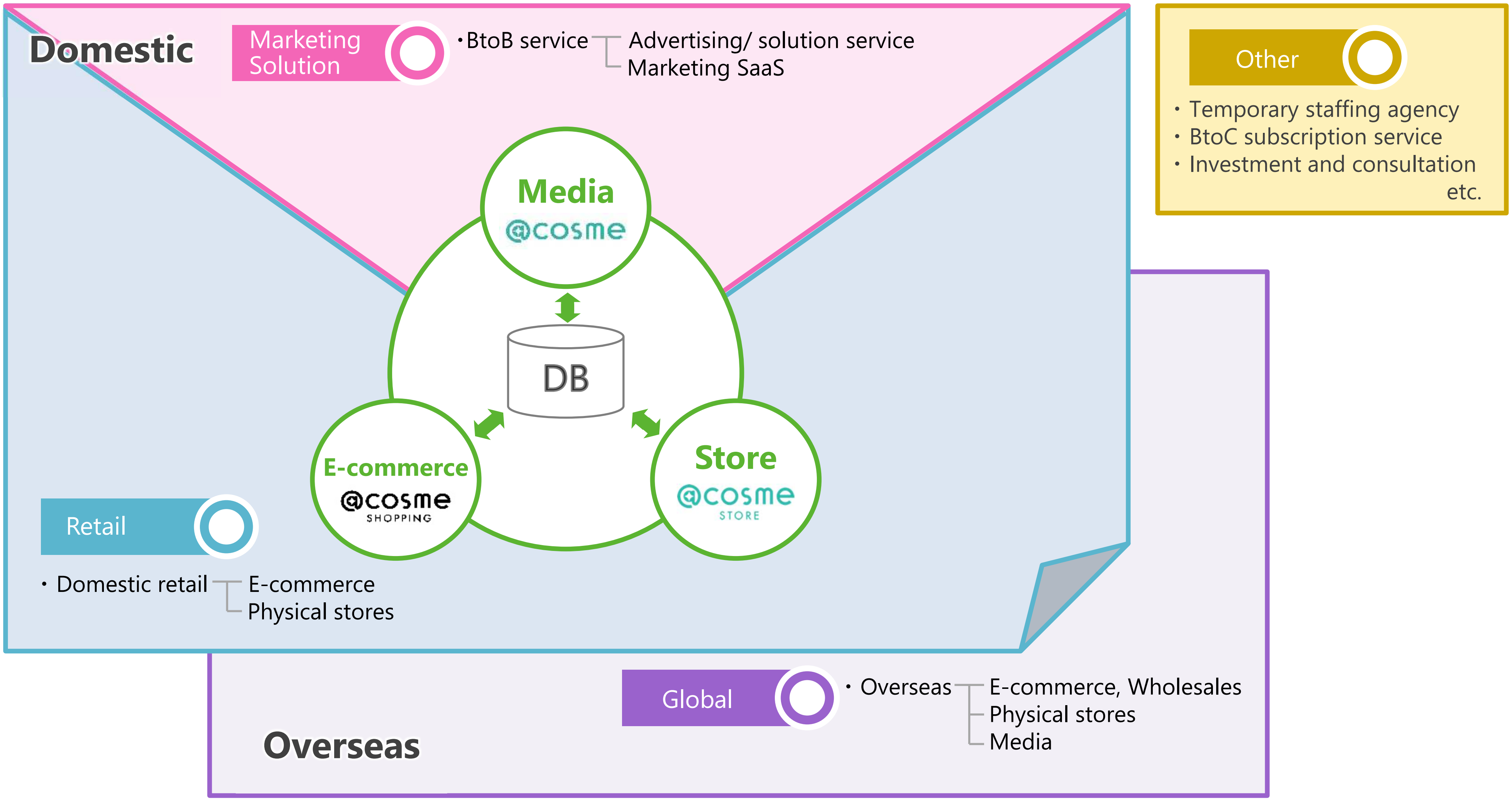
Presentation Materials for the 3rd Quarter of FY2026

May 08, 2026

istyle Inc.

Stock code: 3660

【Reference】Business segment

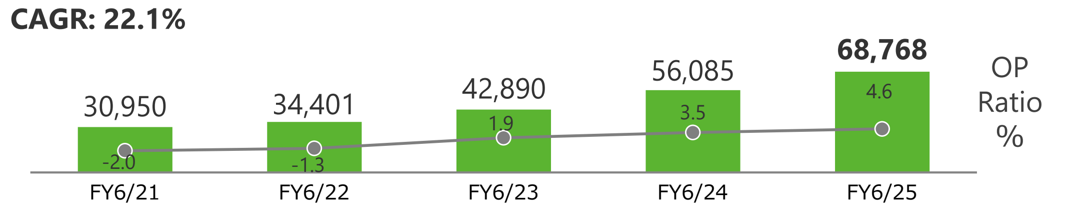


【Reference】Performance by Business Segment (Yearly)

Segment Description	Sales Distribution FY25	Segment Sales Trends

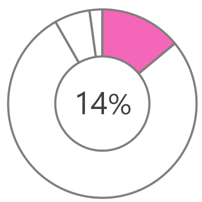
(Unit: Million JPY)

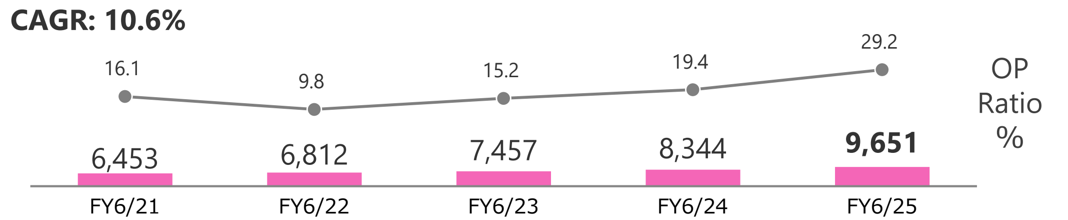
Consolidated Results



Marketing Solution

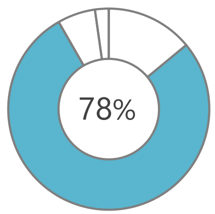
・BtoB service ─ Advertising/solution service
└ Marketing SaaS

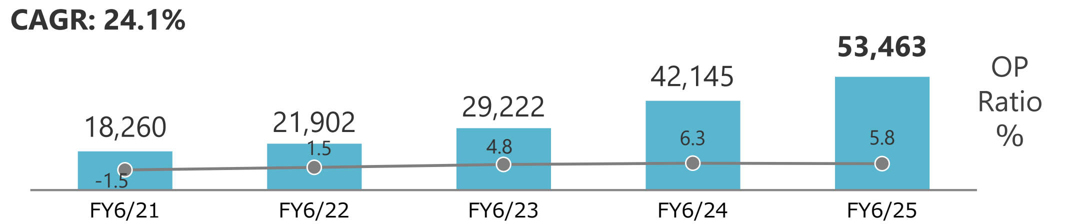




Retail

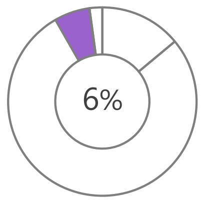
・Domestic retail ─ E-commerce
└ Physical stores

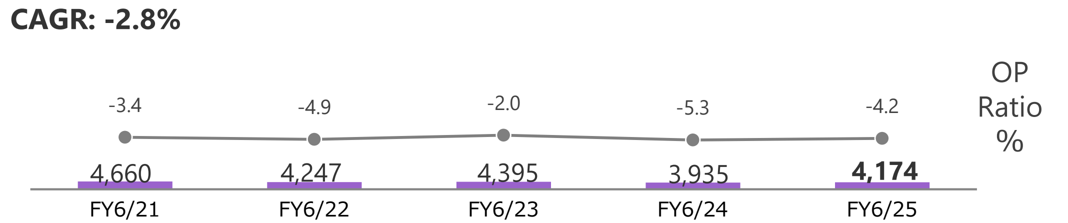




Global

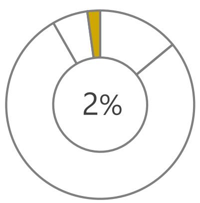
・Overseas ─ E-commerce, Wholesales
├ Physical stores
└ Media

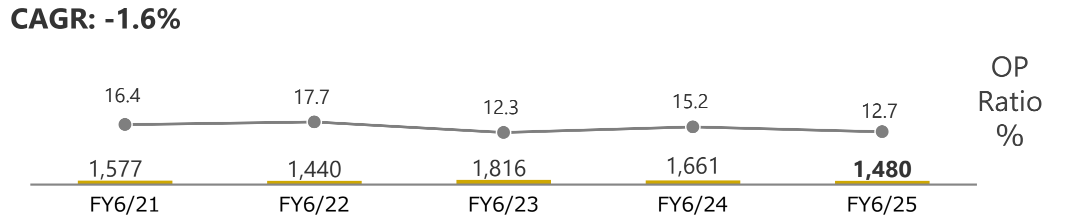




Other

・Temporary staffing agency
・BtoC fee-based service
・Investment and consultation etc.





Q3 cumulative / Financial Summary & Key Topics

Financial Summary

Consolidated Sales YoY +19.7% / Consolidated Operating Profit YoY +23.0%

- ✓ **Progress on track with full-year earnings forecasts.**
- ✓ Despite challenges in domestic and international retail services, **Marketing Solution drove growth.**

Key Topics

- **Total number of user actions grew steadily.**
- **Change in business environment domestically and internationally.**
  - ✓ Due to geopolitical factors, some inbound demand declined.
  - ✓ As tensions in the Middle East escalate, some impacts on the supply chain have emerged (though impact on earnings is minor).

Overview of Financial Results for the 3rd Quarter of FY2026

Q3 cumulative / Highlight (Unit: Million JPY)

Consolidated Results

Businesses in Japan such as Marketing Solution and Retail drove overall performance.

Net sales **59,694** (YoY **+19.7** %) Operating profit **2,884** (YoY **+23.0** %)

Marketing Solution

Performance remained strong due to expanded business with brands.

Net sales **8,968** (YoY **+27.0** %) Operating profit **2,606** (YoY **+26.2** %)

Retail

Despite issues such as EC delivery delays and challenges in regional stores, **both EC and physical stores continued to see increased sales and increased profit.**

Net sales **45,573** (YoY **+17.9** %) Operating profit **2,601** (YoY **+21.0** %)

Global

Increased sales due to the contribution of Hong Kong flagship store.
Profitability for the store expected in next FY.

Net sales **3,998** (YoY **+31.0** %) Operating profit **-327** (YoY **-256** M JPY)

Other

Results within expectations though sales and profit declined due to discontinuation of paid B2C service.

Net sales **1,155** (YoY **+3.0** %) Operating profit **63** (YoY **-61.3** %)

Corp. Exp. (w/ Adjustments)

(Management department personnel costs, head office rent, etc.)

Operating profit **-2,059** (YoY **-97** M JPY)

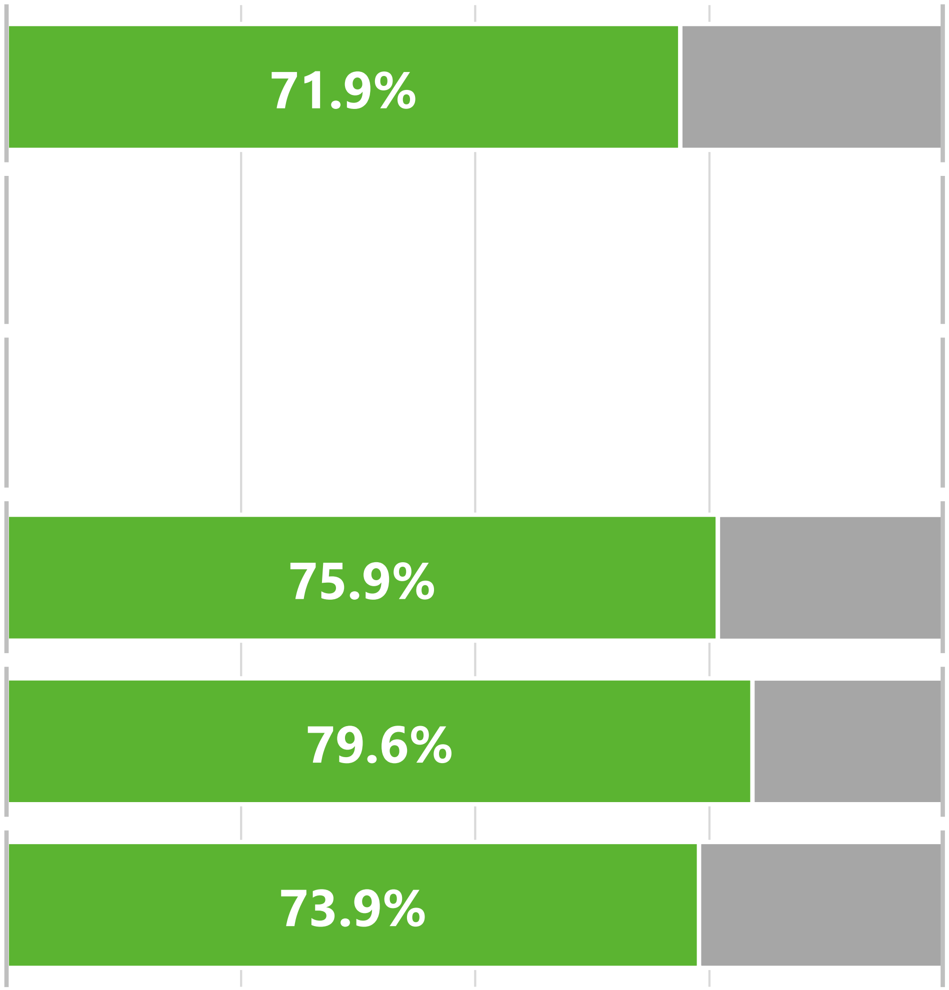
Q3 cumulative / Progress Against Consolidated Earnings Forecast

- **Progress on track for the full-year** though performance fell short of Q3 plan.

