

Securities code: 3134

July 10, 2025

(Start of Electronic Provision Measures: July 4, 2025)

To Our Shareholders

12-10, Sakaecho 2-chome, Odawara City, Kanagawa

Hamee Corp.

President and CEO

Ikuhiro Mizushima

Notice of Convocation of the 27th Ordinary General Meeting of Shareholders

Dear Shareholders, I would like to express my sincere gratitude for your continued support.

Our 27th Ordinary General Meeting of Shareholders will be held as follows.

Electronic provision measures are taken when convening this General Meeting of Shareholders, and the items to be electronically provided are posted in the "Notice of Convocation of the 27th Ordinary General Meeting of Shareholders" on the website below.

Our website

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



Tokyo Stock Exchange website

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show>



Please access the above website and enter "Hamee" in "Brand name (company name)" or enter our securities code "3134" in "Code." After searching, select "Basic Information" and "Information on /PR of Public Reference Documents" in order, and check it in the "Notice of General Meeting of Shareholders/Shareholders' Meeting Materials" column in "Public Reference Documents."

Regarding the exercise of voting rights in advance, please refer to the reference documents for the General Meeting of Shareholders listed in the Electronic Offering Measures Item. We request that you exercise the voting rights by 6:00 p.m. on Friday, July 25, 2025 in accordance with the guidance on the method of exercising the voting rights.

Best regards,

Notation

1. Date and time Monday, July 28, 2025, 10 a.m.
(Opening time 9:15 a.m.)
2. Location 8-10, Jonai, Odawara City, Kanagawa
Hotoku ninomiya shrine hotoku kaikan
(Please refer to the guide map at the end of the meeting.)
3. Agenda Items
 - Matters to be Reported
 1. Business Report and Consolidated Financial Statements for the 27th Fiscal Period (May 1, 2024 to April 30, 2025)
Report on the audit results of the consolidated financial statements of the accounting auditor and the Audit and Supervisory Committee
 2. Report on Financial Statements for the 27th Fiscal Period (from May 1, 2024 to April 30, 2025)
 - Matters for Resolution
 - Proposal No. 1 Dividends from surplus
 - Proposal No. 2 Appointment of two directors (excluding directors serving on the Audit and Supervisory Committee)
 - Proposal No. 3 Implementation of Dividends in Kind (Share Distribution-type Spin-off) of Common Shares of NE Inc., a Subsidiary

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- If you will be attending the meeting in person, please submit the voting form enclosed herewith to the receptionist at the place of the Meeting.
There is no souvenir for shareholders who attend the General Meeting of Shareholders.
 - The shareholder who has received the request for delivery of the document will be sent with the document stating the matters to be dealt with in the electronic provision, but the said document excludes the following matters in accordance with the provisions of the law and the Articles of Incorporation of the Company Article 14. Accordingly, such documents are part of the documents audited by the Audit and Supervisory Committee and the accounting auditor when preparing the audit report. "System for Ensuring Appropriateness of Operation," "Summary of System for Ensuring Appropriateness of Business," "Consolidated Statement of Changes in Shareholders' Equity," "Consolidated Notes," "Statement of Changes in Shareholders' Equity," and "Non-consolidated Notes"
 - If there is a modification to the Electronic Provision Measures Items, the corrections will be posted on each of the websites listed.

Reference Materials for General Meeting of Shareholders

Proposal No. 1: Dividends from Proposed Surplus

We believe that returning profits to shareholders is one of the most important management issues.

With regard to the year-end dividend for the fiscal year under review, taking into account the business results for the fiscal year under review and future business development, we intend to pay the following dividends.

(1)Type of assets to be distributed

Cash.

(2)Matters concerning the allocation of dividend assets and the total amount thereof

The total amount of JPY22.5 per share of our common stock is JPY358,913,813.

(3)The date on which the said distribution of surplus will take effect

July 29, 2025.

Proposal No. 2: Election of Two Directors (Excluding Directors who are Audit and Supervisory Committee Members)

All of the two current representative directors (excluding the directors who are auditing committees) will expire due to the conclusion of this general meeting. We request that two directors (excluding the directors who are Audit and Supervisory Committee Members) be appointed. The Audit and Supervisory Committee has expressed its opinion that each candidate is qualified to serve as a director of the Company based on the status of nomination procedures at the Nominating Committee and the status of business execution and business performance of each candidate in the current fiscal year.

Candidates for Directors (excluding Directors who are Audit and Supervisory Committee members) are as follows:

No.	Name	Current position in us		Attendance at meetings of the Board of Directors
1	Atsushi Higuchi	Chairman	Reappointment	16/16
2	Ikuhiro Mizushima	President and CEO	Reappointment	16/16

Candidate No.		Date of birth: March 24, 1977 (age 48)	Re-election
1	Atsushi Higuchi	Number of shares we own: 2,533,400 shares	
		Number of years served as director27 years	Attendance at Board of16/16 Directors Meetings

Brief History, Our Position and Responsibility (Status of Significant Concurrent Positions)

1998	Ye	5	Month	Established MacroWill Co., Ltd. (currently Hamee Corporation)	President	2016	Ye	5	Month	President and CEO・COO	
				ar						ar	
2015	Ye	7	Month	Director of Hamee Taiwan, Corp.		2018	Ye	5	Month	President and Representative Director	
				ar						ar	
						2021	Ye	7	Month	Chairman and CEO	
						2023	ar	2	Month	Representative Director, Chairman and Executive Officer (to present)	
										Ye	
										ar	

(Important Concurrent Positions)

Not applicable.

Prospective director Reasons for this decision	Mr. Atsushi Higuchi has supported our growth as the person responsible for promoting business. As a result of our decision to expand into the platform business in addition to the Commerce business, our founder's business, we increased our profitability, listed on the Mothers market of the Tokyo Stock Exchange in April 2015, and changed our listing to the First Section in July 2016. We have determined that we will continue to be responsible for the overall management and oversight of the Group's management, and will be able to properly execute our duties as a director.
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Candidate No.		Date of birth: November 30, 1982 (age 42)	Re-election
2	Ikuhiro Mizushima	Number of shares we own: 121,900 shares	
		Number of years served as director12 years	Attendance at Board of16/16 Directors Meetings

Brief History, Our Position and Responsibility (Status of Significant Concurrent Positions)

2005	Year	4	Month	Joined The Yokohama Bank, Ltd.		2016	Year	5	Month	Representative director and General Manager of CFO・CAO Corporate Headquarters	
2008	Year	4	Month	Our employment		2017	Year	5	Month	Representative director and CFO・CAO General Manager, Legal Department	
2009	Year	5	Month	Manager of the Business Administration Department		2018	Year	5	Month	Director, Business Planning Department Manager	
2011	Year	5	Month	Executive Officer and Manager, Corporate Administration Department		2019	Year	5	Month	Director, Executive Officer, General Manager of Commerce Business Division and Manager of Commerce Business Promotion Department	
2013	Year	5	Month	Representative director and Manager of the Business Administration Department		2020	Year	4	Month	Director, Executive Officer and Hamee Global Inc. Director	
2014	Year	12	Month	Representative director and General Manager of Corporate Administration Division		2021	Year	7	Month	President and Hamee Global Inc. Director	
2015	Year	7	Month	Director of Hamee Taiwan, Corp.		2023	Year	2	Month	President, Chief Executive Officer and Hamee Global Inc. Director (to present)	

(Important Concurrent Positions)

Hamee Global Inc. Director

Prospective director Reasons for this decision	Ikuhiro Mizushima has been mainly involved in the administrative department for a long time and has worked hard to improve the internal control system. He has served as an executive officer in May 2011 and a director since May 2013, and has extensive experience in the business of our group, including having an important role in the listing on the Mothers market in April 2015 and in the change to the TSE First Section in July 2016. We have determined that by leveraging this experience, we will continue to be responsible for the management and oversight of the overall management of our group and will be able to properly perform our duties as a director.
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(NOTES)1. There are no special interests between each director candidate and us.

2.We have concluded liability insurance contracts with insurance companies for officers, etc. The outline of the contents of such insurance contracts is as described in the "Summary of the contents of liability insurance contracts for officers, etc." in the Business Report. In the event each candidate is elected, such candidate will be included in the insured under the applicable insurance contract. The policy is scheduled to be renewed in August 2025 with similar content.

Proposal No. 3: Dividend in kind (Share distribution-type spin-off) of the common shares of NE Inc, a subsidiary

In light of the rapidly changing business and social environment surrounding us, we request that you approve the distribution of all shares of NE Inc. ("NE") held by us to our shareholders through dividends in kind (dividends from property other than money) (the "Spin-off"), whereby NE, which is our subsidiary engaged in the EC support and SaaS business, would be spun off from us and, through independence in management and capital relationships, seek to implement a swift business strategy and promote further growth in various business fields, and thereby maximize long-term shareholder value.

In order to qualify under the Reorganization Tax System, the Spin-off will be a dividend in kind with no right to request a monetary distribution (the right to request a stock company to deliver money in lieu of such dividend property). As a result, the Spin-off will need to be approved by a special resolution at the Ordinary General Meeting of Shareholders.

1.Matters concerning dividends in kind (dividends of property other than money)

Item	Content
(1)Type of assets to be distributed	NE common shares (hereinafter referred to as "NE shares")
(2)Total book value of dividend assets	JPY1,000,000
(3)Matters concerning the allocation of dividend assets	The record date is Friday, October 31, 2025. Dividends will be paid at the rate of one NE share for each share of our common stock (excluding our treasury stock holdings). Shareholders are not entitled to monetary distributions.
(4)The day on which the dividend becomes effective	Saturday, November 1, 2025
(5)Terms of the dividend	Effectiveness of the dividend is conditioned on the following: NE shares will be approved for listing on the Tokyo Stock Exchange, Inc. ("TSE"), and such approval will not be cancelled, and the issuance of new shares by NE will be implemented upon the listing (and any decisions required for such implementation have been made and have not been cancelled).

2.Purpose and Reason of the Spin-off

Until now, our Group has solidified our management base and expanded our business, but at the same time, various issues have emerged due to the over-expansion of our business scope. In light of the current dizzying business climate and social changes, we believe that a reorganization, beginning with the Spin-off and listing of NE, is essential in order to resolve these issues and maximize long-term shareholder value. For NE, we believe that becoming an independent, publicly traded company through the Spin-off and listing on the TSE will not only enable us to execute our future business strategies and accelerate our growth. It will also lead to increased motivation for Hamee's employees in promoting value creation.

The background to our organizational restructuring is as follows.

Background of organizational restructuring: three points

① Clarifying management responsibilities

Under our pure holding company structure, important decisions made by the operating companies under our umbrella require our prior approval. As a result, there have been cases where the location of management responsibilities has become unclear and there have been difficulties in prompt management decision-making by the operating companies under our umbrella. This reorganization will eliminate the redundant decision-making process and clarify the management responsibilities of each.

② Clarification of Governance

By eliminating the pure holding company structure and listing the core companies in each business, each management team will become directly aware of governance from capital markets. We will also clarify governance by directly engaging in dialogue with the market.

③ Clarification of the brand

By aligning the established brand of "NE" with the corporate name in the stock market, we will further raise awareness and establish its identity.

We will continue to work to meet the expectations of shareholders, investors, and other stakeholders by accurately grasping the rapidly changing business condition, effectively utilizing management resources, and enhancing shareholder value.

3. Other Matters Relating to the Spin-off

(1) Listing of NE shares

From the viewpoint of securing trading opportunities for NE shares to be distributed in kind, NE will make a preliminary and final application for listing on the TSE prior to the implementation of the Spin-off. The Spin-off is conditioned on the NE shares being approved for listing on the TSE and such approval not being cancelled.

The listing of NE shares and the timing of such listing are not assured at this time, as it is assumed that the listing approval from the TSE will be obtained as a result of the listing examination by the Japanese Exchange Self-Regulated Corporation in the future and that such approval will not be cancelled.

The Spin-off is also conditioned upon the issuance of new shares of NE (the "New Share Issuance") to be effected upon the initial public offering (and that all decisions required for such implementation have been made and not cancelled). The New Share Issuance will be conducted at a price determined by the book-building method stipulated in Article 246 of the Enforcement Regulations for Securities Listing Regulations stipulated by the TSE (a method of presenting to investors the preliminary conditions relating to the issuance price at the time of solicitation of an application to acquire shares and determining the issuance price, etc. after ascertaining the status of investors' demand for shares). At the time of ex-rights of our shares, as described in "Q&A Format Explanation Regarding Dividend in Kind of Subsidiary Shares in Cash (Share-Distribution-Type Spin-off) and Change of Specified Subsidiary" on June 13 [page 6], the base price is expected to be calculated using the public offering price of NE shares, and transactions on the TSE are expected to be conducted. The value of NE shares is determined transparently by the book-building method, which is expected to facilitate transactions after the ex-rights of our shares. The timing of the New Share Issuance has not been determined.

(2)Schedule of dividends in kind

Schedule	Content
Monday, July 28, 2025	Ordinary General Meeting of Shareholders (planned)
Friday, October 17, 2025	Record date announcement date (Note 1)
Thursday, October 30, 2025	Our ex-rights date
Friday, October 31, 2025	Record date for distribution
Saturday, November 1, 2025	Effective date of dividends in kind
Tuesday, November 4, 2025	Distribution execution date Date on which distributed NE shares can be traded on the TSE (Scheduled date for listing on the TSE)

(NOTES)1. In order to finalize the shareholders who are eligible to receive dividends in kind in the Spin-off, we plan to resolve the establishment of the distribution record date at the Board of Directors meeting scheduled to be held on September 19, 2025, after the proposal for the Spin-off is approved at the Ordinary General Meeting of Shareholders.

(1)Publication date October 17, 2025

(2)Distribution record date October 31, 2025

(3)The public notice will be posted on our website through an electronic public notice.

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

2.The above is a schedule relating to dividends in kind and the planned listing of NE shares to be distributed on the TSE. The schedule for the New Share Issuance has not been decided.

4. Overview of NE, the issuer of shares to be distributed in kind (the company to be spun off) (as of April 30, 2025)

(1)Name

NE Inc.

(2)Address

Shin-Yokohama 3-2-3 EPIC TOWER SHIN YOKOHAMA 16 floor, Kohoku-ku, Yokohama City, Kanagawa

(3)Job title/name of representative

Junya Suzuki, Chairman

Noriyoshi Higo, President and CEO

(4)Business Activities

EC support and SaaS businesses, regional revitalization and municipal support projects, and consulting projects

(5)Common stock

JPY100 million

(6)Date of Establishment

May 2, 2022

(7)Major shareholders and percentage of shares

Hamee Corp., 100%

(8)Number of issued shares

4,000,000 shares

(NOTE) Total number of issued shares as of April 30, 2025. We expect to implement a NE stock split to align the number of NE shares outstanding with our total number of shares outstanding (excluding treasury stock holdings) in order to make the percentage of NE shares delivered in the Spin-off equal to one share of NE common stock for each share of our common stock.

(9)Number of dilutive shares resulting from stock acquisition rights

98,250 shares

(10)Our relations with NE

① Capital relationship

Our wholly owned subsidiary.

② Human relations

There is no personal relationship that should be described.

③ Business relationship

During the immediately preceding fiscal year, we have business relations with NE, such as system-usage fees.

④ Applicable status as a related party

We are a related party as the parent company that directly owns the company. After the Spin-off, the Company will no longer be our subsidiary.

(11)NE's results of operations and financial position for the past three years

Fiscal year-end		FY2023/4	FY2024/4	FY2025/4
Net assets	(Millions of yen)	2,016	2,887	3,517
Total assets	(Millions of yen)	2,896	3,690	4,224
Net assets per share	(Yen)	504.17	721.90	879.43
Net sales	(Millions of yen)	2,536	3,768	3,925
Operating income	(Millions of yen)	991	1,531	1,517
Ordinary income	(Millions of yen)	1,063	1,588	1,524
Net Income	(Millions of yen)	537	1,032	940
Net income per share	(Yen)	134.48	258.23	235.03
Dividend per share	(Yen)	40.5	77.5	70.0

(12)Composition of Directors

Position in the company	Name
Chairman	Junya Suzuki
President and CEO	Noriyoshi Higo
Director	Yuka Koga
Director	Saki Suzuki
Corporate Auditors	Kyo Kitamura
Corporate Auditors	Takayuki Hongyo
Corporate Auditors	Yukio Chiba

(NOTE) This document describes the composition of the board members at the time of creation of this Notice of Convocation.

(13)Listing

We plan to file a preliminary application for listing on the TSE before the implementation of the Spin-off in the future. For additional information, see "3. Other Matters Relating to the Spin-off (1) Listing of NE Shares" above.

