

Sustainability Report 2024
Vol.2

SUSTAINABLE DEVELOPMENT GOALS

Hamee

Introduction

- TOP message
- From Odawara to the Realization of a Sustainable Society
- The Challenge of Decarbonisation

1. Environment

- Building a Resource Recycling Society
- Tackling Climate Change

2. Social

- Building Social Infrastructure to Support Regional Revitalization
- Realizing a Diverse and Flexible Work Style and Fostering Creativity
- Co-creation for the Realization of a Sustainable Local Community

3. Governance

- Swift Decision Making
- Enhancing Corporate Governance

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As a company that creates brands that enrich our lives, we will actively engage in sustainability initiatives.

I would like to express my sincere gratitude for your continued support and patronage.

Our group has synergies between two businesses: the commerce business, which focuses on e-commerce and wholesale sales of smartphone accessories, and the platform business, whose main service is Next Engine a SaaS-type e-commerce platform that was created to solve the problems of in-house e-commerce operations. We have grown up against this background.

In recent years, I feel that the focus on sustainability field such as climate change and resilience is increasing.
In addition, communicating in person in the office is once again becoming more important because lifestyle have diversified, and people can choose various of work styles.

Furthermore, in today's business environment, we are beginning to feel the acceleration of climate change and realize that the earth is in crisis. Many people's values are now focused on mass production and mass consumption that emit large amounts of greenhouse gases. Values are shifting from products to using branded products that are earth-friendly, well-crafted, and of high value and cherishing them for as long as possible.

Therefore, we are taking on the new challenge of decarbonizing our products with the goal of reducing CO_2 emissions by about half in 2030.

Based on our mission of “By your side, Balance between creation and decarbonization for enriching our lives”, as the value elements of a brand creation company that enriches our lives, we aim to increase the number of people who empathize with our mission, to be loved and supported by fans for a long time, and to ensure that each brand prospers. We will make certain efforts.

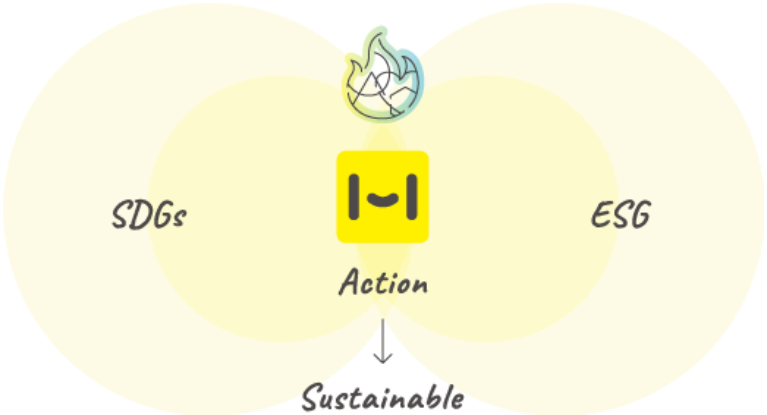
We will continue contributing to the realization of a sustainable society through our business activities.
Thank you for your continued understanding and corporation.



President and CEO, Hamee Corp.
Ikuhiro Mizushima

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Hamee has created products so far to bring everyone happiness.
If it leads to the joy of the world, it will be even more fun.
Toward such a future, Hamee is committed to delivering the environmentally friendly products and services.
We believe that if each of us show off own individuality, we will create a better future for the world.



We will contribute to the achievement of the United Nations Sustainable Development Goals (SDGs) through our products and services.
At the same time, we are committed to promoting our business to build ESG management that deal with the environmental, social, and governance (ESG) requirements.

In Odawara, where Hamee is headquartered, the idea of “Hotoku Shiso”*, born from the Edo-period thinker Ninomiya Sontoku, has taken root. Based on this teaching, we are aware of our status as a public entity of society and strive for the evolution and growth of our business activities, while resolving issues related to the environment, society, and economy.

※ The idea is based on the harmony between the economy and morality, which is that if you contribute to society instead of running for your own personal gain, it will eventually be returned to you.

