



# Hamee Corp.

Q3 FY04/24

Results briefing materials

Reference only

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

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# I. Executive Summary

# Executive Summary

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1

Achieved a significant 22.4% increase in profit at the sales stage. Significant increase in sales of 31.8% for the entire group\*. Strong performance of Mobile Life Business and Cosmetics Business became the driving force.

2

The profitability of the main business has improved. Corporate taxes increased by JPY332 million YoY as deferred tax liabilities were recorded from Q1. Net income for the cumulative period decreased by 14.9% however it is a temporary special factor.

3

Achieved significant profit increase of 33.7% and significant sales increase of 16.7% in Platform Business\*. Increased in ARPU because of new charging plan. Incentive sales associated with sales collaboration with other company added.

※Q3 accounting period

## II. Financial Results

## Q3 FY04/24 Consolidated Overview

- Sales grew significantly YoY by **31.8%** in the accounting period and **21.3%** in the cumulative period because of **strong performance of Mobile Life Business, great progress of Cosmetics Business and increased sales in NextEngine Business** etc.
- Net Profit attributable to owners of parent **increased by 55.9% YoY in the fiscal year under review**, although it was **negative YoY in Q3 cumulative period** due to the **impact of tax expenses incurred in Q1**.

(Millions of yen)	Accounting period				Cumulative period			
	Q3 FY04/23 Results	Q3 FY04/24 Results	Increase /Decrease	% YoY	Q1-Q3 FY04/23 Results	Q1-Q3 FY04/24 Results	Increase /Decrease	% YoY
Consolidated Overview								
Net sales	3,908	<b>5,151</b>	1,242	31.8%	10,542	<b>12,782</b>	2,240	21.3%
Gross profit	2,498	<b>3,293</b>	794	31.8%	6,496	<b>8,014</b>	1,518	23.4%
Operating income	595	<b>728</b>	133	22.4%	1,169	<b>1,362</b>	192	16.4%
Net Profit attributable to owners of parent	315	<b>491</b>	176	55.9%	814	<b>693</b>	(121)	(14.9%)

## Q3 FY04/24 Segment Overview

- Top line sales **increased significantly 25.6% YoY in cumulative period** in Commerce segment. Segment profit was at the same level as the previous year due to expand investment for Cosmetics Business.

(Millions of yen)		Accounting period				Cumulative period			
		Q3 FY04/23 Results	Q3 FY04/24 Results	Increase /Decrease	% YoY	Q1-Q3 FY04/23 Results	Q1-Q3 FY04/24 Results	Increase /Decrease	% YoY
Consolidated Segment Overview									
Commerce	Net sales	2,860	<b>3,930</b>	1,069	37.4%	7,902	<b>9,921</b>	2,019	25.6%
	Segment profit	291	<b>274</b>	(16)	(5.8%)	668	<b>667</b>	(1)	(0.2%)
	Profit ratio	10.2%	<b>7.0%</b>	(3.2%)	–	8.5%	<b>6.7%</b>	(1.7%)	–
Platform	Net sales	1,045	<b>1,220</b>	174	16.7%	2,639	<b>2,860</b>	221	8.4%
	Segment profit	538	<b>719</b>	181	33.7%	1,194	<b>1,478</b>	283	23.8%
	Profit ratio	51.5%	<b>59.0%</b>	7.5%	–	45.2%	<b>51.7%</b>	6.4%	–
Consolidated	Net sales	3,908	<b>5,151</b>	1,242	31.8%	10,542	<b>12,782</b>	2,240	21.3%
	Segment profit	829	<b>994</b>	164	19.9%	1,862	<b>2,145</b>	282	15.2%
	Adjusted amount ※1	(234)	<b>(265)</b>	(31)	–	(693)	<b>(783)</b>	(90)	–
	Operating income	595	<b>728</b>	133	22.4%	1,169	<b>1,362</b>	192	16.4%
	Profit ratio	15.2%	<b>14.1%</b>	(1.1%)	–	11.1%	<b>10.7%</b>	(0.4%)	–



## Q3 FY04/24 Commerce Segment (Net sales)

- **Sales increased** in Mobile Life Business **mainly wholesale** through **the continuous development of new products** for best-selling models and **new iPhone sales** etc.
- **Cosmetics Business sales remained strong, growing 9.9 times YoY. Steadily expand the number of wholesale stores** backed by strong EC sales performance and **timely launch of new products.**

(Millions of yen)	Accounting period				Cumulative period			
	Q3 FY04/23 Results	<b>Q3 FY04/24 Results</b>	Increase /Decrease	% YoY	Q1-Q3 FY04/23 Results	<b>Q1-Q3 FY04/24 Results</b>	Increase /Decrease	% YoY
<b>Commerce Segment</b>								
<b>Net Sales</b>	2,860	<b>3,930</b>	1,069	37.4%	7,902	<b>9,921</b>	2,019	25.6%
Mobile Life Business	1,736	<b>1,751</b>	15	0.9%	5,318	<b>5,525</b>	206	3.9%
Gaming Accessories Business	230	<b>342</b>	111	48.4%	578	<b>674</b>	95	16.5%
Cosmetics Business	72	<b>634</b>	562	776.6%	143	<b>1,419</b>	1,276	888.1%
New Business investment	25	<b>98</b>	73	291.6%	62	<b>198</b>	136	217.5%
Global Business	796	<b>1,103</b>	307	38.6%	1,798	<b>2,102</b>	304	16.9%



# Q3 FY04/24 Commerce Segment (Operating income)

Consolidated

- Achieved **41.7% increase in profit over the cumulative period** in **Global Business** because of **strong sales in the U.S.**
- **Improvement in profitability of Cosmetics Business has become evident** because of **significant sales growth** even though an operating loss was recorded.
- Operating profit ratio decreased slightly due to changes in product mix in **Mobile Life Business**.

(Millions of yen)	Accounting period				Cumulative period			
	Q3 FY04/23 Results	Q3 FY04/24 Results	Increase /Decrease	% YoY	Q1-Q3 FY04/23 Results	Q1-Q3 FY04/24 Results	Increase /Decrease	% YoY
<b>Commerce Segment</b>								
<b>Net Sales</b>	291	<b>274</b>	(16)	(5.8%)	668	<b>667</b>	(1)	(0.2%)
Mobile Life Business	324	<b>276</b>	(47)	(14.7%)	1,049	<b>1,056</b>	7	0.7%
Gaming Accessories Business	0	<b>3</b>	3	—	9	<b>(11)</b>	(21)	—
Cosmetics Business	(136)	<b>(56)</b>	79	—	(385)	<b>(286)</b>	98	—
New Business investment	(51)	<b>(58)</b>	(7)	—	(162)	<b>(174)</b>	(12)	—
Functional Departments	(17)	<b>(76)</b>	(58)	—	(69)	<b>(238)</b>	(168)	—
Global Business	171	<b>185</b>	14	8.2%	227	<b>322</b>	94	41.7%
<b>Profit ratio</b>	10.2%	<b>7.0%</b>	(3.2%)	—	8.5%	<b>6.7%</b>	(1.7%)	—

## Q3 FY04/24 Platform Segment

- **Achieved significant sales and profit increases in NextEngine Business.** Increased in ARPU because of new charging plan. Incentive sales associated with sales collaboration with other company added.
- **Operating income achieved initial plan** through activities that emphasize profitability in **Consulting Business.** We resumed sales activities for new contracts.

(Millions of yen)	Accounting period				Cumulative period			
	Q3 FY04/23 Results	Q3 FY04/24 Results	Increase /Decrease	% YoY	Q1-Q3 FY04/23 Results	Q1-Q3 FY04/24 Results	Increase /Decrease	% YoY
Platform Segment								
Net Sales	1,045	<b>1,220</b>	174	16.7%	2,639	<b>2,860</b>	221	8.4%
NextEngine Business	618	<b>849</b>	231	37.3%	1,797	<b>2,072</b>	275	15.3%
Consulting Business	103	<b>112</b>	8	8.2%	372	<b>316</b>	(56)	(15.1%)
Localco Business	323	<b>259</b>	(64)	(19.9%)	469	<b>471</b>	1	0.3%
Operating income	538	<b>719</b>	181	33.7%	1,194	<b>1,478</b>	283	23.8%
Operating income ratio	51.5%	<b>59.0%</b>	7.5%	—	45.2%	<b>51.7%</b>	6.4%	—

# Q3 FY04/24 Consolidated Overview —Net Sales analysis

## <Commerce>

- Mobile Life: Real(Wholesale) recovered markedly as a result of sales of new iPhone. EC sales also performed well.
- Gaming Accessory: Sales recovered because new product launch.
- Cosmetics: EC sales performed well and it brought expansion of wholesale stores. Expecting improvement in profitability in the future.
- Global: Sales expanded in the U.S. Profit increased on a consolidated basis even after consolidation.

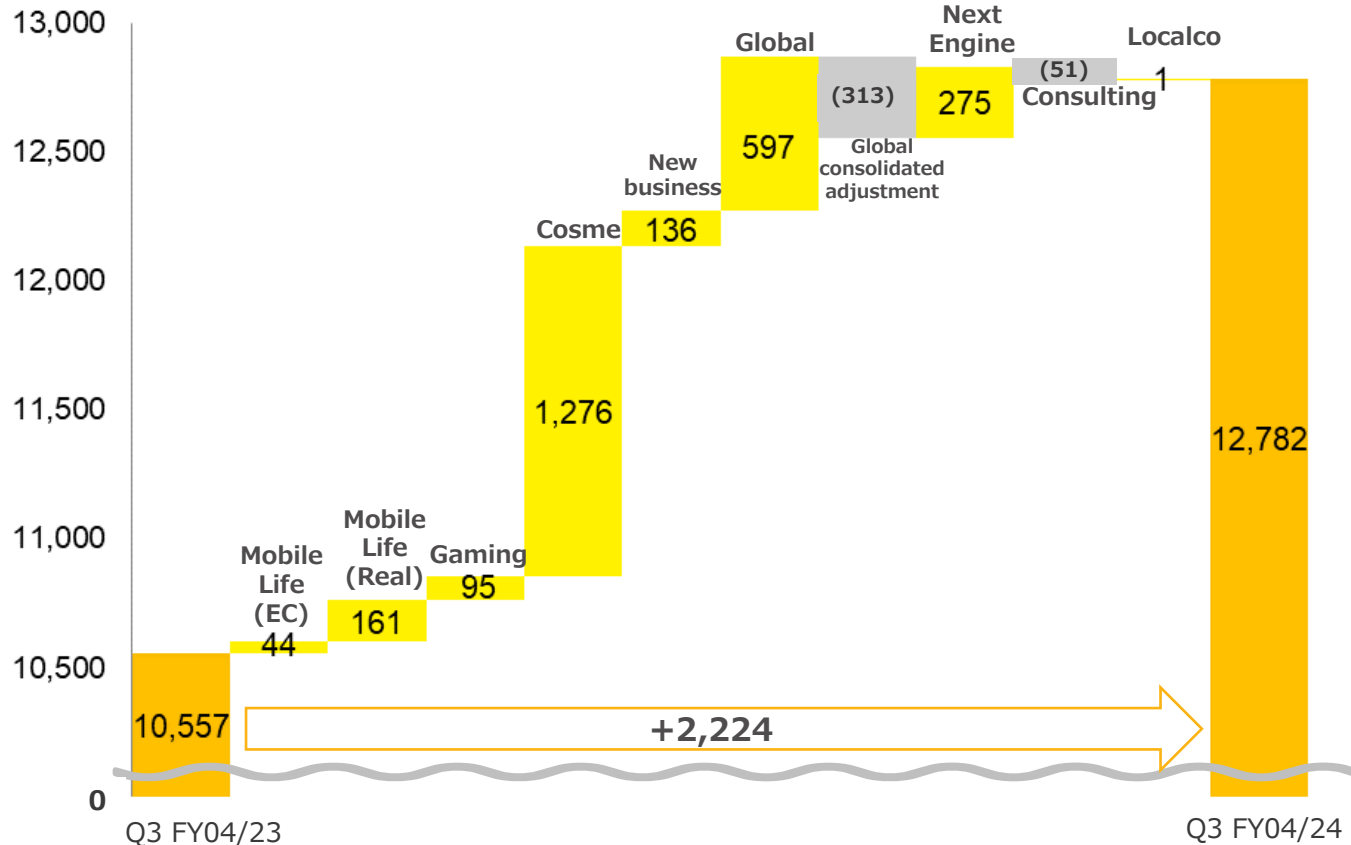
## <Platform>

- Achieved a significant increase in revenue because of price revision and collaborative measures with other companies.

