Future Growth Strategies and Financial Results for the First Three Months of the Year Ending December 31, 2026

May 15, 2026

INNOVATION NEVER ENDS

Contents

Good & More Observed through 2025

Good	More
Multiple early-stage hit opportunities emerged in new categories	**Slowing growth of core brands** due to constrained advertising investment and allocation issues **Lack of new hit products in existing categories** due to organizational challenges

Priority Strategies Toward Future Growth

Strategy I

Re-strengthening core businesses

- I-1: Regrowth of Haircare
- I-2: Regrowth of Beauty Devices

Strategy II

Accelerating development of new growth drivers

- II-1: Growth of Skincare and Others
- II-2: Global business expansion

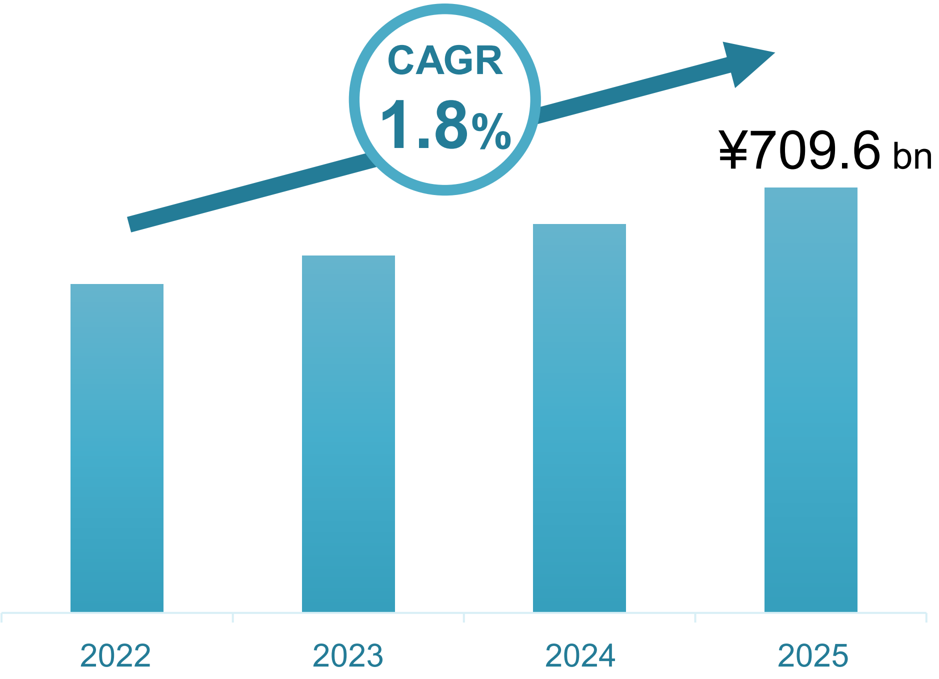
Strategy III

Maximizing hit creation probability through AI x JBIST (IPTOS 2.0)

Strategy I-1: Regrowth of Haircare – Market Analysis

Ongoing growth of domestic haircare market at CAGR of approx. 2%, driven by our target ¥1,000-range shampoo market with CAGR of approx. 7%

Domestic haircare / hair & makeup market size*1



Domestic shampoo market: CAGR by price range*2

Price range	2022→2025 CAGR
x < ¥500	0.2%
¥500 ≤ x < ¥1,000	-0.1%
¥1,000 ≤ x < ¥2,000	**7.1%**
¥2,000 ≤ x	3.3%

*1, 2 Source: Fuji Keizai Group, Cosmetics Marketing Handbook 2025

Strategy I-1: Regrowth of Haircare – Brand Value of BOTANIST and YOLU

Keep wining top-level market share and purchase intention for both BOTANIST and YOLU

Maintaining strong brand value in the market

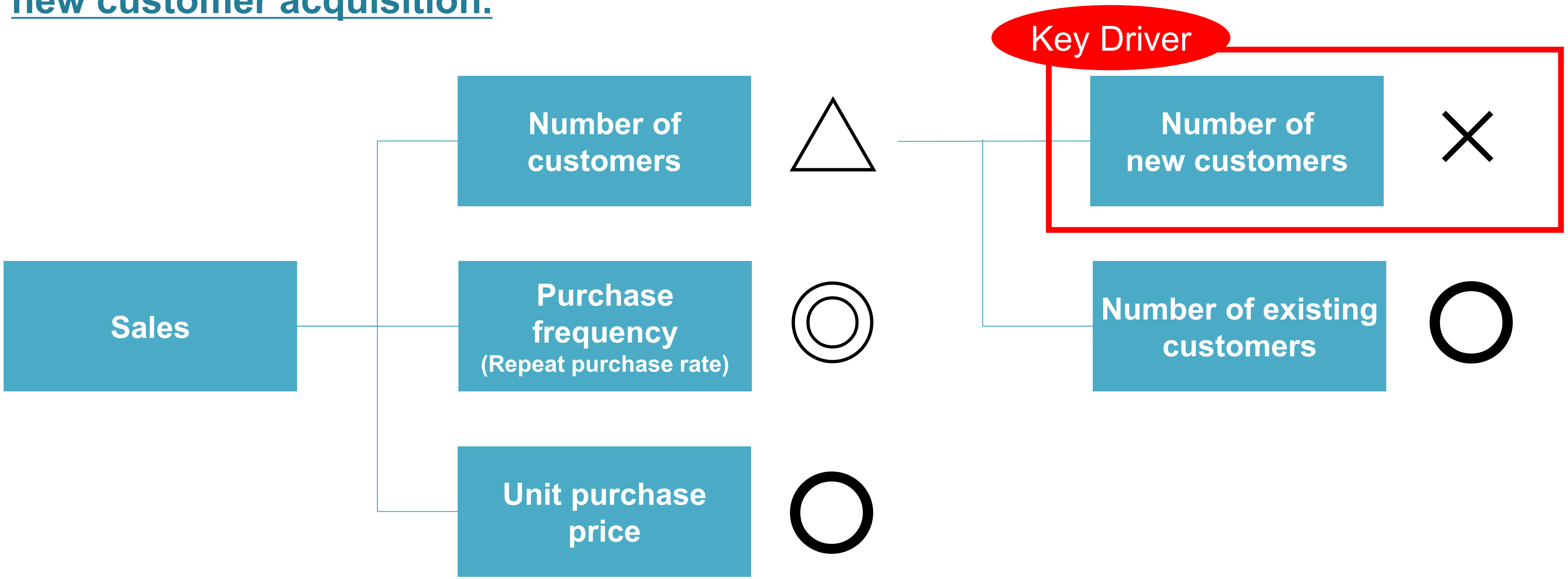
- No. 1 and No. 2 market share dominance*1 in the mid-priced*2 hair care category at drugstores
- No. 1 and No. 2 purchase intention dominance*1 in the mid-priced*2 hair care category at drugstores
- Approx. 76% of BOTANIST users have purchased the brand three times or more (No. 1 in same category)

*1：Based on 2025 results (value basis), according to in-house research.
*2：Priced between JPY 1,000 and under JPY 2,000

Strategy I-1: Regrowth of Haircare – Bottlenecks to Regrowth of BOTANIST and YOLU

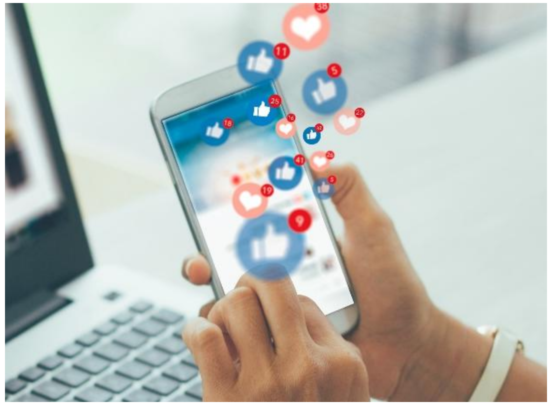
New customer decline due to restrained branding ad expenses slowed down growth of BOTANIST and YOLU.

⇒ High repeat purchase rate indicates strong potential for regrowth through enhanced new customer acquisition.



Strategy I-1: Regrowth of Haircare – Initiatives Toward Regrowth of BOTANIST and YOLU

Re-strengthening branding ad
(Generating social media buzz)



Expanding in-store "shelf space"

Expanding sub-categories as brand entry points
(Body care, out bath, etc.)

More new acquisitions ⇒ More customers ⇒ Sales regrowth

Strategy I-1: Regrowth of Haircare – Creating New Hits from New Brands

Launch of new brands planned and developed following reorganization scheduled in H2 2026 and beyond

Creating next hits by returning to balanced “art and science” product development approach

2024

Reorganization

- Reorganization from a perspective of developing next-gen leaders

H1 2025

Review of a part of decision-making process

- Increasing complexity of decision-making process after reorganization ➡ Ineffectiveness of conventional IPTOS framework
- Partial review of a part of decision-making process after problem recognition

H2 2025

Organizational streamlining, absorption of a subsidiary

- Streamlining of some organizations
- Absorption-type merger of Endeavour (transfer of Endeavour’s success model to the headquarters)

2026

Drastic structural reform

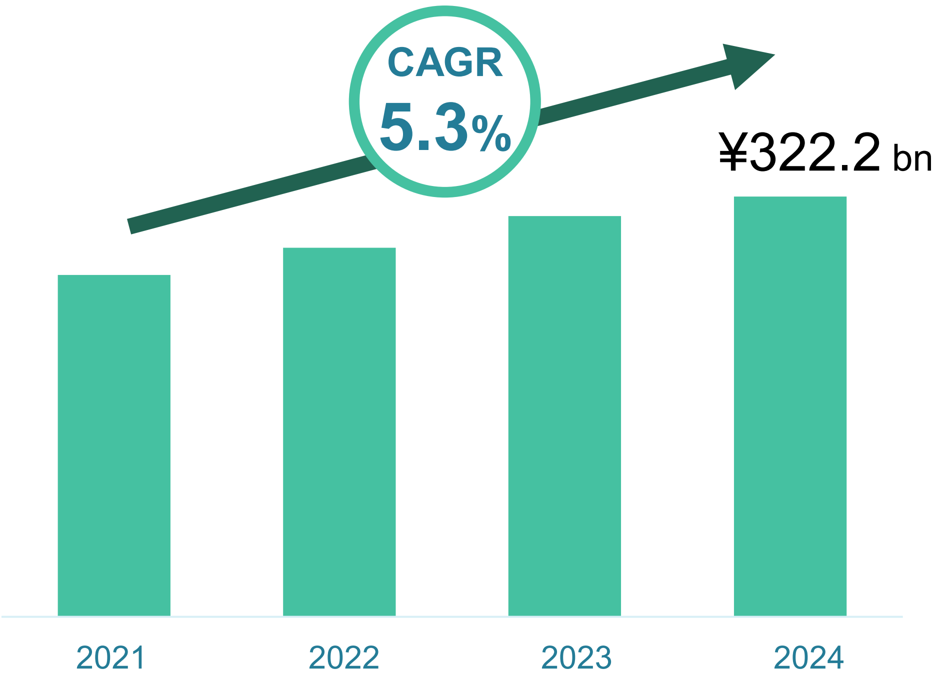
Coming Soon

- **Release of new products under completely new organizational structure (H2 and beyond)**

