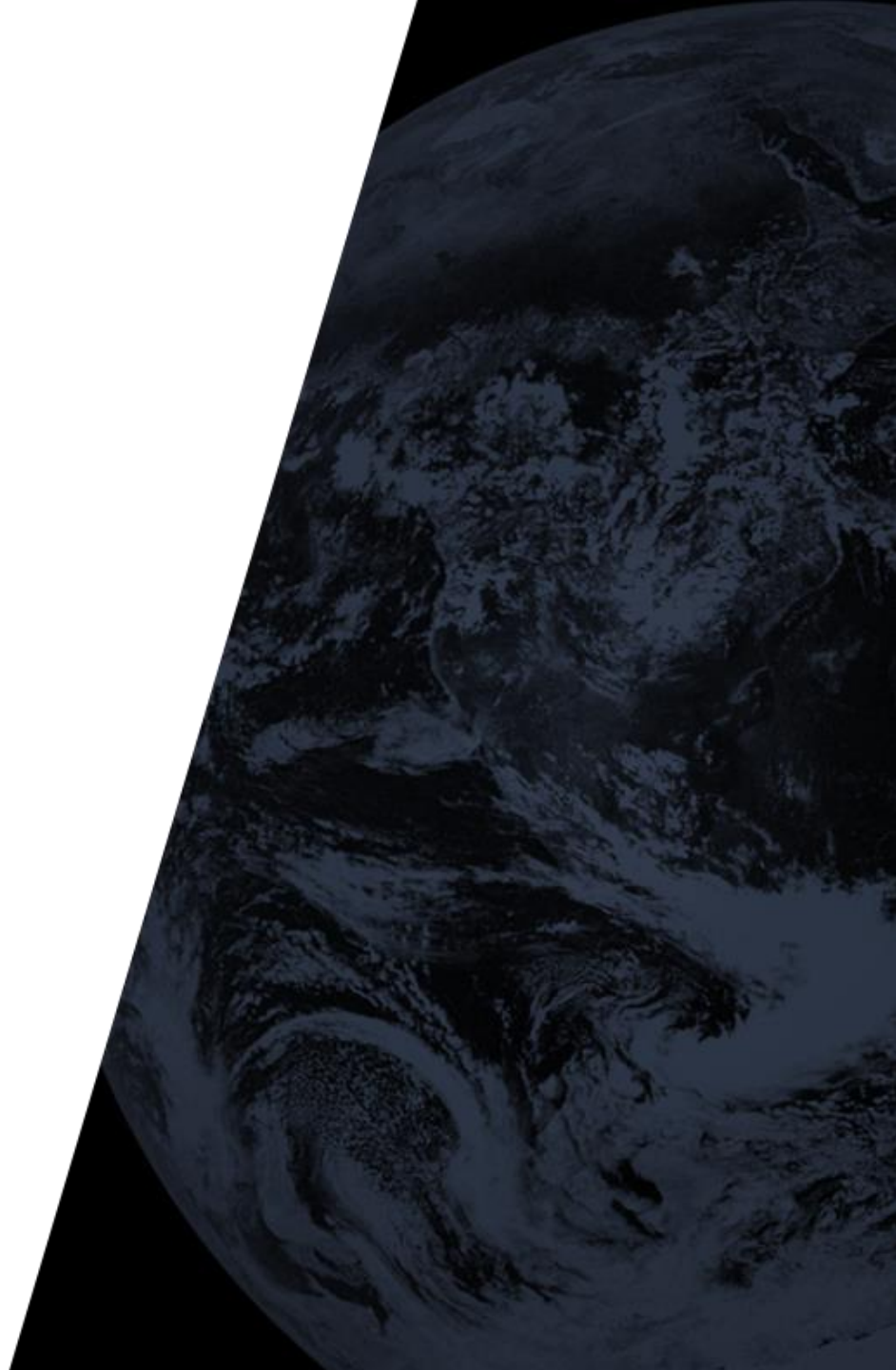




FY2020 3rd Quarter Results Briefing



Quarterly Financial Results

April 2020 ~ June 2020



E-Commerce

Progressing well towards the forecast with Cross Border leading the way

- Cross Border** ▶ **12.7% increase in GMV YoY**
(Experienced some delays in shipping due to COVID-19 but achieved record high on an order basis)
- Value Cycle** ▶ Steadily recovering after decrease from stay at home orders
- Retailing and Licensing** ▶ Decrease in GMV due to cancellation of events

Incubation

Sale of operational investment securities recorded

Consolidated

Progress rate of GMV exceeds 80% despite some businesses affected by COVID-19

(Unit: Billion JPY)

	Results	Progress (4/28 Lower Range)
GMV	36.29	81% (Forecast 45.0)
Net Sales	19.50	83% (Forecast 23.5)
Operating Income	2.75	117% (Forecast 2.35)

E-Commerce

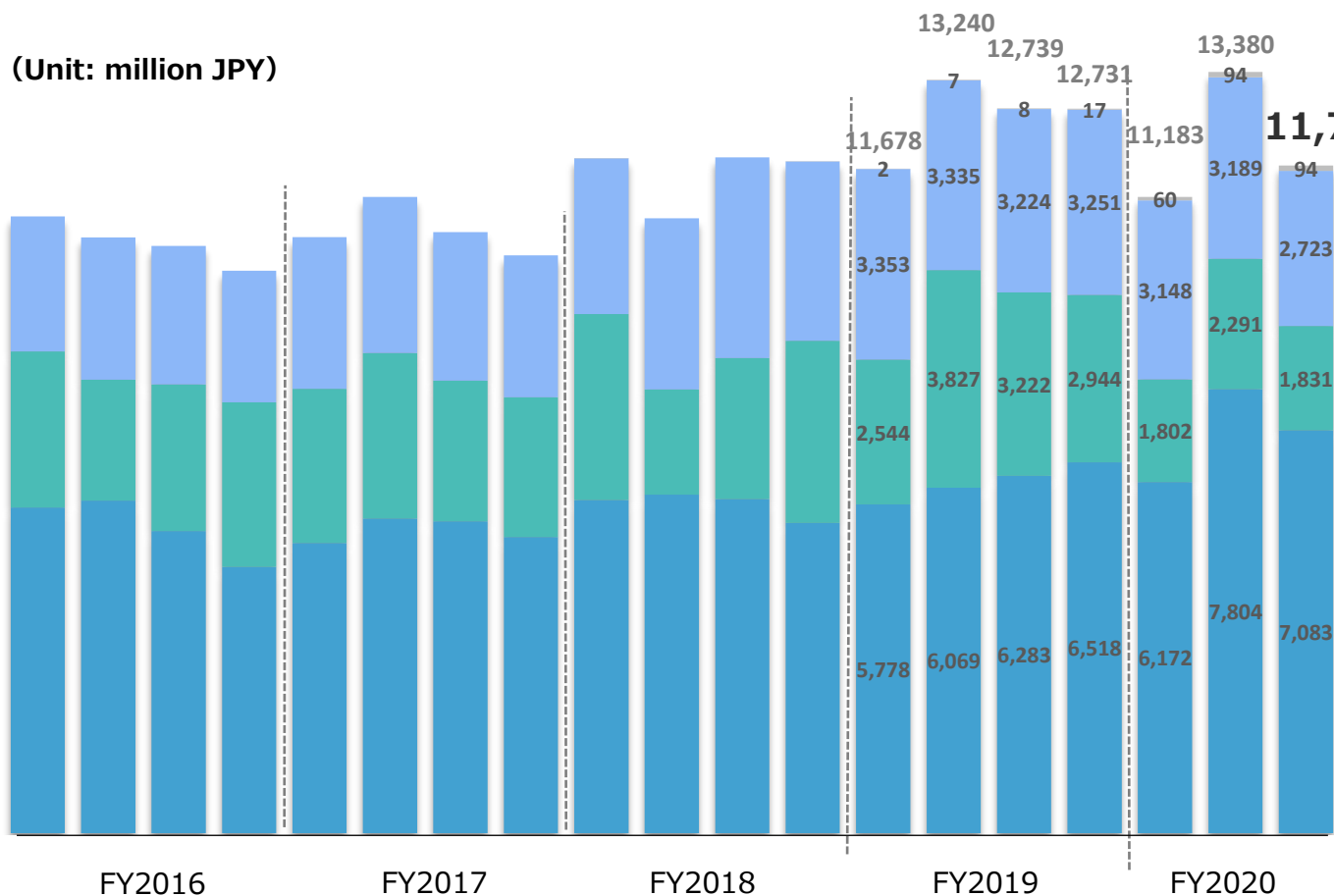
Cross Border strongly progressing

(Unit: Billion JPY)

	Results	Progress (4/28 Lower Range)
GMV	36.04	81% (Forecast 44.5)
Net Sales	16.24	81% (Forecast 20.0)
Operating Income	1.09	104% (Forecast 1.05)

Consolidated GMV decrease 7.9% YoY Cross Border showing strong progress

(Unit: million JPY)



Value Cycle

-15.6% YoY

Dipped in April and May due to stay at home orders. Steadily recovering since late-May.

Retailing and Licensing

-43.2% YoY

Large decrease in Entertainment Business due to cancellation of events.

