



Hamee Corp.

FY04/24

Results briefing materials

Reference only

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

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I. Executive Summary

Executive Summary

1

Achieved significant yoy growth of 25.5% and 50.8% for the group as a whole because of the strong performance of both segments, Commerce segment and Platform segment.

2

Significant sales and profit growth of 30.0% and 53.7% yoy in Commerce segment. Sales increased across all businesses, led by strong performance from Mobile life Business and great progress from Cosmetics Business.

3

Significant sales growth of 11.0% and profit growth of 27.5% yoy in Platform segment by improving ARPU with the service price revision of Next Engine Business and sales associated with sales collaboration with other companies.

※All figures are for the cumulative period

II. Financial Results

Q4 FY04/24 Consolidated Overview

- Sales increased significantly by 38.1% in the year-over-year accounting period and 25.5% in the cumulative period because of the strong performance of both segments.
- Operating income and net income attributable to owners of the parent **increased substantially in the accounting period**.
- **Significant yoy increase** in each level of income for the cumulative period.

(Millions of yen)	Accounting period				Cumulative period			
	Q4 FY04/23 Results	Q4 FY04/24 Results	Increase /Decrease	% YoY	Q1-Q4 FY04/23 Results	Q1-Q4 FY04/24 Results	Increase /Decrease	% YoY
Consolidated Overview								
Net sales	3,496	4,829	1,332	38.1%	14,038	17,612	3,573	25.5%
Gross profit	1,979	2,852	872	44.1%	8,475	10,866	2,391	28.2%
Operating income	101	555	453	447.2%	1,271	1,917	646	50.8%
Net Profit attributable to owners of parent	130	428	297	228.4%	945	1,121	176	18.6%

Q4 FY04/23 Segment Overview

- Cumulative **sales and profits exceeded 30%** YoY because of strong performance in the Commerce segment.
- Consolidated operating income **rose significantly** to **447.2%** for the fiscal year and **50.8%** for the cumulative period.

(Millions of yen)		Accounting period				Cumulative period			
		Q4 FY04/23 Results	Q4 FY04/24 Results	Increase /Decrease	% YoY	Q1-Q4 FY04/23 Results	Q1-Q4 FY04/24 Results	Increase /Decrease	% YoY
Consolidated Segment Overview	Net sales	2,752	3,934	1,181	42.9%	10,655	13,855	3,200	30.0%
	Commerce								
	Segment profit	27	402	374	1,361.8%	696	1,069	373	53.7%
	Profit ratio	1.0%	10.2%	9.2%	–	6.5%	7.7%	1.2%	–
Platform	Net sales	743	895	151	20.4%	3,383	3,756	373	11.0%
	Segment profit	315	446	131	41.7%	1,509	1,925	415	27.5%
	Profit ratio	42.4%	49.9%	7.5%	–	44.6%	51.3%	6.6%	–
Consolidated	Net sales	3,496	4,829	1,332	38.1%	14,038	17,612	3,573	25.5%
	Segment profit	342	848	505	147.6%	2,205	2,994	788	35.8%
	Adjusted amount ※1	(241)	(293)	(52)	–	(934)	(1,077)	(142)	–
	Operating income	101	555	453	447.2%	1,271	1,917	646	50.8%
	Profit ratio	2.9%	11.5%	8.6%	–	9.1%	10.9%	1.8%	–

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

Q4 FY04/24 Commerce Segment (Net sales)

Consolidated

- Achieved yoy **increase in sales in all businesses** in both accounting and cumulative.
 - Sales grew **3.2% in cumulative period in Mobile Life Business** by strong performance though the initial plan was missed.
 - **Significant sales growth in Gaming Accessories and Cosmetics Businesses.**
- As a step toward becoming a core business, moving away from dependence on a single business and forming a business portfolio.

(Millions of yen)	Accounting period				Cumulative period			
	Q4 FY04/23 Results	Q4 FY04/24 Results	Increase /Decrease	% YoY	Q1-Q4 FY04/23 Results	Q1-Q4 FY04/24 Results	Increase /Decrease	% YoY
Commerce Segment								
Net sales	2,752	3,934	1,180	42.9%	10,655	13,855	3,200	30.0%
Mobile Life Business	1,838	1,861	23	1.3%	7,157	7,387	230	3.2%
Gaming Accessories Business	190	440	250	131.6%	769	1,115	346	45.0%
Cosmetics Business	151	799	647	428.2%	294	2,219	1,924	652.3%
New Business investment	38	72	33	85.2%	101	270	169	166.7%
Global Business	534	760	225	42.3%	2,332	2,863	530	22.7%

Q4 FY04/24 Commerce Segment (Operating income)

Consolidated

- **Achieved profitability in the Cosmetics Business** in the accounting period. Profitability improvement materialized in cumulative period.
- Profit increased **97.1%** yoy for the accounting period in the **Mobile Life Business** because of changing in the product mix focused on popular products, including peripheral accessories. Profit improved as a result of efforts to reduce costs.

(Millions of yen)	Accounting period				Cumulative period			
	Q4 FY04/23 Results	Q4 FY04/24 Results	Increase /Decrease	% YoY	Q1-Q4 FY04/23 Results	Q1-Q4 FY04/24 Results	Increase /Decrease	% YoY
Commerce Segment								
Operating income	27	402	374	1,361.8%	696	1,069	373	53.7%
Mobile Life Business	174	343	169	97.1%	1,223	1,399	176	14.4%
Gaming Accessories Business	(7)	28	35	—	2	16	14	700.5%
Cosmetics Business	(104)	54	158	—	(489)	(232)	257	—
New Business investment	(96)	(55)	41	—	(258)	(230)	28	—
Functional Departments	(35)	(72)	(36)	—	(105)	(310)	(204)	—
Global Business	97	103	6	6.2%	324	426	101	31.2%
Operating income ratio	1.0%	10.2%	9.2%	—	6.5%	7.7%	1.2%	—

Q4 FY04/24 Platform Segment

- **Achieved significant sales and profit increases in NextEngine Business.** Increased in ARPU because of new charging plan. Incentive sales associated with sales collaboration with other company added.
- **Operating income achieved initial plan in Consulting Business.** Decrease in sales due to organizational improvements.

(Millions of yen)	Accounting period				Cumulative period			
	Q4 FY04/23 Results	Q4 FY04/24 Results	Increase /Decrease	% YoY	Q1-Q4 FY04/23 Results	Q1-Q4 FY04/24 Results	Increase /Decrease	% YoY
Net sales	743	895	151	20.4%	3,383	3,756	373	11.0%
NextEngine Business	603	747	143	23.8%	2,400	2,820	419	17.5%
Consulting Business	100	98	(1)	(1.7%)	472	415	(57)	(12.2%)
Localco Business	39	49	9	24.7%	509	520	11	2.2%
Operating income	315	446	131	41.7%	1,509	1,925	415	27.5%
Operating income ratio	42.4%	49.9%	7.5%	—	44.6%	51.3%	6.6%	—

Q4 FY04/24 Consolidated Overview —Net Sales analysis

Consolidated

<Commerce>

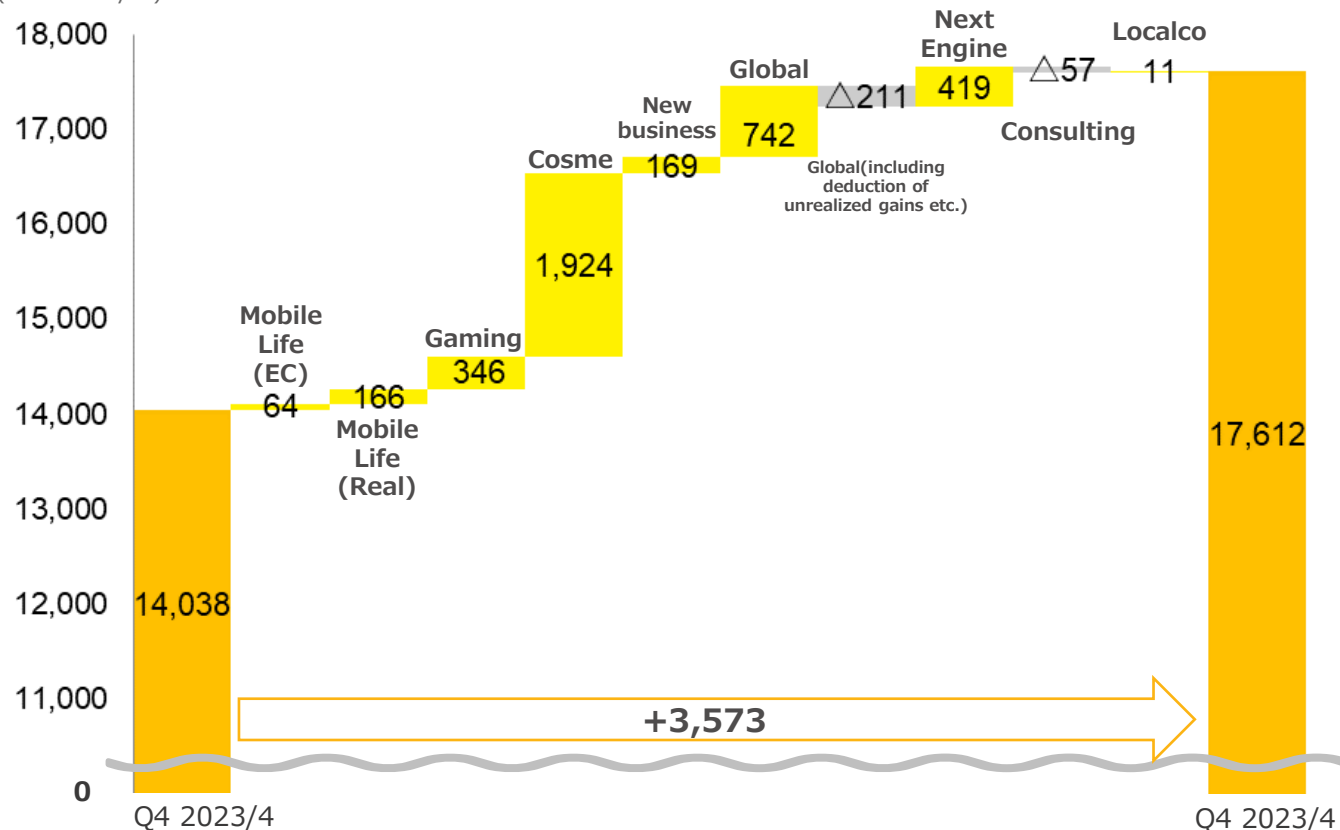
- Mobile Life: Sales increased by developing new products for new iPhone and popular models.
- Gaming Accessories: Sales grew by developing new products such as white and pastel color monitors and peripherals.
- Cosmetics: Significant increase in sales in both EC and wholesale by aggressive launch of new products along with increased brand recognition.
- Global: Continued strong sales in the U.S.

<Platform>

- Significant increase in sales through price revisions and measures for linkage with other companies.

