

## Consolidated Financial Results (Japanese Accounting Standards)

For the Fiscal Year Ended 30 September 2021

4 November 2021

Company Name BEENOS Inc. Stock Exchange Listing Tokyo  
 Stock Code 3328 URL <http://www.beenos.com>  
 Representative President and Group CEO Shota Naoi  
 Contact Executive Officer Hisanori Matsuda (TEL) 03-6859-3328  
 Scheduled date of the Annual General Meeting of Shareholders 17DEC2021 Scheduled date of commencement of dividend payment 3DEC2021  
 Scheduled filing date of the Annual Securities Report: 17DEC2021  
 Supplementary documents for annual results: Yes  
 Quarterly results briefing: Yes

(Amounts rounded down to the nearest million yen)

### 1. Consolidated Financial Results for the Fiscal Year Ended 30 September 2021 (1OCT2020 – 30SEP2021)

(1) Consolidated Results of Operations (Percentages show year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2021	25,008	△3.3	1,685	△50.1	1,645	△49.9	690	△63.5
FY2020	25,872	2.4	3,376	97.7	3,283	91.6	1,891	75.6

(Note) Comprehensive Income FY2021 968 Mil. yen (△46.3%) FY2020 1,803 Mil. yen (121.0%)

	Net income per share (basic)	Net income per share (diluted)	Return on equity	Return on assets	Operating income margin
	Yen	Yen	%		%
FY2021	53.82	50.33	6.2	7.3	6.7
FY2020	151.34	150.61	19.3	15.7	13.1

(Reference) Equity in earnings FY2021 △93 Million yen FY2020 0 Million yen

### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY2021	21,797	11,395	51.7	876.59
FY2020	23,029	11,210	48.3	882.12

(Reference) Shareholders' equity FY2021 11,260 Million yen FY2020 11,130 Million yen

### (3) Consolidated Cash Flows

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
FY2021	△552	△689	△904	8,141
FY2020	5,955	△578	△619	10,220

### 2. Dividends

	Dividend per share					Amount of dividends (Total)	Dividend ratio (Consolidated)	Dividend on equity (Consolidated)
	End of 1Q	End of 2Q	End of 3Q	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	Yen
FY2020	—	0.00	—	20.00	20.00	252	13.2	2.5
FY2021	—	0.00	—	25.00	25.00	321	46.5	2.8
FY2021	—	—	—	—	—	—	—	—

(Note) 1. Changes in recently announced dividends forecast: No

2. Dividends for FY2022 is TBD

### 3. Consolidated Forecasts for the Fiscal Year Ending 30 September 2022

(1 October 2021 – 30 September 2022)

We are refraining from disclosing our consolidated forecast for FY2022. Please refer to "Explanation of Outlook for FY2022" on pg. 8 for details.

#### ※ Notes

(1) Changes of important subsidiaries during period : None

New companies: -(Company name: -) Excluded companies: -(Company name: -)

(2)

(3) Changes in accounting policies and changes or restatement of accounting estimates

① Changes in accounting policies caused by revision of accounting standards : None

② Changes in accounting policies other than ① : None

③ Changes in accounting estimates : None

④ Restatement : None

(4) Number of shares outstanding (common shares)

① Number of shares outstanding at the end of period (including treasury shares)

FY2021	13,335,995 Shares	FY2020	13,335,995 Shares
FY2021	490,635 Shares	FY2020	717,670 Shares
FY2021	12,834,345 Shares	FY2020	12,499,504 Shares

② Number of treasury shares at end of period

③ Average number of shares outstanding during the term

#### ※ Status of a quarterly review

This financial summary does not need to undergo auditing.

#### ※ Explanations and other special notes concerning the appropriate use of business performance forecasts

The forward-looking statements such as result forecasts included in this document are based on the information available to the Company at the time of the announcement and on certain assumptions considered reasonable, and the Company makes no representations as to their achievability. Actual results may differ materially from the forecast depending on a range of factors.

○ Table of Contents

1. Qualitative Information for this Fiscal Year's Results .....	4
(1) Business Performance Report .....	4
(2) Financial Status Report .....	7
(3) Cash Flow Report .....	8
(4) Explanation of Outlook for the Future.....	8
(5) Basic Policy of Distribution of Profits and Dividends for FY2021 and FY2022.....	10
2. Status of the Corporate Group.....	10
3. Management Policies.....	12
(1) Company Basic Management Policy.....	12
(2) Target Business Indicators.....	12
(3) Mid-to-Long-Term Company Management Policy and Potential Risks.....	12
4. Basic Policy for the Selection of Accounting Standards.....	13
5. Financial Statements and Major Notes.....	14
(1) Consolidated Balance Sheet.....	14
(2) Consolidated Profit & Loss Statement and Consolidated Statement of Comprehensive Income.....	16
(3) Statement of Changes in Net Assets .....	18
(4) Consolidated Statements of Cash Flows.....	21
(5) Notes on Consolidated Financial Statement.....	23
(Notes regarding the premise of on-going concerns) .....	23
(Segment Information) .....	24
(Information per share) .....	26
(Important Subsequent Events) .....	27

## 1. Qualitative Information for this Fiscal Year's Results

### (1) Business Performance Report

The BEENOS Group aims to be on the "Global Platform Frontier" and continue to create platforms that will connect Japan with the world to create new standards and possibilities for people, products and experiences.

Our objective this year is to "establish a position that competitors cannot catch up to" in the Global Commerce Business, "shift to higher ticket items and fortify foreign sales" in the Value Cycle Business and "create a new SaaS-type system specific to the entertainment industry" in the Entertainment Business. We will continue to monitor the effects of COVID-19 and will make all necessary countermeasures.

In the third quarter, the Global Commerce Business continued to decrease shipping rates to various countries including the USA and Russia to increase its share of the market by leveraging its position. The Value Cycle Business has conducted multiple measures, including the opening of additional brick and mortar stores, and has opened a store on China's largest Cross Border EC Mall "Tmall Global" to increase its overseas transactions. The Entertainment Business focused on the sales of official merchandise of performing artists and aimed to create a scheme that would not depend heavily on in-person events. As a result, the E-Commerce Business showed strong growth in sales and operating income. We have also recorded sales from some of the operational investment securities that we and our subsidiaries own. The new businesses have continued its efforts to support Japanese companies and content holders with their global penetration and advancement by joining partnerships with places such as Alibaba Group's CtoC marketplace "Taobao," flea market app "Xianyu," Southeast Asia's largest EC platform, "Lazada" and South Korea commerce company "Coupang." As we continue to connect Japan with the world's largest EC markets, we aim to create new markets that crosses borders.

As a result, the annual consolidated net sales were 25,008 Million JPY (down 3.3% year on year), operating income was 1,685 Million JPY (down 50.1% year on year), ordinary income was 1,645 Million JPY (down 49.9% year on year), and net income attributable to owners of parent was 690 Million JPY (down 63.5% year on year). The reason for the decrease across the board is due to sales of operational investments securities decreasing to approximately 0.4 Billion JPY (approximately 3.5 Billion JPY in FY2020).

The consolidated GMV for FY2021 was 64.6 Billion JPY (up 28.2% year on year).

