

Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended September 30, 2022 (Based on Japanese GAAP)

November 14, 2022

Company name: BASE CO.,LTD.  
 Stock exchange listing: Tokyo  
 Stock code: 4481 URL <https://basenet.co.jp>  
 Representative: President Katsunari Nakayama  
 Senior Vice President Director,  
 Inquiries: General Manager of Finance Department Noriyuki Takano TEL 03(5207)5112  
 Scheduled date to file Quarterly Securities Report: November 14, 2022  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: No  
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended September 30, 2022 (from January 1, 2022 to September 30, 2022)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended September 30, 2022	12,544	30.7	2,950	34.9	2,965	35.3	2,032	35.9
Nine months ended September 30, 2021	9,600	0.9	2,186	5.4	2,191	6.1	1,495	6.6

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended September 30, 2022	112.68	107.48
Nine months ended September 30, 2021	83.57	79.13

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2022	13,208	9,969	73.4
As of December 31, 2021	11,440	8,584	73.1

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended December 31, 2021	–	30.00	–	50.00	80.00
Year ending December 31, 2022	–	40.00	–		
Year ending December 31, 2022 (Forecast)				49.00	–

3. Forecast of consolidated financial results for the year ending December 31, 2022 (from January 1, 2022 to December 31, 2022)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	15,000	12.8	3,602	20.0	3,602	19.9	2,468	16.1	137.47

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended September 30, 2022  
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of September 30, 2022	18,153,600 shares	As of December 31, 2021	17,956,800 shares
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Number of treasury shares at the end of the period

As of September 30, 2022	462 shares	As of December 31, 2021	382 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended September 30, 2022	18,033,655 shares	Nine months ended September 30, 2021	17,892,204 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of December 31, 2021	As of September 30, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	7,486,646	8,762,682
Accounts receivable - trade	2,309,321	–
Accounts receivable - trade and contract assets	–	2,694,961
Work in process	112,352	179,712
Other	82,100	50,382
Total current assets	9,990,421	11,687,739
Non-current assets		
Property, plant and equipment	69,318	62,346
Intangible assets		
Goodwill	4,564	–
Other	5,954	4,843
Total intangible assets	10,518	4,843
Investments and other assets		
Investment securities	922,383	993,269
Other	448,228	460,518
Total investments and other assets	1,370,612	1,453,787
Total non-current assets	1,450,450	1,520,977
Total assets	11,440,871	13,208,716
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	718,084	1,083,642
Current portion of long-term borrowings	173,276	84,512
Income taxes payable	476,745	568,465
Accrued expenses	1,037,179	299,367
Provision for bonuses	–	779,465
Other	342,847	379,818
Total current liabilities	2,748,132	3,195,270
Non-current liabilities		
Long-term borrowings	92,876	29,792
Other	14,930	14,380
Total non-current liabilities	107,806	44,172
Total liabilities	2,855,938	3,239,442

(Thousands of yen)

	As of December 31, 2021	As of September 30, 2022
Net assets		
Shareholders' equity		
Share capital	1,050,633	1,067,213
Capital surplus	990,633	1,007,213
Retained earnings	6,105,214	7,325,537
Treasury shares	(994)	(1,240)
Total shareholders' equity	8,145,486	9,398,724
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	161,777	197,621
Foreign currency translation adjustment	57,920	97,600
Total accumulated other comprehensive income	219,698	295,221
Share acquisition rights	2,511	2,019
Non-controlling interests	217,235	273,308
Total net assets	8,584,932	9,969,273
Total liabilities and net assets	11,440,871	13,208,716

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

**Consolidated statements of income (cumulative)**

	(Thousands of yen)	
	Nine months ended September 30, 2021	Nine months ended September 30, 2022
Net sales	9,600,493	12,544,191
Cost of sales	6,772,088	8,884,709
Gross profit	2,828,405	3,659,482
Selling, general and administrative expenses	641,670	709,016
Operating profit	2,186,734	2,950,465
Non-operating income		
Interest income	3,993	4,934
Dividend income	1,486	1,493
Gain on sale of investment securities	6,017	3,440
Foreign exchange gains	–	5,756
Other	4,109	1,127
Total non-operating income	15,607	16,752
Non-operating expenses		
Interest expenses	1,832	785
Foreign exchange losses	8,475	–
Non-deductible consumption taxes	246	398
Other	120	145
Total non-operating expenses	10,675	1,329
Ordinary profit	2,191,666	2,965,888
Profit before income taxes	2,191,666	2,965,888
Income taxes - current	524,406	921,774
Income taxes - deferred	149,598	(17,320)
Total income taxes	674,004	904,454
Profit	1,517,661	2,061,434
Profit attributable to non-controlling interests	22,376	29,402
Profit attributable to owners of parent	1,495,284	2,032,032

**Consolidated statements of comprehensive income (cumulative)**

(Thousands of yen)

	Nine months ended September 30, 2021	Nine months ended September 30, 2022
Profit	1,517,661	2,061,434
Other comprehensive income		
Valuation difference on available-for-sale securities	70,920	35,843
Foreign currency translation adjustment	35,523	66,349
Total other comprehensive income	106,443	102,193
Comprehensive income	1,624,104	2,163,627
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,587,448	2,107,555
Comprehensive income attributable to non-controlling interests	36,656	56,072