

# Hamee (TYO: 3134)

Q2 FY04/2024 (Aug-Oct 2023).

Financial results show YoY growth in revenues and profits.

## Summary

### Company profile

◆ **Hamee Corp.** was founded in 1997, went public on TSE Mothers in 2015, and is currently listed on the Standard Market. The company spin-off and operates 'Commerce Business' and 'Platform Business', both of which are profitable. In FY04/2023, the company reported consolidated net sales of JPY 14 billion, operating income of JPY 1.3 billion, total assets of JPY 12.3 billion, net assets of JPY 9 billion, and 428 employees. The Mid-Term Management Plan announced in June 2023 aims for net sales of JPY 22.5 billion and operating income of JPY 3.3 billion in FY04/2026.

◆ **'Commerce Business'**: the main business is the planning, development, and manufacture of mobile accessories, as well as e-commerce sales and wholesale to mass retailers, with the iFace series of in-house designed products gaining recognition, particularly among younger consumers. The scale of the business is net sales of JPY 10.7 billion and segment profit of JPY 700 million for the full year to April 2023. The company is currently promoting the multi-layering of its Gaming Accessories Business, Cosmetics ("ByUR" brand), and Global Business, the results of which are beginning to become apparent in terms of earnings. In particular, cosmetics brands are attracting increasing attention.

◆ **'Platform Business'**: Developed 'Next Engine', a cloud (SaaS) EC Attractions for internet retailers that automates operations related to online shop operations and centrally manages order processing and inventory status for multiple shops across malls, and is provided to more than 6,000 companies, mainly medium-sized businesses. The scale of the business is on track for steady growth in sales and profits, with net sales of JPY 3.4 billion and segment profit of JPY 1.5 billion in FY04/2023, and is expected to benefit from the expansion of the EC market in the future. The company is strengthening its growth platform by developing small businesses, improving APRU by reviewing rates, Consulting Business, and developing a B2B Matching Platform Business. It also offers a hometown tax donation service business.

◆ **Reorganisation**: a share-distribution-type spin-off of NE Inc., the Platform Business, is planned for 2025, and NE Inc. will be listed on the stock exchange. Current shareholders of the company will become shareholders of two listed companies in the future, the company and NE Inc. The aim is to reflect the potential of the two businesses in the current share price in an appropriate and timely manner.

### Q2 update for FY04/2024

◆ **Increased sales and profits**: net sales of JPY 4.3 billion (+22% YoY), operating income of JPY 460 million (+41% YoY) and net income of JPY 330 million (+16% YoY), with both the Commerce Business and Platform Business recording increases in sales and profits. A closer look reveals both positive and negative factors, but in general, the results give rise to expectations of higher sales and earnings in the future. The full-year forecast remains unchanged, and although progress up to Q2 has been slow, Q3 results are important as performance tends to be weighted towards the second half of the year.

### ◆ Points of interest:

Firstly, will the results in Q3, which is a busy period, increase the probability of achieving the full-year forecast?

Secondly, at what point will the profit contribution of the Cosmetics and Global business in the Commerce Business raise the level to grow the overall Commerce Business?

Thirdly, will the average customer spend in the Next Engine Business steadily turn positive?

Fourthly, when and how will PER and other valuation indices reassess the company's growth potential and round up?

## Q2 results update

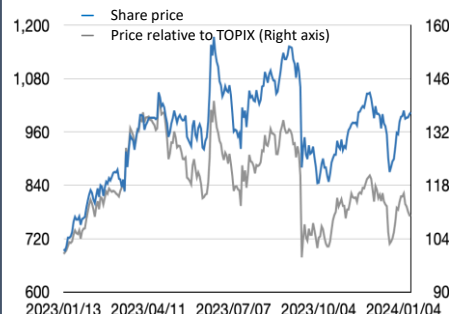
### Retail and IT Services

As of 15 January, 2024

Share price (1/12) **1,004 Yen**

52weeks high/low	¥1,210/688
Avg Vol (3 month)	57 thou shrs
Market Cap	¥16.0 bn
Enterprise Value	¥14.7 bn
PER (24/4 CE)	10.6 X
PBR (23/4 act)	1.8 X
Dividend Yield (24/4 CE)	2.2 %
ROE (23/4)	11.1 %
Operating margin (23/4)	9.1 %
Beta (5Y Monthly)	1.9
Shares Outstanding	15.9 mn shrs
Listed market	TSE Standard section

### Share price performance



% of	1mo.	3mo.	12mo.
Share prices	-8	5	38
Relative share price	-6	7	12

### Points of interest

Will investors become keenly aware of the progress of KPIs in the Platform Business (number of subscribers, APRU, churn rate, etc.), the start of profit contribution from the Cosmetics business in the Commerce Business and the prospects for stable growth of the overall business, and the spin-off and listing of subsidiaries envisaged for 2025? And, in particular, will the potential of the Platform Business raise investors' expectations and drive the share price?

