



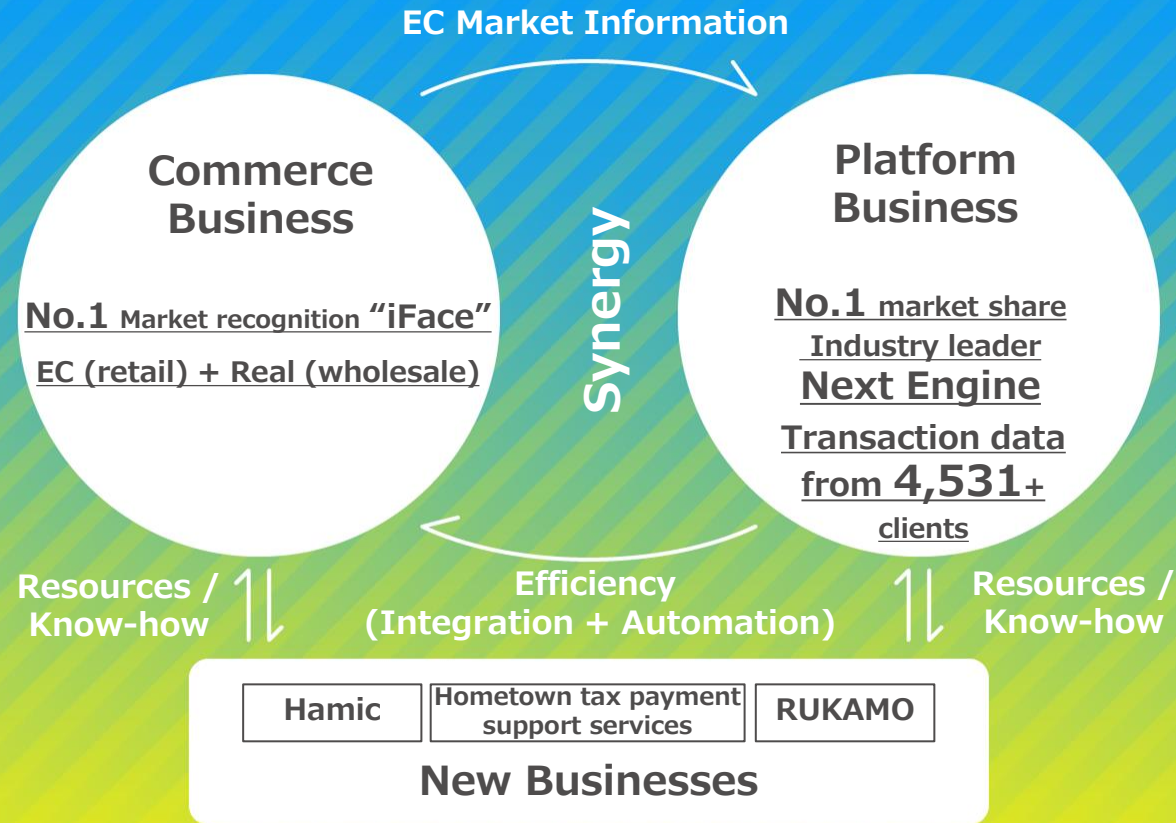
Hamee Corp.

Q3 FY 04/21

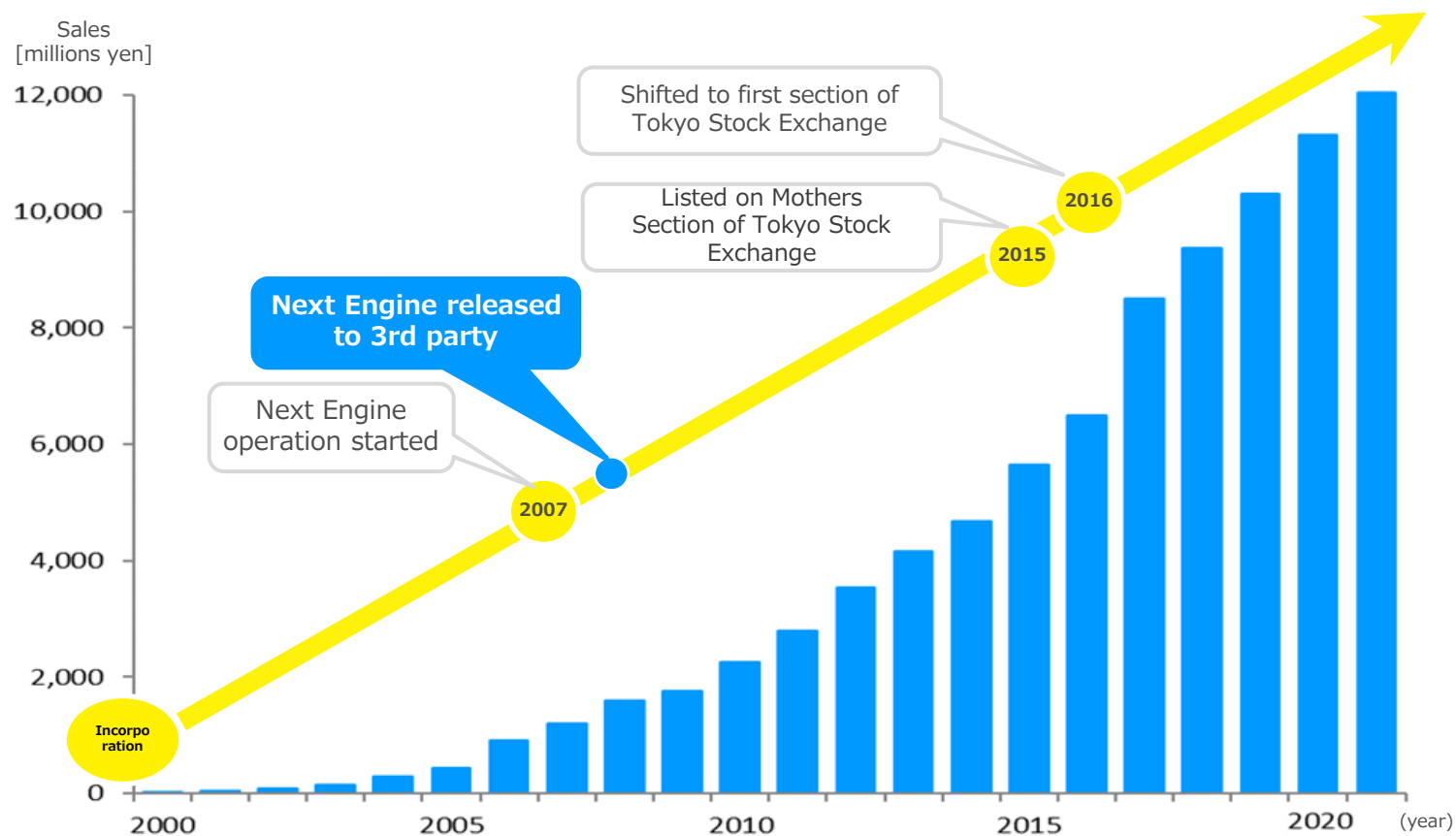
Financial results briefing materials

Reference only

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



To aim ignite client's creative soul, we continue to evolve and grow the 2 main businesses and create innovative new businesses in peripheral areas with burning our creative soul.



Platform stands at a record high, both quarter sales and profit!

Platform Business

<Next Engine>

- Quarter GMV (Transaction amount processed) increased by 137% YoY due to COVID-19.
- The number of clients also increased steadily, +162 Q on Q.
- Churn rate remained stable at a low level. Aim for further improvement to enhance Customer success activity.

<Hamee Consulting>

- Changing internal organization improve both the turnover rate of consultant and client acquisition rate. Total number of client is expanding because of EC shift by COVID-19.
- Sales increased significantly due to acquisition of a big client.

Commerce Business

- Winning the Rakuten SHOP OF THE YEAR Award, iFace brand is enhanced further.
- The Sales remained steady due to the strong new iPhone related product despite the impact of consolidation adjustments.
- Boosting profits from growth in EC sales, which have relatively high margins.
- Continuously improve the supply chain efficiency.

New Businesses

- Hometown Tax Payment Support Service increased by 12% YoY.
- Hamic POCKET launched on February 26, 2021. Advertising investment is also planed in Q4.
- RUKAMO launches "Up-Cycle" as a new initiative

I. Financial Results

II. Business Overview

III. Mid-Term Plan

I. Financial Results

(Millions of yen)		2020/4	2021/4			【For reference】 2021/4	
		Q3 Results (Accounting Period)	Q3 Results (Accounting Period)	Increase /Decrease	% YoY	Q3 Results (Cumulative Period)	% YoY
Commerce Business	Net sales	2,629	2,669	40	1.5%	7,095	0.3%
	Operating income	597	651	54	9.2%	1,875	12.6%
	Profit ratio	22.7%	24.4%	1.7%	—	26.4%	—
Platform Business	Net sales	465	602	137	29.5%	1,690	24.0%
	Operating income	144	258	113	78.5%	711	71.7%
	Profit ratio	31.2%	42.9%	11.8%	—	42.1%	—
Other *1	Net sales	152	161	8	5.8%	271	17.1%
	Operating income	△8	△6	2	—	△174	—
	Profit ratio	△5.3%	△3.7%	—	—	—	—
Total	Net sales	3,246	3,433	181	5.8%	9,055	4.5%
	Segment profit	734	904	170	23.2%	2,412	21.2%
	Adjusted amount*2	△ 216	△ 242	△ 26	—	△757	—
	Operating income	517	661	144	27.9%	1,654	21.6%
	Profit ratio	15.9%	19.3%	3.3%	—	18.3%	—

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

※2 Adjustments: Back office administrative expenses

II. Business Overview

Platform Business



NEXT ENGINE

Q3 Financial Results - Platform Business Segment

Next Engine: Operating income ratio hit 42.9%, a record high due to GMV jump up.