Cross Border

+12.7% YoY

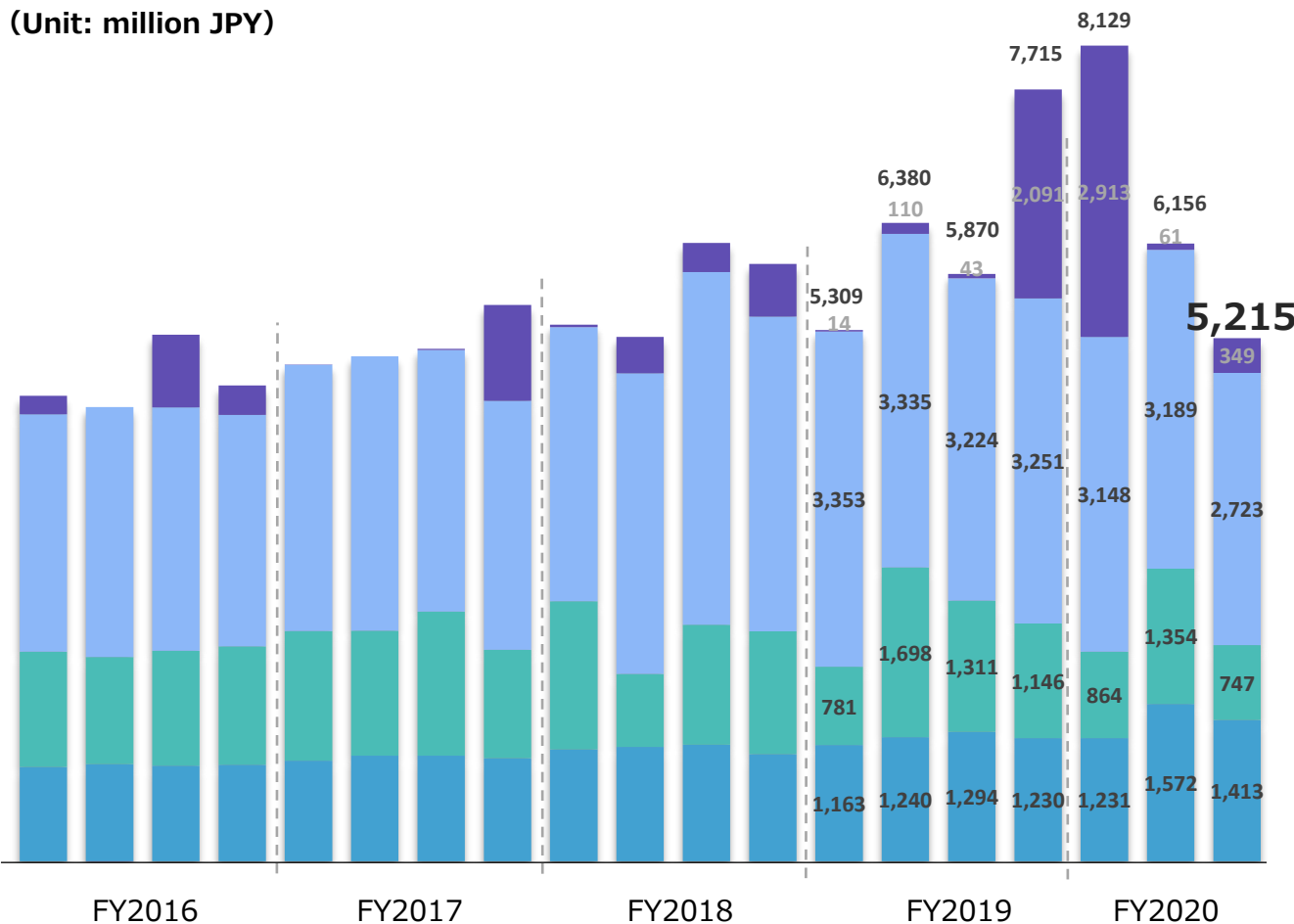
12.7% increase despite recorded sales delaying due to delay in shipping.

*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.

Consolidated net sales down 11.2% YoY

Cross Border showing strong progress

(Unit: million JPY)



Incubation

+712.4% YoY

Recorded sales on investments

Value Cycle

-15.6% YoY

Dipped in April and May due to stay at home orders. Steadily recovering since late-May.

Retailing and Licensing

-43.0% YoY

Large decrease in Entertainment Business due to cancellation of events.

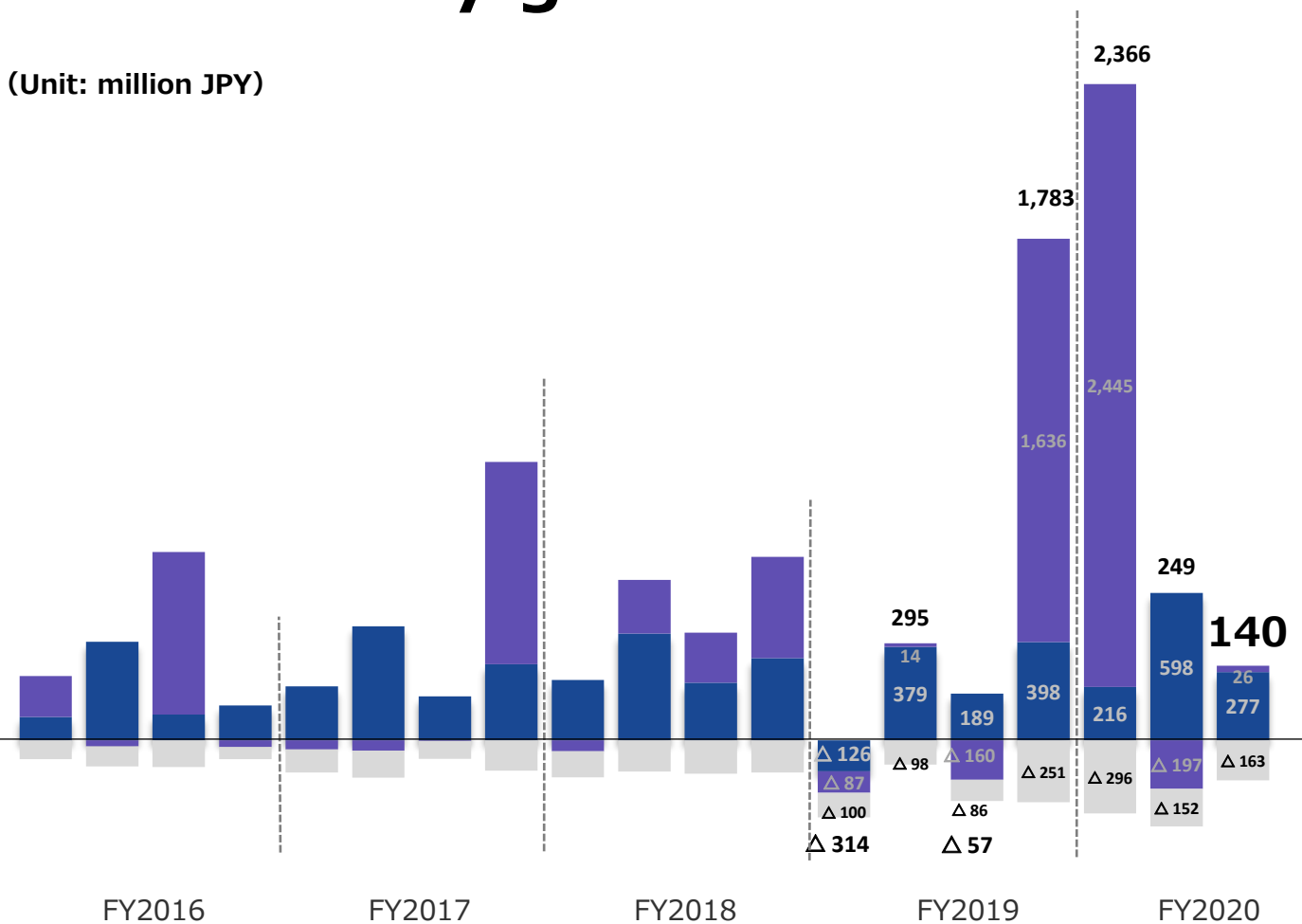
Cross Border

+9.1% YoY

9.1% increase despite recorded sales delaying due to delay in shipping.

E-Commerce Business showing healthy growth with 46.1% increase

(Unit: million JPY)



E-Commerce

+46.1% YoY

Led by Cross Border

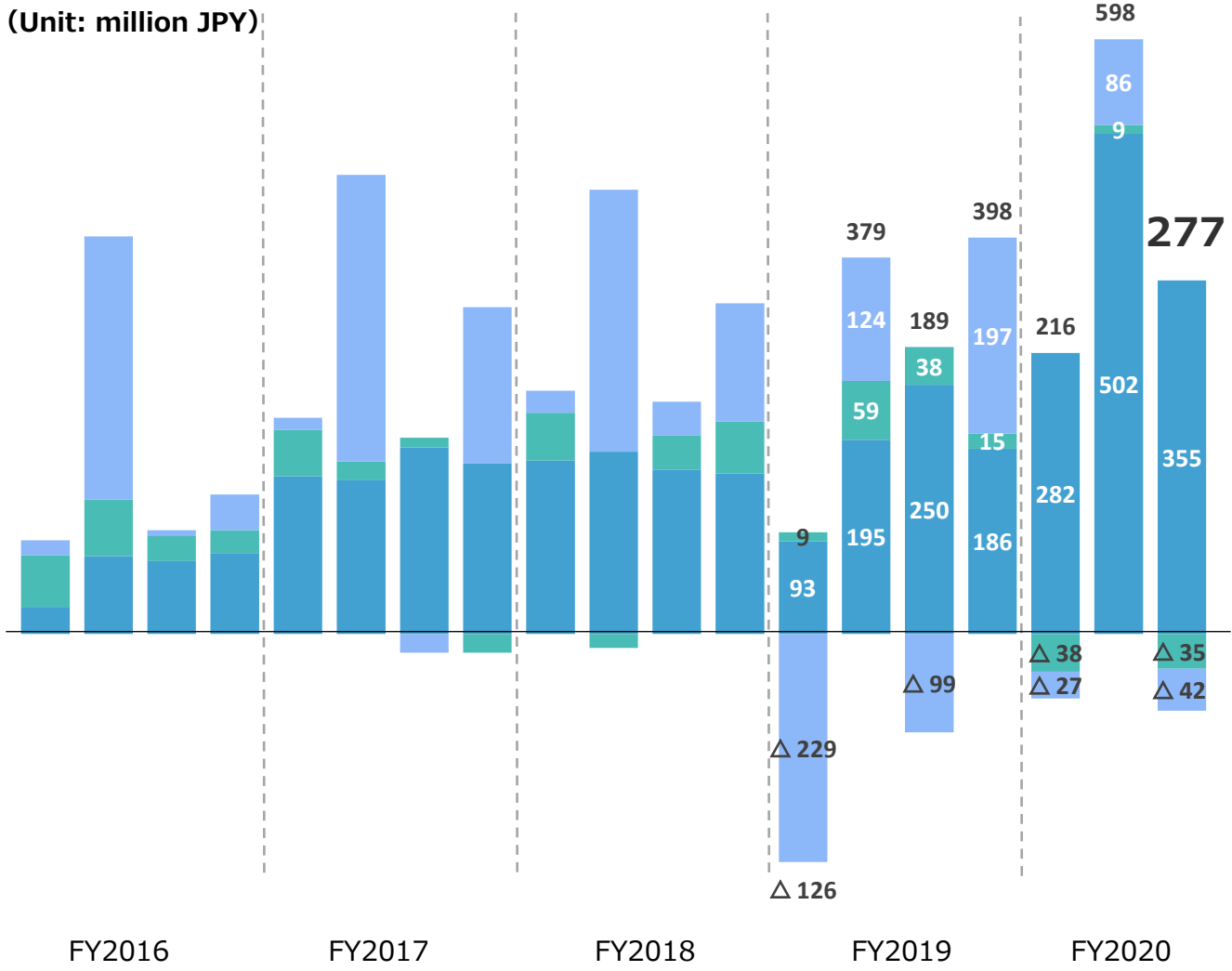
Incubation

Sales on investment covered for the losses recorded by new businesses

Adjustments

Cross Border covered for the other segments and ultimately showed 46.1% increase YoY

(Unit: million JPY)



Value Cycle

Decrease in sales due to stay at home orders, but reduced losses by controlling costs, namely cutting down on advertising.

