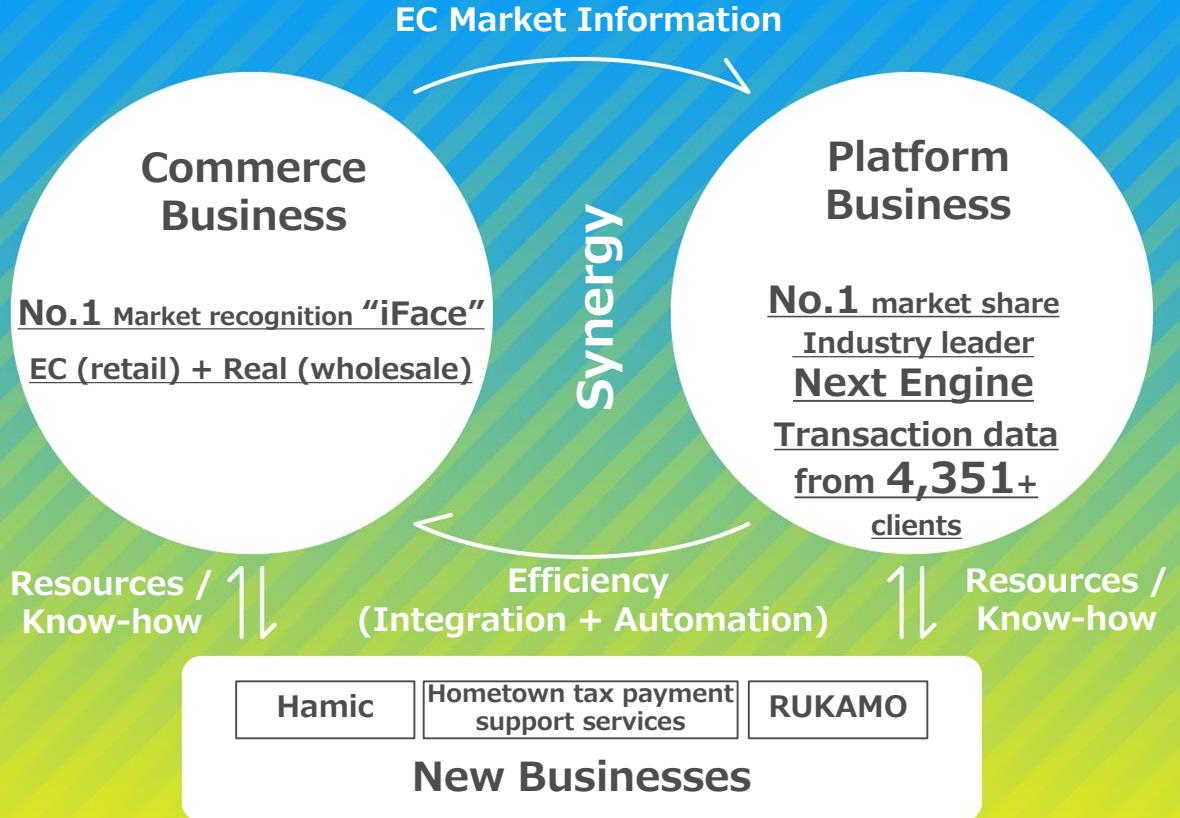


Hamee Corp.

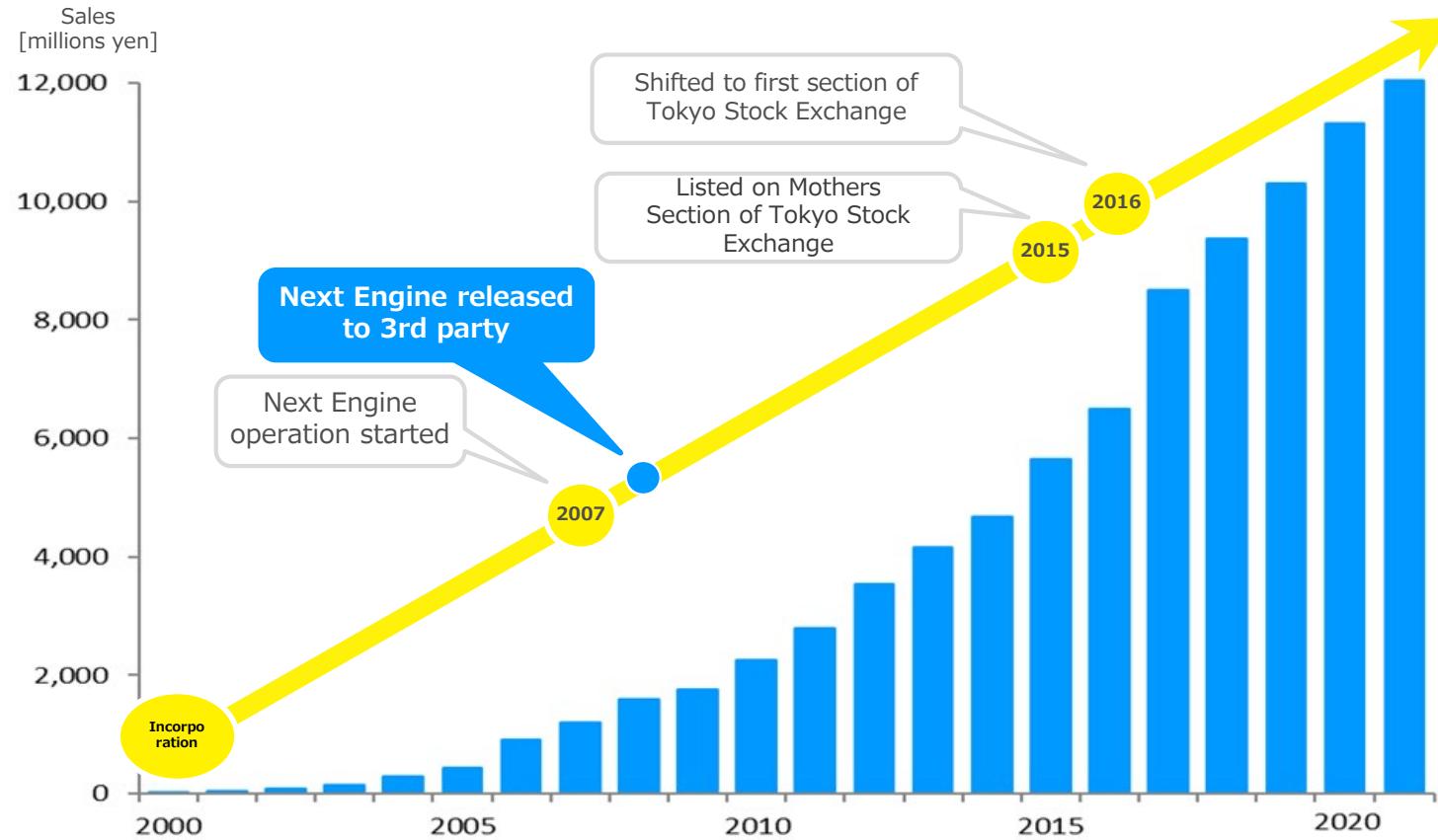
Q2 FY 04/21
Financial results briefing materials

Reference only

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



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



**Taking advantage of the new normal of life and working style, began after COVID-19,
Achieved further growth in both Platform Business and Commerce Business.**

Summary of financial results for Q2 FY04/21

Sales

**JPY5.62
billion**

(YoY)
+3.8%

Operating income

JPY990

million

(YoY)
+17.8%

Platform Business

Next Engine, sales increased significantly. 13.1% increased in average sales per client due to the impact of EC market expansion to shift EC in consumer behavior, etc. The number of contracted clients also increased steadily, +172 from the end of Q1. In addition, the high marginal profit ratio boosted profits, achieving to up by 68.0% YoY.

Commerce Business

Despite changes to launch new iPhone from usual, e-commerce (retail) sales grew steadily. Real (wholesale) sales were still declined, but recovered steadily compared to Q1. As a result, sales were kept at the same level as the previous fiscal year. Profit increased 14.5% YoY, due to the effect of a review of the Group's supply chain etc.

Others (New Businesses)

Sales rose 39.1% year on year due to strong sales of hometown tax payment support services. Continued investment in RUKAMO and Hamic POCKET resulted in a loss of JPY168 million (JPY81 million loss in last year).



DX銘柄2020 Digital Transformation

35

companies

Approx. 3,700
companies

Awarded as the Digital Transformation stock selected by the METI and the T.S.E.

35 companies were selected as "DX Stock 2020" among the approximately 3,700 domestic listed companies on the T.S.E. (First, Second, Mothers section and JASDAQ).