I-2: Regrowth of Beauty Devices – Market Analysis

Beauty Device market expansion with CAGR of 5.3%
Shift from low-end to mid-range & high-end items in hair dryer/iron market

Domestic beauty device market size (amount)*1



Domestic hair dryer market: CAGR by price range*2

Price range	2022→2025C AGR
High-end items (¥20,000 ≤ x)	10.0% ↑
Mid-range items (¥10,000 ≤ x < ¥20,000)	**7.8%** ↑
Low-end items (x < ¥10,000)	-1.0% ↓

*1, 2 Source: Fuji Keizai Group, Beauty & Health Appliance Market and Related Service Trend Data 2023–2024

I-2: Regrowth of Beauty Devices – Brand Value of SALONIA

Established unique brand position in low-end to mid-range market by combining great value-for-money with stylish product design

- **No. 2 share on Amazon's staple hair dryer/hair iron category**
- **Sixth consecutive year winning of Good Design Awards**
- **Highly rated for value-for-money and stylish product design**

I-2: Regrowth of Beauty Devices – Bottlenecks to Regrowth of SALONIA

Offline sales slump slowed down growth of SALONIA.
Substantial growth potential for mid-range items; developing new brands for high-end items

			FY2025 achievements	FY26–28 strategy
Low-end Less than ¥10,000		×	✓ Strong e-commerce sales ✓ **Offline sales slump due to restrained investment in staple hair dryer/iron items**	**Bottoming out**
Mid-range ¥10,000 to ¥20,000		○	✓ Strong performance of hair dryers ✓ **Substantial growth potential (low product recognition of mid-range items)**	**Market share expansion**
High-end ¥20,000 or above		△	✓ High barriers to market penetration for SALONIA (mismatch of brand image)	**New brand rollout**

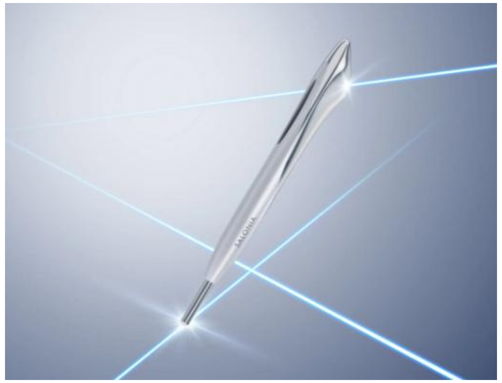
I-2: Regrowth of Beauty Devices – Initiatives Toward Regrowth of SALONIA

Low-end (staple) items

Strengthening investment in staple items by reallocating advertising budget

Mid-range items

Enhancing product lineup and product recognition



Enhancing offline experiences

Bottoming out of low-end (staple) items + Expanding market shares of mid-range items ⇒ Sales regrowth

I-2: Regrowth of Beauty Devices – New Brand Rollout

Expanding sales by rolling out oral care brand BEAURAL and other new brands in untapped and high-end markets not competing with SALONIA

NEW
High-end items

Beauty device market
approx. ¥300 bn

BEAURAL

SALONIA
Market size of target categories
¥130 bn

NEW
Healthcare appliances market
approx. ¥80 bn

NEW
Peripheral markets

II-1: Growth of Skincare and Others – New Emerging Hit Brands

Multiple promising new-category products, such as fabric softener and health food, launched in 2025
Expecting product scale-up during 2026, supported by optimal strategic investment

Fabric softener

ReWEAR (Feb 2025–)
Regenerative fabric softener

Selected for Nikkei MJ Hit Prodcut Ranking 2025

Health food

Teaflex (Feb 2025–)
Functional tea brand

Mar 2026 monthly sales: ¥260 mn

Befas (Jul 2025–)
Fasting program

Mar 2026 monthly sales: ¥110 mn

Oral care

BUBLOS (Sep 2025–)
Aerosol-type carbonated foam toothpaste

GWHITE (Dec 2025–)
Whitening medicated toothpaste without abrasives

Single-digit billions of yen in sales per brand projected in 2026

II-2: Global Business Expansion

Global expansion essential to growth beyond ¥100 billion in sales
Initiatives actively underway in Asia and the U.S

Key initiatives

- Expansion of existing brand export business
- Proactive investment in product development including localized products
- Exploration of business opportunities from inbound tourism

TOPICS

March 2026–
Launched YOLU at approx. 700 OLIVE YOUNG stores in South Korea

TOPICS

March 2026–
Launched BOTANIST at approx. 250 Costco stores in the U.S.

Strategy III: Maximizing Hit Creation Probability through AI x JBIST (IPTOS 2.0)

Combining enhanced decision-making process and AI and JBIST utilization with conventional IPTOS to maximize hit creation probability

Idea → Plan → Test & forecast demand → Online & Offline test marketing → Scale e-commerce, expand retail distribution

×

Enhanced decision-making process

- Restructuring of decision gates and meeting bodies
- Acceleration of investment decision-making

JBIST (in-house R&D team)

Development of proprietary prescription

AI utilization

- Instant retrieval of necessary data
- Visualization
- Improvement of hypothesis accuracy
- Capitalizing on learning

- Enhancement of hit reproducibility
- Acceleration of development speed
- Productivity enhancement

01 Priority Strategies Toward Future Growth

02 Financial Policy

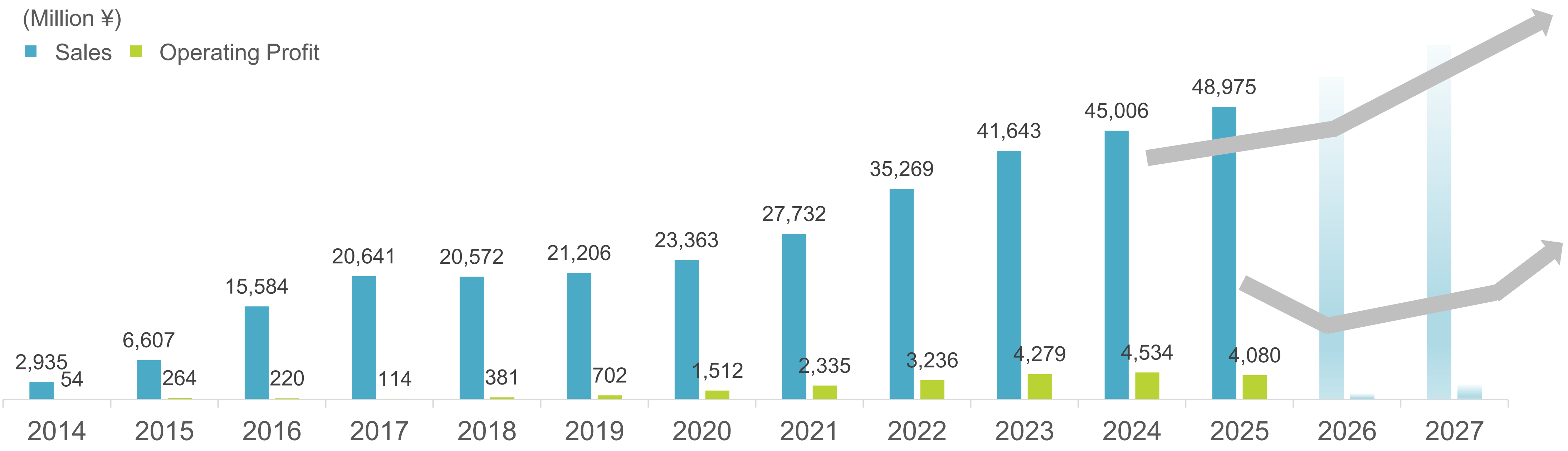
03 FY2026 Full-Year Forecast and Q1 Results

04 Appendix

Sales and Operating Margin Outlook

Accelerating top-line growth and maximizing long-term profitability through ¥3–4 billion in additional advertising investment starting in 2026

Rapid Growth Triggered by the Launch of BOTANIST	Organizational challenges and structural reform	Significant profit growth driven by IPO-related governance and the success of "YOLU	Organizational challenges and structural reform	Top-line recovery with profitable growth.



Breakdown of Additional Investments for 2026

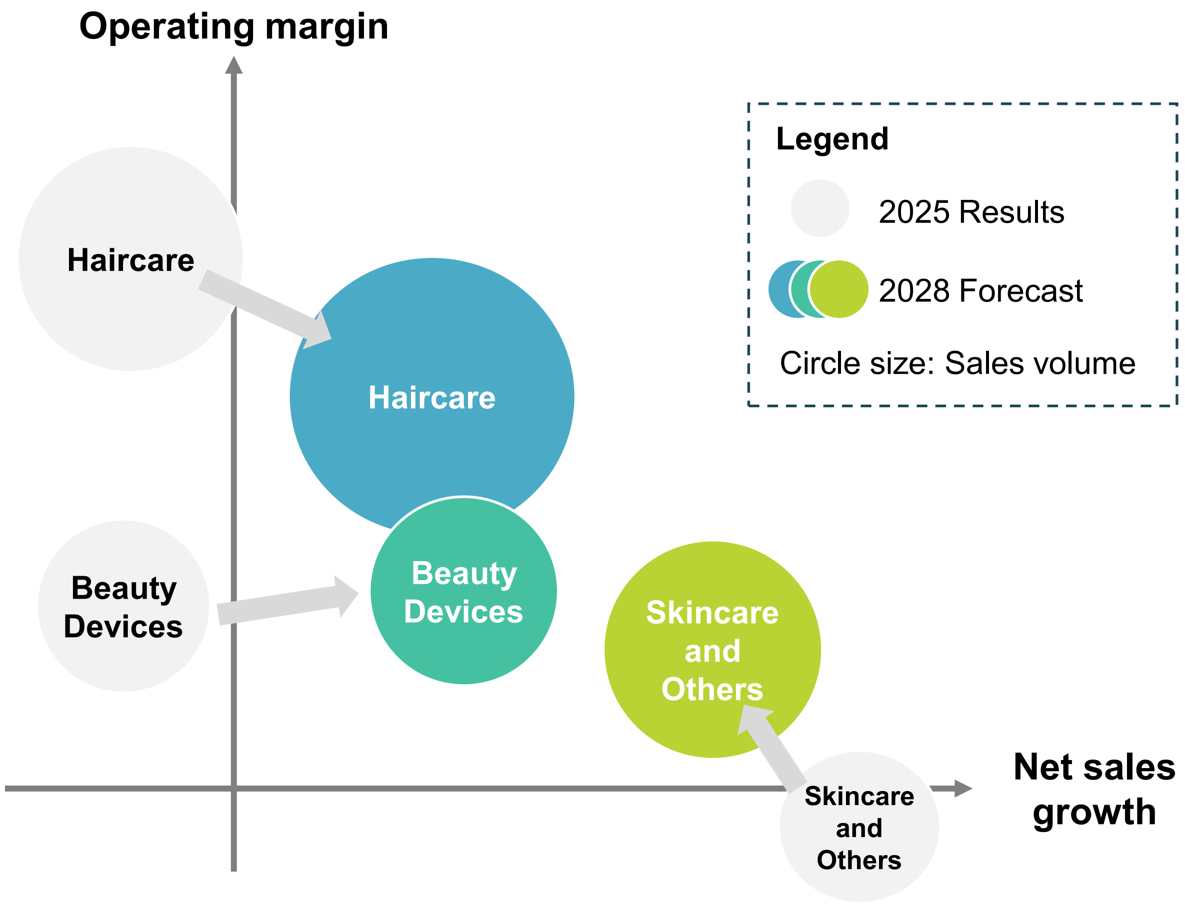
Execute additional investments to re-accelerate our core hair care and beauty appliance businesses while cultivating new growth drivers

		Additional Strategic Investment	Notes
Domestic Business	**Haircare**	**¥0.8–1.0 billion**	• Strengthening advertising investment for two core brands (BOTANIST, YOLU) and new brands to be launched in the second half of the year. • Adjusting shipments to optimize market inventory for promotional items.
	Beauty Devices	**¥0.7–1.0 billion**	• Optimize investment in staple products that were previously constrained (maintaining category profit margins at the previous year's level through revenue growth and gross margin improvements driven by the expansion of mid-to-high-end products)
	Skincare & Others	**¥0.6–1.0 billion**	• Aggressive investment in the health food category, which is showing signs of becoming a hit.
Global Business		**¥0.4–0.6 billion**	• Reinforce advertising to expand sales in strategic regions.

