

Q2 of Fiscal Year Ending December 31, 2024
Materials for Financial Results Presentation

BASE, Inc.
(Tokyo Stock Exchange Growth: 4477)
August 6, 2024

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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.

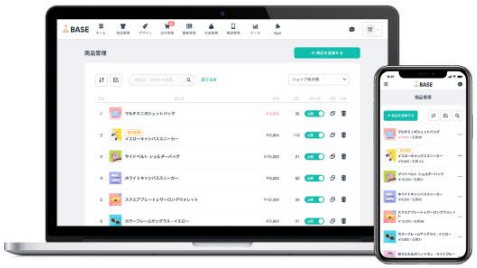


Service Outline

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

BASE

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

PAY.JP

For Startup Merchants

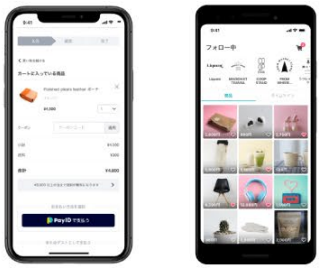


Payment Support

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

PayID

For Purchasers



Payment ID / Shopping App

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

2. Executive Summary

Executive Summary

Topics	✓ **Group's profitability improved due to increased gross profit margins of all businesses** ✓ **Acquired want.jp for extending value of cross-border EC provided to existing merchants** ✓ **Revised earnings forecast upward due to strong performance of PAY.JP business and other business, and the effect of acquisition of want.jp**
FY2024 Q2 Results	✓ **Net sales and gross profit continued to increase significantly by +31.4% and +33.9% YoY respectively due to the increase in Group GMV and Other Business** ✓ **Operating profit maintained positive,** because SG&A expenses were controlled more than expected ✓ Trends in GMV of BASE business as almost expected, and **net sales and gross profit, which had been boosted temporarily in FY2023 Q2, increased YoY** due to increased GMV ✓ **GMV in PAY.JP business continued to increase significantly by +52.4% YoY** beyond expectations, as well as **net sales and gross profit strongly by +63.6% and +131.2% YoY respectively** ✓ **Net sales in Other business continued increased significantly +260.5% YoY beyond expectations,** mainly due to functional improvements to "YELL BANK" ✓ **Launched "PAY.JP YELL BANK"** to provide financial-related added value to all Group merchants.
Medium to Long-Term Growth Strategy	✓ **Operating profit and EBITDA are expected to turn profitable in FY2024, one period earlier than expected** ✓ In the medium term, aim to achieve the upside scenario (disclosed at the beginning of the fiscal year) of **10 billion yen in gross profit in FY2026** ✓ In the long term, aim to **improve EBITDA margin** to compensate for net sales growth rate

Consolidated

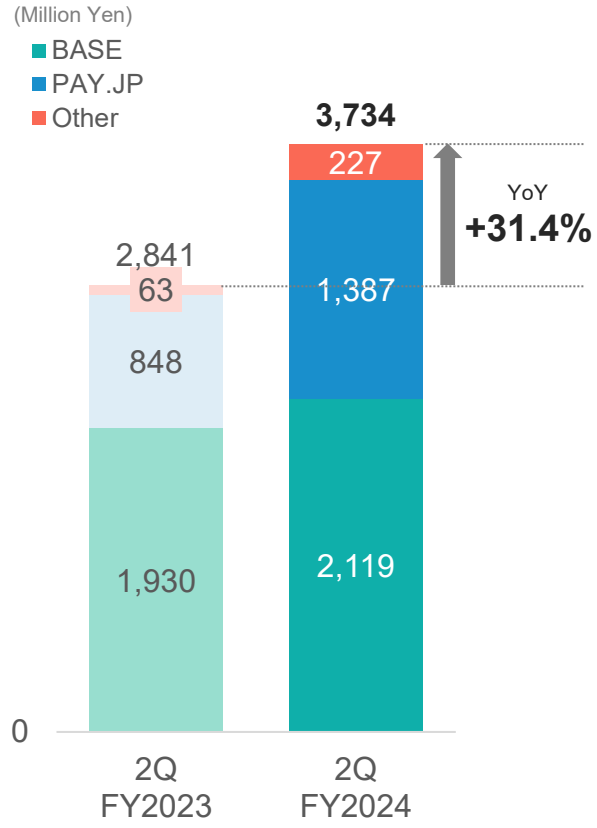
The Group Growth

Group's profitability improved due to increased gross profit margins of all businesses

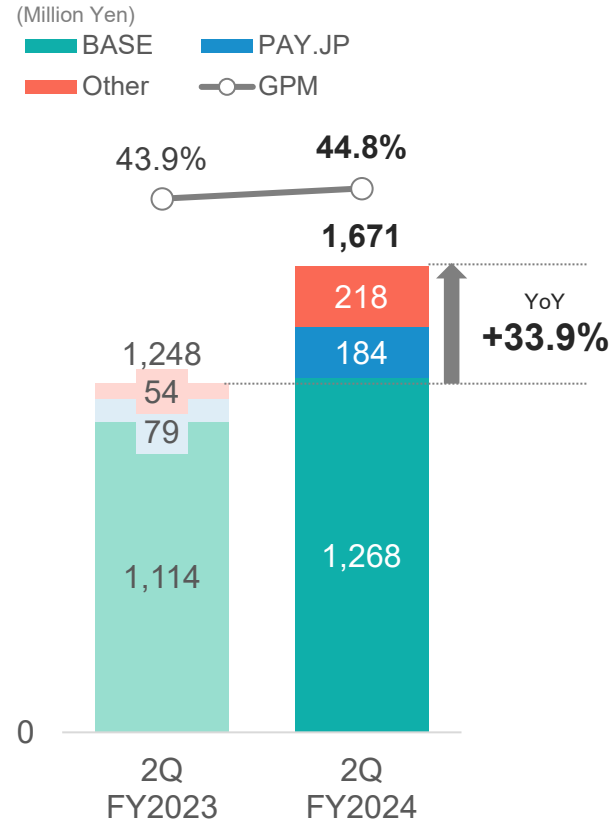
Net sales and gross profit continued to increase significantly by +31.4% and +33.9% YoY respectively

Operating profit maintained positive, because SG&A expenses were controlled more than expected

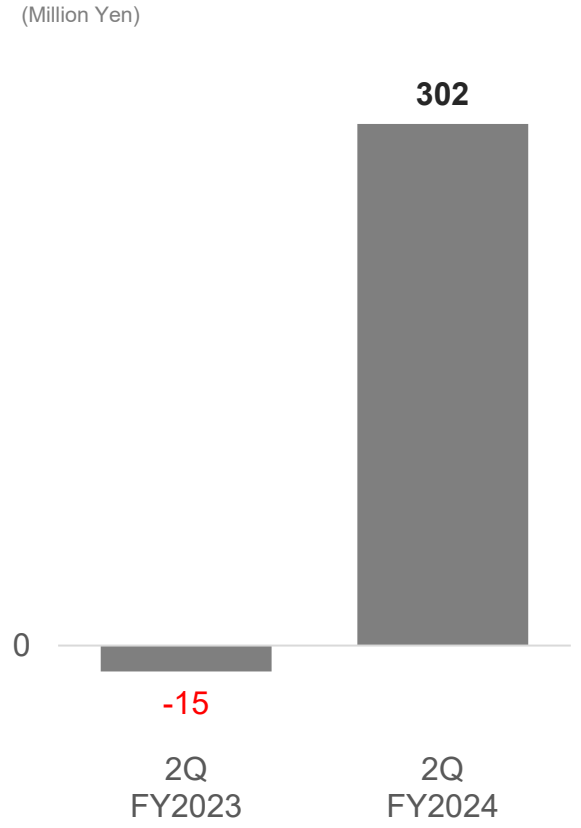
Net Sales



Gross Profit and Gross Profit Margin



Operating Profit



Group-wide Expansion strategies –Extending Value Provided to Existing Merchants

Aim to strengthen the cross-border EC function of the BASE business and contribute to take rate improvement in the medium term

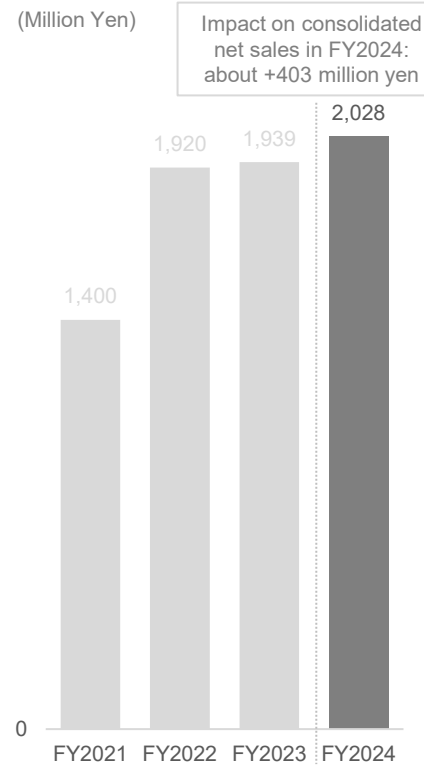
Continue to actively pursue M&A to maximize value creation for the Group

Overview of want.jp Inc. and Aims of the Acquisition

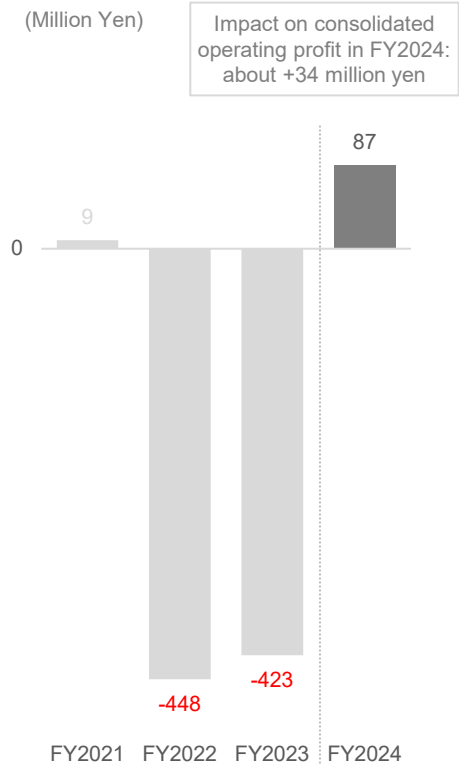
Overview	✓ Creating a system that allows customers around the world to purchase goods from around the world at fair prices and with the highest level of convenience ✓ Providing a service that allows Japanese e-commerce operators to sell their goods to marketplaces in dozens of countries, especially in Asia
Feature	✓ Automated pricing of all goods without human intervention, with costing by goods, country, and marketplace ✓ Establishment of a logistics system that enables centralized shipping of all goods worldwide ✓ Realization of both reduced shipping costs and speedy delivery
Aims of the Acquisition	✓ Contributing to the realization of "easy cross-border EC even for individuals " in the BASE business by strengthening cross-border EC functions ✓ Aim to contribute to the improvement of take rate of BASE business in the mid- to long-term ✓ Promoting overseas expansion support for want.jp merchants
Shares acquired and Impact on consolidated results	✓ Acquired 94.2% shares of the company ✓ To be recorded as a segment independent from existing businesses ✓ **The impact on consolidated net sales and operating profit for FY 2024 is expected to be 403 million yen and 34 million yen, respectively, with approx. 900 million yen of goodwill to be recorded**

Forecast of want.jp Inc.

Sales



Operating Profit



(Note) Consolidated inclusion of want.jp in FY12/2024 is only for the three months from October to December.

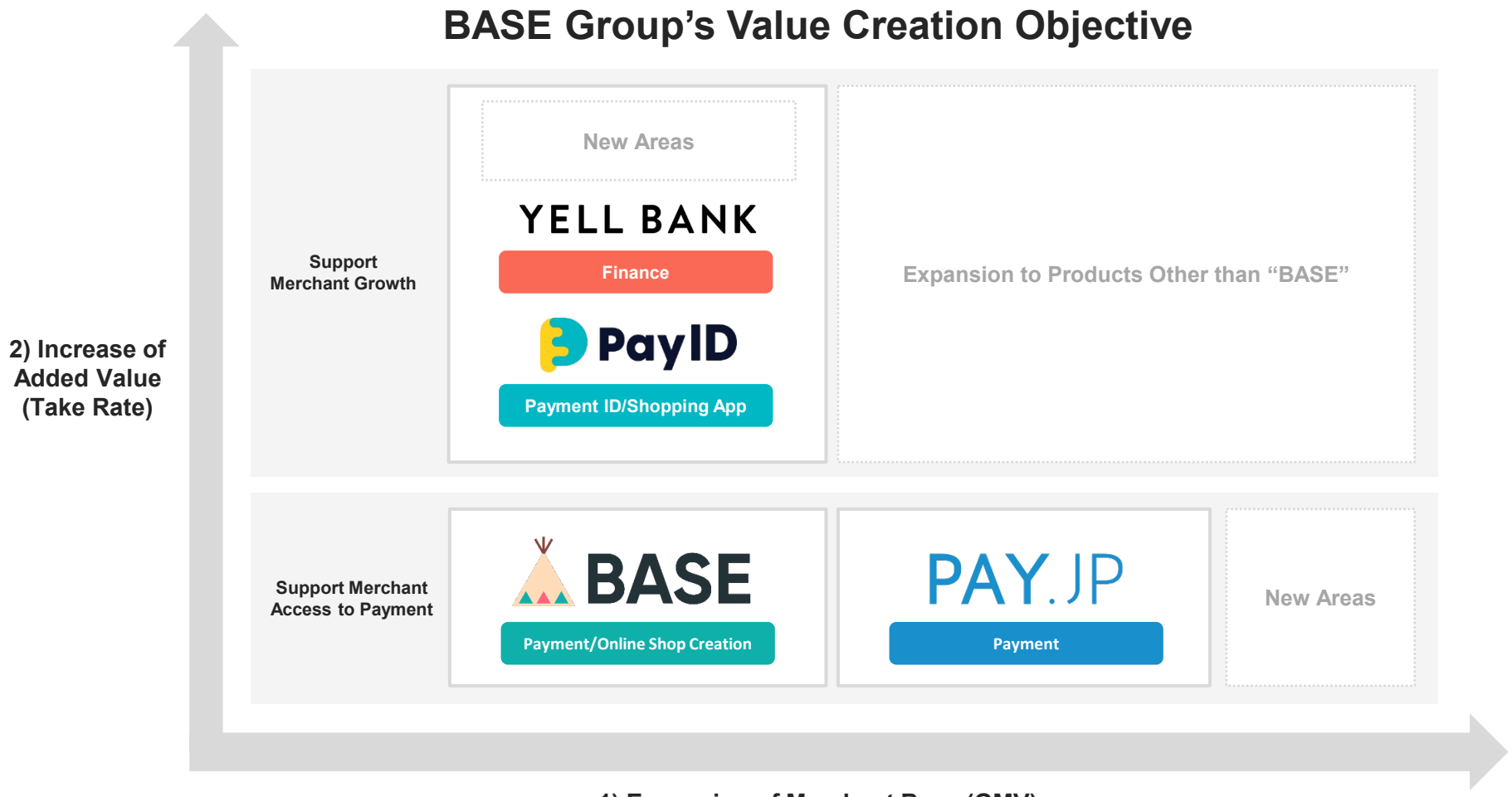
Policies for FY2024 and Progress

	Policies for FY2024 (as of February 8, 2024)	Progress
Consolidated	✓ **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**	✓ **Net sales and gross profit continued to increase significantly by +31.4% and +33.9% YoY respectively due to the increase in Group GMV and Other Business** ✓ Operating profit maintained, because SG&A expenses were controlled more than expected ✓ Strengthen cross-border EC function of BASE business and contribute to contribute to take rate improvement in the medium term by the acquisition of want.jp
BASE	✓ **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	✓ **Net sales and gross profit, which had been boosted temporarily in FY2023 Q2, increased YoY due to increased GMV,** while GMV trends as almost expected ✓ New fees for users of Monthly-Fee Plans with annual payments began to be applied in earnest, but users are continuing to use the plans ✓ Started to provide extension functions related to cross-border EC and sales promotion
PAY.JP	✓ **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	✓ **GMV realized high growth of +52.4% YoY,** because middle-sized merchants grew, without reliance on some large merchants ✓ Gross profit margin improved significantly due to a reduction in the cost of sales to GMV ratio ✓ No withdrawal due to renewal of fee plans, steady progress
Pay ID	✓ **Build a foundation for expanding purchaser assets and monetizing** by expanding functions, etc.	✓ Development and strategy formulation for future monetization of shopping apps progressed as expected
Finance	✓ 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**	✓ **Net sales increased 260.5% YoY, continuing to exceed expectations**, mainly due to the continued effect of functional improvements to the "YELL BANK"

