



Consolidated Financial Results FY04/22 [Japanese GAAP]

June 13, 2022

Name of listed company Hamee Corp.	Listed stock exchanges East
Code Number 3134	URL https://hamee.co.jp/
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Scheduled date of Annual General Meeting July 28, 2022	Date of dividends payment July 29, 2022
Date to file Securities Report July 29, 2022	
Supplementary materials for financial Result: Yes	

Results briefing : Yes (Scheduled to be held for institutional investors and analysts on June 14, 2022)
(Millions of yen are rounded down)

FY04/2022 consolidated results (May 1, 2021-April 30, 2022)

(1) Consolidated operating results (Percentages indicate year-on-year change.)

	Net sales		Operating income		Ordinary income		Attributable to owners of parent Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY04/22	13,413	8.5	2,202	1.0	2,329	8.4	1,743	12.0
FY04/21	12,363	9.2	2,179	24.9	2,148	22.3	1,556	45.5

(NOTE) Comprehensive income FY04/22 1,865 Millions of yen (5.3%) FY04/21 1,771 Millions of yen (90.7%)

	Earnings Per share	Diluted Earning Per Share	Shareholders' equity Net income margin	Total assets Profit ratio	Operating income
	Yen	Yen	%	%	%
FY04/22	109.72	109.43	23.9	24.7	16.4
FY04/21	98.38	97.62	28.0	26.1	17.6

(Reference) Equity in earnings of affiliates FY04/22 5 Millions of yen FY04/21 0 Millions of yen

(2) Consolidated Financial Position

	Total assets	Net assets	Equity Ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY04/22	10,518	8,252	77.6	513.06
FY04/21	8,338	6,528	77.1	404.97

(Reference) Shareholders' equity FY04/22 8,157 Millions of yen FY04/21 6,429 Millions of yen

(3) Consolidated Cash Flows

	Cash Flows from operating activities	Cash Flows from investing activities	Cash Flows from financing activities	Cash and cash equivalents Balance at end of year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY04/22	1,186	△886	298	4,025
FY04/21	1,941	△412	△1,736	3,354

2. Dividends

	Annual dividend per share					Total dividends (Total)	Dividend payout ratio (Consolidated)	Net assets Dividend rate (Consolidated)
	End of first quarter	End of second quarter	End of the third quarter	Year end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FY04/21	-	0.00	-	10.00	10.00	158	10.2	2.9
FY04/22	-	0.00	-	22.50	22.50	357	20.5	4.9
FY04/23 (Forecast)	-	0.00	-	22.50	22.50		22.7	

Forecast of consolidated results for FY04/23 (May 1, 2022 to April 30, 2023)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Attributable to owners of parent Net income		Earning Per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	15,932	18.8	2,293	4.1	2,295	△1.5	1,575	△9.6	99.10

(NOTE) As we manage our business performance on an annual basis, our business performance forecasts are only for the full fiscal year.

※ Notes

(1) Significant Changes in Subsidiaries during the Fiscal Year (Changes in specified subsidiaries affecting the scope of consolidation) :None

New -Company , Removed -Company

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

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

(3) Number of shares outstanding (common stock)

- ① Number of shares outstanding at the end of the period (including treasury stock)
- ② Number of treasury stock at the end of the period
- ③ Average number of shares during the period

FY04/22	16,268,800Shares	FY04/21	16,255,200Shares
FY04/22	369,516Shares	FY04/21	377,523Shares
FY04/22	15,893,560Shares	FY04/21	15,819,780Shares

(Reference) Summary of Non-consolidated Financial Results

Non-consolidated Performance for the Fiscal Year Ended FY04/22 (May 1, 2021-April 30, 2022)

(1) Explanation of Non-Consolidated Results of Operation (Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY04/22	11,451	5.6	1,488	12.7	1,667	32.2	1,208	41.5
FY04/21	10,840	5.6	1,320	3.5	1,261	△0.6	854	13.6

	Earnings Per Share	Diluted Earning Per Share
	Yen	Yen
FY04/22	76.04	75.85
FY04/21	53.99	53.57

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity Ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY04/22	7,459	5,416	71.3	334.69
FY04/21	5,731	4,350	74.2	267.81

(Reference) Shareholders' equity FY04/22 5,321Millions of yen FY04/21 4,252Millions of yen

※ This financial summary is not subject to the audit by a certified public accountant or auditing firm.

※ Disclaimer regarding to Forward Looking Statements

(Precautions on forward-looking statements)

The earnings forecasts and other forward-looking statements presented in these materials reflect information available to the company and assumptions as of the date of this announcement that are based on uncertain factors that may affect future results, and the Company does not guarantee the achievement of these targets. Actual results may differ significantly as a consequence of numerous factors. Please refer to "1. Overview of Operating Results, (4) Future Outlook" on page 5 of the attachments for the assumptions used in the forecasts and cautionary statements regarding the use of the forecasts.

(Video for financial briefing)

We plan to distribute a video on our financial results on our website (<https://hamee.co.jp/ir/library/video>).

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1. Overview of Operating Results.

(1) Overview of Operating Results for the Fiscal Year under Review

During the fiscal year under review, in Japan, restrictions on actions due to COVID-19 continued, and while there was no significant recovery in consumption at physical stores, there was no significant reactionary decline against the expansion of the EC market, which showed a significant rise in the previous fiscal year, the first year of COVID-19. Turning to the global economy, we felt the headwinds throughout the year, including the sharp depreciation of the yen, the disruption in the supply chain triggered by the global shortage of semiconductors, the sharp rise in marine freight rates caused by the shortage of containers and the shortage of labor due to lock-downs, and the soaring price of crude oil and other resources.

In this environment, the status of each segment was as follows.

① Commerce Business

a. Domestic business

In the first quarter of the consolidated fiscal year under review, although there was no backlash like the increase in demand seen in the previous fiscal year due to the launch of iPhone SE2 and other factors, in the new iPhone shopping season in September, the release of new products, particularly iFace series, progressed steadily, and sales and marketing measures that accurately grasped market trends were successful. As a result, we remained at a level above that of the previous fiscal year, and it was again confident that iFace's brand power was high. In retailing, we won the Rakuten Shop of the Year 2021 Smartphone, Tablet, and Peripheral Equipment Genre Award for the third consecutive year. In wholesaling, we launched full-scale transactions with new carriers, and we were able to achieve results that will lead to future growth in each of our sales channels. In the fourth quarter of the fiscal year under review, retail sales fell short of the previous fiscal year due to the headwinds of an extension of the period of restrictions on behavior during COVID-19 to the new lifestyle shopping season. On the other hand, in April, real consumption recovered and wholesale sales recovered its momentum. This was a period in which we were able to demonstrate stable profitability in our business of maintaining a strong brand of iFace by maintaining a balanced distribution channel of wholesale, retail, and two sales channels. This year, iFace celebrated its 10th anniversary since its launch. Going forward, we will continue to firmly grow this brand as a mainstay brand.