- I. Financial Results
- II. Business Overview
- III. Mid-Term Plan
- IV. CORPORATE DX & SDGs

I. Financial Results

Millions of yen

	FY 04/20 Q2		FY 04/21 Q2			Millions of yen	
	FY 04/20 Q2	% of sales	FY 04/21 Q2	Increase/Decrease	% YoY	% of sales	
Net sales	5,413	100.0%	5,621	208	3.8%	100.0%	
Gross profit	2,952	54.5%	3,466	513	17.4%	61.7%	
Operating income	842	15.6%	992	149	17.8%	17.7%	
Ordinary income	877	16.2%	968	91	10.4%	17.2%	
Net profit attributable to owners of parent	602	11.1%	671	69	11.5%	12.0%	
Quarterly earnings per share	38.02		42.54				

Operating income 992 (+149 YoY)	
Gross profit	+513 Increase in sales
SG&A expenses	+365
Personnel	+178 M&A Manufacturing function by Korean subsidiary. Launch new business etc.
Travel	△24 Reduction of business trips.
Commissions paid	+95 Increase in retail
Logistics	+20 Increase in retail
Amortization of goodwill	+52 M&A by subsidiary in Korea related to Manufacturing Business, etc

Non-operating △ 24 Extraordinary △ 6	
Non operating income/expenses	
■ Foreign exchange loss	△ 17
■ Interest expenses	△ 5
Extraordinary gain/loss	
■ Gain on sales of investment securities	+ 4
■ Loss on valuation of investment securities	△ 10

		Millions of yen				
		FY 04/20 Q2	FY 04/21 Q2	Increase/Decrease	% YoY	% of sales
Commerce Business	Net sales	4,443	4,425	△17	△0.4%	78.7%
	EC	1,978	2,312	334	16.9%	41.1%
	Wholesale	2,464	2,113	△351	△14.2%	37.6%
	Segment profit	1,068	1,223	155	14.5%	81.2%
	Profit ratio	24.0%	27.6%	3.6%	—	—
Platform Business	Net sales	897	1,087	189	21.1%	19.3%
	Segment profit	269	452	183	68.0%	30.0%
	Profit ratio	30.0%	41.6%	11.6%	—	—
Other *1	Net sales	78	109	30	39.1%	1.9%
	Segment profit	△81	△168	△86	—	△11.2%
	Profit ratio	—	—	—	—	—
Total	Net sales	5,413	5,621	208	3.8%	100.0%
	Segment profit	1,255	1,507	252	20.1%	100.0%
	Adjusted amount*2	△ 412	△ 515	△ 102	—	—
	Operating income	842	992	149	17.8%	—
	Profit ratio	15.6%	17.7%	2.1%	—	—

*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

Net sales

Domestic retail

Despite the stabilization of the EC shift, sales are still trending upward continuing from Q1.

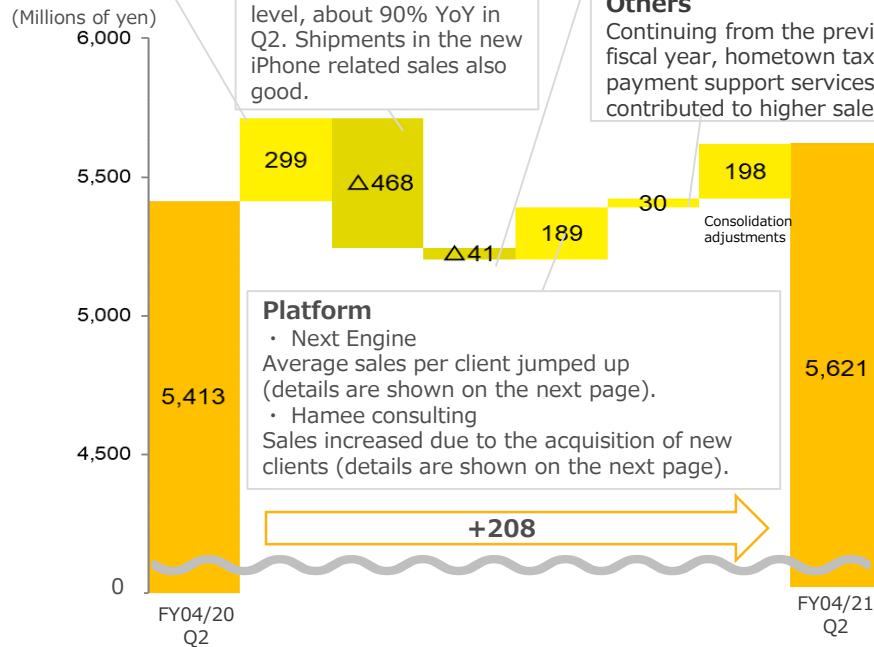
Domestic wholesale
Tend to recover to the level, about 90% YoY in Q2. Shipments in the new iPhone related sales also good.

Global sales

Decreased mainly due to a decrease in wholesale sales in South Korea, despite an increase in retail sales in the U.S.

Others

Continuing from the previous fiscal year, hometown tax payment support services contributed to higher sales.



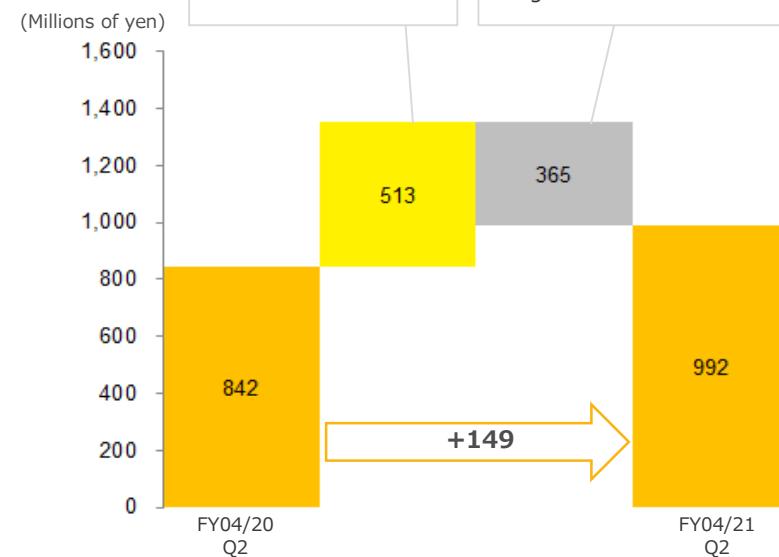
Operating income

Gross margin

Effect of sales increment

SG&A expenses

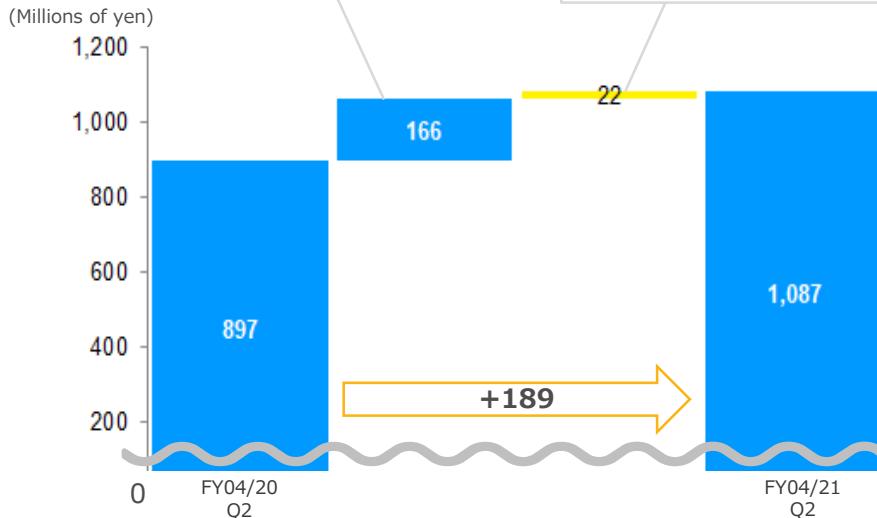
Category	Value (Millions of yen)
Personnel expenses	+178
Commissions paid	+95
Amortization of goodwill	+52
Logistics	+20
Total	+365



Net sales

Next Engine

Transaction number and amount processed on Next Engine increased due to COVID-19, etc. In addition, due to a net increment for number of new clients and a decrease in churn rate, resulted significant increase in average sales per client then sales rose 21.4% YoY.



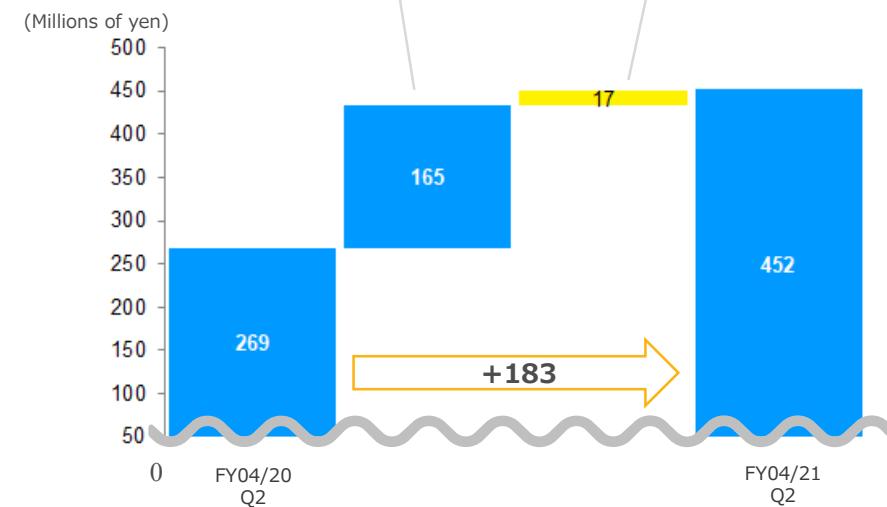
Hamee consulting

Due to improvement of new consultant recruitments, enabling existing consultants to focus on existing clients, then expanding the number of clients. As a result, sales is increased YoY.

