



FY2019
Financial Results Briefing

01. Annual Financial Results

October 2018 ~ September 2019

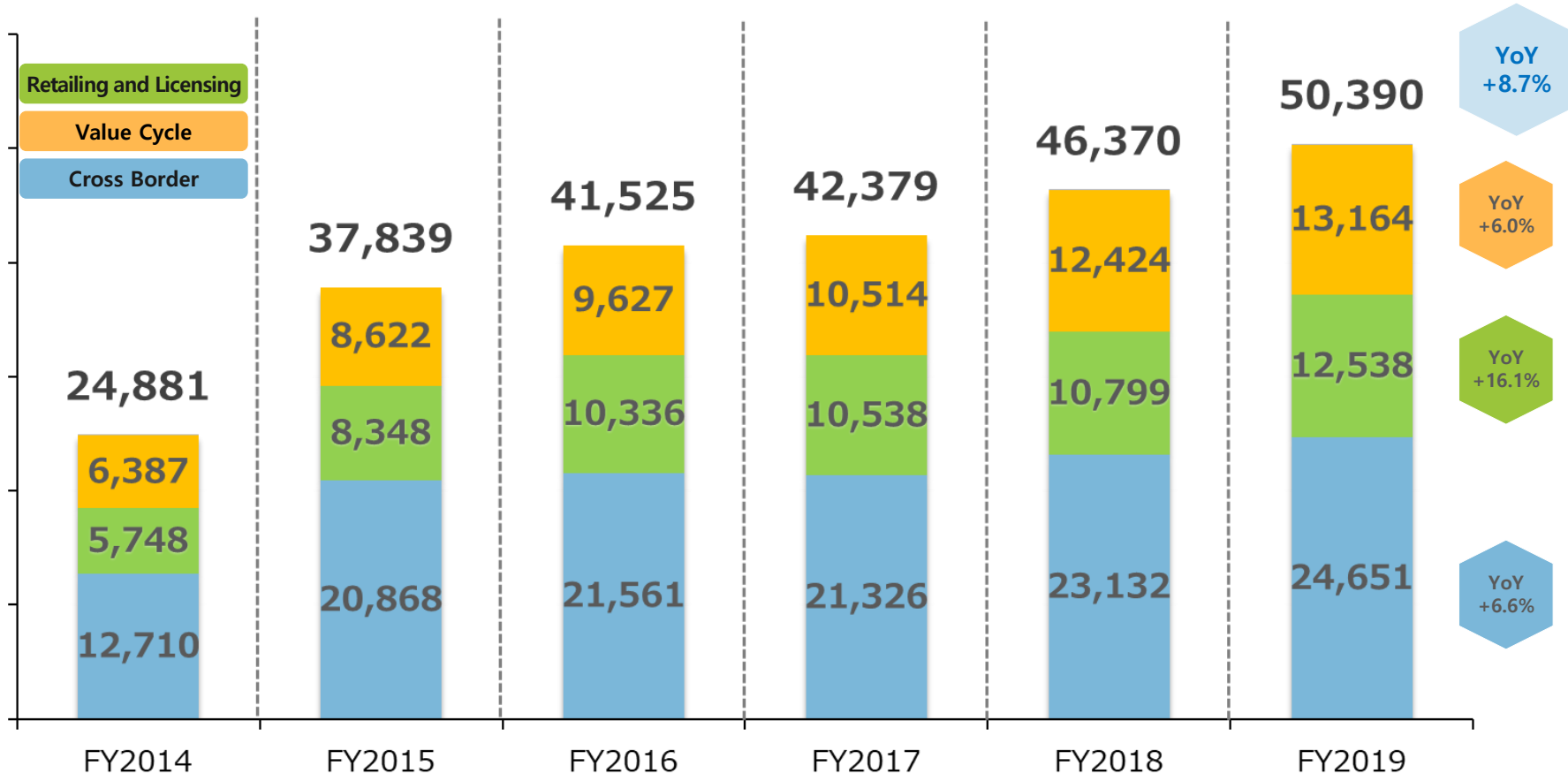
Koji Nakamura
Vice President and Group CFO

	Results	YoY
GMV	50.39Bil JPY	+ 8.7%
Net Sales	25.2Bil JPY	+ 11.0%
Operating Income	1.7Bil JPY	+ 11.4%
Ordinary Income	1.71Bil JPY	△0.9%
Profit Attributable to Owners of Parent	1.07Bil JPY	+ 16.7%

- Recorded all-time high in GMV and Net Sales
- Core business, Cross Border Business, records record high in GMV, Net Sales and Operating Income
- Record 2.1 Billion JPY in sales of Operational Investment Securities

(Unit: million JPY)

➤ Exceed the 50 Billion JPY mark as all segments grow



*1 The amounts represent the total of the merchandise of the Group companies. For businesses recording merchandise prices as sales, the GMV is the total amount of sales. For businesses recording only commissions as sales, the sum of merchandise, shipping charges, and consumption tax are recorded as GMV. Only sales through the internet were recorded in GMV, but the sales through other channels such as distribution and event sales on site in the Retailing and Licensing Business have become more prevalent that we have decided to include those into the GMV as well. We have adjusted previous years' GMV to reflect these inclusions.

*2 There are sales made from pre-monetized businesses in the Incubation business beyond FY2015, but the amount is so small it is not displayed on the graph.

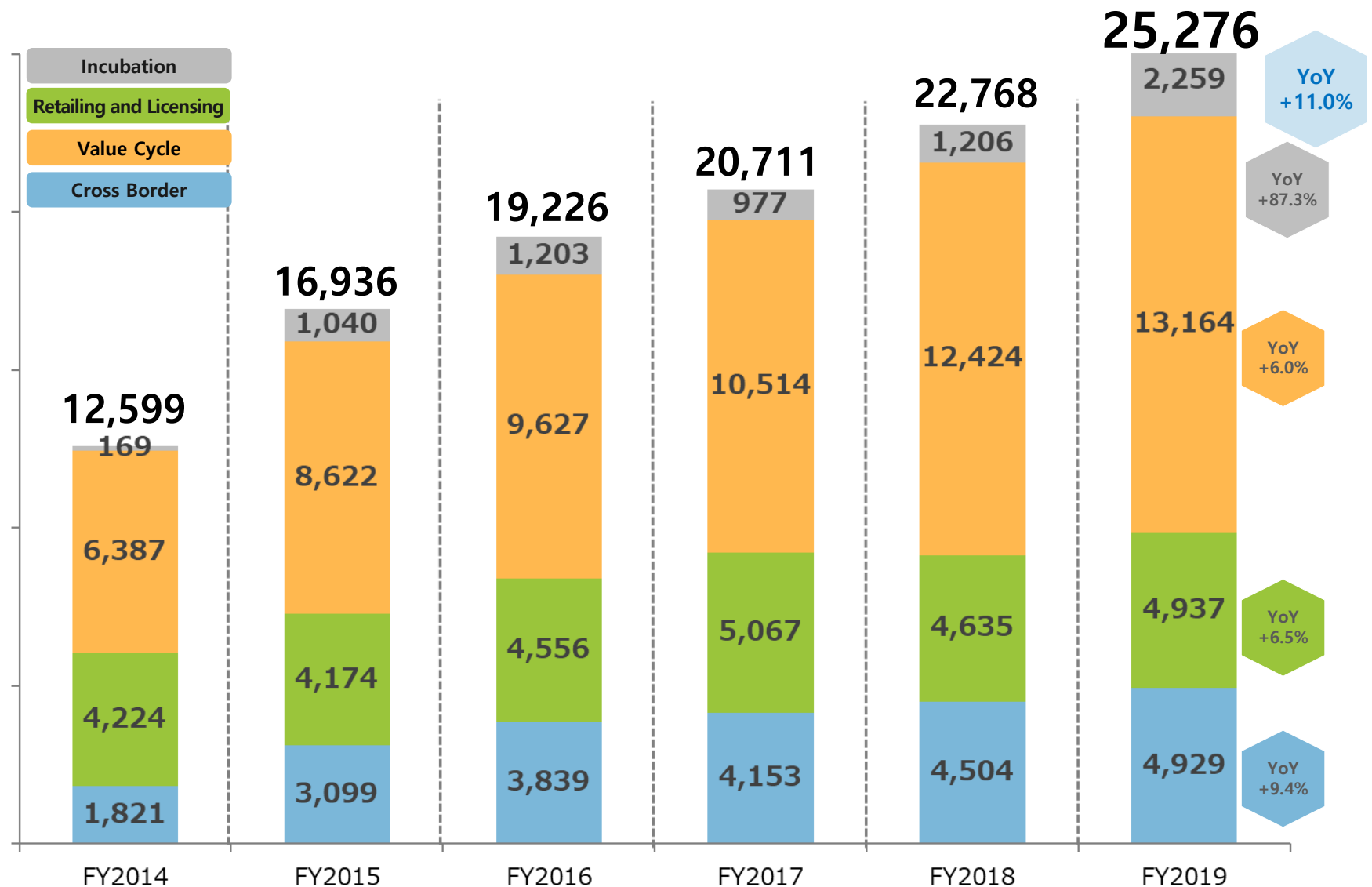
*3 Netprice, Ltd. is no longer a part of the BEENOS Group as of December 2017. (It's figures to November 2017 are included in the Retailing and Licensing Segment).

*4 Teikokushuhan Co. Ltd has become a part of the BEENOS Group as of April 2018. (Included in the Value Cycle Segment).

Consolidated Net Sales

(Unit: million JPY)

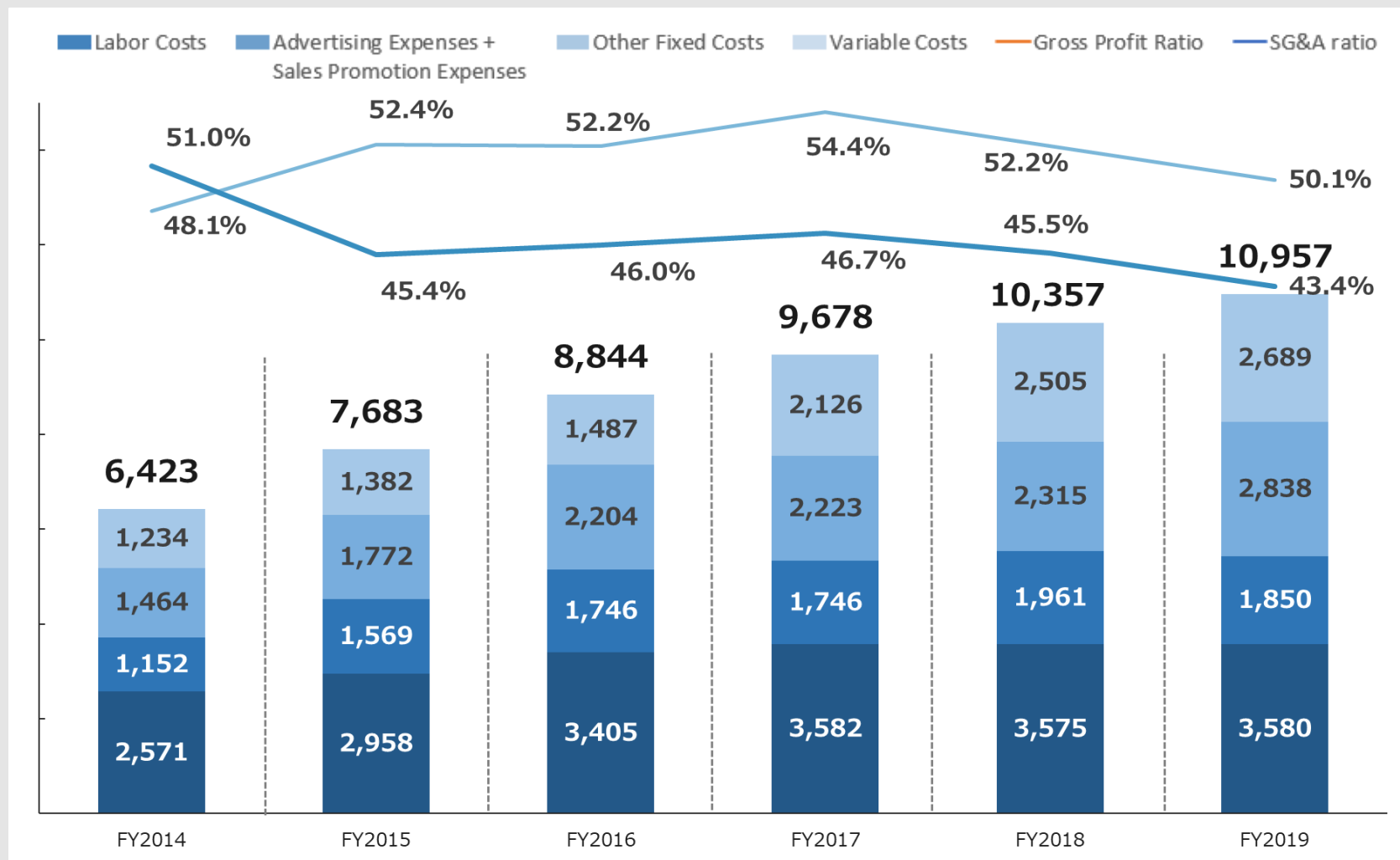
➤ Achieved record high in sales, all segments increase



Gross Profit Ratio and SG&A

(Unit: million JPY)

- Apparel Reuse Business shifts to higher ticketed items which led to a decrease in Gross Profit Ratio. SG&A Ratio decrease due to the suppression of Advertising Expenses.



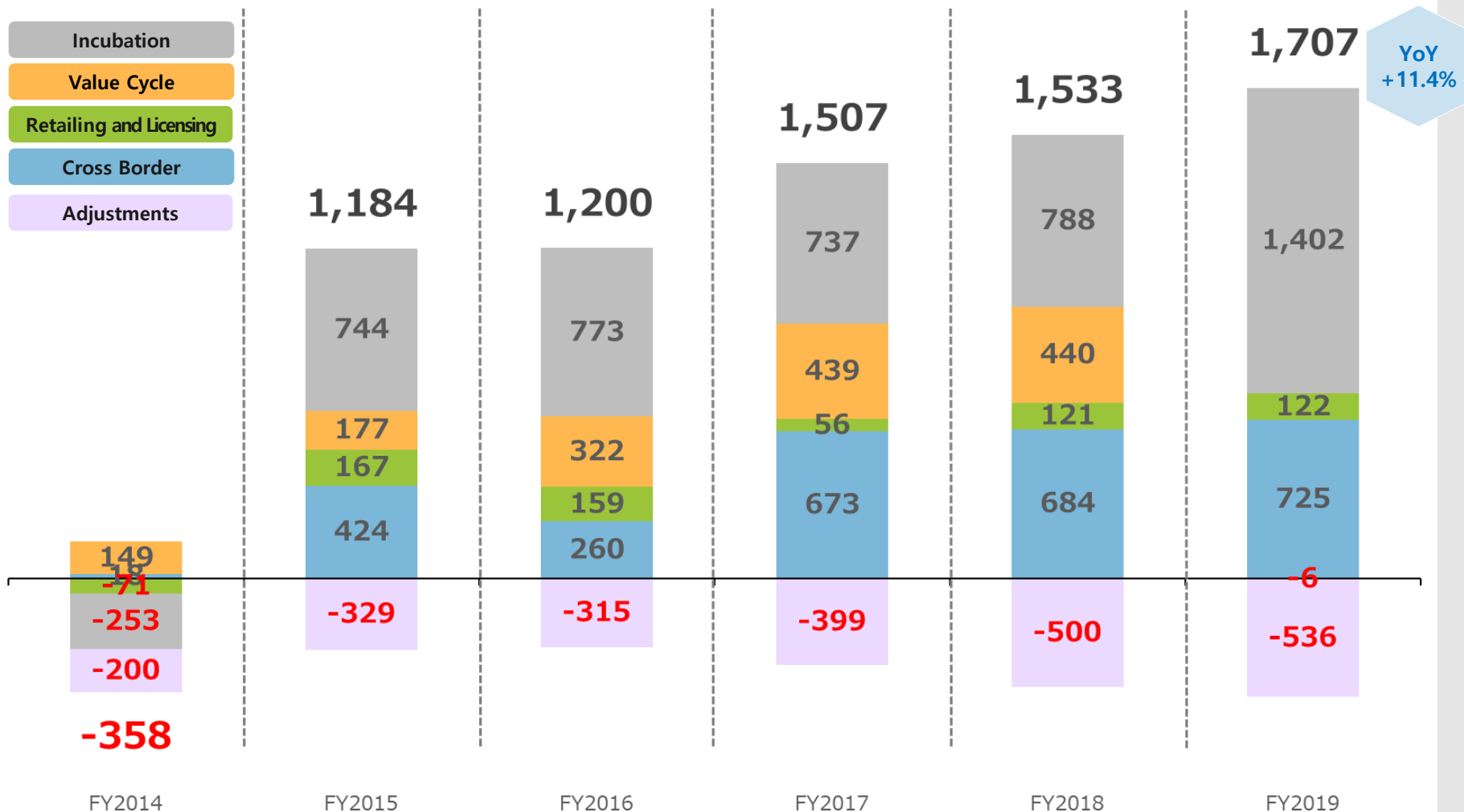
※ Bonuses are included in other fixed costs on a quarterly basis, but in Labor Costs on an annual basis

※ A portion of the Retailing and Licensing Business's Other Fixed Costs have been switched to Variable costs as of FY2017 due to its high conjunction with sales

Operating Income

(Unit: million JPY)

- Record high income in the Cross Border Business. Recorded sales from operational investment securities. Achieved record high on a consolidated basis.



