

Translation

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Non-consolidated Financial Results for the Six Months of the Fiscal Year Ending February 28, 2027 (Under Japanese GAAP)

October 15, 2026

Company name: BASE FOOD Inc.
 Stock exchange listings: Tokyo Stock Exchange
 Stock code: 2936
 URL: <https://basefood.co.jp/ir/>
 Representative: Shun Hashimoto, Representative Director CEO
 Contact: Keiichiro Kawanami, Executive Officer, COO
 TEL: +81-3-6416-8905
 Scheduled date for submission of interim report: October 15, 2026
 Scheduled date for dividend payment: None
 Supplementary materials for financial summaries: Yes
 Financial results briefing: Yes (for institutional investors, analysts, and individual investors)

(Amounts of less than one million yen are rounded down.)

1. Non-consolidated Financial Results for the Six Months of the Fiscal Year Ending February 28, 2027 (from March 01, 2026 to August 31, 2026)

(1) Operating results (Cumulative)

(Percentages indicate YoY changes)

	Net sales		Operating profit		Ordinary profit		Net income	
Six months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
August 31, 2026	8,352	8.5	(194)	-	(195)	-	(255)	-
August 31, 2025	7,694	1.5	(53)	-	(54)	-	(48)	-
	Basic earnings per share		Diluted earnings per share					
Six months ended	Yen		Yen					
August 31, 2026	(4.78)		-					
August 31, 2025	(0.90)		-					

(Note) Diluted earnings per share is not presented because, although potentially dilutive shares exist, there is an interim net loss per share.

(2) Financial positions

	Total assets	Net assets	Equity ratio
As of	Million yen	Million yen	%
August 31, 2026	4,084	1,108	26.9
February 28, 2026	4,013	1,355	33.8

(Reference) Owner's equity Fiscal year ending February 2027 interim period 1,100 million yen Fiscal year ended February 2026 1,355 million yen

2. Cash dividends

	Annual dividends per share				
	End of the first quarter	End of the second quarter	End of the third quarter	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended February 28, 2026	-	0.00	-	0.00	0.00
Fiscal year ending February 28, 2027	-	0.00			
Fiscal year ending February 28, 2027 (Forecast)			-	0.00	0.00

(Note) Whether there has been any revision to the most recently announced dividend forecast: None

3. Non-consolidated Earnings Forecasts for the Fiscal Year Ending February 28, 2027 (from March 01, 2026 to February 28, 2027)

(Percentages indicate YoY changes)

	Net sales		Operating profit	
	Million yen	%	Million yen	%
Fiscal year ending February 28, 2027	16,256	7.0	62	(71.4)

(Note) 1. Revision of financial forecast from the most recent financial forecast: None

2. For the February 2027 fiscal year forecasts, only "Net sales" and "Operating profit" are disclosed.

※ Notes

- (1) Application of accounting treatment specific to the preparation of interim financial statements: None
- (2) Changes in accounting policies, Changes in accounting estimates, Restatement of prior period financial statements
 - (i) Changes in accounting policies based on revisions of accounting standard :None
 - (ii) Changes in accounting policies other than (i): None
 - (iii) Changes in accounting estimates :None
 - (iv) Restatement of prior period financial statements :None
- (3) Number of shares issued (common shares)

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

As of August 31, 2026	54,752,100 shares
As of February 28, 2026	54,752,100 shares

(ii) Number of treasury shares at the end of the period

As of August 31, 2026	1,358,035 shares
As of February 28, 2026	1,358,035 shares

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

Six months ended August 31, 2026	53,394,065 shares
Six months ended August 31, 2025	53,236,045 shares

* Second-quarter (interim period) financial results summary is not subject to review by a certified public accountant or audit corporation.

※ Explanation regarding the appropriate use of Forecasts and other special notes

(Notes on Forward-Looking Statements, etc.)

The forward-looking statements, including forecasts of operating results, contained in this document are based on information currently available to the Company and certain assumptions that the Company considers reasonable, and are not intended to constitute a commitment by the Company that such forecasts will be achieved. In addition, actual operating results, etc. may differ significantly due to various factors. For the assumptions underlying the Forecasts and precautions regarding the use of the Forecasts, please refer to "1. Overview of Operating results, etc. (4) Explanation regarding forward-looking information such as Forecasts" on page 4 of the attached materials.

(How to obtain supplementary financial results materials)

The Company plans to hold a company briefing for institutional investors, analysts, and individual investors on October 15, 2026. The materials to be used at this briefing will be disclosed on TDnet and posted on the Company's website.

