

Translation

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Non-consolidated Financial Results for the Fiscal Year Ended February 28, 2025 (Under Japanese GAAP)

April 14, 2025

Company name:	BASE FOOD, Inc.
Stock exchange listings:	Tokyo Stock Exchange
Stock code:	2936
URL:	https://basefood.co.jp/ir/
Representative:	Shun Hashimoto, Representative Director
Contact:	Keiichiro Kawanami, COO
TEL:	+81 3-6416-8905
Scheduled date for ordinary general meeting of shareholders:	May 28, 2025
Scheduled date for dividend payment:	-
Scheduled date for submission of securities report:	May 29, 2025
Supplementary materials for financial summaries:	Yes
Financial results briefing:	Yes

(Amounts of less than one million yen are rounded down.)

1. Non-consolidated Financial Results for the Fiscal Year Ended February 28, 2025 (from February 29, 2024 to February 28, 2025)

(1) Operating results

(% represents the year-on-year change rate)

	Net sales		Operating profit		Ordinary profit		Net income	
Fiscal year ended	million yen	%	million yen	%	million yen	%	million yen	%
February 28, 2025	15,241	2.5	136	—	123	—	108	—
February 28, 2024	14,874	50.9	(902)	—	(891)	—	(856)	—
	Basic earnings per share		Diluted earnings per share		Rate of return on equity		Ordinary profit to total assets ratio	
Fiscal year ended	Yen		Yen		%		%	
February 28, 2025	2.07		2.04		11.6		3.5	
February 28, 2024	(16.83)		—		(69.0)		(25.9)	
	Operating profit margin on sales							
Fiscal year ended	%							
February 28, 2025	0.9							
February 28, 2024	(6.1)							

(Note) As for the Diluted earnings per share for the fiscal year ending February 2024, although there are potential shares, it is not stated because there is a net loss per share.

(2) Financial positions

	Total assets	Net assets	Equity to total assets ratio	Net assets per share
As of	million yen	million yen	%	Yen
February 28, 2025	3,851	1,036	26.9	19.56
February 28, 2024	3,276	842	25.7	16.21

(Reference) Owner's equity Fiscal year ending February 2025: 1,036 million yen Fiscal year ending

February 2024: 842 million yen

(3) Cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and equivalents, end of period
Fiscal year ended	million yen	million yen	million yen	million yen
February 28, 2025	130	34	386	1,983
February 28, 2024	(665)	(229)	29	1,430

2. Cash dividends

	Annual dividends per share					Total amount of dividends (Total)	Payout ratio	Ratio of dividends to net assets
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	million yen	%	%
Fiscal year ended February 28, 2024	—	0.00	—	0.00	0.00	—	—	—
Fiscal year ended February 28, 2025	—	0.00	—	0.00	0.00	—	—	—
Fiscal year ending February 28, 2026 (Forecast)	—	0.00	—	0.00	0.00		—	

3. Non-consolidated Earnings Forecasts for the Fiscal Year Ending February 28, 2026 (from March 01, 2025 to February 28, 2026)

(% represents the year-on-year change rate)

	Net sales		Operating profit	
	million yen	%	million yen	%
Fiscal year ending February 28, 2026	17,413	14.2	193	41.8

(Note) Regarding the forecasts for the fiscal year ending February 2026, only "Net sales" and "Operating profit" are disclosed. For details, please refer to the attached document P.4 "1. Overview of operating results, etc. (4) Future outlook."

* Notes

(1) Changes in accounting policies, Changes in accounting estimates, Retrospective restatement

(i) Changes in accounting policies based on revisions of accounting standard: None

(ii) Changes in accounting policies other than (i): None

(iii) Changes in accounting estimates : None

(iv) Retrospective restatement : None

(2) Number of issued and outstanding shares (common stock)

* Financial results are not subject to audit by certified public accountants or audit firms.
※ Notes for using forecasted information and Others

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

As of February 28, 2025	54,351,300 shares
As of February 28, 2024	53,292,900 shares

(ii) Number of treasury shares at the end of the period

As of February 28, 2025	1,358,030 shares
As of February 28, 2024	1,358,000 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended February 28, 2025	52,569,411 shares
Fiscal year ended February 28, 2024	50,871,608 shares

(Cautionary Statement Regarding Forward-Looking Statements)

The forward-looking statements, including performance forecasts, contained in this document are based on information currently available to the company and certain assumptions deemed reasonable. They are not intended as a promise of achievement by the company. Actual performance may differ significantly due to various factors. For the conditions underlying the forecasts and precautions for using the forecasts, please refer to the attached document on P.4 "1. Overview of Operating Results, etc. (4) Future Outlook."

(How to Obtain Supplementary Financial Results Materials)

The company plans to hold a corporate briefing for institutional investors and analysts on April 14, 2025. The materials used in this briefing will be disclosed on TDnet and posted on our website.

Non-consolidated Financial Statements

(1) Non-consolidated Balance Sheets

(Thousands of yen)

	As of February 29, 2024	As of February 28, 2025
Assets		
Current assets		
Cash and deposits	1,430,928	1,983,167
Accounts receivable - trade	781,849	775,373
Merchandise	175,050	190,757
Raw materials and supplies	20,102	39,192
Prepaid expenses	68,746	115,148
Accounts receivable - Others	175,859	149,722
Others	18,835	21,338
Total current assets	2,671,371	3,274,701
Non-current assets		
Property, plant and equipment		
Buildings	104,243	122,321
Accumulated depreciation	(28,849)	(42,296)
Buildings, net	75,393	80,025
Machinery and equipment	26,330	61,170
Accumulated depreciation	(3,077)	(10,132)
Machinery and equipment, net	23,252	51,038
Tools, furniture and fixtures	26,328	57,508
Accumulated depreciation	(10,952)	(26,657)
Tools, furniture and fixtures, net	15,375	30,851
Leased assets	8,587	8,587
Accumulated depreciation	(357)	(1,789)
Leased assets, net	8,229	6,798
Total property, plant and equipment	122,252	168,712
Intangible assets		
Patent right	1,341	1,550
Trademark right	3,073	2,972
Total intangible assets	4,414	4,522
Investments and Others assets		
Long-term prepaid expenses	44,632	65,545
Guarantee deposits	390,567	270,675
Deferred tax assets	43,525	67,152
Total Investments and Other Assets	478,726	403,373
Total non-current assets	605,392	576,608
Total Assets	3,276,764	3,851,309

