



# Hamee Corp.

Q2 FY04/22

Results briefing materials

Reference only

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

## Highlights

### Platform Business

#### <Next Engine>

- The number of contracted clients exceeded 5,000.
- Promoting server investment in cloud infrastructure.

#### <Hamee Consulting>

- Continue to expand consulting sales from big companies.
- Orders for website management agency and production and renewal also increased, and the company aims to expand by establishing a new specialized department.

### Commerce Business

#### <Domestic market>

- Higher sales and profits due to successful sales of new iPhone.
  - ➔Develop products that capture market trends/Release new iFace series/Maximize new products that simultaneously launch devices /Effectively PR/inventory control.

#### <Overseas(US) markets>

- By strengthening product planning and organizational strength,launched localized items and expanded sales. Strengthening character development in low rebound general merchandise and iFace increased sales.

### New Businesses

#### <Hometown Tax Payment Support Service>

- Promote the development of returned goods, leading to an increase in donations by contract municipalities. Contract municipalities' donations greatly increased by 53.2% year-on-year.

#### <Hamic POCKET>

- We plan to release Hamic POCKET L (approximately twice the battery capacity compared with the previous model), which was developed based on the opinions of our predecessors. Promote verification of issues and aim to achieve PMF.

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

## Appendix

- Company Profile
- Business Overview
- Reference information

# I. Financial Results

## Q2 FY04/22 Overview

### Net sales and Operating income

Higher sales and profits due to successful sales of new iPhone in the Commerce Business.

### Net Profit attributable to owners of parent

Significant increase due to extraordinary gain of JPY172 million from the sale of a portion of shares of an equity-method subsidiary.

(Millions of yen)

Financial statement	2021/4	2022/4			[Reference] 2022/4	
	Q2 results	Q2 results	Increase /Decrease	% YoY	Full-year results	% YoY
Net sales	2,937	3,331	393	13.4%	5,948	5.8%
Gross profit	1,831	2,237	405	22.1%	3,901	12.6%
Operating income	576	806	229	39.8%	1,134	14.3%
Net Profit attributable to owners of parent	411	689	278	67.6%	943	40.5%



## Q2 FY04/22 Overview

### Commerce Business

- Higher sales and profits due to successful sales of new iPhone.
- Significant increase in sales in the U.S., mainly in music goods.
- Renewed the highest quarterly profit ratio.

### Platform Business

- Total number of contracted clients exceeded 5,000.
- Server investment in cloud infrastructure is underway.

(Millions of yen)		2021/4	2022/4			[Reference]2022/4	
		Q2 results	Q2 results	Increase /Decrease	% YoY	Full-year results	% YoY
Commerce Business	Net sales	2,340	2,587	246	10.5%	4,486	1.4%
	Operating income	716	819	102	14.4%	1,178	Δ3.7%
	Profit ratio	30.6%	31.7%	1.1%	—	26.3%	—
Platform Business	Net sales	537	666	128	23.9%	1,323	21.7%
	Operating income	221	272	50	22.6%	545	20.4%
	Profit ratio	41.3%	40.9%	Δ0.4%	—	41.2%	—
Others※1	Net sales	59	78	18	31.5%	138	26.5%
	Operating income	Δ86	Δ67	18	—	Δ151	—
	Profit ratio	—	—	—	—	—	—
Consolidated	Net sales	2,937	3,331	392	13.4%	5,948	5.8%
	Operating income	851	1,024	172	20.2%	1,572	4.3%
	Adjusted amount ※2	Δ 275	Δ 217	57	—	Δ438	—
	Operating income	576	806	229	39.8%	1,134	14.3%
	Profit ratio	19.6%	24.2%	4.6%	—	19.1%	—

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

※2 Adjustments: Back office administrative expenses.

## II. Business summary

# Platform Business



**NEXT ENGINE**



Highlights

PF Business

Sales (Q2)

JPY **666** million

(up 23.9% YoY)

Operating income(Q2)

**40.9**%

(down 0.4% YoY)

Next Engine

Number of clients(Q2)

**5,093** clients

(up 742 clients YoY)

GMV(Q2)<sup>※1</sup>

JPY **268.5** billion

(up 28.8% YoY)

ARPU(Q2)<sup>※2</sup>

JPY **35,141**

(up 0.7% YoY)

Monthly churn rate (Q2)<sup>※3</sup>

**0.95**%

(up 0.07% 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

### Q2 FY04/22 results

#### Next Engine

- Total number of contracted clients exceeded 5,000 as of September 2021.
- Server investment in cloud infrastructure is underway.

#### Hamee Consulting

- Continue to expand consulting sales with big companies.
- Orders for website management agency and production and renewal also increased, and the company aims to expand by establishing a new specialized department.

(Millions of yen)	2021/4	2022/4			[Reference] 2022/4	
	Q2 results	Q2 results	Increase /decrease	% YoY	Full-year results	% YoY
Net sales	537	666	128	23.9%	1,323	21.7%
Next Engine	459	551	91	20.0%	1,105	16.9%
Hamee Consulting	77	114	36	46.8%	217	53.7%
Operating income	221	272	50	22.6%	545	20.4%
Next Engine	220	267	46	21.3%	542	18.1%
Hamee Consulting	1	4	3	253.2%	2	—
Operating profit ratio	41.3%	40.9%	△0.4%	—	41.2%	—
Next Engine	48.0%	48.5%	0.5%	—	49.1%	—
Hamee Consulting	1.7%	4.0%	2.3%	—	1.1%	—

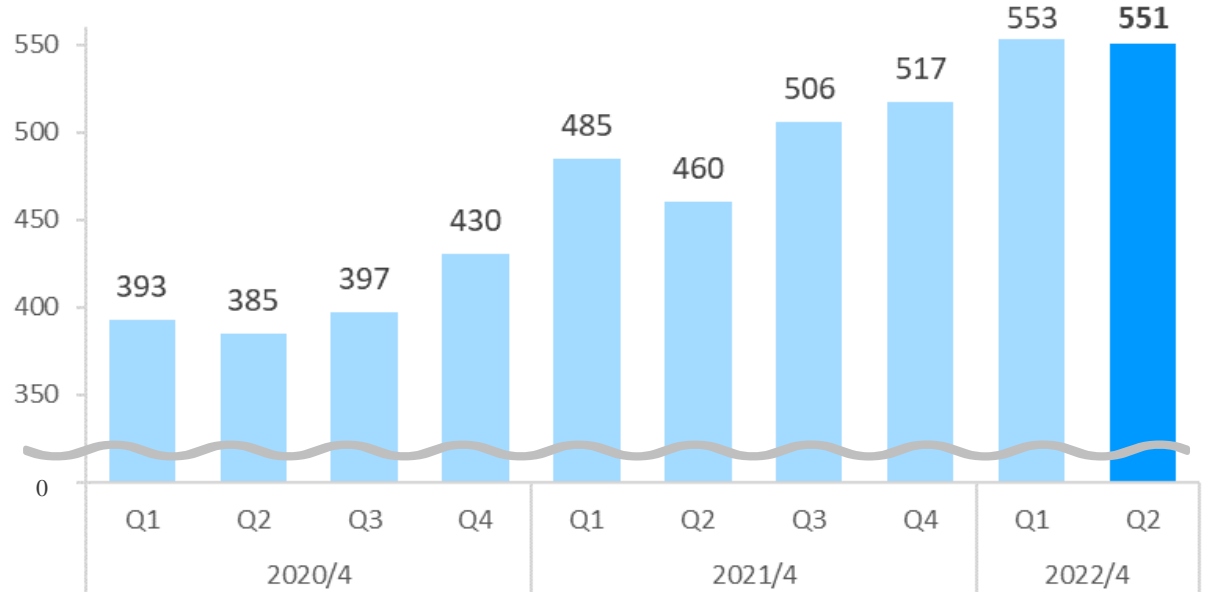
## Platform Business

### Next Engine —Q2 FY04/22 Sales

- No reactionary decline can be seen, resulting in a solid sales performance.
- Continued to record sales from "AI Auto Recommendation" app, which started to be paid from Q1 for the fiscal year under review, as well as Q2.

#### Net Sales (Accounting Period)

(Millions of yen)



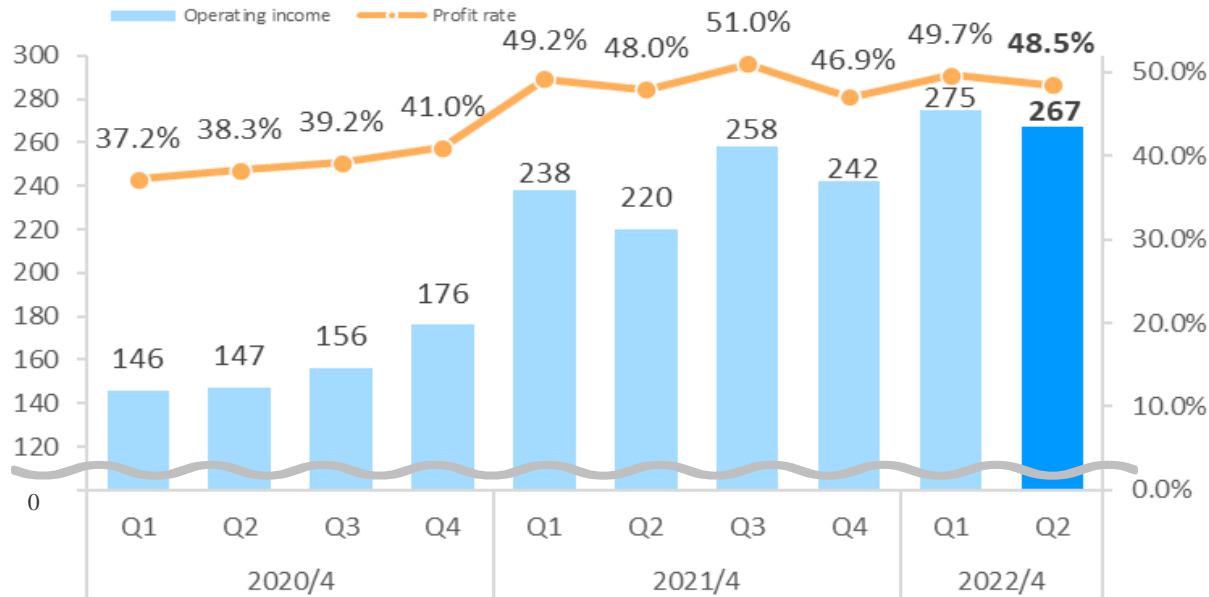
Platform Business

## Next Engine —Q2 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)

(Millions of yen)



## Platform Business

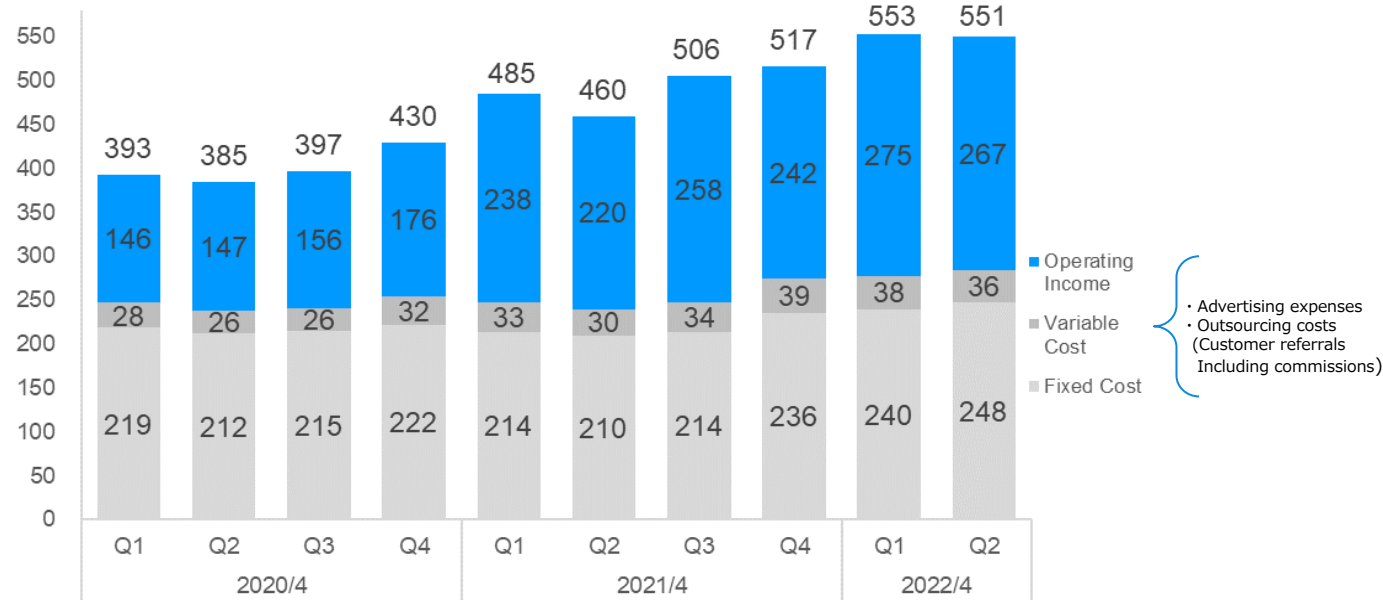
### Next Engine —Operating Income Analysis

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

Variable costs: Accelerate customer acquisition through partners (distributors).

