



BASE

Q3 of Fiscal Year Ending December 2021
Materials for Financial Results Presentation

BASE, Inc.
(Tokyo Stock Exchange Mothers: 4477)
November 4, 2021

- 1. Corporate Profile**
- 2. Executive Summary**
- 3. Results for Q3 of the Fiscal Year Ending December 2021**
- 4. Forecast for Fiscal Year Ending December 2021**
- 5. References**

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.

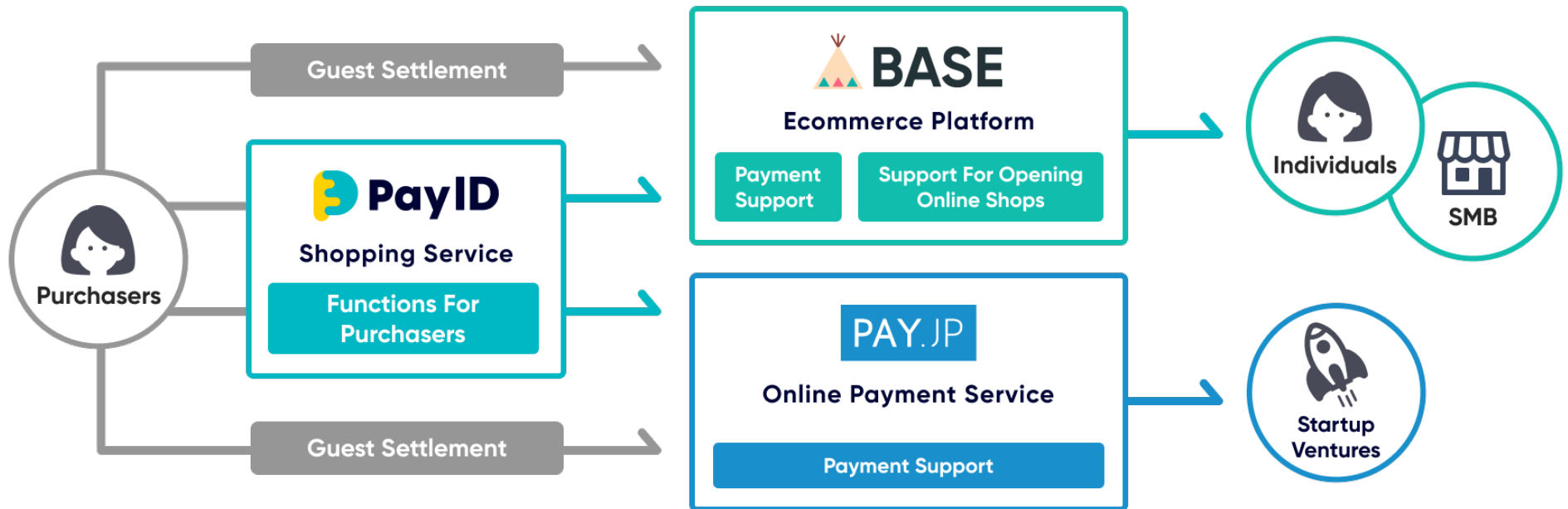
To give everyone a chance to transform his/her power into value.

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"



(Note)SMB...Small and Medium Business

Shopping service “Pay ID” for purchasers to be launched by the end of 2021

Integration and revamping of shopping app “BASE” and ID-based payment service “PAY ID” to become a **shopping service with 7.5 million registered IDs and over 1 million MAUs**

Existing Service for Purchasers

✓ **Shopping App “BASE”**

Purchase a wide range of products from shops created on “BASE”

✓ **ID-based Payment Service “PAY ID”**

Register credit card and address information to make payments without having to enter each time while shopping with “BASE” shops

Integration and Revamping of Service for Purchasers

Clear separation of service for purchasers under “Pay ID” and shops under “BASE” in order to further increase value provided for each target user

	Before	After
Overall Service for Purchasers	N/A	Shopping Service “Pay ID”
App	Shopping App “BASE”	Shopping Service “Pay ID”
Payment Function	ID-based Payment Service “PAY ID”	Pay ID Payment

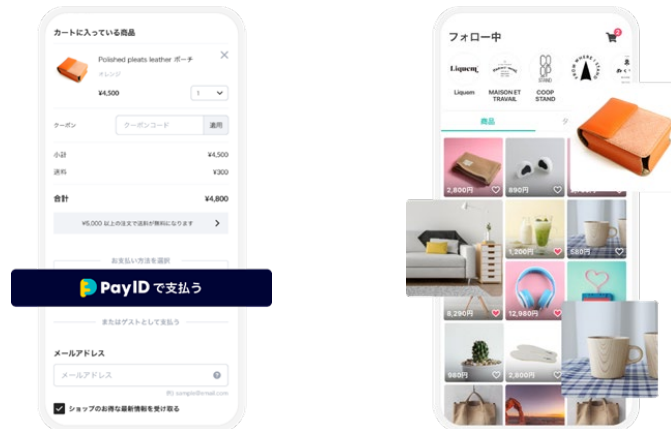
(Note) All existing functions of the shopping app “BASE” and ID-based payment service “PAYID” will continue to be available

Shopping Service “Pay ID”

Focus on increasing new and repeat purchasers by providing a new payment experience and helping to build relationships with purchasers

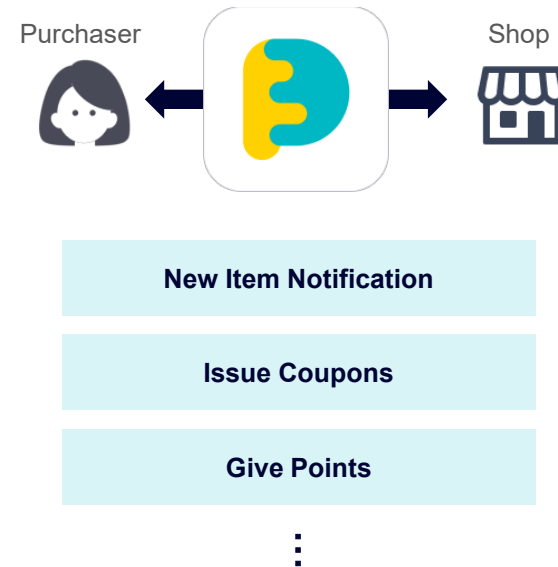
Increase in New Purchasers

- ✓ Quick payment with password-less authentication to **avoid cart abandonment**
- ✓ Discovery function to **create to find new shops**
- ✓ Marketing functions to **support the expansion of brand recognition and sales promotion**
- ✓ **Adding new payment methods** to improve the purchasers' experience



Increase in Repeat Purchasers

- ✓ **Engagement with purchasers with enhanced CRM functions**
- ✓ **Issue coupons** for existing purchasers to facilitate repeat purchases
- ✓ **Provide points** for purchasing at shops



(Note) Functions mentioned include scheduled functions

2. Executive Summary

Topics

- **Monthly active shops for the BASE business surpasses 60,000 shops, continuing to drive GMV growth**
- **BASE business GMV CAGR at 65.7% indicating continued high growth**

Results for Q3 of the Fiscal Year Ending December 31, 2021

- Consolidated net sales increased YoY owing to increases in both the BASE and PAY business GMV
- **Number of monthly active shops for the BASE business continued to increase YoY by 10 thousand shops (+20.4%)**
- **Integrations with Google and TikTok to support shops in attracting purchasers and promoting sales**
- Promotion of initiatives to protect shop owner's personal information
- PAY business GMV **continued to grow significantly YoY at +55.9%** with continued growth by existing merchants, and additional increases by new merchants

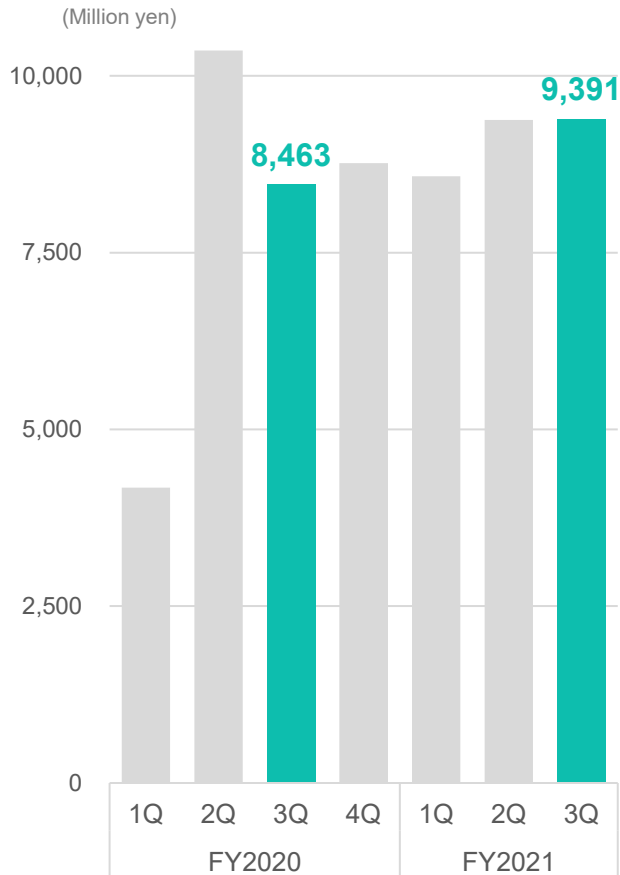
Forecast for Fiscal Year Ending December 2021

- Consolidated net sales and gross profit for Q3 ranging at the lower end of the forecast range, with full-year results expected to be within the forecast range
- Continue to strengthen forward-looking investments in promotion and product development for the BASE business

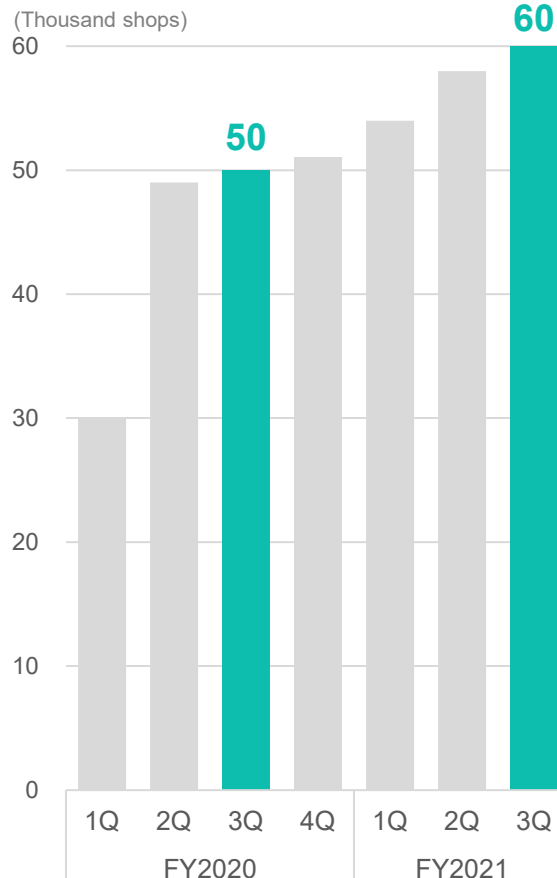
Monthly active shops surpasses 60 thousand shops, continuing to drive GMV growth

Monthly active shops increased YoY by 10 thousand shops (+20.4%)

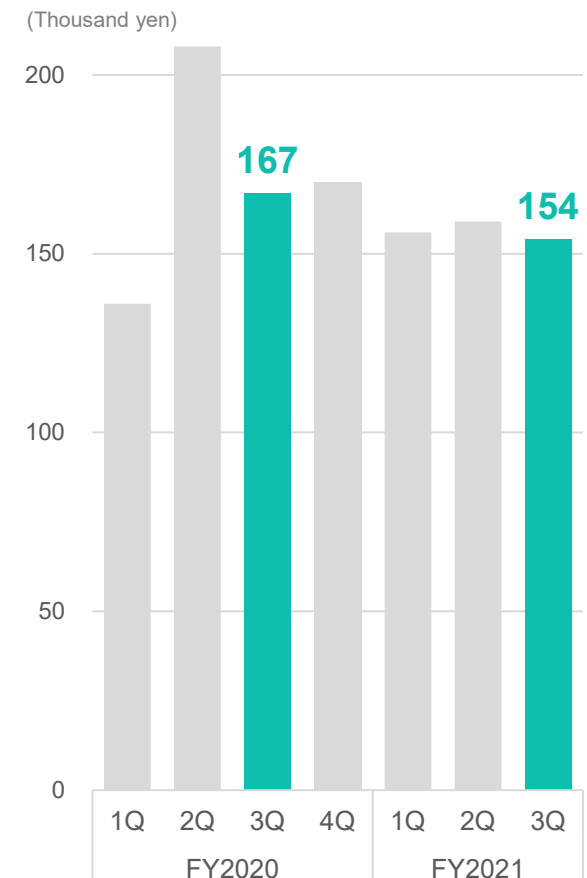
Monthly GMV (Note1,2)



Number of Monthly Active Shops (Note2)



Monthly Average GMV Per Shop



(Note1) GMV is the order amount based on the order date
 (Note2) Monthly GMV and number of monthly active shops are quarterly averages

Integrations with Google and TikTok to support shops in attracting purchasers and promoting sales

Enhancing various external integrations to support shop growth

Google Shopping Ads App

Enables “BASE” shops to post advertisements from the admin screen

Google Shopping Ads App updated to add advertisement function



Google Shopping Ads App

- ✓ Sync products from BASE
- ✓ Easily create Shopping Ads
- ✓ Ads are optimized by Google



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

Integration with TikTok (Scheduled)

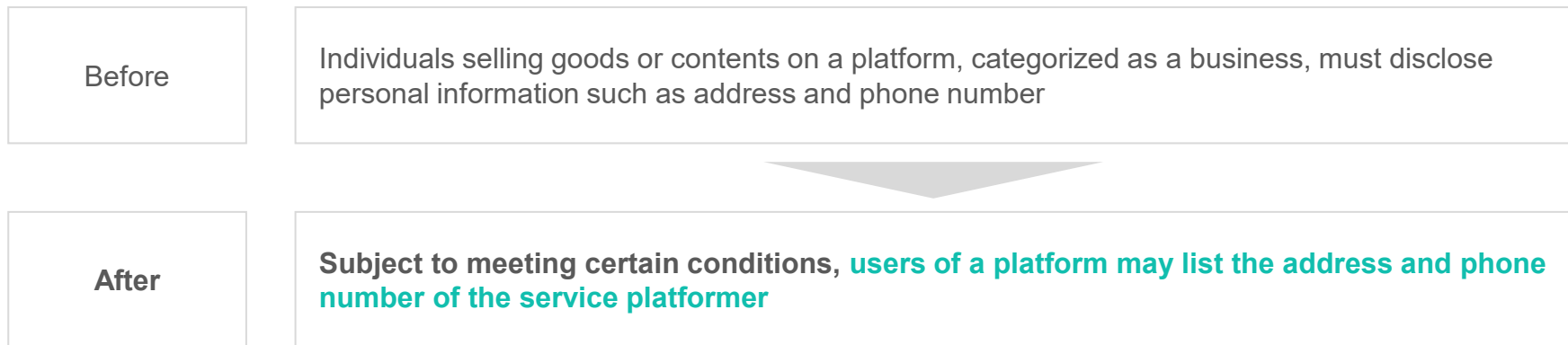
Business collaboration aimed at the development of product integration with TikTok to enable “BASE” shops to smoothly attract purchasers and promote sales