(14)Major Shareholders and Percentage of Shares Held after the Spin-off (Our Major Shareholders and Percentage of Shares Held)

Name of Shareholder	Number of shares held (thousands)	Shareholding ratio (%)
AOI Corporation.	5,312	33.30
Atsushi Higuchi	2,533	15.88
The Master Trust Bank of Japan, Ltd.(Trust Account)	1,042	6.54
Kazuyori Kitamura	473	2.97
THE NOMURA TRUST AND BANKING CO., LTD. AS THE TRUSTEE OF REPURCHASE AGREEMENT MOTHER FUND	320	2.01
BBH FOR FIDELITY LOW-PRICED STOCK FUND	278	1.74
STATE STREET BANK AND TRUST COMPANY 505103	240	1.50
NORTHERN TRUST CO. (AVFC) RE NON TREATY CLIENTS ACCOUNT	213	1.34
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)	202	1.27
SBI SECURITIES Co., Ltd.	195	1.22

(NOTES)1. As the dividends in kind from the Spin-off will be paid at a ratio of one NE share for each share of our common stock owned by stockholders of record on October 31, 2025, the record date, the stockholder composition of NE at the time of execution of the distribution will be the same as our stockholder composition as of the record date, as of the effective date of the Spin-off. For this reason, the status of our shareholders as of April 30, 2025 is presented for your reference. However, as described in "3. Other Matters Relating to the Spin-off (1) Listing of NE Shares" above, the New Share Issuance is also expected to be conducted.

2.The number of shares held is rounded down to the nearest thousand.

3.The shareholding ratio is calculated based on the total number of shares outstanding after deducting treasury stock, and is rounded to the nearest third decimal place.

(15) Financial statements of NE Inc. (unaudited)

① Balance Sheet

(Thousands of yen)

Account title	Prior taxable year (April 30, 2024)	Current fiscal year As of April 30, 2025	Account title	Prior taxable year (April 30, 2024)	Current fiscal year As of April 30, 2025
(Assets)			(Liabilities)		
Current assets	3,220,900	3,558,593	Current liabilities	803,351	668,808
Cash and deposits	2,301,143	2,596,507	Accounts payable	2,934	5,233
Accounts receivable	604,169	622,432	Accounts payable- other	285,083	233,759
Commodities	10,716	17,710	Accrued expenses	76,729	95,852
Work in process	191	147	Income taxes payable	346,502	240,986
Supplies	919	804	Consumption tax payable	73,922	77,978
Advances paid	213,593	197,729	Advances received	4,043	3,039
Prepaid expenses	57,285	93,652	Deposits received	7,567	11,945
Others	39,923	35,982	Provision for loss on compensation	6,561	-
Allowance for doubtful accounts	(7,042)	(6,373)	Others	6	13
Fixed assets	470,046	665,806	Long-term liabilities	-	37,886
Property, plant and equipment	39,152	254,430	Asset retirement obligations	-	37,886
Building fixtures	15,149	174,819	Total liabilities	803,351	706,694
Tools, furniture and fixtures	16,143	79,610	(Net Assets)		
Construction in progress	7,860	-	Shareholders' equity	2,887,596	3,517,705
Intangible assets	268,428	203,474	Common stock	100,000	100,000
Software	218,272	203,474	Capital surplus	1,378,763	1,378,763
Goodwill	49,265	-	Legal capital surplus	1,378,763	1,378,763
Others	890	-	Retained earnings	1,408,832	2,038,941
Investments and other assets	162,466	207,901	Other retained earnings	1,408,832	2,038,941
Investment securities	441	-	Retained earnings brought forward	1,408,832	2,038,941
Long-term prepaid expenses	8	17			

Deferred tax assets	156,888	147,388			
Others	5,126	60,495	Total net assets	2,887,596	3,517,705
Total assets	3,690,947	4,224,399	Total liabilities and net assets	3,690,947	4,224,399

② Income Statement

(Thousands of yen)

Account title	Prior taxable year (April 30, 2024)	Current fiscal year As of April 30, 2025
Net sales	3,768,153	3,925,256
Cost of sales	1,075,693	1,124,215
Gross profit	2,692,460	2,801,040
Selling, general and administrative expenses	1,161,368	1,283,477
Operating income	1,531,092	1,517,563
Non-operating income	62,556	7,263
Interest income	18	1,231
Consumption tax difference	55,761	-
Reversal of provision for loss on compensation	-	1,680
Miscellaneous income	5,305	3,962
Others	1,471	388
Non-operating expenses	5,341	196
Foreign exchange losses	4,041	-
Miscellaneous loss	1,300	195
Others	-	0
Ordinary income	1,588,306	1,524,630
Extraordinary income	-	642
Gain on sales of investment securities	-	642
Extraordinary losses	6,573	52,086
Write-down of investment securities	5,070	-
Impairment loss	-	44,752
Loss on retirement of noncurrent assets	1,502	7,333
Income before income taxes	1,581,733	1,473,187
Income taxes	564,808	523,578
Income taxes-deferred	(15,978)	9,500
Total income taxes	548,830	533,078
Net Income	1,032,903	940,109

③ Statement of Changes in Shareholders Equity

Previous fiscal year (from May 1, 2023 to April 30, 2024)

(Thousands of yen)

	Shareholders' equity						Total net assets
	Common stock	Capital surplus		Retained earnings		Shareholders' equity Total	
		Legal capital surplus	Capital surplus Total	Others Retained earnings	Retained earnings Total		
				Retained earnings brought forward Retained earnings			
Opening balance	100,000	1,378,763	1,378,763	537,929	537,929	2,016,692	2,016,692
Change during the year							
Dividend of surplus	-	-	-	(162,000)	(162,000)	(162,000)	(162,000)
Net Income	-	-	-	1,032,903	1,032,903	1,032,903	1,032,903
Items other than shareholders' equity Net change in the year	-	-	-	-	-	-	-
Total changes in current term	-	-	-	870,903	870,903	870,903	870,903
Closing balance	100,000	1,378,763	1,378,763	1,408,832	1,408,832	2,887,596	2,887,596

Current fiscal year (May 1, 2024-April 30, 2025)

(Thousands of yen)

	Shareholders' equity						Total net assets
	Common stock	Capital surplus		Retained earnings		Shareholders' equity Total	
		Legal capital surplus	Capital surplus Total	Others Retained earnings	Retained earnings Total		
				Retained earnings brought forward Retained earnings			
Opening balance	100,000	1,378,763	1,378,763	1,408,832	1,408,832	2,887,596	2,887,596

Change during the year							
Dividend of surplus	-	-	-	(310,000)	(310,000)	(310,000)	(310,000)
Net Income	-	-	-	940,109	940,109	940,109	940,109
Items other than shareholders' equity	-	-	-	-	-	-	-
Net change in the year							
Total changes in current term	-	-	-	630,109	630,109	630,109	630,109
Closing balance	100,000	1,378,763	1,378,763	2,038,941	2,038,941	3,517,705	3,517,705

④ Statements of cash flows

(Thousands of yen)

Account title	Prior taxable year (April 30, 2024)	Current fiscal year As of April 30, 2025
Net cash provided by operating activities	1,016,822	1,025,879
Income before income taxes	1,581,733	1,473,187
Depreciation and amortization	153,693	184,686
Amortization of security deposits	187	4,312
Amortization of goodwill	376	4,512
Loss (Gain) on Sales of Investment Securities. (Δ)	-	(642)
Unrealized gains (losses) on available-for-sale securities. (Gain on Δ)	5,070	-
Loss on retirement of noncurrent assets	1,502	7,333
Impairment loss	-	44,752
Interest income	(18)	(1,231)
Increase (decrease) in allowance for doubtful accounts (Δ: decrease)	814	(668)
Increase (decrease) in provision for indemnification expenses (Δ: decrease)	6,561	(6,561)
Decrease (increase) in notes and accounts receivable-trade (increase in Δ)	(80,559)	(18,263)
Decrease (increase) in inventories (increase in Δ)	(750)	(6,184)
Increase (decrease) in notes and accounts payable-trade (decrease in Δ)	2,934	2,298
Increase (decrease) in accrued consumption taxes (Δ: decrease)	(53,668)	4,055
Increase (decrease) in advances paid (Δ increased)	5,573	15,863
Increase (decrease) in prepaid expenses (Δ increased)	(2,469)	(36,376)
Increase (decrease) in accounts receivable-other (increased by Δ)	(3,593)	2,924
Increase (decrease) in accounts payable-other (decrease in Δ)	64,430	(47,335)
Increase (decrease) in accrued expenses (Δ: decrease)	(6,726)	21,586
Others	(7,488)	5,490
Subtotal	1,667,604	1,653,741
Interest and dividends income received	18	1,231
Income taxes paid	(650,799)	(629,093)
Cash flow from investing activities	(261,925)	(420,515)
Purchase of property, plant and equipment	(42,007)	(229,048)
Purchase of intangible assets	(129,603)	(132,055)
Payments for transfer of business	(85,000)	-
Proceeds from sale of investment securities	-	1,084
Payments for lease deposits	(5,314)	(60,495)
Cash flow from financing activities	(162,000)	(310,000)
Cash dividends paid	(162,000)	(310,000)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	592,897	295,364
Cash and cash equivalents at beginning of term	1,708,245	2,301,143

Cash and cash equivalents at end of term	2,301,143	2,596,507
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End

Business Report

(From May 1, 2024
To April 30, 2025)

1. Current status of our group

(1) Status of Business for the Current Consolidated Fiscal Year

① Business performance and results

In the fiscal year under review, the outlook for the Japanese economy remains uncertain due to factors such as rising wages and interest rates, as well as developments in US policies such as price increases and trade policies, fluctuations in the financial and capital markets, and sudden fluctuations in foreign exchange rates.

In this business environment, our operating results by segment for the fiscal year under review were as follows.

Beginning with the fiscal year under review, the allocation method for certain expenses in the global business has been changed to more appropriately reflect the performance of each reportable segment. Comparison and analysis for the current consolidated fiscal year are based on the new calculation method.

1. Commerce segment

(i) Mobile Life Business

During the fiscal year under review, the Company became increasingly conscious of saving money due to increases in various prices, including energy prices and daily necessities. However, as a result of the Company's continued development of new products and aggressive sales activities, net sales and profits exceeded our initial forecasts. We achieved sales exceeding the results of the previous fiscal year by continuing to develop new products for new iPhone and popular models, mainly for iFace brands. We also launched various IP collaborative products, such as popular characters, and through sales during the holiday season and new lifestyle shopping season. In addition, sales of peripheral accessories such as AirPods cases, shoulder straps, strapholders, and mobile batteries, as well as smartphone cases, were strong, resulting in a 13.2% year-on-year increase in net sales.

(ii)Cosmetics Business

Sales of the cosmetics brand ByUR remained strong throughout the year, and sales exceeded the initial plan for the fiscal year under review. To date, we have won various cosmetic awards, and have received a cumulative total of 200 brands. In addition, we have grown to become a top-selling winner in various EC malls. With our greater presence than ever before, we have decided to introduce these awards to convenience stores that are being rolled out nationwide.

Sales increased 54.3% year on year due to tie-ups with influencers, a change in advertising distribution destinations from Instagram to TikTok, and other measures to increase exposure. At the same time, the Company launched new base makeup and skincare products in spring and autumn.

(iii)Gaming accessories business

In the fiscal year under review, sales and profits have dramatically increased throughout the year. Sales also expanded in the sale of various malls, the holiday shopping season, and new lifestyle demand, driven by monitors with diverse color variations centered on white-model color monitors and peripheral equipment such as related monitor arms. At the same time as the announcement of major game titles, replacement demand for gaming monitors was stimulated, and we were able to greatly exceed the plan. In addition to EC sales, we are gradually expanding the use of this system in electronics retailers and PC specialty stores. As a result, net sales increased 232.3% year on year.

(iv)Global Business

In the U.S., South Korea and China markets, sales to non-group companies were significantly higher than the previous fiscal year, resulting in higher sales (+16.7% year on year) than planned. This was mainly due to a substantial increase in the number of contract stores in the U.S. market and favorable sales. In addition, sales of squeezes, which engage in collaboration with popular characters, were aggressively carried out, and as a result of the impact of foreign exchange rates, consolidated adjusted net sales increased 17.2% year on year.

As a result, net sales in the Commerce segment for the fiscal year under review were JPY18,986,834 thousand, an increase of 37.0% year on year, and operating income was JPY2,158,167 thousand, an increase of 58.0%.

2. Platform segment

(i)Next Engine Business

ARPU of mainstay functions (Note), a key indicator of Next Engine's sales mix, remained strong throughout the fiscal year at more than 100% of the plan. This was due to signs of a return to EC market. This was due to a shift in consumer behavior among households that was recognized as a result of the impact of soaring commodity prices, including food and daily necessities, against the backdrop of geopolitical risks and rising energy prices accompanying the depreciation of the yen.

As for the acquisition of contracted companies, the number of contracted companies was 6,570 (up 314 from the end of the previous fiscal year) as a result of generally achieving the planned level, despite the need to seek effective promotional measures due to the spread of the transaction value in EC sales to small-scale businesses following the revision of service prices implemented in the previous fiscal year.

The average annual ARPU for the fiscal year under review was JPY38,363, which is almost unchanged from the average annual ARPU JPY38,693 for the previous fiscal year. However, this was due to the impact of incentive-based sales associated with the business collaboration with Mercari, which occurred in the third quarter of the previous fiscal year. Excluding this impact, the average annual ARPU for the previous fiscal year was JPY36,042. As a result, the Company effectively achieved a JPY2,321 ARPU improvement.

(NOTE) ARPU(Average Revenue Per User) means an indicator of average sales per user.

(ii)Consulting business

In response to the management issue of securing the resources of consultants, we focused on initiatives that emphasize profitability, such as profitability management for each project, improving the utilization rate of consultants, and reviewing costs. As a result, we were able to achieve improved profitability significantly exceeding the initial plan. Against the backdrop of improved profitability, we have completed the development of a foundation that aims to expand sales while keeping fixed costs down by utilizing external resources. Accordingly, from the fiscal year ending April 2026, we will return to a growth trajectory and expand sales.

(iii)Localco business

Although the second quarter of the current fiscal year was sluggish compared with the same period of the previous fiscal year due to a reaction to the special demand caused by the change in the Furusato taxation system that occurred in September last year, the third quarter of the current fiscal year, which was the peak period, was higher than the same period of the previous fiscal year, and the results of various measures to improve the amount of donations by the contract municipalities were observed.

In addition, in EC and sales of traditional craft products business, which we acquired in April last year through a business acquisition, we sought to develop suppliers within the contracted local governments for furusato tax payment support services, despite the problem of a supplier (a craft worker) to provide a stable supply of inventories. We also worked to expand sales through steady activities such as developing original products.

As a result, the Platform segment recorded sales of JPY3,925,256 thousand (up 4.2% year on year) and operating income of JPY2,083,266 thousand (up 8.2%).

As a result of the above, for the fiscal year under review, net sales were JPY22,895,350 thousand (up 30.0% year on year), operating income was JPY2,354,124 thousand (up 22.8%), ordinary income was JPY2,352,935 thousand (up 16.5%), and net income attributable to owners of parent was JPY1,278,023 thousand (up 13.9%).

Net Sales by Industry Segment

Business Segment	26th (Fiscal year ended April 2024) (Previous consolidated fiscal year)		27th (Fiscal year ended April 2025) (Current consolidated fiscal year)		Change from the previous consolidated fiscal year	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Rate of change
Commerce	Thous 13,855,855ands of yen	78.7%	Thous 18,986,834ands of yen	82.9%	Thous 5,130,979ands of yen	37.0%
Platform	3,768,153	21.4	3,925,256	17.1	157,102	4.2
Intersegment sales	(11,940)	(0.1)	(16,739)	(0.1)	(4,799)	40.2
Total	17,612,068	100.0	22,895,350	100.0	5,283,282	30.0

② Capital investment

The total amount of major capital expenditures, including the acquisition of goodwill and intangible assets of our group during the fiscal year under review, was JPY811,122 thousand. As a breakdown: acquisition of intangible fixed assets totaling JPY180,875 thousand, including development to strengthen the functions of Next Engine, and acquisition of property, plant and equipment totaling JPY602,461 thousand, including the purchase of dies for the Mobile Life business of a subsidiary in South Korea. Since our group does not allocate assets by business segment, the presentation by business segment is omitted.

③ Financing Activities

During the fiscal year under review, the Company raised JPY3,850 million through loans from syndicated loans and other financial institutions as operating funds and working capital.

④ Status of transfer of business, absorption-type demerger or incorporation-type demerger

Not applicable.

⑤ Status of acquisition of business of other companies

There are no special notes.

⑥ Status of succession of rights and obligations in connection with the business of another juridical person, etc. as a result of an absorption-type merger or absorption-type demerger

Not applicable.

⑦ Status of acquisition or disposition of shares or other equity interests or Share Options, etc. of other companies

During the fiscal year under review, the Company acquired 18.75% of shares of Pixio USA Inc., making Pixio USA Inc. an equity-method affiliate.

