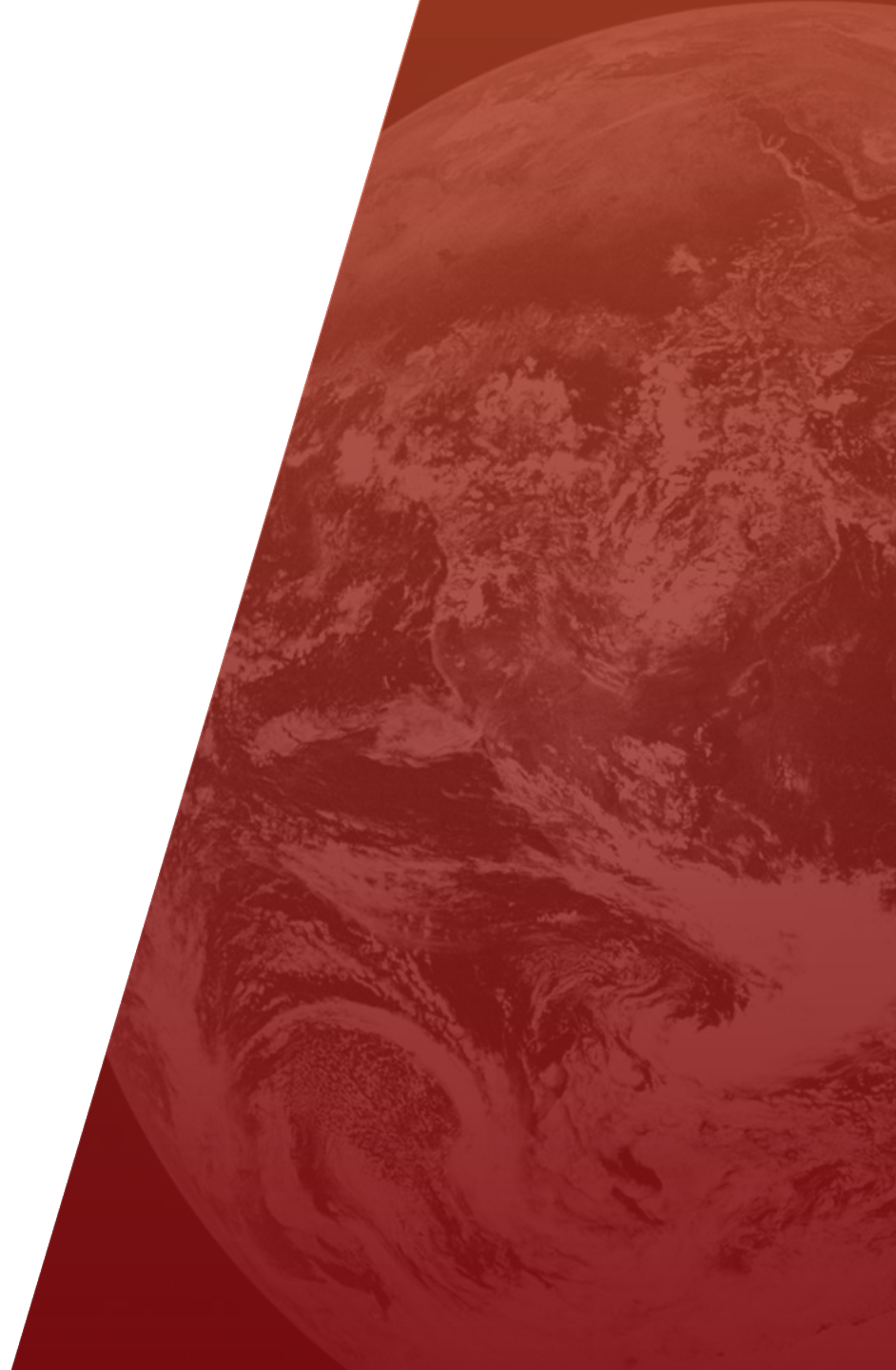




FY2020 Financial Results Briefing



Annual Financial Results

October 2019 ~ September 2020



01

Consolidated

Record highs achieved in GMV, Net Sales and Operating Income

(Unit: Billion JPY)

	Results	YoY
GMV	50.4	+0.1%
Net Sales	25.8	+2.4%
Operating Income	3.3	+97.7%

Cross Border

Cross Border GMV increases 20.5% YoY

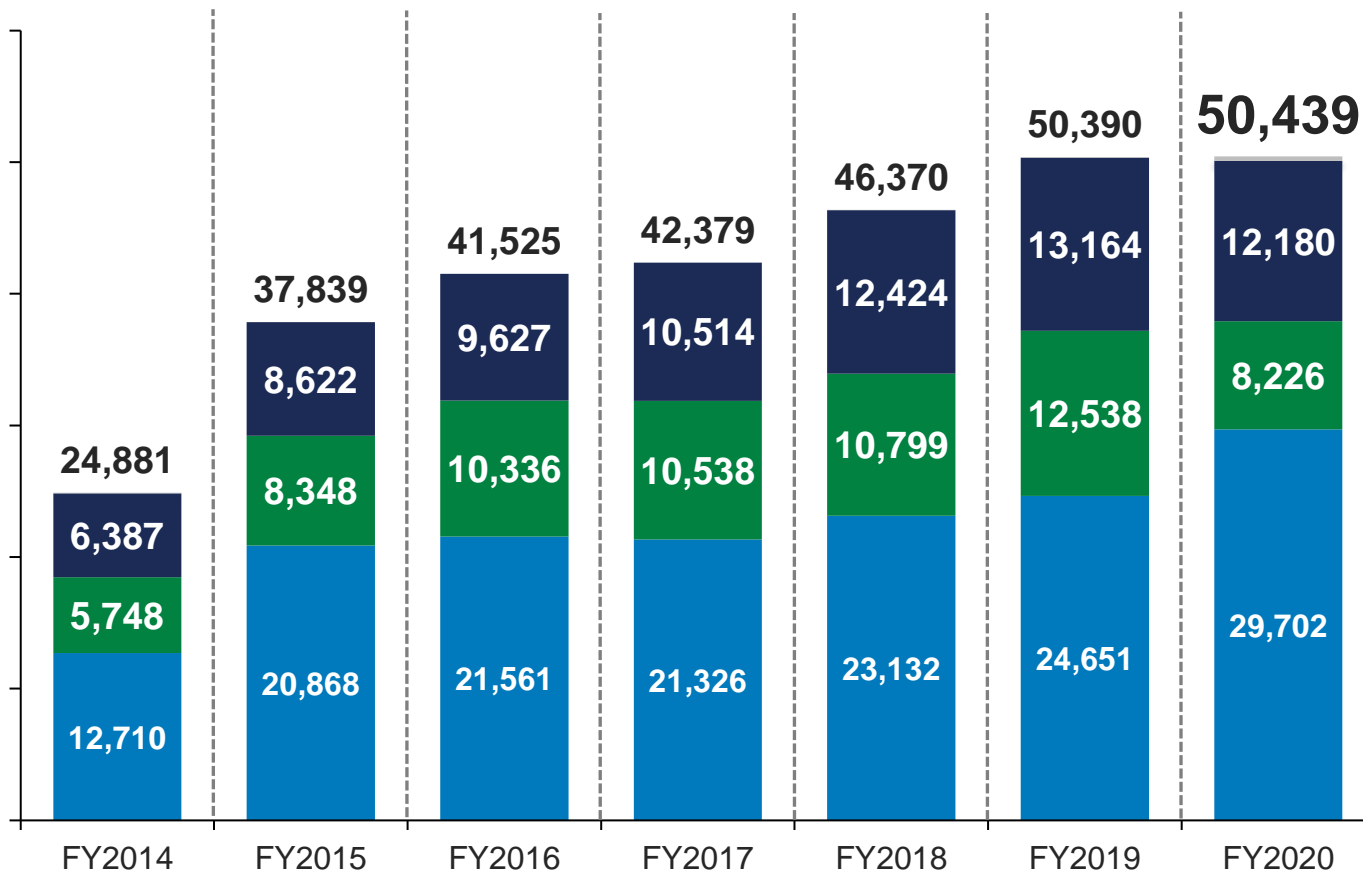
(Unit: Billion JPY)

	Results	YoY
GMV	29.7	+20.5%
Net Sales	5.9	+20.2%
Operating Income	1.6	+132%

Cross Border led Consolidated GMV to record high

Other businesses struggle due to COVID-19

(Unit: million JPY)



Consolidated

YoY +0.1%
Achieved Record High

Value Cycle

YoY -7.5%
Struggled in 3Q due to COVID-19. Commenced fortification of International Sales.

Retailing and Licensing

YoY -34.4%
Struggled due to the restraining of live events

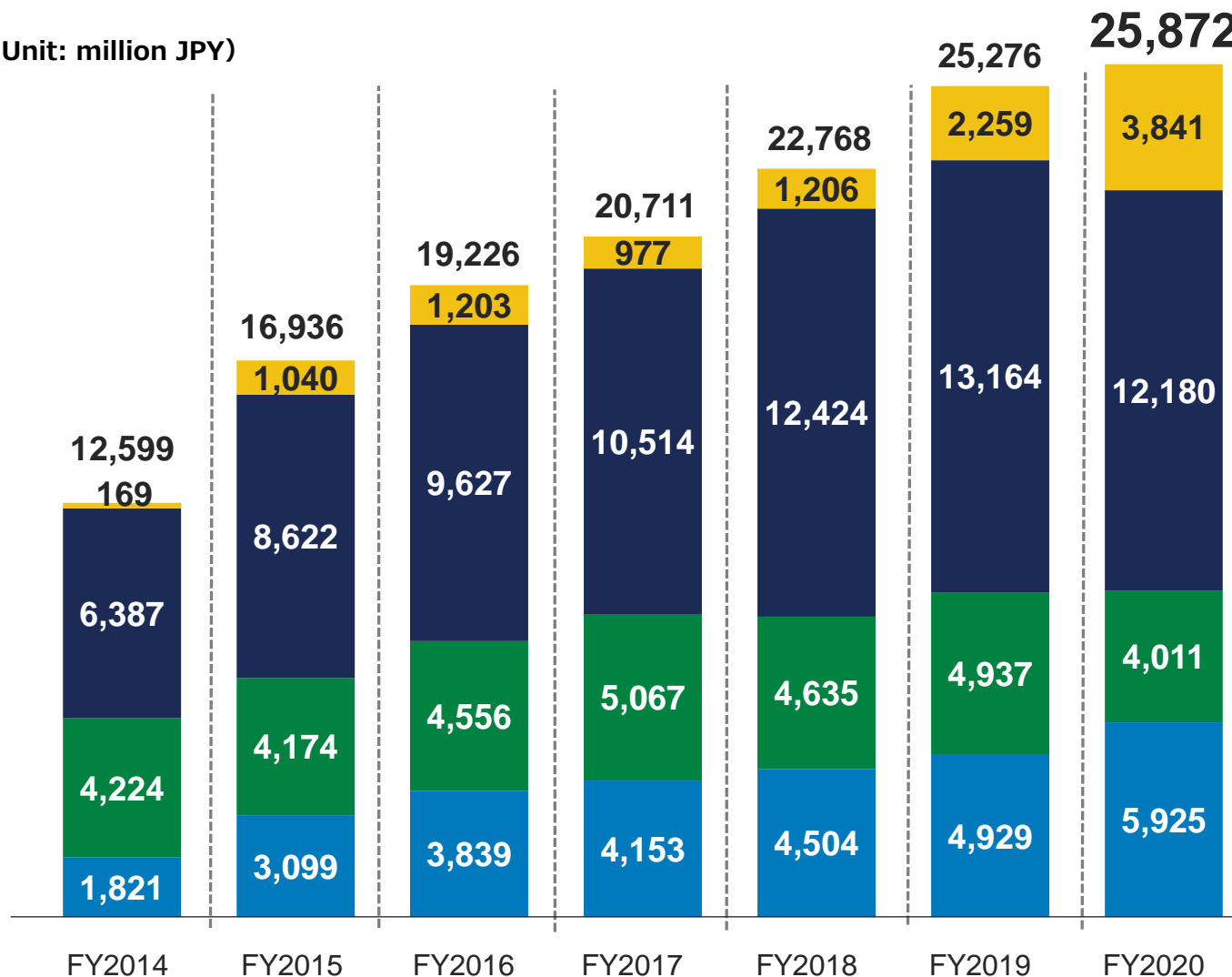
Cross Border

YoY +20.5%
New partnerships and services led to a significant growth

*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 and shipping charges are recorded as GMV.

