



Hamee Corp.

FY 04/20

Results briefing materials

Reference only

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

TSE Part 1, Securities Code 3134

June 12, 2020

# Executive Summary



Both the Platform Business and the Commerce Business performed good due to upside trend of EC market. Net sales rose 9.9% year on year, and operating income jumped 50.0%, reaching record highs.

## FY 04/20 Financial Highlights

**Net sales**  
**JPY11.32**

**billion**  
(YoY change)  
**+9.9 %**

**Operating  
income**  
**JPY1.74**

**billion**  
(YoY change)  
**+50.0 %**

### Platform Business

Next Engine continued to implement various measures to increase added value, and the number of contracted companies increased as planned. Sales rose 11.3% year-on-year and operating profit jumped 25.0% year-on-year, reflecting the accelerated shift to e-commerce due to the impact of the new coronavirus.

In Hamee Consulting, despite focusing on the development of new services, both sales and profits declined year on year due to growth-oriented investments.

### Commerce Business

Sales of iFace Reflection and other iFace series were strong in both domestic retailing and wholesaling. Sales rose 7.8% YoY and operating profit jumped 34.5% YoY, with retail sales covering the impact of the new coronavirus in wholesale sales.

### Global

Utilize the planning and manufacturing business acquired by the Korean subsidiary to create a foundation to create global items for global expansion.

## FY 04/21 Earnings Forecast

**Net Sales**  
**JPY12.83**

**billion**  
(YoY)

**Operating  
Income**  
**+JPY1.5 billion**  
(YoY)

**JPY1.77 billion**

**+JPY0.3 billion**

### Platform Business

Next Engine is now in a full-fledged growth phase after the establishment of a system, including the outsourcing of call centers, which we focused on up to the previous fiscal year. Taking advantage of the expansion of the EC-related market through the acceleration of the digital shift, we will take on the challenge of creating new services.

### Commerce Business

Domestic wholesale are expected to be restrained until August due to the impact of the new coronavirus. Meanwhile, in the domestic retailing business, the Company is forecasting various revenue opportunities, including digital shifting, iPhone SE and the new iPhone merchandising campaign in September, and releasing 5G devices. In accordance with the medium-term management plan, the company will strengthen ties with customers, focusing on iFace, and develop new products and services.

### Global

The Company will make maximum use of the planning and manufacturing functions acquired by its South Korean subsidiary to reduce manufacturing costs, respond to new mobile device models, and create and develop global items that meet the needs of each country.

I. Financial Results

II. Business Overview

III. Mid-Term Management Plan

# I. Financial Results

# Summary for the Fiscal Year Ended April 2020

Both the Platform Business and the Commerce Business remained strong. Revenues rose 9.9% year on year, and operating income rose 50.0%, both record highs.

Millions of yen

	FY04/19	% of sales	FY04/20	Increase/Decrease	YoY %	% of sales
Net sales	10,302	100.0%	11,325	1,022	9.9%	100.0%
Operating income	1,163	11.3%	1,744	581	50.0%	15.4%
Ordinary income	1,179	11.4%	1,756	577	49.0%	15.5%
Net profit attributable to owners of parent	821	8.0%	1,064	242	29.6%	9.4%

Net earnings per share	51.16 yen	67.07 yen
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# Income Statement for the Fiscal Year Ended April 2020

Millions of yen

	FY04/19	% of sales	FY04/20	Increase/Decrease	YoY %	% of sales
Net sales	10,302	100.0%	11,325	1,022	9.9%	100.0%
■ Commerce Business	8,544	82.9%	9,208	664	7.8%	81.3%
Retail	3,956	38.4%	4,560	604	15.3%	40.3%
Wholesale	4,587	44.5%	4,648	61	1.3%	41.0%
■ PF Business ※1	1,722	16.7%	1,848	126	7.3%	16.3%
■ Others ※2	36	0.3%	268	232	644.4%	2.4%
Cost of sales	5,055	49.1%	4,894	△ 161	△ 3.2%	43.2%
Gross profit	5,247	50.9%	6,430	1,183	22.5%	56.8%
S G A cost	4,080	39.6%	4,686	605	14.9%	41.4%
Distribution expenses	545	5.3%	576	30	5.7%	5.1%
Of which, personnel expenses ※3	1,472	14.3%	1,659	187	12.7%	14.6%
Commissions paid	701	6.8%	804	103	14.7%	7.1%
Operating income	1,163	11.3%	1,744	581	50.0%	15.4%
Ordinary income	1,179	11.4%	1,756	577	48.9%	15.5%
Net profit attributable to owners of parent	821	8.0%	1,064	242	29.6%	9.4%

Gross profit 56.8%  
(+5.9 points YoY)

■ Commerce Business :56.2%(+6.5%)  
For models after iPhoneX series iFace series (including Reflection series), etc. Gross profit margin on products planned by the company continues to improve due to sales mix between Japan and Global. Gross profit margin up by 6.5 points as a result.  
■ PF Business :58.2%(+1.9%) For Next Engine, despite an increase in the cost of call centers, due to a reduction in outsourcing costs for development and change from labor cost to personnel due to organizational changes., Gross margin is improved accordingly. Hamee Consulting: Due to investment in personnel, gross profit declined. Gross margin improved 1.9 points as a result.

Extraordinary loss of JPY1,771 million

1, Impairment loss  
■ Property, plant and equipment and intangible assets related with mobile accessory brand acquired by South Korean subsidiary JPY165 million  
■ Non-current assets by consolidated subsidiaries JPY6 million  
2, Loss on retirement of non-current assets JPY1 million

※1 PF Business: Platform Business

※2 Other: New services that cannot be clearly classified into either the Commerce Business or the PF Business are presented as "Other."

※3 Personnel expenses: In addition to salaries and allowances, "Personnel expenses" include executive compensation and statutory welfare expenses.

# Fiscal Year Ended April 2020 by segment

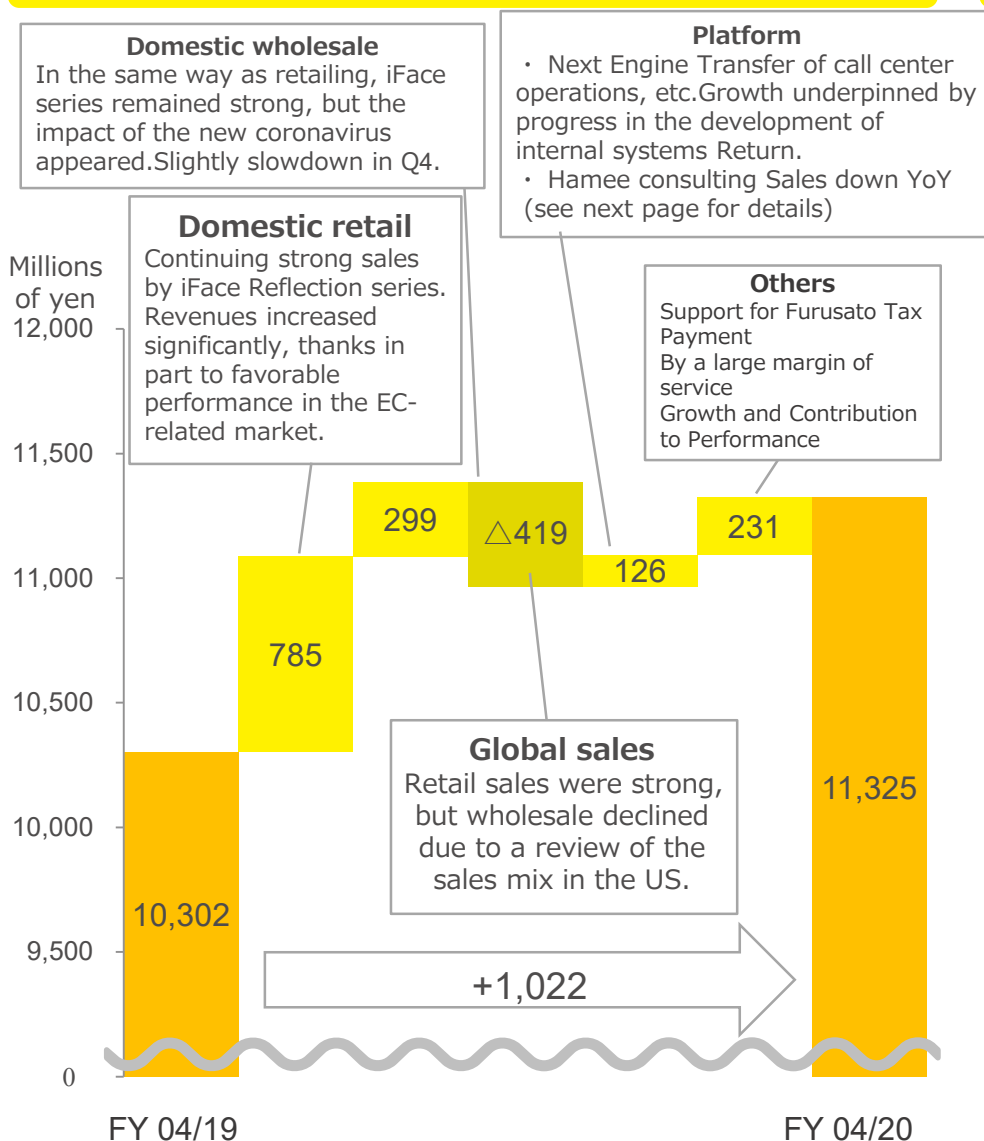
Millions of yen

		FY04/19	FY04/20	Increase/ Decrease	YoY %	Compositio n ratio
Commerce Business	Net sales	8,544	9,208	664	7.8%	81.3%
	Segment profit	1,637	2,198	560	34.3%	84.4%
	Profit ratio	19.2%	23.9%	4.7%	-	-
Platform Business	Net sales	1,722	1,848	126	7.3%	16.3%
	Segment profit	527	585	57	11.0%	22.5%
	Profit ratio	30.7%	31.7%	1.0%	-	-
Others ※ 1	Net sales	36	268	231	644.4%	2.4%
	Segment profit	△ 161	△ 179	△ 17	11.2%	△ 6.9%
	Profit ratio	-	-	-	-	-
Total	Net sales	10,302	11,325	1,022	9.9%	100.0%
	Segment profit	2,003	2,604	601	30.0%	100.0%
	Adjusted amount ※ 2	△ 839	△ 859	△ 19	2.4%	-
	Operating income	1,163	1,744	581	50.0%	-
	Profit ratio	11.3%	15.4%	4.1%	-	-

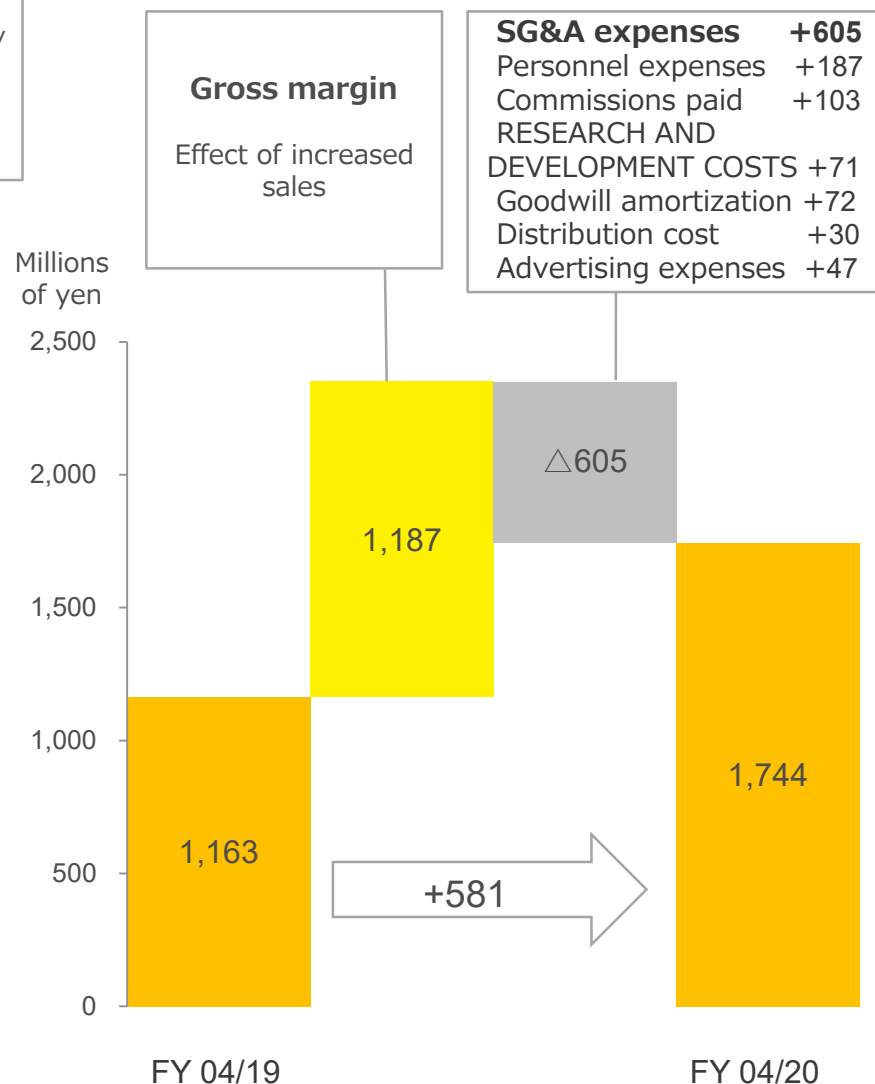
※1 Others: New services that cannot be clearly classified into either the Commerce Business or the Platform Business are classified as "Others." It is described.

