Materials for Growth Opportunities and Strategies

BASE, Inc.
(Tokyo Stock Exchange Growth: 4477)
March 26, 2025

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1. Company Overview

Mission

Payment to the people, Power to the people.

BASE provides a platform in which individuals can transmit their thoughts, sensitivities and talents to any and all that are in need of them. Our hope is that our service gives way to new projects, ideas and activities, as well as fair compensation for our valued merchants.

Means of payment should be available to everyone in the world and beyond. As a company, we aim to provide each and every individual with the opportunity to freely transform their potential into value.

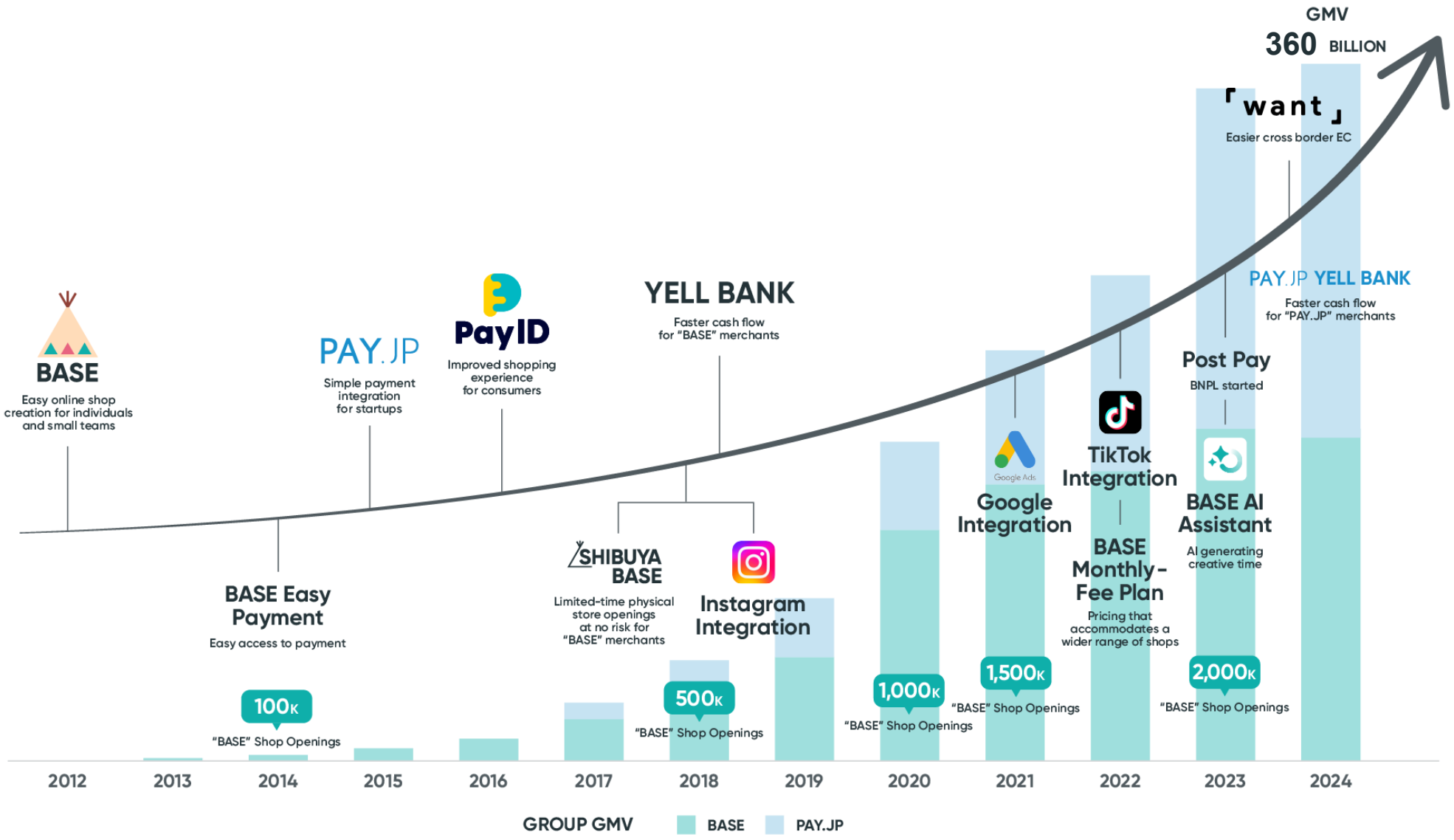
Creating an economy for People through the Power of Payment.



Company Overview

Company Name	BASE, Inc.
Address	Sumitomo Real Estate Roppongi Grand Tower 37F, 3-2-1 Roppongi, Minato-ku, Tokyo 106-6237
Establishment Date	December 11, 2012
Directors	Representative Director Yuta Tsuruoka Director Ken Harada Director Masayuki Shimura Director Misa Matsuzaki
Number of Employees (Consolidated)	287 persons (as of December 31, 2024)
Subsidiary	PAY, Inc. want.jp Inc.

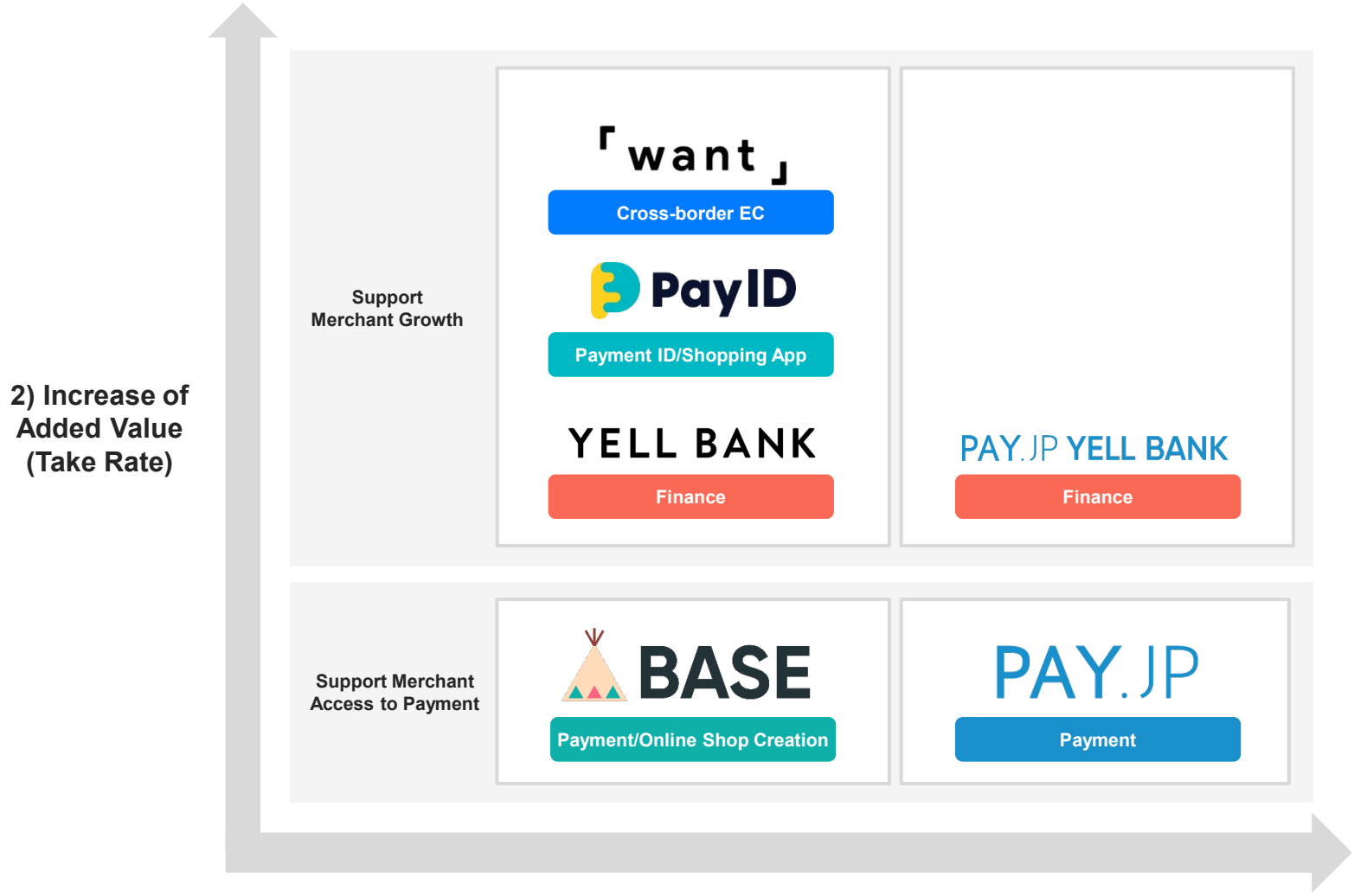
History of the Group Growth



2. Business Outline

Service Outline

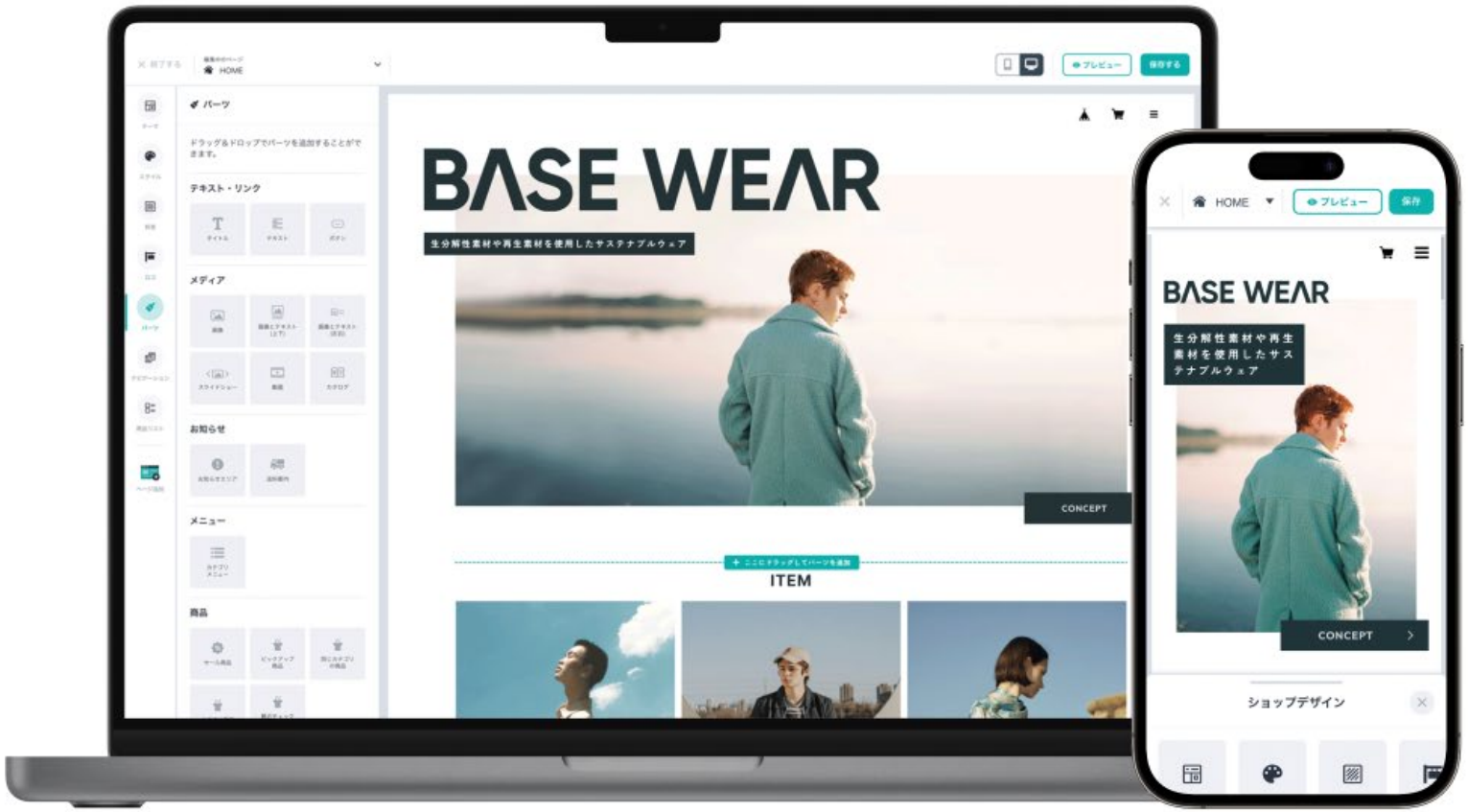
The BASE Group operates products like **“BASE”** and **“PAY.JP”**, which focus on expanding the merchant base, and **“YELL BANK”**, **“Pay ID”**, and **“want.jp”**, which are designed to enhance the value provided to these merchants.



2-1. Online Shop Creation Service “BASE”

Online Shop Creation Service “BASE”

The online shop creation service enabling anyone to easily create well-designed online shops at no cost

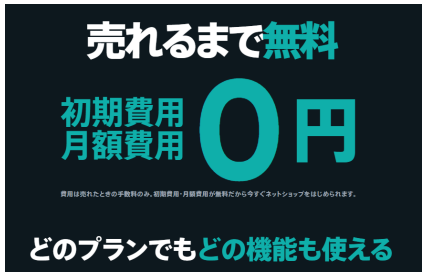


Features of Online Shop Creation Service “BASE”

Supporting individuals and small teams with various needs, from those who want to easily start an online shop with no risk, to those with high growth potential and large sales

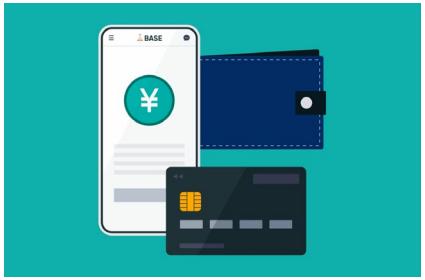
Point 1

Suitable Price Plans for All Shops



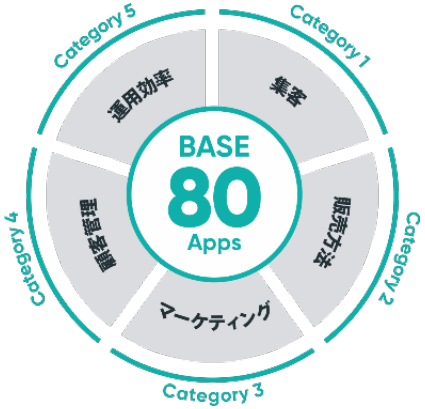
Point 2

“BASE Easy Settlement" for immediate use



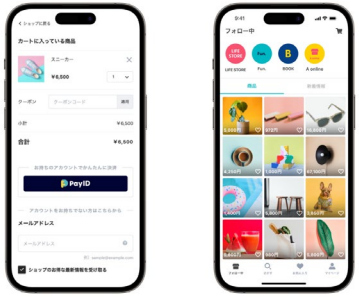
Point 3

Functions and services for a wide range of sales scale



Point 4

Shopping Service “Pay ID”



Point 1: Suitable Price Plans for All Shops

Offering suitable price plans for those who want to easily start and online shop with no risk, as well as merchants with high growth potential and large sales

	No Monthly Cost Plan (Standard Plan)	Monthly-Fee Plan (Growth Plan)
Service Commission	3.0% of Payment Amount	19,980 Yen Per Month (Note2)
Payment Processing Commission	3.6%～ of Payment Amount + 40 Yen per Transaction (Note1)	2.9%～ of Payment Amount (Note1)

(Note1) Amazon Pay and PayPal payments incur an additional 1% system usage fee.
(Note2) 16,580 yen per month for annual payment

Point 1: Suitable Price Plans for All Shops

Become the service of choice for merchants with a wider range of sales volumes by offering a pricing plan with an overwhelming competitive superiority (Note1)

Lowest price

	BASE	Domestic Service S	Domestic Service C	Domestic Service M	International Service S
Payment Processing Fee	**2.9% ~**	3.6%	4.0% ~	3.19% ~	3.4%
Monthly Fee	¥19,980	¥2,980	¥4,950	¥12,100	¥3,750 (Note2)
Initial Fee	¥0	¥0	¥3,300	¥11,000	¥0

(Note1) Pricing plans for each company are based on in-house research (as of March 2024). Comparison of plans that incur monthly fees
(Note2) Conversion rate of 150 yen to the U.S. dollar

Point 2: “BASE Easy Payment”

Providing a unique payment system “BASE Easy Payment”
Easing the burden for installing payment functions for merchants

Overview of “Base Easy Payment”

- ✓ The one-stop service from the opening of an online shop to the introduction of a settlement function **eliminates the need for the complicated process of installing an external settlement system**
- ✓ Shortens the screening time for installment and **offers the payment services from the next business day at the earliest**
- ✓ Users can choose from **7 payment methods**
- ✓ “Post Pay (Pay ID)" allows for three interest-free installment payments with no fees.

Post Pay (Pay ID)

Credit card

Bank transfer

Carrier settlement

CVS Payment / Pay-easy

Amazon Pay

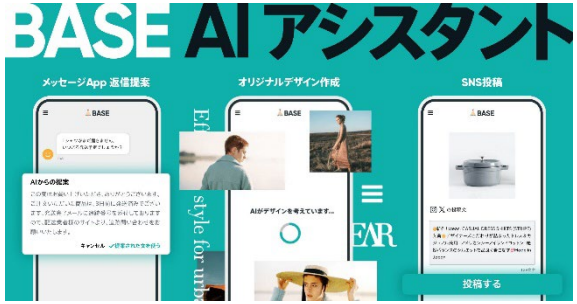
PayPal

Point 3: Functions and services for a wide range of sales scale

Easy to use and simple standard functions
and extension function “BASE Apps” enabling merchants to easily expand functionalities to accommodate diversifying needs associated with each merchant’s growth

Standard Functions

All essential features required for setting up and securely operating an online shop are provided as standard features to all shops free of charge.