This report (Company note) has been prepared at the request of Hamee. For details, please refer to the Disclaimer on the last page.

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## Key financial data

Fiscal Year		FY4/2017	FY4/2018	FY4/2019	FY4/2020	FY4/2021	FY4/2022	FY4/2023
Net sales	JPY, mn	8,502	9,377	10,303	11,325	12,364	13,413	14,038
Ordinary profit	JPY, mn	1,048	1,267	1,179	1,757	2,149	2,330	1,400
Net profit attributable to owners	JPY, mn	696	873	821	1,069	1,556	1,744	945
Number of shares outstanding	Shares, mn	15.8	16.1	16.1	16.1	16.3	16.3	16.3
Net asset	JPY, mn	2,756	3,597	4,189	4,824	6,528	8,253	8,961
Total asset	JPY, mn	4,240	5,042	5,761	8,097	8,339	10,518	12,320
Book value per share	JPY	170	216	254	297	405	513	557
EPS	JPY	44	55	51	67	98	110	59
Equity to asset	%	64	69	70	58	77	78	72
ROE	%	30	28	22	25	28	24	11
Cash flow from operating activities	JPY, mn	576	1,246	651	1,934	1,941	1,186	695
Cash flow from investing activities	JPY, mn	-433	-674	-671	-1,020	-412	-886	-1,507
Cash flow from financing activities	JPY, mn	69	-230	-7	933	-1,736	298	263
Cash and cash equivalents at end of period	JPY, mn	1,324	1,695	1,660	3,453	3,355	4,026	3,536
Number of employees	Person	233	285	309	353	387	403	428

Source: Omega Investment from company data, rounded to the nearest whole number.

## Q2 FY04/2024 financial results trends

Hamee Corp. announced its financial results for Q2 FY04/2024 (Aug-Oct 2023) after the close on 14 December 2023.

### Return to higher sales and profits

Q2 saw a recovery. This is impressive in view of the fact that in the Q1 of the year, operating profit and ordinary profit fell, and quarterly net profit attributable to owners of parent was negative (loss), despite a YoY increase in sales.

Net sales were JPY 4.3 billion (+22% YoY), operating income was JPY 460 million (+41% YoY), and net income was JPY 330 million (+16% YoY), with both the Commerce and Platform Business reporting higher sales and income.

According to IR materials, the progress of earnings up to Q2 shows that net sales and operating income in both segments have exceeded the initial forecasts.

### Progress against full-year forecasts is low

Full-year forecasts remain unchanged.

Next, a review of progress to Q2 shows that net sales, operating margin income, ordinary income, and net profit attributable to owners of parent stood at 45%, 30%, 34%, and 13%, respectively. It is too early to judge that the full-year forecast is more likely to be achieved with the Q2 results.

## Q2 FY04/24 Consolidated Overview

- **Recovery of Mobile Life Business**, the main business of the Commerce segment and the **advancement of the Cosmetics Business** made group-wide **top line grew by 15.0% YoY(cumulative period.)**
- Net Profit attributable to owners of parent **increased by 16.1% YoY in the fiscal year under review**, although it was **negative YoY in the cumulative Q2 period** due to the **impact of tax expenses incurred in Q1.**

(Millions of yen)	Accounting period				Cumulative period			
	Q2 FY04/23 Results	Q2 FY04/24 Results	Increase /Decrease	% YoY	Q1-Q2 FY04/23 Results	Q1-Q2 FY04/24 Results	Increase /Decrease	% YoY
Net sales	3,527	<b>4,314</b>	787	22.3%	6,633	<b>7,631</b>	997	15.0%
Gross profit	2,099	<b>2,683</b>	583	27.8%	3,997	<b>4,721</b>	723	18.1%
Operating income	326	<b>459</b>	133	40.9%	574	<b>633</b>	59	10.3%
Net Profit attributable to owners of parent	288	<b>334</b>	46	16.1%	495	<b>201</b>	△ 293	△59.2%

Source: Omega Investment from company materials.



## Q2 FY04/2024 financial results trends

**The company's full-year forecast will only be determined once it has landed in Q3**

However, as both the Commerce and Platform Business tend to be biased towards the second half of the year, it would be premature to judge that the possibility of missing the full-year forecast has increased.

In particular, there are many positive factors, such as the significant growth in net sales of cosmetics in the Commerce Business and the expected effects of the fee revision in the Platform Business in the second half of the year, which is the busy season.

Taking these points into account, we should wait for the Q3 results.