Net sales(cumulative period)

(Millions of yen)



Q4 FY4/24 Consolidated Overview —Operating income analysis

Consolidated

Operating income (cumulative period)

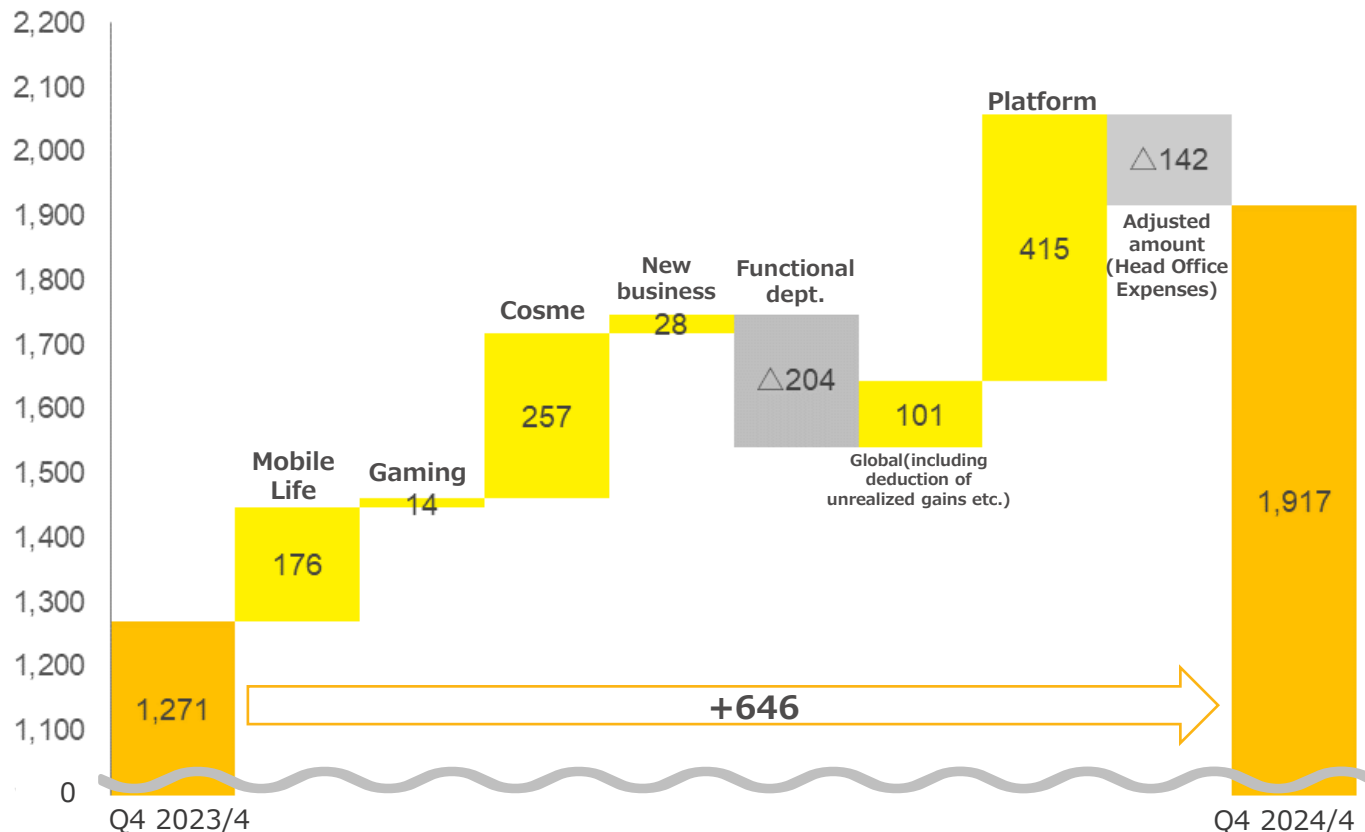
(Millions of yen)

<Commerce>

- Mobile Life: Profit increased by changing product mix and thorough cost management.
- Cosmetics: Profitability improved because of the significant increase in sales. Aiming to achieve full-year profitability by advertising investment that consider promotional effectiveness and cost reduction measures etc.
- Increase in expenses of functional departments due to revision of allocation standards.
- Global: Profit increased on the back of strong sales in the U.S.

<Platform>

- A sharp increase in operating income exceeded the increase in sales because of the combination of precise cost management and special factors such as linkage with other companies.



Full-year Forecast (Revision) Progress toward

- Net sales increased by Mobile Life Business performance and great strides of Cosmetics, Global and NextEngine Business.
- Profits at each stage exceeded revised plan through the effects of increased sales and cost management.

(Millions of yen)	2024/4 Cumulative period 2024/4			
	Revised forecast	Q1-Q4 FY04/24 Results	deviation amount	Achievement ratio
Consolidated segment				
Net sales	17,292	17,612	320	101.9%
Operating income	1,868	1,917	49	102.6%
Ordinary profit	1,942	2,018	76	104.0%
Net Profit attributable to owners of parent	1,053	1,121	68	106.5%

III . Business Highlight

Platform



NEXT ENGINE

Highlights

Platform

Platform

Sales (Q4)

JPY **895** million

(up 20.4% YoY)

Operating income(Q4)

49.9%

(up 7.5% YoY)

Next Engine Business

Number of clients(Q4)

6,256 clients

(up 484 clients YoY)

GMV(Q4)^{※1}

JPY **279.5** billion

(up 1.3% YoY)

ARPU(Q4)^{※2}

JPY **39,983**

(up 14.3% YoY)

Monthly churn rate (Q4)^{※3}

0.84%

(down 0.16% YoY)

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

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

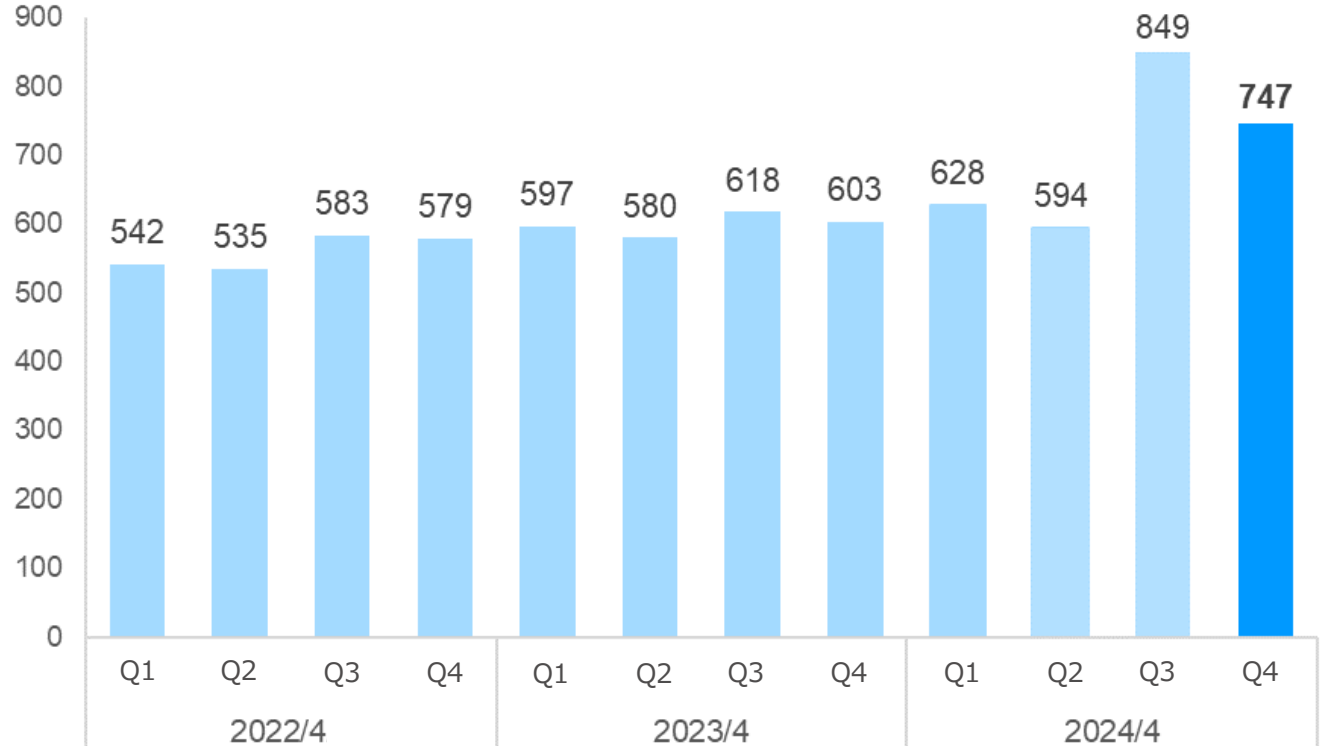
※3 monthly churn rate . . . Figures are calculated by dividing the number of contracted clients end of Q4 from the average number of cancellations during the quarterly period.

Next Engine Business —Q4 FY04/24 Sales

- Sales saw double-digit growth up 23.8% yoy because of increase in ARPU resulting from the new charging plan, collaboration between Mercari Shops and Next Engine and effect of incentive sales associated with sales collaboration.

Net sales

(Millions of yen)

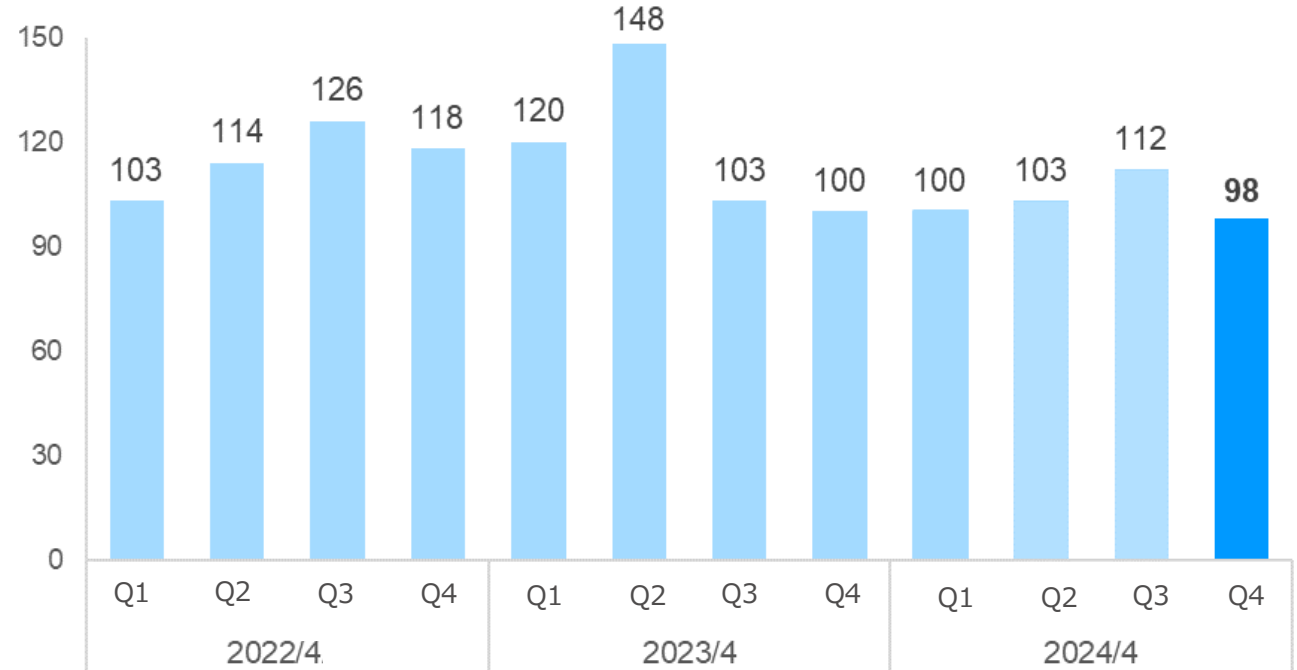


Consulting Business —Q4 FY04/24 Sales

- In order to address management issues, we will not focus on increasing sales in the current fiscal year, but instead will prioritize securing resources and establishing a foundation. Despite the resumption of sales activities for new contracts from January 2024, revenues fell 1.7% yoy due to the discovery of cancellations at the end of the client's fiscal year.
- Operating profit exceeded the initial plan. The profit margin has remained strong because of the emphasis on profitability.

