



Q3 Ending December 2019
Materials for Financial Results
Presentation

BASE, Inc.
(Tokyo Stock Exchange Mothers: 4477)
November 14, 2019

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1. Corporate Profile

Company Name	BASE, Inc.
Address	Roppongi Grand Tower 37F, 3-2-1 Roppongi, Minato-ku, Tokyo
Established	December 11, 2012
Business Description	Planning, development, and operation of ecommerce platform BASE, online payment service PAY.JP, and ID-based payment service PAY ID
Representative	Yuta Tsuruoka, President & CEO
Number of Employees (Consolidated)	132, 81 of whom are product engineering personnel (as of the end of September, 2019)
Subsidiaries	PAY, Inc., BASE BANK, Inc.

Mission

Payment to the People, Power to the People.

To ensure that the thoughts, feelings, and talents kept deep inside to come out and reach those who need them around the world.

To realise ideas, works and activities born there.

To ensure that everyone receives fair value.

Making payment available to everyone
around the globe.

BASE

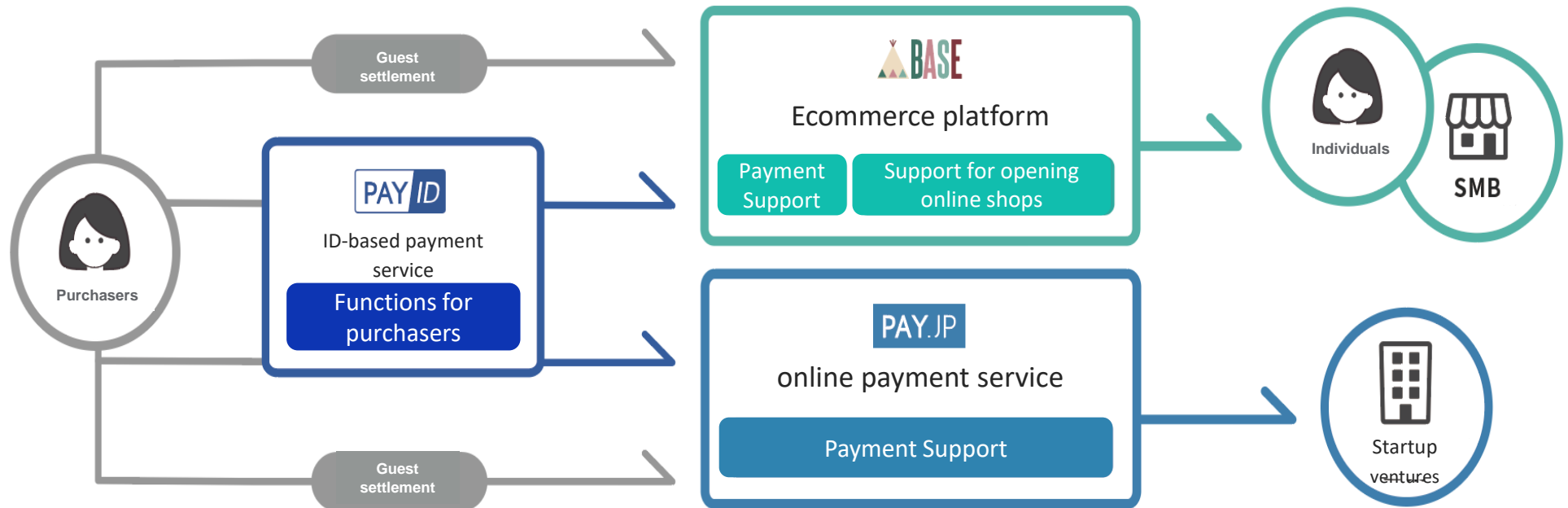
To give everyone a chance to transform his/her
power into value.

To create new economy through a new payment
platform.



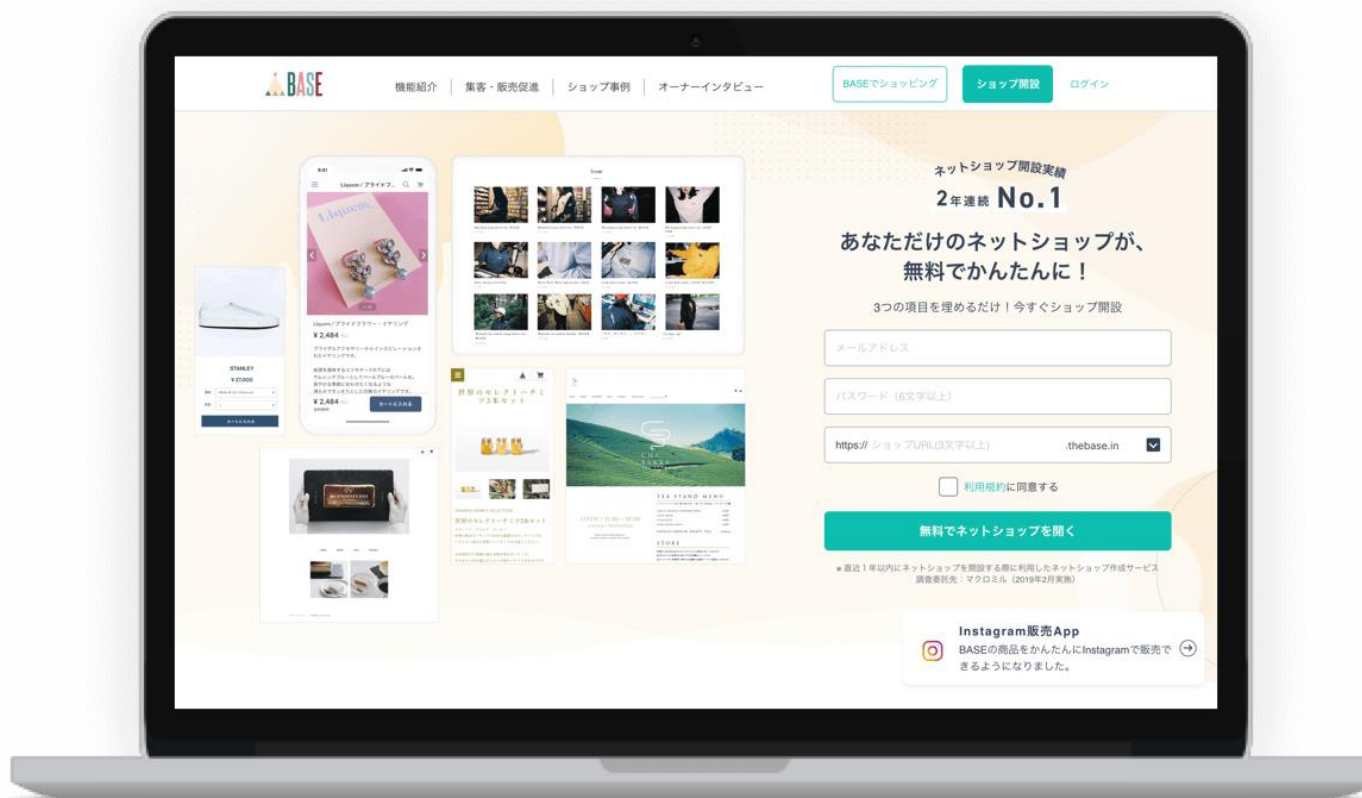
Outline chart of Business

Focus on empowering individuals and SMBs_(Note) through "BASE"
and supporting startups through "PAY.JP"



2. Business Description

We have developed an e-commerce platform that offers an "online shop-creation service" that allows anyone to easily create a well-designed online shop at no cost, with additional features such as shopping apps connected to such shops.



Even people who have had difficulty in starting up online retail shops on reasons including the time cost, operating cost, or web technologies can now easily start and run their own EC sites.

POINT 01

Initial and monthly costs are free.

POINT 02

**BASE
Easy Payment**

POINT 03

**A full choice
of templates**

POINT 04

**A wide range
of extensions**

Free of online shop initial and monthly fees

Free of charge with BASE!
(Note1)



No initial fees nor monthly fees! Everything from creating to operating your online retail shop is free of charge! There are no limits to the number of products that can be registered.

The handling fee is 6.6% of the settlement amount + 40 yen (Note2)

(Note 1) Certain shop templates and services, such as prompt payment transfers, are chargeable

(Note 2) Including service charges

Unique method of payment "BASE Easy Pay" is available.
Eases the burden on business of introducing payment functions into online shops.

Overview of "BASE Easy Pay"

- ✓ 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 introducing a settlement function.
- ✓ Shortens the review time spent on adoption and offers the payment services from the next business day at the earliest without the need for complicated credit administration procedures
- ✓ Users can choose from five payment methods
- ✓ Payment processing fees are inexpensive and flat-rated, which are just **6.6%** of the transaction amount **plus 40 yen** for all of the payment methods
(Including a service charge of 3.0%)

Credit Card



Carrier settlement



Bank transfer



Convenience store payment / Pay-easy



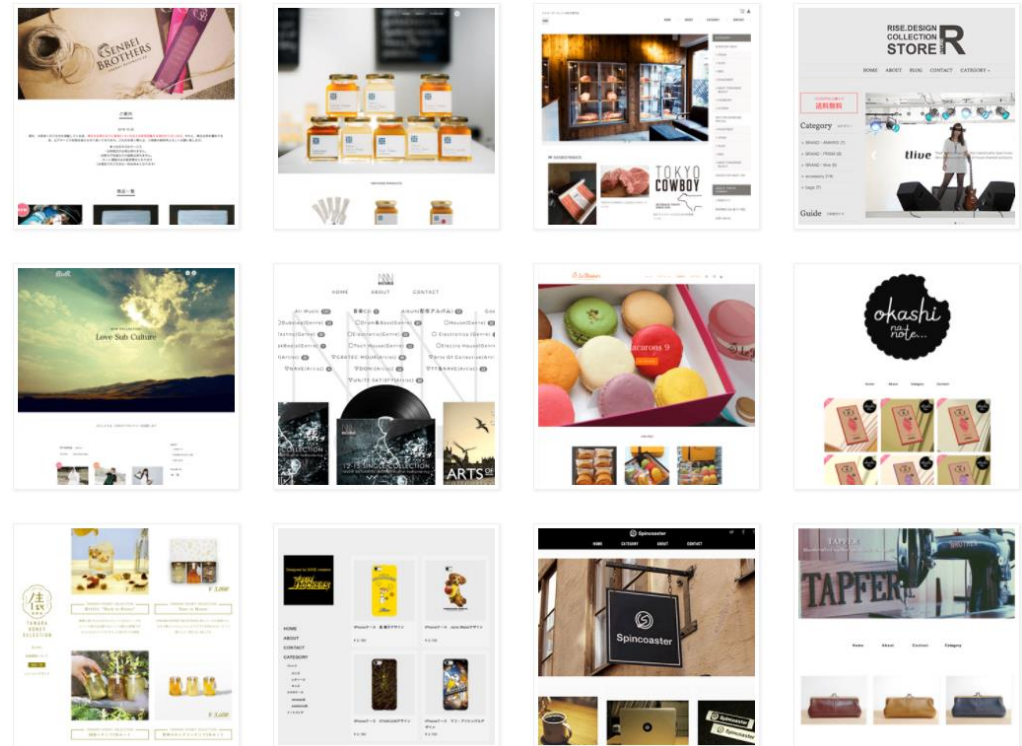
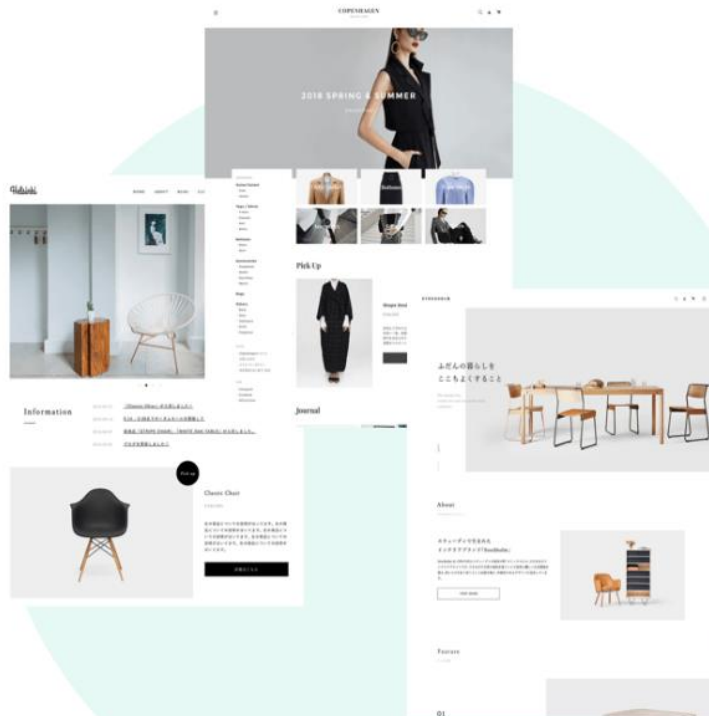
Deferred payment



You can create a stylish online shop simply by selecting a template.

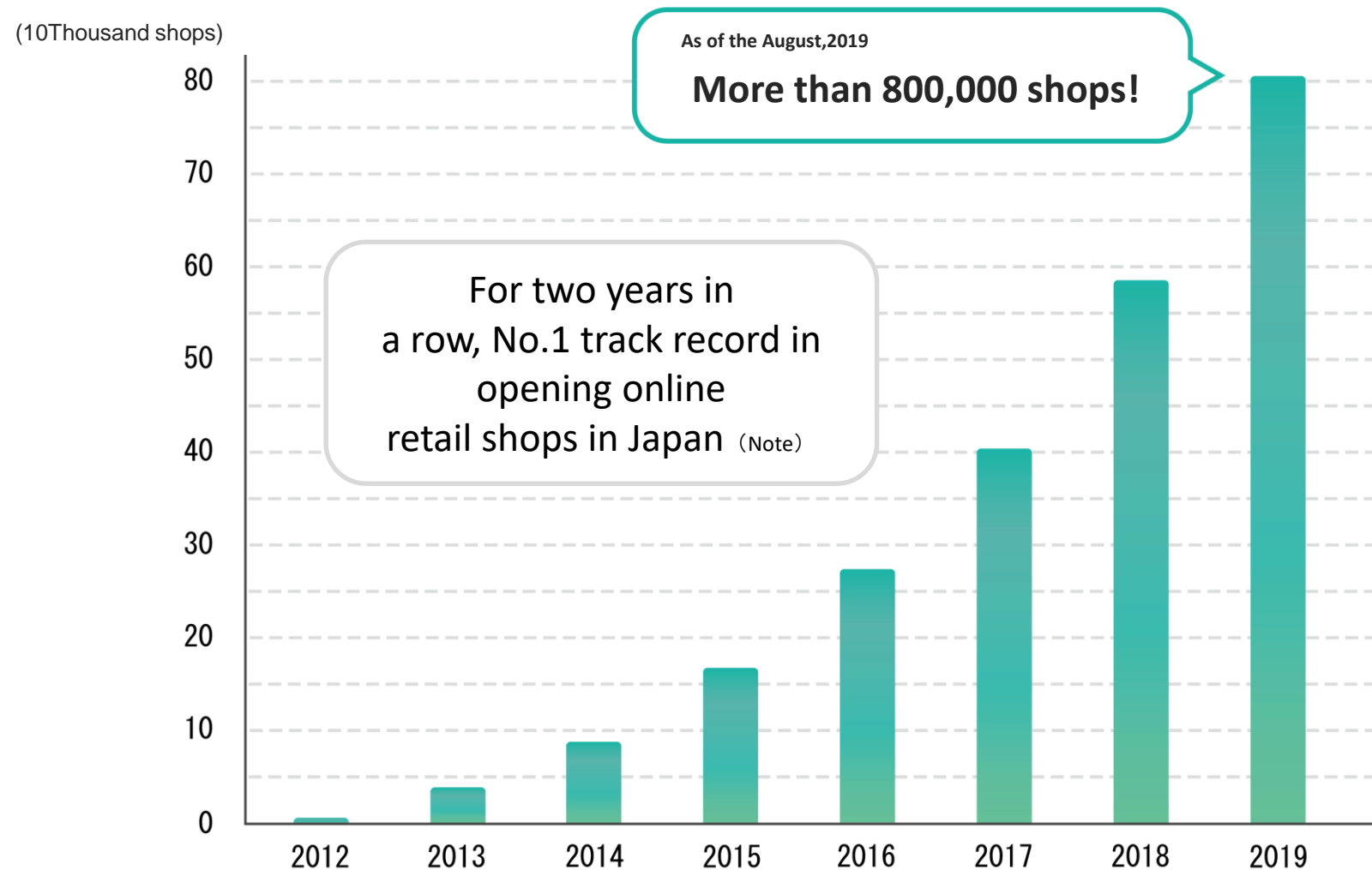
A wide range of templates are provided free of charge.

Shops of all kinds of genres have opened online shops using BASE.



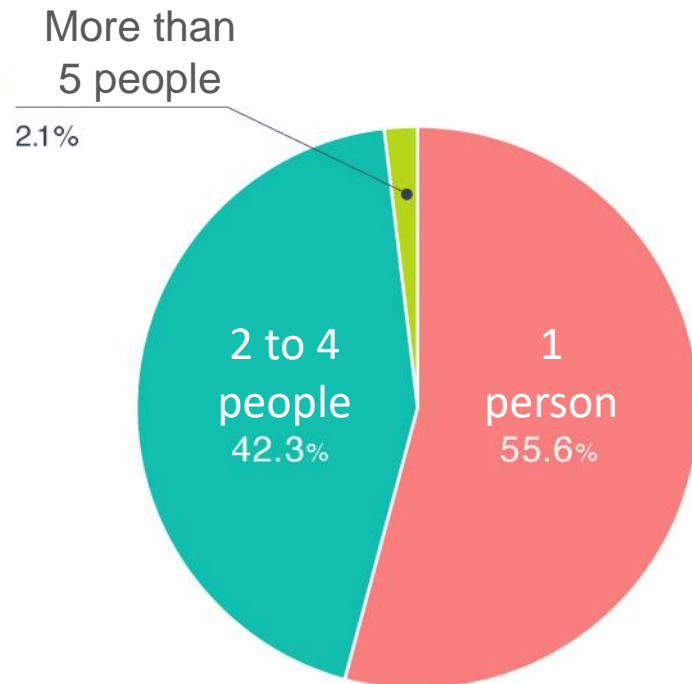
Those especially concerned with design can customize their shops by HTML editing.

