August 13, 2026

Summary of Consolidated Financial Results for the Fiscal Year Ended June 30, 2026

[Japanese GAAP]

Company name:	istyle Inc.	Stock exchange listings: Prime Market of the TSE
Securities code:	3660	URL: https://www.istyle.co.jp/en
Representative:	Tetsuro Yoshimatsu, Representative Director, Chairperson, CEO	
Contact:	Kei Sugawara, Director, Vice Chairperson, CFO	Tel: +81-3-6161-3660

Scheduled date of Annual General Meeting of Shareholders: September 26, 2026
Scheduled date of filing Annual Securities Report: September 25, 2026
Scheduled date of dividend payment: September 7, 2026
Preparation of supplementary materials for financial results: Yes
Holding of financial results briefing: Yes (For analysts and institutional investors)

(All amounts are rounded off to the nearest million yen)

1. Consolidated Financial Results for the Fiscal Year Ended June 30, 2026 (July 1, 2025 – June 30, 2026)

(1) Consolidated results of operations (Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of the parent company	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended June 30, 2026	81,807	19.0	4,085	29.1	4,244	28.2	3,011	29.4
Fiscal year ended June 30, 2025	68,768	22.6	3,164	63.1	3,310	92.3	2,327	91.6

Note: Comprehensive income Fiscal year ended June 30, 2026: 3,214 million yen (60.1%)
Fiscal year ended June 30, 2025: 2,007 million yen (28.0%)

	Earnings per share	Diluted earnings per share	Return on equity	Ordinary profit to total assets	Operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended June 30, 2026	30.70	24.69	15.6	11.3	5.0
Fiscal year ended June 30, 2025	28.97	19.73	17.3	10.6	4.6

Reference: Equity in earnings of affiliates: Fiscal year ended June 30, 2026: 109 million yen
Fiscal year ended June 30, 2025: 153 million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of June 30, 2026	40,385	23,780	56.1	226.40
As of June 30, 2025	34,601	17,007	46.0	178.53

Reference: Total equity: As of June 30, 2026: 22,647 million yen
As of June 30, 2025: 15,900 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended June 30, 2026	5,959	(3,324)	(120)	9,806
Fiscal year ended June 30, 2025	3,139	(2,658)	1,012	7,199

2. Dividends

	Dividend per share					Total dividends	Payout ratio (consolidated)	Dividend on equity (consolidated)
	First quarter-end	First half-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended June 30, 2025	-	0.00	-	1.00	1.00	89	3.5	0.6
Fiscal year ended June 30, 2026	-	0.00	-	1.00	1.00	100	3.3	0.5
Fiscal year ending June 30, 2027 (forecasts)	-	0.00	-	2.00	2.00		14.3	

3. Consolidated Forecast for the Fiscal Year Ending June 30, 2027 (July 1, 2026 – June 30, 2027)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of the parent company		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	90,000	10.0	5,000	22.4	5,100	20.2	1,400	(53.5)	14.00

* Notes

(1) Significant changes in the scope of consolidation during the period: None

(2) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting-based estimates: Yes

4) Restatements: None

Note: For details, please refer to "3. Consolidated Financial Statements and Relevant Notes (5) Notes on Consolidated Financial Statements (Changes in Accounting-based Estimates)" on page 14 of the accompanying materials.

(3) Number of shares outstanding (common shares)

1) Number of shares issued (including treasury shares) at end of period

As of June 30, 2026: 102,661,967 shares

As of June 30, 2025: 91,754,577 shares

2) Number of treasury shares at end of period

As of June 30, 2026: 2,632,770 shares

As of June 30, 2025: 2,693,618 shares

3) Average number of shares outstanding during the period

Fiscal year ended June 30, 2026: 98,062,187 shares

Fiscal year ended June 30, 2025: 80,308,199 shares

Reference: Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended June 30, 2026 (July 1, 2025 – June 30, 2026)

(1) Non-consolidated results of operations

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended June 30, 2026	12,651	21.8	1,259	94.6	1,355	(27.5)	1,348	(26.6)
Fiscal year ended June 30, 2025	10,387	23.0	647	-	1,870	-	1,837	-

	Earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended June 30, 2026	13.75	11.05
Fiscal year ended June 30, 2025	22.87	15.58

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of June 30, 2026	28,820	18,928	62.2	179.32
As of June 30, 2025	26,393	14,009	49.5	146.57

Reference: Total equity: As of June 30, 2026: 17,938 million yen

As of June 30, 2025: 13,054 million yen

* The current summary report is not subject to audit by certified public accountants or auditing corporations.

* Cautionary statement with respect to forecasts and other matters

- Earnings forecasts and other forward-looking statements in this report are based on assumptions judged to be valid and information available to istyle Inc. (the "Company") at the time of this report's preparation. Actual performance may differ significantly from these forecasts for a number of reasons. For the assumptions underlying the forecasts herein and other notice on the use of earnings forecasts, please refer to "1. Operating Results and Financial Position (4) Future Outlook" on page 5 in the accompanying material.
- The Company is scheduled to hold a briefing for analysts and institutional investors on August 14, 2026.

