

Translation

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February 8, 2023

To Whom it May Concern:

Company name: BASE, Inc.
Representative: Representative Director and CEO Yuta Tsuruoka
(Code: 4477, Tokyo Stock Exchange Growth Market)
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Notice Concerning Recognition of Extraordinary Losses

BASE, Inc. (the "Company") hereby announces that it has recorded extraordinary losses in the year ended December 2022 (January 1, 2022 – December 31, 2022). Details are as follows.

1. Impairment Loss on Non-Current Assets (Consolidated Financial Results)

(1) Details of extraordinary loss

After carefully examining the earnings prospects of the Company's property, plant and equipment, intangible assets, and long-term prepaid expenses, the Company has decided to record an impairment loss of ¥157 million as an extraordinary loss.

(2) Impact on business results

The extraordinary loss is reflected in the "Summary of Consolidated Financial Results for the Fiscal Year Ended December 31, 2022 (Based on Japanese GAAP)" released today.

(3) Future outlook

The Company may record impairment losses on non-current assets in each quarter.

2. Impairment Loss on Valuation of Stock of Subsidiaries and Affiliates (Non-Consolidated Financial Results)

(1) Details of extraordinary loss

The Company has decided to record an impairment loss on valuation of stock of subsidiaries and affiliates of ¥95 million as an extraordinary loss due to a significant decline in the real value of stock of a subsidiary held by the Company.

(2) Impact on business results

There is no impact on consolidated financial results as the impairment loss on valuation of stock of subsidiaries and affiliates is eliminated in the consolidated financial statements.

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