The book value for our operational investment securities at the end of FY2021 was 4.1 Billion JPY. The market value has fallen to 20.4 Billion JPY (book value as of March 2021 was 4.8 Billion JPY and market value was 20.9 Billion JPY). The main reason for the decrease of both book value and market value are because of the sales recorded of operational investment securities.<sup>1</sup>

The achievements of each business segment are as follows.

#### ① E-Commerce Business

##### i) Global Commerce Business

As COVID-19 has delayed or suspended international distribution, The Overseas Forwarding and Proxy Purchasing Business (From Japan) has made a concerted effort to provide alternative shipping methods to foreign countries which has led to an increased pace in sales. The United States has particularly seen an increase in orders as we are able to implement an original shipping service that provides shipping charges at less than half the normal cost which gives us leverage over competitors. We also partnered with the global marketplace, eBay, to allow items sold on "eBay US" to be purchased and sent to users throughout Asia. On the other hand, we have experienced a decrease in Take Rate (the rate of how much GMV converts to net sales) due to an increase in overseas shipping costs that we bore instead of transferring it to the users. This is a temporary issue and we are remedying it through efforts such as readjusting shipping costs. We have also created an original shipping method for the Russian market which is seeing a rapid growth in the EC market and has high

---

<sup>1</sup> The market value for listed companies is calculated at its stock price. Unlisted companies are calculated based on our number of shares with the price of the most recent stock issuance (if a company has recorded allowance for loss on investments, it is priced at book value). This amount has been calculated internally and has not gone through the auditing process.

potential. Shipping to Russia had been limited to shipping by sea which took months for a package to arrive. We have successfully decreased shipping time to approximately 10 days while lowering costs as much as possible to make the service more convenient for users in Russia. We have also made it easier for Japanese EC services to make their products available on Buyee through "Buyee Connect" which can be simply done by installing a few tags on the EC service's website. Popular websites such as LOCONDO.jp and URBAN RESEARCH ONLINE STORE have already used this service. Buyee Connect allows users to purchase through major foreign payment services such as PayPal and Alipay as well as receiving customer support in various languages including English and Chinese.

The Global Shopping Business (To Japan) has continued to automate its operations and conducted marketing strategies aimed at individual users to increase its number of active users. Though COVID-19 has hit the United States hard, where our distribution center is located, operations were delayed temporarily by the pandemic, but has returned to normal.

As a result, net sales were 8,287 Million JPY (up 39.9% year on year) and operating income was 2,811 Million JPY (up 66.8% year on year).

#### ii) Value Cycle Business

We have newly opened 5 Brandear brick and mortar stores which increases our total to 8 stores, including co-operated stores with JOYLAB, to continue the purchasing of luxury items. These efforts have increased the average unit price of purchased items on the purchasing side for the Apparel Reuse Business. Furthermore, our online appraising service, "Brandear Bell", has started appraising watches and accessories and our delivery purchasing service has now implemented an insurance service on its deliveries up to 5 Million JPY. These non-face to face measures have improved our purchasing services and played a role in the increase of purchases. The selling side has been negatively impacted by COVID-19 and the state of emergency in major Japanese cities as it decreased the demand for high brand apparel items. However, we have partnered with the Taiwan and Southeast Asia E-Commerce juggernaut, "Shopee," as well as China's largest Cross Border EC Mall "Tmall Global" to sell merchandise abroad. This has led to an increase in foreign sales which now comprises of 18.7% of all sales in 4Q (foreign composition was 14.9% on 3Q FY2021).

The Liquor Mediation Business has increased its marketing to purchase items from restaurants and bars that have been affected by the state of emergency that was declared due to COVID-19 as well as using the Japanese communication app, LINE, to place an order for home pick-ups for purchasing alcohol to acquire new customers. As a result, purchases increased. On the selling side, sales were doing well due to consumers purchasing liquor to drink at home as well as an increase in demand for Japanese whiskey that is no longer in circulation. We have also increased user-friendliness by starting a service called "Vintage Search" where we search for rare liquor items on behalf of the users and sell it to them. The purchase of luxury items at JOYLAB stores has increased which is accomplishing our measures to increase the synergy within the BEENOS Group.

As a result, net sales were 12,026 Million JPY (down 1.3% year on year) and operating income was 68 Million JPY (down 34.1% year on year).

#### iii) Entertainment Business

The Entertainment Business continues to see a downward trend of large-scale events due to the COVID-19 pandemic which has led to a decrease in sales at concert venues. However, we have seen a steady increase in sales as we have focused on selling merchandise via E-commerce at online events and the operation of fan sites for popular artists. We have also optimized operation to cut on fixed costs which has increased operating margins.

The Global Product Business has seen healthy sales in its original cosmetic brands, such as "366 (San Roku Roku)."

As a result, the net sales were 4,163 Million JPY (up 3.8% year on year) and operating income was 167 Million JPY (compared with operating loss of 91 Million JPY in FY2020).

For the E-Commerce Business as a whole, net sales were 24,478 Million JPY (up 10.7% year on year) and operating income was 3,048 Million JPY (up 79.5% year on year).

The Investment and Consultation Business has focused on investing in startups in online marketplaces and online payments in emerging countries and Japanese inbound tourism in Japan. We have teamed up with one of our domestic investments, Vpon JAPAN Inc., to create a digital solution on the cross-border front. This partnership with BEENOS Travel Inc. will operate the "Japan inbound media promotion verification" service that will gauge how inbound-related advertisements and articles have converted to users actually visiting the target region. We currently find ourselves in the stage where we can synergize with the companies we have invested in. Inbound related startups are still in a rough position with the COVID-19 pandemic, but we remain focused on projects that we can release once the pandemic settles down. Many of our investments have seen their numbers recover back to, or even beyond, what it was when the pandemic started due to a global shift to the digital sector. We recorded 480 Million JPY in sales on operational investment securities that we and our subsidiaries own. We will continue to monitor these companies and make any sales at the opportune moment.

The Start-up Business has a start-up that has partnered with one of Southeast Asia's largest EC platforms, "Lazada," and has continued in 2Q to partner Mercari with Alibaba Group's CtoC marketplace "Taobao" and flea market app "Xianyu." This allows users on "Taobao" and "Xianyu" to make purchases on Japan's "Mercari." As we cover the translation of product information, offer multi-lingual customer support and take care of logistics to ship overseas, Japanese companies are able to list onto the previously mentioned platforms without doing any special operation on their side. BEENOS Entertainment Inc., a subsidiary that works on the assistance of the digital transformation of the entertainment industry, has launched an EC platform "Groobee" that allows artists, etc. in the entertainment industry to create an EC website in as little as 5 business days. In the travel industry, Metro Engines has teamed up with BEENOS Travel Inc. to operate "Monthly Hotel", a hotel booking site tailored to long term bookings.

