

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, 2025 (Based on Japanese GAAP)

May 8, 2025

Company name: BASE, Inc.
 Stock exchange listing: Tokyo
 Stock code: 4477 URL <https://binc.jp/en>
 Representative: Representative Director, Senior Executive Officer and CEO Yuta Tsuruoka
 Inquiries: Director, Senior Executive Officer and CFO Ken Harada TEL 03(6441)2075
 Scheduled date to file Quarterly Securities Report: May 8, 2025
 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts of less than one million yen are rounded down)

1. Consolidated financial results for the Three months ended March 31, 2025 (from January 1, 2025 to March 31, 2025)

(1) Consolidated operating results (cumulative)

(% indicates changes from the previous corresponding period)

	Net sales		EBITDA		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended March 31, 2025	4,571	27.3	391	89.6	389	89.1	412	94.7	322	51.2
Three months ended March 31, 2024	3,591	42.6	206	—	206	—	211	—	213	—

(Note) Comprehensive Income (millions of yen) Three months ended March 31, 2025: 387 (83.3%) Three months ended March 31, 2024: 211 (—%)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended March 31, 2025	2.79		2.74	
Three months ended March 31, 2024	1.85		1.82	

(Notes) EBITDA= (Operating profit + Depreciation + Amortization of Goodwill)

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2025	43,441	13,130	29.8
As of December 31, 2024	46,288	13,600	29.1

(Reference) Equity (millions of yen) As of March 31, 2025: 12,951 As of December 31, 2024: 13,470

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, 2024	—	0.00	—	0.00	0.00
Year ending December 31, 2025	—				
Year ending December 31, 2025 (Forecast)		0.00	—	0.00	0.00

(Note) Revisions to most recent dividend forecast: None

3. Forecast of consolidated financial results for the fiscal year ending December 31, 2025 (from January 1, 2025 to December 31, 2025)

(% indicates changes from the previous fiscal year)

	Net sales		EBITDA		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	%	Millions of yen	%	Yen
Full year	19,600	22.6	1,034	28.6	1,000	29.4	984	23.5	1,247	266.5	10.79

(Note)1 Revisions to most recent consolidated results forecast: None

2 EBITDA= (Operating profit + Depreciation + Amortization of Goodwill)

(1) Changes in significant subsidiaries during the Three months ended March 31, 2025

(changes in specified subsidiaries resulting in the change in scope of consolidation):

(2) Application of special accounting methods for preparing quarterly consolidated financial statements:

No

Changes in accounting policies due to revisions to accounting standards and other regulations:

No

Changes in accounting policies due to other reasons:

No

Changes in accounting estimates:

No

Restatement of prior period financial statements:

No

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

Number of treasury shares at the end of the period

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

*Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm No

*Explanation on the appropriate use of business forecasts and other special matters

(Notice regarding forward-looking statements, etc.)

Forward-looking statements or projections contained in this document are based on information that the Company has at the present time and certain premises that the Company deems reasonable. Such forward-looking statements are not intended to represent a commitment on the part of the Company to achieve them. Also, actual results may differ significantly due to various factors. Please see the "1. Qualitative information on results for the three months ended March 31, 2025 (3) Overview of forecast of operating results including consolidated financial results" on page 3 of the attached document for the conditions that form the basis of earnings forecasts and cautions for using earnings forecasts.

(Access to supplementary information on the financial results and explanation on a financial result briefing)

The Company is scheduled to hold a financial result briefing for institutional investors and analysts on Thursday, May 8, 2025. Relevant briefing information is scheduled to be disclosed on our website.

Contents of Appendix

1. Qualitative information on results for the three months ended March 31, 2025	2
(1) Overview of operating results.....	2
(2) Overview of financial position.....	3
(3) Overview of forecast of operating results including consolidated financial results	3
2. Quarterly consolidated financial statements and main noted items.....	4
(1) Quarterly consolidated balance sheets.....	4
(2) Quarterly consolidated statements of income and comprehensive income.....	5
(3) Notes on quarterly consolidated financial statements.....	7
(Notes regarding going concern assumptions).....	7
(Notes on significant changes in amounts of shareholders' equity)	7
(Notes on statement of cash flows).....	7
(Segment information etc.).....	8
(Significant subsequent events).....	9

1. Qualitative information on results for the three months ended March 31, 2025

(1) Overview of operating results

The BASE Group operates with the mission of "Payment to the People, Power to the People."

