Translation

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Non-consolidated Financial Results for the Three Months of the Fiscal Year Ending February 28, 2027 (Under Japanese GAAP)

July 15, 2026

Company name:	BASE FOOD Inc.
Stock exchange listings:	Tokyo Stock Exchange
Stock code:	2936
URL:	https://basefood.co.jp/ir/
Representative:	Shun Hashimoto, Representative DirectorCEO
Contact:	Keiichiro Kawanami, Executive Officer COO
TEL:	+81-3-6416-8905

Scheduled date for dividend payment:	None
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 Three Months of the Fiscal Year Ending February 28, 2027 (from March 01, 2026 to May 31, 2026)

(1) Operating results (cumulative) (Percentage indicate YoY changes)

	Net sales		Operating profit		Ordinary profit		Profit	
Three months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
May 31, 2026	3,976	0.8	(180)	-	(183)	-	(226)	-
May 31, 2025	3,945	7.7	(79)	-	(80)	-	(99)	-

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
May 31, 2026	(4.24)	-
May 31, 2025	(1.88)	-

(Note) Although potential shares exist for diluted earnings per share, it is not presented because quarterly net loss per share is recorded.

(2) Financial positions

	Total assets	Net assets	Equity ratio
As of	Million yen	Million yen	%
May 31, 2026	4,408	1,138	25.6
February 28, 2026	4,013	1,355	33.8

(Reference) Owner's equity First quarter of the fiscal year ending February 2027 1,129 million yen Fiscal year ended February 2026 1,355 million yen

2. Cash dividends

	Annual dividends per share				
	End of the first quarter	End of the second quarter	End of the third quarter	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended February 28, 2026	-	0.00	-	0.00	0.00
Fiscal year ending February 28, 2027	-				
Fiscal year ending February 28, 2027 (Forecast)		0.00	-	0.00	0.00

(Note) Whether there has been a revision to the dividend forecast most recently announced: None

3. Non-consolidated Earnings Forecasts for the Fiscal Year Ending February 28, 2027 (from March 01, 2026 to February 28, 2027)

(Percentages indicate YoY changes)

	Net sales		Operating profit	
	Million yen	%	Million yen	%
Fiscal year ending February 28, 2027	16,256	7.0	62	(71.4)

(Note) 1. Correction of financial forecast from the most recent financial forecast: None

2. Regarding the forecasts for the fiscal year ending February 2027, only "Net sales" and "Operating profit" are disclosed.

* Notes

(1) Application of accounting treatment specific to the preparation of quarterly financial statements: None

(2) Changes in accounting policies, Changes in accounting estimates, Restatement of prior period financial statements

(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) Restatement of previous period financial statements :None

(3) Number of issued shares (common stock)

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

As of May 31, 2026	54,752,100 shares
As of February 28, 2026	54,752,100 shares

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

As of May 31, 2026	1,358,035 shares
As of February 28, 2026	1,358,035 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended May 31, 2026	53,394,065 shares
Three months ended May 31, 2025	53,177,972 shares

* Review by a certified public accountant or audit firm of the attached quarterly financial statements: None

* Notes regarding the appropriate use of Forecasts, and other special notes

(Cautionary Statement Regarding Forward-Looking Statements)

The forward-looking statements, including business forecasts, contained in this document are based on information currently available to the Company and certain assumptions deemed reasonable, and are not intended as a promise by the Company that they will be achieved. In addition, actual results, etc. may differ materially due to various factors. For the assumptions underlying Forecasts and notes on the use of Forecasts, please refer to "1. Qualitative Information on Current Quarterly Financial Results (3) Explanation of Forward-looking Information such as Forecasts" on page 3 of the attached materials.

(How to obtain supplementary explanatory materials for financial results)

We plan to hold a company information session for institutional investors and analysts on July 15, 2026. Materials to be used at this session will be disclosed on TDnet and posted on our website.

○Table of Contents of Attached Materials

1. Qualitative Information on Current Quarterly Financial Results

(1) Explanation of operating results

Our company has set forth the mission, "Innovating staple foods and making health the norm." and aims to become BASE FOOD, Inc.®, as a "nutrition infrastructure."