In addition, the gaming monitor business, which started in the fiscal year under review, continued to be unable to meet demand in the first half of the fiscal year under review due to a supply shortage caused by a worldwide shortage of semiconductors and other factors. However, supply recovered from the second half of the fiscal year, and average monthly sales rose to more than JPY50 million. In the Cosmetics Business launched in the third quarter of the fiscal year under review, we will continue to make upfront investments for the time being because of aggressive marketing and branding measures. However, we are expanding our sales channels utilizing wholesale and other sales channels in the Commerce Business, and we will firmly link this to the next fiscal year.

b. Overseas Business

In the U.S., the largest market, various e-commerce sales measures were successful by strengthening the organizational capabilities related to e-commerce sales, which had been undertaken in the past, and contributed to boosting sales, particularly in Otamatone. In addition, our organizational strength grew enough to enable us to roll out localized products in the U.S. market. As a result, sales were robust, particularly for squeezes, which were featured in character rollouts. In line with this development, we were able to accelerate the development of tech accessories, particularly in iFace.

As a result, net sales in the Commerce Business were JPY10,189,693 thousand (up 4.8% year on year) and operating income was JPY2,186,985 thousand (down 12.5%).

② Platform Business

a. Next Engine

For the internally developed cloud computing (SaaS) EC Attractions Next Engine, although the pace of customer acquisition stabilized compared to the previous fiscal year, when there was special demand for e-commerce because of COVID-19, we continued to strengthen customer success activities. In September, we reached 5,000 clients, and the number of clients remained at a high level compared to the level prior to COVID-19. We are investing in infrastructure to improve the efficiency of server operations and ensure stable operation. Although this investment has a slight impact on the profit margin, the increase in revenues from the acquisition of more clients contributed to solid growth in operating income.

b. Hamee Consulting Corp. (hereafter, Hamee Consulting)

In Hamee consulting, which provides sales support consulting for e-commerce businesses, we were able to continuously win EC consulting contracts with major customers, and our sales base grew significantly. In addition, we added new store production and renovation and other production projects that were newly launched as business divisions in the second half of the fiscal year as focus areas, resulting in significant increases in sales and profits.

As a result, net sales in the Platform Business were JPY2,769,297 thousand (up 20.0% year on year) and operating income was JPY1,144,063 thousand (up 19.8%).

③ Others

This is related to new services that cannot be clearly categorized into either the Commerce Business or the Platform Business, and includes the Hometo Tax Payment Support Service, Hamic POCKET mobile device for elementary school students, and RUKAMO ethical net shop.

The Hometown Tax Payment Business recorded significant increases in both sales and profits, supported by the expansion of the hometown tax payment market, in addition to sales activities that have been undertaken since the beginning of the fiscal year, centered on the development of new businesses for returns and return home items, the use and enhancement of Next Engine, and strengthened efforts on the front side, such as the conversion and renovation of local government portal sites and advertising production.

With regard to Hamic POCKET, in order to resolve the battery issues in Hamic Pocket that had been on the market since the beginning of the fiscal year, in February 2022 we began sales of a Hamic Pocket L with a larger battery capacity. However, the difficulty of developing and manufacturing smartphones by ourselves is high, and we continue to be unable to produce products that meet user expectations. We will continue to develop these products within the scope of our annual investment ceilings.

In the fiscal year under review, net sales were JPY454,490 thousand (up 37.9% year on year), and segment income (operating loss) was JPY231,659 thousand (compared with an operating loss of JPY273,208 thousand in the previous fiscal year) due to the upfront investment phase other than the "Hometown Tax Payment Support Service."

As a result, net sales for the fiscal year under review were JPY13,413,481 thousand (up 8.5% year on year), operating income was JPY2,202,385 thousand (up 1.0%), ordinary income was JPY2,329,611 thousand (up 8.4%), and attributable to owners of parent net income was JPY1,743,821 thousand (up 12.0%).

As a result of comprehensively considering consolidated sales of JPY13.8 billion or more and consolidated operating profit margin of 16% or more, which are targets for the current consolidated fiscal year under the medium-term management plan (from the fiscal year ending April 2020 to the fiscal year ending April 2022), we believe that we have achieved this target, and the year-end dividend payout ratio is 20% or more, subject to a resolution of the shareholders meeting.

As a change in accounting policy, we have applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and other standards from the beginning of the fiscal year under review. For more information, please refer to "3. Consolidated Financial Statements and Major Notes, (5) Notes to Consolidated Financial Statements (Changes in Accounting Policies)."

(2) Overview of Financial Position for the Fiscal Year under Review

(Assets, Liabilities and Net Assets)

① Current assets

The balance of current assets at the end of the fiscal year under review increased by JPY1,701,502 thousand from the end of the previous fiscal year to JPY8,158,236 thousand, up 26.4% from the end of the previous fiscal year. This was mainly attributable to an increase of JPY671,141 thousand in cash and deposits due to borrowings, an increase of JPY76,900 thousand in notes and accounts receivable-trade due to an increase in net sales, an increase of JPY465,794 thousand in merchandise, and an increase of JPY366,427 thousand in advances paid.

② Fixed assets

The balance of fixed assets at the end of the fiscal year under review increased by JPY477,936 thousand from the end of the previous fiscal year to JPY2,359,956 thousand (up 25.4%). This was mainly due to an increase of JPY500,109 thousand in buildings and structures and JPY331,201 thousand in land as a result of the relocation of offices of Hamee Global Inc, etc., and a decrease of JPY203,907 thousand in goodwill.

③ Current liabilities

The balance of current liabilities at the end of the fiscal year under review increased by JPY486,253 thousand from the end of the previous fiscal year to JPY2,232,316 thousand (up 27.8%). This was mainly due to an increase of JPY487,822 thousand in short-term loans payable and an increase of JPY91,291 thousand in accounts payable-other, offset by a decrease of JPY117,133 thousand in income taxes payable.

④ Long-term liabilities

The balance of non-current liabilities at the end of the fiscal year under review decreased by JPY31,677 thousand from the end of the previous fiscal year to JPY32,960 thousand (down 49.0%). This was mainly due to a decrease of JPY43,853 thousand in long-term loans payable.

⑤ Net assets

The balance of net assets at the end of the fiscal year under review increased by JPY1,724,864 thousand from the end of the previous fiscal year to JPY8,252,916 thousand (up 26.4%). This was mainly due to an increase of JPY1,585,501 thousand in retained earnings and an increase of JPY120,758 thousand in foreign currency translation adjustments.

(3) Overview of Cash Flows for the Fiscal Year under Review

(Cash Flows)

Cash and cash equivalents (hereinafter referred to as "funds") at the end of the fiscal year under review increased by JPY671,141 thousand from the end of the previous fiscal year to JPY4,025,758 thousand.

The status of each cash flow for the current consolidated fiscal year and their factors are as follows.

