

Presentation Materials for FY2025 & Business Plans for FY2026



Aug. 12, 2025

istyle Inc.

Stock code: 3660

【Reference】 Business segment

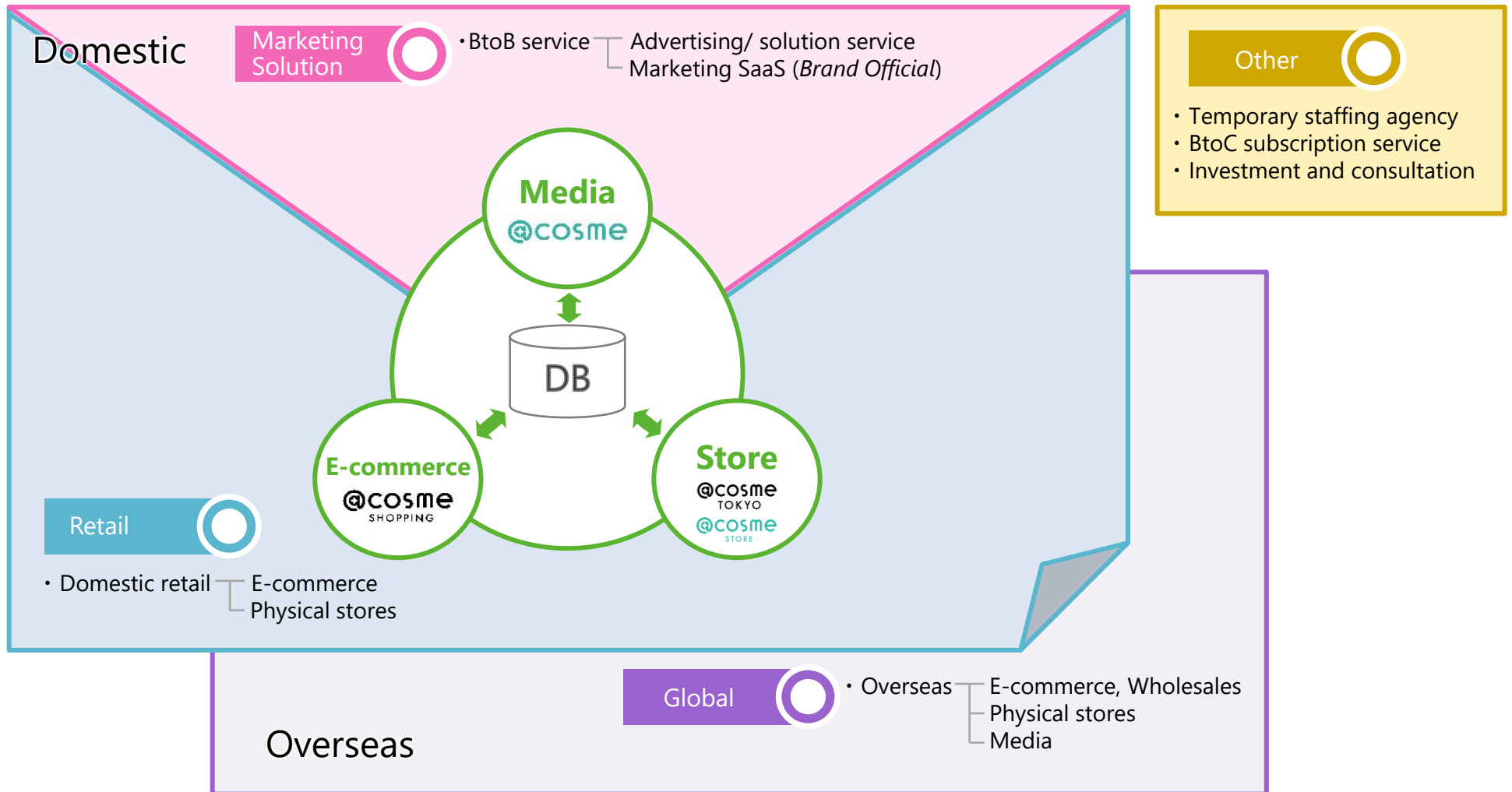


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Overview of Financial Results for FY2025



Full Year Financial Results / Summary

Increased sales and profits driven by domestic businesses such as Marketing Solution and Retail

- Consolidated Net Sales of **68.8 billion yen** (YoY **+23%**)
- Consolidated Operating Income of **3.16 billion yen** (YoY **+63%**)

Marketing Solution

Growth accelerated further through synergies with Retail business, resulting in +16% increase in sales and +75% increase in profit YoY.

In addition to licensing revenue from Retail business, high marginal profit ratio contributed to increased sales and efficient profit growth.

Retail (Online / Offline)

Overall Retail segment sales increased +27% YoY.

Store: **Sales increased +27% due to growth** at existing stores **through the spread of experiences that integrate online and offline.**

EC: **Sales increased +28% due to the success of @cosme SPECIAL WEEK** sales event and other factors.

Profit increased by 11% due to increased sales, despite recording licensing fees for Marketing Solutions from this FY.

Global

High-profit Korean business (B2B service) grew, and the recovery of China cross-border EC contributed to **reducing deficit.**

Full Year Financial Results / Highlight

Consolidated
Results



Businesses in Japan such as Marketing Solutions and Retail led increase in sales and profits.

Net sales	:	68,768	Million yen	YoY	:	+22.6	%
OP	:	3,164	Million yen	YoY	:	+63.1	%

Marketing
Solution



Synergies with Retail business accelerated growth. Profit margins expanded efficiently with high profit margins.

Net sales	:	9,651	Million yen	YoY	:	+15.7	%
OP	:	2,822	Million yen	YoY	:	+74.5	%

Retail



Maintained growth momentum and increased sales and profits due to growth in existing stores and the successful EC event.

Net sales	:	53,463	Million yen	YoY	:	+26.9	%
OP	:	3,115	Million yen	YoY	:	+18.2	%

Global



The deficit narrowed due to the growth of the highly profitable Korean business and the recovery of cross-border EC in China.

Net sales	:	4,174	Million yen	YoY	:	+6.1	%
OP	:	-176	Million yen	YoY	:	+33	Million yen

Other



Sales and profits declined due to termination of some paid BtoC services, but results were within expectations.

Net sales	:	1,480	Million yen	YoY	:	-10.9	%
OP	:	188	Million yen	YoY	:	-25.4	%

* Sales and profit figures are expressed in units of millions of yen (rounded)

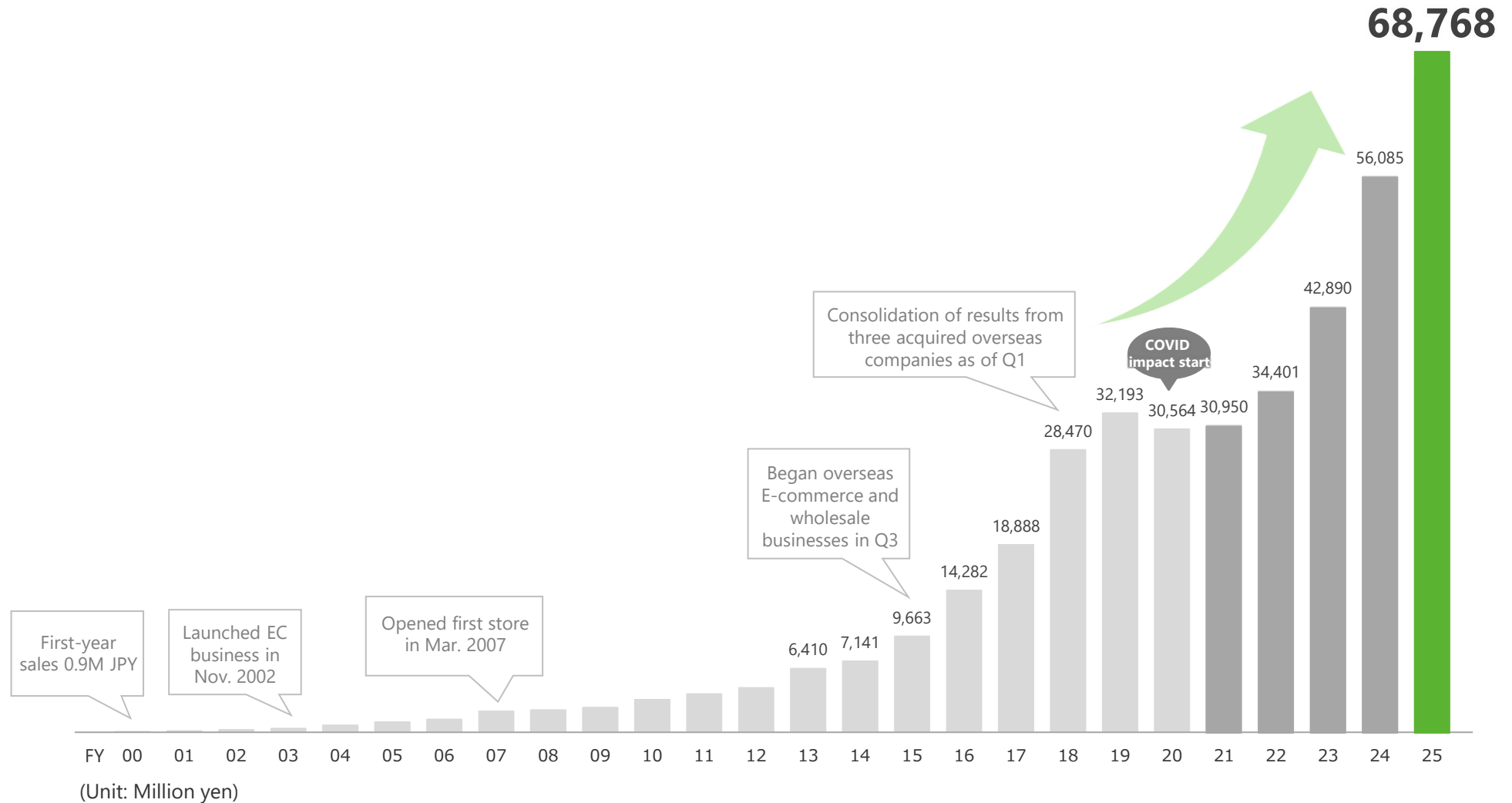
Full Year Financial Results / Overview of operating results (results relative to earnings forecasts)

- As disclosed in the consolidated earnings forecast on July 31, **results exceeded even the upwardly revised earnings forecast announced in Q2.**

	FY25	Initial Plan	% of Target	FY24	YoY
(Unit: Million yen)					
Net Sales	68,768	64,000	107.5%	56,085	+22.6%
Gross Point	29,634	-	-	24,645	+20.2%
SG&A	26,470	-	-	22,705	+16.6%
Operating Income	3,164	2,400	131.9%	1,940	+63.1%
Ordinary Income	3,310	2,400	137.9%	1,721	+92.3%
Net income attributable to owners of the parent company	2,327	1,600	145.4%	1,214	+91.6%

Trend in net sales

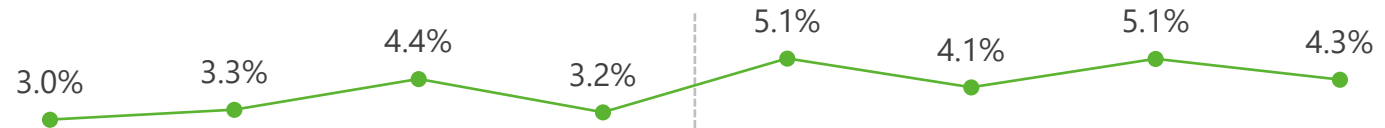
- Record sales and on a growth trajectory.



Trends in segment sales (Quarterly)

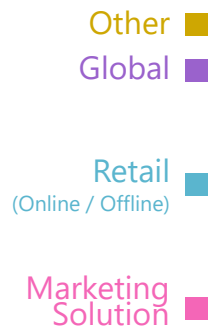
- Marketing Solution and Retail businesses drove top line.

Consolidated OP ratio



Net sales

(Unit: Million yen)



YoY +25.0%

YoY

-4.7%
+11.9%

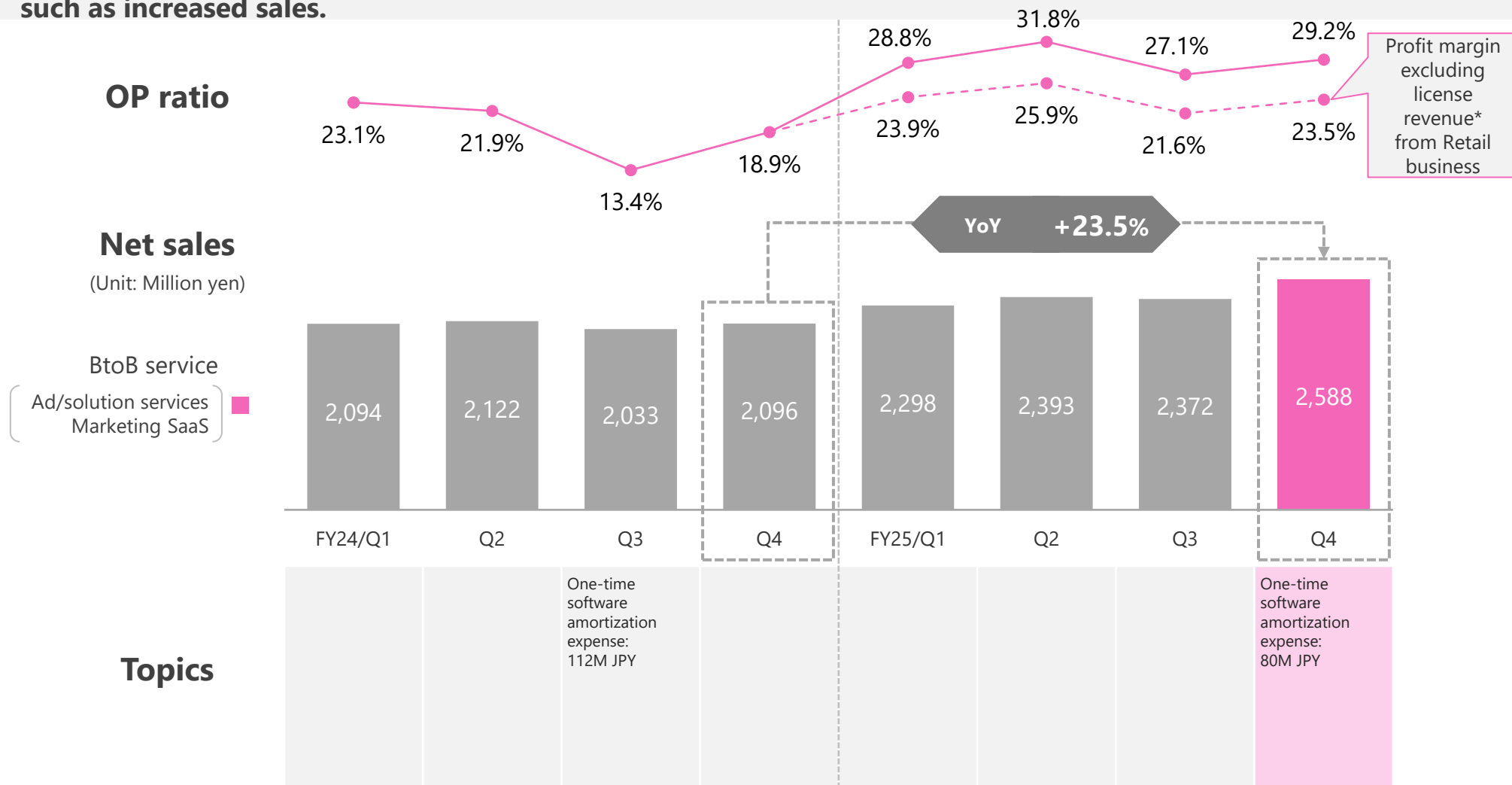
+27.4%

+23.5%



Trends in segment sales (Quarterly)

- Net sales: Value of user engagement was promoted well due to the expansion of Retail business, and **businesses with major, mid-tier, and emerging brands continued to expand.**
- OP ratio: Despite the recording of one-time software amortization expenses, **OP ratio increased YoY due to factors such as increased sales.**



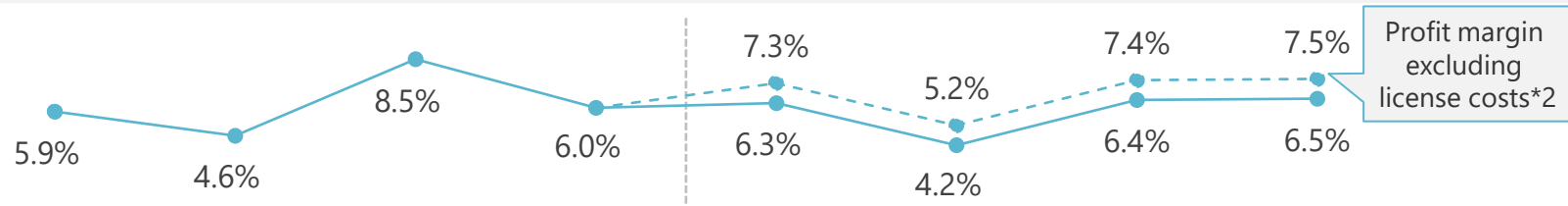
* Transactions based on the license agreement for the @cosme trademark. As these are inter-segment transactions, they have no impact on consolidated profits (see page 54 for details).



Trends in segment sales (Quarterly)

- Net Sales: [Stores] **Existing Store*1** growth and **@cosme NAGOYA** reopening in June boosted YoY and QoQ.
[EC] **Sales increased +28% YoY due to the success of @cosme SPECIAL WEEK** event in June.
- OP ratio: YoY growth driven by license costs*2 and absence of ad expenses.

