

Translation

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November 20, 2023

To Whom it May Concern:

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Representative: Representative Director and CEO Yuta Tsuruoka
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BASE Publishes the Owners' Survey 2023

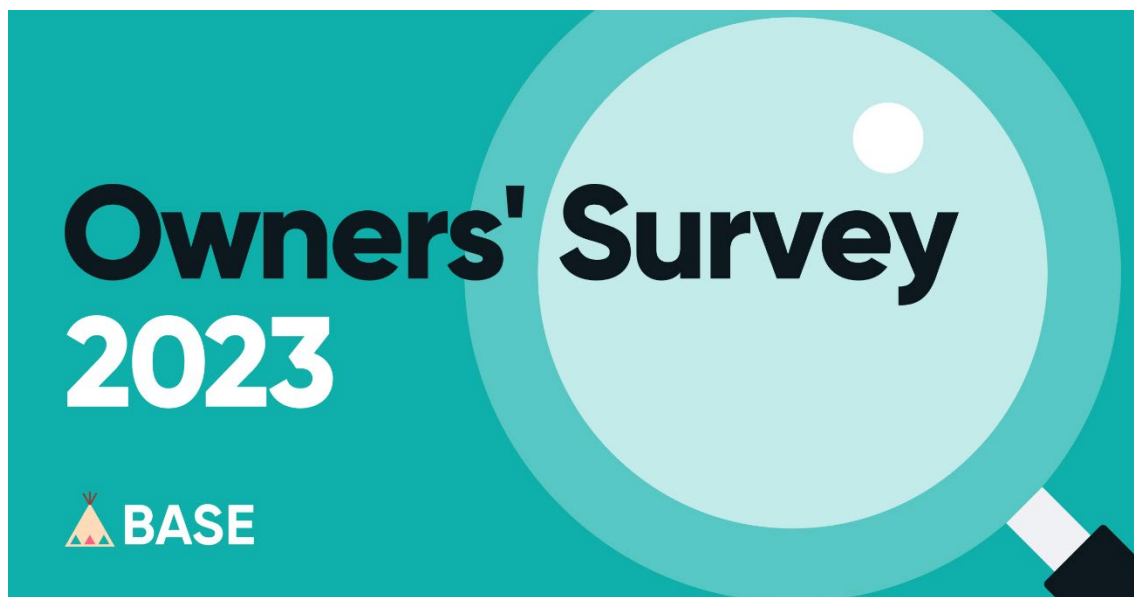
More than 90% of online store owners do what they love to do!

- Compared to the 2022 survey, experience of opening a store such as a pop-up shop, etc.

has increased 10% in 2023

The easing of behavioral restrictions became notable -

BASE, a service for creating online shops which is operated by BASE, Inc. (location: Minato-ku, Tokyo, Representative Director and CEO: Yuta Tsuruoka), celebrated the 11th anniversary of its services on November 20 (Monday), 2023. To commemorate this anniversary, we have conducted our Owners' Survey again in 2023. This is a survey targeting online shops using BASE which concerns their BASE usage, including the opening and operation of online shops. We hereby



announce the results of the survey.

■ About the Owners' Survey

The Owners' Survey is a survey targeting online shops using BASE which concerns their BASE usage and was commenced in 2019. Its purpose is to roll out initiatives to support the activities and challenges of the shop owners through its services, and at the same time, to transmit this survey information to many different fields in order to enhance the vigor and broaden the needs of the small and medium business (SMB) market and communicate the existence of the major individuals and small teams for revitalization of the economy.

BASE celebrated the 11th anniversary of its release on November 20 (Monday), 2023, and it has become an online shop creation service which has opened a cumulative total of more than 2,000,000 shops. There has never been any change to the fact that BASE is a service which enables anyone, in particular individuals and small teams, to easily create an online shop; furthermore, in the five years since we commenced this survey there has been no change to the fact that 99% of BASE users are four or fewer individuals or small teams. Through the continuing involvement of BASE with all of these users going forward, we will provide support so that they can all achieve the maximum results in the shortest possible time with the least amount of effort and all people can "freely live in their own way."

■ Owners' Survey 2023: Overview of the Questionnaire

Survey content: about the operation of online shops

Survey method: Internet survey

Survey period: October 13 to October 22, 2023

Survey target: online shops using BASE

Number of valid responses: 2,484

<Owners' Survey 2023: Summary of the Results of the Questionnaire>

- Looking at operational structure, regarding the percentage of individuals and corporations, "corporations" increased for the third consecutive year, and use by companies was in an increasing trend. The number of people operating the online shops remained unchanged for the fifth consecutive year since we commenced the survey in 2019, with use by four or fewer individuals or small teams exceeding 90%.
- Regarding the item on which the most importance was placed regarding online shop operation, "the brand concept and the expression of our interpretation of the world" was ranked 1st for the fifth consecutive year
- Experience of opening a pop-up shop or a store in a special event for a limited time was approximately 40%. This grew greatly, +10.1%, from last year's survey