Net sales

(Millions of yen)

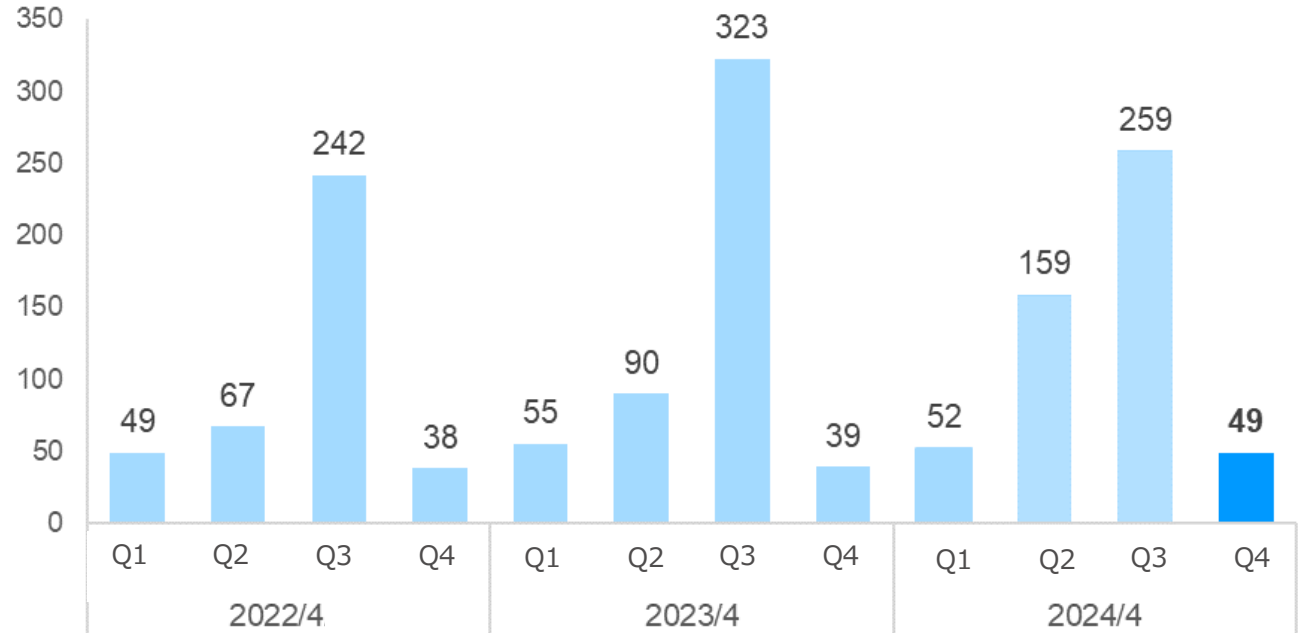


Localco Business —Q4 FY04/24 Sales

- Although the tax payment deadline is largest in December, Q3 sales declined yoy due to factors such as a decline in demand following the front-loaded increase due to the system change in October, and a decline in donations due to withdrawal of popular return gift manufacturer.
- Sales increased 24.7% yoy in Q4 because of the provision of value-added measures to existing-contract municipalities and contributions from new-contract municipalities.

Net sales

(Millions of yen)

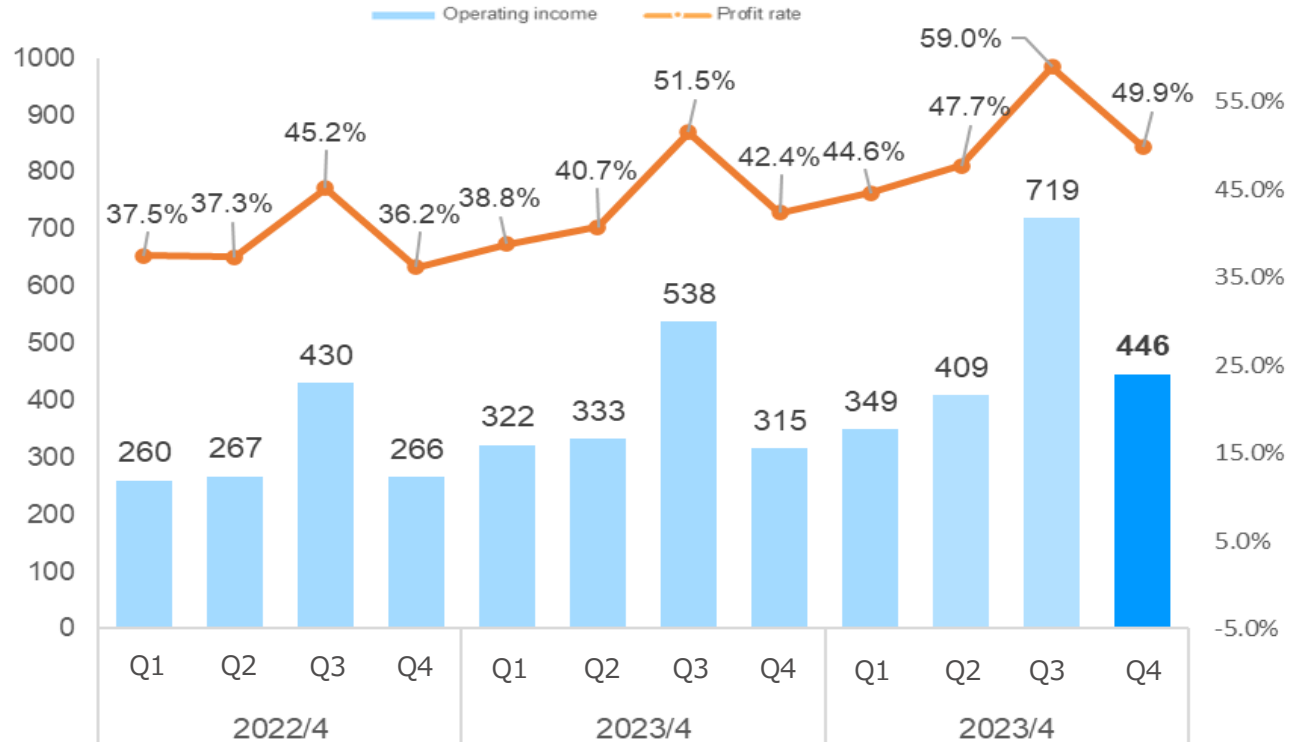


Q4 FY04/24 Operating income

- Operating income grew significantly, up 41.7% yoy, because of the high marginal profit ratio in the NextEngine Business and the special factor of incentive sales associated with sales collaboration.
- Improved profitability in the Consulting Business also contributed to higher profits.

Operating income

(Millions of yen)



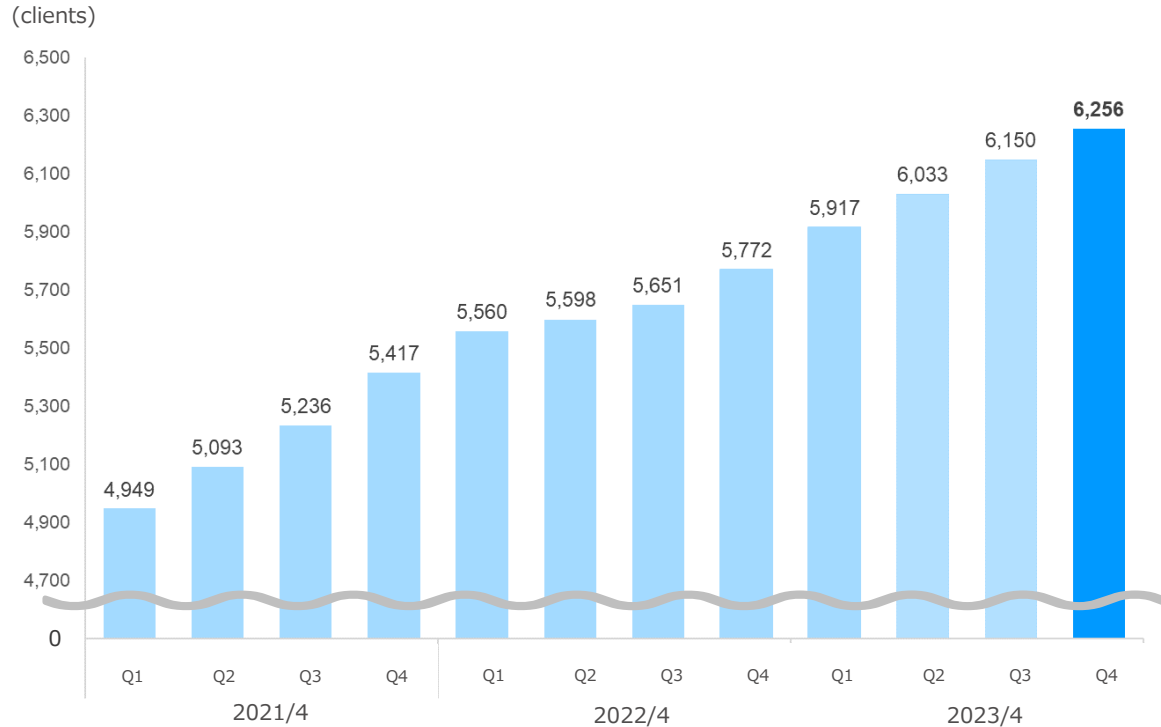
Next Engine Business —Total number of clients

- Contract acquisition pace was improved yoy when it slowed down as a reaction to COVID-19. Maintain a quarterly average net increase of more than 100 clients because of the lowering of the basic user fee from JPY10,000 per month to JPY3,000 per month broadened the scope of transactions for EC sales to small-scale clients.

- Net increase in Q4 was **106** clients and in this period cumulative was 484 clients.

Total number of clients

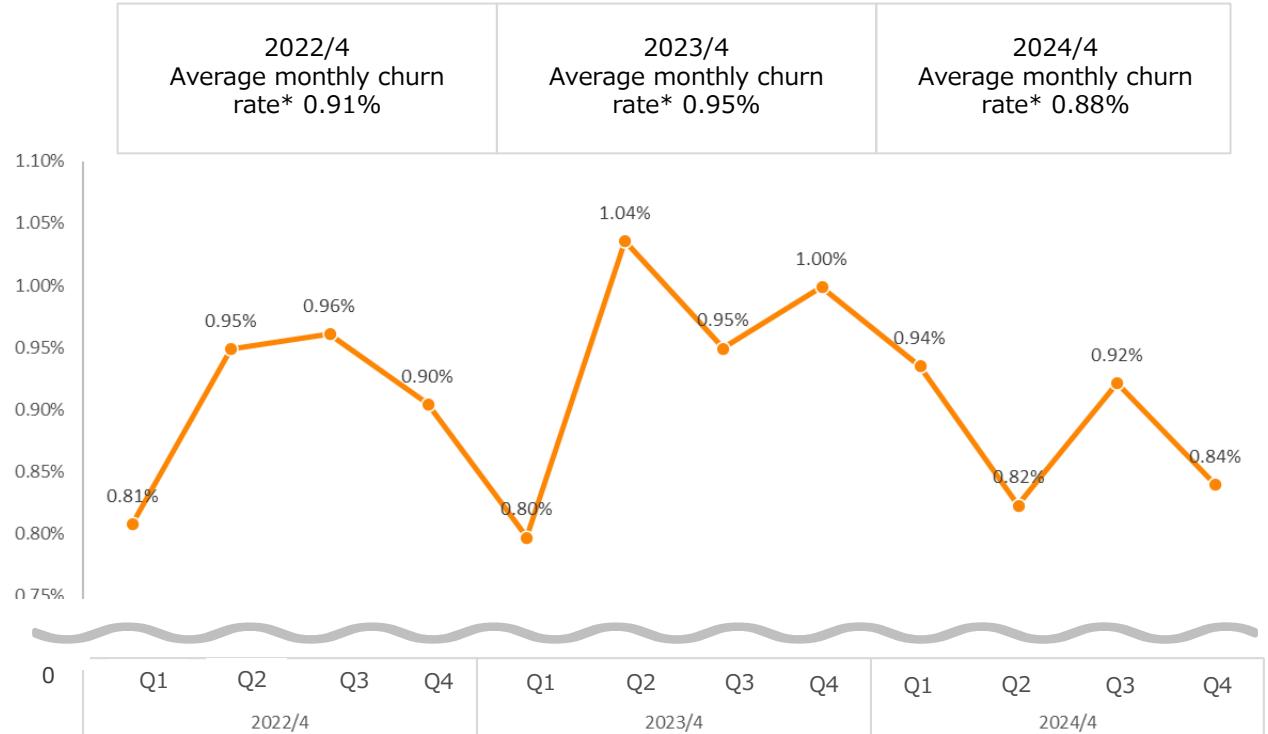
2022/4	2023/4	2024/4
Average quarterly net increase 170 clients	Average quarterly net increase 89 clients	Average quarterly net increase 121 clients