Cash flows from operating activities

Net cash provided by operating activities was JPY1,186,178 thousand (compared with JPY1,941,111 thousand provided in the previous fiscal year). This was mainly due to cash outflows JPY425,444 thousand increase in inventories, JPY356,306 thousand increase in advance payments, and JPY919,631 thousand yen in income taxes paid, which outweighed cash inflows such as income before income taxes of JPY2,462,979 thousand, depreciation of JPY432,421 thousand, and amortization of goodwill of JPY205,197 thousand.

Cash flows from investing activities

Net cash used in investing activities was JPY886,457 thousand (compared with JPY412,081 thousand used in the previous fiscal year). This was mainly due to expenditure factors such as purchase of property, plant and equipment of JPY824,443 thousand and purchase of intangible assets of JPY193,183 thousand, which outweighed income factors such as proceeds from sales of shares of subsidiaries and associates of JPY182,354 thousand.

Cash flows from financing activities

Net cash provided by financing activities was JPY298,055 thousand (compared with JPY1,736,346 thousand used in the previous fiscal year). This was mainly due to outflow factors such as repayment of long-term loans payable of JPY48,036 thousand and dividend payments of JPY158,776 thousand, which outweighed inflow factors such as an increase of JPY500,000 thousand in short-term loans payable.

(Reference) Cash flow indicators

	FY04/18	FY04/19	FY04/20	FY04/21	FY04/22
Equity Ratio (%)	68.8	70.3	57.9	77.1	77.6
Equity ratio based on market value (%)	530.7	213.7	256.7	302.2	171.5
Ratio of interest-bearing debt to cash flow(years)	0.2	0.8	0.9	0.1	0.5
Interest coverage ratio (Times)	450.2	313.0	581.6	202.9	400.6

Equity ratio : Equity capital/Total assets

Equity ratio based on market capitalization: Market capitalization/Total assets

Interest-bearing debt to cash flow ratio: Interest-bearing debt/Cash flow

Interest coverage ratio: Cash flows/Interest payments

(NOTE) 1. All figures are calculated based on consolidated financial figures.

2. Market capitalization is calculated based on the number of shares outstanding.

3. Cash flows from operating activities are used for cash flows.

4. Interest-bearing debt includes all debt on the consolidated balance sheet for which interest is paid.

(4)Future Outlook

(Future Outlook)

① Spin-off of Platform Business and absorption-type merger of Hamee Consulting

The Commerce Business, which was launched as an EC specializing in the strap of mobile phones, is the foundation of the Group's business. The Next Engine of the Platform Business is the services created to resolve various issues that arise in operating EC stores in this business.

The fact that the Next Engine was born from the field of EC management, the Commerce Business, is the biggest differentiator from the services of other companies. On the other hand, based on the trust of customers, the Next Engine can be used by many users, enabling it to incorporate EC management know-how other than in-house, and has achieved growth for the Group as a whole while leveraging the mutual synergy between the Commerce Business and the Platform Business.

Nonetheless, the number of Next Engine users in the Platform Business currently exceeds 5,400 clients, and we are growing into an infrastructure that supports the distribution of a wide variety of products and the businesses of EC businesses of various sizes. Although the Commerce Business continues to be one of a client of Next Engine, the perspective of improving the functions of services themselves by solving problems at a single company is fading. More than 5,400 clients, and beyond that, there is a need to develop services to solve problems at all EC operators in Japan.

On the other hand, in the Commerce Business, whereas initially the purchase and sale of products from other companies was the primary focus, at present approximately 90% of total sales are from our own products, and we have evolved into a business model in which we have the functions of planning, developing and manufacturing products within the group, and can complete everything from upstream to downstream in the supply chain on our own.

In light of these facts, we have come to the recognition that each of the growth phases has changed significantly in both the Platform Business and the Commerce Business. When based on this assumption, we believe that in the process in which the two businesses grow as a single organization, there will be a variety of challenges, including the increasing complexity and inefficiency of management operations and the difficulty of maintaining and improving employee motivation through a single personnel system.

Our mission is to "Ignite your creativity" We believe that this will be achieved by creating an environment in which each member of Hamee can continue to maintain high calorific value. We have concluded that the means to maintain and realize our mission over the super-long term is the spin-off of the Platform Business (name of the successor company: NE Corp.)(*1). For details on the spin-off, please refer to the "Notice of Business Succession of Platform Business through Corporate Split (Absorption-type Split)" announced today.

As a concrete effect of the spin-off, we expect that the streamlining of each organization will enable flexible and flexible decision-making. Generally speaking, there are no cases in which there are concerns that the spin-off will result in the loss of a sense of unity as a group. However, we intend to continue to maintain our growth potential with a sense of unity by continuing to have a shared mission of "Ignite your creativity" and by continuing to have a culture that strongly links to it across the group.

In addition, as provided in the "Notice of Absorption-type Merger of Sub-subsidiaries by Consolidated Subsidiaries" on today, Hamee Consulting is scheduled to be absorbed by NE Corp., the successor company in the spin-off, on September 1 (*1).

(*1) The spin-off and the absorption-type merger of Hamee Consulting are subject to approval at our annual meeting of stockholders to be held on July 28, 2022.

② Changes in reportable segments

In line with our new management structure, we changed the reporting segments from the year ending April 2023, and the major changes are as follows.

	Hamic	Localco (Hometown Tax Payment)	RUKAMO	NE Korea (Note)
Existing segments (until the fiscal year ended April 2022)	Others	Others	Others	Platform
Revised segment (from the fiscal year ended April 2023)	Commerce	Platform	Platform	Commerce

(NOTE) In the future, Next Engine Korea will independently develop and develop services suitable for the South Korean EC market under Hamee Global, and will calculate and disclose them in the Commerce Segment in order to seek new forms of services.

Corporate expenses will continue to be tabulated and disclosed as "Adjustments." We will also compile and disclose highly important assets and liabilities by segment.

③ Changes in institutional design

At the same time as the spin-off, we will shift from a company with an Audit & Supervisory Board to a company with an Audit & Supervisory Committee (*2). With the response to the Corporate Governance Code, the requirements for outside directors have become stricter, and as one of the measures to deal with this, we will make the transition to a company with an Audit and Supervisory Committee structure that is in line with the Corporate Governance Code. At the same time, we will review the roles of the Board of Directors and directors, the roles of outside directors, and the roles of the president and other executive officers, and delegate authority to the president and other executive officers, thereby enabling more flexible corporate management in line with the front lines of business.

(*2) Changes in the design of the institution are subject to a resolution of the shareholders.

④ Mid-Term Management Plan

Under the Medium-Term Management Plan (from the fiscal year ended April 2023 to the fiscal year ended April 2025), the Medium-Term Management Plan for each of the Commerce Segment and the Platform Segment is as follows, assuming the spin-off of the Platform Business for the purpose of the Group's super-long-term growth.

