Translation

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Summary of Consolidated Financial Results for the Fiscal Year Ended December 31, 2024 (Based on Japanese GAAP)

February 14, 2025

Company name:	BASE, Inc.		
Stock exchange listing:	Tokyo		
Stock code:	4477	URL https://binc.jp/en	
Representative:	Representative Director and CEO	Yuta Tsuruoka	
Inquiries:	Director, Senior Executive Officer and CFO	Ken Harada	TEL 03(6441)2075
Scheduled date to hold General Meeting of Shareholders:		March 27, 2025	
Scheduled date to file Securities Report:		March 28, 2025	
Scheduled date to commence dividend payments:		–	
Preparation of supplementary material on financial results:		Yes	
Holding of 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 fiscal year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)

(1) Consolidated operating results (% indicates changes from the previous fiscal year)

	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	%
Fiscal year ended December 31, 2024	15,981	36.8	803	—	772	—	796	—	340	—
Fiscal year ended December 31, 2023	11,680	19.9	(422)	—	(425)	—	(409)	—	(606)	—

(Note) Comprehensive Income (millions of yen) Fiscal year ended December 31, 2024: 336 (—%) Fiscal year ended December 31, 2023: (608) (—%)

	Earnings per share	Diluted earnings per share	Return on equity ratio	Ratio of ordinary profit to total assets	Ratio of operating profit to sales
	Yen	Yen	%	%	%
Fiscal year ended December 31, 2024	2.94	2.90	2.6	1.9	4.8
Fiscal year ended December 31, 2023	(5.31)	—	(4.6)	(1.2)	(3.6)

(Reference) Equity income of affiliates (millions of yen) Fiscal year ended December 31, 2024: - Fiscal year ended December 31, 2023: -

(Notes)1 EBITDA= (Operating profit + Depreciation + Amortization of Goodwill)

2.Despite the existence of potential shares for the fiscal year ended December 31, 2023, diluted earnings per share are not indicated because net loss per share was recorded.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Fiscal year ended December 31, 2024	46,288	13,600	29.1	115.77
Fiscal year ended December 31, 2023	37,297	13,000	34.9	112.87

(Reference) Equity (millions of yen) As of December 31, 2024: 13,470 As of December 31, 2023: 13,000

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended December 31, 2024	3,657	(159)	3	25,730
Fiscal year ended December 31, 2023	(80)	(53)	16	22,227

2. Cash dividends

	Annual dividends per share					Total amount of dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended December 31, 2023	—	0.00	—	0.00	0.00	—	—	—
Fiscal year ended December 31, 2024	—	0.00	—	0.00	0.00	—	—	—
Fiscal year ending December 31, 2025 (Forecast)	—	0.00	—	0.00	—		—	

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

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

4. Notes

(1) Changes in significant subsidiaries during the fiscal year ended December 31, 2023 (changes in specified subsidiaries resulting in the change in scope of consolidation): Yes

New: – (want.jp Inc.), Exclusion: – ( )

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

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

(3) Number of issued shares (ordinary shares)

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

As of December 31, 2024	116,386,590 shares	As of December 31, 2023	115,197,823 shares

Number of treasury shares at the fiscal year end

As of December 31, 2024	36,542 shares	As of December 31, 2023	19,894 shares

Average number of shares during the fiscal year

Fiscal year ended December 31, 2024	115,568,587 shares	Fiscal year ended December 31, 2023	114,355,587 shares

(Reference) Summary of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)

(1) Non-consolidated operating results (% indicates changes from the previous fiscal year)

	Net sales		EBITDA		Operating profit		Ordinary profit		profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended December 31, 2024	9,995	23.8	668	—	662	—	682	—	63	—
Fiscal year ended December 31, 2023	8,073	5.7	(337)	—	(339)	—	(322)	—	(520)	—

	Earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended December 31, 2024	0.55	0.54
Fiscal year ended December 31, 2023	(4.55)	—

(Notes)1 EBITDA= (Operating profit + Depreciation + Amortization of Goodwill)

2.Despite the existence of potential shares for the fiscal year ended December 31, 2023, diluted earnings per share are not indicated because net loss per share was recorded.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Fiscal year ended December 31, 2024	31,214	13,410	42.5	114.14
Fiscal year ended December 31, 2023	27,026	13,087	48.4	113.63

(Reference) Equity (millions of yen) As of December 31, 2024: 13,280 As of December 31, 2023: 13,087

*Financial summary is outside of the scope of audit by the certified public accountant or by the auditing firm.

