



BASE

Materials for
Growth Opportunities and Strategies

BASE, Inc.

(Tokyo Stock Exchange Mothers: 4477)

December 29th 2021

- 1. Corporate Profile and Outline of Business**
- 2. Market Environment**
- 3. Medium Term Management Policy**
- 4. Latest Financial Results**
- 5. Reference Material**

1. Corporate Profile and Outline of Business

Mission

Payment to the People, Power to the People.

ひとりひとりに眠る、想いが、感性が、才能が。

世界中の、必要な人に届くように。

そこから生まれる、作品に、アイデアに、活動に。

正当な対価を、受け取れるように。

ペイメントを、世界中の人へ解放する。

世界のすべての人に、

自分の力を自由に価値へと変えて

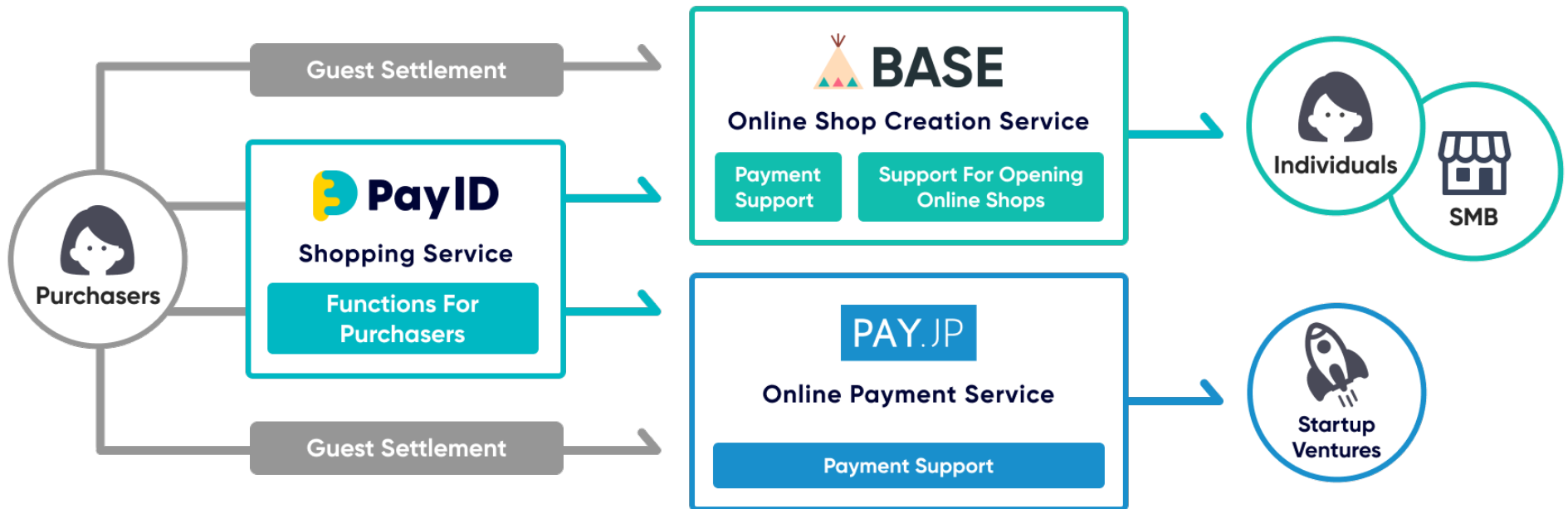
生きていけるチャンスを。

あたらしい決済で、あなたらしい経済を。

BASE

Outline Chart of Business

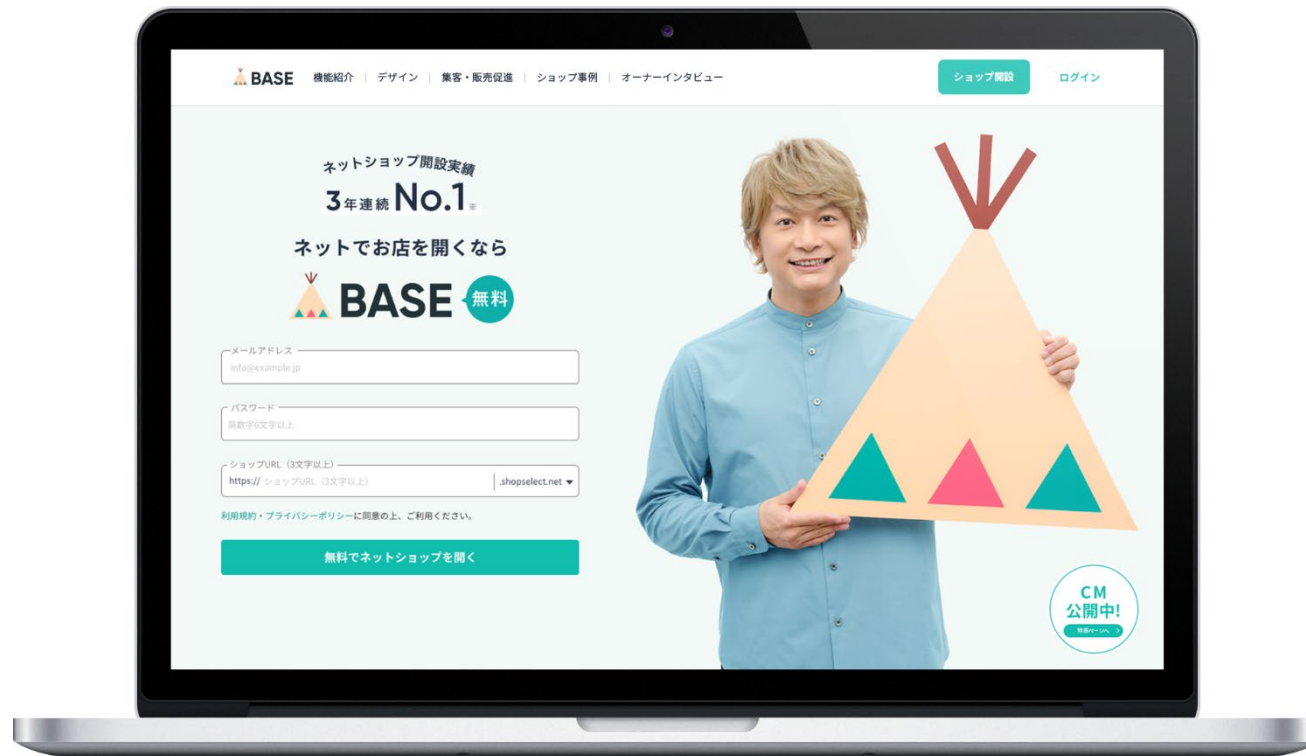
Focus on empowering individuals and SMBs_(Note) through "BASE" and supporting startups through "PAY.JP"



(Note)SMB...Small and Medium Business

Online shop creation services enabling anyone to easily create well-designed online shops at no cost

Enabling the creation of storefront type online shops



Easy to create and operate online shops made possible by “BASE”

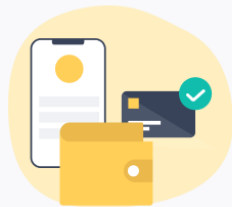
Helping to ease time consumption, operating costs, and need for IT knowledge for those struggling to start online shops

POINT 1



**No Initial or
Monthly Costs**

POINT 2



**BASE
Easy Payment**

POINT 3



**Easy To Use
Functions**

POINT 4



**Shopping Service
"Pay ID"** (Note)

Free of online shop initial and monthly fees

Free of charge with BASE! (Note1)



No initial fees nor monthly fees! Everything from creating to operating your online retail shop is free of charge!
There are no limits to the number of products that can be registered.

The handling fee is 6.6% of the settlement amount +40 yen (Note2)

(Note 1) Certain shop templates and services, such as prompt payment transfers, are chargeable







(Note 2) Including service charges

Providing a unique payment system “BASE Easy Payment”
Easing the burden for installing payment functions for online shops

Overview of “BASE Easy Pay”

- ✓ The one-stop service from the opening of an online shop to the introduction of a settlement function eliminates the need for the complicated process of installing an external settlement system
- ✓ Shortens the screening time for instalment and offers the payment services from the next business day at the earliest without the need for complicated credit administration procedures
- ✓ Users can choose from 7 payment methods
- ✓ Flat-rate payment processing commission at just **6.6%** of the transaction amount **plus 40 yen** for all payment methods

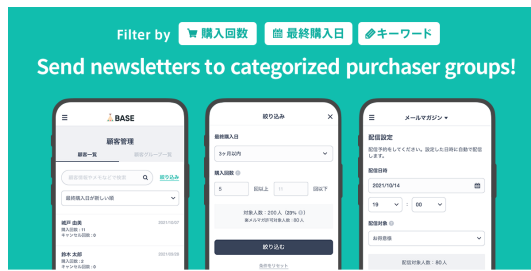
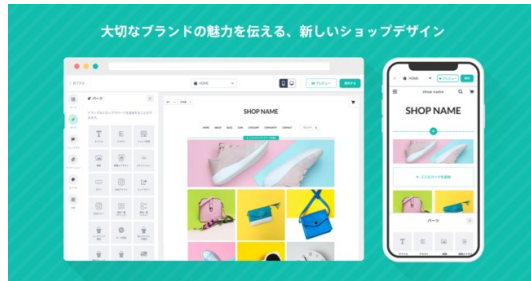
(Including a service charge of 3.0%)

Credit Card	
Carrier settlement	
Bank transfer	
Convenience store payment / Pay-easy	
PayPal	
Deferred payment	

Easy to use and simple standard functions and extension function “BASE Apps” enabling shops to easily expand functionalities to meet a wide range of needs

Standard Functions

The basic functions necessary to operate an online shop are provided free of charge to all stores as part of the standard functions



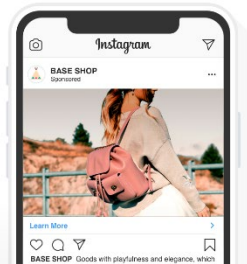
※Newsletters can be sent via the “Mail Magazine App”

Extension Function “BASE Apps”

Providing more than 80 types of extension functions to meet a wide range of needs

Instagram Ads

- ✓ Distribution to the interested users
- ✓ Minimal setup for beginners
- ✓ Easy reports measuring effectiveness



Google Shopping Ads App

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



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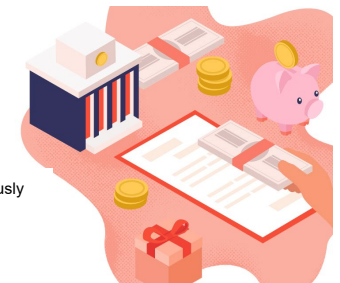
Other Services

Providing services to enable individuals and SMBs to open physical shops, as well as raising funds easily and without risk



YELL BANK

Raise funds instantaneously and risk-free

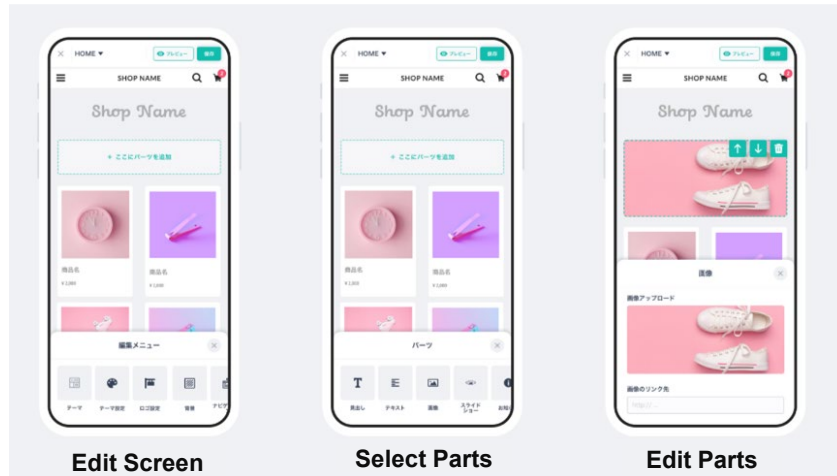


Simple standard functions enable even first-time users to easily operate an online shop

Providing design and CRM functions necessary for operating a storefront type online shop

Shop Design Function

Over 1,000 design patterns created through combining official themes and parts, allowing shops to **easily express their brand's worldview with no code required**



CRM Function

Easily send email newsletters to auto-generated list of new and repeat purchasers, **enabling sales promotion activities and building of lasting relationships with purchasers**



※Newsletters can be sent via the "Mail Magazine App"

Providing “BASE Apps” to easily expand functionalities of shops

Meeting needs of a variety of sales methods and sales scales, enabling anyone to easily conduct sales promotion activities and improve operational efficiency

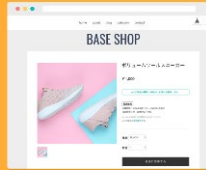
Supporting Various Sales Methods

Supporting a variety of sales methods contributing to sales promotion activities and enhancing operational efficiency

Providing functions to avoid product hoarding, order errors, and increase repeat purchasers

👉 抽選販売

- ✓ 商品の抽選販売が可能に
- ✓ 当選者・落選者が選択できます
- ✓ 抽選発表メールも編集可能



👉 商品オプション

- ✓ 商品に選択項目を追加できます
- ✓ 有料オプションを設定可能
- ✓ 名入れ商品も作れます



👉 定期便

- ✓ 定期商品を簡単に販売
- ✓ 指定のサイクルで自動的に課金



👉 テイクアウト

- ✓ 受取時間を指定した事前注文 / 決済
- ✓ 新規注文のリアルタイム画面通知
- ✓ 注文の受付 / お渡し状況管理



Supporting Various Sizes of Shops

Integration with external services to support large shops

Providing automated inquiry handling for inventories out of stock, and integrated inventory management with physical shops

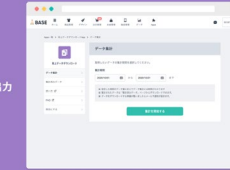
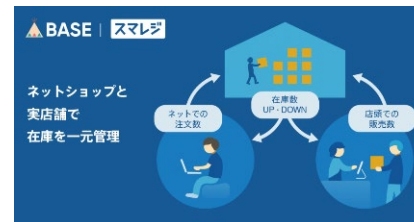
👉 再入荷自動通知

- ✓ 再入荷をメールで通知
- ✓ 売り切れ商品の需要把握に最適
- ✓ 通知は自動で送信



👉 売上データダウンロード

- ✓ 期間を選択して入金データを出力
- ✓ CSV形式で連携もかんたん
- ✓ 月次や週次の経理業務を効率化

ECサイト運営業務を一気通貫で効率化・自動化

受注管理 **在庫管理** **商品管理**



受注管理: 顧客からの注文を自動的・一括管理します。メールやSNS、メッセージなどの問い合わせも一括で対応可能。商品在庫も一括で確認・更新が可能です。

在庫管理: ネットショップの在庫情報も一括で管理し、商品在庫も一括で確認・更新が可能です。

商品管理: ページ管理、在庫情報も一括で確認・更新が可能です。商品情報も一括で確認・更新が可能です。

Providing services which enable individuals and SMBs to open physical shops and raise funds easily and without risk

Physical Shops (Note1)

Providing access to **all BASE shops** to open physical shops without initial or fixed costs, **allowing a risk-free opportunity** with only a commission based on amount of goods sold



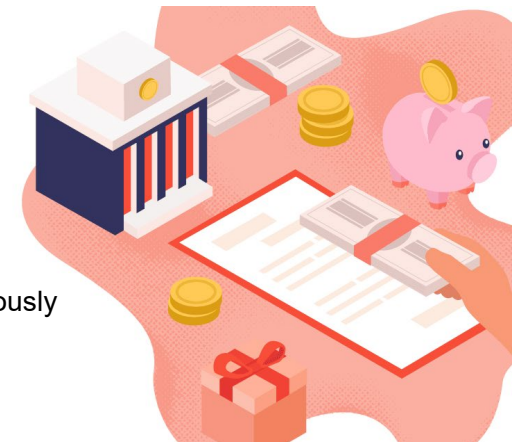
Raising Funds (Note2)