To realize our mission, through research and development activities, we develop and improve the BASE FOOD, Inc.® series centered on staple foods that provide complete nutrition (Note 1), and sell them mainly through three channels ("our own e-commerce," in which products are sold directly to customers without going through wholesalers or other intermediaries; "third-party e-commerce," in which products are sold on other companies' e-commerce platforms; and "wholesale sales," in which products are sold at convenience stores, drugstores, and other retailers). Through proactive research and development activities, we pursue the deliciousness of Merchandise, and through the release of new Merchandise and Merchandise renewals, we will achieve growth by expanding our customer base and improving retention rates.

In the current first quarter, we renewed our flagship Merchandise, "BASE BREAD Chocolate," as well as the four products in the "BASE YAKISOBA" series, and improved their taste. Among them, "BASE BREAD Chocolate" is the No.1 most popular Merchandise in our lineup, and as a result of various sales promotion measures, including the airing of television commercials in conjunction with the renewal, Net sales remained strong. Through these initiatives, we are advancing R&D activities that accelerate the realization of "Making health commonplace" by enhancing the lineup and quality of meals that are "easy, delicious, and good for your body" and providing opportunities for richer food experiences.

Overall, multifaceted initiatives proved successful, including TV commercials launched following the April renewal of "BASE BREAD Chocolate," outbound calls targeting previously canceled customers, and return-promotion measures utilizing OMO (Online Merges with Offline) between our own EC and wholesale sales. As a result, the year-on-year growth rate trended steadily upward, and in May alone, we made a solid start toward the full-year plan with a 7.4% increase year on year compared with the same month of the previous year. On the profit front, although we had restrained investment in the previous fiscal year due to changes in the advertising market conditions, in the current fiscal year we strengthened advertising investment because we were able to acquire new customers strongly while improving advertising efficiency. As a result, operating loss expanded year on year compared with the same period of the previous year, but this was in line with the initial plan.

In the Company’s own e-commerce business, measures linked to the renewal of "BASE BREAD Chocolate" and initiatives to encourage returning customers among canceled subscribers were successful, and Net sales amounted to 2,660,577 thousand yen (up 1.2% YoY). The number of subscription members expanded to 256 thousand, and the retention rate and LTV (lifetime value) remained at high levels, thereby strengthening the foundation for future business expansion.

	Fiscal year ending February 2026 First quarter	Fiscal year ending February 2026 Second quarter	Fiscal year ending February 2026 Third quarter	Fiscal year ending February 2026 Fourth quarter	Fiscal year ending February 2027 First quarter
Subscription Trend in Number of Members (10 thousand) (Note 2)	23.2	22.9	23.2	23.5	25.6

(Note 2) At the end of each quarter

In wholesale sales, although the renewal of BASE BREAD "Chocolate" from April onward, the introduction of in-store promotional materials timed with the airing of television commercials, and measures to encourage trial purchases aimed at expanding awareness of improved taste were effective, Net sales amounted to 950,403 thousand yen (down 5.4% YoY) due to the impact of March results. Since the renewal, weekly sales performance in the main convenience store channel has improved, and both the number of stores carrying the products and Net sales per store have remained strong.

	Fiscal year ending February 2026 First quarter	Fiscal year ending February 2026 Second quarter	Fiscal year ending February 2026 Third quarter	Fiscal year ending February 2026 Fourth quarter	Fiscal year ending February 2027 First quarter
Trend in Number of Stores Opened (Stores) (Note 3)	50,113	49,098	49,500	47,499	48,890
Net sales per store (Note 4)	6,590	6,400	6,810	6,712	6,772

(Note 3) As of the end of each quarter

(Note 4) Average for the relevant quarter. Monthly sales per store = Monthly sales of the entire retail channel (wholesale sales) / Number of stores carrying the products

In other companies' e-commerce platforms, as a result of steady performance, including achieving top rankings in each merchandise category, Net sales increased significantly to 320,976 thousand yen (up 29.1% YoY).

In the overseas business, we focused on preparations for the planned launch of sales in China during the second quarter. As a result of strategically restraining advertising placements, Net sales amounted to 38,092 thousand yen (down 30.2% YoY).

