

Fiscal Year Ended March 31, 2026

Financial Results Briefing Materials

Business Plan and Growth Potential

Ai ROBOTICS INC.
May 2026
Securities code: 247A

- **Executive Summary for the Fiscal Year Ended March 31, 2026**
- Summary of Financial Results for the Fiscal Year Ended March 31, 2026
- Earnings Forecast for the Fiscal Year Ending March 31, 2027
- Growth Strategy (1 Trillion Yen Capitalization Plan)
- Appendix

Financial summary

- **Net sales doubled**, exceeding the plan.
- **Sales structure transformation** was implemented one year ahead of schedule, and operating profit landed at 3.8 billion yen.

FY2027 Earnings forecast

- Earnings forecast for the fiscal year ending March 31, 2027: net sales of **56.0 to 60.0** billion yen and operating profit of **7.5 to 10.0** billion yen
- With BJC becoming a subsidiary and the sales structure transformation, the likelihood of achieving the **1 Trillion Yen Capitalization Plan** has increased.

Topics

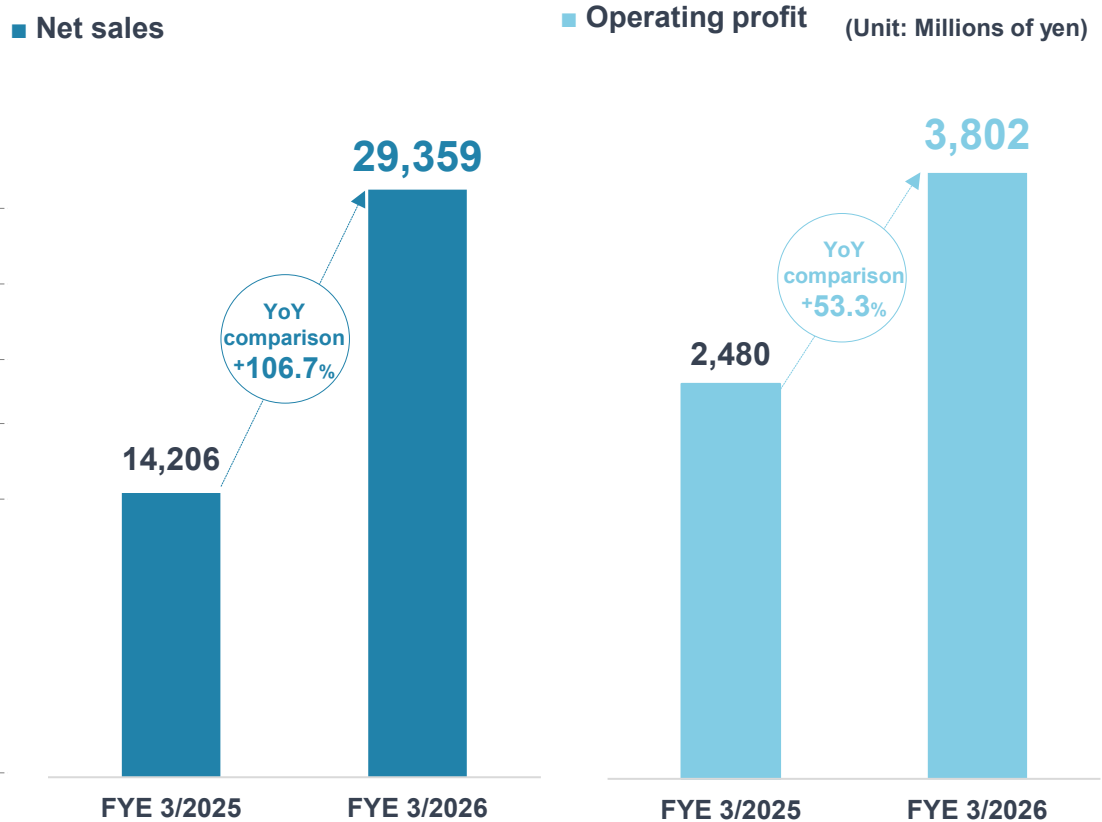
- **New product hits** continued to drive net sales growth for the fiscal year under review and contributed to expansion of store wholesale channels.
- **Independently developed humanoid** demonstration tests started for implementation in customer service settings

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**Net sales increased significantly by approximately 2x, up 106.7% year on year,
and operating profit rose by approximately 1.5x, up 53.3% year on year.**

Operating profit landed at 3.8 billion yen due to higher costs from the accelerated implementation of measures to expand store wholesale channels as part of the sales structure transformation.

Results for the cumulative period	(Unit: Millions of yen)				
	FYE 3/2025	FYE 3/2026	YoY	Full-year plan	Progress rate
Net sales	14,206	29,359	+106.7%	28,000	104.9%
Gross profit	11,142	21,537	+93.3%	—	—
Operating profit	2,480	3,802	+53.3%	4,800	79.2%
Operating profit ratio	17.5%	13.6%	—	17.1%	—
Ordinary profit	2,422	3,780	+56.0%	4,775	79.2%
Profit	1,703	2,654	+55.9%	3,330	79.7%
KPI and other indicators					
Net sales per employee	¥526 million	¥815 million	+55.0%	—	—
Number of employees*	27	36	+9	—	—
Regular subscribers	137,319	174,920	+37,601	172,000	101.7%

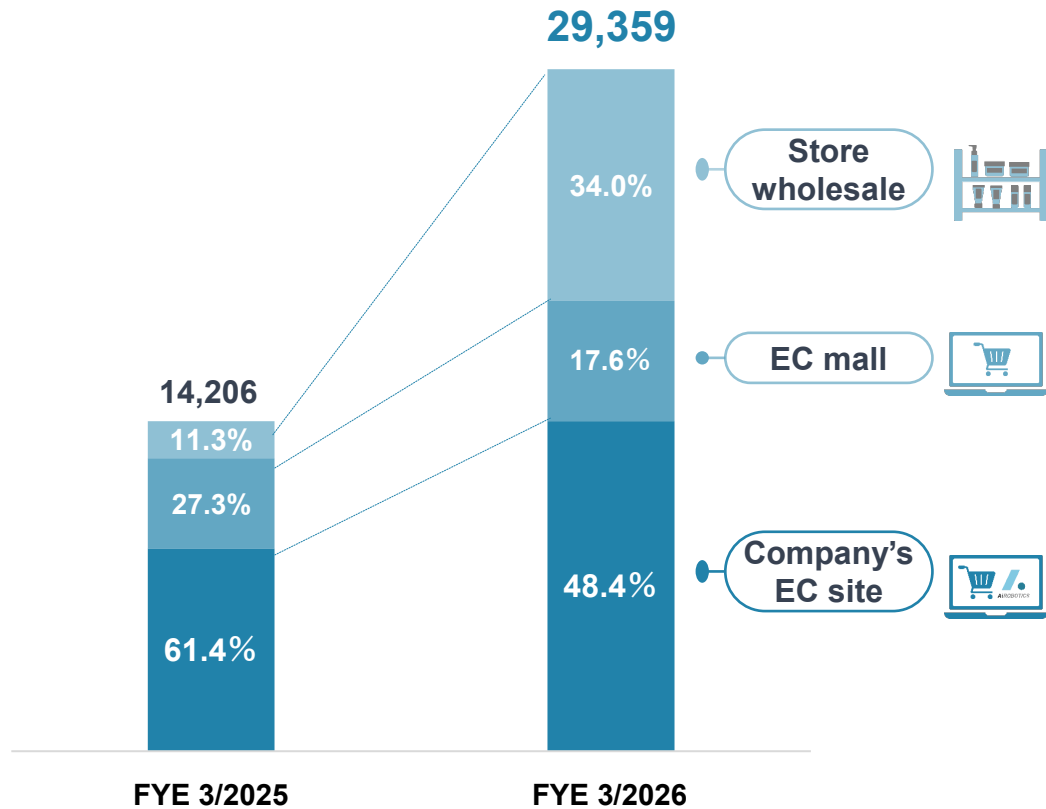


*: Number of employees at the end of March 2026

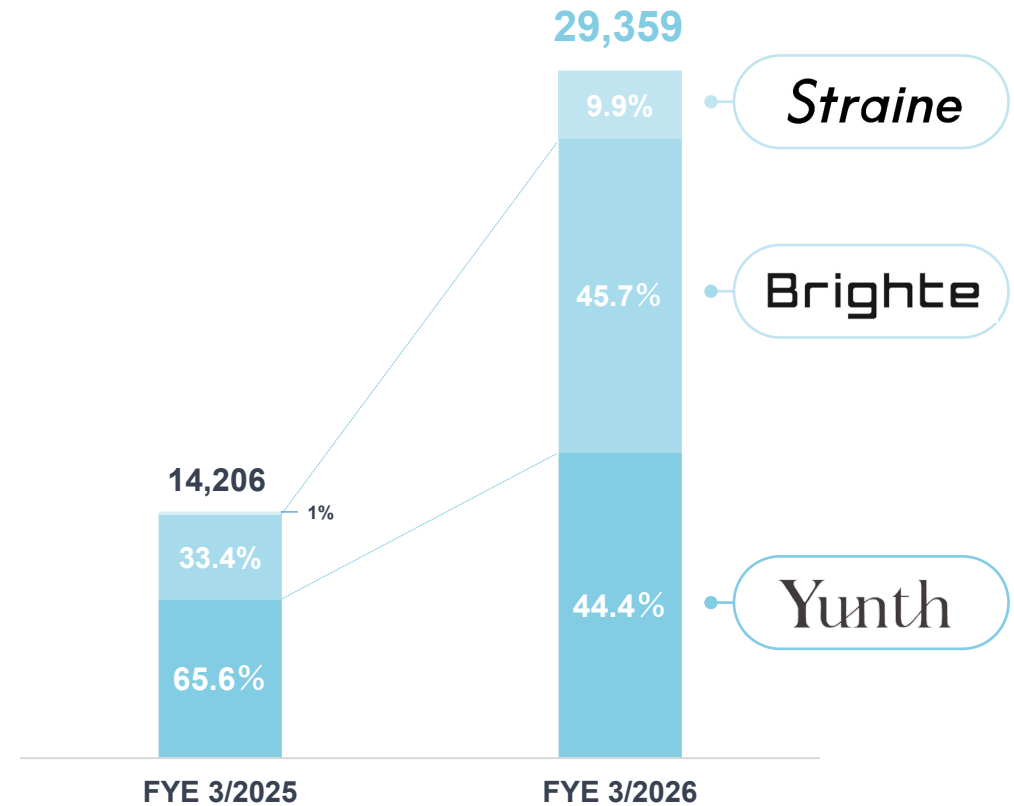
Wholesale sales increased sharply, rising approximately 6.2x year on year due to measures to expand store wholesale sales.

As a result, the sales composition rose from about 10% in the previous year to more than 30%.

