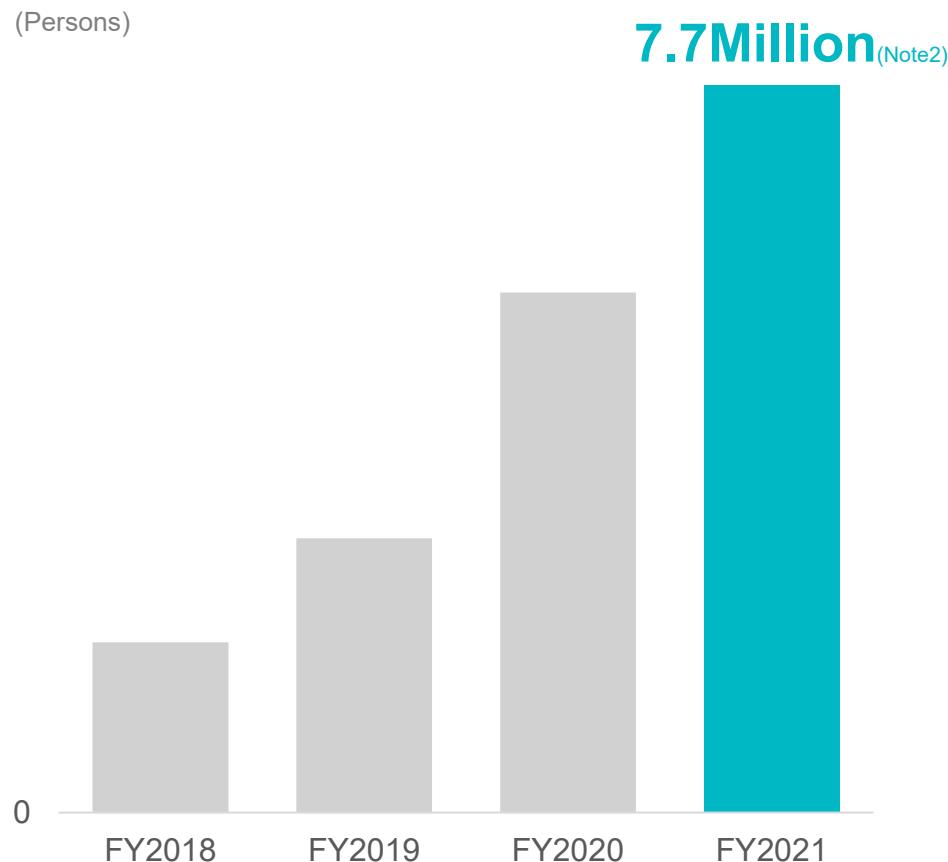
Merchant Examples of “PAY.JP”



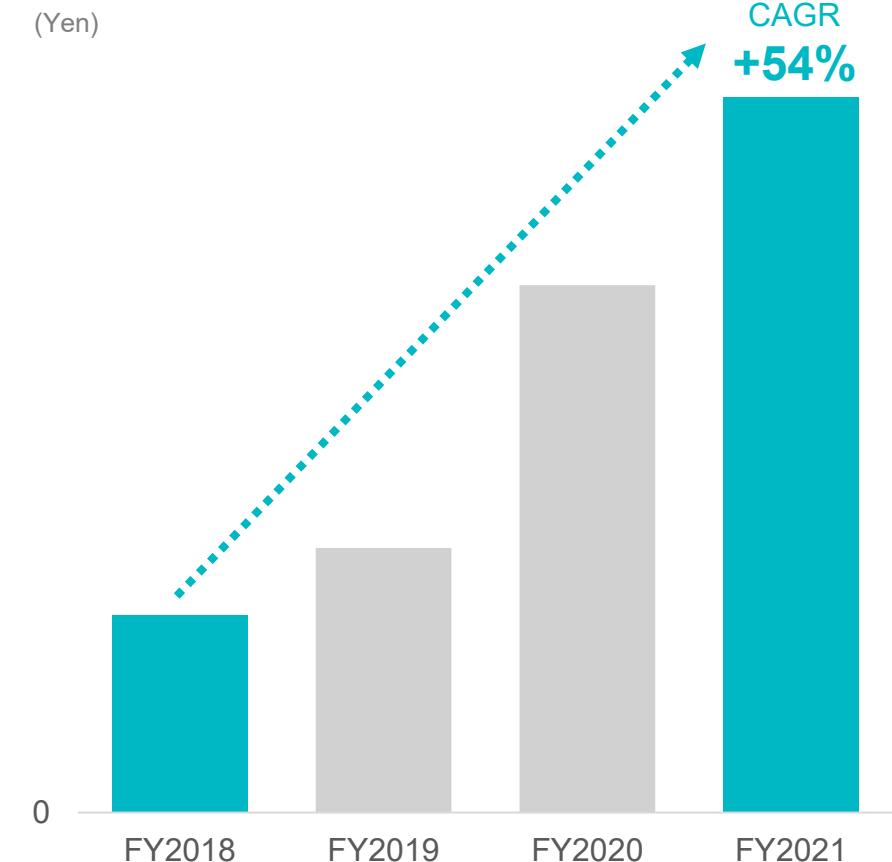
The only storefront type online shop creation service providing service to purchasers

Increase in the number of users expanded in line with the growth of “BASE”

Growth in Registered Users of “Pay ID”



Increase in GMV via Shopping App^(Note1)



(Note1) Provided as the “BASE” Shopping App until November 2021. Currently offered as the “Pay ID App” following the integration and renewal of the Shopping Service “Pay ID”

(Note2) Number of registered users of “Pay ID” exceeded 8.0 million as of February 2022

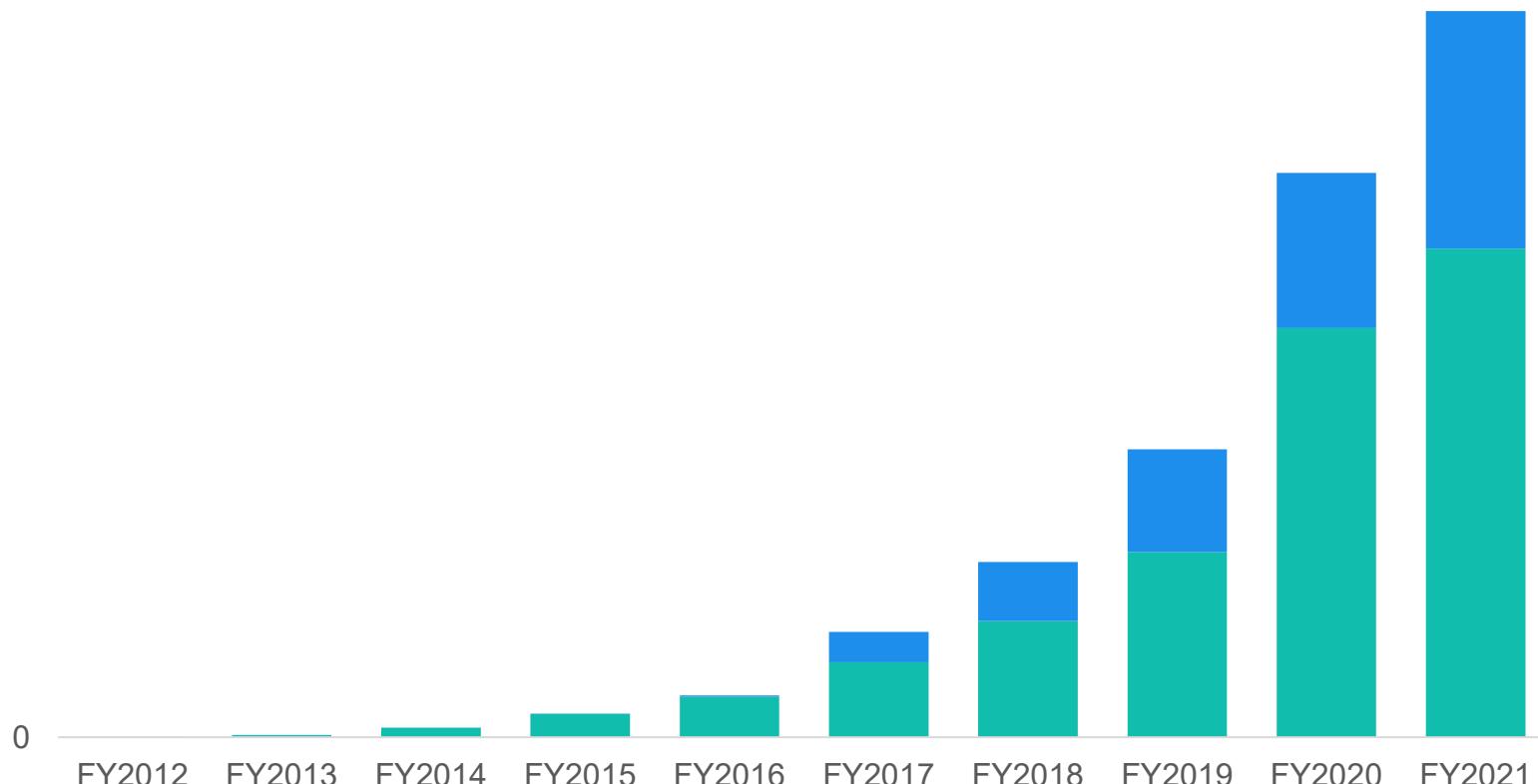
Significant growth as a platform for the creation of new markets