*Explanations and other remarks regarding the appropriate use of the business results forecast

(Notice regarding forward-looking statements, etc.)

The business results forecasts and other forward-looking statements contained in this material are based on information currently available to the Company and certain assumptions that are believed to be reasonable, and are not intended as a promise by the Company to fulfill such statements. In addition, the actual business results, etc. could prove to differ substantially from such statements due to a variety of factors. For the assumptions that served as the basis for the business results forecast and the points to be noted when using these forecasts, please refer to “1. Summary of Operating Results, (4) Future outlook” on page 3 of the Appendix.

(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, February 14, 2025. Relevant briefing information is scheduled to be disclosed on our website.

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1. Summary of Operating Results

(1) Summary of operating results for the current fiscal year

Advocating "Payment to the People, Power to the People." as its mission, the Company group (the "Group") actively operates the BASE Business, which provides the online shop creation service "BASE" as well as "Pay ID" shopping service for purchases, and the PAY.JP Business, which provides the online payment service "PAY.JP." Through these services, the Group focuses on empowering individuals and small teams and supporting start-up companies.

According to the results of FY2023 E-Commerce Market Survey by METI, the scale of the domestic B-to-C EC market grew steadily in 2023, though moderately compared to 2020 and 2021 during the COVID-19 pandemic, and sales via smartphone grew at a level exceeding the market average. The domestic service sector grew extremely strongly in 2023, to the market scale exceeding the level before the COVID-19 infection expansion. We recognize that these situations have continued during the fiscal year ended December 31, 2024, which is a key factor for the sustainable growth of the BASE Business centered on merchandising EC, and the PAY.JP Business in which a certain part of the merchants is of the service sector.

In the midst of this business environment, the BASE Business continues efforts to strengthen its products to maintain its position as the overwhelming first choice for a wide range of individuals and small teams, and to achieve sustainable growth over the medium to long term. In the PAY.JP Business, the Group aims to support the growth of its existing merchants while also expanding the number of new merchants by targeting start-up companies and venture companies and strengthening its products with the aim of creating online payment functions that are simpler and easier to implement and operate. In the YELL BANK Business, we focus on solving cash flow-related issues of all of the Group's merchants by providing a low-risk funding method. Furthermore, the want.jp Business operated by want.jp Inc., which became a subsidiary in August 2024, provides a cross-border EC service that facilitates access by Japanese EC operators to local sales networks around the world. (Note)

As a result of the above, the Group's consolidated net sales for the fiscal year ended December 31, 2024, were ¥15,981 million (36.8% increase year on year), operating profit was ¥772 million (operating loss of ¥425 million in the previous fiscal year), ordinary profit was ¥796 million (ordinary loss of ¥409 million in the previous fiscal year), and profit attributable to owners of parent was ¥340 million (loss attributable to owners of parent of ¥606 million in the previous fiscal year).

From the fiscal year ended December 31, 2024, "want.jp Business" was added as a reportable segment as a result of making want.jp Inc. a consolidated subsidiary. In addition, the former "Other Business" segment was renamed as "YELL BANK Business. The results by segment are as follows.

Note: The statement of income for the fiscal year ended December 31, 2024, incorporates the profits and losses of want.jp Inc. only for the three months from October to December.

The results of the segments are as follows.

A) BASE Business

During the fiscal year ended December 31, 2024, GMV of the BASE Business increased YoY in terms of both the number of active shops per month and the monthly average GMV per shop. The monthly fee for the Monthly-Fee Plan (Growth Plan) was increased from 5,980 yen to 19,980 yen from January 16, 2024, but during the fiscal year ended December 31, 2024, the churn to other companies continued to be more restrained than expected and many shops have continued to use the service, which we were able to improve profitability while maintaining growth in GMV.

As a result of the above, GMV for the fiscal year ended December 31, 2024, was ¥154,184 million (order basis) and ¥146,766 million (payment basis) (YoY +13.4% (order basis), YoY +13.7% (payment basis)), with net sales of ¥9,092 million (YoY +17.1%) and segment profit of ¥691 million (segment loss of ¥60 million in the previous fiscal year).

B) PAY.JP Business

In the PAY.JP Business, the Group provides the online payment service "PAY.JP." During the fiscal year ended December 31, 2024, GMV continued to increase, driven by both existing and new merchants. Furthermore, the gross profit margin improved significantly as a result of a reduction in the cost of sales ratio (as a percentage of GMV) in the 1H of the current fiscal year, enabling this business to improve profitability while maintaining growth in GMV.

