



Hamee Corp.

Q1 FY04/22

Results briefing materials

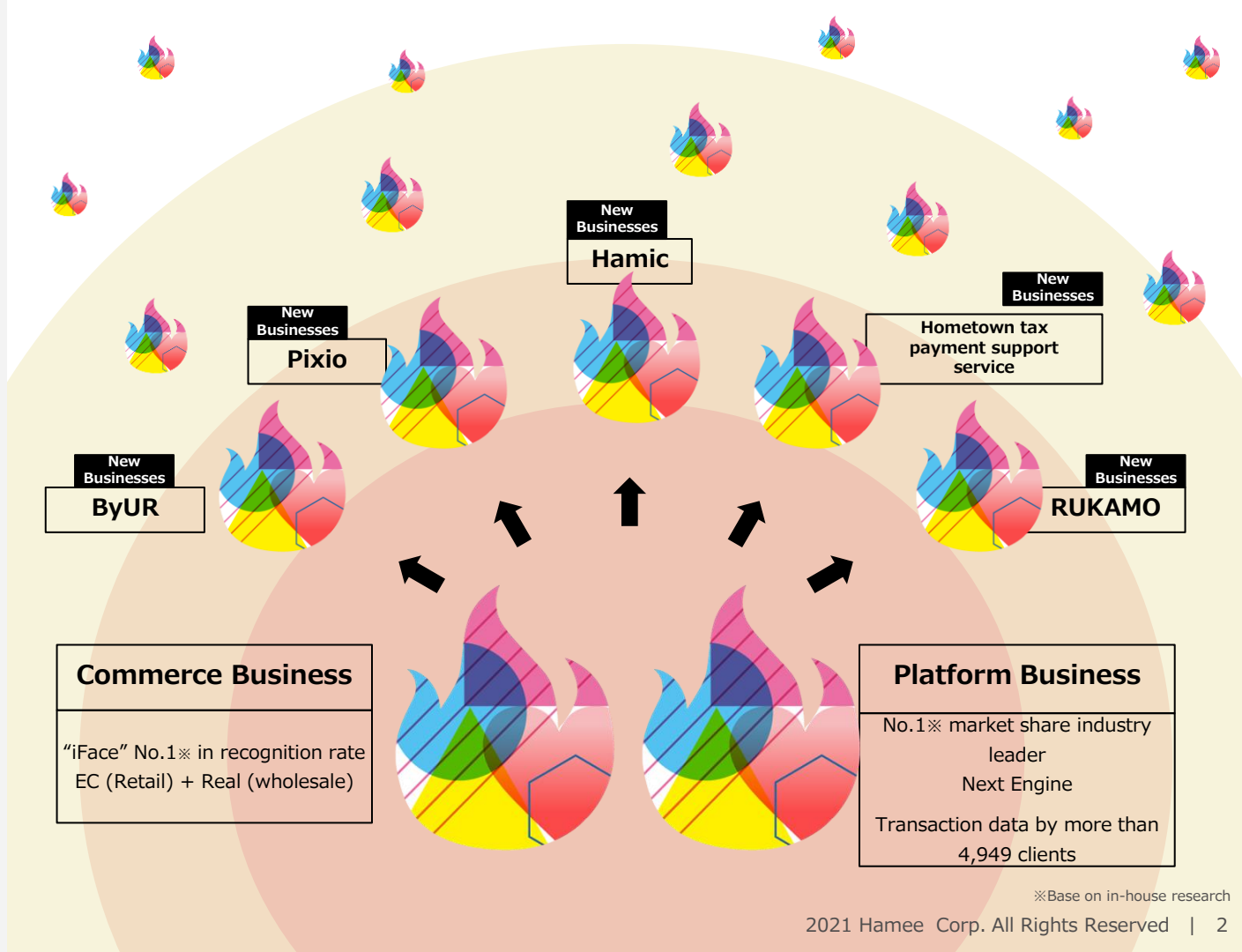
Reference only

In case of any discrepancies between Japanese version and English version,
Japanese Language version shall prevail.

Hamee

IR Topics

Ignite own creative soul, continue to evolve and grow the 2 main businesses, create innovative new businesses in peripheral areas, and ignite the creative soul of customers.



Highlights

Platform Business

<Next Engine>

- New client acquisitions were steady and the total number of client was +210 Q on Q.
- Monthly churn rate improved to 0.81%
- ARPU +2% Q on Q
- "AI Auto Recommendation" app was started to be PAID
- Started joint development with Criteo to promote upsell measures.

<Hamee Consulting>

- Acquisition of big clients accelerated, and sales grew steadily.
- Focus on recruiting consultants to respond to expanding business

Commerce Business

<Domestic market>

• iFace keep good trend. Recorded the same level of sales as last year, when iPhone SE2 was launched.

In Q2, we are preparing to introduce a new series, such as Flip case for the new iPhone sales campaign.

- Sales of peripheral accessories and 3rd party products declined largely.

<Overseas markets>

- US market: Significant increase of 89% due to capturing corona demand mainly for toys. Review product lineup to expand iFace sales.

New Businesses

<Hometown Tax Payment Support Service>

• Various e-commerce marketing measures and the development of new gifts are undertaken, and efforts to maximize the amount of donations by existing municipalities in preparation for the year-end sales campaign.

<Hamic POCKET>

- Continue to improve functions and performance toward a product market fit during the fiscal year ended April 2022.

- I. Financial Results
- II. Business Overview
- III. FY04/22 Year End Estimate

I. Financial Results

Q1 FY04/22 Overview

Effect of adoption of revenue recognition standard

- Impact is limited, mainly in the Commerce Business.

| (Millions of yen) | 2021/4 | 2022/4 | | | |
|---|------------|------------|--------------------|--------|--|
| | Q1 results | Q1 results | Increase /Decrease | % YoY | Effect of change in accounting policy※ |
| Net sales | 2,684 | 2,617 | △66 | △2.5% | +5 |
| Gross profit | 1,630 | 1,664 | 33 | 2.1% | +1 |
| Operating income | 415 | 327 | △88 | △21.2% | +1 |
| Net Profit attributable to owners of parent | 260 | 254 | △6 | △2.4% | +2 |

※ Effective from the fiscal year under review, we have adopted an accounting standard for revenue recognition, and the amount of impact is presented.



Q1 FY04/22 Overview

Commerce Business

- Sales and profits declined in peripheral accessories, merchandise purchased by other companies, toys, etc.
- iFace remained strong.

Platform Business

- Next Engine: Both new clients acquisition and clients unit price were good. In terms of costs, we are strengthening personnel and investing in cloud infrastructure as planned for this year.
- Hamee Consulting: Significant increase in profit due to acquisition of contracts with big companies.

| (Millions of yen) | | 2021/4 | 2022/4 | | | |
|-------------------|--------------------|------------|------------|--------------------|--------|---|
| | | Q1 results | Q1 results | Increase /Decrease | % YoY | Amount affected by a change in the accounting policy ※1 |
| Commerce Business | Net sales | 2,084 | 1,899 | △184 | △8.9% | +5 |
| | Operating income | 506 | 358 | △147 | △29.2% | +1 |
| | Profit ratio | 24.3% | 18.9% | △5.4% | — | — |
| Platform Business | Net sales | 549 | 656 | 107 | 19.5% | — |
| | Operating income | 230 | 272 | 42 | 18.3% | — |
| | Profit ratio | 42.0% | 41.5% | △0.4% | — | — |
| Others※2 | Net sales | 50 | 60 | 10 | 20.6% | +0 |
| | Operating income | △81 | △83 | △1 | — | +0 |
| | Profit ratio | — | — | — | — | — |
| Consolidated | Net sales | 2,684 | 2,617 | △67 | △2.5% | +5 |
| | Segment profit | 655 | 548 | △107 | △16.4% | +1 |
| | Adjusted amount ※3 | △ 239 | △ 220 | 19 | — | — |
| | Operating income | 415 | 327 | △88 | △21.2% | +1 |
| | Profit ratio | 15.5% | 12.5% | △3.0% | — | — |

※1 Effective from the fiscal year under review, we have adopted an accounting standard for revenue recognition, and the amount of impact is presented.

※2 New services that cannot be clearly classified into either the Commerce Business or the Platform Business are described as "Others."

※3 Adjustments: Back office administrative expenses.

※4 As a result of the organizational change at the beginning of the fiscal year, segment income decreased due to the impact of personnel expenses (¥21 million), which were previously included in "Adjustments," being borne by each segment (many of which are commerce).

II. Business Overview

Platform Business



NEXT ENGINE

Platform Business

Highlights

Sales (Q1)

JPY **656** million

(up 19.5% YoY)

Operating income(Q1)

41.5%

(down 4.6% YoY)

Number of clients(Q1)

4,949 clients

(up 770 clients YoY)

GMV(Q1)※1

JPY **263.1** billion

(up 10.9% YoY)

ARPU(Q1)※2

JPY **36,525**

(down 5.1% YoY)

Monthly churn rate (Q1)※3

0.81%

(Improved 0.01% YoY)

※1 GMV . . . Gross Merchandise Value = transaction amount processed through Next Engine.

※2 ARPU . . . Average Revenue Per User = the averages of sales per Next Engine clients.

※3 monthly churn rate . . . Figures are calculated by dividing the number of contracted clients end of Q4 from the average number of cancellations during the quarterly period.

Platform Business

Q1 FY04/22 results

Next Engine:

- Revenues increased due to steady acquisition of new clients and ARPU increment. In terms of costs, we strengthened personnel and investment in cloud infrastructure as planned.

Hamee Consulting:

- Sales expanded significantly due in part to the acquisition of big companies contract.
- The increase in profits will be kept down because of the increase in costs due to the increase in the number of consultants and the outsourcing of some services in line with the rapid increase in sales.

| (Millions of yen) | 2021/4 | 2022/4 | | | |
|------------------------|------------|------------|--------------------|-------|---|
| | Q1 results | Q1 results | Increase /Decrease | % YoY | Amount affected by a change in the accounting policy ※1 |
| Platform Business | | | | | |
| Net sales | 549 | 656 | 107 | 19.5% | — |
| Next Engine | 485 | 553 | 67 | 14.0% | — |
| Hamee consulting | 64 | 103 | 39 | 61.5% | — |
| Operating income | 230 | 272 | 42 | 18.3% | — |
| Next Engine | 238 | 275 | 36 | 15.1% | — |
| Hamee consulting | △8 | △2 | 6 | — | — |
| Operating profit ratio | 42.0% | 41.5% | △0.4% | — | — |
| Next Engine | 49.1% | 49.7% | 0.5% | — | — |
| Hamee consulting | — | — | — | — | — |

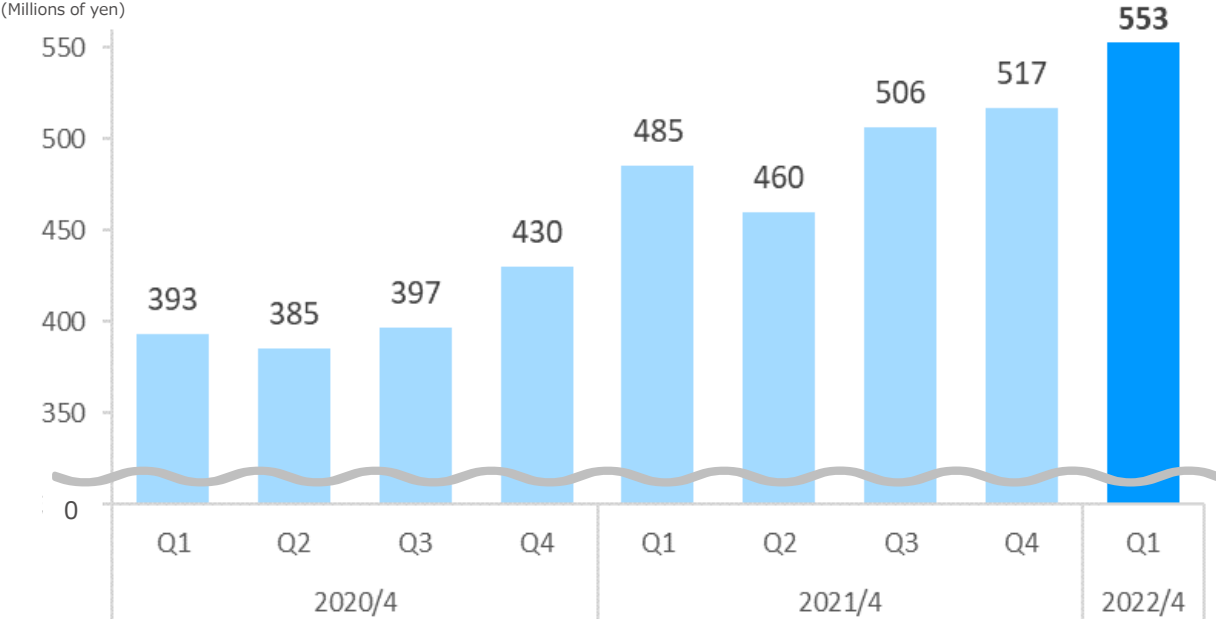
※1 Effective from the fiscal year under review, we have adopted an accounting standard for revenue recognition, and the amount of impact is presented.

Platform Business

**Next Engine
—Q1 FY04/22 Sales**

- Revenues increased due to steady acquisition of new clients and ARPU increment. Record-high quarterly sales.
- Started contributing to sales by charging for “AI Auto Recommendation” app.