※2 Adjustments: Company-wide administrative expenses are stated as "Adjustments."

## Net sales



## Operating income





# Analysis of Changes in Platform Segments for the Fiscal Year Ending April 2020

## Net sales

### Next Engine

Implemented various measures to increase added value. In Q4, the upward trend in sales accelerated, partly due to the tailwind of the digital shift.

April 2019 JPY1.443 billion  
Apr. 2020 JPY1.607 billion  
Revenue rose JPY163 million YoY (+11.3%).

### Hamee consulting

Lower utilization rate of existing consultants, including training, due to investment in human resources (recruitment of consultants). Revenues fell due to a shortfall in the hiring plan due to a temporary increase in employee turnover. As a result of improvement measures, the number of employees leaving the company has been zero since 3rd quarter, and the company's performance is recovering.

## Segment profit

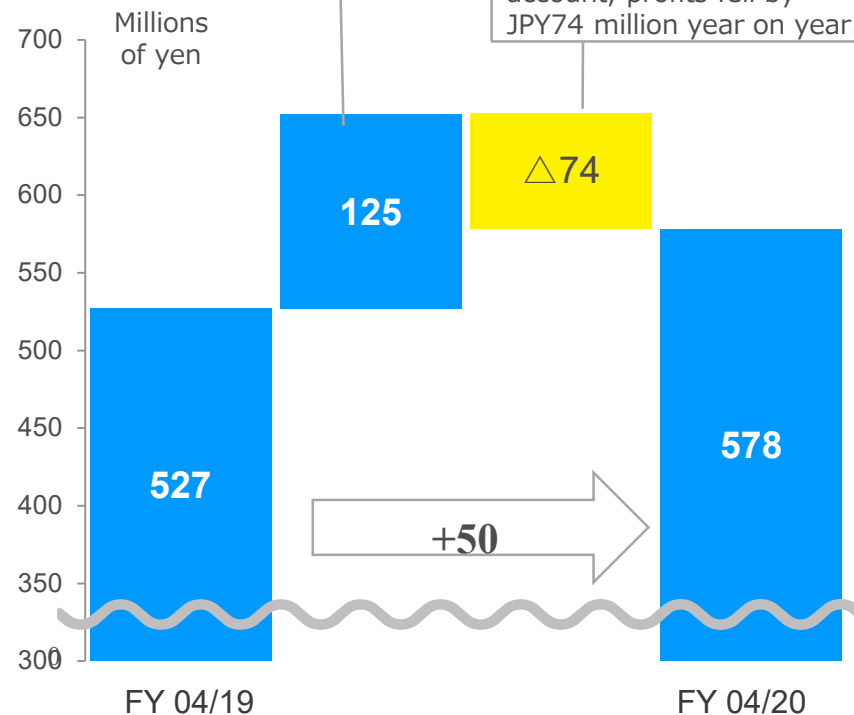
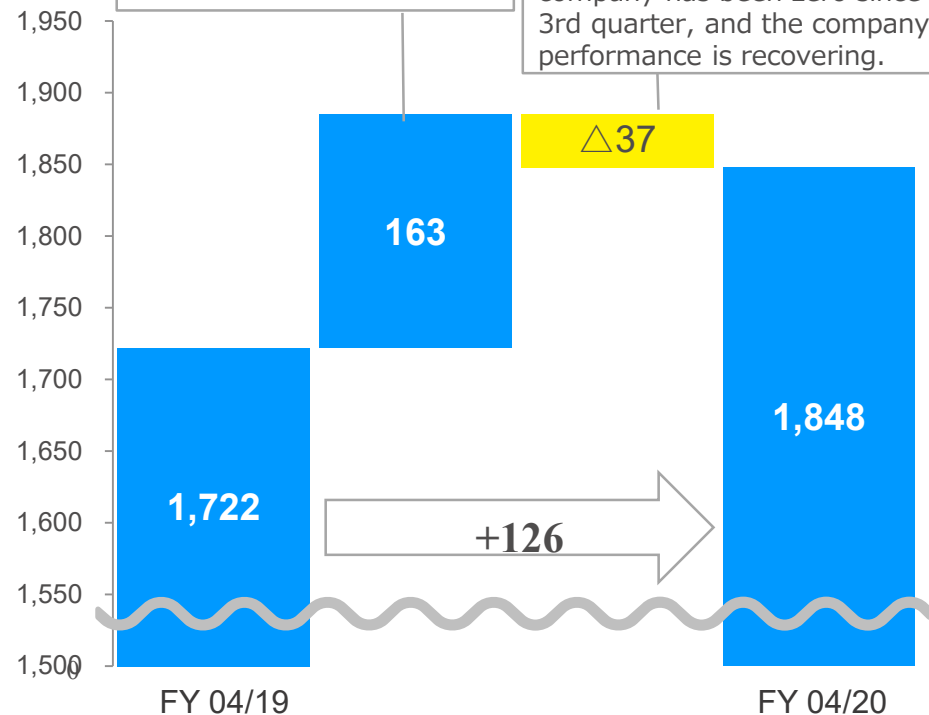
### Next Engine

Although server costs, software amortization, and outsourcing costs (cost items) increased by JPY65 million, overall personnel costs (cost of sales and SG&A expenses) were reduced by JPY33 million, and other expenses were revised. As a result, operating profit increased significantly by 25% year-on-year.

### Hamee consulting

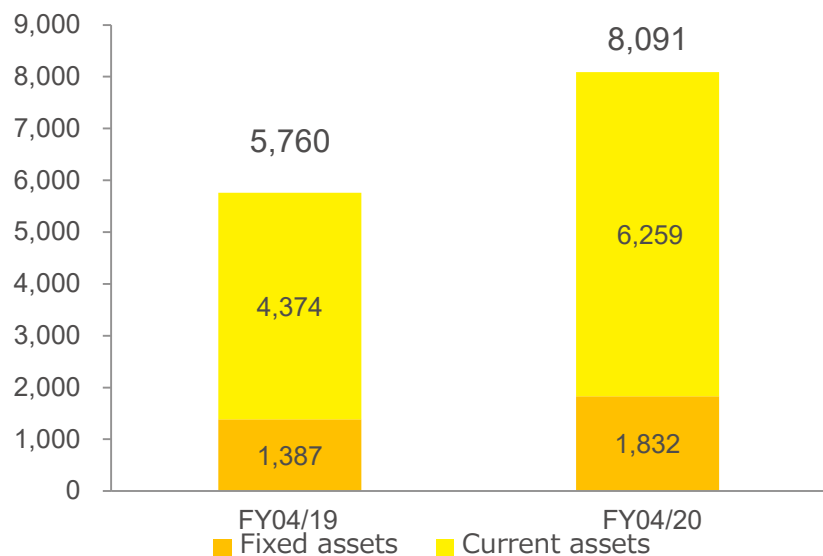
Despite some cost reductions, such as a JPY28 million increase in labor costs (cost of sales items) and a JPY34 million increase in SG&A expenses, the impact of growth investments was significant, and when goodwill amortization of JPY60 million is taken into account, profits fell by JPY74 million year on year.

Millions of yen



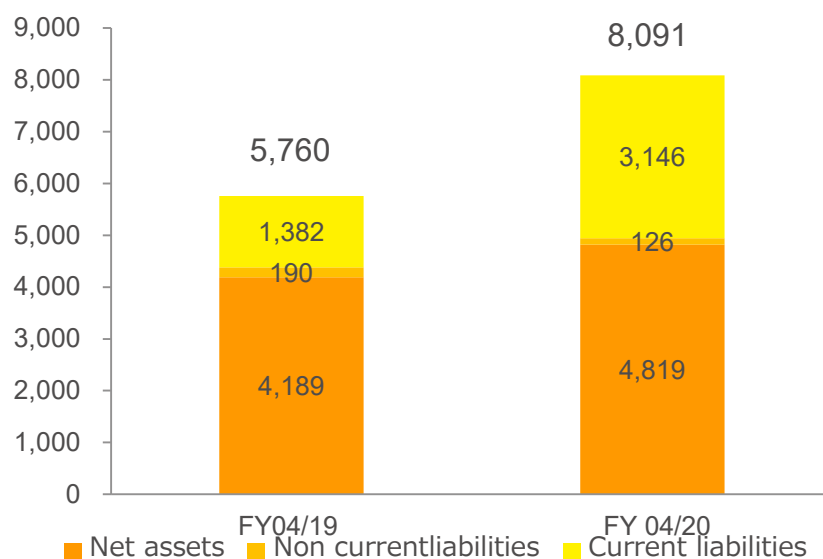
# Fiscal Year Ended April 2020 Balance Sheets

Millions of yen



Current assets	6,258 (+1,885)
■ Cash and deposits	3,453 (+1,792)
■ Notes and accounts receivable	1,230 (△53)
■ Inventory	1,063 (+30)
■ Others	512 (+116)

Fixed assets	1,832 (+445)
■ Property, plant and equipment	569 (+292)
■ Intangible assets	761 (+45)
■ Investments and other assets	501 (+107)



Current liabilities	3,146 (+1,764)
■ Accounts payable	166 (△41)
■ Short-term loans	1,600 (+1,300)
■ Accounts payable-other	660 (+326)

Non currentliabilities	126 (△64)
■ Long-term loan	91 (△48)

Net assets	4,818 (+630)
■ Retained earnings	4,161 (+958)

Indicator of profitability that takes into account growth investments

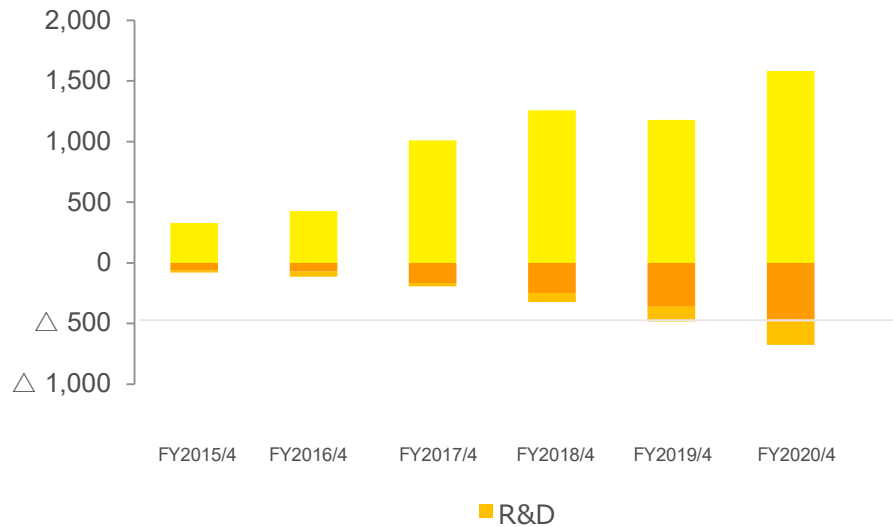
Millions of yen

	FY04/19	FY04/20	Increase/ Decrease	YoY %
Net income before income taxes and minority interests	1,179	1,582	403	34.2%
Interest expenses	2	3	1	60.0%
Depreciation and amortization	361	481	120	33.3%
Software	122	141	19	16%
Goodwill	76	149	72	95%
Other intangible assets	32	6	△ 26	△ 80.4%
EBITDA	1,542	2,067	524	34.0%
RESEARCH AND DEVELOPMENT COSTS	120	192	71	59.2%