Sales composition by sales channel (Unit: Millions of yen)

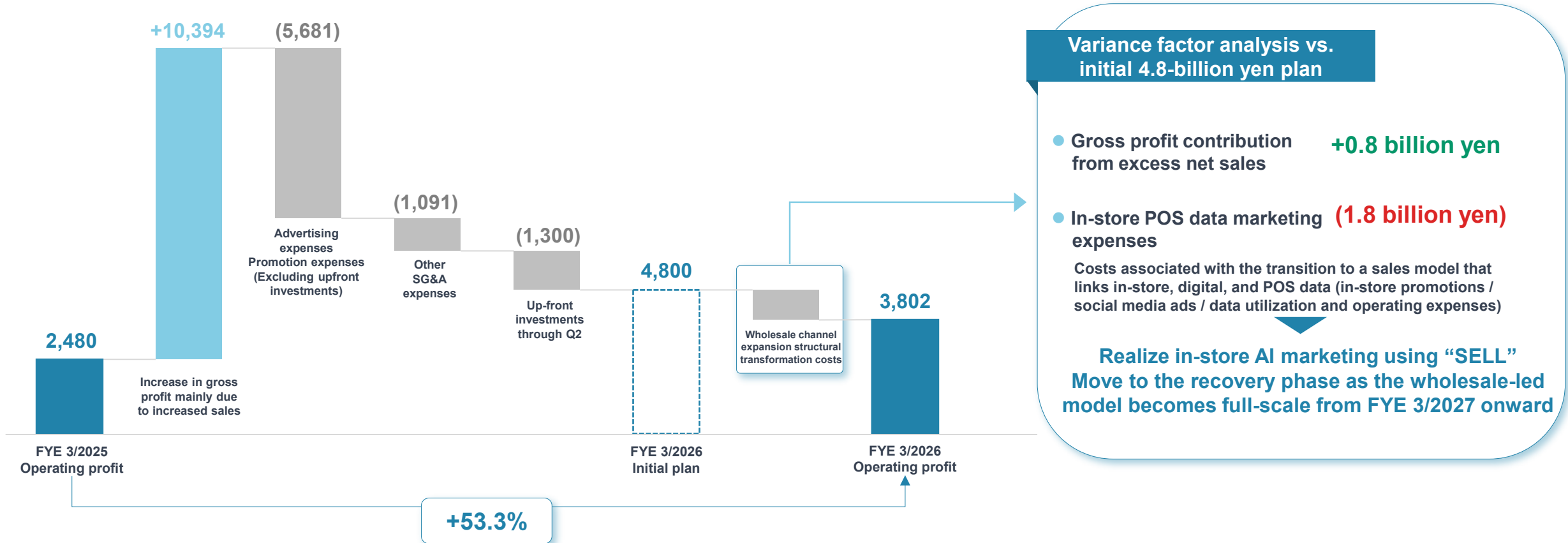


Sales composition by brand (Unit: Millions of yen)

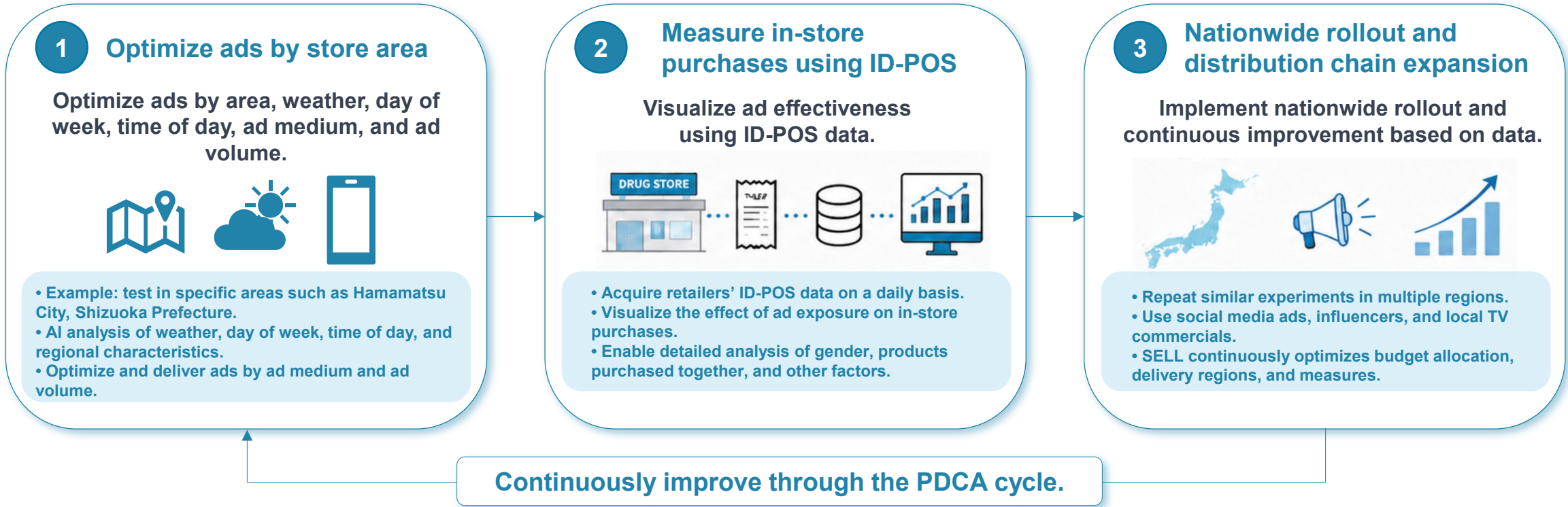


Net sales increased significantly, and operating profit landed at 3,802 million yen, up 53.3% year on year. The 1.0-billion yen difference between the initial plan and actual results was due to strategic investment for the structural transformation toward store wholesale.

Analysis of change in operating profit (Unit: Millions of yen)



Expand ad optimization cultivated through EC data marketing to in-store purchases and offline advertising.
 Maximize ROI on awareness advertising by linking advertising data and POS data using “SELL”



Optimize sales at retail stores with data-driven methods, just as in EC.
 Maximize ROI on awareness advertising through high-frequency ID-POS data linkage and analysis.

* POS data = cash register purchase data
 * ID-POS data = detailed data based on membership IDs that identifies gender, purchased products, products purchased together, and other information
 * Although ID-POS data is generally expensive and obtained infrequently, the Company realizes optimization of sales at retail stores through high-frequency operation.

While the gross margin decreases with the shift to the store wholesale model,
 SG&A expenses decrease structurally.

However, during the transition period, cost characteristics of both the EC and wholesale models arise,
 temporarily pressuring operating profit.

EC Model
(FYE 3/2026 Q3 and earlier)



Gross margin

High


- ▶ Net sales recorded at retail price

SG&A expense burden

High

- ▶ Ongoing new customer acquisition ads and CRM ads are required

EC to store wholesale transition period
(FYE 3/2026 Q4 to FYE 3/2027 Q1)

 → 

Gross margin

Decreasing

- ▶ Change in composition due to higher wholesale ratio

SG&A expense burden

Temporarily High

- ▶ Sales channel structure transformation costs and POS data linkage investment

Store wholesale model
(FYE 3/2027 Q2 and thereafter)



Gross margin

Low

- ▶ Net sales recorded at wholesale price

SG&A expense burden

Low

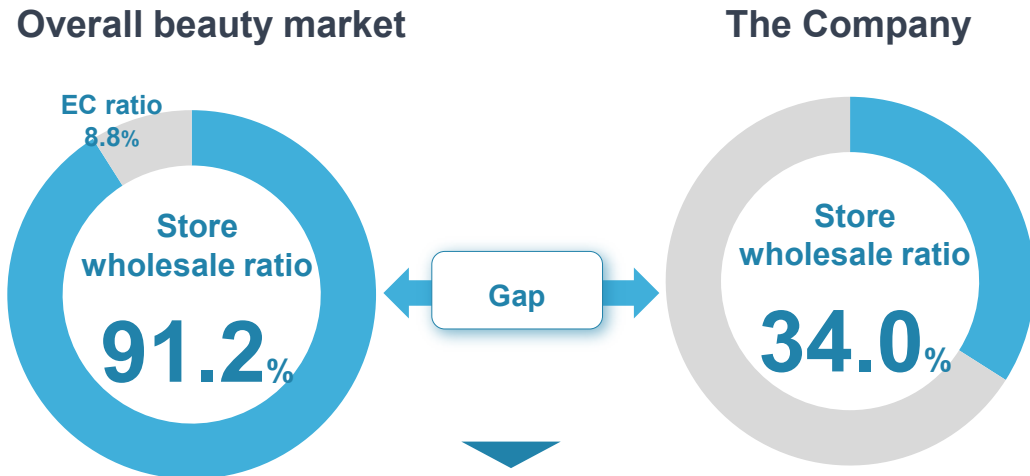
- ▶ Advertising expenses decrease significantly once in-store awareness takes root

**Store wholesale sales have a lighter advertising expense burden, and after the transition, the structure enables an operating profit ratio at the same level as EC.
 Transitioning from an “EC × AI marketing company” to an “omnichannel × AI marketing company.”**

While the Company's wholesale ratio remains at 34.0%, 91.2% of the beauty market is concentrated in store and wholesale channels.

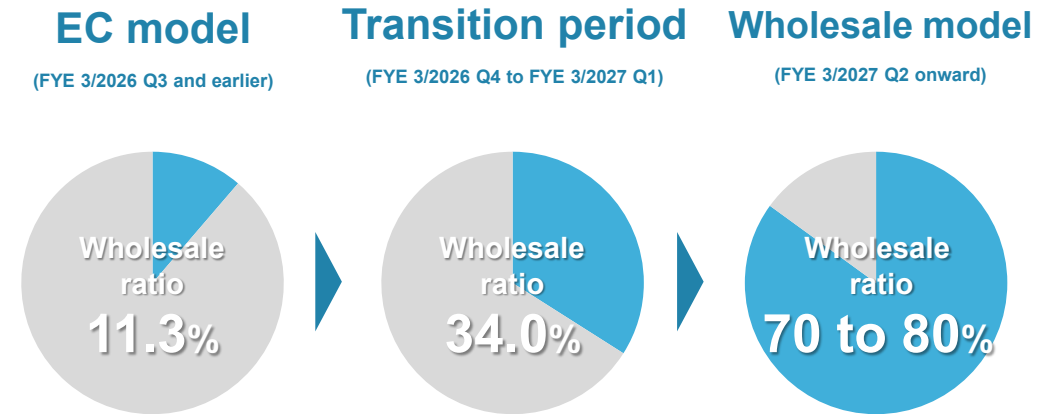
The integration of BJC enables access to 100% of the Japanese beauty market, leaving significant growth potential in untapped areas.

Potential for wholesale channel expansion in the Japanese beauty market and the Company



The existing three brands have a market potential of approximately 200.0 billion yen or more through wholesale channel expansion alone.

