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May 13, 2022

To whom it may concern:

Company name	istyle Inc.
Representative	Tetsuro Yoshimatsu, President and CEO (Stock Exchange Code: 3660)
Contact	Kei Sugawara, Director and CFO (TEL.03-6161-3660)

Notice Concerning the Recording of Non-operating Expenses in the Non-Consolidated Financial Statements

istyle Inc. (“the Company”) announces the recording of the following non-operating expenses in the non-consolidated financial statements for the fiscal year ending June 30, 2022.

1 . Recording of Non-operating Expenses in Non-Consolidated Financial Statements

The Company has recognized bad debt with respect to a loan receivable from istyle Retail (Hong Kong) Co., Limited, a wholly owned consolidated subsidiary. As the relaxation of restrictions on entry into Hong Kong has been postponed from the initial assumption and initially planned revenues are not expected, after considering the collectability of this receivable and the financial situation, the Company decided to write off this receivable as bad debt. As a result of this event, a provision for allowance for doubtful accounts of 331 million yen for loans to this consolidated subsidiary will be recorded as a non-operating expense in the non-consolidated financial statements for the fiscal year ending June 30, 2022.

2 . Impact on Financial Results

The non-operating expenses recorded in the non-consolidated financial statements will be eliminated in the consolidated financial statements, so there will be no impact on consolidated earnings.