



BASE

Q1 of Fiscal Year Ending December 31, 2024
Materials for Financial Results Presentation

BASE, Inc.
(Tokyo Stock Exchange Growth: 4477)
May 9, 2024

- 1. Company Overview**
- 2. Executive Summary**
- 3. Results for Q1 of the Fiscal Year Ending December 31, 2024**
- 4. Earnings Forecast for the Fiscal Year Ending December 31, 2024**
- 5. Reference Materials**

1. Company Overview

Mission

Payment to the people, Power to the people.

BASE provides a platform in which individuals can transmit their thoughts, sensitivities and talents to any and all that are in need of them. Our hope is that our service gives way to new projects, ideas and activities, as well as fair compensation for our valued merchants.

Means of payment should be available to everyone in the world and beyond. As a company, we aim to provide each and every individual with the opportunity to freely transform their potential into value.

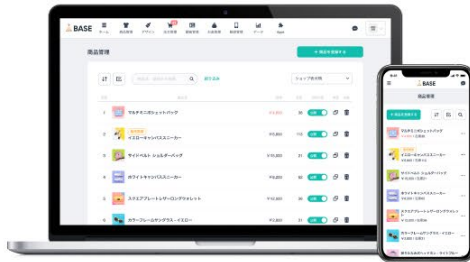
Creating an economy for People through the Power of Payment.



BASE Group's services aimed at empowering **individuals and small teams, startups,** as well as **purchasers**



For Individuals and Small Team Shops



Payment Support /
Online Shop Creation Support

Online shop creation service enabling anyone to easily create storefront-type online shops at no cost



For Startup Merchants

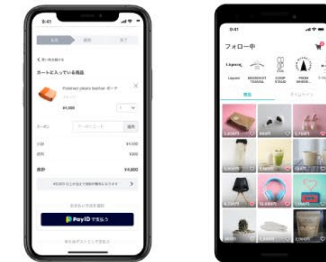


Payment Support

Online payment service for developers to easily integrate credit card payments to web services



For Purchasers



Payment ID /
Shopping App

Shopping service providing smoother payment experiences including BNPL and helping to build relationships with purchasers

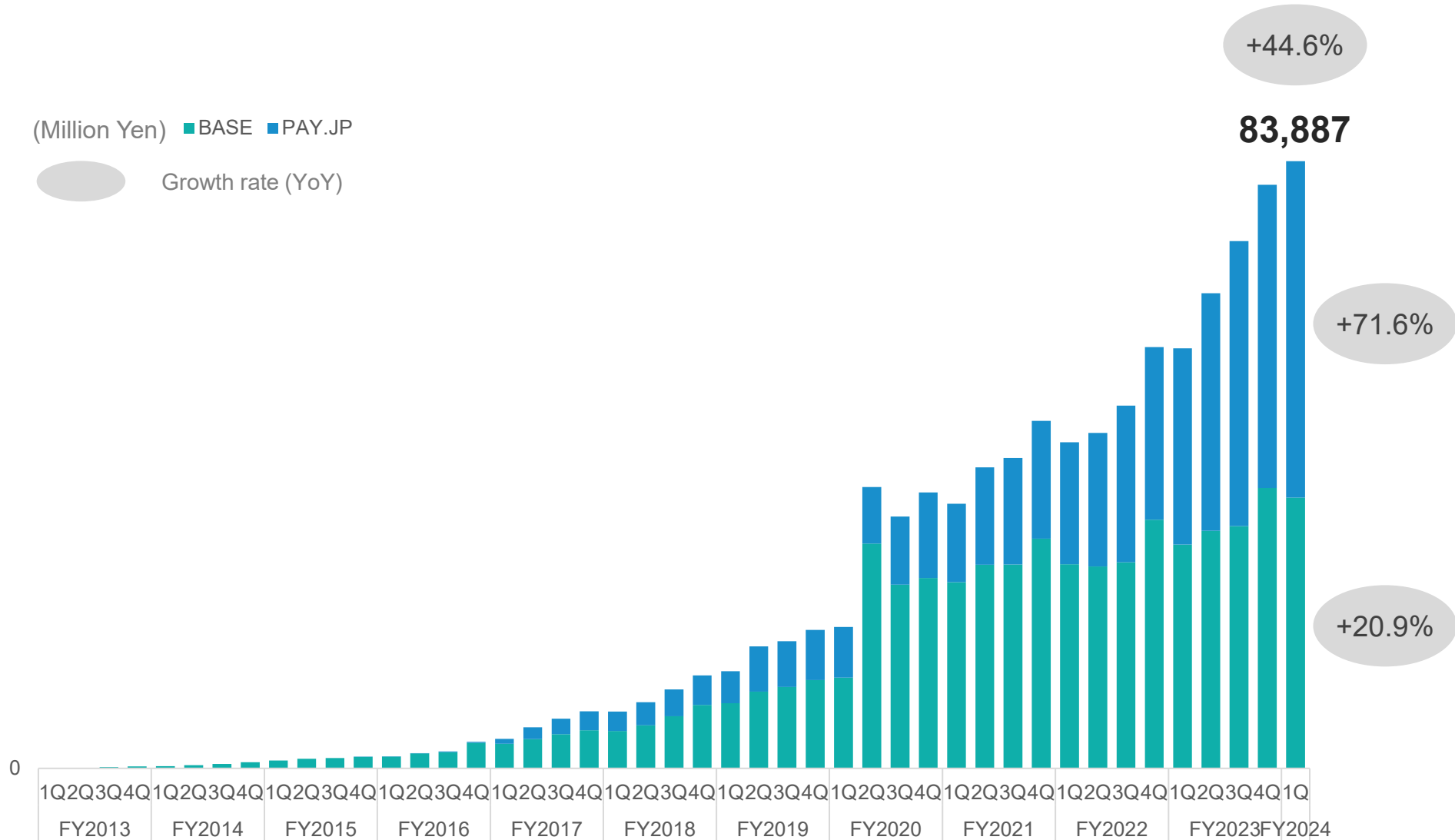
2. Executive Summary

Topics	<ul style="list-style-type: none">✓ All the businesses showed strong performance, with a significant increase in net sales by +42.6% YoY and gross profit by +46.9% YoY
FY2024 Q1 Results	<ul style="list-style-type: none">✓ Operating profit turned positive temporarily, as consolidated gross profit increased, as well as SG&A expenses were controlled more than expected✓ GMV in the BASE business increased as expected by +20.9% YoY✓ GMV in PAY.JP business continued to increase significantly at +71.6% YoY, beyond expectations✓ Net sales increased significantly +191.3% YoY, mainly due to an increase in funding amount and collection amount because of functional improvements to "YELL BANK"
Forecasts for FY2024 and Business Progress	<ul style="list-style-type: none">✓ Operating profit/loss revised into profitability, the upper limit at the beginning of the fiscal year✓ In the BASE business, the increase in the monthly fee for the Monthly-Fee Plan implemented in January 2024 has progressed without any major problems✓ In the PAY.JP business, the renewal of the fee plan from June 2024 announced

Group GMV Growth



Group GMV grew significantly, driven by the PAY.JP business



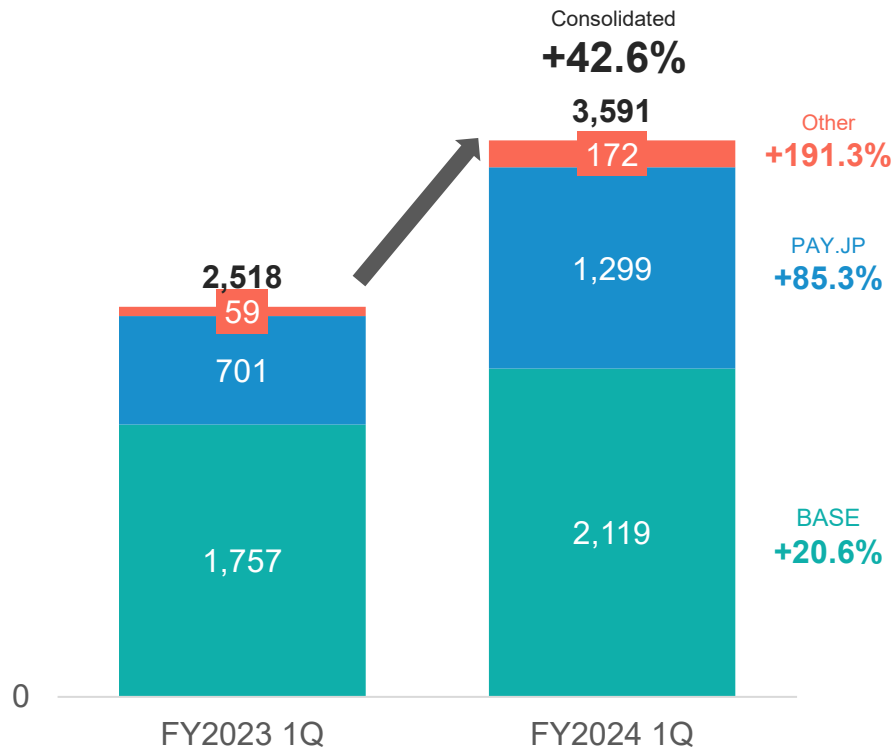
(Note) BASE's GMV is based on the order date (order amount). PAY.JP's GMV is based on the payment date (payment amount)

All the businesses showed strong performance, with a significant increase in net sales by +42.6% YoY and gross profit by +46.9% YoY

Net Sales (Note 1,2)

(Million Yen)

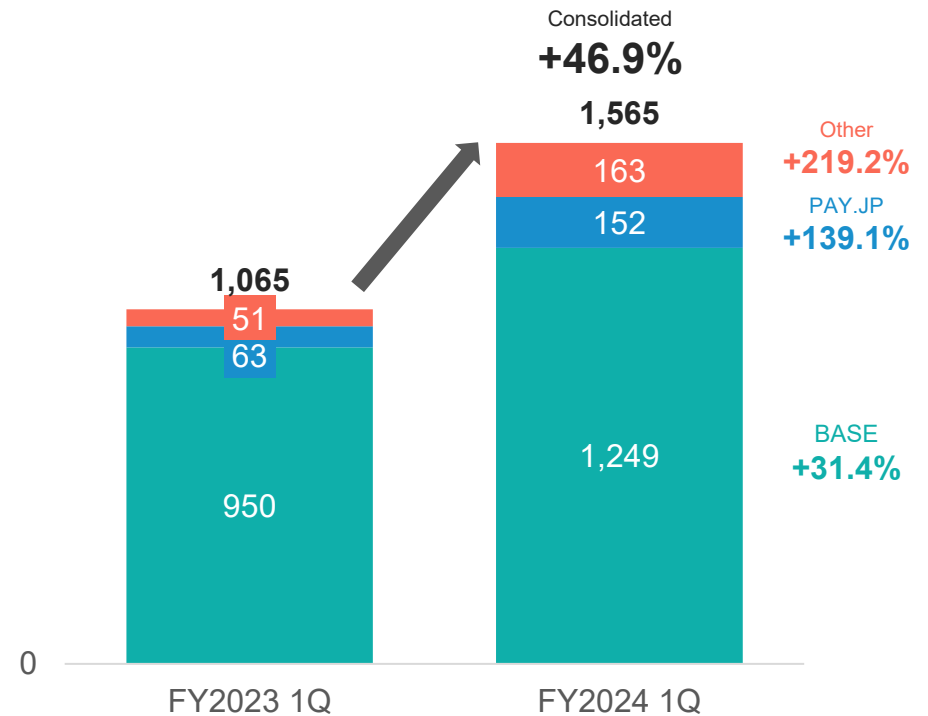
■ BASE ■ PAY.JP ■ Other



Gross Profit (Note 1)

(Million Yen)

■ BASE ■ PAY.JP ■ Other



(Note 1) All growth rates are YoY

(Note 2) From FY2024 onwards, due to the shift from a collection agency to a crediting format, PAY.JP business net sales and cost of sales will become tax-exempt and will be recognized at a level approximately 10% higher than before FY2023

Policies for FY2024 and Progress

Policies for FY2024 (as of February 8, 2024)

Progress

Consolidated	<ul style="list-style-type: none"> ✓ Aim for gross profit to be at the +30% level YoY due to an increase in Group GMV and improved profitability ✓ Maintain a disciplined investment policy based on growth and profitability, even though SG&A expenses are expected to increase YoY, which were controlled better than expected in the previous year ✓ The upper forecast for operating profit/loss is at the break-even level, while the lower forecast is also expected to contract the loss 			<ul style="list-style-type: none"> ✓ All the businesses showed strong performance, with a significant increase in net sales by +42.6% YoY and gross profit by +46.9% YoY ✓ SG&A expenses were controlled while maintaining a disciplined investment policy ✓ Operating profit turned positive temporarily, as consolidated gross profit increased, as well as SG&A expenses were controlled
BASE	<ul style="list-style-type: none"> ✓ Aim to increase GMV by more than 13.2% YoY by increasing added value of products and implementing efficient marketing measure ✓ Aim to increase gross profit beyond the GMV growth rate by increasing take rate through increasing the price of Monthly-Fee Plans and offering paid extensions 			<ul style="list-style-type: none"> ✓ GMV increased as expected by +20.9% YoY ✓ Monthly-Fee Plan price increases implemented without much difficulty so far, with an increase in the number of shops with large sales
PAY.JP	<ul style="list-style-type: none"> ✓ Aim to increase GMV by more than 32.5% YoY by increasing added value of products and strengthening sales and marketing, etc. ✓ Aim to improve gross profit margin by optimizing the fee structure and improving the cost of sales ratio 			<ul style="list-style-type: none"> ✓ GMV continued to increase significantly at +71.6% YoY, beyond expectations, while the growth rate of some of the large merchants has settled down ✓ Gross profit margin improved significantly due to a reduction in the cost of sales to GMV ratio ✓ Fee plans to be renewed from 1 June
Pay ID	<ul style="list-style-type: none"> ✓ Build a foundation for expanding purchaser assets and monetizing by expanding functions, etc. 			<ul style="list-style-type: none"> ✓ Renewal of the app's home screen and progress on initiatives to send new customers to "BASE" shops
Finance	<ul style="list-style-type: none"> ✓ Aim for further growth in gross profit of the Other business through increasing added value in financial services, mainly "YELL BANK", as well as through campaigns etc. ✓ Execute measures to improve the Group's profitability 			<ul style="list-style-type: none"> ✓ Net sales increased significantly +191.3% YoY, mainly due to an increase in the number of transactions because of functional improvements to "YELL BANK"

Even after the increase in the monthly fee for the Monthly-Fee Plan (Growth Plan), transfers to other services remained lower than expected, with many shops continuing to use “BASE”

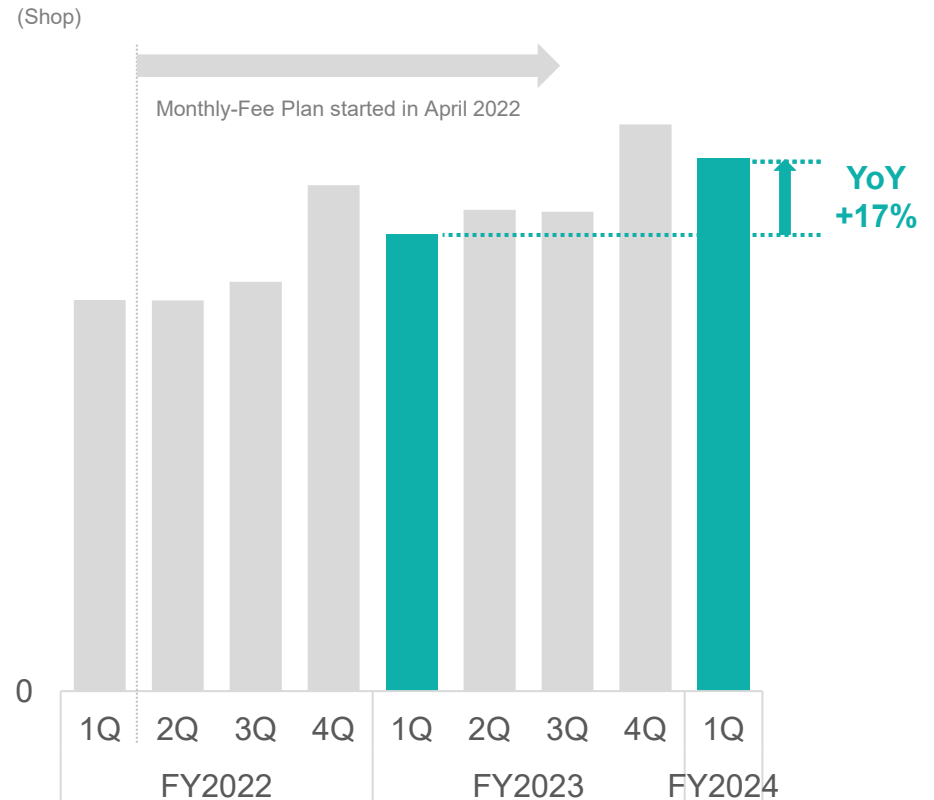
Number of monthly active shops with large sales (Note 1) **growing at a higher rate than the overall average** (Note 2)

Monthly-Fee Plan Price Increase

- ✓ From January 2024, the monthly fee increased from 5,980 yen to 19,980 yen
- ✓ For users who pay in a lump sum annually, the new fees apply from the month in which the annual contract is renewed
- ✓ No change in the No Monthly Cost Plan fees (Note 3)

	Before Change	After Change
Service Fee (Monthly Fee)	¥ 5,980	¥ 19,980
Payment Processing Fee	2.9%	2.9% (No change)

Impact on the Number of Monthly Active Shops with Large Sales



(Note 1) Shops with monthly sales of at least ¥1 million

(Note 2) YoY growth rate of the total number of monthly active shops during the same period was +5.2%.