Image of wholesale channel expansion



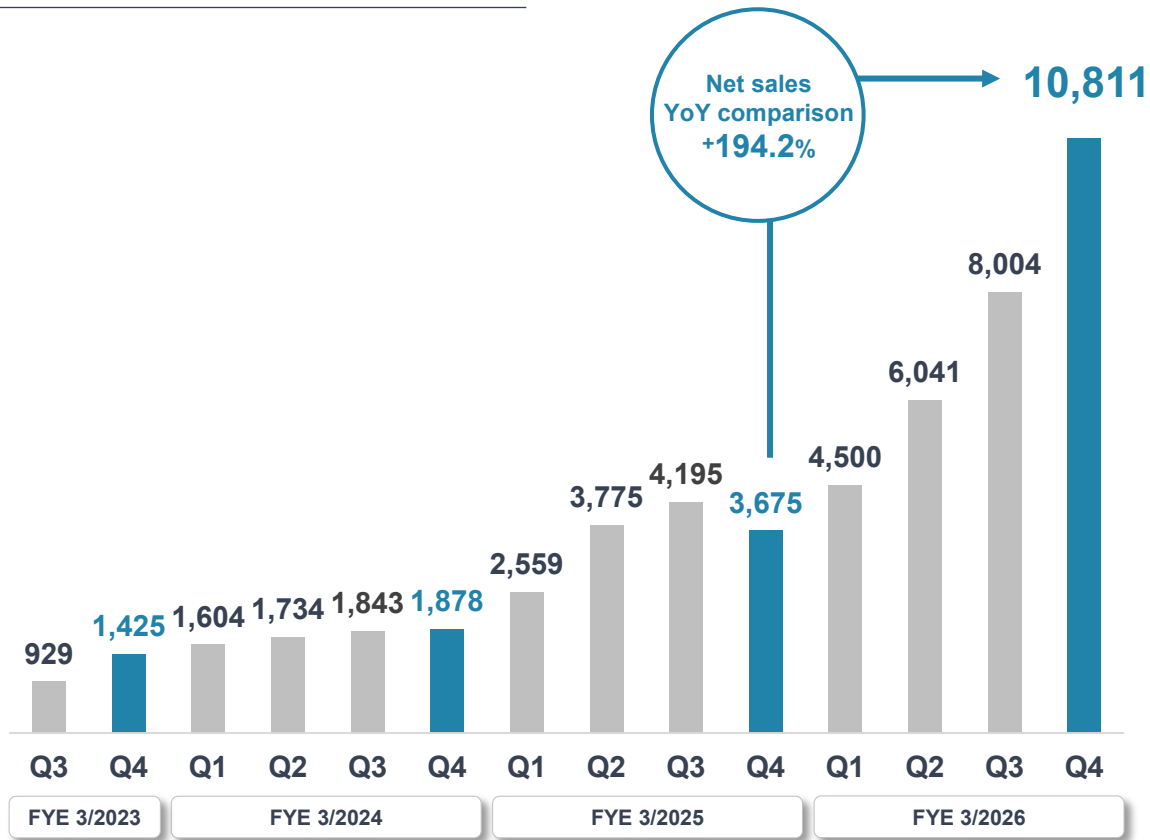
With BJC consolidation, the Company will have access to 100% of the Japanese beauty market and transform its structure into a hybrid model centered on wholesale while maintaining its EC foundation.

* Estimated by the Company based on the Ministry of Economy, Trade and Industry's "FY2024 E-Commerce Market Survey" (FY2024 EC ratio in the cosmetics and pharmaceuticals field: 8.82%). Market potential is based on retail prices.

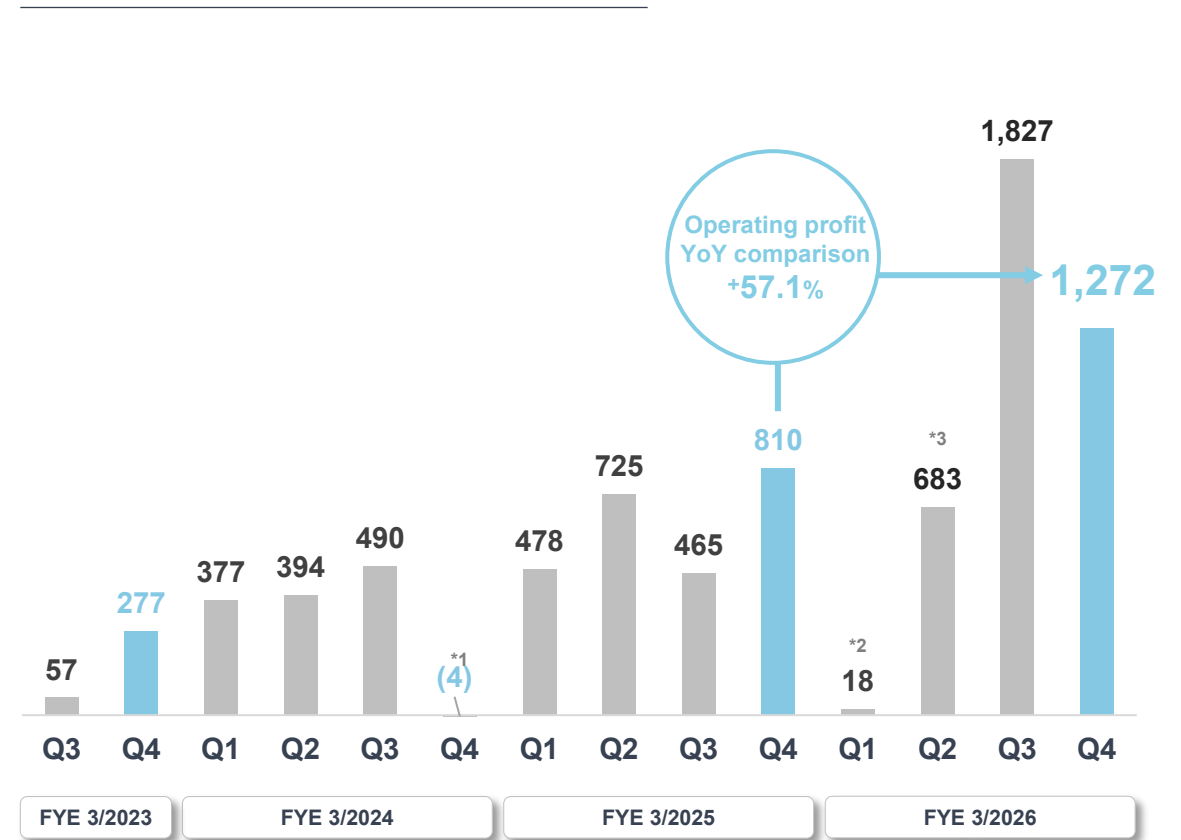
Net sales grew significantly to approximately 3x year on year.

Operating profit increased by approximately 1.6x year on year after absorbing sales structure transformation costs.

Change in net sales (Unit: Millions of yen)



Change in operating profit (Unit: Millions of yen)



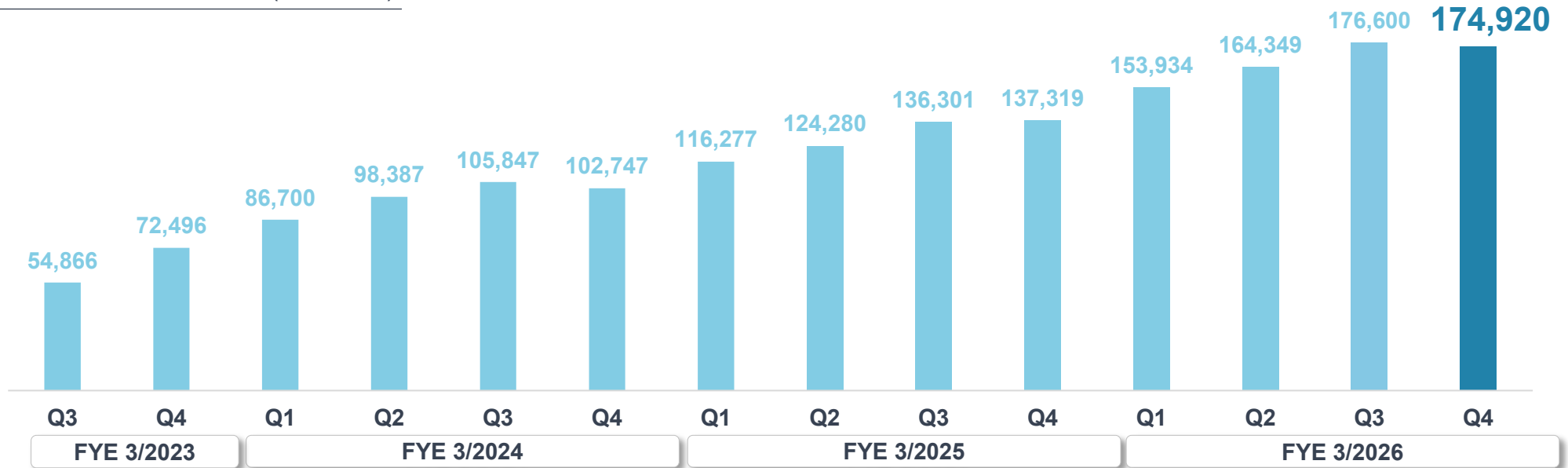
*1: Effect of investment for launching "Brighte"

*2: Result of advertising investment to strengthen new customer acquisition for Yunth and promotional investment in SHOWER DRYER.

*3: Mainly the result of promotional investment in Straine.

We achieved our KPI for regular subscribers on our owned EC site as planned.
 For FYE 3/2027, we will set sales and gross profit by brand as KPIs.

Change in Yuthn subscribers (Unit: Persons)



Reasons for KPI change

- As the brand portfolio has diversified, Yuthn-only indicators have become less relevant to overall company performance.
- With wholesale channels expanding in earnest, the significance of D2C subscriber count as a key KPI has relatively declined.

Setting “sales and gross profit by brand” as new KPIs and shifting to an indicator system that accurately captures a multi-brand, multi-channel business structure.

* Members who have selected the subscription course. Figures shown are as of the end of each quarter.

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Based on conservative assumptions that leave room for upside, the Company aims to maintain a doubling of net sales while achieving steady profit growth in operating profit.

Q1 is expected to finish in the red, as we will continue strategic investment for the structural transformation to store wholesale.