Our businesses include the BASE Business, which offers the online shop creation service "BASE" and the buyer-focused shopping service "Pay ID"; the PAY.JP Business, which provides the online payment service "PAY.JP"; the YELL BANK Business, which offers financing services such as "YELL BANK"; and the want.jp Business, which provides cross-border e-commerce services through "want.jp."

Through these services, we are dedicated to empowering individuals and small teams, as well as supporting startup companies.

According to the "FY2023 Survey on Electronic Commerce" conducted by Japan's Ministry of Economy, Trade and Industry, the domestic BtoC e-commerce market in the goods category continued to grow steadily in 2023, albeit at a moderate pace compared to the COVID-19-affected years of 2020 and 2021. Sales via smartphones grew at a higher rate than the overall average.

The domestic service category also exhibited robust growth, with the 2023 market size exceeding pre-pandemic levels.

We recognize that these trends continued during the current consolidated fiscal period, contributing to the sustainable growth of our BASE Business, which is centered on physical goods e-commerce, and our PAY.JP Business, where a certain proportion of merchants operate in the services sector.

In this business environment, the BASE Business continued to strengthen its products with the aim of maintaining its overwhelmingly preferred position among a wide range of individuals and small teams and achieving sustainable mid- to long-term growth.

The PAY.JP Business focused on enhancing its product offering by making its online payment functions even simpler and easier to implement and operate, targeting startup and venture companies, thereby supporting the growth of existing merchants and acquiring new ones.

In the YELL BANK Business, we remained committed to solving cash flow challenges for all of our merchants by providing low-risk financing solutions.

Additionally, in the want.jp Business, operated by want.jp, Inc., which became a consolidated subsidiary in August 2024, we provide cross-border e-commerce services that facilitate Japanese e-commerce operators' access to local sales networks around the world.

As a result, for the first quarter of the fiscal year ending December 31, 2025, the BASE Group recorded Net Sales of ¥4,571 million (up 27.3% year on year), Operating Profit of ¥389 million (up 89.1% year on year), Ordinary Profit of ¥412 million (up 94.7% year on year), and Net Income Attributable to Owners of Parent of ¥322 million (up 51.2% year on year).

Please note that beginning with the third quarter of the previous fiscal year, we added the "want.jp Business" as a new reporting segment following the consolidation of want.jp, Inc.

In addition, we changed the name of the segment previously referred to as "Other Businesses" to the "YELL BANK Business."

The performance of each segment is outlined below.

A) BASE Business

During the first quarter of the fiscal year ending December 31, 2025, the GMV (Gross Merchandise Volume) of the BASE Business increased in line with expectations year on year, supported by growth in both the number of active merchants and the monthly average GMV per merchant.

As a result, GMV for the first quarter totaled ¥40,507 million on an order basis and ¥38,564 million on a payment basis (up 8.3% and 10.2% year on year, respectively). Net Sales for the segment were ¥2,452 million (up 15.7% year on year), and Segment Profit was ¥328 million (up 88.2% year on year).

In order to improve the profitability of the BASE Business, we plan to introduce a paid subscription model for the Pay ID shopping app starting July 1.

During the first quarter, we focused on planning and development of product enhancements and marketing initiatives in preparation for this change. (*)

(*) For details on the expected impact of this transition on the results for the fiscal year ending December 31, 2025, please refer to the disclosure titled "Notice Regarding the Introduction of Sales Commission on the Pay ID App" released on May 8.

B) PAY.JP Business

During the first quarter of the fiscal year ending December 31, 2025, the GMV of the PAY.JP Business increased largely in line with expectations compared to the same period of the previous year.

In addition, the take rate and gross profit margin improved due to an increased GMV contribution from higher-fee pricing plans.

As a result, GMV for the first quarter was ¥56,136 million (up 20.8% year on year). Net Sales were ¥1,551 million (up 19.4% year on year), and Segment Profit was ¥94 million (up 82.6% year on year).

C) YELL BANK Business

During the first quarter of the fiscal year ending December 31, 2025, the YELL BANK Business continued to grow steadily, driven by the expansion of the YELL BANK service, in line with expectations compared to the same period of the previous year.

As a result, Net Sales for the first quarter were ¥249 million (up 44.5% year on year), and Segment Profit was ¥125 million (up 104.2% year on year).