Net Sales (Accounting Period)

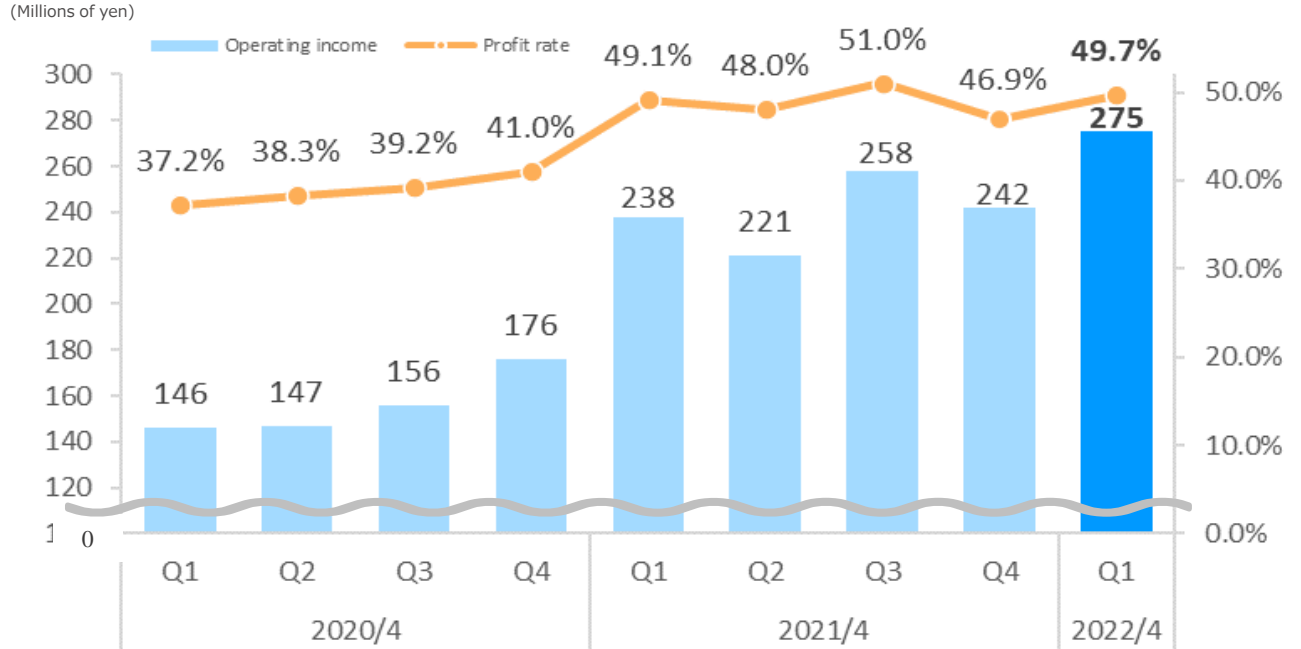


Platform Business

Next Engine —Q1 FY04/22 Operating Income

- Strengthen personnel (development and fresh graduates) as planned and investment in cloud infrastructure.
- Income improved year-on-year due to the achievement of sales expansion to cover those costs.

Operating Income (Accounting Period)



Platform Business

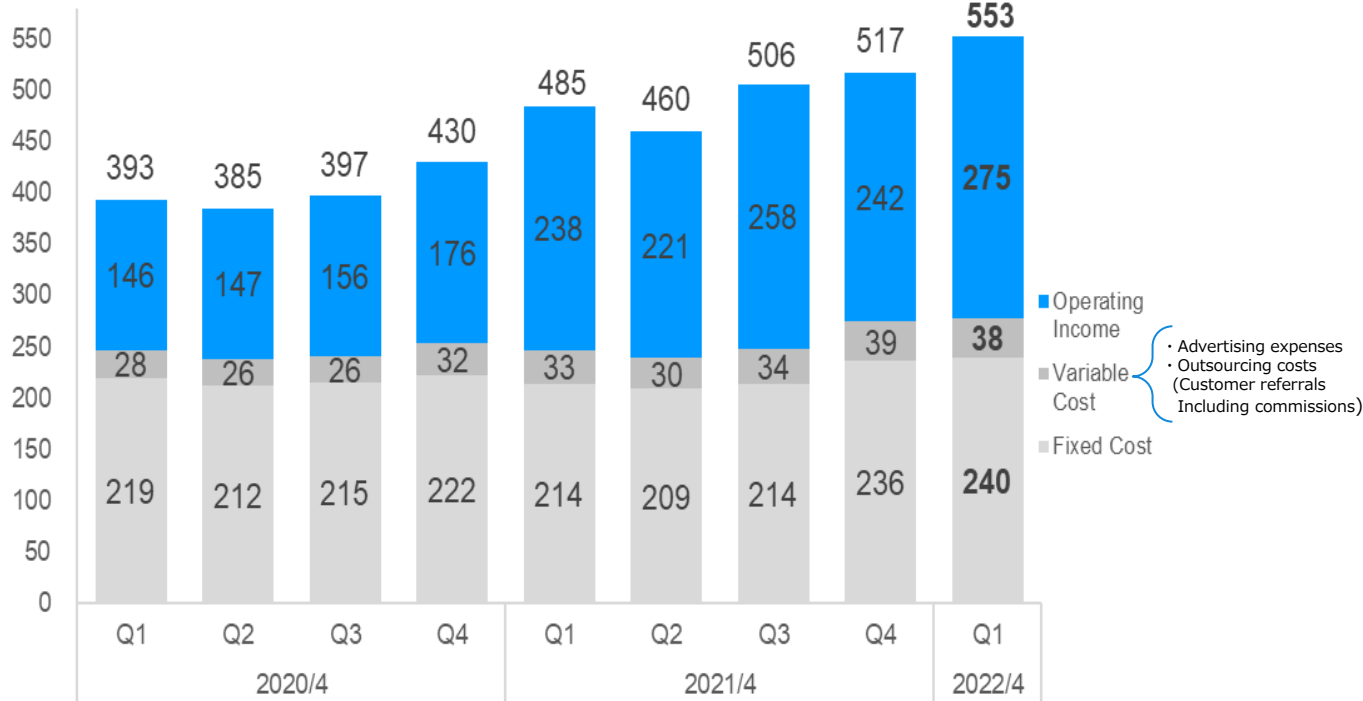
Next Engine —Operating Income Analysis

Fixed costs: Strengthen personnel (development and fresh graduates) as planned and invest in cloud infrastructure.

Variable costs: Slight increase in outsourcing costs due to customer acquisition through partners (distributors)

Operating Income Analysis (Accounting Period)

(Millions of yen)

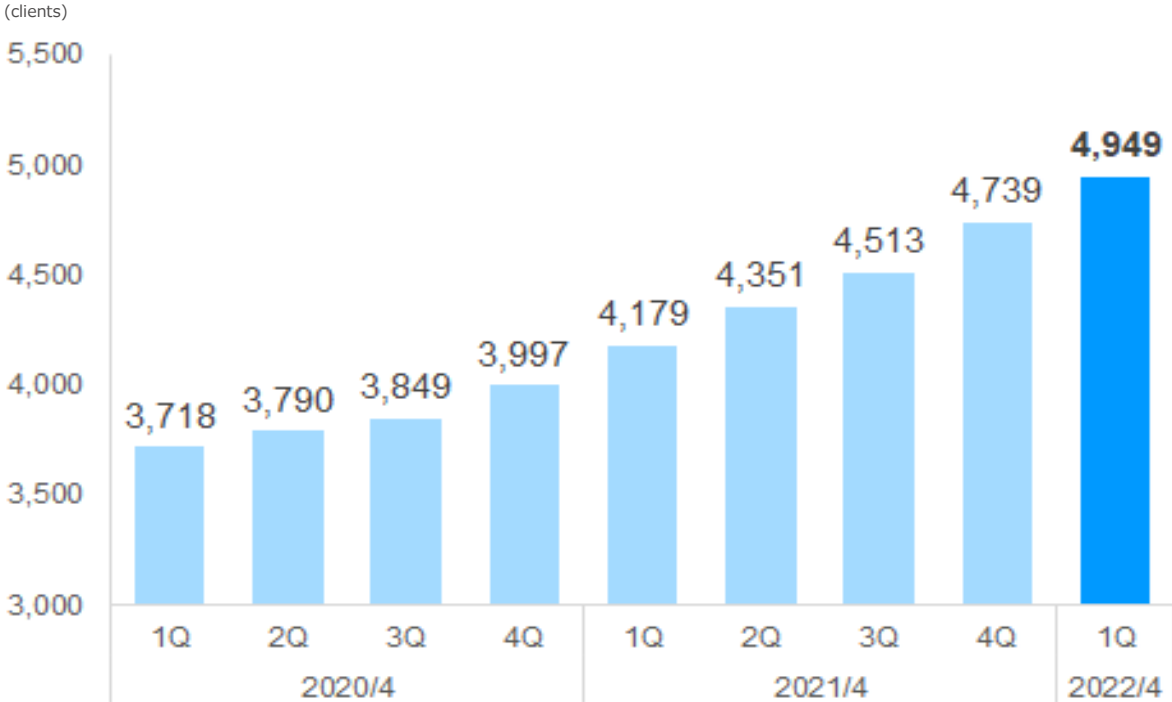


Platform Business

Next Engine —Trends in number of clients

- The number of clients is trending upward due to the effects of organizational changes implemented last year to strengthen customer success activities.

Number of clients

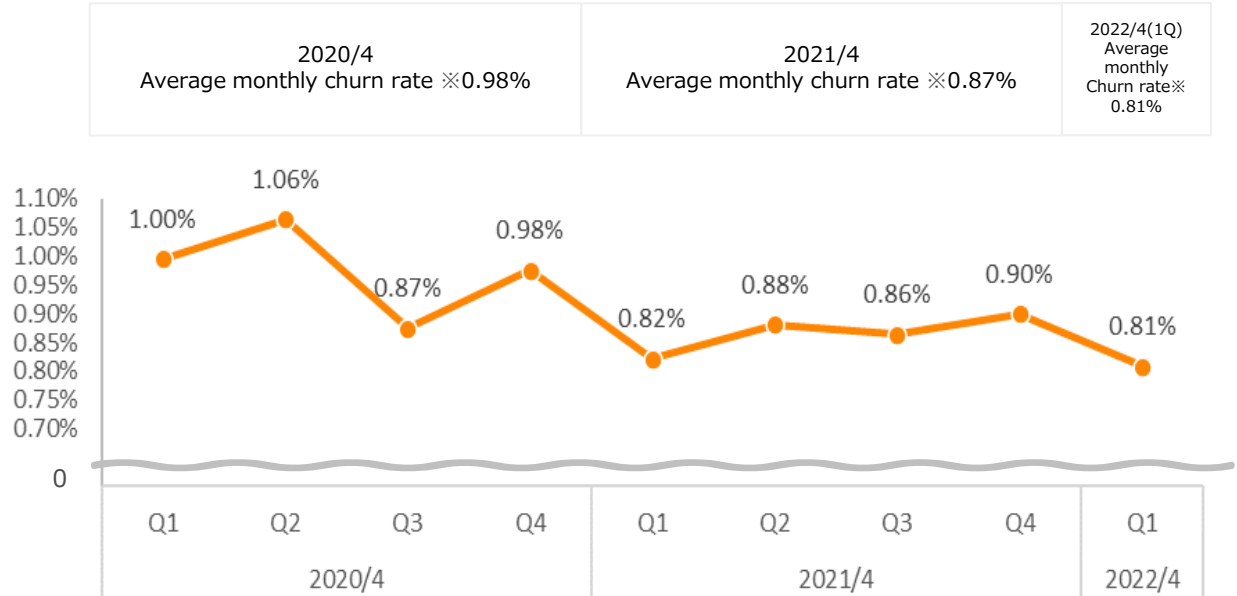


Platform Business

Next Engine —Churn rate trends

- Due in part to the aforementioned organizational changes, the churn rate improved further.

Churn rate

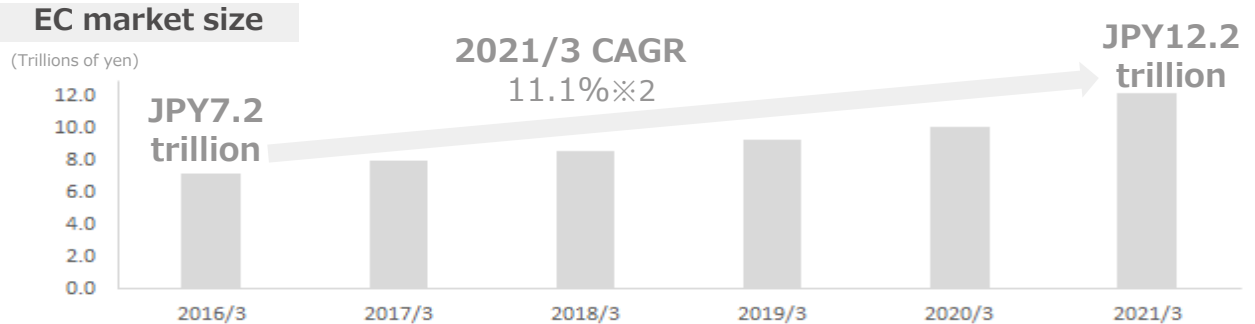
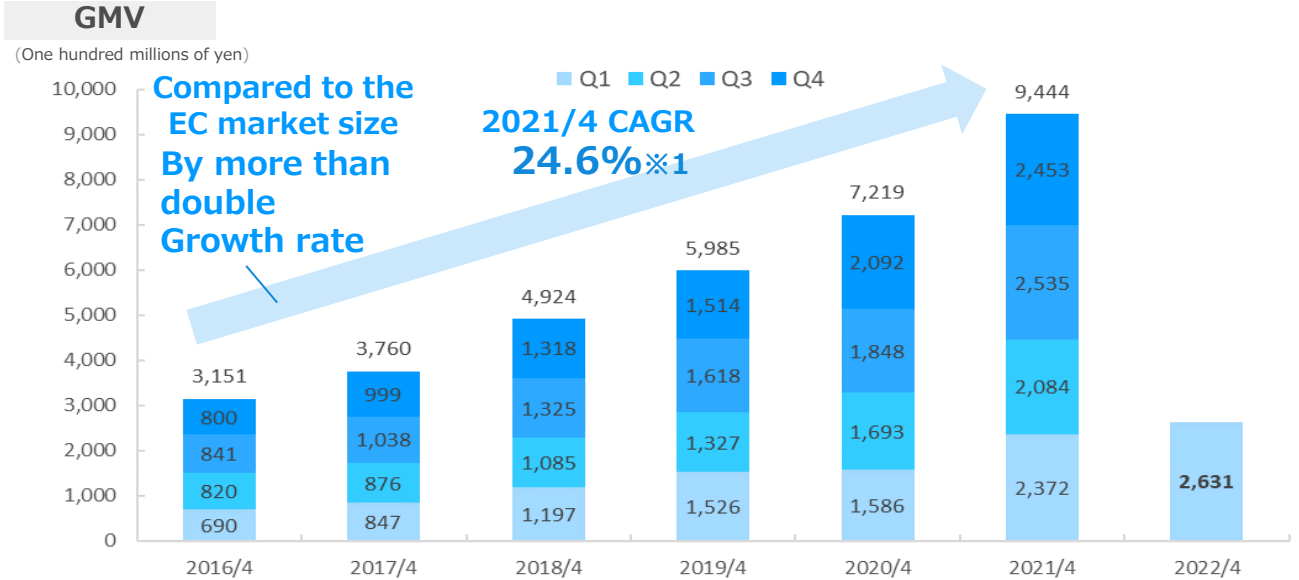


※ Annual average monthly churn rate: Figures calculated by dividing the number of contracted companies as of the end of the quarter from the average number of cancellations for each quarterly period are simple averages.