Extension Function “BASE Apps”

Many extension functions to meet the diverse needs of a growing merchant





Other Services

Providing services to enable individuals and small teams to open physical shops, as well as raising funds easily and without risk





Point 3: Examples of Standard Functions

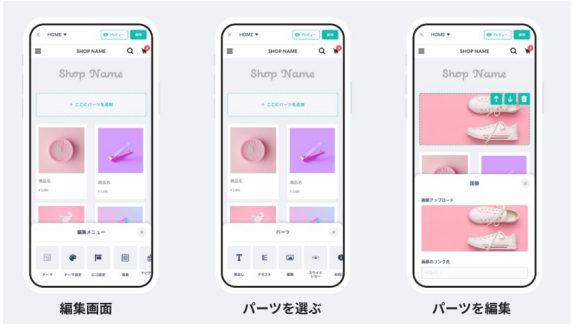
Providing functions necessary to open an online shop as standard functions to all merchants free of charge

Providing AI-based operational support functions in addition to no-code shop design functions

Enhancing login security to support safe and secure shop operations.

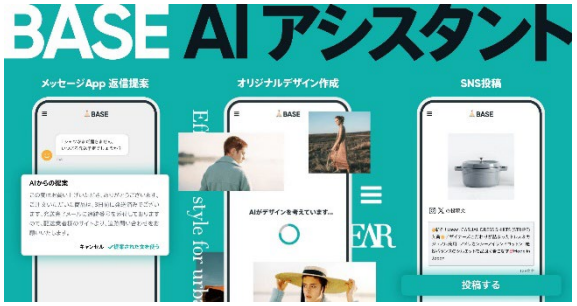
Shop Design Function

Over 1,000 design patterns created through combining official themes and parts, allowing merchants to **easily express their brand's worldview with no code required**



BASE AI Assistant

Providing all merchants with AI-based operating support functions, such as automatic generation of SNS posts and goods descriptions, automatic proposal of inquiry replies and shop design, etc.



Passkey Authentication

Introducing passkey authentication to strengthen security when logging into the shop management dashboard, **ensuring a safe and reliable service.**



Point 3: Examples of Extension Function “BASE Apps”

Many extension functions to meet diverse needs of a growing merchant

Supporting shops of various sales scales through logistics, promotional activities, and customer management assistance.

Logistics

Providing affordable and secure shipping options to support shop logistics.





Sale Promotion

Enhancing promotional activities with drop shipping and social media integration features.





CRM

Helping shops retain repeat customers with email newsletter distribution and membership functions.





(Note) For other extensions, please refer to the site (https://apps.thebase.com/)

Point 3: Examples of Extension Function “BASE Apps”

Providing services which enable individuals and small teams to open physical shops and raise funds easily and without risk

Physical Shops

Providing access to **all BASE merchants** to open physical shops without initial or fixed costs, **allowing a risk-free opportunity** with only a commission based on amount of goods sold



Fundraising Service “YELL BANK”

BASE will forecast future sales and purchase the receivables, **enabling merchants to raise funds without risk**



(Note) Please see page 28 for details.

Point 4：Shopping Service “Pay ID”

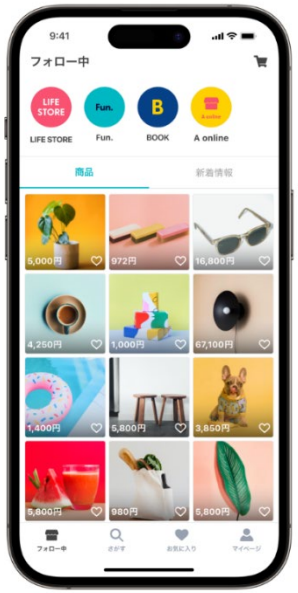
Providing "Pay ID" shopping service for purchasers, which can be used for shopping at "BASE" shops

Shopping app makes it easier for merchants to attract new and repeat customers

Purchasers can also use the shopping app and ID payment for easy and safe shopping at shops created with "BASE"

Outline

Provides a shopping application that enables users to follow stores, search for stores and goods, etc., as well as ID payment services such as 1-click payment



▲ the shopping app



▲ ID Payment

Added Value

Added value for merchants

- ✓ **Increase repeat customers** by creating continuous connection with purchasers through the app's follow-up and push notification functions, etc.
- ✓ **Increase new customers** through app search and recommendation functions, etc.

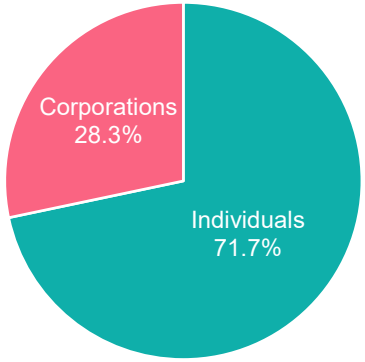
Added value for purchasers

- ✓ Smoother shopping experiences at favorite shops by using follow-up function of the shopping app
- ✓ Discovery of ne shops by using browsing and recommendation functions of the shopping app
- ✓ ID payment available at all shops created with “BASE”
- ✓ An easy shopping through 1-click payment

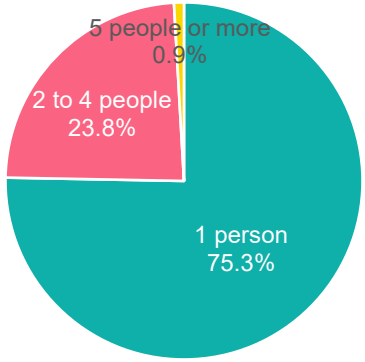
Characteristics of “BASE” Merchants

Individuals and small teams without a physical stores, attracting purchasers using social media, and selling a wide range categories of original goods

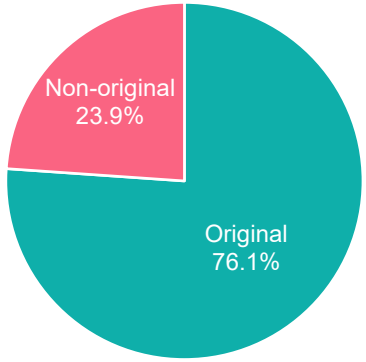
Merchants Management Structure



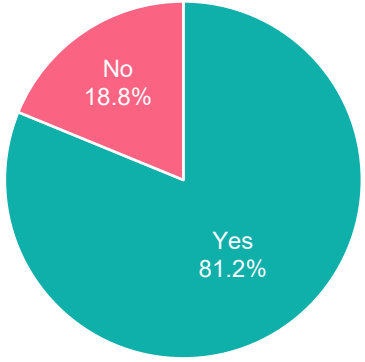
Number of Operators



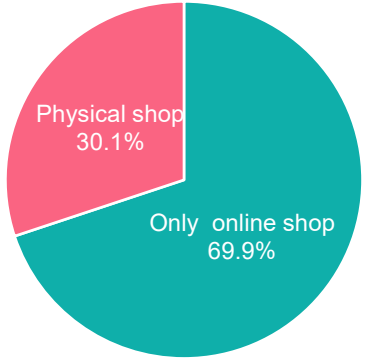
Selling of Original vs Non-original Goods



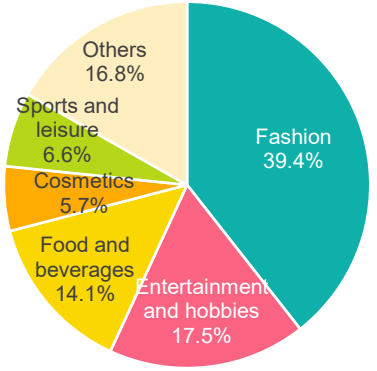
Merchants Who Use Social Media



Merchants Who Own Physical Shops



GMV Ratio by Goods Category

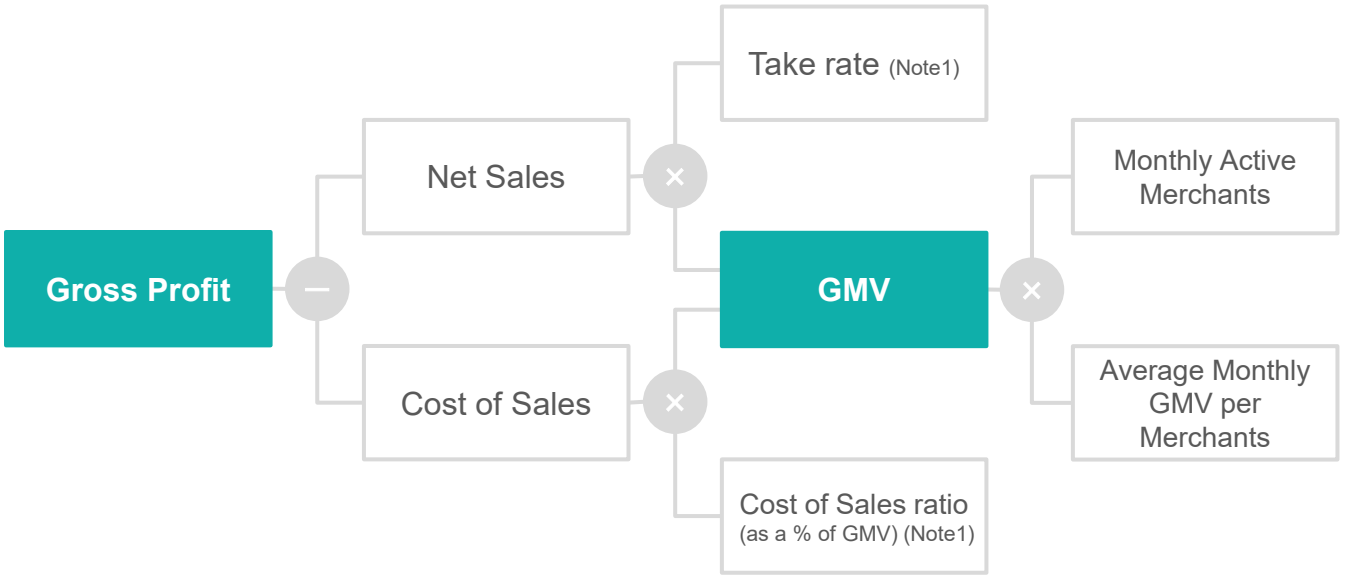


Source: BASE Survey conducted November 2023

Earnings Structure

Gross profit mainly driven by GMV

Earnings Structure



Composition of Net Sales

① Commission paid by shops

- ✓ Payment processing commission (Note2)
- ✓ Service commission (Note2)
- ✓ Others (Note3)

② Commission paid by purchasers

- ✓ Additional commission incurred when selectin CVS, post pay, bank transfer, and carrier payment

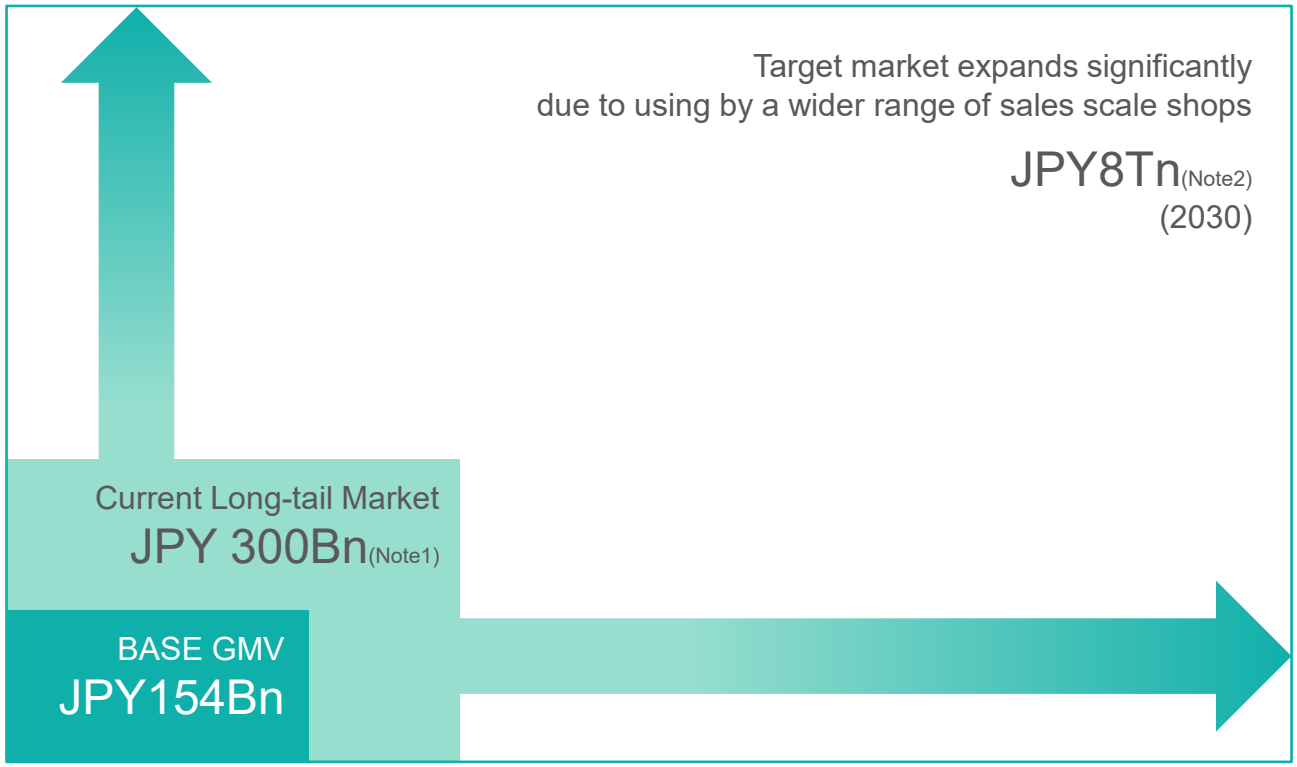
Composition of Cost of Sales

- ✓ Mainly commissions paid to payment processing companies

(Note1) Take rate is the ratio of net sales over GMV (payment amount). Cost of sales (as a % of GMV) is the ratio of cost of sales over GMV (payment amount)
(Note2) Changes depending on the pricing plan. Please refer to page 12 for details,
(Note3) Includes withdrawal application fees and paid functions. In addition to transfer fees (250 yen), additional admin fees (500 yen) apply to transfers below 20,000 yen, and no additional fees if above 20,000 yen

Market Size

Target market expands significantly, because “BASE” continues to be the best choice for individuals and small teams and a wider range of sales scale shop use



(Note1) Estimate by company based on assumption of GMV (order amount) of the BASE business in FY2024 accounting for approximately 50% of the long-tail market
(Note2) Reference to METI “E-Commerce Market Survey” of 2020, estimate by company of market scale of in-house EC to grow at 8% CAGR over 10 years in the BtoC of goods EC space

2-2. Online Payment Service “PAY.JP”

PAY.JP Business

Online Payment Service “PAY.JP”

Online payment service for developers to easily integrate credit card payment to web services and online stores (Note)





(Note) Excluding online shops created by “BASE”

PAY.JP Business

Online Payment Service “PAY.JP”

PAY.JP

Solving complex problems of online payment services such as "time-consuming to apply," "expensive," and "difficult to use"

Point 1

Simple functions to integrate payment with only 3 steps

1. Account Registration
2. Application for Use
3. Built-in PAY.JP API

Point 2

Flexible and reasonable fee structure

	Standard	Business	Enterprise
Monthly Fee	¥ 0	¥ 20,000	¥ 50,000
VISA Mastercard	3.3%	2.78%	2.59%
JCB AMEX DISCOVER Diners Club	3.3%	2.78%	2.7%
Deposit Cycle	One per month with close month-end / Two per month close 15th and month-end		

Point 3

Strong security complying with global standards



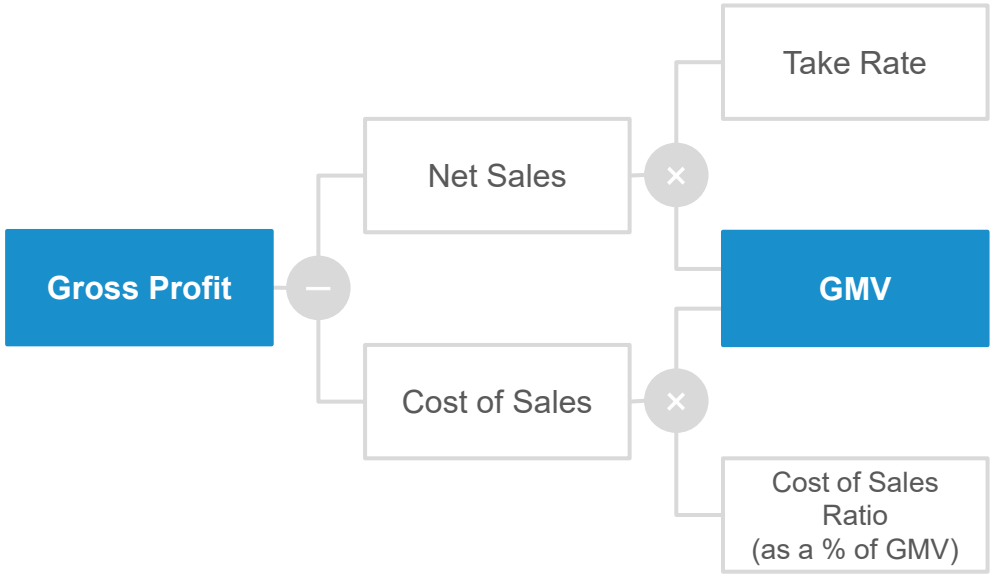
Tokenizing　PCI DSS　Monitoring

Earnings Structure

Gross profit mainly driven by GMV

Take rate and cost of sales ratio (as a % of GMV) fluctuate based on GMV mis of pricing plan and credit card brands

Earnings Structure



Composition of Net Sales

✓ Commission paid by merchants (Note)

Composition of Cost of Sales

✓ Mainly commissions paid to payment processing companies

(Note) Payment commission fees incurred on each payment and monthly fee for pro plan. Please refer to page 25 for details

2-3. Fundraising Service “YELL BANK”