○Table of Contents of Attached Materials

1. Overview of Operating Results, etc.	2
(1) Overview of Operating results for the Current interim period	2
(2) Overview of Financial positions for the Current interim period	3
(3) Overview of Cash Flows for the Current Interim Period	4
(4) Explanation regarding Forecasts and other forward-looking information	4
2. Interim Financial Statements and Major Notes	5
(1) Interim Balance sheet	5
(2) Interim Statement of income	6
(3) Interim Statement of cash flows	7
(4) Notes to the Interim Financial Statements	8
(Notes on Segment Information, etc.)	8
(Notes When There Are Significant Changes in Amounts of Equity)	8
(Notes on Going Concern Assumption)	8

1. Overview of Operating Results, etc.

(1) Overview of Operating results for the current interim period

The Company has established the mission, “Innovating staple foods and making health the norm,” and aims for BASE FOOD® to become a “nutrition infrastructure.”

Toward the realization of our mission, we develop and improve the BASE FOOD® series centered on staple foods providing complete nutrition (Note 1) through research and development activities, and sell them mainly through three channels: “in-house EC,” through which products are sold directly to customers without intermediaries such as wholesalers; “third-party EC,” through which products are sold on EC platforms operated by other companies; and “wholesale sales,” through which products are sold at convenience stores, drugstores, and other outlets. Through active research and development activities, we will pursue the deliciousness of products, expand our customer base and improve retention rates through the release of new products and product renewals, and achieve growth.

During the current interim accounting period, in addition to improving the taste of our flagship product, “BASE BREAD Chocolate,” through a renewal, we commenced sales of the new product “BASE Pound Cake Caramel” on June 10, 2026. This product has received top-class taste evaluations among our products and is contributing to an increase in average spending per customer by developing demand for snacks. In addition, in September 2026, following the current interim accounting period, we launched the “LITE” series (three products: Chocolate Banana, Caramel, and Milk), with a suggested retail price of 198 yen (excluding tax), as bread that is easy to eat, nutritionally balanced, and just right for satisfying a family’s hunger between meals, thereby seeking to acquire new customer segments and expand our rollout to mass retailers. Through these initiatives, we are advancing R&D activities to accelerate the realization of “making health the norm” by enhancing the lineup and quality of meals that are “easy, delicious, and good for your body” and providing opportunities for richer food experiences.

Overall, various measures, including the airing of TV commercials starting with the renewal of “BASE BREAD Chocolate,” outbound calls targeting customers who canceled in the past, and measures to encourage returns utilizing OMO (Online Merges with Offline) between our in-house EC and wholesale sales, have proven successful, and Net sales continued to trend upward. In particular, Net sales for the second quarter accounting period increased significantly to 4,375,859 thousand yen (up 16.7% YoY, up 10.0% from the previous quarter), and the progress rate of Net sales against full-year Forecasts was 51.4%, progressing at a pace exceeding our expectations.

In terms of profitability, the operating loss expanded year on year, although it was in line with the initial plan, due to a decline in the gross profit margin resulting from sales strategies such as revising the suggested retail prices in line with the renewal of our core products, increased advertising investment against the backdrop of strong acquisition of new customers, and research and development investment associated with the selection for the “SBIR Small and Medium-sized Enterprise Innovation Creation Promotion Project.” Advertising investment is expected to contribute to future performance by maintaining a high retention rate, while research and development investment is scheduled to be recovered as a subsidy under Non-operating income in the following fiscal year.

In the in-house EC business, subscription members, which expanded in the first quarter, drove sales growth, while the effects of the renewal took hold and new customer acquisition also remained strong while keeping CPA (customer acquisition cost) under control through the in-house operation of advertising. As a result, in-house EC Net sales amounted to 5,516,721 thousand yen (up 7.6% YoY). In addition, as the proportion of light users temporarily increased following the sharp rise in the number of subscription members in the first quarter, the churn rate and LTV (lifetime customer value) deteriorated compared with the previous quarter, but remained within the expected range. The trend in the number of subscription members is as follows.

	Fiscal year ending February 2026 First quarter	Fiscal year ending February 2026 Second quarter	Fiscal year ending February 2026 Third quarter	Fiscal year ending February 2026 Fourth quarter	Fiscal year ending February 2027 First quarter	Fiscal year ending February 2027 Second quarter
Number of subscription members (10 thousand) (Note 2)	23.2	22.9	23.2	23.5	25.6	25.9

(Note 2) As of the end of each quarter

In wholesale sales, in addition to the renewal effects taking hold, in-store sales continued to perform well as a result of successful promotional measures, and both the number of stores carrying our products and Net sales per store exceeded those of the same period of the previous year and the previous quarter. As a result, Net sales from wholesale amounted to 2,075,961 thousand yen (up 6.1% YoY). The trends in the number of stores carrying our products and Net sales per store are as follows.

