



BASE

Q2 of Fiscal Year Ending December 2021
Materials for Financial Results Presentation

BASE, Inc.
(Tokyo Stock Exchange Mothers: 4477)
August 5 2021

- 1. Corporate Profile**
- 2. Executive Summary**
- 3. Results for Q2 of the Fiscal Year Ending December 2021**
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1. Corporate Profile

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.

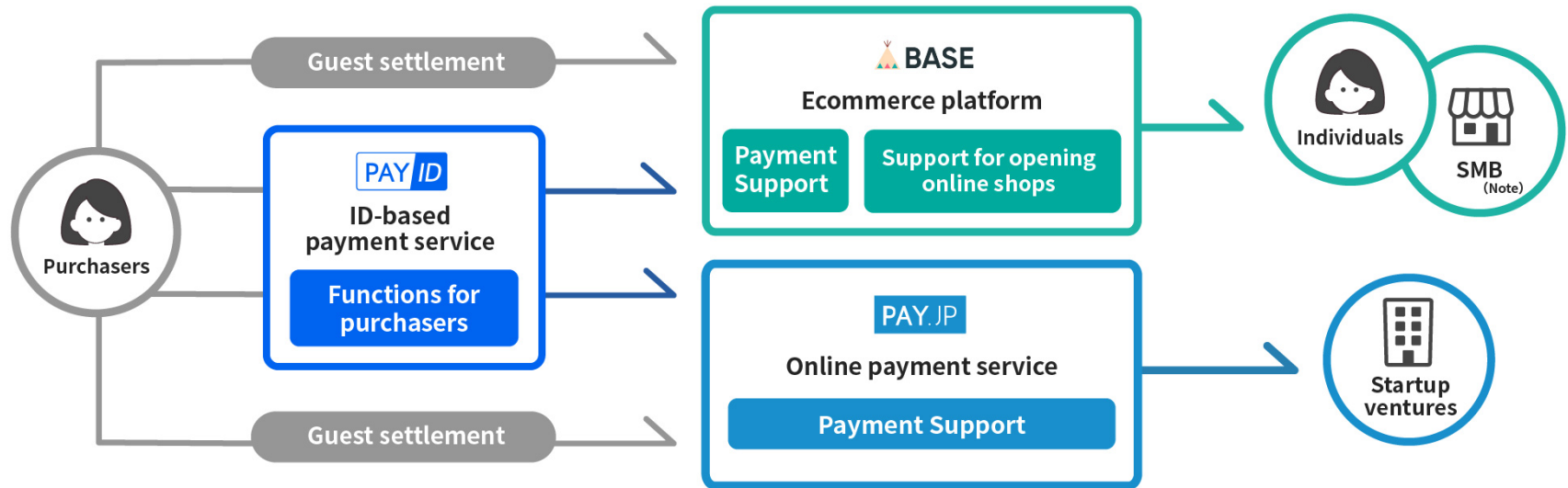
To give everyone a chance to transform his/her power into value.

To create new economy through a new payment platform.



Outline chart of Business

Focus on empowering individuals and SMBs_(Note) through "BASE"
and supporting startups through "PAY.JP"



2. Executive Summary

Topics

- **Consolidated GMV reached a record high of 41.5 billion yen owing to significant growth in the PAY business**
- **Monthly active shops grew significantly for the BASE business adding +4,000 shops over the previous quarter**

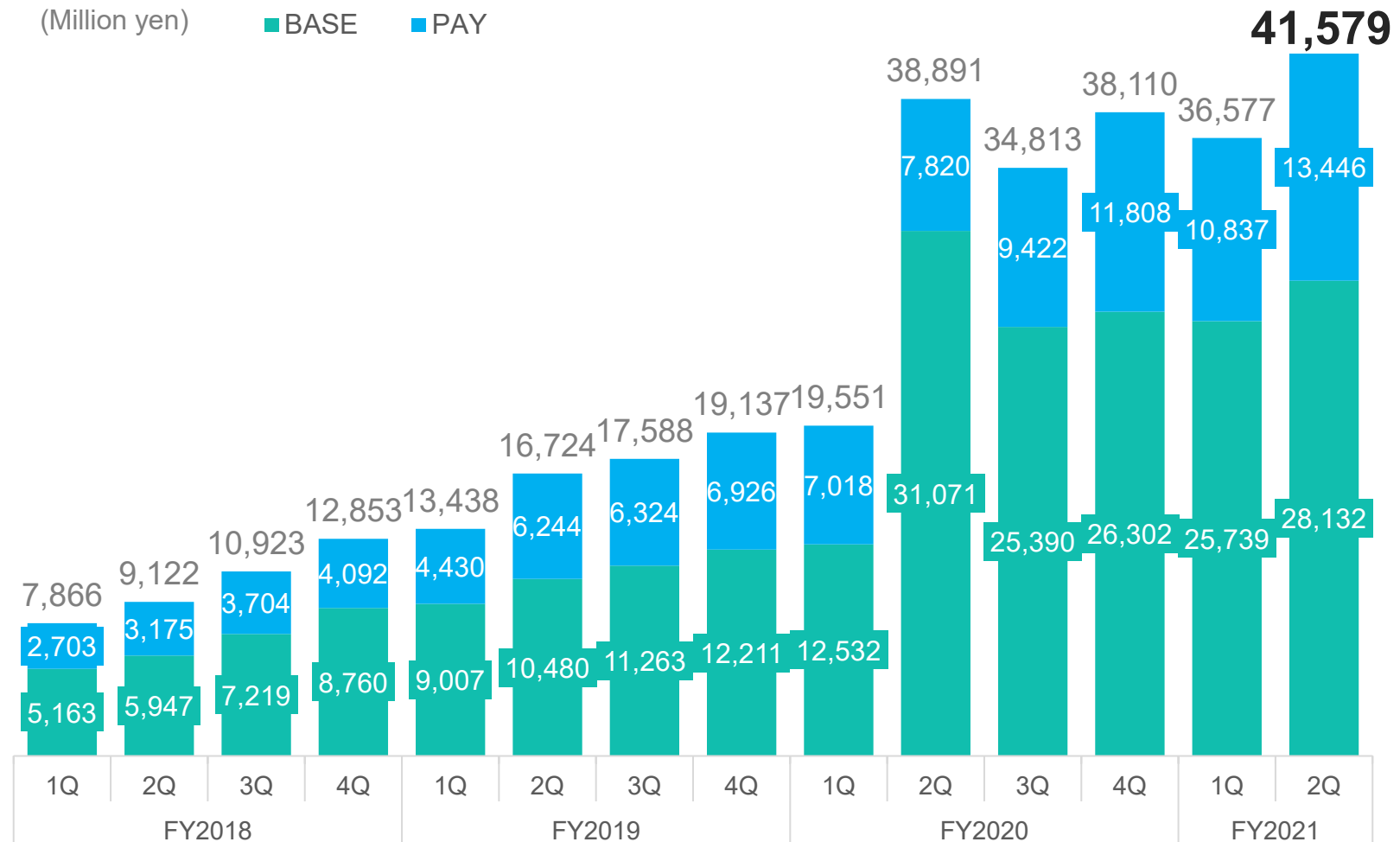
Results for Q2 of the Fiscal Year Ending December 31, 2021

- Consolidated net sales and gross profit on sales turned positive QoQ
- BASE business GMV turned positive QoQ due to **significant growth** in the number of monthly active shops
- PAY business GMV increased **+71.9%** YoY due to **continued growth by existing member merchants**

Earnings Guidance for Fiscal Year Ending December 2021 and Future Management Policies

- Consolidated net sales and gross profit on sales for 2Q ranged near the median of the earnings guidance, and are expected to remain within the range from 3Q onward
- Focus on empowering individuals and SMBs for the BASE business
- Strengthen forward-looking investments to establish a strong position in the long tail market and achieve sustainable growth

Consolidated GMV_(note) reached a **record high of 41.5 billion yen** due to significant growth in the PAY business

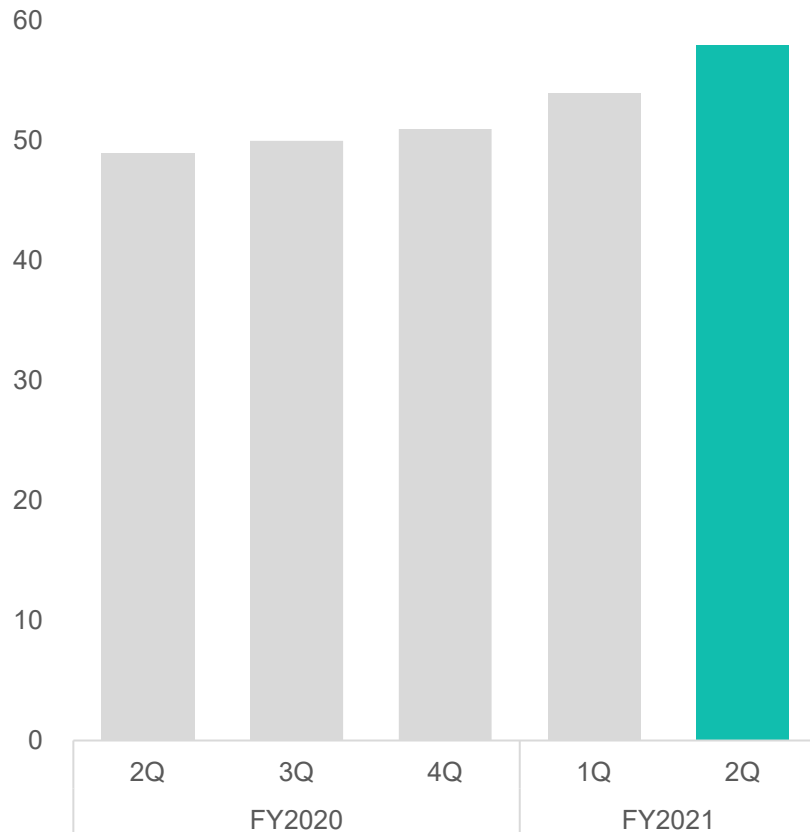


(Note) BASE's GMV is based on the order date (order amount). PAY's GMV is based on the payment date (payment amount)

Number of active shops_(note) for the BASE business **grew significantly** by +4,000 shops YoY

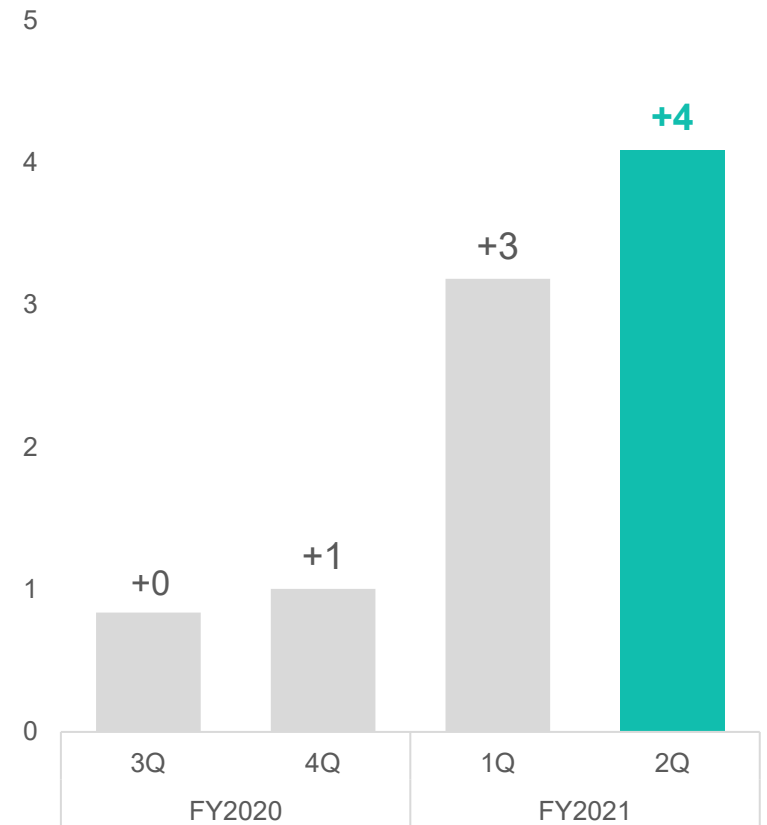
Monthly Active Shops (Note)

(Thousand Shops)



Increase in Number of Active Shops (QoQ)

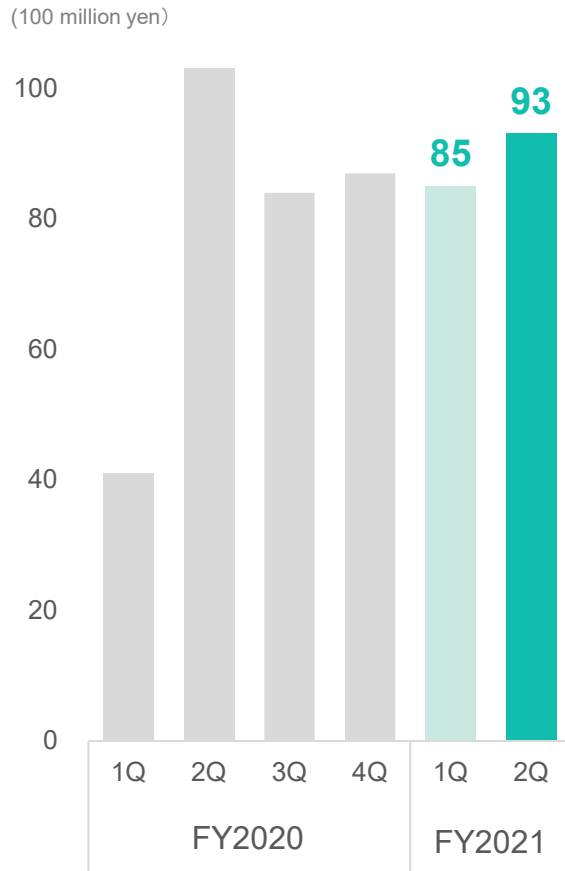
(Thousand Shops)



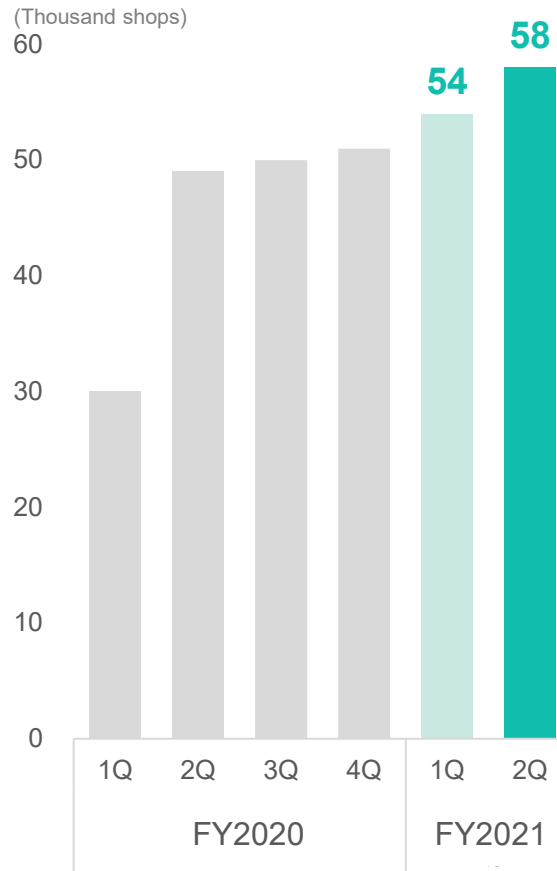
(Note) Number of active shops per month are the quarterly averages

GMV_(note1) for the BASE business turned positive QoQ due to **the significant growth in monthly active shops**_(note2)

