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June 29, 2026

Company name: I-ne Co., Ltd.
Name of representative: Yohei Onishi, Representative Director,
President and CEO
(Securities code: 4933; Tokyo Stock
Exchange Prime Market)
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**Q&A on the Financial Results for
the First Quarter of the Fiscal Year Ending December 2026**

We appreciate your continued interest in our company.

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

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

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

Q1: Could you explain the background and impact of the delay in disclosing the full-year financial results for the fiscal year ended December 31, 2025?

As announced in the "Notice Regarding the Establishment of a Special Investigation Committee and the Postponement of the Announcement of Full-Year Financial Results for the Fiscal Year Ending December 31, 2025 (<https://contents.xj-storage.jp/xcontents/AS03869/3a45af05/489c/468f/ace3/d0d688f27764/140120260212557198.pdf>)" dated February 12, 2026, suspicions arose regarding whether Right Here Co., Ltd.—the counterparty to a trademark acquisition transaction executed in the second quarter of the fiscal year ended December 31, 2022—constituted a consolidated subsidiary or a related party of the Company. Determining that a professional and objective investigation was necessary, the Company established a Special Investigation Committee composed of external experts on the same date, which serves as the background to this matter. As a result of the investigation, the Committee concluded that Right Here Co., Ltd. qualifies as a related party to the Company. As announced in the "Notice Regarding Submission of Amendment Reports for Securities Reports of Prior Fiscal Years (<https://contents.xj-storage.jp/xcontents/AS03869/1238b5fd/01b8/475e/a849/0d4684b20138/140120260514535786.pdf>)" dated May 15, 2026, the Company has amended its prior-year securities reports to include notes regarding transactions with related parties. Please note that these amendments have no impact on the consolidated financial results of prior fiscal years. In addition, issues from the perspectives of governance and compliance were pointed out by the Committee. As announced in the "Notice Regarding the Formulation of Measures to Prevent Recurrence (<https://contents.xj-storage.jp/xcontents/AS03869/01220f52/05ac/4814/8988/7c7a43d23aa6/140120260514535802.pdf>)" dated May 15, 2026, we will steadily execute each recurrence prevention measure and do our utmost to restore trust at the earliest possible date.

Q2: Even after reading the Investigation Report, it is still difficult to understand what the core issue was. Could you explain it succinctly?

We believe that the core issue in this matter was deficiencies in our corporate governance framework and in the processes for ensuring accurate corporate disclosure required of a listed company.

In 2022, the counterparty from which the Company acquired certain trademark rights, Right Here Co., Ltd. ("RH"), qualified as a **related party** for accounting purposes. However, at the time, the economic relationship between our Representative Director, Mr. Onishi, and RH was not accurately explained to the Board of Directors, our independent auditor, or the Tokyo Stock

Exchange. As a result, the related-party disclosures required in our securities reports for prior fiscal years were omitted.

We recognize with utmost seriousness that the underlying cause of this matter was an insufficient governance and compliance framework, as well as inadequate awareness of governance responsibilities on the part of the Company's management at that time. In our Internal Control Report for the fiscal year ending December 31, 2025, we concluded that our internal control over financial reporting was **not effective**, identifying management's insufficient understanding of disclosure requirements and the failure to provide accurate information to the Board of Directors as **material weaknesses that should have been disclosed**. As a consequence, the Company was required to amend its securities reports for prior fiscal years, became subject to a contractual penalty imposed by the Tokyo Stock Exchange and a designated improvement period under its listing review process, and received a recommendation from the Securities and Exchange Surveillance Commission for the issuance of an administrative monetary penalty order for violations of the disclosure regulations. We sincerely apologize to our shareholders, investors, business partners, and all other stakeholders for the concern and inconvenience caused. We fully recognize that this matter reflects a failure of corporate governance for which management bears responsibility.

At the same time, we would like to clarify several facts that may be subject to misunderstanding. The investigation did **not** find that any of the Company's assets were misappropriated for personal benefit through RH. In addition, RH was **not** a subsidiary of the Company but rather a **related party** under applicable accounting standards. The corrections made to our prior securities reports consisted solely of the addition of the required related-party disclosures and had **no impact on our consolidated financial results**. Accordingly, the Company's financial soundness and business continuity remain unaffected. Furthermore, the acquisition price for the trademarks was independently reviewed by a third party, and the appropriateness of the purchase price itself has not been questioned. There has also been no impact on product quality, product supply, or commercial terms with customers.