Hamee Consulting: Sales increased significantly due to acquisition of a large customer and client acquisition rate improved. Consultant turnover also improved due to organizational improvements.

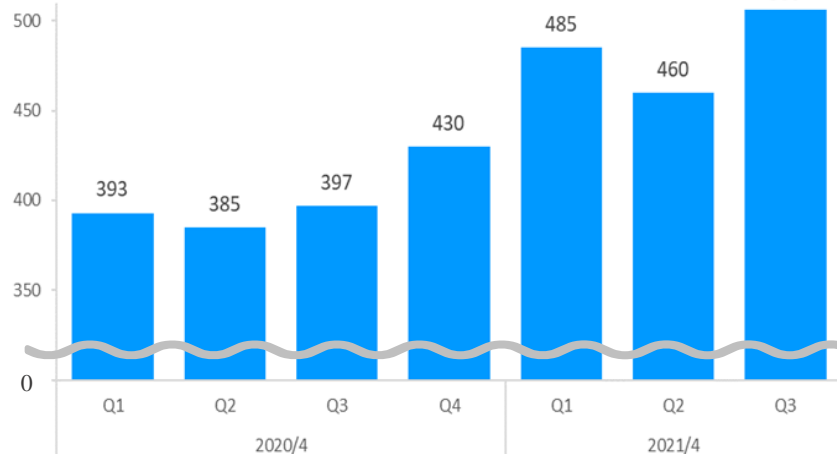
(Millions of yen)	2020/4	2021/4			[Reference] 2021/4	
Platform Business	Q3 results (Accounting Period)	Q3 results (Accounting Period)	Increase /Decrease	% YoY	Q3 Results (Cumulative Period)	% YoY
Net sales	465	602	137	29.5%	1,690	24.0%
Next Engine	397	506	108	27.3%	1,452	23.4%
Hamee Consulting	67	96	28	42.7%	237	27.7%
Operating income	144	258	113	78.5%	711	71.7%
Next Engine	156	258	102	65.6%	718	59.5%
Hamee Consulting	△11	0	11	—	△6	—
Operating income %	31.2%	42.9%	11.8%	—	42.1%	—
Next Engine	39.2%	51.0%	11.8%	—	49.4%	—
Hamee Consulting	△16.5%	0.3%	16.7%	—	△2.8%	—
(Reference)						
Hamee Consulting Amortization of goodwill*	14	14	—	—	44	—

※ Amortization of goodwill recorded at the time of the stock acquisition of JS Consulting Co., Ltd. (currently Hamee Consulting Co., Ltd.) on April 1, 2018.

In addition to seasonal trends(Christmas and New Year) and Declaration of Emergencies, the EC market became active and the GMV*1 and transactions processed on Next Engine were increased, resulting in an increase in ARPU *2. The high marginal profit ratio boosted operating income.

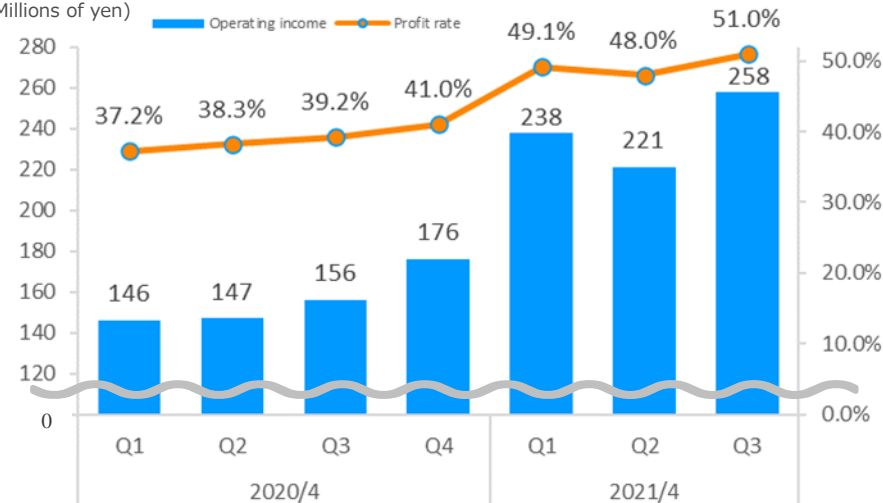
Sales (Accounting Period)

(Millions of yen)



Operating Income (Accounting Period)

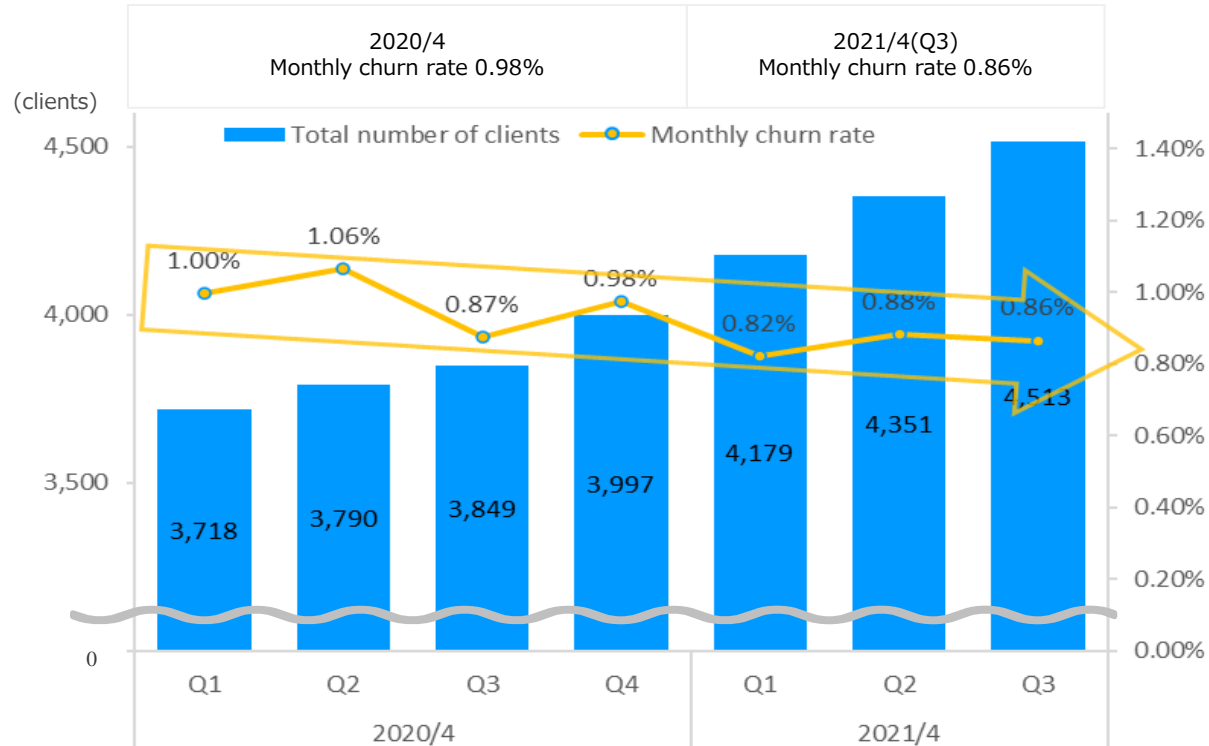
(Millions of yen)



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

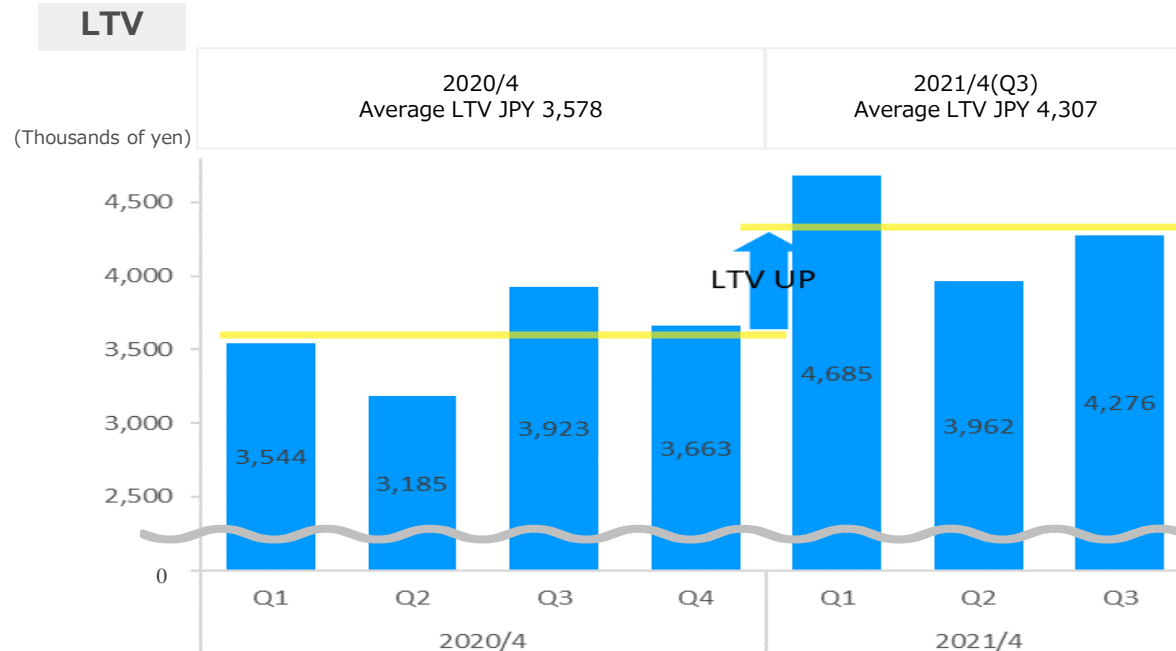
※2 ARPU・・・Average Revenue Per User = the averages of sales per Next Engine clients.