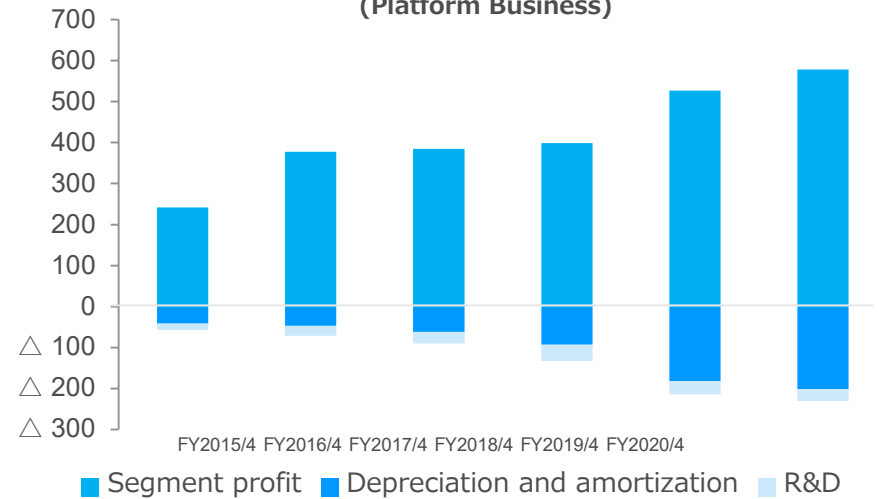
## Depreciation and amortization (Breakdown):

Software	Goodwill	Other intangible assets
Enhancement of Next Engine functions and In the development of next engine apps and other areas In personnel expenses for medium-sized development projects Recorded as software and amortized over 3 years	Platform Business JPY 60 million (Hamee Consulting)  Commerce Business JPY89 million (PATCHWORKS and JEI DESIGN WORKS)	Commerce Business JPY6 million (PATCHWORKS trademark rights)

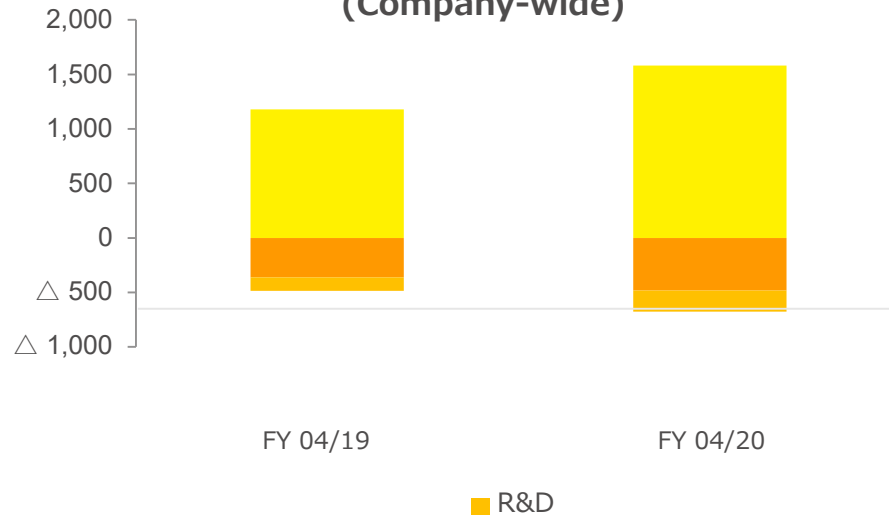
**EBITDA + R&D (full-year)** Millions of yen



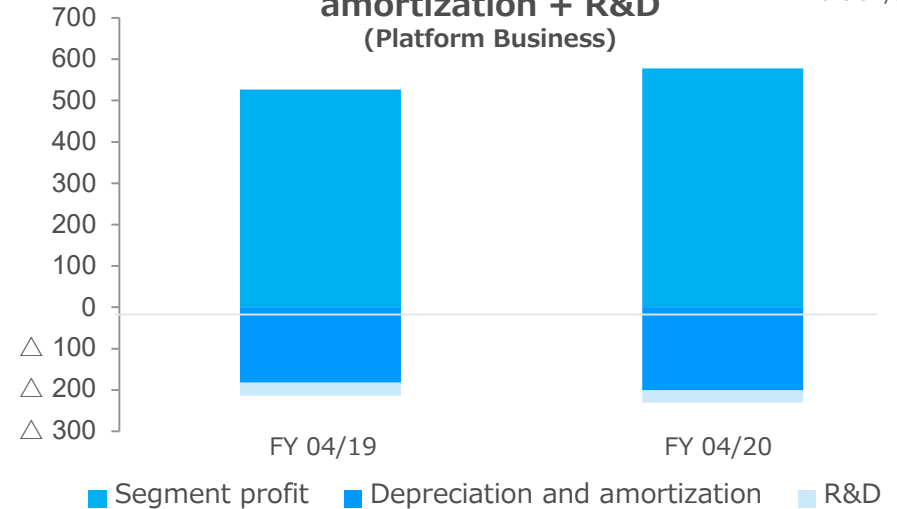
**Segment income + Depreciation and amortization + R&D (Platform Business)** Millions of yen



**EBITDA+R&D (Company-wide)** Millions of yen



**Segment income + Depreciation and amortization + R&D (Platform Business)** Millions of yen



# Income Statement for Fiscal year ended April 2021

Millions of yen

	FY04/20	% of sales	FY04/21 forecast	Increase/ Decrease	YoY %	% of sales
N e t s a l e s	11,325	100.0%	12,832	1,507	13.3%	100.0%
■ Commerce Business	9,208	81.3%	9,990	781	8.5%	77.9%
Retail	4,560	40.3%	5,482	921	20.2%	42.7%
Wholesale	4,648	41.0%	4,507	△140	△3.0%	35.1%
■ PF Business ※ 1	1,848	16.3%	2,059	211	11.4%	16.1%
■ Others ※ 2	268	2.4%	782	514	191.8%	6.1%
C o s t o f s a l e s	4,894	43.2%	5,082	187	3.8%	39.6%
G r o s s p r o f i t	6,430	56.8%	7,750	1,319	20.5%	60.4%
S G A c o s t	4,686	41.4%	5,971	1,285	27.4%	46.5%
Distribution expenses	576	5.1%	647	70	12.3%	5.1%
Of which, personnel expenses ※3	1,659	14.7%	2,080	421	25.4%	16.2%
Commissions paid	804	7.1%	1,093	288	35.8%	8.5%
O p e r a t i n g i n c o m e	1,744	15.4%	1,778	33	1.9%	13.9%
O r d i n a r y i n c o m e	1,756	15.5%	1,764	7	0.4%	13.8%
N e t p r o f i t Attributable to owners of parent	1,064	9.4%	1,260	196	18.5%	9.8%

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# Forecast by Segment for Fiscal year ended April 2021

Both Commerce Business and Platform Business continue to growth to reach to record high.  
Others grow dramatically, however due to initial investment for new business

Millions of yen

		FY04/20	FY04/21 Forecast	Increase /Decrease	YoY %	Composition ratio
Commerce Business	Net sales	9,208	9,990	781	8.5%	77.9%
	Segment profit	2,205	2,561	356	16.1%	90.9%
	Profit ratio	24.0%	25.6%	1.7%	-	-
Platform Business	Net sales (Next Engine)	1,848 (1,607)	2,059 (1,770)	211 (163)	11.4% (10.2%)	16.1% (13.8%)
	Segment profit (Next Engine)	578 (626)	661 (732)	83 (106)	14.4% (17.0%)	23.5% (26.0%)
	Profit ratio	31.3%	32.1%	0.8%	-	-
Others ※ 1	Net sales	268	782	514	191.8%	6.1%
	Segment profit	△179	△405	△226	126.4%	△14.4%
	Profit ratio	-	-	-	-	-
T o t a l	Net sales	11,325	12,832	1,507	13.3%	100.0%
	Segment profit	2,604	2,817	212	8.2%	100.0%
	Adjusted amount ※ 2	△859	△1,038	△179	20.8%	-
	Operating income	1,747	1,778	33	1.9%	-
	Profit ratio	15.4%	13.9%	△1.6%	-	-

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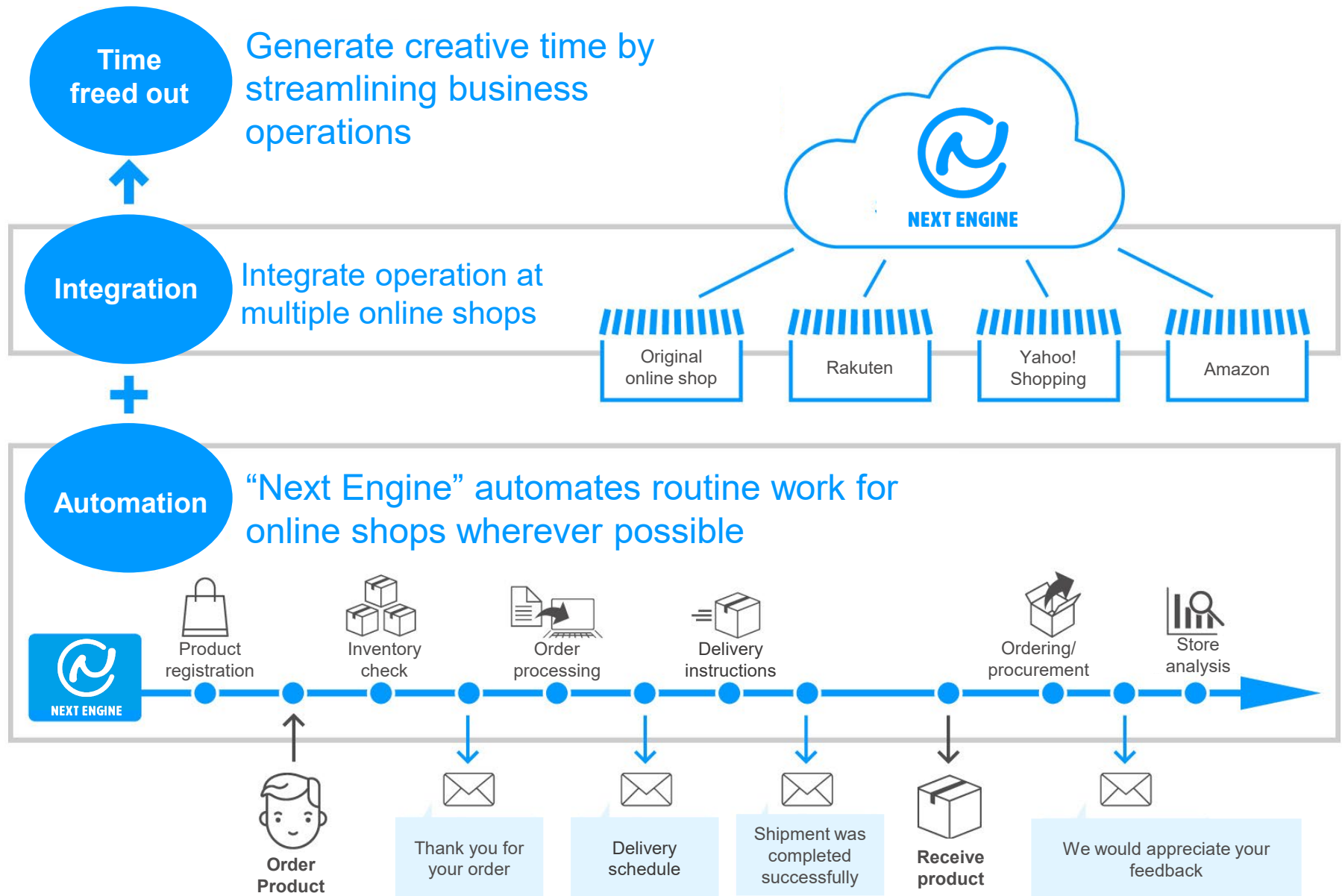
## II. Business Overview

# Platform Business



**NEXT ENGINE**







(Partially listed)

**Product analysis and inventory control**



**滞留在庫アプリ**

**Slow-moving inventory app**  
An app that visualizes products that remain unsold even after a certain period of time (slow-moving inventory) and displays them in a new service (RUKAMO) that distributes slow-moving inventory.