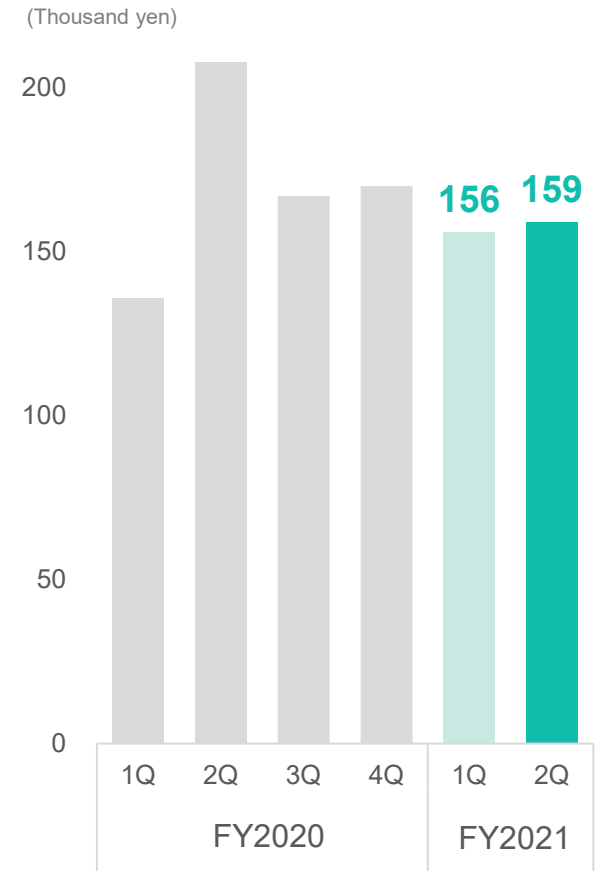
Monthly GMV (Note1,2)



Number of Monthly Active Shops (Note2)



Monthly Average GMV Per Shop

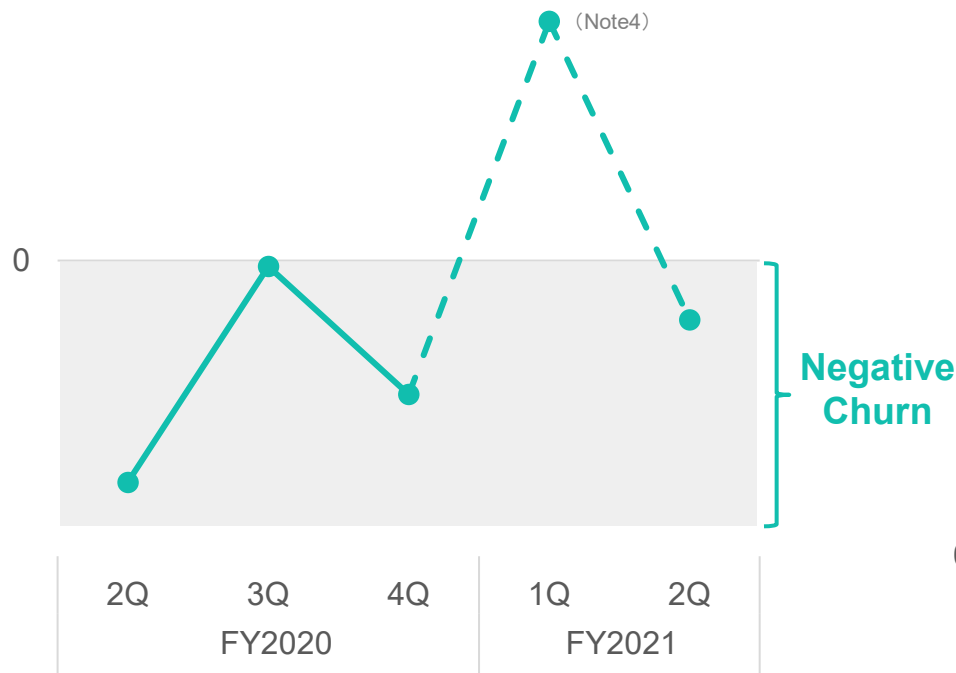


(Note) GMV is the order amount based on the order date
 (Note2) Monthly GMV and number of monthly active shops are quarterly averages

Top shops^(note1) have achieved negative churn and no churn was observed on a GMV basis

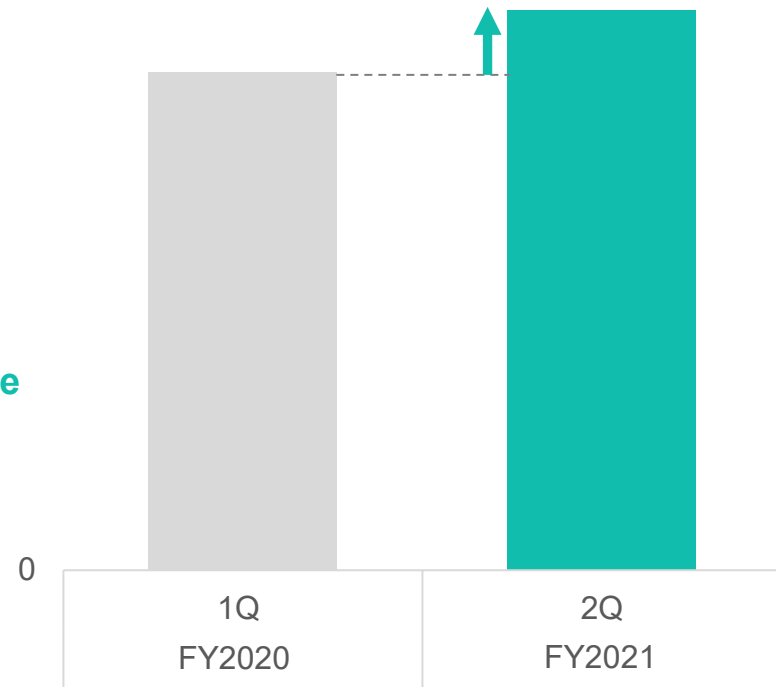
Net Churn Rate for Top Shops^(Note2)

(%)



GMV of Top Shops^(Note3)

(Yen)



(Note1) Shops with approximately 0.1% of monthly GMV in Q1 FY2020

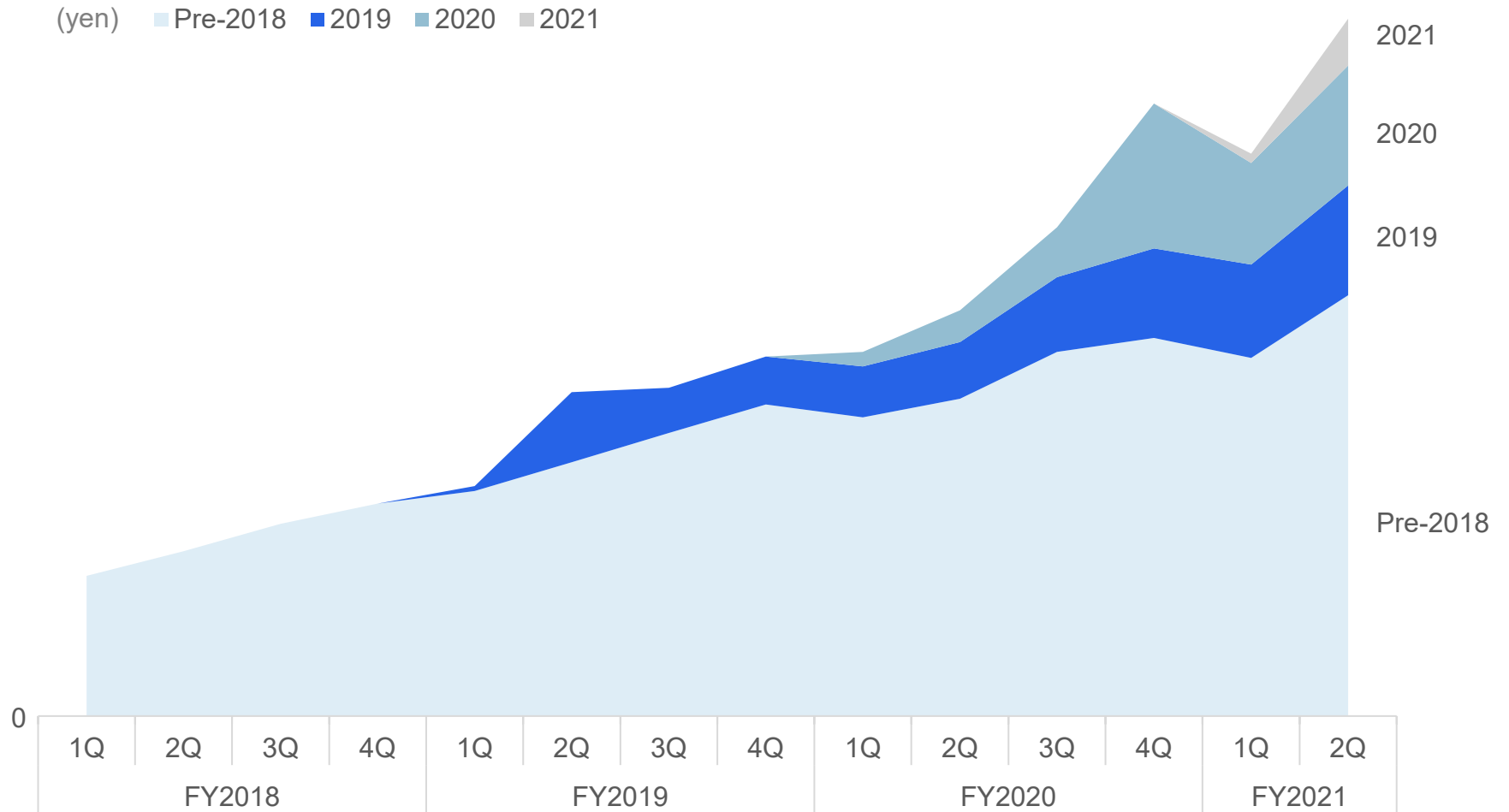
(Note2) Net GMV churn rate = ((Decrease in monthly GMV of the quarter) – (Increase in monthly GMV of the quarter)) / Total monthly GMV in the previous quarter

(Note3) Total GMV of top shops

(Note4) Main factor being the decrease in sales for each shop due to seasonality

PAY business GMV_(note) increased significantly at **+71.9%** YoY due to continuous growth by existing merchants

GMV Trend (By Registered Year)



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

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

- Focus on empowering individuals and SMBs for the BASE business
- 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 establish a strong position in the long tail market and achieve sustainable growth
- 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

3. Results for Q2 of the Fiscal Year Ending December 2021

Consolidated

Consolidated GMV (Note) increased significantly at **+71.9% YoY** to a historical high of **41,500 million yen** owing to high growth in the PAY business

Consolidated net sales and gross profit on sales grew positively over the previous quarter

BASE Business

GMV (Note) **turned positive QoQ** owing to the significant growth in the number of active monthly shops

Active shops per month grew significantly by **+4,000 shops** owing to both the opening of new shops and continued use by existing shops

GMV, net sales, and gross profit on sales decreased YoY due to the significant impact of COVID-19

PAY Business

With continuous growth by existing merchants, GMV_(note), net sales, and gross profit on sales grew **+71.9%**, **+70.4%**, and **+63.1%** respectively

Net sales and gross profit on sales turned positive over the previous quarter, owing to growth in both the BASE and PAY business

SG&A expenses increased as a result of forward-looking investments in promotional expenses and recruitment aimed at sustainable growth for the BASE business

(Million Yen)	FY 2021 2Q (April - June 2021)					FY2021 2Q (Jan - Jun 2021)		
	Results	Same period last year		Previous Quarter		Results	Same period last year	
		Results	YoY	Results	QoQ		Results	YoY
Net sales	2,446	2,557	-4.3%	2,237	+9.3%	4,684	3,681	+27.2%
Gross profit on sales	1,374	1,608	-14.5%	1,316	+4.4%	2,691	2,256	+19.3%
Gross profit rate	56.2%	62.9%	-6.7pt	58.8%	-2.6pt	57.4%	61.2%	-3.8pt
Selling, general and administrative expenses	1,658	968	+71.3%	1,302	+27.3%	2,961	1,644	+80.1%
Operating profit	-283	640	n/a	13	n/a	-270	612	n/a
Ordinary profit	-286	640	n/a	12	n/a	-273	613	n/a
Profit	-286	533	n/a	40	n/a	-246	503	n/a

As of the end of June 2021, cash and deposits were 23,027 million yen, **maintaining a strong financial base.**

(Million yen)	As of June 30, 2021	As of December 31, 2020	Change from the end of the previous fiscal year
Current assets	27,847	27,693	+0.6%
(of which, cash and deposits)	23,027	22,271	+3.4%
(of which, trade accounts receivable) *1	4,533	4,971	-8.8%
Non-current assets	855	811	+5.4%
(Investment securities)	439	435	+0.8%
Total assets	28,703	28,505	+0.7%
Current liabilities	12,598	12,224	+3.0%
(of which, trade accounts payable) *2	9,407	8,989	+9.8%
(of which, operating deposits) *3	2,842	2,589	+4.7%
Non-current liabilities	62	63	-1.1%
Total liabilities	12,661	12,287	+3.0%
Capital Stock	8,548	8,513	+0.4%
Capital surplus	7,358	7,323	+0.5%
Retained earnings	134	380	-64.7%
Valuation difference on available-for-sale securities	1	-0	-
Total net assets	16,042	16,217	-1.1%

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

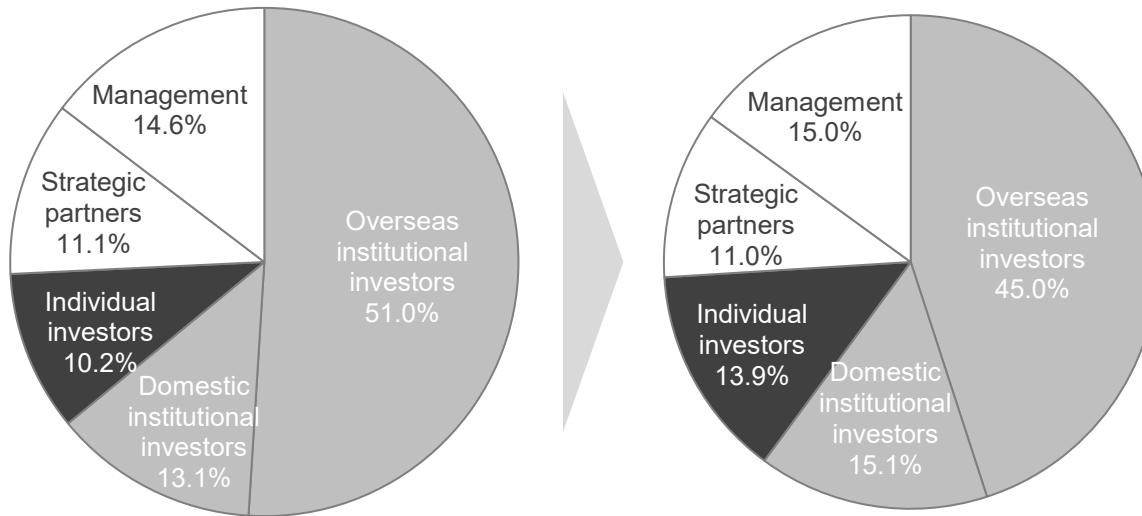
*2: Trade accounts payable: In the BASE business, outstanding amount of settlement to be paid by our company to shops.

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

A stock split of 1:5 which took effect on April 1st 2021 resulted in an increase of individual investors as well as a significant increase in the number of shareholders

Shareholder Composition

(%)

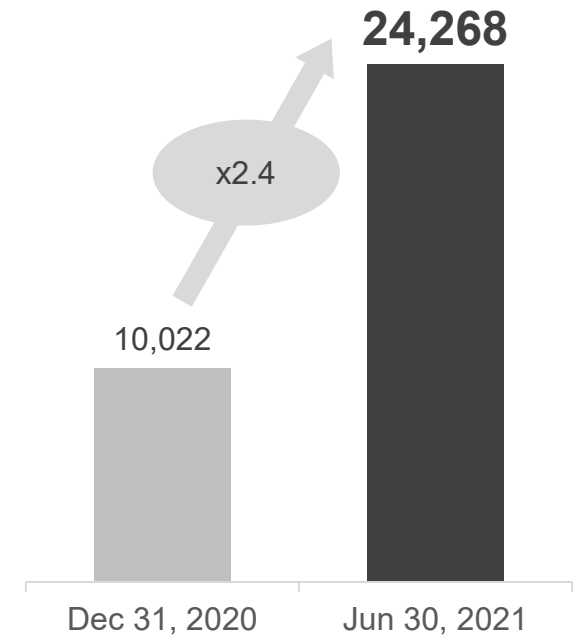


Dec 31, 2020

Jun 30, 2021

Number of Shareholders

(Persons)



(Correction) : Shareholder composition was incorrectly reported in the FY20 Q4 financial results material.