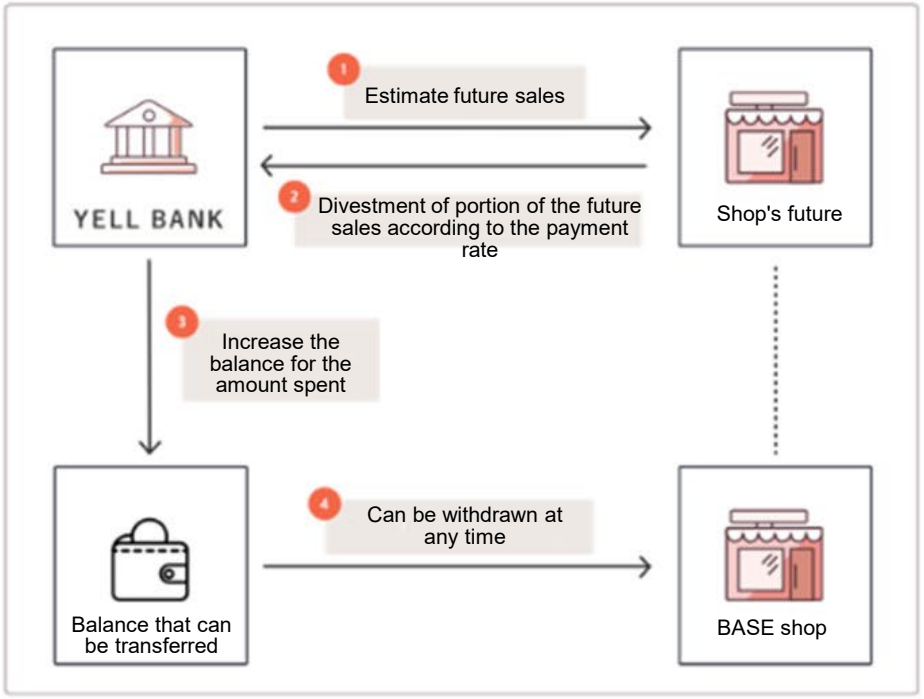
Others

Fundraising Service “YELL BANK”

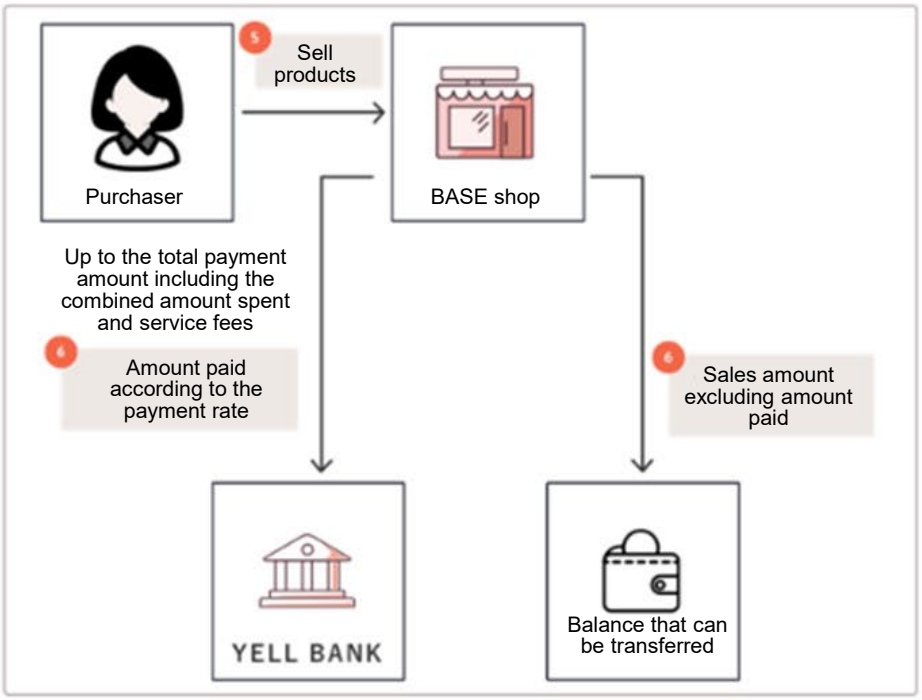
Factoring service for future receivables (Note) for “BASE” merchants

With no prior screening or documentation required by traditional financial institutions, and payments only due when goods are sold, **merchants can raise funds immediately and without risk**

Process for obtaining financing



Payment process



(Note1) BASE provides funds to a merchants by estimating future sales based on the sales history and buying the receivables arising in the future
(Note2) Amounts collected in excess of shop spend are recognized as sales in the Other business

Others

Usage Procedure of “YELL BANK”

Merchants can raise funds instantly with easy process

Step 1

The funding amount available displayed on the administration screen of merchants with certain criteria



Step 2

Selecting the funding amount



Step 3

Select the percentage paid to BASE from future sales



Step 4

The funding amount added to the merchant’s balance



2-4. Cross-Border E-Commerce Service “want.jp”

want.jp Business

Recognition of Extraordinary Loss Due to Impairment of want.jp 「want」

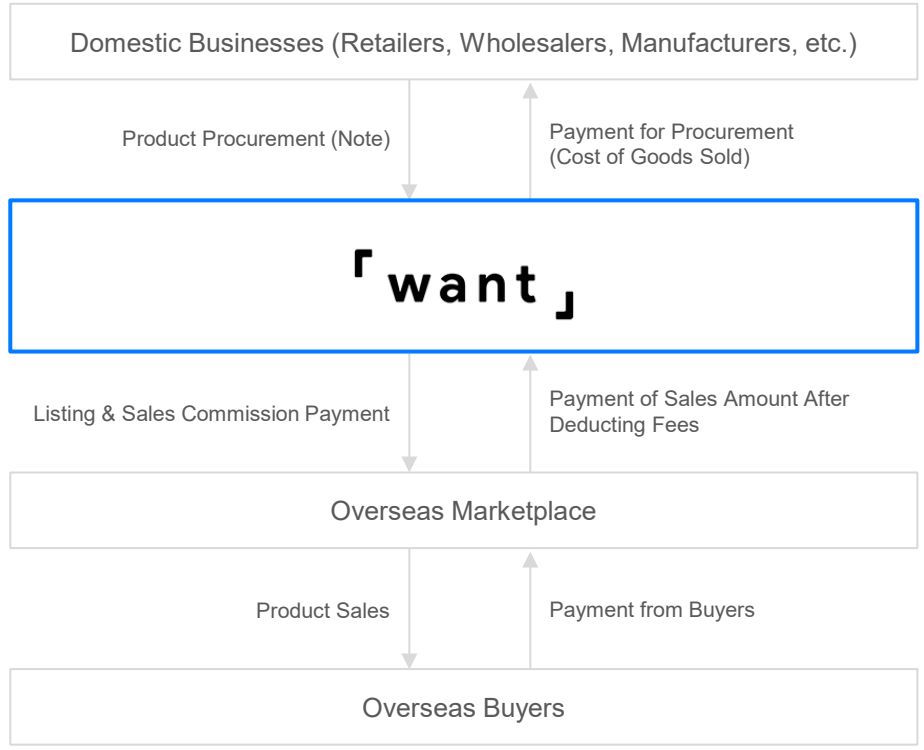
want.jp provides a service that enables domestic e-commerce operators to sell their products on overseas marketplaces.

Its strength lies in **automating key aspects of cross-border e-commerce, such as optimal pricing and selecting the best shipping providers,** which are often major hurdles in international sales.

Overview of want.jp Inc.

Overview	✓ Creating a system that allows customers around the world to purchase goods from around the world at fair prices and with the highest level of convenience ✓ Providing a service that allows Japanese e-commerce operators to sell their goods to marketplaces in dozens of countries, especially in Asia
Feature	✓ Automated pricing of all goods without human intervention, with costing by goods, country, and marketplace ✓ Establishment of a logistics system that enables centralized shipping of all goods worldwide ✓ Realization of both reduced shipping costs and speedy delivery

Overview of want.jp Business



(Note) Since products are procured only after receiving orders from buyers, inventory risk is minimal.

3. Medium Term Management Policy and Earnings Forecast for the Fiscal Year Ending December 31, 2025

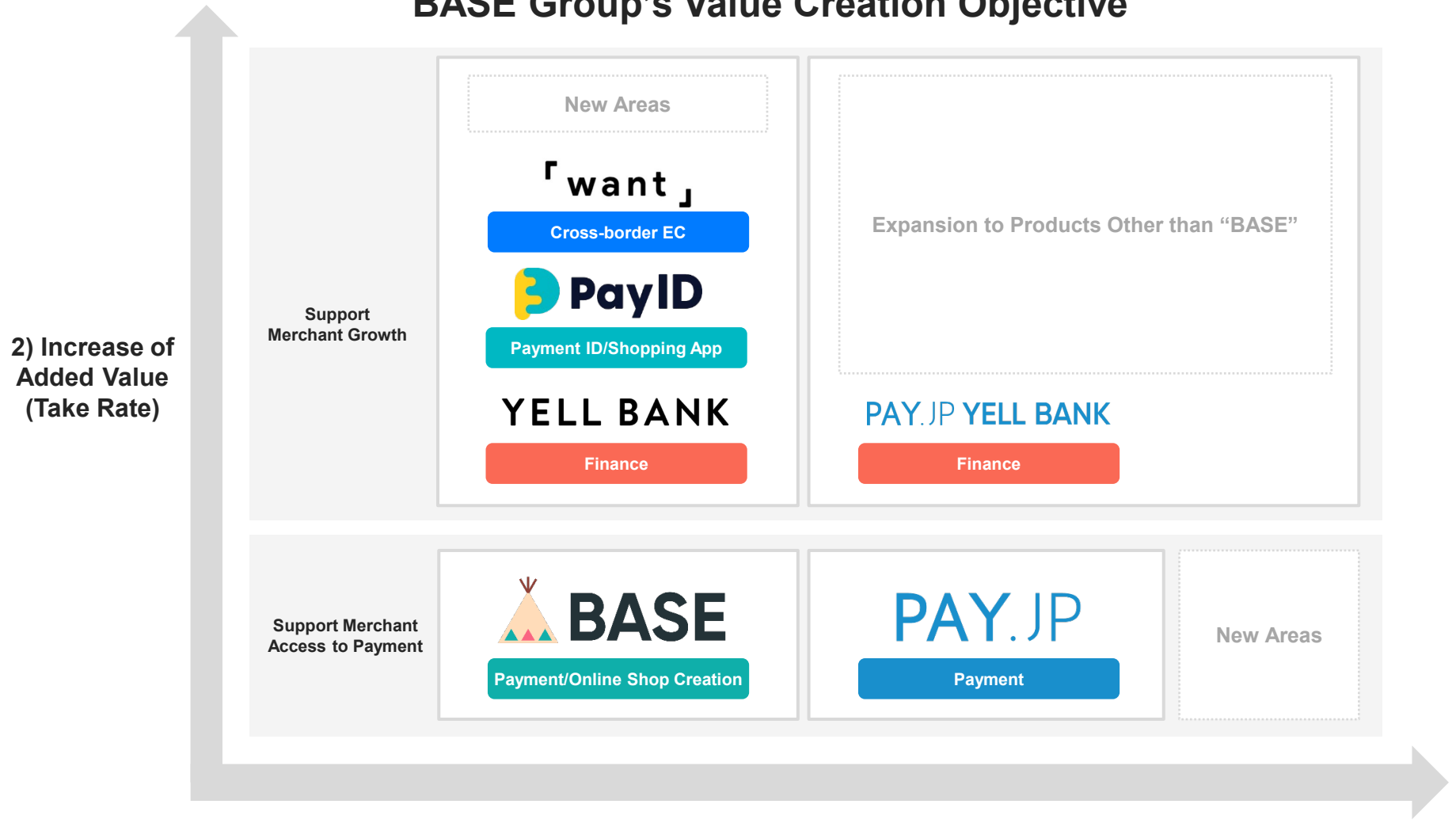
Medium-Term Policies

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

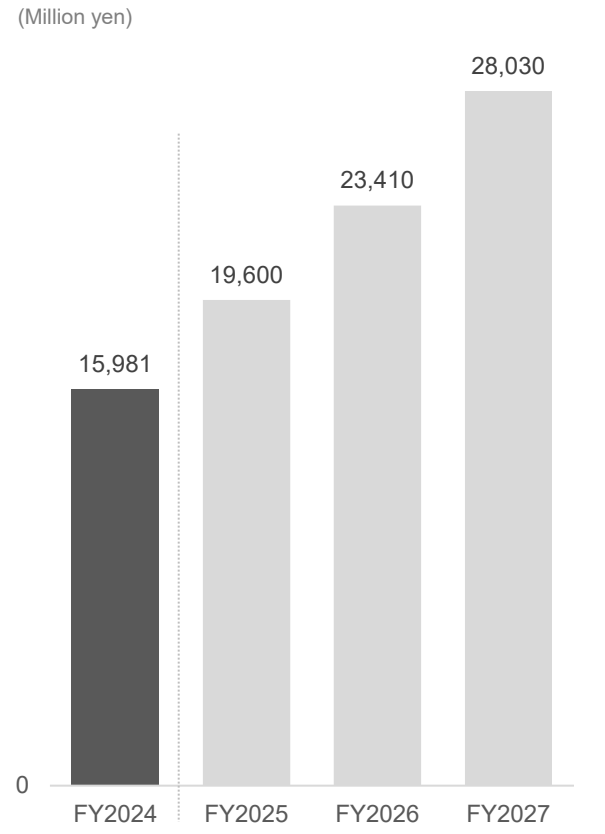
Mid-Term Management Plan

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

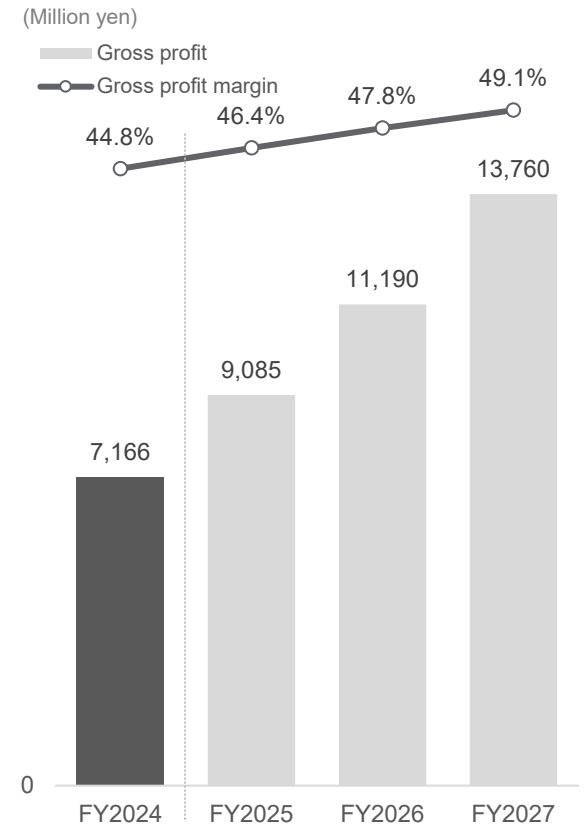
In FY2025, efforts will be refocused on new merchant acquisition across the group, with increased promotional activities planned. **From FY2026 onward, the goal is to drive significant EBITDA growth.**

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).

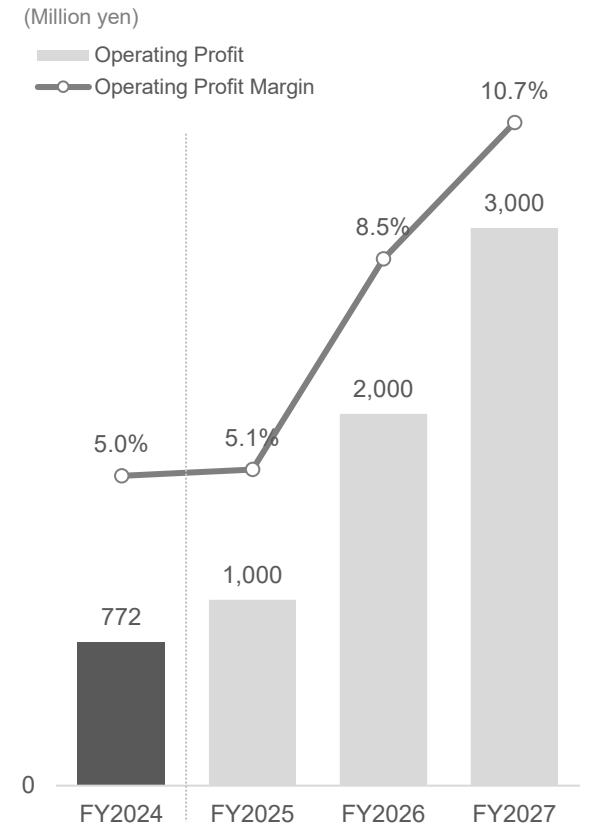
Net Sales



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.

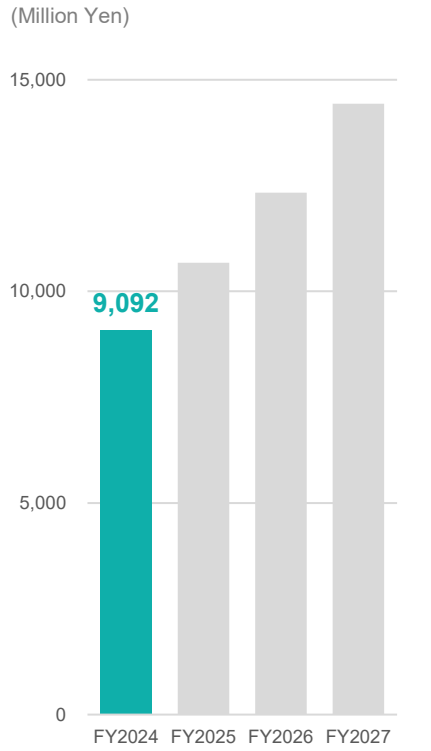
Growth Strategy

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.**

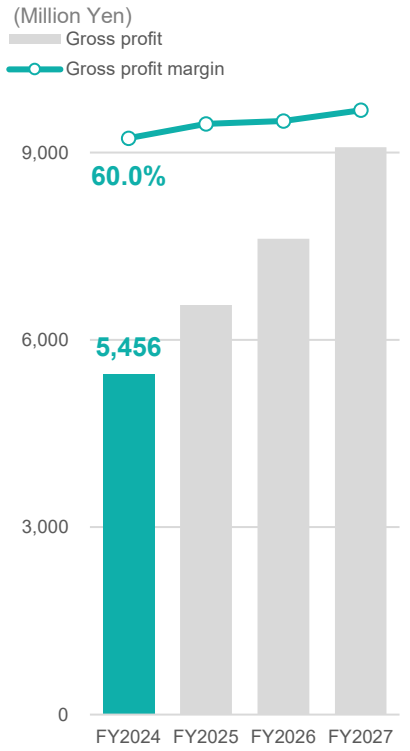
Reinvest in new shop acquisition through enhanced promotional efforts, including mass-market initiatives, to sustain long-term GMV growth and competitiveness.

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.