Annual Consolidated Balance Sheet

Unit:Million yen	FY2017	FY2016	YonY
Current Asset	13,312	16,407	3,094
Cash and deposit	5,920	5,175	△744
Account Receivable	812	2,527	1,715
Operational Investment Securities	2,896	4,176	1,279
Products	1,840	2,689	849
Fixed Assets	2,378	2,403	25
Tangible Assets	459	417	△41
Intangible Assets	507	454	△53
Investment etc.	1,411	1,531	120
Current Liabilities	5,692	8,159	2,466
Account Payables	379	384	5
Short-term Loan	1,634	3,550	1,915
Current Portion of Long-term Loans Payable	8	0	△8
Fixed Liabilities	207	480	272
Net Asset	9,791	10,171	380
Total Asset	15,691	18,811	3,120

- Investments : +1772 Mil.
- Sales : △45 Mil.
- Appraised Loss : △228 Mil.
- FX Fluctuation : △219 Mil.

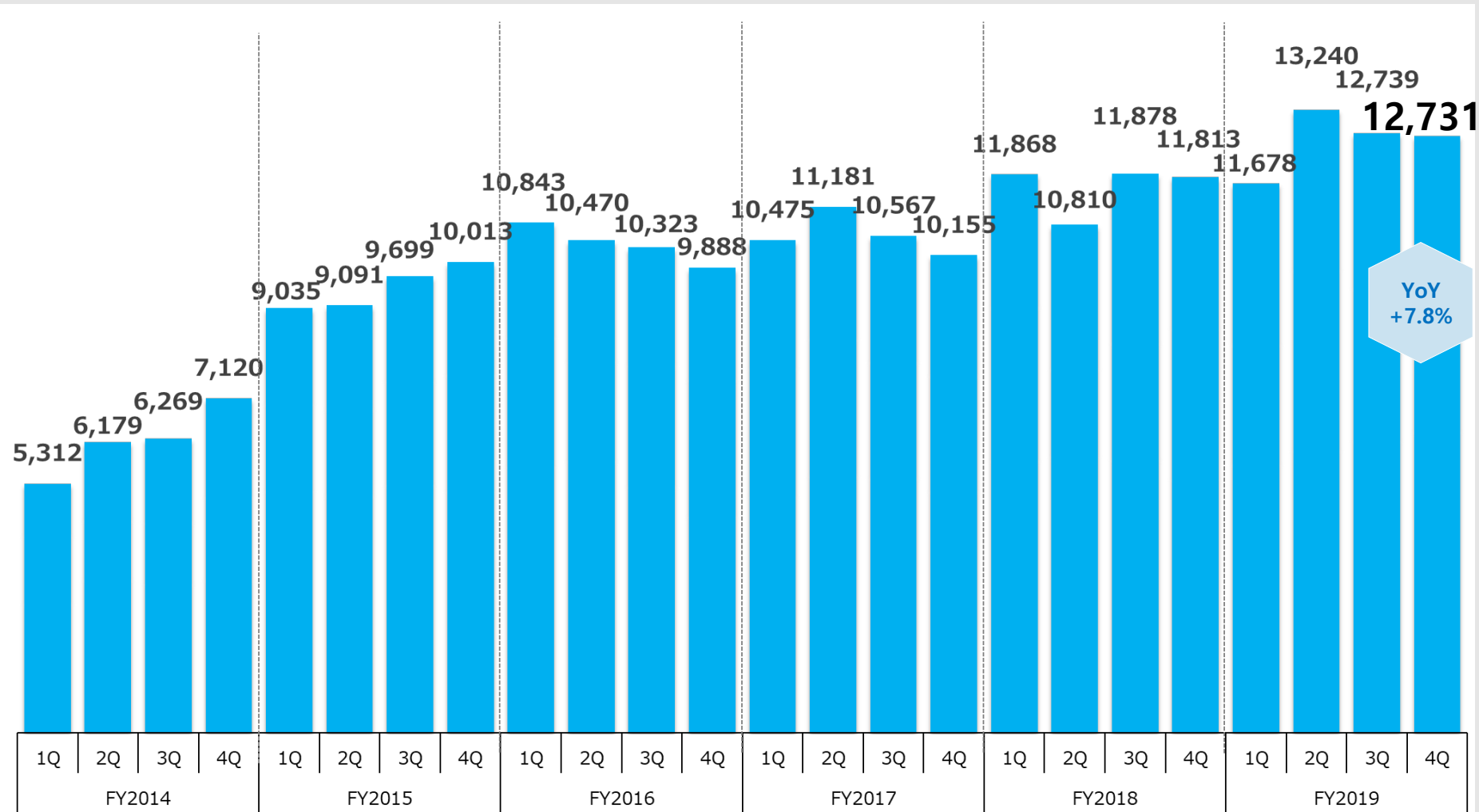
02. Quarterly Financial Results

July 2019 ~ September 2019

Quarterly Consolidated GMV

➤ 7.8% Increase YoY

(Unit: million JPY)

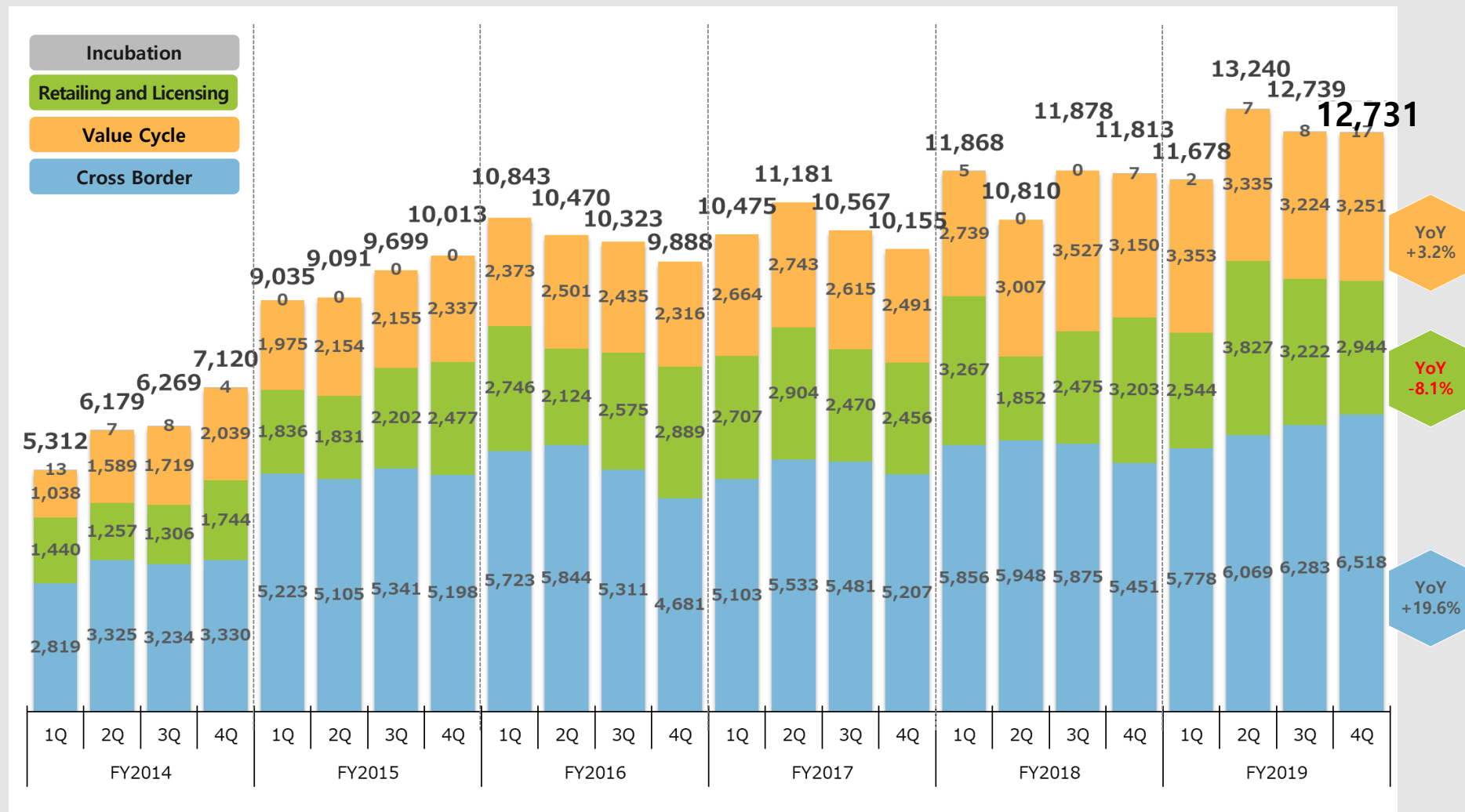


*The amounts represent the total of the merchandise of the Group companies. For businesses recording merchandise prices as sales, the GMV is the total amount of sales. For businesses recording only commissions as sales, the sum of merchandise, shipping charges, and consumption tax are recorded as GMV.

Quarterly Consolidated GMV (Segment Breakdown)

➤ 19.6% increase YoY in the Cross Border Business

(Unit: million JPY)

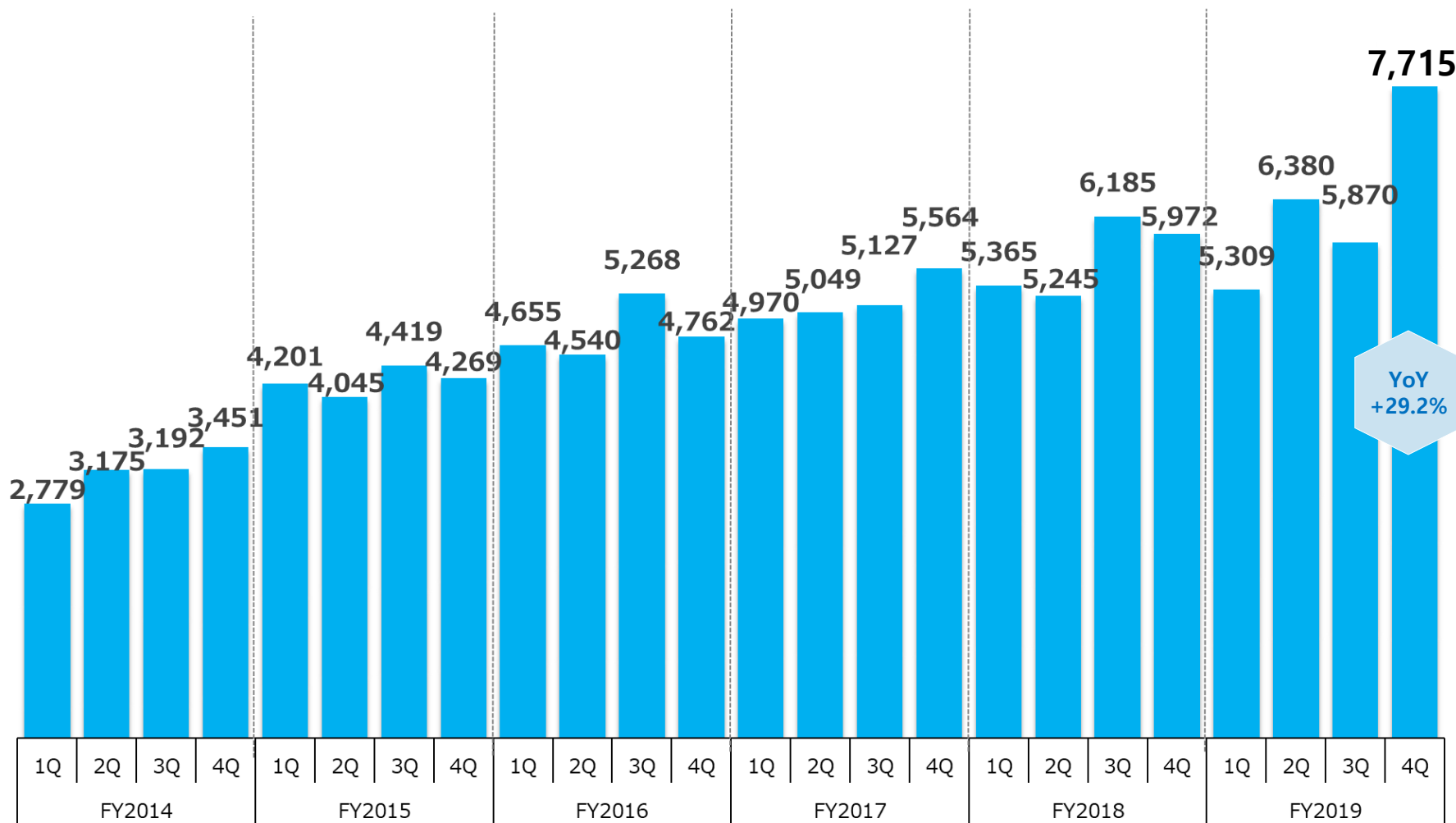


*The amounts represent the total of the merchandise of the Group companies. For businesses recording merchandise prices as sales, the GMV is the total amount of sales. For businesses recording only commissions as sales, the sum of merchandise, shipping charges, and consumption tax are recorded as GMV.

