

Hamee (TYO: 3134)

Q3 FY04/2024 (Nov 2023 - Jan 2024) 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'**: Net sales of JPY 10.7 billion and segment profit of JPY 700 million for the full year ending April 2023. In addition to the Mobile Life Business, where the iFace series of in-house designed products is gaining recognition, particularly among young people, through product planning, development and manufacture of mobile accessories, e-commerce sales and wholesale to mass retailers, etc., the business is also expanding into the Gaming Accessories Business, Cosmetics Business (ByUR brand) and Global Business. The results of these efforts are beginning to become apparent in earnings.

◇ **'Platform Business'**: Developed 'NextEngine', 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 clients, mainly medium-sized businesses. With net sales of JPY 3.4 billion and segment profit of JPY 1.5 billion in FY04/2023, the business is on track for steady growth in sales and profit and is expected to benefit from the expansion of the EC market in the future.

◇ **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.

Q3 FY04/2024 update and highlights

◇ **Revenues and profits increased**: Net sales increased by 32% YoY to JPY 5.15 billion, operating income by 23% YoY to JPY 730 million and net income by 56% YoY to JPY 490 million. The Commerce Business saw increased sales and a slight decrease in profit. Although profits in the Mobile Life Business were sluggish, the secular revenue base is expanding due to higher sales and reduced losses in the Cosmetics Business and higher profits in the Global Business. The Platform Business increased revenues and profits. Despite sluggish growth in the number of orders received, ARPU is rising due to an increase in the number of stores introduced and a low churn rate, as well as the effect of rate revisions and the alliance with Mercari.

◇ **FY04/2024 company forecast revision**: The full-year forecast has been revised, although the rate of progress of profits against the previous full-year forecast was low as of Q2. The net sales forecast has been revised up, with the Cosmetics Business and NextEngine Business making up for the shortfall in the Mobile Life Business. On the other hand, the operating income forecast has been revised down, due to a shortfall in the Mobile Life Business and sales expansion costs in the Cosmetics Business, despite higher profits in the NextEngine Business. However, the revised full-year operating income is still strong at JPY 1.87 billion (+47% YoY).

◇ **Highlights going forward**: As the Commerce and Platform Businesses confirm their autonomous and resilient internal growth, share price valuations are expected to factor in the potential of each business without any discount. The rise in share prices following the announcement of financial results may indicate this trend. Particular attention will be paid to (1) the timing of the Cosmetics Business in the Commerce Business returning to profitability and the increasing profit contribution from the Global Business, and (2) the NextEngine Business returning to growth in GMV and the Number of orders received.

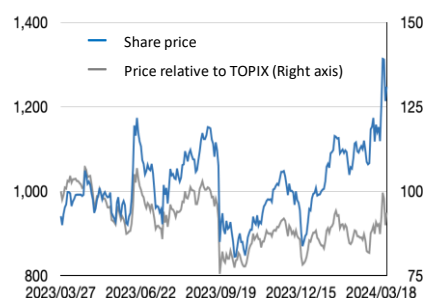
Q3 results update

Retail and IT Services

As of 9 April, 2024

| | |
|--------------------------|----------------------|
| Share price (4/8) | 1,175 Yen |
| 52weeks high/low | ¥1,355/987 |
| Avg Vol (3 month) | 107 thou shrs |
| Market Cap | ¥19.1 bn |
| Enterprise Value | ¥18.4 bn |
| PER (24/4 CE) | 18.2 X |
| PBR (23/4 act) | 2.1 X |
| Dividend Yield (24/4 CE) | 1.9 % |
| ROE (23/4) | 11.1 % |
| Operating margin (23/4) | 9.1 % |
| Beta (5Y Monthly) | 1.7 |
| Shares Outstanding | 15.9 mn shrs |
| Listed market | TSE Standard section |

Share price performance



| % of | 1mo. | 3mo. | 12mo. |
|----------------------|------|------|-------|
| Share prices | 13 | 31 | 33 |
| Relative share price | 9 | 10 | -6 |

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 | | FY04/2017 | FY04/2018 | FY04/2019 | FY04/2020 | FY04/2021 | FY04/2022 | FY04/2023 |
|--|------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| 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.

Q3 results for FY04/2024

Hamee Corp. announced its financial results for Q3 FY04/2024 (November 2023 - January 2024) after the market close on 15 March 2024.

Continued increase in sales and profits

In Q3, the recovery in Q2 continued, with net sales of JPY 5.15 billion (+32% YoY), operating income of JPY 730 million (+23% YoY) and net income of JPY 491 million (+56% YoY). These were good results.