(2) Financial position and results of operations

① Status of our Group's assets and profits and losses

Category	24th (Fiscal year ended April 2022)	25th (Fiscal year ended April 2023)	26th (Fiscal year ended April 2024)	27th (Current consolidated fiscal year) (Fiscal year ended April 2025)
Net sales (thousand yen)	13,413,481	14,038,437	17,612,068	22,895,350
Ordinary income (thousand yen)	2,329,611	1,399,637	2,018,905	2,352,935
Attributable to owners of parent Net income for the year (thousand yen)	1,743,821	945,375	1,121,626	1,278,023
Net income per share (Yen)	109.72	59.44	70.45	80.15
Total assets (thousand yen)	10,518,193	12,320,486	14,512,472	16,972,590
Net assets (thousand yen)	8,252,916	8,960,501	10,157,139	10,570,122
Net assets per share (Yen)	513.06	556.97	631.69	657.39

② Our assets and profit and loss position

Category	24th (Fiscal year ended April 2022)	25th (Fiscal year ended April 2023)	26th (Fiscal year ended April 2024)	27th (Current fiscal year) (Fiscal year ended April 2025)
Net sales (thousand yen)	11,451,711	9,005,609	10,992,707	15,637,007
Ordinary income (thousand yen)	1,667,633	34,478	338,387	884,183
Net income (loss) Net loss (thousand yen)	1,208,590	(8,777)	284,085	444,935
Net income per share Net loss per share (Yen)	76.04	(0.55)	17.84	27.90
Total assets (thousand yen)	7,459,090	5,597,924	6,592,600	8,690,397
Net assets (thousand yen)	5,416,948	3,583,887	3,580,848	3,620,172
Net assets per share (Yen)	334.69	219.16	218.89	221.70

(3) Status of significant parent company and subsidiaries

① Status of the parent company

Not applicable.

② Status of significant subsidiaries

Company name	Common stock	Rate of our voting right	Major Business
Hamee Global Inc.	600,000,000 Korean won	100.0%	Product planning, manufacturing, purchasing and sales of mobile accessories
Hamee US, Corp.	900,000 US dollars	100.0% (100.0%)	Sales of mobile accessories and general merchandise
Hamee Shanghai Tech & Trading Co., Ltd.	6,000,000 CNY	100.0% (100.0%)	Sales of mobile accessories and general merchandise
NE Inc.	100,000,000 Yen	100.0%	EC support and SaaS business

(NOTE) Percentage of voting rights in parentheses is the percentage of indirect ownership.

(4) Challenges to be Addressed

We are aware of the following issues as each segment aims for further business expansion and growth in future business development. Our group will respond quickly to these issues.

① Company-wide issues

1. Promotion of decarbonisation

From the viewpoint of promoting ESG, we have newly established the Carbon-free Promotion Project in order to take concrete actions. We will change Mission/Strategy to " Gen Z Culture SPA & Decarbonization " and further focus on environmental issues in addition to business expansion. We have set a goal of reducing CO₂ emissions by approximately half by 2030, and we will review supply chain emissions at all our business divisions and divisions and focus on this as a company-wide effort. As measures, we are considering packaging some products for paper, changing to specifications that can be sorted, and strengthening reuse services to reduce waste. We will work to expand specific action plans.

(b) Promotion of ESG

In the land of Odawara, where our group headquarters is located, the idea of the "Hotoku philosophy" born by Son Ninomiya, a thought family of the Edo era, is rooted. Based on this teaching, we are aware of our status as a public entity of society. In addition to striving to evolve and grow our business activities, we have identified materiality related to ESG in order to tackle comprehensive solutions to issues related to the environment, society, and the economy. We have published on our website our targets and action plans for achieving materiality through our business activities. To give specific examples, we are developing Parallel Plastics, a sustainable project that fulfills SDGs's goal 12, "Responsibility for manufacturing" and developing a recycling service that produces new products from defective plastic products and surplus inventory. The expansion of the next engine will provide consumers with a variety of EC consumption opportunities. This will also lead to "job satisfaction and economic growth" and "Building a foundation for industry and technological innovation," which will provide businesses involved in EC with a time-consuming experience.

3. To create an environment that makes it easier for talented employees to work

We recognize that human resources, which are the source of funds for continuous growth, are the most important management resource for our group. In order to maintain and continuously develop and strengthen the Group's product development capabilities and other business execution capabilities, it is necessary to continuously hire talented employees and provide them with growth opportunities. It is important for our group to continuously recruit creative human resources such as designers and development engineers, and to respond to the needs of users by improving the quality of our products and the speed of development. In 2020, we established a personnel system that allows full telework and introduced various tools for telework. In 2021, we created an environment that makes it easier to work, such as converting to an office that is best suited to both previous office work and telework. In view of the renewed recognition of the importance of communication in the real world after the transition to the five-type new coronavirus infectious diseases, our group will continue to maintain a working style that allows employees to freely choose between telework and going to the company, and respond to the diversity of working styles that combine real and digital.

4. Enhancing Corporate Governance

In order to establish a governance system and expedite decision-making by delegating authority, we transitioned to a company with an Audit and Supervisory Committee in July 2022 and established the Nominating and Compensation Committee in October 2022. To further enhance corporate governance, we aim to increase the ratio of outside directors and build a more advanced governance system at the Board of Directors. Going forward, we will continue to work to maintain and improve transparency and objectivity in corporate governance.

5. Maintain and improve compliance system

In recent years, corporate activities have required a high level of ethics, and we believe that compliance-related problems will have a significant impact on our business foundation. Our Group has strengthened our system to ensure thorough compliance by establishing a compliance manual, appointing a director in charge of compliance, and establishing a legal department. We intend to continue to maintain and improve our compliance system through in-house education to improve the reliability of our customers.

② Commerce segment

1. Dependence on specific categories (smartphone accessories)

In the Commerce segment, more than 80% of sales are from the Japanese domestic market, and the majority of these are from the smartphone accessories category. Taking into account the penetration rate of smartphones and the outlook for the domestic population in the future, we recognize that accelerating global expansion and category expansion and the creation of new businesses are essential management issues in order to further stabilize our business base. To address this issue, we are actively expanding categories and creating new businesses, while continuing to accelerate our global expansion efforts, leveraging our strengths in areas such as EC management knowledge, wholesale sales through in-house planning, development, and manufacturing to maintain a balanced balance between two sales channels of EC and retail, and our highly recognized iFace brands. Specifically, as a base business for the mobile life business, centered on smartphone accessories, the Company actively invested in the cosmetics business, centered on the cosmetics brand ByUR (buyer), the gaming accessories business, centered on the gaming monitor brand Pixio, and the global business, which handles products that are popular overseas, such as Otamatone and Squeeze. As a result of these efforts, sales growth was recognized in each business in the fiscal year under review, and we aim to achieve further growth.

2. Maintain and improve brand power

The smartphone accessory market to which this segment belongs is expected to continue to change and competition is expected to intensify. In this environment, we will further strengthen our branding in order to increase

the value of our core brands, core competencies, and iFace, which is the cornerstone of our category extensions, including cosmetics, so that we can continue to be the brand of choice for our customers. We aim to achieve further growth by making maximum use of our unique strengths, which we have built up over a decade of history as a smartphone accessory brand.

3. Improving profitability

Over the past few years, consumer spending shifted from manufacturing to food service, travel, and participation in other events. Consumer spending also declined due to rising raw material and energy prices, which had a significant impact on the external environment. demands in the Mobile Life Business were covered by sales in new focus areas, such as the Gaming Accessories, Cosmetics, and Global Businesses. This resulted in a reduction in business risk as a result of the formation of a business portfolio. However, these three businesses continue to be areas in which we are continuing to invest, and we are aware of the challenges in profitability. We will continue to take measures to reduce costs by reducing procurement prices and expanding sales territories for Otamatone, for which we acquired the overseas manufacturing and sales business in January 2023, and by increasing in-house production and strengthening relationships with manufacturers. Through these measures, we will strive to realize a contribution to incomes as soon as possible.

③ Platform segment

1. Ongoing Initiatives to Expand Next Engine Contracts

Next Engine is a service that is primarily supported by mid-sized businesses (EC transaction value), and is used by more than 6,500 clients. We will continue to promote the following initiatives and aim to increase the total number of clients by growing EC business by customers.

- Promotional activities to strengthen free inbound tourists
- The outsourcing of call center operations to maintain customer satisfaction,
Reduce churn rate by enhancing in-house support system
- Smooth data-linkage and shorter working hours for EC operators
- Further expand the scope of linkage with other companies' services by developing a wealth of API

2. Building a solid customer base that is unaffected by market conditions

As in the previous fiscal year, the following changes in the business environment continued.

(a) Structural changes in EC marketplace

Although the number of businesses entering EC industry increased due to the corona scandal, the intensification of competition due to the increase in players has widened the gap between EC operators with brand power and financial capacity and those who do not, and the polarization of the industry is advancing.

(b) Stagnation of consumption behavior against the backdrop of heightened geopolitical risk

Consumer behavior has been transformed by the influence of various factors, such as the digital shift of consumer behavior that has progressed in the Corona calamity, and the shift from consumption of goods to consumption of goods (travel, events, etc.) after the end of the self-restraint period. In the recent past, consumer purchasing power in EC marketplace has declined due to soaring energy prices and prices caused by heightened geopolitical risks.

(c) Shifting urgent management issues for EC operators

Against the backdrop of the above, the management priorities of EC businesses have shifted from streamlining back-office operations to maximizing sales and securing incomes. A certain number of operators have chosen a light mechanism that specializes in certain cost-oriented functions, rather than introducing various operational efficiency improvement services with enhanced functions.

In light of these conditions, in order for Next Engine to further accelerate growth, we will not only leverage our strengths in EC operators that were previously mid-size-sized or larger, but also expand and enhance services that support growth along with all commerce operators, including micro businesses. By doing so, we aim to strengthen our client base and further expand the total number of contracted companies.

3. Realization of a virtuous cycle business structure

In addition, to address the issue of expanding sales, which is of interest to micro businesses that approach the establishment of a solid customer base mentioned above, we will provide EC consulting and other services that utilize data owned by Next Engine to businesses that have similar issues, and further pursue synergies with the Consulting Business, which provides initial-setting agency services for Next Engine. We will build an integrated service system for both front-end and administration, and aim to realize a "virtuous cycle of business structure" in order to grow into a platform that can drive customer growth over the long term.

I would like to ask for the continued support of our shareholders.

(5)Major Businesses (As of April 30, 2025)

Our group consists of nine companies, consisting of us, five consolidated subsidiaries, one unconsolidated subsidiary, and two affiliated companies. In EC market, which continues to grow worldwide, we have evolved and growth in response to market changes. Purpose/Passion aims to spark our creative soul, maximize the value of our customers' experiences through our products and services, and create a flame of creativity.

The main businesses are the Commerce Segment, which plans, develops, and manufactures products for smartphone cases, chargers for portable equipment, mobile accessories such as earphones, cosmetics, and gaming monitors, and wholesales those products to Internet-based sales and major general merchandise stores, and the Platform Segment, which develops and provides cloud-based (SaaS) business management platforms for EC businesses. The contents of each are as follows.

① Commerce segment

In this segment, the main business is the Mobile Life Business, which handles smartphone accessories centered on iFace brands, which have a strong awareness among young people. One of the characteristics of the Company is that it has a well-balanced sales channel for a wide range of customers, including the younger generation, in EC it has more points of contact with customers by developing multiple stores, and also has points of contact in brick-and-mortar sales areas, such as general merchandise stores, electronics stores, and carrier shops. Another major advantage is that our Group has built a supply chain from planning and development to manufacturing and sales. In addition, we leverage these strengths, including EC management knowledge, to extend our product categories. Our core businesses are the gaming accessories business, which handles gaming monitor brand Pixio, the cosmetics business, which is developed under ByUR (buyer) brand, and the global business, which is centered on the U.S.

② Platform segment

In this segment, the Company develops and provides Next Engine, a cloud-based (SaaS) EC Attractions for EC operators that engage in mail-order sales through its own sites and EC shopping malls. The Company automates the day-to-day operations related to the operation of online shops as much as possible and at the same time enables the Company to centrally manage the order processing and inventory status of multiple stores across malls.

(6)Major Sales Offices (As of April 30, 2025)

① The Company

Head Office	Odawara, Kanagawa
Sales Offices	Tokyo Sales Office (Shibuya-ku, Tokyo) Cosme Plant (Shinjuku-ku, Tokyo) Osaka Sales Office (Kita-ku, Osaka)

② Major subsidiaries

Hamee Global Inc.	Head Office (Seoul, Korea)
Hamee US, Corp.	Headquarters (California, U.S.A.)
Hamee Shanghai Tech & Trading Co., Ltd.	Head Office (Shanghai, China)
NE Inc.	Head Office (Yokohama, Kanagawa)

(7)Status of Employees (As of April 30, 2025)

① Status of our group's employees

Business Segment	Number of employees	Change from the end of the previous fiscal year
Commerce	261 (11) people	Increase by 19 (down 3)
Platform	141 (10)	Increase by 2 (down 1)
Company-wide (common)	87 (8)	Increase by 5 (Up 1)
Total	489 (29)	26 increased (down 3)

(NOTES)1. The number of employees is the number of employed persons. The number of temporary employees (including part-time employees and excluding temporary employees) is the annual average number of employees outside of parentheses.

2.The number of employees listed as "Corporate (common)" is the number of employees in administrative divisions that cannot be classified into specific businesses.

② Employees of the Company

Number of employees	Change from the end of the previous fiscal year	Average age	Average length of service
161(15)	Increase by 11 (Decrease by 5)	36.9 ^{Years} old	7.2Year

(NOTE)The number of employees is the number of employed persons (including employees seconded from outside the company, except for employees seconded from us to outside the company). The annual average number of part-time and contract employees is shown in

parentheses.

(8)Status of major borrowers (as of April 30, 2025)

Borrower	Amount borrowed
Mizuho Bank, Ltd.	1,439,252Thousands of yen
The Bank of Mitsubishi UFJ, Ltd.	935,514
Sumitomo Mitsui Banking Corporation	791,588
The Bank of Yokohama, Ltd.	575,700
Resona Bank, Limited	107,943

(9)Other important matters related to the current status of our group

Not applicable.

2.Current status of the company

(1)Investor information (as of April 30, 2025)

- ① Total Number of Authorized Shares 48,000,000Shares
- ② Total number of shares issued 16,296,400Shares
- ③ Number of Shareholders 10,000Name
- ④ Major Shareholders

Name of Shareholder	Number of shares held	Percentage of shares held
AOI Corporation.	5,312,000Shares	33.30%
Atsushi Higuchi	2,533,400	15.88
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,042,700	6.54
Kazuyori Kitamura	473,700	2.97
THE NOMURA TRUST AND BANKING CO. ,LTD. AS THE TRUSTEE OF REPURCHASE AGREEMENT MOTHER FUND	320,000	2.01
BBH FOR FIDELITY LOW-PRICED STOCK FUND	278,053	1.74
STATE STREET BANK AND TRUST COMPANY 505103	240,000	1.50
NORTHERN TRUST CO. (AVFC) RE NON TREATY CLIENTS ACCOUNT	213,342	1.34
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)	202,808	1.27
SBI SECURITIES Co., Ltd.	195,137	1.22

(NOTE) Although not included in the above, the Company holds 344,675 shares of treasury stock. The shareholding ratio is calculated after deducting treasury stock.

⑤ Status of shares issued to company officers as compensation for execution of duties during the current fiscal year

We grant restricted stock to directors, executive officers and general managers of business divisions, excluding outside directors, as compensation for the execution of their duties. Please refer to "(3) Status of Company Officers, ④ Compensation, etc. of Directors, and (b) Matters concerning the policy for determining the details of individual remuneration, etc. of Directors" for the policy.

	Number of shares	Number of recipients
Directors (excluding Audit and Supervisory Committee)	4,600Shares	1

members and outside directors)		
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(NOTE) The Company disposes of treasury stock and grants such stock-based compensation.