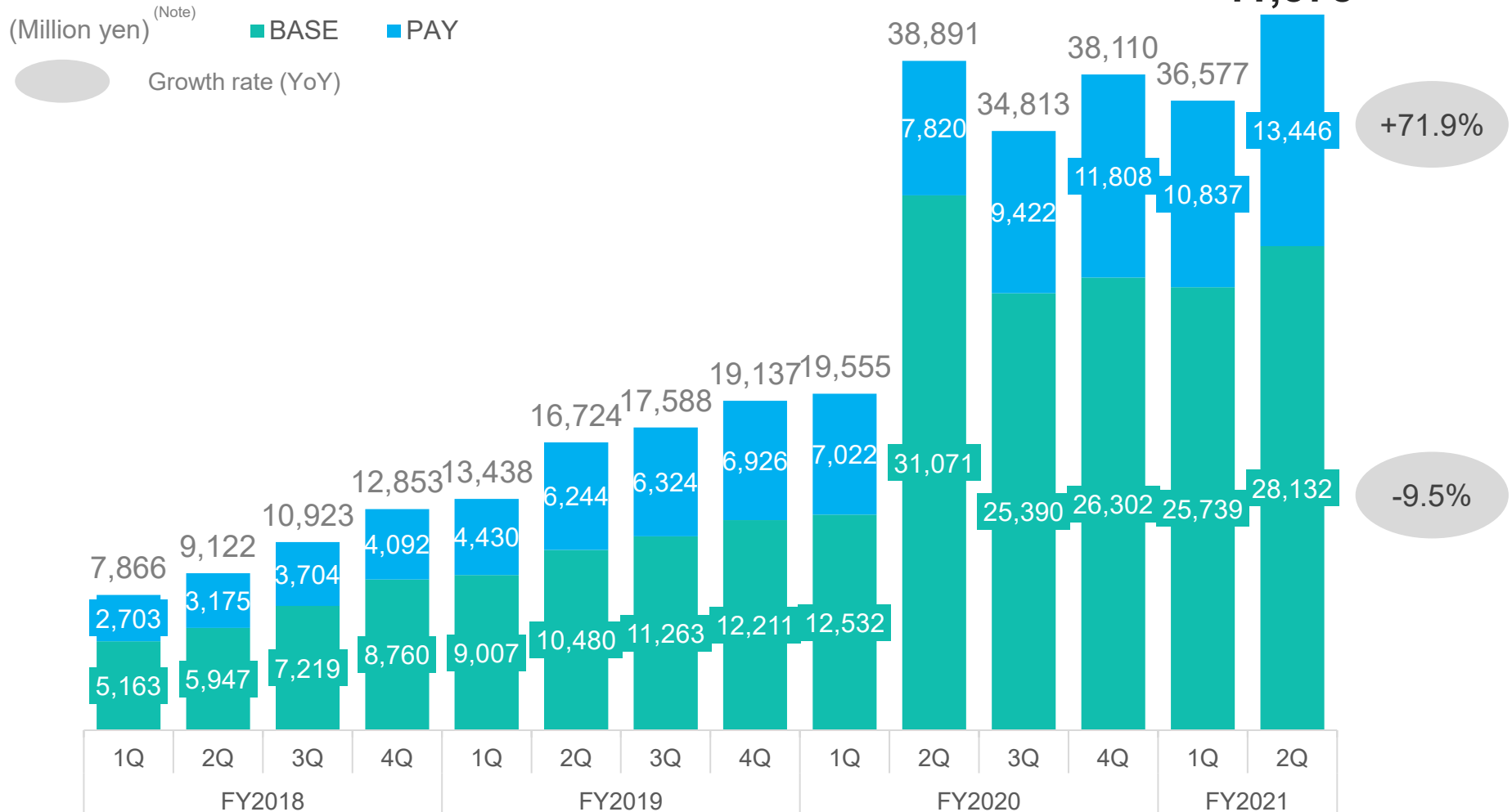
Management (original) 14.7% (corrected) 14.6%

Strategic partners (original) 11.7% (corrected) 11.1%

Individual investors (original) 9.5% (corrected) 10.2%

Base business GMV decreased YoY due to the effects of COVID-19

PAY business GMV grew significantly YoY at **+71.9%** owing to continuous growth by existing merchants



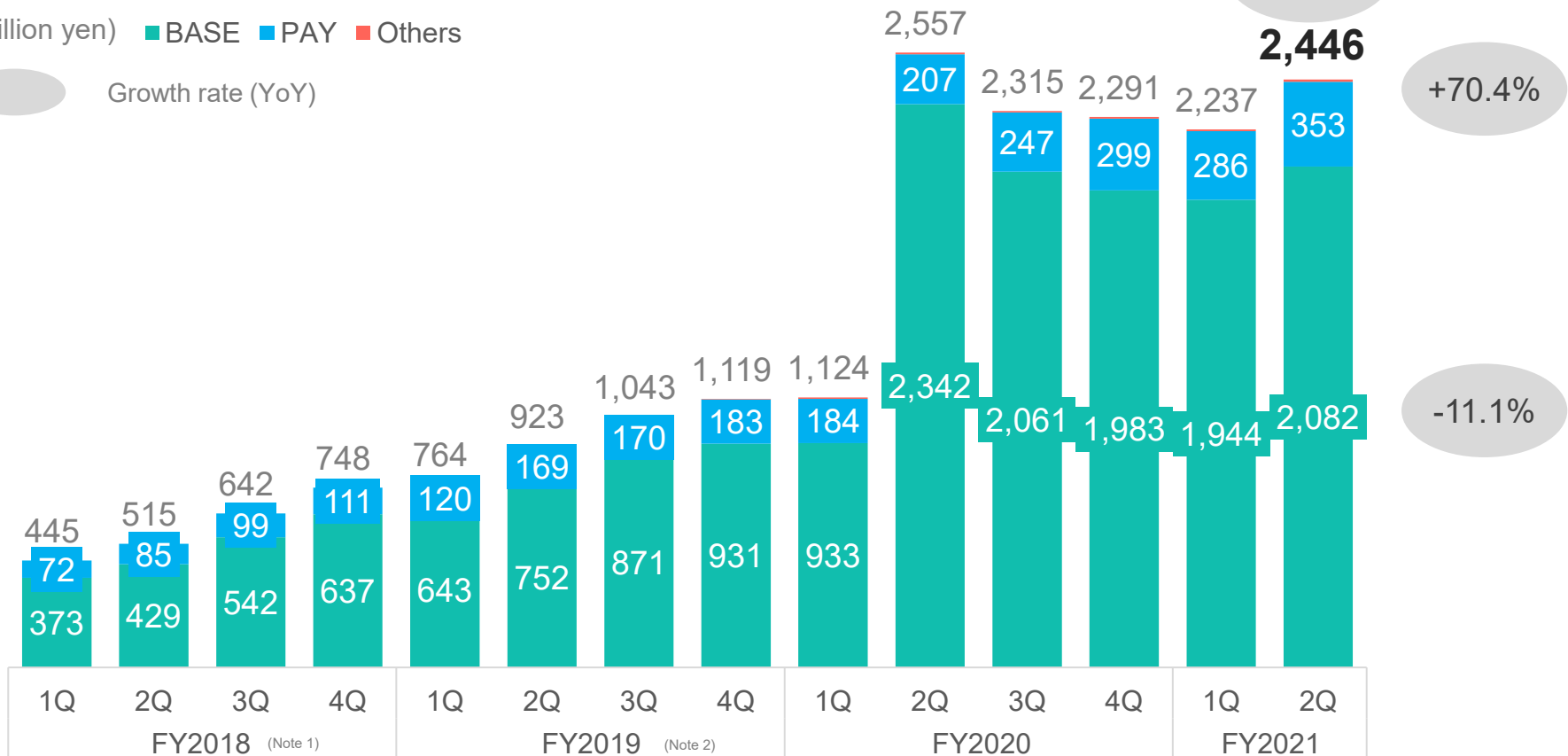
(Note) BASE's GMV is based on the order date (order amount). PAY's GMV is based on the payment date (payment amount).

Consolidated net sales turned positive QoQ owing to increases in both the BASE and PAY business

PAY business grew significantly at **+70.4%** YoY while BASE business decreased due to a decrease in GMV

(Million yen) ■ BASE ■ PAY ■ Others

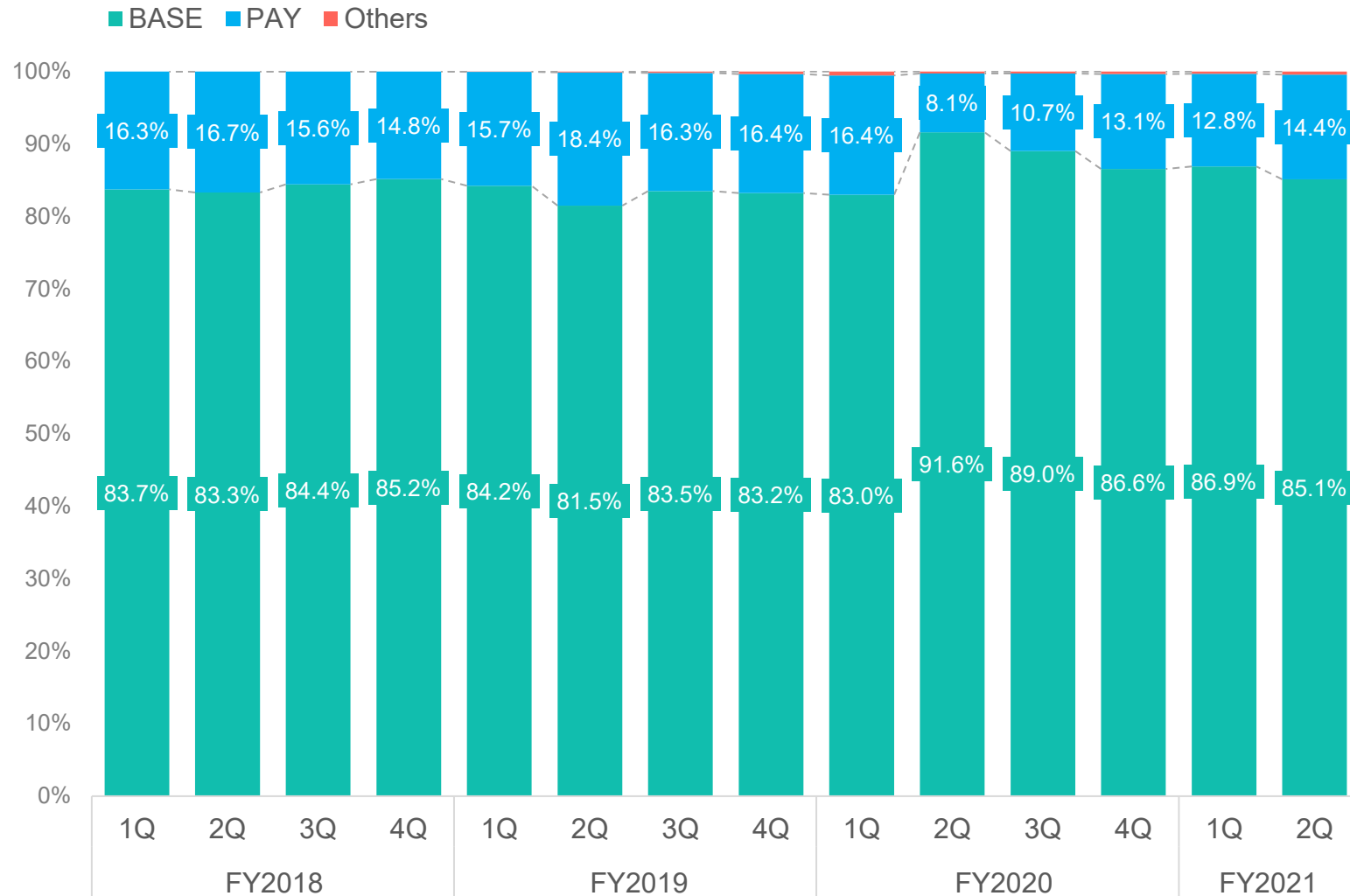
○ Growth rate (YoY)



(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.

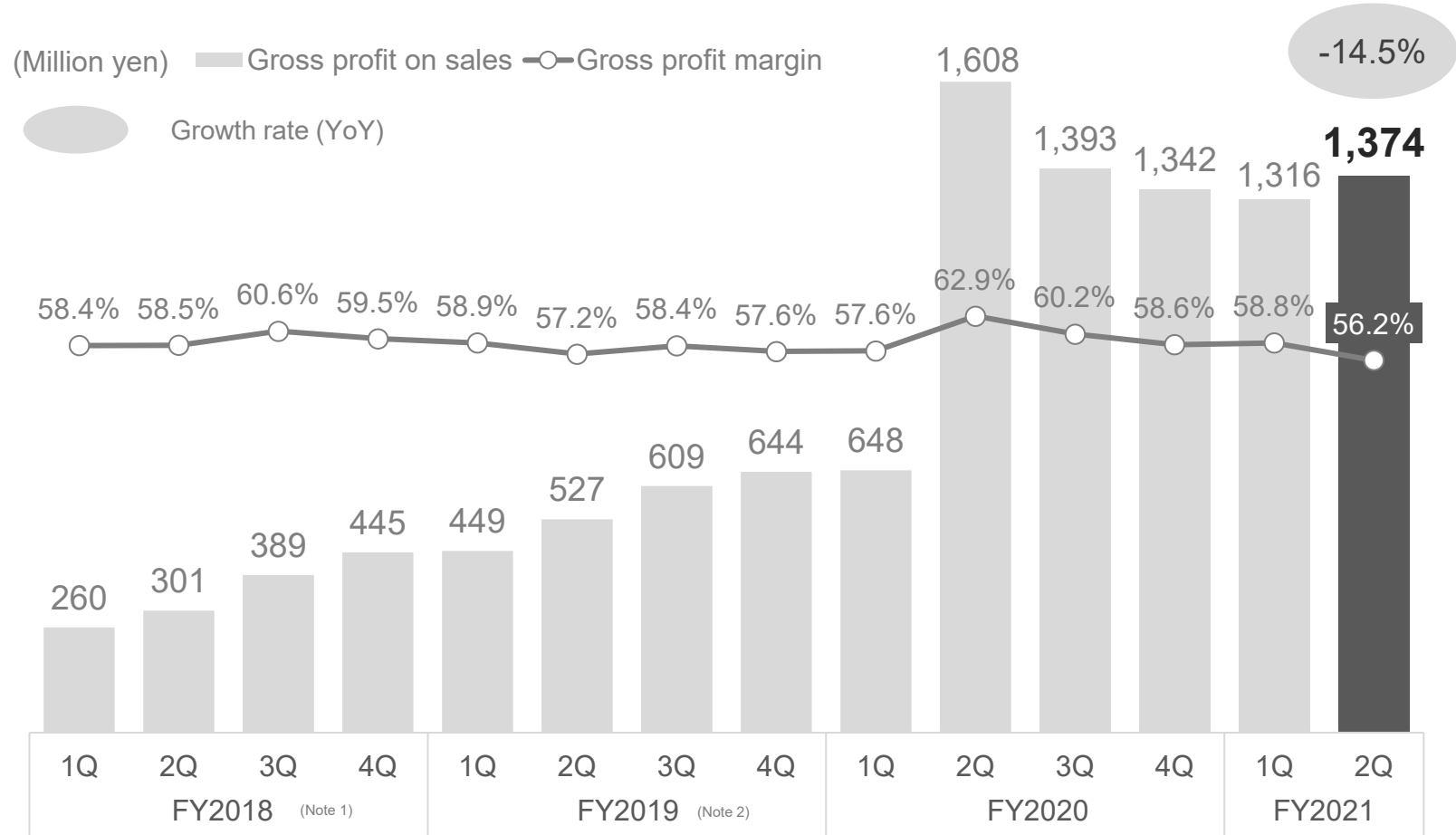
The sales composition ratio of the BASE business decreased due to an increase in the PAY business



Consolidated gross profit on sales turned positive with increases in both the BASE and PAY business

YoY decreased due to a decrease in GMV in the BASE business despite significant growth in the PAY business