The details of each business are discussed below, but to give an overview, the Commerce Business saw an increase in sales and a slight decrease in profit. Although Mobile Life Business profits were sluggish, the underlying profit base is expanding due to higher sales and reduced losses in Cosmetics Business and higher earnings in Global Business. The Platform Business increased revenues and profits. Despite sluggish growth in the Number of orders received, ARPU is rising due to an increase in the Number of stores introduced and a low churn rate, as well as the effect of rate revisions and the alliance with Mercari.

Q3 FY04/24 Consolidated Overview

- Sales grew significantly YoY by **31.8% in the accounting period** and **21.3% in the cumulative period** because of **strong performance of Mobile Life Business, great progress of Cosmetics Business and increased sales in NextEngine Business** etc.
- Net Profit attributable to owners of parent **increased by 55.9% YoY in the fiscal year under review**, although **it was negative YoY in Q3 cumulative period** due to the **impact of tax expenses incurred in Q1**.

| (Millions of yen) | Accounting period | | | | Cumulative period | | | |
|---|--------------------------|--------------------------|-----------------------|-------|-----------------------------|-----------------------------|-----------------------|---------|
| | Q3 FY04/23 Results | Q3 FY04/24 Results | Increase /Decrease | % YoY | Q1-Q3 FY04/23 Results | Q1-Q3 FY04/24 Results | Increase /Decrease | % YoY |
| Consolidated Overview | | | | | | | | |
| Net sales | 3,908 | 5,151 | 1,242 | 31.8% | 10,542 | 12,782 | 2,240 | 21.3% |
| Gross profit | 2,498 | 3,293 | 794 | 31.8% | 6,496 | 8,014 | 1,518 | 23.4% |
| Operating income | 595 | 728 | 133 | 22.4% | 1,169 | 1,362 | 192 | 16.4% |
| Net Profit attributable to owners of parent | 315 | 491 | 176 | 55.9% | 814 | 693 | (121) | (14.9%) |

Source: Omega Investment from company materials.

Q3 results for FY04/2024

Full-year forecasts revised downwards in terms of profits

The company's profit progress up to Q2 against its previous full-year forecasts was low, but it has now revised its forecasts.

First, net sales were revised upwards from the previous forecast of JPY 16.8 billion to JPY 17.3 billion.

By sector, the Mobile Life Business was revised down in the Commerce Business, but this was offset by solid growth in the Cosmetics Business. In the Platform Business, net sales in the NextEngine Business were revised up, while the Localco Business and Consulting Business were revised down, resulting in a slight downward revision for the business as a whole.

Profits, meanwhile, have been revised down, with operating income revised from JPY 2.1 billion to JPY 1.9 billion and net profit attributable to owners of parent company from JPY 1.5 billion to JPY 1.1 billion.

Operating income has been revised down due to the failure of Mobile Life Business net sales in the Commerce Business to reach the previous plan and costs associated with increased sales in the Cosmetics Business, although Platform Business profits are expected to rise by JPY 300 million due to the strong performance of NextEngine Business.

Concerning the downward revision of net profit attributable to owners of parent, the increase in tax expenses, such as foreign withholding taxes levied in the countries where the overseas subsidiaries are located, is associated with the commencement of dividends from overseas consolidated subsidiaries to the company from the year under review. This does not mean a decline in the company's secular profitability.

The company plans to pay a full-year dividend of JPY 22.50 per share as before.

Landing on higher revenues and profits after the revision

Although profits have thus been revised downwards, this should not necessarily be viewed negatively.

Firstly, the revised full-year results are strong, with net sales up 23% YoY, operating income up 47% YoY and net profit attributable to owners of parent company up 11% YoY.

Secondly, resilience. As we will see later, in the Commerce Business, even if the Mobile Life Business fell short of expectations, the other divisions were able to compensate to some extent. In the Platform Business, the leading NextEngine Business is on track to generate profits that exceed the initial plan. The measures being taken are working well and should be commended.

Revision FY04/24 earnings forecasts

For details of the revisions, please refer to the "Notice Regarding Revisions to Full-Year Earnings Forecasts" announced on March 15, 2024.