The Start-up Business has a start-up that has partnered with one of Southeast Asia's largest EC platforms, "Lazada," as well as South Korean commerce company "Coupang." It has continued to partner Mercari with Alibaba Group's CtoC marketplace "Taobao" and flea market app "Xianyu." This allows users on "Taobao" and "Xianyu" to make purchases on Japan's "Mercari." As we cover the translation of product information, offer multi-lingual customer support and take care of logistics to ship overseas, Japanese companies are able to list onto the previously mentioned platforms without doing any special operation on their side. Furthermore, we have released an app called BEEYOND for Shopify sellers in the US to assist their shipping logistics for foreign orders. BEENOS Entertainment Inc., a subsidiary that works on the assistance of the digital transformation of the entertainment industry, has launched an EC platform "Groobee" that allows artists, etc. in the entertainment industry to create an EC website in as little as 5 business days and we supported a popular YouTuber with their official EC Site. In the travel industry, Metro Engines has teamed up with BEENOS Travel Inc. to operate "Monthly Hotel", a hotel booking site tailored to long term bookings.

As a result, net sales were 762 Million JPY (down 80.2% year on year) and operating losses were 494 Million JPY (opposed to an operating income of 2,475 Million JPY in FY2020).

The book value for our operational investment securities at the end of FY2021 was 4.1 Billion JPY. The market value has fallen to 20.4 Billion JPY (book value as of March 2021 was 4.8 Billion JPY and market value was 20.9 Billion JPY). The main reason for the decrease of both book value and market value are because of the sales recorded of operational investment securities.<sup>2</sup>

---

<sup>2</sup> The market value for listed companies is calculated at its stock price. Unlisted companies are calculated based on our number of shares with the price of the most recent stock issuance (if a company has recorded allowance for loss on investments, it is priced at book value). This amount has been calculated internally and has not gone through the auditing process.

## (2) Financial Status Report

### ① Status of Assets, Liabilities and Net Assets

#### (Current Assets)

The balance of current assets at the end of the fiscal year under review was 17,996 Million JPY (-1,861 Million JPY YoY). The main factors for the decrease were a decrease in cash and deposits of 2,205 Million JPY and an increase in accounts receivable of 1,040 Million JPY, and the main factors for the increase were an increase in merchandise of 1,024 Million JPY and an increase in operational investment securities of 214 Million JPY.

#### (Fixed Assets)

The balance of fixed assets at the end of the fiscal year under review was 3,800 Million JPY (+629 Million JPY YoY). The main factors contributing to this increase were an increase of 559 Million JPY in investment securities. The main factor contributing to the decrease was a decrease of 109 Million JPY of goodwill.

#### (Current Liabilities)

The balance of current liabilities at the end of the fiscal year under review was 8,466 Million JPY (-1,217 Million JPY YoY). The main reasons for the decrease were a decrease in deposits received of 1,298 Million JPY and an increase in accounts payable-other of 216 Million JPY.

#### (Fixed Liabilities)

The balance of long-term debt at the end of the fiscal year under review was 1,935 Million JPY (-200 Million JPY YoY). The main reasons for the decrease were a decrease in deferred tax liabilities of 212 Million JPY and an increase in long-term loans payable of 16 Million JPY.

#### (Net Assets)

The balance of net assets at the end of the fiscal year under review was 11,395 Million JPY (+185 Million JPY YoY). The main factors contributing to this increase were an increase of 438 Million JPY in retained earnings, and the main contributing negative factor was an increase of 597 Million JPY in treasury shares.

### ② Cash Flow

During the fiscal year under review, cash and cash equivalents (hereinafter referred to as "cash") decreased by 2,079 Million JPY from the previous fiscal year to 8,141 Million JPY.

The status of each cash flow for the fiscal year under review and their factors are as follows.

#### (Net cash provided by operating activities)

Net cash used in operating activities amounted to 552 Million JPY (+5,955 Million JPY in FY2020). The main factors contributing to this increase were income before income taxes and minority interests of 1,635 Million JPY, a decrease in accounts receivable of 1,053 Million JPY, and a decrease in income taxes paid of 1,393 Million JPY, a decrease in deposits received of 1,156 Million JPY, and an increase in inventories of 1,022 Million JPY.

#### (Net cash provided by investment activities)

Net cash used in investing activities was 689 Million JPY (-578 Million JPY in FY2020). The main factors contributing to this increase were proceeds from cancellation of insurance funds of 178 Million JPY, and the main factors contributing to the decrease were purchases of investment securities of 585 Million JPY and purchases of intangible assets of 186 Million JPY.

#### (Net cash provided by financing activities)

Net cash used in financing activities was 904 Million JPY (-619 Million JPY in FY2020). The main factors

contributing to this increase were proceeds from exercise of stock options of 452 Million JPY and proceeds from long-term loans payable of 369 Million JPY, while the main factors contributing to the decrease were purchase of treasury shares of 1,175 Million JPY and repayment of long-term loans payable of 331 Million JPY.

### (3) Cash Flow Report

The following chart indicates the cash flow trends of the Group.

	FY2017	FY2018	FY2019	FY2020	FY2021
Capital Ratio (%)	53.2	52.4	45.3	48.3	51.7
Market Value based Capital Ratio (%)	102.4	148.7	79.1	98.5	186.8
Years of Debt Redemption	2.9	-	-	0.6	-
Interest Coverage Ratio	35.1	-	-	554.9	-

Capital Ratio: Capital/Total Assets

Market Value based Capital Ratio: Market Cap/Total Assets

Years of Debt Redemption: Debt with Interest/Cash Flow

Interest Coverage Ratio: Operating Cash Flow/Interest Payment

(Note) 1. All figures are calculated on a consolidated basis

2. Market Cap excludes treasury stocks

3. All debts with interest include the interest of all debts listed on the consolidated balance sheet

4. The years of debt redemption and interest coverage rate for FY2018, FY2019 and FY2021 are not calculated because operating cash flow was negative

### (4) Explanation of Outlook for the Future

We are refraining from disclosing our consolidated FY2022 forecast as we have determined that it is not logical to forecast the timing and amount of sales of operational investment securities in the Incubation Business. Moreover, we need to be flexible regarding the timing and amount we plan to invest in our new businesses as we closely monitor the upcoming circumstances.

We do believe that disclosing our forecast is very important in making investment decisions, so we will proceed to disclose the forecast and strategy for our E-Commerce Business which is more foreseeable. However, we have decided to release a range of outcomes due to the uncertainties surrounding the containment of the COVID-19 pandemic.

Unit: Bil JPY	Global Commerce	Value Cycle	Entertainment	Total
GMV	48.0~53.0	14.5~16.0	6.4~8.5	68.9~77.5
YoY	109%~121%	121%~133%	79%~105%	108%~121%
Net Sales	8.9~9.9	14.5~16.0	3.3~4.5	26.7~30.4
YoY	107%~119%	121%~133%	79%~108%	109%~124%
Op. Income	2.9~3.6	0.25~0.35	0.07~0.2	3.22~4.15
YoY	103%~128%	366%~512%	42%~119%	106%~136%
(Reference) FY2021 Results				
GMV	43.9	12.0	8.1	64.0
Net Sales	8.2	12.0	4.1	24.4
Op. Income	2.81	0.06	0.16	3.04



### ① Global Commerce

The FROM JAPAN business is projected to continue to show growth as the market expands. We will continue our efforts in strategic priority regions such as Russia. We will continue to pursue opportunities where we can pivot or Cross Border E-Commerce capabilities in methods that do not directly involve Japan, such as from the US to other Asian countries. We do consider factors like China's access restrictions and the increase of shipping costs to affect our Take Rate.

