Supplementary Presentation on the Company's Response Policy Aimed at Ensuring Corporate Value and the Common Interests of Shareholders

BASE, Inc.
(Tokyo Stock Exchange Growth: 4477)
March 19, 2025

Executive Summary

Upon receiving notification of Mr. Maki's rapid and substantial accumulation of the Company's shares and his intention to launch a Tender Offer, the Company has determined that it would be conducive to maximizing corporate value and the common interests of shareholders for such Large-Scale Acquisition Activities to be conducted through procedures ensuring that general shareholders have sufficient information and time to make an appropriate decision.

If the Tender Offer planned by Mr. Maki qualifies as a Large-Scale Acquisition Activity, **the Company will require Mr. Maki to provide necessary information.** The Company introduces **this Response Policy with the purpose of ensuring shareholders have adequate information and sufficient time to properly evaluate the potential impact** of the Tender Offer on the Company's corporate value and the sources of such value.

However, **at this stage, the Company's Board of Directors is neither expressing opposition to the Tender Offer planned by Mr. Maki, nor has it determined to definitively implement Countermeasures based on this Response Policy should the Tender Offer be publicly announced and initiated.**

Background	• On March 7, 2025, and onwards, **a rapid and large-scale accumulation of the Company's shares by Mr. Hiroyuki Maki commenced.** • While the purchase of the Company's shares was temporarily suspended on March 13, it was conveyed to the Company that, **from March 14 onward, the intention was to resume the purchase of the Company's shares, with the aim of holding more than 30% of the shares and for the stated purpose of acquiring and benefiting from a control premium.** • On March 14, 2025, the Company received a letter from Mr. Maki's representative, in which it was conveyed that he intends to conduct a tender offer with the aim of acquiring a control premium (i.e., obtaining an ownership ratio exceeding at least 30% of the total issued shares). • **No substantive discussions have taken place between the Company and Mr. Maki, and the Company has received little to no information or explanation regarding the specific terms and conditions of his plan.**
The Company's Current Understanding	• The Company recognizes that the ongoing stock accumulation and the proposed tender offer may pose **a risk of harming the Company's corporate value and the common interests of its shareholders.**
Resolutions	• The Company has determined that **any large-scale acquisition of shares should be conducted through procedures that ensure shareholders have sufficient information and time to make an appropriate decision, as this would contribute to maximizing the Company's corporate value and the common interests of shareholders.** Based on this judgment, the Company has introduced the "Fundamental Policy on the Company's Control" and the "Response Policy for Large-Scale Acquisition of the Company's Shares".
The Response Policy	• To enable the Company's shareholders to determine, based on sufficient prior information, whether the proposed large-scale acquisition would hinder the maximization of the Company's corporate value and the common interests of shareholders, **the Company requires the large-scale acquirer to provide the necessary information.** • Furthermore, **the Company seeks to ensure that shareholders have adequate time to carefully consider the execution and appropriateness of the proposed large-scale acquisition** based on this information.

(Note) The introduction of the response policy and the activation of countermeasures stipulated within it are distinct actions. The extraordinary Board of Directors meeting held on March 19, 2025, resolved only to introduce the response policy.
The countermeasures, in principle, will be activated only after obtaining approval from shareholders at a shareholders meeting. At this point, the Company does not intend to activate the countermeasures.

The Background Leading to the Introduction of the Response Policy

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Date	Event
March 7–12	• On March 7, 2025, it was confirmed that Mr. Hiroyuki Maki had acquired the Company's shares (through margin trading) after he submitted a Large Shareholding Report to the Kanto Local Finance Bureau for the first time. • Subsequently, he rapidly and extensively accumulated the Company's shares in the market, and as confirmed in the Large Shareholding Report (Amendment Report) submitted on March 12, **he had acquired the Company's shares through margin trading, amounting to a 14.25% ownership ratio.** **The Large Shareholding Report (Amendment Report) submitted on March 12 stated the purpose of shareholding as:* ***"To hold shares stably as a major shareholder with the aim of obtaining control premium. If the management does not agree with this objective, I may consider selling the shares."***
March 13	Received the following letter from Maki's representative: • No intention to make significant proposals to the Company. • Will not oppose the current management's business policies as long as Yuta Tsuruoka, the Company's Representative Director and CEO, remains in office—except in cases where proposals that unilaterally restrict shareholder rights are submitted. Additionally, there is no intention to take any actions that would harm corporate value. • On the other hand, while the purchase of the Company's shares was temporarily suspended on March 13, it was conveyed to the Company that, **from March 14 onward, there was an intention to resume the purchase of the Company's shares with the goal of holding more than 30%.** **The purpose of shareholding was stated as:* ***"To obtain and enjoy control premium."***
	E-mail Sent from the Company to Mr. Maki's Representative • **From the perspective of maintaining and enhancing the Company's corporate value and the common interests of shareholders, the Company requested Mr. Maki to refrain from further share purchases for the time being**, including the planned resumption of purchases on March 14. This request was made to allow sufficient time for careful consideration of Mr. Maki's letter dated March 13, along with the reasons supporting this request.
March 14	Letter Received from Mr. Maki's Representative • From the perspective of proceeding amicably with the Company, Mr. Maki did not purchase the Company's shares on March 14, 2025, and **has not made any further purchases since March 12.** • **Future acquisitions of the Company's shares will be conducted through a tender offer,** and on March 14, Mr. Maki received preliminary approval from a securities firm as the prospective tender offer agent. Furthermore, by early next week, he intends to initiate a prior consultation with the Kanto Local Finance Bureau regarding the tender offer for the Company's shares. **The letter states that the goal is* ***to obtain control premium (i.e., obtaining an ownership stake exceeding at least 30% of the total issued shares).***
March 17	E-mail Sent from the Company to Mr. Maki's Representative • Communicated that the company would review the contents of the letter dated March 14.
March 19	**The Board of Directors resolved to introduce the Response Policy at an extraordinary board meeting, aiming to secure adequate information and time for general shareholders before any large-scale share acquisition takes place.**

The Company's Current Understanding of the Share Accumulation and the Planned Tender Offer

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The Company recognizes that the ongoing share accumulation and the planned tender offer may **potentially harm corporate value and, consequently, the common interests of shareholders.**

Situation as of March 19	The Company became aware of the share accumulation only upon the submission of the large shareholding report. **No substantive discussions have been held between the Company and the party conducting the share accumulation, nor has there been sufficient information sharing or explanations regarding the specific terms and conditions of the proposed transaction.**
The Company's Current Understanding	• The ongoing accumulation of the Company's shares is creating undue pressure or motivation for shareholders to sell their shares without having sufficient information and time to properly evaluate their options. **This situation unjustly interferes with shareholders' fundamental right to freely decide whether to sell their shares.** • If the planned tender offer is publicly announced and commenced, the Company—which currently lacks sufficient information regarding the terms and conditions of the offer—may require significant time to evaluate and express its opinion. Given this, **shareholders and other stakeholders will likely experience further confusion, leading to increased market uncertainty.** • According to the description in the "Purpose of Holding" section of the Large Shareholding Report, while Mr. Maki states that he intends to hold shares stably as a major shareholder, he also notes that "if the management does not support the objective, there is a possibility of selling the shares." **This raises concerns that Mr. Maki may resell the shares he has rapidly accumulated to a third party in a short period of time. Furthermore, if he continues to increase his shareholding, there is a potential for a serious conflict of interest between Mr. Maki and the general shareholders of the Company.** • Additionally, **the ultimate control over the voting rights and other shareholder rights related to the Company shares acquired by Mr. Maki remains unclear**, raising concerns from the perspective of corporate value and the collective interests of shareholders. • Looking at Mr. Maki's past investment activities, **there are examples where his actions appear to have caused disruption to shareholders and other stakeholders, contradicting the corporate value and collective shareholder interests of the invested companies.**

The Company recognizes that the ongoing share accumulation and the planned tender offer may **potentially harm corporate value and, consequently, the common interests of shareholders.**

Current Understanding - Stock Acquisition through Margin Trading

The ultimate control over the voting rights and other shareholder rights related to the Company shares acquired by Mr. Maki remains unclear, raising concerns from the perspective of corporate value and the collective interests of shareholders.

Situation as of March 19	• According to the substantial shareholding report and related documents, **Mr. Maki acquired all of these shares through margin trading with Tachibana Securities Co., Ltd.** • It remains unclear whether Mr. Maki intends to conduct settlement of margin trading with Tachibana Securities Co., Ltd. Additionally, in the event that he does not proceed with settlement of margin trading, it is uncertain whether Tachibana Securities Co., Ltd. will exercise the voting rights associated with these shares, and if so, whether Mr. Maki has any directive authority over such voting rights.
The Company's Current Understanding	• Mr. Maki has acquired shares of the Company through margin trading, and **the disposition of the voting rights and other shareholder rights associated with these shares remains unclear.** • Due to Mr. Maki's share accumulation and the upcoming planned tender offer, **it is highly uncertain who will exercise the voting rights and other shareholder rights related to the shares he acquires, how such rights will be exercised, and how this will ultimately impact the Company's management decisions.**

Recognized as a concern from the perspective of the Company's corporate value and the common interests of shareholders.