| (Millions of yen) | | 2023/4 | 2024/4 | | | | | Correction ratio (③÷② ×100) |
|---|--|--------|--------------------|-------------------|---|-------------------|--|-----------------------------------|
| | | | ①Full-year results | ②Initial forecast | Increase/ decrease in previous period (②-①) | ③Revised forecast | Increase/ Decrease Forecast (③-②) | |
| Full-year earnings forecast revision | | | | | | | | |
| Commerce | Net sales | 10,655 | 13,032 | 2,377 | 13,552 | 520 | 2,897 | 104.0% |
| | Segment profit | 696 | 1,665 | 969 | 1,036 | (629) | 340 | 62.2% |
| Platform | Net sales | 3,383 | 3,780 | 397 | 3,740 | (40) | 357 | 98.9% |
| | Segment profit | 1,509 | 1,577 | 68 | 1,903 | 326 | 394 | 120.7% |
| Consolidated | Net sales | 14,038 | 16,813 | 2,775 | 17,292 | 479 | 3,254 | 102.8% |
| | Segment profit | 2,205 | 3,243 | 1,038 | 2,939 | (304) | 734 | 90.6% |
| | Adjusted amount ※1 | (934) | (1,157) | (223) | (1,071) | 86 | (137) | 92.6% |
| | Operating income | 1,271 | 2,086 | 815 | 1,868 | (218) | 597 | 89.5% |
| | Ordinary profit | 1,399 | 2,069 | 670 | 1,942 | (127) | 543 | 93.9% |
| | Net Profit attributable to owners of parent | 945 | 1,537 | 592 | 1,053 | (484) | 108 | 68.5% |

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

Source: Omega Investment from company materials.

Q3 results for FY04/2024

Full-year earnings forecast revision —Net Sales analysis

<Commerce>

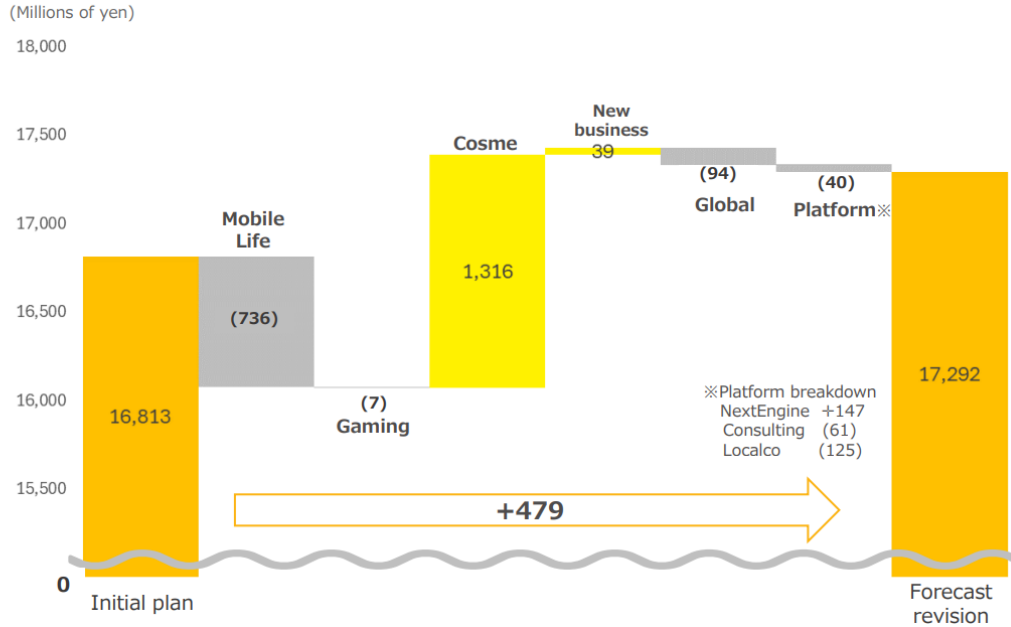
- Mobile Life: Exceeded last year's results. Initial plan not achieved due to stagnation in personal consumption.
- Cosmetics: Achievement ratio against the plan was a huge leap forward of 242.3% because of TV broadcast. It's a major turning point for the business portfolio.

<Platform>

- NextEngine Business covered the decline in other businesses.

Net sales(full-year)

Consolidated



Full-year earnings forecast revision —Income analysis

<Operating income>

- Commerce segment behind the plan due to Mobile Life didn't achieve its plan and Cosmetics Business which saw this as a good opportunity to expand sales and continued to invest in advertising, etc. Although increase in Platform Business, the plan is expected to fall short by JPY218 million.