Platform Business

Next Engine —GMV trends

- Next Engine growth rate more than double that of the domestic EC market



※1 Average annual growth rate. Calculated assuming FY04/16 as the first year.

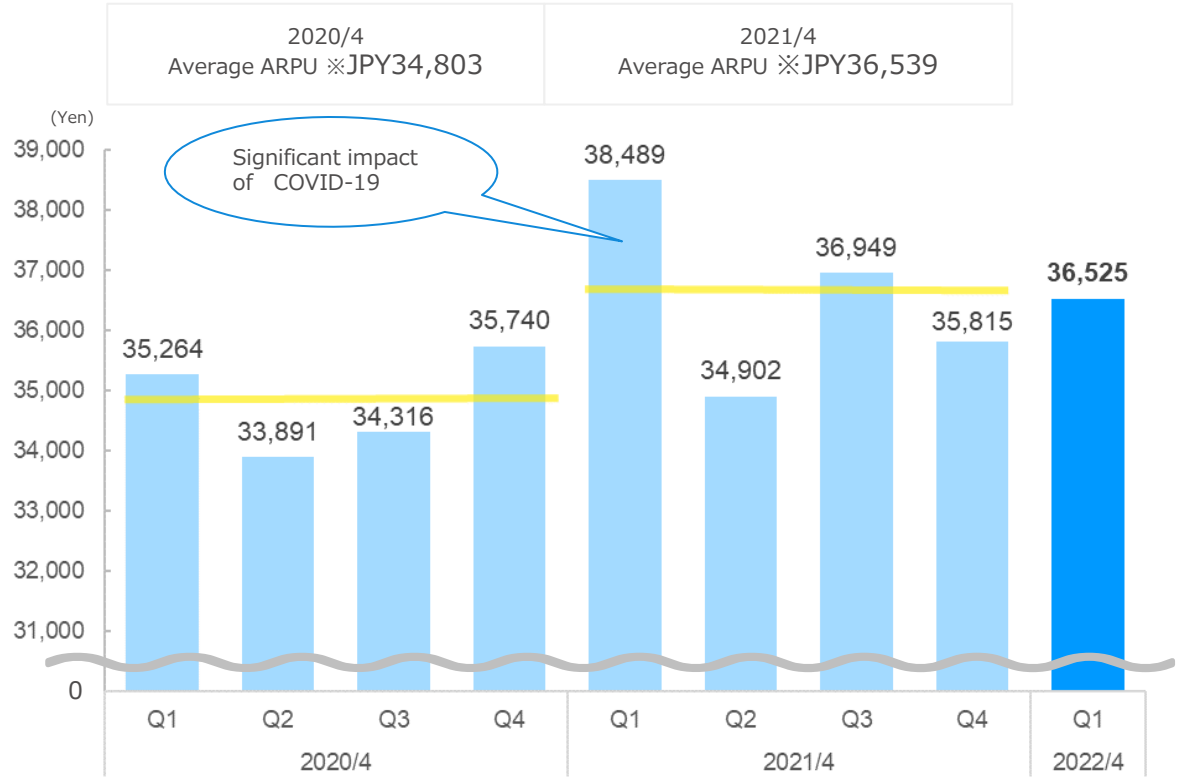
※2 In the Survey of E-Commerce conducted by the Ministry of Economy, Trade and Industry, deemed fiscal March 2016 (fiscal 2015) as the first year. Calculated by us from "Market Size of BtoC-EC in the Data Sales Field."

Platform Business

Next Engine —ARPU Trends

- Q1 was +2% higher QonQ
- Started contributing to ARPU by charging for "AI Auto Recommendation" app
- High hurdles in the previous fiscal year's Q1 due to the impact of COVID-19

ARPU

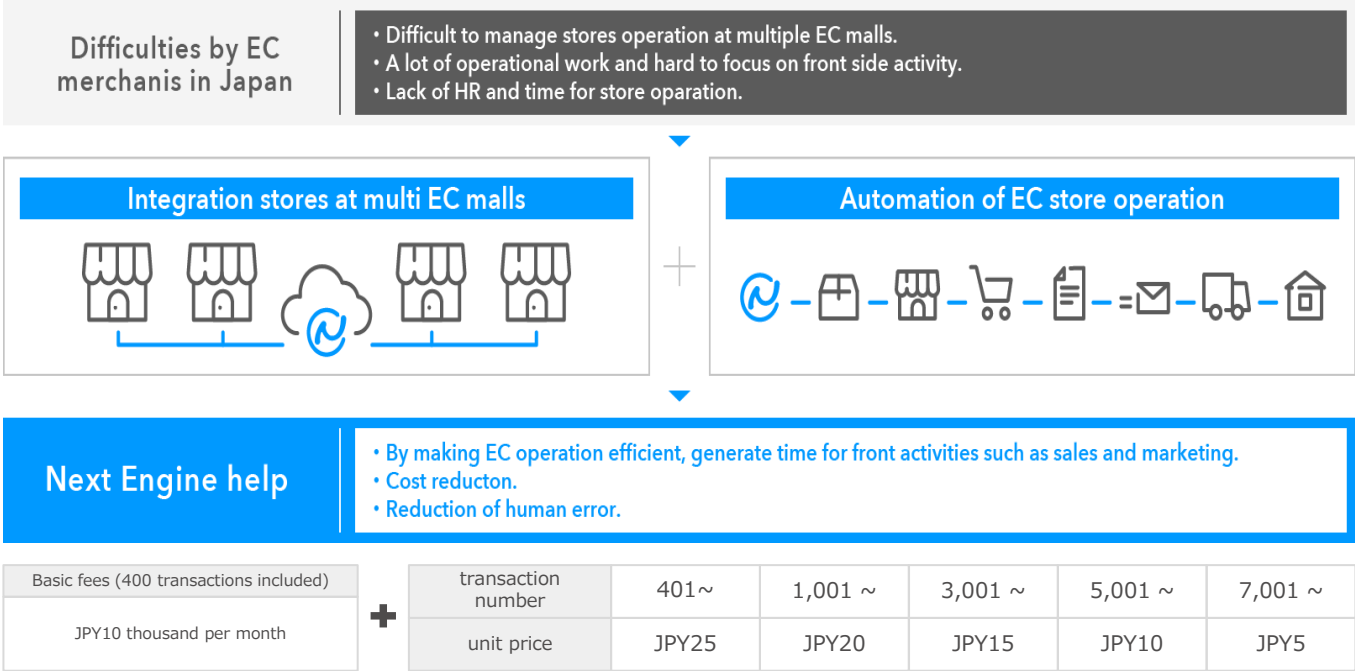


※ Annual average ARPU: Simple average of ARPU calculated for each quarterly period.

Platform Business

Next Engine —Main functions

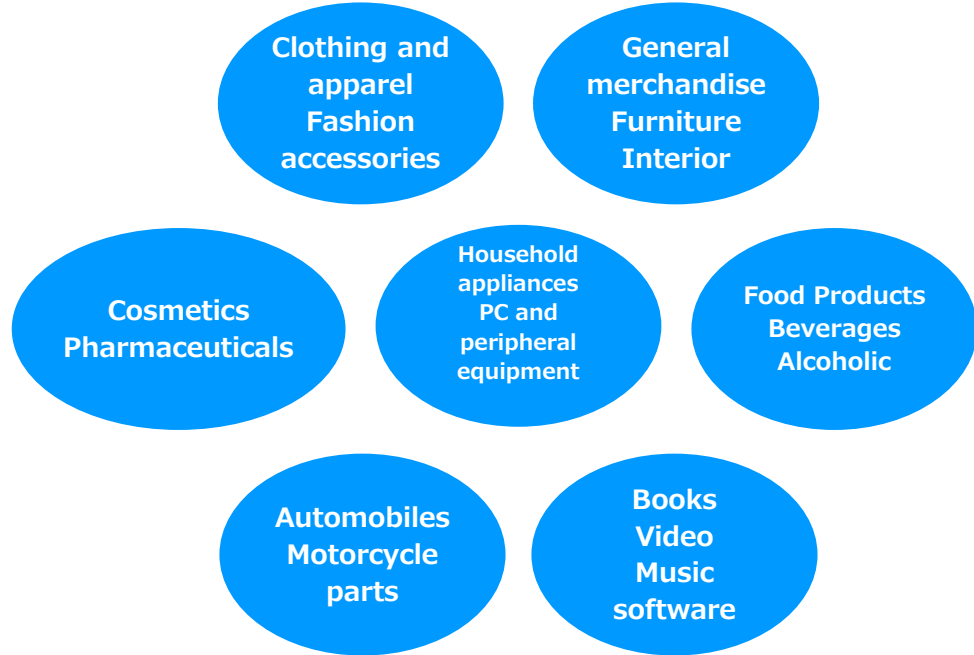
SaaS type EC Attractions
to support the automation
and streamlining of e-
commerce site
management operations



Platform Business

Next Engine —Clients

- Next Engine supports clients in various categories



※Partial posting

Platform Business

Next Engine —Clients



※Partial posting



Neversey Never Inc.

<https://neversaynever.jp/>

Product: Women's Fashion and Apparel



MADE IN EARTH

<https://madeinearth-store.jp/>

Product: Organic cotton products, Soap, furniture



International Swan Group

<https://swan-group.net/>

Product: Clothing, fashion accessories, etc.



THE BODY SHOP JAPAN

<http://www.the-body-shop.co.jp/shop/>

Product: Natural cosmetics



WARAI MIRAI

<http://waraimirai.com/>

Product: Suites, Fruits, Gifts

Next Engine —Strengths



NEXT ENGINE

**Born from
EC
operation**

Services born from opinions of "I want to enjoy work more " of our EC operations

**In No1 market
Number of
contracted
clients ※**

Strong trust backed by industry No.1 by continued support from EC businesses

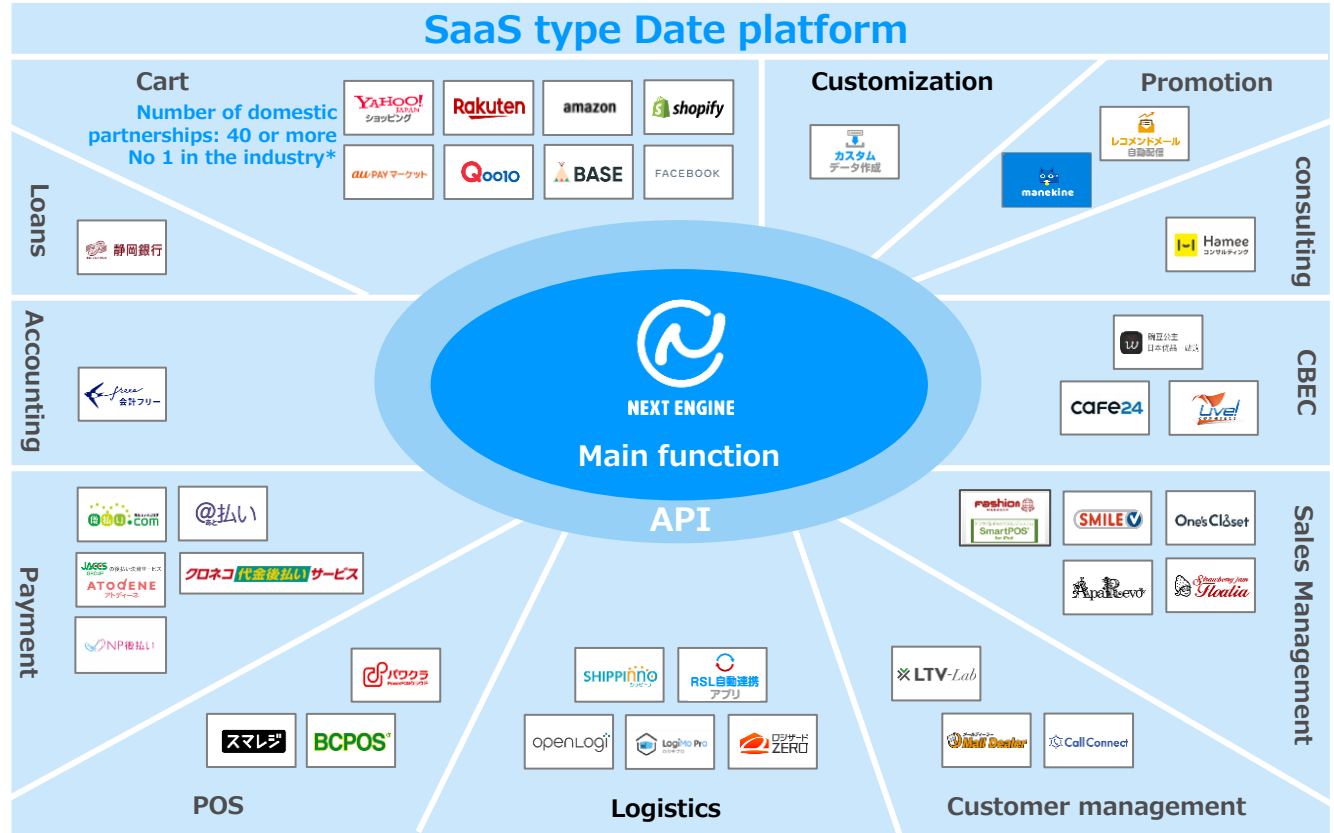
※Base on in-house research

**Resilient
Customization**

You can customize and add features in the Apps. Available consistently to use regardless of changes in size of business or social environment