### Operating Income Analysis (Accounting Period)

(Millions of yen)



## Number of clients

2020/4 Average quarterly net increase 94 clients	2021/4 Average quarterly net increase 186 clients	2022/4(Q2) Average quarterly net increase 177 clients
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## Platform Business

### Next Engine —Trends in number of clients

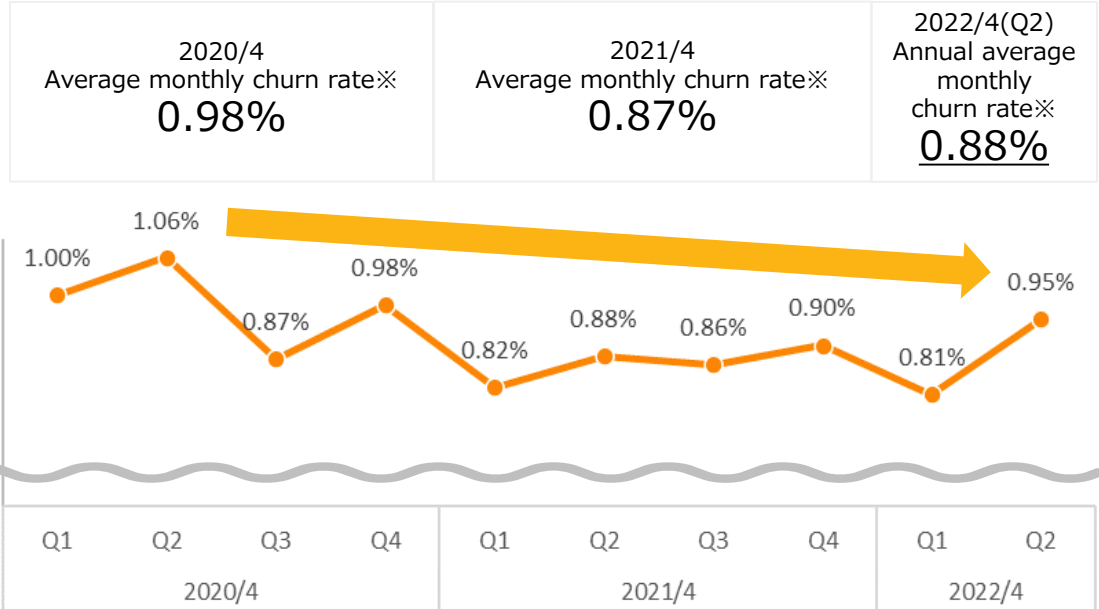
- Launched service in 2008
- Formed a platform with the API released in 2013
- Strengthening Customer Success Activities through BPO in Call Center Operations
- As a result, the number of contracted clients exceeded 5,000 as of September 2021!

Platform Business

**Next Engine**  
—Churn rate trends

Continuously remained low and stable.

**Churn rate**



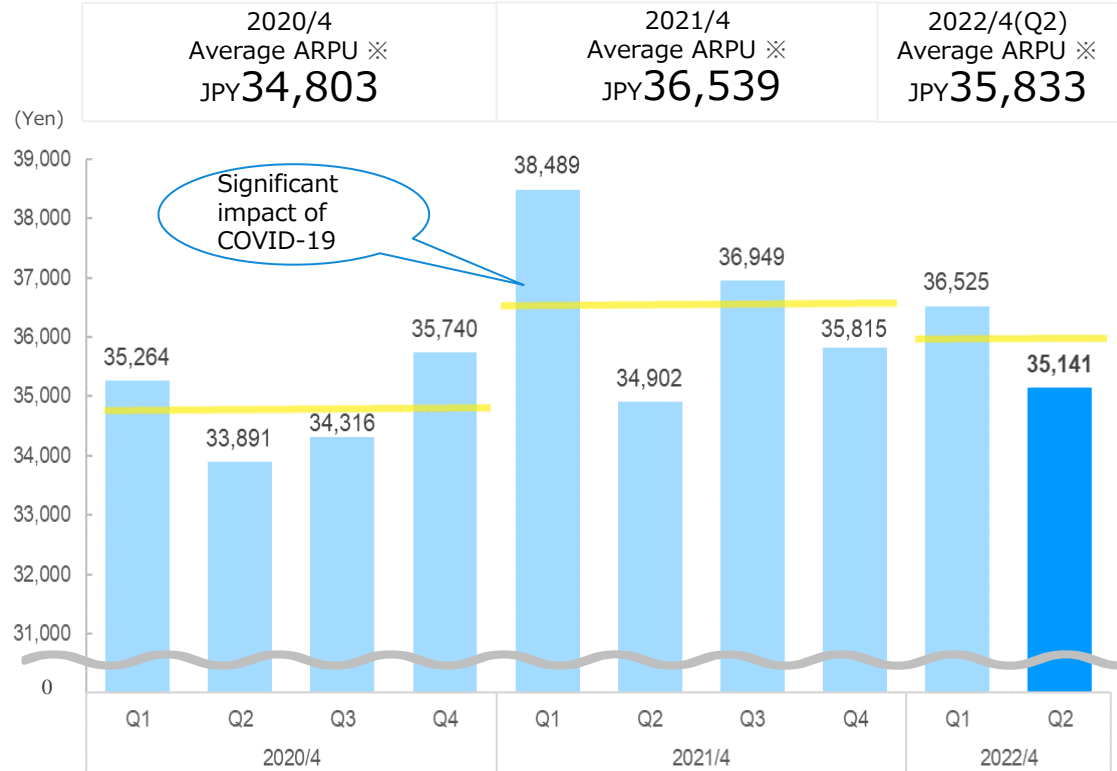
※ Annual average monthly churn rate: Figures calculated by dividing the number of contracted clients as of the end of the quarter from the average number of cancellations for each quarterly period are simple averages.

Platform Business

# Next Engine —ARPU Trends

Q2 was 1% higher QonQ.

## ARPU



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



Commerce Business



## Commerce Business

### Q2 FY04/22 results

#### <Domestic market>

- Higher sales and profits due to successful sales of new iPhone.
- Product development that captures market trends
- Released a new iFace series
- Maximize new products to be launched simultaneously with device sales
- Effective PR

#### <Overseas(US) markets>

- Strengthening organizational strength of EC sales→music toys mainly large increase in orders.
- Strengthening organizational strength of product planning→development of low rebound general merchandise progressed. Strengthening character development in low rebound general merchandise gained support from consumer. Character development in iFace increased sales.

(Millions of yen)	2021/4	2022/4			[Reference] 2022/4	
	Q2 results	Q2 results	Increase /decrease	% YoY	Full-year results	% YoY
Commerce Business						
Net sales	2,340	2,587	246	10.5%	4,486	1.4%
EC (retail)	1,093	1,316	222	20.3%	2,457	6.3%
Real (wholesale)	1,158	1,329	171	14.8%	2,033	10.6%
Consolidated adjustments※1	88	△59	△147	—	△4	—
Operating income	716	819	102	14.4%	1,178	△3.7%
Operating profit ratio	30.6%	31.7%	1.1%	—	26.3%	—

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

# Maximize of New iPhone sales ①

- New product development
- Product maximization
- Press release strategy
- Inventory control

**New Products Development**

Developed by capturing market trends and released a new color iFace Reflection that matches the new iPhone. In addition, the new-series products developed based on user feedback have also been released until the new iPhone sales.

<Example>

New color products that match new iPhone



**Reflection (Pale Blue)**

Products based on user feedback



**Cardina**

**Look in Clear**

## Maximize of New iPhone sales ②

- New product development
- **Product maximization**
- **Press release strategy**
- **Inventory control**

### Merchandise Maximize

Number of new products in the timeframe for the launch of the new iPhone increase the number of purchases.



### Press Release Strategy

Efficiently foster the flow of "product recognition → product purchasing" by increasing the exposure of products before and after the launch of the new iPhone.

### Inventory Control

Controlling inventory more consciously than before not to be out of stock or excessive while watching sales and sales forecasts for each model in advance.

## Commerce Business

### Q2 FY04/22 sales

#### Real (wholesale):

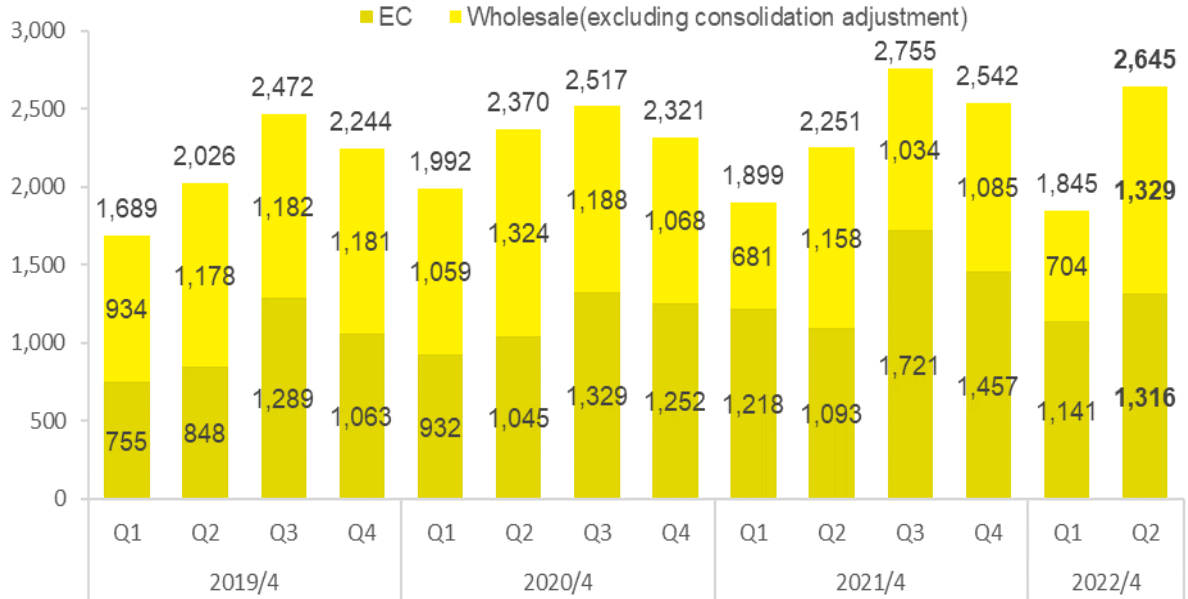
(Domestic) iFace presence in the market further enhanced with its brand, both recognition and Repeat rate are high so it is nominated buying. iFace perform well compared to the competition.