## Net sales(Cumulative period)

Consolidated

(Millions of yen)



# Q3 FY04/24 Consolidated Overview —Operating income analysis

Consolidated

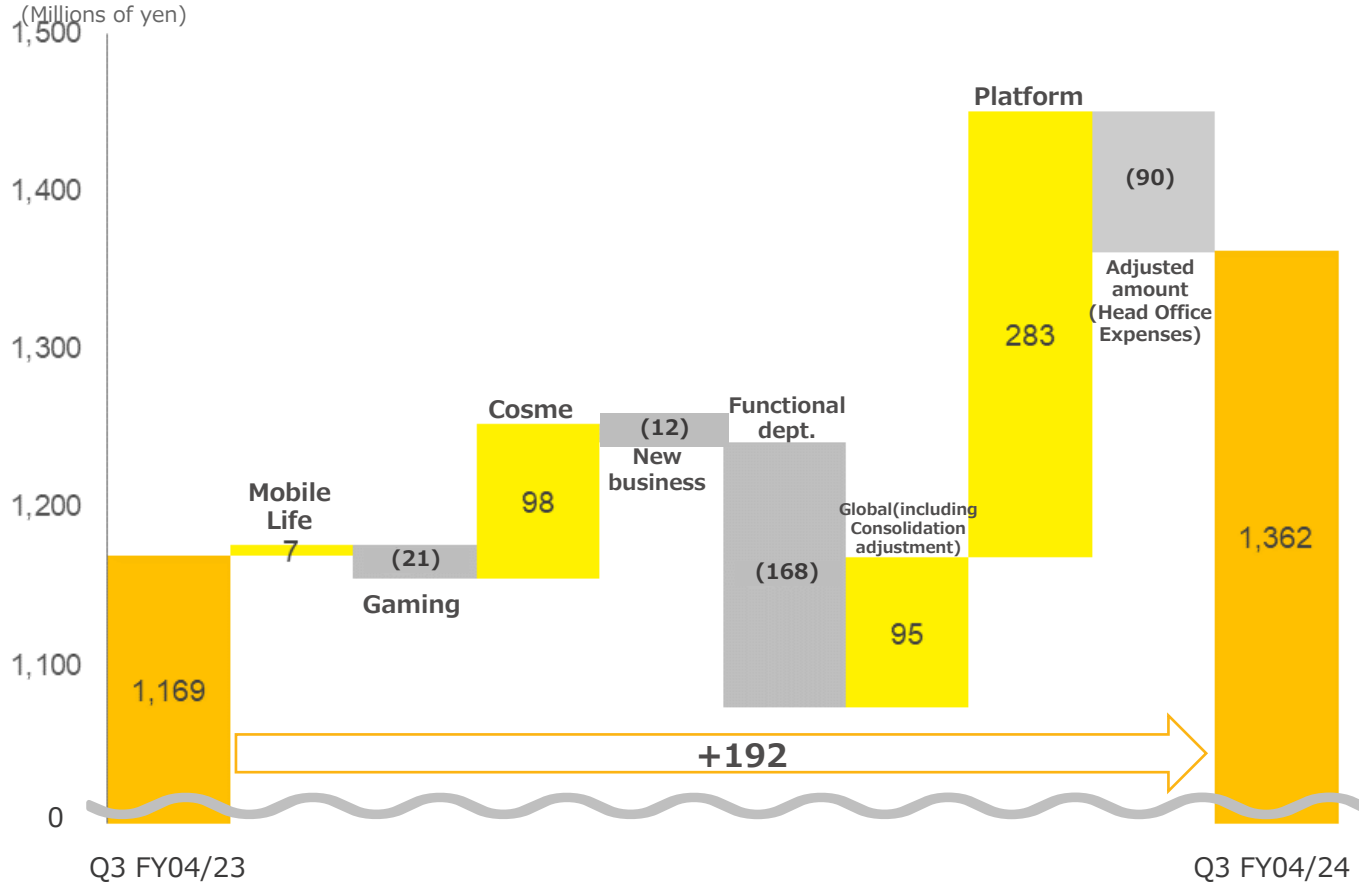
## <Commerce>

- Mobile Life: Slight increase because of an increase in real(wholesale) sales.
- Cosmetics: Achieved profit increase because of significant sales increase effect. Convert and expand profits from losses by investing in advertising focused on sales.
- Expenses for functional dept. increased due to review of allocation standards.
- Global: Significant increase in profit because of strong sales in the U.S.

## <Platform>

- Significant profit increase exceeding sales increase because of various measures were succeeded.

## Operating income (Cumulative period)



## III . Full-year earnings forecast

## Revision FY04/24 earnings forecasts

For details of the revisions, please refer to the "Notice Regarding Revisions to Full-Year Earnings Forecasts" announced on March 15, 2024.

(Millions of yen)		2023/4	2024/4					
		① Full-year results	② Initial forecast	Increase/ decrease in previous period (②-①)	③ Revised forecast	Increase/ Decrease Forecast (③-②)	Increase/ decrease in previous period (③-①)	Correction ratio (③÷② ×100)
Commerce	Net sales	10,655	13,032	2,377	13,552	520	2,897	104.0%
	Segment profit	696	1,665	969	1,036	(629)	340	62.2%
Platform	Net sales	3,383	3,780	397	3,740	(40)	357	98.9%
	Segment profit	1,509	1,577	68	1,903	326	394	120.7%
Consolidated	Net sales	14,038	16,813	2,775	17,292	479	3,254	102.8%
	Segment profit	2,205	3,243	1,038	2,939	(304)	734	90.6%
	Adjusted amount ※1	(934)	(1,157)	(223)	(1,071)	86	(137)	92.6%
	Operating income	1,271	2,086	815	1,868	(218)	597	89.5%
	Ordinary profit	1,399	2,069	670	1,942	(127)	543	93.9%
	Net Profit attributable to owners of parent	945	1,537	592	1,053	(484)	108	68.5%

※1 Adjusted amount: Company-wide headquarters expenses are presented as "Adjusted amount."

# Full-year earnings forecast revision —Net Sales analysis

Consolidated

## <Commerce>

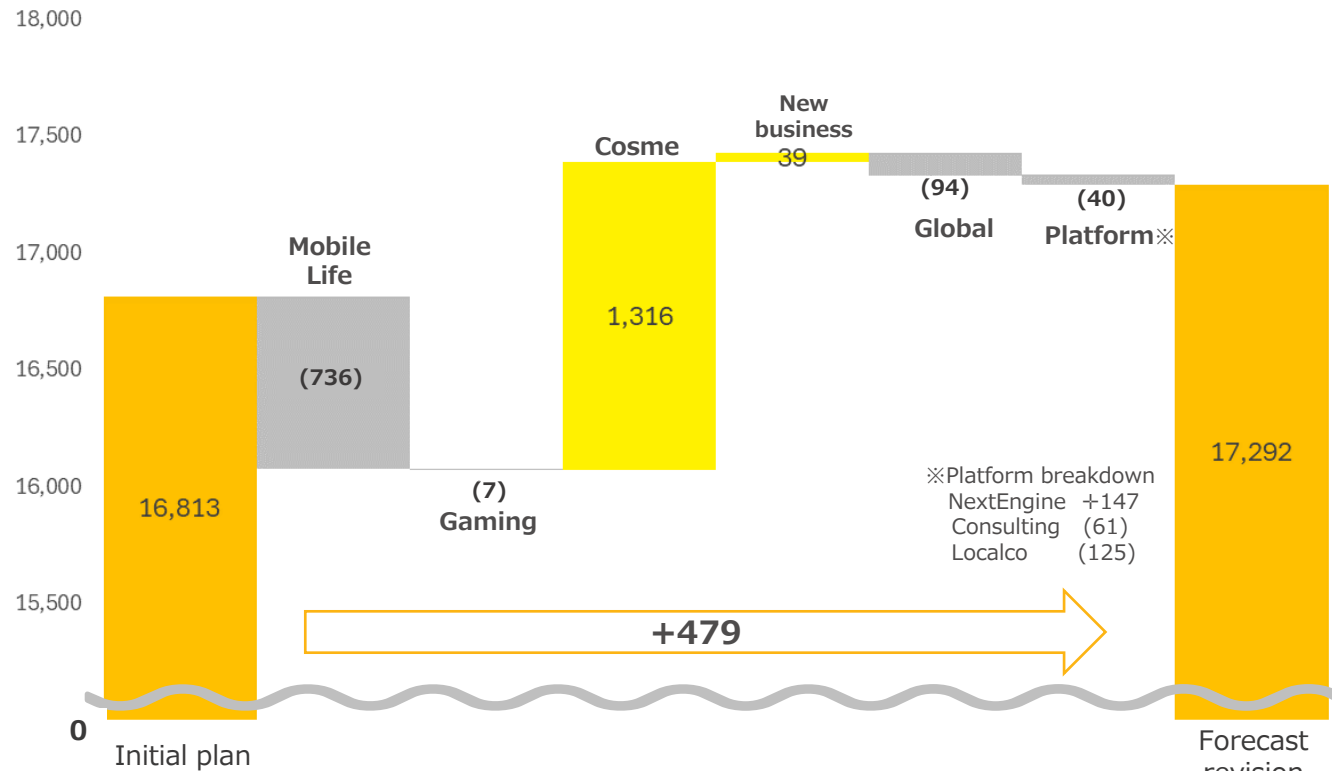
- Mobile Life: Exceeded last year's results. Initial plan not achieved due to stagnation in personal consumption.
- Cosmetics: Achievement ratio against the plan was a huge leap forward of 242.3% because of TV broadcast. It's a major turning point for the business portfolio.

## <Platform>

- NextEngine Business covered the decline in other businesses.

## Net sales(full-year)

(Millions of yen)



# Full-year earnings forecast revision —Income analysis

## <Operating income>

• Commerce segment behind the plan due to Mobile Life didn't achieve its plan and Cosmetics Business which saw this as a good opportunity to expand sales and continued to invest in advertising, etc. Although increase in Platform Business, the plan is expected to fall short by JPY218 million.

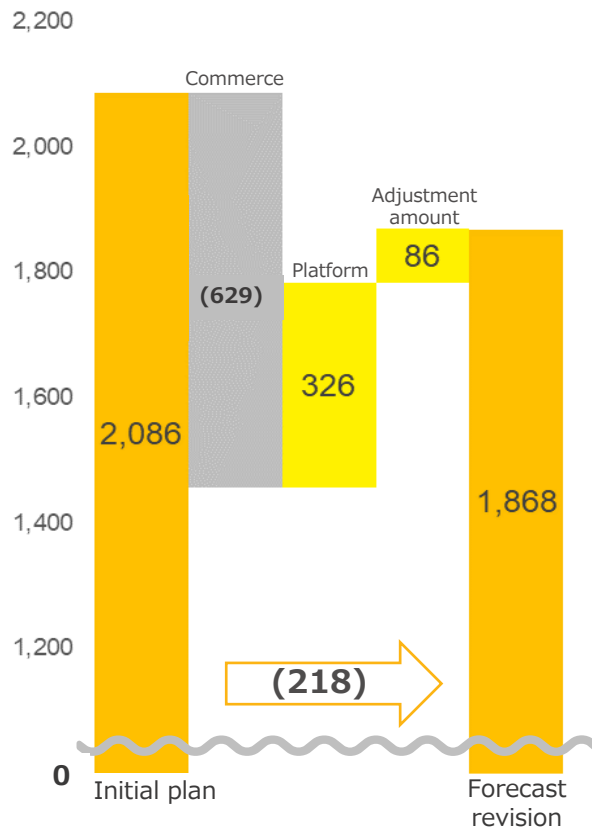
## <Net income>

• Depending on the impact of deferred tax liabilities ※, expected to fall short of plan by JPY484 million.

※For details of the revisions, please refer to the "Notice of Recording Deferred Tax Liabilities" announced on September 14, 2023.

### Operating income (Full-year)

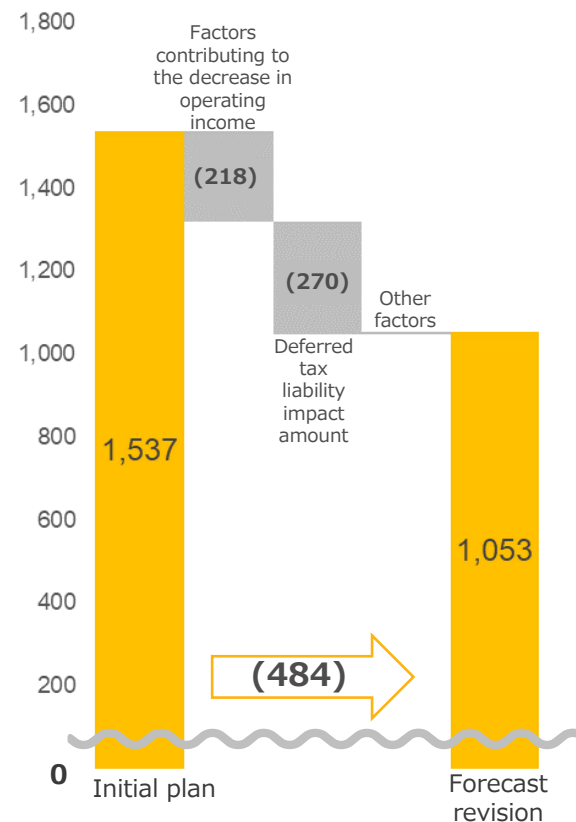
(Millions of yen)



### Net income

Consolidated

(Millions of yen)





# IV. Business Highlight

**Platform**



**NEXT ENGINE**

# Highlights

Platform

Platform

Sales (Q3)

JPY **1,220** million  
(up 16.7% YoY)

Operating income ratio(Q3)

**59.0%**  
(up 7.5% YoY)

Next Engine Business

Number of clients(Q3)

**6,150** clients  
(up 499 clients YoY)

GMV(Q3)※1

JPY **292.1** billion  
(up 1.8% YoY)

ARPU(Q3)※2

JPY **46,534**  
(up 26.2% YoY)

Monthly churn rate (Q3)※3

**0.92%**  
(down 0.03% YoY)

※1 GMV . . . Gross Merchandise Value = transaction amount processed through Next Engine. From Q2 FY04/24, the cancellation process is excluded from GMV.