** This financial report is solely a translation of the original Japanese "Kessan Tanshin" document, which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.*

Accompanying Materials – Contents

1. Operating Results and Financial Position

(1) Summary of Operating Results

During the fiscal year ended June 30, 2026, the global economic outlook remained uncertain due to fluctuations in resource prices amid prolonged tensions in the Middle East and supply chain disruptions, as well as growing uncertainty over trade policies in major countries.

In the Japanese economy, consumer spending did not see a full-fledged recovery and remained at a standstill due to prolonged high prices leading to entrenched cost-consciousness. However, a gradual recovery trend continued, supported by rising real income levels against a backdrop of sustained wage increases and improving employment conditions.

In the cosmetics industry, despite the overall number of tourists visiting Japan remaining strong, inbound demand saw a slowdown in purchasing value per tourist from certain countries and regions and changes in demand structures against a backdrop of economic stagnation in Asia and geopolitical risks. Moreover, the environment surrounding inbound consumption continued to require close monitoring amid concerns over downward pressure from fluctuations in foreign exchange rates.

In accordance with the Medium-term Business Plan announced in August 2024, the Company and its consolidated subsidiaries (collectively, the “Group”) aim to achieve consolidated net sales of 100 billion yen and consolidated operating profit of 8 billion yen, which are the medium-term business goals, by increasing points of contact with users and data through the expansion of the Retail segment (e-commerce and retail stores), and monetizing those in the Marketing Solution segment (BtoB services).

The Group positions the fiscal year ended June 30, 2026, the second fiscal year of the Medium-term Business Plan, as the “Year of Strategic Investments,” aiming for a leap into the next phase of growth. To this end, the Group strengthened recruitment efforts and system investments in each segment to achieve medium- to long-term growth, expanded investments in new businesses and other areas, and worked to establish a foundation for enhancing corporate value in the future.

The Group’s consolidated operating performance for the fiscal year ended June 30, 2026 (“fiscal 2026”) was as follows.

Net sales increased 19.0% year-on-year, driven by the Marketing Solution segment and Retail segment in Japan, together with contributions from the flagship store in Hong Kong.

Operating profit increased 29.1%, with the Marketing Solution segment and Retail segment contributing to profit growth just as they did to higher net sales.

As a result, consolidated operating performance for fiscal 2026 was as follows:

Net sales:	81,807 million yen (68,768 million yen in the previous fiscal year; 19.0% year-on-year increase)
Operating profit:	4,085 million yen (3,164 million yen in the previous fiscal year; 29.1% year-on-year increase)
Ordinary profit:	4,244 million yen (3,310 million yen in the previous fiscal year; 28.2% year-on-year increase)
Profit before income taxes:	4,285 million yen (3,194 million yen in the previous fiscal year; 34.2% year-on-year increase)
Profit attributable to owners of the parent company:	3,011 million yen (2,327 million yen in the previous fiscal year; 29.4% year-on-year increase)

1) Marketing Solution segment

The Marketing Solution segment consists of various services based on the cosmetics and beauty portal site @*cosme*, including advertising solutions for cosmetics brands and data-driven solutions.

Net sales increased 25.2% year-on-year due to a continued increase in transaction volume with major and new mid-sized brands. This took place against a backdrop of the successful sales promotion measures utilizing the touchpoints at e-commerce and retail stores in the Retail segment.

Operating profit increased 24.6% due to the contribution made to efficient profit expansion by a business model with a high marginal profit ratio.

As a result, consolidated operating performance for fiscal 2026 was as follows:

Net sales: 12,083 million yen (9,651 million yen in the previous fiscal year; 25.2% year-on-year increase)
Operating profit: 3,516 million yen (2,822 million yen in the previous fiscal year; 24.6% year-on-year increase)

2) Retail segment

The Retail segment consists mainly of retail services in Japan, including the operation of the domestic cosmetics e-commerce site @*cosme SHOPPING* and operations of @*cosme STORE* cosmetics specialty shops.

Net sales for e-commerce rose 17.0% year-on-year due to the continued acquisition of new customers through platform collaborations and the success of the sales events, @*cosme BEAUTY DAY* and @*cosme SPECIAL WEEK*. This was despite a temporary loss of sales opportunities associated with the relocation of a logistics warehouse. Net sales for retail stores rose 14.6% due to the contribution of new stores, including @*cosme NAGOYA*, despite a decline in some inbound tourists due to geopolitical factors and a slowdown in the growth rate at regional stores. As a result, net sales increased 15.4% year-on-year in the segment overall.

Operating profit increased 15.6% due to the contribution of the increased net sales.

As a result, consolidated operating performance for fiscal 2026 was as follows:

Net sales: 61,695 million yen (53,463 million yen in the previous fiscal year; 15.4% year-on-year increase)
Operating profit: 3,599 million yen (3,115 million yen in the previous fiscal year; 15.6% year-on-year increase)

3) Global segment

The Global segment consists of business operations outside Japan, such as e-commerce and wholesale, retail stores, and media and other services.