13 Dec 2018 officially released


**Sales up**




**レコメンドメール自動配信**

**Mail recommendation auto mail delivery**  
Auto mail delivery to consumer for EC operator to insert advertisement in email to consumer to recommend other product by same client, based on data in Next Engine by A.I..

**Accounting**



**Connect with "free"**  
(Accounting system)




**free専用 会計ソフト連携アプリ**

**free専用 会計ソフト連携アプリ**  
Apps to interface order data (both customer and purchase) in Next Engine to free.

※2019/3/8 officially released

**Logistics**



400店舗以上が利用中の  
アウトソース先倉庫との自動連携アプリ！

**Auto shipping instruction to "LOGIZARD ZERO"**

**Power by ネクストエンジン**

**Connect with LOGIZARD ZERO provided by Logizard Co., Ltd. to make auto shipping instruction.**

Provided by SHIPPInno

**CRM**



**顧客管理 顧客分析**

**リピート 利益拡大**

**EC CRM LTV-Lab**

To utilize data in Next Engine to visualize repeat sales, repeat %.

Provided by Coreforth

**Loan (Fintech)**



**NE&GMO-PG ユーザー限定 貸出利率最大 0.25% 優遇**

**GMO-PG**

**Transaction rending**  
For speedy loan examination without mortgage or joint guarantor to utilize data in Next Engine such as order, sales etc.

Provided by GMO Payment gateway ,inc.

**CBEC**



**越境ECをどこよりも手軽に WONDERFULL Platform**

**豌豆公主(Wandou)**  
Auto registration to Wandou (China market) for data registered in Next Engine.

Provided by Inagora

**Customization**



**カスタム データ作成**

**Customization of Next Engine data preparation**  
Customize data in Next Engine to output or data connection with other system.

## Next Engine Main Function Contracts

(As of April 30, 2020)

Total number of subscribers: 3,997 companies

(375 companies increased from the end of April 2019)

## Number of Stores Introduced

(As of April 30, 2020)

Number of stores: 30,835

(up 2,829 stores from the end of April 2019)

## Clients

※ Partially posted



THE BODY SHOP.



# Trends in number of main function contracts

The number of client contracts in the period ending April 2020 was 3,997, an increase of 13.8% from previous year.

※ As of the end of April, 2020

## <Background>

- ① Outsourcing call center operations from the perspective of maintaining and improving service levels and effectively utilizing our own resources
- ② By maximizing internal resources and capturing demand for switching from other companies' systems  
Increase the number of contract clients in line with the plan at the beginning of the fiscal year

Accelerating  
Client contracts  
after  
outsourcing

Outsource call-center  
operation

☒ Agent to distribute  
Next Engine

☒ Corona Infection  
Prevention Measures  
Campaign

☒ Enhance number  
of help desk staffs

☒ Enhance Next Engine  
function

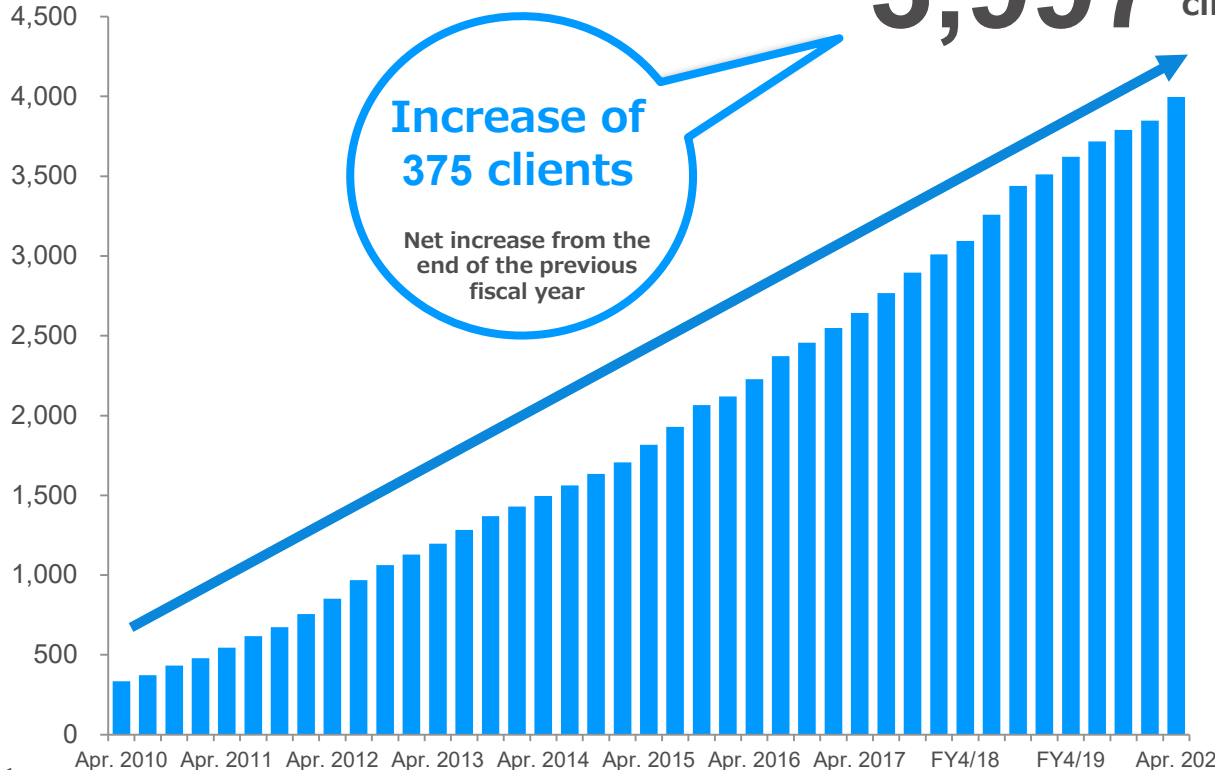
(Company)

FY 04/20

3,997 clients

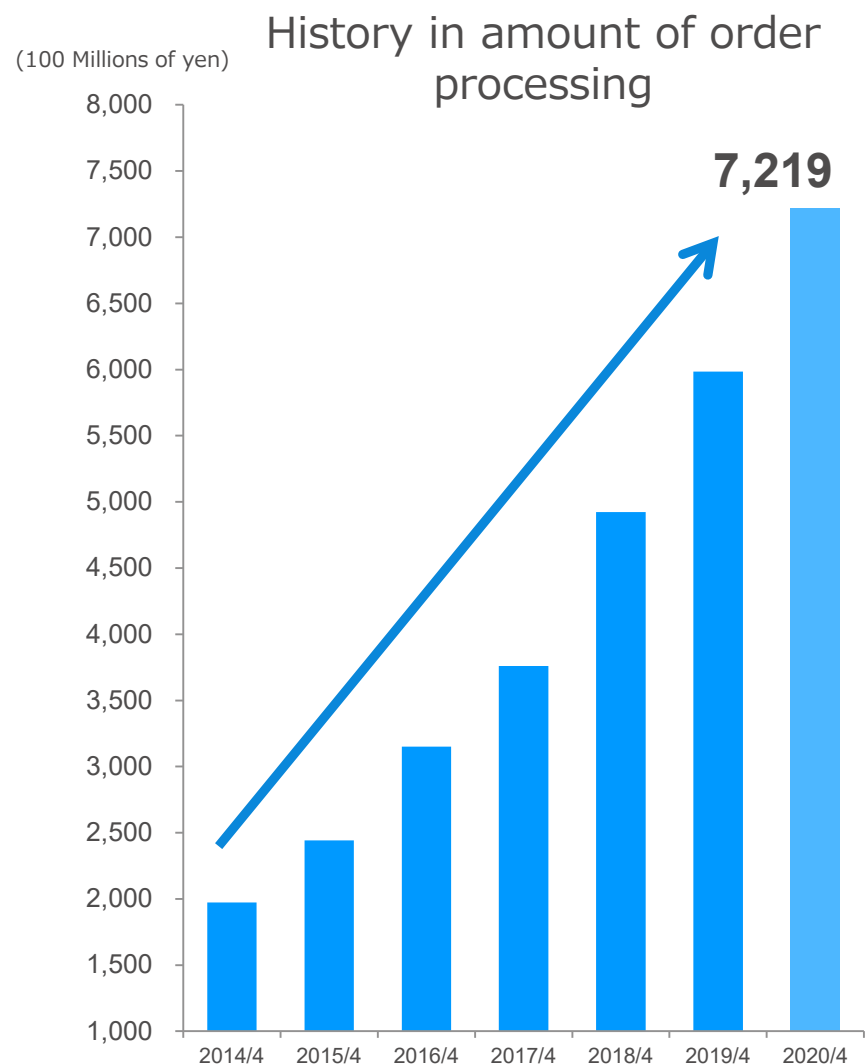
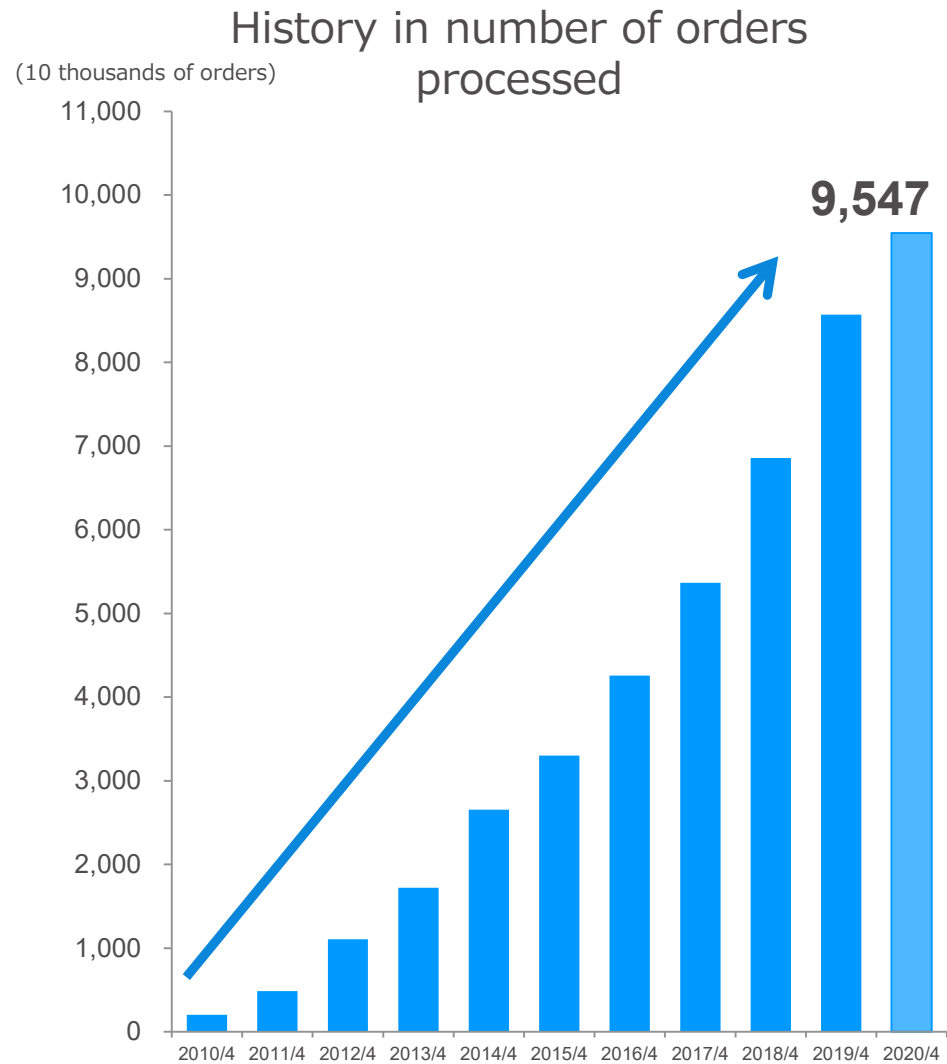
Increase of  
375 clients