Under the aforementioned assumptions, we plan to implement additional investments flexibly in response to top-line growth, while ensuring that the internal benchmark profit level is maintained

Business Portfolio Transformation Toward Stable Profit Generation

Optimizing company-wide investment allocation to build a balanced portfolio across both sales and profits



Haircare

Strengthening advertising investment in existing core brands previously restrained through 2025 to halt growth slowdown and drive regrowth

Beauty Devices

Increasing sales volume and improving profit margin by expanding mid- to high-end product lineup

Skincare and Others

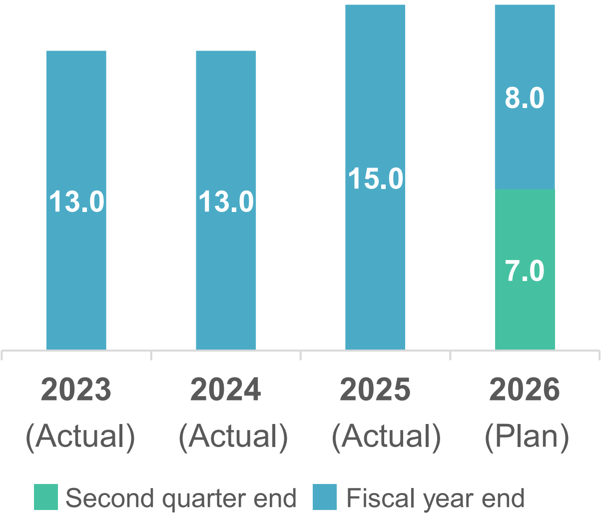
Accelerating investment in emerging hit brands launched in 2025 to develop them into pillars for both sales and profits

Shareholder Return Policy

Continuing proactive business investment while flexibly and agilely enhancing shareholder returns; dividends and shareholder benefits split from once to twice annually

Dividends

Ordinary dividend of ¥15.0 per share, split into two payments annually



Shareholder benefits

Shareholder benefits announced in November 2025, split into two distributions annually

Vesting date: End June and December

100~499shares

Digital Gift® worth
¥5,000 per implementation
(¥10,000 per year)

500~shares

¥10,000 per implementation
(¥20,000 per year)

Share buyback

Flexible and agile decision-making based on stock price and free-float market capitalization levels

(Track record)
Executed share buyback of approx. ¥0.5 bn in May 2024

01 Priority Strategies Toward Future Growth

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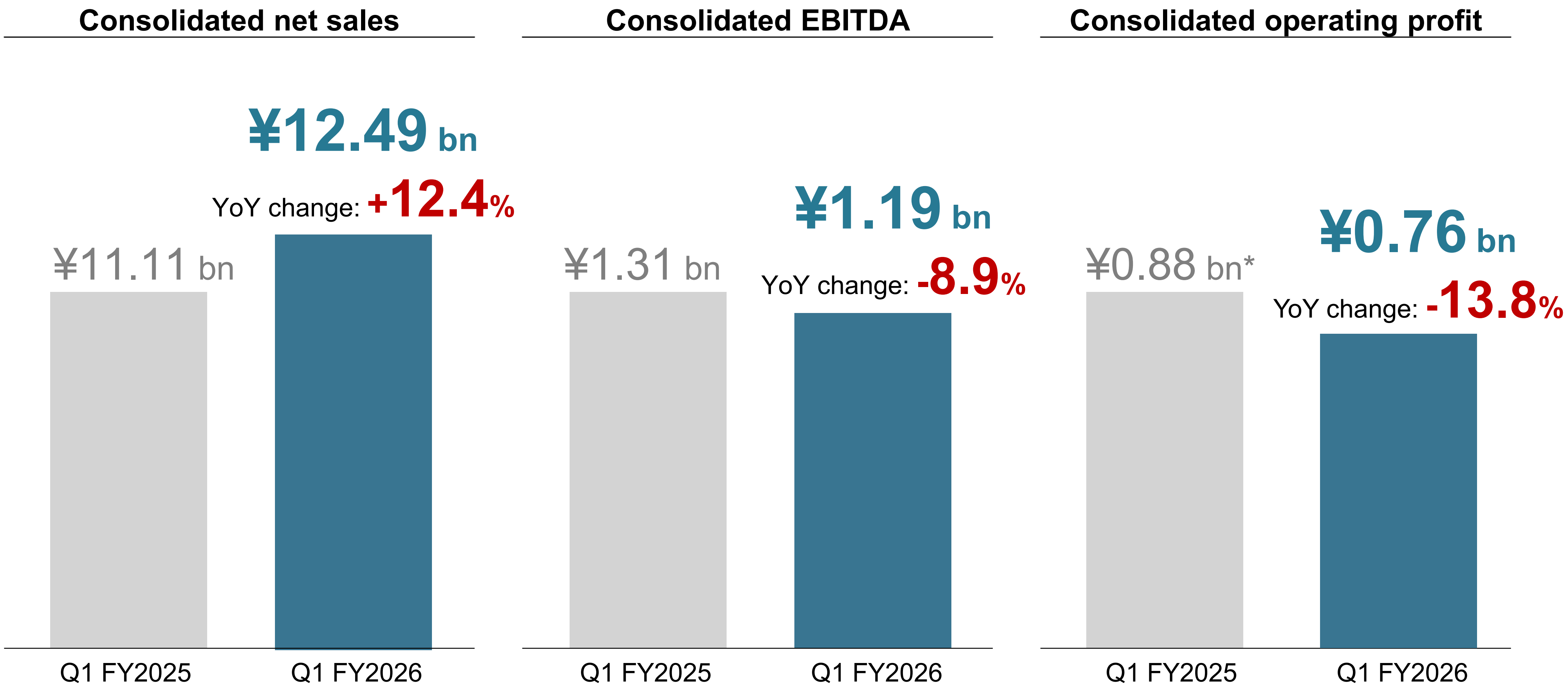
04 Appendix

FY2026 Full-Year Forecast

- Potential material impact of geopolitical risks surrounding the Strait of Hormuz on our financial results; FY2026 full-year forecast presented in ranges due to difficulty in reasonably estimating such impact at this point
- Making additional investment of approx. ¥3.0 bn as planned, targeting double-digit net sales growth

	FY2025 Actual	FY2026 Forecast	Supplementary Information
Consolidated net sales	¥48.97 bn	**¥52.0–¥54.0 bn**	• 5 to 10% YoY growth targeted, before geopolitical risk review
Consolidated EBITDA	¥5.62 bn	**¥1.2–¥2.7 bn**	• Approx. ¥3.0 billion in additional investments planned as discussed in Agenda 02 and further additional investments considered to maximize future corporate value; profit decline expected YoY • Geopolitical risks surrounding the Strait of Hormuz expected to adversely impact raw and packing material costs by approx. ¥0.7 to ¥0.8 billion (estimated as of end of Apr.)
Consolidated operating profit	¥3.88 bn	**-¥0.5–+¥1.0 bn**	

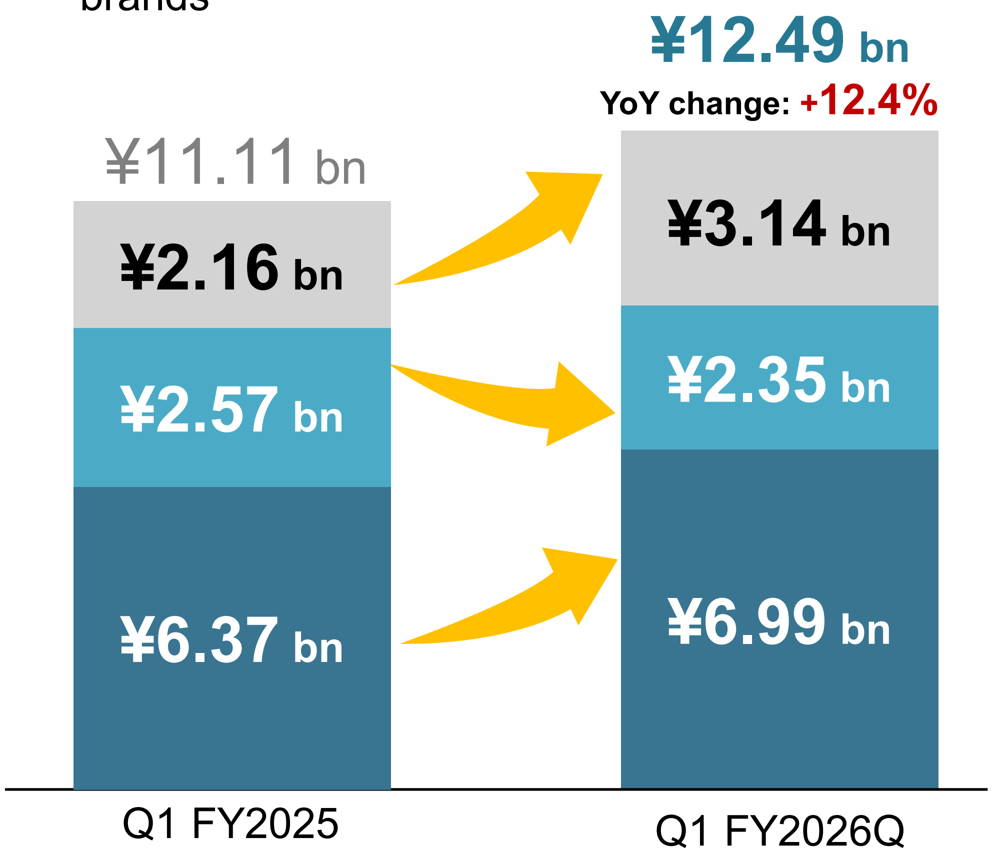
Consolidated Net Sales, Consolidated EBITDA, Consolidated Operating Profit



*: Figures for Q1 FY2025 results were retrospectively adjusted based on the purchase price allocation (PPA) associated with the acquisitions conducted in FY2024.