Segment profit

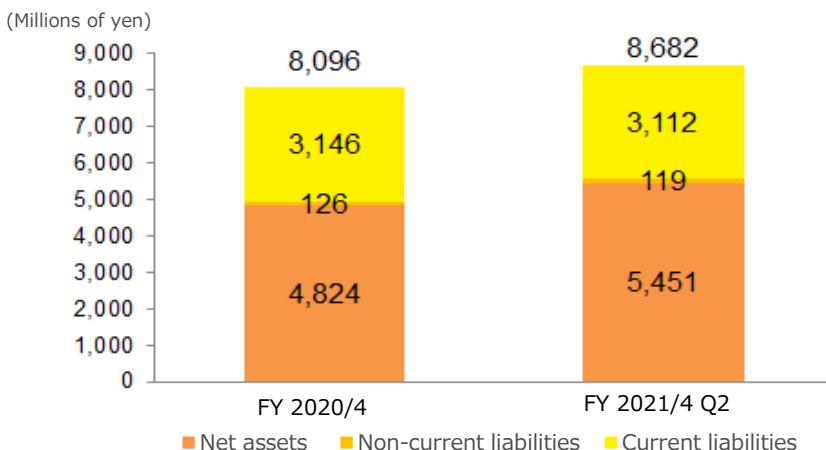
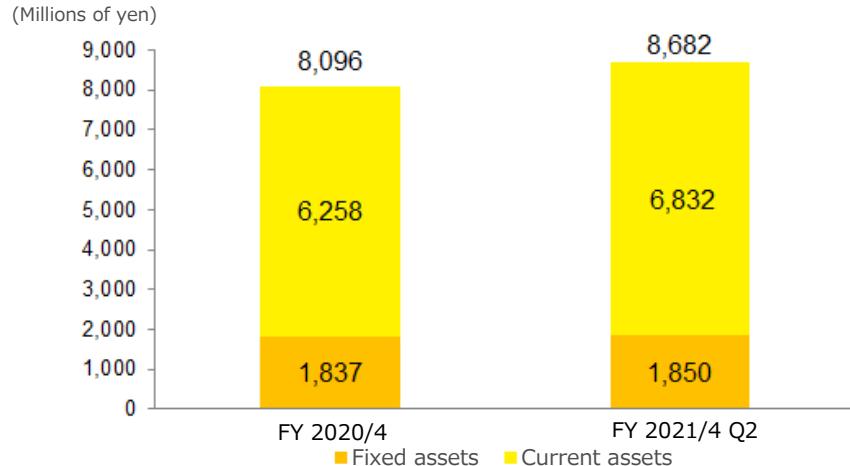
Next Engine

High marginal profit ratio boosted profits significantly. Up by 56.3% YoY.



Hamee consulting

Improving the recruitment of new consultants effect to gross profit and reduction of recruitment costs.



	Millions of yen
Current assets	6,832 (+573)
■ Cash and deposits	3,362 (△90)
■ Notes and accounts receivable	1,828 (+598)
■ Inventory	1,012 (△42)
■ Others	624 (+101)
Fixed assets	1,850 (+12)
■ Property, plant and equipment	617 (+48)
■ Intangible assets	638 (△123)
■ Investments and other assets	595 (+88)
Current liabilities	3,112 (△33)
■ Accounts payable	145 (△20)
■ Short-term loans	1,611 (+11)
■ Accounts payable-other	645 (△15)
Non-current liabilities	119 (△6)
■ Long-term loan	67 (△24)
Net assets	5,451 (+626)
■ Retained earnings	4,728 (+561)

Forecast by Segment for Fiscal year ended April 2021

Millions of yen

		FY 04/20	FY 04/21 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	2,059	211	11.4%	16.0%
	(Next Engine)	(1,607)	(1,770)	(163)	(10.2%)	(13.8%)
	Segment profit (Next Engine)	578	661	83	14.4%	23.5%
Other *1	(626)	(732)	(732)	(106)	(17.0%)	(26.0%)
	Profit ratio	31.3%	32.1%	0.8%	—	—
	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."

II. Business Overview

Platform Business



NEXT ENGINE



NEXT ENGINE

Total number of clients :
4,351 clients

(+14.8% YoY, 3,790 clients as of October 2019)



Net increase (half-year)
+354 clients

YoY Approx. **X2**

(LY +168 clients, half year)

Transaction number processed
(half-year) Approx. 62.7 million

YoY **+43%**

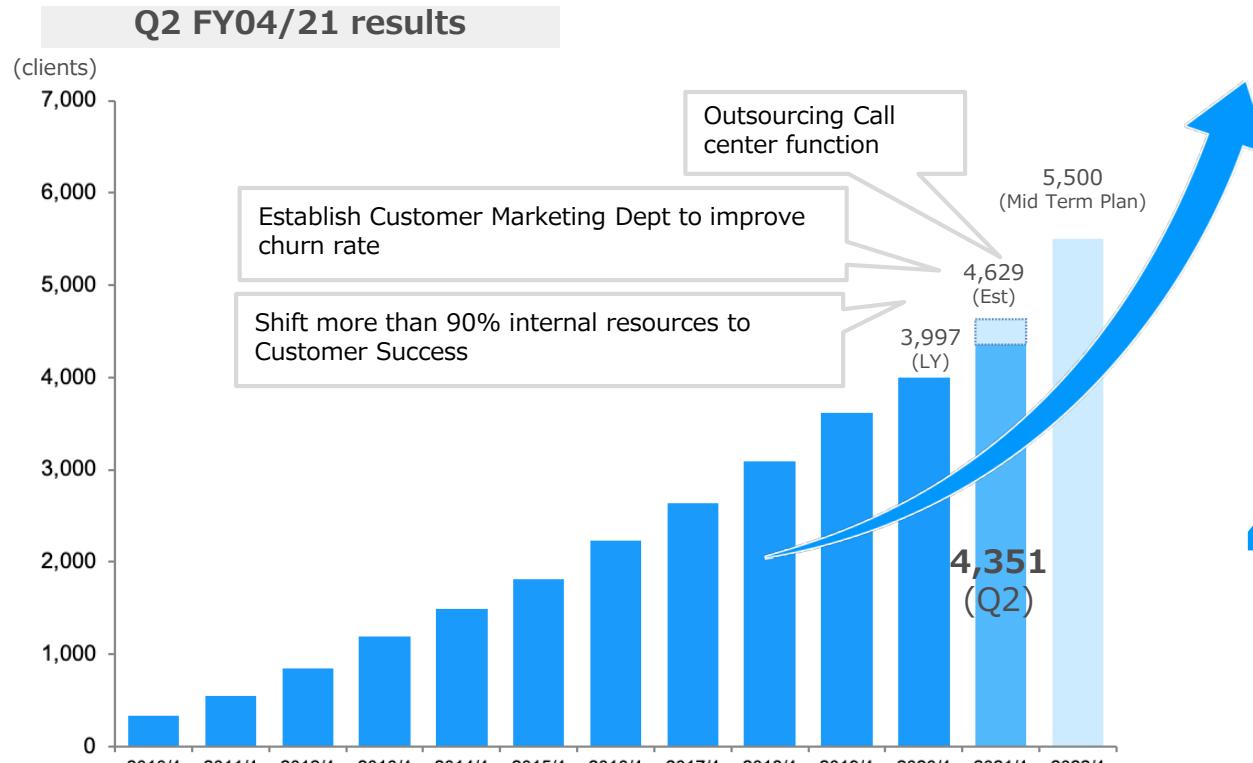
(LY 43.8 million)

Transaction amount processed
(half-year) JPY445.5 billion

YoY **+36%**

(LY JPY327.9 billion)

The number of clients as of Apr 2021 is expected to be a record high.
Focus internal resources on customer success activities by outsourcing call center function.
Aim for a substantial increase in contracts.