Quarterly Consolidated Net Sales

(Unit: million JPY)

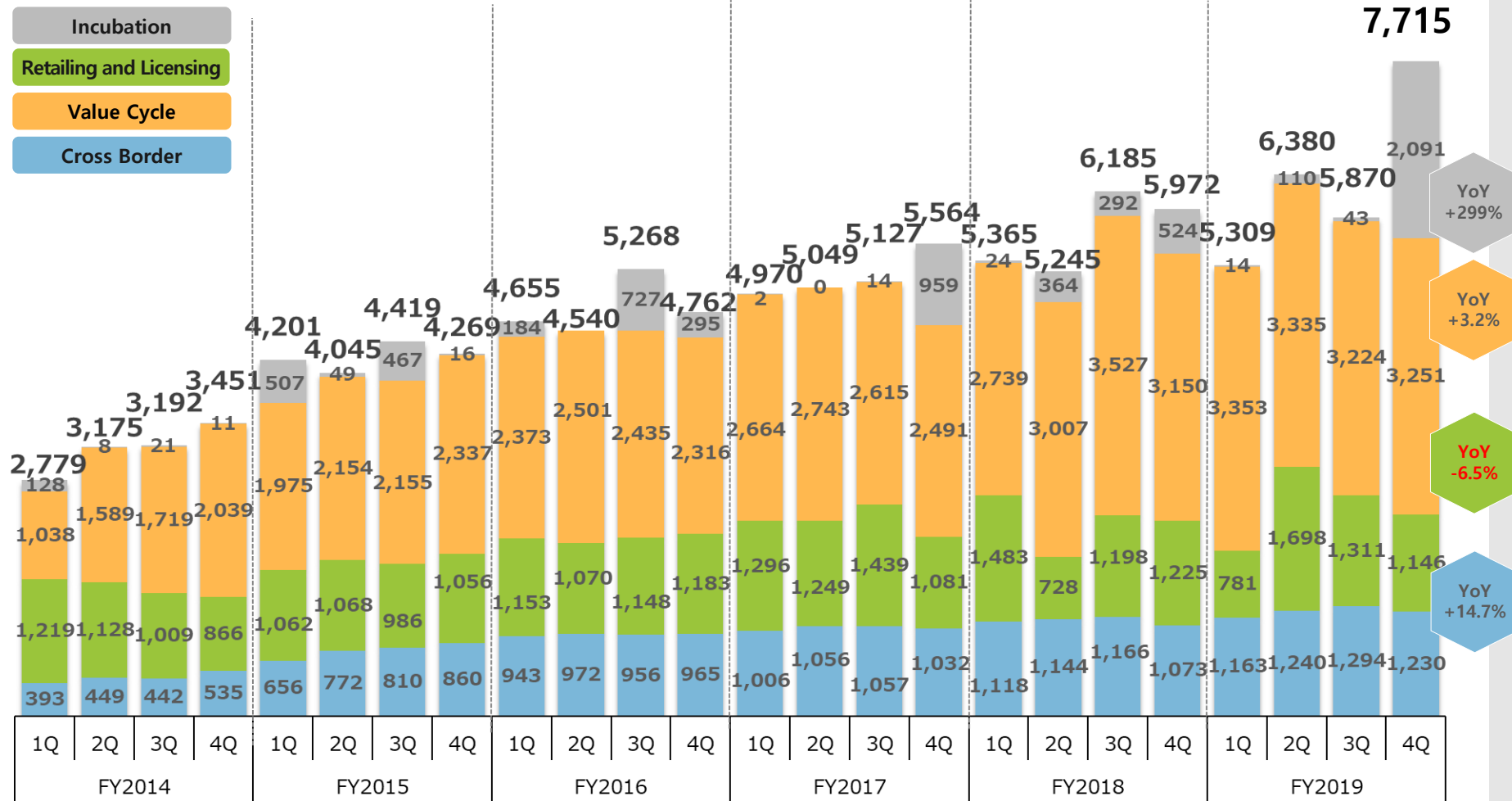
➤ Record high in sales on a quarterly basis



Quarterly Consolidated Net Sales (Segment Breakdown)

(Unit: million JPY)

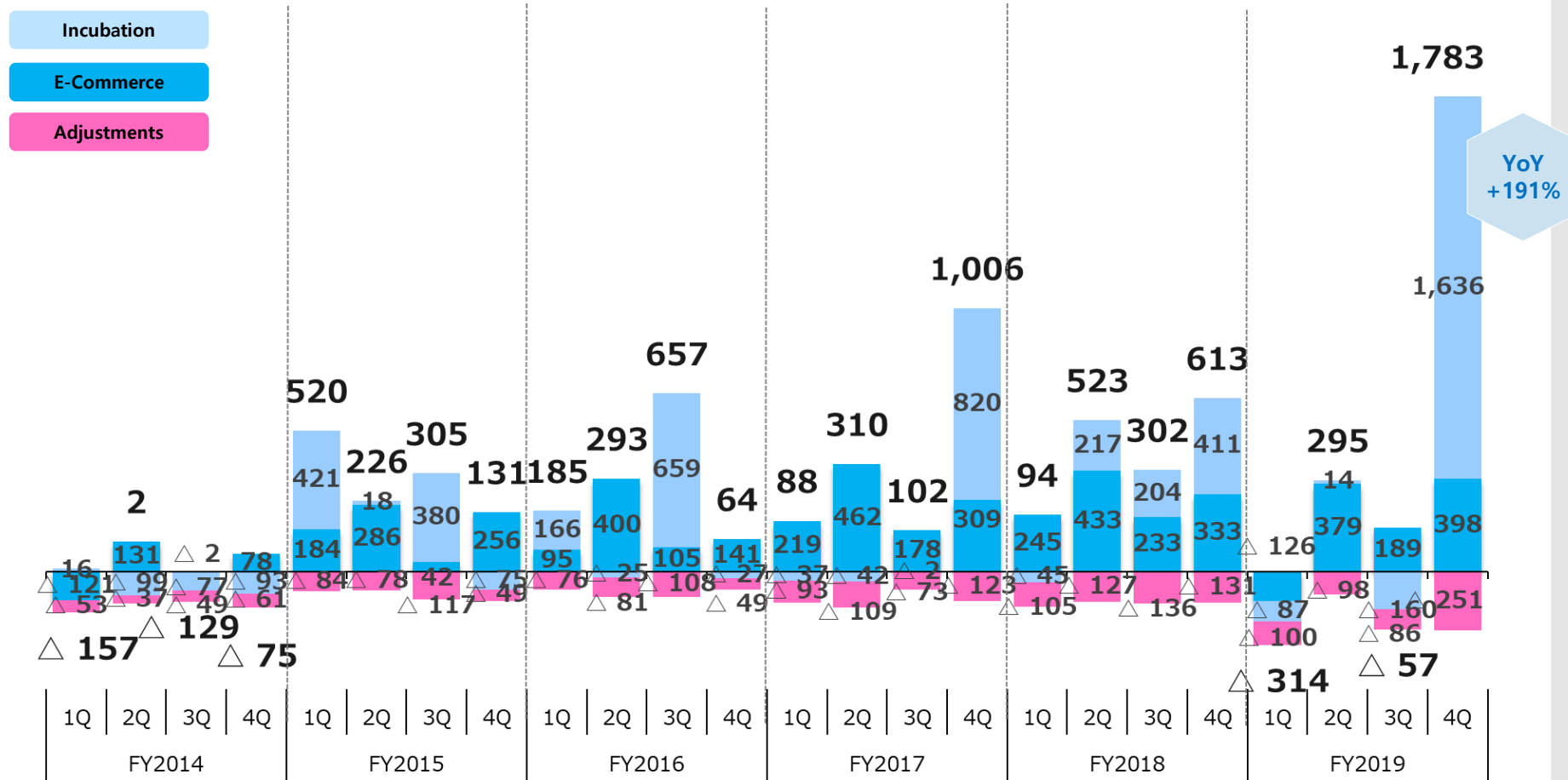
- Increase in sales due to sales of operational investment securities. Cross Border Business increases YoY 14.7%.



Quarterly Consolidated Operating Income

(Unit: million JPY)

- Large increase in income due to sales of operational investment securities

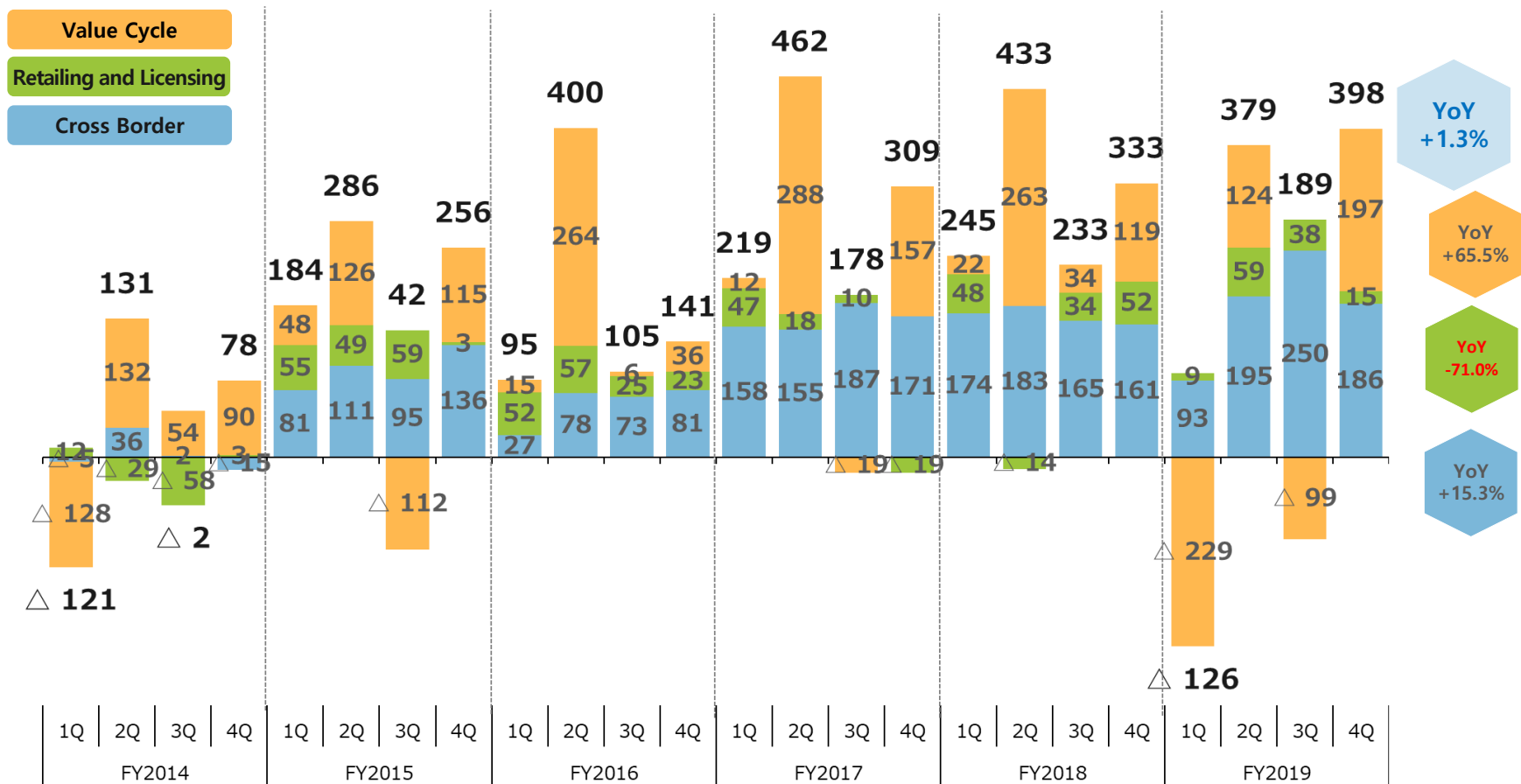


Quarterly Consolidated Operating Income

(Segment Breakdown)

(Unit: million JPY)

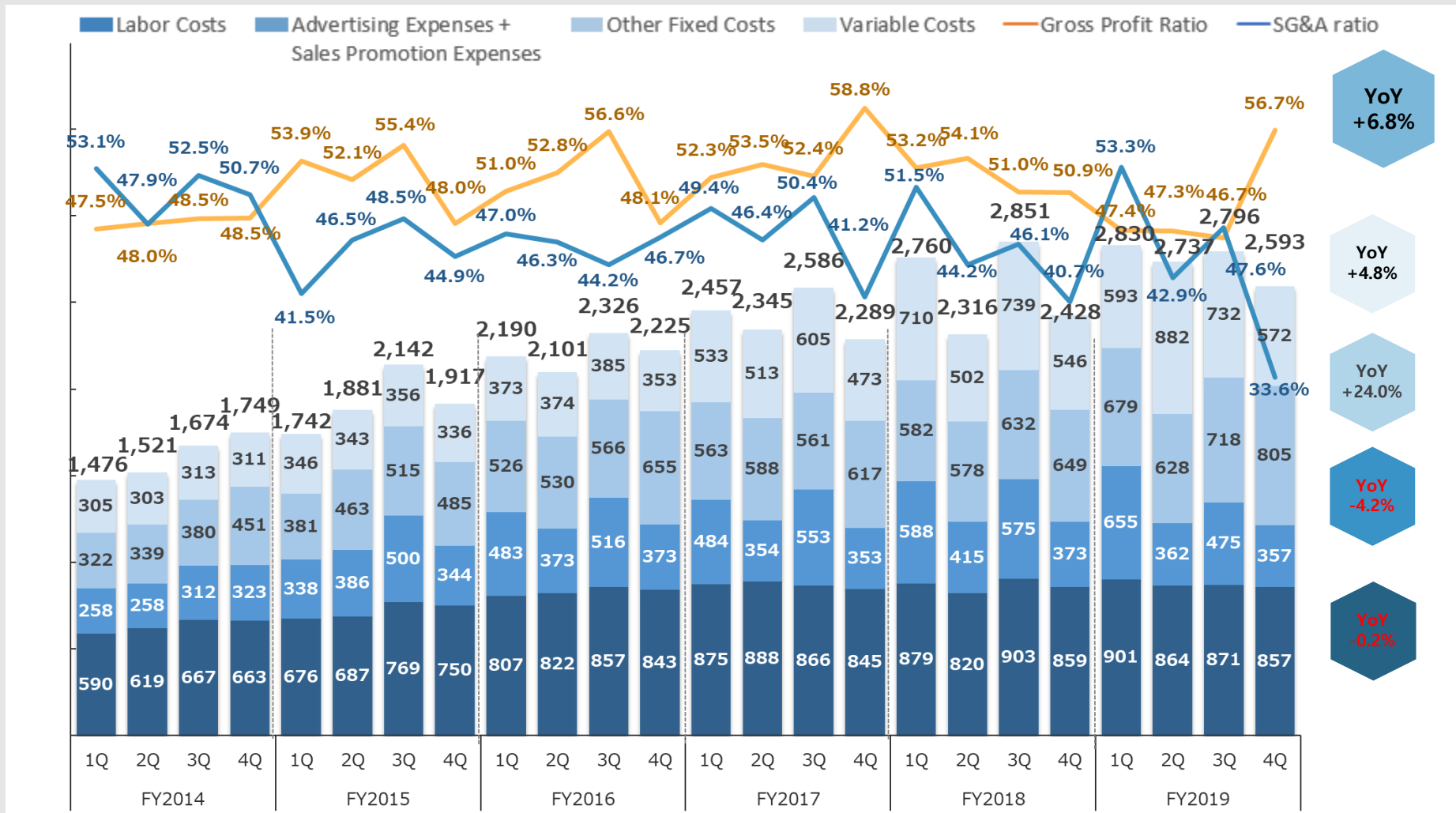
- Value Cycle Business's suppression of advertisement costs streamlined SG&A to result in 65.5% increase YoY



Quarterly Gross Profit Ratio and SG&A

(Unit: million JPY)

- **Gross Profit Ratio increases due to sale of operational investment securities. SG&A Ratio decreases due to suppression of advertising in Apparel Reuse Business**