- Commerce segment

As a result of the aforementioned "② Changes in reportable segments," the Commerce Segment will consist of the Mobile Life Business, which handles smartphone accessories mainly in iFace, Salisty, the Gaming Accessories Business, which handles gaming monitor brand Pixio, the Cosmetics Business, which operates under ByUR brand, and the Global Business, which is centered on the U.S.

Our dependence on the domestic market and the smartphone accessories field is a major challenge. To address this challenge, we will aggressively expand our categories and create new businesses by leveraging our strengths in the following areas: ① EC management knowledge; ② supply chain, in which we plan, development, and manufacture in-house, and maintain a well-balanced network of two sales channels: wholesale and e-commerce retail; and ③ highly recognized iFace brands. As a new management strategy,

1. Category Expansion and New Business Creation (New Business Strategy)

2. DX•SX (DX•SX Strategy)

3. Expanding Overseas Sales Share (Global Strategy)

We will work on the aforementioned pillars.

1. Category Expansion and New Business Creation

In areas where we can leverage the strengths we have cultivated in our existing businesses (smartphone accessories), we will aggressively expand categories and create new businesses. We will aggressively invest in the cosmetics business, centered on cosmetics brand ByUR, and the gaming accessories business, centered on gaming monitor brand Pixio, as our core businesses, centered on the mobile life business, centered on smartphone accessories. In other areas as well, we will work to expand categories and create new businesses through in-house new business creation systems and M&A.

2. DX • SX

We will work on DX for the entire business so that touchpoints with customers that have increased as a result of category expansion and the creation of new businesses can be connected digitally and strongly for a long time, and those points can be linked together to generate even more revenue. In addition, we will further strengthen our in-house control of the supply chain, from upstream to downstream, which is one of our strengths, and promote DX throughout the organization to create an improvement cycle that can accurately reflect customer needs for each function. In addition, we will strive to build a supply chain that reduces unused inventory, which always occurs in manufacturing, and build a system for reuse of our own plastic products. In this way, we will improve profitability, success reproduction, and sustainability of growth.

3. Increase share of overseas sales

In order to overcome our dependence on the domestic market, we will leverage the management know-how and resources we have cultivated in Japan⇔South Korea to expand our overseas sales shares, mainly targeting the U.S. market, with Hamee Global as the core. In the United States, we will plan and develop low rebound general merchandises(squeezes, etc.) and music toys (otamatone) for local markets. While expanding retail and wholesale sales, we will develop smartphone accessories centered on iFace, a proprietary product, with the aim of achieving a 20% share of overseas sales in three years.

Based on these measures, we will build a business model that will enable sustained growth in the commercial segment for the year ending April 2025, with sales of JPY19,383 million and a segment margin of 22%.

- Platform segment

As a result of the aforementioned "② Changes in reportable segments," the Platform segment is expected to continue to grow steadily, and in addition to Next Engine, the main businesses are the Consulting Business (currently Hamee Consulting) and the Localco Business (currently the Hometown Tax Payment Business).

Realizing a Strong Customer Base and a Virtuous Business Structure

Next Engine is mainly services supported by (e-commerce transaction value) medium-sized businesses. Building a strong customer base as Next Engine business is the key to further growth. Focusing on the growing number of small businesses (e-commerce transaction value) in COVID-19, we will expand and strengthen services for small businesses over the next three years and aim to significantly increase the total number of clients. We anticipate that micro businesses will be interested in expanding sales and EC knowledge, which are the top management themes. We will focus on the development of services and functions for micro businesses and the formation of Next Engine communities, and build a solid customer base. In this customer base, we will provide production, EC consulting, and other services through the consulting business to businesses that have the same challenge of expanding sales, which is of interest to micro businesses, and even medium businesses that have the same challenge. In addition, we will further pursue synergies, such as the consulting business, which acts as the initial setting agent for Next Engine, with the aim of realizing a "virtuous cycle business structure."

In order to realize these goals, NE Corp. will conduct an absorption-type merger of Hamee Consulting, as disclosed today in the " Notice of Absorption-type Merger of Sub-subsidiaries by Consolidated Subsidiaries," aiming to build an integrated service flow that can respond to the various management issues faced by EC operators and further expand its customer base.

In the Consulting Business, we will promote the efficiency of consulting resources by organizationally leveling client responses and introducing chat consulting. In addition, growth has accelerated in recent years, and by strengthening the design functions (e-commerce site construction projects, etc.) that we commercialized in the previous fiscal year, we intend to accelerate the growth of the consulting business as a whole by strengthening our lead from design (one-time orders) to e-commerce consulting contracts (stock).

In the localco business, we aim to increase the amount of donations by acquiring new municipalities and increasing the number of websites handled through continuous sales enhancements, and by developing new businesses for returns and returns. In addition, we will seek initiatives other than individual version hometown tax payment and consider implementing new initiatives for regional revitalization.

Based on the above, in the medium-term management plan (from the fiscal year ending April 2023 to the fiscal year ending April 2025), the platform segment is targeting net sales of JPY5,441 million and an operating income margin of 46% or more for the entire segment in April 2025.

In addition, the consolidated group as a whole is targeting consolidated net sales of JPY24,824 million and consolidated operating income of JPY5,459 million in the fiscal year ending April 2025.

⑤ Forecast for the Fiscal Year Ending April 2023

Consistent with the aforementioned medium-term management plan, we currently forecast the following consolidated results for the fiscal year ending April 2023.

Net sales	15,932Millions of yen	(Year on year Up 18.8%)
Operating income	2,293Millions of yen	(Year on year Up 4.1%)
Ordinary income	2,295Millions of yen	(Year on yearDown 2.2%)

Attributable to owners of
parent Net income 1,575Millions of yen (Year on yearDown 9.6%)

※Cautionary Statement with Respect to Forward-Looking Statements

The forecasts of consolidated financial results for the fiscal year under review for the group presented in this document are based on judgments and assumptions using information available as of the date of this document. Actual results may differ depending on various factors.

2. Basic Approach to the Selection of Accounting Standards

Our group intends to prepare consolidated financial statements under Japanese GAAP for the foreseeable future, considering the comparability of consolidated financial statements between periods and between businesses.

With regard to the adoption of International Financial Reporting Standards, the group intends to respond appropriately, taking into account various domestic and overseas circumstances.