Consolidated Performance Summary

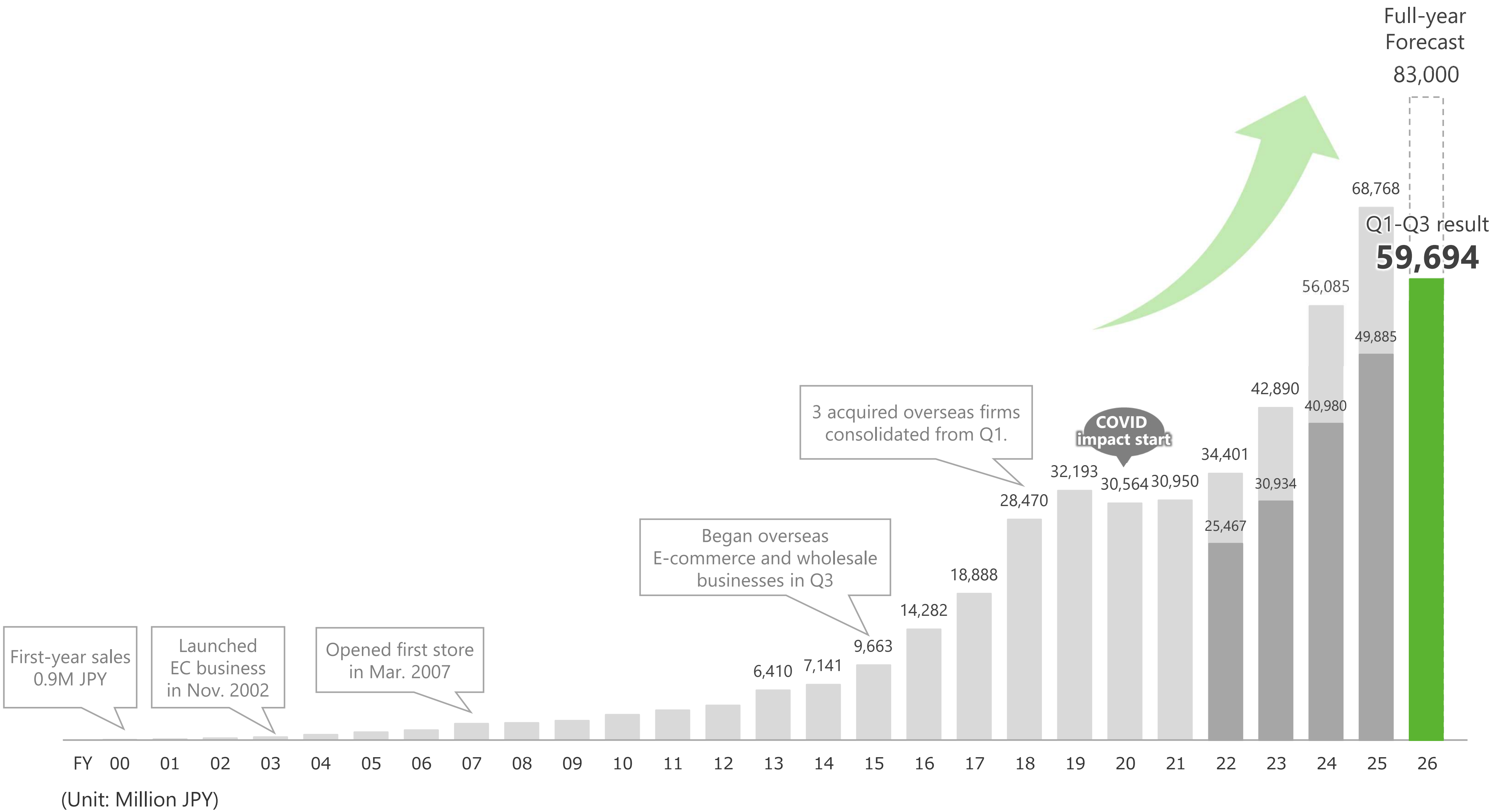
(Unit: Million JPY)	Full-year Forecast	Q1-Q3 Result	YoY
Net sales	83,000	59,694	+19.7%
Gross profit	–	25,340	+17.4%
SG&A	–	22,457	+16.8%
Operating profit	3,800	2,884	+23.0%
Ordinary profit	3,800	3,025	+19.4%
Profit attributable to owners of the parent company	2,650	1,957	+11.1%

Progress Against Full-year Forecast



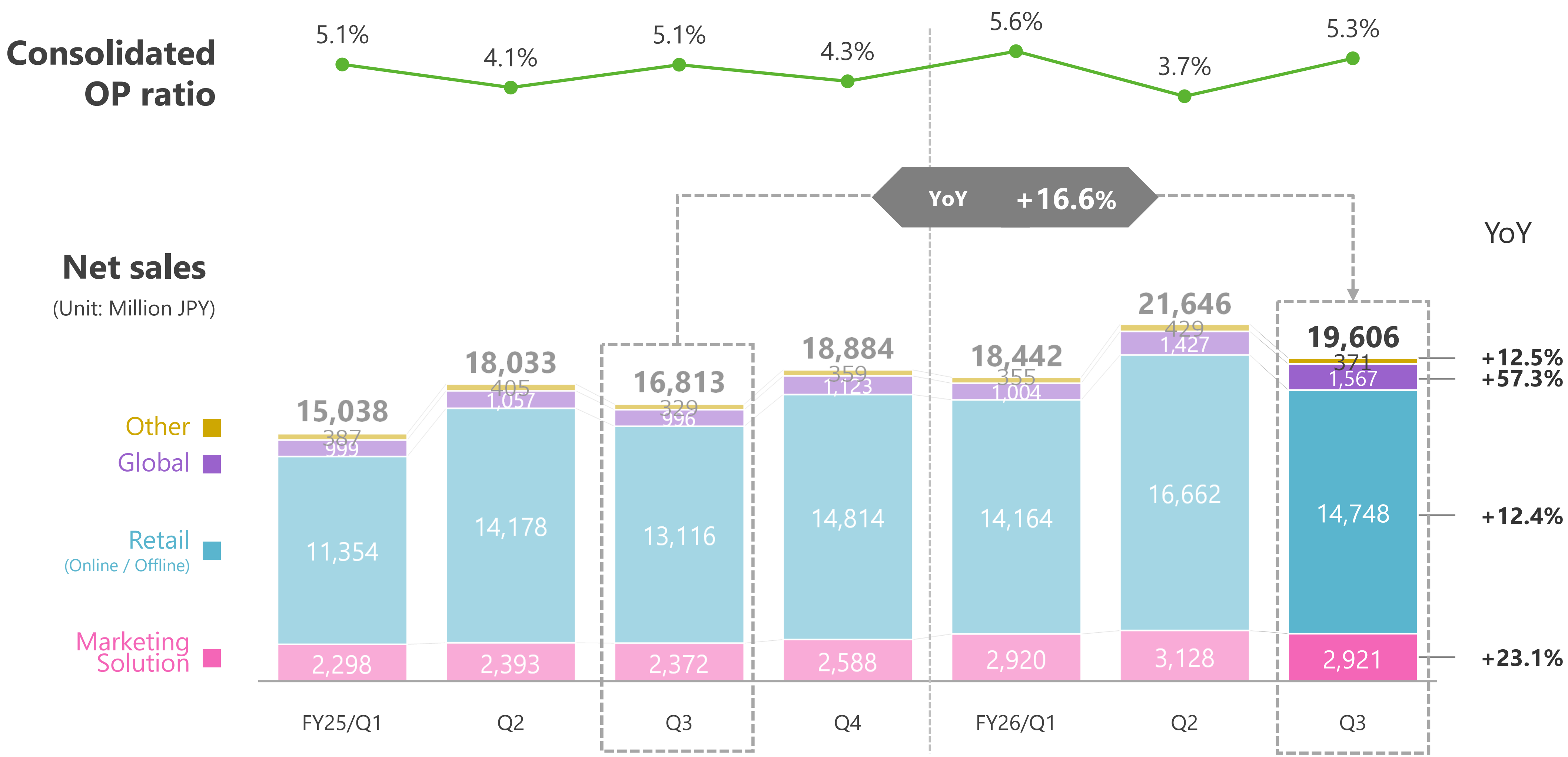
Trend in net sales

- **Record sales and on a growth trajectory.**



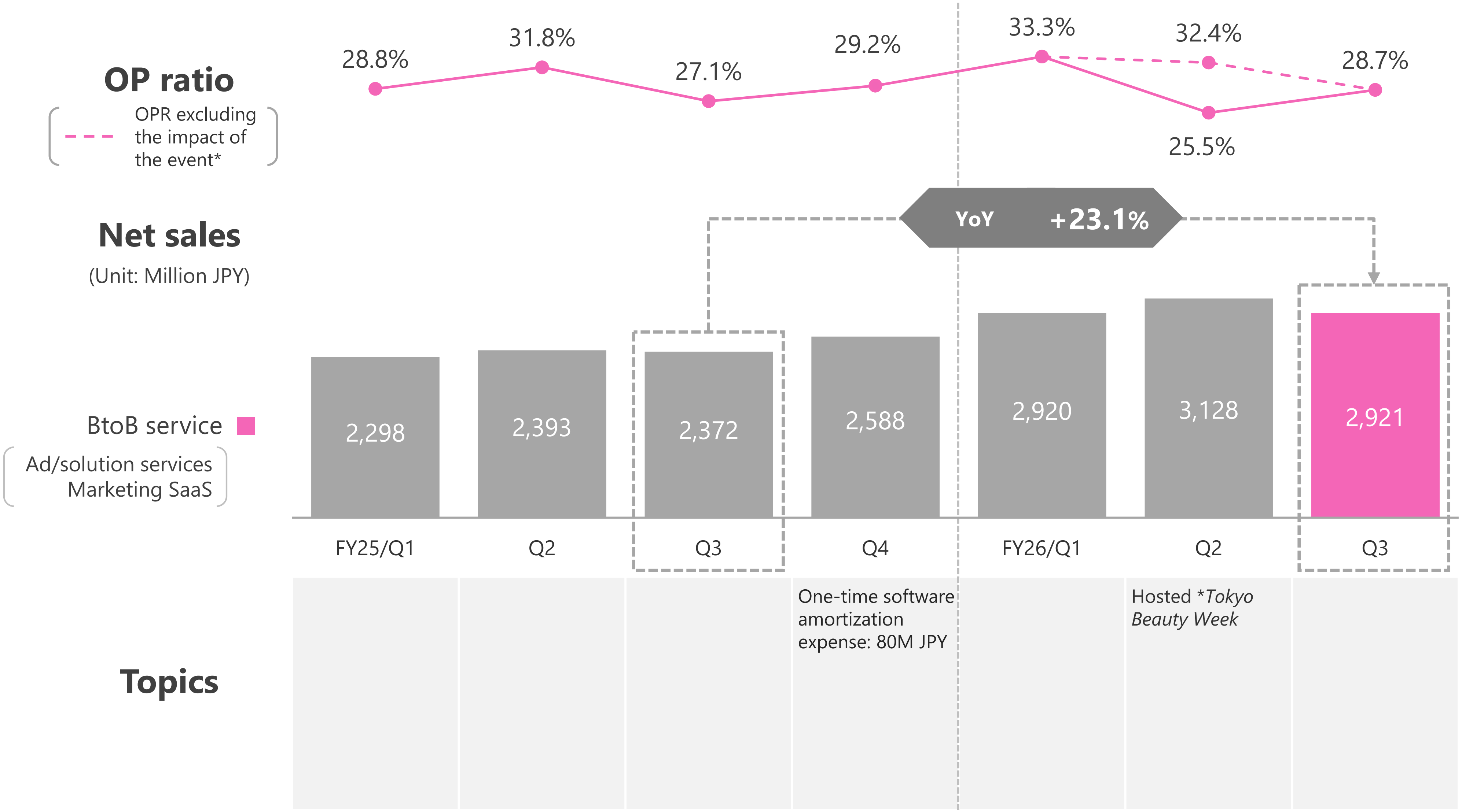
Trends in segment sales (Quarterly)

- In addition to the contribution from Hong Kong flagship store (Global Business), **both our core Marketing Solution and Retail businesses grew, driving the Group's overall top-line growth**.