BASE will forecast future sales and purchase the receivables, **enabling shops to raise funds without risk**



YELL BANK

Raise funds instantaneously and risk-free



As a storefront type online shop creation service, “BASE” offers unique services for purchasers as well

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 (note1)

Former 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

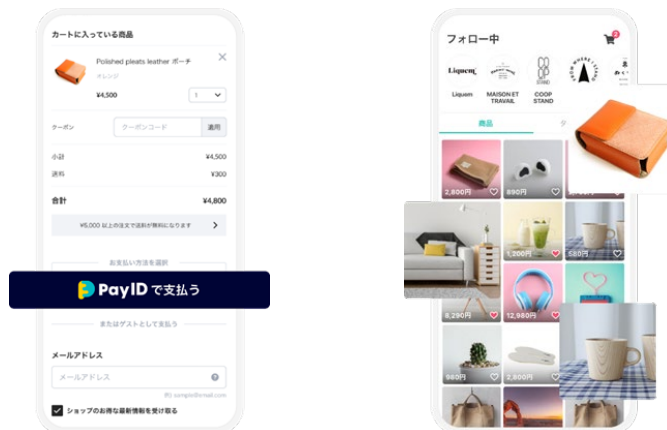
(Note1) As of October 2021

(Note2) All existing functions of the shopping app “BASE” and ID-based payment service “PAYID” will continue to be available

Focus on product development contributing to 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



New Item Notification

Issue Coupons

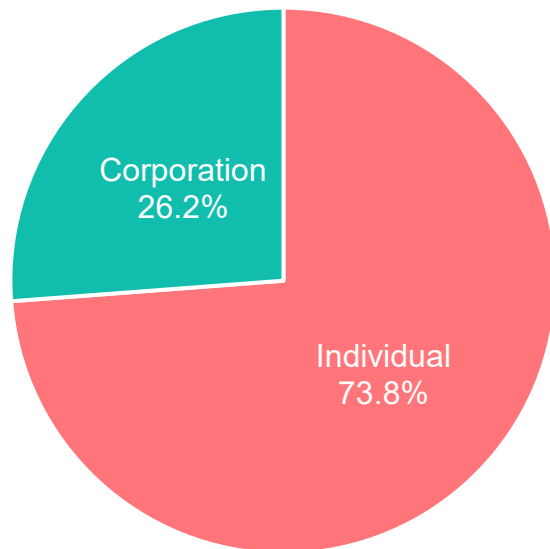
Give Points



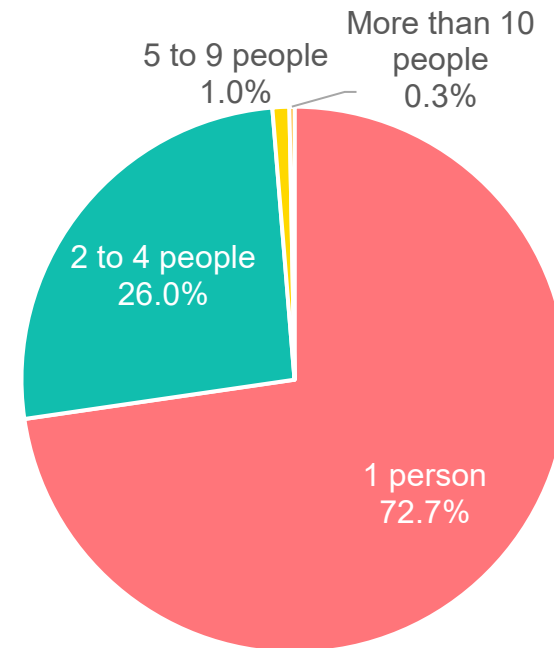
Majority of shop owners are operated by individuals

Targeting individuals and SMBs is a major differentiator from major e-commerce platforms

Shop Management Structure

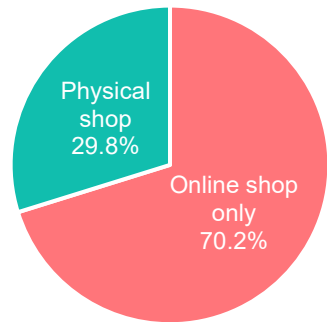


Number of Operators

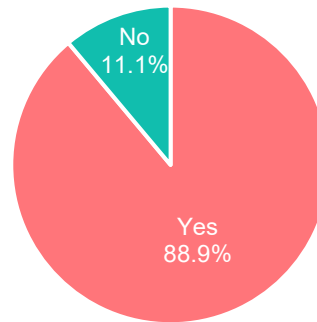


Majority of BASE shops are individuals and SMBs operating online shops only, using SNS to attract customers and sell original goods

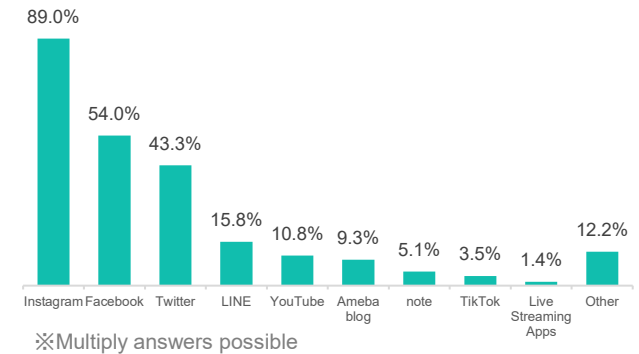
Shops Which Also Own Physical Shops



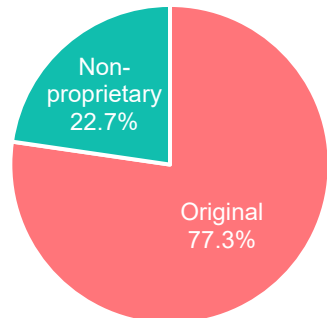
Shops Who Use SNS to Increase Fans



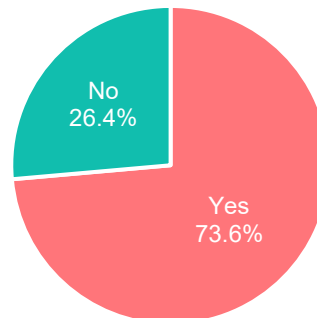
Frequently Used SNS Platforms



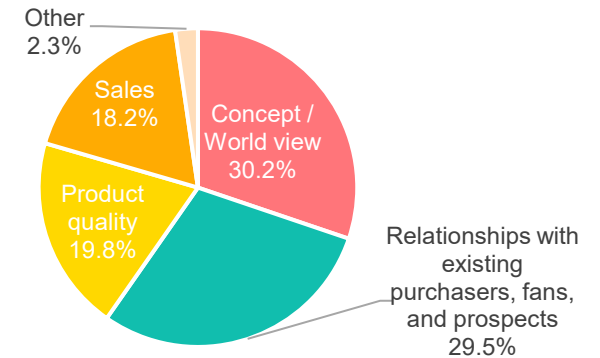
Selling of Original vs Non-Proprietary Goods



Shops Who Identify as Their Own “Brand”



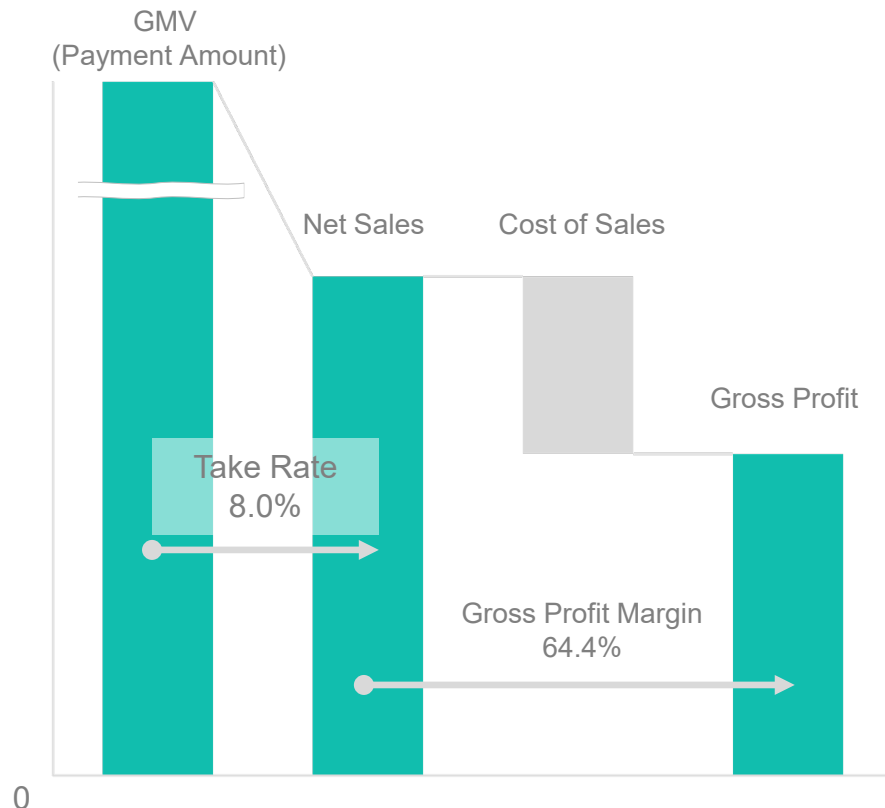
Important Factors For Operating a Shop



Net sales and cost of sales are linked to GMV

Net sales consist mainly of commissions paid by shops

Revenue Structure^(note1)



Composition of Net Sales

① Commission paid by shops

- ✓ Payment Processing Commission (3.6%+40yen of shop sales)
- ✓ Service Commission (3.0% of shop sales)
- ✓ Others^(Note2)

② Commission paid by purchasers

- ✓ 300yen when selecting carrier / CVS / deferred payment out of 7 payment methods

Composition of Cost of Sales

- ✓ Commissions paid to payment processing companies only

(Note1) 9 months ended December 31, 2021

(Note2) Includes withdrawal application fees and paid functions. 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

“Simplifying All Payments”

Online payment service for developers to easily integrate credit card payments to web services and online stores (Note)







(Note) Does not include online shops created by “BASE”

Providing solutions for online payment services to solve issues such as lengthy screening processes, high costs, or difficulties of use

Simple fee structure

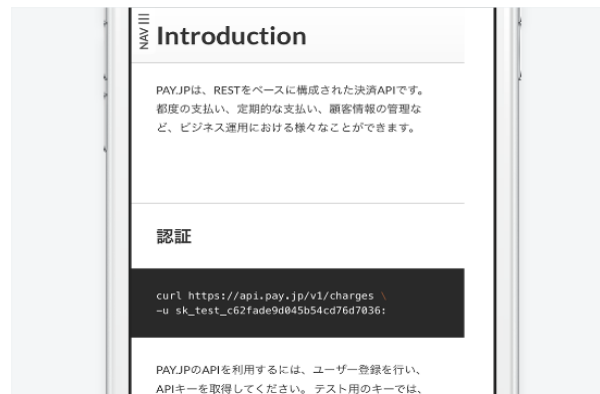
- ✓ Absolutely no costs other than the payment processing fees(Note)

	Basic Plan	Pro Plan	PAY.JP Seed	PAY.JP NPO	PAY.JP Travel
Monthly Fee	¥0	¥10,000	¥0	¥0	¥0
 	3.0%	2.59%	2.59%	1.5%	1.5%
 	3.6%	3.3%	3.3%	—	3.3%
Deposit Cycle	Close at month end Only paid at the end of following month	Close 15th / month-end Paid a half months later	Close 15th / month-end Paid a half months later	Close at month end Only paid at the end of following month	Close 15th / month-end Paid a half months later

(Note) Excluding Pro plan

Easy to integrate

- ✓ Allows for the integration of simple and smooth payment functions



Robust security

- ✓ Security levels that meets international standards



Tokenization



PCI-DSS

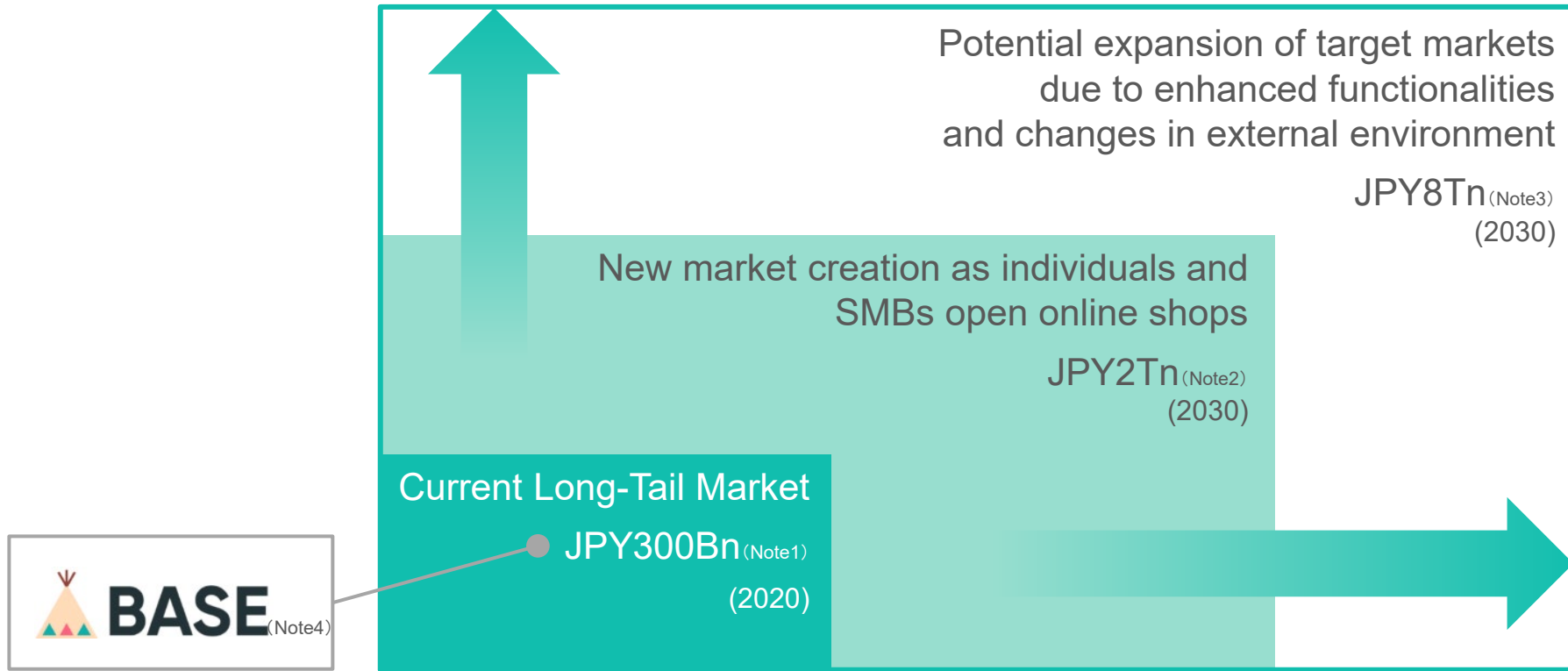


Monitoring

2. Market Environment

Growth of “BASE” in line with the growth of the long-tail market newly created by individuals and SMBs opening online shops

Further expansion of the target market is possible through enhancement of functions of “BASE”



