

Consolidated Financial Results (Japanese Accounting Standards)

For the Second Quarter Ended 31 March 2023

9 May 2023

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 12MAY2023 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 Second Quarter Ended 31 March 2023

(1 October 2022 – 31 March 2023)

(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	%
2Q FY2023	14,631	4.6	1,737	238.2	1,435	223.0	819	207.3
2Q FY2022	13,994	12.6	513	△31.6	444	△39.3	266	△6.4

(Note) Comprehensive Income 2Q FY2023 △3,990 Mil. yen (—%) 2Q FY2022 702 Mil. yen (△28.9%)

	Net income per share (basic)	Net income per share (diluted)
	Yen	Yen
2Q FY2023	66.17	62.73
2Q FY2022	21.12	20.03

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
2Q FY2023	28,814	13,919	47.6	1,102.21
FY2022	33,909	18,001	52.5	1,443.65

(Reference) Shareholders' equity 2Q FY2023 13,710 Million yen FY2022 17,803 Million yen

2. Dividends

	Dividend per share				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2022	—	0.00	—	25.00	25.00
FY2023	—	0.00	—	—	—
FY2023 (Forecast)	—	—	—	—	—

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

Note 2: The dividend for FY2023 is TBD

3. Consolidated Forecasts for the Fiscal Year Ending 30 September 2023

(1 October 2022 – 30 September 2023)

(% show year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income		Net income per Share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
FY2023	33,120	11.0	4,500	—	4,200	—	2,580	—	209.20

(Note) Changes from previously announced forecast: None

Please see page 7 for details within (3) Explanation of Outlook for the Future

※ Notes

(1) Changes of important subsidiaries during period : None

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

(2) Application of unique accounting process in creating the quarterly financial statement: No

(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)

FY2023 2Q	13,335,995 Shares	FY2022	13,335,995 Shares
FY2023 2Q	896,666 Shares	FY2022	1,003,874 Shares
FY2023 2Q	12,381,629 Shares	FY2022 2Q	12,625,133 Shares

② Number of treasury shares at end of period

③ Average number of shares outstanding during the term

(Note) The number of treasury shares at the end of period includes the shares held in the BEENOS E-Ship program (FY2023 2Q 37,800 shares, FY2022 58,800 shares). The same shares are excluded from the average number of shares outstanding.

※ This financial summary does not need to go through the auditing process.

※ 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 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.....	6
(3) Explanation of Outlook for the Future.....	7
2. Quarterly Financial Statements and Major Notes.....	8
(1) Quarterly Consolidated Balance Sheet.....	8
(2) Quarterly Consolidated Profit & Loss Statement and Quarterly Consolidated Statement of Comprehensive Income.....	10
Quarterly Consolidated Profit & Loss Statement Consolidated Cumulative 2nd Quarter.....	10
Quarterly Consolidated Statement of Comprehensive Income Consolidated Cumulative 2nd Quarter.....	11
(3) Quarterly Consolidated Statement of Cash Flows.....	12
(4) Notes on Consolidated Financial Statement.....	14
(Notes regarding the premise of on-going concerns).....	14
(Notes regarding significant changes in the amount of shareholder's equity).....	14
(Segment Information).....	14

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 information.

As we aim to reach our 100 Billion JPY in consolidated GMV goal this year, the Global Commerce Business will focus on the improvement and fortification of Buyee's services centered around delivery plans and payment options. The Value Cycle Business will focus on purchasing high ticket items and fortifying domestic sales. The Entertainment Business will focus on increasing circulation by increasing partnerships and users on its entertainment tailored EC platform, Groobee.

In FY2023 2Q, Global Commerce created a new scheme with one of its domestic partners as well as proactively launched campaigns to increase its GMV. Value Cycle increased rectified its listing process and focused on the sales of high-ticket items. Entertainment aimed to increase GMV by selling artist merchandise at concert venues and increasing functions and services of Groobee. The Incubation Business recorded sales on its investment securities.