Platform Business

Next Engine
—Strengths

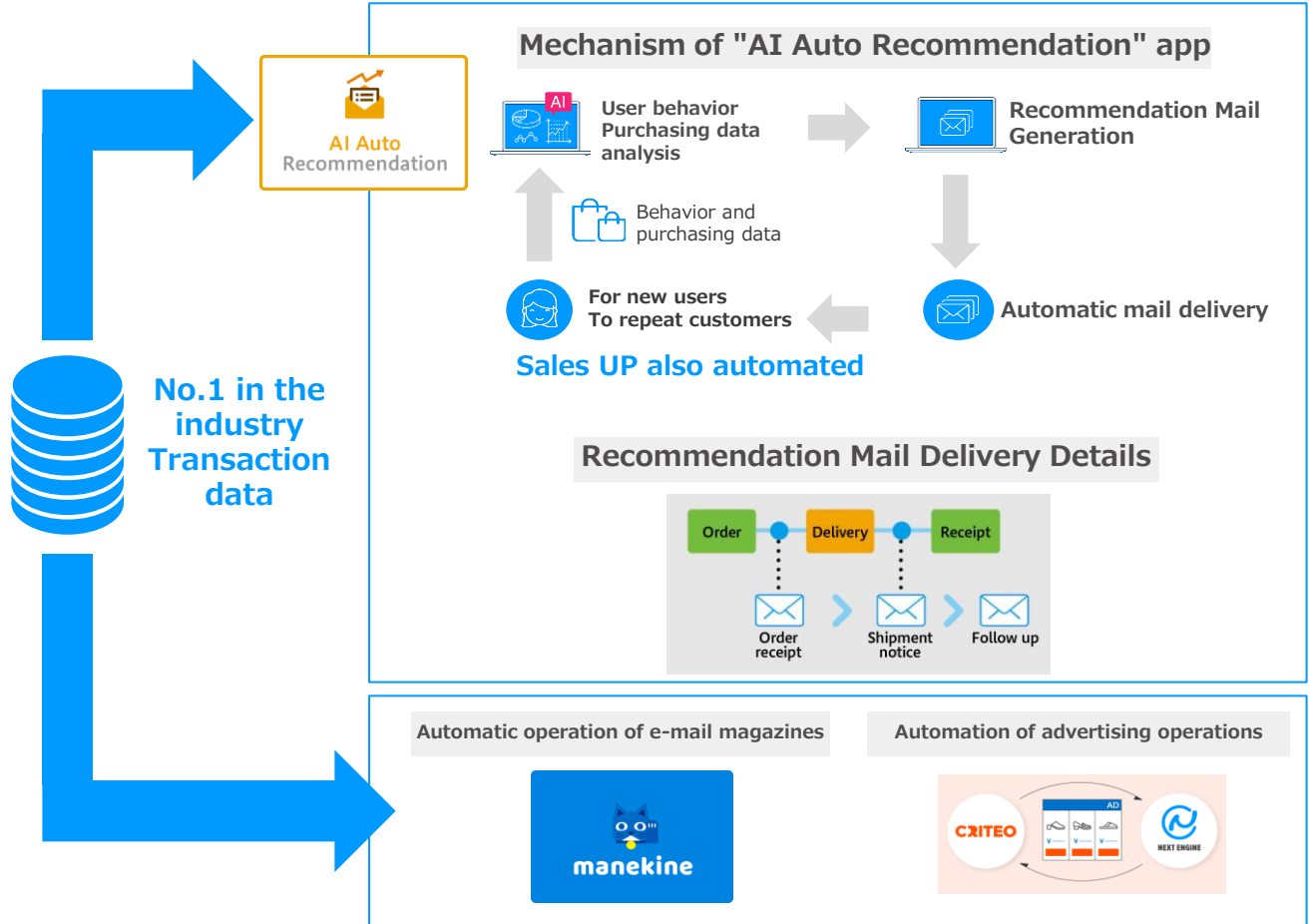


※ In house research, as of the end of April 2021

Platform Business

Examples of Up-Sell Measures Data-based marketing solutions

- "AI Auto Recommendation" app starts to be paid during Q1
- Started test marketing in Criteo and advertising operations automation



Commerce Business



Commerce Business

Q1 FY04/22 results

<Domestic market>

- Strong iFace. Recorded the same level of sales as last year, when iPhone SE2 was launched. In Q2, we are preparing to introduce a new series, such as a flip type, in preparation for the new iPhone sales campaign.
- Sales of peripheral accessories and products purchased by other companies (toys, etc.) declined.

<Overseas markets>

- US market: Significant increase of 89% due to capturing COVID-19 demand mainly for toys.
- Review product lineup to expand iFace sales.

| (Millions of yen) | 2021/4 | 2022/4 | | | |
|----------------------------|------------|------------|--------------------|--------|---|
| | Q1 results | Q1 results | Increase /Decrease | % YoY | Effect of change in accounting policy※1 |
| Commerce Business | | | | | |
| Net sales | 2,084 | 1,899 | △184 | △8.9% | +5 |
| EC (retail) | 1,218 | 1,141 | △77 | △6.3% | +0 |
| Real (wholesale) | 681 | 704 | 22 | 3.4% | +4 |
| Consolidated adjustments※2 | 184 | 54 | △130 | — | — |
| Operating income | 506 | 358 | △147 | △29.2% | +1 |
| Operating profit ratio | 24.3% | 18.9% | △5.4% | — | — |

※1 Effective from the fiscal year under review, we have adopted an accounting standard for revenue recognition, and the amount of impact is presented.

※2 Consolidation adjustments: Arise from differences of closing month between HQ and subsidiaries at the time of consolidation are presented.

※3 As a result of the organizational change at the beginning of the fiscal year, profits decreased due to the impact of the segment incurring personnel expenses (¥15 million), which were previously included in "Adjustments."

Commerce Business

Q1 FY04/22 Sales

Impact by sales channel

Real (wholesale):

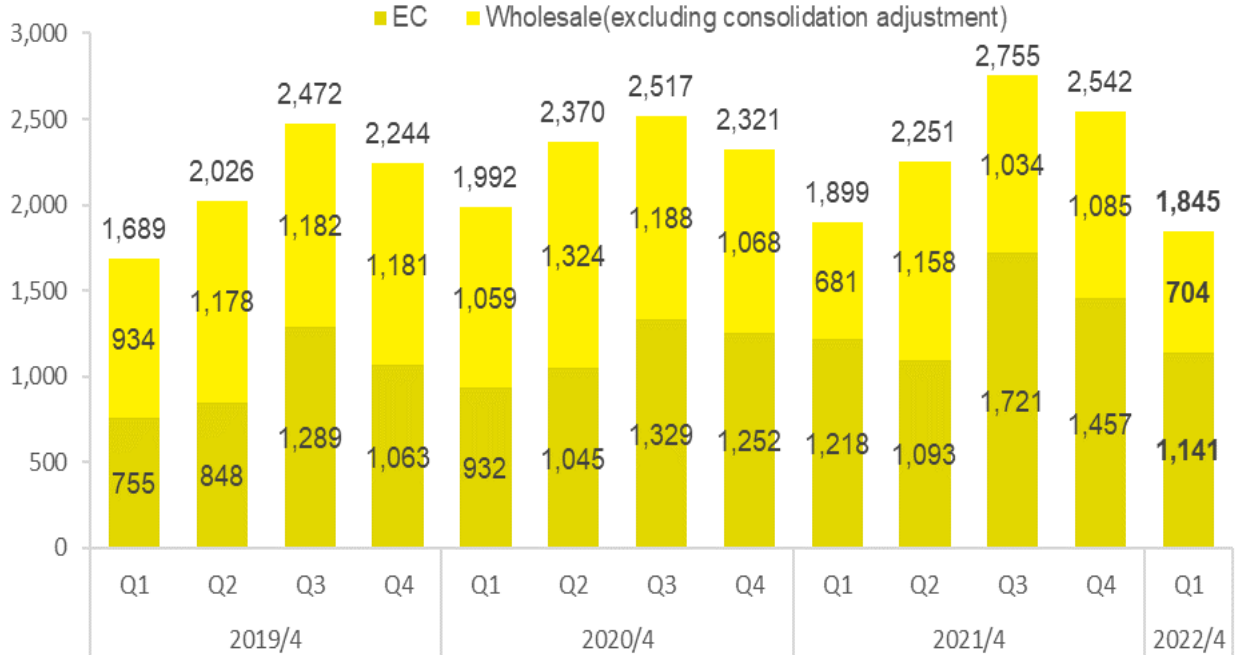
- Compared to the same quarter of the previous year, the period covered by the emergency declaration, etc. has lengthened.
- No reaction to the termination of the declaration seen last year
- Expansion of target areas for declaration, etc.

EC (Retail):

- While the e-commerce market continued to grow, the speed moderated compared to the rapid growth of Q1 last year.
- Impacted by price-cutting sales by competitors

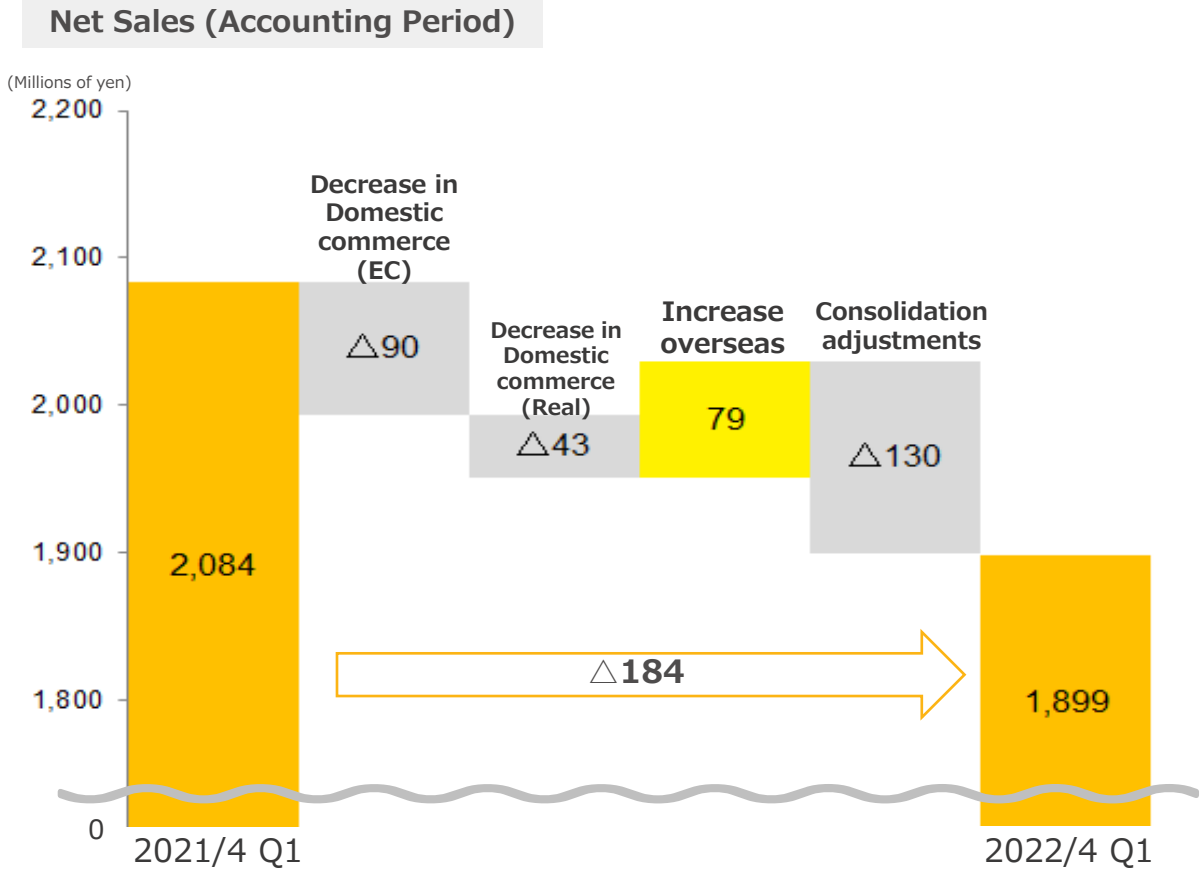
Net Sales (Accounting Period)

(Millions of yen)



Commerce Business

Q1 FY04/22
Sales analysis(YoY)



Commerce Business

Q1 FY04/22 Operating Income

Increase factor
(U.S. Market)
Significant growth in the U.S.
centered on other companies'
brands, such as toys

Decrease factor
(Domestic)

- Decrease in sales of peripheral accessories and products purchased by other companies (toys, etc.) Small.
- More personnel exp allocation due to organization change of design function as planned.