Net Sales by Category

- Solid Haircare revenue growth +9.8% YoY; Beauty Devices revenue -8.5% YoY, with full-year YoY growth targeted.
- Skincare and Others **achieved double-digit growth +44.9% YoY**, driven by significant growth of health food brands



Skincare and Others

WrinkFade, TOUT VERT, SKN REMED, murphy, ReWEAR, Collatein, Befas, Teaflex

YoY change: **+44.9%**

Beauty Devices

SALONIA

YoY change: **-8.5%**

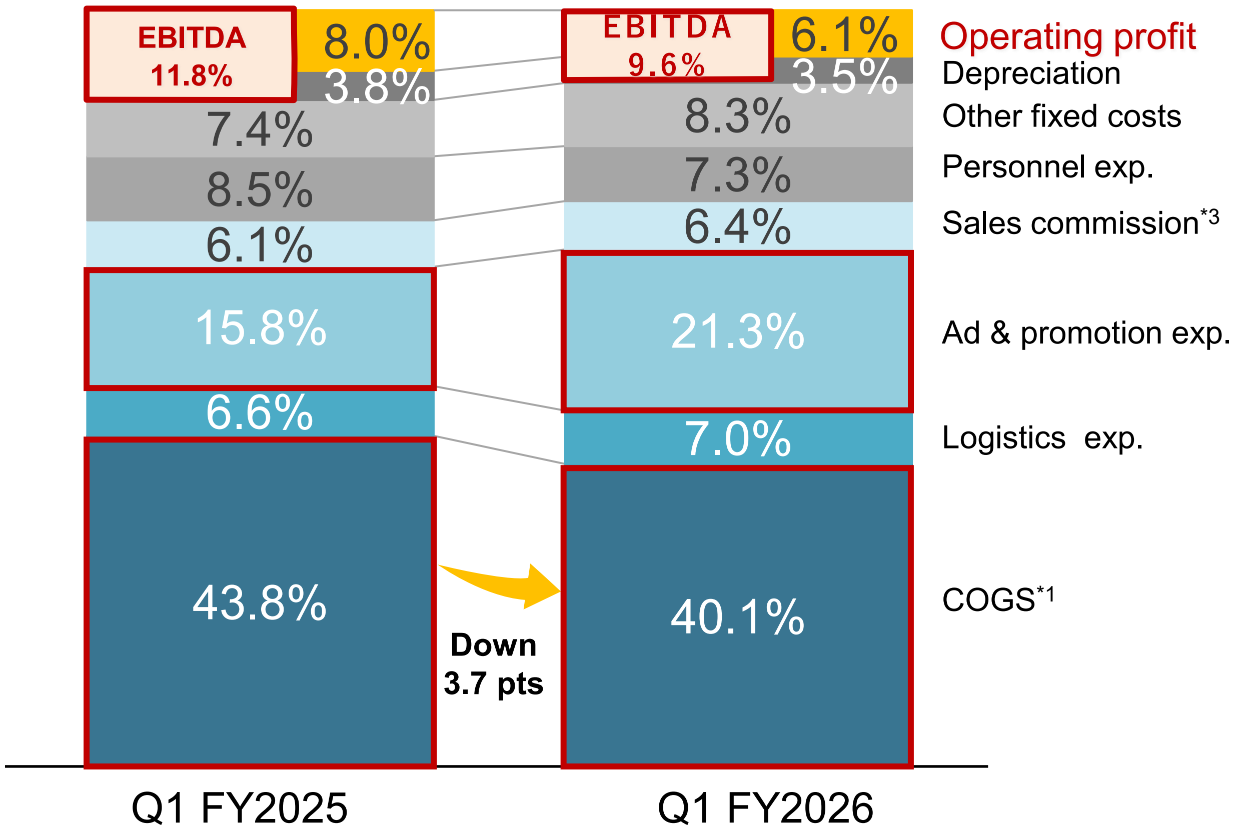
Haircare

BOTANIST, YOLU, WELLP, SOLAMY, DROAS, Qurap

YoY change: **+9.8%**

Cost Structure

- **COGS*1 ratio improved significantly by 3.7 pts YoY**
- Advertising and promotion expenses increased by 5.5 percentage points year over year due to strategic investments based on key strategies for future growth.



Variable costs

- ➢ **Fifth consecutive quarter of year-on-year improvement in cost of sales ratio driven by a better cost mix from growth in skincare and other categories, initiatives with OEM partners, and reduced intermediary margins in the beauty appliance category*²**
- ➢ **Approximately JPY 700 million in additional advertising and promotional investment during Q1**
- ➢ Higher logistics exp. ratio, driven by one-off warehouse relocation-related expenses

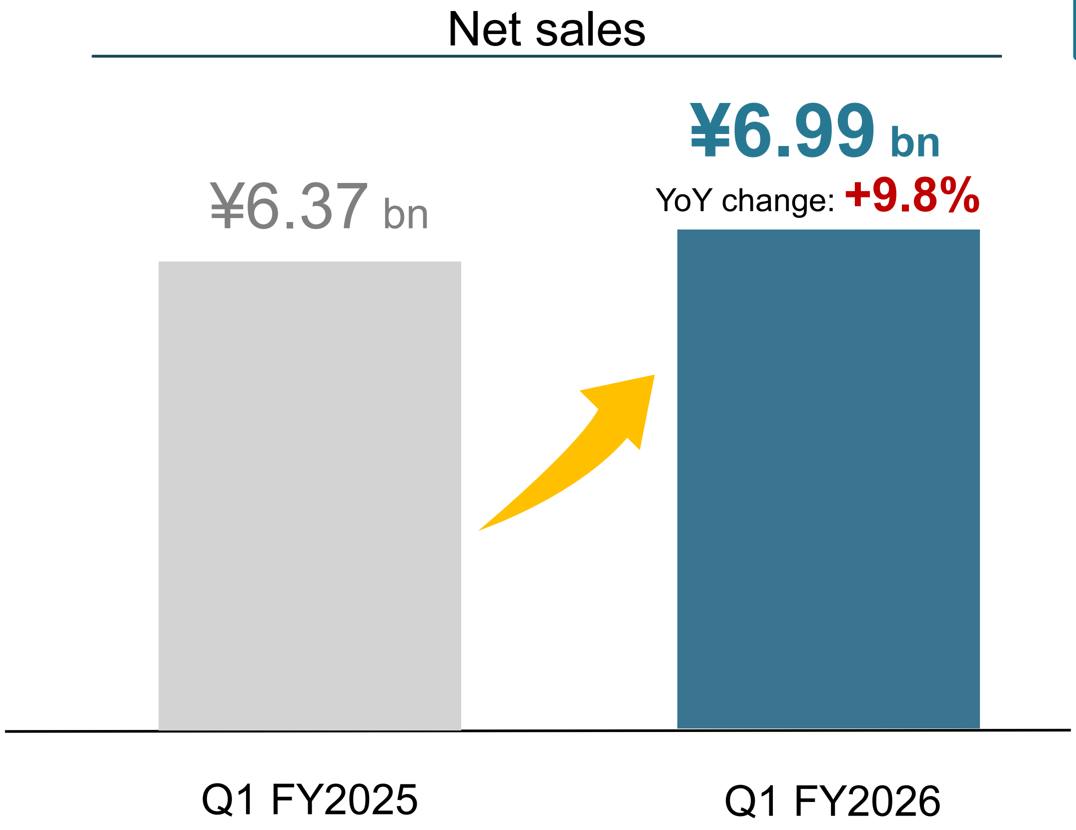
Fixed costs

- ➢ Continued revenue growth, coupled with lower personnel exp. ratio due to business process improvement and optimized staff allocation

*1：As used here, COGS excludes depreciation (for dies and other assets)
*2：The intermediate margin reduction was resulting from the establishment of commercial channels via Artemis (formerly TTrading) acquired in Q4 FY2024.
*3：This consists mainly of mall rent and payment processing fees for our e-commerce channels.

Progress in Haircare Category

- **BOTANIST surged +63.1% YoY**, fueled by **approx. ¥400 million global sales growth** from offline channel rollout to U.S. Costco stores and contributions from refill items of shampoo and treatment, driving overall category revenue expansion



Topics

- BOTANIST: Robust repeat demand, supported by YoY growth in refill items for multiple staple item lines
- YOLU: YoY revenue decline due to last year's product renewal; **winning No. 1 weekly POS[*1]-based share**[*2] in drugstore market
- Global: BOTANIST surged **+395.8% YoY**, following rollout to approx. 250 U.S. Costco stores in March; YOLU launched at OLIVE YOUNG stores in South Korea in same month

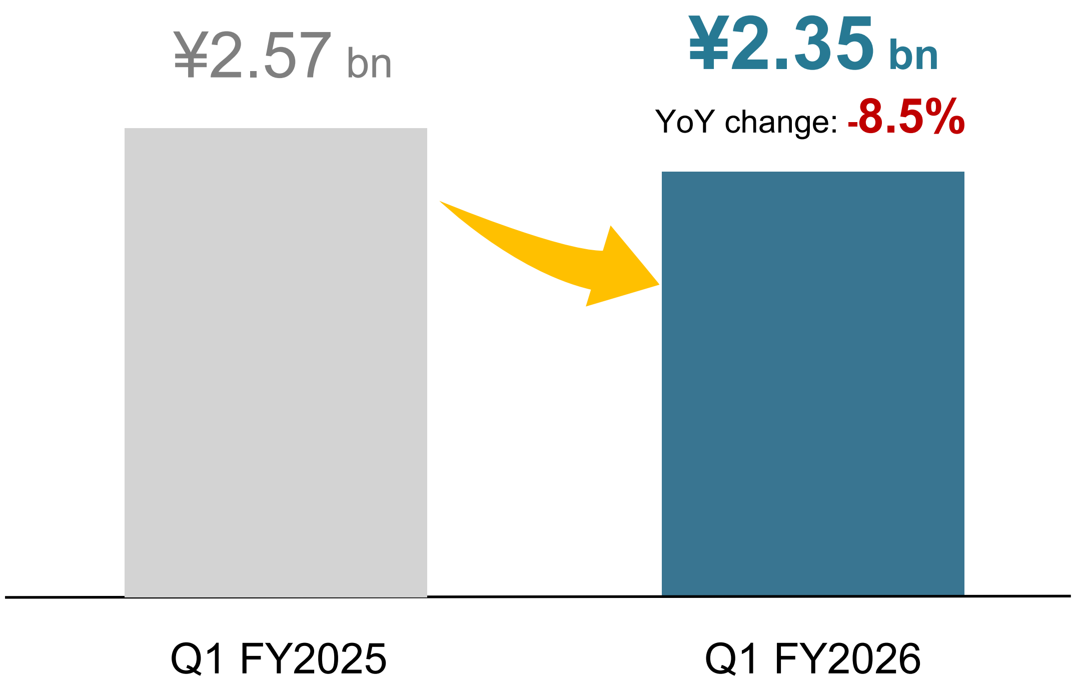



*1：Abbreviation for Point of Sale: POS is used as an indicator of brand sales and consumption trends, representing retail sales figures at drugstores.
*2：Based on the actual cumulative sales for the entire YOLU category (February 9 to 23, 2026, In-house research)

Progress in Beauty and Devices Category

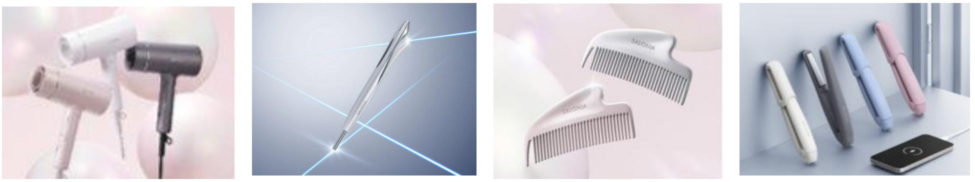
- Revenue declined due to reduced investment in staple items*1 through 2025; mid- to high-end item*2 revenue **+18.3% YoY**, coupled with strong sales of three items launched in or after Q4 FY2025
- Targeting full-year YoY revenue growth through investment reallocation, increased spending, and new product share expansion starting this fiscal year

