

Consolidated Financial Results (Japanese Accounting Standards)

For the Third Quarter Ended 30 June 2022

4 August 2022

Company Name BEENOS Inc. Stock Exchange Listing Tokyo
 Stock Code 3328 URL <http://www.beenos.com>
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 Scheduled filing date of the Annual Securities Report 12 August 2021 Scheduled date of commencement of dividend payment —
 Supplementary documents for quarterly results: Yes
 Quarterly results briefing: Yes

(Amounts rounded down to the nearest million yen)

1. Consolidated Financial Results for the Third Quarter Ended 30 June 2022

(1 October 2021 – 30 June 2022)

(1) Consolidated Results of Operations (Accumulated Total) (% show year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
3Q FY2022	21,566	17.6	573	△47.4	503	△52.7	72	△83.8
3Q FY2021	18,341	△6.0	1,090	△60.5	1,065	△60.8	448	△74.8

(Note) Comprehensive Income 3Q FY2022 11,174 Mil. yen (787.9%) 3Q FY2021 1,258 Mil. yen (△28.9%)

	Net income per share (basic)	Net income per share (diluted)
	Yen	Yen
3Q FY2022	5.82	5.53
3Q FY2021	34.98	32.72

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
3Q FY2021	37,365	21,543	57.1	1,733.60
FY2021	21,797	11,395	51.7	883.49

(Reference) Shareholders' equity 3Q FY2022 21,353 Million yen FY2021 11,260 Million yen

2. Dividends

	Dividend per share				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2021	—	0.00	—	25.00	25.00
FY2022	—	0.00	—	—	—
FY2022 (Forecast)	—	—	—	—	—

Note 1: Changes in the most recently announced dividend forecast: None

Note 2: The dividend 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 the Future" on pg. 7 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 : Yes

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)

3Q FY2022	13,335,995 Shares	FY2021	13,335,995 Shares
② Number of treasury shares at end of period	3Q FY2022	FY2021	590,935 Shares
③ Average number of shares outstanding during the term	3Q FY2022	3Q FY2021	12,831,903 Shares

※ 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
(Cautionary Statement with Respect to Forward-Looking Statements)

The earnings forecasts and other forward-looking statements herein are based on information currently available to us and certain assumptions that we believe to be reasonable.

It is not intended to guarantee that we will achieve our goals. Actual results may differ materially from the forecast depending on a range of factors.

(Changes in Monetary Units)

Items and other items presented in our quarterly consolidated financial statements were previously stated in thousands of yen, but from the 1Q of the consolidated fiscal year under review.

And it has been changed to be stated on a per million JPY basis. The figures for the previous fiscal year and the 3Q of the previous fiscal year have also been changed to units of million JPY.

This is listed.

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.

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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 "optimize and fortify our operations and logistics to our focal regions in Buyee" in the Global Commerce Business, "shift to higher ticket items and fortify foreign sales" in the Value Cycle Business and "utilize our entertainment industry centered platform to drive the DX of the entertainment industry" in the Entertainment Business. We are considerate of the various risks that could impact the Group such as the long-term effects of COVID-19 and the ripple effects of the Russian-Ukrainian conflict, particularly on oil prices, and will make all necessary countermeasures.

The highlights for the consolidated third quarter are as follows. Global Commerce increased our share of the market by implementing cheaper shipping options to focal countries/regions and conducting marketing practices tailored to specific regions. Value Cycle continued to fortify its foreign sales channels, opened more stores for purchasing and took measures to make purchasing from users a more convenient process for them. Entertainment has expanded its reach to operating fan sites for artists and increased the functionality of its EC sites so that it would be less dependent on live events.

The Incubation segment recorded minimal sales on investment securities. New Businesses succeeded in acquiring more artists for its entertainment platform. We are continuing to develop the business to help Japanese companies be listed on foreign platforms to sell their products abroad. We have also entered the e-sports industry to increase the notoriety of the BEENOS Group and create more opportunities to synergize with businesses in the entertainment industry.