We have also received questions regarding a secondary offering of shares by certain Company officers. The issue identified by the authorities relates to the adequacy of the disclosure contained in the offering documents (prospectus) under the applicable disclosure regulations. It does **not** concern the legality or fairness of the underlying share transactions themselves. Moreover, the investigation did not conclude that there was any intentional attempt to circumvent accounting requirements or that our Representative Director obtained any personal financial benefit from this matter.

In summary, this matter was **not** an issue with the substance of the underlying transactions or the Company's financial condition. Rather, it was a failure in corporate governance and the

corporate disclosure process. We take full responsibility for these deficiencies and remain committed to restoring the trust of our stakeholders through the steady implementation of comprehensive measures to prevent any recurrence.

Q3: Regarding the "Notice Concerning Entering a Grace Period for Re-examination Due to Violation of Written Pledge and Requisition of Listing Agreement Penalties" dated June 19, 2025, what specific measures do you intend to take going forward?

Furthermore, are options such as delisting or market segment changes under consideration?

We deeply apologize for the significant inconvenience and concern this matter has caused to our shareholders, investors, and all other stakeholders. For the re-examination, it is necessary to ensure compliance with standards equivalent to the initial listing criteria. Specifically, we will implement the recurrence prevention measures set forth in the "Notice Regarding the Formulation of Measures to Prevent Recurrence (<https://contents.xj-storage.jp/xcontents/AS03869/01220f52/05ac/4814/8988/7c7a43d23aa6/140120260514535802.pdf>)" dated May 15, 2026, while working to further enhance our governance and compliance systems and awareness. Taking the feedback from the Tokyo Stock Exchange seriously, the Company intends to examine options toward applying for a review to maintain its listing on the Prime Market or applying for a change in market segment, and we will exert our utmost efforts to ensure the continuation of the listing of the Company's shares.

Q4: Should President Onishi personally compensate for the investigation expenses related to the establishment of the Special Investigation Committee, as well as the contractual penalty imposed by the Tokyo Stock Exchange and any administrative monetary penalty?

At this time, the Company has not made any decision regarding seeking reimbursement, indemnification, or any other recovery from Mr. Onishi in respect of costs or other expenses incurred by the Company in connection with this matter. We take your comment seriously and will give it careful consideration.

Q5: What is the background behind the additional investment of approximately 3.0 to 4.0 billion yen? Furthermore, what is the expected timeline for recovering this additional investment?

To achieve mid-to-long-term sustainable growth and enhance corporate value, we determined that proactive investments are necessary for the following two areas: (1) revitalizing growth in our core businesses, namely the hair care and beauty appliance categories, and (2) scaling

up new promising hits, primarily centered around the skin care and other categories. Regarding item (1), reflecting on the fact that both categories experienced a decline in revenue last year due to structural organizational challenges leading to restrained advertising investment and suboptimal allocation, we have restructured the organization and revised our investment decision-making processes to execute optimal investments aimed at renewed growth. Regarding item (2), given that multiple new hits are emerging, we determined that investment in the current period is essential as it represents the optimal timing for scaling these brands.

02 Financial Policy

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Breakdown of Additional Investments for 2026

Execute additional investments to re-accelerate our core hair care and beauty appliance businesses while cultivating new growth drivers

		Additional Strategic Investment	Notes
Domestic Business	Haircare	¥0.8–1.0 billion	<ul style="list-style-type: none"> Strengthening advertising investment for two core brands (BOTANIST, YOLU) and new brands to be launched in the second half of the year. Adjusting shipments to optimize market inventory for promotional items.
	Beauty Devices	¥0.7–1.0 billion	<ul style="list-style-type: none"> Optimize investment in staple products that were previously constrained (maintaining category profit margins at the previous year's level through revenue growth and gross margin improvements driven by the expansion of mid-to-high-end products)
	Skincare & Others	¥0.6–1.0 billion	<ul style="list-style-type: none"> Aggressive investment in the health food category, which is showing signs of becoming a hit.
Global Business		¥0.4–0.6 billion	<ul style="list-style-type: none"> Reinforce advertising to expand sales in strategic regions.