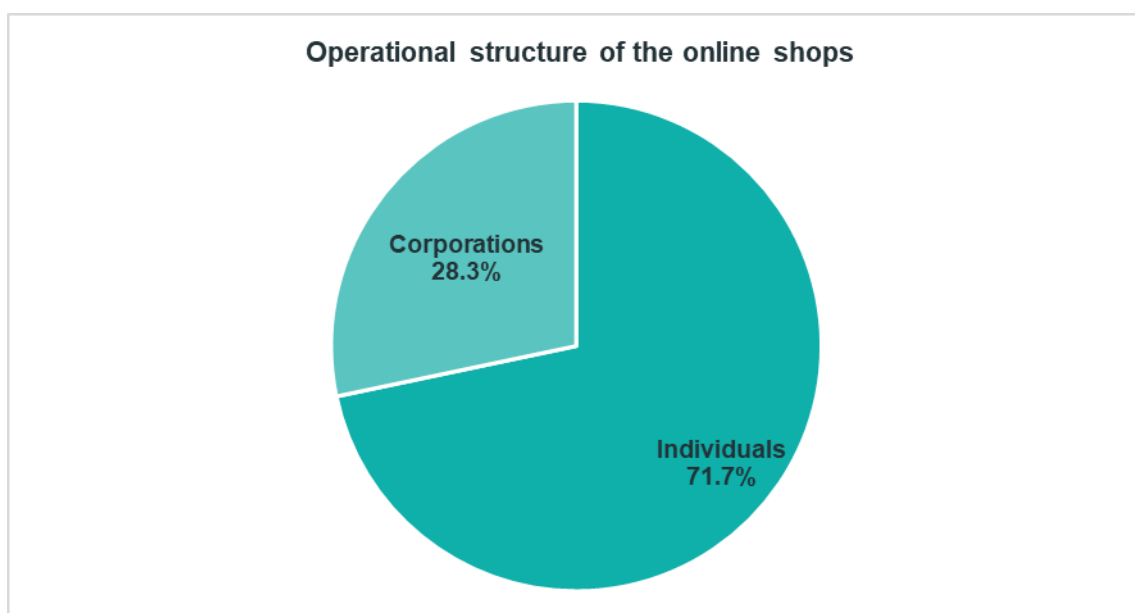
- The most used social media was Instagram for the fifth consecutive year. X overtook Facebook to rank second for the first time since we commenced the survey.
- More than half of the respondents are operating shops using work styles such as a side-job, parallel career, or concurrent employment, etc.! More than 90% of shop owners responded that they were doing what they love in their work in online shops.

We present the detailed results regarding the responses to the Owners’ Survey 2023 below.

1. Characteristics of online shops using BASE

— Use by corporations increased for the third consecutive year, and use by four or fewer individuals or small teams was 99% —

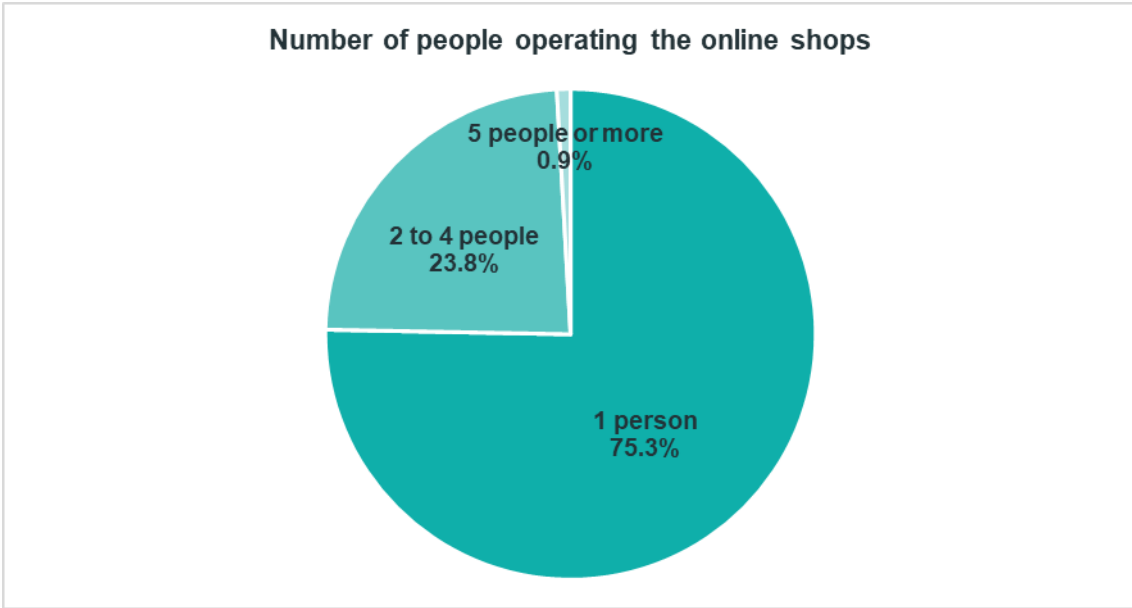
The results for the operational structure of online shops were “individuals” at 71.7% and “corporations (organizations)” at 28.3%, meaning that “individuals” exceeded 70%. The percentage of use by “corporations (organizations)” has increased for the third consecutive year, so it can be concluded that online shops operated by “individuals” have expanded in scale and turned into corporations, and that the number of corporations opening online shops due to the impact of the spread of COVID-19 and as a part of new businesses has increased. Regarding the number of people operating the online shops, just as in other years, “1 person” scored the highest at 75.3%, followed by “2 to 4 people” at 23.8%, so shops of four people or fewer accounted for 99%, which remained unchanged for the fifth consecutive year since we commenced the survey in 2019.