As a result, Net sales for the Current first-quarter cumulative period were 3,976,500 thousand yen (up 0.8% YoY), operating loss was 180,810 thousand yen (operating loss in the same period of the previous year was 79,295 thousand yen), ordinary loss was 183,183 thousand yen (ordinary loss in the same period of the previous year was 80,296 thousand yen), and quarterly net loss was 226,239 thousand yen (quarterly net loss in the same period of the previous year was 99,971 thousand yen).

In addition, because the ratio of the "Nutritionally complete food business" in our Reportable segment is extremely high, and it is considered to be generally the same as the description relating to the overall business above, descriptions by segment are omitted.

(Note 1) 1 serving (BASE BREAD: 2 bags, BASE Cookies: 4 bags, BASE YAKISOBA: 2 units, BASE FOOD, Inc. Deli: 1 bag, BASE

When prepared using 1 bag of Pancake Mix, 1 M-size egg, and 100 ml of milk (unadjusted milk solids), it contains at least 1/3 of the daily reference value for all nutrients other than fat, saturated fatty acids, carbohydrates, and sodium, based on the Nutrient Reference Values.

(2) Explanation of financial positions

(Assets)

Total assets at the end of the Current first-quarter accounting period amounted to 4,408,379 thousand yen, an increase of 394,793 thousand yen compared with the end of the Previous fiscal year. This was mainly due to an increase of 168,861 thousand yen in Prepaid expenses as a result of the occurrence of TVCM production and casting expenses associated with the release of new Merchandise, as well as an increase of 205,871 thousand yen in Property, plant and equipment due to the acquisition of Facilities attached to buildings and others following the completion of construction work at the new base of the laboratory relocated last year.

(Liabilities)

Liabilities at the end of the Current first-quarter accounting period amounted to 3,270,266 thousand yen, an increase of 612,227 thousand yen compared with the end of the previous fiscal year. This was mainly due to an increase of 479,673 thousand yen in Accounts payable - other related to Advertising expenses for TVCM production, as well as the recognition of 81,715 thousand yen in Asset retirement obligations as estimated future removal costs associated with construction of the lab’s new site.

(Net assets)

Net assets at the end of the Current first-quarter accounting period amounted to 1,138,112 thousand yen, a decrease of 217,434 thousand yen compared with the end of the Previous fiscal year. This was mainly due to a decrease of 226,239 thousand yen in Retained earnings resulting from the recording of quarterly net loss.

(3) Explanation of forward-looking information such as forecasts

There is no change to the full-year Forecasts announced in the "Financial Results for the Fiscal Year Ended February 2026" on April 14, 2026.

2. Quarterly Financial Statements and Significant Notes Thereto (1) Quarterly Balance Sheets

(Unit: Thousands of yen)

	Previous fiscal year (February 28, 2026)	Current first-quarter accounting period (May 31, 2026)
Assets		
Current assets		
Cash and deposits	1,886,902	1,824,917
Accounts receivable - trade	777,609	789,324
Merchandise	173,103	246,718
Raw materials and supplies	27,330	52,816
Accounts receivable - other	245,115	219,077
Prepaid expenses	105,025	273,887
Other	15,921	45,482
Total current assets	3,231,008	3,452,223
Non-current assets		
Property, plant and equipment	297,885	503,757
Intangible assets	10,721	11,747
Investments and other assets	473,969	440,650
Total non-current assets	782,576	956,155
Total assets	4,013,585	4,408,379
Liabilities		
Current liabilities		
Accounts payable - trade	504,580	666,737
Short-term borrowings	400,000	400,000
Current portion of long-term borrowings	152,768	166,656
Accounts payable - other	800,915	1,280,589
Lease liabilities	1,420	1,430
Accrued expenses	129,181	132,596
Income taxes payable	3,281	5,638
Deposits received	51,089	53,973
Provision for bonuses	53,710	-
Provision for point card certificates	11,947	13,031
Contract liabilities	420,356	394,501
Asset retirement obligations	-	14,791
Other	8,081	8,304
Total current liabilities	2,537,333	3,138,250
Non-current liabilities		
Long-term borrowings	83,360	27,808
Lease liabilities	4,099	3,739
Asset retirement obligations	33,245	100,468
Total non-current liabilities	120,705	132,015
Total liabilities	2,658,038	3,270,266
Net assets		
Shareholders' equity		
Share capital	38,199	38,199
Capital surplus	1,082,278	1,082,278
Retained earnings	262,372	36,133
Treasury shares	(27,585)	(27,585)
Total shareholders' equity	1,355,265	1,129,026
Share acquisition rights	281	9,086
Total net assets	1,355,547	1,138,112
Total liabilities and net assets	4,013,585	4,408,379