	Fiscal year ending February 2026 First quarter	Fiscal year ending February 2026 Second quarter	Fiscal year ending February 2026 Third quarter	Fiscal year ending February 2026 Fourth quarter	Fiscal year ending February 2027 First quarter	Fiscal year ending February 2027 Second quarter
--	---	--	---	--	---	--

Number of stores carrying our products (Note 3)	50,113	49,098	49,500	47,499	48,890	49,633
Net sales per store (Note 4)	6,590	6,400	6,810	6,712	6,767	7,652

(Note 3) As of the end of each quarter

(Note 4) Average for the quarter. Monthly sales per store = Total monthly sales of the retail channel (wholesale sales)/ Number of stores carrying our products

On third-party EC, rankings rose against the backdrop of improved taste resulting from the renewal, creating a virtuous cycle that led to expanded sales; as a result, Net sales increased significantly to 666,077 thousand yen (up 41.1% YoY).

In the overseas business, Net sales were 80,096 thousand yen (down 33.3% YoY) as a result of concentrating resources on launching the China business and strategically restricting advertising placements in other regions. Meanwhile, in Hong Kong, the number of stores introducing the products at 7-Eleven expanded to approximately 1,000 stores, and Net sales for the second quarter accounting period increased compared with the previous quarter. In addition, starting September 10, 2026, after the current interim accounting period, we commenced operations in China, with the products manufactured by Panpan Food Group, a major local food manufacturer, and sold at Hema Fresh, a subsidiary of Alibaba Group and the second-largest chain store in China (sales at approximately 600 stores are planned). Under this initiative, the Company is responsible for research and development, branding, and marketing support, and receives a certain percentage of actual sales as revenue sharing, while intellectual property is protected through schemes and contracts.

As a result, Net sales for the current interim accounting period were 8,352,359 thousand yen (up 8.5% YoY), operating loss was 194,519 thousand yen (operating loss for the same period of the previous year was 53,052 thousand yen), ordinary loss was 195,208 thousand yen (ordinary loss for the same period of the previous year was 54,739 thousand yen), and interim net loss was 255,247 thousand yen (interim net loss for the same period of the previous year was 48,147 thousand yen).

Furthermore, as the ratio of the “Nutritionally complete food business” in our Reportable segment is extremely high and is considered to be generally identical to the description relating to the business as a whole above, descriptions by segment have been omitted.

(Note 1) 1 serving (BASE BREAD is 2 bags, BASE Cookies is 4 bags, BASE YAKISOBA is 2 packages, BASE FOOD Deli is 1 bag, BASE Pancake Mix, when prepared using one bag, one M-size egg, and 100 ml of milk (unadjusted composition)) contains at least one-third of the daily reference value for all nutrients based on the nutrient labeling reference values, except for fat, saturated fatty acids, carbohydrates, and sodium.

(2) Overview of Financial Positions for the Current Interim Period

(Assets)

As of the end of the current interim accounting period, Total assets amounted to 4,084,186 thousand yen, increasing by 70,600 thousand yen compared with the end of the previous fiscal year. This was mainly attributable to a decrease of 342,769 thousand yen in Cash and deposits, while Merchandise increased by 121,187 thousand yen due to increased production in response to demand for products, Prepaid expenses increased by 128,242 thousand yen due to the incurrence of TVCM production and casting expenses associated with the release of new products, and Property, plant and equipment increased by 231,246 thousand yen due to the acquisition of facilities attached to buildings and other assets following the completion of construction at the new location of the relocated laboratory.

(Liabilities)

As of the end of the current interim accounting period, Liabilities amounted to 2,975,363 thousand yen, an increase of 317,324 thousand yen compared with the end of the previous fiscal year. This was mainly attributable to an increase of 203,497 thousand yen in Accounts payable - trade due to increased purchases associated with increased production of products, an increase of 100,232 thousand yen in Asset retirement obligations due to construction work for new locations associated with the relocation of the lab and head office, and an increase of 148,066 thousand yen in Accounts payable - other related to advertising expenses and other expenses for WEB advertising, including video and content distribution.

(Net assets)

At the end of the current interim accounting period, Net assets amounted to 1,108,822 thousand yen, a decrease of 246,724 thousand yen compared with the end of the previous fiscal year. This was mainly due to a decrease of 255,247 thousand yen in Retained earnings as a result of recording an interim net loss.