Net sales increased 37.9% year-on-year in the segment overall. This was due to the contribution of net sales from the flagship store in Hong Kong, in addition to a recovery in the China cross-border e-commerce business.

Operating profit saw an increased year-on-year deficit. This was due to the recording of 251 million yen in opening-related expenses for the flagship store in Hong Kong in the first half of the fiscal year ended June 30, 2026, as well as net sales falling below initial forecasts as a result of the time required to optimize operations. The store is expected to contribute fully to revenue from the next fiscal year onward.

As a result, consolidated operating performance for fiscal 2026 was as follows:

Net sales: 5,757 million yen (4,174 million yen in the previous fiscal year; 37.9% year-on-year increase)
Operating loss: 356 million yen (176 million yen loss in the previous fiscal year)

4) Other

The Other segment consists of a temporary staffing agency for beauty consultants, BtoC subscription services, and investment and consulting projects for companies in various stages of development, including new startups.

Net sales increased 53.5% year-on-year, following a recovery in a temporary staffing agency for beauty consultants and the sale of operational investment securities in the fourth quarter.

Operating profit increased 1.4% year-on-year due to the gain on sale of the aforementioned operational investment securities, despite the effect of the termination of *BLOOMBOX*, one of the BtoC subscription services, in December 2024 and the upfront expenses for the Supplement segment launched in July 2025.

As a result, consolidated operating performance for fiscal 2026 was as follows:

Net sales: 2,272 million yen (1,480 million yen in the previous fiscal year; 53.5% year-on-year increase)
Operating profit: 191 million yen (188 million yen in the previous fiscal year; 1.4% year-on-year increase)

(2) Summary of Financial Position

(Assets)

Total assets at the end of the consolidated fiscal year under review amounted to 40,385 million yen, an increase of 5,784 million yen compared with the end of the previous consolidated fiscal year.

Current assets at the end of the consolidated fiscal year under review amounted to 24,746 million yen, an increase of 3,706 million yen compared with the end of the previous consolidated fiscal year. This result was mainly due to an increase of 2,522 million yen in cash and deposits and an increase of 1,022 million yen in merchandise.

Non-current assets at the end of the consolidated fiscal year under review amounted to 15,638 million yen, an increase of 2,078 million yen compared with the end of the previous consolidated fiscal year. This result was mainly due to an increase of 937 million yen in tangible assets and an increase of 868 million yen in software.

(Liabilities)

Total liabilities at the end of the consolidated fiscal year under review amounted to 16,605 million yen, a decrease of 989 million yen compared with the end of the previous consolidated fiscal year.

Current liabilities at the end of the fiscal year under review amounted to 11,464 million yen, a decrease of 1,228 million yen compared with the end of the previous consolidated fiscal year. This result was mainly due to a decrease of 1,000 million yen in short-term borrowings and a decrease of 1,500 million yen in the current portion of convertible-bond-type bonds with share acquisition rights, offset in part by an increase of 730 million yen in notes and accounts payable - trade.

Non-current liabilities at the end of the fiscal year under review amounted to 5,141 million yen, an increase of 239 million yen compared with the end of the previous consolidated fiscal year.

This result was mainly due to an increase of 807 million yen in asset retirement obligations, offset in part by a decrease of 615 million yen in long-term borrowings.

(Net Assets)

Net assets at the end of the consolidated fiscal year under review amounted to 23,780 million yen, an increase of 6,773 million yen compared with the end of the previous consolidated fiscal year. This result was mainly due to an increase of 1,811 million yen in capital stock, an increase of 1,826 million yen in capital surplus, and an increase of 2,922 million yen in retained earnings.

(3) Status of Cash Flows

Cash and cash equivalents (“Cash”) at the end of the consolidated fiscal year under review amounted to 9,806 million yen, which was an increase of 2,607 million yen compared with the end of the previous consolidated fiscal year.

The status of cash flows by type and primary contributing factors during the current fiscal year are as follows.

(Net cash provided by (used in) operating activities)

Net cash provided by operating activities for the current consolidated fiscal year amounted to 5,959 million yen (3,139 million yen provided in the previous fiscal year).

This result was mainly due to the posting of profit before income taxes of 4,285 million yen, an increase in trade payables of 714 million yen, and the posting of depreciation and amortization (non-cash items) of 2,310 million yen, 240 million yen in stock-based compensation expenses, and 210 million yen in goodwill amortization. These amounts were offset in part by increases in inventories of 988 million yen and trade receivables of 511 million yen.

(Net cash provided by (used in) investing activities)

Net cash used in investing activities for the current consolidated fiscal year amounted to 3,324 million yen (2,658 million yen used in the previous fiscal year).

This result was mainly due to 1,625 million yen in purchases of tangible assets and 1,802 million yen in purchases of intangible assets.

