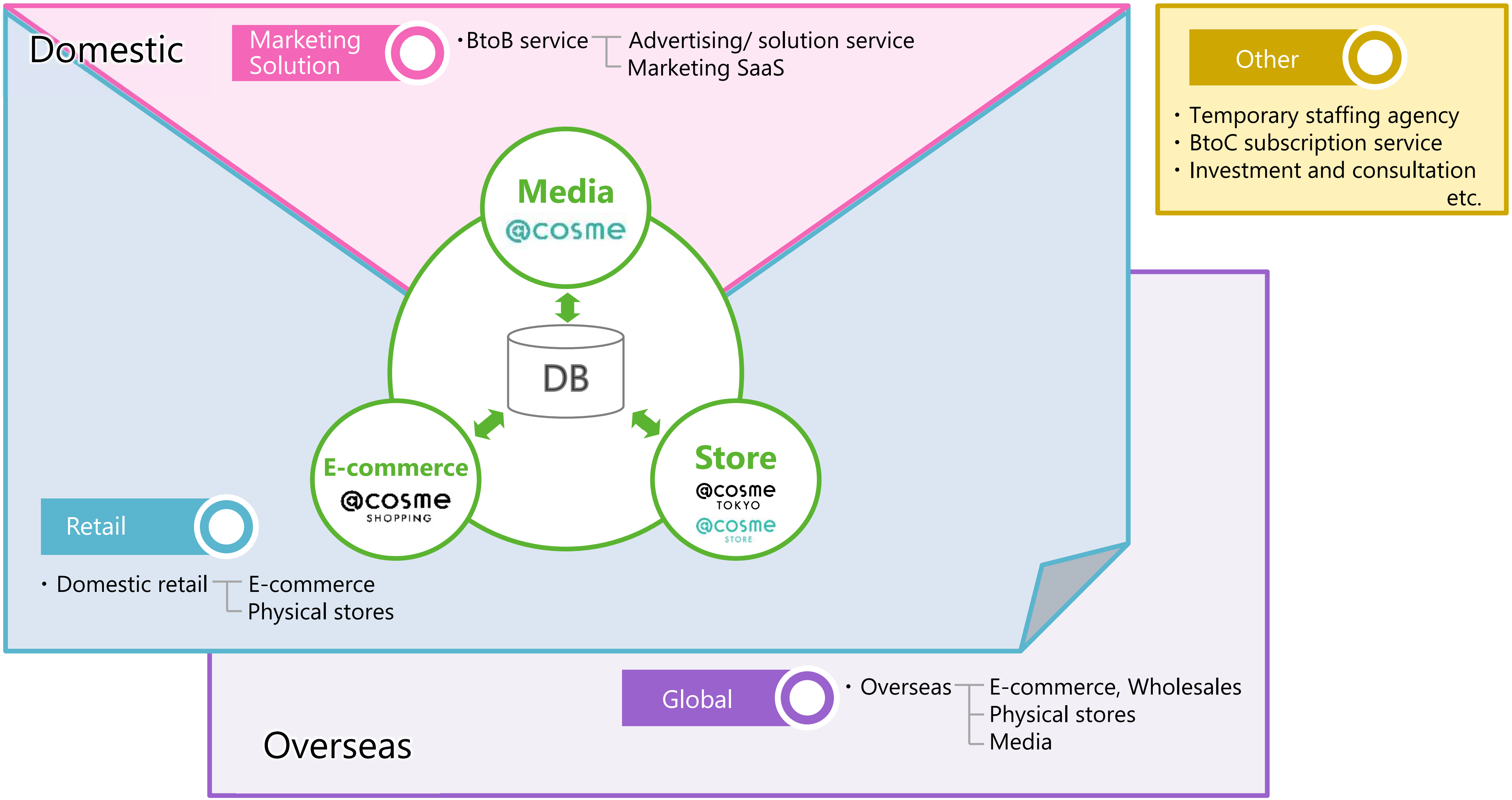
Presentation Materials for FY2026 & Business Plans for FY2027

Aug. 13, 2026
istyle Inc.
Stock code: 3660

【Reference】Business segment

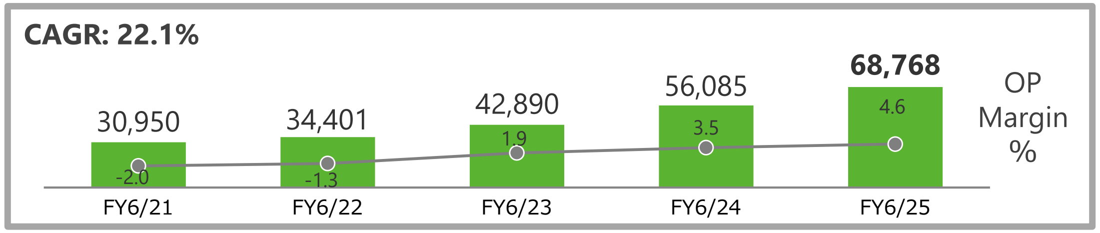


【Reference】Performance by Business Segment (Yearly)

Segment Description | Sales Distribution FY25 | Segment Sales Trends

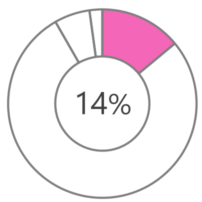
(Unit: Million JPY)

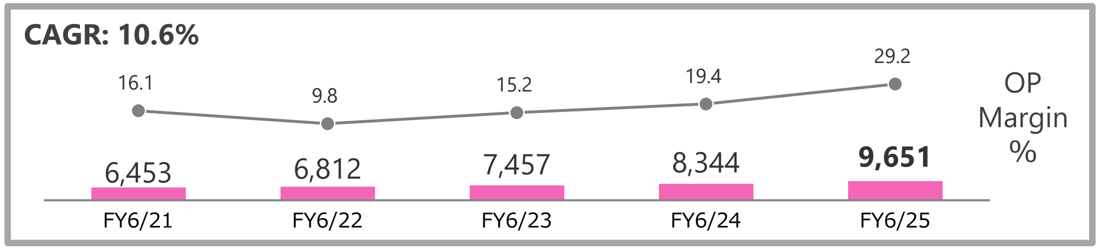
Consolidated Results



Marketing Solution

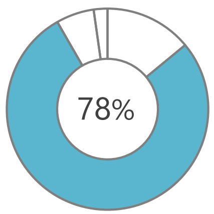
- BtoB service — Advertising/solution service; Marketing SaaS

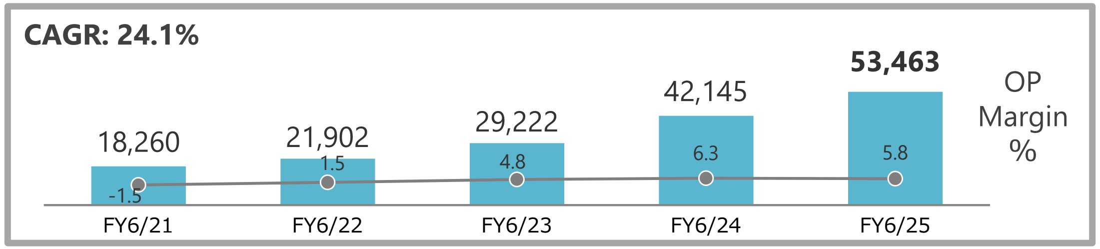




Retail

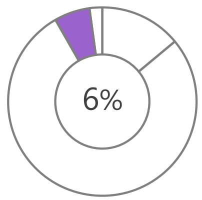
- Domestic retail — E-commerce; Physical stores

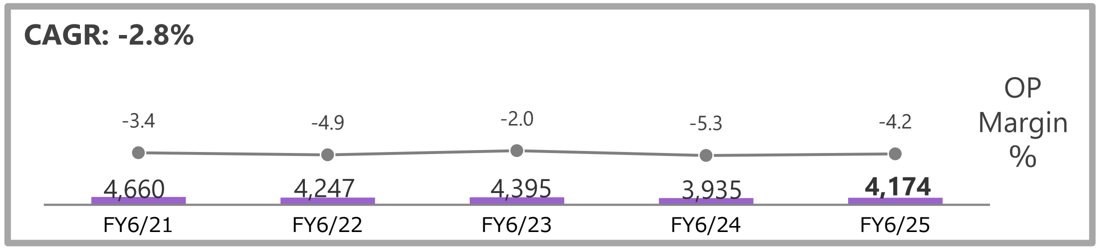




Global

- Overseas — E-commerce, Wholesales; Physical stores; Media

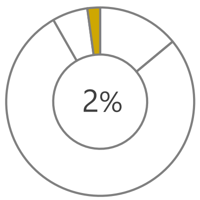




Other

- Temporary staffing agency
- BtoC fee-based service
- Investment and consultation

etc.



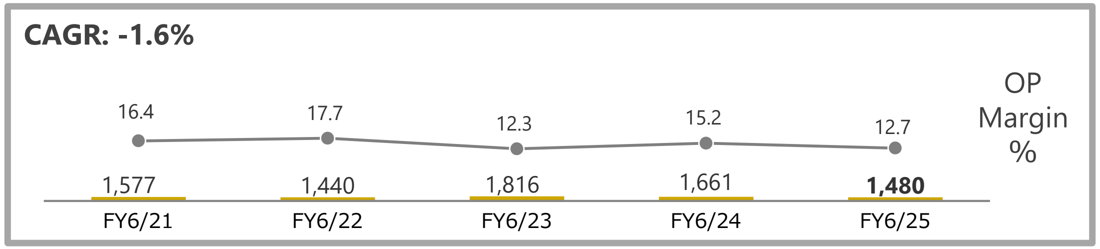


Table of contents

Executive Summary

Consolidated Financial Overview

1. **Fiscal Year Ended June 2026** (FY26: Previous Year Results)
   Operating Profit exceeded initial forecast, at +29% YoY

2. **Fiscal Year Ending June 2027** (FY27: New FY Plan)
   Net Sales +10% / Operating Profit +22%,
   continuing double-digit growth in sales and profit

Capital Policy

Enhancement of Capital Policy, Including Increased Shareholder Returns

1. **Acquisition of Warrants (Potential Shares) held by Amazon.com, Inc.**
   Eliminate share dilution by cancelling rights,
   while continuing and strengthening the business and capital alliance
2. **Decision to repurchase treasury stock**
   (upper limit: ¥2.8 billion / ~7.5% of issued shares)
3. **Strengthening stable shareholder returns**
   (dividend increase / FY27 dividend forecast)

Overview of Financial Results for FY2026

Full-Year Total / Financial Summary & Key Topics

Consolidated Summary

Net Sales YoY: +19.0% / Operating Profit YoY: +29.1%

- ✓ **Operating Profit exceeded initial forecast, reaching the 4-billion-yen range for the first time.**
- ✓ **Marketing Solution (B2B) drove profit growth.**

Key Topics

- **Total number of user actions grew steadily.**
- As in Q3, **there were impacts from changes in the business environment**.
  - ✓ **Inbound demand from certain areas declined** due to geopolitical factors.
  - ✓ **Direct impact from the rising tensions in the Middle East was extremely minor.**

Full-Year Total / Highlight (Unit: Million JPY)

Consolidated Results — **Businesses in Japan, including Marketing Solution and Retail, drove performance.**

Net sales	81,807 (YoY +19.0 %)	Operating profit	4,085 (YoY +29.1 %)

Marketing Solution — **Strong performance driven by expanded businesses with brands.**

Net sales	12,083 (YoY +25.2 %)	Operating profit	3,516 (YoY +24.6 %)

Retail — **Continued increased sales and profit in both EC and Stores.**

Net sales	61,695 (YoY +15.4 %)	Operating profit	3,599 (YoY +15.6 %)

Global — Hong Kong flagship store and cross-border EC in China contributed to increased sales.

Net sales	5,757 (YoY +37.9 %)	Operating profit	-356 (YoY -181 M JPY)

Other — Sold operational investment securities (Contribution: Net sales ¥749M / Operating profit ¥129M).

Net sales	2,272 (YoY +53.5 %)	Operating profit	191 (YoY +1.4 %)

Corp. Exp. (w/ Adjustments) — Management department personnel costs, head office rent, etc.

Operating profit	-2,864 (YoY -80 M JPY)

Full-Year Total / Results relative to earnings forecasts

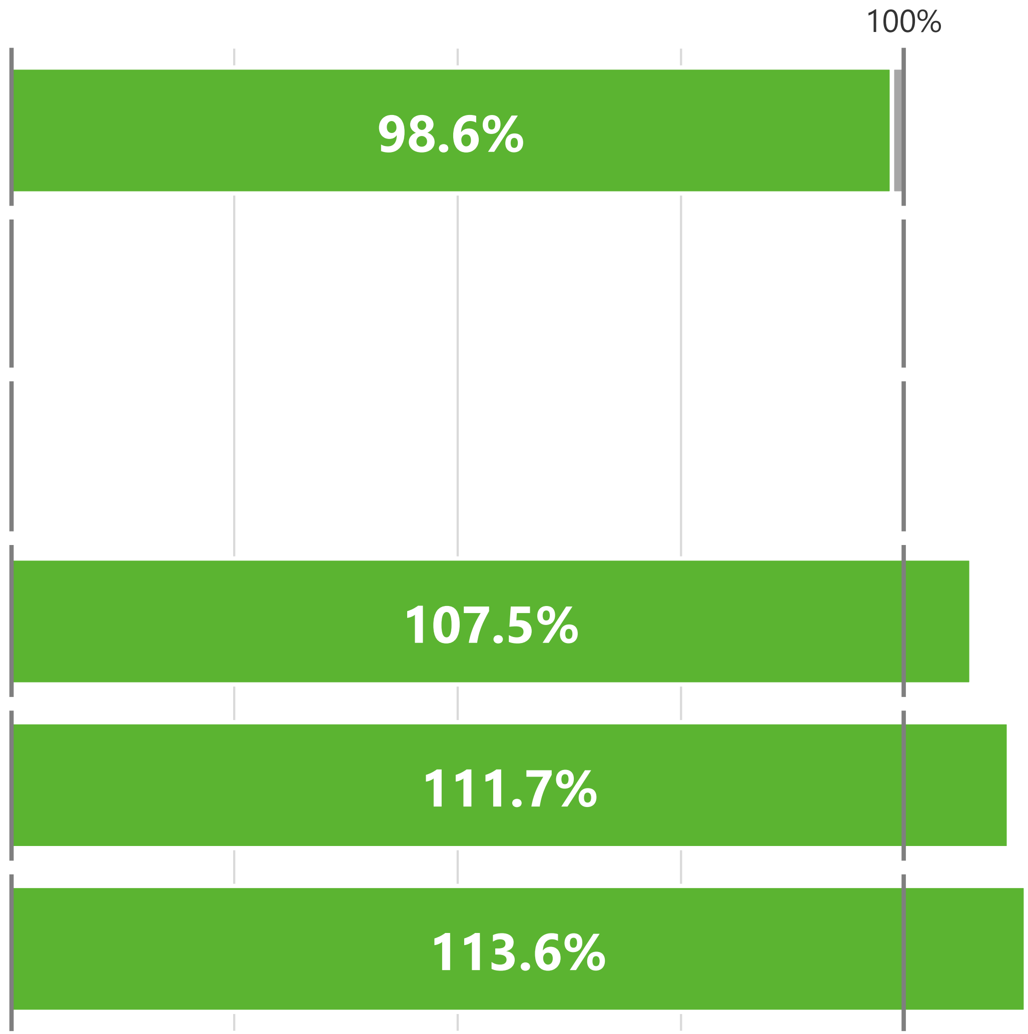
- Although sales fell short of targets at domestic retail stores and Hong Kong flagship store, **profits at each stage exceeded initial forecast. Operating Profit reached 4-billion-yen range for the first time.**

Consolidated Performance Summary

(Unit: Million JPY)

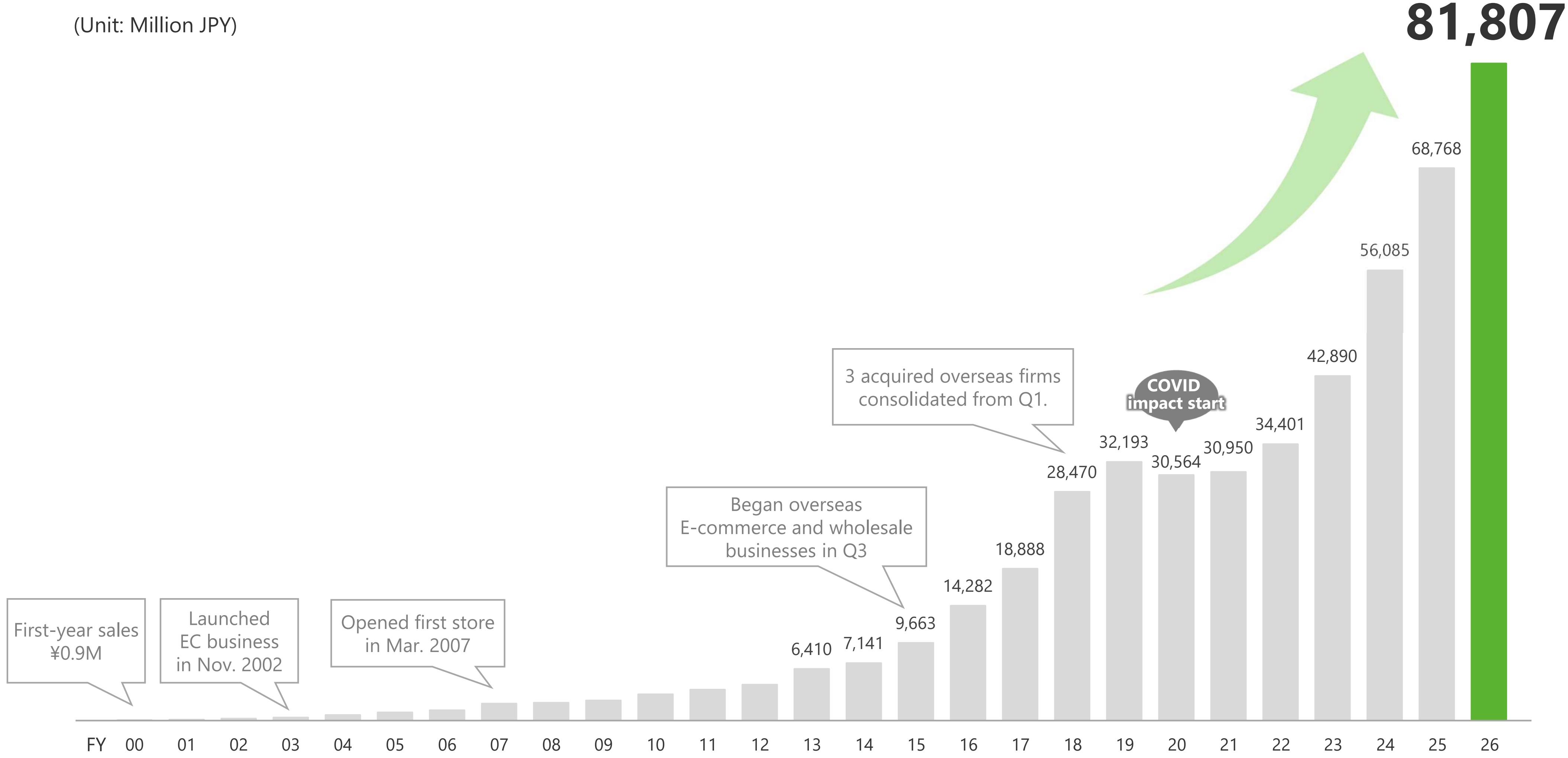
	Full-year Forecast	FY27 Result	YoY
Net sales	83,000	81,807	+19.0%
Gross profit	–	34,585	+16.7%
SG&A	–	30,500	+15.2%
Operating profit	3,800	4,085	+29.1%
Ordinary profit	3,800	4,244	+28.2%
Profit attributable to owners of the parent company	2,650	3,011	+29.4%