(2) Stock options

- ① Status of stock acquisition rights granted as compensation for the execution of duties held by our officers at the end of the current fiscal year

		5th stock acquisition rights						
Date of resolution of issuance		July 28, 2016						
Number of stock acquisition rights		126,000Individual						
Become the object of the stock acquisition rights Class and number of shares		Common stock		252,000Shares (2 shares per stock acquisition right)				
Amount to be paid for stock acquisition right		No payment is required in exchange for the stock acquisition rights						
Upon the exercise of Stock Acquisition Rights Value of the property to be invested		Per share subscription rights		JPY2,300 (JPY1,150 per share)				
The exercise period		2018	Year	7	Month	29	From the day	
		2026	Year	7	Month	27	Until the day	
Conditions for exercising		(NOTE)1.						
Officers Status of ownership	Director (excluding Audit and Supervisory Committee members and outside directors)	Number of stock acquisition rights		8,000Individual				
		Number of shares for the purpose		16,000Shares				
		Qualified employees		1				

(NOTES)1. The terms and conditions for the exercise of stock acquisition rights are as follows:

1. A person who receives an allotment of the rights to subscribe for new shares (hereinafter referred to as "the holder of the rights to subscribe for new shares") may exercise the rights only when he/she holds any of the positions of directors, auditors and employees of the Company or the Group Company of the Company (as defined by the Working Regulations or equivalent provisions of the Group Company to which the Company or the Group Company to which the Company belongs) at the time of the exercise of the rights. Provided, however, that this shall not apply in cases where the board of directors finds that there are justifiable grounds.
 2. In cases where a holder of Share Options dies, the Share Options may be exercised only in cases where the heir is the spouse or child of the holder of Share Options.
 3. Holders of Share Options may not exercise Share Options in violation of the Share Option Allotment Agreement concluded between the Company and holders of Share Options with respect to the Share Options that they intend to exercise.
2. By resolution of the Board of Directors meeting held on September 9, 2016, we conducted a 2-for-1 stock split of common stock on November 1, 2016. As a result, the "number of shares for stock acquisition rights," "value of assets to be contributed upon exercise of stock acquisition rights," and "number of shares for purpose" in "directors' holding status" have been adjusted.

- ② Status of stock acquisition rights granted to employees, etc. as compensation for execution of duties during the current fiscal year
- Not applicable.

(3) Status of corporate officers

① Status of Directors (As of April 30, 2025)

Position in the company	Name	Responsibility and important concurrent positions
Chairman and CEO	Atsushi Higuchi	Executive Officers
President and Representative Director	Ikuhiro Mizushima	Executive Officers Hamee Global Inc. Director
Director Audit and Supervisory Committee Member	Toru Nishiwaki	External Director, UNITED ARROWS LTD. (Full-time Audit and Supervisory Committee Member)
Director Audit and Supervisory Committee Member	Saikoi Kumaou	Partner, Shimamura Law Accounting Firm Outside Director (Audit and Supervisory Committee Member) of Sailor Fountain Pen Co., Ltd. Outside Director (Audit and Supervisory Committee Member) of COROWIDE Co., Ltd. Outside Director, Meiko Network Japan Co., Ltd. (Audit and Supervisory Committee Member)
Director Audit and Supervisory Committee Member	Jiro Yoshino	Representative Director, Moonshot Project Co., Ltd. Representative Director, Drone Pilot Association

(NOTES) 1. Representative director (Audit and Supervisory Committee member) Toru Nishiwaki, Saikoi Kumaou and Jiro Yoshino are outside directors.

2. Since the Audit and Supervisory Committee is the primary body under the Company with Audit and Supervisory Committee and conducts organizational audits through the internal control system, it does not necessarily require the selection of full-time employees. Therefore, full-time Audit and Supervisory Committee members are not selected.

3. Member of the Audit and Supervisory Committee Toru Nishiwaki qualifies as a certified public accountant and has considerable knowledge of finance and accounting.

4. We have designated Mr. Toru Nishiwaki, Saikoi Kumaou and Jiro Yoshino, representative directors, as independent directors under the provisions of the Tokyo Stock Exchange, Inc., and notified this exchange.

At the conclusion of the 26th Ordinary General Meeting of Shareholders held on July 25, 5.2024, Mr. Junya Suzuki resigned as a director due to the expiration of his term of office.

6. On February 10, 2025, Tomohiro Somehara retired as a director due to his death.

At the extraordinary general meeting of shareholders held on April 25, 7.2025, Toru Nishiwaki was elected as a director and appointed as a director.

8. We have introduced an executive officer system. Executive officers as of April 30, 2025 were as follows:

Position	Name	In charge of
Executive Officers	Atsushi Higuchi	Cosmetics Division IP Project Officer In charge of Gaming Accessories Division In charge of Design Department
Executive Officers	Ikuhiro Mizushima	Cosmetics Division IP Project Officer In charge of Gaming Accessories Division In charge of Design Department Logistics & CS Department In charge of Accounting and Finance Dept. In charge of Corporate Planning Department In charge of Audit Office
Executive Officers	Naoki Morohoshi	In charge of Mobile Life Division and Global Business Promotion Division IP Project Leader
Executive Officers	Kazuki Sawano	In charge of DX Promotion Department
Executive Officers	Yoshio Toyota	General Affairs & Legal Department Manager, Human Resources & Public Relations Department
Executive Officers	Ryo Takagi	In charge of New Business Development Dept. Manager of the President's Office

② Outline of the contents of the contract for limitation of liability

Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, each of our outside directors and auditors has concluded an agreement limiting the liability for damages set forth in Article 423, Paragraph 1 of the same Act.

The maximum amount of liability for damages under these agreements is determined by law.

③ Outline of the contents of the officer's liability insurance contract

We have entered into liability insurance policies for directors, statutory auditors, executive officers, and officers with managerial employees who are insured by us and our subsidiaries' directors (including directors serving on the Audit and Supervisory Committee). The insurance premiums, including the rider portion, are fully borne by the Company. The insurance contract stipulates that damages incurred as a result of a claim for damages made during the period of insurance due to the execution of operation as an officer shall be covered within the total payment limit (maximum amount of insurance benefits) during the period of insurance. Provided, however, that the Company shall not be compensated for any damages arising from an act committed in violation of laws and regulations, and there are certain exclusions.

④ Remuneration for Directors

1. Total remuneration for the current fiscal year

Category	Total amount of remuneration	Amount of Compensation by Type		Number of subject officers
		Basic remuneration	Restricted stock	
Directors (excluding Audit and Supervisory Committee members) (Outside Directors)	57,643Thousands of yen (-)	52,650Thousands of yen (-)	4,993Thousands of yen (-)	2 (-)
Directors (Audit and Supervisory Committee members) (Outside Directors)	15,800 (15,800)	15,800 (15,800)	- (-)	4 (4)

(NOTES)1. Restricted stock represents the amount of restricted stock expensed in the current fiscal year.

2.The number of directors (excluding Audit and Supervisory Committee members) paid does not include one non-compensated director.

3.The number of directors (Audit and Supervisory Committee members) to be paid includes one director who retired due to his death on February 10, 2025.

2. Matters concerning the decision policy pertaining to the contents of remuneration, etc. for each individual director

We have established a policy for determining individual remuneration for directors at the Board of Directors meeting.

The following is an overview of the policy.

(i)Basic Policy

Our basic policy is that remuneration for directors is linked to shareholder profits so that they function sufficiently as an incentive to improve corporate value. When determining remuneration for individual directors, the basic policy is to ensure that the remuneration is at an appropriate level based on the responsibilities of each position after receiving reports from the Nomination and Compensation Committee, which has a majority of independent outside directors. Specifically, remuneration for executive directors consists of base remuneration as fixed remuneration and share remuneration, and for outside directors who are responsible for supervisory functions, only base remuneration is paid in light of their duties.

(ii)Policy on determining the amount of remuneration, etc. for individual basic remuneration (monetary remuneration)

(including policy on determining the time or conditions for giving remuneration, etc.)

The basic remuneration for our directors is fixed monthly and is determined based on a comprehensive consideration of the Company's business performance and economic conditions, each person's position, background, and performance.

(iii) Reasons for the Board of Directors' judgment that the contents of individual remuneration, etc. are in line with the said policy

The Nomination and Compensation Committee confirms the consistency of the contents of individual remuneration and the policy for determining remuneration, etc. for directors and reports to them. Therefore, the Board of Directors basically respects the report and believes that the details of individual remuneration, etc. for directors are in line with the policy for determining remuneration, etc.

(iv) Policy on determining the content and amount or number of performance-linked remuneration, etc. and non-monetary remuneration, etc.

Non-monetary remuneration, etc. shall be restricted stock and shall be paid with the aim of providing an incentive for the sustainable improvement of our corporate value by further strengthening the linkage between the remuneration of our directors (excluding directors serving as Audit and Supervisory Committee members and outside directors; hereinafter referred to as "target directors") and shareholder value, as well as promoting further value sharing between target directors and shareholders. The conditions and timing of the payment are determined by comprehensively taking into account the progress of the medium-term management plan and our share price trends.

(v) Policy on determining the amount of monetary remuneration, the amount of performance-linked remuneration, etc. or the amount of non-monetary remuneration, etc. as a percentage of the amount of individual remuneration, etc. for directors (excluding directors who are Audit and Supervisory Committee members)

With regard to the policy for determining the percentage of monetary remuneration and non-monetary remuneration, the Company's policy is to provide an appropriate percentage of remuneration in order to share the interests of eligible directors and shareholders and contribute to the sustained improvement of corporate value.

(vi) Matters concerning decisions on the contents of remuneration, etc. for each individual director

The amount of remuneration for individual directors (excluding directors who are Audit and Supervisory Committee members) is determined by Ikuhiro Mizushima, President and Representative Director, who is authorized by the Board of Directors meetings attended by several independent outside directors, comprehensively considering the Company's business performance and economic conditions, each person's position, background, and performance. In making decisions, the Company consults with the Nomination and Compensation Committee on the compensation proposal formulated by the representative director. The Nomination and Compensation

Committee examines the appropriateness of the proposal in consideration of the Company's performance and economic conditions, and receives a report from the Nomination and Compensation Committee. The reason for delegating the content of remuneration, etc. to the Representative Director was that we determined that the Representative Director was appropriate for evaluating each director while taking into account the overall performance, etc. Remuneration for directors serving on the Audit and Supervisory Committee shall be determined after consultation with the Audit and Supervisory Committee.

3. Resolutions at Shareholders Meetings Regarding Remunerations for Directors

At the 24th Ordinary General Meeting of Shareholders held on July 28, 2022, the maximum amount of remuneration for directors (excluding directors who are members of the Audit and Supervisory Committee) was approved as an annual amount of no more than JPY120 million (excluding employees' salaries). At the end of the General Meeting of Shareholders, the number of Directors was four.

In addition, at the 24th Ordinary General Meeting of Shareholders held on July 28, 2022, as a monetary compensation receivable for the acquisition of restricted stock under the Plan, eligible directors are approved to be paid monetary compensation receivables of up to JPY30 million per year, the total number of shares of common stock to be issued or disposed of by the eligible directors is limited to 25,000 shares per year, and the period of restricted stock to be fixed by our Board of Directors is 3 to 5 years. The number of directors at the end of the General Meeting of Shareholders was one.

In addition, the maximum amount of remuneration for Audit and Supervisory Committee members was approved at the 24th Ordinary General Meeting of Shareholders held on July 28, 2022, to be no more than JPY25 million per year. The number of Audit and Supervisory Committee members at the close of the General Meeting of Shareholders was three.

⑤ Information on Outside Officers

1. Status of important concurrent positions held by other corporations, etc. and the relationship between us and such other corporations, etc.

- Toru Nishiwaki, Outside Director (Audit and Supervisory Committee Member) is an Outside Director (Full-time Audit and Supervisory Committee Member) of UNITED ARROWS LTD. There is no special relationship between us and concurrent positions.
- Tomohiro Somehara, who retired the external director (audit committee) on February 10, 2025, was the representative of the Zehara Office of Certified Council Office, the auditors of Reiwa Travel Co., Ltd., HashPort Corporation, Posiwill Co., Ltd., and Trinity Technology Co., Ltd., and the external director (audit committee) of Iridge Co., Ltd. There is no special relationship between us and concurrent positions.
- Saiko Kumaou, an outside director (Audit and Supervisory Committee Member), is an outside director (Audit and Supervisory Committee Member) of the Shimamura Legal Accounting Firm, Sailor Mannan Pen Co., Ltd., Colo-Wide Co., Ltd. and Meiko Network Japan Co., Ltd. There is no special relationship between us and concurrent positions.
- Jiro Yoshino, Outside Director (Audit and Supervisory Committee Member), is Representative Director of Moon Shot Project Co., Ltd. and Representative Director of the Drone Pilots Association. There is no special relationship between us and concurrent positions.

2. Major activities during the year

	Summary of duties performed with respect to attendance, statements, and expected roles of outside directors
Toru Nishiwaki Representative director (Audit and Supervisory Committee Member)	After being appointed in April 2025, I attended one meeting of the Board of Directors. Based on his professional perspective as a certified public accountant and his abundant experience and insight as a corporate manager, he plays an appropriate role in ensuring the appropriateness and appropriateness of decision-making, including making necessary comments as appropriate. In addition, he attended one Audit and Supervisory Committee meeting held since his appointment in April 2025, exchanging opinions on the results of audits, and making comments as necessary from a professional perspective. In addition, as a member of the Nomination and Compensation Committee, the Company assumes the supervisory function in the process of determining executive compensation from an objective and neutral standpoint.
Director (Audit and Supervisory Committee Member) Tomohiro Somehara	All eleven meetings of the Board of Directors were attended by the death of the Company on February 10, 2025. Based on his professional perspective as a certified public accountant and his abundant experience and insight as a corporate manager, he played an appropriate role in ensuring the appropriateness and appropriateness of decision-making, including making necessary comments as appropriate. In addition, he attended all 11 meetings of the Audit and Supervisory Committee held by the time he passed on February 10, 2025, and offered necessary comments from a professional perspective, including the exchange of opinions on the audit results. In addition, as a member of the Nomination and Compensation Committee, I was responsible for oversight functions in the process of determining executive compensation, etc., from an objective and neutral standpoint.
Director (Audit and Supervisory Committee Member) Saiko Kumaou	We attended all 16 meetings of the Board of Directors held during the fiscal year under review. From a professional perspective as an attorney, the Company plays an appropriate role in ensuring the appropriateness and appropriateness of decision-making, mainly by making statements necessary for deliberations on legal affairs and compliance agendas. The Audit and Supervisory Committee also attended all 15 meetings of the Audit and Supervisory Committee held during the fiscal year under review, exchanging opinions on the results of audits and making comments as necessary from a professional perspective. In addition, as a member of the Nomination and Compensation Committee, the Company assumes the supervisory function in the process of determining executive compensation from an objective and neutral standpoint.
Jiro Yoshino Representative director (Audit and Supervisory Committee Member)	We attended all 16 meetings of the Board of Directors held during the fiscal year under review. We play the expected role by making statements to ensure the appropriateness of decisions made by the Board of Directors, taking advantage of the wide-ranging knowledge gained from working as a major advertising agency, as well as our advisory experience and expertise in a wide variety of business models in various aspects of our management from an independent standpoint. The Audit and Supervisory Committee also attended all 15 meetings of the Audit and Supervisory Committee held during the fiscal year under review, exchanging opinions on the results of audits and making comments as necessary from a professional perspective. In addition, as a member of the Nomination and Compensation Committee, the Company assumes the supervisory function in the process of determining executive compensation from an objective and neutral standpoint.

(4)Status of Accounting Auditors

① Name

Ernst & Young ShinNihon LLC

② Amount of Remuneration, etc.

	Amount of remuneration
Amount of remuneration, etc. of the accounting auditor for the current fiscal year	42,619Thousands of yen
Total amount of money and other property incomes payable by us and our subsidiaries to the accounting auditor	73,489Thousands of yen

(NOTES)1. In the audit contract between the Company and the accounting auditor, the amount of audit fees, etc. for the audit based on the Companies Act and the audit based on the Financial Instruments and Exchange Act is not clearly classified and cannot be substantially classified. Therefore, the total amount of such fees, etc. for the accounting auditor for the current fiscal year is stated in the amount of the audit fees, etc.

2.The Audit and Supervisory Committee made a judgment on the amount of the accounting auditor's remuneration, etc. after conducting the necessary verification of the content of the accounting auditor's audit plan, the status of the performance of duties of accounting audits, and whether the basis for calculating the remuneration estimates is appropriate.

3. Our subsidiary, Hamee Global Inc., Hamee US, Corp., has been audited by an auditing firm other than our independent auditor.

③ Policy on Determination of Dismissal or Non-reappointment of Accounting Auditors

Our Audit and Supervisory Committee reviews the status, independence and expertise of the independent auditors, and the establishment of an auditing system, confirms that specific audit plans and audit fees are reasonable and appropriate, and evaluates the independent auditors comprehensively and makes decisions on selection, based on the audit results and other factors, with reference to the Practical Guidelines for Audit and Supervisory Board Members, etc. on the formulation of standards for the evaluation and selection of accounting auditors issued by the Japan Audit & Supervisory Board Members Association.

If the Audit and Supervisory Committee determines that it is necessary to perform the duties of an accounting auditor, the Audit and Supervisory Committee shall decide on the content of the proposal for dismissal or non-reappointment of an accounting auditor to be submitted to the shareholders meeting.

In addition, in the event the Accounting Auditor is deemed to fall under any of the items set forth in each item of Paragraph 1 of Article 340 of the Companies Act, the Audit and Supervisory Committee of the Company shall dismiss the Accounting Auditor with the consent of all Audit and Supervisory Committee members. In this case, the Audit and Supervisory Committee member selected by the Audit and Supervisory Committee will report the fact that the accounting auditor has been dismissed and the reason for the dismissal at the first general meeting of shareholders to be called

after the dismissal.