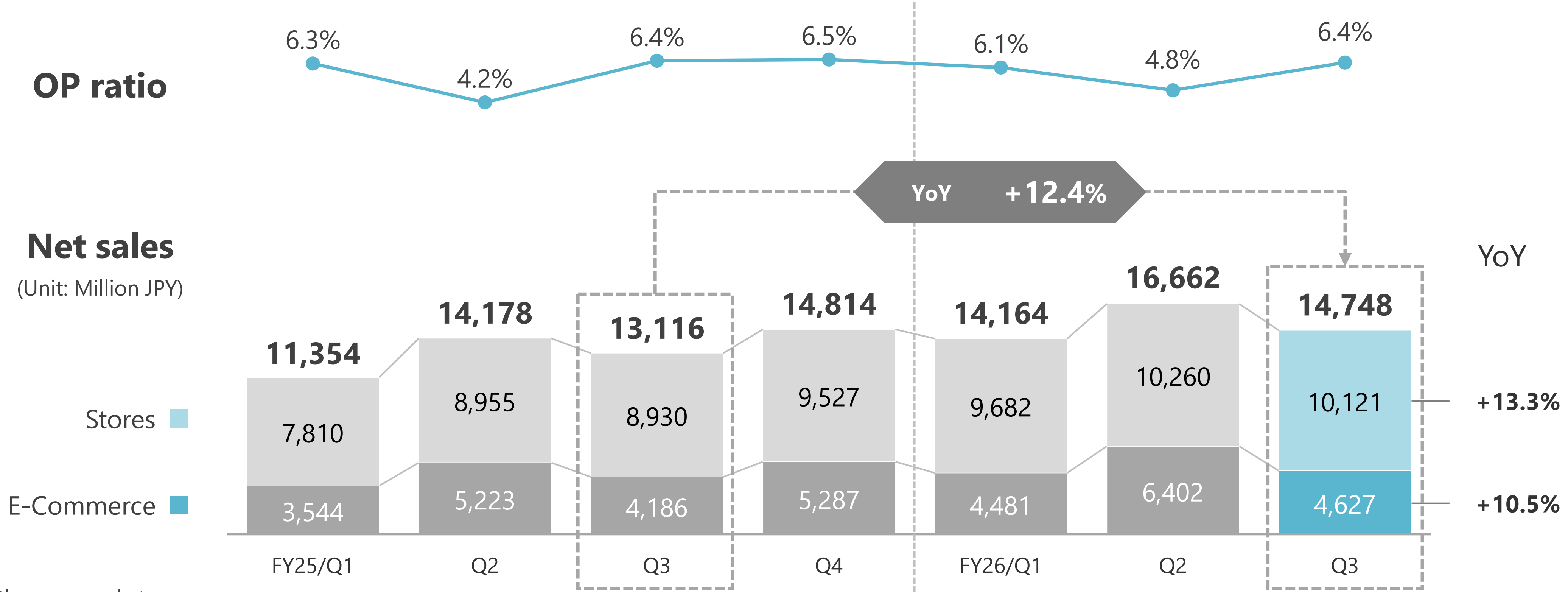
Trends in segment sales (Quarterly)

- Net Sales: **Business with brands expanded YoY due to synergies with Retail business, exceeding plan.**
- OP Ratio: Improved YoY, offsetting increased costs associated with the overhaul of core operating systems.



Trends in segment sales (Quarterly)

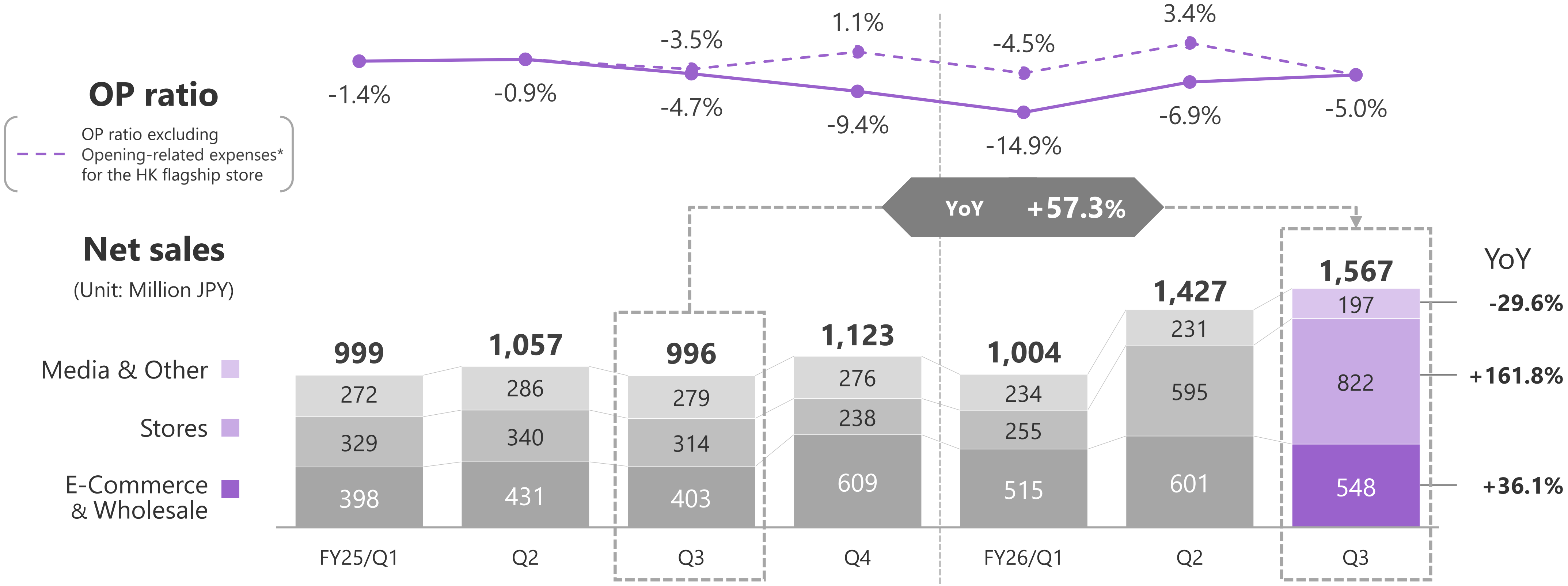
- [Stores] **Double-digit YoY growth** despite weak regional stores and inbound sales.
  [EC] Slower growth due to shipping delays (warehouse relocation). QoQ decline within expectations (normalization post-event).
- OP ratio: Although net sales fell short of plan, OP ratio remained at the same level as the previous year.



	FY25/Q1	Q2	Q3	Q4	FY26/Q1	Q2	Q3
Directly managed stores at end of quarter	30	32	32	32	33	34	34
Topics	[Expansion & Renovation] *AEON MALL Urawamisono store*: Jul. *Amu Est Hakata store*: Aug. *Atré Kameido store*: Sep. [Closed] *Tokyo Komachi* *LaLaport YOKOHAMA store*: Aug.	December sales event *@cosme BEAUTY DAY* (Booked promotional costs of 119M JPY) [Opened] *Stellar place Sapporo store*: Oct. *KANAZAWA FORUS store*: Dec.	[Closure] *@cosme TOKYO*: 21 days (reopened on March 5)	[Expansion & Renovation] *@cosme NAGOYA*: Reopened on June 19 after renovation. June sales event *@cosme SPECIAL WEEK* (Zero promotional expenses)	[Opened] *NEWoMan Takanawa store*: Sep.	December sales event *@cosme BEAUTY DAY* (Booked promotional costs of 107M JPY) 【Opened】 mozo wonder city: Dec.	

Trends in segment sales (Quarterly)

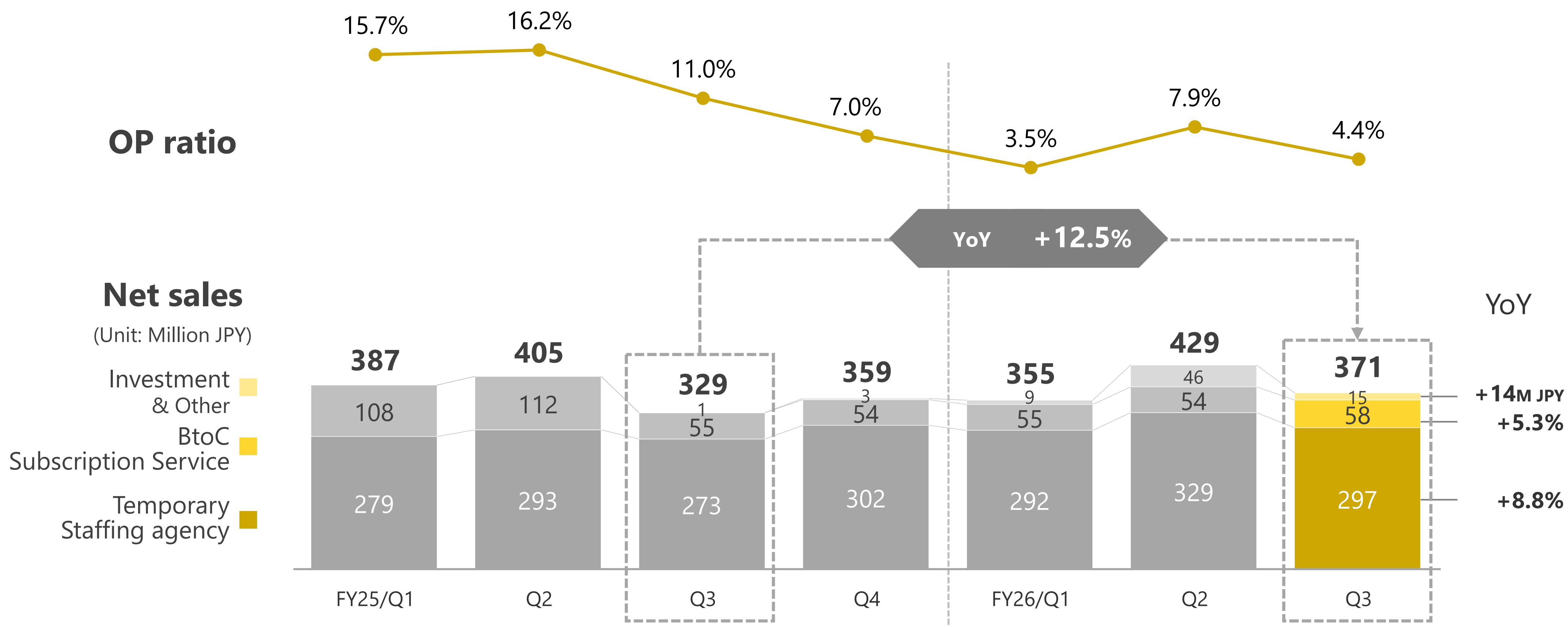
- Net Sales: Increased sales due to contributions from Hong Kong flagship store.
- OP ratio: In addition to seasonal fluctuations, Hong Kong flagship store took some time for operation optimization, resulting in a loss as revenue fell short of target.



	FY25/Q1	Q2	Q3	Q4	FY26/Q1	Q2	Q3
Stores at end of quarter	3	3	2	2	2	3	3
Topics			* Opening-related expenses for Hong Kong flagship store: 12M JPY [Closed] East Point City Store: February	* Opening-related expenses for the Hong Kong flagship store: 117 M JPY	* Opening-related expenses for the Hong Kong flagship store: 104 M JPY	【Opened】 @cosme HONG KONG: Dec. * Opening-related expenses for the Hong Kong flagship store: 147 M JPY	

Trends in segment sales (Quarterly)

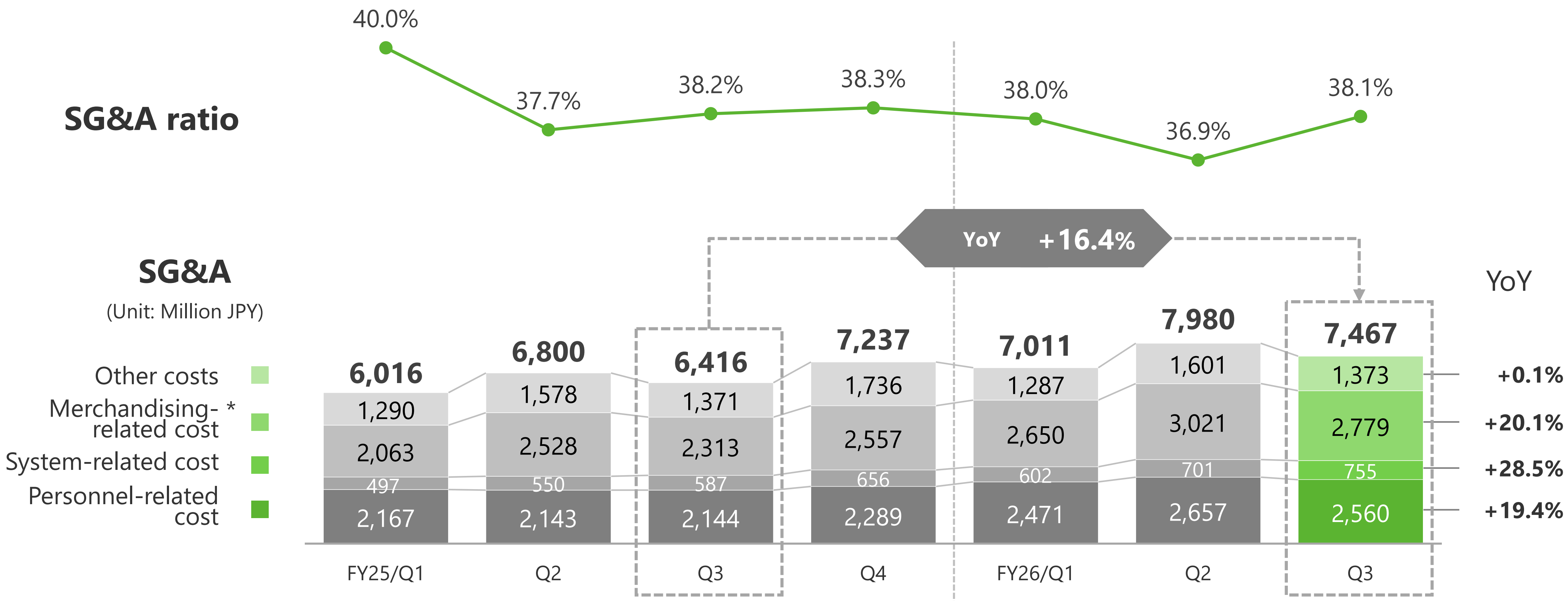
- Staffing services business recovered, resulting in increased sales YoY.



