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November 12, 2025

To whom it may concern,


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# Q&A and Responses to Anticipated Questions at the Financial Results Briefing for the 1st Quarter of the Fiscal Year Ending June 2026

## ■Consolidated

**1. What were the main factors behind the strong Operating Profit in Q1 relative to the full-year forecast?**

The primary drivers were the growth of the Marketing Solution Business and cost control across the Group.

In particular, the high-margin Marketing Solution Business continued to drive consolidated Operating Profit. In addition to strong performance in sales promotion services driven by higher sales volume in the Retail Business, synergies further accelerated the growth of various solutions such as online advertising.

**2. You expect Operating Profit to decline QoQ in Q2 compared to 1Q. What are the key reasons?**

Operating Profit is expected to decrease QoQ due to strategic upfront investments aimed at accelerating future growth, including the following:

- Costs associated with the new real event "*Tokyo Beauty Week*" to be held in November
- Promotion expenses for "*@cosme BEAUTY DAY*," an annual sales event held in December
- Ongoing expenses related to the new Hong Kong flagship store "*@cosme HONG KONG*," scheduled to open in December, following Q2

## ■ Marketing Solution Business

**3. Growth in the Marketing Solution Business is accelerating. What is the contribution and progress of the new data consulting services?**

Although we refrain from disclosing performance by individual services, while the direct earnings contribution remains limited at this stage, the consulting initiatives have begun to generate tangible results.

We have received positive feedback from clients regarding performance improvements, leading to expansion within client organizations and an increase in projects from additional brands and departments. This has resulted in a favorable start.

Furthermore, there has been an increase in cases where consulting engagements lead to orders for existing solutions, thereby expanding indirect contributions through synergies across services.

However, despite strong demand, the current consulting workforce is operating at full capacity. We will continue to prioritize hiring to reinforce our capabilities.

**4. Are there any one-time revenue factors or costs deferred to Q2 and beyond?**

There are no particular one-time factors. The increase in Operating Profit reflects efficient expansion of profit driven by revenue growth from organic business and high contribution margins.

**5. What is the progress of the AI-powered review analysis tool "*@cosme Copilot*"?**

The official launch is scheduled for January 2026, after which it will be gradually rolled out. A test release has already been conducted with some brands, and improvements are being made based on their feedback.

## ■ Retail Business

**6. In store sales, there was an impact from a decrease in inbound traffic.
What is the current situation?**

Although a decline was observed in July mainly among travelers from East Asia, recovery has been seen since August, and there are currently no particular concerns. In October, inbound traffic surged again due to China's National Day, but we will continue to monitor it carefully as it is influenced by market conditions and consumer trends.

## ■ Global Business

**7. Why did you choose Hong Kong for your first overseas flagship store "@*cosme HONG KONG*"?**

The store is scheduled to open on December 5, 2025, and will feature a lineup of over 500 domestic and international brands, similar to the Nagoya flagship store.

We will disclose specific brand names and new initiatives in upcoming press releases, so please refer to those for further details.