(Net cash provided by (used in) financing activities)

Net cash used in financing activities for the current consolidated fiscal year amounted to 120 million yen (1,012 million yen provided in the previous fiscal year).

This result was mainly due to 1,440 million yen in repayment of long-term borrowings, as well as decreases of 1,000 million yen in short-term borrowings, 354 million yen in repayments of lease obligations, and 334 million yen in purchase of shares in subsidiaries not resulting in change in scope of consolidation. These amounts were offset in part by 1,894 million yen in proceeds from issuance of shares and 1,200 million yen in proceeds from long-term borrowings.

(Reference) Cash Flow Indicators

	Fiscal Year Ended June 30, 2022	Fiscal Year Ended June 30, 2023	Fiscal Year Ended June 30, 2024	Fiscal Year Ended June 30, 2025	Fiscal Year Ended June 30, 2026
Equity ratio (%)	38.1	41.6	39.0	46.0	56.1
Equity ratio based on market price (%)	73.8	174.6	136.3	136.4	92.9
Cash flows/interest-bearing debt ratio (%)	768.2	150.6	141.5	230.6	103.7
Interest coverage ratio (times)	—	14.1	39.9	54.6	58.4

Notes: 1. All figures are calculated using consolidated financial figures.

2. Market capitalization is calculated by multiplying the closing stock price at the end of the fiscal year by the total number of shares issued and outstanding (excluding treasury share) at the end of the fiscal year.
3. Cash flows refer to operating cash flows.
4. Interest-bearing debt refers to all debt posted in the consolidated balance sheets for which interest is paid. Convertible bonds with stock acquisition rights are not included in interest-bearing debt because they are interest-free.
5. As operating profit was negative for the fiscal year ended June 30, 2022, interest coverage ratios (times) are not presented.

(4) Future Outlook

During the fiscal year ending June 30, 2027, we will strive to further deepen our existing businesses to achieve the medium-term business goals, while accelerating profitability by bringing new businesses on track at an early stage.

In the Marketing Solution segment, we will further expand the existing advertising business, while accelerating monetization leveraging our unique data.

In the Retail segment, we will continue to focus on enhancing experiential value and expanding points of contact to enrich the encounters between users and brands.

In the Global segment, we will strive to establish a foundation for our overseas business by bringing the operation of the flagship store in Hong Kong, @*cosme HONG KONG*, on track, aiming to return the entire segment to profitability at an early stage.

In addition to the above, we will, at the same time, lay the groundwork for new businesses, looking ahead to the period from the fiscal year ending June 30, 2028 to the fiscal year ending June 30, 2029, the target period for achieving the medium-term business goals, and beyond.

In addition, profit attributable to owners of the parent company is expected to show a 53.5% year-on-year decrease, taking into account the recording of an extraordinary loss of 3,036 million yen in connection with the cancellation of the 24th Series of Warrants, as well as a decrease in total income taxes resulting from the recording of the said loss. Excluding the impact of the said loss, profit attributable to owners of the parent company is expected to be 3,400 million yen, a 12.9% year-on-year increase, and the core earnings from the Group's business activities are expected to steadily maintain an upward trend (also presented as a reference in the consolidated operating performance forecast for the fiscal year ending June 30, 2027, shown below).

Based on the preceding, we have prepared the following consolidated operating performance forecast for the fiscal year ending June 30, 2027:

<Operating performance forecast for the fiscal year ending June 30, 2027>

Net sales:	90,000 million yen (81,807 million yen in the previous fiscal year; 10.0% year-on-year increase)
Operating profit:	5,000 million yen (4,085 million yen in the previous fiscal year; 22.4% year-on-year increase)
Ordinary profit:	5,100 million yen (4,244 million yen in the previous fiscal year; 20.2% year-on-year increase)
Profit attributable to owners of the parent company:	1,400 million yen (3,011 million yen in the previous fiscal year; 53.5% year-on-year decrease)
(Reference) Profit attributable to owners of the parent company:	3,400 million yen (3,011 million yen in the previous fiscal year; 12.9% year-on-year increase)

2. Basic Rationale Regarding the Selection of Accounting Standards

For the time being, the Company will prepare consolidated financial statements based on Japanese accounting standards from the standpoint of consolidated financial statement comparability between periods and between companies.

The Company will consider the adoption of international accounting standards, considering factors including the ratio of foreign shareholders and trends regarding the adoption of International Financial Reporting Standards (IFRS) by industry peers of the Company.