- Operational structure of the online shops

Individuals: 71.7%

Corporations: 28.3%

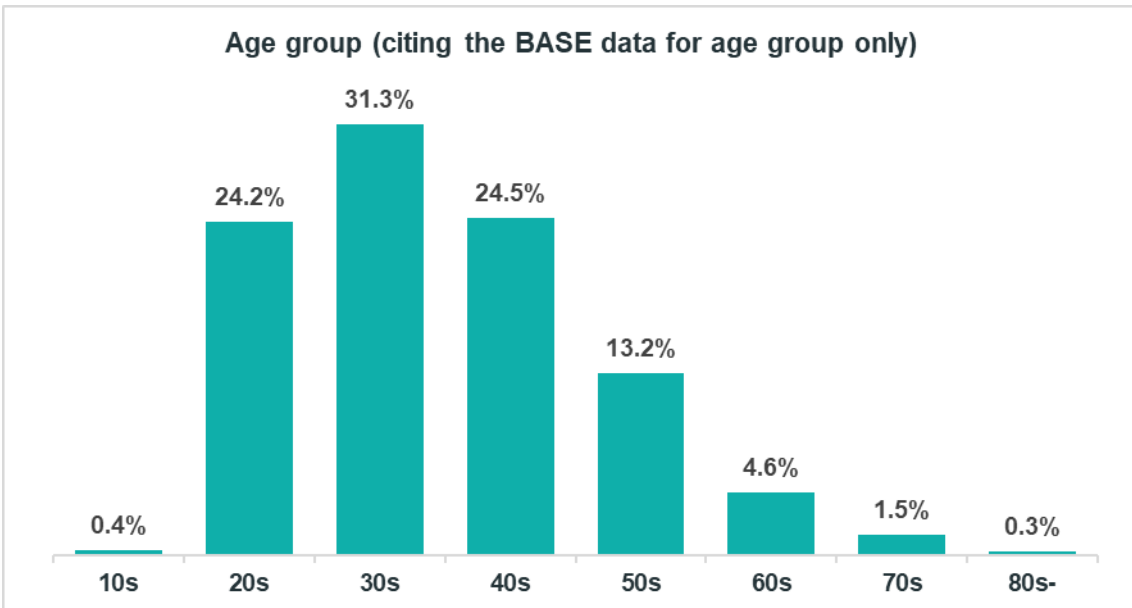


- Number of people operating the online shops

1 person: 75.3%

2 to 4 people: 23.8%

5 people or more: 0.9%



- Age groups of the operators of the online shops (citing the BASE data for age group only)

10s: 0.4%

20s: 24.2%

30s: 31.3%

40s: 24.5%

50s: 13.2%

60s: 4.6%

70s: 1.5%

80s or older: 0.3%

2. About Product Production and the Brand

— Regarding the item on which the most importance was placed, “the brand concept and the expression of our interpretation of the world” was ranked 1st for the fifth consecutive year —