We will continue to minimize resources and automate procedures in the TO JAPAN business to create a stable income. Risks include the market becoming more competitive and potential costs for the use of promotions to stay ahead of the curve.

### ② Value Cycle

The Apparel Reuse Business will continue its focus on the shift towards higher ticketed items and increasing its foreign sales channels. We will continue to open more brick-and-mortar stores to purchase high ticket items and strengthen our sales on foreign platforms to increase profits. We will also optimize costs by creating an infrastructure tailored to the handling of high-ticket items.

The Liquor Mediation Business will continue to operate its brick-and-mortar stores with Brandear to capitalize on group synergy and aim to increase the sales of popular Japanese liquor, including whiskey, overseas.

The containment of the COVID-19 pandemic could affect the outcome of both businesses in this segment.

### ③ Entertainment

We aim to maximize the profits of IP owners by creating schemes that do not rely on the sale of merchandise at live events, shifting sales to EC platforms and finding new areas to tap into such as operating websites for fans.

The containment of the COVID-19 pandemic and its subsequent effects on how live events are regulated could affect the outcome of this segment.

The outlook for the Incubation Business

### ① Investment and Consultation Business

We have focused much of our investments in fields where we have an expertise in such as online marketplaces and online payments in emerging countries. However, we feel that we have covered the regions and markets that we want to invest in and will focus more on re-investing in current investments. Domestically we are investing in the Japan inbound tourism market, travel market and entertainment market at the seed/early stage. Each of these markets have been negatively impacted by COVID-19, but we believe they are all essential markets for the growth of Japan's economy so we will continue to invest in these fields.

Several companies that we currently invest in are aiming for an IPO. However, assessing the timing and market value of these IPOs are difficult. We will monitor the situation closely and exit at the most opportune moments.

### ② New Businesses

We believe that it is important to create new businesses and find new opportunities in the ever-evolving internet industry. We are currently finding opportunities to solve underlying issues in the entertainment field and utilizing data and AI in inbound travel platforms. We have had to alter our plans due to the COVID-19 outbreak, but we believe that these industries are essential for the mid-long term growth of Japan's economy so we are currently developing the fundamental systems while establishing partnerships.

We will continue to monitor the amount we invest in these new opportunities as we consider the results within the Incubation Business.

## (5) Basic Policy of Distribution of Profits and Dividends for FY2021 and FY2022

We hold our profit return policy in high regards to give back to shareholders by expanding our business foundation and progressing our financial ground.

Our business is mainly divided between the E-Commerce Business and the Incubation Business. The Incubation Business in particular is extremely volatile as it depends on the opportunity to monetize our operational investment securities. As such, we will be basing our dividend policy on the profits in our more consistent E-Commerce Business and use the proceeds from the Incubation Business towards other profit reduction methods such as share repurchases as we monitor our share prices.

As for this fiscal year's dividends, given our financial results, financial soundness and the internal reserve for the furtherment of our business, we plan to set the dividends at 25 JPY per share and will be an increase of 5 JPY from FY2020. This is scheduled to be resolved in our Board Meeting to be held on 25 November 2021. As a result, this year's payout ratio is 46.5% and the total return ratio including share repurchases will be 162.3%.

Our dividend forecast for FY2022 is to be determined, but it is not scheduled to change the policy that has been listed.

Companies subject to BEENOS is a Consolidated Dividends Regulations

## 2. Status of the Corporate Group

The BEENOS Group consists of 19 subsidiaries and 3 affiliates divided into two segments: the E-Commerce Business and the Incubation Business as of 30 September 2021. The E-Commerce Business is further divided into 3 divisions: Global Commerce, Value Cycle and Entertainment.

Segment		Main Business(es)
E-Commerce Business	Global Commerce	Overseas Forwarding "tenso.com" and Proxy Purchasing Business "Buyee" Global shopping Business "Sekaimon"
	Value Cycle	Apparel Reuse Business "Brandear" Liquor Mediation Business "JOYLAB"
	Entertainment	Entertainment Business Global Product Business
Incubation Business		Investment and Consultation Business Pre-Monetized Start-up Business

### (1) The E-Commerce Business

#### Global Commerce

Tenso, inc. offers a system that allows consumers from across the globe to purchase items on Japanese EC sites and have it shipped to them even if the EC site does not handle global shipments. Buyee also works as a payment service in addition to the service tenso has to offer.

Shop Airlines, Ltd. runs a global shopping service, "sekaimon" that links with the world's largest online marketplace "eBay" to allow residents in Japan to purchase products from across the globe.

#### Value Cycle

Defactostandard, Ltd. operates an online CtoBtoC buyback service for brand named fashion, watches and accessories called "Brandear". The items Brandear purchases are then sent through maintenance and are then sold on online stores and auctions.

JOYLAB, inc. operates the alcoholic beverage purchasing store, "JOYLAB," to purchase alcoholic beverages from users and then sells them on its EC site and other domestic EC malls.

#### Entertainment

Monosense, Ltd. covers our Entertainment Business and Global Product Business as it connects Japanese

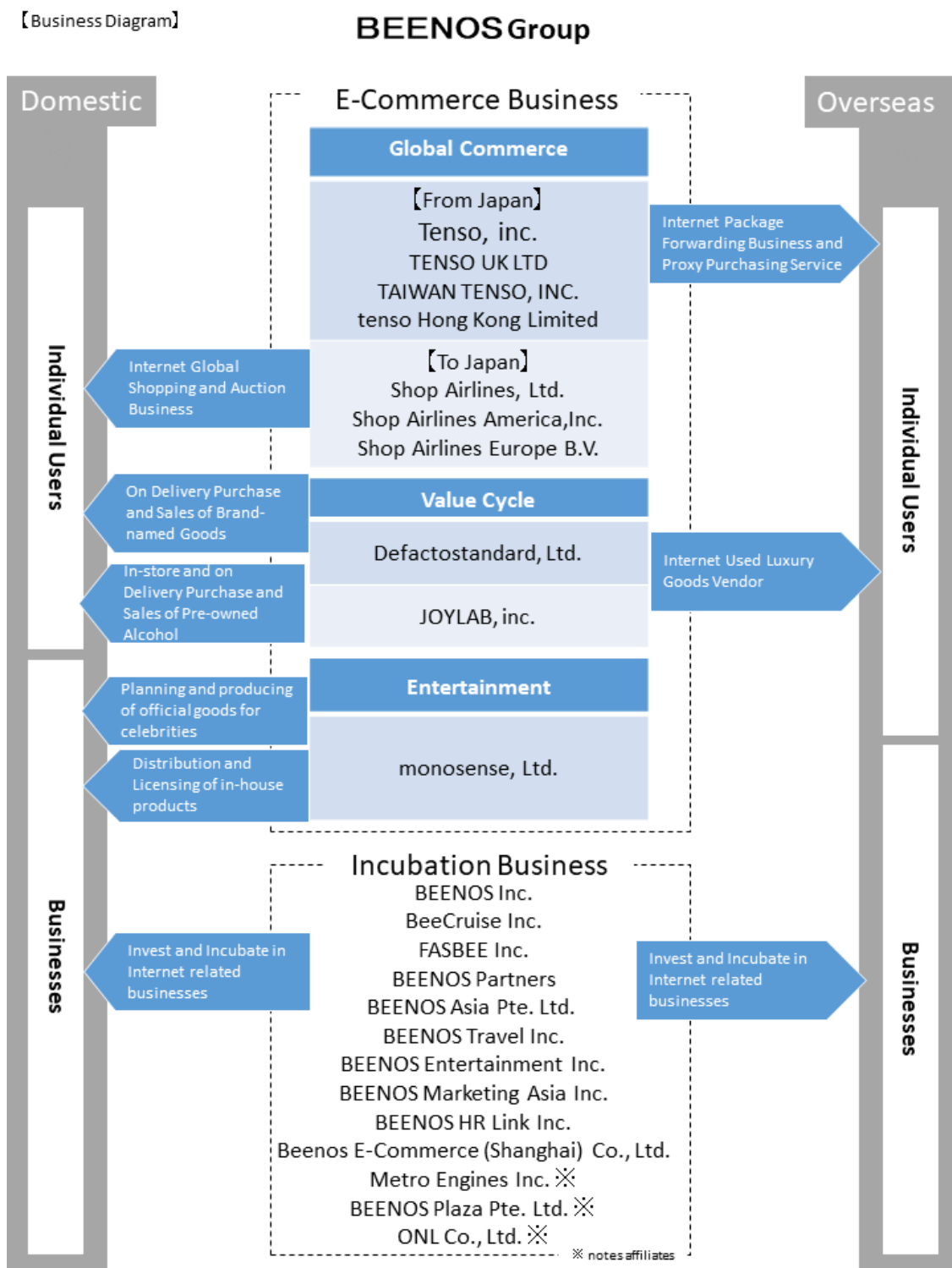
celebrities with product developers to create new hit products. It also operates the product sales and official websites of popular Japanese celebrities.