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

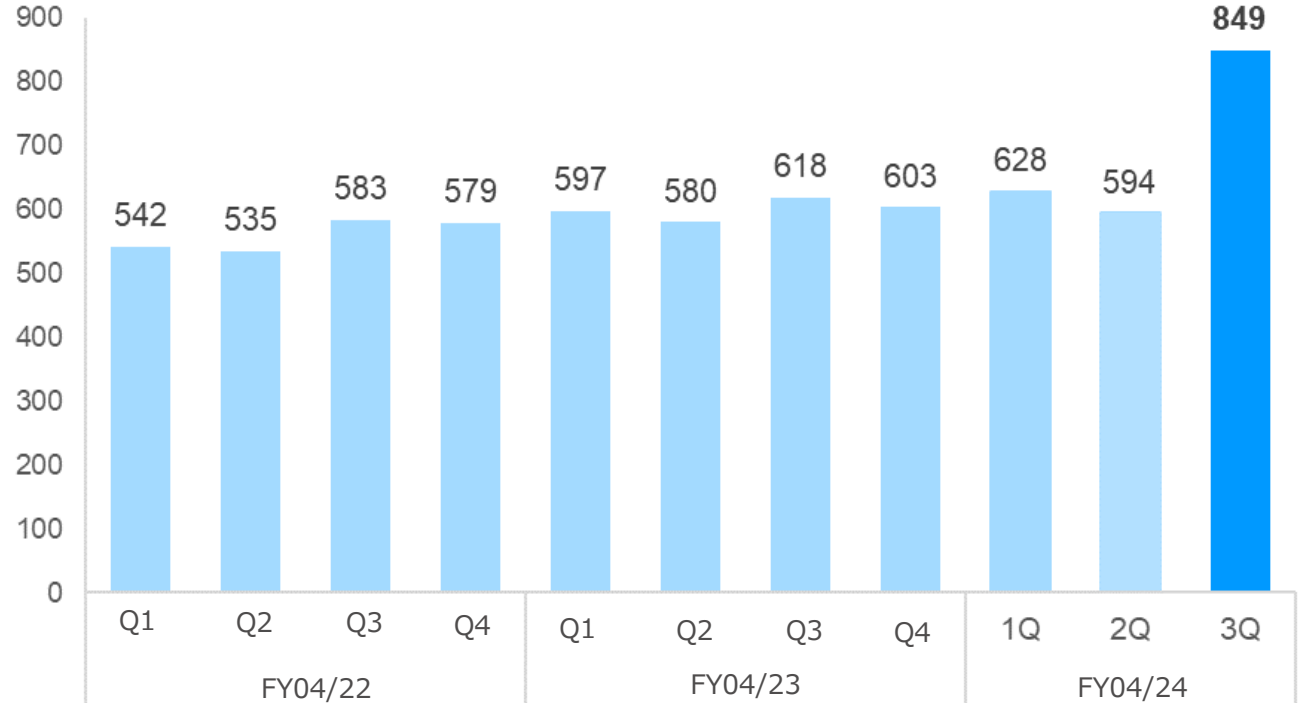
※3 monthly churn rate . . . Figures are calculated by dividing the number of contracted clients end of Q4 from the average number of cancellations during the quarterly period.

## Next Engine Business —Q3 FY04/24 Sales

- Sales increased 37.3% YoY because of new charging plan and collaboration with Mercari, offering Mercari Shops Linked App campaigns.

### Net sales

(Millions of yen)

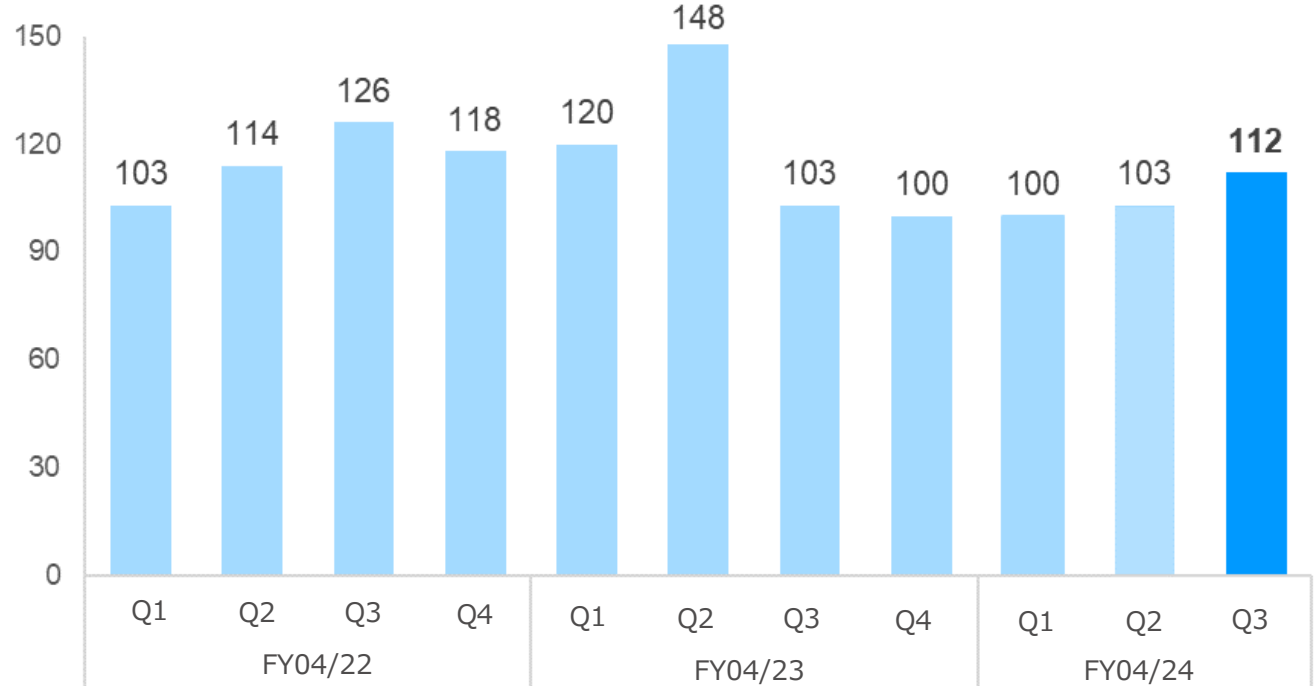


## Consulting Business —Q3 FY04/24 Sales

- Business activities for new contracts have resumed since January 2024. Although increase in sales was not the main focus in this term to focus on prioritizing to secure resources and establishing a foundation in order to address management issues.
- Operating income continues to exceed the initial plan. Operating income ratio remains strong because the measure that focused on profitability.

### Net sales

(Millions of yen)

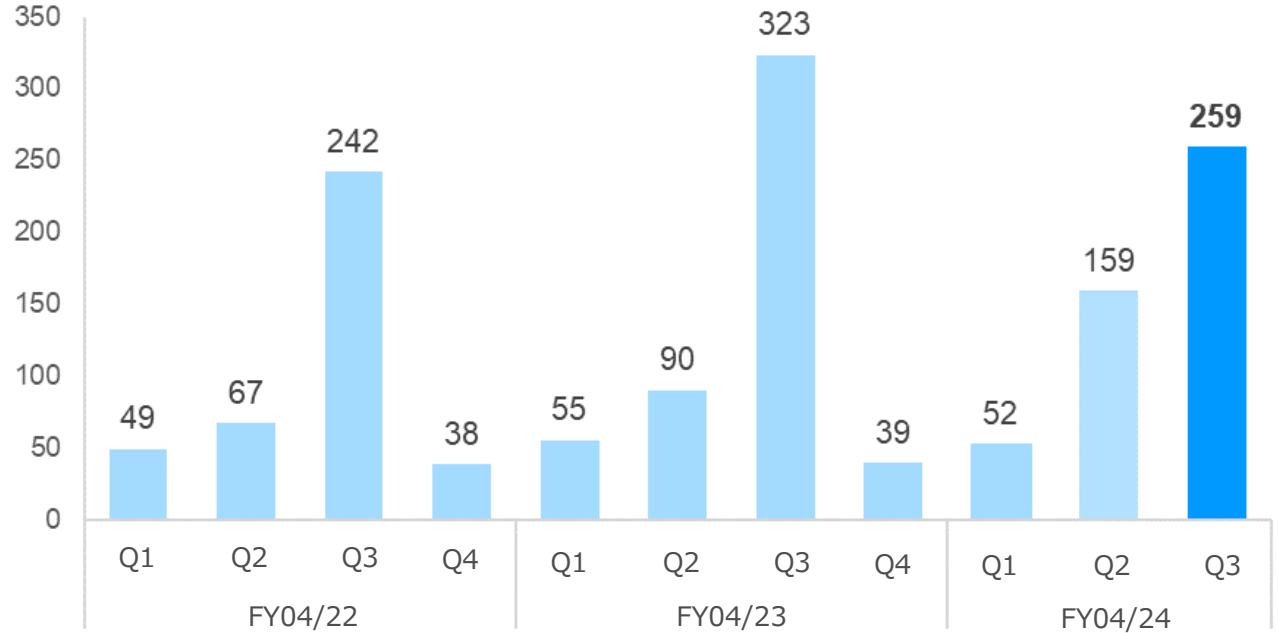


## Localco Business —Q3 FY04/24 Sales

- Sales are usually highest in Dec., the tax deadline.  
Due to the impact of the fall after the last-minute surge in demand following the system change in Oct and factors behind decrease in donation amount such as withdrawal of popular manufacturer, sales in Q3 decreased from the previous year.
- Sales maintained at the same level as the previous year in cumulative period of 3Q.

### Net sales

(Millions of yen)

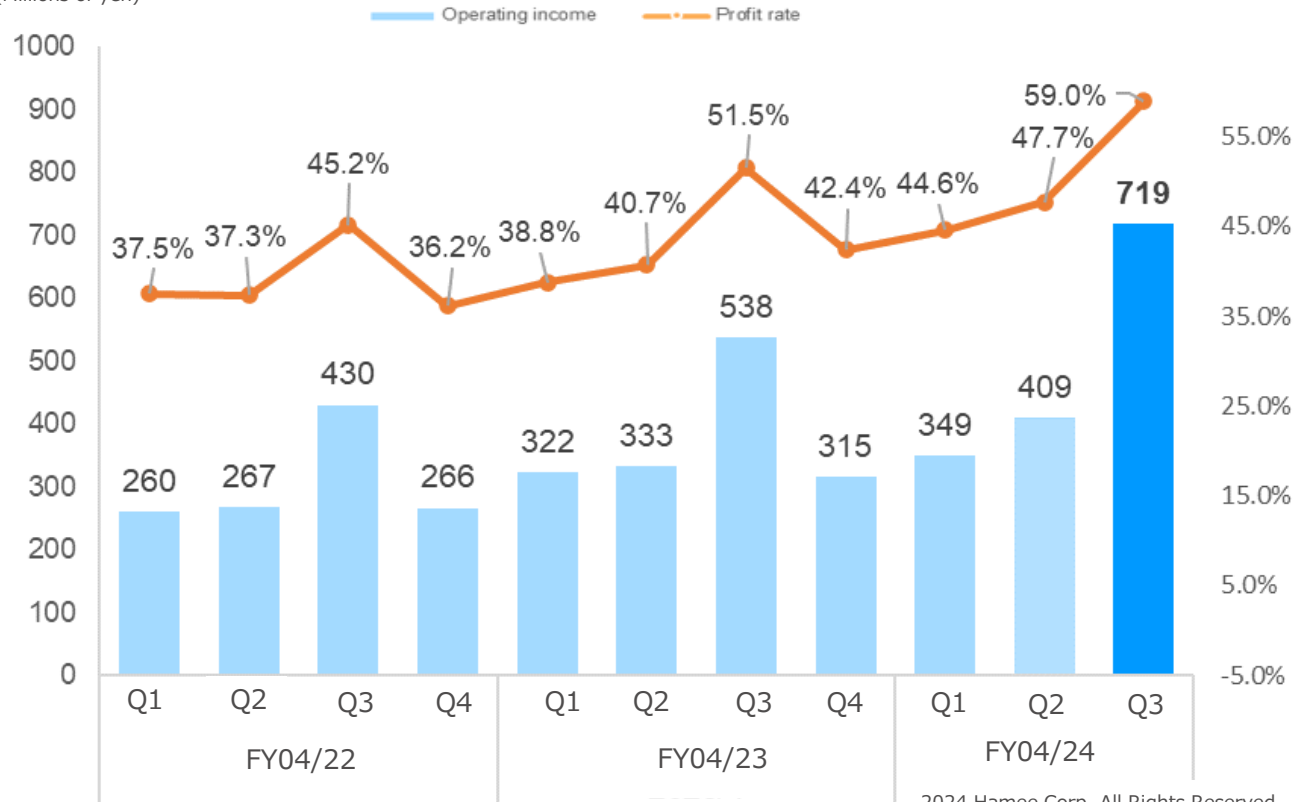


## Q3 FY04/24 Operating income

- Operating income in Q3 grew significantly because of the high marginal profit ratio of NextEngine and significant increase in revenue of NextEngine Business.
- Achieved record profit despite the reactionary decline in sales of Localco Business in Q3. NextEngine Business covered the profit side as well.

