

Company BEENOS Inc.  
President and Group CEO Shota Naoi  
Tokyo Stock Exchange First Section Code: 3328  
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## **(Revised) Revision to the “Consolidated Financial Results (Japanese Accounting Standards) for 1Q FY2020”**

*Tokyo, Japan – 14 February 2020* – BEENOS Inc. (BEENOS) announced a revision to the materials it has disclosed on 5 February 2020 13:00.

### 1. Reason for Revision

BEENOS found that a miscalculation had been made in its tax calculations for one of its foreign subsidiaries in its “Consolidated Financial Results (Japanese Accounting Standards) for 1Q FY2020” after it had been submitted.

### 2. Revision Areas

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### 3. Revised Content

Areas pre and post revision have been added to this release. All revised areas have been underlined.

【Post-Revision】

## Consolidated Financial Results (Japanese Accounting Standards)

For the First Quarter Ended 31 December 2019

5 February 2020

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) 03-5739-3350
Scheduled filing date of the Annual Securities Report	TBD	Scheduled date of commencement of dividend payment	—
Supplementary documents for quarterly results: Yes			
Quarterly results briefing: Yes (for Analysts)			

(Amounts rounded down to the nearest million yen)

### 1. Consolidated Financial Results for the First Quarter Ended 31 December 2019

(1 October 2019 – 31 December 2019)

(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	%
1Q FY2020	8,129	53.1	2,366	—	2,367	—	1,594	—
1Q FY2019	5,309	△1.1	△314	—	△288	—	△200	—

(Note) Comprehensive Income  
 1Q FY2020 1,641 Mil. yen ( —%)      1Q FY2019 △424 Mil. yen ( —%)

	Net income per share (basic)	Net income per share (diluted)
	Yen	Yen
1Q FY2019	<u>133.60</u>	—
1Q FY2019	△16.46	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
1Q FY2020	19,769	<u>11,598</u>	<u>50.4</u>	<u>834.30</u>
FY2019	18,811	10,171	45.3	713.16

(Reference) Shareholders' equity  
 1Q FY2020 9,958 Million yen      FY2019 8,512 Million yen

### 2. Dividends

	Dividend per share				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2019	—	0.00	—	18.00	18.00
FY2020	—				
FY2020(Forecast)		0.00	—	18.00	18.00

(Note) Revisions to dividend forecasts published most recently: None

【Post-Revision】

## 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. We combine the expertise accumulated in the Cross Border Business with our global investment network in the Incubation Business to create new technology and internet-based markets.

Our focus this year is to evolve our current businesses while actively taking part in creating new ones. We aim to add a fourth business domain, the Inbound Business, to the existing Cross Border Business, Value Cycle Business, and Retailing and Licensing (Entertainment) Business. With these four domains we will attain the following: "the global expansion of Japanese products and secondary distribution," "the centralized support for resolving issues in the entertainment field," and "the establishment of an inbound travel platform utilizing data and AI." The income in the E-Commerce Business resulted in a 216 Million JPY operating income compared to a 126 Million JPY operating loss from 1Q FY2019 as the Cross Border Business saw a large increase in income year on year while the Value Cycle Business was able to strategically reduce costs. Furthermore, we announced the intention to monetize 20% (43 Billion JPY) of our appraised gains in our Incubation Business by the end of March 2020 and update our portfolio. We monetized about 2 Billion JPY by the end of FY2019 and as of the end of 1Q FY2020 we have recorded approximately 2.7 Billion JPY in sales from our operational investment securities.

As a result, the 1st quarter consolidated net sales were 8,129 Million JPY (up 53.1% year on year), operating income was 2,366 Million JPY (compared with an operating loss of 314 Million JPY in 1Q FY2019), ordinary income was 2,367 Million JPY (compared with an ordinary loss of 288 Million JPY in 1Q FY2019), and net income attributable to owners of parent was 1,594 Million JPY (compared with a net loss attributable to owners of parent of 200 Million JPY in 1Q FY2019).

The consolidated GMV for the 1st quarter was 11.1 Billion JPY (forecast for FY2020 is 51 Billion JPY).

The achievements of each business segment are as follows.