As a result, the consolidated net sales for 3Q were 21,566 million JPY (up 17.6% YoY), operating income was 573 million JPY (down 47.4% YoY), ordinary income was 503 million JPY (down 52.7% YoY) and net income attributable to owners of parent was 72 million JPY (down 83.8% YoY).

The consolidated GMV for 3Q FY2022 was 57.7 billion JPY (up 23.2% YoY).

The book value for our operational investment securities at the end of June 2022 was 17.7 billion JPY (book value in September 2021 was 4.1 billion JPY). The market value at the end of March 2022 has risen to 33.0 billion JPY (market value as of September 2021 20.4 billion JPY). The main reason for the increase of the market value is due to the IPO and successful fundraising of multiple operational investment securities.¹

The achievements of each business segment are as follows.

① E-Commerce Business

i) Global Commerce Business

The Overseas Forwarding and Proxy Purchasing Business (From Japan) expanded its low-cost international delivery service, ECMS Express, to the US, South Korea, Hong Kong and Singapore (previously only available to Taiwan). We have also improved the user experience for users in Taiwan, which has a low credit card usage rate, by allowing them to pay after the product arrives. Sales also increased as demand rose as a result of the depreciation of the Japanese yen. We had implemented an original international delivery service to Russia, which was one of our high-profile target regions, but have suspended operations given the current conflict between Russia and Ukraine. Shipments to Ukraine have also been suspended. Both countries contribute to less than 1% of From Japan's GMV thus its impact on the business is minimal. However, the increase in oil prices have increased shipping costs which has forced us to increase our international shipping rates. Though we are still able to provide the most competitive rates in the industry, we foresee continued pressure to raise shipping rates even further. China continues to restrict its users from accessing foreign websites which has affected our services, but its impact is limited as we have intentionally focused on the growth of other countries so that we

¹ The market value is calculated semi-annually at the end of March and September. Refer to footnote 2 in the Incubation Business for the calculation logic.

would not be heavily dependent on China. We have abolished the installment and monthly fees for "Buyee Connect", a service for Japanese EC sites to enable international shipping by adding a set of tags to their website. This significantly reduced the barrier to entry for Japanese companies to begin their global penetration. The number of companies that "Buyee Connect" supports continues to increase with "ebisumart", a cloud commerce platform operated by Interfactory, inc., and "Godzilla Store", distributed by TOHO Co., Ltd. as new additions in 3Q.

The Global Shopping Business (To Japan) continues to aim to yield a consistent profit and has made improvements to its UI and took measures to retain repeat customers. We have focused on the fortification of SEO and acquiring new users and have surpassed 1 million users on "Sekaimon." However, the rapid depreciation of the Japanese yen has decreased the demand for users and has impaired sales.

As a result, the consolidated net sales for 3Q were 7,318 million JPY (up 20.6% YoY) and operating income was 2,386 million JPY (up 14.9% YoY).

ii) Value Cycle Business

The Apparel Reuse Business has been focusing its resources on its partnerships with foreign platforms such as China's Cross Border EC behemoths "Tmall Global", Southeast Asia's "Shopee" in Malaysia and Germany's luxury watch marketplace "Chrono24" to boost foreign sales. As a result, the composition of foreign sales rose to 40.9% (composition was 29.3% at 2Q FY2022). We have also worked on the domestic front by opening a store on "Rakuma", a flea market app operated by the Rakuten Group, Inc. On the other hand, gross profit margins decreased as more high-ticket items with lower profit margins were being sold. The purchasing side has done well as Brandear opened new stores to bring its total up to 12 brick and mortar stores (including joint stores with JOYLAB). It has also extended the hours of its online purchasing service, Brandear Bell, to be able to support more customers. We have also partnered with Telecube Services Co., Ltd. to make Brandear Bell available inside Telecube's private working spaces that are available in over 120 locations throughout Japan.