### Operating income

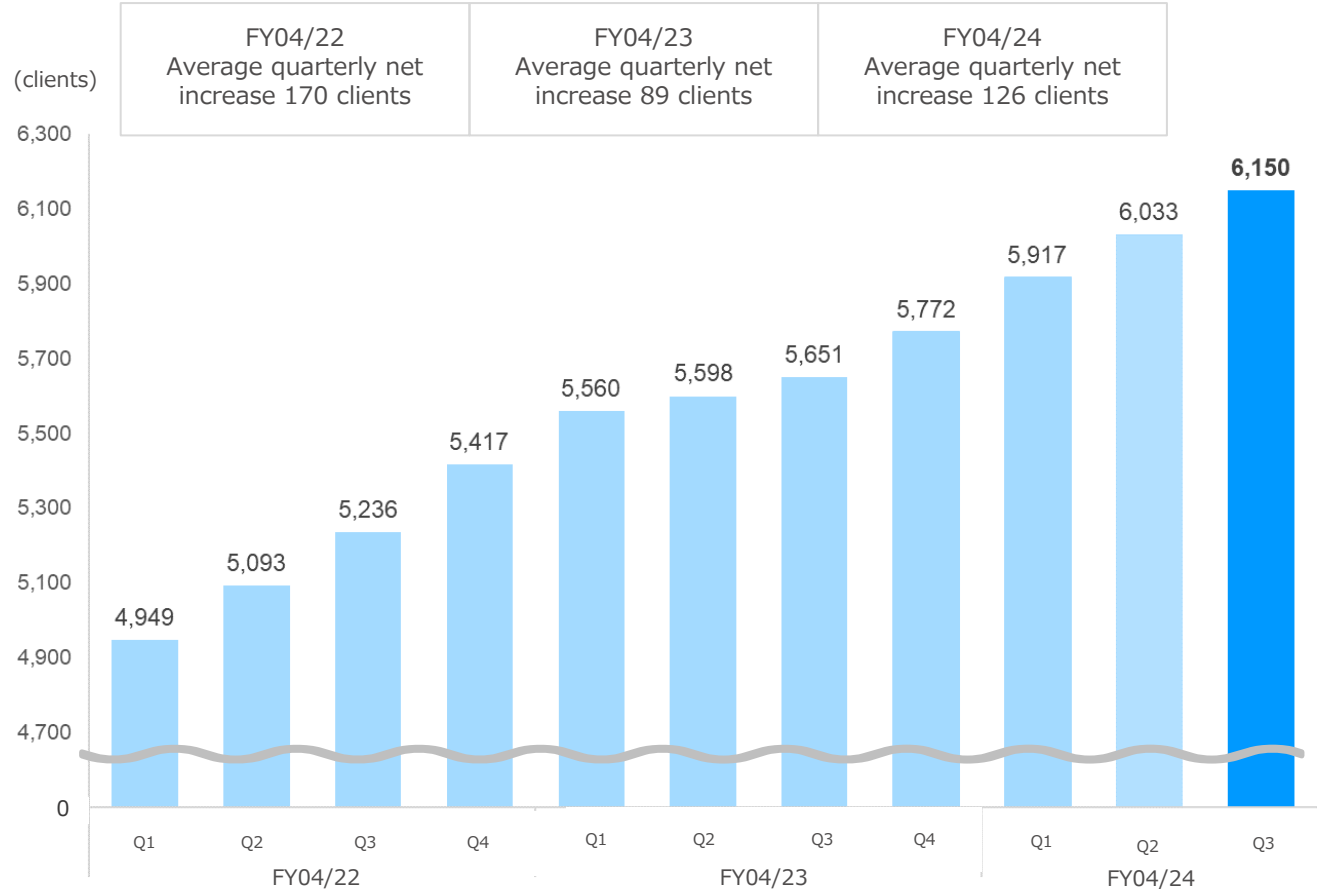
(Millions of yen)



## Next Engine Business —Total number of clients

- Maintained an average increase of more than 100 clients per quarter. Priority issues for EC operators have shifted from improving operational efficiency to maximizing sales and securing profits. The situation, motivation to introduce various business efficiency services temporarily decreased, has improved.
- Cumulative contracts for this period are 378 clients. Net increase in contracts in 3Q is 117 clients.

Total number of clients

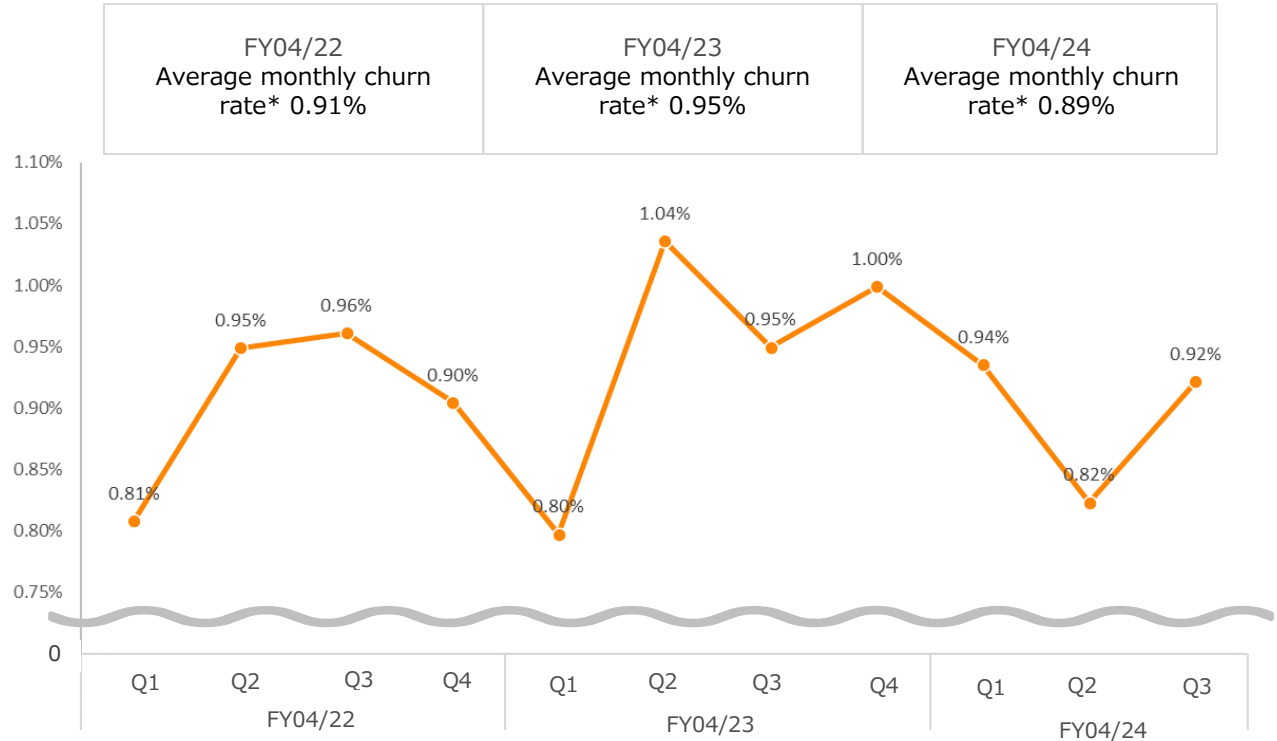




## Next Engine Business —Churn rate trend

- The annual average monthly churn rate remained below 1.00% and remained low although a certain number of businesses withdrawing from EC.

### Churn rate

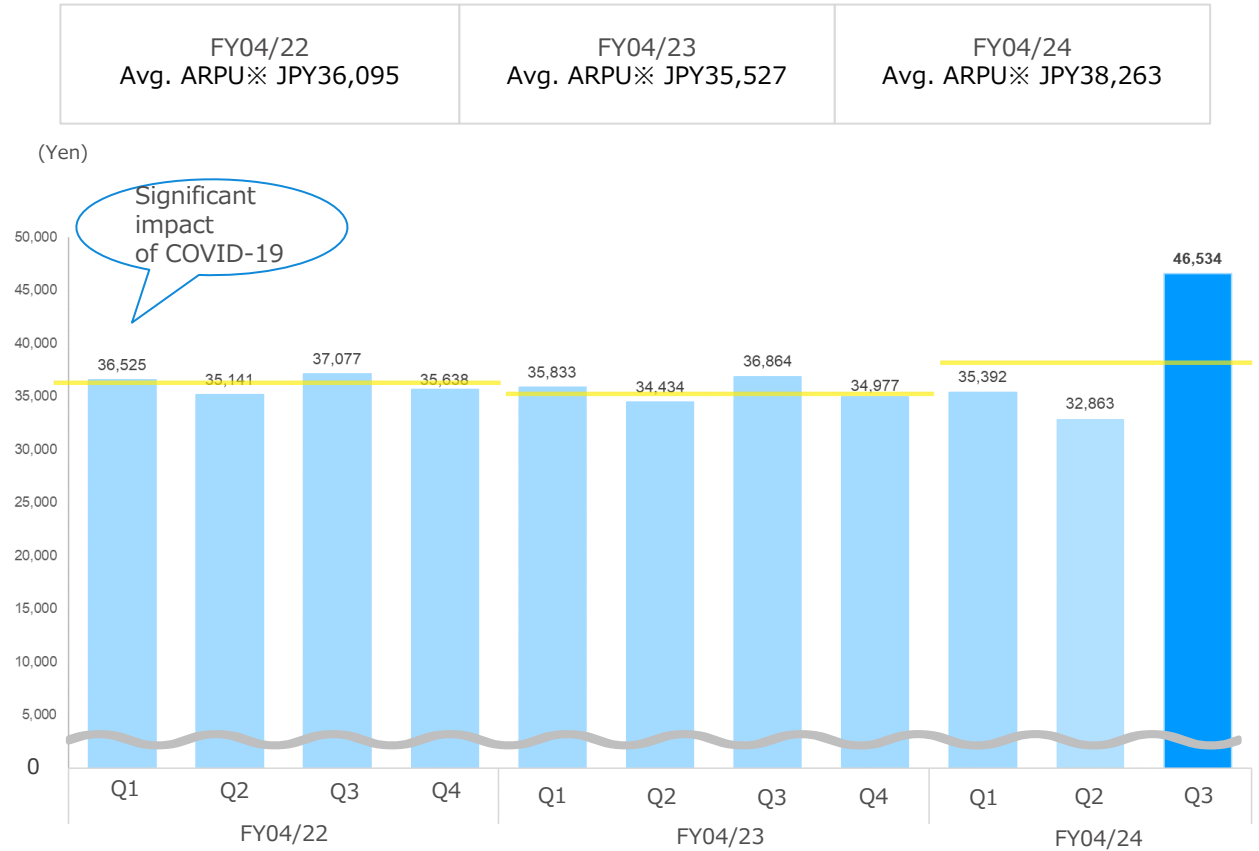


※ Annual average monthly churn rate: Figures calculated by dividing the number of contracted clients as of the end of the quarter from the average number of cancellations for each quarterly period are simple averages.

## Next Engine Business —ARPU trends

- ARPU improved because new charging plan, increase in the number of orders processed by clients EC businesses because of year-end sales season sales and increased because of collaboration with Mercari, offering Mercari Shops Linked App campaigns.

