Translation

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Summary of Non-Consolidated Financial Results for the First Three Quarters of the Fiscal Year Ending February 2025 (Based on Japanese GAAP)

January 14, 2025

Company name: BASE FOOD, Inc. Listing exchange: Tokyo Stock Exchange

Securities code: 2936 URL: https://basefood.co.jp/corporate

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Scheduled date for commencing dividend payments: –

Preparation of supplementary materials on financial results: Yes

Holding of financial results briefing session: Yes (for institutional investors and analysts)

(Amounts are rounded down to the nearest million yen, unless otherwise noted)

1. Financial Results for the First Three Quarters of the Fiscal Year Ending February 28, 2025 (March 1, 2024 to November 30, 2024)

(1) Operating Results (Cumulative) (Percentage figures represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First three quarters ended November 30, 2024	11,579	0.1	(244)	–	(254)	–	(275)	–
First three quarters ended November 30, 2023	11,565	60.7	(505)	–	(518)	–	(523)	–

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
First three quarters ended November 30, 2024	(5.26)	–
First three quarters ended November 30, 2023	(10.36)	–

(Note) Diluted earnings per share is not indicated as the Company generated net loss for the period, although there are diluted shares.

(2) Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of November 30, 2024	3,666	640	17.4
As of February 29, 2024 (end of previous fiscal year)	3,276	842	25.7

(Reference) Total shareholders' equity
As of November 30, 2024: 639 million yen As of February 29, 2024: 842 million yen

2. Cash Dividends

	Annual dividends per share				
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended February 2024	–	0.00	–	0.00	0.00
Fiscal year ending February 2025	–	0.00	–		
Fiscal year ending February 2025 (Forecast)				0.00	0.00

(Note) Revisions to the most recently announced dividend forecast: No

3. Forecast of Financial Results for the Fiscal Year Ending February 28, 2025 (March 1, 2024 to February 28, 2025)

(Percentage figures indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	15,728	5.7	51	–	31	–	0	–	0.01

(Note) Revisions to the most recently announced earnings forecast: No

* Notes

(1) Application of accounting treatments specific to the preparation of quarterly consolidated financial statements: No

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

1) Changes in accounting policies due to revisions to accounting standards and other regulations: No

2) Changes in accounting policies other than those in 1) above: No

3) Changes in accounting estimates: No

4) Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

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

As of November 30, 2024	54,320,100 shares	As of February 29, 2024	53,292,900 shares

2) Number of treasury shares at the end of the period

As of November 30, 2024	1,358,000 shares	As of February 29, 2024	1,358,000 shares

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

First three quarters ended November 30, 2024	52,439,080 shares	First three quarters ended November 30, 2023	50,580,106 shares

* Review of the attached quarterly financial statements by a public accountant or audit corporation: No

* Explanation regarding appropriate use of earnings forecasts, and other notes

(Notes on forward-looking statements)

The earnings outlook and other forward-looking statements contained in this document are based on information currently available to and certain assumptions that are thought to be reasonable by the Company. Accordingly, such statements should not be construed as a guarantee of achieving the results by the Company. Actual financial results and the like may differ materially due to various factors.

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1. Quarterly Financial Statements and Significant Notes Thereto
(1) Quarterly Balance Sheets

(Thousands of yen)

	Previous fiscal year (As of February 29, 2024)	Third quarter of current fiscal year (As of November 30, 2024)
Assets		
Current assets		
Cash and deposits	1,430,928	1,672,970
Accounts receivable - trade	781,849	756,734
Merchandise	175,050	153,914
Raw materials and supplies	20,102	44,284
Accounts receivable - other	175,859	184,068
Prepaid expenses	68,746	127,382
Other	18,835	35,179
Total current assets	2,671,371	2,974,535
Non-current assets		
Property, plant and equipment	122,252	172,536
Intangible assets	4,414	4,672
Investments and other assets	478,726	515,041
Total non-current assets	605,392	692,250
Total assets	3,276,764	3,666,785

(Thousands of yen)