The Liquor Mediation Business has seen a healthy growth in sales as the demand for Japanese whiskey and wine increased overseas and we have been able to distribute the products overseas. JOYLAB also opened a new store with Brandear, carried out some promotions and have offered competitive purchasing bids to increase purchases.

As a result, the consolidated net sales for 3Q were 11,116 million JPY (up 26.8% YoY) and operating loss was 6 million JPY (operating income in 3Q FY2021 was 93 million JPY).

iii) Entertainment Business

The Entertainment Business continues to be affected by COVID-19 as live events were being limited in size and scale which led to a decrease in the sales of merchandise at live events. However, such limitations have been lifted as of 2Q and large-scale live events have resumed which has increased sales of merchandise at event venues. We have improved the UI of the EC sites of the artists we are partnered with to create a scheme that will not be dependent on live events including new features for fans to purchase and enjoy and the operation fan club sites for artists to increase points of monetization.

The Global Product Business partnered its fragrant body care brand, SWATi, with the Disney Princess design to package its products in. We have also been able to boost the recognition of Lavisia's Pokemon and Case Closed (Detective Conan) cosmetic products, our in-house brand, which had led to an increase in sales.

As a result, the consolidated net sales for 3Q were 2,719 million JPY (down 18.5% YoY) and operating income was 102 million JPY (down 37.8% YoY).

For the E-Commerce Business as a whole, net sales were 21,154 million JPY (up 16.4% year on year) and operating income was 2,482 million JPY (up 6.3% year on year).

② Incubation Business

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. Droom, one of India's largest online vehicle marketplaces, has filed for an IPO. We have invested in Droom since its seed stage and seen its growth over the years. Indonesia's ride share and e-commerce conglomerate, GoTo Group went public on the Indonesia Stock Exchange in April 2022. India's NoBroker has also become a unicorn and now is one of India's leading companies in its sector. Casy Co., Ltd., a domestic investment that offers housekeeping services, also went public. Sales on investments were minimal, but we plan to incrementally sell our investment securities by offsetting the losses accrued by the new businesses as well as corporate costs beginning FY2023.

Groobee, our entertainment industry-based platform, of our Start-up Business has started to support the sales of "MAILIVIS", an online store selling merchandise for artists and entertainers operated by WONDER STYLE, and operate EDITH ONLINE, in partnership with EDITH inc., to produce and sell merchandise for popular anime and games. The support of Japanese companies entering Asian marketplaces has continued to grow with BOOKOFF's EC store now being available on Shopee in Taiwan and Thailand. TOHO Co., Ltd.'s popular character, Godzilla, has created a flagship store on China's largest cross border EC platform "Tmall Global." We provide a one-stop service that includes support for foreign listing, customer support, international shipping logistics and payment logistics.

We have also entered the e-sports industry in January 2022 through our newest subsidiary, BeenoStorm Inc., to increase the notoriety of the BEENOS Group among the digital native generation and to create synergy with businesses in the entertainment industry.

As a result, the consolidated net sales for 3Q were 793 million JPY (up 248.0% YoY) and operating loss was 1,284 million JPY (operating loss in 3Q FY2021 was 643 million JPY).

The book value for our operational investment securities at the end of June 2022 was 17.7 billion JPY (book value as of September 2021 was 4.1 billion JPY). The market value has risen to 33.0 billion JPY (market value as of September 2021 was 20.4 billion JPY). The main reason for the increase of the market value is due to the successful fundraising of multiple operational investment securities. The GoTo Group listed on the Indonesia Stock Exchange on 11 April 2022. Furthermore, there is an 8 month lock up period for GoTo Group's shares so its impact on the financials for FY2022 is minimal.²

(2) Financial Status Report

① Financial Status Analysis

(i) Assets

Total assets at the end of the 3Q of the current fiscal year increased by 15,568 million JPY from the end of the previous fiscal year to 37,365 million JPY.

The breakdown shows that current assets totaled 33,384 million JPY, up 15,387 million JPY from the end of the previous fiscal year. This was mainly due to an increase of 13,523 million JPY in operational investment securities (an increase of 12,518 million JPY due to the listing of an investee), an increase of 996 million JPY in accounts receivable-other, and an increase of 332 million JPY in cash and deposits.

