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.

(Revised) Consolidated Financial Results (Japanese Accounting Standards)

For the Second Quarter Ended 31 March 2021

6 May 2021

Company Name	BEENOS Inc.	Stock Exchange Listing	Tokyo
Stock Code	3328	URL	http://www.beenos.com
Representative	President and Group CEO	Shota Naoi	
Contact	Executive Officer	Hisanori Matsuda	(TEL) 03-5739-3350
Scheduled filing date of the Annual Securities Report	14 May 2021	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 Second Quarter Ended 31 March 2021 (1 October 2020 – 31 March 2021)

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

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
2Q FY2021	12,423	△13.0	751	△71.3	732	△71.9	284	△83.4
2Q FY2020	14,286	22.2	2,616	—	2,605	—	1,711	—

(Note) Comprehensive Income 2Q FY2021 988 Mil. yen (△38.4%) 2Q FY2020 1,605 Mil. yen (—%)

	Net income per share (basic)	Net income per share (diluted)
	Yen	Yen
2Q FY2021	22.32	20.92
2Q FY2020	138.27	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
2Q FY2020	22,952	12,437	53.7	949.10
FY2020	23,029	11,210	48.3	882.12

(Reference) Shareholders' equity 2Q FY2021 12,335 Million yen FY2020 11,130 Million yen

2. Dividends

	Dividend per share				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2020	—	0.00	—	20.00	20.00
FY2021	—	0.00			

3. Consolidated Forecasts for the Fiscal Year Ending 30 September 2021 (1 October 2020 – 30 September 2021)

We are refraining from disclosing our consolidated forecast for FY2021. Please refer to "Explanation of Outlook for FY2021" on pg. 7 for details.

※ Notes

(1) Changes of important subsidiaries during period : None

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

(2)

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

① Changes in accounting policies caused by revision of accounting standards	:	None
② Changes in accounting policies other than ①	:	None
③ Changes in accounting estimates	:	None
④ Restatement	:	None

(4) Number of shares outstanding (common shares)

① Number of shares outstanding at the end of period (including treasury shares)	2Q FY2021	13,335,995 Shares	FY2020	13,335,995 Shares
② Number of treasury shares at end of period	2Q FY2021	339,202 Shares	FY2020	717,670 Shares
③ Average number of shares outstanding during the term	2Q FY2021	12,769,350 Shares	2Q FY2020	12,377,430 Shares

※ Status of a quarterly review

This financial summary does not need to undergo auditing.

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

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

○Table of Contents

1.Qualitative Information for this Fiscal Year's Results 4
(1) Business Performance Report 4
(2) Financial Status Report 6
(3) Outlook for FY2021 7
2.Quarterly Financial Statements and Major Notes 9
(1) Quarterly Consolidated Balance Sheet 9
(2) Quarterly Consolidated Profit & Loss Statement and
Quarterly Consolidated Statement of Comprehensive Income 10
Quarterly Consolidated Profit & Loss Statement
Consolidated Cumulative 2nd Quarter 11
Quarterly Consolidated Statement of Comprehensive Income
Consolidated Cumulative 2nd Quarter 12
(3) Quarterly Consolidated Statement of Cash Flows 13
(4) Notes on Consolidated Financial Statement 15
(Notes regarding the premise of on-going concerns) 15
(Notes regarding significant changes in the amount of shareholder's equity) 15
(Segment Information) 15

1. Qualitative Information for this Fiscal Year's Results

(1) Business Performance Report

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

Our objective this year is to "establish a position that competitors cannot catch up to" in the Global Commerce Business, "shift to higher ticket items and fortify foreign sales" in the Value Cycle Business and "create a new SaaS-type system specific to the entertainment industry" in the Entertainment Business. We also believe that the effects of the COVID-19 pandemic will have a long-term effect and will take the necessary measures to adapt in the most appropriate manner for the safety and the growth of our businesses.