(5) Arrangements for ensuring the propriety of operations

The Group has established the Basic Policy on Internal Control Systems as a system to ensure the appropriateness of operation operations, and currently operates an internal control system based on that basic policy. The details of this scheme are outlined in the table below.

① System to ensure that the execution of duties by directors and employees in our group complies with laws and regulations and the articles of incorporation

Our group will take the following actions in order not only to comply with laws and regulations, but also to operate our business with the highest ethical standards.

1. In order to properly and efficiently operate business in the Working Regulations, the Company shall stipulate the obligation to faithfully comply with laws, regulations, and notices, and to devote all efforts to the performance of its duties.
2. With regard to corporate ethics, we will formulate a Compliance Manual and make it a concrete code of conduct for all executives and employees regarding corporate ethics.
3. In order to clarify responsibilities for business ethics, establish corporate ethics, foster compliance awareness, and maintain discipline, the Chief Compliance Officer, who oversees compliance throughout our group, reports to the Executive Officers' Meeting. Report important matters, if any, to the Board of Directors.
4. We will strive to foster a corporate culture that is more open to the public. We will set up an internal whistle-blowing hotline inside the company and a compliance consultation and whistle-blowing hotline outside the company, with the Legal Department serving as the contact point, and will strive to detect violations of laws and regulations or any facts that may occur at an early stage.
5. The Basic Transaction Agreement stipulates that anti-social forces shall be excluded and that no transactions shall be conducted with anti-social forces. In addition, the department in charge of anti-social forces shall be designated as the Legal Department, and the "Anti-Social Force Response Manual" shall be established and, as necessary, the department shall cooperate closely with the police and other external specialist organizations.

② Our Group's Risk Management Regulations and Other Systems

We take the following steps to appropriately manage the risks of our group.

1. Formulate risk management rules in order to establish basic matters of risk management and conduct business operations appropriately and efficiently.
2. The executive officer in charge of risk management, who oversees risk management for the entire Group, reports to the Executive Officers' Meeting. Report important matters, if any, to the Board of Directors.

3. In order to carry out risk management, the Legal Division shall classify emerging cases as risks, and discuss how to manage such risks at the Executive Officers' Meeting.

③ System to ensure the efficient execution of duties by directors in our group

Our Group will take the following measures to ensure efficient business operations through the appropriate division of responsibilities among directors and a supervisory system.

1. Formulate the Administrative Authority Regulations that stipulate the organization structure, organizational management regulations that stipulate the operations of each organization, and the division of authority.
2. For the purpose of contributing to the efficient management of our Board of Directors, we have established the Executive Officers Meeting, which is composed of directors, executive officers, etc., to report or discuss the status of the execution of business of our group and important matters related to management, to share information and coordinate opinions among concerned parties, and to ensure the efficiency and appropriateness of management decision-making.
3. Regulations of the Board of Directors are established and, in principle, the Board of Directors meets once a month to make decisions on important management-related matters based on relevant laws and regulations, principles of management judgment, and the duty of care of good managers.

④ System for storing and managing information related to the execution of duties by directors

We implement the following initiatives in order to manage information related to the execution of duties by directors and to contribute to proper and efficient business operations.

1. Documents and forms related to the duties of directors and employees shall be appropriately prepared, stored, and managed in accordance with applicable laws and the Document Retention Control Rules.
2. Personal information shall be strictly managed in accordance with laws and the Personal Information Protection Rules.

⑤ System to ensure the appropriateness of business within our Group

We will not only conduct transactions between our group companies appropriately in accordance with laws and regulations, but also implement the following initiatives in order for our group to conduct appropriate business operations and contribute to the growth and development of the group.

1. Establish the Crisis Management Manual and establish a system for communicating with the head office in the event of a crisis based on the manual.
2. Conduct employee education to prevent misconduct, etc.
3. Establish an Information Security Policy and develop a system for information security.

4. Establish a system to take appropriate measures to protect personal information based on the Privacy Mark.
 5. Periodically report financial status, etc. to the head office.
 6. The Internal Audit Department of the head office conducts audits by the Internal Audit Department and reports the results to the President and Representative Director, the Board of Directors, the Audit and Supervisory Committee members, and the Audit and Supervisory Committee.
- ⑥ Matters concerning employees to assist the Audit and Supervisory Committee in the duties of the Audit and Supervisory Committee and matters concerning the independence of those employees from directors (excluding directors serving as Audit and Supervisory Committee members)
- In order to ensure that audits by the Audit and Supervisory Committee are conducted effectively, we will take the following actions with respect to employees who should assist the Audit and Supervisory Committee in its duties.
1. In the event that the Audit and Supervisory Committee is required to appoint an employee to assist the Audit and Supervisory Committee in its duties, the Audit and Supervisory Committee shall, after consultation with the Audit and Supervisory Committee, assign an employee with the ability and knowledge to assist the Audit and Supervisory Committee in its duties as necessary.
 2. Employees who have been instructed or ordered by the Audit and Supervisory Committee shall not be instructed or ordered by the Directors in so far as they are related to such instructions, and the personnel matters shall be decided upon obtaining the consent of the Audit and Supervisory Committee.
- ⑦ System to ensure that the directors and employees of our group report to the Audit and Supervisory Committee and other systems to ensure that the Audit and Supervisory Committee audits are conducted effectively
- To ensure that audits by the Audit and Supervisory Committee are conducted effectively, we will make the following efforts, including reporting to the Audit and Supervisory Committee on important matters concerning the execution of duties by the directors and employees of our group.
1. We report on the status of the execution of duties, etc., from the directors, etc. of our group on the following items.
 - (i)Matters reported by the Executive Officers Meeting
 - (ii)Matters that have caused substantial damage to the Company and matters that are likely to cause damage
 - (iii)Monthly Settlement Reports
 - (iv)Internal Audit Status
 - (v)Matters that may violate laws and regulations, articles of incorporation, etc.
 - (vi)Status of Reporting to Internal and External Reporting Desks
 - (vii)Other important compliance-related matters

2. We shall not be subject to adverse treatment by reason of such reporting to the directors and employees of our group who have reported to our Audit and Supervisory Committee.
3. At the request of the Audit and Supervisory Committee, the Representative Director, the Accounting Auditor, and the Internal Audit Division, etc. shall exchange opinions with the Audit and Supervisory Committee on a regular basis and on an as-needed basis.
4. Audit and Supervisory Committee members selected by the Audit and Supervisory Committee may attend meetings of the Board of Directors and other important meetings.
5. The Audit and Supervisory Committee can independently contract with outside experts to obtain advice on audit operations.
6. When the Audit and Supervisory Committee requests the payment of reasonable expenses for the execution of duties, it shall respond to the request.

(6) Outline of the Status of Operation of the System to Ensure the Appropriateness of Operations

Since the establishment of the system to ensure the appropriateness of the above operations, we have continuously checked and investigated the development and operation of the internal control system, and reported the contents to the Board of Directors. In addition, for problems found as a result of verification investigations, we are taking corrective measures and striving to operate a more appropriate internal control system. The status of the main operation of our internal control system in the Group during the fiscal year under review is as follows.

- ① System to ensure that the execution of duties by Directors of our Group complies with laws and regulations and the Articles of Incorporation
 1. The Employment Regulations, etc. stipulate the obligation to sincerely observe laws, regulations, and notices and to devote all efforts to the performance of their duties.
 2. We have formulated a compliance manual and are working to foster awareness of compliance by regularly disseminating the content to all employees.
 3. The director in charge of compliance reports to the Executive Officers' Meeting or the Board of Directors if there are important matters.
 4. We have established an internal whistle-blowing hotline and a compliance consultation and whistle-blowing hotline outside the company and operate it appropriately.
 5. We strive to prevent transactions with antisocial forces at the border by using a check system at the time of commencement of transactions. In addition, we will work closely with the police and other external specialist organizations to respond to anti-social forces in a firm, company-wide manner.

② Our Group's Risk Management Regulations and Other Systems

1. We have formulated and implemented risk management regulations.
2. The director in charge of risk management reports on risk management at the Executive Officers' Meeting or the Board of Directors if there are important matters.
3. Risk classification and management by risk type are carried out.

③ System to ensure the efficient execution of duties by directors in our group

1. We have formulated organizational management rules and administrative authority rules and are operating them appropriately.
2. The Company has established the Executive Officers' Meeting, which is composed of directors, executive officers, etc., to report and discuss the status of the Group's business execution and important matters related to management, to share information and coordinate opinions among concerned parties, and to ensure the efficiency and appropriateness of management decision-making.
3. Regulations of the Board of Directors have been established. In principle, the Board of Directors, which meets once a month, makes decisions on important management-related matters based on relevant laws and regulations, principles of management judgment, and the duty of care of good managers.

④ System for storing and managing information related to the execution of duties by directors

1. Documents and forms related to the duties of directors and employees are appropriately prepared, stored, and managed in accordance with applicable laws and the Document Retention Control Regulations.
2. Personal information is strictly managed in accordance with laws and regulations and the Personal Information Protection Regulations.

⑤ System to ensure the appropriateness of business within the JT Group

1. We have established a system that ensures constant communication through the Group's internal communication tool.
2. Administrative departments provide thorough guidance to representatives of Group companies on employee education.
3. We have established an Information Security Policy and have established a system for information security.
4. We have acquired the Privacy Mark as part of our efforts to establish a system for information security and personal information protection.
5. The Company reports on its financial condition and other matters at monthly meetings of the executive officers.
6. The Internal Audit Department of the head office conducts audits and reports the results to the President and Representative Director, the Board of Directors, the Audit and Supervisory Committee members, and the Audit and

Supervisory Committee.

- ⑥ Matters concerning the employees to assist the Audit and Supervisory Committee in their duties and matters concerning the independence of the employees from the directors
1. In the event that the Audit and Supervisory Committee requires an employee to assist in their duties, an employee will be assigned to assist the Audit and Supervisory Committee in its duties as necessary after consultation with the Audit and Supervisory Committee.
 2. Employees who assist the Audit and Supervisory Committee in their duties are not directed or ordered by directors. Personnel affairs are determined with the consent of the Audit and Supervisory Committee.
- ⑦ System to ensure that the directors and employees of our group report to the Audit and Supervisory Committee and other systems to ensure that the Audit and Supervisory Committee audits are conducted effectively
1. The status of execution of duties, etc. is reported by directors, etc. on a regular basis or on an as-needed basis in the following items.
 - (i)Matters reported by the Executive Officers Meeting
 - (ii)Matters that have caused substantial damage to the Company and matters that are likely to cause damage
 - (iii)Monthly Settlement Reports
 - (iv)Internal Audit Status
 - (v)Matters that may violate laws and regulations, articles of incorporation, etc.
 - (vi)Status of Reporting to Internal and External Reporting Desks
 - (vii)Other important compliance-related matters
 2. We make sure that we do not treat any unfavorable matters as a result of reporting to the Audit and Supervisory Committee to the directors and employees of our group.
 3. At the request of the Audit and Supervisory Committee, the Representative Director, the Accounting Auditor, and the Internal Audit Division, etc. regularly and from time to time exchange opinions with the Audit and Supervisory Committee.
 4. The Audit and Supervisory Committee members selected by the Audit and Supervisory Committee attend important meetings such as the Executive Officers' Meeting in addition to the Board of Directors.
 5. The Audit and Supervisory Committee independently contracts with outside experts to obtain advice on audit services.
 6. When the Audit and Supervisory Committee requires the payment of reasonable expenses for the execution of duties, the payment is made upon approval of the application for approval, as is the case with employees.

Consolidated Balance Sheets

(As of April 30, 2025)

(Thousands of yen)

Account title	Amount	Account title	Amount
(Assets)		(Liabilities)	
Current assets	13,421,855	Current liabilities	6,257,553
Cash and deposits	4,993,572	Accounts payable	232,041
Accounts receivable	2,352,311	Short-term loans payable	3,850,000
Commodities	4,145,508	Accounts payable-other	1,083,430
Work in process	5,514	Accrued expenses	271,625
Raw materials and supplies	121,166	Income taxes payable	496,009
Advance payments	982,551	Provision for bonuses	69,334
Others	857,682	Asset retirement obligations	11,187
Allowance for doubtful accounts	△36,450	Others	243,924
Fixed assets	3,550,734	Long-term liabilities	144,914
Property, plant and equipment	1,627,885	Asset retirement obligations	40,988
Buildings and structures	708,527	Others	103,926
Automotive equipment	1,280		
Tools, furniture and fixtures	381,105		
Right-of-use asset	200,542		
Land	335,433		
Construction in progress	995		
Intangible assets	608,296	Total liabilities	6,402,467
Goodwill	280,363	(Net Assets)	
Software	244,947	Shareholders' equity	10,350,589
Trademark right	21,317	Common stock	607,419
Others	61,667	Capital surplus	555,203
Investments and other assets	1,314,553	Retained earnings	9,519,286
Investment securities	10,934	Treasury stock	△331,321
Stocks of subsidiaries and affiliates	548,367	Other accumulated comprehensive income	135,876
Long-term loans receivable	17,500	Foreign currency translation adjustments	135,876
Net defined benefit asset	122,440	Stock acquisition right	83,657
Deferred tax assets	440,554		
Others	197,696		

Allowance for doubtful accounts	△22,940	Total net assets	10,570,122
Total assets	16,972,590	Total liabilities and net assets	16,972,590

Consolidated Statements of Income

(From May 1, 2024
To April 30, 2025)

(Thousands of yen)

Account title	Amount	
Net sales		22,895,350
Cost of sales		9,398,292
Gross profit		13,497,058
Selling, general and administrative expenses		11,142,933
Operating income		2,354,124
Non-operating income		
Interest income	3,768	
Compensation income	29,024	
Foreign exchange gain	8,539	
Advertising revenue	49,065	
Others	31,689	122,087
Non-operating expenses		
Interest expenses	33,254	
Payment Guarantee Fee	7,733	
Equity in losses of affiliates	26,248	
Provision for allowance for doubtful accounts	8,319	
Commission for syndicate loan	33,083	
Others	14,636	123,276
Ordinary income		2,352,935
Extraordinary income		
Gain on sales of investment securities	642	
Gain on reversal of stock acquisition rights	3,774	4,416
Extraordinary losses		
Impairment loss	44,752	
Loss on retirement of noncurrent assets	14,897	
Loss on sale of investment securities	1,532	
Write-down of investment securities	21,727	
Valuation loss on shares of affiliates	283,321	366,231
Income before income taxes		1,991,120
Income taxes	791,233	
Income taxes-deferred	△78,137	713,096
Net Income		1,278,023

Profit attributable to owners of parent	1,278,023
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Consolidated Statements of Changes in Net Assets

(From May 1, 2024
To April 30, 2025)

(Thousands of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at May 1, 2024	598,524	545,014	8,599,706	△341,799	9,401,446
Change during the term					
Issuance of new shares	8,895	8,895	-	-	17,790
Dividend of surplus	-	-	△358,443	-	△358,443
Profit attributable to owners of parent	-	-	1,278,023	-	1,278,023
Disposal of treasury stock	-	1,294	-	10,477	11,772
Items other than shareholders' equity Net changes during the fiscal year	-	-	-	-	-
Total change during the term	8,895	10,189	919,580	10,477	949,142
Balance at April 30, 2025	607,419	555,203	9,519,286	△331,321	10,350,589

	Other accumulated comprehensive income			Stock acquisition right	Total net assets
	Other securities Variance from valuation	Foreign currency translation Adjustment account	Other Comprehensive income Total accumulated amount		
Balance at May 1, 2024	66,665	595,305	661,971	93,721	10,157,139
Change during the term					
Issuance of new shares	-	-	-	-	17,790
Dividend of surplus	-	-	-	-	△358,443
Profit attributable to owners of parent	-	-	-	-	1,278,023
Disposal of treasury stock	-	-	-	-	11,772
Items other than shareholders' equity Net changes during the fiscal year	△66,665	△459,429	△526,094	△10,064	△536,158
Total change during the term	△66,665	△459,429	△526,094	△10,064	412,983
Balance at April 30, 2025	-	135,876	135,876	83,657	10,570,122

Table of Consolidated Notes

(Important Matters Forming the Basis for Preparation of Consolidated Financial Statements)

1.Scope of consolidation

(1)The number of Consolidated Subsidiary Companies and the names of major Consolidated Subsidiary Companies

Number of consolidated subsidiaries: 5

Principal Consolidated Subsidiaries

Hamee Global Inc., Hamee US, Corp., Hamee Shanghai Tech & Trading Co., Ltd., NE Co., Ltd.

(2)Names of Major Non-Consolidated Subsidiaries

Anea design Co., Ltd.

Anea design, a non-consolidated subsidiary, is a small-scale company, and its total assets, net sales, net income (amount corresponding to equity), retained earnings (amount corresponding to equity), etc. do not have a material impact on the consolidated financial statements.