Next Engine Business —Churn rate trend

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

Churn rate

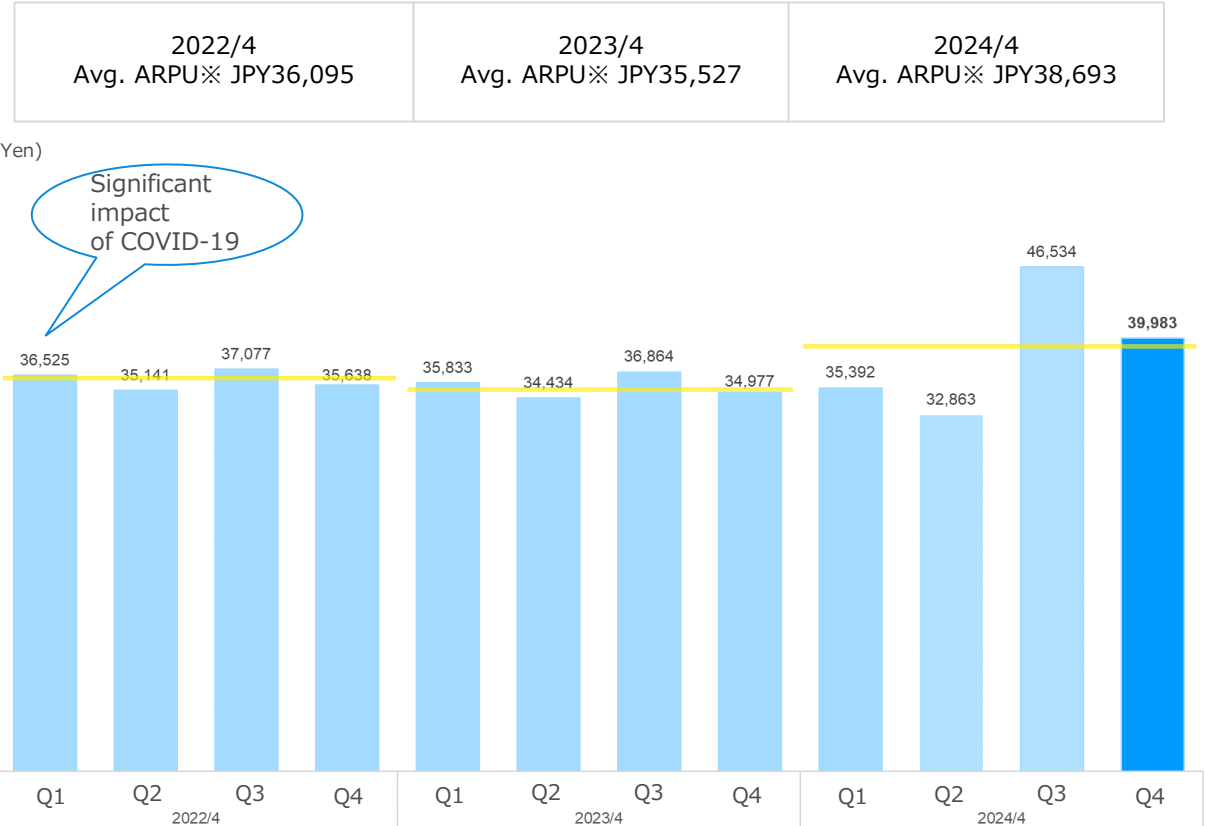


※ Annual average monthly churn rate: Figures calculated by dividing the number of contracted clients as of the end of the quarter from the average number of cancellations for each quarterly period are simple averages.

Next Engine Business —ARPU trends

- ARPU continues to improve yoy in 4Q as in 3Q because new charging plan, increase in the number of orders processed by clients EC businesses because of year-end sales season sales and increased because of collaboration with Mercari, offering Mercari Shops Linked App campaigns.

ARPU



Commerce

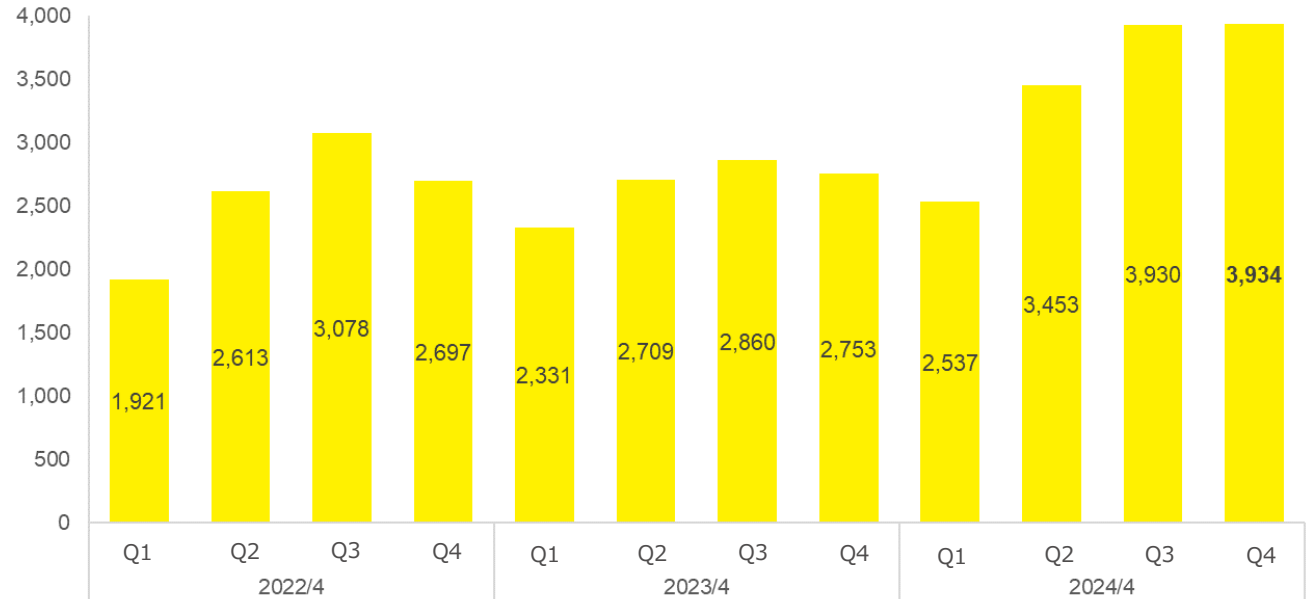


Q4 FY4/24 Net Sales

- Sales grew yoy. Mobile Life Business performed well because of the new lifestyle sales and aggressive new product development as well as major advances in the Cosmetics Business.
- Sales grew 42.9% yoy in the fiscal year and 30.0% in the cumulative period. Evolved from dependence on a single business and formed a business portfolio.

Net sales

(Millions of yen)



iFace product development

- In addition to Reflection series and First Class series, which are standard iFace products, we have also strengthened release of peripheral accessories other than cases, and improved brand awareness and sales volume.
- Continue to focus on brand-marketing through measures such as collaborating with popular creators and various IP, and developing our own product capsule toys.
- Strengthen measures other than iPhone, such as Galaxy and Pixel. Mitigate dependency on iPhone

Popular Products

• Reflection



• First Class



Commerce

Sales Products

• Airpods case



• Case for Google Pixel 8a



iFace product development

- Released products that reflect the opinions of customers, such as Reflection diary type cleared cases, for which there was a strong demand.
- Strengthened development of peripheral accessories other than cases, such as "MagSynq" series which utilize the functions of iPhone's Magsafe.
- Focused on developing products that take advantage of trends in Korea and U.S., where we have overseas bases, and releasing products such as bead straps.
- Promote the development of products that leverage trends and current resources, such as the development of clear-color multi-function charging taps "humor."

New Products

• Reflection diary type case



• "MagSynq" smartphone ring

Commerce



Product development

• "humor" Multifunctional charging tap



• "sorureda!" beads strap

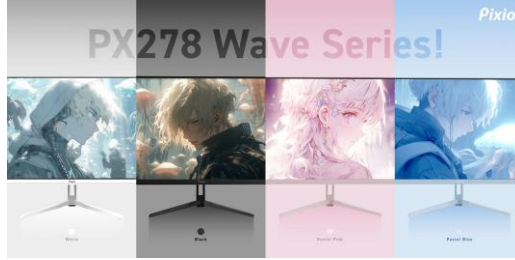


Gaming Accessories Business

- Expanding our product lineup by developing peripheral accessories such as new high-performance monitors and original monitor arms for white and pastel colors in order to differentiate us from those of other companies.
- Implemented measures such as collaborating with popular game distributors and sponsoring e-sports competitions and events in order to raise brand awareness.

Product development

• PX278 Wave Series



New Services

• Collaborating with popular game distributors



Commerce

• Peripheral accessories



• Sponsoring e-sports competitions and events



Cosmetics Business

- Achieved profitability in Q4 because of TV programs and influencer introductions have improved awareness. Sales grew dramatically over the course of the year, and the business portfolio was formed.
- Sales increased 7.5 times. Focus on the skincare category and the number of stores with wholesalers, including drugstores, increased to more than 5,000 stores.
- Top winners are firmly established in various EC mall rankings.

Sales Products

• Base makeup



Product development

• Glow stick



• Daily aqua serum mask



Commerce

• UV care items



Cosmetics Business

- Won the Best Cosme Award with a cumulative total of 118 awards.
- Aiming to be the next core pillar of profit following Mobile Life Business. Focus on product development and expansion of sales destinations in order to further expand the brand.
- In order to keep costs down, we are currently controlling advertising and promotion expenses and reviewing logistics outsourcing expenses.

Mainstay Products

• Base makeup



• Skincare line



Commerce

Event for new products

• Event venue



• Display model



New business investment

- Developed "Parallel Plastics", a recycling service that produces new products from defective plastic products and surplus inventory. Aim to further enhancing brand value and solve environmental issues.
- Developed "CustoMee", a service that allows customers to freely customize products using illustrations and photographs.
- Developed "Hamic", a first smartphone for children with a monitoring function.

Recycling Service

- Parallel Plastics



- 100% recycled trays



Commerce

Other new business

- CustoMee



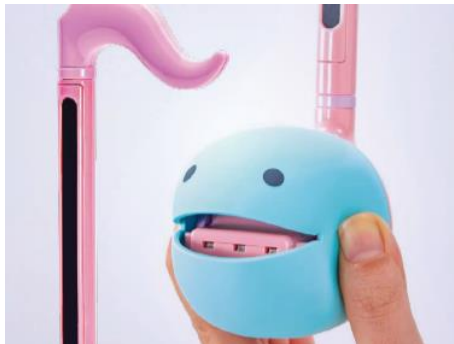
- Hamic



Global Business

- Acquired overseas sales business of Otamatone, strong sales in Hamee US in Jan 2023.
- Expanding transactions at major mass retailers in the U.S. through such products as Otamatone and the conventional IP collaboration product of squeeze (low-rebound toy) characters.
- Increase in the top line because of expand its sales territory and stable supply of products.
- Aim both reducing its cost of sales ratio by restructuring its manufacturing and purchasing supply lines and expanding sales area.

• Otamatone unicorn



• Otamatone Japan

Commerce



• Otamatone stand



• Otamatone melody



IV. Mid-Term Management Plan

Toward achievement of Mid-Term Management Plan

- The Mid-Term Management Plan announced on June 14, 2023 revised the plan for the fiscal year ending April 2025 to April 2026 based on the group's economic environment, recent business conditions and various policies.
- Hamee's management philosophy has been updated to further enhance brand value.
We will take on the challenge of not only manufacturing but also decarbonisation efforts.
We will contribute to the realization of a sustainable society through our business activities as a brand creator of humankind.
- We will continue to evolve and grow our two main businesses based on the purpose of "Ignite your creativity."
We will create innovative new businesses in peripheral fields.

Mission Update



Mid-Term Management Plan(FY04/25 to FY04/26) Consolidated Overview

(Millions of yen)		Results	Mid-Term Management Plan			
		2024/04	2025/04	% YoY	2026/04	% YoY
Consolidated Segment						
Commerce	Net Sales	13,855	15,750	13.7%	19,399	23.2%
	Segment profit	1,365	1,976	44.8%	2,601	31.6%
	Profit ratio	9.9%	12.6%	—	13.4%	—
Platform	Net Sales	3,756	3,995	6.4%	4,651	16.4%
	Segment profit	1,925	1,997	3.8%	2,363	19.7%
	Profit ratio	51.3%	50.0%	—	51.4%	—
Total	Net Sales	17,612	19,745	12.1%	24,050	21.8%
	Segment profit	3,290	3,974	20.8%	4,992	25.6%
	Adjusted amount ※1	(1,373)	(1,890)	37.6%	(1,960)	3.7%
	Operating income	1,917	2,084	8.7%	3,031	45.4%
	Profit ratio	10.9%	10.6%	—	12.6%	—

※1 Adjusted amount: Company-wide headquarters expenses are presented as "Adjusted amount." In order to more appropriately evaluate the performance of each business segment, we have changed the allocation method to include head office administrative expenses, etc. in the adjustment amount.