(Note 3) The No Monthly Cost Plan fees are a 3.0% service fee per payment and a 3.6% commission rate +40 yen

To align with the diversification of merchants' industries and sales sizes, **fee plans will be adjusted to a wider range of merchants from June 2024, improving the profitability of PAY.JP business**

Maintain competitive fee levels in the new fee plans

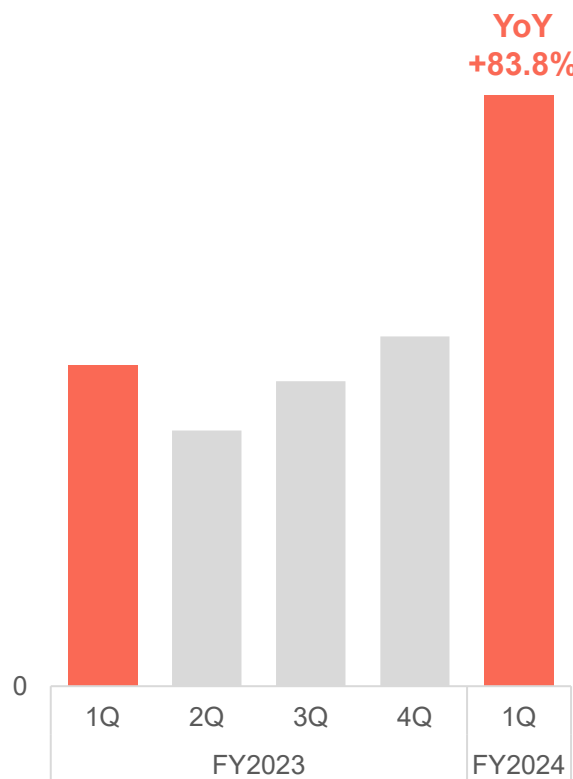
▼Before Change			▼After Change			
	Basic	Pro		Standard	Business	Enterprise
Payment Fee VISA / Mastercard	3.0%	2.59%	Payment Fee VISA / Mastercard	3.3%	2.78%	2.59%
Payment Fee Others (Note)	3.6%	3.3%	Payment Fee Others (Note)	3.3%	2.78%	2.7%
Monthly Fee	¥ 0	¥ 10,000	Monthly Fee	¥ 0	¥ 20,000	¥ 50,000

(Note) JCB, AMERICAN EXPRESS, Diners Club, and Discover

Net sales increased significantly **+191.3% YoY**, mainly due to an increase in funding amount and collection amount because of functional improvements to “YELL BANK”

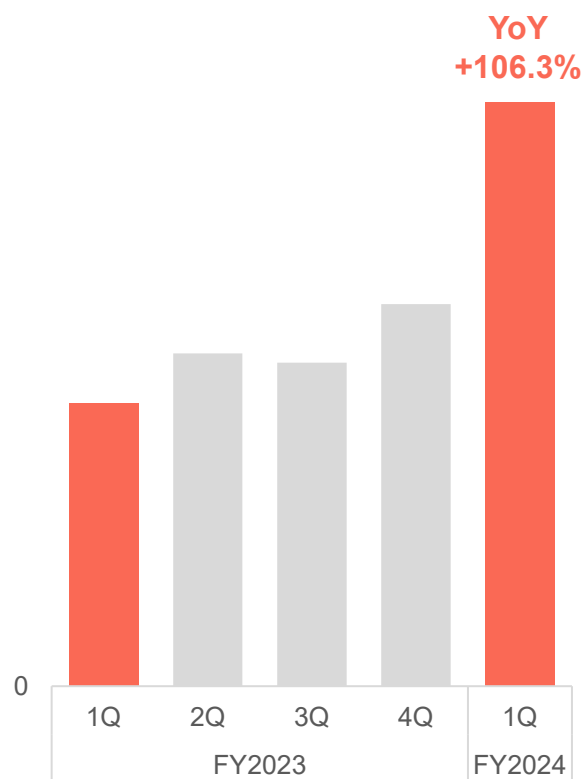
Funding Amount

(Yen)



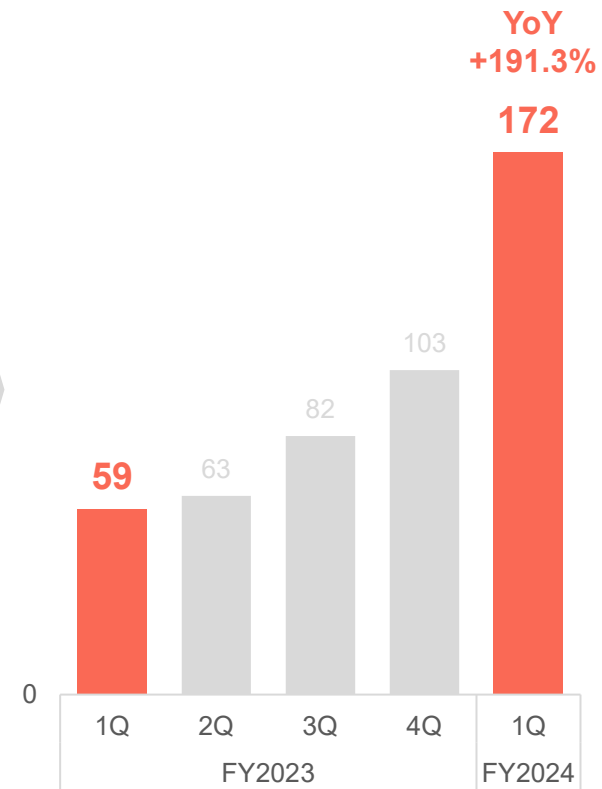
Collection Amount

(Yen)



Net Sales of Other Business

(Million Yen)



Medium to Long-Term Growth Strategy and Progress

	Medium to Long-Term Growth Strategy (as of Feb. 2024)		Progress
Growth strategies for existing products	Group	<ul style="list-style-type: none"> ✓ Achieve both GMV growth and improved profitability by strengthening existing products through increasing added value and optimizing pricing accordingly, as well as through improving marketing measures, etc. 	<ul style="list-style-type: none"> ✓ Group GMV and gross profit showed a positive trend
	BASE	<ul style="list-style-type: none"> ✓ Continue to focus on empowerment for individuals and small teams ✓ Continue to focus on both GMV growth and take rate improvement by increasing added value of products and optimizing the fee structure, as well as improving marketing measures 	<ul style="list-style-type: none"> ✓ GMV performed robustly ✓ Take rate increased due to price increases in Monthly-Fee Plans (Growth Plan), contributing to improved Group profitability.
	PAY.JP	<ul style="list-style-type: none"> ✓ Continue to focus on both strong GMV growth and gross profit margin improvement by increasing added value of products, optimizing the fee structure and improving the cost of sales ratio accordingly, as well as strengthening sales and marketing, etc. 	<ul style="list-style-type: none"> ✓ GMV continued to grow strongly ✓ In addition to an improved cost ratio, initiatives to review fee plan in June 2024 proceeded, contributing to improved Group profitability
	Pay ID	<ul style="list-style-type: none"> ✓ Contribute to the growth of the BASE business by monetizing purchaser assets with over 13 million registered users through enhancements to BNPL "Post Pay (Pay ID)" and shopping app functions, etc. 	<ul style="list-style-type: none"> ✓ The project for future monetization of shopping app etc. progressed as expected
	Finance	<ul style="list-style-type: none"> ✓ Continue to increase added value to "BASE" shops by expanding existing services, mainly "YELL BANK" ✓ In the long term, aim to take the role of profit center through group-wide initiatives 	<ul style="list-style-type: none"> ✓ "YELL BANK" grew significantly due to continuous functional improvements ✓ Steady progress towards the release of the YELL BANK for PAY.JP merchants
Group-wide expansion strategies	Group	<ol style="list-style-type: none"> ① Accelerate growth by creating synergies between existing products ② Achieve group-wide inorganic growth through M&A and alliances, etc. 	<ol style="list-style-type: none"> ① Initiatives for the horizontal expansion of existing products within the Group progressed steadily ② Prioritized M&As and alliances, with goods e-commerce, etc., aiming to expand target merchants

3. Results for Q1 of the Fiscal Year Ending December 31, 2024

Consolidated

All the businesses showed strong performance, with a significant increase in net sales by +42.6% YoY and gross profit by +46.9% YoY

SG&A expenses were controlled more than expected, and **operating profit turned positive temporarily**

BASE Business

GMV_(Note) **increased as expected by +20.9% YoY**

Net sales and gross profit increased by +20.6% and +31.4% YoY, respectively, due to increased GMV

Take rate increased QoQ due to the increase in Monthly-fee plan price in January 2024

PAY.JP Business

GMV_(Note) **continued to increase significantly at +71.6% YoY, beyond expectations**

Net sales and gross profit increased significantly by +85.3% and 139.1% respectively YoY
due to an increase in GMV

Gross profit margin improved significantly QoQ due to a reduction in the cost of sales to GMV ratio

Other Business

Net sales increased significantly +191.3% YoY, mainly due to an increase in funding amount and collection amount because of functional improvements to "YELL BANK"

All the businesses showed strong performance, with a significant increase in net sales by **+42.6% YoY** and gross profit by **+46.9% YoY**

BASE Business performed in line with expectations, while PAY.JP and Other Businesses grew beyond expectations
SG&A expenses were controlled more than expected, and **operating profit turned positive temporarily**

(Million yen)	FY2024 Q1 (Jan. 2024 – Mar. 2024)					FY2024 Full-Year	
	Results	YoY (vs. FY2023 Q1)		QoQ (vs. FY2023 Q4)		Full-Year Forecasts (Revised)	Progress rate (Note 1)
		Results	Change	Results	Change		
Net Sales	3,591	2,518	+42.6%	3,343	+7.4%	14,700	24.4%
Gross Profit	1,565	1,065	+46.9%	1,462	+7.1%	6,450	24.3%
Gross Profit Margin	43.6%	42.3%	+1.3pt	43.7%	-0.1pt	43.9%	-
SG&A	1,359	1,337	+1.7%	1,466	-7.3%	6,450	21.1%
Operating Profit	206	-271	n/a	-4	n/a	0	n/a
Ordinary Profit	211	-269	n/a	1	+11,680.2%	3	6,964.0%
Net Income Attributable to Owners of Parent	213	-358	n/a	-92	n/a	7	2,946.8%
GMV (BASE Business) (Note 2)	37,400	30,929	+20.9%	38,752	-3.5%	154,000	24.3%
GMV (PAY.JP Business) (Note 2)	46,487	27,096	+71.6%	41,858	+11.1%	187,000	24.9%

(Note1) Progress Rate towards full-year forecast (revised)

(Note2) GMV disclosed as reference figures. BASE's GMV is based on the order date (order amount). PAY.JP's GMV is based on the payment date (payment amount)

Maintains a strong financial foundation with cash and deposits at 22,749 million yen as of March of 2024

Factoring advances increased due to the growth of “YELL BANK”, but appropriate risk management has been implemented along with the service growth

(Million Yen)	As of Mar. 31, 2024	As of Dec. 31, 2023	Change
Current assets	39,012	36,965	+5.5%
(of which, cash and deposits)	22,749	22,227	+2.3%
(of which, trade accounts receivable) (Note1)	15,158	13,821	+9.7%
(of which, factoring advances) (Note 2)	830	581	+42.8%
Non-current assets	356	331	+7.3%
(of which, Investment securities)	34	36	-4.6%
Total assets	39,368	37,297	+5.6%
Current liabilities	26,103	24,244	+7.7%
(of which, trade accounts payable) (Note 3)	25,374	13,215	+92.0%
(of which, operating deposits) (Note 4)	67	10,299	-99.3%
Non-current liabilities	52	52	-0.0%
Total liabilities	26,156	24,297	+7.7%
Capital Stock	8,669	8,669	+0.0%
Capital surplus	4,933	4,933	+0.0%
Retained earnings	-393	-606	-
Valuation difference on investment securities	3	5	-32.6%
Total net assets	13,212	13,000	+1.6%

(Note1) Trade accounts receivable: The unpaid portion of the settlement amount to be paid to our company by the settlement service company

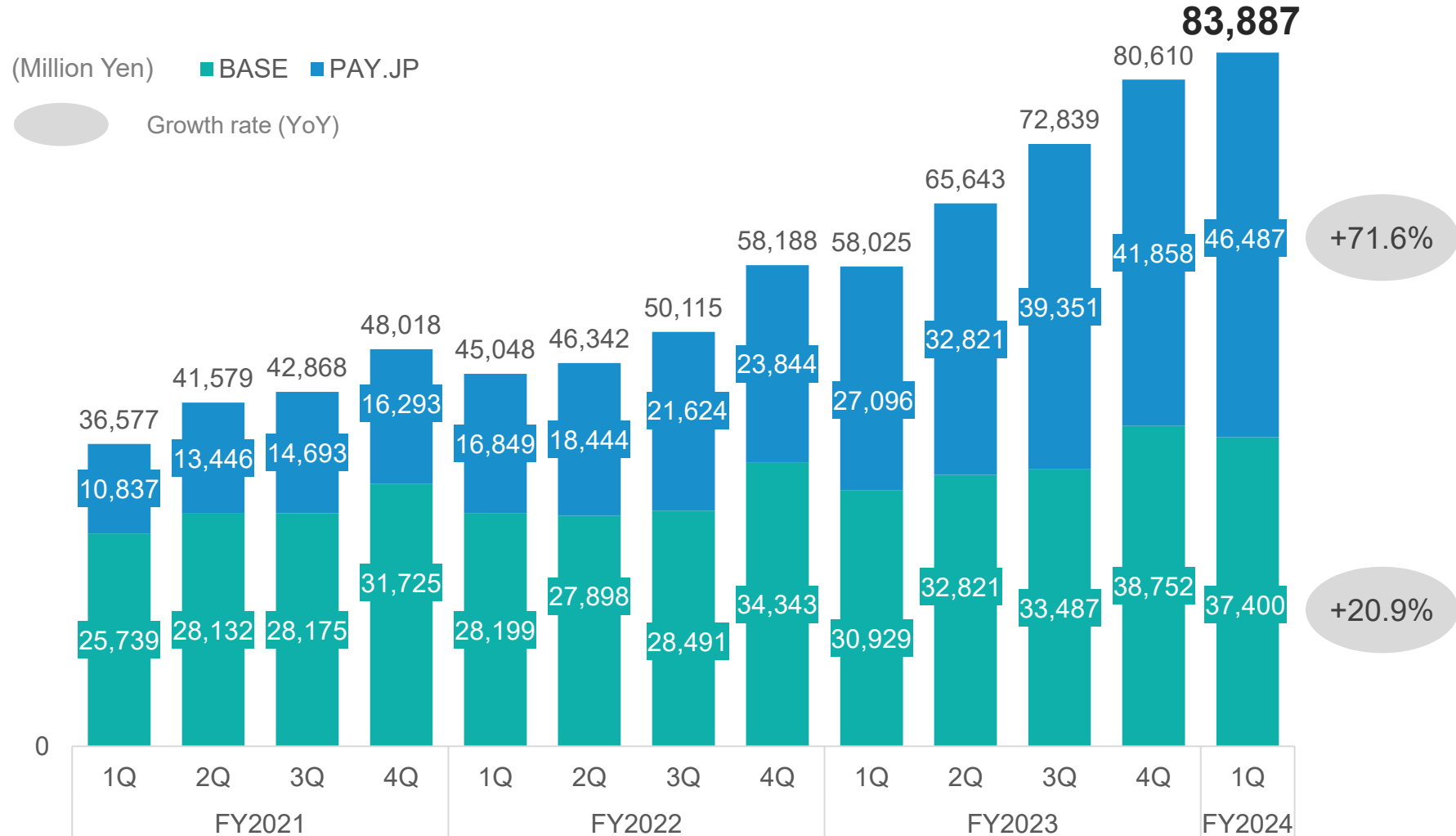
(Note2) Factoring advances: Uncollected receivables balance of “YELL BANK” in the Other business. Part of the uncollected receivables balance is also included in accounts receivable.

(Note3) Trade accounts payable: In the BASE and PAY.JP Businesses, outstanding amount of settlement to be paid by our company to merchants

(Note4) Operating deposits: Following the change of the PAY.JP business from a collection agency to a crediting format from Q1, outstanding amount of settlement to merchants in the PAY.JP business are included in trade accounts payable

Group GMV grew significantly, driven by the PAY.JP business

GMV increased QoQ, overcoming the negative effects of seasonality

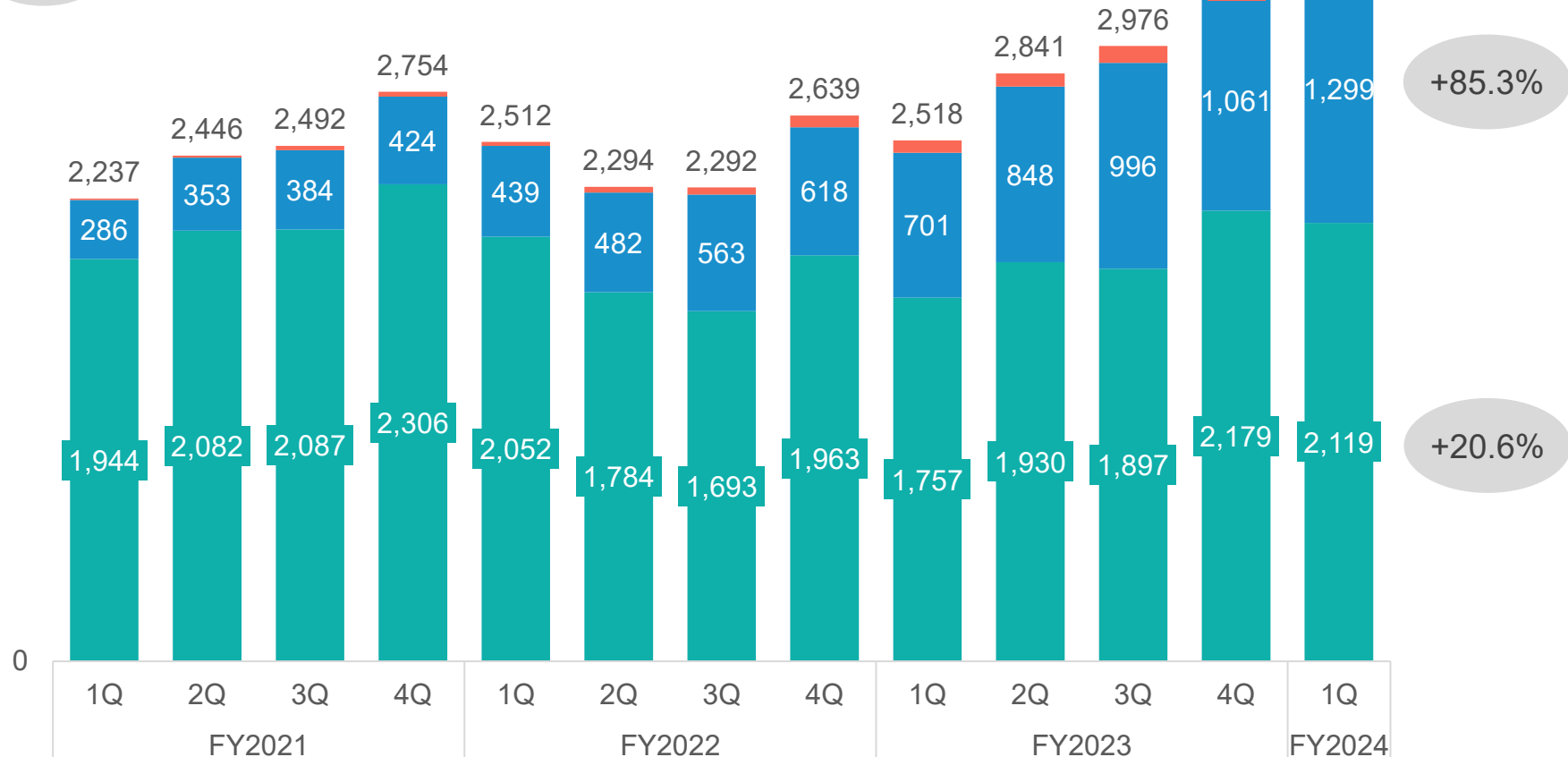


(Note) BASE's GMV is based on the order date (order amount). PAY.JP's GMV is based on the payment date (payment amount)