In the second quarter, the Global Commerce Business continued to leverage its position with the cheapest available shipping rates to its respective countries to increase its share of the market. The Value Cycle Business has conducted multiple measures, including the opening of additional brick and stores, to increase its purchasing ability of higher ticketed items to turn over and sell. The Entertainment Business focused on the sales of official merchandise of performing artists and aimed to create a scheme that would not depend heavily on in-person events. As a result, the E-Commerce Business showed strong growth in sales and operating income. The Incubation Business recorded minimal sales on investments. The new businesses have continued its efforts to support Japanese companies and content holders with their global penetration and advancement by joining partnerships with places such as Alibaba Group's CtoC marketplace "Taobao" and flea market app "Xianyu" as well as Southeast Asia's largest EC platform, "Lazada". As we continue to connect Japan with the world's largest EC markets, we aim to create new markets that crosses borders.

As a result, the 2nd quarter consolidated net sales were 12,423 Million JPY (down 13.0% year on year), operating income was 751 Million JPY (down 71.3% year on year), ordinary income was 732 Million JPY (down 71.9% year on year), and net income attributable to owners of parent was 284 Million JPY (down 83.4% year on year). The main reason for the big decrease year on year is because we recorded sales of operational investment securities last year (about 2.8 Billion JPY), but sales in the same category were minimal year to date.

The consolidated GMV for the 2nd quarter was 31.9 Billion JPY (up 30.2% year on year).

The book value for our operational investment securities at the end of March 2021 was 4.8 Billion JPY. The market value has risen to 20.9 Billion JPY which is an increase of 0.8 Billion JPY in book value and 1.4 Billion JPY in market value since the end of FY2020.[1]

The achievements of each business segment are as follows.

①E-Commerce Business

i)Global Commerce Business

The Overseas Forwarding and Proxy Purchasing Business (From Japan) has formed a business alliance with Mercari, Inc. in November 2019 which has driven the growth of its GMV. Furthermore, as COVID-19 has delayed or suspended international distribution, we have made a concerted effort to provide alternative shipping methods to foreign countries which has led to an increased pace in sales. The United States has particularly seen an increase in orders as we are able to implement an original shipping service that provides shipping charges at less than half the normal cost which gives us leverage over competitors. We have seen an increase in orders placed in Taiwan, which is one of our focal countries, through aggressive campaigning. We have also made it easier for Japanese EC services to make their products available on Buyee through "Buyee Connect" which can be simply done by installing a few tags on the EC service's website. Popular websites such as LOCONDO.jp and FASHION WALKER have already used this service. Buyee Connect allows users to purchase through major foreign payment services such as PayPal and Alipay as well as receiving customer support in

[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.

various languages including English and Chinese.

The Global Shopping Business (To Japan) has continued to automate its operations and conducted marketing strategies aimed at individual users to increase its number of active users. Though COVID-19 has hit the United States hard, where our distribution center is located, operations were delayed temporarily by the pandemic, but has returned to normal by the end of the 2Q.

As a result, the net sales were 3,838 Million JPY (up 36.9% year on year) and operating income was 1,293 Million JPY (up 64.8% year on year).

ii) Value Cycle Business

The Apparel Reuse Business has seen a decrease in demand for luxury items with the continuing spike of COVID-19 and the declaration of a state of emergency in major Japanese cities but has been able to improve its operating margins though the improvement of gross profit margins and optimizing advertising costs. On the purchasing side, we have opened 3 Brandear brick and mortar stores in Tokyo to continue the purchasing of luxury items in the first quarter. These efforts have increased the average unit price of purchased items. Furthermore, our online appraising service, "Brandear Bell", has started appraising watches and accessories and our delivery purchasing service has now implemented an insurance service on its deliveries up to 5 Million JPY. These non-face to face measures have improved our purchasing services and led to a steady flow of purchases. On the selling side, we have partnered with the Taiwan and Southeast Asia E-Commerce juggernaut, "Shopee," to sell merchandise abroad. This has led to an increase in foreign sales which now comprises of 10.3% of all sales in 2Q (foreign composition was 6.3% on 2Q FY2020). We have also started a back-order service where customers can have items they are interested be shipped to any of Brandear or JOYLAB's locations where they can see it first-hand before purchasing the item.

