

Financial Results for the First Six Months of the Year Ending December 31, 2025

August 8, 2025

INE

INNOVATION NEVER ENDS

Executive Summary

H1 Results

Net sales: ¥22.32 billion (+9.9% YoY)

- Significant growth in the "Skincare and Others" category (YoY +432.7%)
- Growth in online sales (YoY +58.8%)

EBITDA: ¥2.54 billion (+15.2%YoY), Operating profit: ¥1.68 billion (-17.0% YoY)

- EBITDA and operating profit exceeded the disclosed plan, reaching 104% and 110% respectively
- EBITDA growth YoY, despite lower operating profit from M&A-related amortization

COGS ratio: improved 4.0 pts YoY

- Improvement driven by higher online sales ratio, strategic beauty appliance initiatives, and skincare/others growth

Looking Ahead

Promoting Various Initiatives to Meet Full-Year Targets and Enhance Corporate Value

- **Launch of Numerous New Products:** 81 new products*¹ are planned for H2, up from 48 in H1, with new brands and products across all categories, including new business areas.
- **Establishment of JBIST*², a Fabless R&D Organization:** Strengthening a fast and flexible R&D framework with a marketing-driven approach
- **Expansion of Shareholder Benefits Program:** Enhancing benefits according to the number of shares held.

Our view on recent macroeconomic shifts:

We believe the impact of macroeconomic changes triggered by the so-called "Trump tariffs" on our performance is limited. This is because our core market is Japan, with over 97% of sales coming from domestic demand in the previous fiscal year.

- 01 Consolidated Results Highlights**
- 02 Progress in Respective Categories**
- 03 Looking Ahead**
- 04 Appendix**

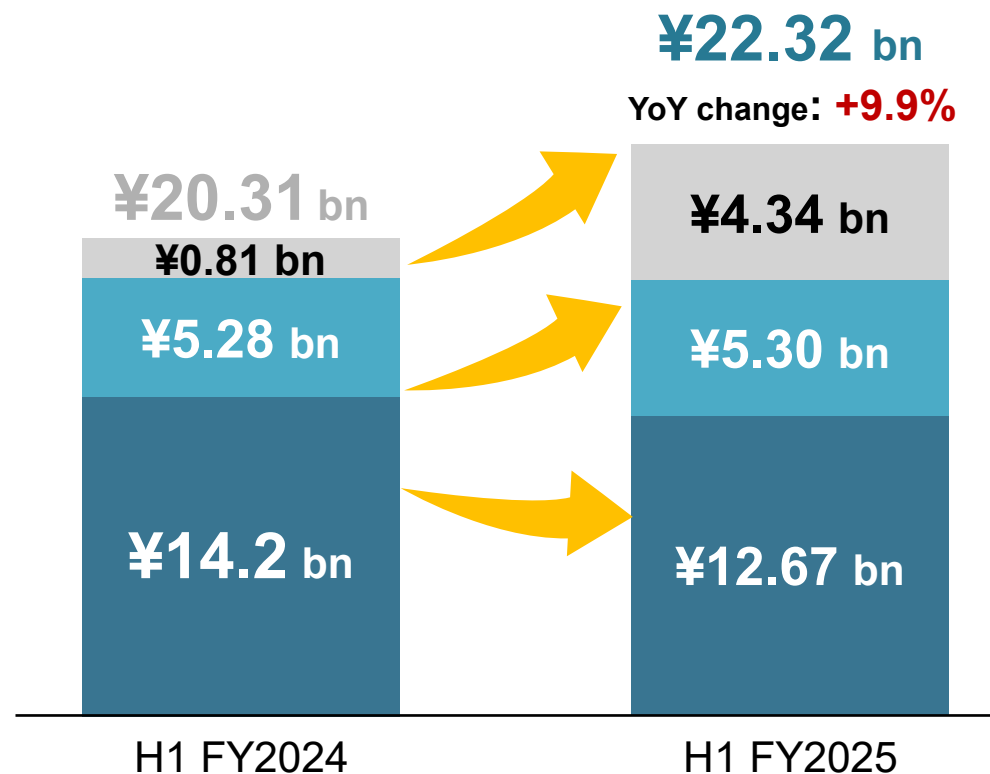
Consolidated Net Sales, EBITDA, and Operating Profit

- Consolidated net sales grew 9.9% YoY due to the inclusion of Tout Vert in consolidation and the growth of other brand under the Skincare and Others category. We aim to achieve the full-year plan by focusing on measures in H2 FY2025.
- Operating profit declined due to amortization from two major M&A deals conducted last year, but EBITDA grew significantly by 15.2%. In addition, **both EBITDA and operating profit exceeded the plan.**

	H1 FY2024	H1 FY2025	YoY change	vs. disclosed plan
Consolidated net sales	¥20.31 bn	¥22.32 bn	+9.9%	97%
Consolidated EBITDA	¥2.21 bn	¥2.54 bn	+15.2%	104%
Consolidated operating profit	¥2.03 bn	¥1.68 bn	-17.0%	110%

Net Sales by Category

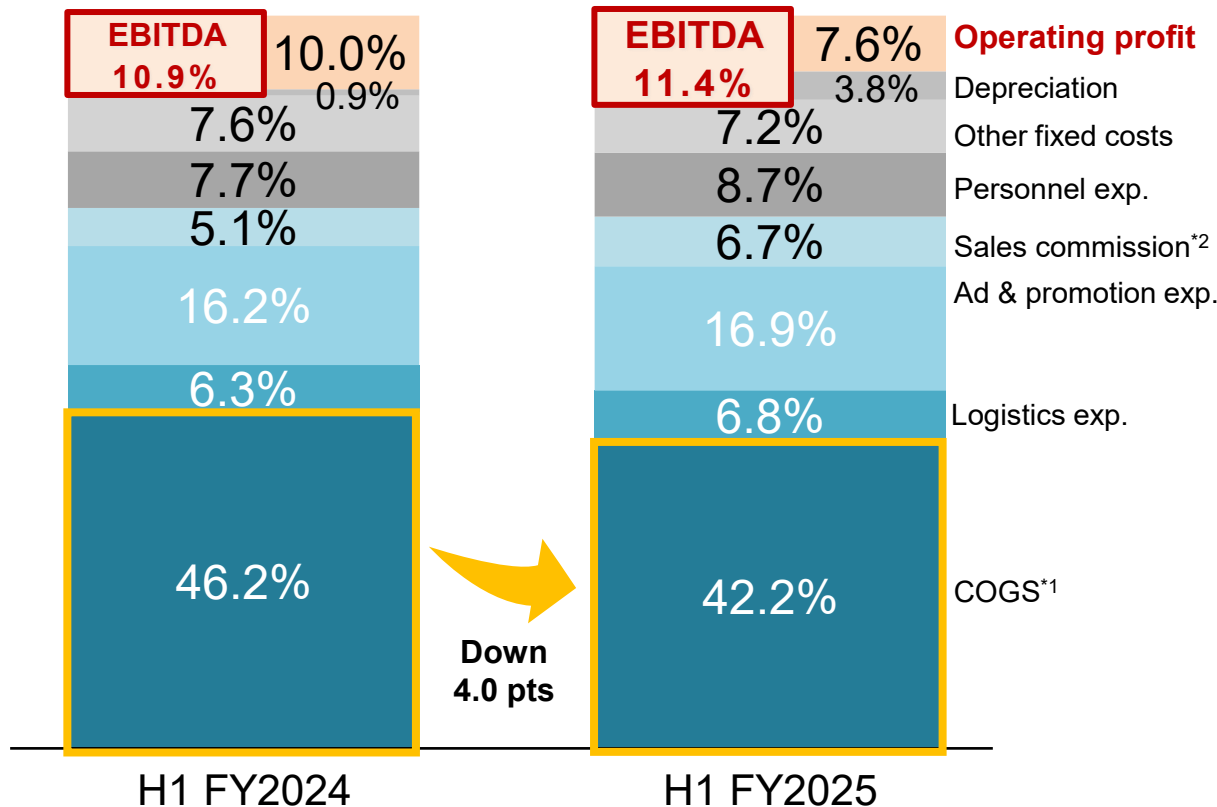
- Due to the inclusion of Tout Vert in consolidation, which was acquired through an M&A deal in October 2024, and growth in other brands excluding Tout Vert, **the Skincare and Others category recorded significant YoY growth of 432.7%.**
- **Online sales increased across all categories, resulting in a significant year-over-year growth of 58.8% at the company-wide level. Additionally, the ratio of online sales improved from approximately 32% to 46%,** establishing a stable sales channel."



	Sales YoY change	Online Sales YoY change
Skincare and Others	+432.7%	+520.6%
Beauty Devices	+0.3%	+7.2%
Haircare	-10.8%	+16.7%

Cost Structure

- Thanks to two M&A deals conducted in FY2024, the expansion of e-commerce sales, and ongoing collaboration with OEM partners, **cost of sales*1 improved significantly by 4.0 pts YoY.**
- Due to the significant growth of the Skincare and Others category, largely through e-commerce, and the strengthening of e-commerce sales in the Haircare and Beauty Devices categories, the sales commission ratio increased by 1.6 pts.



Variable costs

- **COGS ratio improved YoY by as much as 4.0 pts**, with the changes in cost mix following growth in the Skincare and Others category, engagement with OEM partners, and disintermediation*3 in the Beauty Devices category.
- The sales commission ratio increased by 1.6 pts due to a strategic increase in the online sales ratio.

Fixed cost

- Depreciation increased after we recorded **amortization of goodwill and intangible assets** in the acquisitions enacted in Q4 FY2024 (details on Appendix).
- Personnel expense ratio increased because we raised wages in FY2024 and hired more staff to help penetrate new markets. However, improvement is expected over the medium term through sales growth and the promotion of DX and AI utilization.

*1 As used here, COGS excludes depreciation (for dies and other assets).

*2 This consists mainly of mall rent and payment processing fees for our e-commerce channels.

*3 This disintermediation is the result of Artemis, which we acquired in Q4 FY2024 (formerly known as TTrading), selling directly to our customers.