#### EC (Retail):

(Domestic) Succeeded in new carrier expanding sales by the past achievements, continual sales result for it.

### Net Sales (Accounting Period)

(Millions of yen)



## Commerce Business

### Q2 FY04/22 Sales analysis(YoY)

#### <Domestic market>

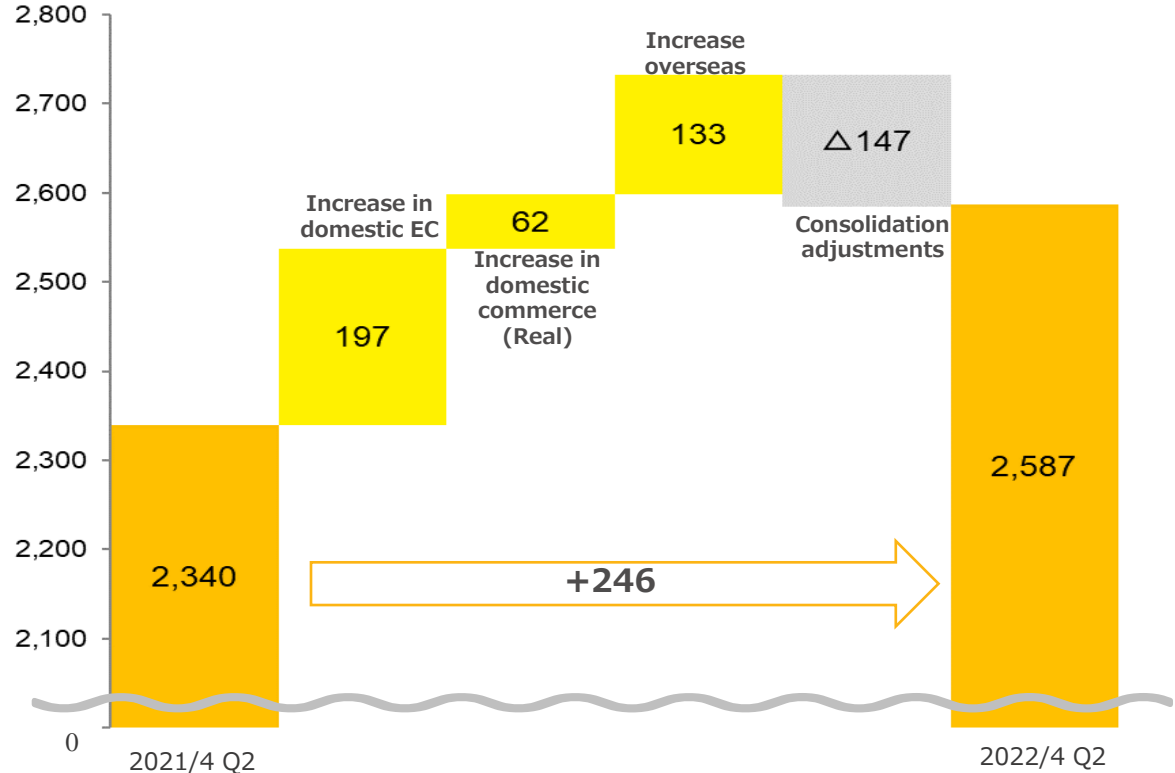
Higher sales and profits due to successful sales of new iPhone. In addition to the introduction of the new iFace series and effective PR strategies, the development of customers through new carrier sales channels also led to a significant increase in sales.

#### <Overseas markets>

U.S. market: By strengthening organizational strength of EC sales, music toys mainly large increase in orders. In addition, strengthening organizational strength of product planning made development of low rebound general merchandise progressed. Strengthening character development in low rebound general merchandise gained support from consumer. Character development in iFace also increased sales.

### Net Sales (Accounting Period)

(Millions of yen)

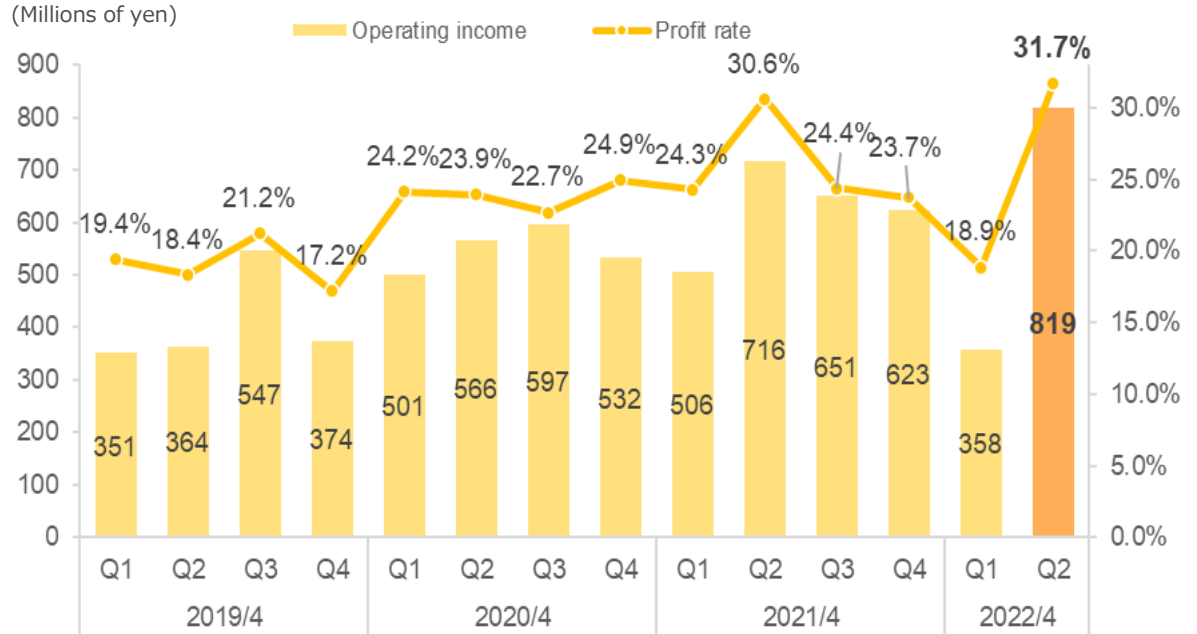


Commerce Business

## Q2 FY04/22 Operating Income

Significant increase in profit due to an increase in gross profit due to a significant increase in sales. Profit margin was even higher than in the previous fiscal year, and the record high was renewed.

### Operating profit ratio(Accounting Period)



## Commerce Business

# Q2 FY04/21 Operating income analysis(YoY)

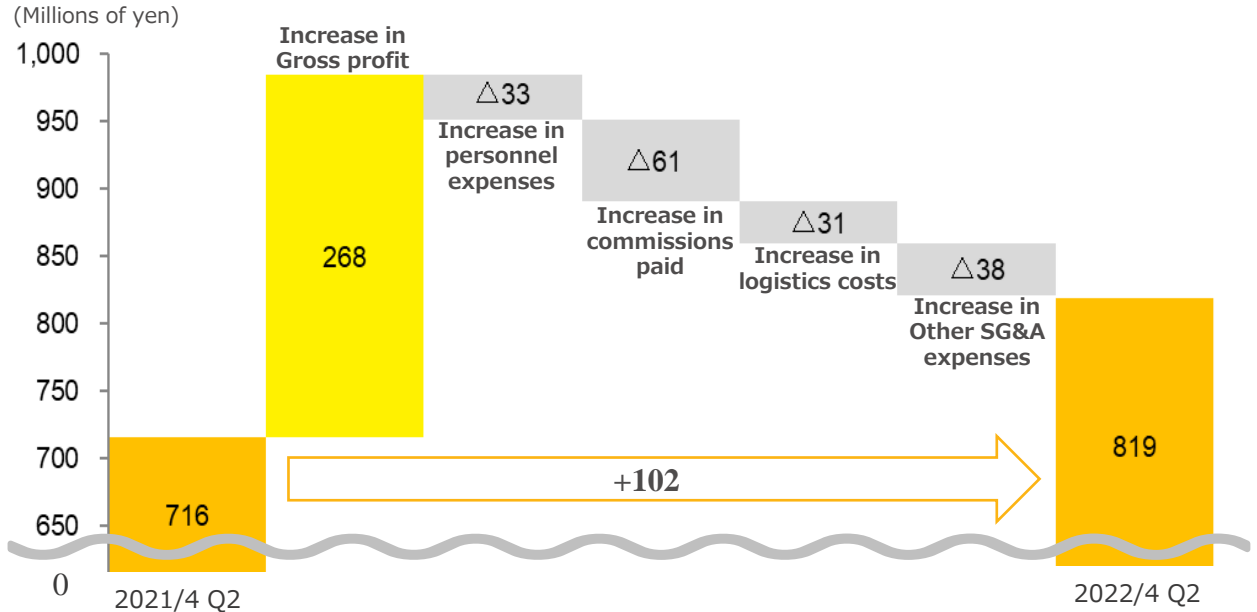
### Personnel expenses

- ①Due to the planned organizational changes at the beginning of the fiscal year, a portion of personnel expenses (JPY15 million), which was included in "Adjustments" in the previous quarter, was borne by the Commerce segment.
- ②Impact of an increase in personnel at a subsidiary in South Korea with development and production functions based on the initial plan.

### Commissions paid

Increased due to an increase in EC sales at the Head Office and the U.S.

## Changes in Operating Income (Accounting Period)





# 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 Business

### Q2 FY04/22 results

Profit increased mainly due to an increase in donations from Hometown Tax Payment Support Service

(Millions of yen)	2021/4	2022/4			[Reference]2022/4	
	Q2 results	Q2 results	Increase /Decrease	% YoY	Full-year results	% YoY
Net sales	59	78	18	31.5%	138	26.5%
Operating income	△86	△67	18	—	△151	—

※ 1. Results in the "Others" Segment.

#### <Major Initiatives>

##### Hometown Tax Payment Support Service

Promoting the development of returned goods and the amount of donations lead to an increase. Amount of donations from contracted municipalities was up **53.2%**(YoY)



Hamic developed based on feedback from current customers with POCKET L (approximately twice the battery capacity of previous models) scheduled for release. Promote verification of issues and achieve PMF.



Project for Zero Waste at EC Shops, "[RUKAMO Zero](#)" with MoNo factory Co.,Ltd. started. As part of it, "[Earth-friendly Throwaway Consultation](#)" opened.

# III. FY04/22 Year End Estimate

## Estimate for FY04/22 Segment

(Millions of yen)		2021/4	2022/4			
		Results	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.