- Steady acquisition of clients toward the mid-term plan target, more than 5,500 clients (+162 clients Q on Q)
- Churn rate remained stable at a low level. Aim for further improvement to enhance Customer success.



- In addition to the EC shift, LTV* grew significantly due to enhance Customer success activity to strengthen the acquisition of new clients (inbound, contract conversion), and an improvement in the churn rate.

- Aim to further improve ARPU and churn rate by enhance Customer success. It also aims to continuously increase LTV by launching marketing solutions (e.g. manekine) and other upsell measures.



※LTVs . . . Abbreviation for Lifetime Value = $\text{ARPU} \div \text{churn rate}$.

GMV (order amount processed on Next Engine)

Q3 YTD

JPY **699**
billion

Full-year forecast

Approx. JPY
1 trillion

Reference: 2019 Domestic EC Market scale (Product Sales)

JPY10 trillion

Source: Ministry of Economy, International Economic Survey Project for Establishing Integrated Economic Growth Strategies at Home and Abroad in first year of Reiwa(Market research of Electronic commerce)

Number of orders processed

Q3 YTD

96 million

Year End Estimate

Over
100 million

※Please refer to "Appendix" for the numbers of stores.

SaaS type EC platform to support the efficiency of EC operations

Difficulties by EC merchants in Japan:

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



Main functions of Next Engine

SaaS type EC platform to support to integrate operations of multi stores operation and automate operational work



Integration
stores at multi
EC malls

- Automate inventory data synchronization
- Automate order management
- Automate synchronization of item master
- Data interface with warehouse

Etc.

Automation of
EC store
operation

- Automation of delivery instructions and Email to consumer
- Automation of order quantity calculation and creation of purchase order
- Automation to send email for orders received, shipments, etc.
- Automation of payment confirmation by interface outside payment services

Etc.

Basic fees (400 transactions included)

JPY 10 thousand per month



transac n number	401 entries ~	1001 entries ~	3001 entries ~	5001 entries ~	7001 entries ~
Unit price	JPY25	JPY20	JPY15	JPY10	JPY5



Next Engine help

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



NEXT ENGINE

Open API
Platformer at
backyard

Work together with various services through API. Flexible customization according to clients' needs.

Born
though EC
business

High level services to update from opinions by EC operators
(Commerce Business)

Growth of
clients' EC
businesses

The introduction of Next Engine has increased the sales of many clients.



※Partial posting



Neversey Never Inc.
<https://neversaynever.jp/>

Product : Women's Fashion and Apparel



MADE IN EARTH
<https://madeinearth-store.jp/>

Product : Organic cotton products, Soap, furniture



International Swan Group
<https://swan-group.net/>

Product : Clothing, fashion accessories, etc.



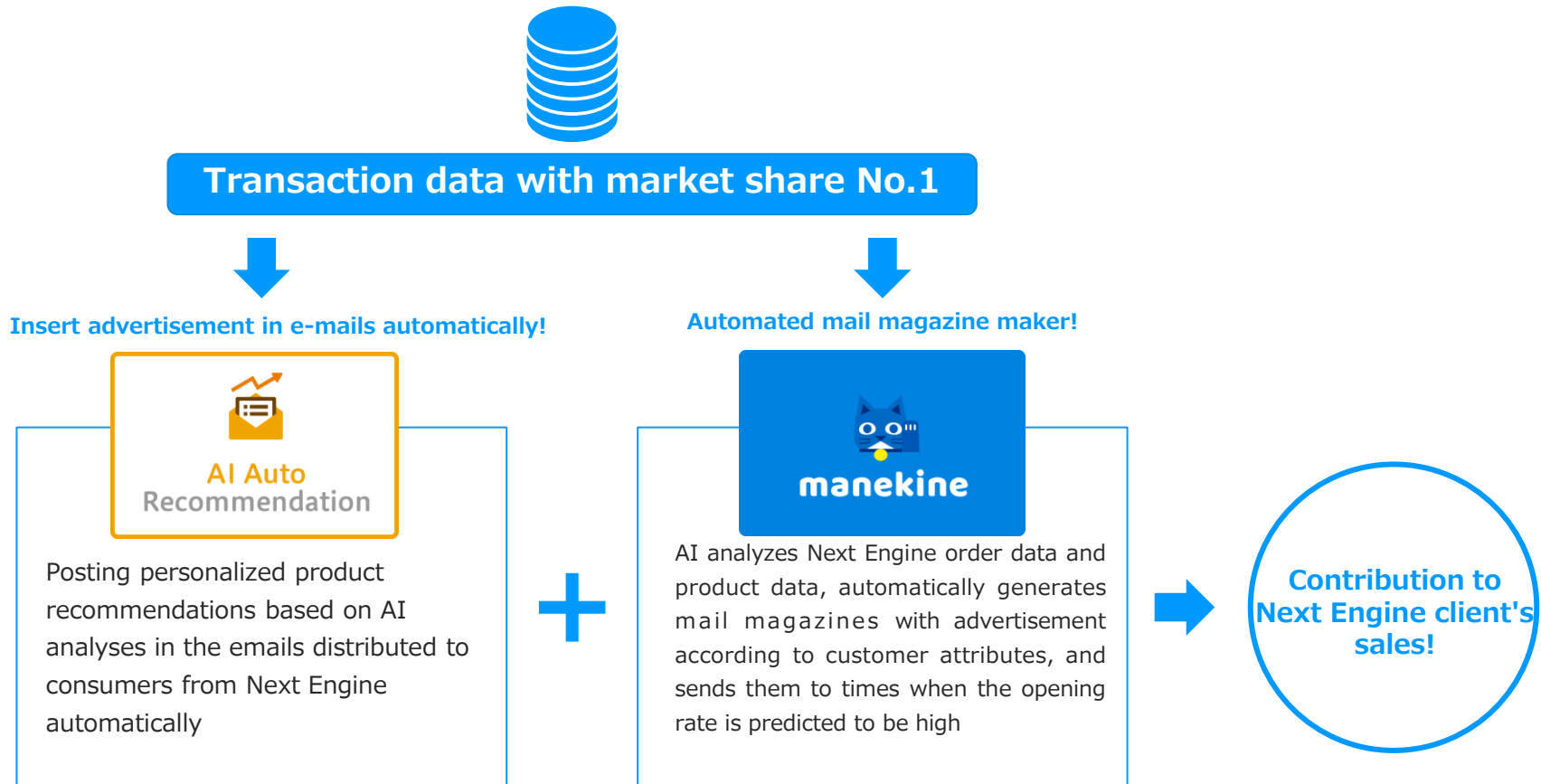
THE BODY SHOP JAPAN
<http://www.the-body-shop.co.jp/shop/>

Product : Natural cosmetics



WARAI MIRAI
<http://waraimirai.com/>

Product : Suites, Fruits, Gifts



Service in Korea market API with plenty of EC malls

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

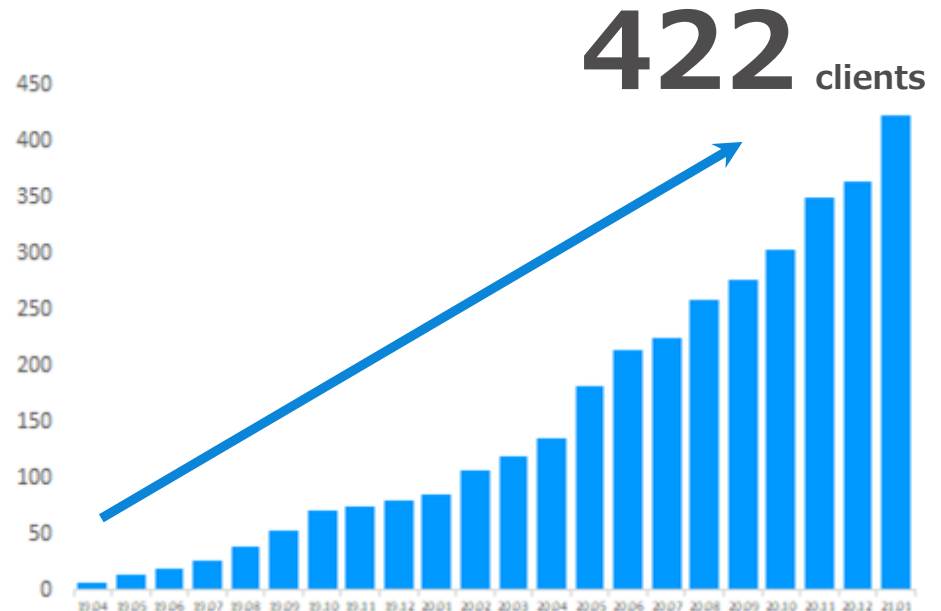


"Next Engine Korea" compatible EC malls

(As of the end of April 2020/Partial excerpt)

Next Engine Korea Number of clients as of January 2021



Commerce Business



EC (retail) sales expanded significantly due in part to the strong new iPhone sales although real (wholesale) sales fell due to the Declaration of Emergencies.