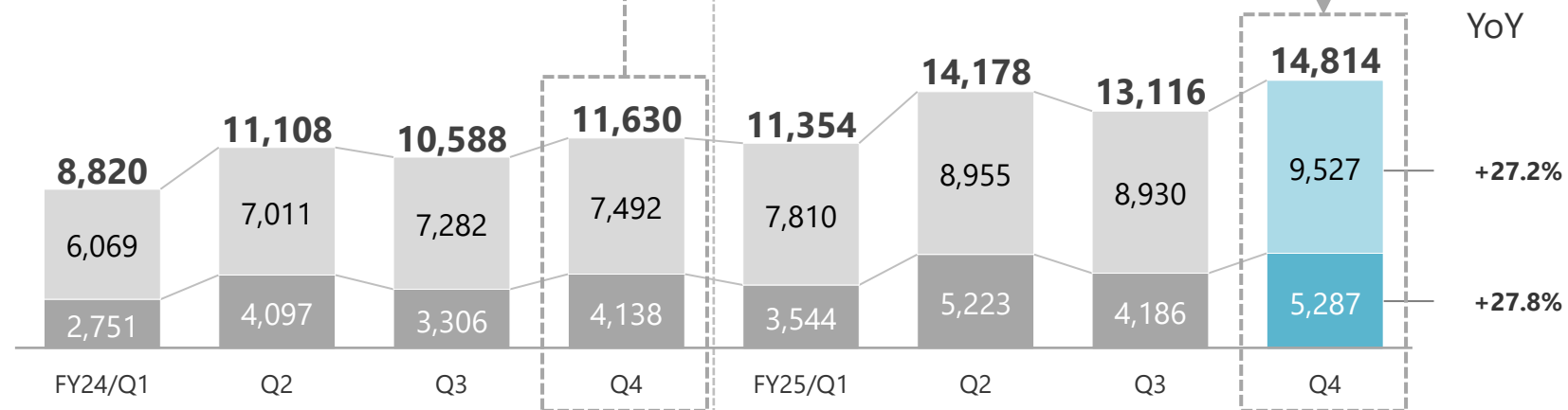
OP ratio



Net sales

(Unit: Million yen)

Stores
E-Commerce



Directly managed stores
at end of quarter

Topics

FY24/Q1	Q2	Q3	Q4	FY25/Q1	Q2	Q3	Q4
33	33	31	31	30	32	32	32
[Expansion & Renovation] @cosme OSAKA: September (Renewal of Lucua Osaka store) [M&A] 7 Stores of Cosmetics Sydney: Jul. [Closed] APiTA Town Kanazawa Bay store: Aug.	December sales event @cosme BEAUTY DAY (Booked promotional costs of 137M JPY)	[Closed] SYDNEY atré Matsudo store: Jan. SYDNEY Omori store: Mar.	June sales event @cosme SPECIAL WEEK (Zero promotional expenses) Advertising expenses to promote app downloads: 139M JPY	[Expansion & Renovation] AEON MALL Urawamisono store: Jul. Amu Est Hakata store: Aug. Atré Kameido store: Sep. [Closed] Tokyo Komachi LaLaport YOKOHAMA store: Aug.	December sales event @cosme BEAUTY DAY (Booked promotional costs of 119M JPY) [Opened] Stellar place Sapporo store: Oct. KANAZAWA FORUS store: Dec.	[Closure] @cosme TOKYO: 21 days (reopened on March 5)	[Expansion & Renovation] @cosme NAGOYA: Reopened on June 19 after renovation. June sales event @cosme SPECIAL WEEK (Zero promotional expenses)

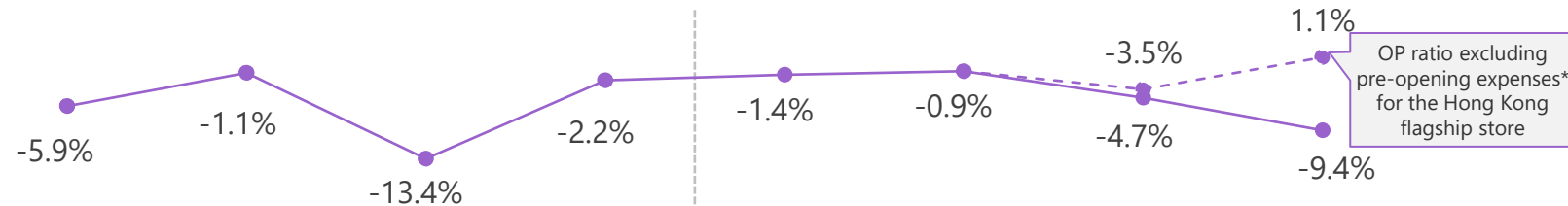
*1 Stores that had been open for over one year as of the beginning of the latest quarter (January 1).

*2 Transactions based on the license agreement for the @cosme trademark. As these are inter-segment transactions, they have no impact on consolidated profits. (see page 54 for details).

Trends in segment sales (Quarterly)

- Net sales: Increased sales **due to growth in media services in Korea and recovery of China cross-border EC.**
- OP ratio: **Returned to profitability** excluding pre-opening expenses for the flagship store @cosme HONG KONG.

OP ratio



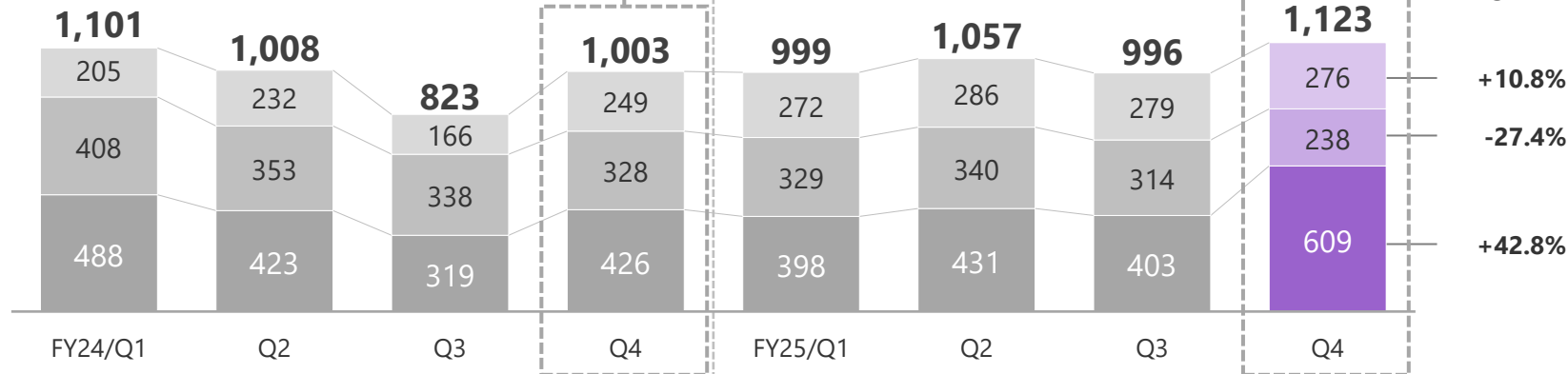
Net sales

(Unit: Million yen)

Media & Other

Stores

E-Commerce & Wholesale



Stores at end of quarter

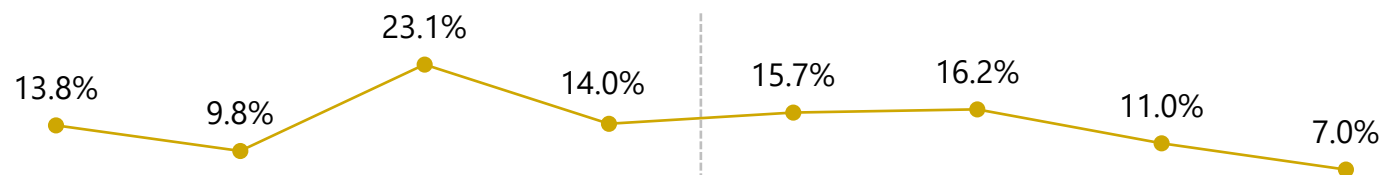
Topics

3	3	3	3	3	3	2	2
[EC/Wholesale] inventory write-downs: 25M JPY		[EC/Wholesale] inventory write-downs: 35M JPY				[Closed] East Point City Store: February * Pre-opening expenses for Hong Kong flagship store: 12M JPY	* Pre-opening expenses for the Hong Kong flagship store: 117 M JPY

Trends in segment sales (Quarterly)

- Results were as expected although sales and profit declined due to termination of some paid BtoC services in Q2.

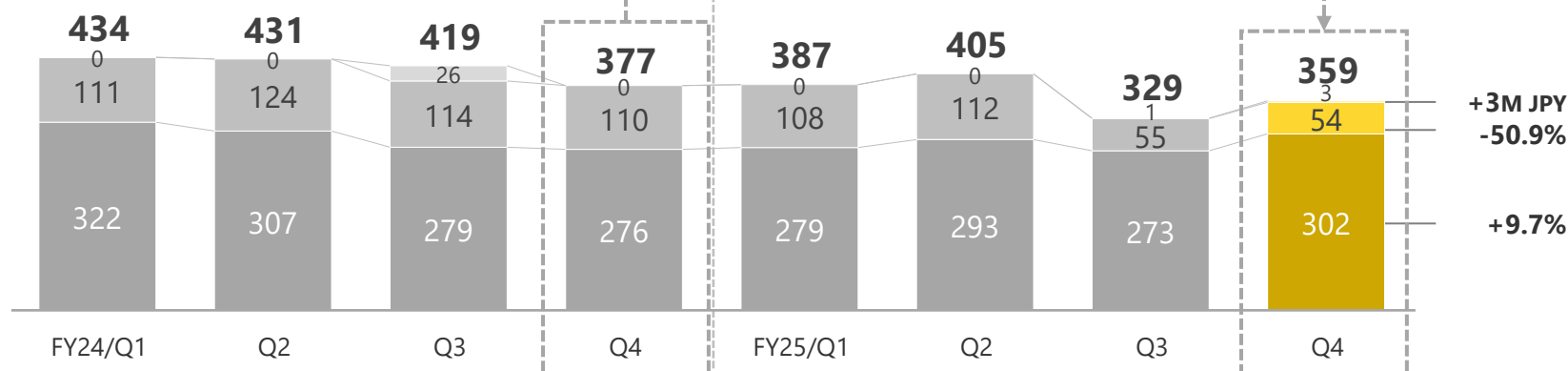
OP ratio



Net sales

(Unit: Million yen)

Investment & Other
BtoC
Subscription Service
Temporary Staffing agency



YoY

+3M JPY
-50.9%

+9.7%

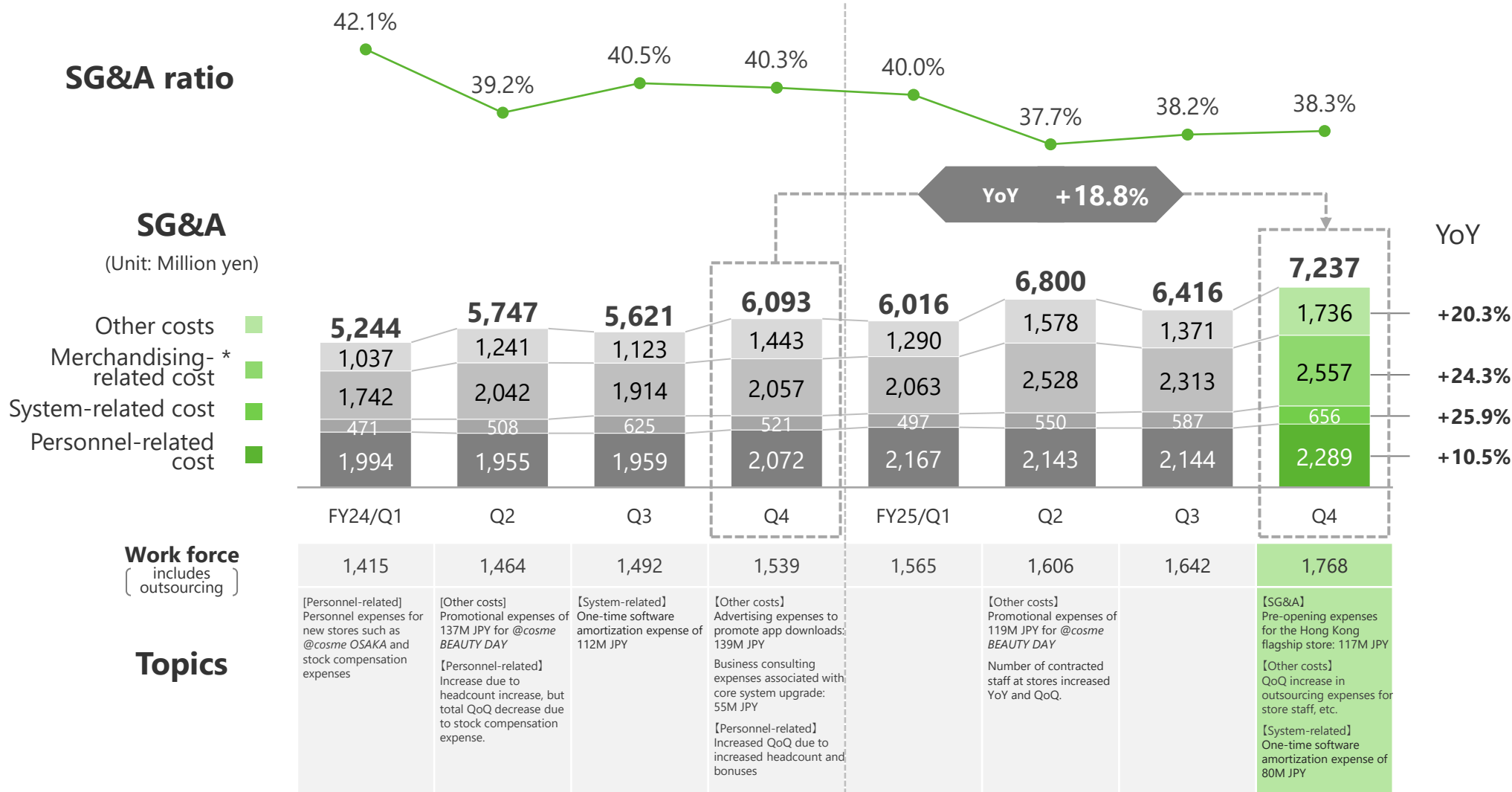
Topics

Gain on sales of investment securities: 26 M JPY

BLOOMBOX, one of our paid BtoC services, terminated in December.

Trends in SG&A expenses (Quarterly)

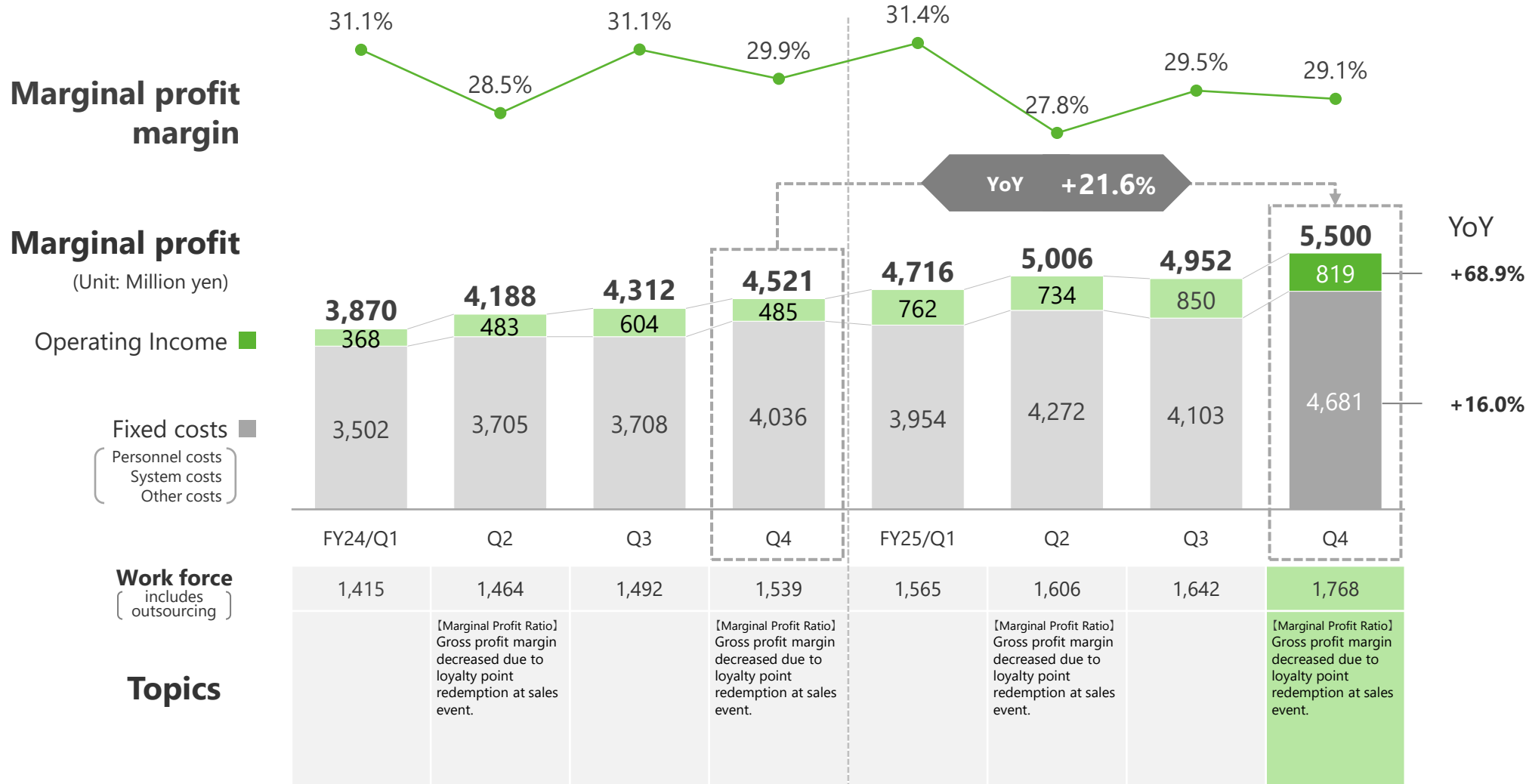
- Despite recording pre-opening expenses for Hong Kong flagship store and one-time software amortization expenses, SG&A ratio improved YoY due to top-line growth.