Percentage of full-year earnings forecast achieved



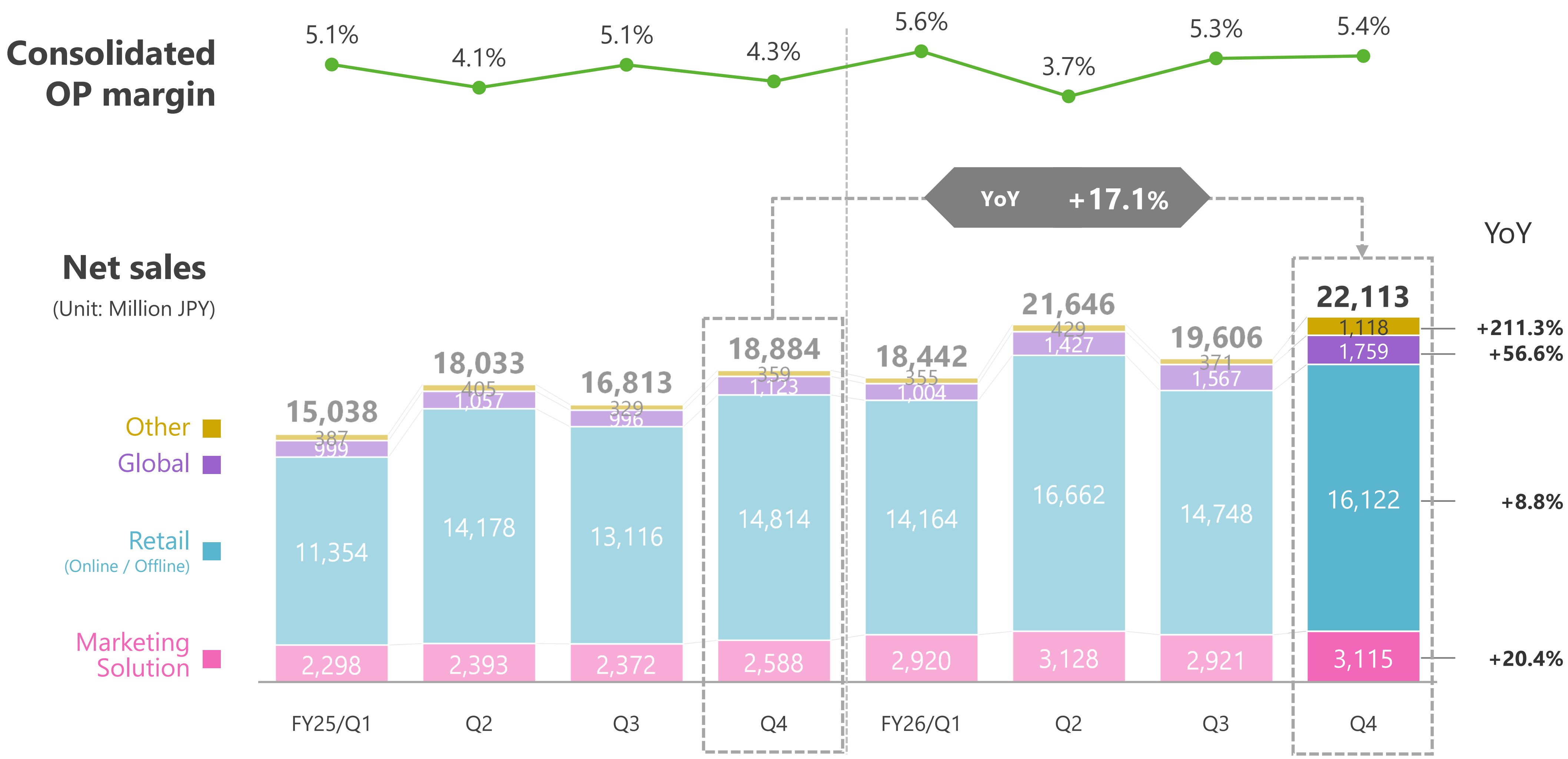
Trend in net sales

- Record sales and on a growth trajectory.



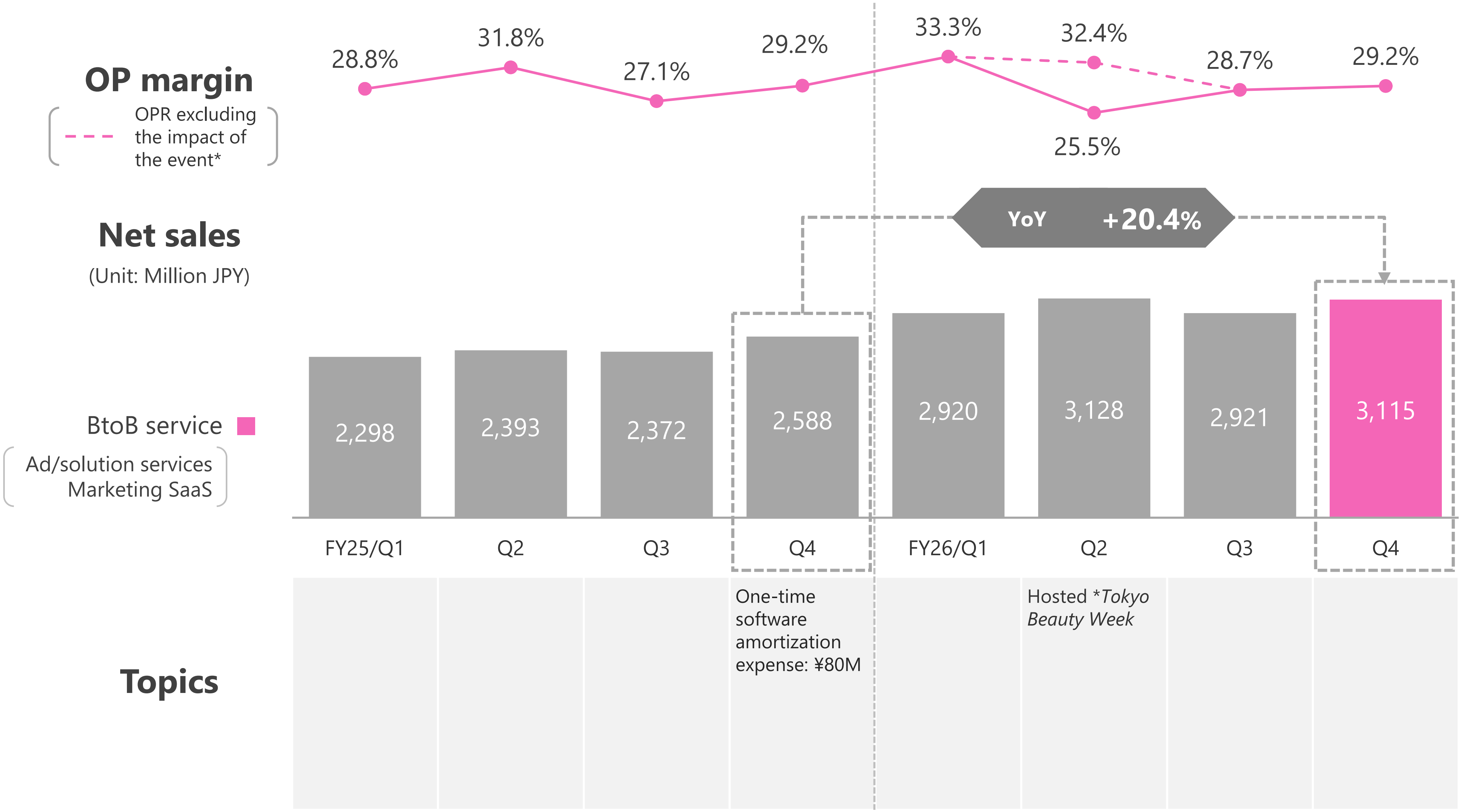
Trends in segment sales (Quarterly)

- In addition to the sale of operational investment securities, **both core businesses, Marketing Solution and Retail grew, driving the Group's overall top-line revenue.**



Trends in segment sales (Quarterly)

- Net Sales: **Business with brands expanded YoY due to synergies with Retail business, exceeding plan.**
- OP% : Maintained OP margin by absorbing increased costs associated with core sales system upgrades.

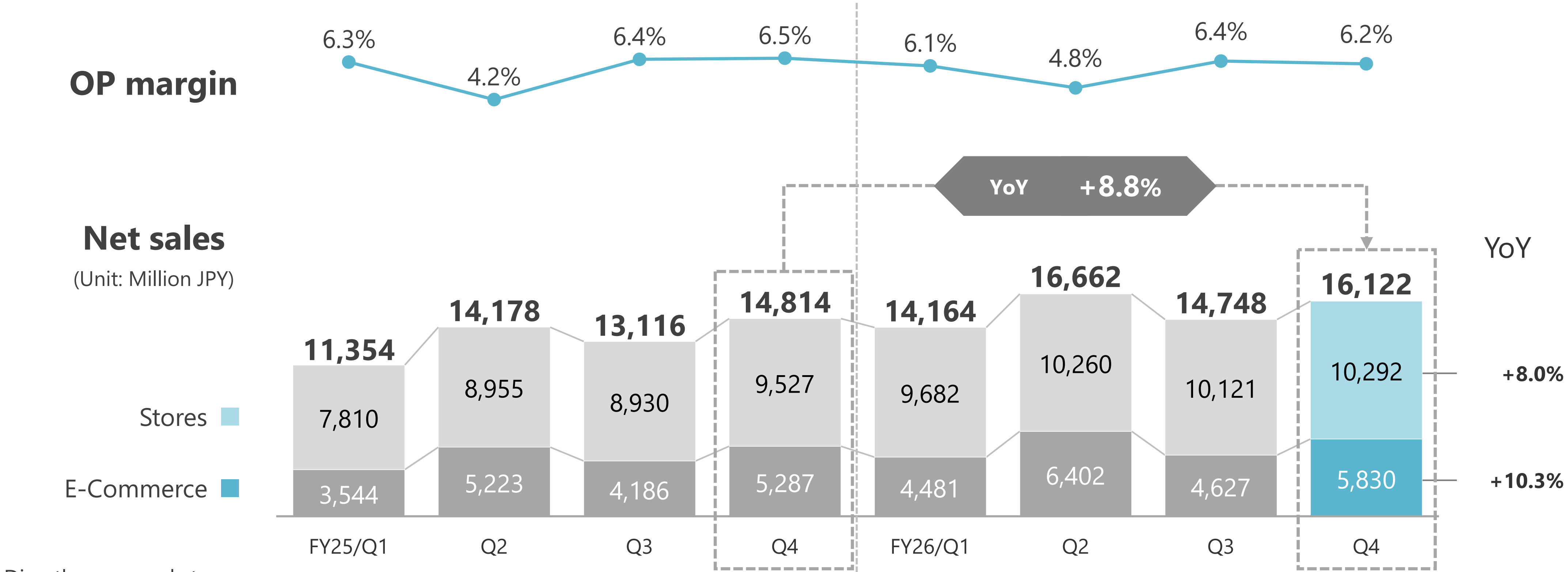


* Tokyo Beauty Week: Major event offering diverse beauty experiences through industry-wide co-creation.

Retail (Online / Offline)

Trends in segment sales (Quarterly)

- [Stores] Despite a slight decline in certain inbound demand, business grew steadily and recorded its highest-ever sales
- [EC] Although shipping delays occurred due to warehouse relocation, **@cosme SPECIAL WEEK saw a significant surge of 32% YoY** (based on GMV).



	FY25/Q1	Q2	Q3	Q4	FY26/Q1	Q2	Q3	Q4
Directly managed stores at end of quarter	30	32	32	32	33	34	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) [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) 【Opened】 mozo wonder city: Dec.		[Expansion & Renovation] Kinshicho: Apr. June sales event *@cosme SPECIAL WEEK* (Zero promotional expenses)

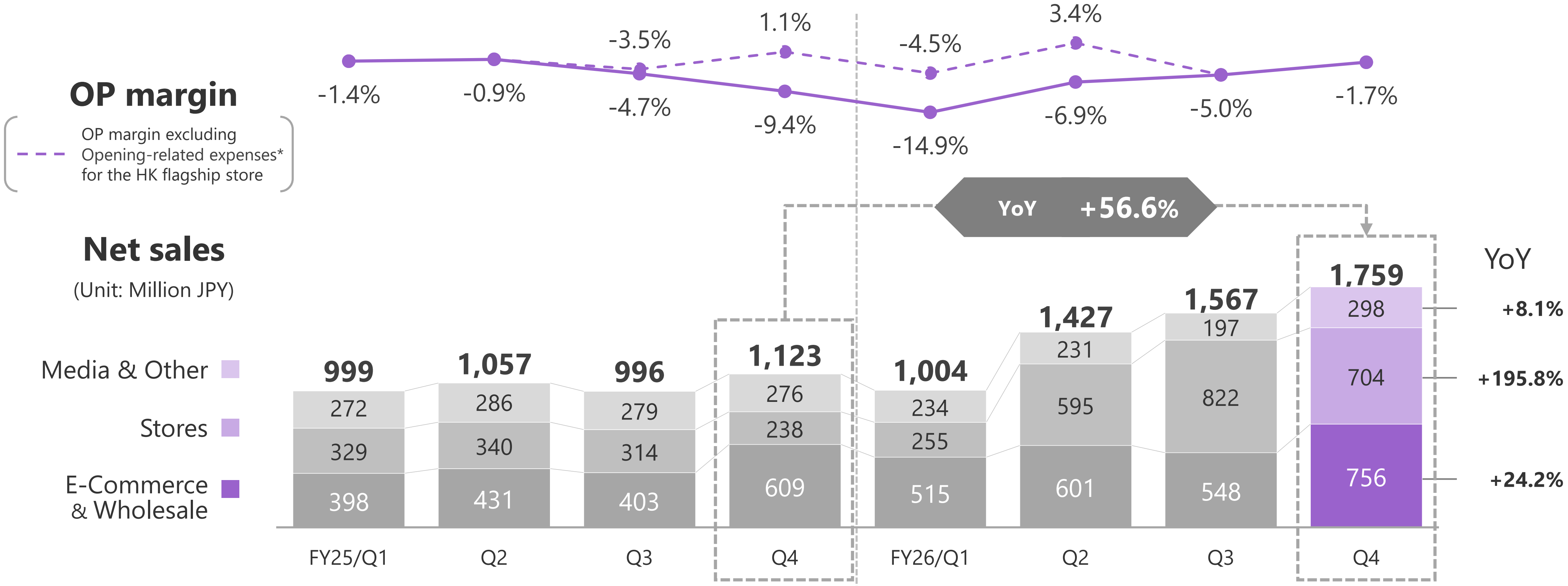
Shipping delays due to EC warehouse relocation (resolved on May 18).

*1 Shipping delays caused by EC warehouse relocation were resolved on May 18, 2026.

*2 @cosme SPECIAL WEEK: A retail event held every June offering up to 30% reward points (EC and Stores).

Trends in segment sales (Quarterly)

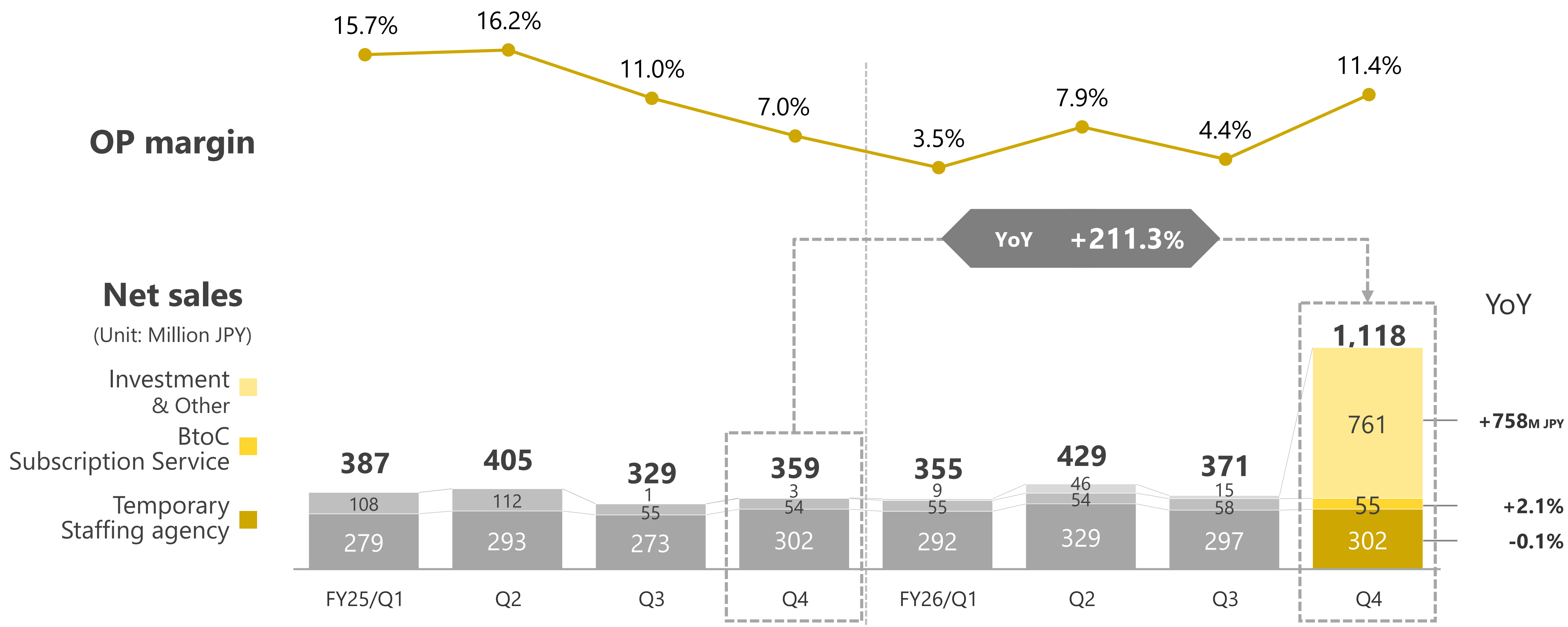
- Net Sales: Increased sales thanks to Hong Kong flagship store and China cross-border EC performances.
- OP%: Delayed HK store optimization and revenue shortfall vs. plan caused loss.



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

Trends in segment sales (Quarterly)

- Increased sales and profit due to sale of operational investment securities by overseas beauty-related company.