### Company explanation of seasonal factors

- Net sales and operating income tend to be maximized in Q3 because of the following factors. The demand for our products has increased in Q4 as well, the tendency toward a bias toward the second half has become stronger.
- Accordingly, we have formulated a profit plan based on the assumption that the second half of the year will be weighted heavily.

#### Commerce Segment

- Q3 (Net sales and operating income are maximized)
  - The expansion of sales by the year-end sales (sales of Christmas in the Global Business)
  - The expansion of sales of products mainly for new iPhone in Mobile Life Business
- Q4 (Demand period for the end of the government's fiscal year and the beginning of the government's fiscal year)
  - Demand for our products has increased in line with new lifestyles such as enrollment and employment

#### Platform Segment

- Q4 (ARPU slump period)
  - The volume of distribution in EC market tends to decline due to changes in consumer behavior toward "consumption of experience" such as summer leisure and ARPU of Next Engine Business tend to be sluggish(Decrease in sales)
- Q3 (Net sales and operating income are maximized)
  - The number of orders increases with the year-end sales of EC operators and the ARPU of Next Engine Business tend to be upward(Increase in sales)
  - It's busy-season for EC operators so contract acquisition tend to be slowing down
  - Net sales will be maximized toward December, the peak for hometown tax payment, for Localco Business

Source: Omega Investment from company materials.



## Q2 FY04/2024 financial results trends

### Commerce Business

#### Increase in sales and profit

In Q2, the Commerce Business recorded net sales of JPY 3.5 billion (+28% YoY), a segment profit of JPY 300 million (+41% YoY) and a profit margin of 8.9% (+0.8 percentage points YoY).

The drivers of sales growth were Cosmetics Business, Global Business and then Mobile Life Business. In particular, the cosmetics business rapidly gained recognition, with net sales increasing 11 times YoY to JPY 470 million. In Global Business, overseas sales of Otamatone, which was taken over in January this year, are steadily growing. In the Mobile Life Business, wholesale sales have expanded and sales have steadily increased due to the roll-out of new products and the revitalisation of the new iPhone sales season.

On the other hand, the Gaming Accessories Business experienced a slight decline in sales due to tougher competition. However, the company is quickly working on expanding its product line-up and is expected to pick up from Q3 onwards.

In terms of profits, the Global Business, with its strong sales performance, saw a significant increase in profits. The Mobile Life Business also saw an increase in profits, but in some respects, the burden was lightened by a review of the cost distribution policy. On the other hand, the Gaming Accessories Business posted a slight operating loss due to weak net sales.

The Cosmetics business has been burdened by the costs of brand recognition and sales channel expansion, and despite a significant increase in sales, the loss has widened slightly YoY. It remains to be seen how this deficit will narrow and turn into a profit contribution.

### Q2 FY04/24 Commerce Segment (Net sales)

Consolidated

- Mobile Life Business **recovery in sales mainly in wholesale** because of the continued introduction of new products, the **acquisition of new wholesalers**, and the **sales of new iPhone** was as expected.
- **Cosmetics Business** sales remained strong, **growing 11 times YoY**. Its recognition rapidly expanded because of the introduction through TV programs.

(Millions of yen)	Accounting period				Cumulative period			
	Q2 FY04/23 Results	Q2 FY04/24 Results	Increase /Decrease	% YoY	Q1-Q2 FY04/23 Results	Q1-Q2 FY04/24 Results	Increase /Decrease	% YoY
<b>Commerce Segment</b>								
<b>Net Sales</b>	2,709	<b>3,453</b>	743	27.5%	5,041	<b>5,991</b>	949	18.8%
Mobile Life Business	2,025	<b>2,161</b>	135	6.7%	3,582	<b>3,774</b>	191	5.3%
Gaming Accessories Business	159	<b>151</b>	△7	△4.7%	347	<b>332</b>	△15	△4.6%
Cosmetics Business	47	<b>468</b>	420	884.7%	71	<b>785</b>	714	1,001.3%
New Business investment	18	<b>71</b>	52	280.1%	37	<b>100</b>	62	167.8%
Global Business	458	<b>601</b>	142	31.1%	1,002	<b>999</b>	△2	△0.3%

Source: Omega Investment from company materials



## Q2 FY04/2024 financial results trends

### Q2 FY04/24 Commerce Segment (Operating income)

Consolidated

- **Global Business**, significant increase of **639.8% YoY in Q2** and **142.6% in the cumulative period**, with **strong sales in the U.S.** drove segment profit growth.
- **Mobile Life Business also increase in profit** because of a review of the policy of allocating expenses to indirect departments (functional departments).