Consolidated Yearly GMV^(Note)

(Million Yen)

■ BASE ■ PAY

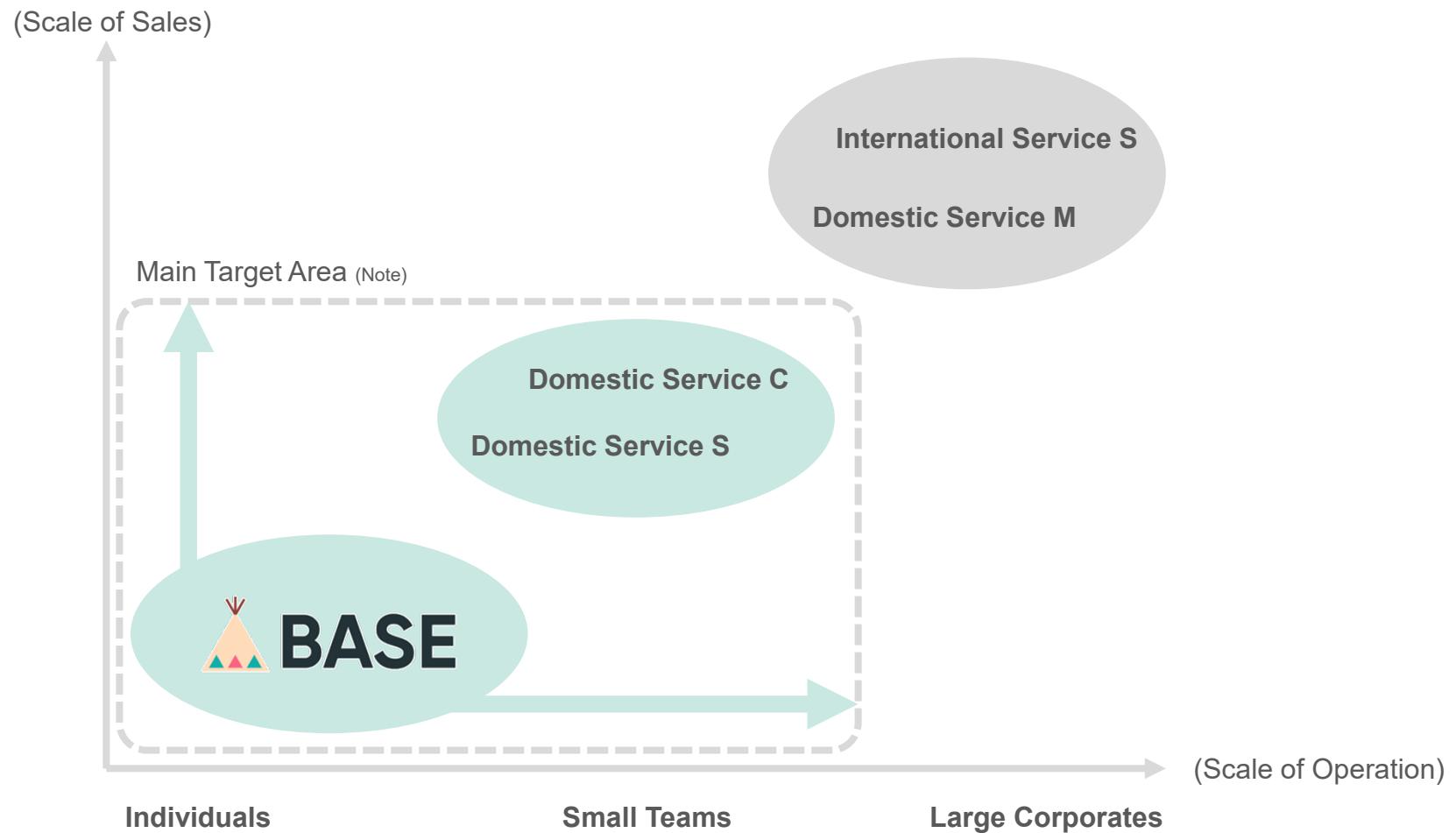
169,041



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

5-2. Future Growth of BASE Group

Aiming to maximize GMV and gross profit in the medium term, to become a platform to support all individuals and small teams



(Note) Long-tail markets defined as the focus area operated by individuals and small teams

Commencement of the “Monthly-Fee Plan” since April 18th, in addition to the conventional “No Monthly Cost Plan”^(Note1,2)

Enabling the support of individuals and small teams who have not selected “BASE” due to pricing
Maintaining a strong position in the long tail markets as a source of competitiveness

	Conventional Plan (Unchanged)	Monthly-Fee Plan <small>NEW</small>
Target	Individuals and small teams who want to operate an online shop with no risk	Individuals and small teams who can take risks to grow their online shop
Service Commission	3.0%(Note3)	5,980Yen Per Month (tax incl.)
Payment Processing Commission	3.6%+40Yen(Note3)	2.9% (Note3)

(Note1) Conventional “No Monthly Cost Plan” offered as “Standard Plan”, and New “Monthly-Fee Price Plan” offered as “Growth Plan”

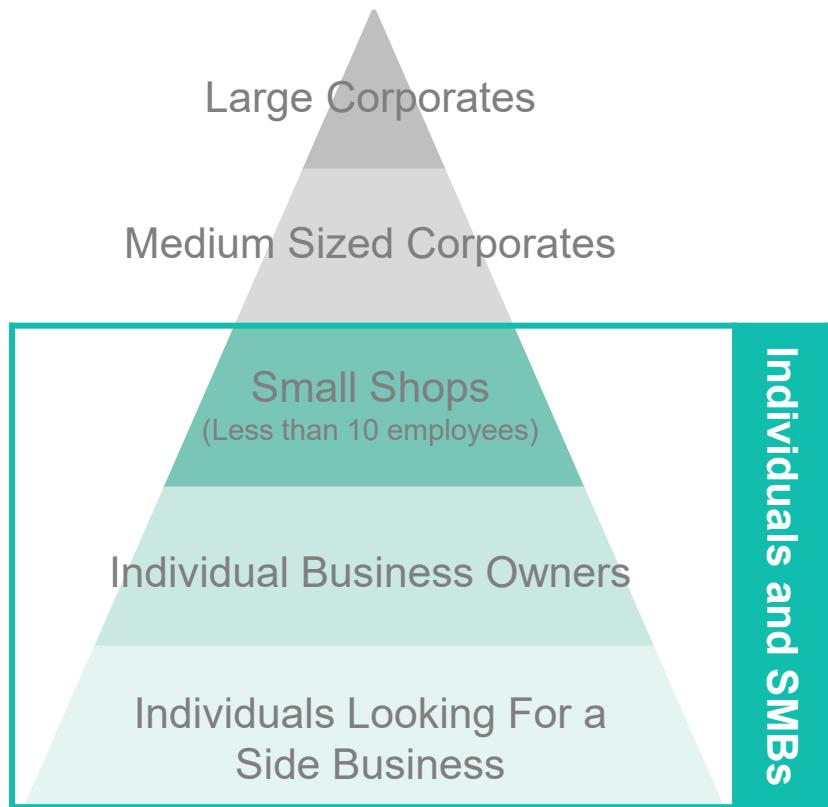
(Note2) Same functions offered for both plans

(Note3) Charged according to payment amount

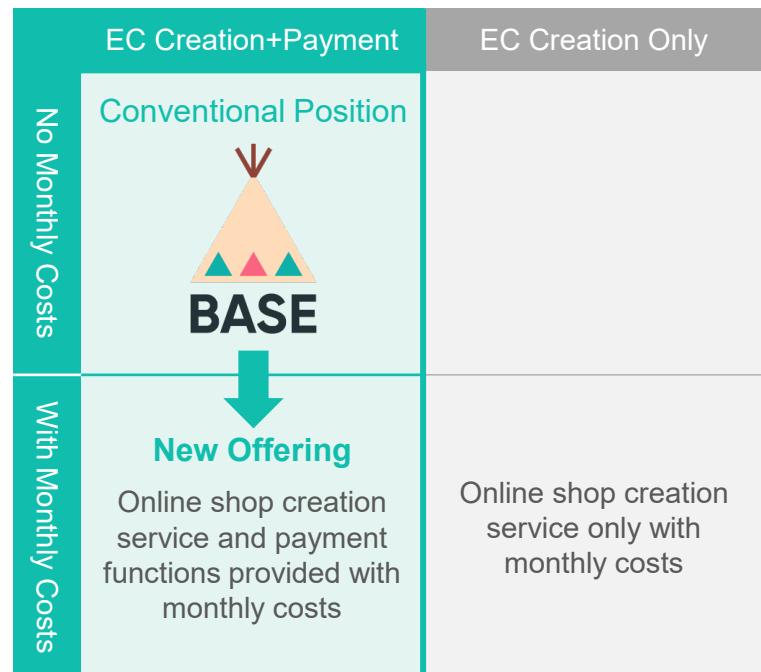
Unique position with continued focus on targeting individuals and small teams

New monthly-fee plan offering in addition to the conventional price plan enabling to target individuals and small teams operating shops which can take risks for higher growth

