Translation

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December 26, 2024

To Whom it May Concern:

Company name: BASE, Inc.
Representative: Representative Director and CEO Yuta Tsuruoka
(Code number: 4477, Tokyo Stock Exchange Growth Market)
Inquiries: Director and CFO Ken Harada
TEL 03-6441-2075

Notice Regarding Acquisition of Shares (Subsidiarization) of Estore Corporation

BASE, Inc. (Location: Minato-ku, Tokyo; CEO: Yuta Tsuruoka) hereby announces that at the Board of Directors meeting held on December 26, 2024, the Company resolved to enter into an agreement (hereinafter referred to as the "Share Transfer Agreement") with JG27 Ltd. (hereinafter referred to as "JG27") to acquire all shares of Estore Corporation (hereinafter referred to as "Estore Shares") from JG27, subject to the completion of a series of transactions aimed at making Estore a wholly owned subsidiary (hereinafter referred to as the "Full Subsidiarization"), including a public tender offer for common shares of Estore by JG27 (hereinafter referred to as the "Tender Offer") and the completion of an in-kind dividend of all issued shares of Commerce21 Corporation (hereinafter referred to as "Commerce21"), a wholly owned subsidiary of Estore, to JG27 (hereinafter referred to as the "Commerce21 In-Kind Dividend"). The Share Transfer Agreement was executed today with JG27.

For details regarding the series of transactions to realize the Full Subsidiarization, including the Share Acquisition, please refer to the "Notice Regarding Planned Commencement of Tender Offer for Estore Corporation (Securities Code: 4304) by JG27 Ltd." published by Estore on this date.

1. Reason and Method of the Acquisition of Shares

(1) Reason of the Acquisition of Shares

Estore Corporation has been providing comprehensive support for e-commerce through services such as "Estore Shopserve" (Note), which embodies the essence of the internet’s peer-to-peer nature and focuses on D2C since its inception.

Our growth strategy is built on three key pillars. The first pillar is balancing GMV growth and profitability through the enhancement of existing products such as "BASE," "PAY.JP," "Pay ID," and "YELL BANK." The second pillar is accelerating growth by creating synergies among existing products. The third pillar focuses on achieving the Group's inorganic growth through M&A and strategic alliances. While continuing to prioritize the growth of existing products, we aim to expand our target customer base through proactive M&A and other initiatives for the Group's inorganic growth.

The services we offer include "BASE," which enables individuals and small teams to integrate payment solutions into their own online stores and easily operate them; "PAY.JP," which allows startups to seamlessly integrate payment solutions into their services; "YELL BANK," a funding service; "Pay ID," a shopping service for customers making purchases through "BASE"; and "want.jp," which supports cross-border e-commerce for Japanese merchants. These services excel in addressing challenges related to e-commerce, payments, and financial solutions. By leveraging these strengths, alongside the strengths of services provided by Estore, we believe we can further enhance the value Estore delivers to its "Estore Shopserve" merchants. This belief has led to the decision to acquire a portion of Estore's business portfolio through this share acquisition.

Additionally, by integrating the Estore Group (a term collectively referring to Estore and its affiliated companies, hereafter the same) into our Group, we expect to realize economies of scale that will enable cost reductions within the Estore Group and enhance its capacity to invest in service development and other areas. Furthermore, the delisting of Estore, as part of the series of transactions to realize the Full Subsidiarization and the share acquisition, is anticipated to reduce the costs and administrative burdens associated with maintaining its public listing. This will allow Estore to allocate more of its human and financial resources toward business operations.

(Note): "Estore Shopserve" refers to a service provided by Estore for building e-commerce sites.

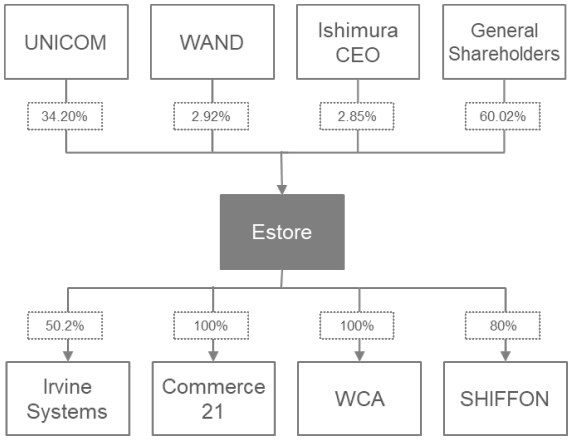
(2) Method of the Acquisition of Shares

JG27 is a corporation established on December 24, 2024, primarily for the purpose of managing and controlling the business activities of Estore Corporation and Commerce21 through its ownership of their shares. As of today, all issued shares of JG27 are owned by JG26 Corporation ("JG26"), whose issued shares are fully owned by the J-GIA No. 2 Investment Business Limited Partnership, for which the J-GIA No. 2 GP Investment Business Limited Partnership, where Japan Growth Investment Alliance Inc. ("JGIA") acts as a general partner, serves as the general partner.