### ARPU



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

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Commerce

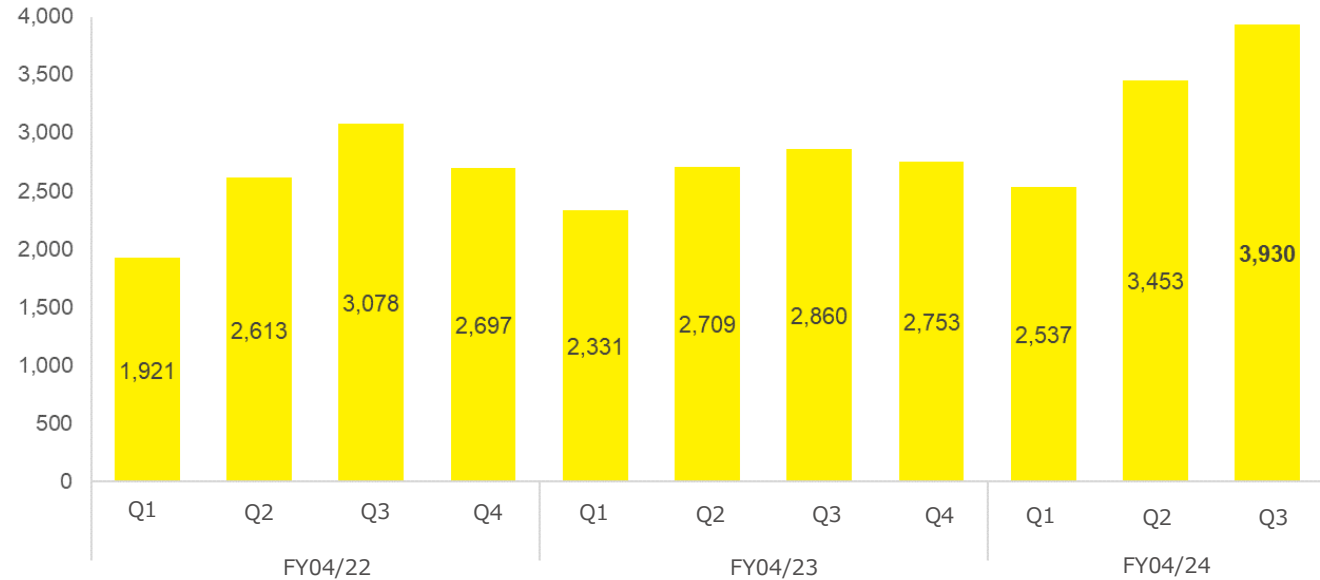


### Q3 FY4/24 Net Sales

- Sales grew in a continuation of Q2 because of the recovery of the Mobile Life Business against the backdrop of the sales of new iPhone, active product development and the great leap forward in the Cosmetics Business.
- Sales growing 37.4% YoY in the fiscal year under review and 25.6% in the cumulative period because of the progress in forming our business portfolio.
- Focusing on expanding sales in all businesses for new-life sales in Q4.

### Net sales

(Millions of yen)



# iFace product development

- Released new Reflection series Magsafe compatible “Magnetic”, diary type clear case and various accessories as the initial plan of the fiscal year to stimulate demand by launching new products to create consistent sales in iFace series, overwhelming level of recognition.
- Aim to be close to users and provide them with a stylish mobile life based on iFace brand concept “By Your Side”

Commerce

Popular items

- Magsafe compatible tempered glass case



- Diary type clear case



Accessories

- MagSynq card wallet



- Bracelet strap



## iFace Lab

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- Opened concept store "iFace Lab" on Fri, 4 Aug 2023 along Cat Street in Harajuku, Tokyo. Implemented various contents and collaborations.
- Named with the meaning of "An experimental space where each user can explore their individuality"
- Always creating trends in mobile accessories and using as an experimental space to carry out unique projects.

### • Logo



### • Store exterior



### • 1F/ Selling, collaboration space • 2F/ Floor for customization



## Gaming Accessories Business

- In order to distinguish ourselves from competitors' products, we are expanding our product lineup by developing new high-performance white-collar monitors and peripheral accessories such as original monitor arms.
- As a new service, hometown tax return gifts and subscriptions were launched from Q1. Aiming to improve brand recognition by developing services that suit customer needs.

### Mainstay Products

- PX259 Advanced White



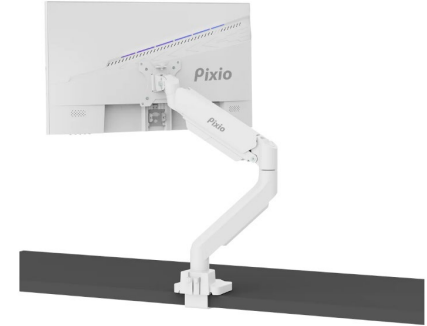
### New Services

- Hometown tax return gift

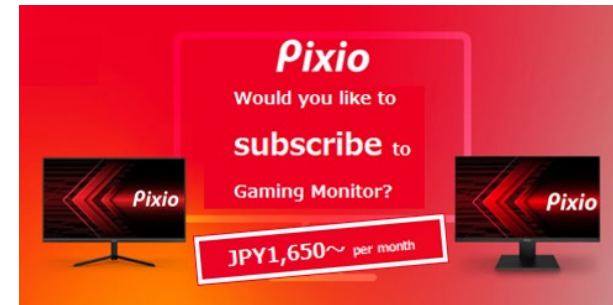


### Commerce

- PS2SW (white single monitor arm)



- Subscription service



## Cosmetics Business

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- Awareness has increased significantly through introduction on TV programs. Sales began to increase dramatically from Q4 of the previous fiscal year and realized the formation of a business portfolio.
- Number of stores including drugstore handling the products is more than 2,000 in addition sales increased by 9.9 times. Focused on skincare category.
- Products always rank at the top of the rankings in several EC malls.

### Sales Products

#### • Base makeup



#### • Skincare line



#### Commerce

### Product development

#### • Daily aqua serum mask



#### • Clean reset series





## Cosmetics Business

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- Won the Best Cosme Award with a total of 51 awards in 2023. (Achieved 118 awards in total as the brand)
- Continue to expand product lineup and invest for sales-specific advertising to further expand sales.  
Since the cosmetics sales business registration has been completed, implemented cost reduction measures such as import costs. Providing in-store fixtures and sample products causes cost increases.  
Aiming to be the next core pillar of profit following Mobile Life Business.

### Mainstay Products

#### • Base makeup



#### • Skincare line



#### Commerce

### Event for new products

#### • Event venue



#### • Display model



## Global Business

- Acquired overseas sales business of Otamatone, strong sales in Hamee US in Jan 2023.
- Increase in the top line because of expand its sales territory and stable supply of products.
- Aim both reducing its cost of sales ratio by restructuring its manufacturing and purchasing supply lines and expanding sales area.

### • Otamatone unicorn



### • Otamatone Japan

Commerce



### • Otamatone colors



### • Otamatone melody

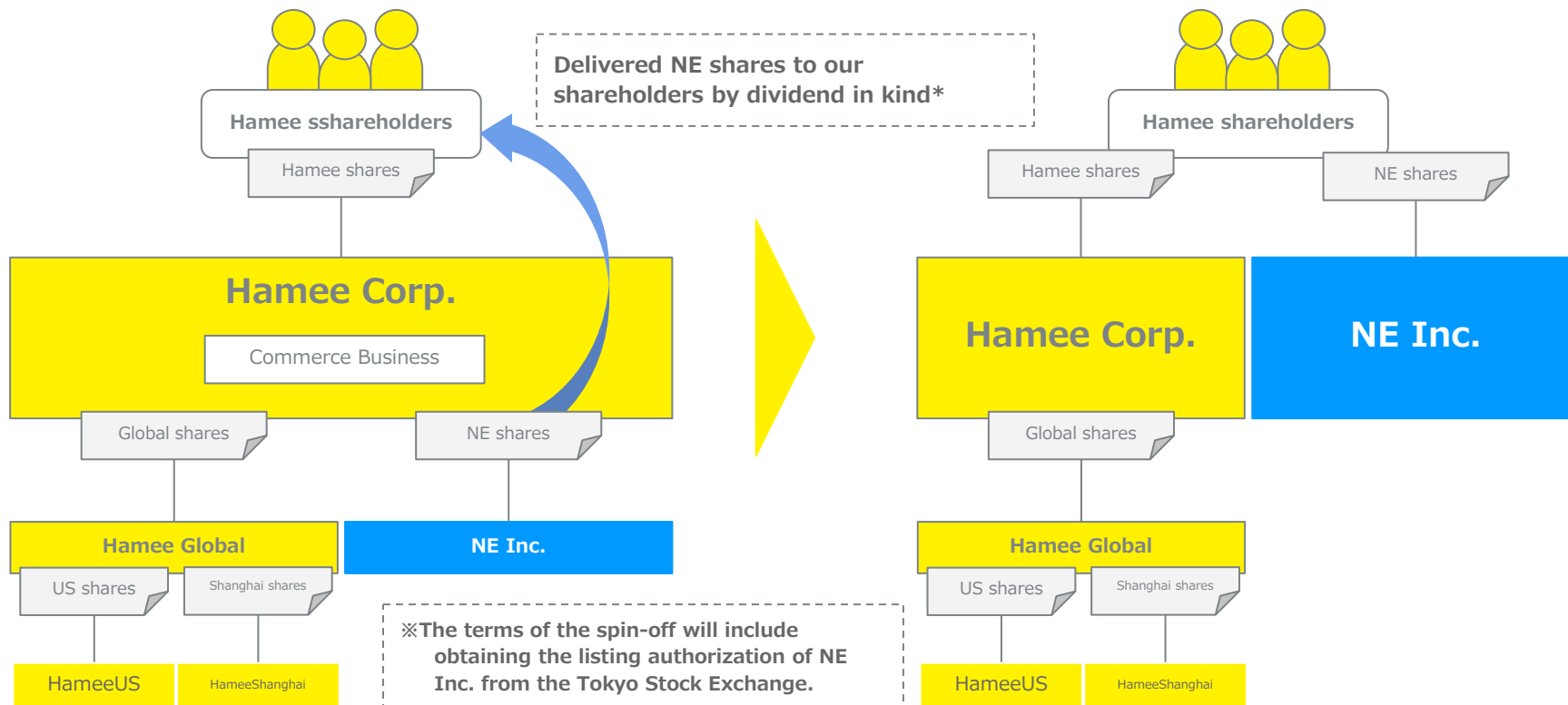


# V . Reorganization

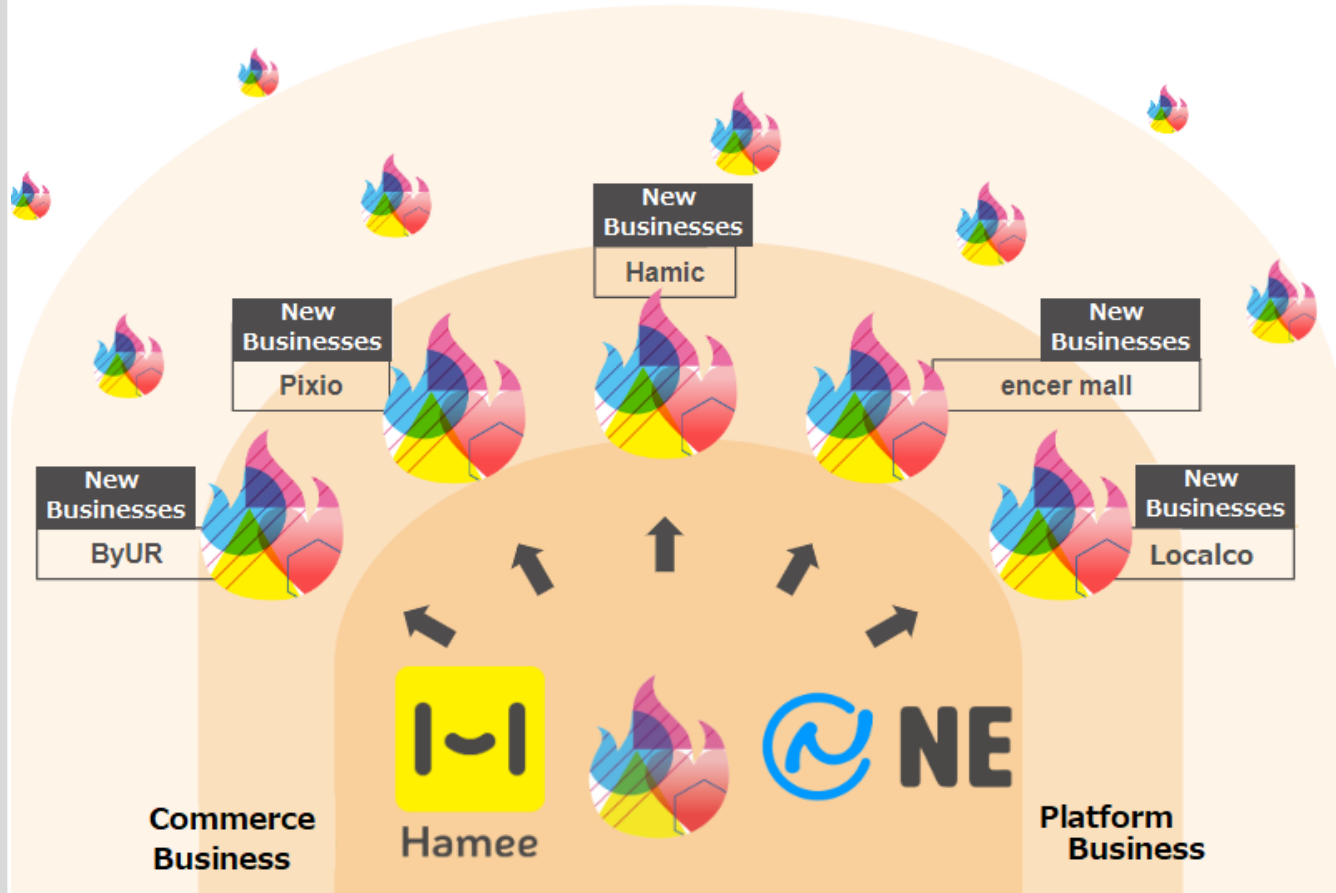
- Share-Distribution-Type Spin-Off of NE Inc.
  - Under the 2017 Tax Reform, **this Spin-Off will provide our shareholders with shares of NE, our consolidated subsidiary, as dividends in kind** by utilizing the share-distribution-type spin-off that created tax exemption for the profit and loss on transfer of corporations implementing share distributions and dividends to shareholders receiving distribution, as well as the deferral of taxable profit and loss on transfer of shareholders.
- Spin-off IPO of NE Inc. (listed)
  - To secure trading opportunities shareholders make cash distributions, the Spin-Off is premised on the listing of NE shares on the Tokyo Stock Exchange, Inc. (hereinafter "TSE") from the viewpoint of securing trading opportunities for shareholders. Accordingly, we plan to file for a new listing on the TSE before the implementation of this Spin-Off, and the conditions for this Spin-Off will include obtaining the TSE's listing approval.
  - The listing of our shares on the TSE will be maintained even after the Spin-Off. Accordingly, **our shareholders will hold two kinds of listed shares, our shares and NE shares, as a consequence of the Spin-Off.**

- **Maximize the shareholder's value**
  - We will work to resolve difficulties under the optimal management environment for each of us and NE Inc., and accelerate the evolution and growth of our business with the aim of further enhancing corporate value over the medium to long term.
  - We will create opportunities to choose the best way to develop business alliances and services while ensuring the flexibility of our growth strategies. As a result, we will maximize shareholder value by exceeding the total corporate value of the two companies before the reorganization.
  