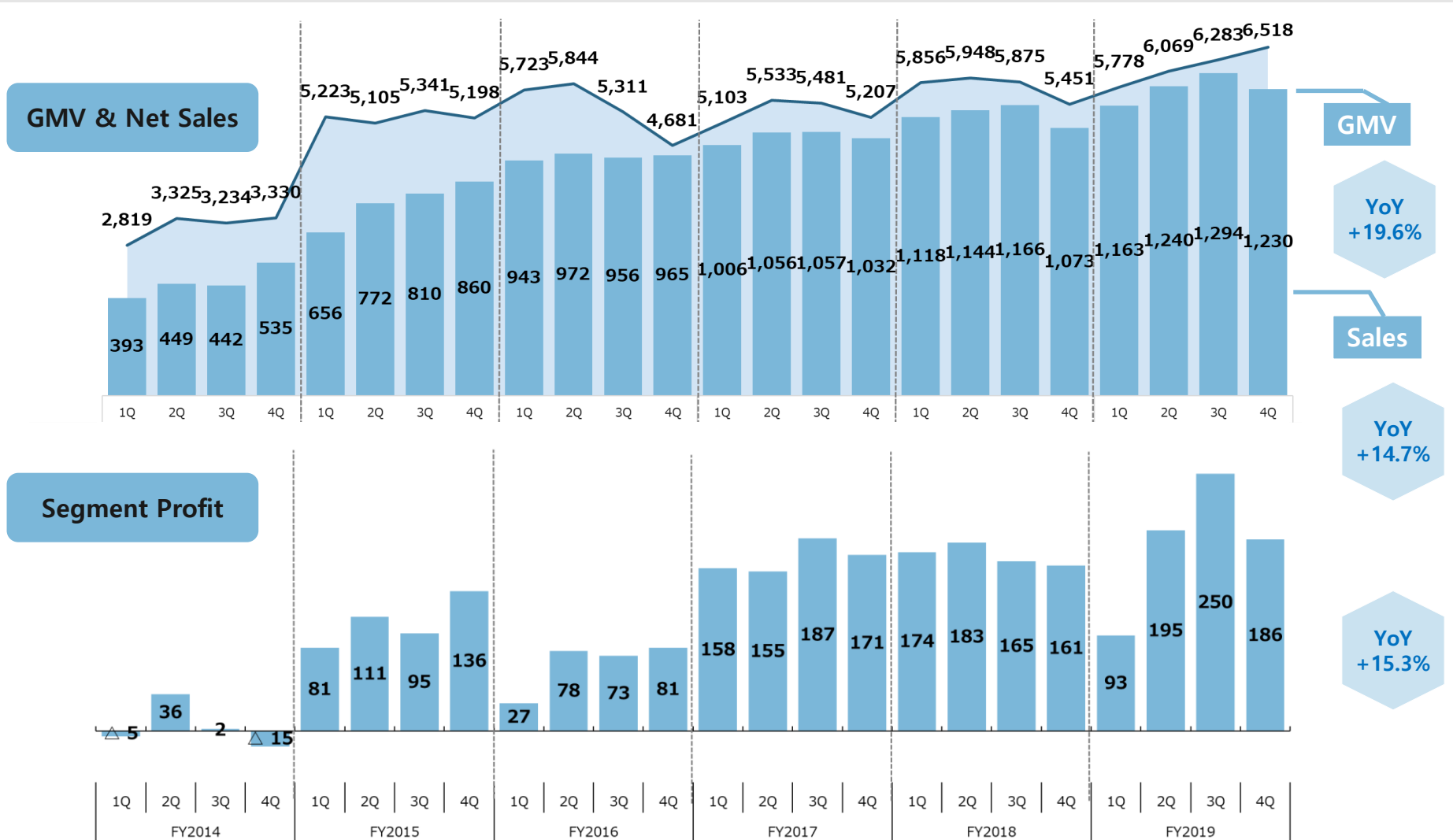
※ Bonuses are included in other fixed costs on a quarterly basis

※ A portion of the Retailing and Licensing Business's Other Fixed Costs have been switched to Variable costs as of FY2017 due to its high conjunction with sales

Cross Border Business Performance Results

(Unit: million JPY)

- Campaigns and marketing tactics succeed to result in increase YoY in GMV, Net Sales and Segment Profit



Cross Border Business GMV, Sales and Take Rate

(Unit: million JPY)

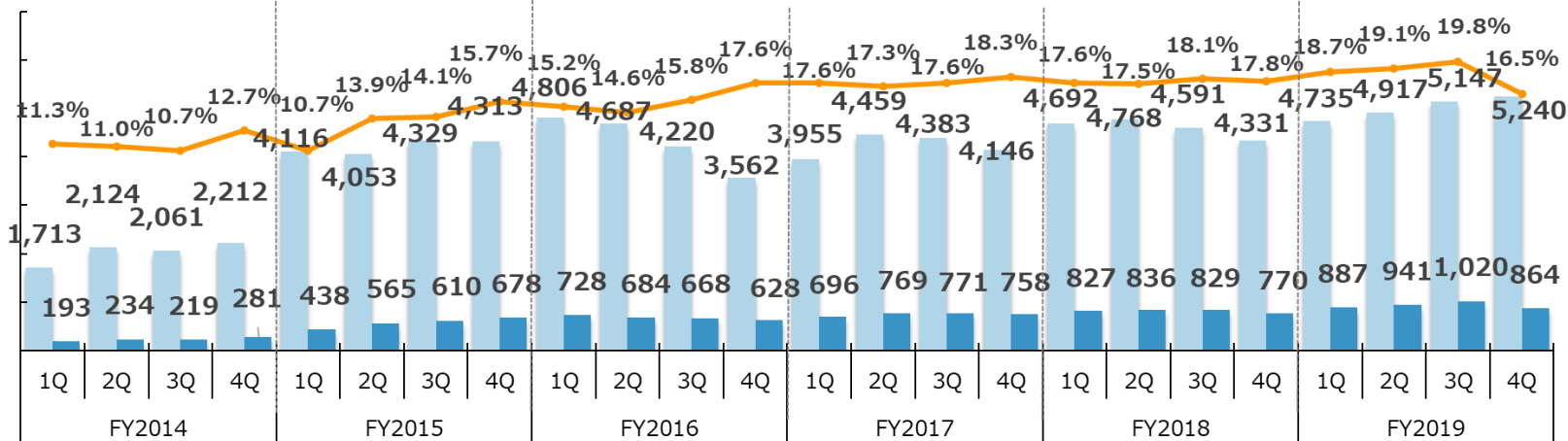
- From Japan and To Japan see large growth YoY. The fluctuation in Take Rate is temporary due to the influence of the accounting adjustments at the end of the fiscal year

【From Japan】

GMV

Net Sales

Take Rate
(Sales ÷ GMV)



YoY
+21.0%

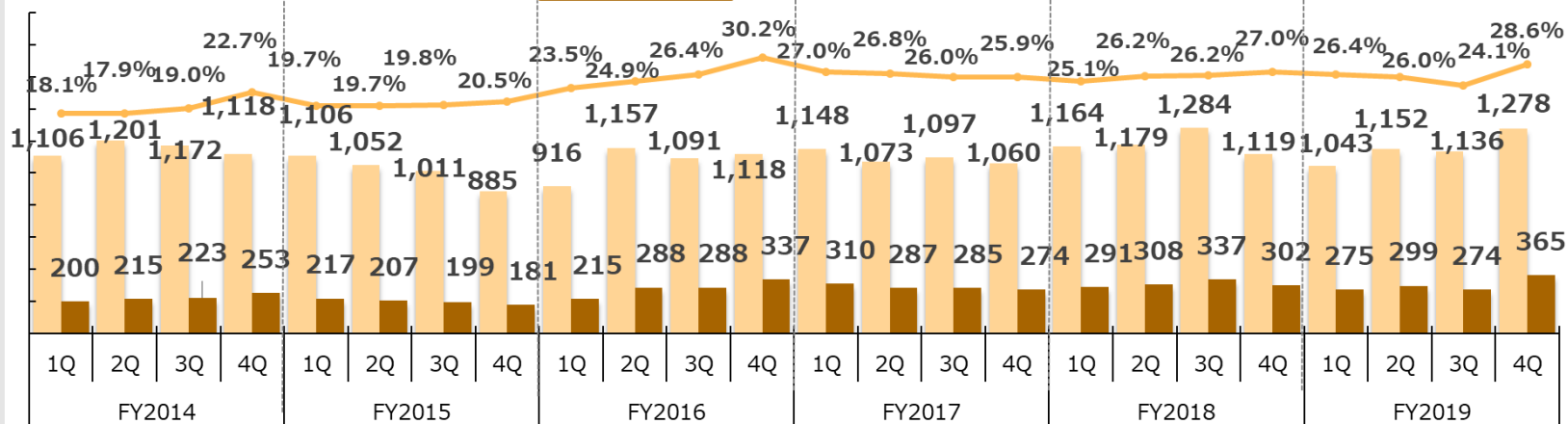
YoY
+12.2%

【To Japan】

GMV

Net Sales

Take Rate
(Sales ÷ GMV)



YoY
+14.2%

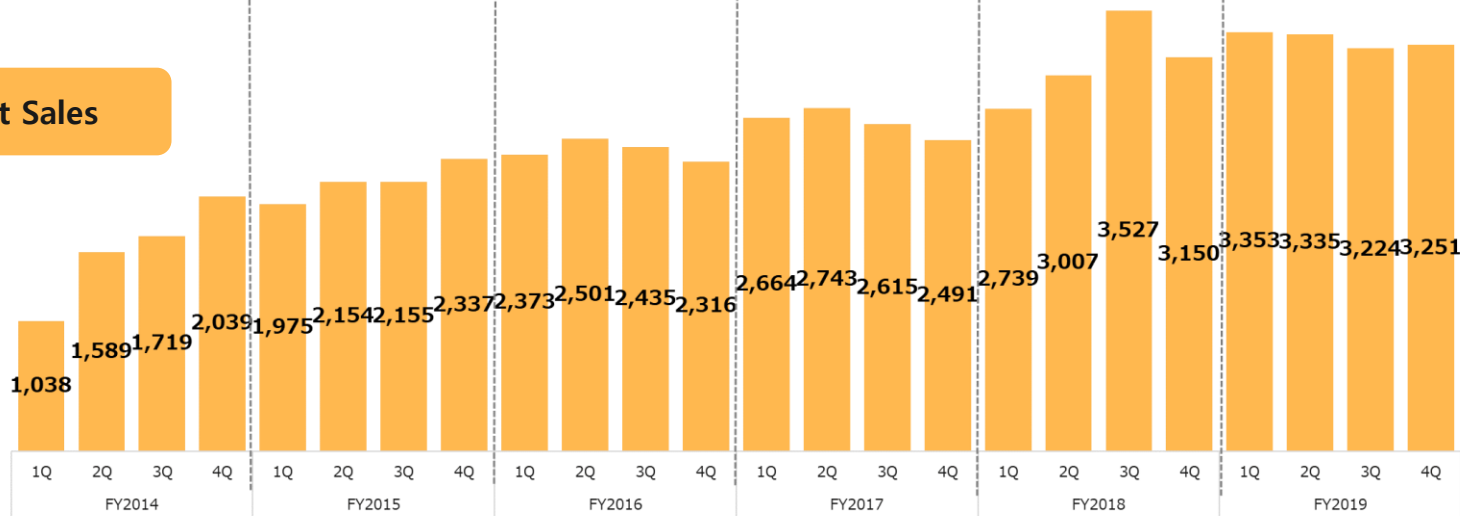
YoY
+20.9%

Value Cycle Business Performance Results

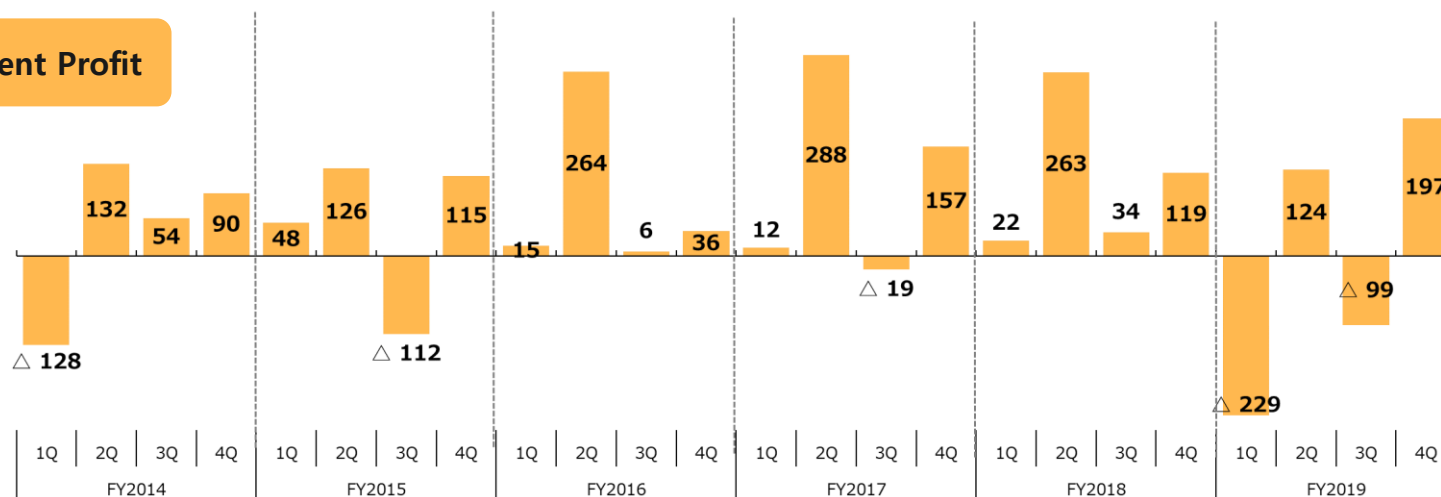
(Unit: million JPY)

- Gross profit ratio decreased, but the increase of sales and suppression of advertising expenses streamlined SG&A which led to a 65.5% increase in profits