Topics	FY25/Q1	Q2	Q3	Q4	FY26/Q1	Q2	Q3
		BLOOMBOX, one of our paid BtoC services, terminated in December.			Supplement, *@cosme+*, to launch in July		

Trends in SG&A expenses (Quarterly)

- While personnel expenses and other costs increased due to business expansion, SG&A ratio remained stable thanks to top-line growth.

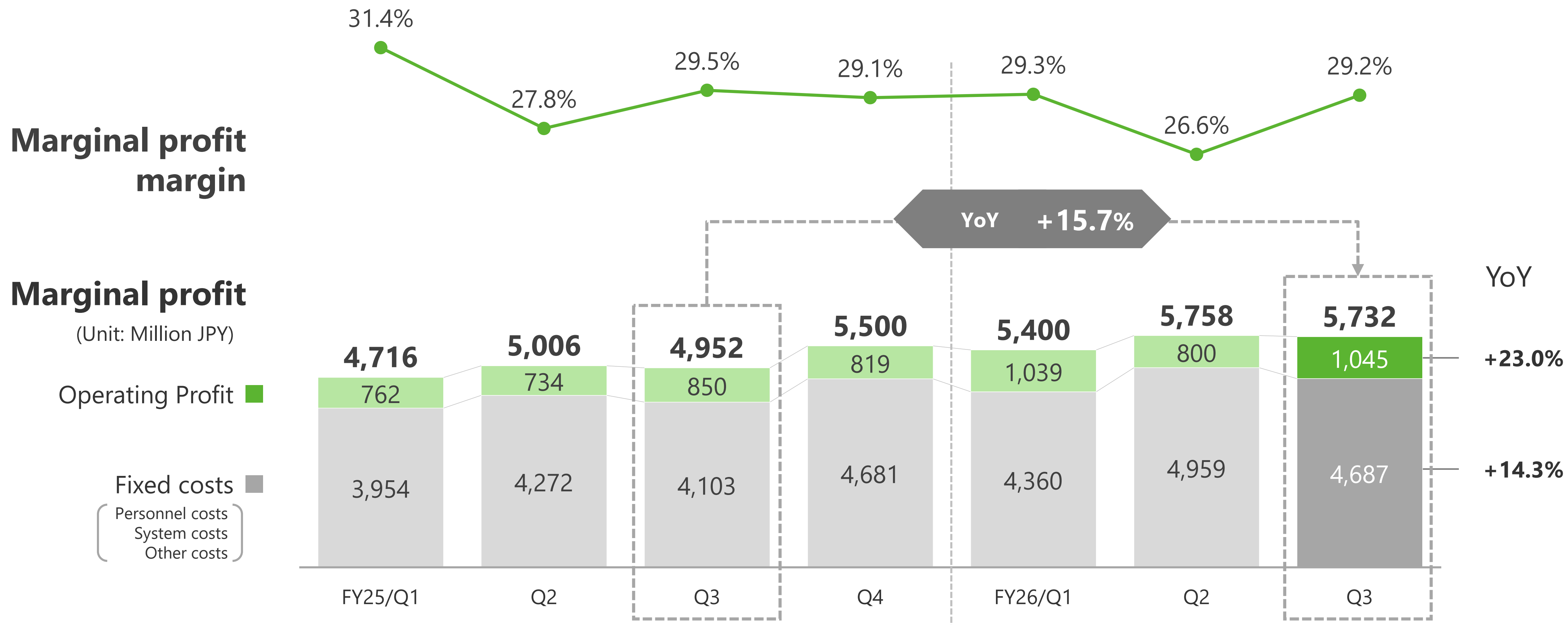


	FY25/Q1	Q2	Q3	Q4	FY26/Q1	Q2	Q3
Work force (includes outsourcing)	1,565	1,606	1,642	1,768	1,868	1,950	1,976
Topics		【Other costs】 Promotional expenses of 119M JPY for *@cosme BEAUTY DAY* Number of contracted staff at stores increased YoY and QoQ.		【SG&A】 Opening-related expenses for the HK flagship store: 117M JPY 【Other costs】 QoQ increase in outsourcing expenses for store staff, etc. 【System-related】 One-time software amortization exp. of 80M JPY	【SG&A】 Opening-related expenses for the Hong Kong flagship store: 104M JPY 【System-Related Expenses】 Core system enhancements for Marketing Solution and Retail (EC) 【Personnel-Related Expenses】 Personnel expenses for Nagoya flagship store	【SG&A】 Opening-related expenses for the Hong Kong flagship store: 147M JPY 【Other costs】 Promotional expenses of 107M JPY for *@cosme BEAUTY DAY*	

* Total cost linked to the amount of sales in E-Commerce and store business, such as delivery fee or rent fee

Marginal profit* (Quarterly)

- **Marginal profit grew steadily** despite gross margin decreasing YoY due to rapid expansion of relatively low-margin Retail and Global businesses.

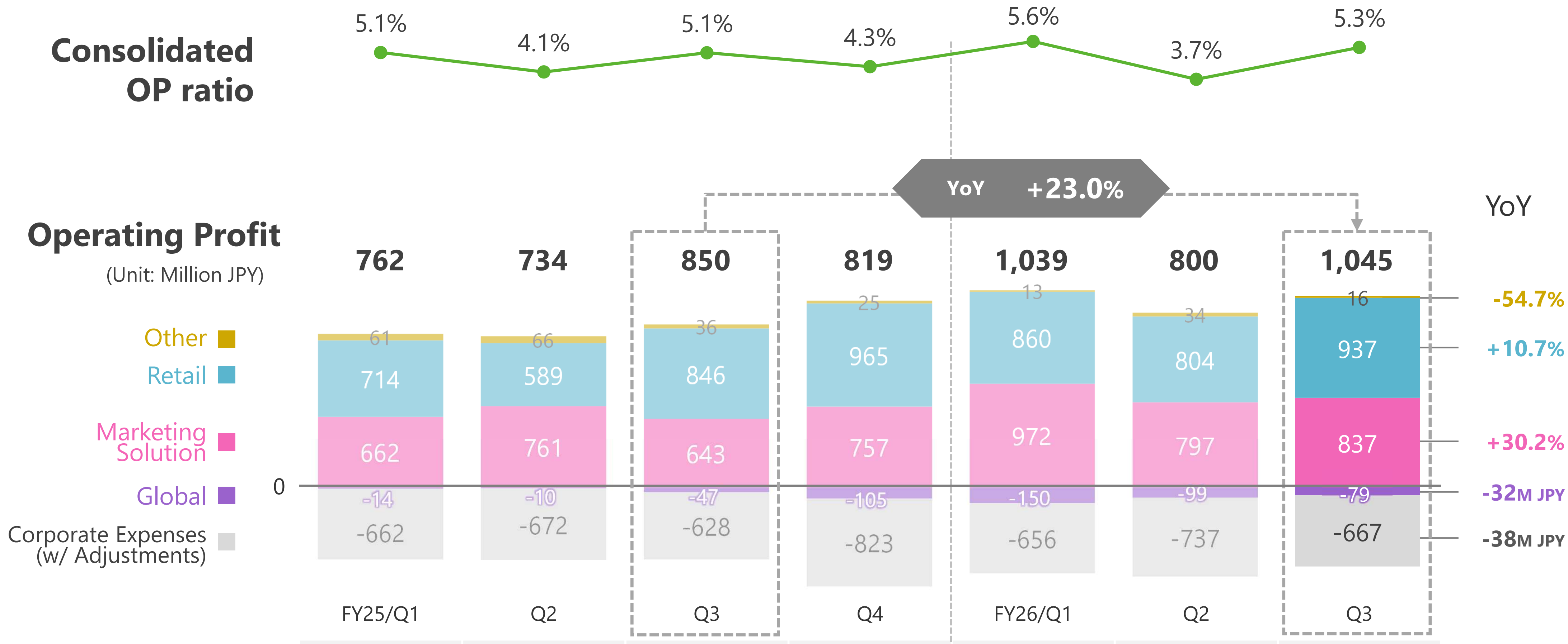


	FY25/Q1	Q2	Q3	Q4	FY26/Q1	Q2	Q3
Work force (includes outsourcing)	1,565	1,606	1,642	1,768	1,868	1,950	1,976
Topics		【Marginal Profit Ratio】 Gross profit margin decreased due to loyalty point redemption at sales event.		【Marginal Profit Ratio】 Gross profit margin decreased due to loyalty point redemption at sales event.		【Marginal Profit Ratio】 Gross profit margin decreased due to loyalty point redemption at sales event.	

* Marginal profit: Net Sales minus variable costs such as cost of sales and merchandise-related expenses (e.g. delivery costs for EC business, commission fees paid to malls, store rent, etc.)

Trends in operating Profit by segment (Quarterly)

- Global business shortfall was offset **by increased profits in Marketing Solution and Retail businesses**.



Topics

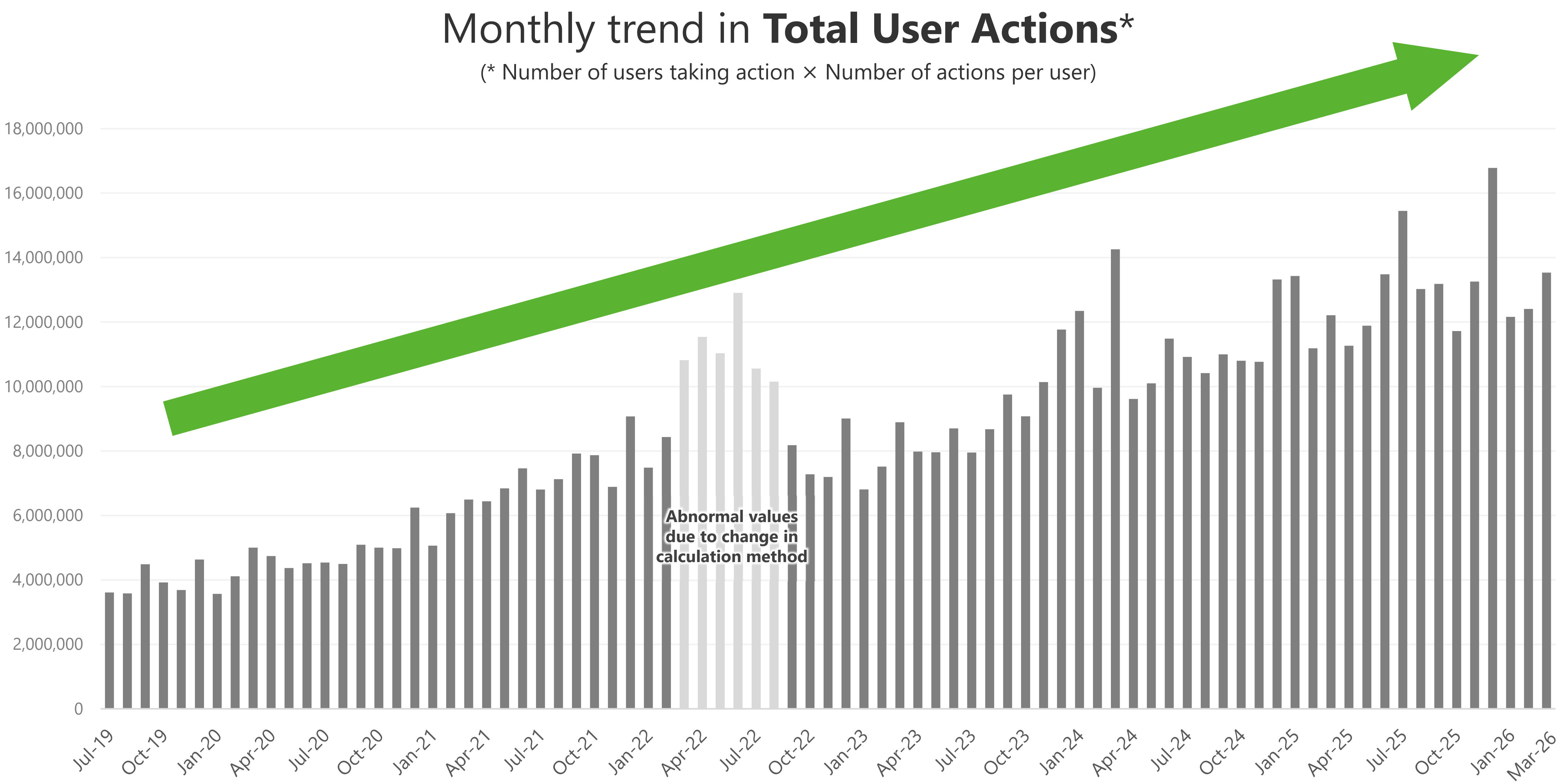
FY25/Q1	Q2	Q3	Q4	FY26/Q1	Q2	Q3
	【Retail】 Promotional expenses of 119M JPY for *@cosme BEAUTY DAY*		【Marketing Solution】 One-time software amortization expense: 80M JPY 【Global】 Opening-related expenses for the Hong Kong flagship store: 117M JPY 【Company-wide cost】 Consolidated year-end bonuses and outsourced consulting fees.	【Global】 Opening-related expenses for the Hong Kong flagship store: 104M JPY	【Retail】 Promotional expenses of 107M JPY for *@cosme BEAUTY DAY* 【Global】 Opening-related expenses for the Hong Kong flagship store: 147M JPY	