01 Consolidated Results Highlights

02 Progress in Respective Categories

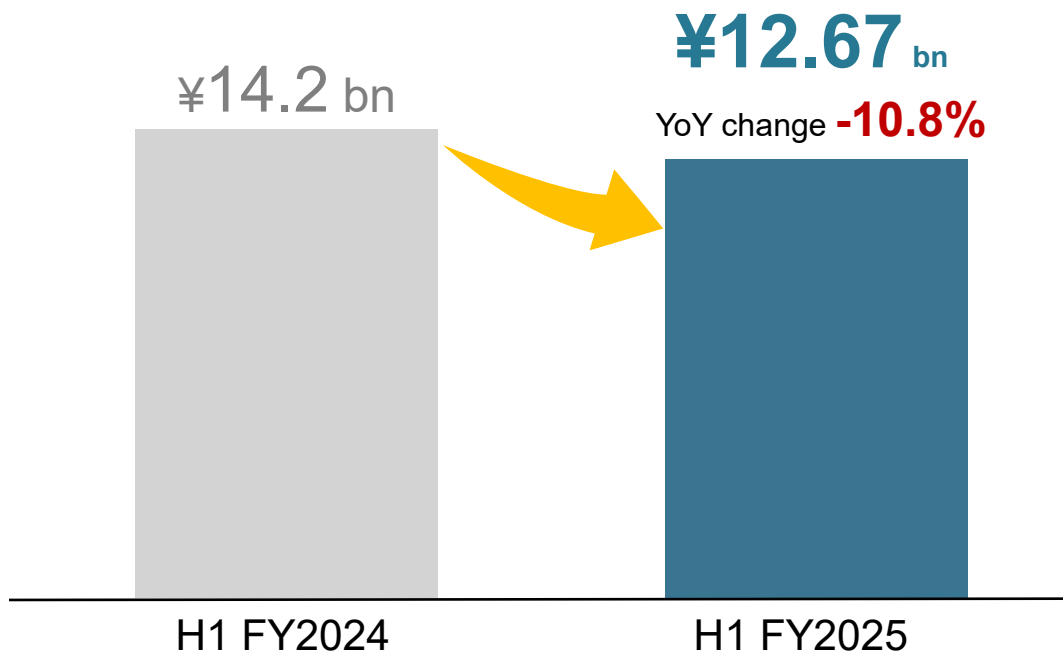
03 Looking Ahead

04 Appendix

Progress in Haircare Category

- Sales declined 10.8% YoY due to the withdrawal from the Chinese market, as well as a delay in building market recognition of the revamping of YOLU in April.
- **Online sales increased by 16.7% YoY, as all main brands recorded higher revenue compared to the same period last year.**

Net sales



Topics

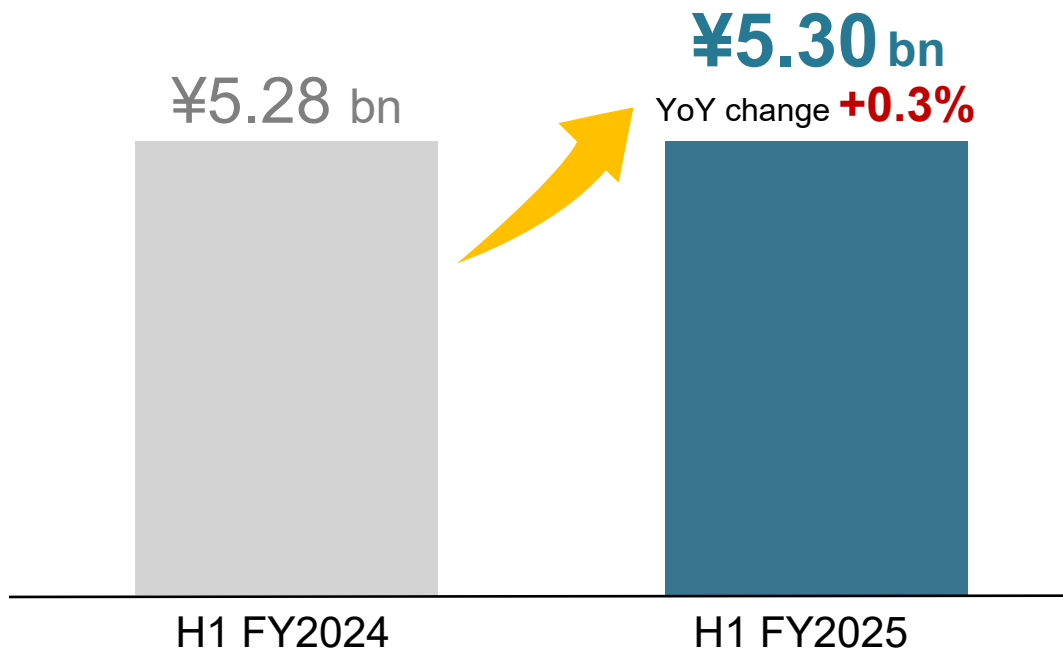
- "ROOTH, a sub-line of BOTANIST, continued its strong growth following last year's renewal, with sales up 51.2% YoY and POS* up 103.0%.
- For YOLU, online sales of refill products grew significantly by **136.9% YoY**.
- Qurap performed well, as online sales **increased 39.3% QoQ**. The brand's first seasonal limited-edition product, the Wrapping Moist Prism Edition Series, was launched in June.



Progress in Beauty Devices Category

- **Sales of mid-high items^{*1} recorded a significant increase of 69.4% YoY.**
- Ratio of mid-high items^{*1} to mainstay items^{*2} was 4:6, compared to 3:7 for the same period a year ago and the profit margin within the category also improved.

Net sales



Topics

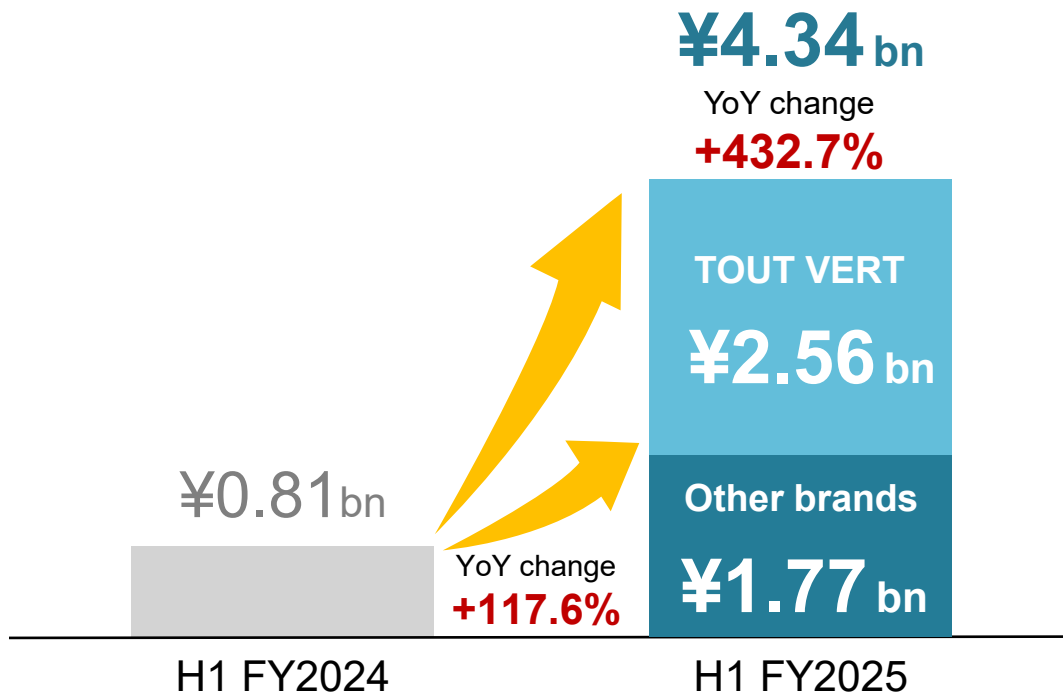
- The strategic shift in the sales composition proceeded as planned, with mid-high items revenue achieving **+69.4% YoY growth.**
- The Smooth Shine Hair Iron performed strongly, recording a **QoQ increase of 56.8%**, driving growth in mid-high items^{*1}.
- The Glossy Care Straight Hair Iron, the second^{*3} in the series of mid-high irons, was launched in June.



Progress in Skincare & Other Category

- Category achieved **astonishing YoY growth (+432.7%)** with inclusion of TOUT VERT in consolidation coupled with WrinkFade’s sales growth, the launch of ReWEAR, and other factors. **Even if TOUT VERT were not included, YoY growth would still be impressive (+117.6%).**

Net sales



Topics

- TOUT VERT: Achieved its **highest ever sales result for a Jan–June period**, driven by the growth in the Amazon sales channel. Trials sales launched in offline stores as well.
- WrinkFade: Achieved **huge YoY growth (+38.9%)** with strong growth in new subscriptions and strong online-mall sales.
- SKN REMED: **Continued growth trajectory since launch in Q2 FY2024 with QoQ increase of 17.7%**. Started making shipments to offline stores as well.
- ReWEAR: Went offline in April after launching through e-commerce first. Internal POS* budget achieved, and both offline and online sales are performing well.



PMI Progress

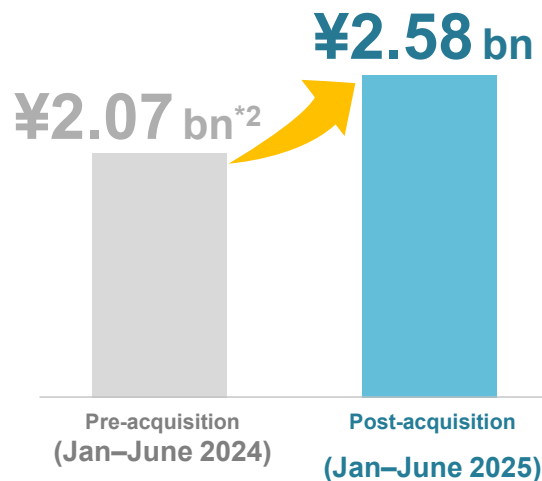
- **PMIs are proceeding well in Tout Vert and Artemis*1.** In Q1 and Q2, we achieved the targets for net sales and gross profit improvement.
- We will continue our efforts to generate further synergies by leveraging our business management expertise and resources from Q3 and beyond.