JGIA manages and operates funds specializing in business succession investments, business support investments, and growth investments, targeting mid-sized and small companies in Japan with latent growth potential that currently cannot fully utilize their resources, such as talent, capital, and networks. In addition to providing growth capital and management support, JGIA collaborates with partner companies that have entered into capital and business alliances with JGIA, including Japan Tobacco Inc. and Hakuhodo Inc., to support the growth of investee companies through their unique strengths. This includes providing business support and dispatching personnel to investee companies.

The Company and JG27 have agreed to execute the Share Acquisition, subject to the completion of the

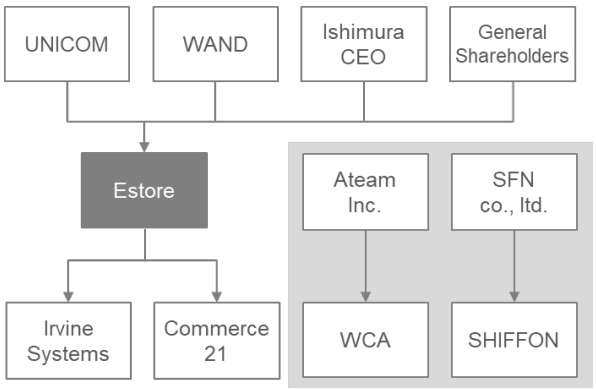
Full Subsidiarization and the Commerce21 In-Kind Dividend. The outline of the Full Subsidiarization, the Commerce21 In-Kind Dividend, and the Share Acquisition is as follows:



(Note): The percentage is calculated based on the number of shares issued as of September 30, 2024 (6,131,780 shares) as disclosed in the "Consolidated Financial Results for the Second Quarter (Six Months) of FY2025 (Japanese GAAP)" published by the Target on November 14, 2024 ("Target's Financial Results"). This figure excludes the number of treasury shares held by the Target as of September 30, 2024 (865,415 shares), as disclosed in the Target's Financial Results. The percentage is rounded to the nearest third decimal place.

① The Subsidiary Share Transfer

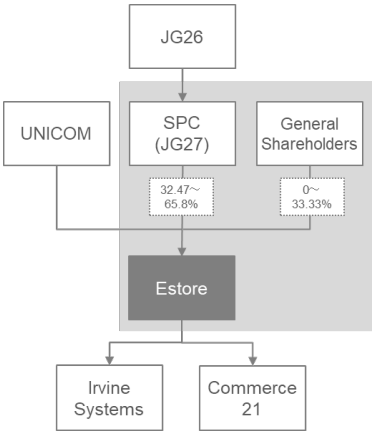
Prior to the commencement of the Tender Offer, Estore Corporation will transfer shares of its consolidated subsidiary, SHIFFON Corporation ("SHIFFON"), through a management buyout by SHIFFON Director Kenta Nishimura (hereinafter referred to as the "SHIFFON Share Transfer"). The transferee for the SHIFFON Share Transfer will be SFN Corporation, a special-purpose acquisition company wholly owned by SHIFFON Director Kenta Nishimura. Additionally, Estore Corporation will transfer all issued shares of its wholly owned subsidiary, WCA Corporation ("WCA"), to Ateam Inc. The SHIFFON Share Transfer and the transfer of WCA shares are collectively referred to as the "Subsidiary Share Transfer."



② The Tender Offer

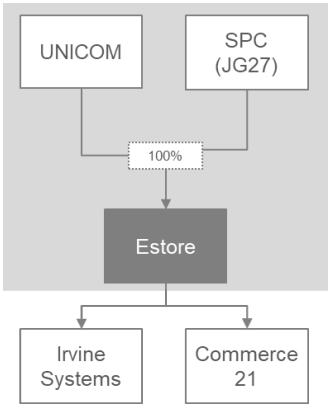
JG27 will conduct the Tender Offer for Estore Corporation's common shares, excluding treasury shares held by Estore and non-tendered shares (all common shares of Estore owned by Unicom Corporation, hereinafter

referred to as "Unicom"). To partially fund the settlement of the Tender Offer, JG26 will receive contributions from the J-GIA No. 2 Investment Business Limited Partnership and JG II (CAYMAN) prior to the settlement commencement date of the Tender Offer. Based on these contributions, JG26 will invest in JG27 and subscribe to JG27's common shares. Furthermore, the Company plans to provide an advance payment of the acquisition price for the Share Acquisition to JG27 prior to the Share Acquisition, with the intention of allocating it toward the settlement funds for the Tender Offer and related expenses.