Status of Operating Services

KPI

Total User Actions

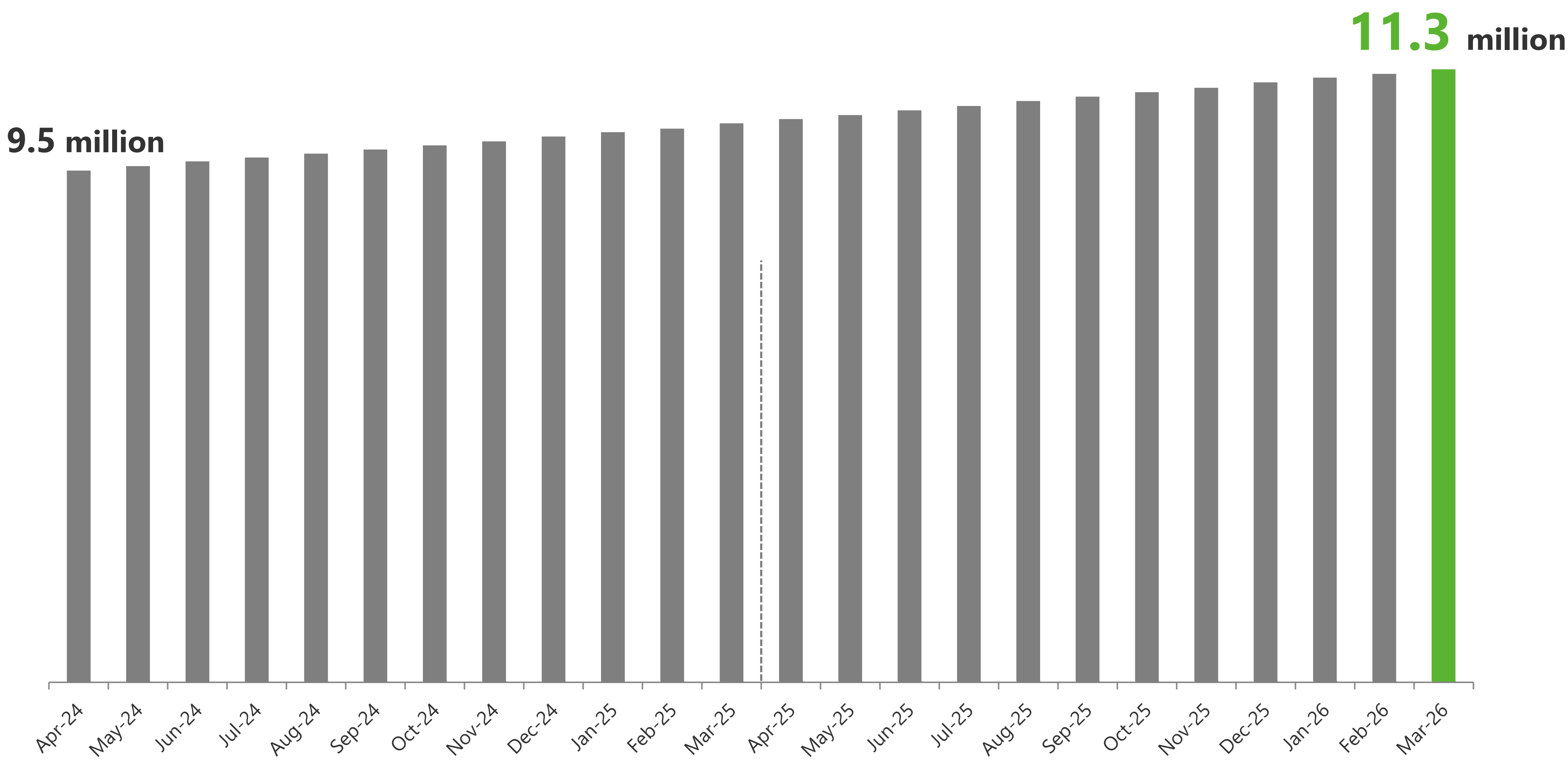
- Growth trajectory maintained, with user actions increasing steadily YoY.



* User Actions: Actions within our platform beyond browsing, including reviews, purchases, gifts and monitor program applications, product Likes, and brand Follows.

KPI Trend in number of @*cosme*'s members*

- **Membership continues to trend up.**



* Number of members registered as users on @*cosme*, which is different from paid members such as premium members.

【Reference】Impact of Middle East Tensions *As of May 8, 2026

- Due to soaring resource prices resulting from the escalating tensions in the Middle East, impact on our supply chain has started to show.
- Although some manufacturers have concerns over product supply, **the impact as of May is extremely minor**.

Impact on the Company

Business Segment	Current Situation
Marketing Solution	‣ Some manufacturers postponed or canceled promotional campaigns due to concerns over the prolonged impact.
Retail	‣ No major disruptions to product supply.
Global	‣ Some Japanese manufacturers to prioritize domestic inventory.

Expected Questions and Answers

Expected Questions and Answers

Expected Question	Answer
What is the probability of achieving the full-year consolidated earnings forecasts?	✓ Although the progress of consolidated net sales is delayed, **consolidated operating profit and below are expected to be achieved**. ✓ This is because while the net sales shortfall is in the relatively low-margin Retail segment and Global segment, **the highly profitable Marketing Solution segment is performing well**.
What is the background of the shipping delays associated with the E-Commerce warehouse relocation?	✓ A warehouse relocation to expand capabilities was carried out this March, but relocation work was delayed, and **it took time to establish operations, resulting in shipping delays**. ✓ Order cancellations from users and other issues increased due to the shipping delays. ✓ As of May 8, **we are continuing to respond toward normalizing the shipping system** by allocating additional specialized personnel. ✓ **This impact will also affect Q4 performance.**
What are the issues and countermeasures for the Hong Kong flagship store, "*@cosme HONG KONG*"?	✓ A strong start immediately after opening in December 2025. Reaffirmed the validity of opening the flagship store. ✓ However, as **it was the first flagship store overseas, it took time to optimize operations such as product replenishment and delivery delays**, resulting in opportunity losses. ✓ Prioritized system construction and **restrained promotions, resulting in a shortfall in the number of store visitors**. ✓ Establish a stable operating system, including logistics, within this fiscal year.

Appendix

- **Company Information**
- Segment Information
- Mid-Term Business Policy

Company information

Corporate name	istyle Inc.
Listed stock exchange/ securities code	Listed on the Prime Market of the Tokyo Stock Exchange / 3660
Chairperson and CEO President and COO	Tetsuro Yoshimatsu Hajime Endo
Date of establishment	July 27, 1999
Headquarters	1-12-32 Akasaka, Minato-ku, Tokyo, Japan
Capital	8,944 Million JPY (As of Dec. 2025)
Accounting period	June 30
Description of business	- Planning and operation of the beauty site *@cosme* - Provides the related advertising and marketing research services
Number of employees	1,210 (consolidated)

* Figures are as of Jun. 2025

Main subsidiaries and affiliates

Domestic

istyle retail Inc.
Operation of Cosmetics specialty store "*@cosme STORE*" and Cosmetics specialty E-commerce "*@cosme SHOPPING*"

istyle trading Inc.
Wholesale, retail, and import/export of beauty products, and proxy services for the same

istyle career Inc.
Operating "*@cosme CAREER*", a job listing site for the cosmetics and beauty industries, and offering general worker temporary placement services

istyle me Inc.
Influencer marketing business and web advertising agency business

IS Partners Inc.
Creation, management, and editing of digital content specializing in the subject of beauty

istyle DATA CONSULTING, Inc.
Provision of data-driven solutions
Founded jointly with CX consulting firm NODE Inc.

MEDIA GLOBE CO., LTD.
PR and other communication about cosmetics to women's magazines, beauty magazines, and women's websites

Over The Border Inc.
Operation of cross-border MCN

Trenders, Inc.
Marketing business, Investment business

Overseas

istyle China Co.,Limited.
Import/export, sale, and marketing support for cosmetics manufacturers

istyle Global (Singapore) Pte. Limited
Alliances and business investments in southeast Asian countries

istyle Global (Hong Kong) Co., Limited.
Alliances, services, and business investments in Asian countries

istyle Retail (Hong Kong) Co., Limited
Shop planning, development, and operation; promotional support for the retail and logistics sectors

i-TRUE Communications Inc.
Operation of Taiwanese version of "*@cosme*"

Glowdayz, Inc.
Planning and operation of beauty platform "GLOWPICK " and provision of related advertising services

History

1999	Jul	Limited company I-Style Co., Ltd. Founded
	Dec	Launched *@cosme*, a cosmetics portal site
2000	Apr	I-Style Co., Ltd. becomes istyle Inc., a joint-stock corporation
2002	Nov	Opened cosmetics online shopping site *cosme.com* （now *@cosme SHOPPING*) and started operating of E-Commerce
2007	Mar	Opened first *@cosme STORE* in Shinjuku Lumine Est, Tokyo by cosme next co.,Ltd.
2008	Jan	Launched online recruitment website *@cosme CAREER*
2010	Sep	cosme next Co., Ltd. becomes a wholly owned subsidiary
2012	Mar	istyle Inc. went public on the Tokyo Stock Exchange Mothers market
	Aug	Established istyle Global (Singapore) Pte. Limited in Singapore
	Oct	Established istyle China Co., Limited in China
	Nov	Alteration of listing market from Mothers to Tokyo Stock Exchange First Section
2014	Dec	Established istyle trading, Inc. to begin overseas E-Commerce and wholesale business in January 2015
2015	Jul	Established istyle career Inc., a recruitment company specializing in the cosmetics and beauty businesses
	Sep	Acquired Media Globe Co., Ltd., a cosmetics PR firm (made wholly owned subsidiary via share swap in June 2018).
2016	Mar	Established IS Partners Inc.
	Oct	Established istyle Retail (Hong Kong) Co., Limited
2017	May	Acquired shares in i-TRUE Communications Inc., which operates beauty portal site in Taiwan, and made it a subsidiary
		Established istyle USA Inc., through which company acquired U.S. beauty portal site MUA Inc. and made it a subsidiary in July
	Jun	Raised approximately ¥3.6 billion by the issue of new shares by international offering
2020	Jan	Opened *@cosme TOKYO*, the 1st flagship store in TOKYO’s Harajuku.
	Nov	Raised approximately ¥2.1 billion by the issue of new shares by third-party allotment
2022	Apr	Moved to Tokyo Stock Exchange Prime market
	Aug	Capital and business alliances with Amazon.com, Inc. and Mitsui & Co.
	Sep	Raise 5 billion JPY through convertible bonds
2023	Sep	Opened *@cosme OSAKA*, the 2nd flagship store in OSAKA’s Umeda.
2024	Feb	Capital and business alliances with Trenders, Inc.
2025	Apr	Established istyle Data Consulting Inc. with CX consulting firm NODE Inc. to provide data-driven solutions.
	Jun	Opened *@cosme NAGOYA*, the 3rd flagship store in Aichi's Nagoya.
	Dec	Opened *@cosme HONG KONG*, the 1st overseas flagship store in Tsim Sha Tsui.

Award History (Extract)

Nikkei Inc.
2002 Nikkei Internet Award
(Business Category)

World Economic Forum
2014 Global Growth Company

Organization for Small & Medium Enterprises and Regional Innovation
2003 Japan Venture Award

2017 Forbes Japan Women Award
(Grand-Prix 2nd Place)

2014-2017 Japan Technology Fast50

KOTLER AWARD JAPAN 2018
2018 Philip Kotler Award Japan

2014 Michael Porter Prize Japan

World Assoc. of Overseas Jap. Entrepreneurs
2019 Global Business Award
(Grand-Prix)

2014 Japan Good Design Award
(Business Model Category)

2020-2021 Rakuten Shop of The Year
(Beauty Category)

Utilized consumer data to build Japan’s No. 1 beauty platform

@cosme

No.1 in Online Media

MAU: 16.7 million

Used every month by many women in their 20s and 30s

Users
Products
Reviews
Sales data

@cosme SHOPPING

@cosme STORE

No.1 in E-commerce

51,000 SKUs.