Mid-Term Management Plan(FY04/25 to FY04/26) Commerce segment

(Millions of yen) Commerce segment	Results	Mid-Term Management Plan			
	FY04/24	FY04/25	% YoY	FY04/26	% YoY
Net sales	13,855	15,750	13.7%	19,399	23.2%
Mobile Life Business	7,387	7,927	7.3%	8,455	6.7%
Gaming Accessories Business	1,115	1,195	7.2%	2,300	92.4%
Cosmetics Business	2,219	2,963	33.5%	4,274	44.2%
Others	270	148	(45.1%)	200	34.6%
Global Business	2,863	3,516	22.8%	4,170	18.6%
Segment profit	1,365	1,976	44.8%	2,601	31.6%

Mid-Term Management Plan(FY04/25 to FY04/26) Platform segment

(Millions of yen) Platform segment	Results	Mid-Term Management Plan			
	2024/04	2025/04	% YoY	2026/04	% YoY
Net sales	3,756	3,995	6.4%	4,651	16.4%
NextEngine Business	2,820	2,872	1.9%	3,060	6.5%
Localco Business	520	633	21.6%	619	(2.2%)
Consulting Business	415	378	(8.8%)	498	31.7%
Encer mall Business	-	110	-	473	326.8%
Segment profit	1,925	1,997	3.8%	2,391	19.7%

V . Reorganization

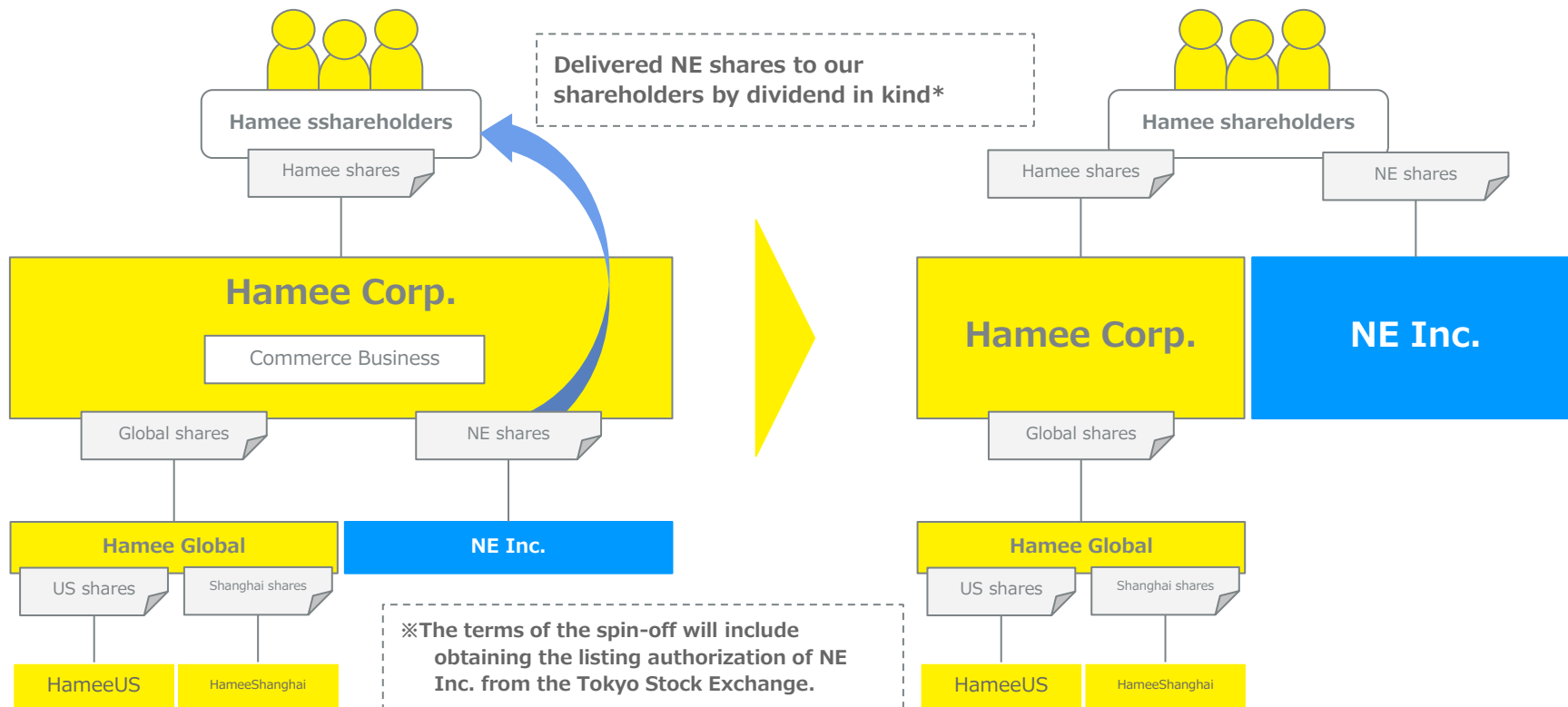
- Share-Distribution-Type Spin-Off of NE Inc.
 - Under the 2017 Tax Reform, **this Spin-Off will provide our shareholders with shares of NE, our consolidated subsidiary, as dividends in kind** by utilizing the share-distribution-type spin-off that created tax exemption for the profit and loss on transfer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

- **Maximize the shareholder's value**
 - We will work to resolve difficulties under the optimal management environment for each of us and NE Inc., and accelerate the evolution and growth of our business with the aim of further enhancing corporate value over the medium to long term.
 - We will create opportunities to choose the best way to develop business alliances and services while ensuring the flexibility of our growth strategies. As a result, we will maximize shareholder value by exceeding the total corporate value of the two companies before the reorganization.

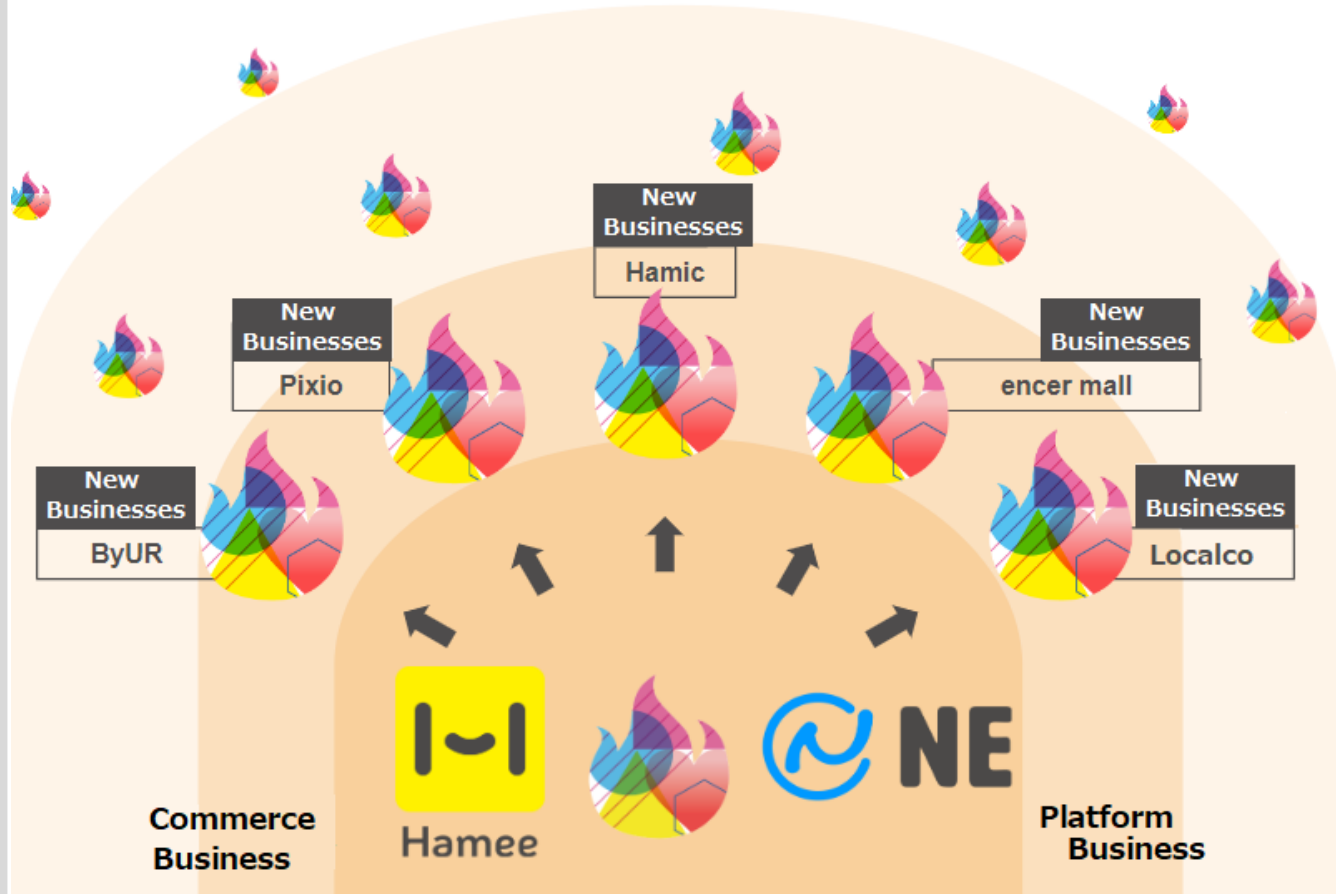
- **Clarification of Governance**
 - We and NE Inc. will communicate with the marketplace as listed companies to clarify governance.
 - Management of the two companies will directly ensure the soundness of management by being conscious of governance from capital markets.

- **Speed up decision making**
 - By eliminating the need to be aware of total optimization across businesses, management focused on each business unit will quickly make decisions in each area.

