This is a translation of the original Japanese release. The Japanese text shall prevail in case of any variance between this version and the Japanese text.

Stock Code：3328
5 December 2019

To Our Shareholders,

4-7-35 Kita-shinagawa, Shinagawa-ku, Tokyo
BEENOS, inc.
President and Group CEO　Shota Naoi

Notice of the 20th Annual Meeting of Shareholders

We cordially invite you to the 20th Annual Meeting of Shareholders (AGM) and hope you will be able to participate. Details are listed below.

If you are not able to be in attendance, you are still able to exercise your right to vote by either method listed below.

[Vote in Writing]
Please vote yea or nay on each resolution on the enclosed ballot and send your completed ballot back to us by Thursday, 19 December at 5:30PM (JST).

[Vote Online]
Please go to our designated voting website (http://www.web54.net) and use the "Voting Code" and "Password" on the enclosed ballot to login. Please follow the instructions to vote yea or nay on each resolution. Please complete your voting by Thursday, 19 December at 5:30PM (JST).

For more details regarding voting online, please refer to the "Details Regarding Exercising Voting Rights via the Internet" section on page 4.

1. Date　Friday, 20 December 2019 at 10:30AM
2. Location　4-7-36 Kita-shinagawa, Shinagawa-ku, Tokyo, Japan
   Tokyo Marriott Hotel B1 Floor Iris
3. Purposes
   Reports
   1. Contents of the business report and consolidated financial statements for the 20th term (1 October 2018 to 30 September 2019) and the auditing report on the results of the consolidated financial statements by the boards of directors and auditors
   2. Contents of the financial statements for the 20th term

Ratifications

Item 1	Amendment to the Articles of Incorporation
Item 2	Election of 4 Directors (excluding Audit and Supervisory Committee members)
Item 3	Election of 3 Directors in the Audit and Supervisory Committee
Item 4	Amendment to the Remuneration for Directors excluding Audit and Supervisory Committee Members

4. Notice regarding ratifications

Voting in proxy

If you wish to vote in proxy, you may choose 1 shareholder who has voting rights to act as your representative to attend the Annual Meeting. However, please be aware that the representative must submit a certified document to become a delegated authority.

5. Other items regarding this notice

The "notes on the framework to secure appropriate working operations", "notes to the consolidated financial statements of the consolidated financial documents" and "notes to the non-consolidated financial statements of the financial documents" that are generally to be included in this notice have been omitted as they have been posted on our website (http://beenos.com) for legal purposes and according to Article 17 of our Articles of Incorporation.

The notes included in this document are a portion of the audit report that was created by the financial auditor and the board of auditors.

We kindly ask those who will be in attendance to submit the enclosed voting form at the reception desk.

If any errors are found in this document, the consolidated financial statements or the non-consolidated financial statements, they will be corrected electronically, and revised versions will be posted on our website (http://beenos.com).

After the Annual Meeting, we will have a business report of the BEENOS Group. We ask for your attendance in that meeting as well.

Details of Voting Methods

Voting in Person



AGM Date	Friday, 20 December 2019 at 10:30AM (JST)

Please submit the enclosed voting form at the reception desk.
We also ask you to bring this document with you to the meeting.

Absentee Voting



Voting by Mail

Voting Deadline	Thursday, 19 December 2019 at 5:30PM (JST)

Please write in your voting decision on the enclosed voting form and return to us by the deadline.



Voting Online

Voting Deadline	Thursday, 19 December 2019 at 5:30PM (JST)

Go to the Voting Website URL and submit your voting decision.
Please see the next page for details.

【Voting Website URL】 http://www.web54.net

【Details Regarding Exercising Voting Rights via the Internet】

We kindly ask those who will vote online to do so upon reading and fully understanding the instructions and notifications below.

1. Voting can be done online via the voting website we have designated below. Voting can also be done on mobile devices.

   【Voting Website URL】 http://www.web54.net

   ※You can also access the URL by reading the 2D Barcode (QR Code) using a mobile device that can scan barcodes. Please refer to the manual for your mobile device or app on how to read the QR Code.
   (QR Code is trademarked by DENSO WAVE INCORPORATED)

2. Please use the enclosed “Voting Code” and “Password” to login, then proceed to submit your vote by following the instructions given on the screen.
3. The deadline for online voting is Thursday, 19 December 2019 at 5:30PM (JST), but we would appreciate if you could submit your vote as soon as possible so that we can count the votes in a timely manner.
4. If in case you submit multiple votes, we will consider the most recently received vote to be the valid vote. In the event that your online vote and mailed vote arrive on the same day, we will consider the online vote to be the valid vote.
5. Any data usage fees or other fees that occur in the event of connecting to the voting website will be done at your own expense.

【Information Regarding the Voting Code and Password】

1. The password is important for us to verify that the vote is actually being done by the stockholder submitting it. Please handle the password with extreme care.
2. The account will be locked if you enter the password incorrectly multiple times. In that case, please follow the instructions on the screen to re-issue a new password.
3. The voting code on the voting ballot is only valid for this Annual Meeting.

【Contact Details for Online Voting】

1. If you have any questions regarding the online voting system, please contact the following:

   Sumitomo Mitsui Trust Bank Proxy Voting Web Support

   【Telephone】 +81-120-652-031 (9:00AM ~ 9:00PM JST) (Japanese Only)

【Electronic Voting Platform for Institutional Investors】

Institutional investors may also use the “Electronic Voting Platform” operated by ICJ, Inc. to vote in this Annual Meeting.

Item 1: Amendment to the Articles of Incorporation

1. Reason for Amendment

As there will be an implementation of a system to additionally purchase shares under a unit, a new article will be added (Additionally Purchasing Shares under a Unit) as Article 9 with corresponding changes made to Article 8 in accordance to Article 194 Section 1 of the Companies Act.

2. Modifications

The content of the modifications are as follows. Changes will be effective immediately after the close of the Annual Meeting

(Changes have been underlined)

Current	Proposed Modifications
(Rights regarding shares under a unit) Article 8. BEENOS shareholders cannot exercise their rights regarding shares under a unit with the exception of the following: 1. The rights listed in Article 189 Section 2 of the Companies Act 2. The right to request for share with put action 3. The right to receive an allotment for shares for subscription or stock warrants	(Rights regarding shares under a unit) Article 8. BEENOS shareholders cannot exercise their rights regarding shares under a unit with the exception of the following: 1. The rights listed in Article 189 Section 2 of the Companies Act 2. The right to request for share with put action 3. The right to receive an allotment for shares for subscription or stock warrants 4. The right to request what is listed in the following article (Additionally Purchasing Shares under a Unit) Article 9. BEENOS shareholders can request to sell their shares under a unit along with their unit shares as set in the share handling regulations
(Newly Adapted)	
Article 9 ~ 42 (omitted)	Article 10 ~ 43 (remain as is)

Item 2: Election of 4 Directors (excluding Audit and Supervisory Committee members)

As of the end of this Annual Meeting, the term of the directors (excluding Audit and Supervisory Committee members) will expire and 4 directors will need to be elected. We have received verification from the Audit and Supervisory Committee members that the candidates are well suited for the position. The candidates are as follows:

Candidate		Name	Current Position
1	Reappoint	Shota Naoi	President and Group CEO
2	Reappoint	Koji Nakamura	Vice President and Group CFO
3	Reappoint	Taku Takeuchi	Director
4	Reappoint	Kenichi Sento	Director

Candidate	Name (Birthdate)	CV, Positions and Responsibilities at BEENOS (Status of Concurrent Offices)	Number of shares held
1	Shota Naoi (25 December 1980)	2005 Apr Joined Venture Link, Inc. 2008 Sep Joined BEENOS, inc. 2009 Oct Appointed to Executive Officer of tenso, inc. 2012 May Appointed to CEO (Current) 2012 Oct Appointed to TENSO UK LTD Director (Current) 2013 Dec Appointed to Director of BEENOS, inc. 2014 Dec Appointed to President and Group CEO (Current) 2014 Dec Appointed to Director of BEENOS Partners (Current) 2013 Jan Appointed to Director of BEENOS Asia Pte. Ltd. (Current) 2015 Apr Appointed to Director of Shop Airlines, Ltd. (Current) 2015 May Appointed to Director of monosense, Ltd. (Current) 2015 Nov Appointed to Chairman of the Board of TAIWAN TENSO, INC. (Current) 2017 Oct Appointed to CEO of BeeCruise Inc. 2018 Aug Appointed to Director of Metro Engines (Current) 2018 Nov Appointed to Director of tenso Hong Kong Limited (Current) 2019 Mar Appointed to Director of FASBEE Inc. (Current) (Important Concurrent Positions) President and CEO, tenso, inc. President and CEO, BeeCruise Inc.	21,784 Shares

Candidate	Name (Birthdate)	CV, Positions and Responsibilities at BEENOS (Status of Concurrent Offices)	Number of shares held
	(Reason for Nomination) Shota Naoi has developed the Cross Border Business “From Japan” into the core business of the Company as Director of BEENOS, inc. and its subsidiary tenso, inc.. After appointed to President and Group CEO in December 2014, he has concentrated on establishing a new group strategy by setting Cross Border Business as the core and demonstrated strong leadership to expand the group business. He has organized and led the Group to create a global platform that connects Japan with the world and has a deep understanding of the details for each business in the Group. We believe that he is the most qualified to continue to contribute to the further development of the Group as his decisions in board meetings are on point and in the best interest of the company and he excels in managing and unifying the Group to grow stronger and develop faster. For these reasons we nominate him for reappointment.		