Results and consolidated earnings forecast (Unit: Millions of yen)

	FYE 3/2026 (Results)	FYE 3/2027 (Consolidated forecast)	YoY comparison
Net sales	29,359	56,000 to 60,000	+90.7% to +104.4%
Operating profit	3,802	7,500 to 10,000	+97.2% to +163.0%
Adjusted EBITDA	3,850	9,500 to 12,000	+146.7% to +211.7%
Adjusted profit	2,654	5,900 to 7,400	+122.2% to +178.7%




KPI (sales and gross profit by brand)

	Sales	Gross profit	Gross profit margin
Yunth	¥20,000 million	¥14,000 million	70.0%
Brighte	¥15,000 million	¥9,700 million	64.7%
Straine	¥6,000 million	¥3,700 million	61.7%
BJC <small>BEAUTY JAPAN CLASSIC</small>	¥15,000 million	¥8,600 million	57.3%
Overall (Lower end of forecast)	¥56,000 million	¥36,000 million	64.3%
New brand	¥4,000 million	¥2,800 million	70.0%
Overall (Upper end of forecast)	¥60,000 million	¥38,800 million	64.7%

*Operating profit = Provisional figure assuming amortization of goodwill, etc. associated with M&A of 1,500 million yen
Adjusted EBITDA = operating profit + depreciation + amortization of goodwill, etc. associated with M&A + expenses related to M&A
Adjusted profit = profit attributable to owners of parent + amortization of goodwill, etc. associated with M&A + expenses related to M&A
Expenses related to M&A = financial advisory fees + due diligence expenses

BJC provides beauty products and other items to professional channels such as beauty salons. Leveraging its strong network and trust in professional beauty settings, where barriers to entry are high, BJC aims to further expand its market.



- 
Acquisition price ¥25,778 million
- 
Financial impact Consolidation begins in the fiscal year ending March 31, 2027.
- 
Number of employees 92 employees (as of March 2026)

- BJC's four strengths -

- 1 Channels with high barriers to entry**
 Exclusive to hair salons and various other salons. Utilizes distributor sales networks and salons' ability to attract customers.
- 2 Trend creation capabilities**
 Top-class salon-exclusive products in eyelash serum and V3 foundation. Continuously create new trends.
- 3 High gross margin model**
 Efficiently achieves high profitability through distributor-based distribution.
- 4 Substantial growth potential**
 High awareness of mainstay products. Preparing to expand into South Korea, China, and Southeast Asia.

Major brands



Cumulative sales of Lashaddict*¹
5.76
 million units



Cumulative sales of V3 series*¹
6.65
 million units

Performance trends

	FYE 10/2025 Results	FYE 3/2027 Earnings forecast* ²
Net sales	¥10,886 million	¥15,000 million
Operating profit (before amortization of goodwill)	¥3,071 million	¥4,360 million

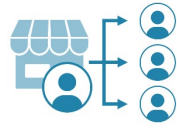
*1: As of March 31, 2026

*2: Figures aligned to the Company's consolidated period. Conservative earnings forecast excluding synergies

On the sales side, maximizing growth opportunities, while on the cost side, structurally enhancing operational efficiency.

Combining the strengths of both companies to become a next-generation fables brand company.

Utilization of both companies' existing channels



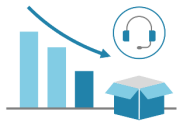
Development of new products and new brands



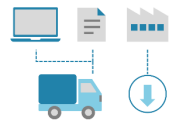
Acceleration of overseas expansion



Reduction and rationalization of marketing, CS support, and inventory management costs.



Reduction and rationalization of costs in back office, OEM, and logistics



Promote domestic channel expansion through mutual use of sales channels.
Promote cross-selling initiatives by leveraging synergies in price ranges and product lineups.

Promote the creation of new products and new brands by combining both companies' development expertise.
Accelerate trend creation through influencer collaboration and use of multiple channels.

Promote accelerated overseas expansion by utilizing both companies' sales networks.
Promote global growth by leveraging synergies in rollout areas.

Promote operational sophistication through integration of marketing, CS support, and inventory management.
Use "SELL" to enhance data utilization and achieve sales strategy and inventory optimization.

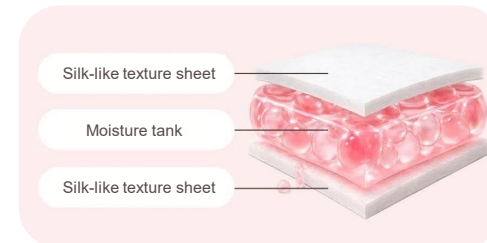
Promote cost reductions by integrating OEM, logistics, and back-office.
Strengthen procurement capabilities and improve operational efficiency to reduce costs and improve profitability.

BJC expects to expand its partner salon network from the current 40,000 stores to 80,000 stores in the future. In addition, by introducing Brighte products and new brands, the Company will accelerate distribution in beauty salons.



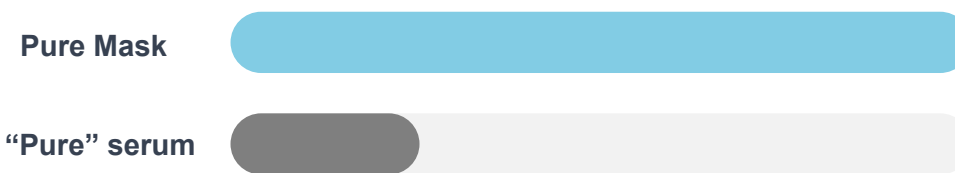
Launch of the “Pure Mask” series, sheet masks containing the largest amount*1 of “pure” serum ingredients in Yunth history.

Initial sales are progressing at the fastest pace in brand history, and the product is establishing a market presence backed by strong demand.



Uses stretchy fitting material. Adheres snugly to the skin, resists slipping, and provides a comfortable fit. Delivers beauty ingredients while the mask is stretched upward for a lifting fit*2 during mask time. The sheet also features an extra-thick three-layer structure. Uses a “water reservoir structure” that locks serum between moisture-support layers with a silk-like texture. Gently touches the skin while delivering abundant moisture.

Achieved sales of **345%** vs. the “Pure” Serum Series*3.



*1: For each relevant ingredient (ascorbic acid, retinol, and azelaic acid) among Yunth products as of March 2026. *2: Wearing the mask while stretching it upward. *3: Calculated based on POS data from stores handling the product during the aggregation period from March 1 to 28.

Yunth adds “Pure AZ Serum” as the third product in its popular “Pure” Serum Series.

Formulated with azelaic acid to address a wide range of skin concerns and expand the customer segment.



A serum that conditions skin prone to sensitivity and skin with visible pores, leading to healthy-looking skin.

Formulated with 100% pure azelaic acid*1 and five types of ceramide*2 as dual skin-management*3 ingredients*1.

High-concentration*4 15% pure azelaic acid and five types of human-type ceramides 2*2 deliver both active and protective care while helping address rough skin*3.

A new third pillar in Yunth’s popular serum series



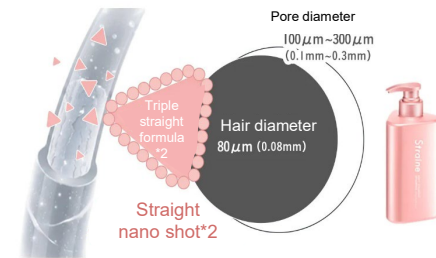
*1: Azelaic acid (moisturizer) *2: Ceramide NG, Ceramide AP, Ceramide AG, Ceramide NP, Ceramide EOP (moisturizer) *3: By keeping skin healthy *4: Compared with the Company’s products

Haircare brand “Straine” launches haircare products by hair type focused on the internal structure of hair. Enhances functionality and appeal through internal-structure x hair type-specific design to create new demand.



Introduces a lineup by hair type that addresses each person’s hair concerns, focusing on differences in internal structure and damage characteristics by hair thickness.

SOFT For fine hair

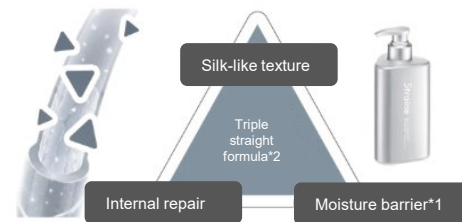


Penetrates with **straight nano shot*2**, a straightening formula*1 refined to the “nano level”!

*1: Helps condition hair texture with moisture *2: Hair repair

Maintains lightness and leads to airy hair with firmness and body.

BASIC For normal to thick hair



Delivers straight shot*1 directly!!

*1: Hair repair *2: Helps condition hair texture with moisture

Reduces squeakiness and creates a smooth, manageable finish through the ends.

Takuto Teranishi of timelesz has been cast in the new commercial for the flagship BJC brand, Lashaddict
Aiming to achieve sustained sales growth by further expanding brand awareness and enhancing brand value



Commercial information

Spring 2026



Premieres

May 16, 2026



Broadcast region

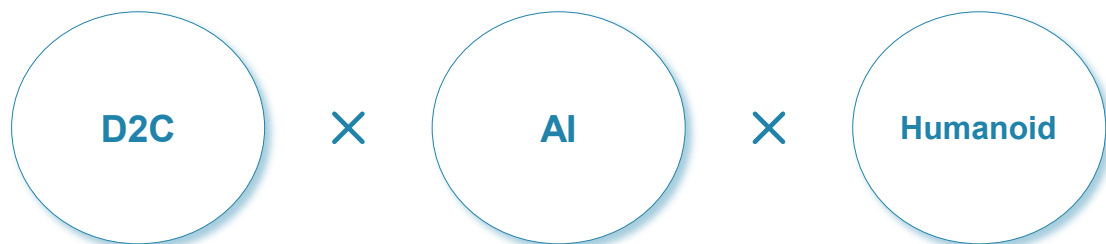
Kanto



Broadcast media

Television / web / social media

Started verification testing for the independently developed customer service humanoid.
 Conducting verification toward implementation at sales locations.
 Plans to roll out the humanoid to retailers and beauty salons nationwide to create a new standard for in-store customer service.



— Four values created by customer service humanoids —

Multilingual support

- Capable of customer service in foreign languages.
- Well-versed in product information (ingredients, etc.)

In-store data collection

- Dwell/gaze time and shelf stockout detection.
- Competitor placement → optimization for each store.

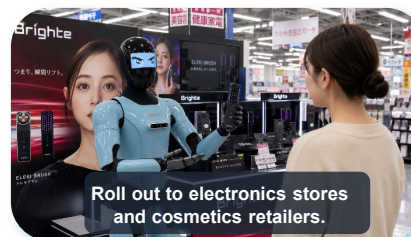
Linkage with product development

- Analyze needs through customer service.
- Improve the hit rate of new product development.

Personnel expenses substitution and low cost

- Substitute for the duties of beauty advisors and sales staff.
- No sales training required; equivalent to ¥5-6 million per year.

Future rollout strategy



- Now (2026)**
 Verify safety, dialogue, and customer service motions through the verification testing.
 - Verification | Basic performance for autonomous movement, object manipulation, dialogue, and customer service motions.
 - Learning | Built-in foundation based on the Company's brand product and sales data.
- Monetization phase (2027)**
 Customer-service demonstration in existing sales channels that handle the Company's brands.
 - Target | Cosmetics retailers and electronics stores handling the Company's brands.
 - Verification | Measurement of effects from multilingual customer service, product recommendations, and sales contribution.
- Scale phase (2028)**
 Nationwide rollout centered on beauty salons.
 - Target | Beauty salons
 - Role | Operated as the main player in product recommendations, promotion, and customer service.