Growth in Cross Border and sales of investments covered for the shortcomings of other businesses

(Unit: million JPY)



Consolidated

YoY +2.4%

Achieved Record High

Incubation

YoY +70.0%

Recorded sales of operational investment securities

Value Cycle

YoY -7.5%

Struggled in 3Q due to COVID-19. Commenced fortification of International Sales.

Retailing and Licensing

YoY -18.8%

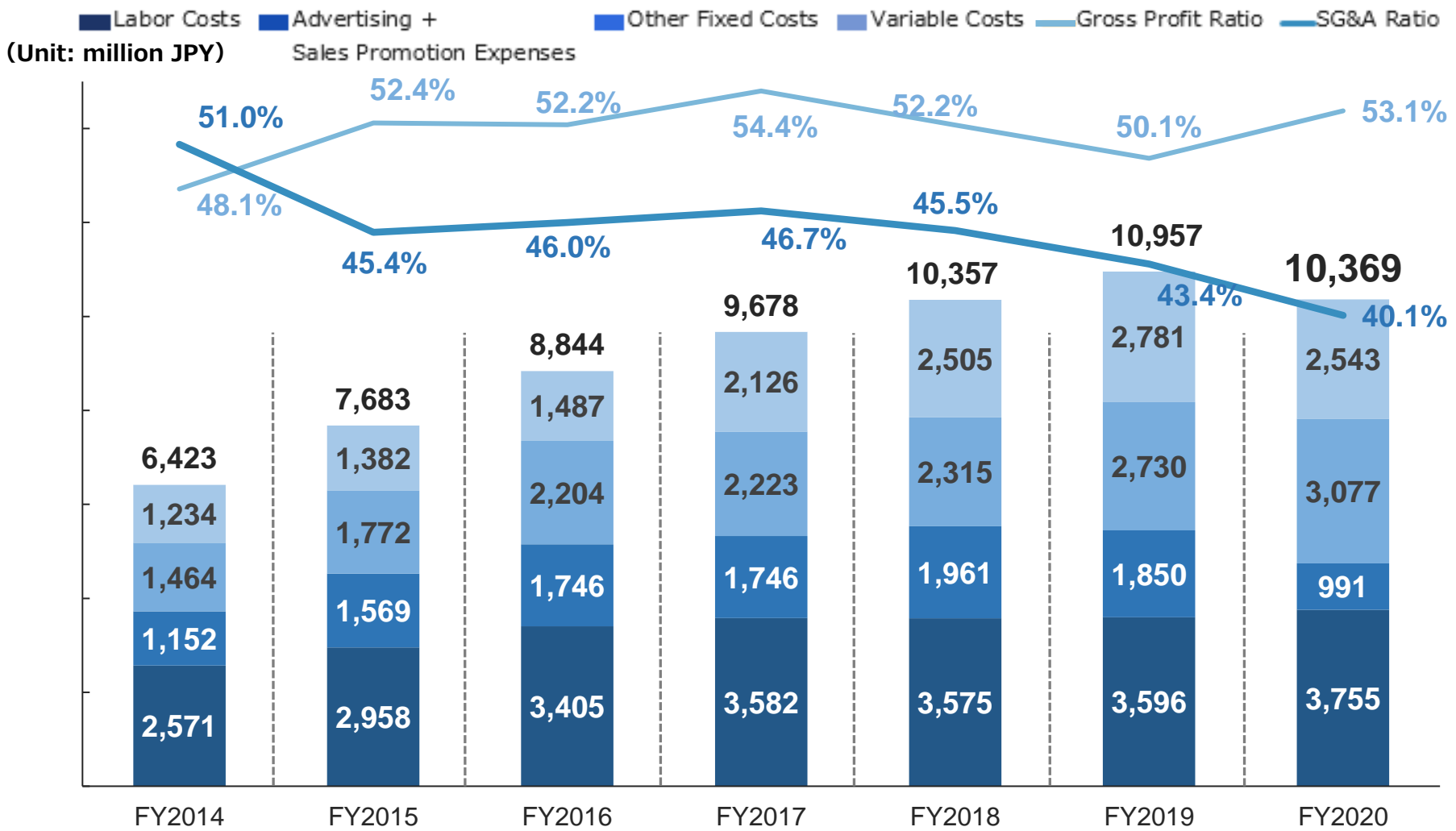
Sales of original brands healthy, but the lack of events event impeded sales

Cross Border

YoY +20.2%

New partnerships and services led to a significant growth

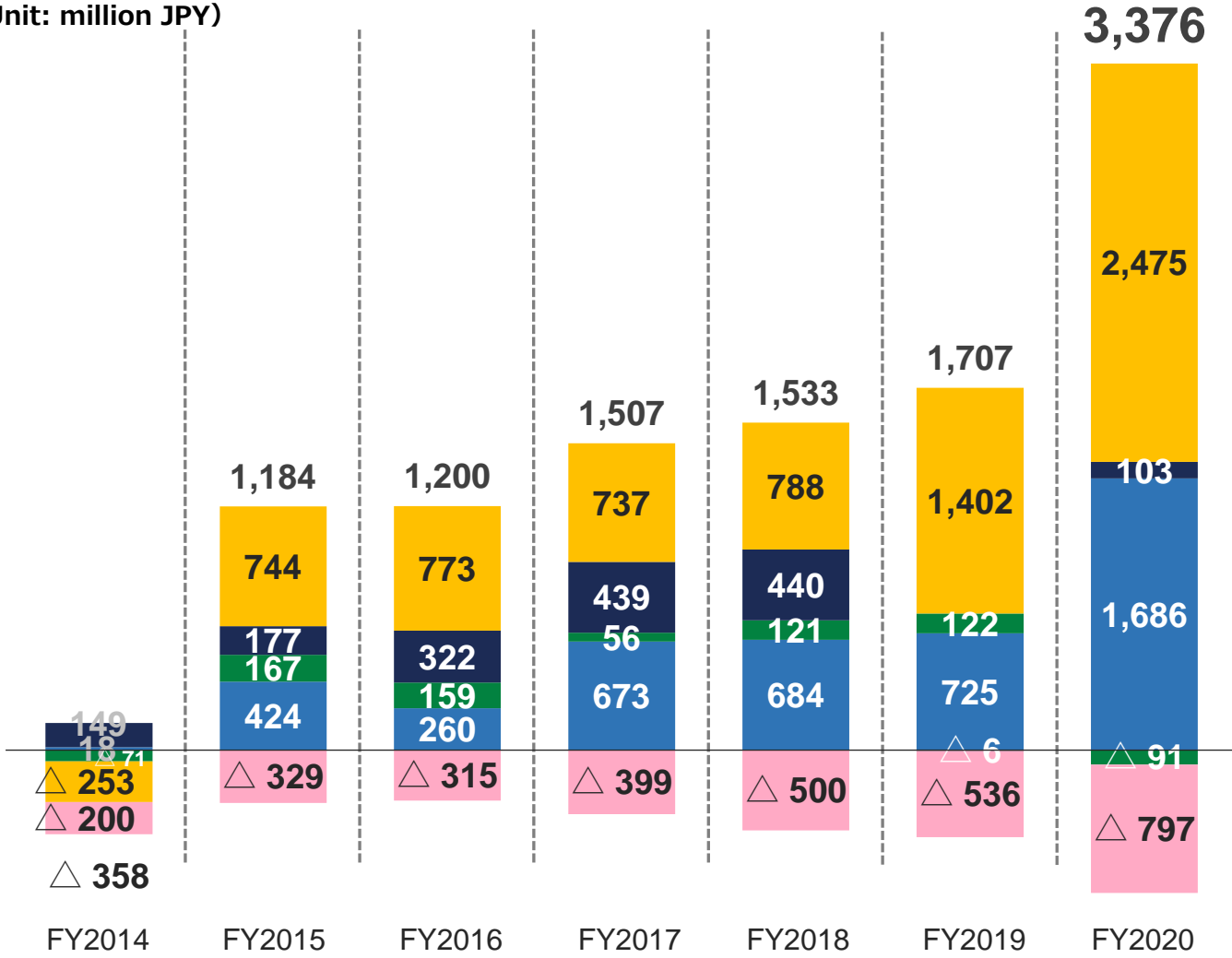
The optimization of advertisements in the Value Cycle Business led to a 46.4% decrease in advertising costs. Gross Profit Ratio rose and SG&A Ratio fell due to the sales of investments.



※ Bonuses and Provision for Bonuses are included in other fixed costs instead of labor costs on a quarterly basis as they are distributed on a semi-annual basis based on the Group's earnings
 ※ 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

Achieved record high via the growth of the Cross Border Business and sales of operational investment securities

(Unit: million JPY)



Consolidated

YoY +97.7%
Achieved Record High

Incubation

YoY +76.5%
Recorded sales of investments

Value Cycle

Bounced back as sales increased during the rebuilding phase

Retailing and Licensing

Recorded losses dues to COVID-19

Cross Border

YoY +132.2%
Increase in GMV and automation of operations led to increased OP margins

Adjustments

(Unit: million JPY)

	FY2019	FY2020	YoY
Current Asset	16,407	19,858	3,450
Cash and deposit	5,175	9,976	4,800
Account Receivable	2,527	1,110	△1,417
Operational Investment Securities	4,176	3,966	△210
Products	2,689	1,553	△1,135
Fixed Assets	2,403	3,171	767
Tangible Assets	417	342	△75
Intangible Assets	454	542	87
Investment etc.	1,531	2,286	754
Current Liabilities	8,159	9,683	1,524
Account Payables	384	348	△36
Short-term Loan	3,550	1,600	△1,950
Current Portion of Long-term Loans Payable	0	300	300
Fixed Liabilities	480	2,135	1,654
Long-term Loans	0	1,721	1,721
Net Asset	10,171	11,210	1,038
Total Asset	18,811	23,029	4,218

- Investment : 961 Mil
- Sales : △45 Mil
- Appraised Loss : △215 Mil
- FX Fluctuation : △43 Mil
- Re-Allocation : △868 Mil※

※Metro Engines Inc. has become an equity method affiliate as of September 2020. Its booking has been changed from Operational Investment Security to Investment Security.