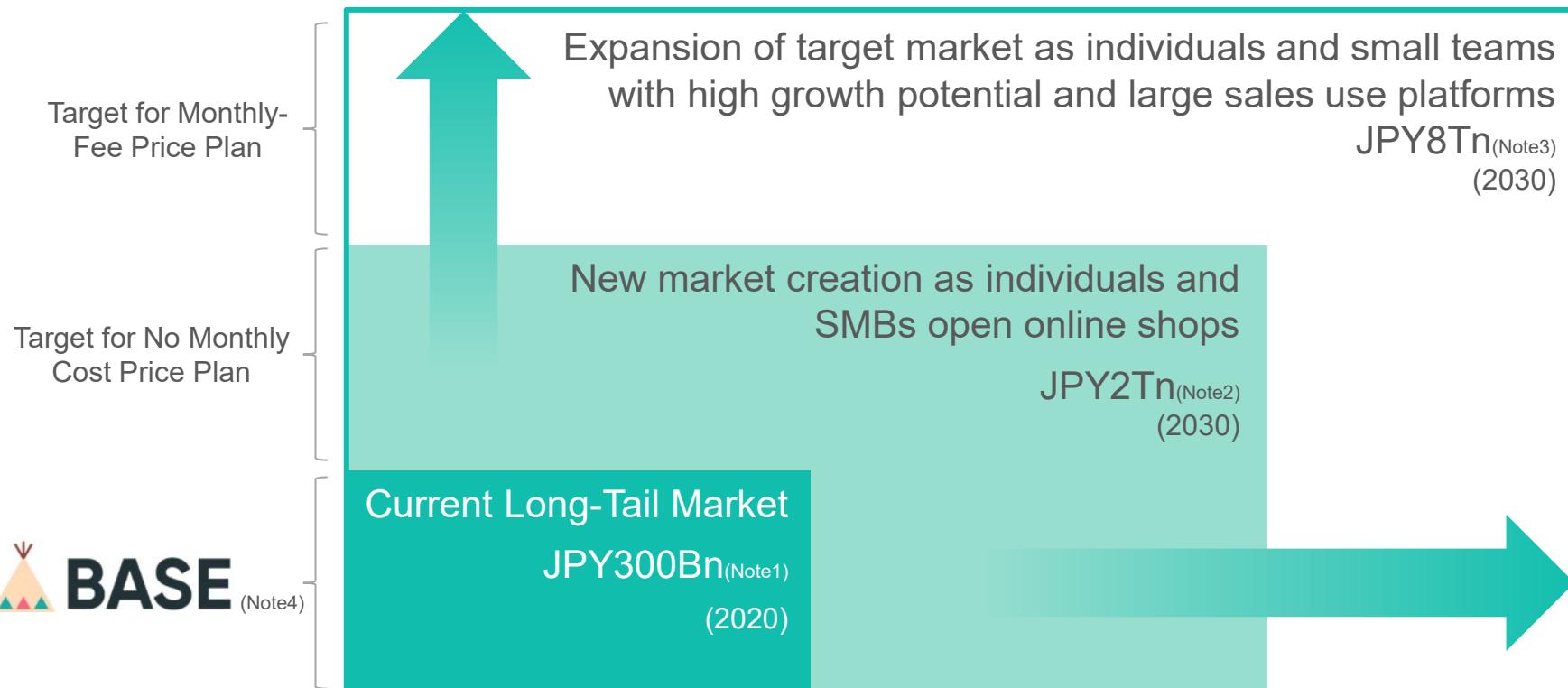
Scale of Target Users



Competitive Landscape



In addition to new markets created by individuals and small teams, target market expands significantly with the use of platforms by shops with high growth potential and large sales



(Note1) Estimate by company based on assumption of GMV (order amount) of the BASE business in FY12/2020 accounting for approximately 1/3 of the long-tail market

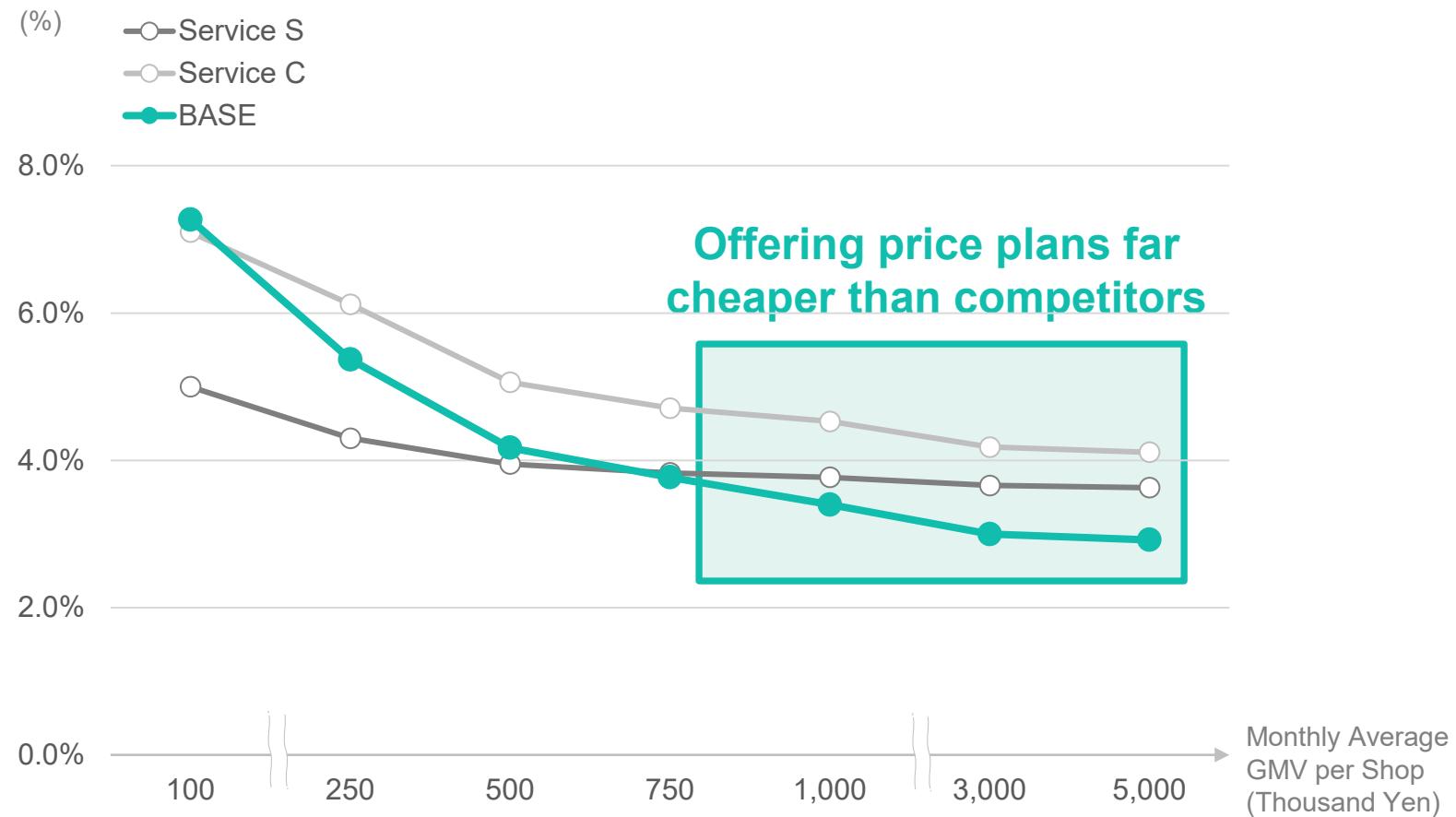
(Note2) Estimate by company based on long-tail market growth of 20% CAGR over 10 years

(Note3) Reference to METI "E-Commerce Market Survey" of 2020, estimate by company of market scale of in-house EC to grow at 8% CAGR over 10 years in the BtoC sale of goods EC space

(Note4) FY12/2020 BASE business GMV (order amount) was JPY95.2Bn

Enabling to support individuals and small team who can take risks to grow by offering a new price plan far cheaper than competitors

Comparison of Fee Rates (Note)

