



# Hamee Corp.

Q2 FY 04/21

Financial Results

TSE Part 1, Securities Code 3134

EC Market Information

## Commerce Business

**No.1** Market recognition “iFace”

EC (retail) + Real (wholesale)

SYNERGY

## Platform Business

**No.1** market share

Industry leader

**Next Engine**

Transaction data

from 4,351+

clients

Resources /  
Know-how 1↓

Efficiency  
(Integration + Automation)

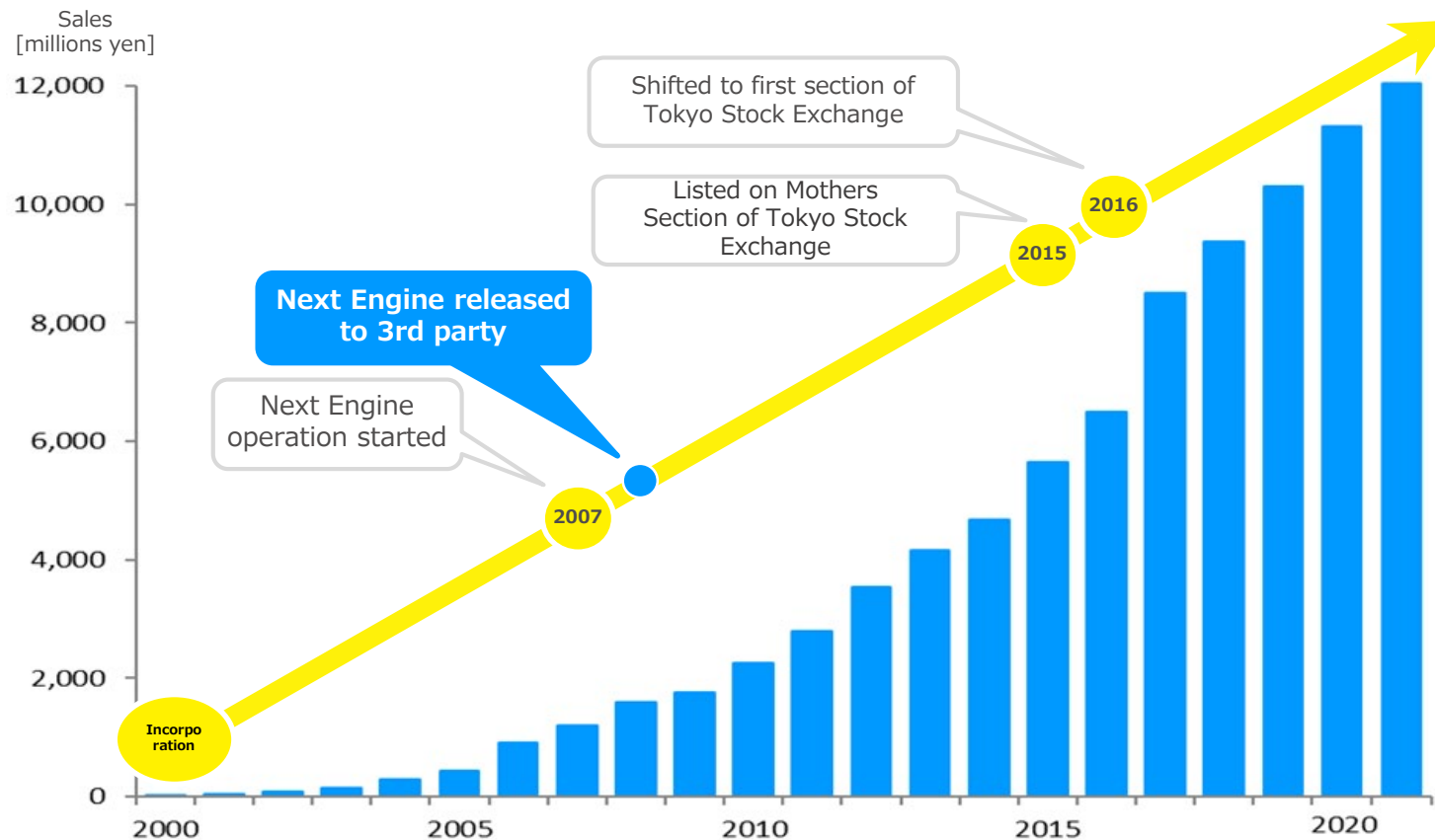
1↓ Resources /  
Know-how

Hamic

Hometown tax payment  
support services

RUKAMO

**New Businesses**



# **I. Executive Summary**

Sales  
**JPY5.62**  
billion  
(YoY)  
**+3.8%**

## Platform Business

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

## Commerce Business

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

## Others (New Businesses)

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

Operating  
income  
**JPY990**  
million  
(YoY)  
**+17.8%**

## **II. Financial Results**

## II. Financial Results Q2 FY04/21 - Summary

Millions of yen