Net sales



Topics

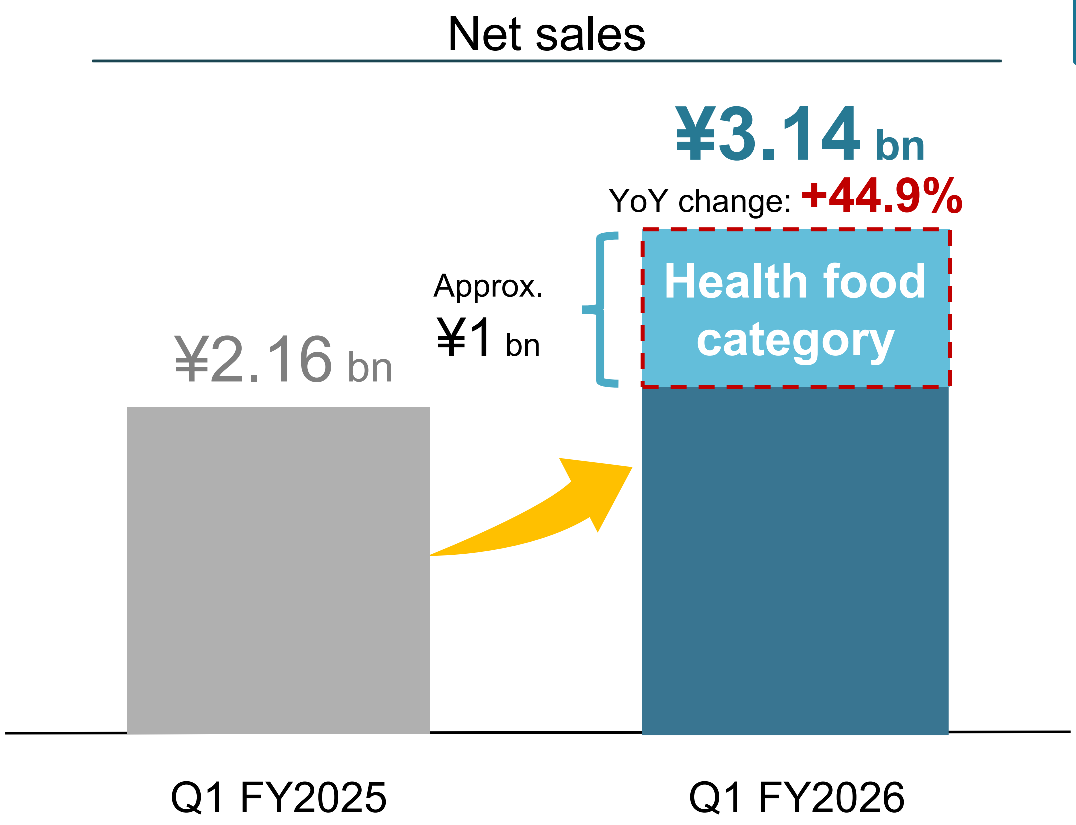
- Strong sales of glossy care hair dryer **+25.0% YoY** and air treatment hair dryer **+53.5% YoY**, driving mid- to high-end item growth
- Cordless hair iron **+227.0% vs. plan**, maintaining No. 1 manufacturer share at certain retailers in cordless hair iron category
- Significant growth of Face Current Pointer launched in March, evident by winning multiple No. 1 in major online-mall sales rankings



*1：Refer to SALONIA items priced less than ¥6,000 (tax included). *2 Refer to SALONIA items priced at or higher than ¥6,000 (tax included).

Progress in Skincare and Others Category

- Entire category revenue surged **+44.9% YoY**, driven by **roughly ¥1 billion** aggregate sales of health food category brands launched in 2025 (Teaflex, Befas, and Collatein)



Topics

- Teaflex: Sustained growth since Q1 FY2025 launch; **monthly sales reaching ¥260 million in March 2026 alone**
- Befas: Consecutive QoQ revenue growth since launch in Q3 FY2025; **aggregate Q1 sales exceeding ¥300 million**
- TOUT VERT: Online sales channel expansion, driven by rollout at @cosme stores scheduled in May;
  new Citrus Green scent for Retino Milk launched in March
- WrinkFade: **YoY growth of 14.4%**, boosted by strong intake of new subscribers and increasing online-mall sales



Social Beauty Project (Sustainability Initiatives)

Disclosed updated materiality targets on our corporate website at end of March, following formulation of detailed roadmap toward target achievement

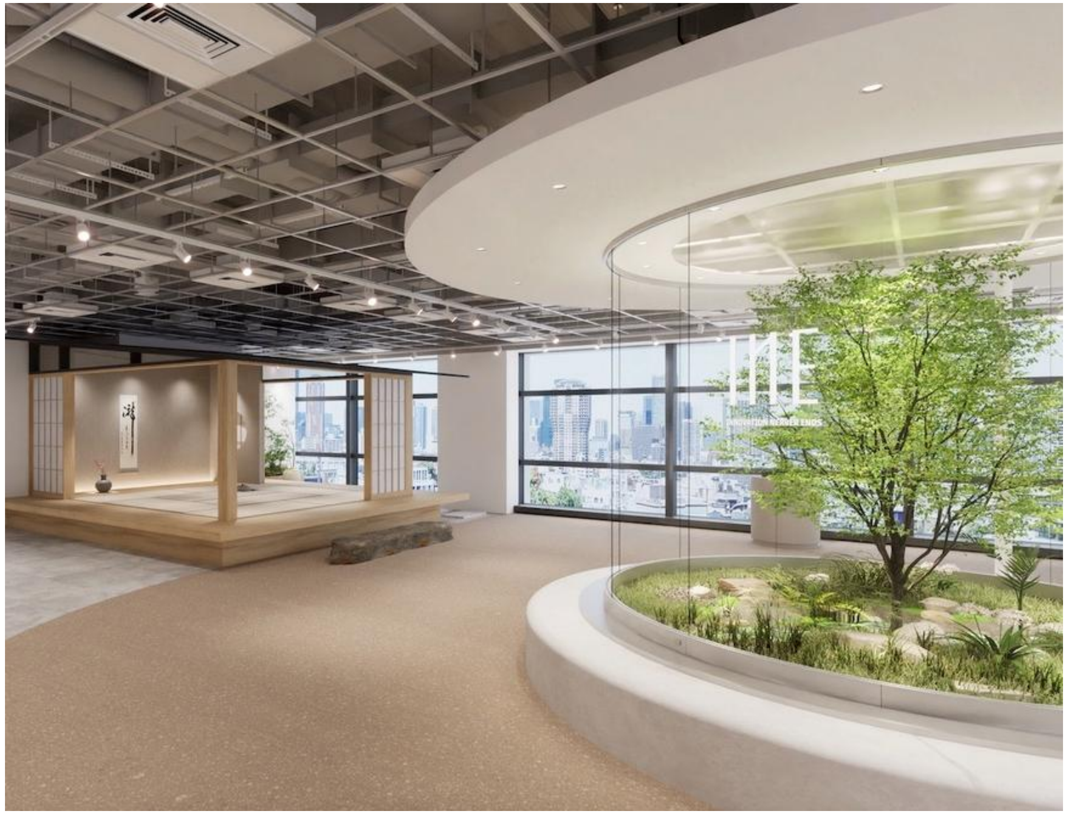
Received Youth Support Encouragement Award at 11th Corporate Volunteer Awards* in recognition of SALONIA's initiatives to bridge beauty experience gap among youth

*：Awards organized by Tokyo Metropolitan Social Welfare Council to commend outstanding corporate volunteer activities.

Company Profile

INNOVATION NEVER ENDS

Name	**I-ne Co., Ltd.** Securities code: 4933
Established	**March 2007**
Capital	**50 million yen** (as of March 31, 2026)
Head office	**8F Midosuji Daibiru, 4-1-2, Minami Kyuhojimachi, Chuo-ku, Osaka-shi, Osaka 5410058 JAPAN**
Employees	**408** (as of December 31, 2025, excludes temporary employees)
Representative	**Yohei Onishi (President and CEO)**
Subsidiaries	**4 in Japan, 2 overseas** (as of March 31, 2026)



MISSION

We are

Social Beauty Innovators

for

Chain of Happiness

We will continue challenging ourselves to bring a society overflowing with the *"Chain of Happiness"* through beautiful and innovative approaches.

Six Keywords Representing I-ne

1 Osaka-based startup founded in 2007

2 Innovation in the premium mass beauty market

3 In-house R&D combined with fabless manufacturing

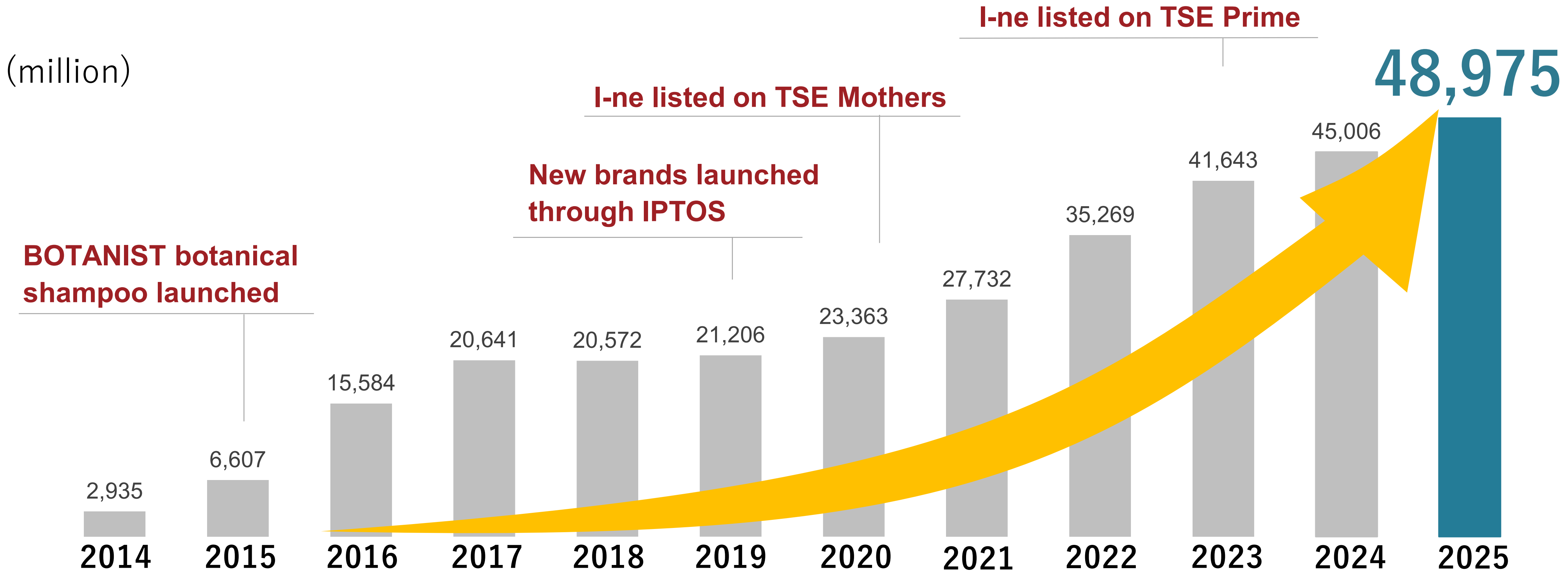
4 Buzz creation through digital marketing