Consolidated net sales increased YoY significantly due to the increase in Group GMV as well as the growth in Other business

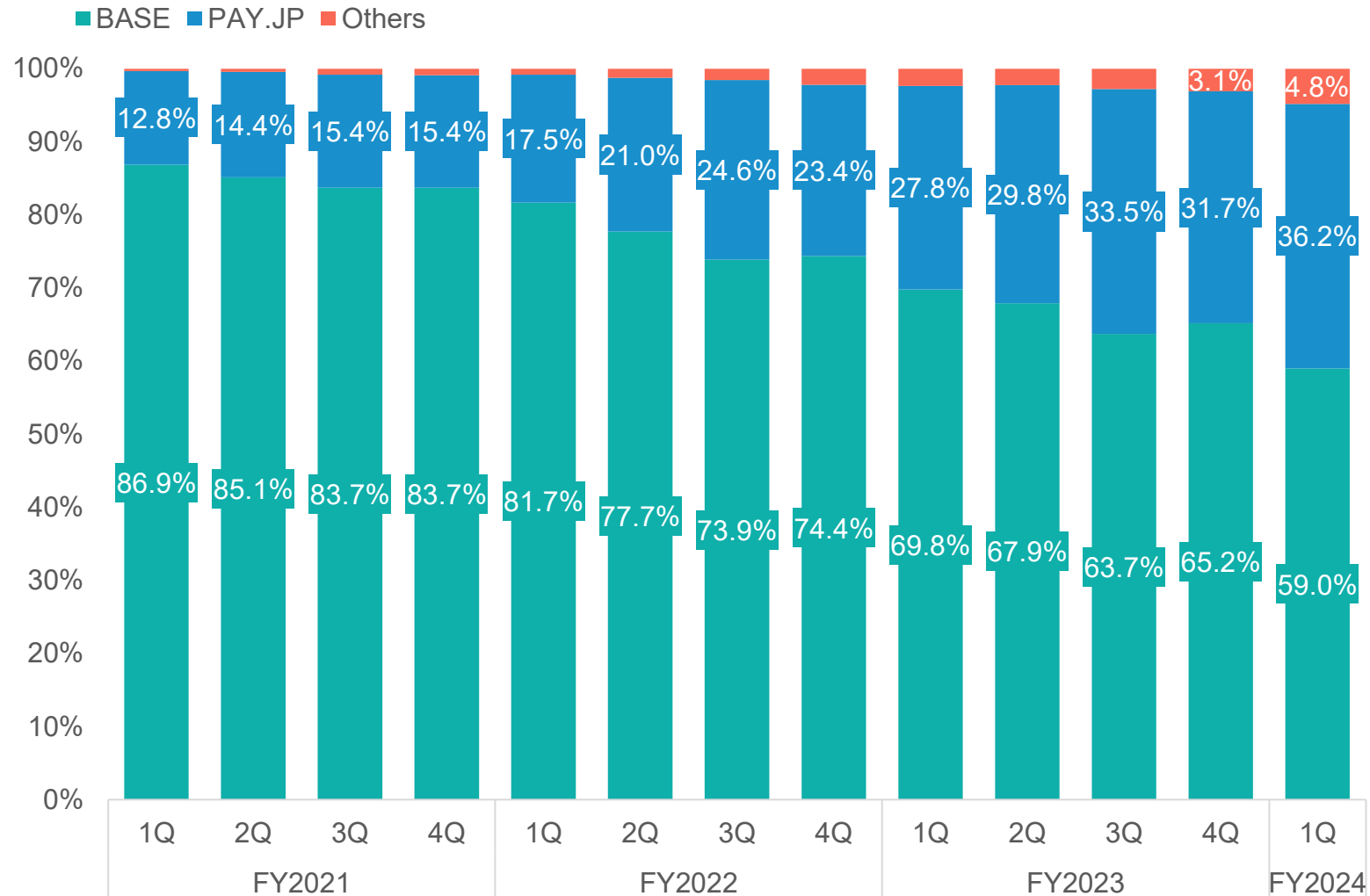
(Million Yen) ■ BASE ■ PAY.JP ■ Others

○ Growth rate (YoY)



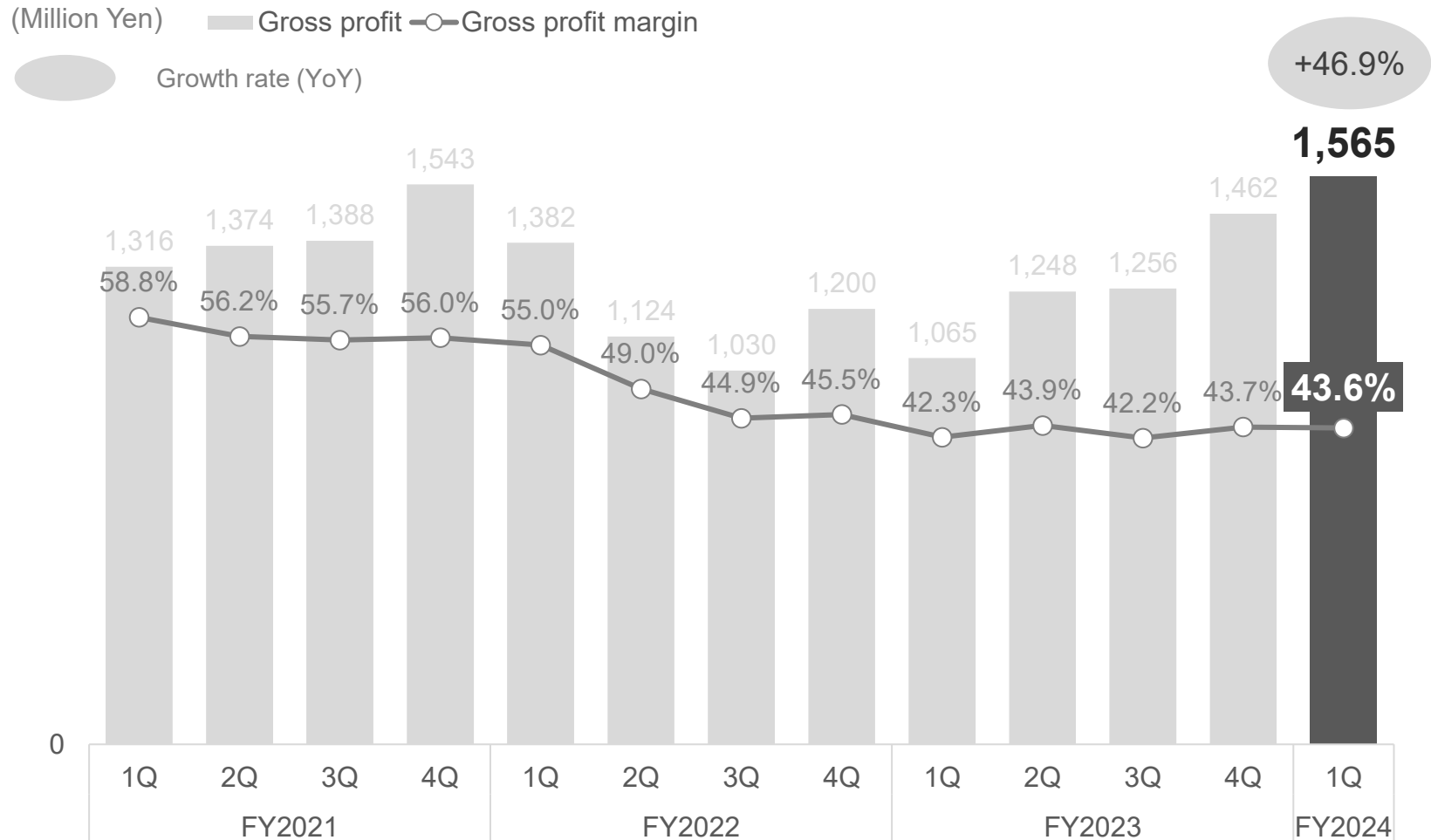
(Note) From FY2024 onwards, due to the shift from a collection agency to a crediting format, PAY.JP business net sales and cost of sales will become tax-exempt and will be recognized at a level approximately 10% higher than before FY2023

Net sales ratio for the BASE Business decreased QoQ due to the PAY.JP and Other Businesses' net sales growth

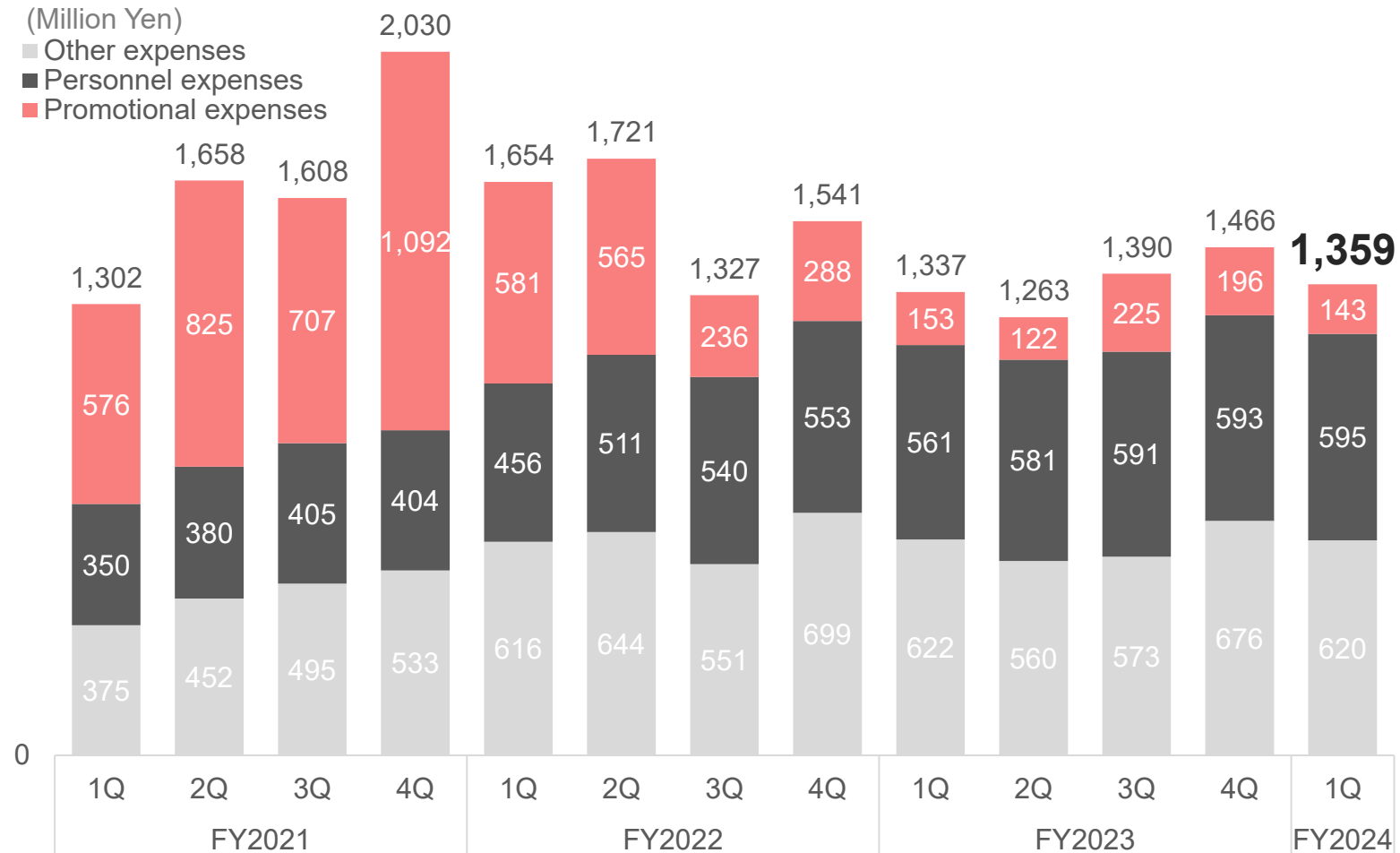


Consolidated gross profit increased YoY significantly due to the increase in Group GMV and the growth in Other Business

Consolidated gross profit margin declined slightly QoQ due to an improvement in gross profit margins of both the BASE and PAY.JP businesses, despite a decrease in the ratio of net sales in BASE business

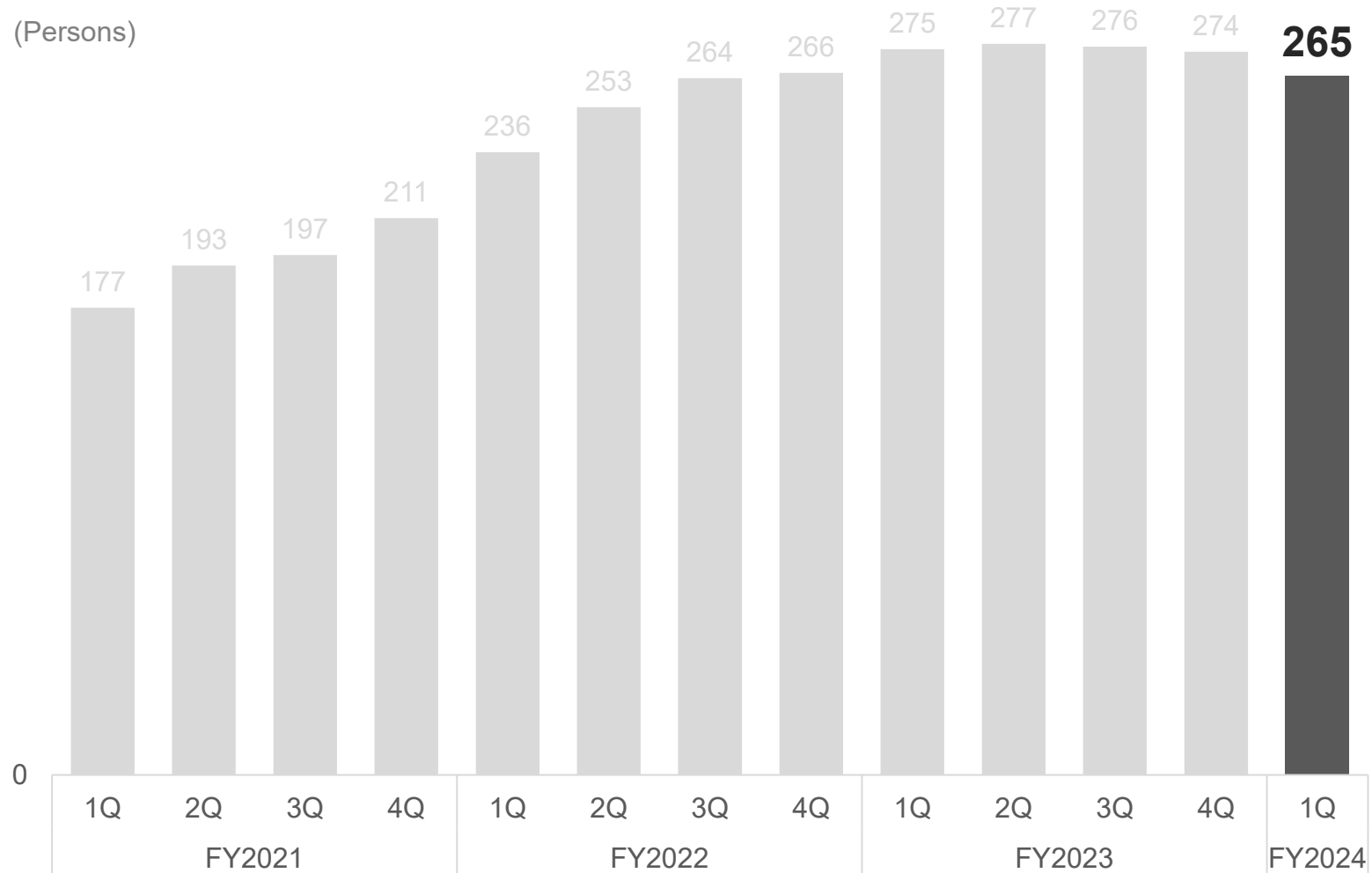


- **SG&A expenses decreased QoQ due to a decrease in promotional expenses**
- Promotional expenses decreased QoQ due to contracting of coupon campaigns etc. implemented in the previous quarter for the year-end sales season



(Note) Other expenses consist mainly of remuneration and outsourcing expenses, system expenses, office expenses, tax expenses, and hiring expenses