Candidate	Name (Birthdate)	CV, Positions and Responsibilities at BEENOS (Status of Concurrent Offices)	Number of shares held
2	Koji Nakamura (20 January 1968)	1990 Apr Joined Nomura Securities Co., Ltd. 1996 Dec Joined Hypernet 1999 Sep Joined Capital.com 2001 May Appointed to Founding President of Corporatetune 2003 Dec Appointed to Auditing Officer of BEENOS, inc. 2006 Oct Appointed to Executive Officer, Head of Finances and GM of Corporate Management 2007 Dec Appointed to Executive Managing Director and CFO 2008 Sep Appointed to Director of Defactostandard, Ltd. (Current) 2011 Dec Appointed to Director of tenso, inc. 2012 Feb Appointed to Vice President and Group CFO of BEENOS (Current) 2012 May Appointed to Director of BEENOS Partners 2012 Sep Appointed to Director of monosense, Ltd. (Current) 2013 Jan Appointed to Director of BEENOS Asia Pte. Ltd. (Current) 2014 Apr Appointed to Director of Shop Airlines, Ltd. (Current) 2015 Apr Appointed to President of BEENOS Partners (Current) 2015 Nov Appointed to Board Member of TAIWAN TENSO, INC. (Current) 2017 Oct Appointed to Director of BeeCruise Inc. (Currenet) 2018 Aug Appointed to President and CEO of JOYLAB Inc. (Current) 2018 Nov Appointed to Director of Metro Engines	83,812S Shares

Candidate	Name (Birthdate)	CV, Positions and Responsibilities at BEENOS (Status of Concurrent Offices)	Number of shares held
		(Current) 2019 Mar Appointed to Director of FASBEE Inc. (Current) (Important Concurrent Positions) Director, Defactostandard, Ltd. President and CEO, JOYLAB, Inc. President and CEO, BEENOS Partners	

(Reason for Nomination)

Koji Nakamura has fulfilled the role as Vice President and Group CFO which is responsible for the execution of operations, decision making and supervising. He has also put his effort on building relationships with investors and formulating the Group management plan to strengthen the management foundation of the Group in IR and corporate planning field. He has excelled in taking charge of managing the corporate management division and has a deep-rooted knowledge of the entire Group. We believe that he is the most qualified to continue to contribute to the further development of the Group as his decisions in board meetings are on point and in the best interest

Candidate	Name (Birthdate)	CV, Positions and Responsibilities at BEENOS (Status of Concurrent Offices)	Number of shares held
	of the company and he excels in managing and unifying the Group to grow stronger and develop faster. For these reasons we nominate him for reappointment.		

Candidate	Name (Birthdate)	CV, Positions and Responsibilities at BEENOS (Status of Concurrent Offices)	Number of shares held
3	Taku Takeuchi (6 June 1974)	1998 Apr Joined NTT DATA 2000 Apr Joined BEENOS, inc. 2002 Jun Appointed to Executive Officer of Solutions Development 2007 Oct Appointed to CEO of Defactostandard, Ltd. 2009 Dec Appointed to Director of BEENOS, inc. (Current) 2013 Apr Appointed to Chairman of the Board of Defactostandard, Ltd. 2014 Apr Appointed to CEO of Shop Airlines, Ltd. (Current) 2014 Jun Appointed to President and CEO of Shop Airlines America, Inc. (Current) 2014 Aug Appointed to President and CEO of Shop Airlines Europe B.V. (Current) 2014 Sep Appointed to CEO of Shop Airlines Japan (Current) 2017 Oct Appointed to Director of BeeCruise Inc. (Current) 2018 Mar Appointed to Director of JOYLAB Inc. (Current) (Important Concurrent Positions) President and CEO, Shop Airlines, Ltd. President and CEO, Shop Airlines America, Inc. President and CEO, Shop Airlines Europe B.V.	52,201 Shares
	(Reason for Nomination) Taku Takeuchi has succeeded in raising the product buy back service “Brandear” into the No.1 service of the industry and helped the development of the Global Shipping Business “To Japan” with his strong leadership as Director of the Company and as CEO of the subsidiary Shop Airlines Japan. We believe that he is the most qualified to continue to contribute to the further development of the Group as his decisions in board meetings are on point and in the best interest of the company and he excels in managing and unifying the Group to grow stronger and develop faster. For these reasons we nominate him for reappointment.		

Candidate	Name (Birthdate)	CV, Positions and Responsibilities at BEENOS (Status of Concurrent Offices)	Number of shares held
4	Kenichi Sento (4 July 1979)	2002 Apr Joined Fujitsu Support and Service (currently Fujitsu FSAS) 2006 Mar Joined BEENOS 2012 Feb Appointed to President and CEO of monosense, Ltd. (Current) 2014 Dec Appointed to Director of BEENOS (Current) 2016 Dec Appointed to President and CEO of SWATi inc. 2017 Oct Appointed to Director of BeeCruise Inc. (Current) (Important Concurrent Positions) President and CEO, monosense, Ltd.	13,401 Shares
	(Reason for Nomination) Kenichi Sento has launched the Producing and Licensing Business which develops products by connecting product manufacturers with celebrity productions and with the media, as the President and CEO of monosense, Ltd.. He has also led the Retailing and Licensing Business with strong leadership as Director. We have nominated Sento as a candidate with the expectation that he will further contribute to the Company. We believe that he is the most qualified to continue to contribute to the further development of the Group as his decisions in board meetings are on point and in the best interest of the company and he excels in managing and unifying the Group to grow stronger and develop faster. For these reasons we nominate him for reappointment.		

Note: None of the candidates have a vested interest in BEENOS

Item 3: Election of 3 Directors in the Audit and Supervisory Committee

As of the end of this Annual Meeting, the term of the directors in the Audit and Supervisory Committee will expire and 3 directors will need to be elected. We have received verification from the Audit and Supervisory Committee of the candidates. The candidates are as follows:

Candidate		Name	Current Position
1	Reappoint	Yasukazu Joho	Directors in the Audit and Supervisory Committee
2	Reappoint	Kibo Kondo	Directors in the Audit and Supervisory Committee
3	Reappoint	Yoshindo Takahashi	Directors in the Audit and Supervisory Committee

Candidate	Name (Birthdate)	CV, Positions and Responsibilities at BEENOS (Status of Concurrent Offices)	Number of shares held
1	Yasukazu Joho (18 December 1956)	1979 Apr Joined Daiei, Inc. 2005 May Appointed Head Manager of Finance Dept. and PR/IR Dept. 2006 Dec Appointed to Auditor of BEENOS, Inc. 2007 Apr Appointed to Auditor of Shop Airlines, Ltd. (Current) 2007 Jul Appointed to Auditor of Defactostandard, Ltd. (Current) 2008 Jul Appointed to Auditor of tenso, inc. (Current) 2012 Feb Appointed to Auditor of monosense, Ltd. (Current) 2012 May Appointed to Auditor of BEENOS Partners (Current) 2015 Dec Appointed to Director (Audit & Supervisory Committee Member) of BEENOS (Current) 2017 Oct Appointed to Auditor of BeeCruise Inc. (Current) 2018 Mar Appointed to Auditor of JOYLAB Inc. (Current) (Important Concurrent Positions) Auditor, Defactostandard, Ltd.	5,500 Shares
	(Reason for Nomination) Yasukazu Joho has ample experience as he served as the head manager for both the Finance Dept. and the PR/IR Dept. at private enterprises, Inc. He has used his expertise from his tenure to act as an auditor for the past 9 years with BEENOS since December 2006. Since his appointment as full-time auditor in 2015 he has contributed to the improvement of the transparency and integrity of the management and the fortification of the corporate governance code. We have nominated Joho as a candidate with the confidence that he is the most appropriate to faithfully oversee the management of the Company.		

Candidate	Name (Birthdate)	CV, Positions and Responsibilities at BEENOS (Status of Concurrent Offices)	Number of shares held
2	Kibo Kondo (12 October 1974)	1995 Aug · Joined TAK Co., LTD. 1996 Sep · Opened Kondo Junior Accountant Office (Currently Kondo CPA Office) 1999 Mar · Appointed to Director of Kudo Constructions 1999 Mar · Registered as CPA 1999 Aug · Joined BUSINESSTRUST Co.,LTD. 2000 Dec · Appointed as CEO of Zeon Consulting Co., Ltd. 2000 Dec · Appointed to Auditor of BEENOS, Inc. 2015 Dec · Appointed to Director (Audit & Supervisory Committee Member) of BEENOS (Current) (Important Concurrent Positions) CEO, Zeon Consulting Co., Ltd.	10,300 Shares
	(Reason for Nomination) Kibo Kondo has utilized his deep-rooted knowledge and experience as a CPA to contribute to the improvement of the transparency and integrity of the management and the fortification of the corporate governance code for the past 15 years as an auditor and 4 years as member of the audit & supervisory committee. We have nominated Kondo as a candidate with the confidence that he is the most appropriate to faithfully oversee the management of the Company.		

Candidate	Name (Birthdate)	CV, Positions and Responsibilities at BEENOS (Status of Concurrent Offices)	Number of shares held
3	Yoshindo Takahashi (9 March 1940)	1962 Apr · Joined Nomura Securities Co., Ltd. 1985 Dec · Appointed to Director of Nomura Research Institute, Ltd. 1989 Jun · Appointed to Executive Managing Director 1991 Jun · Appointed to Chief Director 1994 Jun · Appointed to Vice President 1996 Jun · Appointed to Adviser Appointed to President of Nomura School of Advanced Management 2000 Jul · Appointed to Adviser of Executive Partners Inc. (Current) 2000 Jul · Appointed to Director of the Office of Pharmaceutical Industry Research of the Japan Pharmaceutical Manufacturers Association 2000 Oct · Appointed to Auditor of BEENOS, Inc. 2007 Aug · Appointed to Auditor of Ceres inc. (Current) 2015 Dec · Appointed to Director (Audit & Supervisory Committee Member) of BEENOS (Current) (Important Concurrent Positions) Adviser, Executive Partners Inc. Auditor, Ceres inc.	6,100 Shares
	(Reason for Nomination) Yoshindo Takahashi has used his experience in upper management throughout his long-tenured career to contribute to the improvement of the transparency and integrity of the management and the fortification of the corporate governance code for the past 15 years as an auditor and 4 years as member of the audit & supervisory committee. We have nominated Takahashi as a candidate with the confidence that he is the most appropriate to faithfully oversee the management of the Company.		

Note: 1. Yasukazu Joho, Kibo Kondo and Yoshindo Takahashi do not have a vested interest in BEENOS.

2. Director candidates Yasukazu Joho, Kibo Kondo and Yoshindo Takahashi are for external directors. BEENOS has registered external directors Yasukazu Joho, Kibo Kondo and Yoshindo Takahashi to the Tokyo Stock Exchange as independent officers.

