Translation

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February 14, 2024

To Whom it May Concern:

Company name: BASE, Inc.
Representative: Representative Director and CEO Yuta Tsuruoka
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Notice Regarding Differences Between Full-Year Consolidated Earnings Forecasts and Actual Results

BASE, Inc. (the "Company"), hereby announces that there is a discrepancy between the consolidated earnings forecast for the fiscal year ending December 2024 (January 1, 2024 – December 31, 2024), which was published on August 6, 2024, and the actual results disclosed today, as detailed below.

1. Differences from Full-Year Consolidated Earnings Forecasts

(million yen)

	Net sales	EBITDA	Operating profit	Ordinary profit	Profit attributable to owners of parent	Earnings per share
Previously announced forecast (A)	15,500	227	200	202	198	1.76 yen
Actual results (B)	15,981	803	772	796	340	2.94 yen
Amount of change (B-A)	481	576	572	594	142	1.18 yen
Rate of change (%)	3.1%	254.1%	286.4%	294.4%	71.9%	67.0%
(Reference) Previous term (FY2023)	11,680	—	(425)	(409)	(606)	(5.31) yen

2. Reason for the Variance

The actual results of the fiscal year ended December 2024 all exceeded the consolidated earnings forecast.

This was driven by the higher-than-expected Group GMV, including the BASE Business and PAY.JP Business, as well as the stronger-than-expected growth in the YELL BANK Business, resulting in Consolidated Net Sales of JPY 15,981 million (+36.8% YoY), surpassing the earnings forecast.

Additionally, Selling, General, and Administrative (SG&A) expenses came in below expectations, as promotional and personnel expenses were lower than initially planned, leading Operating Profit and Ordinary Profit to exceed forecasts.

However, want.jp Business, which was acquired as a subsidiary in August 2024 and consolidated into the income statement from October 2024, was significantly affected by external market conditions and underperformed compared to expectations. Considering this, the company determined that the excess earnings power anticipated at the time of the want.jp stock acquisition had diminished, leading to impairment of goodwill and fixed assets related to want.jp. As a result, a special loss of JPY 867 million was recorded.

For further details, please refer to today's disclosure, "Notice Regarding Recognition of Special Loss."

On the other hand, due to the recognition of deferred tax assets, a tax adjustment of JPY 615 million was recorded, resulting in Net Income Attributable to Owners of the Parent of JPY 340 million, exceeding the earnings forecast.