The Liquor Mediation Business has increased its marketing to purchase items from restaurants and bars. As a result, purchases increased. On the selling side, sales were doing well due to consumers purchasing liquor to drink at home as well as an increase in demand for Japanese whiskey that is no longer in circulation.

As a result, net sales were 5,728 Million JPY (down 9.6% year on year) and operating income was 130 Million JPY (up 120.6% year on year).

iii)Entertainment Business

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

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

As a result, the net sales were 2,772 Million JPY (up 24.9% year on year) and operating income was 162 Million JPY (compared with operating loss of 28 Million JPY in 2Q FY2020).

For the E-Commerce Business as a whole, net sales were 12,339 Million JPY (up 8.6% year on year) and operating income was 1,587 Million JPY (up 94.6% year on year).

②Incubation 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 have teamed up with one of our domestic investments, Vpon JAPAN Inc., to create a digital solution on the cross-border front. This partnership with BEENOS Travel Inc. will operate the "Japan inbound media promotion verification" service that will gauge how inbound-related advertisements and articles have converted to users actually visiting the target region. We currently find ourselves in the stage where we can synergize with the companies we have

invested in. Inbound related startups are still in a rough position with the COVID-19 pandemic, but we remain focused on projects that we can release once the pandemic settles down. Though we have only recorded minimal sales on investment securities, many of our investments have seen their numbers recover back to, or even beyond, what it was when the pandemic started due to a global shift to the digital sector. We will continue to monitor these companies and make any sales at the opportune moment.

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

As a result, net sales for the were 123 Million JPY (down 95.8% year on year) and operating loss was 421 Million JPY (compared with an operating income of 2,448 Million JPY in 2Q FY2020).

The book value for our operational investment securities at the end of March 2021 was 4.8 Billion JPY and the market value was 20.9 Billion JPY (book value as of September 2020 was 3.9 Billion JPY and market value was 19.5 Billion JPY).[2]

(2) Financial Status Report

① Financial Status Analysis

(i) Assets

Assets totaled 22,952 Million JPY at the end of the 2Q, down 77 Million JPY from the end of the previous fiscal year.

Current assets totaled 19,611 Million JPY, down 246 Million JPY from the end of the previous fiscal year. This was mainly attributable to an increase of 840 Million JPY in marketable investments in securities and a decrease of 462 Million JPY in cash and deposits, 420 Million JPY in notes and accounts receivable-trade and 645 Million JPY in accounts receivable-trade.

Total non-current assets were 3,340 Million JPY, up 169 Million JPY from the end of the previous fiscal year. This was mainly due to an increase of 132 Million JPY of investment securities and 61 Million JPY of software which is included in other of intangibles.

(ii) Liabilities

Total liabilities at the end of the 2Q of the current fiscal year decreased by 1,304 Million JPY from the end of the previous fiscal year to 10,515 Million JPY.

Total current liabilities amounted to 8,699 Million JPY, down 984 Million JPY from the end of the previous fiscal year. This was mainly due to a decrease in deposits received of 1,348 Million JPY and an increase of 360 Million JPY in accounts payable-other.

Total non-current liabilities were 1,815 Million JPY, down 319 Million JPY from the end of the previous fiscal year. This was mainly due to a decrease of 171 Million JPY in long-term loans payable and 154 in deferred tax liabilities.

[2] 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.

(iii) Net assets

Net assets at the end of the 2Q of the fiscal year under review increased by 1,226 Million JPY from the end of the previous fiscal year to 12,437 Million JPY. This was mainly due to an increase of 408 Million JPY in treasury shares and an increase of 503 Million JPY in unrealized gains on available-for-sale securities.

②Cash Flow Report

Cash and cash equivalents (hereinafter referred to as "cash") at the end of the 2Q amounted to 9,885 Million JPY, a decrease of 334 Million JPY from the end of the previous fiscal year.