#### ① E-Commerce Business

##### 1-1 Cross-Border Business

The Overseas Forwarding and Proxy Purchasing Business (From Japan) has formed a business alliance with Mercari, Inc. Buyee, the proxy purchasing service, will provide support by translating, shipping, and handling customer support. As a result, we are able to sell products that are listed on Mercari to customers in more than 100 countries and regions worldwide. Furthermore, we lowered our service fee for convenience store pickups in Taiwan, one of our regions of strategic focus, to increase customer satisfaction and provide our services at unrivaled costs. The implementation of sales promotion measures such as campaigns waiving service fees in addition to the other measures led to a strong growth in GMV, net sales and operating income for this quarter.

The Global Shopping Business (To Japan) worked to increase sales through ongoing SEO measures and customer-focused marketing. At the same time, we aggressively strengthened our profit structure by automating operations and restructuring distribution schematics.

As a result, the net sales were 1,231 Million JPY (up 5.8% year on year) and operating income was 282 Million JPY (up 201.0% year on year).

##### 1-2 Value Cycle Business

The Apparel Reuse Business reviewed its advertising methods on the purchasing side and shifted from mass advertising to a more cost effective targeted advertising. As a result of efforts to improve the cost-effectiveness of advertising and promotional expenses, the purchase amount and net sales decreased year on year, but operating loss improved significantly. On 14 January 2020, we converted Defactostandard, Ltd., which operates the Internet shopping and sales business Brandear, into a wholly owned subsidiary through a simple share

## 【Post-Revision】

exchange. We are working to increase its corporate value by utilizing the management resources of the entire Group, formulating long-term business strategies, and making swift decisions. (For details, please refer to our announcement on 24 December 2019, "BEENOS Inc. to make Defactostandard, Ltd. a Wholly Owned Subsidiary through Simple Share Exchange (Revised Abbreviated Version)".)

The Liquor Mediation Business continued to be the highest bidder in the industry to purchase liquor which has led to the increase in purchase applications. We have opened the E-Commerce site "moment" that allows customers to purchase high-end/rare liquor at a fixed price in response to feedback from users that want products immediately and feel a burden to bid for items in an auction. In addition, we have linked "moment's" system with Buyee, the proxy purchasing service operated by tenso inc., we have been able to provide convenient purchasing services to customers outside Japan where there is a strong demand for Japanese liquor.

As a result, net sales were 3,148 Million JPY (down 6.1% year on year) and operating loss was 27 Million JPY (compared with operating loss of 229 Million JPY in 1Q FY2019).

### 1-3 Retailing and Licensing Business

The Pokemon Cosme Series, which was launched in July 2018, has gained a lot of traction on the Internet and social media, and is now being sold at various shops nationwide as well as at airports to boost the Global Product Business. The series has been particularly popular among tourists visiting Japan and the cumulative total of units sold in the series has exceeded one million units. The Fragrance and Body Care brand, SWATi, expanded its brand recognition by expanding the number of stores handling fragrance body care products and launching pop-up stores.

As a result, the net sales were 864 Million JPY (up 10.7% year on year) and operating loss was 38 Million JPY (compared with operating income of 9 Million JPY in 1Q FY2019).

For the E-Commerce Business as a whole, net sales were 5,244 Million JPY (down 1.0% year on year) and operating income was 216 Million JPY (compared with an operating loss of 126 Million JPY in 1Q FY2019).

## 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. We also continue to sell investments at the opportune time in accordance with the progress of the respective businesses. We made an additional investment in Metro Engines Inc. in 1Q FY2020. Metro Engines uses real time big data and AI technology to provide a dynamic pricing scale for hotels, rental cars, parking lots, etc. It also offers a management tool for the hospitality industry as well as a news distribution service.

The Start-up Business is actively creating new businesses in the entertainment and Japanese inbound businesses to provide integrated support for resolving issues in the entertainment field and create travel platforms that utilize data and AI. We launched narabee, a SaaS mobile order and payment service that enables customers to obtain products in locations such as event shops and restaurants at live venues without having to wait in line, in November 2019. In addition, we established BEENOS Travel Inc. to acquire "Travel Bar," one of Taiwan's largest travel media websites for travelers to Japan.

In October 2019, we collaborated with Shopee, one of the largest e-commerce malls in Taiwan and Southeast Asia, to support Japanese companies open their stores on Shopee. We are increasing overseas sales and offering opportunities for Japanese companies to expand their potential through this partnership. We are also working to collaborate with foreign companies to expand the overseas sales market.

As a result, net sales for the were 2,913 Million JPY (compared with 14 Million JPY in 1Q FY2019) and operating income was 2,445 Million JPY (compared with an operating loss of 87 Million JPY in 1Q FY2019).

