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Q&A on the Financial Results for the Third Quarter of the Fiscal Year Ending December 2025

We appreciate your continued interest in our company.

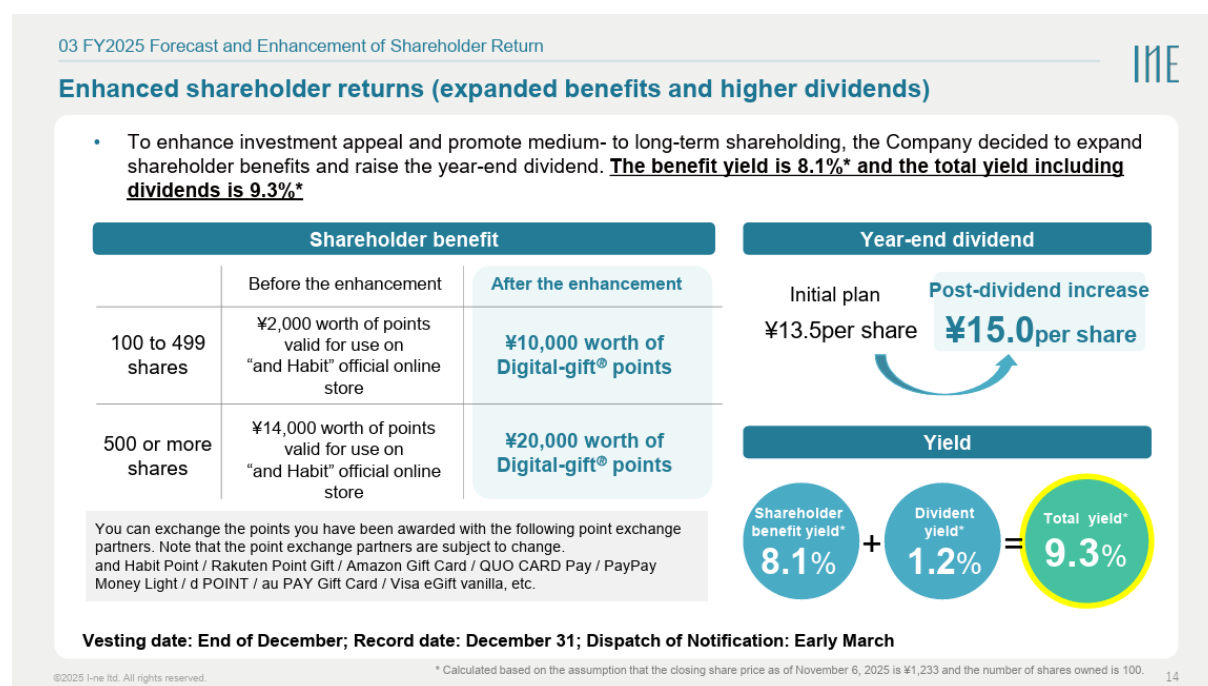
Below, we have disclosed the main questions received recently from investors along with our responses.

This disclosure is intended to enhance information transparency and ensure fair disclosure for all investors.

Please note that some discrepancies may arise due to timing differences in the information provided.

Q1: Please explain the sustainability of the expanded shareholder benefit program.

The shareholder benefit program announced on November 7, 2025, is not intended as a one-time initiative, but is designed to be continued in subsequent fiscal years. In order to enhance the investment appeal of our shares and increase corporate value, we will continue to flexibly consider shareholder return measures, including shareholder benefit programs, going forward.

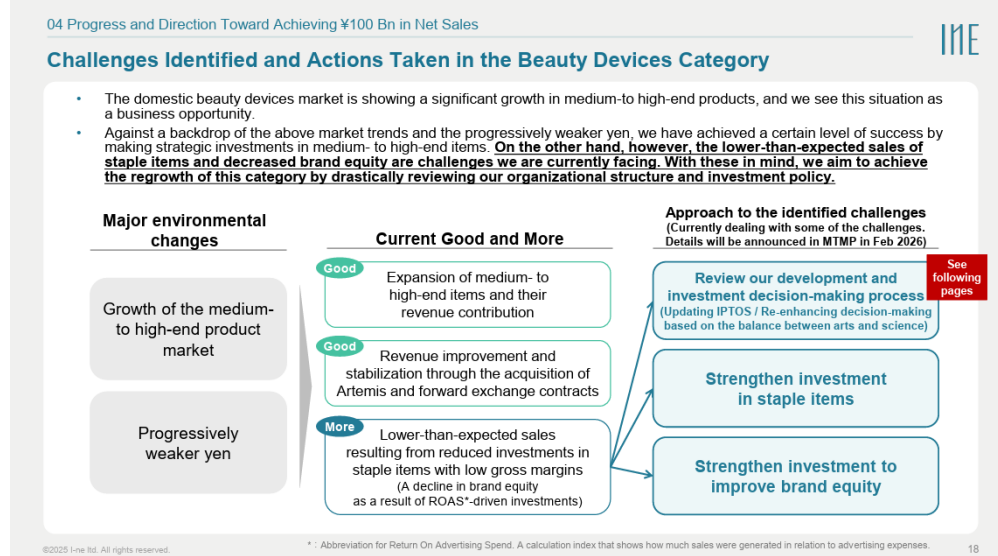
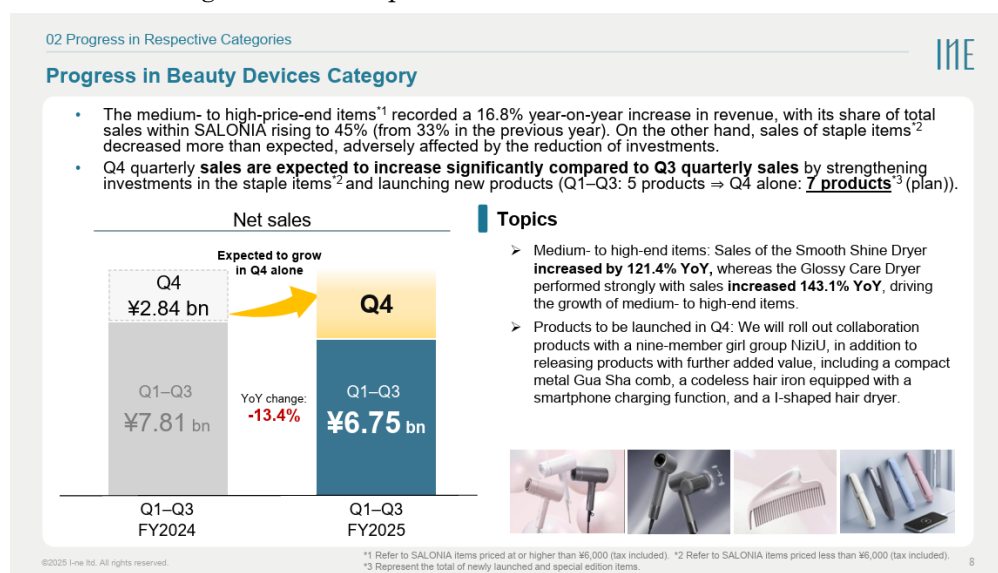