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

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

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

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

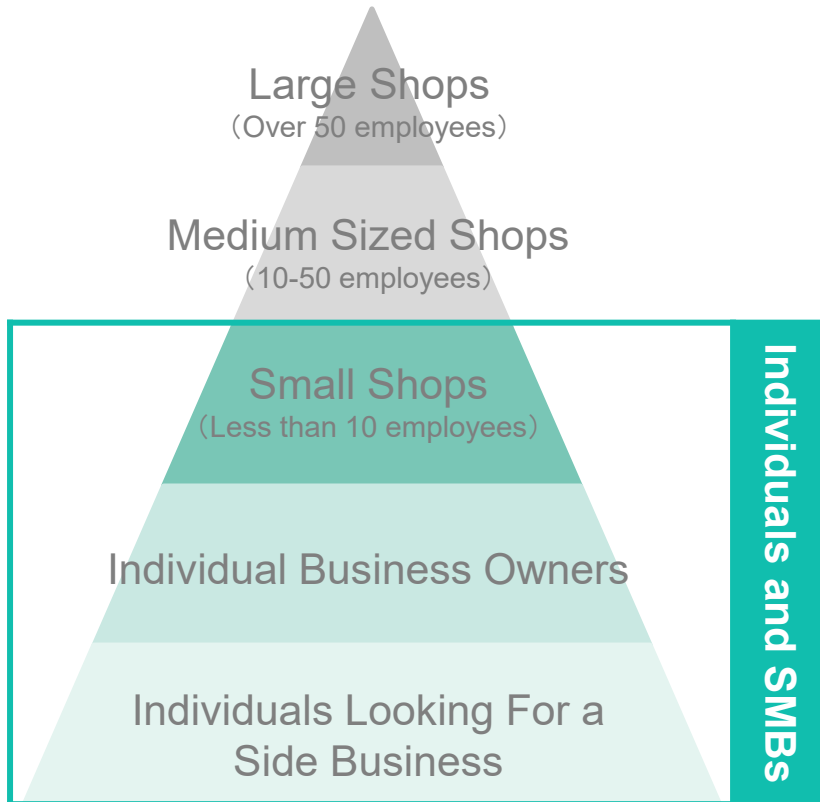
“BASE” offers differentiated added value by leveraging on the strengths of a storefront type online shop creation service as compared to Mall type EC

		Mall Type EC	“BASE”
Platform Characteristics	Functions	Requires knowledge Overloaded functions by default	Simple functions for anyone to easily use with high flexibility
	Designs	Shops’/brands’ products displayed alongside other similar products	Freely express the appeal of the shop/brand
Shop Characteristics	Products	Widely known brands and commoditized generic products	Unique and original products only available at each shop
	Marketing	Platform attracting a wide range of purchasers	Shops attract purchasers directly through SNS platforms
Purchaser Characteristics	Purpose	Convenience of product lineups and cost performance	Shopping experience and interactions as a fan of the shops

Unique position in targeting individuals and SMBs

Easy to set up online shop creation, and easy to install payment functions, in addition to free of charge initial and monthly fees are **major differentiators from other services in the market**

Scale of Target Users



Competitive Landscape

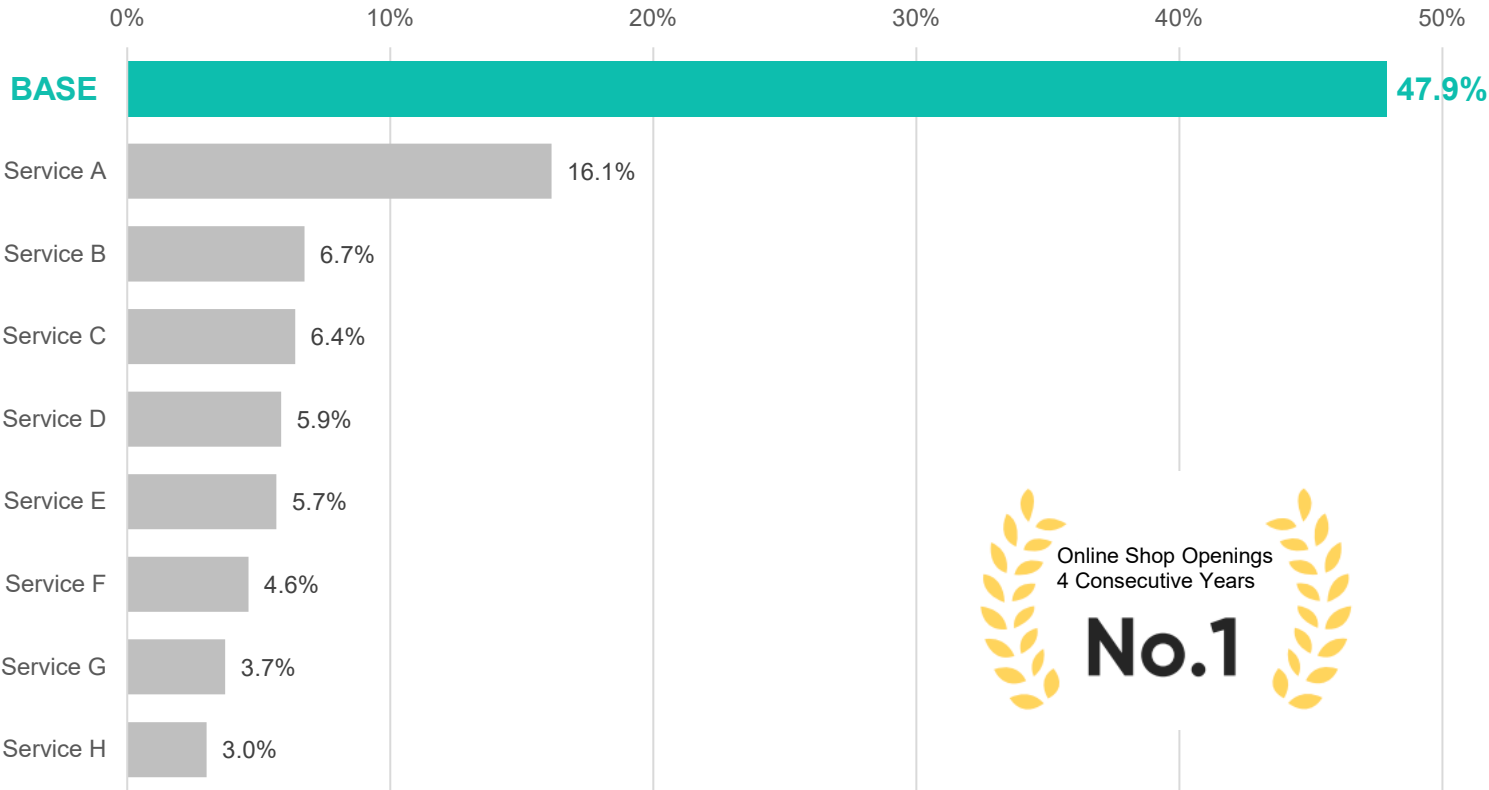
	EC Creation+Payment	EC Creation Only
No Monthly Costs	 BASE	
With Monthly Costs	<p>Online shop creation services and payment functions provided with monthly costs^(note)</p>	<p>Online shop creation service only with monthly costs</p>

(Note) Includes freemium plans with charges for full access to functions

Focus on empowering individuals and SMBs since foundation, BASE has established a strong position in long-tail markets as **the most selected service**

Survey on actual use of storefront type online shop creation services

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



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

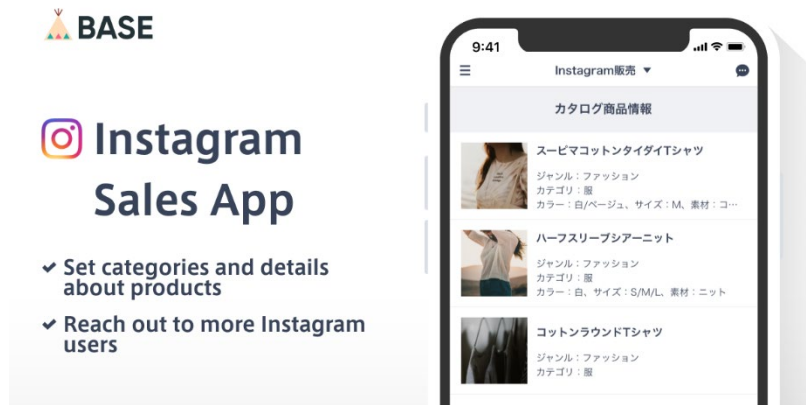
Supporting shop growth by leveraging on the strengths of a storefront type online shop creation service and enhancing external platform integrations

Individuals and SMBs use SNS to attract purchasers and sell products on online shops



Providing external integration with global platforms aimed at attracting more purchaser's and sales promotion activities

“BASE” shops can easily integrate with external platforms and post advertisements through the admin screen



BASE

Instagram Sales App

- ✓ Set categories and details about products
- ✓ Reach out to more Instagram users

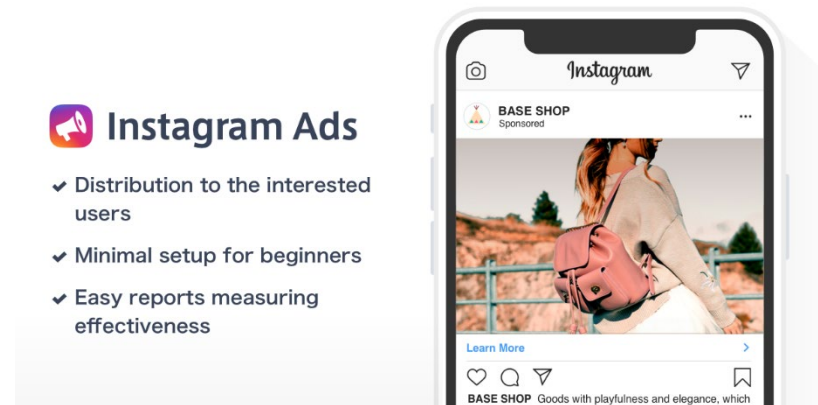
9:41 Instagram販売

カタログ商品情報

スービマコットンタイダイTシャツ
ジャンル：ファッション
カテゴリ：服
カラー：白/ベージュ、サイズ：M、素材：コ...

ハーフスリーブシアニーニット
ジャンル：ファッション
カテゴリ：服
カラー：白、サイズ：S/M/L、素材：ニット

コットンラウンドTシャツ
ジャンル：ファッション
カテゴリ：服



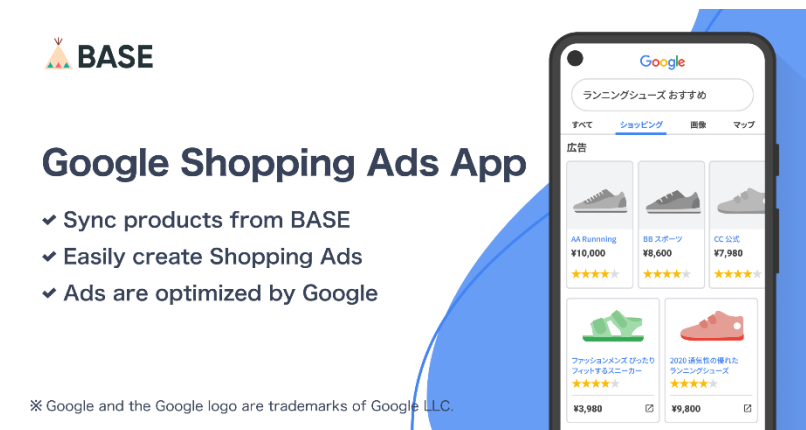
Instagram Ads

- ✓ Distribution to the interested users
- ✓ Minimal setup for beginners
- ✓ Easy reports measuring effectiveness

Instagram

BASE SHOP Sponsored

BASE SHOP Goods with playfulness and elegance, which



BASE

Google Shopping Ads App

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

Google

ランニングシューズおすすめ

すべて ショッピング 画像 マップ

広告

AA Running ¥10,000 ★★★★★	BB スポーツ ¥8,600 ★★★★★	CC 公式 ¥7,980 ★★★★★
ファッションシューズのこだわり ¥3,980	2020 最も売れたランニングシューズ ¥9,800	

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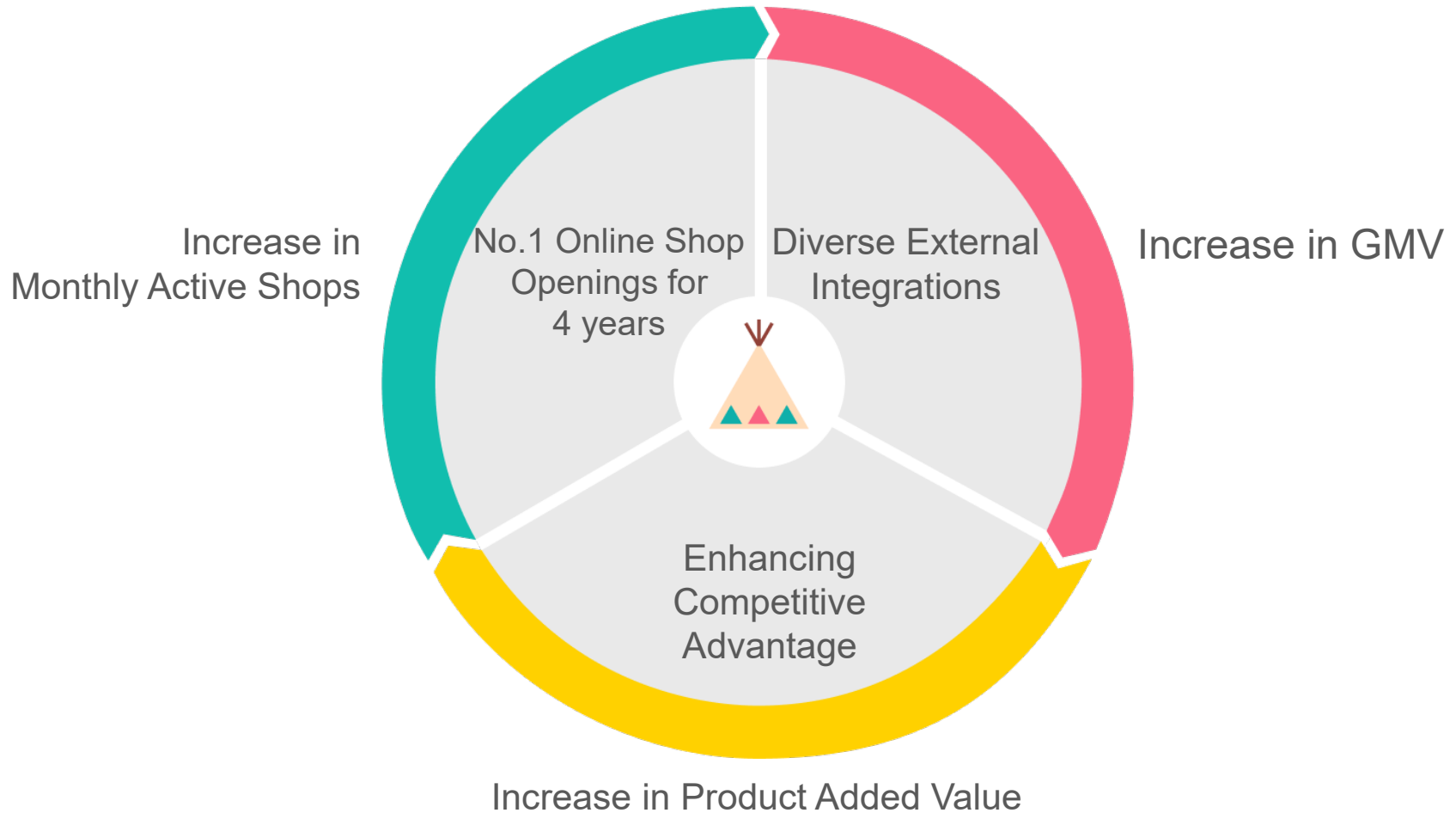