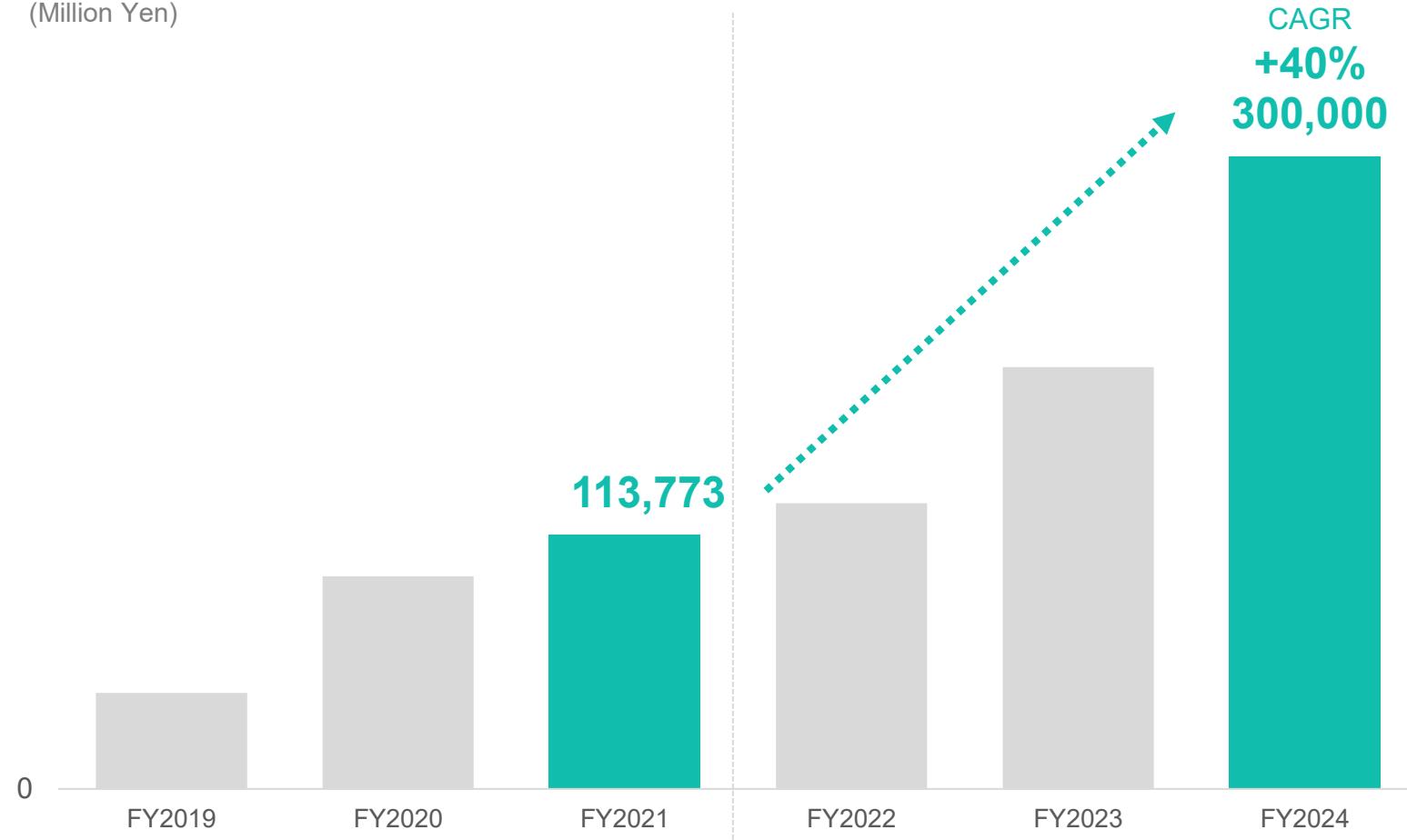


(Note) Comparison based on the lowest fee rate according to the scale of sales among the fee plans offered by each company (calculated by BASE)

Aim to achieve high GMV growth rate(CAGR+40%), and GMV300,000 million yen in 2024

Image of GMV Growth^(Note1,2)

(Million Yen)

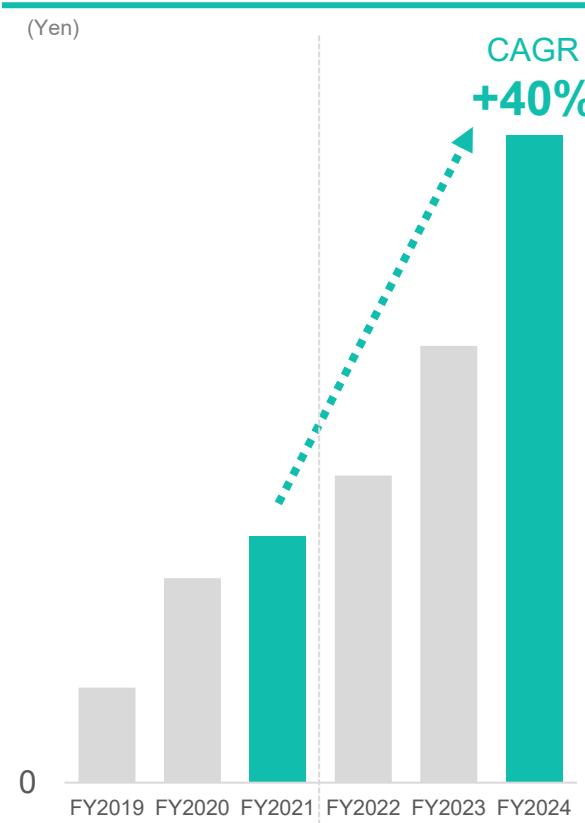


(Note1) Expected figures after 2022

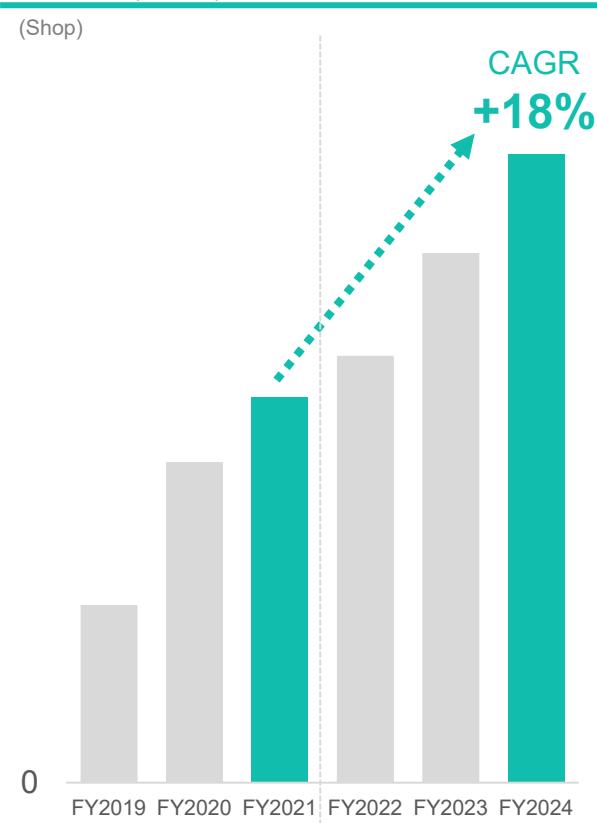
(Note2) GMV is based on order date(order amount)

In addition to increasing the number of active shops per month, which has been a driver for growth, “BASE” aims to also increase the average monthly GMV per shop in order to maximize GMV growth

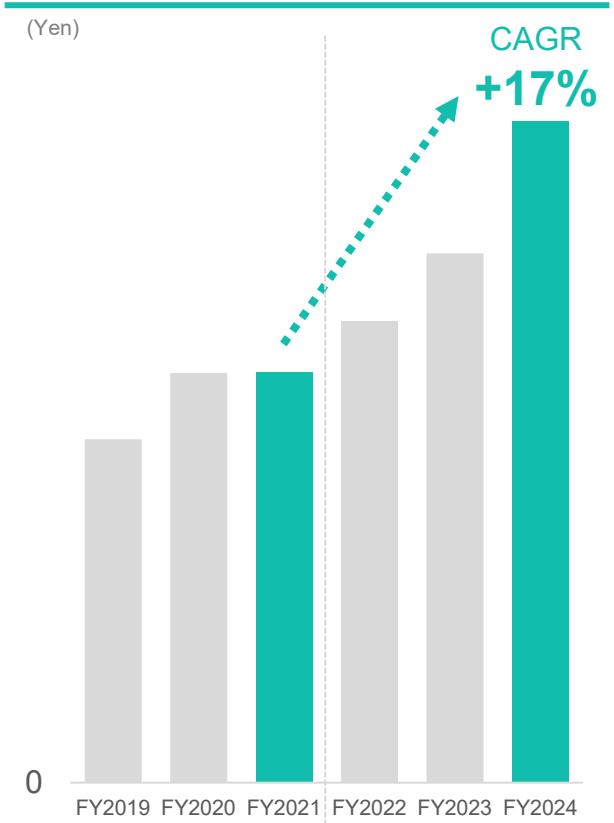
Monthly GMV^(Note1,2,3)



Number of active shops per month^(Note2,3)



Monthly average GMV per shop^(Note3)



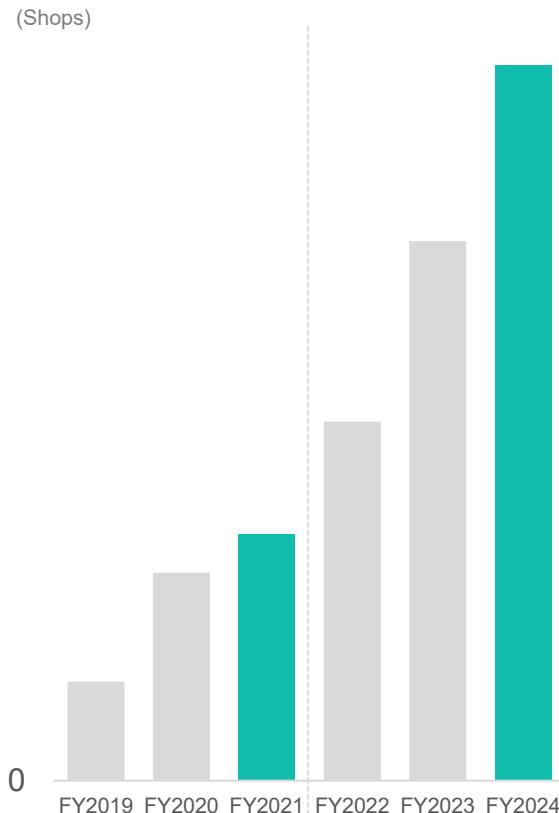
(Note1) GMV is based on order date (order amount)