(Millions of yen)	Accounting period				Cumulative period			
	Q2 FY04/23 Results	Q2 FY04/24 Results	Increase /Decrease	% YoY	Q1-Q2 FY04/23 Results	Q1-Q2 FY04/24 Results	Increase /Decrease	% YoY
<b>Commerce Segment</b>								
<b>Net Sales</b>	217	<b>306</b>	88	40.7%	377	<b>393</b>	15	4.2%
Mobile Life Business	410	<b>454</b>	43	10.6%	724	<b>779</b>	55	7.6%
Gaming Accessories Business	7	<b>△11</b>	△18	—	9	<b>△15</b>	△24	—
Cosmetics Business	△138	<b>△161</b>	△23	—	△249	<b>△230</b>	19	—
New Business investment	△57	<b>△53</b>	3	—	△111	<b>△116</b>	△4	—
Functional Departments	△26	<b>△78</b>	△52	—	△52	<b>△162</b>	△109	—
Global Business	21	<b>157</b>	135	639.8%	56	<b>137</b>	80	142.6%
<b>Profit ratio</b>	8.0%	<b>8.9%</b>	0.8%	—	7.5%	<b>6.6%</b>	△0.9%	—

Source: Omega Investment from company materials



## Q2 FY04/2024 financial results trends

### Platforms business

#### Increase in sales and profit

In Q2, the Platform Business recorded net sales of JPY 860 million (+5% YoY), a segment profit of JPY 410 million (+23% YoY) and a profit margin of 47.7% (+7.0 percentage points YoY).

Net sales in the core Next Engine Business amounted to JPY 590 million (+2% YoY), with the rate of increase remaining low.

KPIs show a steady increase in the number of clients to 6,033, with a net increase of 116 during the period, a low monthly churn rate and a solid GMV of JPY 262.3 billion (+7.9% YoY).

On the other hand, ARPU was JPY 32,863 (-4.6% YoY), which can be regarded as the main reason for the sluggish growth in NextEngine's net sales. The August-October period is seasonal, with consumption shifting from goods to services, and the number of orders also appears to be suppressed.

However, the seasonality is expected to turn into a tailwind from now on, and the positive effects of the price revision are also likely, so the results in Q3 will be of interest.

Q2 results were underpinned by the hometown tax donation support Localco Business. In the period under review, transactions are expected to have been brought forward compared to previous years due to changes in the hometown tax donation system in October. Therefore, Q3 performance is expected to be more subdued than in last years.

In general, Next Engine Business struggled a little, but there is a virtuous cycle of a solid customer base and well-timed support from Localco Business for the segment as a whole. On 8 December, a collaboration with Mercari Inc. was announced, which is expected to expand customer base and raise ARPU. The impression is that the company is responding agilely to changes in the business environment and taking the necessary steps.

Consolidated

### Q2 FY04/24 Platform Segment

- Sales increased in **Next Engine Business** because of increase in number of clients though decline in ARPU due to the **sluggish EC marketplace**.
- In **Consulting Business profit ratio improved** and its sales looks like decreasing YoY due to the **inclusion of 7 months' worth of earnings** in the **previous year's merger**.
- **Significant increase in sales in Localco Business** because of the last-minute surge in demand following the system change in Sep.

(Millions of yen)	Accounting period				Cumulative period			
	Q2 FY04/23 Results	Q2 FY04/24 Results	Increase /Decrease	% YoY	Q1-Q2 FY04/23 Results	Q1-Q2 FY04/24 Results	Increase /Decrease	% YoY
Platform Segment								
Net Sales	819	<b>858</b>	38	4.7%	1,593	<b>1,639</b>	46	2.9%
NextEngine Business	580	<b>594</b>	14	2.4%	1,178	<b>1,223</b>	44	3.8%
Consulting Business	148	<b>103</b>	Δ44	Δ30.1%	268	<b>204</b>	Δ64	Δ24.0%
Localco Business	90	<b>159</b>	69	76.5%	146	<b>212</b>	66	45.2%
Operating income	333	<b>409</b>	76	22.8%	656	<b>758</b>	102	15.6%
Operating income ratio	40.7%	<b>47.7%</b>	7.0%	—	41.2%	<b>46.3%</b>	5.1%	—

Source: Omega Investment from company materials.



## Q2 FY04/2024 financial results trends

Platform

### Highlights

Platform

Sales (Q2)

JPY **858** million  
(up 4.7% YoY)

Operating income ratio(Q2)

**47.7** %  
(up 7.0% YoY)

Next Engine Business

Number of clients(Q2)

**6,033** clients  
(up 435 clients YoY)

GMV(Q2)※1

JPY **262.3** billion  
(up 7.9% YoY)

ARPU(Q2)※2

JPY **32,863**  
(down 4.6% YoY)

Monthly churn rate (Q2)※3

**0.82** %  
(down 0.2% YoY)

※1 GMV . . . Gross Merchandise Value = transaction amount processed through Next Engine. From Q2 FY04/24, the cancellation process is excluded from GMV.  
※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.