Total non-current assets were 3,981 million JPY, up 181 million JPY from the end of the previous fiscal year. This was mainly due to an increase in investment securities of 247 million JPY and a decrease in deferred tax assets of 180 million JPY.

² The market value of investments is calculated semi-annually at the end of March and September. 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.

(ii) Liabilities

Total liabilities at the end of the 3Q of the fiscal year under review increased 5,421 million JPY from the end of the previous fiscal year to 15,822 million JPY.

Total current liabilities stood at 12,515 million JPY, up 4,049 million JPY from the end of the previous fiscal year. This was mainly due to an increase in short-term loans payable of 1,950 million JPY, accounts payable-other of 1,776 million JPY, and a decrease in income taxes payable of 782 million JPY.

Total non-current liabilities were 3,307 million JPY, up 1,371 million JPY from the end of the previous fiscal year. This was mainly due to an increase in deferred tax liabilities of 2,180 million JPY and a decrease in long-term debt of 845 million JPY.

(iii) Net assets

Net assets at the end of the 3Q of the fiscal year under review increased by 10,147 million JPY from the end of the previous fiscal year to 21,543 million JPY. This was mainly due to an increase of 10,329 million JPY in unrealized gains on securities, an increase of 772 million JPY in foreign currency translation adjustments, and an increase of 773 million JPY in treasury stock.

(3) 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. The forecast has not changed since it was last disclosed on 10 May 2022.

(Unit: billion JPY)

	Global Commerce	Value Cycle	Entertainment	E-Commerce Total
GMV	50.0~55.0	15.0~16.0	8.0~10.0	73.0~81.0
YoY	114%~125%	125%~133%	98%~123%	114%~126%
Net Sales	9.1~10.1	15.0~16.0	3.6~4.5	27.7~30.6
YoY	110%~122%	125%~133%	86%~108%	113%~125%
Operating Income	3.0~3.6	0.15~0.35	0.10~0.20	3.25~4.15
YoY	107%~128%	220%~513%	60%~119%	107%~136%

(Reference) FY2021 Results

GMV	43.9	12.0	8.1	64.0
Net Sales	8.2	12.0	4.1	24.4
Operating Income	2.81	0.06	0.16	3.04

2. Quarterly Financial Statements and Major Notes

(1) Quarterly Consolidated Balance Sheet

(Unit: million JPY)

	Year-end FY2021 (30 September 2021)	3Q FY2022 (30 June 2022)
Assets		
Current assets		
Cash and deposits	7,770	8,103
Notes and accounts receivable	677	832
Operational investment securities	4,181	17,704
Products	2,577	2,515
Accounts receivable	1,049	2,046
Other	1,745	2,199
Allowance for doubtful accounts	△5	△16
Total current assets	17,996	33,384
Fixed assets		
Tangible Assets		
Buildings and structures	647	721
Accumulated depreciation	△346	△380
Buildings and structures, net	300	341
Tools, materials and supplies	201	233
Accumulated depreciation	△149	△164
Tools, materials and supplies, net	51	69
Other	33	38
Accumulated depreciation	△8	△13
Other, net	24	24
Total tangible assets	377	435
Intangible assets		
Goodwill	264	186
Other	270	297
Total intangible assets	535	484
Investments etc.		
Investment securities	2,336	2,583
Deferred tax assets	234	54
Other	316	423
Total investments etc.	2,887	3,061
Total fixed assets	3,800	3,981
Total assets	21,797	37,365

(Unit: million JPY)