TikTok For Business

BASE

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



3. Medium Term Management Policy

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

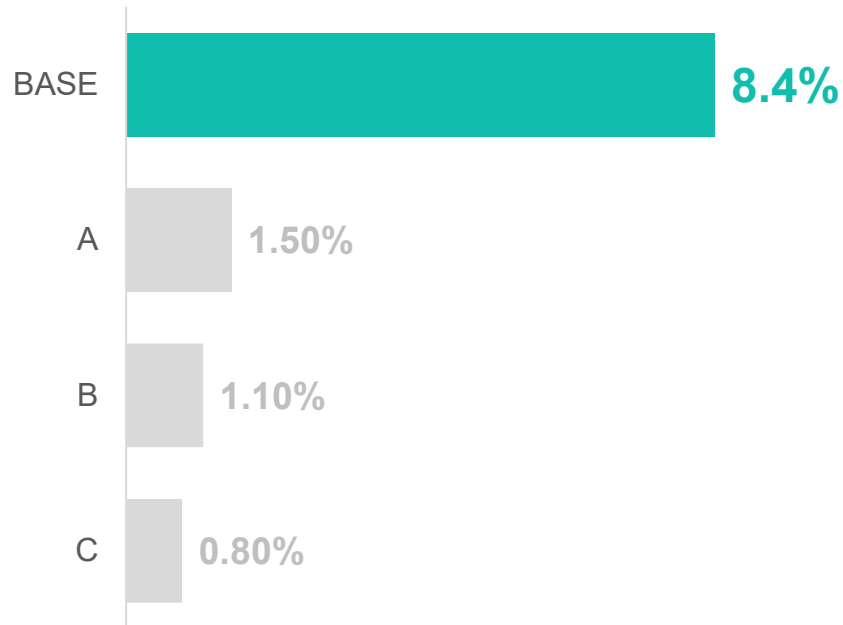
Continue forward-looking investments to achieve medium to long term profit growth over short term profits
 Execute forward-looking investments with discipline and maintain a surplus in operating income
 (excluding promotion expenses)

Investment Target	Measures	Content	Indicator
Promotional Advertisements	Brand Recognition	Aim to increase the number of new shops over the medium to long term by increasing brand recognition through TV commercials etc	Service brand recognition levels
	Acquisition	Aim to increase the number of new shops in the short term through web advertisements etc	Investment payback period and LTV/CAC etc
Product Development	Functions for Individuals and SMBs	Standard functions designed for anyone to easily operate	Release of Functions
	Functions for Large Scale Shops	Functions for operational efficiency and external integration	
	Other Functions	Shopping service “Pay ID” for purchaser etc	

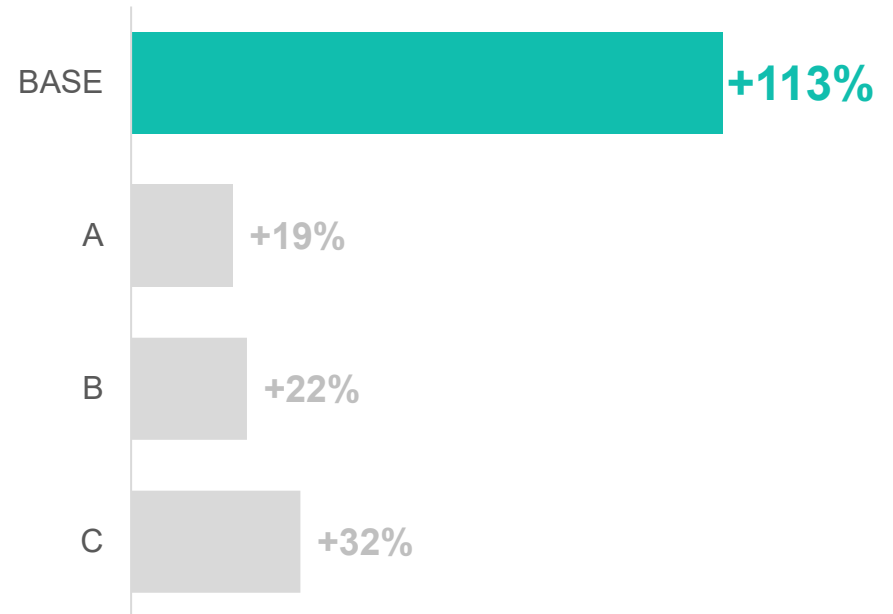
(Note) Promotion expenses to be determined flexibly based on the progress of business and competitive environment etc.

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)



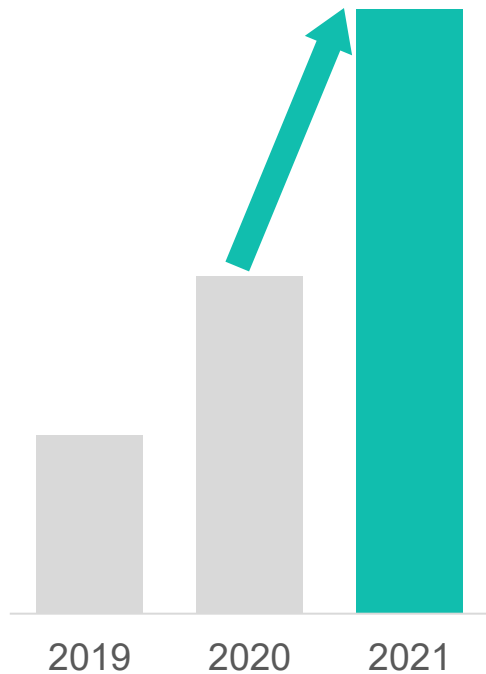
(Note1) Take rate comparison between July and September 2020 calculated from companies' financial results by dividing net sales by GMV

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

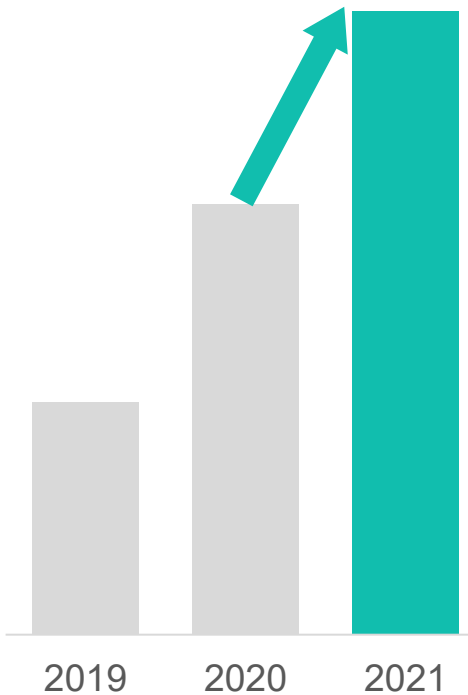
Further enhance forward-looking investments for promotion.

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

(Note) Actual figures for 2020, and forecast figures for 2021

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**

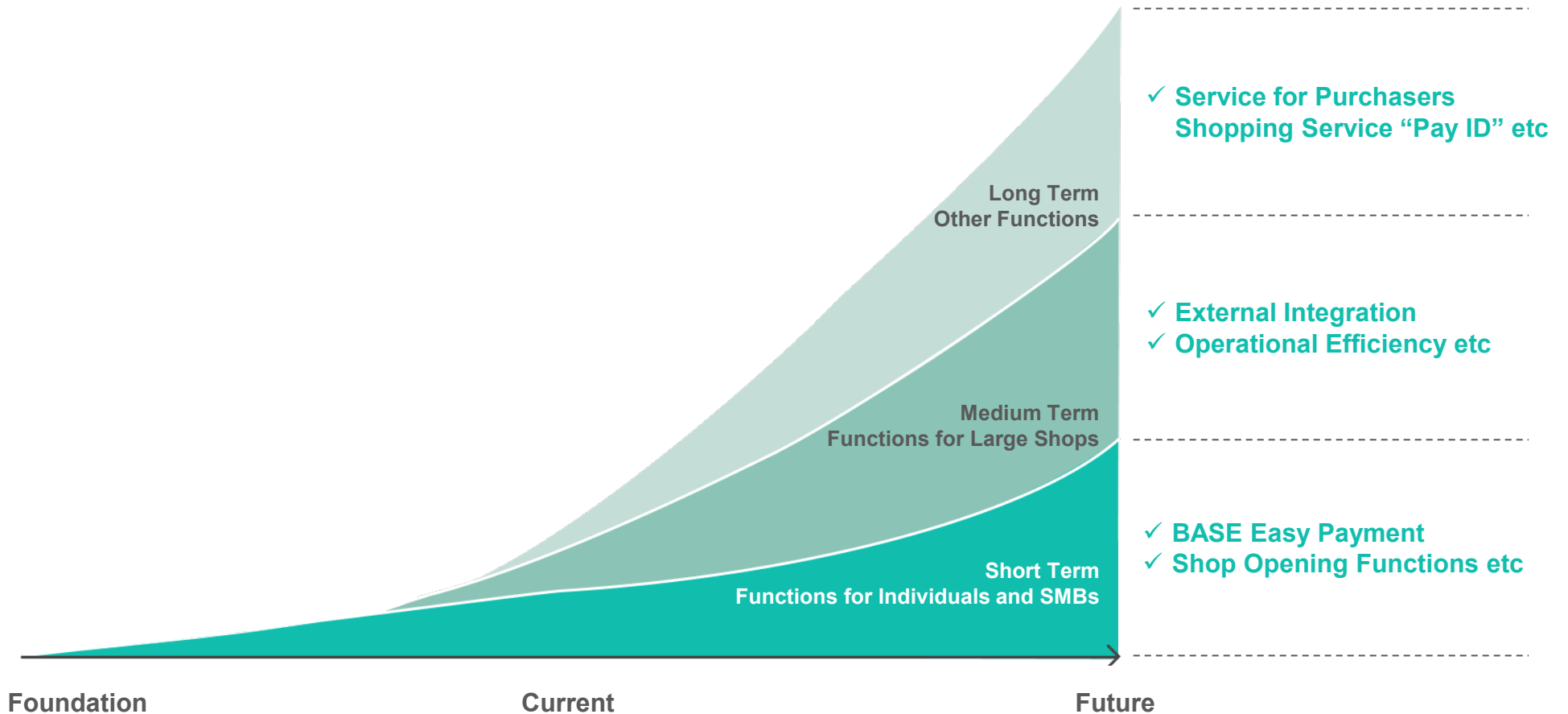


**Personnel expenses and
outsourcing expenses**



- Further increase in the added value of products
- Strong position in the long tail market and sustainable growth

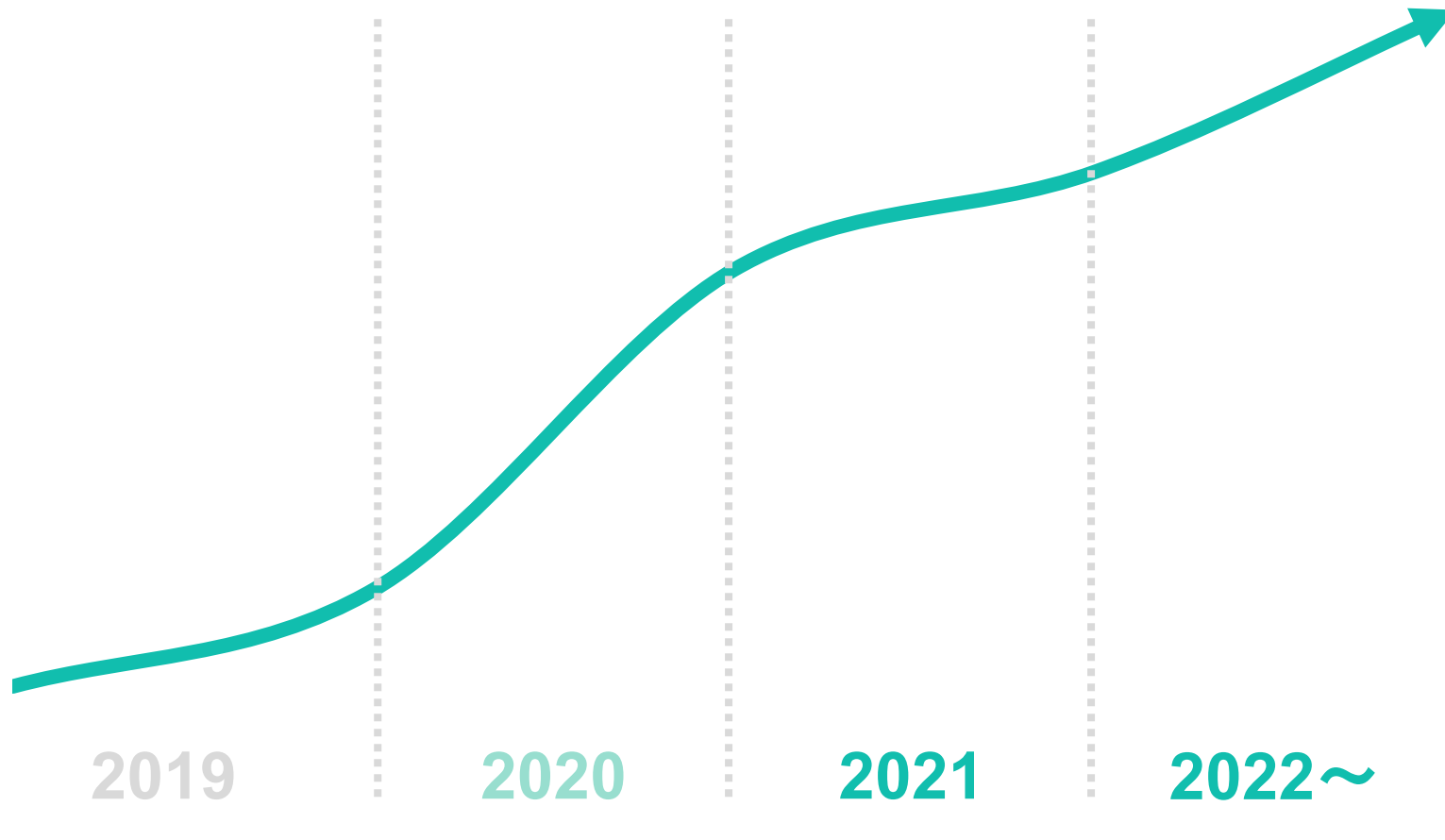
Aiming for sustainable growth by focusing on functions for large shops, and other functions to empower individuals and SMBs, a core focus since BASE's foundation



(Note) Image of allocation of development resources, etc.

Focus on continuing to empower individuals and SMBs, not short-term GMV growth.

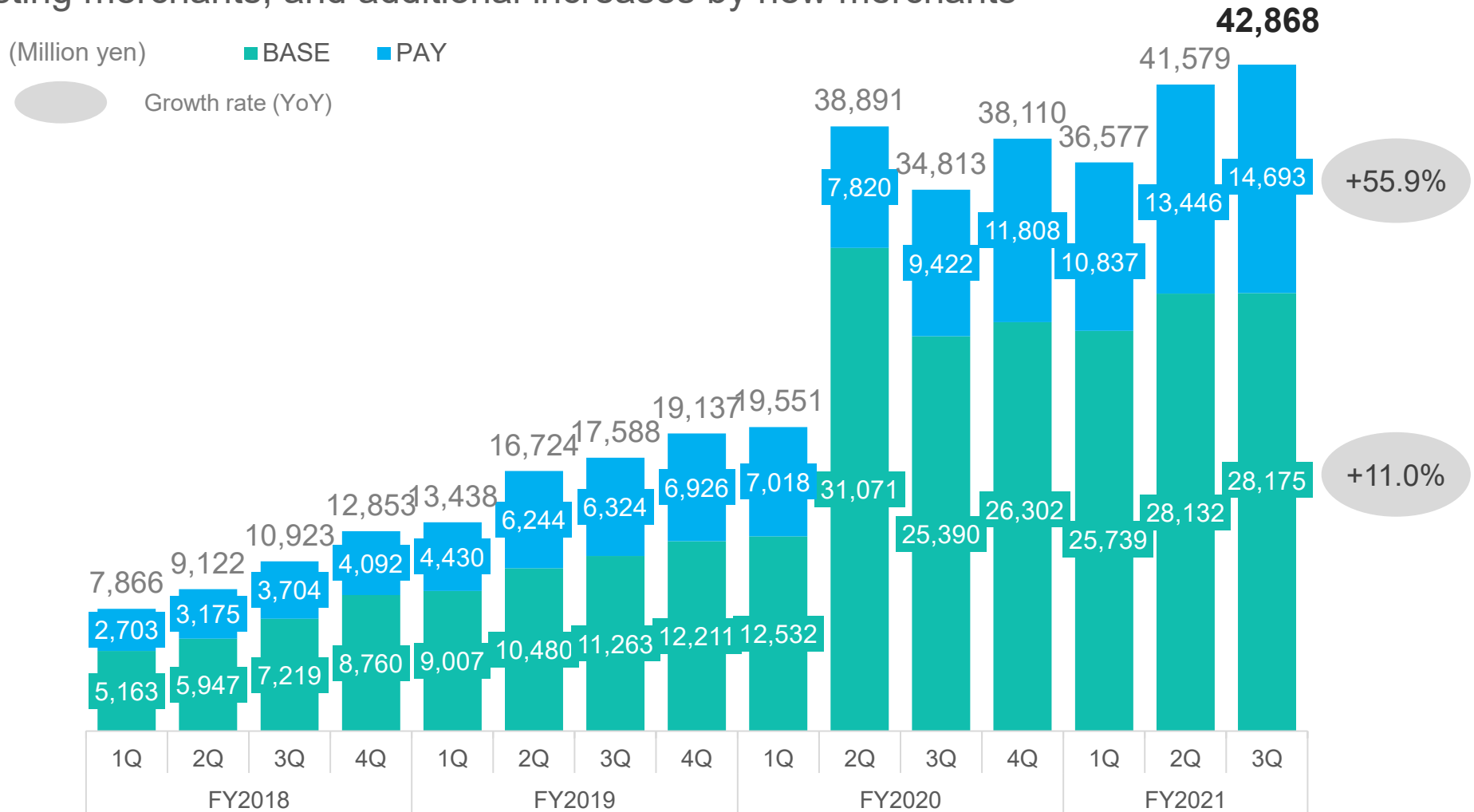
Establish a strong position in the long tail market and aim for medium- to long-term growth in gross profit on sales.