Shop owners may not be required to disclose personal information upon opening an online shop, made possible by efforts of the Creators Economy Association^(Note1) which BASE serves as a Representative Director

BASE to consider new measures to enable shop owners to sell products without disclosing personal information

Consumer Affairs Agency’s Views on “Specified Commercial Transactions Act” ^(Note2)



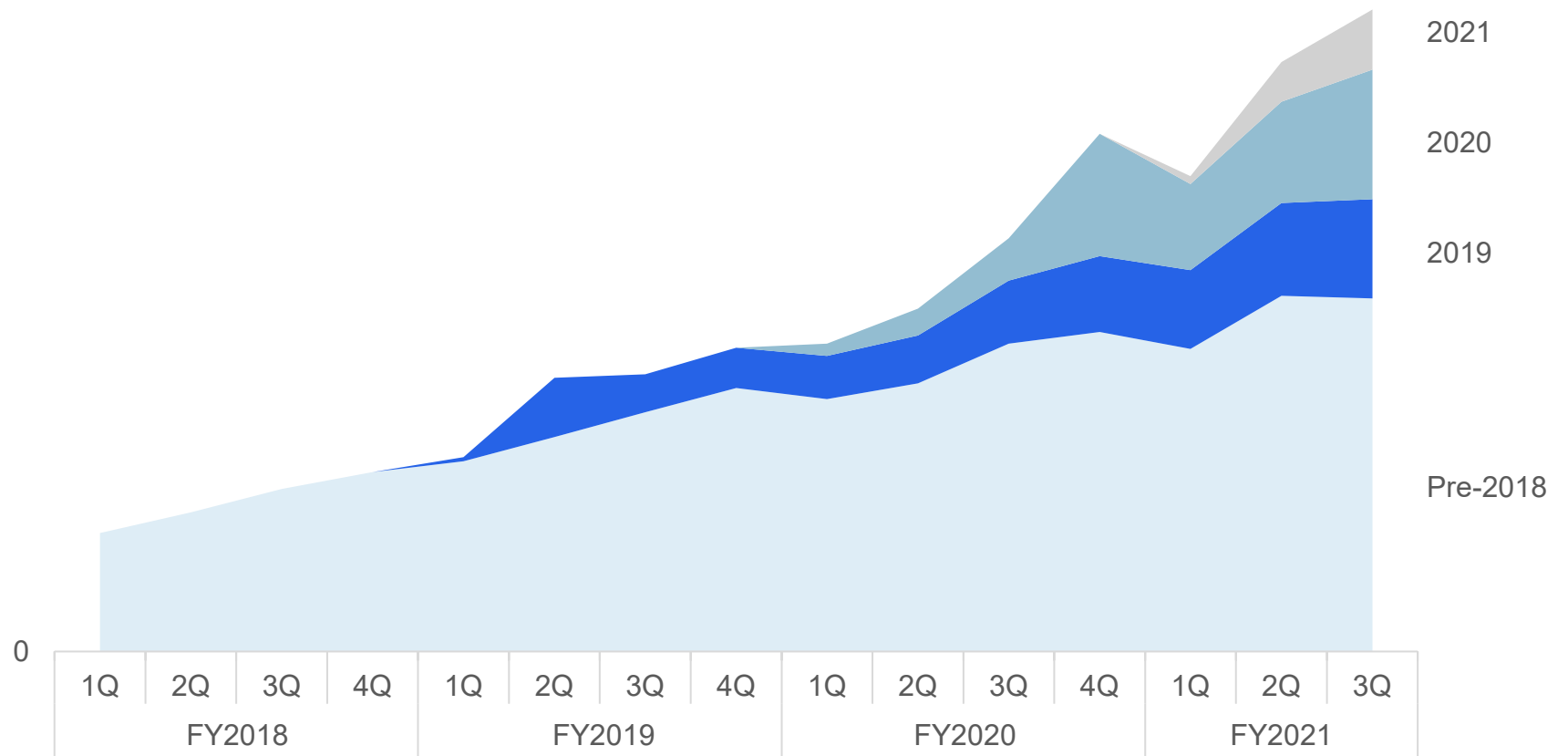
(Note1) Established by BASE, Inc., note inc., UUUM Co., Ltd. as representative directors, to create a social environment where creators and operate easily and to promote their liberal and safe activities (as of July 2021)

(Note2) Consultation between the Creators Economy Association and Consumer Affairs Agency lead to views by the Agency on the operation of the “Specified Commercial Transactions Act” (obtained Oct 2021)

PAY business GMV_(note) continued to grow significantly **YoY at +55.9%** with continued growth by existing merchants, and additional increases by new merchants

GMV Trend (By Registered Year)

(Yen) ■ Pre-2018 ■ 2019 ■ 2020 ■ 2021



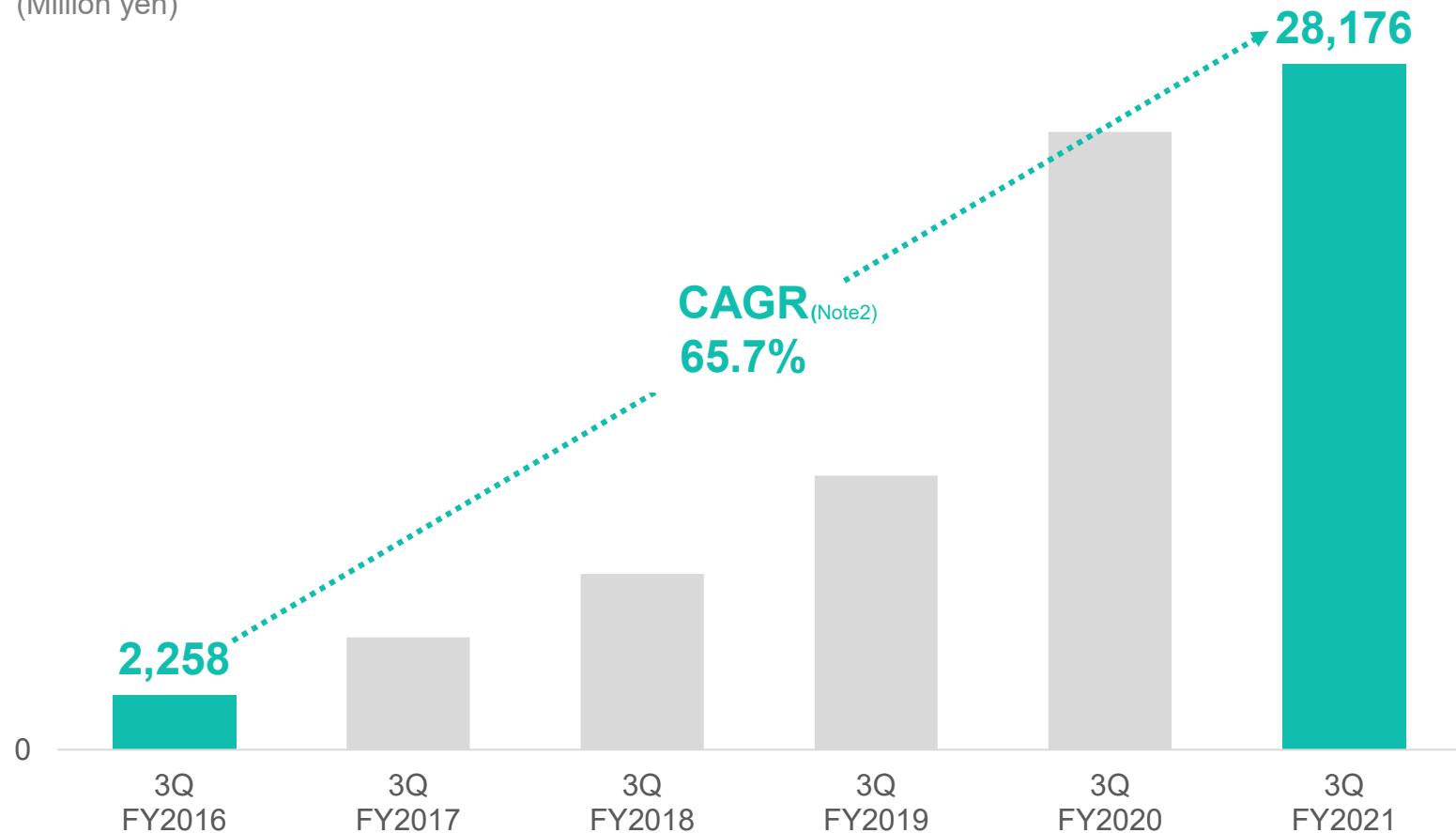
(Note) GMV is based on the payment date (payment amount)

Focus on empowering individuals and SMBs to continue high growth in the long tail market

Achieving sustainable growth with further increases from the previous year's GMV, which surged due to COVID-19

Quarterly GMV (Note1)

(Million yen)



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

(Note2) 5 year compound average growth rate

Establishing a strong position in the long tail market to achieve sustainable growth



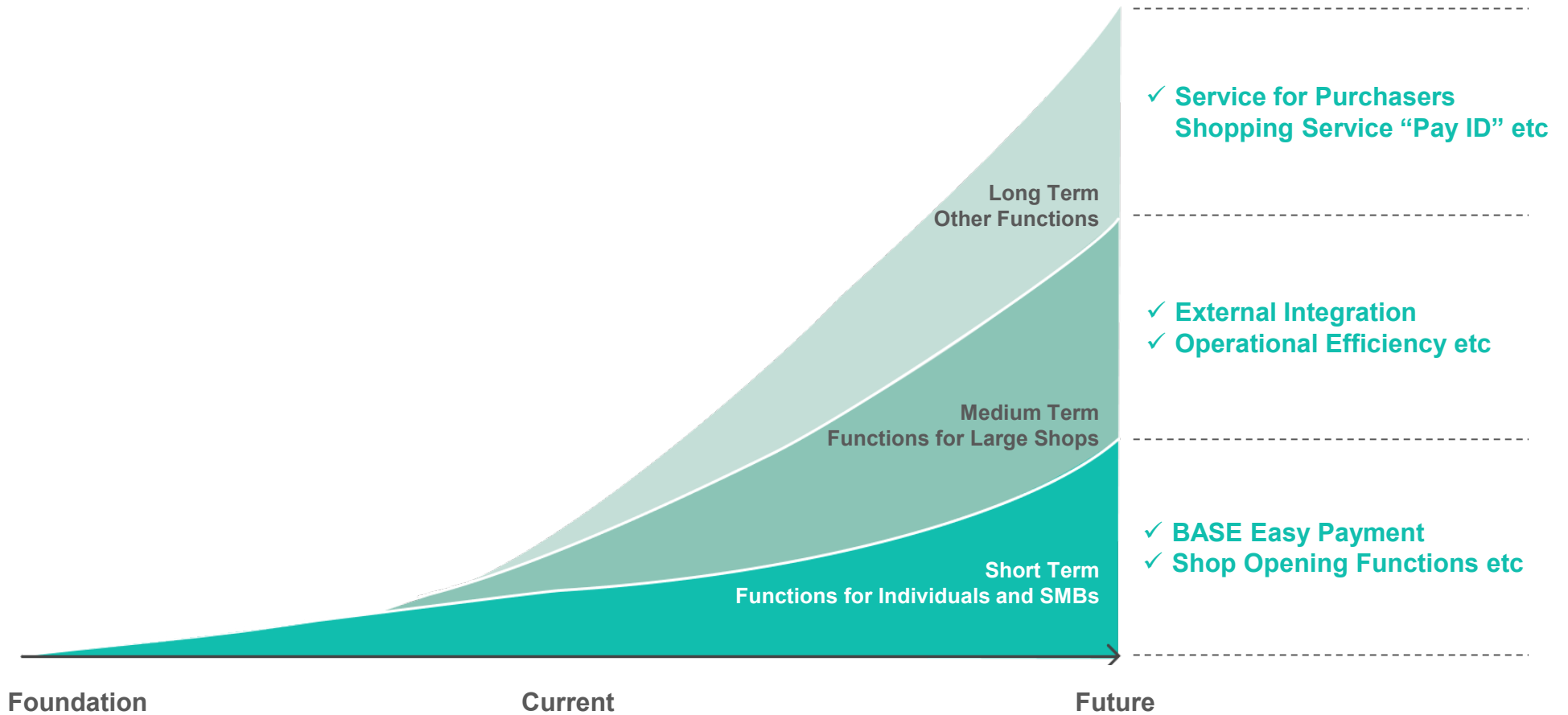
Improving competitive advantage by developing external integrations made possible by BASE, with one of the largest number of registered shops in Japan

Aiming for sustainable growth as the most selected service by individuals and SMBs



(Note) The online shop opening track record is taken from a survey by Macromill, Inc. (Feb2021)

Aiming for sustainable growth by focusing on functions for large shops, and other functions to empower individuals and SMBs, a core focus since BASE's foundation



3. Results for Q3 of the Fiscal Year Ending December 2021

Consolidated

Consolidated net sales increased YoY owing to increases in both the BASE and PAY business GMV

BASE Business

GMV ^(Note1) turned positive as **the number of monthly active shops continued to increase YoY by 10 thousand shops**

QoQ GMV flat due to the reduced impact of COVID-19 and seasonality

Net sales increased slightly YoY as GMV increased, but gross profit declined slightly due to an increase in the cost of sales ratios ^(Note2)

PAY Business

GMV ^(Note1), net sales, and gross profit on sales continued significant growth **YoY at +55.9%, +55.4%, and +54.5%** respectively

(Note1) BASE's GMV is based on the order date (order amount). PAY's GMV is based on the payment date (settlement amount)

(Note2) Ratio of the cost of sales over GMV (payment amount)

Consolidated net sales increased YoY owing to increases in both the BASE and PAY business GMV

Operating loss recorded due to a large YoY increase in SGA expenses as a result of forward-looking investments in promotion and personnel expenses aimed at sustainable growth for the BASE business

(Million Yen)	FY 2021 3Q (July - September 2021)					FY2021 3Q (Jan - Sep 2021)		
	Results	Same period last year		Previous Quarter		Results	Same period last year	
		Results	YoY	Results	QoQ		Results	YoY
Net sales	2,492	2,315	+7.7%	2,446	+1.9%	7,176	5,996	+19.7%
Gross profit on sales	1,388	1,393	-0.3%	1,374	+1.0%	4,080	3,649	+11.8%
Gross profit rate	55.7%	60.2%	-4.5pt	56.2%	-0.5pt	56.9%	60.9%	-4.0pt
Selling, general and administrative expenses	1,608	858	+87.4%	1,658	-3.0%	4,570	2,502	+82.6%
Operating profit	-220	534	n/a	-283	n/a	-490	1,146	n/a
Ordinary profit	-220	535	n/a	-286	n/a	-494	1,148	n/a
Profit	-221	445	n/a	-286	n/a	-467	949	n/a

As of the end of September 2021, cash and deposits were 22,233 million yen, **maintaining a strong financial base.**

Increase in operating deposits due to increase in the PAY business GMV.