(Note2) Monthly GMV and number of active shops per month are quarterly averages

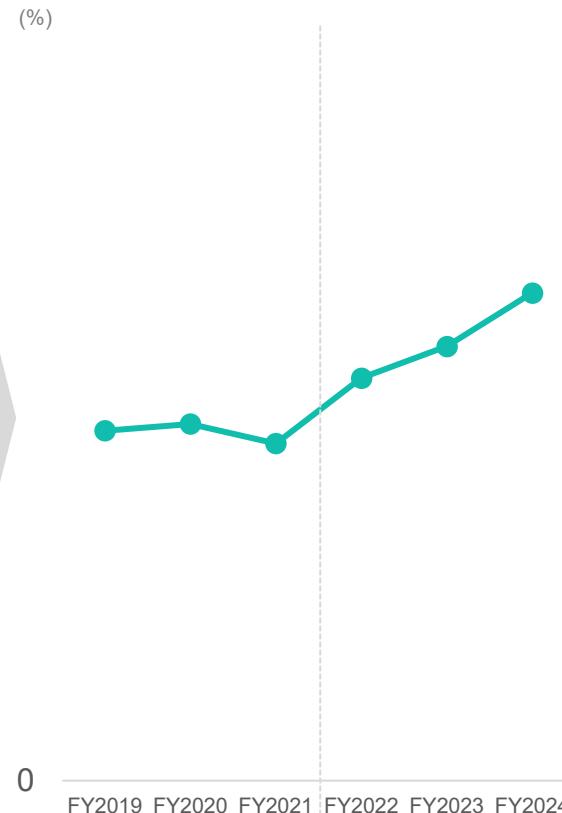
(Note3) Comparison of the 4th quarter of each fiscal year

The number of **large-scale shops**^(note1) is expected to increase with the offering of a monthly-fee based pricing plan etc., **leading to a higher ratio of large-scale shops comprising the overall GMV, resulting in a higher Monthly average GMV per shop**

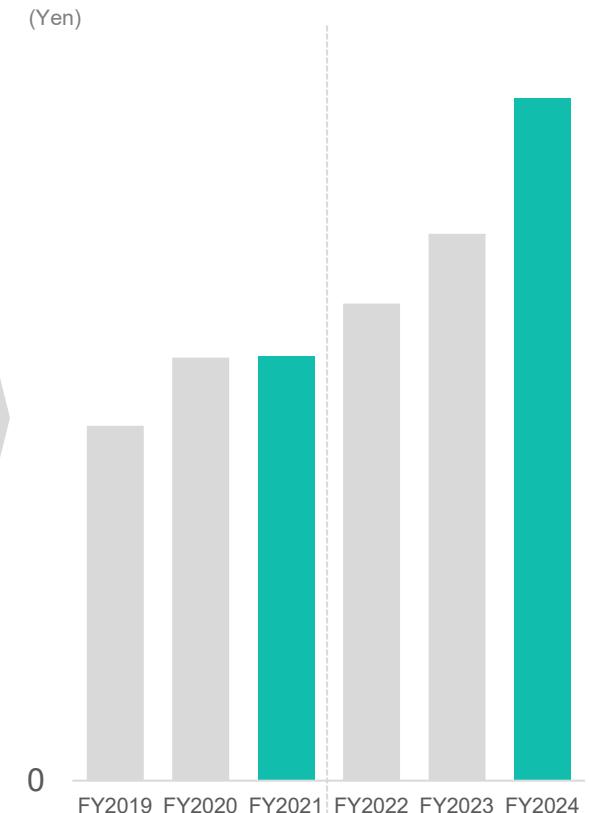
Number of large-scale active shops per month^(Note2)



Percentage of large-scale shop GMV^(Note2)



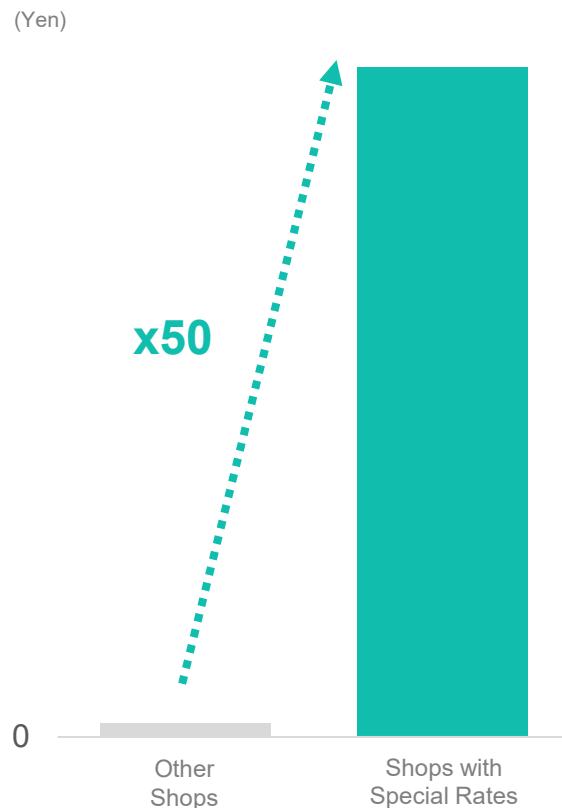
Monthly average GMV per shop^(Note2)



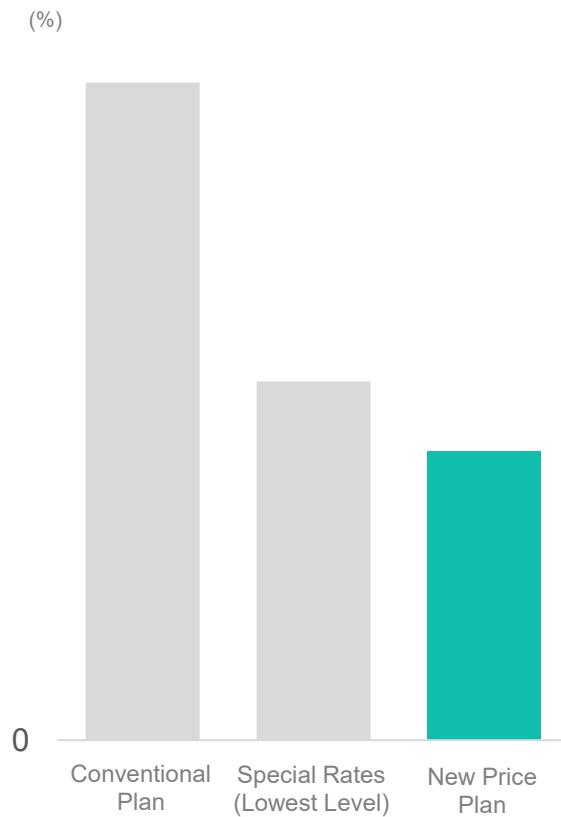
“BASE” has been selected by many large-scale shops, through providing lower fee rates (special rates)

The offering of a new price plan which is even lower in fee rates as compared to current shops with special rates, therefore making expectations to acquire a larger number of large-scale shops

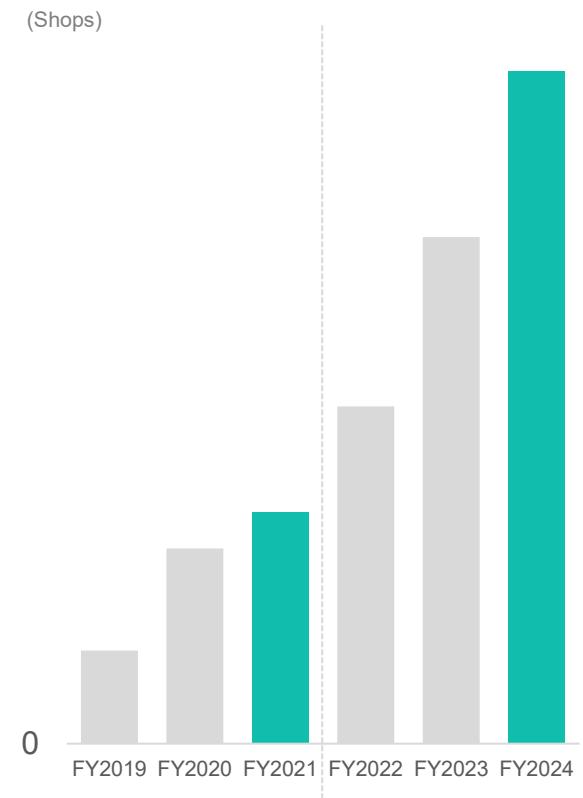
**Yearly average GMV of shops
which are applied special rates**