(Millions of yen)	2020/4	2021/4			[Reference] 2021/4	
Commerce Business	Q3 results (Accounting Period)	Q3 results (Accounting Period)	Increase /Decrease	% YoY	Q3 Results (Cumulative Period)	% YoY
Net sales	2,629	2,669	40	1.5%	7,095	0.3%
EC (retail)	1,329	1,721	392	29.5%	4,033	22.0%
Real (wholesale)	1,188	1,034	△154	△13.0%	2,873	△19.6%
Consolidation adjustments*1	111	△86	△197	—	187	—
Operating income	597	651	54	9.2%	1,875	12.6%
Amortization of goodwill ※2	34	35	0	1.5%	101	—
(before amortization of goodwill) Operating income	631	687	55	8.8%	1,977	—
Operating income %	22.7%	24.4%	1.7%	—	26.4%	—
Before amortization of goodwill	24.0%	25.7%	1.7%	—	27.9%	—

※1 Consolidation adjustments: Amounts in the real (wholesale) of the Commerce business that arise from differences of losing month between HQ and subsidiaries at the time of consolidation are presented.

※2 Amortization of goodwill: Amortization of goodwill recorded when the manufacturing business was acquired is presented from JEI DESIGN WORKS Inc on October 1, 2019. In addition, as this amortization of goodwill is recorded at a subsidiary in South Korea, it is affected by exchange rate fluctuations.

Operating income is improving due to an increase in EC sales due to the EC shift and a review of the Group's supply chain. The operating income margin is expected to rise further after amortization of goodwill * in acquiring iFace manufacturing functions is completed.

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

Net Sales (Cumulative Period)

EC (retail)

During the current fiscal year
4,033 Up 22.0%

Real (wholesale)

During the current fiscal year
2,873 Down 19.6%

Net Sales (Accounting Period)

(Millions of yen)

Operating Income (Cumulative Period)

2020/4(Q3 Cumulative Period)

After amortization of goodwill 23.5% Before amortization of goodwill **24.0%**

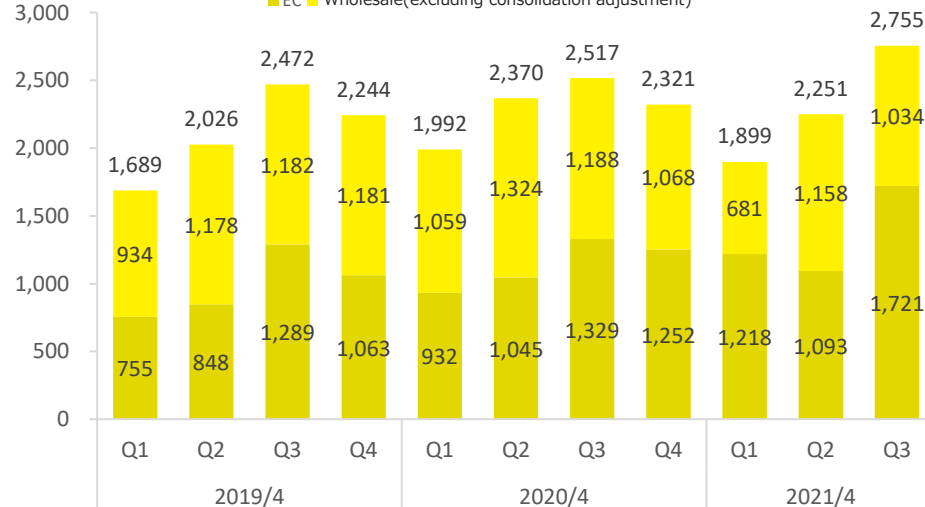
2021/4(Q3 Cumulative Period)

After amortization of goodwill 26.4% Before amortization of goodwill **27.9%**

Operating Income (Accounting Period)

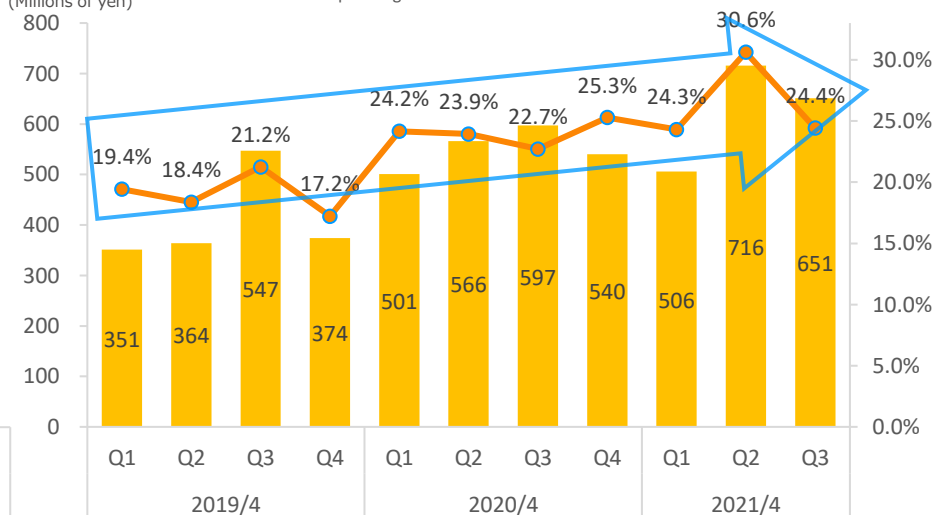
(Millions of yen)

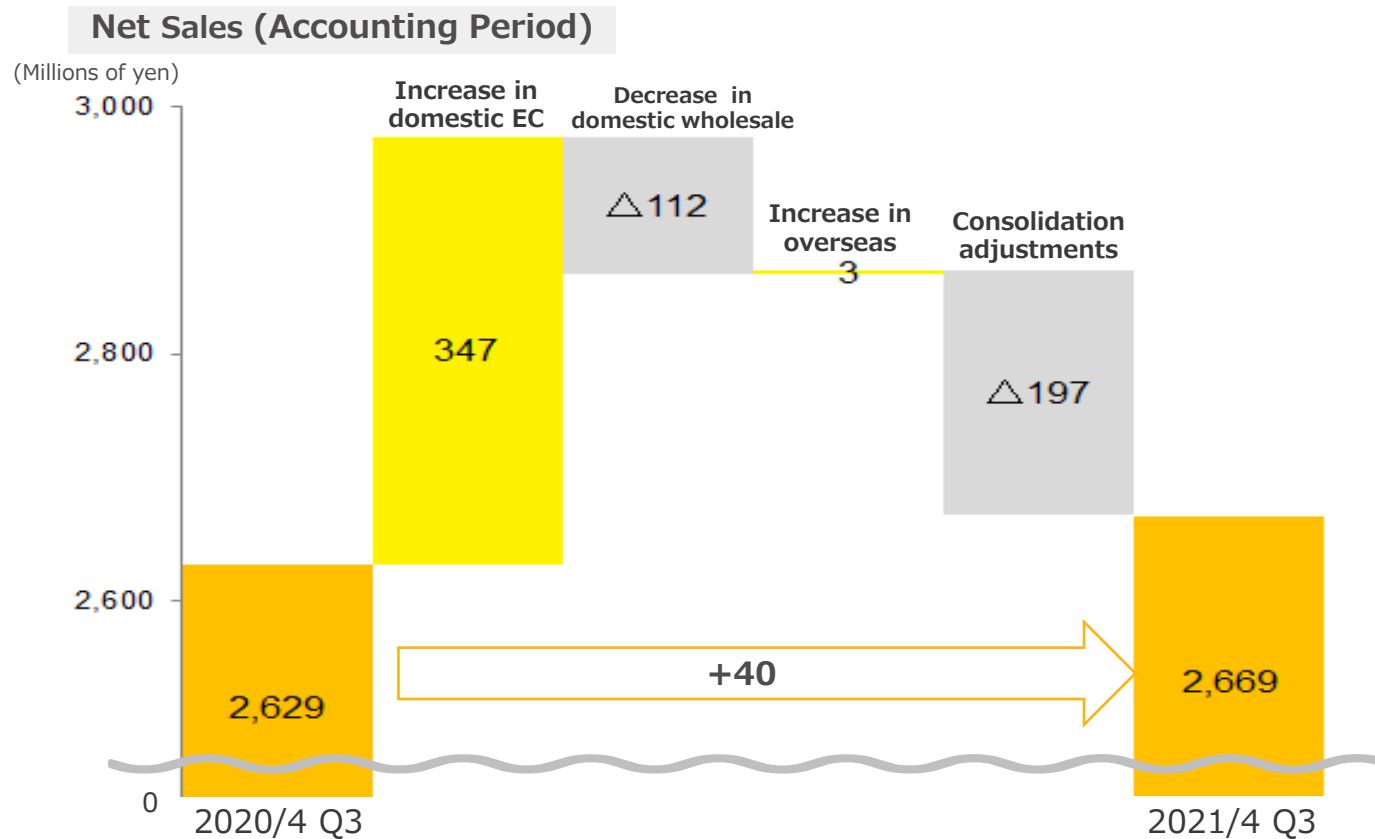
■ EC ■ Wholesale(excluding consolidation adjustment)