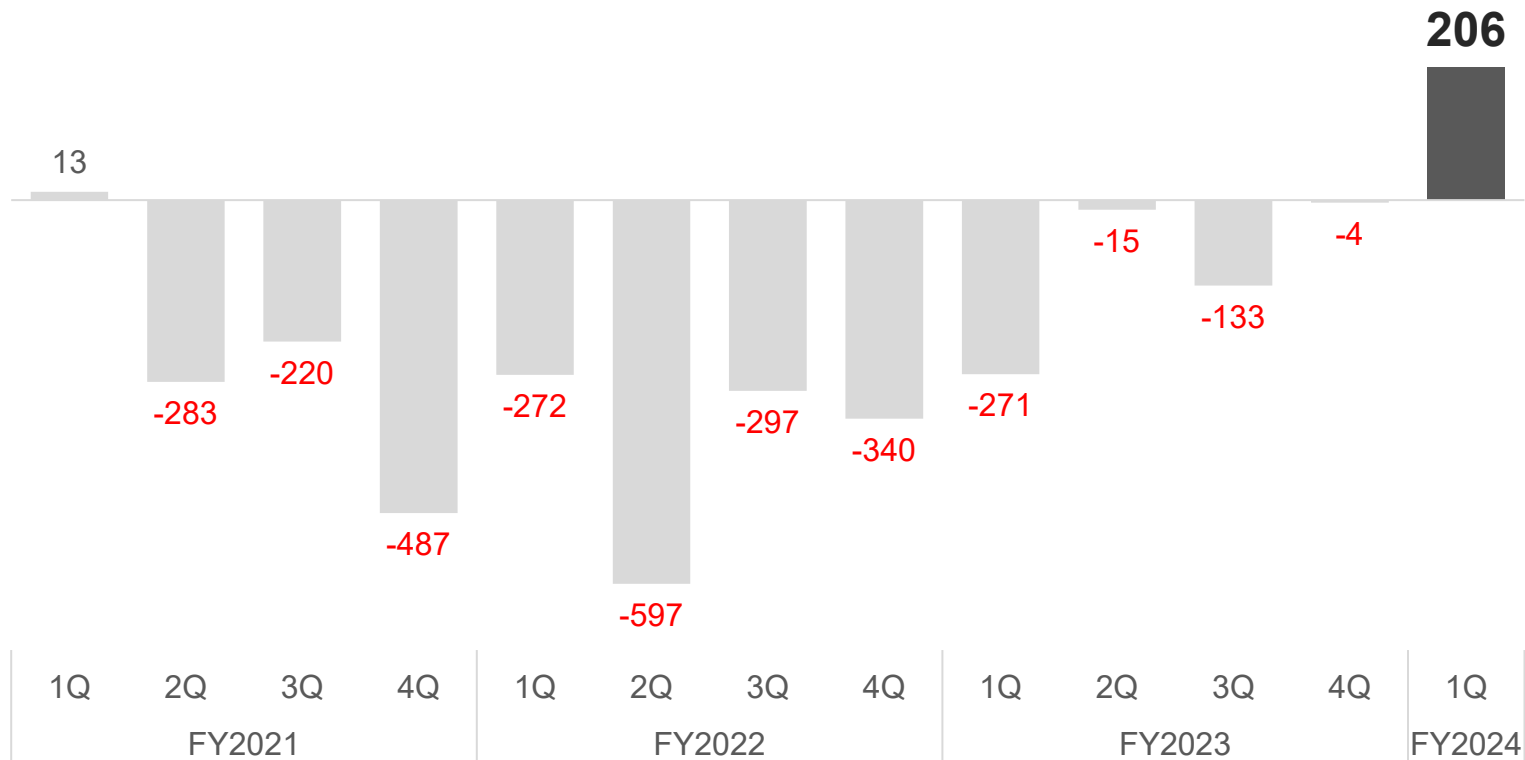
Headcount **decreased by 10 persons** YoY (**-3.6%** YoY)



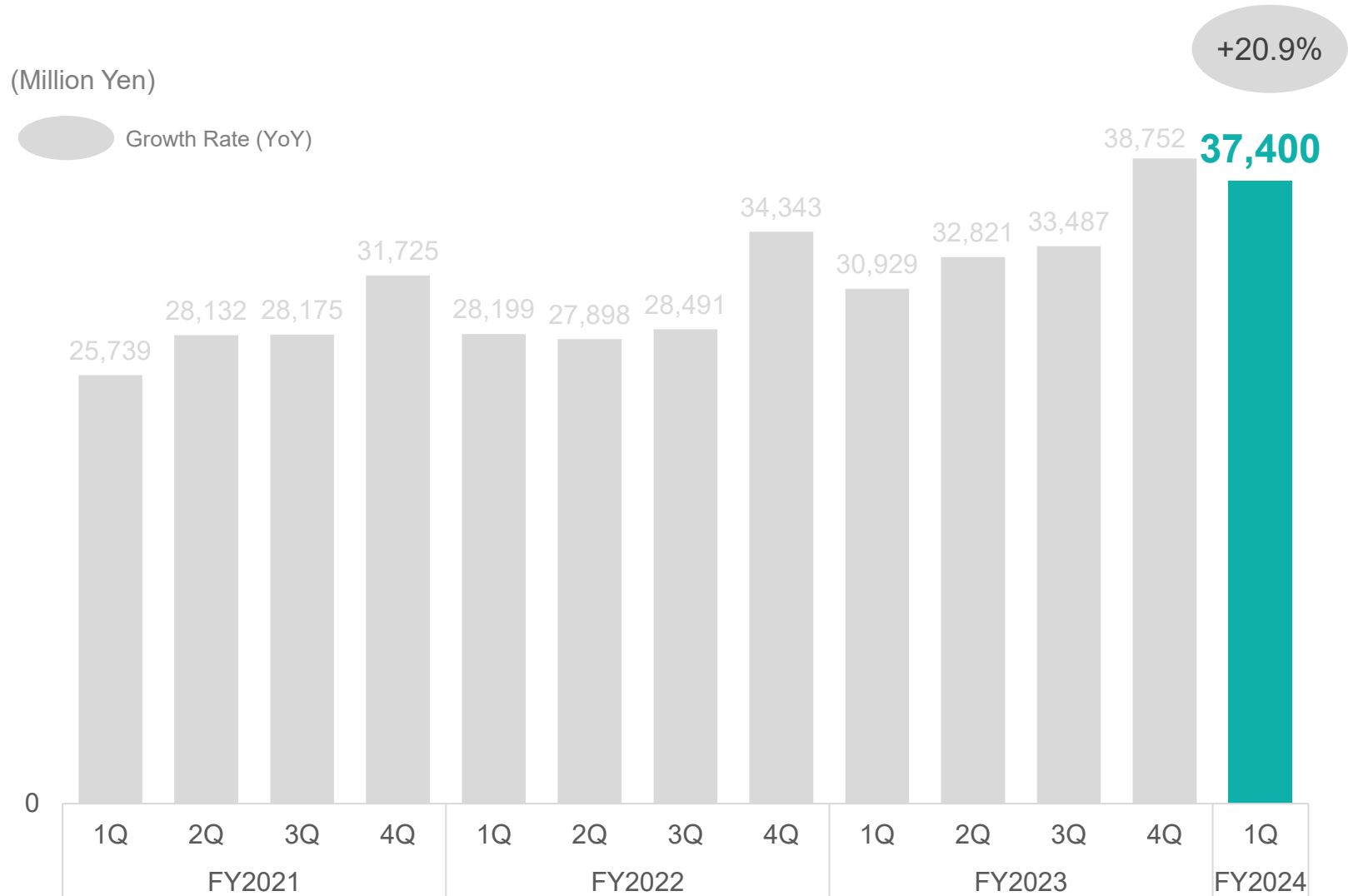
(Note) The number of employees is the number of regular employees and contract employees and does not include the number of Directors and temporary employees. However, the number of employees includes the number of persons seconded to subsidiaries as Directors

Operating profit turned positive temporarily, as all the businesses showed strong performance and consolidated gross profit increased, as well as SG&A expenses were controlled more than expected

(Million Yen)



GMV increased as expected by +20.9% YoY



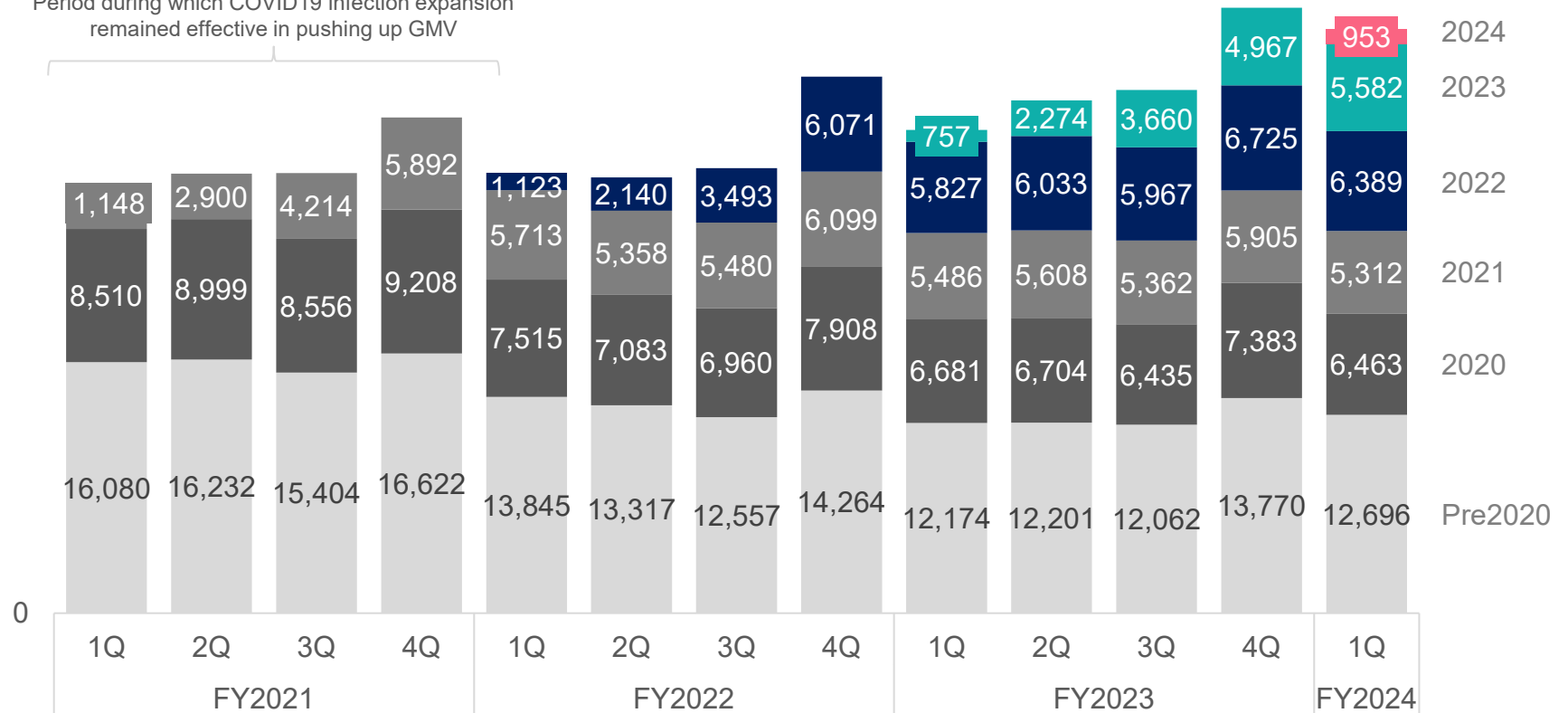
The cohort from 2022 onwards, when the number of new shops opened has started to settle down to the level before the COVID-19 infection expansion, has performed well, driven by shops with large sales

Remained flat and robust in the pre-2021 cohort, except for seasonality in the previous quarter

GMV Trend (By Year of Establishment)

(Million Yen) ■ Pre2020 ■ 2020 ■ 2021 ■ 2022 ■ 2023 ■ 2024

Period during which COVID19 infection expansion remained effective in pushing up GMV

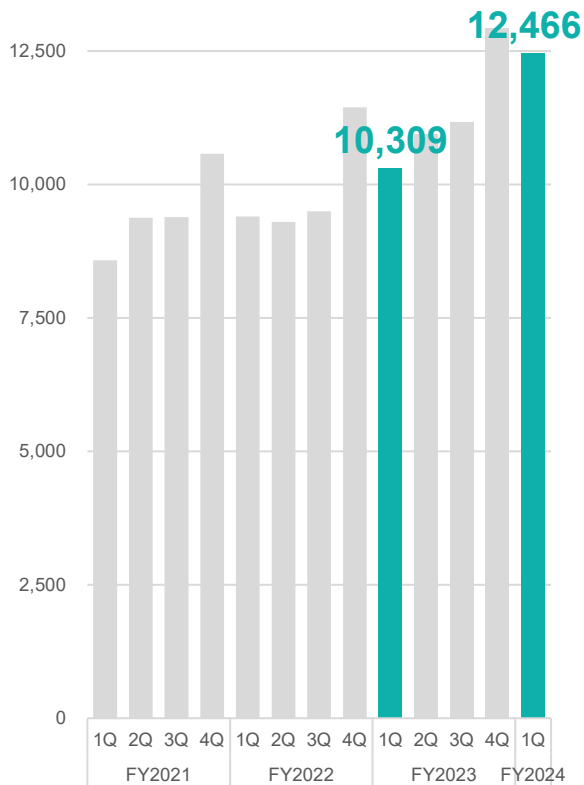


The number of monthly active merchants generally maintained YoY increases and trended as expected, even though the number of new shops opened settled to pre-COVID-19 levels

The average monthly GMV per merchant increased, continuing to be led by merchants with large sales

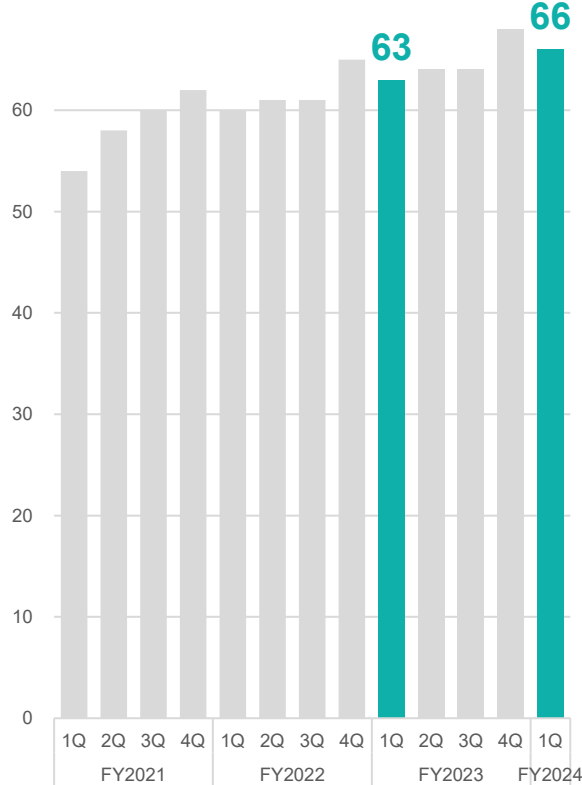
Monthly GMV (Note1,2)

(Million Yen)



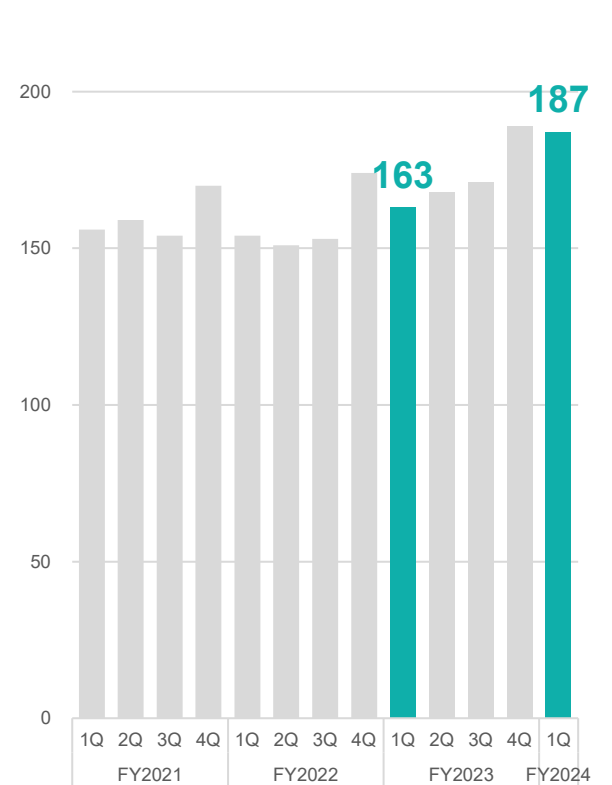
Number of Monthly Active Merchants (Note2)

(Thousand Merchants)