(Million yen)	As of September 30, 2021	As of December 31, 2020	Change from the end of the previous fiscal year
Current assets	28,210	27,693	+1.9%
(of which, cash and deposits)	22,233	22,271	-0.2%
(of which, trade accounts receivable) *1	5,203	4,971	+4.7%
Non-current assets	823	811	+1.5%
(Investment securities)	439	435	+1.0%
Total assets	29,034	28,505	+1.9%
Current liabilities	13,150	12,224	+7.6%
(of which, trade accounts payable) *2	9,678	8,989	+7.7%
(of which, operating deposits) *3	3,148	2,589	+21.6%
Non-current liabilities	62	63	-1.9%
Total liabilities	13,212	12,287	+7.5%
Capital Stock	8,548	8,513	+0.4%
Capital surplus	7,358	7,323	+0.5%
Retained earnings	-86	380	-
Valuation difference on available-for-sale securities	2	-0	-
Total net assets	15,822	16,217	-2.4%

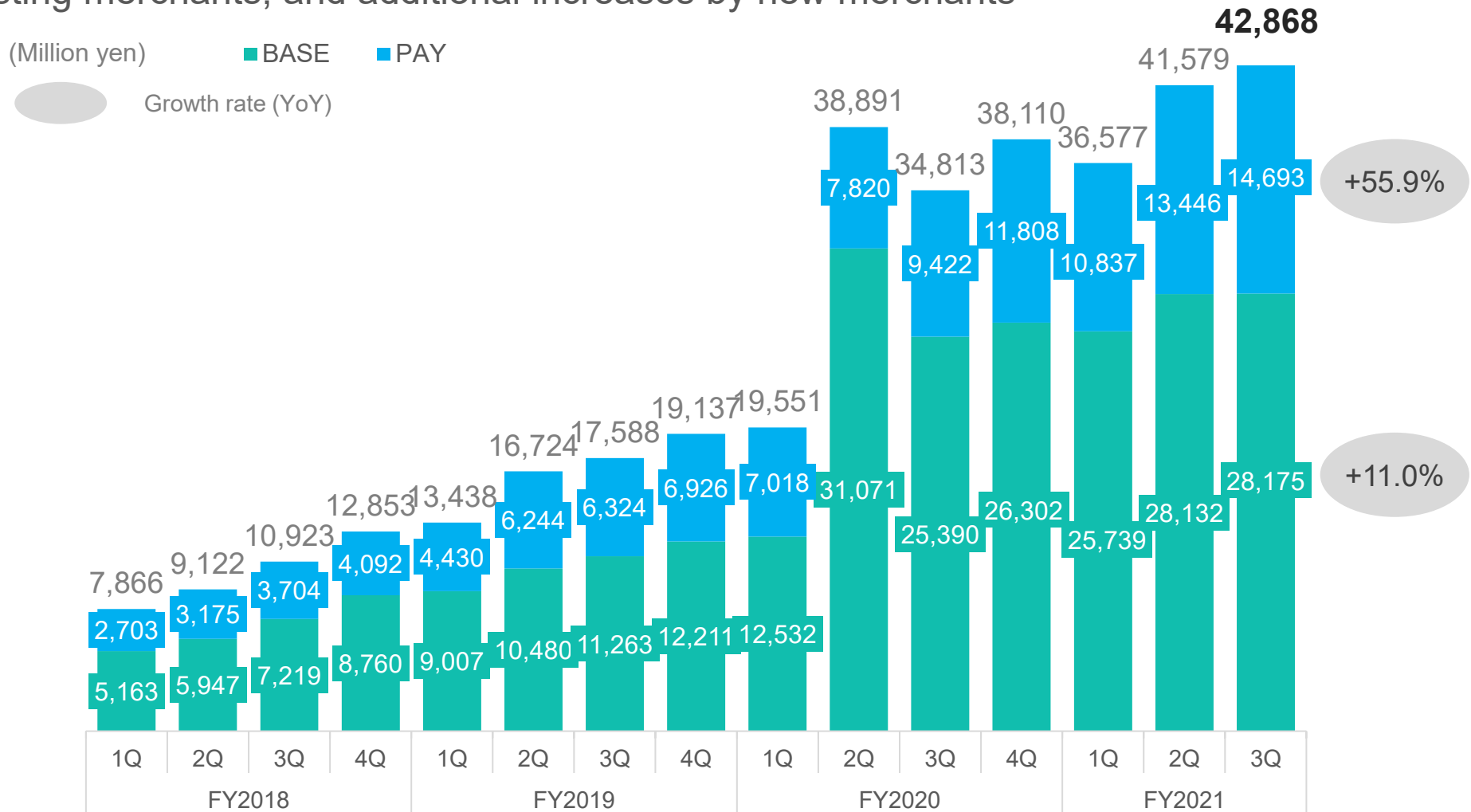
*1: Trade accounts receivable: The unpaid portion of the settlement amount to be paid to our company by the settlement service company.

*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.

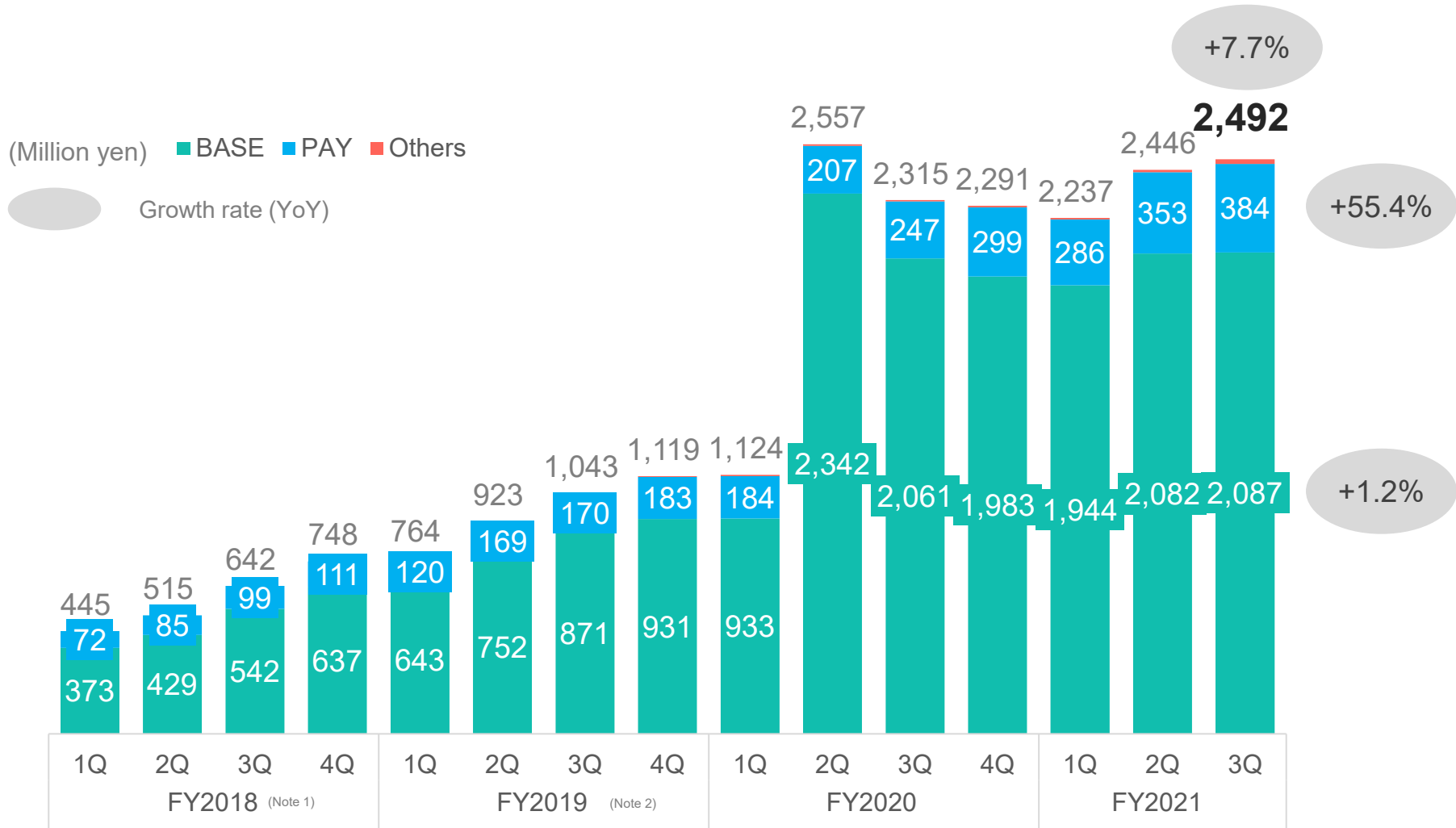
BASE business GMV **turned positive YoY**

PAY business GMV continued to grow significantly **YoY at +55.9%** with continued growth by existing merchants, and additional increases by new merchants



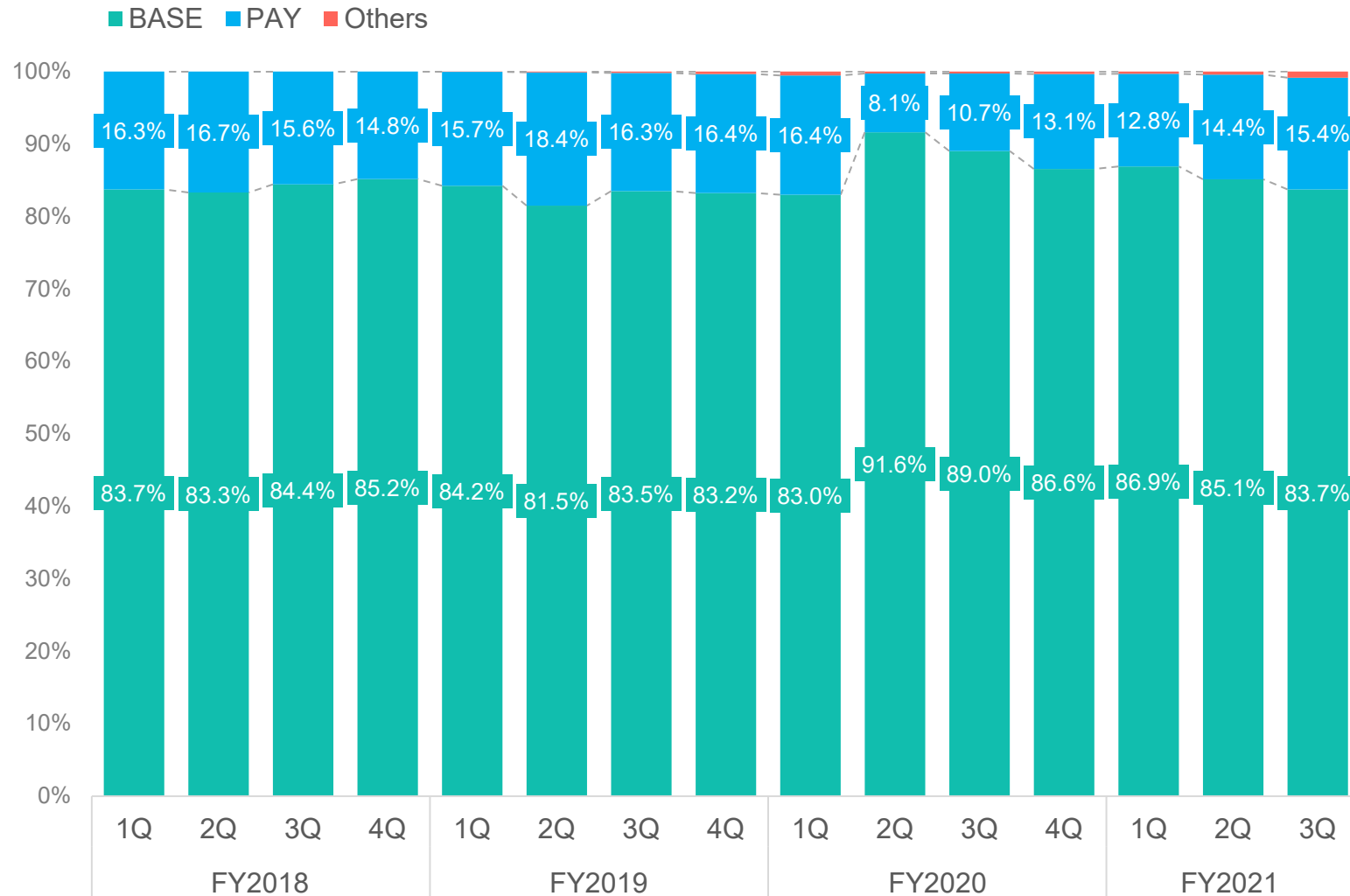
(Note) BASE's GMV is based on the order date (order amount). PAY's GMV is based on the payment date (payment amount).

Consolidated net sales increased YoY owing to increases in both the BASE and PAY business GMV
 QoQ slightly increased due to continued increase in the PAY business GMV, while the BASE business was flat



(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.

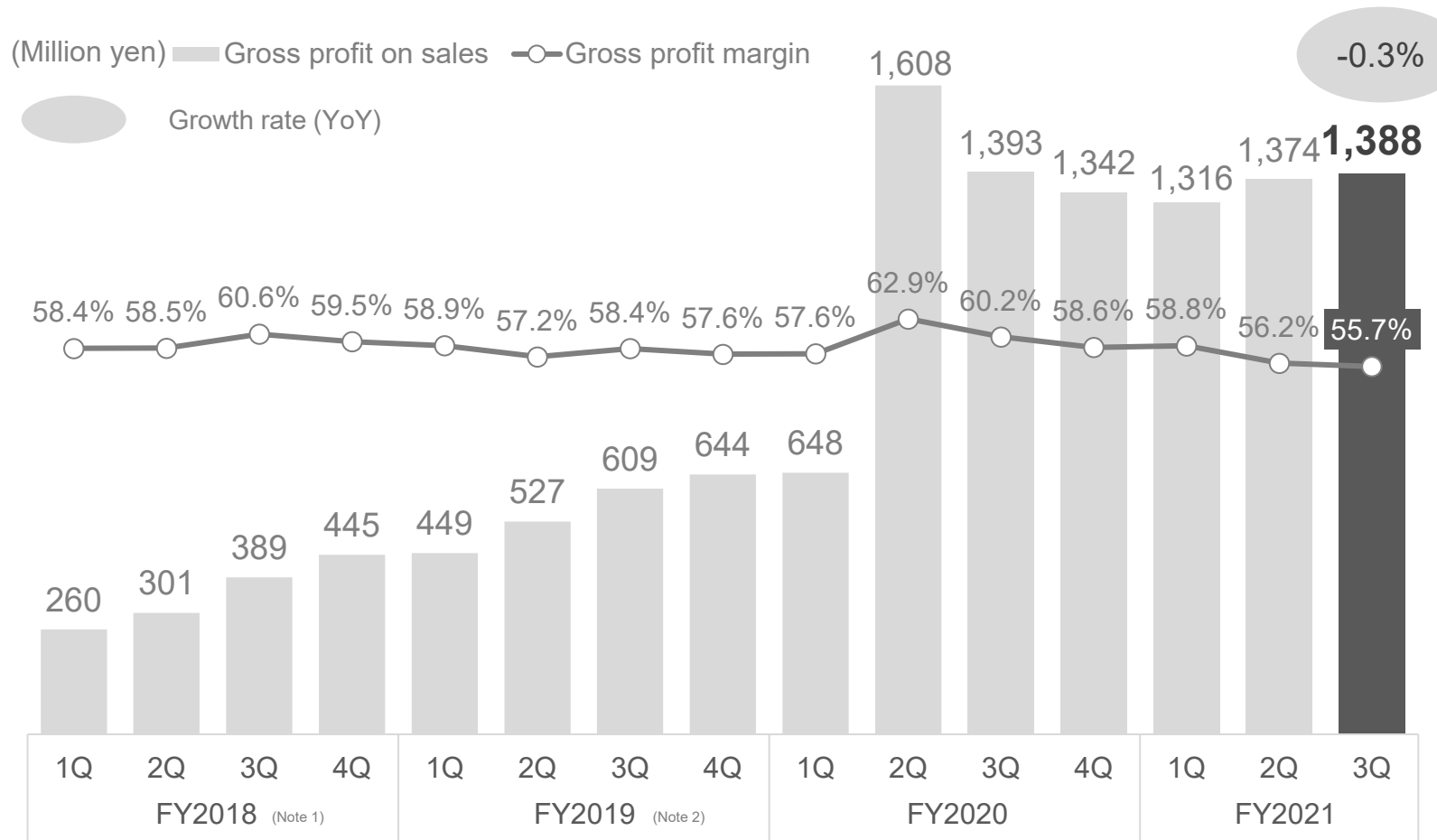
The net sales ratio of the BASE business decreased QoQ due to an increase in the PAY business