Designs and sells cosmetics

Tout Vert Co., Ltd.



Comparison of sales before and after acquisition*2



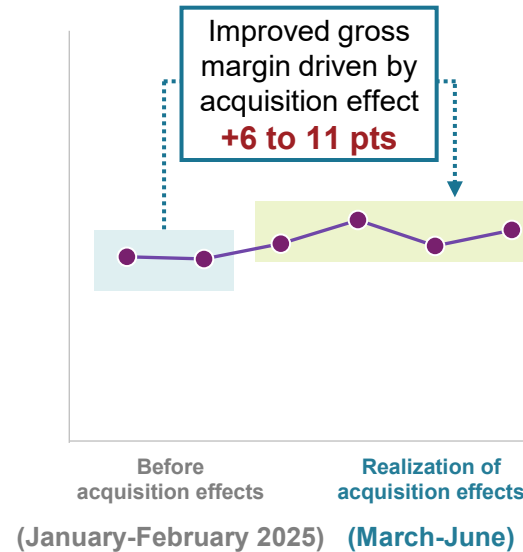
PMI actions	
✓	Gain opportunities for immediate growth
✓	Improve online sales
✓	Expand offline sales
In progress	Strengthen digital marketing
In progress	Optimize supply chain
In progress	Improve business management capability

Designs, manages production of, exports, and sells beauty devices

Artemis Co., Ltd.*1



Gross margin of Beauty Devices business*3 (Jan.-June 2025)



PMI actions	
✓	Undertake process to change product specifications and supply-chain partners
✓	Standardize integrated process flow
In progress	Accelerate development
In progress	Improve QCD
In progress	Improve business management capability

*1 Artemis was formerly known as TTrading Co., Ltd. It adopted its current name following the M&A.

*2 Net sales from January to June 2024 is unaudited information.

*3 Following the acquisition in November 2024, the ordering process was changed to go through Artemis. The first delivery was made in March 2025, and the impact is being shown on a monthly basis for comparison.

Social Beauty Project (Sustainability Initiatives)



Received a management level "B" score in the 2024 climate change category of the CDP*¹ survey



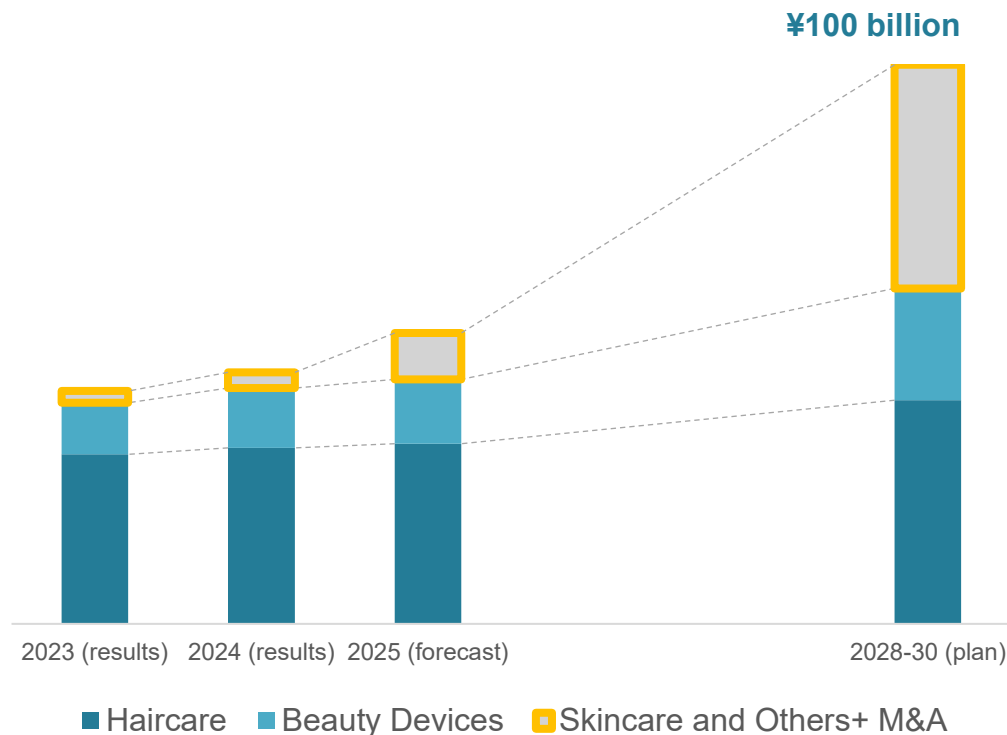
Entered into a sustainability-linked loan agreement under which lending conditions vary depending on the achievement level of SPTs*², to support a sustainable society

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Initiatives for Business Portfolio Transformation

- Toward building a business portfolio as stated in the mid-term strategy, the **Skincare and Others category is growing rapidly as planned, and the establishment of new business pillars is steadily underway.**
- In H2 of the fiscal year as well, **we plan to continue entering new markets** from the Skincare and Others category.

Business portfolio shift as stated in the mid-term strategy



Target markets (partial) and current to future initiatives

Category	Domestic TAM	Initiatives
Existing core businesses	Approx. ¥1,030 bn ^{*1}	<ul style="list-style-type: none"> Haircare: Launch new products from existing core brands and introduce new brands to achieve stable and sustainable growth Beauty Devices: Conduct measures to promote further growth of core brands such as Tout Vert and WrinkFade
New strategic businesses*2	Approx. ¥4,130 bn ^{*1}	<ul style="list-style-type: none"> Fabric softener (New): Launch ReWear in H1 FY2025 Oral care (New): Launch BUBLOS and several other brands in H2 FY2025 Health foods (New): Launch Teaflex in H1 FY2025, with several other brands to follow in H2 FY2025 Quasi drugs: Using Tearal (launched in 2023) for a 2025 collaboration with the anime <i>Oshi no Ko</i>

*1 According to our own research

*2 This area falls under the 'Skincare and Others' category.

Haircare Category Strategy for H2

- **While 22 products*¹ were launched in H1, 44 are scheduled in H2,** with numerous new products from core brands and the launch of new brands as well.
- We will pursue measures for sustainable growth by combining product development that respond to changes in the external environment and channel strategies.

YOLU



YOLU

Main category
New products, etc.
Coming soon

- Rollout of new products in core categories and skincare
- Reflecting the knowledge of our own R&D organization, JBIST*² (see subsequent pages), and beauty market trends
- Revamp of some peripheral items

BOTANIST



- Launch of a new line “BOTANIST SANTAL”
- Revamp of some peripheral items
- Launch of various planned products and collaborative products

Other brands



- Launch of new brand “Collagen”
- Launch of a new variant from “Qurap”

Beauty Devices/Skincare and Others Category Strategy for H2 (1/2)

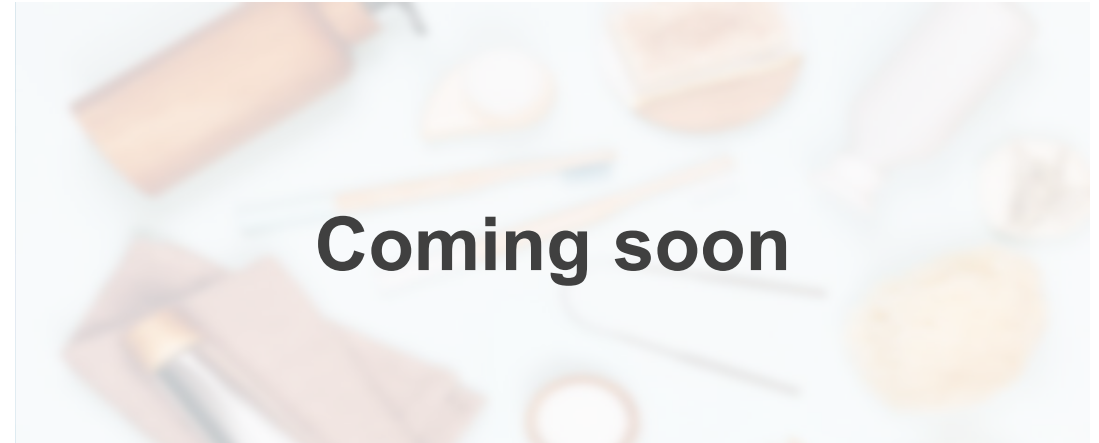
- **For SALONIA, while 4 products* were launched in H1, 11 are scheduled in H2**, with plans to roll out a large number of new products.
- We are also planning to launch the first new brand in the Beauty Devices category since SALONIA.

SALONIA



- Strengthen measures for further expansion of mid-high items
- Strengthen sales in offline channels
 - Expand stores with dedicated sales staff and sales channels
 - Strengthening retail initiatives, including limited early sales through select channels

New brand



- New brand launch planned for the end of August 2025
- We plan to launch an item that has obtained Japan's first certification from a third-party organization.

Skincare and Others Category Strategy for H2

- **While 22 products*¹ were launched in H1, 26 are scheduled in H2**, with plans to roll out a large number of new products.
- In addition to growth measures for TOUT VERT and existing brands, there are plans to launch 3 to 5 new brands from new categories other than skincare.