5 Overwhelming sales power in both online & offline channels

6 Proprietary brand management system "IPTOS"

Top-Line Growth: Net Sales

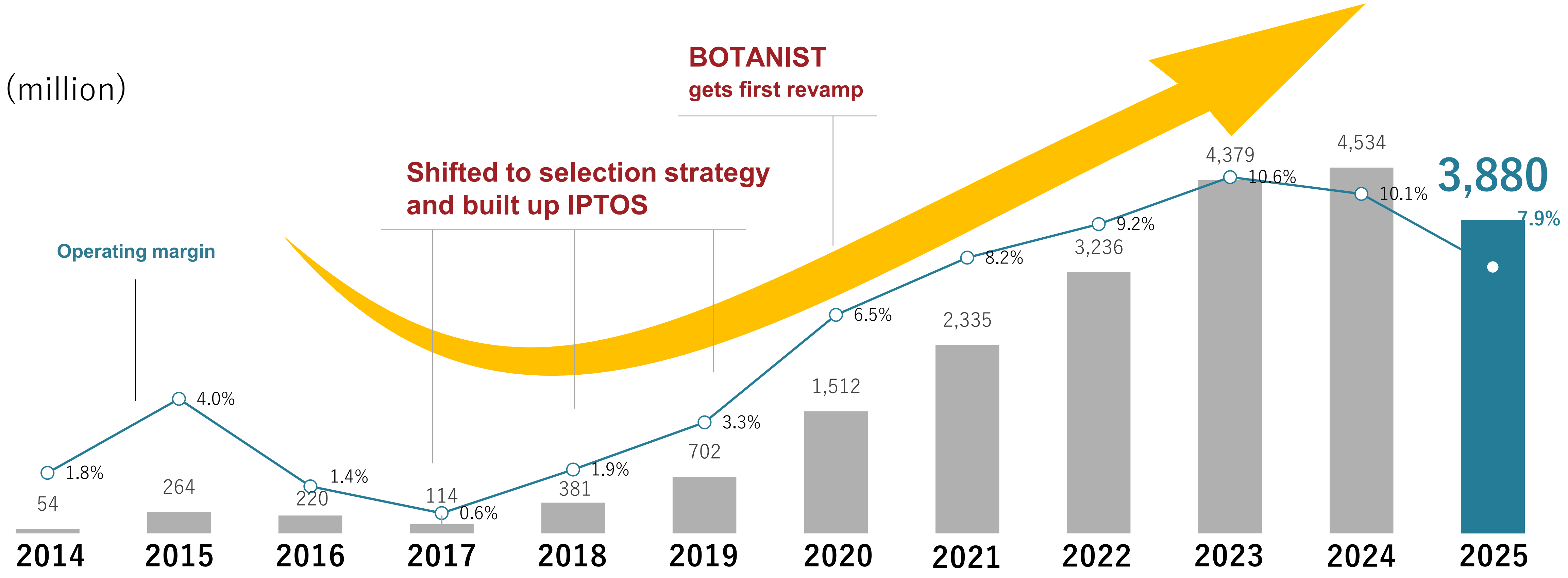
Launch of BOTANIST heralded start of top-line growth trend. We got listed on TSE Prime in September 2023. To further accelerate growth, we'll maintain growth in haircare and beauty devices, expand skincare and other businesses, and go further in our global expansion.



・2014/12-2016/12 uses non-consolidated figures. 2017/12-2021/12 uses consolidated figures.
・2014/12-2017/12: Reference (unaudited data)
・2014/12-2020/12: Before application of revenue recognition standard. /2021/12: After application of new revenue recognition standard
・The standard has been retroactively applied to FY 12/21 (but the retroactive results remain unaudited).

Bottom-Line Growth: Operating Profit, Operating Margin

Since 2018, we've seen impressive bottom-line growth. This is the result of a selection strategy and IPTOS. We'll work to get profitability up to global standard.



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Membership of Board of Directors

Yohei Onishi
Chief Executive Officer

Yoshinori Hara
Director

Previously no. 2 in P&G Japan's finance division, Hara has experience in leading business and developing organization. He joined I-ne in 2022 and became CFO. He has served on I-ne's Board of Directors since 2024.

Koichi Mizutome
Outside Director

Served as a Trustee Representative in formulating the rehabilitation plan for Japan Airlines, and as former President of Akindo Sushiro*, led its overseas expansion and business recovery. Currently serves as Special Advisor to the Board of Directors at the same company. He has served on I-ne's Board of Directors since 2025.

Hiroshi Sasamata
Outside Director

Sasamata works at Kearney, where he helps manufacturers of groceries, non-essential consumables, and household goods to build a portfolio strategy and reform their organizational structures. He also leads Kearney's energy practice in Tokyo. He has served on I-ne's Board of Directors since 2022.

Ken Horikawa
Outside Director
(full-time member of the Audit and Supervisory Committee)

Horikawa previously served executive roles (strategic planning, finance, legal & general) at Pola Orbis Holdings. He has served on I-ne's Audit and Supervisory Committee since 2022.

Noriko Yamanaka
Outside Director
(member of the Audit and Supervisory Committee)

Yamanaka previously served as an auditor/supervisor at KPMG Azsa, Suntory Holdings, and Pronto Corporation. She has served on I-ne's Audit and Supervisory Committee since 2024.

Yuiko Furumoto
Outside Director
(member of the Audit and Supervisory Committee)

Yuiko Furumoto is a member of the New York State Bar Association. She serves as an outside director on the boards of Nippon Steel, Mitsubishi Corporation, and Kanro, and as an audit/supervisor at Mitsubishi Corporation Life Sciences. She has served on I-ne's Audit and Supervisory Committee since 2024.

* currently, FOOD & LIFE COMPANIES Ltd.

Categories

Haircare

BOTANIST

YOLU

DROAS

Beauty devices

SALONIA

Skincare (and other businesses)

Products of BOTANIST / SALONIA (excerpt)

BOTANIST

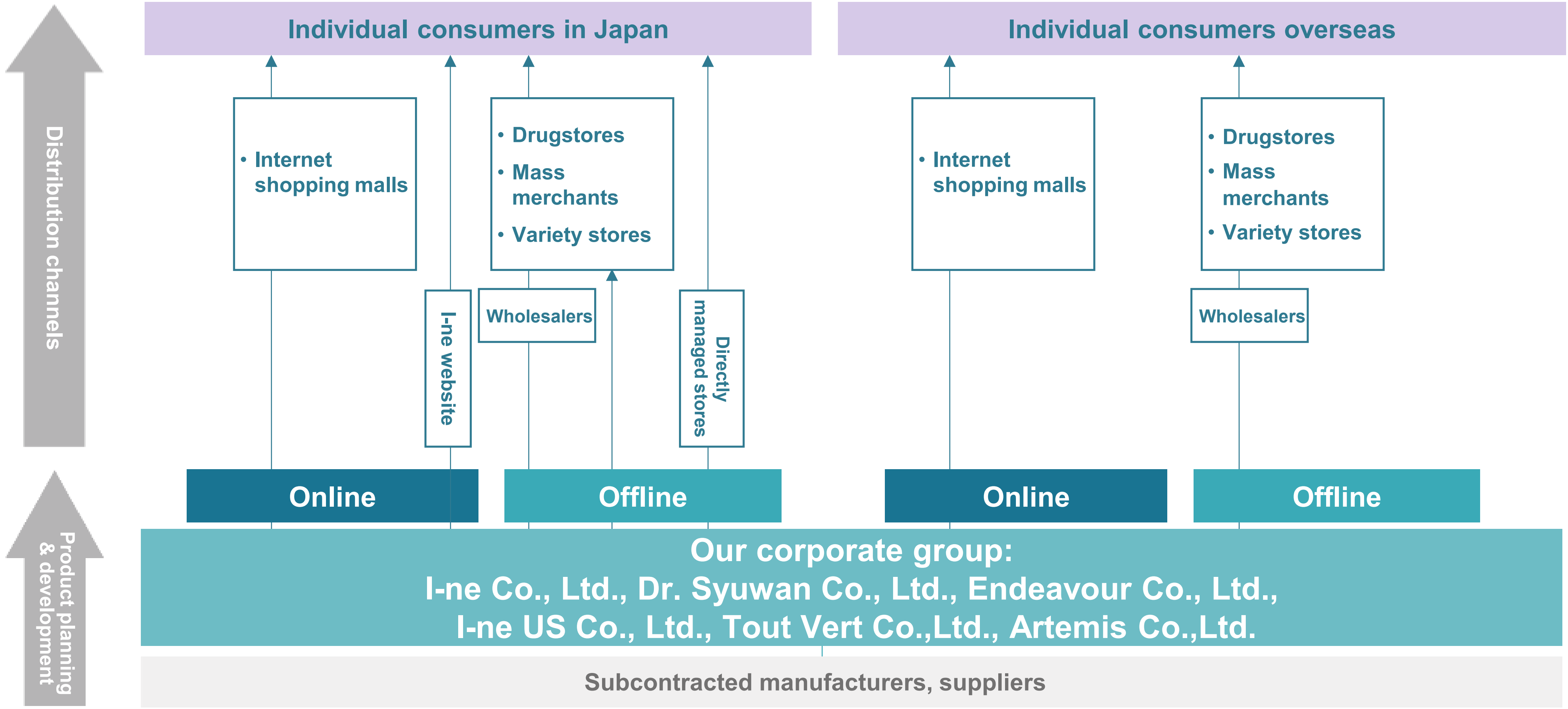
SALONIA

Glossy care hair straightener	Standard hair straightener	Smooth Shine hair straightener
		