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



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

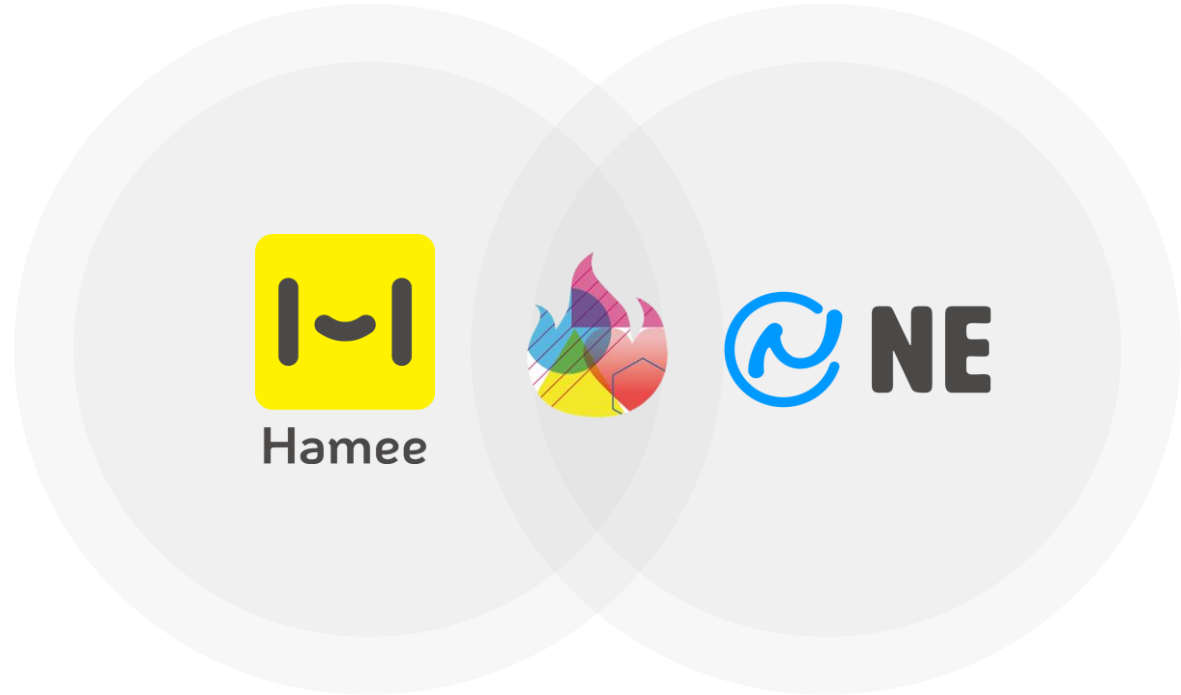


APPENDIX

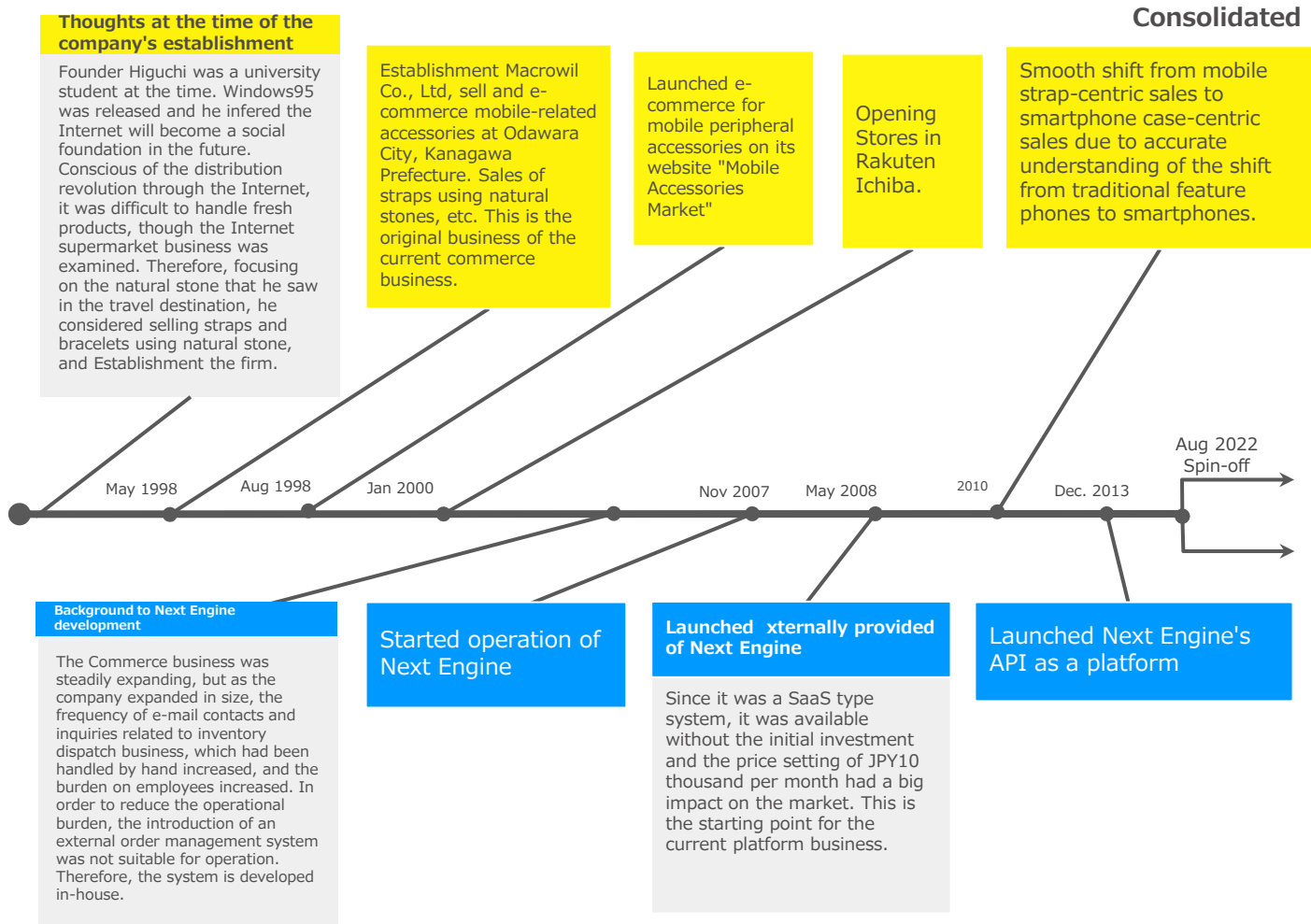
Company Profile

Spin-off

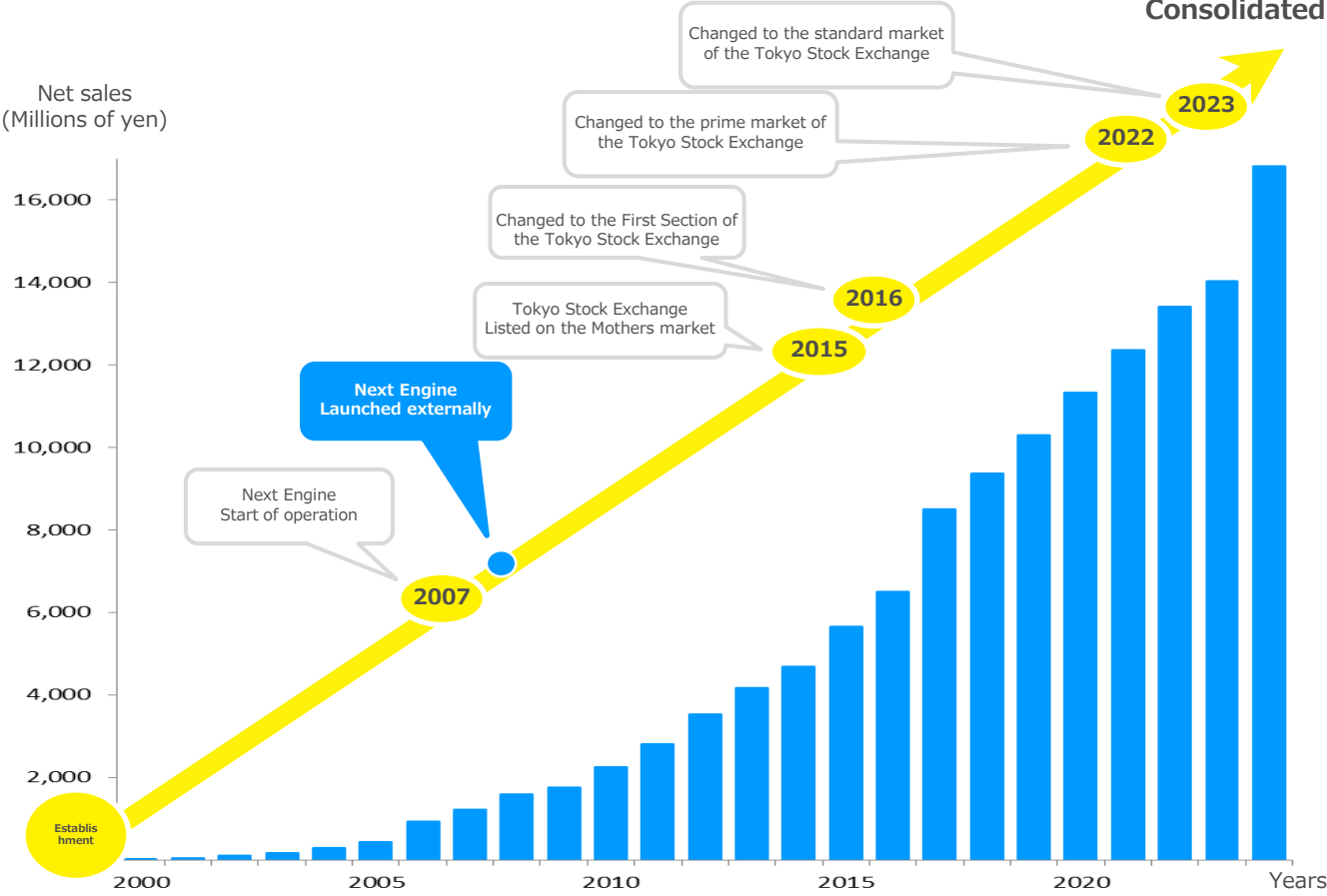
Under Mission of " Ignite your creativity " in order to maintain and realize mission over the super long term, the Platform Business spun off as NE Inc. and grow through both companies.



History



History (Growth Trajectory)



Business Overview

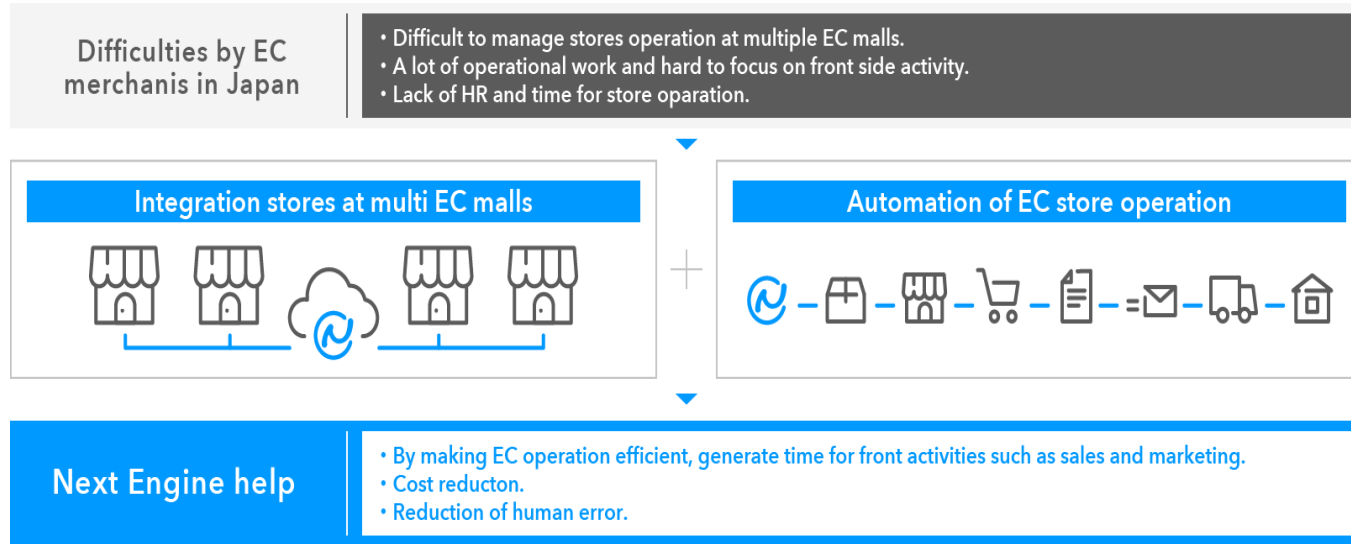
Platform



NEXT ENGINE

Next Engine —Main functions

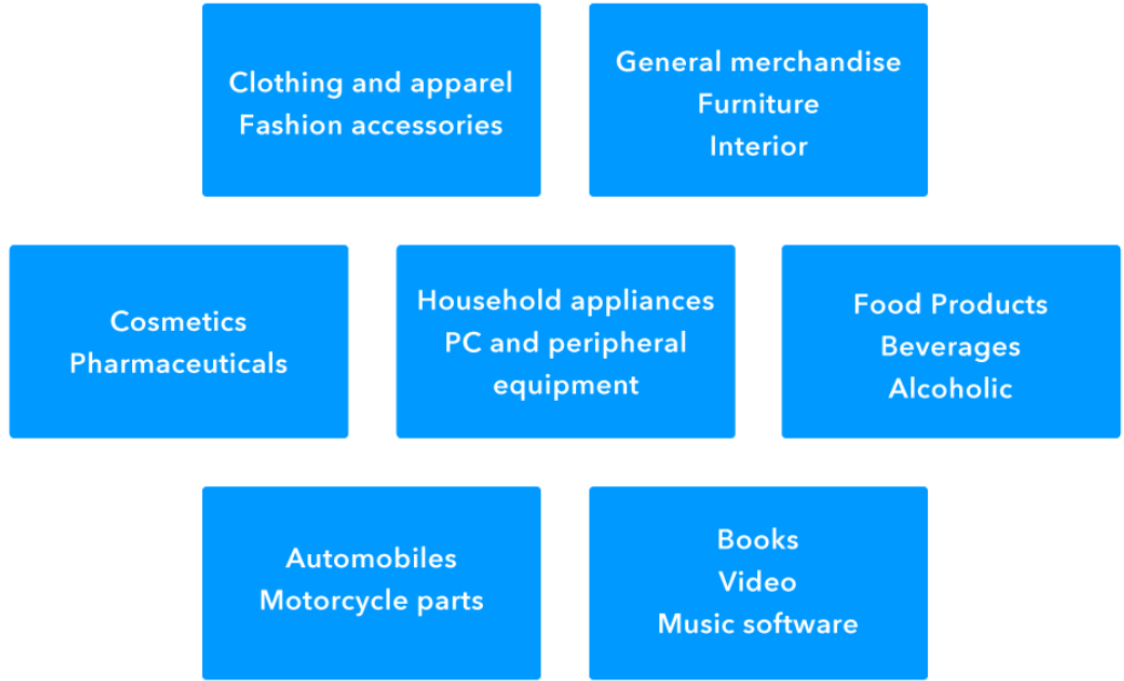
- SaaS type EC Attractions to support the automation and streamlining of EC site management operations.