Retailing and Licensing

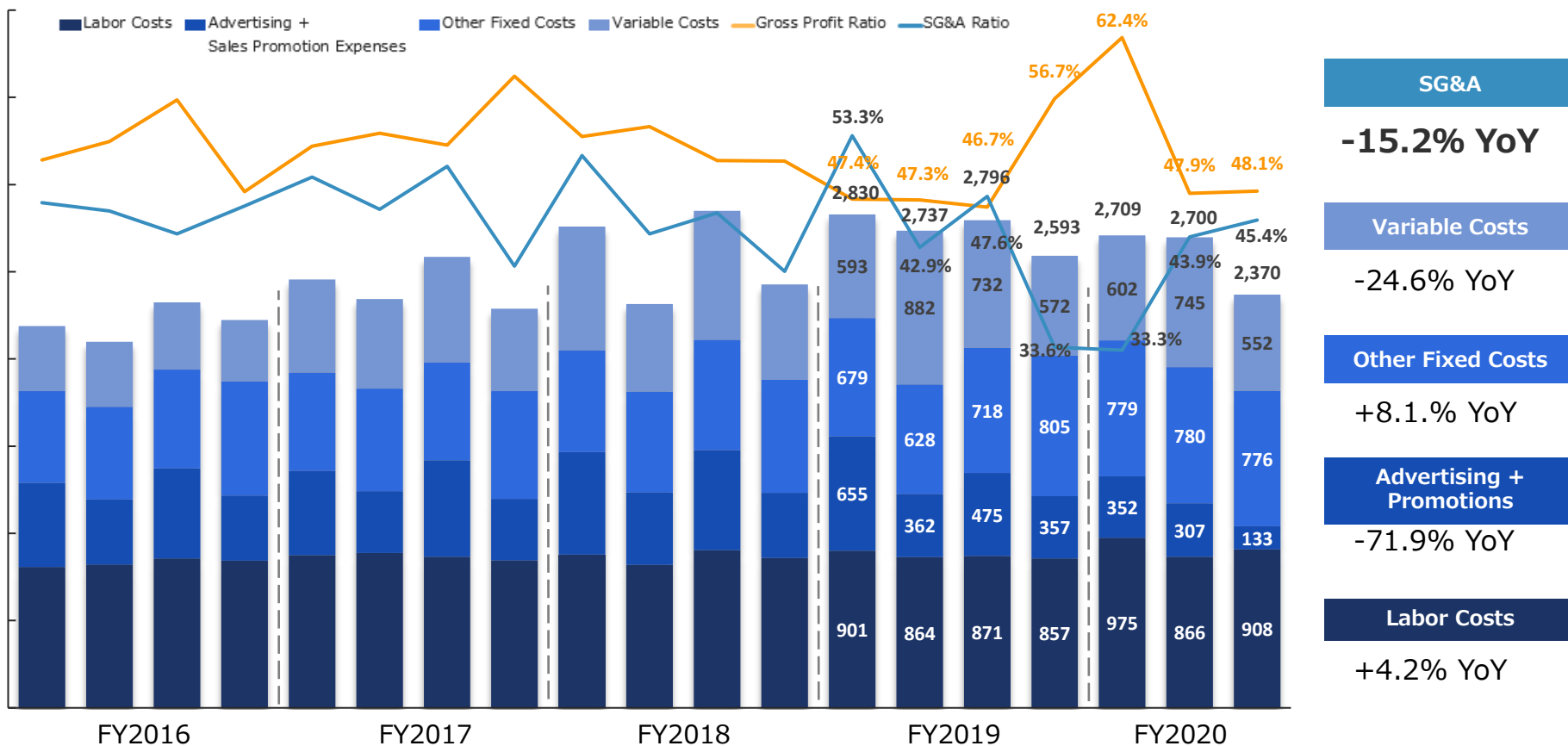
Recorded losses due to cancellation of events in the Entertainment Business.

Cross Border

+42.1% YoY
42.1% increase despite recorded sales delaying due to delay in shipping.

Reduced costs in advertising in the Value Cycle Business

(Unit: million JPY)



※ 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

Unit: Million JPY	3Q/FY2020 June 2020	2Q/FY2020 March 2019	QonQ
Current Assets	18,749	16,975	1,774
Cash and deposite	7,011	6,677	334
Account Receivable	693	763	△69
Operational Investment Securities	4,884	4,120	763
Products	2,227	2,524	△297
Fixed Assets	2,597	2,518	78
Tangible Assets	394	387	6
Intangible Assets	616	614	1
Investment etc.	1,586	1,515	70
Current Liabilities	8,005	7,569	436
Account Payables	213	410	△197
Short-term Loans	1,900	2,600	△700
Fixed Liabilities	1,987	571	1,415
Long-term Loans	1,722	0	1,722
Net Assets	11,353	11,352	1
Treasury Stock	△777	△603	△174
Total Assets	21,346	19,493	1,853

- Investment : 749 Mil
- Sales : △10 Mil
- Appraised Loss : △6 Mil
- FX Fluctuation : 65 Mil
- Re-Allocation : △35 Mil

Business Highlights



Continue to take safety measures toward COVID-19

Cross Border continues to show strong growth

Other segments showing signs of recovery



Cross Border Business



From Japan

Proxy Purchasing Service “Buyee” doing well despite COVID-19

3Q Highlights (Including COVID-19 Update)

- Transactions increasing despite COVID-19
- Seeing increase in transactions in Taiwan, North America, Malaysia and Thailand
- We record sales upon shipping items out, but shipments on orders made in April and May were delayed due to COVID-19. Some sales will be carried over into 4Q. Delays in shipping have mostly been rectified.

Notable Announcements

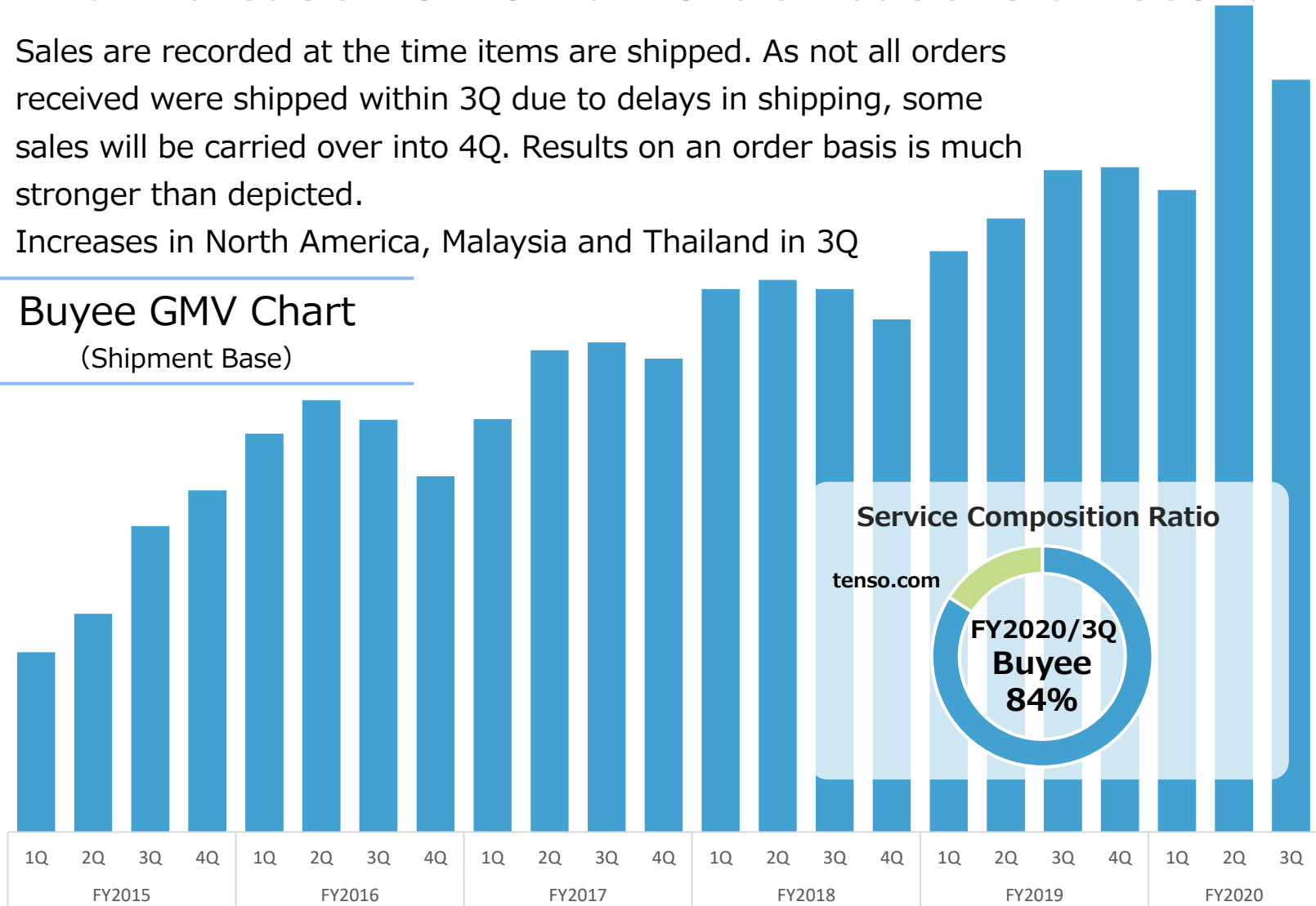
- Released new shipping service for China (Buyee Air Delivery China)
- Partnered with Avex EC Site “mu-mo Shop”

Buyee shipment based GMV increase 12.2% YoY

34.1% increase YoY on an order base is a record high

- Sales are recorded at the time items are shipped. As not all orders received were shipped within 3Q due to delays in shipping, some sales will be carried over into 4Q. Results on an order basis is much stronger than depicted.
- Increases in North America, Malaysia and Thailand in 3Q

