

Contents of the Question and Answer Section during the 2Q FY 2019 Financial Results Briefing

The following is a summary of the questions asked and the responses given during the financial results briefing held on Friday 26 April. Some portions have been edited and modified for clarification.

Q1. Please tell us the top 5 operational investment securities as well as the top companies that rose in value in the past 6 months.

We will withhold from disclosing the names of our top companies. If a company discloses its market value, we update it on our corporate website's Investment Portfolio page.

<https://beenos.com/en/company-portfolio/investment/>

<https://beenos.com/en/news-center/mediacoverage/>

Q2. Is it safe to assume that companies with higher investment ratios had a bigger impact on the rise in market value?

The market value does not grow proportionally with the investment ratio as the market value fluctuates greatly depending on the company we invest in.

Q3. You say you plan to monetize about 20% of the operational investment securities in the coming year, but is that because your investments are going public?

There are multiple investments that are aiming for an IPO, but we will sell when the timing is right regardless of IPO.

Q4. Is the plan to sell your operational investment securities just for this coming year? 20% of your gains would be about 4 Billion JPY, but will these be split 2 Billion in the 2nd half of FY2019 and 2 Billion in the 1st half of FY2020?

This current plan is just for this next year. The timing of these sales is not evenly divided, and we will be monetizing at the opportune moment

Q5. Defactostandard released that it will be revising its forecast downward on 24 April 2019. Will BEENOS be adjusting its GMV forecast?

Defactostandard's downward revision will have a direct impact on our GMV, but we do not plan to change our forecast at this moment since we believe that the other businesses in the Cross Border and Retailing Licensing Businesses can make up for Defactostandard's shortcomings.



Q6. What countries are you targeting with FASBEE?

We will focus primarily on Hong Kong and Taiwan for the time being as we will be focusing on usability (interface and ease of purchase) and fixed shipping. We will then expand to China and ASEAN. However, we want to emphasize that our services will be available worldwide.

Q7. Your press release for the establishment of FASBEE stated that you will be launching its services in April, but today's briefing material says May. Why has it been pushed back?

The main reason of the delay is the connection with our payment service. As it is a crucial system, we want to be cautious with its implementation.

Q8. How are you dividing the responsibility between Fashion-Co-Lab (FCL) regarding FASBEE?

BEENOS will construct and operate the EC system as well as take care of customer support. FCL will be in charge of fulfilment and the warehouse. We are also able to smoothly partner with apparel manufacturers through FCL. In the future we plan for FASBEE to directly partner with manufacturers to spread Japan's clothing brands across the globe.

Q9. ZOZO recently announced that they will be entering the Chinese market. Do you consider them to be a competitor?

Not only do we not consider them a competitor, but we welcome this move. We believe that the entire market has the opportunity to grow as Japanese companies advance overseas. We hope that large companies would stir up the current market trends.

Q10. BEENOS has the impression of being a company that does investments. Will you create synergy with Defactostandard and your other subsidiaries and/or investments? Will you do any activities related to the businesses?

We meet regularly with all the subsidiaries in our group and share with each other our experiences and advice. We believe that this is how we have developed BEENOS to its position now. Regarding the partnering between businesses, we see a good amount of Defactostandard's products being sold on our Buyee service. Defactostandard has also received the 2018 Seller of the Year award by eBay which proves that Japanese used items are in high demand abroad which is leading to further partnerships.



Q11. Is your support in personnel to your subsidiaries and investments is weak?

Our philosophy until recently was to focus on the importance of letting each manager run their companies independently as they would like so we have intentionally kept our hands away from supporting them. Therefore, it is natural to think that the personnel support is weak. Another reason why is because we had not yet constructed a business network that would be beneficial for our businesses/investments like a trading company would. However, we believe that we now have the network and the resources to provide hands-on support for our businesses/investments, so we plan to do so in the near future.

-END-