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

Quarterly earnings per share

38.02

42.54

## II. Financial Results Q2 FY04/21-Segment

Millions of yen

		FY 04/20 Q2	FY 04/21 Q2			
				Increase/ Decrease	% YoY	% of sales
Commerce Business	Net sales	4,443	4,425	△17	△0.4%	78.7%
	EC	1,978	2,312	334	16.9%	41.1%
	Wholesale	2,464	2,113	△351	△14.2%	37.6%
	Segment profit	1,068	1,223	155	14.5%	81.2%
	Profit ratio	24.0%	27.6%	3.6%	—	—
Platform Business	Net sales	897	1,087	189	21.1%	19.3%
	Segment profit	269	452	183	68.0%	30.0%
	Profit ratio	30.0%	41.6%	11.6%	—	—
Other *1	Net sales	78	109	30	39.1%	1.9%
	Segment profit	△81	△168	△86	—	△11.2%
	Profit ratio	—	—	—	—	—

## II. Financial Results Q2 FY04/21 – Sales/Profit analysis

### Net sales

#### Domestic retail

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

#### Global sales

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

#### Domestic wholesale

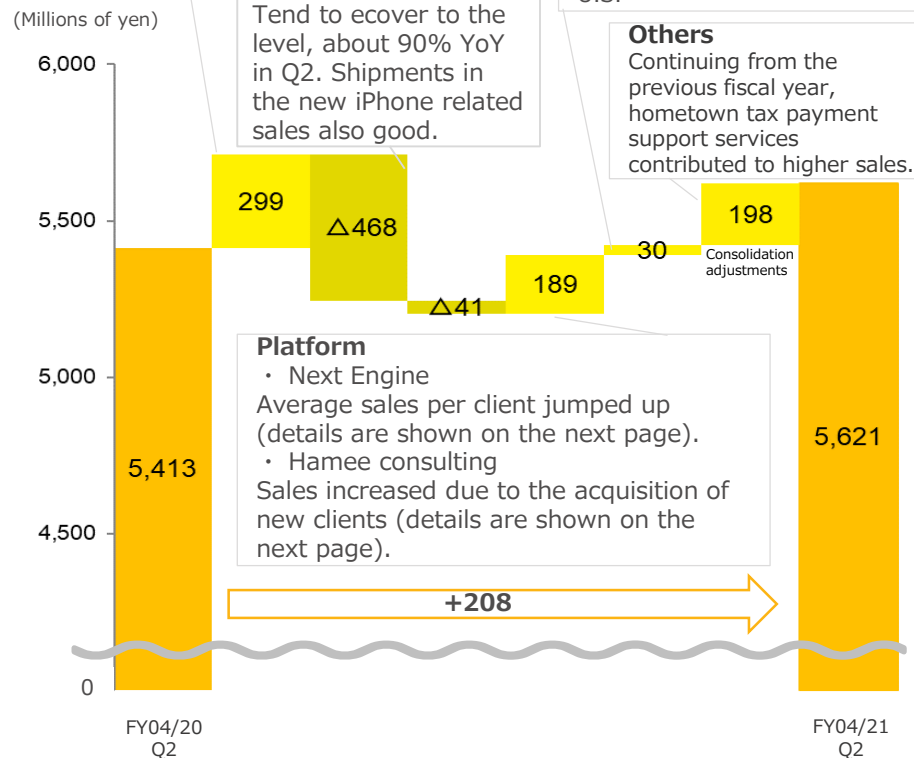
Tend to ecover to the level, about 90% YoY in Q2. Shipments in the new iPhone related sales also good.