(3) Overview of Cash Flows for the Current Interim Period

Cash and cash equivalents (hereinafter referred to as “funds”) at the end of the current interim accounting period amounted to 1,544,133 thousand yen, a decrease of 342,769 thousand yen compared with the end of the previous fiscal year.

The cash flows and their factors for the current interim accounting period are as follows.

(Cash flows from operating activities)

Cash used as a result of operating activities was 1,864 thousand yen (102,178 thousand yen used in the same period of the previous year). This was mainly due to an interim net loss before income taxes of 214,951 thousand yen, an increase in inventories of 143,963 thousand yen, an increase in accounts payable of 203,497 thousand yen, and an increase in Accounts payable - other of 184,006 thousand yen.

(Cash flows from investing activities)

As a result of investing activities, funds used amounted to 265,676 thousand yen (101,095 thousand yen used in the previous corresponding period). This was mainly due to Purchase of property and equipment 257,025 thousand yen associated with the completion of construction work at the new location of the relocated laboratory.

(Cash flows from financing activities)

As a result of financing activities, funds used amounted to 75,228 thousand yen (the same period of the previous year was 57,152 thousand yen used). This was mainly due to Repayment of long-term borrowings 83,328 thousand yen, Proceeds from issuance of share acquisition rights 8,805 thousand yen.

(4) Explanation regarding Forecasts and other forward-looking information

There are no changes to the full-year Forecasts announced in the “Fiscal Year Ended February 2026 Financial Results” on April 14, 2026.

2. Interim Financial Statements and Principal Notes (1) Interim Balance sheet

(Unit: Thousands of yen)

	Previous fiscal year (February 28, 2026)	Current interim accounting period (August 31, 2026)
Assets		
Current assets		
Cash and deposits	1,886,902	1,544,133
Accounts receivable - trade	777,609	761,200
Merchandise	173,103	294,290
Raw materials and supplies	27,330	50,107
Accounts receivable - other	245,115	159,150
Prepaid expenses	105,025	233,267
Other	15,921	103,455
Total current assets	3,231,008	3,145,605
Non-current assets		
Property, plant and equipment	297,885	529,132
Intangible assets	10,721	12,573
Investments and other assets	473,969	396,875
Total non-current assets	782,576	938,581
Total assets	4,013,585	4,084,186
Liabilities		
Current liabilities		
Accounts payable - trade	504,580	708,078
Short-term borrowings	400,000	400,000
Current portion of long-term borrowings	152,768	152,800
Accounts payable - other	800,915	948,982
Lease liabilities	1,420	1,439
Accrued expenses	129,181	145,192
Income taxes payable	3,281	13,675
Deposits received	51,089	44,938
Provision for bonuses	53,710	-
Provision for point card certificates	11,947	11,804
Contract liabilities	420,356	403,454
Asset retirement obligations	-	24,014
Other	8,081	8,145
Total current liabilities	2,537,333	2,862,524
Non-current liabilities		
Long-term borrowings	83,360	-
Lease liabilities	4,099	3,375
Asset retirement obligations	33,245	109,463
Total non-current liabilities	120,705	112,839
Total liabilities	2,658,038	2,975,363
Net assets		
Shareholders' equity		
Share capital	38,199	38,199
Capital surplus	1,082,278	1,082,278
Retained earnings	262,372	7,125
Treasury shares	(27,585)	(27,585)
Total shareholders' equity	1,355,265	1,100,017
Share acquisition rights	281	8,805
Total net assets	1,355,547	1,108,822
Total liabilities and net assets	4,013,585	4,084,186

(2) Interim Statement of income

(Unit: Thousands of yen)

	Previous interim accounting period (From March 1, 2025 Through August 31, 2025)	Current interim accounting period (From March 1, 2026 Through August 31, 2026)
Net sales	7,694,889	8,352,359
Cost of sales	3,319,675	3,694,261
Gross profit	4,375,213	4,658,097
Selling, general and administrative expenses	4,428,266	4,852,617
Operating profit (loss)	(53,052)	(194,519)
Non-operating income		
Interest income	2,345	2,932
Compensation income	1,413	189
Government grant income	1,603	91
Other	2,458	4,161
Total non-operating income	7,821	7,374
Non-operating expenses		
Interest expenses	9,019	6,806
Guarantee commission	171	188
Foreign exchange losses	316	851
Other	0	216
Total non-operating expenses	9,507	8,063
Ordinary profit (loss)	(54,739)	(195,208)
Extraordinary income		
Gain on reversal of share acquisition rights	-	281
Total extraordinary income	-	281
Extraordinary losses		
Loss on retirement of non-current assets	-	11,643
Loss on sale of non-current assets	-	8,381
Total extraordinary losses	-	20,024
Interim net loss before income taxes (-)	(54,739)	(214,951)
Income taxes - current	4,942	3,397
Income taxes - deferred	(11,534)	36,898
Total income taxes	(6,591)	40,295
Interim net loss (-)	(48,147)	(255,247)