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

Marginal profit* (Quarterly)

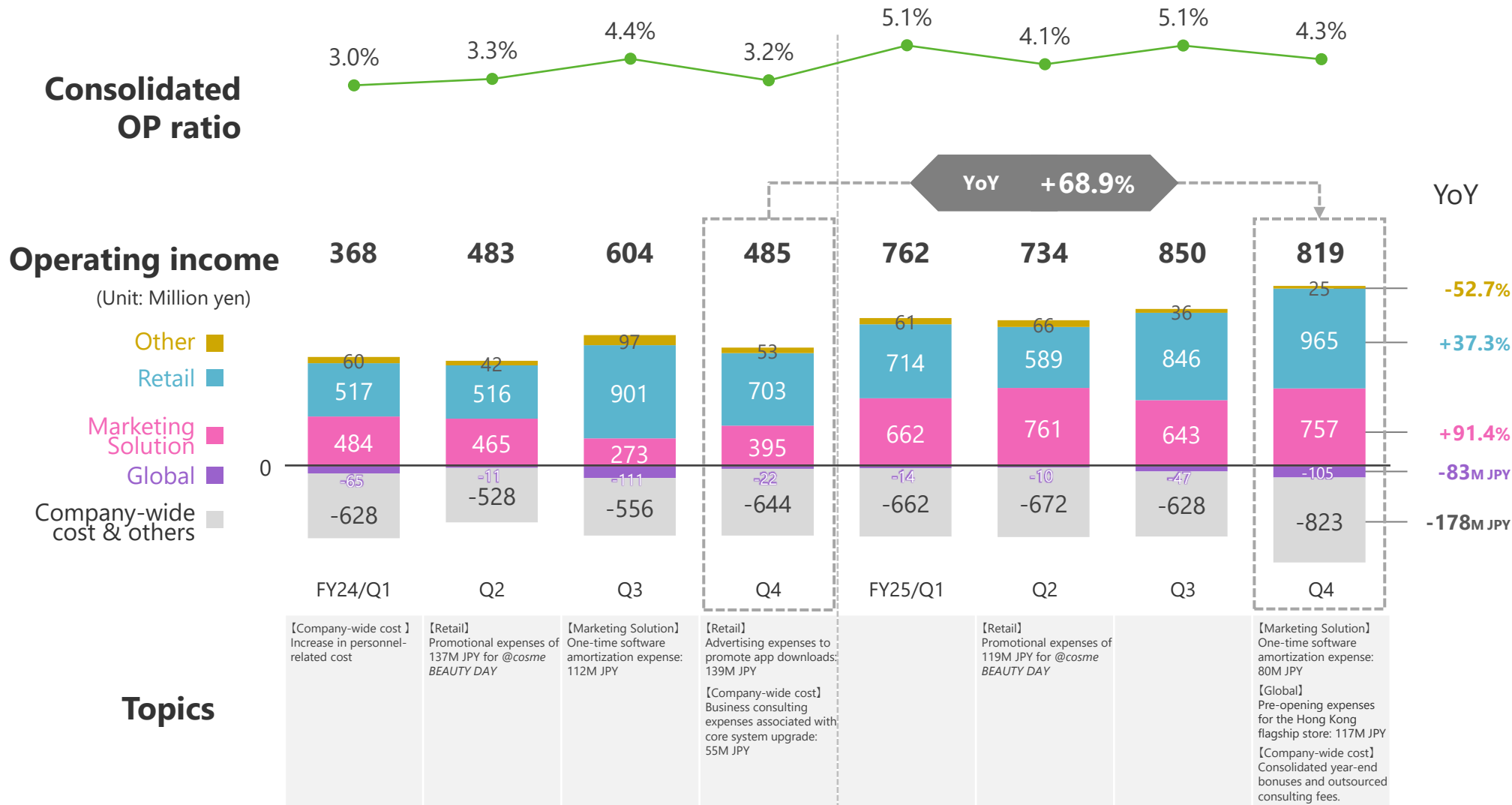
- **Marginal profit grew steadily** although marginal profit ratio decreased YoY due to the rapid growth of Retail business, which has a relatively low gross profit margin.



* 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 income by segment (Quarterly)

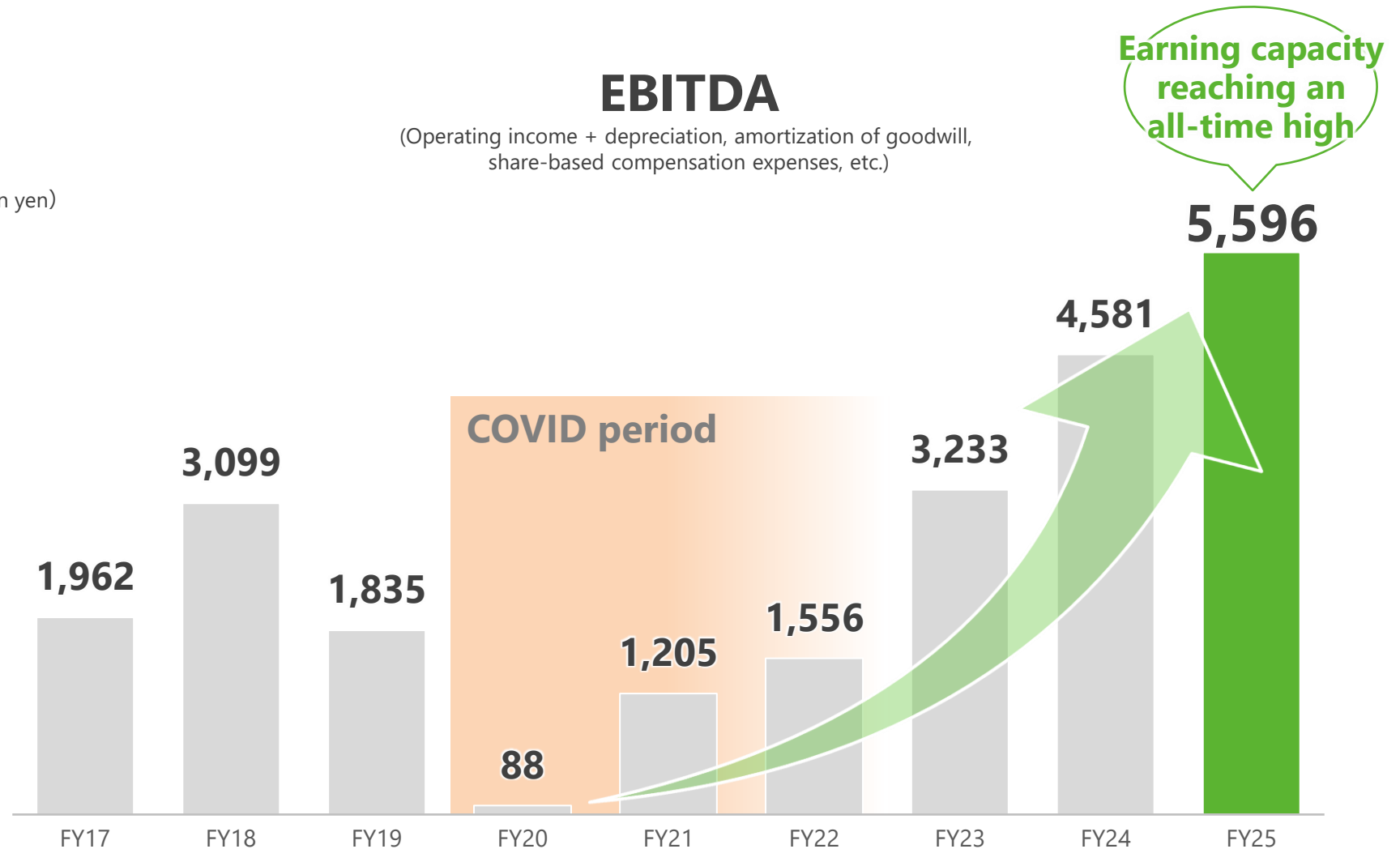
- Increased profits driven by high-margin Marketing Solution business and growth in Retail business.



Trends in EBITDA (Yearly)

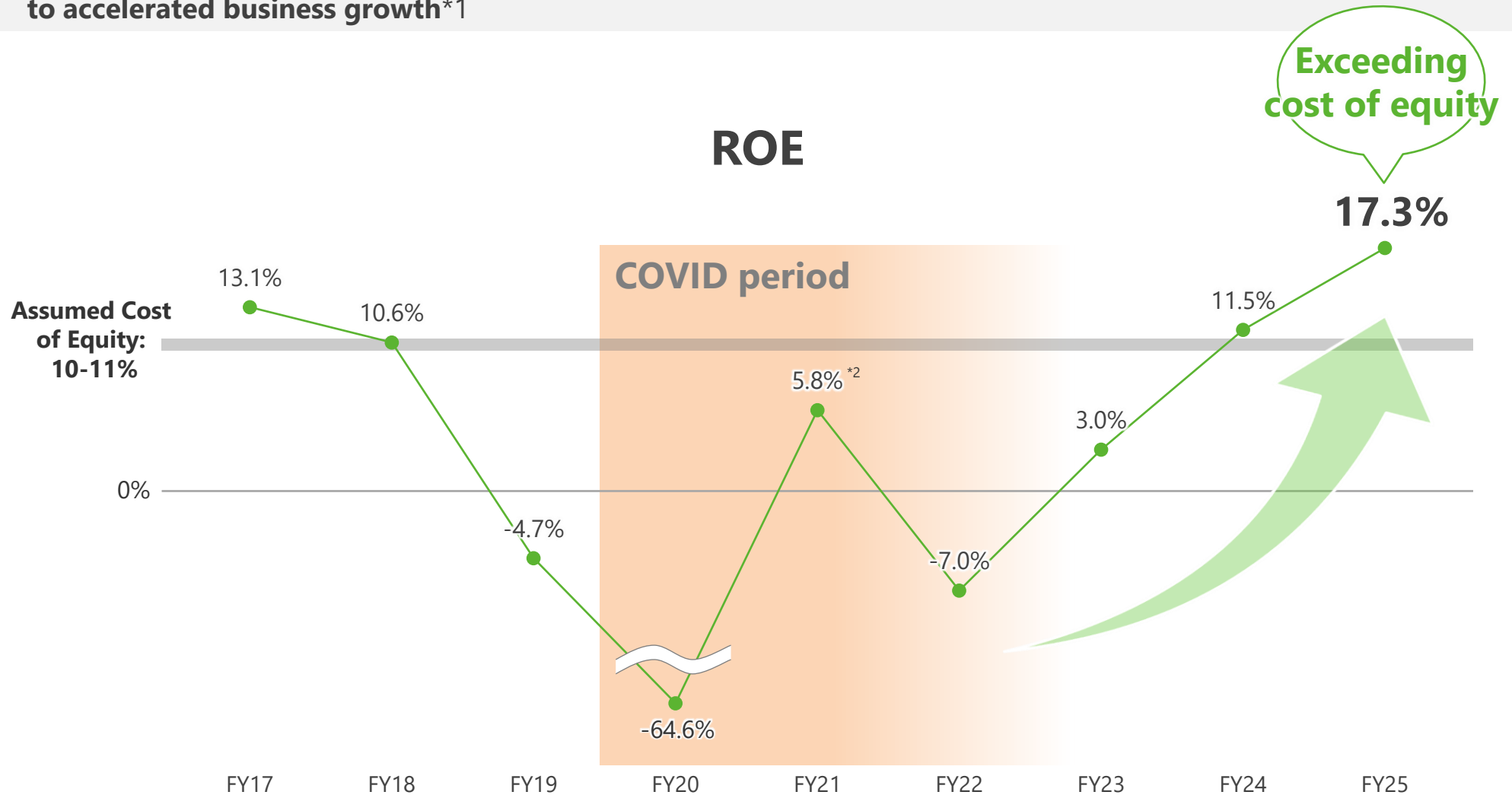
- Earning capacity reaching an all-time high.

(Unit: Million yen)



Trends in ROE (Yearly)

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



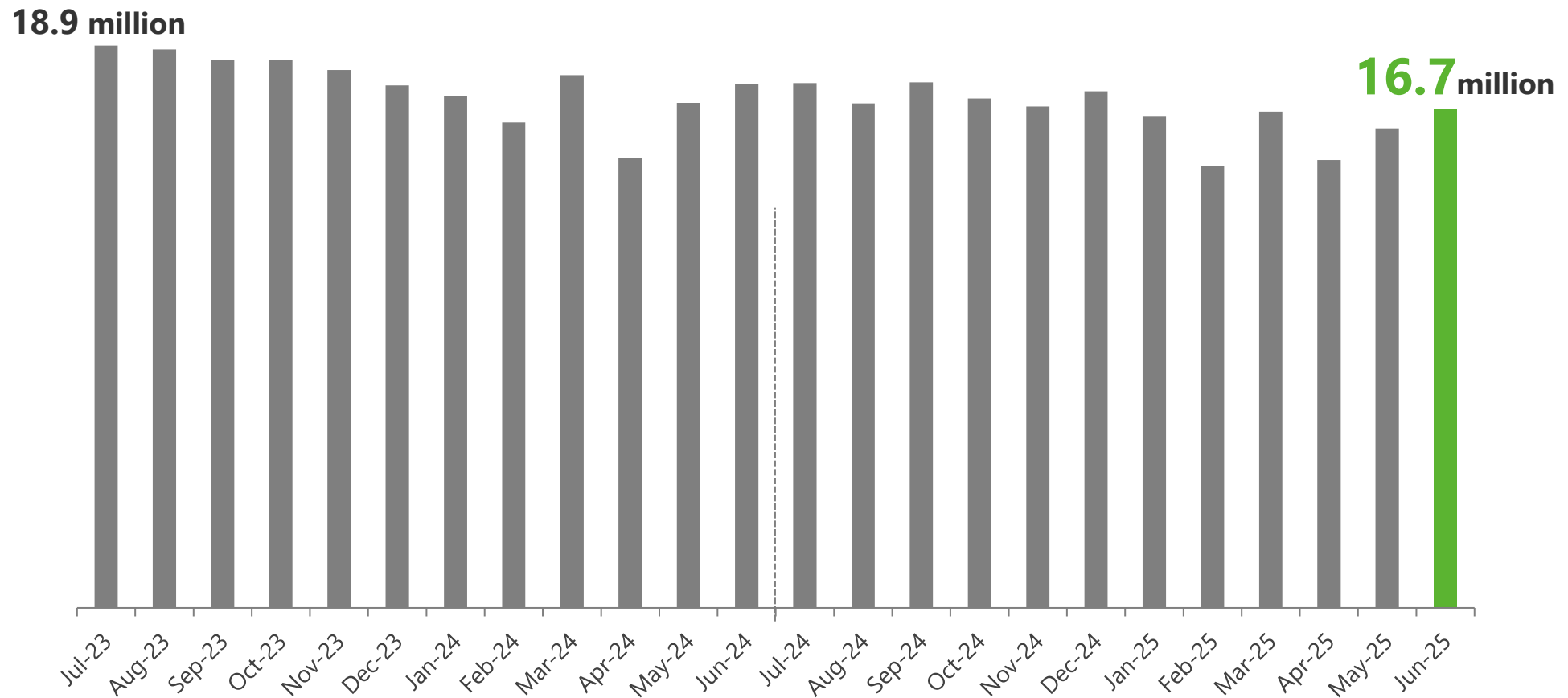
*1 ROE may temporarily decrease due to conversion of CBs and exercise of warrants.

