

Translation

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Summary of Consolidated Financial Results for the Six Months Ended June 30, 2024 (Based on Japanese GAAP)

August 14, 2024

Company name: BASE CO.,LTD.
 Stock exchange listing: Tokyo
 Stock code: 4481 URL <https://www.basenet.co.jp>
 Representative: President Katsunari Nakayama
 Senior Vice President Director,
 Inquiries: General Manager of Finance Department Noriyuki Takano TEL 03(5207)5112
 Scheduled date to file Semi-annual Securities Report: August 14, 2024
 Scheduled date to commence dividend payments: September 6, 2024
 Preparation of supplementary material on financial results: No
 Holding of financial results meeting: Yes (for analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended June 30, 2024 (from January 1, 2024 to June 30, 2024)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended June 30, 2024	9,663	5.4	2,401	8.8	2,405	8.3	1,656	8.9
Six months ended June 30, 2023	9,165	13.8	2,206	18.7	2,221	18.8	1,521	18.8

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended June 30, 2024	88.25	87.43
Six months ended June 30, 2023	83.62	80.35

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2024	16,216	13,302	79.9
As of December 31, 2023	16,323	12,457	74.4

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended December 31, 2023	—	40.00	—	52.00	92.00
Year ending December 31, 2024	—	50.00			
Year ending December 31, 2024 (Forecast)			—	52.00	102.00

3. Forecast of consolidated financial results for the year ending December 31, 2024 (from January 1, 2024 to December 31, 2024)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	22,359	19.5	5,642	20.0	5,642	20.2	3,877	12.9	206.57

4. Notes

- (1) Significant changes in the scope of consolidation during the six months ended June 30, 2024: No
- (2) Application of special accounting methods for preparing interim consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
 - Changes in accounting policies due to other reasons: No
 - Changes in accounting estimates: No
 - Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of June 30, 2024	18,781,200 shares	As of December 31, 2023	18,770,400 shares
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Number of treasury shares at the end of the period

As of June 30, 2024	558 shares	As of December 31, 2023	482 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended June 30, 2024	18,774,432 shares	Six months ended June 30, 2023	18,194,607 shares
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Interim consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of December 31, 2023	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	10,551,014	10,680,890
Accounts receivable - trade and contract assets	2,680,325	2,613,264
Work in process	135,354	93,251
Short-term loans receivable	1,165,789	1,134,121
Other	112,778	98,495
Total current assets	14,645,262	14,620,023
Non-current assets		
Property, plant and equipment	82,849	91,748
Intangible assets		
Software	3,284	2,473
Other	289	289
Total intangible assets	3,574	2,762
Investments and other assets		
Investment securities	970,396	1,073,739
Other	621,254	428,663
Total investments and other assets	1,591,651	1,502,403
Total non-current assets	1,678,076	1,596,914
Total assets	16,323,338	16,216,938
Liabilities		
Current liabilities		
Accounts payable - trade	926,726	868,025
Current portion of long-term borrowings	11,936	—
Income taxes payable	669,735	618,655
Accrued expenses	1,550,477	302,715
Provision for bonuses	—	655,731
Other	692,874	454,681
Total current liabilities	3,851,749	2,899,810
Non-current liabilities		
Long-term accounts payable - other	14,380	14,380
Total non-current liabilities	14,380	14,380
Total liabilities	3,866,129	2,914,190

	(Thousands of yen)	
	As of December 31, 2023	As of June 30, 2024
Net assets		
Shareholders' equity		
Share capital	1,119,178	1,120,088
Capital surplus	1,059,993	1,060,903
Retained earnings	9,702,366	10,383,191
Treasury shares	(1,310)	(1,576)
Total shareholders' equity	11,880,228	12,562,607
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	172,201	241,321
Foreign currency translation adjustment	95,770	148,349
Total accumulated other comprehensive income	267,971	389,670
Share acquisition rights	477	450
Non-controlling interests	308,531	350,019
Total net assets	12,457,208	13,302,747
Total liabilities and net assets	16,323,338	16,216,938