3. Consolidated Financial Statements and Relevant Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of June 30, 2025	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	7,224	9,746
Notes and accounts receivable - trade, and contract assets	5,535	6,062
Merchandise	6,415	7,436
Operational investment securities	964	471
Other	913	1,036
Allowance for doubtful receivables	(11)	(5)
Total current assets	21,041	24,746
Non-current assets		
Tangible assets		
Buildings	3,105	4,330
Accumulated depreciation	(1,566)	(2,168)
Buildings, net	1,539	2,162
Leased assets	2,580	3,294
Accumulated depreciation	(1,440)	(2,040)
Leased assets, net	1,140	1,254
Other	1,797	2,232
Accumulated depreciation	(888)	(1,122)
Other, net	910	1,109
Total tangible assets	3,589	4,525
Intangible assets		
Goodwill	937	745
Software	1,912	2,780
Other	781	680
Total intangible assets	3,630	4,205
Investments and other assets		
Investment securities	3,511	3,386
Lease and guarantee deposits	1,907	2,302
Deferred tax assets	627	882
Other	298	338
Total investments and other assets	6,342	6,908
Total non-current assets	13,560	15,638
Total assets	34,601	40,385

(Millions of yen)

	As of June 30, 2025	As of June 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,409	4,139
Short-term borrowings	1,000	—
Current portion of long-term borrowings	1,198	1,582
Current portion of convertible-bond-type bonds with share acquisition rights	1,500	—
Account payable - other	2,092	1,423
Lease liabilities	270	395
Asset retirement obligations	—	32
Income taxes payable	626	1,123
Contract liabilities	1,020	1,230
Provision for bonuses	453	479
Other	1,122	1,062
Total current liabilities	12,692	11,464
Non-current liabilities		
Long-term borrowings	3,857	3,242
Lease liabilities	914	961
Asset retirement obligations	—	807
Other	131	131
Total non-current liabilities	4,902	5,141
Total liabilities	17,594	16,605
Net assets		
Shareholders' equity		
Capital stock	7,179	8,990
Capital surplus	2,314	4,139
Retained earnings	5,645	8,566
Treasury share	(280)	(273)
Total shareholders' equity	14,858	21,422
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(67)	(36)
Foreign currency translation adjustments	1,109	1,261
Total accumulated other comprehensive income	1,043	1,225
Subscription rights to shares	955	990
Non-controlling interests	151	143
Total net assets	17,007	23,780
Total liabilities and net assets	34,601	40,385

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	Year ended June 30, 2025	Year ended June 30, 2026
Net sales	68,768	81,807
Cost of sales	39,134	47,222
Gross profit	29,634	34,585
Selling, general and administrative expenses	26,470	30,500
Operating profit	3,164	4,085
Non-operating income		
Interest income	9	18
Dividend income	7	7
Foreign exchange gains	—	70
Income from subsidies	0	3
Equity in gains of affiliates	153	109
Gain on investments in investment partnerships	4	3
Reversal of allowance for doubtful receivables	31	—
Other	53	49
Total non-operating income	256	258
Non-operating expenses		
Interest expenses	58	70
Foreign exchange losses	6	—
Share issuance costs	31	23
Loss on investments in investment partnership	1	3
Commission expenses	1	—
Other	13	3
Total non-operating expenses	111	99
Ordinary profit	3,310	4,244
Extraordinary income		
Compensation income	—	41
Gain on reversal of share acquisition rights	0	1
Total extraordinary income	0	42
Extraordinary loss		
Impairment loss	113	—
Other	3	1
Total extraordinary loss	116	1
Profit before income taxes	3,194	4,285
Income taxes-current	809	1,505
Income taxes-deferred	51	(249)
Total income taxes	860	1,256
Profit	2,334	3,029
Profit attributable to non-controlling interests	7	18
Profit attributable to owners of the parent company	2,327	3,011

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Year ended June 30, 2025	Year ended June 30, 2026
Profit	2,334	3,029
Other comprehensive income		
Valuation difference on available-for-sale securities	(126)	71
Foreign currency translation adjustments	(173)	155
Share of other comprehensive income of entities accounted for using equity method	(27)	(41)
Total other comprehensive income	(327)	185
Comprehensive income	2,007	3,214
Comprehensive income attributable to		
Owners of the parent	1,998	3,193
Non-controlling interests	9	21

(3) Consolidated Statements of Changes in Net Assets

Year ended June 30, 2025 (July 1, 2024 to June 30, 2025)

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income			Subscription rights to shares	Non-controlling interests	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury share	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustments	Total accumulated other comprehensive income			
Balance at beginning of term	5,719	3,662	507	(280)	9,607	87	1,284	1,371	1,011	198	12,187
Changes during term											
Issuance of new shares	1,460	1,460			2,921			—			2,921
Transfer from capital surplus to retained earnings		(2,811)	2,811		—			—			—
Profit attributable to owners of the parent company			2,327		2,327			—			2,327
Purchase of treasury shares				(0)	(0)			—			(0)
Purchase of shares of consolidated subsidiaries		2			2			—			2
Sale of shares of consolidated subsidiaries		0			0			—			0
Net changes in items other than shareholders' equity					—	(154)	(175)	(329)	(55)	(47)	(431)
Total changes during term	1,460	(1,348)	5,138	(0)	5,250	(154)	(175)	(329)	(55)	(47)	4,820
Balance at end of term	7,179	2,314	5,645	(280)	14,858	(67)	1,109	1,043	955	151	17,007

Year ended June 30, 2026 (July 1, 2025 to June 30, 2026)