Medium to Long-Term Growth Strategy

Increase enterprise value through **the value creation by "1) expansion of merchant base" and "2) increase of added value"** of the BASE Group

Realize 1) and 2) by growth strategies for existing products and group-wide expansion strategies



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	✓ **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.	✓ **Group GMV and gross profit showed a positive trend** ✓ **Group's profitability improved due to increased gross profit margins of all businesses**
	BASE	✓ **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	✓ **GMV trends as almost expected** ✓ Increased take rate due to price increase of Monthly-Fee Plan (Growth Plan), contributing to improved profitability of the Group
	PAY.JP	✓ **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.	✓ **GMV continued to grow strongly** ✓ Steady progress in cost ratio improvement and fee plans revision contributed to improved profitability of the Group
	Pay ID	✓ **Contribute to the growth of the BASE business by monetizing purchaser assets with over 14 million registered users** through enhancements to BNPL "Post Pay (Pay ID)" and shopping app functions, etc.	✓ Progress made in examining ways to monetize purchaser assets in both ID payment and shopping apps
	Finance	✓ 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**	✓ **"YELL BANK" grew significantly**
Group-wide expansion strategies	Group	① Accelerate growth by **creating synergies** between existing products ② **Achieve group-wide inorganic growth** through M&A and alliances, etc.	① **Launched "PAY.JP YELL BANK"** to provide financial-related added value to all Group merchants ② **Acquired want.jp to increase added value**

Consolidated

Medium to Long-Term Financial Outlook

BASE

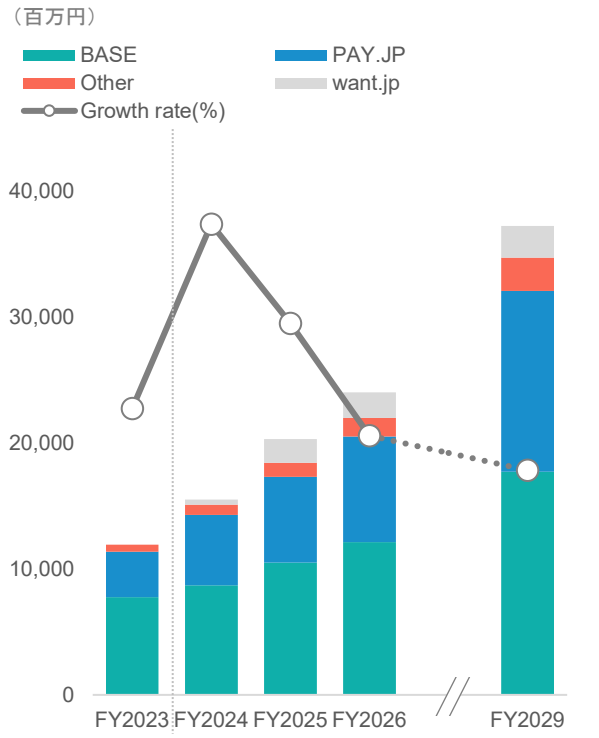
Operating income and EBITDA are expected to turn profitable in FY2024, one period earlier than expected

In the medium term, aim to achieve the upside scenario (disclosed at the beginning of the fiscal year) of **10 billion yen in gross profit in FY2026**

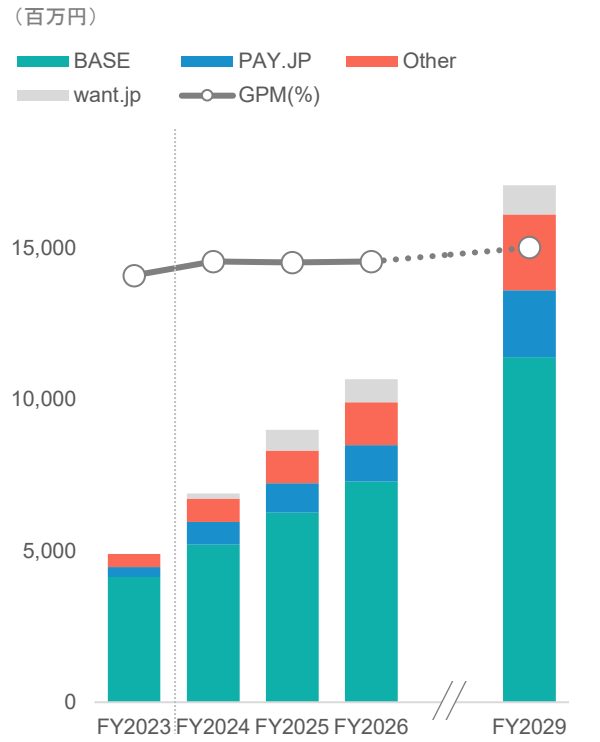
In the long term, **aim to improve EBITDA margin** to compensate for net sales growth rate

Growth Outlook (Note1,2)

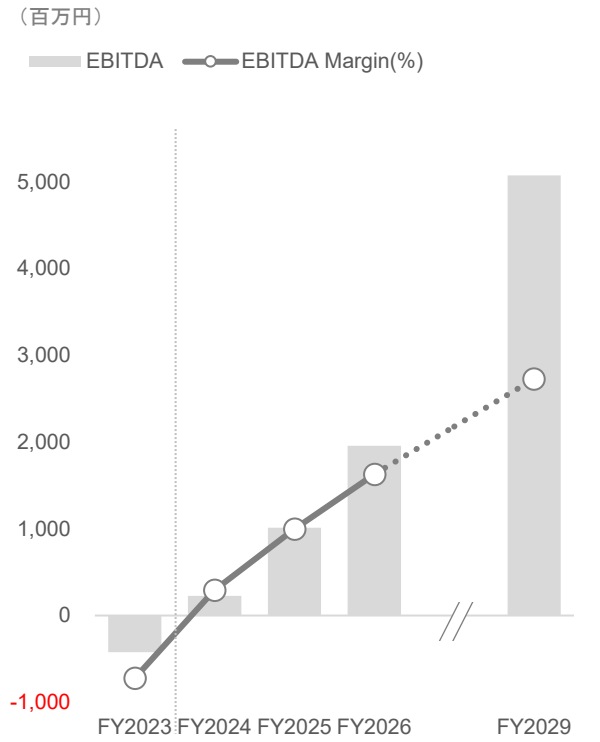
Net Sales and Growth Rate



Gross Profit and Gross Profit Margin



EBITDA and EBITDA Margin

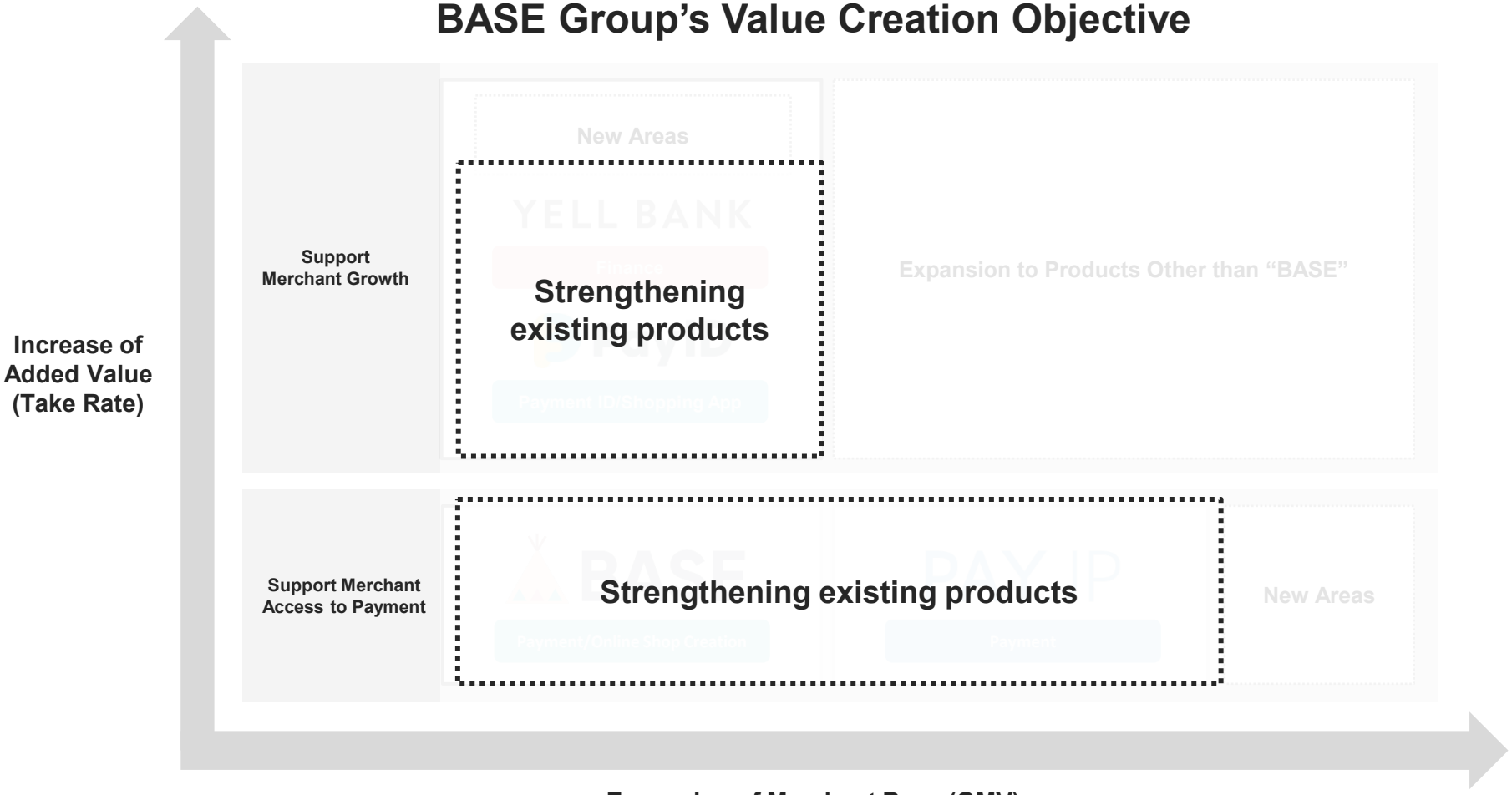


(Note 1) Net sales and SG&A expenses are based on the upside scenario disclosed in the "Presentation Material for Q4 of the Fiscal Year Ending December 31, 2023" (disclosed on February 8, 2024), and operating profit is close to the level of the base scenario.
(Note 2) The balance between sales growth rate and operating margin will change if the assumptions are changed due to the business environment or other factors.

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



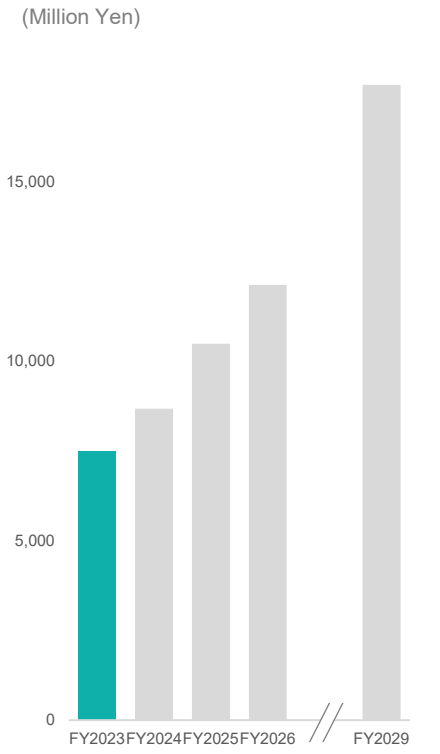
Growth Strategy

Improve profitability while maintaining stable sales growth as the Group's revenue base

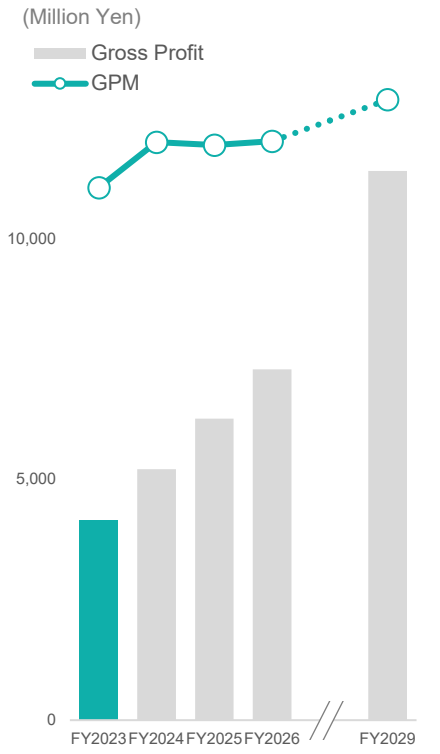
Aim to increase gross margin and achieve long-term growth by providing high value-added products, including functions that support store sales growth, updates that improve store convenience and security, and the use of "Pay ID".

Growth Outlook (Note)

Net Sales



Gross Profit and GPM



Growth Strategy

Enhance Functions

- ✓ **Attract overseas purchasers** by strengthening cross-border EC functions
- ✓ Provide extended functions **supporting store sales growth more directly**, including support for attracting customers through linkage with external platforms
- ✓ **Update to improve store convenience and safety**, such as by enhancing logistics and security

Utilize “Pay ID”

- ✓ Assist stores in acquiring new customers through "Pay ID”
- ✓ Increase in unit purchase price by existing "Pay ID" users

Reinforce New Shops Openings

- ✓ Continuously improve branding and marketing initiatives for the purpose of opening new shops
- ✓ Increase new acquisitions of individuals and small teams using EC mall

(Note) All of the above levels are close to the upside scenario disclosed in the "Financial Results for the Fourth Quarter of the Fiscal Year Ending December 31, 2023" (disclosed on February 8, 2024)

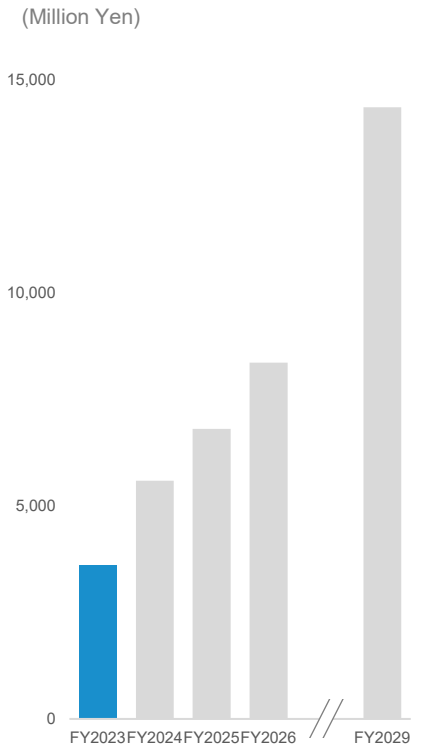
Growth Strategy

Continue to achieve high net sales growth rates by expanding coverage across a wide range of industries and business categories while maintaining a cost-efficient organization

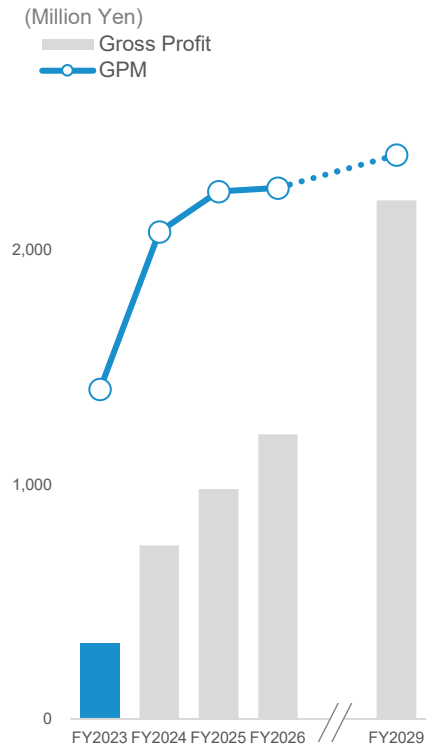
Over the long term, aim for **GMV growth and higher gross margin by differentiating the Group through value-added financial services, etc.** provided by the Group

Growth Outlook(Note)

Net Sales



Gross Profit and GPM



Growth Strategy

Enhance Payment Functions

- ✓ Develop payment systems easier to install and reinforcing of fraudulent payment countermeasures
- ✓ Enhance the "PAY.JP Platform" to attract new merchants to the platform, etc.