【Post-Revision】

(2) Financial Status Report

① Financial Status Analysis

(i) Assets

Total assets at the end of the 1Q FY2020 increased by 958 Million JPY from the end of the previous fiscal year to 19,769 Million JPY.

Current assets totaled 17,365 Million JPY, an increase of 958 Million JPY from the end of the previous fiscal year. The main factors contributing to this increase were increases in cash and deposits of 2,153 Million JPY, accounts receivable of 489 Million JPY and operating investment securities of 107 Million JPY and decreases in notes and accounts receivable-trade of 1,920 Million JPY.

Total fixed assets were 2,404 Million JPY, an increase of 0.205 Million JPY from the end of the previous fiscal year. This was mainly attributable to an increase of 140 Million JPY in investment securities and a decrease of 106 Million JPY in deferred tax assets.

(ii) Liabilities

Total liabilities at the end of the 1Q amounted to 8,171 Million JPY, a decrease of 468 Million JPY from the end of the previous fiscal year.

Current liabilities totaled 7,599 Million JPY, a decrease of 559 Million JPY from the end of the previous fiscal year. The main factors contributing to this decrease were increases of 405 Million JPY in deposits received and 402 Million JPY in income taxes payable and decreases of 900 Million JPY in short-term loans payable, 450 Million JPY in accounts payable-other, and 135 Million JPY in notes and accounts payable-trade.

Total long-term liabilities were 571 Million JPY, an increase of 91 Million JPY from the end of the previous fiscal year. This was mainly due to an increase in deferred tax liabilities of 90 Million JPY.

(iii) Net assets

Total net assets at the end of the 1Q were 11,598 Million JPY, an increase of 1,427 Million JPY from the end of the previous fiscal year. This was mainly due to an increase of 1,379 Million JPY in retained earnings.

(3) Outlook for FY2020

The Company maintains its consolidated earnings forecasts for this fiscal year, which were released on 7 November 2019.

【Post-Revision】

2. Quarterly Financial Statements and Major Notes

(1) Quarterly Consolidated Balance Sheet

(Unit:1,000 JPY)

	Year-end FY2019 (30 September 2019)	1Q FY2020 (31 December 2019)
<b>Assets</b>		
Current assets		
Cash and deposits	5,175,775	7,328,850
Notes and accounts receivable	2,527,865	607,641
Operational investment securities	4,176,825	4,284,199
Products	2,689,382	2,784,935
Accounts receivable	862,433	1,351,592
Other	975,034	1,008,553
<b>Total current assets</b>	<b>16,407,315</b>	<b>17,365,771</b>
Fixed assets		
Tangible Assets		
Buildings and structures	603,067	603,236
Accumulated depreciation	△256,794	△269,383
Buildings and structures, net	346,272	333,853
Vehicles	9,614	9,628
Accumulated depreciation	△7,753	△8,014
Vehicles, net	1,861	1,613
Tools, materials and supplies	192,338	197,882
Accumulated depreciation	△122,589	△128,391
Tools, materials and supplies, net	69,748	69,491
<b>Total tangible assets</b>	<b>417,882</b>	<b>404,957</b>
Intangible assets		
Goodwill	303,842	283,066
Other	150,753	153,973
<b>Total intangible assets</b>	<b>454,596</b>	<b>437,040</b>
Investments etc.		
Investment securities	887,065	1,027,336
Deferred tax assets	215,992	109,492
Other	428,433	425,348
<b>Total investments etc.</b>	<b>1,531,491</b>	<b>1,562,177</b>
<b>Total fixed assets</b>	<b>2,403,970</b>	<b>2,404,175</b>
<b>Total assets</b>	<b>18,811,286</b>	<b>19,769,947</b>

【Post-Revision】

(Unit:1,000 JPY)