③ The Share Consolidation

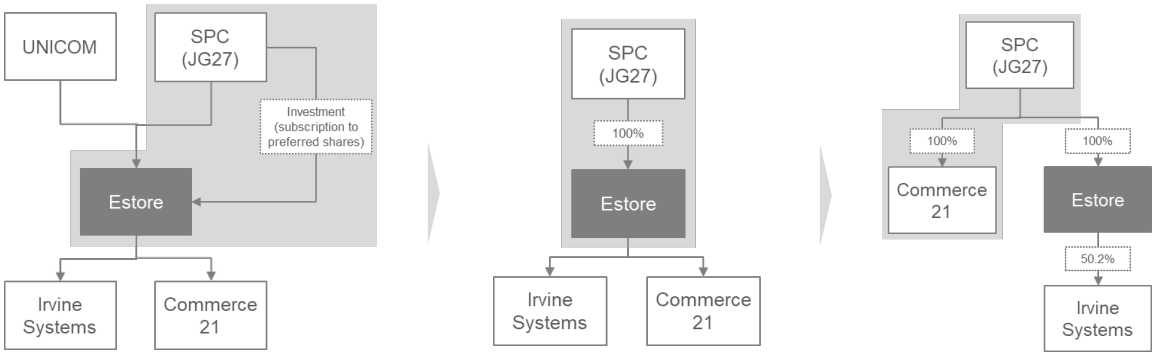
If, after the successful completion of the Tender Offer, Estore Corporation is unable to acquire all of its common shares (excluding treasury shares held by Estore and non-tendered shares), a share consolidation (hereinafter referred to as the "Share Consolidation") will be conducted to make JG27 and Unicom the sole shareholders of Estore.



④ The Acquisition of Treasury Shares and Related Transactions

Following the implementation of the Share Consolidation, JG27 will subscribe to preferred shares of Estore Corporation (hereinafter referred to as the "Preferred Shares") and provide a capital contribution to Estore. Simultaneously, Estore will reduce its existing capital and capital reserves by an amount equivalent to the said capital contribution and utilize the distributable amount secured through this reduction. Using these distributable funds, Estore will acquire the shares of Estore held by Unicom (hereinafter referred to as the "Treasury Share Acquisition"). After executing the Treasury Share Acquisition, Estore will distribute all issued shares of its

wholly owned subsidiary, Commerce21, as an in-kind dividend to JG27, which will acquire these shares.

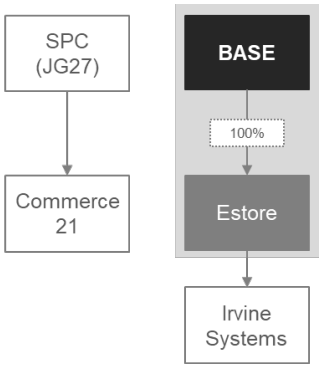


⑤ The Share Acquisition

Following the completion of the Commerce21 In-Kind Dividend, the Company will acquire all the shares, including the Preferred Shares, from JG27 (hereinafter referred to as the "Share Acquisition").

The execution of the Share Acquisition by the Company is subject to the following conditions: the Share Consolidation, scheduled to take effect after the successful completion of the Tender Offer (Note), must have been validly and effectively implemented; the Commerce21 In-Kind Dividend must have been validly and effectively completed; and all other conditions precedent stipulated in the Share Transfer Agreement must have been satisfied.

(Note): The Tender Offer is contingent upon the approval of the SHIFFON Share Transfer at an extraordinary general meeting of shareholders of Estore Corporation (hereinafter referred to as the "Extraordinary General Meeting"), the valid and effective completion of the Subsidiary Share Transfer by Estore, and the completion of the necessary clearances under Japan's Act on Prohibition of Private Monopolization and Maintenance of Fair Trade.



The Company and JG27 have agreed on the acquisition price for the Share Acquisition based on the share value of Estore, which served as the basis for calculating the tender offer price (hereinafter referred to as the "Tender Offer Price"). This calculation assumes that the Subsidiary Share Transfers will be executed and deducts the share value of the Commerce21 In-Kind Dividend from the share value of Estore.