No.1 in Physical Store

Domestic physical stores: 35
(As of Sep. 2025)

* Figures are as of Jun. 2025

Japan's largest level comprehensive beauty site @*cosme*

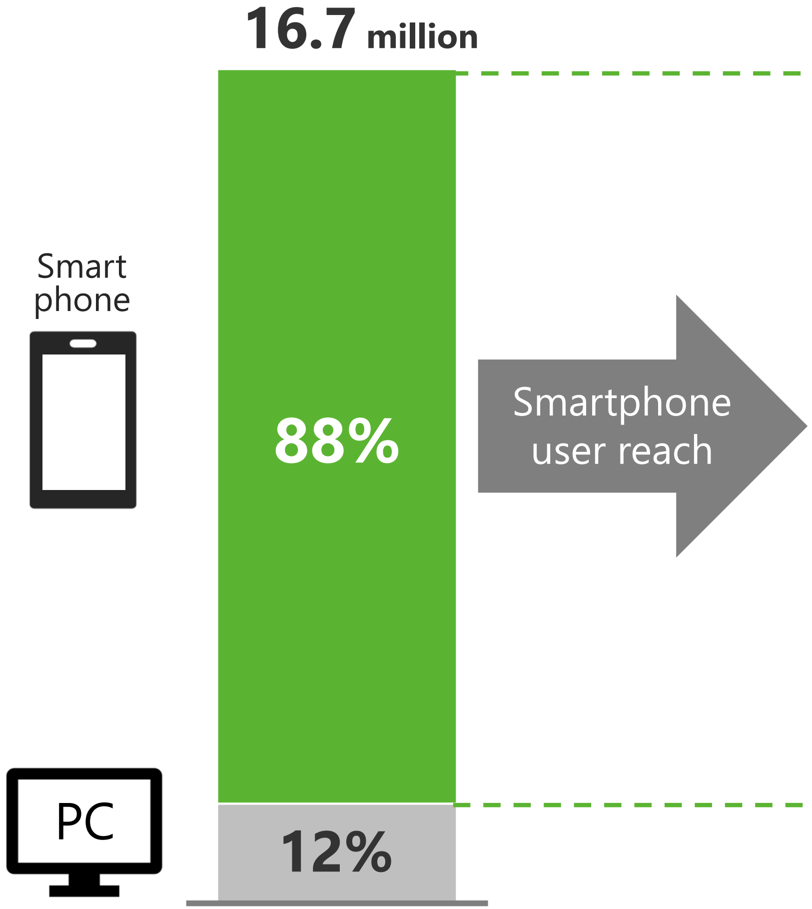
- @*cosme* is one of the Japan's largest comprehensive beauty site supported not only by users, but many other stakeholders (e.g. brands) as well.

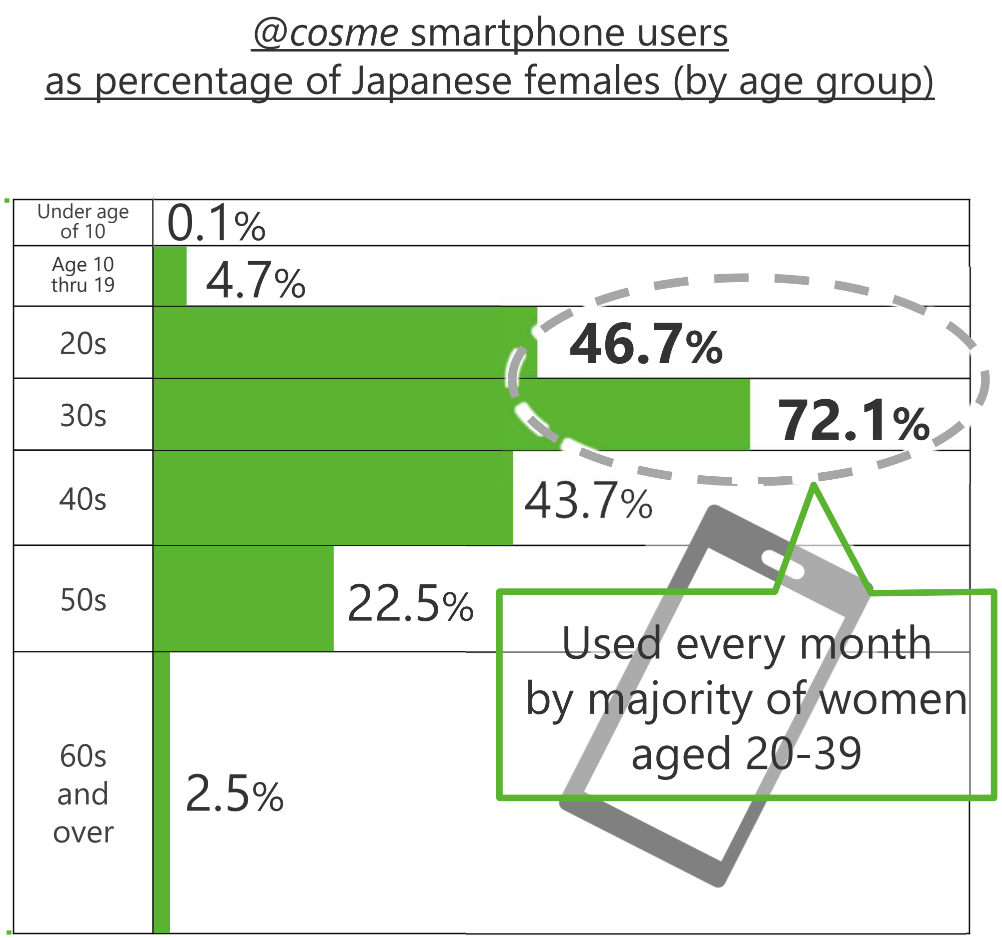
Used every month by many women in their 20s and 30s	Mainly women aged 20 – 39 who are sensitive to beauty trends	Covers almost every brand marketed in Japan	Expanding beyond cosmetics into all beauty-related categories	Japan's leading site specializing in beauty with largest number of reviews
Monthly unique users	**Registered members**	**Registered brands**	**Registered products**	**Registered reviews**
16.7 million	**10.6 million**	**46 thousand**	**420 thousand**	**22.3 million**

* Figures are as of Jun. 2025

@cosme / Overwhelming usage ratio by female members

- Roughly 16.7 million monthly unique users use *@cosme* portal site. (As of Jun. 2025)
- Massive reach among Japanese female members in their 20s and 30s.



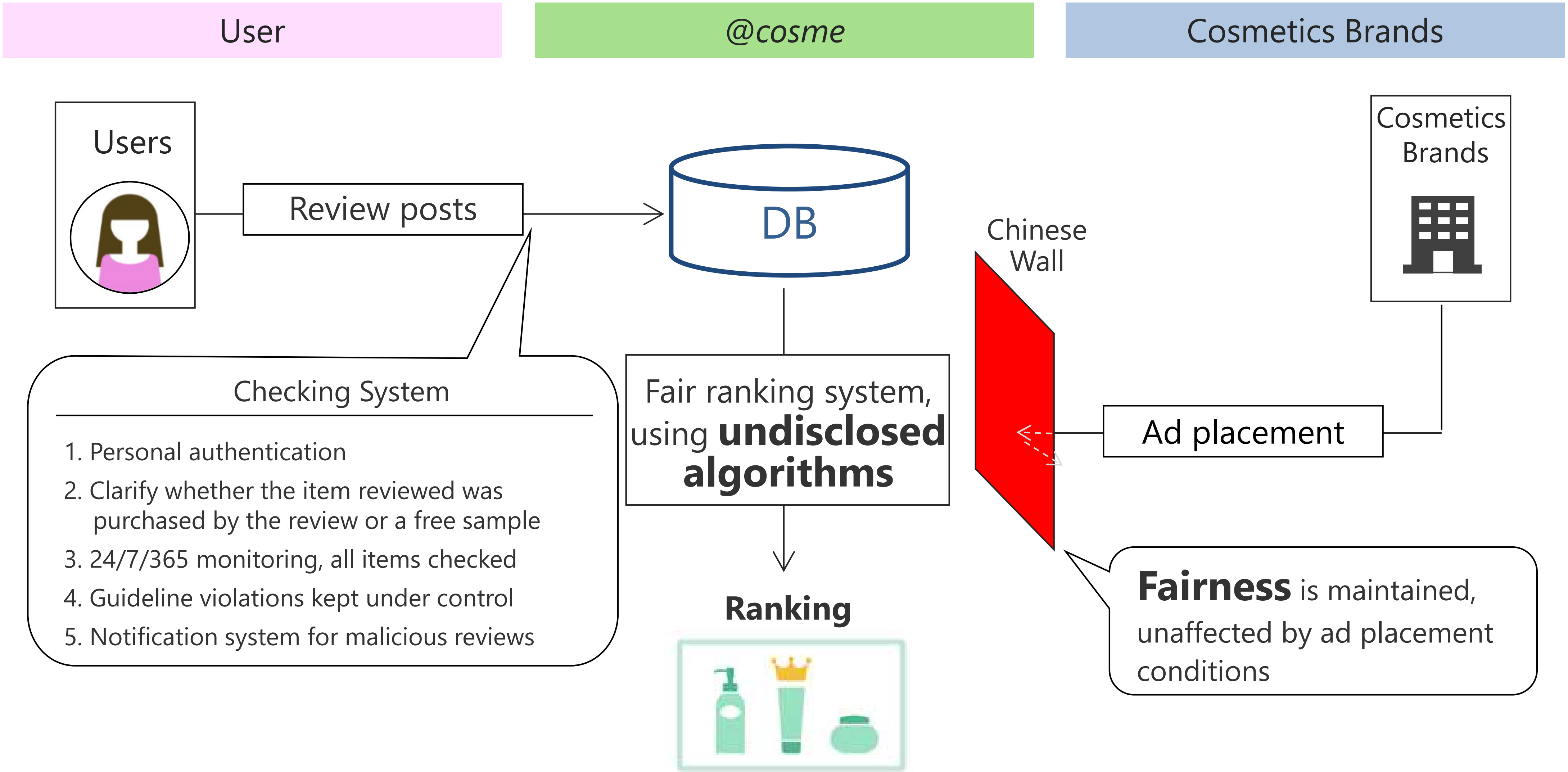


Source: Population statistics published by Ministry of Internal Affairs and Communications. (figures determined on Jan. 2025)
Calculations based on the number of unique users of PC, smart phone and feature phone as well as member distribution. (figures determined on Jun. 2025)

* Width of bars representing age groups indicates the population of each group

Database soundness

- Each measure ensures that the database is sound



SUSTAINABILITY MATERIALITY - Main Efforts

Materiality 01
Trusted platforms

- Operate sound and independent review media (@*cosme* Declaration)
- Strengthen information security
- Create new value through IT (DX promotion/database)

Declarations

1. Declaration 1: We work to help consumers find better ways to encounter beauty information.
2. Declaration 2: We maintain a fair and independent stance.
3. Declaration 3: We respect the opinions of @*cosme* members to the maximum extent possible.
4. Declaration 4: We operate the site with a high degree of transparency.
5. Declaration 5: We do not allow coerced posts or intentional manipulation of ratings.
6. Declaration 6: We comply with our legal and social responsibilities.

Materiality 02
Co-creation through partnership

- Foster awareness of sustainability among consumers
- Strive toward a recycling-oriented society with cosmetics brands

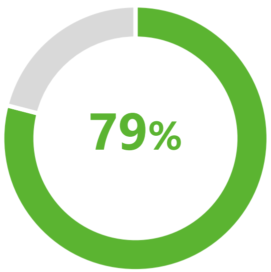
(Show consideration for the environment by promoting recycling and reducing packaging materials.)

BEAUTY SDGs WEEK
powered by @*cosme*

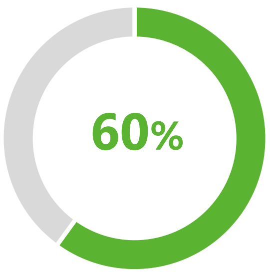
In order to realize a sustainable society, events will be held to increase awareness of sustainable activities of partner companies and increase the number of people interested in SDGs through the @*cosme* platform.

Materiality 03
Talent empowerment

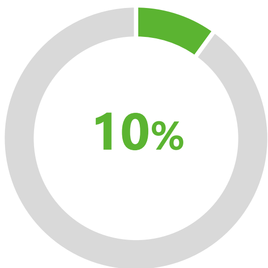
- Provide various options for ways to work (WFH/childcare leave)
- Substantial HR training system that promotes career development
- Promote diversity in human resources



Female employees



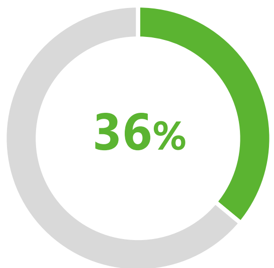
Female managers



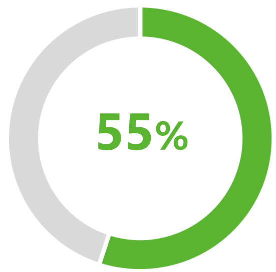
Foreign employees

Materiality 04
Enhancement of governance

- Strengthen corporate governance
- More thorough compliance (educating employees about laws and social ethics)
- Formulate business continuity plan (BCP)



Female officers



Independent officers

* Each numerical value is as of Jun. 2025 (The ratio of each board member as of Sep. 2025)

Management Team and Skill Matrix (as of Dec. 2025)

- Management team structured around skills essential for achieving mid-term business goals (For details and rationale)

		Position/ Name	Term Of office	Among skills held by each officer, the Company has particular expectations for the below														Attributes	
				Strengthening the management foundation						Maximizing the value of platform				Expanding business domains				Independence	Female
				Management experience	Corporate governance	Sustainability	Human capital management	Finance	Accounting /tax affairs	Cosmetics	Internet	Advertising /promotion	Retail /distribution	DX/AI	Innovation	M&A	International business		
Directors		Representative Director, Chairperson, CEO **Tetsuro Yoshimatsu**	26y 5m	●	●		●	●		●	●	●	●	●	●	●			
Directors		Representative Director, President, COO **Hajime Endo**	3y 3m	●			●			●		●	●	●	●	●	●		
Directors		Director, Vice Chairperson, CFO **Kei Sugawara**	24y 3m	●	●	●	●	●		●	●	●		●	●	●	●		
Directors		Director **Meyumi Yamada**	26y 5m	●	●	●	●			●	●	●		●	●	●	●		●
Directors		Director (Outside) **Michimasa Naka**	11y 3m	●	●	●	●	●								●	●	●	
Directors		Director (Outside) **Shinsuke Usami**	4y 3m	●	●	●	●	●			●	●		●	●	●			
Directors		Director (Outside) **Hikari Kanokogi**	1y 3m	●	●	●	●						●				●	●	●
Directors		Director (Outside) **Mie Miura**	3m					●	●	●			●			●	●	●	●
Auditors		Auditor (Outside) **Hitoshi Hara**	17y 10m		●		●	●	●	●						●		●	
Auditors		Auditor (Outside) **Kenji Miyako**	19y 10m	●	●			●	●							●		●	
Auditors		Auditor (Outside) **Junko Kotakemori**	2y 3m		●			●	●							●	●	●	●

Overview of Human Capital Management

- The purpose of our human capital management is "To foster people who continue to update the world of BEAUTY, becoming a company that is consistently chosen."