	Year-end FY2019 (30 September 2019)	1Q FY2020 (31 December 2019)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	384,508	248,905
Short-term loan	3,550,000	2,650,000
Accounts payable-other	2,956,824	2,506,466
Deposits received	714,796	1,120,094
Income taxes payable	89,157	<u>491,694</u>
Other	463,805	582,265
Total current liabilities	<u>8,159,091</u>	<u>7,599,426</u>
Fixed liabilities		
Deferred tax liabilities	287,680	378,270
Asset retirement obligations	193,043	193,459
Total fixed liabilities	<u>480,724</u>	<u>571,730</u>
Total liabilities	<u>8,639,815</u>	<u>8,171,156</u>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	2,775,840	2,775,840
Capital surplus	2,542,577	2,542,577
Retained earnings	3,966,442	<u>5,346,191</u>
Treasury Stock	△567,835	△567,835
Total shareholders' equity	<u>8,717,025</u>	<u>10,096,774</u>
Other accumulated comprehensive income		
Valuation difference on securities	△314,461	△270,244
Foreign currency translation adjustments	109,571	131,608
Total other accumulated comprehensive income	<u>△204,890</u>	<u>△138,636</u>
Share subscription rights	46,677	47,840
Non-controlling shareholders' equity	1,612,657	1,592,812
Total net assets	<u>10,171,470</u>	<u>11,598,790</u>
Total liabilities and net assets	<u>18,811,286</u>	<u>19,769,947</u>

【Post-Revision】

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

Quarterly Consolidated Profit & Loss Statement  
Consolidated Cumulative 1<sup>st</sup>Quarter

(Unit:1,000 JPY)

	1Q FY2019 (1 October 2018 – 31 December 2018)	1Q FY2020 (1 October 2019 – 31 December 2019)
Net sales	5,309,337	8,129,205
Cost of sales	2,793,368	3,053,395
Gross profit	2,515,969	5,075,810
Selling, general and administrative expenses	2,830,150	2,709,197
Operating income (△ losses)	△314,181	2,366,612
Non-operating income		
Interest income	28	10
Foreign exchange gains	3,907	-
Equity in earnings of affiliates	19,936	390
Subsidy income	2,621	2,706
Gain on investments in partnerships	-	68,632
Other	8,907	16,359
Total non-operating income	35,401	88,100
Non-operating expenses		
Interest expenses	3,456	2,512
Foreign exchange losses	-	3,450
Commissions paid	819	80,415
Loss on investments in partnerships	5,308	-
Other	270	342
Total non-operating expenses	9,854	86,721
Ordinary income (loss) (△)	△288,634	2,367,991
Extraordinary income		
Gain on reversal of subscription rights to shares	-	5,200
Total extraordinary income	-	5,200
Income (△) before income taxes and minority interests	△288,634	2,373,191
Income taxes	7,222	600,563
Income taxes-deferred	△25,515	197,879
Total income taxes	△18,292	798,443
Net Income or Loss (△)	△270,341	1,574,748
Loss (△) attributable to non-controlling interests	△69,719	△19,845
Net income (△) attributable to owners of parent	△200,621	1,594,594



【Post-Revision】

Quarterly Consolidated Statement of Comprehensive Income  
Consolidated Cumulative 1<sup>st</sup>Quarter

(Unit:1,000 JPY)

	1Q FY2019 (1 October 2018 – 31 December 2018)	1Q FY2020 (1 October 2019 – 31 December 2019)
Net Income or Loss (△)	△270,341	<u>1,574,748</u>
Other comprehensive income		
Valuation difference on securities	△61,773	44,145
Foreign currency translation adjustments	△87,248	21,499
Share of other comprehensive (loss) income in associates	△5,059	609
Total other comprehensive income	△154,081	66,253
Quarterly Comprehensive income	△424,422	<u>1,641,002</u>
(Breakdown)		
Comprehensive income attributable to owners of parent	△354,703	<u>1,660,848</u>
Comprehensive income attributable to non-controlling interests	△69,719	△19,845

【Pre-Revision】

## Consolidated Financial Results (Japanese Accounting Standards)

For the First Quarter Ended 31 December 2019

5 February 2020

Company Name	BEENOS Inc.	Stock Exchange Listing	Tokyo
Stock Code	3328	URL	http://www.beenos.com
Representative Contact	President and Group CEO Executive Officer	Shota Naoi Hisanori Matsuda	(TEL) 03-5739-3350
Scheduled filing date of the Annual Securities Report	TBD	Scheduled date of commencement of dividend payment	—
Supplementary documents for quarterly results: Yes			
Quarterly results briefing: Yes (for Analysts)			

(Amounts rounded down to the nearest million yen)

### 1. Consolidated Financial Results for the First Quarter Ended 31 December 2019

(1 October 2019 – 31 December 2019)