Trends in the total number of shops established with BASE

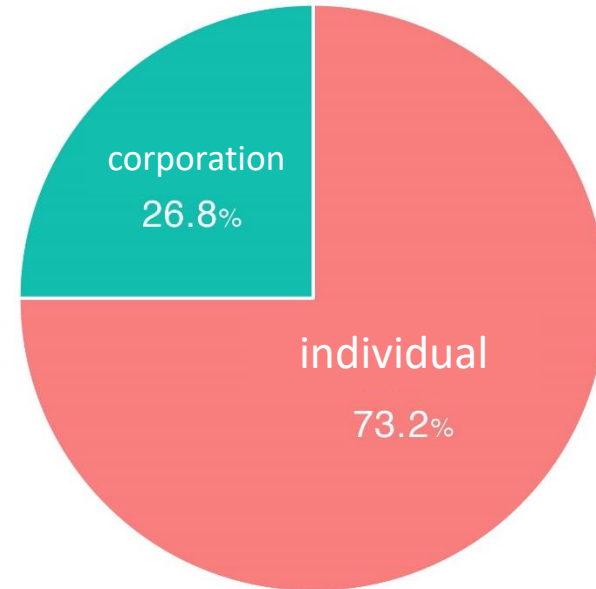


The fact that BASE's main users are individuals and SMBs, is a major differentiator from similar services. More than half of the shop owners are run by one person.

Q:How many people do you run your shop with?

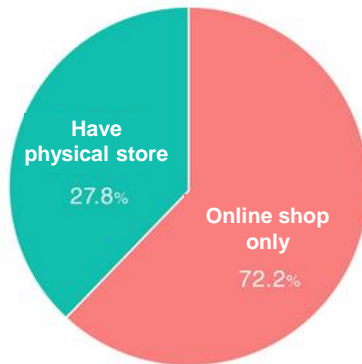


Q:Is the shop owner an individual or a corporation?

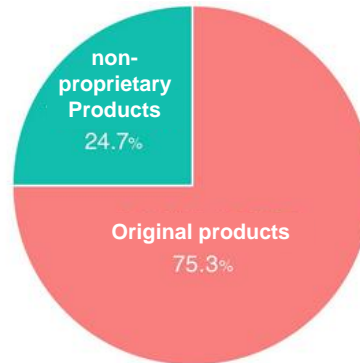


Most BASE shop owners are SMBs who develop their business mainly through online shops, use SNSs to attract customers, and sell original products.

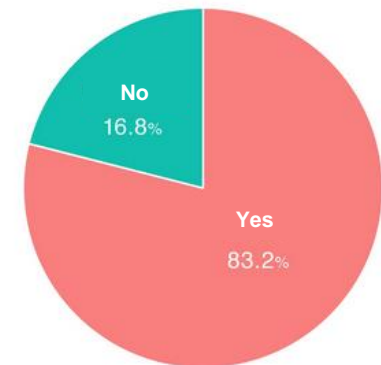
Brick-and mortar stores



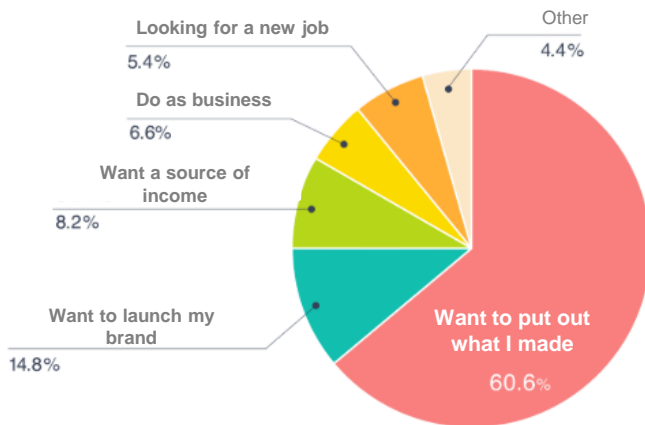
Distinction between original and non-proprietary products for sale



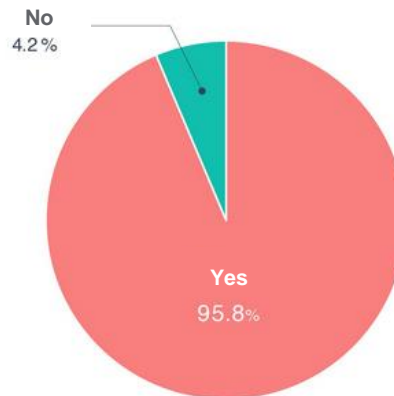
Brand recognition of own online shop



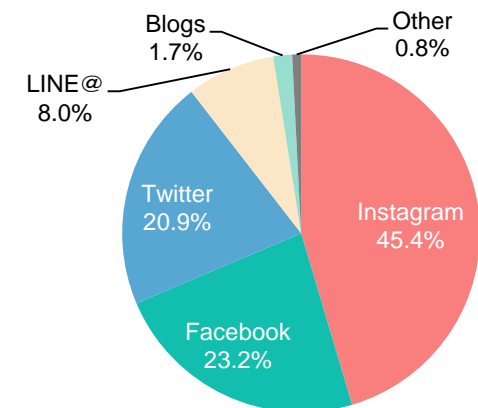
Most relevant reason to launch own brand



Use of SNSs for winning new customers



SNS marketing channels

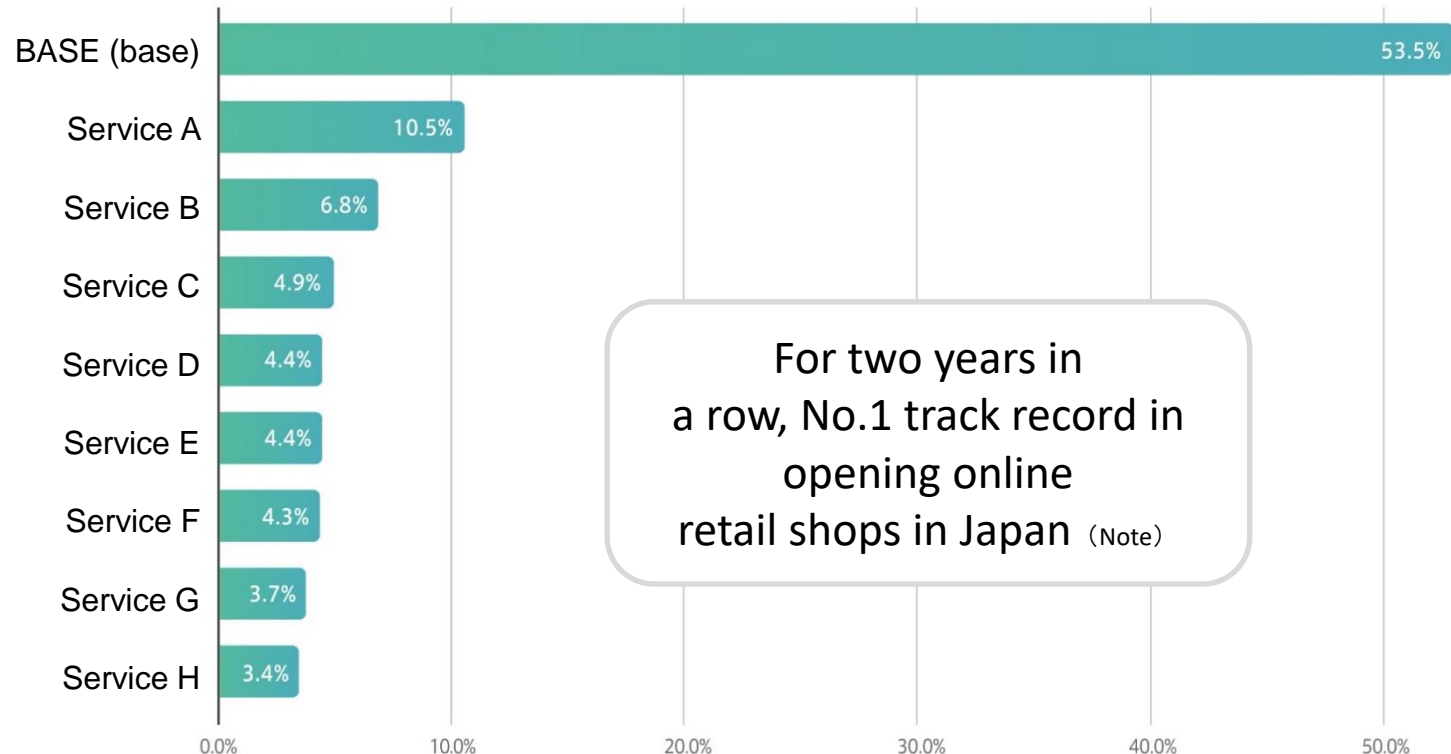


Incurring cost from the initial stage when products don't sell is a risk for SMBs.

The strengths of our services that it is easy to set up an e-commerce site and introduce a payment function, and that initial and monthly costs are free of charge, are a major differentiators from similar services.

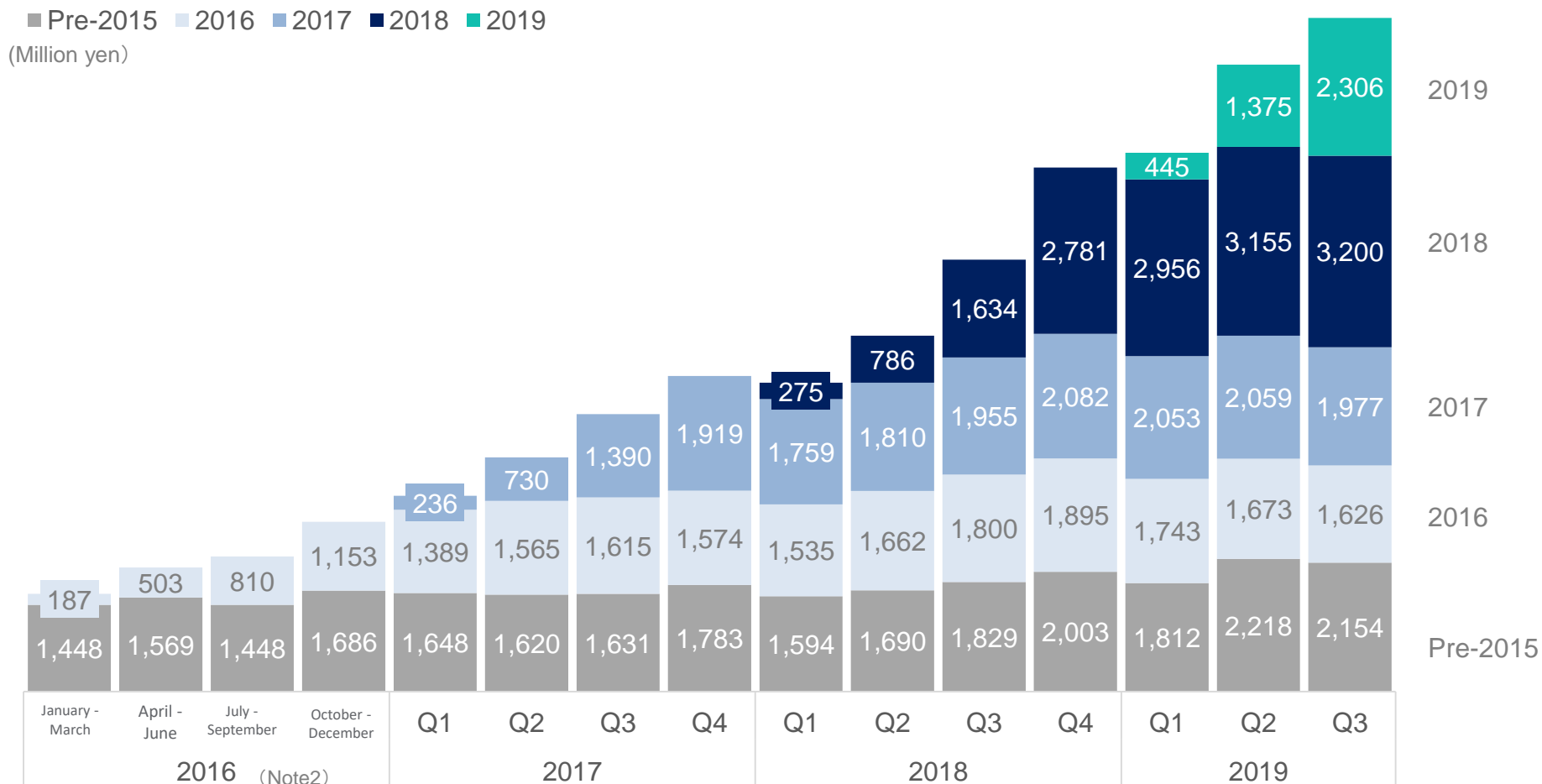
Survey on actual use of our cart-style online retail shop creation service

Please reply with all of the online retail shop creation services you used when opening your online retail shop within the most recent year.



An accumulative business model in which GMV_(Note1) is also continuously accumulated through continued use of existing shops

Trends in GMV (by year established)



(Note 1) GMV is based on the order date (order amount).

(Note 2) Because the accounting period changed from FY2016, figures are calculated using the same period for comparison.

Aim to maximize GMV and gross profit through the following initiatives

- ◆ Raise profile of our services and acquire new users
- ◆ Product improvement
- ◆ Enhanced data utilization
- ◆ Increase added-value other than settlement functions

Provide shop spaces in contracted shopping complexes to BASE shop owners. BASE shop owners can open a physical shop to sell their products with no fixed costs and no risks.

Provide BASE shop owners with opportunities to promote their original brands.


SHIBUYA BASE (from June 2018)




TENJIN BASE (from October 2019)




Uniform Delivery Fees Realized through Alliance with Yamato Transport Co., Ltd.
Backup SMB EC operations with cheap and easy delivery






**Uniform delivery charges
across the country**

“Nekopos”



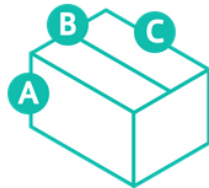
¥280

“TA-Q-BIN Compact”




¥500


“TA-Q-BIN”




¥890 - 2,090
(By Size)




**Nationwide
overnight delivery**
*Excluding some
regions



**No need to
address**



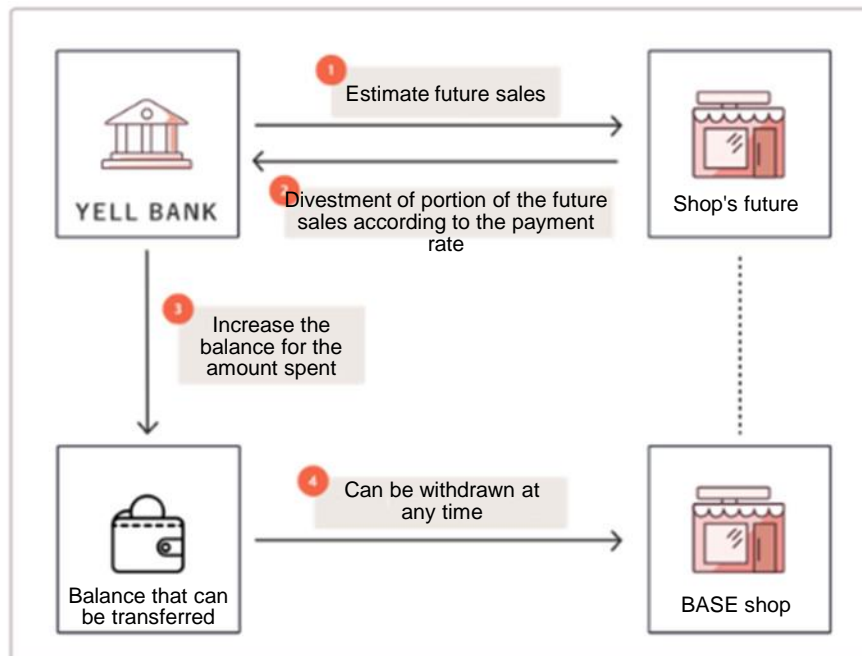
**Tracking and
warranty**



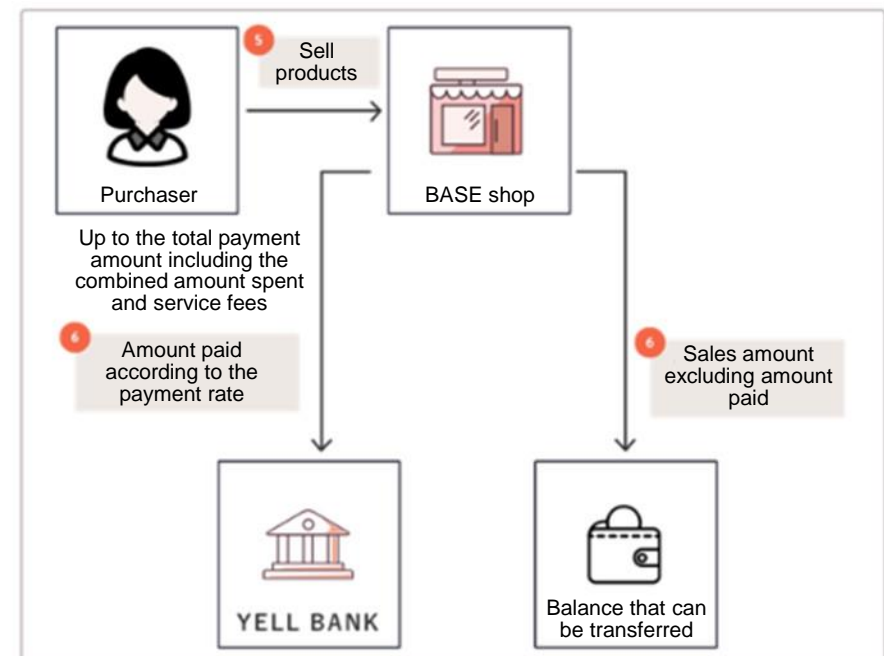
Financial service that enables shop owners who use "BASE" to raise funds immediately. Shop owners are able to raise funds without these risks because "YELL BANK" bears the risk of no receivables being generated in the future and uncollected receivables. Utilization of data enables shop owners who do not have access to existing financial institutions to raise funds.