№	Purpose	Topic	Issues (Focus Points)	Countermeasures		Indicators
1	Mission: To update the world of beauty while bringing happiness to many Human Resources Strategy Theme: Become a company chosen by people with a strong desire to grow Human Resources Strategy: ・Commit to the growth of our people ・Awareness Management	**Foster a culture of growth and challenge**	・Present clearer role models ・Reform management-level work styles (with a desirable and achievable work-life balance)	・Facilitate challenge within the Hands-Up system ・Foster forums to celebrate challenges	・Hands-Up (a system that enables growth at any age) ・7iAward (internal award system) ・Interaction with external personnel ・Joint workshops	・Ratio of those who think that the Company offers opportunities for growth ・Ratio of those who are motivated to develop themselves ・Ratio of people willing to take on higher positions and positions of responsibility ・Ratio of people who feel job satisfaction and worthwhile
2		**Support work styles in accordance with stages of life that encourage job satisfaction**		・Diversify work styles ・Health management		・Ratio of those who think that people around them have a good understanding of work-life balance, such as taking leave
3		**Co-create within different fields and industries**	・Create opportunities to gain diverse experiences that develop autonomous human resources in the age of VUCA ・Create opportunities to embrace and co-create with different industries and cultures	・Gain experience in multiple fields (From user and brand perspectives, both in-person and on the Internet) ・Establish a way to learn about others' experience ・Experience co-creation with other departments and companies (horizontal collaboration projects, community participation)		・Ratio of people who think that our strength lies in the horizontal collaboration among multiple departments
4		**Foster leaders who will lead the future with new values**	・Cultivate autonomous business producers in an era with no right answers ・Provide an environment that encourages employees to promptly and easily take on challenges ・Develop autonomous human resources who can take on challenges without fear of failure and apply what they learn to the next opportunity	・Reform our management model (from managers to coaches) ・Introduce a training program to raise awareness ・Select young project leaders		・Ratio of participants in training programs ・Number of coach-type management that discover and cultivate autonomous human resources *Since it is in parallel with measures, indexing and management will be implemented in the future.

For more details, please refer to *the Integrated Report 2025*: https://ssl4.eir-parts.net/doc/3660/ir_material14/272686/00.pdf

DE&I (Diversity, Equity, and Inclusion)

- To navigate a complex society, we offer systems that support "individualized ways of working" and "promote growth through self-driven choices."

"iselect": a system enabling everyone to thrive, regardless of gender or life stage.

Focusing on maximizing individuality and synergy among employees to drive new value creation.
As a result, the key indicators are as follows:

(As of June 2025)

Ratio of Female Employees	:	**79%**
Ratio of Female Managers	:	**60%**
Workplace Return Rate for Women After Maternity Leave	:	**100%**
Paternity Leave Utilization Rate for Men	:	**100%**

iselect

Support individualized ways of working	Foster growth through self-driven choices
• Full Flex-time Work • Work from Home • Caregiving and Nursing Leave • Maternity and Parental Support • Reproductive Health Support	• Permission for Side Jobs • Self-Development Leave • Language Learning Expense Support • Volunteer Leave

Co-creation beyond disabilities

In departments with employees with disabilities, we promote work sharing in collaboration with the entire company. Currently, these employees are responsible for **90 tasks across 20 departments** within the group.
Today, their responsibilities have expanded to include roles in stores, providing them with even more opportunities to contribute.

Ranked 21st in the "Women's Empowerment Companies Ranking" by Toyo Keizai

As a result of our ongoing efforts, we were ranked 21st overall out of 30,000 companies in the "Women's Empowerment Companies" ranking announced by Toyo Keizai in May 2024. Particularly, we were ranked 3rd in the information and communications industry and 4th in the cosmetics industry (chemical sector), receiving high praise across various industries.

* For more details, please refer to our company website: https://www.istyle.co.jp/news/info/2024/05/0530.html (Japanese text only)

Overview of Climate Change Initiatives

- Aiming for a carbon-neutral society, we are focusing on climate change initiatives across the entire company.

＜Risks and Opportunities＞

Classification Based on TCFD Recommendations			Potential Risks and Opportunities (Items in bold are qualitatively recognized as important)
Risks	Transition Risks	Policies (Regulations)	Increased financial burden due to the introduction of a carbon tax Soaring unit prices of materials such as promotional materials due to tighter plastics regulations
		Laws	- (No specific risks related laws are expected due to the nature of the business)
		Technologies	Increased costs due to increased demand for renewable energy
		Markets	**Changes in procurement terms and conditions due to rising raw material costs**
		Reputation	Loss of sensitive customers due to delays in response (consumers and cosmetics manufacturers)
	Physical Risks	Acute	**Frequent natural disasters (typhoons, floods) resulting in** **・Suspension of store operations and in-store events** **・Risk of delayed delivery in e-commerce** **Opportunity loss due to supply chain stagnation** **(delayed delivery of purchased goods, e-commerce sales, etc.)**
		Chronic	Decreased opportunities to go outside due to higher average temperatures leading to decreased opportunities to wear makeup
Opportunities	Resource Efficiency		Reduced and streamlined packaging materials, etc., in response to increased consumer awareness of the environmental
	Energy Sources		- (No specific opportunities related laws are expected due to the nature of the business)
	Products and Services		**Increased sales through services tailored to changing customer preferences (ethical consumption)**
	Markets		**Increased demand for e-commerce due to decreased opportunities to go out** **Growing health awareness among consumers**
	Resilience		Diversified risks through the operation of multiple businesses in addition to the acquisition of flexible demand

＜CO_2 emission＞

(Unit: t-CO^2)	FY23	FY24	2030 Target
Scope1	0	0	0
Scope2 (Market Criteria)	662	575	300
Scope2 (Location Criteria)	635	815	300
Scope3	136,395	219,192	-
Category 1	93,630	111,932	-
Category 2	3,196	5,932	-
Category 3	102	109	-
Category 4	3,885	4,568	-
Category 5	5	2	-
Category 6	206	241	-
Category 7	137	177	-
Category 9	34,319	94,955	-
Category 11	557	781	-
Category 12	329	467	-
Category 14	28	28	-

For more details, please refer to *the Integrated Report 2025*: https://ssl4.eir-parts.net/doc/3660/ir_material14/272686/00.pdf

Appendix

- Company Information
- **Segment Information**
- Mid-Term Business Policy

Our business portfolio

Advertising / solution service (Example: Branding ads)

- Branding ads not for product recognition but for gaining a deeper understanding

Our business portfolio

- Become operator of service businesses that **utilize *@cosme***

Offline retail (retail stores)

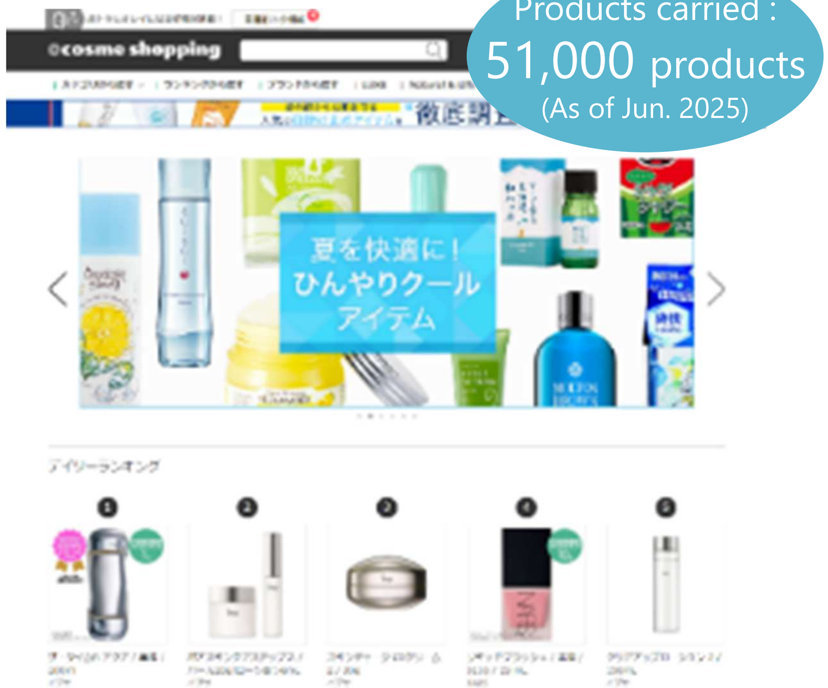
Has become Japan's leading cosmetics retail group by operating cosmetics retail stores *@cosme TOKYO, @cosme STORE* that utilize *@cosme* data in merchandising, etc.

Total 36 stores

(As of Mar. 2026)

Online retail (E-commerce)

Operate cosmetics E-Commerce sites *@cosme SHOPPING* linked to *@cosme*



Products carried :
51,000 products
(As of Jun. 2025)

Store List (Domestic: 36 stores / Overseas: 4 stores) *As of Mar. 2026

Flagship stores：3stores

Kanto	@cosme TOKYO	Opened in Jan. 2020 Expansion in Mar. 2025	1,380㎡
Chubu	@cosme NAGOYA	Opened in Apr. 2017 Expansion in Jun. 2025	810㎡
Kinki	@cosme OSAKA	Opened in Mar. 2017 Expansion in Sep. 2023	893㎡

@cosme STORE (25 directly managed stores, Japan)

Hokkaido	Stellar place Sapporo store	Opened in Oct. 2024	460㎡
Hokkaido	TSUTAYA Sapporo Utsukushigaoka store	Opened in Sep. 2016	234㎡
Hokkaido	TSUTAYA Hakodate store	Opened in Nov. 2016	264㎡
Kanto	Aeon Mall Takasaki store	Opened in Oct. 2006 Expansion in Apr. 2020	254㎡
Kanto	Lumine Omiya store	Opened in Mar. 2018	241㎡
Kanto	Lalaport Fujimi store	Opened in Mar. 2018	244㎡
Kanto	AEON MALL Urawamisono store	Opened in Mar. 2012 Renewal in Jul. 2024	255㎡
Kanto	Lumine Est Shinjuku store	Opened in Mar. 2007 Renovated in Sep. 2016	238㎡
Kanto	Ueno Marui store	Opened in Nov. 2008 Expansion in Feb. 2017	350㎡
Kanto	Lumine Ikebukuro store	Opened in Apr.2012	333㎡
Kanto	Ikebukuro Sunshine city store	Opened in Oct. 2016	162㎡
Kanto	Lumine Yurakucho store	Opened in Feb. 2014	224㎡
Kanto	SYDNEY by @cosme atré Kameido store	Opened in Oct. 1978 Renewal in Sep. 2024	129㎡
Kanto	NEWoMan Takanawa store	Opened in Sep. 2025	470㎡
Kanto	Mizonokuchi Marui Family store	Opened in Oct. 2015	271㎡
Kanto	NEWoMan Yokohama store	Opened in Jun. 2020	323㎡
Kanto	Lumine Yokohama store	Opened in Sep. 2022	349㎡
Chubu	mozo wonder city store	Opened in Dec. 2025	348㎡
Chubu	Maroot Toyama store	Opened in Sep. 1987 Expansion in Mar. 2022	227㎡
Chubu	Aeon Mall Takaoka store	Opened in Sep. 2002 Expansion in Sep. 2019	240㎡
Chubu	Kanazawa Forus store	Opened in Dec. 2024	374㎡
Kinki	TSUTAYA EBISUBASHI store	Opened in Nov. 2014	297㎡
Kinki	Kobe Marui store	Opened in May 2016	162㎡
Kyushu	Amu Est Hakata store	Opened in Mar. 2017 Expansion in Aug. 2024	419㎡
Kyushu	TSUTAYA Kumamoto Sannenzaka store	Opened in Jun. 2016	228㎡

東京小町 TOKYO KOMACHI (2 directly managed stores, Japan) *Consolidated from Q2 FY23

Kanto	Tokyo Komachi LAZONA Kawasaki store	Opened in Sep. 2006	179㎡
Kanto	Tokyo Komachi LaLaport TOYOSU store	Opened in Oct. 2006	202㎡

COSMETICS SYDNEY (4 directly managed stores, Japan) *Consolidated from Q1 FY24

Kanto	SYDNEY/ATELIER ALBION atré Kichijoji store	Opened in Dec. 1969 Relocated in Dec. 2010	59㎡
Kanto	SYDNEY Kitasenju store	Opened in Mar. 1985 Relocated in Jul. 2009	162㎡
Kanto	SYDNEY Kinshi store	Opened in Mar. 1995 Relocated in Mar. 2019	97㎡
Kanto	SYDNEY Koiwa store	Opened in Jul. 1972 Relocated in Mar. 2022	98㎡

@cosme STORE (2 franchise stores)

Kinki	MiSUGI KEIHAN CITY MALL store	Franchised in Mar. 2022	137㎡
Kinki	MiSUGI NAMBA WALK store	Franchised in Sep. 2023	289㎡

Overseas Flagship stores：1store

Hong Kong	@cosme HONG KONG	Opened in Dec. 2025	1,298㎡

@cosme STORE (2 directly managed stores, overseas)

Hong Kong	Langham Place store (Mong Kok)	Opened in Oct. 2019	188㎡
Hong Kong	Lee Theatre store (Causeway Bay)	Opened in Dec. 2019	231㎡

@cosme STORE (1 duty free shop, overseas) *1

China	Haikou International Duty Free City store (Hainan Island)	Opened in Oct. 2022	291㎡

*1 The products are not sold in this store but are purchased online by scanning the QR code in the product description of the displayed products.