Average Monthly GMV Per Merchant

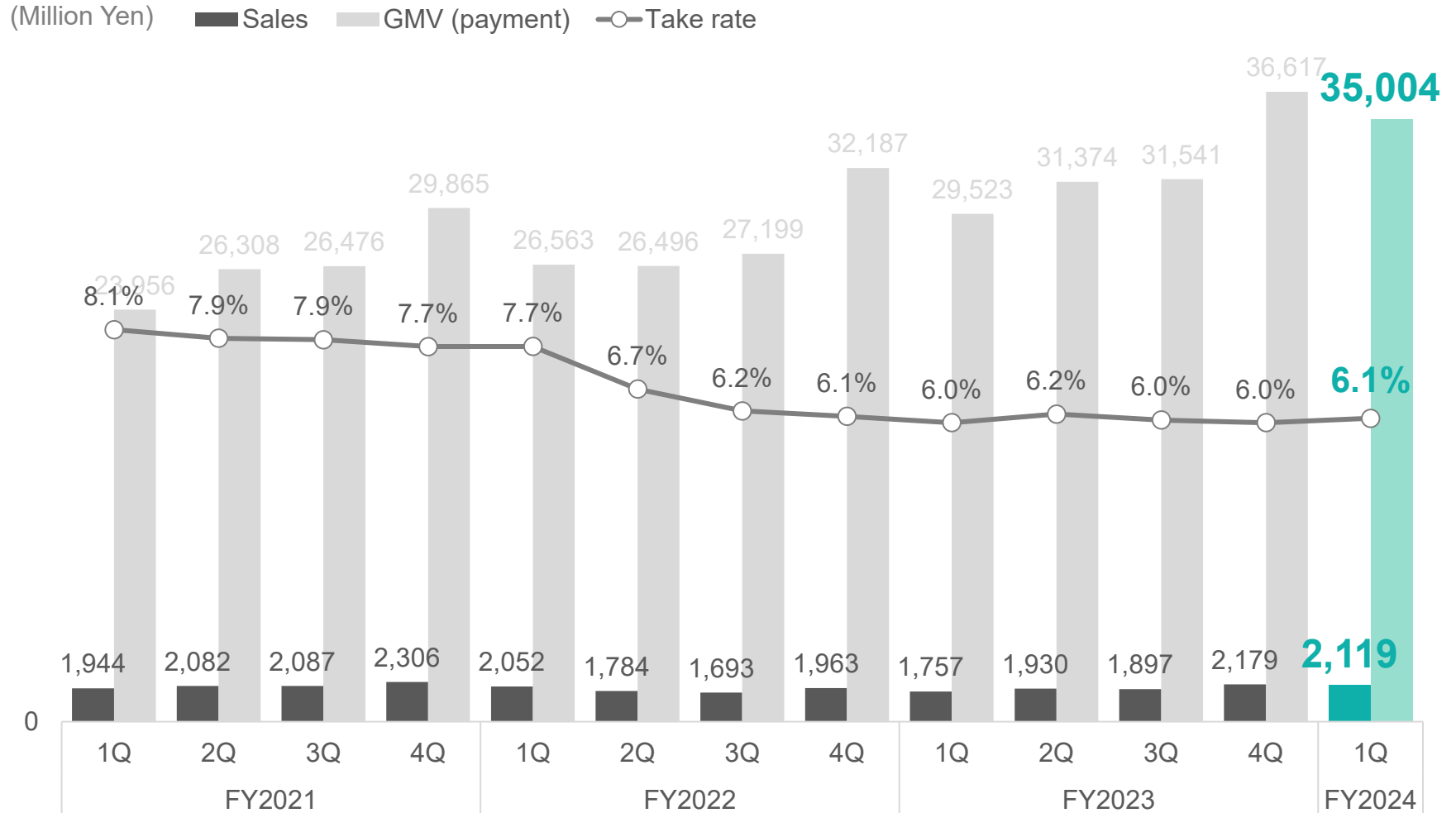
(Thousand Yen)



(Note1) GMV is based on the order date (order amount)

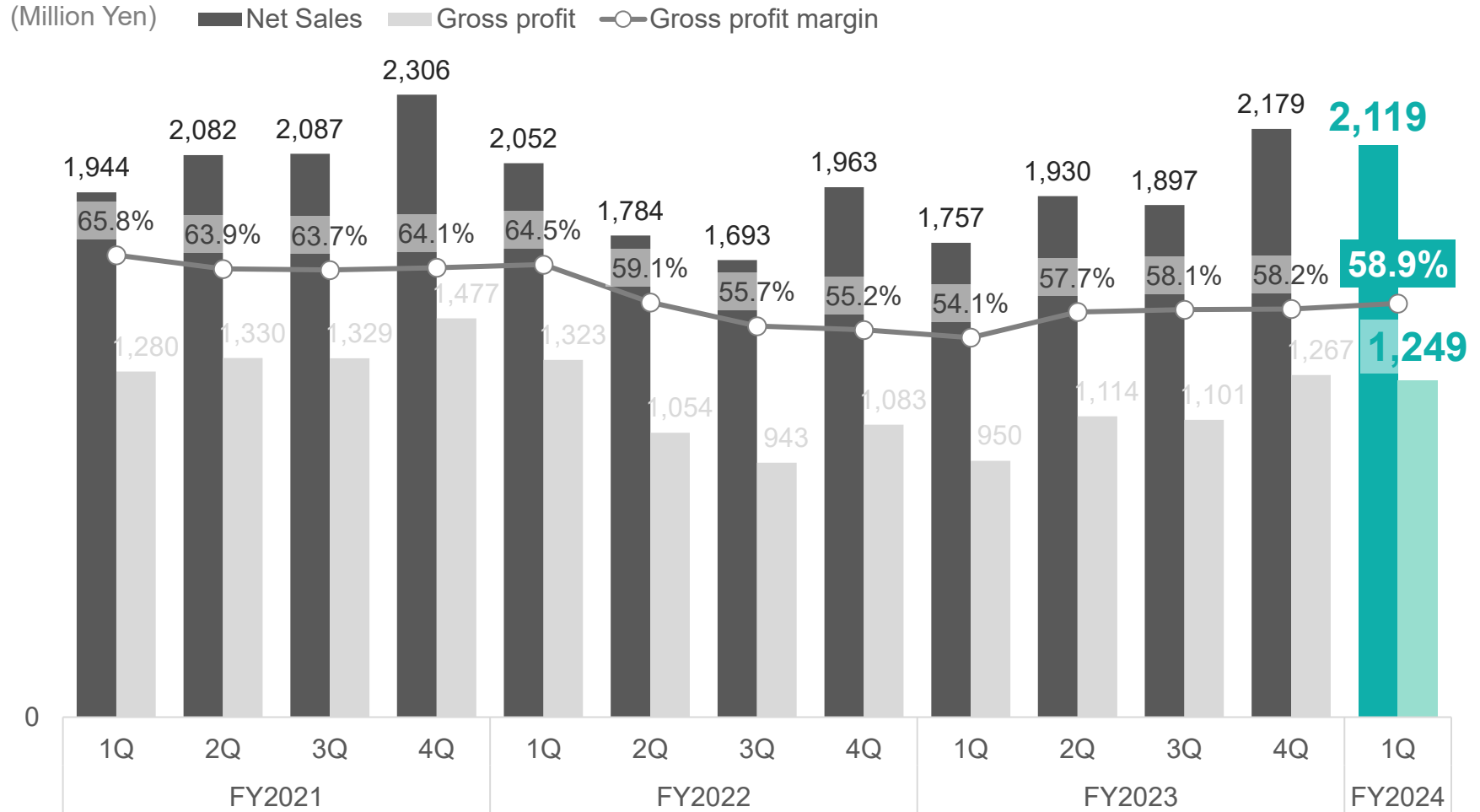
(Note2) Monthly GMV and the number of monthly active merchants are quarterly averages

Take rate increased QoQ due to the increase in Monthly-Fee Plan price in January 2024, the GMV mix of Monthly-Fee Plan remaining flat



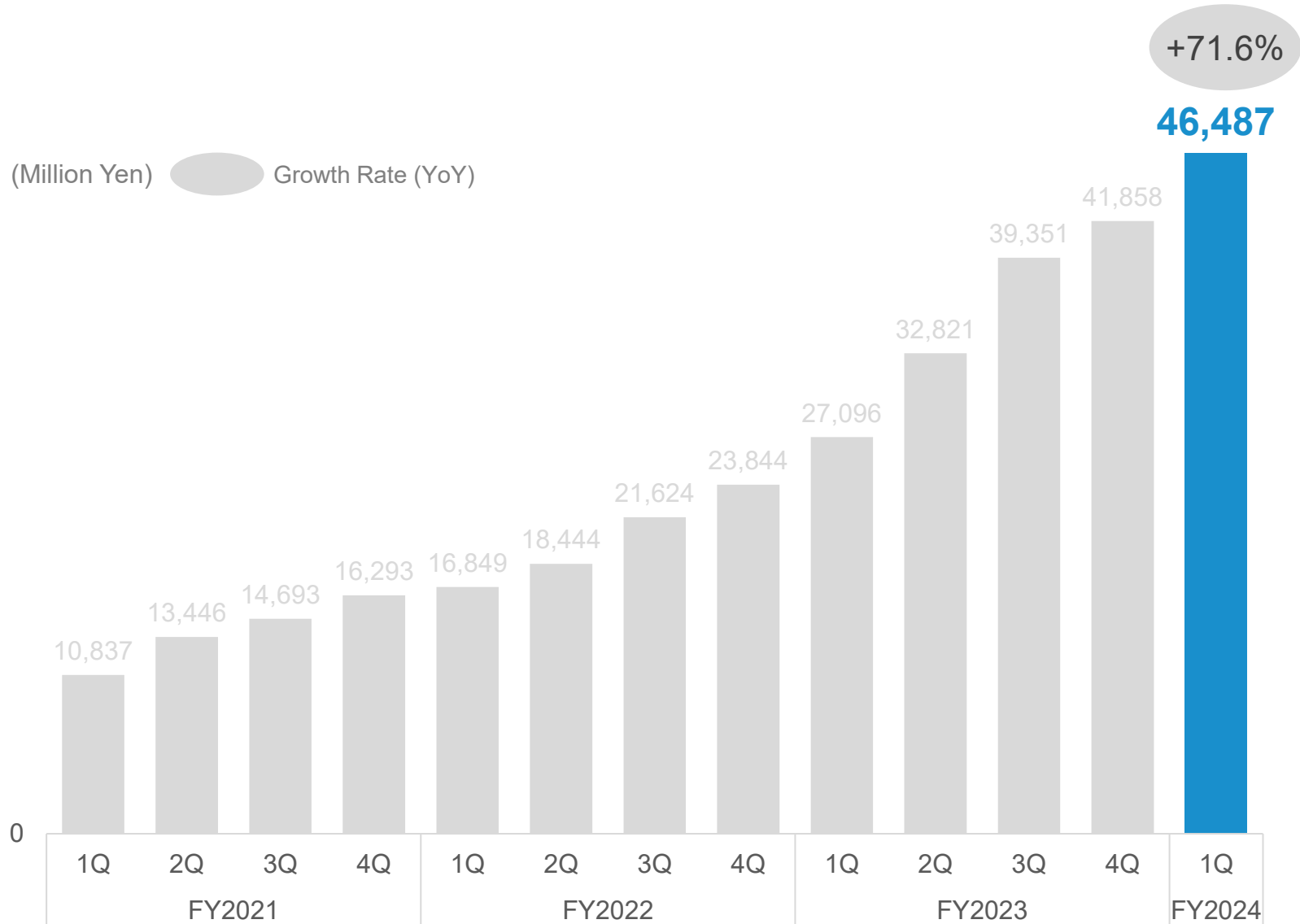
(Note) Take rate excluding one-time factors of FY2023 Q2 was 5.9%

Net sales and gross profit increased by +20.6% and +31.4% YoY, respectively, due to increased GMV
 Gross profit margin increased QoQ due to an increase in take rate

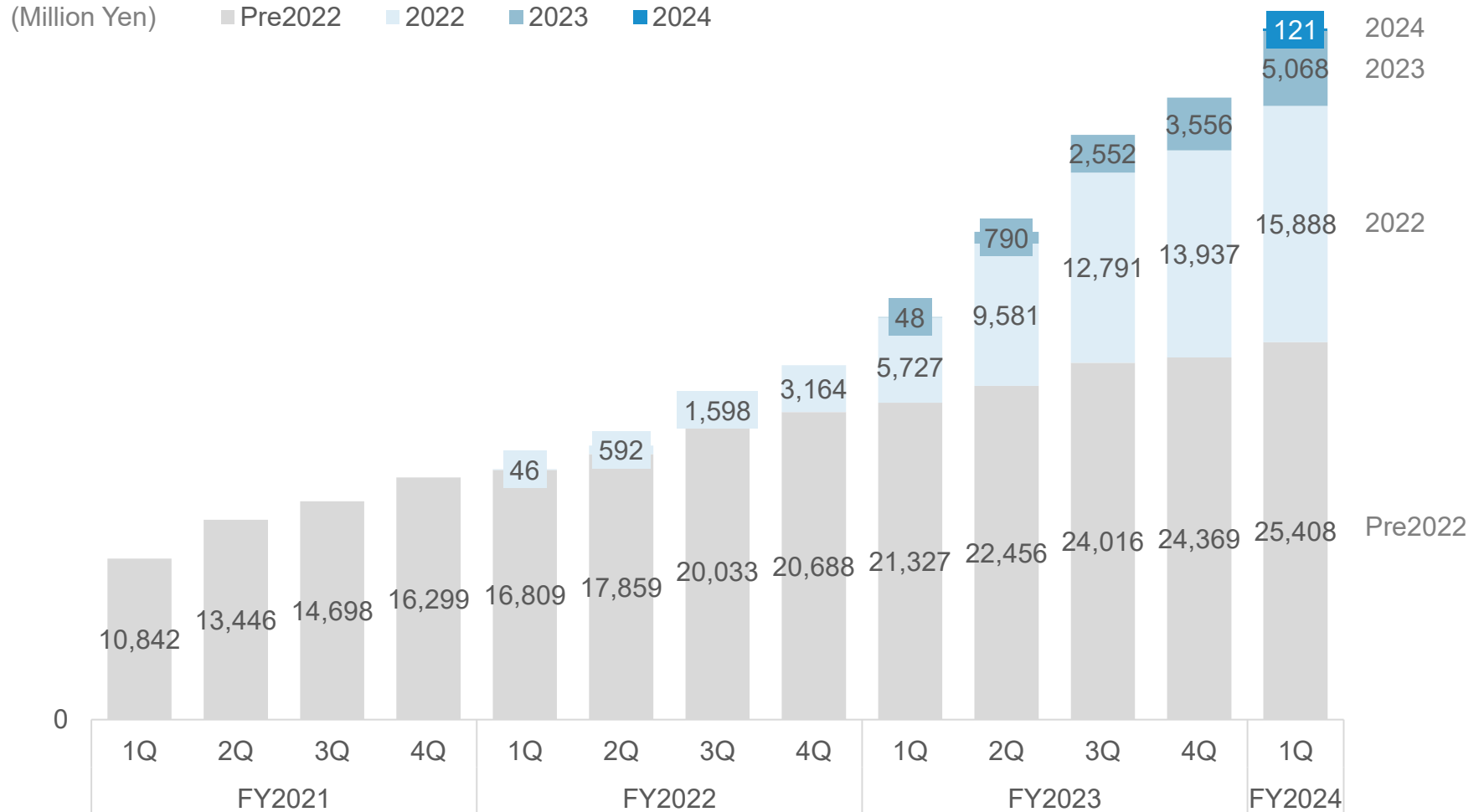


(Note) Gross profit margin excluding one-time factors of FY2023 Q2 was 56.1%

GMV continued to increase significantly at +71.6% YoY, beyond expectations



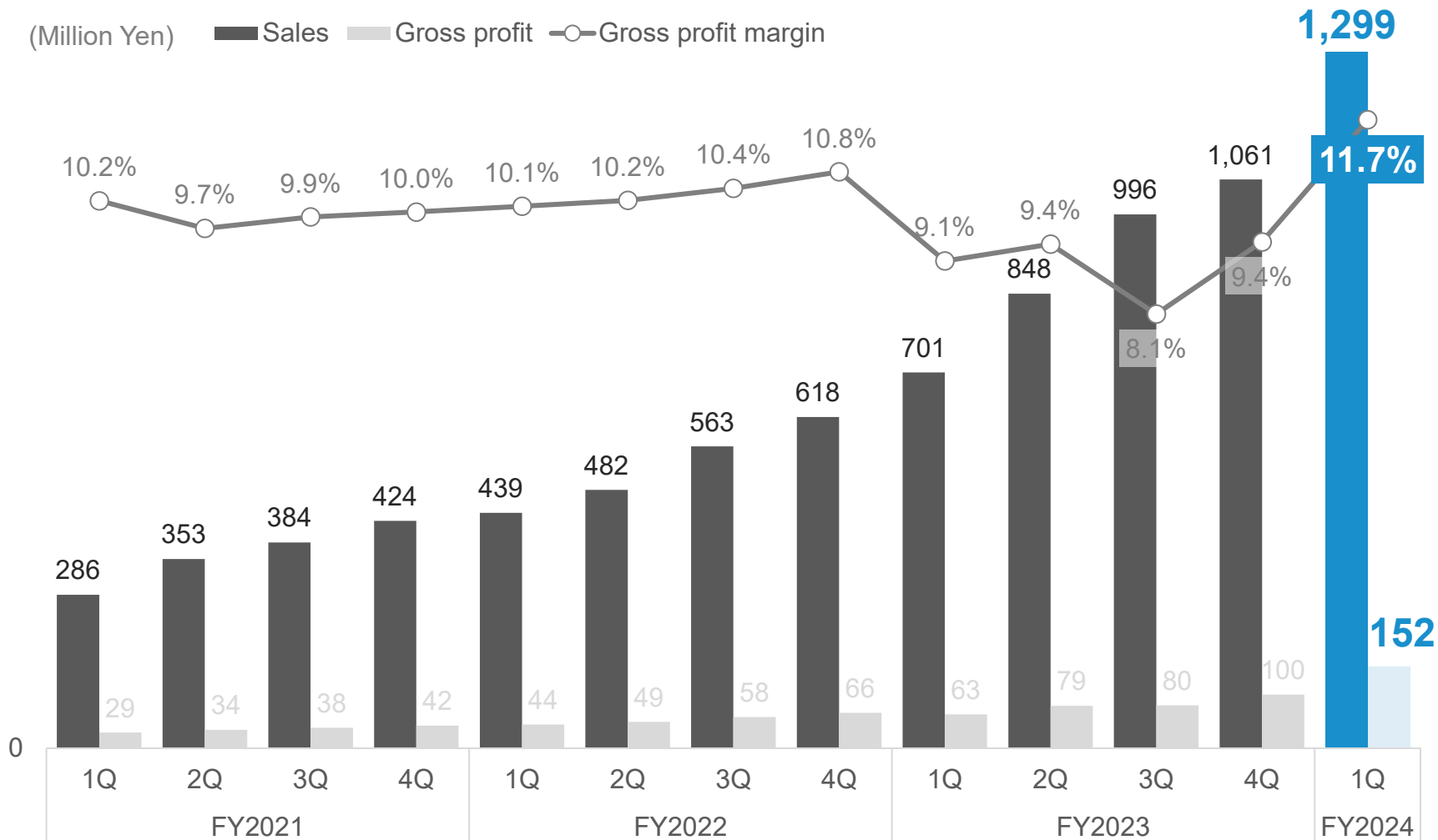
Continued growth of existing merchants and a significant build-up of GMV from new merchants



Net sales and gross profit increased significantly by 85.3% and 139.1% respectively YoY

due to an increase in GMV

Gross profit margin improved significantly QoQ due to a reduction in the cost of sales to GMV ratio (note)