D) want.jp Business

During the first quarter of the fiscal year ending December 31, 2025, Net Sales of the want.jp Business were ¥320 million, and Segment Loss was ¥4 million.

Development of the cross-border e-commerce functionality for BASE shops, which is being advanced jointly with the BASE segment, continues to progress as planned.

(2) Overview of financial position

(Assets)

Total assets as of March 31, 2025 were ¥43,441 million, a decrease of ¥2,847 million from the end of the previous fiscal year. This was mainly due to decreases of ¥2,330 million in cash and deposits and ¥729 million in accounts receivable - trade.

(Liabilities)

Total liabilities as of March 31, 2025 were ¥30,311 million, a decrease of ¥2,376 million from the end of the previous fiscal year. This was mainly due to decreases of ¥2,034 million in accounts payable.

(Net assets)

Net assets as of March 31, 2025 were ¥13,130 million, a decrease of ¥470 million from the end of the previous fiscal year. This was mainly due to an increase of ¥322 million in retained earnings resulting from the recording of profit attributable to owners of parent, and an increase of ¥906 million in treasury shares resulting from the acquisition of treasury shares.

(3) Overview of forecast of operating results including consolidated financial results

The mid-term management policy remains unchanged, aiming for EBITDA growth by balancing top-line expansion through the enhancement of existing products and profitability improvements. Additionally, to drive inorganic growth, the focus will be on expanding the target customer base through proactive M&A and partnerships while implementing BASE Group's unique value creation initiatives to maximize corporate value.

Based on this approach, the management policy and consolidated earnings forecast for the fiscal year ending December 2025 are as follows.

In the BASE Business, efforts will be made to boost mid-term GMV growth rates by refocusing on new shop acquisitions, while take rate improvements will be pursued through the monetization of Pay ID, scheduled for the second half of the fiscal year.

In the PAY.JP Business, gross profit growth will be driven by GMV expansion, supported by the addition of new payment methods and enhanced sales and marketing efforts to strengthen new merchant acquisition.

In the YELL BANK Business, in order to maintain a sustainable operational foundation, fine-tuning of YELL BANK will be implemented following its rapid growth in 2024, with the primary driver of gross profit growth continuing to be the expansion of YELL BANK.

In the want.jp Business, efforts will be made for an early turnaround of existing operations while continuing collaboration with the BASE Business to accelerate the launch of cross-border EC functionalities.

Based on the above, consolidated net sales are projected to reach JPY 19,600 million (+22.6% YoY), and consolidated gross profit is expected to be JPY 9,085 million (+26.8% YoY). Selling, general, and administrative expenses are expected to reach JPY 8,085 million (+26.5% YoY), primarily due to increased promotional investments in BASE and Pay ID, as well as the full-year consolidation impact of want.jp. This includes approximately JPY 300 million in strategic investments for mid-to-long-term growth, though delays or partial underutilization may occur. As a result, operating profit is expected to be JPY 1,000 million (+29.4% YoY).

It should be noted that the impact of the planned acquisition of Estore Corporation in July 2025 is not included in the above FY2025 earnings forecast.

2. Quarterly consolidated financial statements and main noted items

(1) Quarterly Consolidated balance sheets

(Million yen)

	As of December 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	25,730	23,399
Securities	17,861	17,131
Other	1,989	2,201
Allowance for doubtful accounts	(329)	(360)
Total current assets	45,252	42,373
Non-current assets		
Property, plant, and equipment	17	18
Intangible assets	1	3
Investments and other assets	1,017	1,046
Total non-current assets	1,036	1,068
Total assets	46,288	43,441
Liabilities		
Current liabilities		
Accounts payable - trade	30,642	28,607
Provision for chargeback	—	0
Contract liabilities	195	203
Other	1,051	714
Total current liabilities	31,888	29,526
Non-current liabilities		
Long-term borrowings	427	417
Other	371	367
Total non-current liabilities	799	784
Total liabilities	32,687	30,311
Net assets		
Shareholders' equity		
Capital stock	8,735	8,735
Capital surplus	4,999	4,999
Retained earnings	(266)	55
Treasury shares	(0)	(906)
Total shareholders' equity	13,468	12,884
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1	67
Total accumulated other comprehensive income	1	67
Share acquisition rights	130	178
Total net assets	13,600	13,130
Total liabilities and net assets	46,288	43,441