3.Consolidated Financial Statements and Major Notes

(1)Consolidated Balance Sheets

(Thousands of yen)

	End of previous fiscal year (As of April 30, 2021)	End of current fiscal Year (As of April 30, 2022)
Assets		
Current assets		
Cash and deposits	3,354,616	4,025,758
Notes and accounts receivable	1,590,162	1,667,063
Inventory	962,612	1,428,407
Work in process	4,674	9,556
Supplies	5,800	5,507
Advance payments	185,560	551,987
Others	386,439	501,449
Allowance for doubtful accounts	△33,133	△31,493
Total current assets	6,456,733	8,158,236
Fixed assets		
Property, plant and equipment		
Buildings and structures	208,420	738,271
Accumulated depreciation	△60,667	△90,409
Buildings and structures, net	147,753	647,862
Automotive equipment	-	2,370
Accumulated depreciation	-	△712
Vehicles, net	-	1,657
Tools, furniture and fixtures	638,447	859,869
Accumulated depreciation	△501,983	△628,646
Tools, furniture, and fixtures, net	136,464	231,223
Land	-	331,201
Construction in progress	334,921	664
Total property, plant and equipment	619,139	1,212,610
Intangible assets		
Goodwill	340,255	136,347
Software	235,794	302,343
Trademark right	14,002	15,424
Others	13,720	3,093
Total intangible assets	603,772	457,208
Investments and other assets		
Investment securities	34,407	32,302
Stocks of subsidiaries and affiliates	46,749	39,232
Net defined benefit asset	15,197	-
Deferred tax assets	417,860	473,990
Others	150,945	144,611
Allowance for doubtful accounts	△6,052	-
Total investments and other assets	659,108	690,137
Total noncurrent assets	1,882,020	2,359,956
Total assets	8,338,753	10,518,193

(Thousands of yen)

	End of previous fiscal year (As of April 30, 2021)	Current Consolidated Fiscal Year (As of April 30, 2022)
Liabilities		
Current liabilities		
Accounts payable	208,741	173,579
Short-term loans	12,177	500,000
Current portion of long-term loans payable	48,036	43,853
Accounts payable-other	729,990	821,281
Accrued expenses	185,142	221,240
Income taxes payable	478,607	361,473
Provision for bonuses	51,096	41,824
Reserve for sales returns	6,938	-
Provision for discount points	217	-
Others	25,114	69,063
Total current liabilities	1,746,062	2,232,316
Non current liabilities		
Long-term loans	43,853	-
Obligations for retirement pay	-	19,000
Asset retirement obligations	-	11,143
Others	20,785	2,817
Total Non current liabilities	64,638	32,960
Total liabilities	1,810,701	2,265,227
Net assets		
Shareholders' equity		
Common stock	594,043	597,803
Capital surplus	532,785	541,753
Retained earnings	5,612,726	7,198,228
Treasury stock	△363,636	△355,971
Total shareholders' equity	6,375,918	7,981,813
Other accumulated comprehensive income		
Valuation difference on securities	-	727
Adjustments on foreign currency statement translation	54,009	174,767
Total other accumulated comprehensive income	54,009	175,494
Stock Option	98,124	95,608
Total net assets	6,528,052	8,252,916
Total liabilities and net assets	8,338,753	10,518,193

(2)Consolidated Statement of Income and Consolidated Statement of Comprehensive Income
Consolidated income statement

(Thousands of yen)

	Previous fiscal year (May 1, 2020 to April 30, 2021)	Current fiscal year (May 1, 2021 to April 30, 2022)
Net sales	12,363,688	13,413,481
Cost of sales	4,801,731	4,891,728
Gross profit	7,561,956	8,521,753
Reversal of provision for sales returns	6,716	-
Provision for sales returns	6,938	-
Gross profit after adjustment of reserve for sales returns	7,561,735	8,521,753
Selling, general and administrative expenses	5,382,026	6,319,367
Operating income	2,179,708	2,202,385
Non-operating income		
Interest income	1,021	1,290
Equity in earnings of associated companies	244	5,337
Compensation income	15,466	16,327
Foreign exchange gains	-	90,158
Others	4,352	38,317
Total non-operating income	21,086	151,432
Non-operating expenses		
Interest expenses	9,564	2,960
Payment Guarantee Fee	6,839	7,527
Foreign exchange losses	24,013	-
Settlement money	-	8,457
Others	11,590	5,260
Total non-operating expenses	52,008	24,207
Ordinary income	2,148,786	2,329,611
Extraordinary income		
Gain on sales of noncurrent assets	372	917
Gain on sales of investment securities	4,999	-
Gain on sales of stock of affiliates	-	172,307
Gain on sales of stock of affiliates	1,258	-
Others	-	18,006
Total extraordinary income	6,630	191,231
Extraordinary loss		
Loss on retirement of noncurrent assets	489	3,166
Loss on sales of noncurrent assets	80	-
Loss on valuation of investment securities	10,164	54,696
Loss on reversal of foreign currency translation adjustments	868	-
Total extraordinary loss	11,602	57,862
Income before income taxes and minority interests	2,143,813	2,462,979
Income taxes	705,987	768,136
Income taxes-deferred	△118,500	△48,977
Total income taxes	587,486	719,158
Net income	1,556,327	1,743,821
Net Profit attributable to owners of parent	1,556,327	1,743,821

Consolidated Comprehensive Income Statement

(Thousands of yen)

	Previous fiscal year (May 1, 2020 to April 30, 2021)	Current fiscal Year (May 1, 2021 to April 30, 2022)
Net income	1,556,327	1,743,821
Other comprehensive income		
Valuation difference on securities	-	727
Foreign currency translation adjustments	215,202	120,758
Total other comprehensive income	215,202	121,485
Comprehensive income	1,771,529	1,865,306
(Details)		
Comprehensive income attributable to owners of parent	1,771,529	1,865,306
Comprehensive income attributable to noncontrolling interests	-	-

(3) Consolidated Statements of Changes in Net Assets

Previous fiscal year (May 1, 2020, to April 30, 2021)

(Thousands of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Opening balance	536,677	456,677	4,166,941	△313,117	4,847,178
Cumulative effect of changes in accounting policies					-
Issuance of new shares	57,366	57,366			114,733
Dividends			△110,541		△110,541
Net profit attributable to owners of parent			1,556,327		1,556,327
Purchase of treasury stock				△65,156	△65,156
Disposal of treasury stock		18,741		14,637	33,379
Net change in items other than shareholders' equity					
Total changes during the year	57,366	76,108	1,445,785	△50,519	1,528,740
Closing balance	594,043	532,785	5,612,726	△363,636	6,375,918

	Other accumulated comprehensive income		Stock Option	Total net assets
	Foreign Currency Translation Adjustment account	In addition Comprehensive income Total accumulated amount		
Opening balance	△161,192	△161,192	138,380	4,824,365
Cumulative effect of changes in accounting policies				-
Issuance of new shares				114,733
Dividends				△110,541
Net profit attributable to owners of parent				1,556,327
Purchase of treasury stock				△65,156
Disposal of treasury stock				33,379
Net change in items other than shareholders' equity	215,202	215,202	△40,256	174,946
Total changes in current year	215,202	215,202	△40,256	1,703,687
Closing balance	54,009	54,009	98,124	6,528,052

Current fiscal year (from May 1, 2021 to April 30, 2022)