4. Latest Financial Results

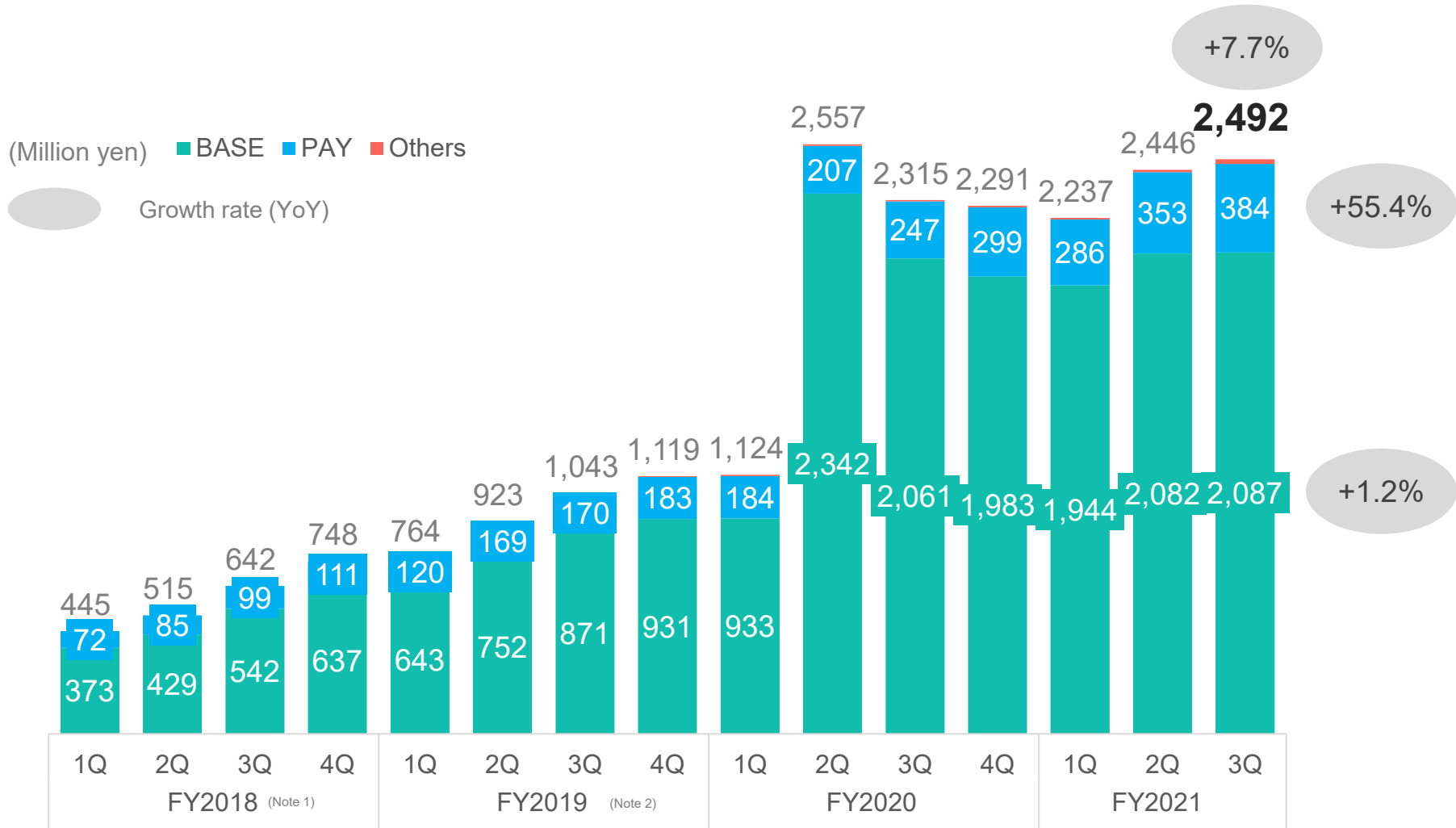
BASE business GMV **turned positive YoY**

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



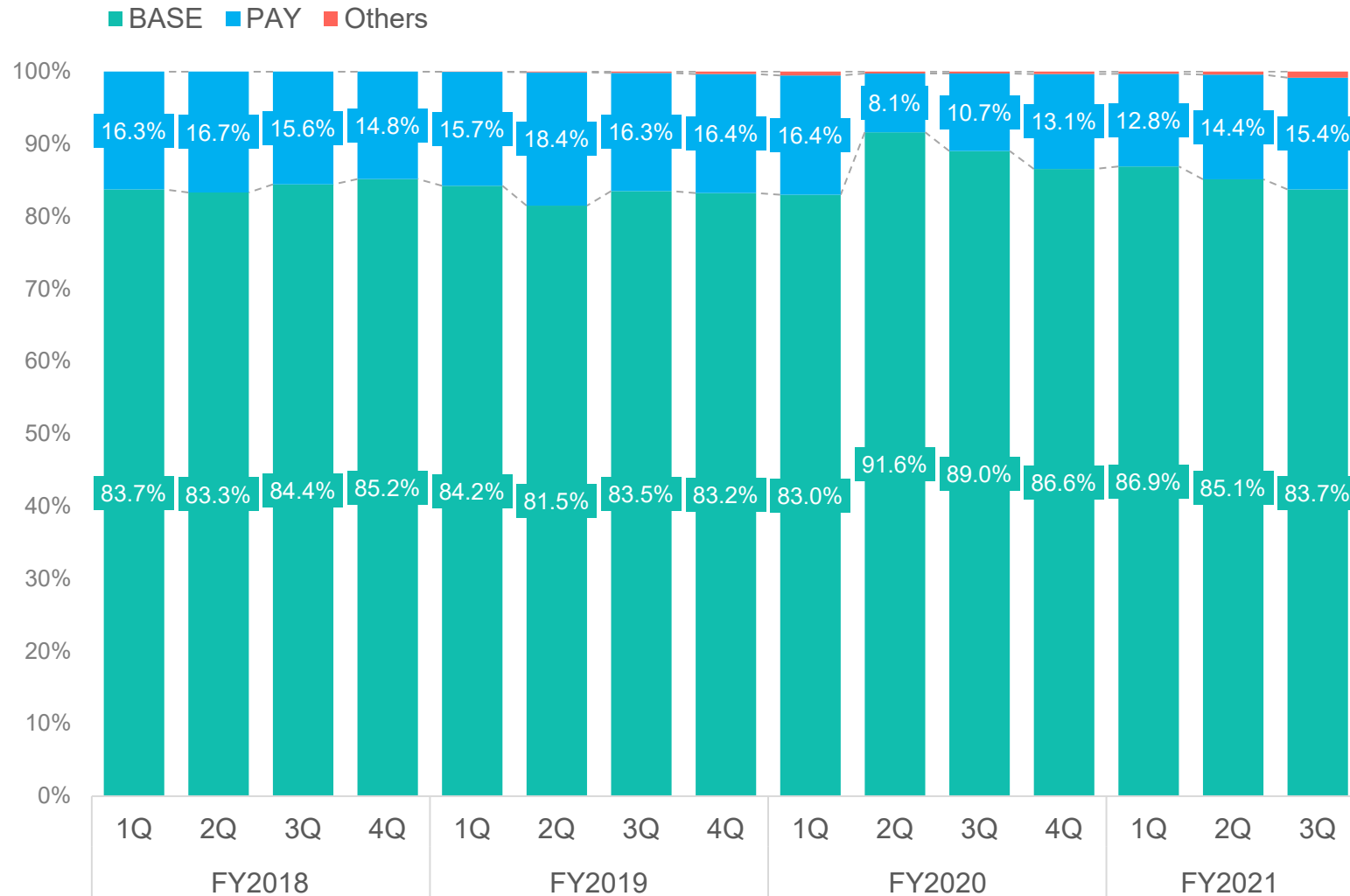
(Note) BASE's GMV is based on the order date (order amount). PAY's GMV is based on the payment date (payment amount).

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.

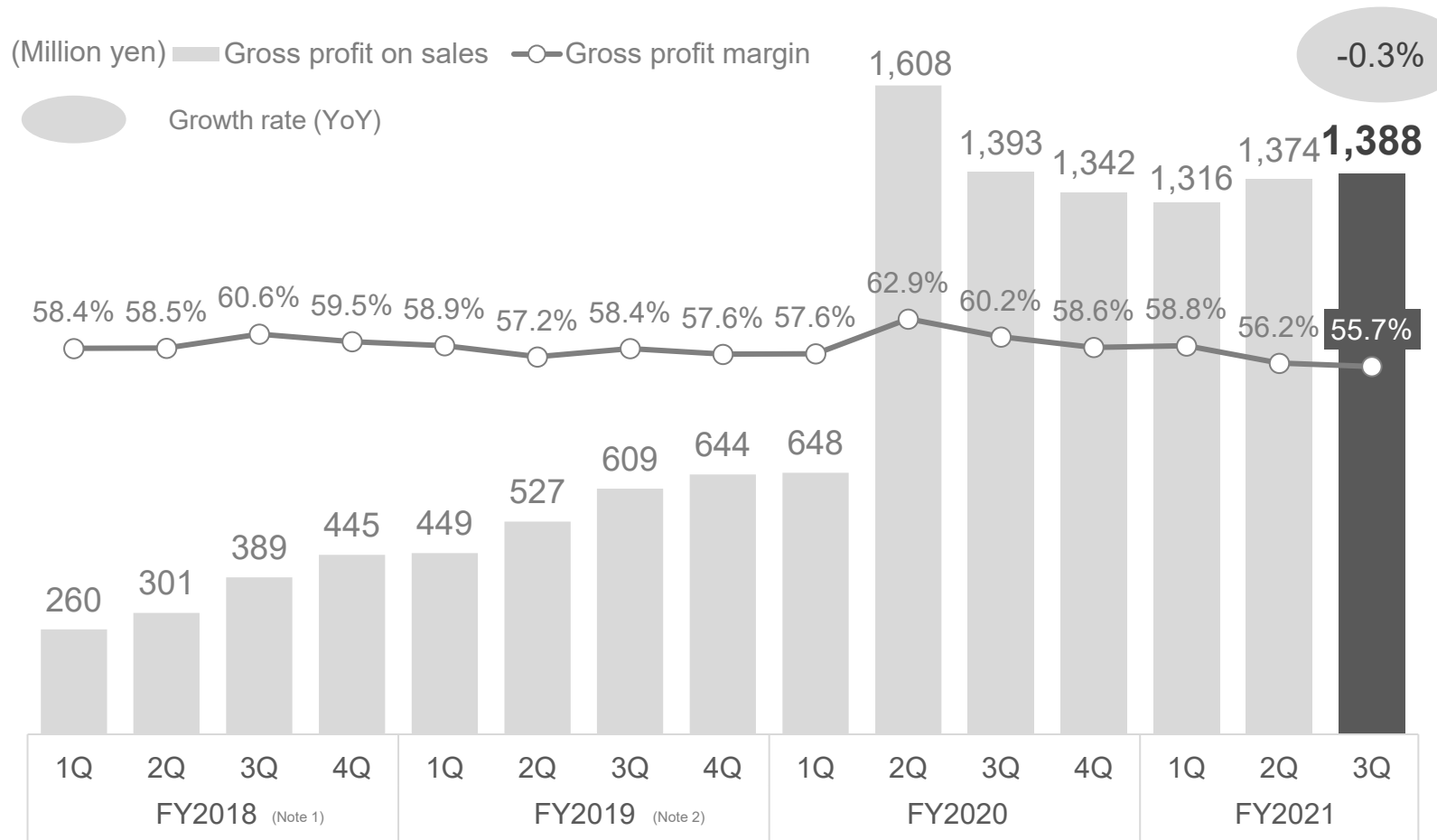
The net sales ratio of the BASE business decreased QoQ due to an increase in the PAY business



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

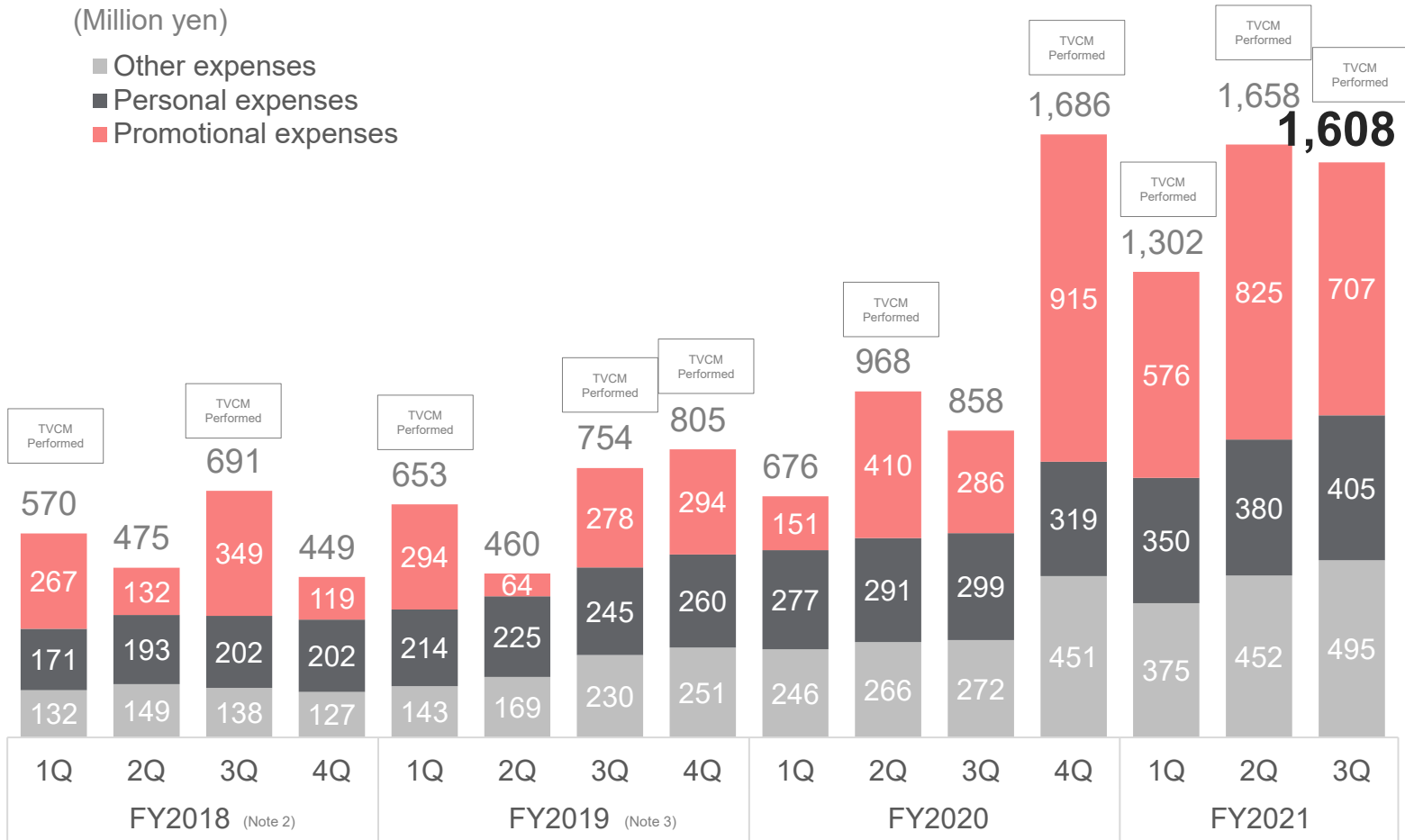


(Note 1) Because PAY business was consolidated through the incorporation-type company split in the fiscal year ended December 2018, only figures for PAY, Inc. are consolidated in the fiscal year ended December 2018.