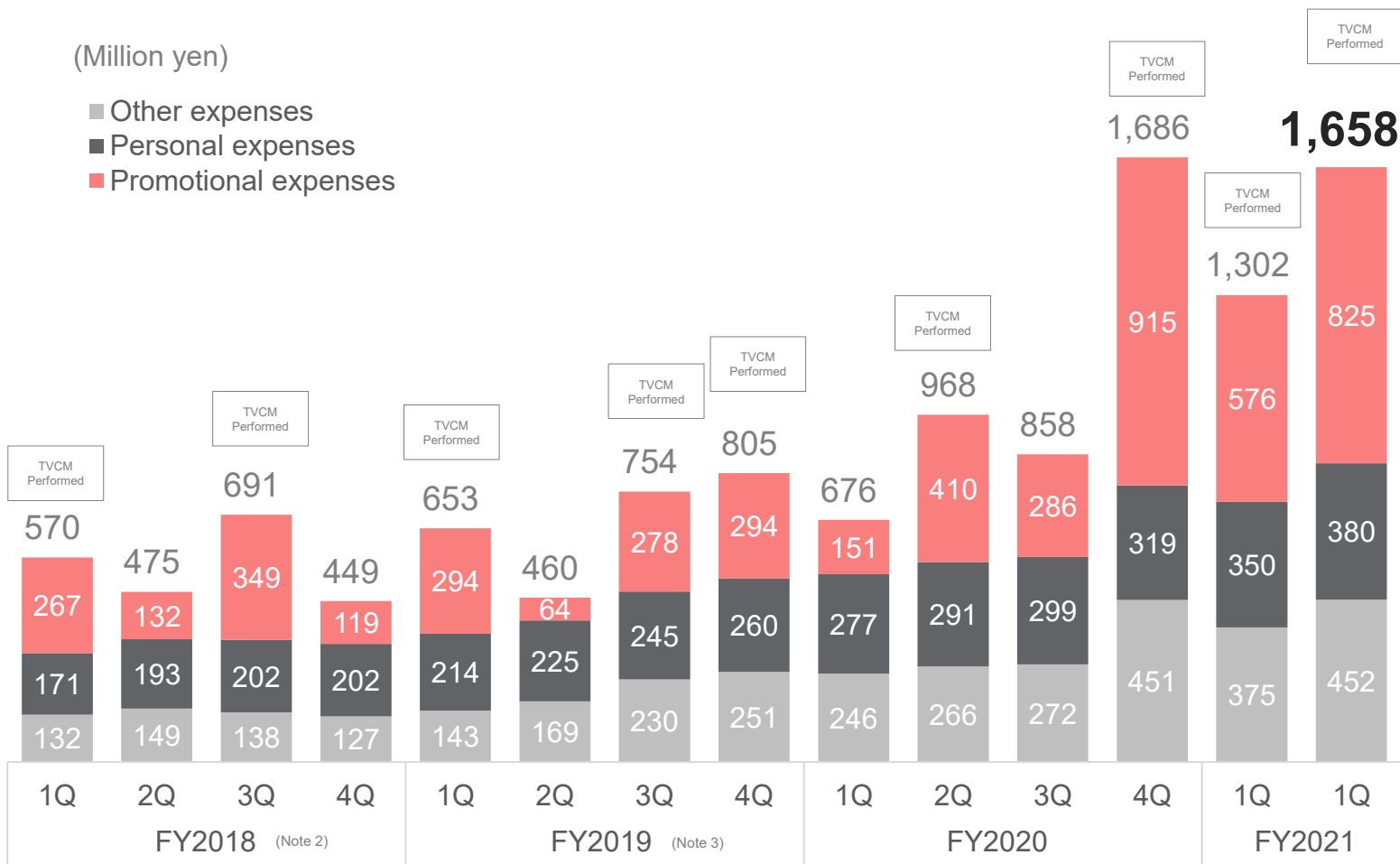
Consolidated gross profit margin decreased QoQ due to a decrease in the sales composition of the BASE business



(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.

- **SG&A increased +355 million yen (+27.3%) QoQ due to increases primarily in promotional expenses for the BASE business**
- Promotional expenses increased as a result of forward-looking investments aimed at sustainable growth for the BASE business
- Personnel expenses and other expenses (Note1) increased as a result of new recruitment activities aimed primarily at product enhancement



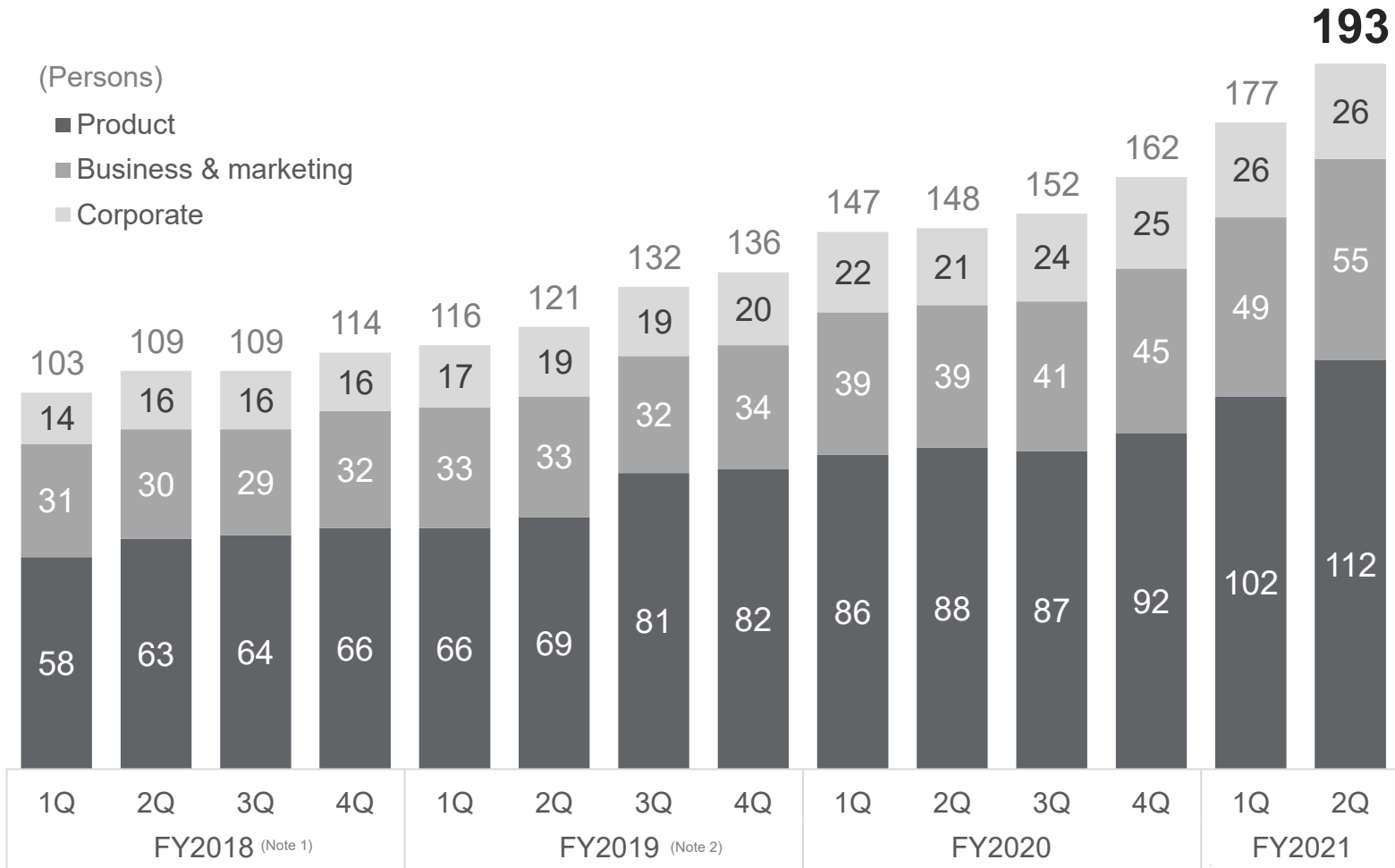
(Note 1) Other expenses consist mainly of office expenses, system expenses, remuneration and outsourcing expenses, and taxes.

(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.

Number of employees increased steadily with **+45 headcounts (+30.4%) YoY**

Continued policy for strengthening products personnel for further expansion of services



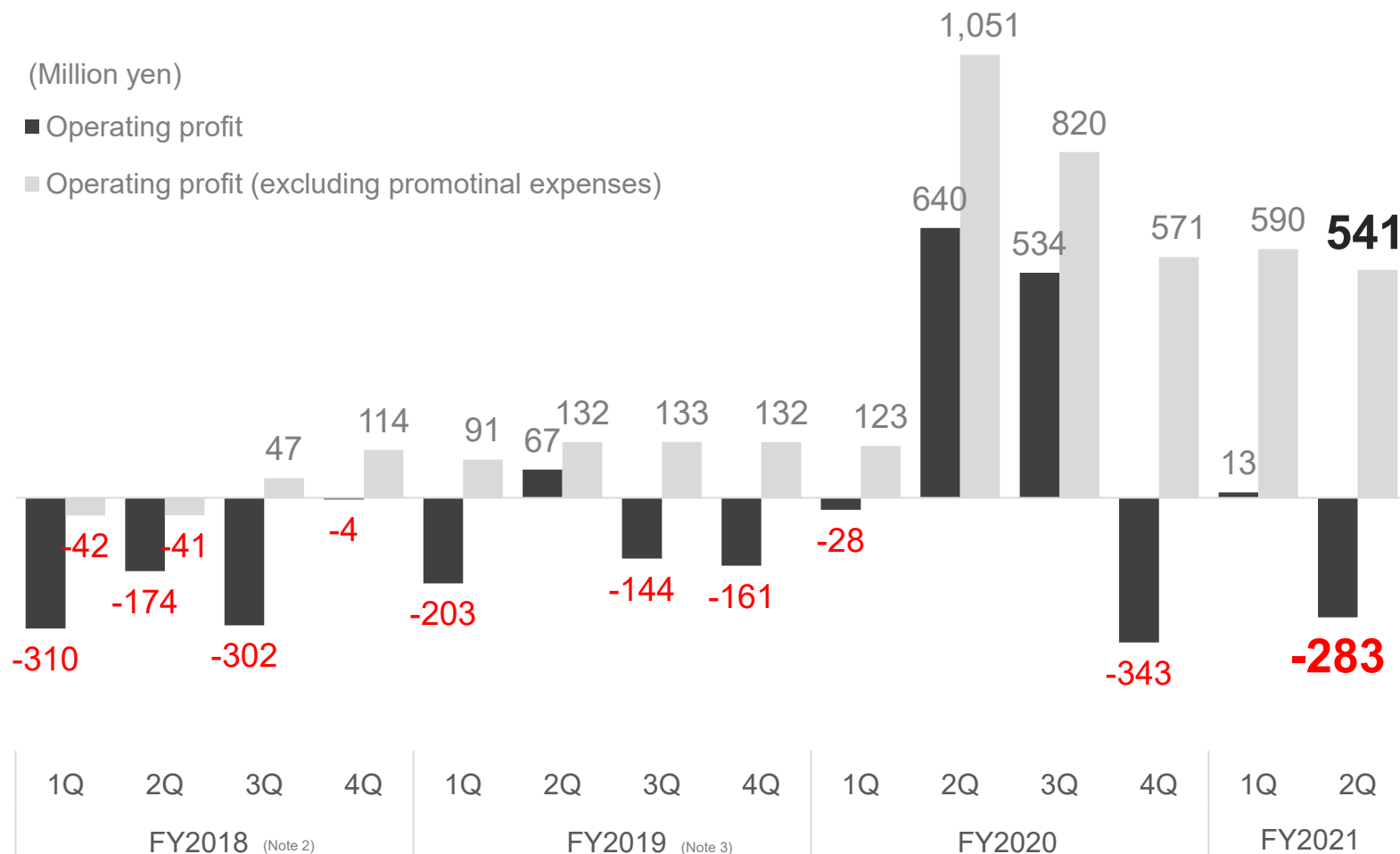
(Note 1) Because PAY business was consolidated through the incorporation-type company split in the fiscal year ended December 2018, only figures for PAY, Inc. are consolidated in the fiscal year ended December 2018.

(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 persons seconded to subsidiaries as Directors.

Operating loss of **-283 million yen** as a result of increase in SG&A, primarily in promotional expenses

Operating profit (excluding promotional expenses) slightly decreased QoQ due to an increase in personnel expenses and other expenses (Note1) for recruitment activities



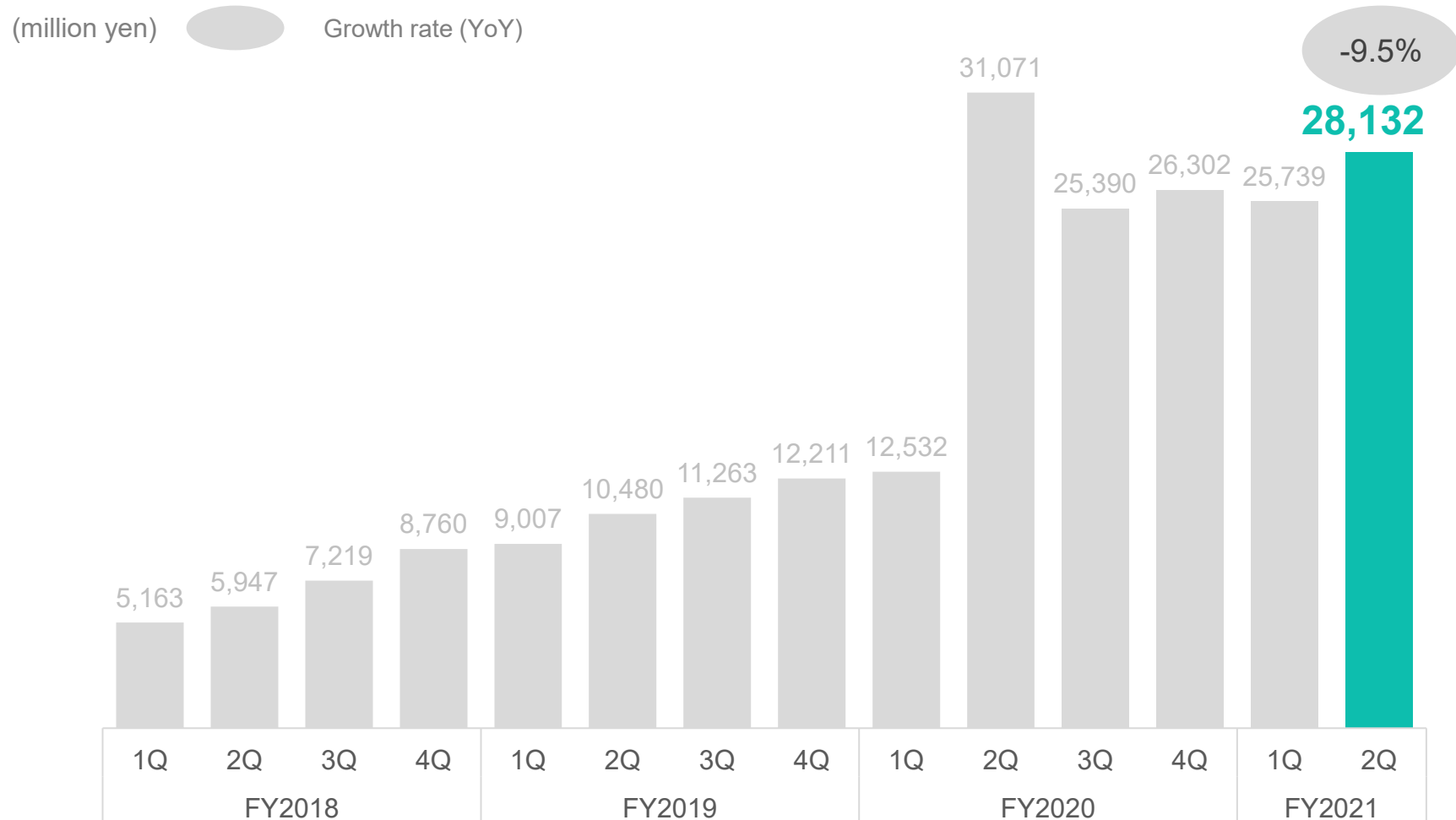
(Note 1) Other expenses are SG&A expenses excluding promotional costs and personnel expenses.