3. BEENOS has made a contract agreement with Yasukazu Joho, Kibo Kondo and Yoshindo Takahashi in regards to the limit of liability for damages as stated in Article 427 Section 1 of the Companies Act. The amount limit for the liability of damages is set at the minimum

responsibility amount as legally established.

4. Yasukazu Joho, Kibo Kondo and Yoshindo Takahashi are external directors of BEENOS, and will be appointed to a 4 year tenure as of the end of this Annual Meeting. All candidates have previously been directors/auditors of companies other than BEENOS.

Item 4: Amendment to the Remuneration for Directors excluding Audit and Supervisory Committee Members

Currently, the remuneration for directors is approved within 200 Million JPY (excluding the salary for any director that is a concurrent employee) as of the 16th Annual General Shareholders Meeting held on 10 December 2015 and within 120 Million JPY for remuneration regarding shares with restriction on transfer as of the 17th Annual General Shareholders Meeting held on 15 December 2016. We propose the following amendments to both remunerations for directors.

The amounts proposed will continue to exclude the salary for any director that is a concurrent employee and the specific allocation will be decided in an ensuing board of directors meeting.

The directors these would apply to are the 4 directors (excluding external directors) listed in Item 2. If Item 2 is resolved as is, then the amendment will apply to the 4 directors (excluding external directors) excluding the Audit and Supervisory Committee Members.

1. Amendment to the Remuneration for Directors

We propose the remuneration for directors that was approved in the 16th Annual General Shareholders Meeting held on 10 December 2015 to be amended to be within 300 Million JPY in order to create a remuneration system that is more interlocking with business results.

2. Amendment to the Remuneration for Directors excluding Audit and Supervisory Committee Members (the Director) regarding Shares with Restriction on Transfer

We propose the remuneration for directors that was approved in the 17th Annual General Shareholders Meeting held on 15 December 2016 to compensate a certain amount regarding the director's contributions over 3 fiscal years to one that issues shares with restriction on transfer on a yearly basis to further incentivize directors to continually increase the value of the company long-term through the issuance of shares.

The monetary compensation to distribute shares with restriction on transfer that will be distributed to directors will be within 200 Million JPY/year separate from the remuneration listed in section 1.

The Director will be allotted all payable monetary remuneration, as decided in the board of directors meeting, as contributed assets and will be issued or divested as common shares. The common shares that will be issued or divested fore shares with restriction on transfer will be within 100,000 shares (if there is a stock split or merge that will create a need to adjust the number of shares, the number of issued or divested shares will be adjusted within logical reasoning). The monetary amount per share that will be paid out will be based on the closing price of common shares on the Tokyo Stock Exchange the business day prior to the board of directors meeting (if the market is not open on that day, then the closing price of the next recent transaction day), under the condition that it does not specifically favor the Director. In regard to the common shares that will be issued or divested, the Director will enter a contract for shares with restriction on transfer (the Contract).

(1) The period for restriction on transfer for the common shares that are referred to in the Contract (the Common Shares) will be determined by the board of directors between 1 and 5 years or from the date of issuance to the date the Director vacates his position or resigns from the company (however, if the Director resigns or vacates his position within 3 months of the issuance, he cannot transfer, foreclose or divest in any other form (the Restriction) until a date decided by the board of directors within 6 months following the respective fiscal year (the Restriction Period)).

(2) If the Director resigns or vacates his position as listed in (1) before the period set forth by the board of directors (the Period), BEENOS will obtain the Common Shares without charge unless the board of directors approve otherwise with legitimate reasoning.

(3) BEENOS will release the Restriction once the Restriction Period has ended under the condition that the Director has continued his position during the Period as listed in (1). However, if the Director vacates his position or resigns from the company before the Restriction Period listed in (1) with a legitimate reason listed in (2), the amount and release timing will be adjusted logically as needed.

(4) BEENOS will obtain the Common Shares that have not been released in (3) without charge at the time the Restriction Period ends.

(5) The Restriction will be released regardless of conditions listed in (1) if, during the Restriction Period, BEENOS approves in a general shareholders meeting to become the dissolving company in an M&A, a wholly owned subsidiary through share exchange or any other restructuring (if the restructuring, etc. does not need approval in a general shareholders meeting, then in a board of directors meeting). If such a resolution is made, the board of directors will resolve in a board of directors meeting the logical number of Common Shares to be released prior to the date of entry into force of the restructuring, etc.

(6) If (5) occurs, then BEENOS will obtain all Common Shares that are not released at the time the shares have been released.

(7) The decision process in the Contract, the methods to make amendments to the Contract and other factors to be decided by the board of directors will be included in the Contract.

(Reference) BEENOS will issue the same shares with restriction on transfer to the executive officers and directors for BEENOS and its subsidiaries.

References for Item 2 and Item 3
Appointment Criteria for Directors
We have selected candidates that have fit the following criteria. All nominees have been approved in the Board of Directors Meeting.

1. The candidate must manage the company as a fiduciary of the shareholders. They must possess the qualities to fulfill their responsibilities in good loyalty and good care of the company with the intent to develop the company and increase its worth in the long term.
2. Directors involved in the execution of operations must have sufficient knowledge of the Group and its current status and will use his expertise to his fullest for the benefit of the Group.
3. External Directors must have ample knowledge in fields such as corporate management, financial, accounting, legal, etc. and must have enough experience to rightfully monitor and advise management decisions. They must also have sufficient knowledge and understanding on the responsibility of a director and how Board of Directors Meetings are executed.
4. External Directors must also meet the Independence Criteria in addition to the aforementioned criteria.
5. Legally meets the eligibility requirements to be a director.

References for Item 3
Independence Criteria for External Directors
We have determined the following as the independence criteria for external directors. We will determine that the external director is independent from the Company and will not have any conflict of interest with the common shareholder as long as it does not meet any of the criteria below.

1. Relation with the Company or its Subsidiaries
   i. Involved in the execution of operations of the Company or any of its subsidiaries (the Group) (The qualifications for execution of operations as outlined in the Ordinance for Enforcement of the Companies Act Article 2, paragraph 3, item 6, including directors involved in the execution of operations and employees. Auditors are excluded.)
   ii. Involved in the execution of operations of the Group within 10 years of being appointed (Excluding directors not involved in execution of operations and auditors that have held the position within the past 10 years. In such cases, they must not have been involved in the execution of operations within 10 years of their initial appointment)
   iii. Accounting advisor of the Group
   iv. Director not involved in operations or accounting advisor of a subsidiary
2. Relation with Counterparties

i. Any main counterparty to the Group (Any counterparty group that offers products or services to the Group with the transaction value exceeding 2% of the annual consolidated net sales of the counterparty group) or involved with the execution of operations for a counterparty

ii. Any counterparty the Group is a main counterparty of (Any counterparty that the Group offers products or services to with the transaction value exceeding 2% of the annual consolidated net sales of the Group) or involved with the execution of operations for a counterparty

3. Economic Conflict of Interest/Provider of Specialized Services
   i. Any company that accepts directors or auditors (full-time and part-time) from the Group or a worker of its parent company or subsidiary
   ii. Any consultant, accounting specialist or legal specialist (or anybody affiliated with such companies or organizations) that have received a large sum of money or assets from the Group (profits in cash or other assets exceeding 10 Million JPY on average over the past 3 years)
   iii. Any person associated with an auditing firm that deals with the legal auditing of the Group
4. Relation with Shareholders
   i. Any main shareholder (any shareholder that directly and indirectly owns at least 10% of voting rights) or any director not involved in operations or auditor if the main shareholder is the parent company of the Group
   ii. Any worker of fellow subsidiaries
5. Corresponding Time Frame
   i. Any person listed in items 2 – 4 within the past 5 years
6. Blood Relative
   i. The blood relative of anybody (in an important position) listed in items 1 – 5 (including spouse and relatives within the second degree)

1. Status of the Corporate Group

(1) Business Performance Report

The BEENOS Group aims to be on the "Global Platform Frontier" to connect Japan with the world. We are using the "Data Expertise" of the E-Commerce Business and the "Global Networking" of the Incubation Business to construct new global markets.

Our focus this year is to shift our resources from our existing businesses to create new businesses and opportunities that will become a key segment to the Company. We are expounding into the following topics: "Vertical Architecture" (creating specialized shopping websites based on categories tailored to the customers' needs), "the official implementation of Product Arbitrage" (offering the information of the lowest available price of a product throughout the world) and "supporting the global marketing of Japanese businesses and contents." We have established a cross border E-commerce company specializing in the fashion industry as our first installment for the Vertical Architecture in March 2019. Furthermore, by the end of March 2020 we intend to monetize 20% of our appraised gains in our Incubation Business and update our portfolio. As of the end of this fiscal year we have recorded approximately 2 Billion JPY in sales from our operational investment securities.

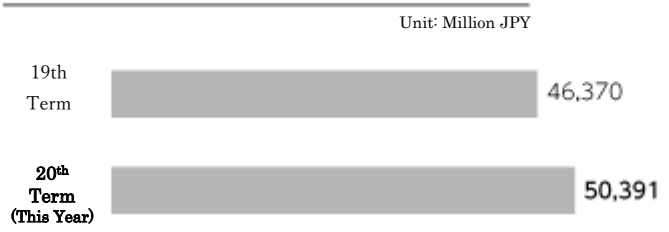
As a result, the annual consolidated net sales were 25,276 Million JPY (+11.0% from FY2018), the operating income was 1,707 Million JPY (+11.4% from FY2018), the ordinary income was 1,713 Million JPY (-0.9% from FY2018) and the net profit attributable to owners of the parent company was 1,077 Million JPY (+16.7% from FY2018).

Our consolidated GMV for the fiscal year was 50.3 Billion JPY (+8.7% from FY2018).

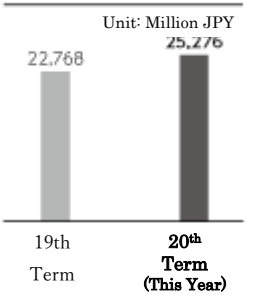
The book value for our operational investment securities at the end of FY2019 was 4.1 Billion JPY. The market value[1] has risen to 25.2 Billion JPY (FY2018 book value was 2.8 Billion JPY and market value was 15.9 Billion JPY).

[1] 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.