## Platform Business

### Progress in FY04/22

(Millions of yen)	2022/4	2022/4	
	Q1 results	Forecast for the year	Progress rate
Platform Business			
Net sales	1,323	2,750	48.1%
Operating income	545	1,050	51.9%
Operating profit ratio	41.2%	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

## Commerce Business

### Progress in FY04/22

(Millions of yen)	2022/4	2022/4	
	Q1 results	Forecast for the year	Progress rate
Commerce Business			
Net sales	4,486	10,550	42.5%
Operating income	1,178	2,550	46.2%
Operating profit ratio	26.3%	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

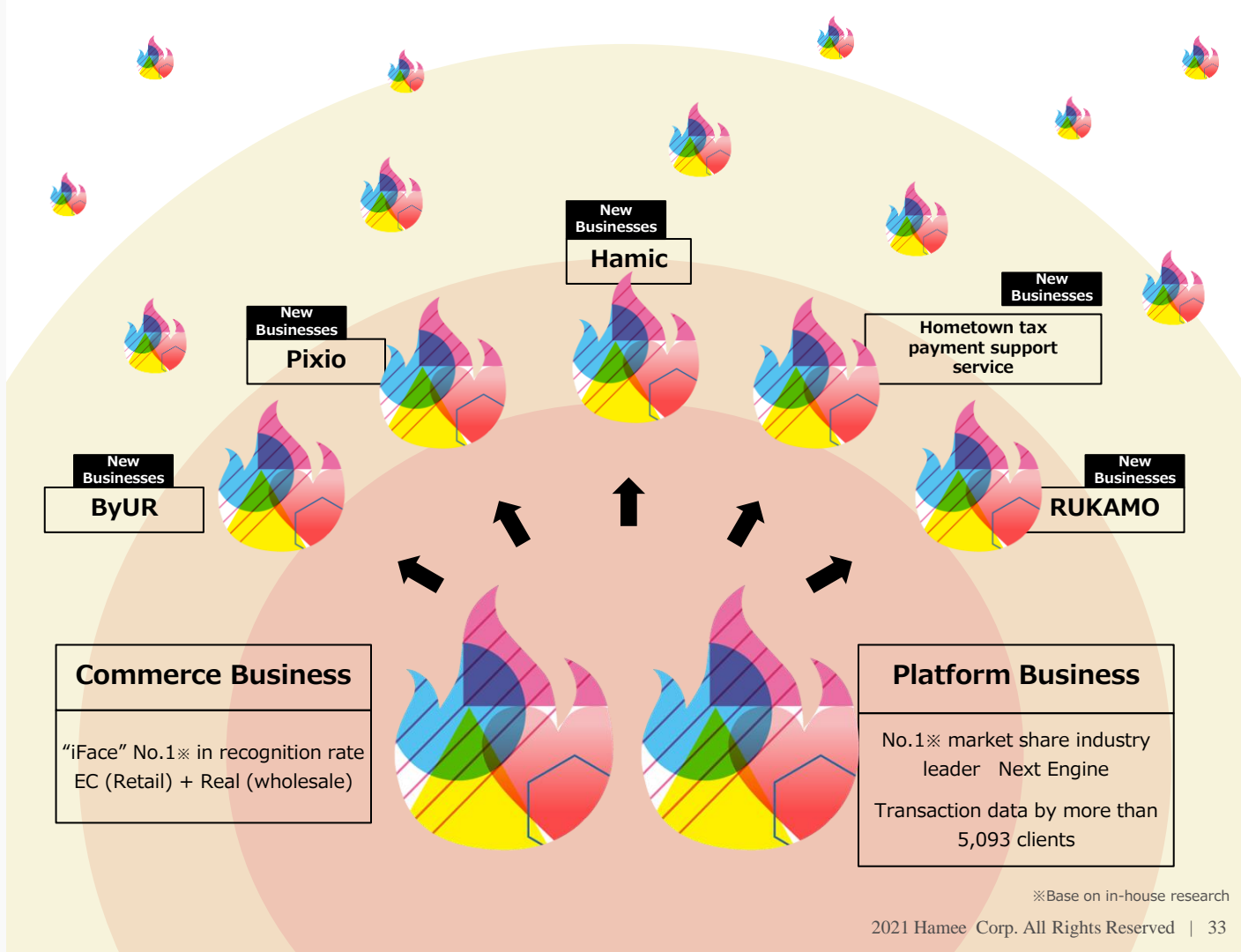
# APPENDIX

# Company Profile



## 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.



※Base on in-house research

## Thoughts at the time of the company's establishment

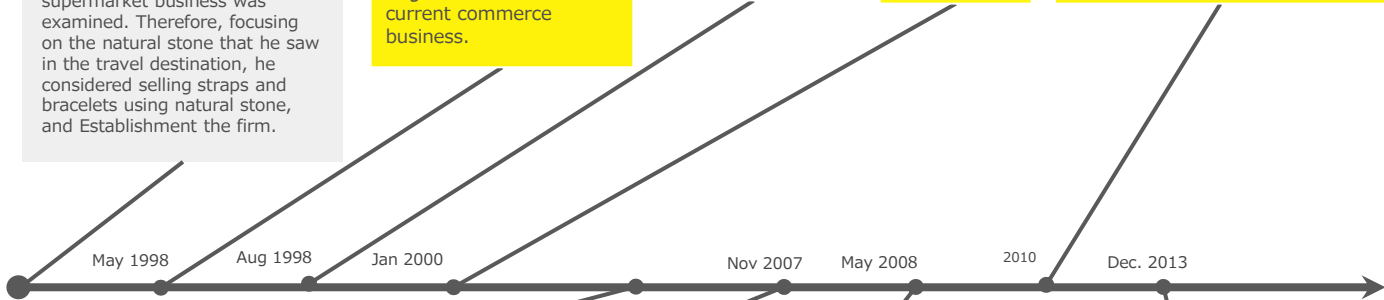
Founder Higuchi was a university student at the time. Windows95 was released and he inferred the Internet will become a social foundation in the future. Conscious of the distribution revolution through the Internet, it was difficult to handle fresh products, though the Internet supermarket business was 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.

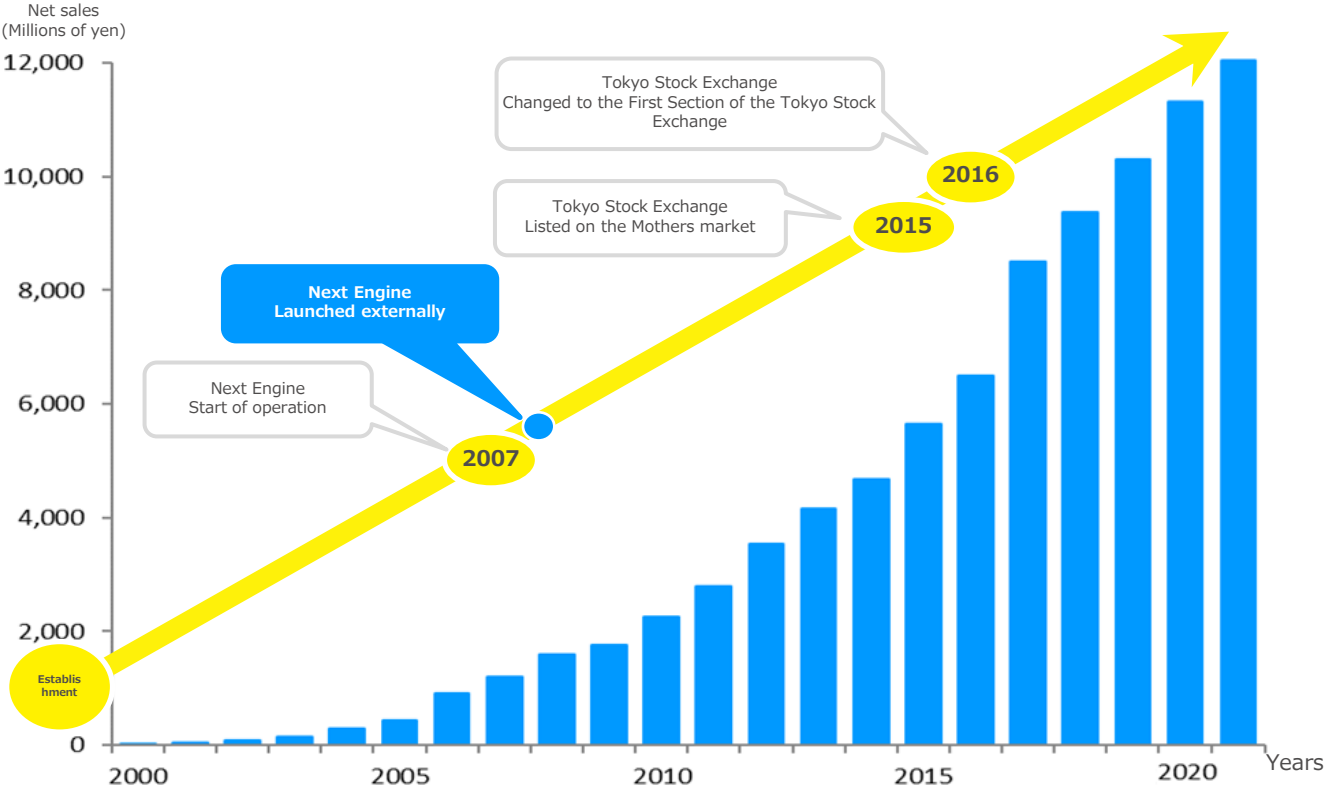
**Started operation of Next Engine**

**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)



# Business Overview

# Platform Business



**NEXT ENGINE**

## Platform Business

# Next Engine —Main functions

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

### Difficulties by EC merchanis in Japan

- Difficult to manage stores operation at multiple EC malls.
- A lot of operational work and hard to focus on front side activity.
- Lack of HR and time for store operation.

#### Integration stores at multi EC malls



#### Automation of EC store operation



### Next Engine help

- By making EC operation efficient, generate time for front activities such as sales and marketing.
- Cost reducton.
- Reduction of human error.

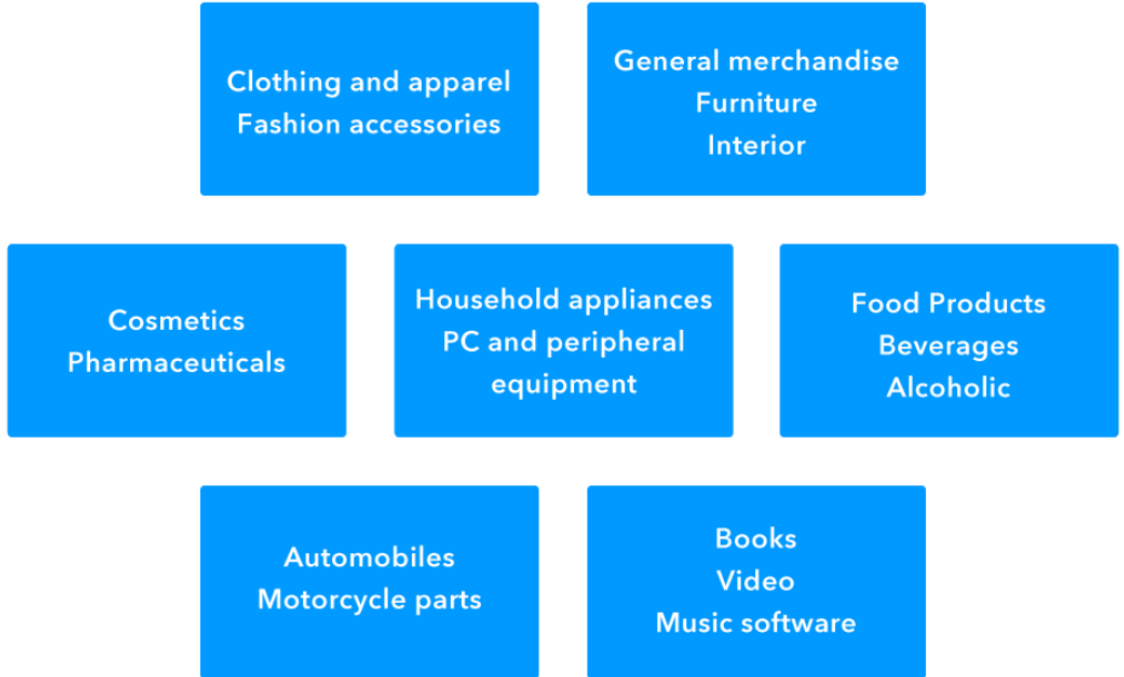
Basic fees (400 transactions included)	+	transaction number	401~	1,001~	3,001~	5,001~	7,001~
JPY10 thousand per month		unit price	JPY25	JPY20	JPY15	JPY10	JPY5

## Platform Business

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### 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 ※**