(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 turns positive QoQ owing to a significant increase in monthly active shops

Decrease in YoY growth due to the effects of COVID-19

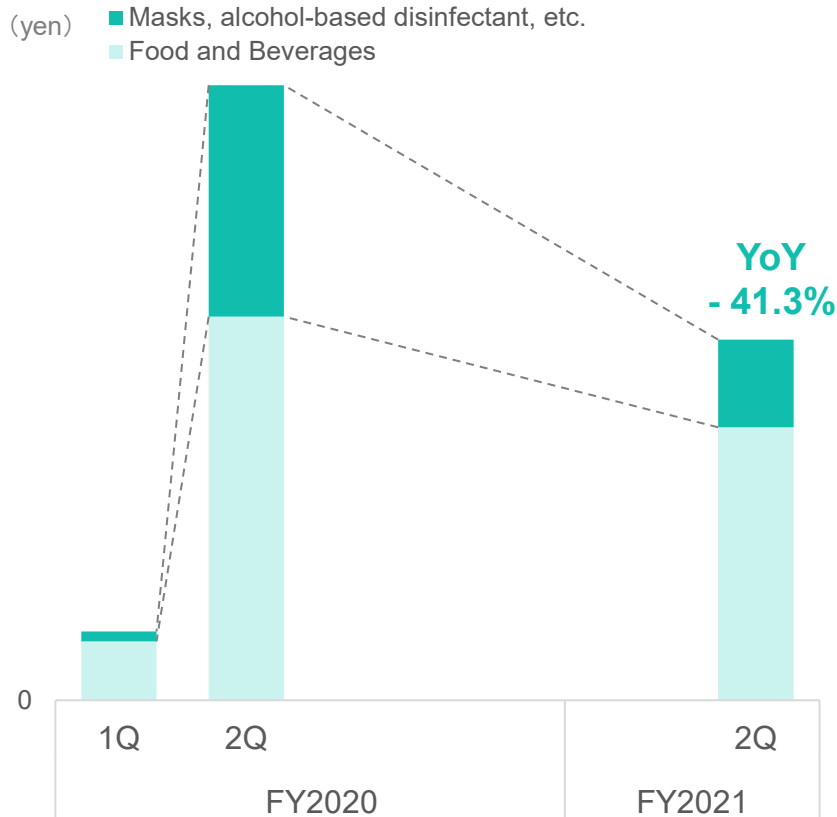


(Note) GMV is based on the order date (order amount)

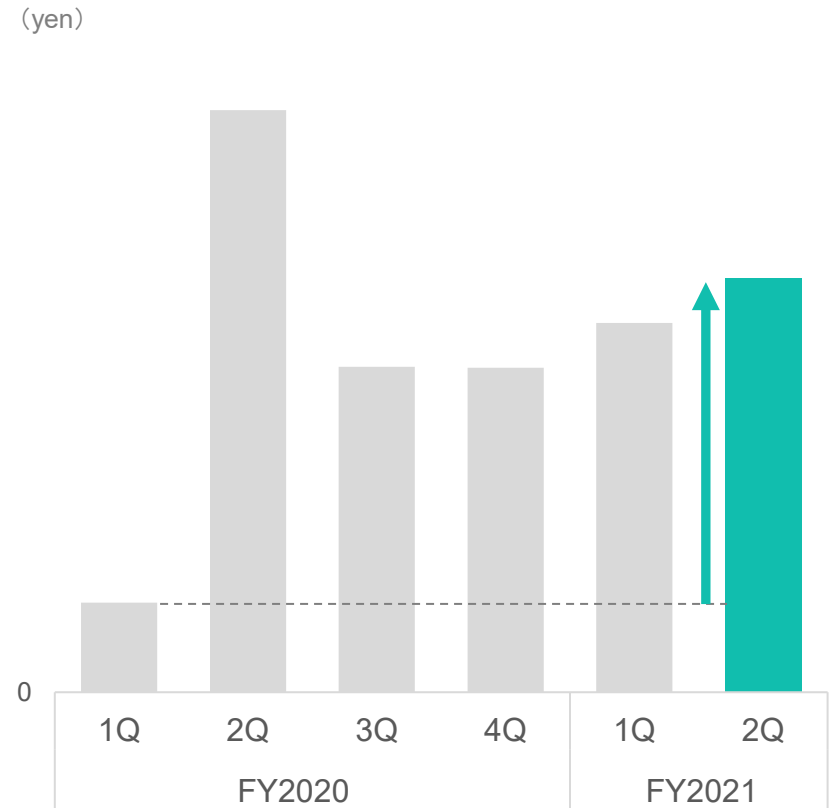
GMV of food and beverage, and hygiene products decreased YoY due to COVID-19

Food and beverages category continues to grow with significant increases compared to Pre-COVID-19 GMV levels

GMV Trends for Categories and Products Most Affected by COVID-19



GMV for Food and Beverages

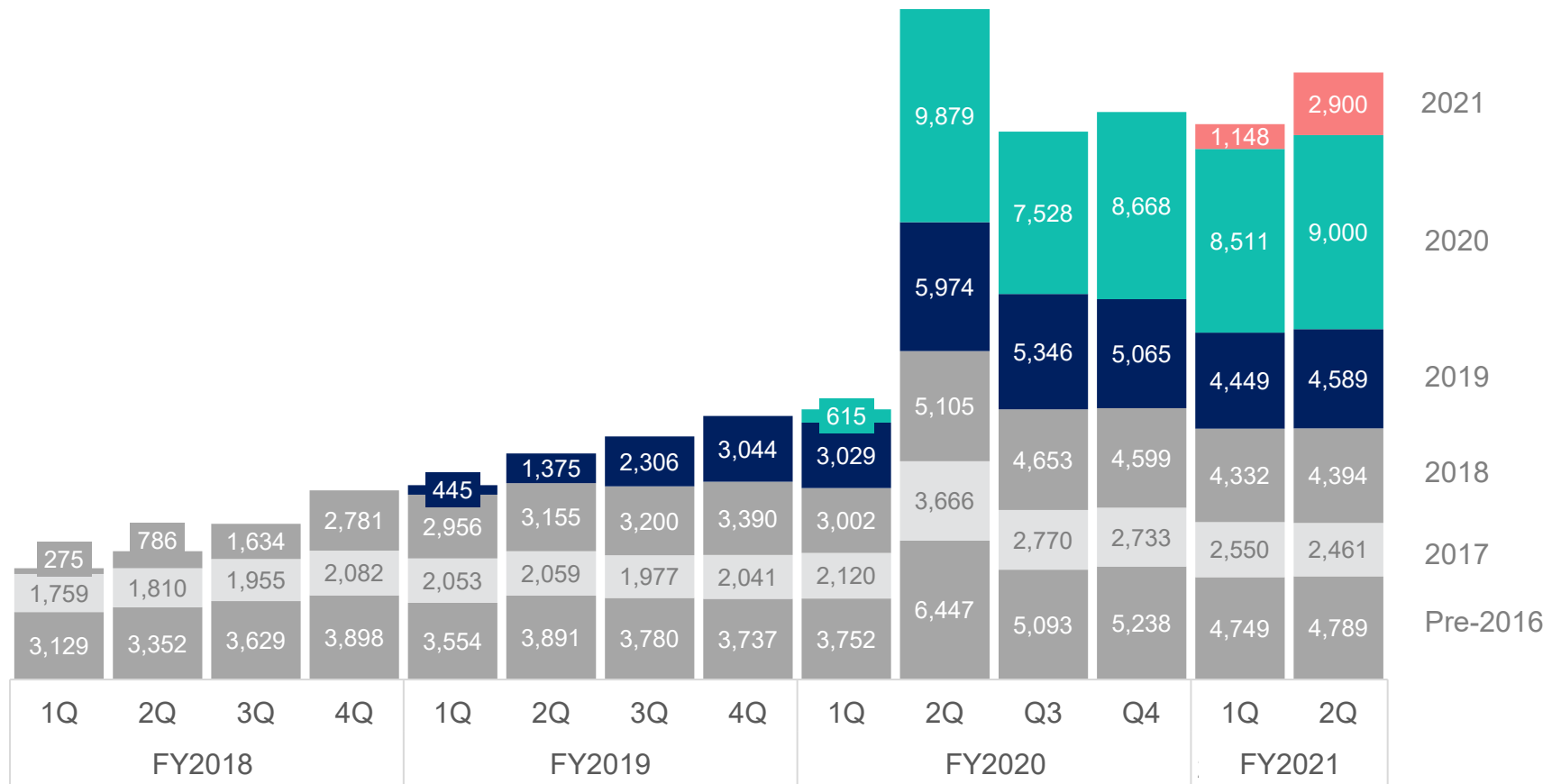


(Note) GMV is based on the order date (order amount)

GMV increased QoQ owing to growth in existing shops in or before 2020
In addition, new shops opened in 2021 steadily added to GMV

GMV Trend (By Year of Establishment)

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

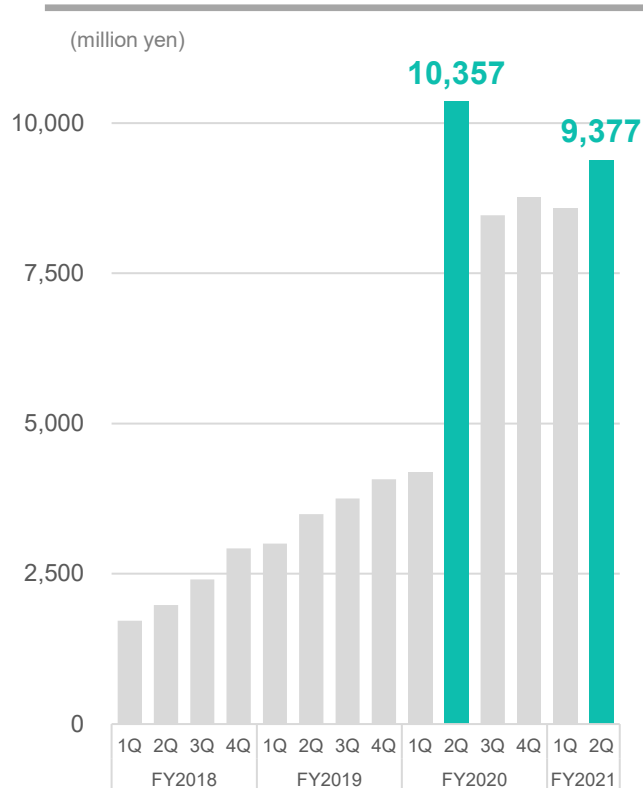


(Note) GMV is based on the order date (order amount)

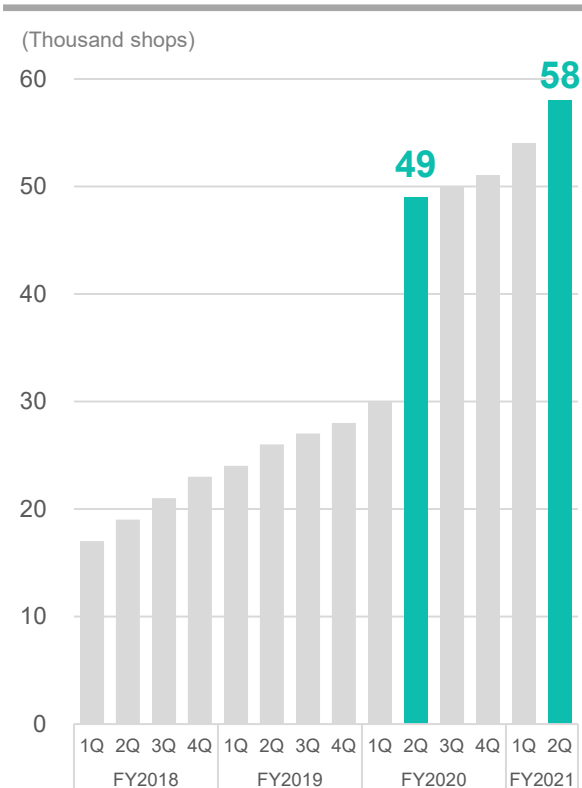
Number of active shops maintains growth at **+18.3%** YoY even after a sharp increase due to COVID-19

On the other hand, monthly average GMV per shop decreased YoY due to lower COVID-19 related consumption

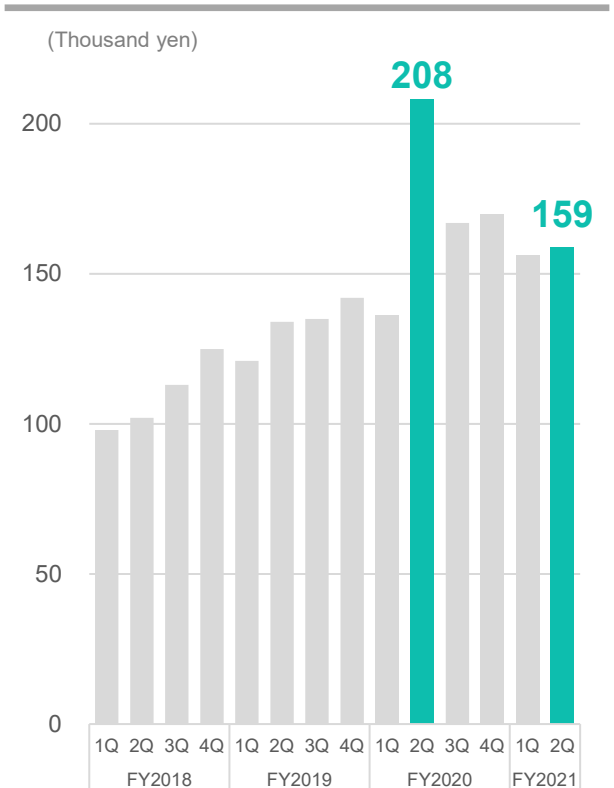
Monthly GMV (Notes 1, 2)



Number of Monthly Active Shops (Note 2)



Monthly Average GMV Per Shop

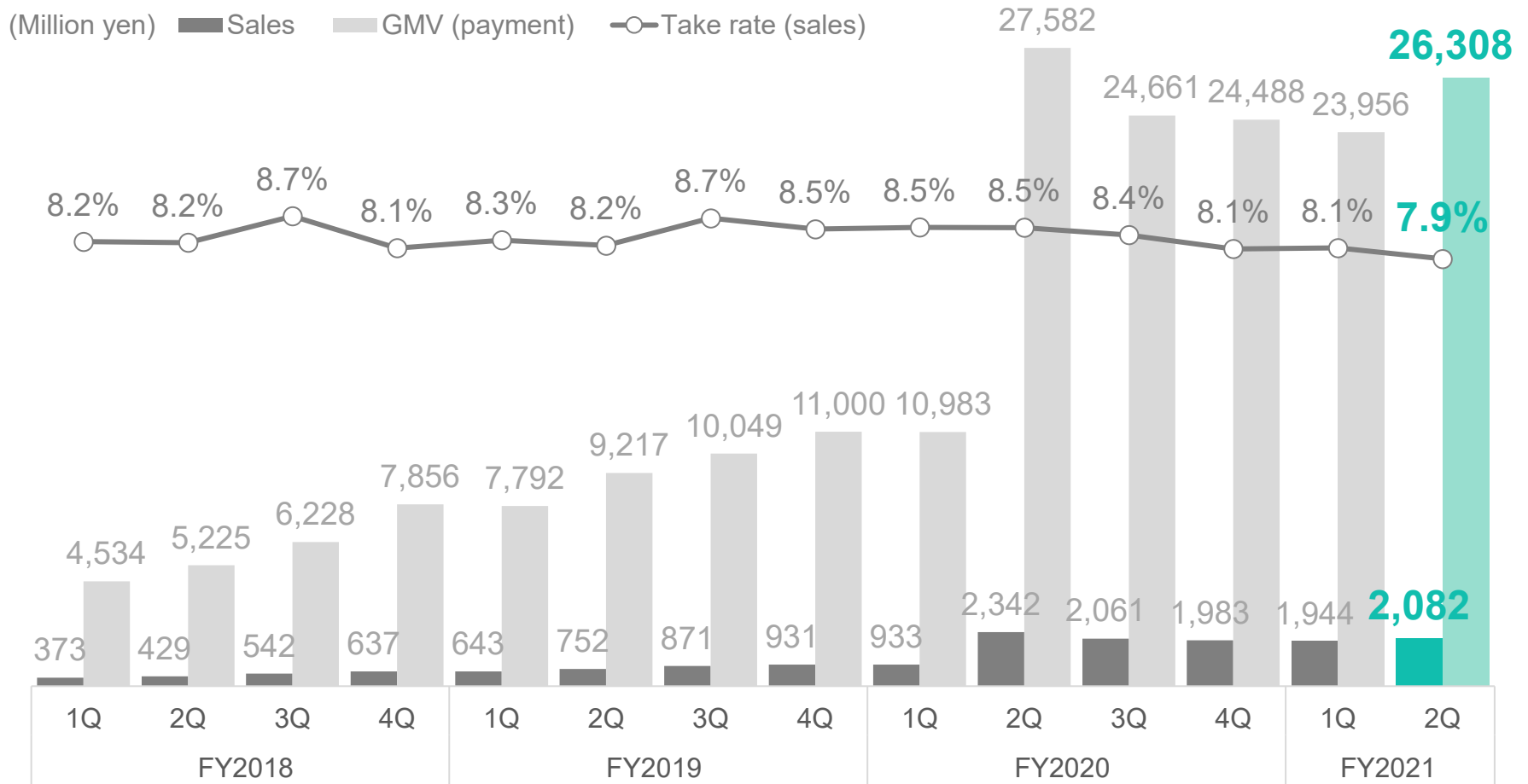


(Note 1) BASE's GMV is based on the order date (order amount).