<Net income>

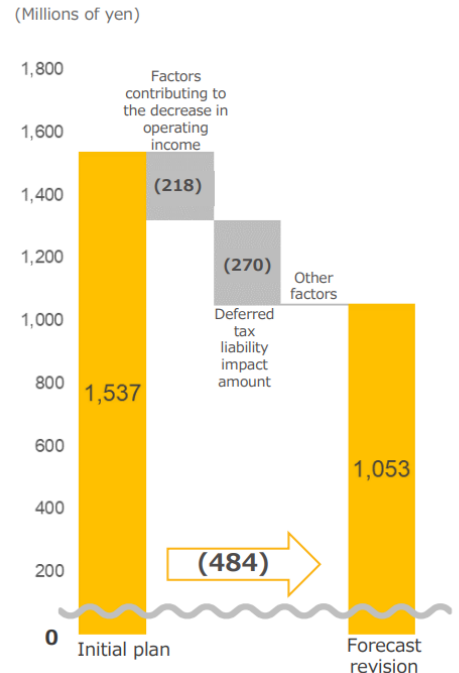
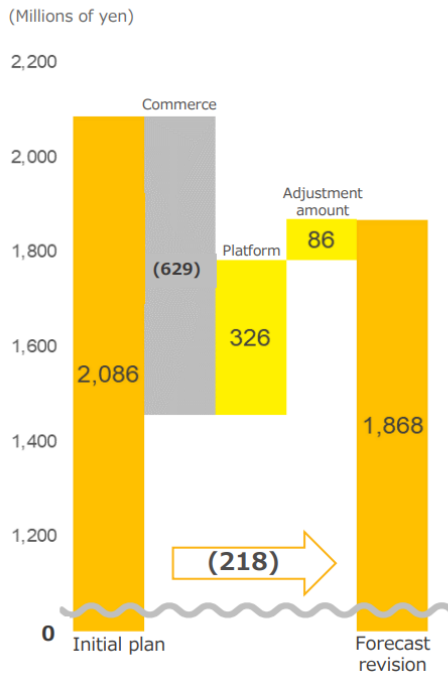
- Depending on the impact of deferred tax liabilities ※, expected to fall short of plan by JPY484 million.

※For details of the revisions, please refer to the "Notice of Recording Deferred Tax Liabilities" announced on September 14, 2023.

Operating income (Full-year)

Net income

Consolidated



Q3 results for FY04/2024

Commerce Business

Increase in sales and a slight decrease in profit

In Q3, the Commerce Business recorded net sales of JPY 3.9 billion (+37% YoY), a segment profit of JPY 270 million (-6% YoY) and a profit margin of 7.0% (-3.2% YoY).

The Cosmetics and Global Business drove the increase in sales, followed by the Gaming Accessories Business, which compensated for the sluggish growth in the Mobile Life Business. The Cosmetics Business is rapidly gaining recognition, and net sales continue to grow rapidly (560 million; 8.8 times YoY, +35% QoQ). In the Global Business, overseas sales of Otamatone, which was taken over in January 2023, are steadily growing. The Gaming Accessories Business also returned to a growth trajectory thanks to the successful expansion of its product line-up.

The Mobile Life Business, which accounts for the largest portion of net sales, saw an increase in revenue. According to the company, it was able to maintain its market share. The growth did not appear as strong as the company's plan, which may be because it was somewhat aggressive.

In terms of profits, a change in the product mix of the Mobile Life Business has led to a slight decrease in profits. On the other hand, despite increased costs in Functional Departments in the remaining divisions, the Cosmetics Business's deficit narrowed, and Global Business's profits increased, resulting in an overall increase in profits.

Although the Mobile Life Business, the traditional mainstay of the business, has experienced sluggish growth, other divisions have generally compensated for this. The Global Business has become profitable, the Cosmetics Business is close to returning to profitability, and the Commerce Business as a whole can be considered to be on a resilient growth trajectory.

Q3 FY04/24 Commerce Segment (Net sales)

Consolidated

- **Sales increased** in Mobile Life Business **mainly wholesale** through **the continuous development of new products** for best-selling models and **new iPhone sales** etc.
- **Cosmetics Business sales remained strong, growing 9.9 times YoY. Steadily expand the number of wholesale stores** backed by strong EC sales performance and **timely launch of new products**.

| (Millions of yen) | Accounting period | | | | Cumulative period | | | |
|--------------------------------|--------------------------|--------------------------|-----------------------|--------|-----------------------------|-----------------------------|-----------------------|--------|
| | Q3 FY04/23 Results | Q3 FY04/24 Results | Increase /Decrease | % YoY | Q1-Q3 FY04/23 Results | Q1-Q3 FY04/24 Results | Increase /Decrease | % YoY |
| Commerce Segment | | | | | | | | |
| Net Sales | 2,860 | 3,930 | 1,069 | 37.4% | 7,902 | 9,921 | 2,019 | 25.6% |
| Mobile Life Business | 1,736 | 1,751 | 15 | 0.9% | 5,318 | 5,525 | 206 | 3.9% |
| Gaming Accessories Business | 230 | 342 | 111 | 48.4% | 578 | 674 | 95 | 16.5% |
| Cosmetics Business | 72 | 634 | 562 | 776.6% | 143 | 1,419 | 1,276 | 888.1% |
| New Business investment | 25 | 98 | 73 | 291.6% | 62 | 198 | 136 | 217.5% |
| Global Business | 796 | 1,103 | 307 | 38.6% | 1,798 | 2,102 | 304 | 16.9% |

Source: Omega Investment from company materials.