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income			Subscription rights to shares	Non-controlling interests	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury share	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustments	Total accumulated other comprehensive income			
Balance at beginning of term	7,179	2,314	5,645	(280)	14,858	(67)	1,109	1,043	955	151	17,007
Changes during term											
Issuance of new shares	1,811	1,811			3,622			—			3,622
Dividends of surplus			(89)		(89)			—			(89)
Profit attributable to owners of the parent company			3,011		3,011			—			3,011
Purchase of treasury shares				(0)	(0)			—			(0)
Restricted stock payment		15		6	21			—			21
Purchase of shares of consolidated subsidiaries		0			0			—			0
Net changes in items other than shareholders' equity					—	30	152	182	35	(9)	208
Total changes during term	1,811	1,826	2,922	6	6,565	30	152	182	35	(9)	6,773
Balance at end of term	8,990	4,139	8,566	(273)	21,422	(36)	1,261	1,225	990	143	23,780

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Year ended June 30, 2025	Year ended June 30, 2026
Cash flows from operating activities		
Profit before income taxes	3,194	4,285
Depreciation and amortization	1,886	2,310
Amortization of goodwill	202	210
Share-based payment expenses	343	240
Impairment loss	113	—
Share issuance costs	31	23
Increase (decrease) in allowance for doubtful receivables	(26)	(6)
Increase (decrease) in provision for bonuses	33	23
Share of loss (profit) of entities accounted for using equity method	(153)	(109)
Interest income and dividend income	(16)	(24)
Interest expenses	58	70
Foreign exchange losses (gains)	1	(37)
Loss (gain) on investments in investment partnership	(3)	0
Gain on reversal of share acquisition rights	(0)	(1)
Decrease (increase) in trade receivables	(910)	(511)
Decrease (increase) in operational investment securities	0	612
Decrease (increase) in inventories	(2,221)	(988)
Increase (decrease) in trade payables	712	714
Increase (decrease) in accounts payable - other	188	45
Other	194	78
Sub-total	3,625	6,935
Interest and dividends received	82	111
Interest paid	(59)	(69)
Income taxes paid	(510)	(1,018)
Cash flows from operating activities	3,139	5,959

(Millions of yen)

	Year ended June 30, 2025	Year ended June 30, 2026
Cash flows from investing activities		
Proceeds from distribution from investment partnership	56	87
Purchase of tangible assets	(1,219)	(1,625)
Purchase of intangible assets	(1,348)	(1,802)
Purchase of investment securities	(16)	—
Payments for guarantee deposits	(248)	(96)
Proceeds from collection of guarantee deposits	170	88
Payments into time deposits	(37)	—
Proceeds from withdrawal of time deposits	—	32
Other	(15)	(9)
Cash flows from investing activities	(2,658)	(3,324)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	550	(1,000)
Proceeds from long-term borrowings	2,200	1,200
Repayment of long-term borrowings	(1,088)	(1,440)
Repayments of lease liabilities	(258)	(354)
Proceeds from issuance of shares	22	1,894
Purchase of shares in subsidiaries not resulting in change in scope of consolidation	(334)	(334)
Dividends paid	—	(89)
Other	(80)	2
Cash flows from financing activities	1,012	(120)
Effect of exchange rate change on cash and cash equivalents	(81)	92
Net increase (decrease) in cash and cash equivalents	1,412	2,607
Cash and cash equivalents, beginning of period	5,787	7,199
Cash and cash equivalents, end of period	7,199	9,806

(5) Notes on Consolidated Financial Statements

(Notes on the Going-Concern Assumption)

Not applicable.

(Changes in Accounting-based Estimates)

(Change in estimate of asset retirement obligations)

For the fiscal year ended June 30, 2026, the Company changed its estimate of restoration costs to be incurred when vacating retail properties upon obtaining new information, including the latest actual construction results. As a result of this change in estimate, the estimated restoration costs for certain properties came to exceed the amounts of lease and guarantee deposits related to the lease contracts for buildings. Previously, the Company had applied a method whereby it reasonably estimated the amount deemed ultimately unrecoverable from lease and guarantee deposits related to the lease contracts and recorded the portion attributable to the fiscal year under review as an expense (hereinafter referred to as the “simplified treatment”). However, as the simplified treatment was no longer permitted, the Company changed its accounting treatment to a principle-based treatment from the end of the fiscal year under review.

As a result of this change in estimate and the change in accounting treatment from the simplified treatment to the principle-based treatment, buildings included in tangible assets, lease and guarantee deposits included in investments and other assets, and asset retirement obligations included in current liabilities and non-current liabilities in the consolidated balance sheet as of June 30, 2026 increased by 415 million yen, 424 million yen, 32 million yen and 807 million yen, respectively.

(Notes on Segment Information)

(Segment Information)

1 Overview of Reportable Segments

Method of determining reportable segments

The Group’s reportable segments are those business units for which separate financial statements can be obtained, and for which the Board of Directors regularly considers the allocation of management resources and evaluates operating performance.