	Year-end FY2021 (30 September 2021)	3Q FY2022 (30 June 2022)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	233	344
Short-term loan	1,600	3,550
Current portion of long-term loans payable	300	800
Accounts payable-other	3,589	5,365
Deposits received	1,074	1,204
Income taxes payable	935	152
Other	732	1,098
Total current liabilities	8,466	12,515
Fixed liabilities		
Long-term loans payable	1,737	892
Deferred tax liabilities	-	2,180
Asset retirement obligations	197	211
Other	-	22
Total fixed liabilities	1,935	3,307
Total liabilities	10,401	15,822
Net assets		
Shareholders' equity		
Capital stock	2,775	2,775
Capital surplus	3,914	3,927
Retained earnings	5,900	5,652
Treasury Stock	△1,376	△2,149
Total shareholders' equity	11,214	10,205
Other accumulated comprehensive income		
Valuation difference on securities	△224	10,104
Foreign currency translation adjustments	270	1,042
Total other accumulated comprehensive income	45	11,147
Share subscription rights	135	190
Total net assets	11,395	21,543
Total liabilities and net assets	21,797	37,365

(2) Quarterly Consolidated Profit & Loss Statement and Quarterly Consolidated Statement of Comprehensive Income

Quarterly Consolidated Profit & Loss Statement
Consolidated Cumulative 3rd Quarter

(Unit: million JPY)

	3Q FY2021 (1 October 2020 – 30 June 2021)	3Q FY2022 (1 October 2021 – 30 June 2022)
Net sales	18,341	21,566
Cost of sales	9,161	12,374
Gross profit	9,179	9,191
Selling, general and administrative expenses	8,089	8,618
Operating income	1,090	573
Non-operating income		
Interest income	0	4
Foreign exchange gains	-	135
Subsidy income	51	3
Gain on investments in partnerships	18	-
Guarantee income	3	14
Other	40	54
Total non-operating income	112	212
Non-operating expenses		
Interest expenses	10	12
Equity in loss of affiliates	68	206
Foreign exchange losses	54	-
Commissions paid	3	5
Loss on investments in partnerships	-	10
Provision for allowance for doubtful accounts	-	11
Other	0	36
Total non-operating expenses	137	282
Ordinary income	1,065	503
Extraordinary income		
Dilution gain	-	73
Gain on sales of investment security	-	54
Gain on reversal of subscription rights to shares	0	5
Total extraordinary income	0	134
Extraordinary loss		
Loss on retirement of noncurrent assets	-	9
Total extraordinary loss	-	9
Income (△) before income taxes and minority interests	1,065	627
Income taxes	970	474
Income taxes-deferred	△353	80
Total income taxes	617	554
Income before income	448	72
Net profit attributable to owners of parent	448	72

Quarterly Consolidated Statement of Comprehensive Income
 Consolidated Cumulative 3rd Quarter

(Unit: million JPY)

	3Q FY2021 (1 October 2020 – 30 June 2021)	3Q FY2022 (1 October 2021 – 30 June 2022)
Income before income	448	72
Other comprehensive income		
Valuation difference on securities	591	10,329
Foreign currency translation adjustments	212	756
Share of other comprehensive (loss) income in associates	5	15
Total other comprehensive income	809	11,101
Quarterly Comprehensive income	1,258	11,174
(Breakdown)		
Comprehensive income attributable to owners of parent	1,258	11,174
Comprehensive income attributable to non-controlling interests	-	-

(3) Notes on Quarterly Consolidated Financial Statements

(Notes regarding the premise of on-going concerns)

Not Applicable

(Notes regarding significant changes in the amount of shareholder's equity)

Not Applicable

(Changes in Accounting Policy)

(Application of Accounting Standard for Revenue Recognition)

The "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, 31 March 2020, hereinafter referred to as the "Accounting Standard for Revenue Recognition") and other standards are applied from the beginning of the 1Q of the current fiscal year to recognize revenue when control of promised goods or services is transferred to customers in an amount that is expected to be received in exchange for those goods or services.

The Company follows the transitional treatment stipulated in the provisions of paragraph 84 of the Accounting Standard for Revenue Recognition, etc. However, the adoption of this accounting standard has no impact on the Company's income and retained earnings at the beginning of the 1Q under review.