TOUT VERT

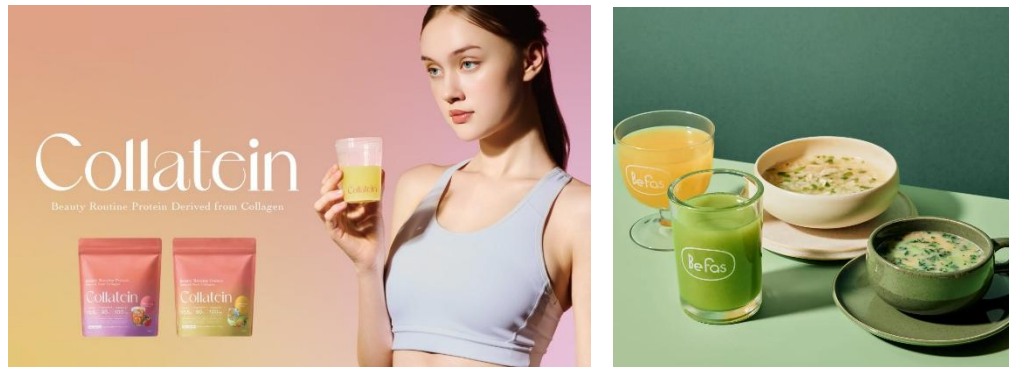


- Launch new products (planned)
- Strengthen digital marketing
- Strengthen cooperation between TOUT VERT and the I-ne R&D organization (JBIST*²)

Other brands



- Enter various beauty categories such as health food and oral care
- Pursue speedy product development in the New Business Development Office directly under the President
- A number of seasonal products and new products from existing brands scheduled to be released



*1 New launches and special edition items

*2 "JBIST" stands for Japan Beauty Institute of Science and Technology.

Establishment of the Japan Beauty Institute of Science and Technology (“JBIST”*)

- On August 1, 2025, our first research institute, the Japan Beauty Institute of Science and Technology (“JBIST*”), was established.
- Leveraging our strength in our fables structure, we have created a truly original hybrid “fables R&D” model that combines in-house development of differentiated technologies with external collaboration for commercialization.

Uniqueness of “fables R&D” model achieved by JBIST *

- ① **Flexible and high-quality product development and supply system**
 - In-house development and patenting of differentiated technologies and proprietary formulations
 - Formulation and mass production in collaboration with various OEM and ODM partners
- ② **Timely product development aligned with consumer needs and emerging market trends**
 - Building an organization that integrates marketing and R&D
 - Flexible decision-making structure directly under the President

Future Outlook

- 1 **Bring research results to market from 2026**
- 2 **Full-scale launch of consortium-based co-creation**
- 3 **Realization of a Lean, Agile Lab Model Through Light-Asset R&D Leveraging AI and Other Technologies**



Hirotaka Takeuchi, Director of Japan Beauty Institute of Science and Technology

- Started his career as a researcher at POLA CHEMICAL INDUSTRIES, INC.
- Took on the challenge of research on novel wrinkle mechanisms at Boston University from 2011
- Involved from the early stages in the development of Wrinkle Shot, Japan's first quasi-drug for wrinkle improvement, which shocked the market in 2017, from basic research and mechanism elucidation to commercialization and product launch
- Joined I-ne in 2023 and launched the Value-Creation Lab, and also served as Japan Beauty Institute of Science and Technology Director from 2025

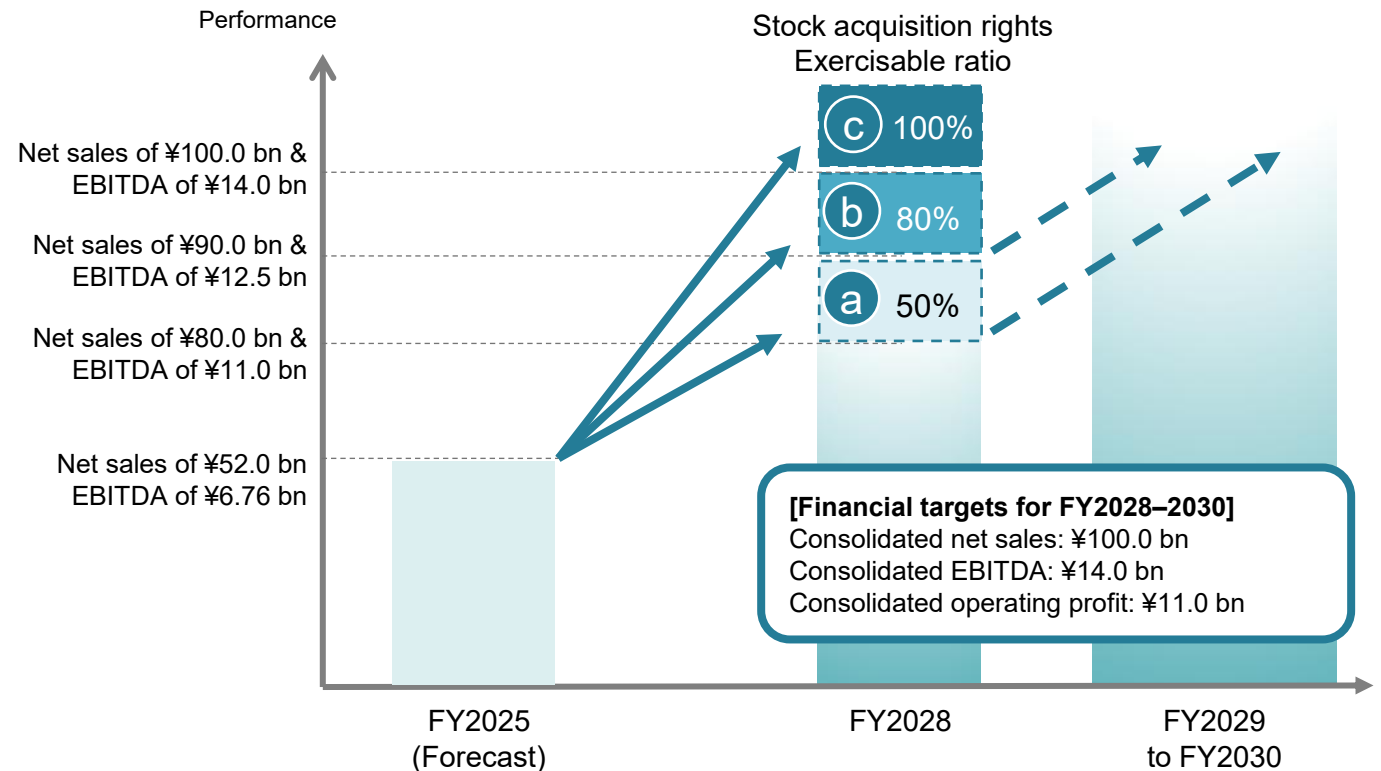
Issuance of Performance Target-linked Paid-in Stock Options to Achieve the Mid-Term Strategy

- On July 3, 2025, we decided to introduce performance-linked stock options*1 with the aim of further strengthening unity and motivation to contribute toward medium- to long-term business growth and enhanced corporate value*1.
- This move is designed to increase the likelihood of achieving the mid-term strategy targets, with net sales and EBITDA for FY2028 set as exercise conditions.

Allottees	1 director, 26 employees
Number of stock acquisition rights	2,400 units
Scale of issuance	1.34%
Issue price	¥1 per unit
Exercise price	¥1,560*2
Exercise conditions (partial)	Exercise ratios are set according to performance in FY2028, as shown in a–c in the figure to the right

POINT

- The mid-term strategy sets revenue of ¥100.0 billion and EBITDA of ¥14.0 billion for FY2028–2030, **and the earliest single-year performance target is set for FY2028.**
- Designed to raise awareness among management and employees at an early stage and increase the likelihood of achieving the mid-term strategy targets.



Expansion of the Shareholder Benefit Program

- **We have decided to expand our shareholder special benefit program** to make our shares more attractive, encourage medium to long-term holding, and familiarize shareholders with our products and businesses.

[Benefit] Points valid for use on the official &Habit online store

100 to 499 shares

¥2,000 worth of points

New

500 or more shares

¥14,000 worth of points



Example of Using
14,000 Points

BOTANIST
shampoo and hair treatment

Approximately *
one year's supply



Vesting date: End of December Record date: End of December Dispatch of Notification: Early March

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Company Profile



INNOVATION NEVER ENDS

Name	I-ne Co., Ltd. Securities code: 4933
Established	March 2007
Capital	50 million yen
Head office	8F Midosuji Daibiru, 4-1-2, Minami Kyuhojimachi, Chuo-ku, Osaka-shi, Osaka 5410058 JAPAN
Employees	452 (as of June 30, 2025, excludes temporary employees)
Representative	Yohei Onishi (President and CEO)
Subsidiaries	4 in Japan, 2 overseas (as of June 30, 2025)