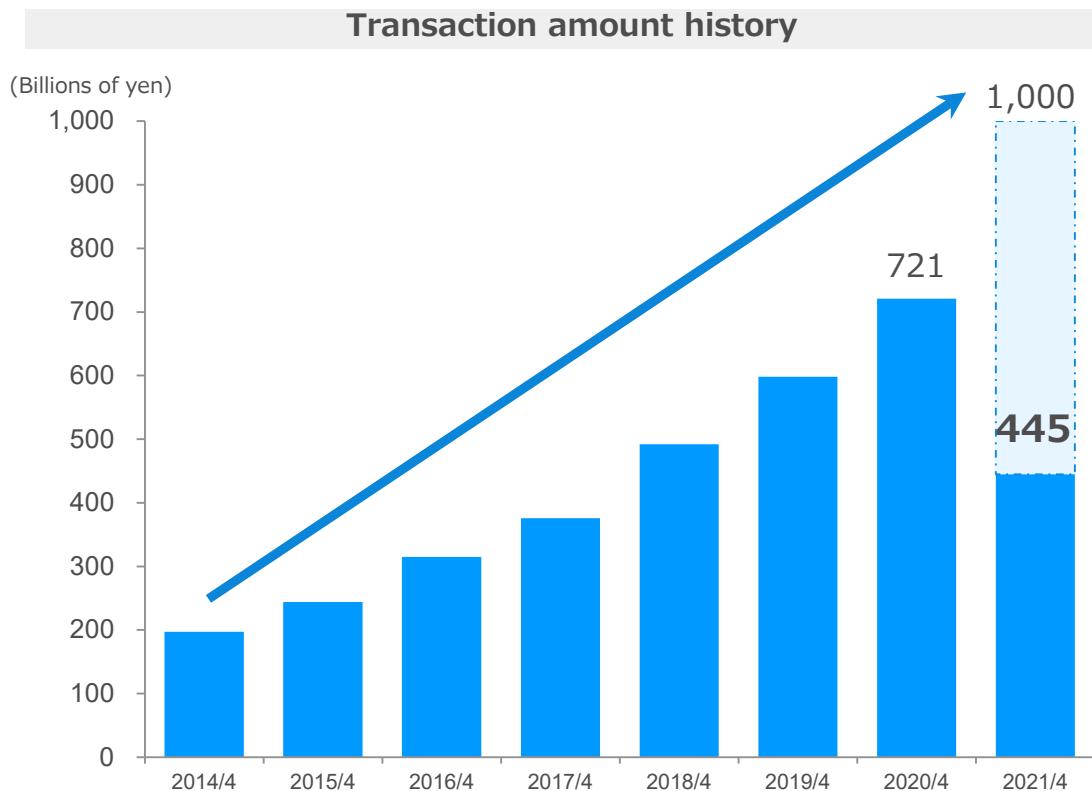


**Number of clients
(as of October 2020)**

4,351

※ CS: Customer success

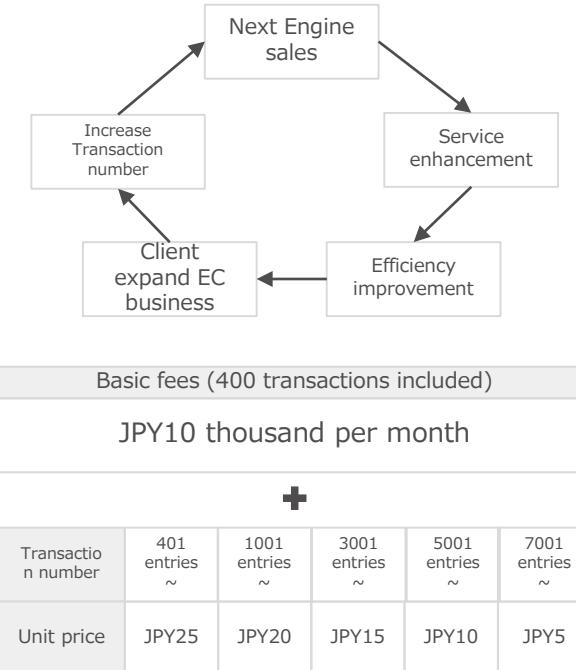
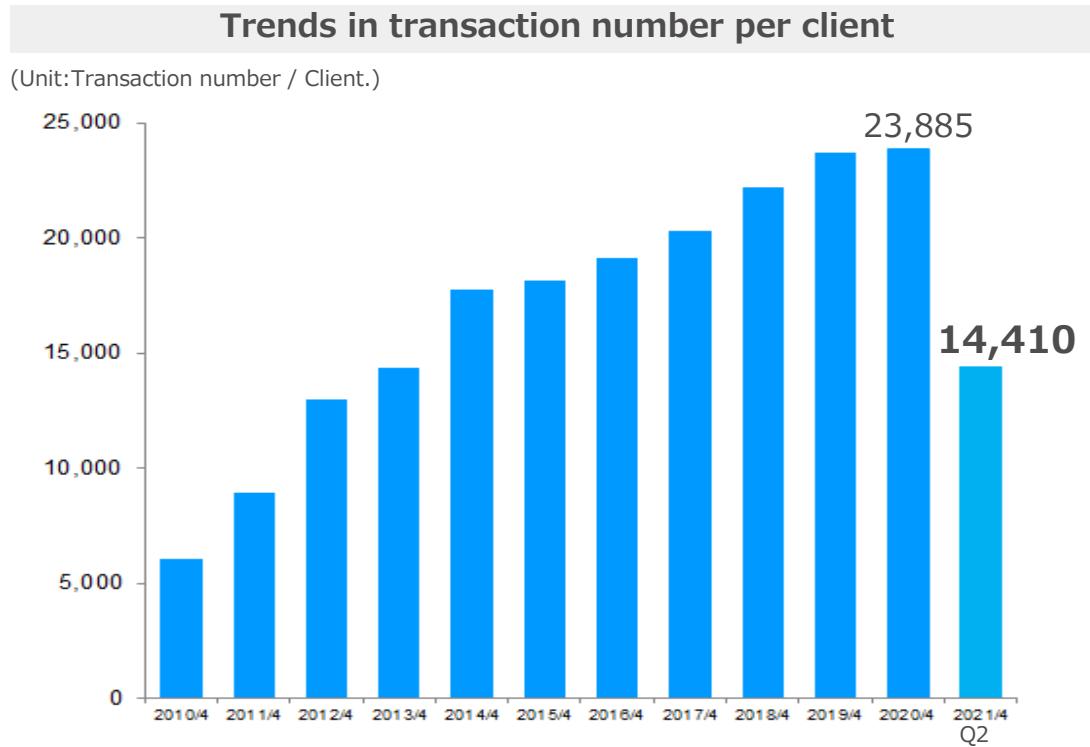
In Q2 FY 04/21, Transaction amount processed on Next Engine is increased by 43% YoY due to COVID-19. As the number of clients and the transaction number processed are increased, the transaction amount is estimated to reach to 1 trillion yen.



Year End Estimation

1
Trillion
Yen

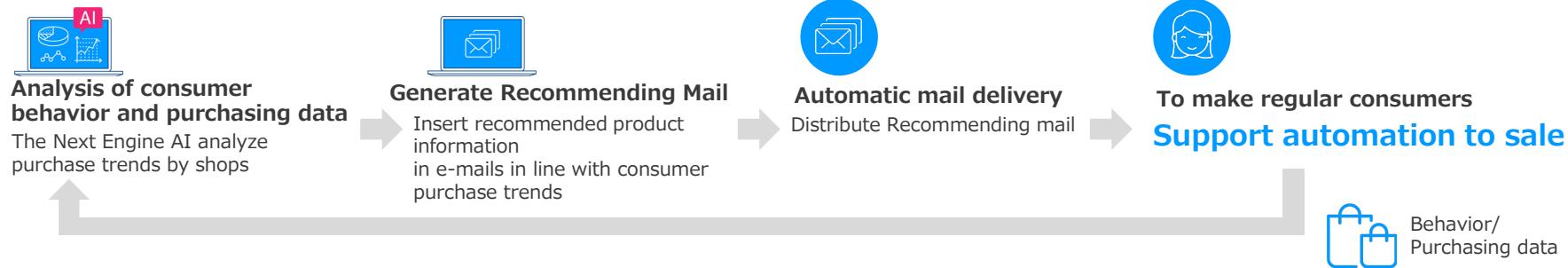
Using Next Engine help client expanding EC business. As a result, average transaction number processed on Next Engine by client keep increasing.



Pay per use

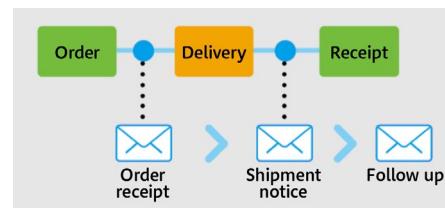
AI Auto Recommendation App ~support automation to sale~

How AI Auto Recommendation App Works



Recommending Mail Delivery Details

"Order receipt" "Shipment notice" and "Follow up", these mails automatically informs you recommended products according to your preference. Recommendations are changed depending on the e-mail dispatching and viewing date.

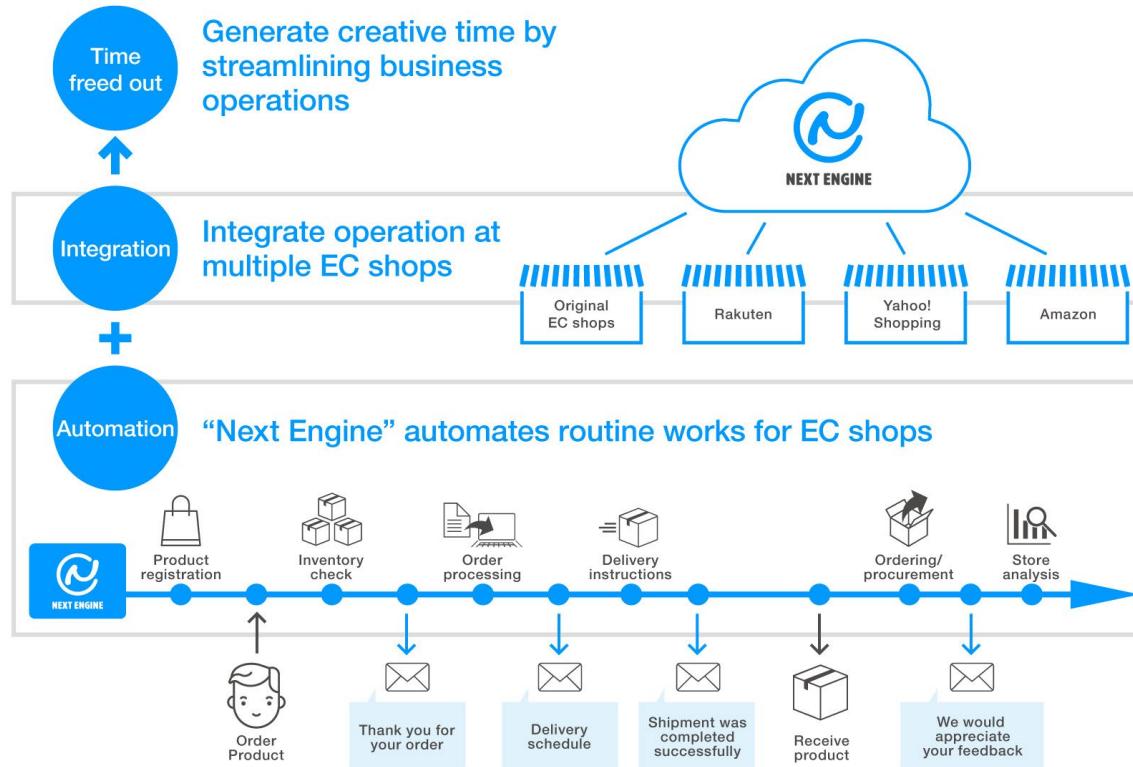


By automatically posting personalized product recommendations in the e-mails distributed to consumers from Next Engine, Hamee will be able to provide further added value to EC operators by supporting sales growth, securing regular consumers, and supporting product recognition.

AI-automated mail magazine maker "[manekine](#)" to be officially released soon.



Manekine, an application that automates the operation of EC operator's e-mail magazines by AI. Utilizing the technology of the "AI Auto recommendation app" and the know-how of Next Engine. Officially launched soon.



(Partially listed)

SaaS type Date platform

Cart linkage

Number of domestic partnerships: 40 or more
No 1 in the industry*



Customization



Promotion



Loans



Accounting



Payment



クロネコ 代金後払い サービス



POS



Main function

API



NEXT ENGINE



Logistics

Customer management





※ 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/>

Products: Sweet, Fruit, Gift

Service in Korea market API with plenty of EC malls

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



넥스트엔진을 무료로 체험해보세요!