(Thousands of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Opening balance	594,043	532,785	5,612,726	△363,636	6,375,918
Cumulative effect of changes in accounting policies			△1,826		△1,826
Balance at the beginning of the year reflecting changes in accounting policies	594,043	532,785	5,610,899	△363,636	6,374,092
Change during the year					
Issuance of new shares	3,759	3,759			7,519
Dividends			△158,776		△158,776
Net profit attributable to owners of parent			1,743,821		1,743,821
Purchase of treasury stock				△135	△135
Disposal of treasury stock		5,208		7,800	13,008
Change in scope of equity method			1,685		1,685
Net change in items other than shareholders' equity			599		599
Total changes during the year	3,759	8,967	1,587,328	7,665	1,607,721
Closing balance	597,803	541,753	7,198,228	△355,971	7,981,813

	Other accumulated comprehensive income			Stock Option	Total net assets
	Other securities Variance from valuation	Foreign Currency Translation Adjustment account	In addition Comprehensive income Total accumulated amount		
Opening balance	-	54,009	54,009	98,124	6,528,052
Cumulative effect of changes in accounting policies					△1,826
Balance at the beginning of the year reflecting changes in accounting policies	-	54,009	54,009	98,124	6,526,225
Change during the year					
Issuance of new shares					7,519
Dividends					△158,776
Net profit attributable to owners of parent					1,743,821
Purchase of treasury stock					△135
Disposal of treasury stock					13,008
Change in scope of equity method					1,685
Net change in items other than shareholders' equity	727	120,758	121,485	△2,516	119,568

	Other accumulated comprehensive income			Stock Option	Total net assets
	Other securities Variance from valuation	Foreign Currency Translation Adjustment account	In addition Comprehensive income Total accumulated amount		
Total changes in current year	727	120,758	121,485	△2,516	1,726,690
Closing balance	727	174,767	175,494	95,608	8,252,916

(4) Consolidated Statements of Cash Flows

(Thousands of yen)

	Previous fiscal year (May 1, 2020 to April 30, 2021)	Current fiscal year (May 1, 2021 to April 30, 2022)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	2,143,813	2,462,979
Depreciation and amortization	316,546	432,421
Amortization of goodwill	197,554	205,197
Loss on retirement of property, plant and equipment	489	3,166
Loss (gain) on sales of property, plant and equipment (△are gains)	△291	△917
Gain on sales of stock of affiliates	-	△172,307
Loss (gain) on sales of marketable equity securities (△are gains)	10,164	54,696
Loss (gain) on revaluation of marketable securities (△are gains)	△4,999	-
Increase (decrease) in allowance for doubtful accounts (△decreased)	25,813	△8,072
Increase (decrease) in provision for point card certificates (△decreased)	△2,197	△217
Increase (decrease) in provision for sales returns(△decreased)	221	△6,938
Increase (decrease) in accrued bonuses (△decreased)	45,172	△10,618
Increase (decrease) in net defined benefit asset and liability	△23,308	33,232
Interest and dividend income	△1,021	△1,290
Interest expenses	9,564	2,960
Share of profit (loss) of entities accounted for using equity method (△are gains)	△244	△5,337
Foreign exchange gains (losses) (△ are gains)	367	△469
Decrease (increase) in notes and accounts receivabletrade (△increased)	△318,805	△54,340
(Increase) decrease in inventories (△ increased)	118,543	△425,444
Increase (decrease) in notes and accounts payable-trade (△decreased)	27,008	△44,108
Increase (decrease) in advances paid (△ increased)	△26,458	△356,306
Increase (decrease) in accounts payable (△ decreased)	96,604	111,433
Increase (decrease) in accrued expenses (△ decreased)	760	34,333
Others	16,103	△146,317
Subtotal	2,631,310	2,107,734
Interest and dividend received	1,021	1,290
Interest expenses paid	△8,711	△3,214
Income taxes paid	△682,509	△919,631
Net cash provided by (used in) operating activities	1,941,111	1,186,178
Cash flow from investing activities		
Consideration paid for contingent acquisition of business acquisition	△50,490	-
Purchase of property, plant and equipment	△181,581	△824,443
Proceeds from sales of property, plant and equipment	313	276
Purchase of intangible assets	△169,897	△193,183
Purchase of investment securities	△29,450	△45,815
Proceeds from sale of investment securities	5,000	-
Proceeds from sale of investments in subsidiaries	-	182,354

(Thousands of yen)

	Previous fiscal year (May 1, 2020 to April 30, 2021)	Current fiscal year (May 1, 2021 to April 30, 2022)
Others	14,023	△5,646
Cash flow from investing activities	△412,081	△886,457
Cash flow from financing activities		
Increase (decrease) in short-term borrowings, net (△decreased)	△1,588,347	500,000
Repayment of long-term loans payable	△48,036	△48,036
Proceeds from issuance of common stock	75,735	5,003
Purchase of treasury stock	△65,156	△135
Dividends paid	△110,541	△158,776
Cash flow from financing activities	△1,736,346	298,055
Effect of exchange rate change on cash and cash equivalents	108,636	73,364
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS (△decreased)	△98,680	671,141
Cash and cash equivalents at beginning of term	3,453,297	3,354,616
Cash and cash equivalents at end of period	3,354,616	4,025,758

(5)Notes fo consolidated financial statements

(Notes on the Going Concern Assumption)

Not applicable.

(Basis of Presenting Consolidated Financial Statements)

Scope of consolidation

1、 Number of group companies: 6 (Note)

Names of consolidated subsidiaries

Hamee Global Inc.

Hamee US,Corp.

Hamee India Pvt.Ltd.

Hamee Shanghai Tech & Trading Co., Ltd.

Hamee Shanghai Trade Co.,Ltd

Hamee Consulting Co., Ltd.

2.Application of the equity method

(1) Equity method affiliates: 1 (Note)

Name of equity-method affiliate

Root Co., Ltd

(NOTE)During the fiscal year under review, we sold a portion of its shares in Sippino Co., Ltd. and excluded it from the scope of application of the equity method.

(Changes in Accounting Policies)

(Application of Accounting Standard for Revenue Recognition)

The "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020, hereinafter referred to as the "Accounting Standard for Revenue Recognition") and other standards are applied from the beginning of the fiscal year under review to recognize revenue when control of promised goods or services is transferred to customers in an amount that is expected to be received in exchange for those goods or services.

As a result, sales discounts, which were previously recorded as non-operating expenses, have been reduced from net sales. In the Commerce segment, we changed its method of recognizing as income and cost of sales the allowance for sales returns, which was recorded as a current liability based on the amount equivalent to gross profit, excluding the amount equivalent to revenue and cost of sales of products expected to be returned. Consequently, the consideration for products expected to be returned is included in "Other" in current liabilities as a refund liability, and assets recognized as the right to recover products from customers when the refund liability is settled are included in "Other" in current assets as a return asset.

In the past, the unused portion of the in-house points granted to customers was recorded as "Provision for points." However, due to the immateriality of the amount of these points, we have changed to a method that does not identify separate performance obligations.