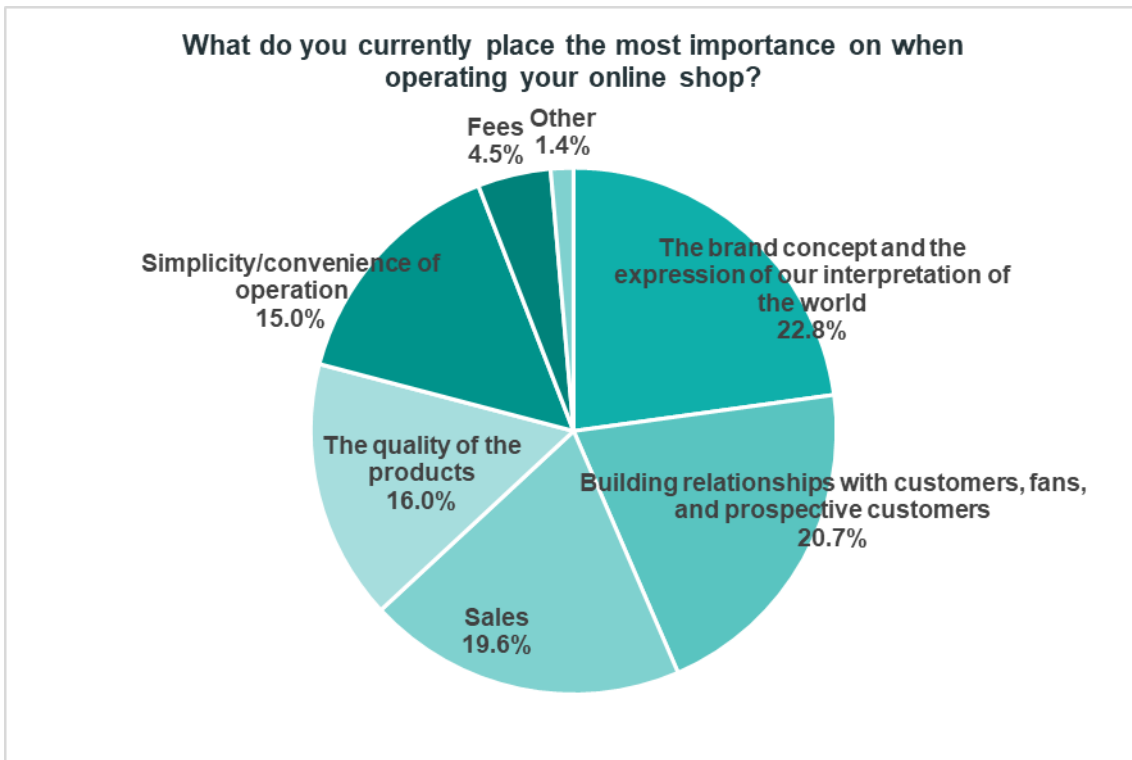
In the question concerning the products handled in the online shops, “original products” scored 76.1% and “non-original products” scored 23.9%, so we learned that over 70% of the shops are handling original products. Furthermore, regarding the responses to the question “what do you currently place the most importance on when operating your online shop?,” “the brand concept and the expression of our interpretation of the world” was ranked 1st for the fifth consecutive year at 22.8%, meaning there has been no change since the commencement of the survey in 2019, and the greatest number of shops placed the most importance on their own brand and expression of the values they liked themselves, and “building relationships with customers, fans, and prospective customers” was ranked second by a small margin at 20.7%, so we learned that owners are also placing importance on customer relationship management (CRM), which has been gaining attention in recent years.



- Are the products sold in your online shop original products or non-original products?

Original products: 76.1%

Non-original products: 23.9%



• What do you currently place the most importance on when operating your online shop?