Leveraging three strengths—data, manufacturing, and sales channels—to use humanoids as a support tool for existing businesses.

Toward unit economics with a manufacturing cost of ¥8 million and an annual profit impact of ¥5 million.

Why the Company can develop humanoids.



Data

(1) Real data assets from the Company's brands

Product and marketing data from the Company's brands

- Holds enormous purchasing data accumulated to date.
- Can run reinforcement learning based on real reactions.



Manufacturing

(2) Strategic differentiation between hardware and software

Hardware outsourced to a Chinese robotics company

- Commoditize through mass-production facilities and control manufacturing costs.
- The Company concentrates resources on its strengths in AI and reinforcement learning.



Sales channels

(3) Direct access to in-store sales channels

Consumer electronics mass retailers, cosmetics retailers, and partner salon network

- Test introduction → mass production → rollout all handled end-to-end
- Utilize the retail store network of existing businesses.

Revenue/cost image per unit

Initial costs (manufacturing cost)

¥8 million

Total annual benefit

¥7 million/year

Customer attraction effect (store visit rate +30%) +¥1 million
Customer service effect (purchase conversion rate x2) +¥1 million
Personnel expenses substitution (substituting for BA and sales staff duties)* +¥5 million

Total annual cost (depreciation and operating costs) ¥2 million/year

Annual ¥5 million profit contribution

Promoted as an initiative to accelerate sales of existing businesses.
Not factored into the budget plan; expected as performance upside.

*The Company dispatches brand sales representatives to retail stores at our own expense; by having humanoid robots take over sales representative duties, we can directly reduce personnel expenses.

Shareholders who have held 100 or more shares of our stock for at least six months will receive shareholder benefit gifts twice a year.

This time, we are presenting gifts worth approximately 13,000 yen (including tax) of our own products.

Details of the shareholder benefit program

Eligible shareholders

Shareholders who hold 1 unit (100 shares) or more of Company stock for six months or more and who are listed or recorded on the shareholder register as of March 31 and September 30 of each year

Scheduled delivery date

The shareholder benefit will be shipped within 3 months from the given dates. Note that shipping of the shareholder benefit for the March 31 date will be scheduled for after the Annual General Shareholders' Meeting.

Shareholder benefit details



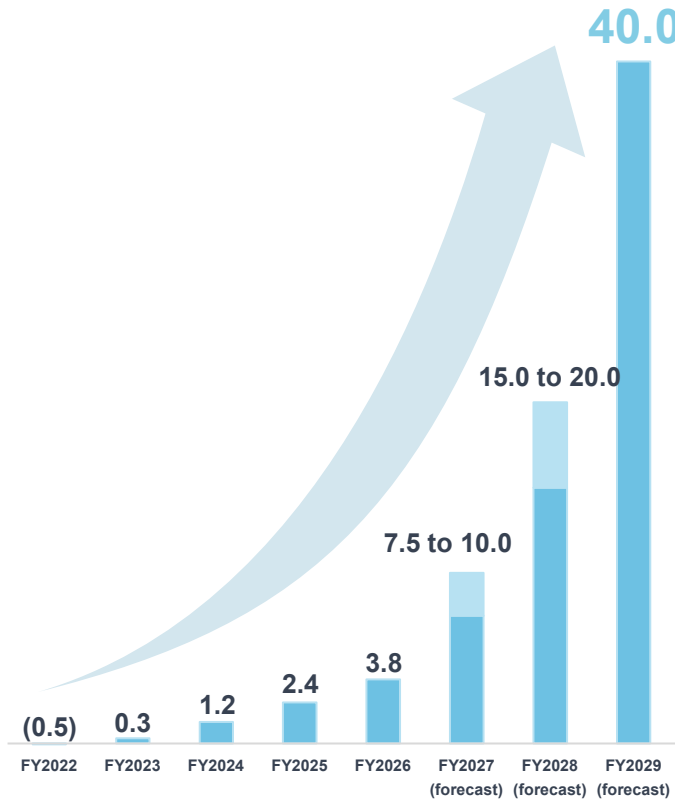
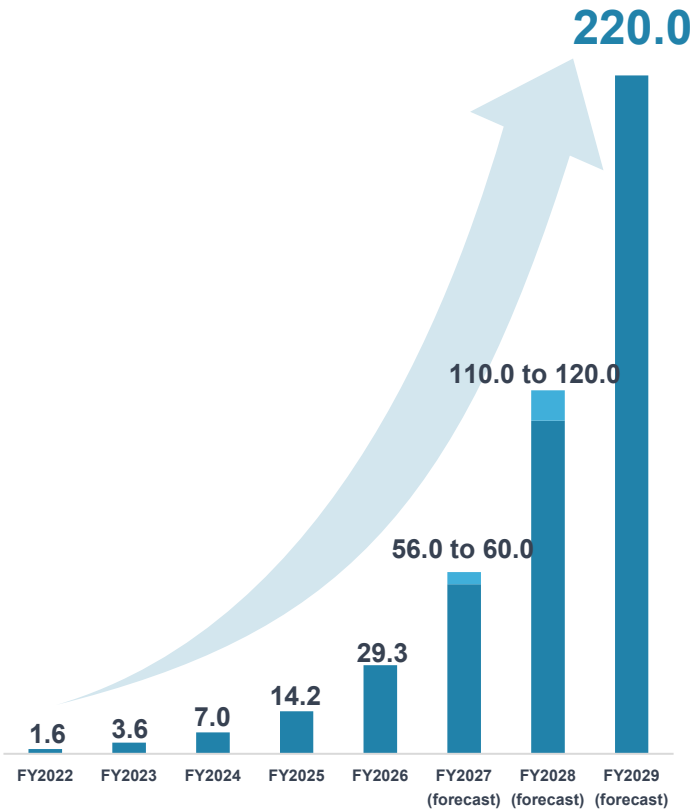
For the March 2026 record date, we plan to ship “Pure VC Whitening Serum,” “Pure VA Derma Serum,” and “Pure AZ Serum.”

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We aims to achieve net sales of ¥220.0 billion and operating profit of ¥40.0 billion in the fiscal year ending March 31, 2029, and a market capitalization of ¥1.0 trillion.

Change in net sales (plan)(Unit: Billions of yen)

Operating profit trend (plan)(Unit: Billions of yen)



FYE 3/2029 (Plan)	
Net sales	¥220.0 billion
Operating profit	¥40.0 billion yen
Profit	¥28.0 billion yen
×	
PER	Approx. 35x
Market capitalization	About ¥1.0 trillion

*Operating profit and profit = Provisional figure assuming amortization of goodwill, etc. associated with M&A of 1,500 million yen

We will seek sales growth with the three elements of expanding existing brands, creating new brands, and M&A as the pillars of growth.

Expansion of existing brands



- ✓ Overseas expansion (China, North America, Southeast Asia, etc.)
- ✓ Continuously introduce new products to drive new demand.

×

Creation of new brands



- ✓ Launch multiple brands.
- ✓ Accelerate development of the D2C brand business.

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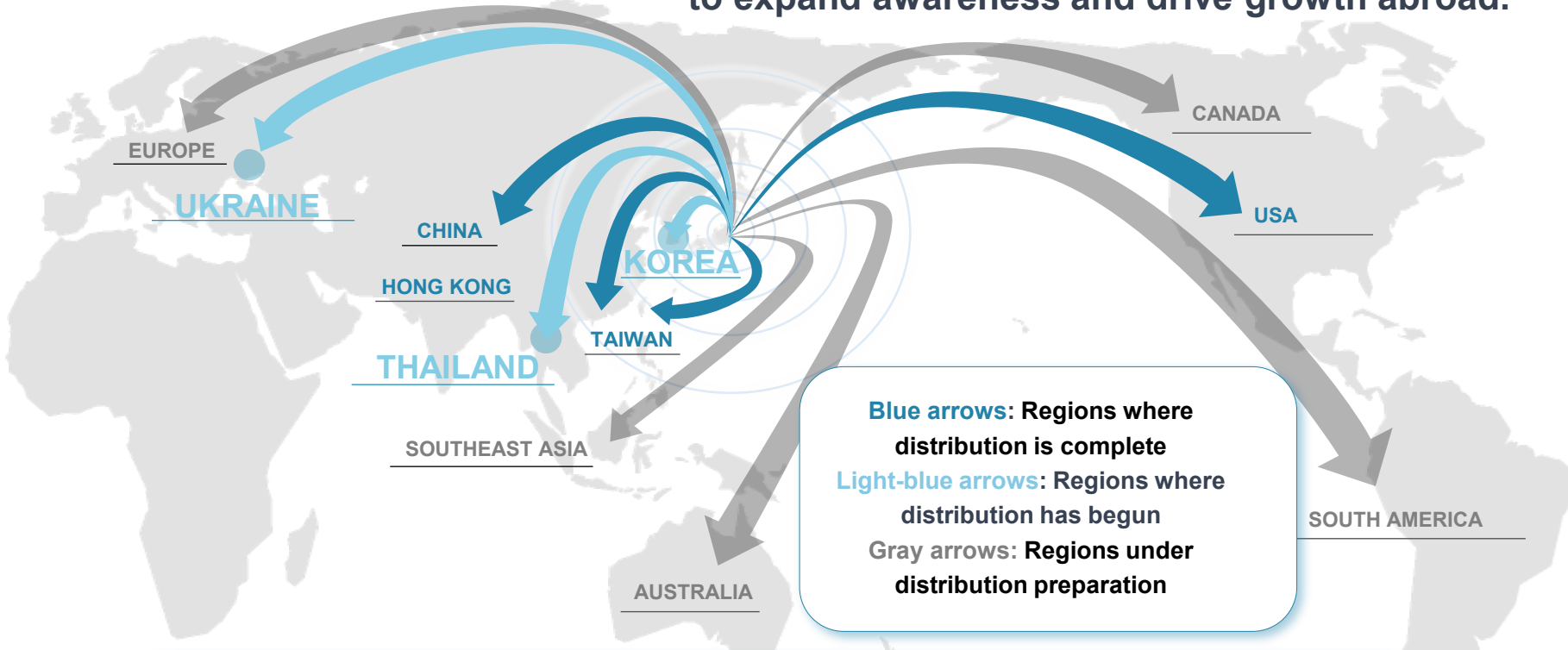
M&A strategy



- ✓ Diversify the D2C brand.
- ✓ Strengthen marketing.

Following the U.S., China, Taiwan, Hong Kong, and South Korea, distribution newly began in Thailand, where demand for brightening products is high.

We will engage KOLs (key opinion leaders) and run social media ads overseas to expand awareness and drive growth abroad.