The status of each Cash Flow for this fiscal year are outlined below.

(Net cash provided by operating activities)

Net cash used in operating activities decreased by 150 Million JPY during the first half of the fiscal year under review. The main reasons for the increase were income before income taxes and minority interests of 733 Million JPY, an increase of 663 Million JPY due to a decrease in notes and accounts receivable-trade, and an increase of 659 Million JPY due to a decrease in accounts receivable-other. The main reasons for the decrease were a decrease in deposits received of 1,007 Million JPY and income taxes paid of 1,133 Million JPY.

(Net cash provided by investment activities)

Net cash used in investing activities amounted to 217 Million JPY. Major outflows included purchase of intangible assets of 94 Million JPY and purchase of investment securities of 54 Million JPY.

(Net cash provided by financing activities)

Net cash used in financing activities amounted to 34 Million JPY. The main factors contributing to this increase were proceeds from exercise of stock options of 372 Million JPY, and the main factors contributing to the decrease were repayments of long-term loans payable of 150 Million JPY and cash dividends paid of 251 Million JPY.

(3) Outlook for FY2021

We are refraining from disclosing our consolidated FY2021 forecast as we have determined that it is not logical to forecast the timing and amount of sales of operational investment securities in the Incubation Business. Moreover, we need to be flexible regarding the timing and amount we plan to invest in our new businesses as we closely monitor the upcoming circumstances.

We do believe that disclosing our forecast is very important in making investment decisions, so we will proceed to disclose the forecast for our E-Commerce Business which is more transparent.

Given the status of our financial results and the projections we currently have, we have decided to make the following adjustments to the forecast we released on 5 November 2020.

The updated forecast as well as the reasoning behind the adjustments are outlined as follows.

【Global Commerce】

There has been a large increase in orders from North America, where we are now able to provide shipping at a cheaper cost. We foresee this increase to continue which will boost GMV, net sales and operating income. The effects of COVID-19 on logistics were not considered in these projections.

【Value Cycle】

The COVID-19 pandemic and ensuing declaration of a state of emergency by the Japanese government to refrain from going outdoors has led to an increase in purchases of brand-named items and apparel but has negatively affected sales due to a decrease in consumer appetite. We will continue to be conservative with our

forecast in this segment and will decrease the forecasted sales. However, operating income is expected to increase slightly due to controlling gross profit ratios and costs, mainly in advertising.

【Entertainment】

We anticipated to flat line from last year due to the continuation of COVID-19 preventing large gatherings such as live concerts, but as we have seen positive results in the sales of merchandise via E-Commerce in coordination with online events as well as our original cosmetic brands doing better than initially projected, we will be making an upward adjustment to GMV, net sales and operating income in this segment.

E-Commerce Business Forecast (Unit: Billion JPY)

		Global Commerce	Value Cycle	Entertainment	Total
Previously Announced (A)	GMV	34.2	13.0	8.0	55.2
	Net Sales	7.6	13.0	4.0	24.6
	Operating Income	2.15	0.18	0.0	2.33
Adjusted (B)	GMV	39.7	12.0	10.6	62.4
	Net Sales	7.8	12.0	4.4	24.3
	Operating Income	2.55	0.18	0.14	2.87
Difference (B-A)	GMV	5.5	▲1.0	2.6	7.2
	Net Sales	0.2	▲1.0	0.4	▲0.3
	Operating Income	0.40	0.0	0.14	0.54
Percent Change (%)	GMV	16.1%	▲7.7%	32.5%	13.0%
	Net Sales	2.6%	▲7.7%	10.0%	▲1.2%
	Operating Income	18.6%	0.0%	—	23.2%

FY2020 Results (Reference)

	Global Commerce	Value Cycle	Entertainment	Total
GMV	29.7	12.1	8.2	50.1
Net Sales	5.9	12.1	4.0	22.1
Operating Income	1.68	0.10	▲0.09	1.69

※As of 1Q FY2021, the names of the following business segments have changed. The "Cross Border Business" is now the "Global Commerce Business" and the "Retailing and Licensing Business" is now the "Entertainment Business." The subsidiaries within each business segment remains the same.