넥스트엔진은 다양한 상황에 대응하는 풍부한 기능과 이용자의 규모에 맞게 사용할 수 있는 모금 계정을 갖추고 있습니다.

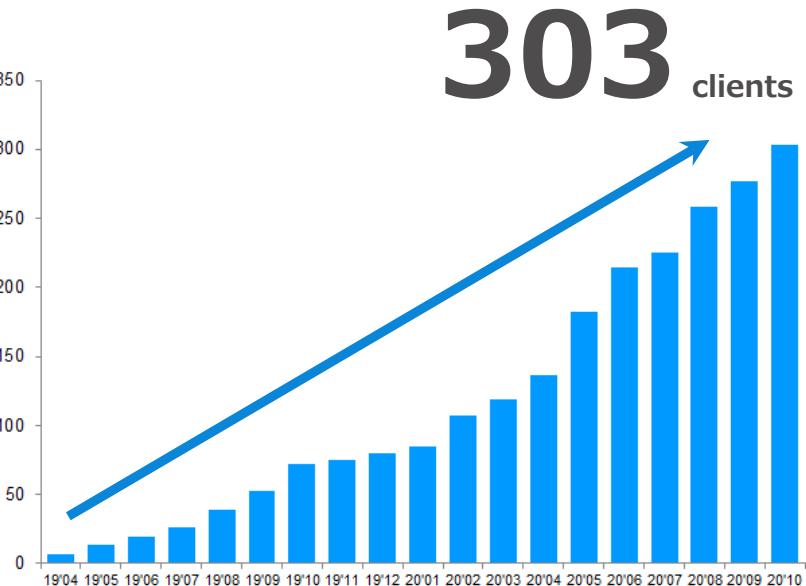
A man and a woman are smiling while looking at a laptop screen displaying the software interface.

"Next Engine Korea" compatible EC malls

SmartStore	coupa _{ng}	Gmarket	AUCTION.	11D	INTERPARK
emart	SEKKEIGAE	LOTTE.com	MakeShop [®]	CAFE24	10X10

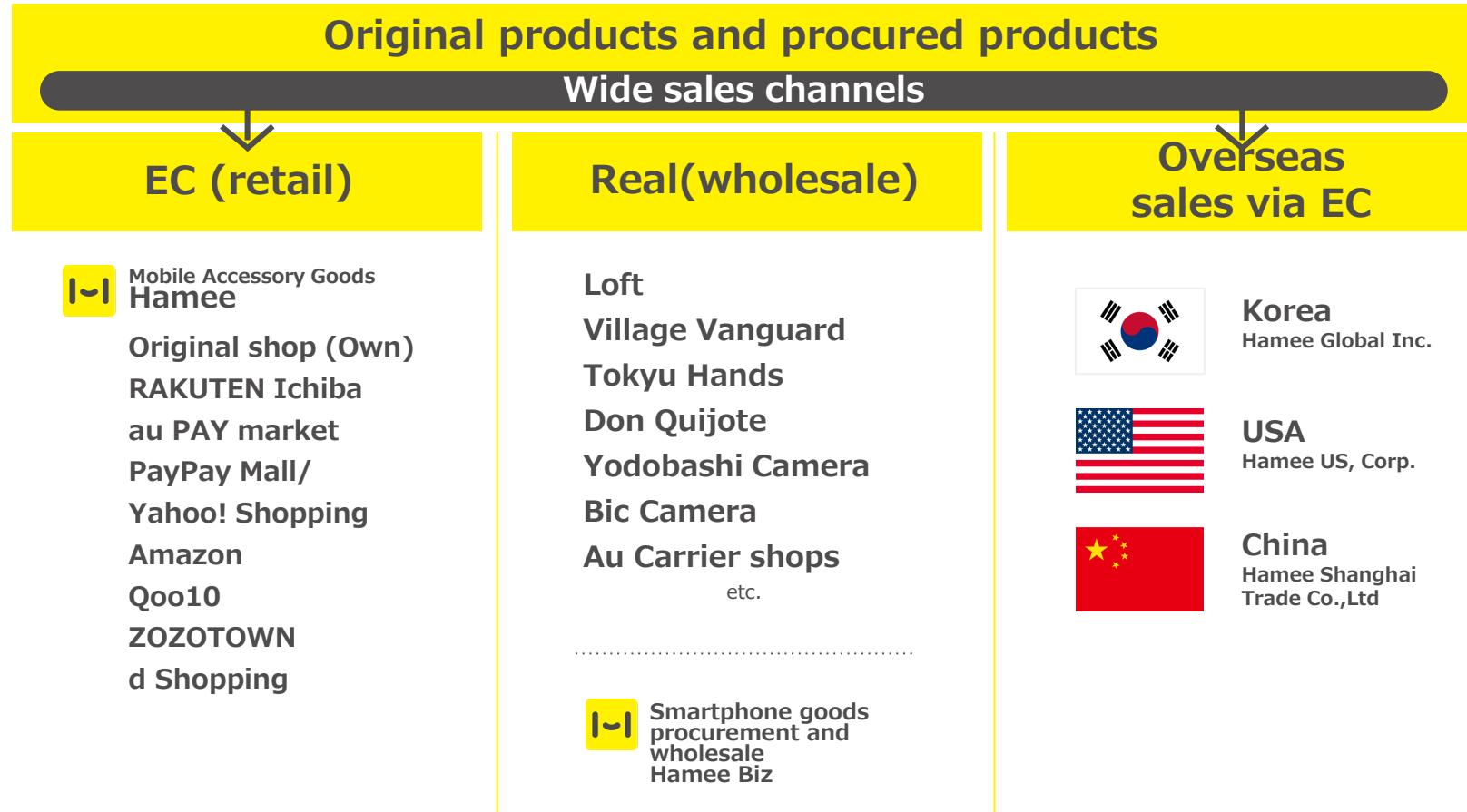
(As of the end of April 2020/Partial excerpt)

Next Engine Korea Number of clients as of October 2020



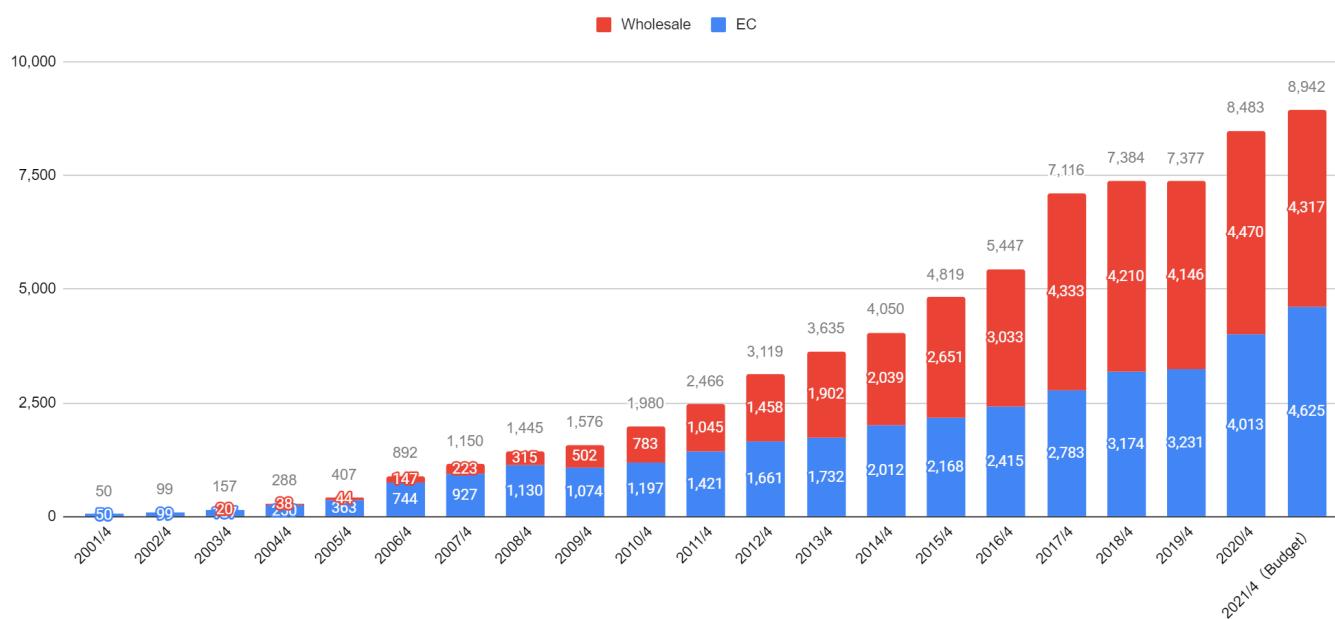
Commerce Business





Keep to grow in sales for 20 years.

Due to good portfolio, keep growth trend even under COVID-19.