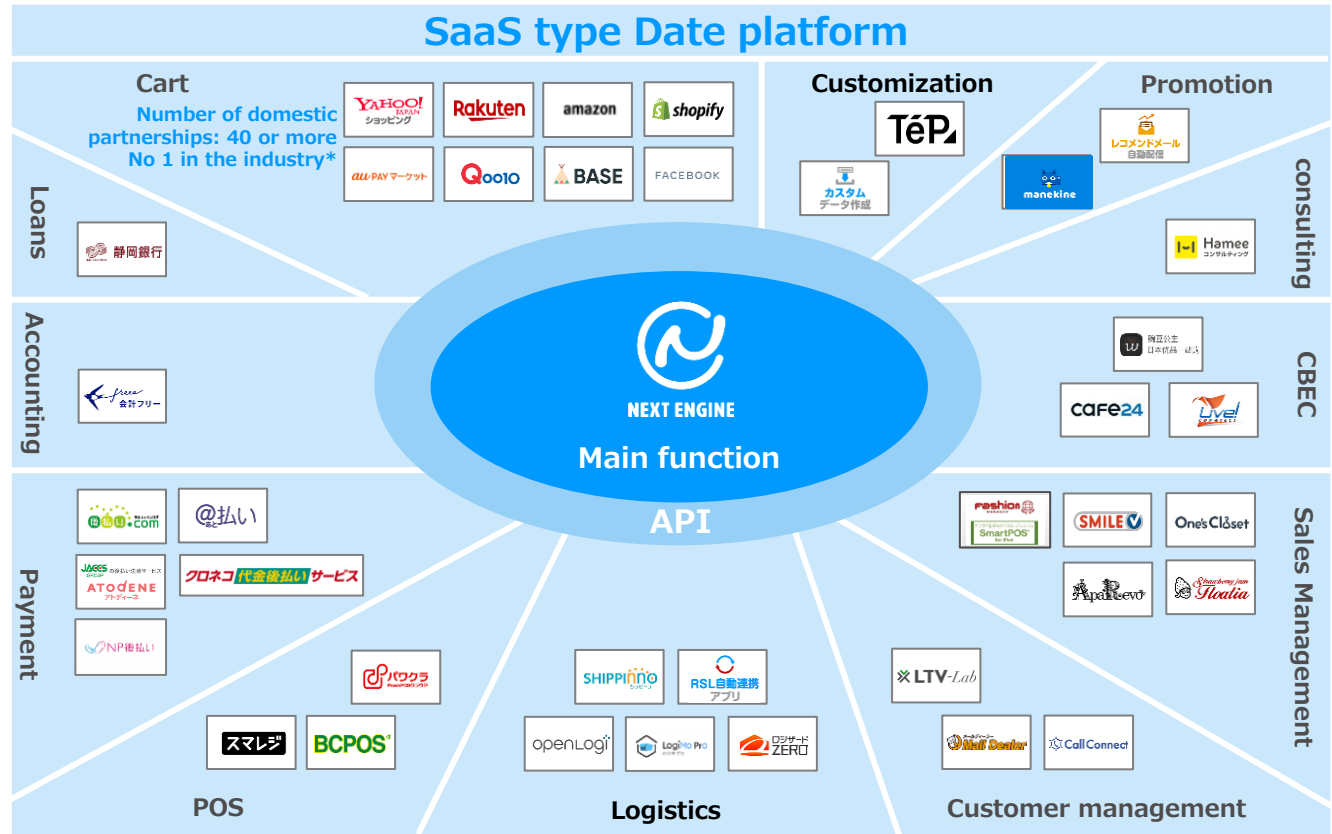
Strong trust backed by industry No.1 by continued support from EC businesses

※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


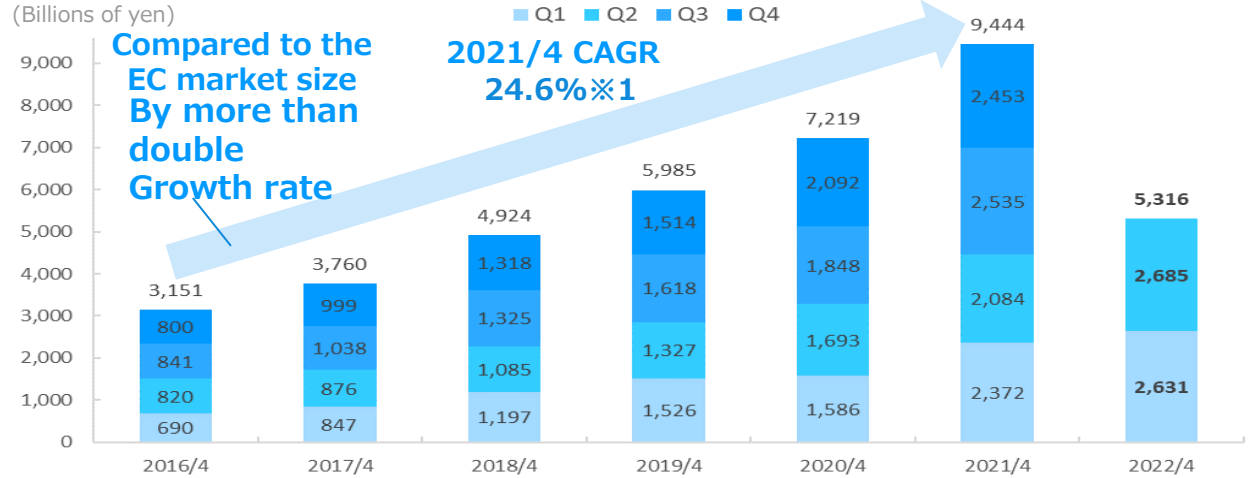
※ In house research, as of the end of October 2021

## Platform Business

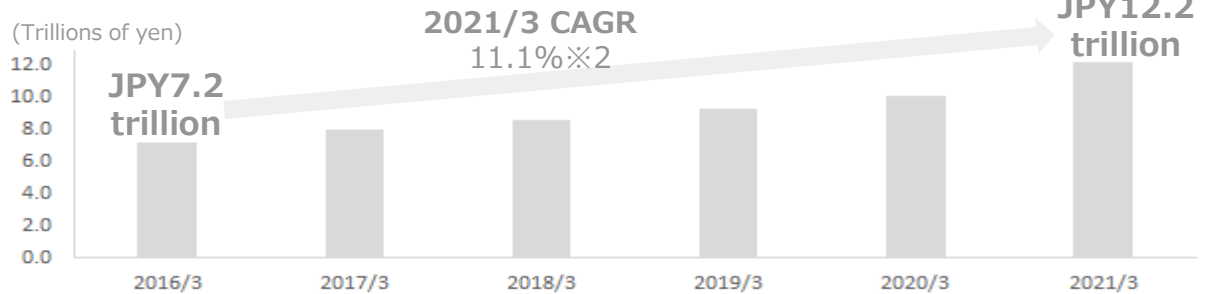
### Next Engine —GMV trends

Next Engine growth rate more than double that of The domestic EC market.

#### GMV



#### EC market size



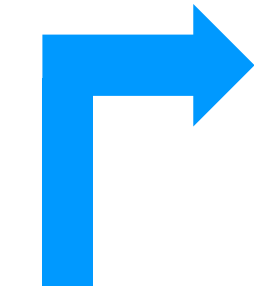
※1 Average annual growth rate. Calculated assuming FY04/16 as the first year.

※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."

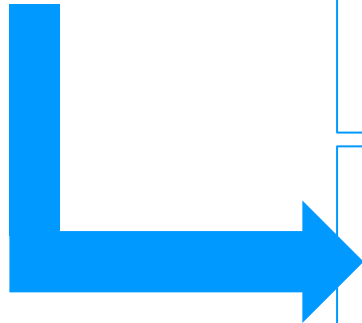
Platform Business

# Examples of Up-Sell Measures Data-based marketing solutions

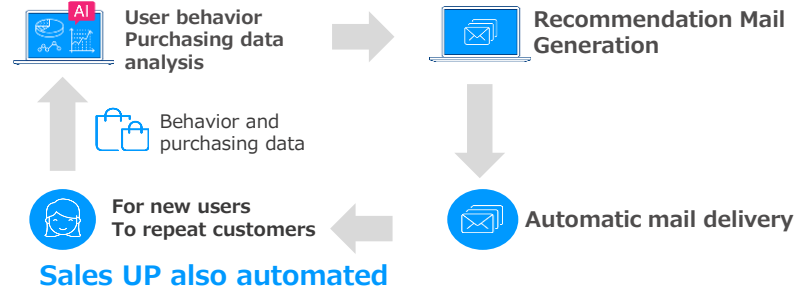
- "AI Auto Recommendation" app starts to be paid during Q1
- Started test marketing in Criteo and advertising operations automation



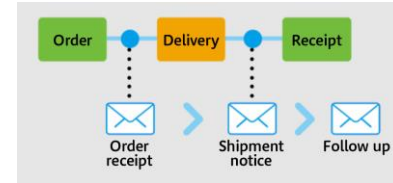
No.1 in the industry  
Transaction data



## Mechanism of "AI Auto Recommendation" app



## Recommendation Mail Delivery Details



## Automatic operation of e-mail magazines



## Automation of advertising operations



## Platform Business

### User Thanksgiving "AOSAI" held

The first online event  
configured lectures and  
conferences about  
EC shop operating for  
Next Engine clients held



## Hamee consulting —Business Activities

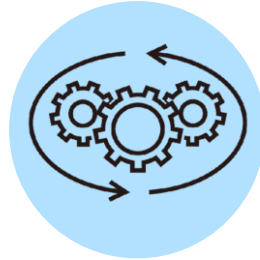


## Hamee consulting



### EC consulting

Consultants in charge formulate strategies, improve customer attraction through SEO and advertising, and provide support from a variety of perspectives, including repeat and higher spending per customer.



### Management agency

Operates EC sites that generate complicated operations from upstream to downstream, acting on behalf of customers in response to their requests.



### EC store opening and construction consulting

Underwrote consulting, including the selection of malls and the design of websites and pages, to businesses considering opening new EC stores in an integrated manner, from actual site production.

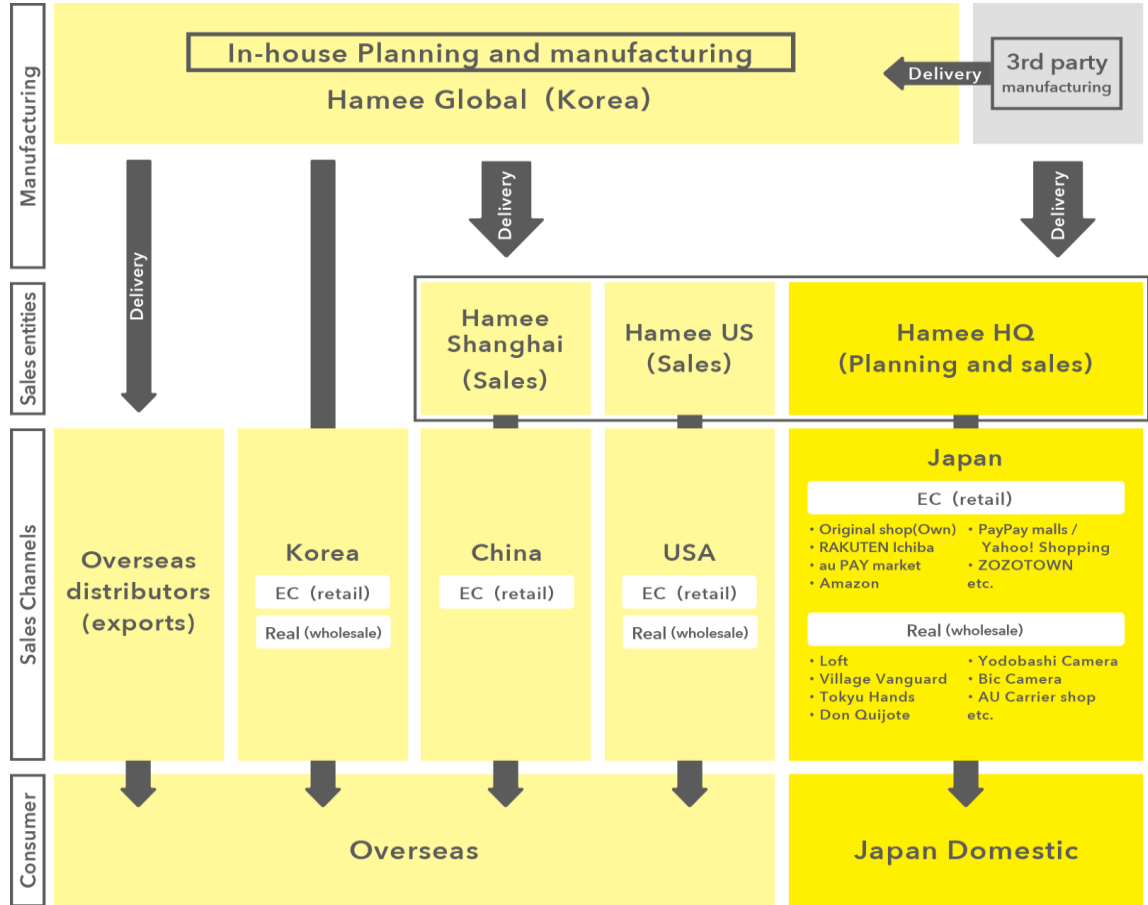
Commerce Business



## Commerce Business

# Commerce Business Supply Chain

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





## Source of Commerce Competitiveness

### Maximize EC know-how

- Efficient operations by making full use of Next Engine
- Store management
- Customer Satisfaction
- Warehouse linkage, etc.