Brand	Rollout area	Progress highlight
Yunth	Approx. 10 countries (mainly Southeast Asia)	Thailand Watsons: 129 stores → planned expansion to 600 stores; 10,000 units reordered in one month
Brighte	Overseas (KOL-led first)	Organic communications + stronger inbound linkage
Straine	Greater China (China, Taiwan, and Hong Kong)	Distribution is decided in Southeast Asia and North America, in addition to Greater China (China, Taiwan, and Hong Kong)

Use “SELL” to enable product deployment at a speed of around 4 times faster than usual.

Maximize expansion speed for both existing and new brands by rapidly launching new products using “co-creation development” that can respond immediately to trends.

Comparison of periods from market research to product launch




Market research

Search trends from SNS and purchase data / demand forecasting

Product launch

Supply optimization / Sales promotion automation

SELL



Product planning

Idea generation / concept design

Test sales

Advertising efficiency optimization / price optimization

Package development

Design generation / impression evaluation and optimization

- Through the in-house AI system “SELL,” market data, development, manufacturing, and sales, all are linked together in real time.
- “Co-creation development” that enables us to immediately respond to trends originating from SNS.
- All processes are synchronized by AI and simultaneously advanced from planning to deployment, thus reducing the product cycle.

Continue considering M&A options that can simultaneously strengthen both brand power and marketing capabilities.

M&A for strengthening brands

Expand the brand portfolio through brand diversification.



Target

- Achieve net sales at ¥5.0 billion or higher scale.
- Leave space for later growth in both EC and wholesale channels.
- Attain a share of specific markets with brands; etc.



M&A for strengthening marketing

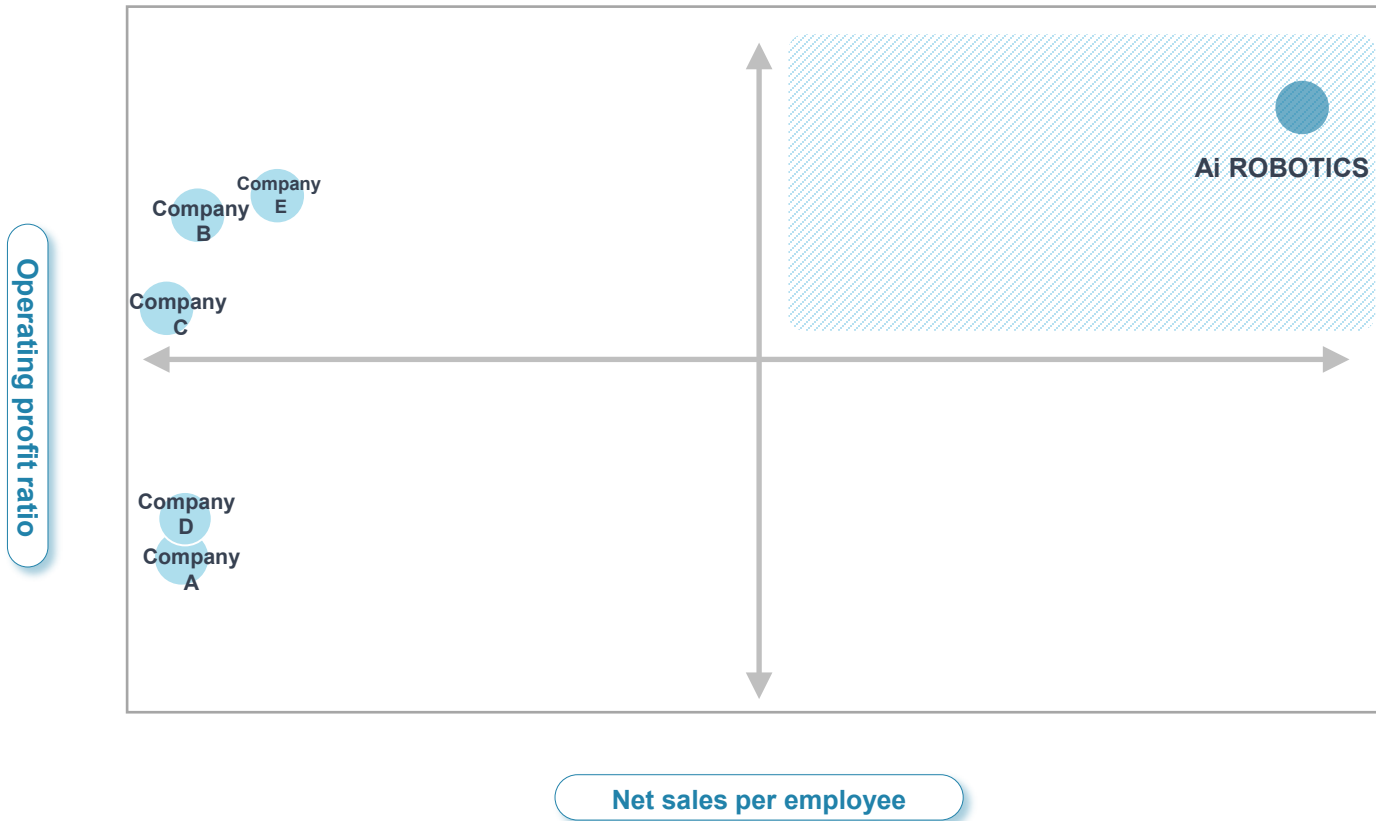
Deepen marketing strategy and accelerate further business growth and sales-channel expansion.



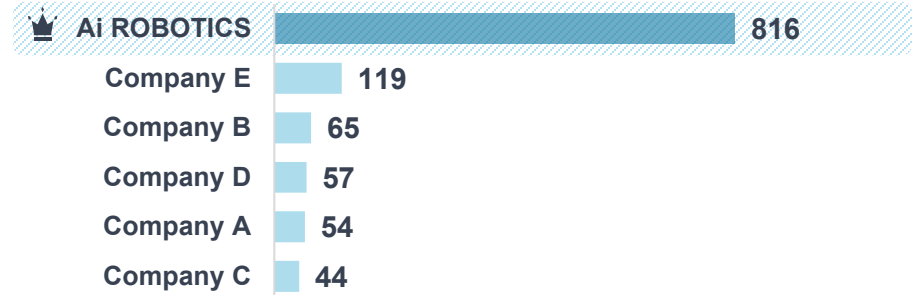
Target

- Enhance the Company's AI system.
- Diversify marketing channels.
- Recruit top-level engineers; etc.

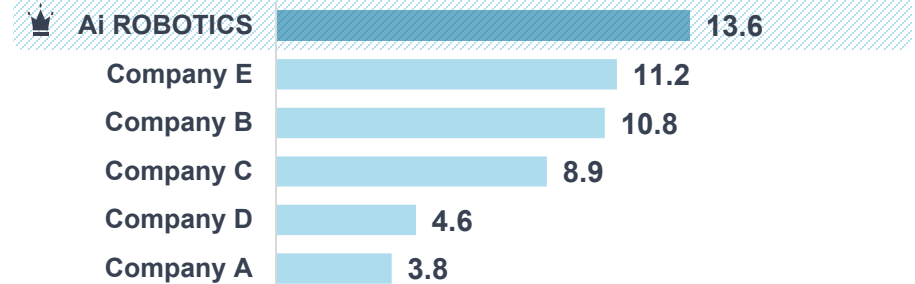
We will streamline core operations such as marketing activities through the effective use of an in-house AI system called “SELL.”
 The Company has achieved high net sales per employee and operating profit ratio among cosmetics related companies (D2C companies).



Net sales per employee (Unit: Millions of yen)



Operating profit ratio (Unit: %)



Basis for selecting cosmetics related companies (D2C companies): The Company used its own analysis to select competing companies from listed cosmetics related companies (D2C companies). From this group of companies, companies with a net sales growth rate CAGR of less than 10% over the two-year period including the most recent forecast for the next fiscal year, and with a net loss, or negligible net profit (less than ¥0.1 billion), negative YoY net profit for the current fiscal year are excluded. Companies with a PER of 100 or more are also excluded as outliers (stock prices for each company are as of March 30, 2026). Data were prepared by the Company based on each company’s financial results data and securities reports for the fiscal year 2025.

- **Executive Summary for the Fiscal Year Ended March 31, 2026**
- **Summary of Financial Results for the Fiscal Year Ended March 31, 2026**
- **Earnings Forecast for the Fiscal Year Ending March 31, 2027**
- **Growth Strategy (1 Trillion Yen Capitalization Plan)**
- **Appendix**

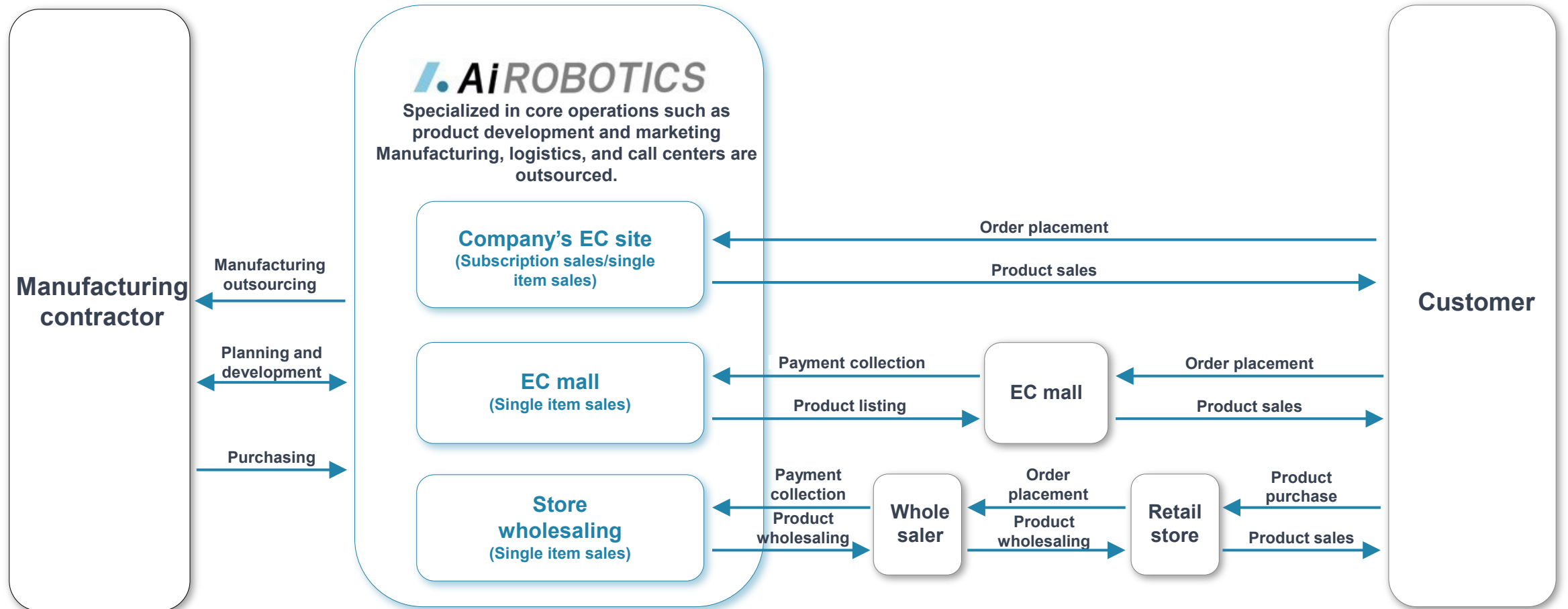
The Company name “Ai ROBOTICS” derives from the Company’s use of automated operations using the “SELL” AI system which is equipped with AI and RPA (Robotic Process Automation).