Specifically, the Company and JGIA referenced the share value of Estore, used as the basis for calculating the Tender Offer Price, against the market price levels, including Estore's closing price of 1,196 yen on the Tokyo Stock Exchange on December 25, 2024 (the business day prior to the public announcement of the Tender Offer), the simple average closing price over the past month (1,200 yen), the past three months (1,307 yen), and the past

six months (1,339 yen).

Additionally, the Company and JGIA conducted a multifaceted and comprehensive analysis of Estore's business and financial situation. This analysis included comparisons of Estore's share value and the share value of the Commerce21 In-Kind Dividend with the market prices and financial indicators of multiple publicly listed companies that are relatively similar in terms of business content, scale, and profitability.

It should be noted that the Tender Offer Price was determined through comprehensive consideration of the above factors, along with discussions and negotiations with Estore, without obtaining a share valuation report from a third-party valuation firm. The Tender Offer Price of 1,953 yen represents a premium of 63.29% over Estore's closing price of 1,196 yen on December 25, 2024 (the business day prior to the public announcement of the Tender Offer), 62.75% over the simple average closing price of 1,200 yen over the past month, 49.43% over the simple average closing price of 1,307 yen over the past three months, and 45.86% over the simple average closing price of 1,339 yen over the past six months.

2. Overview of the subsidiary to be acquired

(1)	Name	Estore Corporation		
(2)	Location	9-7-1, Akasaka, Minato-ku, Tokyo		
(3)	Title and name of representative	Representative Director Yoichi Yanagida		
(4)	Business	Information and Communications Industry		
(5)	Capital stock	1,023 million yen (As of 30 September, 2024)		
(6)	Date of Establishment	17 February, 1999		
(7)	Major Shareholders and Shareholding Ratio	UNICOM CORPORATION		34.19%
		Yoshidatomohiro		3.49%
		WAND CORPORATION		2.92%
		Kenichi Ishimura		2.84%
		SBI SECURITIES Co., Ltd.		1.35%
		Tomohiro Suzuki		1.25%
		Yoichi Yanagida		1.09%
		Shuichi Hino		1.00%
		Shigeru Yamazawa		0.87%
		Tetsuo Kato		0.80%
(8)	Listed company and the company concerned The relationship between	capital relations	Not applicable.	
		personal relations	Not applicable.	
		business relations	Not applicable.	
		Related parties	Not applicable.	
(9)	Consolidated operating results and consolidated financial position of the company for the past three years			
Accounting period		Fiscal year ending	Fiscal year ending	Fiscal year ending

	December 31, 2021	December 31, 2022	December 31, 2023
Consolidated net assets	2,789 million yen	3,444 million yen	3,665 million yen
Consolidated total assets	8,211 million yen	12,036 million yen	12,841 million yen
Consolidated net assets per share	532.68 yen	554.07 yen	610.63 yen
Consolidated net sales	5,746 million yen	9,449 million yen	12,566 million yen
Consolidated operating income	1,051 million yen	882 million yen	1,086 million yen
Consolidated ordinary income	1,078 million yen	734 million yen	1,317 million yen
Attributable to: Shareholders of the parent company Net income	677 million yen	304 million yen	462 million yen
Consolidated net income per share	134.68 yen	60.55 yen	90.36 yen
Dividend per share	40.00 yen	50.00 yen	53.00 yen

(Note 1) The 'Major Shareholders and Shareholding Ratio (as of 30th September 2024)' is based on the 'Status of Major Shareholders' in the 'Semi-annual Report for the Fiscal Year Ending March 2025' submitted by Estore on 14th November 2024.
(Note 2) Estore acquired SHIFFON shares and made them subject to consolidation in the fiscal year ending March 2023, but because the deemed acquisition date was 30 September 2022, the profits and losses from 1 October 2022 onwards are included in the consolidated financial statements.
(Note 3) Estore has completed the provisional accounting treatment for the business combination in the fiscal year ending March 2024, and the main management indicators for the fiscal year ending March 2023 are based on the amounts after reflecting the significant revision of the initial allocation of the acquisition cost due to the completion of the provisional accounting treatment.

<Reference information>
As stated in '1. Reason and Method of the Acquisition of Shares' and '(2) Method of the Acquisition' above, prior to the acquisition of Estore shares by our company, Estore transferred the shares of SHIFFON, which is a consolidated subsidiary of Estore (80.00% of voting rights held), and all of the issued shares of WCA, which is a Estore Store's wholly owned subsidiary. And Commerce 21 is transferred to JG27 through a dividend in kind. Therefore, the shares of these three companies are not expected to be included in the direct or indirect acquisition through this share acquisition. The sales and net income for the past three years for these three companies are as follows.