### Variety of sales channels

- Maximize product sales
- Improve profitability through in-house planned products
- Continued growth even in COVID-19

### Supply Chain Management

- Consumer Voices are reflected to products speedily
- Expansion of product categories
- Incorporation of production profits from in-house production

### With iFace branding Leveraging Growth

- First Class
- Reflection
- New series
- Peripheral accessories
- Color, character development



**Launch new brand by using brand management that gained in the process of growth iFace**

- Salisty、Andmesh

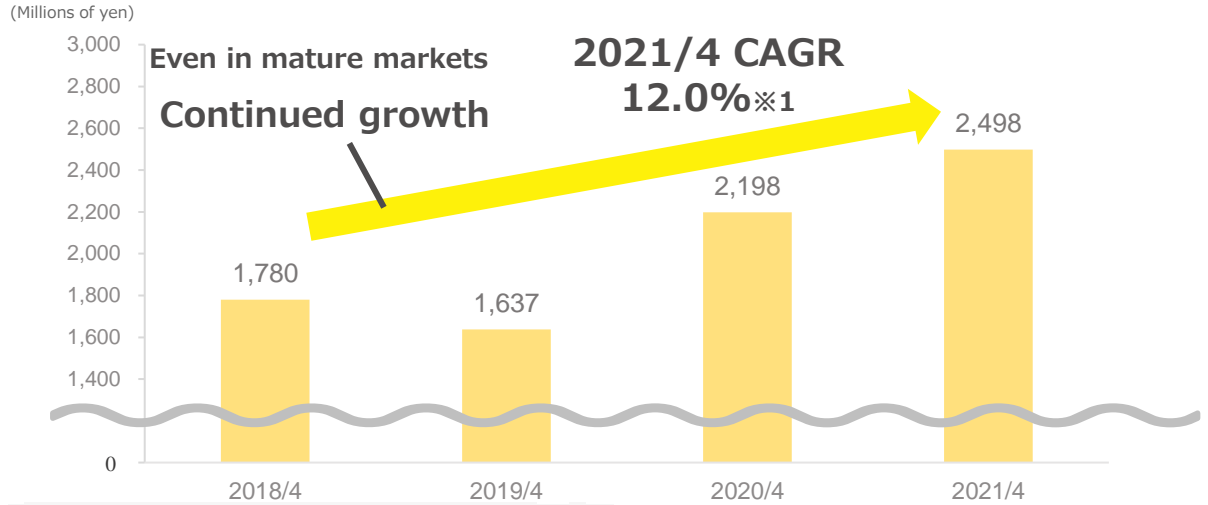
Over the past 20 years, the Domestic Commerce Business has maintained an increasing trend in sales.

Commerce Business

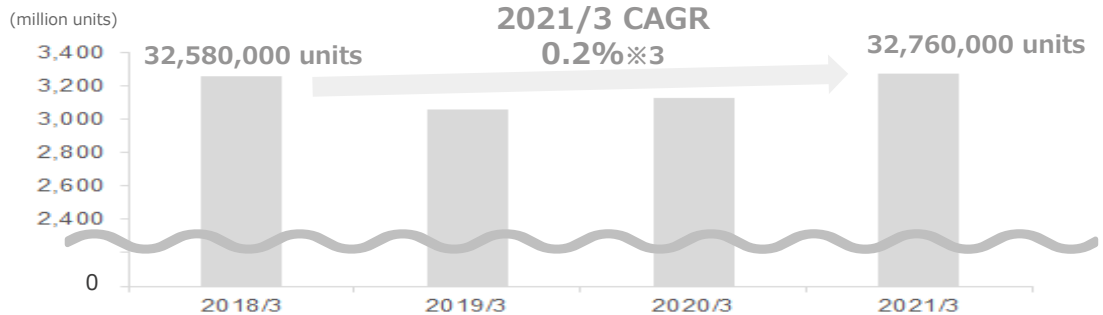
Continuous growth

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.

## 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

Its reliability is also high due to the strength and usability of its products, and its brand recognition is 71% high among men and women in their 20s.  
※Base on in-house survey  
Survey period: April, 2021  
Number of surveyed: 13,718  
Survey method: Internet survey  
Target: Men and women aged 15-39 (smartphone users)

### Young generation

Among young ※smartphone users, iFace users (including experienced users) account for more than 40%, earning a high level of loyalty, enabling us to secure a diverse range of sales destinations.  
※Focuses on women aged 15 to 24 (Our survey April 2021)

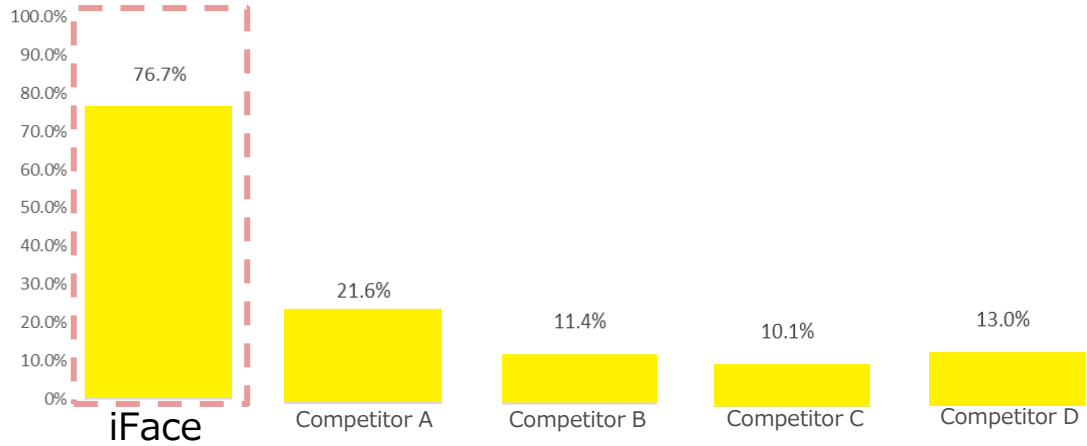
## Commerce Business

### iFace —Recognition

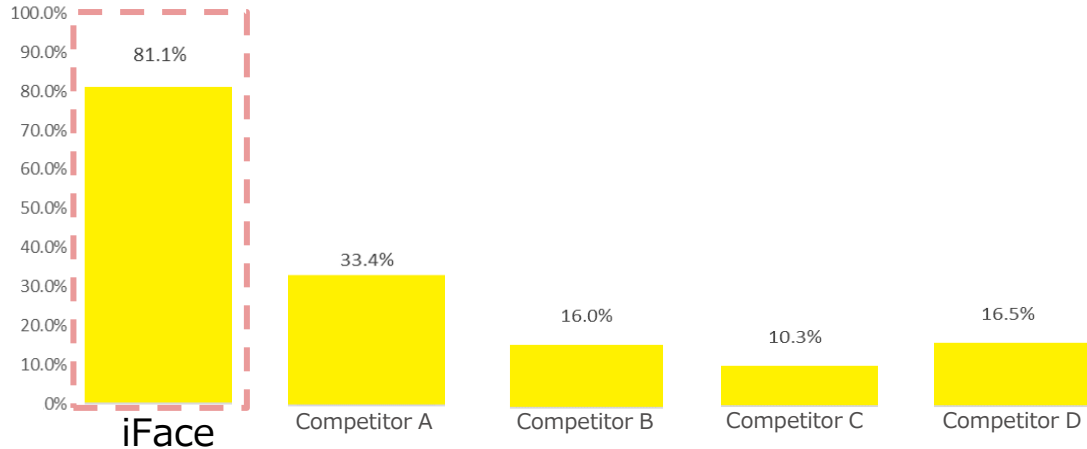
Overwhelming recognition among women in their late teens and early 20s compared to other companies' brands

※Our Survey  
 Survey period: April, 2021  
 Number of researchers: 1195 women in their teens/1307 women in their early 20s  
 Survey method: Internet survey  
 Target: Women aged 15-24 (smartphone users)

### Brand Recognition (Women in their late teens)



### Brand Awareness (Women in their early 20s)



## 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



## Commerce Business

### Pixio

- 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



### PXC327

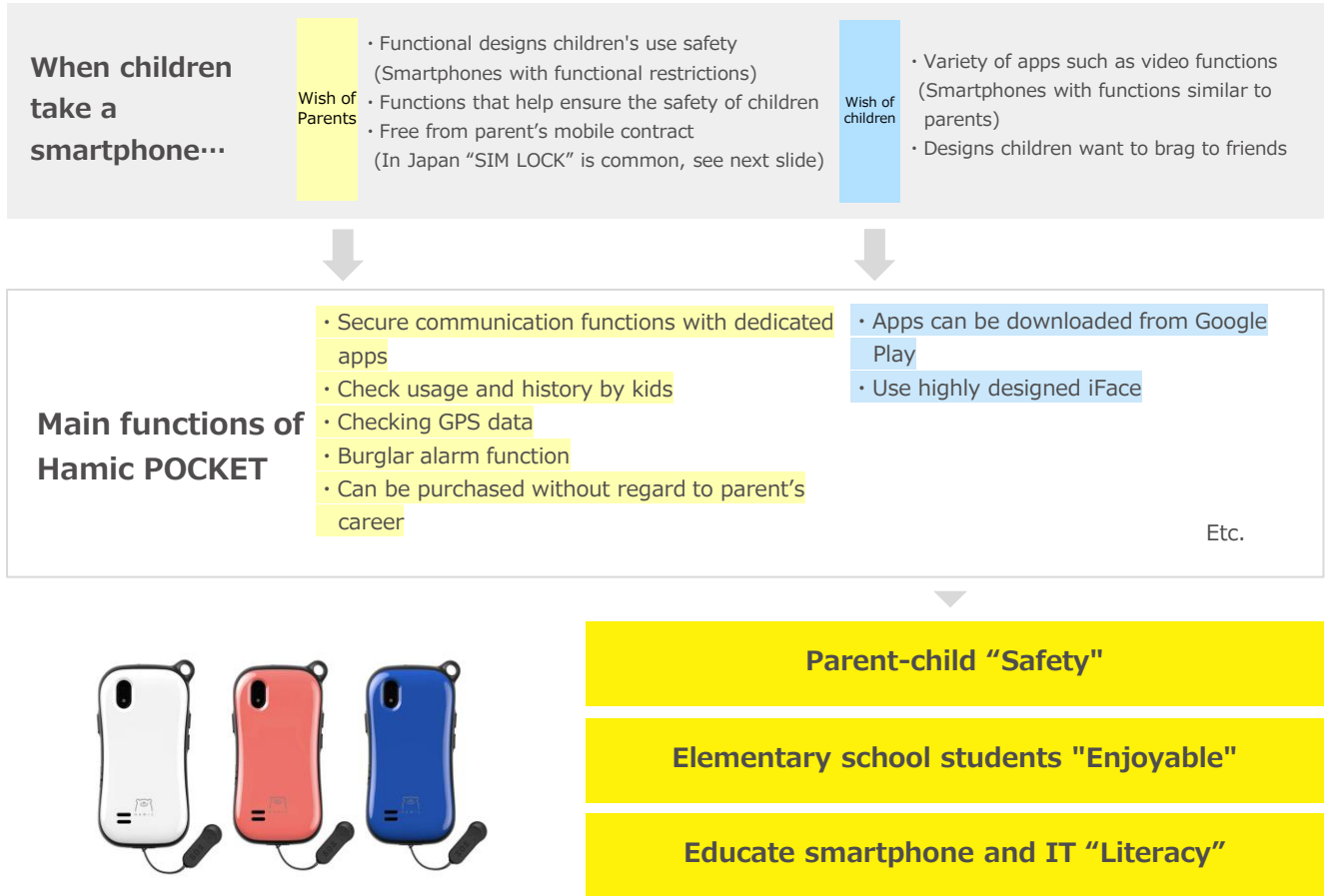
WQHD, 165hz curved bezelless monitor with a number of functions