Net Sales



Segment Profit

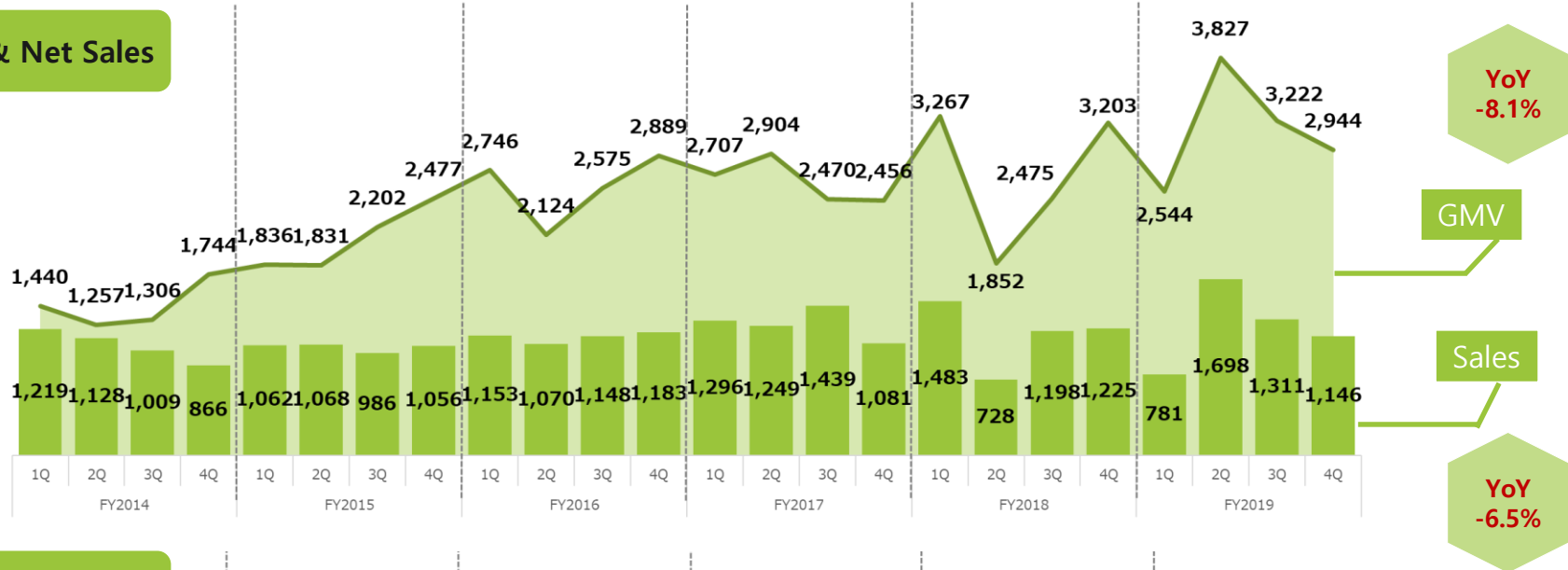


Retailing and Licensing Business Performance Report

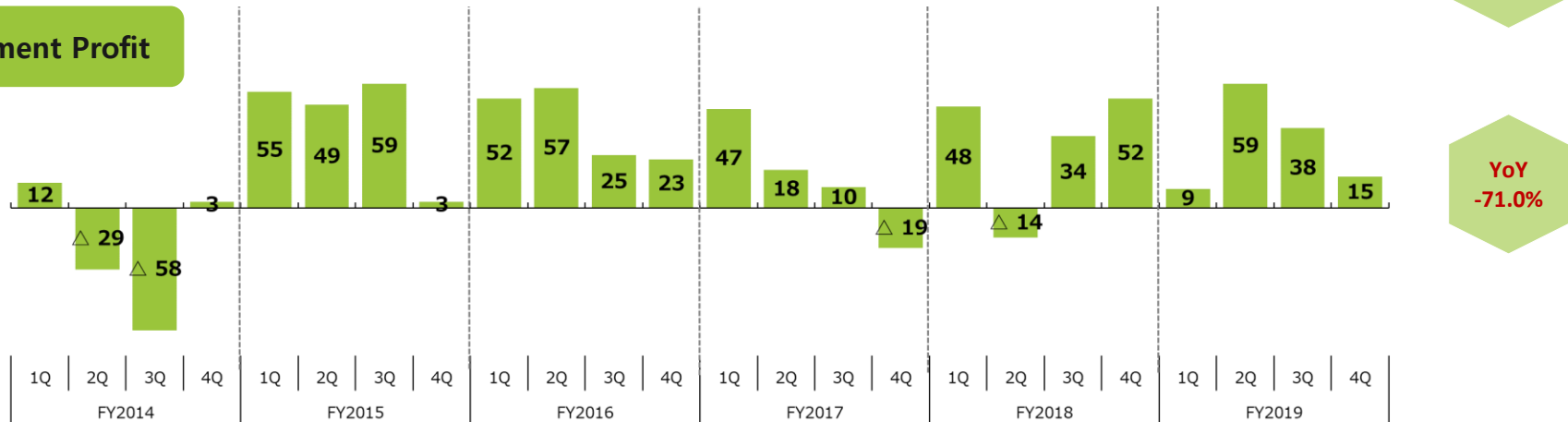
(Unit: million JPY)

- Less events in the Entertainment Business led to a decrease in sales and revenue

GMV & Net Sales



Segment Profit

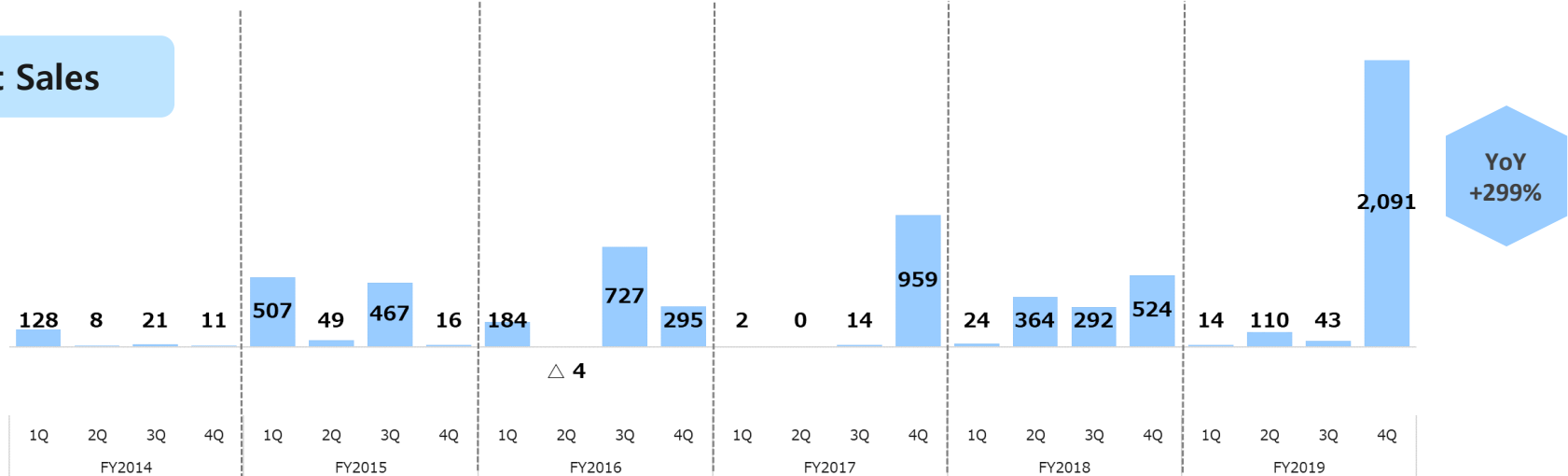


Incubation Business Performance Report

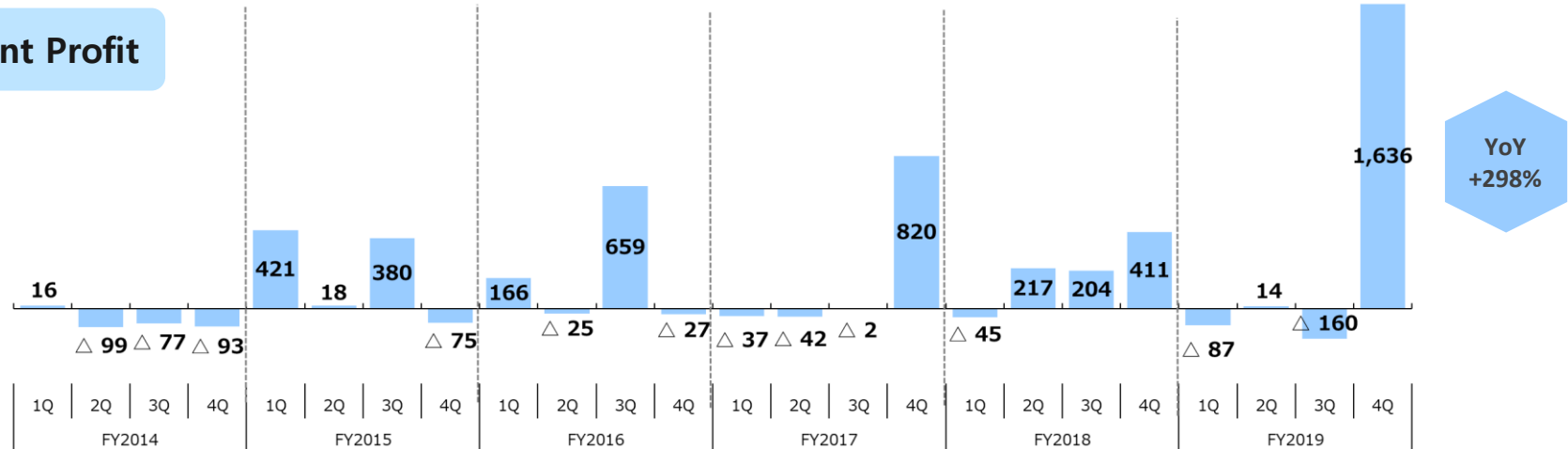
(Unit: million JPY)

- Increase in sales and profits as the sales of multiple operational investment securities continue as we monetize our appraised gains

Net Sales



Segment Profit



03. Outlook for FY2020

Shota Naoi
President and Group CEO

Disclosure of Forecast for FY2020

FY2019

Forecast for FY2019 not disclosed. GMV disclosed as a reference.

- Not logical to forecast the timing and amount of sales of operational investment securities
- Need to be flexible in timing and amount to invest in new businesses

FY2020

Forecast disclosed.

As we have decided to monetize 20% of our appraised gains in the Incubation Business by March 2020, we can provide a guidance for FY2020.

FY2021 Forward

We will make our decisions based on the given circumstances at the time.

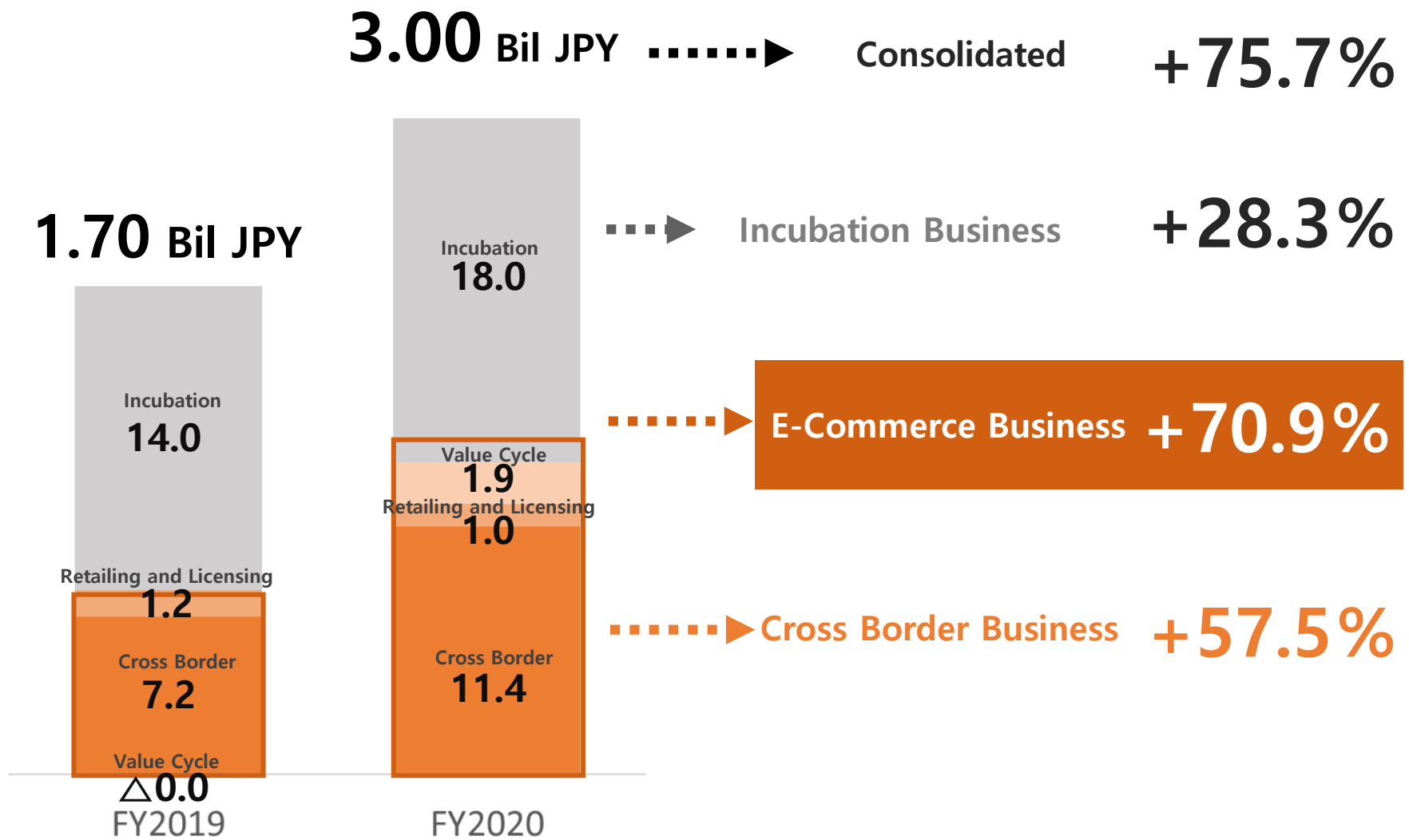
FY2019 Highlights and FY2020 Forecast

	FY2019 (Results)	FY2020 (Forecast)	YoY
GMV	50.3 Bil JPY	51.0 Bil JPY	+1.3%
Net Sales	25.2 Bil JPY	26.0 Bil JPY	+2.9%
Operating Income	1.7 Bil JPY	3.0 Bil JPY	+75.7%

Operating Income Breakdown for FY2020

	FY2019 (Results)	FY2020 (Forecast)	YoY
Consolidated	1.70 Bil JPY	3.00 Bil JPY	+75.7%
E-Commerce Business	841 Mil JPY	1.43 Bil JPY	+70.9%
Cross Border Business	725 Mil JPY	1.14 Bil JPY	+57.5%

Increasing profitability in E-Commerce, our core business



Updated Year-end Dividend Forecast to Increase

■ Dividend

	Dividend per Share (JPY)			Total Dividend	Payout Ratio
	End of 2Q	Year-end	Total		
FY2016	00.00	13.00	13.00	158 M	16.7%
FY2017	5.00 Commemorative Dividend*	13.00	18.00	221 M	21.8%
FY2018	00.00	13.00	13.00	158 M	17.2%
FY2019 (Previous Forecast)	00.00	13.00	13.00	-	-
FY2019 (Updated Forecast)	00.00	18.00	18.00	-	-

*TSE First Section Listing Commemorative Dividend

■ Share Repurchase

		Total number of shares repurchased	Percentage of issued shares	Total repurchased cost	Total return ratio (including dividend)
FY2018		100,000	0.8%	145 M	32.9%
FY2019		210,000	1.7%	288 M	-
		55,000	0.5%	92 M	
	Total	265,000	2.2%	380 M	

Accelerating our efforts on the Global Platform Frontier to connect Japan with the world

Domestic Marketplaces

E-Commerce

Manufacturers



Foreign Marketplaces



Etc.

- Cross Border EC
- Support to Open Stores

Current Partnerships



Etc.

Our Investees



Etc.