#### Others

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

#### Platform

- Next Engine  
Average sales per client jumped up (details are shown on the next page).
- Hamee consulting  
Sales increased due to the acquisition of new clients (details are shown on the next page).



### Operating income

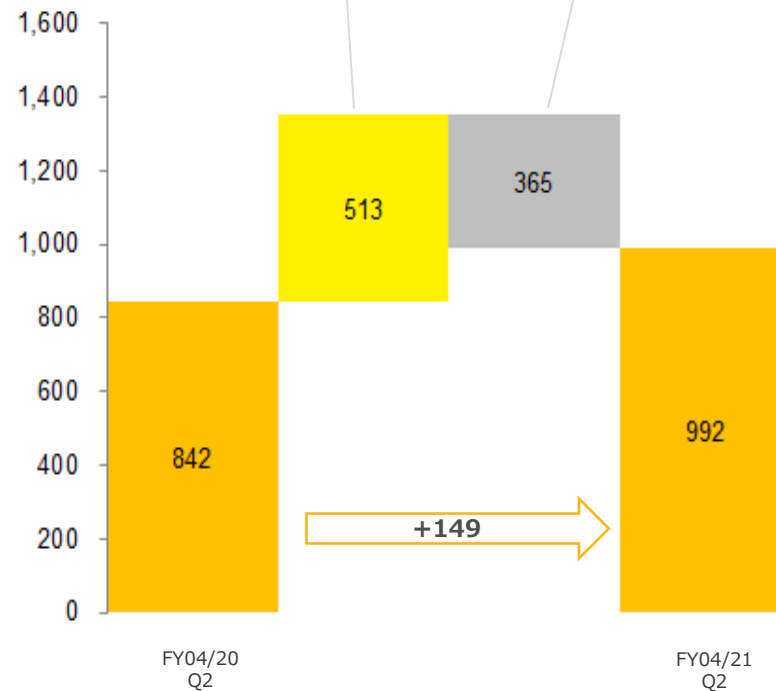
#### Gross margin

Effect of sales increment

#### SG&A expenses

	+365
Personnel expenses	+178
Commissions paid	+95
Amortization of goodwill	+52
Logistics	+20

(Millions of yen)