2. Quarterly Financial Statements and Major Notes

(1) Quarterly Consolidated Balance Sheet

(Unit:1,000 JPY)

	Year-end FY2020 (30 September 2020)	2Q FY2021 (31 March 2021)
Assets		
Current assets		
Cash and deposits	9,976,285	9,514,258
Notes and accounts receivable	1,110,244	690,064
Operational investment securities	3,966,499	4,807,075
Products	1,553,412	1,715,338
Accounts receivable	2,090,188	1,444,204
Other	1,167,282	1,446,492
Allowance for doubtful accounts	△5,600	△5,600
Total current assets	19,858,313	19,611,833
Fixed assets		
Tangible Assets		
Buildings and structures	581,194	628,367
Accumulated depreciation	△297,855	△322,337
Buildings and structures, net	283,339	306,030
Vehicles	9,549	9,680
Accumulated depreciation	△8,716	△9,010
Vehicles, net	833	670
Tools, materials and supplies	205,497	192,357
Accumulated depreciation	△147,248	△135,479
Tools, materials and supplies, net	58,249	56,877
Total tangible assets	342,421	363,578
Intangible assets		
Goodwill	374,785	322,190
Other	167,754	228,567
Total intangible assets	542,539	550,758
Investments etc.		
Investment securities	1,776,419	1,908,931
Deferred tax assets	68,772	57,834
Other	441,221	459,393
Total investments etc.	2,286,413	2,426,159
Total fixed assets	3,171,375	3,340,496
Total assets	23,029,688	22,952,329

(Unit:1,000 JPY)

	Year-end FY2020 (30 September 2020)	2Q FY2021 (31 March 2021)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	348,387	311,807
Short-term loan	1,600,000	1,600,000
Current portion of long-term loans payable	300,000	300,000
Accounts payable-other	3,373,049	3,733,866
Deposits received	2,373,894	1,025,828
Income taxes payable	783,695	815,035
Other	904,829	912,871
Total current liabilities	9,683,855	8,699,408
Fixed liabilities		
Long-term loans payable	1,721,617	1,550,000
Deferred tax liabilities	212,544	57,780
Asset retirement obligations	201,420	208,019
Total fixed liabilities	2,135,582	1,815,799
Total liabilities	11,819,437	10,515,207
Net assets		
Shareholders' equity		
Capital stock	2,775,840	2,775,840
Capital surplus	3,903,953	3,963,263
Retained earnings	5,462,007	5,494,635
Treasury Stock	△778,700	△369,899
Total shareholders' equity	11,363,100	11,863,839
Other accumulated comprehensive income		
Valuation difference on securities	△286,179	216,941
Foreign currency translation adjustments	53,939	254,484
Total other accumulated comprehensive income	△232,239	471,426
Share subscription rights	79,389	101,856
Total net assets	11,210,251	12,437,121
Total liabilities and net assets	23,029,688	22,952,329

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

Quarterly Consolidated Profit & Loss Statement

Consolidated Cumulative 2nd Quarter

(Unit:1,000 JPY)

	2Q FY2020 (1 October 2019 – 31 March 2020)	2Q FY2021 (1 October 2020 – 31 March 2021)
Net sales	14,286,146	12,423,819
Cost of sales	6,259,410	6,193,003
Gross profit	8,026,735	6,230,816
Selling, general and administrative expenses	5,410,668	5,479,532
Operating income (△ losses)	2,616,067	751,283
Non-operating income		
Interest income	43	113
Subsidy income	7,925	49,204
Gain on investments in partnerships	68,795	-
Other	24,350	24,825
Total non-operating income	101,115	74,143
Non-operating expenses		
Interest expenses	4,362	7,128
Equity in loss of affiliates	32	45,000
Foreign exchange losses	14,799	35,088
Commissions paid	91,242	34
Loss on investments in partnerships	-	5,318
Other	809	222
Total non-operating expenses	111,246	92,792
Ordinary income	2,605,936	732,634
Extraordinary income		
Gain on reversal of subscription rights to shares	8,806	609
Total extraordinary income	8,806	609
Income (△) before income taxes and minority interests	2,614,742	733,243
Income taxes	655,363	796,766
Income taxes-deferred	289,942	△348,517
Total income taxes	945,306	448,249
Income before income	1,669,436	284,993
Loss (△) attributable to non-controlling interests	△42,016	-
Net profit attributable to owners of parent	1,711,453	284,993