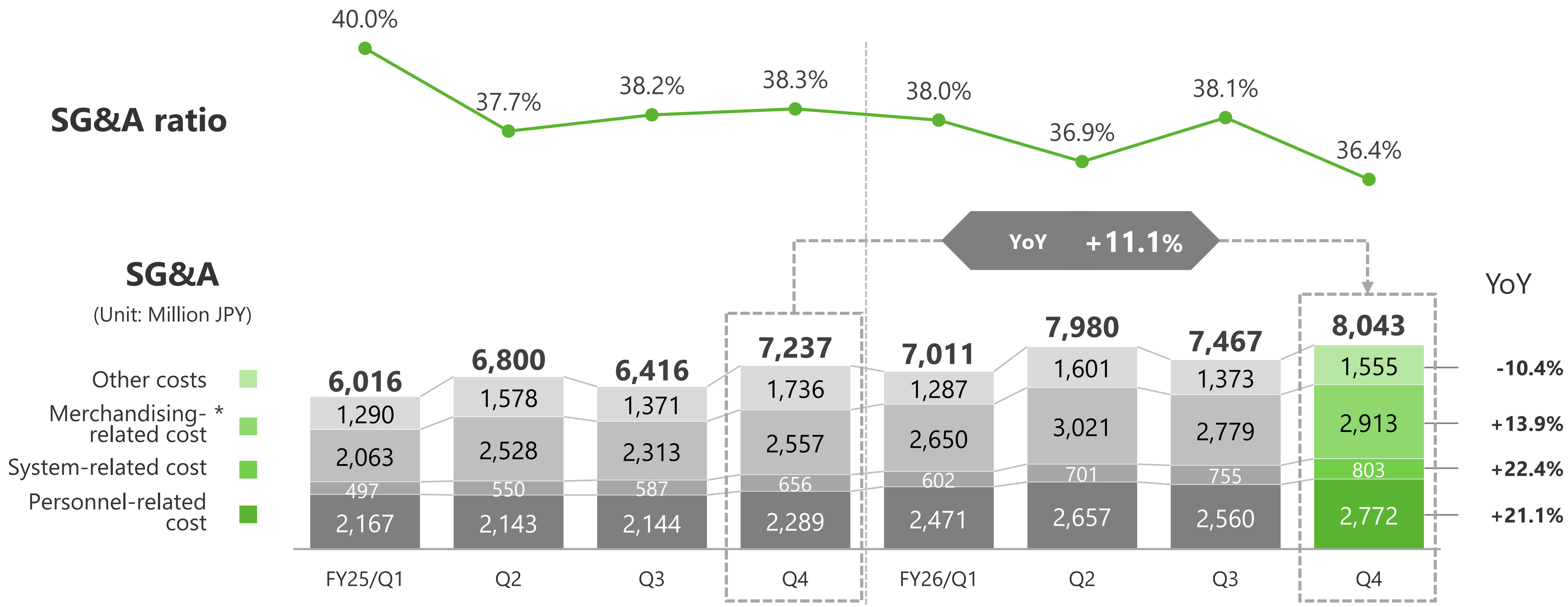


Topics

FY25/Q1	Q2	Q3	Q4	FY26/Q1	Q2	Q3	Q4
	BLOOMBOX, one of our paid BtoC services, terminated in December.			Supplement, *@cosme+*, to launch in July			Sold operational investment securities (Contribution Sales: ¥749M OP: ¥129M)

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.

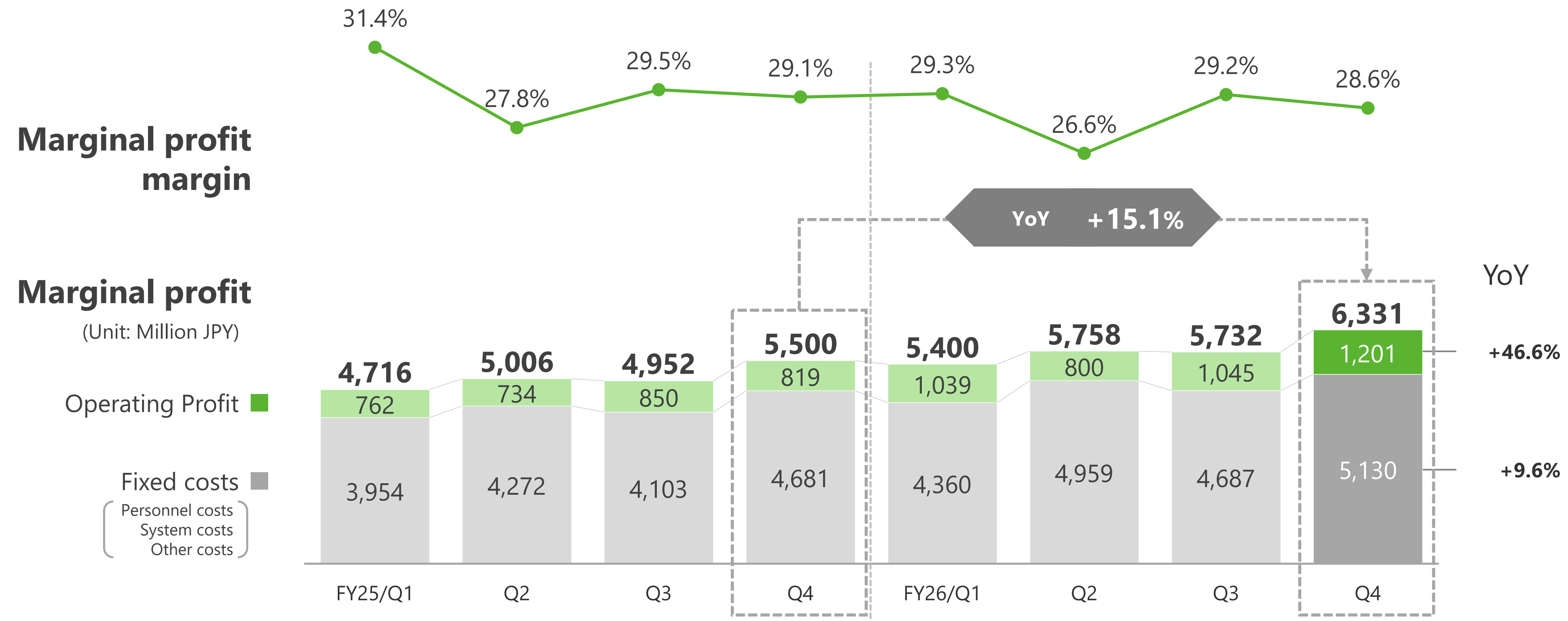


	FY25/Q1	Q2	Q3	Q4	FY26/Q1	Q2	Q3	Q4
Work force (includes outsourcing)	1,565	1,606	1,642	1,768	1,868	1,950	1,976	2,022
Topics		【Other】 Promotional expenses of ¥119M for *@cosme BEAUTY DAY* Number of contracted staff at stores increased YoY and QoQ.		【SG&A】 HK store opening exp.: ¥117M 【Other】 Increase in store outsourcing costs QoQ. 【System-related】 One-time software amortization: ¥80M	【SG&A】 HK store opening exp.: ¥104M 【System-Related】 Core system upgrades for Marketing & EC 【Personnel-Related】 Nagoya store staffing costs	【SG&A】 HK store opening exp.: ¥147M 【Other】 Promotional expenses of ¥107M 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.

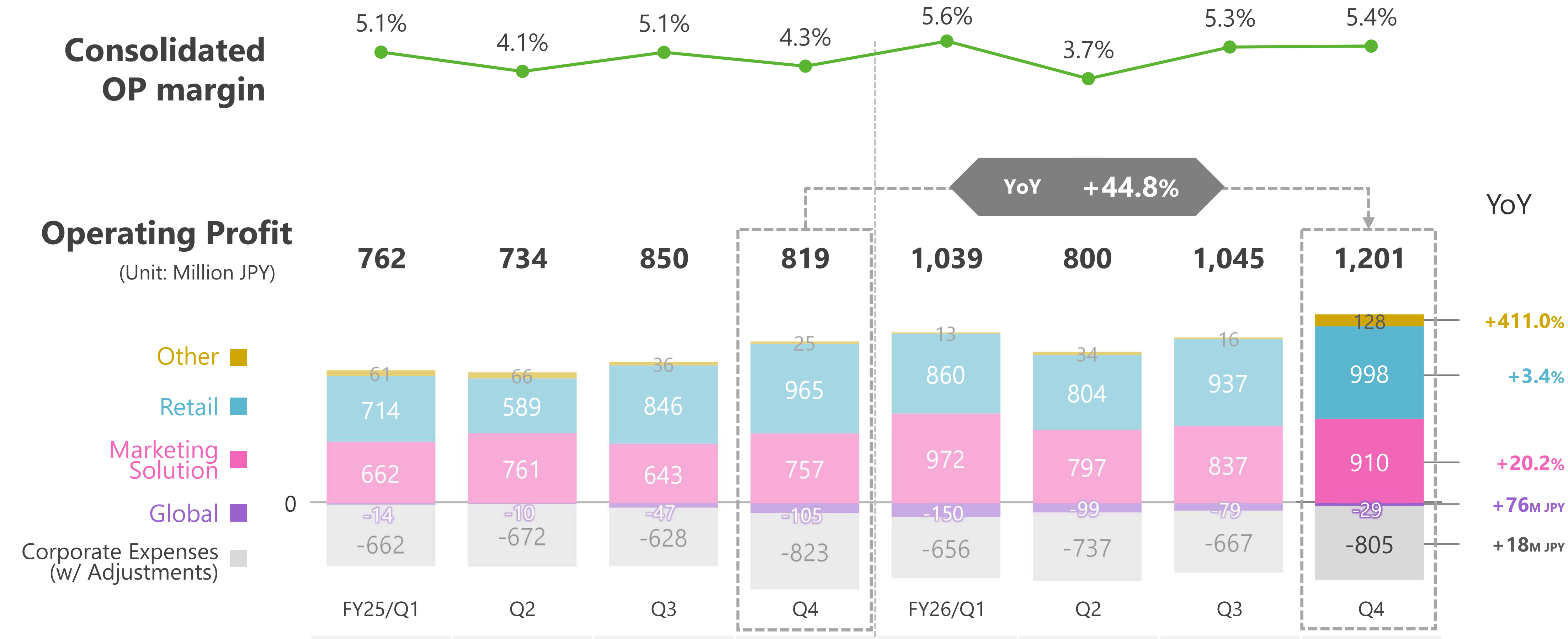


	FY25/Q1	Q2	Q3	Q4	FY26/Q1	Q2	Q3	Q4
Work force (includes outsourcing)	1,565	1,606	1,642	1,768	1,868	1,950	1,976	2,022
Topics		【Marginal Profit %】 Gross profit margin decreased due to loyalty point redemption at sales event.		【Marginal Profit %】 Gross profit margin decreased due to loyalty point redemption at sales event.		【Marginal Profit %】 Gross profit margin decreased due to loyalty point redemption at sales event.		【Marginal Profit %】 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)

- Marketing Solution drove profit growth, **resulting in record-high quarterly profits**.

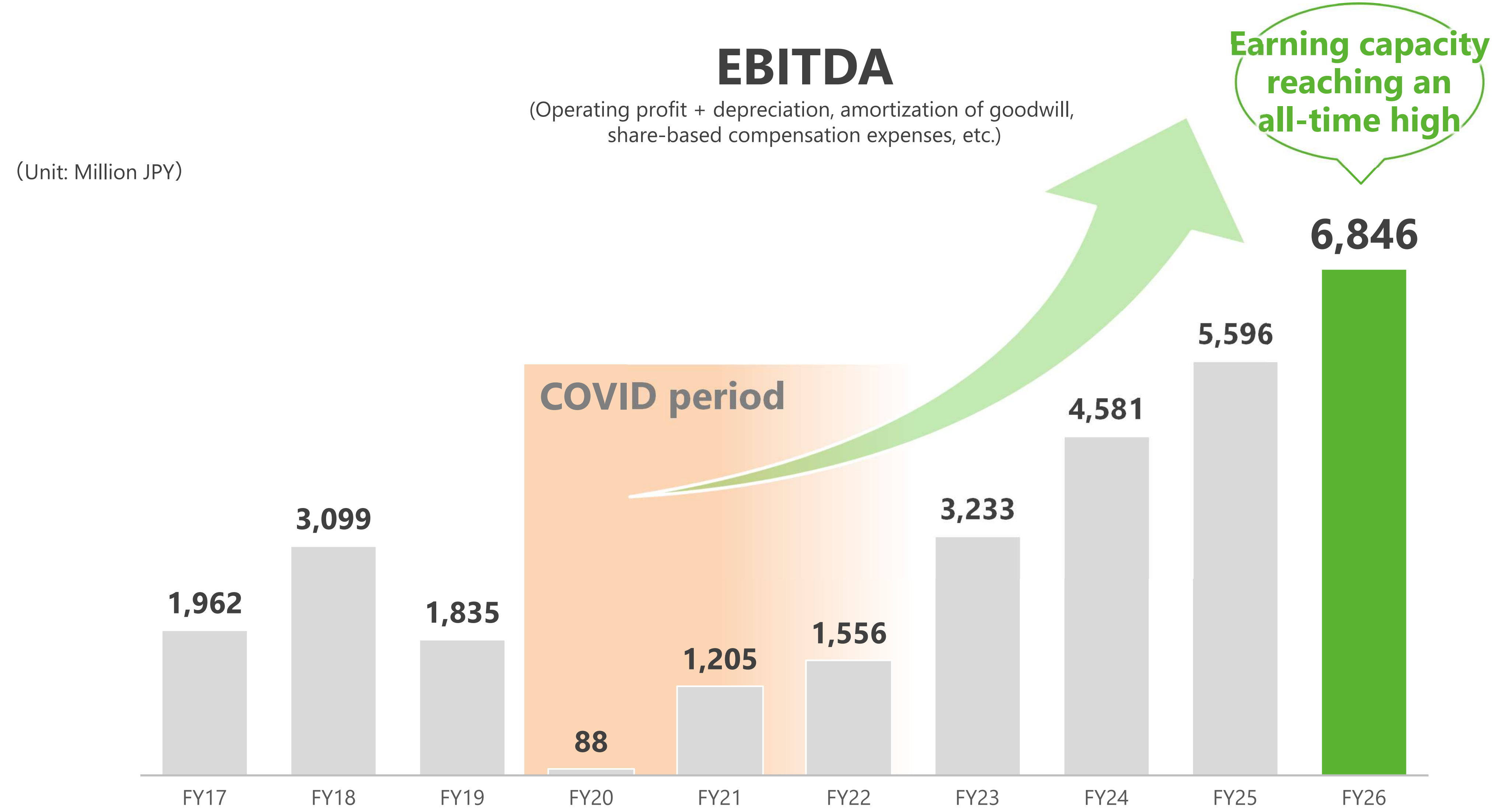


Topics

FY25/Q1	Q2	Q3	Q4	FY26/Q1	Q2	Q3	Q4
	【Retail】 Promotional expenses of ¥119M for *@cosme BEAUTY DAY*	[Store Closure] @cosme TOKYO: 21 days (reopened on March 5)	【Marketing Solution】 One-time software amortization: ¥80M 【Global】 HK store opening exp.: ¥117M 【Company-wide cost】 Consolidated bonuses & consulting fees.	【Global】 HK store opening exp.: ¥104M	【Retail】 Promotional expenses of ¥107M for *@cosme BEAUTY DAY* 【Global】 HK store opening exp.: ¥147M		【Other】 Gain on sale of invest securities: ¥129M.

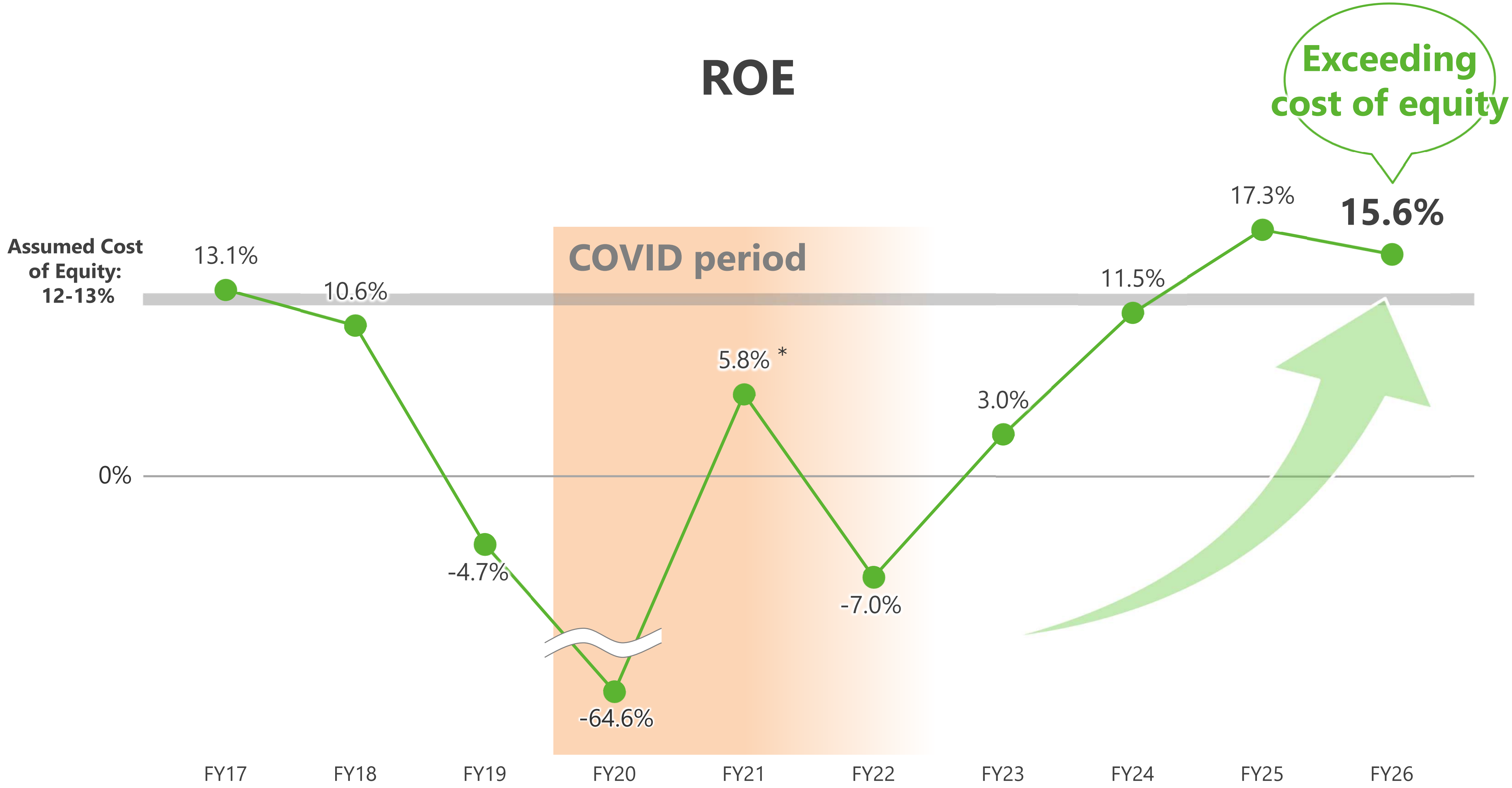
Trends in EBITDA (Yearly)

- **Earning capacity reaching an all-time high.**



Trends in ROE (Yearly)

- Although decreased YoY due to the conversion of convertible bonds by Amazon.com, Inc. and Mitsui & Co., Ltd., **remained above the cost of capital due to business growth**.