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

Status of Operating Services

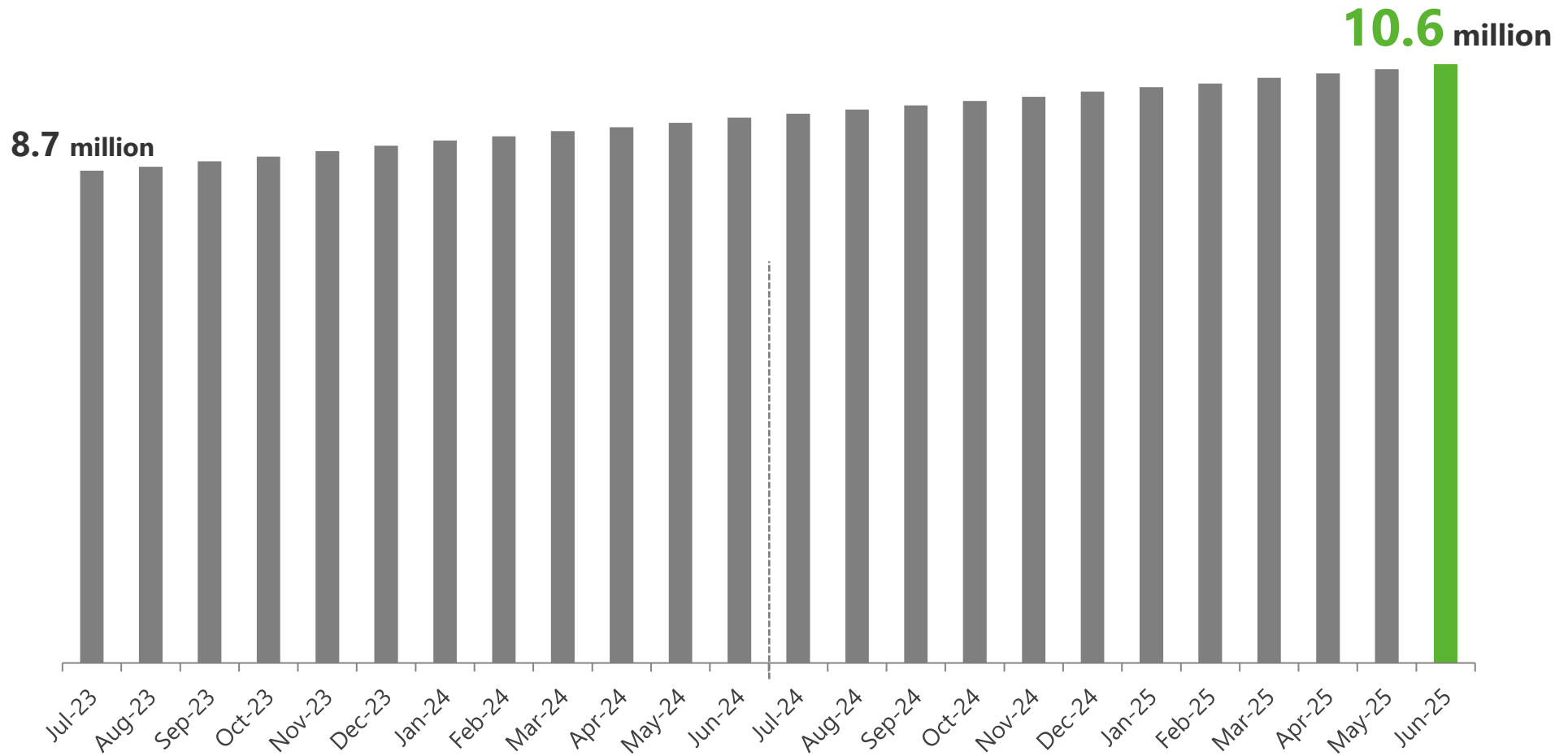
Trend in number of @cosme's monthly unique users

- Remained high.



Trend in number of @cosme's members*

- Membership continues to trend up.

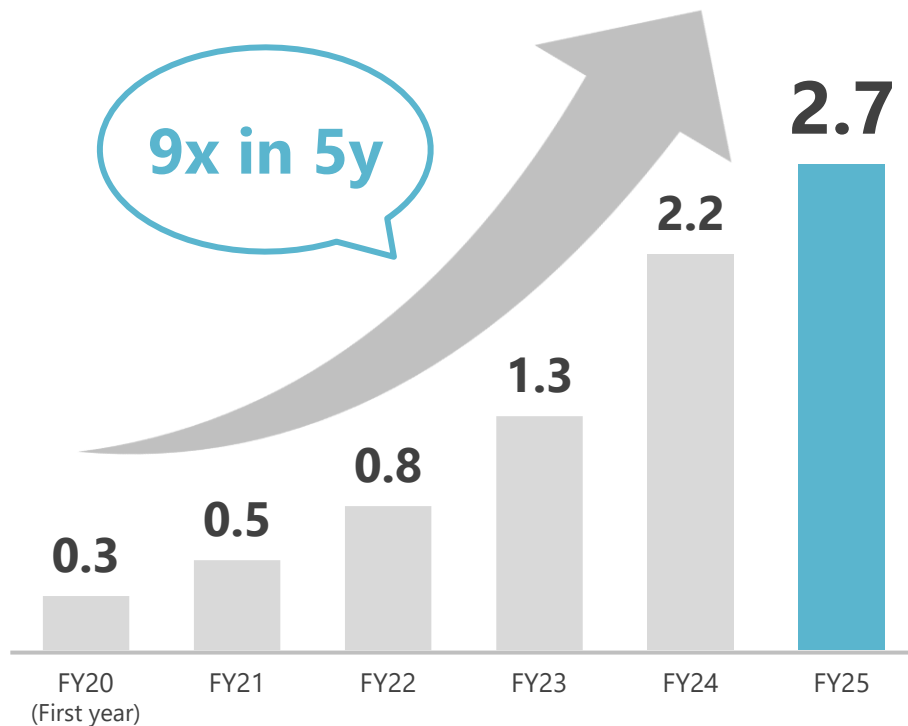


* Number of members registered as users on @cosme, which is different from paid members such as premium members.

- Event for EC and Stores where customers can earn 30% loyalty points and find special items like @cosme BEAUTY DAY held every December.

@cosme SPECIAL WEEK GMV *

(Unit: Billion yen)



Key visual and Store photos.

* Net Sales are recorded as GMV minus the amount of loyalty points issued.

Third flagship store, **@cosme NAGOYA**, opened in June

- Store reopened on June 19 by expanding and renovating existing store, with **strong initial sales, becoming a platform for the Tokai region.**
- **First collaboration with a department store, aiming to develop the beauty industry** throughout the region.



First day of opening



Best Cosmetics Award Street inside the store

Name : @cosme NAGOYA

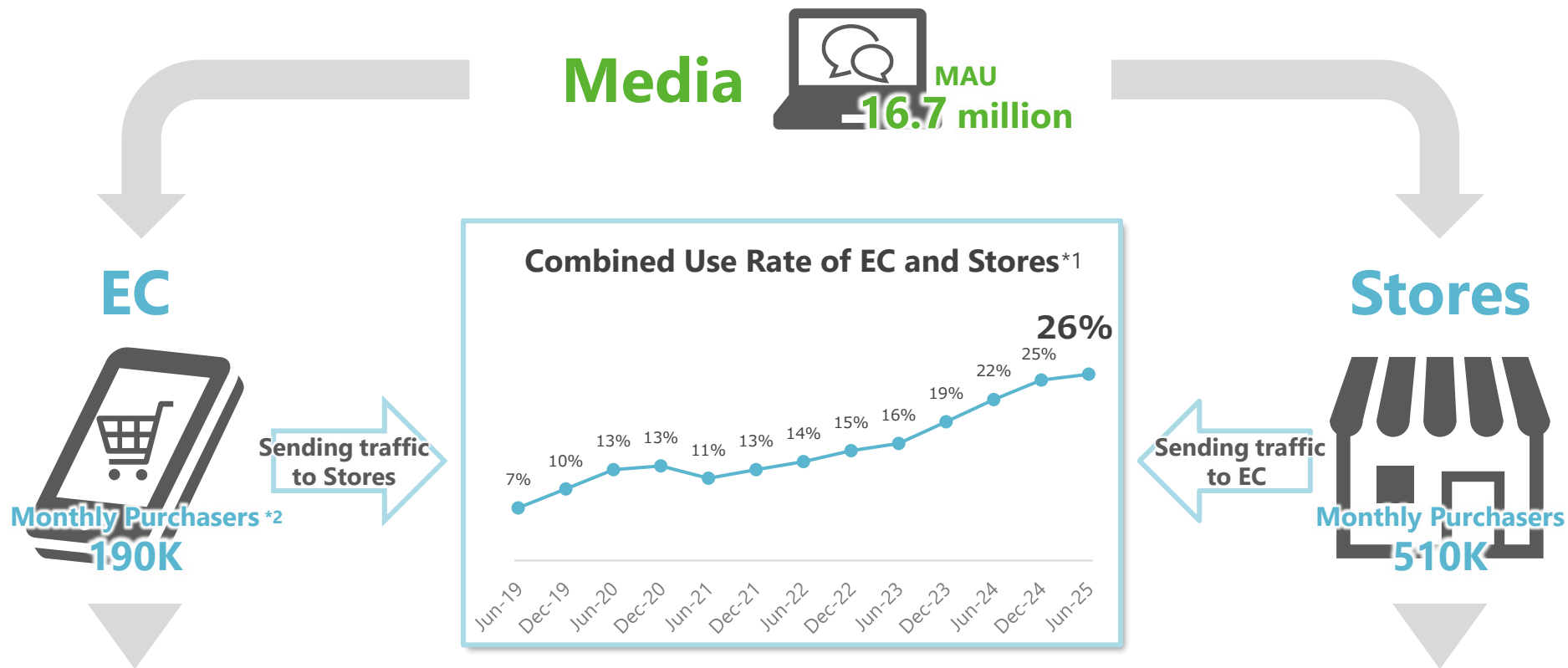
Location : Takashimaya Gate Tower Mall 5F, Meieki 1-1-3, Nakamura-ku, Nagoya

Floor Space : 810m²



Maximizing Platform Synergy to Drive Growth for EC and Stores

- **Efficient customer traffic between media, EC, and Stores** through a seamless product experience that spans online and offline. The difference between MAU is the growth potential.



FY25 result
YoY +28%

Growing greatly together through platform collaboration

FY25 result
YoY +27%

*1 Percentage of users who have used either EC or Store and have also used the other within the past year, out of the total number of users of EC and Store at a certain timeframe.

*2 Figures only for @cosme SHOPPING, main EC store (does not include branches such as Amazon.co.jp and Rakuten).

*3 MAU and the number of monthly purchasers of EC and Store as of June 2025.

Business Strategy for FY2026

Summary of the previous FY

▶ Record High Net Sales and Operating Income

Net Sales **68.8B yen** Operating Income: **3.16B yen**

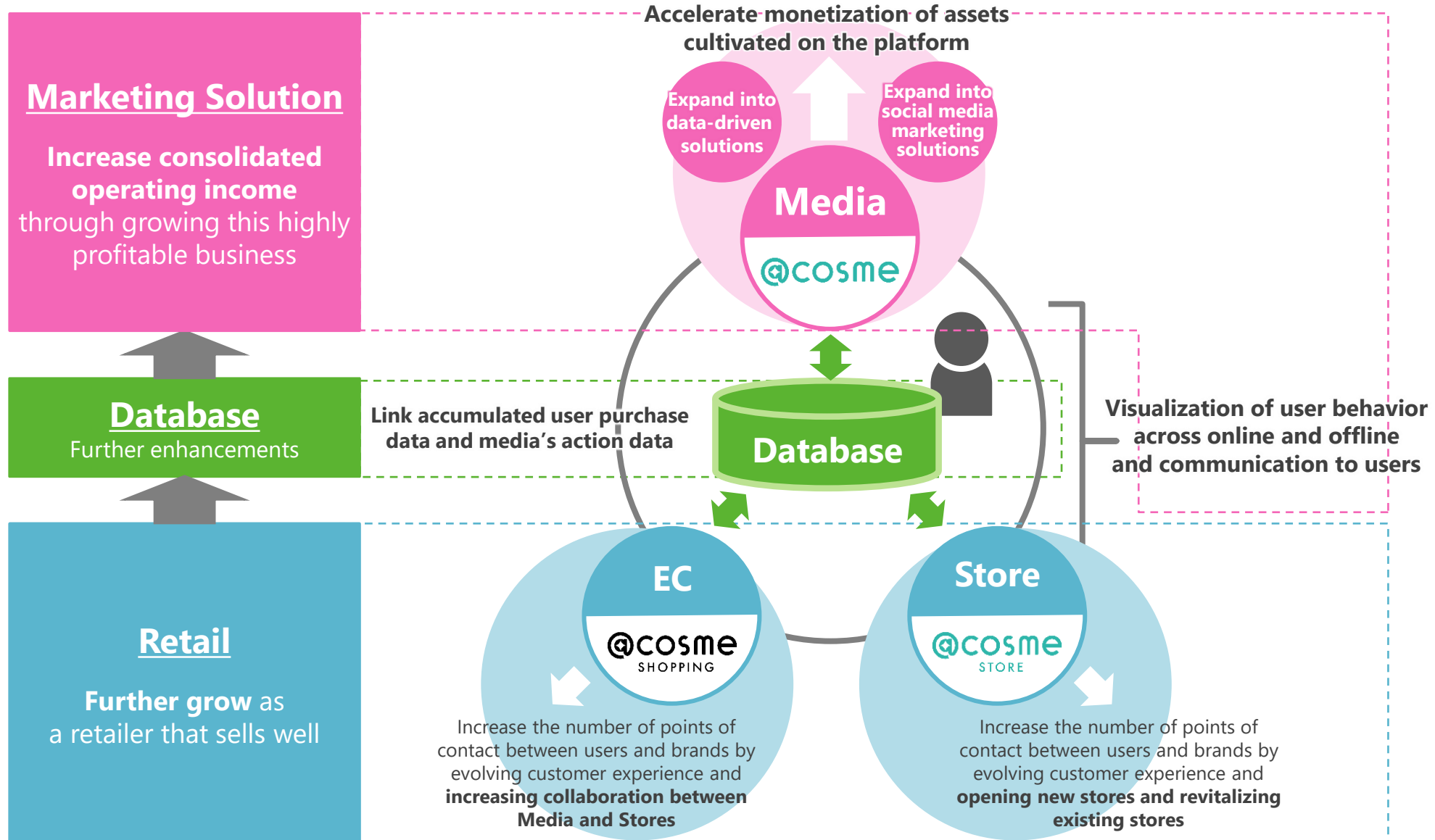
- ✓ ROE improved to **17%** exceeding cost of capital
- ✓ EBITDA also reached a record high of **5.6B yen** demonstrating growth in cash generation

▶ Further Strengthened Market Position

- ✓ Accelerating growth in **Marketing Solution (BtoB)** driven by synergies with EC and Stores
- ✓ Growth of over 27% in both **EC and Stores** thanks to integrated online and offline shopping experience
- ✓ **User actions** also reached a record high thanks to increased contact points and improved experience across the entire platform

Platform Growth Policy

- Continuing our established approach, **we aim to increase user-brand touchpoints in the Retail business and monetize data in the Marketing Solution business.**



User actions are the source of medium- to long-term growth

- User actions = “connections between users and brands” are the essential source of growth.
- To maximize engagement, the key is to increase actions that go beyond mere viewing (such as posting reviews, making purchases, and registering favorite products).

Number of users taking action



Number of actions per user



Total number of user actions



Increasing user actions = raising user enthusiasm,
which **leads to medium- to long-term growth.**

Key Focus Areas

- Focus on the following four items to **lay the foundation for medium- to long-term growth.**

1. Increase user actions

2. Expand opportunities for user actions

3. Monetize user actions

**4. Expand from the current cosmetics field
into a broader beauty field**

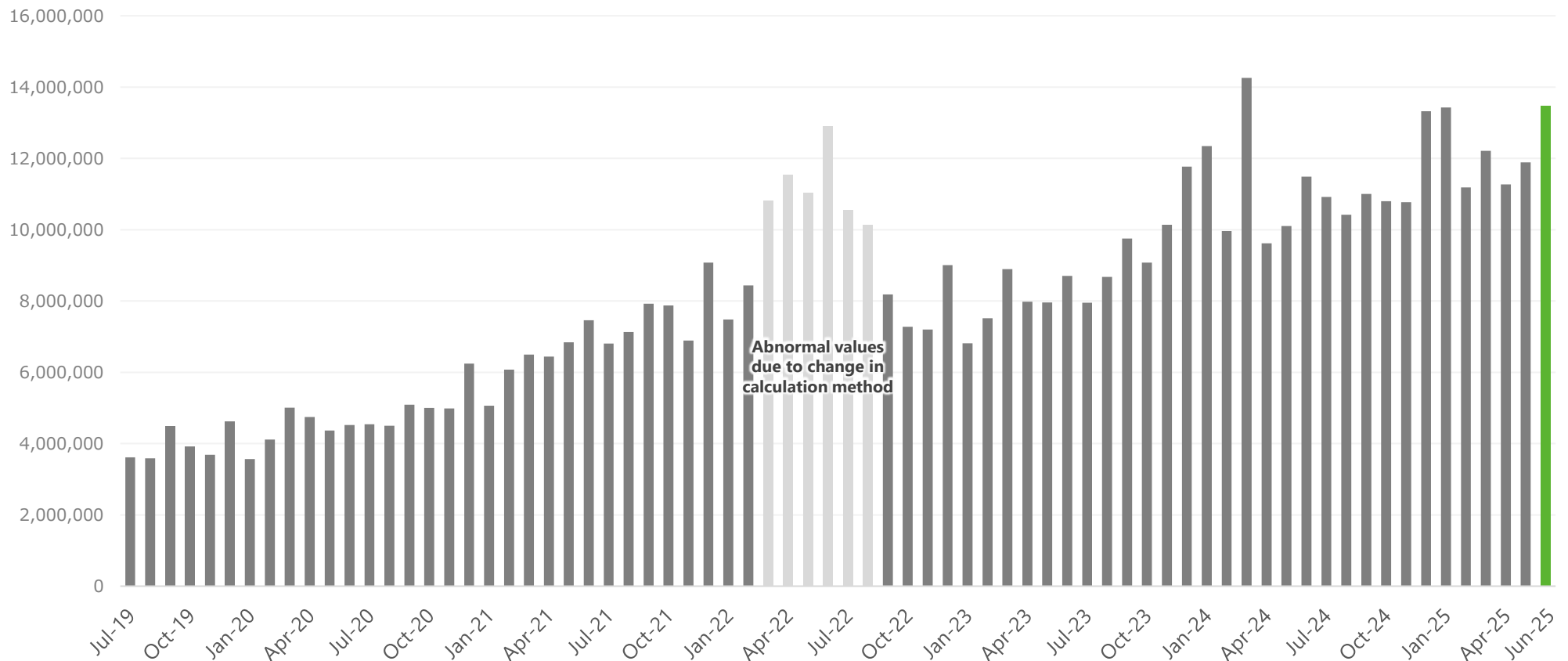
1. Increase user actions

1. Increase user actions
2. Expand opportunities for user actions
3. Monetize user actions
4. Expand into a broader beauty field

- Although MAU fluctuates due to external factors, **the number of user actions, which is the source of business growth, is steadily increasing in line with the growth of the platform.**