Q3 results for FY04/2024

Consolidated

Q3 FY04/24 Commerce Segment (Operating income)

- Achieved **41.7% increase in profit over the cumulative period** in **Global Business** because of **strong sales in the U.S.**
- **Improvement in profitability of Cosmetics Business has become evident** because of **significant sales growth** even though an operating loss was recorded.
- Operating profit ratio decreased slightly due to changes in product mix in **Mobile Life Business**.

| (Millions of yen) | Accounting period | | | | Cumulative period | | | |
|--------------------------------|--------------------------|--------------------------|-----------------------|---------|-----------------------------|-----------------------------|-----------------------|--------|
| | Q3 FY04/23 Results | Q3 FY04/24 Results | Increase /Decrease | % YoY | Q1-Q3 FY04/23 Results | Q1-Q3 FY04/24 Results | Increase /Decrease | % YoY |
| Commerce Segment | | | | | | | | |
| Net Sales | 291 | 274 | (16) | (5.8%) | 668 | 667 | (1) | (0.2%) |
| Mobile Life Business | 324 | 276 | (47) | (14.7%) | 1,049 | 1,056 | 7 | 0.7% |
| Gaming Accessories Business | 0 | 3 | 3 | — | 9 | (11) | (21) | — |
| Cosmetics Business | (136) | (56) | 79 | — | (385) | (286) | 98 | — |
| New Business investment | (51) | (58) | (7) | — | (162) | (174) | (12) | — |
| Functional Departments | (17) | (76) | (58) | — | (69) | (238) | (168) | — |
| Global Business | 171 | 185 | 14 | 8.2% | 227 | 322 | 94 | 41.7% |
| Profit ratio | 10.2% | 7.0% | (3.2%) | — | 8.5% | 6.7% | (1.7%) | — |

Source: Omega Investment from company materials.

Q3 results for FY04/2024

Platform Business

Increase in sales and profit

In Q3, the Platform Business recorded net sales of JPY 1.22 billion (+17% YoY), segment profit of JPY 0.72 billion (+34% YoY) and a profit margin of 59.0% (+7.5 percentage points YoY).

In Q2, the Localco Business compensated for the stalling of the NextEngine Business, but in the current quarter, the NextEngine Business's net sales increased significantly to JPY 850 million (+37% YoY), driving operating income. It can be said that the expansion of the NextEngine Business' customer base, the effect of the rate revision to improve ARPU, and the collaboration with Mercari were realised as expected.

The KPIs for NextEngine Business show that the total number of clients increased steadily to 6,150 at the end of the quarter (a net increase of 117 from the end of the previous quarter), the Monthly churn rate remained low at 0.92%, and ARPU increased to JPY 46,534 (+26% YoY).

Meanwhile, the Number of orders received continued to decline to 36.38 million (-12% YoY).

In general, growth in the mainstay NextEngine Business has accelerated. However, it is hoped that the Number of orders received will return to positive growth in about a year when the effects of the fee revision and other factors will have run their course.

Consolidated

Q3 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** through activities that emphasize profitability in **Consulting Business.** We resumed sales activities for new contracts.

| (Millions of yen) | Accounting period | | | | Cumulative period | | | |
|------------------------|--------------------------|--------------------------|-----------------------|---------|-----------------------------|-----------------------------|-----------------------|---------|
| | Q3 FY04/23 Results | Q3 FY04/24 Results | Increase /Decrease | % YoY | Q1-Q3 FY04/23 Results | Q1-Q3 FY04/24 Results | Increase /Decrease | % YoY |
| Platform Segment | | | | | | | | |
| Net Sales | 1,045 | 1,220 | 174 | 16.7% | 2,639 | 2,860 | 221 | 8.4% |
| NextEngine Business | 618 | 849 | 231 | 37.3% | 1,797 | 2,072 | 275 | 15.3% |
| Consulting Business | 103 | 112 | 8 | 8.2% | 372 | 316 | (56) | (15.1%) |
| Localco Business | 323 | 259 | (64) | (19.9%) | 469 | 471 | 1 | 0.3% |
| Operating income | 538 | 719 | 181 | 33.7% | 1,194 | 1,478 | 283 | 23.8% |
| Operating income ratio | 51.5% | 59.0% | 7.5% | — | 45.2% | 51.7% | 6.4% | — |

Source: Omega Investment from company materials.