- **Clarification of Governance**
  - We and NE Inc. will communicate with the marketplace as listed companies to clarify governance.
  - Management of the two companies will directly ensure the soundness of management by being conscious of governance from capital markets.
  
- **Speed up decision making**
  - By eliminating the need to be aware of total optimization across businesses, management focused on each business unit will quickly make decisions in each area.

## Share-Distribution-Type Spin-Off of NE Inc.(target for listing during 2025)



This business reorganization embodies as follows:  
Our DNA, "Ignite your creativity", contains our belief that "We ignite Our creative soul, realize the continuous evolution and growth of two main businesses while Create continuously innovative New businesses in peripheral fields and entrepreneur which ignite creative soul of our customers.



# APPENDIX



# Company Profile

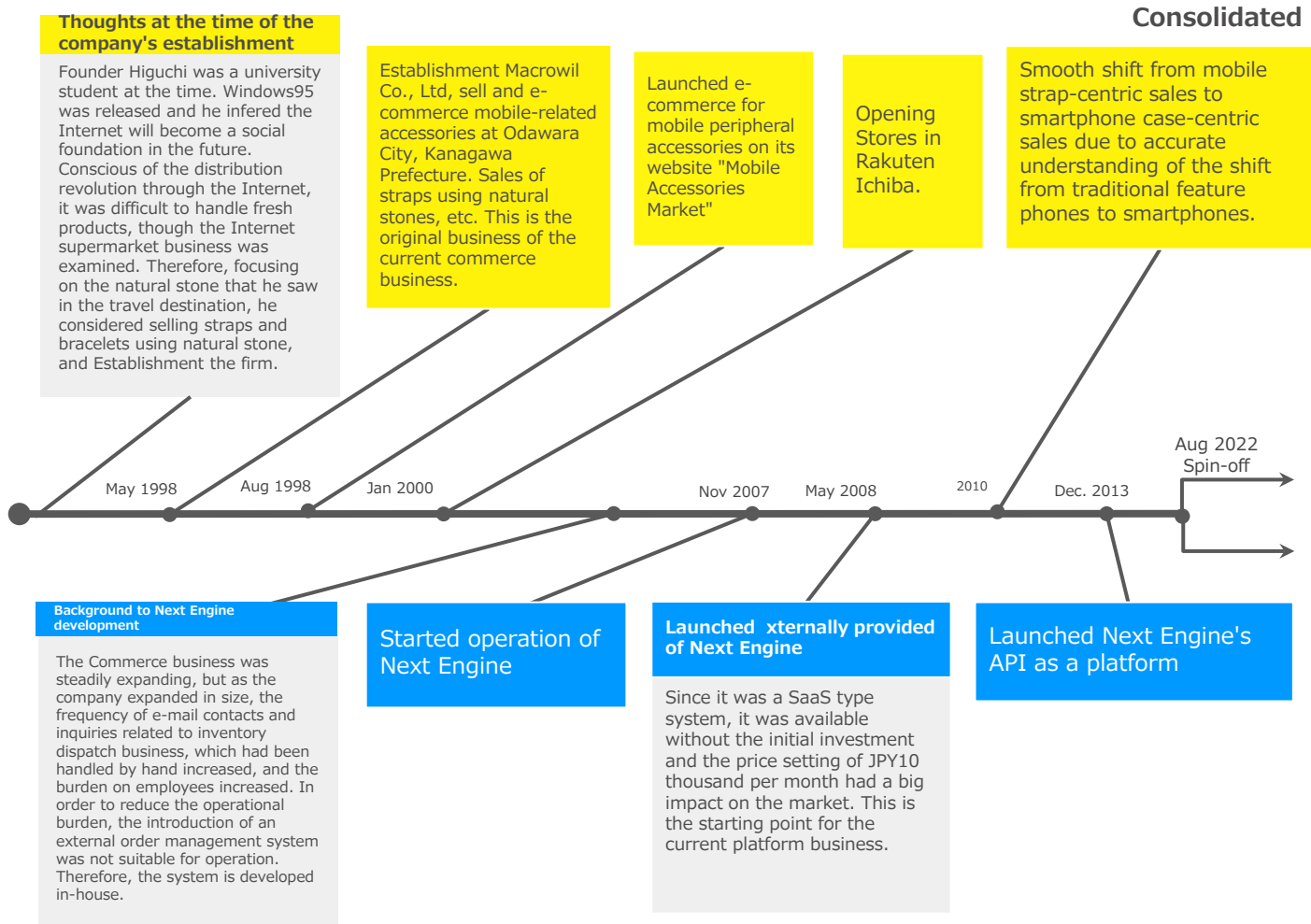
## Spin-off

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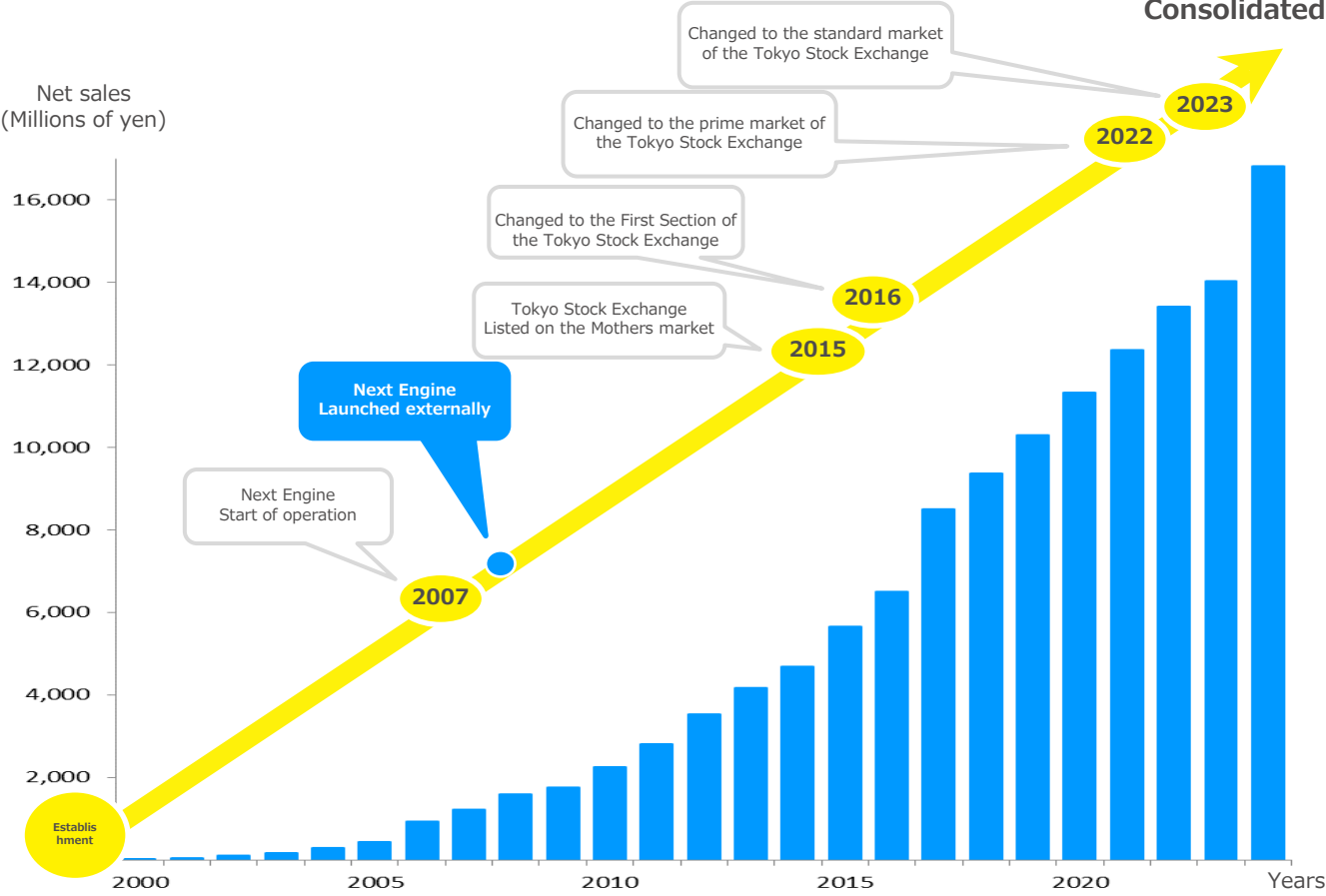
Under Mission of " Ignite your creativity " in order to maintain and realize mission over the super long term, the Platform Business spun off as NE Inc. and grow through both companies.



