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February 10, 2021

To Whom It May Concern:

Company Name      BASE, Inc.

Representative Yuta Tsuruoka, Representative Director and CEO

(Security Code: 4477 Tokyo Stock Exchange Mothers Market)

Contact Person      Ken Harada, Director and CFO

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## **Notice on Recognition of Extraordinary Losses**

At a meeting of the Board of Directors held on February 10, 2021, the Company resolved to recognize extraordinary losses for the year ended December 2020 (January 1, 2020 - December 31, 2020). Now, therefore, notice is hereby given as follows.

1. Details of extraordinary losses

Concerning stock of PAY, Inc. and BASE BANK, Inc., which are consolidated subsidiaries of the Company, the net asset value declined substantially. After examining the recoverability, the Company decided to recognize losses on valuation of shares of subsidiaries and associates of 343,946 thousand yen on extraordinary losses.

## 2. Effect on business results

The above-mentioned extraordinary losses will have no impact on the consolidated financial results because those losses are eliminated in the consolidated financial statements.

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