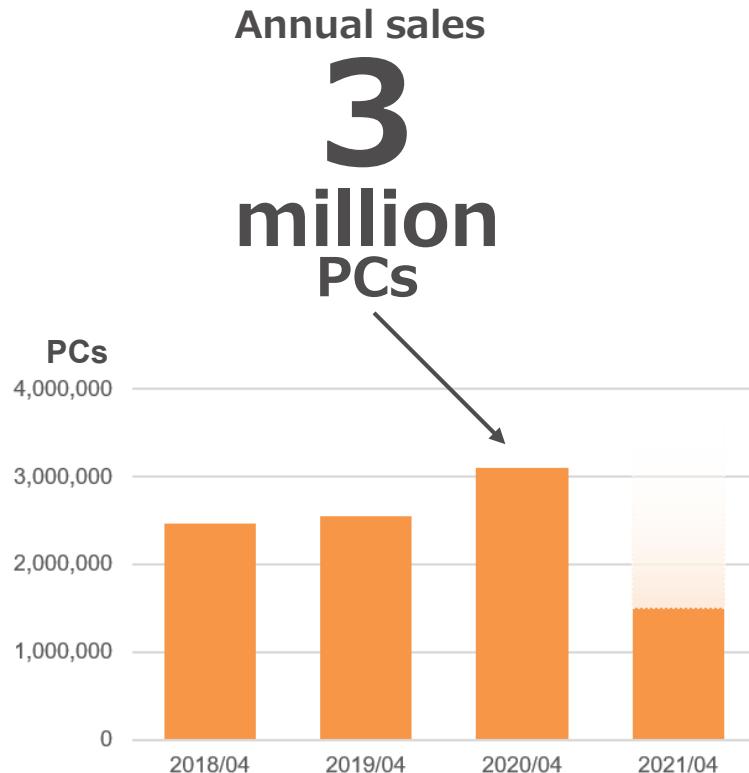


FY 04/21
Real (wholesale) vs EC (retail)

48:52



iFace series / Annual sales PCs



TOPICS

2020 Rakuten Annual Ranking

Smartphone/
Tablet section

No. 1



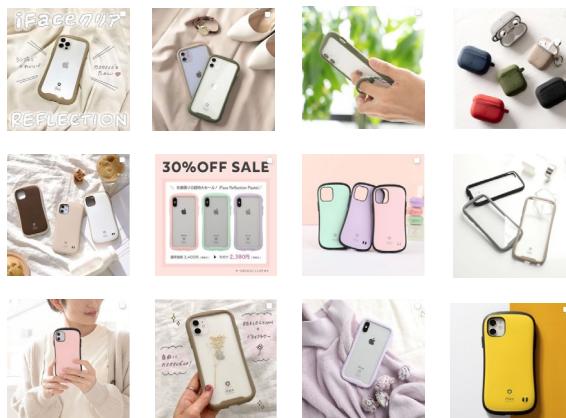
Aggregation period : From Sep 25, 2019 to Sep 24, 2020

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Instagram Account

Follower

90 thousands! ✽



✽Sum of 「@hamee_staff」 and 「@iface_jp」

Consumer survey

Triple Crown! ✽

✽ Popularity, Shock resistance, Friend recommendation



Researched by : Japan marketing research organization

Title : Brand image survey in Jan 2020

This survey is the result of product image, and not for comparison of shock resistance

- Enhance the capability of product development with good quality and price.
- In addition to gain production profit, capable to launch product speedly because of full process from product branding to sales distribution under Hamee's control.

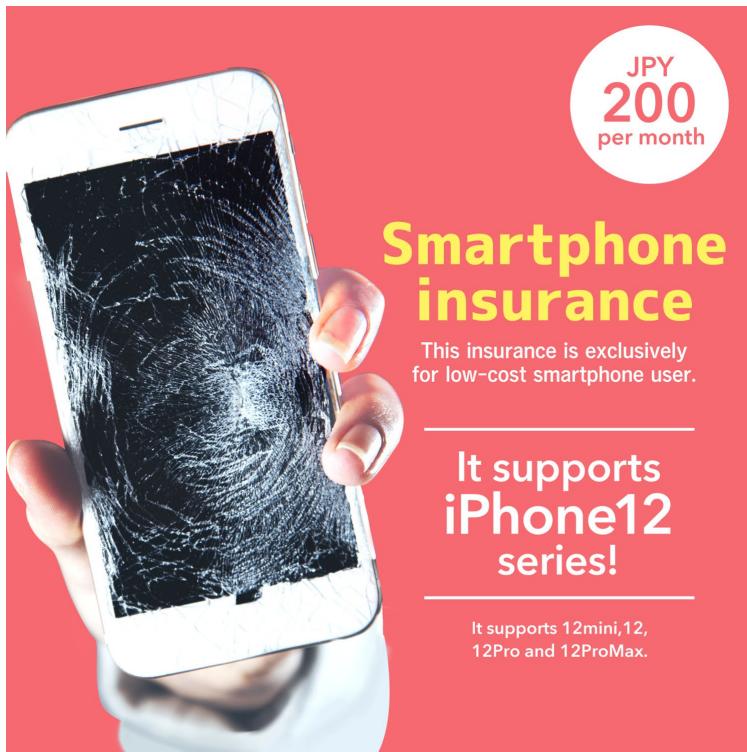


In addition to Japanese domestic market, through collaboration with TinyTAN, challenge to increase iFace recognition in order to expand business in North American!



Through collaboration between TinyTAN, a new character of BTS, highly popular particularly among the young generation, and iFace, expected increase the recognition of iFace particularly among BTS fans in Japan, as well as in North American.

You can subscribe any smartphone, anytime!
Smartphone Insurance, JPY200 per month!

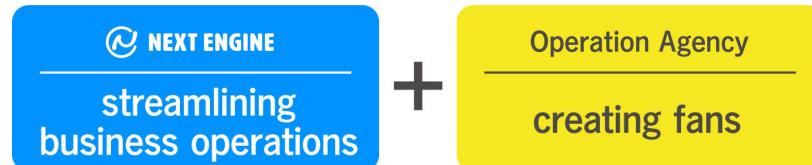
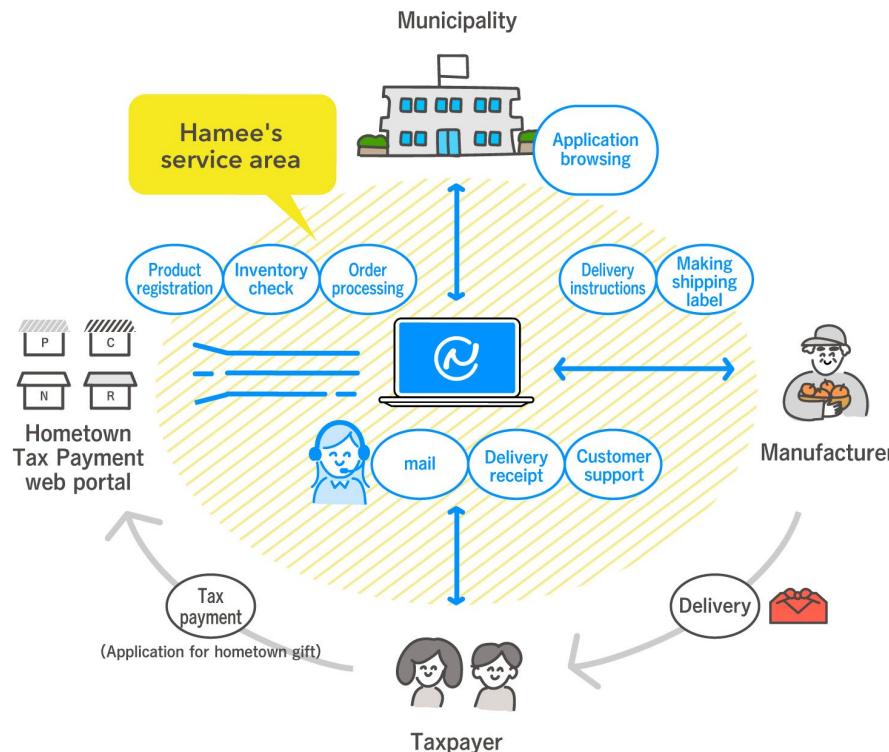


In addition to developing smartphone cases that protect smartphones from a physical damages, we will also handle "smartphone insurance" in the event of smartphone damage.

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

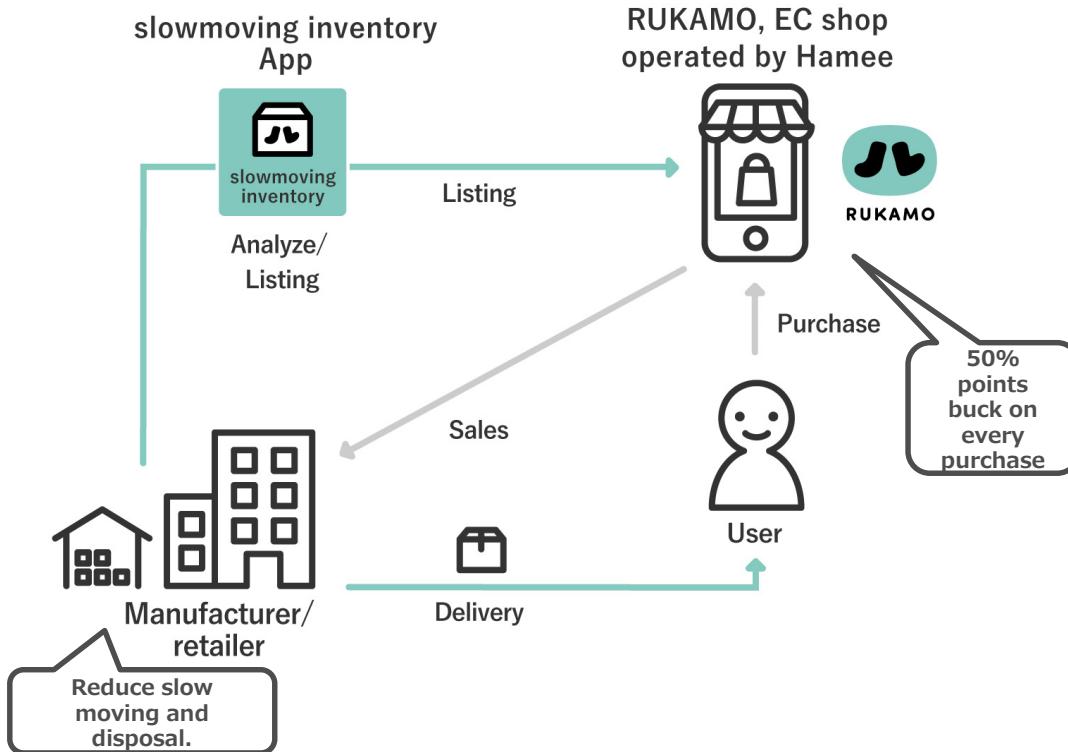
Support for streamlining business operations by Next Engine, web sites designing and creating fans by e-commerce experiences.