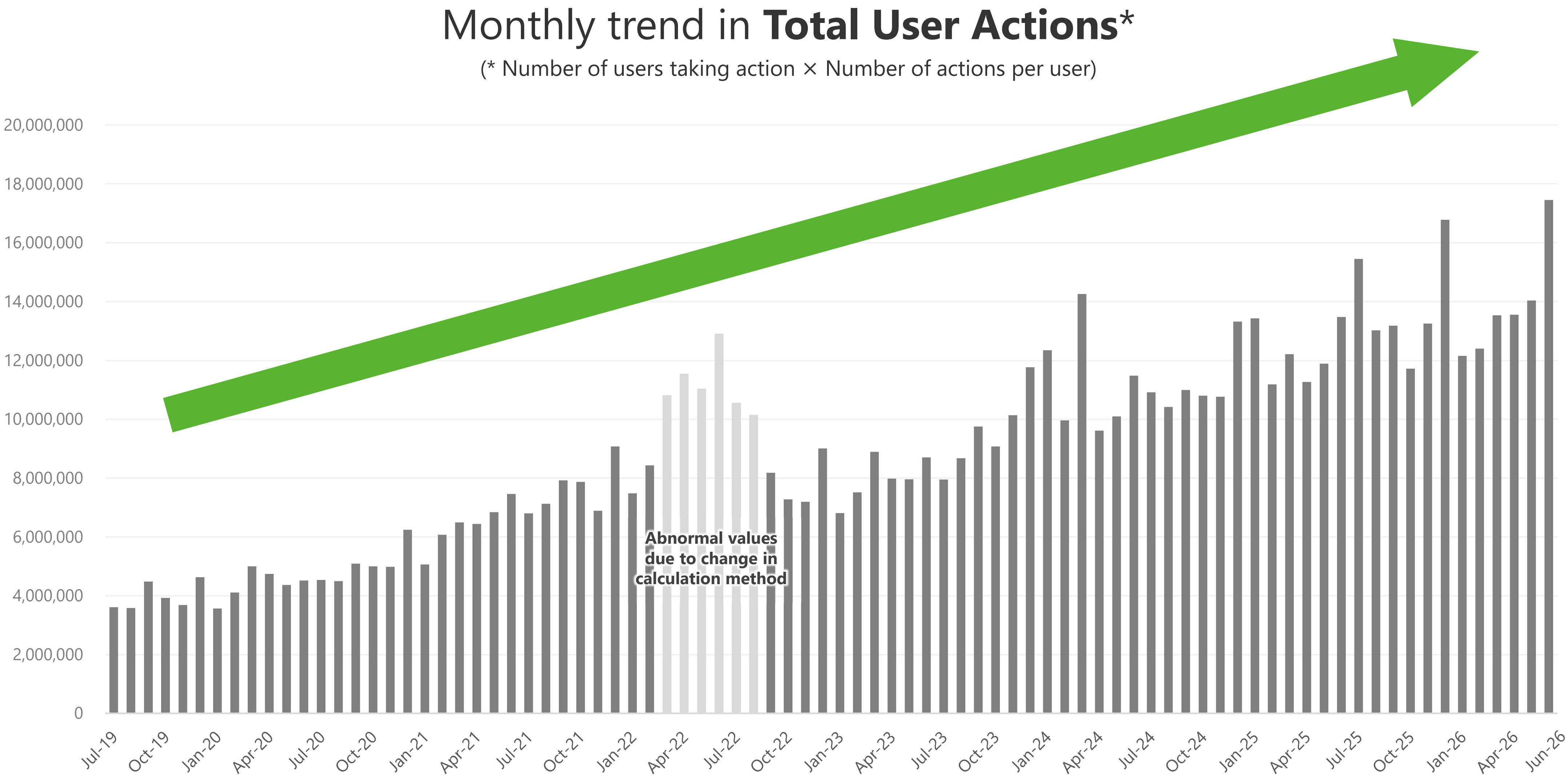


* Temporarily positive due to the recording of ¥1,772M gain on the sale of investment securities.

Status of Operating Services

KPI Total User Actions

- Maintains a growth trajectory, with steady growth in user actions.

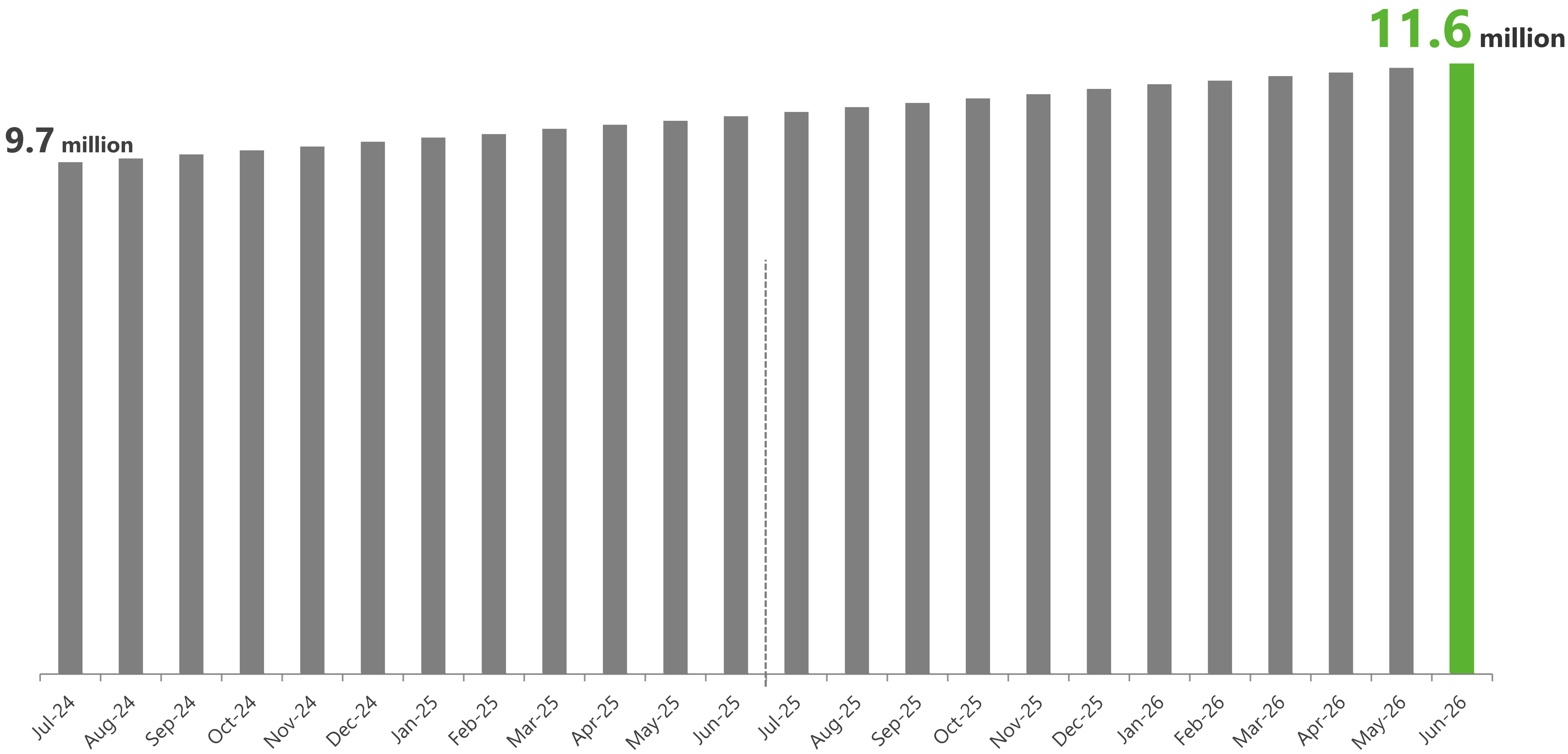


* User Actions: Actions within our platform beyond browsing, including reviews, purchases, gifts and monitor program applications, product Likes, and brand Follows.

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.

Tokyo Beauty Week, a large-scale industry-wide co-creation event, to be held again this year

- **The event leads the industry by offering a wide range of beauty experiences collaborating with partners from various fields.** It will be held again this year, solidifying its status as an annual event.

Event Overview

- Dates: Wednesday, Nov. 18, 2026 – Tuesday, Nov. 24, 2026
- Venues: Laforet Museum Harajuku / Harajuku Quest THE HALL / and ST TOKYO / WeWork Iceberg / IWAI OMOTESANDO / @cosme TOKYO, and others
- Overall Planning and Management: istyle Inc.

【Key Visual】

【Highlights from the Previous Event / Survey Results】

* Press release announced on June 4, 2026.: https://www.istyle.co.jp/news/press/2026/06/0604.html (Japanese Text Only)

istyle's Growth Strategy and Outlook

1. **Issues We Face Today**
2. **A Look Back at the Past Few Years**
3. **Industry Changes Driven by AI**
4. **Key Factors for Future Market Competitiveness**
5. **istyle's Growth Strategy and Outlook**

1. Issues We Face Today

As of FY26,

**we have established a foundation with the three pillars;
media, EC and physical stores.**

Will reviews still be valuable in the AI era?

How many new stores are to be opened going forward?

How will the cosmetics industry change?

Will *@cosme* remain competitive going forward?

Where is istyle headed?

Looking Back at the Past Few Years of Strengthening Our Three-Pronged Platform

2-a. Strengthening the Retail segment as a Foundation for Growth (Revisiting FY21 Strategy Announcement)

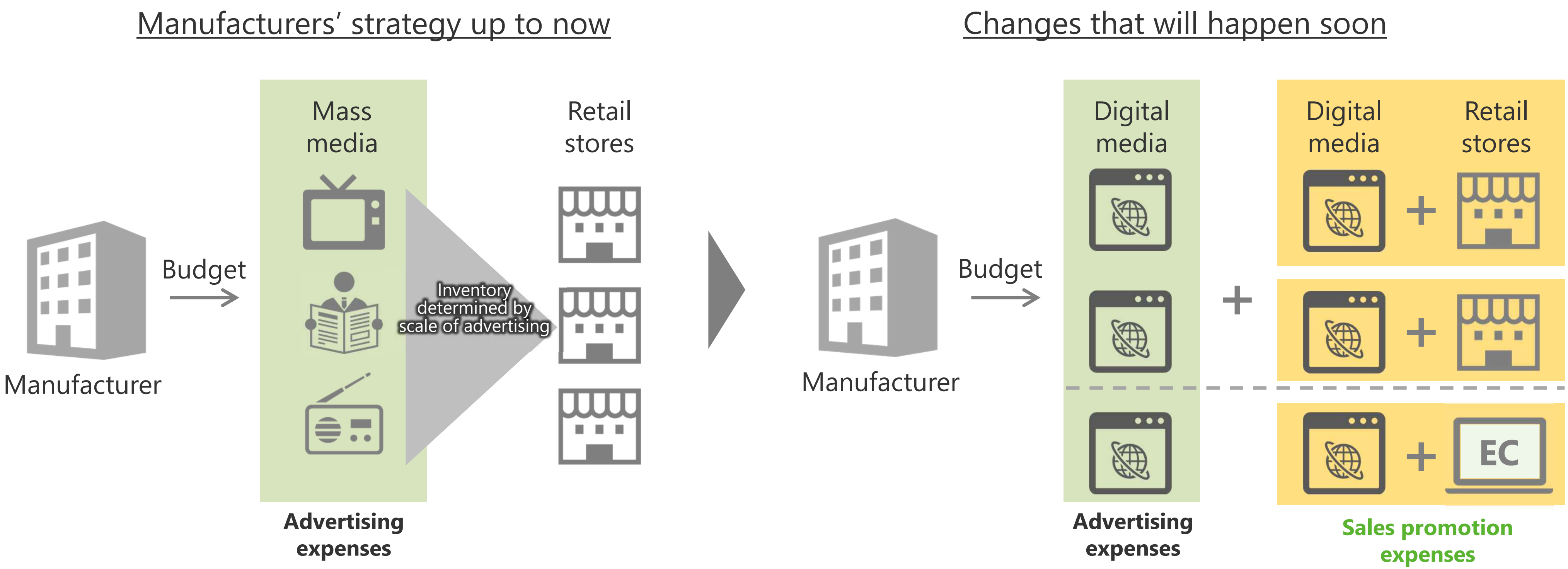
Accelerated shift from advertising to sales promotion / More budget on retail that has more selling power

Growth in EC / Accelerated digital shift in user communication

+

Cost effectiveness of advertising in mass media has decreased because of lack of sales in stores.

Advertising budgets will shift to retailers with sales capabilities in the form of sales promotion expenses.



2-b. Actions Based on Policy

- Reorganized our business portfolio due to the impact of COVID-19, while steadily advancing initiatives to realize our future vision

Aug. 2026
Present

2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026

COVID period

Aug. 2022
Capital and Business Alliance with Amazon.com and Mitsui & Co.

Nov. 2025
Holding inaugural *Tokyo Beauty Week*

Marketing Solution

Feb. 2024
Strengthening social media marketing through partnership with Trenders, Inc.

Apr. 2025
Launching Data Consulting Services

Retail

Jan. 2020
Opening first flagship store, *@cosme TOKYO*

Sep. 2023
Opening second flagship store, *@cosme OSAKA*

Nov. 2023
Opening *@cosme SHOPPING* on Amazon.co.jp

Jun. 2025
Opening third flagship store, *@cosme NAGOYA*

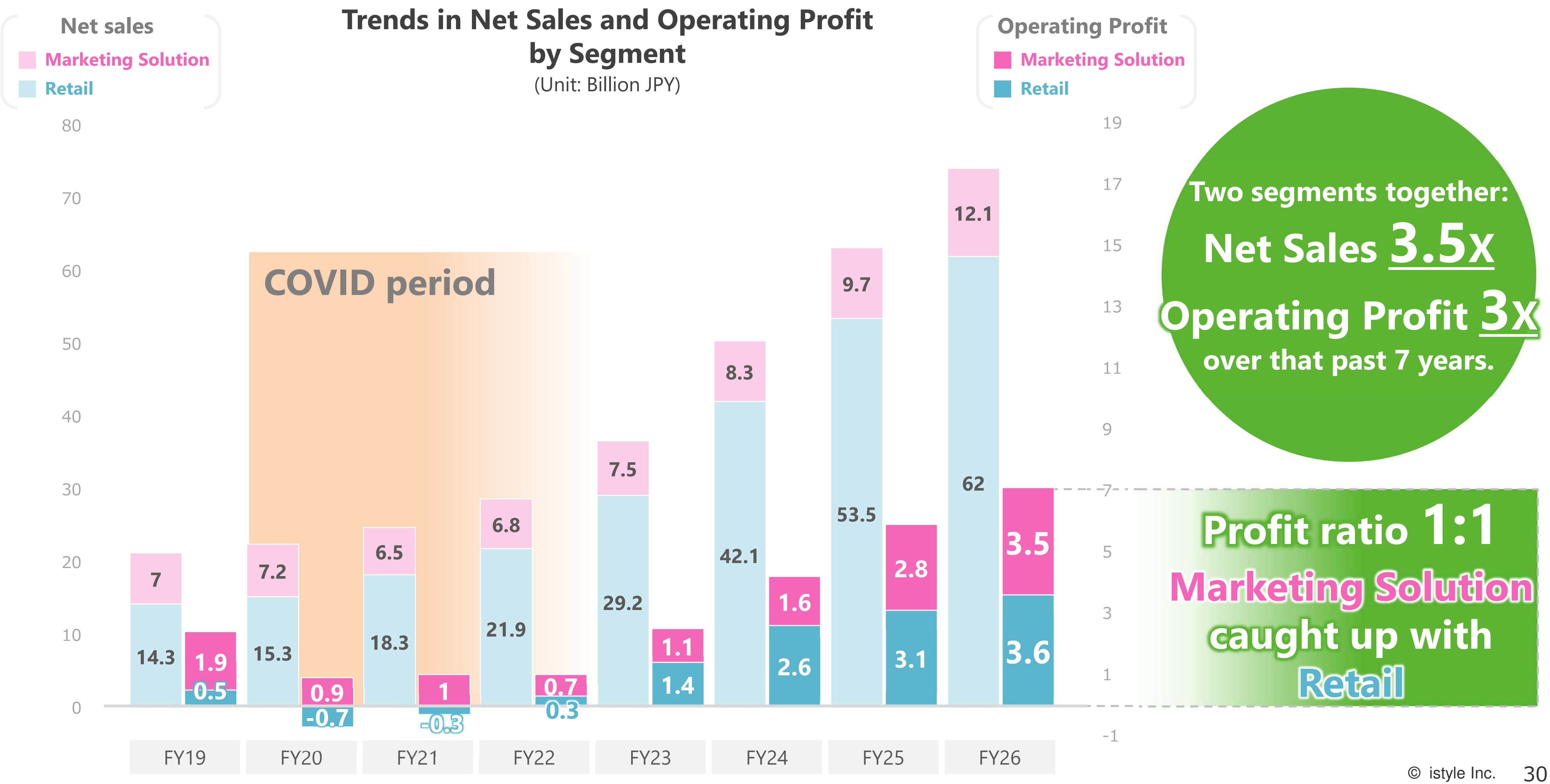
Global

Significant scaling back of overseas businesses

Dec. 2025
Opening first oversea flagship store, *@cosme HONG KONG*

2-c. Changes in the Company Performance(1): **Growth in Marketing Solution (B2B)** Driven by Synergies with Retail

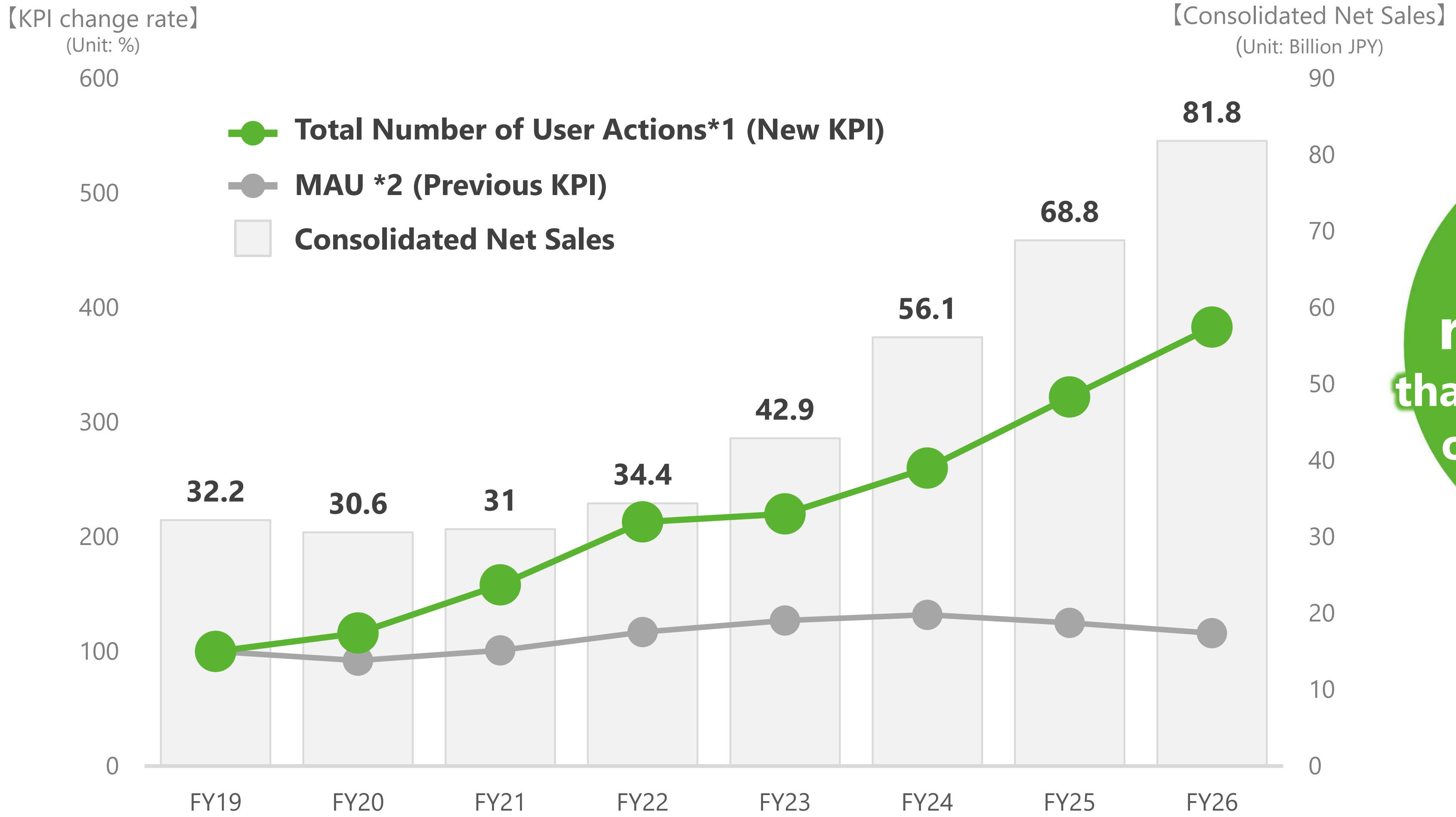
- **High-margin Marketing Solution profit caught up with Retail**, which had lead profits, and profit levels are now on par.
- **Experience design bridging online and offline has materialized into concrete services, yielding results.**



2-c. Changes in Company Performance (2):
Business Growth Not Relied on a Single Channel

- **Revenue grew in correlation with user actions (= enthusiasm) driven by experience design**, rather than media growth.