(2) Incubation Business

The Incubation Business mainly invests in internet related businesses in emerging countries and North America. Furthermore, it creates and incubates new businesses that will eventually become a focal pillar of the company.

Below is a diagram outlining the BEENOS Group.

【Business Diagram】



### 3. Management Policies

#### (1) Company Basic Management Policy

The BEENOS Group aims to be on the "Global Platform Frontier" by creating in IT and internet-based markets and businesses.

We aim to distribute great Japanese products and contents across the globe through our various marketplace networks and in turn bring wonderful products and services around the world to Japan to build a stronger global commerce platform and increase corporate value.

#### (2) Target Business Indicators

##### Gross Merchandise Volume (GMV)

We believe that in order to be recognized as a player in the International IT company market and to be a corporate group that makes a valuable contribution, we need to become a business that has a GMV of several hundred Billion JPY. Our first milestone is to reach 100 Billion JPY and we aim to reach that threshold by FY2023.

#### (3) Mid-to-Long-Term Company Management Policy and Potential Risks

We will be implementing the following strategies to create a global platform framework and to reach 100 Billion JPY in GMV. The following strategies have been created by the Group at the time of writing this report.

##### ① Strategy for Global Commerce

The Global Commerce Business will be at the epicenter of the global platform framework. We will first use the positioning that we currently have in the market to offer competitive rates and services to increase the GMV of the proxy purchasing business, Buyee. On a mid-term scale, we want to make products from Japan available within the daily range of activity for foreigners. We foresee this to happen on the online shopping platforms that foreigners regularly use without having to access Buyee. We will continue to partner with the largest online shopping platforms each country and region have to offer. We also want to create a literal global commerce infrastructure where people will be able to purchase from one country to another without having to go through Japan by using the expertise we have accrued over the years.

##### ② Strategy for Value Cycle

There is a lot of potential in the secondhand market both domestically and internationally. We will focus on creating a distribution system for "Luxury Items" and "Alcohol." We will purchase well-preserved items in Japan through brick-and-mortar stores and list them to be sold to the large overseas market. We recognize that the supply-demand chain varies by country and that there are a lot of items that would sell at a higher price abroad, so we see this as a very lucrative opportunity. Our midterm goal is to increase our composition so that over half of our merchandise are sold overseas.

##### ③ Strategy for Entertainment

We understand the particular demands that exist in the entertainment industry and have created the EC creation service, Groobee, specifically for the entertainment agency to help the DX of the entertainment industry. This allows production agencies, artists, content holders can easily open a shop and sell merchandise and services. As Japanese contents such as manga and anime continue to rise in popularity on a global scale, we hope to extend this framework internationally and will then connect it to the global platform framework.

##### ④ Strategy for Incubation

The startups we have invested in both domestically and internationally have reached their harvesting phase and many of these companies have become strong players throughout Asia. We will continue to work with them to create a global platform and proceed to maximize profits upon exiting from some investments. We will also use our resources to create new businesses that will become a future pillar of the BEENOS Group.

#### 4. Basic Policy for the Selection of Accounting Standards

We have chosen to use Japanese Accounting Standards as it is easier to compare fiscal periods and finances between companies/subsidiaries.

We will appropriately review the application of the International Financial Reporting Standards (IFRS) upon taking into consideration domestic and international situations.

## 5. Financial Statements and Major Notes

### (1) Consolidated Balance Sheet

(Unit: 1,000 JPY)

	FY2020 (30 September 2020)	FY2021 (30 September 2021)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	9,976,285	7,770,814
Notes and accounts receivable	1,110,244	677,728
Operational investment securities	3,966,499	4,181,304
Products	1,553,412	2,577,478
Accounts receivable	2,090,188	1,049,501
Other	1,167,282	1,745,547
Allowance for doubtful accounts	△5,600	△5,600
Total current assets	19,858,313	17,996,774
<b>Fixed assets</b>		
<b>Tangible Assets</b>		
Buildings and structures	581,194	647,163
Accumulated depreciation	△297,855	△346,297
Buildings and structures, net	283,339	300,865
Tools, materials and supplies	205,497	201,895
Accumulated depreciation	△147,248	△149,903
Tools, materials and supplies, net	58,249	51,992
Other	9,549	33,527
Accumulated depreciation	△8,716	△8,692
Other, net	833	24,834
Total tangible assets	342,421	377,692
<b>Intangible assets</b>		
Goodwill	374,785	264,973
Software	165,619	269,063
Other	2,135	1,500
Total intangible assets	542,539	535,538
<b>Investments etc.</b>		
Investment securities	1,776,419	2,336,149
Deferred tax assets	68,772	234,979
Other	441,221	316,070
Total investments etc.	2,286,413	2,887,199
Total fixed assets	3,171,375	3,800,430
Total assets	23,029,688	21,797,205

(Unit: 1,000 JPY)