Source: Omega Investment from company materials.

### Reorganisation, etc.

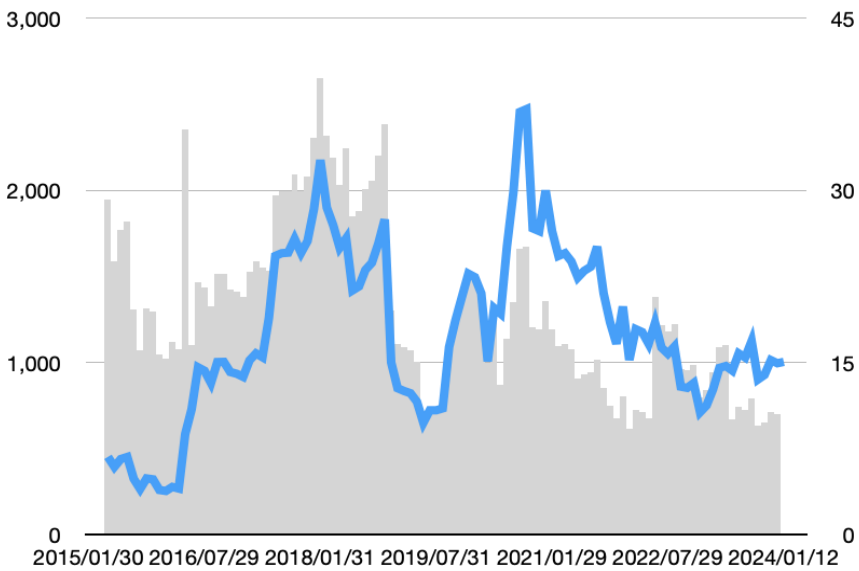
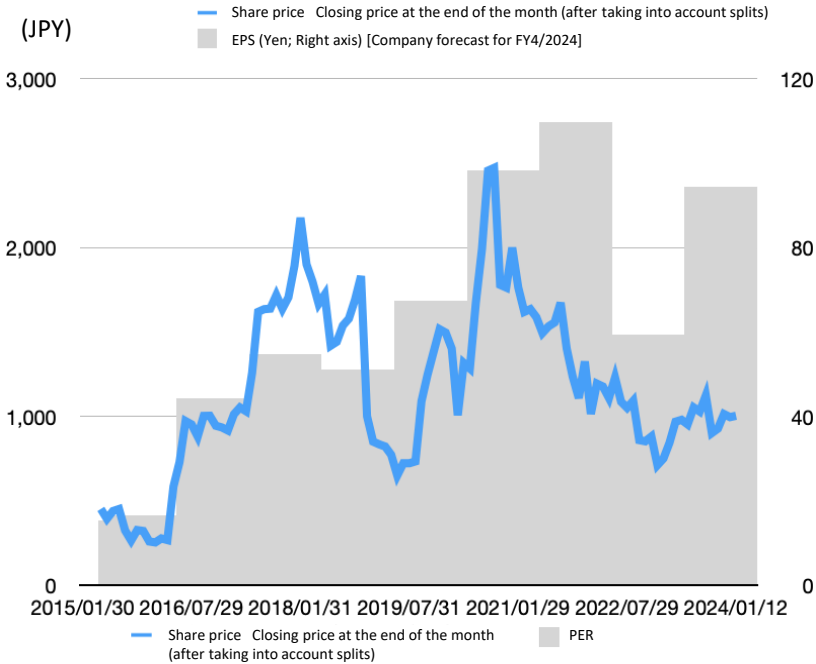
A share-distribution-type spin-off of NE Inc. and a spin-off IPO of NE Inc. were announced on 14 July 2023. No new information on this is currently explicitly disclosed.





## Share price trend

### Hamee share price trends



The month-end closing price of the company's share price and EPS by year (FY04/2024 is the company's forecast), as well as the share price and PER (price-to-earnings ratio), are shown in this graph.

The reaction of the share price after the Q2 results announcement was a drop and then a recovery, with the share price just before the announcement and in recent days at almost the same level. The main reason for this is that, despite the positive results in terms of increased sales and profits, progress against the full-year plan was low. As a result, the PER remains low at around 10x the company's full-year EPS forecast. This multiple looks a little modest for an e-commerce manufacturing and sales business and for what is an e-commerce platform.

From a different perspective, the company has the potential for a significant positive valuation change depending on its growth potential and its content. For this reason, the focus of attention on Q3 results is likely to be extremely high.