The Commerce business applies the alternative treatment set forth in Item 98 of "Guidance on Accounting Standards for income Recognition" and recognizes revenue upon shipment for domestic sales of merchandise when the period between the time of shipment and the time when control of the merchandise is transferred to the customer is normal.

With regard to the application of the revenue recognition accounting standards, in accordance with the transitional treatment stipulated in the provisions of paragraph 84 of the Accounting Standard for Revenue Recognition, the cumulative effect of retrospective application of a new accounting policy prior to the beginning of the fiscal year under review has been adjusted to retained earnings at the beginning of the fiscal year under review, and a new accounting policy has been applied from the beginning of the fiscal year under review. However, the new accounting policy has not been applied retrospectively to contracts for which the method set forth in paragraph 86 of the Accounting Standard for income Recognition has been applied and substantially all revenue amounts have been recognized in accordance with previous treatment prior to the beginning of the current fiscal year. In addition, we apply the method stipulated in paragraph 86 and paragraph (1) of the Revenue Recognition Accounting Standards. Contract modifications made prior to the beginning of the current fiscal year are accounted for based on the contractual terms after reflecting all contract modifications, and the cumulative effect of these modifications is added to or deducted from retained earnings at the beginning of the current fiscal year.

As a result, net sales for the fiscal year under review decreased by JPY5,561 thousand, cost of sales decreased by JPY1,093 thousand, operating income decreased by JPY4,468 thousand, and ordinary income and income before income taxes increased by JPY386 thousand, respectively. In addition, the balance of retained earnings at the beginning of the fiscal year decreased by 1,826 thousand.

The impact on per share information is stated in the relevant section.

In accordance with the transitional treatment set forth in paragraph 89-3 of the Revenue Recognition Accounting Standard, we have not presented information disaggregating revenue from contracts with customers for the prior fiscal year.

(Segment information, etc.)

[Segment Information]

1.The outline of any Reporting Segment

The reportable segments of the group are constituent units of the group for which separate financial information is available and which are subject to periodic review by the Board of Directors in deciding how to allocate resources and in assessing performance. The group consists of segments classified by products and services based on business activities. The two reportable segments are the Commerce Business and the Platform Business. Those related to new services that cannot be clearly classified into the two segments are presented as Other. The Commerce segment plans, manufactures, purchases, and sells mobile accessory-related products and services. The Platform Business provides "Next Engine," a cloud (SaaS) type EC Attractions that supports sales and inventory management by e-commerce operators, and sales support consulting services. "Others" is a new service that cannot be clearly categorized into both existing businesses, such as the "Hometown Tax Payment Support Service" and the "Hamic POCKET" watch mobile terminal for elementary school students.

2.Methods of calculating net sales, income or loss, assets, liabilities, and other items by reportable segment

The accounting treatment of the reportable segments is generally the same as that described in "Basis of Presenting Consolidated Financial Statements."

Profits of reportable segments are figures based on operating income.

Inter-segment sales and transfers are based on prevailing market prices.

(Application of Accounting Standard for Revenue Recognition)

As stated in "Changes in Accounting Policies," we have applied the revenue recognition accounting standards, etc. from the consolidated financial statements for the fiscal year under review, and changed the accounting method for revenue recognition. As a result, the method of calculating income or loss for business segments has been changed in the same manner.

As a result of this change, compared to the previous method, net sales in the Commerce Business for the fiscal year under review decreased by JPY5,779 thousand, segment income decreased by JPY4,686 thousand, net sales in the Other Business increased by JPY217 thousand, and segment income increased by JPY217 thousand.

3.Information on net sales, income or loss, assets, liabilities and other items by reportable segment

Previous fiscal year (May 1, 2020, to April 30, 2021)

(Thousands of yen)

	Reportable segments			Others	Total	Adjusted amount	Carrying value (NOTE)2
	Commerce Business	Platform Business	Total				
Net sales							
To external customers	9,726,740	2,307,370	12,034,110	329,577	12,363,688	-	12,363,688
Net sales							
Inter-segment Sales Or reclasses	-	680	680	-	680	△680	-
Total	9,726,740	2,308,050	12,034,791	329,577	12,364,368	△680	12,363,688
Segment profit (Loss) (△)	2,498,624	954,876	3,453,501	△273,208	3,180,292	△1,000,584	2,179,708
Other items							
Depreciation	150,954	136,457	287,411	-	287,411	29,135	316,546
Goodwill amortization	137,562	59,992	197,554	-	197,554	-	197,554

(NOTE) 1. Segment assets are omitted because we do not allocate assets to reportable segments.

2.Segment income (△) is consistent with operating income in the consolidated financial statements.

Current fiscal year (May 1, 2021 to April 30, 2022)

(Thousands of yen)

	Reportable segments			Others	Total	Adjusted amount	Carrying value (NOTE)2
	Commerce Business	Platform Business	Total				
Net sales							
Income from contracts with customers	10,189,693	2,769,297	12,958,991	454,490	13,413,481	-	13,413,481
To external customers	10,189,693	2,769,297	12,958,991	454,490	13,413,481	-	13,413,481
Net sales							
Inter-segment Sales Or reclasses	-	-	-	-	-	-	-
Total	10,189,693	2,769,297	12,958,991	454,490	13,413,481	-	13,413,481
Segment profit (Loss) (△)	2,186,985	1,144,063	3,331,049	△231,659	3,099,389	△897,003	2,202,385
Other items							
Depreciation	259,699	133,886	393,585	-	393,585	38,835	432,421
Goodwill amortization	145,204	59,992	205,197	-	205,197	-	205,197

(NOTE) 1. Segment assets are omitted because we do not allocate assets to reportable segments.

2.Segment income (△) is consistent with operating income in the consolidated financial statements.

[Related Information]

Previous fiscal year (May 1, 2020, to April 30, 2021)

1.Information for each product and service

This information is omitted because the same information is disclosed in the segment information.

2.Information for each region

(1) Net sales

Disclosure is omitted because net sales to external customers in Japan exceed 90% of net sales in the consolidated statements of income.

(2) Property, plant and equipment

(Thousands of yen)

Japan	South Korea	United States	Other Asian countries	Total
170,202	445,864	2,798	274	619,139

3.Information for each major customer

This information is omitted because no external customer accounts for 10% or more of net sales on the consolidated statements of income.

Current fiscal year (from May 1, 2021 to April 30, 2022)

1.Information for each product and service

This information is omitted because the same information is disclosed in the segment information.

2.Information for each region

(1) Net sales

(Thousands of yen)

Japan	North America	Asia and Oceania	Other regions	Total
11,942,724	1,194,355	236,045	40,355	13,413,481

(NOTE) Net sales are classified by country or region based on the location of customers.

(2) Property, plant and equipment

(Thousands of yen)

Japan	South Korea	United States	Other Asian countries	Total
169,847	1,025,381	16,977	404	1,212,610

3.Information for each major customer

This information is omitted because no external customer accounts for 10% or more of net sales on the consolidated statements of income.