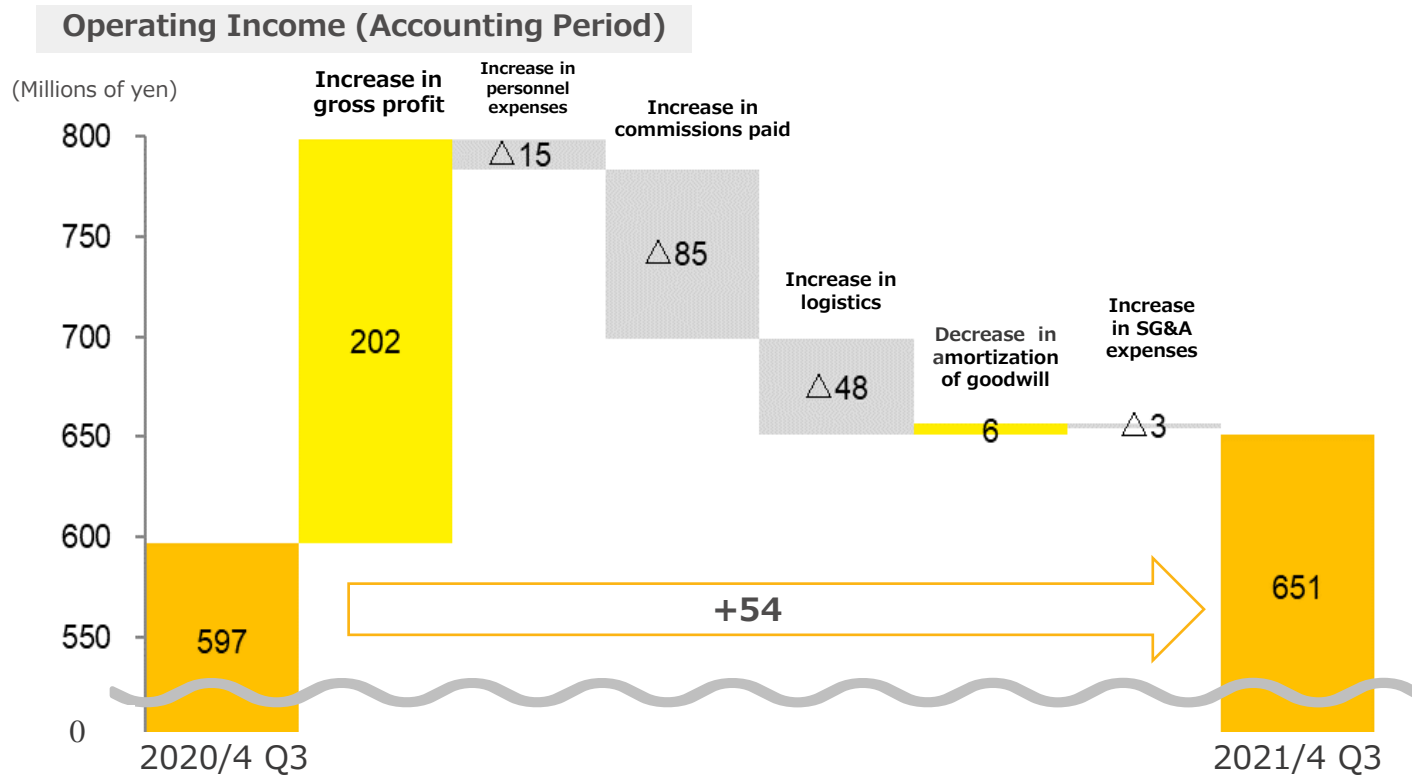


(Millions of yen)

■ Operating income ■ Profit rate

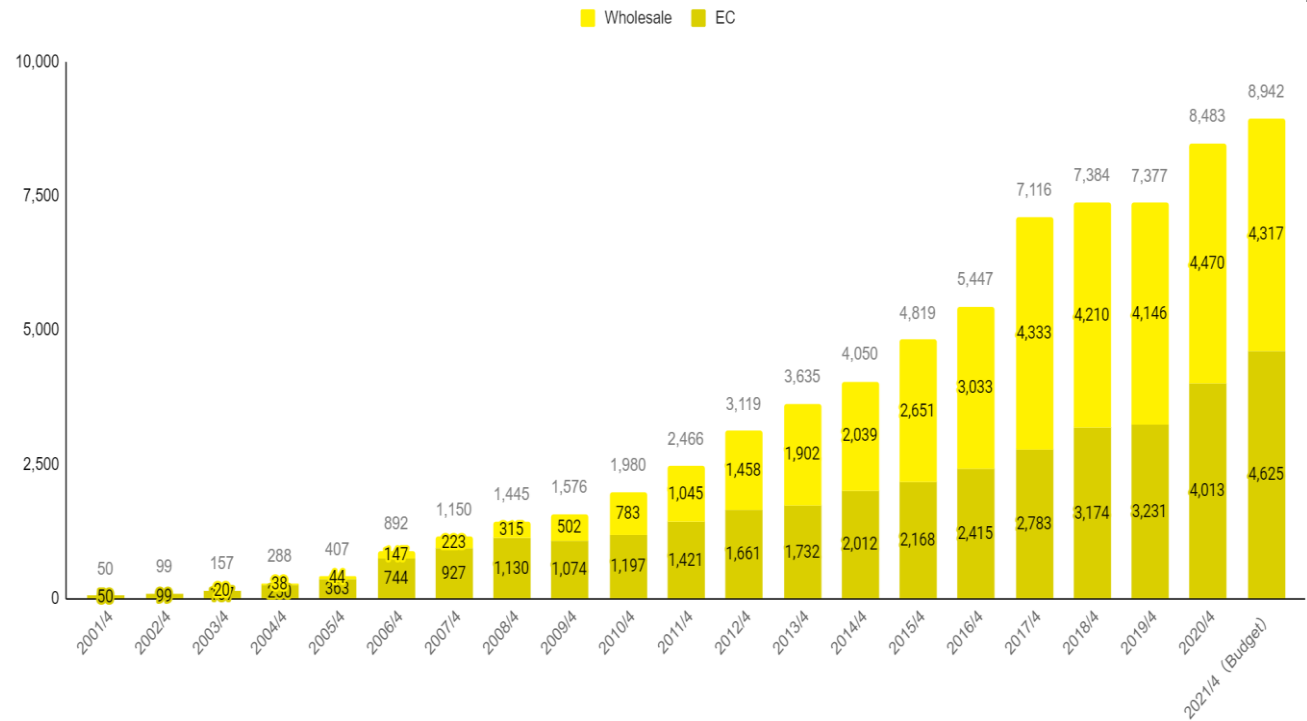






Keep to grow in sales for 20 years.
Due to good portfolio, keep growth trend even under COVID-19.

(Millions of yen)

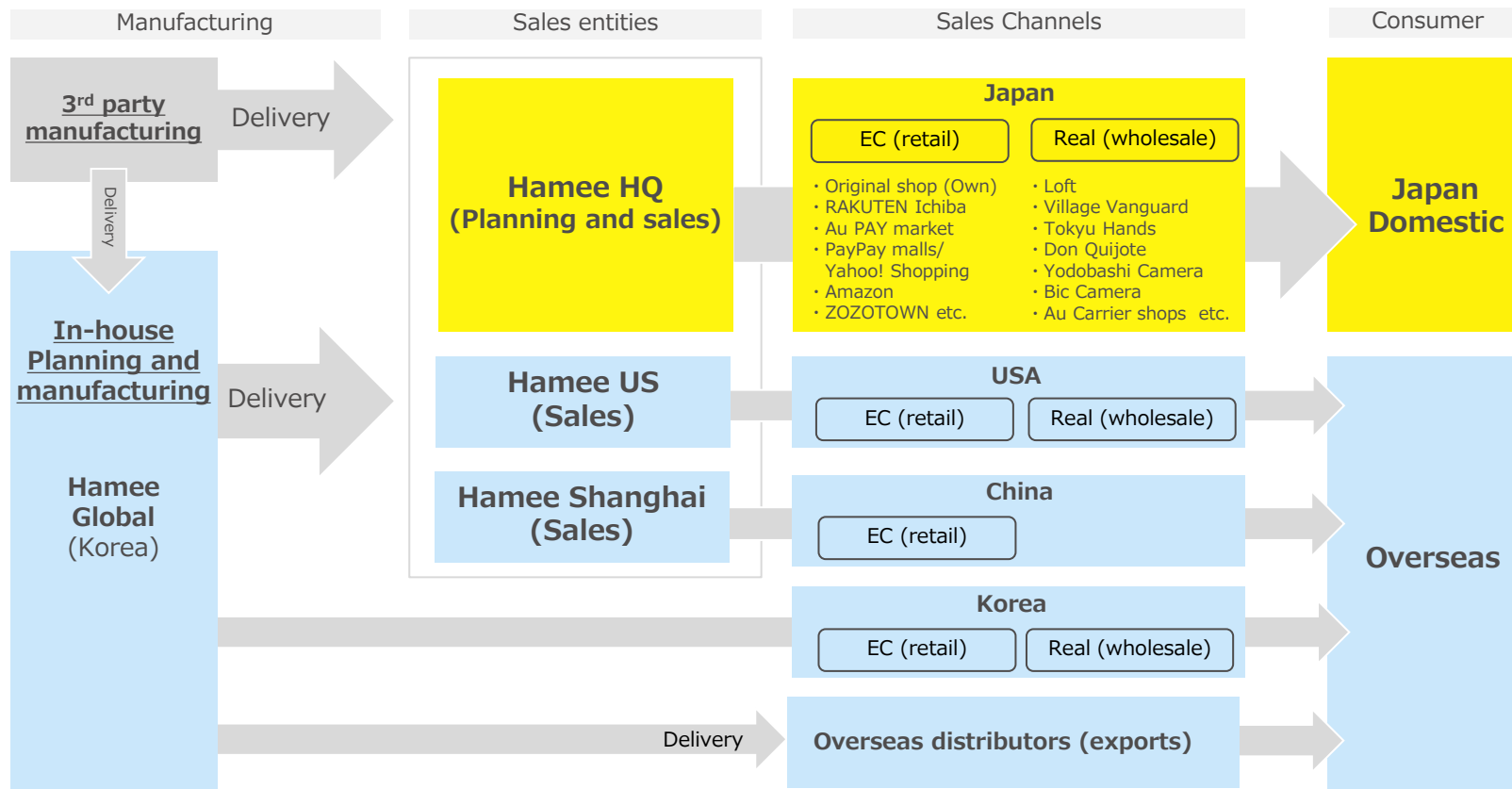


FY04/21
Real (wholesale) vs EC (retail)

48:52



Established a system that can complete planning, manufacturing, and sales in-house.