As a result, the annual consolidated net sales were 14,631 Million JPY (up 4.6% year on year), operating income was 1,737 Million JPY (up 238.2% year on year), ordinary income was 1,435 Million JPY (up 223.0% year on year), and net income attributable to owners of parent was 819 Million JPY (up 207.3% year on year).

The consolidated GMV for FY2023 2Q was 46.4 Billion JPY (up 26.0% year on year).

The book value for our operational investment securities at the end of March 2023 was 7.1 billion JPY (book value in December 2022 was 6.8 billion JPY). The market value at the end of March 2023 has risen to 22.9 billion JPY (market value as of December 2022 22.5 billion JPY). The main reason for the decrease of the market value is due to the decrease in share prices of public shares and the changes in exchange rates.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) saw an increase in new users through promotional efforts and influencer marketing despite experiencing setbacks from the appreciation of the Japanese yen since November and Buyee's GMV grew 37.8% year on year. Furthermore, the dashboard function for domestic EC sites to see the data and trends of foreign purchases has been updated to provide more detailed data. The "Buyee Connect" service which allows Japanese EC sites to ship overseas by adding a few tag lines on its site continues to increase its coverage with EC platform "eforce", operated by SUPER STUDIO INC., being one of the recent new partners in 2Q.

The Global Shopping Business (To Japan) has continued to increase demand through various promotions to drive GMV and produce a stable income despite the Japanese yen being so volatile.

The Cross Border EC Service specializing in fashion, FASBEE, has spun out of the Incubation Segment into the Global Commerce Business as of this fiscal year.

As a result, net sales were 5,966 Million JPY (up 24.9% year on year) and operating income was 1,968 Million JPY (up 28.4% year on year).

ii) Value Cycle Business

The Apparel Reuse Business has restabilized its listing process in 2Q after the layoffs of temp staff in FY2022 4Q created delays in 1Q. However, sales still declined year on year as the market for high-ticket items plunged

¹ Refer to footnote 2 in the Incubation Business for the calculation logic.

which led to a decrease in unit prices despite the number of items listed were normalized. We opened 1 new Brandear stores in March 2023 in Hiroshima, the first in the Chugoku region, to bring the total to 14 stores.

The Liquor Mediation Business saw an increase in sales as it was able to capitalize on the popularity of high-class wines. We have also started selling liquor at 4 of our brick in mortar stores as of March 2023 to tailor to the demands by our customers as they requested the capability of seeing rare and expensive liquor before purchasing them. We have also expanded our customer base in the Chinese region through the rare liquor search and selling service, "Vintage Search." The purchasing side saw an increase in purchases as we set the purchasing price higher than the market for certain labels as we conducted promotions for specific brands on our website.

As a result, net sales were 7,072 Million JPY (down 3.9% year on year) and operating income was 60 Million JPY (operating losses in FY2022 2Q was 45 Million JPY).

iii) Entertainment Business

The Entertainment Business saw an increase in distribution of merchandise for its main artist at its live event.

Groobee, our entertainment industry-based platform, has spun out of the Incubation Segment to the Entertainment Business beginning this fiscal year. Groobee is increasing its presence in the entertainment industry with the addition of new artists and the support of the EC site for a sports team. It has also added a pick-up service at event venues to pick up merchandise without having to wait in line which has improved usability for purchasers and reduced hassles for event organizers.

The Global Product Business continues to collaborate with popular contents to create cosmetic lines to be distributed domestically and internationally.

As a result, net sales were 583 Million JPY (down 67.3% year on year) and operating losses were 125 Million JPY (operating losses in FY2022 2Q was 89 Million JPY).

For the E-Commerce Business as a whole, net sales were 13,622 Million JPY (down 2.2% year on year) and operating income was 1,903 Million JPY (up 36.1% year on year).

② Incubation Business

The Investment and Consultation Business sold off some of its investment securities for roughly 0.47 billion JPY. The policy to sell shares to offset the cost and losses accrued by New Businesses and corporate costs remains as is and we plan to continue to sell more of our shares in companies in the Incubation Business.