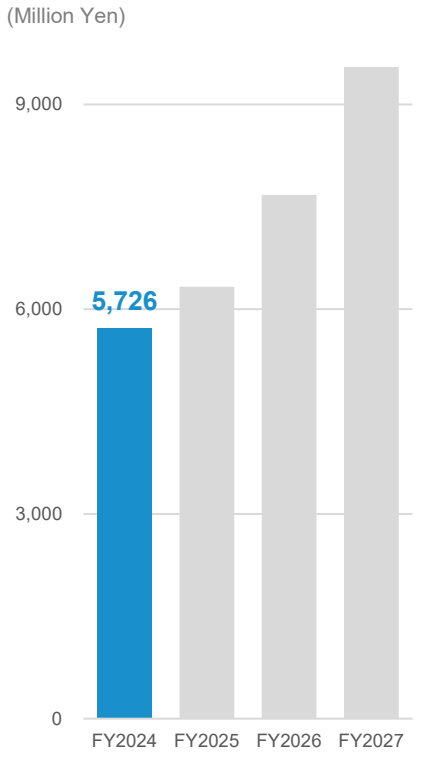
Growth Strategy

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.**

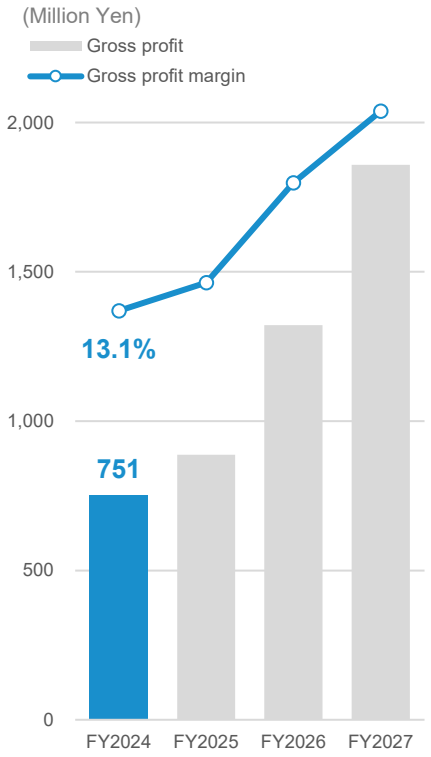
To sustain long-term GMV growth and competitiveness, sales and marketing efforts will be reinforced, with **a focus on acquiring new merchants,** while maintaining a cost-efficient organizational structure.

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.

Others

Growth Strategy

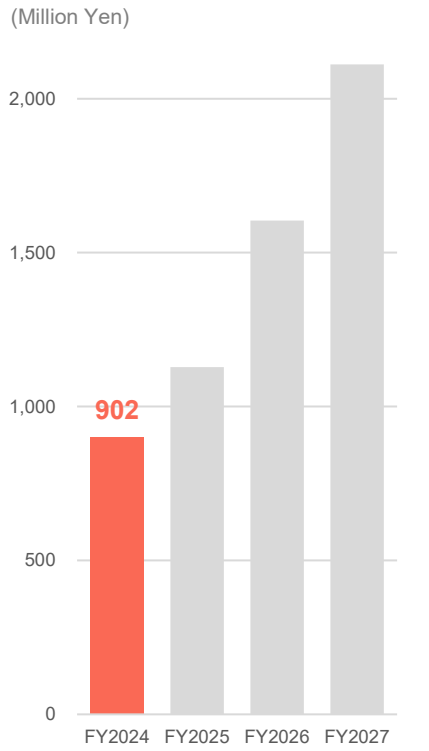
Efforts will continue to drive high growth, positioning YELL BANK as a profit center that **contributes to enhancing the group's overall profitability.**

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.**

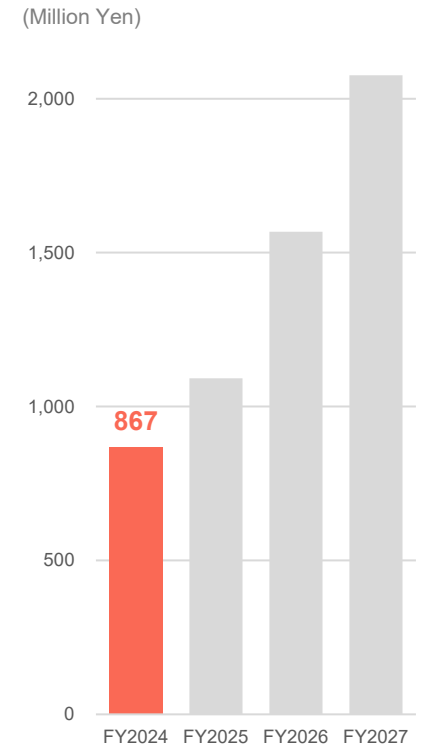
Additionally, a broad range of financial services will be developed to reinforce embedded finance capabilities.

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.”

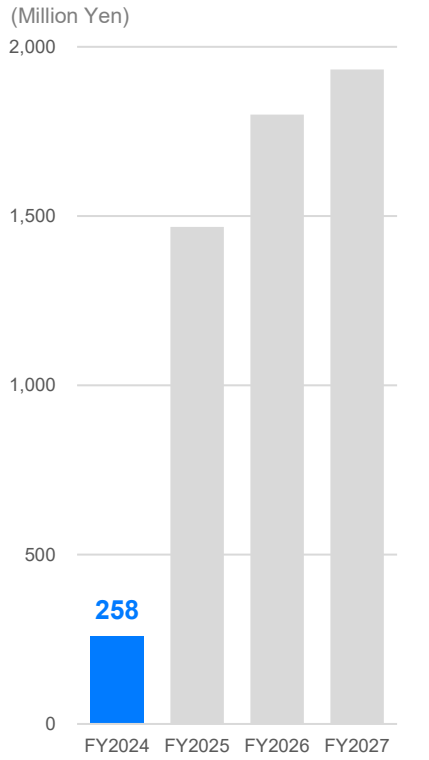
Growth Strategy

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

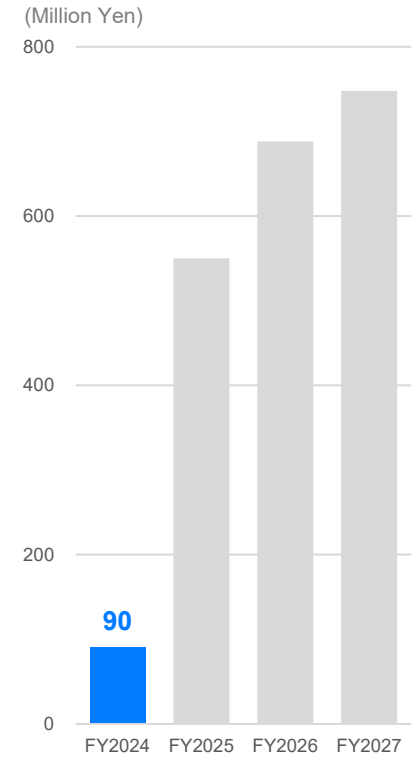
The early launch of cross-border EC functionality for BASE shops, developed in collaboration with the BASE Business, will contribute to GMV growth and profitability improvements in the BASE Business.

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.

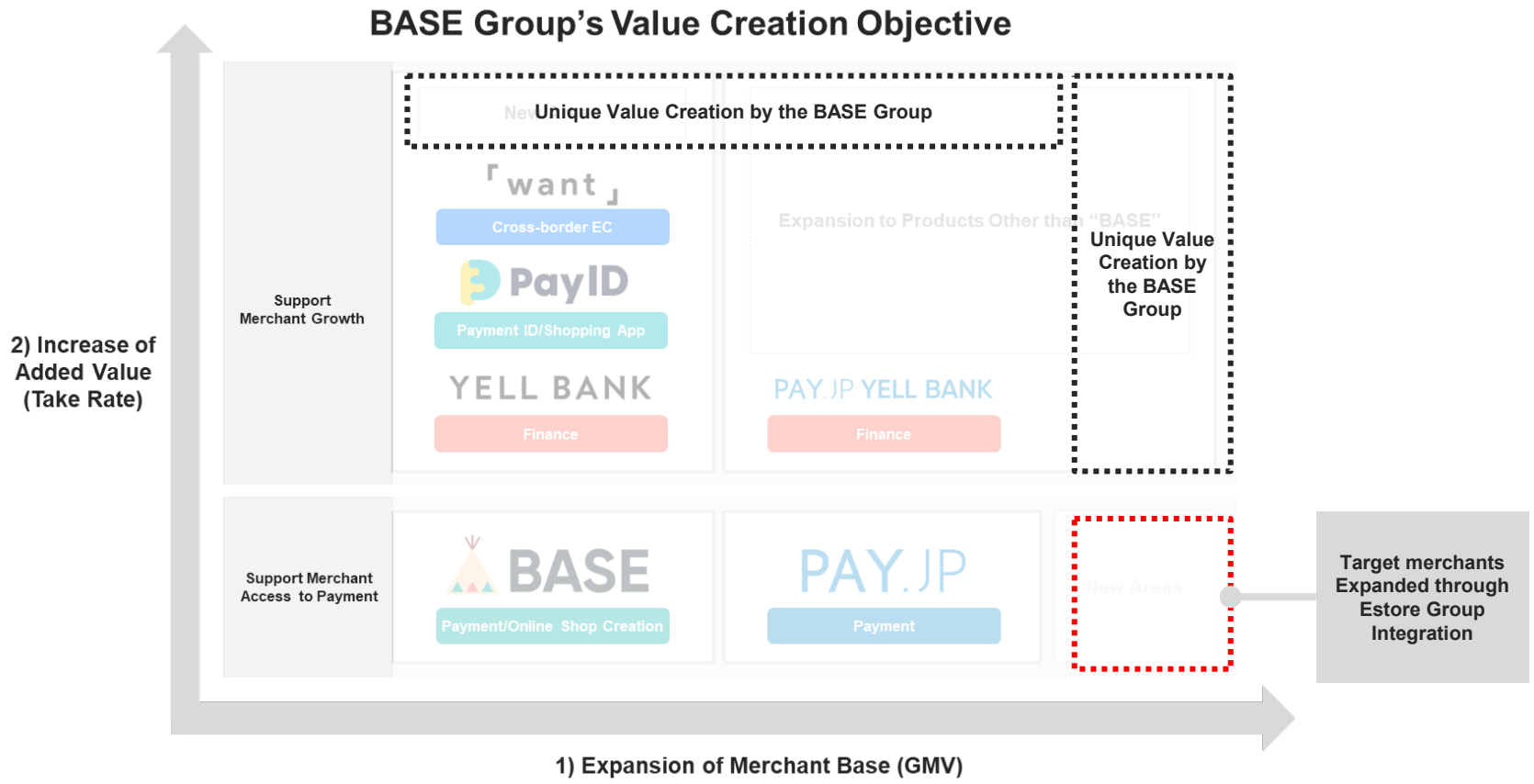
Collaboration with BASE Business

- ✓ 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.



M&A of Estore Corporation to Expand BASE Group's Target Customer Base

To expand BASE Group's target customer base, Estore Corporation, which operates the EC cart business "Estore Shopserve" with GMV of approximately JPY 100 billion (Note), **will be acquired through M&A.**

This acquisition is expected to create broad synergies by integrating BASE Group's existing products with Estore's "Shopserve" merchants.

Additionally, cost benefits are anticipated through reductions in various costs and fees resulting from the significant increase in Group GMV.BASE

Overview of "Estore Shopserve"

EC System for Small and Medium-Sized Companies

- ✓ A SaaS system equipped with all the features necessary to build storefront-based online shops
- ✓ Provides solutions to challenges such as the expansion of the DX society, labor shortages, and a declining consumer base.

Payment services

- ✓ A service enabling immediate access to various payment methods, including credit cards, convenience store payments, Post Pay, Amazon Pay, PayPay and so on.
- ✓ Like "BASE Easy Payment" offered by BASE.

Marketing Service

- ✓ Supports everything from research and analysis to execution management to help client companies increase sales and profits while improving operational efficiency.
- ✓ Offers services such as creative production, CRM operations, and promotions.

Expected Synergies from M&A

BASE

- ✓ Implementation of unique storefront-based online shop management features by "BASE"
- ✓ Optimization of payment-related functions and systems

Pay ID

- ✓ Integration of features for purchasers

YELL BANK

- ✓ Implementation of financial services such as "YELL BANK"

want.jp

- ✓ Implementation of cross-border e-commerce (EC) features

Earnings Structure and Financial Position of Estore Corporation

Estore Shopserve generates revenue mainly through system usage fees from merchants, transaction fees on product sales, and charges for marketing services.

For Estore Corporation, which is directly owned by BASE, its net sales has demonstrated consistent stability in recent performance trends.

Earnings Structure of “Shopserve”

▼System Usage Fees

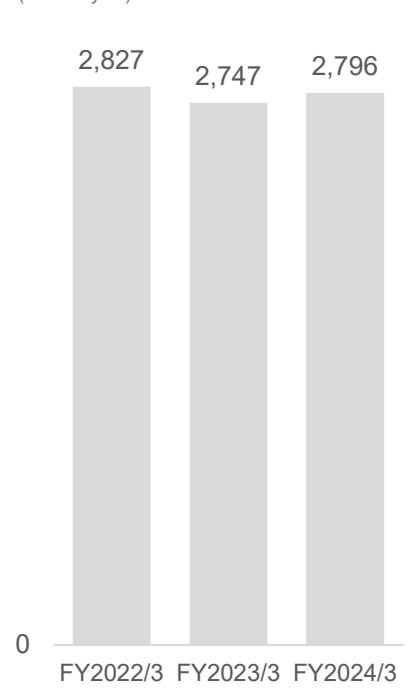
	Plan 4S	Plan 4G	Plan 4P
Initial Cost	¥ 30,000		
Monthly Fee	¥ 25,000	¥ 65,000	¥ 145,000

▼Transaction Fees (Excerpt)

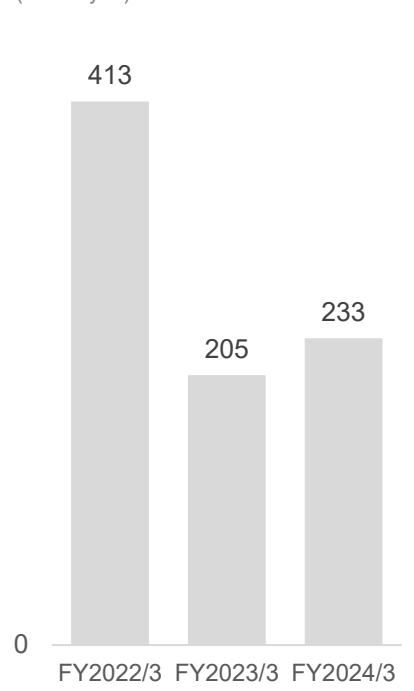
Credit Card	Amazon Pay	Convenience store payment	Post Pay
3.5%～	3.9%	¥ 370	2.8%～

Expected Synergies from M&A

Net Sales



Operating Profit



(Note 1) Extracted from the official website of "Estore Shopserve" (https://Shopserve.estore.jp/price/) and compiled by BASE.
(Note 2) The impact of Irvine Systems on financial performance is insignificant and has been omitted.

Schedule for the Share Acquisition

The JGIA No.2 Series Fund (Note 1) set up a special purpose company (SPC) and the SPC will initiate a TOB after February 2025.

Before the TOB settlement begins, BASE will transfer 3.3 billion yen to the SPC for acquisition funding.

▼Schedule for the Share Acquisition (Tentative)

Dec. 26, 2024	① JGIA Announces a Pre-Notification TOB for Estore Corporation ② Transfer of WCA to a third
1 Mar. 2025	③ MBO of SHIFFON
Mar. – Apr. 2025	④ SPC led by JGIA to initiate the TOB, with settlement expected to be completed by April **⑤ BASE to provide acquisition funding to the SPC before the TOB settlement begins**
Jun. 2025	⑥Estore Corporation to conduct a squeeze-out ⑦Estore Corporation to be delisted
Jul. 2025	⑧ Estore Corporation to repurchase shares from the asset management company of CEO Ishimura (Note 2) ⑨ SPC acquires shares in Commerce 21 **⑩ BASE acquires E-Store shares from SPC**

(Note 1) JGIA refers to the fund managed by Japan Growth Investment Alliance Inc., which serves as the TOB entity.
(Note 2) Refers to UNICOM Corporation, one of the two asset management companies owned by CEO Ishimura. Shares held by the other company and Ishimura himself will be tendered in the TOB.

Shareholder Return Policy

BASE Group will balance seizing investment opportunities for inorganic growth through M&A with **providing shareholder returns**, supported by a strong financial foundation.

Starting February 17, 2025, the group plans to repurchase its own shares with an upper limit of JPY 1 billion (2.9%).