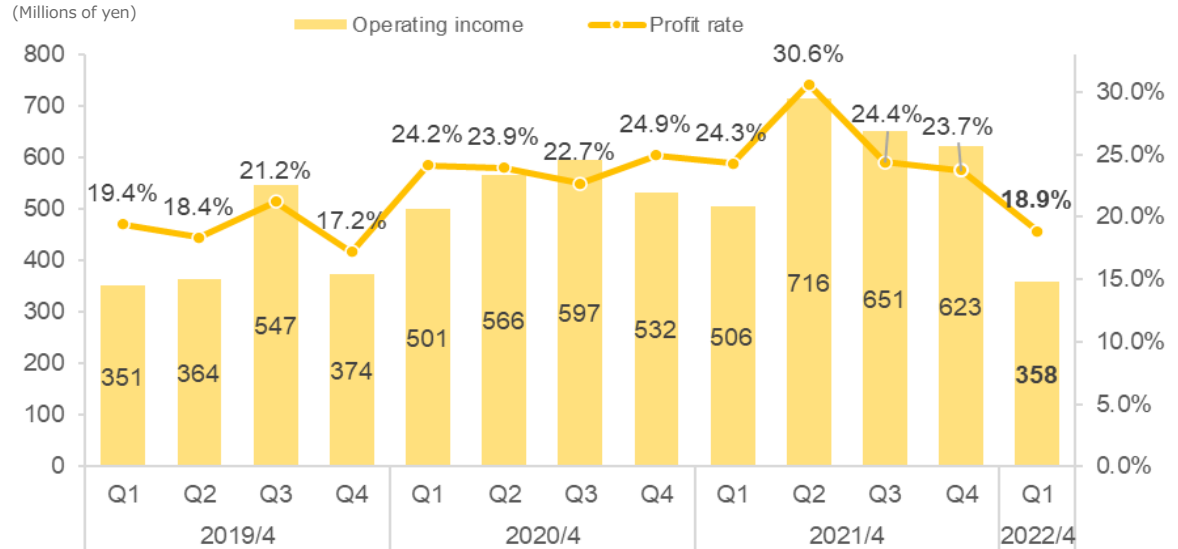
 (Korea)

Annual recruitment
FX KRW ↑ JPY ↓

Operating profit ratio

| 2021/4(Q1) | | 2022/4(Q1) | |
|--------------------------------|---------------------------------|--------------------------------|---------------------------------|
| After depreciation of goodwill | Before depreciation of goodwill | After depreciation of goodwill | Before depreciation of goodwill |
| 24.3% | <u>25.9%</u> | 18.9% | <u>20.8%</u> |

Operating Income (Accounting Period)



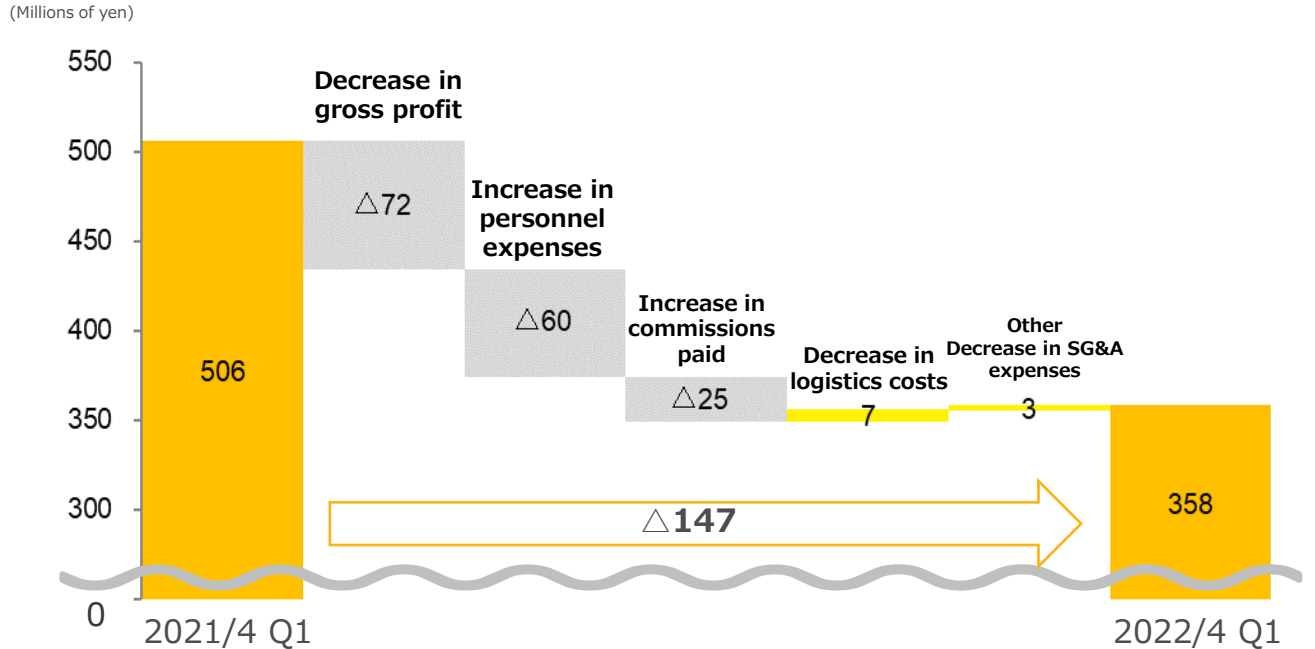
※Amortization of goodwill of iFace manufacturing function October 2019-September 2022

Commerce Business

Q1 FY4/21 Operating income analysis(YoY)

- Gross profit were decreased 1, due to sales of peripheral accessories and products purchased by other companies (toys, etc.) declined in Japan market.
- Personnel expenses were increased 1, due to the organizational change at the beginning of the fiscal year, a portion of personnel expenses (¥15 million), which was included in "Adjustments" in the previous year, was borne by the Commerce segment
- 2, due to foreign exchanges such as an increase between JPY/KRW
- 3, due to annual package review

Changes in Operating Income (Accounting Period)

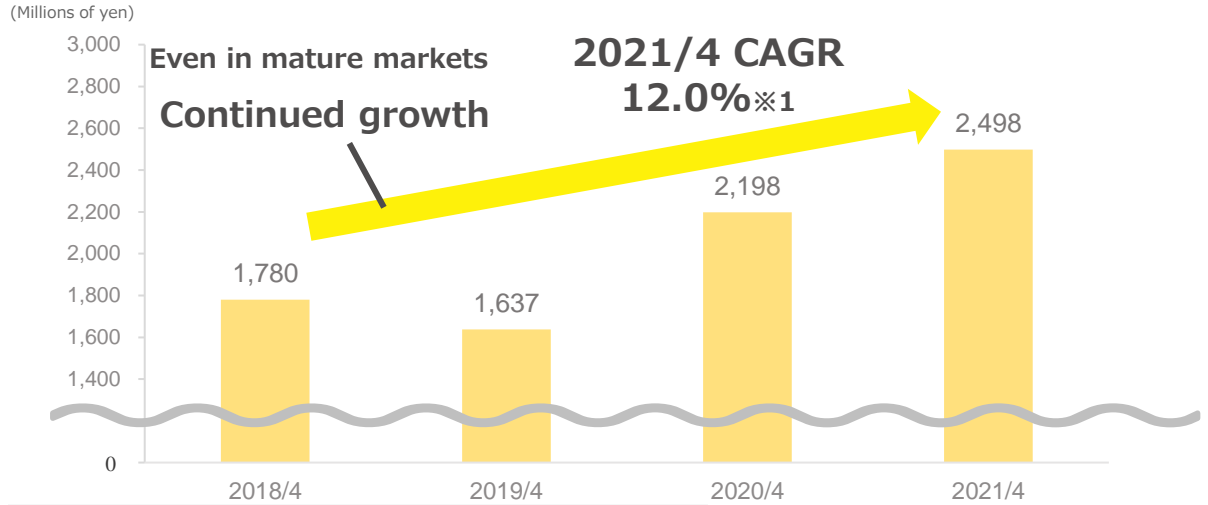


Commerce Business

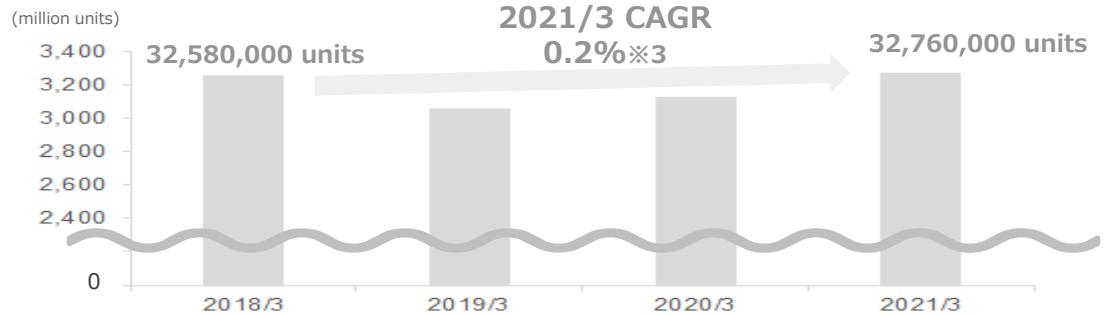
Continuous growth

- Achieve continuous growth even in the mature smartphone market.

Operating Income (Full Year)



Domestic smartphone shipments ※2



※1 Average annual growth rate. Calculated using 2018/4 as the first year.

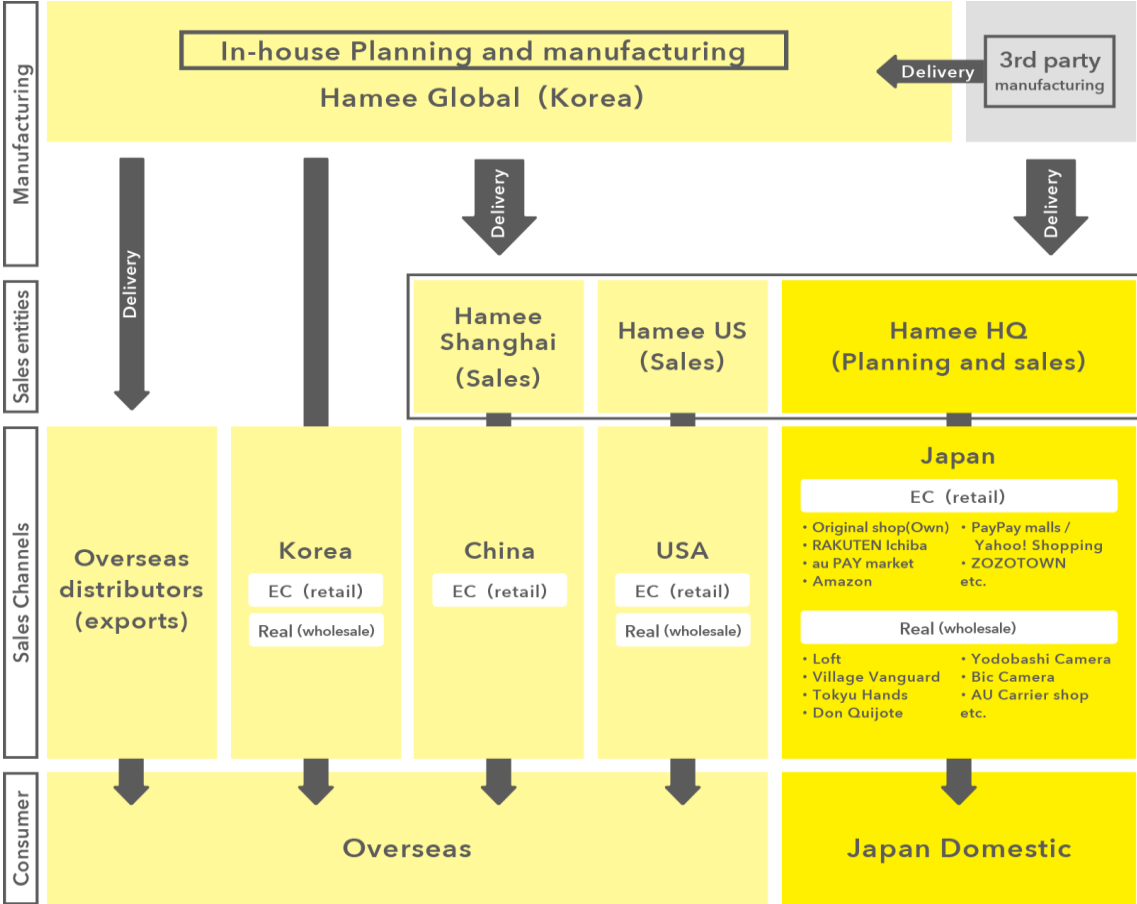
※2 We compiled a graph based on survey data from MM Research Institute, Ltd.

※3 Calculated by assuming 2018/3 (fiscal 2017) as the first year based on survey data from MM Research Institute, Ltd.

Commerce Business

Commerce Business Supply Chain

In iFace, we have established a system that can cover planning, manufacturing, and sales in-house.



iFace -Strengths



Design

The design takes into account not only functionality such as impact resistance, but also the expressions of personality such as unique curve and abundant color valuations.

Brand

1 in 2 knows the brand* due to the strength and usability, as well as the high visibility.

※Base on in-house Internet research

Young generation

40% of purchasers are young generation*, with a high level of loyalty, so succeed to keep special variety store such as LOFT as distribution channel.

Young generation = women aged 15 to 24. Base on in-house Internet research

High designability + Series expansion + Peripheral accessories development

Commerce Business

iFace —Series development

Voices of iFace user were commercialized

- **Look in Clear**

In a web-based survey, "Full Clear Case," which was the strongest demand, was commercialized as an item to be used in iFace.

- **Cardina**

Similarly, we adopted the "flip case," which had the strongest needs in the second web questionnaire, and product it. A new user base approach becomes possible. Characteristics include luxury feelings based on round form, card storage, and stand functions.