New Businesses, which was listed under the Incubation Business until last year, has spun out into Other Businesses beginning this fiscal year.

As a result, net sales were 816 million JPY (net sales in FY2022 2Q were 68 million JPY) and operating income was 736 million JPY (operating income in FY2022 2Q was 5 million JPY).

The book value for our operational investment securities at the end of March 2023 was 7.1 billion JPY (book value as of December 2022 was 6.8 billion JPY). The market value at the end of March 2023 was 22.9 billion JPY (market value as of December 2022 was 22.5 billion JPY). The main reason for the increase of the market value is due to the change in share prices of public shares and change in foreign exchange rates.²

③ Other Businesses

The "Cross Border EC Support Business" which supports Japanese companies entering Asian marketplaces has suspended its project with its largest Chinese platform but continues to provide its comprehensive support

² The market value of investments is calculated quarterly. 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.

services with foreign marketplaces such as Shopee and Tmall Global. Services include listing, customer support, foreign shipping logistics and payment. We continue to search for new platforms that we could partner with.

The SaaS-type Cross Border HR Platform "Linkus" that uses technology to help the hiring of foreign staff began providing consulting services to create an appropriate working environment for foreign "Specified Skilled Workers" as the hiring of specified skilled workers is expected to increase in Japan.

As a result, net sales were 411 Million JPY (up 25.3% year on year) and operating losses were 445 Million JPY (operating losses in FY2022 2Q was 440 Million JPY).

(2) Financial Status Report

① Financial Status Analysis

Assets

Total assets at the end of the 2Q of the current fiscal year decreased by 5,095 million JPY from the end of the previous fiscal year to 28,814 million JPY.

Current assets totaled 24,147 million JPY, a decrease of 5,565 million JPY from the end of the previous fiscal year. This was mainly due to a decrease of 5,692 million JPY in operational investment securities due to a decrease in book value caused by a change in the stock price of listed stocks held.

Total non-current assets were 4,666 million JPY, an increase of 470 million JPY from the end of the previous fiscal year. This was mainly due to an increase of 682 million JPY in deferred tax assets.

Liabilities

Total liabilities at the end of the 2Q of the current fiscal year decreased by 1,013 million JPY from the end of the previous fiscal year to 14,895 million JPY.

The breakdown shows that total current liabilities were 13,785 million, an increase of 370 million JPY from the end of the previous fiscal year. This was mainly due to an increase of 733 million JPY in short-term loans payable.

On the other hand, total non-current liabilities were 1,109 million JPY, a decrease of 1,383 million JPY from the end of the previous fiscal year. This was mainly due to a decrease of 1,190 million JPY in deferred tax liabilities.

Net assets

Total net assets at the end of the 2Q of the current fiscal year decreased by 4,082 million JPY from the end of the previous fiscal year to 13,919 million JPY. This was mainly due to a decrease of 4,498 million JPY in unrealized gains on securities.

(3) Explanation of Outlook for the Future

There are no changes to the consolidated earnings forecast announced in the financial results summary on 8 November 2022. The breakdown by segment is shown in the table below.

We have changed the segment classification from this fiscal year. Results for the previous fiscal year have also been reclassified into new segments. Please refer to the "Segment Information" section for reasons for the change.

(Unit: billion JPY)

	E-Commerce Business			Incubation	Other Businesses	Consolidated
	Global Commerce	Value Cycle	Entertainment			
GMV	70.0	16.0	14.0	-	1.8	101.8
YoY	+28.3%	+6.1%	+40.8%	-	+48.0%	+26.0%
Net Sales	12.7	16.0	1.2	2.5	0.62	33.1
YoY	+25.9%	+6.1%	-69.8%	+742.4%	-24.9%	+11.0%
Segment Income	4.00	0.40	0.10	2.15	▲1.00	4.50
YoY	+20.9%	+100.3%	-	-	-	+1,269.3%
(Reference) FY2022 Results						
GMV	54.5	15.0	9.9	-	1.2	80.7
Net Sales	10.1	15.0	4.2	0.2	0.8	29.8
Segment Income	3.30	0.19	▲0.30	▲0.96	▲0.97	0.32