Net increase from the  
end of the previous  
fiscal year

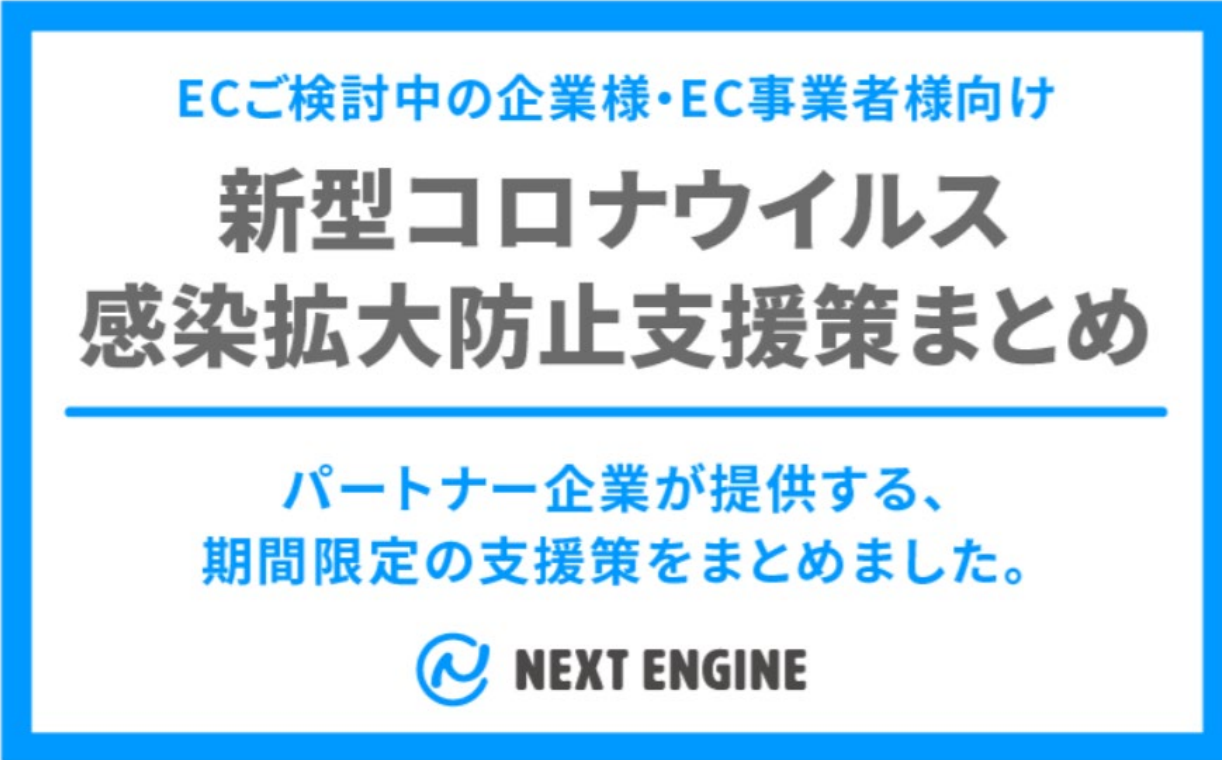


# Trends in number of Orders and Amount of orders processed Hamee

With significant changes in people's consumption styles due to the impact of the outbreak of the new coronavirus. In March and April 2020, the amount of orders processed exceeded JPY60 billion and transaction volume expanded consecutively.




By "Next Engine" and partner companies  
Provided support measures to prevent the spread of a new type of coronavirus  
～ Contributing to the development of the EC industry as a whole, in addition to the promotion of operational efficiency and automation in the EC business



ECご検討中の企業様・EC事業者様向け

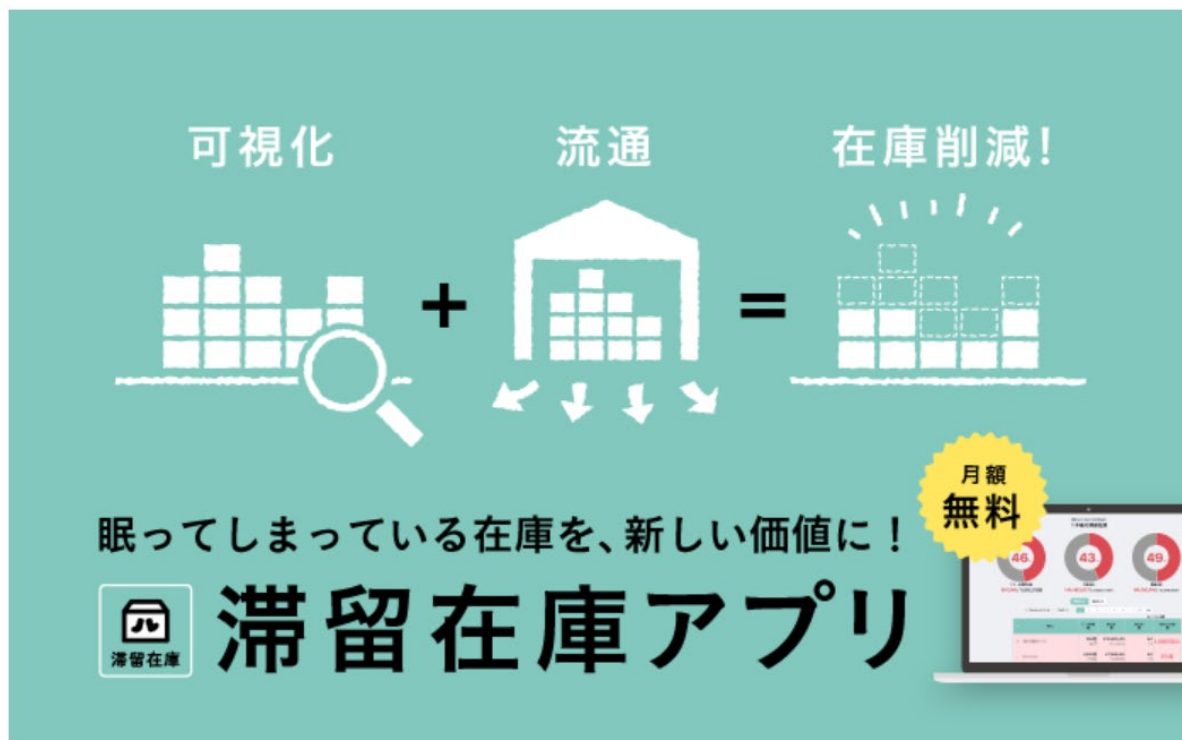
## 新型コロナウイルス 感染拡大防止支援策まとめ

パートナー企業が提供する、  
期間限定の支援策をまとめました。

 **NEXT ENGINE**


Free extension and usage fees from Next Engine as a measure to help prevent the spread of a new type of coronavirus. Provided extraordinary business support and provided 21 types of support from 11 partner companies. This has led to an increase in the number of applications for free experience users using the campaign\*.

## Visualize products that possibly get slow moving! Released the “slow moving inventory app”



可視化 流通 在庫削減!

眠ってしまっている在庫を、新しい価値に!

 **滞留在庫アプリ**

月額無料

We have released an application that visualizes unsold inventory after a certain period of time = slow-moving inventory. This has made it possible to visualize the amount of products and inventories outstanding. In addition, products that are identified as slow-moving inventory can be exhibited and redistributed at RUKMO\*, an online Hamee store operated from March 2020. Through these efforts, we aim to achieve SDGs target of 12 and to eliminate distortions caused by mass-production and mass-sales.



# Commerce Business

# Major Sales Channels in the Commerce Business Hamee

Original products and procured products

A wide array of sales channels

## BtoC online sales (14 stores in Japan)



### Mobile Accessory Goods Hamee

Hamee

Head Office

Ichiba

Au PAY market  
stores

PayPay Mall/  
Yahoo! Shopping  
Store

Amazon stores

Qoo10 stores

ZOZOTOWN

stores

d Shopping store



Specialty stores for smartphone goods

iPlus



Specialty stores for cute goods

Kawaii 館



Specialty stores for enjoyable  
miscellaneous goods

にぎわい商店



Women's accessories for smartphones

ketchup!



Videos of smartphone gadgets

HameeTV

## In-store BtoB sales

Loft

Village Vanguard

Tokyu Hands

Don Quijote

Yodobashi Camera

Itswa Shoji Co., Ltd.

Big camera

AU Carrier shops



Smartphone goods  
procurement and  
wholesale

Hamee Biz

Numerous others  
(abbreviated)

## Overseas sales via EC



韓国

Hamee Global Inc.



アメリカ

Hamee US, Corp.



中国

Hamee Shanghai Trade Co.,Ltd



インド

Hamee India Pvt. Ltd.

## iFace Going to WORLD WIDE brand

Product development matched with each market needs

### Enhance core brand lineup



### Continuously develop and release new series



### Enhance brand value

Brand concept



**iFace is always By Your Side.**

### Investment to branding

Promotion



Branding-mid term

Enhance brand value to continuously develop and release “iFace”, core brand.

iFace for iPhoneSE  
(second-generation) series



iFace films



iFace ringholders



Enhance brand due to in house development to identify market needs.

Compact power strip



Products for the apparel market



Water proof mobile batteries for outdoor





## Strengthen communications with iFace users and pursue customer experience value

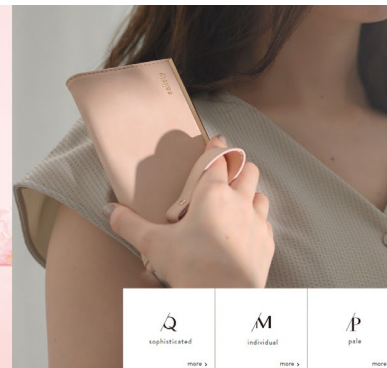


Develop new color rings that meet user preferences, such as pure color models and café series models



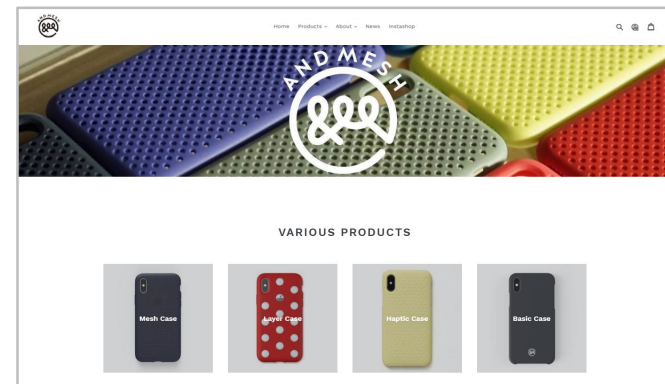
Developing NO1 Strategies Based on Brand Image Research

## Continuous multi-brand development



**SALISTY branding sites**

<https://www.strapya.com/special/salisty/>



**ANDMESH branding sites**

<https://www.andmesh.com/>

## Won Rakuten Shop of the Year 2019 Grand Prix Award!

~ Outstanding performance of iFace sales,  
cumulative worldwide sales exceed 17.45 million pcs! ~



Hamee Rakuten Ichiba Store, which is located in Rakuten Ichiba, one of biggest online mall in Japan, won the Rakuten Shop of the Year 2019 Grand Prize in the category of smartphones, tablets, and peripherals for selecting the best shop from among more than 40 thousand shops in

# Global expansion

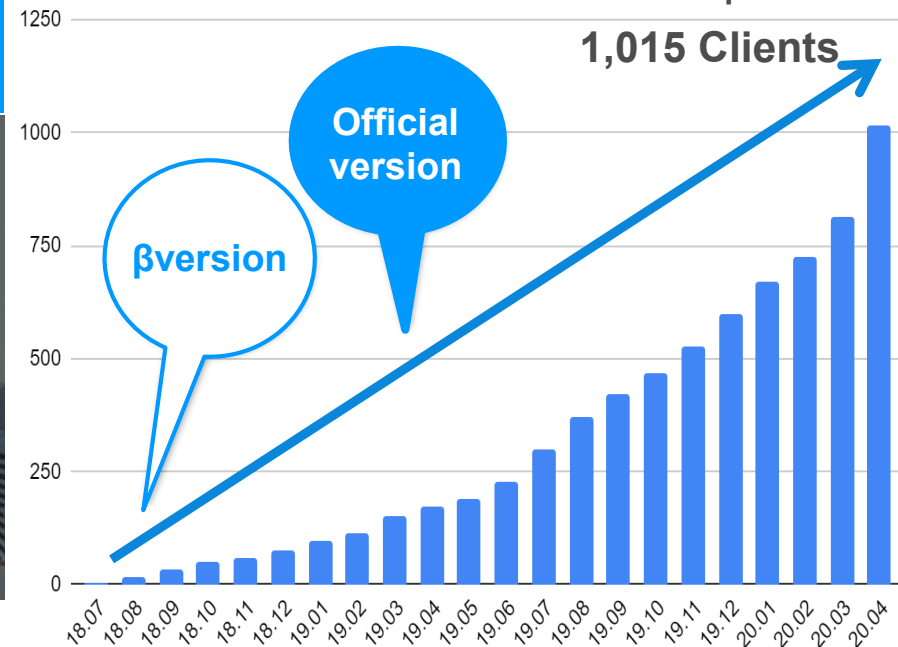
## Service in Korea market which have many EC malls competing