Design

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

Brand

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

※Base on in-house Internet research

Young generation

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

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

Approach to a wide range of consumers, particularly cases with nice designs



Variety of line up to cross sell



2020 Rakuten Annual Ranking

Smartphone/
Tablet section

No. 1



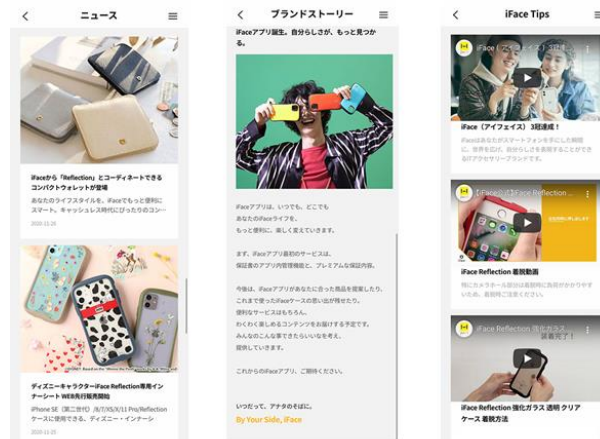
Aggregation period : From Sep 25, 2019 to Sep 24, 2020

Rakuten Shop of the Year 2020

Smartphone, tablet, peripherals Genre Award,
Double Year Award



iFace Apps launched!

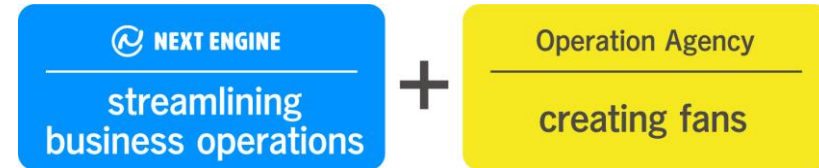
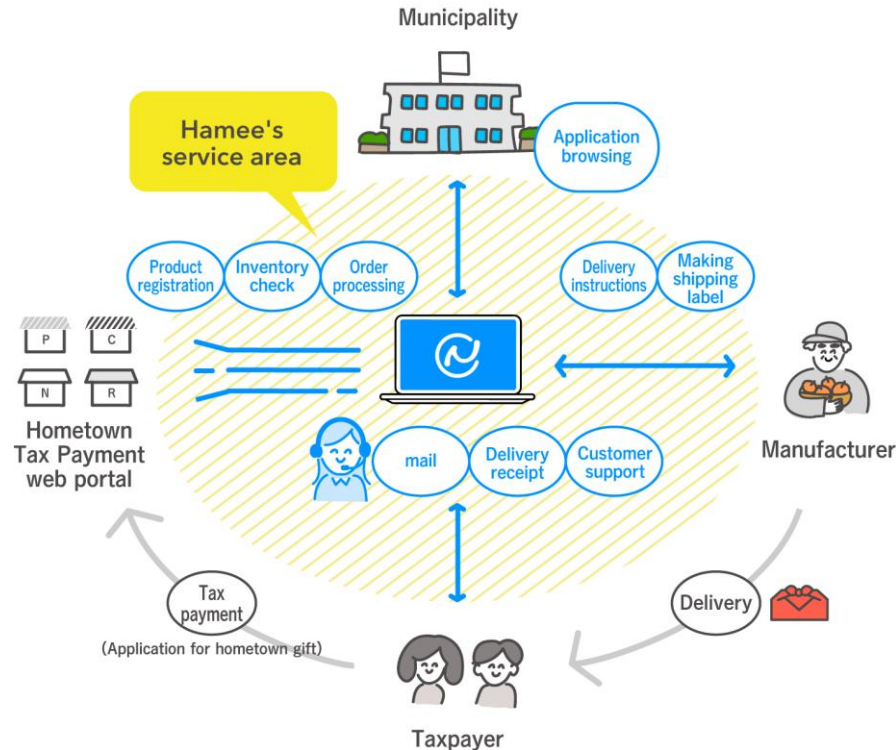


- Distribution of apps limited contents
- Develop new services
- Ensure continuous contact with customers
- Improve customer satisfaction
 - ➡ Challenge to DX in the Commerce Business

New Businesses

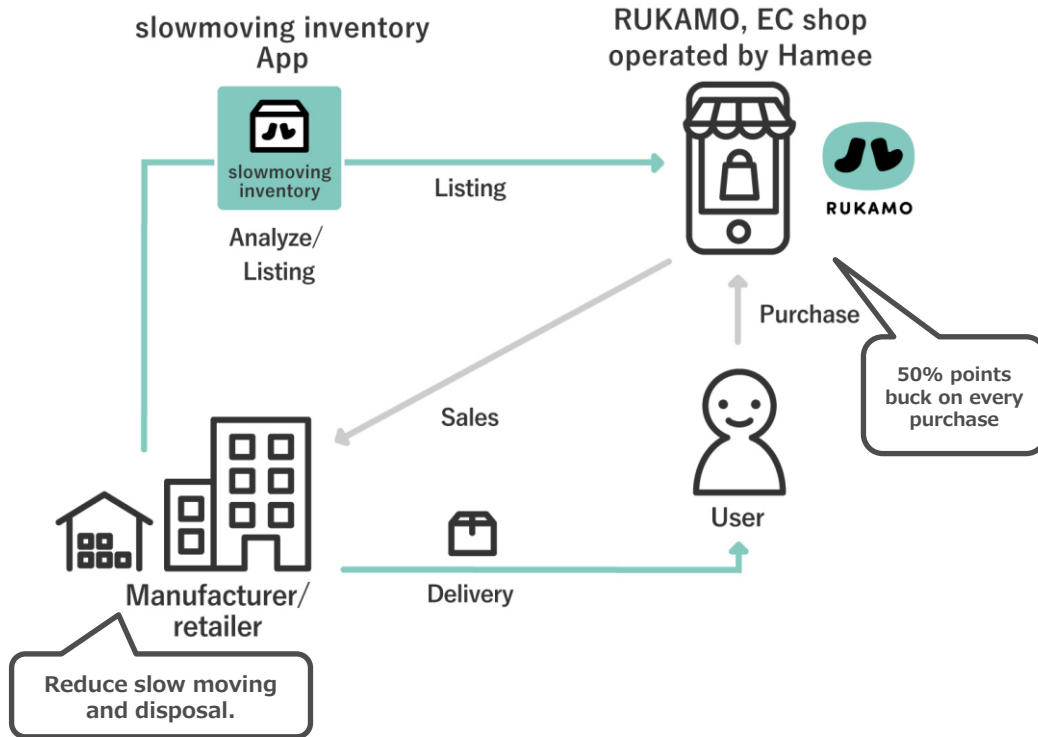
To utilize the capabilities of the 2 main businesses, create innovative new businesses. Same time, these support the evolution and growth of existing businesses

Support for streamlining business operations by Next Engine, web sites designing and creating fans by e-commerce experiences.



Next Engine has plenty of experiences in improving business flow through "integration" and "automation." With the expertise gained through more than 20 years of experience in e-commerce operations, we will help "create fans and regular consumers."

~ For Sustainable Society ~



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

RUKAMO also opened its official [website](#) in an up-cycle to create new value.

When children take a smartphone...

Wish of Parents

- Functional designs children's use safety (Smartphones with functional restrictions)
- Functions that help ensure the safety of children
- Free from parent's mobile contract (In Japan "SIM LOCK" is common, see next slide)

Wish of children

- Variety of apps such as video functions (Smartphones with functions similar to parents)
- Designs children want to brag to friends

Main functions of Hamic POCKET

- Secure communication functions with dedicated apps
- Check usage and history by kids
- Checking GPS data
- Burglar alarm function
- Can be purchased without regard to parent's career

- Apps can be downloaded from Google Play
- Use highly designed iFace

Etc.

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



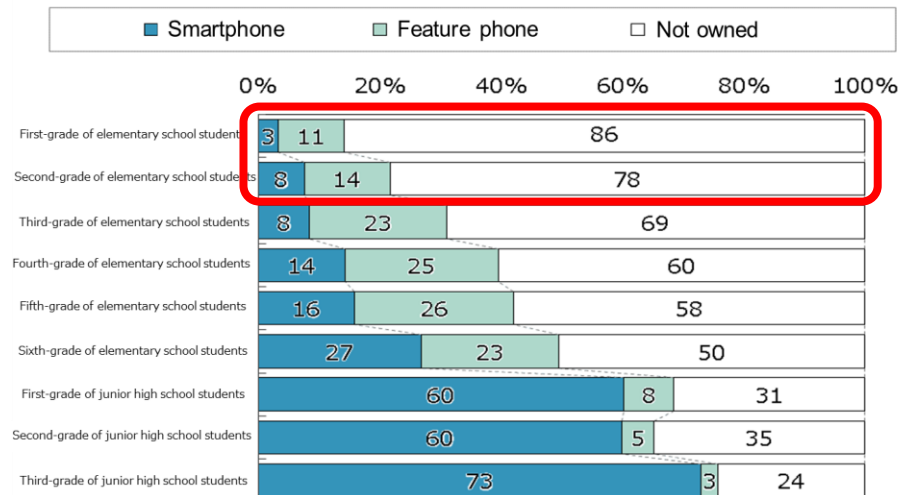
Parent-child "Safety"