(Note 2) Monthly GMV and the number of monthly active shops are the quarterly averages.

Decrease in GMV (payment amount)^(note1) YoY, but increase QoQ

Take rate decreased QoQ primarily due to a decrease in purchasers' commission^(note2)

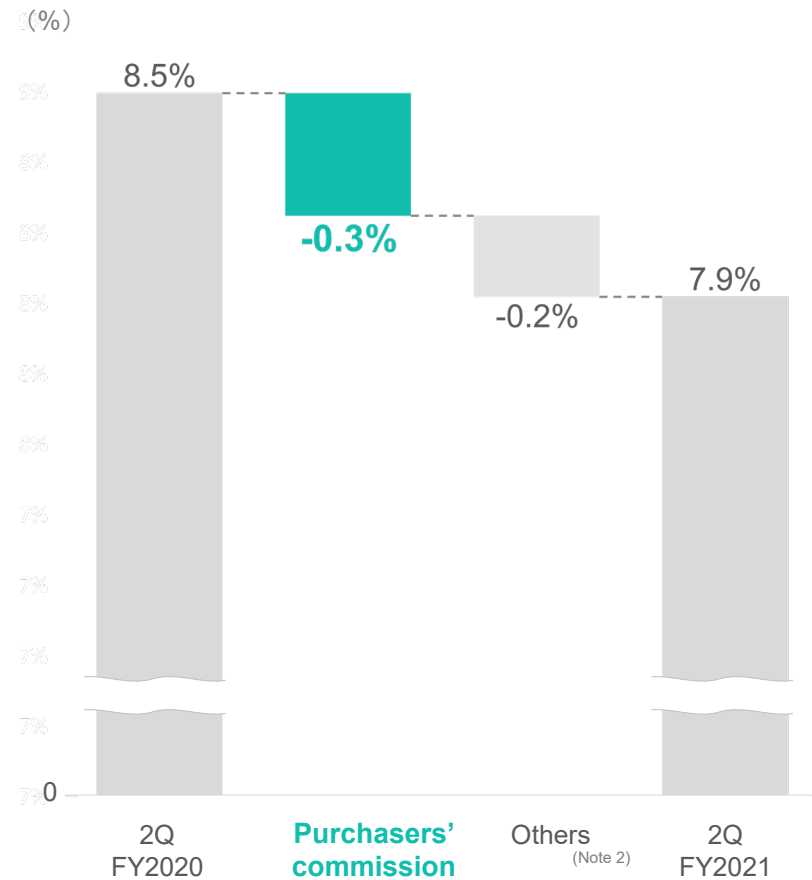


(Note1) Of the total amount of orders (GMV based on the order date), GMV (payment amount) is the amount that has been paid, and is recorded in the month of payment date. There is monthly time lag from order to settlement because the order date and settlement date are different. Also, the amount of GMV 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).

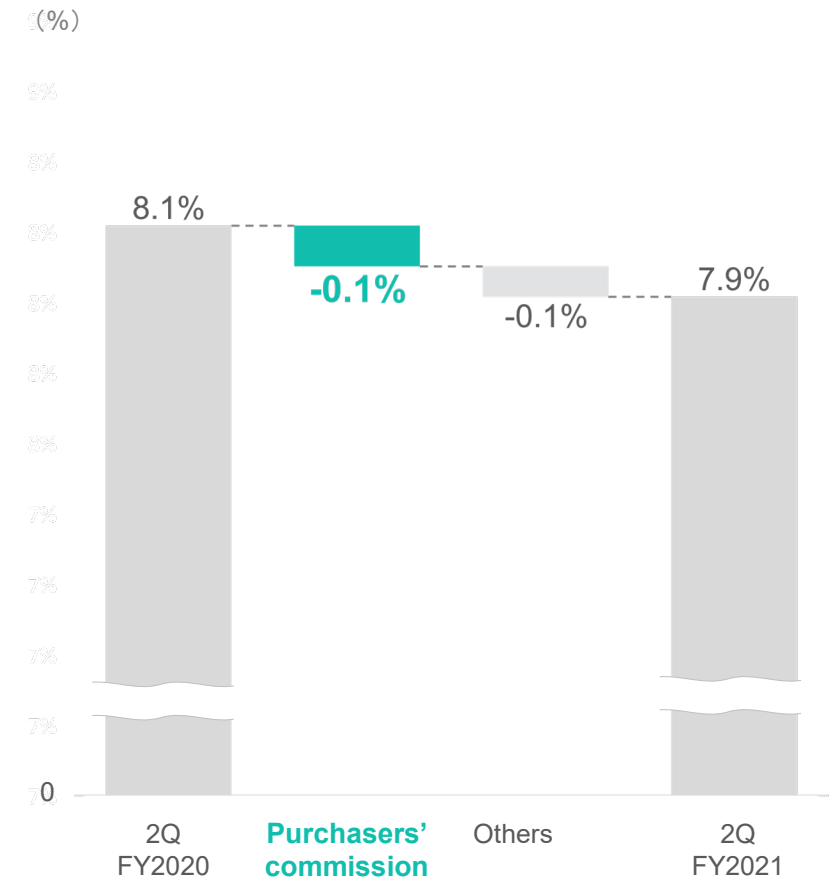
(Note2) No purchasers' commissions are charged for credit card payment, bank transfer, and Paypal, but 300 yen of additional commissions are charged to purchasers for convenience store payment, deferred payment, and carrier payment. Accordingly, the lower the payment ratio of convenience store payment, deferred payment, and carrier payment, the lower the take rate.

The decline in take rate_(note1) is primarily due to a decrease in purchasers' commission

Factors Affecting Take Rate (YoY)



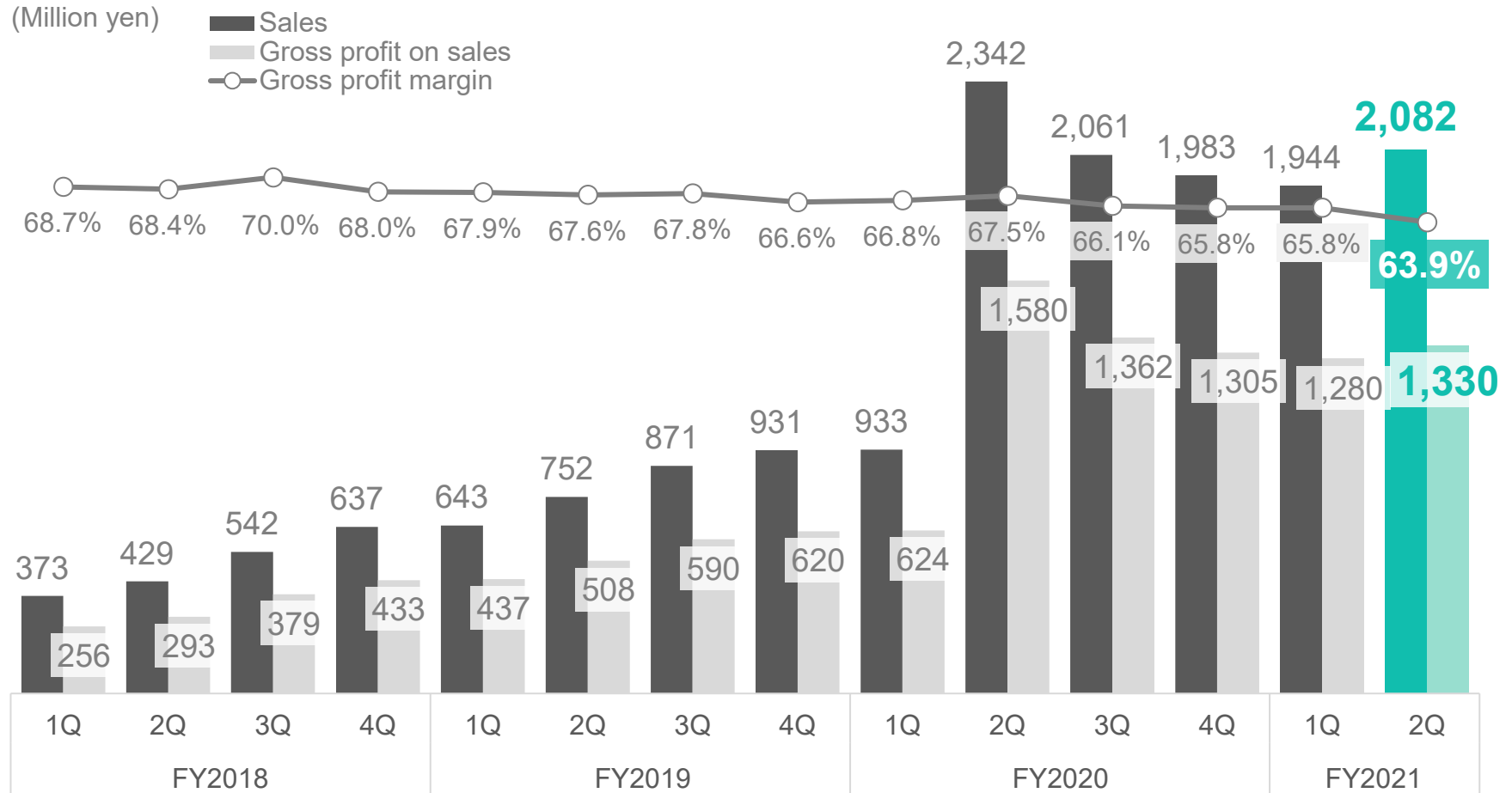
Factors Affecting Take Rate (QoQ)



(Note1) Ratio of net sales over GMV (payment amount)
 (Note2) Payment commissions and service usage fees etc.

Net sales and gross profit on sales were negative YoY, although increases in GMV growth **turned both to positive increases QoQ**

Gross profit margin declined due to a QoQ decrease in take rate and increase in cost of sales ratio (note)



(Note) Ratio of the cost of sales over GMV (payment amount)

The number of new shops opened remains high, driving growth in the number of monthly active shops

The cumulative number of shops openings reached **1.5 million** in May 2021

 **BASE** Trends in the total number of shops created through BASE



(Note)The online shop opening track record is taken from a survey by Macromill, Inc.

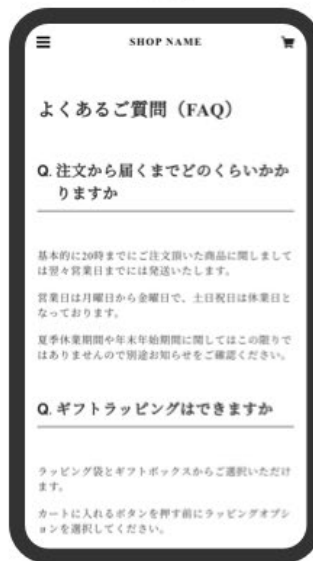
Launch of the “Page Addition App”

Use the app not only to design a net shop, but to build a web page, enabling to freely express the appeal of brands and product information

空白ページから自由にデザイン



FAQ



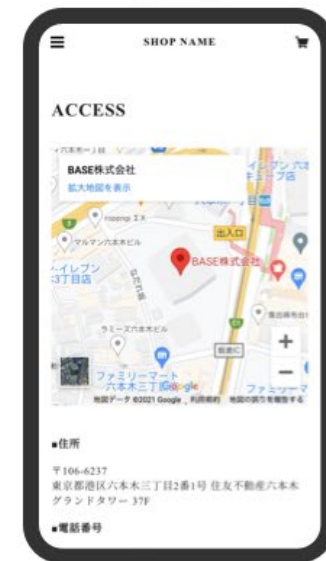
SHOPPING GUIDE



STORY



ACCESS



- Enables adding new pages to online shops
- In addition to the original pages that can be freely designed from scratch, 4 additional layout pages (FAQ, shopping guide etc) are available to suit needs
- Pages added using the “Page Addition App” can be freely customized with contents using the store design function in all layouts

Launch of integration app with crowdfunding and POS register services

External collaboration to support a wide range of stores to raise funds or centrally manage inventory with physical shops

CAMPFIRE Integration App^(note1)

Link BASE account information, and access “CAMPFIRE” to launch new crowdfunding projects



The largest crowd funding platform in Japan

CAMPFIRE
The place to attract
funding and partners



Easily accessible for
all sizes and genres



Convey passion
for your products



Reliable support
functions

※Based on yearly transacted cases (Surveyed by CAMPFIRE)

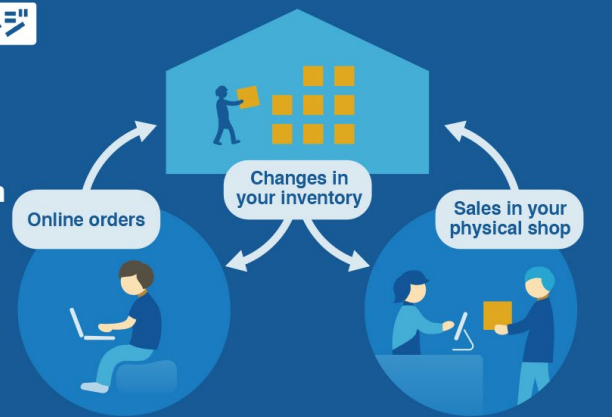


Smaregi Inventory Integration App^(note2)

Enables centralized management of product inventory between physical and online shops
Increase operational efficiency and avoid “oversales” and “missed sales”



Share inventory
information between
your physical and
online shop



(Note1) “CAMPFIRE” is a crowdfunding site provided by CAMPFIRE, Inc. that enables anyone to easily raise funds

(Note2) “Smaregi” is a cloud POS register provided by Smaregi, Inc.