Current Understanding - Mr. Maki's Past Investment Activities (1)

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In the investment case involving Inui Steamship, **numerous actions were observed that appear to have caused confusion among shareholders and other stakeholders, running counter to the corporate value of the investee company and the shared interests of its shareholders.**

(1) Inui Steamship

- Alpha Leo Holdings LLC, whose representative employee was Makis Co., Ltd. (formerly known as Makis Co., Ltd., now Melco Group Co., Ltd.), a wealth management company led by Hiroyuki Maki, acquired shares of Inui Steamship Co., Ltd.
- On September 6, 2019, Alpha Leo requested the convocation of an extraordinary general meeting of shareholders (EGM) with the objective of including a proposal to dismiss one director. However, at the EGM held on November 4, 2019, Alpha Leo's proposal, including the director dismissal resolution, was rejected. Following this, on December 3, 2019, Alpha Leo filed a lawsuit seeking the dismissal of the director who was the subject of the proposal.
  - Subsequently, on November 24, 2021, the Tokyo District Court dismissed Alpha Leo's claim.
- On April 16, 2020, Alpha Leo Holdings LLC (Alpha Leo HD) submitted a shareholder proposal for the 100th Annual General Meeting of Shareholders (AGM) scheduled for June 19 of the same year, which included a resolution to dismiss three corporate auditors. However, after all shareholder proposals, including the dismissal resolution, were rejected at the AGM:
- 1) On July 17, 2020, Alpha Leo HD filed a lawsuit seeking the dismissal of two of the three corporate auditors targeted in the proposal.
  - Subsequently, on May 20, 2022, the Tokyo District Court ruled to dismiss Alpha Leo HD's claim.
- 2) On August 28, 2020, Alpha Leo HD filed a lawsuit seeking to annul the resolutions passed at the 100th AGM. However, on April 8, 2021, the Tokyo District Court ruled to dismiss Alpha Leo HD's claim.
  - Alpha Leo HD appealed the decision, but the Tokyo High Court dismissed the appeal on December 16, 2021.
- In May 2020, an extraordinary general meeting of shareholders (EGM) was held on May 7 at the request of Alpha Leo Holdings LLC (Alpha Leo HD), where a proposal to abolish Inui Steamship's then-existing takeover defense measures was rejected. Despite this outcome, which confirmed shareholders' intent to maintain the takeover defense measures, Alpha Leo HD, just approximately four months later, on September 9, 2020, once again requested the convocation of an extraordinary general meeting of shareholders with the objective of submitting a proposal to abolish the takeover defense measures.
- On May 27, 2020, the Board of Directors of Inui Steamship resolved to request Alpha Leo Holdings LLC (Alpha Leo HD) to provide the necessary information to facilitate constructive dialogue aimed at ensuring Inui Steamship's sustainable growth and long-term corporate value enhancement. Subsequently, at the 100th Annual General Meeting of Shareholders (AGM) held on June 19, 2020, Proposal No. 3, "Approval of the Board of Directors' Request for Information from Alpha Leo Holdings LLC," was approved by a majority of shareholders. Following this approval, Inui Steamship sent an initial questionnaire to Alpha Leo HD on July 30, 2020. However, on August 28 of the same year, Alpha Leo HD responded that it would refrain from providing answers and, on the same day, filed a lawsuit with the Tokyo District Court seeking to overturn the resolution.
  - This lawsuit was later dismissed by the Tokyo District Court on April 8, 2021, and Alpha Leo HD's appeal was also rejected by the Tokyo High Court on December 16, 2021.
- On September 9, 2020, Alpha Leo Holdings LLC (Alpha Leo HD) submitted a request to convene an extraordinary general meeting of shareholders (EGM) that included a proposal for the dismissal of one director. At the EGM held on November 4, 2020, all proposals submitted by Alpha Leo HD, including the director dismissal proposal, were rejected. Subsequently, on December 3, 2020, Alpha Leo HD filed a lawsuit seeking the dismissal of the targeted director.
  - Later, on July 2, 2021, Alpha Leo HD withdrew the lawsuit following the expiration of the director's term and their subsequent retirement.

Numerous actions were observed that appear to have caused confusion among shareholders and other stakeholders, running counter to the corporate value of the investee company and the shared interests of its shareholders.

Current Understanding - Mr. Maki's Past Investment Activities (2)

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In the investment case concerning BASE FOOD, it appears that confusion was caused among shareholders and other stakeholders, **creating incentives or pressure for stock sales, and potentially resulting in unjust interference with shareholders' free decision-making regarding the sale of their shares.**

(2) BASE FOOD Inc.

- On October 16, 2024, Mr. Maki submitted a Large Shareholding Report concerning BASE FOOD shares. Following this, he rapidly and continuously acquired BASE FOOD shares through margin trading with Tachibana Securities, reaching a shareholding ratio of 33.44% as of November 15, 2024.
- Despite submitting 12 Amendment Reports after the initial Large Shareholding Report, Mr. Maki made no mention of "control premium" in the "Purpose of Holding" section of either the original report or any of the first 11 Amendment Reports submitted by November 7, 2024. However, in Amendment Report No.12, submitted on November 15, 2024, after reaching a 33.44% shareholding ratio, he explicitly stated for the first time in the "Purpose of Holding" section that **he was holding the shares "as the largest shareholder to enjoy special rights, commonly referred to as a control premium." This clarified that his objective was to benefit from the control premium**.
- The tender offer for BASE FOOD shares initiated by MBF on February 18, 2025, was **a partial tender offer, meaning that it set an upper limit on the number of shares to be purchased.** According to the "Guidelines on Corporate Acquisitions—Enhancing Corporate Value and Protecting Shareholder Interests," published by the Ministry of Economy, Trade and Industry (METI) on August 31, 2023, such acquisitions, where existing shareholders remain as minority shareholders, "may reduce corporate value and, for that very reason, make it easier for the acquirer to complete the acquisition." Compared to a full tender offer, where no upper limit is set on the number of shares purchased, **a partial tender offer is more likely to raise concerns about coercion**.
- In the Tender Offer Registration Statement for the above tender offer, MBF, a company wholly owned by Mr. Maki, stated that MBF and its sole shareholder, Mr. Maki, do not have any specific assumptions regarding the acquisition of a company (Note: BASE FOOD) that would allow them to enjoy a control premium. However, they acknowledged that an acquisition of the target company could potentially occur in the future. Furthermore, the statement noted that "the Tender Offeror (Note: MBF), the Tender Offeror's shareholder (Note: Mr. Maki), and the Target Company intend to sell the shares at an optimal time and in an optimal manner for all parties involved. While they plan to take market impact into account when determining the best method and timing of the sale, no specific decisions have been made as of the date of submission of this document." **This statement explicitly acknowledges the possibility of MBF and Mr. Maki selling their accumulated BASE FOOD shares in bulk to a third party but fails to provide any meaningful explanation regarding the timing, method, or recipient of the resale.**
- If such a resale were to take place, the buyer who acquires the entire 33.44% shareholding in BASE FOOD (or an even higher percentage depending on the outcome of the tender offer) would gain veto power over matters requiring a special resolution at BASE FOOD's general shareholder meetings. This could allow them to exert significant influence over BASE FOOD's management. As a result, **BASE FOOD's shareholders may be concerned that the timing, method, and recipient of the resale could negatively impact their own interests, potentially pressuring them into selling their shares. This could also lead to undue interference with shareholders' ability to freely decide whether to sell their shares.**

it appears that confusion was caused among shareholders and other stakeholders, creating incentives or pressure for stock sales, and potentially resulting in unjust interference with shareholders' free decision-making regarding the sale of their shares.

Current Understanding - Mr. Maki's Past Investment Activities (3)

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The investment case involving Cookpad appears **to substantiate concerns that the shares of the company acquired by Mr. Maki could be collectively resold to a third party within a short period**.

(3) Cookpad

- According to the Large Shareholding Report submitted on November 19, 2021, Alpha Leo Holdings LLC (Alpha Leo HD), which at the time had Melco Group Inc., an asset management company led by Mr. Maki, as its representative member and executive member, along with Alpha Leo Inc., which was disclosed as a joint holder, accumulated Cookpad shares through market transactions from September 21, 2021, to March 15, 2022, ultimately reaching a shareholding ratio of 9.17%.
- However, **in less than four months, on July 6, 2022, all of these shares were transferred to Barista Inc. ("Barista").**
- Subsequently, Barista tendered all of its Cookpad shares in Cookpad's self-tender offer, conducted from February 13, 2023, to March 28, 2023. The tender offer price of 240 yen per share represented a 14.83% premium over Cookpad's closing price of 209 yen on February 10, 2023, the day the tender offer was announced, and Barista sold part of its holdings to Cookpad.

This case appears to substantiate concerns that the shares of the company acquired by Mr. Maki could be collectively resold to a third party within a short period.

(Note) Alpha Leo Holdings LLC (Alpha Leo HD)—Mr. Maki himself was also a representative member and executive member of Alpha Leo HD until October 13, 2015.