The brand concept and the expression of our interpretation of the world: 22.8%

Building relationships with customers, fans, and prospective customers: 20.7%

Sales: 19.6%

The quality of the products: 16.0%

Simplicity/convenience of operation: 15.0%

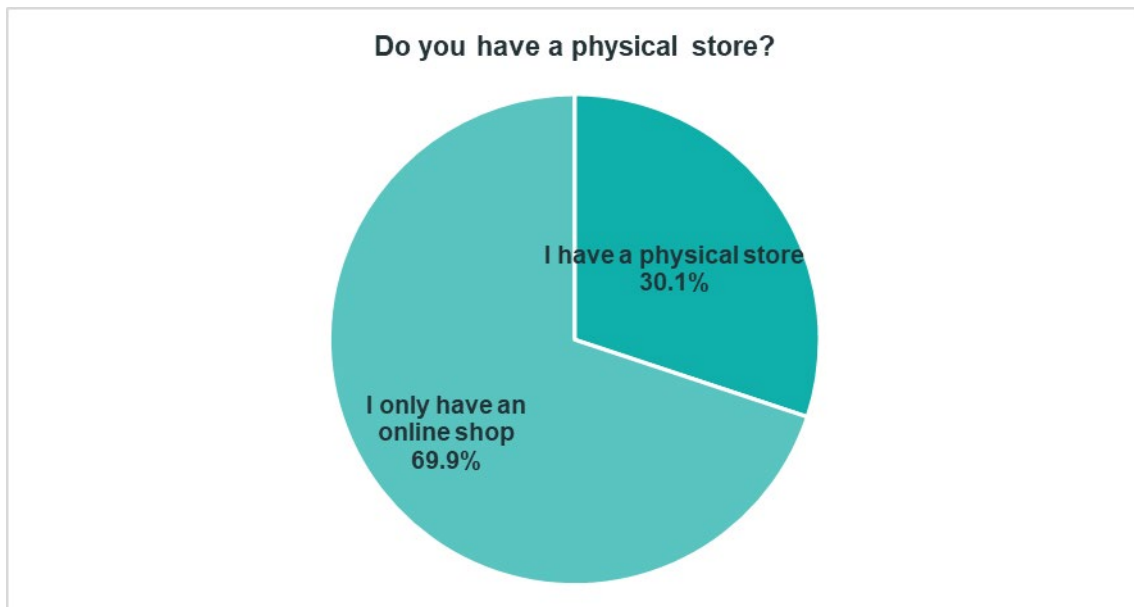
Operational costs: 4.5%

Other: 1.4%

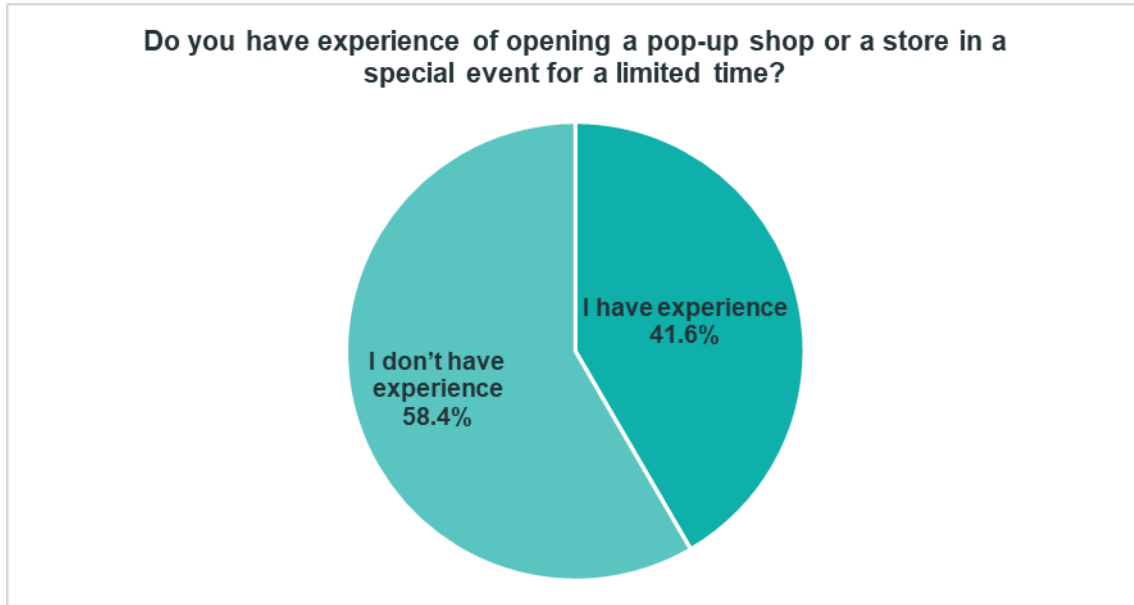
3. About sales channels

— Shops which had opened a pop-up shop or a store in a special event for a limited time significantly grew by +10.1% from time last year’s survey —

Concerning whether or not the owners had a physical store, the response “I only have an online shop,” meaning they do not have a physical store, accounted for approximately 70%. Furthermore, concerning whether or not the owners had experience of opening a pop-up shop or a store in a special event for a limited time, the response “I have experience” scored 41.6%, so it significantly increased by +10.1% from the time of last year’s survey (31.5%). It can be concluded that face-to-face communication, including the easing of behavioral restrictions and an increase in the number of events, has been revitalized in response to the fact that in May 2023 the Ministry of Health, Labour and Welfare announced that the position of COVID-19 had been downgraded to a Class V Infectious Disease under the Act on the Prevention of Infectious Diseases and Medical Care for Patients with Infectious Diseases.



- Do you have a physical store?
I have a physical store: 30.1%
I only have an online shop: 69.9%



• Do you have experience of opening a pop-up shop or a store in a special event for a limited time?