To establish subscription model in overseas market  
based on mid term plan













Next Engine Korea Number of clients

As of April 2020



## Mall carts that Next Engine is available to connect

Partially published, as of April 2020

 SmartStore	 coupang	 Gmarket	 AUCTION.	 11>	 INTERPARK
 emart	 SHINSEGAE MALL	 LOTTE.COM	 MakeShop®	 cafe24	 10X10



## Continuously release in house brand to oversea market

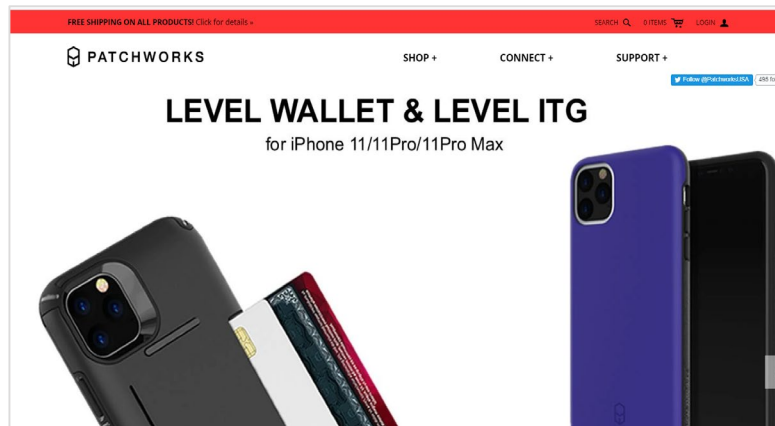


**Korea** (hamee.co.kr)

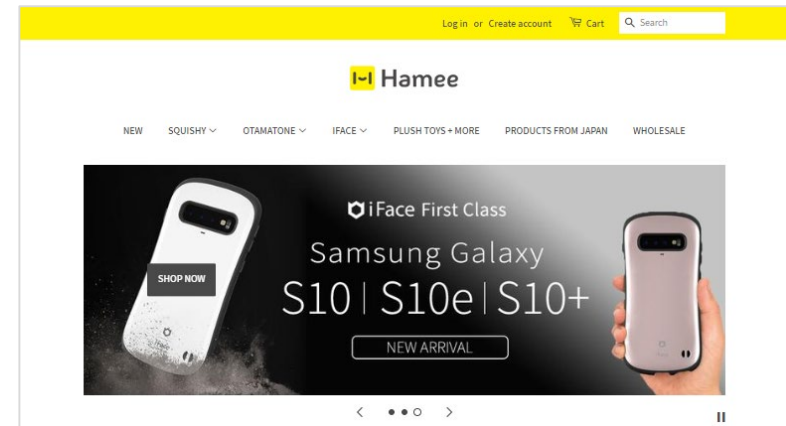


**Taobao China** (strapya.world.taobao.com)

## Strategic product launch in US market

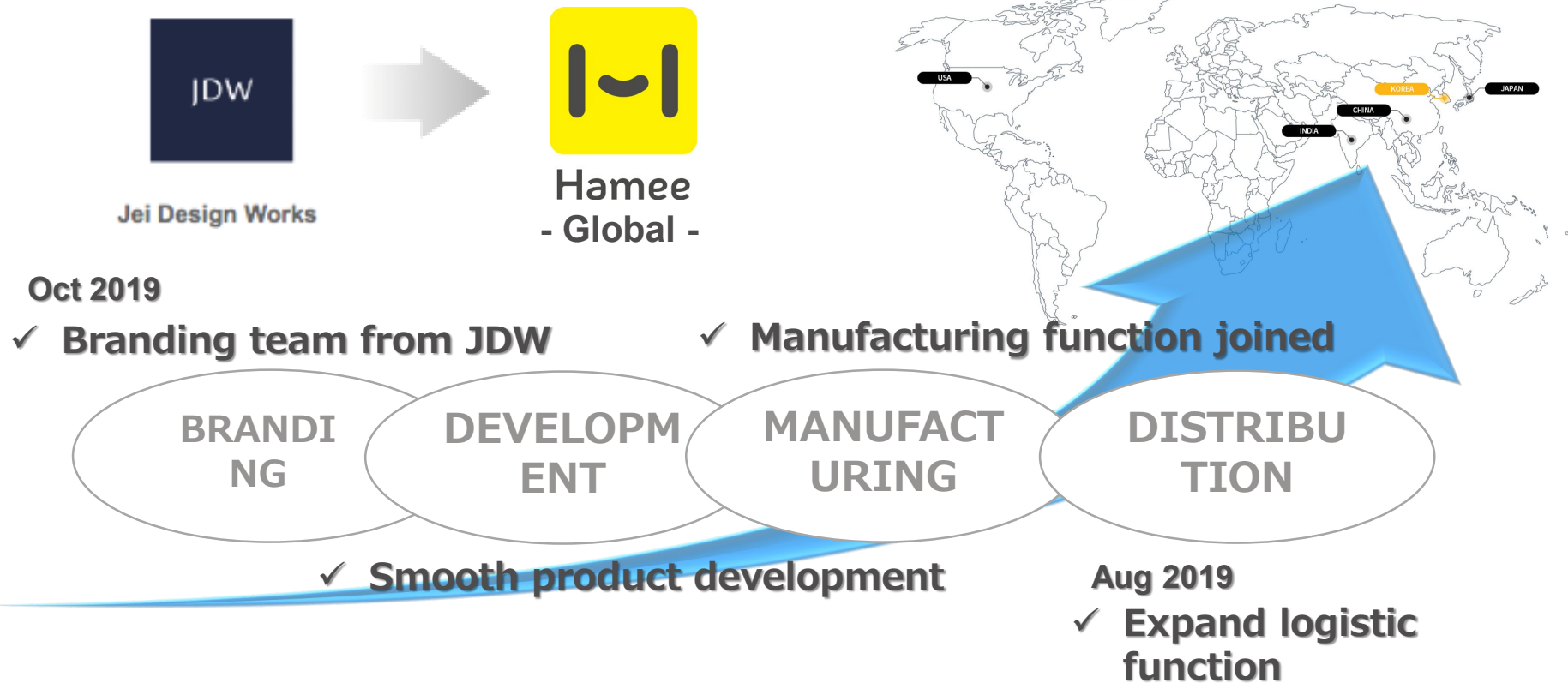


**PATCHWORKS** (patchworks.us)



**US** (hamee.com)

Hamee Global control from Product branding to Distribution, after acquisition of Jei Design Works on Oct 2019



- Capable to launch product matching with market needs and price

- In addition to production margin, available smooth product development because of full process management from product branding to distribution.

## Challenge “Global product”



K-Design Award  
Grand Prize

2017, 2018



Red Dot  
Design Award

2017, 2018



Good Design

2017



iF Design Award

2019

Branding team joined from JEI DESIGN WORKS Inc. on Oct 2019 are professional product branding team and have won several award such as K-Design Award, Good Design Award etc.

### ★iFace Global site launch



Branding team challenge branding Global product by our original design, and Hamee group expand to global market!

## III. Mid-Term Plan

# Mid term plan-Summary (Updated on Dec 2019)

Target to achieve minimum **13.8B** yen of Sales, minimum **16%** of Operating profit ratio by **Apr 2022**, Hamee challenges to shift business model from Flow (Pay per product model) to Stock (Subscription mode) to seek Customer Experience based on current capability (management resources).

## Mid term plan Minimum target

### Consolidation sales

(FY2022 Apr)

**13.8<sub>B</sub> yen**

### Consolidation operating profit

(FY2022 Apr)

**16%**

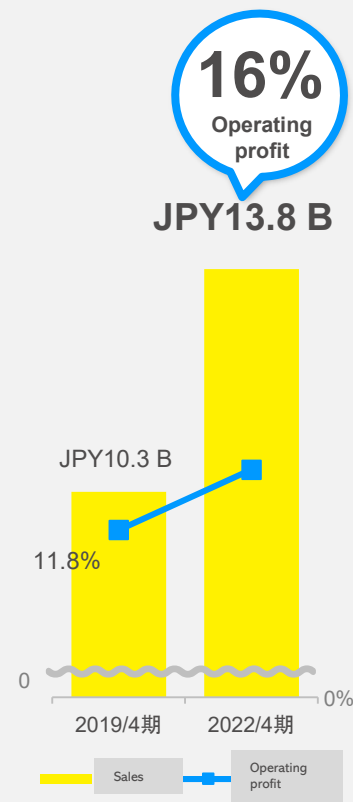
### Dividend ratio

(FY2022 Apr)

**20%**

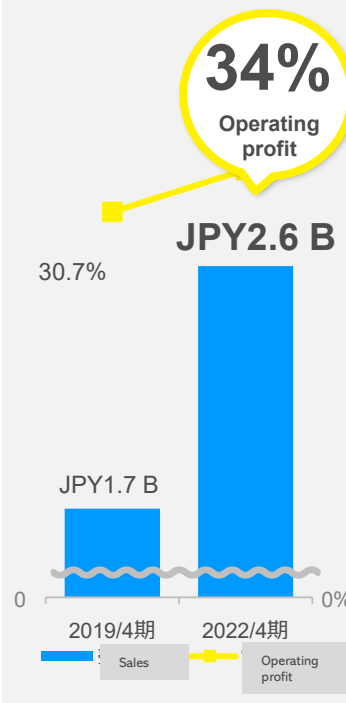
## Consolidation

Shift business model from Flow (Pay per product) to Stock(Subscription)



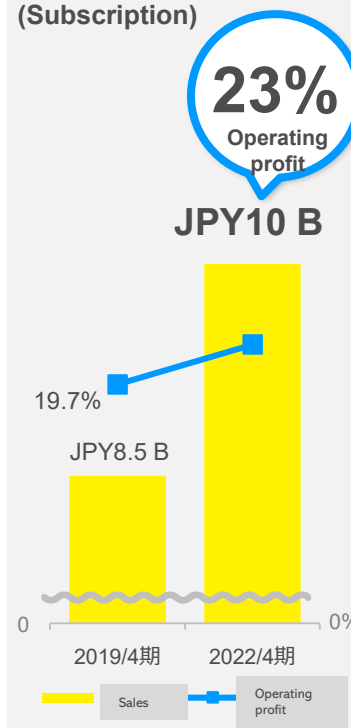
## Platform

Seek Customer Success, target more than 5,500 clients. Contribute client's sales, profit growth and business model changes.