# 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

# Hamic POCKET





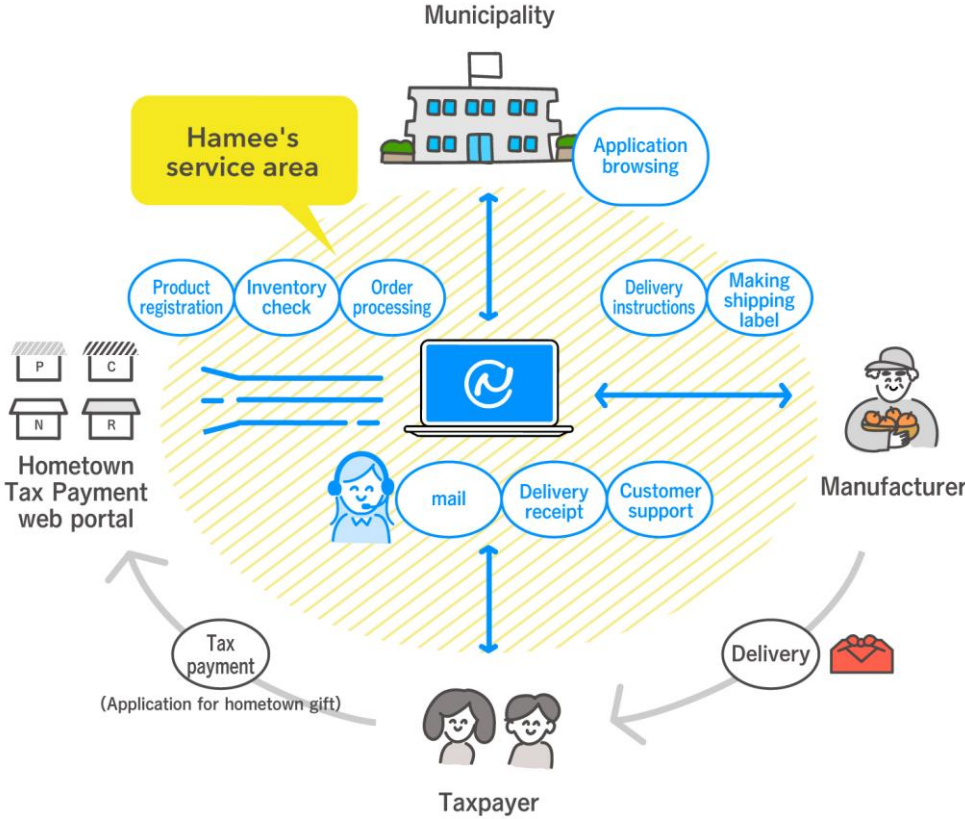
New Businesses

# Hamee Hometown Tax Payment Support Service

**NEXT ENGINE**  
streamlining business operations

 + 

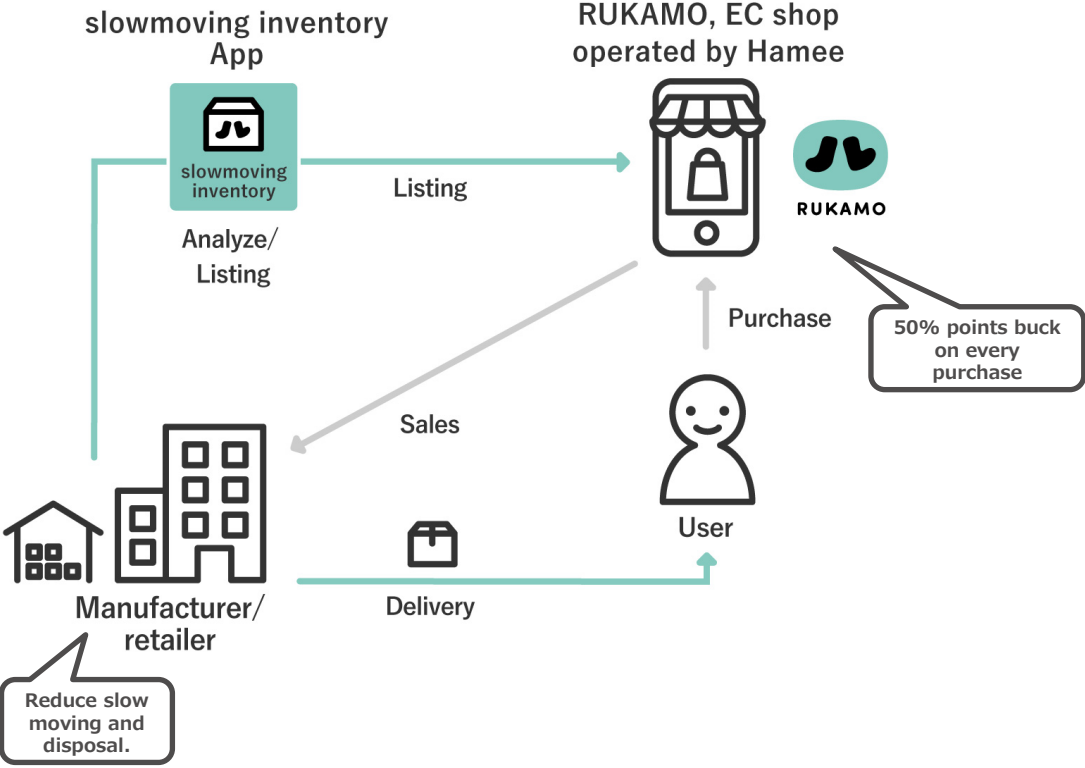
Operation Agency  
creating fans



# New Businesses

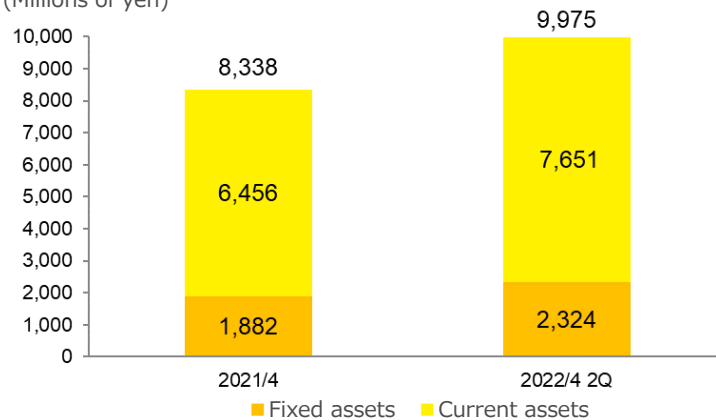
## RUKAMO -For Sustainable Society-

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

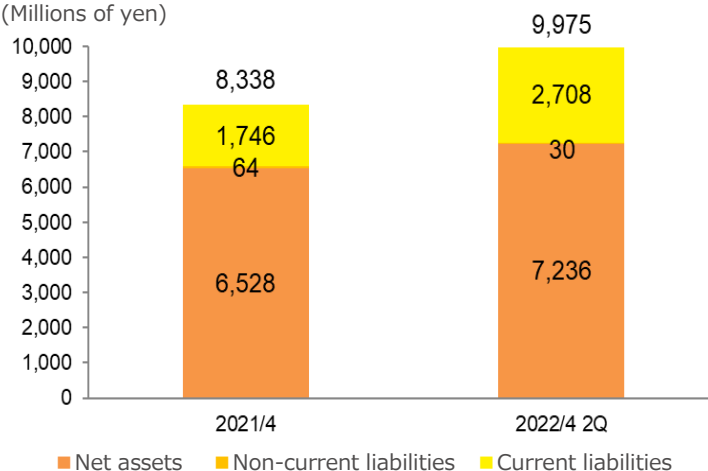


# Reference information

(Millions of yen)



(Millions of yen)



(Millions of yen)

Current assets	2021/4	2022/4 2Q
■ Cash and deposits	3,405	( +51)
■ Notes and accounts receivable	1,858	( +268)
■ Inventory	1,232	( +270)
■ Others	1,171	( +599)

Fixed assets	2021/4	2022/4 2Q
■ Property, plant and equipment	1,146	( +527)
■ Intangible assets	510	( Δ93)
■ Investments and other assets	666	( +7)

Current liabilities	2021/4	2022/4 2Q
■ Accounts payable	240	( +31)
■ Short-term loans	900	( +887)
■ Accounts payable-other	769	( +39)

Non-current liabilities	2021/4	2022/4 2Q
■ Long-term loan	19	( Δ24)

Net assets	2021/4	2022/4 2Q
■ Retained earnings	6,397	( +784)