(2) Quarterly Consolidated statement of income and comprehensive income**Consolidated statement of income**

(Million yen)

	Three Months Ended March 31, 2024 (from January 1, 2024 to March 31, 2024)	Three Months Ended March 31, 2025 (from January 1, 2025 to March 31, 2025)
Net sales	3,591	4,571
Cost of sales	2,025	2,506
Gross profit	1,565	2,065
Selling, general, and administrative expenses	1,359	1,675
Operating profit	206	389
Non-operating income		
Interest income	0	13
Commission income	2	6
Lecture fees and other income	3	3
Other	0	6
Total non-operating income	6	30
Non-operating expenses		
Interest expenses	—	3
Foreign exchange losses	—	2
Share issuance cost	0	0
Commitment fee	0	0
Commission expenses	—	0
Total non-operating expenses	0	7
Ordinary profit	211	412
Profit before income taxes	211	412
Income taxes - current	38	75
Income taxes - deferred	(39)	14
Total Income taxes	(1)	90
Net Profit	213	322
Profit attributable to owners of parent	213	322

Consolidated statement of comprehensive income

(Million yen)

	Three Months Ended March 31, 2024 (from January 1, 2024 to March 31, 2024)	Three Months Ended March 31, 2025 (from January 1, 2025 to March 31, 2025)
Net profit	213	322
Other comprehensive income		
Valuation difference on available-for-sale securities	(1)	65
Total other comprehensive income	(1)	65
Comprehensive income	211	387
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	211	387

(3) Notes on quarterly consolidated financial statements

(Notes regarding going concern assumptions)

Not applicable.

(Notes on significant changes in amounts of shareholders' equity)

Consolidated three months ended March 31, 2024 (From January 1, 2024 to March 31, 2024)

Not applicable.

Consolidated three months ended March 31, 2025 (From January 1, 2025 to March 31, 2025)

In accordance with the resolution at a meeting of the Board of Directors held on February 14, 2025, the Company acquired its treasury shares of 2,416,900 shares. As a result of this acquisition of treasury shares and the gratis acquisition under the restricted stock compensation plan, treasury shares increased by ¥906 million during the three months ended March 31, 2025, and as of March 31, 2025, treasury shares were ¥906 million.

(Notes on statement of cash flows)

Consolidated statement of cash flows for the three months ended March 31, 2025, is not available. Depreciation (including depreciation for intangible fixed assets) for the three months ended March 31, 2025, are as follows:

	Consolidated three months ended March 31, 2024 (from January 1, 2024 to March 31, 2024)	Consolidated three months ended March 31, 2025 (from January 1, 2025 to March 31, 2025)
Depreciation expense	¥0 million	¥2 million

(Segment information etc.)

Segment Information

Consolidated three months ended March 31, 2024 (From January 1, 2024 to March 31, 2024)

1. Information on the amount of net sales and profit of each reportable segment, and information regarding disaggregation of revenue

(Million yen)

	Reportable segment				Reconciliations (Note 1)	Consolidated (Note 2)
	BASE Business	PAY.JP Business	YELL BANK Business	Total		
Net sales						
Goods or services transferred at a point in time	2,000	1,291	8	3,300	—	3,300
Goods or services transferred over time	108	7	—	116	—	116
Revenue from contracts with customers	2,108	1,299	8	3,416	—	3,416
Other revenue	10	0	164	175	—	175
Net sales to external customers	2,119	1,299	172	3,591	—	3,591
Inter-segment net sales or transfers	—	0	—	0	(0)	—
Total	2,119	1,299	172	3,591	(0)	3,591
Segment profit	174	51	61	287	(81)	206

(Notes) 1. Reconciliations of segment profit of ¥(81) million are for corporate expenses that are not allocated to any reportable segment. Corporate expenses are mainly general and administrative expenses that are not attributable to any reportable segment.