Gross profit increased QoQ owing to the GMV increase in the PAY business

YoY decreased slightly due to an increase in the cost of sales ratio^(note3) in the BASE business

Gross profit margin decreased QoQ due to a decrease in the net sales ratio of the BASE business

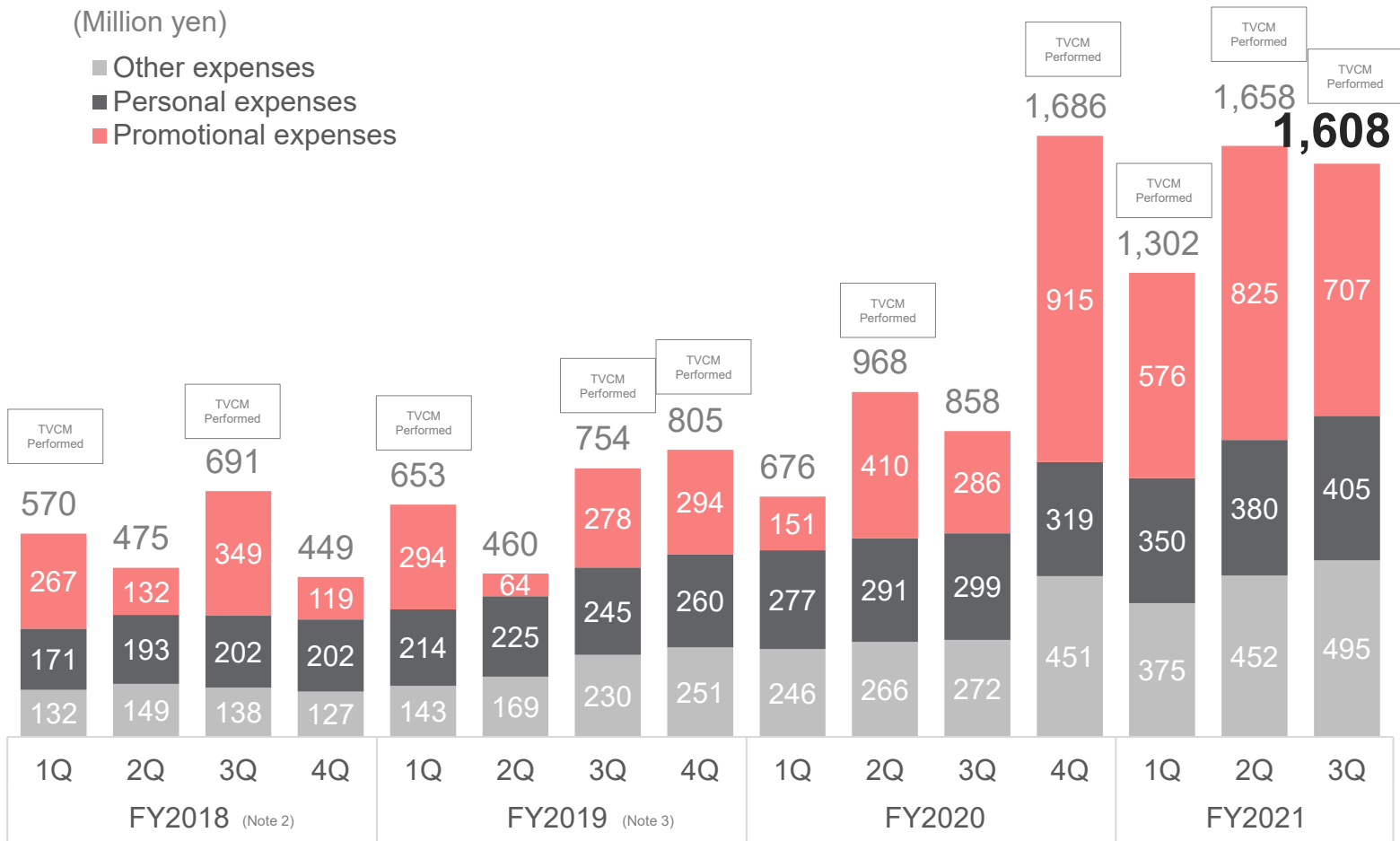


(Note 1) Because PAY business was consolidated through the incorporation-type company split in the fiscal year ended December 2018, only figures for PAY, Inc. are consolidated in the fiscal year ended December 2018.

(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.

(Note 3) Ratio of the cost of sales over GMV (payment amount)

- **SGA decreased slightly QoQ due to a decrease in promotional expenses. However, forward-looking investments aimed at sustainable growth for the BASE business was continued.**
- Promotional expenses decreased by **-14.3%**, owing to improved efficiency in promotion measures
- Personnel expenses, and other expenses (Note1) increased as a result of new recruitment activities aimed primarily at product enhancement



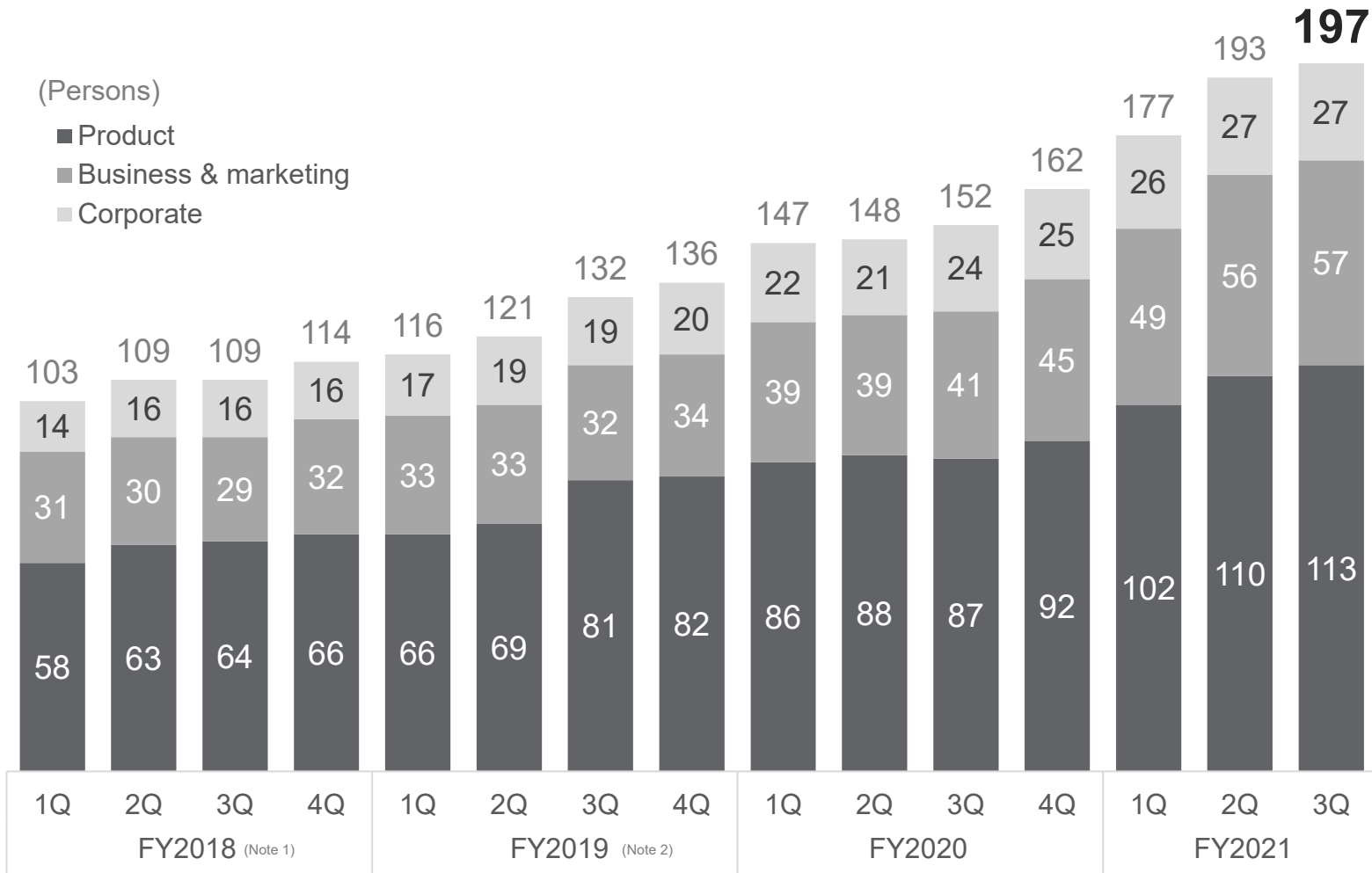
(Note 1) Other expenses consist mainly of office expenses, system expenses, remuneration and outsourcing expenses, and taxes.

(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 (+29.6%)** YoY

Continued policy for strengthening products personnel for further expansion of services



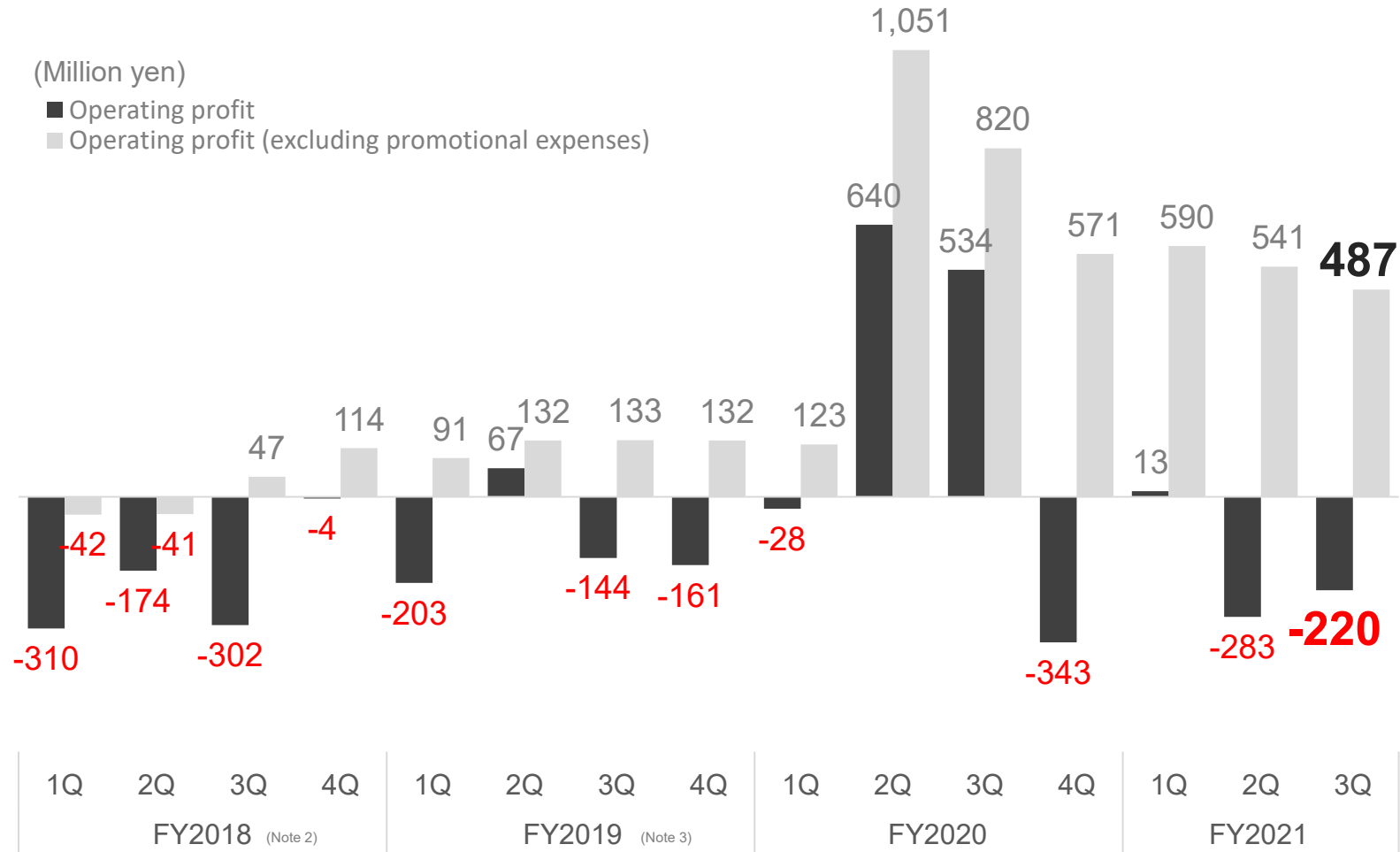
(Note 1) Because PAY business was consolidated through the incorporation-type company split in the fiscal year ended December 2018, only figures for PAY, Inc. are consolidated in the fiscal year ended December 2018.