The Group’s primary businesses relate to cosmetics, and include a cosmetics-related community website, as well as Marketing Solution segment, Retail segment, and Global segment, all stemming from this community website. Accordingly, the Group has three reportable segments, which are aggregated from business segments with broadly similar economic characteristics based on the services provided and products handled.

The Marketing Solution segment consists of marketing solution business in Japan.

The Retail segment consists of the operation of the domestic cosmetics e-commerce website and the operation of cosmetics specialty shops.

The Global segment consists of business operations outside Japan.

In addition, the “Other” segment is a non-reporting business segment that includes activities such as a temporary staffing agency for beauty consultants, BtoC subscription services for users, and investment and consulting projects for companies in various stages of development, including new startups.

2 Calculation methods for net sales, profit/loss, assets, liabilities, and other items by reportable segment

Accounting methods for reported business segments are in accordance with the accounting standards adopted for the preparation of consolidated financial statements.

3 Information on sales, profit or loss, assets, liabilities and other items by reportable segment and information on disaggregation of revenue

Year ended June 30, 2025 (July 1, 2024 to June 30, 2025)

(Millions of yen)

	Reportable segment				Other	Total	Adjustments	Amounts on the consolidated statements of income
	Marketing Solution Segment	Retail Segment	Global Segment	Total				
Net sales								
Goods or services transferred at a point in time	—	53,463	3,290	56,752	3	56,756	—	56,756
Goods or services transferred over a certain period of time	9,651	—	885	10,535	1,477	12,012	—	12,012
Revenue from contracts with customers	9,651	53,463	4,174	67,288	1,480	68,768	—	68,768
Other revenue	—	—	—	—	—	—	—	—
Sales to outside customers	9,651	53,463	4,174	67,288	1,480	68,768	—	68,768
Intersegment sales and transfers	1,659	131	9	1,798	46	1,844	(1,844)	—
Total	11,309	53,594	4,183	69,086	1,526	70,612	(1,844)	68,768
Segment profit (loss)	2,822	3,115	(176)	5,761	188	5,949	(2,785)	3,164
Segment assets	5,514	14,930	5,184	25,628	1,430	27,058	7,543	34,601
Other items								
Depreciation and amortization	927	612	300	1,839	—	1,839	47	1,886
Impairment loss	113	—	—	113	—	113	—	113
Increase in tangible/intangible assets	1,388	1,500	1,293	4,180	—	4,180	15	4,195

Notes: 1. The “Other” segment is a non-reporting business segment that includes activities such as temporary staffing agency and BtoC subscription services.

2. The segment profit (loss) adjustment of (2,785) million yen includes the elimination of inter-segment transactions of 0 million yen and corporate expenses not allocated to individual reportable segments of (2,785) million yen.

3. The segment asset adjustment of 7,543 million yen includes the elimination of intersegment transactions of (8,093) million yen and corporate assets not allocated to individual reportable segments of 15,636 million yen.

4. The segment depreciation and amortization adjustment of 47 million yen is related to corporate assets not allocated to individual reportable segments.

5. The increase in tangible/intangible assets adjustment of 15 million yen is corporate assets not allocated to reportable segments in the amount of 15 million yen.

6. Segment profit (loss) is adjusted to correspond with operating profit reported on the consolidated statements of income.

Year ended June 30, 2026 (July 1, 2025–June 30, 2026)

(Millions of yen)

	Reportable segment				Other	Total	Adjustments	Amounts on the consolidated statements of income
	Marketing Solution Segment	Retail Segment	Global Segment	Total				
Net sales								
Goods or services transferred at a point in time	—	61,695	4,678	66,373	31	66,404	—	66,404
Goods or services transferred over a certain period of time	12,083	—	1,079	13,162	1,448	14,610	—	14,610
Revenue from contracts with customers	12,083	61,695	5,757	79,535	1,480	81,015	—	81,015
Other revenue	—	—	—	—	793	793	—	793
Sales to outside customers	12,083	61,695	5,757	79,535	2,272	81,807	—	81,807
Intersegment sales and transfers	1,900	469	35	2,404	80	2,485	(2,485)	—
Total	13,983	62,165	5,792	81,939	2,353	84,292	(2,485)	81,807
Segment profit (loss)	3,516	3,599	(356)	6,759	191	6,949	(2,864)	4,085
Segment assets	6,950	16,305	6,994	30,249	1,033	31,282	9,103	40,385
Other items								
Depreciation and amortization	944	822	503	2,269	3	2,272	38	2,310
Impairment loss	—	—	—	—	—	—	—	—
Increase in tangible/intangible assets	1,637	681	1,036	3,353	—	3,353	47	3,401

Notes: 1. The “Other” segment is a non-reporting business segment that includes activities such as temporary staffing agency and BtoC subscription services.

2. The segment profit (loss) adjustment of (2,864) million yen includes the elimination of inter-segment transactions of (1) million yen and corporate expenses not allocated to individual reportable segments of (2,864) million yen.