## Commerce

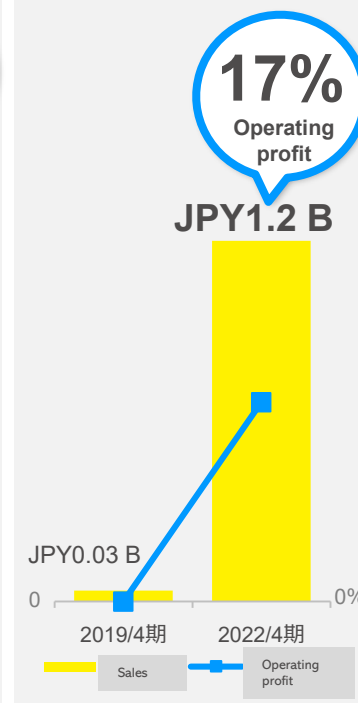
Keep to strengthen branding for in house product such as iFace, same time to challenge to shift business model from Flow to Stock (Subscription)



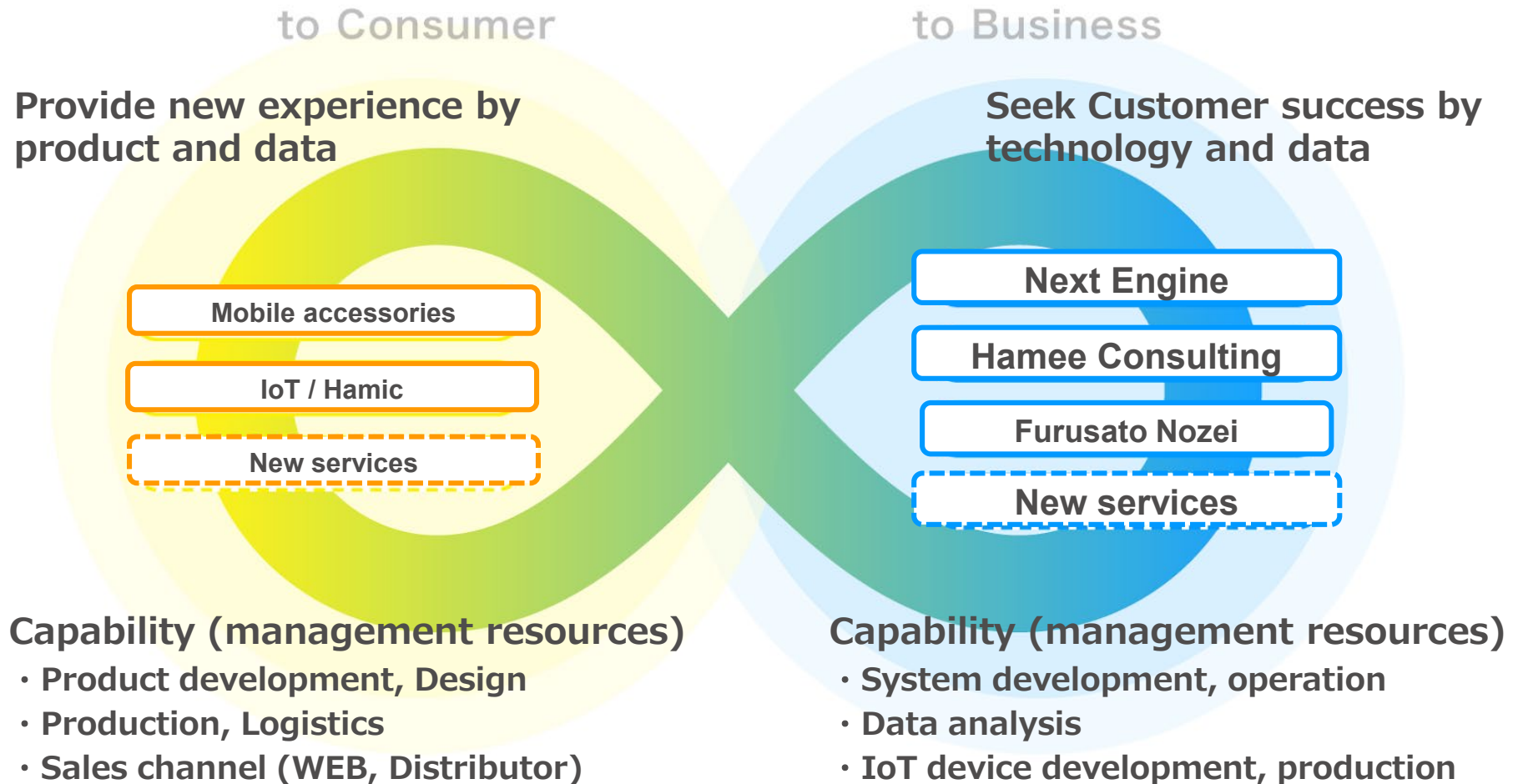
## New Business

Expand subscription model, Hamic series.

New business with data collaboration with existing business unit.



**Challenge to shift business model from Flow (Pay per product model) to Stock (Subscription mode) to seek Customer Experience based on current capability (management resources)**





## to Consumer

プロダクトとデータで新体験を提供

New experience for users  
By providing products and data

Make more touch points with consumers by expanding sales of iFace

---

Release multi services to link with iFace

---

More series of IoT/Hamic to launch

---

Other new services to collaborate data from each business unit

At any time, all smartphones are available to apply! Hamee started service "Smartphone Insurance" with a monthly fee just JPY200!



通常  
200円 画面割れから守る

スマホ保険登場!

イマなら!

1か月無料  
キャンペーン中!

うっかり  
落としちゃっても  
安心!

SOMPO MYSURANCE

The advertisement features a woman in a brown hat and jacket holding a yellow smartphone. The background is bright yellow. Text is in Japanese, promoting a smartphone insurance service. A speech bubble from the woman says 'うっかり落としちゃっても安心!' (Even if I accidentally drop it, I'm安心!). Logos for SOMPO and MYSURANCE are at the bottom.

iFace, a brand of smartphone accessories sold worldwide, totaling 17.45 million units (as of January 2020). In addition to developing smartphone cases that protect smartphones from a physical perspective, we will also provide smartphone insurance to care consumers with relief from damage.



## to Business

テクノロジーとデータで顧客サクセスを追求

Recommendation mail AI system help Next Engine client to boost up sales

Support local government to expand “furusato nozei”

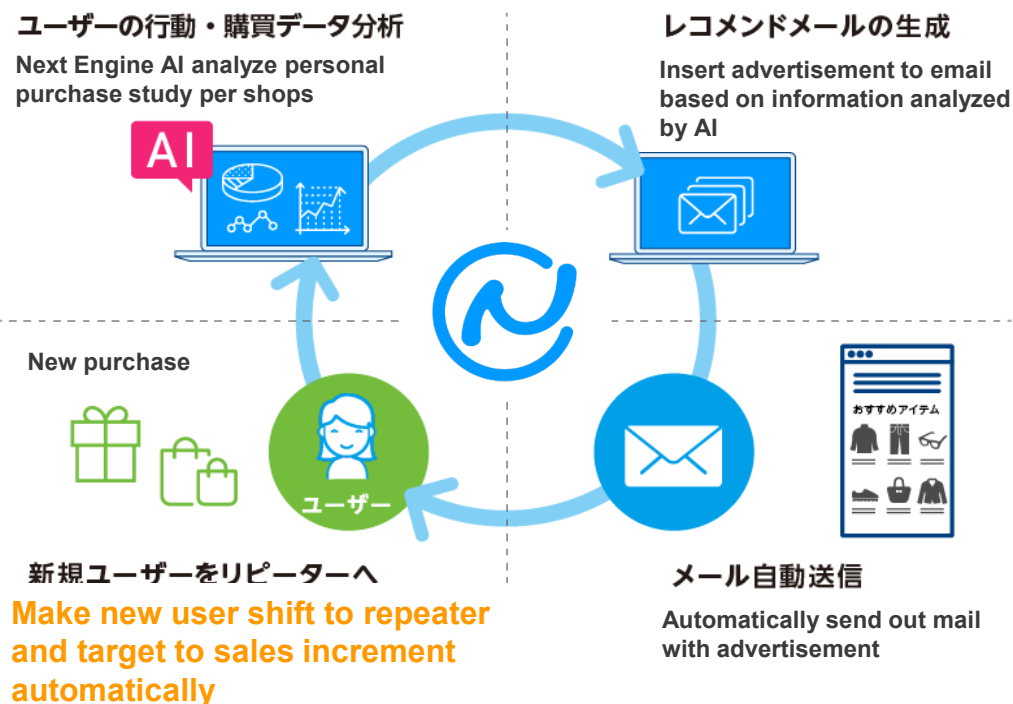
Expand business to Fintech to utilize Next Engine data

Promote to make Next Engine client business from flow model to stock model

Other new service with collaboration by each business unit

## Next Engine and official release of product recommendation AI ~ automatic increase in sales

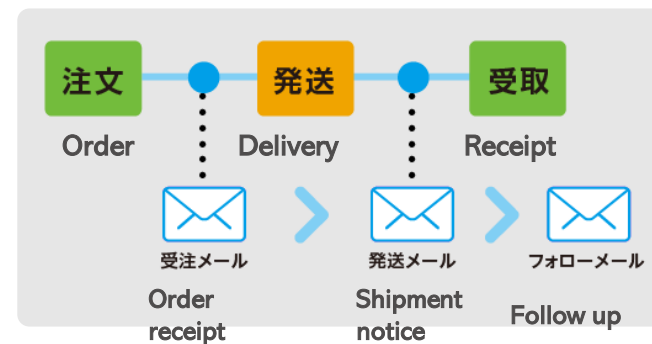
### Scheme of Mail recommendation by AI



### Details



Mail recommendation automatically insert advertisement into mail of Order confirmation / Shipment notice/ Follow up. Each date delivered or received, different product information are inserted.



Mail recommendation AI, based on EC data in Next Engine, released on 13 Dec 2018 and currently serve 727 clients as of Apr 2020. By automatically inserting personalized product recommendations in emails sent to consumers, Next Engine provides further added value to e-commerce businesses by supporting increased sales, securing repeat customers, and raising visibility.

## Leveraging expertise in both Next Engine provide and e-commerce store management



Automate complicated hometown tax payment operations by customizing Next Engine. As with e-commerce shop operations, we are able to improve operational efficiency through centralized management and automation.

Since the service was launched in June 2017, it has been used by local governments throughout Japan, and it has contributed significantly to incomes in other segments.

OPEN of e-commerce "RUKAMO" that exemplifies sustainability by reducing slow-moving inventory

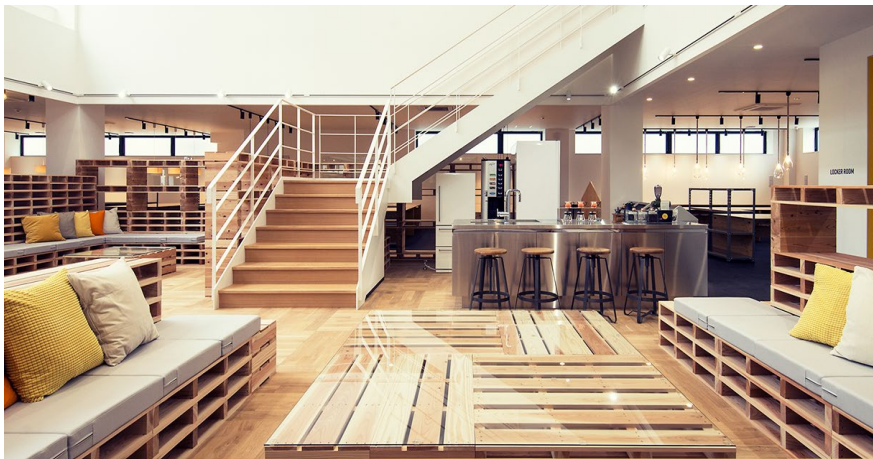


"RUKAMO" offers a solution that reduces the amount of slow-moving inventory and mass-discarded products, allowing manufacturers and retailers to list products, and allowing users to receive points at a 50% rate of return when purchasing products. We will deliver valuable products to people who need them and provide unparalleled value, as well as sustainable services that fulfill SDGs's goal of 12, "Responsibilities to make products and services."

