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August 14, 2023

To whom it may concern,

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

**Notice Concerning Determination of Exercise Conditions of Subscription Rights to Shares  
(Performance-based Stock Options)**

istyle Inc. (the “Company”) announces that on August 14, 2023, its Board of Directors passed a resolution to determine the exercise conditions of Subscription Rights to Shares (Performance-based Stock Options, “Subscription Rights”) issued in the past.

1. Reason for the Decision

The Company issued the 27th series of Subscription Rights with performance conditions at a set issuance price to the Company's Directors to further increase their motivation and morale to contribute to increasing its medium- to long-term corporate value and align its management more closely with shareholders’ interest. Subsequently, in light of the stock price trend after the issuance of the Subscription Rights on February 13, 2023, the Company had decided to add an exercise condition for 1,400,000 shares out of 2,000,000 shares of the Company's common stock subject to the Subscription Rights, and on August 14, 2023, based on the recent performance trend, as the Company feels more comfortable in reasonably assessing the future growth potential, it has determined additional details for the performance achievement conditions.

2. Subscription Rights for which Exercise Conditions are Determined

The 27th series of Subscription Rights (resolved at the Board of Directors meeting held on August 15, 2022)

3. Details of the Decision

The holders of the Subscription Rights shall be granted 1,400,000 shares out of 2,000,000 shares of the Company's common stock with the following additional conditions for exercise, provided that the Company achieves the conditions listed below in any of the fiscal years ending June 30, 2024, 2025 and 2026, and the net income attributable to owners of the parent company in the fiscal year in which the conditions are achieved is 0 yen or more, the holders may exercise the Subscription Rights up to the number of shares specified below.

- (A) Exercise 420,000 shares with an EBITDA of at least 3,250 million yen.
- (B) Exercise additional 280,000 shares when EBITDA is 3,350 million yen or more.
- (C) Exercise additional 420,000 shares when EBITDA is 3,450 million yen or more.
- (D) Exercise additional 280,000 shares when EBITDA is 3,550 million yen or more.



- \* EBITDA in the above shall be the amount calculated by adding depreciation and amortization (including amortization of goodwill) in the Company's consolidated statement of cash flows to operating income in the Company's audited consolidated statement of income, as shown in the Securities Report filed by the Company. In determining the EBITDA amount, reference shall be made to the operating income amount on the audited consolidated statement of income of the Company as shown in the Company's Securities Report (or the statement of income if the Company does not prepare consolidated financial statements), plus depreciation and amortization (including amortization of goodwill) on the Company's consolidated statement of cash flows, excluding expenses related to the Subscription Rights, if any, and such EBITDA amount shall be applied from the time the relevant Securities Report is filed. If there is a significant change in the concept of the figures to be referenced due to the application of International Financial Standards or other reasons, the Company's Board of Directors shall separately determine, to the extent reasonable, the indicators to be referenced.