As a result of the above, GMV for the fiscal year ended December 31, 2024, amounted to ¥207,588 million (+47.1% YoY), with consolidated net sales of ¥5,728 million (+58.8% YoY) and segment profit of ¥245 million (segment loss of ¥84 million in the previous fiscal year).

C) YELL BANK Business

In the YELL BANK Business, the Group provides services such as "YELL BANK," which provides business funds to online shop operators using "BASE." In the fiscal year ended December 31, 2024, the number of its users and its usage amount increased significantly beyond the initial forecast due to product improvements that have been continuously implemented.

As a result of the above, net sales for the fiscal year ended December 31, 2024, were ¥902 million (+192.8% YoY), and segment profit was ¥394 million (segment loss of ¥25 million in the previous fiscal year).

D) want.jp Business

Since we made want.jp Inc. a subsidiary in August 2024, we began to include the profits and losses of want.jp Inc. in the statement of income from October 2024. In the want.jp Business, the Group provides the cross-border EC service "want.jp." In the three months ended December 31, 2024, performance fell short of expectations due to the strong impact of foreign exchange rate fluctuations as well as policy changes at overseas EC platforms where "want.jp" shops are located.

As a result of the above, net sales for the fiscal year ended December 31, 2024, were ¥258 million and segment loss was ¥47 million.

Based on the above background, the excess earning power, etc. assumed at the time of the acquisition of want.jp stock decreased, and therefore, extraordinary loss of ¥867 million resulting from the impairment of goodwill generated by the acquisition of want.jp stock and all of the fixed assets of want.jp Inc. was recorded in the consolidated accounts.

(2) Summary of financial position for the current fiscal year

(Assets)

Total assets as of the end of the fiscal year under review were ¥46,288 million, an increase of ¥8,990 million from the end of the previous fiscal year. This was mainly due to an increase of ¥4,039 million in accounts receivable - trade and an increase of ¥3,502 million in cash and deposits.

(Liabilities)

Total liabilities as of the end of the fiscal year under review were ¥32,687 million, an increase of ¥8,390 million from the end of the previous fiscal year. This was mainly due to an increase of ¥17,426 million in accounts payable - trade, which offset a decrease of ¥9,855 million in other liabilities(mainly deposits received).

(Net assets)

Net assets as of the end of the fiscal year under review were ¥13,600 million, a increase of ¥600 million from the end of the previous fiscal year. This was mainly due to a increase of ¥340 million in retained earnings resulting from the recording of profit attributable to owners of parent, and increases of ¥66 million and ¥66 million in capital stock and capital surplus, respectively, due to grant of restricted stock-based compensation and exercise of share acquisition rights as stock options.

(3) Summary of cash flows for the current fiscal year

Cash and cash equivalents (hereinafter, “cash”) at the end of the fiscal year under review were ¥25,730 million, an increase of ¥3,502 million from the end of the previous fiscal year. The respective statuses of cash flows during the fiscal year under review and their contributing factors are as follows:

(Cash flows from operating activities)

Net cash provided by operating activities was ¥3,657 million (¥80 million used in the previous fiscal year). The main reasons for the cash increase were an increase of ¥17,426 million in accounts payable - trade and the recording of impairment losses of ¥867 million, while the main reason for the cash decrease was an decrease of ¥10,247 million in deposits received - trade.

(Cash flows from investing activities)

Net cash used in investing activities was ¥159 million (¥53 million used in the previous fiscal year). The main reason for the cash increase was ¥240 million in proceeds from refund of leasehold deposits, while the main reasons for the cash decrease were ¥234 million in payments of leasehold deposits and ¥87 million in purchase of shares of subsidiaries resulting in change in scope of consolidation.

(Cash flows from financing activities)

Net cash provided by financing activities was ¥3 million (¥16 million provided in the previous fiscal year). The main reason for the cash increase was ¥10 million in proceeds from issuance of shares resulting from exercise of share acquisition rights, while the main reason for the cash decrease was ¥10 million in repayments of long-term borrowings.

(4) Future outlook

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. Basic Concept Regarding the Selection of Accounting Standards

The Group plans to prepare its consolidated financial statements in accordance with Japanese GAAP (generally accepted accounting principles) for the time being, taking into consideration comparability from period to period of consolidated financial statements and between Japanese companies.

With regard to the adoption of IFRS (International Financial Reporting Standards), we will take action in an appropriate and timely manner in consideration of various circumstances at home and abroad.