2. Segment profit is adjusted with operating profit stated in the quarterly consolidated statement of income.

Consolidated three months ended March 31, 2025 (From January 1, 2025 to March 31, 2025)

Information on the amount of net sales and profit (loss) of each reportable segment, and information regarding disaggregation of revenue

(Million yen)

	Reportable segment					Reconciliations (Note 1)	Consolidated (Note 2)
	BASE Business	PAY.JP Business	YELL BANK Business	want.jp Business	Total		
Net sales							
Goods or services transferred at a point in time	2,251	1,530	11	320	4,113	—	4,113
Goods or services transferred over time	166	19	—	—	186	—	186
Revenue from contracts with customers	2,417	1,549	11	320	4,299	—	4,299
Other revenue	34	0	237	—	272	—	272
Net sales to external customers	2,452	1,549	249	320	4,571	—	4,571
Inter-segment net sales or transfers	—	1	—	—	1	(1)	—
Total	2,452	1,551	249	320	4,573	(1)	4,571
Segment profit (loss)	328	94	125	(4)	544	(154)	389

(Notes) 1. Reconciliations of segment profit of ¥(154) million are corporate expenses that are not allocated to each reportable segment. Corporate expenses consist mainly of general and administrative expenses that do not belong to reportable segments.

2. Segment profit (loss) is adjusted with operating profit stated in the quarterly consolidated statement of income.

(Significant subsequent events)

(The issuance of new shares as restricted stock-based compensation)

At a meeting of the Board of Directors held on April 16, 2025, the Company resolved to issue new shares as restricted stock compensation (the “Issuance of New Shares”), and the allotment was completed on May 8, 2025.

1. Issuance Summary

(1) Payment Date	May 8, 2025
(2) Class and Number of Shares for Issuance	Company common stock: 501,067 shares
(3) Issue Price	421 yen per share
(4) Total Issue Price for All Shares	210,949,207 yen
(5) Planned Allottees	5 Directors of the Company (including Outside Directors): 93,588 shares 9 Senior Executive Officers and Executive Officers of the Company and Directors of the Company’s subsidiaries: 275,644 shares 21 Employees of the Company and its subsidiaries: 131,835 shares
(6) Other	A timely disclosure report has been filed in accordance with the Financial Instruments and Exchange Act with respect to this Issuance of New Shares.

2. Purpose and Reason for Issuance

At the meeting of the Board of Directors held on February 13, 2020, the Company resolved to introduce a new compensation plan, the Restricted Stock Compensation Plan (the “Plan”), for the Company’s Directors (excluding Directors who are Audit & Supervisory Committee Members; hereinafter the “Eligible Directors”), with the aim of providing them with incentives to contribute to the sustainable enhancement of the Company’s corporate value and to further align their interests with those of shareholders. Subsequently, at the 7th Annual General Meeting of Shareholders held on March 25, 2020, the shareholders approved the proposal to grant monetary compensation claims to the Eligible Directors under the Plan as compensation separate from existing cash compensation, in an annual amount not exceeding 100 million yen (of which up to 10 million yen is allocated to Outside Directors). Furthermore, at the 8th Annual General Meeting of Shareholders held on March 25, 2021, shareholders approved the revision of the maximum total amount of such monetary compensation claims to 500 million yen annually (of which up to 50 million yen is allocated to Outside Directors).

3. Plan Overview

Under the Plan, the Company issues or disposes of shares of its common stock in exchange for all of the monetary compensation claims granted to the Eligible Directors through contribution in kind.

The total number of shares of the Company’s common stock to be issued or disposed of under the Plan shall not exceed 570,000 shares per year (of which up to 57,000 shares are allocated to Outside Directors). This increase was approved at the 12th Annual General Meeting of Shareholders held on March 27, 2025.

In issuing or disposing of shares of the Company’s common stock under the Plan, the Company and each Eligible Director to whom an allotment is made shall enter into a Restricted Stock Allotment Agreement, which shall include the following terms:

- (i) The Eligible Director shall not transfer, pledge, or otherwise dispose of the allotted shares of the Company’s common stock for a period of three years or more, as determined by the Board of Directors, or from the allotment date until the date the director resigns or retires from the position of Director or other position as defined by the Board of Directors.
- (ii) In the event that certain conditions are met, the Company shall acquire such shares without consideration.

Based on the above, at the meeting of the Board of Directors held today, the Company resolved to issue 501,067 shares of its common stock (of which 16,658 shares are allocated to Outside Directors; hereinafter the “Allotted Shares”) to five Directors and nine Senior Executive Officers, Executive Officers, and Directors of the Company’s subsidiaries (collectively, the “Eligible Officers”), as well as 21 Employees of the Company and its subsidiaries (the “Eligible Employees,” and together with the Eligible Officers, the “Eligible Participants”) in exchange for contribution in kind of monetary compensation claims or monetary claims totaling 210,949,207 yen (of which 7,013,018 yen is allocated to Outside Directors), in light of the objectives of the Plan, the responsibilities of each Eligible Participant, and other relevant considerations.

