Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

February 14, 2025

To Whom it May Concern:

Company name:	BASE, Inc.
Representative:	Representative Director and CEO Yuta Tsuruoka
	(Code: 4477, Tokyo Stock Exchange Growth Market)
Inquiries:	Director and CFO Ken Harada
	TEL 03-6441-2075

Notice Regarding Recognition of Extraordinary Loss

BASE, Inc. (the "Company"), hereby announces that that we have recorded an extraordinary loss for the fiscal year ending December 2024 (January 1, 2024 – December 31, 2024) as detailed below.

1. Details of the Extraordinary Loss in the Consolidated Financial Statements

We acquired want.jp Corporation as a consolidated subsidiary in August 2024 to strengthen cross-border e-commerce (EC) functionality for shops in the BASE Business and began consolidating want.jp's financial results into our income statement from October 2024.

However, due to significant foreign exchange fluctuations and changes in operational policies by some of the overseas EC platforms where want.jp was operating, the business performance of want.jp fell below expectations.

Considering this, we determined that the excess earnings power anticipated at the time of the want.jp stock acquisition had diminished. As a result, we recorded an extraordinary loss of JPY 867 million in our consolidated financial statements due to the full impairment of goodwill and fixed assets related to want.jp.

For details on the impact on consolidated earnings, please refer to today's disclosure, "Notice Regarding Differences Between Full-Year Consolidated Earnings Forecasts and Actual Results."

2. Details of the Extraordinary Loss in the Non-Consolidated Financial Statements

Based on the above, as the fair value of the want.jp shares held by the company has significantly declined compared to their book value, a loss on valuation of affiliated company shares of JPY 105 million was recorded.

Furthermore, considering the deterioration of want.jp Corporation's financial condition, it was determined necessary to recognize provisions corresponding to the negative net worth of JPY 815 million. Accordingly, a provision for doubtful accounts of JPY 40 million related to loans and accrued interest receivable from want.jp, a provision for affiliated company guarantee loss of JPY 438 million related to the parent company's guarantee of long-term borrowings, and a provision for affiliated company business loss of JPY 336 million related to the remaining negative net worth were recorded. The total of these provisions, JPY 815 million, was recognized as an extraordinary loss under provision for allowance.

Please note that both the loss on valuation of affiliated company shares and the provision for allowance will be eliminated in the consolidated financial statements and therefore have no impact on consolidated earnings.

3. Future Policy

We will continue our efforts to improve operations and drive the growth of want.jp's existing cross-border EC business.

Additionally, the development of cross-border EC functionality for shops in the BASE Business, which is being pursued jointly by the BASE Business and want.jp Business, is progressing smoothly.

(End of document)