Elementary school students "Enjoyable"

Educate smartphone and IT "Literacy"

- Approximately 90% of elementary school low-grade children don't have smartphones.
- ※ Population of elementary school students in Japan is 6.3 million (Source: Statistics Bureau, Ministry of Internal Affairs and Communications, May 4, 2019)

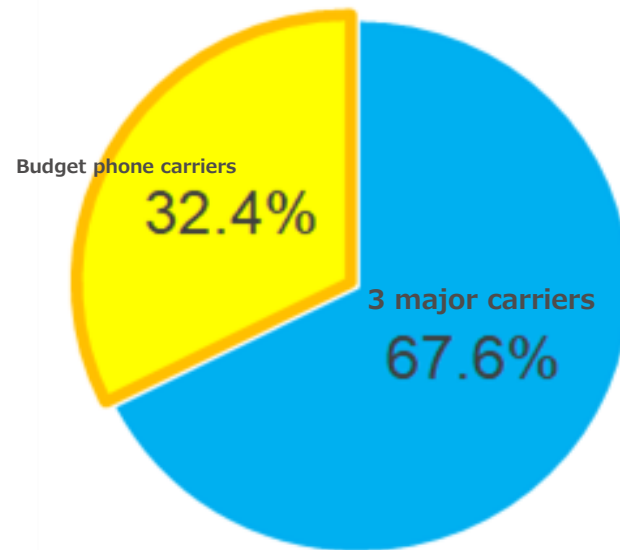
Type of mobile phones owned by children as themselves[Per academic year]
(Source: NTT DOCOMO Mobile Society Research Institute Website Mobile Society Annual Report Web Version)



Note1): Parents and guardians of elementary and junior high school students nationwide responded.
Note2): "Smartphones" includes "Smartphone for children", "iPhone", Android smartphones.
Note3): "Feature Phone" includes feature phones and children's mobile phones other than smartphones.
Note4): When both smartphones and feature phones are owned, they are totaled in "smartphones."
Source: Survey on the Use of ICT by elementary and junior high school students 2019 (visiting and staying)

- Approximately 30% users make mobile contract with Budget phone carriers that don't handle kids's cell phones. Hamic POCKET is not tied to carriers, so there is a great potential.

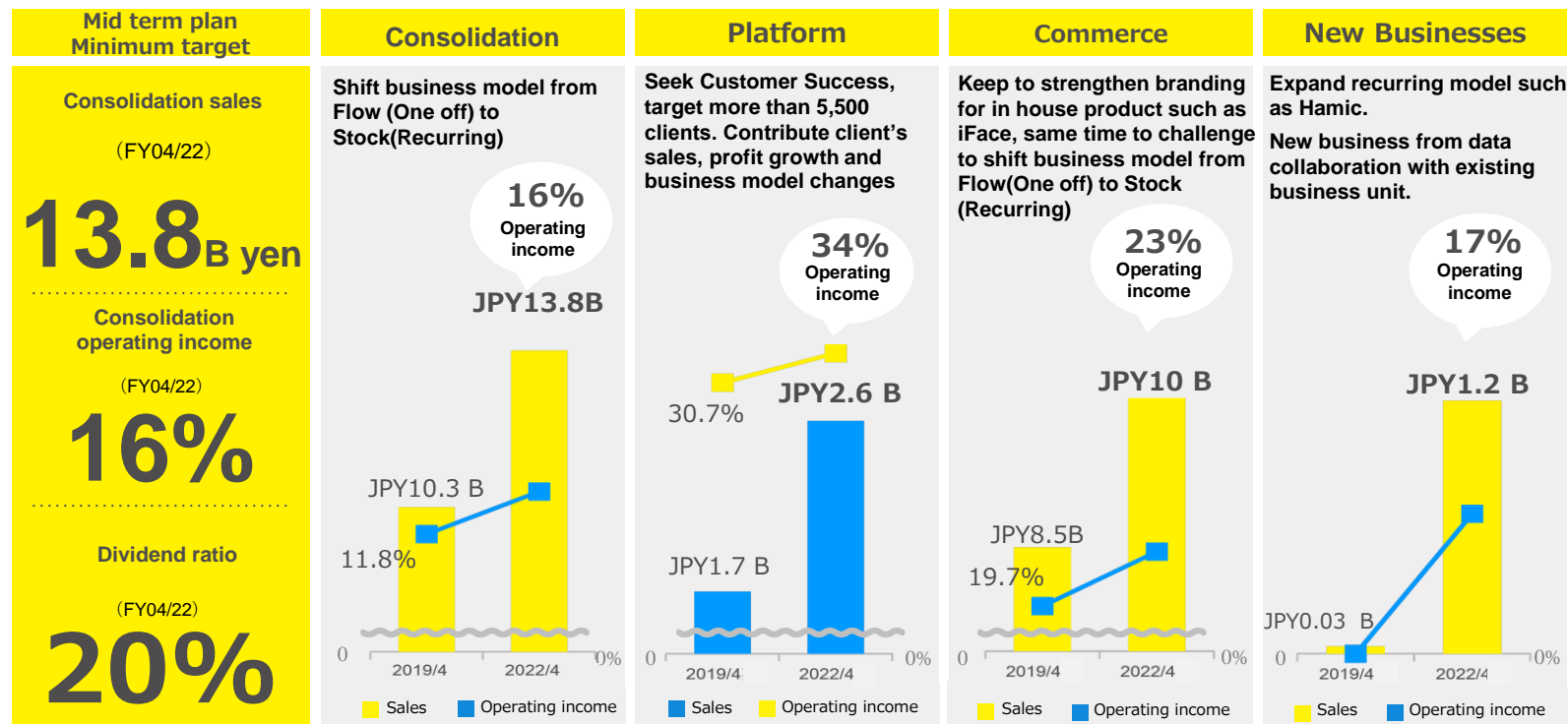
Ratio of carriers using mobile phones and smartphones



※Base on in-house
Questionnaire survey
October 2020

III. Mid-Term Plan

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 (One off model) to
Stock (Recurring mode) to maximize Customer Experience based on capability (management resources)



APPENDIX Reference

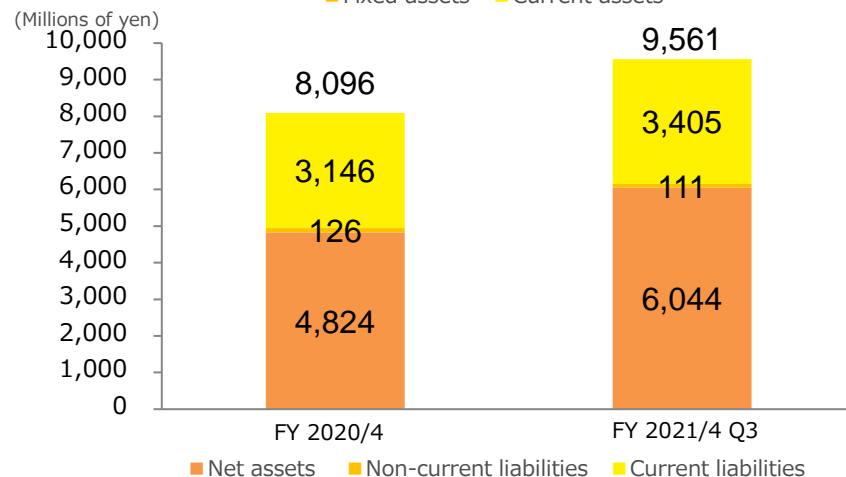
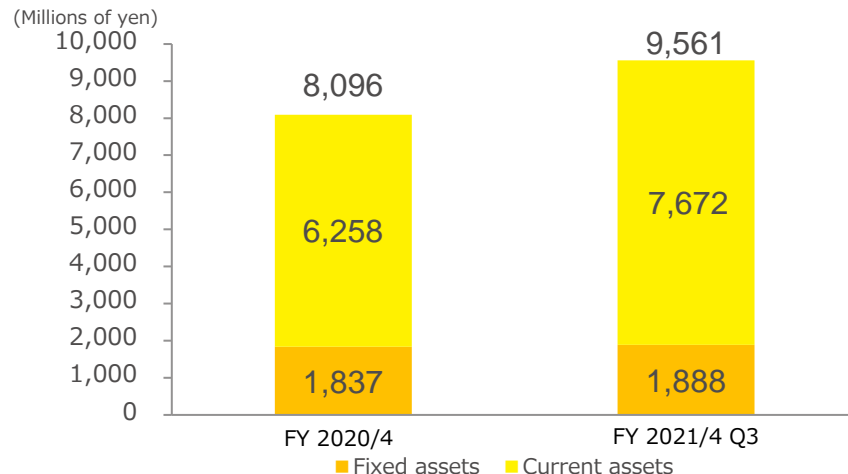
Forecast by Segment for Fiscal year ended April 2021

(Millions of yen)		2020/4	2021/4			
		Results	Forecast	Increase /Decrease	% YoY	Composition ratio
Commerce Business	Net sales	9,208	9,990	781	8.5%	77.9%
	Segment profit	2,198	2,561	363	16.5%	90.9%
	Profit ratio	23.9%	25.6%	1.8%	—	—
Platform Business	Net sales	1,855	2,059	203	11.0%	16.0%
	Segment profit	585	661	76	13.0%	23.5%
	Profit ratio	31.6%	32.1%	0.6%	—	—
Other *1	Net sales	268	782	514	191.8%	6.1%
	Segment profit	△179	△405	△226	126.4%	△14.4%
	Profit ratio	△66.8%	△51.8%	15.0%	—	—
Total	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%	△36.9%
	Operating income	1,744	1,778	33	1.9%	—
	Profit ratio	15.4%	13.9%	△1.5%	—	—

※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."