Monthly trend in **total user actions***

(* Number of users taking action × Number of actions per user)



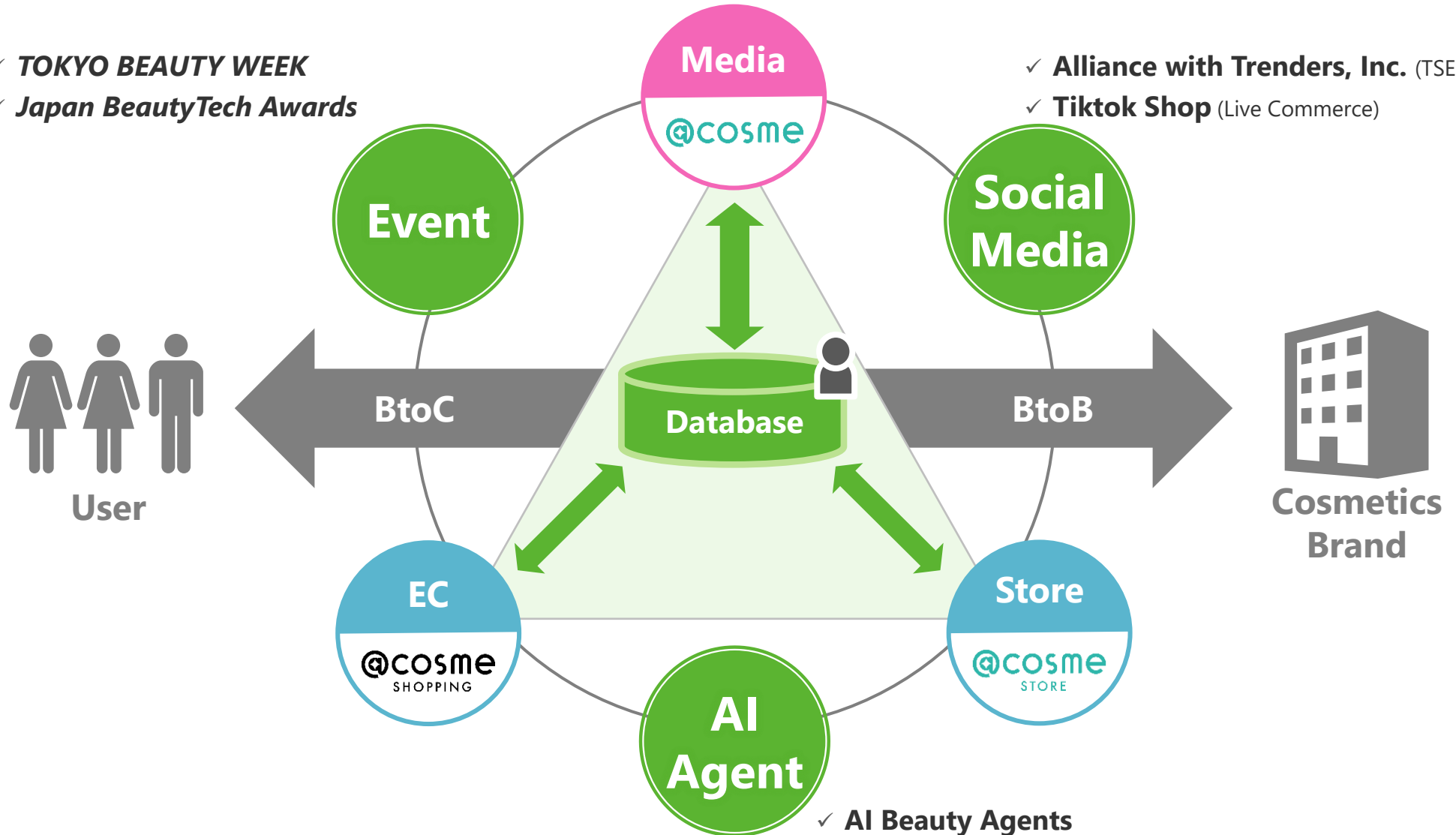
2. Expand opportunities for user actions

1. Increase user actions
2. Expand opportunities for user actions
3. Monetize user actions
4. Expand into a broader beauty field

- Expand points of contact outside @cosme, such as events, AI agents, and social media, to increase user actions between users and brands.

- ✓ **TOKYO BEAUTY WEEK**
- ✓ **Japan BeautyTech Awards**

- ✓ **Alliance with Trender, Inc.** (TSE6069)
- ✓ **Tiktok Shop** (Live Commerce)



3. Monetize user actions

1. Increase user actions
2. Expand opportunities for user actions
3. Monetize user actions
4. Expand into a broader beauty field

- Derive insights from data obtained through user actions and connect them to revenue opportunities.

Establish Data Consulting business

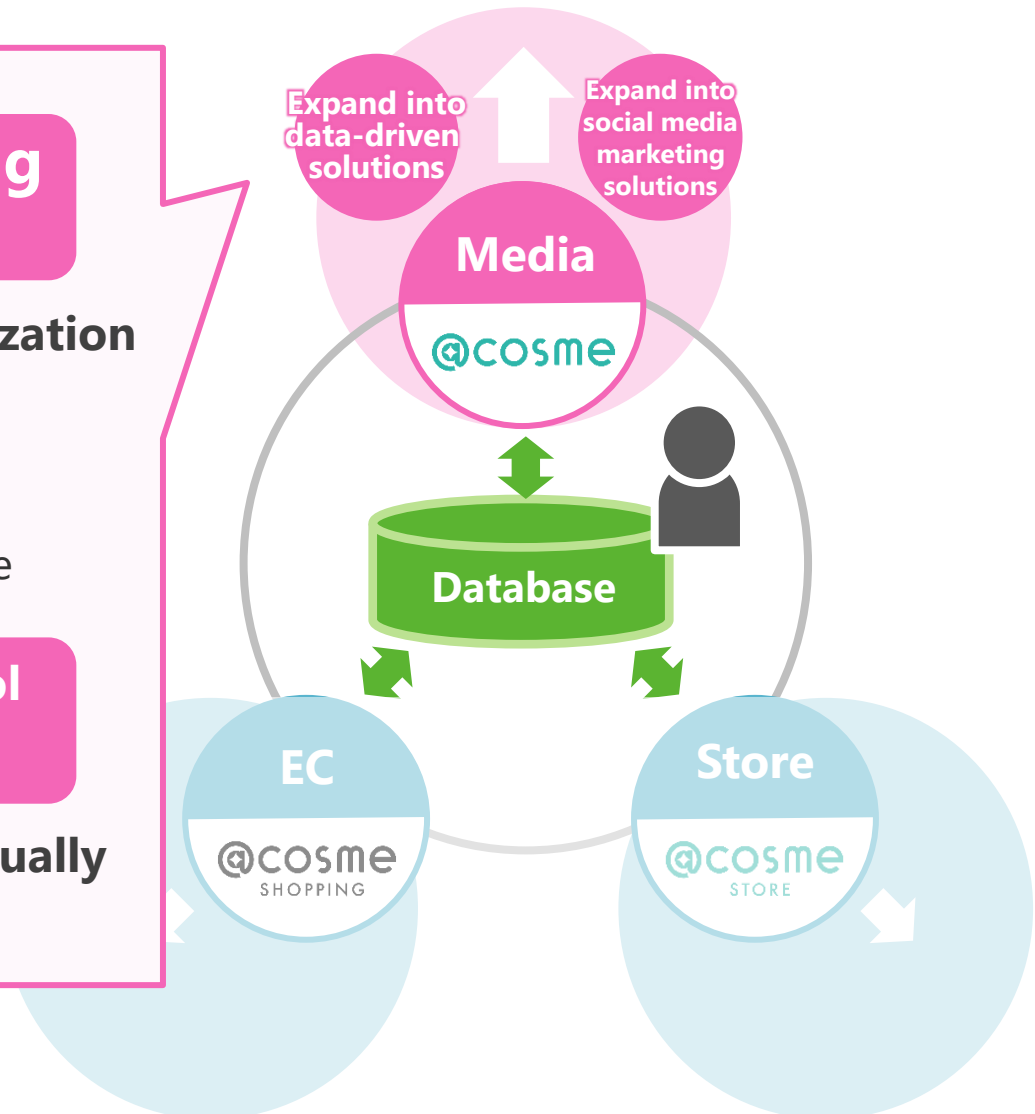
- ✓ Strengthen personnel and organization
- ✓ Mass produce success stories

Focus for this FY

- strengthening organizational structure

AI-powered review analysis tool
@cosme Copilot

Scheduled to launch services gradually
during the current FY

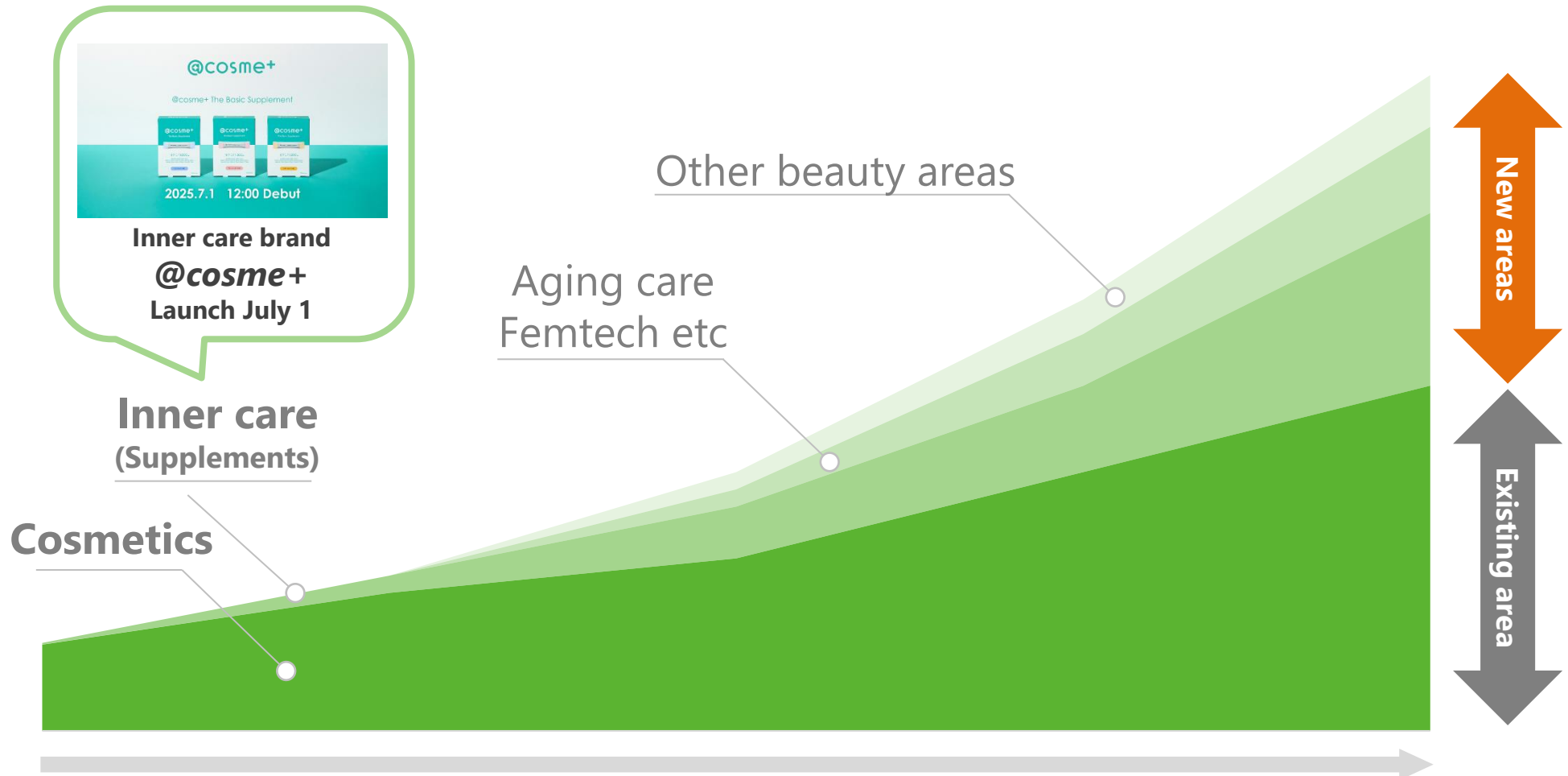


1. Increase user actions
2. Expand opportunities for user actions
3. Monetize user actions
4. Expand into a broader beauty field

4. Expand from the current cosmetics field into a broader beauty field

- In the medium to long term, we aim to expand into the well-being field (supplements, health foods, etc.) to explore new possibilities.

Medium- to long-term sales outlook



Business Plans for FY2026

Business Plans for FY2026

- **Increase sales and profits by raising earnings levels** while strengthening investment to expand the business foundation to achieve medium-term business targets.
- Following the strengthening of our financial foundation, **we resumed dividend payments for FY25** as planned.

(Unit: Million yen)	FY26 plan (A)	FY25 result (B)	YoY (A/B)
Net Sales	83,000	68,768	+20.7%
Operating Income	3,800	3,164	+20.1%
Ordinary Income	3,800	3,310	+14.8%
Net income attributable to owners of the parent company	2,650	2,327	+13.9%
Dividend per share	1 yen	1 yen	±0%

Profits skewed toward H2 due to factors such as opening expenses for the Hong Kong flagship store in H1.

Business Plans for FY2026 / By segment

(Unit: Million yen)

		FY26 plan (A)	FY25 result (B)	YoY (A/B)
Consolidated	Net Sales	83,000	68,768	+20.7%
	OP	3,800	3,164	+20.1%
Marketing Solution	Net Sales	11,000	9,651	+14.0%
	OP	3,000	2,822	+6.3%
Retail	Net Sales	63,300	53,463	+18.4%
	OP	3,600	3,115	+15.6%
Global	Net Sales	6,900	4,174	+65.3%
	OP	10	-176	+186
Other	Net Sales	1,800	1,480	+21.6%
	OP	70	188	-62.8%
Company-wide cost & others	OP	-2,880	-2,785	-95

Business Plans for FY2026 / 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

- ✓ **Continue to grow** existing advertising and solution services **organically**.
- ✓ Focus on strengthening organizational structure for the new **Data Consulting** service, which is expected to become a key revenue source.

Retail

Store

- ✓ **Expect full-year contribution from @cosme NAGOYA** (opened June = FY2025.Q4) and **growth at existing stores**.

Open two new stores and renovate one existing store.

EC

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

Continue to create opportunities on external platforms such as Amazon.co.jp.

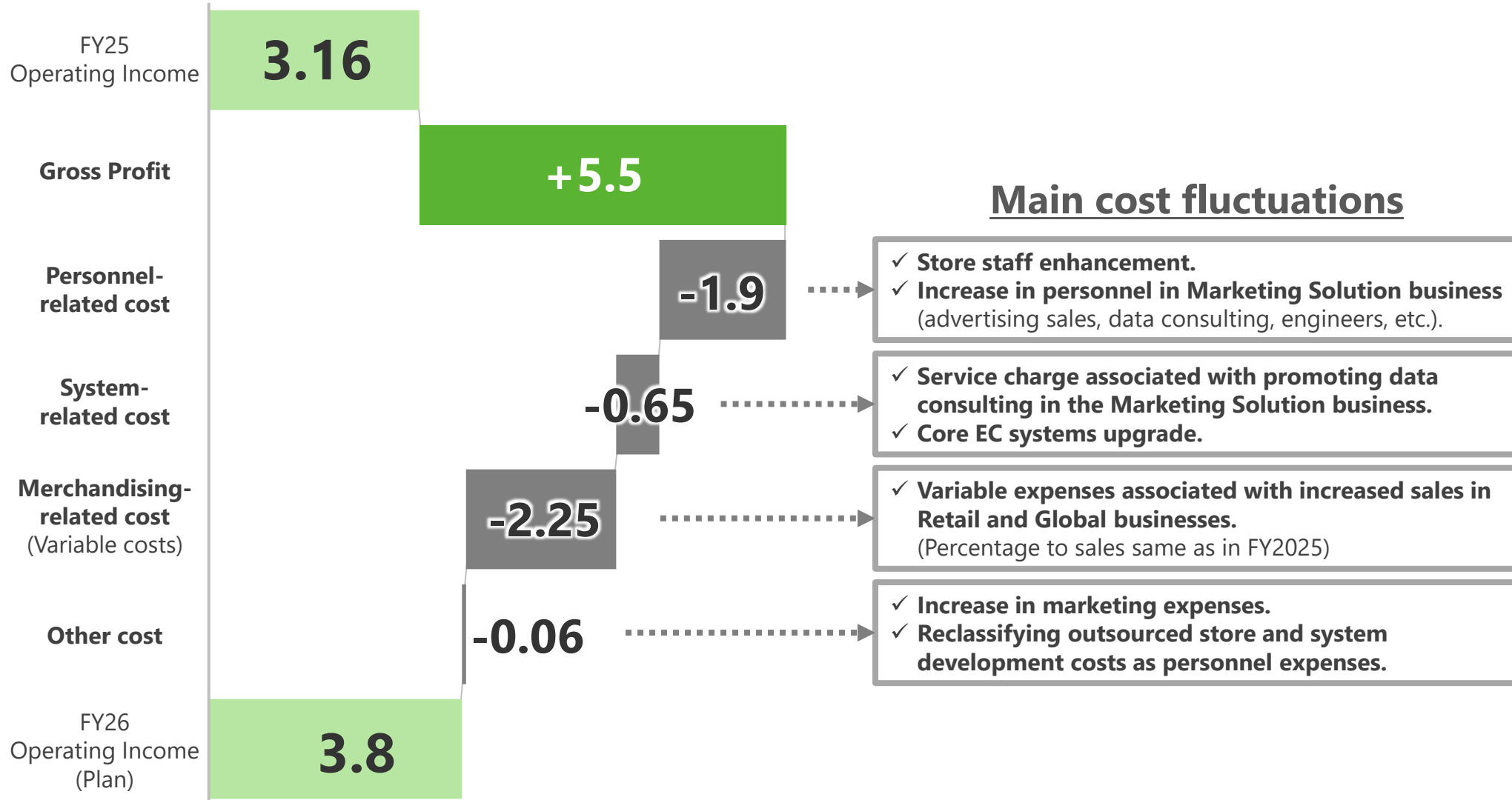
Global

- ✓ **Pre-opening expenses for @cosme HONG KONG** incur in H1.
To open within 2025, **expected to contribute to increased sales and profits from H2.**
- ✓ Expect to strengthen earnings and return to profitability in existing businesses.