Adoption of the Fundamental Policy on Corporate Control and the Response Policy for Large-Scale Share Acquisitions

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The Company has determined that ensuring that large-scale share acquisitions are conducted based on procedures that provide general shareholders with sufficient information and time to **make an appropriate decision serves to maximize the Company's corporate value and the common interests of its shareholders.**

Accordingly, the Company has adopted the Fundamental Policy on Corporate Control and the Response Policy for Large-Scale Share Acquisitions (Note).

Basis for Policy Formulation	• **It is reasonably determined that there is a concrete concern regarding a large-scale share acquisition aimed at increasing Mr. Maki's voting rights ratio to 20% or more through the Planned Tender Offer or other means.** • **To ensure that shareholders have sufficient information and time to make an informed decision** on how such a large-scale share acquisition may affect the Company's corporate value and its fundamental sources, and to allow the Board of Directors to engage in negotiations or discussions with the acquirer regarding such an acquisition or the Company's management policies, **the Company has determined that such acquisitions should be conducted through specific procedures established by the Board of Directors. This approach is deemed essential for maximizing the Company's corporate value and the common interests of shareholders.**
Resolutions Passed at the Extraordinary Board of Directors Meeting on March 19	Fundamental Policy on the Manner in Which Decisions on the Company's Financial and Business Policies Are Controlled • In addition to requesting the provision of necessary and sufficient information to enable shareholders to make an appropriate judgment on the propriety of the large-scale acquisition, the Company will take appropriate measures within the scope permitted by laws, regulations, and its Articles of Incorporation, such as ensuring timely and appropriate disclosure of the provided information.
	Measures to Prevent Control Over Decisions on the Company's Financial and Business Policies by Inappropriate Parties in Light of the Fundamental Policy (Response Policy) • Implementation of a Response Policy to address: 1) The large-scale acquisition of the Company's shares by Mr. Maki, which is a specific concern. 2) Any other large-scale acquisition of the Company's shares that may be reasonably anticipated under circumstances where such an acquisition by Mr. Maki has already been contemplated.

(Note)The "Fundamental Policy on Corporate Control" stated in the slide title is synonymous with the "Fundamental Policy on the Governance of Decision-Making Regarding the Company's Financial and Business Policies. "The "Response Policy on Large-Scale Purchases of the Company's Shares" is synonymous with the "Measures to Prevent Control of Decision-Making on the Company's Financial and Business Policies by Inappropriate Parties in Light of the Fundamental Policy (Response Policy)."

Fundamental Policy on the Manner in Which Decisions on the Company's Financial and Business Policies Are Controlled

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To ensure and enhance the corporate value of the Company and the common interests of shareholders, the Company has determined the "Fundamental Policy on the Governance of Decision-Making Regarding the Company's Financial and Business Policies."

Company's Recognition	• When a purchase proposal that has a significant impact on the Company's fundamental management policies is made by a specific party, the ultimate decision on whether to accept it should be left to the judgment of shareholders. • In order for shareholders to make an appropriate decision, it is necessary to provide them with adequate and sufficient information. • Some large-scale purchase transactions pose risks of damaging the corporate value of the Company and harming the common interests of shareholders, which the Company has worked to maintain and enhance.
Responsibilities of the Board of Directors	Based on the above recognition, the Board of Directors acknowledges the following as its responsibilities to ensure that shareholders can make appropriate decisions. • 1) Requiring the Large-Scale Acquirer to provide shareholders with the necessary and sufficient information for their decision-making • 2) Evaluating and reviewing the impact of the Large-Scale Acquirer's proposal on the Company's corporate value and the common interests of shareholders, and providing the results as a reference for shareholders when making their decision. • 3) Engaging in negotiations or discussions with the Large-Scale Acquirer regarding the Large-Scale Acquisition or the Company's management policies, or alternatively, presenting shareholders with an alternative management policy proposed by the Board of Directors.
Holding a Shareholder Confirmation Meeting as a Forum for Shareholder Decision-Making	• When a large-scale purchaser intends to execute a large-scale purchase action, it should be a prerequisite that shareholders are provided in advance with sufficient time and information necessary to examine the purpose and details of the proposed action and determine whether to approve it. • As long as the large-scale purchaser complies with the procedures stipulated in the Response Policy, the Board of Directors will convene a Shareholder Confirmation Meeting as a forum for shareholders to evaluate and decide on the proposed large-scale purchase action before triggering any countermeasures under the Response Policy. • If, at the Shareholder Confirmation Meeting, shareholders express their consent to the proposed large-scale purchase action, the Board of Directors will not take actions to substantively obstruct the transaction, provided that the large-scale purchase action is conducted in accordance with the conditions and details disclosed at the meeting.
Conditions for Triggering Countermeasures	Countermeasures under this Response Policy will only be implemented with the utmost respect for the recommendation of the Independent Committee if either of the following conditions is met: • (a) The Shareholder Confirmation Meeting grants approval, and the large-scale purchaser does not withdraw the large-scale purchase action; or • (b) The large-scale purchaser fails to comply with the procedures set forth in the Response Policy and attempts to execute a large-scale purchase action.

Response Policy on Large-Scale Acquisition of the Company's Shares – Purpose & Overview

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To prevent inappropriate parties, as determined under the Fundamental Policy, from controlling the decision-making process regarding the Company's financial and business policies, the Company has introduced this Response Policy as a countermeasure.

Purpose	• To enable the Company's shareholders to make an informed decision on whether the proposed large-scale acquisition hinders the maximization of the Company's corporate value and the common interests of shareholders, by **first requiring the acquirer to provide necessary and sufficient information.** • **To ensure shareholders have sufficient time to carefully consider the feasibility and appropriateness of the proposed large-scale acquisition** based on the provided information.
Procedures Related to This Response Policy	• If approval is obtained at the Shareholder Intent Confirmation Meeting, and the large-scale acquisition is not withdrawn, the Company will implement the prescribed countermeasures, fully respecting the opinion of the Independent Committee. • If the acquirer does not comply with the prescribed procedures and attempts to execute a large-scale acquisition, the Board of Directors will implement the prescribed countermeasures, fully respecting the opinion of the Independent Committee.
Establishment of the Independent Committee	• The purpose of the Independent Committee is to ensure the proper implementation of this Response Policy, prevent arbitrary decisions by the Board of Directors, and guarantee objectivity and reasonableness in decision-making. • The Independent Committee, established under the Independent Committee Rules, consists of two independent outside directors and one independent outside auditor. (Additionally, Junko Suzuki, who is scheduled to be appointed as an outside director at the Annual General Meeting of Shareholders on March 27, 2025, is expected to succeed the independent outside auditor as a member of the Independent Committee after the conclusion of the meeting.) • The Independent Committee will provide recommendations to the Board of Directors regarding whether to implement countermeasures and other necessary actions under this Response Policy. The Board of Directors will fully respect these recommendations in making its final decision on the implementation of countermeasures and other necessary actions.
Utilization of Gratis Allotment of Stock Acquisition Rights as a Countermeasure	If countermeasures are activated, stock acquisition rights with the following discriminatory acquisition clauses will be allotted to all shareholders via a gratis allotment method: • Stock acquisition rights held by ineligible persons (Non-Qualified Persons) will not be exercisable, as stipulated by discriminatory exercise conditions. • Stock acquisition rights held by eligible shareholders will be acquired in exchange for the Company's common shares, while stock acquisition rights held by ineligible persons will be acquired in exchange for a different set of stock acquisition rights that are subject to specific exercise conditions and acquisition clauses.
Acquisition of the Stock Acquisition Rights by the Company	• If the gratis allotment of the stock acquisition rights is executed in accordance with this Response Policy, and the Company acquires the stock acquisition rights in exchange for issuing shares of the Company to shareholders other than ineligible persons, the shareholding ratio of ineligible persons in the Company's shares will be diluted to a certain extent.

Impact on Shareholders and Investors

Impact at the Time of Response Policy Introduction (March 19, 2025)

- At the time of the introduction of this Response Policy, the gratis allotment of stock acquisition rights will not be implemented. Therefore, **there will be no direct or tangible impact on the rights or economic interests of shareholders and investors.**

Impact at the Time of Countermeasures Activation (Gratis Allotment of Stock Acquisition Rights)

- The stock acquisition rights will be automatically allocated to all shareholders, ensuring that **no shareholders lose their rights due to the allotment.**
- While the gratis allotment of stock acquisition rights may lead to dilution of the value per share of the company's stock held by shareholders, it will not result in dilution of the overall value of the shares held by shareholders. Therefore, **no direct or tangible impact on the legal rights or economic interests of shareholders and investors is anticipated.**
- Before the exercise period begins, the company plans to forcibly acquire all allocated stock acquisition rights under the predetermined acquisition provisions and issue company shares in exchange for those rights that meet the exercise conditions.
- However, in the event that the countermeasures are activated, certain designated ineligible persons (such as large-scale purchasers) may ultimately face disadvantages concerning their legal rights or economic interests.
- In the event that the Company conducts a gratis allotment of stock acquisition rights, a record date will be set to determine the shareholders eligible to receive the allotment. Since the gratis allotment of stock acquisition rights may result in the dilution of the value per share of the Company's stock, there is a possibility that the stock price may decline after the shareholders eligible for the allotment have been determined.
- If the Company‘s Board of Directors determines that the activation of countermeasures is no longer necessary after initiating the procedures for their implementation (for example, if the large-scale purchaser withdraws the large-scale purchase action and pledges not to conduct such actions in the future), the Board may suspend or cancel the activation of the countermeasures. (In such cases, timely and appropriate disclosure will be made in accordance with applicable laws and regulations.) Shareholders and investors who engaged in trading based on the assumption that dilution of the value per share of the Company's stock would occur may suffer corresponding losses due to fluctuations in stock prices if any of these situations arise.