2.Application of the equity method

(1)Number of affiliates accounted for by the equity method and names of major companies

2 companies were accounted for by the equity method

Names of the major companies

ROOT CORP

Pixio USA Inc.

During the fiscal year under review, Pixio USA Inc. was included in the scope of application of the equity method due to the purchase of 18.75% of shares in Pixio USA Inc..

(2)Names of unconsolidated subsidiaries and affiliates not accounted for by the equity method

Anea design Co., Ltd.

(Reason for not applying the equity method)

From the viewpoint of net income (amount corresponding to equity interest) and retained earnings (amount corresponding to equity interest), etc., the impact on the consolidated financial statements is immaterial even if excluded from the scope of equity method, and it is immaterial as a whole, it is excluded from the scope of application of the equity method.

(3)Items that should be specifically stated regarding the procedures for the application of the equity method

The financial statements prepared by provisional settlement of accounts based on the financial statements for the fiscal year of the company or the most recent quarterly settlement of accounts are used.

3.Accounting periods of consolidated subsidiaries

Hamee Global Inc., Hamee US, Corp., Hamee India Pvt. of consolidated affiliates The fiscal year-end of Ltd. is March 31. In preparing the consolidated financial statements, the Company uses the financial statements as of that date.

The fiscal year-end of Hamee Shanghai Tech & Trading Co., Ltd. is December 31, but the consolidated financial statements were made using the financial statements provisionally settled on March 31.

With necessary adjustments on consolidation for important transactions occurring between the above date and the Company's consolidated fiscal year-end

4.Matters concerning accounting policies

(1)Valuation basis and method for assets

① Marketable securities

Investment securities

Other securities

Non-marketable equity securities are stated at fair value (all unrealized gains and losses are included in net assets and the cost of securities sold is determined by the moving-average method).

Non-marketable equity securities are stated at cost determined by the moving-average method.

② Inventories

The cost method (the balance sheet value is written down to reflect the decline in profitability).

Product: The average method is used.

Work in process: The average method is used.

Raw materials: The average method is used.

Supplies: The gross average method and the last purchase price method are used.

(2)Depreciation method of fixed assets

① Property, plant and equipment

We and our domestic consolidated subsidiaries use the declining-balance method. However, the straight-line method is used for facilities attached to buildings acquired on or after April 1, 2016. Overseas consolidated subsidiaries use the straight-line method.

Useful life for primary assets is as follows:

Buildings and structures	3 to 30 years
Automotive equipment	5 years
Tools, furniture and fixtures	2 to 15 years
Right-of-use asset	2 to 5 years

② Intangible assets

Depreciation is computed by the straight-line method. Major depreciation periods are as follows.

Software	2 to 5 years
Trademark right	5 years

(3)Accounting for allowances

① Allowance for doubtful accounts

Allowance for doubtful accounts is provided at an amount equal to the estimated amount of uncollectible receivables based on the historical write-off ratio for general receivables and on an individual basis for specific receivables such as doubtful receivables.

② Provision for bonuses

In order to prepare for the payment of bonuses to employees, an amount to be borne in the current fiscal year is recorded based on the estimated amount to be paid.

(4)Accounting method for retirement benefits

① Method of attributing expected retirement benefits to periods

In calculating retirement benefit obligations, the benefit formula basis is used to attribute estimated retirement benefits to the period up to the end of the current fiscal year.

② Amortization of actuarial differences

Actuarial gains and losses are charged to income in the year in which they are incurred.

(5)The amortization method and amortization period of goodwill

Goodwill is amortized on a straight-line basis over five years based on a reasonable estimate of the period in which the investment effect is realized.

(6)Revenue Recognition

We and our consolidated subsidiaries adopted the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and the "Implementation Guidance on Accounting Standard for Revenue Recognition" (ASBJ Guidance No. 30, March 26, 2021). The contents of major performance obligations in major businesses and the normal timing of revenue recognition are as follows:

① Commerce Business

This segment mainly sells general merchandise, mainly smartphone cases, chargers for mobile devices, earphones and other mobile accessories, operates a gaming accessory business that handles gaming monitors and other products, and a cosmetics business that operates cosmetics. For such product sales, the Company has an obligation to fulfill its obligation to supply products to customers, and revenue is recognized at the time of shipment if the period between the time of shipment and the time control of the product is transferred to the customer is the normal period.

② Platform Business

This segment mainly handles sales of software that enables the centralized management and automation of operations related to online shop operations. For the sale of such software, the performance obligation is when application services are provided via the Internet, and revenue is recognized at the same time.

(Notes on Changes in Accounting Policies)

(Application of Accounting Standard for Income Taxes, Inhabitant Taxes and Business Taxes, etc.)

"Accounting Standard for Income Taxes, Resident Taxes and Business Taxes" (ASBJ Statement No. 27, October 28, 2022; hereinafter referred to as the "Revised Accounting Standard, 2022") has been applied from the beginning of the current consolidated fiscal year.

Revisions to the classification of income taxes (taxation of other comprehensive income) are made in accordance with the transitional treatment stipulated in the provisions of Article 20-3 of the Revised Accounting Standard for 2022 and the transitional treatment stipulated in Article 65-2 (2) of the "Implementation Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022, hereinafter referred to as the "2022 Revised Implementation Guidance"). This change had no impact on the consolidated financial statements.

In addition, the revised guidance for 2022 has been applied from the beginning of the current fiscal year to revise the treatment in the consolidated financial statements for deferring gain or loss on sales of shares of subsidiaries and others among the consolidated companies for tax purposes. This change had no impact on the consolidated financial statements.

(Notes on Changes in Presentation Method)

(Notes to Consolidated Balance Sheets)

"Notes and accounts receivable-trade" has been changed to "Accounts receivable-trade" in both the previous fiscal year and the current fiscal year, as there are no notes receivable.

Advances, which were included in "Other" under "Current assets" in the previous fiscal year, are presented separately from the current fiscal year due to an increase in their monetary materiality.

The amount of "Advance payments" included in "Other" in the previous fiscal year is 631975000 yen.

"Buildings" of property, plant and equipment is presented as "Buildings and structures" from the current consolidated fiscal year due to the acquisition of "structures" in the current consolidated fiscal year.

(Consolidated Statements of Income)

"Compensation income" and "Advertising fee income," which were included in "Other" under "Non-operating income" in the previous fiscal year, are presented separately from the current fiscal year due to an increase in their monetary materiality.

Compensation income of ¥11677000 and advertising revenue of ¥10762000 were included in "Others" in the previous fiscal year.

(Notes on Accounting Estimates)

(Critical Accounting Estimates)

Valuation of slow moving inventory included in inventory

(1) Amount recorded in the consolidated financial statements for the current consolidated fiscal year

Commodities	4,145,508Thousands of yen
Among the above, products related to us and Hamee Global Inc.	3,572,212Thousands of yen

(NOTE) During the fiscal year under review, the Company and its Hamee Global Inc. recorded a JPY359081 thousand valuation loss on merchandise.

(2) Information on the content of critical accounting estimates pertaining to identified items

For products that are outside the business cycle, our group calculates the turnover ratio for each item after a certain period of time has passed since the final purchase date, etc., and uses the book value as the balance sheet value with a systematic devaluation ratio based on a certain valuation reduction ratio according to the classification of the turnover ratio.

Changes in sales conditions for the main products of the Commerce segment, such as smartphone cases, gaming monitors, and cosmetics, due to market trends and customer preferences, which differ from the original demand forecast, could have a significant impact on inventory valuation estimates. In addition, the determination of the ratio of write-downs according to the length of time elapsed from the final purchase date, etc. and the classification of turnover rates involves management's judgment, and due to the monetary significance of the products, management's judgment may have a significant impact on the Company's consolidated financial statements.

(Notes on Consolidated Balance Sheets)

1. The amounts of receivables from contracts with customers are as follows:

Accounts receivable	2,352,311Thousands of yen
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2. Guarantee obligations

Loans from financial institutions of unconsolidated subsidiaries are guaranteed as follows.

Anea design Inc.	35,839Thousands of yen
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3. Accumulated depreciation of tangible fixed assets 1,433,256Thousands of yen

4. We have entered into overdraft agreements with two banks and syndicated loan agreements with five banks in order to efficiently procure working capital. The balance of unused borrowings at the end of the fiscal year under this agreement is as follows.

Maximum amount of overdraft contracts and total loan commitments	6,200,000Thousands of yen
Loan balance	3,850,000Thousands of yen
Net amount	2,350,000Thousands of yen

(Notes to Consolidated Statements of Income)

Income from contracts with customers

Revenues from contracts with customers and other revenues are not separately presented. The amount of revenue arising from contracts with customers is presented in "Notes to Consolidated Statements of Revenue Recognition (Notes) 1. Information Breakdown of Revenue from Contracts with Customers."

(Notes to Consolidated Statements of Changes in Net Assets)

1. Type and total number of shares outstanding as of the last day of the current consolidated fiscal year

Common stock 16,296,400Shares

2. Matters relating to dividends from retained earnings

(1) Dividends paid

(Resolutions)	Class of shares	Total dividends (thousand yen)	Per share Dividends (yen)	Record date	Effective date
July 25, 2024 Annual Shareholders' Meeting	Common stock	358,443	22.50	In 2024 April 30	In 2024 July 26

(2) Dividends for which the record date falls in the current fiscal year but the effective date falls in the following fiscal year

Scheduled resolution	Class of shares	Source of dividends	Total dividends (thousand yen)	Per share Dividends (yen)	Record date	Effective date
July 28, 2025 Annual Shareholders' Meeting	Common stock	Retained earnings	358,913	22.50	In 2025 April 30	In 2025 July 29

3. The classes and the number of shares subject to the Share Options (excluding those for which the first day of the exercise period has not yet arrived) as of the last day of the current Consolidated Fiscal Year

Common stock 133,000Shares

(Notes on Financial Instruments)

1. Matters relating to financial instruments

(1) Policy for Financial Instruments

Our group invests funds in safe financial assets such as cashes, and procures funds by borrowing from banks and other financial institutions. The Company does not use derivative financial instruments.

(2) Contents of Financial Instruments and the risks involved in said Financial Instruments

Accounts receivable, which are trade receivables, are exposed to the credit risk of customers. Accounts payable, which are trade payables, are mostly due within two months. Borrowings consist primarily of working capital, capital expenditures and financing for share acquisitions and are exposed to liquidity risk.

(3) Risk management for financial instruments

① Management of credit risk (risk related to default by counterparties)

With regard to trade receivables, in accordance with internal regulations, our administrative division manages due dates and balances by customer and communicates the status of deposits to each business division from time to time. As a result, we are working to quickly identify and reduce concerns about collection due to deterioration in the financial condition of each customer.

② Liquidity risk related to funding (risk of inability to make payments when due)

Our management departments manage liquidity risk by preparing and updating cash plans in a timely manner.

③ Managing Market Risks (Risks Related to Exchange Rates, Interest Rates, etc.)

With regard to investment securities, the Company monitors the financial condition of issuers and other factors, and continuously reviews their holdings in consideration of relationships with client companies. In addition, the balance of cashes and trade receivables and payables denominated in foreign currencies is insignificant, and the Company considers it immaterial to manage market risk.

(4) Supplementary explanation of the fair value of financial instruments

The fair value of financial instruments is based on their quoted market price, if available. When there is no quoted market price available, fair value is reasonably estimated. Since variable factors are incorporated in the calculation of such values, the use of different assumptions may cause such values to change.

2.Fair Value of Financial Instruments

The carrying amount, fair value and the difference between these amounts as of April 30, 2025 are as follows:

	Carrying amount	Market value	Difference
Investment securities			
Other securities	10,000Thousands of yen	10,000Thousands of yen	-Thousands of yen
Long-term loans receivable	17,500	17,241	(259)
Total assets	27,500	27,241	(259)

(NOTES)1. Cash and cash equivalents, trade and other receivables, trade and other payables are omitted because their fair values approximate their carrying amounts because of their short maturities.

2.Stocks with no quoted market prices are not included in "Investment securities" in the above table. The carrying amounts of these financial instruments are as follows:

Category	Carrying amount
Unlisted stocks	934Thousands of yen

3.Breakdown of Fair Value of Financial Instruments by Level

The fair values of financial instruments are classified into the following three levels depending on the observability and significance of the inputs for determining fair value:

Level 1 fair value: Fair value determined by quoted prices for assets or liabilities that are subject to valuation in active markets out of inputs related to the calculation of observable fair values

Level 2 fair value: Fair value calculated using inputs other than Level 1 inputs related to the calculation of fair value that are observable

Level 3 fair value: Market value calculated using inputs related to the calculation of unobservable fair values

If multiple inputs are used that have a significant impact on the calculation of fair value, then the fair value is categorized as the lowest priority level in determining fair value among the levels to which each of those inputs belongs.

(1)Financial instruments recorded on the consolidated balance sheets at fair value

Category	Market value			
	Level 1	Level 2	Level 3	Total
Investment securities				
Other securities	-Thousands of yen	-Thousands of yen	10,000Thousands of yen	10,000Thousands of yen
Total assets	-	-	10,000	10,000

(2) Financial instruments other than financial instruments recorded on the consolidated balance sheets at fair value

Category	Market value			
	Level 1	Level 2	Level 3	Total
Long-term loans receivable	-Thousands of yen	17,241Thousands of yen	-Thousands of yen	17,241Thousands of yen
Total assets	-	17,241	-	17,241

(Note 1) Explanation of valuation techniques used to calculate fair value and inputs related to the calculation of fair value

Assets

Investment securities

The most recent fair value of J-KISS type stock acquisition rights, etc. is estimated based on historical transaction prices, considering events affecting the value of financial instruments, and is classified as Level 3.

Long-term loans receivable

The fair value of long-term loans receivable is calculated based on the present value of future cash flows discounted at interest rates based on appropriate indicators such as government bond yields, and is classified as Level 2 fair value.

(Note 2) Information on the fair value of Level 3 of financial assets whose fair value is the amount recorded on the consolidated balance sheet

Disclosure is omitted because Level 3 financial instruments are immaterial.

(Notes on Revenue Recognition)

1. Information that breaks down the revenue generated by contracts with customers

	Reportable Segments			Others	Total
	Commerce Business	Pratt Corporation Form Business	Total		
Net sales					
From contracts with customers	18,986,834Thousands of yen	3,908,516Thousands of yen	22,895,350Thousands of yen	-Thousands of yen	22,895,350Thousands of yen
Revenues generated					

2. Information on which to base an understanding of revenue arising from contracts with customers

As stated in "(Significant Items Forming the Basis for Preparation of Consolidated Financial Statements)(6) Accounting Standards for Revenues and Expenses."

(Notes on Per Share Information)

- | | | |
|----|----------------------|-----------|
| 1. | Net assets per share | JPY657.39 |
| 2. | Net income per share | JPY80.15 |

(Notes on Significant Post-Balance Sheet Events)

Cash dividends on shares of subsidiaries

At the meeting of the Board of Directors held on June 13, 2025, the Board of Directors of NE Inc. ("NE"), a subsidiary of the Company, decided to propose the distribution of all shares held by the Company to the shareholders of the Company through dividends in kind (dividends from property other than money) (the "Spin-off") to the 27th Ordinary General Meeting of Shareholders to be held on July 28, 2025 (the "Ordinary General Meeting of Shareholders").

The Spin-off is conditioned on the following: ① the listing of NE shares will be approved by the Tokyo Stock Exchange, Inc. ("TSE"); and ② the New Share Issuance will be implemented upon the listing of NE shares (decisions required for the implementation of this matter have been made and have not been cancelled).

1. Purpose and Reason of the Spin-off

The objective and reason for the Spin-off are to spin off NE, which operates EC support and SaaS businesses, from us, in light of the rapidly changing business environment and society surrounding us, and to promote swift implementation of business strategies and further growth in the respective business fields through the independence of management and shareholders' equity, thereby maximizing long-term shareholder value.

Until now, our Group has solidified our management base and expanded our business, but at the same time, various issues have emerged due to the over-expansion of our business scope. In light of the current dizzying business climate and social changes, we believe that a reorganization, beginning with the Spin-off and listing of NE, is essential in order to resolve these issues and maximize long-term shareholder value. For NE, we believe that becoming an independent, publicly traded company through the Spin-off and listing on the TSE will not only enable execution of future business strategies and to accelerate growth. It will also lead to increased motivation for Hamee's employees in promoting value creation.

The background to our organizational restructuring is as follows.

Background of organizational restructuring: three points

(1) Inefficiency due to adapting to total optimization across businesses

In order to maximize the growth of the two businesses of different quality, it is necessary to simplify the decision-making process and tailor the labor environment, salary levels, etc. to each business. However, since overall optimization has been prioritized under the current organizational structure, it is difficult to fundamentally resolve these issues, which leads to inefficiency.

(2) Securing a Proper Valuation for the Platform Business

We recognize that our current reputation in the marketplace is due to the high percentage of EC and wholesale sales highlighting the aspects of commerce businesses. As a result, the Company believes that it is not able to maximize shareholder value because its reputation as a SaaS operator is not appropriately reflected in the platform-based business.