Fee Rate Comparison



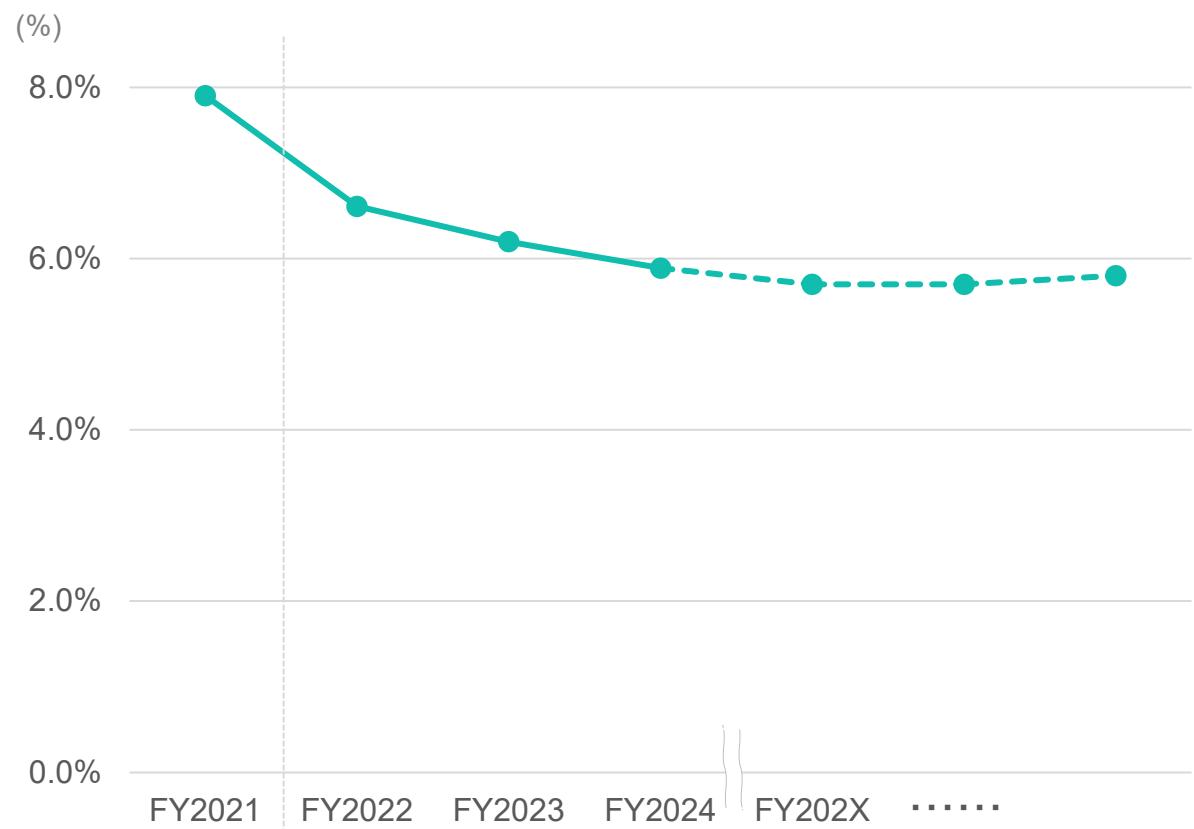
**Expected Number of Large-
Scale Shops**



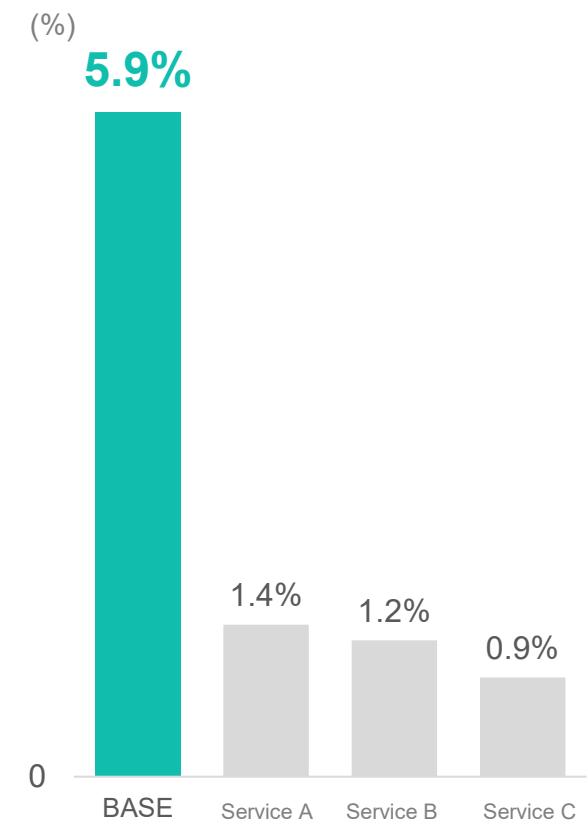
Maintaining high levels of take rate despite offering the lowest fee among competitors, by continuing to focus on long-tail markets

Providing additional pay-as-you-go functions to expect increases in take rate

Image of Future Take Rate

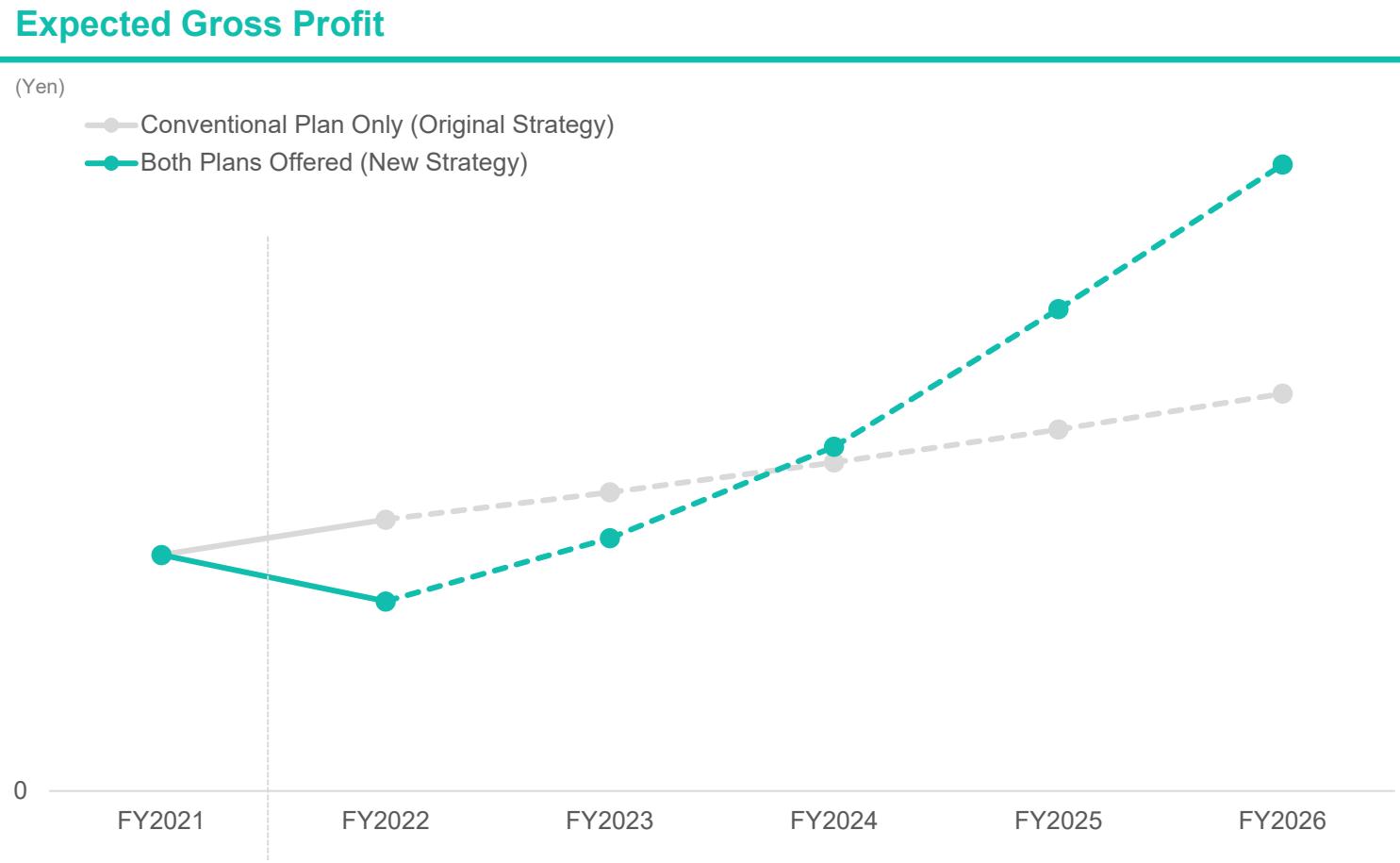


Take Rate Comparison (Note)



(Note) BASE's take rate is estimated for FY2024. Competitor take rates calculated from publicly disclosed material by BASE

Gross profit expected to decrease in the short term due to the offering of a monthly-fee based plan, while medium-long term to be maximized



Aim to provide BNPL functions by leveraging on Group assets in “BASE”, “PAY.JP”, and “Pay ID”

Service infrastructure for providing BNPL to expand in line with growth in existing assets

Increased Added Value and Competitiveness through the establishment of a Unique Payment Network

- ✓ Overcome issues of online credit card payments and **improve the purchasers' payment experience** through BNPL
- ✓ **Increase repeat purchases and average unit price** by offering smooth payment and instalments etc.
- ✓ **Secure competitiveness in shops, merchants, and purchaser acquisition** by leveraging on Group assets
- ✓ **Create future revenue streams** through repayment instalments, and **reduce payment fees** paid to PSPs