Procedures Required for Shareholders at the Time of Gratis Allotment of Share Options

- **No special procedures are required for the gratis allotment of share options**.
- Regarding the acquisition of share options, if the Company acquires the share options based on the acquisition clauses, **shareholders will receive common shares of the Company as consideration for the acquisition of share options without making any cash payment equivalent to the exercise price.**
- However, for ineligible persons, the handling of the acquisition or exercise of the share options may differ from that of other shareholders.

(Note) For further details, please refer to the disclosure dated March 19, titled "Notice Regarding Receipt of Notification from Mr. Hiroyuki Maki of Intended Commencement of Tender Offer and Introduction of the Company's Response Policy to Secure Corporate Value and Common Interests of Shareholders (Introduction of the Fundamental Policy Regarding Control of the Company and Response Policy for Large-Scale Purchase of the Company's Shares)."

Mechanisms to Enhance the Rationality of This Response Policy

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This Response Policy respects various guidelines related to takeover defense measures and appropriately designs the decision-making process, structure, and system to create **a highly rational framework that respects the intentions of shareholders.**

Compliance with the Intent of Guidelines on Takeover Defense Measures in Normal Times

While this Response Policy differs from pre-warning-type takeover defense measures, it has been formulated in consideration of the guidelines and corporate governance codes set forth by the Ministry of Economy, Trade and Industry, the Ministry of Justice, and the Tokyo Stock Exchange. Among the requirements set by these guidelines, those applicable to emergency response policies are also satisfied by this

Respect for Shareholder Intent (A Mechanism That Directly Reflects Shareholder Intent)

The activation of countermeasures is determined through a shareholder intent confirmation meeting, which directly reflects the shareholders' will. As long as the large-scale buyer follows the procedures, the activation of countermeasures will be decided based on shareholder intent. If the procedures are not followed and the acquisition is forced, the Board of Directors will activate the countermeasures with maximum respect for the opinion of the Independent Committee. **The validity period of the Response Policy is set until the conclusion of the Board of Directors meeting following the 2026 Annual General Meeting of Shareholders, ensuring that shareholder intentions are respected.**

Elimination of Arbitrary Decisions by the Board of Directors

To prevent the Board of Directors from unilaterally activating countermeasures, decisions are based on the results of the shareholder intent confirmation meeting. Additionally, even if the acquirer does not follow legitimate procedures, the opinion of the Independent Committee will be respected to eliminate arbitrary decisions. Furthermore, the Independent Committee receives advice from external experts (financial advisors, lawyers, certified public accountants, etc.) to ensure fairness and rationality.

Not a Dead-Hand or Slow-Hand Type Takeover Defense Measure

This Response Policy can be abolished at any time by a resolution of the Board of Directors, and it is not a dead-hand type (where the measure remains in place even if the Board members are replaced) or a slow-hand type (where replacing the Board members takes time, making it difficult to block activation).

Appendix. Details of The Response Policy

Response Policy - Targeted Large-Scale Acquisition Activities

- Acquisition of the Company's shares, etc., with the objective of increasing the voting rights ratio of a specific shareholder group to 20% or more.
- Acquisition of the Company's shares, etc., resulting in the voting rights ratio of a specific shareholder group reaching 20% or more.
- Regardless of whether the above-mentioned actions are executed, any actions taken by a specific shareholder group of the Company involving other shareholders of the Company, and as a result of such actions, if such other shareholders come to qualify as joint holders of the specific shareholder group, or any agreements or other actions that reasonably establish a relationship in which one party substantially controls the other or in which they act jointly or in coordination.

* "Large-Scale Acquirer" refers to any party that conducts or intends to conduct large-scale acquisition activities independently or jointly/in coordination with others.

Response Policy - Procedures for Large-Scale Acquisition Activities

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① Submission of a Statement of Intent for Large-Scale Acquisition Activities

A large-scale acquirer is required to submit a written Statement of Intent for Large-Scale Acquisition Activities to the Board of Directors at least 60 business days prior to executing any activity that qualifies as a large-scale acquisition following the implementation of this Response Policy.

② Provision of Information

The large-scale acquirer must, within five business days after the Board of Directors receives the Statement of Intent for Large-Scale Acquisition Activities, provide the necessary information that the shareholders would reasonably require in order to determine, at the Shareholders' Confirmation Meeting, whether to accept or reject the large-scale acquisition activities.

③ Board Evaluation Period

The Board of Directors shall set a period, within 60 business days from the date of receipt of the Statement of Intent for Large-Scale Acquisition Activities, for evaluating and assessing whether the large-scale acquisition should proceed.

Note: If the Board determines that an adequate evaluation is difficult to conduct within this period, it may extend the evaluation period to the minimum necessary extent based on the recommendation of the Independent Committee. In such a case, the Company will disclose the reason for the extension and the additional period granted.

④ Convening of the Shareholders' Confirmation Meeting

If the Board of Directors opposes the large-scale acquisition and believes that defensive measures should be triggered, it will decide to convene the Shareholders' Confirmation Meeting within 60 business days from the receipt of the Statement of Intent for Large-Scale Acquisition Activities.

At the Shareholders' Confirmation Meeting, shareholders will express their will regarding whether to accept or reject the large-scale acquisition activities through a formal resolution on the implementation of defensive measures.

⑤ Countermeasures

If the proposal to implement countermeasures is approved at the Shareholders' Confirmation Meeting and the large-scale acquirer does not withdraw the acquisition, the Board of Directors will execute the defensive measures.

If the proposal to implement defensive measures is not approved, no countermeasures will be executed.

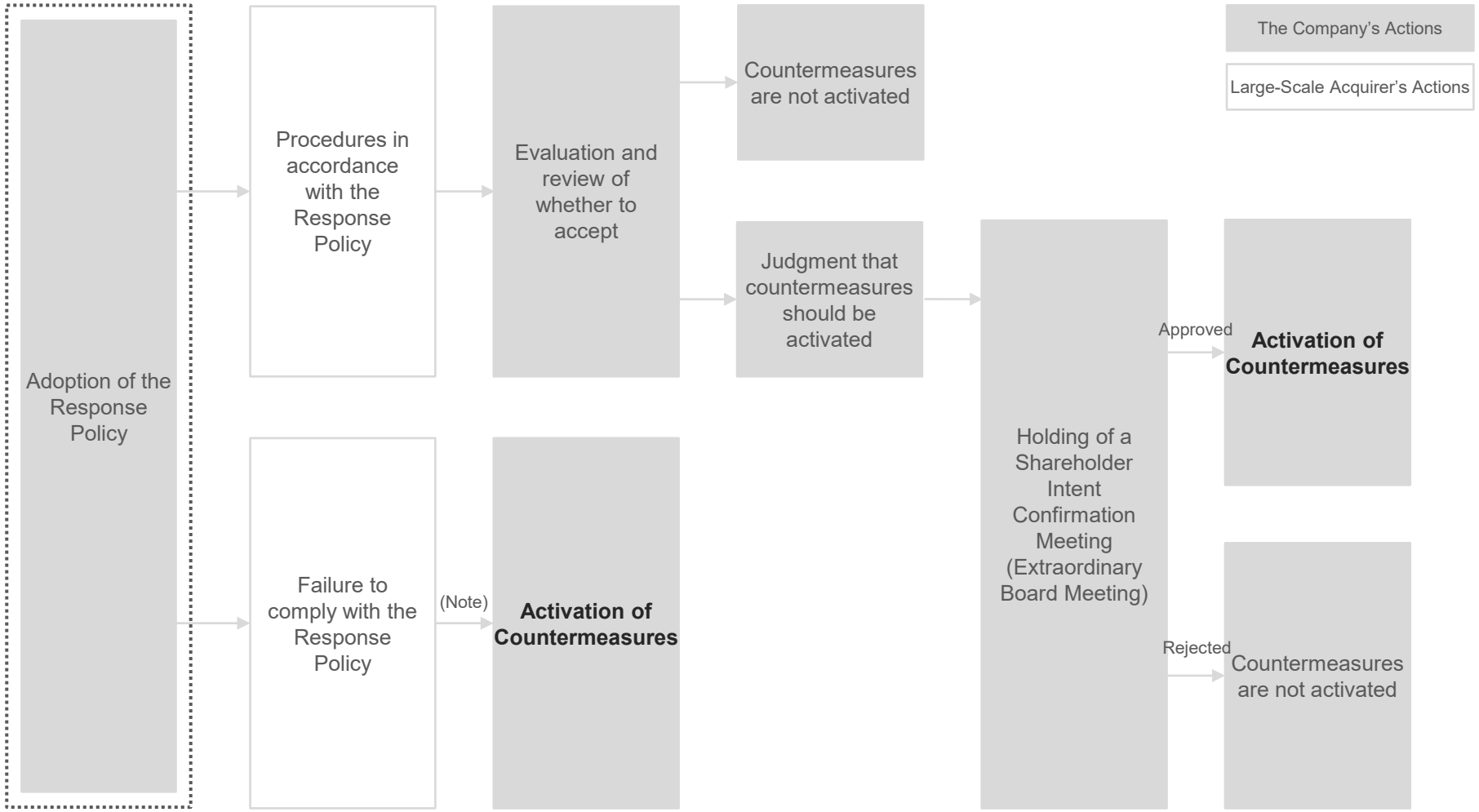
Countermeasure (Issuance of Stock Acquisition Rights Without Compensation) - Overview