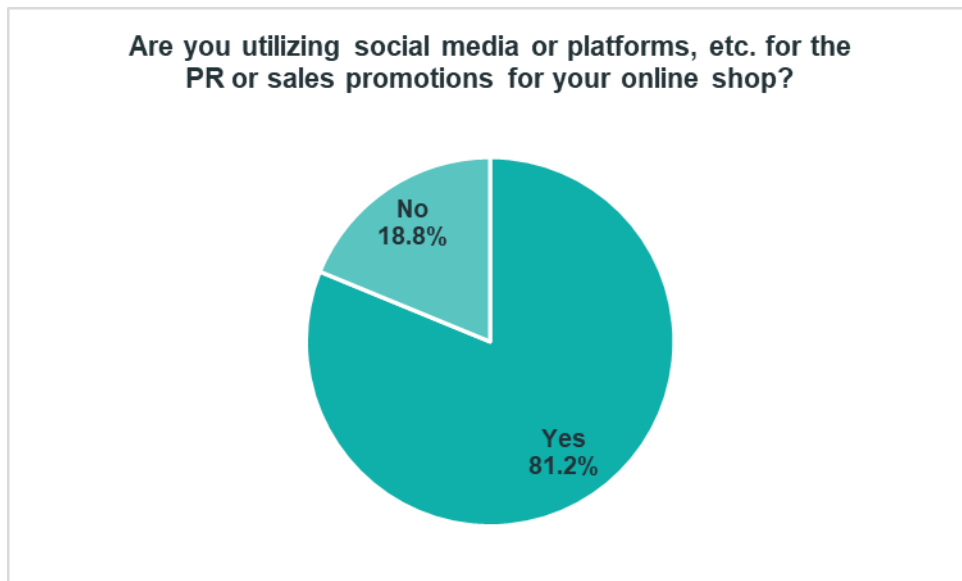
I have experience: 41.6%

I don't have experience: 58.4%

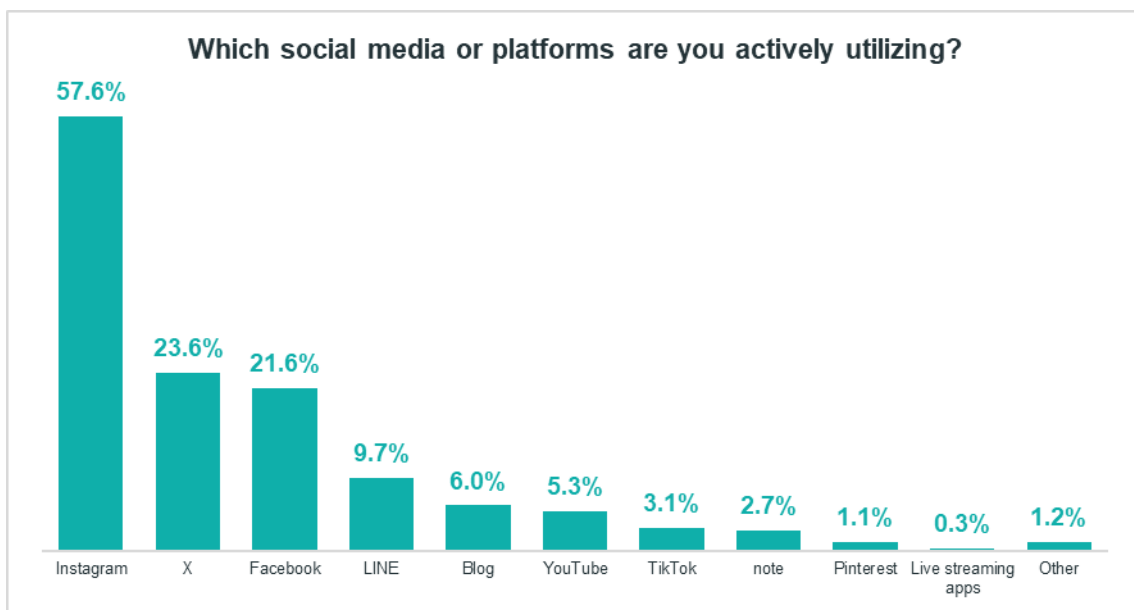
4. About PR and Sales Promotion Activities

— The most used social media was Instagram for the fifth consecutive year —

The number of shops utilizing social media or platforms, etc. for the PR and sales promotion of their online shops maintained a high level as in the surveys in other years, at 81.2%. In particular, regarding the social media they are actively utilizing, Instagram was ranked 1st, no change in ranking from when the survey was commenced in 2019, at 57.6%. This was followed by X which ranked 2nd at 23.6% and Facebook which ranked 3rd at 21.6%. The ranking of X (formerly Twitter) and Facebook swapped around for the first time since the commencement of the survey. Note that the results were that Instagram was also ranked first among social media or platforms that the owners would like to use more strongly going forward, X was ranked 2nd, and YouTube was ranked 3rd.

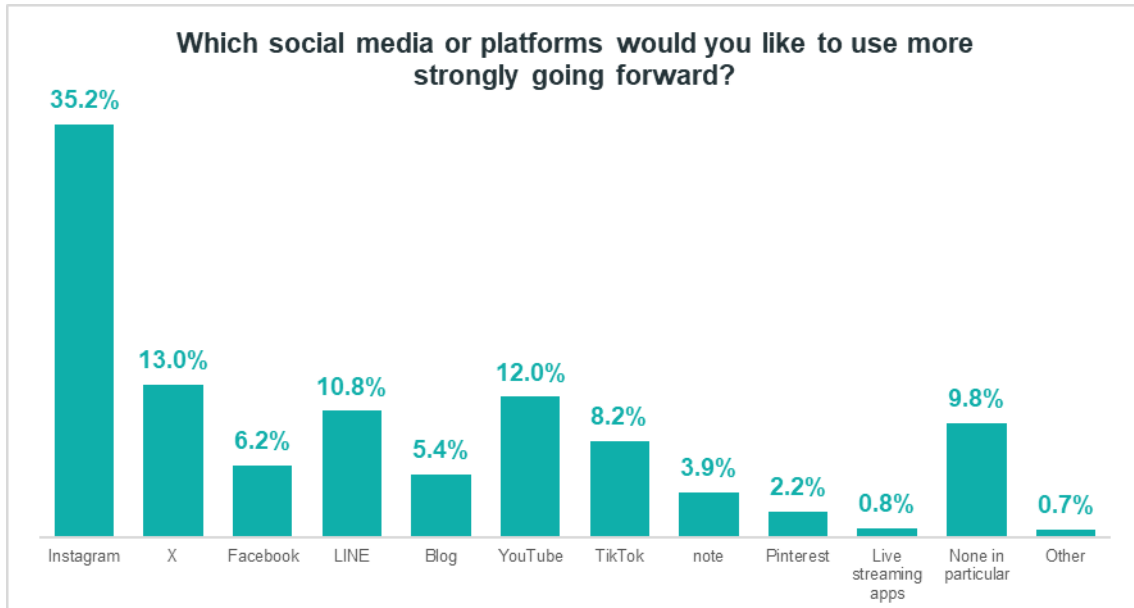


- Are you utilizing social media or platforms, etc. for the PR or sales promotions for your online shop?
 Yes: 81.2%
 No: 18.8%