4. Restricted Stock Allotment Agreement Overview

In connection with the Issuance of New Shares, the Company and each Eligible Participant will individually enter into a Restricted Stock Allotment Agreement. A summary of the key terms is as follows:

(1) Transfer Restriction Period

Eligible Officers shall not transfer, pledge, or otherwise dispose of the Allotted Shares during the period from May 8, 2025 (the payment date) to May 7, 2028.

Eligible Employees shall not transfer, pledge, or otherwise dispose of (i) one-third of the Allotted Shares from May 8, 2025 to May 7, 2026, (ii) another one-third from May 8, 2025 to May 7, 2027, and (iii) the remaining one-third from May 8, 2025 to May 7, 2028.

(2) Conditions for Lifting of Transfer Restrictions

If an Eligible Officer continuously holds the position of Director, Senior Executive Officer, Executive Officer, Employee, or Advisor of the Company or its subsidiaries during the transfer restriction period described above in (1), all transfer restrictions on the Allotted Shares shall be lifted as of the expiration of the period. For Eligible Employees, if they continuously hold the same positions during each respective period described above in (1), the transfer restrictions

shall be lifted with respect to the corresponding portion of the Allotted Shares at the end of each period. However, if an Eligible Officer retires or resigns from all such positions at the Company or its subsidiaries during the restriction period due to the expiration of their term of office, death, or other reasons deemed justifiable by the Board of Directors, transfer restrictions shall be lifted on a number of the Allotted Shares calculated by multiplying the number of months from the month following the payment date to the month including the date of resignation or retirement, divided by 36, by the number of Allotted Shares (rounded down to the nearest whole share). Likewise, if an Eligible Employee retires or resigns during the restriction period due to expiration of employment (including post-retirement reemployment), death, or other justifiable reasons as recognized by the Board of Directors, transfer restrictions shall be lifted on a reasonable number of the Allotted Shares, proportionate to the period of service.

(3) Free Acquisition by the Company

At the expiration of the transfer restriction period or immediately upon the resignation or retirement of the Eligible Participants from all relevant positions, any Allotted Shares for which the transfer restrictions have not been lifted shall be acquired by the Company without compensation.

(4) Share Management

The Allotted Shares shall be managed in dedicated accounts for restricted stock, opened by the Eligible Participants at SMBC Nikko Securities Inc., to ensure that they are not transferred, pledged, or otherwise disposed of during the restriction period.

(5) Treatment in the Event of Organizational Restructuring, etc.

If, during the transfer restriction period, matters concerning organizational restructuring (such as mergers in which the Company becomes a dissolved entity, share exchange agreements in which the Company becomes a wholly owned subsidiary, or share transfer plans) are approved at the general meeting of shareholders (or at the Board of Directors in cases where shareholder approval is not required), then: For Eligible Officers, the number of Allotted Shares for which the transfer restriction shall be lifted shall be calculated by multiplying the number of months from the month following the payment date to the month including the approval date, divided by 36, by the number of Allotted Shares held at that time (rounded down to the nearest whole share). For Eligible Employees, the number of Allotted Shares subject to the lifting of transfer restrictions shall be reasonably adjusted based on the service period from the month following the payment date to the date of approval. In both cases, the transfer restrictions will be lifted immediately before the business day preceding the effective date of such organizational restructuring.

5. Basis for Calculation and Specific Details of the Issue Price

The Issuance of New Shares is conducted in accordance with the Plan, using the monetary compensation claims or monetary claims granted to the allottees as contributions in kind. To ensure that the issue price is free from arbitrariness, the price has been set at 421 yen, which is the closing price of the Company's common stock on the Tokyo Stock Exchange on April 15, 2025 (the business day immediately preceding the date of the Board resolution). This price reflects the market price immediately prior to the Board resolution date and, in the absence of any special circumstances that would render recent stock prices unreliable, is considered reasonable and appropriately reflective of the Company's corporate value. Therefore, it is not deemed to constitute a particularly favorable price for the Eligible Participants.