Trends in New and Previous KPIs and Net Sales



Building a revenue base that is not dependent on media growth

*1 Total Number of User Actions: Number of users taking actions × Number of actions per user (= user engagement, enthusiasm)
User Actions: Actions within our platform beyond browsing, including reviews, purchases, gifts and monitor program applications, product Likes, and brand Follows.
*2 MAU: Monthly Active Users (actual number of site visitors) *3 KPI change rates are calculated based on the 12-month average for the relevant fiscal year

2-d. Changes in the Cosmetics Industry (1):
J-Beauty's Struggles and the Hollowing Out of Distribution Channels

- The Japanese cosmetics industry has seen a series of game-changes since the pandemic in 2020.

Cosmetics manufacturers

- ✓ **The combined market cap of Japan's three major cosmetics companies has declined 60% compared to 2019 (pre-COVID).**
- ✓ **Japan's cosmetics market has remained steady in recent years, growing at CAGR 3–4%, but by relying heavily on inbound tourism.**
- ✓ **Japan's cosmetics exports have declined 25% over the past three years (while South Korea's exports have increased by 45% over the same period).**

Distribution Channels

- ✓ **Although EC penetration rate has increased, it remains below 10%, which is low compared to other countries (China: 40% / Korea: 35%).**
- ✓ **The number of department stores has halved since its peak in 1999.**
- ✓ **Drugstores are performing well, but the number of stores is nearing saturation.**

* Source: Calculated based on data from the companies, Yano Research Institute, the Japan Department Store Association, and relevant government ministries and agencies.

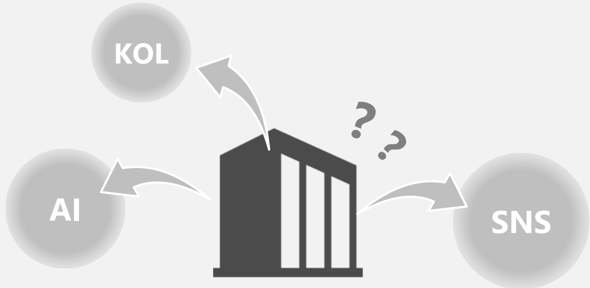
2-d. Changes in the Cosmetics Industry (2):

Sophistication of Marketing and Bloated System Investments

- Due to the diversification of customer touchpoints and the rising costs of IT infrastructure operations, it has become difficult to maintain a positive return on investment (ROI) for traditional systems.

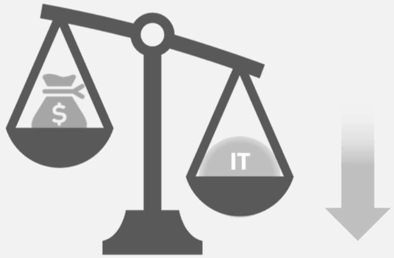
Sophisticated Marketing

- ✓ **Increased complexity, diversity, and fragmentation of social media**
- ✓ **Shifting trends driven by the rise of AI**



Bloated system investment

- ✓ **Increasing costs for maintaining IT & EC systems**
- ✓ **Rising security risks**



The more sophisticated and diversified marketing becomes, the more system investments needed, making it increasingly difficult to maintain profitability (≒ ROI).

2-d. Changes in the Cosmetics Industry (3): ***@cosme*'s Strength Stands Out**

- While the industry as a whole and other players struggle, *@cosme*, with its unique strengths, has established itself as a category killer.

✓ **Seamlessly online and offline integration**

by connecting media, EC, and physical stores.

✓ **Overwhelming Consumer Insight**

based on data gathered across channels.

✓ **End-to-End Brand Support**

from awareness to purchase, through platform integration.

✓ **Consumer-Centric Governance & Operations**

ensuring fairness through rankings and *Best Cosmetics Awards*.

Has established a unique and unrivaled position in the industry

3. Industry Changes Driven by AI

- AI is just one option; **the fundamental connection between consumers and brands remains unchanged**.

	Areas	Changes Driven by AI on the surface	Essential Consumer Needs
Consumers	✓ Choosing Products ✓ How Consumers Discover Products	✓ Information discovery is becoming more efficient through AI-powered conversations and online searches	✓ The next step beyond AI is crucial. ✓ Reviews and experiential value remain valuable.
Cosmetics manufacturers	✓ Providing Brands ✓ R&D	✓ R&D accelerating, leading to a proliferation of diverse brands and products.	✓ Increase in the number of brands does not solve consumers' issues. ✓ Essential to design *the right encounter.*
	✓ Marketing	✓ Advances in user understanding and data analysis are strengthening automated recommendations	✓ Understanding a product doesn't necessarily mean liking it. ✓ Crucial to design ***the process of falling in love*** that fosters attachment.

What matters is not merely awareness or recommendations,

but **how to create *the process of falling in love with a brand (experience design)***

for users, and whether experiences that combine reviews with AI can be provided.

4. Key Factors for Future Market Competitiveness

- As consumer shifts accelerate, **services that go beyond mere extensions of existing business structures are essential**.

Close Integration of Online and Offline (Experience Design)

Establishing and possessing physical stores and a distribution infrastructure that generate high-quality in-person shopping experiences, going beyond standard web/EC services.

Designing "the process for consumers to fall in love with a brand"

Designing the "process of falling in love with a brand" by leveraging overwhelming online and offline consumer touchpoints, going beyond simple search and recommendations in the AI era.

Cross-Border Platform

Going beyond boundaries of a single market, possessing a foundation capable of maximizing global market value by connecting brands, consumers, and distribution channels from around the world in a multifaceted manner.

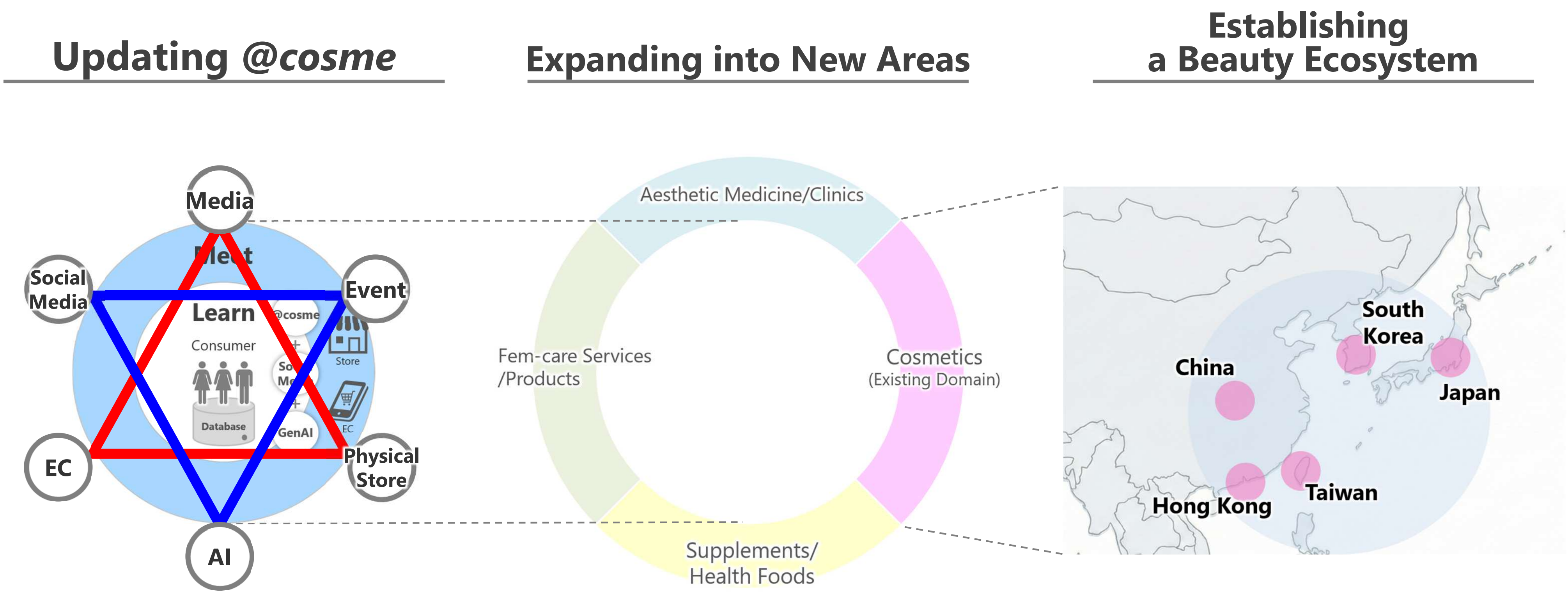
Integration of Online and Offline × **Experience Design to Fall in Love with Brands** × **Global Expansion**

Combining these three will be the key to future market competitiveness

5. istyle's Growth Strategy and Outlook (1)

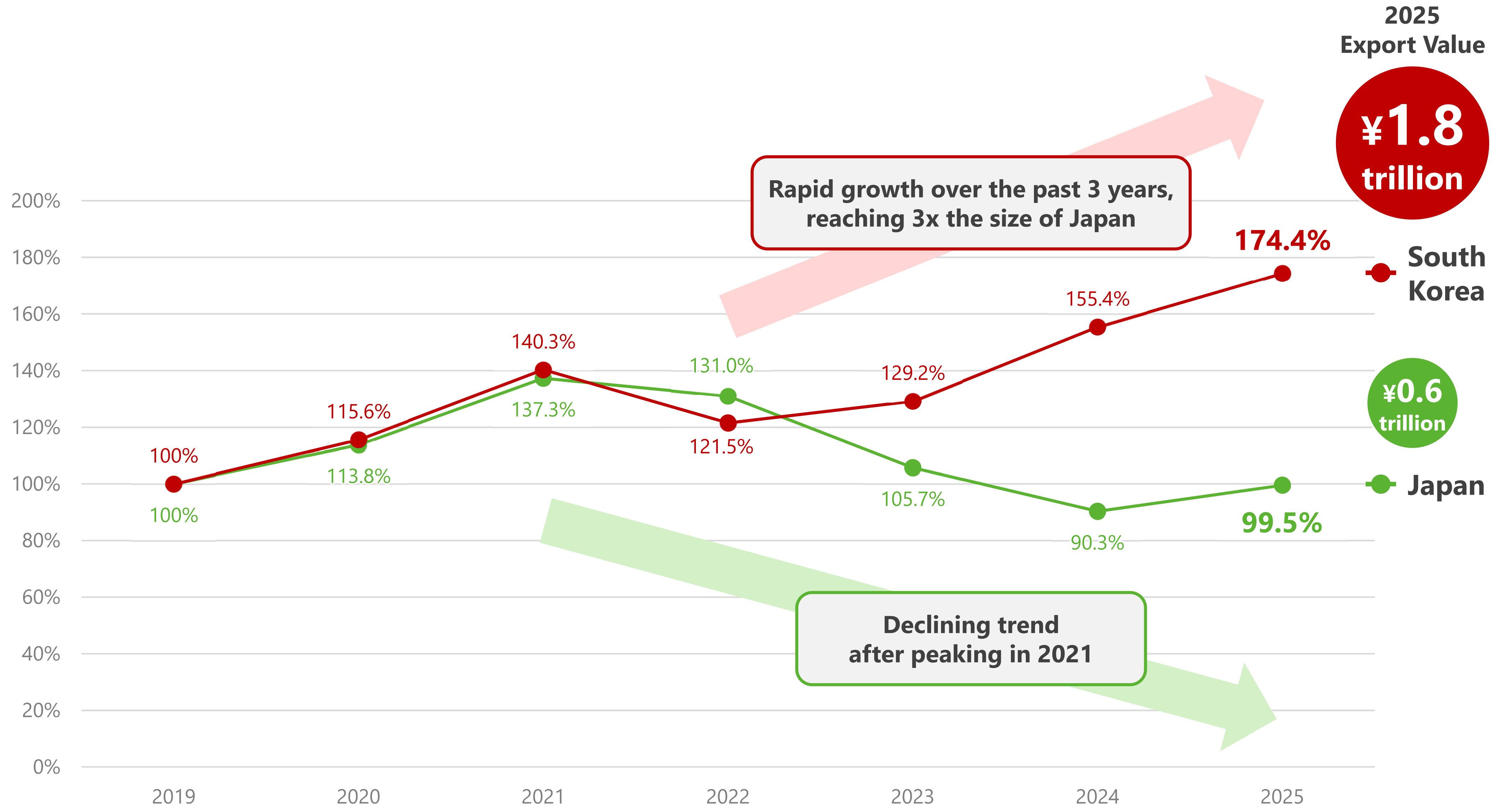
- Three strategies to realize the aforementioned "**Integration of Online and Offline** × **Experience Design to Fall in Love with Brands** × **Global Expansion**" and achieve dramatic growth.

Three Growth Strategies for istyle's Future



(Reference) Changes in Cosmetics Export Value Growth Rates: Japan vs. South Korea

- South Korea's cosmetics exports grew rapidly, ranking 2nd globally after France.



Source: Japan: Trade Statistics of Ministry of Finance Japan / South Korea: Ministry of Food and Drug Safety (MFDS)

* 2025 South Korea export value converted at TTM as of end of July 2026 (1 USD = ¥161)

(Reference) A Nationwide Effort to Revitalize J-Beauty

- Government, public sector, and private sector join forces to launch a full-scale initiative aimed at strengthening the international competitiveness of Japan’s beauty industry.

December 2025
METI: **Launches *Committee on Strengthening the Competitiveness of the Cosmetic Industry***
(Our Senior Executive Officer and CSO, Hamada, is a member)

March 2026
Cabinet Office: **Launches *New Cool Japan Strategy Working Group***
(Aiming to expand the overseas reach of Cool Japan-related industries, such as cosmetics, to a scale of ¥50 trillion)
(Our Senior Executive Officer and CSO, Hamada, is a member)

May 2026
Ruling Party *J-Beauty Industry Study Group:*
Submits policy proposals to the government aimed at establishing a national strategy
(Accelerating overseas expansion; reviewing domestic regulations)

June 2026
METI: **Announces a target of 2 trillion JPY in overseas sales by 2033**
(approximately 4x the current level)

July 2026
MHLW, MIC, METI, etc.: **Announce directions for deregulation,**
and collaboration among relevant ministries in full swing

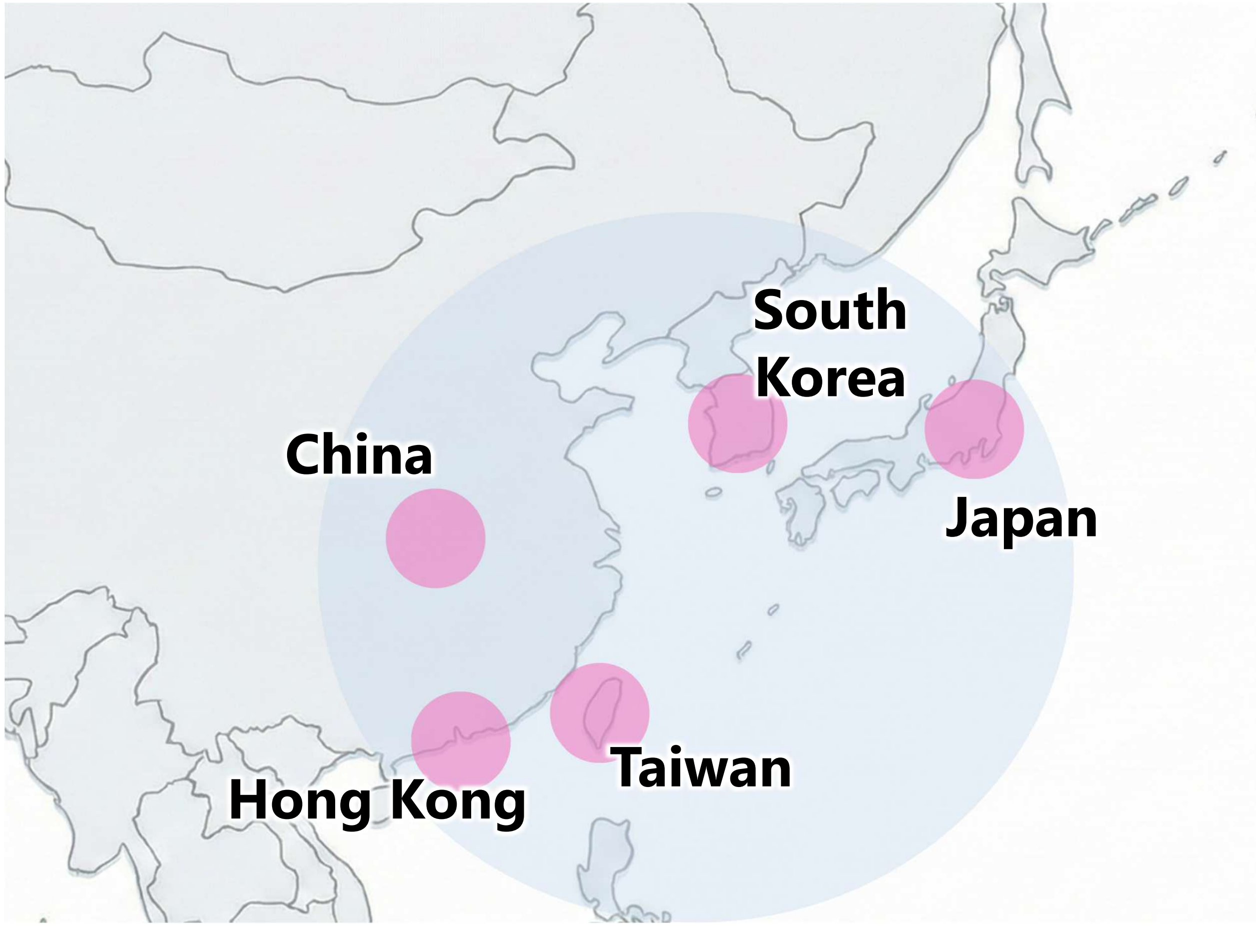
Within 2026 (planned)
Public-private partnership: **Establishing *J-Beauty Industry Consortium,***
an all-Japan promotional body

FY 2027 (planned)
MHLW, etc.: **Review of the Pharmaceutical and Medical Devices Act, Fair Advertising Standards,**
etc. (including the application of mitigated restrictions on advertising content)

5. istyle's Growth Strategy and Outlook (2): Global Expansion

- One consumer shift is cross-border information sharing. **K-beauty's global growth indicates Japan's potential**.
- First step in global expansion: **establishing a platform connecting regional cosmetics brands with consumers**.