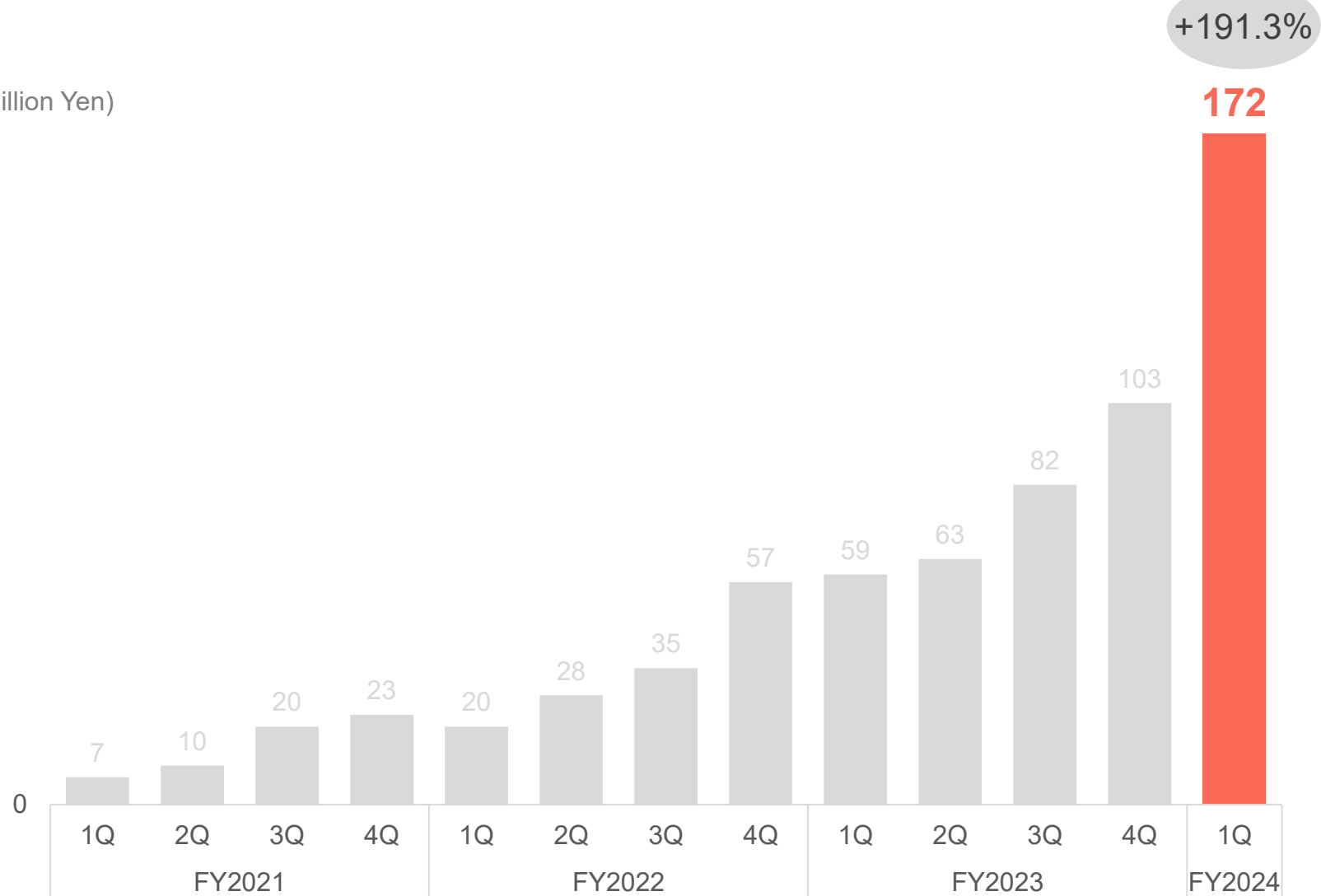


(Note) From FY2024 onwards, due to the shift from a collection agency to a crediting format, PAY.JP business net sales and cost of sales will become tax-exempt and will be recognized at a level approximately 10% higher than before FY2023

Trends in Net Sales

Net sales increased significantly **+191.3% YoY**, mainly due to an increase in funding amount and collection amount because of functional improvements to "YELL BANK"

(Million Yen)



(Note) Other businesses include "YELL BANK" and "BASE Card"

4. Earnings Forecast for the Fiscal Year Ending December 31, 2024

Operating profit/loss revised into profitability, the upper limit at the beginning of the fiscal year

Gross profit unchanged at present, as the BASE business, which accounts for the majority of consolidated results, is progressing as expected at the beginning of the fiscal year

After a close examination of the progress of each business in Q1, SG&A expenses revised to 6,450 million yen, the minimum value at the beginning of the fiscal year.

(Million yen)	FY2024				FY2023	
	1Q	Full-Year Forecast (Revised)	Full-Year Forecast (Start of term)	Progress (Revised) (Note 1)	Full-Year Results	YoY
Net Sales	3,591	14,700	14,700	24.4%	11,680	+25.9%
Gross Profit	1,565	6,450	6,450	24.3%	5,033	+28.1%
SG&A	1,359	6,450	6,450 ~6,650	21.1%	5,458	+18.2%
Operating Profit	206	0	-200 ~0	n/a	-425	-
Ordinary Profit	211	3	-204 ~-3	6,964.0%	-409	-
Net Income Attributable to Owners of Parent	213	7	-207 ~-7	2,946.8%	-606	-
GMV (BASE Business) (Note2)	37,400	154,000	154,000	24.3%	135,991	+13.2%
GMV (PAY.JP Business) (Note 2)	46,487	187,000	187,000	24.9%	141,127	+32.5%

(Note 1) From FY2024 onwards, due to the shift from a collection agency to a receivables transfer format, net sales and cost of sales of the PAY.JP business become non-taxable and are recorded at a level approximately 10% higher than before FY2023, but gross profit is unaffected

(Note 2) GMV disclosed as reference figures. BASE's GMV is based on the order date (order amount). PAY.JP's GMV is based on the payment date (payment amount)

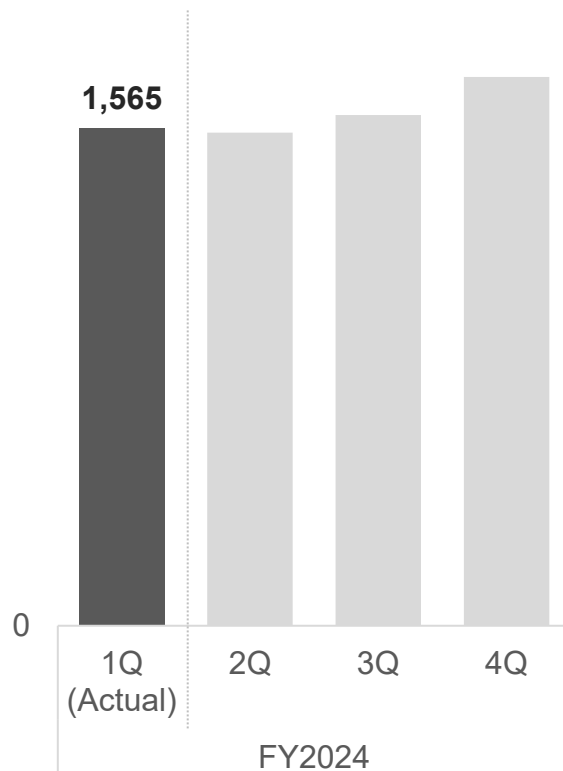
Consolidated gross profit is generally in line with the forecast at the beginning of the period, and the YoY growth rate from 2Q onwards is expected to decline from 1Q

SG&A expenses are expected to increase from 2Q onwards due to the expected strengthening of marketing in the PAY.JP business, whose profitability has improved

Quarterly operating loss expected from 2Q onwards, but may turn profitable depending on timing of measures and recruitment

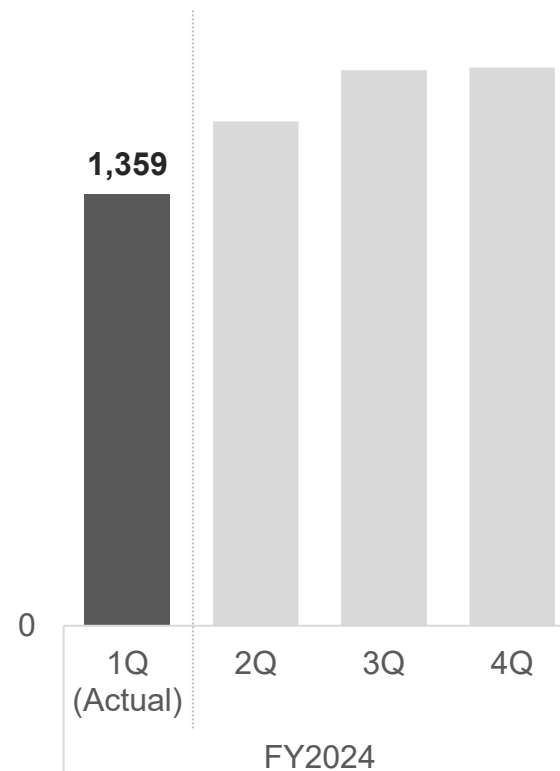
Gross Profit (No Change)

(Million yen)



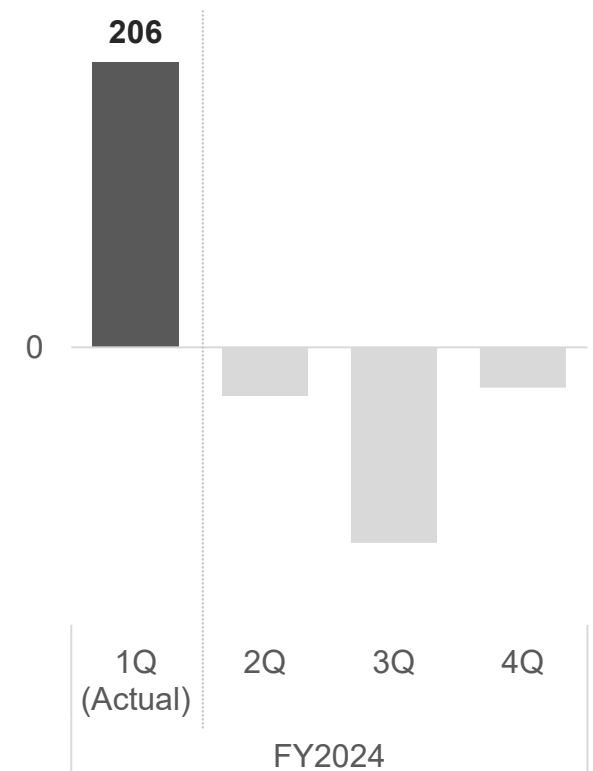
SG&A Expenses

(Million yen)



Operating Profit/Loss

(Million yen)



5. Reference Materials

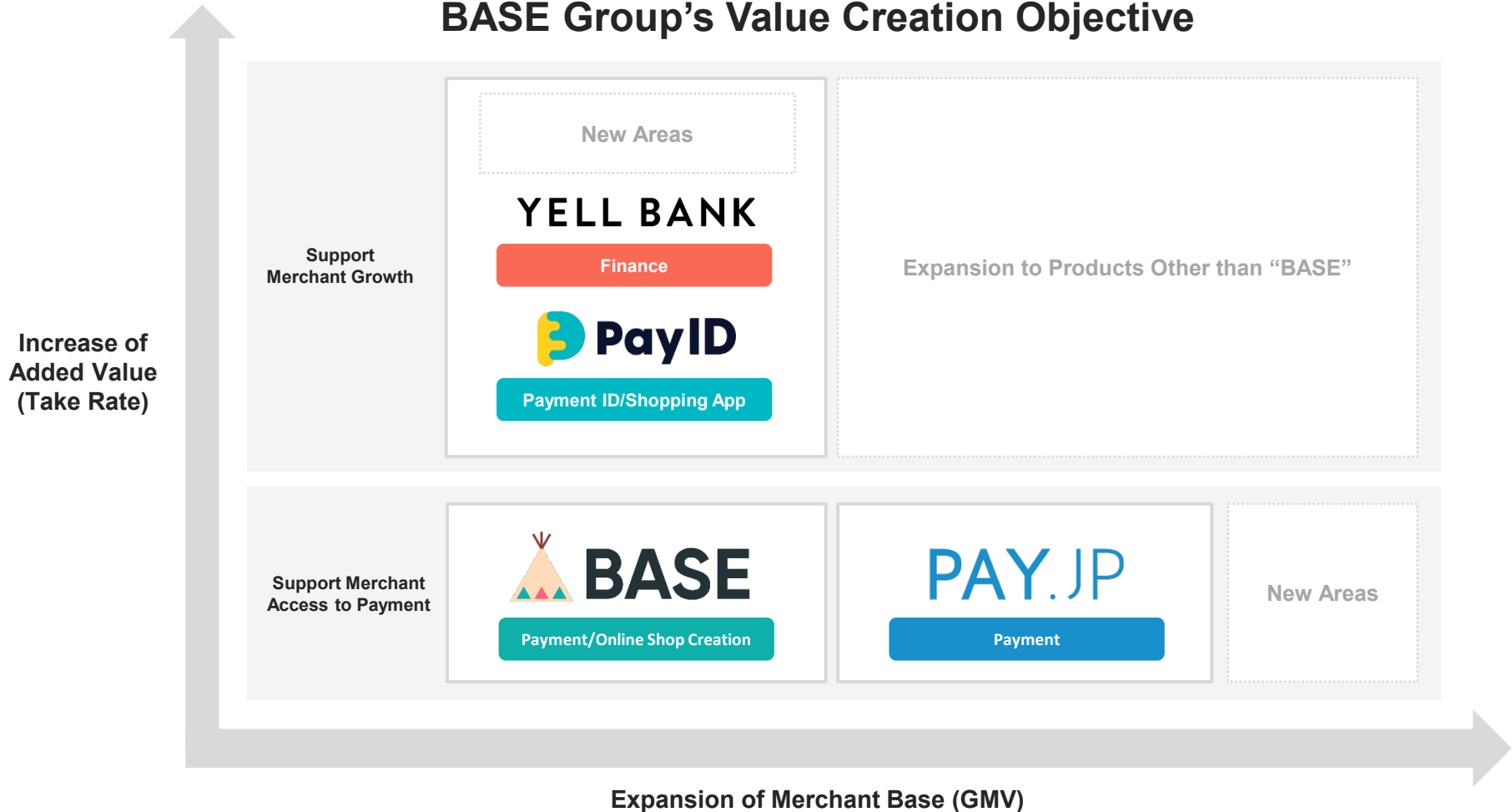
5-1. Medium to Long-Term Management Policy

(Excerpt from Q4 of FY2023 Materials for Financial Results Presentation)

Medium to Long-Term Growth Strategy

Aim to achieve both GMV growth and improved profitability by strengthening existing products
 Furthermore, accelerate growth by **creating synergies between existing products and achieve group-wide inorganic growth** through M&A, alliances, etc.

BASE Group's Value Creation Objective

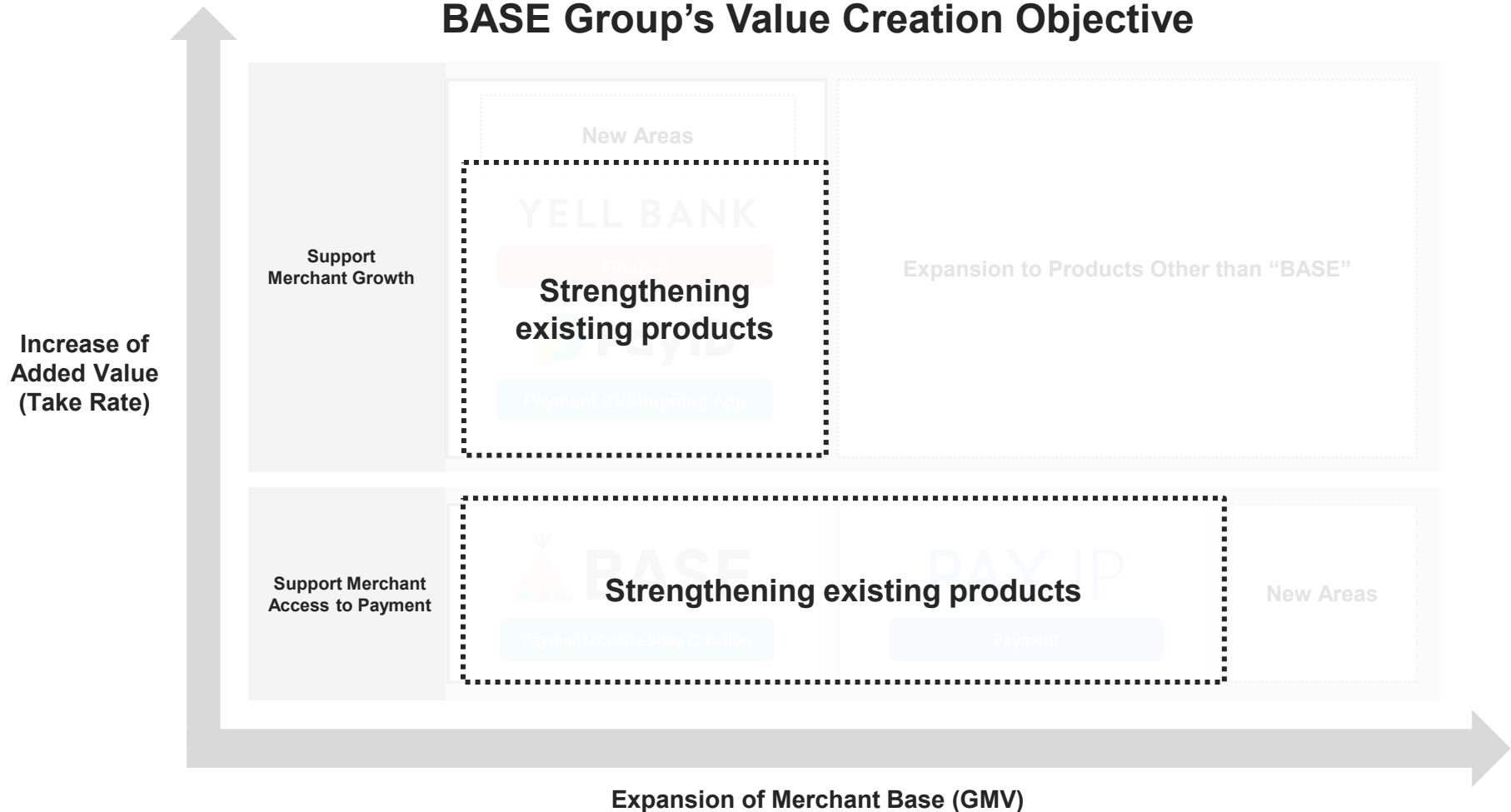


Growth strategies for existing products	Group	<ul style="list-style-type: none"> ✓ Achieve both GMV growth and improved profitability by strengthening existing products through increasing added value and optimizing pricing accordingly, as well as through improving marketing measures, etc.
	BASE	<ul style="list-style-type: none"> ✓ Continue to focus on empowerment for individuals and small teams ✓ Continue to focus on both GMV growth and take rate improvement by increasing added value of products and optimizing the fee structure, as well as improving marketing measures
	PAY.JP	<ul style="list-style-type: none"> ✓ Continue to focus on both strong GMV growth and gross profit margin improvement by increasing added value of products, optimizing the fee structure and improving the cost of sales ratio accordingly, as well as strengthening sales and marketing, etc.
	Pay ID	<ul style="list-style-type: none"> ✓ Contribute to the growth of the BASE business by monetizing purchaser assets with over 13 million registered users through enhancements to BNPL "Post Pay (Pay ID)" and shopping app functions, etc.
	Finance	<ul style="list-style-type: none"> ✓ Continue to increase added value to "BASE" shops by expanding existing services, mainly "YELL BANK" ✓ In the long term, aim to take the role of profit center through group-wide initiatives
Group-wide expansion strategies	Group	<ol style="list-style-type: none"> ① Accelerate growth by creating synergies between existing products ② Achieve group-wide inorganic growth through M&A and alliances, etc.