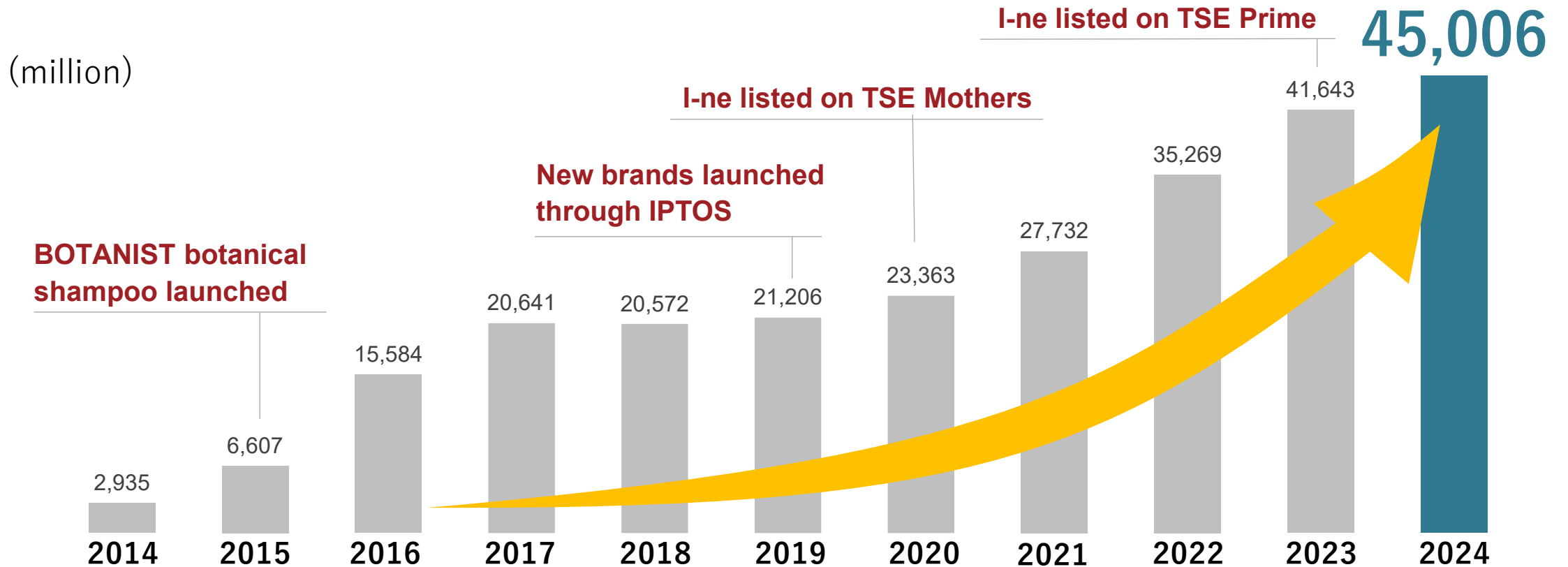
MISSION

We are
**Social Beauty
Innovators**
for
Chain of Happiness

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

Top-Line Growth: Net Sales

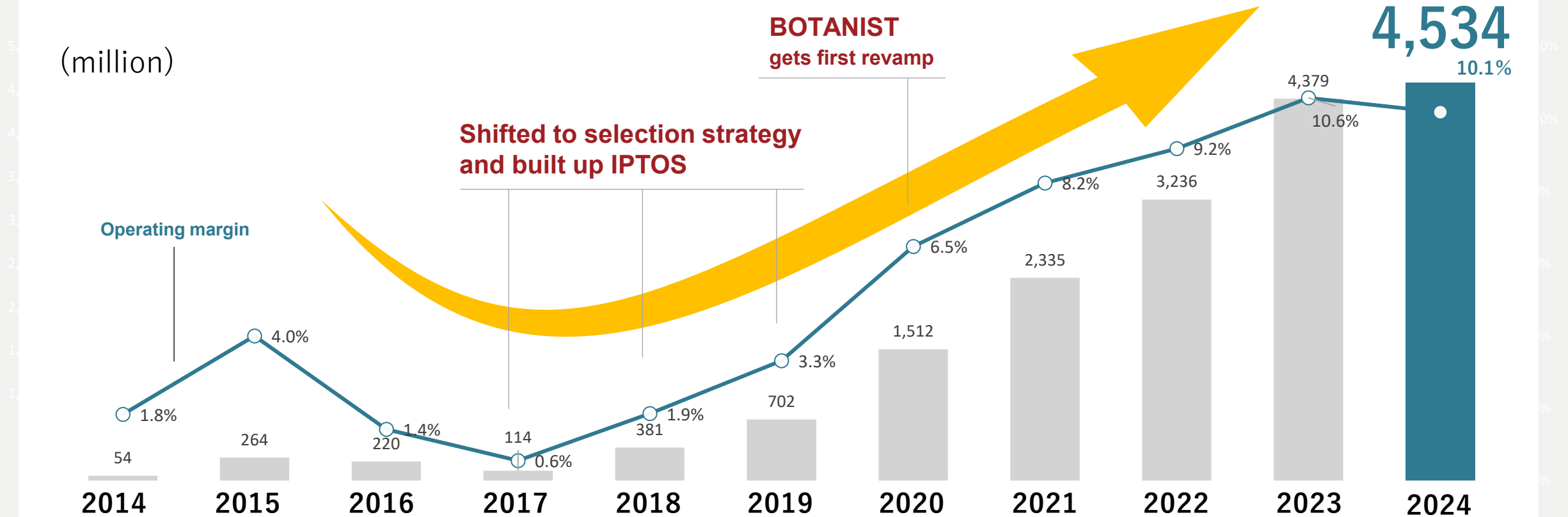
Launch of BOTANIST heralded start of top-line growth trend. We got listed on TSE Prime in September 2023. To further accelerate growth, we'll maintain growth in haircare and beauty devices, expand skincare and other businesses, and go further in our global expansion.



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

Bottom-Line Growth: Operating Profit, Operating Margin

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



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

Membership of Board of Directors



Yohei Onishi
Chief Executive Officer

Established Y.B.O. as a sole proprietor while in college. Targeting growth trends in mobile EC market and blog media, Onishi launched a business with strengths in EC & Blog-based PR. He established a unique business model called “OMO”(Buzz creation > EC > Wholesales).



Yoshinori Hara
Director

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



Hiroshi Sasamata
Outside Director

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



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

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



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

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



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

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

Categories

Haircare

BOTANIST



YOLU



DROAS



Beauty devices

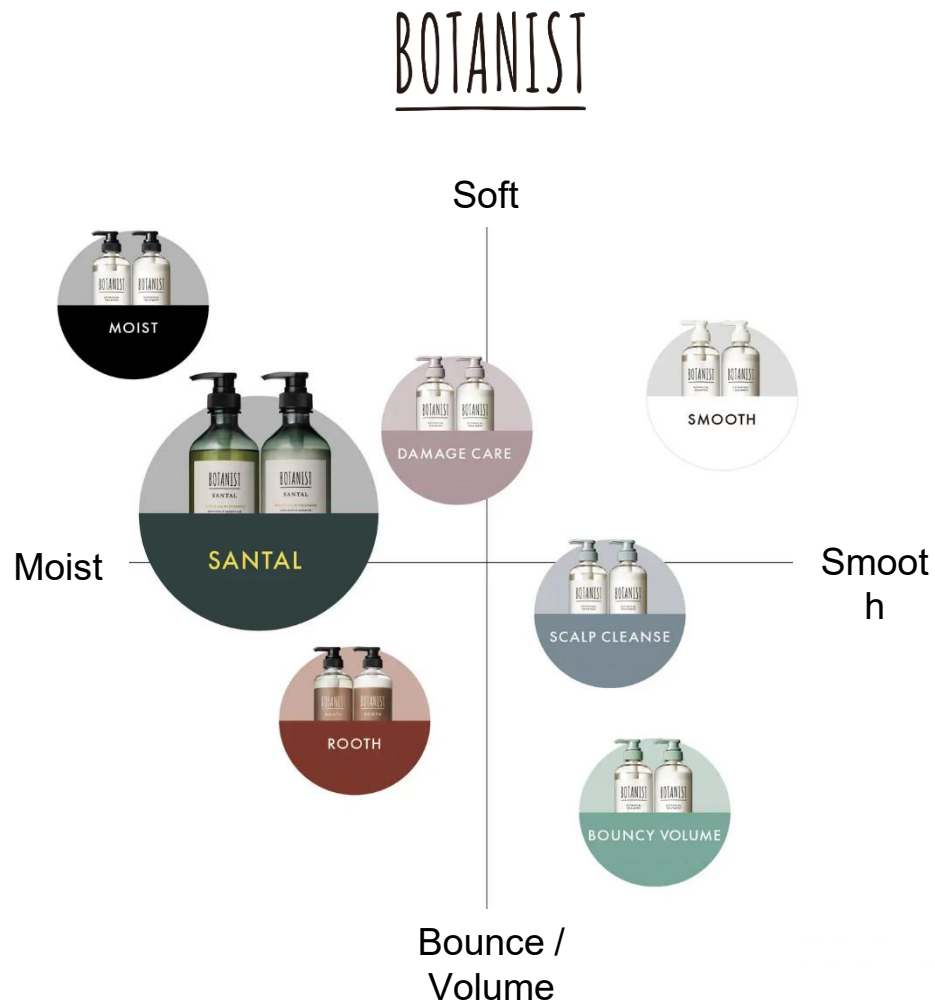
SALONIA



Skincare (and other businesses)



Products of BOTANIST / SALONIA (excerpt)