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By your side, Balance between creation and decarbonization for enriching our lives

Based on our mission of “By your side, Balance between creation and decarbonization for enriching our lives”, we will contribute to the creation of a sustainable society by actively pursuing the recent issue of climate change.

Goal

Going for reducing CO_2 emissions by about half in 2030

Action Plan

- Reexamining materials and design from some products to reduce the amount of plastic used in products and packaging
- Strengthening management and reuse systems to reduce waste plastics
- Scrutiny of operations (optimization of product inventory, pursuit of ordering accuracy, etc.)

Recognizing that enriching our lives and decarbonisation are not trade-offs, but trade-ons, we will put the value element of decarbonisation into the value element of By Your Side in every brand.
We will create new value by making decarbonisation a brand element.



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1.Environment

Create an environment where all people,
including the next generation, can lead sustainable lifestyles
through environmentally friendly economic activities.

Building a Resource Recycling Society



Parallel Plastics

Tackling Climate Change



Sustainable Management



Internal Initiatives

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Parallel Plastics

Recycling service to create new products
from defective plastic products and excess inventories

Parallel Plastics is a service that transforms plastic products that are no longer required at the warehouses and plant into beautiful products that are 100% recycled.

We will transform our products into original Parallel Plastics products from such materials as products no longer sold in older models and waste plastics generated in the manufacturing process.

We aim to recycle unwanted plastics from the company back into products that can be used and to achieve a cycle of "locally grown and consumed."

Parallel Plastics produces products using 100% recycled plastics. This method will lead to significant reductions in costs and energy, making recycling easier and easier to use.



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Sustainable Management

Aim to reduce CO_2 emissions

We are promoting SX(Sustainable Transformation) and trying to improve the sustainability of society. At the same time, we are aiming to improve our ability to generate long-term, sustainable growth-oriented resources (earning power) and further create value.

As one of our measures, we are consistently carrying out our product "iFace" in-house, from upstream (manufacturing) to downstream (EC sales).

Taking full advantage of this benefit, we are building a control system to reduce GHG emissions in the supply chain.

Development

Product planning and development

- Environmentally friendly (e.g., recycled) material selection and product design for products and packaging

Process

Production process

- Strengthen and improve energy consumption management
- Improvement of discard rate (prototypes, amount of scrap in each production process)

Product

Final product

- Trial reproduction with Parallel Plastics and recycled plastics companies

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Internal Initiatives

Working together as one to tackle environmental issues

In addition to products and services, in order to tackle environmental issues in the company as well, we have launched the Carbon-free Promotion Project and are developing systems and raising awareness throughout the company.

- **Facilities**
  - Thorough power-saving measures and reuse of cardboard and other supplies
  - Environmentally conscious publications and paperless operations
  - Purchasing environmentally conscious products such as paper and office supplies
  - Recovery of PET bottle caps (reused as recycled resin raw materials)

- **Internal events**
  - **Lecture/workshop**

    RICE Media: Japan's most fun way to learn about decarbonization
  - **Company-wide lunch**

    FARM CANNING: Provide dishes using foodstuffs that are originally disposed of, such as those outside the standard









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2.Social

Activities that encourage people to lead fulfilling lives through diverse lifestyles and time

Building Social Infrastructure to Support Regional Revitalization



Next Engine



Locarco

Fostering Creativity in a Diverse and Flexible Work Style



Work Life Balance

Co-creation for the Realization of a Sustainable Local Community



Hamic



83 Foundation

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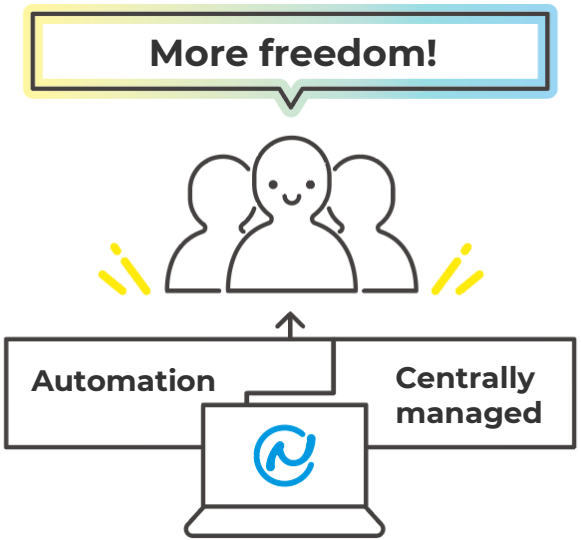
Next Engine

Achieving diverse EC consumption and time of life

Next Engine is a cloud (SaaS) type EC platform that leverages the know-how of internet shop operation cultivated in-house. We support 6,256 online shops nationwide (as of the end of April 2024).