## II. Financial Results Q2 FY04/21 – Sales/Profit analysis - Platform

### Net sales

#### Next Engine

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

#### Hamee consulting

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

### Segment profit

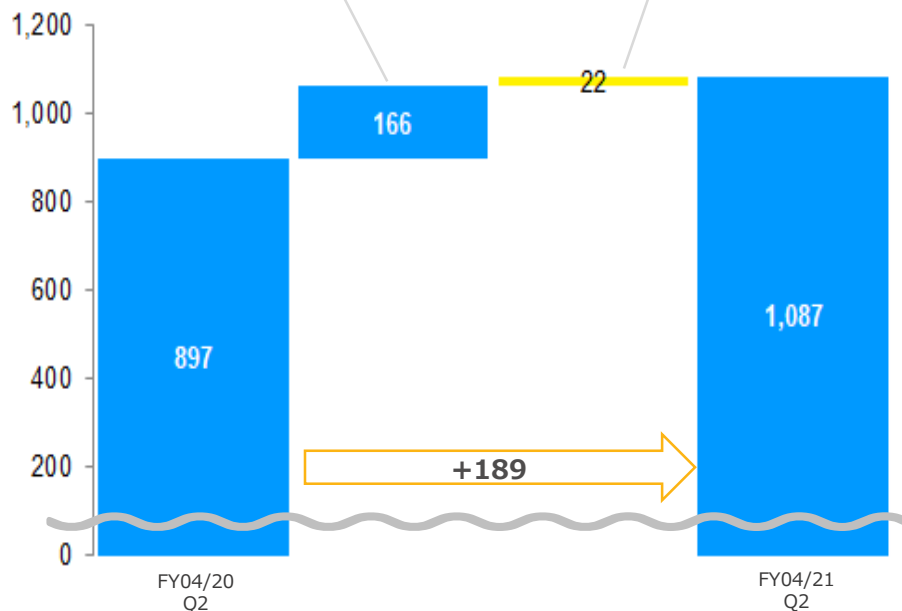
#### Next Engine

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

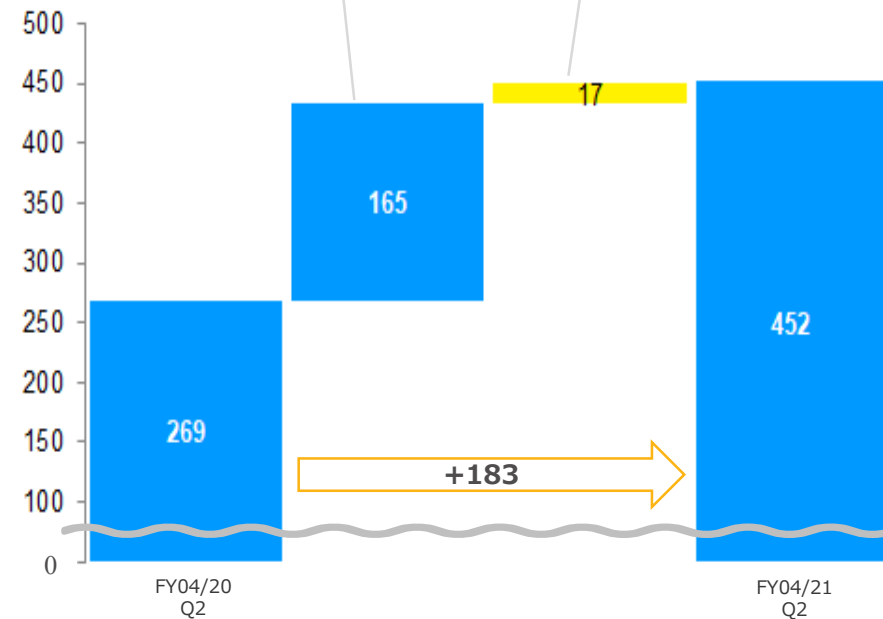
#### Hamee consulting

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

(Millions of yen)



(Millions of yen)



# **III. Business Overview**

# Platform Business





**NEXT ENGINE**

Total number of clients :

**4,351** clients

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



Net increase (half-year)  
+354 clients

YoY    Approx. **X2**  
(LY +168 clients, half year )

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

YoY    **+43%**  
(LY 43.8 million)