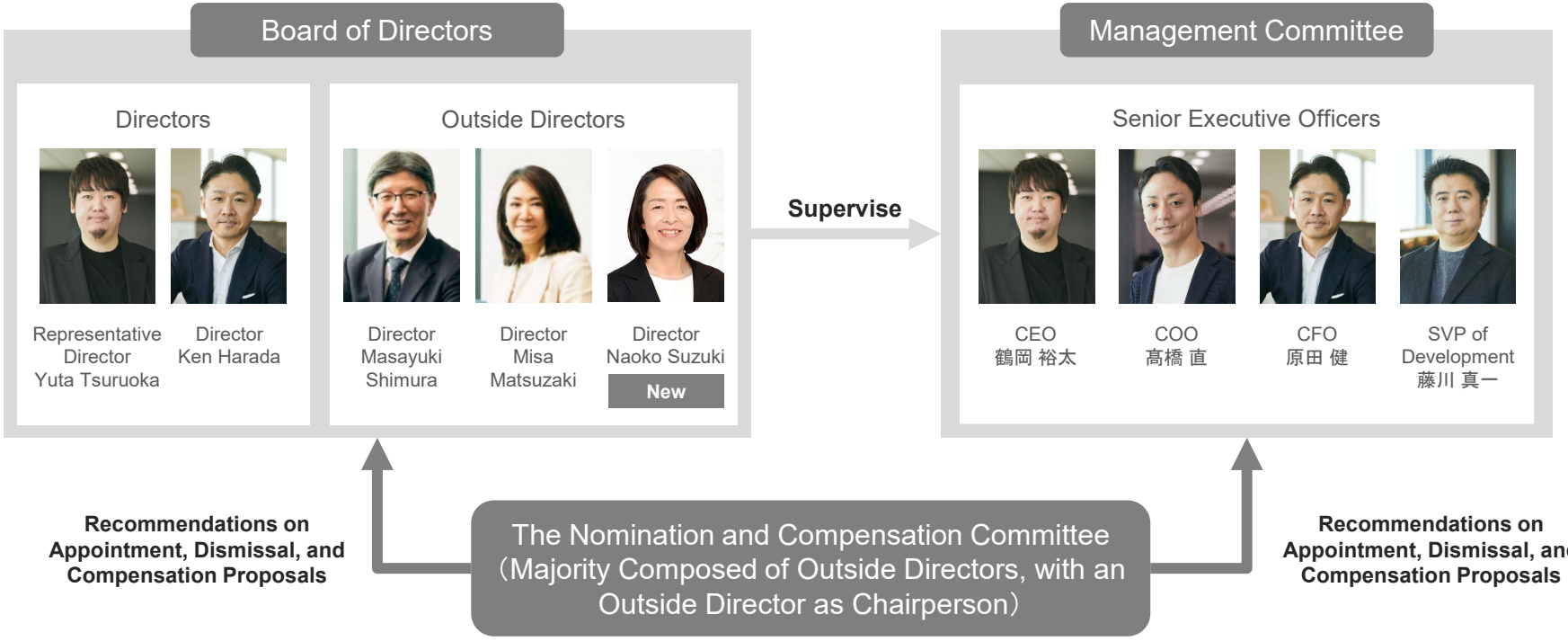
▼Details of the Share Repurchase

Class of shares	Common stock
Total number of shares to be acquired	3,400,000 shares (maximum) (2.9% of total shares outstanding [excluding treasury shares])
Total amount to be paid for acquisition	1,000,000,000 yen (maximum)
Period of acquisition	February 17, 2025 – May 30, 2025
Method of acquisition	Market purchase on the Tokyo Stock Exchange (via securities company)

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

Policies for FY2025

Group	✓ Based on the mid-term management policy, **Gross Profit and EBITDA are targeted to grow +26% and +28% YoY respectively,** through the enhancement of existing products. ✓ Initiatives for inorganic growth will be promoted, including **the planned subsidiarization of Estore Corporation in July 2025.** ✓ Flexible shareholder returns will be carried out through **share repurchases.**
BASE	✓ **Gross Profit growth of approximately +20% YoY is targeted,** driven by GMV growth and take rate improvements. ✓ Efforts will focus on boosting mid-term GMV growth rates by refocusing on new shop acquisitions and improving take rates through Pay ID monetization in the second half of the year. ✓ Increased costs related to promotions and personnel expenses are expected to execute these initiatives, but **segment profitability will remain positive.**
PAY.JP	✓ **Gross Profit growth of approximately +18% YoY will be driven primarily by GMV expansion.** ✓ New merchant acquisition will be strengthened through product development, including the addition of new payment methods, as well as expanded sales and marketing efforts. ✓ While higher costs are expected due to product development and sales & marketing enhancements, **segment profitability will remain positive.**
Pay ID	✓ Initiatives for monetizing the shopping app will be executed according to schedule. ✓ Mid-to-long-term efforts will focus on expanding Pay ID beyond the BASE platform and optimizing cost structures.
YELL BANK	✓ **Gross Profit growth of approximately +25% YoY will be pursued, driven mainly by the expansion of YELL BANK.** ✓ To maintain a sustainable operational foundation, fine-tuning of YELL BANK will be implemented. ✓ Enhancements to PAY.JP YELL BANK will be made to create synergies and successful expansion cases.
want.jp	✓ The focus will be on achieving an early turnaround of existing operations. ✓ Collaboration with the BASE Business will continue to ensure that cross-border EC functionalities are released as scheduled.

Consolidated

FY2025 Full-Year Earnings Forecast

BASE

There have been no significant changes from the mid-to-long-term growth outlook disclosed in August 2024, and the focus remains on balancing top-line growth with profitability improvements.

Approximately JPY 300 million in strategic investments for mid-to-long-term growth has been incorporated into the earnings forecast under SG&A Expenses; however, there is a possibility that the execution may be delayed or partially unutilized.

At this stage, the impact of consolidating Estore Corporation has not been incorporated.

(Million yen)	**FY2025 Forecast**	FY2024 Results	YoY
Net Sales (Note1)	19,600	15,981	*+22.6%*
Gross Profit	9,085	7,166	*+26.8%*
SG&A	8,085	6,393	*+26.5%*
EBITDA (Note2)	1,034	803	*+28.6%*
Operating Profit	1,000	772	*+29.4%*
Ordinary Profit	984	796	*+23.5%*
Net Income Attributable to Owners of Parent	1,248	340	*+266.8%*
Group GMV	403,490	361,772	*+11.5%*

(Note 1) EBITDA is calculated by adding depreciation and amortization to operating income
(Note 2) GMV disclosed as reference figures. BASE's GMV is based on the order date (order amount). PAY.JP's GMV is based on the payment date (payment amount)

3. Results for the Fiscal Year Ending December 31, 2024

Policies for FY2024 and Achievement

	Policies for FY2024 (as of February 8, 2024)	Achievement
Consolidated	✓ **Aim for gross profit to be at the +30% level YoY** due to an increase in Group GMV and improved profitability ✓ **Maintain a disciplined investment policy** based on growth and profitability, even though SG&A expenses are expected to increase YoY, which were controlled better than expected in the previous year ✓ **The upper forecast for operating profit/loss is at the break-even level, while the lower forecast is also expected to contract the loss**	✓ **Net Sales (+36.8% YoY), Gross Profit (+42.4% YoY), and all profit metrics exceeded earnings forecasts.** ✓ **Operating profit reached JPY 772 million (+JPY 1,198 million YoY), achieving profitability one fiscal period ahead of the initial projection.** ✓ want.jp was acquired through M&A, expanding cross-border EC capabilities.
BASE	✓ **Aim to increase GMV by more than 13.2% YoY** by increasing added value of products and implementing efficient marketing measure ✓ **Aim to increase gross profit beyond the GMV growth rate** by increasing take rate through increasing the price of Monthly-Fee Plans and offering paid extensions	✓ **GMV increased by +13.4% YoY, exceeding expectations, with Net Sales up +17.1% YoY and Gross Profit up +23.0% YoY.** ✓ The increase in monthly fees for the Monthly Fee Plan led to **a higher take rate, improving overall business profitability.**
PAY.JP	✓ **Aim to increase GMV by more than 32.5% YoY** by increasing added value of products and strengthening sales and marketing, etc. ✓ **Aim to improve gross profit margin** by optimizing the fee structure and improving the cost of sales ratio	✓ **GMV grew significantly by +47.1% YoY, with Net Sales up +58.8% YoY and Gross Profit up +131.7% YoY, exceeding expectations.** ✓ Gross profit margin continued to improve significantly due to a reduction in the cost of sales to GMV ratio implemented in H1.
Pay ID	✓ **Build a foundation for expanding purchaser assets and monetizing** by expanding functions, etc.	✓ The number of buyers using the shopping app increased due to coupon promotions, supporting progress toward monetization. ✓ BNPL functions were expanded, including installment payments for “Post Pay (Pay ID)".
YELL BANK	✓ Aim for further growth in gross profit of the YELL BANK business through increasing added value in financial services, mainly “YELL BANK”, as well as through campaigns etc. ✓ **Execute measures to improve the Group's profitability**	✓ Driven by the growth of the YELL BANK Business, the number of participating shops and transaction volume increased, resulting in **Net Sales growth of +192.8% YoY and Gross Profit growth of +216.0% YoY, far exceeding expectations.** ✓ "PAY.JP YELL BANK" was launched, contributing to synergy creation among existing products.

Consolidated

FY2024 Results

BASE

In Q4, driven by the growth of Group GMV and the YELL BANK Business, along with the consolidation of the want.jp Business, **Net Sales increased significantly by +40.1% YoY, while Gross Profit grew by +46.5% YoY.**

For the full year, **Net Sales and Gross Profit exceeded expectations**, while SG&A Expenses were lower than anticipated. As a result, **Operating Profit turned positive one fiscal period ahead of the initial projection.**

An extraordinary loss of JPY 867 million was recorded due to the impairment of the want.jp Business, which was consolidated into the PL from Q4. However, with the recognition of JPY 615 million in Tax Adjustments, **Net Income reached JPY 340 million, surpassing the earnings forecast.**

(Million Yen)	FY2024 Q4 (Oct. 2024 – Dec. 2024)					FY2024 Full-Year				
	Results	YoY (vs. FY2023 Q4)		QoQ (vs. FY2024 Q3)		Results	YoY (vs. FY2023)		Forecast	Achievement rate
		Results	Change	Results	Change		Results	Change		
Net Sales	4,683	3,343	*+40.1%*	3,972	*+17.9%*	15,981	11,680	*+36.8%*	15,500	*103.1%*
Gross Profit	2,142	1,462	*+46.5%*	1,786	*+19.9%*	7,166	5,033	*+42.4%*	6,900	*103.9%*
Gross Profit Margin	*45.7%*	*43.7%*	*+2.0pt*	*45.0%*	*+0.8pt*	*44.8%*	*43.1%*	*+1.8pt*	*44.5%*	-
SG&A	2,169	1,466	*+47.9%*	1,495	*+45.1%*	6,393	5,458	*+17.1%*	6,700	*95.4%*
EBITDA (Note 1)	2	n/a	n/a	n/a	n/a	803	n/a	n/a	227	*354.1%*
Operating Profit	-26	-4	n/a	291	n/a	772	-425	n/a	200	*386.4%*
Ordinary Profit	-17	1	n/a	299	n/a	796	-409	n/a	201	*395.9%*
Net Income Attributable to Owners of Parent	-347	-92	n/a	236	n/a	340	-606	n/a	198	*171.9%*
GMV (BASE Business) (Note 2)	43,900	38,752	+13.3%	36,951	*+18.8%*	154,184	135,991	*+13.4%*	151,000	*102.1%*
GMV (PAY.JP Business) (Note 2)	56,145	41,858	*+34.1%*	54,926	*+2.2%*	207,588	141,127	*+47.1%*	202,000	*102.8%*

(Note 1) EBITDA is calculated by adding depreciation and amortization to operating income
(Note 2) GMV disclosed as reference figures. BASE's GMV is based on the order date (order amount). PAY.JP's GMV is based on the payment date (payment amount)

Consolidated

Balance Sheet

BASE

As of the end of December 2024, Cash and Cash Equivalents totaled JPY 25,730 million, **maintaining a strong financial foundation.**

(Million Yen)	As of Dec. 31, 2024	As of Dec. 31, 2023	Change
Current assets	45,252	36,965	+22.4%
(of which, cash and deposits)	25,730	22,227	+15.8%
(of which, trade accounts receivable) (Note1)	17,861	13,821	+29.2%
(of which, factoring advances) (Note 2)	1,079	581	+85.7%
Non-current assets	1,036	331	+212.2%
(of which, Deferred Tax Assets)	614	-	-
(of which, Goodwill)	0	-	-
(of which, Investment securities)	32	36	-9.1%
Total assets	**46,288**	**37,297**	**+24.1%**
Current liabilities	31,888	24,244	+31.6%
(of which, trade accounts payable) (Note 3)	30,642	13,215	+131.9%
(of which, operating deposits) (Note 4)	51	10,299	-99.5%
Non-current liabilities	799	52	+1,494.1%
(of which, Bonds)	300	-	-
(of which, Long-term loans payable)	427	-	-
Total liabilities	**32,687**	**24,297**	**+34.6%**
Capital Stock	8,735	8,669	+0.8%
Capital surplus	4,999	4,933	+1.3%
Retained earnings	-266	-606	-
Valuation difference on investment securities	1	5	-65.2%
Total net assets	**13.600**	**13,000**	**+4.6%**

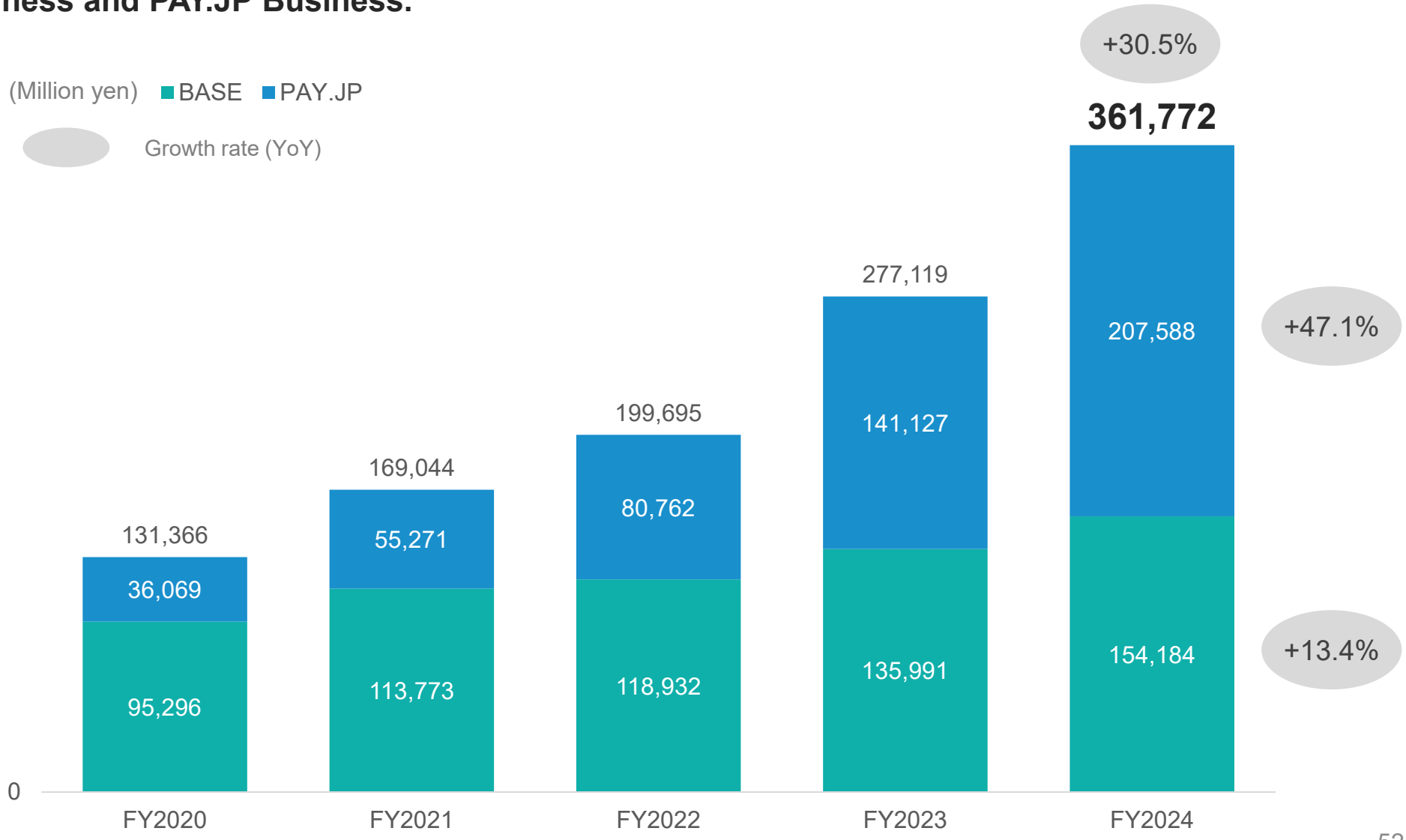
(Note1) Trade accounts receivable: The unpaid portion of the settlement amount to be paid to our company by the settlement service company
(Note2) Factoring advances: Uncollected receivables balance of "YELL BANK" in the YELL BANK business. Part of the uncollected receivables balance is also included in accounts receivable.
(Note3) Trade accounts payable: In the BASE and PAY.JP Businesses, outstanding amount of settlement to be paid by our company to merchants
(Note4) Operating deposits: Following the change of the PAY.JP business from a collection agency to a crediting format from Q1, outstanding amount of settlement to merchants in the PAY.JP business are included in trade accounts payable

Consolidated

Trends in Group GMV

BASE

Group GMV experienced significant growth, driven by strong performance in both the BASE Business and PAY.JP Business.

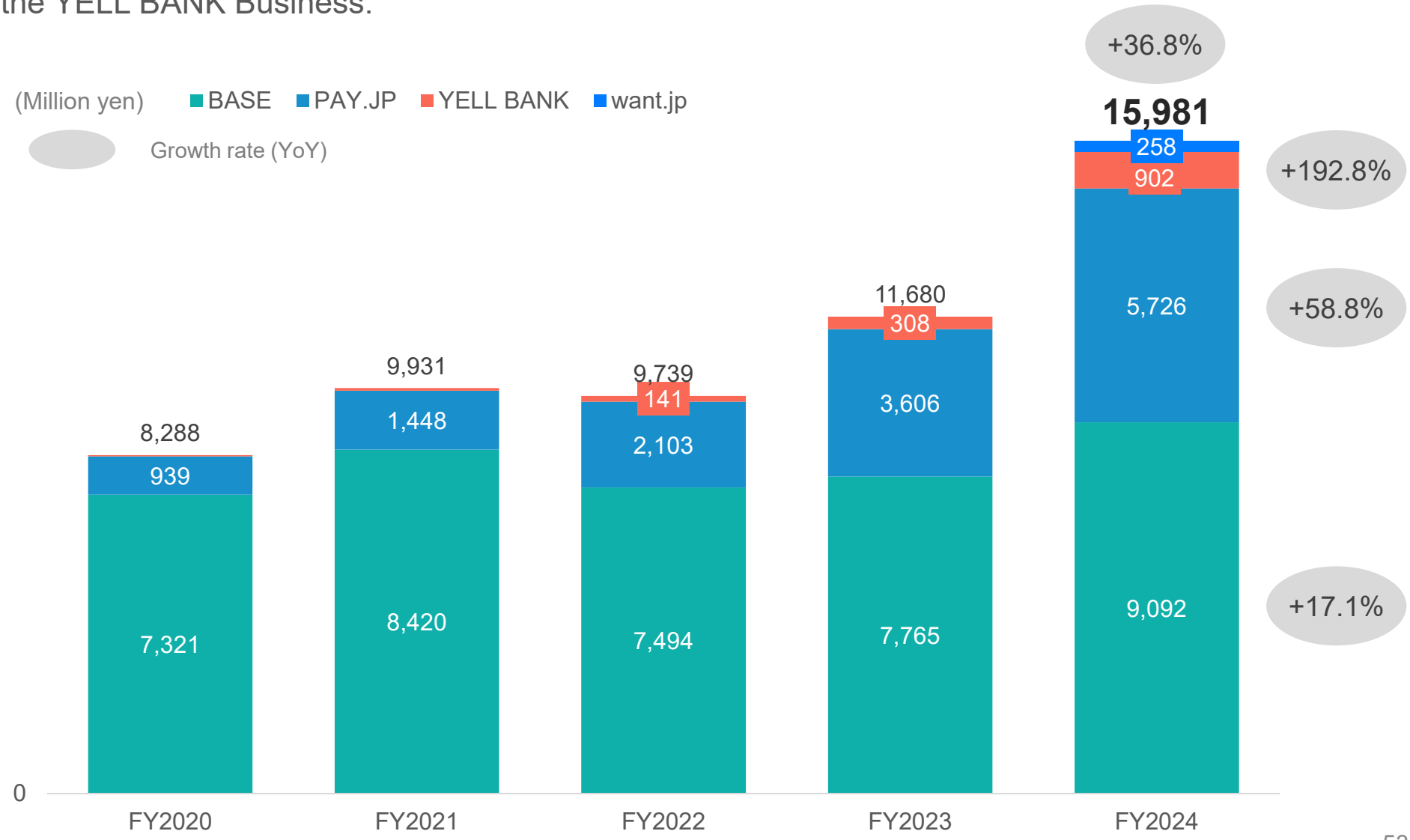


(Note) BASE's GMV is based on the order date (order amount). PAY.JP's GMV is based on the payment date (payment amount)

Consolidated

Trends in Net Sales

Consolidated Net Sales increased by +36.8% YoY due to the growth in Group GMV and the YELL BANK Business.