In Japan, where natural disasters are prevalent and declining birthrate and aging population, we are playing a significant role in supporting our EC business, which enables us to efficiently continue operations regardless of location, provided that even the Internet is connected.

The expansion of Next Engine brings diverse EC consumption opportunities to consumers, and “play” time to EC businesses.



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Locarco Corp.

Promoting inclusive and sustainable industrialization

Through the Next Engine, Locarco supports hometown tax payment operations through centralized management and automation.

In addition to streamlining operations, we also provide advice on posting returns and support for expanding donations, such as EC consulting.

Furthermore, we will contribute to the economic and industrial growth of each region by addressing the issues faced by local governments nationwide from the fields of "Regional Creation," "Administrative DX," and "Public-Private Partnership."

It also serves as an important infrastructure for business continuity in the event of natural disasters etc..

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Work Life Balance

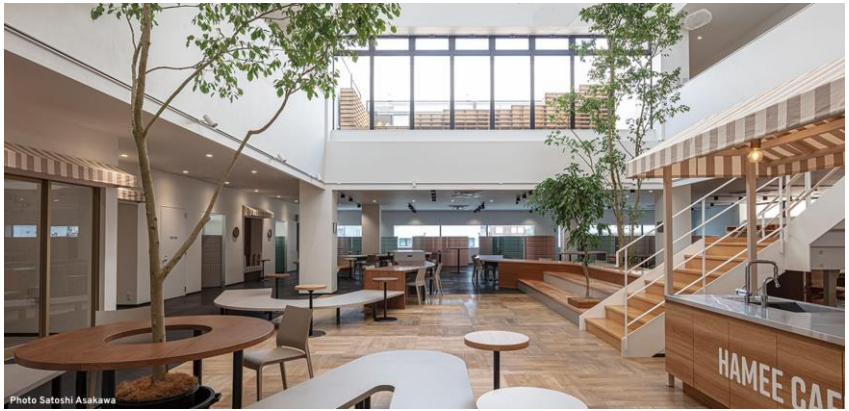
More freedom and creativity

- **Office renovation**

  We consider the office to be an important venue for building firm relationships between employees. To create an office environment where employees can experience greater value, the number of seats has been reduced to about half, and the office has been renovated to one that can accommodate hybrid communication between real and virtual. The head office of Hamee in Odawara, is designed to fit the various working styles of its employees.

- **Iza! Odawara**

  As well as employees living near the head offices, we launched the "Iza! Odawara" system as a system that allows employees living in distant areas to go to offices easily. Full-time employees can commute by Shinkansen, express trains, airplanes, vessels, and high-speed buses.





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Promotion of Internal Communication

Integrating diverse values to enhance the ability to create added value

- **Onakama Gohan**

  A system in which employees can go to meals with a certain amount of assistance from the company. The objective is to make communication more active across departments and positions, and to increase opportunities for all employees to easily talk from the same perspective.

- **Department Activity Support System**

  To refresh yourself outside of work, employee with common interests and hobbies gather to promote communication. Monthly activity expenses are paid.

- **Everyone to the office day**

  Hamee holds everyone to the office day every three months to stimulate internal and external communication and improve the performance of the entire organization.





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Strengthen Recruitment and Human Resource Development

Integrating diverse values to enhance the ability to create added value

- **Miraie system**

  This system supports training costs, qualification testing costs, educational material costs, and space-use fees for obtaining the required qualifications and knowledge in order to realize dreams and skills UP.