- Which social media or platforms are you actively utilizing?
 [Only answer if you responded “I am utilizing social media or platforms, etc. for the PR or sales promotions for my online shop”/multiple answers]
 Instagram 57.6%
 X 23.6%
 Facebook 21.6%
 LINE 9.7%
 Blog (WordPress blog, Ameba blog, etc.): 6.0%

YouTube 5.3%
 TikTok 3.1%
 note 2.7%
 Pinterest 1.1%
 Live streaming apps (17LIVE, Pococha, etc.): 0.3%
 Other 1.2%



• Which social media or platforms would you like to use more strongly going forward?

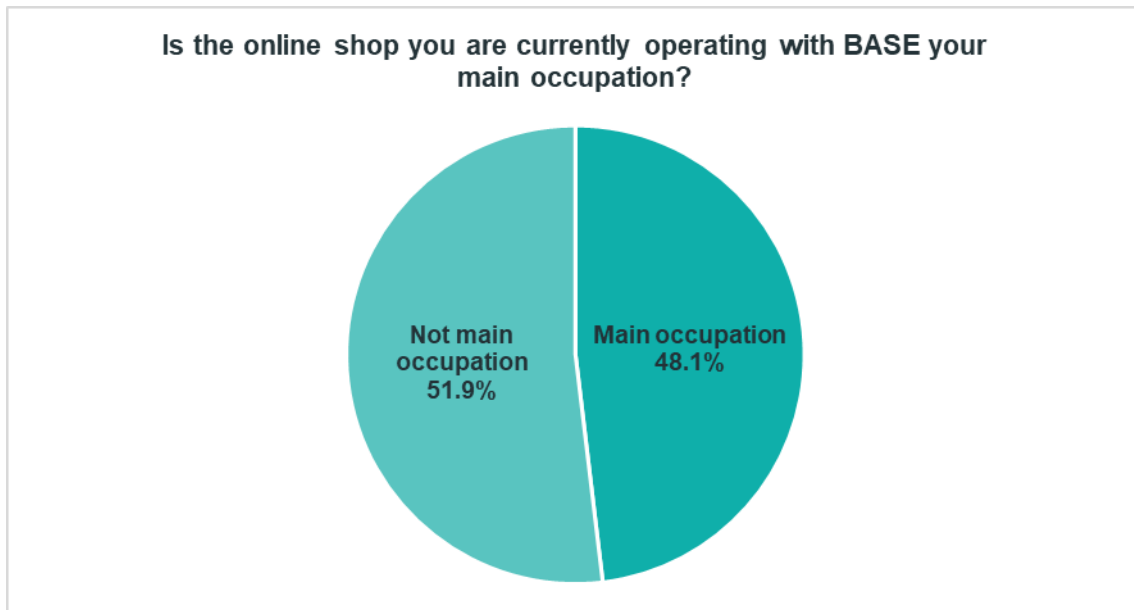
[Only answer if you responded “I am utilizing social media or platforms, etc. for the PR or sales promotions for my online shop”/multiple answers]

Instagram 35.2%
 X 13.0%
 Facebook 6.2%
 LINE 10.8%
 Blog (WordPress blog, Ameba blog, etc.): 5.4%
 YouTube 12.0%
 TikTok 8.2%
 note 3.9%
 Pinterest 2.2%
 Live streaming apps (17LIVE, Pococha, etc.): 0.8%
 None in particular: 9.8%
 Other: 0.7%

5. About Work Styles

— The ratio of respondents whose stores they operate as their "main occupation" and those who have a "side job, double job, dual job, etc." is 5:5! More than 90% of the respondents said that they do what they love in their online store management. —