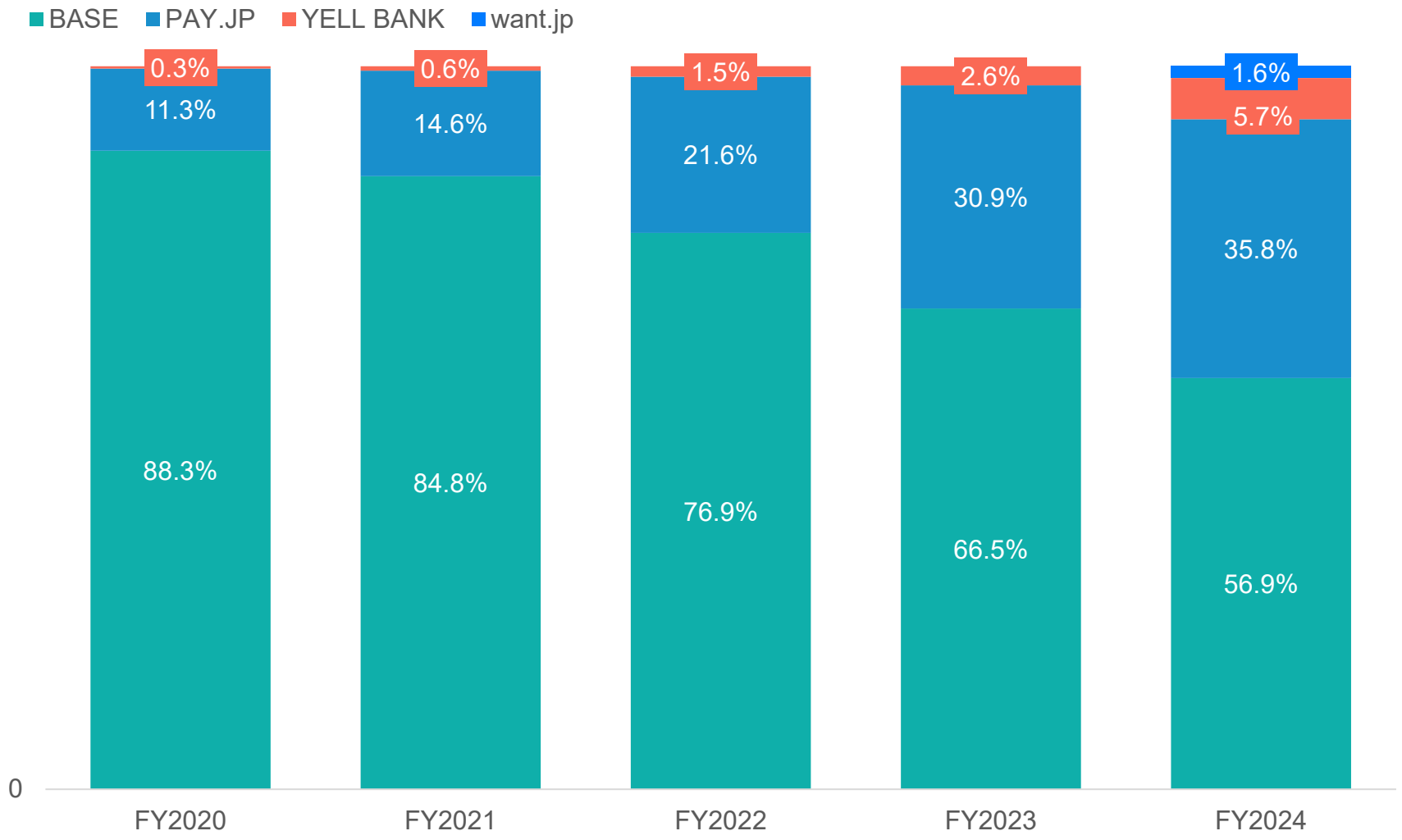


(Note)From FY2024 onwards, due to the shift from a collection agency to a crediting format, PAY.JP business net sales and cost of sales will become tax-exempt and will be recognized at a level approximately 10% higher than before FY2023

Consolidated

Trends in Net Sales Ratio by Business

Along with increased Net Sales from the PAY.JP Business and YELL BANK Business, and the consolidation of the want.jp Business, the revenue composition ratio of the BASE Business declined QoQ.

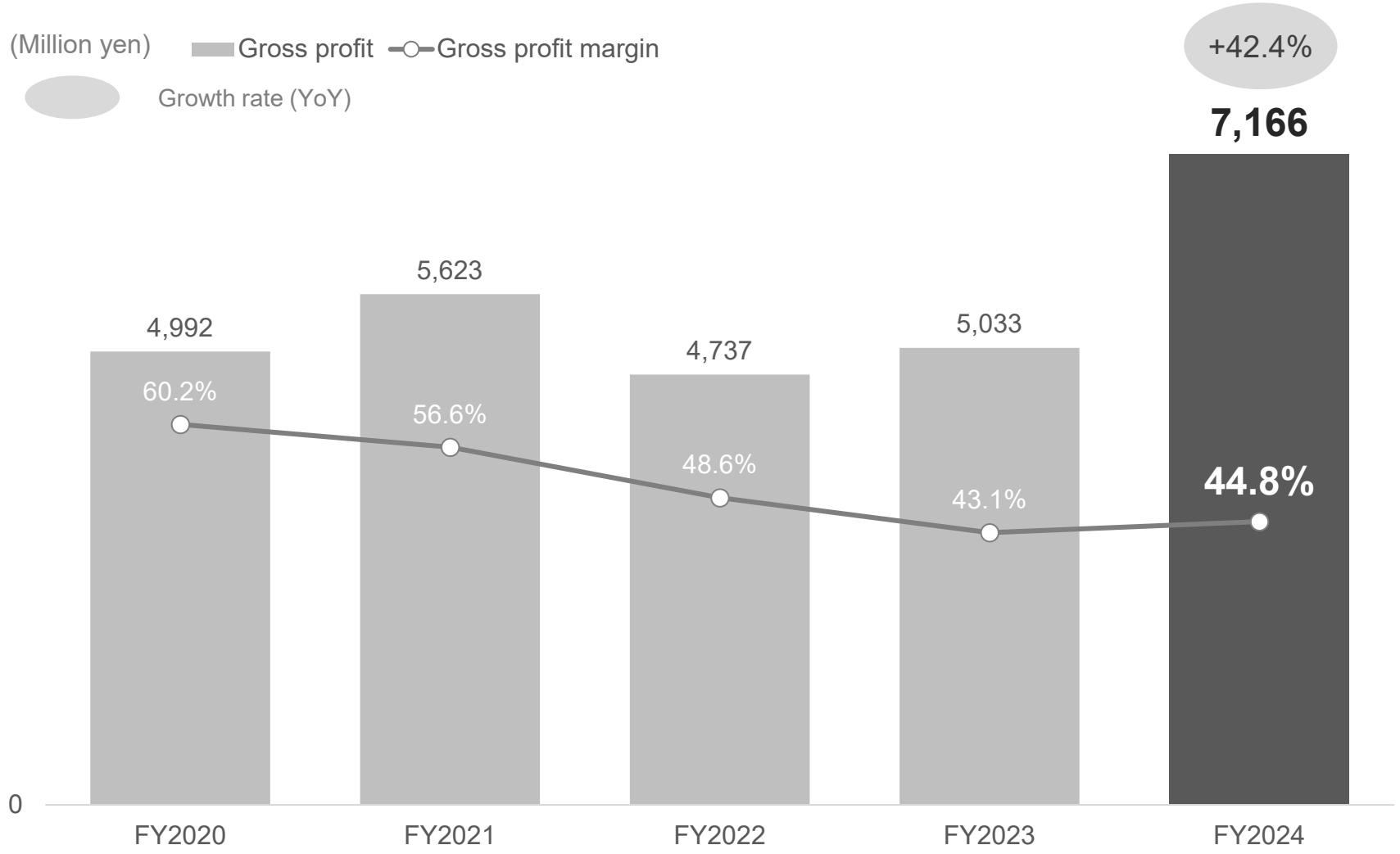


Consolidated

Trends in Gross Profit

Consolidated Gross Profit increased significantly by +42.4% YoY, driven by the growth in Group GMV and the YELL BANK Business.

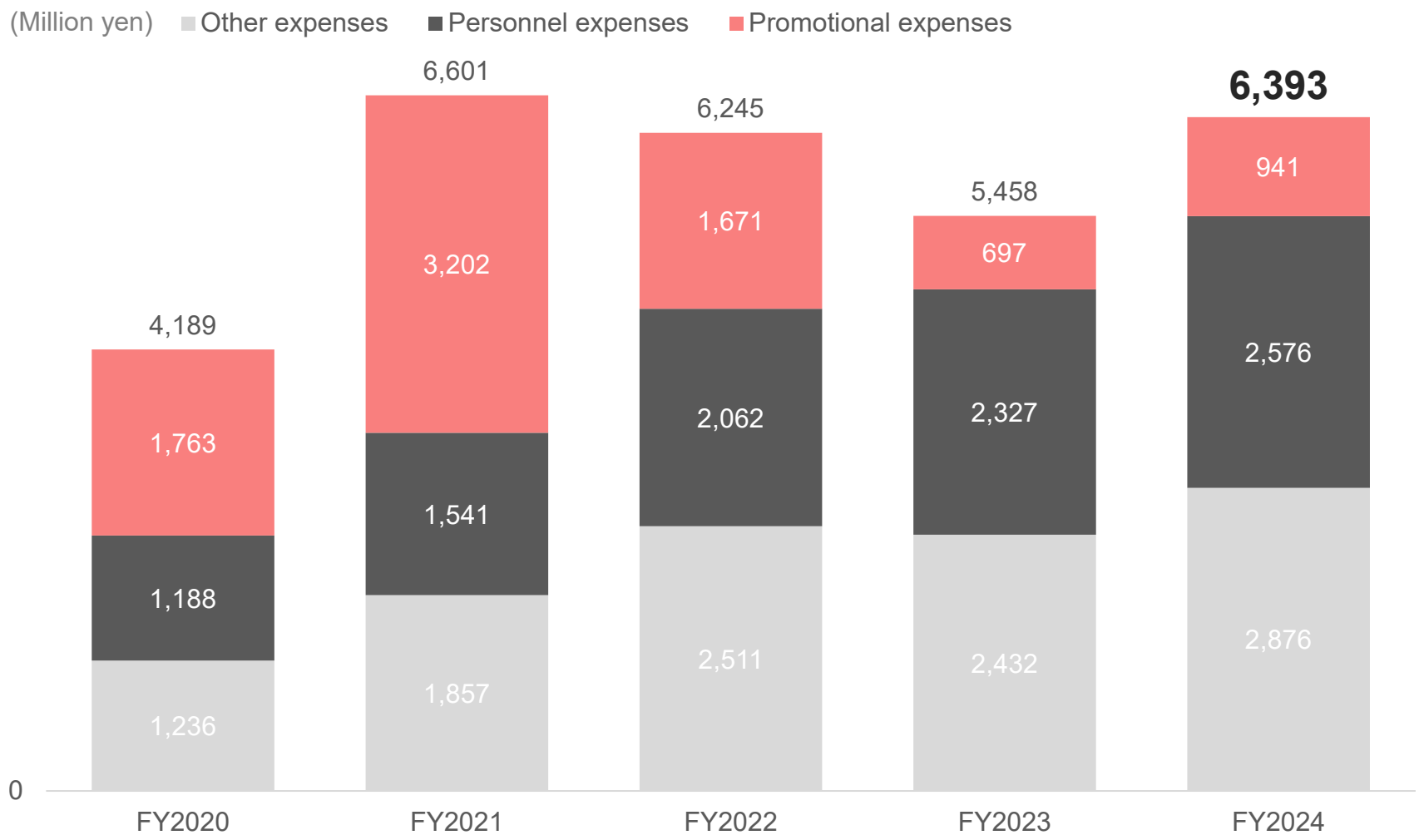
The Consolidated Gross Profit Margin improved QoQ due to **margin improvements across all businesses.**



Consolidated

Trends in SG&A Expenses

SG&A increased YoY due to higher promotional and personnel expenses.
Promotional expenses increased primarily due to promotional support for the BASE Business in Q4.

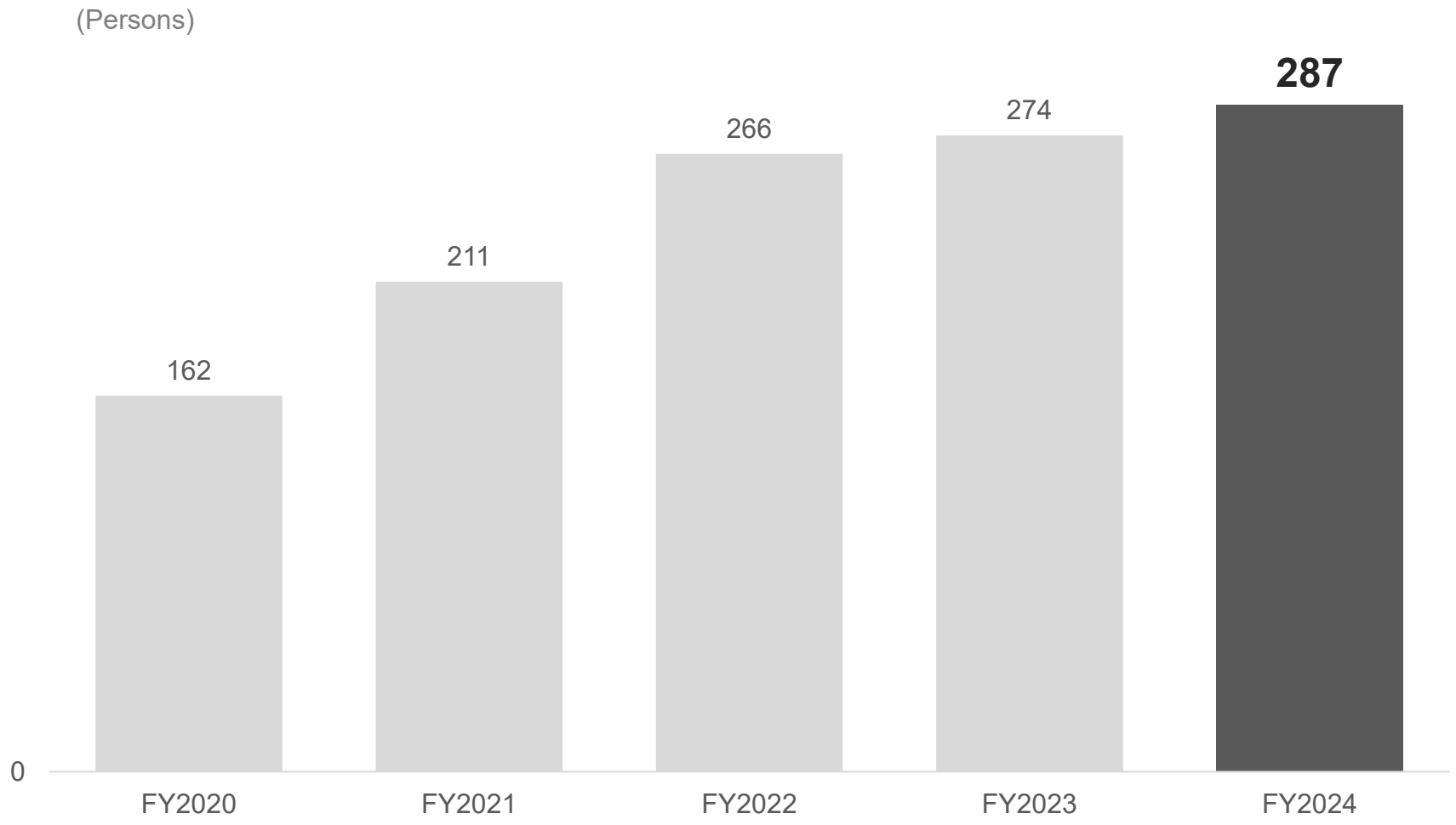


(Note) Other expenses consist mainly of remuneration and outsourcing expenses, system expenses, office expenses, tax expenses, and hiring expenses

Consolidated

Trends in Number of Employees

The number of employees increased by 13 YoY due to the consolidation of want.jp.

