

Contents of the Question and Answer Section during the 3Q FY 2020 Financial Results Briefing

The following is a summary of the questions asked and the responses given during the financial results briefing held on Friday 7 August. Some portions have been edited and modified for clarification. (We have also included questions we received via email during the presentation.)

Q1. What is your forecast regarding the monetization of operational investment securities for the next fiscal year? Will you be selling at the same scale as this year or will you focus on maximizing profits?

We are currently in ongoing internal discussions regarding our policy for the monetization of investments next fiscal year. We believe that it is important to sell our investments at the appropriate timing, especially amid a global pandemic. However, our current focus is in the Cross Border Business where we are hoping to see greater growth than the investment portion of our Incubation Business even in 4Q.

Q2. Can Buyee maintain the growth it is currently seeing in orders received? Furthermore, what is it that triggered this sudden increase?

The growth of Buyee began in 1Q with the partnership with Mercari and the installment of a cheaper shipping method which has increased the number of orders received from Taiwan, North America and Southeast Asia. We will see further growth in the Cross Border Business as our partnered sites, including Mercari, continue to develop and we will consider more shipping options to give ourselves an advantage from competitors.

Q3. A lot of artists are conducting events online. Does this have any positive impact in the Retailing and Licensing Business?

Online events, if coupled with selling merchandise, could boost online sales. Online events could also indirectly boost sales as it is an opportunity for artists to tap into a new demographic when conducting events online.

Q4. Is the reported 2nd wave of COVID-19 in Japan having any impact on any of the businesses? Is that included in the current forecast?

We have created our forecast under the following conditions: The Cross Border Business will maintain its current pace with international shipping. The Value Cycle Business will not encounter a large-scale stay at



home order. The Retailing and Licensing Business will not see any live events in the Entertainment Business for the rest of this fiscal year. We believe that effect of the recent increase in reported cases in Japan to our current operations to be minimal.

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