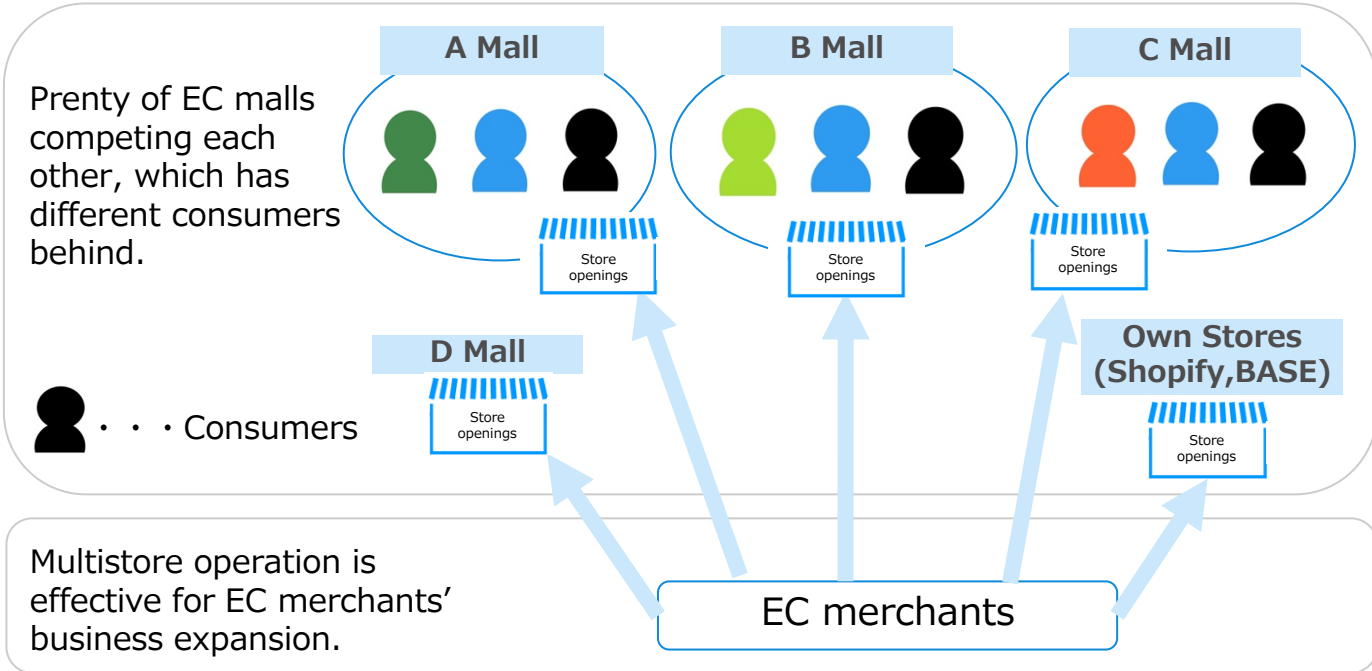
## Next Engine indicators

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	Q2
Number of clients	4,179	4,351	4,513	4,739	4,739	4,949	5,093
Number of stores	31,771	33,114	34,461	36,004	36,004	37,765	39,134
GMV (Millions of yen)	237,157	208,428	253,487	245,304	944,375	263,114	268,457
ARPU (yen)	38,489	34,902	36,949	35,815	36,539	36,525	35,141
Monthly churn rate	0.82%	0.88%	0.86%	0.90%	0.87%	0.81%	0.95%
Transaction number processed (ten thousand)	3,394	2,876	3,364	3,321	12,955	3,543	3,335
LTV(Lifetime Value) (yen)	4,684,866	3,961,527	4,275,717	3,978,015	4,225,031	4,519,089	3,702,895

※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

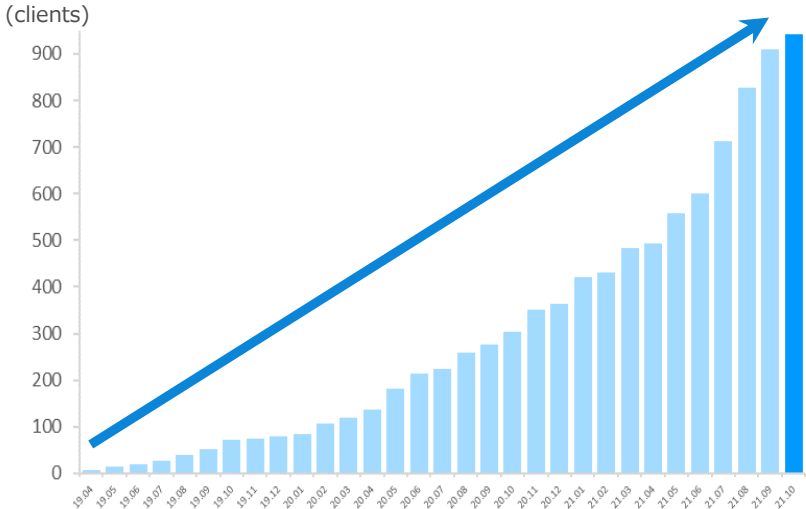
To establish subscription model in oversea market based on mid term strategy



## "Next Engine Korea" compatible EC malls

SmartStore	coupang	Gmarket	AUCTION.	11	INTERPARK
emart	B2M	LOTTE.COM	MakeShop*	CAFE24	10X10

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



Next Engine Korea Number of clients as of October 2021

**943** clients

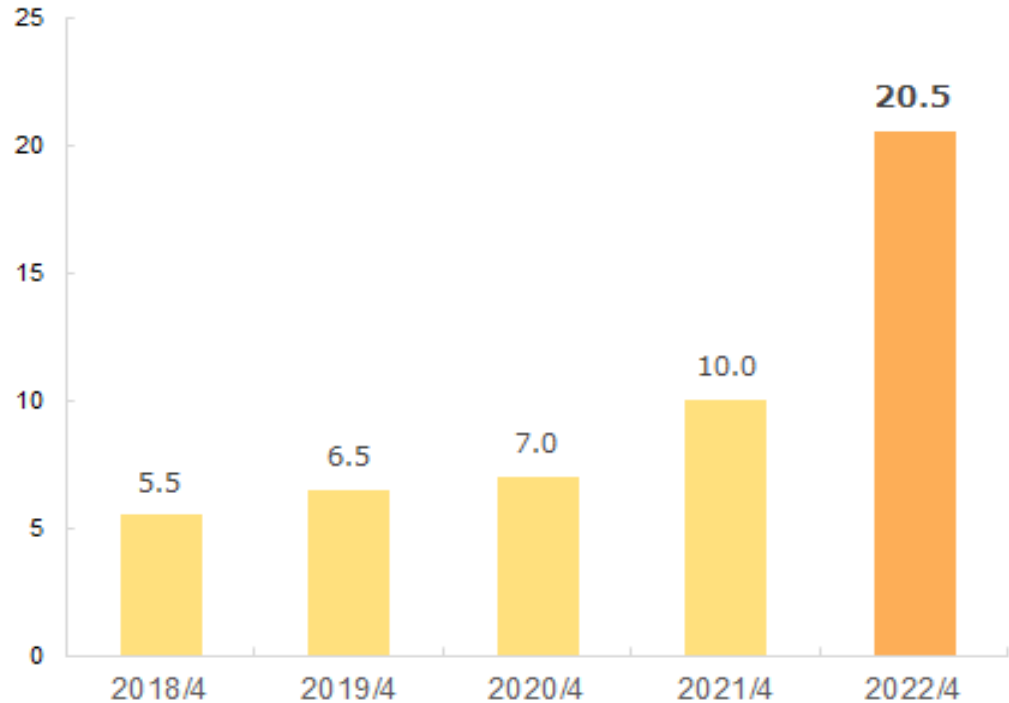


## Shareholder Returns— Dividend per share

- Dividend payout ratio was 10% until FY04/21
- In FY04/22, we expect 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



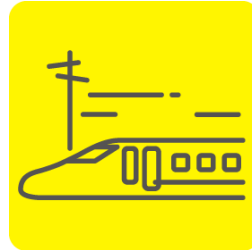
Remote work -  
Preparation-  
allowances



Remote work  
allowances

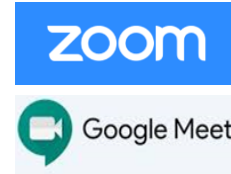


"Allowances for  
Odawara living"



"Flexible commuting  
to HQ"

### Adoption of tools



Online conferencing  
tools



Online Whiteboard



Media platform

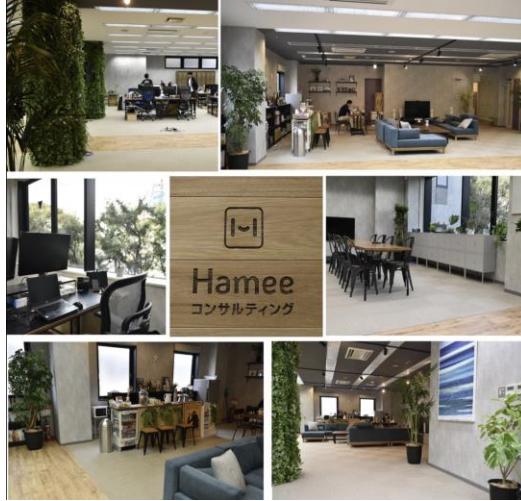


## Workplaces DX

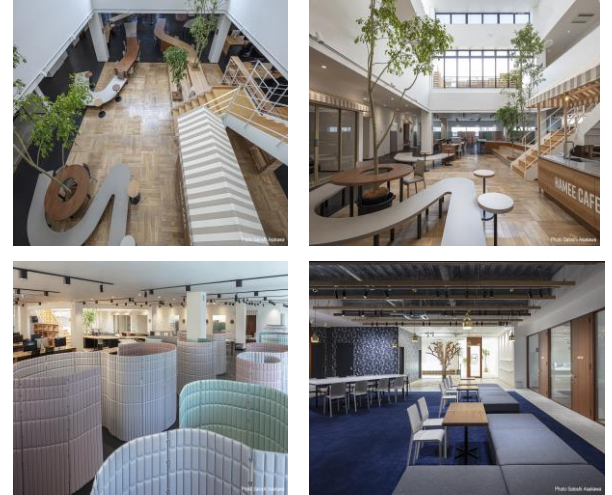
- Since July 2020, we have instituted a new normal work style that allows employees to freely select office work and remote work, and we have been promoting a work style DX.

- 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.

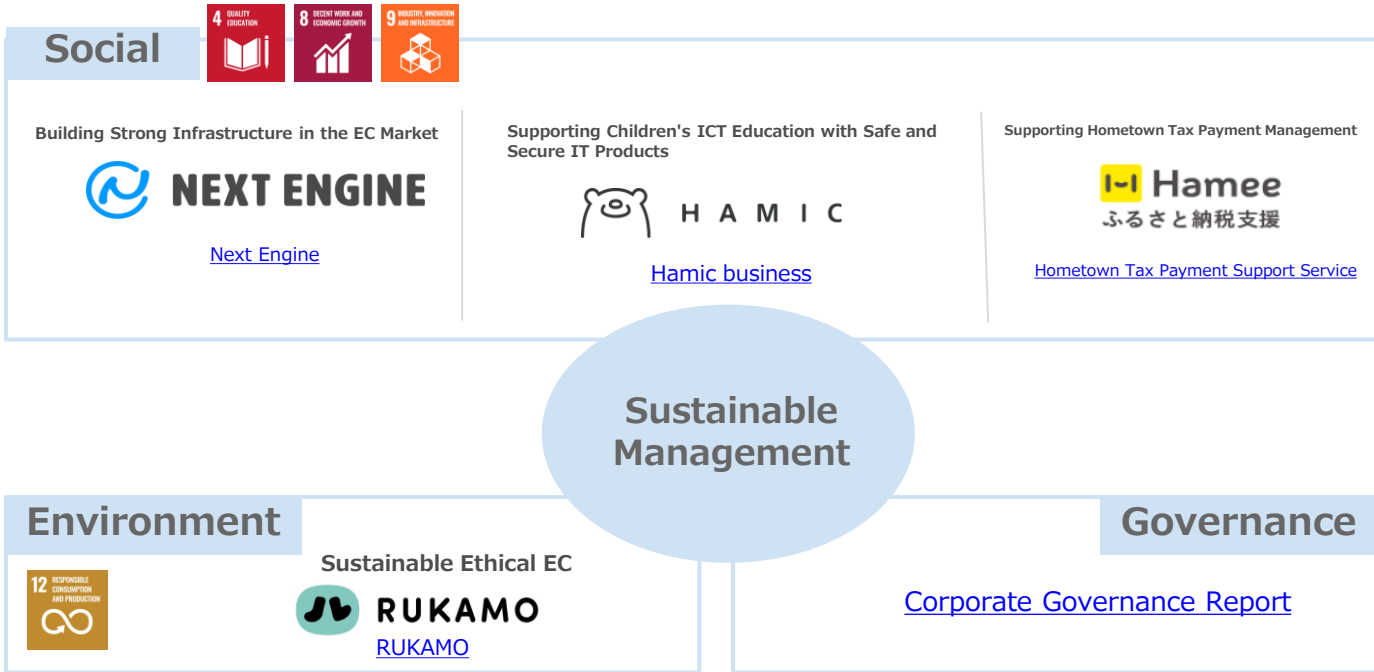
### Integrated Hamee Consulting & Tokyo Sales Office



### 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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- Regardless of future events, the company will not necessarily revise our announcements about future outlooks, etc. unless required to do so in accordance with disclosure regulations.
- Information about other companies is based on publicly available data.
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