

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended September 30, 2023 (Based on Japanese GAAP)

November 14, 2023

Company name: BASE CO.,LTD.
 Stock exchange listing: Tokyo
 Stock code: 4481 URL <https://www.basenet.co.jp>
 Representative: President Katsunari Nakayama
 Senior Vice President Director,
 Inquiries: General Manager of Finance Department Noriyuki Takano TEL 03(5207)5112
 Scheduled date to file Quarterly Securities Report: November 14, 2023
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended September 30, 2023 (from January 1, 2023 to September 30, 2023)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended September 30, 2023	13,787	9.9	3,453	17.1	3,442	16.1	2,350	15.7
Nine months ended September 30, 2022	12,544	30.7	2,950	34.9	2,965	35.3	2,032	35.9

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended September 30, 2023	128.88	124.12
Nine months ended September 30, 2022	112.68	107.48

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2023	14,442	11,307	76.2
As of December 31, 2022	14,559	10,598	71.0

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended December 31, 2022	–	40.00	–	56.00	–
Year ending December 31, 2023	–	40.00	–		
Year ending December 31, 2023 (Forecast)				48.00	88.00

3. Forecast of consolidated financial results for the year ending December 31, 2023 (from January 1, 2023 to December 31, 2023)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	19,640	15.2	4,692	20.0	4,692	19.4	3,213	17.9	176.79

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended September 30, 2023
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2023	18,330,000 shares	As of December 31, 2022	18,176,400 shares
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Number of treasury shares at the end of the period

As of September 30, 2023	482 shares	As of December 31, 2022	482 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended September 30, 2023	18,238,098 shares	Nine months ended September 30, 2022	18,033,655 shares
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Quarterly consolidated financial statements

Consolidated balance sheets

(Thousands of yen)

	As of December 31, 2022	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	10,189,830	9,214,768
Accounts receivable - trade and contract assets	2,502,414	2,623,670
Work in process	176,018	236,091
Other	94,191	806,383
Total current assets	12,962,455	12,880,914
Non-current assets		
Property, plant and equipment	60,510	87,509
Intangible assets		
Software	4,183	3,690
Other	289	289
Total intangible assets	4,473	3,980
Investments and other assets		
Investment securities	937,758	973,047
Other	594,310	496,869
Total investments and other assets	1,532,068	1,469,916
Total non-current assets	1,597,052	1,561,406
Total assets	14,559,507	14,442,321
Liabilities		
Current liabilities		
Accounts payable - trade	1,047,100	902,742
Current portion of long-term borrowings	80,940	29,792
Income taxes payable	990,049	348,260
Accrued expenses	1,403,809	425,603
Provision for bonuses	–	897,549
Other	412,464	515,994
Total current liabilities	3,934,364	3,119,942
Non-current liabilities		
Long-term borrowings	11,936	–
Long-term accounts payable - other	14,380	14,380
Total non-current liabilities	26,316	14,380
Total liabilities	3,960,680	3,134,322

(Thousands of yen)

	As of December 31, 2022	As of September 30, 2023
Net assets		
Shareholders' equity		
Share capital	1,069,134	1,082,075
Capital surplus	1,009,134	1,022,889
Retained earnings	8,019,533	8,619,556
Treasury shares	(1,310)	(1,310)
Total shareholders' equity	10,096,492	10,723,211
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	161,490	173,906
Foreign currency translation adjustment	74,310	103,672
Total accumulated other comprehensive income	235,800	277,578
Share acquisition rights	1,962	1,578
Non-controlling interests	264,572	305,630
Total net assets	10,598,827	11,307,998
Total liabilities and net assets	14,559,507	14,442,321

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

	(Thousands of yen)	
	Nine months ended September 30, 2022	Nine months ended September 30, 2023
Net sales	12,544,191	13,787,377
Cost of sales	8,884,709	9,514,655
Gross profit	3,659,482	4,272,722
Selling, general and administrative expenses	709,016	818,851
Operating profit	2,950,465	3,453,870
Non-operating income		
Interest income	4,934	5,675
Dividend income	1,493	1,485
Gain on sale of investment securities	3,440	5,566
Foreign exchange gains	5,756	4,081
Other	1,127	665
Total non-operating income	16,752	17,474
Non-operating expenses		
Interest expenses	785	225
Non-deductible consumption taxes	398	-
Unpaid additional tax, etc.	-	27,441
Other	145	1,267
Total non-operating expenses	1,329	28,933
Ordinary profit	2,965,888	3,442,411
Profit before income taxes	2,965,888	3,442,411
Income taxes - current	921,774	960,894
Income taxes - deferred	(17,320)	96,436
Total income taxes	904,454	1,057,331
Profit	2,061,434	2,385,080
Profit attributable to non-controlling interests	29,402	34,601
Profit attributable to owners of parent	2,032,032	2,350,478

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended September 30, 2022	Nine months ended September 30, 2023
Profit	2,061,434	2,385,080
Other comprehensive income		
Valuation difference on available-for-sale securities	35,843	12,415
Foreign currency translation adjustment	66,349	48,323
Total other comprehensive income	102,193	60,739
Comprehensive income	2,163,627	2,445,819
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,107,555	2,392,256
Comprehensive income attributable to non-controlling interests	56,072	53,562