3. Consolidated Financial Statements and Principal Notes

(1) Consolidated balance sheets

(Million yen)

	As of December 31, 2023	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	22,227	25,730
Accounts receivable - trade	13,821	17,861
Other	1,117	1,989
Allowance for doubtful accounts	(200)	(329)
Total current assets	36,965	45,252
Non-current assets		
Property, plant, and equipment		
Buildings	100	107
Accumulated depreciation	(100)	(107)
Buildings, net	－	－
Other	61	70
Accumulated depreciation	(61)	(53)
Other, net	－	17
Total property, plant, and equipment	－	17
Intangible assets		
Other	－	1
Total Intangible assets	－	1
Investments and other assets		
Investment securities	36	32
Deferred tax assets	－	614
Other	295	370
Total investments and other assets	331	1,017
Total non-current assets	331	1,036
Total assets	37,297	46,288

(Million yen)

	As of December 31, 2023	As of December 31, 2024
Liabilities		
Current liabilities		
Account payable - trade	13,215	30,642
Provision for chargeback	7	—
Contract liabilities	115	195
Other	10,906	1051
Total current liabilities	24,244	31,888
Non-current liabilities		
Bonds Payable	—	300
Long Term Loans Payable	—	427
Other	52	71
Total non-current liabilities	52	799
Total liabilities	24,297	32,687
Net assets		
Shareholders' equity		
Capital stock	8,669	8,735
Capital surplus	4,933	4,999
Retained earnings	(606)	(266)
Treasury shares	(0)	(0)
Total shareholders' equity	12,995	13,468
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5	1
Total accumulated other comprehensive income	5	1
Share acquisition rights	—	130
Total net assets	13,000	13,600
Total liabilities and net assets	37,297	46,288

(2) Consolidated statement of income and comprehensive income

Consolidated statement of income

(Fiscal year ended December 31, 2024)

(Million yen)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Net sales	11,680	15,981
Cost of sales	6,647	8,814
Gross profit	5,033	7,166
Selling, general, and administrative expenses	5,458	6,393
Operating profit (loss)	(425)	772
Non-operating income		
Interest income	0	2
Commission income	6	20
Insurance claim income	6	―
Lecturer's fee income	5	4
Other	1	4
Total non-operating income	21	32
Non-operating expenses		
Interest expenses	―	1
Interest expenses on bonds	―	2
Exchange loss	0	0
Share issuance cost	0	0
Commitment fee	3	3
Total non-operating expenses	4	8
Ordinary profit (loss)	(409)	796
Extraordinary loss		
Impairment losses	130	867
Loss on valuation of investment securities	63	―
Total extraordinary profit	193	867
Loss before income taxes	(602)	(71)
Income taxes -current	4	203
Income taxes – deferred	―	(615)
Total income taxes	4	(411)
Net profit (loss)	(606)	340
Profit (Loss) attributable to owners of parent	(606)	340

Consolidated statement of comprehensive income

(Million yen)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Net loss	(606)	340
Other comprehensive income		
Valuation difference on available-for-sale securities	(1)	(3)
Total other comprehensive income	(1)	(3)
Comprehensive income	(608)	336
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(608)	336

(3) Consolidated statement of changes in equity

Fiscal year ended December 31, 2023

(Million yen)

	Shareholders' equity						Accumulated other comprehensive income		Total net assets
	Capital stock	Deposits for subscriptions to shares	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income	
Balance at beginning of current period	8,614	0	7,424	(2,545)	(0)	13,494	6	6	13,501
Changes in items during period									
Issuance of new shares	54	(0)	54			107			107
Deficit disposition			(2,545)	2,545		—			—
Net loss attributable to owners of parent				(606)		(606)			(606)
Net changes in items other than shareholders' equity							(1)	(1)	(1)
Total changes in items during period	54	(0)	(2,491)	1,938	—	(498)	(1)	(1)	(500)
Balance at end of current period	8,669	—	4,933	(606)	(0)	12,995	5	5	13,000

Fiscal year ended December 31, 2024

(Million yen)

	Shareholders' equity					Accumulated other comprehensive income		Share acquisition rights	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of current period	8,669	4,933	(606)	(0)	12,995	5	5	—	13,000
Changes in items during period									
Issuance of new shares	66	66			132				132
Net profit attributable to owners of parent			340		340				340
Net changes in items other than shareholders' equity				(0)	(0)	(3)	(3)	130	127
Total changes in items during period	66	66	340	(0)	472	(3)	(3)	130	600
Balance at end of current period	8,735	4,999	(266)	(0)	13,468	1	1	130	13,600