Enhance the Group's unique functions

- ✓ Differentiate from competitors by enhancing value-added financial services such as "PAY.JP YELL BANK"

Strengthen marketing and support for existing merchants

- ✓ Diversify new acquisition channels by strengthening sales and marketing initiatives
- ✓ Promote continued usage by building relationships with existing large merchants

(Note) All of the above levels are close to the upside scenario disclosed in the "Financial Results for the Fourth Quarter of the Fiscal Year Ending December 31, 2023" (disclosed on February 8, 2024)

Others

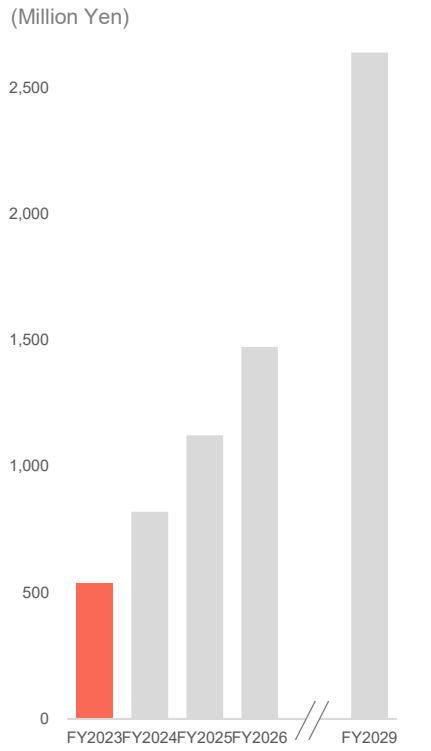
Growth Strategy

Maintain high growth rates for YELL BANK and other financial services as **the Group's profit center**

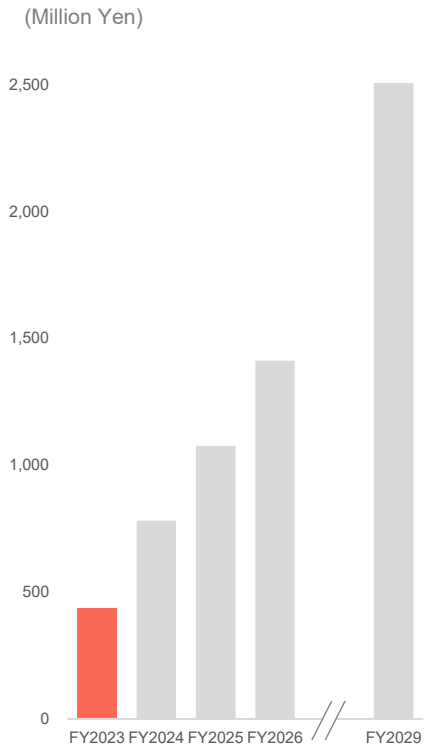
Aim for high growth over the long term by expanding products that solve cash flow-related issues for merchants while continuing to maintain high profitability and cost efficiency

Growth Outlook

Net Sales



Gross Profit



Growth Strategy

Add value to the Group's existing merchants

- ✓ Expand the number of merchants using existing financial services by refining the screening criteria for "BASE" and "PAY.JP" merchants
- ✓ Continue to expand the amount of funds raised and fee payment methods by improving the functionality of existing products
- ✓ Expand the lineup of financial products related to Merchants' cash flow

Contribute to the Group's acquisition of new Merchants

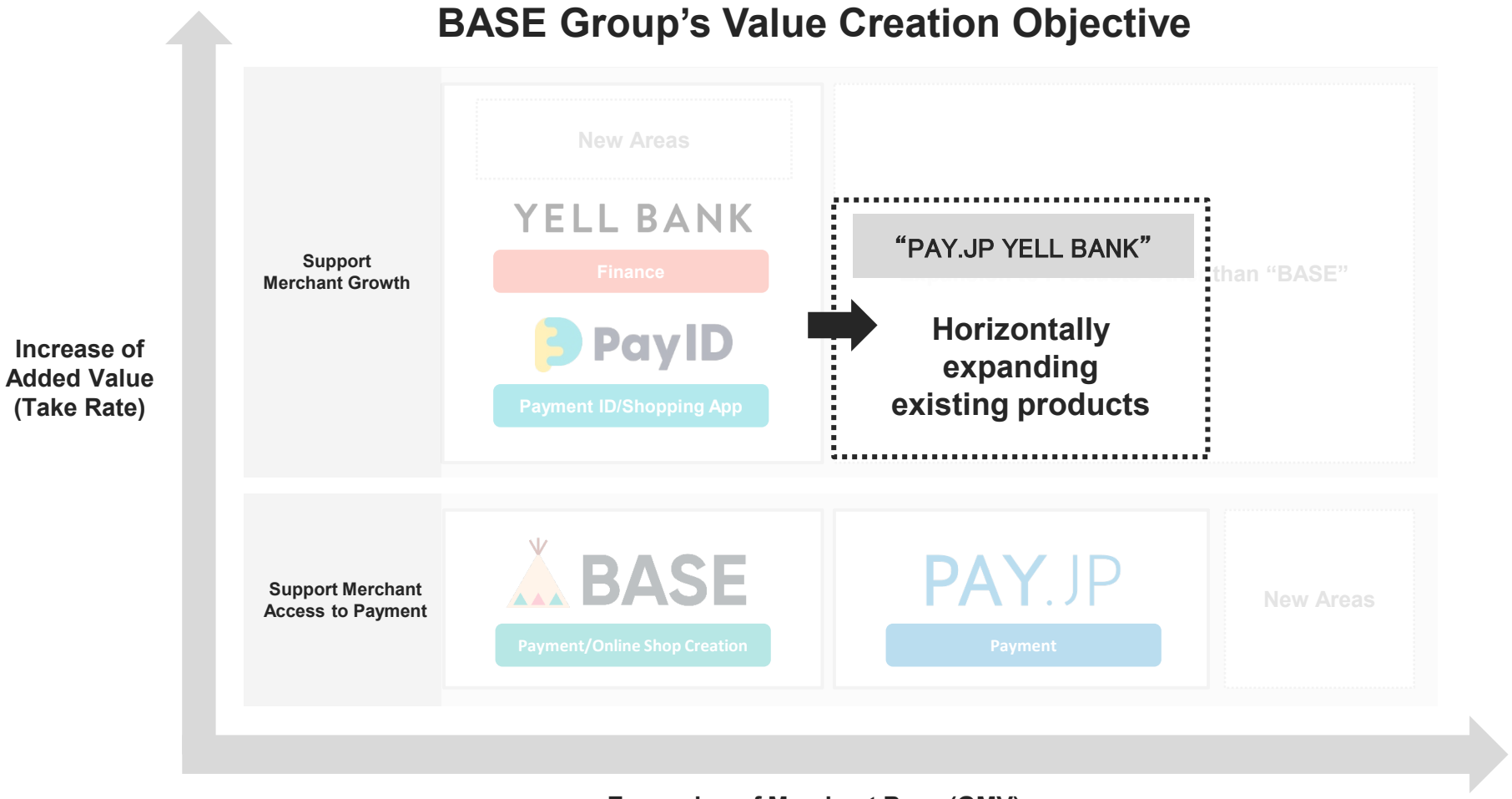
- ✓ Establish best practices of embedded finance in existing products and aim to expand to external platforms

(Note) All of the levels are significantly higher than the scenarios disclosed in the "Financial Results for Q4 of the Fiscal Year Ending December 31, 2023" (disclosed on February 8, 2024)

Group-wide Expansion strategies – Horizontally Expanding Existing Products

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

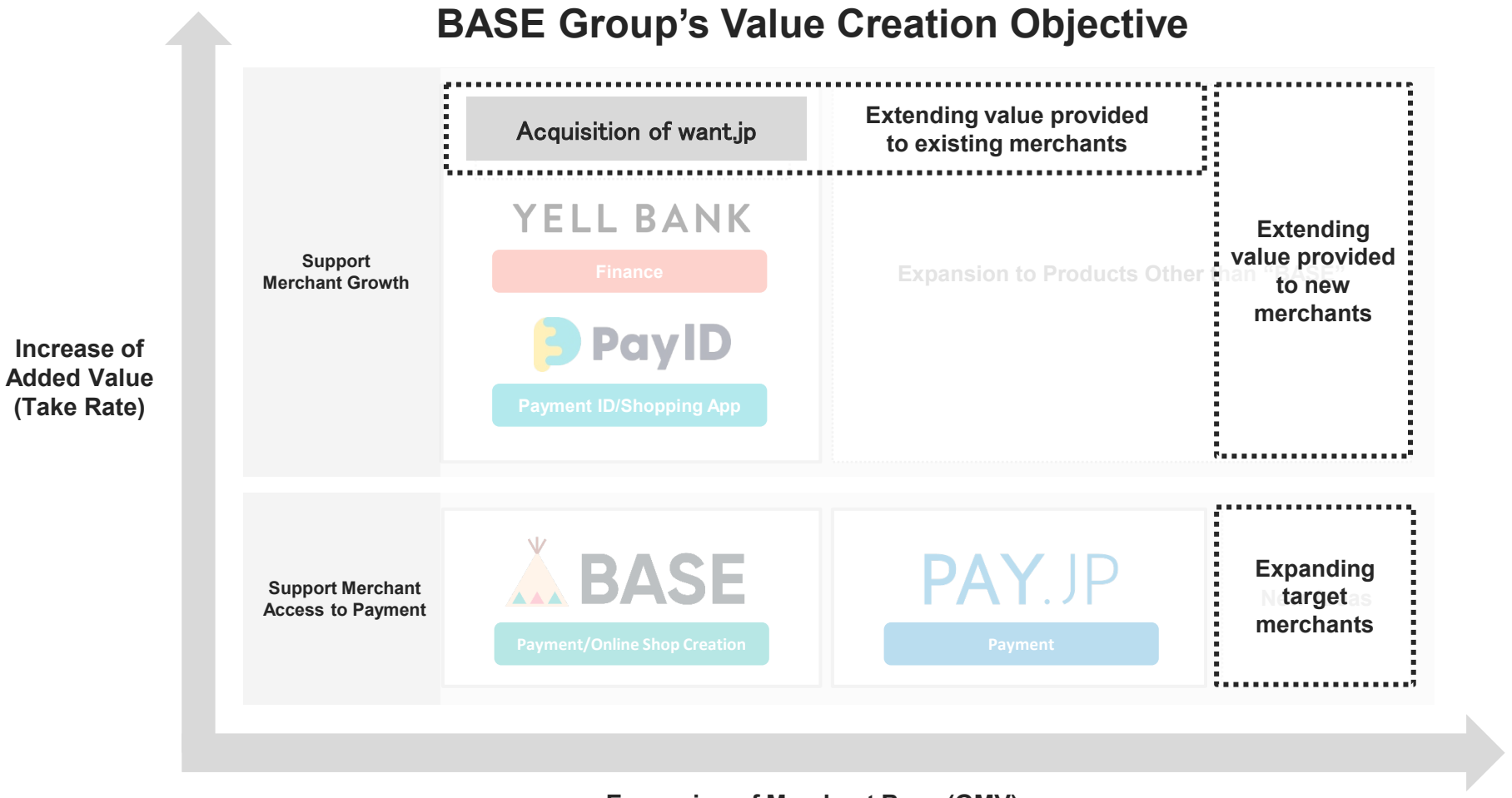
In June 2024, the PAY.JP YELL BANK was launched



Group-wide Expansion strategies –Extending Value Provided to Existing Merchants

Achieve inorganic growth of the group through M&A and alliances, etc. to expand target customers and add value to existing products

Focus on expanding the merchant base first, and aim to increase net sales and EBITDA margin by creating synergies with "YELL BANK" and "Pay ID", etc.



3. Results for Q2 of the Fiscal Year Ending December 31, 2024

Consolidated

Financial Highlights for FY2024 Q2 Results

BASE

Consolidated

Net sales and gross profit continued to increase significantly by +31.4% and +33.9% YoY respectively due to the increase in Group GMV and Other Business

Operating profit maintained positive, because SG&A expenses were controlled more than expected

BASE Business

GMV(Note) increased YoY, and trends as almost expected

Net sales and gross profit, which had been boosted temporarily in FY2023 Q2, increased YoY due to increased GMV

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

PAY.JP Business

GMV (Note) **continued to increase significantly at +52.4% YoY, beyond expectations**

Net sales and gross profit increased significantly by +63.6% and +131.2% respectively YoY due to an increase in GMV

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

Other Business

Net sales continued increased significantly +260.5% YoY beyond expectations, mainly due to functional improvements to "YELL BANK"

(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

FY2024 Q2 Results

BASE

Net sales and gross profit continued to increase significantly by +31.4% and +33.9% YoY respectively due to the increase in Group GMV and Other Business

Operating profit maintained positive, because SG&A expenses were controlled more than expected

Progress rate remained as expected though it declined due to upward revised forecast by acquiring want.jp

(Million Yen)	FY2024 Q2 (Apr. 2024 – Jun. 2024)					FY2024 H1 (Jan. – Jun.2024)			FY2024 Full-Year	
	Results	YoY (vs. FY2023 Q2)		QoQ (vs. FY2024 Q1)		Results	YoY (vs. FY2024 H1)		Forecast (Revised)	Progress rate (Note 1)
		Results	Change	Results	Change		Results	Change		
Net Sales	3,734	2,841	*+31.4%*	3,591	*+4.0%*	7,325	5,360	*+36.7%*	15,500	*47.3%*
Gross Profit	1,671	1,248	*+33.9%*	1,565	*+6.8%*	3,237	2,314	*+39.9%*	6,900	*46.9%*
Gross Profit Margin	*44.8%*	*43.9%*	*+0.8pt*	*43.6%*	*+1.2pt*	*44.2%*	*43.2%*	*+1.0pt*	*44.5%*	-
SG&A	1,369	1,263	*+8.4%*	1,359	*+0.8%*	2,729	2,601	*+4.9%*	6,700	*40.7%*
Operating Profit	302	-15	*n/a*	206	*+46.6%*	508	-287	*n/a*	200	*254.3%*
Ordinary Profit	303	-10	*n/a*	211	*+43.1%*	515	-280	*n/a*	201	*256.3%*
Net Income Attributable to Owners of Parent	238	-14	*n/a*	213	*+11.7%*	451	-372	*n/a*	198	*228.0%*
GMV (BASE Business) (Note 2)	35,931	32,821	*+9.5%*	37,400	*-3.9%*	73,331	63,751	*+15.0%*	151,000	*48.6%*
GMV (PAY.JP Business) (Note 2)	50,029	32,821	*+52.4%*	46,487	*+7.6%*	96,516	59,917	*+61.1%*	202,000	*47.8%*

(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)

Consolidated

Balance Sheet

BASE

Maintain a strong financial foundation with cash and deposits at 21,702 million yen as of June of 2024