Growth strategies for existing products

Achieve both GMV growth and improved profitability by strengthening existing products through increasing added value and optimizing pricing accordingly, as well as through improved marketing measures, etc.

BASE Group's Value Creation Objective



Continue to focus on empowerment for individuals and small teams

Continue to focus on both **GMV growth and take rate improvement** through continuous efforts to increase added value of products and optimize the fee structure, as well as improving marketing measures

Pursue the upside scenario by providing paid extension functionality and monetizing purchaser assists etc.

Main initiatives

Increasing added value of products

- ✓ Offering extended functions to more directly support shop sales growth, such as sales channel expansion and marketing support

Optimizing the fee structure

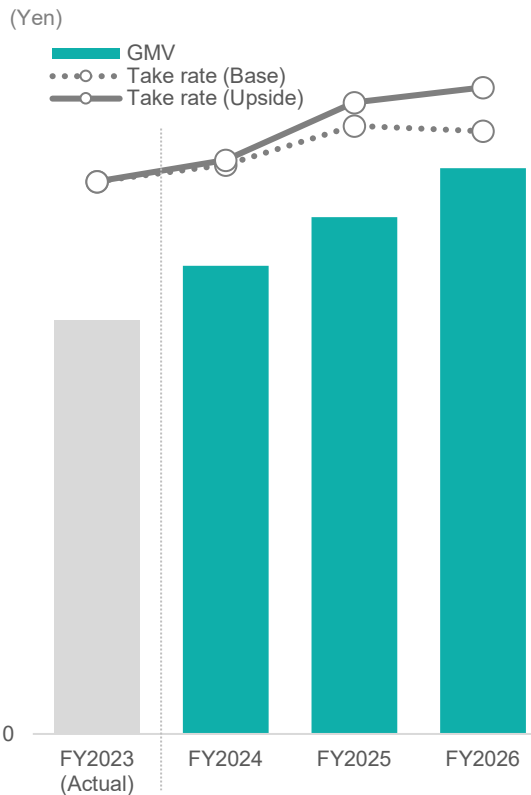
- ✓ Offering paid extended functions and working on monetization of purchaser assets etc.

Improving marketing measures

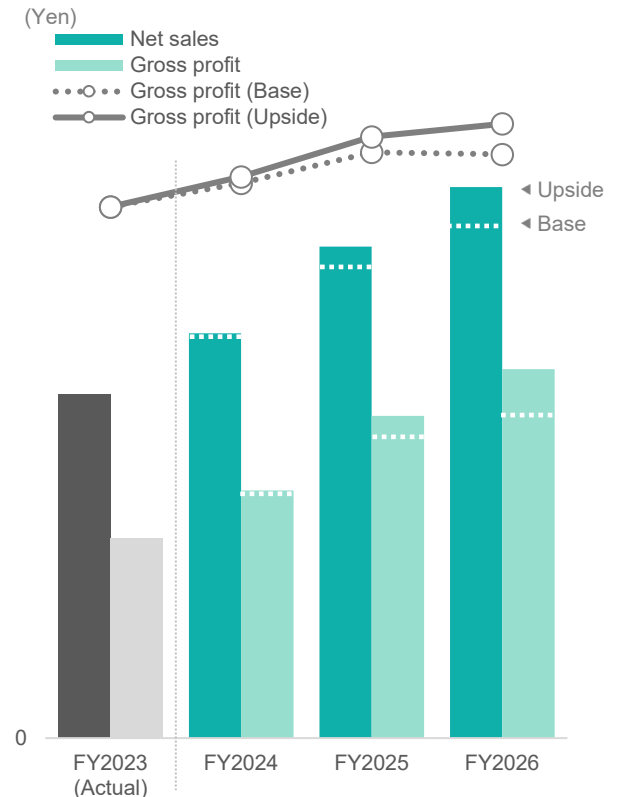
- ✓ Continued rebranding with the aim of expanding coverage to shops with a wide range of sales sizes, while maintaining a disciplined investment policy

Medium to long-term outlook

GMV (Payment) and Take Rate



Net Sales, Gross Profit and GPM



Contribute to the achievement of the upside scenario of the BASE business by monetizing purchaser assets with over 13 million registered users through enhancements to BNPL "Post Pay (Pay ID)" and shopping app functions, etc.

Main features of “Pay ID”

ID Payment

- ✓ ID payment function available to purchasers when shopping in all shops opened on “BASE”
- ✓ **BNPL “Post Pay (Pay ID)”**, launched in April 2023
- ✓ Managing shopping logs

Shopping App

- ✓ Follow the shop function, where you can receive push notifications about new goods and arrivals
- ✓ Registering goods as favorites
- ✓ Shop search and recommendation function
- ✓ Checking the delivery status

Main Initiatives

Enhancements to BNPL “Post Pay (Pay ID)”

- ✓ More flexible payment methods
- ✓ Examining schemes to build a unique payment network, aiming to improve profitability in the future

Enhancements to Shopping App

- ✓ Improving the recommendation function and other functions for purchasers
- ✓ Strengthening of app-based marketing and CRM functions, etc., for "BASE" shops
- ✓ Aiming for GMV growth via the app and monetization of the app by strengthening the user base of both shops and purchasers

Continue to focus on both strong GMV growth and gross profit margin improvement by increasing added value of products, optimizing the fee structure and improving the cost of sales ratio accordingly, as well as strengthening sales and marketing, etc.

Pursue upside scenarios by supporting the growth of existing merchants and strengthening the structure for attracting new merchants

Main initiatives

Increasing added value of products

- ✓ **Continuing pursuit of competitive products** designed for developer usability
- ✓ Resolving issues in the existing payment area through improvements to the administration screen, etc. and expansion of "PAY.JP Partners" and "PAY.JP Platform"

Optimizing the fee structure and improving the cost of sales ratio

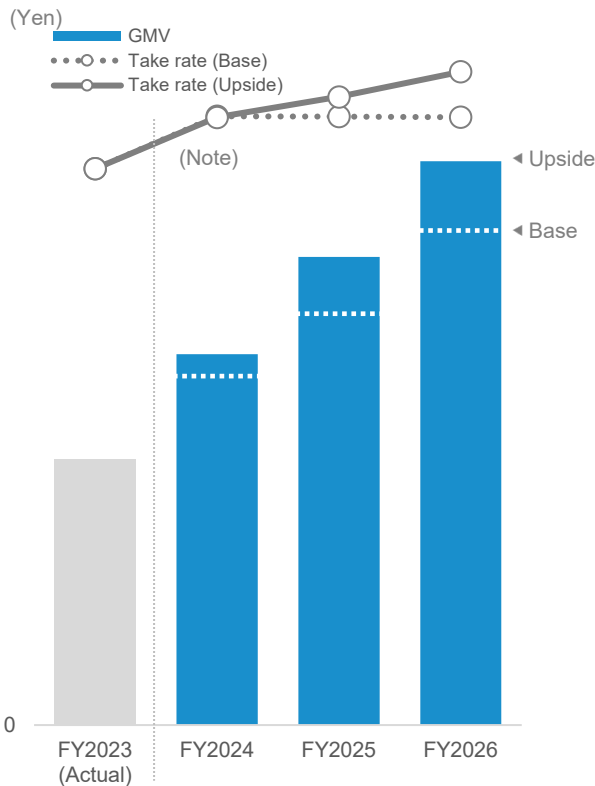
- ✓ Optimizing the fee structure based on the expansion of the value provided
- ✓ Improving cost of sales ratio in line with platform growth

Strengthening sales and marketing

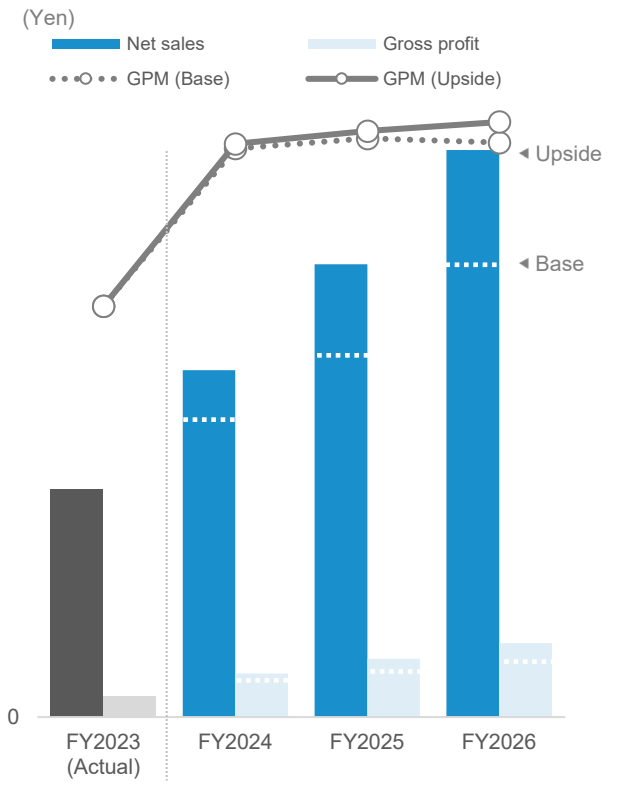
- ✓ Establishing an efficient sales and marketing structure to attract more new merchants
- ✓ Promoting relationship building with existing large merchants

Medium to long-term outlook

GMV (Payment) and Take rate



Net Sales, Gross Profit and GPM



(Note) From FY2024 onwards, due to the shift from a collection agency to a crediting format, PAY.JP business net sales and cost of sales will become tax-exempt and will be recognized at a level approximately 10% higher than before FY2023

Continue to increase added value to "BASE" shops by expanding existing services, mainly "YELL BANK"

In the long term, aim to take the role of profit center through group-wide initiatives

Main Initiatives

Increasing added value of existing financial services

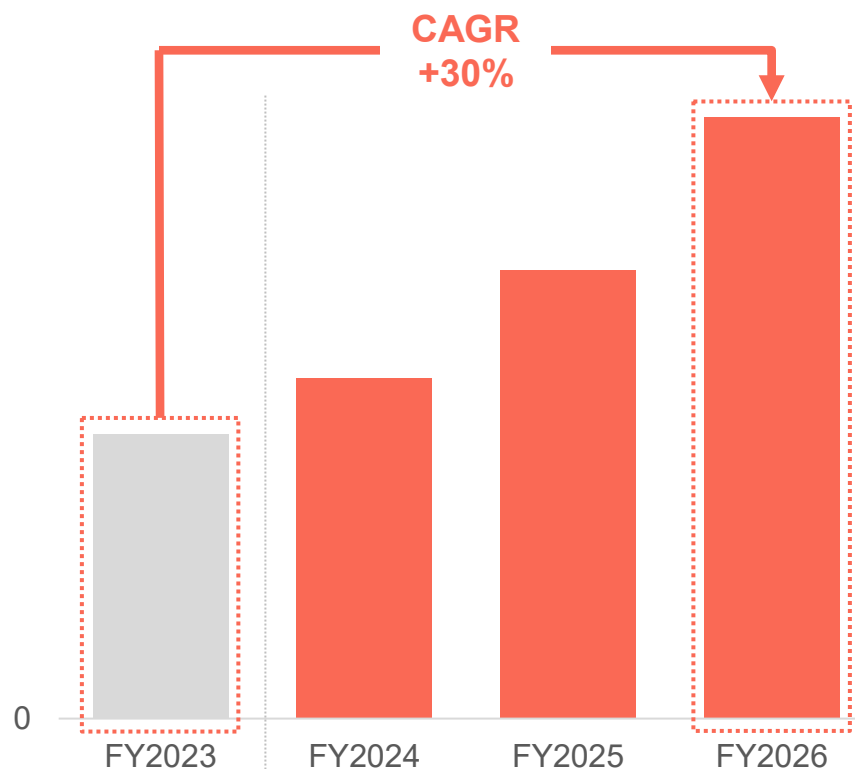
- ✓ More flexibility in the amount of funding and the method of payment of fees when "BASE" shops raise funds via "YELL BANK"
- ✓ Promoting the use by "BASE" shops through campaigns, etc.

Group-wide initiatives

- ✓ Aiming for horizontal development of "YELL BANK" within the Group, which has previously been offered to "BASE" shops

Gross Profit of the Other Business (Note1,2)

(Yen)



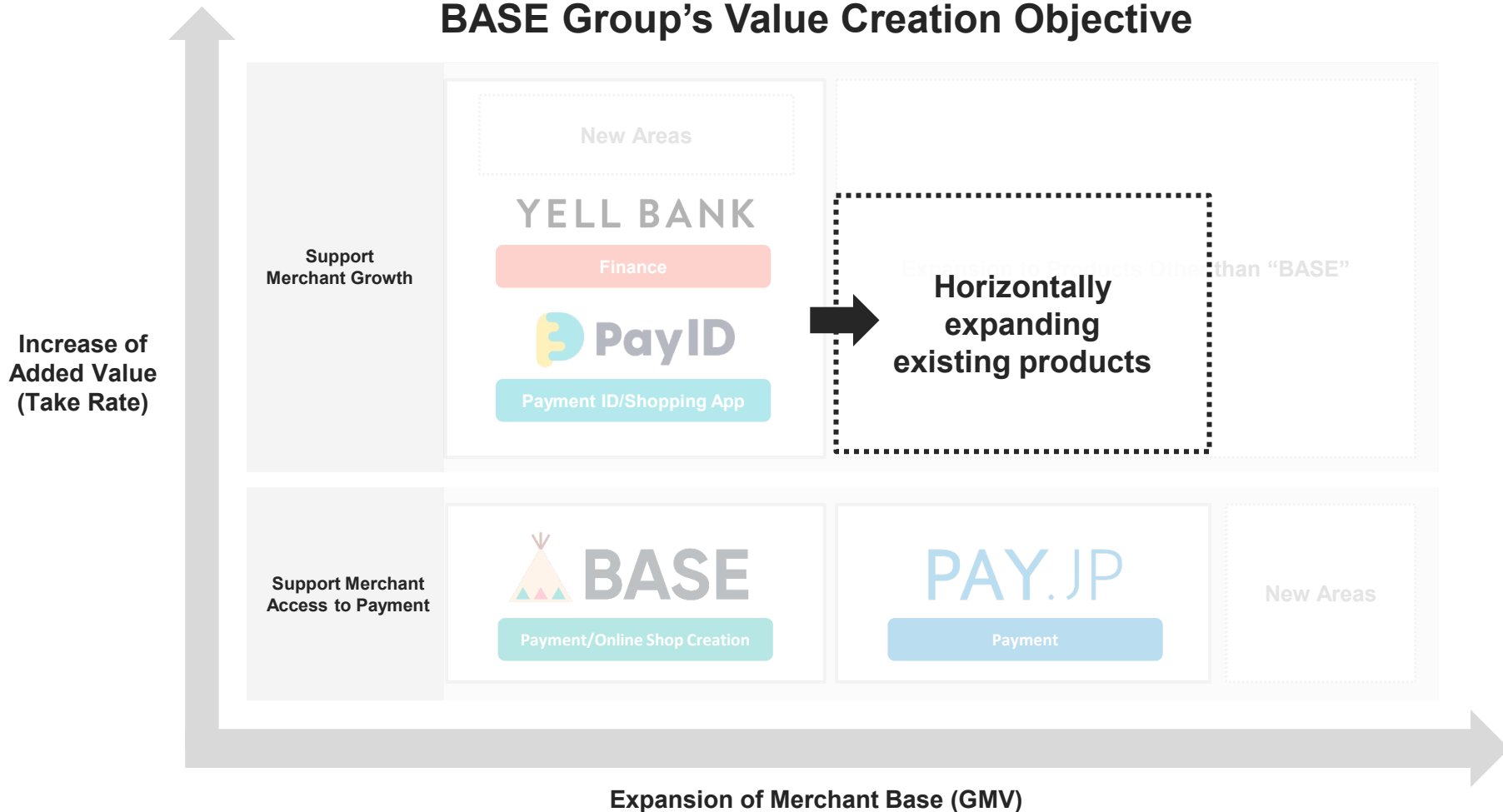
(Note1) Other business include "YELL BANK" and 'BASE Cards', the majority of which are "YELL BANK"

(Note2) Growth scenarios for the Other business only refer to the base scenario. Gross profit estimates from group-wide initiatives are not included.