Quarterly Financial Results



02

Consolidated

Increase 11.1% YoY with E-Commerce doing well

Sales and Operating Income decrease YoY due to large sales of investments last year

(Unit: Billion JPY)

	Results	YoY
GMV	14.1	+11.1%
Net Sales	6.3	-17.4%
Operating Income	0.61	-65.3%

E-Commerce

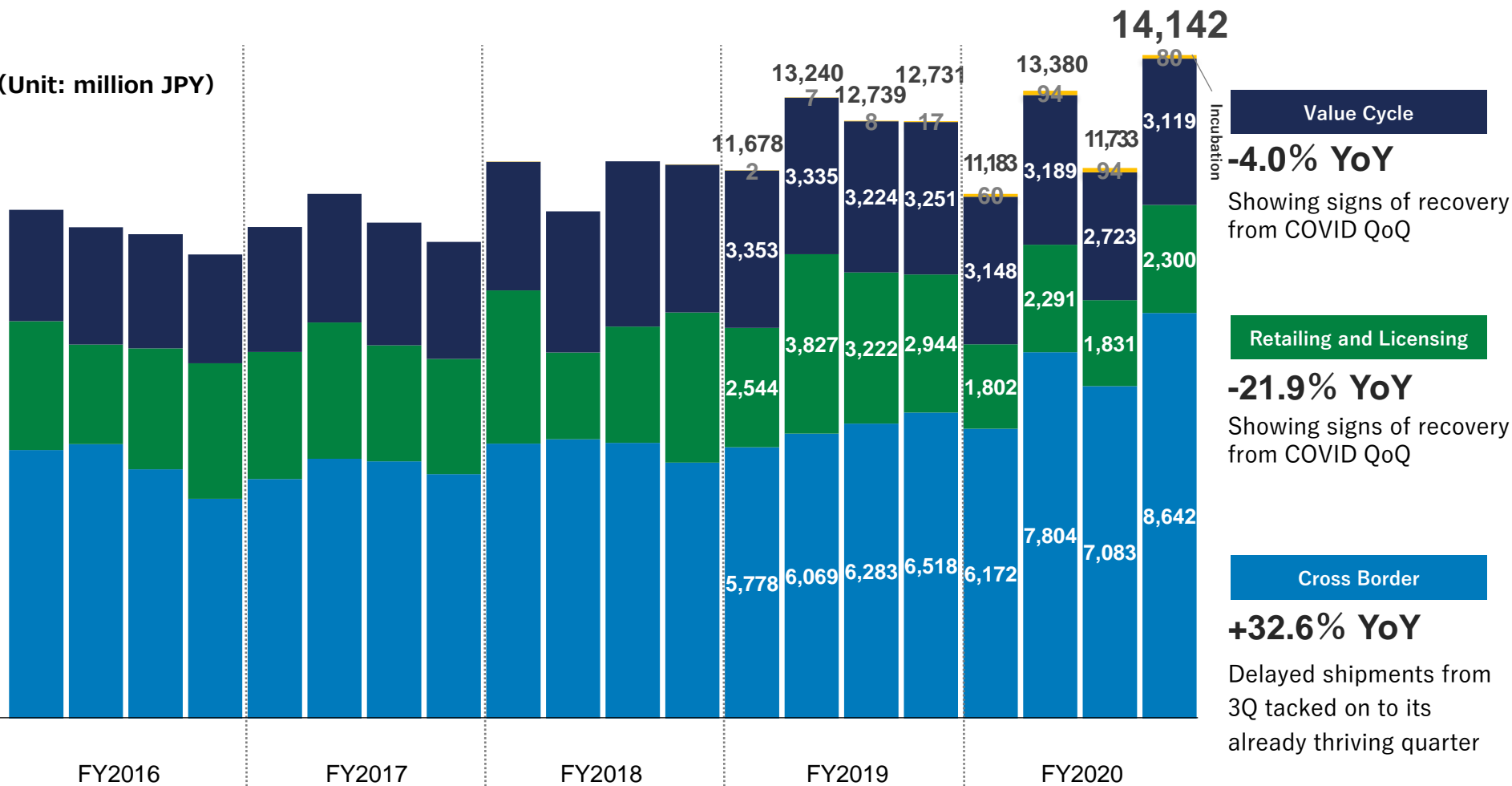
Cross Border continues to do well. Other segments showing signs of recovery.

(Unit: Billion JPY)

	Results	YoY
GMV	14.0	+10.6%
Net Sales	5.8	+4.4%
Operating Income	0.6	+51.7%

Consolidated GMV increased 11.1% YoY to a record quarterly high Cross Border also achieved a record high with a 32.6% increase YoY

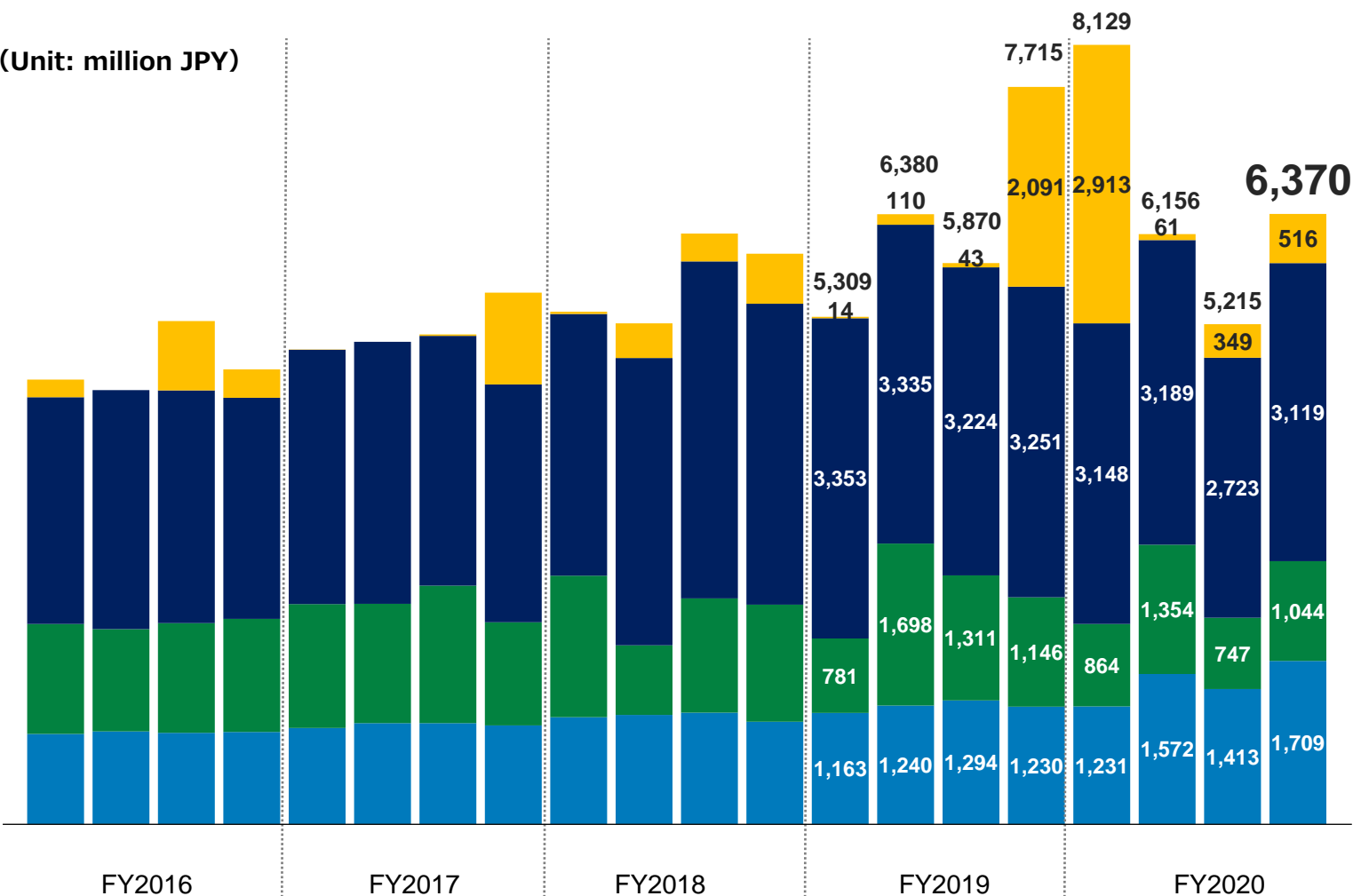
(Unit: million JPY)



*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 and shipping charge are recorded as GMV.

Decreased 17.4% YoY due to sales of investments made in 4Q FY2019. E-Commerce shows growth.

(Unit: million JPY)