## Points of interest

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As mentioned above, Q2 results were generally strong, leading to expectations for Q3. However, the share price reaction to the results has been mild, suggesting that the stock market still considers the company's full-year forecasts to be less certain.

If Q3 is a good Q3 and the content of the business performance is positive, suggesting medium-term growth, there is a strong possibility that valuations will expand and provide significant investment attraction.

The following points are of particular interest in the run-up to the Q3 results.

Firstly, will the results in Q3, which will be a busy period, increase the probability of achieving the full-year forecast?

Secondly, when will the cosmetics business in the commerce segment turn profitable and subsequently play a role in driving net sales and profits? Will the Global Business play another profit-driving role?

Thirdly, will the Next Engine Business penetrate and establish itself as a platform? Will the average revenue per customer (ARPU) turn to an increasing trend, especially after the price revision?

Finally, when will PER and other valuation indicators reassess and expand the company's growth potential?

## Financial results

### Full-year financial results

(Million of yen)

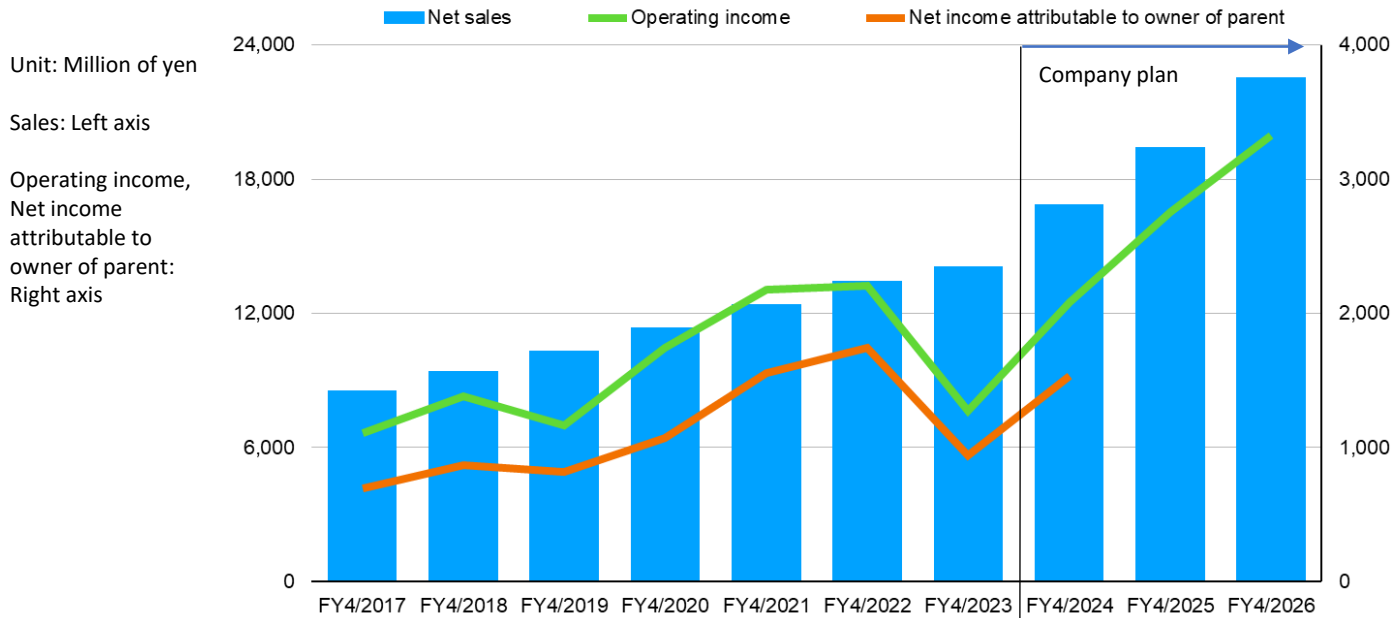
Financial period	FY4/2017	FY4/2018	FY4/2019	FY4/2020	FY4/2021	FY4/2022	FY4/2023	FY4/2024	FY4/2025	FY4/2026
<b>Consolidated, Japanese GAAP</b>								<b>Company forecast</b>	<b>Medium-term management plan</b>	<b>Medium-term management plan</b>
[Statements of income]										
Net sales	8,502	9,377	10,303	11,325	12,364	13,413	14,038	16,813	19,408	22,515
Operating income	1,106	1,380	1,164	1,745	2,180	2,202	1,271	2,086	2,754	3,323
Ordinary profit	1,048	1,267	1,179	1,757	2,149	2,330	1,400	2,069		
Net profit before income taxes	1,010	1,259	1,179	1,582	2,144	2,463	1,396			
Net profit attributable to owners of the parent	696	873	821	1,069	1,556	1,744	945	1,537		
[Balance Sheets]										
Total assets	4,240	5,042	5,761	8,097	8,339	10,518	12,320			
Total liabilities	1,484	1,445	1,572	3,272	1,811	2,265	3,360			
Total net assets	2,756	3,597	4,189	4,824	6,528	8,253	8,961			
Total borrowings	468	298	500	1,740	104	544	1,300			
[Statements of cash flows]										
Cash flow from operating activities	576	1,246	651	1,934	1,941	1,186	695			
Cash flow from investing activities	-433	-674	-671	-1,020	-412	-886	-1,507			
Cash flow from financing activities	69	-230	-7	933	-1,736	298	263			
Cash and cash equivalents at end of period	1,324	1,695	1,660	3,453	3,355	4,026	3,536			
[Efficiency]										
Ratio of ordinary profit to sales	12%	14%	11%	16%	17%	17%	10%	12%		
ROA		19%	15%	15%	19%	18%	8%			
ROE	30%	28%	22%	25%	28%	24%	11%			
[Per-share] Unit : JPY										
EPS	44	55	51	67	98	110	59	94		
BPS	170	216	254	297	405	513	557			
DPS	4.5	5.5	6.5	7.0	10.0	22.5	22.5	22.5		
[Number of employees]										
Number of consolidated employees	233	285	309	353	387	403	428			