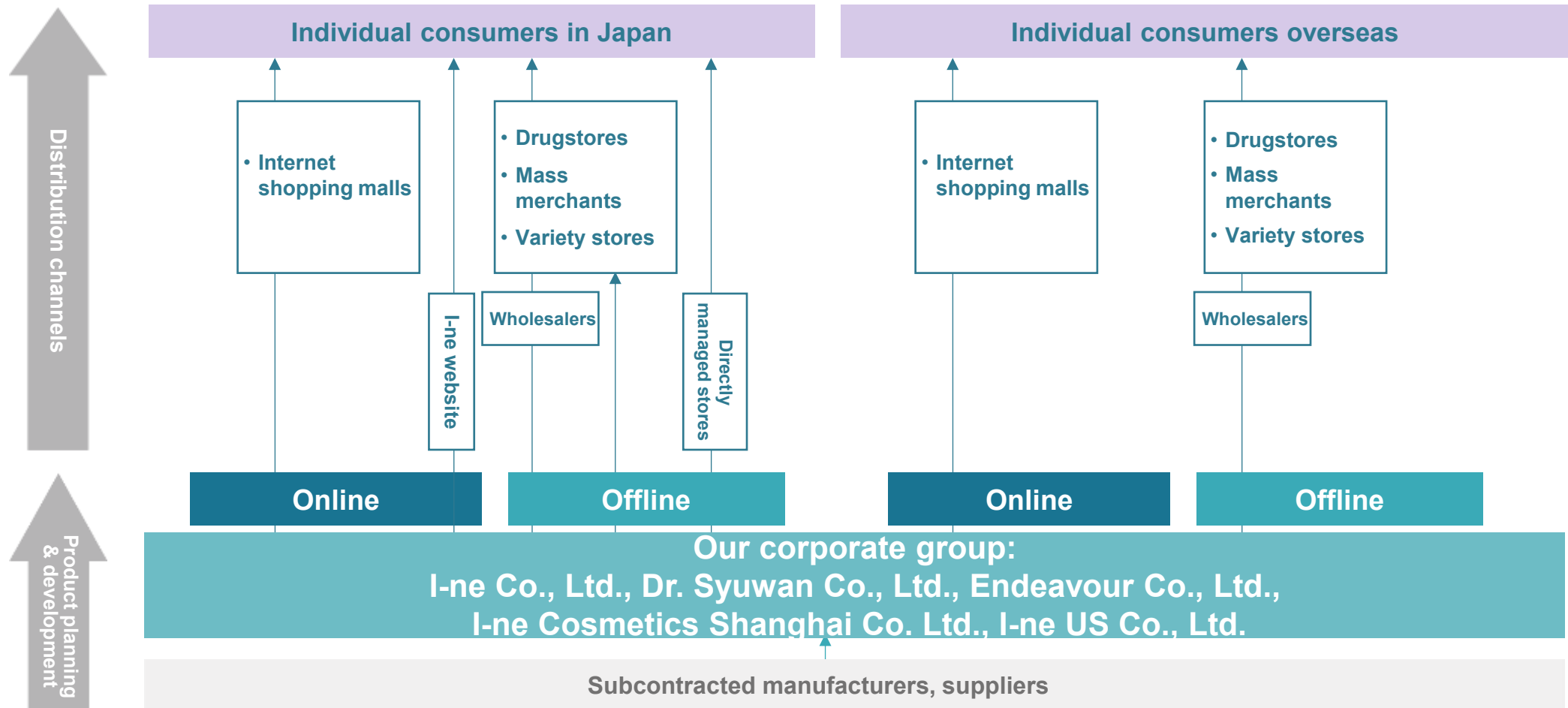


SALONIA

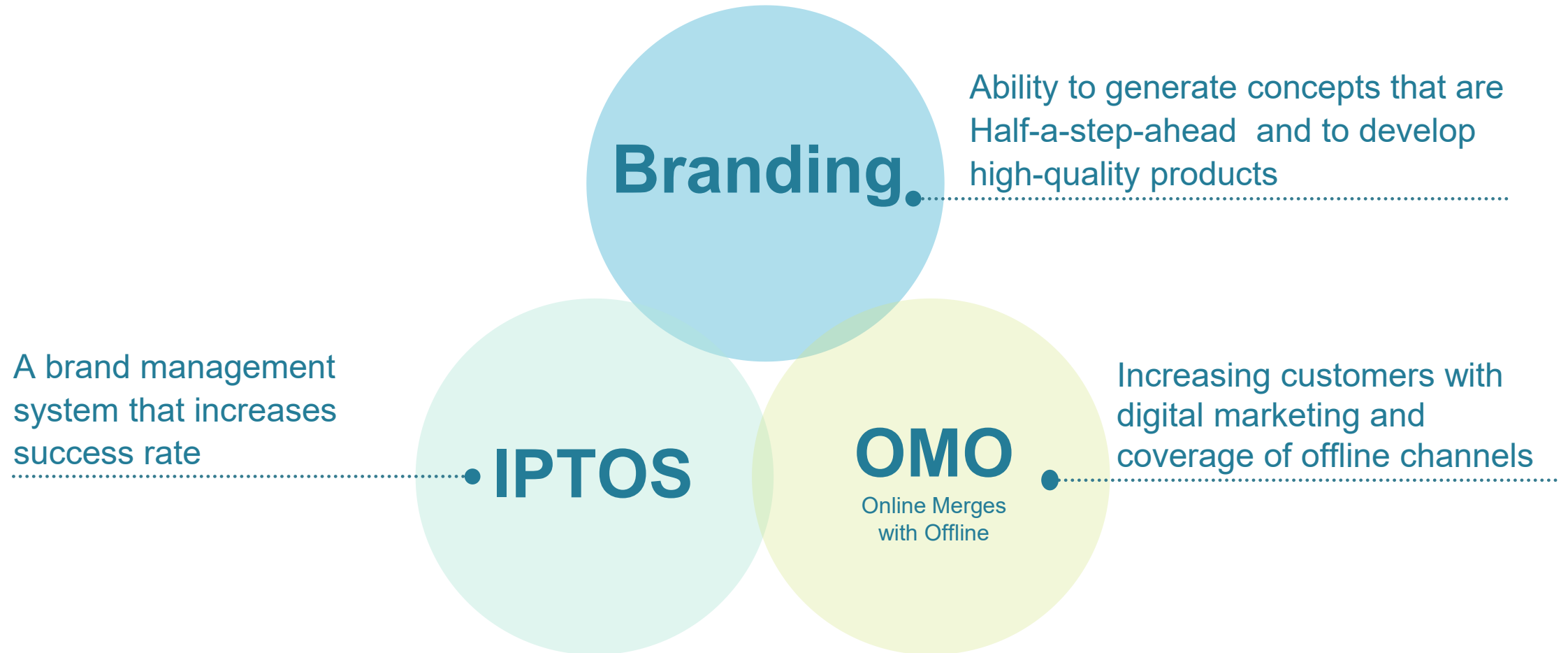
Glossy care hair straightener	Standard hair straightener	Smooth Shine hair straightener	
7,678 yen	3,828 yen	13,200 yen	
Air treatment dryer	Smooth shine dryer	Glossy care dryer	Speedy ion dryer
29,700 yen	13,200 yen	7,678 yen	5,918 yen

Business Transaction Diagram

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



Three Strengths for Creating Hit Brands



Branding

■ Concept design

Ideas

10,000

Science

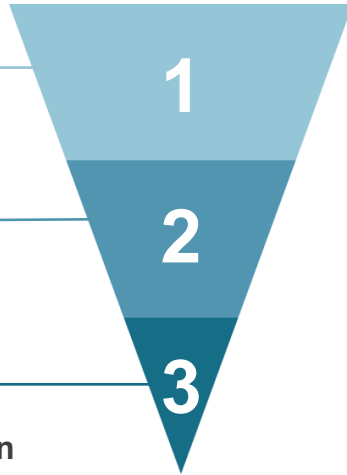
Innovativeness

×

Market Demand

Art

Judging on I-ne's own culture



Half-a-step-ahead concepts



BOTANIST
Botanical

YOLU
Night-time
beauty care

■ Creativity

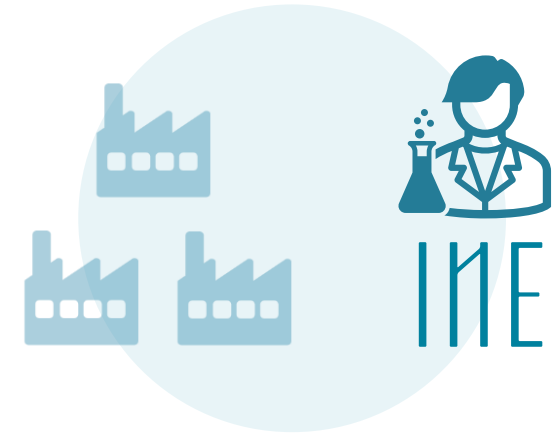


Number of in-house creatives:

87 ^{*1}

*1 As of June 30, 2025. The number includes temporary employees.

■ Product Development



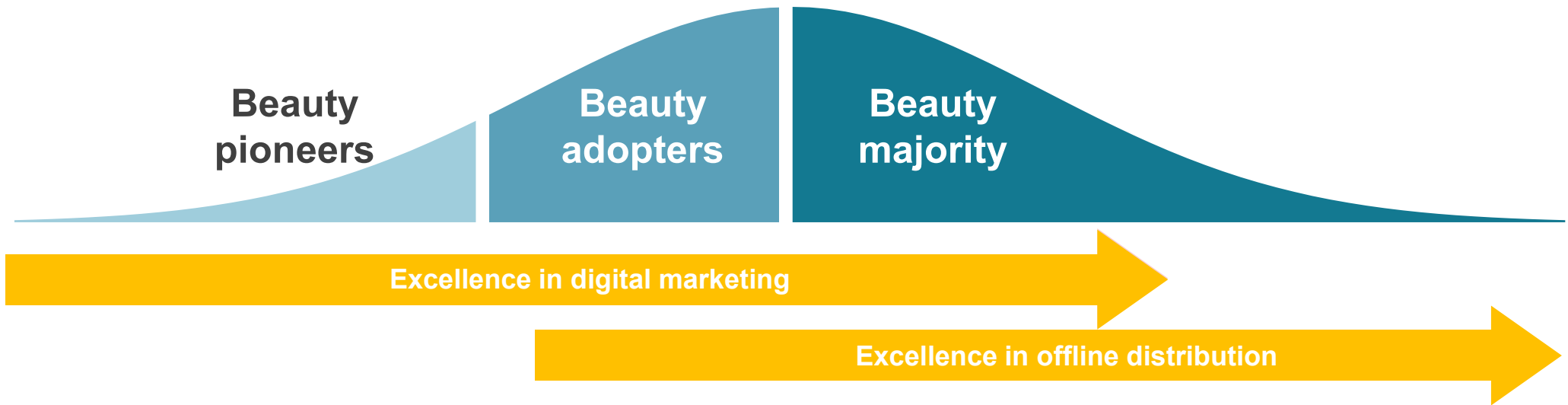
Choosing the best OEM from

over **200 partners**

and developing

with **I-ne's experts.**

OMO (Online Merges with Offline)



99^{*1}

in-house digital marketers

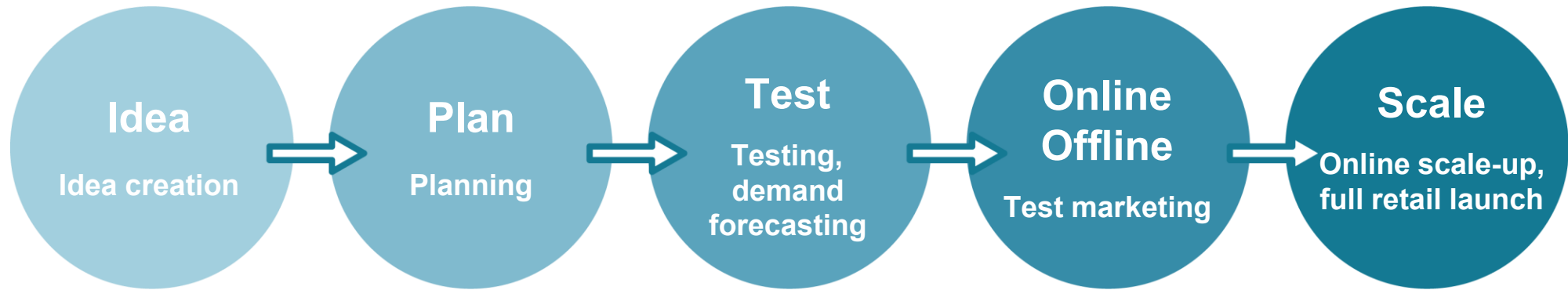
Our products have stocked in

65,000^{*2}

offline stores

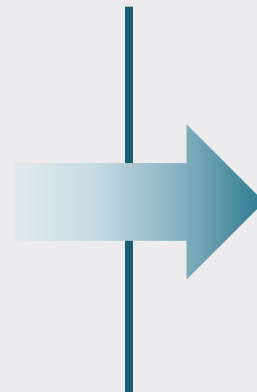
^{*1} As of June 30, 2025. Includes temporary employees.