Q3 results for FY04/2024

Highlights

| | Platform | |
|----------------------|---|---|
| Platform | Sales (Q3) JPY 1,220 million (up 16.7% YoY) | Operating income ratio(Q3) 59.0% (up 7.5% YoY) |
| | Next Engine Business | |
| Next Engine Business | Number of clients(Q3) 6,150 clients (up 499 clients YoY) | GMV(Q3) ^{※1} JPY 292.1 billion (up 1.8% YoY) |
| | ARPU(Q3) ^{※2} JPY 46,534 (up 26.2% YoY) | Monthly churn rate (Q3) ^{※3} 0.92% (down 0.03% 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.

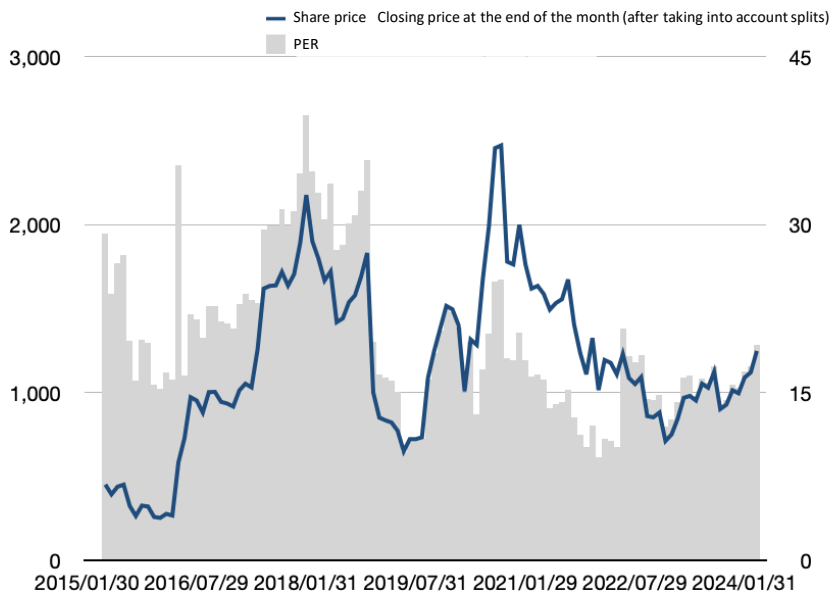
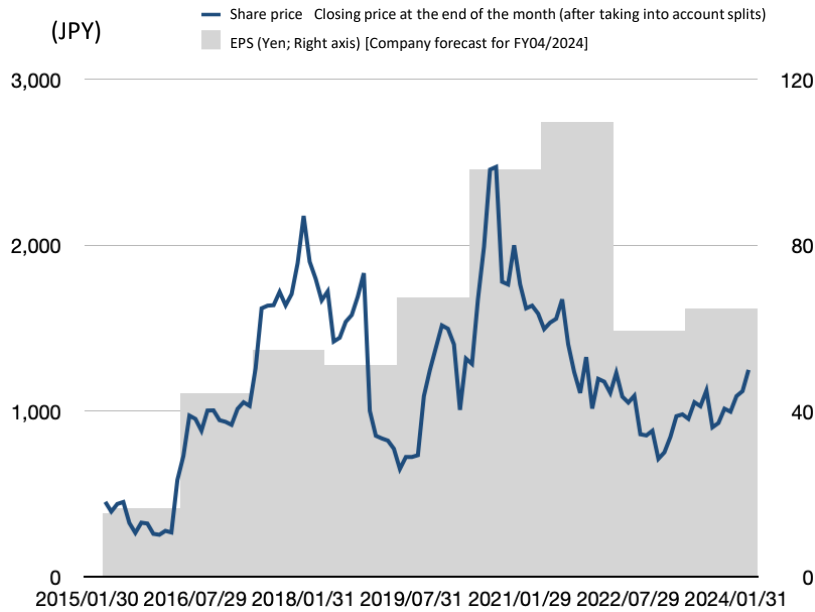
Reorganisation, etc.

The announced share-distribution-type spin-off of NE Inc. on 14 July 2023 and the spin-off IPO of NE Inc. remain unchanged in this plan.



Share price trend

Hamee share price trends



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

The share price fell briefly after the Q2 results announcement but has since risen consistently. It should be noted that EPS was also revised down this time, but the share price has risen and the forecast PER has continued to increase, approaching 20 times.

It can be inferred that the Commerce Business is generally on a growth trajectory while reducing its dependence on the Mobile Life Business and that the Platform Business is continuing to grow by expanding its customer base and increasing ARPU in the NextEngine Business, which the stock market has well rated.



Points of interest

As the Commerce Platform, businesses confirm their autonomous and resilient internal growth, share price valuations are expected to factor in their respective business potentials without any discount. The current solid share price trend, especially the expansion of the forecast PER, can be interpreted as the germ of such a trend. The following points are of particular interest going forward.