Q3 04/21 Balance Sheet



Current assets			Millions of yen	
	7,672	(+1,414)		
■ Cash and deposits	4,237	(+784)		
■ Notes and accounts receivable	1,507	(+277)		
■ Inventory	1,063	(+8)		
■ Others	870	(+346)		

Fixed assets			Millions of yen	
	1,888	(+51)		
■ Property, plant and equipment	645	(+76)		
■ Intangible assets	614	(△146)		
■ Investments and other assets	628	(+121)		

Current liabilities			Millions of yen	
	3,417	(+271)		
■ Accounts payable	213	(+47)		
■ Short-term loans	1,611	(+11)		
■ Accounts payable-other	925	(+264)		

Non-current liabilities			Millions of yen	
	111	(△14)		
■ Long-term loan	55	(△36)		

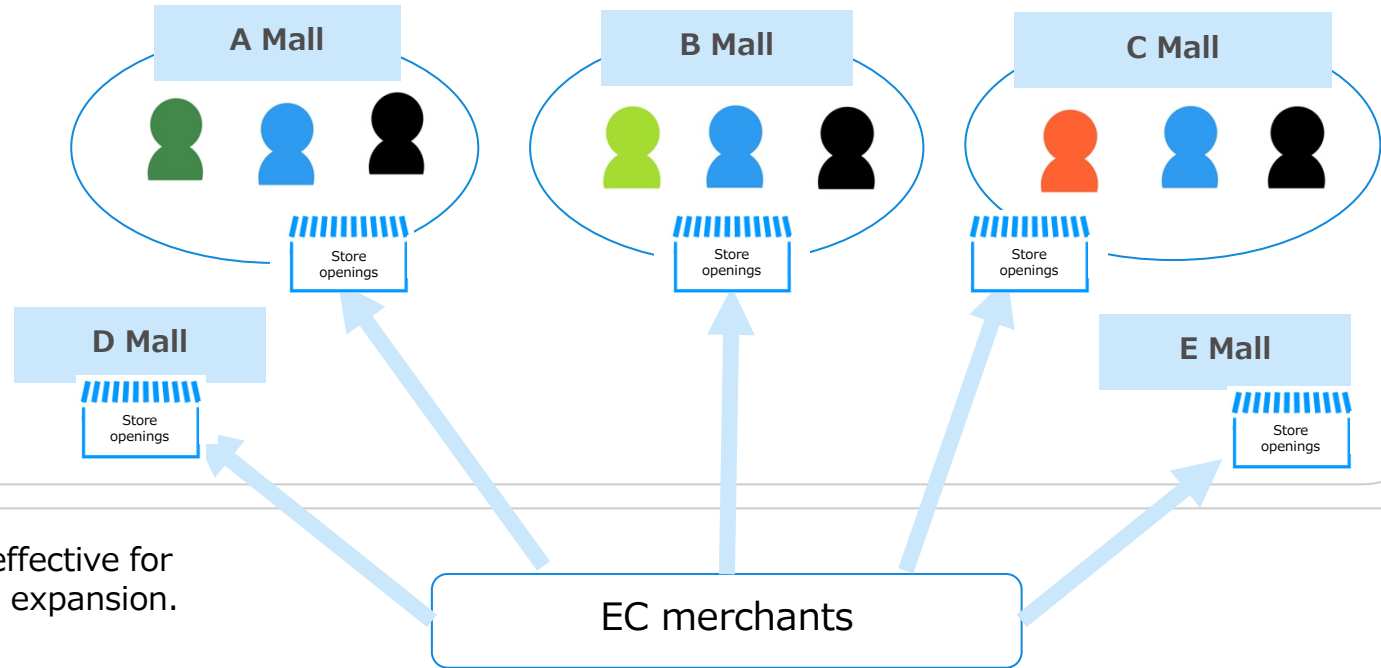
Net assets			Millions of yen	
	6,032	(+1,207)		
■ Retained earnings	5,201	(+1,034)		

Fiscal Year	2015/4	2016/4				2017/4			
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Number of clients	1,816	1,928	2,065	2,119	2,228	2,374	2,457	2,548	2,642
Number of stores	13,472	14,101	14,864	15,772	16,793	17,719	18,541	19,320	20,268
GMV (Millions of yen)	244,100	68,956	81,977	84,107	80,022	84,650	87,614	103,830	99,915
Transaction number processed (thousand)	33,000	9,736	10,547	11,265	11,051	12,340	12,525	14,488	14,331

2018/4				2019/4				2020/4				2021/4		
1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
2,768	2,896	3,010	3,095	3,259	3,440	3,511	3,622	3,718	3,790	3,849	3,997	4,179	4,351	4,513
21,505	21,893	22,898	23,852	25,025	26,064	27,006	28,006	28,814	29,376	30,034	30,835	31,771	33,114	34,461
119,654	108,515	132,479	131,778	152,579	132,685	161,840	151,413	158,568	169,333	184,819	209,220	237,157	208,428	253,487
16,265	15,739	18,102	18,503	23,894	19,085	21,688	21,050	22,481	21,328	23,024	28,643	33,942	28,764	33,639

※GMV and the transaction number processed are the cumulative figures for per each quarter.

Prenty of EC malls competing each other, which has different consumers behind.



Multistore operation is effective for EC merchants' business expansion.

EC merchants in Japan face difficulties when start

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

CORPORATE DX & SDGs

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



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

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

Renovation of the personnel system



Remote work -
Preparation-
allowances



Remote work
allowances

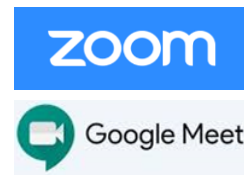


"Allowances for
Odawara living"



"Flexible commuting
to HQ"

Adoption of tools



Online conferencing tools



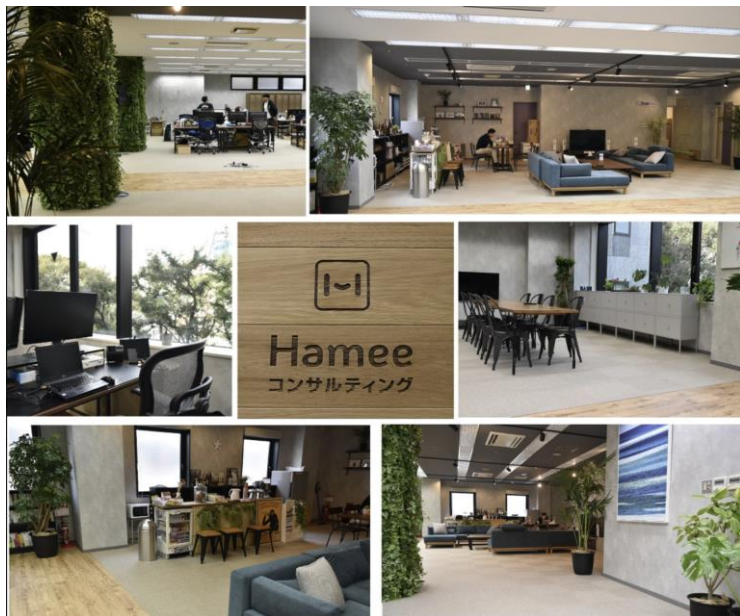
Online Whiteboard



Media platform

- Introduction of telework at all bases of all employees was implemented in February 2020.
- 300 seats is reduced to half and redesigned to an office which is compatible with COVID-19 and after COVID-19.
- Head office will be full model changed as telework-compatible next spring.

Integrated Hamee Consulting & Tokyo Sales Office



Odawara Head Office Renovation



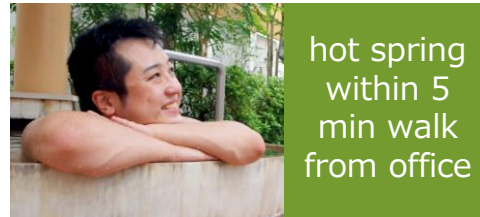
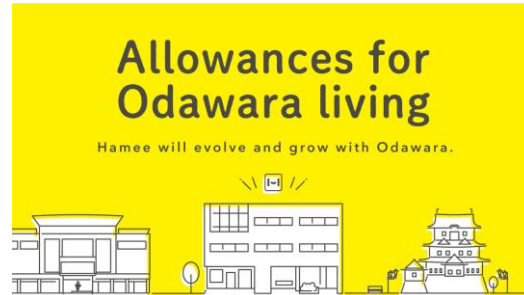
- With the COVID-19 as an opportunity, global action on environmental protection is accelerating.
- Individuals and organisations are oriented toward SDGs conscious lifestyles and business models.
- Employment system and recruitment are also based on local Odawara, making the system more friendly and unique to colleagues.
- Contributed to new business (RUKAMO, Hamic) and activities of Odawara, SDGs Future-Oriented City.

Visualization of employee engagement



wevix

The system and the recruitment are also based on Odawara.



Shifting to SDGs & ESG Management



Think
MIRAI
ODAWARA 2030



Sustainability Report 2021

- 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.
- This document is not intended for promoting the acquisition of securities, sale or purchase of securities (hereinafter “soliciting”). This document does not support soliciting, or serve as the grounds for any contract or obligation.
- All company names, system names, product names and trademark or registered trademark by other companies are basically trademark or registered trademark under other company. This document doesn’t show 「™」 or 「®」 to make clear.
- Wordings of any translated versions of this document, the meaning and wording of the Japanese Language version shall prevail.



For inquiries about this material and IR, please contact the following.

Corporate Planning Department, Hamee Corp.
TEL: +81 465 42 9181
Website: <https://hamee.co.jp/>