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

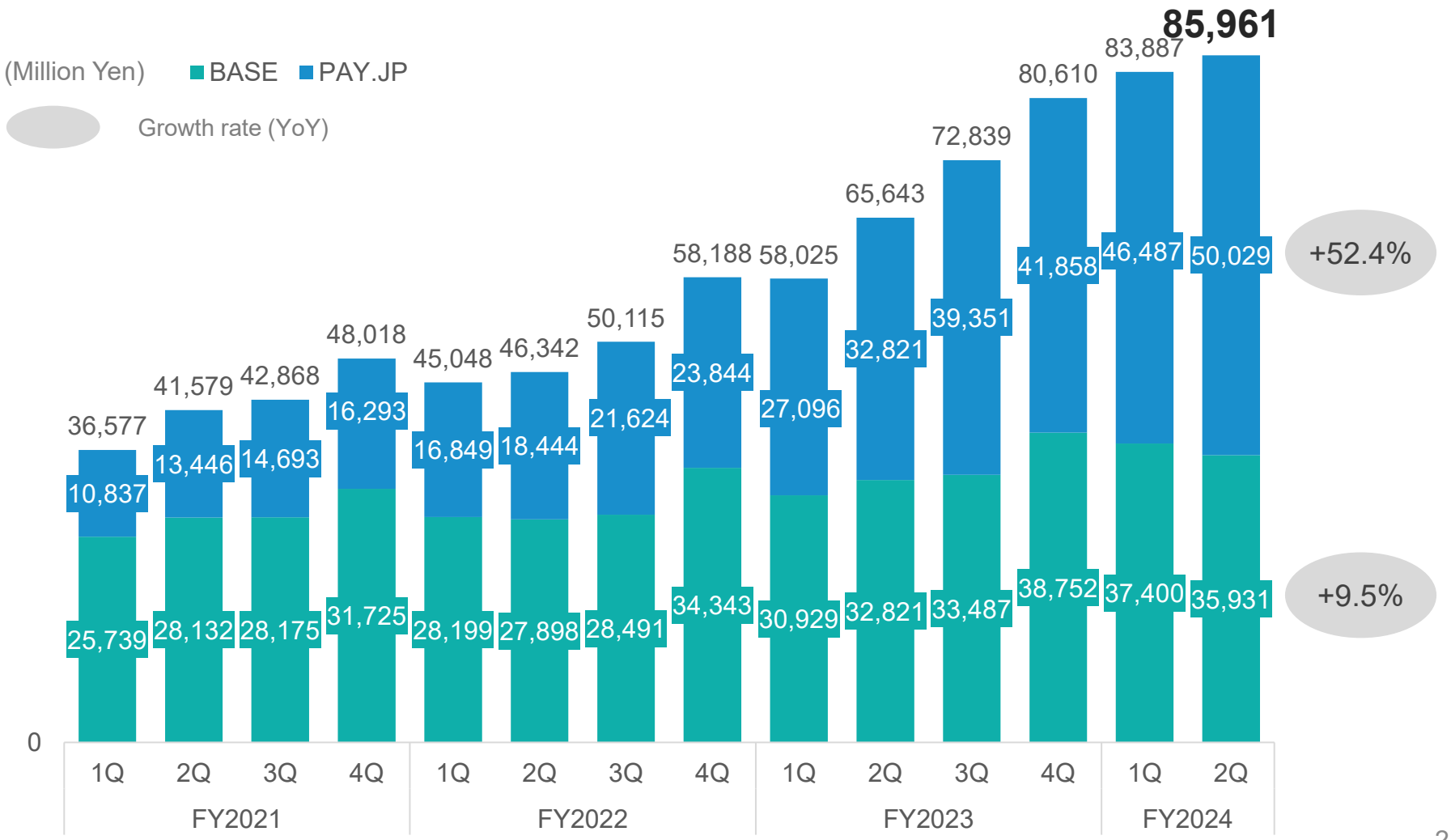
(Million Yen)	As of June 30, 2024	As of Dec. 31, 2023	Change
Current assets	39,042	36,965	+5.6%
(of which, cash and deposits)	21,702	22,227	-2.4%
(of which, trade accounts receivable) (Note1)	15,590	13,821	+12.8%
(of which, factoring advances) (Note 2)	1,076	581	+85.1%
Non-current assets	433	331	+30.7%
(of which, Investment securities)	42	36	+17.2%
Total assets	**39,476**	**37,297**	**+5.8%**
Current liabilities	25,807	24,244	+6.4%
(of which, trade accounts payable) (Note 3)	25,040	13,215	+89.5%
(of which, operating deposits) (Note 4)	59	10,299	-99.4%
Non-current liabilities	52	52	-0.0%
Total liabilities	**25,860**	**24,297**	**+6.4%**
Capital Stock	8,730	8,669	+0.7%
Capital surplus	4,994	4,933	+1.2%
Retained earnings	-155	-606	-
Valuation difference on investment securities	11	5	+122.8%
Total net assets	**13,616**	**13,000**	**+4.7%**

(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

Consolidated

Trends in GMV (Gross Merchandise Volume)

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



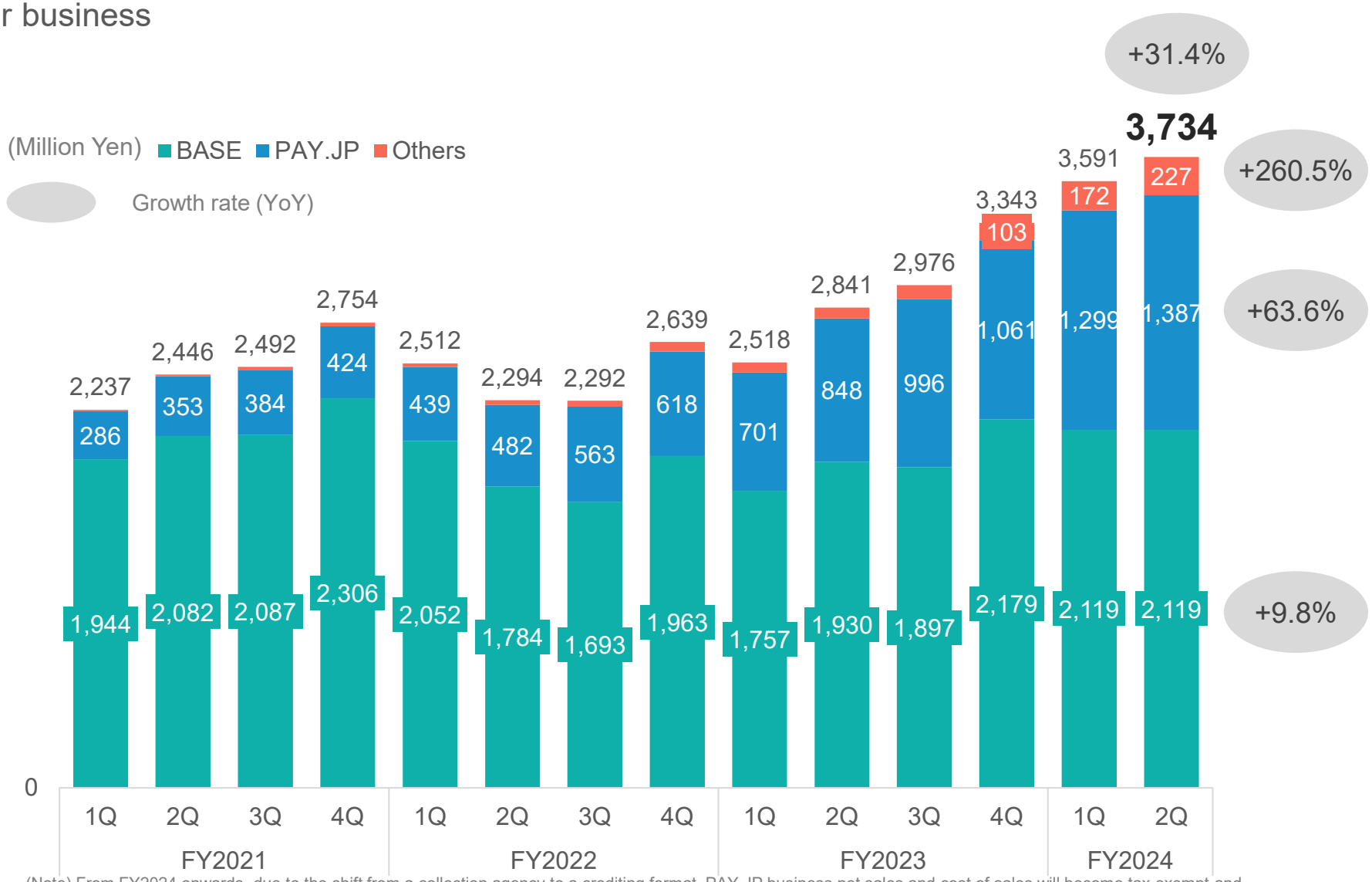
(Note) BASE's GMV is based on the order date (order amount). PAY.JP's GMV is based on the payment date (payment amount)

Consolidated

Trends in Net Sales

BASE

Consolidated net sales increased by +31.4% YoY due to the increase in Group GMV and the growth in Other business

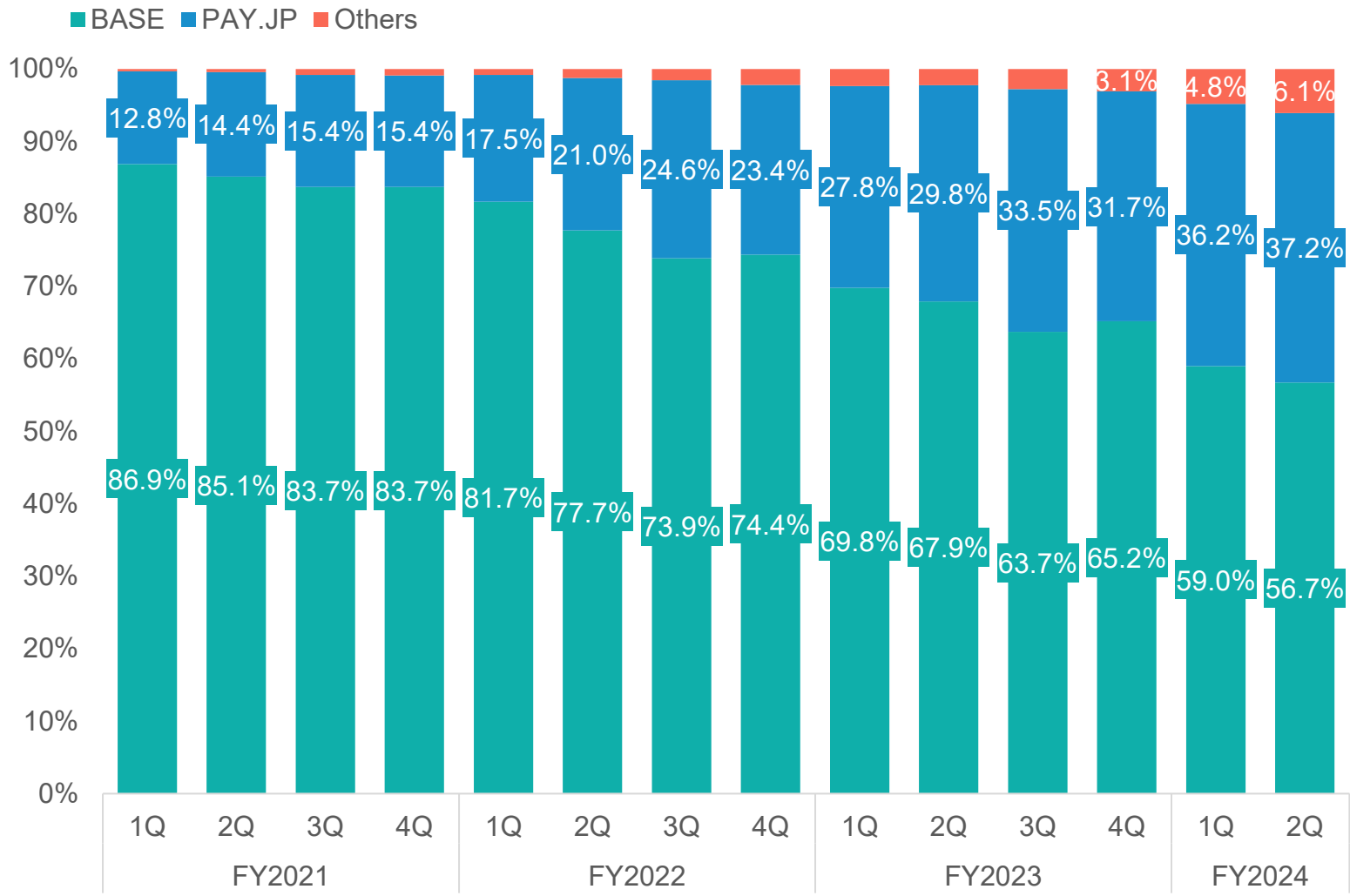


(Note) From FY2024 onwards, due to the shift from a collection agency to a crediting format, PAY.JP business net sales and cost of sales will become tax-exempt and will be recognized at a level approximately 10% higher than before FY2023

Consolidated

Trends in Net Sales Ratio by Business

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

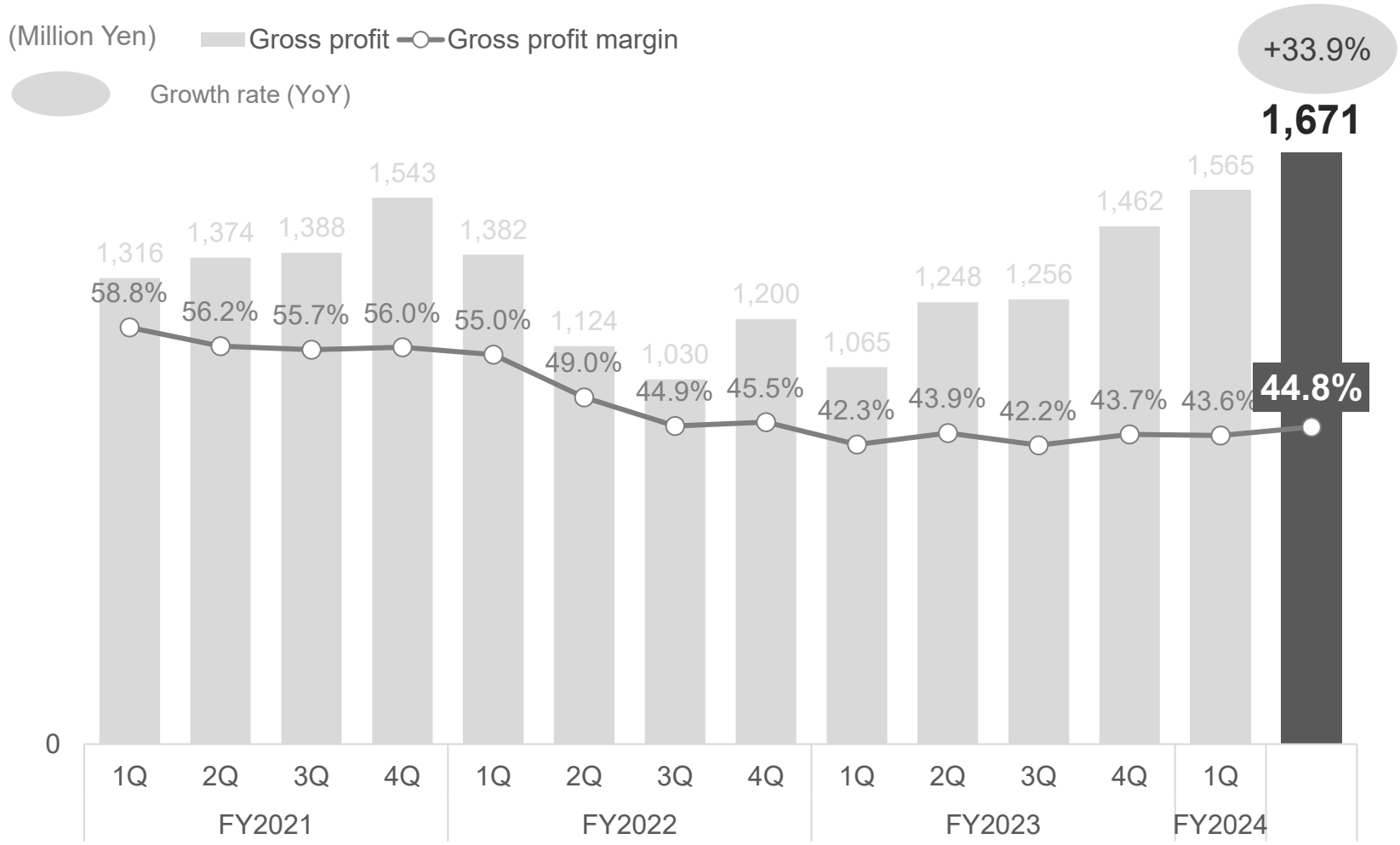


Consolidated

Trends in Gross Profit

Consolidated gross profit increased significantly by +33.9% YoY due to the increase in Group GMV and the growth in Other Business

Consolidated gross profit margin increased QoQ due to **an improvement in gross profit margins of all businesses**