(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



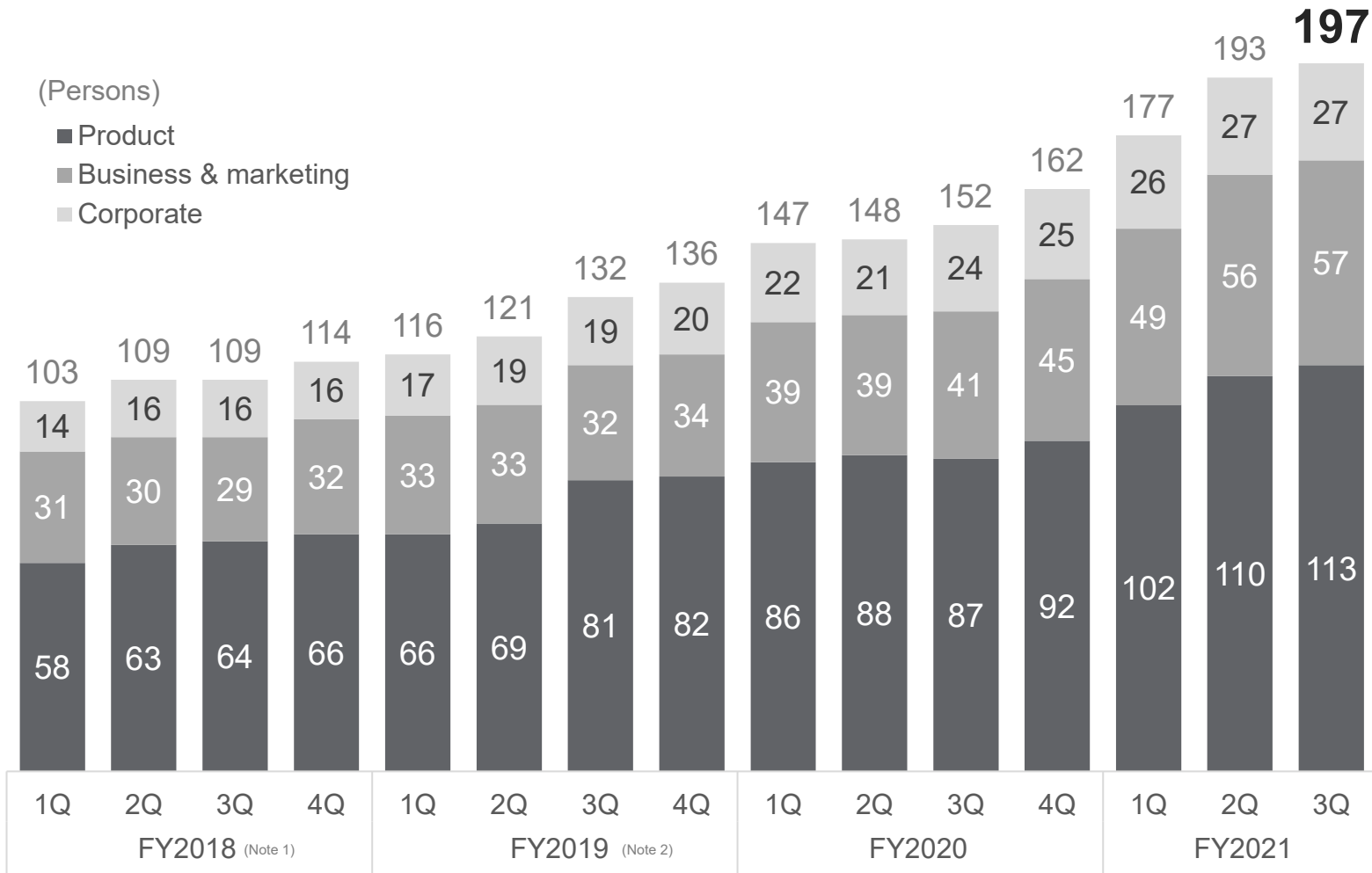
(Note 1) Other expenses consist mainly of office expenses, system expenses, remuneration and outsourcing expenses, and taxes.

(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



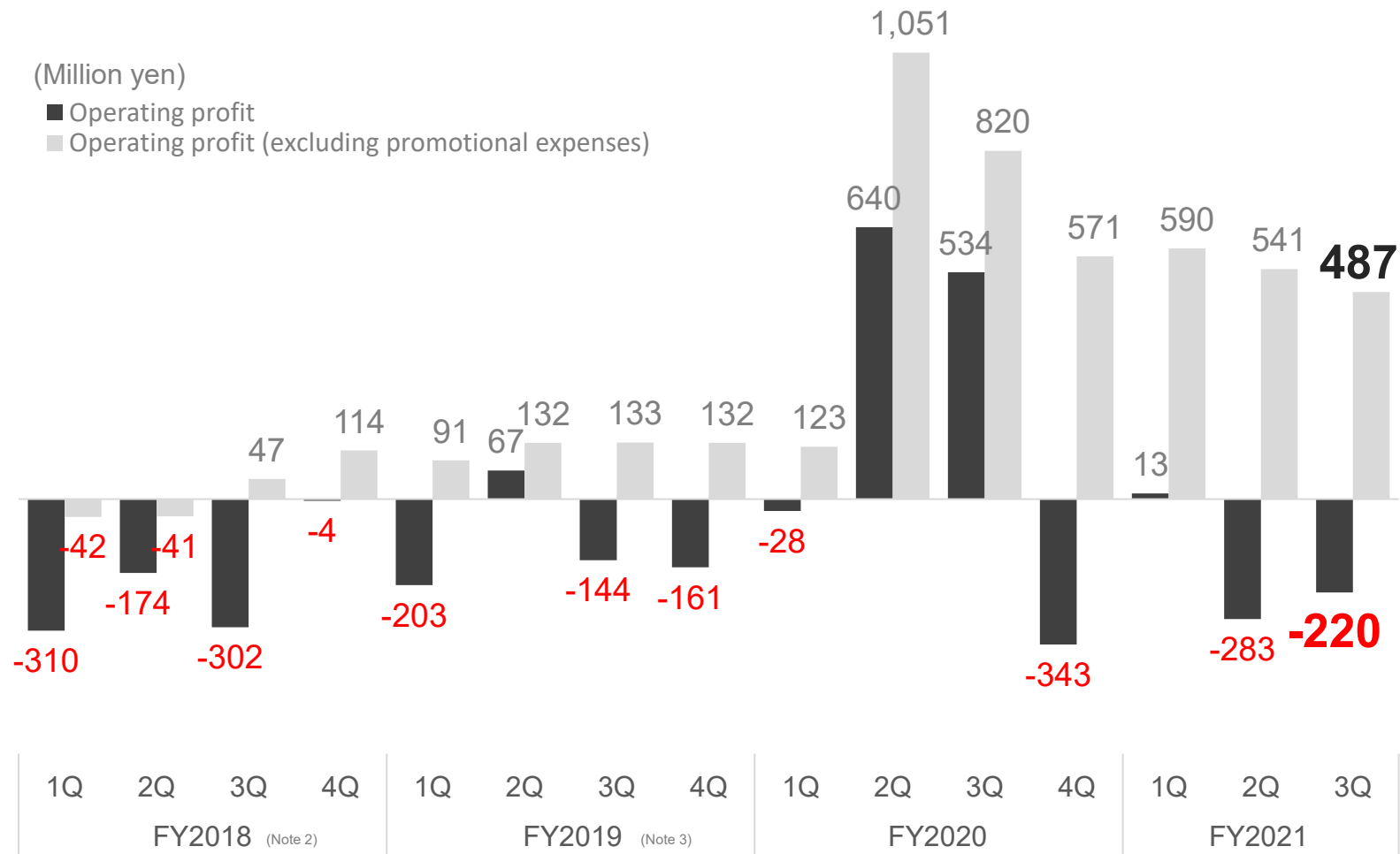
(Note 1) Because PAY business was consolidated through the incorporation-type company split in the fiscal year ended December 2018, only figures for PAY, Inc. are consolidated in the fiscal year ended December 2018.

(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.

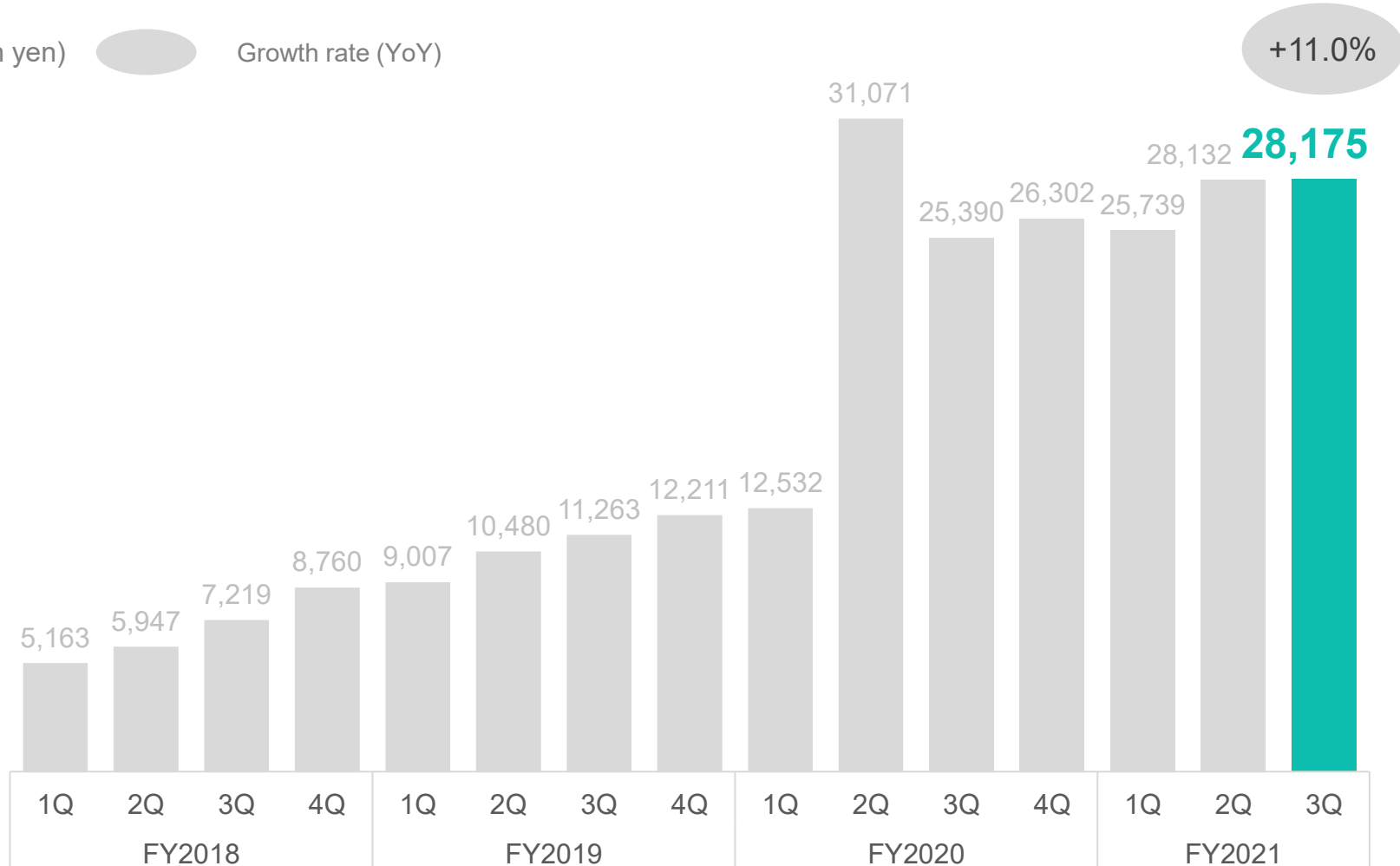
(Note 3) BASE BANK, Inc. was established in the fiscal year ended December 2018, and the consolidating subsidiary was implemented in the fiscal year ended December 2019. Therefore, figures for the fiscal year ended December 2019 are consolidated.

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)



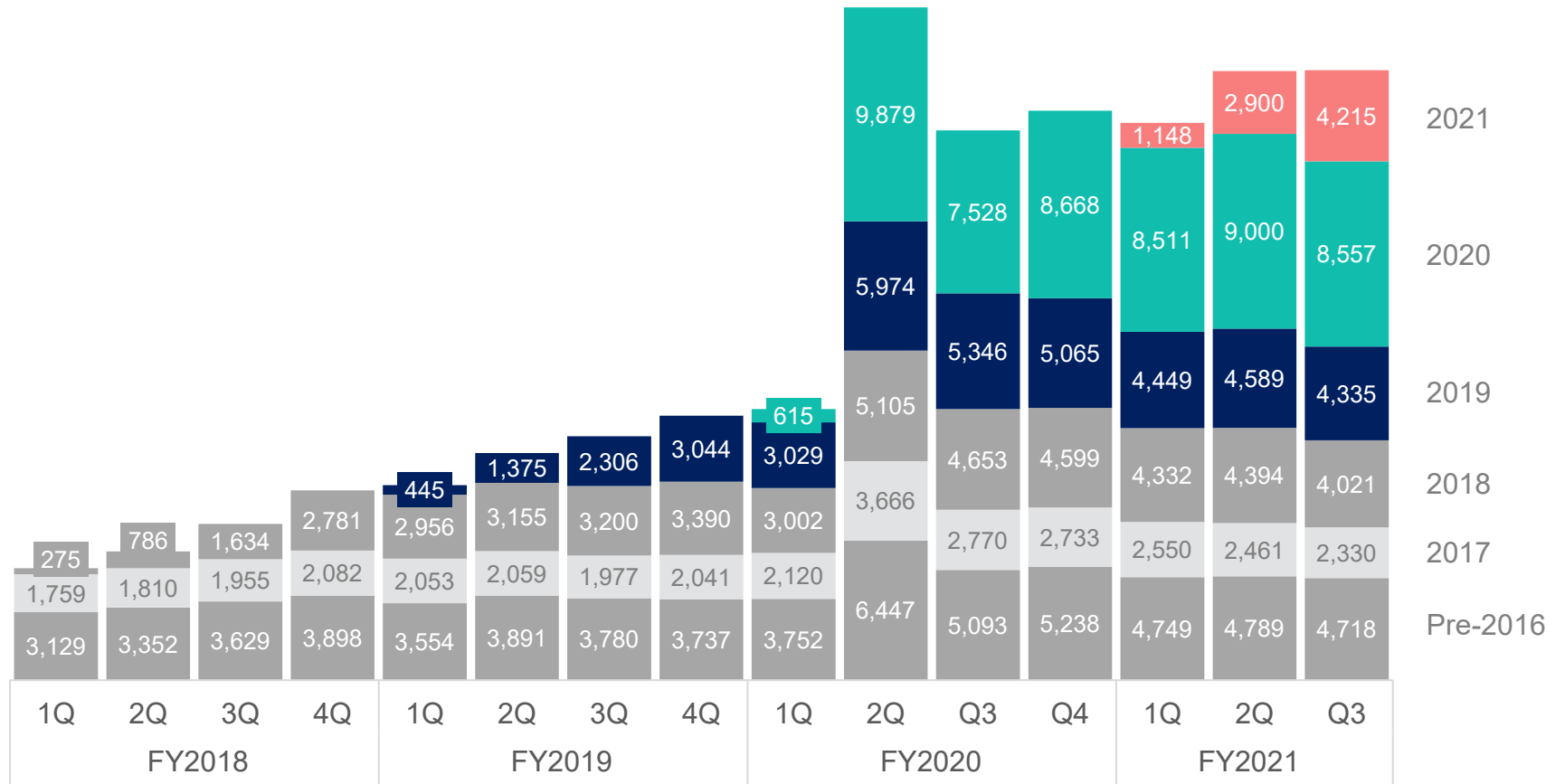
(Note) GMV is based on the order date (order amount)