Buyee GMV Chart
(Shipment Base)



Service Composition Ratio

tenso.com

FY2020/3Q Buyee 84%

3 New shipment methods added in 2Q and 3Q

(Countermeasures to the suspension of EMS which halted shipment to certain countries)

Current International Shipment methods

Shipping Method	Type	Days	Shipping Fee →International Shipping Fees	
			Example: 1kg Package to Asia	Example: 10kg Package to Asia
Recommended				
EMS (Japan Post International Courier) →Simple Estimation Tool	-	2-4 days	2,100 yen	10,500 yen
AIR (Japan Post Airmail)	International Parcel	3-6 days	2,050 yen	7,850 yen
	Small Package with Tracking		1,860 yen	N/A Too Large
SAL (Japan Post Economy Airmail)	International Parcel	6-13 days	1,800 yen	6,700 yen
	Small Package with Tracking		1,290 yen	N/A Too Large
Japan Post Seamail	International Parcel	1-3 months	1,600 yen	4,300 yen
UPS	-	1-3 days	2,703 yen	7,303 yen
DHL	-	1-4 days	1,942 yen	3,865 yen

Shipping Method	Type	Days	Shipping Fee	
			Example: 1kg Package	Example: 9kg Package
Buyee Air Delivery Taiwan (For Taiwan only)	-	6-10 days	900 yen	7,500 yen
ECMS (For Taiwan only)	-	7-12 days	1,512 yen	7,656 yen
Buyee Air Delivery China (For China only)	-	14-20 days	1,359 yen	7,026 yen

Added in 2Q

Added in 3Q

Retailing and Licensing Business



Entertainment Business

Produces official merchandise for Japanese artist groups and operates their official EC sites

3Q Highlights (Including COVID-19 Update)

- Continued cancellation of events and concerts into 3Q
- Fans shift to E-Commerce to purchase artists' merchandise

Countermeasures

- Fortifying support to operate EC stores for artists who cannot hold events
- Started receiving orders for “narabee” (Incubation segment) which allows customers to pre-purchase merchandise and pick them up without waiting in line to prevent crowds. Plans to start implementing in 4Q.



Value Cycle Business



Brandear: Apparel Reuse Business

3Q Highlights (Including COVID-19 Update)

- Decrease from reduced sales by way of stay at home order has bounced back to an upward trend
 - April Sales : 0.69 Bil JPY
 - May Sales : 0.79 Bil JPY
 - June Sales : 0.80 Bil JPY

Notable Announcements

Opened Brick and Mortar in Ebisu
(June)



Started Online Appraisal Service
(July)



Incubation



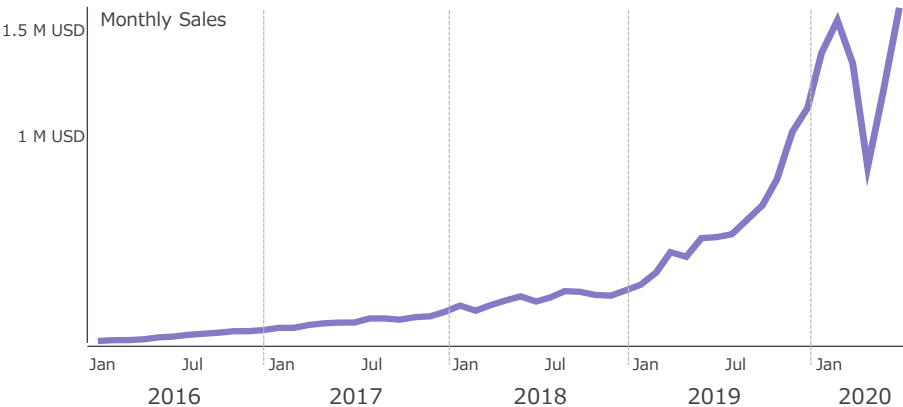
Foreign Investments

3Q Highlights (Including COVID-19 Update)

- Negatively impacted businesses showing signs of recovery
- Recorded sales of investments

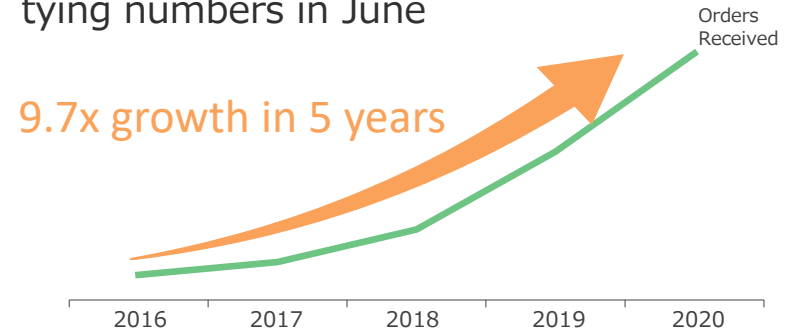
NOBROKER (India)

- Effects of COVID-19 halted sales temporarily, seeing sales grow again in May



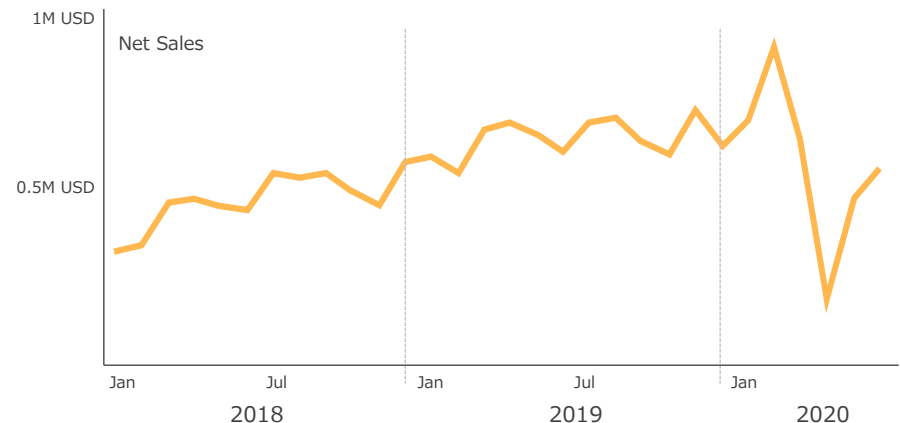
Tokopedia (Indonesia)

- Shift to digital commerce led to record tying numbers in June



Healthians (India)

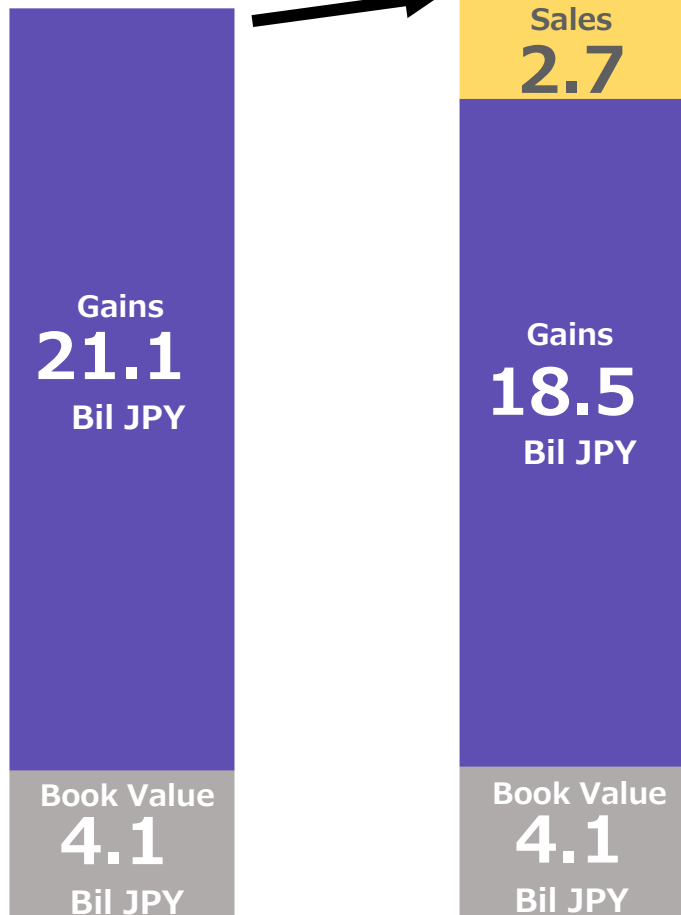
- Recovery of sales started as early as April



***Next Update will be 4Q**

Market Value
25.2 Bil JPY

25.3 Bil JPY



Market Value
22.6 Bil JPY

【How we calculated the market value】

Listed Companies: Stock price as of 31 March 2020

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.

2019/Sep

2020/Mar

Forecast



Adjustments to the Forecast

We have made the following adjustments to our FY2020 forecast announced on 28 April 2020 as we reviewed the effects of COVID-19 to our financial results and have been able to make adjustments to the range that was previously announced.

(Unit: Billion JPY)

Consolidated	Previous Forecast	Revised Forecast
GMV	45.0 ~ 47.7	47.5 ~ 49.0
Net Sales	23.5 ~ 26.0	24.5 ~ 26.0
Operating Income	2.35 ~ 3.14	2.75 ~ 3.14

Adjustments to the Forecast (by Segment)

E-Commerce: Cross Border Business

There have been suspensions and delays in shipping in certain regions of the world, but as operations are beginning to resume and as we released original logistic services we have relieved most all of the backed up packages. Furthermore, we are receiving an increase in orders as we are seeing a global shift towards digital commerce.

(Unit: Billion JPY)

	Previous Forecast	Revised Forecast
GMV	27.5 ~ 28.0	28.3 ~ 29.3
Net Sales	5.5 ~ 6.0	5.75 ~ 6.05
Operating Income	1.35 ~ 1.45	1.52 ~ 1.6

Adjustments to the Forecast (by Segment)

E-Commerce: Value Cycle Business

We have seen a decrease in sales due to the stay at home order in 2Q, but as of late May sales have been on an upward trend. We are also improving profit margins as we control advertising expenses.

(Unit: Billion JPY)

	Previous Forecast	Revised Forecast
Net Sales	11.5 ~ 12.0	11.7 ~ 12.0
Operating Income	△0.1 ~ △0.05	△ 0.03 ~ 0.02

Adjustments to the Forecast (by Segment)

E-Commerce: Retailing and Licensing Business

The outlook on live events continues to be unknown so we have forecasted that events will not happen for the remainder of this fiscal year. On the other hand, we are seeing an increase in sales on the EC front.