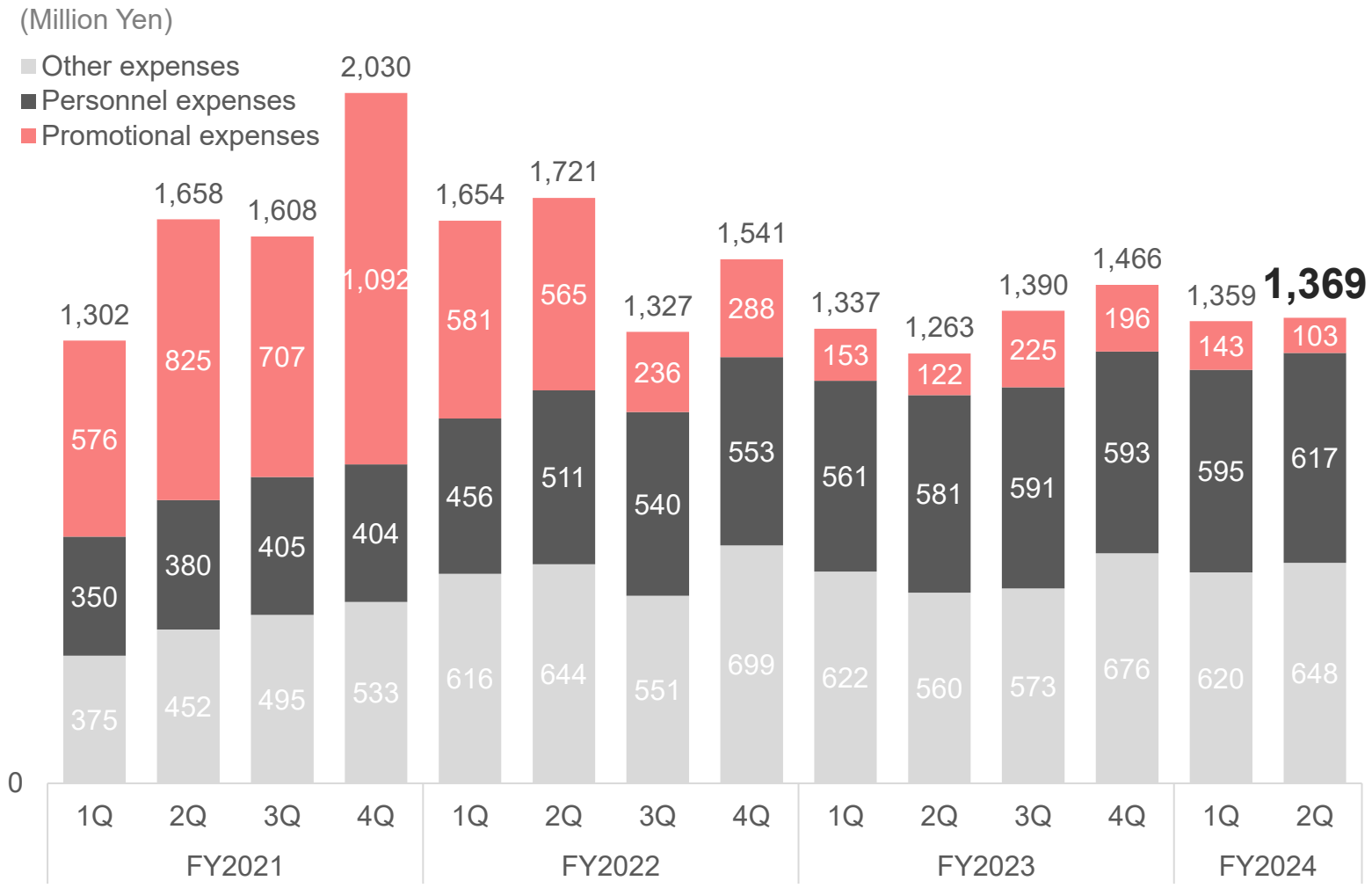
Consolidated

Trends in SG&A Expenses

BASE

SG&A expenses increased QoQ due to an increase mainly in personnel expenses

Promotional expenses decreased QoQ mainly due to reduced sales support

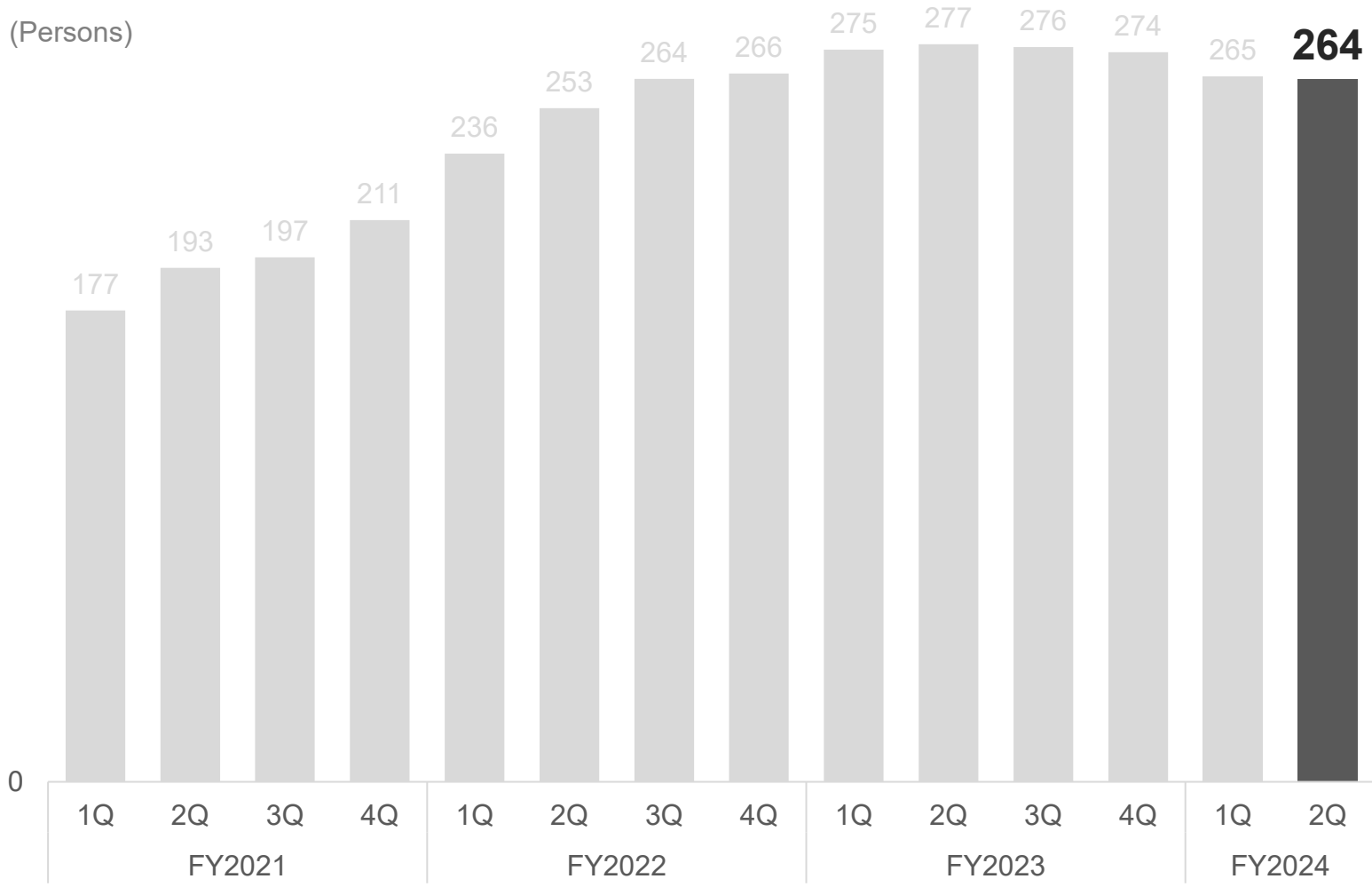


(Note) Other expenses consist mainly of remuneration and outsourcing expenses, system expenses, office expenses, tax expenses, and hiring expenses

Consolidated

Trends in Number of Employees

Headcount **decreased by 13 persons** YoY (**-4.7%** YoY)



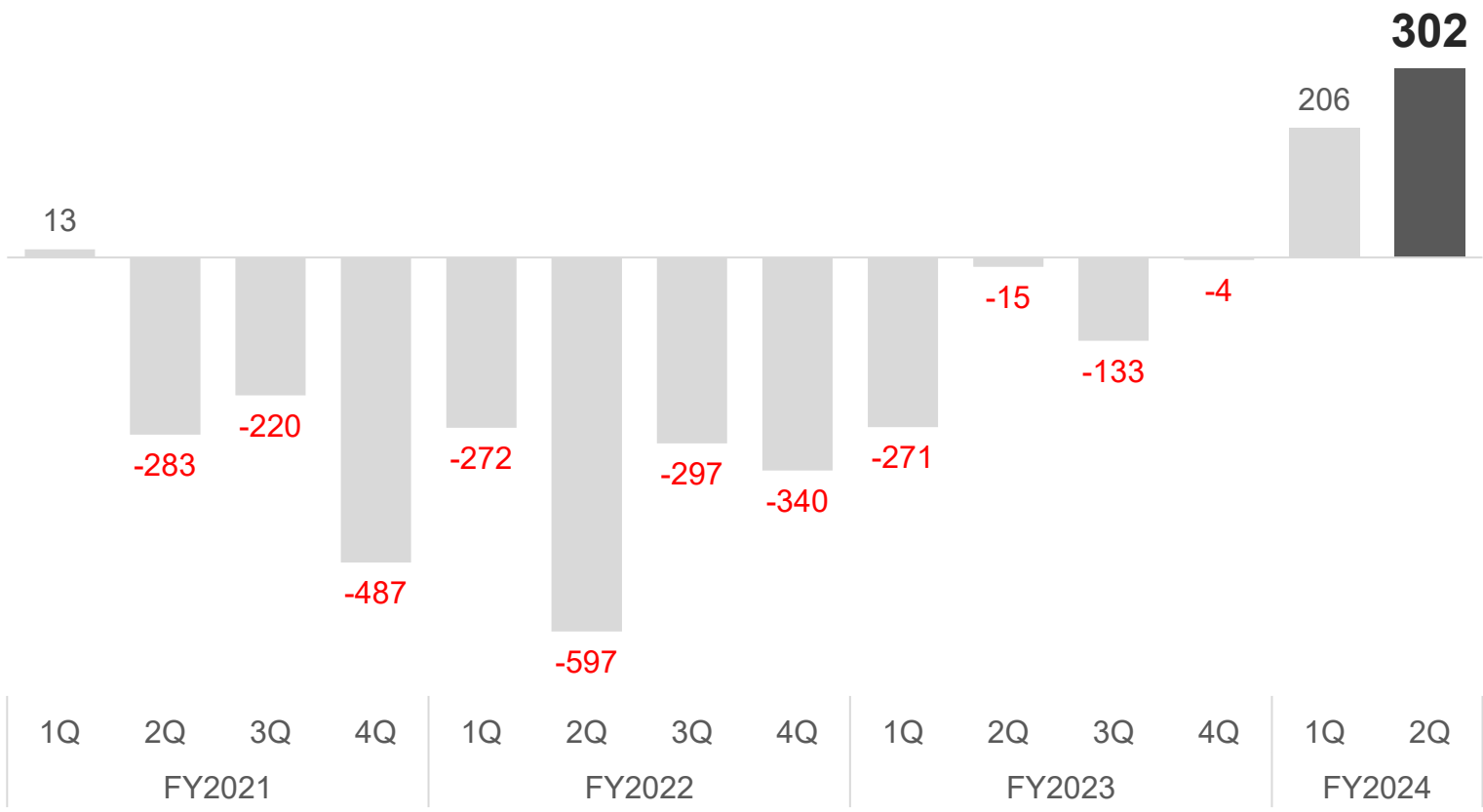
(Note) The number of employees is the number of regular employees and contract employees and does not include the number of Directors and temporary employees. However, the number of employees includes the number of persons seconded to subsidiaries as Directors

Consolidated

Trends in Operating Profit/Loss

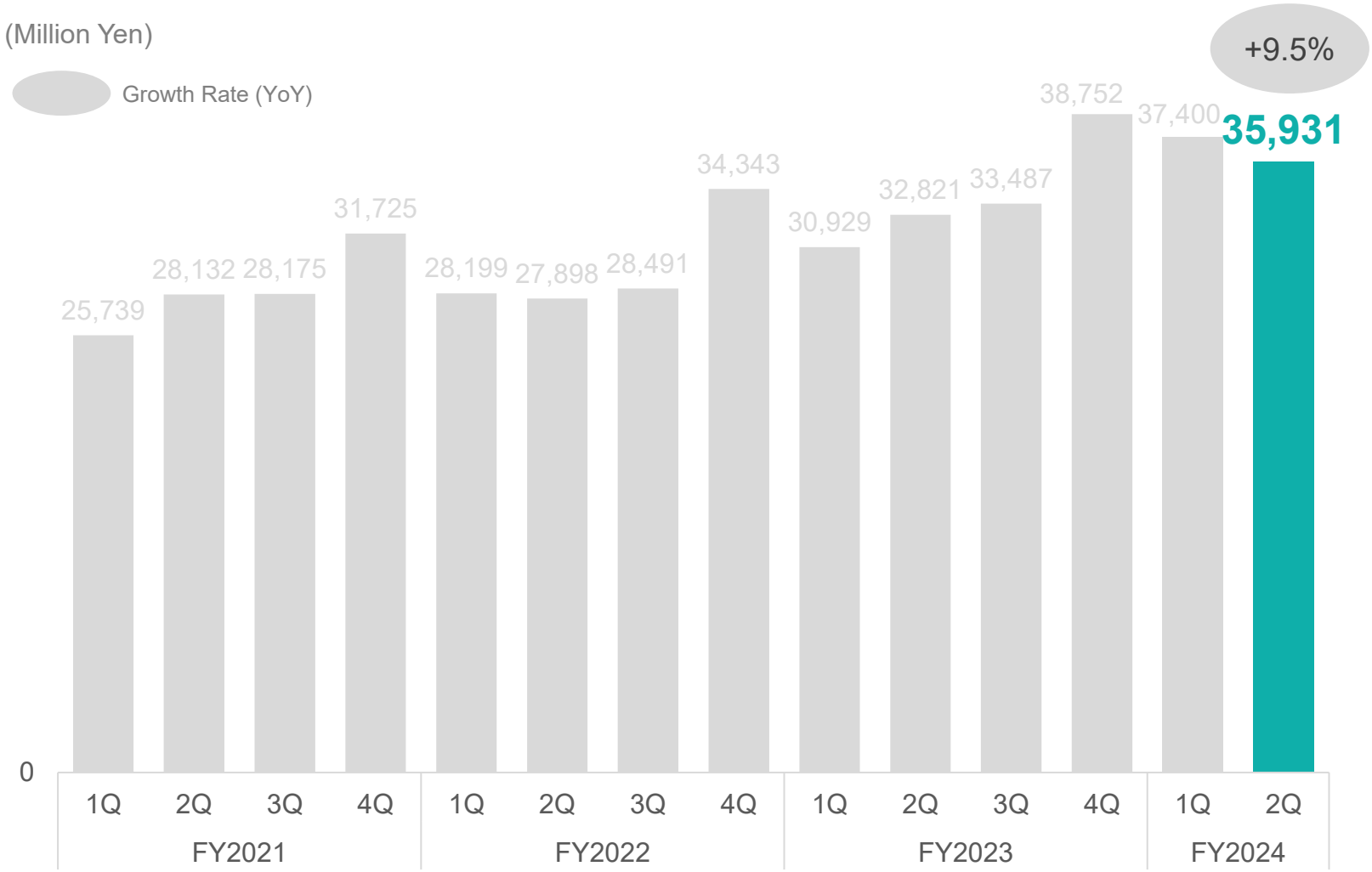
Operating profit maintained positive, because consolidated gross profit increased, as well as SG&A expenses were controlled more than expected

(Million Yen)



Trends in GMV

GMV increased YoY, though decreased QoQ due to GMV contract of some shops which increased temporarily in Q1, and trends as almost expected

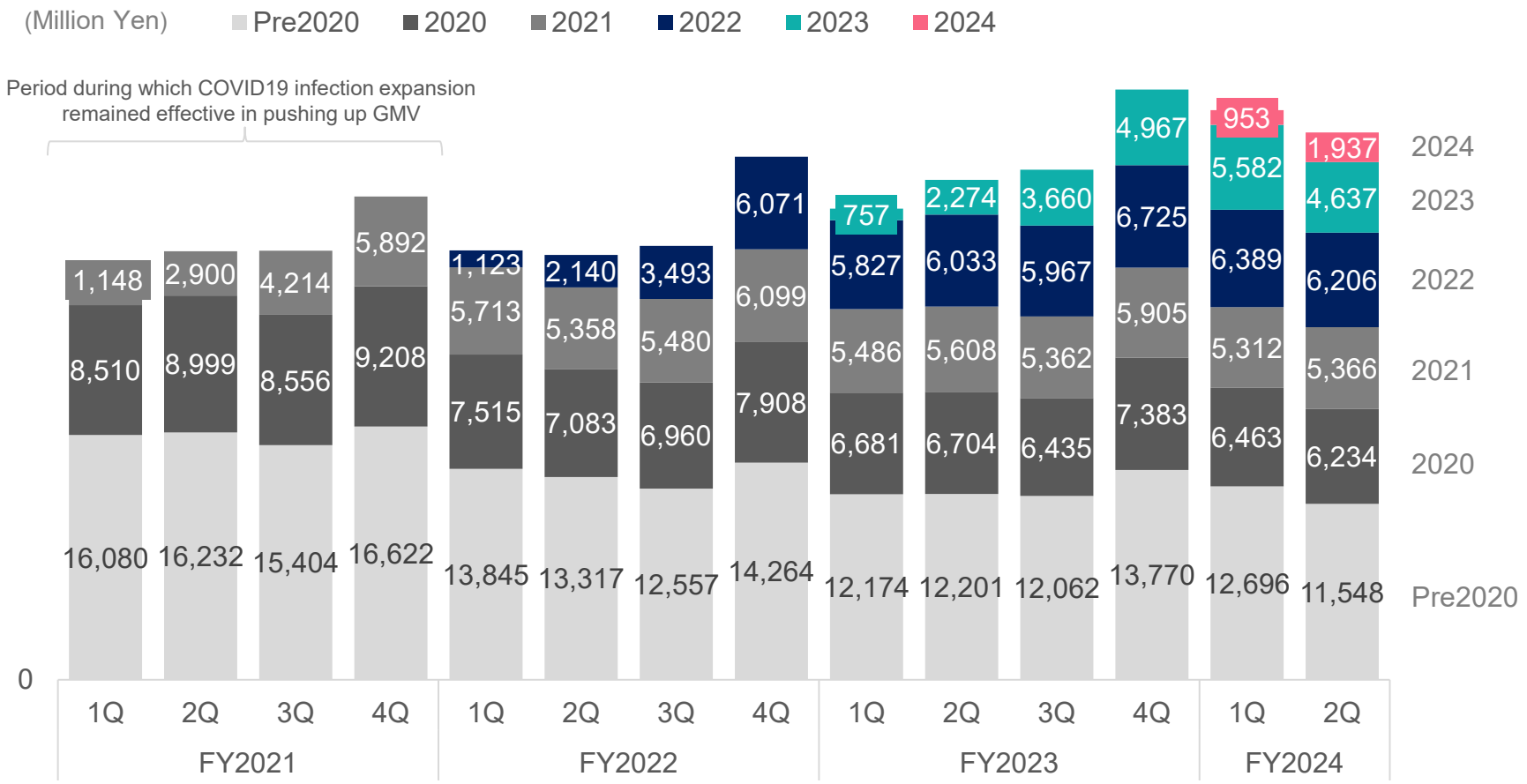


Trends in GMV

The number of new shops opened remained as pre-COVID-19 level, trends in the cohort of 2024 as almost expected