7,678 yen	3,828 yen	13,200 yen

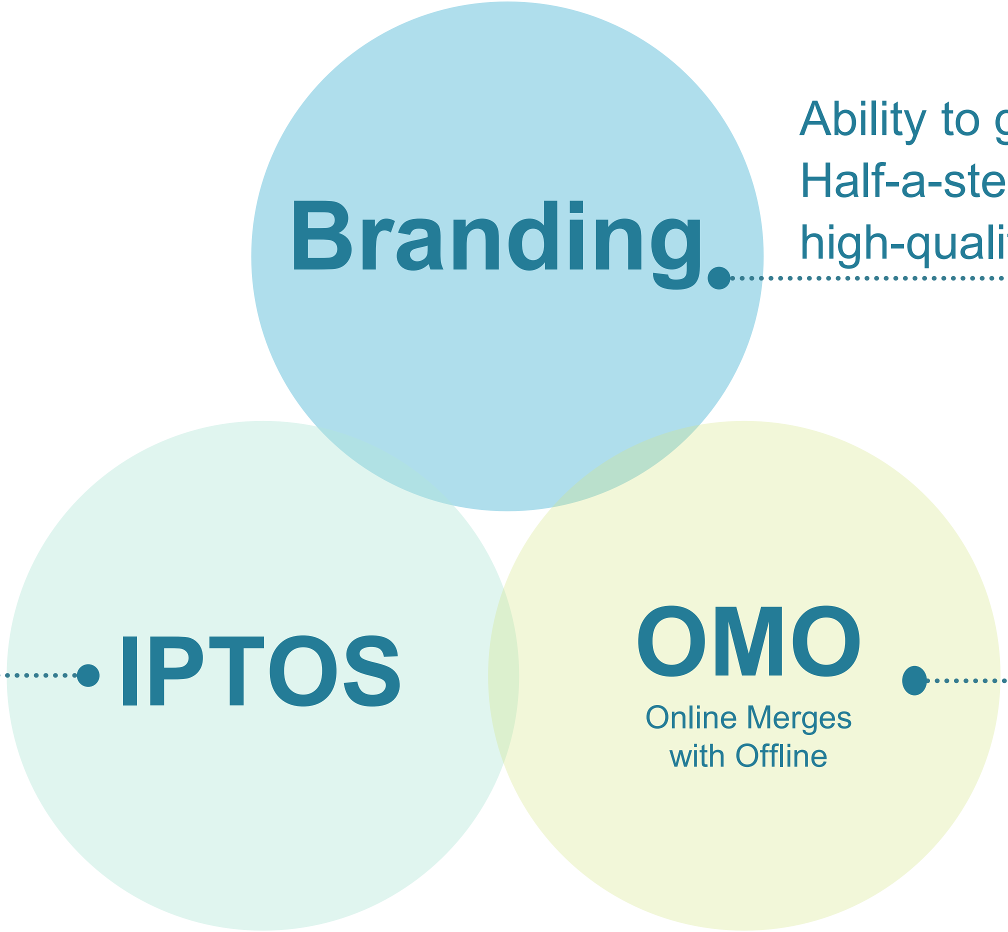
Air treatment dryer	Smooth shine dryer	Glossy care dryer	Speedy ion dryer
			
29,700 yen	13,200 yen	7,678 yen	5,918 yen

Business Transaction Diagram

We outsource manufacturing and deliver products to consumers via online and offline distribution channels in Japan and overseas.



Three Strengths for Creating Hit Brands



Ability to generate concepts that are Half-a-step-ahead and to develop high-quality products

A brand management system that increases success rate

Increasing customers with digital marketing and coverage of offline channels

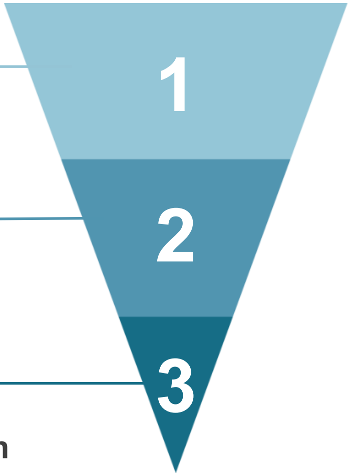
Strength1. Branding

■Concept design

Ideas
10,000

Science
Innovativeness
×
Market Demand

Art
Judging on I-ne's own culture



Half-a-step-ahead concepts

BOTANIST
Botanical

YOLU
Night-time
beauty care

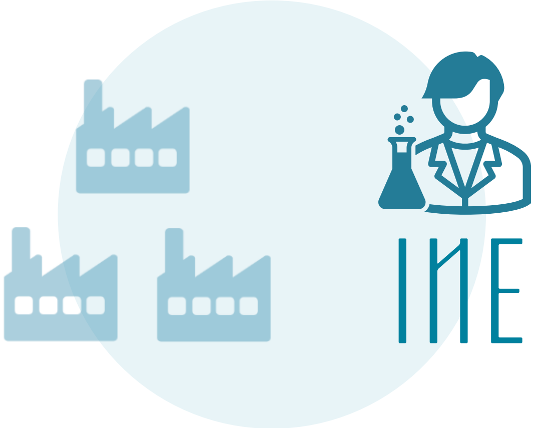
■Creativity

Number of in-house creatives:

75 *1

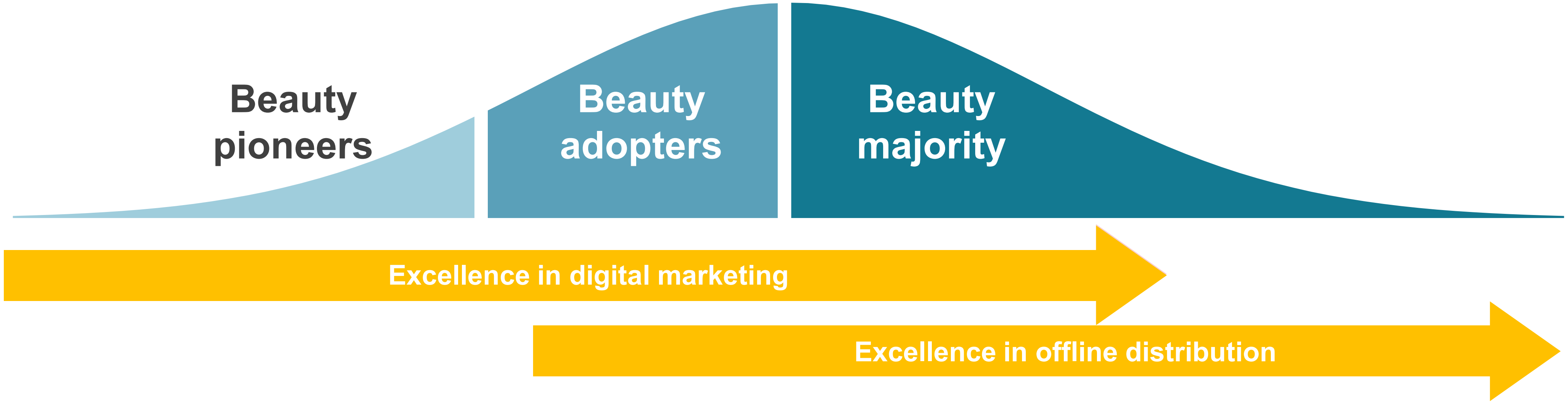
*1 As of March 31, 2026. The number includes temporary employees.

■Product Development



Choosing the best OEM from
over **200 partners**
and developing
with **I-ne's experts**.

Strength2. OMO (Online Merges with Offline)



87 *1

in-house digital marketers

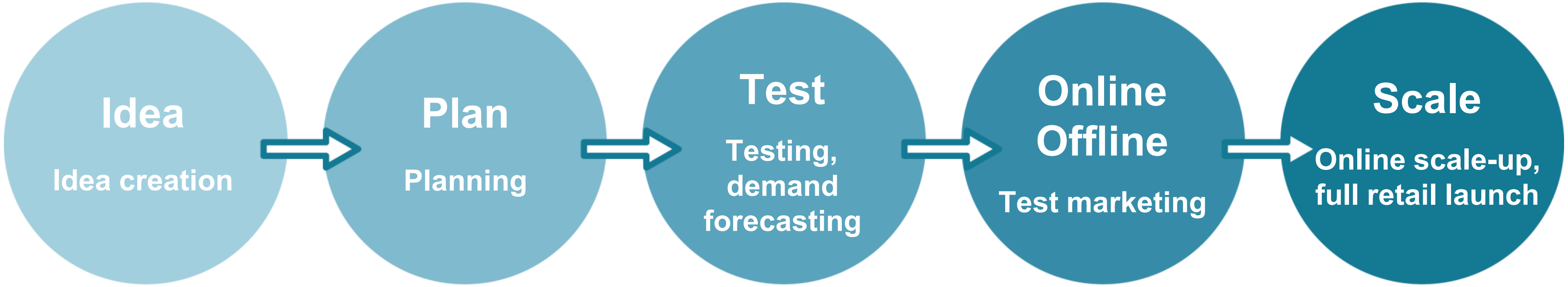
Our products have stocked in

65,000 *2

offline stores

*1 As of March 31, 2026. Includes temporary employees.
*2 As of December 31, 2023. "Offline stores" includes drugstores, hypermarkets, supermarkets, home centers (DIY stores), convenience stores, and electrics stores. Sources: METI, Current Survey of Commerce; JACDS; corporate websites.

Strength3. IPTOS (Brand Management System)



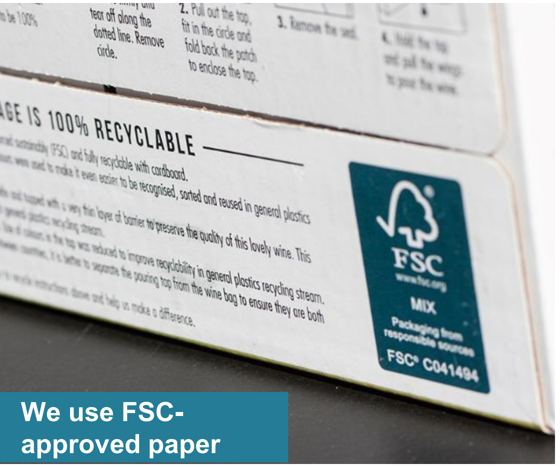
Features

- ✓ Setting KPIs at each gate
- ✓ Accumulation of success and failure experience data
- ✓ Rapid PDCA cycle operation

Benefits

- ✓ Risk mitigation
- ✓ Improved reproducibility of hits
- ✓ Enhanced demand forecasting accuracy