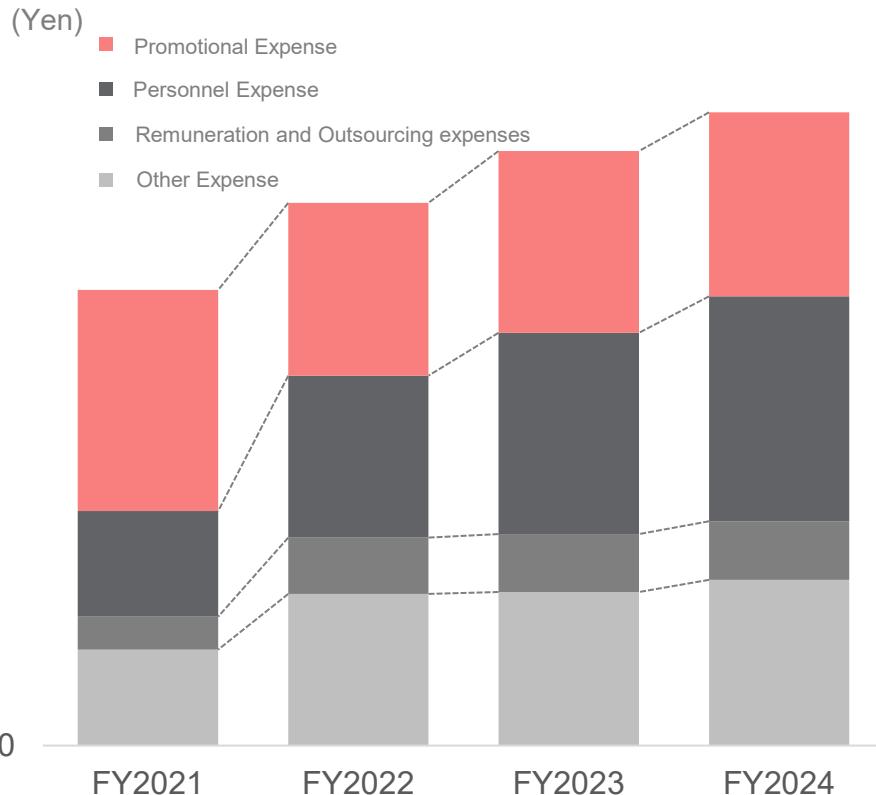


Up to 25 billion yen^(Note1) of forward-looking investments will be made over the next 3 years to maximize gross profit

Aim to return to profitability in FY2025, although the operating loss is expected to increase in the short term due to an increase in SG&A expenses as a result of strengthening of the scout team and product development related to the offering of the new price plan etc., and entry into the BNPL business

Maintain a strong financial base with approximately 24 billion JPY in cash and deposits and 15.1 billion in net assets as of December 31, 2021

Expected SG&A^(Note2)



Expected Operating Profit



(Note1) Total amount of SG&A expected for the next 3 years

(Note2) Other expenses consist mainly of office expenses, system expenses, remuneration and outsourcing expenses, and taxes.

5-3. Others

Management (Senior Executive Officers)



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.



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)

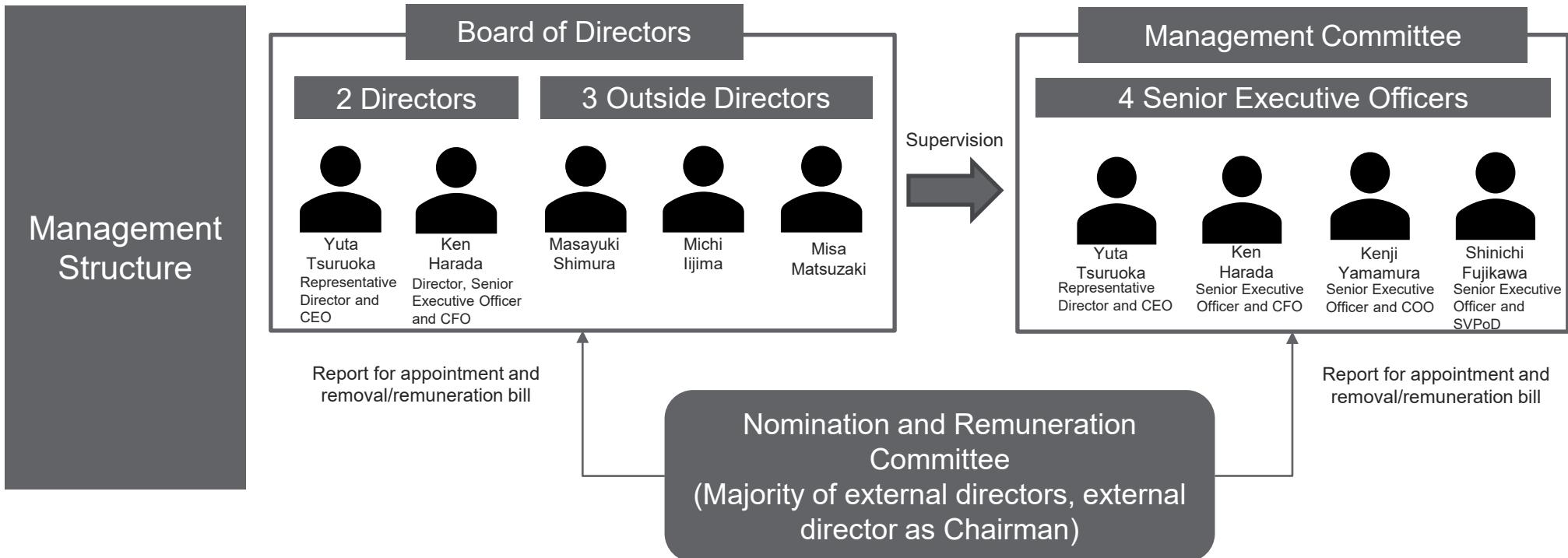
After graduating from School of Commerce, Waseda University, he was in charge of accounting and finance at a major general contractor from 2000. After that, he was in charge of operations such as accounting manager and management planning at mixi, Inc. from 2007, and joined FreakOut, inc. as a management 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.

- Strengthen the supervisory function of the Board of Directors by **appointing a majority of outside directors (two internal directors and three outside directors)**
- Improve fairness and transparency of the process of selecting and dismissing management by **appointing an outside director** as the chairman of the Nomination and Compensation Committee

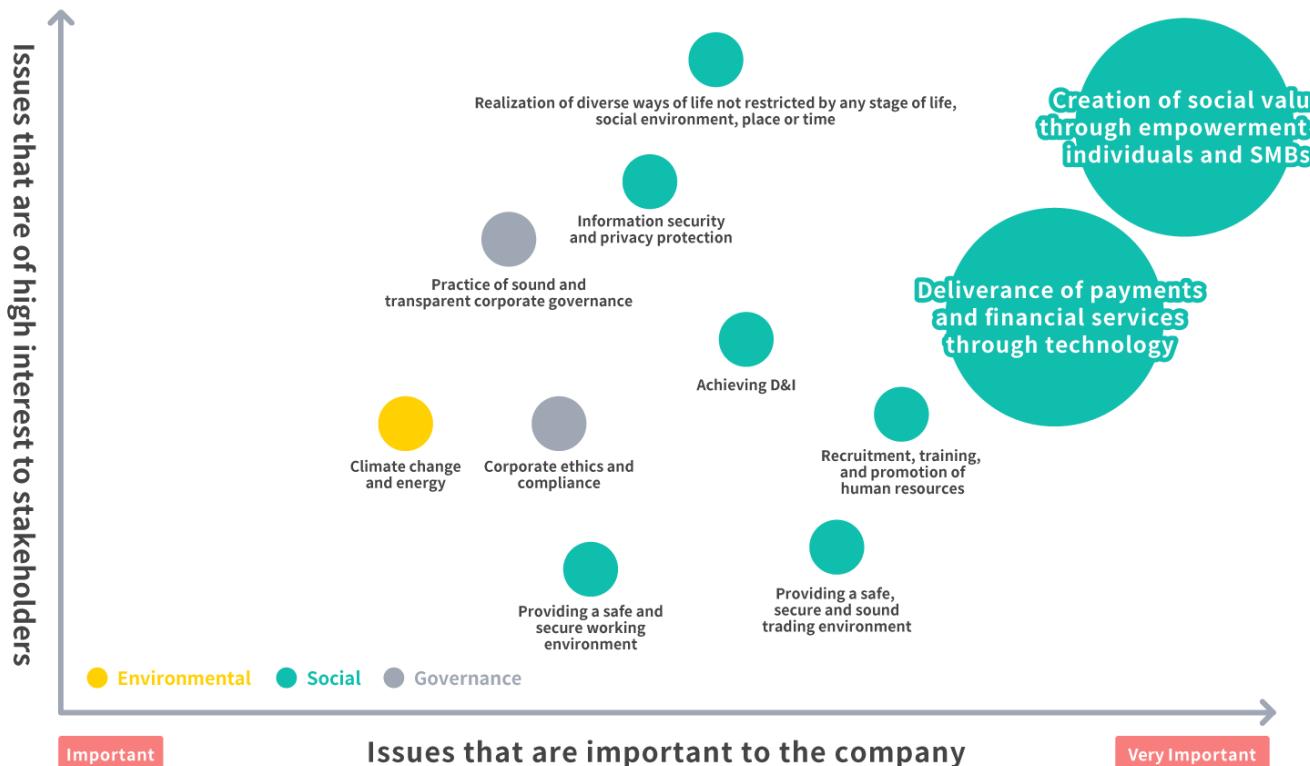


Initiatives for Realizing a Sustainable Society

Formulation of basic sustainability goals and identification of materiality issues as well as establishment of the Sustainability Committee^(Note1)