Existing shops opened before 2024 continued to use “BASE”, though GMV of some large sales shops contracted due to specific reasons such as seasonality

GMV Trend (By Year of Establishment)

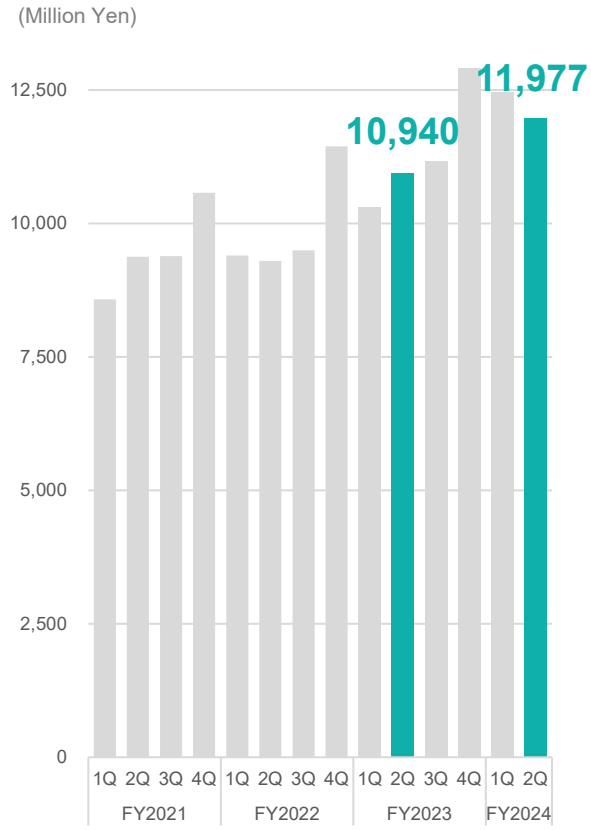


Trends in GMV

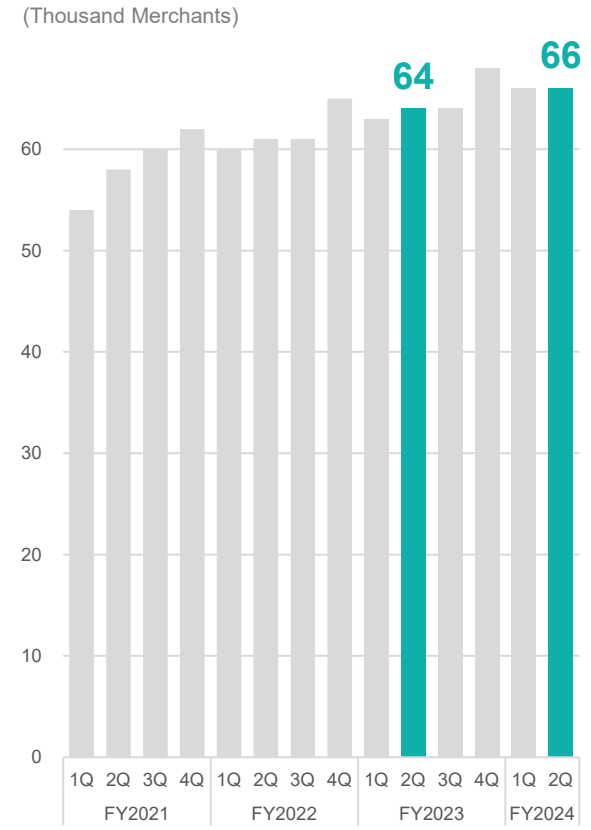
The number of monthly active merchants was slightly below expectations, because the number of new shops opened remained as pre-COVID-19 level

The average monthly GMV per merchant increased YoY, though it decreased QoQ because GMV of some large sales shops contracted due to specific reasons such as seasonality

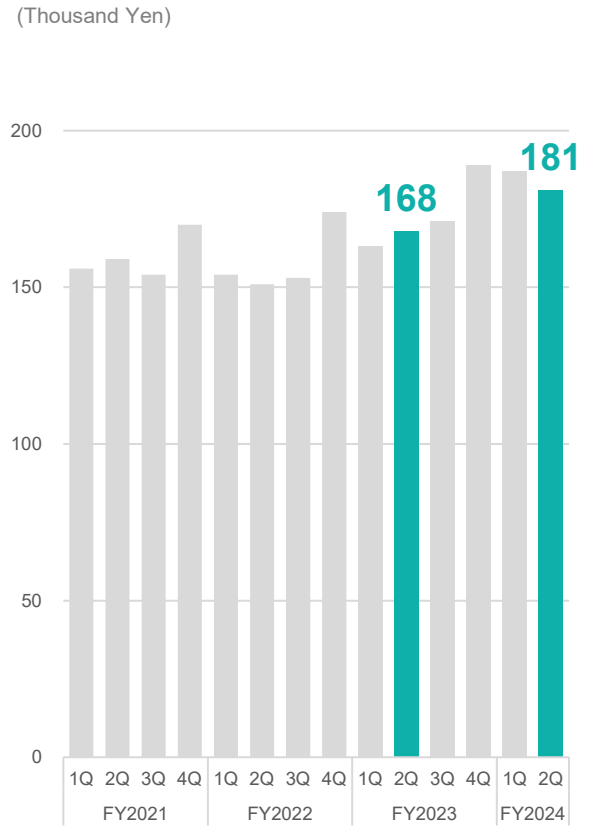
Monthly GMV (Note1,2)



Number of Monthly Active Merchants (Note2)



Average Monthly GMV Per Merchant

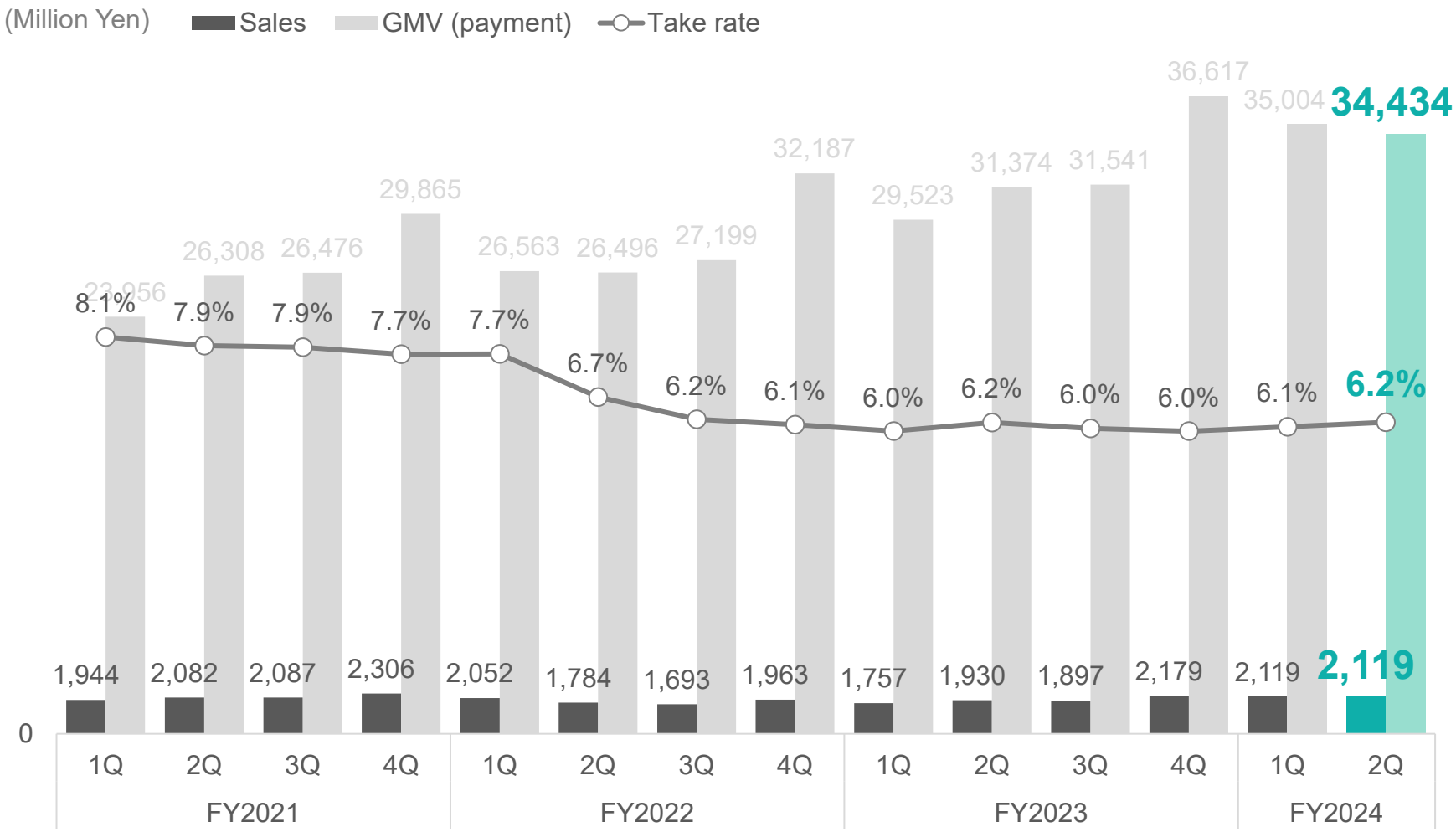


(Note1) GMV is based on the order date (order amount)
(Note2) Monthly GMV and the number of monthly active merchants are quarterly averages

Trends in GMV (Payment Amount), Take Rate and Net Sales

BASE

Take rate increased QoQ due to the shift from Monthly-Fee Plan to No Monthly Cost Plan resulting in the GMV mix of No Monthly Cost Plan increasing, caused by the price hike

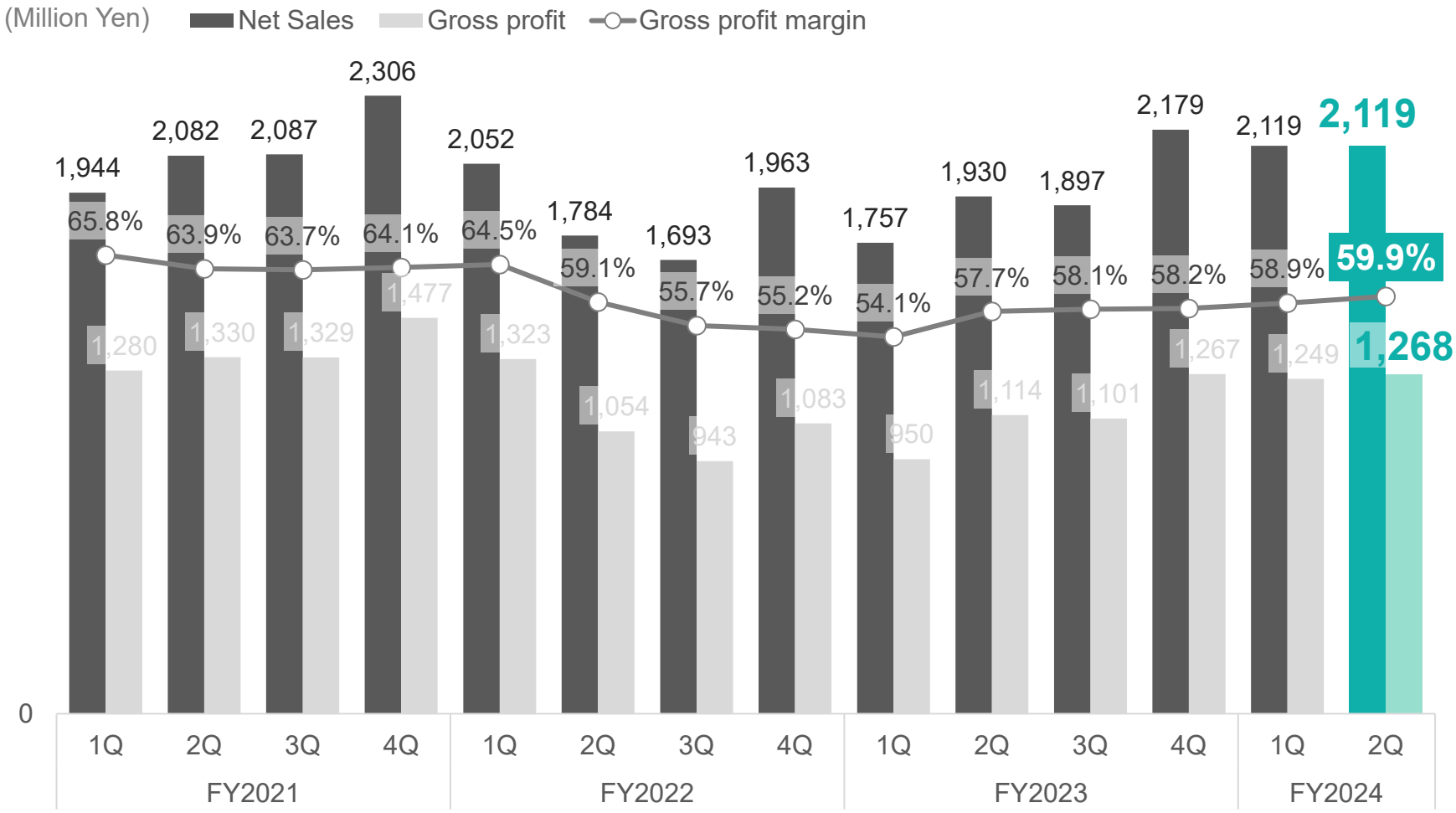


(Note) Take rate excluding one-time factors of FY2023 Q2 was 5.9%

Trends in Net Sales and Gross Profit

Net sales and gross profit, which had been boosted temporarily in FY2023 Q2(Note), increased YoY due to increased GMV

Gross profit margin increased QoQ due to an increase in take rate



(Note) In Q2 FY12/2023, net sales from "BASE" stores not drawn by the deadline were recorded as net sales of the BASE business in a lump sum.Excluding one-time factors (approx. 70 million yen), net sales were 1,860 million yen and the take rate was 5.9%. Gross profit was 1,044 million yen and gross profit margin was 56.1

Business Topics

Strengthened offering functions to contribute to shops' sales growth more directly

Provided functions that contribute to the expansion of overseas sales channels by linking with cross-border EC services and diversification of customer attraction routes

Expansion of Overseas Sales Channels

Following the release of the "Overseas Sales Agent App" in Jan 2024, the "China Sales Agent App", specializing in sales to China, is now available, strengthening the cross-border EC function

Goods can be displayed in shopping malls within WeChat



"BASE" Unique Support to Attract Customers

Launch of the "Sales Partner App" for matching shops that excel in goods production with shops that excel in sales promotion

"BASE", with its overwhelmingly large number of shops, provides unique support for attracting customers



Support for Attracting Customers by Linking with External Services

Partnership with 'YouTube Shopping' enables access to the goods purchase page directly from watching videos