2. Consolidated Financial Statements and Major Notes

(1) Consolidated Balance Sheets

(Unit: million JPY)

	FY2022 (30 September 2022)	2Q FY2023 (31 March 2023)
Assets		
Current assets		
Cash and deposits	9,551	10,182
Notes and accounts receivable	911	743
Operational investment securities	12,870	7,178
Products	2,225	2,078
Accounts receivable	1,257	1,945
Other	2,912	2,036
Allowance for doubtful accounts	△16	△17
Total current assets	29,713	24,147
Fixed assets		
Tangible Assets		
Buildings and structures	730	777
Accumulated depreciation	△394	△413
Buildings and structures, net	335	364
Tools, materials and supplies	242	268
Accumulated depreciation	△172	△188
Tools, materials and supplies, net	69	80
Other	38	38
Accumulated depreciation	△15	△16
Other, net	23	21
Total tangible assets	428	465
Intangible assets		
Goodwill	160	107
Other	319	343
Total intangible assets	479	451
Investments etc.		
Investment securities	2,741	2,514
Deferred tax assets	54	737
Other	492	498
Total investments etc.	3,287	3,750
Total fixed assets	4,196	4,666
Total assets	33,909	28,814

(Unit: million JPY)

	FY2022 (30 September 2022)	2Q FY2023 (31 March 2023)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	373	70
Short-term loan	3,550	4,283
Current portion of long-term loans payable	900	900
Accounts payable-other	5,459	5,422
Deposits received	1,942	1,735
Income taxes payable	277	499
Other	911	874
Total current liabilities	13,415	13,785
Fixed liabilities		
Long-term loans payable	1,048	848
Deferred tax liabilities	1,210	20
Asset retirement obligations	212	218
Other	22	22
Total fixed liabilities	2,493	1,109
Total liabilities	15,908	14,895
Net assets		
Shareholders' equity		
Capital stock	2,775	2,775
Capital surplus	3,925	3,889
Retained earnings	5,367	5,877
Treasury Stock	△2,107	△1,862
Total shareholders' equity	9,962	10,679
Other accumulated comprehensive income		
Valuation difference on securities	6,620	2,122
Foreign currency translation adjustments	1,220	908
Total other accumulated comprehensive income	7,841	3,031
Share subscription rights	198	208
Total net assets	18,001	13,919
Total liabilities and net assets	33,909	28,814

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

Quarterly Consolidated Profit & Loss Statement
Consolidated Cumulative 2nd Quarter

(Unit: million JPY)

	2Q FY2022 (1 October 2021 – 31 March 2022)	2Q FY2023 (1 October 2022 – 31 March 2023)
Net sales	13,994	14,631
Cost of sales	7,797	7,354
Gross profit	6,196	7,277
Selling, general and administrative expenses	5,682	5,539
Operating income	513	1,737
Non-operating income		
Interest income	3	2
Foreign exchange gains	32	-
Subsidy income	1	1
Gain on investments in partnerships	23	-
Guarantee income	9	9
Other	22	19
Total non-operating income	93	32
Non-operating expenses		
Interest expenses	7	9
Equity in loss of affiliates	134	125
Foreign exchange losses	-	198
Commissions paid	5	0
Loss on investments in partnerships	-	0
Provision for allowance for doubtful accounts	6	-
Other	9	0
Total non-operating expenses	162	335
Ordinary income	444	1,435
Extraordinary income		
Dilution gain	73	-
Gain on sales of investment security	54	-
Gain on reversal of subscription rights to shares	4	4
Total extraordinary income	132	4
Extraordinary loss		
Loss on retirement of noncurrent assets	9	-
Total extraordinary loss	9	-
Income (△) before income taxes and minority interests	567	1,440
Income taxes	238	667
Income taxes-deferred	62	△46
Total income taxes	300	620
Income before income	266	819
Net profit attributable to owners of parent	266	819