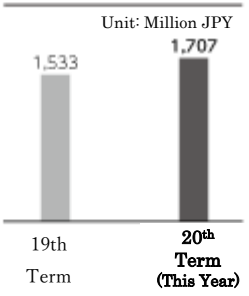
GMV



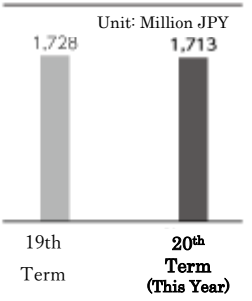
Net Sales



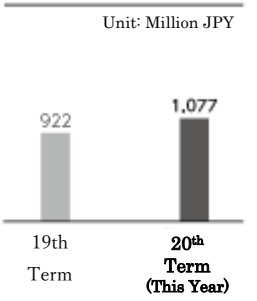
Operating Income



Ordinary Income



Net Profit Attributable to Owners of Parent Company

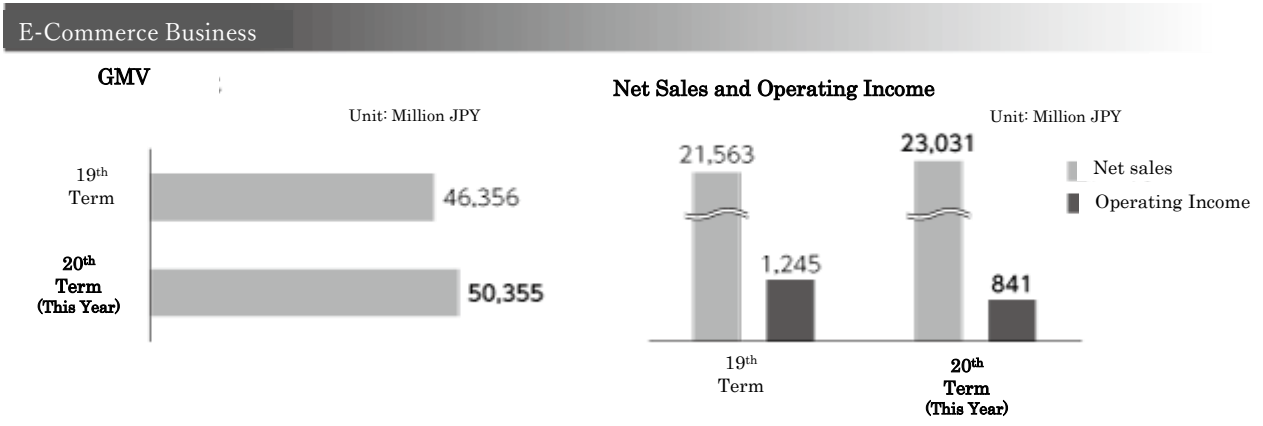


The achievements of each business segment are as follows.

i E-Commerce Business

Net Sales 23,031Milion JPY / Operating Income 841Million JPY

For the E-Commerce Business as a whole this fiscal year, the consolidated net sales were 23,031 Million JPY (+6.8% from FY2018) and the operating income was 841 Million JPY (-32.4% from FY2018).



Cross Border Business

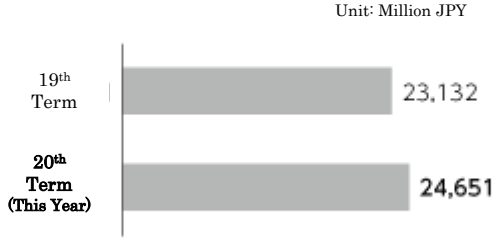
The Overseas Forwarding and Proxy Purchasing Business (From Japan) has created a new hub for customer support to handle English support and to improve general speed and quality. We have also implemented the fixed shipping module into the Proxy Purchasing Business, Buyee, improving the usability of our services. Success in promotions to forego service charges along with the implementation of a system to streamline operations and investments that lead to cuts in cost led to a record high result in GMV, sales and operating income.

The Global Shopping Business (To Japan) has collaborated data with Yahoo! Auction, operated by Yahoo Japan Corporation, to expand its sales channels and began the handling of food products to broaden its capabilities. We have also replaced our existing fundamental system to increase usability and allowed us to provide new services. We have released the fixed customs module in addition to the fixed shipping module. The fact that we were able to promptly respond to the negative effects to our SEO in the first quarter because of the switch in the search engine's algorithm has greatly helped the influence of sales.

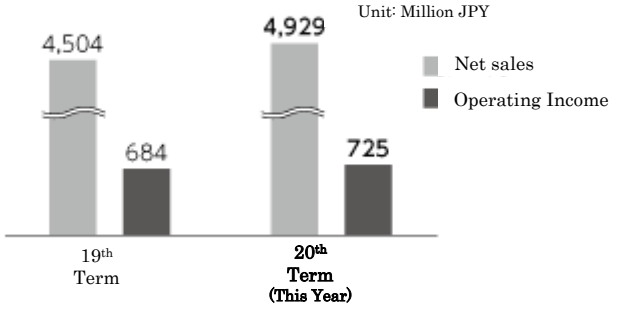
As a result, the consolidated net sales were a record high 4,929 Million JPY (+9.4% from FY2018) and the operating income was also a record high 725 Million JPY (+6.1% from FY2018).

Cross Border Business

GMV



Net Sales and Operating Income



Value Cycle Business

The Apparel Reuse Business on the purchasing side made some countermeasures in the SEO to directly target their market and implemented measures to increase repeat users. These measures along with the focus on purchasing items at a unit price between 1,000 and 10,000 JPY led to a 13.0% increase in total value of items purchased. On the vending side, the influence of a warmer winter and the failed outcome of new television commercials led to a 0.9% dip in sales. Shifting to higher ticketed items led to a decrease in gross profit margin and the increase in promotional costs to use our in-house sales channel led to a 92.0% decrease in operating income. On the other hand, new services such as "Brandear Rental," a rental service for brand named accessories, the "Try on First Service" and the acquisition of "waja" in September 2019 to sell new products from foreign buyers onto its own website.

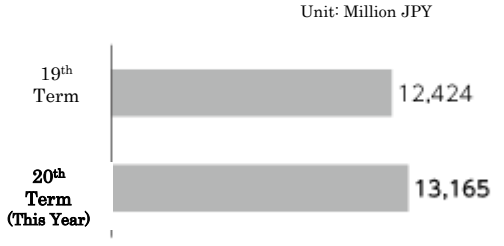
The Liquor Mediation Business opened two new locations (Sapporo and Kokura) to purchase liquor and has completed the renovation of all its stores and its official website in concordance with the change in its corporate name and identity. The measures to increase store traffic, increased user interface and the measure in May to be the highest bidder to purchase alcohol in the industry led to an increase in purchase orders from 3Q onward.

As a result, the consolidated net sales were 13,164 Million JPY (+6.0% from FY2018) and the operating loss was 6 Million JPY (operating income for FY2018 was 440 Million JPY).

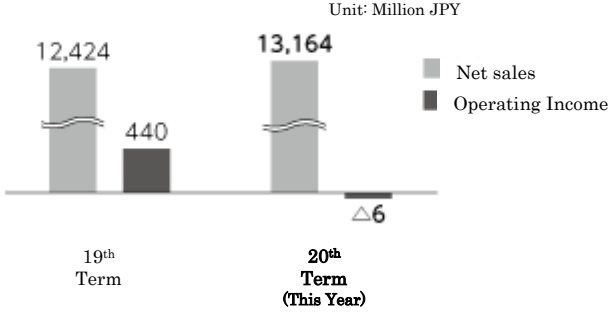
JOYLAB, inc. (formerly Teikokushuhan Co. Ltd.) started appearing on our consolidated records beginning April 2018.

Value Cycle Business

GMV



Net Sales and Operating Income



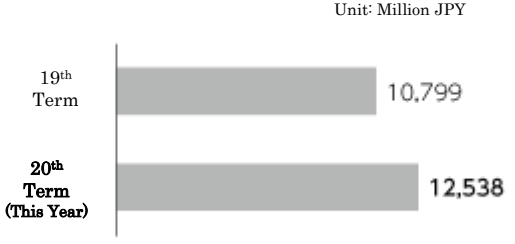
Retailing and Licensing Business

The Entertainment Business started handling merchandise for new artists held a large event with existing artists that led to a steady increase in sales and operating income for the quarter. We have also tied up with a major anime production company to operate their official EC site and are exploring new contents. The Global Product Business maintained its strong sales of the Pokemon Cosme Series. Fragrance and Body Care brand, SWATi, released new products, opened roadside shops and has re-branded itself to increase recognition.

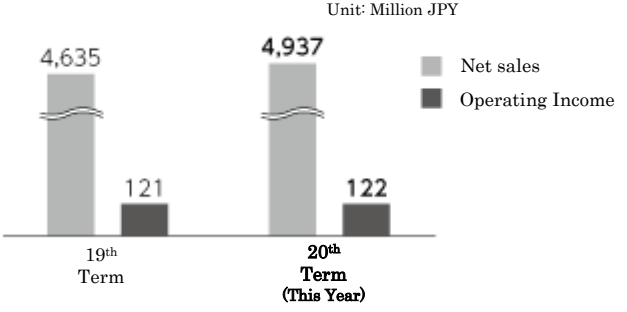
As a result, the consolidated net sales were 4,937 Million JPY (+6.5% from FY2018) and the operating income was 61 Million JPY (-49.5% from FY2018).

Retailing and Licensing Business

GMV



Net Sales and Operating Income



ii Incubation Business

Net Sales 2,259 Million JPY / Operating Income 1,402 Million JPY

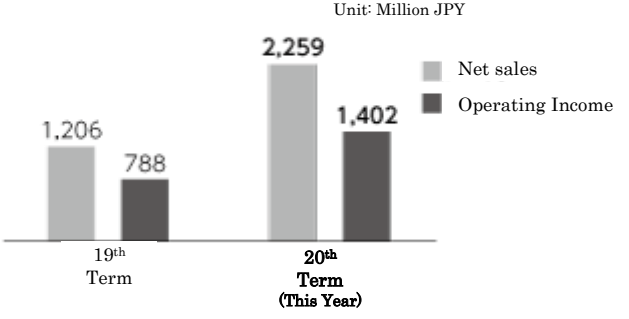
The Investment and Consultation Business has focused on investing in startups in online marketplaces and online payments in emerging countries and Japanese inbound tourism in Japan. We have been actively making additional investments in companies that have seen astronomical growth including Zilingo which operates Southeast Asia's online fashion and beauty product marketplace as well as Vietnam's online CtoC marketplace, Sendo.