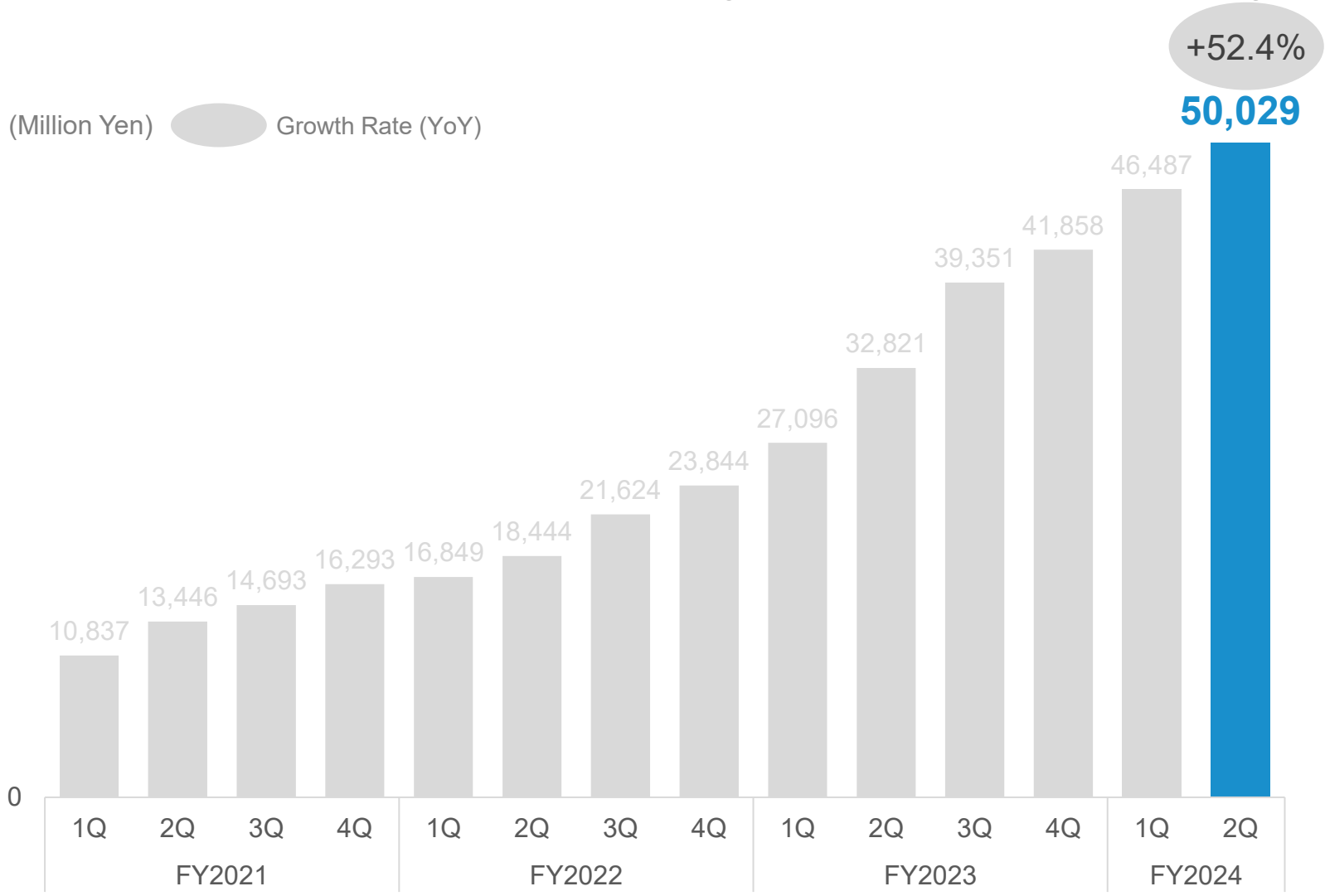
Supporting the expansion of the shop's channels to attract customers by linking with external platforms

YouTube

Trends in GMV

GMV continued to increase significantly at +52.4% YoY, beyond expectations

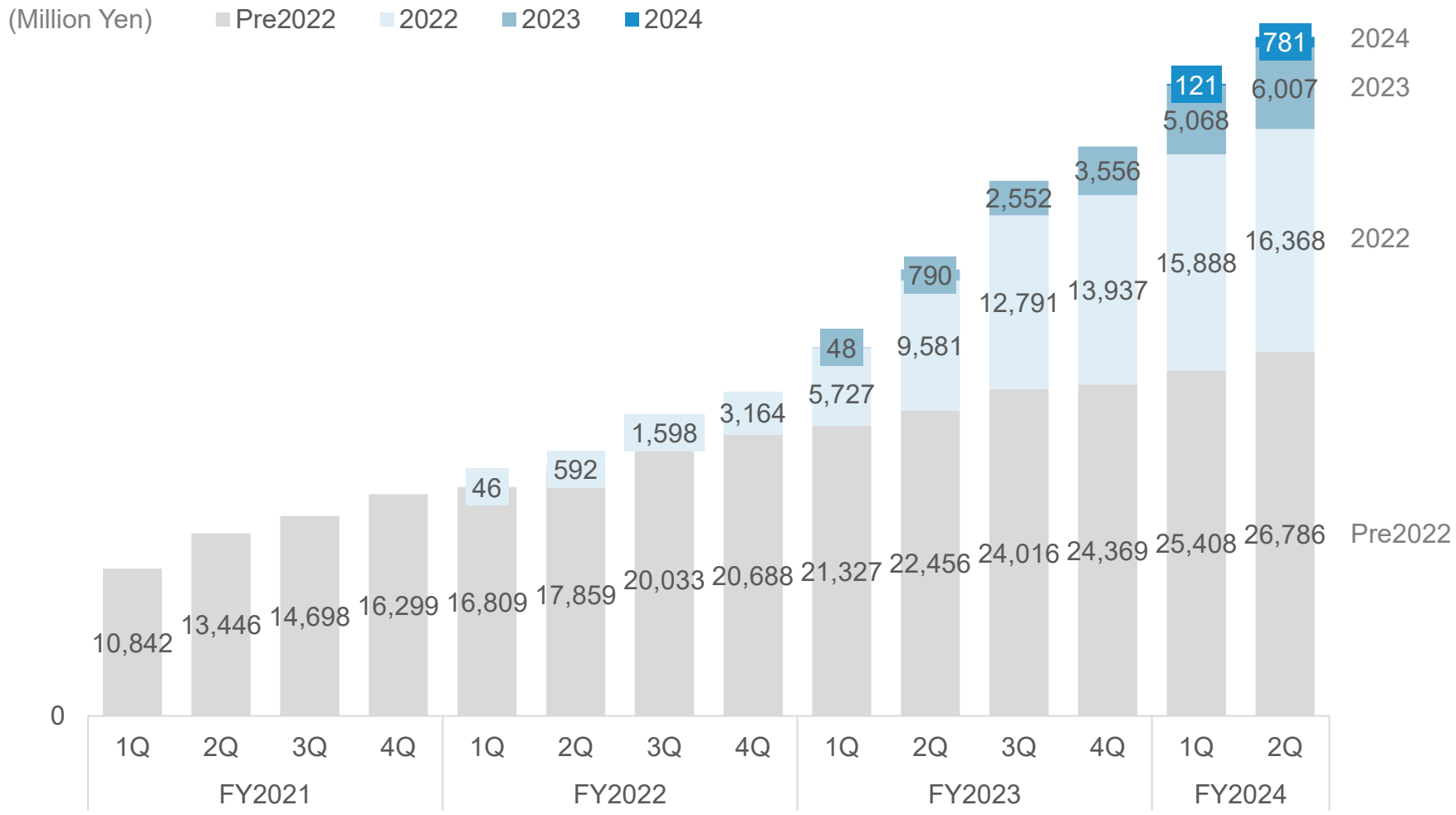
High growth realized because middle-sized merchants grew without reliance on some large merchants



Trends in GMV

PAY.JP

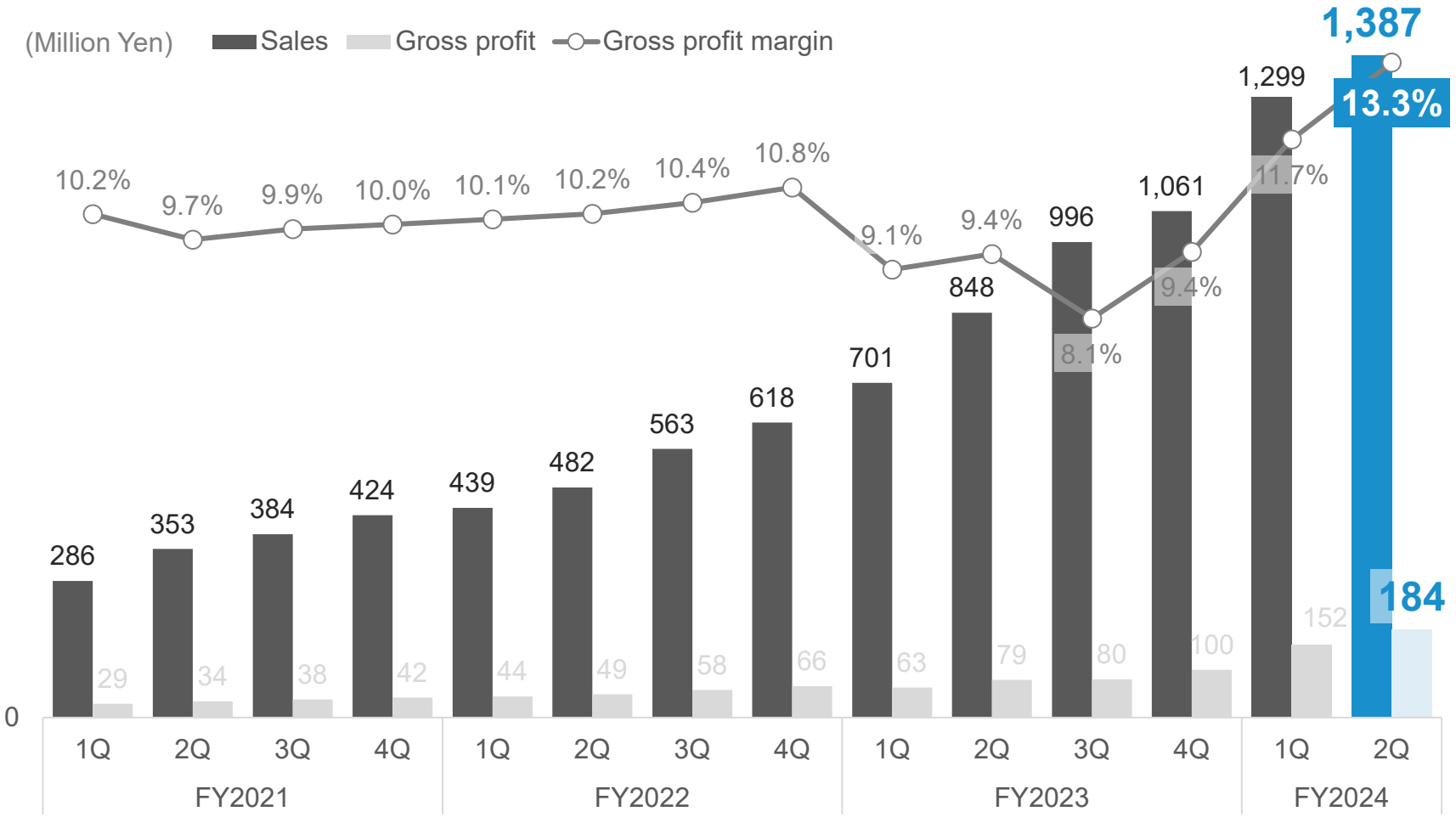
New and existing merchants grew significantly



Trends in Net Sales and Gross Profit

Net sales and gross profit increased significantly by +63.6% and +131.2% respectively YoY due to an increase in GMV (note)

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

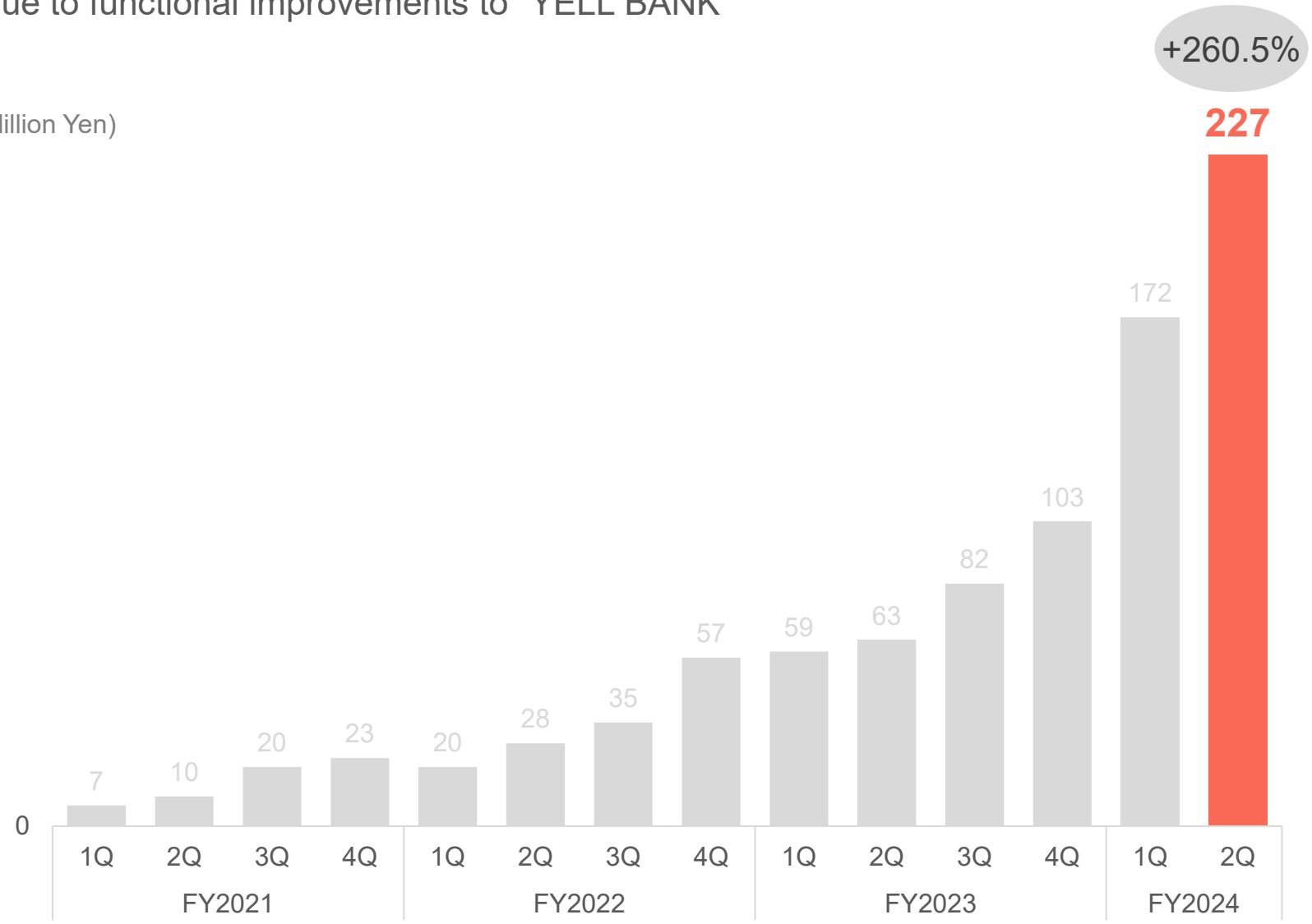


(Note) From FY2024 onwards, due to the shift from a collection agency to a crediting format, PAY.JP business net sales and cost of sales will become tax-exempt and will be recognized at a level approximately 10% higher than before FY2023

Others

Trends in Net Sales

Net sales continued increased significantly +260.5% YoY beyond expectations,
mainly due to functional improvements to "YELL BANK“



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

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

Consolidated

FY2024 Full-Year Earnings Forecast

BASE

Revised earnings forecast upward due to better-than-expected performance of PAY.JP business and other business, as well as the acquisition of want.jp

SG&A expenses are expected to increase from the previous forecast mainly due to increased promotion expenses for "BASE" and "Pay ID" and the acquisition

Due to the upswing in gross profit, EBITDA and operating income are expected to be 227 million yen and 200 million yen positive, respectively

(Million yen)	FY2024				FY2023	
	H1	Full-Year Forecast (Revised)	Full-Year Forecast (Start of term)	Progress (Revised) (Note 1)	Full-Year Results	YoY
Net Sales (Note1)	7,325	15,500	14,700	*47.3%*	11,680	*+32.7%*
Gross Profit	3,237	6,900	6,450	*46.9%*	5,033	*+37.1%*
SG&A	2,729	6,700	6,450	*40.7%*	5,458	*+22.7%*
EBITDA (Note2)	510	227	-	*224.8%*	-422	-
Operating Profit	508	200	0	*254.3%*	-425	-
Ordinary Profit	515	201	3	*256.3%*	-409	-
Net Income Attributable to Owners of Parent	451	198	7	*228.0%*	-606	-
GMV (BASE Business) (Note2)	73,331	151,000	154,000	*48.6%*	135,991	*+11.0%*
GMV (PAY.JP Business) (Note 2)	96,516	202,000	187,000	*47.8%*	141,127	*+43.1%*