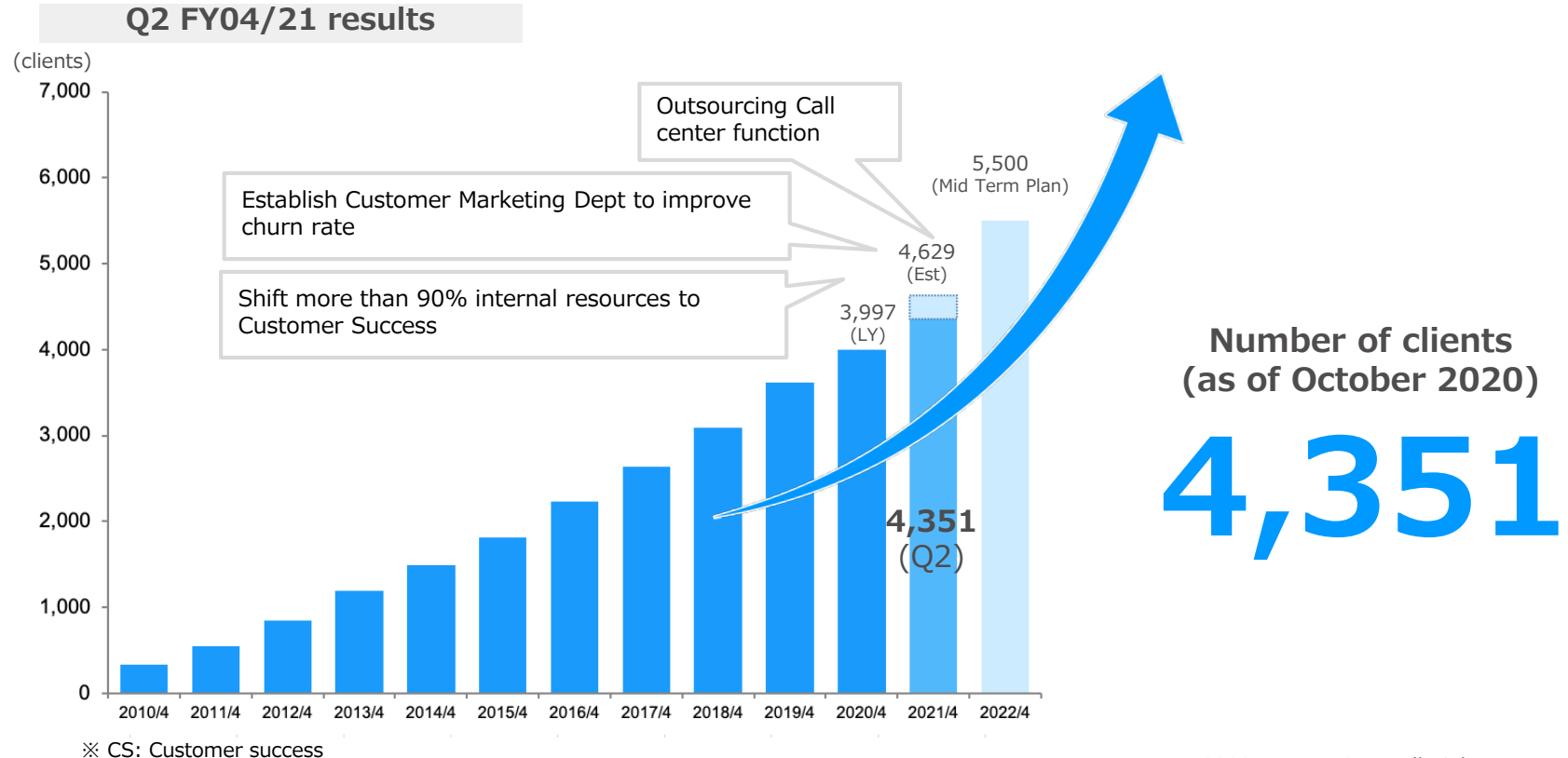
Transaction amount processed  
(half-year) JPY445.5 billion

YoY    **+36%**  
(LY JPY327.9 billion)

※Reported on the Nihon net keizai Shinbun on June 29, 2017

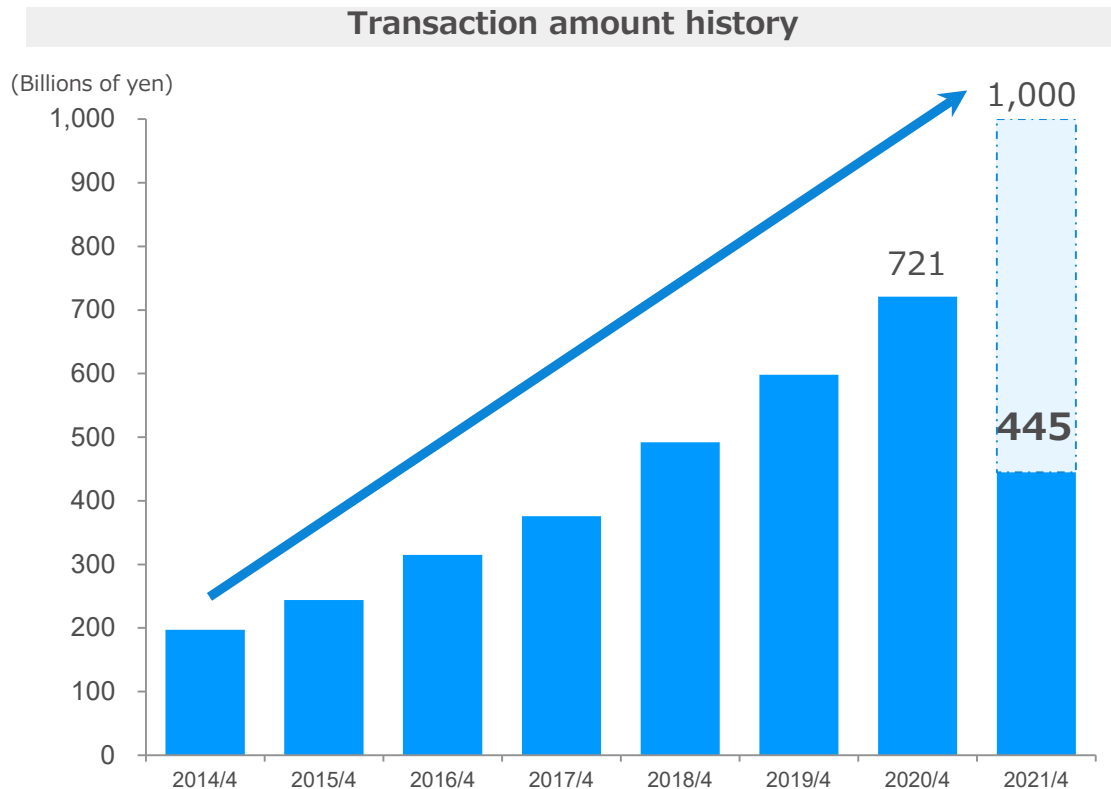
### III. Business Overview    Next Engine main function - Number of clients Hamee