Our business portfolio

- Adapt and extend the business model established in Japan to align with the conditions of each country and region.

	China	Taiwan	HK	Korea
Media	@cosme Official local social media account	@cosme	@cosme	GLOWPICK
E-commerce Wholesale	@cosme 官方海外旗舰店		@cosme STORE	GLOWPICK
Retail Stores			@cosme STORE	GLOWPICK

* Consolidated basis (does not include minor investments and business alliances)

Appendix

- Company Information
- Segment Information
- **Mid-Term Business Policy**

Overview of Mid-term Business Policy (Formulated in FY25)

- **Formulated a business policy for the next four to five years.** Aim for **further growth and business domain expansion** as a unique, one-of-a-kind platform provider in the beauty industry.

Mid-term Business Policy

<Existing Businesses>

✓ Increase points of contact between users and brands in Retail business (BtoC), and **monetize these points of contact and data in Marketing Solution business** (BtoB).

<New Businesses>

✓ **Launch into other beauty categories beyond cosmetics** (health foods / aesthetic medicine, etc.).

Mid-term Business Targets

<Net Sales>
100 billion JPY

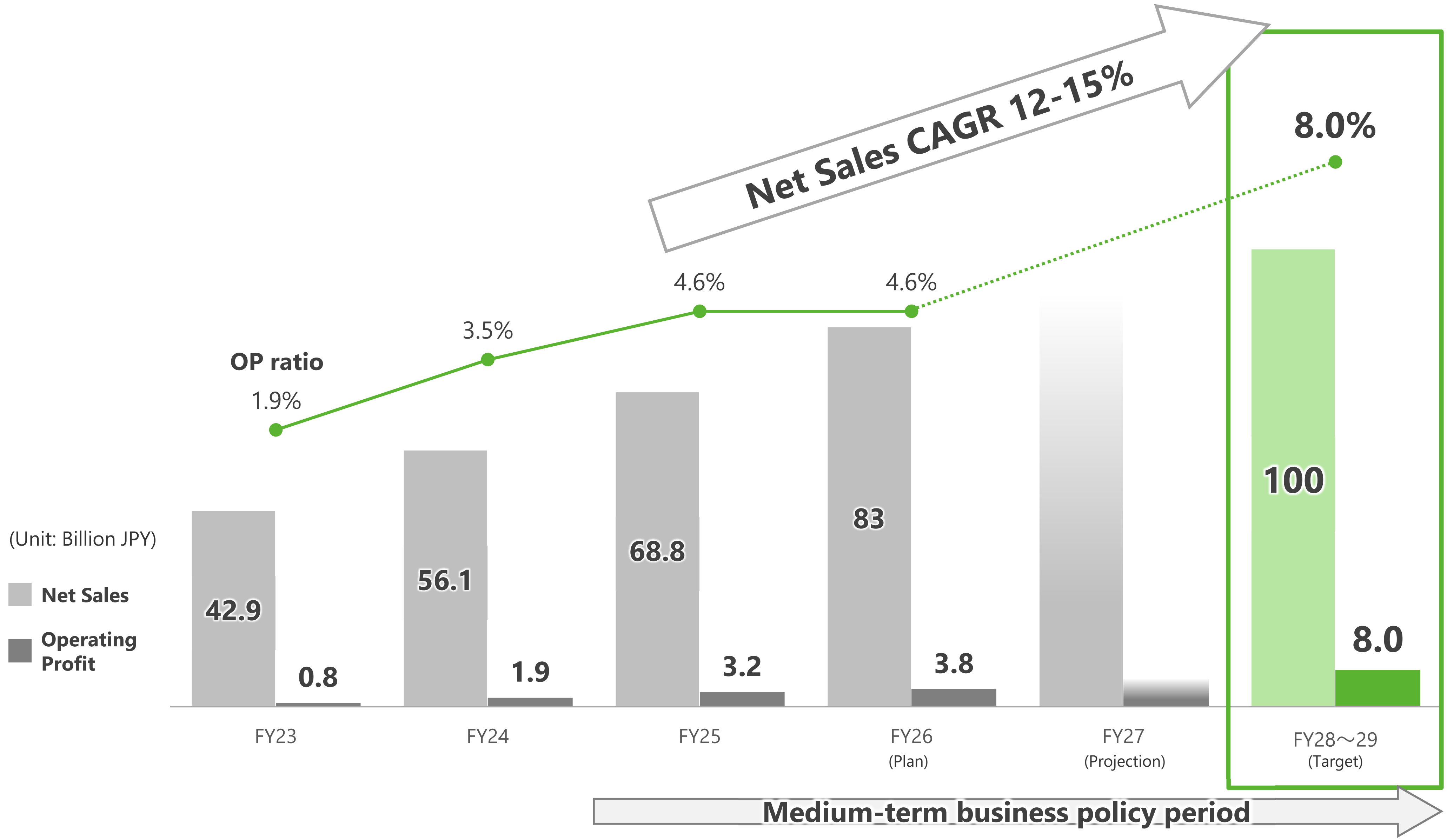
<Operating Profit>
8 billion JPY

<Growth>
CAGR for Net Sales
12-15%

<Capital Profitability>
ROE exceeding cost of equity

Mid-term Business Targets (Financial Targets, Growth)

- **In addition to continuous increase in sales and profit, raise consolidated OP ratio**, with strong foundation of businesses in Japan as the core.
- Target period for this goal is set at a range of 4 to 5 years, in light of the fact that new store openings are affected by external factors and that new businesses require careful consideration.



Mid-term Business Targets (Capital Profitability)

- **Aim for capital profitability that exceeds cost of equity** in line with TSE's *Action to Implement Management that is Conscious of Cost of Capital and Stock Price.*

<Assumed Cost of Equity>
(As of June 2024)

CAPM 10-11%

rf	:	1.06 %
β	:	1.1
MRP	:	6.0 %
SRP	:	2-3 %

<

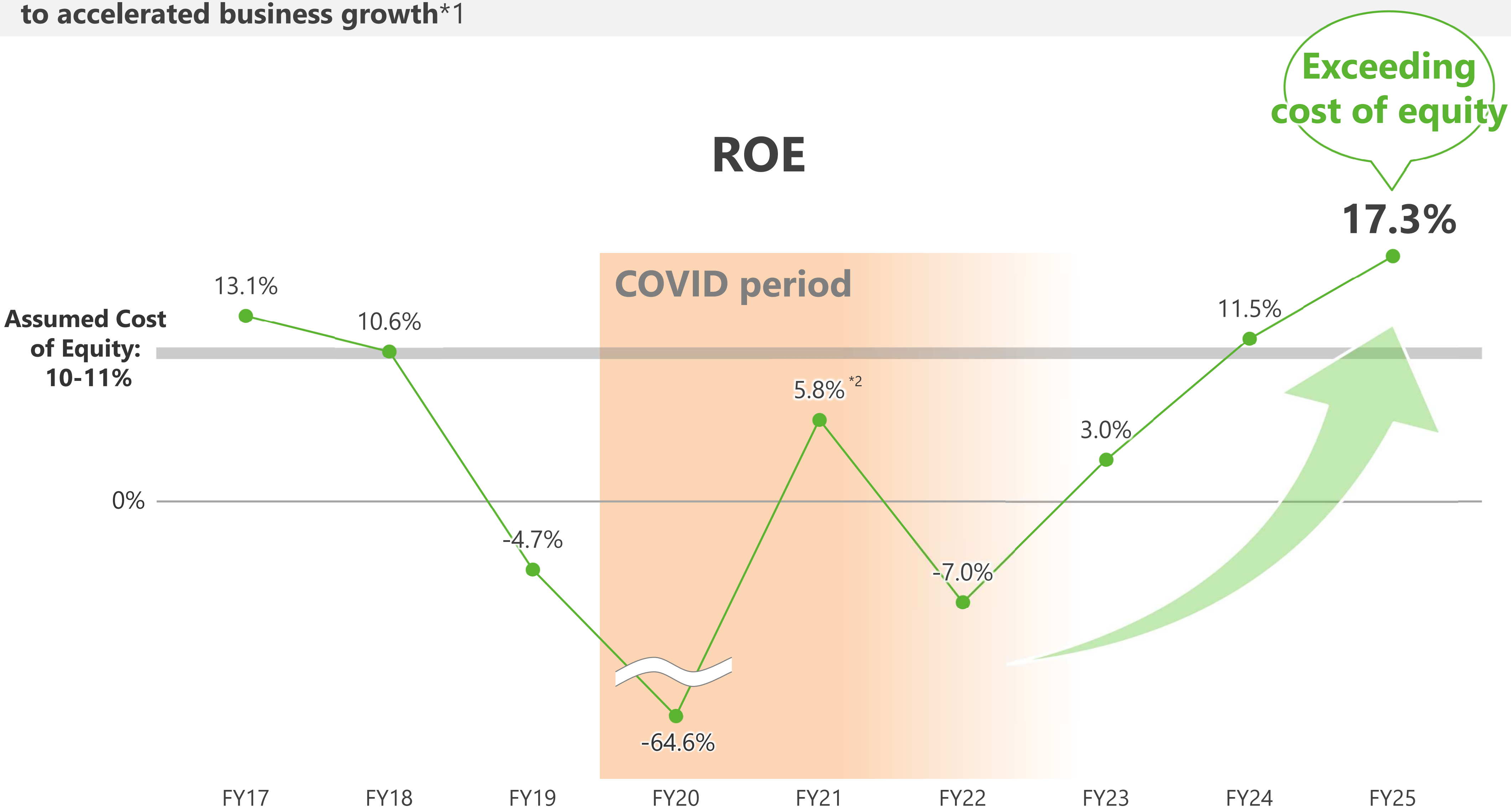
<Capital Profitability>

ROE
(FY25: 17%)

rf (risk-free rate): 10-year government bond yield as of June 30, 2024
β (equity beta): 2-year weekly basis
MRP: Market risk premium
SRP: liquidity taken into account based on market capitalization as size risk premium
* MRP and SRP are estimates based on dialogue with shareholders and investors.

Trends in ROE (Yearly)

- Although equity capital increased due to CB conversion by Amazon.com, Inc., **capital profitability grew steadily due to accelerated business growth***1



*1 ROE may temporarily decrease due to conversion of CBs and exercise of warrants.

*2 Temporarily positive due to the recording of 1,772M JPY gain on the sale of investment securities.

Shareholder Return Policy

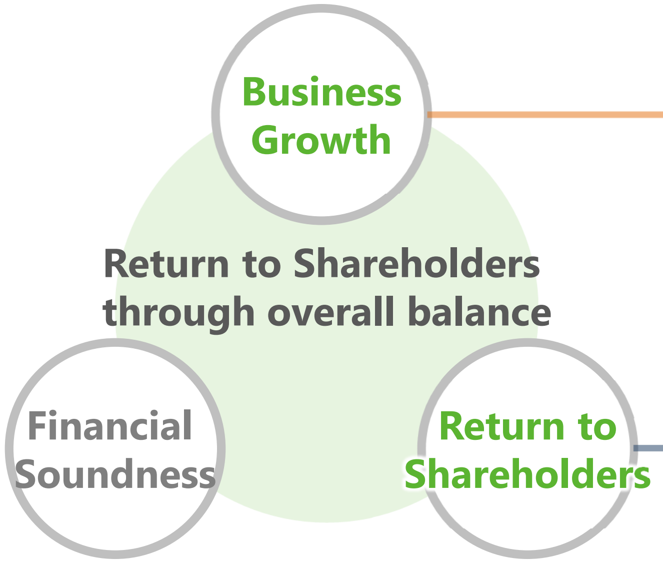
- **Resume dividends at the right time as part of our IR strategy** in light of the recovery of retained earnings.

Shareholder Return Policy

✓ **Resumed dividend payments, suspended since 2019, in light of stable profit generation.**

✓ **Increase stable shareholders** by attracting investors who do not invest in companies that do not pay dividends **and reduce stock price volatility** (= reduce cost of capital).

✓ **Return to shareholders mainly through medium- to long-term stock price increases due to business growth.**



Sustainable growth
➡ **Stock price increase over medium to long term**

Maximization of Total Shareholder Return

No dividend to resumption of dividends
➡ **Stable return to shareholders**

MARKET DESIGN COMPANY