Incubation

-75.3% YoY

Large sales of investments last year

Value Cycle

-4.0% YoY

Showing signs of recovery from COVID QoQ

Retailing and Licensing

-8.9% YoY

Showing signs of recovery from COVID QoQ

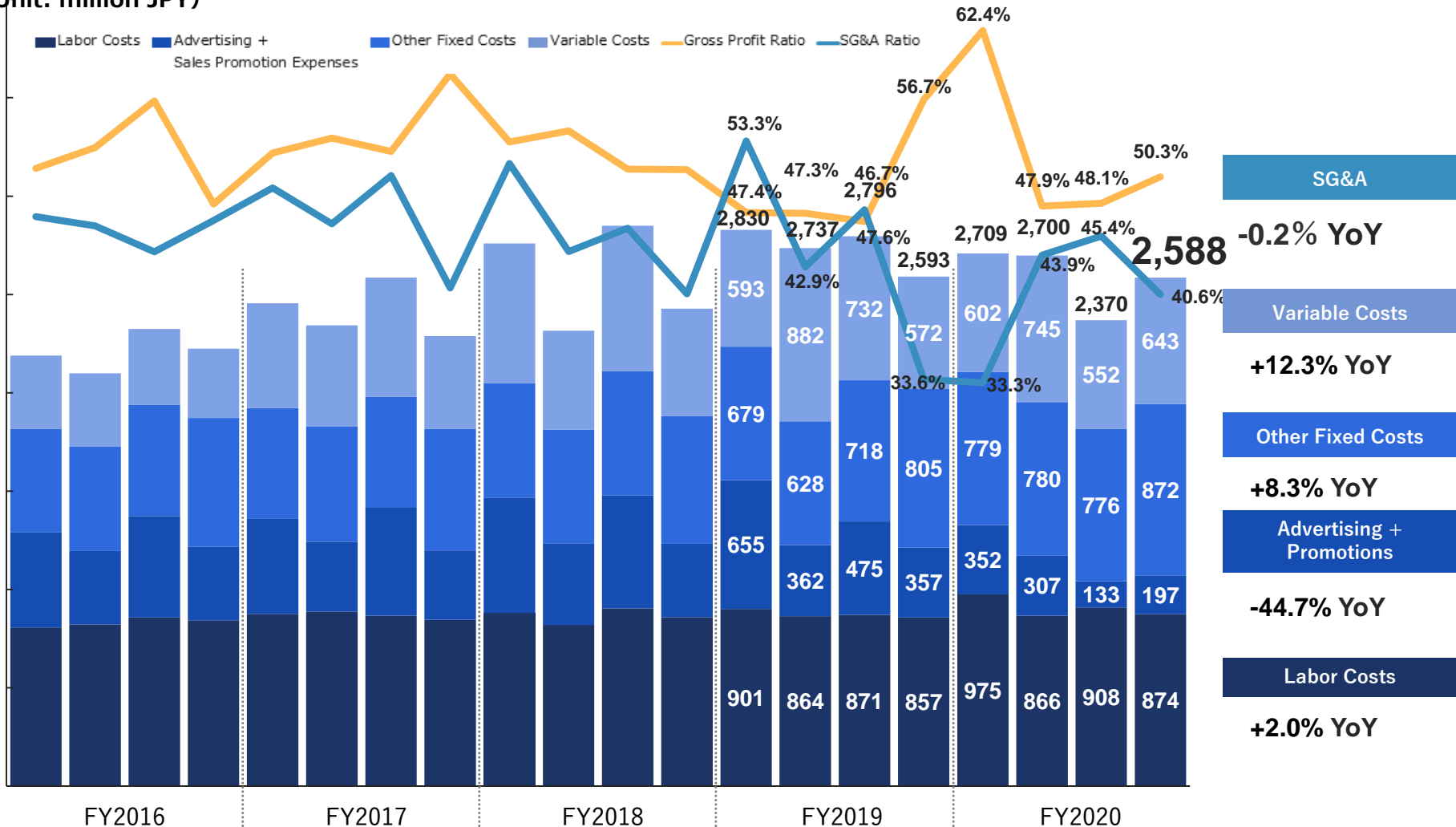
Cross Border

+38.9% YoY

Delayed shipments from 3Q tacked on to its already thriving quarter

Optimized Advertising Costs

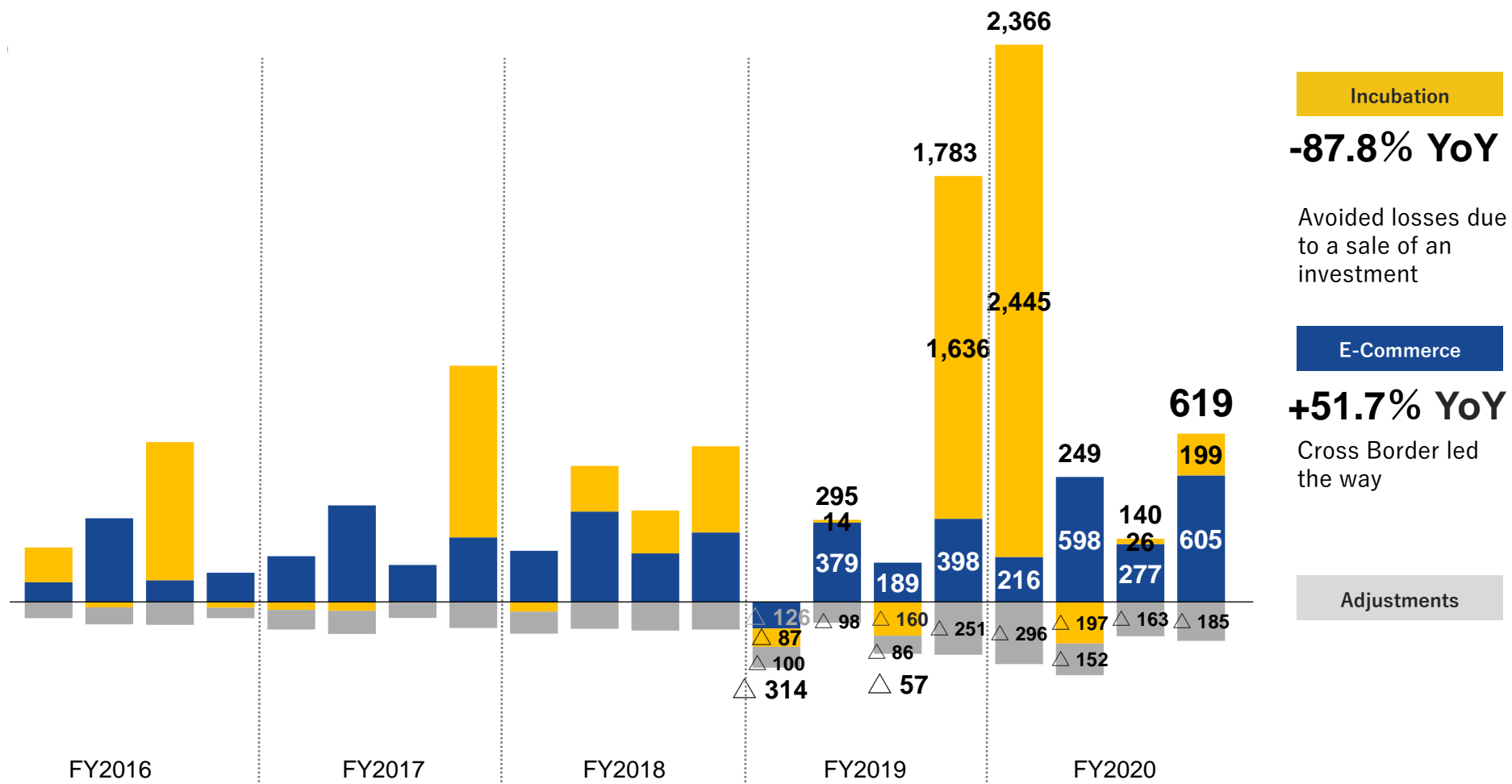
(Unit: million JPY)



※ Bonuses and Provision for Bonuses are included in other fixed costs instead of labor costs on a quarterly basis as they are distributed on a semi-annual basis based on the Group's earnings

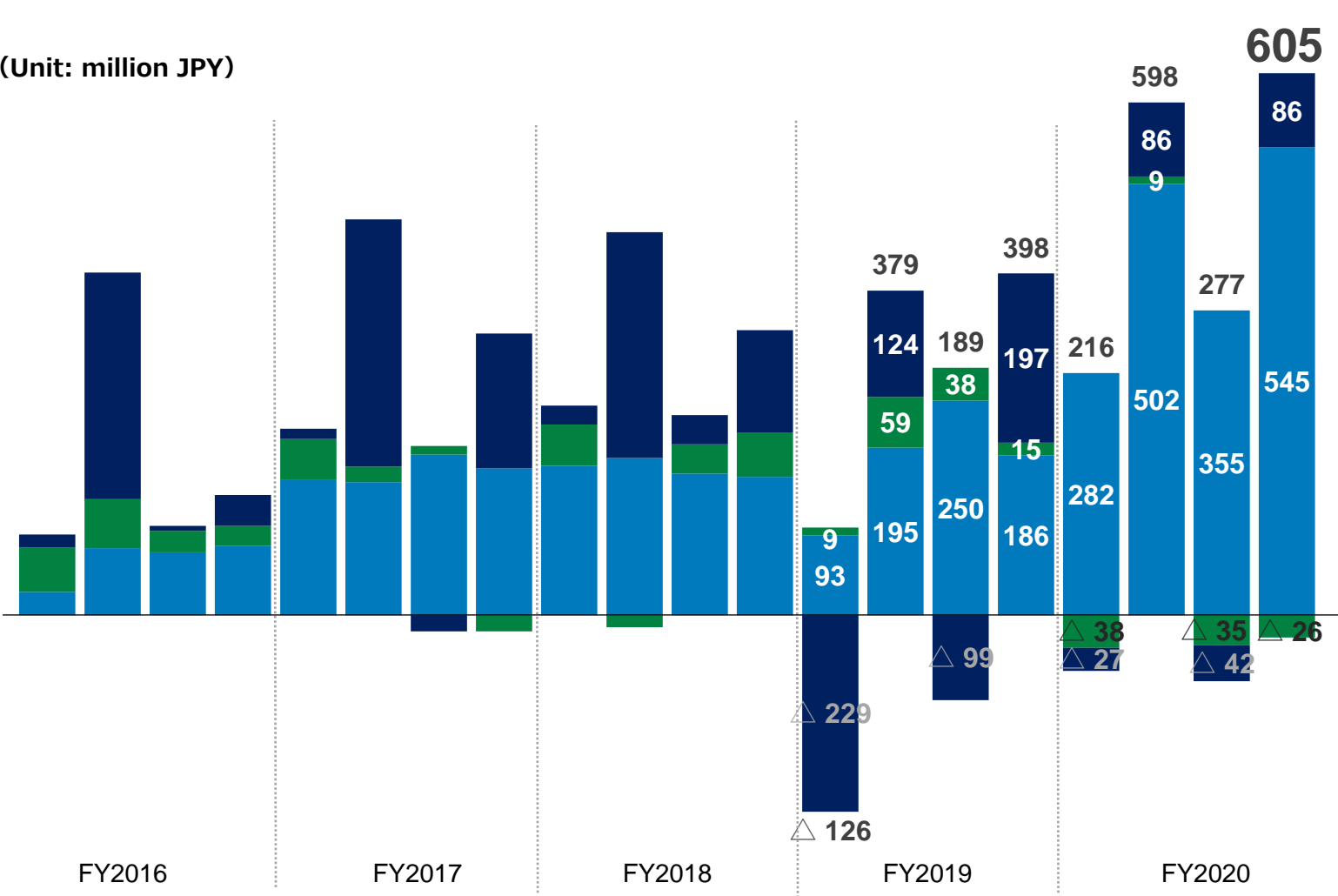
※ A portion of the Retailing and Licensing Business's Other Fixed Costs have been switched to Variable costs as of FY2017 due to its high conjunction with sales

E-Commerce grew 51.7% YoY and achieved a quarterly record high



Cross Border covered the losses of the other segments to achieve record high

(Unit: million JPY)



Value Cycle

-56.2% YoY
 Reduced income due to reduced sales despite controlling advertising costs

Retailing and Licensing

Live events continue to be restrained. Led to losses.

Cross Border

+193.0% YoY
 FROM JAPAN
 Increase in orders TO JAPAN
 Increased OP margins

(Unit: million JPY)

	3Q/FY2020 June 2020	4Q/FY2020 September 2020	QonQ
Current Assets	18,749	19,858	1,108
Cash and deposit	7,011	9,976	2,964
Account Receivable	693	1,110	416
Operational Investment Securities	4,884	3,966	△917
Products	2,227	1,553	△673
Fixed Assets	2,597	3,171	574
Tangible Assets	394	342	△51
Intangible Assets	616	542	△73
Investment etc.	1,586	2,286	699
Current Liabilities	8,005	9,683	1,678
Account Payables	213	348	134
Short-term Loans	1,900	1,600	△300
Fixed Liabilities	1,987	2,135	148
Long-term Loans	1,722	1,721	△0
Net Assets	11,353	11,210	△143
Treasury Stock	△777	△778	△1
Total Assets	21,346	23,029	1,682

- Investment : 3 Mil
- Sales : △4 Mil
- Appraised Loss : △45 Mil
- FX Fluctuation : △80 Mil
- Re-Allocation : △792 Mil

※Metro Engines Inc. has become an equity method affiliate as of September 2020. Its booking has been changed from Operational Investment Security to Investment Security.