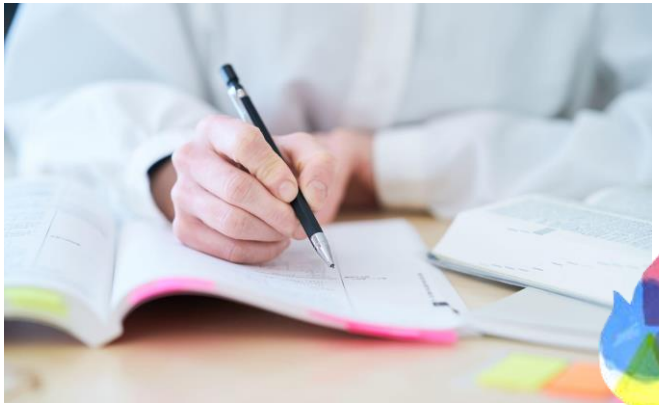
- **Desired career reporting system**

  This is the support for the realization of a career plan that is unique to our own. We are working to create a swift organization in accordance with flexible thinking and strategy.

- **New business development**

  We are working to develop new businesses in order to leverage the abilities of our employees and to further increase our corporate value.





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Initiatives for New Normal Working Styles

Realizing a diverse and flexible work style and fostering a creative soul

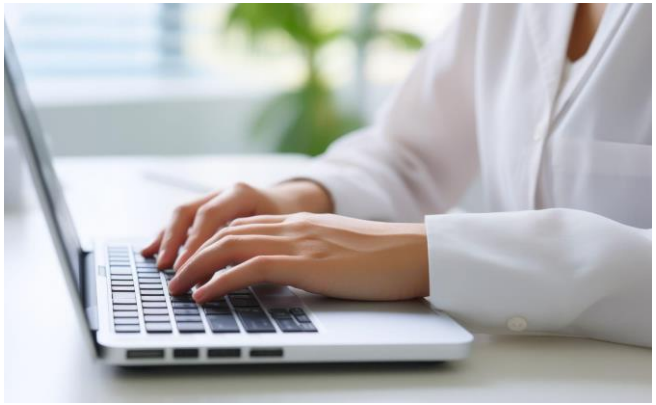
- **Flexible-time system**

  We have introduced a flextime system that allows employees to freely choose time for attending and leaving work, enabling them to work according to their own lifestyle rhythm. In addition, we have created an environment that enables remote work to improve productivity.

- **Side business system**

  Through the introduction of the side business system, employees can gain opportunities for personal growth and skill improvement and realize a diverse range of work styles.





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Hamic

Using technology to give shape to love and make the world smile

In fiscal 2020, a new educational guideline incorporating ICT education was launched in elementary schools. Children are required to acquire IT skills they need in their daily lives.

Hamee develops and sells Hamic MIELS and HamicPOCKET, first smartphones with a monitoring function, mainly for children in elementary schools.
Through these Hamic products, we will provide opportunities for children to learn fields of IT in a safe and secure environment. In this way, we will support domestic ICT training.
We aim to create a future for children and realize a society where families can live with peace of mind and smiles.

In 2023, four companies including Odawara City signed an agreement for the introduction of a child-monitoring service.



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83 Foundation

Co-creation for the realization of a sustainable community

The 83 Foundation, a foundation supported by Hamee, aims to contribute to the realization of a sustainable local community where foster creative spirit of the next generation , by promoting the tradition of local culture and the utilization of rich local resources in the western area of Kanagawa Prefecture.

1. Next-generation training programs (startup support, scholarships, etc.)

The foundation recognizes the next generation of young people with passionate creative souls as foundation students and provides them with the opportunity to develop their talents and play an active role in creating a sustainable future in western part of Kanagawa Prefecture.

2. Subsidy projects (regional sustainable support, etc.)

We provide grants (donations, investments, etc.) to sustainable activities and organizations in the western area of Kanagawa Prefecture.

3. Public-private partnership projects (support for administrative strategies etc. in Kanagawa Prefecture and Odawara City)

WorkPlaceMarket Business in Odawara City (ARUYO ODAWARA)
WorkPlaceMarket promoted by Odawara City, is promoting the Open Innovation Business and developing the Business Support Business.

4. Kanagawa HATSU Entrepreneur Support Program

HATSU is an entrepreneurship support program sponsored by Kanagawa Prefecture.
This is an initiative that aims to form an "entrepreneur community" where people preparing to start a business, entrepreneurs, and local companies through exchange and mutual support.