- **First Class**



- **Reflection**



- **Cardina**



- **Look in Clear**



Develop peripheral accessories

- **Finger Ring Holder**



- **Compact Wallet**



- **Grip On Silicone Case**



New Businesses

To utilize the capabilities of the 2 main businesses, create innovative new businesses. Same time, these support the evolution and growth of existing businesses

New Businesses

Q1 FY04/22 results

| (Millions of yen) | 2021/4 | 2022/4 | | | |
|-------------------|------------|------------|--------------------|-------|---|
| | Q1 results | Q1 results | Increase /Decrease | % YoY | Effect of change in accounting policy※2 |
| Net sales | 50 | 60 | 10 | 20.6% | +0 |
| Operating income | △81 | △83 | △1 | — | +0 |

※1 Results in the "Other Segment."

※2 Effective from the fiscal year under review, we have adopted an accounting standard for revenue recognition, and the amount of impact is presented.

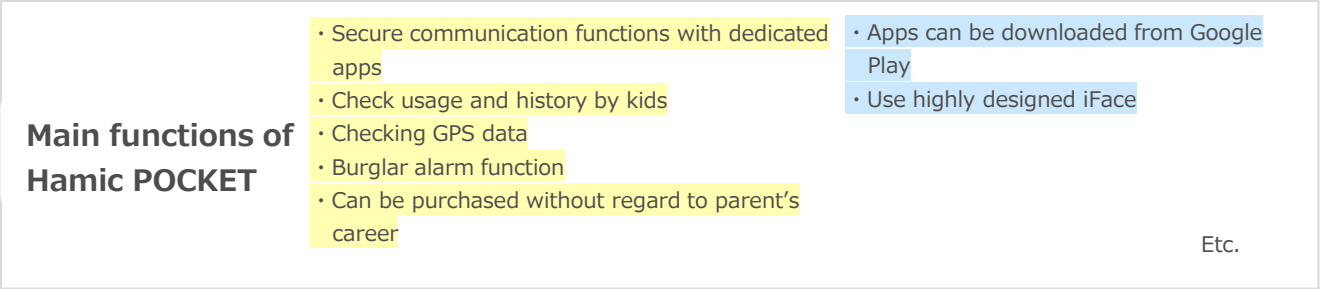
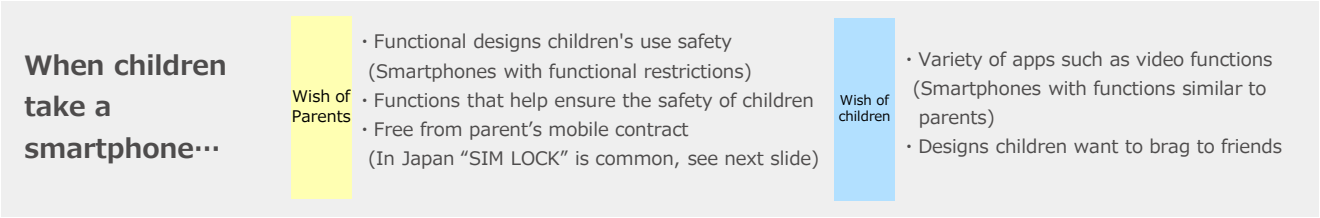
New Businesses

Hamic POCKET

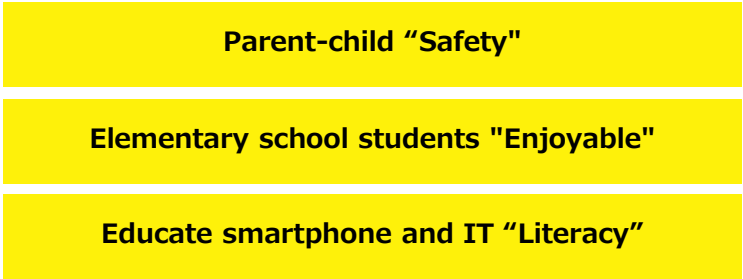
Forecasts for FY04/22
Operating loss JPY382 million

Initiatives in FY04/22
• Aiming to reach PMF (Product Market Fit) during FY04/22,

Status of Q1
• Monthly churn rate in the 1% range
• Started business negotiations with wholesales with a view to expanding sales after reaching PMF



Started sales on February 26, 2021 at Hamic [website](#)



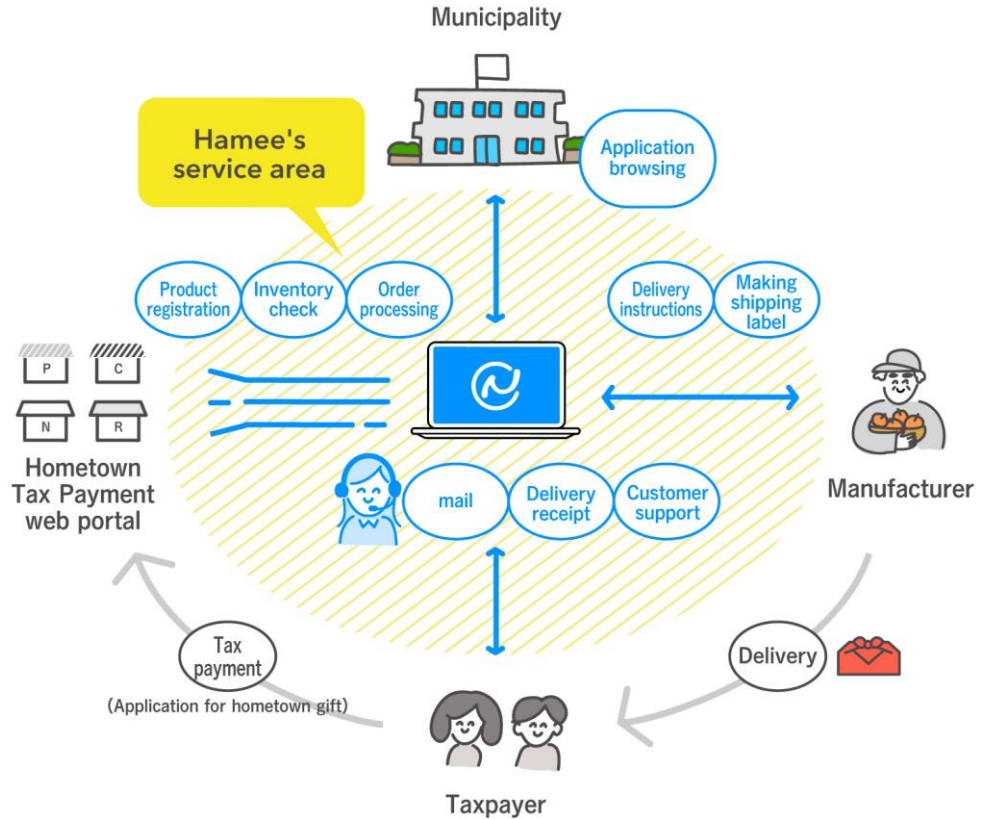
New Businesses

Hamee Hometown Tax Payment Support Service



- ① Steadily prepare for the year-end sales campaign
 - Enhance sites of contracted local governments by implementing various EC marketing measures (use of web ads, distribution of e-mail magazines, etc.)
 - Development of new return presents

- ② Strengthen sales activities to acquire new contracts for the next fiscal year

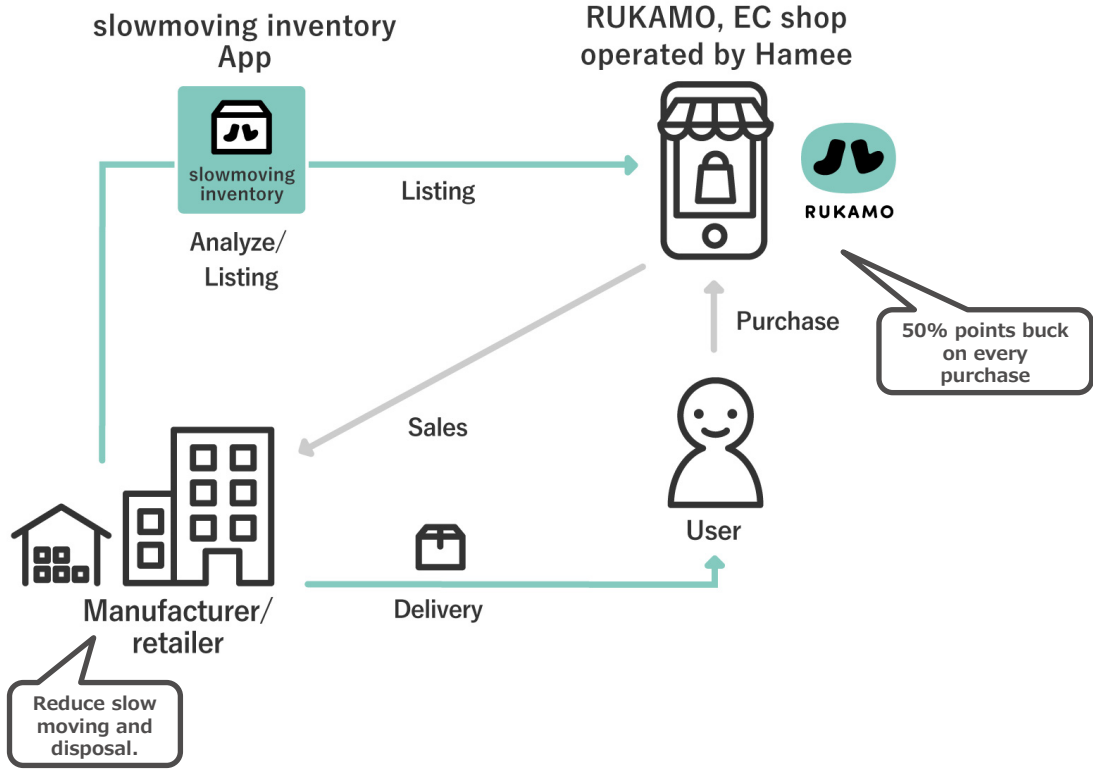


New Businesses

RUKAMO -For Sustainable Society-

We will deliver sustainable services that fulfill SDGs goal of 12, "Responsibilities to make products and services."

Status of Q1
Released a beta version of [BENEFITS](#), which delivers coupons to e-commerce operators and offers closed, limited-sales services to evolve RUKAMO



New Businesses

Pixio (Note)

- Concluded exclusive (Japan domestic) sales contract with Pixio USA Inc.
- A high-end gaming monitor brand that achieves affordability by cutting brokerage margins and marketing costs, albeit with high quality and performance using the most advanced grade panels
- Cross-selling with existing smartphone cases, collaboration in new product planning and development

NOTE) This is a new business in the "Commerce Segment" and not the Other Segment.



PXC327

WQHD, 165hz curved bezelless monitor with a number of functions

III. FY04/22 Year End Estimate

Estimate for FY04/22 Segment

| (Millions of yen) | | 2021/4 Results | 2022/4 | | | |
|----------------------|-----------------------|-------------------|----------|-----------------------|--------|----------------------|
| | | | Estimate | Increase /Decrease | % YoY | Composition ratio |
| Commerce Business | Net sales | 9,726 | 10,550 | 824 | 8.5% | 75.4% |
| | Operating income | 2,498 | 2,550 | 52 | 2.1% | 76.1% |
| | Profit ratio | 25.7% | 24.2% | △1.5% | — | — |
| Platform Business | Net sales | 2,308 | 2,750 | 442 | 19.2% | 19.6% |
| | Operating income | 954 | 1,050 | 96 | 10.1% | 31.3% |
| | Profit ratio | 41.4% | 38.2% | △3.2% | — | — |
| Others※1 | Net sales | 329 | 700 | 371 | 112.8% | 5.0% |
| | Operating income | △273 | △250 | 23 | △8.4% | △7.5% |
| | Profit ratio | — | — | — | — | — |
| Total | Net sales | 12,363 | 14,000 | 1,637 | 13.2% | 100.0% |
| | Segment profit | 3,180 | 3,350 | 170 | 5.3% | 100.0% |
| | Adjusted amount ※2 | △1,000 | △1,100 | △100 | 10.0% | △32.8% |
| | Operating income | 2,179 | 2,250 | 71 | 3.2% | — |
| | Profit ratio | 17.6% | 16.1% | △1.5% | — | — |

※1 Others: New services that cannot be clearly classified into either the Commerce Business or the Platform Business are described as "Others."

※2 Adjusted amount: Back office administrative expenses.

Initiatives in FY04/22

Next Engine

- **Continuously strengthen customer success activities**
Promote digitalization of routine operations and deepen analog communication
Holding webinar to enhance operational proficiency, etc.

- **Utilizing Group Resources**
Initial setting supported by Hamee consulting corp., etc.

- **Enhancement of upsell measures**
Promotion of "AI Auto Recommendation" app, etc.
Reciprocal clients referrals with business partners
Implementation of other new measures



Hamee Consulting

- **Cross-selling from initial setting of Next Engine to consulting and EC operation outsource**
- Accelerate acquisition by strengthening advertising activities
- Consulting upsell plan by strengthening services
- Establishment of new services

Platform Business

Progress in FY04/22

| (Millions of yen) | 2022/4 | | |
|------------------------|------------|-----------------------|---------------|
| | Q1 results | Forecast for the year | Progress rate |
| Platform Business | | | |
| Net sales | 656 | 2,750 | 26.3% |
| Operating income | 272 | 1,050 | 26.0% |
| Operating profit ratio | 41.5% | 38.2% | — |

Assumptions for full-year forecasts

<Next Engine>

- Number of clients over 5,500 at the end of the period
- ARPU at the same level as in FY04/21
- Aiming for further improvement in churn rate
- Investment with an eye on future business growth
 - a. Strengthen investment in cloud infrastructure centered on servers +83
 - b. Strengthen recruitments of development staff and fresh graduates +103

<Hamee Consulting>

- Continuous acquisition of new clients
- Steady execution of the upsell plan
- Synergy with Next Engine

Initiatives in FY04/22

Domestic Business

- **Continuous development of new series**
Expand "Look in Clear" following "First Class" and "Reflection"



- **Challenge to expand Category by iFace Brand**

- **Expansion of business to further developing gaming monitor market utilizing existing management resources**



- **Strengthen initiatives for sustainability**
Promotion of sustainable programs (introduction of recyclable materials, reduction of waste through manufacturing processes, recycling as solid fuel, etc.)