4Q Business Highlights

03



Continue to take safety measures toward COVID-19

Cross Border continues to show strong growth

Other segments showing signs of recovery

Majority of staff working remotely as of February 2020
(excluding warehouse and brick and mortar stores)



Cross Border Business

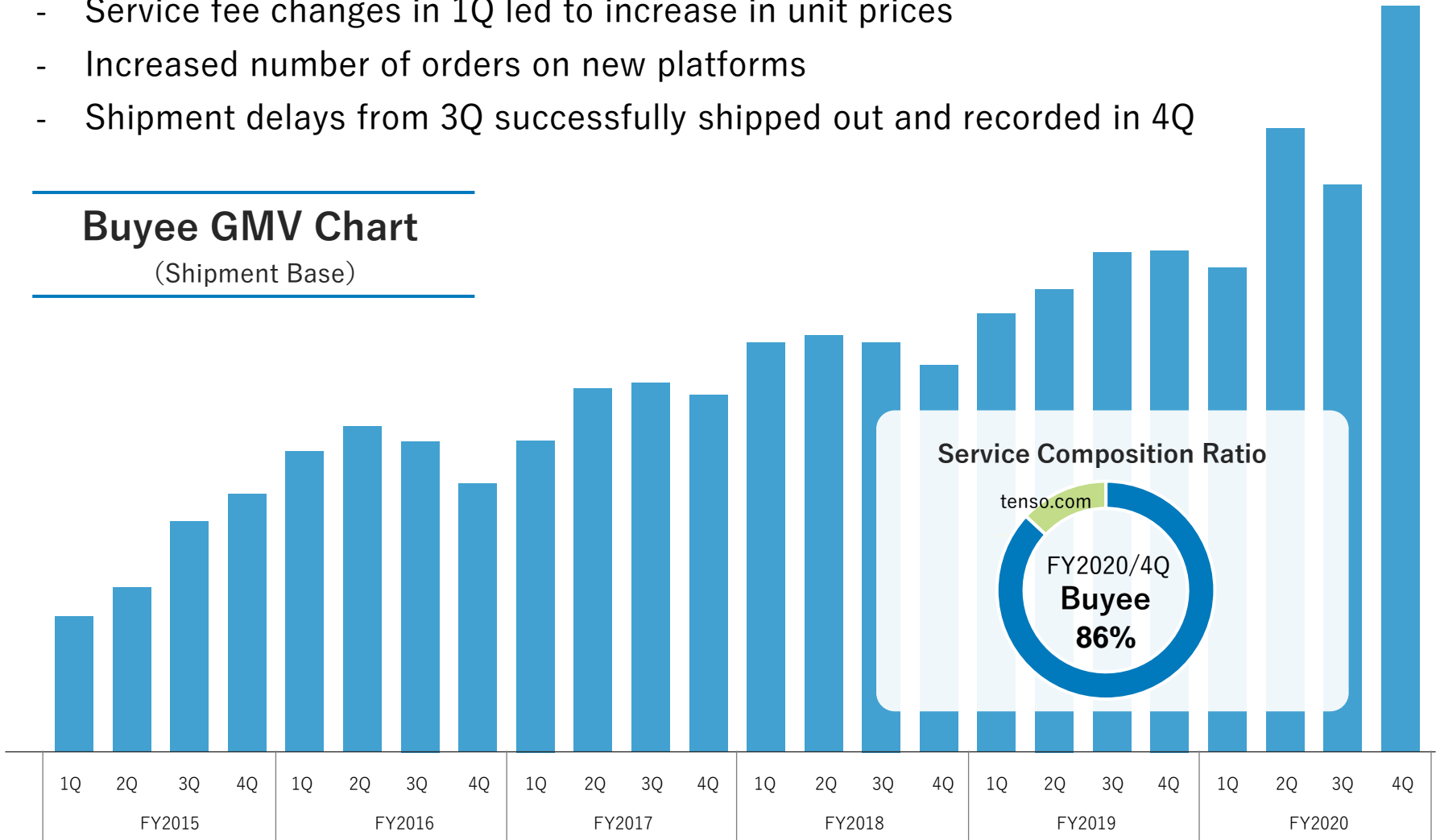


Buyee GMV increases **26.8%** to achieve **record high**

- Service fee changes in 1Q led to increase in unit prices
- Increased number of orders on new platforms
- Shipment delays from 3Q successfully shipped out and recorded in 4Q

Buyee GMV Chart

(Shipment Base)



From Japan

Proxy purchasing service “Buyee” showing quarterly **growth**

4Q Highlights (Including COVID-19 Update)

- Orders continue to increase
 - Delays in shipment in 3Q (April and May) due to COVID-19 have been relieved and was recorded in 4Q
 - Chinese payment service Alipay available for users in China
-

Notable Announcements

- Buyee commenced support of cross border sales of Mercari on Shopee
- Commenced partnership with Locondo
- 10 new partnerships including smeralda (sells dresses), Ikenobo Flower Shop –KARAKU- (Ikebana tools) and Nicolas Jenson (women’s apparel)

New Businesses in Cross Border

Project to connect Japanese businesses with foreign platforms in progress by the new business development team
(Incubation Segment)

Partnerships with Foreign Platforms

- Shopee
 - Lazada
- more coming soon



Global Penetration Support for Japanese Businesses

- mercari (August 2020)
 - Locondo (August 2020)
- more coming soon

The logo for Locondo, consisting of the word 'LOCONDO' in a light gray, all-caps, sans-serif font, centered within a light gray rectangular background.

LOCONDO

※ The financial results from these measures will be recorded in the Incubation segment as they are new services in the Cross Border segment.

Retailing and Licensing Business



Entertainment

Plan official merchandise of Japanese artists and operate official EC sites

4Q Highlights (Including COVID-19 Update)

- Live events continue to be cancelled/postponed in 4Q
- Currently planning for live events next fiscal year as restrictions begin to be lifted

Notable Announcements

- “narabee” supports the sales of the official collaboration bento box for Demon Slayer x SL Gunma ~Infinity Train~
- Newly released 3 types of “Kirby Hand Cream” from the popular “Lovisia Series”
 Pokemon Gift Cosme Series has shipped 1.35 million units
 Kirby Cosme Series has shipped 130K units

※narabee is a new business in the Entertainment Business, thus its financial results will be booked in the Incubation segment



Value Cycle Business



Apparel Reuse Business “Brandear”

4Q Highlights (Including COVID-19 Update)

- Brandear now listed on Shopee
- Implemented an online verification service “Polarify eKYC”
- Conducted a charity auction at “INAZUMA ROCK FES. 2020”

Notable Announcements

- Newly partnered with French secondhand luxury item EC Site “Vestiaire Collective”
- “Brandear Liquor Umeda Store” opened in Osaka in collaboration with JOYLAB



Incubation Business



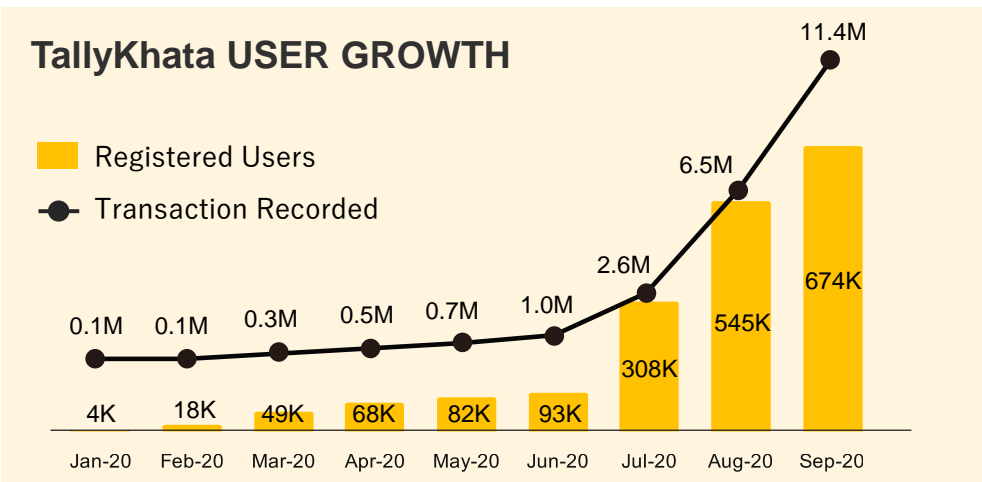
Foreign Investments

4Q Highlights (Including COVID-19 Update)

- The negative effects of COVID-19 have bottomed out and investees are beginning to show signs of recovery
- Recorded sales of operational investment securities

Introduction of Investment : Surecash (Bangladesh)

- Commenced Bangladeshi mobile payment service
- Commenced service of new business “TallyKhata”, an app that allows small businesses to manage their finances form bookkeeping to carrying out loans



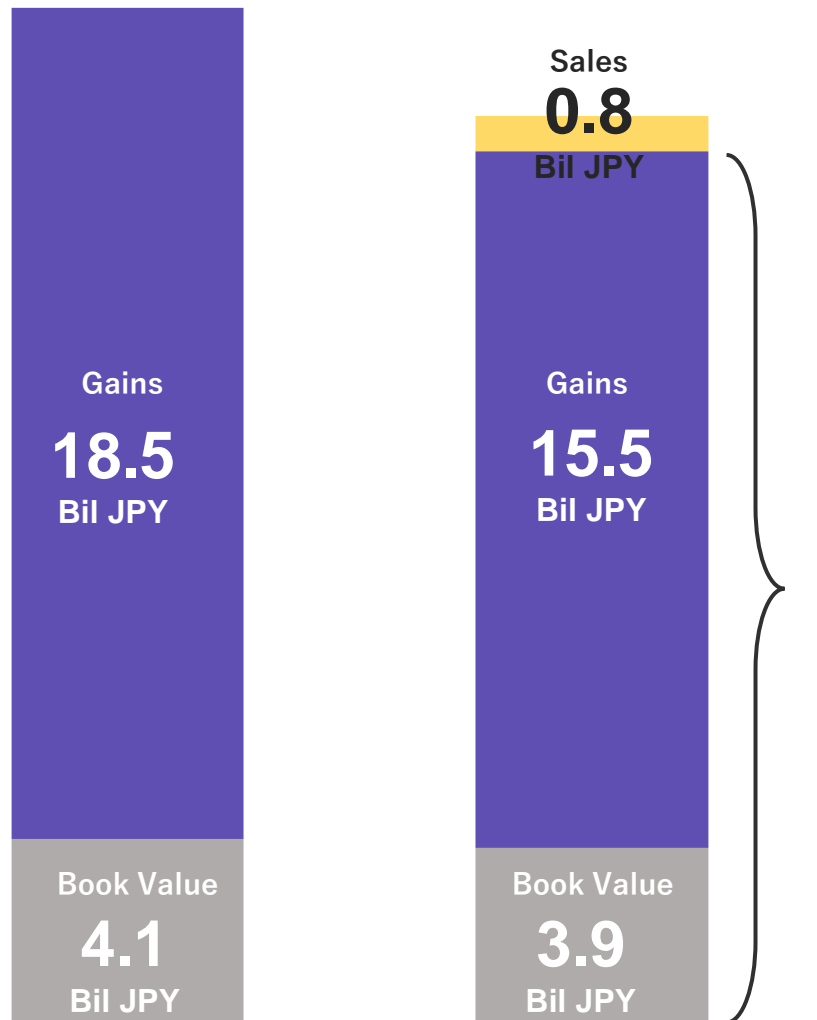
Registered users showing rapid growth



Small businesses implementing the service

Market Value

22.6 Bil JPY



2020/3月末

2020/9月末

Main Topics on the Market Value

Metro Engines Inc. has become an equity method affiliate as of September 2020 thus has been removed from being booked as an operational investment security. The decrease in market value is due to this removal and the sale of other investments.