Creating a "New East Asian Beauty Ecosystem"

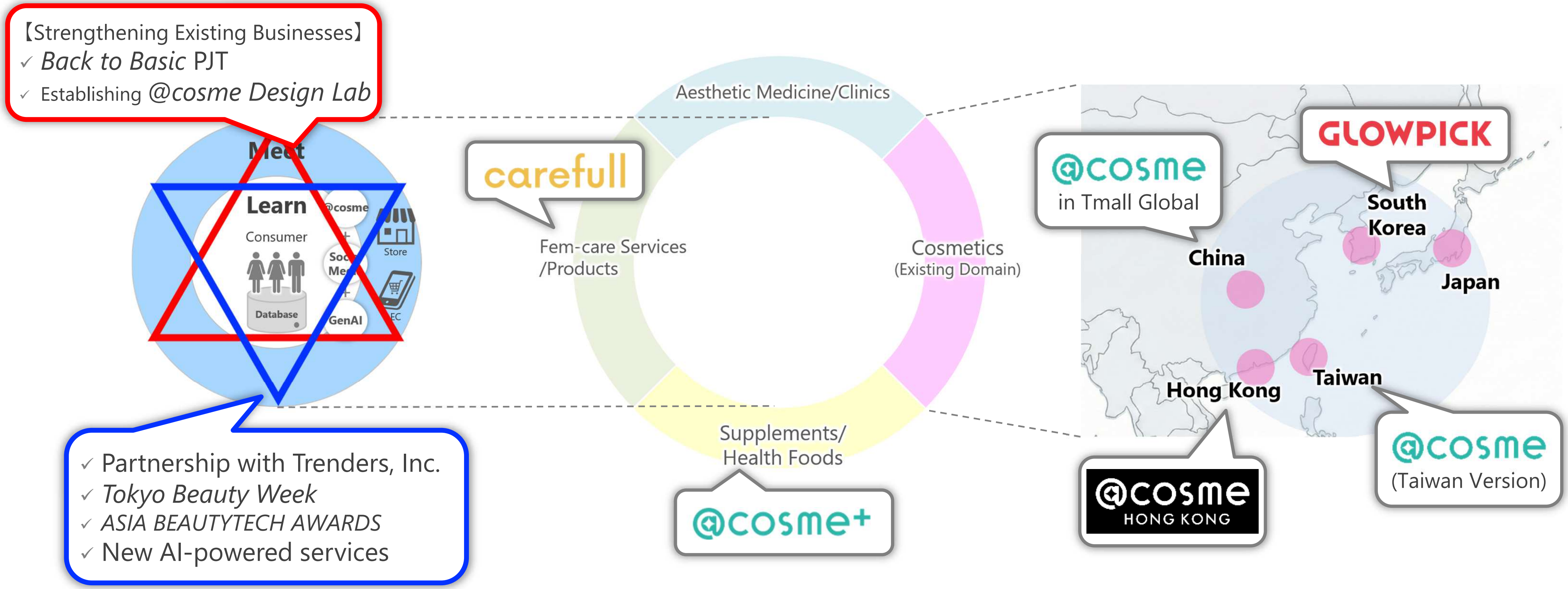


5. istyle's Growth Strategy and Outlook (3)

- Initiatives aligned with our growth strategy are already underway. We will continue moving forward to achieve our vision, keeping capital policy and M&A as options.

Three Growth Strategies for istyle's Future

Updating @cosme | **Expanding into New Areas** | **Establishing a Beauty Ecosystem**



Capital Policy, Including Enhanced Shareholder Returns

Overview of Capital Policy, Including Enhanced Shareholder Returns

- With strong business performance and improved cash generation, we are advancing capital policies such as eliminating dilution risk and enhancing shareholder returns.

1. **Acquisition of 24th Warrants (Potential Shares) from Amazon.com, Inc.**

Continuing & Strengthening Business/Capital Alliance
Eliminating Potential Future Share Dilution

2. **Decision to repurchase treasury stock**
(upper limit: ¥2.8 billion / ~7.5% of issued shares)

3. **Strengthening stable shareholder returns**
(dividend increase / FY27 dividend forecast)

Establishing a foundation for implementing flexible capital policies, including enhanced shareholder returns.

1. Acquisition of the 24th Warrants (Potential Shares) (1): **Overview**

- Executing this transaction to **eliminate share dilution**, considering original use of funds, current financial base, and future growth potential.

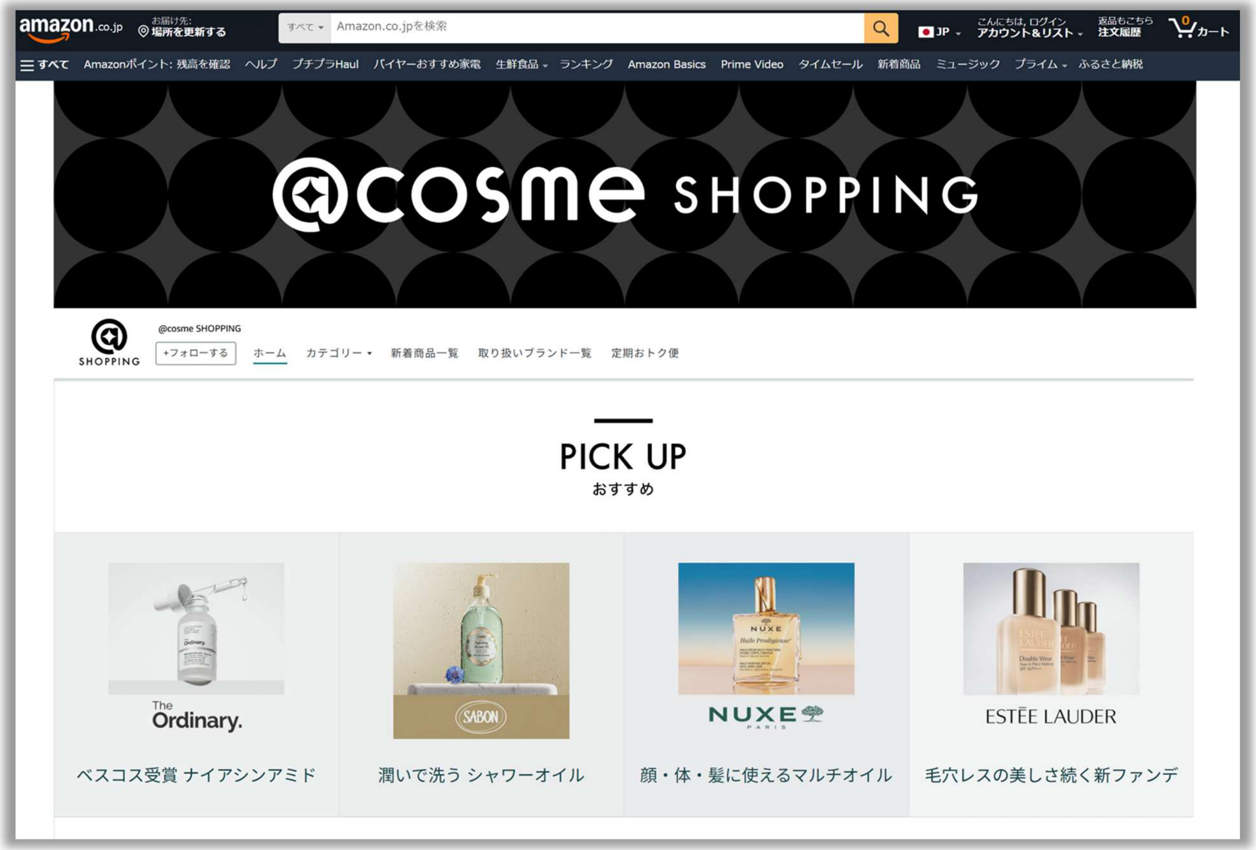
Item	Details	Reference
Warrants to Be Acquired	**24th Series Warrants**	Issue Date: September 6, 2022 (Announced on August 15, 2022)
Transferor	**Amazon.com, Inc.**	Shareholder of the Company: Holds approx. 9.7%*1*2
Total Number of Warrants	**436,047**	
Number of shares equivalent	**43,604,700 shares**	**Potential dilution rate: Approx. 42.5%** *2
Acquisition price	**¥3.15 billion**	
Acquisition price per share	**Approx. ¥72.2**	Exercise price per share: **¥262**
Acquisition date	**August 13, 2026**	
Action Following Acquisition	**Cancellation (scheduled for Q1, FY27)**	**Eliminating potential share dilution**

*1 Calculated based on the Large Shareholding Report disclosed on May 13, 2025
*2 Calculated based on the total number of shares issued as of June 30, 2026

1. Acquisition of the 24th Warrants (Potential Shares) (2): **Continuing & Strengthening Business/Capital Alliance**

- Our *@cosme SHOPPING* store on Amazon.co.jp, part of the business alliance, **will continue to be maintained and strengthened.**
- **Commercial agreements are also planned to be renewed, backed by strong performance and growth potential.**

Top Page of Our Store on Amazon.co.jp



List of Brands Carried

ESTĒE LAUDER	CLINIQUE	The Ordinary.	LAB SERIES
TAKAMI	SABON	Dr.Jart+	Calvin Klein
NUXE PARIS	ANNA SUI	MARY QUANT	ROGER & GALLET RUE SAINT-HONORÉ · PARIS
RENÉ FURTERER PARIS	PARFUMS DE LA BASTIDE	BOSS	**Expanding domestic & international brands**

Agreed that Business/Capital Alliance be continued & strengthened

1. Acquisition of the 24th Warrants (Potential Shares) (3): **Anticipated Questions**

Anticipated Questions	Answers
What was the background to this transaction?	✓ Regarding the initial intended use of funds—such as system investments—external financing is **no longer necessary due to operating cash flow generated by growth that exceeded expectations.** ✓ This transaction is carried out with the aim of **reducing market uncertainty and addressing share dilution.**
What will happen to the business alliance* going forward? * Including *@cosme SHOPPING* store on Amazon.co.jp, etc.	✓ **We will maintain and expand this alliance under a strong partnership.** ✓ **The store's performance has been exceptionally strong,** and we plan to continue **expanding our lineup of domestic and international brands.** ✓ **We plan to renew the commercial agreement with the aim of strengthening the business alliance.**
How will the acquired Warrants be handled?	✓ **We plan to cancel them within Q1 of FY ending June 2027 (new fiscal year).** ✓ **We do not anticipate any future dilution resulting from these Warrants.**
What is the financial impact of this transaction?	✓ **We expect to record an extraordinary loss of ¥3.04 billion** in connection with the cancellation, **which has already been factored into our earnings forecast.** ✓ We also have ample net cash**, enabling us to make sufficient growth investments while maintaining financial soundness.**
Is the acquisition price reasonable?	✓ **It is a fair and reasonable price calculated by a specialized third-party organization.**

2・3. **Share Buybacks** and **Dividend Increase**

- Enhancing flexible capital policies and strengthening stable shareholder returns (income gains).

2. Overview of Share Buybacks

Item	Details	Reference
Total Purchase Price of Shares (upper Limit)	**¥2.8 billion**	
Total number of shares that may be acquired (upper limit)	**7,500,000 shares**	Total number of shares outstanding: 102,661,967 shares (**~7.5%**) Number of treasury shares: 2,632,770 shares (As of June 30, 2026)
Acquisition Period	**August 14, 2026 - June 30, 2027**	
Acquisition Method	**Market purchases on TSE**	Discretionary trading agreement

3. FY27 Dividend Forecast (Dividend Increase)

Item	FY26 (Previous FY)	FY27 forecast (Current FY)
Dividend per Share (Annual)	¥1.00	**¥2.00**
Dividend Payout Ratio	3.3%	**5.9%** *1

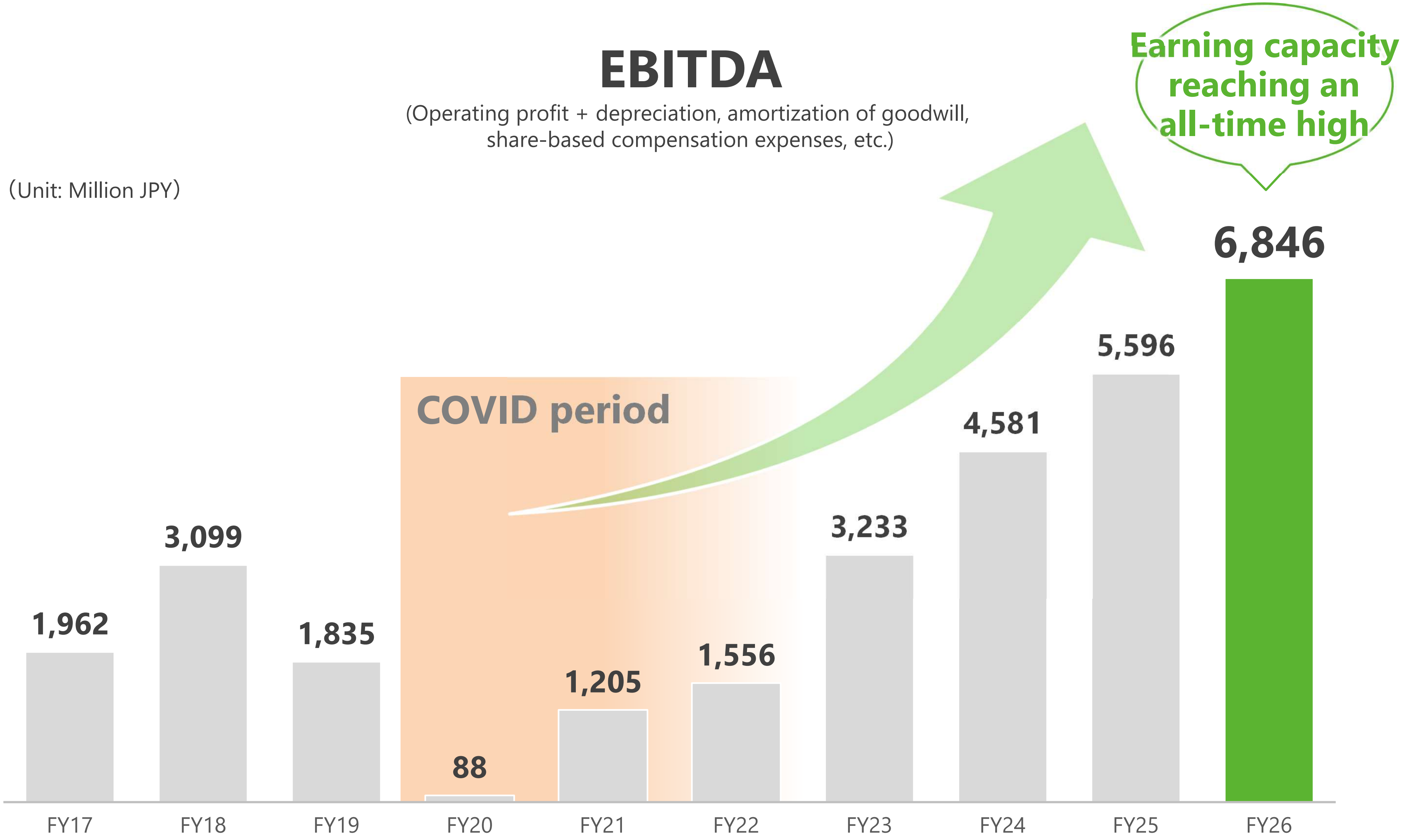
*1 Calculated based on net income of ¥3.4 billion before reflecting the extraordinary loss resulting from the cancellation of the 24th series Warrants.

*2 To strengthen the financial resources for our capital policy, we have also increased the parent company's retained earnings through dividends from consolidated subsidiaries. For details, please refer to the timely disclosure announced on August 13, 2026.

Trends in EBITDA (Yearly)

Reposted

- Aiming to **increase corporate value through growth investment and capital policy**, backed by strong cash generation.



Business Plans for FY2027

Business Plans for FY2027 / Overview

- **Maintains growth trajectory toward medium-term business targets.**
- **Net income temporarily decreases due to an extraordinary loss from the acquisition and cancellation of warrants.**

(Unit: Million JPY)

	FY27 plan (A)	FY26 result (B)	YoY (A/B)
Net Sales	90,000	81,807	+10.0%
Operating Profit	5,000	4,085	+22.4%
Ordinary Profit	5,100	4,244	+20.2%
Net income attributable to owners of the parent company	1,400	3,011	-53.5%
(Ref.) Before extraordinary loss	3,400*	3,011	+12.9%
Dividend per share	¥2	¥1	+100.0%

* Figures before reflecting the extraordinary loss of 3,036 million yen from the cancellation of the 24th Warrants and the tax reduction resulting from this loss.

Business Plans for FY2027 / By segment

(Unit: Million JPY)

		FY27 plan (A)	FY26 result (B)	YoY (A/B)
Consolidated	Net Sales	**90,000**	81,807	**+10.0%**
	OP	**5,000**	4,085	**+22.4%**
Marketing Solution	Net Sales	**13,500**	12,083	**+11.7%**
	OP	**3,700**	3,516	**+5.2%**
Retail	Net Sales	**66,700**	61,695	**+8.1%**
	OP	**4,100**	3,599	**+13.9%**
Global	Net Sales	**8,000**	5,757	**+39.0%**
	OP	**100**	-356	**+456**
Other	Net Sales	**1,800**	2,272	**-20.8%**
	OP	**100**	191	**-47.5%**
Company-wide cost & others	OP	**-3,000**	-2,864	**-136**

Business Plans for FY2027 / Assumptions for the Plan

- To increase the likelihood of achieving medium-term business targets, focus on growing top-line revenue and strengthening organizational structure.