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

	(Thousands of yen)	
	Six months ended June 30, 2023	Six months ended June 30, 2024
Net sales	9,165,195	9,663,849
Cost of sales	6,397,142	6,610,919
Gross profit	2,768,053	3,052,929
Selling, general and administrative expenses	561,929	651,648
Operating profit	2,206,123	2,401,280
Non-operating income		
Interest income	3,684	12,499
Dividend income	508	507
Gain on sale of investment securities	1,353	4,941
Foreign exchange gains	9,960	–
Other	471	134
Total non-operating income	15,979	18,084
Non-operating expenses		
Interest expenses	186	3
Share issuance costs	120	90
Foreign exchange losses	–	14,112
Total non-operating expenses	306	14,205
Ordinary profit	2,221,796	2,405,158
Profit before income taxes	2,221,796	2,405,158
Income taxes - current	515,131	553,899
Income taxes - deferred	161,479	185,792
Total income taxes	676,610	739,692
Profit	1,545,186	1,665,466
Profit attributable to non-controlling interests	23,687	8,605
Profit attributable to owners of parent	1,521,498	1,656,861

Consolidated statements of comprehensive income (cumulative)

	(Thousands of yen)	
	Six months ended June 30, 2023	Six months ended June 30, 2024
Profit	1,545,186	1,665,466
Other comprehensive income		
Valuation difference on available-for-sale securities	28,416	69,120
Foreign currency translation adjustment	31,209	85,461
Total other comprehensive income	59,625	154,581
Comprehensive income	1,604,811	1,820,048
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,568,727	1,778,560
Comprehensive income attributable to non-controlling interests	36,084	41,488

Consolidated statements of cash flows

(Thousands of yen)

	Six months ended June 30, 2023	Six months ended June 30, 2024
Cash flows from operating activities		
Profit before income taxes	2,221,796	2,405,158
Depreciation	12,919	12,264
Increase (decrease) in provision for bonuses	654,061	655,731
Interest and dividend income	(4,193)	(13,007)
Interest expenses	186	3
Loss (gain) on sale of investment securities	(1,353)	(4,941)
Share issuance costs	120	90
Decrease (increase) in trade receivables	(37,175)	80,730
Decrease (increase) in inventories	(12,264)	50,057
Increase (decrease) in trade payables	(62,112)	(61,930)
Increase (decrease) in accrued expenses	(1,176,363)	(1,255,800)
Increase (decrease) in accrued consumption taxes	(50,167)	(115,933)
Other, net	53,004	(116,170)
Subtotal	1,598,457	1,636,252
Interest and dividends received	1,991	10,522
Interest paid	(201)	(2)
Income taxes paid	(919,791)	(599,522)
Net cash provided by (used in) operating activities	680,457	1,047,249
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,476)	(18,944)
Purchase of intangible assets	(712)	–
Purchase of investment securities	(2,685)	(6,284)
Proceeds from sale of investment securities	4,869	9,075
Loan advances	(800)	–
Proceeds from collection of loans receivable	600	31,668
Payments of leasehold and guarantee deposits	(2,580)	(27,324)
Proceeds from refund of leasehold and guarantee deposits	2,219	3,217
Net cash provided by (used in) investing activities	(2,566)	(8,592)
Cash flows from financing activities		
Repayments of long-term borrowings	(51,180)	(11,936)
Proceeds from issuance of shares	22,987	1,702
Purchase of treasury shares	–	(266)
Dividends paid	(1,017,850)	(971,752)
Purchase of investments in capital of subsidiaries and associates not resulting in change in scope of consolidation	(11,689)	–
Net cash provided by (used in) financing activities	(1,057,732)	(982,252)
Effect of exchange rate change on cash and cash equivalents	26,795	74,580
Net increase (decrease) in cash and cash equivalents	(353,046)	130,985
Cash and cash equivalents at beginning of period	10,191,152	10,553,317
Cash and cash equivalents at end of period	9,838,106	10,684,303