(3) Impact on flexibility of growth strategies

While there are no specific problems at present, there is a possibility that if the Group overly emphasized overall optimization across businesses when formulating its growth strategy, it will not be able to secure the freedom of choice it can take, which could affect the realization of its growth strategy.

In connection with the Spin-off, we have received comprehensive advice from Mizuho Securities Co., Ltd., including listing of NE.

2. Overview of Dividend in Kind (Dividends of Assets Other Than Money)

(1) Record Date	Friday, October 31, 2025
(2) Type of assets to be distributed	Common shares of NE Inc.
(3) Total book value and per share value of dividend assets	JPY1,000,000 (JPY25 per share)
(4) Total Market Value of Dividend Property and Per Share Price	JPY- (JPY- per share) (Note)
(5) Effective date	Saturday, November 1, 2025
(6) Amount of capital to be reduced by dividends in kind, etc.	Retained earnings JPY1,000,000 The source of dividends is retained earnings and the carrying amount of NE shares is expected to be reduced as of the date of this spin-off.

(NOTE) Regarding the accounting treatment for dividends of all shares of subsidiaries on a pro rata basis in accordance with the number of shares, the value of shares of subsidiaries will be calculated at an appropriate book value in accordance with the provision of the proviso of paragraph 10 of the "Guidance on Accounting Standard for Reduction of Treasury Stock and Reserves" of ASBJ Guidance No. 2. The same applies to the calculation of the amount available for distribution to us. Accordingly, the fair value of NE shares, which are dividends-paying assets, has not been calculated.

3. Summary of the Spin-off

(1) Listing of NE shares

From the viewpoint of securing trading opportunities for NE shares to be distributed in kind, NE will make a preliminary and final application for listing on the TSE prior to the implementation of the Spin-off. The Spin-off is conditioned on NE being approved for listing on the TSE and such approval not being cancelled. The listing of NE shares and the timing of such listing are not assured at this time, as it is premised that the listing approval from the TSE will be obtained as a result of the listing examination by the Japanese Exchange Self-Regulated Corporation in the future and that such approval will not be cancelled. The Spin-off is also conditioned upon the issuance of new shares of NE (the "New Share Issuance") to be effected upon the initial listing (and that all decisions required for such implementation have been made and not cancelled). The New Share Issuance will be conducted at a price determined by the book-building method stipulated in Article 246 of the Enforcement Regulations for Securities Listing Regulations stipulated by the TSE (a method of presenting to investors the preliminary conditions relating to the issuance price at the time of solicitation of an application to acquire shares and determining the issuance price, etc. after ascertaining the status of investors' demand for shares). At the time of ex-rights of our shares, the base price is calculated using the public offering price of NE shares, and transactions are expected to be conducted on the Tokyo Stock Exchange. By determining the value of NE shares transparently by the book-building method, which is expected to facilitate transactions after the ex-rights of our shares. The timing of the New Share Issuance has not been determined.

(2) Schedule of dividends in kind

Schedule	Content
Monday, July 28, 2025	Ordinary General Meeting of Shareholders (planned)
Friday, October 17, 2025	Record date announcement date (Note 1)
Thursday, October 30, 2025	Our ex-rights date
Friday, October 31, 2025	Record date for distribution
Saturday, November 1, 2025	Effective date of dividends in kind
Tuesday, November 4, 2025	Distribution execution date Date on which distributed NE shares can be traded on the TSE (Scheduled date for listing on the TSE)

(NOTES)1. In order to finalize the shareholders who are eligible to receive dividends in kind in the Spin-off, we plan to resolve the establishment of the distribution record date at the Board of Directors meeting scheduled to be held on September 19, 2025, after the proposal for the Spin-off is approved at the Ordinary General Meeting of Shareholders.

(1) Date of publication October 17, 2025

(2) Record date for distribution October 31, 2025

(3) Method of public notice We will post it on our website through an electronic public notice.
<https://hamee.co.jp/ir>

2.The above is a schedule relating to dividends in kind and the planned listing of NE shares to be distributed on the TSE. The schedule for the New Share Issuance has not been decided.

(3) Method of dividends in kind

On the record date of Friday, October 31, 2025, we plan to pay dividends in kind at a rate of one share of NE common stock for each share of our common stock owned by stockholders of record on the last such date.

4. Overview of NE, the issuer of shares to be distributed in kind (the company to be spun off) (as of April 30, 2025)

(1) Name	NE Inc.		
(2) Address	Shin-Yokohama 3-2-3 EPIC TOWER SHIN YOKOHAMA 16 floor, Kohoku-ku, Yokohama City, Kanagawa		
(3) Job title/name of representative	Junya Suzuki, Chairman Noriyoshi Higo, President and CEO		
(4) Business Activities	EC support and SaaS businesses, regional revitalization and municipal support projects, and consulting projects		
(5) Common stock	JPY100 million		
(6) Date of Establishment	May 2, 2022		
(7) Major shareholders and percentage of shares	Hamee Corp. 100%		
(8) Number of shares outstanding (Note 1)	4,000,000 shares		
(9) Number of dilutive shares resulting from stock acquisition rights	98,250 shares		
(10) Relationship between us and the company concerned	Capital relationship	Our wholly owned subsidiary.	
	Human relations	There is no personal relationship that should be described.	
	Business relationship	During the immediately preceding fiscal year, we have business relations with NE, such as system-usage fees.	
	Applicable status as a relevant party	We are a related party as the parent company that directly owns the company. After the Spin-off, the Company will no longer be our subsidiary.	
(11) NE's results of operations and financial position for the past three years			
Fiscal year end	FY2023/4	FY2024/4	FY2025/4
Net assets	JPY2.016 million	JPY2.887 million	JPY3.517 million
Total assets	JPY2.896 million	JPY3.69 million	JPY4.224 million
Net assets per share	JPY504.17	JPY721.90	JPY879.43
Net sales	JPY2.536 million	JPY3.768 million	JPY3.925 million
Operating income	JPY991 million	JPY1.531 million	JPY1.517 million
Ordinary income	JPY1.063 million	JPY1.588 million	JPY1.524 million
Net Income	JPY537 million	JPY1.032 million	JPY940 million
Net income per share	JPY134.48	JPY258.23	JPY235.03
Dividend per share	JPY40.5	JPY77.5	JPY70.0

(12) Composition of Directors	Junya Suzuki, Chairman Noriyoshi Higo, President and CEO Yuka Koga, Representative director Saki Suzuki, Director Kyo Kitamura, Audit and Supervisory board member Takayuki Hongyo, Audit and Supervisory Board Member Yukio Chiba, Corporate Auditor	
(13) Listing	We plan to file a preliminary application for listing on the TSE before the implementation of the Spin-off in the future. For more information, see "3. Summary of the Spin-off, (1) Listing of NE Shares" above.	
(14) Major Shareholders and Percentage of Shares Held after the Spin-off (Our Major Shareholders and Percentage of Shares Held) (Note 2)	AOI Corporation.	33.30%
	Atsushi Higuchi	15.88%
	The Master Trust Bank of Japan, Ltd.(Trust Account)	6.54%
	Kazuyori Kitamura	2.97%
	THE NOMURA TRUST AND BANKING CO., LTD. AS THE TRUSTEE OF REPURCHASE AGREEMENT MOTHER FUND	2.01%
	BBH FOR FIDELITY LOW-PRICED STOCK FUND	1.74%
	STATE STREET BANK AND TRUST COMPANY 505103	1.50%
	NORTHERN TRUST CO. (AVFC) RE NON TREATY CLIENTS ACCOUNT	1.34%
	BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)	1.27%
	SBI SECURITIES Co., Ltd.	1.22%

(NOTES)1. We expect to implement a NE stock split to align NE number of shares outstanding with our total number of shares outstanding (excluding treasury stock holdings) in order to make the percentage of NE shares delivered in the Spin-off equal to one share of NE common stock for each share of our common stock.

2.As the dividends in kind from the Spin-off will be paid at a rate of one NE share for each share of our common stock owned by stockholders of record on October 31, 2025, the record date, the stockholder composition of NE at the time of the Spin-off will be the same as our stockholder composition as of the record date, as of the effective date of the Spin-off. For this reason, the status of our shareholders as of April 30, 2025 is presented for your reference.

Balance Sheet

(As of April 30, 2025)

(Thousands of yen)

Account title	Amount	Account title	Amount
(Assets)		(Liabilities)	
Current assets	7,394,182	Current liabilities	5,065,562
Cash and deposits	1,280,646	Accounts payable	241,001
Accounts receivable	1,246,495	Short-term loans payable	3,850,000
Commodities	3,285,155	Accounts payable-other	576,331
Supplies	112,864	Accrued expenses	110,120
Advance payments	873,003	Income taxes payable	187,058
Prepaid expenses	91,603	Consumption tax payable	57,941
Accrued income	5,869	Advances received	519
Loans to a subsidiary	335,140	Deposits received	14,530
Others	170,416	Others	28,059
Allowance for doubtful accounts	(7,012)	Long-term liabilities	4,662
Fixed assets	1,296,214	Others	4,662
Property, plant and equipment	166,681	Total liabilities	5,070,225
Buildings	133,910	(Net Assets)	
Structures	2,182	Shareholders' equity	3,536,515
Tools, furniture and fixtures	30,589	Common stock	607,419
Intangible assets	44,581	Capital surplus	555,203
Software	24,153	Legal capital surplus	527,419
Others	20,427	Other capital surplus	27,783
Investments and other assets	1,084,951	Retained earnings	2,705,213
Investment securities	10,934	Legal reserve	2,500
Stocks of subsidiaries and affiliates	624,920	Other retained earnings	2,702,713
Long-term loans receivable from subsidiaries and affiliates	142,570	Retained earnings brought forward	2,702,713
Deferred tax assets	231,837	Treasury stock	(331,321)
Others	82,128	Stock acquisition right	83,657
Allowance for doubtful accounts	(7,439)	Total net assets	3,620,172
Total assets	8,690,397	Total liabilities and net assets	8,690,397

Income statement

(From May 1, 2024
To April 30, 2025)

(Thousands of yen)

Account title	Amount	
Net sales		15,637,007
Cost of sales		8,704,186
Gross profit		6,932,820
Selling, general and administrative expenses		6,441,645
Operating income		491,174
Non-operating income		
Interest income	11,066	
Dividends income	438,389	
Others	78,968	528,424
Non-operating expenses		
Interest expenses	21,975	
Payment Guarantee Fee	7,733	
Foreign exchange losses	55,648	
Commission for syndicate loan	33,083	
Provision for allowance for doubtful accounts	9,260	
Others	7,713	135,415
Ordinary income		884,183
Extraordinary income		
Gain on reversal of stock acquisition rights	3,774	
Gain on donated fixed assets	10,489	14,263
Extraordinary losses		
Loss on retirement of noncurrent assets	7,564	
Loss on sale of investment securities	1,532	
Write-down of investment securities	21,727	
Valuation loss on shares of affiliates	283,321	314,145
Income before income taxes		584,300
Income taxes	176,260	
Income taxes-deferred	(36,894)	139,365
Net Income		444,935

Statement of Changes in Shareholders Equity

(From May 1, 2024
To April 30, 2025)

(Thousands of yen)

	Shareholders' equity						
	Common stock	Capital surplus			Retained earnings		
		Legal capital surplus	Others Capital surplus	Capital surplus Total	Legal reserve	Others Retained earnings	Retained earnings Total
						Retained earnings brought forward Retained earnings	
Balance at May 1, 2024	598,524	518,524	26,489	545,014	2,500	2,616,221	2,618,721
Changes of items during the period							
Issuance of new shares	8,895	8,895	-	8,895	-	-	-
Dividend of surplus	-	-	-	-	-	(358,443)	(358,443)
Net Income	-	-	-	-	-	444,935	444,935
Disposal of treasury stock	-	-	1,294	1,294	-	-	-
Items other than shareholders' equity Net changes during the year	-	-	-	-	-	-	-
Total change during the period	8,895	8,895	1,294	10,189	-	86,491	86,491
Balance at April 30, 2025	607,419	527,419	27,783	555,203	2,500	2,702,713	2,705,213

	Shareholders' equity		Valuation and translation adjustments		Stock acquisition right	Total net assets
	Treasury stock	Shareholders' equity Total	Other securities Variance from valuation	Evaluation and translation Total difference		
Balance at May 1, 2024	(341,799)	3,420,461	66,665	66,665	93,721	3,580,848
Changes of items during the period						
Issuance of new shares	-	17,790	-	-	-	17,790
Dividend of surplus	-	(358,443)	-	-	-	(358,443)
Net Income	-	444,935	-	-	-	444,935
Disposal of treasury stock	10,477	11,772	-	-	-	11,772

Items other than shareholders' equity Net changes during the year	-	-	(66,665)	(66,665)	(10,064)	(76,729)
Total change during the period	10,477	116,053	(66,665)	(66,665)	(10,064)	39,323
Balance at April 30, 2025	(331,321)	3,536,515	-	-	83,657	3,620,172

Individual notes

(Explanatory Notes Concerning Matters Pertaining to Significant Accounting Policies)

1.Valuation basis and method for assets

(1)Marketable securities

Equity securities issued by subsidiaries and affiliates: Stated at cost determined by the moving average method.

Other securities

Non-marketable equity securities are stated at fair value (all unrealized gains and losses are included in net assets and the cost of securities sold is determined by the moving-average method).

Non-marketable equity securities are stated at cost determined by the moving-average method.

(2)Inventories

The cost method (the balance sheet value is written down to reflect the decline in profitability).

Product: The average method is used.

Supplies: The gross average method and the last purchase price method are used.

2.Depreciation method of fixed assets

(1)Property, plant and equipment

Depreciation is computed by the declining-balance method. However, the straight-line method is used for facilities attached to buildings acquired on or after April 1, 2016.

Useful life for primary assets is as follows:

Buildings	4 to 28 years
Tools, furniture and fixtures	2 to 15 years

(2)Intangible assets

Depreciation is computed by the straight-line method.

Major depreciation periods are as follows.

Software	5 years
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3.Basis of accruing allowances

Allowance for doubtful accounts

Allowance for doubtful accounts is provided at an amount equal to the estimated amount of uncollectible receivables based on the historical write-off ratio for general receivables and on an individual basis for specific receivables such as doubtful receivables.

4. Revenue Recognition

We adopted the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and the "Implementation Guidance on Accounting Standard for Revenue Recognition" (ASBJ Guidance No. 30, March 26, 2021). The contents of major performance obligations in major businesses and the normal timing of revenue recognition are as follows:

This segment mainly sells general merchandise, mainly smartphone cases, chargers for mobile devices, earphones and other mobile accessories, operates a gaming accessory business that handles gaming monitors and other products, and a cosmetics business that operates cosmetics. For such product sales, the Company has an obligation to fulfill its obligation to supply products to customers, and revenue is recognized at the time of shipment if the period between the time of shipment and the time control of the product is transferred to the customer is the normal period.

(Notes on Changes in Accounting Policies)

(Application of Accounting Standard for Income Taxes, Inhabitant Taxes and Business Taxes, etc.)

"Accounting Standard for Income Taxes, Resident Taxes and Business Taxes" (ASBJ Statement No. 27, October 28, 2022; hereinafter referred to as the "Revised Accounting Standard, 2022") has been applied from the beginning of the current fiscal year.

Revisions to the classification of income taxes have been made in accordance with the transitional treatment stipulated in the provisions of Article 20-3 of the Amended Accounting Standard for 2022. This has no impact on the financial statements.

(Notes on Accounting Estimates)

(Critical Accounting Estimates)

Valuation of slow moving inventory included in inventory

(1) Amount recorded in the balance sheet for the current business year

Commodities	3,285,155Thousands of yen
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(NOTE) During the fiscal year under review, the Company recorded a JPY220,866 thousand valuation loss on merchandise.

(2) Information on the content of critical accounting estimates pertaining to identified items

We calculate the turnover ratio for each individual item for products outside the business cycle that have passed a certain period of time from the final purchase date, etc. The balance sheet value is the carrying value regularly written down based on a fixed write-down ratio according to the classification of the turnover ratio.

Changes in sales conditions for the main products of the Commerce segment, such as smartphone cases, gaming monitors, and cosmetics, due to market trends and customer preferences, which differ from the original demand forecast, could have a significant impact on inventory valuation estimates. In addition, the establishment of a write-down ratio according to the length of time elapsed from the final purchase date, etc. and the classification of the turnover ratio involves management's judgment, and due to the monetary significance of the product, management's judgment may have a significant impact on the Company's financial statements.

(Explanatory Notes Concerning the Balance Sheet)

1. Accumulated depreciation of tangible fixed assets	154,265Thousands of yen
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2. Guarantee obligations

Loans from financial institutions of unconsolidated subsidiaries are guaranteed as follows.