BASE

Type of Shares to Be Issued	• Common shares of the Company
Number of Shares to Be Issued	• A number separately determined by the Board of Directors
Value of Assets to Be Contributed Upon Exercise	• The amount obtained by multiplying the number of shares to be issued per stock acquisition right by one yen.
Period During Which They Can Be Exercised	• A certain period determined separately by the Board of Directors.
Conditions for Exercising the Stock Acquisition Rights	• Stock acquisition rights held by non-qualified persons, including those they effectively hold, cannot be exercised. • The Company may determine specific requirements that must be met for exercising the stock acquisition rights, including necessary documents such as written statements, warranties, and supplementary pledges, along with any other necessary and reasonable information. • If regulatory authorities in applicable foreign jurisdictions or other factors impose restrictions or insufficient conditions on the exercise of the stock acquisition rights, the Company may refuse the exercise unless all relevant procedures and conditions are fully met.
Acquisition Clauses	• The Company may acquire unexercised stock acquisition rights from non-qualified persons by providing them with the number of shares equivalent to the number of shares they would have received upon exercise or compensate them accordingly. • The Company may acquire unexercised stock acquisition rights in exchange for stock acquisition rights of a different type with pre-determined contractual terms.
	(Conditions for Exercising the Second-Class Stock Acquisition Rights) Non-qualified persons may only exercise the second-class stock acquisition rights within the scope where the shareholding ratio of the large-scale acquirer, after exercising the rights, falls below 20% or another percentage separately determined by the Board of Directors, provided that the following conditions are met or as otherwise determined by the Board of Directors: • If the large-scale acquirer ceases or withdraws its large-scale acquisition activities and pledges not to conduct such activities in the future. • If the shareholding ratio of the large-scale acquirer falls below 20% or another percentage separately determined by the Board of Directors. • If the shareholding ratio of the large-scale acquirer is not within the range recognized by the Company as 20% or another percentage separately determined by the Board of Directors, but the large-scale acquirer or other non-qualified persons entrust a designated securities company recognized by the Company to dispose of their shares through on-market transactions. After such disposal, if the shareholding ratio of the large-scale acquirer falls below 20% or another percentage separately determined by the Board of Directors, the rights may be exercised. (Acquisition Clause for the Second-Class Stock Acquisition Rights) • If, on the day ten years after the issuance of the second-class stock acquisition rights, any of these rights remain unexercised, the Company may acquire the remaining unexercised second-class stock acquisition rights in exchange for monetary consideration equivalent to their market value at that time.

Flow Until the Activation of Countermeasures

he resolution at the March 19 Extraordinary Board Meeting is limited to the introduction of this Response Policy.



(Note) If the large-scale purchaser fails to comply with the procedures stipulated in the Response Policy and attempts to execute a large-scale purchase, shareholders will not have sufficient time to carefully consider the appropriateness of accepting such a purchase based on the information disclosed by the large-scale purchaser. Additionally, there will be no opportunity to confirm the shareholders' intentions regarding the acceptance of such a large-scale purchase. Therefore, in such cases, unless there are special circumstances, the Board of Directors will, without convening a Shareholder Intent Confirmation Meeting, trigger the countermeasures. In determining whether to implement the countermeasures, the Board of Directors will fully respect the opinion of the Independent Committee.

Appendix. Growth Strategy

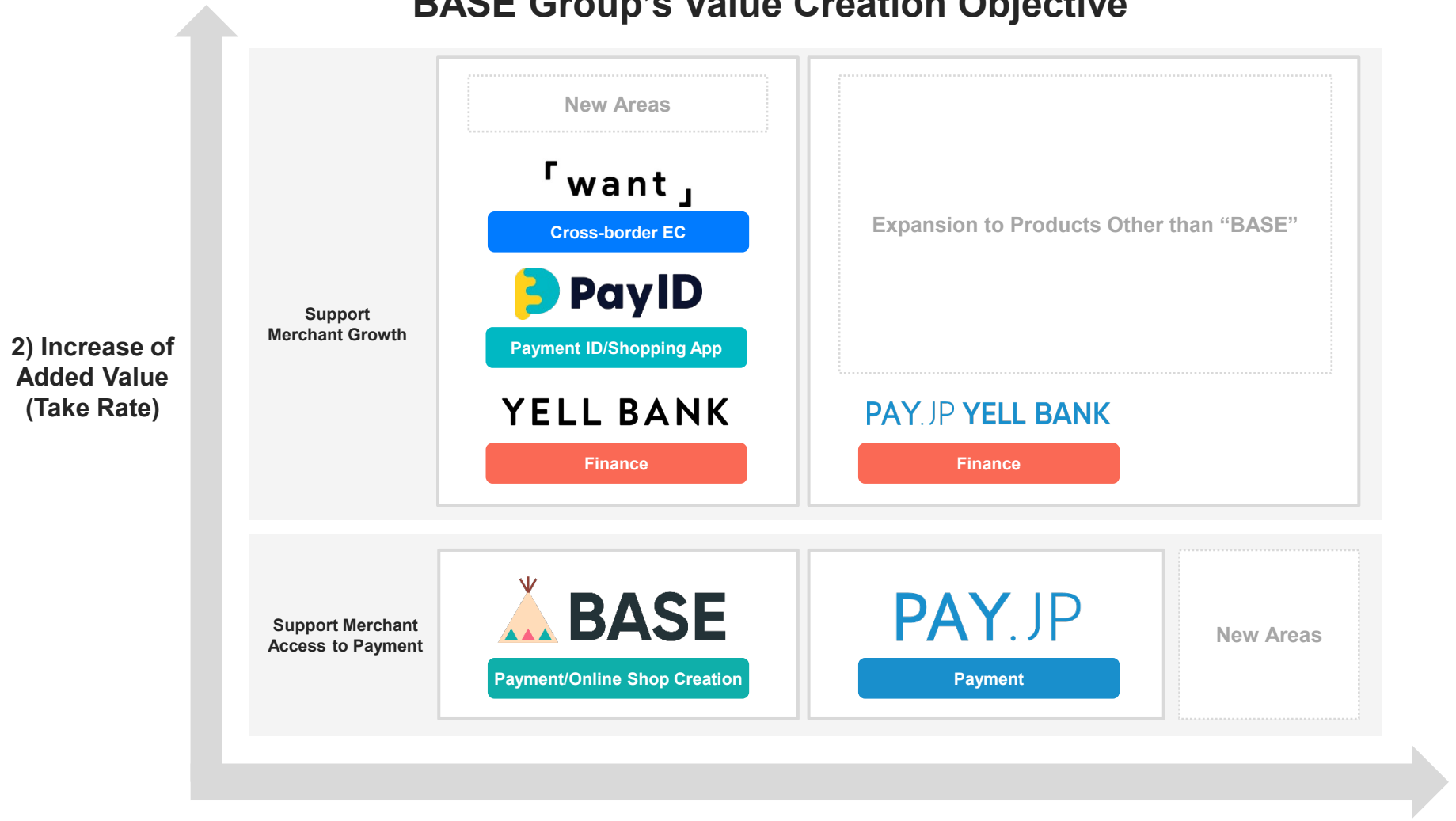
Medium-Term Policies

Group	✓ Continue **balancing top-line growth and profitability improvements** through the enhancement of existing products to **drive EBITDA growth.** ✓ Pursue inorganic growth through proactive M&A and strategic partnerships. ✓ Leverage a strong financial foundation to **prioritize share repurchases as the primary means of shareholder returns.** ✓ Maintain a focus on governance enhancement, ensuring the evolution and integration of group culture to strengthen organizational capabilities as the group expands.
BASE	✓ Continue to empower individuals and small teams. ✓ **Achieve both GMV growth and take rate improvements, supporting the group's overall development as a solid revenue foundation.** ✓ **Reinvest in new shop acquisition** by strengthening promotional activities, including mass-market promotions, to ensure long-term GMV growth and competitiveness.
PAY.JP	✓ Strengthen product capabilities while **balancing GMV growth and Gross Profit Margin improvement.** ✓ **Focus on new merchant acquisition** through enhanced sales and marketing efforts, while maintaining a cost-efficient organizational structure to sustain long-term GMV growth and competitiveness.
Pay ID	✓ Implement initiatives to monetize the Pay ID user base and optimize cost structures, **contributing to profitability improvements in the BASE Business.** ✓ Expand BNPL (“Post Pay (Pay ID)") beyond the BASE platform by enabling Pay ID users to make purchases at PAY.JP merchants and other platforms.
YELL BANK	✓ **Contribute to profitability improvements** across the group as a profit center. ✓ **Enhance the value proposition for all merchants within the group** through feature expansion and reinforcement of a stable operational foundation. ✓ Strengthen embedded finance capabilities through continuous product enhancements.
want.jp	✓ Revamp existing cross-border EC operations, aiming to achieve the growth plan set at the time of acquisition. ✓ **Contribute to GMV growth and profitability improvements in the BASE Business through the early launch of cross-border EC functionality for BASE shops,** developed jointly with the BASE Business.