(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	%
1Q FY2020	8,129	53.1	2,366	—	2,367	—	1,421	—
1Q FY2019	5,309	△1.1	△314	—	△288	—	△200	—

(Note) Comprehensive Income  
 1Q FY2020 1,468 Mil. yen ( —%)      1Q FY2019 △424 Mil. yen ( —%)

	Net income per share (basic)	Net income per share (diluted)
	Yen	Yen
1Q FY2019	<u>119.13</u>	—
1Q FY2019	△16.46	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
1Q FY2020	19,769	<u>11,426</u>	<u>49.5</u>	<u>819.84</u>
FY2019	18,811	10,171	45.3	713.16

(Reference) Shareholders' equity  
 1Q FY2020 9,785 Million yen      FY2019 8,512 Million yen

### 2. Dividends

	Dividend per share				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2019	—	0.00	—	18.00	18.00
FY2020	—				
FY2020(Forecast)		0.00	—	18.00	18.00

(Note) Revisions to dividend forecasts published most recently: None

【Pre-Revision】

## 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. We combine the expertise accumulated in the Cross Border Business with our global investment network in the Incubation Business to create new technology and internet-based markets.

Our focus this year is to evolve our current businesses while actively taking part in creating new ones. We aim to add a fourth business domain, the Inbound Business, to the existing Cross Border Business, Value Cycle Business, and Retailing and Licensing (Entertainment) Business. With these four domains we will attain the following: "the global expansion of Japanese products and secondary distribution," "the centralized support for resolving issues in the entertainment field," and "the establishment of an inbound travel platform utilizing data and AI." The income in the E-Commerce Business resulted in a 216 Million JPY operating income compared to a 126 Million JPY operating loss from 1Q FY2019 as the Cross Border Business saw a large increase in income year on year while the Value Cycle Business was able to strategically reduce costs. Furthermore, we announced the intention to monetize 20% (43 Billion JPY) of our appraised gains in our Incubation Business by the end of March 2020 and update our portfolio. We monetized about 2 Billion JPY by the end of FY2019 and as of the end of 1Q FY2020 we have recorded approximately 2.7 Billion JPY in sales from our operational investment securities.

As a result, the 1st quarter consolidated net sales were 8,129 Million JPY (up 53.1% year on year), operating income was 2,366 Million JPY (compared with an operating loss of 314 Million JPY in 1Q FY2019), ordinary income was 2,367 Million JPY (compared with an ordinary loss of 288 Million JPY in 1Q FY2019), and net income attributable to owners of parent was 1,421 Million JPY (compared with a net loss attributable to owners of parent of 200 Million JPY in 1Q FY2019).

The consolidated GMV for the 1st quarter was 11.1 Billion JPY (forecast for FY2020 is 51 Billion JPY).

The achievements of each business segment are as follows.

#### ① E-Commerce Business

##### 1-1 Cross-Border Business

The Overseas Forwarding and Proxy Purchasing Business (From Japan) has formed a business alliance with Mercari, Inc. Buyee, the proxy purchasing service, will provide support by translating, shipping, and handling customer support. As a result, we are able to sell products that are listed on Mercari to customers in more than 100 countries and regions worldwide. Furthermore, we lowered our service fee for convenience store pickups in Taiwan, one of our regions of strategic focus, to increase customer satisfaction and provide our services at unrivaled costs. The implementation of sales promotion measures such as campaigns waiving service fees in addition to the other measures led to a strong growth in GMV, net sales and operating income for this quarter.

The Global Shopping Business (To Japan) worked to increase sales through ongoing SEO measures and customer-focused marketing. At the same time, we aggressively strengthened our profit structure by automating operations and restructuring distribution schematics.

As a result, the net sales were 1,231 Million JPY (up 5.8% year on year) and operating income was 282 Million JPY (up 201.0% year on year).

##### 1-2 Value Cycle Business

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As a result, the net sales were 864 Million JPY (up 10.7% year on year) and operating loss was 38 Million JPY (compared with operating income of 9 Million JPY in 1Q FY2019).

For the E-Commerce Business as a whole, net sales were 5,244 Million JPY (down 1.0% year on year) and operating income was 216 Million JPY (compared with an operating loss of 126 Million JPY in 1Q FY2019).

## 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. We also continue to sell investments at the opportune time in accordance with the progress of the respective businesses. We made an additional investment in Metro Engines Inc. in 1Q FY2020. Metro Engines uses real time big data and AI technology to provide a dynamic pricing scale for hotels, rental cars, parking lots, etc. It also offers a management tool for the hospitality industry as well as a news distribution service.