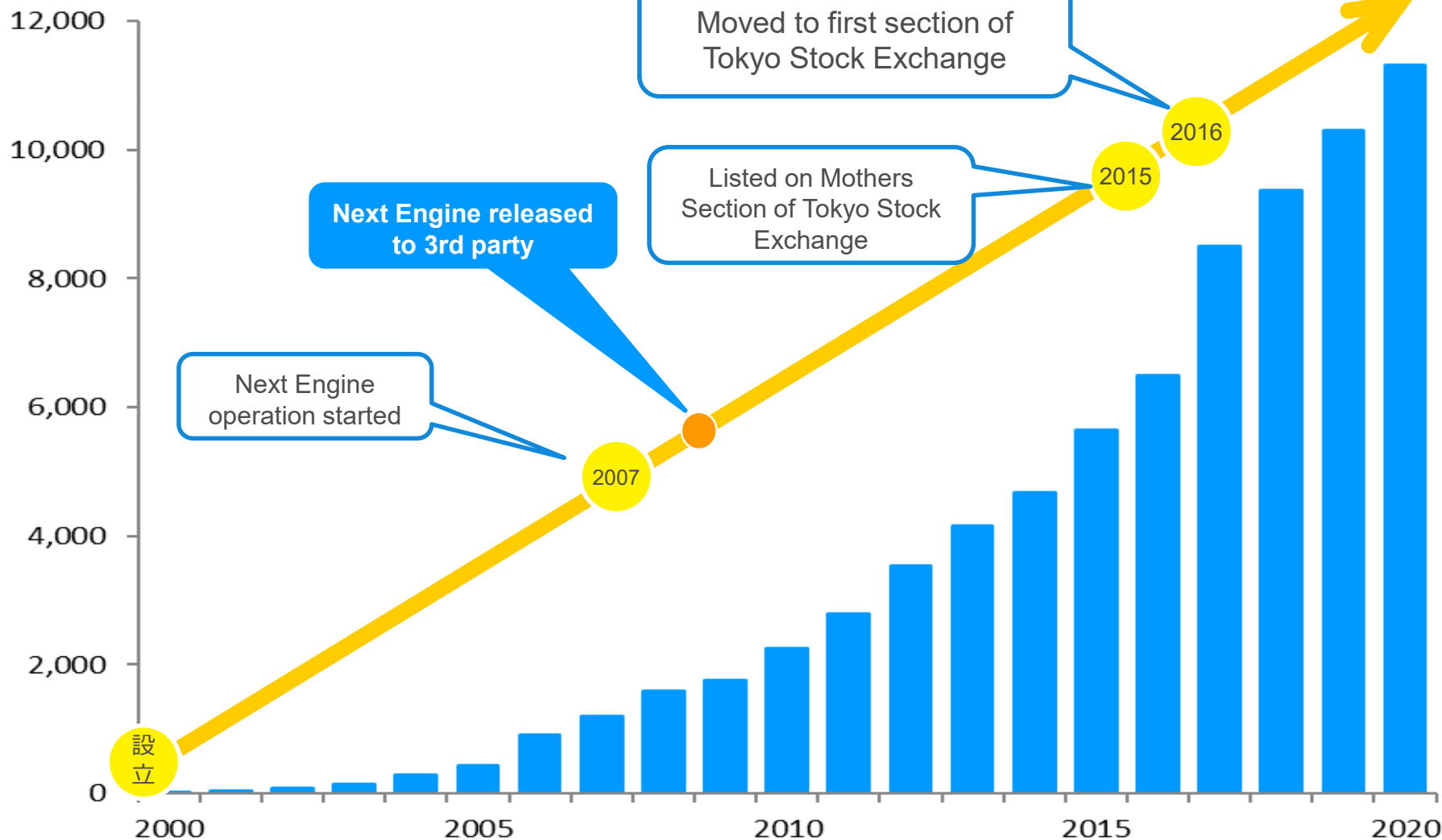
# APPENDIX

<b>Corporate name</b>	<b>Hamee Corp.</b>
<b>Representative</b>	<b>Atsushi Higuchi</b>
<b>Founded in</b>	<b>May 1998</b>
<b>Headquartered at</b>	<b>2-12-10 Sakae-cho, Odawara-shi, Kanagawa Prefecture</b>
<b>Capital</b>	<b>536 million yen</b>
<b>Business content</b>	<p><b>Commerce business</b> Planning, procurement, and online sales of multi goods, mainly accessories for smart phones, and wholesale to large general merchandise stores and electronics retailers</p> <p><b>Platform business</b> Development and providing of the cloud and ASP (Application Service Provider) service “Next Engine” for the unified management of back-office tasks for e-commerce enterprises</p>
<b>Consolidated subsidiaries</b>	<b>Hamee Global Inc. Hamee US,Corp.</b> <b>Hamee Shanghai Trade Co.,Ltd Hamee India Pvt.Ltd.</b> <b>Hamee Consulting Corp.</b>
<b>No. of employees</b>	Consolidated: 353 (excluding 32 part-timers)

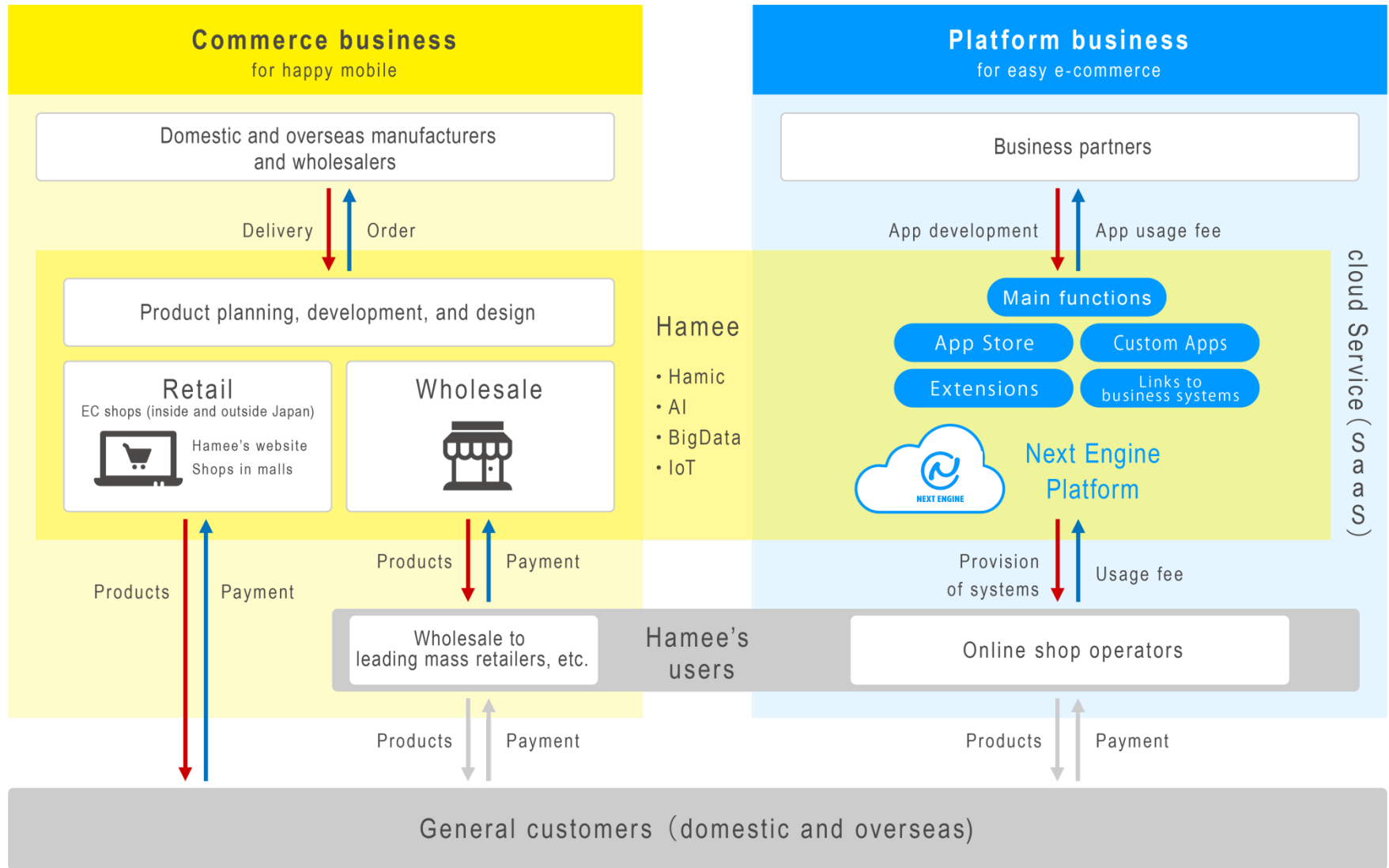


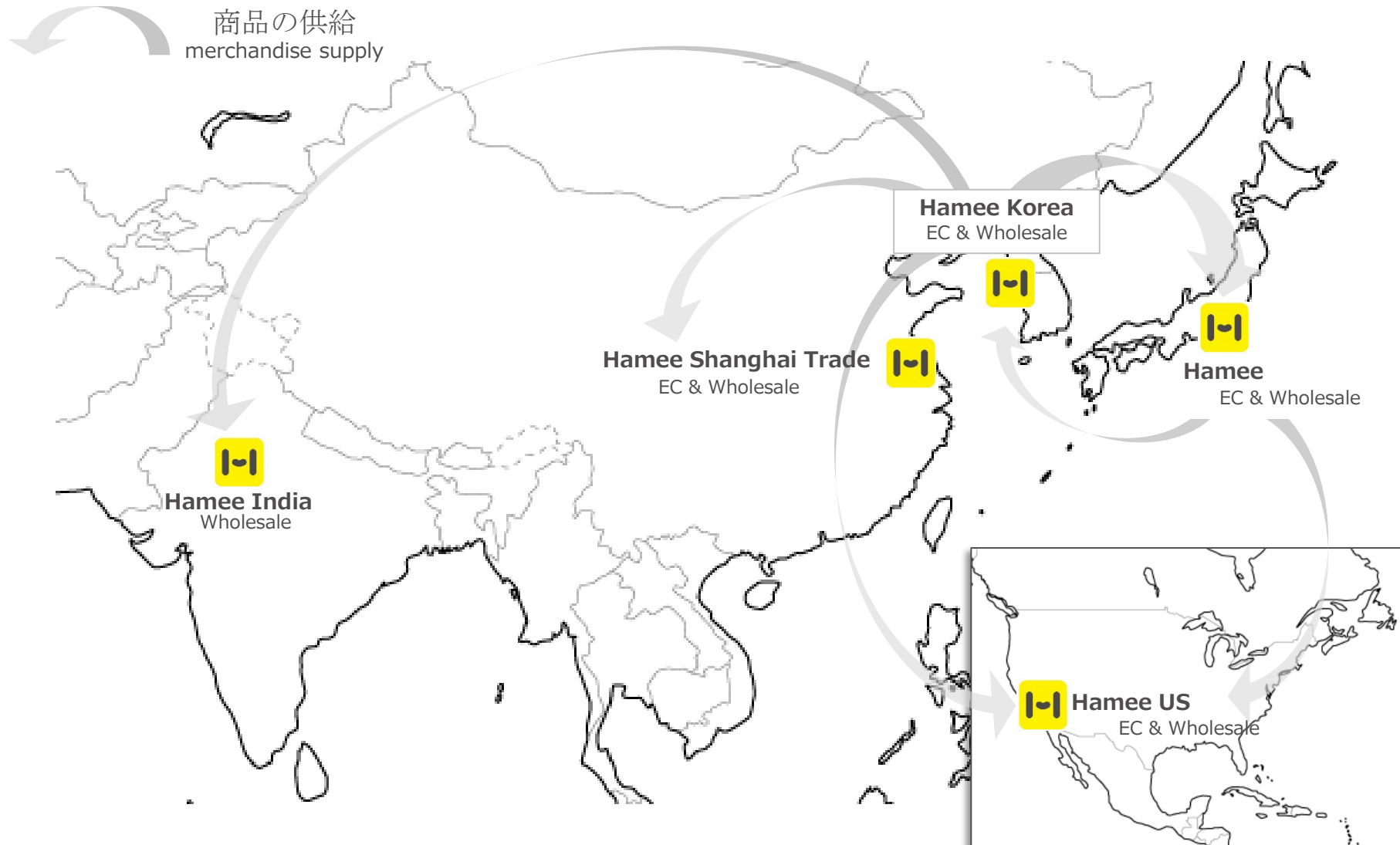


Net Sales  
[million yen]









- This document includes the outlook for our company, future plans, and managerial goals. These forward-looking statements are based on current assumptions regarding future events and trends, and there is no guarantee that the assumptions are correct. There is a possibility that actual results will be different from those mentioned in this document for various reasons.
- Unless otherwise specified, the financial data in this document are indicated in accordance with the accounting principles that are generally recognized in Japan.
- Regardless of future events, the company will not necessarily revise our announcements about future outlooks, etc. unless required to do so in accordance with disclosure regulations.
- Information about other companies is based on publicly available data.
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- Wordings of any translated versions of this document, the meaning and wording of the Japanese Language version shall prevail.

# Hamee Corp.

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URL: <https://hamee.co.jp/>