Under the aforementioned assumptions, we plan to implement additional investments flexibly in response to top-line growth, while ensuring that the internal benchmark profit level is maintained

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Q6: While the full-year operating profit forecast is set between -0.5 and +1.0 billion yen, the Q1 actual result stands at 0.7 billion yen, which appears to indicate strong progress. Is there a possibility of an upward revision?

Due to geopolitical risks surrounding the Strait of Hormuz, we anticipate a negative impact of approximately 700 to 800 million yen on raw materials and supplies during the second half of the year. Furthermore, we intend to consider additional investments to maximize future corporate value in accordance with sales progress. Consequently, we maintain our full-year operating profit forecast at -0.5 to +1.0 billion yen at present.

Should higher-than-expected increases in sales or profits be projected due to new product hits or other factors moving forward, we will revise the forecast appropriately.

FY2026 Full-Year Forecast

- Potential material impact of geopolitical risks surrounding the Strait of Hormuz on our financial results; FY2026 full-year forecast presented in ranges due to difficulty in reasonably estimating such impact at this point
- Making additional investment of approx. ¥3.0 bn as planned, targeting double-digit net sales growth

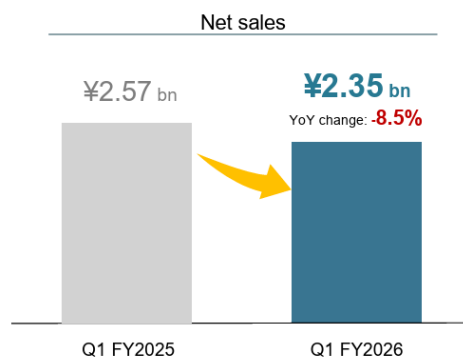
	FY2025 Actual	FY2026 Forecast	Supplementary Information
Consolidated net sales	¥48.97 bn	¥52.0–¥54.0 bn	• 5 to 10% YoY growth targeted, before geopolitical risk review
Consolidated EBITDA	¥5.62 bn	¥1.2–¥2.7 bn	• Approx. ¥3.0 billion in additional investments planned as discussed in Agenda 02 and further additional investments considered to maximize future corporate value; profit decline expected YoY
Consolidated operating profit	¥3.88 bn	¥0.5–¥1.0 bn	• Geopolitical risks surrounding the Strait of Hormuz expected to adversely impact raw and packing material costs by approx. ¥0.7 to ¥0.8 billion (estimated as of end of Apr.)

Q7: While the beauty appliance category registered a year-on-year decline in revenue as of Q1, what is the background behind projecting a full-year revenue increase?

"Face Current Pointer," a pen-type facial beauty device launched in March 2026, has performed exceptionally well, achieving 310% of its online sales plan within approximately one month of its release. It is expected to drive growth in the beauty appliance category for the current fiscal year. Notably, the product received the "2026 First-Half Hit Award" in the miscellaneous goods category in the June 2026 issue of *Nikkei Trendy*.

Progress in Beauty and Devices Category

- Revenue declined due to reduced investment in staple items*1 through 2025; mid- to high-end item*2 revenue **+18.3% YoY**, coupled with strong sales of three items launched in or after Q4 FY2025
- Targeting full-year YoY revenue growth through investment reallocation, increased spending, and new product share expansion starting this fiscal year



Topics

- Strong sales of glossy care hair dryer **+25.0% YoY** and air treatment hair dryer **+53.5% YoY**, driving mid- to high-end item growth
- Cordless hair iron **+227.0% vs. plan**, maintaining No. 1 manufacturer share at certain retailers in cordless hair iron category
- Significant growth of Face Current Pointer launched in March, evident by winning multiple No. 1 in major online-mall sales rankings



Q8: The substantial growth of health food-related brands launched in 2025 is driving the revenue increase in this category.

In terms of actual sales performance in Q1, "Teaflex," a powder-type tea, recorded approximately 600 million yen, and "Befas," a fasting program, recorded approximately 300 million yen. Both are tracking at levels fully capable of meeting our criteria for a hit product, which is defined as "generating 1.0 billion yen or more in sales within two years of launch."