	FY2020 (30 September 2020)	FY2021 (30 September 2021)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	348,387	233,967
Short-term loan	1,600,000	1,600,000
Current portion of long-term loans payable	300,000	300,000
Accounts payable-other	3,373,049	3,589,657
Deposits received	2,373,894	1,074,974
Income taxes payable	783,695	935,041
Other	904,829	732,533
Total current liabilities	9,683,855	8,466,175
Fixed liabilities		
Long-term loans payable	1,721,617	1,737,790
Deferred tax liabilities	212,544	-
Asset retirement obligations	201,420	197,400
Total fixed liabilities	2,135,582	1,935,190
Total liabilities	11,819,437	10,401,365
<b>Net assets</b>		
Shareholders' equity		
Capital stock	2,775,840	2,775,840
Capital surplus	3,903,953	3,914,416
Retained earnings	5,462,007	5,900,434
Treasury Stock	△778,700	△1,376,223
Total shareholders' equity	11,363,100	11,214,467
Other accumulated comprehensive income		
Valuation difference on securities	△286,179	△224,754
Foreign currency translation adjustments	53,939	270,413
Total other accumulated comprehensive income	△232,239	45,658
Share subscription rights	79,389	135,713
Total net assets	11,210,251	11,395,839
Total liabilities and net assets	23,029,688	21,797,205

## (2) Consolidated Profit &amp; Loss Statement and Consolidated Statement of Comprehensive Income

## Consolidated Profit &amp; Loss Statement

(Unit: 1,000 JPY)

	FY 2020 (1 October 2019~ 30 September 2020)	FY 2021 (1 October 2020~ 30 September 2021)
Net sales	25,872,790	25,008,489
Cost of sales	12,127,541	12,667,718
Gross profit	13,745,249	12,340,770
Selling, general and administrative expenses	10,369,198	10,655,657
Operating income	3,376,051	1,685,113
Non-operating income		
Interest income	102	160
Equity in earnings of affiliates	110	-
Gain on investments in partnerships	16,538	24,489
Subsidy income	38,151	54,168
Surrender value of insurance	-	14,436
Settlement received	8,157	-
Guarantee income	-	7,783
Other	43,942	53,039
Total non-operating income	107,002	154,077
Non-operating expenses		
Interest expenses	10,733	14,080
Equity in loss of affiliates	-	93,558
Foreign exchange losses	63,220	71,927
Commissions paid	93,470	4,844
Subsidy loss on refund	25,839	-
Provision for allowance for doubtful accounts	5,600	-
Other	897	9,247
Total non-operating expenses	199,761	193,659
Ordinary income	3,283,292	1,645,531
Extraordinary income		
Gain on reversal of subscription rights to shares	11,244	1,016
Total extraordinary income	11,244	1,016
Extraordinary loss		
Impairment loss	54,972	4,343
Loss on retirement of noncurrent assets	49,299	6,677
Total extraordinary loss	104,271	11,020
Income before income taxes	3,190,264	1,635,526
Income taxes	1,306,090	1,334,253
Income taxes-deferred	53,810	△389,520
Total income taxes	1,359,900	944,732
Net income	1,830,364	690,793
Net loss (△) attributable to non-controlling shareholders	△61,263	-
Profit attributable to owners of parent	1,891,627	690,793



Consolidated Statement of Comprehensive Income

(Unit: 1,000 JPY)

	FY 2020 (1 October 2019~ 30 September 2020)	FY 2021 (1 October 2020~ 30 September 2021)
Net income	1,830,364	690,793
Other comprehensive income		
Valuation difference on securities	28,435	61,073
Foreign currency translation adjustments	△53,039	211,255
Share of other comprehensive (loss) income in associates	△2,745	5,568
Total other comprehensive income	△27,349	277,897
Comprehensive income	1,803,014	968,691
(Breakdown)		
Comprehensive profit attributable to owners of the parent	1,864,278	968,691
Comprehensive income attributable to non-controlling shareholders	△61,263	-

## (3) Statement of Changes in Net Assets

For FY2020 (1 October 2019 to 30 September 2020)

(Unit: 1,000 JPY)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury Stock	Total shareholders' equity
Opening balance	2,775,840	2,542,577	3,966,442	△567,835	8,717,025
Change during the year					
Dividend of surplus			△214,845		△214,845
Profit attributable to owners of parent			1,891,627		1,891,627
Purchase of treasury stock				△290,350	△290,350
Disposal of treasury stock		△3,712		79,484	75,771
Increase (decrease) in equity due to acquisition of shares of consolidated subsidiaries		1,367,663			1,367,663
Decrease in retained earnings due to change in scope of equity method			△181,217		△181,217
Change in treasury shares of parent arising from transactions with non-controlling shareholders		△2,574			△2,574
Net change in items other than shareholders' equity					-
Total changes during the period	-	1,361,375	1,495,565	△210,865	2,646,075
Closing balance	2,775,840	3,903,953	5,462,007	△778,700	11,363,100

	Other accumulated comprehensive income			Share subscription rights	Non-controlling shareholders' equity	Total net assets
	Securities Valuation	Foreign currency translation adjustments	Other comprehensive income Total			
Opening balance	△314,461	109,571	△204,890	46,677	1,612,657	10,171,470
Change during the year						
Dividend of surplus						△214,845
Profit attributable to owners of parent						1,891,627
Purchase of treasury stock						△290,350
Disposal of treasury stock						75,771
Increase (decrease) in equity due to acquisition of shares of consolidated subsidiaries						1,367,663
Decrease in retained earnings due to change in scope of equity method						△181,217
Change in treasury shares of parent arising from						△2,574

	Other accumulated comprehensive income			Share subscription rights	Non-controlling shareholders' equity	Total net assets
	Securities Valuation	Foreign currency translation adjustments	Other comprehensive income Total			
transactions with non-controlling shareholders						
Net change in items other than shareholders' equity	28,282	△55,631	△27,349	32,712	△1,612,657	△1,607,294
Total changes during the period	28,282	△55,631	△27,349	32,712	△1,612,657	1,038,780
Closing balance	△286,179	53,939	△232,239	79,389	-	11,210,251

For FY2021 (1 October 2020 to 30 September 2021)

(Unit: 1,000 JPY)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury Stock	Total shareholders' equity
Opening balance	2,775,840	3,903,953	5,462,007	△778,700	11,363,100
Change during the year					
Dividend of surplus			△252,366		△252,366
Profit attributable to owners of parent			690,793		690,793
Purchase of treasury stock				△1,175,650	△1,175,650
Disposal of treasury stock		10,462		578,127	588,590
Increase (decrease) in equity due to acquisition of shares of consolidated subsidiaries					-
Decrease in retained earnings due to change in scope of equity method	-	10,462	438,426	△597,522	△148,633
Change in treasury shares of parent arising from transactions with non-controlling shareholders	2,775,840	3,914,416	5,900,434	△1,376,223	11,214,467

	Other accumulated comprehensive income			Share subscription rights	Total net assets
	Securities Valuation	Foreign currency translation adjustments	Other comprehensive income Total		
Opening balance	△286,179	53,939	△232,239	79,389	11,210,251
Change during the year					
Dividend of surplus					△252,366
Profit attributable to owners of parent					690,793
Purchase of treasury stock					△1,175,650
Disposal of treasury stock					588,590
Increase (decrease) in equity due to acquisition of shares	61,424	216,473	277,897	56,323	334,221