Factors affecting Operating Income

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

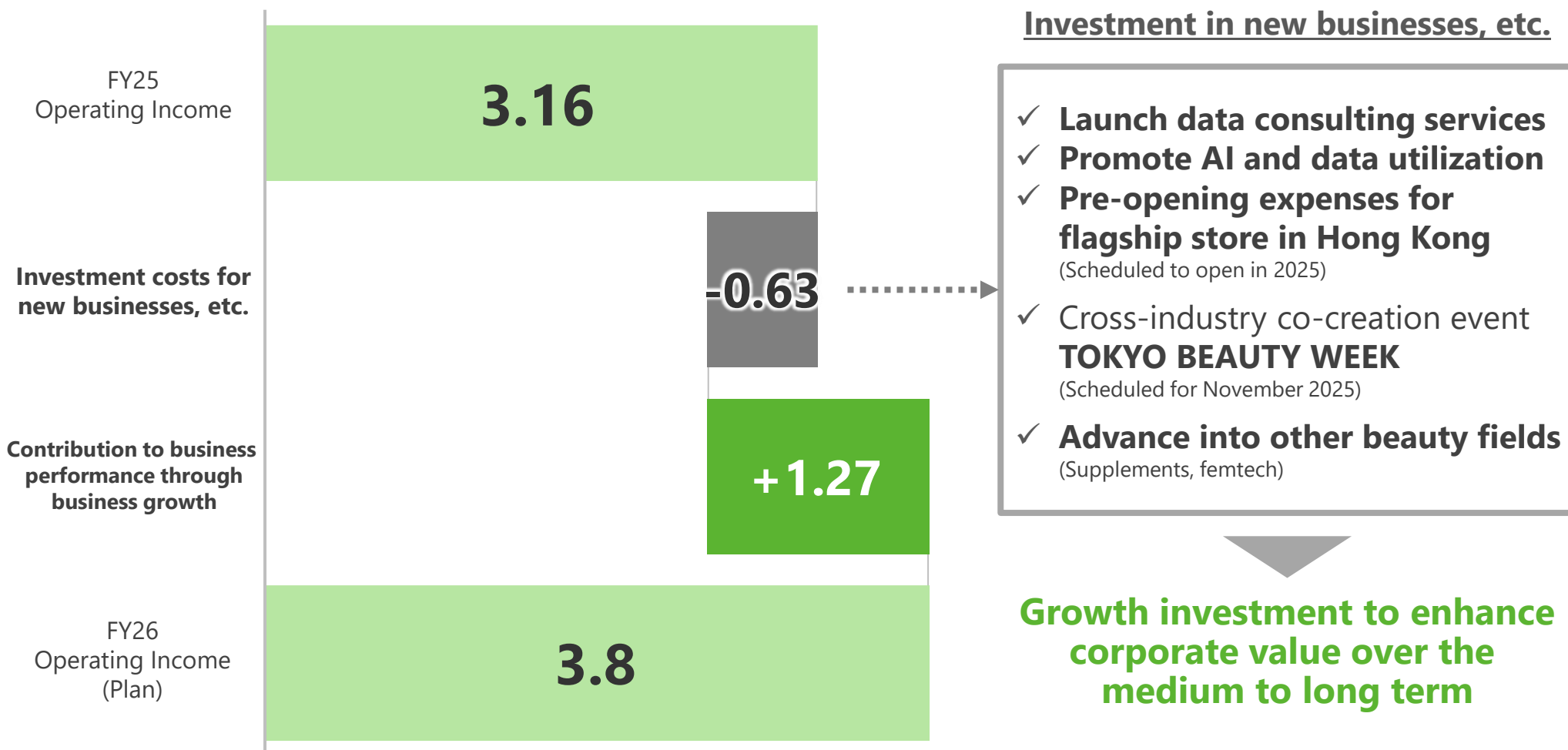
(Unit: Billion yen)



Factors affecting Operating Income / **Investment costs for new businesses, etc.**

- **Strengthen investment in new businesses, etc. for future growth**

(Unit: Billion yen)

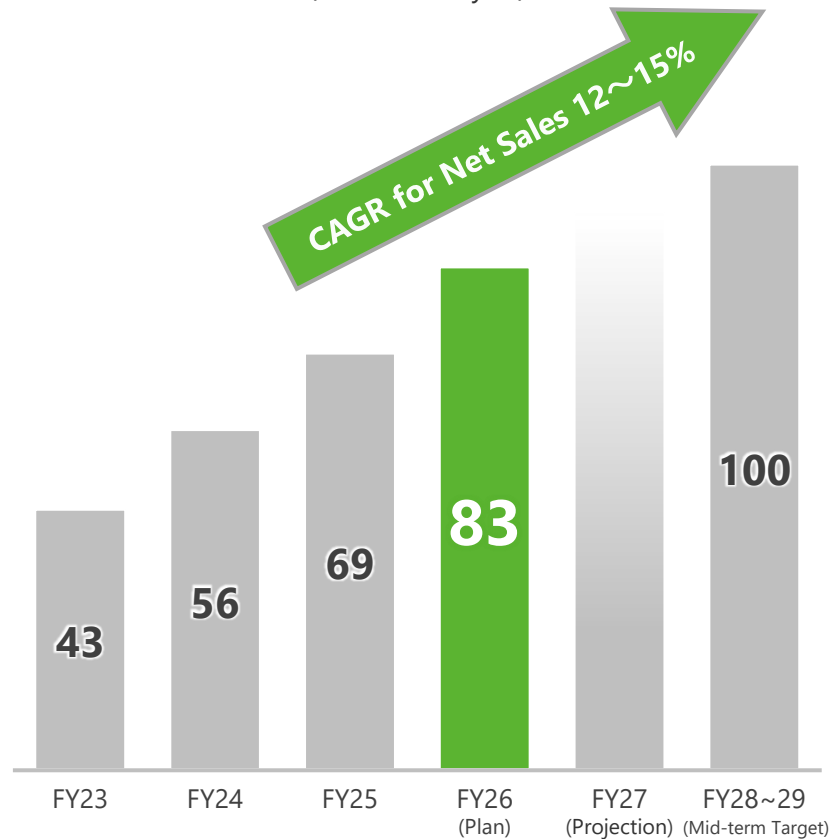


Consolidated Performance Trends

- To achieve profit growth in the next FY and beyond, focus on expanding top-line growth and establishing a solid business foundation.

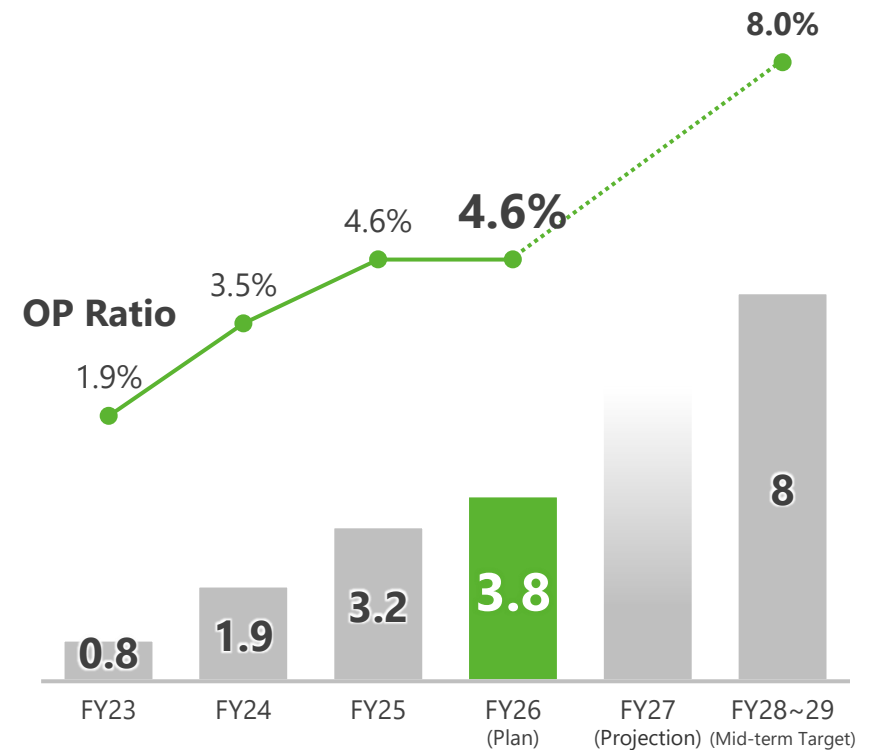
Net Sales

(Unit: Billion yen)



Operating Income

(Unit: Billion yen)



Appendix

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

Company information *As of end of Jun. 2025

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	7,179 million yen
Accounting period	June 30
Description of business	<ul style="list-style-type: none"> - Planning and operation of the beauty site <i>@cosme</i> - Provides the related advertising and marketing research services
Number of employees	1,208 (consolidated)

Main subsidiaries and affiliates

Domestic



istyle retail Inc.

Operation of Cosmetics specialty store “@cosme STORE” and Cosmetics specialty E-commerce “@cosme SHOPPING”



istyle trading Inc.

Wholesale, retail, and import/export of beauty products, and proxy services for the same



istyle career Inc.

Operating “@cosme CAREER”, a job listing site for the cosmetics and beauty industries, and offering general worker temporary placement services



istyle me Inc.

Influencer marketing business and web advertising agency business



IS Partners Inc.

Creation, management, and editing of digital content specializing in the subject of beauty



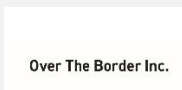
istyle DATA CONSULTING, Inc.

Provision of data-driven solutions
Founded jointly with CX consulting firm NODE Inc.



MEDIA GLOBE CO., LTD.

PR and other communication about cosmetics to women’s magazines, beauty magazines, and women’s websites



Over The Border Inc.

Operation of cross-border MCN



Trenders, Inc.

Marketing business, Investment business

Overseas



istyle China Co., Limited.

Import/export, sale, and marketing support for cosmetics manufacturers



istyle Global (Singapore) Pte. Limited

Alliances and business investments in southeast Asian countries



istyle Global (Hong Kong) Co., Limited.

Alliances, services, and business investments in Asian countries



istyle Retail (Hong Kong) Co., Limited

Shop planning, development, and operation; promotional support for the retail and logistics sectors



i-TRUE Communications Inc.

Operation of Taiwanese version of “@cosme”



Glowdayz, Inc.

Planning and operation of beauty platform “GLOWPICK” and provision of related advertising services



MUA Inc.

Operating beauty-related media outlets, etc.

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., thorough 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 yen 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.

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

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

 **KOTLER AWARD JAPAN 2018**
2018 Philip Kotler Award Japan

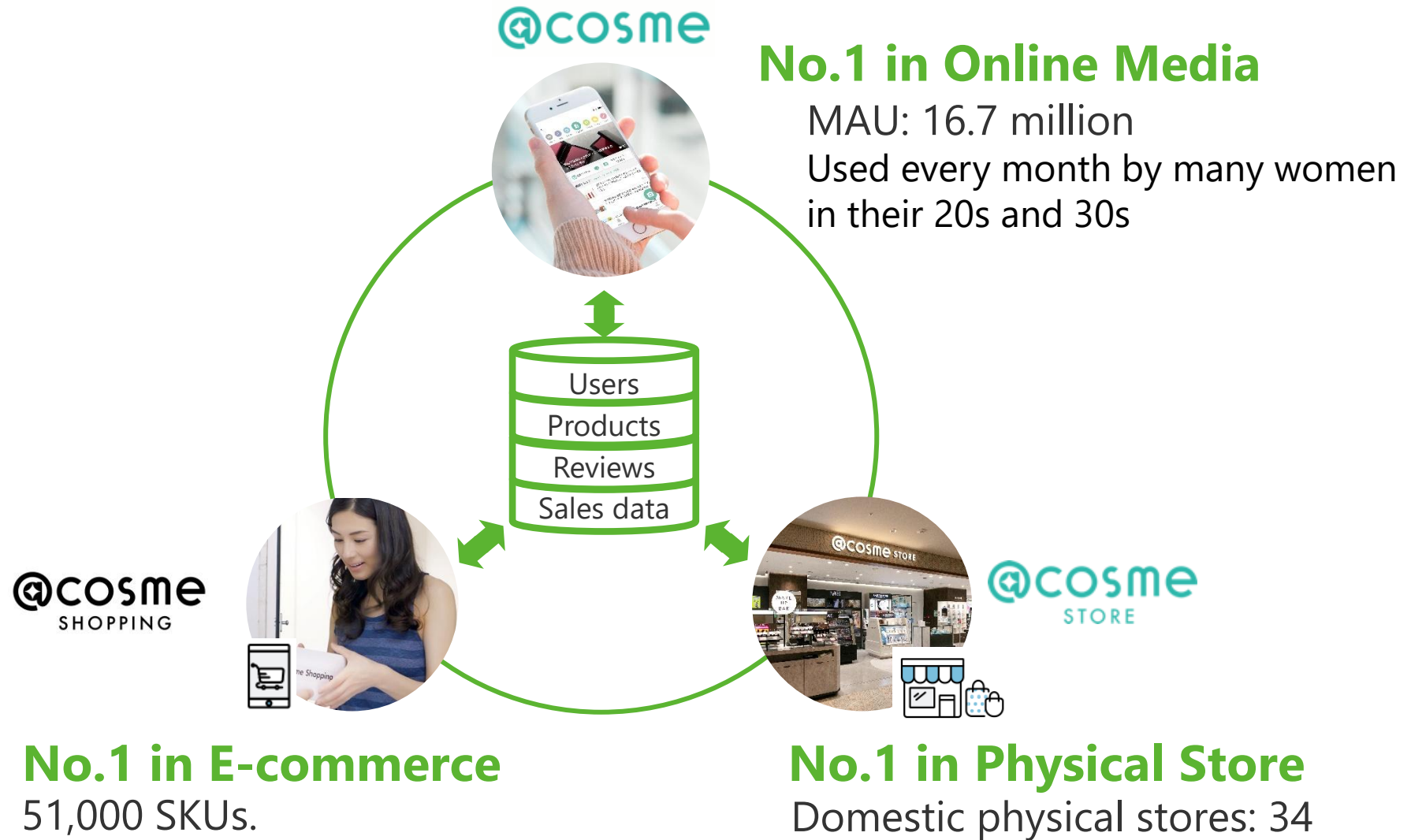
 **PORTER PRIZE**
2014 Michael Porter Prize Japan

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



* Figures are as of Jun. 2025

Japan's largest level comprehensive beauty site @cosme

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



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

Monthly
unique users

16.7 million

Mainly women aged 20
– 39 who are sensitive
to beauty trends

Registered
members

10.6 million

Covers almost every
brand marketed in
Japan

Registered
brands

46 thousand

Expanding beyond
cosmetics into all beauty-
related categories

Registered
products

420 thousand

Japan's leading site
specializing in beauty
with largest number of
reviews

Registered
reviews

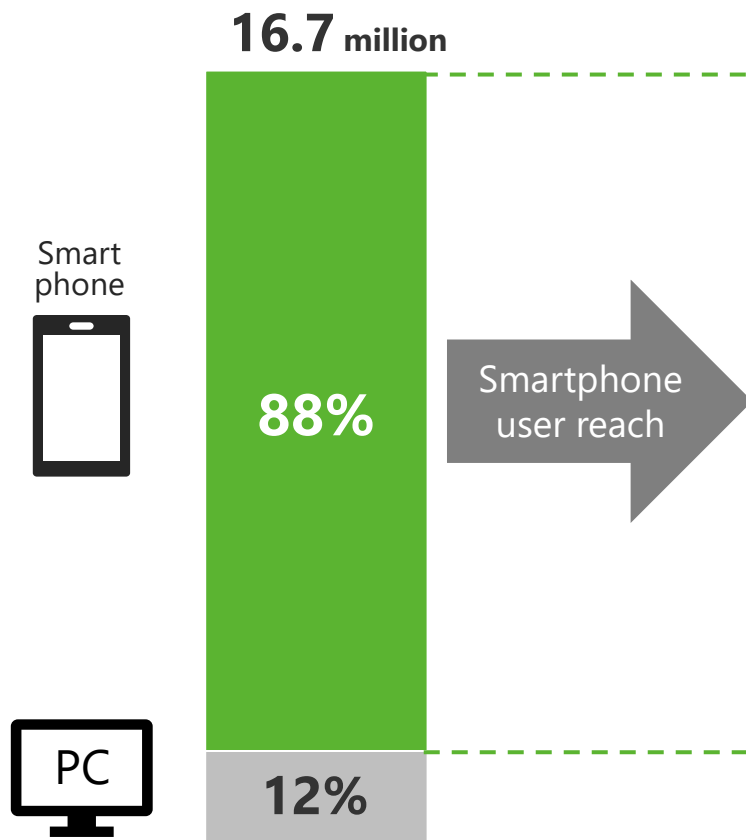
22.3 million

* Figures are as of Jun. 2025

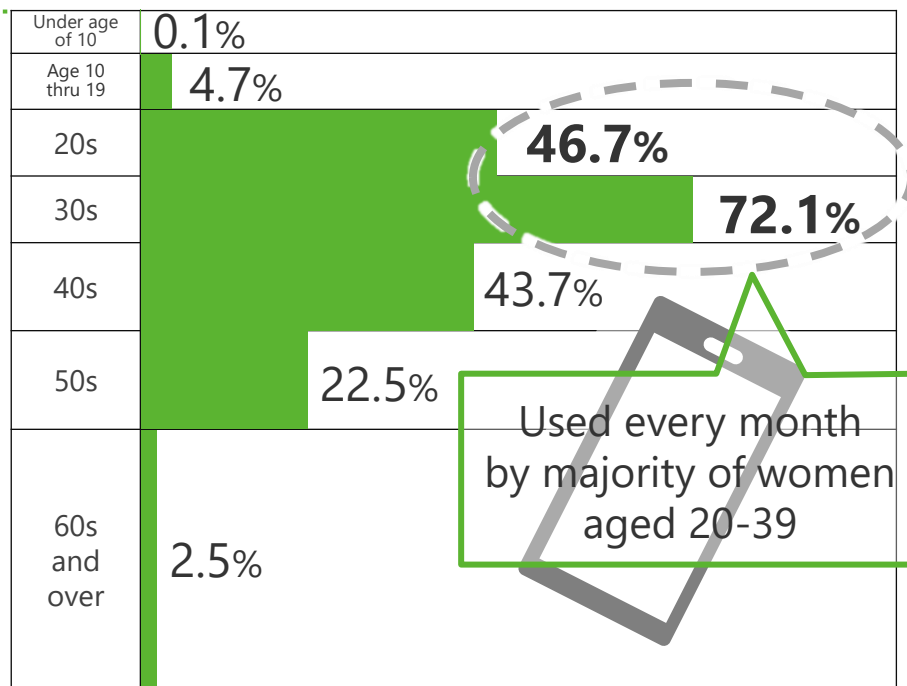
@cosme / Overwhelming usage ratio by female members