The Start-up Business is using our expertise in E-Commerce that we have developed with the network of companies that we have invested in to create new business opportunities that will be a focal pillar of our business in "Vertical Architecture," "Product Arbitrage" and "Global Marketing of Japanese Businesses and Contents." We have partnered with Fashion-Co-Lab. Co., Ltd. (FCL) in March 2019 to establish FASBEE Inc. that will use BEENOS's expertise in Cross Border EC and FCL's knowledge in constructing an EC fulfillment infrastructure specializing in fashion to create a fashion EC mall. The FASBEE mall services commenced in July 2019 and currently ships to 120 countries and regions.

As a result, the consolidated net sales were 2,259 Million JPY (+87.3% from FY2018) and the operating income was 1,402 Million JPY (+77.9% from FY2018).

Incubation Business

Net sales and Operating Income



The following is the breakdown of the net sales by business segment.

Segment		(Previous Fiscal Year) 19th Term (September 2018)	(Current Fiscal Year) 20th Term (September 2019)	Year on Year	
		Amount (Unit: 1,000 JPY)	Amount (Unit: 1,000 JPY)	Amount (Unit: 1,000 JPY)	% Change
E-Commerce Business		21,563,947	23,031,417	1,467,470	6.8%
	Cross Border	4,504,103	4,929,193	425,090	9.4%
	Value Cycle	12,424,329	13,164,928	740,598	6.0%
	Retailing and Licensing	4,635,514	4,937,295	301,780	6.5%
Incubation Business		1,206,337	2,259,345	1,053,008	87.3%
Corporate/Counterbalance		△2,081	△14,005	△11,923	–
Total		22,768,203	25,276,757	2,508,554	11.0%

（2）Status of equipment investment

The corporate Group spent 84 Million JPY this consolidated fiscal year in equipment investments for the system development in the Incubation Business.

（3）Status funding

Not applicable

（4）Status of business transfer, absorption-type split and incorporation-type split

Not applicable

（5）Status of handed business from other companies

Not applicable

（6）Status of succession of rights and obligations related to the business of other companies by absorption-type merger or absorption-type split

Not applicable

（7）Status of the acquisition or disposal of shares and other equity or stock acquisition rights of other companies

Not applicable

（8）Potential Risks

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.

Our business strategies to become the Global Platform Frontier are as follows.
The items listed have been made by the group at the time of the distribution of this notification.

① Maximizing efficiency in current businesses and fortifying the BEENOS Group organization

We have been automating operations using AI, RPA, etc. in the Group, mainly in the Cross Border Business. We will continue to advance the automated process to save labor and maximize efficiency to increase profit margins and fortify our organizational structure to be able to redistribute experienced employees to aid in creating new businesses.

② Investing and Creating New Businesses

We will continue to invest in online marketplaces and online payment businesses in emerging countries in Asia and inbound related companies domestically. We will broaden our global commerce network and aim to make profits from investments at the opportune timing.

We will utilize our expertise along with our investee network to create new businesses that will become a future pillar of income for the company.

③ Accelerating Defactostandard’s Strategies

We plan to make Defactostandard, Ltd., currently listed on the First Section of the Tokyo Stock Exchange, a wholly owned subsidiary on 14 January 2020.

The reuse market that Defactostandard positions itself in is expanding due to the rapid rise of flea market apps that allow individuals to buy and sell their personal items. Though we expect for the market itself to increase long-term, we believe that the competition will also increase as flea market apps and sharing services continue to increase convenience and usability which will lead to the selection of services to become even more strict.

We will use our foreign BtoC and BtoB sales channels and brick and mortar stores as well as the Group’s human and financial resources to their fullest to create a long-term business strategy that will be able to be decided on quickly to put Defactostandard back on the path of continued growth and increase corporate value.

（9）Financial position and profits and losses

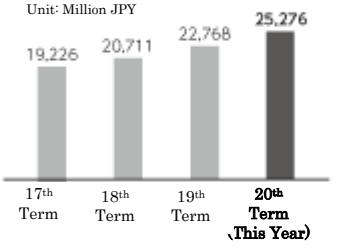
① Financial position and profits and losses of the corporate group

Classification		17th Term (September 2016)	18th Term (September 2017)	19th Term (September 2018)	(Current Fiscal Year) 20th Term (September 2019)
Net Sales	(1,000 JPY)	19,226,513	20,711,495	22,768,203	25,276,757
Net Income (△Net Losses)	(1,000 JPY)	940,578	1,011,418	922,927	1,077,042
Net Income per Share (△Net Losses per Share	(JPY)	77.10	82.44	75.57	89.58
Total Assets	(1,000 JPY)	13,087,417	14,749,714	15,691,162	18,811,286
Net Assets	(1,000 JPY)	8,025,608	9,240,103	9,791,048	10,171,470
Net Assets per Share	(JPY)	548.80	638.13	673.52	713.16

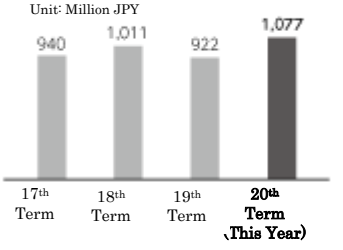
Note: 1. Net Income per Share (△Net Losses per Share) is calculated upon the annual average outstanding total shares

2. The application of "Partial Changes in 'the Accounting Standards for Tax Effect Accounting'" (Corporate Accounting Standard No. 28, 16 February 2018) has been applied as of the beginning of FY2019. The same standards have been applied to Total Assets for FY2016 to FY2018.

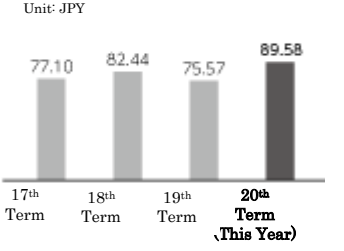
Net Sales



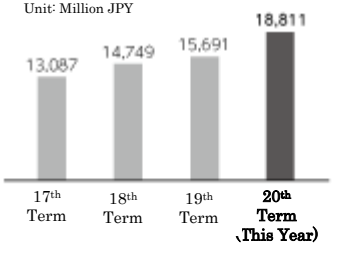
Profit Attributable to Owners of Parent



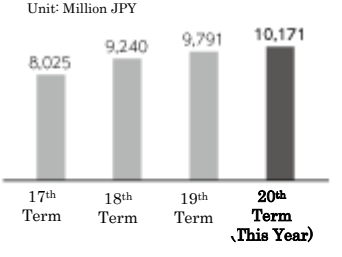
Net Income per Share



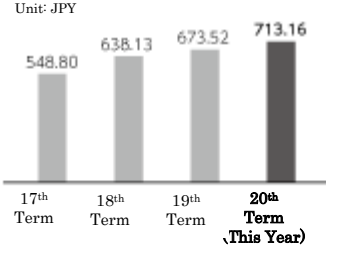
Total Assets



Net Assets



Net Assets per Share

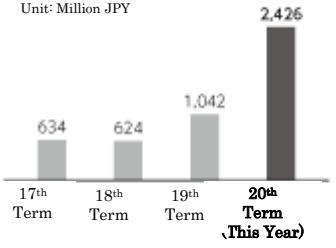


② Financial position and profits and losses of the company

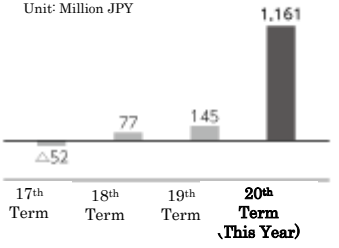
Classification		17th Term (September 2016)	18th Term (September 2017)	19th Term (September 2018)	(Current Fiscal Year) 20th Term (September 2019)
Net Sales	(1,000 JPY)	634,091	624,947	1,042,038	2,426,615
Net Income (△Net Losses)	(1,000 JPY)	△52,133	77,363	145,210	1,161,070
Net Income per Share (△Net Losses per Share)	(JPY)	△4.27	6.31	11.89	96.57
Total Assets	(1,000 JPY)	5,248,334	5,640,229	6,148,702	9,162,594
Total Assets	(1,000 JPY)	4,010,883	4,050,669	3,875,403	4,428,173
Net Assets per Share	(JPY)	327.64	329.09	315.89	367.15

Note: 1. Net Income per Share (△Net Losses per Share) is calculated upon the annual average outstanding total shares
2. The application of "Partial Changes in 'the Accounting Standards for Tax Effect Accounting'" (Corporate Accounting Standard No. 28, 16 February 2018) has been applied as of the beginning of FY2019. The same standards have been applied to Total Assets for FY2016 to FY2018.