(4) Consolidated statement of cash flows

(Million yen)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Cash flows from operating activities		
Loss before income taxes	(602)	(71)
Depreciation	2	9
Amortization of Goodwill	—	21
Impairment losses	130	867
Share-based payment expenses	73	220
Loss on valuation of investment securities	63	—
Increase (decrease) in allowance for doubtful accounts	69	128
Increase (decrease) in provision for charge back	(1)	(7)
Interest income	(0)	(2)
Commission income	(6)	(20)
Interest expenses	—	3
Share issuance cost	0	0
Increase (decrease) in accounts receivable -other	(5,840)	(4,019)
Increase (decrease) in trade accounts payable	1,443	17,426
Increase (decrease) in deposits received	4,830	(10,247)
Other, net	(241)	(666)
Subtotal	(80)	3,643
Interest income received	0	2
Commission income received	3	19
Interest paid	—	(3)
Income taxes paid	(4)	(4)
Net cash provided by (used in) operating activities	(80)	3,657
Cash flows from investing activities		
Purchase of property, plant, and equipment	(53)	(26)
Payments of leasehold and guarantee deposits	—	(234)
Proceeds from refund of leasehold and guarantee deposits	—	240
Purchase of acquisition of new consolidated subsidiary	—	(87)
Other, net	—	(52)
Net cash provided by (used in) investing activities	(53)	(159)
Cash flows from financing activities		
Proceeds from issuance of shares	16	10
Proceeds from issuance of share acquisition rights	—	3
Repayments of long-term borrowings	—	(10)
Purchase of treasury shares	—	(0)
Net cash provided by (used in) financing activities	16	3
Net increase (decrease) in cash and cash equivalents	0	0
Net increase (decrease) in cash and cash equivalents	(117)	3,502
Cash and cash equivalents at beginning of period	22,344	22,227
Cash and cash equivalents at end of period	22,227	25,730

(5) Notes to consolidated financial statements

(Notes regarding going concern assumptions)

Not applicable.

(Segment information)

1. Summary of reportable segment

The Group's reportable segments are components of the Company for which separate financial information is available that is regularly evaluated by the Board of Directors to determine allocation of management resources and assess business performance.

The Group consists of four reportable segments, "BASE Business," "PAY.JP Business," "YELL BANK Business," and "want.jp Business."

"BASE Business" provides the online shop creation service "BASE" that allows anyone to easily create well-designed online shop. "PAY.JP Business" develops "PAY.JP" that is an online payment service for developers to easily integrate credit card payments to web services and online stores. With regard to "YELL BANK Business," the Group provides financial services such as "YELL BANK", which enables shop owners who use "BASE" to raise funds by purchasing the BASE shops' future accounts receivable from shop owners. "want.jp Business" provides the cross-border EC service "want.jp."

From the fiscal year ended December 31, 2024, "want.jp Business" was added as a reportable segment as a result of making want.jp Inc. a consolidated subsidiary. In addition, the former "Other Business" segment was renamed as "YELL BANK Business." This change in segment name has no impact on segment information. The segment information for the previous fiscal year ended December 31, 2023, is also presented under the new name.

2. Method of calculation of net sales, profit or loss, assets, liabilities, and other items by reportable segment

Methods of accounting procedures for reported business segments are in accordance with the accounting principles used to prepare consolidated financial statements.

3. Information about net sales, profit (loss), assets, liabilities, and other items by reportable segment

Fiscal year ended December 31, 2023

(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	7,323	3,578	25	10,927	—	10,927
Goods or services transferred over time	318	28	—	347	—	347
Revenue from contracts with customers	7,642	3,606	25	11,274	—	11,274
Other revenue	123	0	282	405	—	405
Net sales to external customers	7,765	3,606	308	11,680	—	11,680
Inter-segment net sales or transfers	—	—	—	—	—	—
Total	7,765	3,606	308	11,680	—	11,680
Segment loss	(60)	(84)	(25)	(170)	(254)	(425)
Segment assets	26,002	10,606	690	37,299	(1)	37,297
Other items						
Depreciation	2	—	—	2	—	2
Increase in property, plant, and equipment, and intangible assets	56	—	—	56	—	56

(Notes) 1. Reconciliations of segment loss of ¥(254) 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 loss is adjusted with operating loss in the consolidated statement of income.

3. Reconciliations of segment assets of ¥(1) million are inter-segment elimination ¥(88) million and not allocated to individual reportable segments ¥86 million.