1. Timing of the return to profitability of Cosmetics Business in Commerce Business and the increased profit contribution of Global Business
2. A return to growth in GMV and the Number of orders received in the NextEngine Business
3. The approach to the company's forecast for FY04/2025 results will be disclosed at the time of the next results announcement (what assumptions will be made concerning the Mid-Term Management Plan targets).

Financial results

Full-year financial results

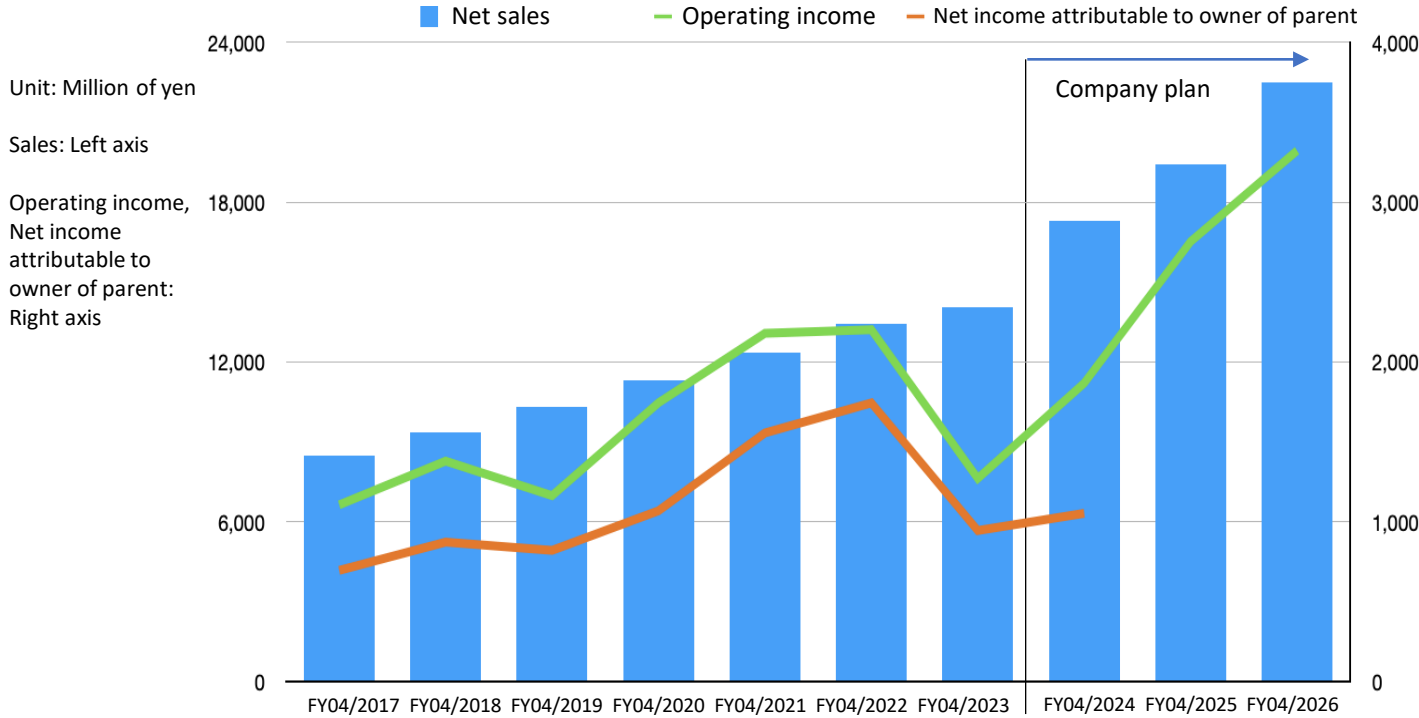
(Million of yen)

| Financial period | FY04/2017 | FY04/2018 | FY04/2019 | FY04/2020 | FY04/2021 | FY04/2022 | FY04/2023 | FY04/2024 | FY04/2025 | FY04/2026 |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------------------------|---|---|
| Consolidated, Japanese GAAP | | | | | | | | Company forecast | Medium- term managemen- t plan | Medium- term managemen- t plan |
| [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