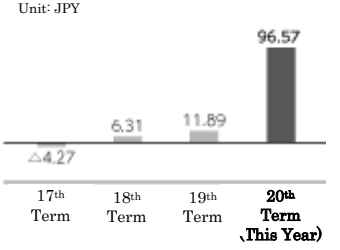
Net Sales



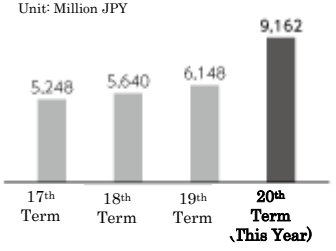
Profit Atributable to Owners of Parent



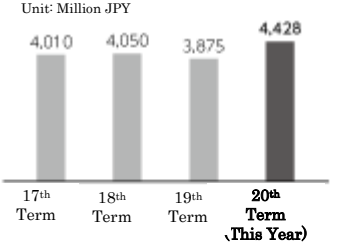
Net Income per Share



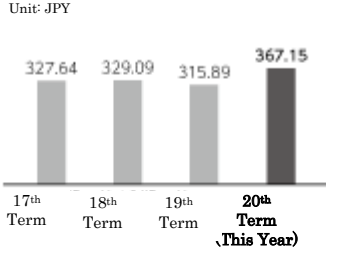
Total Assets



Net Assets



Net Assets per Share



(10) Main business segment of the corporate Group (as of 30 September 2019)

Segment		Business Description
E-Commerce	Cross Border	Overseas Forwarding and Proxy Purchasing Business “tenso.com” and “Buyee” Global Shopping Business “sekaimon”
	Value Cycle	Internet Shopping and Buy-Back Business “Brandear” Liquor Mediation Business “JOYLAB”
	Retailing and Licensing	Entertainment Business Global Product Business
Incubation		Investment and Consultation Business Pre-Monetized Start-up Business

(11) Status of Main Subsidiaries

Company Name	Capital Funds or Investment Amount (Unit Currency)	Voter Holding Ratio	Business Description
tenso inc	100,000 (1,000 JPY)	100.0 %	Overseas Forwarding and Proxy Purchasing Business
TENSO UK LTD	8 ,000 (1 GBP)	100.0 % (100.0) %	Proxy Purchasing Business
TAIWAN TENSO. INC	5,580 (1,000 TWD)	100.0 % (100.0) %	Proxy Purchasing Business
tenso Hong Kong Limited	100 (1,000 HKD)	100.0 % (100.0) %	Proxy Purchasing Business
Shop Airlines, Ltd.	100,000 (1,000 JPY)	100.0 %	Global Shopping Business
Shop Airlines America, Inc.	2,200 (1,000 USD)	100.0 % (100.0) %	Global Shopping Business
Shop Airlines Europe B.V.	1,250 (1,000 EUR)	100.0 % (100.0) %	Global Shopping Business
Defactostandard, Ltd.	1,205,052 (1,000 JPY)	58.1 %	Internet Shopping and Buy-Back Business
JOYLAB, inc	10,000 (1,000 JPY)	100.0 %	Liquor Mediation Business
monosense, Ltd.	30,000 (1,000 JPY)	100.0 %	Entertainment Business Global Product Business
BEENOS Partners	10,000 (1,000 JPY)	100.0 %	Investment and Consultation Business
BEENOS Asia Pte. Ltd.	10,800 (1,000 USD)	100.0 %	Investment and Consultation Business
BeeCruise Inc.	50,000 (1,000 JPY)	100.0 %	Development of new Business
FASBEE inc.	100,000 (1,000 JPY)	51.0 %	Cross Border EC services specializing in fashion

Note: 1. The ratio inside the parentheses signifies the indirect holding ratio
2. Shop Airlines Japan, Ltd. and SWATI inc. have been removed from the consolidated group as of

FY2019. Shop Airlines Japan, Ltd. was dissolved due to an M&A with Shop Airlines, Ltd. SWATI inc. also dissolved due to an M&A with monosense, Ltd.

(12) Main offices (as of 30 September 2019)

① BEENOS office

Name	Location
BEENOS Inc.	Shinagawa, Tokyo

② Subsidiary Offices

Name	Location
tenso, inc.	Shinagawa, Tokyo
TENSO UK LTD	Haslemere, Surrey, England
TAIWAN TENSO, INC.	Taipei, Taiwan
tenso Hong Kong Limited	Hong Kong
Shop Airlines, Ltd.	Shinagawa, Tokyo
Shop Airlines America, Inc	San Jose, California, USA
Shop Airlines Europe B.V.	Amsterdam, the Netherlands
Defactostandard, Ltd	Ota, Tokyo
JOYLAB inc	Chuo, Osaka
monosense, Ltd	Shinagawa, Tokyo
BEENOS Partners	Shinagawa, Tokyo
BEENOS Asia Pte Ltd.	Republic of Singapore
BeeCruise Inc. Shinagawa, Tokyo	BeeCruise Inc. Shinagawa, Tokyo

FASBEE inc.	Shinagawa, Tokyo

(13) Status of Employees (as of September 2019)

① Status of employees for the corporate group

Segment		Employees	Fluctuation from previous fiscal year
E-Commerce	Cross Border	126 (58)	△14 (△22)
	Value Cycle	109 (345)	31 (△39)
	Retailing and Licensing	32 (6)	△5 (△3)
Incubation		42 (6)	28 (3)
Corporate		37 (2)	2 (△1)
Total		346 (417)	42 (△62)

Note:1. Employees include working employees. Temporary employees are listed in parentheses and are calculated on an 8 hour/day average.
2. Employees listed under Corporate are administrative staff working in departments and on tasks that encompass the entire group

② Status of employees of the company

Gender	Employees	Fluctuation from previous fiscal year	Average Age	Average length of service
Male	18 (−)	0 (−)	36.3	3.8 Years
Female	19 (2)	3 (△1)	33.3	2.8 Years
Total/Average	37 (2)	3 (△1)	34.7	3.2 Years

Note: Employees include working employees. Temporary employees are listed in parentheses.

(14) Status of Main Lenders (as of 30 September 2019)

Lender	Lending Amount (Unit: 1,000 JPY)
Sumitomo Mitsui Banking Corporations	1,000,000
Resona Bank, Ltd.	1,000,000
Mizuho Bank, Ltd.	500,000
MUFG Bank, Ltd.	350,000
Sumitomo Mitsui Trust Bank, Ltd.	300,000
The Musashino Bank, Ltd.	300,000
The Keiyo Bank, Ltd.	100,000

(15) Other important items relevant to the corporate group
Not applicable

2. Status of Shares (30 September 2018)

(1) Total Authorized Shares 45,000,000

(2) Total Issued Shares 12,332,600 (Including 396,747 Treasury Shares)

(3) Number of Shareholders 5,853

(4) Main Shareholders (Top 10)

Shareholder's Name	Number of Shares	Stock Holding Rate
Teruhide Sato	1,731,300	14.51%
Japan Trustee Services Bank, Ltd.	1,189,800	9.97%
Digital Garage, Inc.	827,000	6.93%
GOLDMAN, SACHS & CO. REG	403,176	3.38%
BNYM SA/NV FOR BNYM FOR BNY GCM CLIENT ACCOUTS M LSCB RD	372,904	3.12%
UBS AG LONDON A/C IPB SEGREGATED CLIENT ACCOUNT	246,595	2.07%
UEDA YAGI TANSHI Co., Ltd.	232,100	1.94%
HSBC BANK PLC A/C IB MAIN ACCOUNT	223,200	1.87%
MSCO CUSTOMER SECURITIES	206,900	1.73%
The Master Trust Bank of Japan, Ltd.	200,100	1.68%

Note: Treasury shares are not counted in the stock holding ratio.

3. Status of Stock Acquisition Rights

（1）Status of Stock Acquisition Rights held by BEENOS Group Directors issued as a remuneration for discharge of duties (as of 30 September 2018)

Not applicable

（2）Status of Stock Acquisition Rights issued to employees of BEENOS, directors and employee of subsidiary as a remuneration for discharge of duties in this fiscal year

Not applicable

（3）Other important information of New Stock Acquisition Rights

The detail of 10th New Stock Acquisition Rights (stock options) issued to directors and employees of BEENOS group which resolved at the board of directors held in 15 March 2018

	10th New Stock Acquisition Rights
Date of Resolution	15 March 2018
Classification	Directors, Employees, Directors and Employees of subsidiary
Number of Holders	12
Number of Share Acquisition Rights	6,600
Number of Shares to be Issued	660,000
Type of Shares to be Issued	Common Shares
Issuance Price per Acquisition Right	Priced
Exercising Price per Right Execution	1,706 JPY
Exercise Period	1 January 2020 ～ 31 March 2028

Note: Conditions for exercising stock acquisition rights

① New stock acquisition right holder can exercise his rights if the modified ordinary income (Ordinary Income – the Income/Losses of the Incubation Business) between FY2019 and FY2015 exceeds the amount listed in (a) or (b). He can exercise his rights to the extent of the ratio mandated (“exercising ratio”) on the 1st of the month after the submission of the Annual Securities Report. All figures of the acquisition rights less than 1 will be rounded down.
(a) Exercising ratio: 50% if the modified ordinary income exceeds 1.8 Billion JPY
(b) Exercising ratio: 100% if the modified ordinary income exceeds 2.3 Billion JPY

② New stock acquisition right holder cannot exercise his rights if the modified ordinary income between FY2019 and FY2025 does not exceed 500 Million JPY unless (a) or (b) in ① are met before the day of the submission of the Annual Securities Report.

③ The decision for the modified ordinary income listed in ① and ② will be based on the ordinary income listed in the consolidated profit & loss statement (if there is no consolidated profit & loss statement, then the profit & loss statement) and the ordinary income listed in the segment profit & loss statement of the segment information on the Annual Securities Report. If the standard for consolidated ordinary income or segment profit & loss are significantly changed for any reason including the change of accounting standards, then the company will calculate a fair and logical alternative indicator that will be determined in the board of directors meeting.

④ The new stock acquisition right holder cannot exercise his right if, from the allocated date to the end of the exercising period, the average ending stock price (including estimates) over a period of 5 trading days (excluding

days with no ending stock price, the appropriate amount will be calculated and approved in a board of directors meeting) falls below 50% of the exercising price even once (rounding up to the nearest yen) unless condition ① has already been met beforehand.

⑤ The new stock acquisition right holder must belong to the company or subsidiary as a Director, Auditor, or Employee when exercising the Stock Option. This condition shall not apply if the board of director's term had expired, retired or any other legitimate reason as established in a board of directors meeting.

⑥ The heirs of the new stock acquisition right holder cannot exercise the stock option.

⑦ If the total number of issued shares will exceed the number of authorized shares due to the exercise of Stock Options, the Stock Options cannot be exercised.

⑧ Rights holders may not exercise a stock acquisition right of less than one unit.

4. Status of Company Directors

(1) Status of directors (as of 30 September 2019)

Position in Company	Name	Status of significant concurrent positions
President	Shota Naoi	Group CEO President and CEO, tenso, inc. President and CEO, BeeCruise Inc.
Vice President	Koji Nakamura	Group CFO Director, Defactostandard, Ltd. President and CEO, JOYLAB, inc. President and CEO, BEENOS Partners, Inc.
Director	Taku Takeuchi	CEO, Shop Airlines, Ltd. President and CEO, Shop Airlines America, Inc. President and CEO, Shop Airlines Europe B.V.
Director	Kenichi Sento	President and CEO, monosense, Ltd.
Director (Full-time Audit & Supervisory Committee Member)	Yasukazu Joho	Auditor, Defactostandard, Ltd.
Director (Audit & Supervisory Committee Member)	Kibo Kondo	CEO, Zeon Consulting Co., Ltd.
Director (Audit & Supervisory Committee Member)	Yoshindo Takahashi	Adviser, Executive Partners Inc. Auditor, Ceres inc.