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 ~



GOOD DESIGN AWARD 2020

Solving the issues of slow-moving inventory and mass disposal.

Manufacturers/retailers list up such products, and consumers get 50% points back on purchase.

Provide sustainable services to meet SDGs's goals of 12 "Sustainable consumption and production"

Parent-Child Smartphone / Safety • Enjoyable • Literacy



Scheduled to be launched at EC shops in January 2021.

You can make contract even if parent's mobile contract are not with 3 major carriers.

There is no constraint on the contract period, and contract can be completed on the website from purchase to use.

Safety

Monitoring communications by original message app, checking GPS location and parental control by Google Family Link

Enjoyable

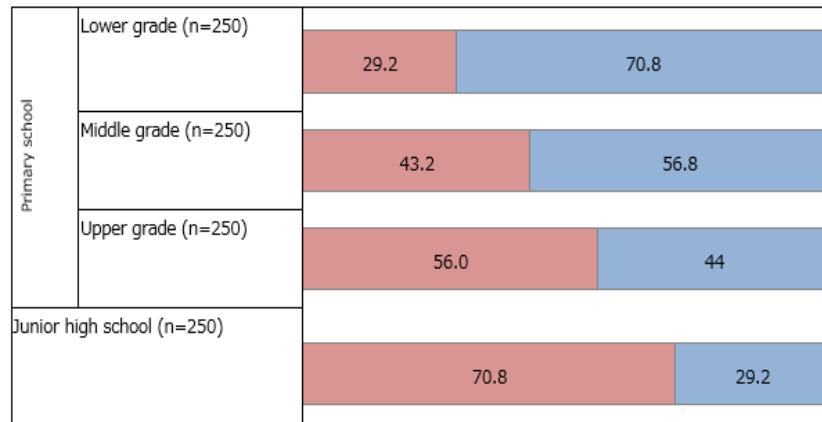
Download apps from Google Play with well designed phone case

Literacy

This is the pre-smartphone before smartphone use.

With properly restricted functions, experiences for elementary school students about smartphone usage and literacy.

■ Yes □ No



**Q. Do your kids have mobilephone?
If yes, what is the type of mobilephone?**

※ Limited to parents whose kids have mobilephone.

Base: Overall (n=1000)/multiple answers available

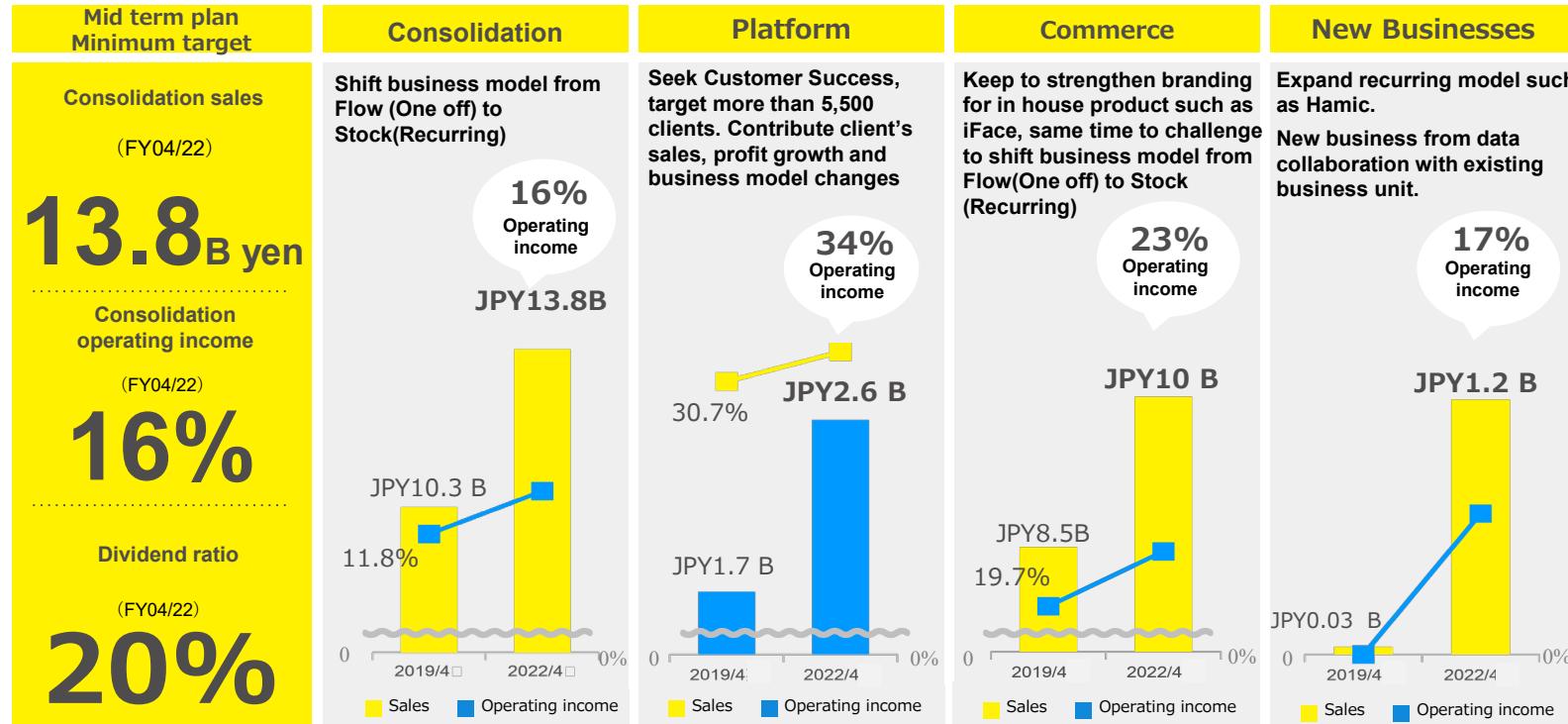
Survey by Macromill, Inc.

Survey period: February 14, 2019 (Thursday) to February 15, 2019 (Friday)

Primary school				Junior High School	
The eldest child is in lower grade of primary school.		The eldest child is in middle grade of primary school.		The eldest child is in upper grade of primary school.	
Feature phone for children	18.4%	Feature phone for children	27.6%	Feature phone for children	26.8%
Smartphone for children	4.4%	Smartphone	8.8%	Smartphone	19.2%
Smartphone	4.0%	Smartphone for children	6.0%	Smartphone for children	6.8%
Feature phone	1.2%	Feature phone	1.6%	Feature phone	4.4%
				Smartphones for children	5.6%
					3.2%

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)



IV. 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



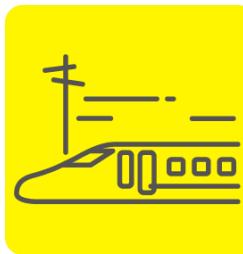
Remote work -
Preparation-
allowances



Remote work
allowances



"Allowances for
Odawara living"



"Flexible commuting
to HQ"

Adoption of tools



Online conferencing tools



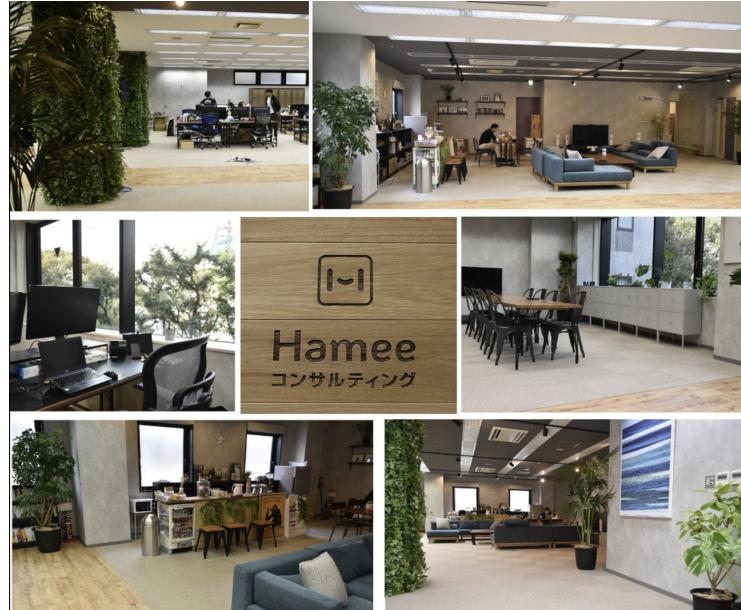
Online Whiteboard



Media platform

- Introduction of telework at all bases of all employees was implemented in February. Currently, the rate of attendance is about 20%.
- Redesigned to an office environment compatible with COVID-19, after COVID-19, and telework.
- The number of seats with 300 is reduced to 1-third. Full model change as telework-compatible office next spring.

Integrated Hamee Consulting & Tokyo Sales Office



Odawara Office Renovation

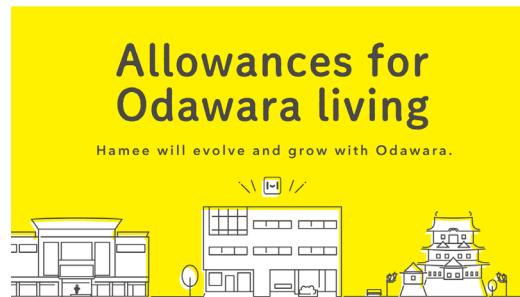


- With the COVID-19 as an opportunity, global action on environmental protection is accelerating.
- Individuals and organisations are oriented toward SDGs conscious lifestyles and business models.
- Employment system and recruitment are also based on local Odawara, making the system more friendly and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

Visualization of employee engagement



The system and the recruitment are also based on Odawara.