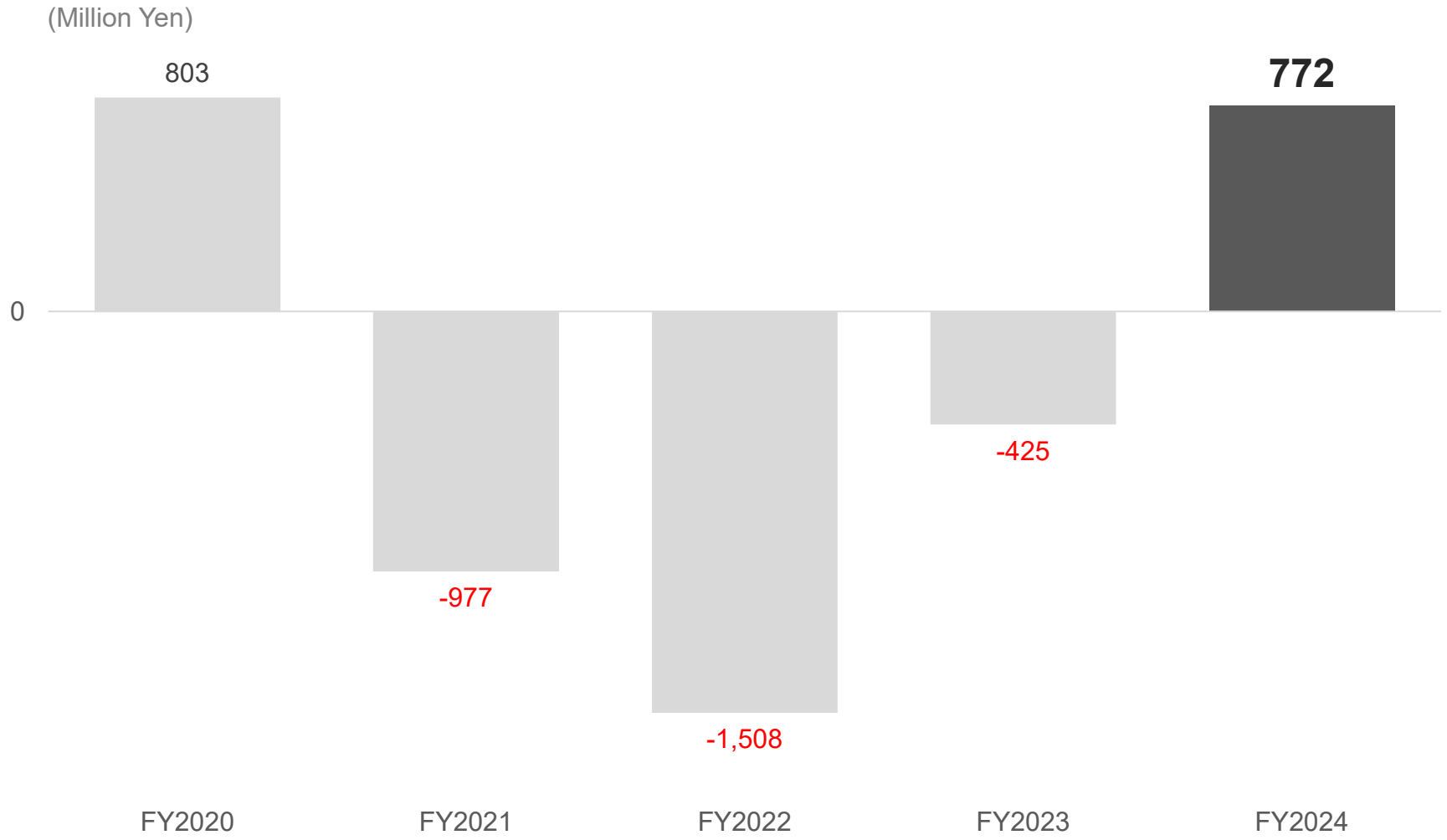


(Note) The number of employees is the number of regular employees and contract employees and does not include the number of Directors and temporary employees. However, the number of employees includes the number of persons seconded to subsidiaries as Directors

Consolidated

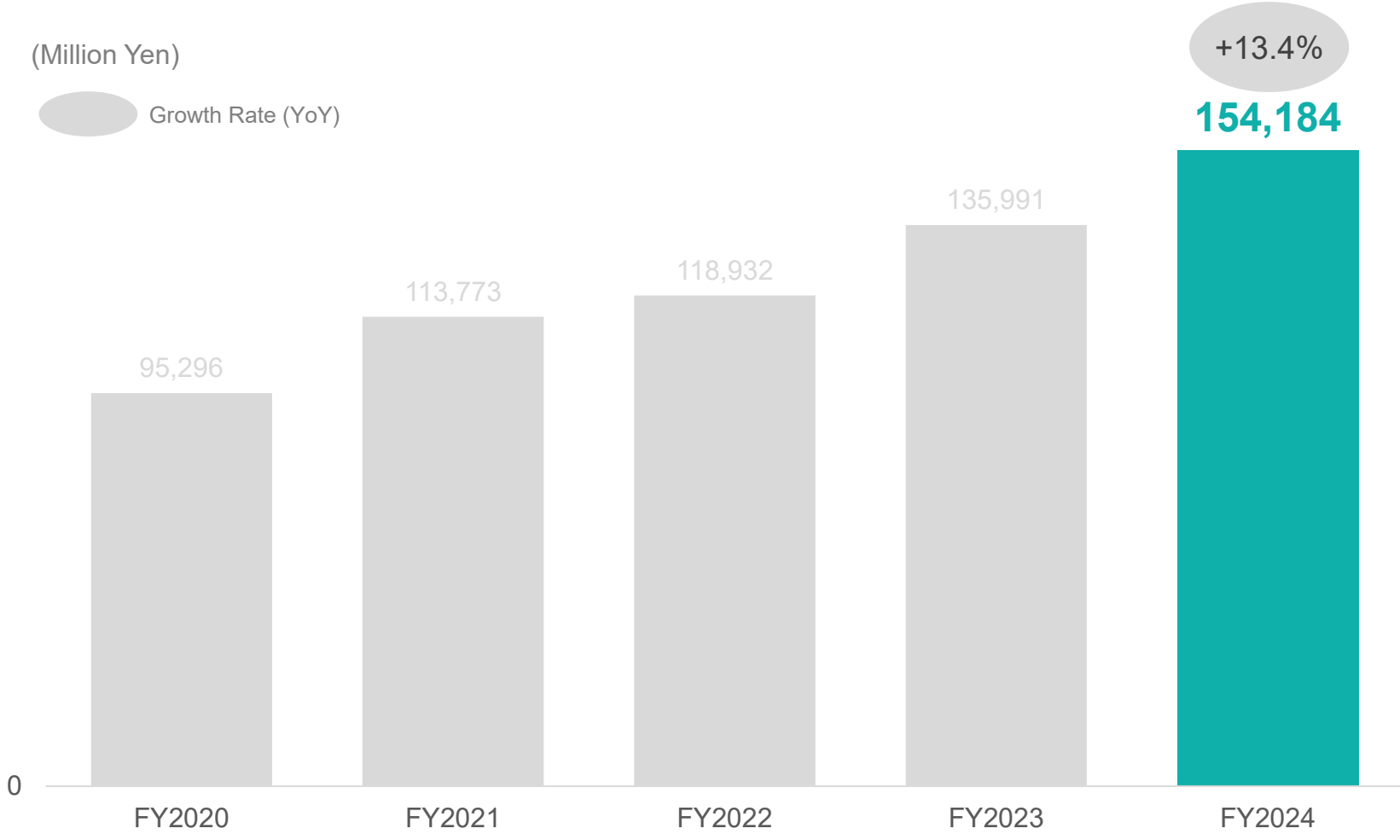
Trends in Operating Profit/Loss

Operating profit turned positive, achieving profitability one fiscal period ahead of the initial plan, as the increase in Gross Profit outpaced the rise in SG&A expenses.



Trends in GMV

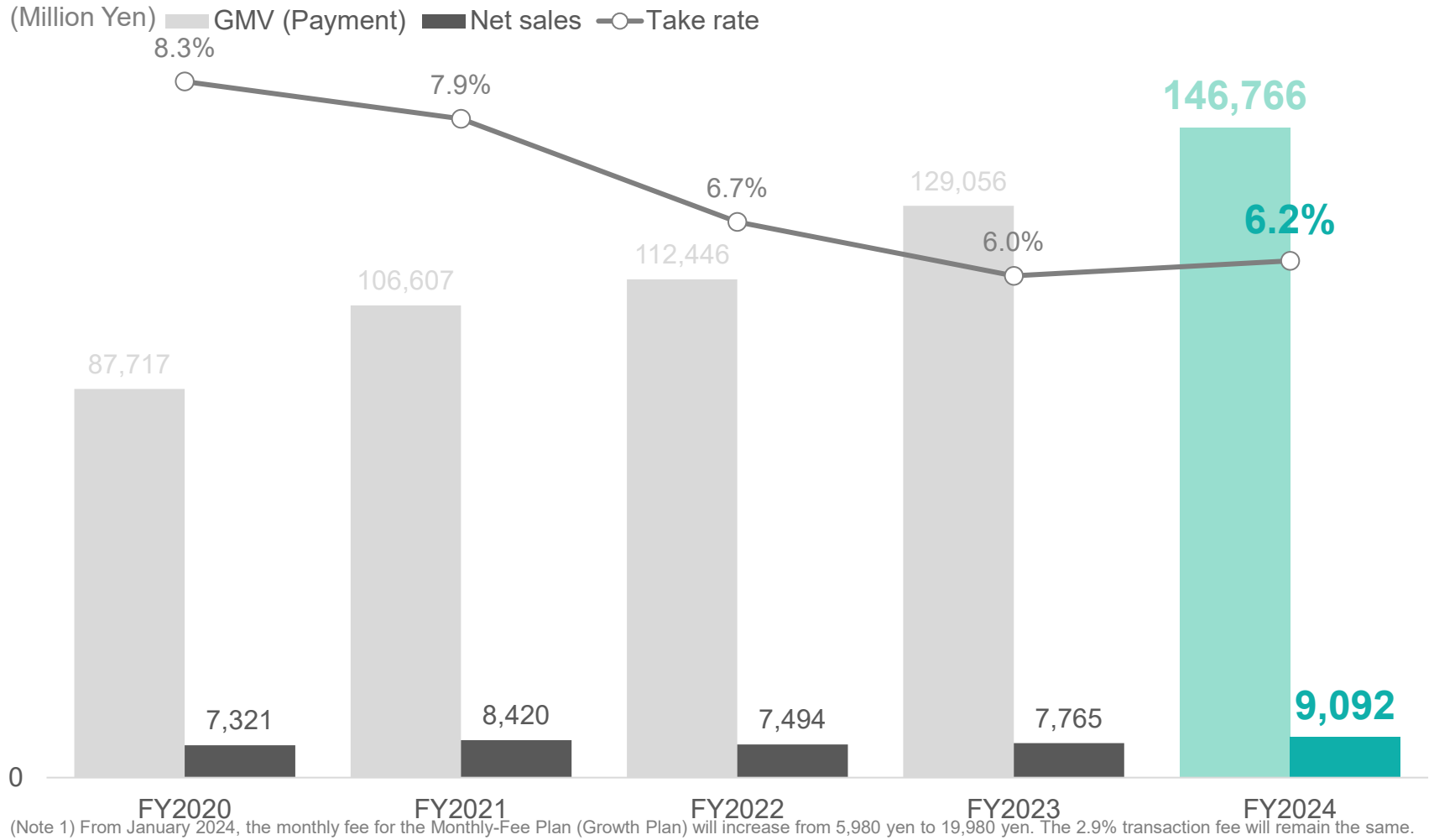
GMV increased by +13.4% YoY, exceeding the initial target set at the beginning of the year.



Trends in GMV (Payment Amount), Take Rate and Net Sales

BASE

Due to the increase in monthly fees for the Monthly Fee Plan implemented in January 2024, some shops shifted from the Monthly Fee Plan to the Free Plan, leading to an increase in the GMV composition ratio of the Free Plan. As a result, **the take rate increased YoY.**

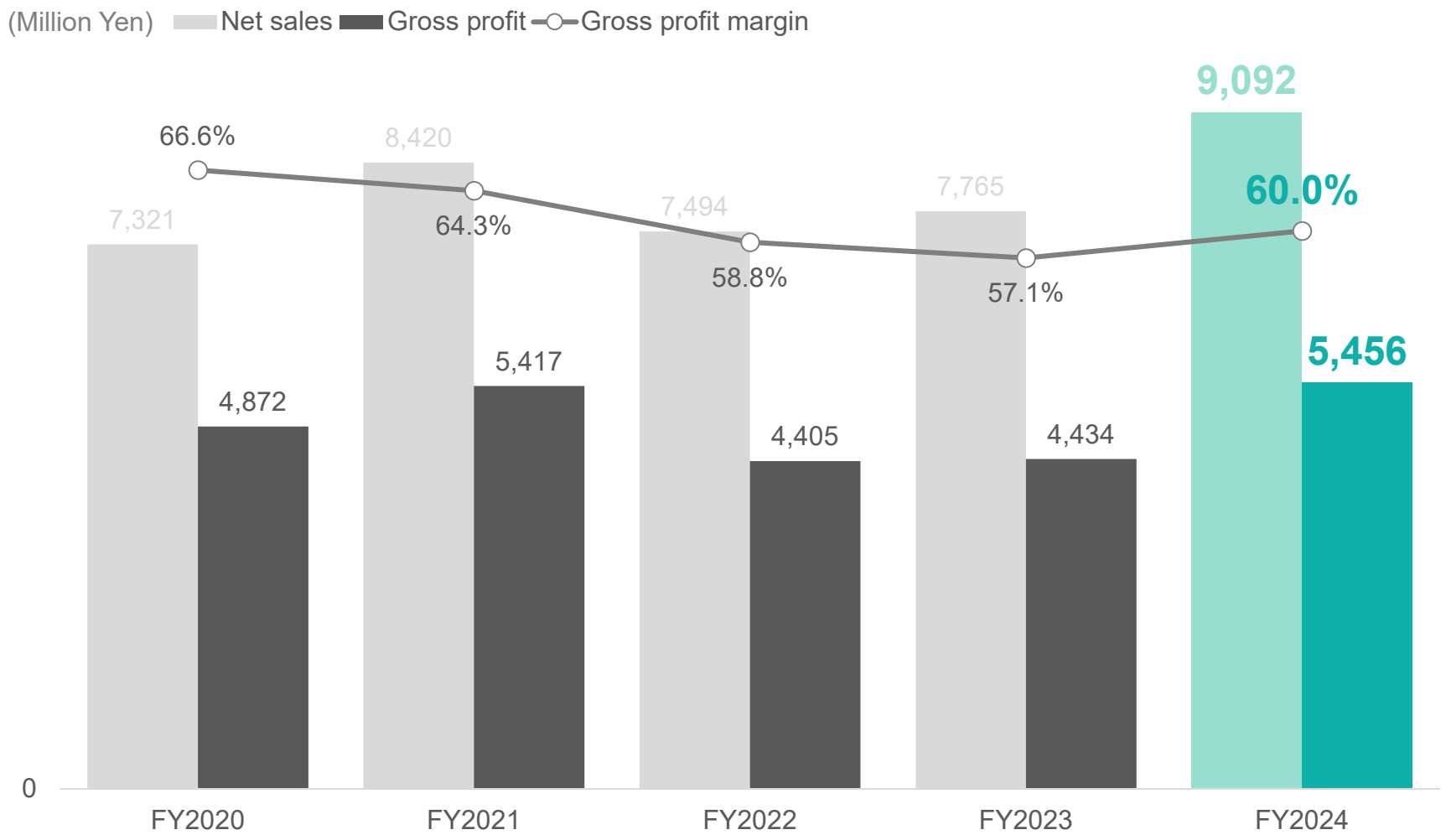


(Note 1) From January 2024, the monthly fee for the Monthly-Fee Plan (Growth Plan) will increase from 5,980 yen to 19,980 yen. The 2.9% transaction fee will remain the same.
(Note 2) The fee rate for the No Monthly Cost Plan (Standard Plan) is 6.6% + 40 yen.

Trends in Net Sales and Gross Profit

Driven by GMV growth, **Net Sales increased by +17.1% YoY, and Gross Profit increased by +23.0% YoY.**

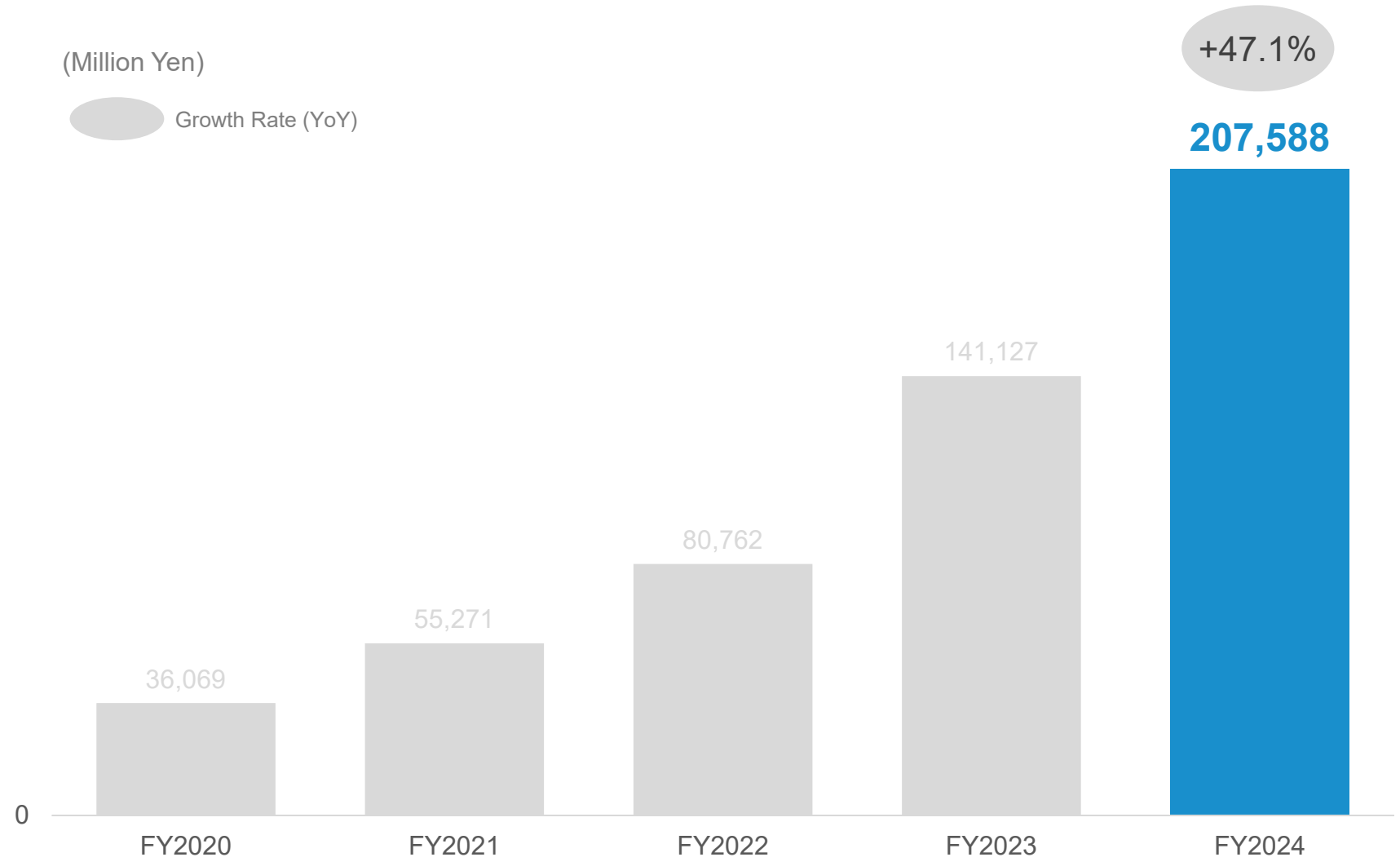
The Gross Profit Margin also improved YoY, reflecting the increase in the take rate.