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

Next Engine —Clients

- Next Engine supports clients in various categories



※Partial posting

Next Engine —Clients



Neversey Never Inc.

<https://neversaynever.jp/>

Product: Women's Fashion and Apparel



MADE IN EARTH

<https://madeinearth-store.jp/>

Product: Organic cotton products, Soap, furniture



International Swan Group

<https://swan-group.net/>

Product: Clothing, fashion accessories, etc.



THE BODY SHOP JAPAN

<http://www.the-body-shop.co.jp/shop/>

Product: Natural cosmetics



※Partial posting



WARAI MIRAI

<http://waraimirai.com/>

Product: Suites, Fruits, Gifts



NEXT ENGINE

**Born from
EC
operation**

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

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

Strong trust backed by industry No.1 by continued support from EC businesses

※Base on in-house research

**Resilient
Customization**

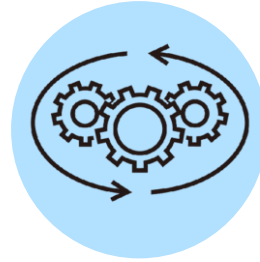
You can customize and add features in the Apps. Available consistently to use regardless of changes in size of business or social environment

Consulting Business —Business Activities



EC consulting

Consultants in charge formulate strategies, improve customer attraction through SEO and advertising, and provide support from a variety of perspectives, including repeat and higher spending per customer.



Management agency

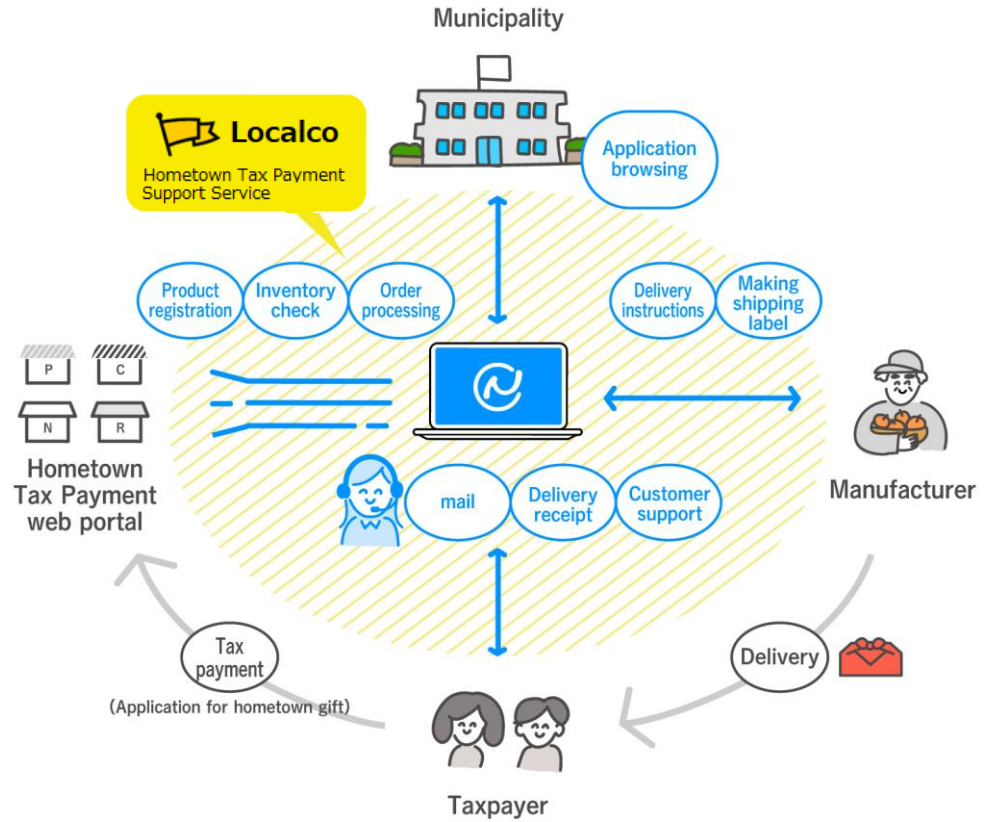
Operates EC sites that generate complicated operations from upstream to downstream, acting on behalf of customers in response to their requests.



EC store opening and construction consulting

Underwrote consulting, including the selection of malls and the design of websites and pages, to businesses considering opening new EC stores in an integrated manner, from actual site production.

Localco Business —Business Activities

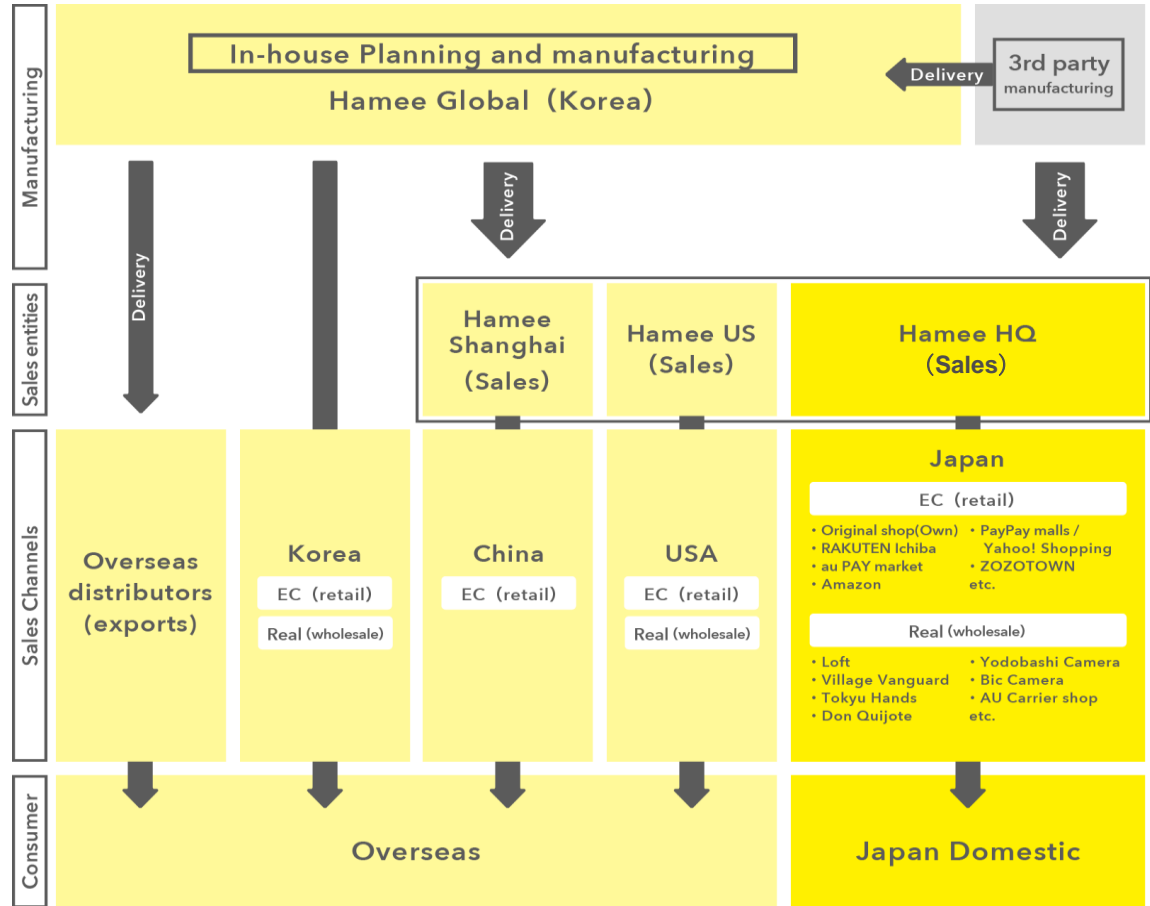


Commerce



Commerce Business Supply Chain

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



Source of Commerce Competitiveness

Maximize EC know-how

- Efficient operations by making full use of Next Engine
- Store management
- Customer Satisfaction
- Warehouse linkage, etc.

Variety of sales channels

- Maximize product sales
- Improve profitability through in-house planned products
- Continued growth even in COVID-19

Supply Chain Management

- Consumer Voices are reflected to products speedily
- Expansion of product categories
- Incorporation of production profits from in-house production

With iFace branding Leveraging Growth

- First Class
- Reflection
- New series
- Peripheral accessories
- Color, character development



Launch new brand by using brand management that gained in the process of growth iFace

- Salisty, Andmesh

Over the past 20 years, the Domestic Commerce Business has maintained an increasing trend in sales.

iFace —Strengths



Design

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

Brand

Its reliability is also high due to the strength and usability of its products, and its brand recognition is 64% high among men and women in their early 20s.

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

Young generation

Among young ※smartphone users, iFace users (including experienced users) account for more than 40%, earning a high level of loyalty, enabling us to secure a diverse range of sales destinations.