YELL BANK

Process for obtaining financing



Payment process



Feature of YELL BANK's Funding Services

01 Necessary amount can be procured immediately.

"YELL BANK" purchases the BASE shops' future receivables at a discount, enabling shop owners to raise necessary funds immediately. The discount rate (service charge) ranges from 1% to 15%.

02 Payment is only made when products are sold.

Payments to "YELL BANK" are made on a pay-as-you-go basis at a relevant repayment rate only when products are sold after funding. In the event that the receivables do not accrue, or cannot be recovered, "YELL BANK" will bear the cost.

03 Forecasting future receivables based on shop management data.

Use BASE's shop management data to predict future receivables and provide the "YELL BANK" service to shop owners who meet relevant conditions. Shop owners who have not been able to get funding from existing financial institutions and hence hesitating to challenge will now have an opportunity to raise necessary funds.

“Simplifying all your payments”

An online payment platform for developers to easily introduce credit card payments for online services and shops(Note).







(Note) Excluding online retail shops created by BASE

We have designed a system to solve the complicated problems presented by online payment services, including their time-consuming credit examination process, high costs, and how difficult they are to use

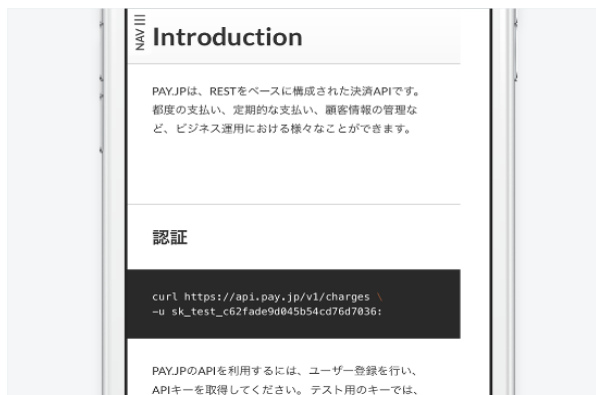
Simple fee structure

- ✓ Absolutely no costs other than the payment processing fees

	Basic plan	Pro plan	PAY.JP Seed/Partner	PAY.JP NPO	PAY.JP Travel
Monthly fee	¥0	¥10,000 (Tax included)	¥0	¥0	¥0
 	3.0%	2.59%	2.59%	1.5%	1.5%
 	3.6%	3.3%	3.3%	—	3.3%
Deposit cycle	Close at month-end Only paid at the end of following month	Close 15th / month-end Paid a half months later	Close 15th / month-end Paid a half months later	Close at month-end Only paid at the end of following month	Close 15th / month-end Paid a half months later

Easy to integrate

- ✓ Allows for the integration of simple and smooth payment functions



Robust security

- ✓ A level of security that meets international standards



Tokenization



PCI-DSS



Monitoring

Used by a wide variety of businesses, mainly startups and venture companies.

Examples of businesses using PAY.JP



hairstudy   BIZREACH

 div  DIVERSE DIRECT  **AKIBA**

  JapanTaxi  TORICO  appleple
Web System&Design

 board  polca  clintal  Samuraism

 SELECTTYPE  brick  Draft GLAZOS

ValuePress! PixelGrid.  canvath  VEGEO VEGECO
organs

 仕事旅行社
Shigoto-Ryokou-Sha  東京カレンダー
TOKYO CALENDAR  justInCase  UGpet.com
ペット・カフェ

 Candee

"PAY ID" is our payment service which can be used online and offline.



Number of users

**More than
2,500,000 people**

(Note 1)



Where available

**Approximately
over
800,000 stores**

(Note 1)

(Note 1) As of August, 2019



Payment scenario



Online payment

Just enter your ID and password.



Offline payment

Just read the QR code with the PAY ID app.

- To aim for increases in the number of registrations at “PAY ID” through increases in shops established under “BASE” and through increased merchants at “PAY.JP”
- From the standpoint that “PAY ID” has data with high added value, such as past transaction histories and information on evaluation, we believe that it has competitive edge in the payment business that differentiates it from its competitors. We will leverage these data with high added value do offer a new type of payment service.

3. Results for Q3 Ending December 2019

Net sales were **+62.4%** YoY due to high growth in both the BASE and PAY businesses

Gross profit was **+56.5%** YoY

SG&A expenses increased due to upfront investment in promotional expenses and personnel expenses, etc. resulting in a net loss

(Million yen)	FY2019 3Q July- September 2019	FY2018 3Q July- September 2018	YoY	FY2019 2Q April-June 2019	QonQ	FY2019 3Q January- September 2019	FY2018 3Q January- September 2018	YoY
Net sales	1,043	642	+62.4%	923	+13.0%	2,730	1,603	+70.3%
Gross profit	609	389	+56.5%	527	+15.5%	1,586	951	+66.8%
Gross profit rate	58.4%	60.6%	-2.2pt	57.2%	+1.2pt	58.1%	59.3%	-1.2pt
Selling and administrative expenses	754	691	+9.0%	460	+63.9%	1,867	1,738	+7.4%
Operating profit	-144	-302	-	67	-	-280	-787	-
Ordinary profit	-143	-302	-	66	-	-279	-796	-
Profit	-147	-333	-	65	-	-283	-851	-

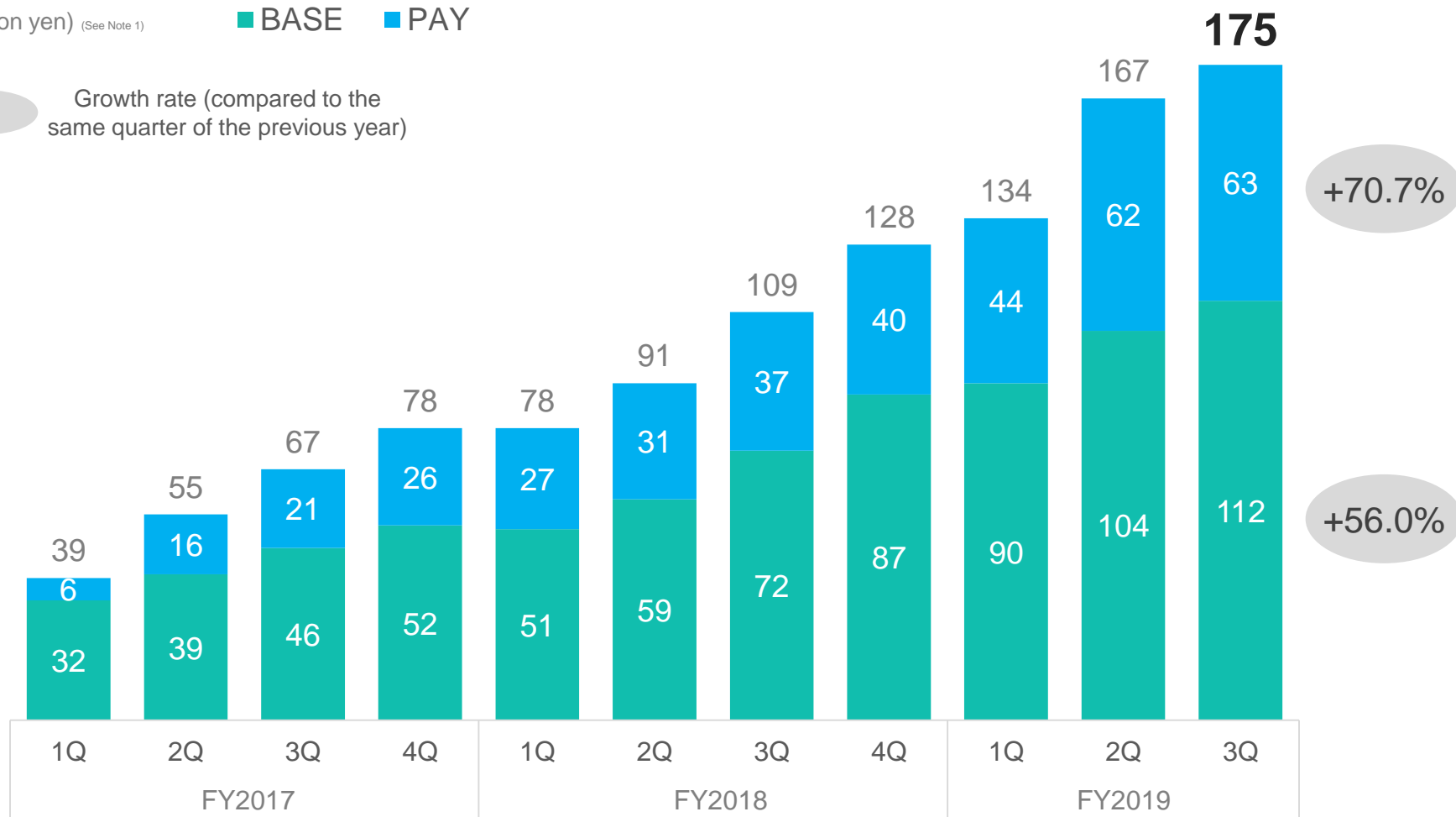
BASE business continues to show high growth of **+56.0%** and PAY.JP business **+70.7%** over the same quarter of the previous year.

The Group's total GMV exceeds **17 billion yen** in 3Q.

(100 million yen) (See Note 1)

■ BASE ■ PAY

Growth rate (compared to the same quarter of the previous year)



(Note 1) BASE's GMV is based on the order date (order amount). PAY's GMV is based on the payment date (payment amount).

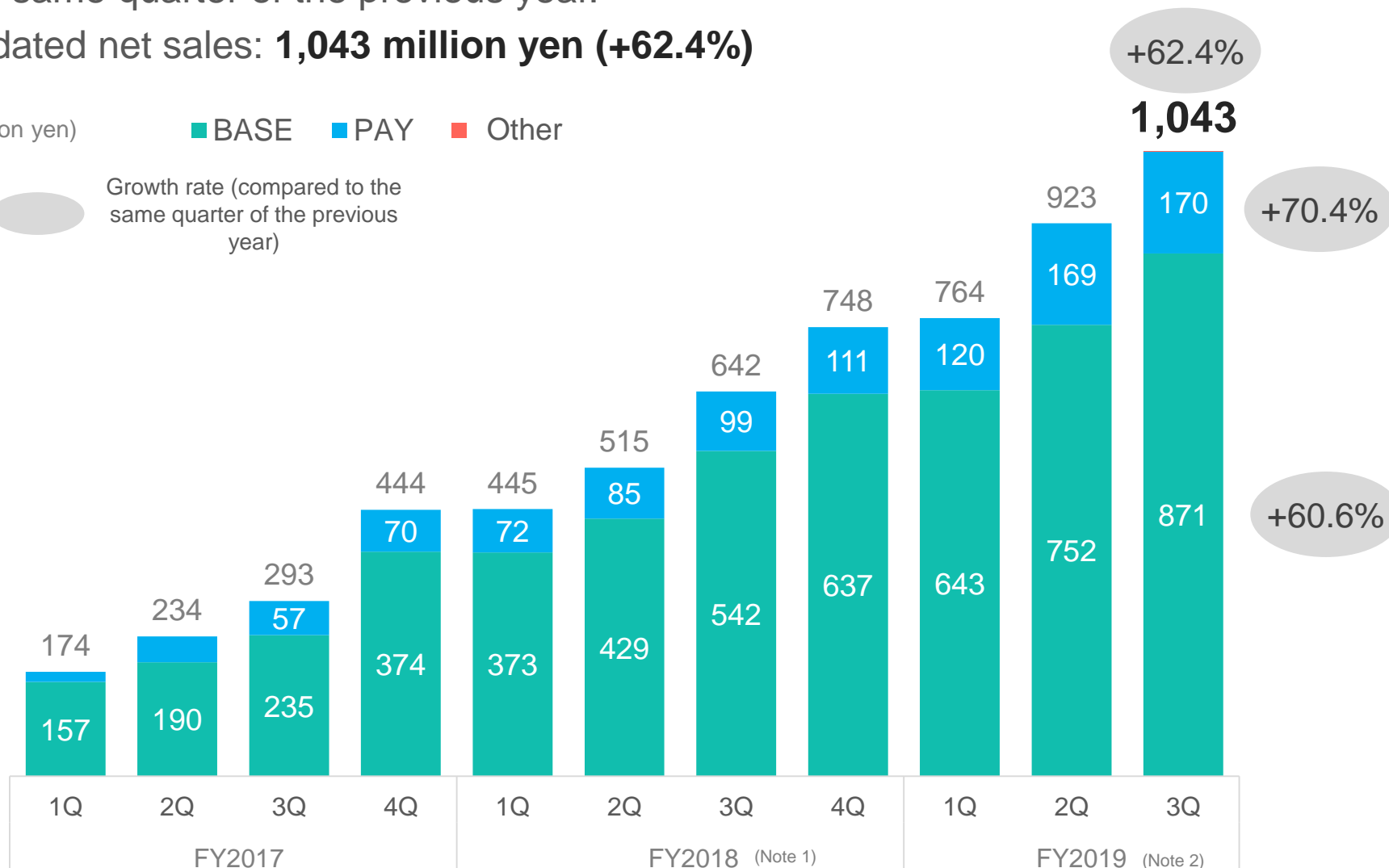
BASE business continues to show high growth of **+60.6%** and PAY.JP business **+70.4%** over the same quarter of the previous year.

Consolidated net sales: **1,043 million yen (+62.4%)**

(Million yen)

■ BASE ■ PAY ■ Other

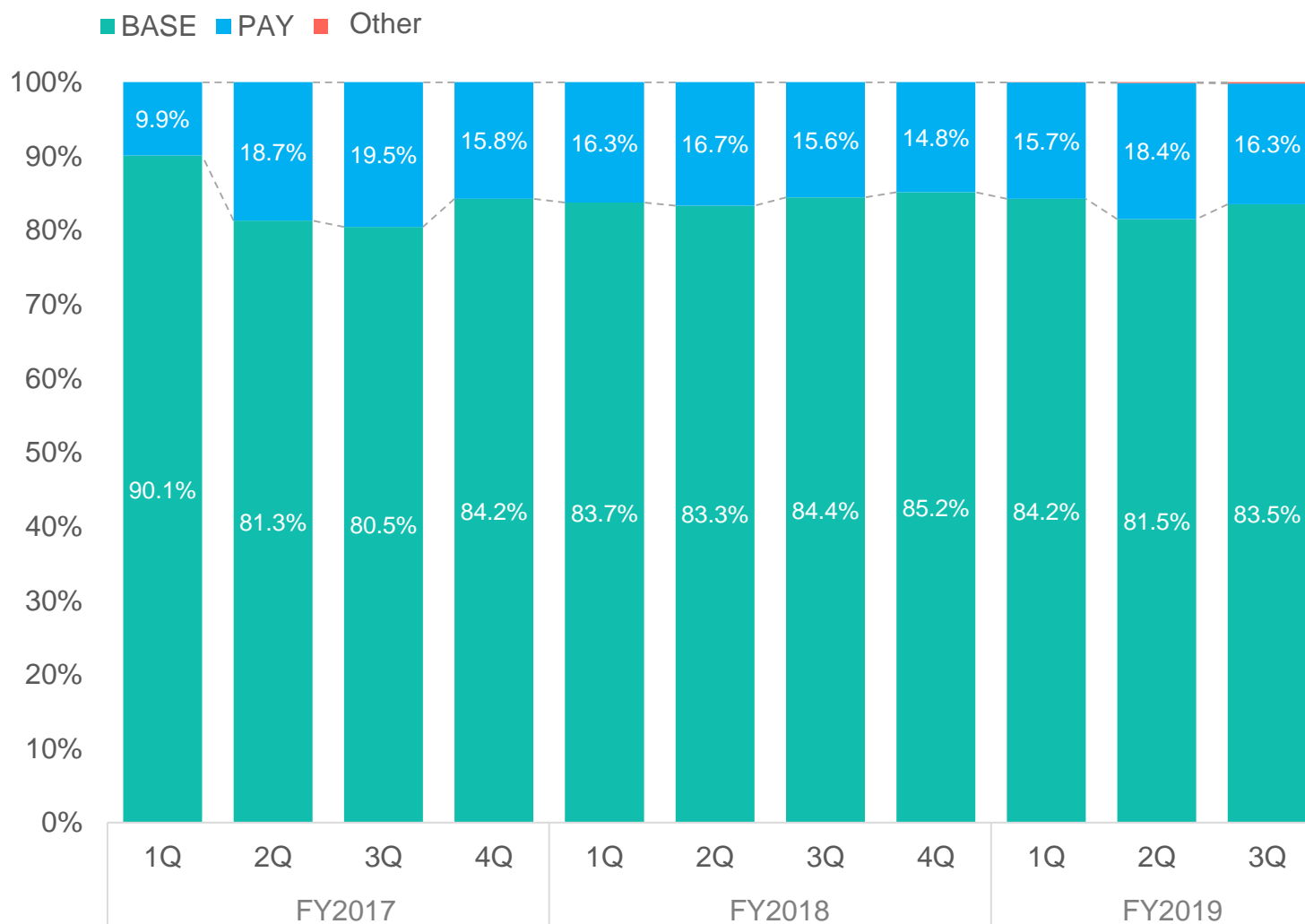
Growth rate (compared to the same quarter of the previous year)



(Note 1) Because PAY business was consolidated through the incorporation-type company split in the fiscal year ended December 2018, only figures for PAY, Inc. are consolidated in the fiscal year ended December 2018 while non-consolidated figures are shown in the fiscal year ended December 2017 and before.