SHIFFON

Accounting period	Fiscal year ending December 31, 2021	Fiscal year ending December 31, 2022	Fiscal year ending December 31, 2023
Net sales	4,701 million yen	6,052 million yen	6,644 million yen
Net income	348 million yen	167 million yen	428 million yen

WCA

Accounting period	Fiscal year ending December 31, 2021	Fiscal year ending December 31, 2022	Fiscal year ending December 31, 2023
Net sales	628 million yen	521 million yen	327 million yen

Net income	101 million yen	31 million yen	-26 million yen

Commerce 21

Accounting period	Fiscal year ending December 31, 2021	Fiscal year ending December 31, 2022	Fiscal year ending December 31, 2023
Net sales	2,330 million yen	2,385 million yen	2,891 million yen
Net income	371 million yen	320 million yen	391 million yen

3. Outline of the counterparty of the share acquisition

(1)	Name	JG27	
(2)	Location	1-3-1, Toranomon, Minato-ku, Tokyo	
(3)	Job title and name of representative	Representative Director Tomofumi Kaji	
(4)	Description of business	Acquiring and holding shares in Estore and Commerce 21, and controlling and managing the business activities of Estore and Commerce21.	
(5)	Share capital	10,000 yen	
(6)	Date of establishment	24 December, 2024	
(7)	Major shareholders and ownership ratios	JG26	
(8)	Relationship between the Company and said company	Capital relationship	Not applicable
		Personal relationship	Not applicable
		Business relationship	Not applicable
		Related party relationship	Not applicable

4. Number of shares to be acquired, status of shares held before and after the acquisition, and acquisition price

(1)	Number of shares held before the change	0 shares (Number of voting rights: 0) (Percentage of voting rights held: 0.0%)	
(2)	Number of shares acquired	The number of all of Estore's outstanding common and preferred shares after the conversion to a wholly owned subsidiary and the distribution of Commerce 21 shares (Note 1)	
(3)	Acquisition cost	Common and preferred stock of Estore Advisory fees, etc. (approximate amount) Total (approximate amount)	3,326 million yen 150 million yen 3,476 million yen
(4)	Number of shares held after the change	After the conversion to a wholly owned subsidiary and the distribution of Commerce 21 shares, the number of all of Estore's issued common and preferred shares (excluding treasury stock) which will be equivalent to 100.0% of the voting rights (Note 1).	

(Note 1) The specific number of shares acquired will vary depending on the outcome of the Tender Offer and the Share Consolidation Procedures, but the Company will acquire all of the shares (excluding treasury shares) from JG27, including the Target Company's preferred shares.

5. Schedule

(1)	Date of resolution by the Board of Directors	26 December 2024
(2)	Date of conclusion of the share transfer agreement	26 December 2024
(3)	Transfer of WCA shares	26 December 2024
(4)	Date of the extraordinary general meeting of shareholders	28 February 2025 (tentative)
(5)	Transfer of SHIFFON shares	1 March 2025 (tentative)
(6)	Tender offer period for the tender offer	From 4 March to 1 April 2025 (tentative)
(7)	Date of advance payment of the acquisition price	4 April 2025 (tentative)
(8)	Commencement date of settlement for the Tender Offer	8 April 2025 (tentative)
(9)	Effective date of the reverse stock split	The end of June 2025 (tentative)
(10)	Acquisition of treasury stock	The middle of July 2025 (tentative)
(11)	Commerce 21 in-kind dividend	The middle of July 2025 (tentative)
(12)	Date of acquisition of shares	The middle of July 2025 (tentative)

6. Outlook

The impact of this matter on the business results for FY2024 is an advisory fee of approximately 85 million yen (approximate amount), but there will be no change to the full-year business results forecast for FY2024. The impact on business results for FY2025 and beyond is currently being examined, and we will promptly notify you if there is a need for new disclosure regarding this matter.

(End of document)

(Reference) Consolidated earnings forecast for the current fiscal year (announced on August 6, 2024) and consolidated results for the previous fiscal year

(Millions of yen)

	consolidated net sales	EBITDA	Consolidated operating income	Consolidated ordinary income	Net income attributable to owners of the parent
Forecast of Consolidated Financial Results for	15,500	227	200	201	198

FY12/2024					
Consolidated financial results for FY12/2023	11,680	-422	-425	-409	-606