Relocation and remodel opening of “SHIBUYA BASE”, a space for net shops to open physical shops
In addition to apparel and general merchandise, sales of food and beverages are now possible

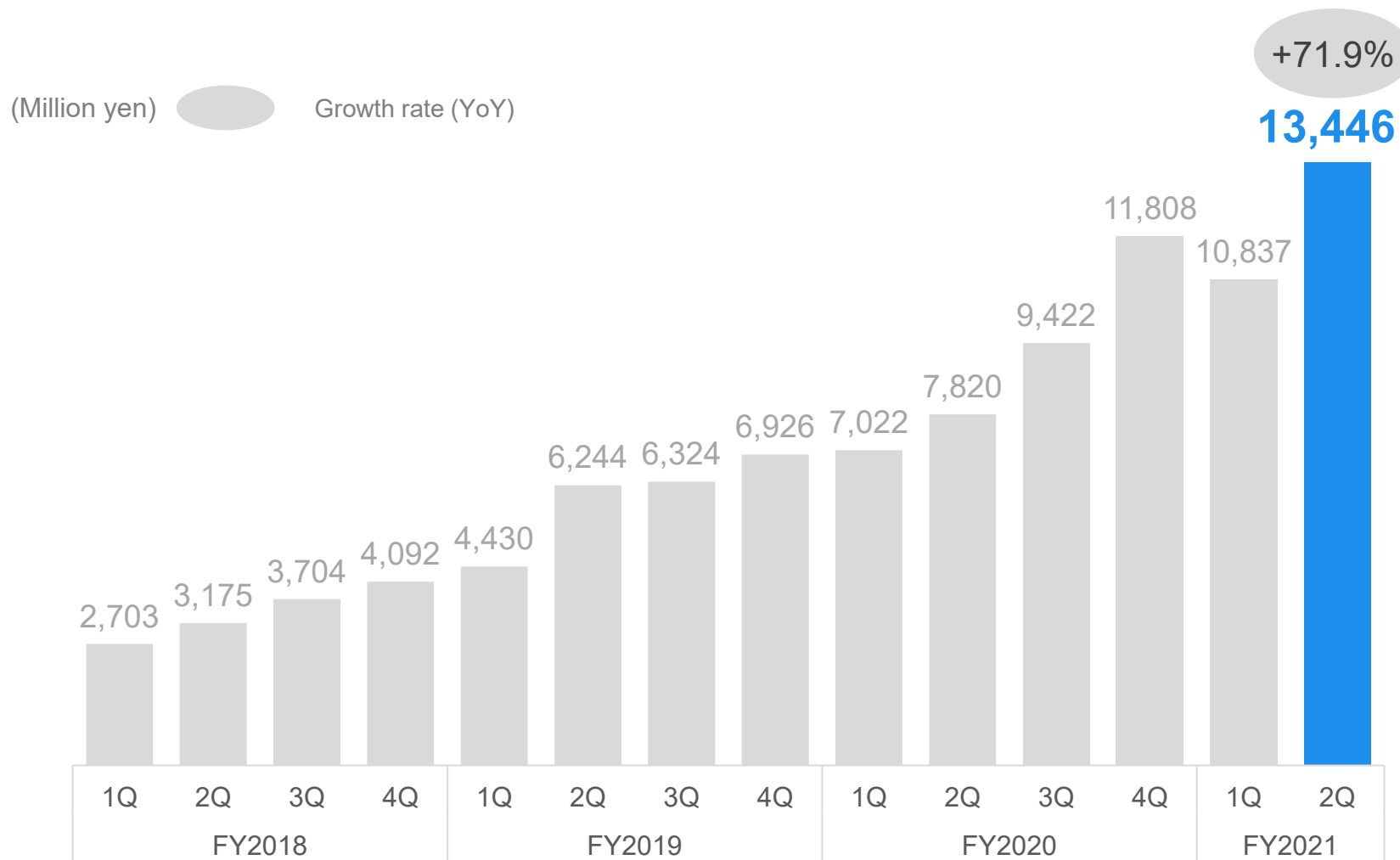
Supporting the expansion of commercial opportunities such as branch recognition and customer acquisition through physical shops

Sales Area at “SHIBUYA BASE”



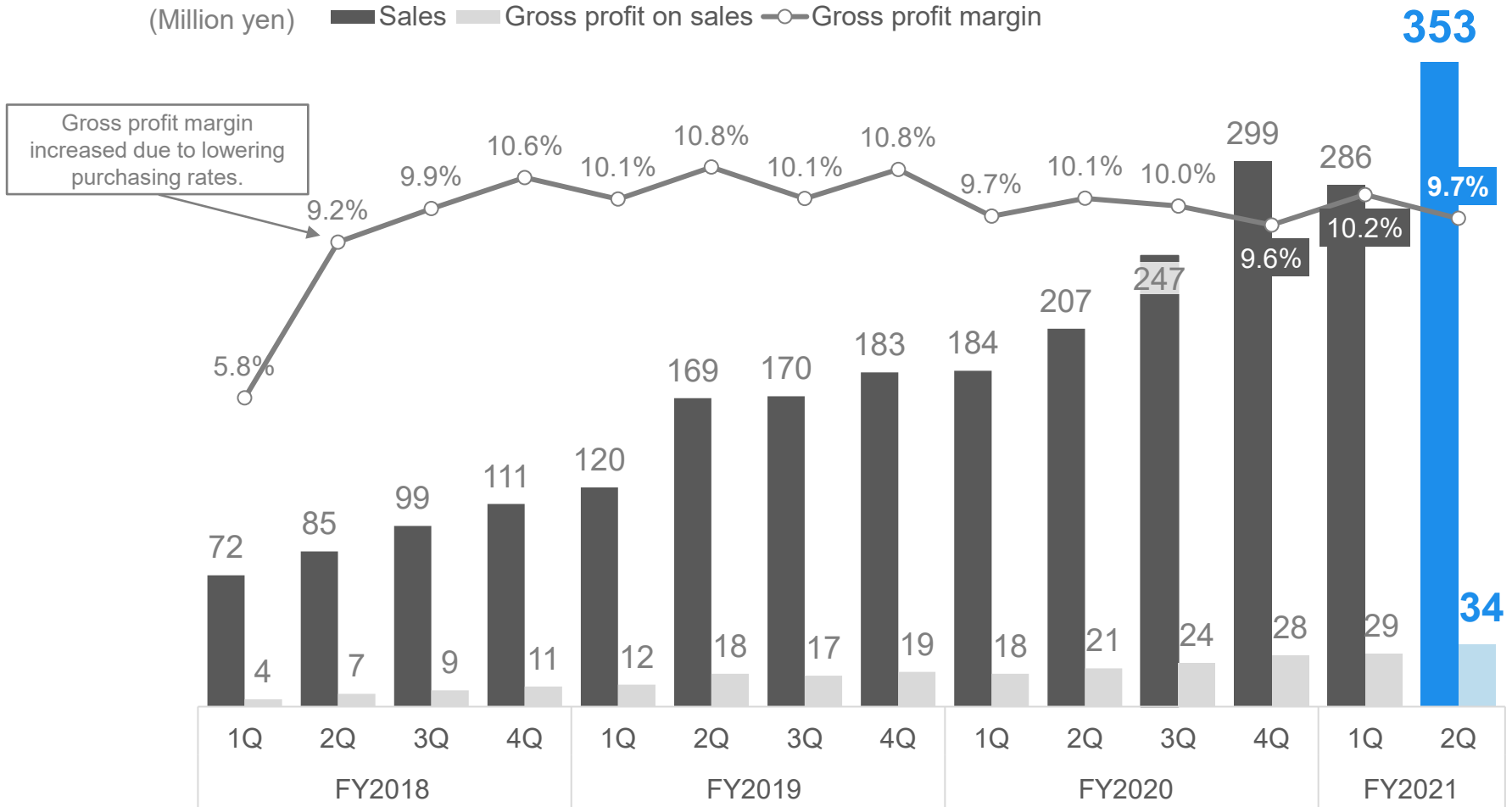
- Space for BASE net shops to open physical shops in a prime location in Shibuya for a limited time
- Opened in June 2018 through collaboration between Marui Group and BASE
- No initial fixed costs are required at the time of opening, and shops can operate risk-free without prior investments with only a commission based fee on the amount of products sold
- Free use of fixtures and equipment necessary for opening a physical shop

PAY business GMV grew significantly at **+71.9%** YoY owing to continuous growth in existing merchants



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

Increase in GMV led to an increase in net sales by **+70.4%** YoY and gross profit on sales by **+63.1%** YoY
 Gross profit margin slightly decreased QoQ



4. Forecast for Fiscal Year Ending December 2021

Policy For The Term Ending December 2021

(Excerpt from the Financial Results for Q4 FY2020)

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
- Plan to implement a stock split at 1:5 to expand investor categories, and increase stock liquidity by lowering the investment unit

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) Directors, Senior Executive Officers and Executive Officers were appointed at the Board of Directors meeting held on March 25, 2021. The Nomination and Compensation Committee was established on January 14, 2021.

(Note2) Implemented on April 1, 2021

Q2 net sales and gross profit on sales were mid-point of earnings guidance and are expected to evolve within earnings guidance for Q3 and beyond

BASE business to continue forward looking investments in promotional expenses and personnel expenses for product enhancements

(Million yen)	Forecast for FY2021	FY2020 Results	YoY	FY2021 (Jan – Jun)	Progress rate (Note)
Net sales	9,750 ~10,536	8,288	+17.6% ~+27.1%	4,684	48.0%
Gross profit on sales	5,614 ~6,118	4,992	+12.5% ~+22.6%	2,691	47.9%
Selling, general and administrative expenses	7,047	4,189	+68.2%	2,961	42.0%
Operating profit	-1,433 ~-929	803	-	-270	-
Ordinary profit	-1,433 ~-929	747	-	-273	-
Net income attributable to shareholders of the parent company	-1,437 ~-933	584	-	-246	-

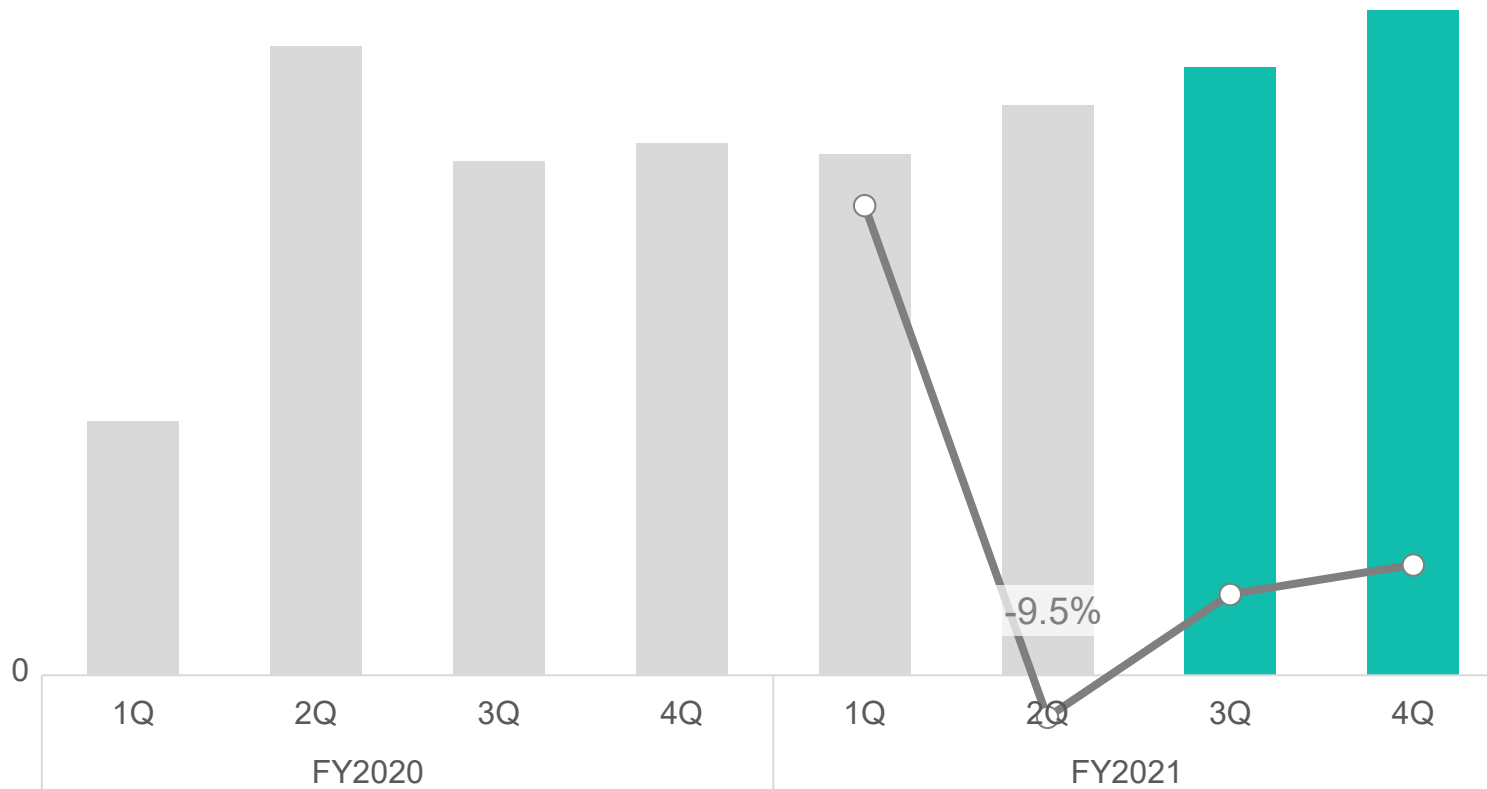
(Note) Progress against the lower limit of the full-year earnings forecast for the fiscal year ending December 31, 2021

GMV for the BASE business was midpoint of earnings guidance for Q2

GMV for Q3 and beyond are expected to grow positively YoY within the range of guidance

Trends in GMV

(yen) ■ GMV ● Growth rate (YoY)



(Note1) Actual results through Q2 2021; lower limit of forecast for Q3 2021 and beyond

(Note2) BASE's GMV is based on the order date (order amount).

5. References



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.

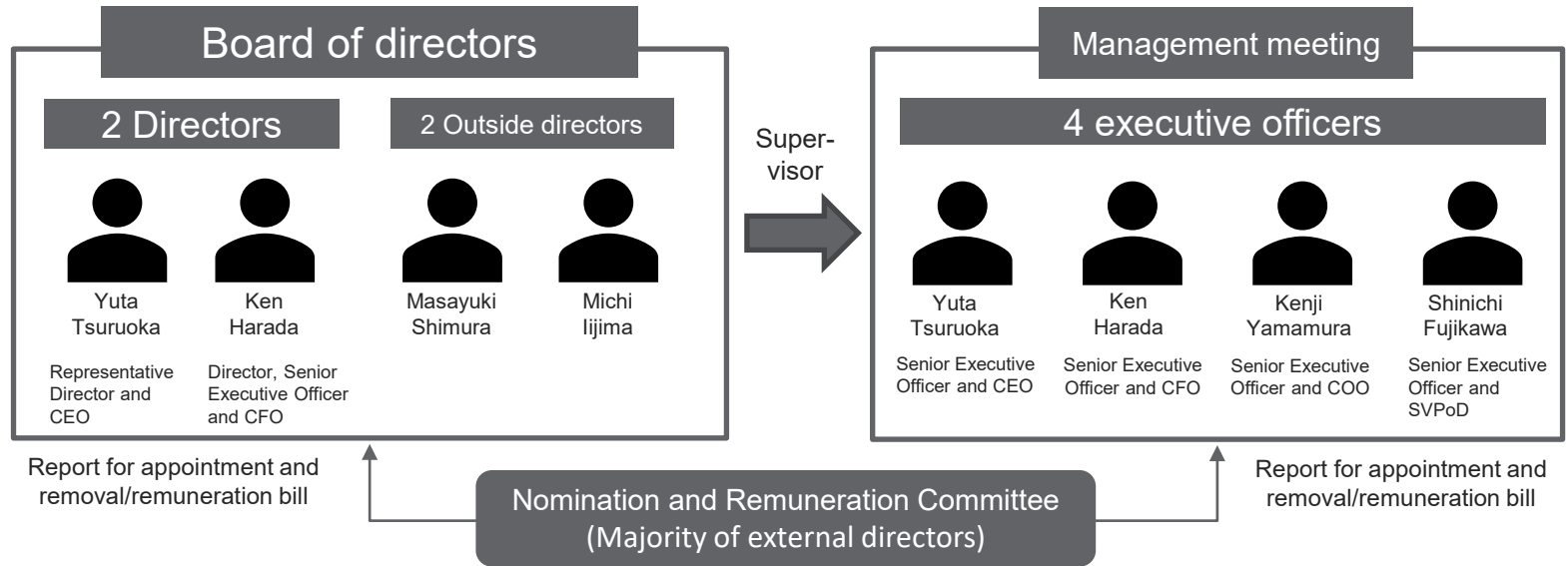


Kenji Yamamura (Senior executive officer and COO)

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.

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.