Shopee, a Major EC Mall in Southeast Asia/Taiwan



7

Countries Served



200 Mil+

App Downloads



9,000+

Employees



10 Mil+

Followers on Social Media



10.3 Bil+

GMV in USD



12 Mil+

Orders on 11 November Sale (Single Day)



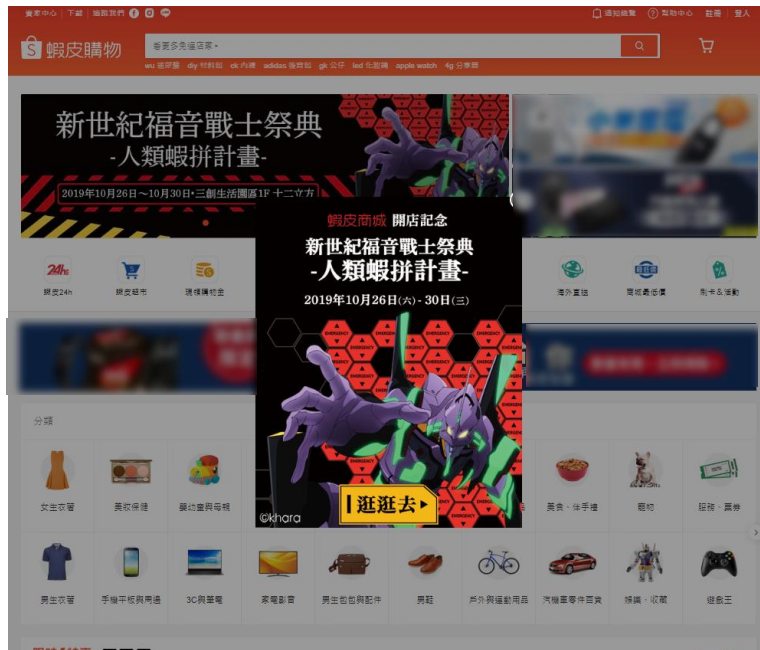
*as of 2018

Increasing resources in the “Contents” category

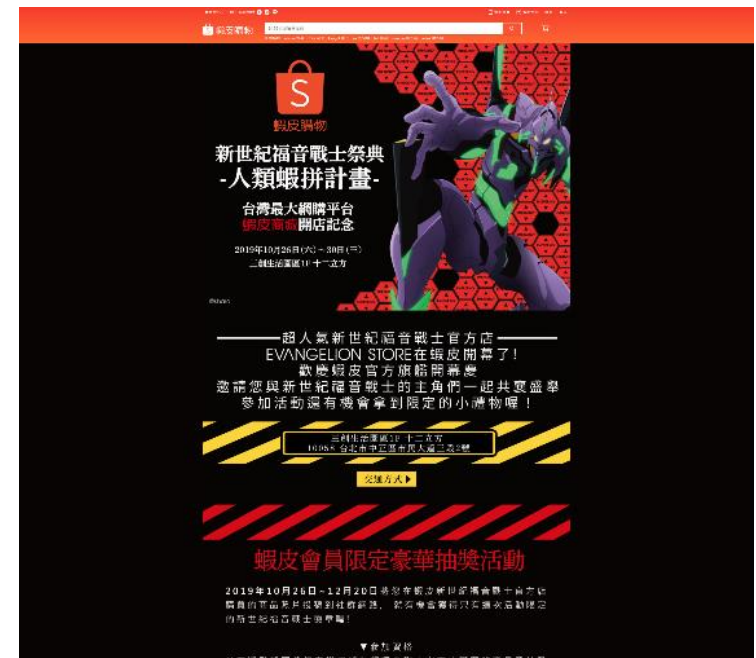
Entered Strategic Partnership with Shopee to support the globalization of Japanese businesses

First installment is the support of the official EC store for Neon Genesis Evangelion “EVANGELION STORE”

Shopee Taiwan Home Page



Shopee Taiwan Special Website



Creating merchandise of Japanese contents targeting the global market Aiming to maximize the value of IP (Intellectual Property) and Profits

Japan

Sold 860K products
Released approximately 30SKU products



Overseas

Commenced sales overseas
Sold approximately 30K products in
mainly Taiwan and Hong Kong

Taiwan

Increase penetration to
94 stores

China

Available via Cross Border EC

Hong Kong

Begin sales at 18 stores

Supporting the gain of recognition of Japanese shops overseas Plan and operate events overseas

Held event in Taipei, Taiwan to sell Evangelion merchandise (late October)



Photos of the Event



Panels of Famous
Scenes



AR Photo Frame



Shop



Display of Original
Artwork

SaaS Modeled Mobile Order/Payment Service “narabee” Launched November

Offers the ability to enjoy entertainment for efficiently with the use of technology solutions



Services starting with merchandise at concert venues for musicians Mobile app in development

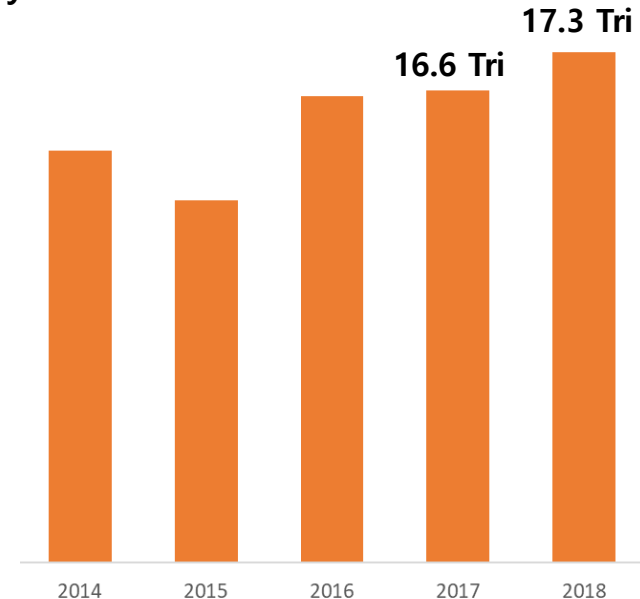
Lines for Merchandise at Event Venues



Event Market Size

• Event Market Size at 17.3 Trillion JPY (104.2% increase YoY) *Includes pre and post event preparation, travel, accommodation and off-site sales

• Spending at event venues consecutively increasing for 7 years



※Japan Association for the Promotion of Creative Events

How to use narabee

3 STEPS

Purchase Items in Advance

Perfect for people who want to buy items but don't want to wait in long lines



Choose Desired Pick-up Time

Get items just before events at the venue!



Pick-up Items at Designated Time

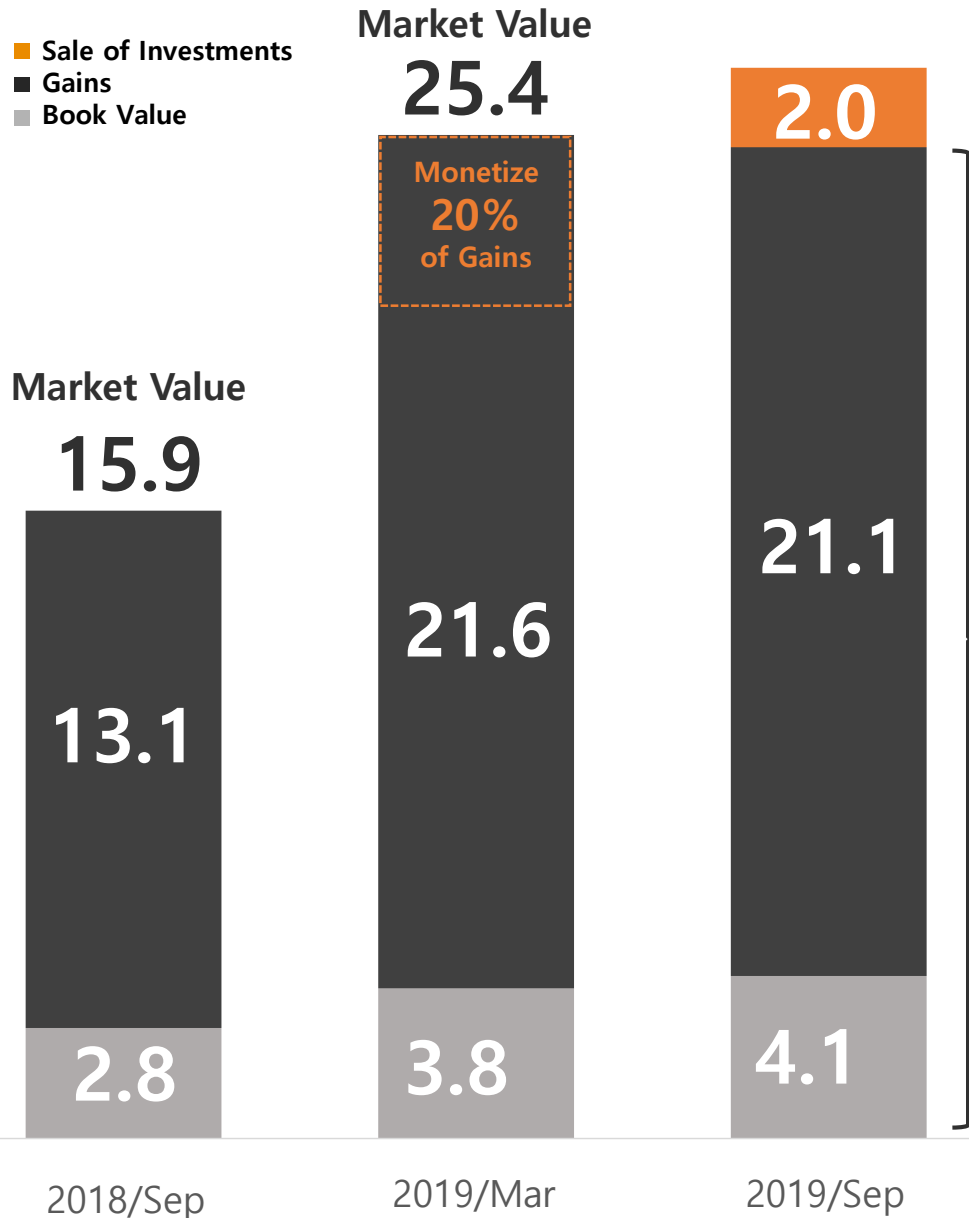
No waiting necessary with narabee!



Highlights of Investments in FY2019

Company	Business Region	Highlights	Release
Tokopedia	Indonesia's Largest C2C Online marketplace	Raised 1.1 Bil USD (124 Bil JPY) in Funding	Dec. 2018
Zilingo	Southeast Asia's Fashion/Beauty Online Marketplace	Raised 226 Mil USD (25 Bil JPY) in Funding	Feb. 2019
NoBroker	India's Online C2C Real Estate Marketplace	Raised 51 Mil USD (5.5 Bil JPY) in Funding	Jun. 2019
Iyzico	Turkey's No. 1 Online Payment Service	Sold to Naspers fintech subsidiary PayU	Jun. 2019
RAENA	Southeast Asia's Influencer Commerce Platform	Raised 1.8 Mil USD (195 Mil JPY) in Funding, including BEENOS	Jul. 2019
NoBroker	India's Online C2C Real Estate Marketplace	Raised 50 Mil USD (5.4 Bil JPY) in Funding	Oct. 2019

Fair Market Valuation of Operational Investment Securities BEENOS



Market Value

25.2 Bil JPY

【How we calculated the market value】

Listed Companies: Stock price as of 31 March 2019

Unlisted Companies: We calculate our total based on our number of shares with the price of the most recent stock issuance price.

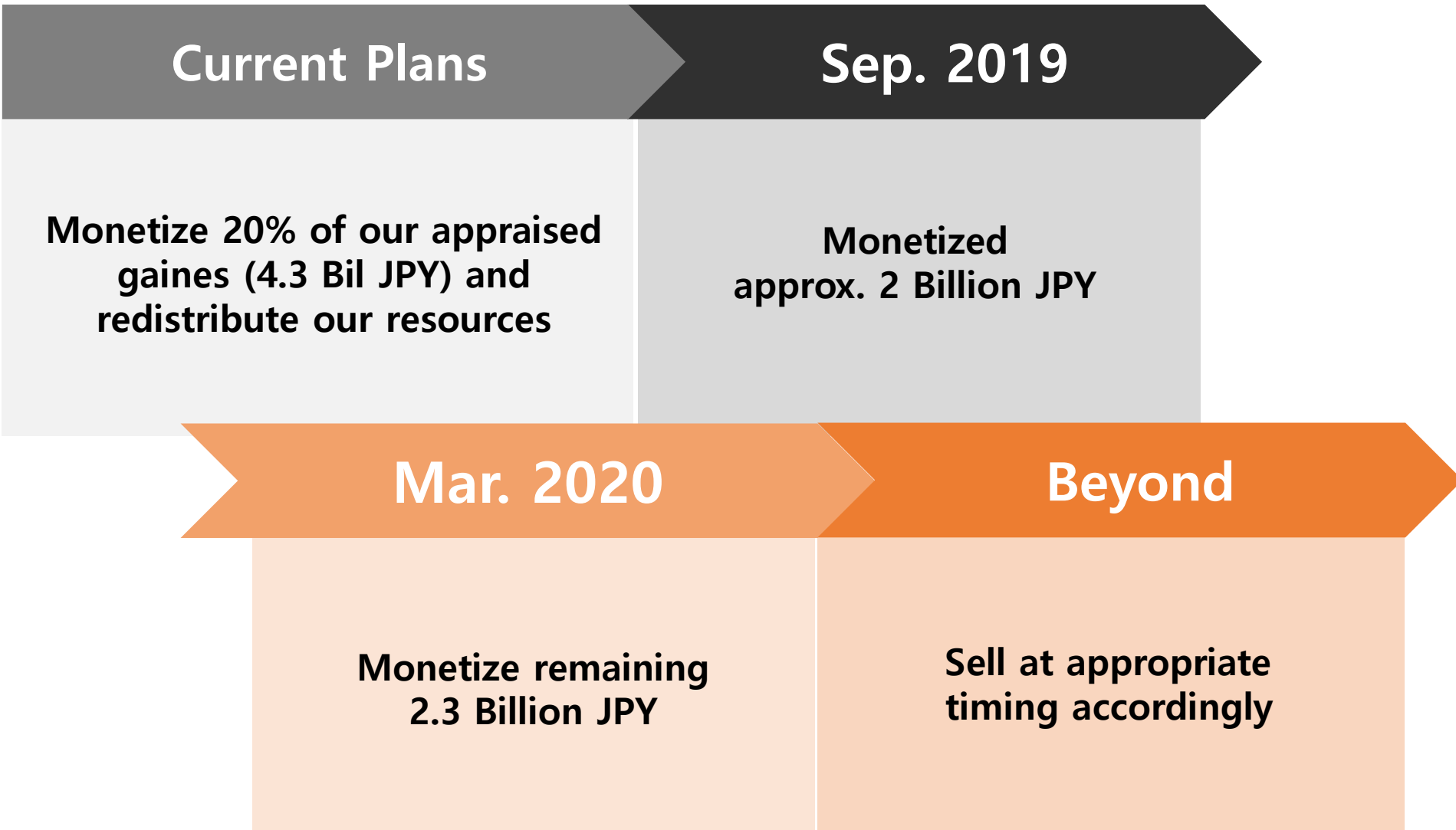
However for companies that have not issued stock within 1 year and have recorded allowance for loss on investment have been priced at book value.

This amount has been calculated internally and has not gone through the auditing process.

【Future release schedule】

We plan on releasing the valuation of our investments on a semi-annual basis (September and March).

We may also disclose information at times of sales of investments, etc. if we feel that it is relevant.



1

Forecast consolidated operating income to increase 75.7% to 3 Billion JPY

2

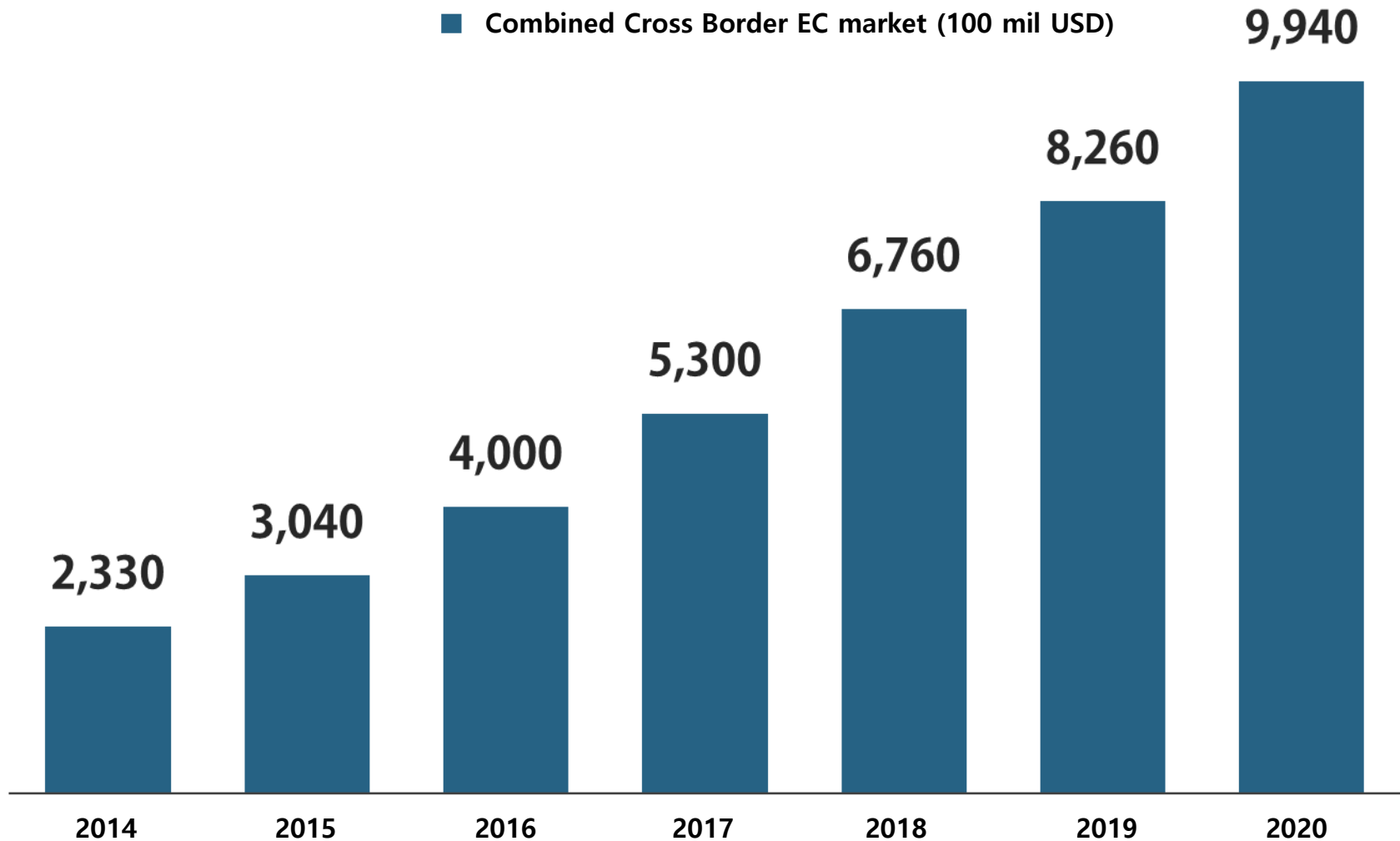
E-Commerce Business operating income to increase 70.9%