Fiscal year ended December 31, 2024

(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	8,502	5,673	36	258	14,470	—	14,470
Goods or services transferred over time	531	53	—	—	585	—	585
Revenue from contracts with customers	9,034	5,726	36	258	15,056	—	15,056
Other revenue	58	0	866	—	925	—	925
Net sales to external customers	9,092	5,726	902	258	15,981	—	15,981
Inter-segment net sales or transfers	—	1	—	—	1	(1)	—
Total	9,092	5,728	902	258	15,983	(1)	15,981
Segment profit (loss)	691	245	394	(47)	1,284	(511)	772
Segment assets	29,568	15,447	1,248	106	46,371	(83)	46,288
Other items							
Depreciation	5	—	—	3	9	—	9
Amortization of Goodwill	—	—	—	21	21	—	21
Increase in property, plant, and equipment, and intangible assets	24	—	—	—	24	—	24

(Notes) 1. Reconciliations of segment profit (loss) of ¥(511) 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 loss in the consolidated statement of income.
3. Reconciliations of segment assets of ¥(83) million are inter-segment elimination ¥(150) million and not allocated to individual reportable segments ¥67 million.

4. Information about impairment losses on non-current assets by reportable segment

Fiscal year ended December 31, 2023

(Million yen)

	Reportable segment				Reconciliations	Consolidated
	BASE Business	PAY.JP Business	YELL BANK Business	Total		
Impairment losses	130	—	—	130	—	130

Fiscal year ended December 31, 2024

(Million yen)

	Reportable segment					Reconciliations	Consolidated
	BASE Business	PAY.JP Business	YELL BANK Business	want.jp Business	Total		
Impairment losses	—	—	—	867	867	—	867

(Per share information)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Net assets per share	¥112.87	¥115.77
Net profit (loss) per share	¥ (5.31)	¥ 2.94
Diluted earnings per share	―	¥ 2.90

(Notes) 1. Despite the existence of potential shares in the fiscal year ended December 31, 2023, diluted earnings per share are not indicated because net loss per share was recorded.

2. Net profit (loss) per share was calculated on the following basis.

Item	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Net profit (loss) per share		
Net profit (loss) attributable to owners of parent (Million yen)	(606)	340
Amount not attributable to ordinary shareholders (Million yen)	―	―
Net profit (loss) attributable to owners of parent regarding ordinary shares (Million yen)	(606)	340
Average number of ordinary shares during the period (Shares)	114,355,587	115,568,587
Diluted earnings per share		
Adjustment to profit (Million yen)	―	―
Increase in number of common stock (Shares)	―	1,940,817
(Number of share subscription rights included in the increase)	―	1,940,817
Outline of diluted shares that were not included in calculation of diluted earnings per share because of their anti-dilutive effect	―	April 8, 2024 8th Share acquisition rights resolved by the Board of Directors Common stock 3,460,000 shares

(Significant subsequent events)

(Acquisition of Treasury Shares)

At the Board of Directors meeting held on February 14, 2025, the Company resolved to acquire treasury shares in accordance with Article 156 of the Companies Act, as reinterpreted and applied under Article 165, Paragraph 3 of the same Act, as detailed below.

1. Reason for the Share Repurchase

The Company has been committed to balancing the growth of Gross Profit in each business with profitability improvements, with the goal of achieving operating profitability in the fiscal year ending December 2025, while also strengthening its financial position.

As disclosed today, in the fiscal year ended December 2024, Consolidated Net Sales grew significantly by +36.8% YoY, and profitability improved across all businesses, allowing the Company to achieve operating profitability one fiscal period ahead of the initial target.

Going forward, the Company remains focused on its mid-term financial strategy, which aims to achieve EBITDA growth by continuing to drive Gross Profit growth alongside profitability improvements.

Given this situation, the Company has determined that its financial position now allows for shareholder returns, and after considering market conditions and stock price trends, the Board resolved to acquire treasury shares to enhance capital efficiency.

2. Details of the Share Repurchase

(1) Class of shares

Common stock of the Company

(2) Total number of shares to be acquired

3,400,000 shares (maximum) (2.9% of total shares outstanding [excluding treasury shares])

(3) Total amount to be paid for acquisition

1,000,000,000 yen (maximum)

(4) Period of acquisition

February 17, 2025 – May 30, 2025

(5) Method of acquisition

Market purchase on the Tokyo Stock Exchange (via securities company)

Reference:

Treasury shares held as of December 31, 2024

Total number of issued shares (excluding treasury shares): 116,350,048 shares

Treasury shares: 36,542 shares