Marketing Solution

✓ **Expand the number of brands** we do business with our existing advertising and solutions services.
✓ Profit growth limited due to **increased investment in AI and DX talent and rising security costs.**

Retail

Store

✓ **Open two new stores and renovate three existing stores.**

EC

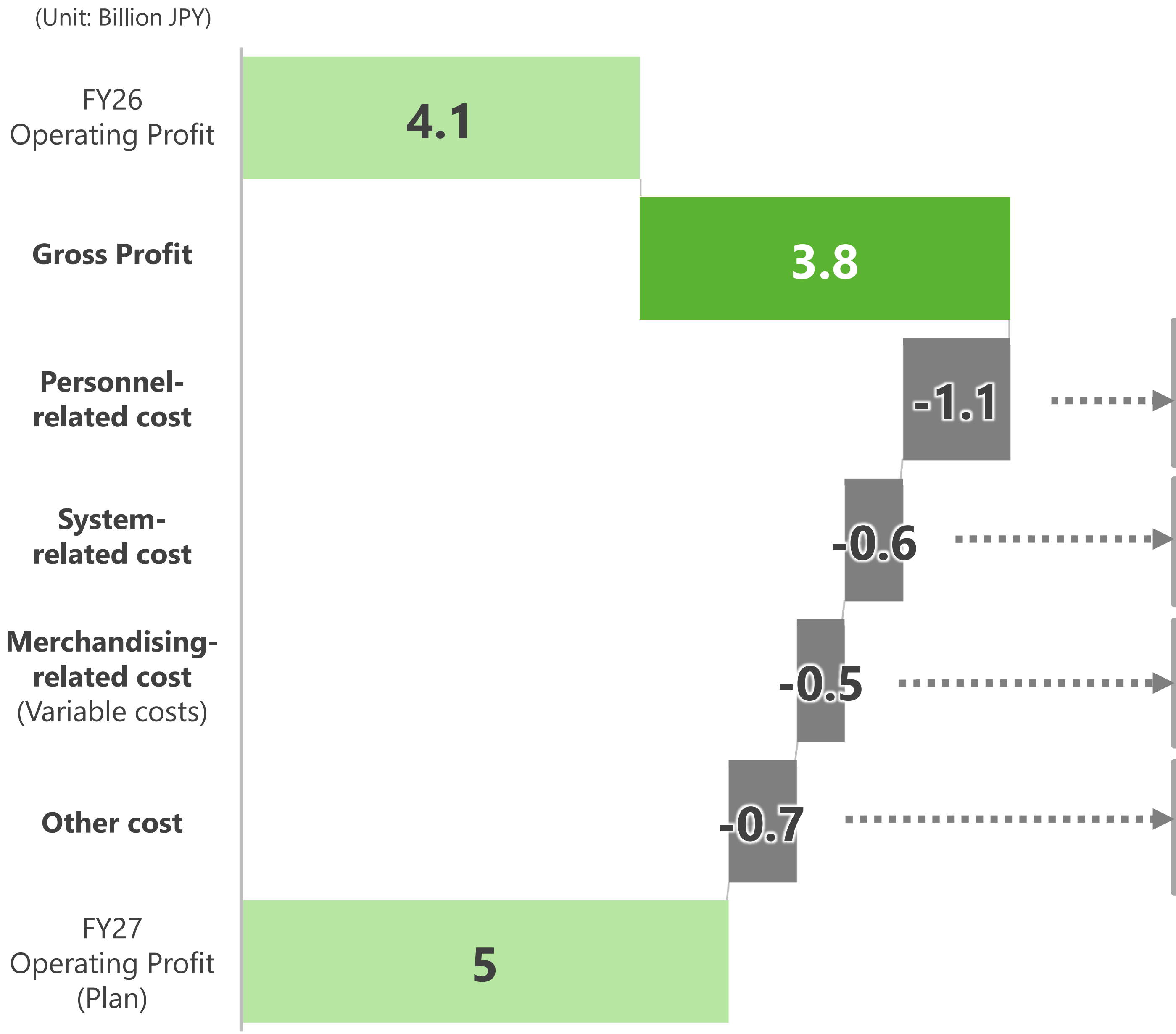
✓ **Acquire new customers through collaboration with media, stores, and events such as *@cosme BEAUTY DAY*.**

Global

✓ **Expect *@cosme HONG KONG* to make significant contribution to profits from H2.**
Aim to return profits as launch expenses (¥250 million) from the previous FY are already recorded.

Factors affecting Operating profit

- **Focus on investing in people and systems** eyeing future growth.



Main cost fluctuations

- ✓ **Marketing Solution business' organizational structure enhancement (engineers, AI and DX talent, etc.).**
- ✓ Open new stores in Japan and full-year recognition of revenue from Hong Kong flagship store.

- ✓ **Increased system infrastructure upgrades and security costs in Marketing Solution.**
- ✓ **Core EC system upgrades**

- ✓ Increase in variable costs due to increased sales in Retail and Global businesses (ratio to Net Sales to decrease from FY26).

- ✓ **Increase in advertising and promotional expenses and logistics management costs for EC.**
- ✓ Expense growth across all segments driven by business expansion.

Stores: Plans for New Store Openings and Renovations

- **In addition to opening new stores, renovate existing stores (expand floor space or convert into flagship stores) in high-potential commercial areas to strengthen revenue base and expand store network.**

Store Opening Roadmap

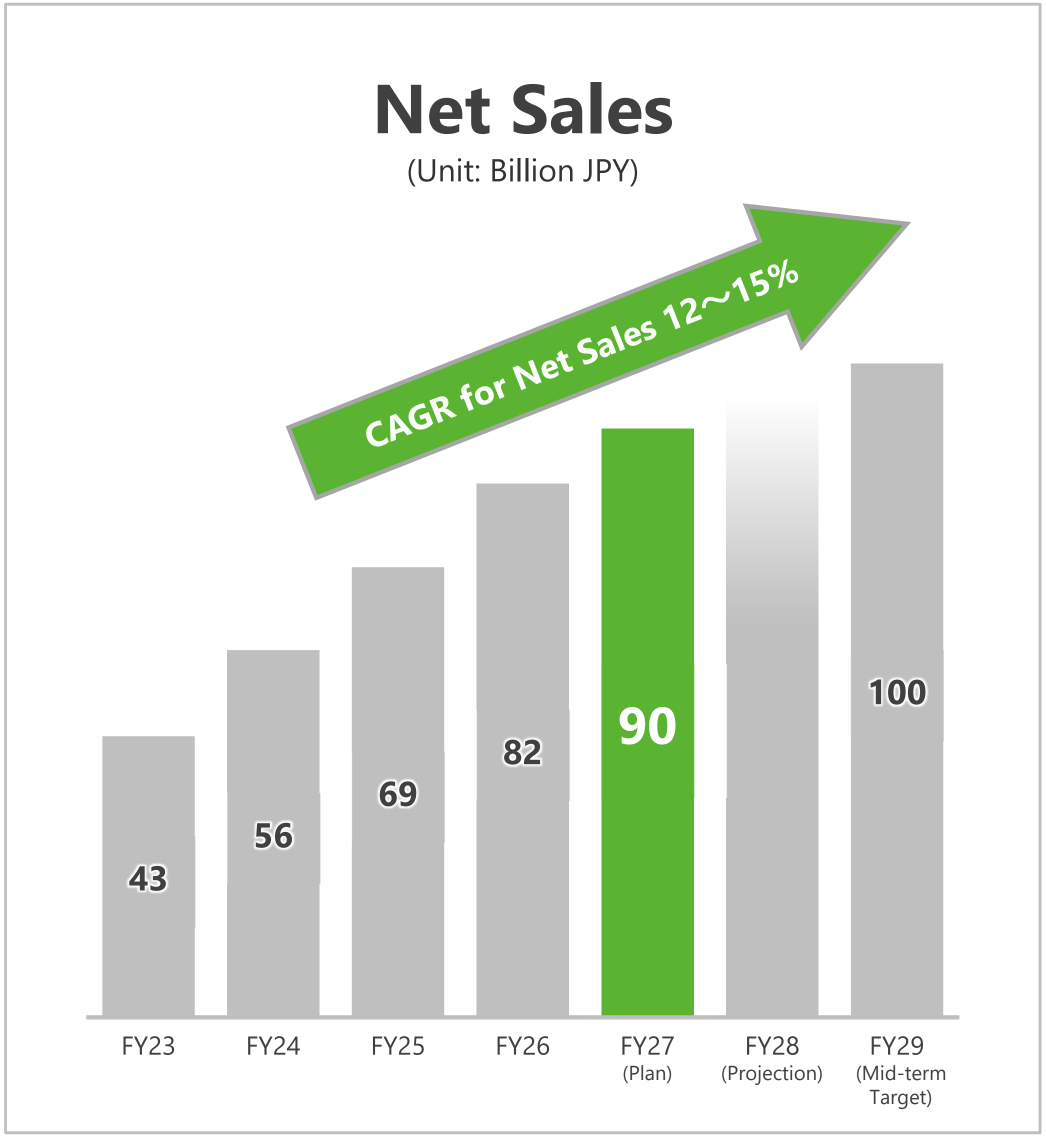
(Based on current confirmed plans / Also other ongoing projects)

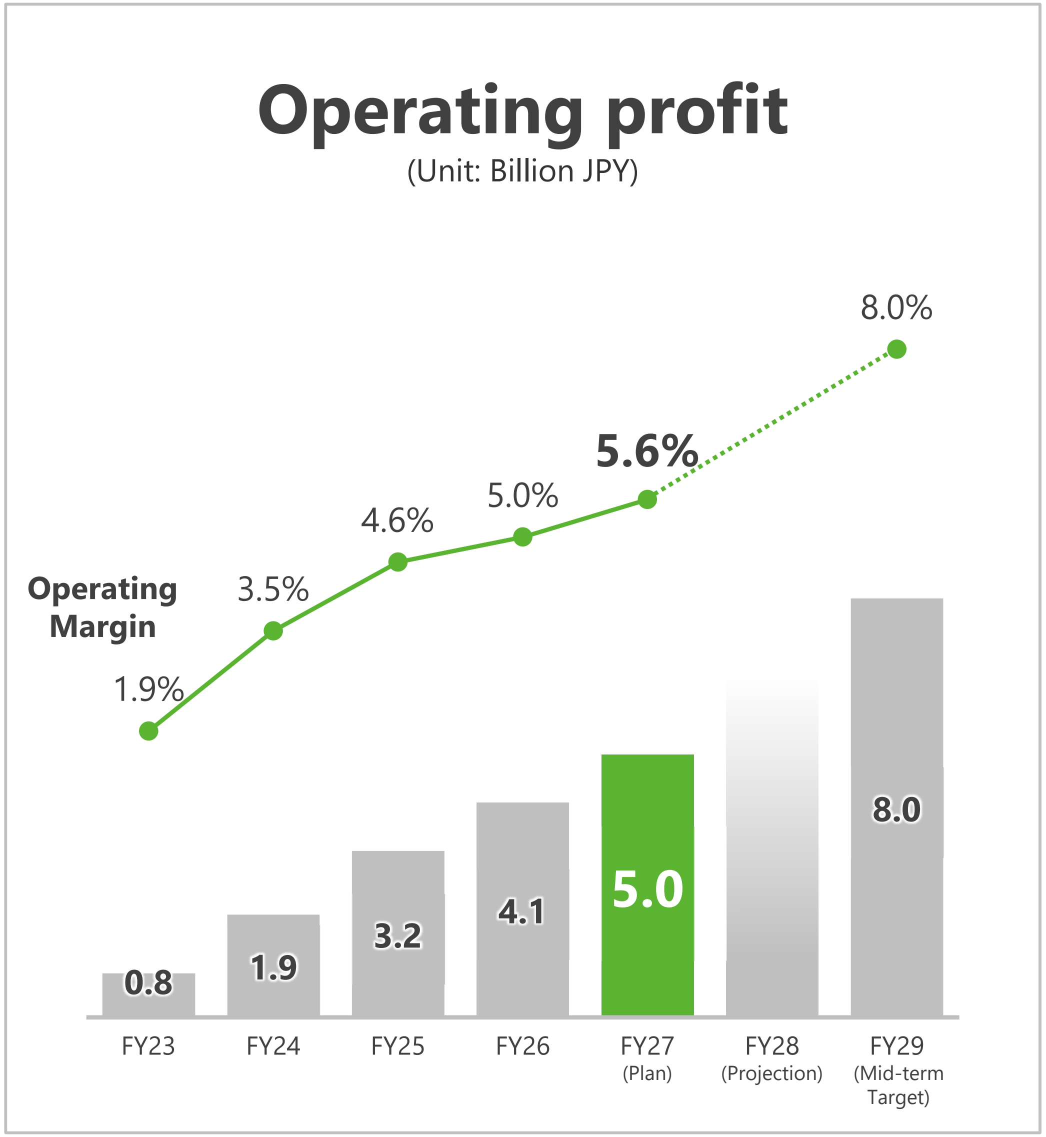
FY27 (This FY)	FY28	FY29
2026.10 **Kyoto** — New Store	2027.xx Store B — New Store	2028.xx Store F — Expansion
2027.06 **Tenjin** — New Store	2027.xx Store C — Expansion	Also other ongoing projects
2026.09 **Yurakucho** — Expansion	2027.xx Store D — Expansion	
2026.11 **Hakodate** — Expansion	2028.xx Store E — Expansion	
2027.xx Store A — Expansion		

* Information to be released in coordination with the commercial facilities where we open stores.

Consolidated Performance Trends

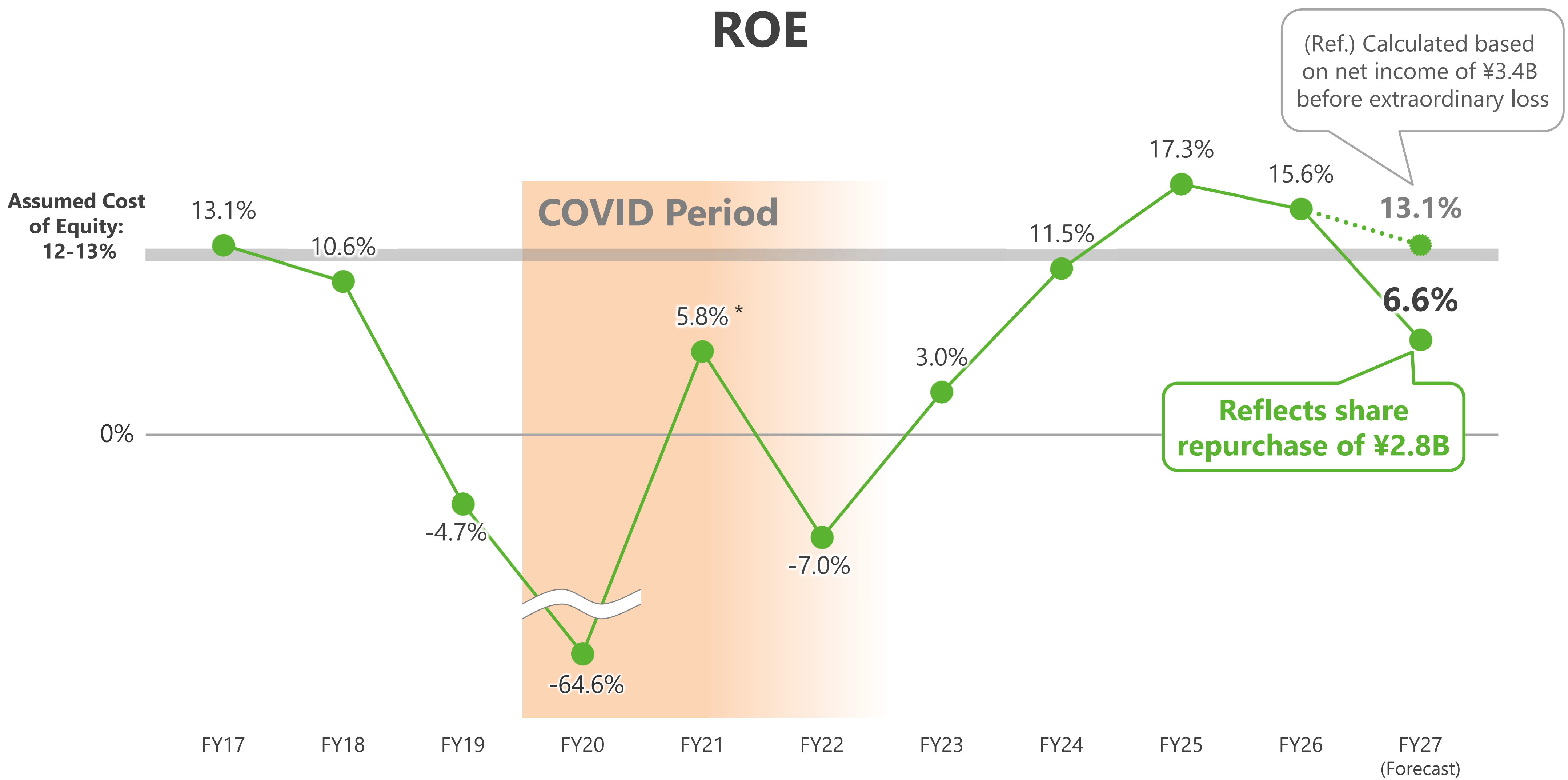
- Progress on track toward our mid-term business goals.





ROE / FY27 Forecast

- FY27 ROE temporarily decreases due to expected extraordinary loss.



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

Anticipated Questions and Answers

Anticipated Questions	Answers
Consolidated: FY27 Plan **To what extent are the decline in inbound demand and geopolitical risks factored in?**	✓ The trend of slowing inbound demand is reflected in the Retail business (Stores) based on actual results from H2 of the previous FY. ✓ As the **Marketing Solution business continues to perform well** at present, **we have not factored in any particular sales decline or risk impact from the situation in the Middle East**. The same applies to other segments.
Retail Business (EC) **What is the timeline and impact of the shipping delays caused by the relocation of the EC warehouse?**	✓ This issue, which occurred in March 2026, **was resolved when warehouse operations returned to normal on May 18 of the same year.** ✓ Compensation received from the third-party logistics provider responsible for warehouse management was reflected in FY26's financial results. ✓ **No negative impact on FY27 (new fiscal year) financial results.**
Global Business **What is the progress and future outlook for the Hong Kong flagship store, *@cosme HONG KONG*?**	✓ **In-store and warehouse operations (inventory replenishment, display, etc.), which were issues, have mostly improved**. ✓ Began reviewing previously withheld promotions and **shifted to the customer attraction phase**. ✓ Expect to **turn profitable from the second half of FY27**.