Cross Border forecasted to increase 57.5%

3

Selling operational investment securities are proceeding as planned. Will continue to sell accordingly after scheduled sales

Market Data



Reference : Alizila, Jan 2017

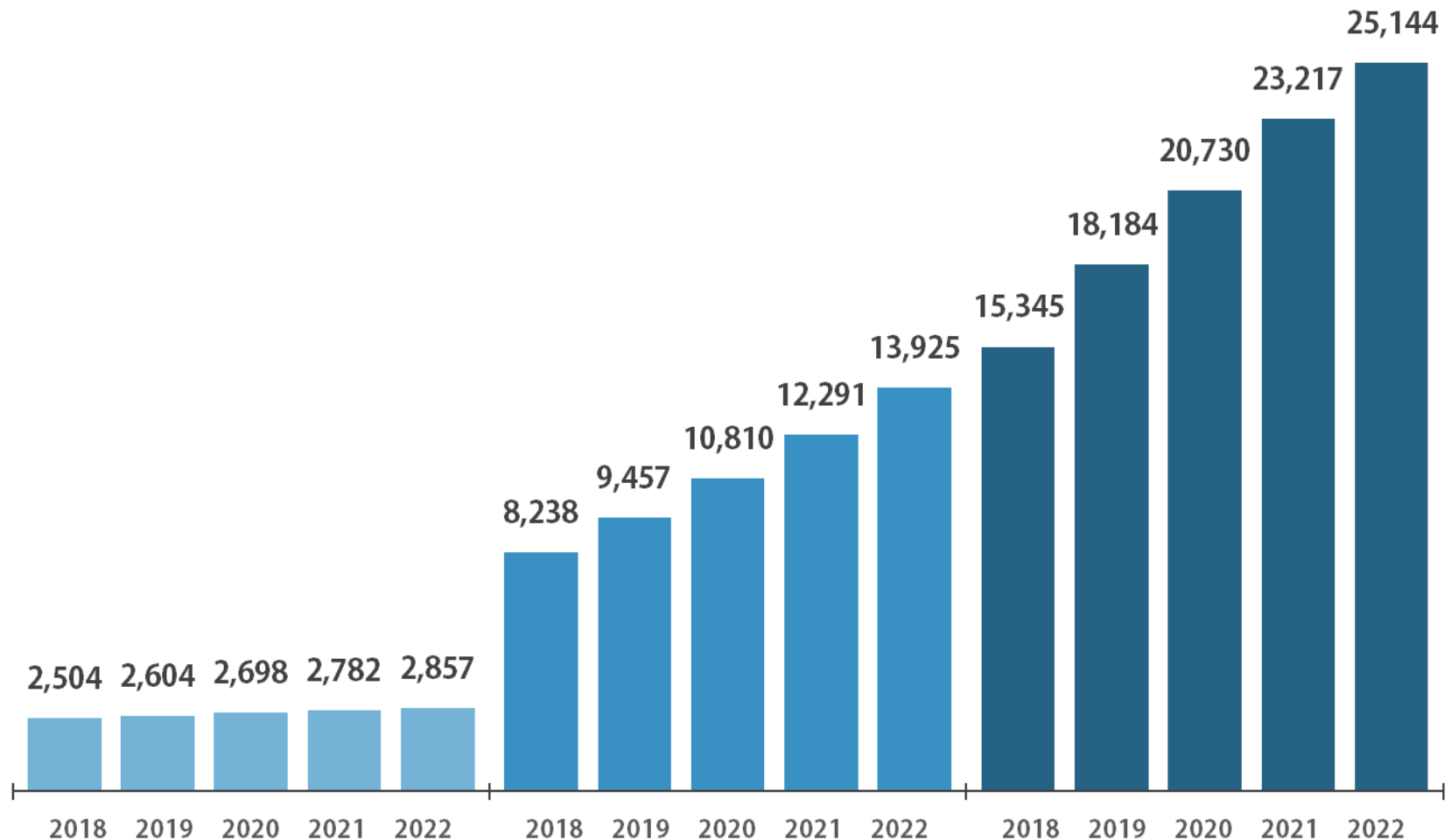
Cross Border E-Commerce market between countries

(Unit : 100 mil JPY)

US → Japan

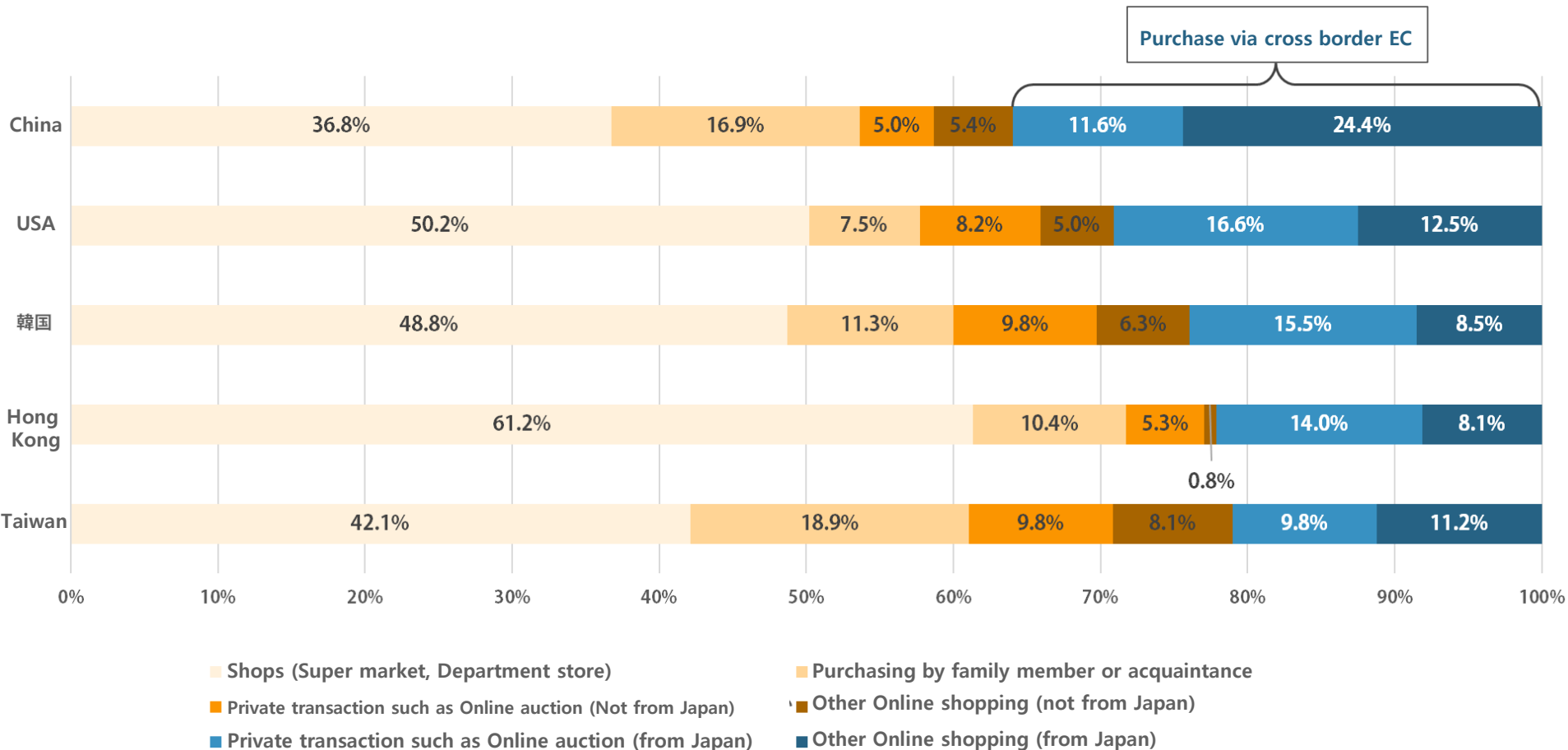
Japan → US

Japan → China



Reference : Ministry of Economy, Trade and Industry Data (2019)

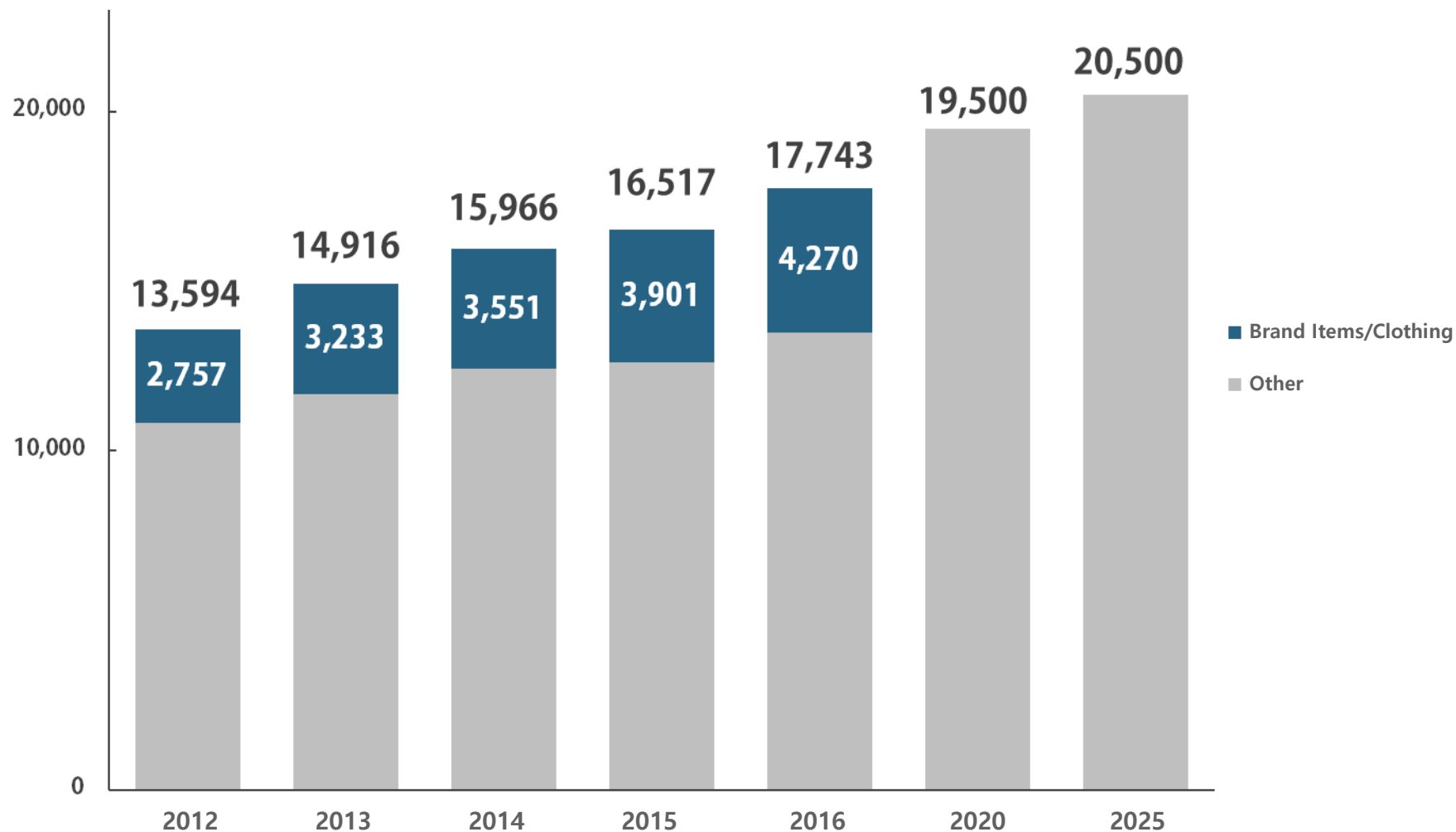
How to purchase Japanese products



Reference : Survey of Japan Tourism Agency (2017)

Reused Items Market

(Unit : 100 mil JPY)

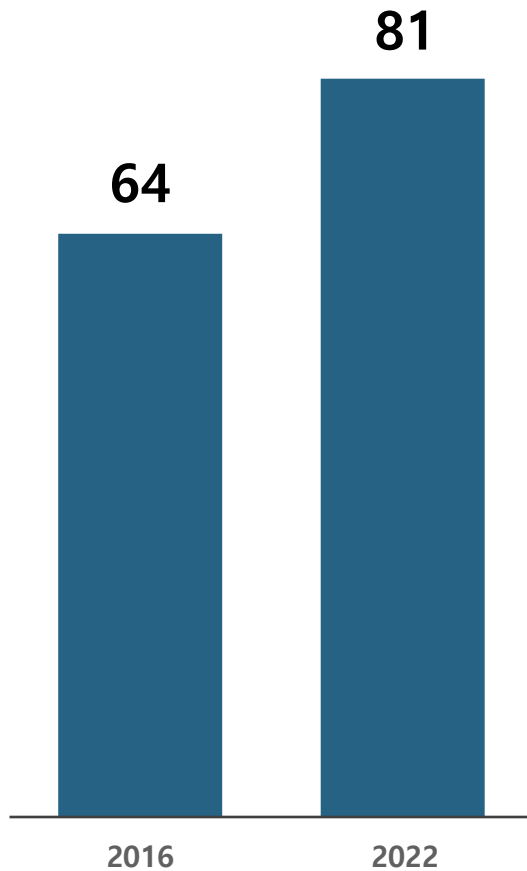


Reference : Compiled internally based on "Recycle News: the data book of secondhand market 2018" report by The Remodeling Business Journal

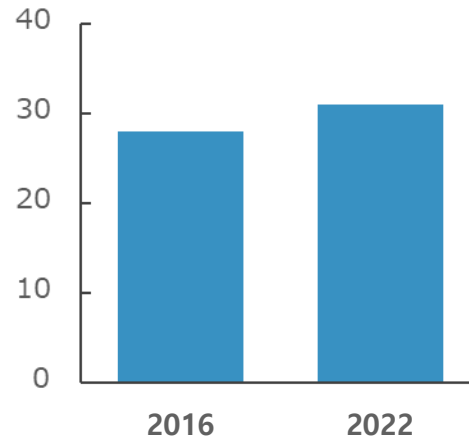
International Contents Market

(Unit : Trillion JPY)