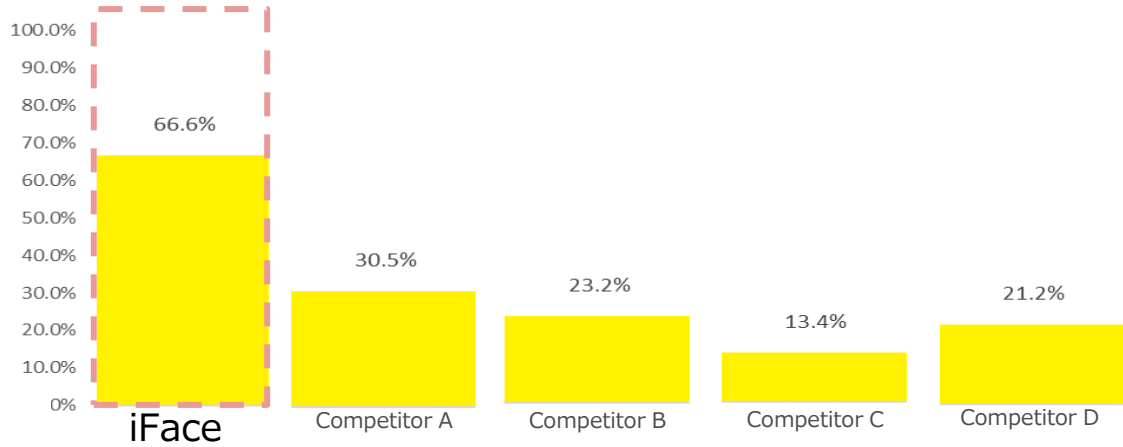
※Focuses on women aged 20 to 24 (Our survey December 2021)

iFace —Recognition

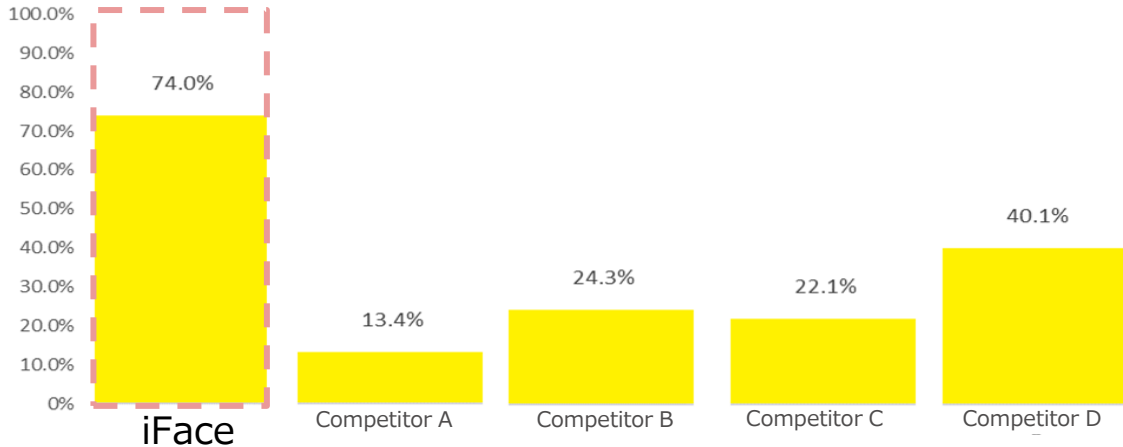
Overwhelming recognition among women in their late teens and early 20s compared to other companies' brands

※Our Survey
Survey period: December, 2021
Number of researchers: 599 women in their teens/638 women in their early 20s
Survey method: Internet survey
Target: Women aged 15-24 (smartphone users)

Brand Recognition (Women in their late teens)



Brand Awareness (Women in their early 20s)











iFace
—Series development

Voices of iFace user were commercialized

- **Look in Clear**
 In a web-based survey, "Full Clear Case," which was the strongest demand, was commercialized as an item to be used in iFace.
- **Tablet Case**
 Product development beyond smartphone cases based on the product strategy, one of the Mid-Term Management Plan.
- **Hang and**
 A new product that comes with a shoulder strap that keeps the trend in check launched in February.

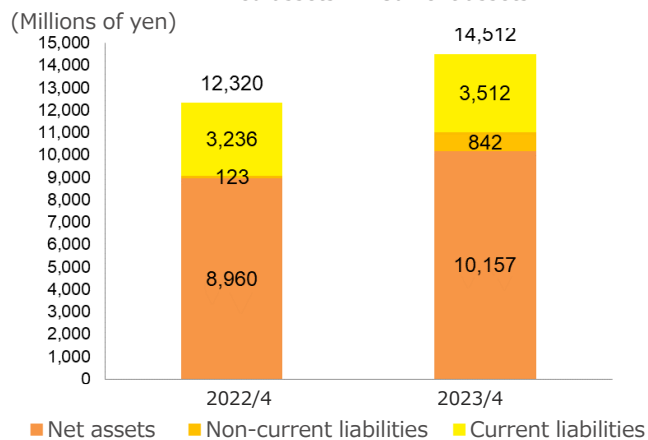
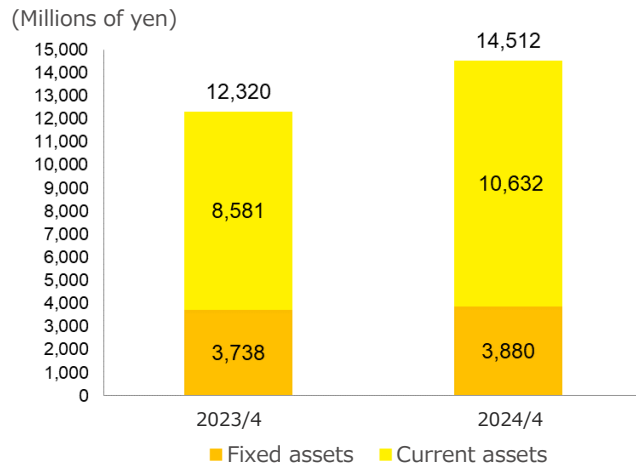
High designability + Series expansion + Peripheral accessories development

Mainstay Products	• First Class	• Reflection	• Look in Clear	• Tablet Case
				
Product development	• Hang and	• Finger Ring Holder	• Compact Wallet	• Grip On Silicone Case
				

Reference Information

Q4 FY04/24 Consolidated Balance Sheet

Commerce



Millions of yen

Current assets	2023/4	2024/4
■ Cash and deposits	4,021	486
■ Notes and accounts receivable	2,367	570
■ Merchandise	2,810	1,166
■ Others	1,410	(186)

Fixed assets	2023/4	2024/4
■ Property, plant and equipment	1,449	(58)
■ Intangible assets	831	5
■ Investments and other assets	1,598	194

Current liabilities	2023/4	2024/4
■ Short-term loans	1,200	(100)
■ Others	190	(8)

Non-current liabilities	2023/4	2024/4
■ Others	55	(56)

Net assets	2023/4	2024/4
■ Retained earnings	8,599	765

Next Engine indicators

Fiscal Year	2023/4				
	Q1	Q2	Q3	Q4	Full year
Number of clients	5,560	5,598	5,651	5,772	5,772
Number of stores introduced (stores)	43,049	44,221	45,116	45,937	45,937
GMV (Billions of yen)	296.7	277.7	330.0	301.7	1,206.16
ARPU (yen)	35,833	34,434	36,864	34,977	35,527
Monthly churn rate	0.80%	1.04%	0.95%	1.00%	0.95%
Number of orders received (ten thousand)	3,924	3,587	4,117	3,731	15,359
LTV(Lifetime Value) (yen)	4,493,902	3,323,480	3,881,696	3,500,899	3,799,994
Fiscal Year	2024/4				
	Q1	Q2	Q3	Q4	Full year
Number of clients	5,917	6,033	6,150	6,256	6,256
Number of stores introduced (stores)	46,865	47,728	49,311	50,471	50,471
GMV (Billions of yen)	279.7	262.3	292.1	279.5	11,138
ARPU (yen)	35,392	32,863	46,534	39,983	38,693
Monthly churn rate	0.94%	0.82%	0.92%	0.84%	0.88%
Number of orders received (ten thousand)	3,702	3,314	3,638	3,553	14,209
LTV(Lifetime Value) (yen)	3,784,611	3,991,849	5,050,357	4,779,658	4,401,619

※GMV and the number of orders processed are the totals at the end of each quarter. Monthly churn rate's figures are calculated by dividing the number of contracted clients end of Q4 from the average number of cancellations during the quarterly period.

Results for each Business —Net sales

(Millions of yen)

Summary of Business Figures
(Accounting Period)

		2023/04				2024/04				
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Net sales	Commerce segment	Mobile Life Business	1,557	2,025	1,736	1,838	1,613	2,161	1,751	1,861
		Gaming Accessories Business	188	159	230	190	180	151	342	440
		Cosmetics Business	23	47	72	151	317	468	634	799
		New Business investment	18	18	25	38	29	71	98	72
	Total domestic commerce		1,798	2,257	2,064	2,218	2,139	2,852	2,826	3,173
	Global Business		543	458	796	534	397	601	1,103	760
	Commerce segment total		2,331	2,709	2,860	2,753	2,537	3,453	3,930	3,934
	Platform Segment	Next Engine Business	597	580	618	603	628	594	849	747
		Consulting Business	120	148	103	100	100	103	112	98
		Localco Business	55	90	323	39	52	159	259	49
		Platform Segment Total		774	819	1,045	743	781	858	1,220
Total sales		3,106	3,527	3,908	3,496	3,316	4,314	5,151	4,829	

Results for each Business —Operating income

(Millions of yen)

Summary of Business Figures
(Accounting Period)

					2023/4				2024/4			
					Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Segment Income				Mobile Life Business	313	410	324	174	324	454	276	343
				Gaming accessories Business	2	7	0	(7)	(4)	(11)	3	28
				Cosmetics Business	(110)	(138)	(136)	(104)	(68)	(161)	(56)	54
				New Business investment	(54)	(57)	(51)	(96)	(62)	(53)	(58)	(55)
				Functional Departments	(26)	(26)	(17)	(35)	(83)	(78)	(76)	(72)
				Total domestic commerce	124	196	120	(69)	106	148	89	298
				Global Business(including deduction of unrealized gains, etc.)	35	21	171	97	(19)	157	185	103
				Commerce Segment Total	159	217	291	27	87	306	274	402
				Platform Segment Total	322	333	538	315	349	409	719	446
				Total Segment Income	482	550	829	342	436	715	994	848
Adjusted amount					(234)	(224)	(234)	(241)	(261)	(255)	(265)	(293)
Operating income					248	326	595	101	174	459	728	555

Shareholder Returns —Dividend per share

Consolidated

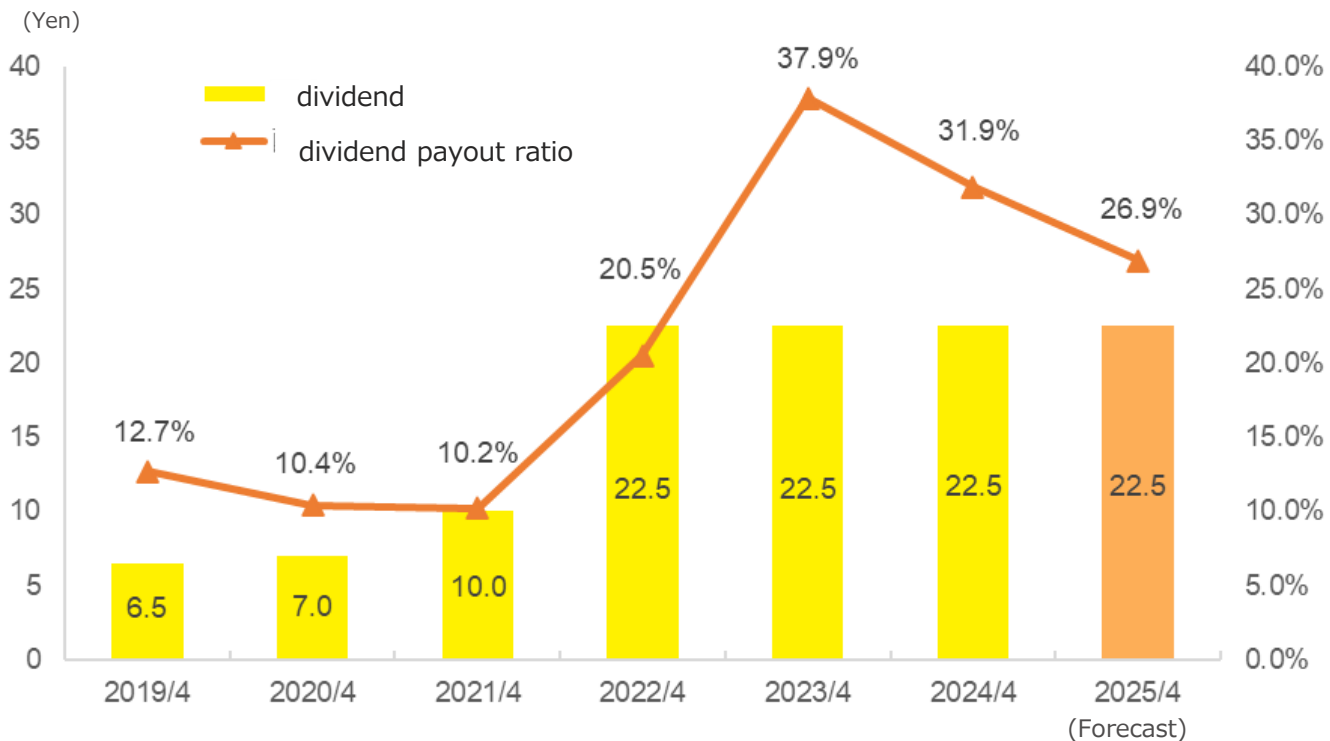
① **Linked to performance**

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

② **Stable dividend**

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

Dividend amount





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

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