Anea design Inc.	35,839Thousands of yen
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3. Monetary claims and liabilities to affiliated companies

Short-term monetary claims	483,849Thousands of yen
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Long-term monetary receivables	142,570Thousands of yen
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Short-term loans payable	194,681Thousands of yen
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Long-term debt	-Thousands of yen
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4. We have entered into overdraft agreements with two banks and syndicated loan agreements with five banks in order to efficiently procure working capital. The balance of unused borrowings at the end of the fiscal year under this agreement is as follows.

Maximum amount of overdraft contracts and total loan commitments	6,200,000Thousands of yen
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Loan balance	3,850,000Thousands of yen
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Net amount	2,350,000Thousands of yen
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(Notes on the Income Statement)

Transactions with Affiliates

Net sales	14,061Thousands of yen
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Purchases	8,939,136Thousands of yen
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Selling, general and administrative expenses	16,739Thousands of yen
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Non-operating transaction	448,354Thousands of yen
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(Notes on Statement of Changes in Net Assets)

Type and number of shares of treasury stock at the end of the current fiscal year

Common stock	344,675Shares
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(Notes on Tax Effect Accounting)

Deferred tax assets are mainly attributable to loss on valuation of merchandise, excess of depreciation of software, loss on valuation of shares of subsidiaries and associates, and adjustment for shares of subsidiaries due to company splits. A valuation allowance of JPY626,062 thousand was deducted from deferred tax assets.

(Notes on Transactions with Related Parties)

Subsidiaries and affiliated companies

(Thousands of yen)

Type	Name of Company, etc.	Voting rights Percentage (owned)	Relevant party Relationship with	Details of transactions	Transaction amount	Account title	Balance at end of year
Subsidiary	Hamee Global Inc.	Ownership Direct 100.0%	Sales of products and concurrent purchase and executive positions	Product purchases (Note 1)	5,715,092	Accounts payable	189,806
Sub-subsidiary	Hamee US, Corp.	Ownership Indirect 100.0%	Loan of funds and concurrent appointment of officers	Lending of funds And collection Interest received (Notes 2 and 3)	-	Affiliated companies Short-term loans	285,140
						Affiliated companies Long-term loans receivable	142,570
					9,584	Accrued income	5,488
Affiliated companies	Pixio USA Inc.	Ownership Direct 18.75%	Purchase of merchandise	Product purchases (Note 1)	3,200,391	Advance payments	843,714
						Accounts receivable-other	135,310

(NOTES) Transaction terms and policy for deciding transaction terms

(Note 1) Purchases of merchandise are negotiated and determined in consideration of general transaction conditions.

(Note 2) The interest rate is reasonably determined for loans of funds by taking market interest rates into consideration.

(Note 3) Transaction amounts do not include foreign exchange gains and losses, while period-end balances include foreign exchange gains and losses.

(Notes on Revenue Recognition)

The information used as the basis for understanding income arising from contracts with customers is omitted because the same information is provided in the "Notes to Consolidated Financial Statements (Notes to Revenue Recognition)."

(Notes on Per Share Information)

Net assets per share JPY221.70

Net income per share JPY27.90

(Notes on Significant Post-Balance Sheet Events)

The notes are omitted because the same information is provided in the "Notes to Consolidated Financial Statements (Notes on Significant Subsequent Events)."

Independent Auditors' Report

June 27, 2025

Hamee Corp.
To the Board of Directors

Ernst & Young ShinNihon LLC
Tokyo Office

Designated	Limited		
Liability Partners		Certified Public	
Partners administering		Accountant	Yasuhiro Miki
the affairs			
Designated	Limited		
Liability Partners		Certified Public	
Partners administering		Accountant	Yoichi Takanashi
the affairs			

Audit Opinion

Pursuant to the provisions of Section 4 of Section 444 of the Companies Act, we have audited the accompanying consolidated financial statements of Hamee Corp for the period from May 1, 2024 to April 30, 2025, consisting of the consolidated balance sheet, the consolidated statements of operations, the consolidated statements of changes in stockholders' equity and the consolidated notes thereto.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and the results of the operations of the Group, consisting of Hamee Corp and its consolidated subsidiaries, for the periods covered by such consolidated financial statements in conformity with accounting principles generally accepted in Japan.

Basis for audit opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under the auditing standards are described in "Auditor's Responsibility in the Audit of Consolidated Financial Statements." We are independent of the Company and its consolidated subsidiaries in accordance with the provisions of the Code of Professional Ethics in Japan and we fulfill our other ethical responsibilities as an auditor. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other information

Other descriptions include business reports and supplementary schedules thereof. Management is responsible for preparing and disclosing other information. The responsibility of the Audit and Supervisory Committee is to monitor the execution of directors' duties in the development and operation of the reporting process for other descriptions.

Our opinion in the consolidated financial statements does not include any other statements, and we do not express an opinion on them.

Our responsibility in auditing the consolidated financial statements is to read the other statements and, in the course of reading it, to consider whether there are any material differences between the content of other statements and the consolidated financial statements or the knowledge we have acquired in the course of auditing, and to pay attention to whether there are any other indications of material error in the content of other statements other than such material differences.

We are required to report the fact that, based on the work performed, we determine that there are material errors in other descriptions.

There are no other matters that should be reported by our auditing firm.

Responsibility of Management and the Audit and Supervisory Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of consolidated financial statements in accordance with accounting principles generally accepted in Japan. This includes developing and operating such internal controls as management deems necessary for the preparation and fair presentation of the consolidated financial statements that are significant from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for evaluating whether it is appropriate to prepare the consolidated financial statements based on the assumption of a going concern and disclosing the matters related to a going concern in accordance with accounting principles generally accepted in Japan.

The responsibility of the Audit and Supervisory Committee is to monitor the execution of directors' duties in the development and operation of the financial reporting process.

Responsibility of Auditors for Auditing Consolidated Financial Statements

The auditor's responsibility is to express an opinion on the consolidated financial statements based on the audit conducted by the auditor on an independent basis in the audit report with reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement due to fraud or error. A misstatement is considered material when it may occur due to fraud or error, and individually or when aggregated, is reasonably likely to affect the decisions of users of the consolidated financial statements.

In accordance with auditing standards generally accepted in Japan, the auditor shall, through the course of the audit, make judgments as an professional expert and conduct the following with professional skepticism:

- Identify and assess material misstatement risks due to fraud or error. In addition, design and implement audit procedures in response to the risks of material misstatements. The selection and application of audit procedures are at the discretion of the auditor. In addition, obtain sufficient and appropriate audit evidence to provide a basis for our opinion.
- Although the purpose of the audit of the consolidated financial statements is not to express an opinion on the effectiveness of internal control, the auditor considers internal control related to the audit in order to design audit procedures that are appropriate in the circumstances when conducting a risk assessment.
- Assess the appropriateness of accounting policies adopted by management and their application, as well as the reasonableness of accounting estimates made by management and the reasonableness of related notes.
- To conclude whether it is appropriate for management to prepare a consolidated financial statement on a going concern basis and whether, based on the audit evidence obtained, significant uncertainty exists with respect to events or circumstances that raise substantial doubt about the Company's ability to continue as a going concern. If there is any material uncertainty regarding the Company's ability to continue as a going concern, the Company is required to alert the notes to the consolidated financial statements in the audit report, or if the notes to the consolidated financial statements regarding material uncertainty are not appropriate, to express an opinion on the excluded matters in the consolidated financial statements. The auditor's conclusion is based on audit evidence obtained through the date of the audit report, but future events and circumstances may prevent the entity from continuing as a going concern.
- Evaluate whether the presentation of the consolidated financial statements and the notes to the consolidated financial statements conform to the accounting principles generally accepted in Japan, the presentation, composition and content of the consolidated financial statements, including the related notes, and whether the consolidated financial statements present fairly the underlying transactions and accounting events.
- To obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries that serves as the basis for expressing an opinion on the consolidated financial statements, audit of the consolidated financial statements shall be planned and implemented. The auditor is responsible for directing, supervising and inspecting the audit of the consolidated financial statements. The auditor is solely responsible for the audit opinion.

The auditor reports to the Audit and Supervisory Committee on the scope and timing of planned audits, significant audit findings, including significant deficiencies in internal controls identified in the course of the audit, and other matters required by the audit criteria.

The auditor shall report to the Audit and Supervisory Committee on compliance with the provisions of professional ethics in Japan regarding independence, matters that are reasonably likely to affect the auditor's independence, and if measures are taken to eliminate impediments or safeguards are applied to reduce the impediments to an acceptable level.

Interest

There is no interest between the Company and its Consolidated Subsidiaries and the Auditing Corporation or its Operation Partners that should be stated pursuant to the provisions of the Certified Public Accountants Act.

End

Independent Auditors' Report

June 27, 2025

Hamee Corp.
To the Board of Directors

Ernst & Young ShinNihon LLC
Tokyo Office

Designated Limited

Liability Partners
Partners administering
the affairs

Certified Public
Accountant

Yasuhiro Miki

Designated Limited

Liability Partners
Partners administering
the affairs

Certified Public
Accountant

Yoichi Takanashi

Audit Opinion

Pursuant to the provisions of Article 436, Paragraph 2, Item 1 of the Companies Act, we audited the financial statements of Hamee Corp for the 27th fiscal term from May 1, 2024, to April 30, 2025, that is, the balance sheet, profit and loss statement, statement of changes in net assets, table of individual notes, and supplementary schedules thereof (hereinafter referred to as the "Financial Statements, etc.").

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and profits and losses for the period in which they relate in conformity with accounting principles generally accepted in Japan.

Basis for audit opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is described in the section entitled "Responsibility of Auditors for Audits of Financial Statements, etc." We are independent from the Company and fulfill our other ethical responsibilities as an auditor in accordance with the provisions on professional ethics in our country. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other information

Other descriptions include business reports and supplementary schedules thereof. Management is responsible for preparing and disclosing other information. The responsibility of the Audit and Supervisory Committee is to monitor the execution of directors' duties in the development and operation of the reporting process for other descriptions.

Our opinion on the financial statements does not include any other information, and we do not express an opinion on any other information.

Our responsibility in auditing the financial statements, etc. is to review whether there are any material differences between the contents of other statements and the financial statements, etc. or the knowledge we have obtained in the course of auditing, and to pay attention to whether there are any other indications of material errors other than such material differences in the descriptions.

We are required to report the fact that, based on the work performed, we determine that there are material errors in other descriptions.

There are no other matters that should be reported by our auditing firm.

Responsibility of Management and Audit Committee for Financial Statements, etc.

Management is responsible for the preparation and fair presentation of financial statements in accordance with accounting principles generally accepted in Japan. This includes the development and operation of internal controls deemed necessary by management for the preparation and fair presentation of financial statements, etc. that are significant from material misstatements due to fraud or error.

In preparing financial statements, etc., management is responsible for evaluating whether it is appropriate to prepare financial statements, etc. based on the premise of a going concern, and disclosing such matters when it is necessary to disclose matters concerning a going concern in accordance with accounting standards generally accepted in Japan.

The responsibility of the Audit and Supervisory Committee is to monitor the execution of directors' duties in the development and operation of the financial reporting process.

Responsibility of Auditors for Auditing Financial Statements, etc.

The auditor's responsibility is to express an opinion on the financial statements, etc. from an independent standpoint in the audit report with reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error, based on the audit conducted by the auditor. A misstatement may occur due to fraud or error, and if it is individually or aggregated, it is reasonably likely to affect the decision-making of the users of the financial statements, etc. It is judged to be material.

In accordance with auditing standards generally accepted in Japan, the auditor shall, through the course of the audit, make judgments as an professional expert and conduct the following with professional skepticism:

- Identify and assess material misstatement risks due to fraud or error. In addition, design and implement audit procedures in response to the risks of material misstatements. The selection and application of audit procedures are at the discretion of the auditor. In addition, obtain sufficient and appropriate audit evidence to provide a basis for our opinion.
- While the purpose of audits of financial statements, etc. is not to express an opinion on the effectiveness of internal controls, the auditor considers internal controls related to audits in order to design audit procedures that are appropriate in the circumstances when conducting risk assessments.
- Assess the appropriateness of accounting policies adopted by management and their application, as well as the reasonableness of accounting estimates made by management and the reasonableness of related notes.
- To conclude whether it is appropriate for management to prepare financial statements, etc. on a going concern basis, and whether, based on the audit evidence obtained, significant uncertainty can be found with respect to events or circumstances that raise substantial doubt about the going concern assumption. If there is any material uncertainty regarding the going concern assumption, the Company is required to alert the Company to the notes to the financial statements, etc. in the audit report, or if the notes to the financial statements, etc. related to material uncertainty are not appropriate, to express an opinion on excluded matters in the financial statements, etc. The auditor's conclusion is based on audit evidence obtained through the date of the audit report, but future events and circumstances may prevent the entity from continuing as a going concern.
- Evaluate whether the presentation of financial statements, etc. and the notes comply with corporate accounting standards generally accepted in Japan, the presentation, composition and content of financial statements, etc. including related notes, and whether the financial statements, etc. fairly present the transactions and accounting events underlying the transactions.

The auditor reports to the Audit and Supervisory Committee on the scope and timing of planned audits, significant audit findings, including significant deficiencies in internal controls identified in the course of the audit, and other matters required by the audit criteria.

The auditor shall report to the Audit and Supervisory Committee on compliance with the provisions of professional ethics in Japan regarding independence, matters that are reasonably likely to affect the auditor's independence, and if measures are taken to eliminate impediments or safeguards are applied to reduce the impediments to an acceptable level.

Interest

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

End

Audit Report of the Audit and Supervisory Committee

Audit Report

The Audit and Supervisory Committee audited the execution of duties by directors for the 27th fiscal period from May 1, 2024 to April 30, 2025. The method and results are reported below.

1. Method and Content of Audit

The Audit and Supervisory Committee regularly received reports from directors and employees regarding the contents of the resolutions of the Board of Directors concerning the matters listed in Article 399-13, Paragraph 1, Item 1 (b) and (c) of the Companies Act and the status of the construction and operation of the system (internal control system) developed based on the said resolution. The Audit and Supervisory Committee requested explanations and expressed its opinions as necessary, and conducted audits using the following methods.

- ① In accordance with the auditing policies and division of duties established by the Audit and Supervisory Committee, the Committee participated in meetings of the Board of Directors, the Executive Committee and other important meetings in cooperation with the Company's internal control divisions, while utilizing online tools and other tools. The Committee received reports on matters concerning the execution of its duties from directors and employees, etc., requested explanations as necessary, inspected important approval documents, etc., and investigated the status of operations and assets at the Head Office and major business sites. In addition, information was shared with the directors and corporate auditors of subsidiaries, and business reports were received from subsidiaries as necessary.
- ② The Audit and Supervisory Board monitored and verified whether the accounting auditor maintained an independent position and conducted appropriate audits. The Audit and Supervisory Board received reports from the accounting auditor on the status of the execution of their duties and requested explanations as necessary. In addition, we received a notice from the accounting auditor to the effect that the "system for ensuring the proper performance of duties" (matters listed in each item of Article 131 of the Company Accounting Rules) has been prepared in accordance with the "Quality Control Standards for Auditing" (Business Accounting Council) and requested explanations as necessary. We held discussions with Ernst & Young ShinNihon LLC on major audit considerations, received reports on the implementation of these audits, and requested explanations as needed.

Based on the above method, the business report and the supplementary schedules thereof, financial statements (balance sheet, profit and loss statement, statement of changes in shareholders' equity, and notes to the non-consolidated financial statements) and the supplementary schedules thereof and the consolidated financial statements (consolidated balance

sheet, consolidated profit and loss statement, consolidated statement of changes in shareholders' equity, and notes to the consolidated financial statements) for the relevant fiscal year were examined.

2.Results of the audit

(1)Audit results concerning business reports

- ① We acknowledge that the business report and the supplementary schedules thereof accurately represent the status of the Company in accordance with the laws and regulations and the Articles of Incorporation.
- ② No misconduct or material facts in violation of laws and ordinances or the Articles of Incorporation are found in connection with the execution of duties by the Directors.
- ③ The content of the resolution of the Board of Directors regarding the internal control system is deemed to be reasonable. In addition, we are not aware of any matters that should be pointed out with respect to the content of business reports related to such internal control systems and the execution of duties by directors.

(2)Audit results concerning non-consolidated financial statements and supplementary schedules

The auditing methods and outcomes of the independent auditor, Ernst & Young ShinNihon LLC, are deemed reasonable.

(3)Results of audit of consolidated financial statements

The auditing methods and outcomes of the independent auditor, Ernst & Young ShinNihon LLC, are deemed reasonable.

June 27, 2025

Audit and Supervisory Committee, Hamee Corporation

Outside Audit and Supervisory Committee Member

Toru Nishiwaki ㊟

Outside Audit and Supervisory Committee Member

Saiko Kumaou ㊟

Outside Audit and Supervisory Committee Member

Jiro Yoshino ㊟

End