Notes: 1. Yasukazu Joho, Kibo Kondo and Yoshindo Takahashi are external directors.
2. BEENOS has registered external directors Yasukazu Joho, Kibo Kondo and Yoshindo Takahashi to the Tokyo Stock Exchange as independent officers.
3. BEENOS has elected Yasukazu Joho as Full-time Audit & Supervisory Committee member to improve information gathering, strengthening the managing and auditing capabilities of the committees and closely cooperate with the internal control division.
4. Audit & Supervisory Committee member Kibo Kondo is a certified public accountant and have considerable knowledge for financing and accounting.
5. BEENOS has made a contract agreement in accordance with Article 427 Section 1 of the Companies Act with Yasukazu Joho, Kibo Kondo and Yoshindo Takahashi in regard to the limit of liability for damages as stated in Article 423 Section 1 of the Companies Act. The amount limit for the liability of damages is set at the minimum responsibility amount as legally established.

（2）Total amount of remuneration paid to Directors

Title	Number of People	Amount (Unit: 1,000 JPY)	Notes
Director (Excluding Audit & Supervisory Committee Members)	4	139,397	The remuneration amount for Directors (excluding Audit & Supervisory Committee members) was set within 200 Million JPY and within 50 Million JPY for Directors (Audit & Supervisory Committee members) as ratified during the 16th Annual Meeting of Shareholders (held on 10 December 2015).
Directors (Audit & Supervisory Committee Members) (External Directors)	3 (3)	19,200 (19,200)	
Total (External Directors)	7 (3)	158,597 (19,200)	

Notes: 1.The remuneration amount includes the 53.7 Million JPY recorded for provision for directors' bonuses.
2. Aside from the amount listed above, 5 Directors and Auditors have received a total of 60.15 Million JPY in remuneration from subsidiaries.
3. The remuneration amount for directors (excluding Audit & Supervisory Committee members) was set within 200 Million JPY as ratified during the General Meeting held on 10 December 2015. Apart from this, the remuneration for restricted stock for Audit & Supervisory Committee members was set within 120 Million JPY as ratified during the 17th General Meeting held on 15 December 2016.
4. The remuneration amount for Auditors was set within 50 Million JPY as ratified during the General Meeting held on 10 December 2015.

（3）Items on external officers

① Relationship between the Company and companies where External Officers hold significant concurrent positions

Director (Full-time Audit & Supervisory Committee Member)	Yasukazu Joho	Auditor, Defactostandard, Ltd.
Director (Audit & Supervisory Committee Member)	Kibo Kondo	CEO, Zeon Consulting Co., Ltd.
Director (Audit & Supervisory	Yoshindo Takahashi	Adviser, Executive Partners Inc. Auditor, Ceres inc.

Committee Member)		

Note: Defactostandard, Ltd,, a company which External Director Yasukazu Joho holds concurrent position, is the Company's consolidated subsidiary.

② Principle Activities in this fiscal year

Attendance in Board Meetings and Audit & Supervisory Committee Meetings

Position	Name	Board Meeting Attendance	Audit & Supervisory Committee Meeting Attendance	Activities
External Director (Full-time Audit & Supervisory Committee Member)	Yasukazu Joho	27 of 27	12 of 12	Offered advice and asked questions from a financial standpoint
External Director (Audit & Supervisory Committee Member)	Kibo Kondo	27 of 27	12 of 12	Offered advice and asked questions from a technical perspective as a certified accountant to ensure appropriate decision-making in board meetings
	Yoshindo Takahashi	27 of 27	12 of 12	Offered advice and asked questions from a corporate management standpoint

5. Policy on Decisions for Dividend of Surplus

Returning profit to our shareholders through dividends is an important management goal for the Company and we aim to be able to distribute dividends consistently for an extended period of time regardless of the effect of our financial results. We also plan to execute share buybacks at opportune moments depending on the status of our stock price.

6. Accounting Auditors

（1）Name of Accounting Auditors　　Grant Thornton Taiyo LLC

（2）Remuneration for the Accounting Auditors

	Value (Unit: 1,000 JPY)
Amount for remuneration for this fiscal year	27,000
Total amount of cash and other economic benefits to be paid by the Company and consolidated subsidiaries	41,500

Note: 1. The total remuneration amount for the fiscal year is listed as the contract between BEENOS and the auditor and is not made to feasibly calculate the difference between the auditing under the Companies Act and the auditing under the Financial Instruments and Exchange Act
2. BEENOS subsidiary BEENOS Asia Pte. Ltd. is being audited by other auditing firm.

（3）Audit & Supervisory Committee Agree Accounting Auditors Remuneration

Audit & Supervisory Committee agreed to the remuneration of the accounting auditors as stipulated in Article 399 Section 1 of the Companies Act, after receiving necessary materials from applicable divisions within the company and accounting auditors, confirming existing reports of the auditor's previous achievements and remunerations, and confirming whether the estimates for this fiscal year were reasonable

（4）Decision-making policy of dismissal or non-reappointment of Independent Auditor

The Independent Auditor may be dismissed by the Audit & Supervisory Committee with unanimity of Audit & Supervisory Committee Members when the Independent Auditor corresponds to any of Article 340, Section 1 of the Companies Act. In this case, the Audit & Supervisory Committee will report the information including the reason if the dismissal of the Auditor at the ensuing Annual Meeting.

Furthermore, the Audit & Supervisory Committee will view the Independent Auditor's overall performance and will propose to the Annual Meeting the dismissal or non-reappointment of the Auditor if it deems necessary.

Consolidated Balance Sheet (30 September 2019)

(Units: 1,000 JPY)

Account	Amount	Account	Amount
(Assets Section)		(Liabilities Section)	
Current Assets	16,407,315	Current Liabilities	8,159,091
Cash and Deposit	5,175,775	Notes and Accounts Payable-Trade	384,508
Notes and Accounts Receivable-Trade	2,527,865	Short-term Loan	3,550,000
Operational Investment Securities	4,176,825	Accounts Payable – Other	2,956,824
Products	2,689,382	Deposits Received	714,796
Accounts Receivable	862,433	Income Taxes Payable	89,157
Other	975,034	Other	463,805
Fixed Asset	2,403,970	Fixed Liabilities	480,724
Tangible Assets	417,882	Deferred Tax Liabilities	287,680
Buildings and Structures	603,067	Asset Retirement Obligation	193,043
Vehicles (Net Base)	9,614		
Tools, Materials and Supplies	192,338		
Accumulated Depreciation	△387,138	Total Liabilities	8,639,815
Intangible Assets	454,596	(Net Assets Section)	
Goodwill	303,842	Capital Stock	8,717,025
Software	147,882	Capital Stock	2,775,840
Other	2,871	Capital Surplus	2,542,577
Investments etc.	1,531,491	Retained Earnings	3,966,442
Investment Account Security	887,065	Common Stock for Treasury	△567,835
Deferred Tax Assets – Current	215,992	Accumulated Other Comprehensive Income	△204,890
Other	428,433	Valuation Difference on Available-for-sale Securities	△314,461
		Exchange Conversion Adjustment Account	109,571
		Equity Warrant	46,677
		Minority Stockholder Equity	1,612,657

		Interest	
		Net Assets Section	10,171,470
Total Assets	18,811,286	Total Liabilities	18,811,286

Note: Amounts Rounded down to the nearest thousand yen.

Consolidated Profit & Loss Statement (1 October 2018 – 30 September 2019)

(Units: 1,000 JPY)

Account	Amount	
Net Sales		25,276,757
Cost of Sales		12,611,387
Gross Profit		12,665,370
Selling, General and Administrative Expenses		10,957,736
Operating Income		1,707,633
Non-operating Income		
Interest Income	103	
Equity in Earnings of Affiliates	35,257	
Investment Partnership Gains	1,772	
Subsidy Income	14,939	
Settlement Received	14,051	
Other	41,559	107,684
Non-operating Expenses		
Interest Expenses	11,376	
Exchange Loss	83,855	
Commission Fee	2,663	
Other	3,595	101,490
Ordinary Income		1,713,827
Annual Income Before Income Taxes		1,713,827
Income Taxes – Current	427,380	
Income Taxes – Deferred	225,922	653,302
Annual Net Income		1,060,525
Profit Attributable to Non-Controlling Interests (Losses:△)		16,517
Profit Attributable to Owners of Parent		1,077,042

Note: Amounts rounded down to the nearest thousand yen.

Consolidated Statements of Changes in Net Assets

(1 October 2018 – 30 September 2019)

(Units: 1,000 JPY)

	Shareholder's Equity				
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stock	Shareholders' Equity Total
Balance on 1 October 2018	2,775,840	2,701,215	2,889,400	△187,303	8,179,153
Changes during Consolidated Fiscal Year					
Dividends from Surplus		△158,637			△158,637
Profit Attributable to Owners of Parent			1,077,042		1,077,042
Disposal of Treasury Stock				△380,532	△380,532
Net Changes of Items other than Shareholders' Equity					–
Total Changes during Consolidated Fiscal Year	–	△158,637	1,077,042	△380,532	537,872
Balance on 30 September 2019	2,775,840	2,542,577	3,966,442	△567,835	8,717,025

	Total Accumulated Other Comprehensive Income			Subscription Rights to Shares	Non-Controlling Interest	Total Net Assets
	Valuation Differences on Available-for-sale Securities	Foreign Currency Translation Adjustment	Total Accumulated Other Comprehensive Income			
Balance on 1 October 2018	△231,866	271,630	39,763	21,406	1,550,724	9,791,048
Changes during Consolidated Fiscal Year						
Dividends from Surplus						△158,637
Profit Attributable to Owners of Parent						1,077,042
Disposal of Treasury Stock						△380,532
Net Changes of Items other than Shareholder's Equity	△82,594	△162,058	△244,653	25,270	61,932	△157,449
Total Changes during Consolidated Fiscal Year	△82,594	△162,058	△244,653	25,270	61,932	380,422
Balance on 30 September 2019	△314,461	109,571	△204,890	46,677	1,612,657	10,171,470

Note: Amounts rounded down to the nearest thousand.