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	8,990 Million JPY
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	1,395 (consolidated)

* Figures are as of Jun. 2026

Main subsidiaries and affiliates

Domestic	
istyle retail	**istyle retail Inc.** Operation of Cosmetics specialty store "*@cosme STORE*" and Cosmetics specialty E-commerce "*@cosme SHOPPING*"
istyle trading	**istyle trading Inc.** Wholesale, retail, and import/export of beauty products, and proxy services for the same
istyle career	**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	**istyle me Inc.** Influencer marketing business and web advertising agency business
is partners	**IS Partners Inc.** Creation, management, and editing of digital content specializing in the subject of beauty
ISTYLE DATA CONSULTING	**istyle DATA CONSULTING, Inc.** Provision of data-driven solutions Founded jointly with CX consulting firm NODE Inc.
MEDIA GLOBE	**MEDIA GLOBE CO., LTD.** PR and other communication about cosmetics to women's magazines, beauty magazines, and women's websites
Over The Border Inc.	**Over The Border Inc.** Operation of cross-border MCN
Trenders	**Trenders, Inc.** Marketing business, Investment business

Overseas	
istyle China 可思美貿易(上海)有限公司	**istyle China Co.,Limited.** Import/export, sale, and marketing support for cosmetics manufacturers
istyle Global singapore	**istyle Global (Singapore) Pte. Limited** Alliances and business investments in southeast Asian countries
istyle Global Hong Kong	**istyle Global (Hong Kong) Co., Limited.** Alliances, services, and business investments in Asian countries
istyle Retail Hong Kong	**istyle Retail (Hong Kong) Co., Limited** Shop planning, development, and operation; promotional support for the retail and logistics sectors
i-TRUE	**i-TRUE Communications Inc.** Operation of Taiwanese version of "*@cosme*"
GLOWDAYZ	**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 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

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

50 Technology Fast 50 2017 Japan WINNER Deloitte.
2014-2017 Japan Technology Fast50

2018 Philip Kotler Award Japan

PORTER PRIZE
2014 Michael Porter Prize Japan

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

GOOD DESIGN AWARD
2014 Japan Good Design Award
(Business Model Category)

SHOP OF THE YEAR 2020 コスメ・香水 ジャンル賞 Rakuten
SHOP OF THE YEAR 2021 コスメ・香水 ジャンル賞 Rakuten
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: 15 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

53,000 SKUs.

No.1 in Physical Store

Domestic physical stores: 36

* Figures are as of Jun. 2026

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

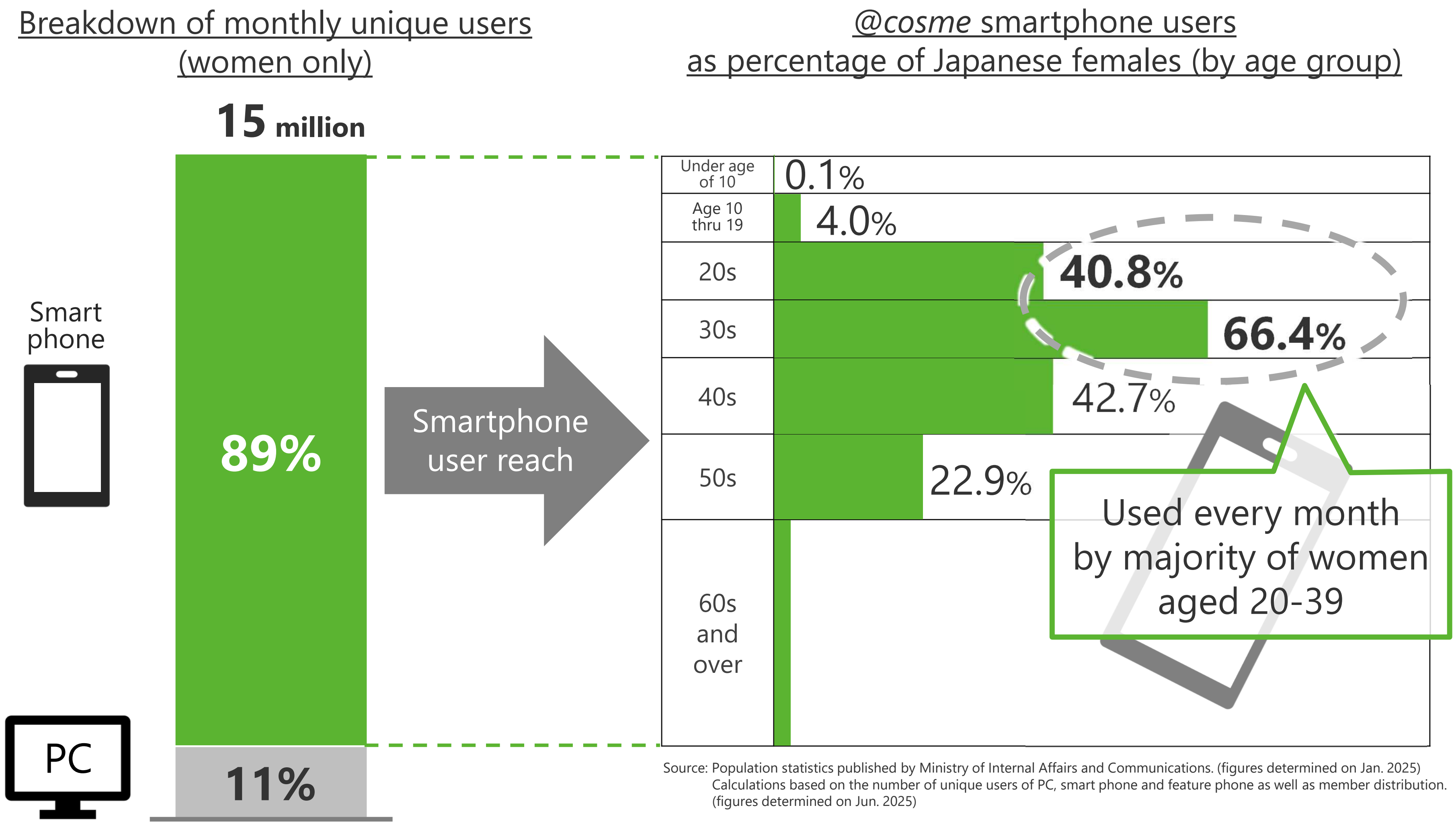
- @*cosme* is one of the Japan's largest comprehensive beauty site supported not only by users, but many other stakeholders (e.g. brands) as well.

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**
15 million	**11.6 million**	**47 thousand**	**440 thousand**	**24 million**

* Figures are as of Jun. 2026

@cosme / Overwhelming usage ratio by female members

- Roughly 15 million monthly unique users use *@cosme* portal site. (As of Jun. 2026)
- Massive reach among Japanese female members in their 20s and 30s.

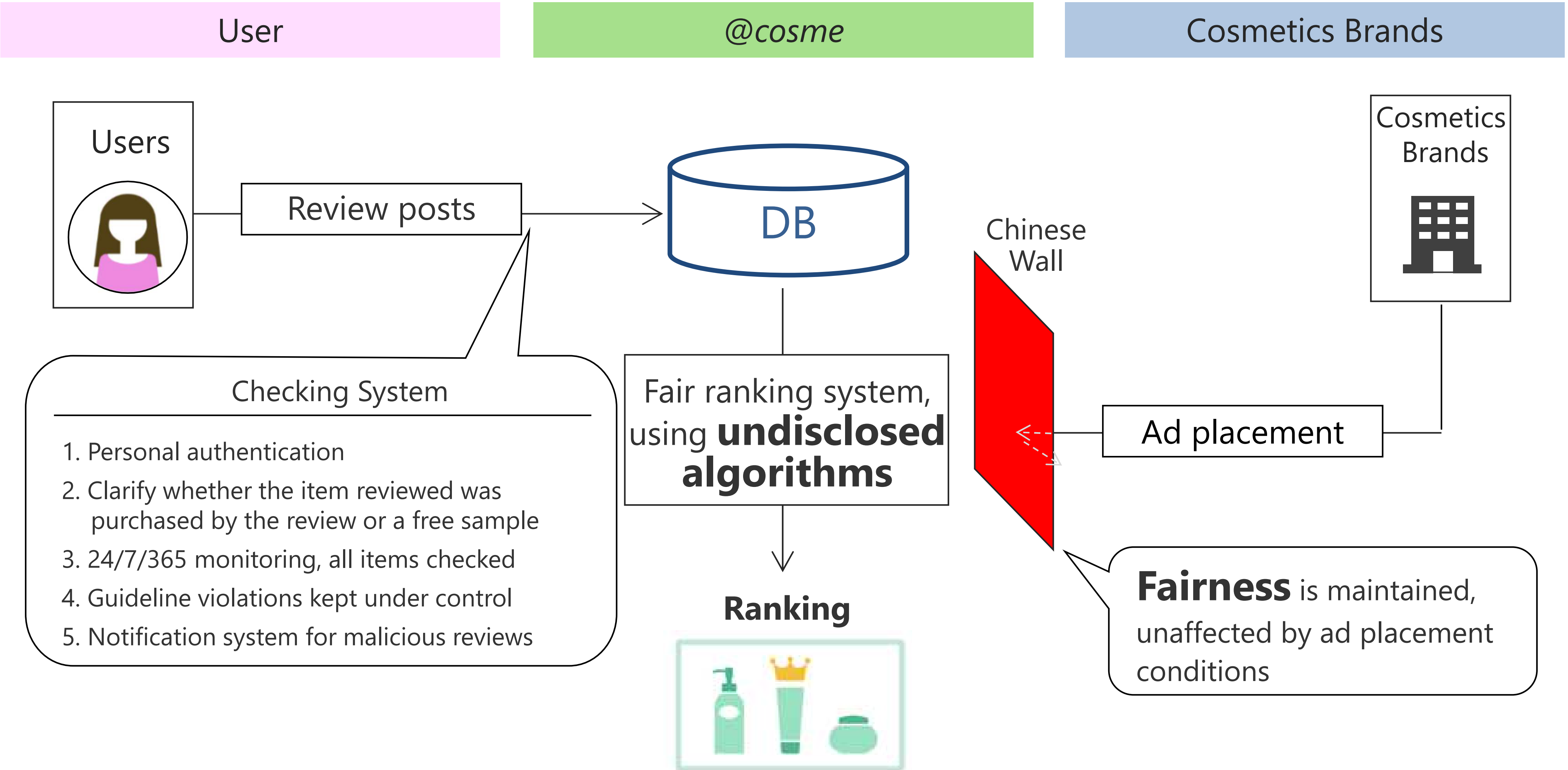


Source: Population statistics published by Ministry of Internal Affairs and Communications. (figures determined on Jan. 2025)
Calculations based on the number of unique users of PC, smart phone and feature phone as well as member distribution. (figures determined on Jun. 2025)

* 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

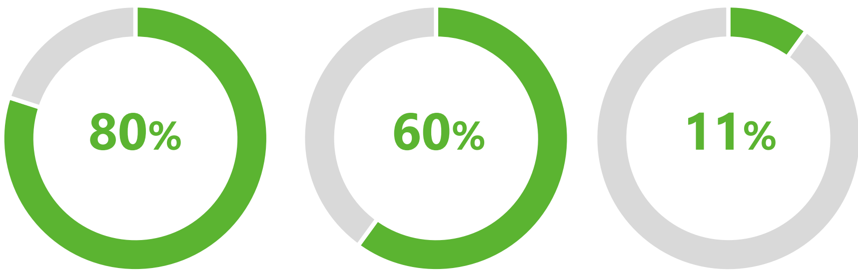
(Show consideration for the environment by promoting recycling and reducing packaging materials.)

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. 2026 (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					
				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	Independence	Female
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."

<table>
<tr><th>№</th><th>Purpose</th><th>Topic</th><th>Issues (Focus Points)</th><th colspan="2">Countermeasures</th><th>Indicators</th></tr>
<tr><td>1</td><td rowspan="4">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</td><td>Foster a culture of growth and challenge</td><td rowspan="2">・Present clearer role models

・Reform management-level work styles
(with a desirable and achievable work-life balance)</td><td>・Facilitate challenge within the Hands-Up system

・Foster forums to celebrate challenges</td><td rowspan="4">・Hands-Up
(a system that enables growth at any age)

・7iAward (internal award system)

・Interaction with external personnel

・Joint workshops</td><td>・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</td></tr>
<tr><td>2</td><td>Support work styles in accordance with stages of life that encourage job satisfaction</td><td>・Diversify work styles

・Health management</td><td>・Ratio of those who think that people around them have a good understanding of work-life balance, such as taking leave</td></tr>
<tr><td>3</td><td>Co-create within different fields and industries</td><td>・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</td><td>・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)</td><td>・Ratio of people who think that our strength lies in the horizontal collaboration among multiple departments</td></tr>
<tr><td>4</td><td>Foster leaders who will lead the future with new values</td><td>・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</td><td>・Reform our management model
(from managers to coaches)

・Introduce a training program to raise awareness

・Select young project leaders</td><td>・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.</td></tr>
</table>

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%**

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.

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

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
Risks	Transition Risks	Laws	- (No specific risks related laws are expected due to the nature of the business)
Risks	Transition Risks	Technologies	Increased costs due to increased demand for renewable energy
Risks	Transition Risks	Markets	**Changes in procurement terms and conditions due to rising raw material costs**
Risks	Transition Risks	Reputation	Loss of sensitive customers due to delays in response (consumers and cosmetics manufacturers)
Risks	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.)**
Risks	Physical Risks	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
Opportunities	Energy Sources		- (No specific opportunities related laws are expected due to the nature of the business)
Opportunities	Products and Services		**Increased sales through services tailored to changing customer preferences (ethical consumption)**
Opportunities	Markets		**Increased demand for e-commerce due to decreased opportunities to go out** **Growing health awareness among consumers**
Opportunities	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 Jun. 2026)

Online retail (E-commerce)

Operate cosmetics E-Commerce sites

@cosme SHOPPING* linked to *@cosme

Products carried :
53,000 products
(As of Jun. 2026)

Retail (Online / Offline)

Store List (Domestic: 36 stores / Overseas: 4 stores) *As of Jun. 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 (26 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	Kinshicho Tel Mina store	Opened in Mar. 1995 Renewal in Apr. 2026	298㎡
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 (3 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 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>

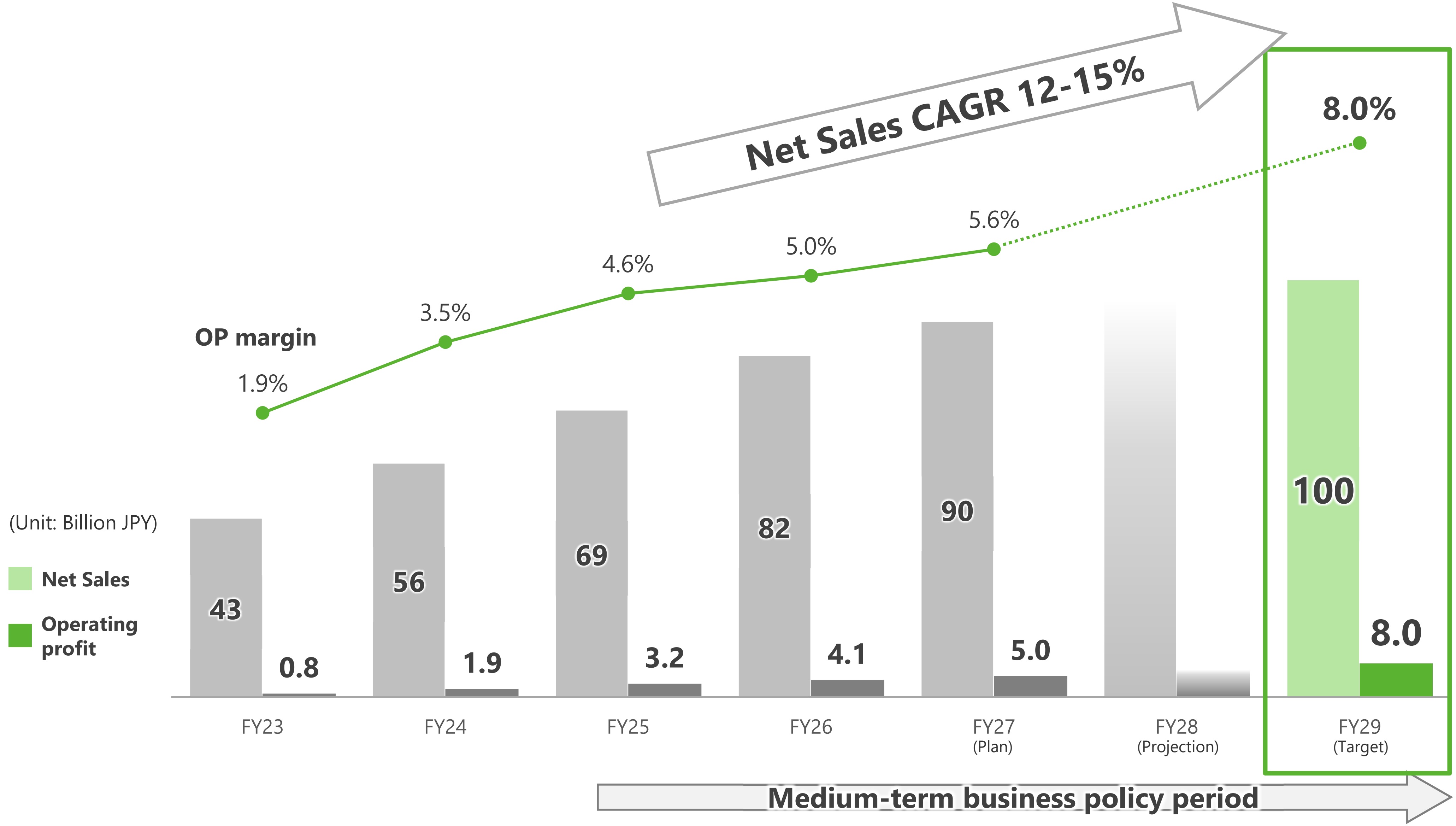
✓ **Launch into other beauty categories beyond cosmetics** (health foods / aesthetic medicine, etc.).

Mid-term Business Targets

<Net Sales>	<Growth>	<Capital Profitability>
100 billion JPY	**CAGR for Net Sales 12-15%**	**ROE exceeding cost of equity**
<Operating Profit>		
8 billion JPY		

Mid-term Business Targets (Financial Targets, Growth)

- **In addition to continuous increase in sales and profit, raise consolidated OP margin**, 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 2026)

CAPM 12-13%

Formula: rf + β * MRP + SRP

rf	:	2.7 %
β	:	1.1
MRP	:	6.0 %
SRP	:	2-3 %

<

<Capital Profitability>

ROE

(FY26: 15.6%)

rf (risk-free rate): 10-year government bond yield as of June 30, 2026
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.

Shareholder Return Policy

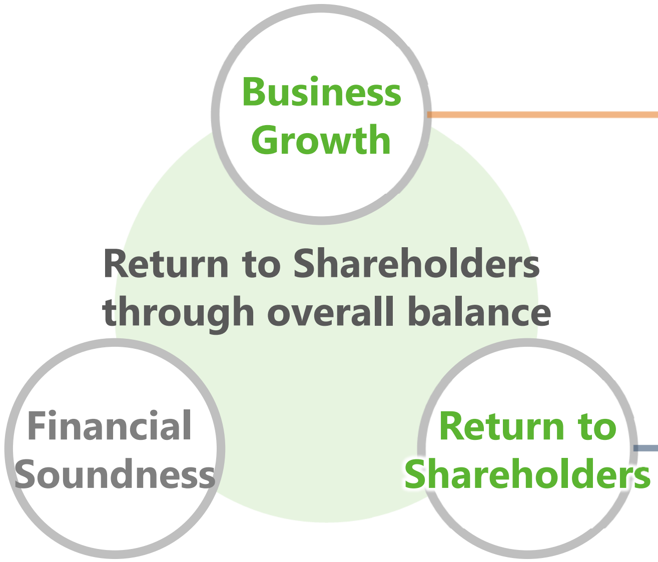
- **Resume dividends at the right time as part of our IR strategy** in light of the recovery of retained earnings.

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