(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 **-220 million yen** as a result of continued forward-looking investments

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



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

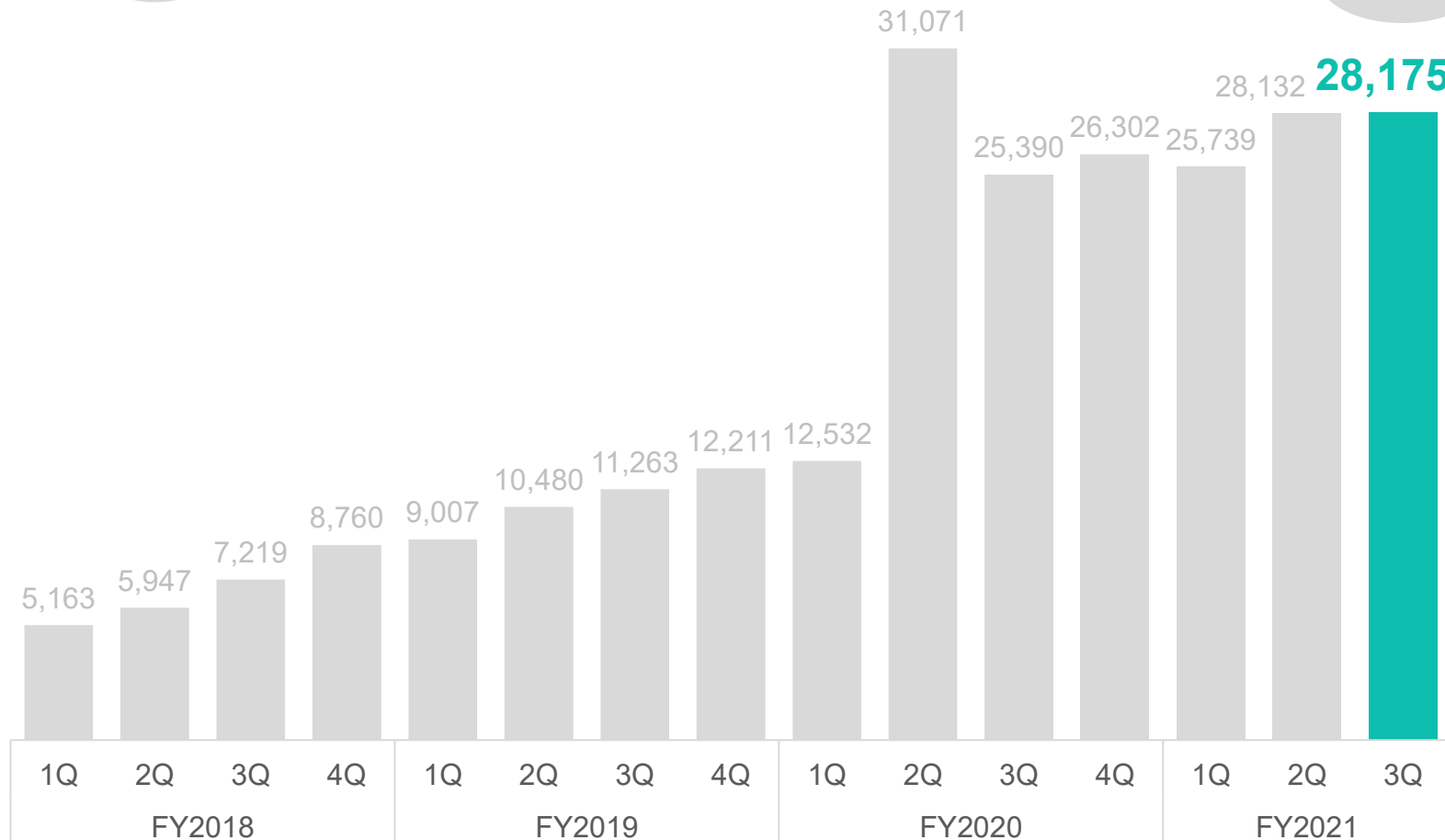
GMV turned positive as **the number of monthly active shops continued to increase by 10 thousand shops YoY**

GMV remained flat QoQ due to the reduced impact of COVID-19 and seasonality

(million yen)

Growth rate (YoY)

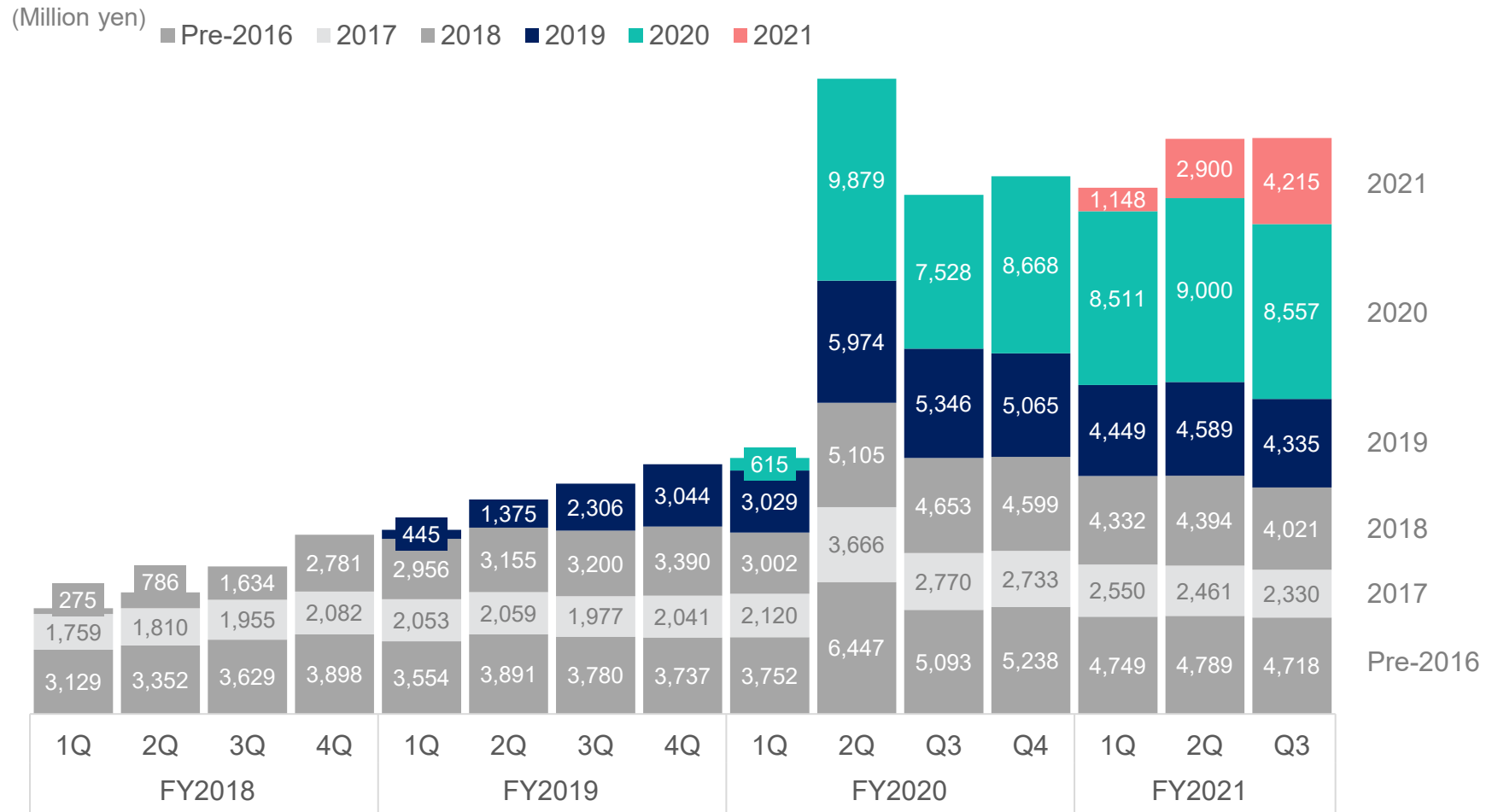
+11.0%



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

New shops' GMV increased as a result in the increase in monthly active shops
Existing shops' GMV decreased due to the reduced impact of COVID-19 and seasonality

GMV Trend (By Year of Establishment)

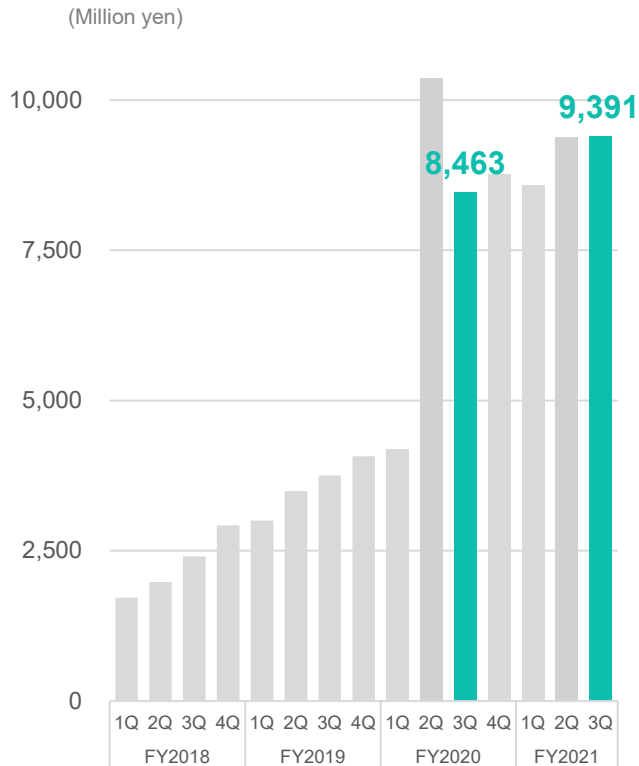


(Note) GMV is based on the order date (order amount)

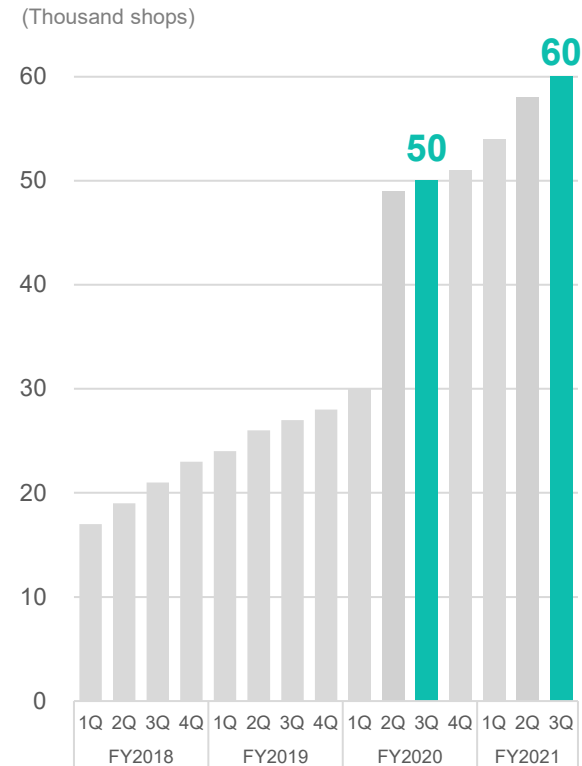
Monthly active shops continued to increase **YoY by 10 thousand (+20.4%)**

Monthly average GMV per shop decreased QoQ due to the reduced impact of COVID-19 and seasonality

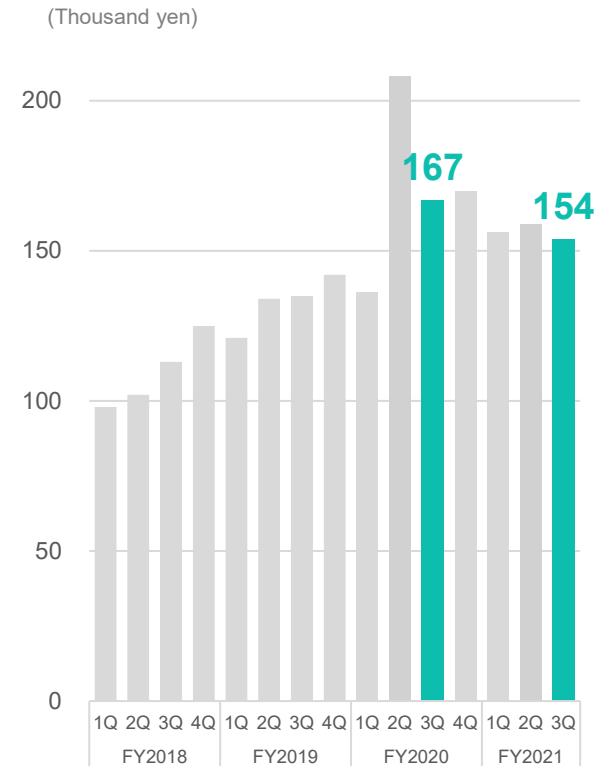
Monthly GMV (Notes 1, 2)



Number of Monthly Active Shops (Note 2)



Monthly Average GMV Per Shop

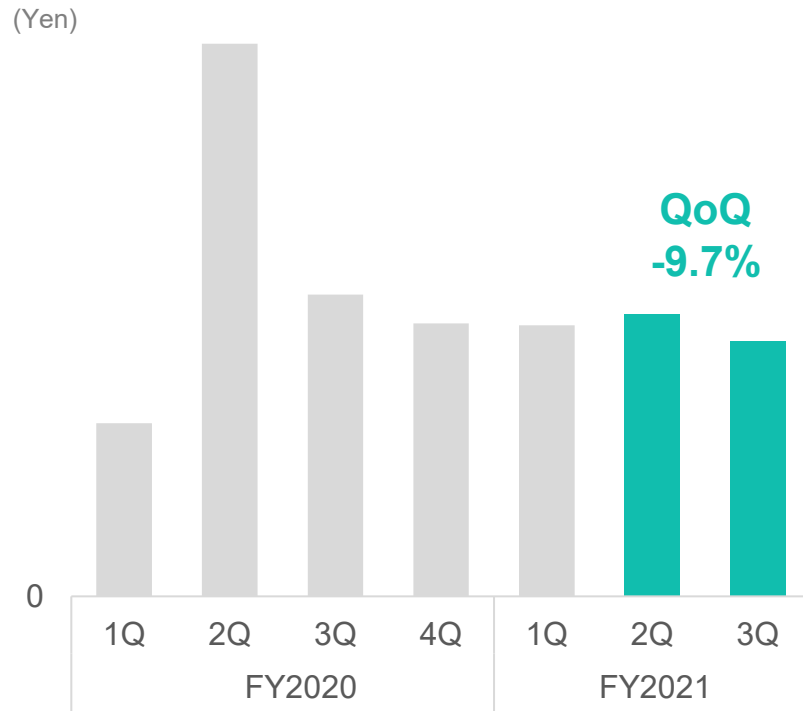


(Note 1) BASE's GMV is based on the order date (order amount).
 (Note 2) Monthly GMV and the number of monthly active shops are the quarterly averages.