[Information on impairment loss on noncurrent assets and goodwill by reportable segment]

Previous fiscal year (May 1, 2020, to April 30, 2021)

Not applicable.

Current fiscal year (May 1, 2021 to April 30, 2022)

Not applicable.

[Information on Amortization of Goodwill and Unamortized Balance by Reportable Segment]

Previous fiscal year (May 1, 2020, to April 30, 2021)

Unamortized balance of goodwill JPY340,255 thousand

Amortization of goodwill is omitted because the same information is disclosed in the segment information.

The unamortized balance of goodwill is not allocated to reportable segments.

Current fiscal year (from May 1, 2021 to April 30, 2022)

Unamortized balance of goodwill JPY136,347 thousand

Amortization of goodwill is omitted because the same information is disclosed in segment information.

The unamortized balance of goodwill is not allocated to reportable segments.

[Information on gain on negative goodwill by reportable segment]

Not applicable.

(Per Share Information)

	Previous fiscal year (May 1, 2020 to April 30, 2021)	Current fiscal Year (May 1, 2021 to April 30, 2022)
Net assets per share	JPY404.97	JPY513.06
Earnings per share	JPY98.38	JPY109.72
Diluted earnings per share	JPY97.62	JPY109.43

(NOTE) 1. As described in "Changes in Accounting Policies," we have applied the "Accounting Standard for Revenue Recognition." As a result, Net Assets per Share, Net Profit per Share and Net Profit per Dilute Share after adjustment for the current fiscal year decreased by JPY0.10, JPY2.02, respectively.

2. The basic facts underlying the calculation of Basic earnings per share and Diluted earnings per share are as follows

	Previous fiscal year (May 1, 2020 to April 30, 2021)	Current fiscal Year (May 1, 2021 to April 30, 2022)
Earnings per share		
Profit attributable to owners of parent (thousand yen)	1,556,327	1,743,821
Amount not attributable to common stock (thousand yen)	-	-
Net income attributable to owners of the parent related to common stock (thousand yen)	1,556,327	1,743,821
Average number of shares of common stock outstanding during the period (shares)	15,819,780	15,893,560
Diluted earnings per share		
Adjustment of profit attributable to owners of parent (thousand yen)	-	-
Increase in common stock (shares) (Subscription rights to shares)	123,398 (123,398)	41,265 (41,265)
Summary of potential shares not included in calculation of Diluted earnings per share	—	—

(Significant Subsequent Events)

(Transactions under Common Control)

Based on a resolution under Article 370 of the Companies Act dated June 13, 2022 (a written resolution in lieu of a resolution by the Board of Directors), effective August 1, 2022 (planned), we resolved to transfer our Platform Business to NE Corp., a 100% subsidiary established by us as the successor company in the current company split (the "Spin-off"), by way of a company split. The following is a notice. The Split will be effected subject to approval at our annual meeting of shareholders to be held on July 28, 2022.

(1) Overview of Transactions

① The name of the relevant business and the contents of the business

Name of business: Platform business

Business: E-commerce support and SaaS business

② Date of business combination

August 1, 2022

③ Legal form of business combination

Absorption-type company split in which we became a spin-off company and NE Corp. (our consolidated subsidiary) became the successor company

④ Name following business combination

NE Corp. (our consolidated subsidiary)

⑤ Business results of the following business (April 2022)

Net sales JPY2,639 thousand

⑥ Other matters concerning the outline of transactions

Our group is originally engaged in the Commerce Business, which was launched as EC (Note 1) specializing in the strap of mobile phones. Next Engine of the Platform Business is the service created to resolve various issues that arise in operating EC stores in this business.

The fact that the Next Engine was born from the field of EC management, the Commerce Business, is the biggest differentiator from the services of other companies. On the other hand, by having many users use it based on the trust of customers, it has become possible to incorporate EC management know-how other than ours, and we have realized growth for the Group as a whole while leveraging the mutual synergy between the Commerce Business and the Platform Business.

Nonetheless, the number of Next Engine users in the Platform Business currently exceeds 5,400 clients, and we are growing into an infrastructure that supports the distribution of a wide variety of products and the businesses of EC businesses of various sizes. Although the Commerce Business continues to be a single user, the perspective of improving the functions of services themselves by solving problems at a single company is fading. More than 5,400 clients, and beyond that, there is a need to develop services to solve problems at all EC operators in Japan.

On the other hand, in the Commerce Business, whereas initially the purchase and sale of products from other companies was the primary focus, at present approximately 90% of total sales are from our own products, and we have evolved into a business model in which we have the functions of planning, developing and manufacturing products within the group, and can complete all aspects of the supply chain from upstream to downstream on our own.

In light of these facts, we have come to the recognition that each of the growth phases has changed significantly in both the Platform Business and the Commerce Business. When based on this assumption, we believe that in the process in which the two businesses grow as a single organization, there will be a variety of challenges, including the increasing complexity and inefficiency of management operations and the difficulty of maintaining and improving employee motivation through a single personnel system.

Hamee's mission is to " Ignite your creativity " We believe that this will be achieved by creating an environment in which each member of Hamee can continue to maintain high calorific value. We have concluded that the means to maintain and realize our mission over the super-long term is the spin-off of the platform business.

As a concrete effect of the spin-off, we expect that the streamlining of each organization will enable flexible and flexible decision-making. Generally speaking, there are no cases in which there are concerns

that the spin-off will result in the loss of a sense of unity as a group. However, we intend to continue to maintain our growth potential with a sense of unity by continuing to have a shared mission of " Ignite your creativity " and by continuing to have a culture that strongly links to it across the group.

(Note 1) EC is an abbreviation for electronic commerce (Electronic Commerce) and refers to all transactions in which goods and services are purchased, sold, and distributed by electronic ICT on computer networks.

(2) Accounting method

Based on the "Accounting Standard for Business Combinations" and the "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures," these transactions are accounted for as transactions under common control.

(Significant Changes in Segment Information)

In accordance with the resolution of Article 370 of the Companies Act dated June 13, 2022 (a written resolution in lieu of a resolution of the Board of Directors), a partial change was made to the reportable segment from the fiscal year ending April 2023. Major changes are as follows. Information on more detailed amounts of net sales, income, etc. for each reportable segment for the current fiscal year based on the revised reportable segment classification is currently being calculated.

	Hamic	Localco (Hometown Tax Payment)	RUKAMO	NE Korea (Note)
Existing segments (until the fiscal year ended April 2022)	Others	Others	Others	Platform
Revised segment (from the fiscal year ended April 2023)	Commerce	Platform	Platform	Commerce

(NOTE) In the future, Next Engine Korea will independently develop and develop services suitable for the South Korean EC market under Hamee Global, and will calculate and disclose them in the Commerce Segment in order to seek new forms of services