Group-wide Expansion strategies ①

Aiming to accelerate growth through creating synergies between existing products by horizontally expanding existing products offered to "BASE" shops to "PAY.JP" merchants

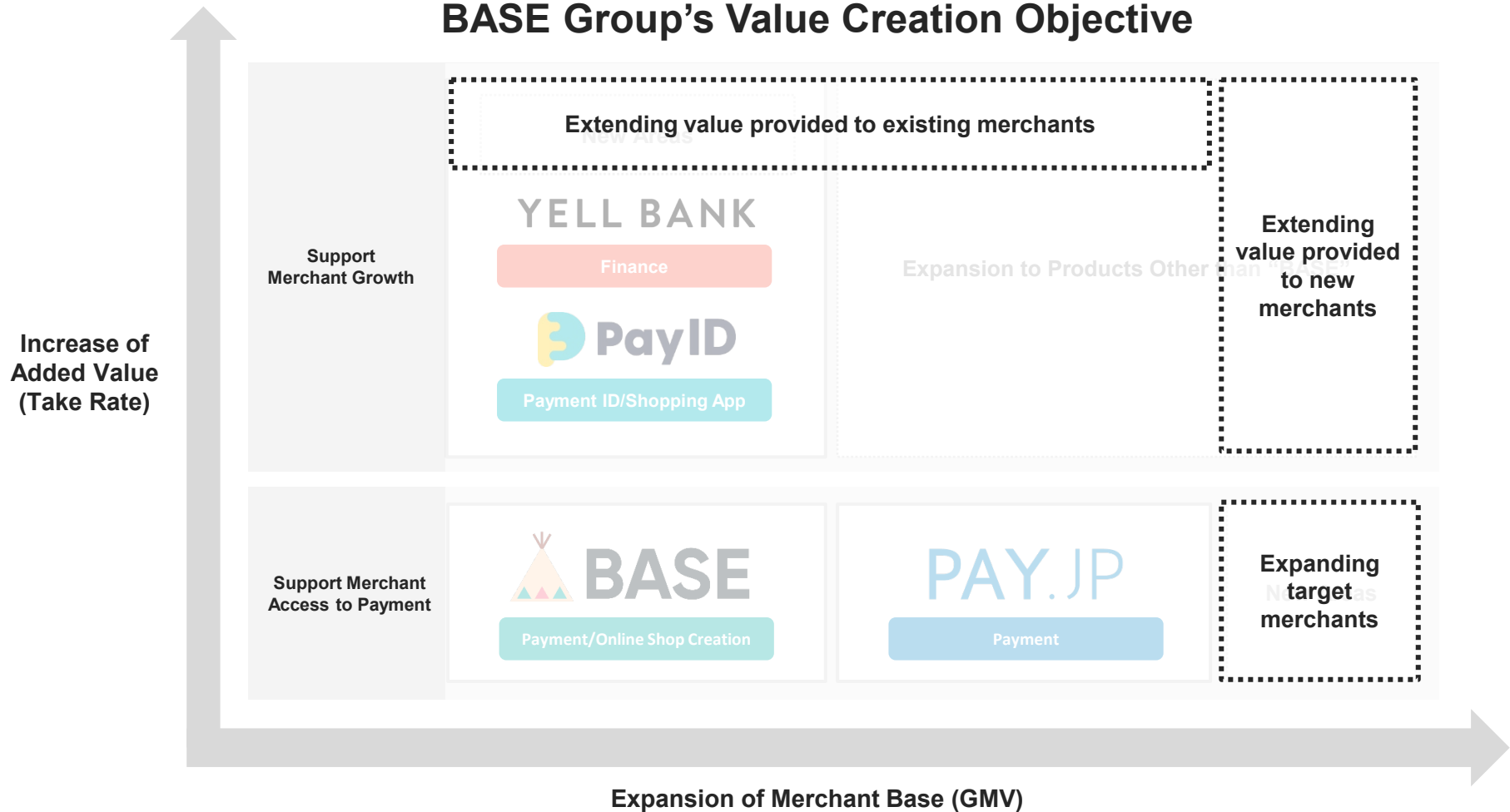
BASE Group's Value Creation Objective



Group-wide Expansion strategies ②

Building a flexible implementation structure in FY2023, centered on the Corporate Strategy Unit under CEO, and CFO
Aiming for group-wide inorganic growth in the future through M&A and alliances, etc., with the aim of increasing the number of target merchants and adding value to existing products

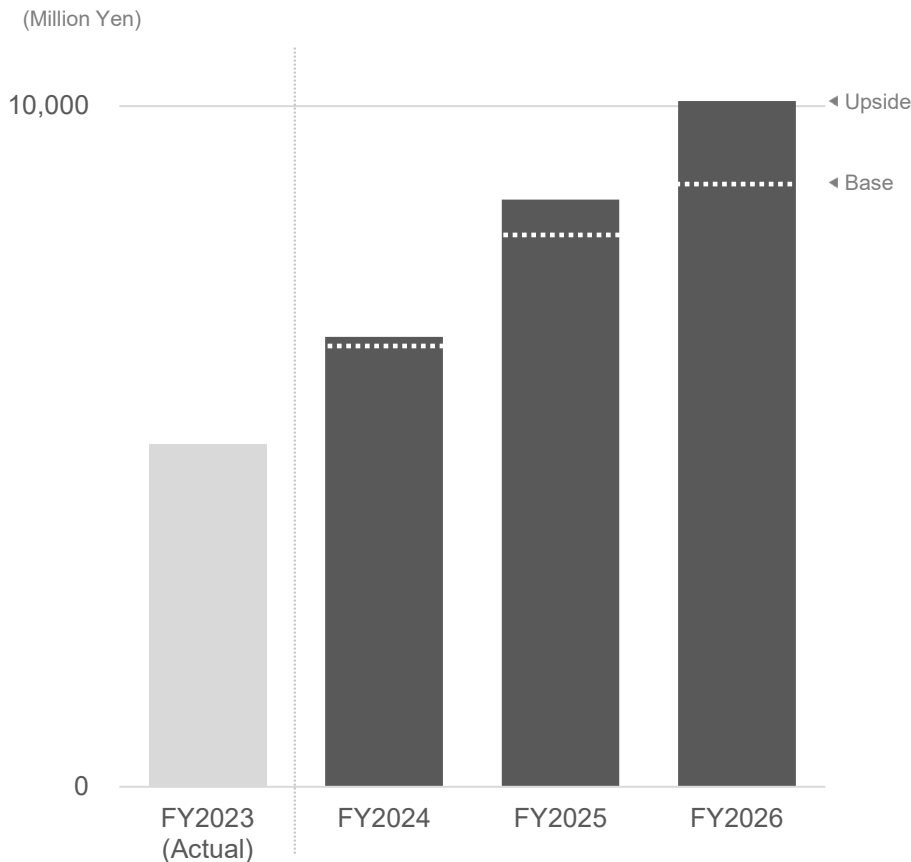
BASE Group's Value Creation Objective



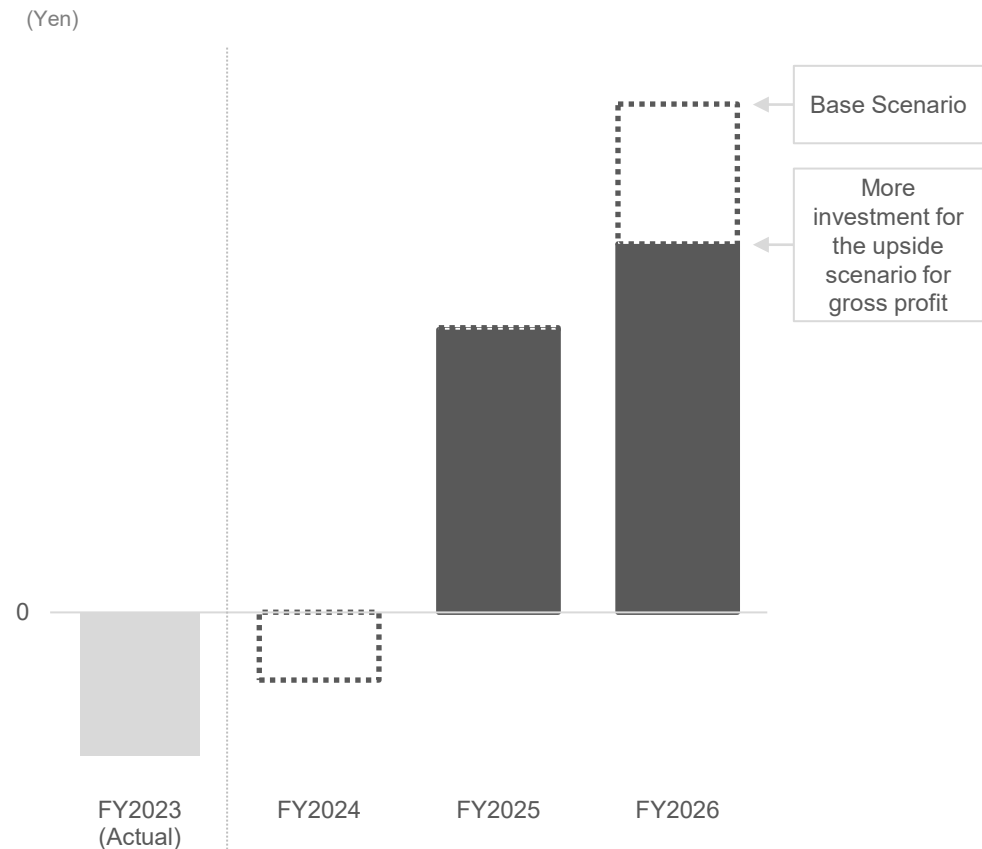
Aim to achieve gross profit of JPY 10 billion from FY2026 onwards as soon as possible

Maintain a disciplined investment policy based on growth potential and profitability, after returning to operating profit in FY2025

Gross Profit Outlook



Operating Profit Outlook



(Note) The base scenario for FY2024 is the financial forecast figures

5-2. Others

Implementing a strategy to become the service of choice for merchants with a wider range of sales volumes by offering a pricing plan with an overwhelming competitive superiority (Note1)

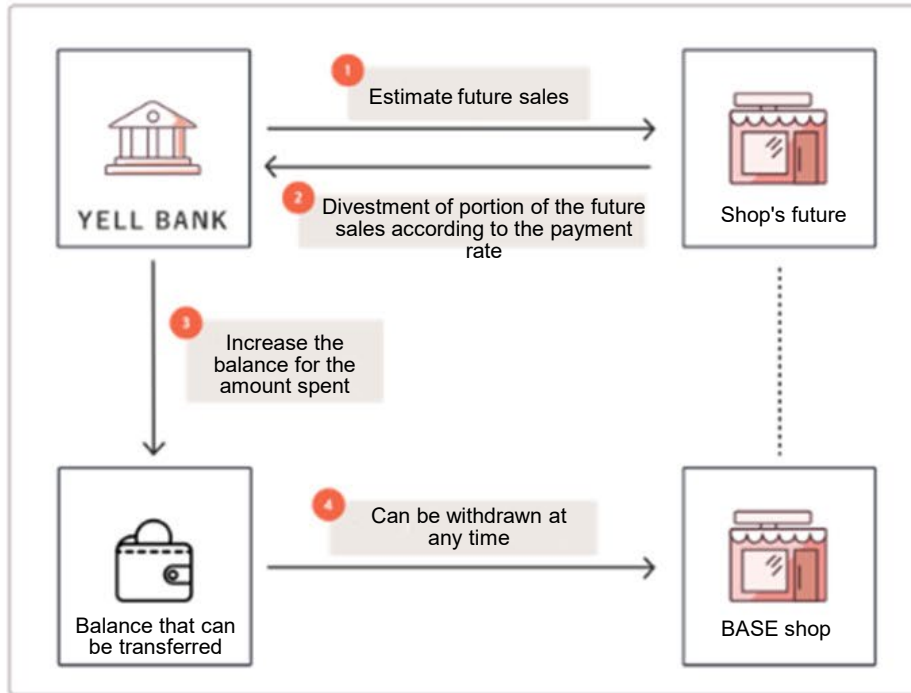
	BASE	Domestic Service S	Domestic Service C	Domestic Service M	International Service S
Payment Processing Fee	2.9% ~	3.6%	4.0% ~	3.19% ~	3.4%
Monthly Fee	¥19,980	¥2,980	¥4,950	¥12,100	¥4,950 <small>(Note2)</small>
Initial Fee	¥0	¥0	¥3,300	¥11,000	¥0

(Note1) Pricing plans for each company are based on in-house research (as of May 2023). Comparison of plans that incur monthly fees

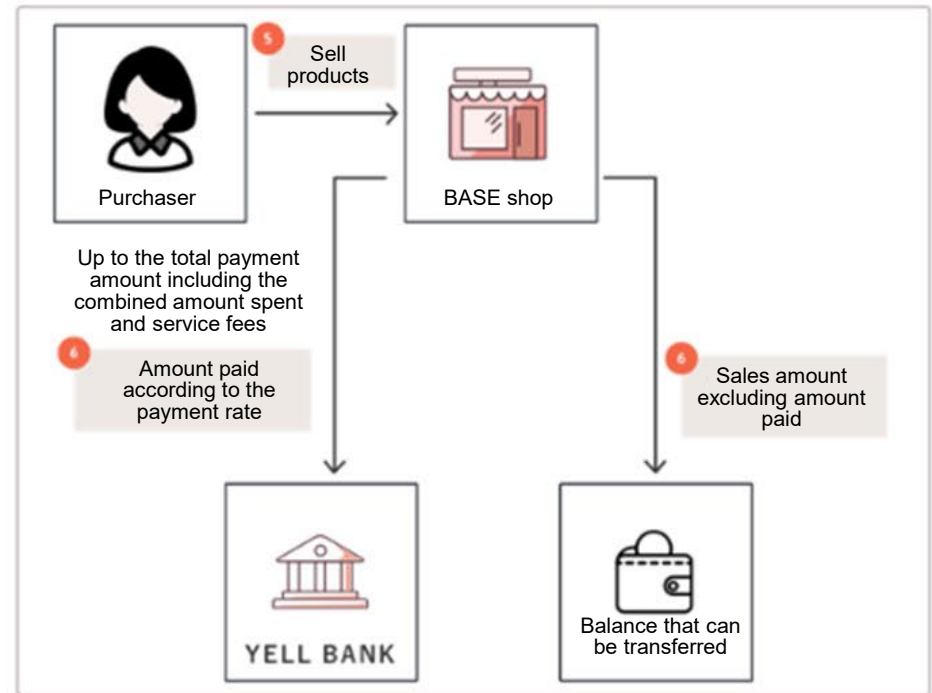
(Note2) Conversion rate of 150 yen to the U.S. dollar

A financial service that allows shops to raise funds instantly by “BASE” purchasing their future receivables

Process for obtaining financing



Payment process



Merchants can raise funds instantly with easy process

Step 1

The funding amount available displayed on the administration screen of merchants with certain criteria

あなたのショップの家賃から資金を調達できるようになりました

最大 ¥300,000 まで資金調達できます

調達金額を選ぶ

YELL BANKへつなぐ

※ サービス利用料は、調達金額の1~10%かかります。調達金額によって変動します。
※ 家賃連金額からあらかじめYELL BANKのサービス利用料を差し引いた金額が、売上残高に計上されます。

Step 2

Selecting the funding amount

BASEから調達する金額を選ぶ

資金調達をすると、すぐにBASEの売上残高を増やすことができます。

最大 ¥270,000 まで調達できます

¥60,000 ¥90,000 ¥180,000

上記の金額以外を調達する

Step 3

Select the percentage paid to BASE from future sales

売上からBASEに支払う割合を選ぶ

支払いは資金調達後に、商品が売れたタイミングで、売上からBASEに支払う割合に応じて自動的に支払われます。

支払う割合が大きいほど支払いペースが早くなり、サービス利用料もお得です。

30% 60% 90%

60%の支払率で¥10,000の商品が売れたとき

売上残高 ¥4,000

BASE ¥6,000

¥10,000

自動で支払い

Step 4

The funding amount added to the merchant's balance

お金管理

売上残高 ① ¥300,000

お金管理

売上残高 ② ¥760,000

(Million Yen)		FY2022				FY2023				FY2024
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Net Sales	BASE	2,052	1,784	1,693	1,963	1,757	1,930	1,897	2,179	2,119
	PAY.JP	439	482	563	618	701	848	996	1,061	1,299
	Other	20	28	35	57	59	63	82	103	172
Gross Profit	BASE	1,323	1,054	943	1,083	950	1,114	1,101	1,267	1,249
	PAY.JP	44	49	58	66	63	79	80	100	152
	Other	14	20	27	50	51	54	74	94	163
Segment Profit	BASE	-178	-481	-234	-256	-175	66	-73	120	174
	PAY.JP	-4	-3	-4	-33	-9	3	5	-84	51
	Other	-13	-15	-8	6	-14	-23	-7	20	61
	Corporate Expenses	-76	-96	-49	-57	-72	-61	-58	-61	-81
Operating Profit	Entire Company	-272	-597	-297	-340	-271	-15	-133	-4	206

Year	Month	Quarterly GMV (Million Yen) (Note1)	Monthly GMV (Million Yen)	Monthly Active Merchants (# of Merchants)	Average Monthly GMV Per Merchant (Yen)	Quarterly GMV (Payment amount) (Million Yen) (Note2)
FY2021	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
	December	31,725	10,575	62,049	170,431	29,865
FY2022	March	28,199	9,399	60,672	154,927	26,563
	June	27,898	9,299	61,455	151,322	26,496
	September	28,491	9,497	61,883	153,468	27,199
	December	34,343	11,447	65,516	174,736	32,187
FY2023	March	30,929	10,309	63,226	163,064	29,523
	June	32,821	10,940	64,820	168,785	31,374
	September	33,487	11,162	64,948	171,871	31,541
	December	38,752	12,917	68,115	189,641	36,617
FY2024	March	37,400	12,466	66,482	187,520	35,004

(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)
FY2021	March	10,837
	June	13,446
	September	14,693
	December	16,293
FY2022	March	16,849
	June	18,444
	September	21,624
	December	23,844
FY2023	March	27,096
	June	32,821
	September	39,351
	December	41,858
FY2024	March	46,487

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

(Shares)		FY2024 1Q
Stock Options	Beginning balance	2,126,000
	Granted	0
	Exercised	-26,000
	Renounced	0
	Ending balance	2,100,000
Number of issued shares (including treasury shares)		115,223,823
Ratio of dilutive shares (as a % of issued shares)		1.8%

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