5. Odawara City SDGs Promotion Project

In October 2019, Odawara City launched Odawara SDGs Executive Committee, a private-sector-led organization. Under this committee, Odawara City conducts SDGs dissemination and awareness-raising activities called Think MIRAI Odawara SDGs based on the shared theme of "enjoying and learning about SDGs" with Odawara SDGs Partners.

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Certified as an Odawara SDGs Partner

Hamee was certified as an "Odawara SDGs Partner" as the company engaging in the development of a sustainable town. from Odawara City.

Odawara City has adopted the proposition "Sustainability" and is promoting municipal administration by working together with many citizens in various fields to realize "Local Self-Sufficient Areas that Protect and Cultivate Life" through human-human connections.

In recognition of these efforts, in July 2019 Odawara city was certified as a national "SDGs Future City" (31 cities nationwide) and a "Municipal SDGs Modeling Project" in 10 of these cities.

Think MIRAI
小田原から未来を考える

SUSTAINABLE DEVELOPMENT GOALS

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3.Governance

Able to respond to various changes in the business environment and business issues
Speeding up decision-making and building a sophisticated governance system

Swift Decision Making



Company with Audit and Supervisory Committee

Enhancing Corporate Governance



Corporation with Nominating and Compensation Committee



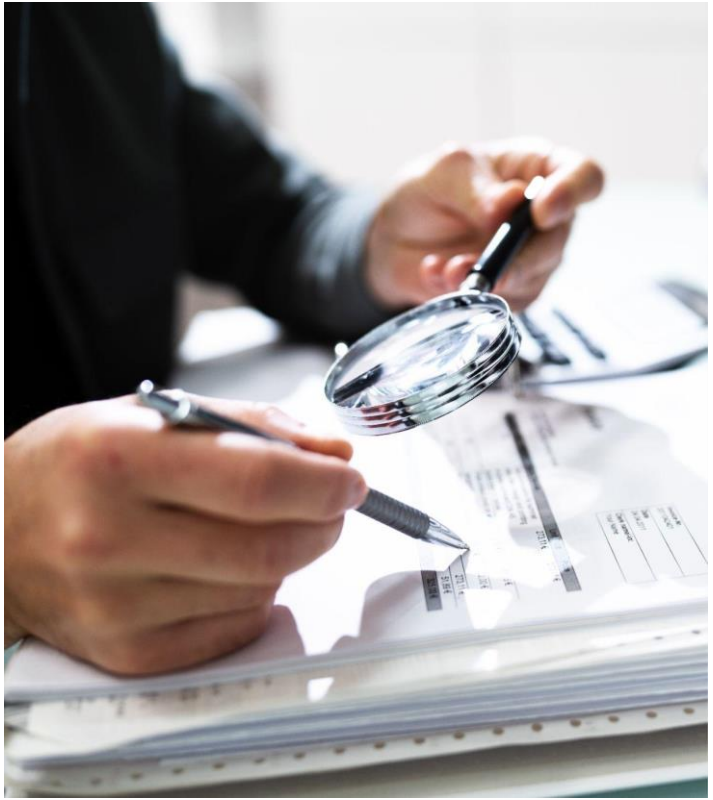
Increase the Composition Ratio of Outside Directors

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Company with Audit and Supervisory Committee

To build a governance system and accelerate decision-making by delegating authority

- Transitioned to a company with an audit and supervisory committee in July 2022
- Continue to increase the ratio of outside directors and build a more advanced governance system for the Board of Directors
- The Audit and Supervisory Committee consists of three Audit and Supervisory Committee members (all of whom are outside Audit and Supervisory Committee members.)
- The Audit and Supervisory Committee meets once a month and as necessary to share information on the status of audits and resolve statutory matters.