Shifting to SDGs & ESG Management



wevox

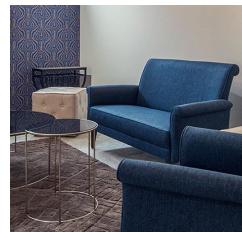


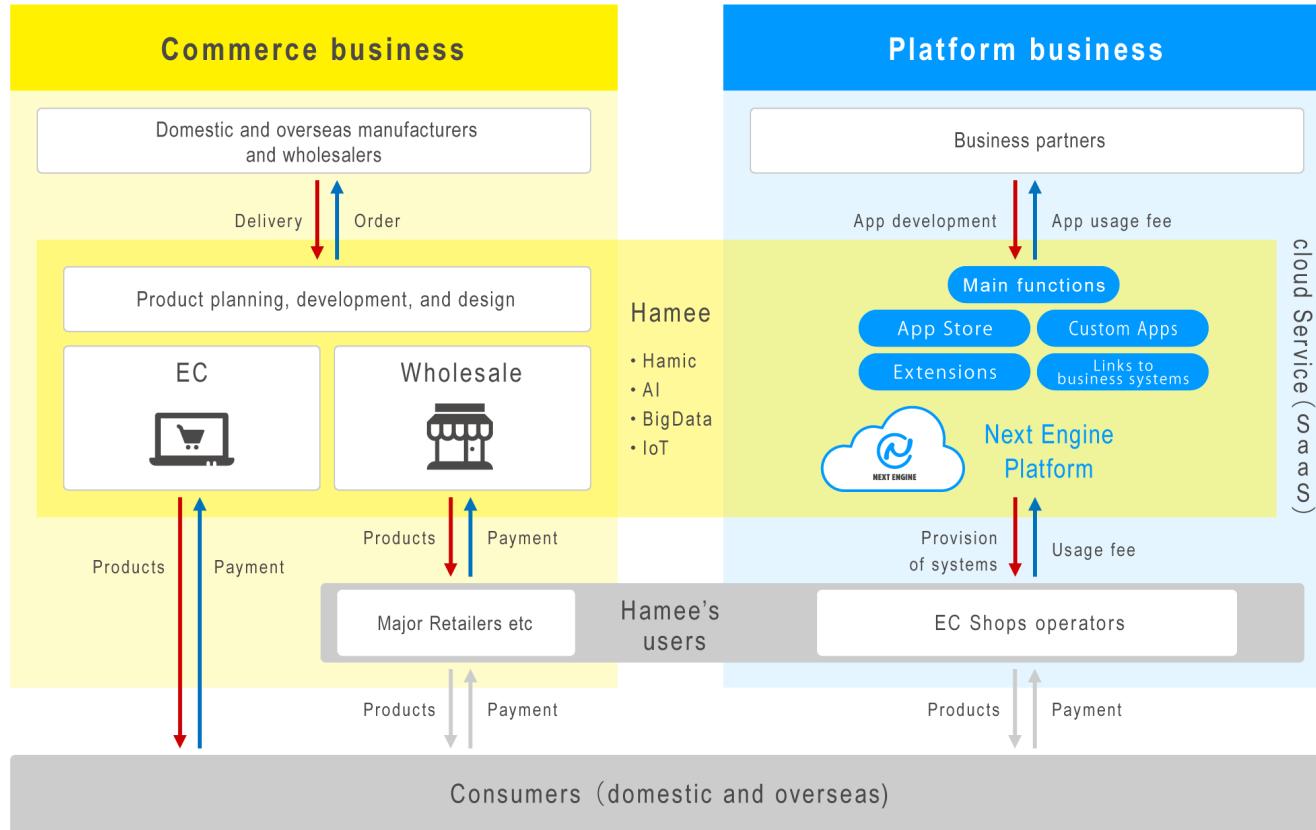
Think
MIRAI
ODAWARA 2030



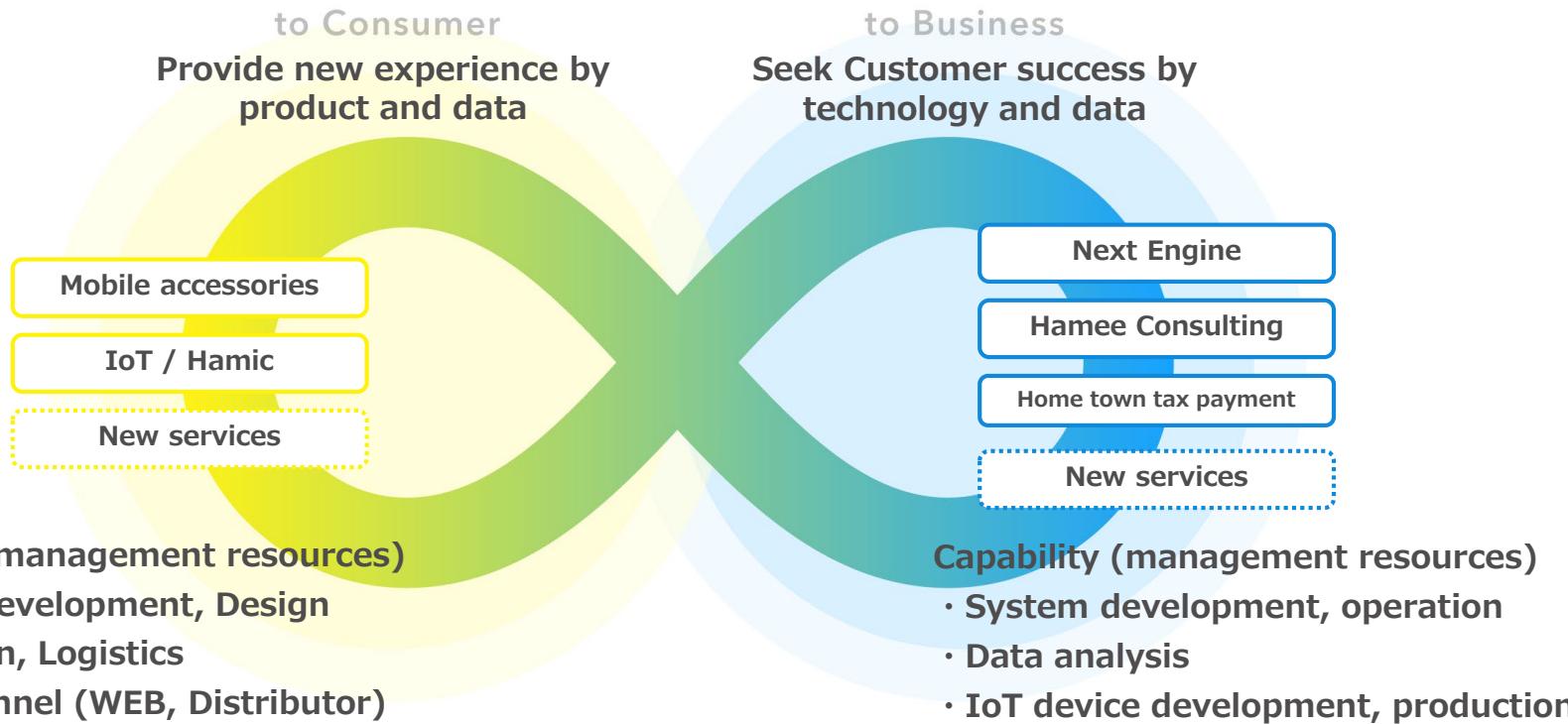
APPENDIX Reference

Corporate name	Hamee Corp.
Representative	Atsushi Higuchi
Founded in	May 1998
Headquartered at	2-12-10 Sakae-cho, Odawara city, Kanagawa Prefecture, Japan
Capital	580 million yen
Business content	<p>Commerce Business Product planning, purchasing, EC, wholesale, etc. of general merchandise, mainly mobile accessories</p> <p>Platform Business Develop and provide "Next Engine," a backyard management system as SaaS for e-commerce companies, etc.</p> <p>Global Business EC and wholesale of mobile accessories and sundries to Europe, the U.S., South Korea, and China</p>
Consolidated subsidiaries	Hamee Global Inc. Hamee US, Corp. Hamee Shanghai Trade Co., Ltd Hamee Consulting,
No. of employees	Consolidated 371 (excluding 18 part-timers) Non-consolidated: 213 (excluding 15 part-timers) Engineers: 55 (25.8%), Designers: 25 (11.7%)





Challenge to shift business model from Flow (One off model) to Stock (Recurring mode) to seek Customer Experience based on current capability (management resources).



Indicator of profitability taking into account of growth investments

	FY 04/20 Q2	FY 04/21 Q2	Increase/ Decrease	Millions of yen % YoY
Quarter net income before income taxes and minority interests	879	964	85	9.7%
Interest expenses	0	5	4	491.9%
Depreciation and amortization	191	237	46	24.2%
Software	74	69	△ 5	△6.9%
Goodwill	43	96	52	120.4%
Other intangible assets	11	2	△ 9	△82.5%
EBITDA	1,071	1,207	136	12.7%
Research and development costs	79	60	△19	△24.3%

Depreciation and amortization (Breakdown):

Software	Goodwill	Other intangible assets
Enhance Next Engine functions and Including the development of next engine applications. For personnel costs related to mid-size development projects Amortized over 3 years in software.	Platform business JPY29 million (Hamee Consulting) Commerce Business JPY66 million (JEI DESIGN WORKS etc)	Other intangible assets Commerce Business JPY2 million. (iFace trademarks)

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

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