Source: Omega Investment from company materials.

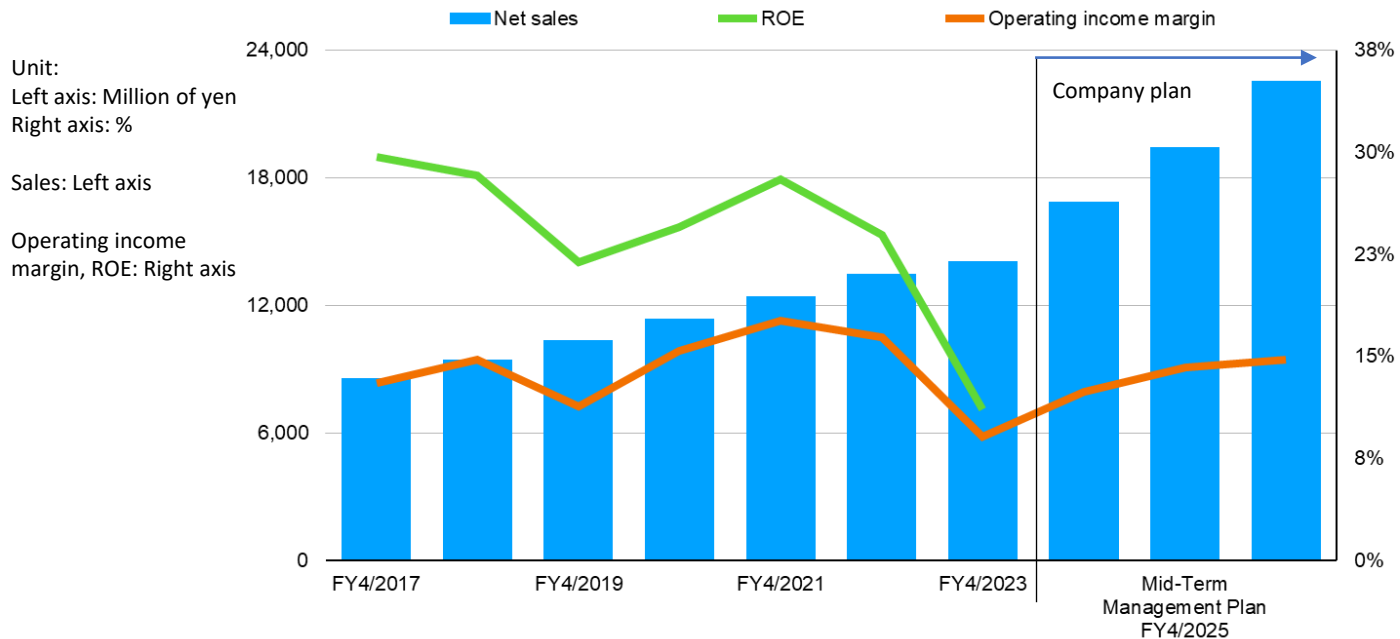
Rounding half up

## Financial results

### Key PL items



### Sales, operating margin, and ROE



Source: Omega Investment from company materials.