Growth Strategy

BASE Group is committed to enhancing corporate value by achieving two key goals: **1) Expanding the target merchant base, 2) Enhancing added value for merchants.** This will be realized through the growth of existing products, synergy generation, and the execution of M&A activities aimed at achieving inorganic growth.

BASE Group's Value Creation Objective



Consolidated

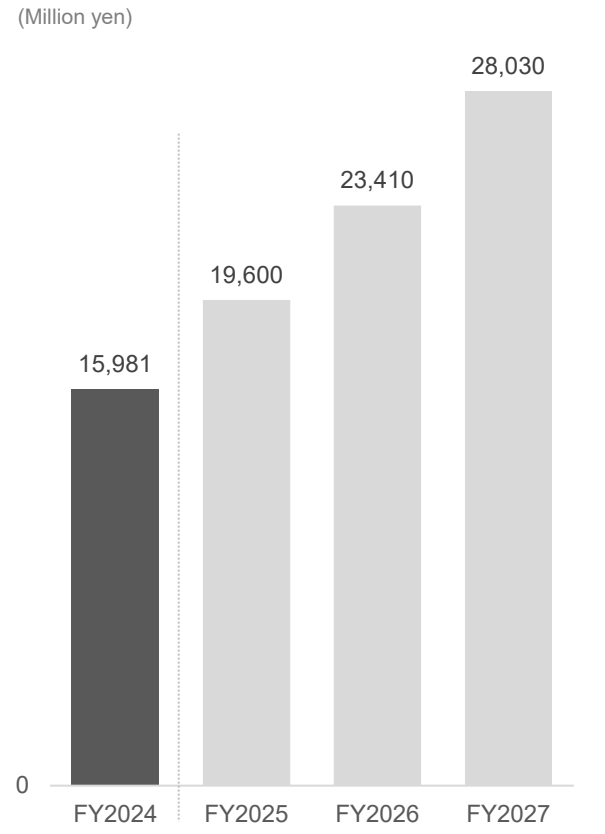
Mid-Term Management Plan

Continue **balancing top-line growth and profitability improvements** through the enhancement of existing products.

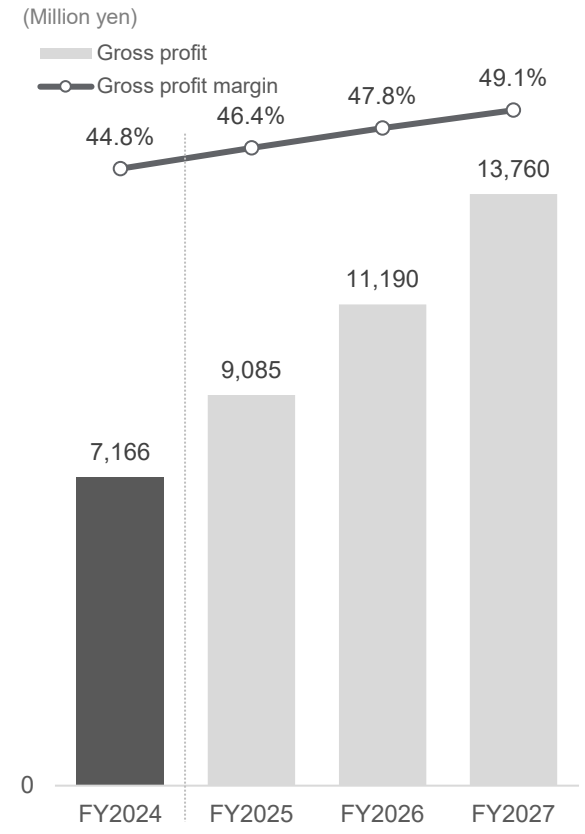
In FY2025, efforts will be refocused on new merchant acquisition across the group, with increased promotional activities planned. **From FY2026 onward, the goal is to drive significant EBITDA growth.**

Additionally, inorganic growth will be achieved through initiatives such as the planned M&A of Estore Corporation in July 2025 (not included in this plan).

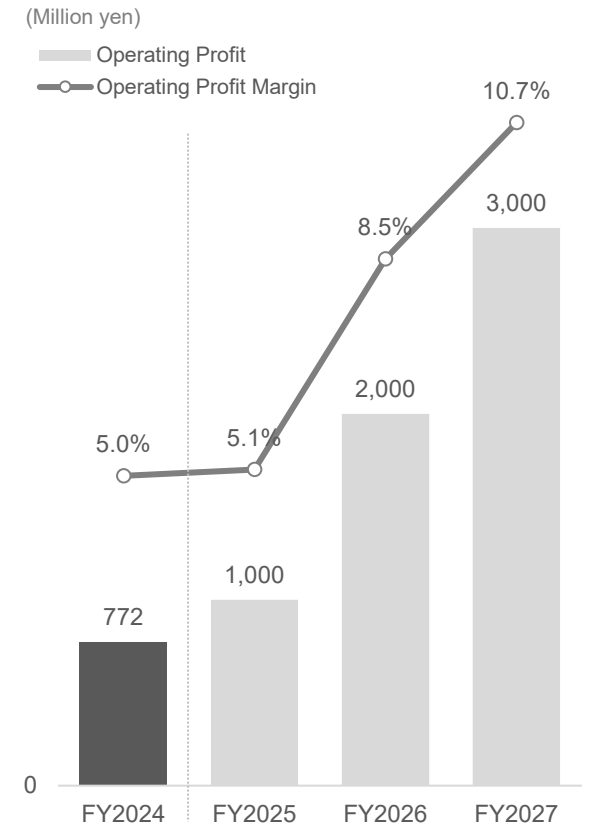
Net Sales



Gross Profit and Gross Profit Margin



Operating Profit and Operating Profit Margin



(Note) The composition ratios of Net Sales and Gross Profit by business segment are provisional at this stage. Figures on the following pages represent a growth outlook.

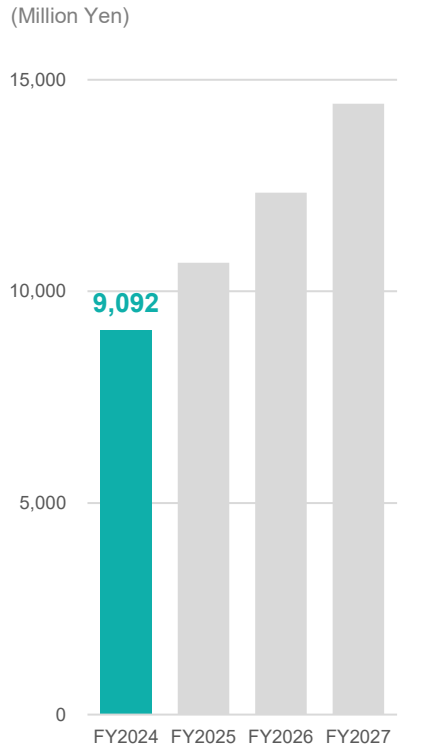
Growth Strategy

Drive GMV growth and take rate improvements by leveraging Pay ID, along with strengthening logistics, marketing, and cross-border EC functionalities to **support the group's overall revenue foundation.**

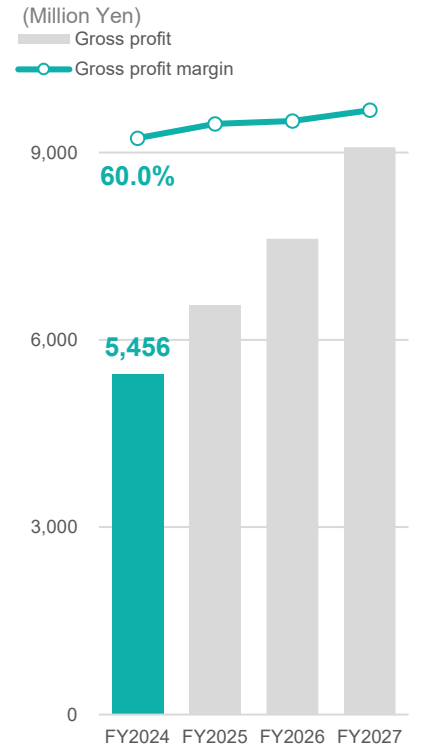
Reinvest in new shop acquisition through enhanced promotional efforts, including mass-market initiatives, to sustain long-term GMV growth and competitiveness.