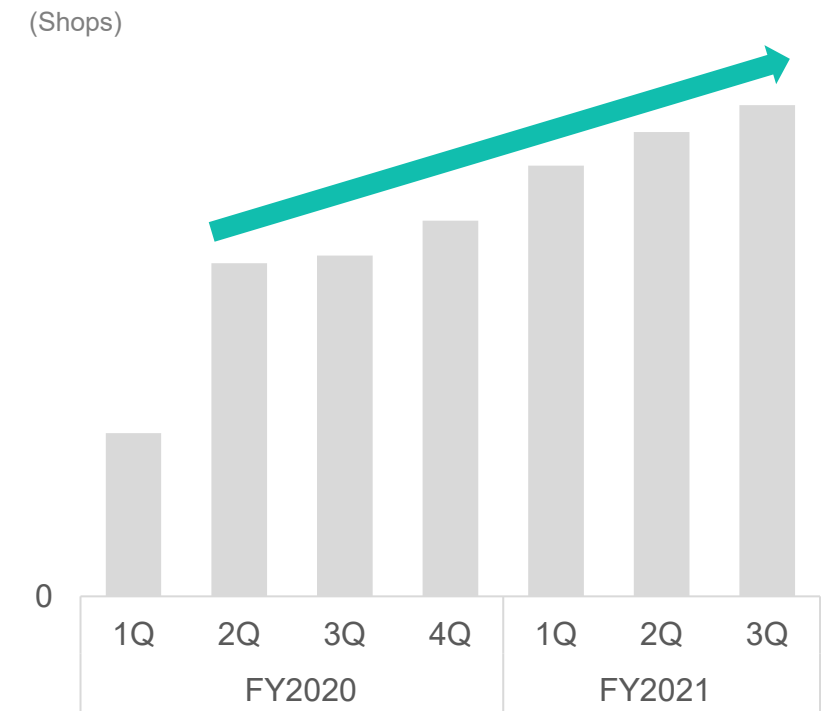
Monthly average GMV per shop decreased QoQ primarily due to decreases in the food and beverage category which saw significant impact from COVID-19

Number of monthly active shops for the food and beverages category continues to increase despite the sharp increase from Q2 FY2020

Monthly Average GMV Per Shop for Food and Beverages Category



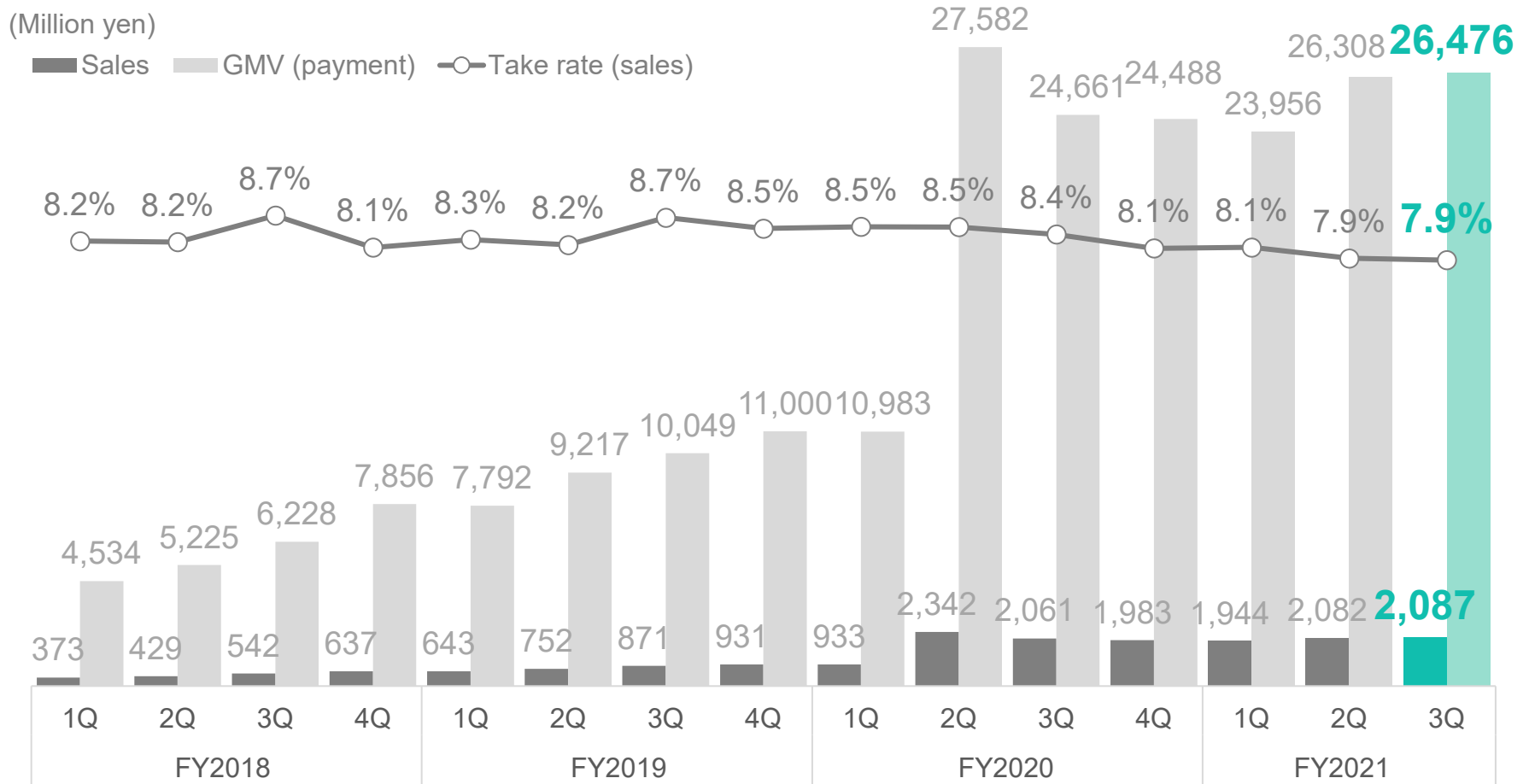
Number of Monthly Active Shops for Food and Beverages Category



(Note) The number of monthly active shops are the quarterly averages.

GMV (payment amount)^(Note1) turned positive YoY

Take rate was flat QoQ, and decreased YoY primarily due to a decrease in the purchasers' commission^(Note2)



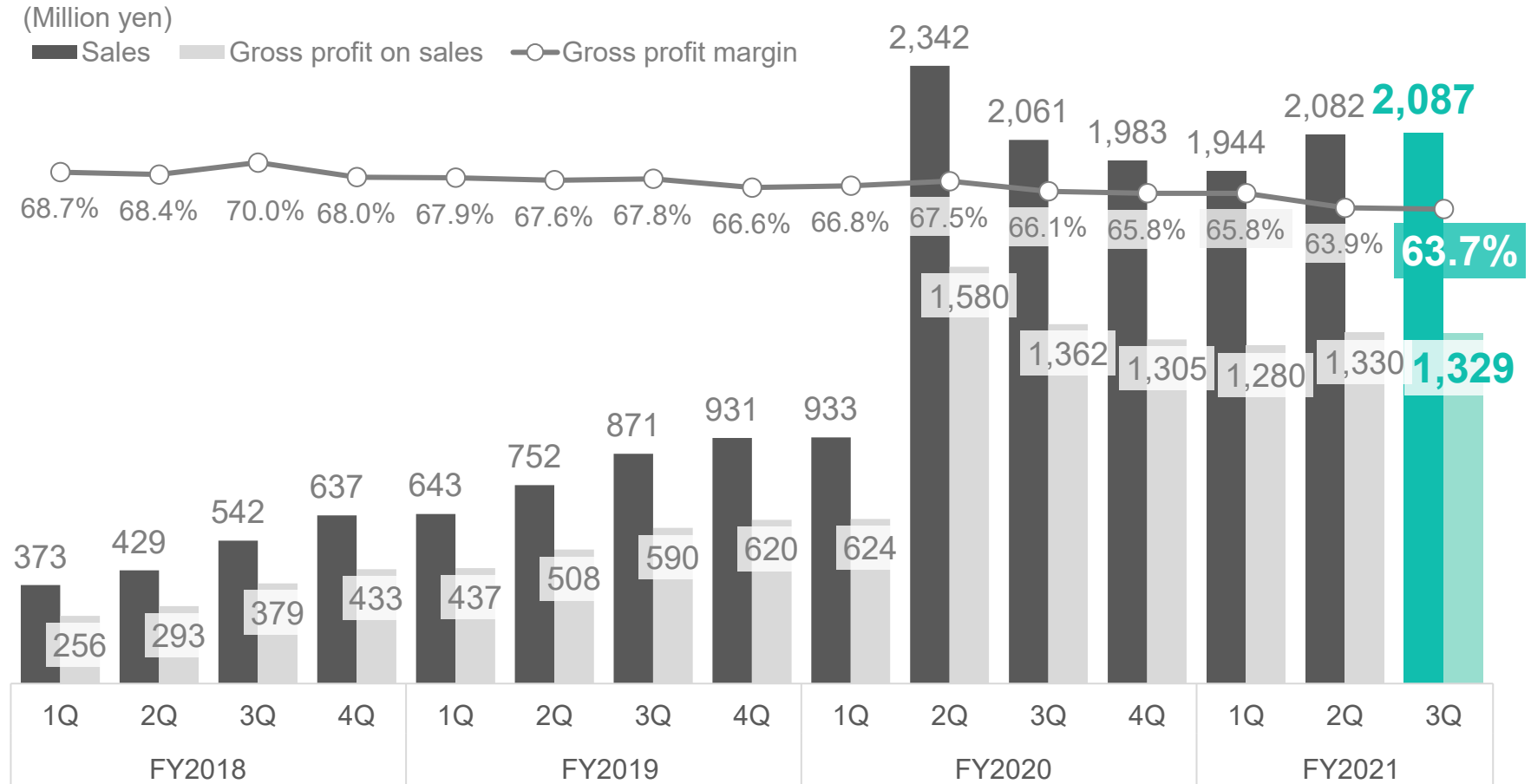
(Note1) Of the total amount of orders (GMV based on the order date), GMV (payment amount) is the amount that has been paid, and is recorded in the month of payment date. There is monthly time lag from order to settlement because the order date and settlement date are different. Also, the amount of GMV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

Net sales increased slightly YoY despite an increase in GMV, due to the decrease in take rate

Gross profit decreased slightly YoY, due to an increase in the cost of sales ratio_(Note)

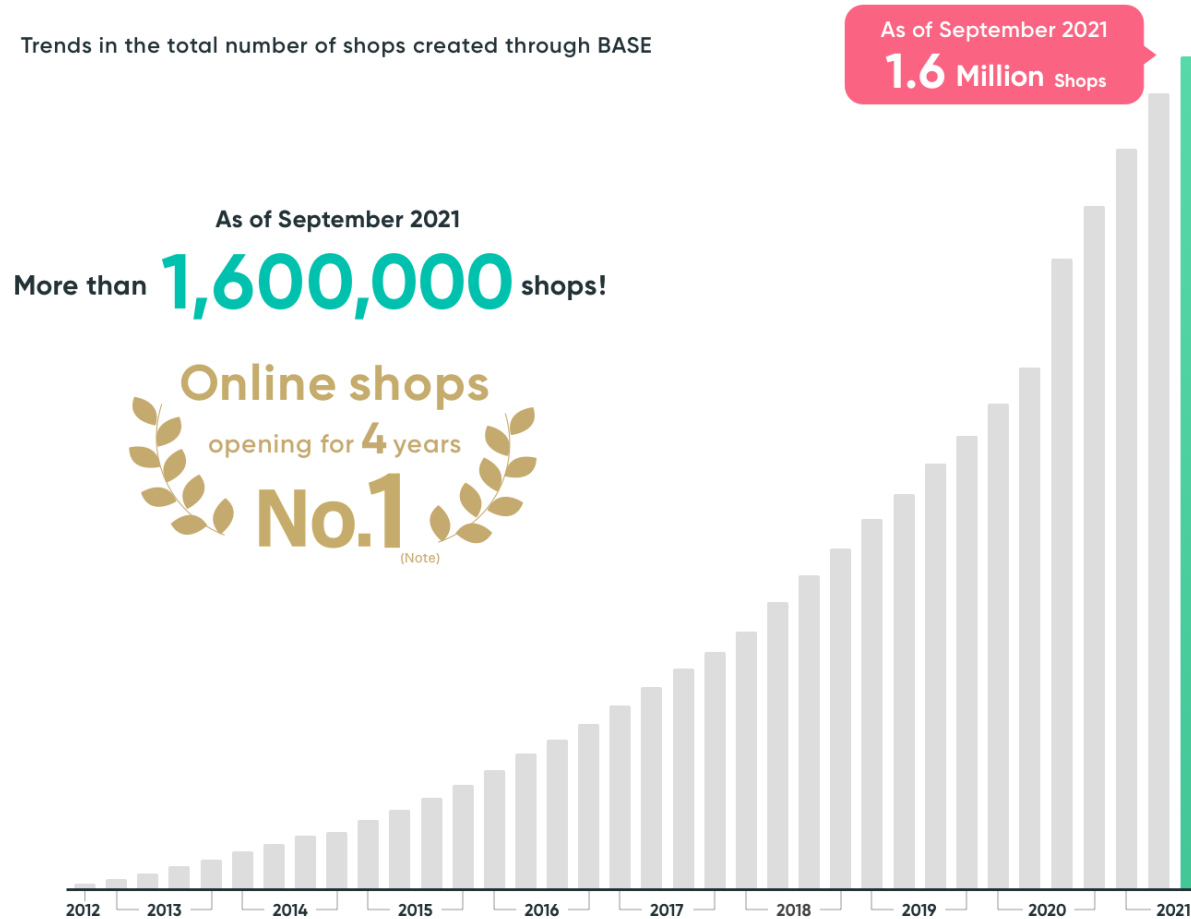
Gross profit and gross profit margin was flat QoQ



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

The cumulative number of shops openings reached **1.6 million** in September 2021
 The number of new shops openings remains high, driving growth in the number of monthly active shops

 **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.

Update of CRM function to enable delivery of e-mail newsletters according to segmented purchaser categories

Added to the admin screen as a standard feature for all shops^(note)



※Newsletters can be sent via the “Mail Magazine App”

Launch of the “Automatic Restock Notification App”, supporting operational efficiency, and increases in sales for large shops

Reduces the burden of responding to purchaser inquiries and inventory risk, contributing to sales promotion activities

Improving Operational Efficiency

- ✓ **Receive restock requests** for sold-out items from potential purchasers
- ✓ **Automatically send notifications** for potential purchasers when an item is back in stock



リング

¥ 60,000 税込

SOLD OUT

- ① ¥ 20,000以上のご注文で国内送料が無料になります。
- ② 別途送料がかかります。送料を確認する

 Request Restock Notification

通報する

Improving Sales

- ✓ **View a list of requests per item** sent by potential purchasers
- ✓ Helps **measure product demand** and assists in prioritizing product line up

再入荷希望一覧	
商品名	再入荷希望数
 テスト商品1 サイズS	60件 在庫の追加
 テスト商品2 サイズS	59件 在庫の追加
 テスト商品3 サイズS	58件 在庫の追加
 テスト商品4 サイズS	57件 在庫の追加

Opening of **“THE BASE MARKET”**, the first permanent sales space in the Kansai region^(note)
Individuals running their online shops can send products to be sold by the shop operator
Supporting the expansion of commercial opportunities such as brand recognition and customer acquisition through physical shops

Sales Space at “THE BASE MARKET”



- Shop owners can simply send their products to the sales space to outsource the display, customer service, payment and other operations
- No initial or fixed costs required. Shop owners can sell goods risk free with only a commission based on the amount of merchandise sold

Launch of “**BASE CARD**”, enabling immediate use of sales made by online shops

Providing “BASE CARD” and “Express Bank Transfers” to solve cash flow problems and support smooth shop management

Outline of “BASE CARD”

- ✓ Immediate spending of online shop sales at VISA member stores nationwide with a virtual card^(Note1)
- ✓ Available for all shops with at least 1 standard wire transfer history