3. The segment asset adjustment of 9,103 million yen includes the elimination of intersegment transactions of (7,435) million yen and corporate assets not allocated to individual reportable segments of 16,538 million yen.

4. The segment depreciation and amortization adjustment of 38 million yen is related to corporate assets not allocated to individual reportable segments.

5. The increase in tangible/intangible assets adjustment of 47 million yen is corporate assets not allocated to reportable segments in the amount of 47 million yen.

6. Segment profit (loss) is adjusted to correspond with operating profit reported on the consolidated statements of income.

(Per Share Information)

	Year ended June 30, 2025 (July 1, 2024 to June 30, 2025)	Year ended June 30, 2026 (July 1, 2025 to June 30, 2026)
Net assets per share	¥178.53	¥226.40
Earnings per share	¥28.97	¥30.70
Diluted earnings per share	¥19.73	¥24.69

(Note) Calculation base for earnings per share and diluted earnings per share are as follows.

	Year ended June 30, 2025 (July 1, 2024 to June 30, 2025)	Year ended June 30, 2026 (July 1, 2025 to June 30, 2026)
Earnings per share		
Profit attributable to owners of the parent company (millions of yen)	2,327	3,011
Amount not attributable to common stockholders (millions of yen)	—	—
Profit available to common shareholders attributable to owners of parent company (millions of yen)	2,327	3,011
Average number of shares outstanding during term (shares)	80,308,199	98,062,187
Diluted earnings per share		
Adjustments to profit attributable to owners of the parent company (millions of yen)	—	—
Increase in the number of shares of common stock (shares)	37,605,886	23,893,351
(including Convertible-bond-type bonds with share acquisition rights: shares)	(13,986,195)	(1,035,240)
(including share subscription rights; shares)	(23,619,691)	(22,858,111)
Residual securities that are not dilutive and not included in the calculation for diluted earnings per share	—	One issue of subscription rights to shares Residual securities: 1,450,000 shares

(Significant Subsequent Events)

(Acquisition of Treasury Stock Acquisition Rights)

The Company hereby announces that, at the Board of Directors meeting held on August 13, 2026, it has resolved to acquire all of the 24th Series of Warrants issued to the Amazon.com, Inc. ("Amazon") as allottee (the "Warrants"), as follows, based on the WARRANT PURCHASE AGEEMENT, concluded as of today's date between the Company and Amazon (the "Transfer Agreement").

With respect to the acquired Warrants, the Company plans to cancel the acquired Warrants in principle, and expects to record an extraordinary loss of 3,036 million yen in the the fiscal year ending June 30, 2027, in connection with the resolution to cancel the Warrants.

1. Summary of Acquisition of Warrants

(1)	Name of warrants acquired	istyle Inc. 24th Series of Warrants
(2)	Number of warrants issued	436,047 units
(3)	Transferor of warrants	Amazon.com, Inc.
(4)	Issuance price	JPY 114 million-yen total (JPY 261 per 1 unit of warrants)
(5)	Number of warrants acquired	436,047 units
(6)	Acquisition date	August 13, 2026 (scheduled)
(7)	Acquisition price of warrants	JPY 3,150 million-yen total

2. Reason for the Acquisition

The Company has issued the Warrants for the purpose of strengthening its capital and secure its financial base in order to make proactive and flexible business investments on September 6, 2022. The Company chose to raise funds through the issuance of warrants due to the flexibility it offers to raise capital according to the progression of its business, and the primary intended uses thereof were technology investments for software development to develop services and strengthening IT infrastructure and information security. The Company has also advanced its service development to drive business growth as planned, while also achieving certain results in strengthening security.

Meanwhile, the Company began considering the acquisition of the Warrants to reduce market uncertainties arising from the exercise of the Warrants and the subsequent sale of the Company's common stock delivered thereupon, to redesign its capital policy, and to facilitate and promote the consideration of all strategic options. The Company has decided to conclude the Transfer Agreement, as of August 13, 2026, and to acquire all of the Warrants as of the same date.

(Repurchase of Own Shares)

The Company hereby announces that, at the Board of Directors meeting held on August 13, 2026, it has resolved to repurchase its own shares under Article 156 of the Companies Act, as applied in accordance with Article 165, Paragraph 3 of the Companies Act.

1. Reason for Repurchase of Own Shares

The Company is repurchasing its own shares to improve capital efficiency and per-share value, thereby enhancing shareholder returns.

2. Details of Matters Regarding the Repurchase

(1)	Class of shares to be repurchased	Common stock
(2)	Total number of shares to be repurchased	Up to 7,500,000 shares (7.49% of total number of outstanding shares (excluding treasury stock))
(3)	Total repurchase price of shares	Up to 2,800 million-yen
(4)	Repurchase period	August 14, 2026 ~ June 30, 2027
(5)	Repurchase method	Market purchase on the Tokyo Stock Exchange

(For reference) Status of treasury stock as of June 30, 2026

Total number of outstanding shares (excluding treasury stock)	100,029,197 shares
Treasury stock	2,632,770 shares