Market Value
19.5 Bil JPY

【How we calculated the market value】

Listed Companies: Stock price as of 30 September 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.

Forecast for FY2021

04



Forecast Disclosure Policy for FY2021

FY2019

Forecast not disclosed

FY2020

Forecast disclosed

As we have disclosed our policy to monetize 20% of our gains in our investment portfolio from April 2019 to March 2020, we decided to disclose our forecast for FY2020.

FY2021

Only disclose the forecast for the E-Commerce Business

We want to be flexible in our timing to sell investment securities so we can sell them at the opportune timing, so we have decided to only disclose our forecast for our E-Commerce Business where we anticipate further growth as it is our focal business.

FY2022 and Beyond

We will consider the circumstances at the time and make our decision accordingly.

1 GMV for the E-Commerce Business forecasted to increase **8.2%** YoY to **54** Billion JPY

2 E-Commerce Business operating income forecasted to increase **30.8%** YoY, with Cross Border being at the center of the growth

3 No policy on sales of operational investment securities disclosed as we will be flexible in our selling policy as we monitor the progress of our new businesses

	FY2020 (Results)	FY2021 (Forecast)	YoY
E-Commerce GMV	50.1 Bil JPY	55.2 Bil JPY	+10%
E-Commerce Net Sales	22.1 Bil JPY	24.6 Bil JPY	+11%
E-Commerce Operating Income	1.69 Bil JPY	2.33 Bil JPY	+37%

We hold our profit return policy in high regards to give back to shareholders by expanding our business foundation and progressing our financial ground. We aim to continue to carry out our dividends on a consistent basis without being largely influenced by financial results.

■ Dividend

	Dividend per Share (JPY)			Total Dividend	Payout Ratio
	End of 2Q	Year-end	Total		
FY2017	5.00 Commemorative Dividend※	13.00	18.00	221 M	16.7%
FY2018	00.00	13.00	13.00	158 M	21.8%
FY2019	00.00	18.00	18.00	214 M	17.2%
FY2020	00.00	20.00	20.00	252 M	13.2%

※TSE First Section Listing Commemorative Dividend

■ Share Repurchase

	Total number of shares repurchased	Percentage of issued shares (excluding treasury stock)	Total repurchased cost	Total return ratio (including dividend)
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	28.5%

Create a Global Platform

グローバルプラットフォームを創る

Global Platform



Global Platform 1.0

From the decreasing
100 million market to the
increasing 7.4 billion market

- Beyond your world -

Domestic Markets

Foreign Markets

Global Commerce

E-Commerce / Local Organizations / Manufacturers

GLOBAL COMMERCE

Entertainment

Merchandise / Sales / Entertainment Platform

ENTERTAINMENT

Value Cycle

Up Cycle / Arbitrage

VALUE CYCLE



US based auction site with 180 million active users



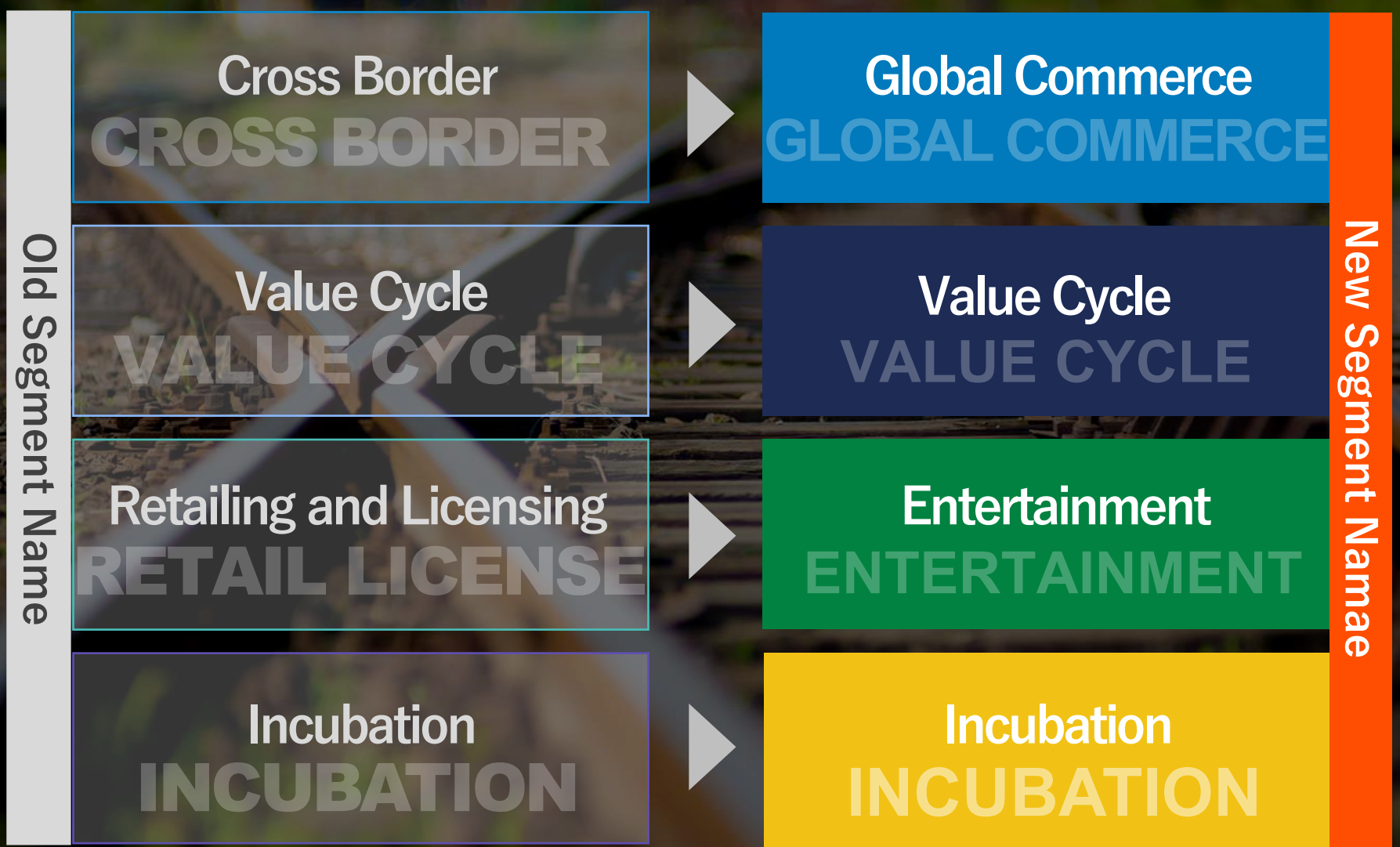
Alibaba Group EC site operating in 6 Southeast Asian countries. Over 500 million accesses/day.



200 million downloads. Southeast Asia's largest shopping site

Coming Soon

Project to partner with new marketplaces in progress



FY2021

- Use Buyee's strengths to become the undisputed **No1** in the industry
 - Adding China and Russia to our strategic focal regions
 - Fortify partnerships with foreign marketplaces
 - Evolve service to overwhelm competition

Midterm

- Create a smooth and natural purchasing flow for foreign customers

Customers currently need to access Buyee to purchase Japanese products, but we envision foreign customers to be able to purchase Japanese items from online shopping platforms that are available in their countries.

FY2021

- **Purchasing Strategy: Shift to high ticket items (bags, luxury items, etc.)**
→ Create brick and mortar stores so customers can be assured that their items will be handled properly
- **Selling Strategy: Fortify partnerships with foreign marketplaces**
→ Secure partnerships with countries where we can sell products at higher prices
- **Eventually raise the purchasing price to a level that will be satisfactory for customers**



Midterm

- **Extinguish borders in the reuse business by increasing our overseas sales composition to 50%**

Purchase items from individuals in Japan at a fair price and sell them abroad where they are more appreciated for their quality.

FY2021

- Create a platform framework specific to the entertainment industry
 - Have options specifically tailored to the entertainment industry
 - Create a specific task force to launch this framework
- Scheduled to create a fan site as a new territory to penetrate

Midterm

- Enhance the entertainment platform framework
 - Create a one stop EC system for event merchandise domestically and internationally
 - Expand Narabee, the service to pick up merchandise at live events without lining up
 - Create a broadcasting system that will improve fan communication
- Aim to be the No. 1 that seizes the new opportunities that come from the entertainment industry

FY2021

- (New Business) Focus on connecting Japanese businesses with foreign platforms
- (New Business) Create a framework in the inbound travel industry
 - Making preliminary investments as this is field is essential for Japan's future growth
- (Investment) Monitor investments' growth post-COVID-19
 - Some companies are preparing for IPO. Gauge the opportune time to exit.