Aiming to create a society in which all people can play an active role by enhancing accessibility to payment and finance services^(Note2)

Materiality Map ^(Note3)



(Note1) Established on 23rd March following resolution by the Board of Directors

(Note2) Details of the materiality and specific initiatives are disclosed on the BASE corporate website

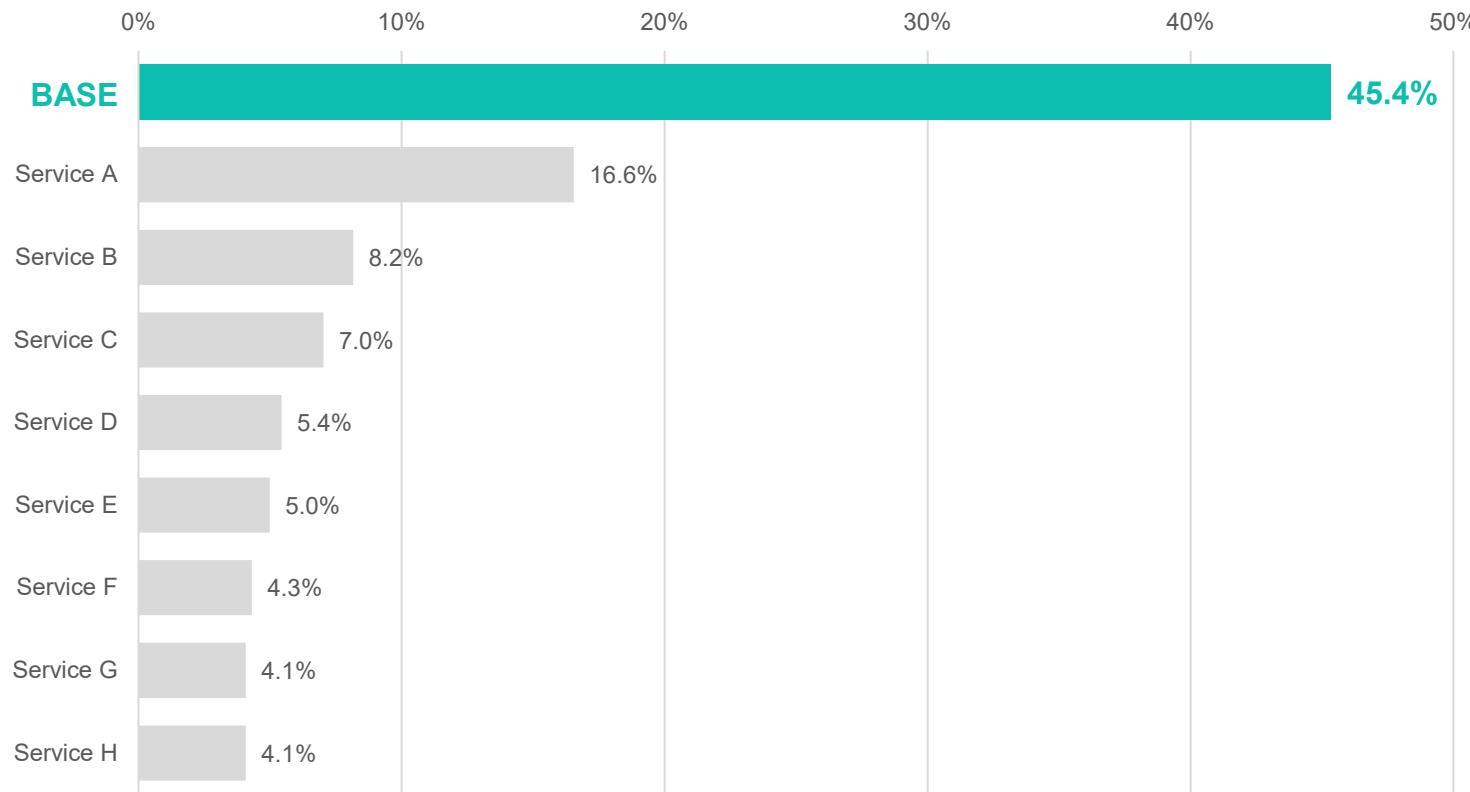
(Note3) the most important materiality to be resolved through business is indicated by a large circle, and materiality that serves as the foundation to support business continuity and means to achieve the most important materiality are indicated by smaller circles

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

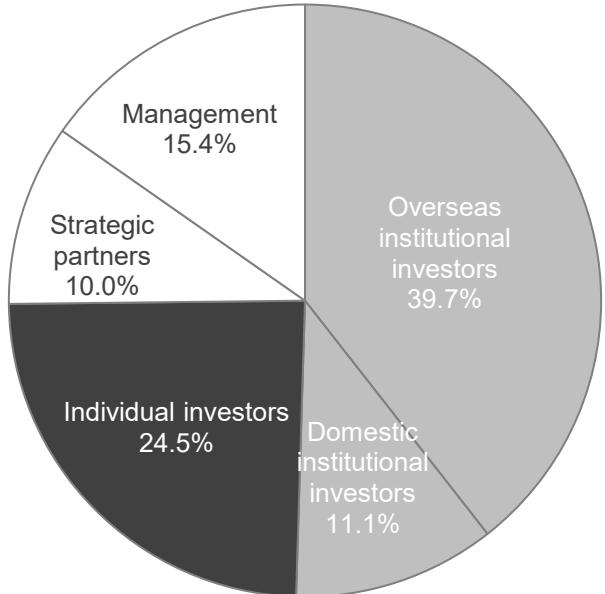
Please reply with all of the online retail shop creation services you used when opening your online retail shop within the most recent year.



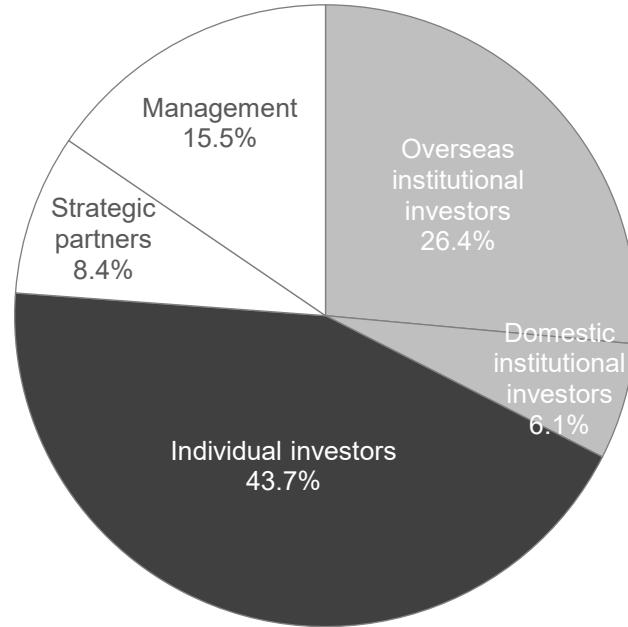
Ratio of individual investors increased while overseas institutional investors scaled down as a result of changing market conditions

We will continue our IR activities targeting a wide variety of investors

Dec 31, 2021



Jun 30, 2022



Profit and Loss Statement (By Segment)

(Million Yen)		FY2020				FY2021				FY2022	
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Sales	BASE	933	2,342	2,061	1,983	1,944	2,082	2,087	2,306	2,052	1,784
	PAY	184	207	247	299	286	353	384	424	439	482
	Others	6	7	6	7	7	10	20	23	20	28
Gross profit on sales	BASE	624	1,580	1,362	1,305	1,280	1,330	1,329	1,477	1,323	1,054
	PAY	18	21	24	28	29	34	38	42	44	49
	Others	6	7	6	7	7	10	20	23	14	20
Segment profit	BASE	56	718	601	-264	102	-207	-167	-431	-178	-481
	PAY	-25	-26	-19	-19	-18	-17	-6	3	-4	-3
	Others	-10	-13	-6	-14	-15	-18	-12	-5	-13	-15
	Corporate expenses	-47	-38	-40	-44	-54	-41	-33	-52	-76	-96
Operating profits	Entire company	-28	640	534	-343	13	-283	-220	-487	-272	-597

Year	Month	Quarterly GMV (Million Yen)(Note1)	Monthly GMV (Million Yen)	Number of shops	Monthly GMV per shops (Yen)	Quarterly GMV (Payment amount) (Million Yen)(Note2)
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
	June	28,132	9,377	58,833	159,392	26,308
	September	28,175	9,391	60,856	154,329	26,476
	December	31,725	10,575	62,049	170,431	29,865
2022	March	28,199	9,399	60,672	154,927	26,563
	June	27,898	9,299	61,455	151,322	26,496

(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 date 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)
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
	June	13,446
	September	14,693
	December	16,297
2022	March	16,849
	June	18,444

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

Ratio of Dilutive Shares

BASE

		FY2022
SO	Beginning balance	5,334,000
	Granted	0
	Exercised	-272,000
	Renounced	-24,000
	Ending balance	5,038,000
Number of shares outstanding		111,981,793
Ratio of dilutive shares		4.5%

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