Growth Outlook

Net Sales



Gross Profit and Gross Profit Margin



Growth Strategy

GMV Growth

- ✓ Accelerate the launch of cross-border EC functionalities through joint development with the want.jp Business, **capturing overseas purchasers.**
- ✓ **Expand new shop acquisition efforts** by targeting a wide range of potential users, with increased mass-market promotions.

Profitability Enhancement

- ✓ **Strengthen expansion features that enhance shop sales and operational efficiency,** including traffic generation support, logistics, and inventory integration—both through BASE's own features and partnerships with external platforms.
- ✓ **Enhance the value proposition of the Pay ID app** by driving new customer acquisition for shops and increasing average order value.

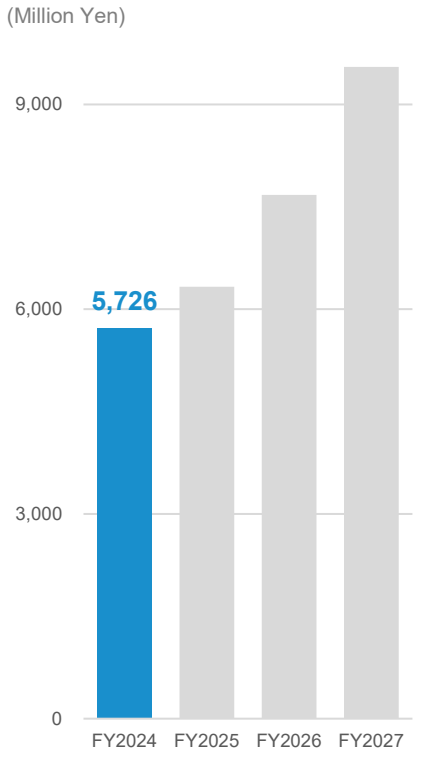
Growth Strategy

Efforts will continue to enhance the product offering by strengthening payment functions and providing group-exclusive financial services, aiming to **achieve both GMV growth and Gross Profit Margin improvement.**

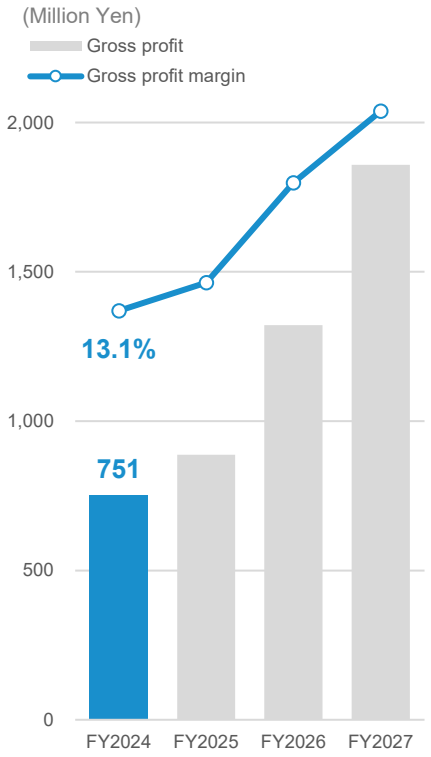
To sustain long-term GMV growth and competitiveness, sales and marketing efforts will be reinforced, with **a focus on acquiring new merchants,** while maintaining a cost-efficient organizational structure.

Growth Outlook

Net Sales



Gross Profit and Gross Profit Margin



Growth Strategy

Enhancement of Payment Functions

- ✓ Initiatives will be pursued to introduce new payment methods, alongside the development of a more easily integrable payment system and enhanced fraud prevention measures.
- ✓ The expansion of PAY.JP Platform will also support new merchant acquisition for platform operators.

Strengthening of Group-Exclusive Features

- ✓ The value proposition in financial services, including PAY.JP YELL BANK, will be enhanced to further differentiate from competitors.

Marketing and Existing Merchant Support

- ✓ Sales and marketing initiatives will be strengthened to diversify new customer acquisition channels.
- ✓ Deeper engagement with large existing merchants will be pursued to encourage continued usage.

YELL BANK Business

Growth Strategy

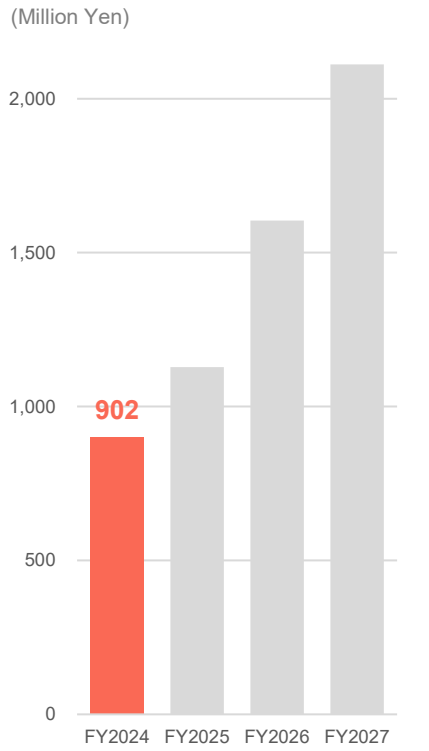
Efforts will continue to drive high growth, positioning YELL BANK as a profit center that **contributes to enhancing the group's overall profitability.**

By expanding the features of existing services such as YELL BANK and strengthening a stable operational foundation, **the goal is to increase the value provided to all merchants within the group.**

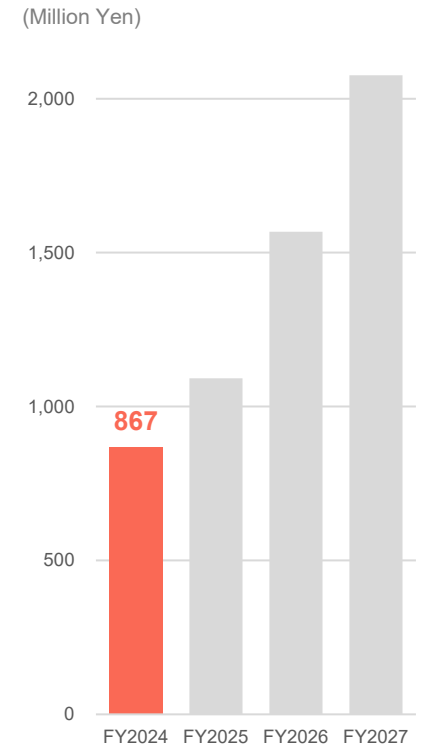
Additionally, a broad range of financial services will be developed to reinforce embedded finance capabilities.

Growth Outlook

Net Sales



Gross Profit



Growth Strategy

Enhancing Value for Existing Group Merchants

- ✓ Establishing a robust operational foundation to ensure sustainable utilization of YELL BANK by a wide range of shops.
- ✓ Optimizing products to align with the characteristics of PAY.JP merchants, with the aim of rapidly scaling PAY.JP YELL BANK.
- ✓ Expanding the lineup of financial products related to cash flow management for group merchants.

Supporting New Merchant Acquisition for the Group

- ✓ Facilitating the horizontal expansion of existing products to newly integrated merchants, including those from the planned M&A of “Estore Shopserve.”

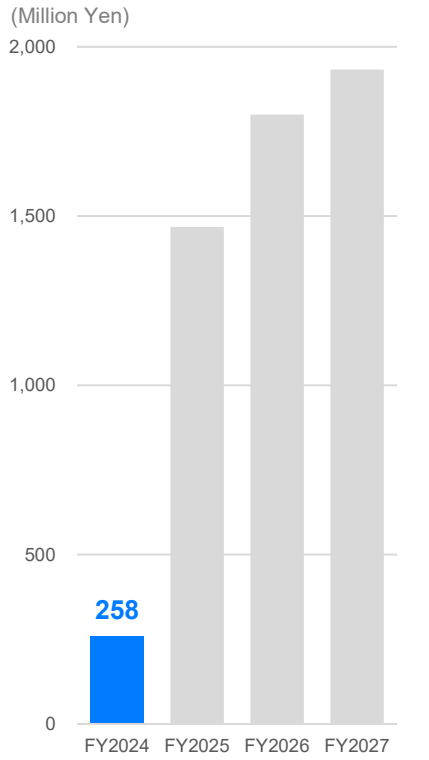
Growth Strategy

Efforts will focus on revitalizing the existing cross-border EC business and driving growth in line with the initial business plan.