Strength3. IPTOS (Brand Management System)



Features

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



Benefits

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



We use bioplastic bottles



FOR A
SUSTAINABLE
FUTURE

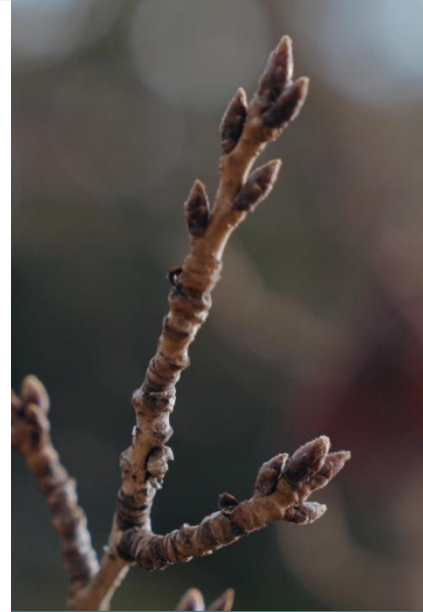
BOTANIST

あなたの一歩で未来は変えられるかもしれない

We support More Trees' efforts to conserve forests



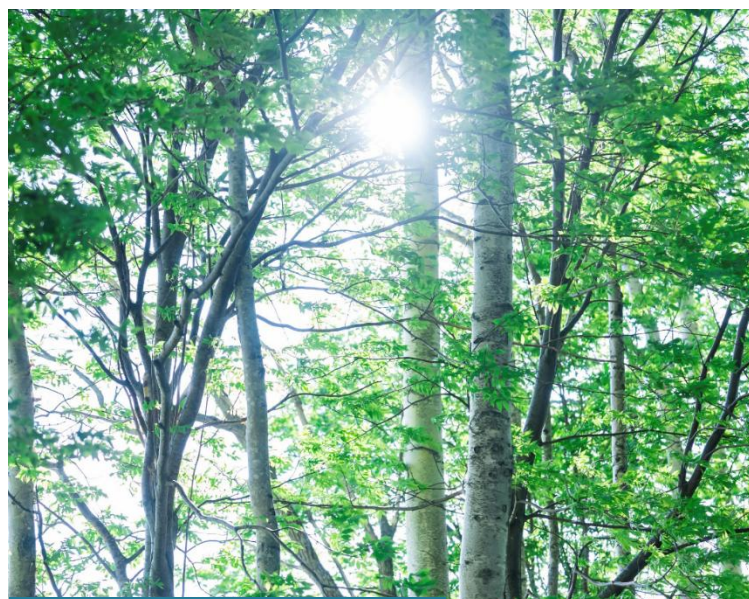
BOTANIST Forest in Bihoro, Hokkaido



We support the Japan Cherry Blossom Association



We use FSC-approved paper



BOTANIST afforestation scheme for circular economy



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



We participate in CosmeBank projects

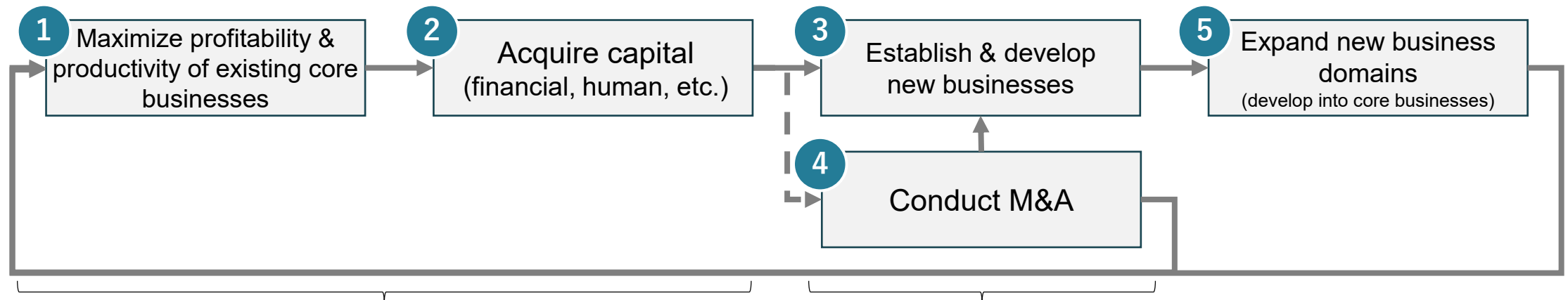


Used home appliances collected and recycled

[Mid-term Strategy] Growth Strategy Implementation Cycle and Profitability Outlook

- We'll reinvest capital generated from maximizing existing core business profitability and productivity into fostering new businesses to drive a cycle of further business growth.
- The target for existing core business operating/EBITDA margin is approx. 15–17% of net sales, while the target for costs associated with new business establishment/development and M&A activities is approx. 4–6% of net sales.

Growth strategy implementation cycle to achieve ¥100 bn in net sales, 11% operating margin, and 14% EBITDA margin



Returns Operating/EBITDA margin: **approx. 15–17%**

Cost New business establishment costs as a percentage of sales: **approx. 1–2%**

Cost M&A-related costs^{*1} as a percentage of sales: **approx. 3–4%**

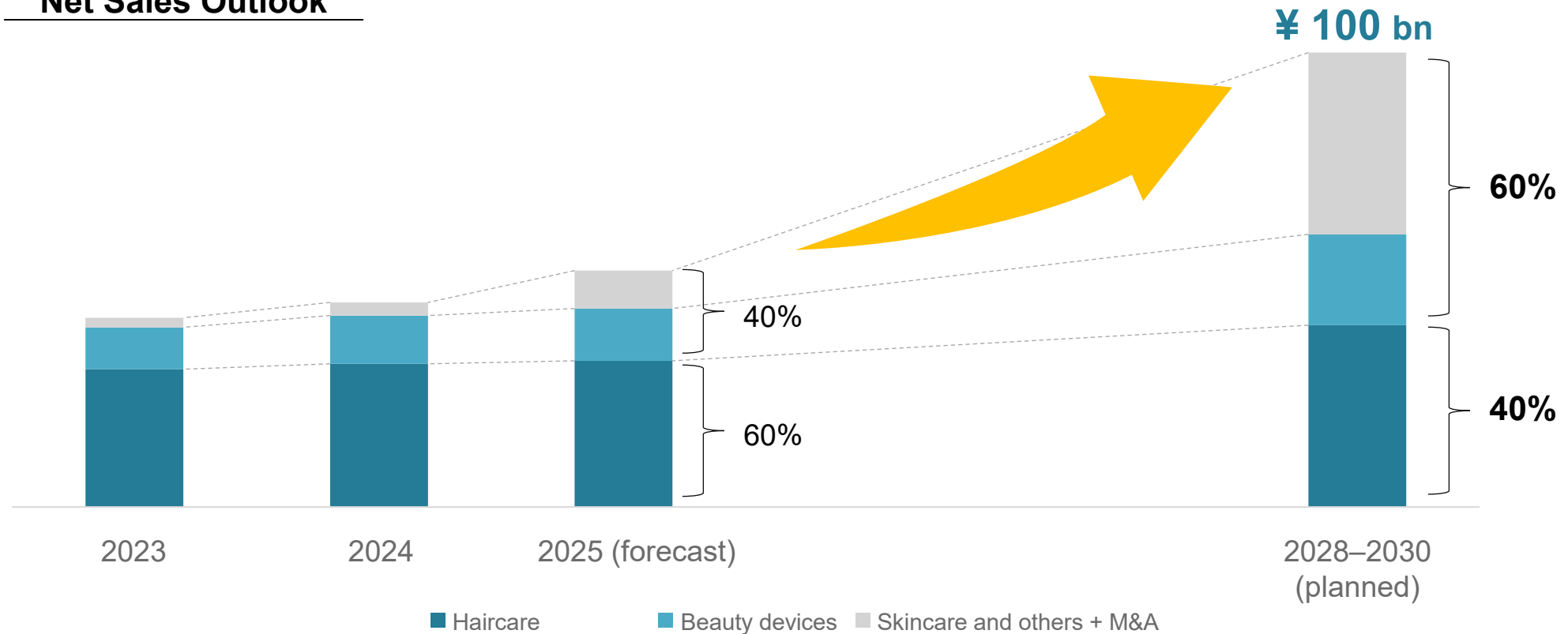
*1 Comprising mainly of advisory fees, amortization of goodwill and PMI^{*2}-related costs

*2 Abbreviation for Post Merger Integration (PMI). Refers to the integration process following M&A, consisting of three stages: business integration, operational integration, and cultural integration.