Trends in GMV

PAY.JP

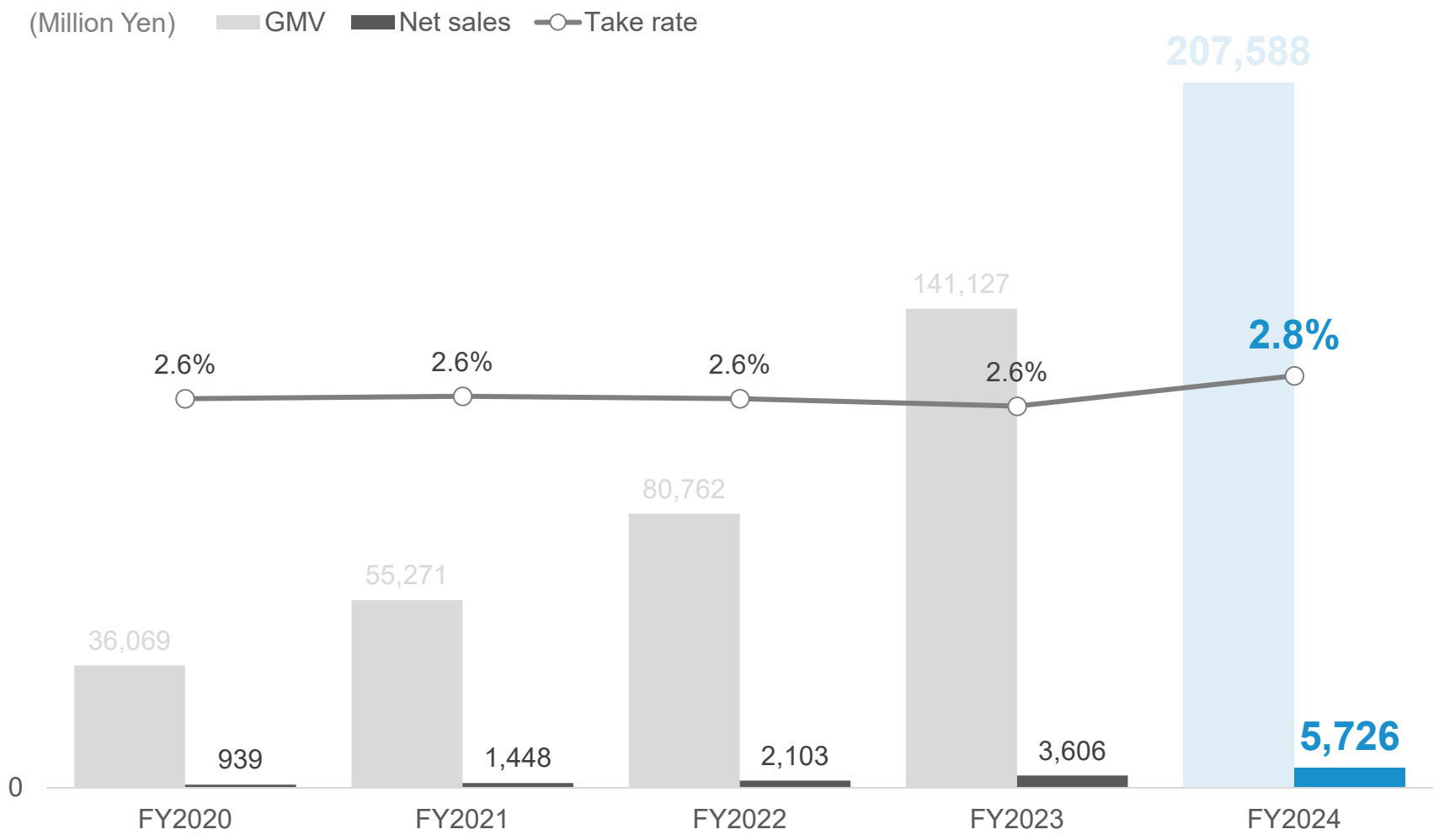
GMV continued its strong growth, increasing by +47.1% YoY.



Trends in GMV (Payment Amount), Take Rate and Net Sales

PAY.JP

Starting in FY2024, Net Sales and Cost of Sales became tax-exempt, resulting in approximately 10% higher reporting levels compared to the previous year. As a result, the take rate increased YoY.

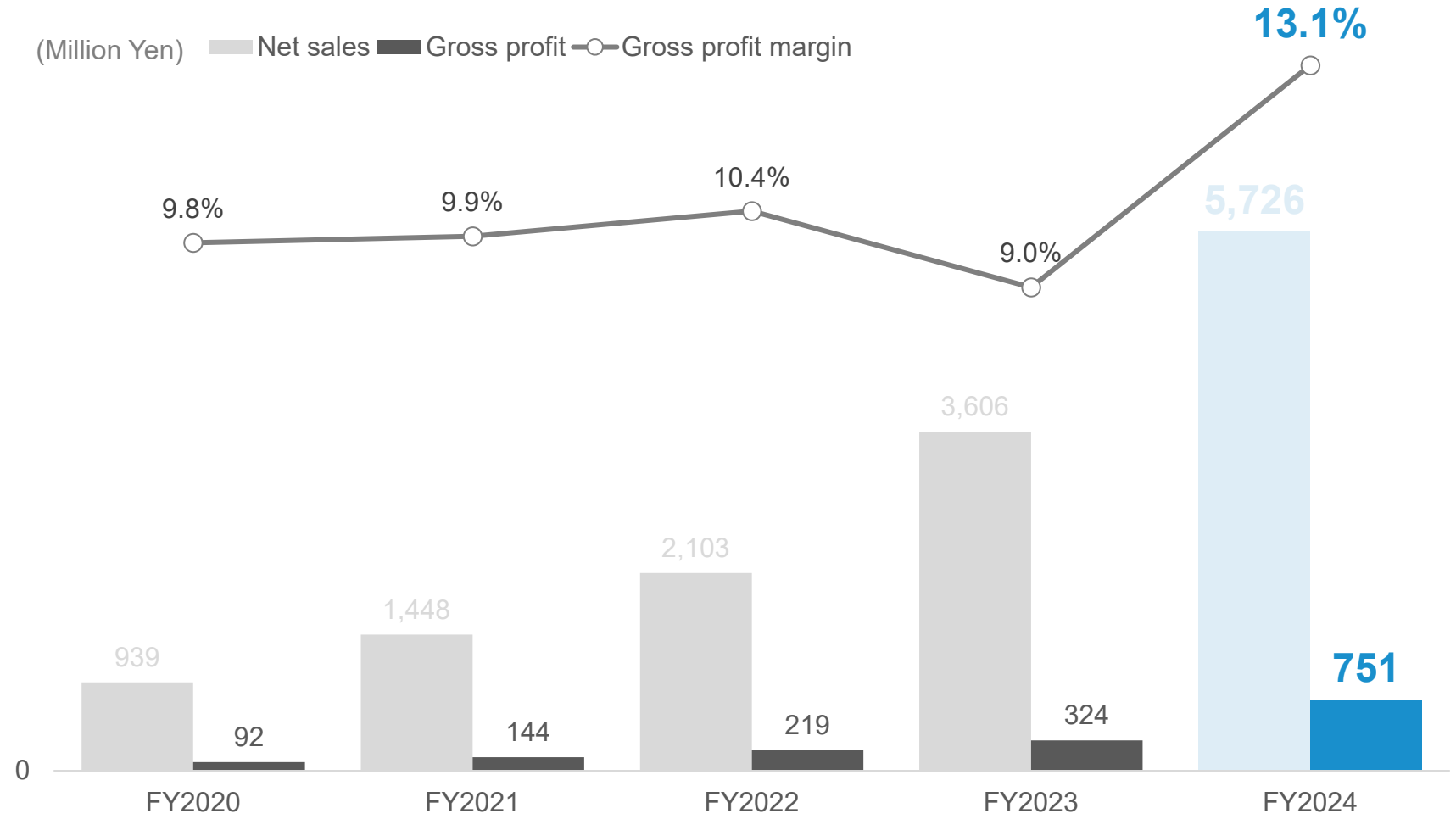


(Note) Net Sales for the PAY.JP Business include only external revenue and do not include intercompany sales.

Trends in Net Sales and Gross Profit

GMV growth contributed to **a +58.8% YoY increase in Net Sales and a +131.7% YoY increase in Gross Profit.**

The Gross Profit Margin improved significantly due to the cost ratio reduction (relative to GMV) implemented during the first half of the year.

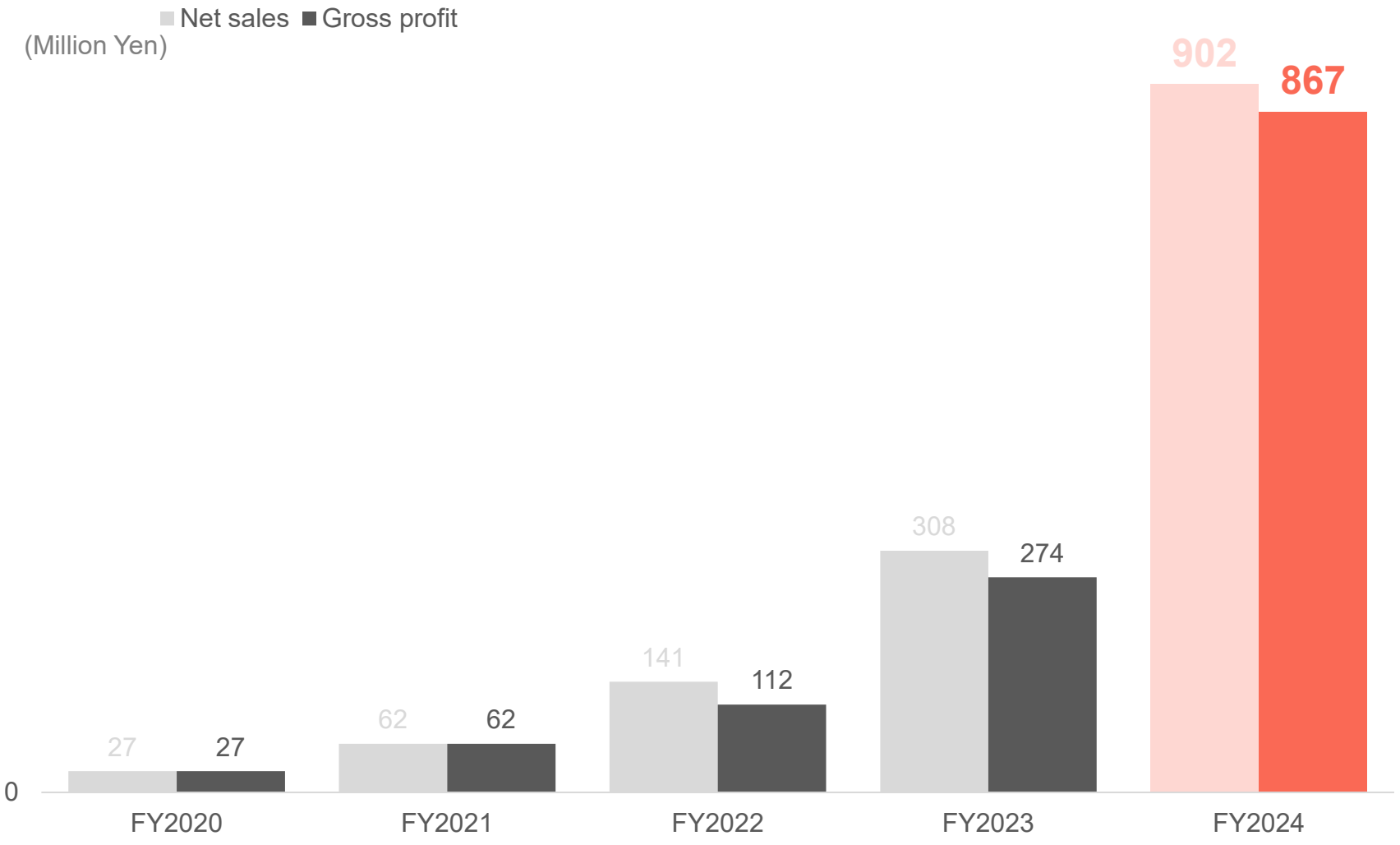


(Note) Net Sales for the PAY.JP Business include only external revenue and do not include intercompany sales.

Others

Trends in Net Sales and Gross Profit

Net Sales grew by +192.8% YoY, and Gross Profit saw an exceptional increase of +216.0% YoY, demonstrating robust growth in the business.



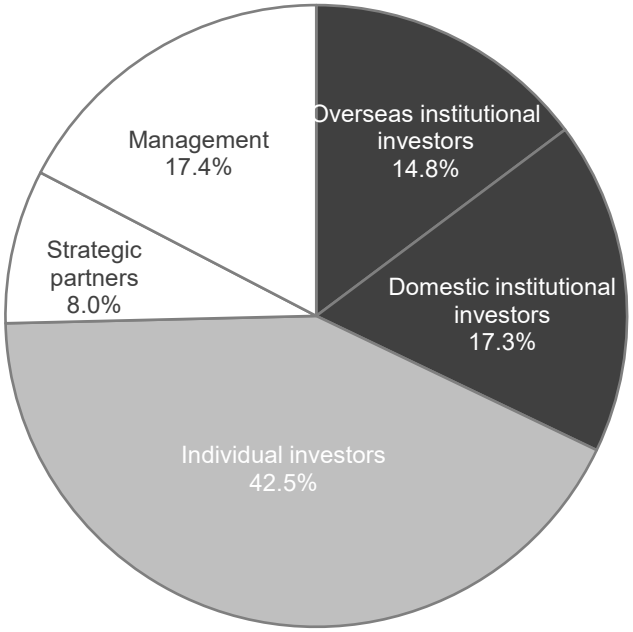
(Note) YELL BANK businesses include "YELL BANK" and “BASE Card”

5. Reference Materials

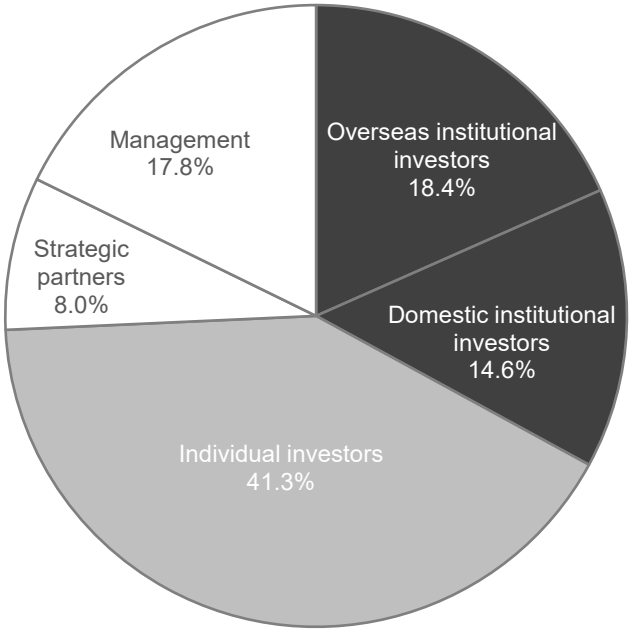
Shareholder Structure

Continuing IR activities targeting a wide variety of investors

June 30, 2024



December 31, 2024



Consolidated

Ratio of Dilutive Shares

(Shares)		FY2024
Stock Options	Beginning balance	2,126,000
	Granted	3,460,000
	Exercised	-738,000
	Renounced	0
	Ending balance	4,848,000
Number of issued shares (including treasury shares)		116,386,590
Ratio of dilutive shares (as a % of issued shares)		4.2%

Risk Information

Category	Main Risks	Probability	Influence	Risk Management Measures
Business environment	Risk of stagnating growth of the EC and online payment services markets due to changes in consumer activity caused by reopening and inflation	High	High	• While maintaining the medium to long-term management policy, flexibly adjusting the business plan in response to changes in the business environment
Competitive environment	Risk of increased competition in the storefront EC and online payment services markets due to existing competitors and new entrants	High	High	BASE • Maintain position as the most popular services • Strengthen more targeted marketing measures as well as function development PAY • Strengthen function development to allow easier deployment of payment functions for small businesses
Maintenance of Service Integrity and Fraudulent settlements	Risk of being held liable as a transaction venue provider due to an act by a user that threatens the soundness of our service, or risk of having sales proceeds refunded or being subject to claims for damages due to fraudulent settlements	High	High	• Establish a specialized department to analyze transaction data held by the Company through machine learning and other methods, detecting and preventing inappropriate behavior and fraudulent settlements
Information Security and Personal Information Management	Risk of legal liability being pursued against the Group or a decline in the Group's reputation due to the leakage of personnel information	Medium	High	• Review and implementation of security measures by an information security committee • Raise awareness of executives and employees through information security training • Management of personal information in compliance with the Personal Information Protection Law
Technical Issues with Information System	Risk of inability to provide stable services due to large-scale technical issues	Medium	High	• Reinforcement of server facilities and establishment of appropriate internal systems

(Note) The above are excerpts of main risks that could affect growth opportunities and strategies. Please refer to the "Business and Other Risks" section of the Annual Securities Report for details

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The next update of these materials are scheduled to be disclosed in March 2026.


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