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

- Focus on empowering individuals and SMBs for the BASE business
- 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 establish a strong position in the long tail market and achieve sustainable growth
- Aiming for mid-term gross profit growth by further increasing the added value of products and maintaining the take rate

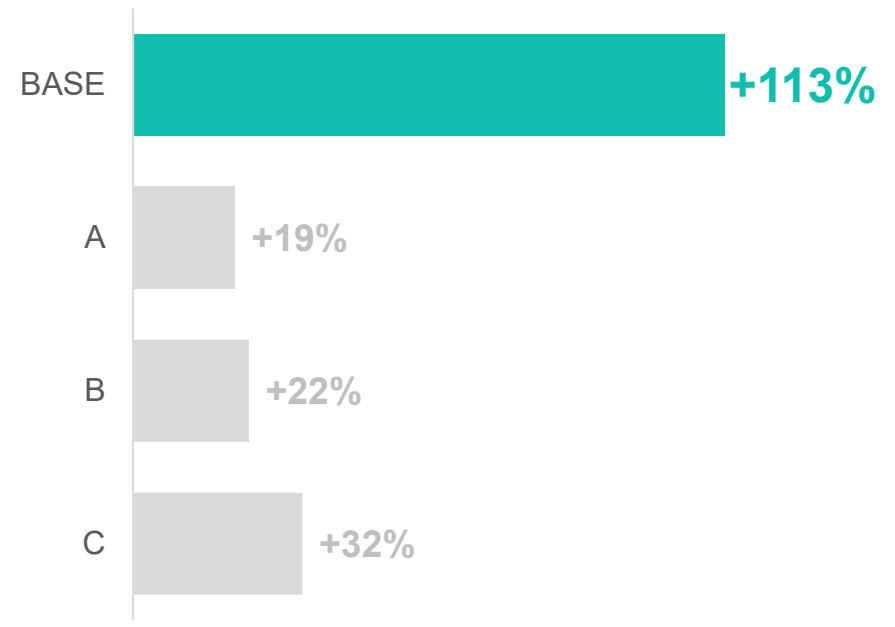
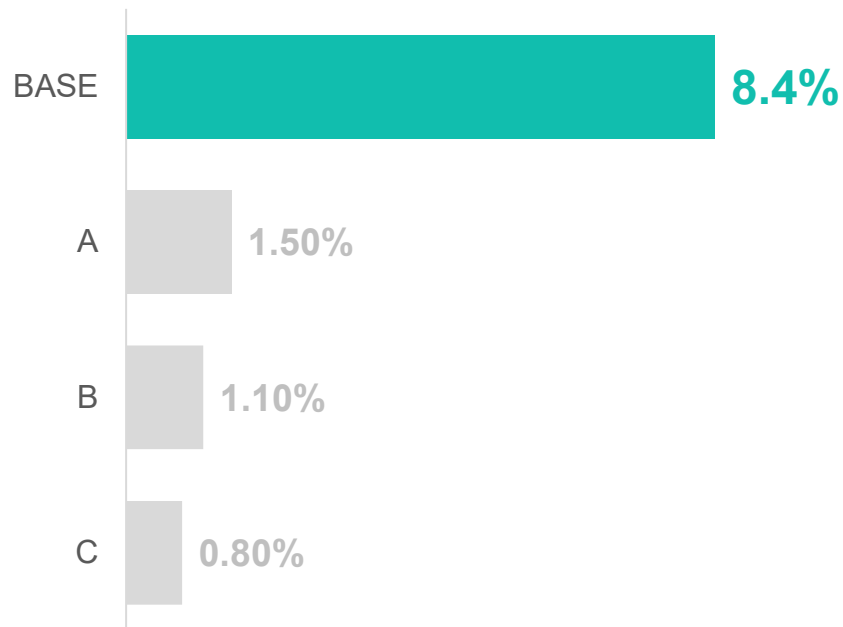
PAY Business

- 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)



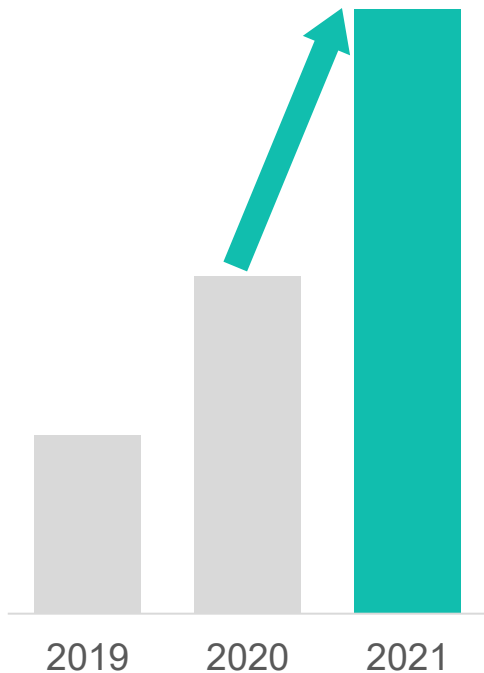
(Note1) Take rate between July and September 2020

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

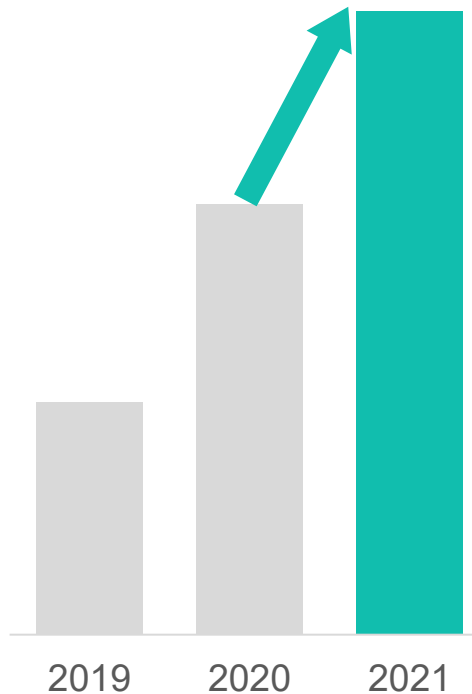
Further enhance forward-looking investments for promotion.

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

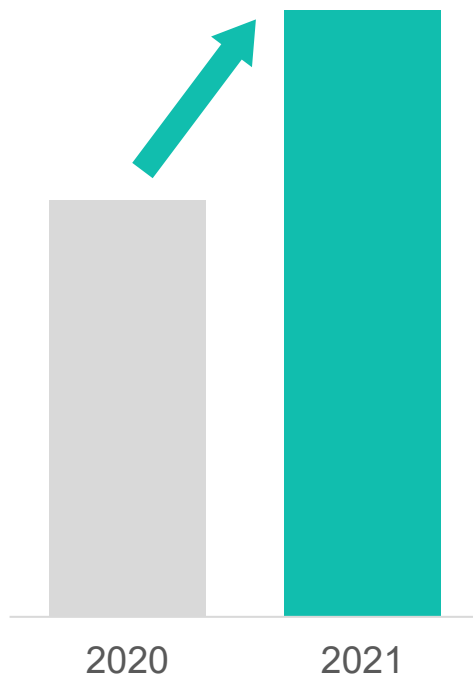


- Increase in the number of new shops over the medium- to long-term
- Strong position in the long tail market and sustainable growth

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**



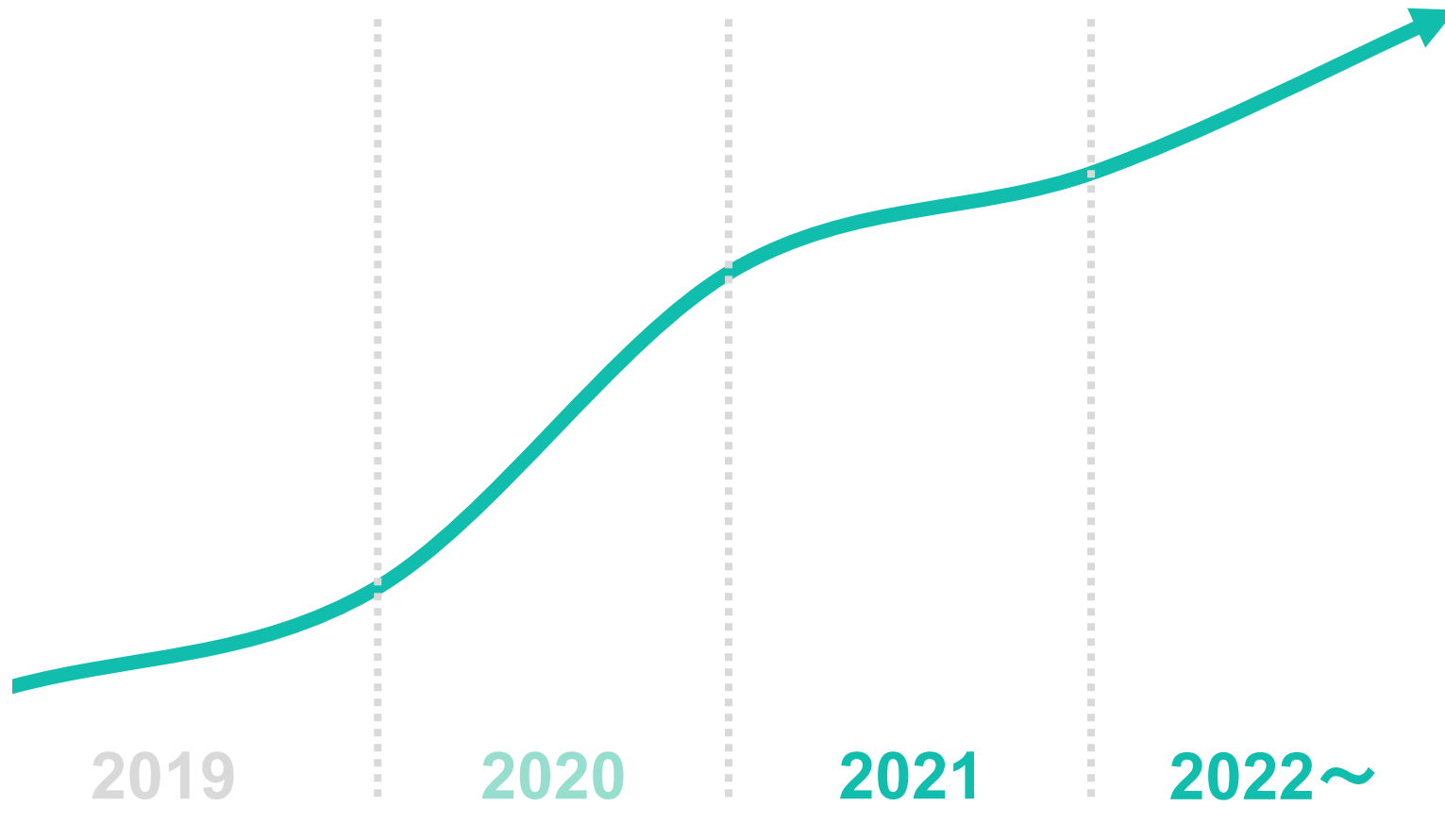
**Personnel expenses and
outsourcing expenses**



- 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.

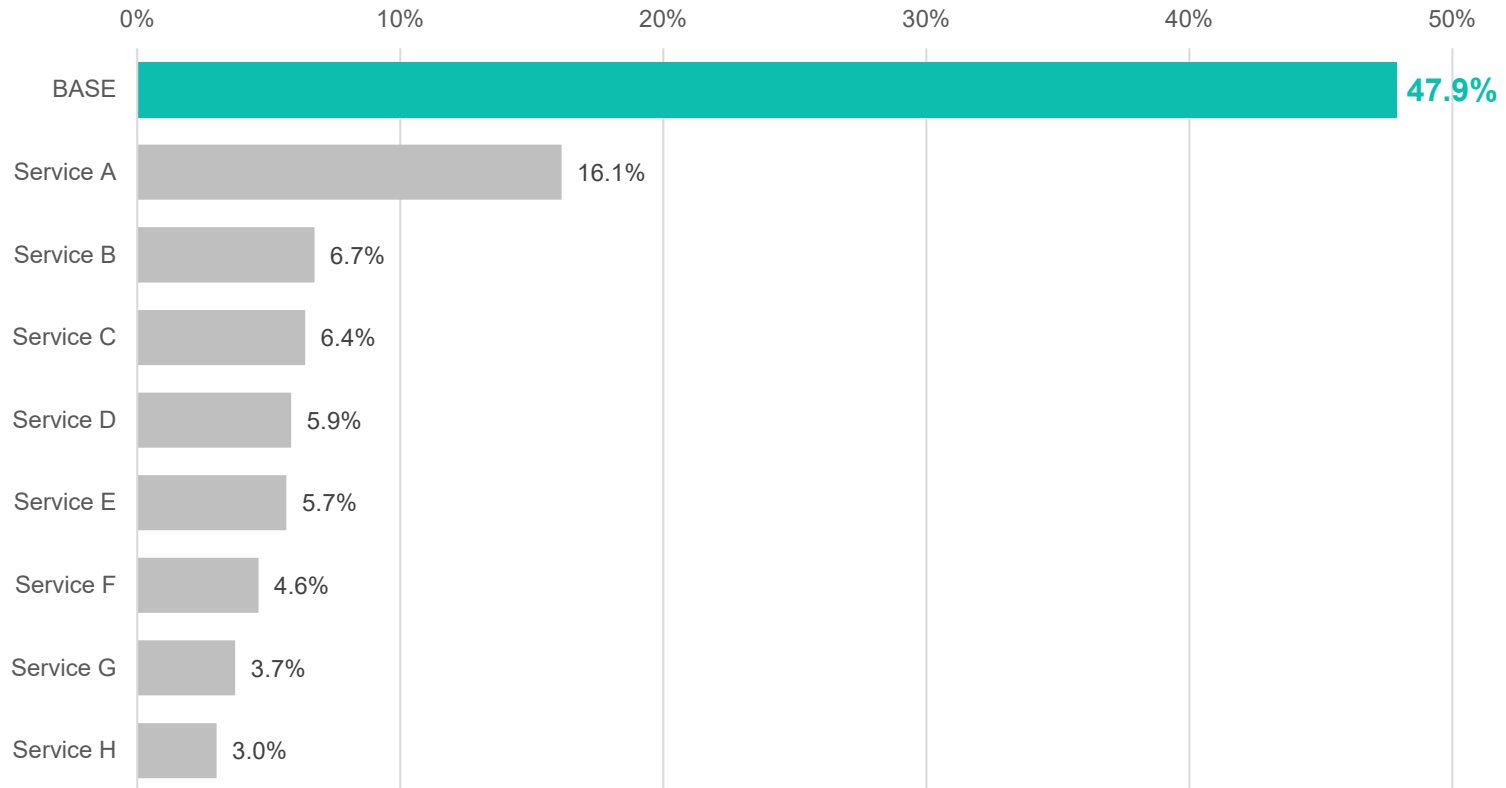


Incurring cost from the initial stage when products don't sell is a risk for SMBs.

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.



* Research from Macromill, Inc. (actual results from Feb 2021)

Profit and Loss Statement (By Segment)

(Million yen)		FY2019				FY2020				FY2021	
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Sales	BASE	643	752	871	931	933	2,342	2,061	1,983	1,944	2,082
	PAY	120	169	170	183	184	207	247	299	286	353
	Others	0	0	1	3	6	7	6	7	7	10
Gross profit on sales	BASE	437	508	590	620	624	1,580	1,362	1,305	1,280	1,330
	PAY	12	18	17	19	18	21	24	28	29	34
	Others	0	0	1	3	6	7	6	7	7	10
Segment profit	BASE	-108	144	-71	-81	56	718	601	-264	102	-207
	PAY	-43	-31	-28	-24	-25	-26	-19	-19	-18	-17
	Others	-15	-12	-11	-14	-10	-13	-6	-14	-15	-18
	Corporate expenses	-34	-32	-33	-41	-47	-38	-40	-44	-54	-41
Operating profits	Entire company	-203	67	-144	-161	-28	640	534	-343	13	-283

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
	June	28,132	9,377	58,833	159,392	26,308

(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
	June	13,446

(Million yen)	Forecast for FY2021	FY2020 Results	YoY	FY2021 (Jan – Jun)	Progress rate <small>(Note)</small>
GMV (orders)	115,000 ~125,000	95,296	+20.7% ~+31.2%	53,872	46.8%
GMV (payment)	103,500 ~112,500	87,717	+18.0% ~+28.3%	50,264	48.6%
Net sales	8,350 ~9,100	7,321	+14.1% ~+24.3%	4,027	48.2%
Take rate	8.1%	8.3%	-	8.0%	-
Gross profit on sales	5,450 ~5,950	4,872	+11.9% ~+22.1%	2,610	47.9%
GMV (settlement base) rate	5.3%	5.6%	-	5.2%	-
Gross profit rate	65.3%	66.6%	-	64.8%	-

(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 – Jun)	Progress rate <small>(Note)</small>
GMV	52,600 ~54,000	36,069	+45.8% ~+49.7%	24,284	46.2%
Net sales	1,370 ~1,406	939	+45.8% ~+49.6%	639	46.7%
Thake rate	2.6%	2.6%	-	2.6%	-
Gross profit on sales	134 ~138	92	+45.1% ~+49.5%	63	47.4%
GMV ratio	0.3%	0.3%	-	0.3%	-
Gross profit rate	9.8%	9.8%	-	9.9%	-

(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 2Q	FY2021 1Q
SO	Beginning balance	7,094,000 <small>(Note)</small>	1,439,200
	Granted	0	0
	Exercised	-1,032,000	-14,800
	Renounced	0	-5,600
	Ending balance	6,062,000	1,418,800
Number of shares outstanding		110,828,749	21,954,200
Ratio of dilutive shares		5.4%	6.5%

(Note) The Company conducted a 5-for-1 stock split with an effective date of April 1, 2021.

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