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



### Ⅲ. Business Overview Transaction amount processed on Next Engine by client Hamee

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



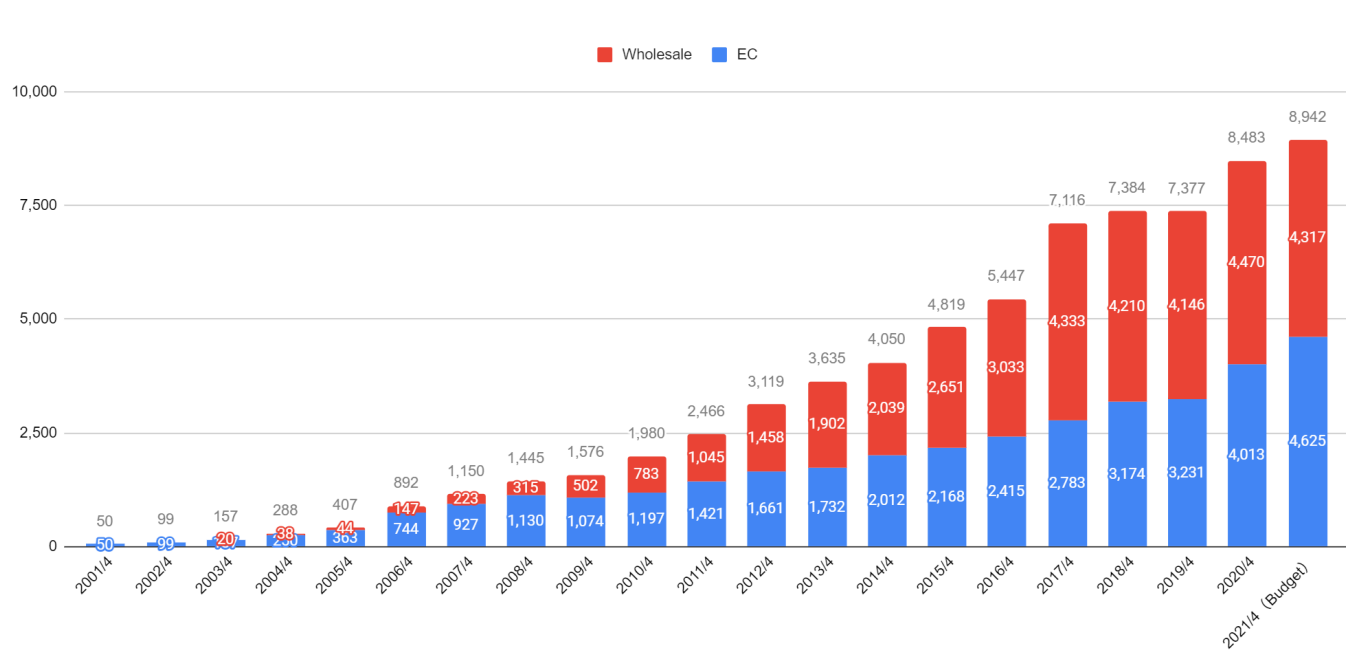
Year End Estimation

**1**  
**Trillion**  
**Yen**

Commerce Business




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

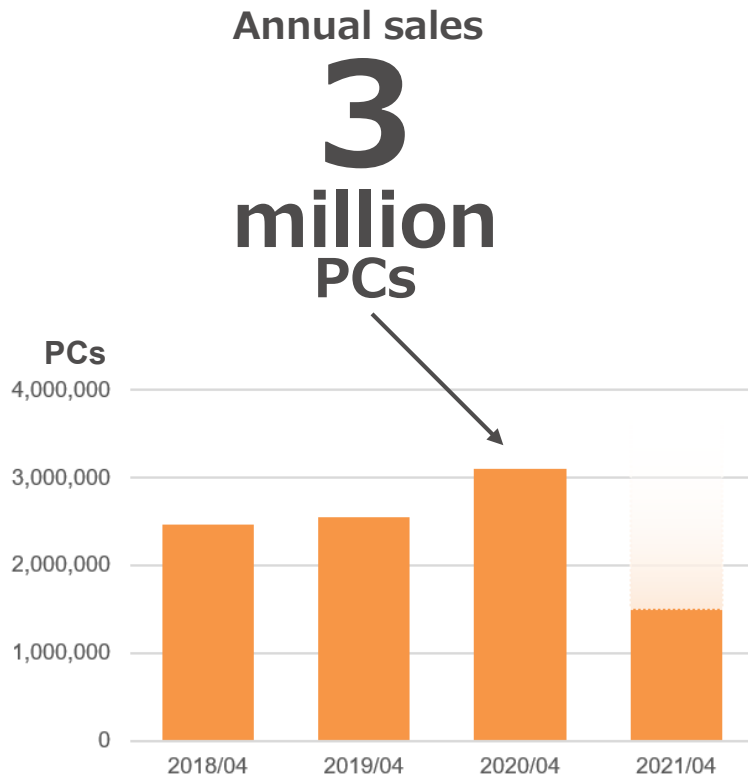


FY 04/21  
Real (wholesale) vs EC (retail)