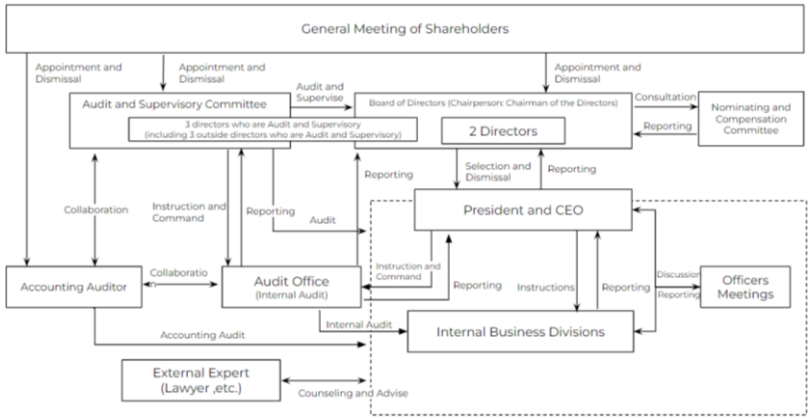
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Basic Approach to Corporate Governance

To build a governance system and accelerate decision-making by delegating authority

Our group aims to spark our own Creative soul, maximize the value of our customers' experiences through products and services based on our purpose that is "Ignite your creativity." To achieve continuous business development and increase shareholder value, we have made strengthening our corporate governance-related system and promoting our management philosophy a top management priority.

In addition, since July 28, 2022, we have transitioned to a company with an audit and supervisory committee, and we have worked to build a higher level of governance. The Board of Directors continues to enhance its oversight function by three outside directors to ensure sound and transparent management. The diagram of our corporate governance system is as follows.



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Company with Nomination and Compensation Committee

1. Purpose of Establishment

The Nominating and Compensation Committee has been established to enhance the transparency and objectivity of the decision-making process regarding director nomination and remuneration and to enhance corporate governance.

2. Deliberations of committees

In response to the consultation of the Board of Directors, the Board deliberates on the following matters and reports to the Board of Directors.

- Matters concerning the election and dismissal of directors (matters to be resolved at the general meeting of shareholders)
- Matters concerning the appointment and removal of the representative director
- Matters concerning the appointment and removal of directors with titles
- Matters concerning succession planning (including development)
- Maximum Amount of Remuneration, etc. for Directors
- Policy on determining the contents of remuneration, etc. for each individual director
- Contents of individual remuneration, etc. of directors (excluding directors who are Audit and Supervisory Committee members)
- Other matters deemed necessary by the Board of Directors with respect to the above

3. Committee structure

The Nomination and Compensation Committee consists of five members: two internal directors and three external directors. The chairperson shall be selected by mutual election of the Nominating and Compensation Committee.

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Increase the Composition Ratio of Outside Directors

1. Strengthening the supervising capabilities

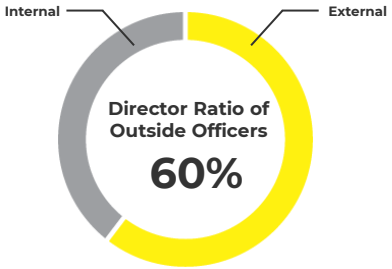
Considering our business environment and management strategy, we review the appropriate composition ratio of internal and external directors as needed and strengthen supervision.

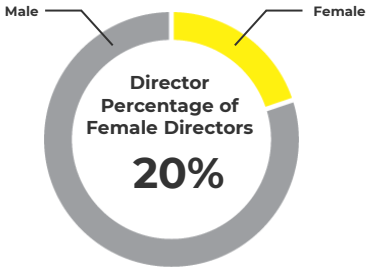
2. Status of Outside Directors

We have three outside directors.
When appointing outside directors, we confirm that there are no problems with independence considering the relationship with the company and directors, in addition to the requirements for outside directors under the Companies Act, and that we have the result record and knowledge in the fields where we are required to perform the supervisory function of management.

3. Committee structure

Materials of the Board of Directors are sent in advance by the Directors to the Outside Directors, and prior explanations and discussions are held by each division as necessary. As for the relationship between audits by the Audit & Supervisory Committee and internal audits, the Audit & Supervisory Committee endeavors to ensure the effectiveness of the three-way audits by, for example, holding regular meetings between the Audit & Supervisory Committee and the person in charge of internal audits and linkage as necessary, and by regularly exchanging opinions with the accounting auditor.





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