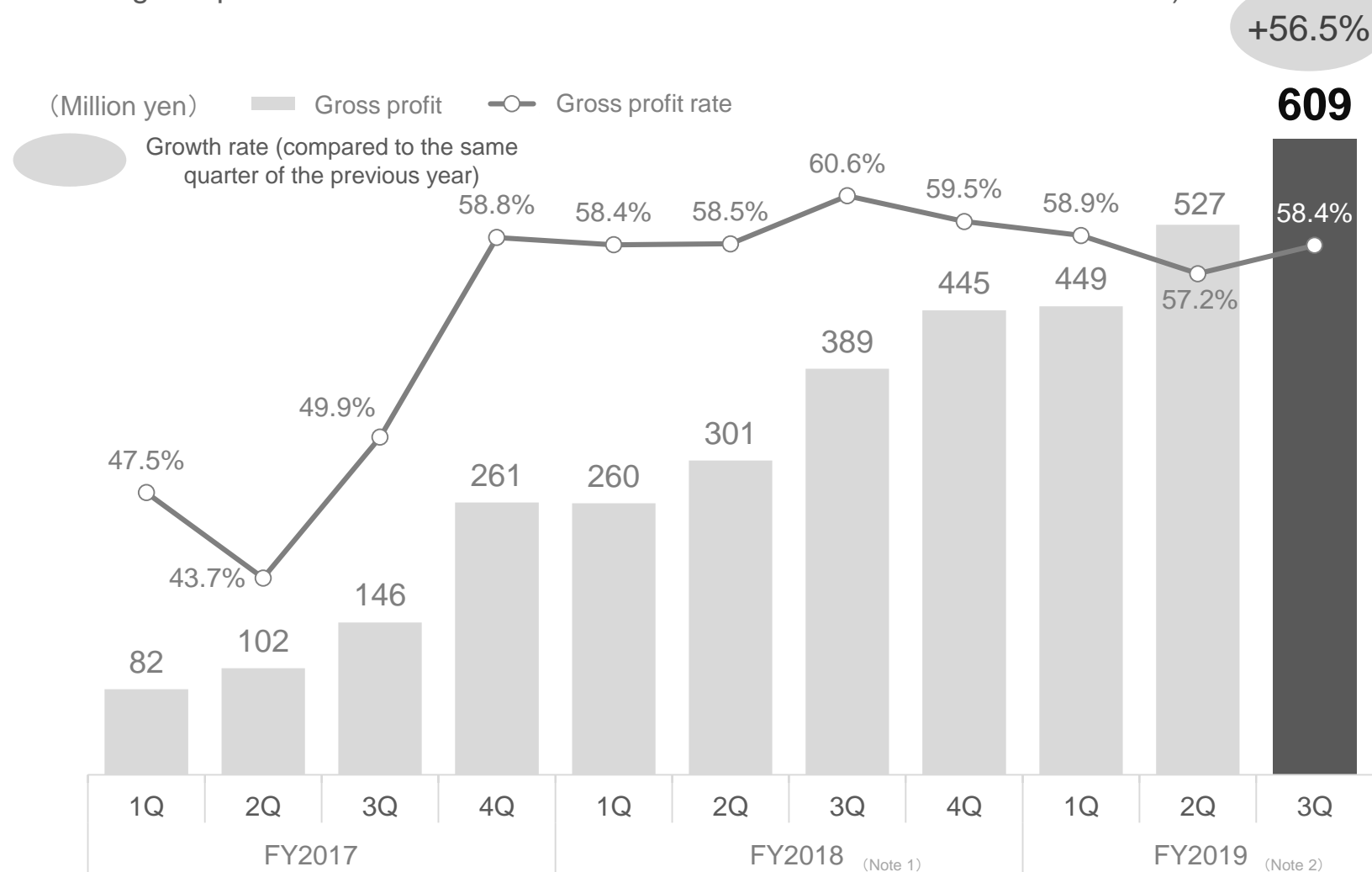
(Note 2) BASE BANK, Inc. was established in the fiscal year ended December 2018 and became a consolidated subsidiary in the fiscal year ending December 2019. As a result, figures for the fiscal year ending December 2019 are consolidated.

The net sales composition ratio by business was around **84%** for the BASE business and around **16%** for the PAY business



Changes in gross profit

Gross profit continues to grow at a high rate of **+56.5%** compared to the same quarter of the previous year. The gross profit rate varies depending on the sales mix of BASE and PAY businesses. (The 2019 2Q gross profit rate decreased due to a rise in the sales share of PAY business)



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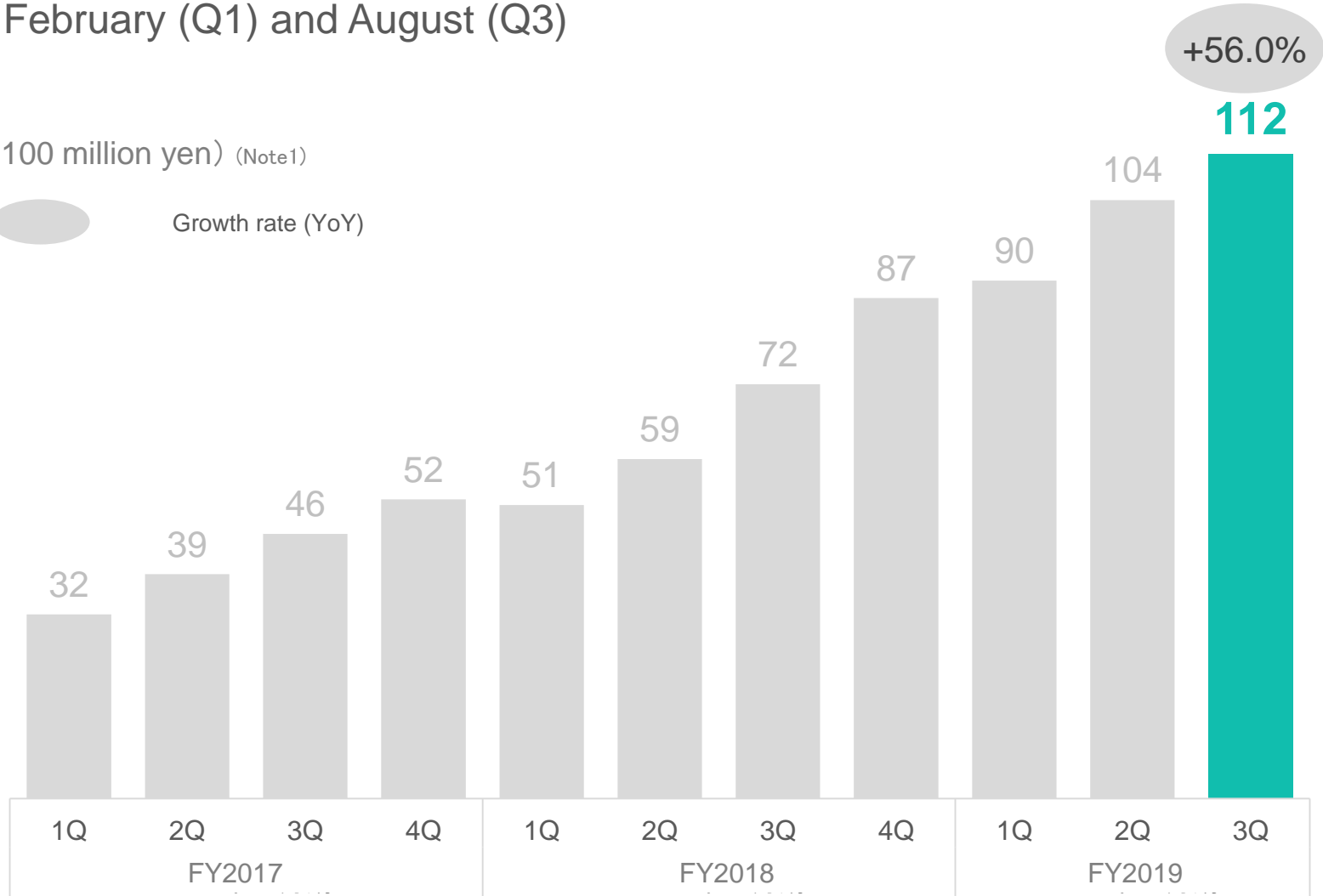
YoY growth of **+56.0%** and quarterly **11.2** billion yen

GMV fluctuated due to seasonal factors, and shops tend to experience quiet periods in January, February (Q1) and August (Q3)

(100 million yen) (Note1)



Growth rate (YoY)

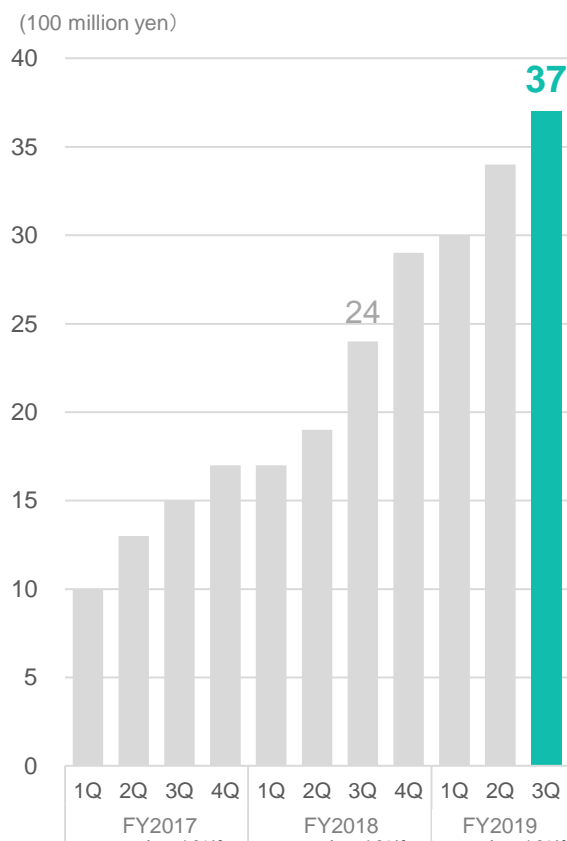


(Note 1) GMV is order date basis (order amount)

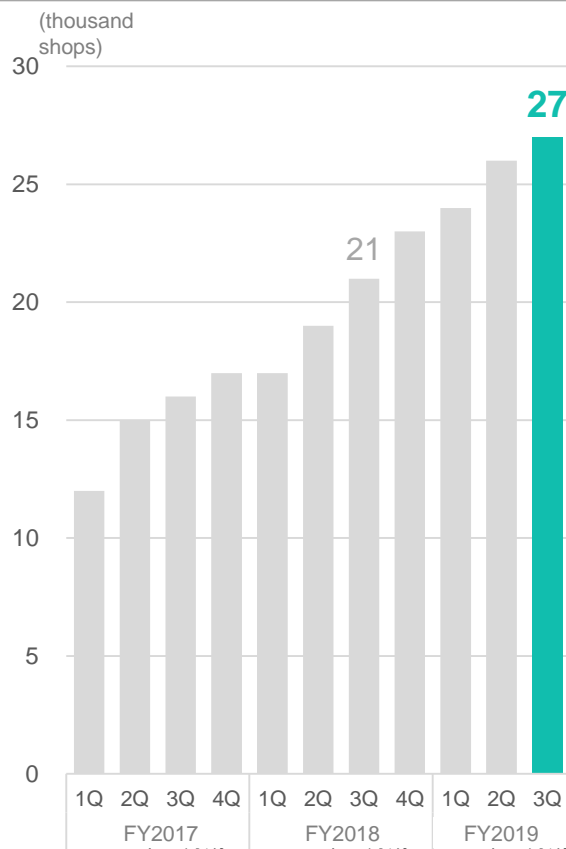
Monthly GMV was **+56.0%** YoY

The number of monthly stores grew by **+31.1%**, and the average monthly GMV per shop grew by **+19.0%**

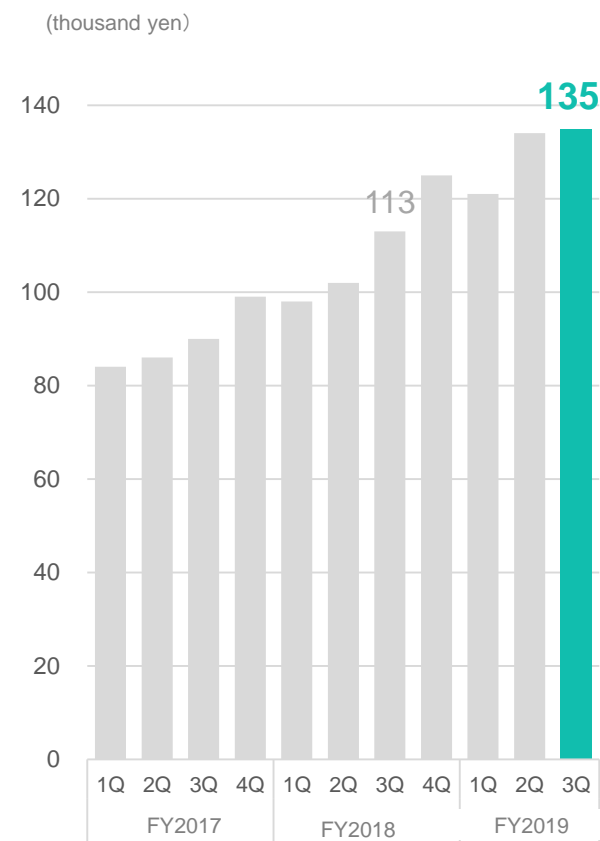
Monthly GMV (Note 1, 2)



Number of monthly shops (Note 2)



Average monthly GMV per shop



(Note 1) GMV is the order amount based on the order date

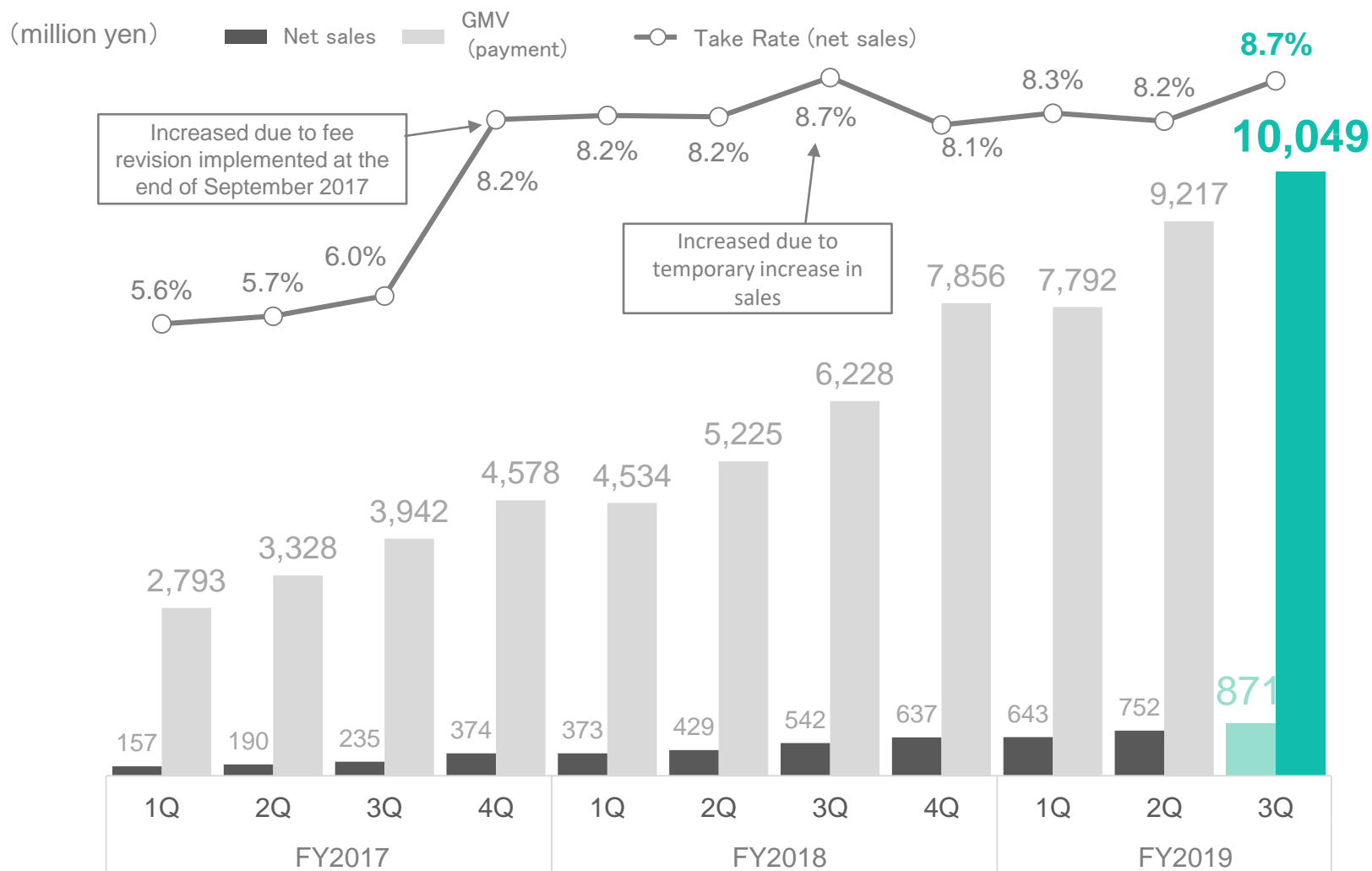
(Note 2) Monthly GMV and monthly number of shops are quarterly averages

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



GMV (Payment Amount) ^(Note) was **10,049** million yen (+61.3% YoY)