# History



# History (Growth Trajectory)



# Business Overview

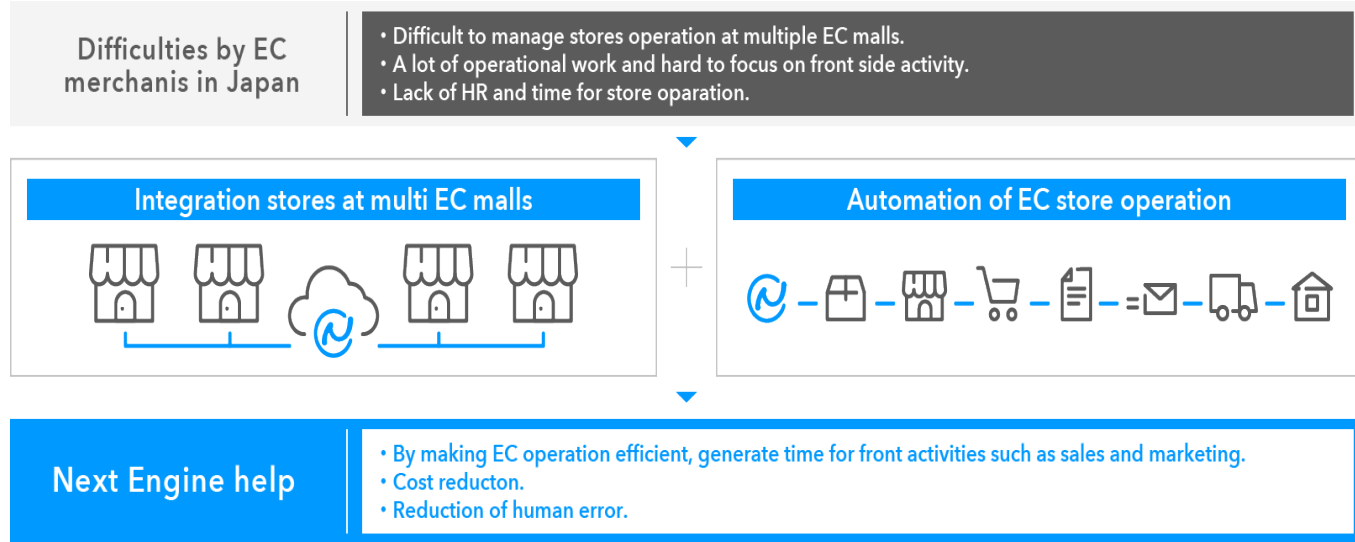
**Platform**



**NEXT ENGINE**

## Next Engine —Main functions

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

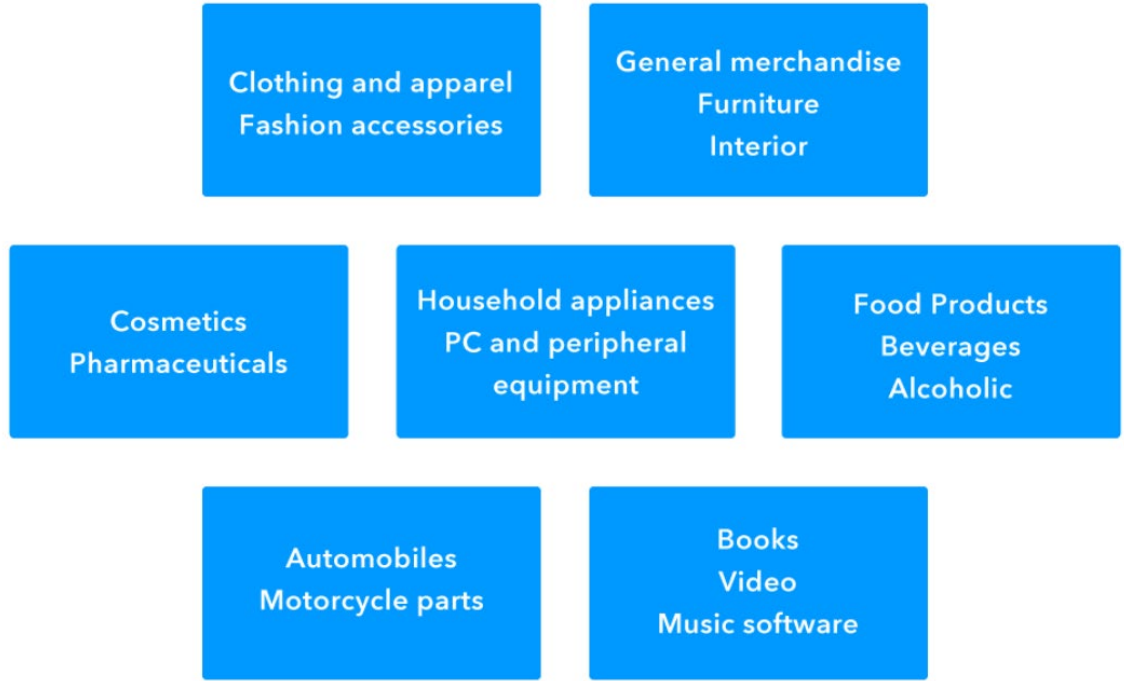


Basic fees (200 transactions included)	+	transaction number	201~ 400	401~ 1,000	1,001~ 3,000	3,001~ 5,000	5,001~ 7,000	7,001~ 10,000	10,000~
JPY3 thousand per month		unit price	JPY35	JPY30	JPY25	JPY20	JPY15	JPY10	JPY5

## Next Engine —Clients

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- Next Engine supports clients in various categories



※Partial posting



## Next Engine —Clients

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### 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



※Partial posting



### WARAI MIRAI

<http://waraimirai.com/>

Product: Suites, Fruits, Gifts



# NEXT ENGINE

**Born from  
EC  
operation**

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

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

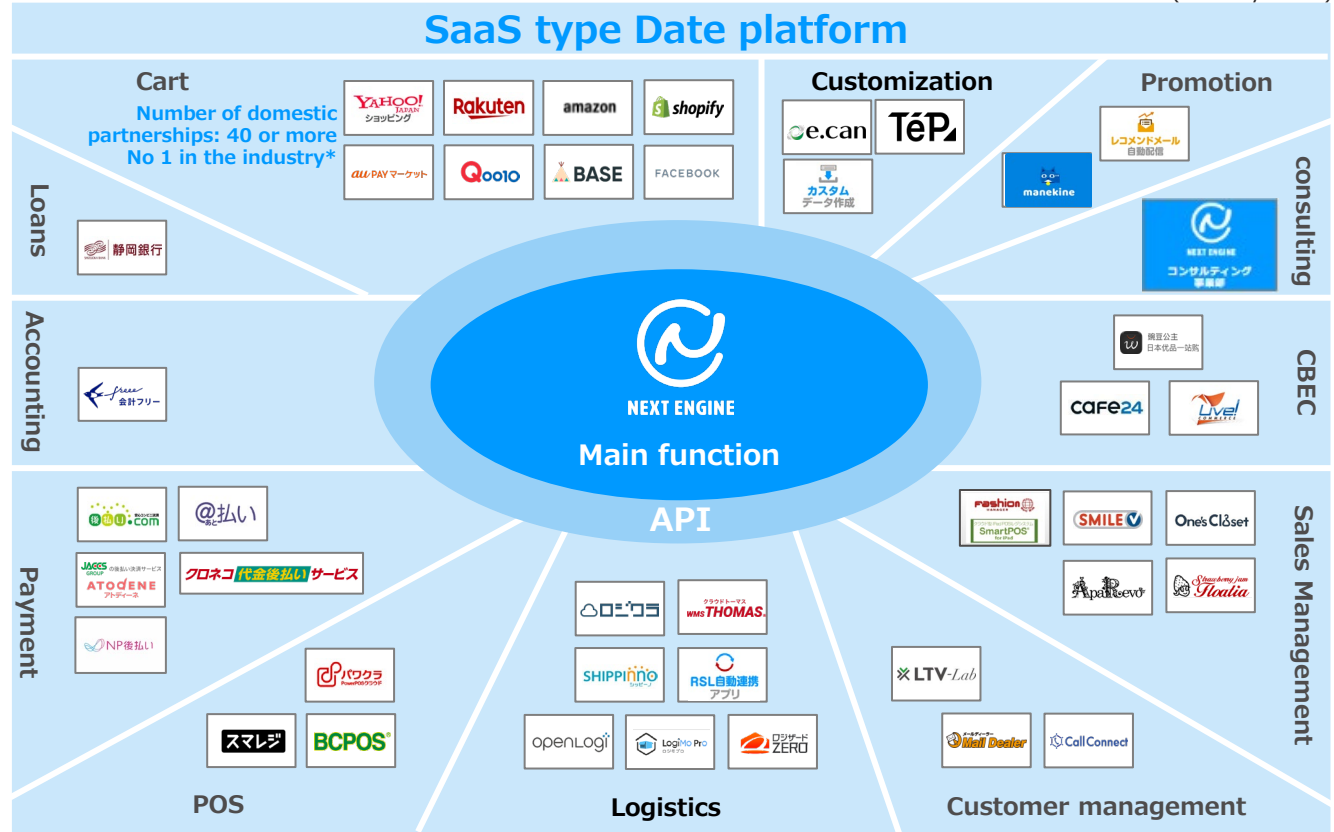
Strong trust backed by industry No.1 by continued support from EC businesses  
※Base on in-house research

**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

(Partially listed)

# Next Engine —Strengths



\* In house research, as of the end of October 2022

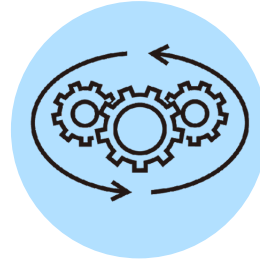
## Consulting Business —Business Activities

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### 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

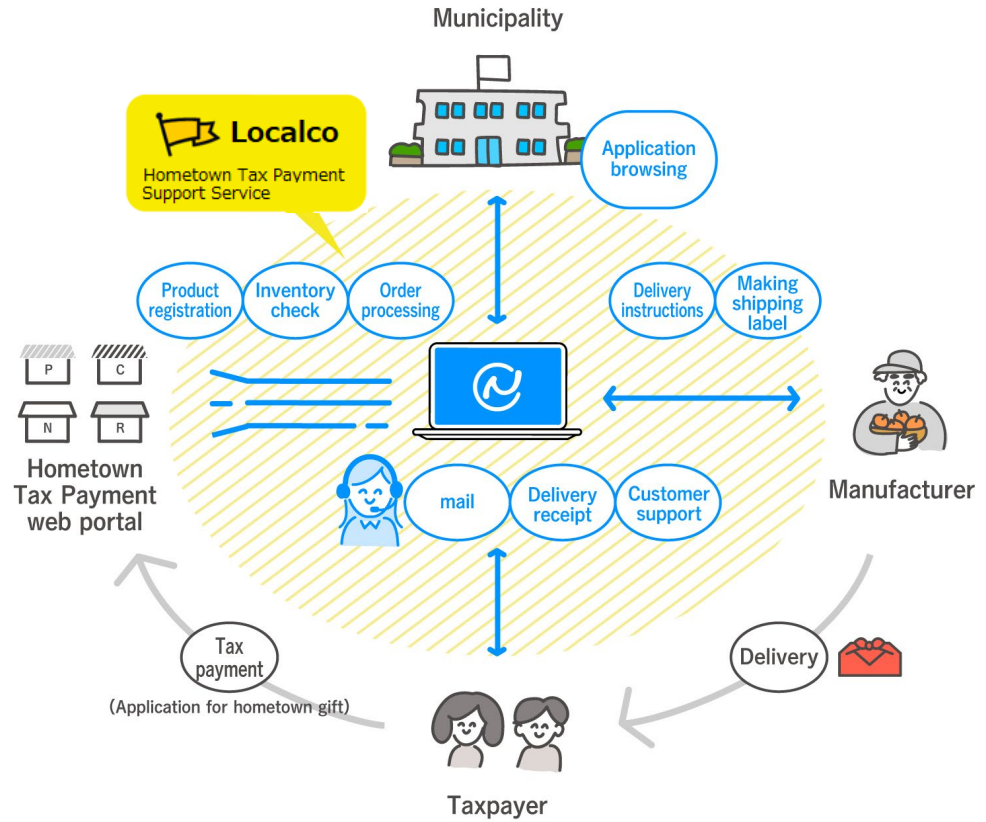
Operates EC sites that generate complicated operations from upstream to downstream, acting on behalf of customers in response to their requests.



### 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.

# Localco Business —Business Activities

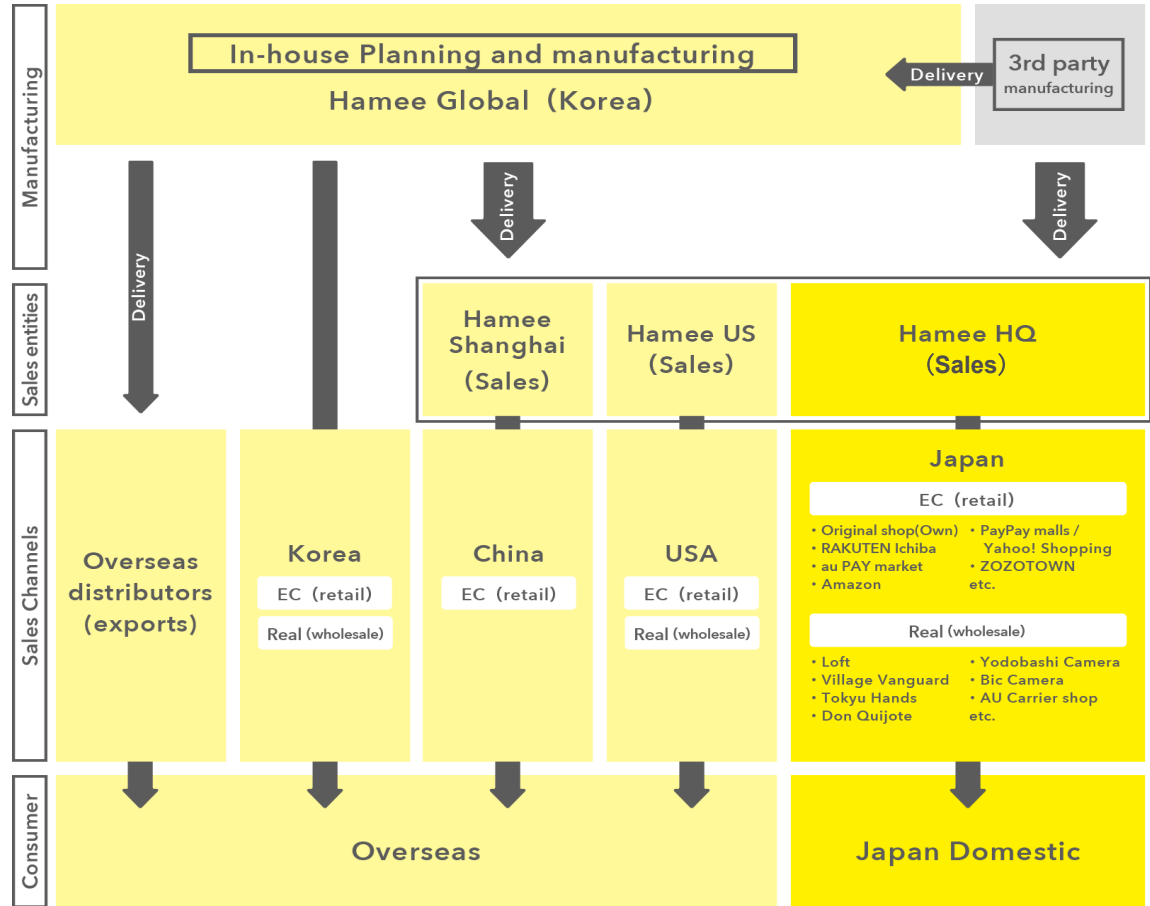


Commerce



# Commerce Business Supply Chain

- In iFace, our main product, we have established a system that can cover planning, manufacturing, and sales(including EC) in-house.



## Source of Commerce Competitiveness

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### 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.