Q2: What was the reason for expanding the shareholder benefit program?

At the time of the public offering conducted concurrently with our market transition to the Prime Market, the allocation was limited to institutional investors. As a result, the proportion of individual shareholders has remained lower compared with peers in the same industry. With the aim of encouraging a greater number of individual investors to become our shareholders and improving the liquidity of our shares, we decided to implement the expansion of the shareholder benefit program.

Q3: What were the factors behind the decline in revenue in the beauty appliances category, and what measures are being taken?

There were two main factors behind the revenue decline in the beauty appliances category in the third quarter. First, there were no new product launches during the quarter. Second, sales of core products declined more than initially anticipated. Regarding the first factor, new product launches such as a cordless hair iron and an I-shaped hair dryer are scheduled for the fourth quarter, and we expect a significant revenue increase compared with the third quarter. (Planned number of new and planned product launches in FY2025: cumulative total for 1Q–3Q: 5 products; 4Q alone: 7 products.) As for the second factor, the decline was attributable to a reduction in advertising investment for core products as part of a strategic shift toward mid- to high-priced products. At present, we are reviewing the balance of our investments with the aim of restoring sales of core products.



Q4: What is the outlook for full-year results?

While the skincare and other categories are progressing ahead of plan, there is a risk that overall company performance may fall short of the initial plan due to factors such as delays in building market awareness following the renewal of YOLU, as well as the impact of declining sales of core products in the beauty appliances category described in Q2.

On the profit side, we plan to implement advertising investments at approximately the level initially planned at the beginning of the fiscal year in order to support future sales growth. In addition, the tax expense reduction effect associated with the absorption-type merger of our subsidiary Endeavour, which was expected at the time of the third-quarter financial results announcement on November 7, 2025, is now scheduled to be recognized in FY2026 due to a postponement of the merger date, as disclosed on November 19, 2025. (<https://contents.xj-storage.jp/xcontents/AS03869/b279f8c0/06e6/4a45/8f82/6b2dbb03aa4c/140120251119506212.pdf>.)

03 FY2025 Forecast and Enhancement of Shareholder Return

INE

Latest Forecast

- A delay in adapting to changes in the external environment and other factors may pose a risk to the achievement of the full-year targets.
- Despite increased strategic investments for future regrowth, net profit for the year is projected to be in line with the target.

Net sales

- While the Skincare and Others category is expected to record higher net sales than the target, the following factors may lead to overall net sales falling below the target:
 - A delay in building recognition of the revamping of YOLU
 - A delay in sales promotion of new haircare products
 - Excessive reduction of investments in staple items^{*1} resulting from the concentration of investments in medium- to high-end beauty device items^{*2}.

EBITDA / Operating profit

- Although COGS and fixed cost reductions progressed better than the initial targets, EBITDA and operating profit are at risk of falling below their targets due to the impact of progress toward achieving the net sales target and strategic investments in advertising and promotion expenses to achieve the medium- to long-term strategy.

Net profit for the year

- Net profit for the year^{*3} is projected to be in line with the target as the above-mentioned risk for EBITDA and operating profit will be absorbed by the effects of a reduction in tax expenses resulting from the absorption-type merger of a subsidiary announced on October 22 and the tax system for promoting wage increase.

©2025 I-ne Ltd. All rights reserved. *1 Refer to SALONIA products priced less than ¥6,000 (tax included). *2 Refer to SALONIA products priced at or higher than ¥6,000 (tax included). 13 *3 Excludes shareholder benefits expenses.

Q5: What are the reasons behind the strong performance of the skincare and other categories, and conversely, the slowdown in the haircare and beauty appliances categories?

The strong performance of the skincare and other categories is attributable to the acquisition of Tvert Co., Ltd. and the steady progress of PMI following the acquisition, as well as the emergence of multiple promising hit brands within the New Business Development Office under the direct supervision of the President and our subsidiary Endeavour.

In order to build new pillars of growth, management resources were allocated to the skincare and other categories, and authority was delegated in the haircare and beauty appliances categories from the perspective of developing next-generation leaders. As a result, however, decision-making processes in the haircare and beauty appliances categories became more complex, leading to issues where IPTOS did not function sufficiently. Based on this recognition, we will promote organizational reforms during 2025, and new product launches under the new organizational structure are scheduled from the second half of 2026 onward.