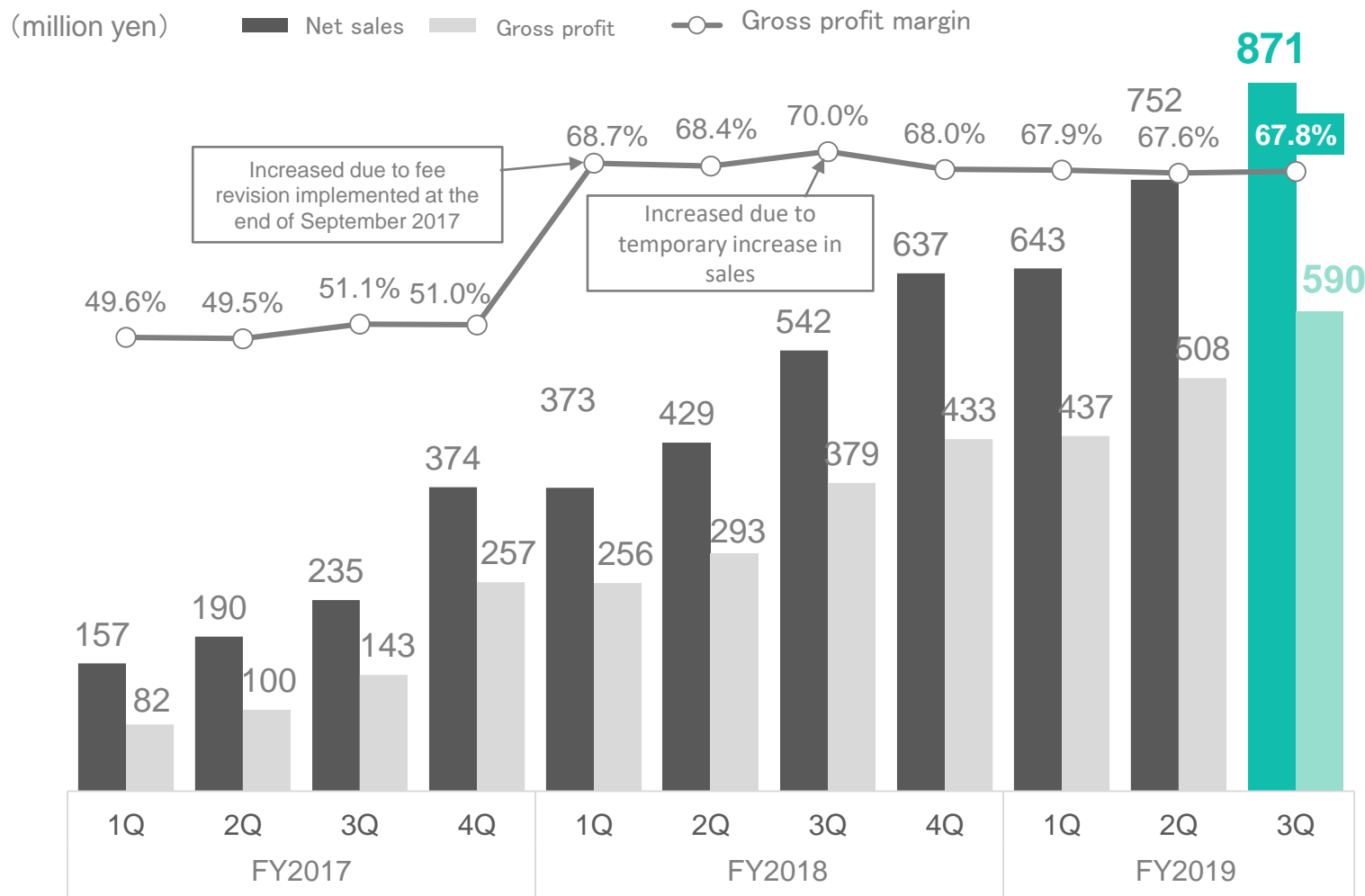
Take Rate increased to **8.7%** due to changes in tax treatment associated with the revised Terms of Use in July



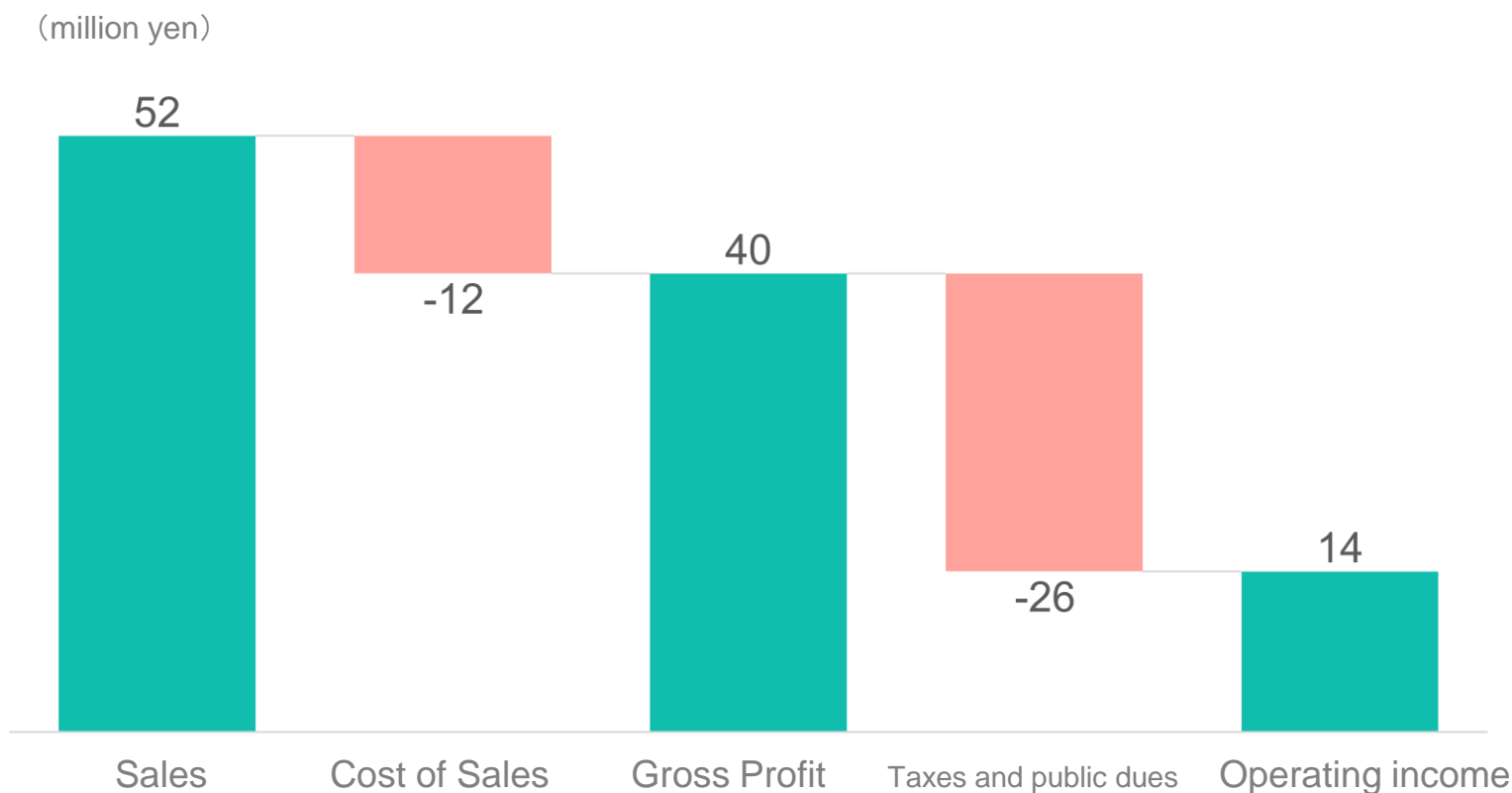
(Note) GMV (payment amount) is the total amount of transactions that have actually been paid out of order date basis GMV and is recorded in the month to which the payment date belongs. Amounts that have not been paid due to cancellation, etc. after being ordered are not included in the payment basis GMV, so the two amounts are different. Also, since the order date and payment date are different, the amount differs between the two due to differences in the month of order and payment.

Net sales were **+60.6%** YoY, gross profit was **+55.6%** YoY

The gross profit margin fluctuates depending on the composition ratio of payment methods (in Q3, the composition ratio of payment methods with low profit margin increased). Gross profit margin increased due to changes in taxation treatment




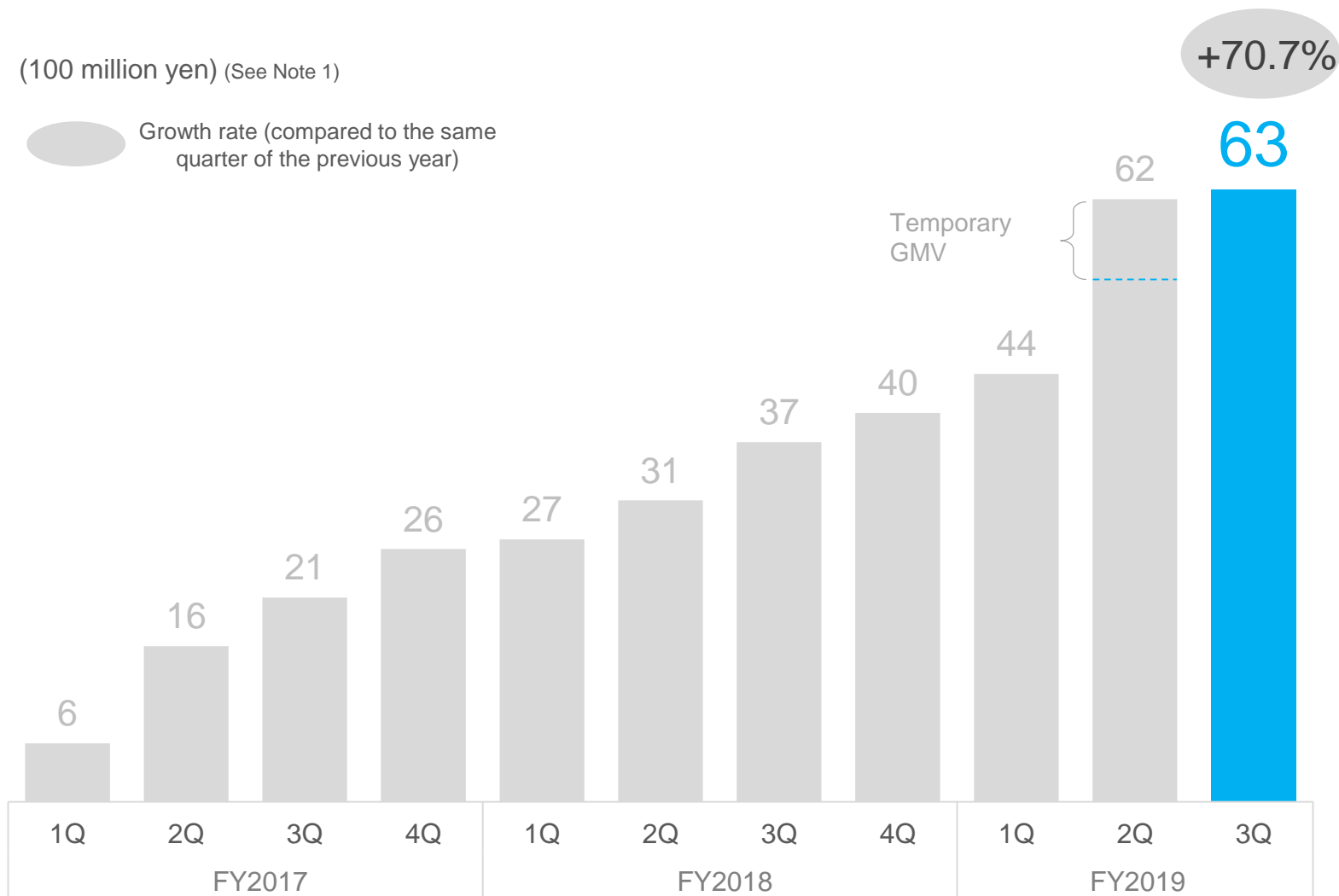
- In July 2019, the legal structure for paying sales from the Company to shops was changed from a proxy receipt (taxed) structure to a receivable transfer (tax-free) structure based on a revision of the Terms of Service.
- As a result, the tax treatment of the payment fees we receive from shops has changed.
- Take Rate was +0.5 points and cost of sales ratio was +0.12 points



GMV continues to grow at a high rate of **+70.7%** compared to the same quarter of the previous year.
2019 2Q GMV temporarily increased due to the high GMV of franchisees that started trial operation.

(100 million yen) (See Note 1)

 Growth rate (compared to the same quarter of the previous year)

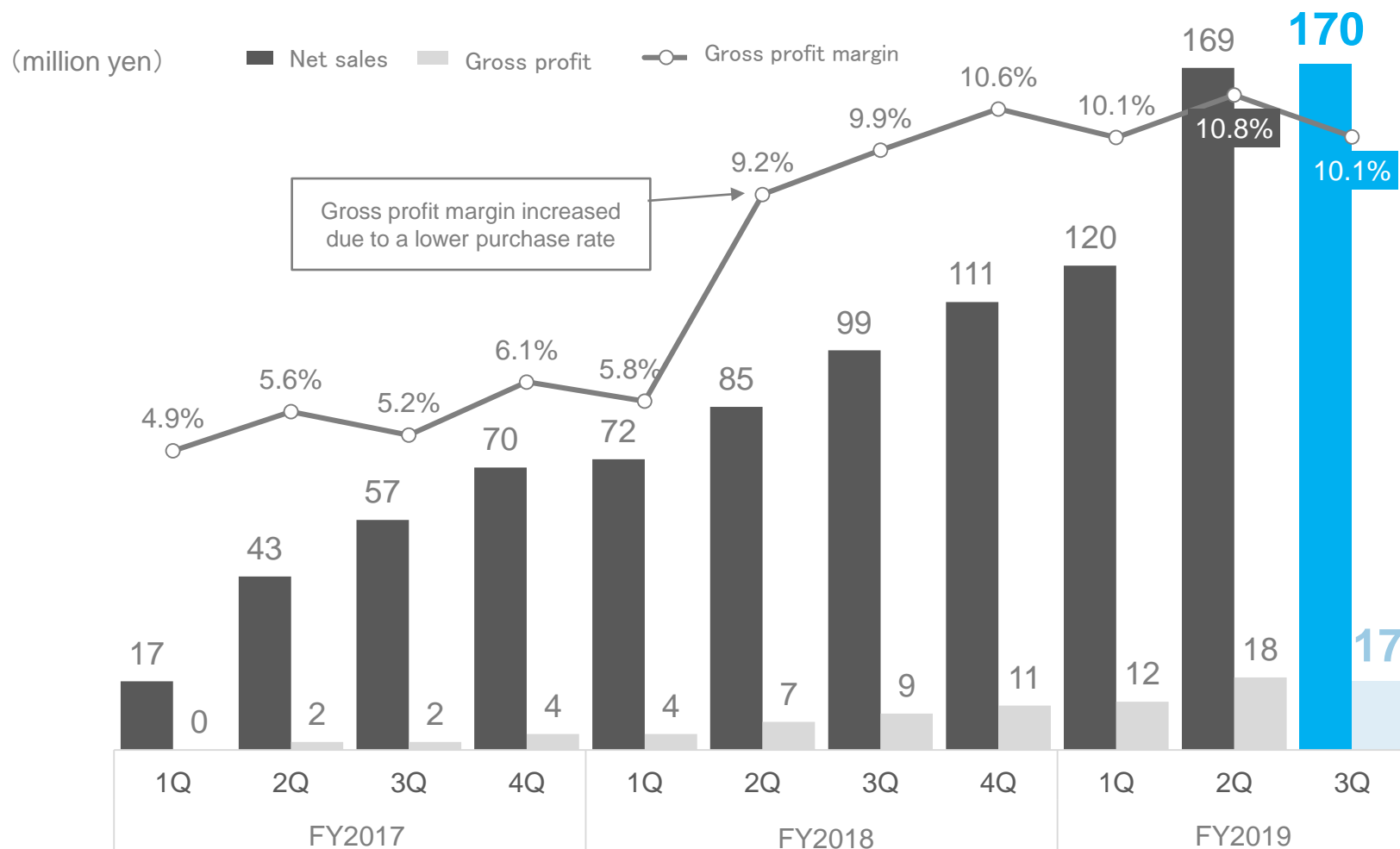


(Note 1) GMV is based on the payment date (payment amount).