The Start-up Business is actively creating new businesses in the entertainment and Japanese inbound businesses to provide integrated support for resolving issues in the entertainment field and create travel platforms that utilize data and AI. We launched narabee, a SaaS mobile order and payment service that enables customers to obtain products in locations such as event shops and restaurants at live venues without having to wait in line, in November 2019. In addition, we established BEENOS Travel Inc. to acquire "Travel Bar," one of Taiwan's largest travel media websites for travelers to Japan.

In October 2019, we collaborated with Shopee, one of the largest e-commerce malls in Taiwan and Southeast Asia, to support Japanese companies open their stores on Shopee. We are increasing overseas sales and offering opportunities for Japanese companies to expand their potential through this partnership. We are also working to collaborate with foreign companies to expand the overseas sales market.

As a result, net sales for the were 2,913 Million JPY (compared with 14 Million JPY in 1Q FY2019) and operating income was 2,445 Million JPY (compared with an operating loss of 87 Million JPY in 1Q FY2019).

【Pre-Revision】

(2) Financial Status Report

① Financial Status Analysis

(i) Assets

Total assets at the end of the 1Q FY2020 increased by 958 Million JPY from the end of the previous fiscal year to 19,769 Million JPY.

Current assets totaled 17,365 Million JPY, an increase of 958 Million JPY from the end of the previous fiscal year. The main factors contributing to this increase were increases in cash and deposits of 2,153 Million JPY, accounts receivable of 489 Million JPY and operating investment securities of 107 Million JPY and decreases in notes and accounts receivable-trade of 1,920 Million JPY.

Total fixed assets were 2,404 Million JPY, an increase of 0.205 Million JPY from the end of the previous fiscal year. This was mainly attributable to an increase of 140 Million JPY in investment securities and a decrease of 106 Million JPY in deferred tax assets.

(ii) Liabilities

Total liabilities at the end of the 1Q amounted to 8,343 Million JPY, a decrease of 296 Million JPY from the end of the previous fiscal year.

Current liabilities totaled 7,772 Million JPY, a decrease of 387 Million JPY from the end of the previous fiscal year. The main factors contributing to this decrease were increases of 405 Million JPY in deposits received and 575 Million JPY in income taxes payable and decreases of 900 Million JPY in short-term loans payable, 450 Million JPY in accounts payable-other, and 135 Million JPY in notes and accounts payable-trade.

Total long-term liabilities were 571 Million JPY, an increase of 91 Million JPY from the end of the previous fiscal year. This was mainly due to an increase in deferred tax liabilities of 90 Million JPY.

(iii) Net assets

Total net assets at the end of the 1Q were 11,426 Million JPY, an increase of 1,254 Million JPY from the end of the previous fiscal year. This was mainly due to an increase of 1,207 Million JPY in retained earnings.

(3) Outlook for FY2020

The Company maintains its consolidated earnings forecasts for this fiscal year, which were released on 7 November 2019.

【Pre-Revision】

## 2. Quarterly Financial Statements and Major Notes

### (1) Quarterly Consolidated Balance Sheet

(Unit:1,000 JPY)

	Year-end FY2019 (30 September 2019)	1Q FY2020 (31 December 2019)
<b>Assets</b>		
Current assets		
Cash and deposits	5,175,775	7,328,850
Notes and accounts receivable	2,527,865	607,641
Operational investment securities	4,176,825	4,284,199
Products	2,689,382	2,784,935
Accounts receivable	862,433	1,351,592
Other	975,034	1,008,553
<b>Total current assets</b>	<b>16,407,315</b>	<b>17,365,771</b>
Fixed assets		
Tangible Assets		
Buildings and structures	603,067	603,236
Accumulated depreciation	△256,794	△269,383
Buildings and structures, net	346,272	333,853
Vehicles	9,614	9,628
Accumulated depreciation	△7,753	△8,014
Vehicles, net	1,861	1,613
Tools, materials and supplies	192,338	197,882
Accumulated depreciation	△122,589	△128,391
Tools, materials and supplies, net	69,748	69,491
<b>Total tangible assets</b>	<b>417,882</b>	<b>404,957</b>
Intangible assets		
Goodwill	303,842	283,066
Other	150,753	153,973
<b>Total intangible assets</b>	<b>454,596</b>	<b>437,040</b>
Investments etc.		
Investment securities	887,065	1,027,336
Deferred tax assets	215,992	109,492
Other	428,433	425,348
<b>Total investments etc.</b>	<b>1,531,491</b>	<b>1,562,177</b>
<b>Total fixed assets</b>	<b>2,403,970</b>	<b>2,404,175</b>
<b>Total assets</b>	<b>18,811,286</b>	<b>19,769,947</b>