## iFace —Strengths

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### 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 64% high among men and women in their early 20s.

※Base on in-house survey  
Survey period:December, 2021  
Number of surveyed: 1,291  
Survey method:Internet survey  
Target:Men and women aged 20-24 (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 20 to 24 (Our survey December 2021)

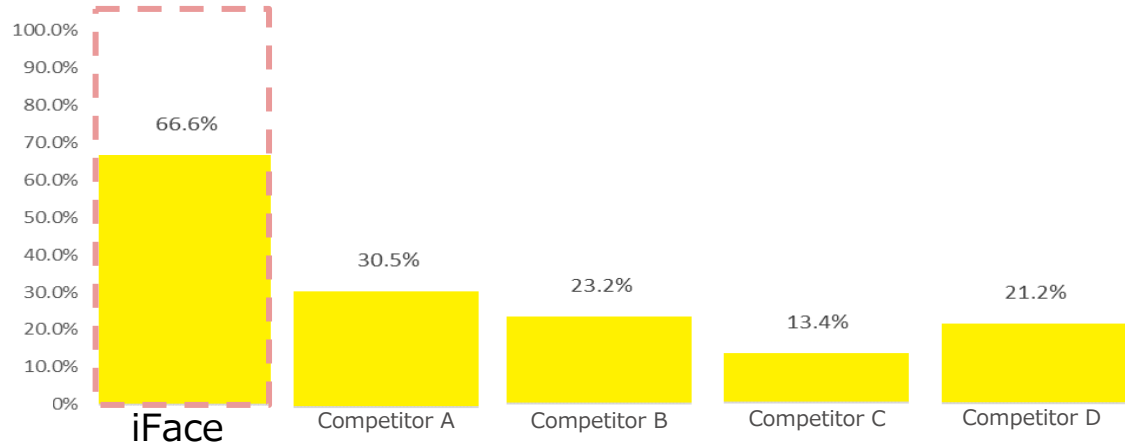
## iFace —Recognition

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

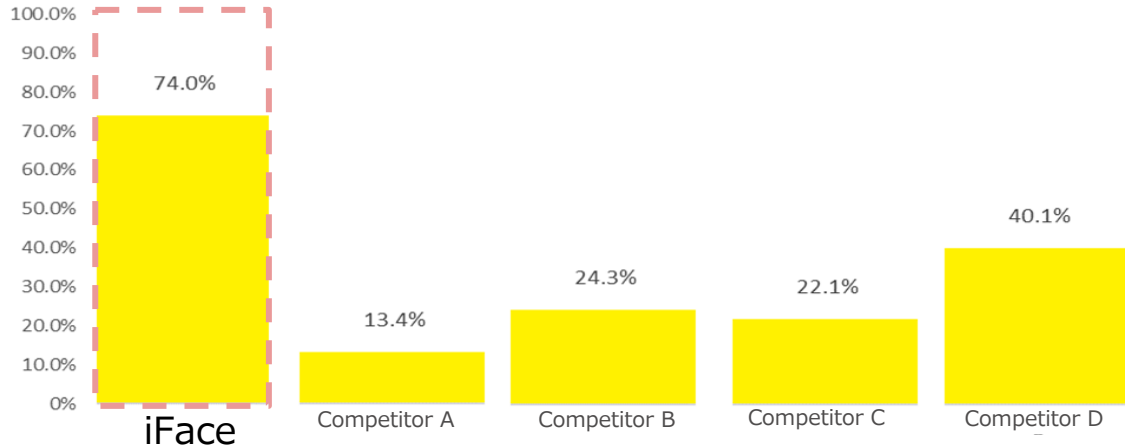
※Our Survey

Survey period: December, 2021  
Number of researchers: 599 women in their teens/638 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)



**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.
- **Tablet Case**  
 Product development beyond smartphone cases based on the product strategy, one of the Mid-Term Management Plan.
- **Hang and**  
 A new product that comes with a shoulder strap that keeps the trend in check launchd in February.

**High designability + Series expansion + Peripheral accessories development**



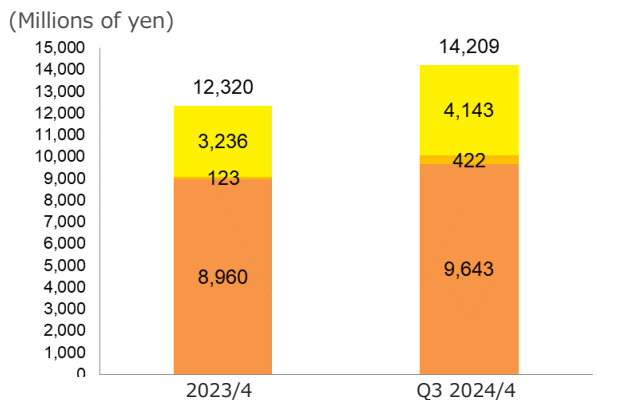
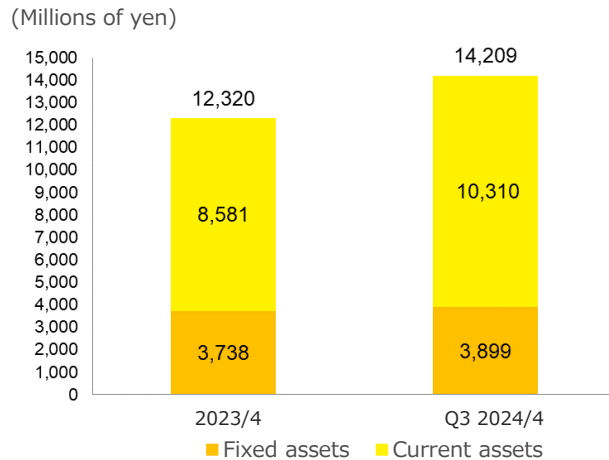
Mainstay Products

Product development

# Reference Information

# Q3 FY04/24 Consolidated Balance Sheet

Commerce



(Millions of yen)

Current assets	2023/4	Q3 2024/4
■ Cash and deposits	3,429	(105)
■ Notes and accounts receivable	2,108	311
■ Merchandise	2,618	974
■ Others	2,125	528

Fixed assets	2023/4	Q3 2024/4
■ Property, plant and equipment	1,509	1
■ Intangible assets	776	( 49)
■ Investments and other assets	1,613	208

Current liabilities	2023/4	Q3 2024/4
■ Short-term loans	1,500	200
■ Others	211	13

Non-current liabilities	2023/4	Q3 2024/4
■ Others	72	( 39)

Net assets	2023/4	Q3 2024/4
■ Retained earnings	8,194	360

## Next Engine indicators

Fiscal Year	FY04/23					FY04/24		
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3
Number of clients	5,560	5,598	5,651	5,772	5,772	5,917	6,033	6,150
Number of stores introduced (stores)	43,049	44,221	45,116	45,937	45,937	46,865	47,728	49,311
GMV (Billions of yen)	297	278	330	302	1,206	280	262	292
ARPU (yen)	35,833	34,434	36,864	34,977	35,527	35,392	32,863	46,534
Monthly churn rate	0.80%	1.04%	0.95%	1.00%	0.95%	0.94%	0.82%	0.92%
Number of orders received (ten thousand)	3,924	3,587	4,117	3,731	15,359	3,702	3,314	3,638
LTV(Lifetime Value) (yen)	4,493,902	3,323,480	3,881,696	3,500,899	3,799,994	3,784,611	3,991,849	5,050,357

※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.

## Results for each Business —Net sales

(Millions of yen)

Summary of Business Figures  
(Accounting Period)

				2023/4				2024/4		
				1Q	2Q	3Q	4Q	1Q	2Q	3Q
Net sales			Mobile Life Business	1,557	2,025	1,736	1,838	1,613	2,161	1,751
			Gaming Accessories Business	188	159	230	190	180	151	342
			Cosmetics Business	23	47	72	151	317	468	634
			New Business investment	18	18	25	38	29	71	98
			Toatl domestic commerce	1,798	2,257	2,064	2,218	2,139	2,852	2,826
			Global Business	543	458	796	534	397	601	1,103
			Commerce segment total	2,331	2,709	2,860	2,753	2,537	3,453	3,930
			Next Engine Business	597	580	618	603	628	594	849
			Consulting Business	120	148	103	100	100	103	112
			Localco Business	55	90	323	39	52	159	259
			Platform Segment Total	774	819	1,045	743	781	858	1,220
			Total sales	3,106	3,527	3,908	3,496	3,316	4,314	5,151

## Results for each Business —Operating income

(Millions of yen)

Summary of Business Figures  
(Accounting Period)

				2023/4				2024/4		
				1Q	2Q	3Q	4Q	1Q	2Q	3Q
Segment profit			Mobile Life Business	313	410	324	174	324	454	276
			Gaming accessories Business	2	7	0	(7)	(4)	(11)	3
			Cosmetics Business	(110)	(138)	(136)	(104)	(68)	(161)	(56)
			New Business investment	(54)	(57)	(51)	(96)	(62)	(53)	(58)
			Functional Departments	(26)	(26)	(17)	(35)	(83)	(78)	(76)
			Total domestic commerce	134	202	120	(69)	106	148	89
			Global Business(including deduction of unrealized gains, etc.)	35	15	171	97	(19)	157	185
			Commerce Segment Total	159	217	291	27	87	306	274
			Platform Segment Total	322	333	538	315	349	409	719
			Total Segment Income	482	550	829	342	436	715	994
Adjustment amount				(234)	(224)	(234)	(241)	(261)	(255)	(265)
Operating income				248	326	595	101	174	459	728



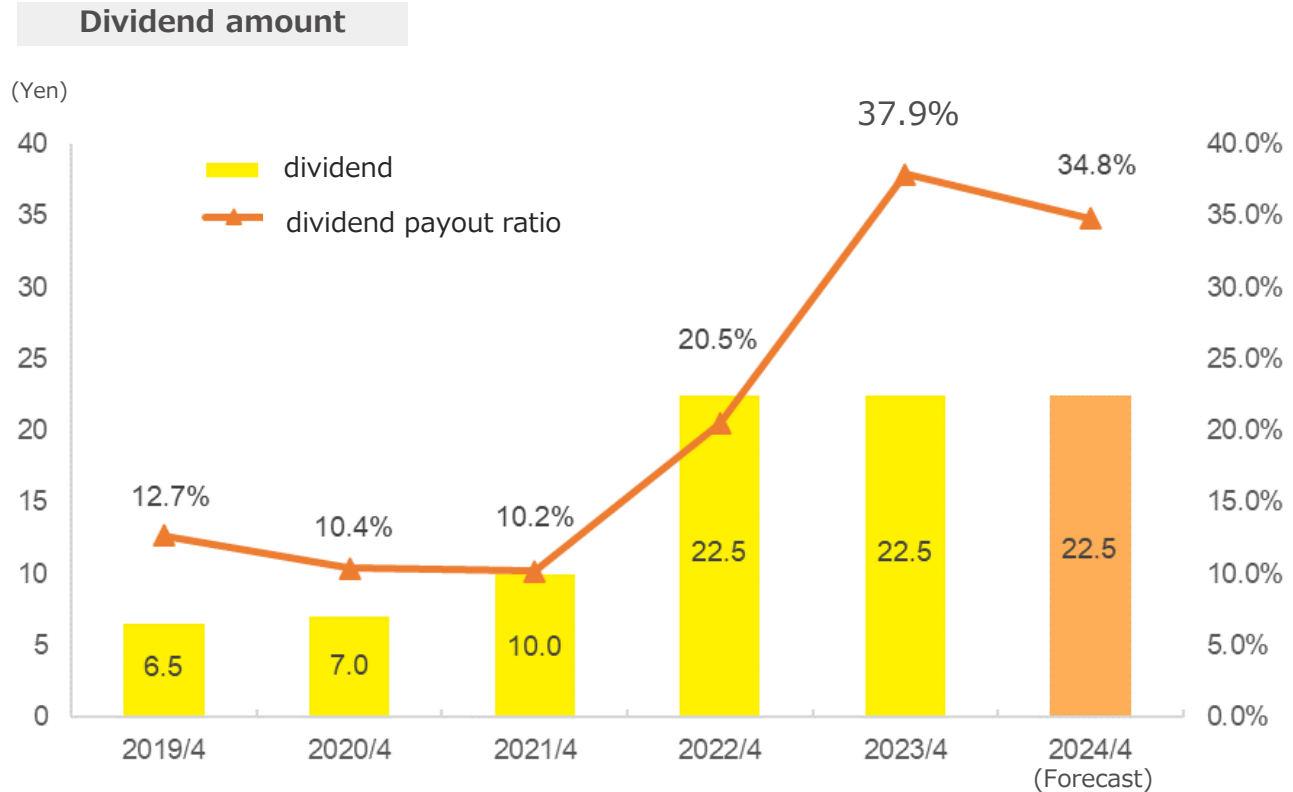
## Shareholder Returns —Dividend per share

### ① **Linked to performance**

We will return profits to shareholders in accordance with profit growth. Maintain a dividend payout ratio of 20% or more

### ② **Stable dividend**

As long as there are no major gains or losses or changes in external conditions, in principle we will maintain or improve DPS.





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