

September 24, 2020

To All Concerned Parties

Company Name: BASE, Inc.
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(Code number: 4477, TSE Mothers Market)
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Announcement Regarding Determination of
Issue Price and Other Matters in relation to Issuance of New Shares by way of International Offering

BASE, Inc. (the “Company”) hereby announces that it has determined the issue price and other matters in relation to the issuance of new shares by way of an international offering (the “International Offering”), which its Board of Directors resolved on September 24, 2020, as set forth below.

1. Issuance of New Shares by way of International Offering

(1) Issue Price (Offer Price)	(Note)	¥10,810 per share
(2) Total Amount of Issue Price (Offer Price)		¥12,972,000,000
(3) Amount to be Paid In	(Note)	¥10,377.60 per share
(4) Total Amount to be Paid In		¥12,453,120,000
(5) Amount of Capital Stock and Legal Capital Surplus to be Increased	Increase in Capital Increase in Legal Capital Surplus	¥6,226,560,000 ¥6,226,560,000

(Note) The Underwriters will purchase the shares at the amount to be paid in and will offer them at the issue price (the offer price).

<Reference>

1. Calculation of Issue Price (Offer Price)

(1) Calculation Reference Date and Price	September 24, 2020 (Thu)	¥11,750
(2) Discount Rate		8.00%

2. Total Number of Issued Shares Before and After the Issuance of New Shares:

Current total number of issued shares (as of August 31, 2020): 20,447,000 shares

Note: This press release does not constitute an offer of any securities for sale. This press release has been prepared for the sole purpose of making a public announcement regarding the issuance of new shares of the Company, and not for the purpose of soliciting investment, etc. within or outside Japan. This press release does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States. The securities referred to in this press release have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”). The securities may not be offered or sold in the United States absent registration or an exemption from the registration requirements under the Securities Act. Any public offering of securities in the United States will be pursuant to a prospectus that may be obtained from the Company that will contain detailed information about the Company and its management, as well as financial statements of the Company. No public offering of the securities will take place in the United States.
As the solicitation relating to the offering of new shares by the Company referred to in this press release is to be conducted outside Japan only to non-residents of Japan, no registration or notification is given under the Financial Instruments and Exchange Act and no prospectus is being prepared.

Number of shares to be newly issued by the issuance of new shares:	1,200,000 shares
Total number of issued shares after the issuance of new shares:	21,647,000 shares

(Note) The Company has issued stock options and the above number of shares does not include the number of shares to be newly issued due to stock options being excised since September 1, 2020.

3. Use of the Proceeds to be Raised through the International Offering

The estimated net proceeds from the issuance of new shares, which are to be approximately ¥12,397 million, are expected to be applied as follows:

1. ¥4,103 million as advertisement expenses to be used by June 2022;
2. ¥2,036 million as personnel and recruiting expenses to be used by December 2022;
3. ¥3,104 million as increased level of working capital to be used by June 2022; and
4. ¥3,154 million as funds for future M&A and capital and business alliances, to be used by December 2021.

In respect of items 1 and 2 above, the Company will first apply funds raised from the initial public offering conducted in October 2019, and will then apply funds raised from the International Offering to cover any shortfall.

In respect of item 4 above, in the event that the Company has not conducted M&A and/or capital and business alliances requiring the above amount of expenditure during the period described above, it plans to apply the remainder towards personnel and recruiting expenses.

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