(Thousands of yen)

	As of February 29, 2024	As of February 28, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	556,857	545,131
Short-term borrowings	500,000	400,000
Current portion of long-term borrowings	—	166,656
Lease liabilities	1,349	1,384
Accounts payable - Others	829,413	651,111
Accrued expenses	121,437	161,759
Income taxes payable	16,694	69,324
Contract liabilities	284,474	375,492
Deposits received	50,589	51,374
Provision for point card certificates	13,519	12,749
Others	29,170	103,130
Total current liabilities	2,403,506	2,538,115
Non-current liabilities		
Long-term borrowings	—	236,128
Lease liabilities	6,905	5,520
Asset retirement obligations	23,890	34,687
Total non-current liabilities	30,795	276,336
Total Liabilities	2,434,302	2,814,451
Net assets		
Shareholders' equity		
Share capital	1,132,046	1,174,857
Capital surplus		
Legal capital surplus	1,542,516	1,585,233
Others capital surplus	527,605	527,605
Total capital surplus	2,070,122	2,112,839
Retained earnings		
Others retained earnings		
Retained earnings brought forward	(2,332,522)	(2,223,569)
Total retained earnings	(2,332,522)	(2,223,569)
Treasury shares	(27,567)	(27,583)
Total shareholders' equity	842,079	1,036,543
Share acquisition rights	382	315
Total net assets	842,462	1,036,858
Total liabilities and net assets	3,276,764	3,851,309

(2) Non-consolidated Statements of Income

(Thousands of yen)

	The previous fiscal year (from March 1, 2023 to February 29, 2024)	For the fiscal year ending February 28, 2025
Net sales	14,874,087	15,241,454
Cost of sales	7,476,255	6,860,688
Gross profit	7,397,831	8,380,765
Selling, general and administrative expenses	8,300,721	8,244,255
Operating profit or operating loss (-)	(902,889)	136,510
Non-operating income		
Interest income	26	1,231
Compensation received	54,527	2,654
Foreign exchange gains	—	1,011
Others	3,364	3,435
Non-operating incomeTotal	57,918	8,332
Non-operating expenses		
Interest expenses	5,840	19,641
Guarantee commission	1,139	592
Recall-related expenses	37,373	—
Others	1,699	755
Non-operating expensesTotal	46,053	20,989
Ordinary profit or ordinary loss (-)	(891,024)	123,853
Extraordinary income		
Gain on sale of non-current assets	—	171
Extraordinary incomeTotal	—	171
Extraordinary losses		
Loss on retirement of non-current assets	3,255	—
Extraordinary lossesTotal	3,255	—
Net income before tax or net loss before tax (-)	(894,279)	124,024
Income taxes - current	5,263	38,699
Income taxes - deferred	(43,525)	(23,626)
Income taxesTotal	(38,262)	15,072
Net income or net loss (-)	(856,016)	108,952

(3) Non-consolidated Statement of Cash Flows

(Thousands of yen)

	The previous fiscal year (from March 1, 2023 to February 29, 2024)	For the fiscal year ending February 28, 2025
Cash flows from operating activities		
Net income before tax or net loss before tax (-)	(894,279)	124,024
Depreciation	34,544	63,956
Increase (decrease) in provision for bonuses	—	22,555
Increase (decrease) in provision for point card certificates	1,562	(769)
Interest income	(26)	(216)
Interest expenses	5,840	19,641
Loss (gain) on sale of property, plant and equipment	—	(171)
Loss on retirement of non-current assets	3,255	—
Decrease (increase) in trade receivables	(220,099)	6,475
Decrease (increase) in inventories	18,824	(34,797)
Increase (decrease) in trade payables	99,974	(11,725)
Increase (decrease) in accounts payable - Others	263,238	(169,700)
Increase (decrease) in accrued expenses	(16,068)	40,321
Increase (decrease) in contract liabilities	91,618	91,017
Others	(42,764)	3,684
Subtotal	(654,380)	154,296
Interest received	26	216
Interest paid	(5,861)	(21,610)
Income taxes paid	(5,684)	(2,471)
Net cash provided by (used in) operating activities	(665,900)	130,431
Cash flows from investing activities		
Purchase of property, plant and equipment	(68,443)	(78,866)
Purchase of intangible assets	(3,397)	(766)
Proceeds from sale of property, plant and equipment	—	171
Payments for asset retirement obligations	—	(5,500)
Payments of guarantee deposits	(169,099)	(45,215)
Proceeds from refund of guarantee deposits	11,503	165,107
Net cash provided by (used in) investing activities	(229,435)	34,930
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	—	(100,000)
Proceeds from long-term borrowings	—	500,000
Repayments of long-term borrowings	(30,000)	(97,216)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	59,656	85,459
Purchase of treasury shares	—	(15)
Repayments of lease liabilities	—	(1,349)
Net cash provided by (used in) financing activities	29,656	386,877
Net increase (decrease) in cash and cash equivalents	(865,679)	552,239
Cash and cash equivalents at beginning of period	2,296,608	1,430,928
Cash and cash equivalents at end of period	1,430,928	1,983,167