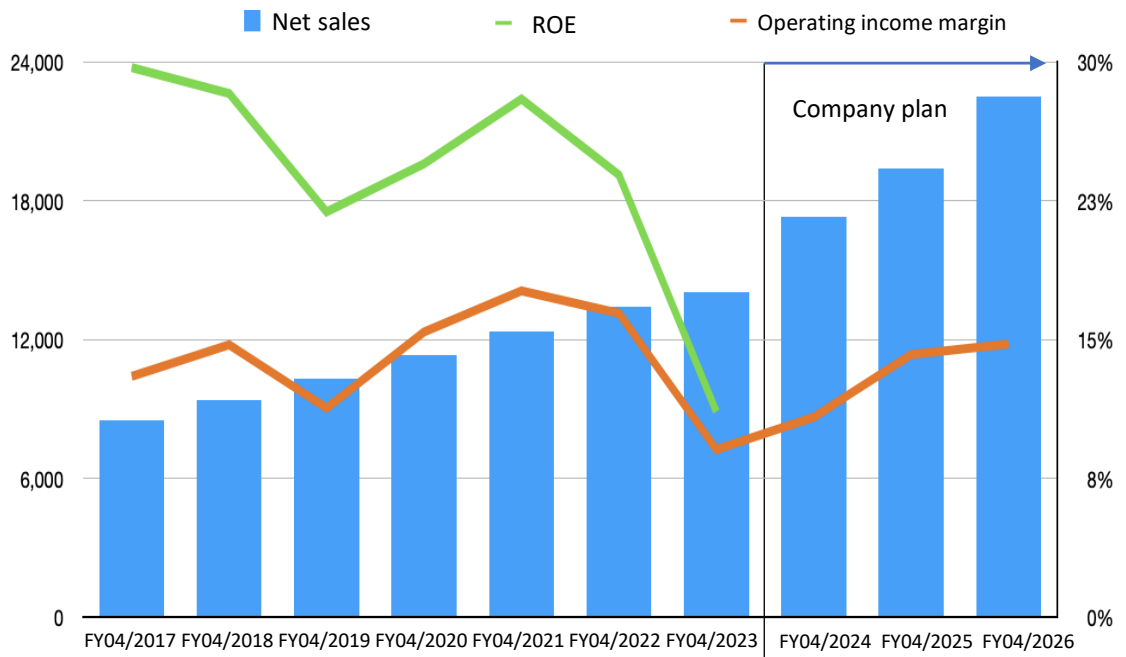


Sales, operating margin, and ROE

Unit:
Left axis: Million of yen
Right axis: %

Sales: Left axis

Operating income margin, ROE: Right axis



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 | https://hamee.co.jp |
| Address | Head Office Square O2 2-12-10 Sakae-cho, Odawara, Kanagawa, 250-0011, Japan Tokyo 5F, Iino Building, 1-8-7 kameido, Koto-ku, Tokyo 136-0071 Osaka 6F-A 2-2-28 Dojima Kita-ku, Osaka-city, Osaka, 530-0003, Japan |
| Wholly Owned Subsidiaries | ■ NE Co., Ltd. 6F, Katsumata Gumi Building, 1-6-4 Sakae-cho, Odawara City, Kanagawa Prefecture 250-0011 ■ Hamee Global Inc. 3F, Gasan A1Tower, 205-27, Gasan digital 1-ro, Geumcheon-gu, Seoul, Republic of Korea 08503 ■ Hamee US, Corp. 635 Hawaii Ave., Torrance CA 90503 ■ Hamee Shanghai Tech & Trading Co., Ltd. J0293 Room 302 Building 6, Lane 599 Yungu Road, Malu Town, Jiading District, Shanghai, China |



Useful information

Principal shareholders

As of October 31, 2023

| Name or denomination | Address | Number of shares | Percentage of total issued shares (excluding treasury stock): |
|--|---|------------------|---|
| AOI Corporation | 12-15, Sakaecho 2-chome, Odawara City, Kanagawa | 5,312,000 | 33.36 |
| Atsushi Higuchi | Odawara City, Kanagawa | 2,533,400 | 15.91 |
| The Master Trust Bank of Japan, Ltd. (Trust Account) | 11-3, Hamamatsu-cho 2-chome, Minato-ku, Tokyo | 651,400 | 4.09 |
| 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) | 552,592 | 3.47 |
| Kazuyori Kitamura | Odawara City, Kanagawa | 473,700 | 2.97 |
| The Custody Bank of Japan, Ltd. (Trust Account) | 8-12, Harumi 1-chome, Chuo-ku, Tokyo | 406,900 | 2.56 |
| 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, Minami 2-chome, Minato-ku, Tokyo) | 224,400 | 1.41 |
| NORTHERN TRUST CO . (AVFC) SUB A/C NON TREATY (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) | 215,492 | 1.35 |
| Ikuhiro Mizushima | Odawara City, Kanagawa | 145,400 | 0.91 |
| Junya Suzuki | Chigasaki City, Kanagawa | 135,400 | 0.85 |
| Total | — | 10,650,684 | 66.88 |

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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