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)

(Million yen)

■ Pre-2016 ■ 2017 ■ 2018 ■ 2019 ■ 2020 ■ 2021



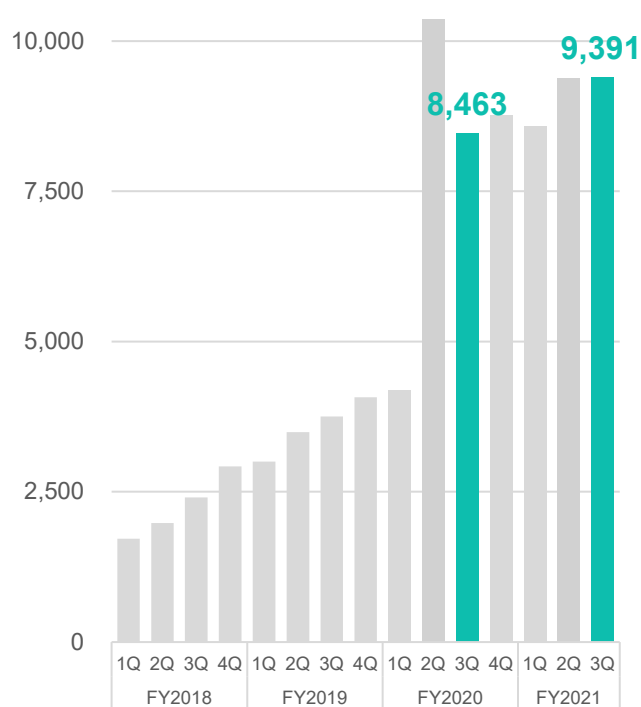
(Note) GMV is based on the order date (order amount)

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

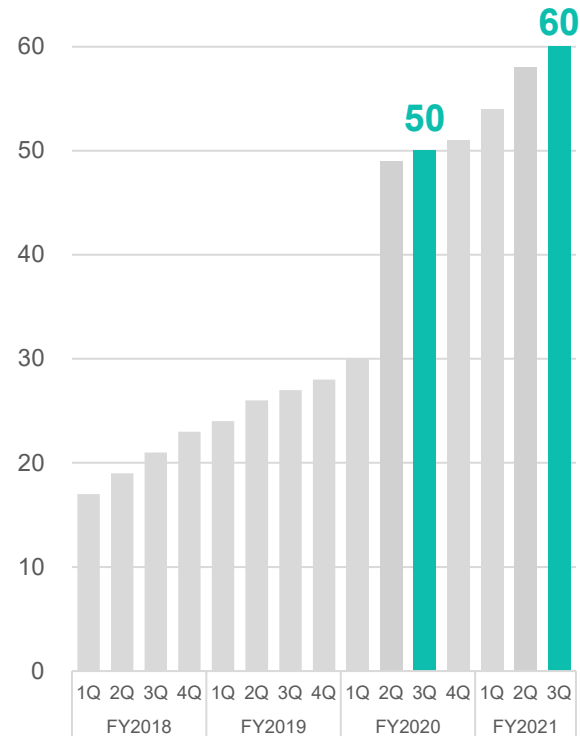
Monthly GMV (Notes 1, 2)

(Million yen)



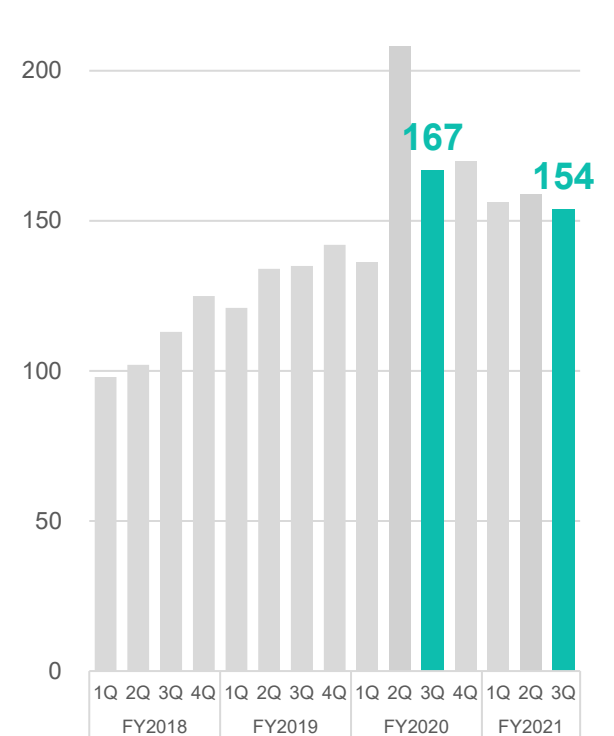
Number of Monthly Active Shops (Note 2)

(Thousand shops)



Monthly Average GMV Per Shop

(Thousand yen)

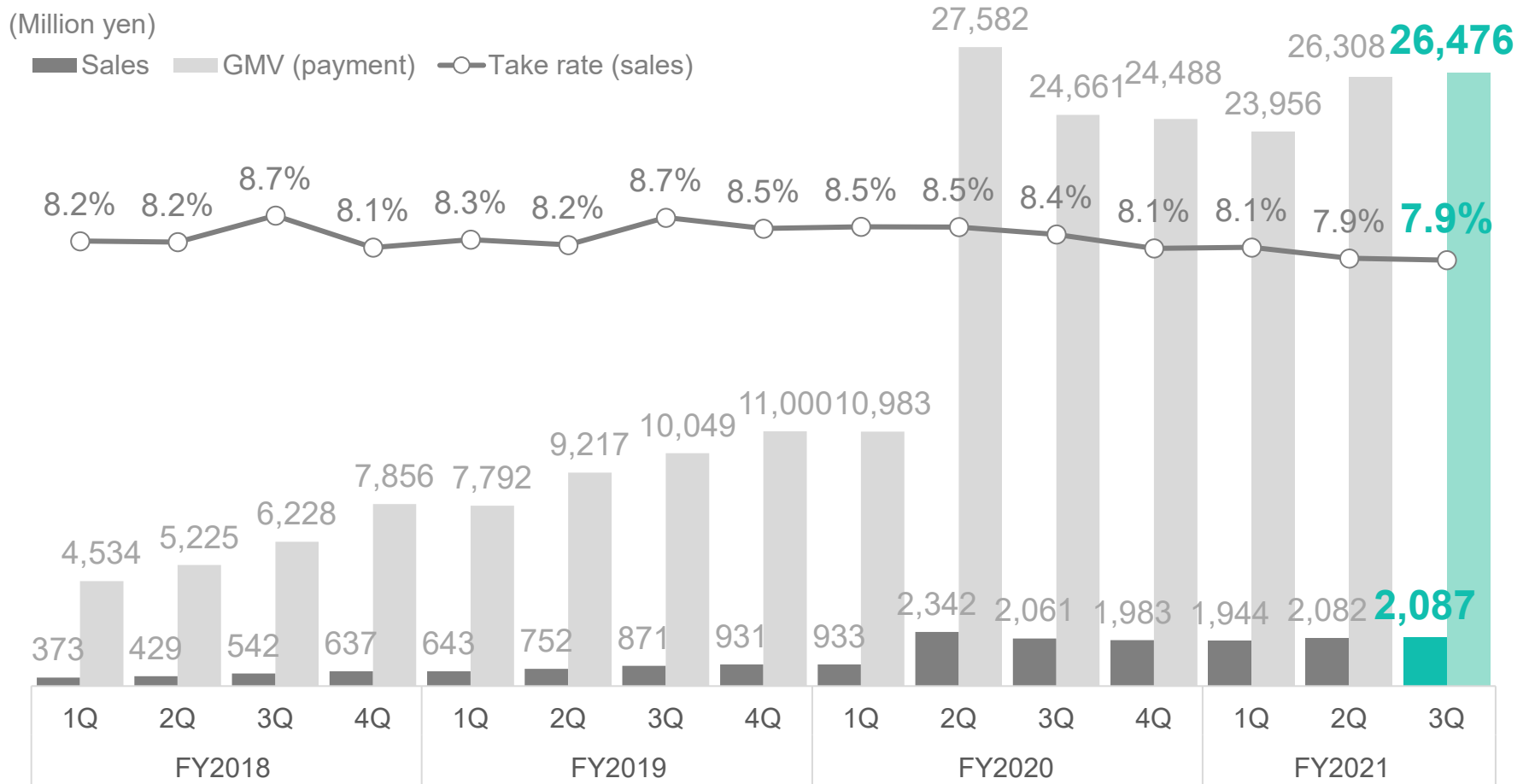


(Note 1) BASE's GMV is based on the order date (order amount).

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

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)



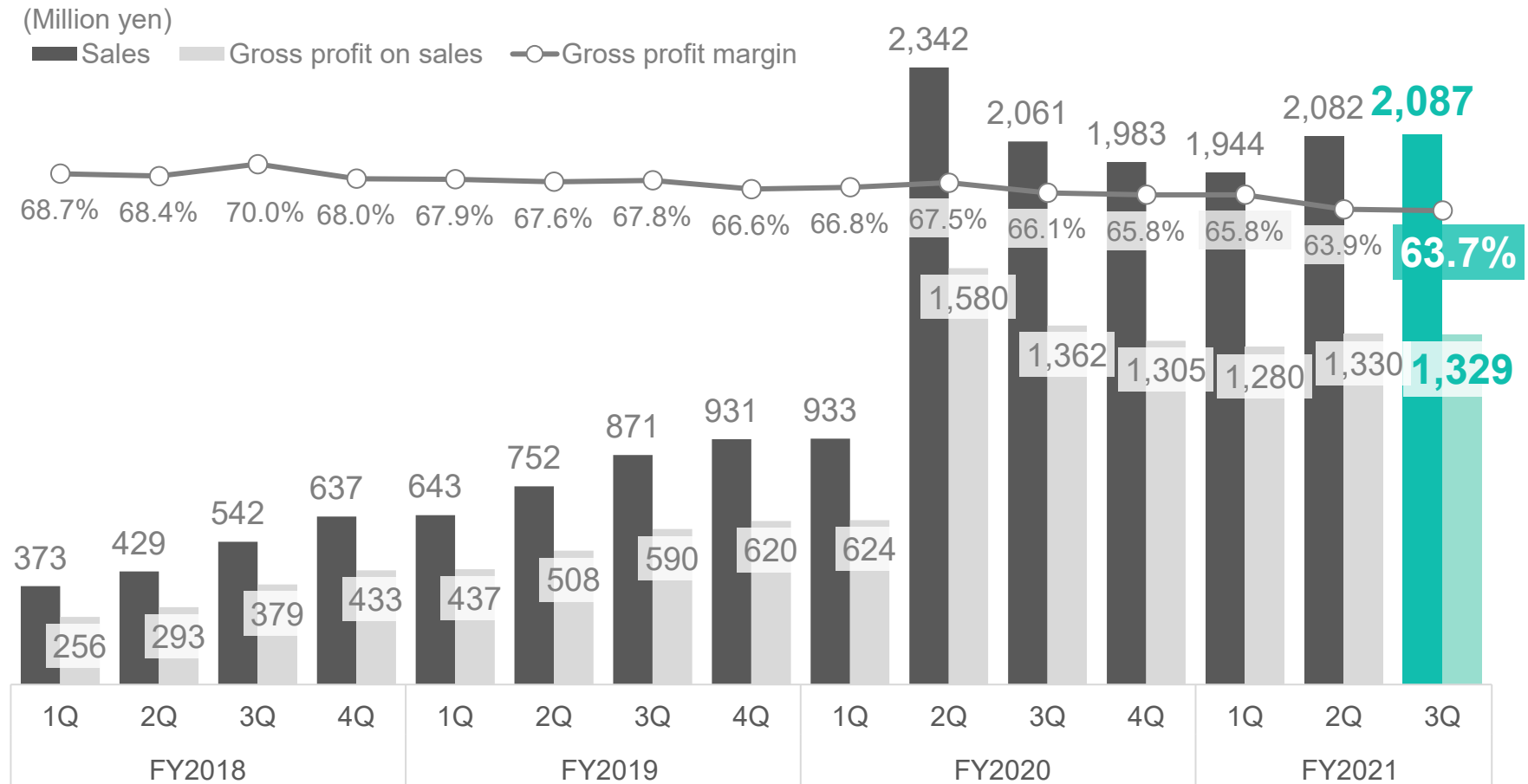
(Note1) Of the total amount of orders (GMV based on the order date), GMV (payment amount) is the amount that has been paid, and is recorded in the month of payment date. There is monthly time lag from order to settlement because the order date and settlement date are different. Also, the amount of GMV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

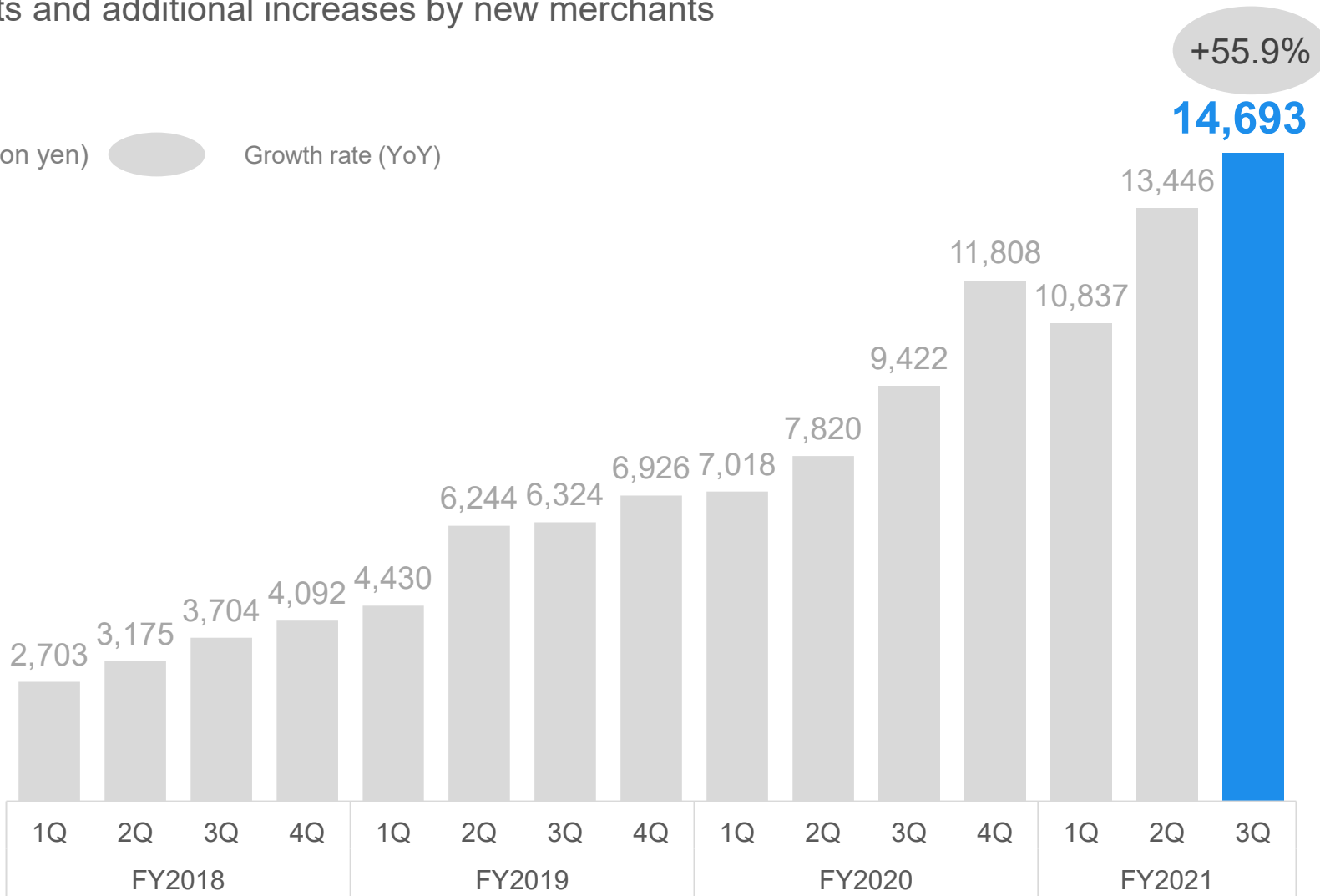
Gross profit and gross profit margin was flat QoQ