## Useful information

# Hamee Corp.

### Company Profile

Company	Hamee Corp.
Founded	April 1997
Established	May 1998 (initially as Macrowill Company)
Capital	598,262,000 yen (as of April 30, 2023)
Directors	Chairman and Representative Director: Atsushi Higuchi President and Representative Director: Ikuhiro Mizushima Director: Junya Suzuki
Outside Director / Audit and Supervisory Committee Member	Saiko Kumaou, Tomohiro Somehara, Jiro Yoshino
Number of Employees	Consolidated 428 (as of April 30, 2023)
Web site	<a href="https://hamee.co.jp">https://hamee.co.jp</a>
Address	<p><b>Head Office</b> Square O2 2-12-10 Sakae-cho, Odawara, Kanagawa, 250-0011, Japan</p> <p><b>Tokyo</b> 5F, Iino Building, 1-8-7 kameido, Koto-ku, Tokyo 136-0071</p> <p><b>Osaka</b> 6F-A 2-2-28 Dojima Kita-ku, Osaka-city, Osaka, 530-0003, Japan</p>
Wholly Owned Subsidiaries	<ul style="list-style-type: none"> <li>■ <b>NE Co., Ltd.</b> 6F, Katsumata Gumi Building, 1-6-4 Sakae-cho, Odawara City, Kanagawa Prefecture 250-0011</li> <li>■ <b>Hamee Global Inc.</b> 3F, Gasan A1Tower, 205-27, Gasan digital 1-ro, Geumcheon-gu, Seoul, Republic of Korea 08503</li> <li>■ <b>Hamee US, Corp.</b> 635 Hawaii Ave., Torrance CA 90503</li> <li>■ <b>Hamee Shanghai Tech &amp; Trading Co., Ltd.</b> J0293 Room 302 Building 6, Lane 599 Yungu Road, Malu Town, Jiading District, Shanghai, China</li> </ul>



## Useful information

### Principal shareholders

As of April 30, 2023

Name or denomination	Address	Number of shares held.	Percentage of total issued shares (excluding treasury stock):
AOI Corporation	12-15, Sakaecho 2-chome, Odawara City, Kanagawa	5,312,000	33.37
Atsushi Higuchi	Odawara City, Kanagawa Prefecture	2,533,400	15.92
The Master Trust Bank of Japan, Ltd. (Trust Account)	11-3, Hamamatsu-cho 2-chome, Minato-ku, Tokyo	823,900	5.18
BBH FOR FIDELITY LOW-PRICED STOCK FUND (PRINCIPAL ALL SECTOR SUBPORTFOLIO) (Standing proxy: The Bank of Mitsubishi UFJ, Ltd.)	245 SUMMER STREET BOSTON, MA 02210 U. S. A. (7-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo)	542,264	3.41
Kazuyori Kitamura	Odawara City, Kanagawa Prefecture	473,700	2.98
The Japan Custody Bank, Ltd. (Trust Account)	8-12, Harumi 1-chome, Chuo-ku, Tokyo	422,000	2.65
INTERACTIVE BROKERS LLC (Standing proxy: Interactive Brokers Securities Co., Ltd.)	ONE PICKWICK PLAZA GREENWICH, CONNECTICUT 06830 USA (2-5, Kasumigaseki 3-chome, Chiyoda-ku, Tokyo)	198,400	1.25
GOLDMAN SACHS INTERNATIONAL (Standing proxy: Goldman Sachs Securities Co., Ltd.)	PLUMTREE COURT, 25 SHOE LANE, LONDON EC4A 4AU, U. K. (10-1, Roppongi 6-chome, Minato-ku, Tokyo)	173,886	1.09
NORTHERN TRUST CO. (AVFC) RE NON TREATY CLIENTS ACCOUNT (Standing proxy: The Hong Kong and Shanghai Banking Corporation Limited, Tokyo Branch)	50 BANK STREET CANARY WHARF LONDON E14 5NT, UK (11-1, Nihonbashi 3-chome, Chuo-ku, Tokyo)	171,192	1.08
STATE STREET BANK AND TRUST COMPANY 505103 (Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Division)	P. O. BOX 351 BOSTON MASSACHUSETTS 02101 U. S. A. (15-1, Konan 2-chome, Minato-ku, Tokyo)	144,500	0.91
Total	—	10,795,242	67.83

### Shareholder composition

As of April 30, 2023

Classification	Status of Shares (Number of Shares per Trading Unit: 100 Shares)								Less than one unit Status of Shares.
	With the government Local public Group	Financial Institutions	Financial instruments Business partners	Others Fictitious person	Foreign Juridical Person, etc.		Individuals Others	Total	
					Other than individuals	Individuals			
Number of shareholders	—	7	20	59	46	26	6,970	7,128	—
Number of shares held (Unit)	—	12,869	1,315	54,655	18,225	291	75,351	162,706	9,400
Percentage against total shares issued	—	7.91	0.81	33.59	11.20	0.18	46.32	100.00	—

(NOTE) 363,700 shares of treasury stock are included in "Individuals and others" in the amount of 3,637 units.



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