(2) Quarterly Statements of Income

(Unit: Thousands of yen)

	Previous first-quarter cumulative period (From March 1, 2025) to May 31, 2025)	Current first-quarter cumulative period (From March 1, 2026) to May 31, 2026)
Net sales	3,945,887	3,976,500
Cost of sales	1,712,076	1,730,789
Gross profit	2,233,810	2,245,710
Selling, general and administrative expenses	2,313,106	2,426,520
Operating profit (loss)	(79,295)	(180,810)
Non-operating income		
Interest income	0	-
Compensation income	740	93
Foreign exchange gains	1,063	-
Government grant income	1,603	91
Other	940	1,757
Total non-operating income	4,348	1,942
Non-operating expenses		
Interest expenses	5,263	3,380
Guarantee commission	85	85
Foreign exchange losses	-	633
Other	0	216
Total non-operating expenses	5,349	4,316
Ordinary profit (loss)	(80,296)	(183,183)
Extraordinary losses		
Loss on sale of non-current assets	-	8,576
Total extraordinary losses	-	8,576
Profit (loss) before income taxes	(80,296)	(191,759)
Income taxes - current	3,302	1,811
Income taxes - deferred	16,373	32,668
Total income taxes	19,675	34,479
Profit (loss)	(99,971)	(226,239)

(3) Notes to Quarterly Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Notes When There Are Significant Changes in Amounts of Equity)

Not applicable.

(Notes on Quarterly Statement of Cash Flows)

A quarterly Statement of cash flows for the Current first-quarter cumulative period has not been prepared. In addition, Depreciation for the first-quarter cumulative period (including amortization related to Intangible assets) is as follows.

	Previous first-quarter cumulative period (From March 1, 2025 to May 31, 2025)	Current first-quarter cumulative period (From March 1, 2026 to May 31, 2026)
Depreciation	15,107 thousand yen	29,390 thousand yen

(Notes on Segment Information, etc.)

[Segment Information]

I For the three months ended May 31, 2025

(Unit: Thousands of yen)

	Reportable segment Nutritionally complete food business	Other (Note 1)	Total	Adjustments (Note 3)	Quarterly Statement of income Amount recorded (Note 2)
Net sales					
Revenues from external customers	3,937,165	8,721	3,945,887	-	3,945,887
Transactions with other segments	-	-	-	-	-
Total	3,937,165	8,721	3,945,887	-	3,945,887
Segment profit or loss (-)	(52,363)	2,229	(50,133)	(29,161)	(79,295)

(Note) 1. The "Other" category is a business segment not included in Reportable segment.
2. Segment profit or loss (-) is consistent with operating loss in the Quarterly Statements of Income.
3. Adjustments are corporate expenses not allocated to each segment. Corporate expenses mainly consist of general and administrative expenses not attributable to Reportable segment.

II Current first-quarter cumulative period (From March 1, 2026 to May 31, 2026)

(Unit: Thousands of yen)

	Reportable segment Nutritionally complete food business	Other (Note 1)	Total	Adjustments (Note 3)	Quarterly Statement of income Amount recorded (Note 2)
Net sales					
Revenues from external customers	3,970,500	6,000	3,976,500	-	3,976,500
Transactions with other segments	-	-	-	-	-
Total	3,970,500	6,000	3,976,500	-	3,976,500
Segment profit (loss)	(161,946)	(2,089)	(164,036)	(16,773)	(180,810)

(Note) 1. The "Other" category is a business segment not included in reportable segments.
2. Segment loss (-) is consistent with operating loss in the Quarterly Statements of Income.
3. Adjustments are corporate expenses not allocated to each segment. Corporate expenses mainly consist of general and administrative expenses not attributable to Reportable segment.