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

Breakdown of monthly unique users
(women only)



@cosme smartphone users
as percentage of Japanese females (by age group)



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

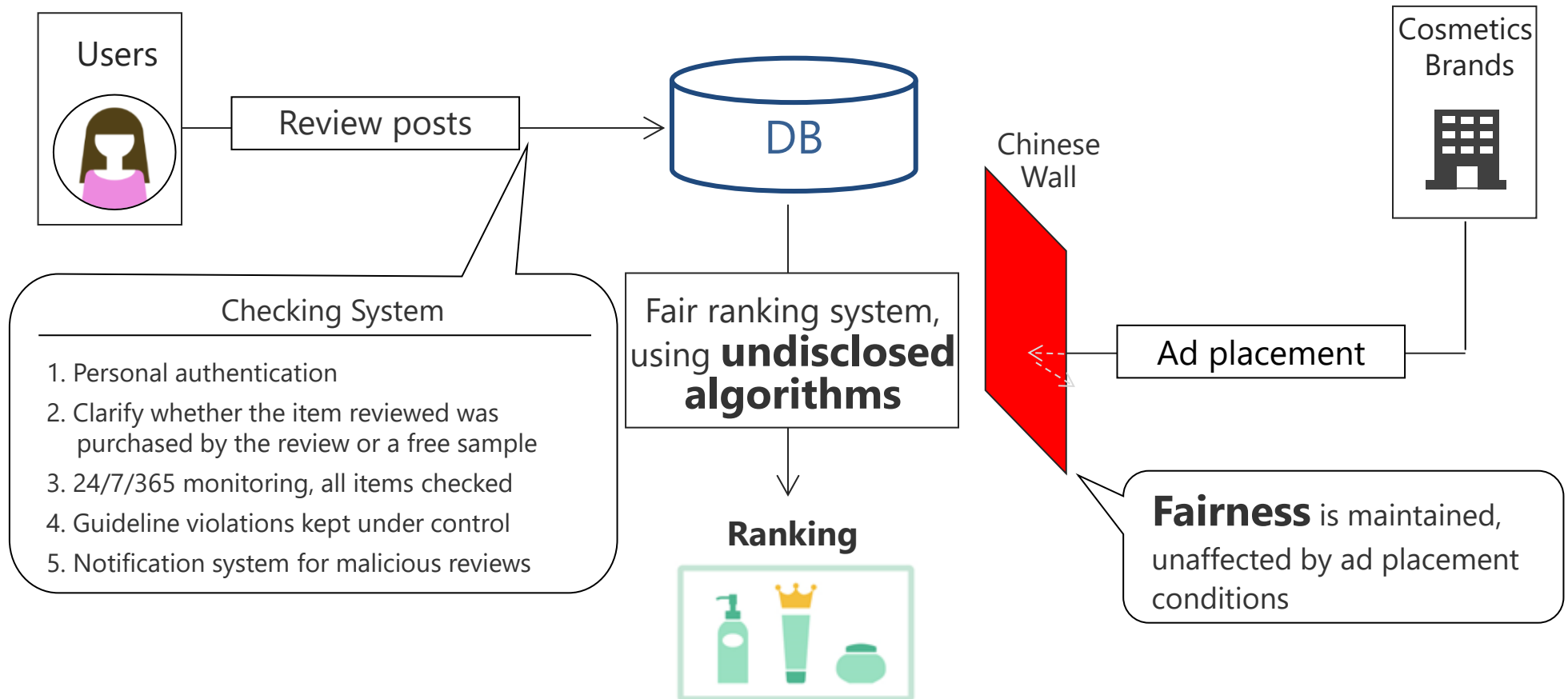
Database soundness

- Each measure ensures that the database is sound

User

@cosme

Cosmetics Brands



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

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

Materiality 02

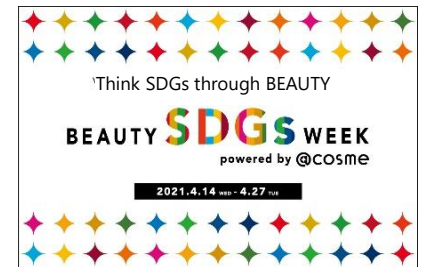


Co-creation through partnership

- 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.

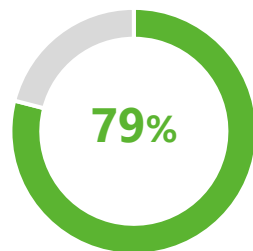


Materiality 03

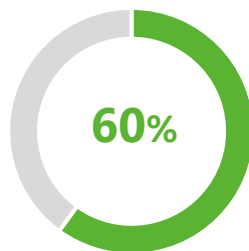


Talent empowerment

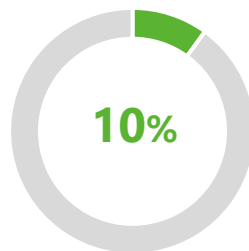
- Provide various options for ways to work (WFH/childcare leave)
- Substantial HR training system that promotes career development
- Promote diversity in human resources



Female employees



Female managers



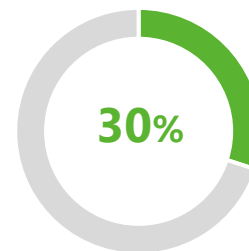
Foreign employees

Materiality 04

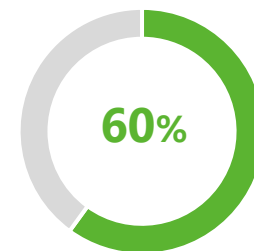


Enhancement of governance

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



Female officers



Independent officers

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."

Nº	Purpose	Topic	Issues (Focus Points)	Countermeasures		Indicators
1	Mission: To update the world of beauty while bringing happiness to many Human Resources Strategy Theme: Become a company chosen by people with a strong desire to grow Human Resources Strategy: • Commit to the growth of our people • Awareness Management	Foster a culture of growth and challenge	<ul style="list-style-type: none"> • Present clearer role models • Reform management-level work styles (with a desirable and achievable work-life balance) 	<ul style="list-style-type: none"> • Facilitate challenge within the Hands-Up system • Foster forums to celebrate challenges 	<ul style="list-style-type: none"> • Hands-Up (a system that enables growth at any age) • 7iAward (internal award system) • Interaction with external personnel • Joint workshops 	<ul style="list-style-type: none"> • Ratio of those who think that the Company offers opportunities for growth • Ratio of those who are motivated to develop themselves • Ratio of people willing to take on higher positions and positions of responsibility • Ratio of people who feel job satisfaction and worthwhile
2		Support work styles in accordance with stages of life that encourage job satisfaction		<ul style="list-style-type: none"> • Diversify work styles • Health management 		<ul style="list-style-type: none"> • Ratio of those who think that people around them have a good understanding of work-life balance, such as taking leave
3		Co-create within different fields and industries	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • 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) 		<ul style="list-style-type: none"> • Ratio of people who think that our strength lies in the horizontal collaboration among multiple departments
4		Foster leaders who will lead the future with new values	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • Reform our management model (from managers to coaches) • Introduce a training program to raise awareness • Select young project leaders 		<ul style="list-style-type: none"> • Ratio of participants in training programs • Number of coach-type management that discover and cultivate autonomous human resources <p>*Since it is in parallel with measures, indexing and management will be implemented in the future.</p>

* For more details, please refer to *the Integrated Report 2024* (Japanese Text only): https://ssl4.eir-parts.net/doc/3660/ir_material3/238199/00.pdf#page=31

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 2024)

Ratio of Female Employees	:	79%
Ratio of Female Managers	:	63%
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 **73 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.



Support individualized ways of working

- Full Flex-time Work
- Work from Home
- Caregiving and Nursing Leave
- Maternity and Parental Support
- Reproductive Health Support

Foster growth through self-driven choices

- 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
		Laws	- (No specific risks related laws are expected due to the nature of the business)
		Technologies	Increased costs due to increased demand for renewable energy
		Markets	Changes in procurement terms and conditions due to rising raw material costs
		Reputation	Loss of sensitive customers due to delays in response (consumers and cosmetics manufacturers)
	Physical Risks	Acute	Frequent natural disasters (typhoons, floods) resulting in • Suspension of store operations and in-store events • Risk of delayed delivery in e-commerce Opportunity loss due to supply chain stagnation (delayed delivery of purchased goods, e-commerce sales, etc.)
		Chronic	Decreased opportunities to go outside due to higher average temperatures leading to decreased opportunities to wear makeup
Opportunities	Resource Efficiency		Reduced and streamlined packaging materials, etc., in response to increased consumer awareness of the environmental
	Energy Sources		- (No specific opportunities related laws are expected due to the nature of the business)
	Products and Services		Increased sales through services tailored to changing customer preferences (ethical consumption)
	Markets		Increased demand for e-commerce due to decreased opportunities to go out Growing health awareness among consumers
	Resilience		Diversified risks through the operation of multiple businesses in addition to the acquisition of flexible demand

<CO₂ emission>

(Unit: t-CO ₂)	FY22	FY23	2030 Target
Scope1	0	0	0
Scope2 (Market Criteria)	709	662	300
Scope2 (Location Criteria)	674	635	300
Scope3	-	136,395	-
Category 1	-	93,630	-
Category 2	-	3,196	-
Category 3	-	102	-
Category 4	-	3,885	-
Category 5	-	5	-
Category 6	-	206	-
Category 7	-	137	-
Category 9	-	34,319	-
Category 11	-	557	-
Category 12	-	329	-
Category 14	-	28	-

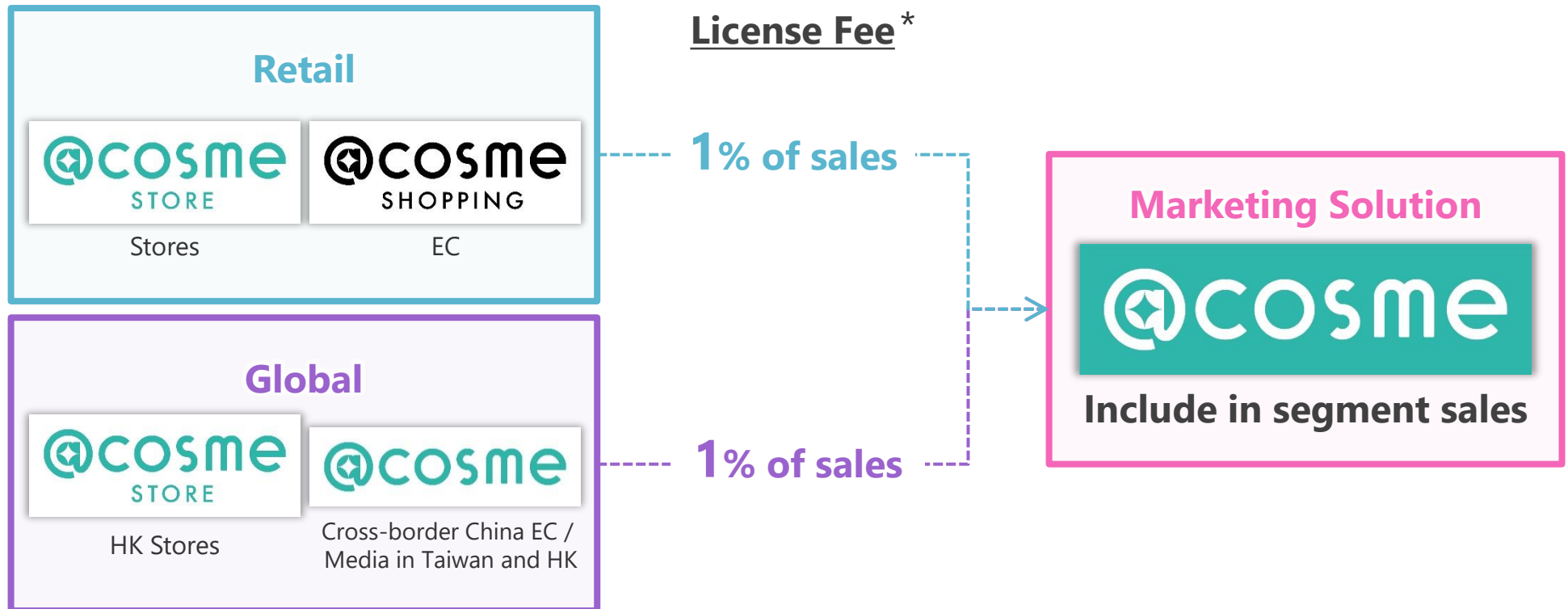
* For more details, please refer to *the Integrated Report 2024* (Japanese Text only): https://ssl4.eir-parts.net/doc/3660/ir_material3/238199/00.pdf#page=40

Appendix

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

(Reference) Changes to Inter-segment Transactions

- istyle Company to collect license fees from group companies that use @cosme trademark.



* Not based on segment sales, as it is based on the sales of group companies that use the @cosme trademark within the segment.



Advertising / solution service (Example: Branding ads)

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

L'ORÉAL PARIS

2年連続ベスコス受賞^{※1}

ロレアルパリ史上初^{※2}
そのまま花を閉じ込めた
フレグランスヘアオイル誕生

香水のように
一日中香り立つ、うるツヤ髪へ^{※3}

売上No.1^{※4}

売上No.1^{※4}の「ロレアルパリ」ヘアオイルシリーズから、まるで香水のような香りを楽しめるフレグランスヘアオイルが登場。人気シリーズの美髪作用はそのままに、ロレアルパリ史上初^{※2}そのまま花を閉じ込めた見た目にもときめくヘアオイルで、一日中続く香りを手にいれて、ワンランク上の女子力を狙っちゃおう！

現品をセットで **400** 名様にプレゼント！

※1 『エクストラオーディナリー オイル エクストラordinary 髪型オイル』 @cosme ベストコスメアワード2016 ベストヘアケア 第1位、@cosme ベストコスメアワード2017 ベストヘアケア 第2位 ※2 ロレアルパリにおいて ※3 ロレアルパリ エルセーヴ エクストラオーディナリー オイル レザン フィジオン ローズにおいて ※4 インターディ SRI調べ、アワードヘアケア内オイルリートメント市場2012年1月～2018年7月累計販売金額（エルセーヴシリーズ計）

編集部O子 (28歳)

O子：憧れちゃうな～って最近思うのはいい香りがする人。それだけでおしゃれ感が高くなって思うし、同性でも“いい女”って感じますよね。すれ違う時や近づいた時に、ふわっと香るのが理想的♪

編集部S織 (32歳)

S織：わかる！ さりげなくいい香りがする人は清潔感があるし、それだけで好感度上がったちゃう。しかも、髪からいい香りがするとドキッとします。髪の香りって魅力大だね。

O子：そういえば、いつもいい香りがする先輩にどんな香水を使ってるか聞いてみたんです。そしたら、ヘアオイルをつけてるだけなんですって！

S織：あの先輩の香り、私も覚えてたんだ～。言われてみれば、いつもいい香りだし、髪もロングなのにツヤツヤでキレイだよ～♪ この間、帰る時一緒になったんだけど、夜なのにツヤツヤの髪で、ほのかにいい香りだった！私もそんな風になりたいなあ・・・♡

@cosme 編集部 CHECK

編集部O子とS織が「ロレアルパリ エクストラオーディナリー オイル インフュージョン」を実際に試してみました。

花を閉じ込めたビジュアルが素敵！

美髪が叶えられそうな予感♪

「いい香りだね♪」って褒められた♡

ボトルの中に花をそのまま閉じ込めたビジュアルが素敵でときめきます！そのままつけておいてもおもしろい、思わず写真を撮ってSNSにアップしたくなります！

ちょっとしたところにあるオイルはベタつかず、するんと伸びてとっても使いやすい。ブローするのいい感じ！美髪がかなえられそうな予感♪ (S織)