Quarterly Consolidated Statement of Comprehensive Income
Consolidated Cumulative 2nd Quarter

(Unit: million JPY)

	2Q FY2022 (1 October 2021 – 31 March 2022)	2Q FY2023 (1 October 2022 – 31 March 2023)
Income before income	266	819
Other comprehensive income		
Valuation difference on securities	65	△4,498
Foreign currency translation adjustments	360	△298
Share of other comprehensive (loss) income in associates	9	△12
Total other comprehensive income	435	△4,809
Quarterly Comprehensive income	702	△3,990
(Breakdown)		
Comprehensive income attributable to owners of parent	702	△3,990
Comprehensive income attributable to non-controlling interests	-	-

(3) Quarterly Consolidated Statements of Cash Flows

(Unit: million JPY)

	2Q FY2022 (1 October 2021 – 31 March 2022)	2Q FY2023 (1 October 2022 – 31 March 2023)
Net cash provided by (used in) operating activities		
Income (△) before income taxes and minority interests	567	1,440
Depreciation and amortization	92	94
Amortization of goodwill	52	52
Increase in allowance for doubtful accounts (Decrease:△)	6	0
Stock-based Compensation Expense	102	60
Interest and dividends income	△3	△2
Interest expenses	7	9
Foreign exchange losses (Gains:△)	△0	△1
Profit/loss (Gain) on Sales of Investment Securities. (△)	△54	-
Equity in losses of affiliates (Gains:△)	134	125
Loss on investments in partnership (Gains:△)	△23	0
Profit/loss (loss) on change in equity (△: Gain)	△73	-
Gain on reversal of subscription rights to shares	△4	△4
Loss on retirement of noncurrent assets	9	-
Decrease in notes and accounts receivable-trade (Increase:△)	△273	31
Increase in operational investment securities (Increase: △)	△777	△354
Decrease in inventory (Increase:△)	116	146
Increase (decrease) in accounts receivable-other (increased by △)	△679	△690
Increase in notes and accounts payable-trade (Decrease:△)	61	△303
Increase in accounts payable-other (Decrease:△)	949	△27
Increase in deposits received (Decrease:△)	10	489
Increase in consumption taxes payable (Decrease:△)	△17	△23
Other	238	898
Subtotal	440	1,940
Interest and dividend received	3	61
Interest expenses paid	△8	△9
Income taxes refunded	5	746
Income taxes paid	△1,107	△2,083
Net cash provided by (used in) operating activities	△666	655
Cash flow from investing activities		
Purchase of property, plant and equipment	△127	△74
Purchase of intangible assets	△65	△52
Purchase of investment securities	△151	△137
Proceeds from sale of investment securities	59	-
Lending of loans receivable	-	△60
Payments for lease and guarantee deposits	△51	△29
Proceeds from collection of lease and guarantee deposits	6	15
Proceeds from distributions from investment partnerships	30	43
Other	△3	-
Cash flow from investing activities	△300	△294

(Unit: million JPY)

	2Q FY2022 (1 October 2021 – 31 March 2022)	2Q FY2023 (1 October 2022 – 31 March 2023)
Cash flow from financing activities		
Increase in short-term loans payable (Decrease:△)	1,400	733
Repayment of long-term loans payable	△195	△200
Purchase of treasury stock	△903	△0
Sales of treasury stock	44	48
Proceeds from exercise of stock options	4	54
Cash dividends paid	△320	△308
Cash flow from financing activities	29	326
Effect of exchange rate change on cash and cash equivalents	43	△92
Net increase in cash and cash equivalents(Decrease:△)	△895	595
Cash and cash equivalents at the beginning of the year	8,141	10,019
Cash and cash equivalents	7,245	10,615