	Other accumulated comprehensive income			Share subscription rights	Total net assets
	Securities Valuation	Foreign currency translation adjustments	Other comprehensive income Total		
of consolidated subsidiaries					
Decrease in retained earnings due to change in scope of equity method	61,424	216,473	277,897	56,323	185,588
Change in treasury shares of parent arising from transactions with non-controlling shareholders	△224,754	270,413	45,658	135,713	11,395,839

## (4) Consolidated Statements of Cash Flows

(Unit: 1,000 JPY)

	FY 2020 (1 October 2019~ 30 September 2020)	FY 2021 (1 October 2020~ 30 September 2021)
<b>Net cash provided by (used in) operating activities</b>		
Income before income taxes	3,190,264	1,635,526
Depreciation and amortization	130,264	148,766
Impairment loss	54,972	4,343
Amortization of goodwill	105,267	105,932
Stock-based Compensation Expense	104,659	162,849
Increase in allowance for doubtful accounts (Decrease:△)	5,600	-
Interest and dividends income	△102	△160
Interest expenses	10,733	14,080
Foreign exchange losses (Gains:△)	△312	20,629
Equity in losses of affiliates (Gains:△)	△110	93,558
Loss on investments in partnership (Gains:△)	△16,538	△24,489
Gain on reversal of subscription rights to shares	△11,244	△1,016
Loss on retirement of noncurrent assets	49,299	6,677
Insurance cancellation refund	-	△14,436
Decrease in notes and accounts receivable- trade (Increase:△)	1,585,128	537,923
Increase in operational investment securities (Increase: △)	△666,861	△65,102
Decrease in inventories (Increase:△)	1,135,539	△1,022,907
Increase (decrease) in accounts receivable- other (△ increased)	△1,192,982	1,053,608
Increase in notes and accounts payable-trade (Decrease:△)	△41,435	△117,398
Increase in accounts payable-other (Decrease: △)	422,171	183,075
Increase in deposits received (Decrease:△)	1,318,273	△1,156,211
Increase in consumption taxes payable (Decrease:△)	144,493	△95,627
Other	△131,934	△673,733
<b>Subtotal</b>	<b>6,195,147</b>	<b>795,889</b>
Interest and dividend received	12,789	147
Interest expenses paid	△10,960	△13,995
Income taxes refunded	105,390	58,966
Income taxes paid	△347,078	△1,393,050
<b>Net cash provided by (used in) operating activities</b>	<b>5,955,287</b>	<b>△552,043</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment	△42,854	△84,227
Purchase of intangible assets	△104,142	△186,636
Purchase of investment securities	△210,799	△585,902
Proceeds from cancellation of insurance funds	-	178,488
Payments for lease and guarantee deposits	△24,228	△62,504
Proceeds from collection of lease and guarantee deposits	45	8,247
Proceeds from distributions from investment partnerships	9,879	53,971
Payments for transfer of business	△206,506	-
Other	200	△11,363
<b>Cash flow from investing activities</b>	<b>△578,407</b>	<b>△689,927</b>

(Unit: 1,000 JPY)

	FY 2020 (1 October 2019~ 30 September 2020)	FY 2021 (1 October 2020~ 30 September 2021)
<b>Cash flow from financing activities</b>		
Increase in short-term loans payable (Decrease:△)	△1,950,000	-
Proceeds from long-term debt	2,021,617	369,000
Repayment of long-term loans payable	-	△331,210
Proceeds from exercise of stock options	-	452,990
Purchase of treasury stock	△290,350	△1,175,650
Sales of treasury stock	206	31,744
Purchase of treasury stock of subsidiaries in consolidation	△180,450	-
Proceeds from issuance of subscription rights to shares	1,418	-
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	△5,855	-
Cash dividends paid	△215,799	△251,803
Cash flow from financing activities	△619,213	△904,928
Effect of exchange rate change on cash and cash equivalents	△15,883	67,790
Net increase in cash and cash equivalents(Decrease:△)	4,741,783	△2,079,109
Cash and cash equivalents at the beginning of the year	5,478,335	10,220,118
Cash and cash equivalents at the year-end	10,220,118	8,141,009

(5) Notes on Consolidated Financial Statements

(Notes regarding the premise of on-going concerns)

Not Applicable

(Segment Information)

1. Overview of Reportable Segments

Selection of Reportable Segment

The Company's reportable segments are possible to separately acquire financial information among the Company's structural units and are subject to reviews that are carried out periodically to make a decision of allocations of management resources and to evaluate performance by the board of directors.

The Company consists of segments classified by each business territory and E-Commerce Business and Incubation Business are the two reportable segments.

Services provided by each segment are as follows:

Segment		Main Business(es)
E-Commerce	Global Commerce	Overseas Forwarding "tenso.com" and Proxy Purchasing Business "Buyee" Global shopping Business "Sekaimon"
	Value Cycle	Apparel Reuse Business "Brandear" Liquor Mediation Business "JOYLAB"
	Entertainment	Entertainment Business Global Product Business
Incubation		Investment and Consultation Business Pre-Monetized Start-up Business

2. Calculations Method of Each Segment's Net Sales, Profit/Loss, Assets, Liabilities and Other Values

Accounting method of each reportable segment is in accordance with the method mentioned in "Important Elements for Preparing Consolidated Financial Results".

Profit of reportable segments are based on the operating income.

Inter-segment profit and transfer is based on the market price.

3. Information regarding sales, profit or loss, assets, liabilities and other information by reporting segment

FY2020 (1 October 2019 ~ 30 September 2020)

(Unit: 1,000 JPY)

	Reporting Segment						Adjustments *1, 3	Recorded Amount on Consolidated Profit & Loss Statement *2
	E-Commerce Business			Subtotal	Incubation Business	Total		
	Global Commerce	Value Cycle	Entertainment					
Net Sales								
Sales To Customers	5,913,954	12,180,791	4,011,196	22,105,942	3,766,847	25,872,790	—	25,872,790
Internal Sales or Transfers Between Segments	11,913	—	189	12,103	74,747	86,850	△86,850	—
Total	5,925,868	12,180,791	4,011,386	22,118,046	3,841,595	25,959,641	△86,850	25,872,790
Segment Earnings	1,686,056	103,537	△91,222	1,698,372	2,475,108	4,173,481	△797,429	3,376,051
Segment Assets	5,553,604	4,955,975	3,757,070	14,266,650	7,182,720	21,449,371	1,580,317	23,029,688

Segment Liabilities	3,683,291	1,494,917	3,667,187	8,845,396	3,413,231	12,258,627	△439,189	11,819,437
Other Items								
Depreciation	42,043	42,093	7,487	91,624	26,164	117,789	12,475	130,264
Amortization of Goodwill	—	83,105	—	83,105	22,162	105,267	—	105,267
Investment amount by equity method	—	—	—	—	94,625	94,625	139,040	233,666
Change in amount of current and non-current assets	7,976	52,105	6,688	66,771	308,425	375,196	3,072	378,268

- \* 1. The segment earnings adjustment of △797 Million JPY includes the deletion of inter-segment transactions of △3,495 Million JPY, company-wide revenue of 3,924 Million JPY, that is not distributed to each reporting segment and company-wide costs of △1,226 Million JPY. Company-wide revenues are mainly the Company's received commission from each subsidiary. Company-wide costs are mainly the Company's administrative costs toward the subsidiaries.
2. Segment profits are adjusted in the operating income of the Consolidated Profit & Loss Statement
3. The Adjustment of Segment Assets of 1,580 Million JPY include corporate-wide assets of 7,853 Million JPY and elimination of transactions between segments of △6,272 Million JPY that are not distributed among the segments. The main portion of corporate-wide assets include cash held by the holding company and long-term investment funds (investment securities).