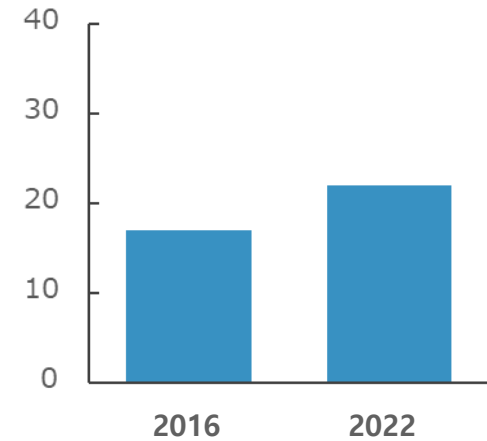
International Contents Market



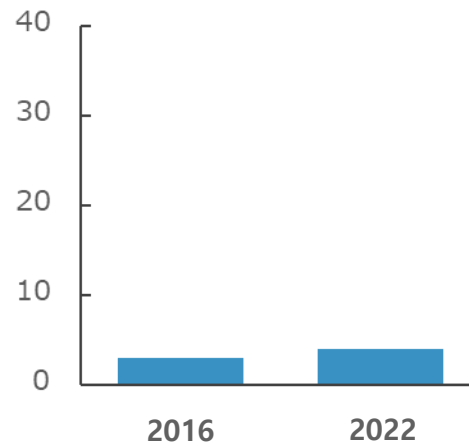
North America



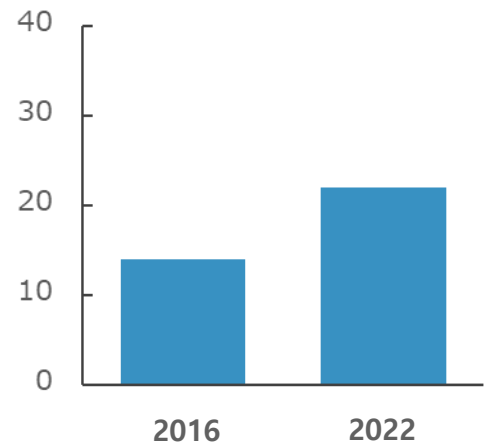
Europe/Middle East/Africa



South America



Asia Pacific



Reference : RolandBerger Research

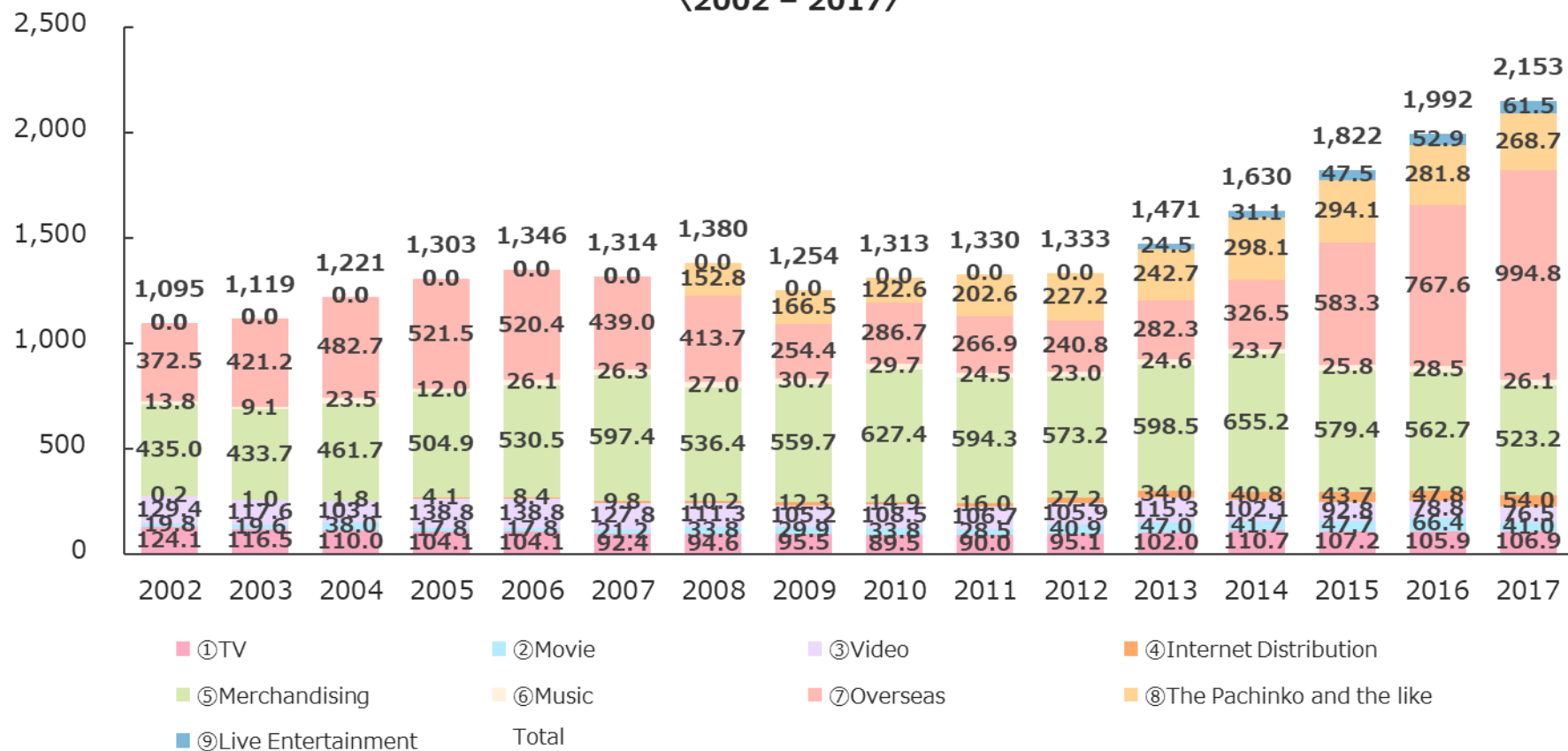
Calculated at 1 USD =108 JPY

(Unit : 1 Bil JPY)

Japanese animation market trends in a broad sense

(i.e. market size based on estimated revenues in animation and animation-related markets)

〈2002 – 2017〉





























Reference: Based on questionnaires conducted by the Association of Japanese Animations and statistics released to the public

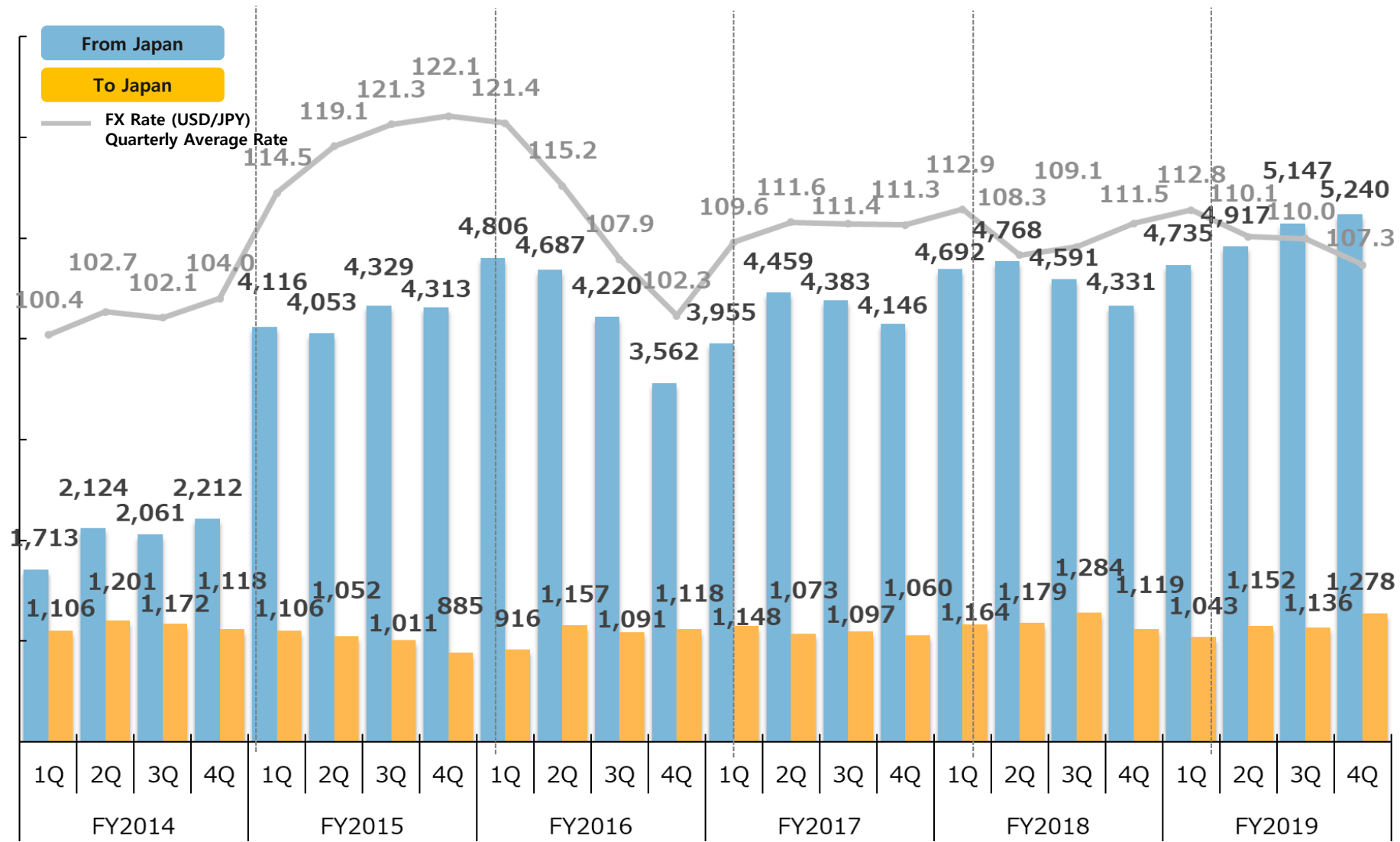
Reference Materials

List of Main Investments

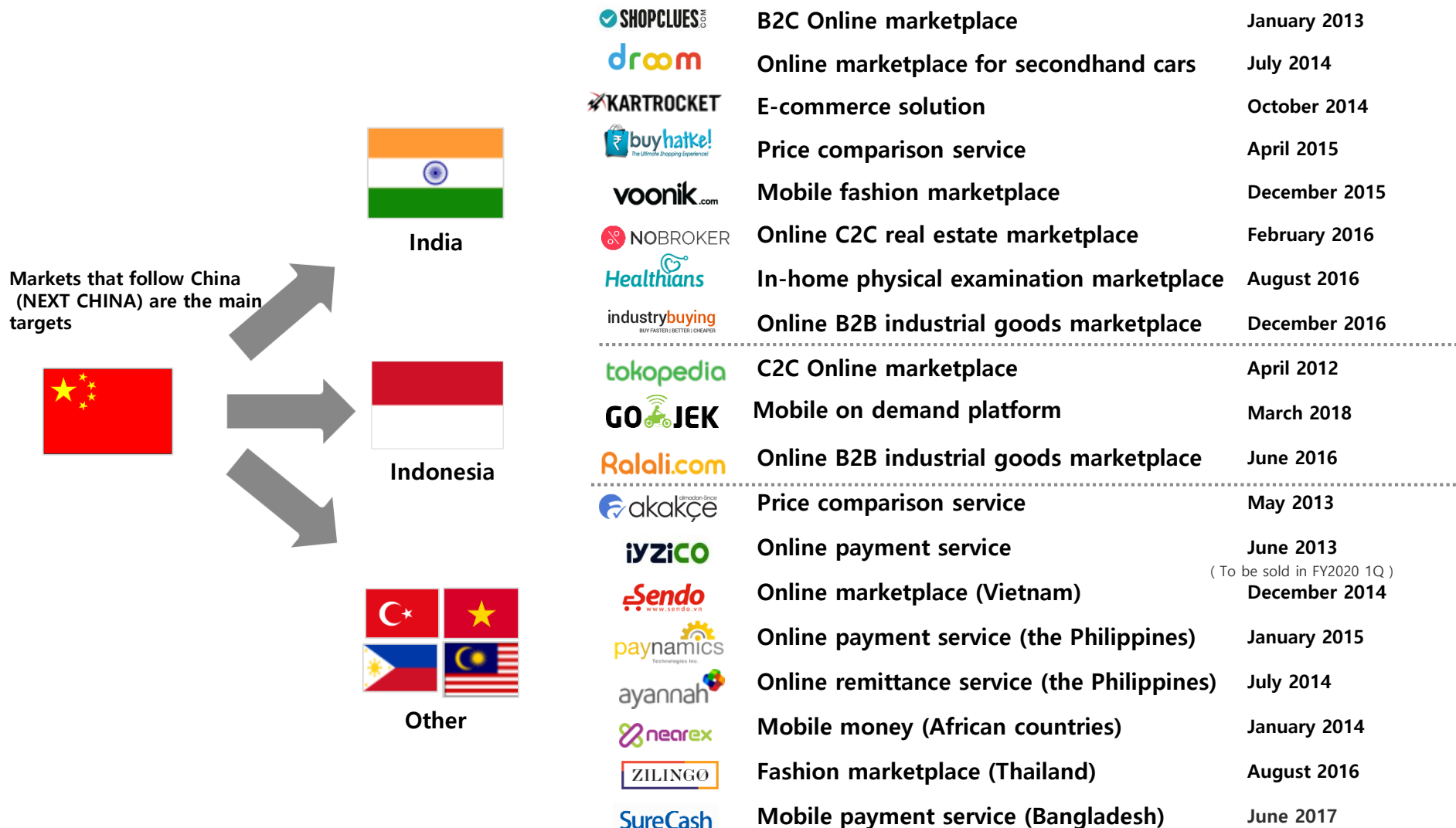
As of September 2019

Investment Ratio	Emerging Countries		Other		
	India	Southeast Asia, etc.	USA	Japan	Other
+10%		<p>Turkey</p>  <p>The Philippines</p> 		<p>metro engines</p> 	
5 ~ 10%	 	<p>Vietnam</p>  <p>Multiple African Countries</p> 			
0.5 ~ 5%	     	<p>Indonesia</p>   <p>Thailand</p>  <p>Bangladesh</p>  <p>Turkey</p>  <p>※Contract to sell signed</p> <p>The Philippines</p> 		     	

Cross Border Business GMV and FX Rate



BEENOS continues to invest in emerging countries in Asia other than China that are expected to grow in the future



Group Companies Profile

E-Commerce Business

Subsidiaries



tenso

Operates a package forwarding business (tenso.com) and a proxy purchasing business (Buyee) to purchase and forward products from Japan to foreign countries



Shop Airlines

Operates "Sekaimon" A global shopping service that is linked with the world's largest online marketplace "eBay".



Defactostandard

Operates "Brandear" an internet exclusive that purchases items from individuals non-face-to-face. "Brandear" has the largest number of users for brand-name internet buyback services. It then sells the items on "Brandear Auction".



JOYLAB

Operates 6 domestic alcoholic beverage purchasing stores "Joy Lab" to purchase alcoholic beverages from users and then sells them on its EC site and other domestic EC malls.



monosense

Connects Japanese celebrities and characters with product developers to create new products. A one-stop service for product development as it does promotional activities, operates licensing rights and manages, sells and operates licensed products on EC websites.

Incubation Business

Subsidiaries



BeeCruise

BeeCruise uses BEENOS's "Experience", "Network" and "Cumulative Data" as its strongholds and wields them with the use of IT to create catalysts for existing businesses and develop new business opportunities



FASBEE

Operates global fashion EC site "FASBEE." Sells Japanese apparel products to foreign clients. Aims to spread Japanese brands globally.



BEENOS Asia

Investment in emerging countries. A Singapore based subsidiary.



BEENOS Partners

Investment in startup companies in USA



BEENOS Plaza

Investment in startup companies in Indonesia



Open Network Lab, Inc.

Startup Accelerator program for startups intending to expand their business in the world

Affiliates