Global Business

- **Expand sales of in-house Products**
Transaction volume of in-house products is expanding in the U.S.



- **iFace Global Site Established**
Receiving orders from around the world and taking on the challenge of new DtoC schemes



Commerce Business

Forecast for FY04/22

| (Millions of yen) | 2022/4 | 2022/4 | |
|------------------------|------------|-----------------------|---------------|
| | Q1 results | Forecast for the year | Progress rate |
| Net sales | 1,899 | 10,550 | 18.0% |
| Operating income | 358 | 2,550 | 14.1% |
| Operating profit ratio | 18.9% | 24.2% | — |

Assumptions for full-year forecasts

<Domestic Business>

- Wholesale at the same level as in FY04/21
- The EC market is expected to continue expanding, and EC sales continue to grow.
- Started cosmetics business. Initial investments mainly in advertising (operating loss JPY224 million)
- Gaming monitors sales forecast is about the same level as immediately before we entered into an agency contract with Pixio USA (Annual sales JPY665 million)

<Global Business>

- Expand EC sales centered on in-house products in the U.S.
- Start cosmetics business in Korean market. Initial investments mainly in advertising (operating loss: JPY11 million)
- Launch of iFace DtoC scheme

APPENDIX Reference

Thoughts at the time of the company's establishment

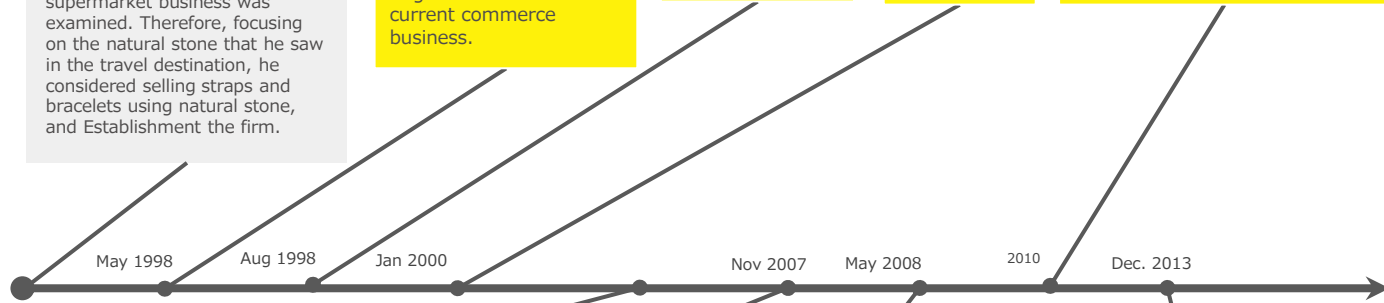
Founder Higuchi was a university student at the time. Windows95 was released and he inferred the Internet will become a social foundation in the future. Conscious of the distribution revolution through the Internet, it was difficult to handle fresh products, though the Internet supermarket business was examined. Therefore, focusing on the natural stone that he saw in the travel destination, he considered selling straps and bracelets using natural stone, and Establishment the firm.

Establishment Macrowil Co., Ltd, sell and e-commerce mobile-related accessories at Odawara City, Kanagawa Prefecture. Sales of straps using natural stones, etc. This is the original business of the current commerce business.

Launched e-commerce for mobile peripheral accessories on its website "Mobile Accessories Market"

Opening Stores in Rakuten Ichiba.

Smooth shift from mobile strap-centric sales to smartphone case-centric sales due to accurate understanding of the shift from traditional feature phones to smartphones.



Background to Next Engine development

The Commerce business was steadily expanding, but as the company expanded in size, the frequency of e-mail contacts and inquiries related to inventory dispatch business, which had been handled by hand increased, and the burden on employees increased. In order to reduce the operational burden, the introduction of an external order management system was not suitable for operation. Therefore, the system is developed in-house.

Started operation of Next Engine

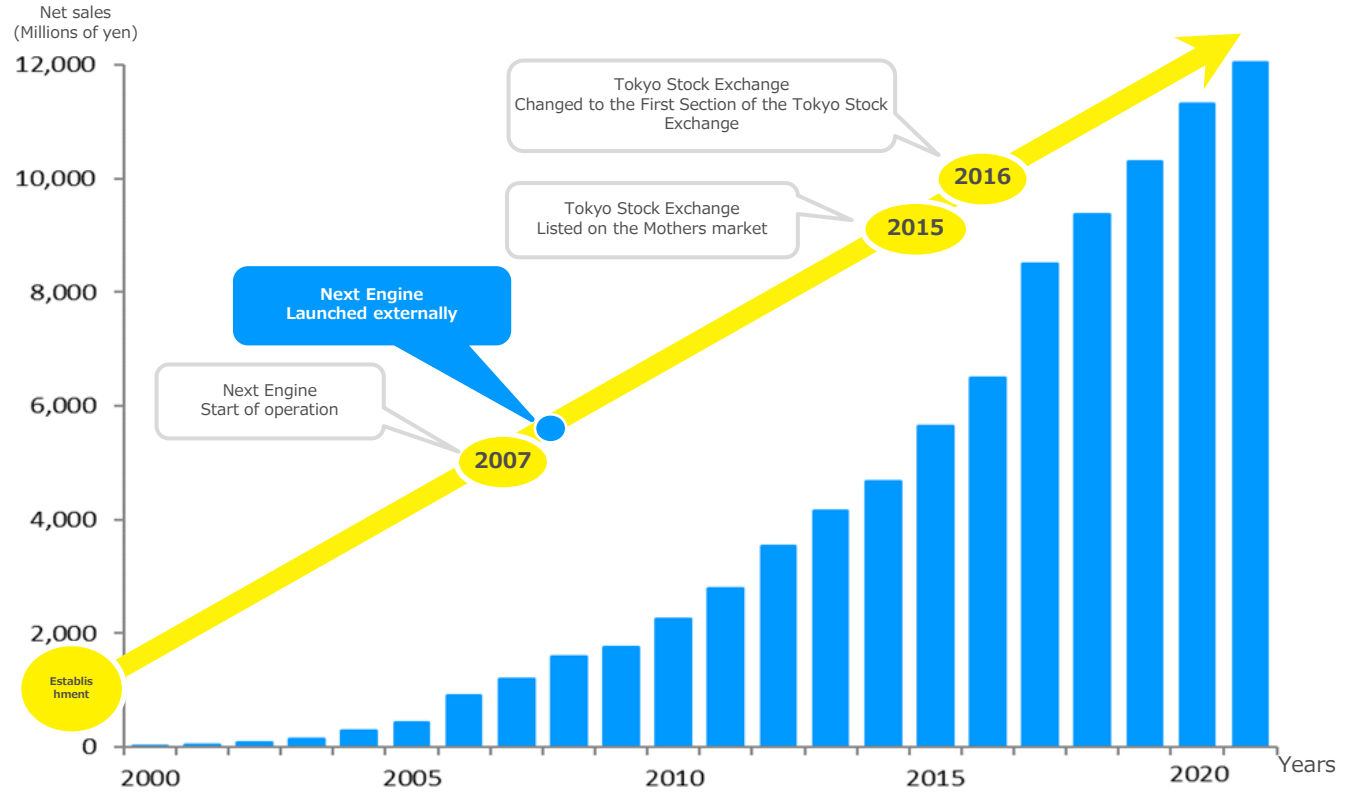
Launched externally provided of Next Engine

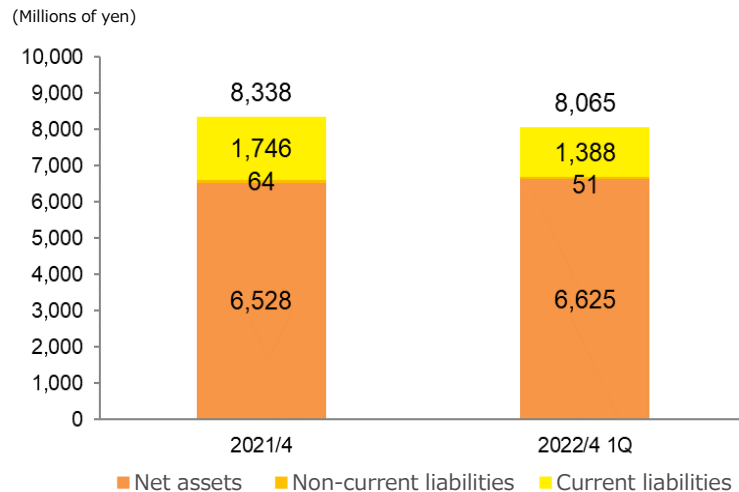
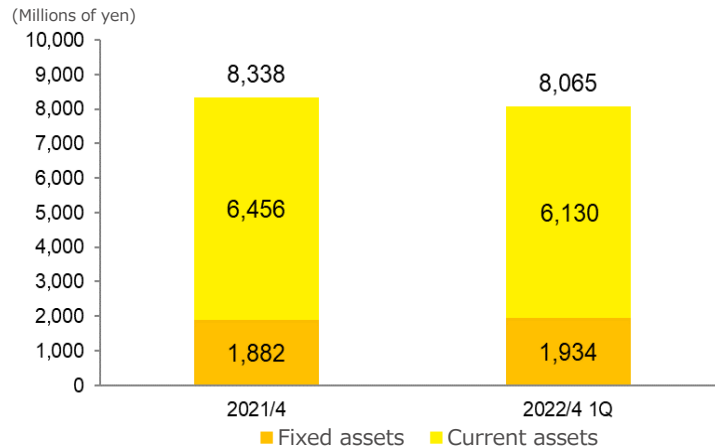
Since it was a SaaS type system, it was available without the initial investment and the price setting of JPY10 thousand per month had a big impact on the market. This is the starting point for the current platform business.

Launched Next Engine's API as a platform



History (Growth Trajectory)





| Current assets | | 6,130 (Δ326) | |
|---------------------------------|-------|---------------|--|
| ■ Cash and deposits | 3,086 | (Δ267) | |
| ■ Notes and accounts receivable | 1,291 | (Δ299) | |
| ■ Inventory | 1,052 | (+89) | |
| ■ Others | 721 | (+149) | |

| Fixed assets | | 1,934 (+52) | |
|---------------------------------|-----|--------------|--|
| ■ Property, plant and equipment | 693 | (+74) | |
| ■ Intangible assets | 562 | (Δ40) | |
| ■ Investments and other assets | 678 | (+19) | |

| Current liabilities | | 1,388 (Δ357) | |
|--------------------------|-----|---------------|--|
| ■ Accounts payable | 224 | (+15) | |
| ■ Accounts payable-other | 687 | (Δ42) | |
| ■ Income taxes payable | 130 | (Δ348) | |

| Non-current liabilities | | 51 (Δ12) | |
|-------------------------|----|-----------|--|
| ■ Long-term loan | 31 | (Δ12) | |

| Net assets | | 6,625 (+101) | |
|---------------------|-------|---------------|--|
| ■ Retained earnings | 5,706 | (+93) | |

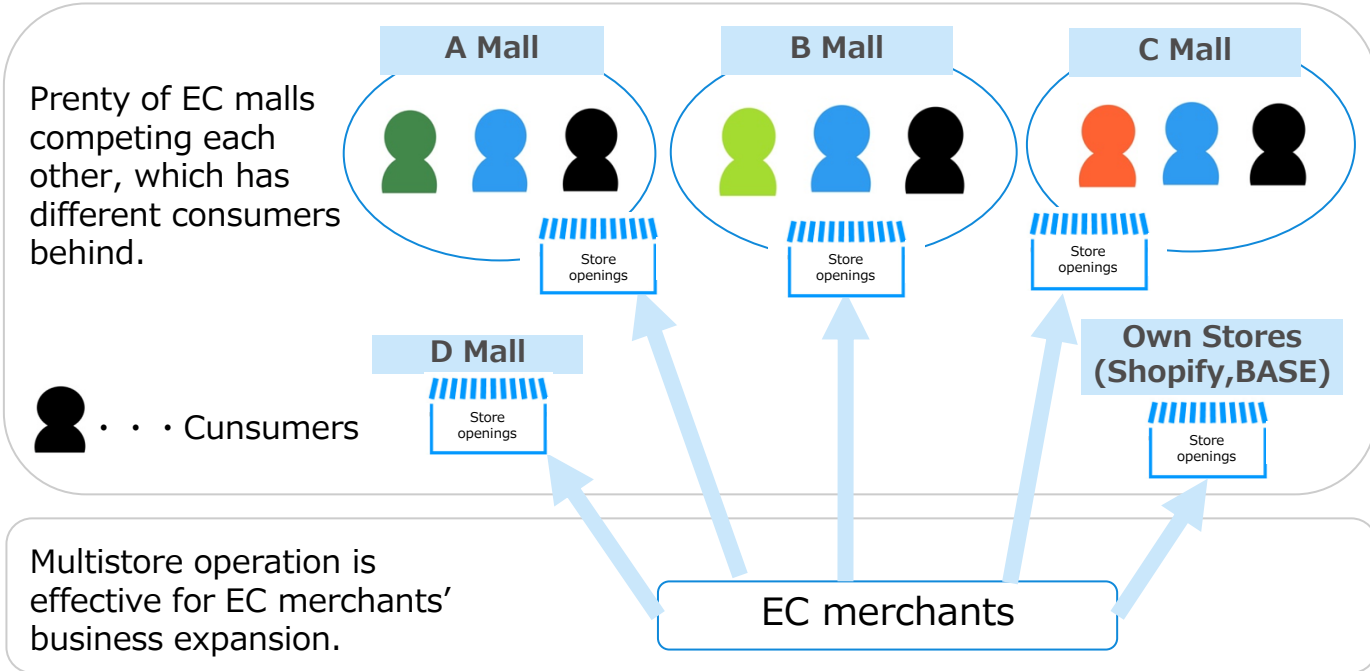
Next Engine indicators

| Fiscal Year | 2020/4 | | | | |
|---|-----------|-----------|-----------|-----------|-----------|
| | Q1 | Q2 | Q3 | Q4 | Full year |
| Number of clients | 3,718 | 3,790 | 3,849 | 3,997 | 3,997 |
| Number of stores | 28,814 | 29,376 | 30,034 | 30,835 | 30,835 |
| GMV (Millions of yen) | 158,568 | 169,333 | 184,819 | 209,220 | 721,940 |
| ARPU (yen) | 35,264 | 33,891 | 34,316 | 35,740 | 34,803 |
| Monthly churn rate | 1.00% | 1.06% | 0.87% | 0.98% | 0.98% |
| Transaction number processed (ten thousand) | 2,248 | 2,133 | 2,302 | 2,864 | 9,547 |
| LTV(Lifetime Value) (yen) | 3,543,583 | 3,184,650 | 3,923,231 | 3,662,894 | 3,578,589 |