(3) Interim Statement of cash flows

(Unit: Thousands of yen)

	Previous interim accounting period (From March 1, 2025 to August 31, 2025)	Current interim accounting period (From March 1, 2026 To August 31, 2026)
Cash flows from operating activities		
Interim net loss before income taxes (-)	(54,739)	(214,951)
Depreciation	30,534	78,399
Increase (decrease) in provision for point card certificates	(200)	(143)
Interest income	(2,345)	(2,932)
Interest expenses	19,641	6,806
Loss on retirement of non-current assets	-	11,643
Loss (gain) on sale of non-current assets	-	8,381
Decrease (increase) in trade receivables	(13,361)	16,409
(Increase) decrease in inventories	(88,531)	(143,963)
Increase (decrease) in trade payables	18,619	203,497
Change in Accounts payable - other (- indicates a decrease)	213,666	184,006
Increase (decrease) in accrued expenses	(16,567)	16,010
Increase (decrease) in contract liabilities	5,467	(16,902)
Increase (decrease) in provision for bonuses	(22,555)	(53,710)
Other	(130,553)	(123,977)
Subtotal	(40,926)	(31,424)
Interest received	2,345	2,932
Interest paid	(20,444)	(6,868)
Income taxes refund	-	36,776
Income taxes paid	(43,152)	(3,281)
Cash flows from operating activities	(102,178)	(1,864)
Cash flows from investing activities		
Purchase of property and equipment	(42,249)	(257,025)
Proceeds from sales of property and equipment	-	1,195
Purchase of intangible assets	(3,437)	(3,935)
Payments of guarantee deposits	(55,408)	(5,910)
Cash flows from investing activities	(101,095)	(265,676)
Cash flows from financing activities		
Repayment of long-term borrowings	(83,328)	(83,328)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	26,865	-
Proceeds from issuance of share acquisition rights	-	8,805
Acquisition of treasury shares	(2)	-
Repayments of lease liabilities	(688)	(705)
Cash flows from financing activities	(57,152)	(75,228)
Increase (decrease) in cash and cash equivalents	(260,427)	(342,769)
Cash and cash equivalents at the beginning of the period	1,983,167	1,886,902
Balance of cash and cash equivalents at end of interim period	1,722,740	1,544,133

(4) Notes to Interim Financial Statements

(Notes on Segment Information, etc.)

[Segment Information]

I For the six months ended August 31, 2025

(Unit: Thousands
of yen)

	Reportable segment	Other (Note) 1	Total	Adjustments (Note) 3	Interim Statement of income Amount recorded (Note) 2
	Nutritionally complete food business				
Net sales					
Revenues from external customers	7,675,477	19,412	7,694,889	-	7,694,889
Transactions with other segments	-	-	-	-	-
Total	7,675,477	19,412	7,694,889	-	7,694,889
Segment profit (loss)	(28,131)	9,590	(18,540)	(34,511)	(53,052)

(Note) 1. The "Other" category consists of business segments not included in Reportable segment.

2. Segment loss (-) is consistent with the operating loss in the interim Statement of income.

3. Adjustments are corporate expenses not allocated to each segment. Corporate expenses mainly consist of General and administrative expenses not attributable to the Reportable segment.

II Current interim accounting period (For the six months ended August 31, 2026)

(Unit: Thousands
of yen)

	Reportable segment	Other (Note) 1	Total	Adjustments (Note) 3	Interim Statement of income Amount recorded (Note) 2
	Nutritionally complete food business				
Net sales					
Revenues from external customers	8,340,359	12,000	8,352,359	-	8,352,359
Transactions with other segments	-	-	-	-	-
Total	8,340,359	12,000	8,352,359	-	8,352,359
Segment profit (loss)	(153,442)	(4,375)	(157,817)	(36,700)	(194,519)

(Note) 1. The "Other" category consists of business segments not included in Reportable segment.

2. Segment loss (-) is consistent with operating loss in the interim Statement of income.

3. Adjustments are corporate expenses not allocated to each segment. Corporate expenses mainly consist of General and administrative expenses not attributable to a Reportable segment.

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

There are no applicable items.

(Notes on Going Concern Assumption)

Not applicable.