(Unit: Billion JPY)

	Previous Forecast	Revised Forecast
GMV	5.5 ~ 7.0	7.2 ~ 7.4
Net Sales	3.0 ~ 3.5	3.75 ~ 3.95
Operating Income	△0.2 ~ △0.11	△0.15 ~ △0.11

Adjustments to the Forecast (by Segment)

Incubation Business

We were able to record sales on operational investment securities in the 3Q, but the outlook on opportunities to sell investments in 4Q remains unclear.

(Unit: Billion JPY)

	Previous Forecast	Revised Forecast
GMV	0.5 ~ 0.7	0.3
Net Sales	3.5 ~ 4.5	3.3 ~ 4.0
Operating Income	2.0 ~ 2.5	2.24 ~ 2.45

Highlights



E-Commerce

Progressing well towards the forecast with Cross Border leading the way

- Cross Border** ▶ **12.7% increase in GMV YoY**
(Experienced some delays in shipping due to COVID-19 but achieved record high on an order basis)
- Value Cycle** ▶ Steadily recovering after decrease from stay at home orders
- Retailing and Licensing** ▶ Decrease in GMV due to cancellation of events

Incubation

Sale of operational investment securities recorded

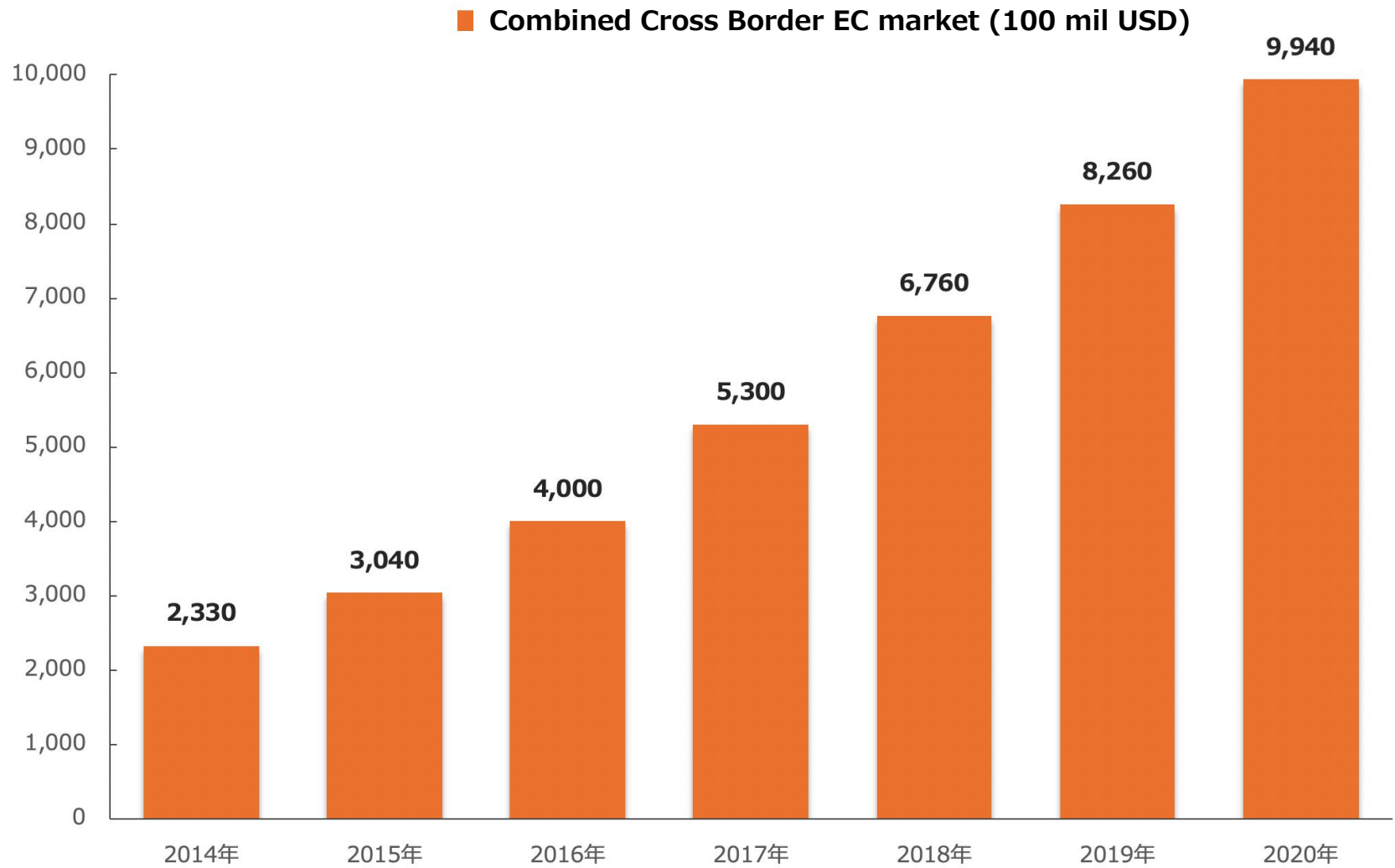
Cross Border doing well in 3Q

All segment showing signs of recovery except for Retailing and Licensing

	Status of Each Business Segment
Cross Border	From JAPAN and To JAPAN both doing well. Some sales will be carried over to 4Q due to delay in shipping. Shipping costs have not increased due to COVID-19 and new shipping methods have been put in place. We will continue to ride this wave and strengthen partnerships with foreign marketplaces and obtain a greater market share.
Retailing and Licensing	Live events still on hold. Have shifted to sell merchandise online but continues to impact results. Will continue to cut costs and prepare for the resumption of events while strengthening EC stores.
Value Cycle	Sales were rough since the implementation of stay at home orders since March but showing signs of recovery as of late May. Shift to be on the offensive starting 3Q. Plans to sell high ticket items and increase sales channels, including international sales channels, in 4Q.
Incubation	Foreign Investments: General marketplaces showing increase in numbers especially for daily necessities. Others finding new business opportunities. New Businesses: Inbound related businesses are put on pause until travel to Japan can resume.