Company name	Ai ROBOTICS INC.
Founding	April 2016
Listing date	September 27, 2024 (TSE Growth Market)
Representative	Makoto Tatsukawa, Representative Director and President
Location	6-10-1 Roppongi, Minato-ku, Tokyo
Share capital, etc.	¥1,712.82 million (including legal capital surplus)
Number of employees	36 (as of March 31, 2026)
Business description	D2C* development and operation via AI implementation



* D2C (Direct to Consumer) refers to a framework that sells products directly to consumers.

We will build an organization specialized in core operations and achieve high productivity and flexibility while utilizing AI technology.



Fabless management

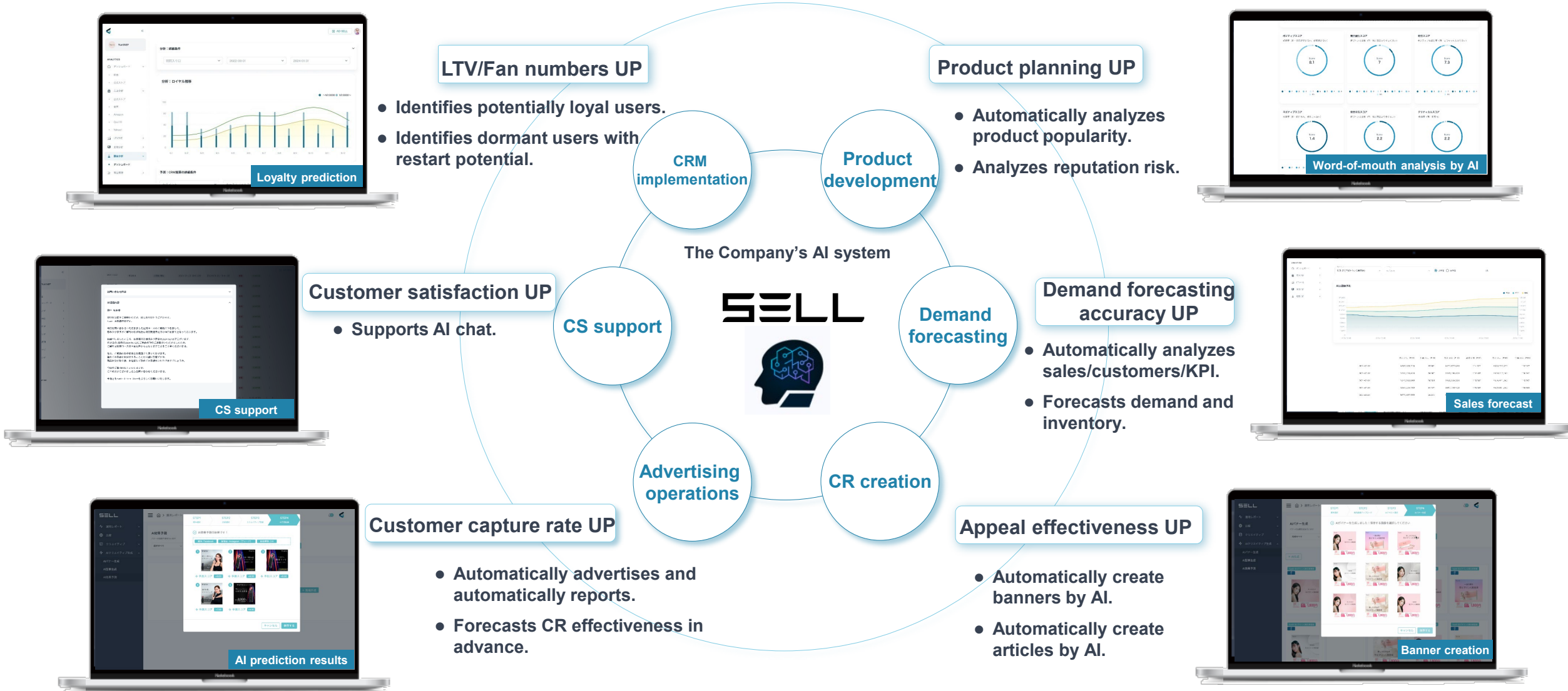
Select the most suitable OEM for each product on a case-by-case basis. Ensure a flexible production system that can adapt to changes in the environment by maintaining production capabilities externally.

Here are 3 keywords that exemplify the Company.

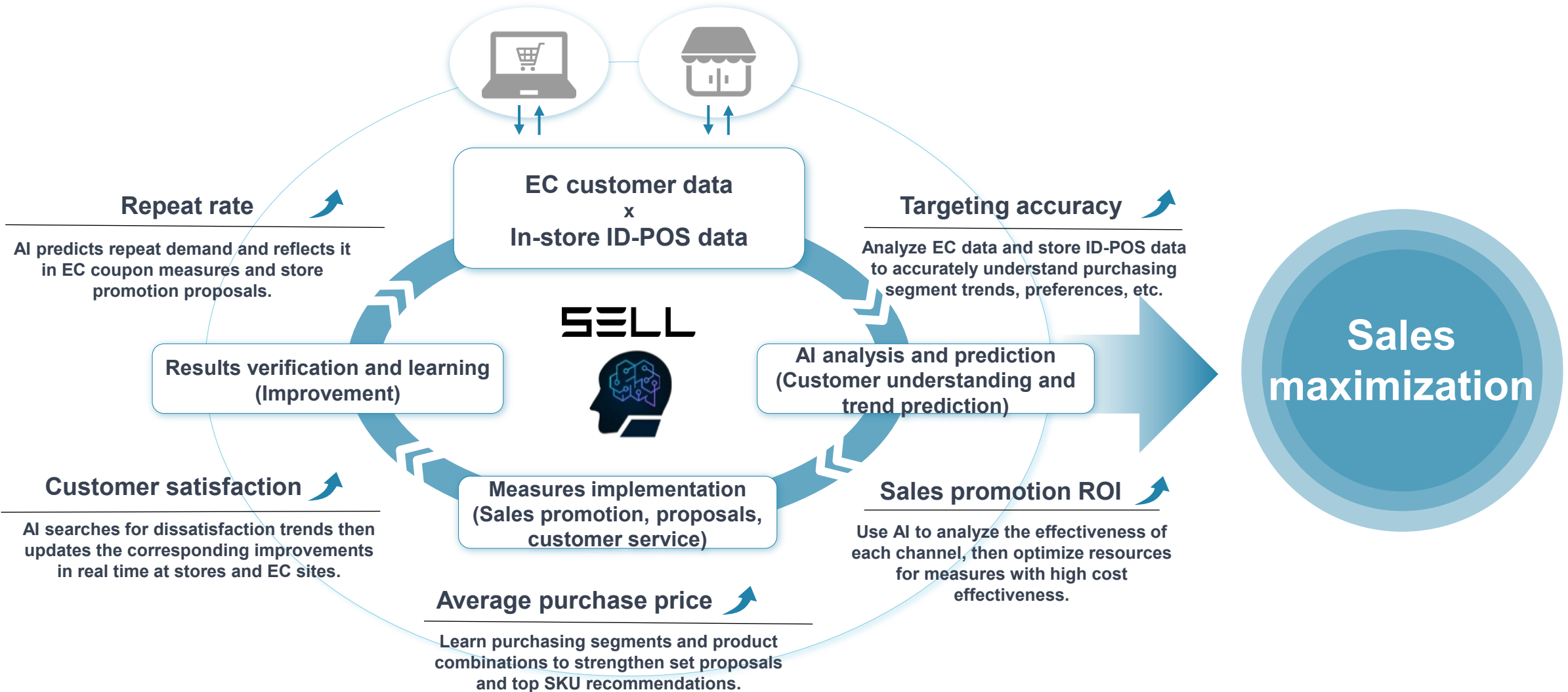
Data-driven business development through the combination of AI, marketing, and product development capabilities



“SELL” is the Company’s own AI system that consistently supports the D2C brand business.



Link EC data and store ID-POS data with SELL, and maximize sales by leveraging the analyzed customer segments and purchasing trends.



Combining the Market-In and Product-Out approaches allows the Company to develop data-driven products that can create new markets or dominate existing markets.

Market-In

An approach that analyzes market data and responds to “actual needs.”



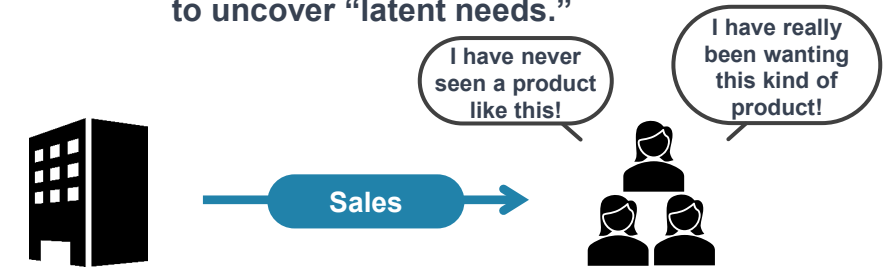
Company

Market

Because products that meet market needs are created, there is potential to develop products that may become hits.

Product-Out

An approach that makes the most of a company’s strengths to uncover “latent needs.”