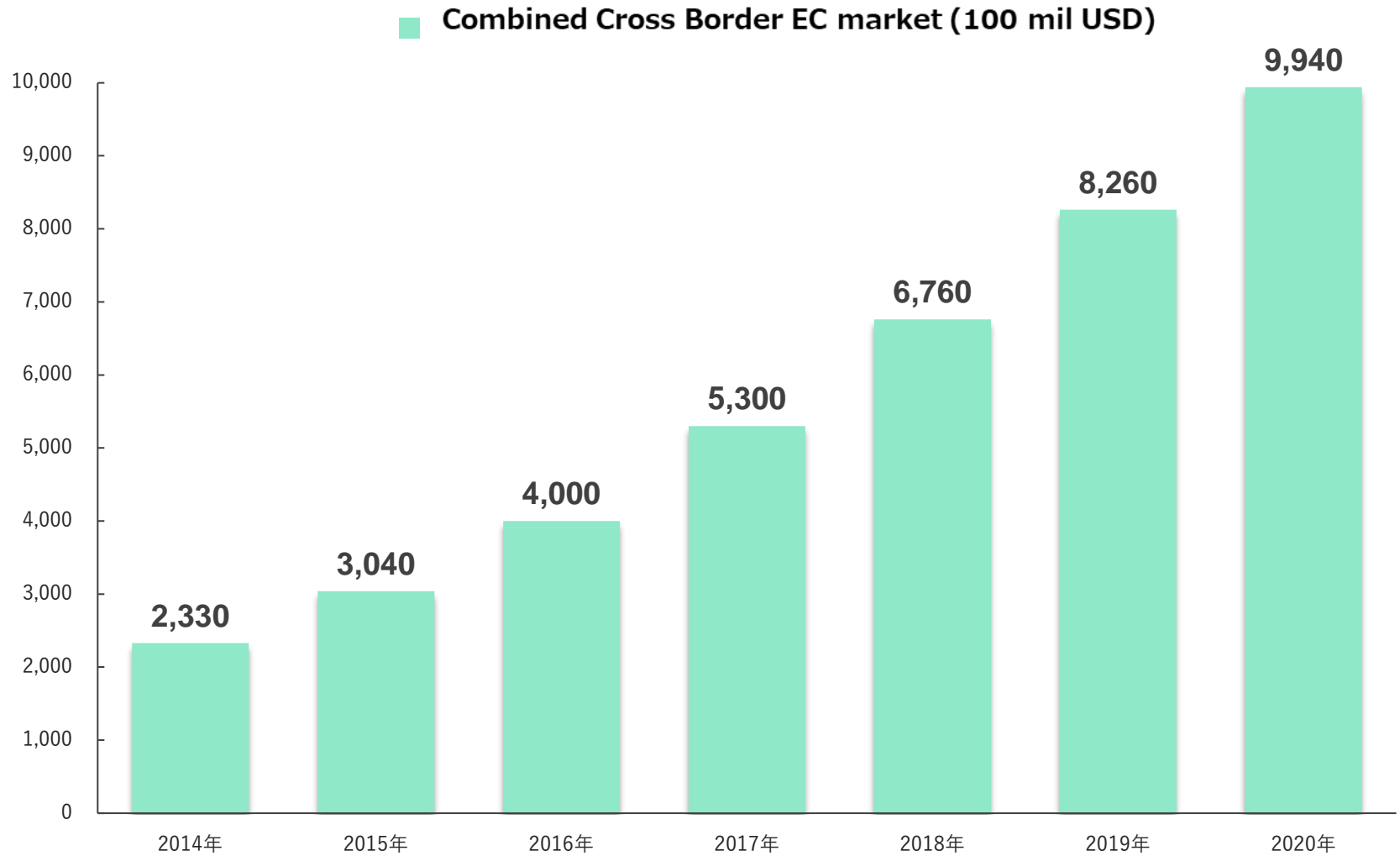
Midterm

- (New Business) Be agile in creating new businesses and partnerships
- (Investment) Create partnerships with investees to realize and fortify the global platform framework

Reference Materials

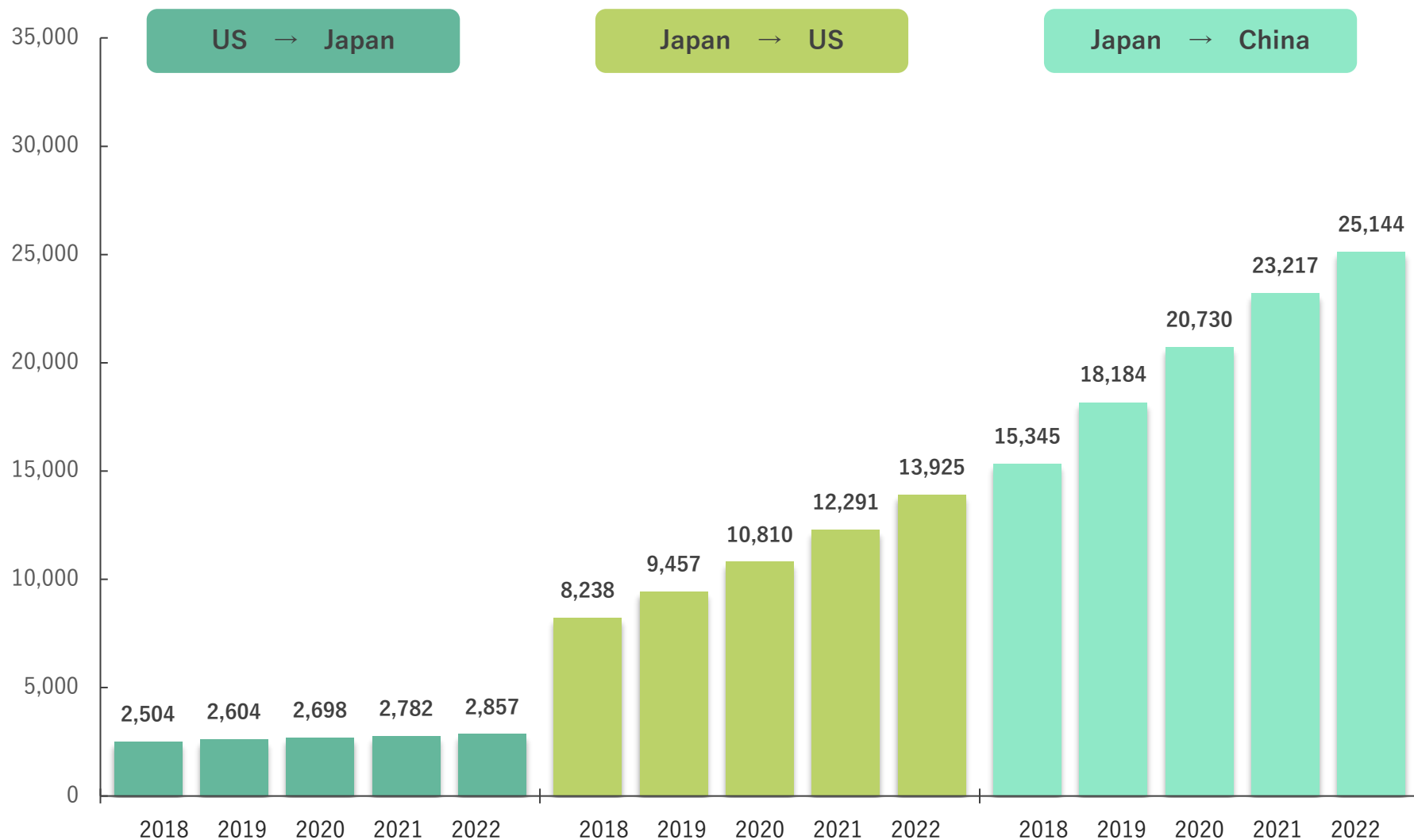
05





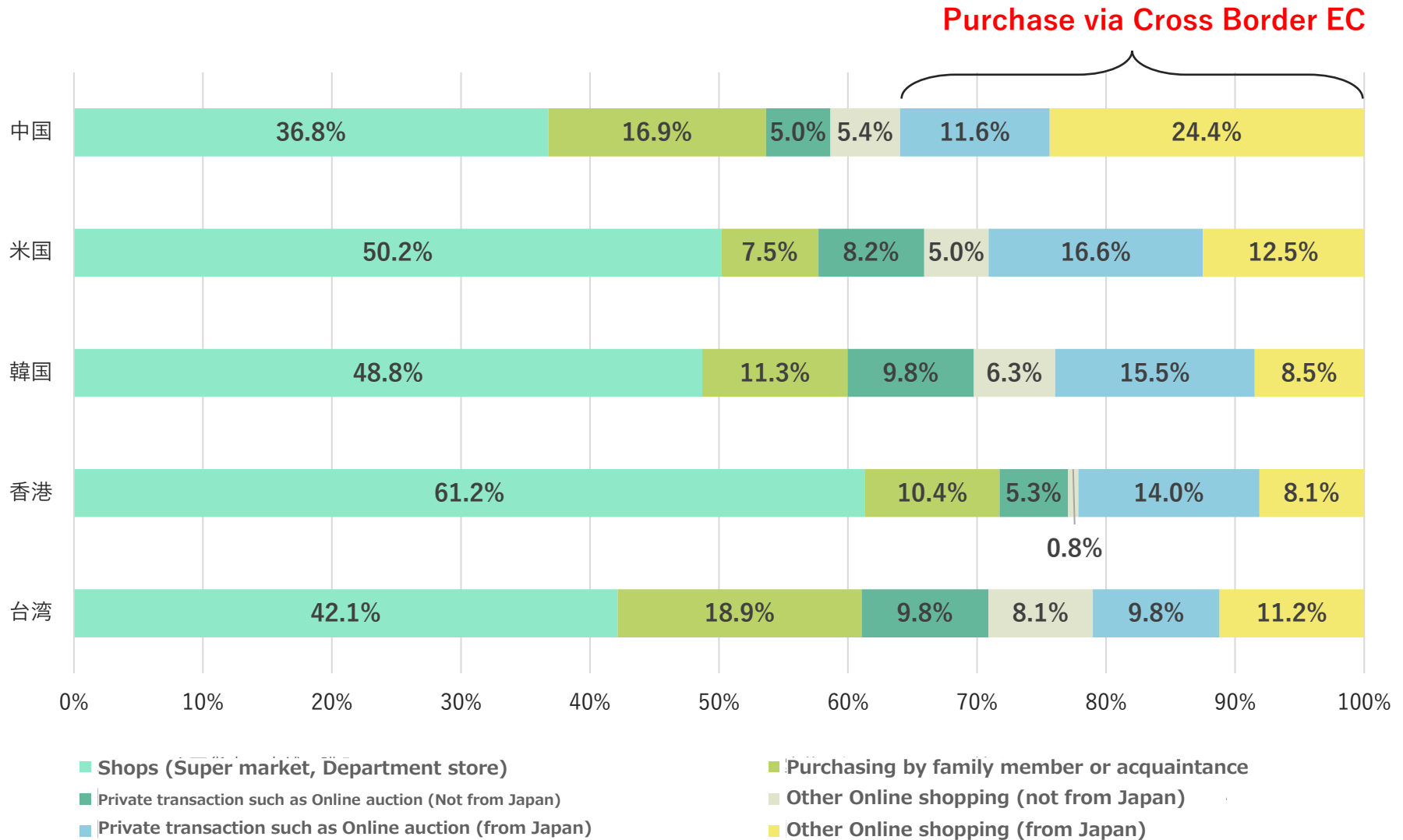
Reference : Alizila,Jan2017

(Unit : 100 mil JPY)



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

How to Purchase Japanese Products



Reference : Survey of Japan Tourism Agency (2017)