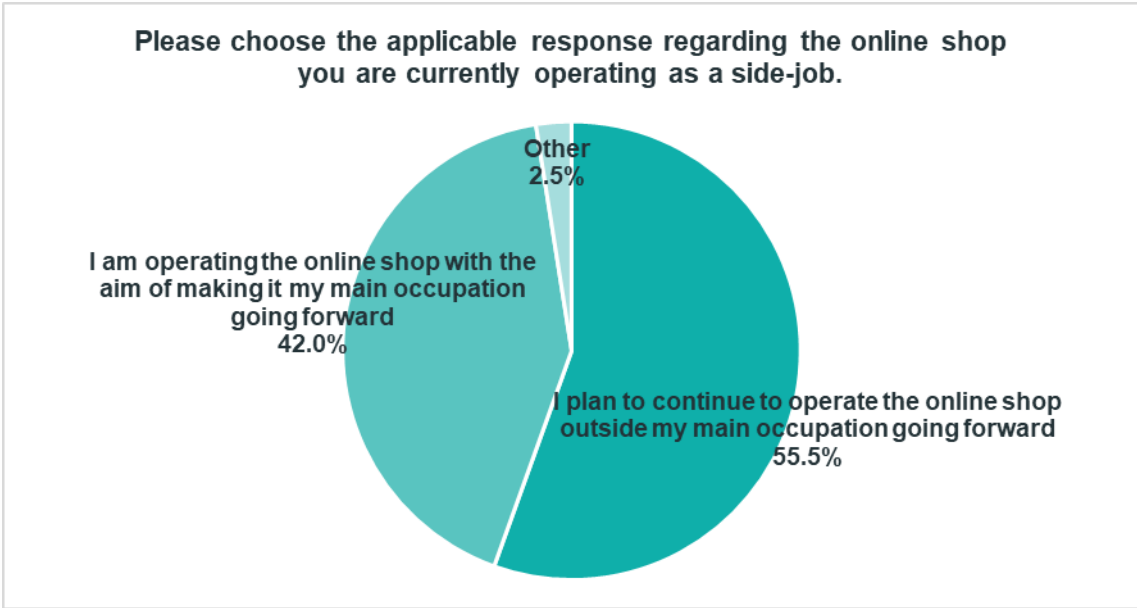
In the question regarding working styles, 48.1% of the respondents answered that the online store they operate is their "main business," while 51.9% answered that it is not their "main business (side business, double business, dual business, etc.)," with the result that roughly half of the respondents answered each of these two. Moreover, when we asked shops who responded "not main occupation (a side-job, a parallel career, concurrent employment, etc.)" about their operational methods going forward, "I plan to continue to operate the online shop outside my main occupation going forward" scored 55.5% and "I am operating the online shop with the aim of making it my main occupation going forward" scored 42.0%, so we find that 40% are challenging themselves first by working side jobs, double jobs, or dual jobs. More than 90% of the respondents replied "Yes" to the question "Are you doing what you love in your work in online shop operation?"



- Is the online shop you are currently operating with BASE your main occupation?

Main occupation: 48.1%

Not main occupation (a side-job, a parallel career, concurrent employment, etc.): 51.9%



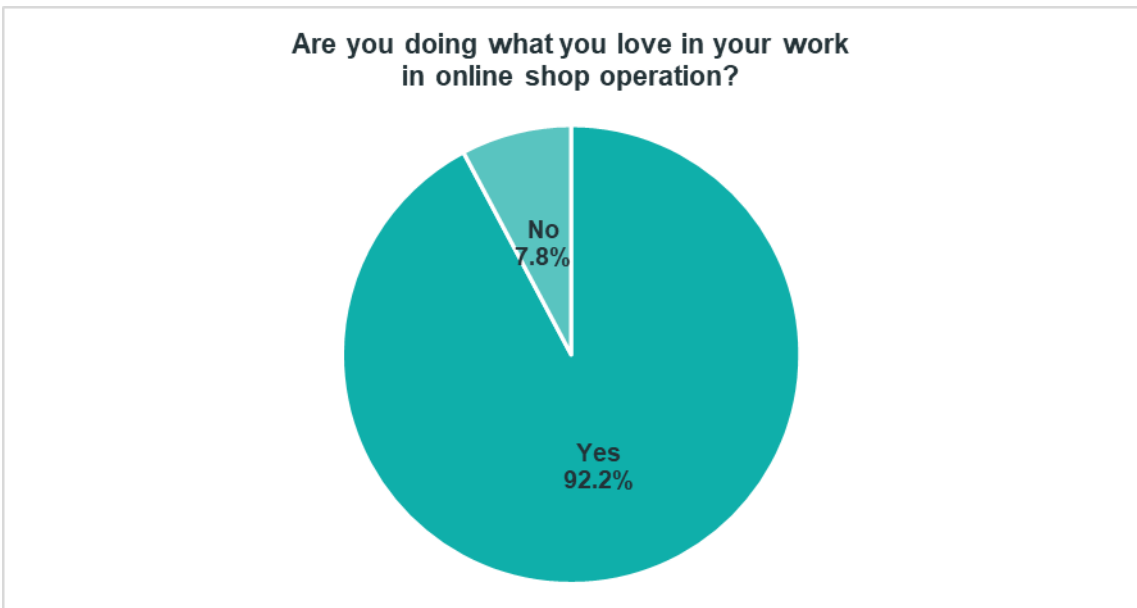
- Please choose the applicable response regarding the online shop you are currently operating as a side-job.

[Only answer if you responded that the online shop is not your main occupation (a side-job, a parallel career, or concurrent employment)]

I plan to continue to operate the online shop outside my main occupation going forward: 55.5%

I am operating the online shop with the aim of making it my main occupation going forward: 42.0%

Other: 2.5%



- Are you doing what you love in your work in online shop operation?

Yes: 92.2%

No: 7.8%

We have used the present Owners' Survey 2023 to introduce the latest usage situations of shop owners using BASE. As a partner which expands the potential of all of the shop owners who live with ownership over their own lives and as a foundation (BASE) of economic activities on the Internet, BASE will consider this kind of latest information to make every effort to continue to work closely with the activities of all of the shop owners who generate new value.

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