Company

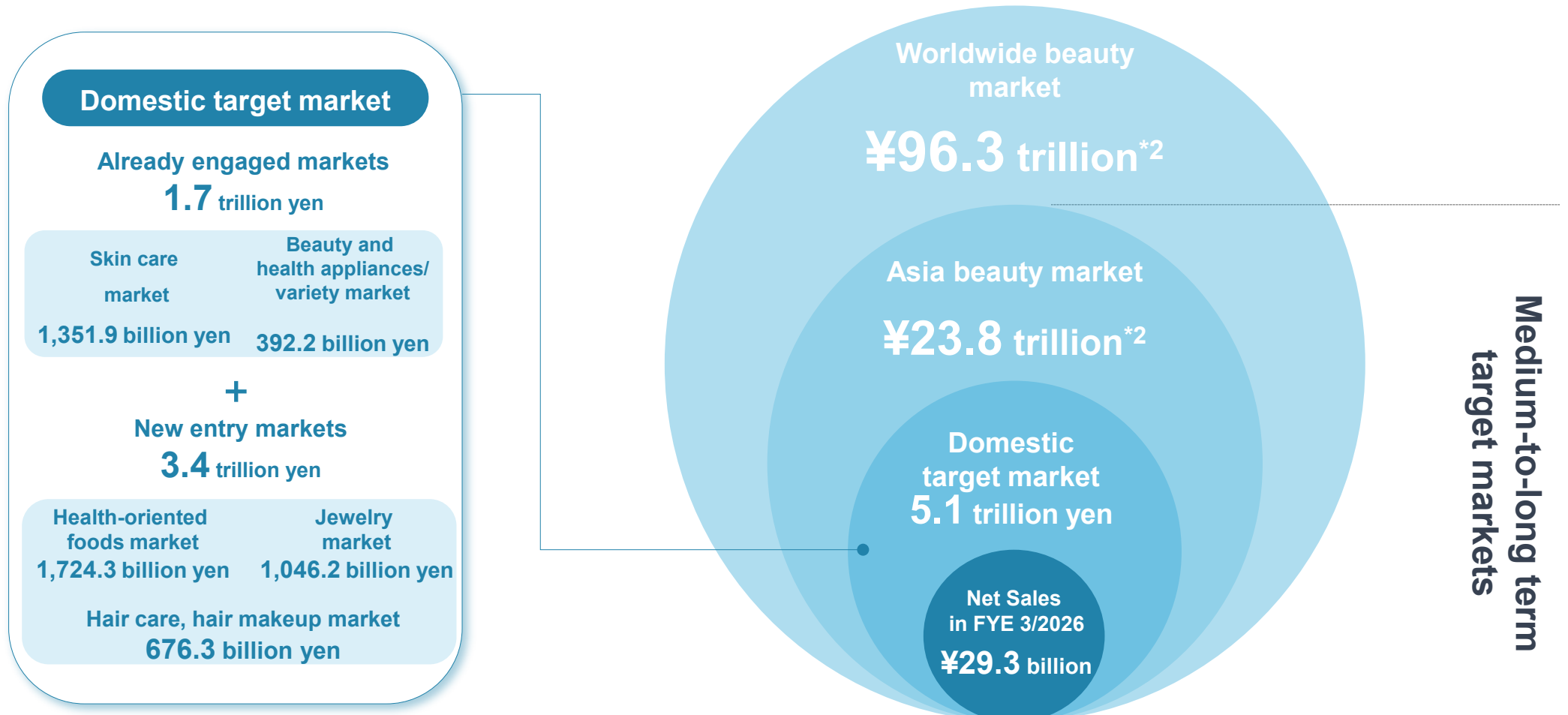
Market

Differentiation from other companies’ products is achieved and competitive advantage is realized by proposing solutions to problems that users have not yet noticed.



The Company develops products after using “SELL” to perform analysis based on a product development policy that combines both approaches.
The Company creates new markets by offering to users products with groundbreaking value that did not previously exist.

TAM*1 can be expected to expand by starting with successful cases in the beauty field and then expanding into other fields with a view toward a global market over the medium to long term.



Source: Fuji Keizai Group Co., Ltd., "Cosmetics Marketing Handbook 2024, No.1," "Cosmetics Marketing Handbook 2024, No.2," "Beauty & Health Appliances Market and Related Service Trend Data 2023-2024," and "H.B. Foods Marketing Handbook 2024, No.2: Healthy Foods Edition;" Yano Research Institute Ltd., "Survey on the Jewelry Market (Early Report 2024);" YAMADA Consulting Group Co., Ltd., "Overview and Trends of the U.S. Beauty and Personal Care Industry"

*1: TAM stands for "Total Addressable Market" and indicates the total market size that a business can potentially acquire.

*2: The worldwide beauty market (estimate for 2023) is estimated to be 625.6 billion U.S. dollars in 2023, calculated at an exchange rate of "1 U.S. dollar = 154 yen." The Asian beauty market (estimate for 2023) was calculated by the Company based on the combined market size of the top four Asian countries (China, Japan, India, and South Korea) in 2022, and the forecast of 149.8 billion U.S. dollars was multiplied by an average annual growth rate of 3.33% and converted at an exchange rate of "1 U.S. dollar = 154 yen."

(Source: YAMADA Consulting Group Co., Ltd., "Overview and Trends of the US Beauty and Personal Care Industry")

Funds raised at listing were allocated to recruitment and personnel expenses necessary to achieve the growth strategy.

The fiscal year ended March 31, 2026 proceeded largely as planned.

Use of proceeds (Unit: Millions of yen)

	FYE 3/2025 (results)	FYE 3/2026 (plan)	FYE 3/2026 (results)	FYE 3/2027 (plan)
Personnel hiring expenses	1	36	24	65
Personnel expenses	26	98	112	102
Total	27	134	136	167

Remaining IPO proceeds (Unit: Millions of yen)

	Amount
Total IPO proceeds	361
Amount used (as of the end of FYE 3/2026)	163
Balance	198

Statement of Income

(Unit: Millions of yen)	FYE 3/2025	FYE 3/2026
Net sales	14,206	29,359
Cost of sales	3,063	7,821
Gross profit	11,142	21,537
Selling and administrative expenses	8,662	17,735
Operating profit	2,480	3,802
Ordinary profit	2,422	3,780
Profit	1,703	2,654
Number of employees (unit: persons)	27	36

Balance Sheet

(Unit: Millions of yen)	FYE 3/2025	FYE 3/2026
Total assets	6,966	18,431
Current assets	6,557	17,598
Non-current assets	396	827
Deferred assets	13	4
Total liabilities	3,657	12,381
Current liabilities	2,741	9,111
Non-current liabilities	915	3,269
Total net assets	3,309	6,049
Equity-to-asset ratio (unit: %)	47.5	32.8

* Yen amounts are rounded down to millions, unless otherwise noted.

* Non-consolidated figures for Ai ROBOTICS

Description of risk	Major risks for business operations	Potential occurrence	Period with potential for occurrence	Impact	Countermeasure
Market trend changes and intensified competition	The cosmetics market, to which the D2C brand business mainly belongs, has many competing companies both large and small and both domestically and internationally. In addition, the existence of OEM companies that undertake product manufacturing enables businesses to expand without having manufacturing facilities, which means that the barriers to entry are low and new entrants are emerging. If there were to be intensified competition with existing rivals, a deterioration in the industry's image due to a scandal at another company in the same industry, a new entrant with much capital and strong name recognition and brand power, or the sale of similar products, causing the Company's customers to leave or generating various costs to respond to the situation, there would be potential for an adverse effect on the Company's financial position and operating results.	Moderate	No particular period	Large	The Company will increase brand value by improving products based on consumer needs and by building customer relationships through use of customer databases and AI marketing know-how.
Risks of impairment of goodwill, customer-related intangible assets, and trademark rights	The Company is currently performing a purchase price allocation (PPA) for the BJC shares acquired on April 1, 2026. We plan to finalize the amounts of goodwill and intangible assets, among other items, based on discussions with our accounting auditor and other factors. Goodwill and intangible assets recognized in connection with the acquisition of these shares are valued based on the business plans and synergies anticipated at the time of acquisition; however, if the initially expected profitability is not achieved due to changes in the business environment, the progress of the business, changes in the competitive landscape, or other factors, we may record impairment losses. In particular, if significant impairment losses are incurred, this could have a material impact on the Group's financial position and operating results.	Low	No particular period	Large	To realize the synergies anticipated at the time of the acquisition, we will steadily implement post-merger integration (PMI) measures, including the mutual utilization of both companies' sales channels, product development and overseas expansion, and cost reduction. In addition, we have established a system to monitor the progress of our business plans on a quarterly basis and identify signs of impairment at an early stage. We will strive to ensure projected profitability through KPI management for synergy creation and regular reviews by senior management.
Fundraising	As the Company's business expands, we continue to face ongoing working capital requirements related to product purchasing, advertising and promotion, inventory holding, and expanding headcount. In particular, as wholesaling expands, the balance of accounts receivable - trade will increase and collection periods will lengthen; therefore, it is necessary to secure working capital commensurate with the expansion of the business. While the Company strives to maintain good relationships with financial institutions and secure stable financing, if we are unable to raise the necessary funds in a timely manner due to changes in financial conditions, fluctuations in our business performance, or changes in the lending policies of financial institutions, this could affect our cash flow and, consequently, our business operations, operating results, and financial condition.	Moderate	No particular period	Large	If we exceed the debt capacity set by each financial institution, we will conduct equity financing, such as through the issuance of shares, and strive to secure stable funding.
Control of personal information	In selling products on the e-commerce site operated by the Company, the Company holds personal information and is subject to the obligations of the "Act on the Protection of Personal Information" as a personal information handling business operator. If personal information were to be leaked due to unauthorized outside access or other unforeseen circumstance, there would be potential for an adverse effect on the Company's financial position and operating results.	Low	No particular period	Large	The Company complies with relevant laws and regulations such as the "Act on the Protection of Personal Information," and has obtained the official "Privacy Mark." In addition, the Company will establish personal information protection regulations to strictly manage the handling of personal information, and also periodically provide in-house training for all employees.
Ad display management system	If the Company's operations were not properly executed and handling of some advertising violated its standards, there would be potential for an adverse effect on the Company's financial position and operating results.	Low	No particular period	Large	For all advertising displays, multiple individuals will review the advertisements using an "Advertising Display Creative Checklist," and by implementing this checklist thoroughly, the Company will strive to comply with laws and regulations and maintain public order and morals.

The major risks for management are as stated above. The above explanations excerpt the major risks that the Company recognizes as having the potential to significantly affect its growth potential and business plans, from among the items to be listed in "Business and Other Risks" section of the Securities Report. For details on each item and other risks, please refer to "Business and Other Risks" in the Annual Securities Report scheduled to be disclosed on June 22, 2026.

- These briefing materials have been prepared by the Company for the sole purpose of disclosing relevant information and do not constitute a solicitation of an offer to purchase or sell securities in the United States, Japan or any other jurisdiction. The securities of the Company cannot be offered or sold in the United States, Japan, or any other jurisdiction without registration or filing under the applicable laws or an exemption therefrom.
- In preparing these briefing materials, the Company has relied on and assumed the truthfulness, accuracy, and completeness of all information available to it, but the Company makes no representation or guarantee as to the truthfulness, accuracy, or completeness of such information.
- The information contained in these briefing materials is subject to change without prior notice.
- These briefing materials and their contents may not be disclosed or used by any third party for any other purpose without prior written consent from the Company. Statements contained in these briefing materials regarding future performance are forward-looking declarations. Forward-looking declarations may include, without limitation, words such as “believe,” “anticipate,” “plan,” “strategy,” “expect,” “project,” “predict,” “potential,” or other similar expressions describing future operating activities, performance, events, or conditions. The forward-looking declarations are based on the judgment of the Company’s management in light of currently available information. For this reason, these forward-looking declarations are subject to various risks and uncertainties, and actual performance may differ significantly from the forecasts expressed or implied in such forward-looking declarations. Accordingly, the Company cautions against placing undue reliance on forward-looking declarations.
- The next disclosure of information on the “Business Plan and Growth Potential” is scheduled to be disclosed in May 2027.