In accordance with the transitional treatment stipulated in paragraph 28-15 of the "Accounting Standard for Quarterly Financial Statements" (ASBJ Statement No. 12, 31 March 2020), information disaggregated by revenue from contracts with customers for the 2Q of the previous fiscal year is not presented.

(Application of Accounting Standard for Calculation of Fair Value)

The Accounting Standard for Calculation of Fair Value (ASBJ Statement No. 30, 4 July 2019, hereinafter referred to as the "Accounting Standard for Calculation of Fair Value") and other standards have been applied from the beginning of the 1Q of the current fiscal year, and the new accounting policy established by the Accounting Standard for Calculation of Fair Value will be applied in the future in accordance with the transitional treatment stipulated in paragraph 2019 of the Accounting Standard for Market Value and paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, 4 July 2019).

There is no impact on the quarterly consolidated financial statements.

(Segment Information, etc.)

[Segment Information]

I Previous Consolidated Cumulative 3rd Quarter(1 October 2020 – 30 June 2021)

1. Information regarding sales, profit or loss, and liabilities by reporting segment

(Unit: million JPY)

	Reporting Segment						Adjustments (Note)1	Recorded Amount on Quarterly Consolidated Profit & Loss Statement (Note)2
	E-Commerce Business				Incubation Business	Total		
	Global Commerce	Value Cycle	Entertainment	Subtotal				
Net Sales								
Sales to Customer	6,062	8,767	3,336	18,166	174	18,341	-	18,341
Internal Sales or Transfer Between Segment	6	0	0	7	53	61	△61	-
Total	6,069	8,767	3,337	18,174	227	18,402	△61	18,341
Segment Earnings	2,076	93	164	2,334	△643	1,690	△600	1,090

- (Note) 1. The segment earnings or loss adjustment of $\triangle 600$ Million JPY includes the deletion of inter-segment transactions of 0 Million JPY, company-wide revenue of 271 Million JPY, that is not distributed to each reporting segment, and company-wide cost of $\triangle 872$ 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 Losses are adjusted in the operating income of the Quarterly Consolidated Profit & Loss Statement.

II Current Consolidated Cumulative 3rd Quarter (1 October 2021 – 30 June 2022)

1. Information regarding sales, profit or loss, and liabilities by reporting segment

(Unit: million JPY)

	Reporting Segment						Adjustments (Note) 2	Recorded Amount on Quarterly Consolidated Profit & Loss Statement (Note) 3
	E-Commerce Business				Incubation Business	Total		
	Global Commerce	Value Cycle	Entertainment	Subtotal				
Net Sales								
Sales from contracts with customers	7,307	10,928	2,719	20,955	362	21,318	-	21,318
Other sales (Note)1	-	-	-	-	248	248	-	248
Sales to Customer	7,307	10,928	2,719	20,955	610	21,566	-	21,566
Internal Sales or Transfer Between Segment	10	188	0	199	182	381	$\triangle 381$	-
Total	7,318	11,116	2,719	21,154	793	21,948	$\triangle 381$	21,566
Segment Earnings	2,386	$\triangle 6$	102	2,482	$\triangle 1,284$	1,197	$\triangle 624$	573

(Note) 1. Other sales include sales from operational investment securities as defined by "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10)

2. The segment earnings or loss adjustment of $\triangle 624$ Million JPY includes the deletion of inter-segment transactions of $\triangle 397$ Million JPY, company-wide revenue of 673 Million JPY, that is not distributed to each reporting segment, and company-wide cost of $\triangle 900$ 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.
3. Segment Losses are adjusted in the operating income of the Quarterly Consolidated Profit & Loss Statement.

2. Notes regarding changes in reporting segments

The calculation for the Reporting Segment has changed in accordance with the changes in accounting methods due to the application of the standards from revenue recognition beginning FY2022 as stated in the Changes in Accounting Policy/

The changes have no effect on the net sales or earnings/losses in the reporting period for 3Q FY2022.

(Revenue Recognition)

Information regarding the breakdown of revenue from contracts with customers is as stated in the Notes of the Segment Information, etc.