(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) EBITDA is calculated by adding depreciation and amortization to operating income.
(Note 3) 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)

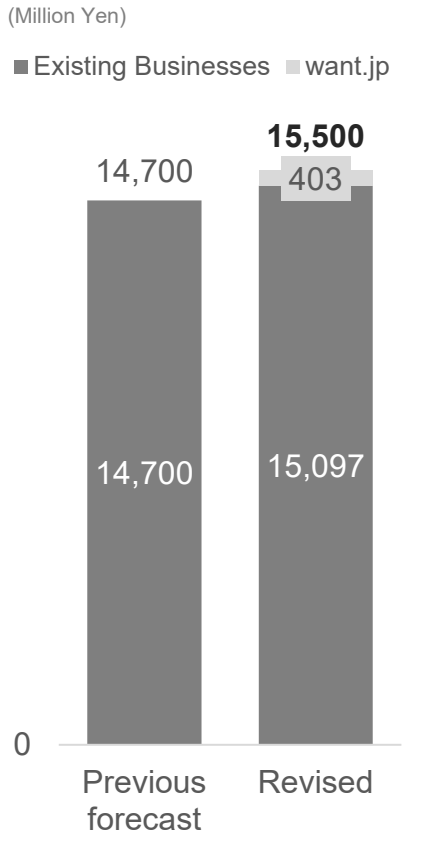
Consolidated

FY2024 Full-Year Earnings Forecast

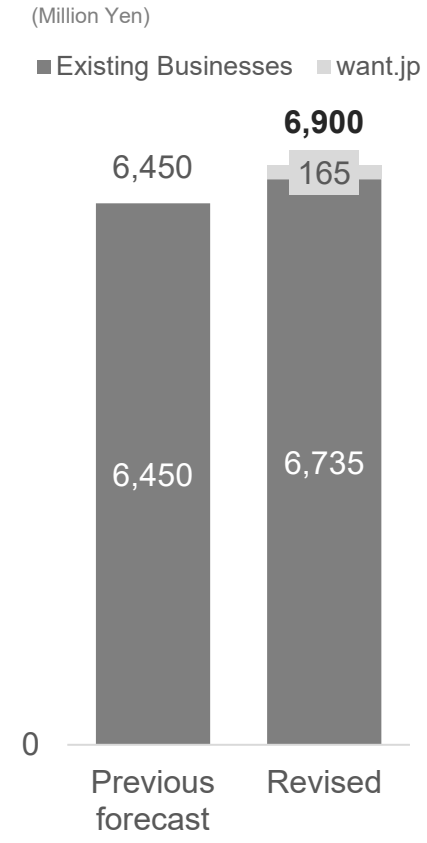
Net sales and gross profit are expected to increase 29.3% YoY and 33.8% YoY excluding the impact of the acquisition (previous forecasts were +25.9% YoY and +28.1% YoY), **exceeding the previous forecasts even excluding the impact of the acquisition**

want.jp is expected to turn profitable from FY2024, and to contribute to profits

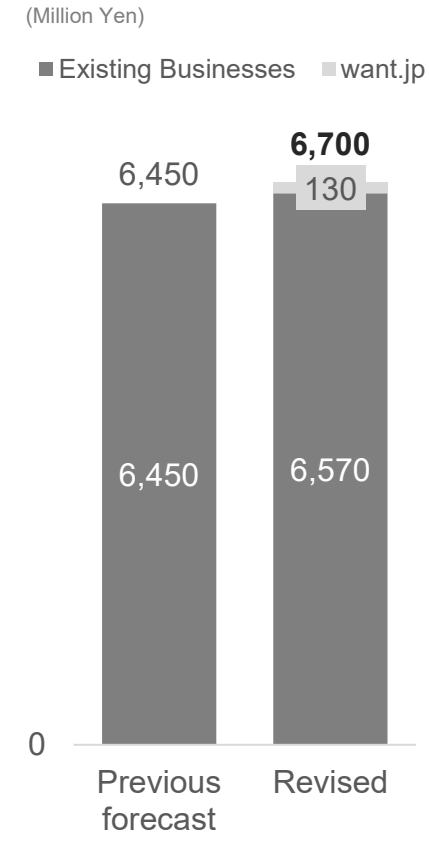
Net Sales



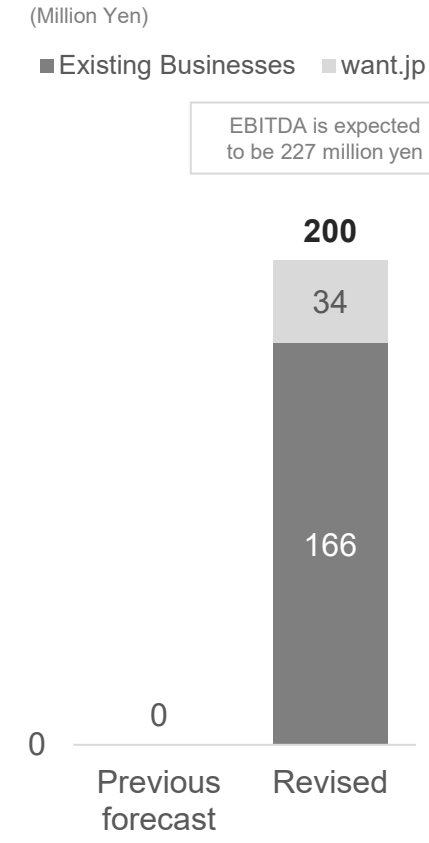
Gross Profit



SG&A



Operating Profit



(Note) Consolidated inclusion of want.jp in FY2024 is only for the three months from October to December.

5. Reference Materials

Sustainability

Started phased disclosure of Scope 3, and carbon offsetting through the purchase of credits
Continue to actively promote sustainability initiatives

GHG Emissions and Carbon Offsets in the Group

GHG Emissions Calculations

- ✓ Start of phased disclosure of Scope 3 from this financial year
- ✓ Continuing to consider the scope of possible calculations based on the characteristics of our businesses

Carbon Offsets

- ✓ For Scope 1+2, all electricity used in the head office has been switched to electricity derived from renewable energy sources
- ✓ Carbon offsets are also achieved through the purchase of credits derived from renewable energy sources for the electricity used in the BASE pop-up stores in commercial spaces in Tokyo and for the disclosed Scope 3 GHG emissions

Scope 1 (Direct emissions from fuel burned, etc.)	0 (t-CO2)
Scope 2 (Indirect emissions caused by using purchased electricity, etc.)	85 (t-CO2)
Scope 3 (Other indirect emissions related to business)	164 (t-CO2)
Category 6 Business trip	22 (t-CO2)
Category 7 Employees' commute	32 (t-CO2)
Category 9 Transportation and delivery (downstream)	110 (t-CO2)

(Note 1) Emissions from the Group for FY2023
(Note 2) Calculated on a market basis.

Trends in Average Monthly GMV Per Merchant

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)

Lowest price

	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 (Note2)
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

PAY.JP Business

Renewal of fee plans

PAY.JP

To align with the diversification of merchants' industries and sales sizes, **fee plans were 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

	Basic	Pro
Payment Fee VISA / Mastercard	3.0%	2.59%
Payment Fee Others (Note)	3.6%	3.3%
Monthly Fee	¥ 0	¥ 10,000

▼After Change

	Standard	Business	Enterprise
Payment Fee VISA / Mastercard	3.3%	2.78%	2.59%
Payment Fee Others (Note)	3.3%	2.78%	2.7%
Monthly Fee	¥ 0	¥ 20,000	¥ 50,000

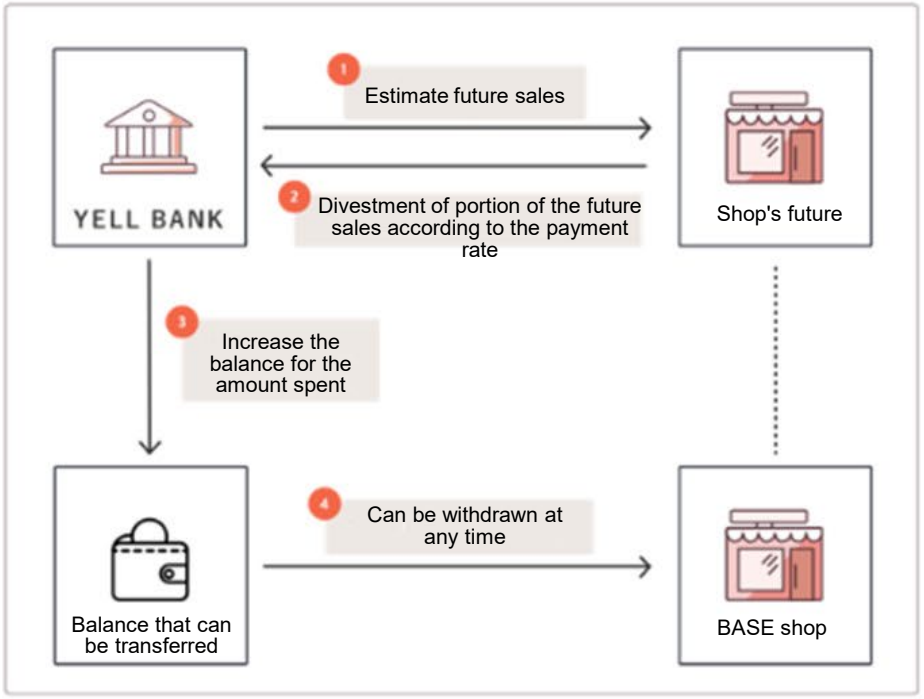
(Note) JCB, AMERICAN EXPRESS, Diners Club, and Discover

Others

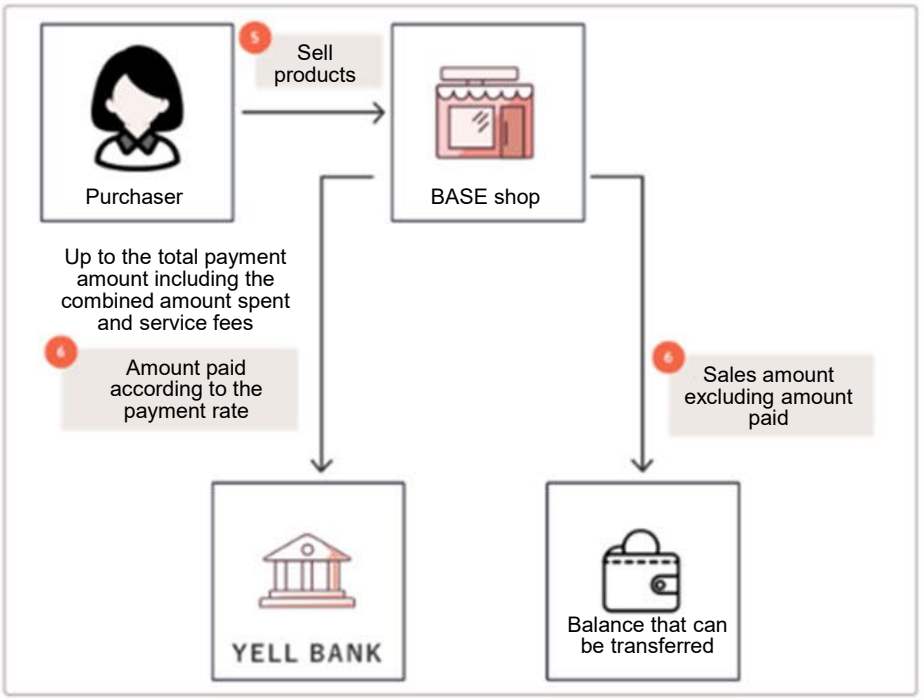
“YELL BANK”

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

Process for obtaining financing



Payment process



Others

Usage Procedure of “YELL BANK”

Merchants can raise funds instantly with easy process

Step 1

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



Step 2

Selecting the funding amount



Step 3

Select the percentage paid to BASE from future sales



Step 4

The funding amount added to the merchant’s balance



Consolidated

Profit and Loss Statement (By Segment)

BASE

(Million Yen)		FY2022				FY2023				FY2024	
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Net Sales	BASE	2,052	1,784	1,693	1,963	1,757	1,930	1,897	2,179	2,119	2,119
	PAY.JP	439	482	563	618	701	848	996	1,061	1,299	1,387
	Other	20	28	35	57	59	63	82	103	172	227
Gross Profit	BASE	1,323	1,054	943	1,083	950	1,114	1,101	1,267	1,249	1,268
	PAY.JP	44	49	58	66	63	79	80	100	152	184
	Other	14	20	27	50	51	54	74	94	163	218
Segment Profit	BASE	-178	-481	-234	-256	-175	66	-73	120	174	245
	PAY.JP	-4	-3	-4	-33	-9	3	5	-84	51	67
	Other	-13	-15	-8	6	-14	-23	-7	20	61	95
	Corporate Expenses	-76	-96	-49	-57	-72	-61	-58	-61	-81	-106
Operating Profit	Entire Company	-272	-597	-297	-340	-271	-15	-133	-4	206	302

KPI Trends in the BASE Business

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
	June	35,931	11,977	66,152	181,055	34,434

(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)

KPI Trends in the PAY.JP Business

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
	June	50,029

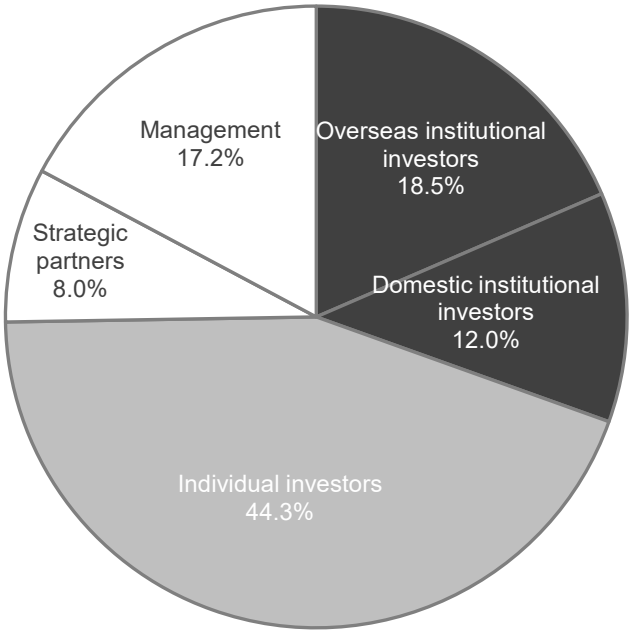
(Note) GMV is based on the payment date (payment amount)

Shareholder Structure

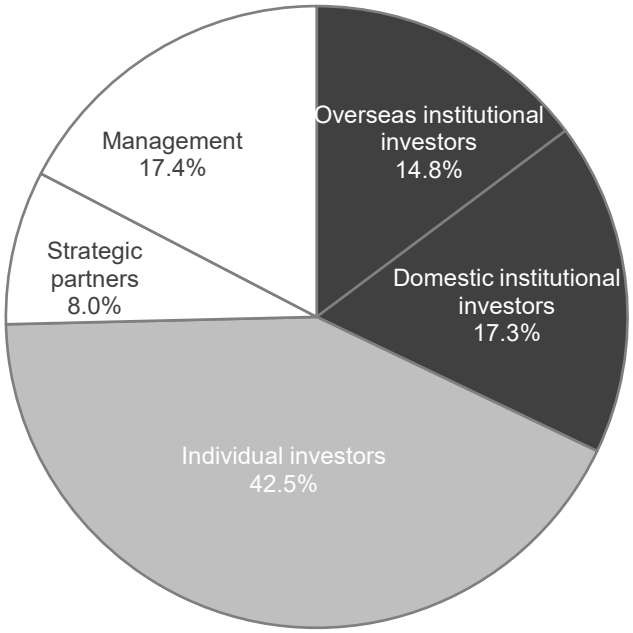
BASE

Continuing IR activities targeting a wide variety of investors

December 31, 2023



June 30, 2024



Consolidated

Ratio of Dilutive Shares

(Shares)		FY2024
Stock Options	Beginning balance	2,126,000
	Granted	3,460,000
	Exercised	-46,000
	Renounced	0
	Ending balance	5,540,000
Number of issued shares (including treasury shares)		115,694,590
Ratio of dilutive shares (as a % of issued shares)		4.8%

Handling of these Materials

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