Quarterly Consolidated Statement of Comprehensive Income

Consolidated Cumulative 2nd Quarter

(Unit:1,000 JPY)

	2Q FY2020 (1 October 2019 – 31 March 2020)	2Q FY2021 (1 October 2020 – 31 March 2021)
Net Income or Loss (△)	1,669,436	284,993
Other comprehensive income		
Valuation difference on securities	△48,888	502,829
Foreign currency translation adjustments	△13,826	195,839
Share of other comprehensive (loss) income in associates	△1,133	4,996
Total other comprehensive income	△63,848	703,665
Quarterly Comprehensive income	1,605,588	988,659
(Breakdown)		
Comprehensive income attributable to owners of parent	1,647,605	988,659
Comprehensive income attributable to non-controlling interests	△42,016	-

(3) Quarterly Consolidated Statements of Cash Flows

(Unit:1,000 JPY)

	2Q FY2020 (1 October 2019 – 31 March 2020)	2Q FY2021 (1 October 2020 – 31 March 2021)
Net cash provided by (used in) operating activities		
Income (△) before income taxes and minority interests	2,614,742	733,243
Depreciation and amortization	62,449	66,230
Amortization of goodwill	51,552	52,932
Stock-based Compensation Expense	41,285	76,820
Interest and dividends income	△43	△113
Interest expenses	4,362	7,128
Foreign exchange losses (Gains:△)	△539	109
Equity in losses of affiliates (Gains:△)	32	45,000
Loss on investments in partnership (Gains:△)	△68,795	5,318
Gain on reversal of subscription rights to shares	△8,806	△609
Decrease in notes and accounts receivable-trade (Increase:△)	1,838,981	663,922
Increase in operational investment securities (Increase: △)	11,003	△136,049
Decrease in inventories (Increase:△)	164,389	△161,671
Increase (decrease) in accounts receivable-other (△ increased)	△225,010	659,096
Increase in notes and accounts payable-trade (Decrease:△)	24,395	△41,406
Increase in accounts payable-other (Decrease: △)	△580,724	337,838
Increase in deposits received (Decrease:△)	276,736	△1,007,377
Increase in consumption taxes payable (Decrease:△)	40,741	△118,296
Other	△113,564	△261,537
Subtotal	4,133,187	920,068
Interest and dividend received	12,733	106
Interest expenses paid	△4,250	△7,088
Income taxes refunded	75,943	69,941
Income taxes paid	△219,913	△1,133,225
Net cash provided by (used in) operating activities	3,997,700	△150,197
Cash flow from investing activities		
Purchase of property, plant and equipment	△7,913	△51,140
Purchase of intangible assets	△42,102	△94,548
Purchase of investment securities	△131,592	△54,177
Payments for lease and guarantee deposits	△21,846	△24,343
Proceeds from collection of lease and guarantee deposits	45	-
Proceeds from distributions from investment partnerships	8,235	6,167
Payments for transfer of business	△160,000	-
Other	100	83
Cash flow from investing activities	△355,073	△217,958

(Unit:1,000 JPY)