FY2021 (1 October 2020 ~ 30 September 2021)

(Unit: 1,000 JPY)

	Reporting Segment						Adjustments *1, 3	Recorded Amount on Consolidated Profit & Loss Statement *2
	E-Commerce Business				Incubation Business	Total		
	Global Commerce	Value Cycle	Entertainment	Subtotal				
Net Sales								
Sales To Customers	8,275,882	11,880,759	4,163,174	24,319,816	688,672	25,008,489	—	25,008,489
Internal Sales or Transfers Between Segments	11,573	146,025	588	158,186	73,366	231,552	△231,552	—
Total	8,287,455	12,026,784	4,163,762	24,478,003	762,039	25,240,042	△231,552	25,008,489
Segment Earnings	2,811,935	68,266	167,857	3,048,059	△494,162	2,553,896	△868,782	1,685,113
Segment Assets	6,766,637	4,579,730	1,835,826	13,182,194	5,745,610	18,927,805	2,869,400	21,797,205
Segment Liabilities	4,057,029	1,100,303	1,673,017	6,830,350	2,492,398	9,322,749	1,078,616	10,401,365
Other Items								
Depreciation	43,878	42,393	8,610	94,883	42,495	137,378	11,387	148,766
Amortization of Goodwill	—	75,032	—	75,032	30,899	105,932	—	105,932
Investment amount by equity method	—	—	—	—	99,483	99,483	46,193	145,676
Change in amount of current and non-current assets	62,371	73,216	4,258	139,846	152,276	292,122	11,932	304,055

- \* 1. The segment earnings adjustment of △868 Million JPY includes the deletion of inter-segment transactions of △1,221 Million JPY, company-wide revenue of 1,588 Million JPY, that is not distributed to each reporting segment and company-wide costs of △1,235 Million JPY. Company-wide revenues are mainly the Company's received commission from each subsidiary. Company-wide costs are mainly the Company's administrative costs toward the subsidiaries.
2. Segment profits are adjusted in the operating income of the Consolidated Profit & Loss Statement
3. The Adjustment of Segment Assets of 2,869 Million JPY include corporate-wide assets of 9,089 Million JPY and elimination of transactions between segments of △6,219 Million JPY that are not distributed among



the segments. The main portion of corporate-wide assets include cash held by the holding company and long-term investment funds (investment securities).

#### 4. Information regarding changes in reporting segment

We have changed the names of the reporting segment for the "Cross Border" and "Retailing and Licensing" businesses to "Global Commerce" and "Entertainment," respectively as of this fiscal year. Only the name has been changed to these segments, the businesses within them remain the same.

The names of the segments for the previous fiscal year reflect the names of the segments post-change.

(Information on losses on noncurrent assets by segment)

FY2020 (1 October 2019 ~ 30 September 2020)

(Unit: 1,000 JPY)

	Reporting Segment						Adjustments	Total
	E-Commerce Business				Incubation Business	Total		
	Global Commerce	Value Cycle	Entertainment	Subtotal				
Impairment Loss	—	34,801	—	34,801	20,171	54,972	—	54,972

FY2021 (1 October 2020 ~ 30 September 2021)

(Unit: 1,000 JPY)

	Reporting Segment						Adjustments	Total
	E-Commerce Business				Incubation Business	Total		
	Global Commerce	Value Cycle	Entertainment	Subtotal				
Impairment Loss	—	4,343	—	4,343	—	4,343	—	4,343

(Information regarding amortization of goodwill and undepreciated balance by reporting segment)

FY2020 (1 October 2019 ~ 30 September 2020)

(Unit: 1,000 JPY)

	Reporting Segment						Adjustments	Total
	E-Commerce Business				Incubation Business	Total		
	Global Commerce	Value Cycle	Entertainment	Subtotal				
Amortization	—	83,105	—	83,105	22,162	105,267	—	105,267
Undepreciated Balance	—	190,297	—	190,297	184,487	374,785	—	374,785

FY2021 (1 October 2020 ~ 30 September 2021)

(Unit: 1,000 JPY)

	Reporting Segment						Adjustments	Total
	E-Commerce Business				Incubation Business	Total		
	Global Commerce	Value Cycle	Entertainment	Subtotal				
Amortization	—	75,032	—	75,032	30,899	105,932	—	105,932
Undepreciated Balance	—	110,920	—	110,920	154,053	264,973	—	264,973

(Information regarding negative goodwill by reporting segment)

Not Applicable

(Information per share)

	FY 2020 (1 October 2019 ~ 30 September 2020)	FY 2021 (1 October 2020 ~ 30 September 2021)
Net assets per share	882.12 JPY	876.59 JPY
Net income per share	151.34 JPY	53.82 JPY
Fully diluted Net income per share	150.61 JPY	50.33 JPY

(Note) 1. The basic calculation of net assets per share is as follows

Item	FY 2020 (30 September 2020)	FY 2021 (30 September 2021)
Total net assets (1,000JPY)	11,210,251	11,395,839
Amount deducted from net assets (1,000JPY)	79,389	135,713
(Non-controlling interests (1,000JPY))	-	-
(Subscription rights to shares (1,000JPY))	(79,389)	(135,713)
Net assets of the year-end in accordance with common stock (1,000JPY)	11,130,861	11,260,126
Outstanding shares of common stock (Shares)	13,335,995	13,335,995
Treasury shares of common stock (Shares)	717,670	490,635
Number of common shares used in the calculation of net assets per share (Shares)	12,618,325	12,845,360

2. The basic calculation of net income per share and diluted net income per share are as follows

	FY 2020 (1 October 2019 ~ 30 September 2020)	FY 2021 (1 October 2020 ~ 30 September 2021)
Net income per share		
Comprehensive income attributable to owners of parent (1,000JPY)	1,891,627	690,793
Profit not attributable to owners of parent (1,000JPY)	-	-
Net income attributable to parent company shareholders of common stock (1,000JPY)	1,891,627	690,793
Average number of shares outstanding during the fiscal year (Shares)	12,499,504	12,834,345
Diluted net income per share		
Adjusted profit attributable to owners of parent (1,000JPY)	-	-
Interest expense, net of tax (thousand yen)	-	-
Number of increased common shares (Shares)	60,342	889,761
(Of which, convertible bonds with stock acquisition rights (shares))	-	-
(Of which are share warrants (Shares))	(60,342)	(889,761)
As there was no dilutive effect, it is a summary of the diluted shares that were not calculated among the net income	11 <sup>th</sup> Free Stock Option (Equity Warrant) 474 13 <sup>th</sup> Paid Stock Option	14 <sup>th</sup> Paid Stock Option (Equity Warrant) 491

	(Equity Warrant) 2,557	
--	---------------------------	--

(Important Subsequent Events)

Not Applicable