| Fiscal Year | 2021/4 | | | | | 2022/4 |
|---|-----------|-----------|-----------|-----------|-----------|-----------|
| | Q1 | Q2 | Q3 | Q4 | Full year | Q1 |
| Number of clients | 4,179 | 4,351 | 4,513 | 4,739 | 4,739 | 4,949 |
| Number of stores | 31,771 | 33,114 | 34,461 | 36,004 | 36,004 | 37,765 |
| GMV (Millions of yen) | 237,157 | 208,428 | 253,487 | 245,304 | 944,375 | 263,114 |
| ARPU (yen) | 38,489 | 34,902 | 36,949 | 35,815 | 36,539 | 36,525 |
| Monthly churn rate | 0.82% | 0.88% | 0.86% | 0.90% | 0.87% | 0.81% |
| Transaction number processed (ten thousand) | 3,394 | 2,876 | 3,364 | 3,321 | 12,955 | 3,543 |
| LTV(Lifetime Value) (yen) | 4,684,866 | 3,961,527 | 4,275,717 | 3,978,015 | 4,225,031 | 4,519,089 |

※GMV and the number of orders processed are the totals at the end of each quarter. Monthly churn rate's figures are calculated by dividing the number of contracted clients end of Q4 from the average number of cancellations during the quarterly period.

Characteristics of Japan's EC Market



EC merchants in Japan face difficulties when start

• More complicated to manage orders, inventories, items at multistore in different EC malls who have original program each others.

Next Engine Global expansion "Next Engine Korea"

Next Engine Korea compatible a number of Korean EC malls

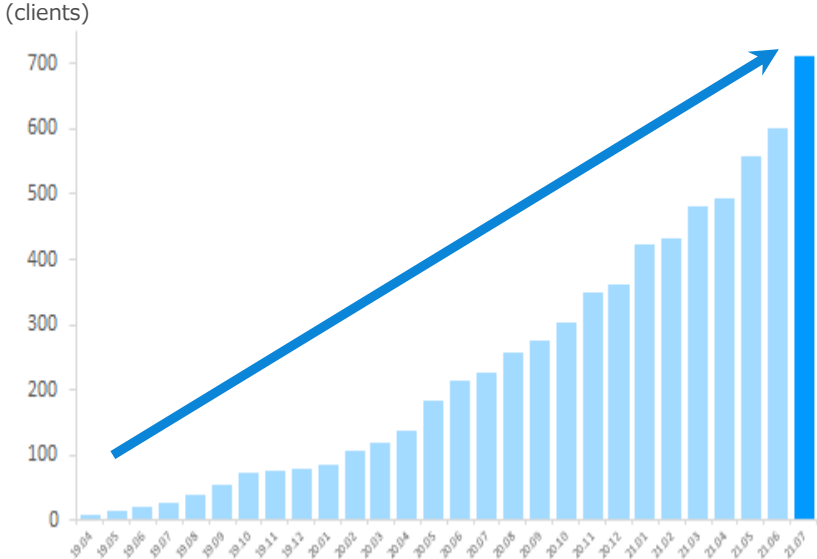
To establish subscription model in oversea market based on mid term strategy



"Next Engine Korea" compatible EC malls

| | | | | | |
|------------|---------|-----------|----------|--------|-----------|
| SmartStore | coupang | Gmarket | AUCTION. | 11D | INTERPARK |
| emart | BUNNAGE | LOTTE.COM | MakeShop | CAFE24 | 10X10 |

(As of the end of April 2021/Partial excerpt)



Next Engine Korea Number of clients as of July 2021

712 clients

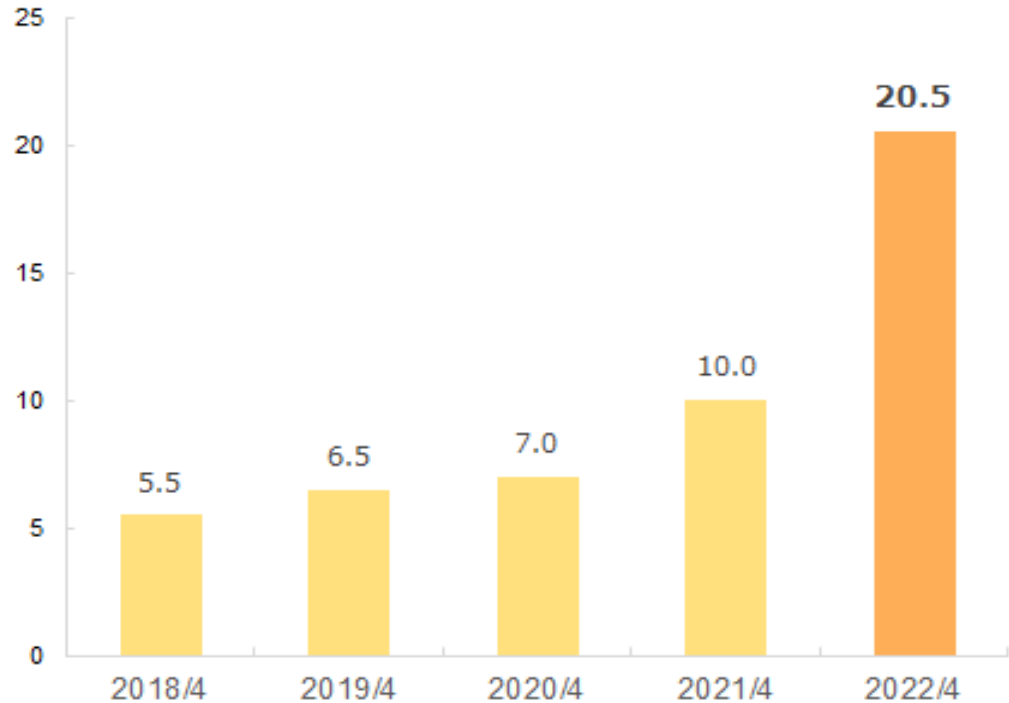


Shareholder Returns— Dividend per share

- Dividend payout ratio was 10% until FY04/21
- In FY04/22, we expects a dividend payout ratio of 20% to increase substantially in order to achieve its medium-term management plan.

Dividend amount

(Yen)



CORPORATE DX & SDGs

~DX and SDGs that set fire to their own creative spirits~



Hamee

Fostering a corporate culture

Because of VUCA,
We are fostering on a flexible organizational culture that celebrates innovative challenges, that is, fostering a culture the creative spirit burns.



Hamee

Work style DX

- Full telework has been introduced, and the personnel system also has been refurbished.
- Both in-house meetings and brain storming succeeded in bringing almost all communications online.
- Started the express commuting system "Flexible commuting to HQ" to make it easier for telework employees to come offices.

Renovation of the personnel system



Remote work -
Preparation-
allowances



Remote work
allowances

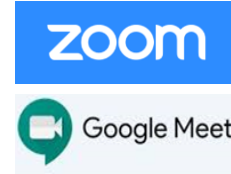


"Allowances for
Odawara living"



"Flexible commuting
to HQ"

Adoption of tools



Online conferencing
tools



Online Whiteboard



Media platform

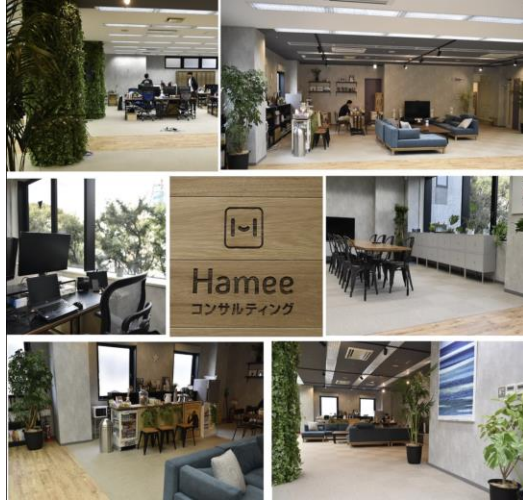


Workplaces DX

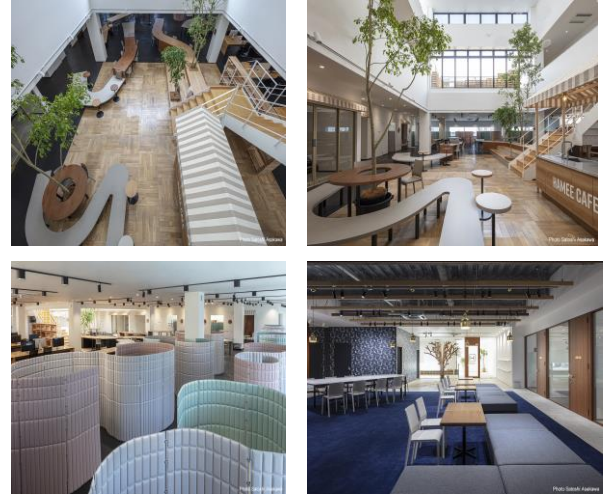
- Since July 2020, we have instituted a new normal work style that allows employees to freely select office work and remote work, and we have been promoting a work style DX.

- On the other hand, we believe that ideas born from real communication are also important, and in June 2021, we renewed the Odawara Head Office with the aim of revitalizing such communication.

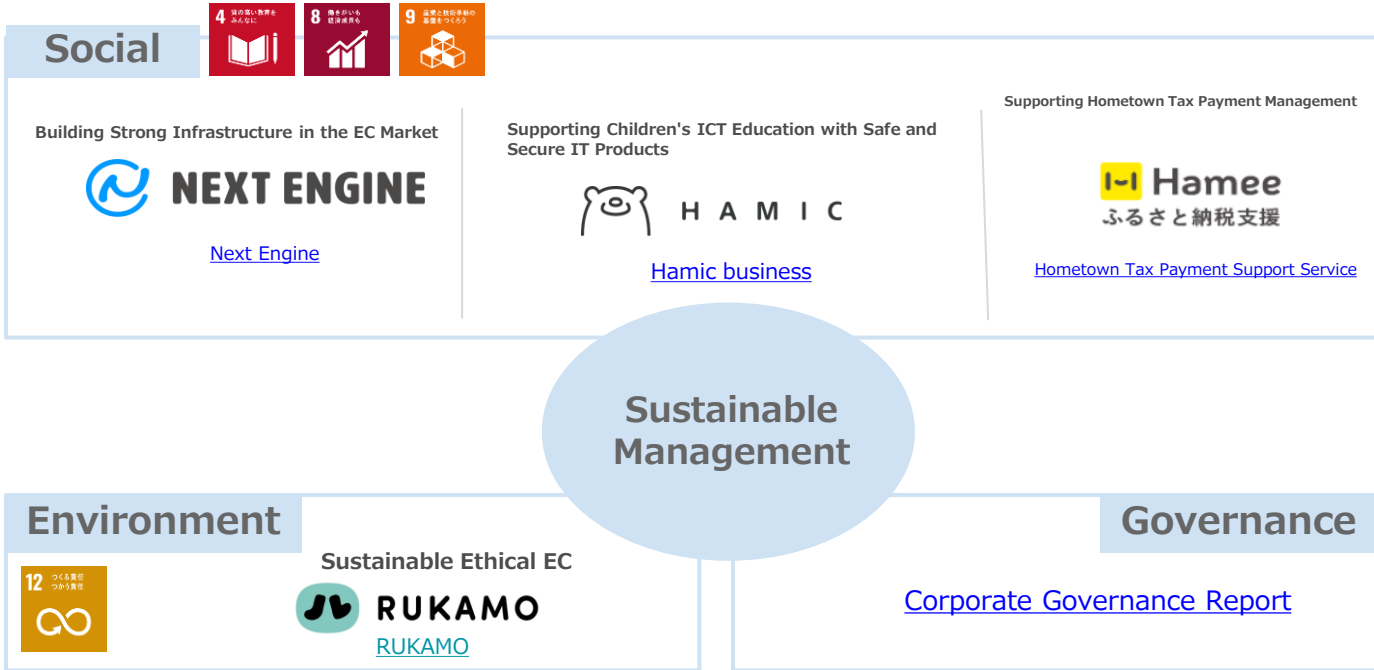
Integrated Hamee Consulting & Tokyo Sales Office



Odawara Head Office Renovation



Sustainable management





Disclaimer

- This document includes the outlook for our company, future plans, and managerial goals. These forward-looking statements are based on current assumptions regarding future events and trends, and there is no guarantee that the assumptions are correct. There is a possibility that actual results will be different from those mentioned in this document for various reasons.
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