	2Q FY2020 (1 October 2019 – 31 March 2020)	2Q FY2021 (1 October 2020 – 31 March 2021)
Cash flow from financing activities		
Increase in short-term loans payable (Decrease:△)	△950,000	-
Repayment of long-term loans payable	-	△150,000
Purchase of treasury stock	△114,857	△5,327
Sales of treasury stock	162	-
Purchase of treasury stock of subsidiaries in consolidation	△180,450	-
Cash dividends paid to non-controlling interests	-	372,607
Proceeds from issuance of subscription rights to shares	1,418	-
Cash dividends paid	△215,567	△251,572
Cash flow from financing activities	△1,459,294	△34,293
Effect of exchange rate change on cash and cash equivalents	△4,723	68,301
Net increase in cash and cash equivalents(Decrease:△)	2,178,608	△334,147
Cash and cash equivalents at the beginning of the year	5,478,335	10,220,118
Cash and cash equivalents	7,656,944	9,885,970

(4) Notes on Quarterly Consolidated Financial Statements

(Notes regarding the premise of on-going concerns)

Not Applicable

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

Not Applicable

(Segment Information, etc.)

【Segment Information】

I Previous Consolidated Cumulative 2nd Quarter(1 October 2019 – 31 March 2020)

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

(Unit:1,000 JPY)

	Reporting Segment						Adjustments (Note)1	Recorded Amount on Quarterly Consolidated Profit & Loss Statement (Note)2
	E-Commerce Business				Incubation Business	Total		
	Global Commerce	Value Cycle	Entertainment	Subtotal				
Net Sales								
Sales to Customer	2,794,854	6,337,944	2,218,825	11,351,625	2,934,521	14,286,146	—	14,286,146
Internal Sales or Transfer Between Segment	8,475	—	92	8,567	40,911	49,478	△49,478	—
Total	2,803,329	6,337,944	2,218,918	11,360,192	2,975,432	14,335,625	△49,478	14,286,146
Segment Earnings	785,075	59,357	△28,648	815,783	2,248,916	3,064,699	△448,632	2,616,067

(Note) 1. The segment earnings or loss adjustment of △448 Million JPY includes the deletion of inter-segment transactions of △1,830 Million JPY, company-wide revenue of 2,042 Million JPY, that is not distributed to each reporting segment, and company-wide cost of △661 Million JPY. Company-wide revenues are mainly the Company's received commission from each subsidiary. Company-wide costs are mainly the Company's administrative costs toward the subsidiaries.

2.Segment Losses are adjusted in the operating income of the Quarterly Consolidated Profit & Loss Statement.

II Current Consolidated Cumulative 2nd Quarter (1 October 2020 – 31 March 2021)

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

(Unit:1,000 JPY)

	Reporting Segment						Adjustments (Note) 1	Recorded Amount on Quarterly Consolidated Profit & Loss Statement (Note) 2
	E-Commerce Business				Incubation Business	Total		
	Global Commerce	Value Cycle	Entertainment	Subtotal				
Net Sales								
Sales to Customer	3,833,657	5,728,382	2,771,489	12,333,529	90,290	12,423,819	—	12,423,819
Internal Sales or Transfer Between Segment	4,545	155	957	5,659	33,700	39,359	△39,359	—
Total	3,838,202	5,728,538	2,772,447	12,339,188	123,990	12,463,178	△39,359	12,423,819

Segment Earnings	1,293,490	130,965	162,898	1,587,354	△421,469	1,165,884	△414,600	751,283

(Note) 1. The segment earnings or loss adjustment of △414 Million JPY includes the deletion of inter-segment transactions of 1,553 Million JPY, company-wide revenue of 178 Million JPY, that is not distributed to each reporting segment, and company-wide cost of △595 Million JPY. Company-wide revenues are mainly the Company's received commission from each subsidiary. Company-wide costs are mainly the Company's administrative costs toward the subsidiaries.
2.Segment Losses are adjusted in the operating income of the Quarterly Consolidated Profit & Loss Statement.

2. Notes regarding changes in reporting segments

As of 1Q FY2021, the names of the following business segments have changed. The "Cross Border Business" is now the "Global Commerce Business" and the "Retailing and Licensing Business" is now the "Entertainment Business." The subsidiaries within each business segment remains the same.

We have reflected the name change in 2Q FY2020's segment information.