Supplemental Materials

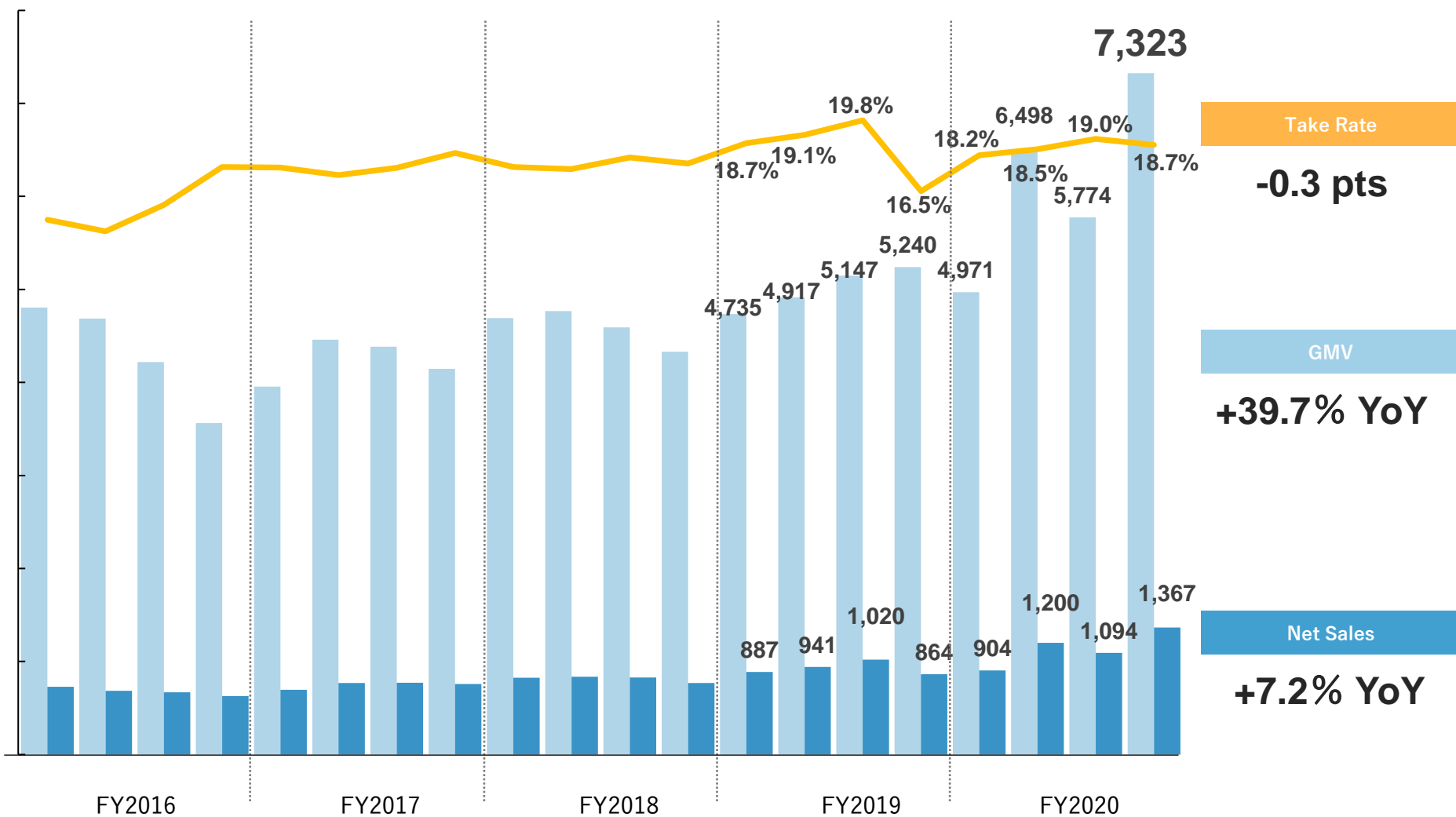


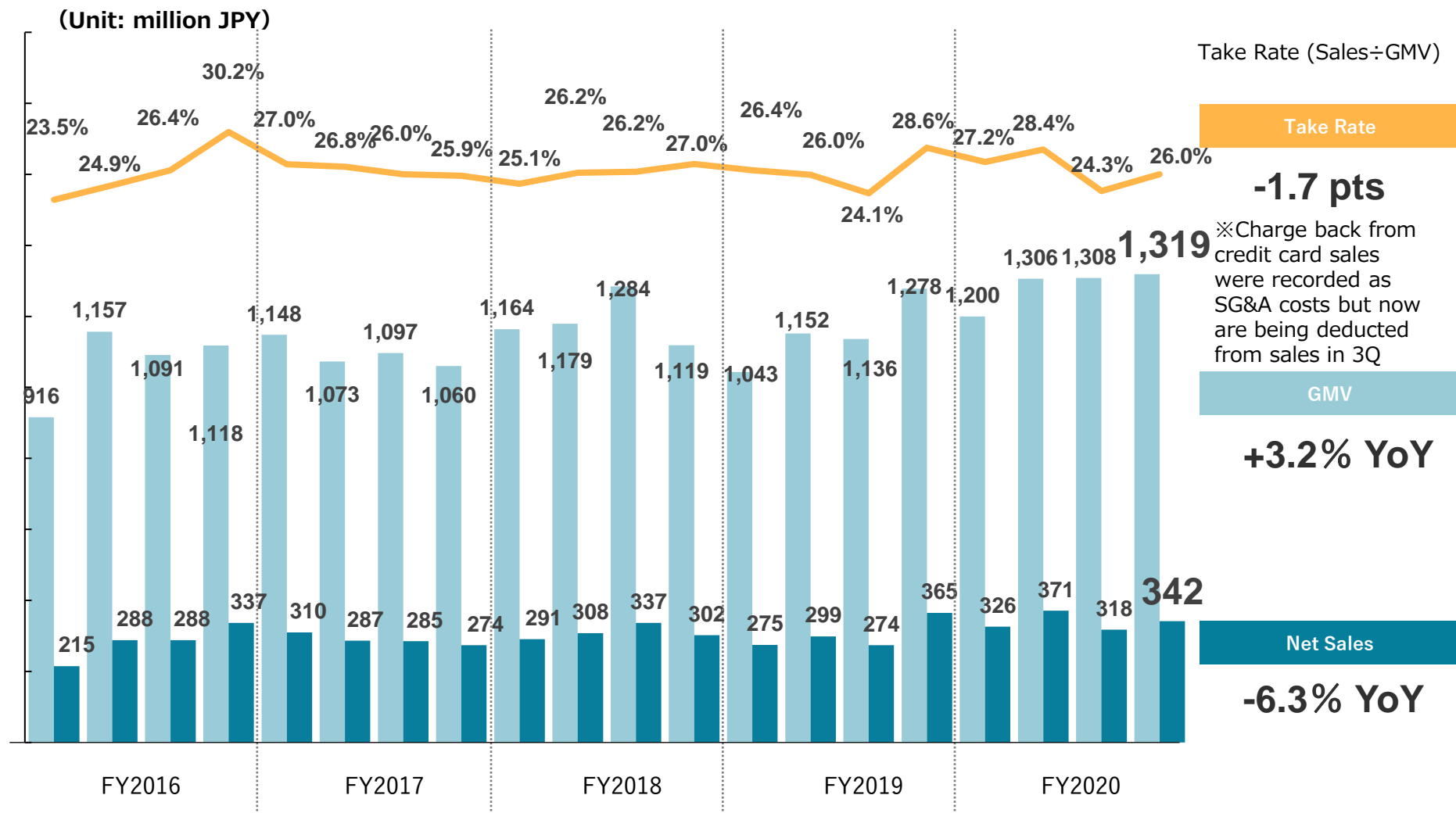
06

Cross Border Business GMV and Take Rate: From Japan

(Unit: million JPY)

Take Rate (Sales÷GMV)

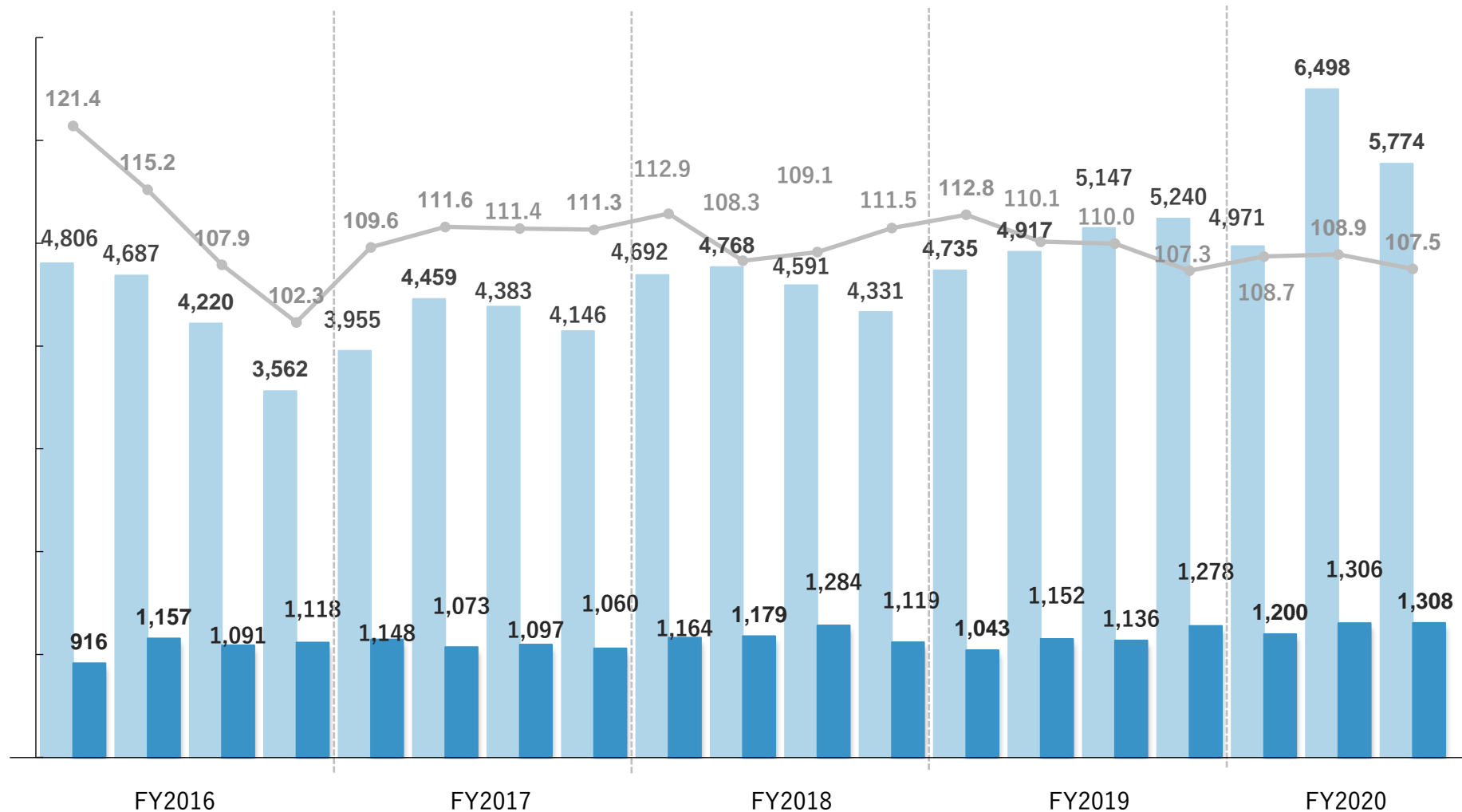




Cross Border Business GMV and FX Rate

From Japan To Japan

— FX Rate (USD/JPY)
Quarterly Average Rate



As of September 2020

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

Global Commerce

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

Supporting celebrities and anime licenses in developing, promoting and selling merchandise. Operates artist and production companies' official merchandise shops.

Value Cycle

Entertainment

Incubation Business

Subsidiaries



BeeCruise

BeeCruise uses BEENOS's "Experience", "Network" and "Cumulative Data" as its strongholds and creates catalysts for existing businesses and 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.