

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Three Months Ended March 31, 2023 (Based on Japanese GAAP)

May 15, 2023

Company name: BASE CO.,LTD.
 Stock exchange listing: Tokyo
 Stock code: 4481 URL <https://www.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: May 15, 2023
 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 three months ended March 31, 2023 (from January 1, 2023 to March 31, 2023)

(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	%
Three months ended March 31, 2023	4,700	19.7	1,209	30.9	1,216	30.5	832	30.3
Three months ended March 31, 2022	3,927	27.3	924	31.4	932	33.1	639	33.0

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended March 31, 2023	45.81		43.98	
Three months ended March 31, 2022	35.59		33.83	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2023	12,891	10,438	78.7
As of December 31, 2022	14,559	10,598	71.0

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended December 31, 2022	–	40.00	–	56.00	–
Year ending December 31, 2023	–				
Year ending December 31, 2023 (Forecast)		40.00	–	48.00	88.00

3. Forecast of consolidated financial results for the year ending December 31, 2023 (from January 1, 2023 to December 31, 2023)

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
Six months ending June 30, 2023	9,434	17.2	2,199	18.3	2,199	17.6	1,505	17.6	82.81
Full year	19,640	15.2	4,692	20.0	4,692	19.4	3,213	17.9	176.79

4. Notes

- (1) Changes in significant subsidiaries during the three months ended March 31, 2023
(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 March 31, 2023	18,178,800 shares	As of December 31, 2022	18,176,400 shares
----------------------	-------------------	-------------------------	-------------------

Number of treasury shares at the end of the period

As of March 31, 2023	482 shares	As of December 31, 2022	482 shares
----------------------	------------	-------------------------	------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended March 31, 2023	18,176,504 shares	Three months ended March 31, 2022	17,956,418 shares
-----------------------------------	-------------------	-----------------------------------	-------------------

Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of December 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	10,189,830	8,573,811
Accounts receivable - trade and contract assets	2,502,414	2,748,514
Work in process	176,018	172,129
Other	94,191	70,409
Total current assets	<u>12,962,455</u>	<u>11,564,865</u>
Non-current assets		
Property, plant and equipment	60,510	65,097
Intangible assets		
Software	4,183	4,502
Other	289	289
Total intangible assets	<u>4,473</u>	<u>4,792</u>
Investments and other assets		
Investment securities	937,758	936,200
Other	594,310	320,629
Total investments and other assets	<u>1,532,068</u>	<u>1,256,829</u>
Total non-current assets	<u>1,597,052</u>	<u>1,326,719</u>
Total assets	<u>14,559,507</u>	<u>12,891,584</u>
Liabilities		
Current liabilities		
Accounts payable - trade	1,047,100	1,017,409
Current portion of long-term borrowings	80,940	59,552
Income taxes payable	990,049	136,281
Accrued expenses	1,403,809	246,065
Provision for bonuses	–	391,795
Other	412,464	587,857
Total current liabilities	<u>3,934,364</u>	<u>2,438,960</u>
Non-current liabilities		
Long-term borrowings	11,936	–
Long-term accounts payable - other	14,380	14,380
Total non-current liabilities	<u>26,316</u>	<u>14,380</u>
Total liabilities	<u>3,960,680</u>	<u>2,453,340</u>

	(Thousands of yen)	
	As of December 31, 2022	As of March 31, 2023
Net assets		
Shareholders' equity		
Share capital	1,069,134	1,069,336
Capital surplus	1,009,134	1,009,336
Retained earnings	8,019,533	7,834,363
Treasury shares	(1,310)	(1,310)
Total shareholders' equity	10,096,492	9,911,726
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	161,490	157,848
Foreign currency translation adjustment	74,310	82,337
Total accumulated other comprehensive income	235,800	240,186
Share acquisition rights	1,962	1,956
Non-controlling interests	264,572	284,375
Total net assets	10,598,827	10,438,244
Total liabilities and net assets	14,559,507	12,891,584

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

Consolidated statements of income (cumulative)

	(Thousands of yen)	
	Three months ended March 31, 2022	Three months ended March 31, 2023
Net sales	3,927,287	4,700,667
Cost of sales	2,795,052	3,283,068
Gross profit	1,132,234	1,417,598
Selling, general and administrative expenses	208,031	207,645
Operating profit	924,202	1,209,953
Non-operating income		
Interest income	1,483	1,803
Dividend income	490	490
Gain on sale of investment securities	–	1,353
Foreign exchange gains	5,829	2,920
Other	480	253
Total non-operating income	8,283	6,821
Non-operating expenses		
Interest expenses	320	107
Other	19	52
Total non-operating expenses	340	159
Ordinary profit	932,146	1,216,615
Profit before income taxes	932,146	1,216,615
Income taxes - current	102,452	96,902
Income taxes - deferred	182,044	272,624
Total income taxes	284,496	369,526
Profit	647,649	847,088
Profit attributable to non-controlling interests	8,535	14,407
Profit attributable to owners of parent	639,114	832,681

Consolidated statements of comprehensive income (cumulative)

	(Thousands of yen)	
	Three months ended March 31, 2022	Three months ended March 31, 2023
Profit	647,649	847,088
Other comprehensive income		
Valuation difference on available-for-sale securities	950	(3,642)
Foreign currency translation adjustment	34,328	13,423
Total other comprehensive income	35,278	9,781
Comprehensive income	682,928	856,870
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	660,594	837,066
Comprehensive income attributable to non-controlling interests	22,333	19,803