Net sales were **+70.4%** YoY and gross profit was **+74.2%** YoY

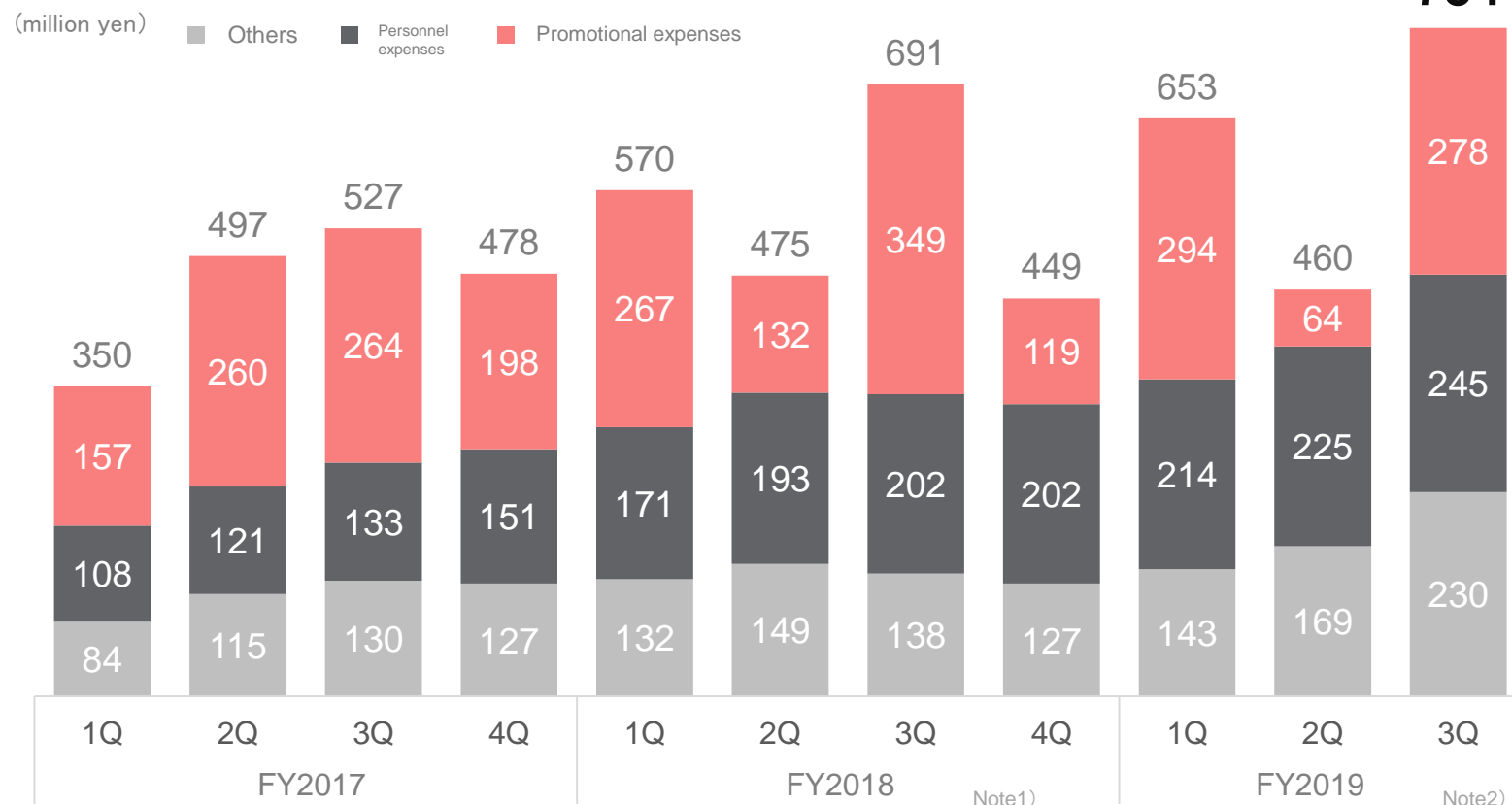
Gross profit margin fluctuated depending on the net sales composition ratio of the fee plan

(Decreased in 2019 Q3 due to an increase in net sales composition ratio of the low-margin plan)



- Up-front investments in areas such as TV commercials and Web marketing enhancements in September increased promotional expenses (up 213 million yen from the previous quarter).
(Implemented in March and August in 2018 and in January, September and October in 2019)
- Personnel expenses increased (up 20 million yen from the end of June 2019) due to an increase in the number of employees for product enhancements (increased by 11 personnel from the end of June 2019)
- Other expenses increased due to an increase in office floor space in July and a change in consumption tax processing in line with the revision of the BASE Terms of Use in July (up 60 million yen)

(Other expenses include mainly office expenses, system expenses, fee and outsourcing expenses, taxes and dues)



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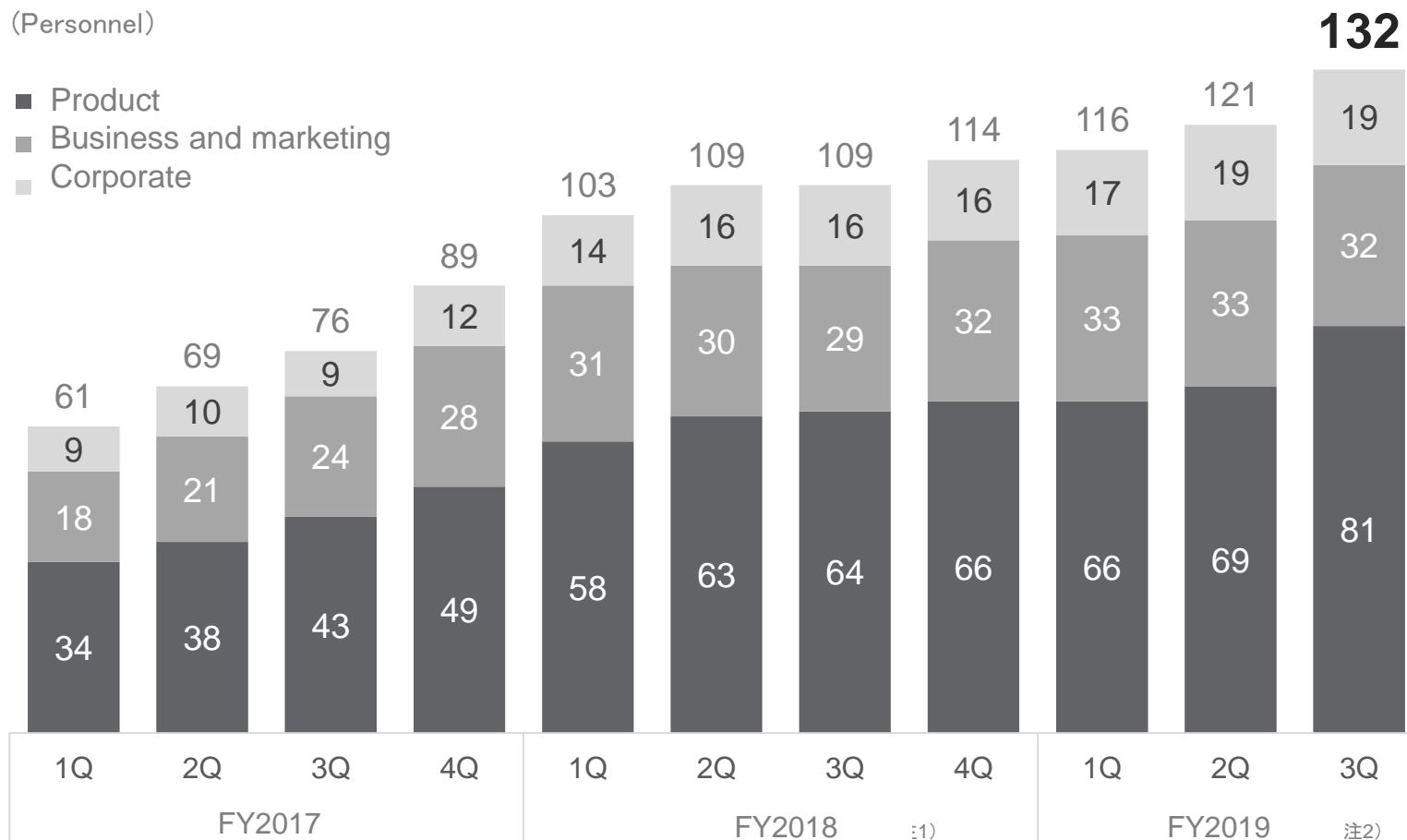
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Increased employees mainly due to increased hiring for product enhancements

Up 18 from the end of the previous fiscal year and **up 11** from the end of the previous quarter

(Personnel)

- Product
- Business and marketing
- Corporate



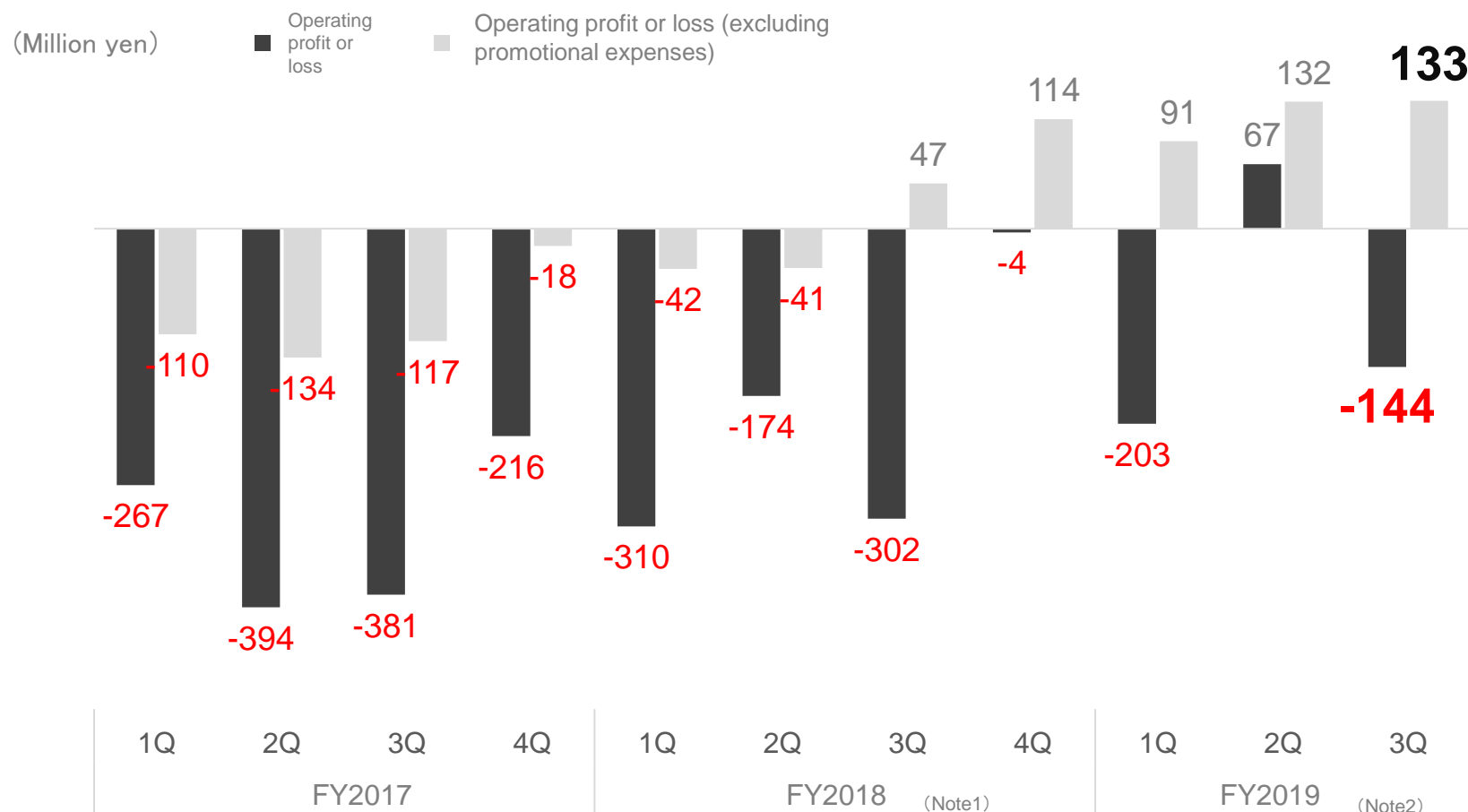
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(Note 3) Number of employees refers to the number of full-time and contract employees, not including directors and temporary employees. However, those seconded to the Group companies as directors are included in the number of employees.

Changes in Operating Profit or Loss

In 2Q, we were in the black because we were holding down promotional expenses, but in 3Q, we recorded an operating loss of **144 million yen** due to up-front investments in areas such as TV commercials and Web marketing enhancements. The company will make a profit if promotional expenses are held down, but will continue make up-front investments this fiscal year.



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4.Outlook for the Full Year

Forecast for the Full Year

- As of October 25, 2019, the following financial forecasts were disclosed.
- Net sales growth of **+56.0%** and gross profit growth of **+54.2%** over the same period of the previous year
- Selling and administrative expenses will increase by **23.1%** due to continued up-front investments in areas such as personnel and promotional expenses, putting operating profit in the red.
- Progress as planned until 3Q

(Million yen)	Forecast for FY2019	FY2018 results	YonY	FY2019 3Q January-September 2019	Progress rate
Net sales	3,670	2,352	+56.0%	2,730	74.4%
Gross profit	2,154	1,396	+54.2%	1,586	73.7%
Gross profit rate	58.7%	59.4%	-0.7pt	58.1%	-
Selling and administrative expenses	2,694	2,187	+23.1%	1,867	69.3%
Operating profit	-540	-791	-	-280	-
Ordinary profit	-559	-798	-	-279	-
Profit	-560	-854	-	-283	-

Outlook for the full year – GMV (By business)

BASE

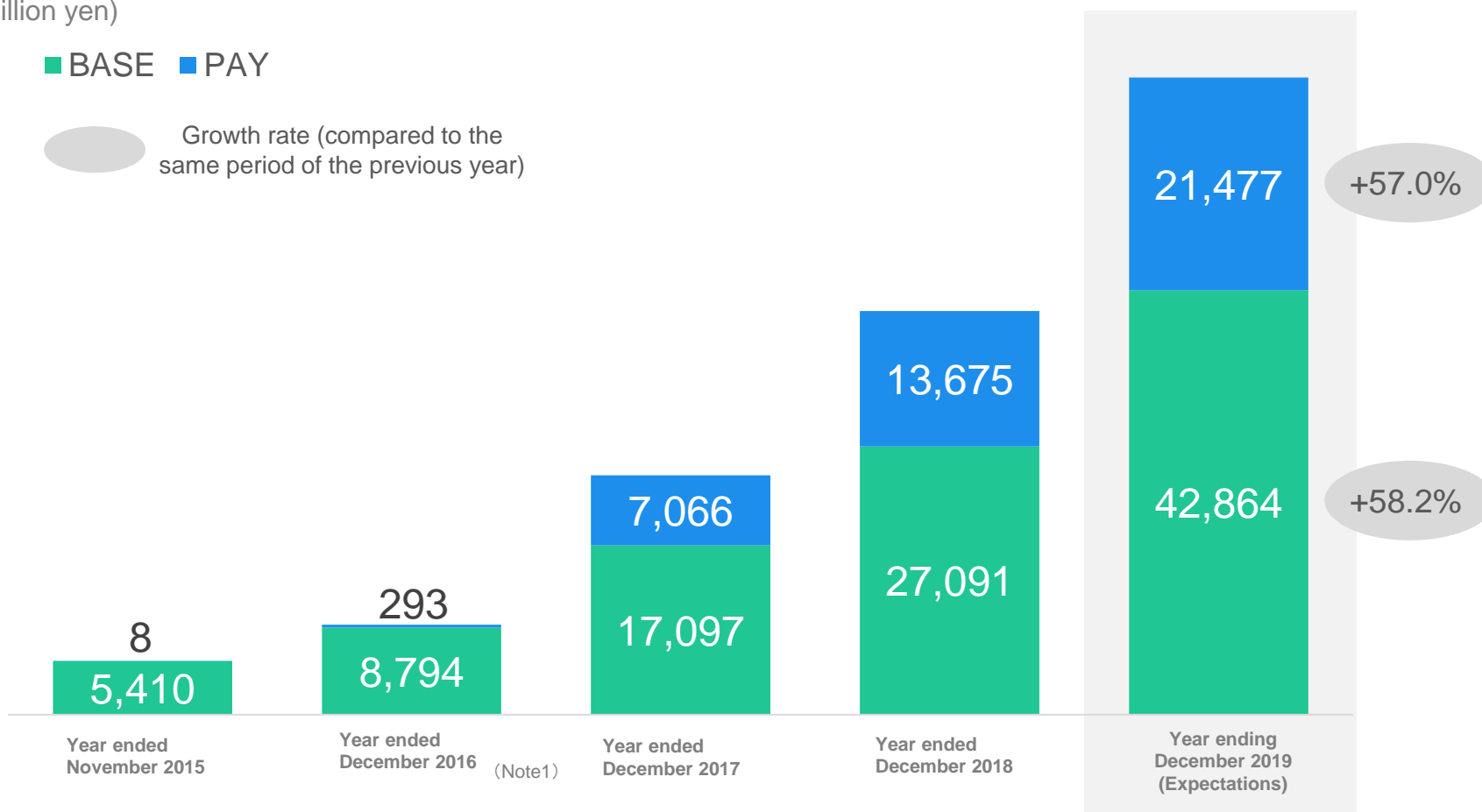
42,864 million yen in BASE business (up **58.2%** over the same period of the previous year)

21,477 million yen in PAY business (up **57.0%** over the same period of the previous year)

(Million yen)

■ BASE ■ PAY

○ Growth rate (compared to the same period of the previous year)



(Note 1) We changed our accounting period starting from the fiscal year ended December 2016, owing to which this fiscal year consists of an irregular accounting period of 13 months.