(4) 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 policies)

(Application of Implementation Guidance on Accounting Standard for Calculation of Market Value)

The Company will apply the "Implementation Guidance on Accounting Standard for Calculation of Market Value" (ASBJ Guidance No. 31, 17 June 2021; hereinafter the "Guidance on Accounting Standard for Market Value Calculation") from the beginning of the 1Q of the current fiscal year, and apply the new accounting policy stipulated by the Implementation Guidance on Accounting Standard for Market Value Calculation in accordance with the transitional treatment stipulated in Article 27-2 of the Guidance on Accounting Standard for Market Value Calculation in the future. There is no impact on the quarterly consolidated financial statements.

(Segment Information, etc.)

I Previous Consolidated Cumulative 2nd Quarter (1 October 2021 – 31 March 2022)

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	Other Business	Total		
	Global Commerce	Value Cycle	Entertain ment	Subtotal					
Net Sales									
Contract based income with customers	4,770	7,188	1,787	13,746	-	179	13,925	-	13,925
Other Earnings (Note)1	-	-	-	-	68	-	68	-	68
Sales to Customers	4,770	7,188	1,787	13,746	68	179	13,994	-	13,994
Internal Sales or Transfers Between Segments	7	172	0	179	-	148	328	△328	-
Total	4,777	7,361	1,787	13,925	68	328	14,322	△328	13,994
Segment Earnings	1,533	△45	△89	1,398	5	△440	963	△449	513

(Notes) 1. Other income includes income related to operational investment securities in accordance with Accounting Standards for Financial Instruments (ASBJ Statement No. 10).

2. The segment earnings or loss adjustment of △449 million JPY includes the deletion of inter-segment transactions of △424 million JPY, company-wide revenue of 582 million JPY, that is not distributed to each reporting segment, and company-wide cost of △606 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 Profits are adjusted in the operating income of the Consolidated Profit & Loss Statement.

II Current Consolidated Cumulative 2nd Quarter (1 October 2022 – 31 March 2023)

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	Other Business	Total		
	Global Commerce	Value Cycle	Entertain ment	Subtotal					
Net Sales									
Contract based income with customers	5,951	7,026	583	13,562	-	252	13,814	-	13,814
Other Earnings (Note)1	-	-	-	-	816	-	816	-	816
Sales to Customers	5,951	7,026	583	13,562	816	252	14,631	-	14,631
Internal Sales or Transfers Between Segments	14	45	0	60	-	158	219	△219	-
Total	5,966	7,072	583	13,622	816	411	14,850	△219	14,631
Segment Earnings	1,968	60	△125	1,903	736	△445	2,195	△457	1,737

(Notes) 1. Other income includes income related to operational investment securities in accordance with Accounting Standards for Financial Instruments (ASBJ Statement No. 10).

2. The segment earnings or loss adjustment of △457 million JPY includes the deletion of inter-segment transactions of △22 million JPY, company-wide revenue of 169 million JPY, that is not distributed to each reporting segment, and company-wide cost of △604 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 Profits are adjusted in the operating income of the Consolidated Profit & Loss Statement.

2. Changes in Reporting Segments

The BEENOS Group mainly divides its business segments in 2 parts: the E-Commerce Business and the Incubation Business.

The Incubation Business had two subsegments, the Investment and Consultation Business and the New Businesses, but as each subsegment has grown to an extent where it has a significant impact on the consolidated results, we believe that it would be better to separate the two to increase transparency. The Incubation Business and New Businesses will become separate segments.

The Investment and Consultation Business will remain as the "Incubation Business" and the New Businesses will be titled under "Other Business."

Furthermore, the Cross Border EC Service specializing in fashion, FASBEE, and the entertainment industry-based platform, Groobee, have grown to an extent where they are fully operational so they have respectively spun out into the Global Commerce and Entertainment segments of the E-Commerce Business.

The results for FY2022 2Q have been recalibrated to reflect the changes in the aforementioned segments.