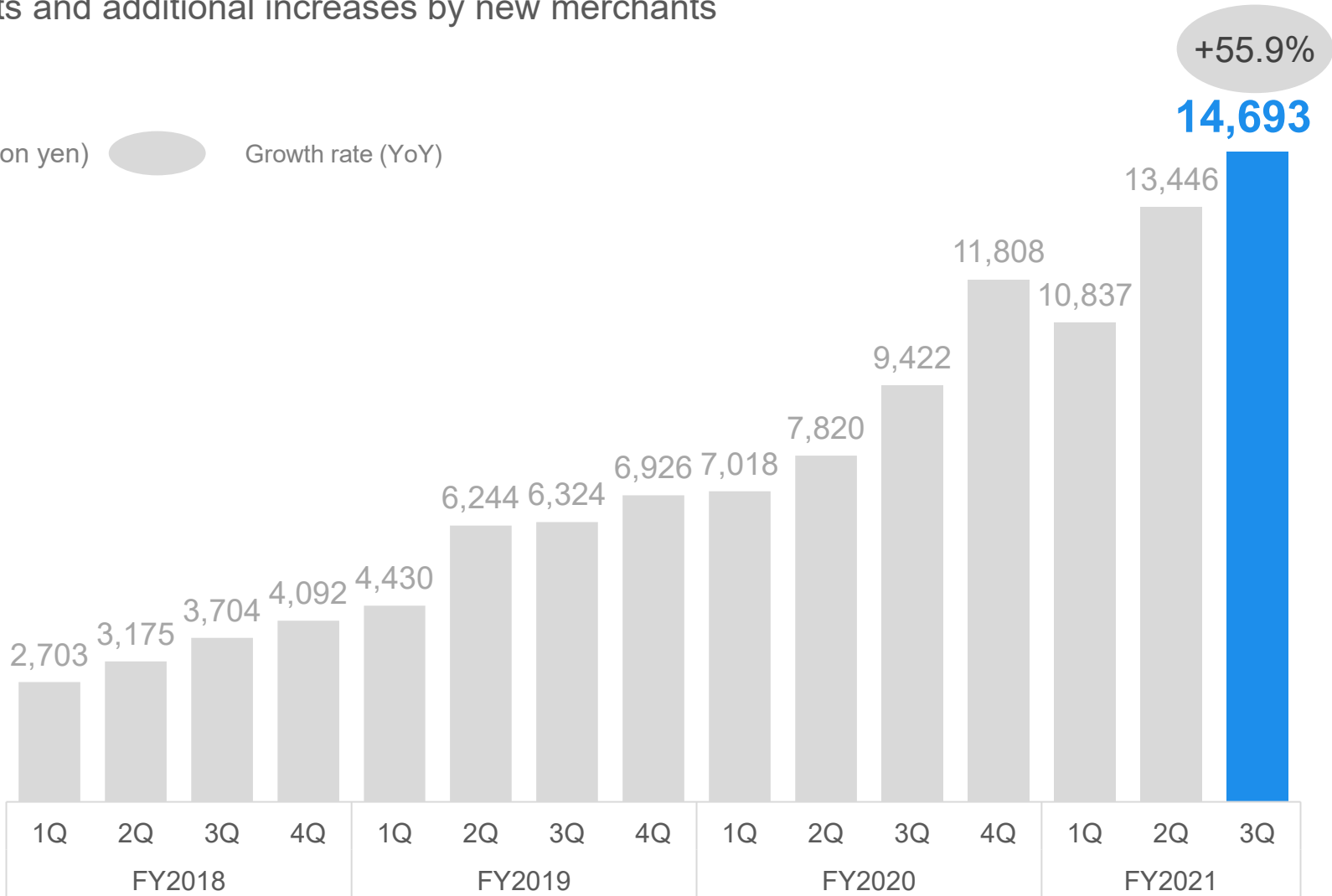
	NEW BASE CARD	Express Bank Transfers	Standard Wire Transfers
Period until use of sales	Same day of shipping without transfer application	Next business day After transfer application	10 business days After transfer application
Fees	No Charge	Transfer Fee + Admin Fee ^(Note2) + Additional Fee (1.5%)	Transfer Fee + Admin Fee ^(Note2)
Available For	All Shops	Limited Shops	All Shops

(Note1) Actual (physical) cards to be issued in H1 2022

(Note2) In addition to transfer fees (250yen), additional admin fees (500yen) apply to transfers below 20,000 yen, and no additional fees if above 20,000 yen

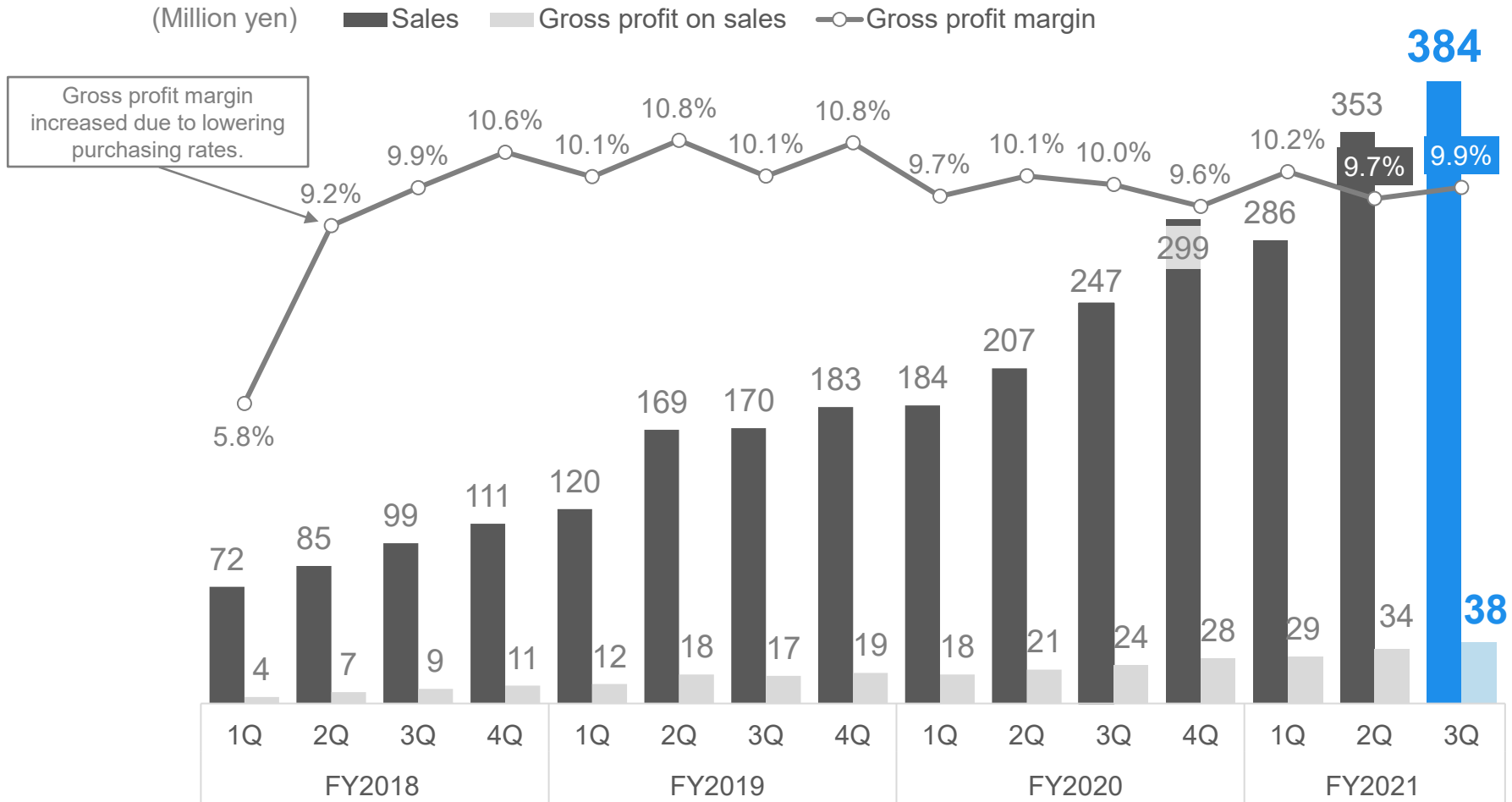
PAY business GMV continued to grow significantly at **+55.9% YoY** with continued growth by existing merchants and additional increases by new merchants

(Million yen)  Growth rate (YoY)



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

Increase in GMV led to an increase in net sales by **+55.4% YoY** and gross profit on sales by **+54.5%**
 Gross profit margin slightly increased 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

Consolidated net sales and gross profit at the end of Q3 were at the lower end of the forecast range

Full-year results are expected to be within the forecast range

Continue forward-looking investments in strengthening the BASE promotion and product development

(Million yen)	Forecast for FY2021	FY2020 Results	YoY	FY2021 (Jan – Sep)	Progress rate (Note)
Net sales	9,750 ~10,536	8,288	+17.6% ~+27.1%	7,176	73.6%
Gross profit on sales	5,614 ~6,118	4,992	+12.5% ~+22.6%	4,080	72.7%
Selling, general and administrative expenses	7,047	4,189	+68.2%	4,570	64.9%
Operating profit	-1,433 ~-929	803	-	-490	-
Ordinary profit	-1,433 ~-929	747	-	-494	-
Net income attributable to shareholders of the parent company	-1,437 ~-933	584	-	-467	-

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

GMV was at the lower end of the forecast range

Number of monthly active shops was higher than expected, while the monthly average GMV per shop was lower than expected due to the reduced impact of COVID-19

(Million yen)	Forecast for FY2021	FY2020 Results	YoY	FY2021 (Jan – Sep)	Progress rate (Note)
GMV (orders)	115,000 ~125,000	95,296	+20.7% ~+31.2%	82,048	71.3%
GMV (payment)	103,500 ~112,500	87,717	+18.0% ~+28.3%	76,741	74.1%
Net sales	8,350 ~9,100	7,321	+14.1% ~+24.3%	6,114	73.2%
Take rate	8.1%	8.3%	-	8.0%	-
Gross profit on sales	5,450 ~5,950	4,872	+11.9% ~+22.1%	3,940	72.3%
GMV (settlement base) rate	5.3%	5.6%	-	5.1%	-
Gross profit rate	65.3%	66.6%	-	64.4%	-

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

GMV, net sales, and gross profit were at the upper end of the forecast range

(Million yen)	Forecast for FY2021	FY2020 Results	YoY	FY2021 (Jan – Sep)	Progress rate (Note)
GMV	52,600 ~54,000	36,069	+45.8% ~+49.7%	38,977	72.2%
Net sales	1,370 ~1,406	939	+45.8% ~+49.6%	1,024	72.8%
Thake rate	2.6%	2.6%	-	2.6%	-
Gross profit on sales	134 ~138	92	+45.1% ~+49.5%	101	75.8%
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

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.

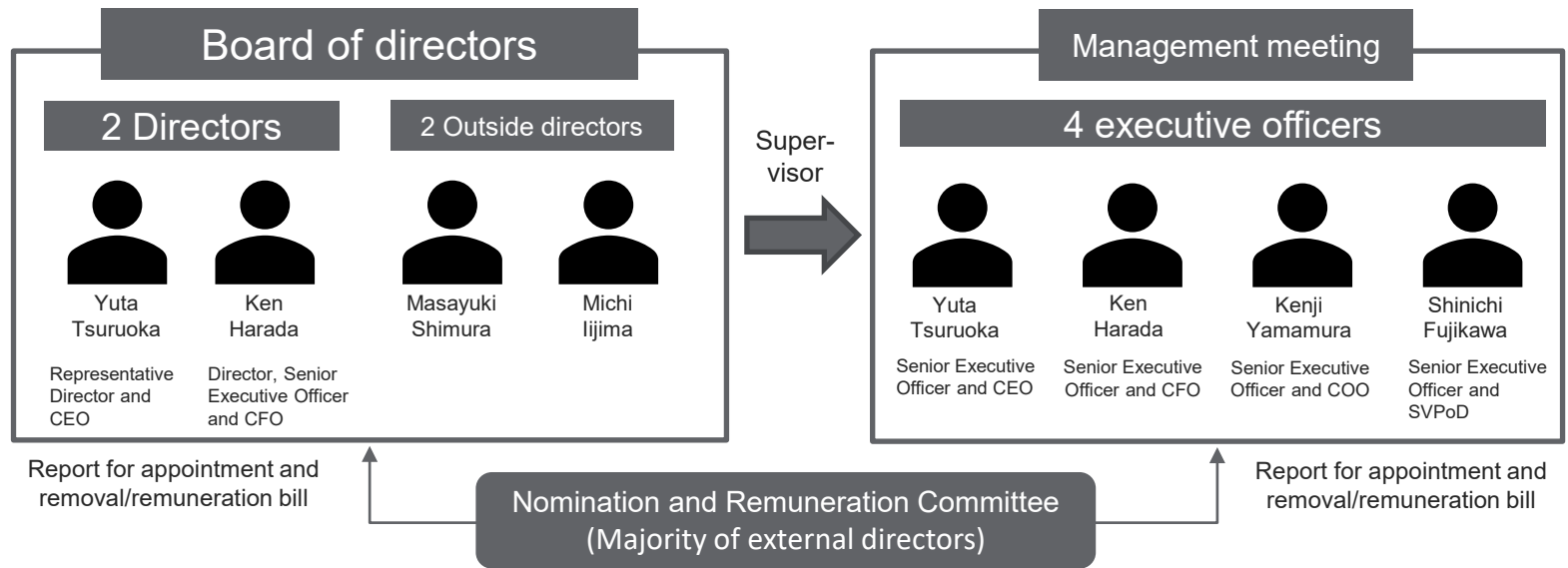


Kenji Yamamura (Senior executive officer and COO)

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

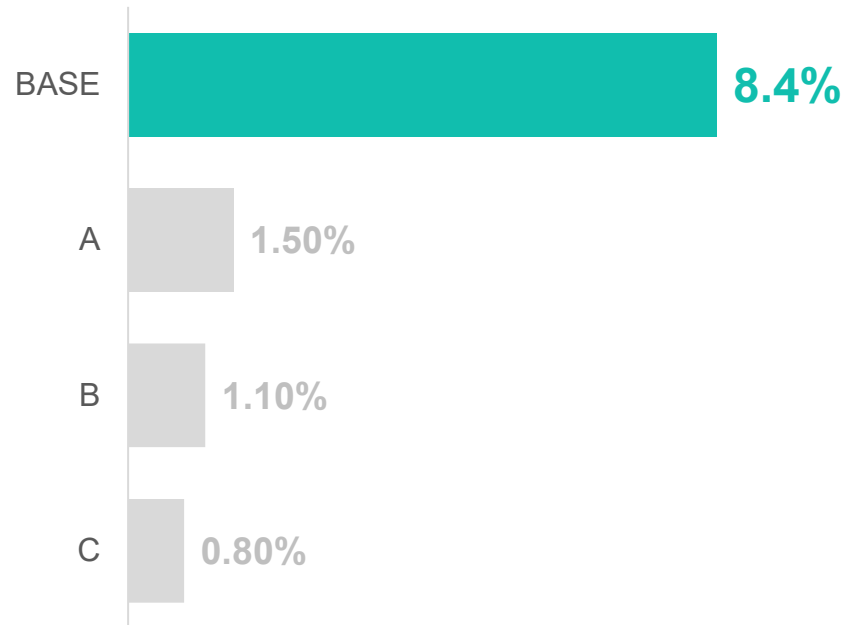
- Focus on empowering individuals and SMBs for the BASE business
- For storefront-type EC markets, the long tail market targeted at individuals and SMBs can expect higher GMV growth rates and take rates than markets targeting large shops
- BASE has the largest share in Japan of the long tail market
- 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