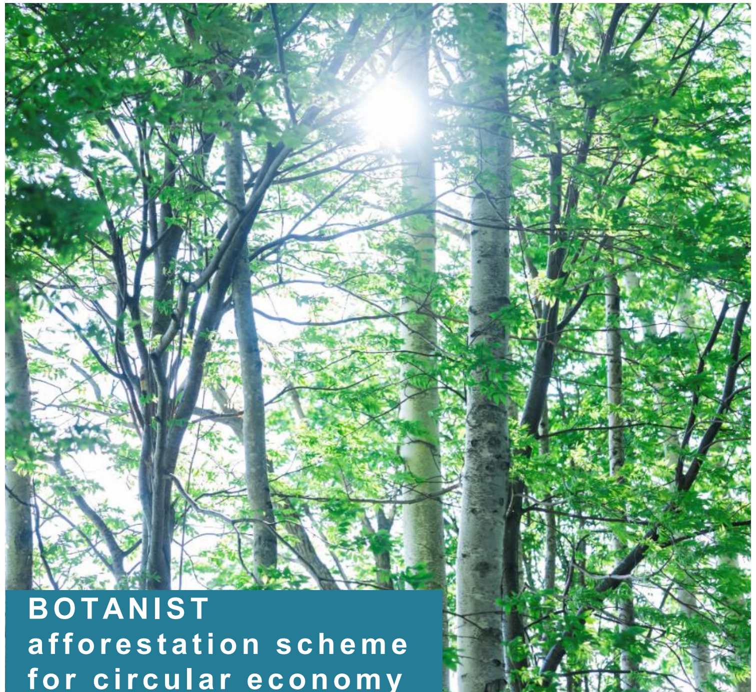
We use bioplastic bottles



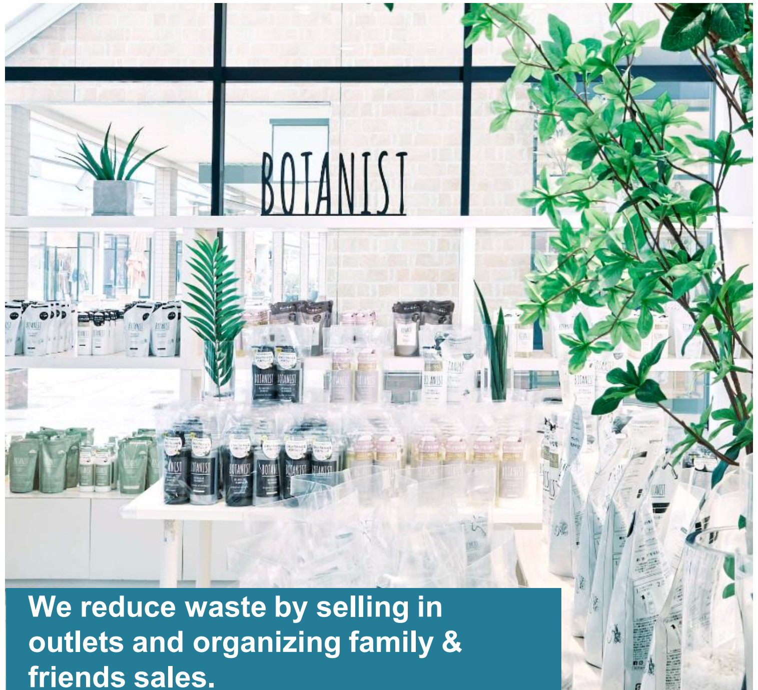
We use FSC-approved paper

We participate in CosmeBank projects

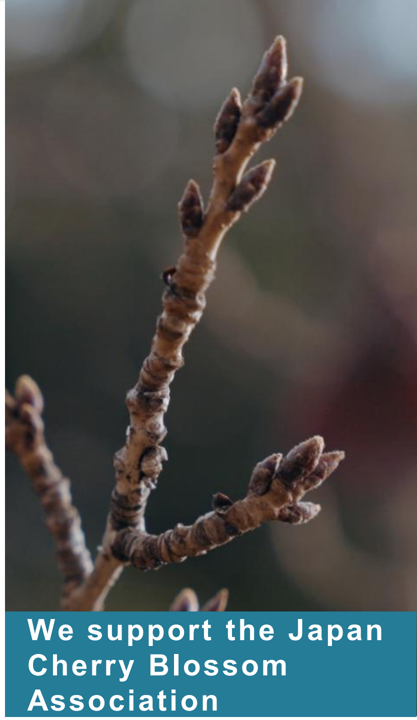
We support More Trees’ efforts to conserve forests


BOTANIST afforestation scheme for circular economy

BOTANIST Forest in Bihoro, Hokkaido



We reduce waste by selling in outlets and organizing family & friends sales.


We support the Japan Cherry Blossom Association

Used home appliances collected and recycled

Promoting M&A Strategy

- Enhancement of capital efficiency through brand divestitures while complementing new strengths through brand acquisitions.
- We'll further drive business expansion by acquiring new strengths and creating synergies that benefit both parties by emphasizing financial discipline in M&A deals.

Achievements in M&A field

Haircare	
Beauty devices	2024 Artemis
Skincare	2022 WrinkFade; 2024 TOUT VERT
New categories	
(Sold)	2022 skinvill; 2023 RELAXATION CHILLOUT

(List not exhaustive)

Proactive implementation of M&A strategy

Stronger organizations

- Strengthen the specialized M&A team, which enhances corporate value
- Secure talent with a focus on PMI and ensure strong commitment from business coordinators

Financial discipline principles

Investment is considered based on the following financial discipline principles:

1. Improving consolidated EPS
2. Setting EBITDA multiples
3. Maintaining a net debt EBITDA of 2x or lower

Cash Allocation Policy

- Continuation of a cash allocation policy prioritizing growth investments, while shareholder return measures will be implemented as appropriate in consideration of cash balance and share price.
- Ongoing promotion of various initiatives to improve CCC.

Policy for capital allocations (order of priority)

1) Investment in organic growth aligned with medium-term business plan

- ➢ Marketing for brand growth
- ➢ Developing sustainable brands and skincare brands
- ➢ Expanding globally
- ➢ Developing human capital and boosting operational productivity

2) Investment in inorganic growth

- ➢ New business development, M&A deals

3) Shareholder returns considering balance sheet management and stock price level

- ➢ Stable, continuous shareholder returns in line with business growth
- ➢ Continuation of common dividends and the shareholder benefit program

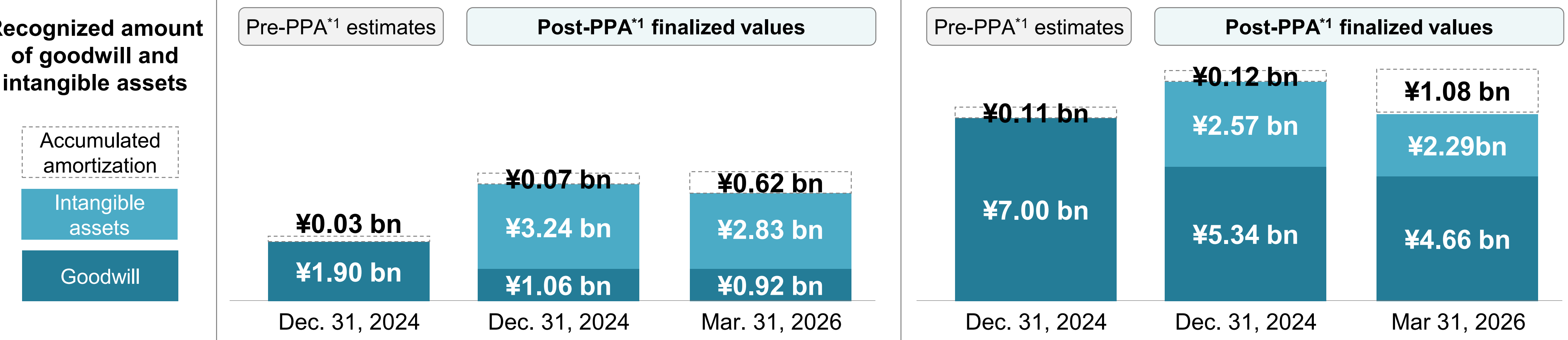
Shareholder return initiatives

- ➢ Continuous improvement in operating cash flow through initiatives to enhance CCC, including inventory optimization and revision of payment and collection schemes.
- ➢ Annual repayments for borrowings related to the 2024 acquisition of Tvert are expected to be approximately JPY 1.3 billion through 2031, with flexible early repayment also being implemented and considered.

Recognition of Goodwill and Intangible Assets from M&A deals

- The PPA[*1] assessment is completed[*2] for the two M&A deals conducted in October 2024. Annual amortization is largely in line with the initial forecasts for FY2025.

	Artemis[*3]	Tout Vert
Recognized amount of goodwill and intangible assets	(see chart below)	(see chart below)
Amortization period	Goodwill: 10 years; contract-related assets: 10 years	Goodwill: 10 years, customer-related assets: 8 years, trademarks: 15 years
Annual amortization	¥0.44 bn (Goodwill: ¥0.11 bn, contract-related assets: ¥0.33 bn)	¥0.76 bn (Goodwill: ¥0.54 bn, customer-related assets: ¥0.09 bn, trademarks: ¥0.12 bn)



*1：Purchase price allocation: a corporate accounting term referring to the process of determining the fair value of assets, etc. identifiable from the acquired company as of the acquisition date. Must be distinguished from goodwill.
*2：When the assessment is finalized, we will retrospectively adjust the Q4 and full-year FY2024, as well as Q1 FY2025 .
*3：Artemis was formerly known as TTrading Co., Ltd. It adopted its current name following the M&A.

Historical Financial Data

All amounts rounded to nearest million yen	FY2024					FY2025					FY2026
	1Q	2Q	3Q	4Q*2	FY*2	1Q*2	2Q	3Q	4Q	FY	1Q
Net Sales	9,082	11,228	10,999	13,695	45,006	11,116	11,205	12,044	14,610	48,975	12,493
Cost of Sales	4,245	5,197	5,210	6,306	20,959	4,875	4,576	5,110	5,667	20,230	5,016
…to sales ratio	46.7%	46.3%	47.4%	46.0%	46.6%	43.9%	40.8%	42.4%	38.8%	41.3%	40.2%
Advertising/promotion expenses	1,438	1,846	1,910	1,853	7,049	1,753	2,021	2,482	2,518	8,776	2,661
…to sales ratio	15.8%	16.4%	17.4%	13.5%	15.7%	15.8%	18.0%	20.6%	17.2%	17.9%	21.3%
Logistics cost	648	631	630	784	2,694	729	782	854	989	3,355	880
…to sales ratio	7.1%	5.6%	5.7%	5.7%	6.0%	6.6%	7.0%	7.1%	6.8%	6.9%	7.0%
Sales commision	532	513	657	949	2,652	682	818	859	1,096	3,457	798
…to sales ratio	5.9%	4.6%	6.0%	6.9%	5.9%	6.1%	7.3%	7.1%	7.5%	7.1%	6.4%
Personnel cost	744	821	834	993	3,394	940	1,008	948	1,013	3,910	907
…to sales ratio	8.2%	7.3%	7.6%	7.3%	7.5%	8.5%	9.0%	7.9%	6.9%	8.0%	7.3%
Other fixed expenses	834	821	834	1,231	3,721	1,246	1,198	1,269	1,650	5,365	1,462
…to sales ratio	9.2%	7.3%	7.6%	9.0%	8.3%	11.2%	10.7%	10.5%	11.3%	11.0%	11.7%
Operating profit	638	1,396	922	1,577	4,534	888	800	519	1,673	3,880	765
Operating margin	7.0%	12.4%	8.4%	11.5%	10.1%	8.0%	7.1%	4.3%	11.5%	7.9%	6.1%
EBITDA*1	719	1,491	1,037	1,949	5,196	1,316	1,231	958	2,120	5,626	1,199
EBITDA margin	7.9%	13.3%	9.4%	14.2%	11.5%	11.8%	11.0%	8.0%	14.5%	11.5%	9.6%

*1 EBITDA = Operating profit + Depreciation and amortization expenses
*2 In Q1 and Q2 of FY2025, we completed the Purchase Price Allocation (PPA) assessments for Artemis Co., Ltd. and Tout Vert Co., Ltd., which was acquired in October 2024. Accordingly, we have retrospectively adjusted the financial figures for Q4 and the full year of FY2024, as well as Q1 FY2025.

Historical Financial Data (Cont.)

All amounts rounded to nearest million yen	FY2024					FY2025					FY2026
	1Q	2Q	2Q	4Q	FY	1Q	2Q	3Q	4Q	FY	1Q
Net Sales	9,082	11,228	10,999	13,695	45,006	11,116	11,205	12,044	14,610	48,975	12,493
Haircare	6,176	8,031	8,049	9,247	31,505	6,371	6,303	8,281	8,985	29,941	6,995
└BOTANIST	2,274	3,709	3,190	4,409	13,584	1,906	3,315	3,344	3,950	12,516	3,109
└YOLU	3,248	3,593	4,390	4,216	15,449	3,832	2,505	4,295	4,576	15,210	3,510
Beauty Devices	2,481	2,807	2,527	2,844	10,661	2,577	2,728	1,466	3,060	9,833	2,357
Skincare and Others	424	389	421	1,603	2,839	2,167	2,173	2,295	2,564	9,201	3,140

All amounts rounded to nearest million yen	FY2024					FY2025					FY2026
	1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q	FY	1Q
Global	310	370	274	388	1,345	180	388	224	447	1,239	587

Disclaimers

No investment advice

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