

May 13, 2025

Company name istyle Inc.
Representative Tetsuro Yoshimatsu, Chairperson and CEO
 (Stock Exchange Code: 3660 Prime Market)
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Anticipated Q&A for Q3 FY25 financial results

■ Consolidated Results

1. What is the progress toward the revised earnings forecast disclosed in Q2?

In Q3, domestic businesses such as the Marketing Solution segment and Retail segment continued to drive year-over-year growth in consolidated revenue and profit. As a result, there is potential for full-year results to exceed the upwardly revised forecast announced in Q2. However, due to planned increases in growth investments, including personnel-related and system-related expenses in Q4, a decline in profit compared to Q3 is expected.

2. What is the impact of the exercise of conversion rights for Amazon.com, Inc. (hereafter, "Amazon")'s convertible bonds*1?

As a result of the exercise, Amazon has become our second-largest shareholder with a 10.4%*2 ownership stake. Our largest shareholder remains our Representative Director, Chairman and CEO, Tetsuro Yoshimatsu, who holds 13.7% (including shares held by his asset management company). Going forward, we will continue to position Amazon as a strategic business and capital alliance partner, and work to further strengthen "*@cosme SHOPPING*" on Amazon.co.jp. There will be no changes to our management structure, and we are committed to maintaining full governance independence as a listed company.

*1 For details on the convertible bonds, please refer to the timely disclosure dated August 15, 2022:
https://ssl4.eir-parts.net/doc/3660/ir_material_for_fiscal_ym2/122911/00.pdf

*2 Shareholding ratio based on the total number of shares outstanding as of March 31, 2025, adjusted to reflect this exercise and stock option exercises in April.

■ Marketing Solution Segment

3. What is the current status of the Data-Driven Solutions business?

In April 2025, we officially launched a new business, “Data-Driven Solutions,” to support data-driven decision-making in the beauty industry. At the same time, we established a new company, istyle Data Consulting Inc., in partnership with NODE Inc., a CX consulting firm, which holds a 34% stake in the new company. This launch has led to a growing number of inquiries related to recruitment and consulting projects, reaffirming strong demand and marking a strong start for the new business.

For more details, see the press release issued on April 8:

<https://www.istyle.co.jp/news/press/2025/04/0408.html> (Japanese text only)

■ Retail Segment

4. What are the key points of the @cosme TOKYO renewal?

The sales floor was expanded from 1,300 m² to 1,380 m², and the number of brands carried increased from 650 to 750. A new fragrance zone and mini-size cosmetics corner were also introduced, creating new encounters between users and brands. As a result, both new customer acquisition and average purchase quantity per customer are trending upward. We aim to further boost profitability by improving space efficiency.

5. What was the impact of the temporary closure due to the renewal of @cosme TOKYO?

The store was closed for 21 days from February 12 to March 4, 2025, for renovations.

Based on the store’s average daily sales during Q2, the estimated sales loss during the closure period amounts to approximately 500 million yen.

■ Global Segment

6. When is the flagship store in Hong Kong scheduled to open?

We are preparing for the store opening within 2025, with the specific timing to be announced in a

future release.

Note that in the fiscal year ending June 2025, we began recording pre-opening expenses from Q3 onward, which were not included in the initial plan. As such, we expect the Global Business to become profitable from the next fiscal year.

End