48:52



## iFace series / Annual sales PCs



## TOPICS

### 2020 Rakuten Annual Ranking

Smartphone/  
Tablet section

**No. 1**



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

### III. Business Overview Global Expansion

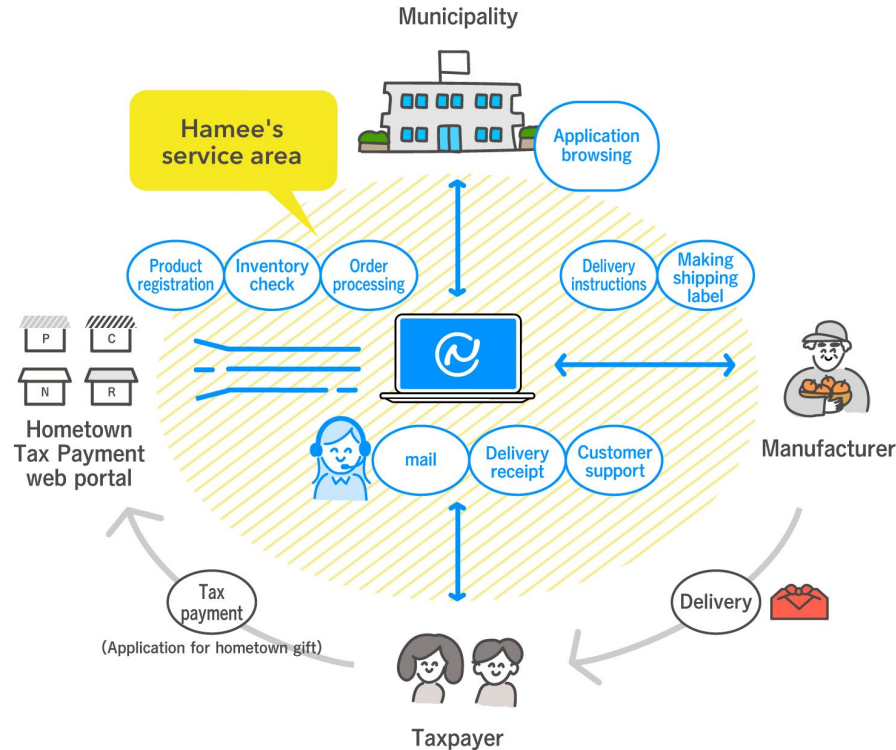
In addition to Japanese domestic market, through collaboration with TinyTAN, challenge to increase iFace recognition in order to expand business in North American!