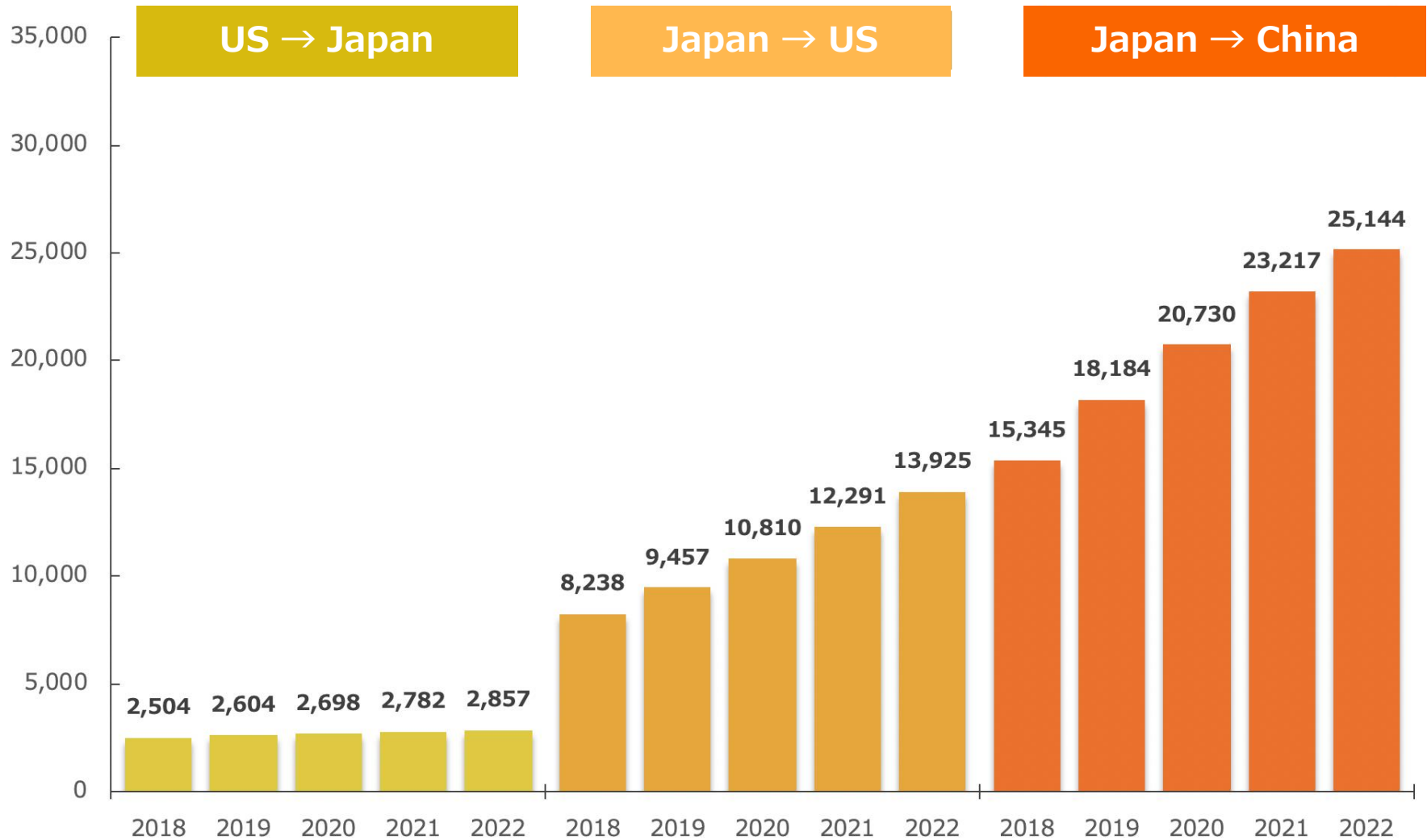
Reference Materials





Reference : Alizila, Jan 2017

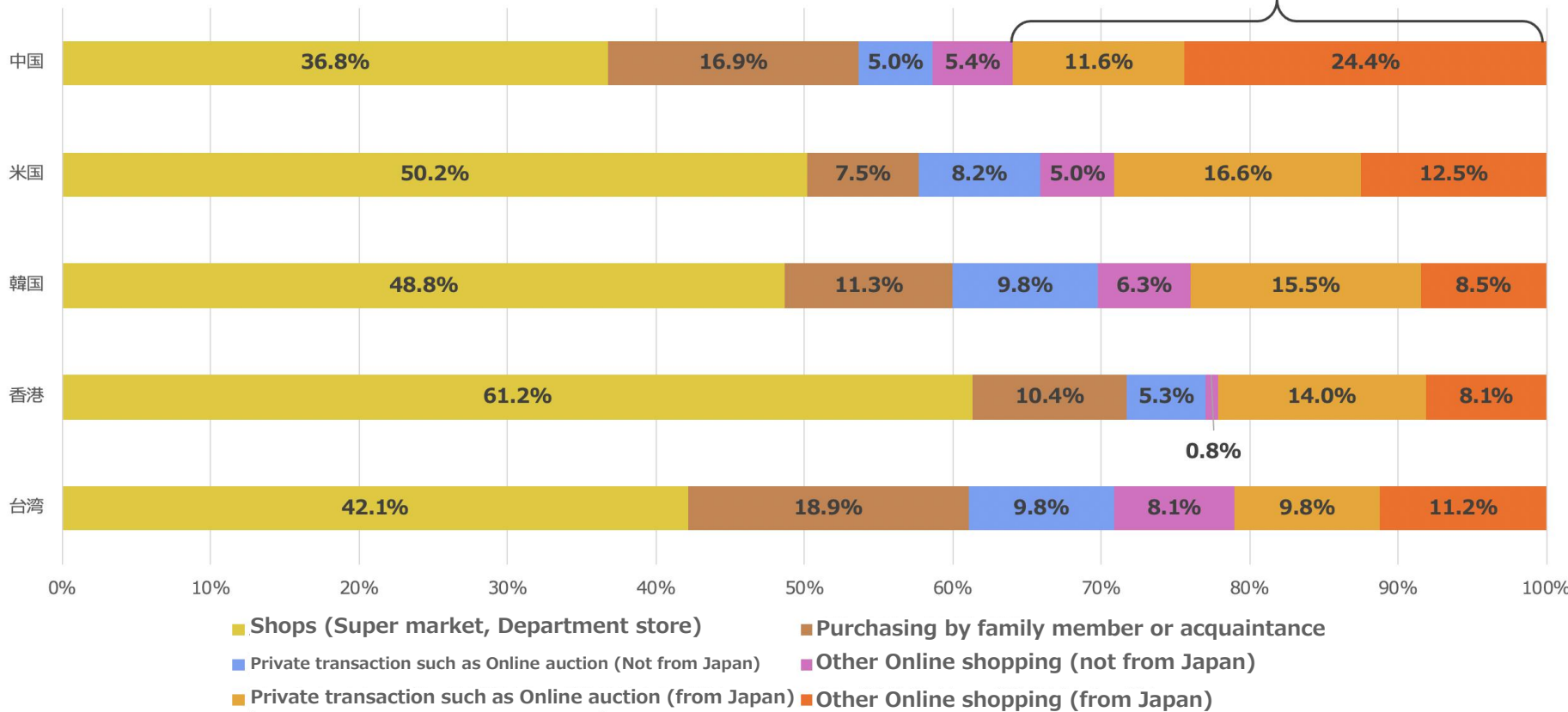
(Unit : 100 mil JPY)



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

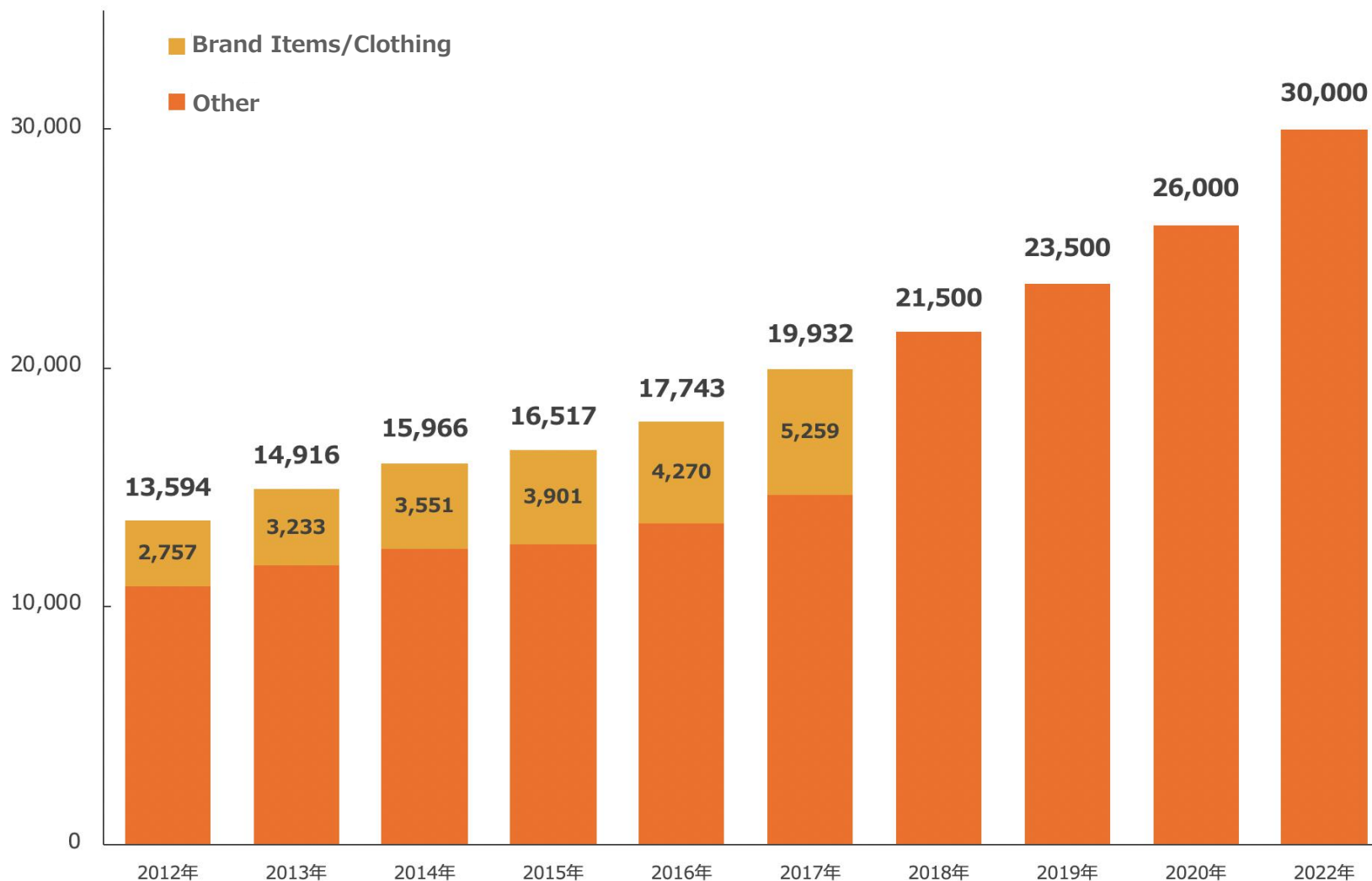
How to Purchase Japanese Products

Purchase via cross border EC



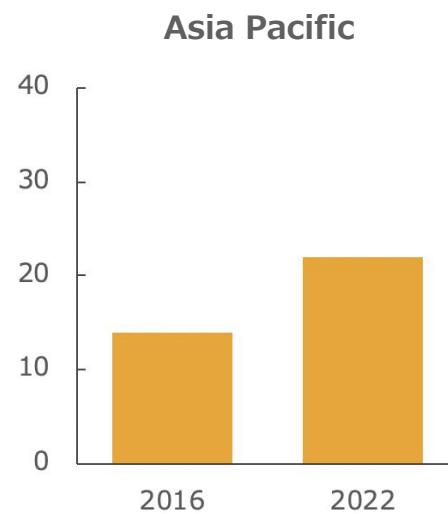
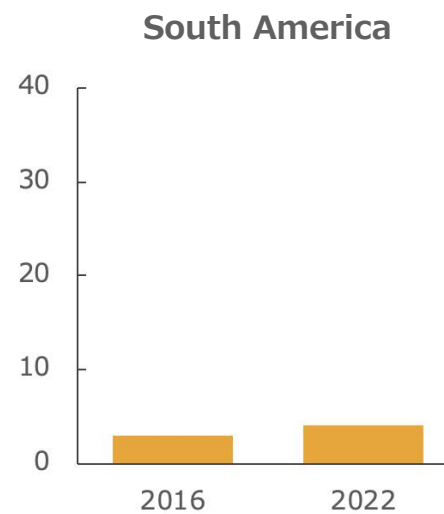
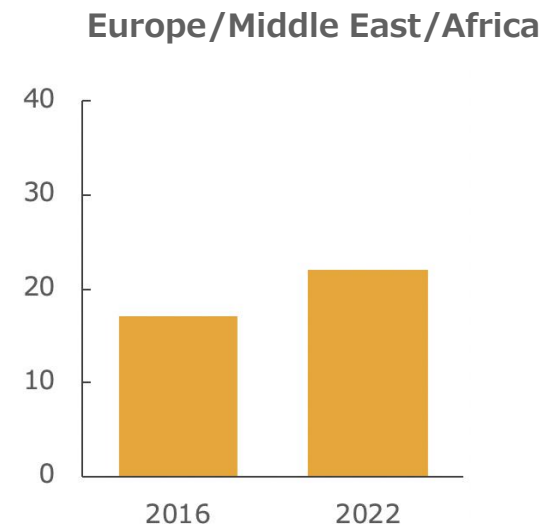
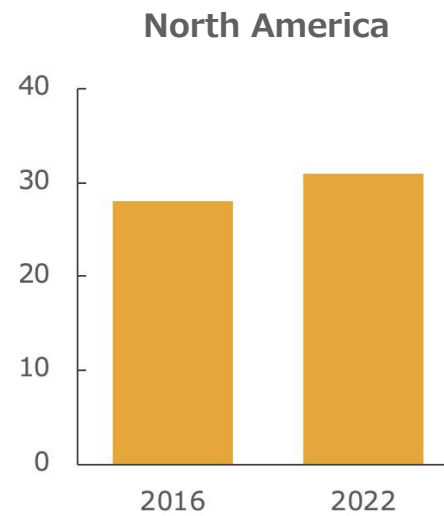
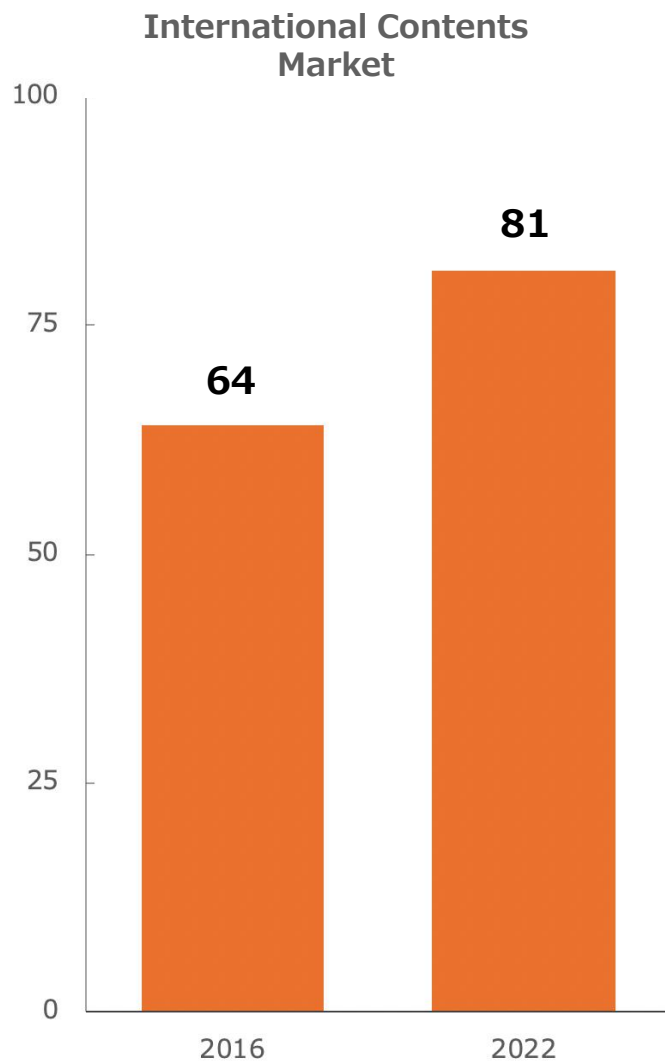
Reference : Survey of Japan Tourism Agency (2017)

