

Translation

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November 8, 2022

To Whom it May Concern:

Company name: BASE, Inc.
Representative: Representative Director and CEO Yuta Tsuruoka
(Code: 4477, Tokyo Stock Exchange Growth Market)
Inquiries: Director and CFO Ken Harada
TEL 03-6441-2075

Notice Concerning Full-Year Earnings Forecast (Consolidated and Non-Consolidated)

We are pleased to announce that we are now able to calculate our full-year earnings forecast for the fiscal year ending December 31, 2022. Furthermore, there are differences from the financial results for the previous fiscal year that require disclosure.

1. Differences from consolidated financial results for the previous fiscal year

(1) Consolidated earnings forecast for the fiscal year ending December 31, 2022
(January 1, 2022 to December 31, 2022)

(Unit: Million Yen)

	Net Sales	Operating Profit	Ordinary Profit	Net Income Attributable to Owners of Parent	Earnings per Share
Previous Fiscal Year (A)	9,931	-977	-960	-1,194	-¥10.80
Disclosed Forecast (B)	9,130 ~9,490	-2,300 ~-2,130	-2,290 ~-2,120	-2,369 ~-2,199	-¥20.60 ~-¥19.17
Difference (B-A)	-801 ~-441	-1,322 ~-1,152	-1,329 ~-1,159	-1,175 ~-1,005	—
Percentage Change (%)	-8.1% ~-4.4%	—	—	—	—

(2) Full-year consolidated earnings forecast

Though the PAY Business's gross merchandise volume (or "GMV") is expected to increase significantly due to the continued growth of existing merchants as well as the acquisition of new

merchants, consolidated net sales are forecasted to decrease year on year due to the strategic reduction of take rate and associated decline in net sales in the BASE Business.

Furthermore, SG&A expenses are forecasted to increase year on year due to an increase in personnel fees associated with the strengthening of product development and sales & marketing organizations.

As a result of the above, consolidated operating loss, consolidated ordinary loss, and consolidated net loss are forecasted to expand.

2. Differences from non-consolidated financial results for the previous fiscal year

(1) Non-consolidated earnings forecast for the fiscal year ending December 31, 2022

(January 1, 2022 to December 31, 2022)

(Unit: Million Yen)

	Net Sales	Operating Profit	Ordinary Profit	Net Income	Earnings per Share
Previous Fiscal Year (A)	8,420	-879	-860	-1,147	-¥10.37
Disclosed Forecast (B)	7,130 ~7,390	-2,240 ~-2,080	-2,228 ~-2,068	-2,307 ~-2,147	-¥21.16 ~-¥19.64
Difference (B-A)	-1,290 ~-1,030	-1,360 ~-1,200	-1,367 ~-1,207	-1,160 ~-1,000	—
Percentage Change (%)	-15.3% ~-12.2%	—	—	—	—

(2) Full-year non-consolidated earnings forecast

With the aim of maximizing GMV and gross profit over the medium term, the “Monthly-Fee Plan,” which charges a fixed monthly service commission alongside a reduced payment processing commission, was launched on April 18th. As a result of this strategic reduction in take rate (Note), net sales are forecasted to decrease year on year.

Furthermore, due to an increase in personnel fees associated with the strengthening of product development and sales & marketing organizations, SG&A expenses are forecasted to increase year on year despite the contraction of brand recognition-related promotional expenses.

As a result of the above, operating loss, ordinary loss, and net loss are forecasted to expand.

(Note) Take rate is the ratio of net sales over GMV (payment amount)

For details regarding the earnings forecast, please also refer to the document titled “Q3 of Fiscal Year Ending December 31, 2022 Materials for Financial Results Presentation” released today.

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