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

# New Businesses

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



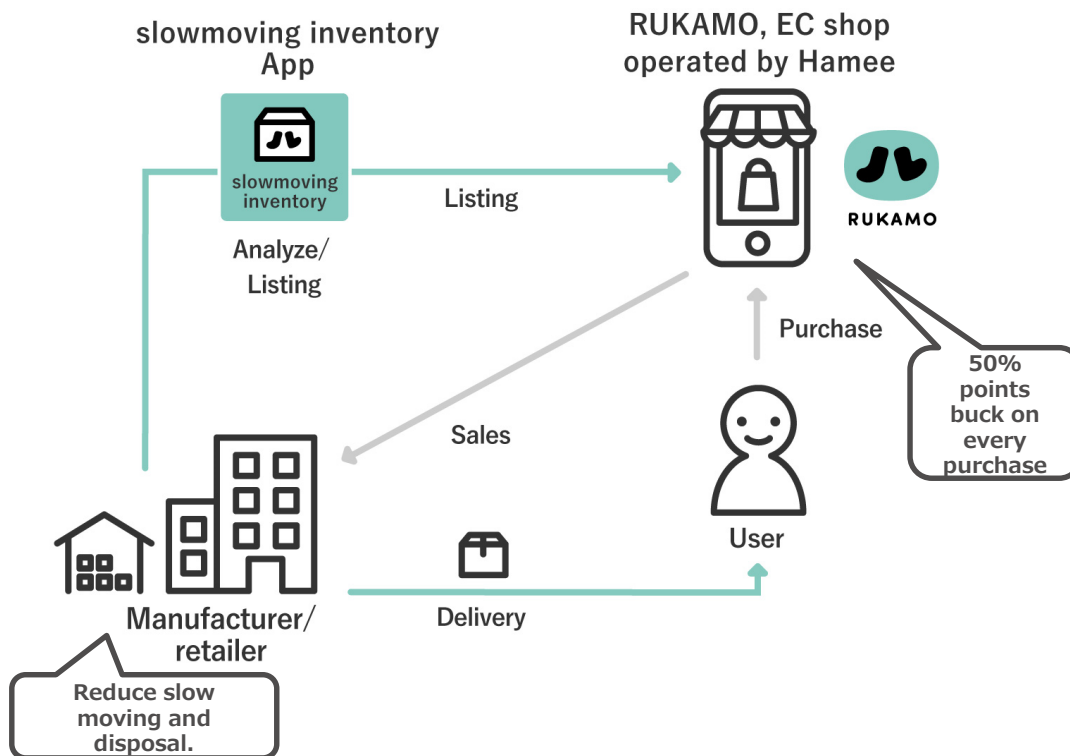
 **NEXT ENGINE**  
streamlining  
business operations

+

Operation Agency  
creating fans

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

~ For Sustainable Society ~



**GOOD DESIGN  
AWARD 2020**

Solving the issues of slow-moving inventory and mass disposal. Manufacturers/retailers list up such products, and consumers get 50% points back on purchase.

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

# Parent-Child Smartphone / Safety · Enjoyable · Literacy



Scheduled to be launched at EC shops in January 2021.

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

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

### Safety

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

### Enjoyable

Download apps from Google Play with well designed phone case

### Literacy

This is the pre-smartphone before smartphone use.

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



## DX銘柄2020

Digital Transformation

# 35

companies

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Approx. **3,700**  
companies

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

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



# Hamee