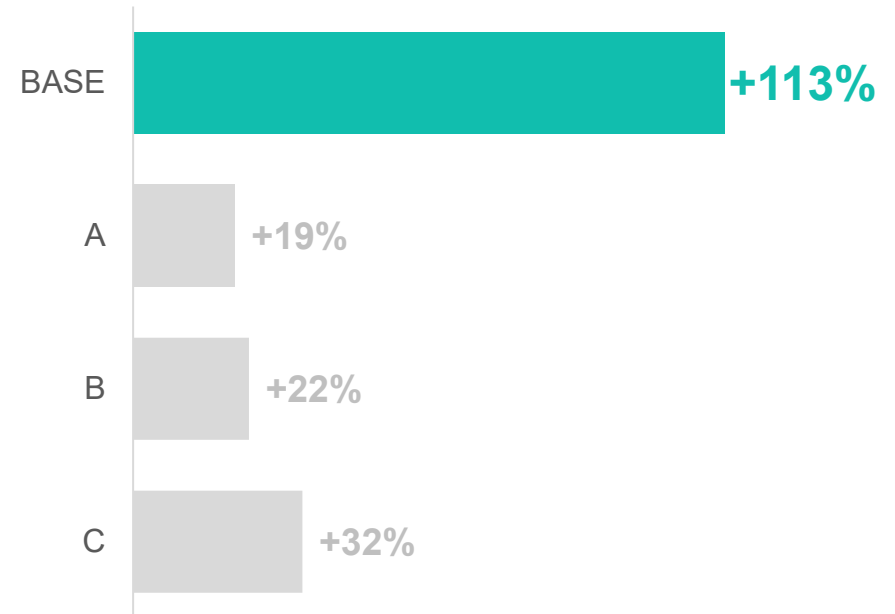
- Continuing to control costs, endeavoring to strengthen products and increase the number of member stores, and aiming for GMV growth

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)



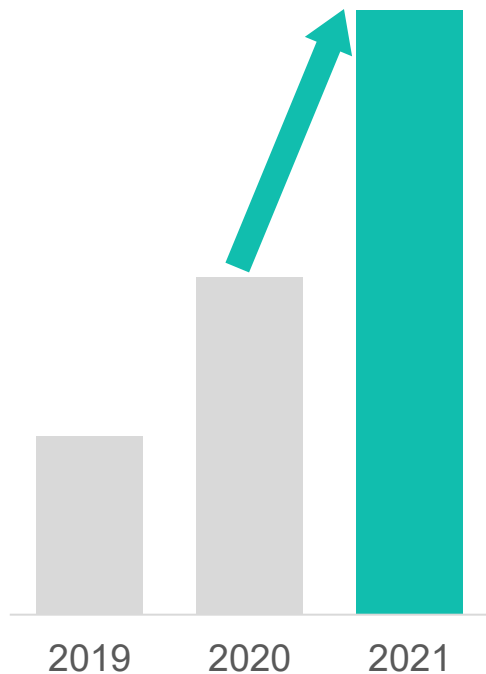
(Note1) Take rate between July and September 2020

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

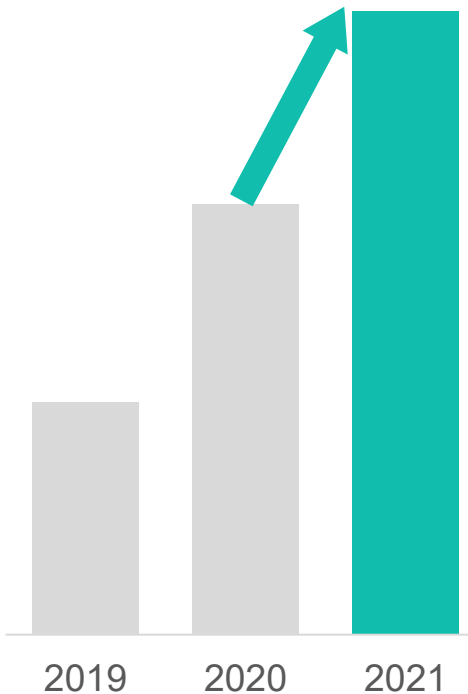
Further enhance forward-looking investments for promotion.

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

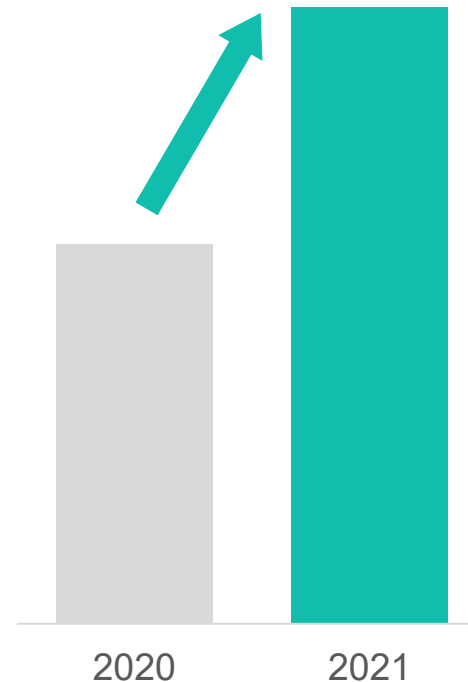
Accelerate forward-looking investments in product development, etc. by promoting the recruitment of human resources and utilizing external human resources.

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**



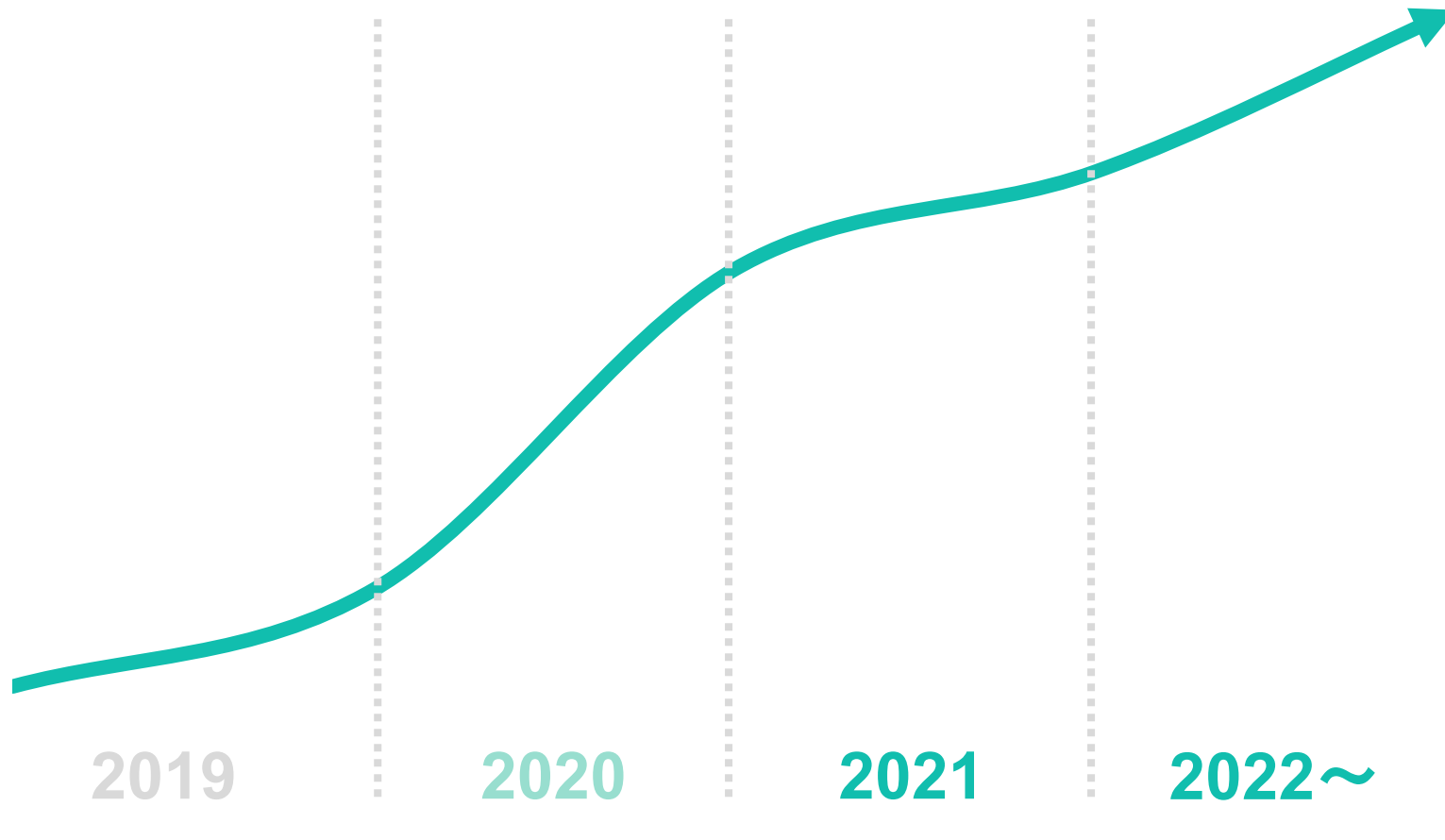
**Personnel expenses and
outsourcing expenses**



- 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.

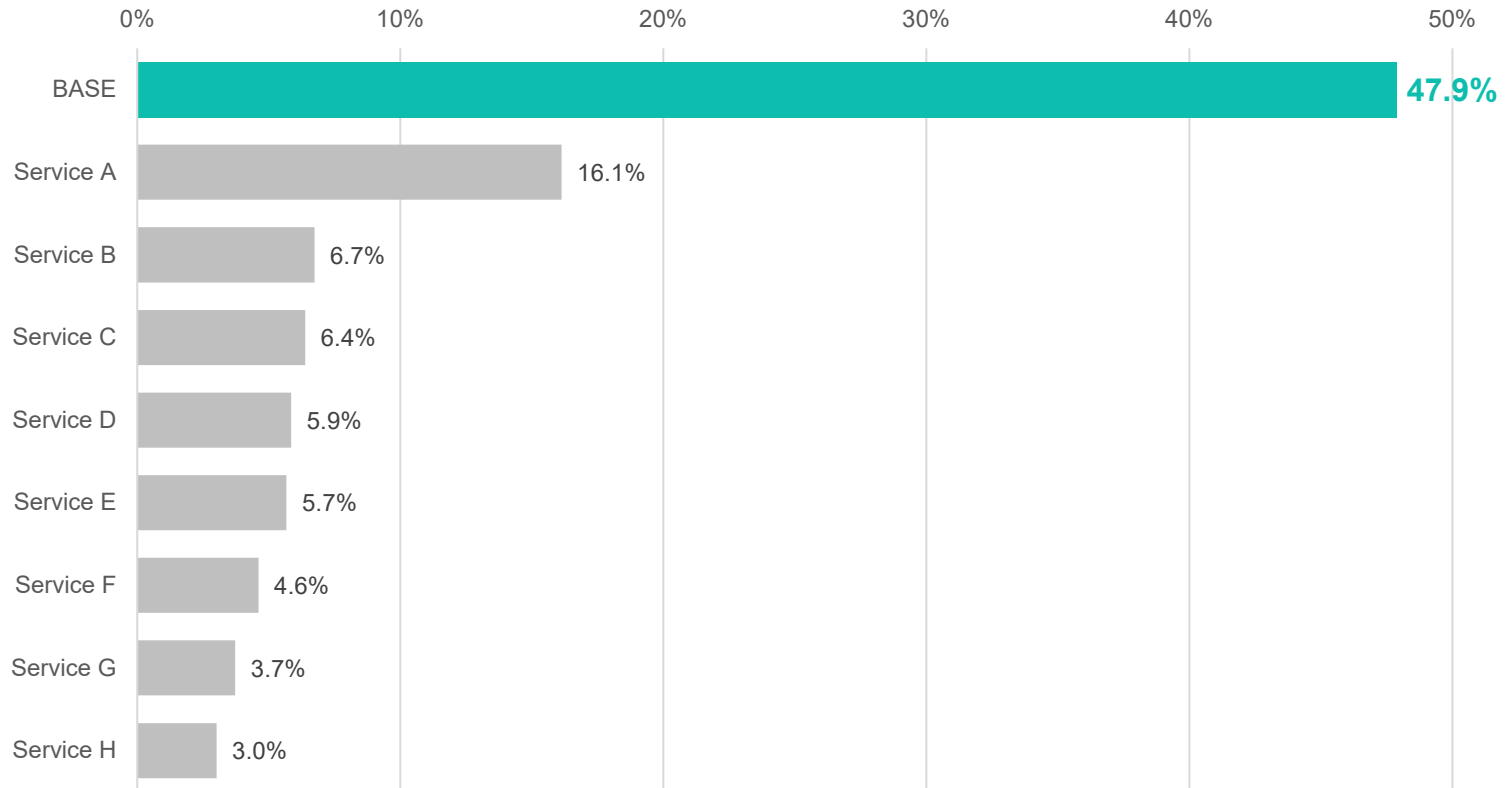


Incurring cost from the initial stage when products don't sell is a risk for SMBs.

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	3Q
Sales	BASE	643	752	871	931	933	2,342	2,061	1,983	1,944	2,082	2,087
	PAY	120	169	170	183	184	207	247	299	286	353	384
	Others	0	0	1	3	6	7	6	7	7	10	20
Gross profit on sales	BASE	437	508	590	620	624	1,580	1,362	1,305	1,280	1,330	1,329
	PAY	12	18	17	19	18	21	24	28	29	34	38
	Others	0	0	1	3	6	7	6	7	7	10	20
Segment profit	BASE	-108	144	-71	-81	56	718	601	-264	102	-207	-167
	PAY	-43	-31	-28	-24	-25	-26	-19	-19	-18	-17	-6
	Others	-15	-12	-11	-14	-10	-13	-6	-14	-15	-18	-12
	Corporate expenses	-34	-32	-33	-41	-47	-38	-40	-44	-54	-41	-33
Operating profits	Entire company	-203	67	-144	-161	-28	640	534	-343	13	-283	-220

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
	September	28,175	9,391	60,856	154,329	26,476

(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
	September	14,693

Ratio of Dilutive Shares

		FY2021 3Q
SO	Beginning balance	7,196,000
	Granted	0
	Exercised	-1,140,000
	Renounced	-28,000
	Ending balance	6,028,000
Number of shares outstanding		110,862,749
Ratio of dilutive shares		5.4%

(Note) 5 to 1 stock split conducted on April 1st 2021 reflected for beginning balance of FY 2021

Handling of these Materials

This document has been prepared by BASE, Inc. (the “Company”) solely for information purpose only. This document does not constitute or form part of and should not be construed as, an offer to sell or issue or the solicitation of an offer to buy or acquire securities of the Company in Japan, the United States or any other jurisdictions. The information contained herein is based on current economic, regulatory, market trends and other conditions. The Company makes no representation or guarantee with respect to the credibility, accuracy or completeness of the information herein. The information contained herein may change without prior notice. Furthermore, the information on future business results are forward-looking statements. Forward-looking statements include but not limited to expressions such as "believe", "expect", "plan", "strategic", "anticipate", "predict" and "possibility", as well as other similar expressions to explain future business activities, achievements, events and future conditions. Forward-looking statements are predictions about the future that reflect management's judgment based on currently available information. As such, these forward-looking statements are subject to various risks and uncertainties that could cause actual results to differ materially from those expressed in or suggested by the forward-looking statements. Therefore, you may not rely entirely on forward-looking statements. The Company does not assume any obligation to change or correct any forward-looking statements in light of new information, future events or other findings.

This presentation is being furnished to you solely for your information and may not be reproduced or redistributed to any other person. In giving this presentation, the Company does not undertake any obligation to provide the recipient with access to any additional information or to update this presentation or any additional information or to correct any inaccuracies in any such information which may become apparent.

Information on companies other than the Company and information provided from third parties are based on public information or sources. The Company has not independently verified the accuracy and appropriateness of such data and indicators used herein, nor assume any responsibility for the accuracy and appropriateness of such data and indicators presented in this document.

BASE