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

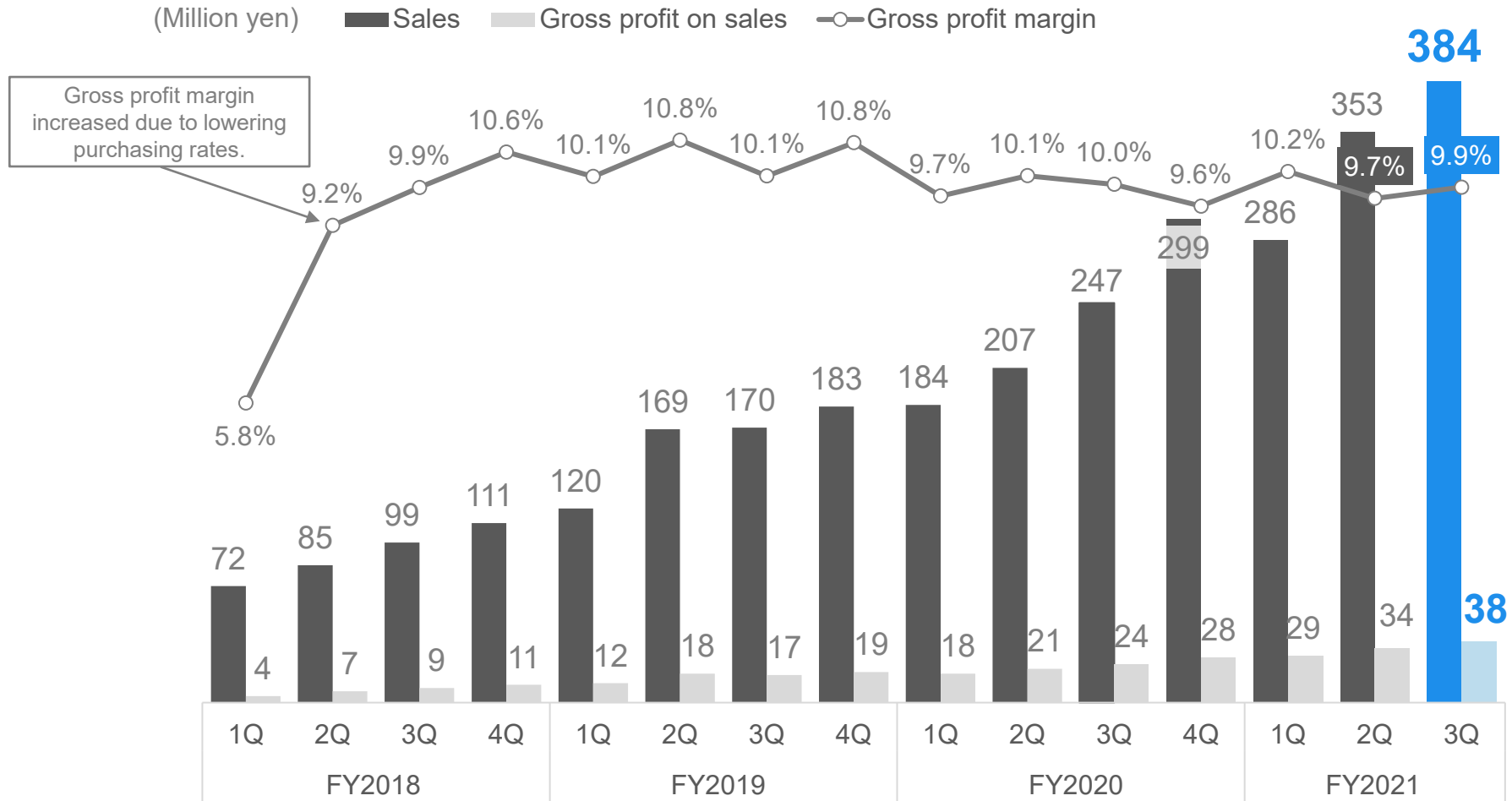
PAY business GMV continued to grow significantly at **+55.9% YoY** with continued growth by existing merchants and additional increases by new merchants

(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

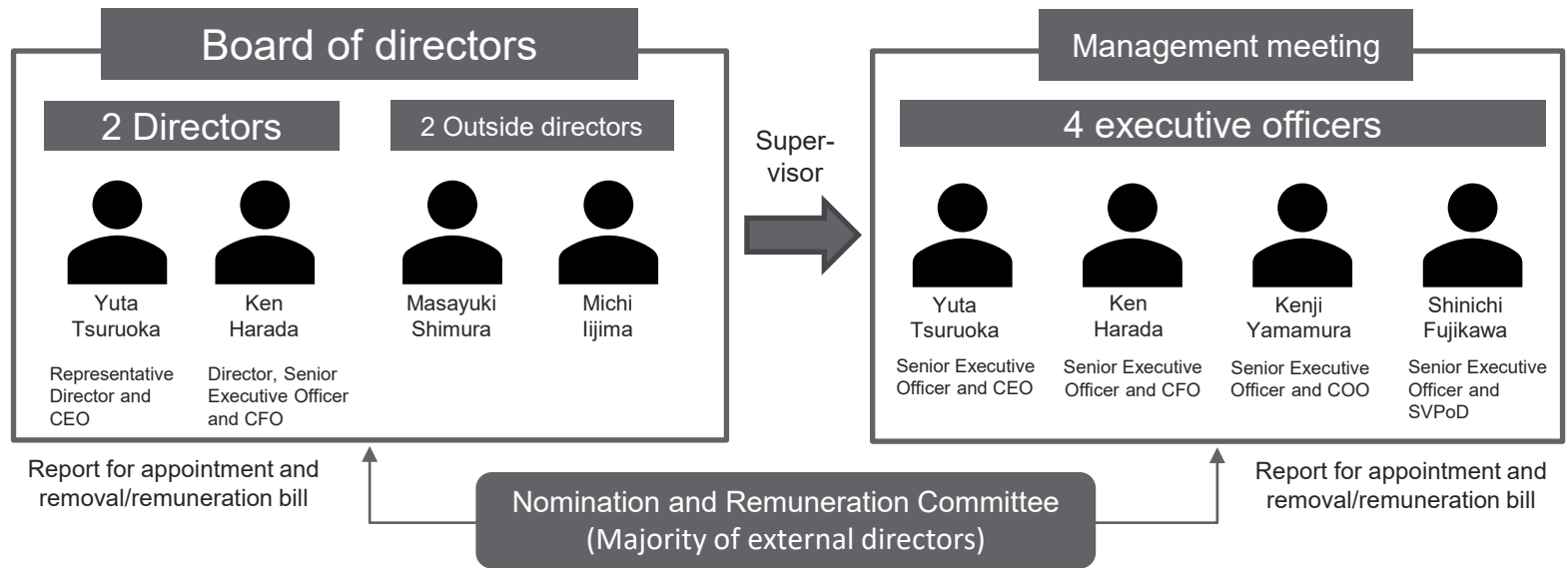


5. Reference Material

Company Name	BASE, Inc.
Address	Roppongi Grand Tower 37F, 3-2-1 Roppongi, Minato-ku, Tokyo
Established	December 11, 2012
Business Description	Planning, development, and operation of ecommerce platform BASE, online payment service PAY.JP, and Shopping Service Pay ID
Directors	Yuta Tsuruoka, Representative Director Ken Harada, Director Masayuki Shimura, Outside Director Michi Iijima, Outside Director
Number of Employees (Consolidated)	197 People Of which 113 are product engineering personnel (as of the end of September 2021)
Subsidiaries	PAY, Inc., BASE BANK, Inc.

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.



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.

2012	Nov	Release of “BASE” the online shop creation service
	Dec	Established BASE, Inc.
2015	Jun	Release of shopping app “BASE”
	Sep	Release of “PAY.JP” the online payment service
2017	Jun	Release of “PAY ID” the ID based payment service
2018	Jan	Established PAY, Inc. for splitting the payments business
	Jan	Established BASE BANK, Inc. for splitting the finance business (Note1)
	Sep	Release of “YELLBANK” the service for raising funds
2019	Oct	Newly listed on the Tokyo Stock Exchange Mothers Market
2021	Dec	Release of shopping service “Pay ID” (Note2)

(Note1) BASE BANK, Inc. will be merged by BASE, Inc. effective 1st Jan 2022 through an absorption type merger

(Note2) “Pay ID” released resulting from the integration and revamping of the former ID based payment service “PAY ID” and shopping app “BASE”

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.

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) ^(Note1)	Monthly GMV (million yen) ^(Note1)	Number of shops	Monthly GMV per shops (yen) ^(Note1)	Quarterly GMV (Settlement amount) (million yen) ^(Note2)
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).

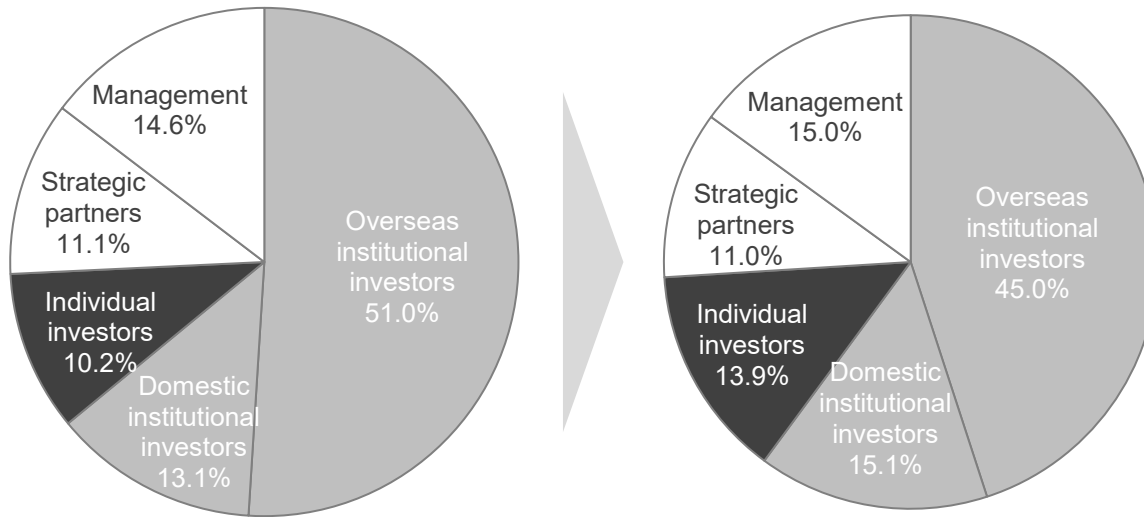
(Note 2) Of the total amount of orders (GMV based on the order date), GMV (payment amount) is the amount that has been paid, and is recorded in the month of payment date. There is monthly time lag from order to settlement because the order date and settlement date are different. Also, the amount of GMV 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

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

(%)

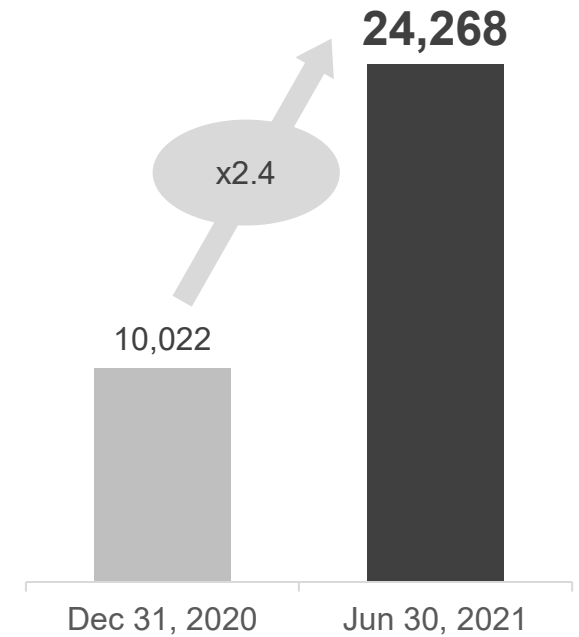


Dec 31, 2020

Jun 30, 2021

Number of Shareholders

(Persons)



Dec 31, 2020

Jun 30, 2021

Item	Main Risks	Possibility	Impact	Risk Management Measures
About Competitors	Risk of intensifying competition in the storefront e-commerce market and online payment services market due to existing and new competitors	High	High	<p>【BASE】</p> <ul style="list-style-type: none"> Strengthen promotions to gain brand recognition from individuals and SMBs Enhance development of functions to add value to products <p>【PAY】</p> <ul style="list-style-type: none"> Enhancing functions for easier integration of payments for small businesses
About investments and operating losses	The risk that business development does not proceed as planned and that earnings in excess of forward-looking investments cannot be sufficiently generated, or changes in the competitive environment or other factors necessitate a greater-than-expected investment in promotional advertisement and hiring of development personnel etc.	High	High	<ul style="list-style-type: none"> Conducting flexible reviews of business plans Reallocating resources in response to changes in the external environment by appropriately measuring the effectiveness of promotion and reviewing development plans
About maintaining integrity of service and unauthorized use	Risks of the company being held liable as a provider of transaction opportunities due to actions by service users that threaten the soundness of our services, and risks of claims for refunds of sales proceeds or compensation of damages due to fraudulent activities	High	High	<ul style="list-style-type: none"> A specialized department is established to analyze transaction data held by the company using machine learning and other methods to detect and prevent inappropriate behavior and fraudulent payments
About information security and management of personal information	Risks that the company be held legally responsible for leaks of personal information etc, or that the company's reputation is damaged	Medium	High	<ul style="list-style-type: none"> Review and implementation of security measures by the Information Security Committee Raising awareness of executives and employees by conducting information security training Management of personal information in compliance with the Personal Information Protection Law
About information system issues	Risks of being unable to provide services in a stable manner due to large-scale system trouble etc	Medium	High	<ul style="list-style-type: none"> Enhancing server facilities etc and establishment of appropriate internal frameworks

(Note) Risks mentioned above are a selection of major risks that may affect the realization of growth and the execution of business plans. For other risks, please refer to "Business and Other Risks" in the Annual Securities Report.

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. 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.

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The next update of these materials are scheduled to be disclosed in March 2022.

BASE