Outlook for the full year – Net sales (By business)

BASE

Expected net sales of **3,670** million yen (up **56.0%** over the same period of the previous year)

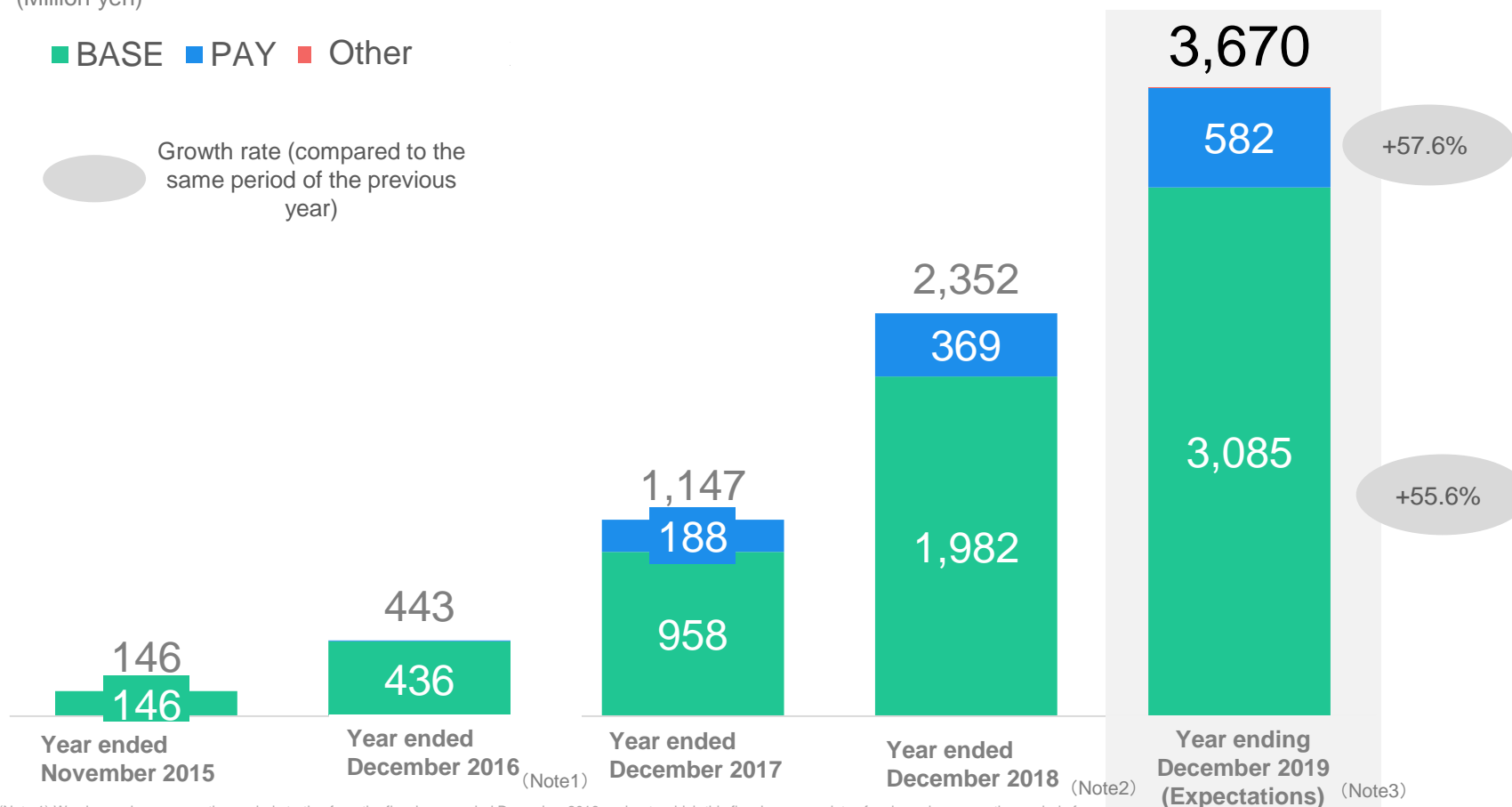
3,085 million yen in BASE business (up **55.6%** over the same period of the previous year) due to growth in GMV

582 million yen in PAY business (up **57.6%** over the same period of the previous year) due to growth of GMV

(Million yen)

■ BASE ■ PAY ■ Other

Growth rate (compared to the same period of the previous year)



(Note 1) We changed our accounting period starting from the fiscal year ended December 2016, owing to which this fiscal year consists of an irregular accounting period of 13 months.

(Note 2) Because PAY business was consolidated through the incorporation-type company split in the fiscal year ended December 2018, only figures for PAY, Inc. are consolidated in fiscal year ended December 2018 while non-consolidated figures are shown in the fiscal year ended December 2017 and before.

(Note 3) BASE BANK, Inc. was established in the fiscal year ended December 2018 and became a consolidated subsidiary in the fiscal year ending December 2019. As a result, figures for the fiscal year ending December 2019 are consolidated.

Outlook for the full year – Gross profit (By business)

BASE

Forecast of a gross profit of **2,154** million yen (up **54.2%** over the same period of the previous year)

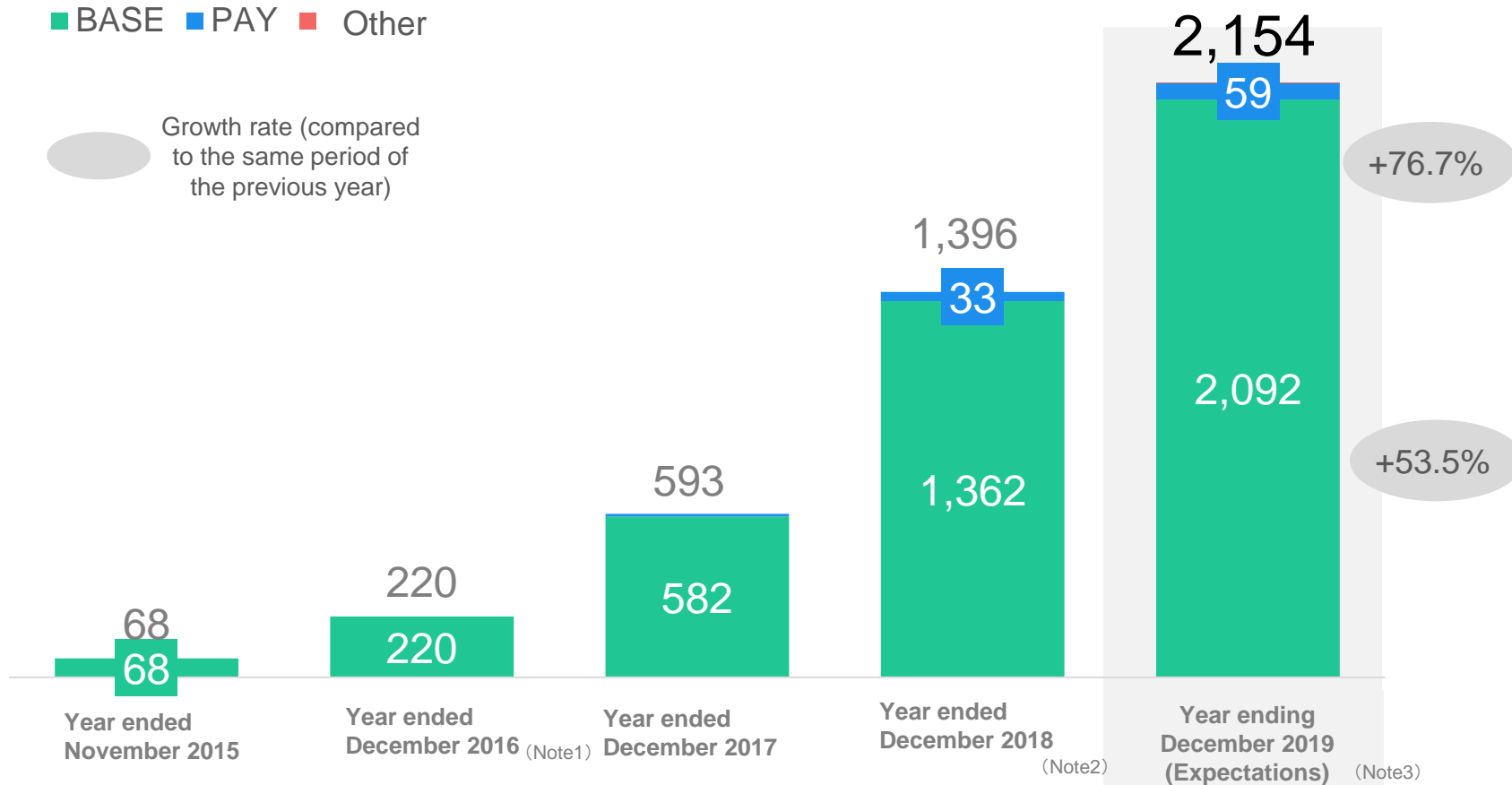
2,092 million yen in BASE business (up **53.5%** over the same period of the previous year) due to growth in GMV

59 million yen in PAY business (up **76.7%** over the same period of the previous year) due to growth of GMV

(Million yen)

■ BASE ■ PAY ■ Other

○ Growth rate (compared to the same period of the previous year)



(Note 1) We changed our accounting period starting from the fiscal year ended December 2016, owing to which this fiscal year consists of an irregular accounting period of 13 months.

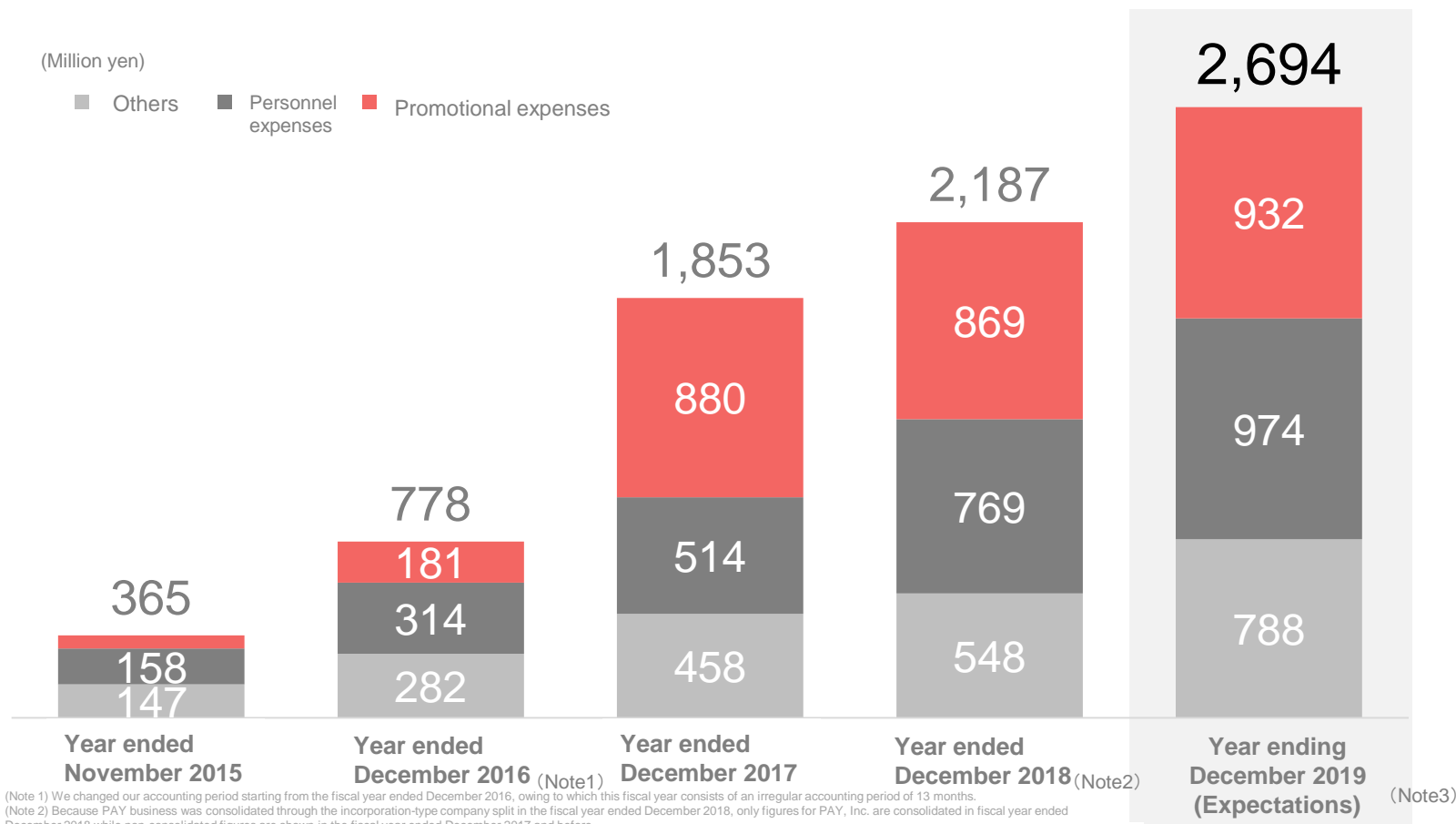
(Note 2) Because PAY business was consolidated through the incorporation-type company split in the fiscal year ended December 2018, only figures for PAY, Inc. are consolidated in fiscal year ended December 2018 while non-consolidated figures are shown in the fiscal year ended December 2017 and before.

(Note 3) BASE BANK, Inc. was established in the fiscal year ended December 2018 and became a consolidated subsidiary in the fiscal year ending December 2019. As a result, figures for the fiscal year ending December 2019 are consolidated.

Outlook for the full year – Selling and administrative expenses

- Promotional expenses increased due to up-front investments in areas such as TV commercials and Web marketing enhancements (up 62 million yen over the same period of the previous year).
- Personnel expenses increased (up 204 million yen) due to an increase in the number of employees for product enhancements, etc. (increased by approximately 30 personnel compared to the same period of the previous year).
- Other expenses increased due to an increase in office floor space, system enhancements, and a change in consumption tax processing in line with the revision of the BASE terms of use.

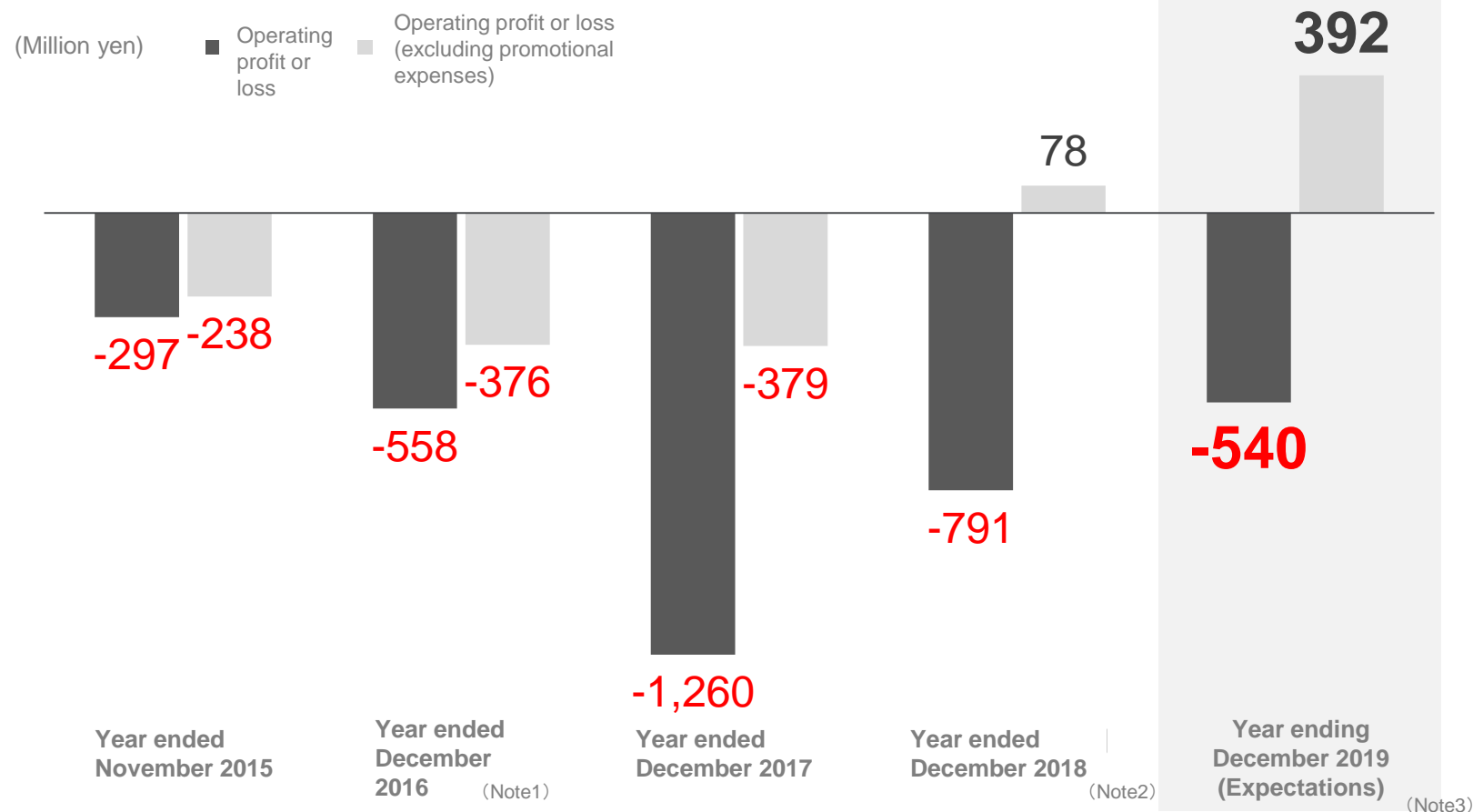
(Up 239 million yen)(Other expenses include mainly office expenses, system expenses, fee and outsourcing expenses, taxes and dues)



Outlook for the full year – Operating profit or loss

Although gross profit is projected to be **2,154** million yen (up **54.2%** over the same period of the previous year), selling and administrative expenses are projected to increase by **23.1%** due to continued up-front investments in areas such as personnel and promotional expenses, with operating profit projected to be in the red.

The company plans to reduce its operating loss and significantly increase its operating profit excluding promotional expenses.



(Note 1) We changed our accounting period starting from the fiscal year ended December 2016, owing to which this fiscal year consists of an irregular accounting period of 13 months.