Balance Sheet (30 September 2019)

(Units: 1,000 JPY)

Account	Amount	Account	Amount
(Assets Section)		(Liabilities Section)	
Current Assets	5,651,984	Current Liabilities	4,556,450
Cash and Deposit	529,834	Short-term Loan	4,250,000
Operational Investment Securities	1,543,990	Account Payable - Other	106,800
Prepaid Expenses	42,967	Accounts Payable to Affiliates	58,077
Accounts Receivable from Affiliates	1,598,367	Income Taxes Payable	6,927
Advances Paid Receivable from Affiliates	120,443	Deposit Received	21,080
Short-term Loans Receivable from Affiliates	1,850,000	Directors' Bonus Allowance	53,758
Deferred Tax Assets - Current	67,993	Allowance for shareholder benefits	36,604
Accounts Receivable from Affiliates	19,677	Other	23,202
Allowance for Cancellation Loss	△121,289	Fixed Liabilities	177,970
Fixed Assets	3,510,610	Asset Retirement Obligation	56,791
Tangible Assets	81,878	Deferred Tax Debts – Non current	121,178
Buildings	210,424	Total Liabilities	4,734,420
Tools, Materials and Supplies	51,386	(Net Assets Section)	
Accumulated Depreciation	△179,933	Capital Stock	4,471,923
Intangible Assets	34,777	Capital Stock	2,775,840
Software	31,906	Capital Surplus	1,793,099
Other	2,871	Capital Reserve	514,125
Investments etc.	3,393,954	Other Capital Surplus	1,278,974
Investment Account Securities	740,517	Earned Surplus	470,818
Shares of Affiliates	2,346,924	Other Earned Surplus	470,818

Lease and Guarantee Deposits	137,047	Retained Earnings Brought Forward	470,818
Insurance Reserve Fund	164,313	Common Stock for Treasury	△567,835
Other	5,151	Valuation and Translation Adjustments	△89,686
		Valuation Differences on Available-for-sale Securities	△89,686
		Equity Warrant	45,936
		Net Assets Section	4,428,173
Total Assets	9,162,594	Total Liabilities	9,162,594

Note: Amounts rounded down to the nearest thousand.

Profit & Loss Statement (1 October 2018 – 30 September 2019)

(Units: 1,000 JPY)

科　　目	金　　額	
Operating Income		2,426,615
Operating Expenses		917,437
Total Operating Profit		1,509,177
Non-operating Income		
Interest Income	13,457	
Commission Received	61,200	
Exchange Profit	469	
Receipt fee	1,546	
Investment Partnership Gains	1,772	
Other	4,279	82,725
Non-operating Expenses		
Income Expenses	15,525	
Commission Fee	2,663	
provision of allowance for doubtful accounts	121,289	
Other	5	139,484
Ordinary Income		1,452,418
Extraordinary Losses		
Loss on valuation of shares of affiliated company	129,871	129,871
Earnings Before Income Taxes		1,322,546
Income Taxes - Current	26,066	
Income Taxes - Deferred	135,410	161,476
Net Income		1,161,070

Note: Amounts rounded down to the nearest thousand yen.

Statements of Changes in Net Assets (1 October 2018 – 30 September 2019)

(Units: 1,000 JPY)

	Shareholder's Equity							
	Capital Stock	Capital Surplus			Retained Earnings		Treasury Stock	Shareholder's Equity Total
		Capital Reserve	Other Capital Surplus	Total Capital Surplus	Other Retained Earnings / Retained Earnings Brought Forward	Total Retained Earnings		
Balance on 1 October 2018	2,775,840	498,261	1,453,476	1,951,737	△690,251	△690,251	△187,303	3,850,023
Changes during Fiscal Year								
Dividends from Surplus		15,863	△174,501	△158,637				△158,637
Net Income					1,161,070	1,161,070		1,161,070
Disposal of Treasury Stock							△380,532	△380,532
Net Changes of Items Other Than Shareholder's Equity								–
Total Changes during Fiscal Year	–	15,863	△174,501	△158,637	1,161,070	1,161,070	△380,532	621,899
Balance on 30 September 2019	2,775,840	514,125	1,278,974	1,793,099	470,818	470,818	△567,835	4,471,923

	Valuation, Translation Adjustments and Others		Subscription Rights to Shares	Total Net Assets
	Valuation Differences on Available-or-sales Securities	Exchange Conversion Adjustment Account		
Balance on 1 October 2018	4,714	4,714	20,665	3,875,403
Changes d Fiscal Year				
Dividends from Surplus				△158,637
Net Sales				1,161,070
Disposal of Treasury Stock				△380,532
Net Changes of Items other than Shareholder's Equity	△94,400	△94,400	25,270	△69,129

Total Changes during Fiscal Year	△94,400	△94,400	25,270	552,770
Balance on 30 September 2019	△89,686	△89,686	45,936	4,428,173

Note: Amounts rounded down to the nearest thousand

Auditor's Report on Consolidated Financial Statements

Independent Auditor's Report

19 November 2019

To the Board of Directors of BEENOS Inc.

Grant Thornton Taiyo LLC

Designated Limited Liability Partner Executive Member	Certified Accountant	Takefumi Sato	㊞
Designated Limited Liability Partner Executive Member	Certified Accountant	Shinichi Shinozuka	㊞

We have audited the consolidated financial statements of BEENOS Inc. from 1 October 2018 to 30 September 2019 as of Article 444 Section 4 of the Companies Act, and the related consolidated balance sheet, consolidated profit & loss statement, consolidated statements of changes in net assets, and notes on consolidated financial statement.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principle generally accepted in Japan. This includes management to organize and operate necessary internal control in order to enable the preparation of consolidated financial statements that are free from material misstatements due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of BEENOS Inc. and its consolidated subsidiaries and the consolidated results of their operations and their financial statement in accordance with accounting principles generally accepted in Japan.

Vested Interest

There is no vested interest between the Company and the audit or its executive member to be listed as stipulated in the Certified Public Accountants Act.

-End-

Auditor's Report

Independent Auditor's Report

19 November 2019

To the Board of Directors of BEENOS Inc.

Grant Thornton Taiyo LLC

Designated Limited Liability Member Executive Member	Certified Accountant	Takefumi Sato	㊞
Designated Limited Liability Member Executive Member	Certified Accountant	Shinichi Shinozuka	㊞

We have audited the financial statements of BEENOS Inc. from 1 October 2018 to 30 September 2019, the 19th fiscal year, as of Article 436 Section 2 Subsection 1 of the Companies Act, and the related balance sheet, profit & loss statement, statement of changes in net assets, notes on financial statement and supplementary statement.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements and supplementary statement in accordance with accounting principle generally accepted in Japan. This includes management to organize and operate necessary internal control in order to enable the preparation of financial statements and the detailed statements thereof that are free from material misstatements due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements and supplementary statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and its detailed statements thereof are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and supplementary statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements and supplementary statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements and supplementary statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the

appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and supplementary statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements and supplementary statement referred to above present fairly, in all material respects, the consolidated financial position of BEENOS Inc. and its consolidated subsidiaries and the results of their operations and their financial statement in accordance with accounting principles generally accepted in Japan.

Vested Interest

There is no vested interest between the Company and the audit or its managing member to be listed as stipulated in the Certified Public Accountants Act.

-End-

Audit & Supervisory Committee's Report

Auditor's Report

We have audited Directors' performance of duties from 1 October 2018 to 30 September 2019, the 19th fiscal year. The method and result are as follows.

1. Audit Method

The Audit & Supervisory Committee audited the corporate resolution stated in Article 399 Section 13 Subsection 1 "ロ" and "ハ" and the system (internal control system) organized by the corresponding resolution by receiving reports from Directors and employees on a regular basis. We have also implemented the audit by requested for further explanations when necessary, offered opinions, and by the following method.

① We attended important meetings with the internal control section following the Audit & Supervisory Committee Standard, supervisory policy and each section's responsibility. We received reports from Directors and employees regarding their duties executions, requested for further details when necessary, perused important approval documents and investigated financial status of the headquarter and important offices. We received business reports from the subsidiaries and attempted to communicate and exchange information with their Directors, Auditors, etc.

② We supervised and examined whether the Auditors maintain their independent status for appropriate audit execution. We received reports from the Auditors regarding their performance of duties and asked for detailed explanations when necessary. We received notice from the Auditors that the "System to assure appropriate business performance" (stipulated in each section of Article 131 of the Rules of Corporate Accounting) is well-prepared and is following "Quality management standard for the audit" (28 October 2005 Company Accounting Council) . We requested for detailed explanation when necessary.

In accordance with the aforementioned mentioned methods, we evaluated the business report and the supplementary statement, the financial statements (balance sheet, profit & loss statement, statements of changes in net assets and individual notes) and the supplementary statement, and the consolidated financial statements (consolidated balance sheet, consolidated profit & loss statement, statements of changes in net assets and individual notes) and the supplementary statement of this fiscal year.

2．Result

（1）Result of Business Reports

1. We confirm that the business report and the supplementary statement represent the company's status in accordance with the law and the articles of incorporation.
2. We do not recognize any serious facts about acts of dishonesty regarding Director's execution of duties or violation of law/articles of incorporation.
3. We confirm that the resolution of the Board of Directors regarding the internal control system is appropriate. Furthermore, there is nothing about business report and directors' execution of duties to be pointed out.

（2）Audit Result of Financial Statements and Supplementary Statement

We confirm that the audit method and result of Grant Thornton Taiyo LLC are appropriate.

（3）Audit Result of the Consolidated Financial Statements

We confirm that the method and result of Grant Thornton Taiyo LLC are appropriate.

20 November 2019

BEENOS, Inc. Audit & Supervisory Committee

Full-time Audit& Supervisory Committee	Yasukazu Joho	㊞
Audit Supervisory Committee	Kibo Kondo	㊞
Audit Supervisory Committee	Yoshindo Takahashi	㊞

Note: Full-time Audit & Supervisory Committee member Yasukazu Joho, Audit & Supervisory Committee members Kibo Kondo and Yoshindo Takahashi are external directors specified in the Article 2 Subsection 15 and Article 331 Section 6.

-End-

memo