【Pre-Revision】

(Unit:1,000 JPY)

	Year-end FY2019 (30 September 2019)	1Q FY2020 (31 December 2019)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	384,508	248,905
Short-term loan	3,550,000	2,650,000
Accounts payable-other	2,956,824	2,506,466
Deposits received	714,796	1,120,094
Income taxes payable	89,157	<u>664,334</u>
Other	463,805	582,265
Total current liabilities	8,159,091	<u>7,772,066</u>
Fixed liabilities		
Deferred tax liabilities	287,680	378,270
Asset retirement obligations	193,043	193,459
Total fixed liabilities	480,724	571,730
Total liabilities	8,639,815	<u>8,343,796</u>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	2,775,840	2,775,840
Capital surplus	2,542,577	2,542,577
Retained earnings	3,966,442	<u>5,173,551</u>
Treasury Stock	△567,835	△567,835
Total shareholders' equity	8,717,025	<u>9,924,134</u>
Other accumulated comprehensive income		
Valuation difference on securities	△314,461	△270,244
Foreign currency translation adjustments	109,571	131,608
Total other accumulated comprehensive income	△204,890	△138,636
Share subscription rights	46,677	47,840
Non-controlling shareholders' equity	1,612,657	1,592,812
Total net assets	10,171,470	<u>11,426,151</u>
Total liabilities and net assets	18,811,286	19,769,947

【Pre-Revision】

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

Quarterly Consolidated Profit & Loss Statement  
Consolidated Cumulative 1<sup>st</sup>Quarter

(Unit:1,000 JPY)

	1Q FY2019 (1 October 2018 – 31 December 2018)	1Q FY2020 (1 October 2019 – 31 December 2019)
Net sales	5,309,337	8,129,205
Cost of sales	2,793,368	3,053,395
Gross profit	2,515,969	5,075,810
Selling, general and administrative expenses	2,830,150	2,709,197
Operating income (△ losses)	△314,181	2,366,612
Non-operating income		
Interest income	28	10
Foreign exchange gains	3,907	-
Equity in earnings of affiliates	19,936	390
Subsidy income	2,621	2,706
Gain on investments in partnerships	-	68,632
Other	8,907	16,359
Total non-operating income	35,401	88,100
Non-operating expenses		
Interest expenses	3,456	2,512
Foreign exchange losses	-	3,450
Commissions paid	819	80,415
Loss on investments in partnerships	5,308	-
Other	270	342
Total non-operating expenses	9,854	86,721
Ordinary income (loss) (△)	△288,634	2,367,991
Extraordinary income		
Gain on reversal of subscription rights to shares	-	5,200
Total extraordinary income	-	5,200
Income (△) before income taxes and minority interests	△288,634	2,373,191
Income taxes	7,222	773,202
Income taxes-deferred	△25,515	197,879
Total income taxes	△18,292	971,082
Net Income or Loss (△)	△270,341	1,402,109
Loss (△) attributable to non-controlling interests	△69,719	△19,845
Net income (△) attributable to owners of parent	△200,621	1,421,954



【Pre-Revision】

Quarterly Consolidated Statement of Comprehensive Income  
Consolidated Cumulative 1<sup>st</sup>Quarter

(Unit:1,000 JPY)

	1Q FY2019 (1 October 2018 – 31 December 2018)	1Q FY2020 (1 October 2019 – 31 December 2019)
Net Income or Loss (△)	△270,341	<u>1,402,109</u>
Other comprehensive income		
Valuation difference on securities	△61,773	44,145
Foreign currency translation adjustments	△87,248	21,499
Share of other comprehensive (loss) income in associates	△5,059	609
Total other comprehensive income	△154,081	66,253
Quarterly Comprehensive income	△424,422	<u>1,468,363</u>
(Breakdown)		
Comprehensive income attributable to owners of parent	△354,703	<u>1,488,208</u>
Comprehensive income attributable to non-controlling interests	△69,719	△19,845