(Unit : 100 mil JPY)



Reference : Compiled internally based on "Updated Reuse Market by the Data" Published 11 May 2019 by the Remodeling Business Journal

(Unit : Trillion JPY)

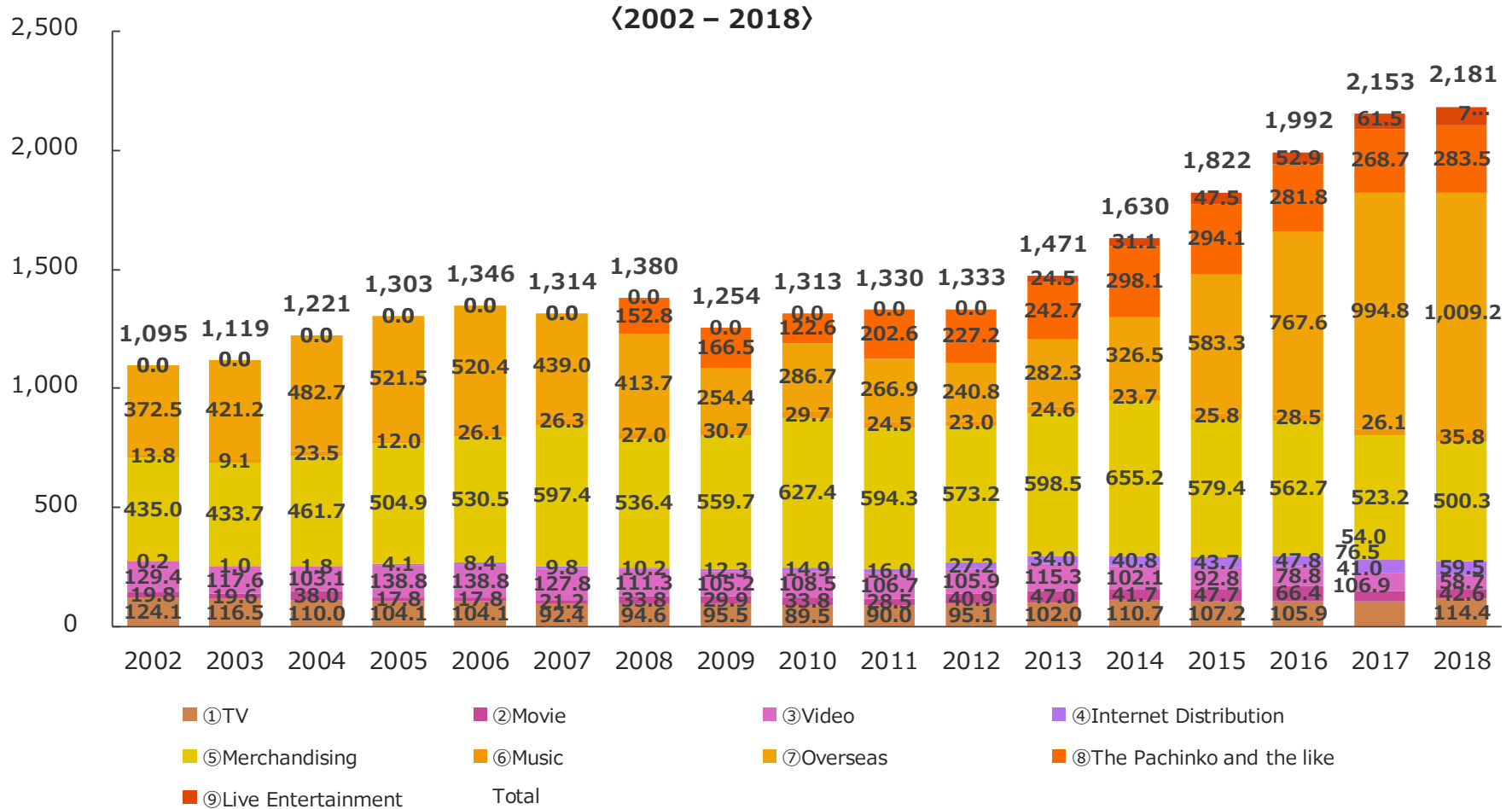


Reference: RolandBerger Research

Calculated at 1 USD = 108 JPY

Japanese animation market trends in a broad sense (2002 – 2018)

(Unit : 1 Bil JPY)



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

Supplemental Materials



■ Dividend

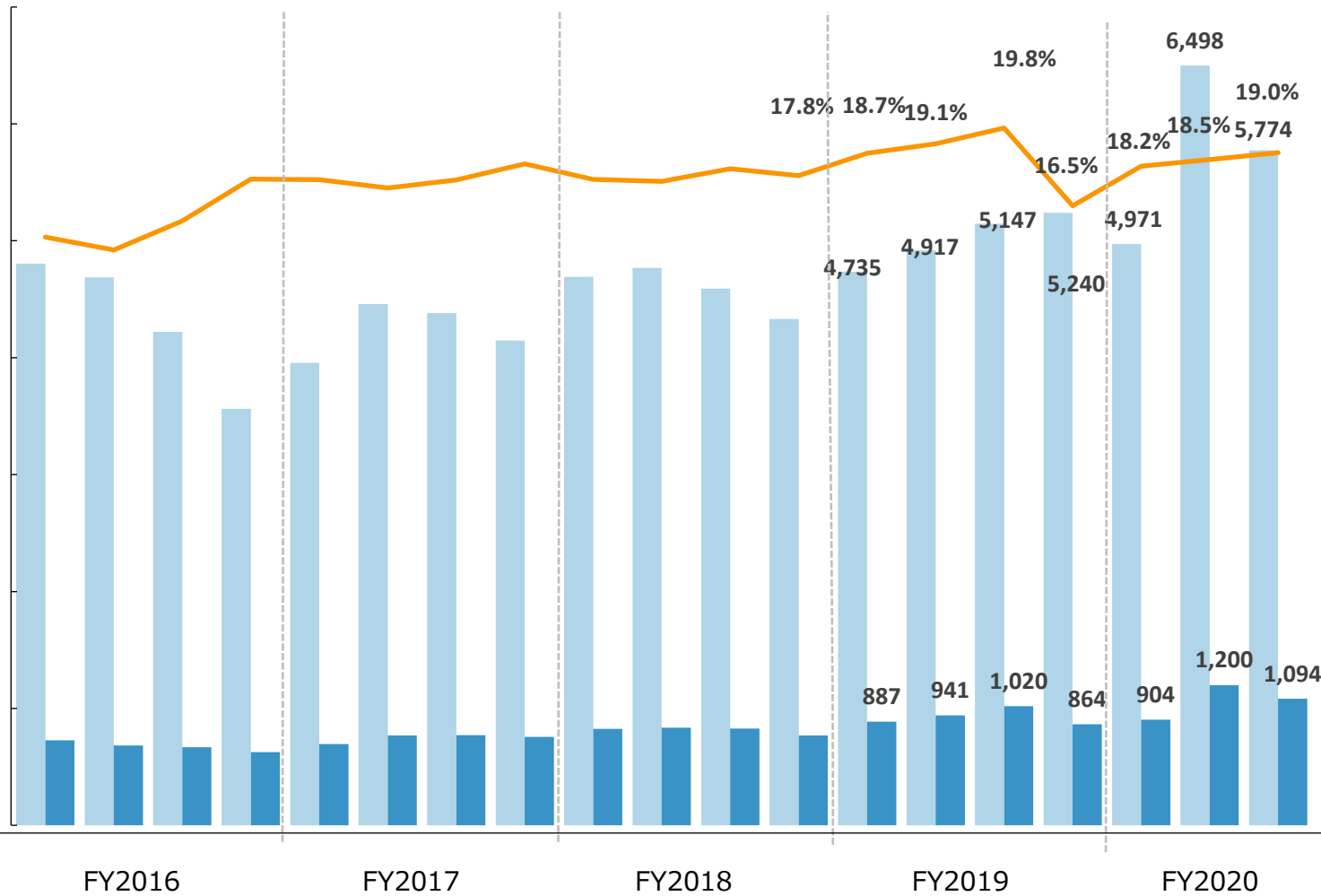
	Dividend per Share (JPY)			Total Dividend	Payout Ratio
	End of 2Q	Year-end	Total		
FY2016	00.00	13.00	13.00	158 M	16.7%
FY2017	5.00 Commemorative Dividend*	13.00	18.00	221 M	21.8%
FY2018	00.00	13.00	13.00	158 M	17.2%
FY2019	00.00	18.00	18.00	214 M	20.1%
FY2020 (Forecast)	00.00	18.00	18.00	—	—