	Previous fiscal year (As of February 29, 2024)	Third quarter of current fiscal year (As of November 30, 2024)
Liabilities		
Current liabilities		
Accounts payable - trade	556,857	513,985
Short-term borrowings	500,000	600,000
Current portion of long-term borrowings	–	166,656
Accounts payable - other	829,413	781,268
Lease liabilities	1,349	1,376
Accrued expenses	121,437	179,039
Income taxes payable	16,694	20,520
Deposits received	50,589	49,988
Provision for point card certificates	13,519	12,683
Contract liabilities	284,474	345,078
Other	29,170	37,691
Total current liabilities	2,403,506	2,708,287
Non-current liabilities		
Long-term borrowings	–	277,792
Lease liabilities	6,905	5,870
Asset retirement obligations	23,890	34,671
Total non-current liabilities	30,795	318,333
Total liabilities	2,434,302	3,026,620
Net assets		
Shareholders' equity		
Share capital	1,132,046	1,168,866
Capital surplus	2,070,122	2,106,848
Retained earnings	(2,332,522)	(2,608,298)
Treasury shares	(27,567)	(27,567)
Total shareholders' equity	842,079	639,849
Share acquisition rights	382	315
Total net assets	842,462	640,164
Total liabilities and net assets	3,276,764	3,666,785

(2) Quarterly Statements of Income

(Cumulative)

(Thousands of yen)

	First three quarters of previous fiscal year (March 1, 2023 - November 30, 2023)	First three quarters of current fiscal year (March 1, 2024 - November 30, 2024)
Net sales	11,565,749	11,579,646
Cost of sales	5,874,430	5,278,390
Gross profit	5,691,318	6,301,255
Selling, general and administrative expenses	6,196,636	6,545,376
Operating profit (loss)	(505,318)	(244,120)
Non-operating income		
Interest income	12	216
Compensation income	27,066	2,156
Foreign exchange gains	–	1,875
Other	1,311	2,436
Total non-operating income	28,390	6,685
Non-operating expenses		
Interest expenses	3,275	15,636
Guarantee commission	812	506
Recall expenses	37,263	–
Other	686	503
Total non-operating expenses	42,037	16,646
Ordinary profit (loss)	(518,965)	(254,081)
Extraordinary income		
Gain on sale of non-current assets	–	171
Total extraordinary income	–	171
Profit (loss) before income taxes	(518,965)	(253,910)
Income taxes - current	4,962	4,921
Income taxes - deferred	–	16,944
Total income taxes	4,962	21,866
Profit (loss)	(523,928)	(275,776)

(3) Notes to Quarterly Financial Statements

(Notes on Segment Information, etc.)

I. First three quarters of previous fiscal year (March 1, 2023 - November 30, 2023)

The information is omitted as the Company has a single operating segment engaged in the nutritionally complete food business.

II. First three quarters of current fiscal year (March 1, 2024 - November 30, 2024)

(Thousands of yen)

	Reportable segment	Others (Note 1)	Total	Adjustments (Note 3)	Amount recorded in quarterly statements of income (Note 2)
	Nutritionally complete food business				
Net sales					
Revenues from external customers	11,576,924	2,721	11,579,646	–	11,579,646
Transactions with other segments	–	–	–	–	–
Total	11,576,924	2,721	11,579,646	–	11,579,646
Segment profit (loss)	(152,000)	(1,570)	(153,571)	(90,549)	(244,120)

(Notes) 1. The “Others” category represents business segments not included in the reportable segments.
2. Segment profit (loss) is consistent with operating profit (loss) as reported in the quarterly statement of income.
3. Adjustments are corporate expenses that are not allocated to any reportable segment. Corporate expenses are mainly general and administrative expenses that do not belong to any reportable segment.

(Notes When There Are Significant Changes in Amounts of Equity)

Not applicable.

(Notes on Going Concern Assumption)

Not applicable.

(Notes on Quarterly Statement of Cash Flows)

No quarterly statement of cash flows has been prepared for the first three quarters ended November 30, 2024. Depreciation (including amortization of intangible assets) for the first three quarters are as follows.

(Thousands of yen)

	First three quarters of previous fiscal year (March 1, 2023 - November 30, 2023)	First three quarters of current fiscal year (March 1, 2024 - November 30, 2024)
Depreciation	23,332	45,703