[Mid-term Strategy] Transforming Our Business Portfolio

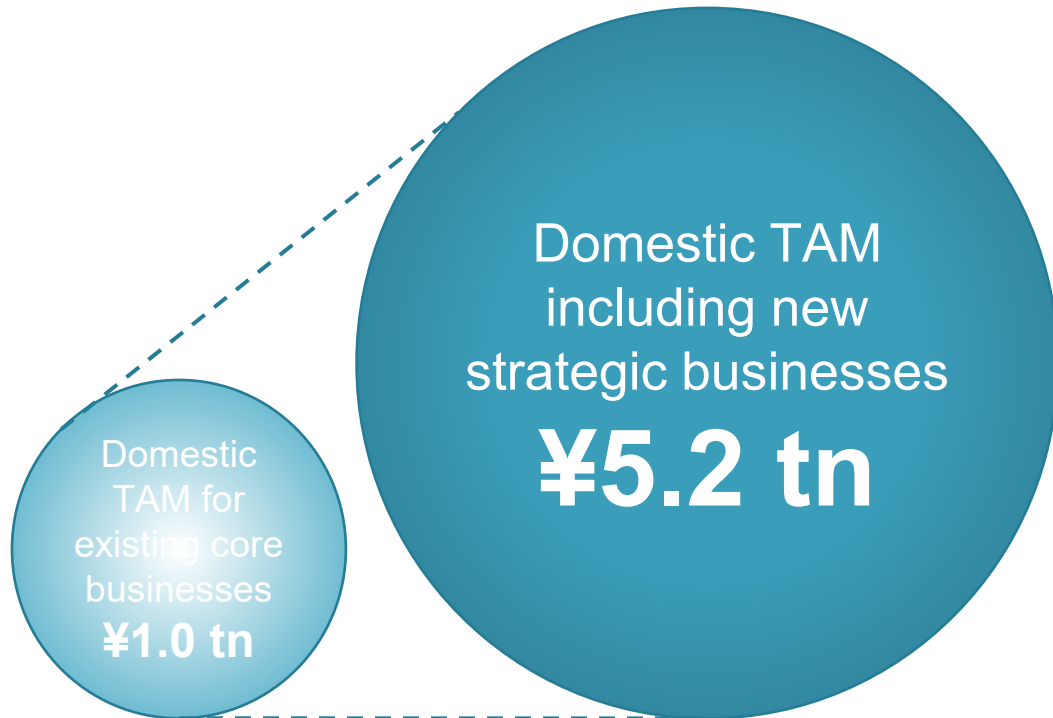
- The haircare category currently accounts for 60–70% of sales. Moving forward, we'll develop skincare and new categories as new pillars of growth while continuously pursuing M&A. In doing so, we aim to transform our business portfolio so that the haircare category will account for approx. 40% of total sales in 2028–2030.

Net Sales Outlook



[Mid-term Strategy] Domestic Target Market Size

- Future total addressable market (TAM) in Japan is expected to be approx. ¥5.2 tn including newly targeted strategic business areas.
- We'll carefully select markets and products where we can make the most of I-ne's expertise and strengths, and work to create and acquire markets in new categories by driving innovation.



Target market size

Existing core businesses	Haircare ¥702.4 bn*1	Beauty devices & general goods ¥333.5 bn*2
New strategic businesses	Skincare ¥1,432.4 bn*1	New categories ¥2,700 bn*3

Targeting markets and products where I-ne can fully leverage its three key strengths

- 1 Brand Creation Power:** Concept that is one half-step ahead of the times
× high-quality product development
- 2 OMO:** Digital marketing × coverage of offline channels
- 3 IPTOS:** A system to continue creating hits

*1 Source: Fuji Keizai Group, Cosmetics Marketing Handbook 2024

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

*3 In-house research

[Mid-term Strategy] Promoting M&A Strategy

- In October 2024, two M&A transactions were conducted: one in the beauty device category, one in the skincare category.
- We'll further drive business expansion by acquiring new strengths and creating synergies that benefit both parties by emphasizing financial discipline in M&A deals.

Achievements in M&A field

Haircare		
Beauty devices	2024	Artemis
Skincare	2022 <i>wf.</i> WrinkFade	2024 TOUT VERT
New categories		
(Sold)	2022 skinvill	2023 RELAXATION CHILLOUT (List not exhaustive)



Proactive implementation of M&A strategy

Stronger organizations

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

Financial discipline principles

Investment is considered based on the following financial discipline principles:

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

Cash Allocation Policy and Shareholder Returns

- While maintaining a cash allocation policy that prioritizes growth investment, we plan to implement shareholder return initiatives as appropriate considering cash balance and stock price.
- A common dividend has been distributed since last fiscal year. **In FY2025, the common dividend per share will be increased by ¥0.5 to ¥13.5.**

Policy for capital allocations (order of priority)

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

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

2) Investment in inorganic growth

- New business development, M&A deals

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

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

Shareholder return initiatives

	FY2023	FY2024	FY2025
Dividends	TSE Prime listing commemorative dividend ¥13.0/share	Common dividend ¥13.0/share	Common dividend ¥13.5/share
Other measures	—	<ul style="list-style-type: none"> • Share buyback (approx. ¥0.5 bn) • Shareholder benefits (points worth ¥2,000 redeemable on company website) 	<ul style="list-style-type: none"> • Continuation of the shareholder benefit program (content under consideration) • Other measures to be announced upon confirmation

Recognition of Goodwill and Intangible Assets from M&A deals

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

	Artemis ^{*3}			Tout Vert		
Recognized amount of goodwill and intangible assets	Pre-PPA ^{*1} estimates			Post-PPA ^{*1} finalized values		
Accumulated amortization						
Intangible assets		¥0.07 bn	¥0.29 bn	¥0.12 bn	¥2.57 bn	¥2.46 bn
Goodwill	¥0.03 bn	¥3.24 bn	¥3.08 bn	¥7.00 bn	¥5.34 bn	¥5.06 bn
	Dec. 31, 2024	Dec. 31, 2024	June 30, 2025	Dec. 31, 2024	Dec. 31, 2024	June 30, 2025
Amortization period	Goodwill: 10 years; contract-related assets: 10 years			Goodwill: 10 years, customer-related assets: 8 years, trademarks: 15 years		
Annual amortization	¥0.43 bn (Goodwill: ¥0.10 bn, contract-related assets: ¥0.33 bn)			¥0.75 bn (Goodwill: ¥0.54 bn, customer-related assets: ¥0.09 bn, trademarks: ¥0.12 bn)		

^{*1} Purchase price allocation: a corporate accounting term referring to the process of determining the fair value of assets, etc. identifiable from the acquired company as of the acquisition date. Must be distinguished from goodwill.

^{*2} When the assessment is finalized, we will retrospectively adjust the Q4 and full-year FY2024 results.

^{*3} Artemis was formerly known as TTrading Co., Ltd. It adopted its current name following the M&A.

Historical Financial Data

All amounts rounded
to nearest million yen

	FY2023					FY2024					FY2025	
	1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q* ²	FY* ²	1Q* ²	2Q
Net Sales	9,716	9,801	10,951	11,174	41,643	9,082	11,228	10,999	13,695	45,006	11,116	11,205
Cost of Sales	4,911	4,419	5,048	5,019	19,399	4,245	5,197	5,210	6,306	20,959	4,875	4,576
...to sales ratio	50.5%	45.1%	46.1%	44.9%	46.6%	46.7%	46.3%	47.4%	46.0%	46.6%	43.9%	40.8%
Advertising/promotion expenses	1,366	1,955	2,042	1,731	7,096	1,438	1,846	1,910	1,853	7,049	1,753	2,021
...to sales ratio	14.1%	20.0%	18.7%	15.5%	17.0%	15.8%	16.4%	17.4%	13.5%	15.7%	15.8%	18.0%
Logistics cost	695	730	751	715	2,892	648	631	630	784	2,694	729	782
...to sales ratio	7.2%	7.5%	6.9%	6.4%	6.9%	7.1%	5.6%	5.7%	5.7%	6.0%	6.6%	7.0%
Sales commission	383	407	502	758	2,052	532	513	657	949	2,652	682	818
...to sales ratio	3.9%	4.2%	4.6%	6.8%	4.9%	5.9%	4.6%	6.0%	6.9%	5.9%	6.1%	7.3%
Personnel cost	599	589	685	697	2,572	744	821	834	993	3,394	940	1,008
...to sales ratio	6.2%	6.0%	6.3%	6.2%	6.2%	8.2%	7.3%	7.6%	7.3%	7.5%	8.5%	9.0%
Other fixed expenses	728	810	789	921	3,250	834	821	834	1,222	3,712	1,246	1,198
...to sales ratio	7.5%	8.3%	7.2%	8.2%	7.8%	9.2%	7.3%	7.6%	8.9%	8.2%	11.2%	10.7%
Operating profit	1,031	887	1,130	1,330	4,379	638	1,396	922	1,585	4,542	888	800
Operating margin	10.6%	9.1%	10.3%	11.9%	10.5%	7.0%	12.4%	8.4%	11.6%	10.1%	8.0%	7.1%
EBITDA* ¹	1,104	961	1,214	1,419	4,700	719	1,491	1,037	1,949	5,196	1,316	1,231
EBITDA margin	11.4%	9.8%	11.1%	12.7%	11.3%	7.9%	13.3%	9.4%	14.2%	11.5%	11.8%	11.0%

*1 EBITDA = Operating profit + Depreciation and amortization expenses

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

Historical Financial Data (Cont.)

All amounts rounded
to nearest million yen

	FY2023					FY2024					FY2025	
	1Q	2Q	3Q	4Q	FY	1Q	2Q	2Q	4Q	FY	1Q	2Q
Net Sales	9,716	9,801	10,951	11,174	41,643	9,082	11,228	10,999	13,695	45,006	11,116	11,205
Haircare	6,290	7,160	8,588	8,286	30,326	6,176	8,031	8,049	9,247	31,505	6,371	6,303
↳BOTANIST	3,170	3,456	4,140	3,822	14,589	2,274	3,709	3,190	4,409	13,584	1,906	3,315
↳YOLU	2,474	3,001	3,962	4,231	13,669	3,248	3,593	4,390	4,216	15,449	3,832	2,505
Beauty Devices (SALONIA)	2,899	2,050	1,865	2,406	9,222	2,481	2,807	2,527	2,844	10,661	2,577	2,728
Skincare and Others	526	590	496	481	2,094	424	389	421	1,603	2,839	2,167	2,173

All amounts rounded
to nearest million yen

	FY2023					FY2024					FY2025	
	1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q	FY	1Q	2Q
Global	131	424	218	355	1,128	310	370	274	388	1,345	180	369

Disclaimers

No investment advice

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