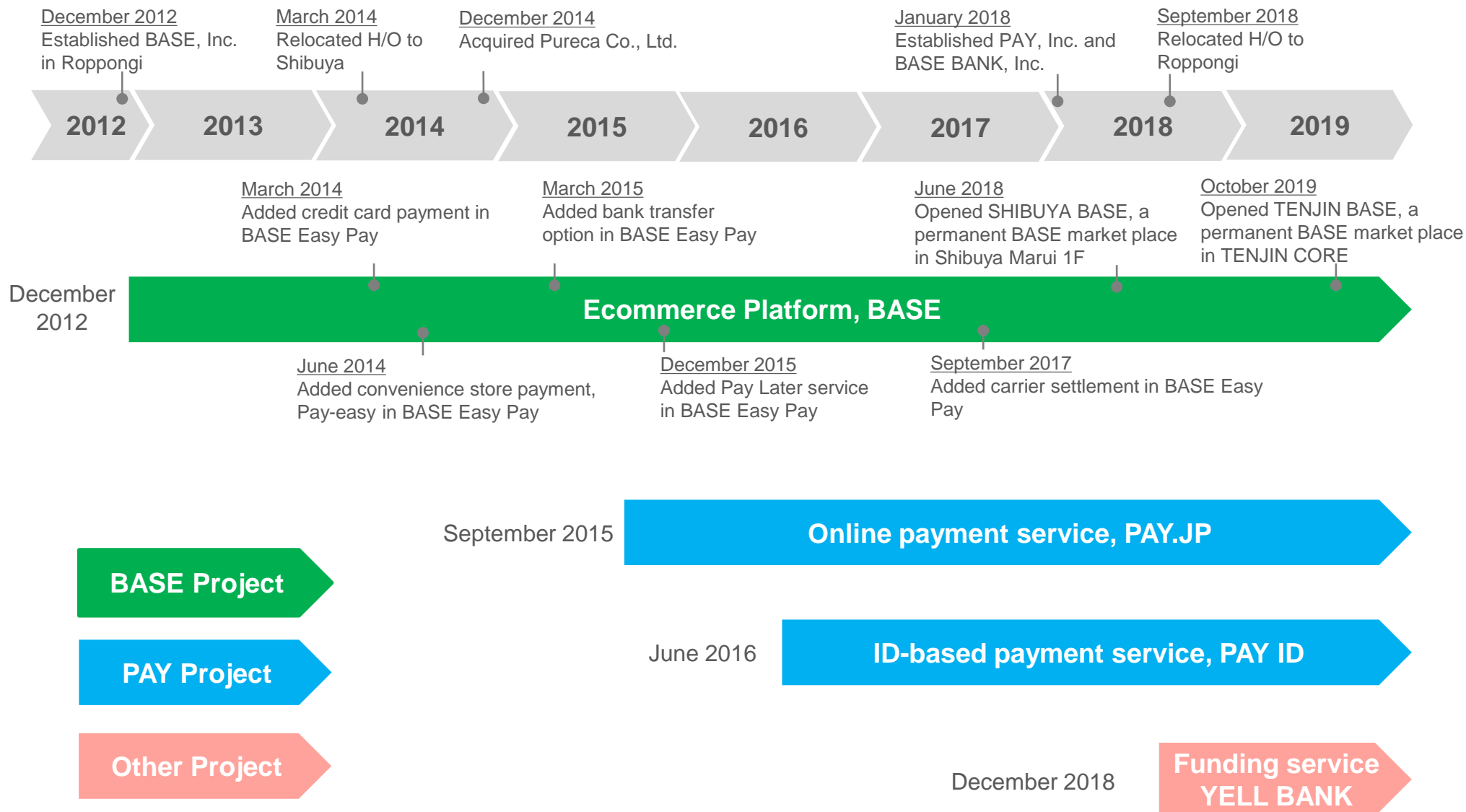
(Note 2) Because PAY business was consolidated through the incorporation-type company split in the fiscal year ended December 2018, only figures for PAY, Inc. are consolidated in fiscal year ended December 2018 while non-consolidated figures are shown in the fiscal year ended December 2017 and before.

(Note 3) BASE BANK, Inc. was established in the fiscal year ended December 2018 and became a consolidated subsidiary in the fiscal year ending December 2019. As a result, figures for the fiscal year ending December 2019 are consolidated.

5.References

Our History

BASE





Yuta Tsuruoka (Representative Director and CEO)

Began an online shop development project “BASE” while at university.
Set up his company at the age of 22 in December 2012; assumed his role as CEO.



Shinichi Fujikawa (Director and EVP of Development)

Joined Tamura FA System (the present Tamura Corporation) in April 1996. Joined his current company in April 2014 and assumed the role of director after working at From Bits (presently REVIC Global Co., Ltd.), paperboy&co. (presently GMO Pepabo, Inc.), sousousha, inc., and Moi Corporation.



Ken Harada (Director and CFO)

Joined Ando Corporation (presently Hazama Ando Corporation) in April 2000. Joined his current company in June 2015 after working at mixi, inc. and FreakOut (presently FreakOut Holdings, inc.). Assumed the role of director in February 2016.



Kenji Yamamura (Director and COO)

Joined Suntory Beverage & Food Limited in April 2001. Joined his current company in January 2017 after working at Recruit Co., Ltd. (presently Recruit Holdings Co., Ltd.). Assumed the role of director in June 2018.

Kazuma Ieiri (External Director)

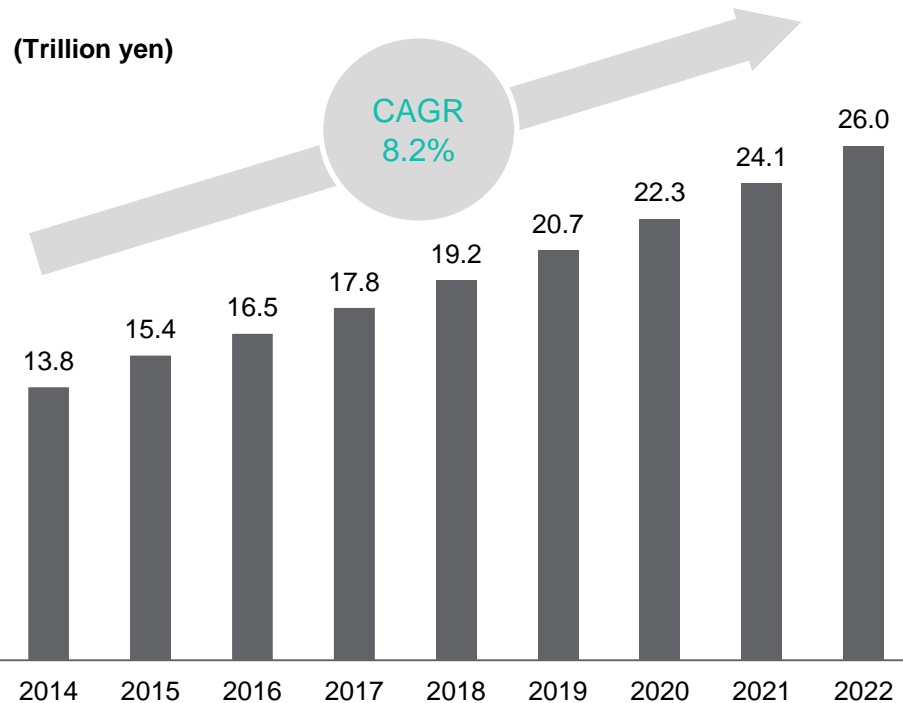
Founded paperboy&co.(presently GMO Pepabo, Inc.) in January 2003 after joining a design company. Assumed the role of External Director in December 2012. Takes part in various venture companies besides this company such as CAMPFIRE, Inc. and partyfactory, Inc.

Masayuki Shimura (External Director)

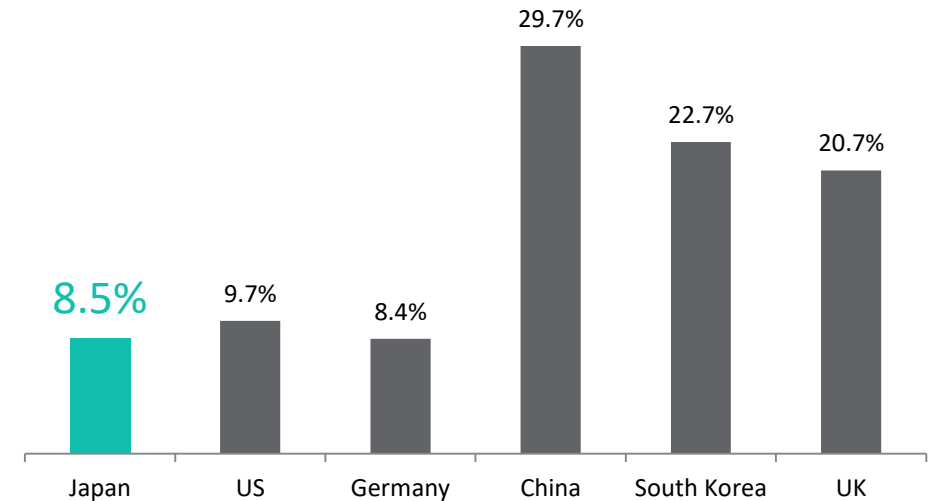
Joined Mitsui Bank, Ltd. (presently Sumitomo Mitsui Banking Corporation) in April 1982. Served as executive officer; general manager, Asia Pacific; and senior corporate executive officer prior to being appointed senior managing executive officer at Sumitomo Mitsui Card Company, Limited in May 2017 and representative director, senior managing executive officer in June 2018. Assumed the role of Director and CSO (chief strategy officer) at Ubicom Holdings, Inc. in June 2019. Took on the role of External Director in August 2019.

Although the domestic BtoC-EC market is growing steadily, the rate of EC penetration in the domestic retail market is still low.

Changes in and forecasts for the size of the BtoC-EC market in Japan



EC penetration by country



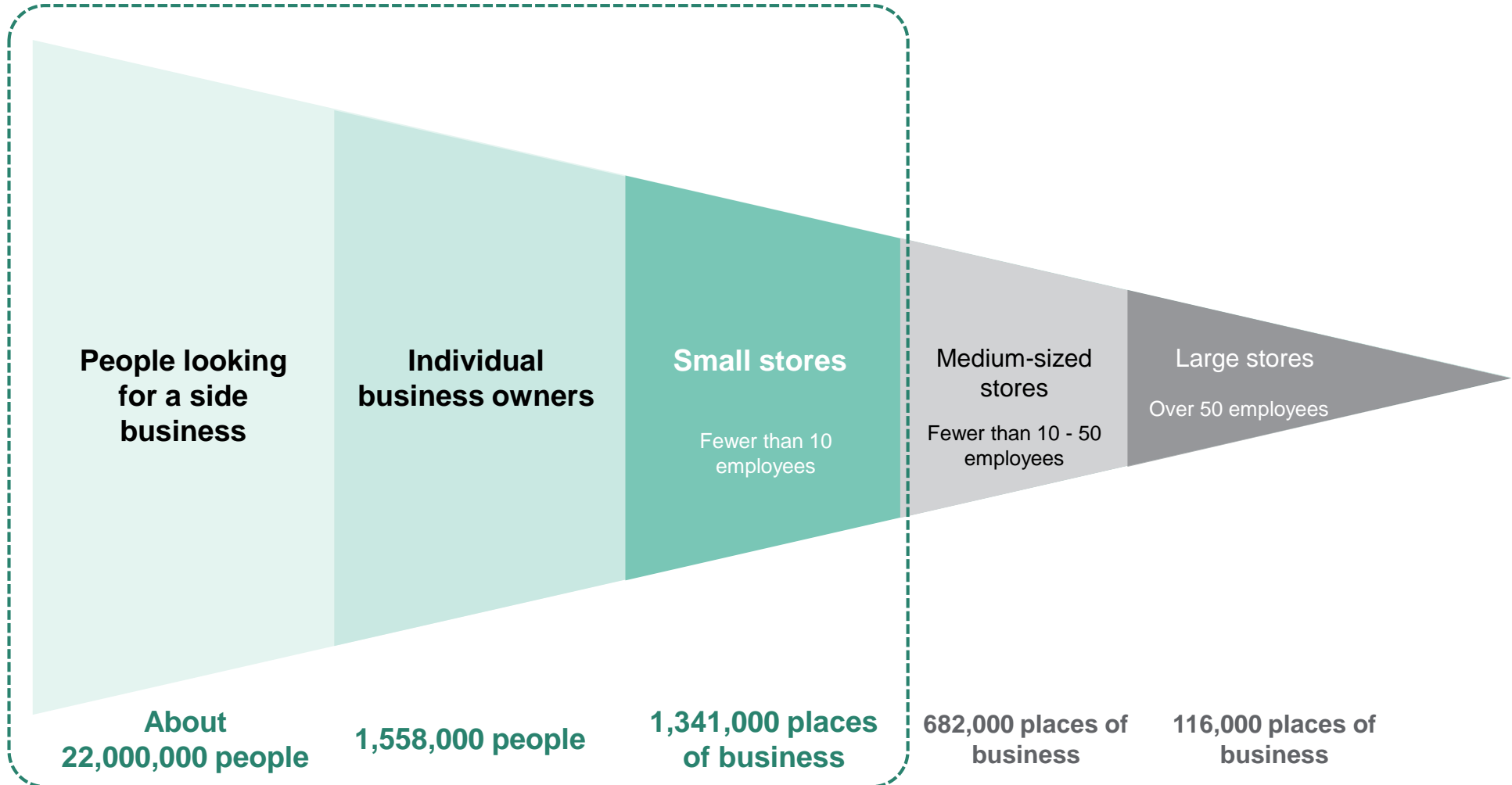
Source: Outlook for ICT and Media Market Scale and Trends through 2022: The Road to Becoming a Truly Advanced ICT Country Runs through Mastery of AI and IoT, Nomura Research Institute, Ltd.

Source: eMarketer "By Country Retail Ecommerce Sales Penetration: % of Total Retail Sales"

New trends for EC shops are direct messaging and communication among individuals through SNSs

	Existing-model EC shops	New-generation EC shops
Users	<ul style="list-style-type: none"> • Extensive reach for mass users 	<ul style="list-style-type: none"> • Niche • Passionate fans
Contacts	<ul style="list-style-type: none"> • Primarily search engines, search advertising, and performance advertising • Spending sizeable sums of money on advertising 	<ul style="list-style-type: none"> • Direct communication through social media and owned media • Frequent transmission of content and polite interaction
Values provided	<ul style="list-style-type: none"> • Product selection, choices, availability...convenience • Low price, cost performance and benefits • Fast and cheap delivery, etc. 	<ul style="list-style-type: none"> • Uniqueness, rarity • Atmosphere, experience • Interaction, positive emotions
Products and services	<ul style="list-style-type: none"> • Commodities • Compared with other stores 	<ul style="list-style-type: none"> • Niche, only one • Items not available in other stores
Competence	<ul style="list-style-type: none"> • Burgeoning power from merits of scale • Abundant financial muscle for marketing • Automation and optimization through technology 	<ul style="list-style-type: none"> • Personalities of the owner and team • World view • Hospitality

In addition to small stores and sole proprietors in Japan, would-be entrepreneurs and people looking for a side business also are targeted users.



Source: Ministry of Economy, Trade and Industry "Commercial Statistics"; Ministry of Internal Affairs and Communications "Economic Census"; Ministry of Internal Affairs and Communications "2017 Employment Status Survey"

Mizuho Research Institute "Possibility of side business / part-time business" (2018)

(Note) The numbers of enterprises were extracted from the areas of "retailing", "service industry", "agriculture, forestry and fisheries" and "manufacturing"

Profit and loss statement (By segment)

BASE

(million yen)		2017/12				2018/12				2019/12		
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Net sales	BASE	157	190	235	374	373	429	542	637	643	752	871
	PAY	17	43	57	70	72	85	99	111	120	169	170
	Other	-	-	-	-	-	-	-	-	0	0	1
Gross profit	BASE	82	100	143	257	256	293	379	433	437	508	590
	PAY	0	2	2	4	4	7	9	11	12	18	17
	Other	-	-	-	-	-	-	-	-	0	0	1
Segment profit	BASE	-	-	-	-	-234	-96	-229	64	-108	144	-71
	PAY	-	-	-	-	-51	-50	-43	-37	-43	-31	-28
	Other	-	-	-	-	-	-	-	-	-15	-12	-11
	Company-wide expenses	-	-	-	-	-23	-26	-29	-30	-34	-32	-33
Operating profit	Consolidated	-267	-394	-381	-218	-310	-174	-302	-4	-203	67	-144

(million yen)	End of September 2019	End of September 2018	YoY	End of Jun 2019	QonQ
Current assets	6,452	6,588	-2.1%	7,919	-18.5%
Non-current assets	374	363	+3.0%	252	+48.5%
Total assets	6,826	6,951	-1.8%	8,171	-16.5%
Current liabilities	5,335	5,168	+3.2%	6,545	-18.5%
Non-current liabilities	56	45	+25.9%	44	+28.4%
Total liabilities	5,392	5,213	+3.4%	6,589	-18.2%
Capital	1,325	1,325	-	1,325	-
Capital surplus	1,266	1,266	-	1,266	-
Net assets	1,434	1,737	-17.5%	1,581	-9.3%

Outlook for the full year (BASE business)

(million yen)	FY2019 outlook	FY2018 result	YoY	FY2019 3Q January- September 2019	Progress rate
GMV (order)	42,864	27,091	+58.2%	30,752	71.1%
GMV (settlement)	37,447	23,844	+57.0%	27,055	72.2%
Net sales	3,085	1,982	+55.6%	2,267	73.5%
Take rate	8.2%	8.2%	+0pt	8.4%	-
Gross profit	2,092	1,362	+53.5%	1,536	73.4%
GMV ratio	5.6%	5.7%	-0.1pt	5.7%	-
Gross profit rate	67.8%	68.7%	-0.9pt	67.7%	-

Outlook for the full year (PAY business)

(million yen)	FY2019 outlook	FY2018 result	YoY	FY2019 3Q January- September 2019	Progress rate
GMV	21,447	13,675	+57.0%	16,999	79.2%
Net sales	582	369	+57.6%	460	79.0%
Take rate	2.7%	2.7%	+0.0pt	2.7%	-
Gross profit	59	33	+76.7%	48	80.1%
GMV ratio	0.2%	0.3%	+0.0pt	0.3%	-
Gross profit rate	10.2%	9.1%	+1.1pt	10.4%	-

Outlook for the full year (Selling and administrative expenses)

(million yen)	FY2019 outlook	FY2018 result	YoY	FY2019 3Q January- September 2019	Progress rate
Promotional expenses	932	869	+7.2%	637	68.4%
Personnel expenses	974	769	+26.5%	685	70.4%
Other	788	548	43.7%	543	69.0%
Selling and administrative expenses	2,694	2,187	+23.1%	1,867	69.3%

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