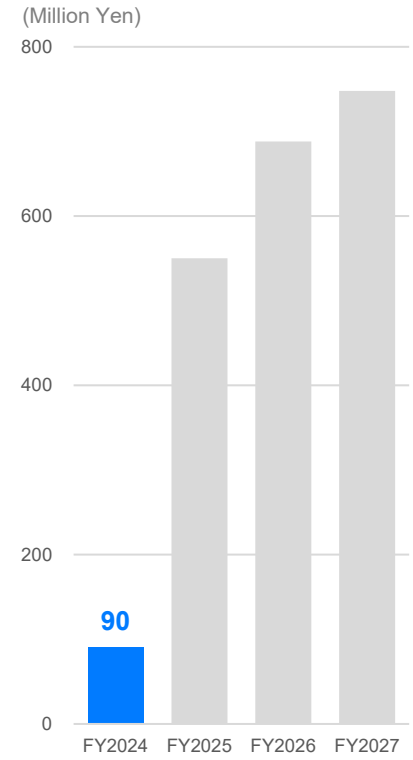
The early launch of cross-border EC functionality for BASE shops, developed in collaboration with the BASE Business, will contribute to GMV growth and profitability improvements in the BASE Business.

Growth Outlook

Net Sales



Gross Profit



Growth Strategy

Existing Business

- ✓ Prioritize stabilizing revenue streams from high-impact platforms to facilitate an early turnaround of the existing business.
- ✓ Strengthen the business foundation by expanding product offerings, optimizing pricing strategies, and increasing the number of sales platforms.

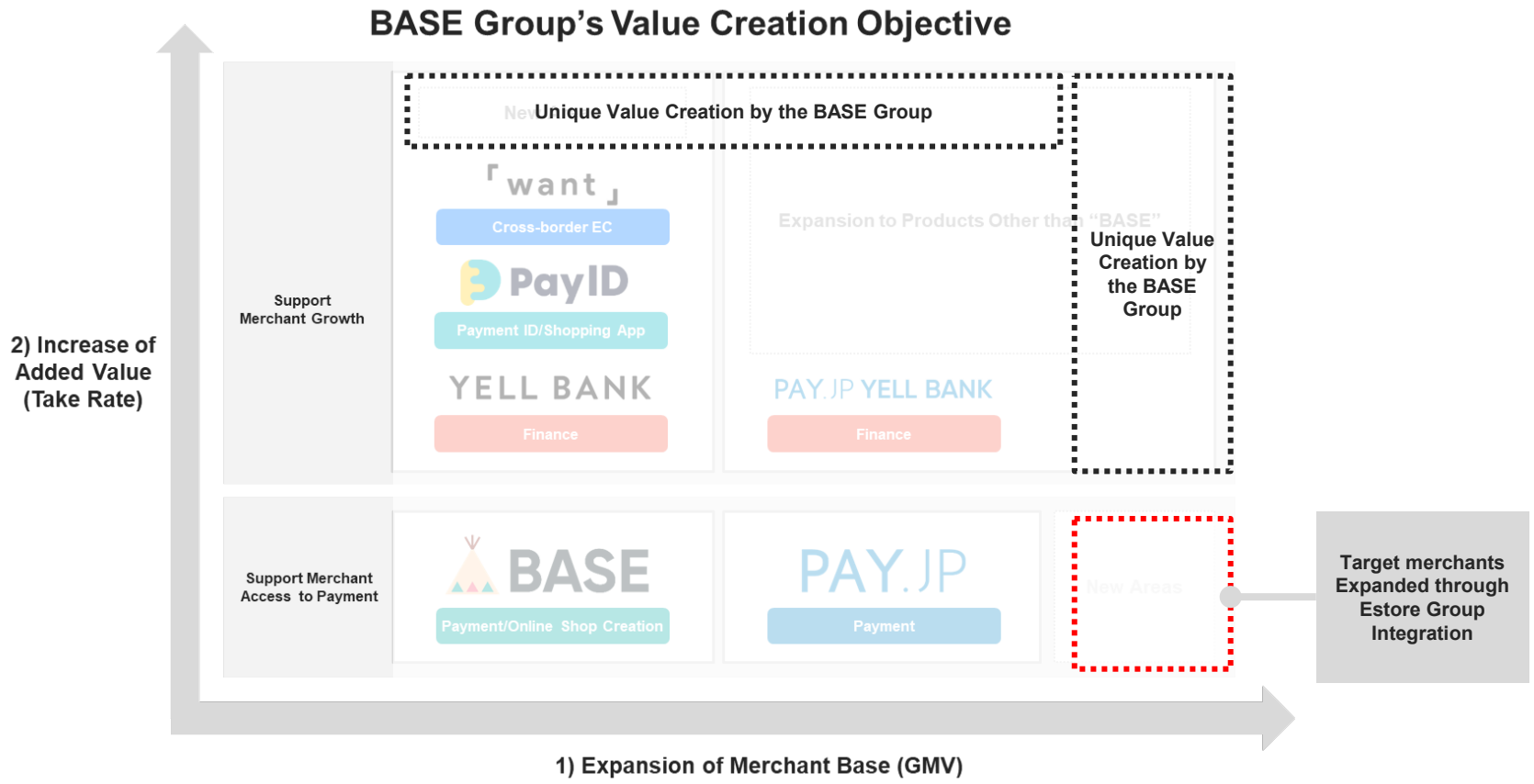
Collaboration with BASE Business

- ✓ Develop and accelerate the launch of cross-border EC functionality that enables BASE shops to easily expand into international markets, making cross-border EC more accessible.

Achieving Inorganic Growth through Proactive M&A

While continuing to prioritize the growth of existing products, **the group will actively pursue M&A to expand its target merchant base.**

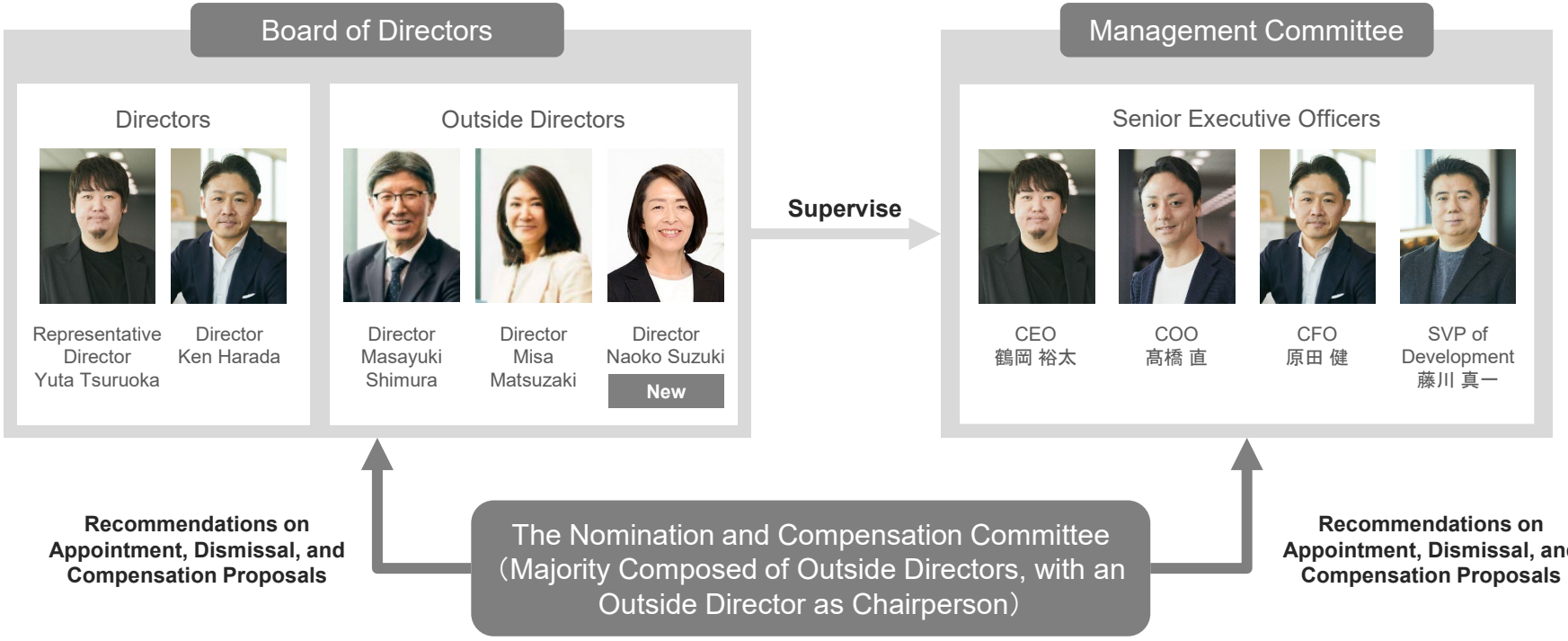
For the expanded merchant base, products like “YELL BANK”, “Pay ID”, and “want.jp” will be utilized **to generate unique value creation within the BASE Group**, maximizing overall value creation.



Governance Strengthening through Increased Ratio of Outside Directors

To enhance the supervisory function of the board, the company will add an additional outside director, resulting in a majority of outside directors on the board.

Newly appointed outside director Ms. Suzuki brings expertise in corporate management as well as specialized knowledge in human resources and organizational development.



(Note) Subject to Approval at the 12th Annual General Meeting of Shareholders

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