オイルをつけた瞬間の香りはもちろん、ふわっとした上品な香りが一日中続いてくれるのが嬉しい！仕事帰りの女子会で「いい香り！香水何つけてるの？」と話題になりました！

- 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 34 stores
(As of Jun. 2025)



Online retail (E-commerce)

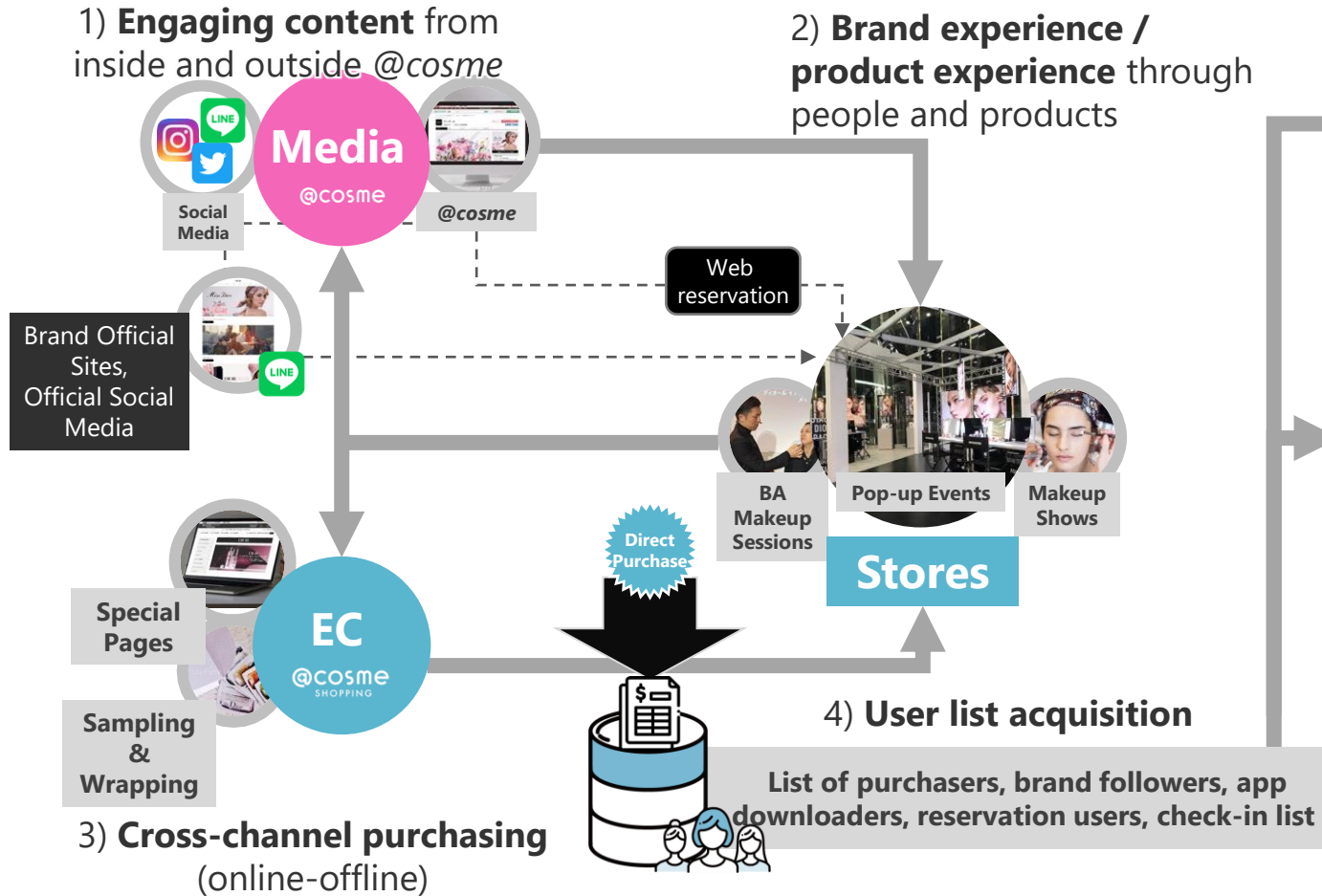
Operate cosmetics E-Commerce sites
@cosme SHOPPING linked to *@cosme*

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

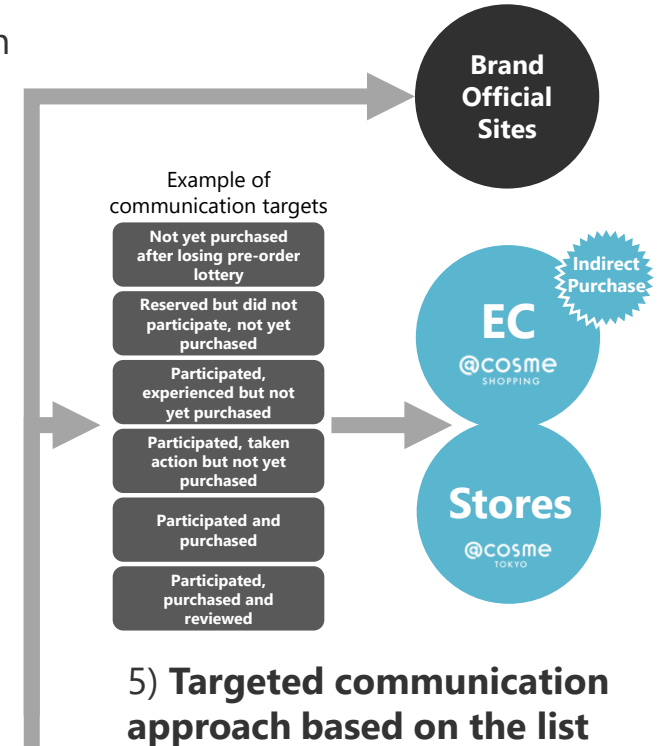
The screenshot shows the @cosme shopping website interface. At the top, there's a search bar and navigation links. Below, a large banner features various cosmetic products with Japanese text. Underneath the banner, there's a section titled 'アイリーコンキング' (Eye King) displaying five different eye makeup products, each with a numbered label (1-5) and a brief description.

Brand Campaigns including Sales Promotion Integrating Online and Offline Activities

Pre- to During Campaigns



Post-Campaigns



Brand and user engagement enabled by integrated data management on the platform

Store List (Domestic: 34 stores / Overseas: 3 stores) *As of Jun. 2025

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 (23 directly managed stores, Japan)

Hokkaido	Stellar place Sapporo store	Opened in Oct. 2024	460㎡
	TSUTAYA Sapporo Utsukushigaoka store	Opened in Sep. 2016	234㎡
	TSUTAYA Hakodate store	Opened in Nov. 2016	264㎡
Kanto	Aeon Mall Takasaki store	Opened in Oct. 2006 Expansion in Apr. 2020	254㎡
	Lumine Omiya store	Opened in Mar. 2018	241㎡
	Lalaport Fujimi store	Opened in Mar. 2018	244㎡
	AEON MALL Urawamisono store	Opened in Mar. 2012 Renewal in Jul. 2024	255㎡
	Lumine Est Shinjuku store	Opened in Mar. 2007 Renovated in Sep. 2016	238㎡
	Ueno Marui store	Opened in Nov. 2008 Expansion in Feb. 2017	350㎡
	Lumine Ikebukuro store	Opened in Apr.2012	333㎡
	Ikebukuro Sunshine city store	Opened in Oct. 2016	162㎡
	Lumine Yurakucho store	Opened in Feb. 2014	224㎡

Kanto	Mizonokuchi Marui Family store	Opened in Oct. 2015	271㎡
	SYDNEY by @cosme atré Kameido store	Opened in Oct. 1978 Renewal in Sep. 2024	129㎡
	NEWoMan Yokohama store	Opened in Jun. 2020	323㎡
	Lumine Yokohama store	Opened in Sep. 2022	349㎡
Chubu	Maroot Toyama store	Opened in Sep. 1987 Expansion in Mar. 2022	227㎡
	Aeon Mall Takaoka store	Opened in Sep. 2002 Expansion in Sep. 2019	240㎡
	Kanazawa Forus store	Opened in Dec. 2024	374㎡
Kinki	TSUTAYA EBISUBASHI store	Opened in Nov. 2014	297㎡
	Kobe Marui store	Opened in May 2016	162㎡
Kyushu	Amu Est Hakata store	Opened in Mar. 2017 Expansion in Aug. 2024	419㎡
	TSUTAYA Kumamoto Sannenzaka store	Opened in Jun. 2016	228㎡

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

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



(4 directly managed stores, Japan)

*Consolidated from Q1 FY24

Kanto	SYDNEY/ATELIER ALBION atré Kichijoji store	Opened in Dec. 1969 Relocated in Dec. 2010	59㎡
	SYDNEY Kitasenju store	Opened in Mar. 1985 Relocated in Jul. 2009	162㎡
	SYDNEY Kinshi store	Opened in Mar. 1995 Relocated in Mar. 2019	97㎡
	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㎡
	MISUGI NAMBA WALK store	Franchised in Sep. 2023	289㎡

@cosme STORE (2 directly managed stores, overseas)

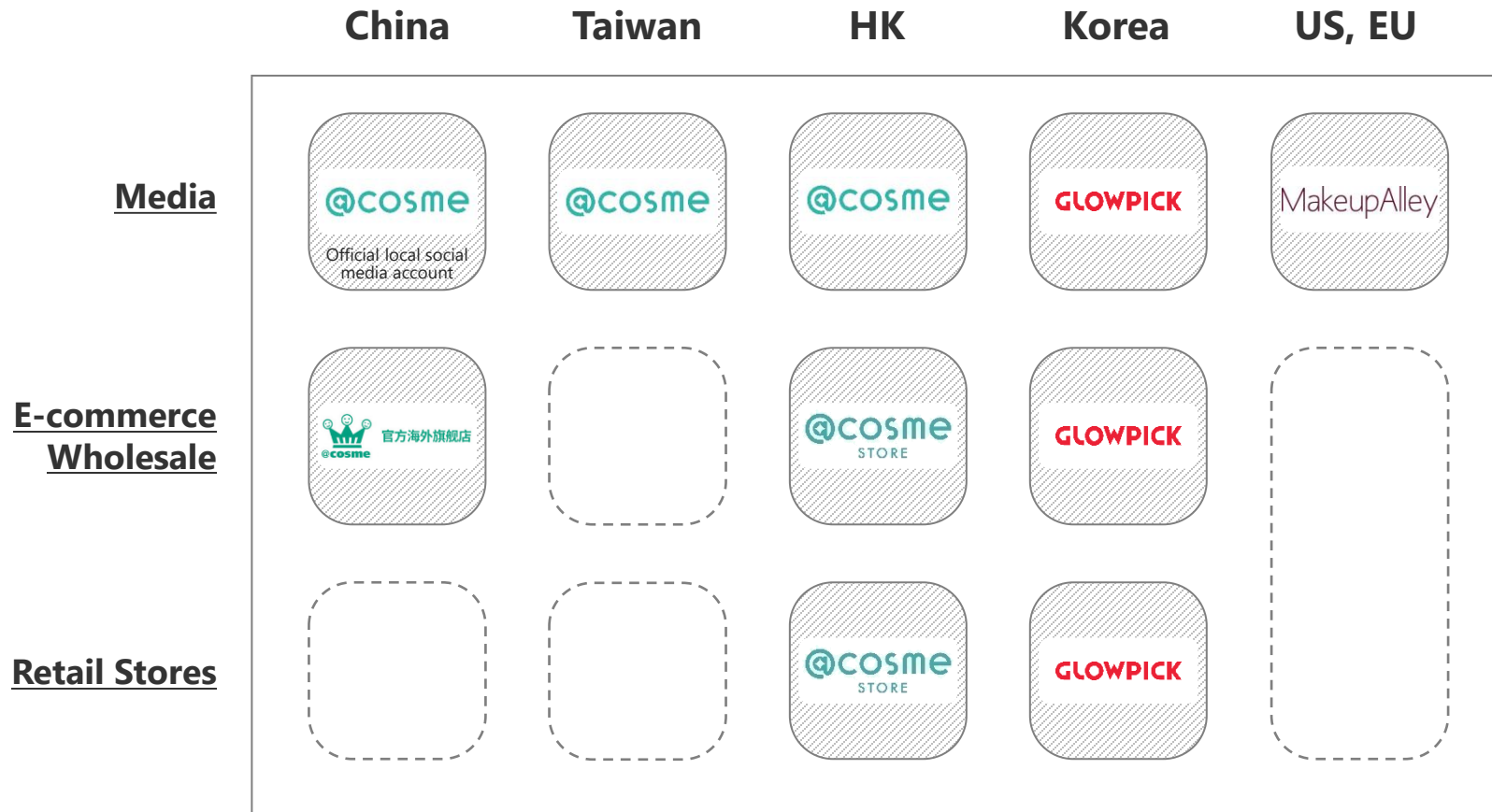
Hong Kong	Langham Place store (Mong Kok)	Opened in Oct. 2019	188㎡
	Lee Theatre store (Causeway Bay)	Opened in Dec. 2019	231㎡

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

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

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



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

Appendix

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

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

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

Mid-term Business Policy

<Existing Businesses>

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

<New Businesses>

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

Mid-term Business Targets

<Net Sales>

100 billion yen

<Operating Income>

8 billion yen

<Growth>

CAGR for Net Sales

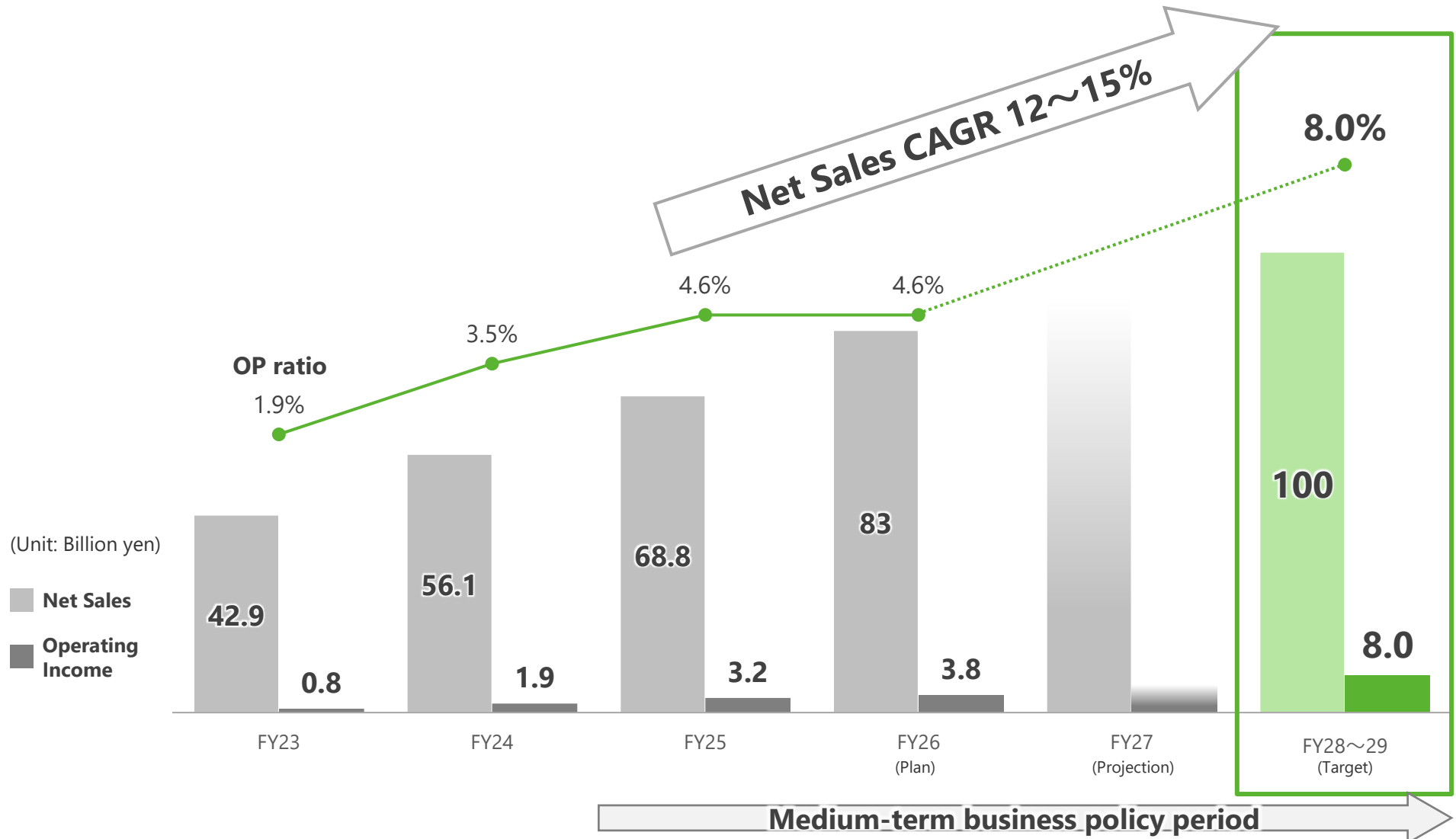
12~15%

<Capital Profitability>

ROE exceeding
cost of equity

Mid-term Business Targets (Financial Targets, Growth)

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



Mid-term Business Targets (Capital Profitability)

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

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

CAPM 10~11%

rf	:	1.06%
β	:	1.1
MRP	:	6%
SRP	:	2-3%

<

<Capital Profitability>

ROE
(FY25: 17%)

rf (risk-free rate): 10-year government bond yield as of June 30, 2024

β (equity beta): 2-year weekly basis

MRP: Market risk premium

SRP: liquidity taken into account based on market capitalization as size risk premium

* MRP and SRP are estimates based on dialogue with shareholders and investors.

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.**





MARKET DESIGN COMPANY

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