*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	56.1%
	55,000	0.5%	92 M	
	Total	265,000	2.2%	
FY2020	373,800	2.9%	286 M	—

(Unit: million JPY)



Take Rate (Sales ÷ GMV)

Take Rate

+0.5 pts

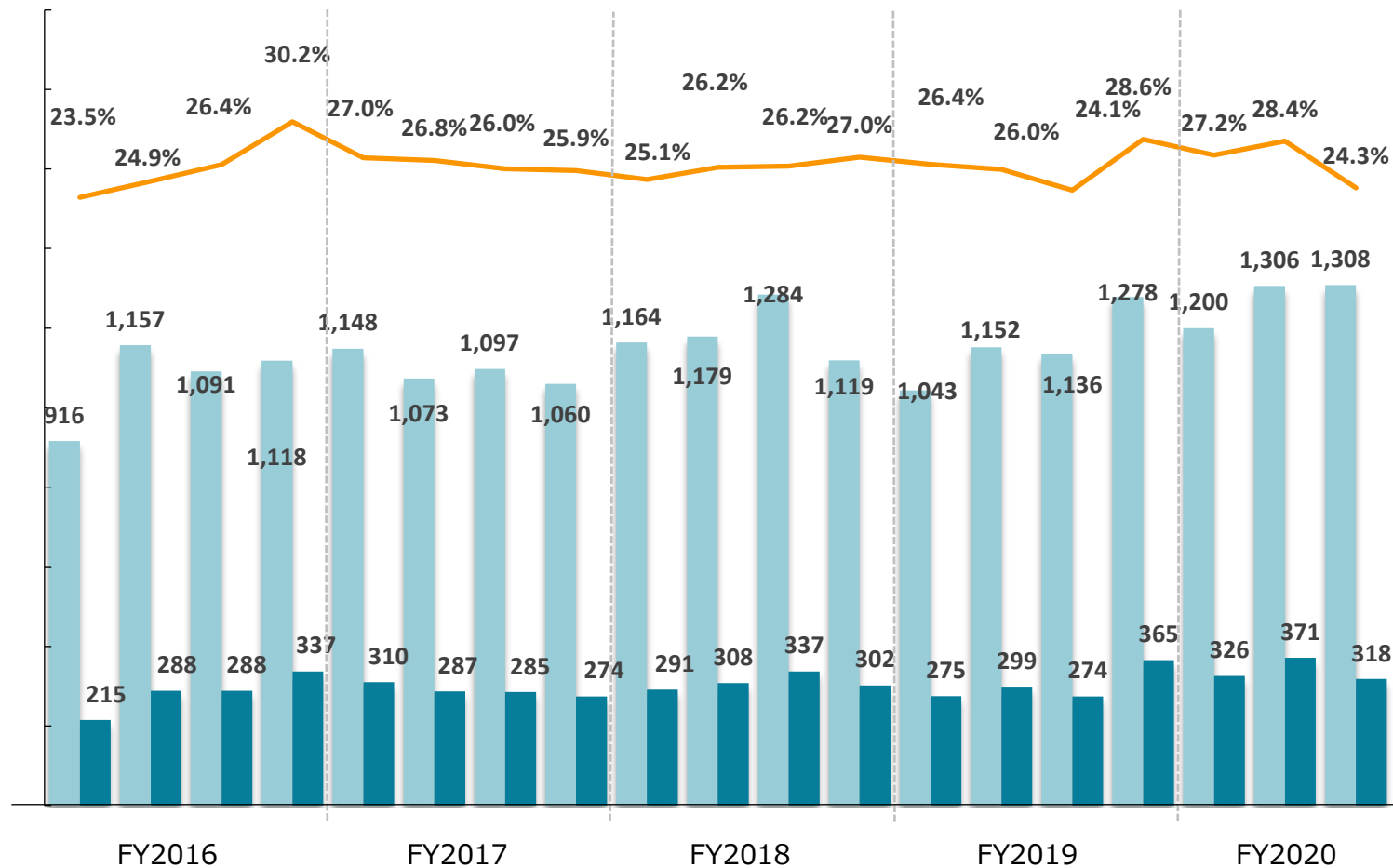
GMV

+12.2% YoY

Net Sales

+7.2% YoY

(Unit: million JPY)



Take Rate (Sales÷GMV)

Take Rate

-4.1 pts

※Charge back from credit card sales were recorded as SG&A costs but now are being deducted from sales

GMV

+15.2% YoY

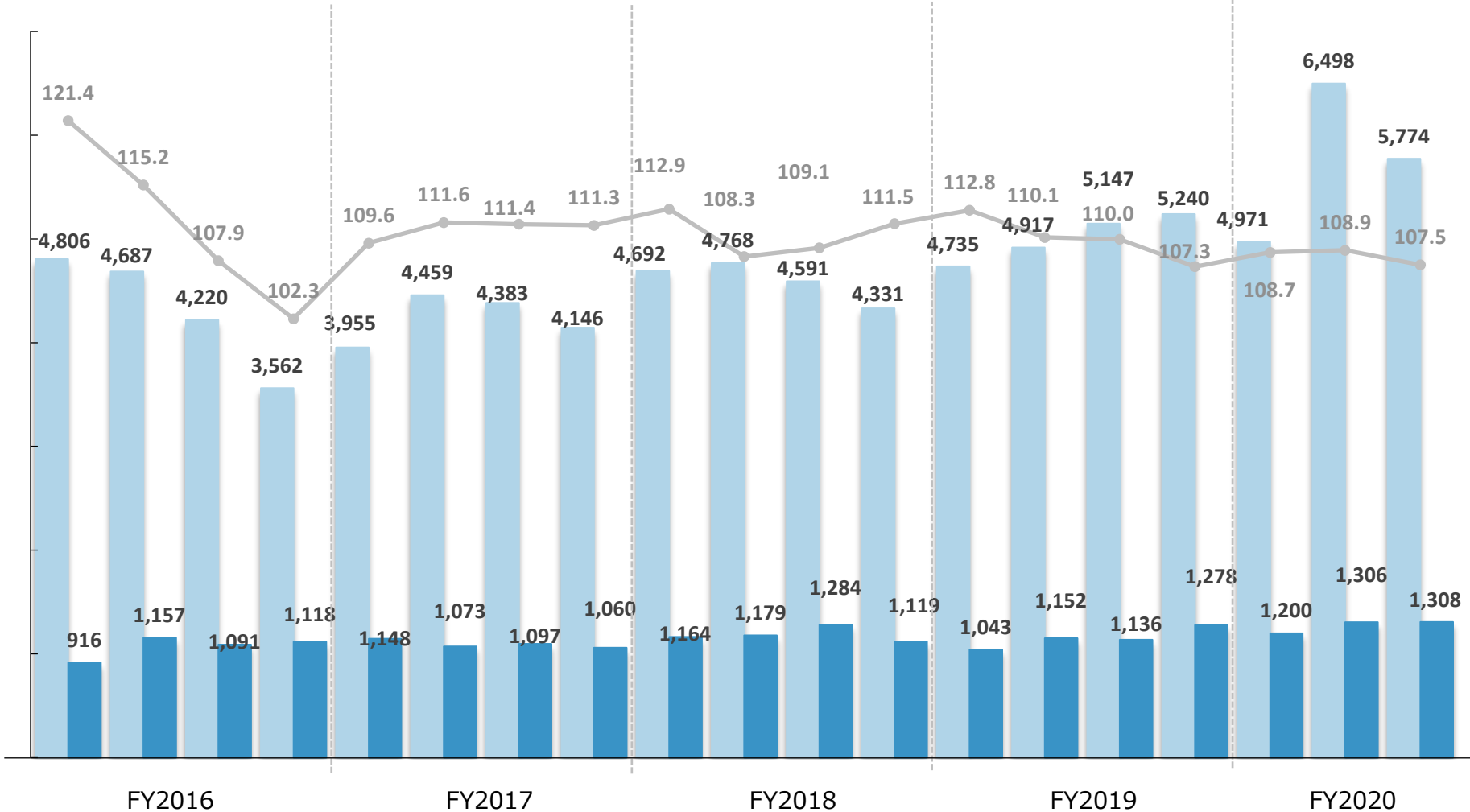
Net Sales

+16.3% YoY

Cross Border Business GMV and FX Rate

From Japan To Japan

— FX Rate (USD/JPY)
Quarterly Average Rate



As of March 2020

Investment Ratio	Emerging Countries		Other	
	India	Southeast Asia, etc.	USA	Japan
+10%		<p>Turkey</p> <p>The Philippines</p>		<p>metro engines</p>
5~10%	<p>droom</p>	<p>Vietnam</p> <p>Multiple African Countries</p>		
0.5~5%	<p>NOBROKER</p> <p>industrybuying</p> <p>voonik.com</p>	<p>Indonesia</p> <p>Thailand</p> <p>Bangladesh</p> <p>The Philippines</p>	<p>FOND™</p>	<p>Payke</p>

Continue to invest in emerging Asian countries other than China that are expected to grow in the future



India 		Online marketplace for secondhand cars	July 2014
		E-commerce solution	October 2014
		Price comparison service	April 2015
		Online C2C real estate marketplace	February 2016
		In-home physical examination marketplace	August 2016
Indonesia 		Online B2B industrial goods marketplace	December 2016
		C2C Online marketplace	April 2012
Turkey Vietnam Philippines African Countries		Online B2B industrial goods marketplace	June 2016
		Price comparison service	May 2013
		Online marketplace (Vietnam)	December 2014
		Online payment service (the Philippines)	January 2015
		Online remittance service (the Philippines)	July 2014
		Mobile money (African countries)	January 2014
		Fashion marketplace (Thailand)	August 2016
	Mobile payment service (Bangladesh)	June 2017	

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.



BEENOS Asia

Investment in emerging countries. A Singapore based subsidiary.



BEENOS Partners

Investment in startup companies in USA



BEENOS Travel

Operates "Travel Bar," a travel media site for travelers to Japan



BEENOS Entertainment

Assists in the digital transformation in the entertainment industry through "Narabee" and "GrooBee".



BEENOS Marketing Asia

Operates "Bakumo," a marketing platform that conducts marketing research and sampling research in Asia.