



August 20, 2024

Company name: AXXZIA Inc.
Representative: Duan Zhuo, president and representative director
Securities code: 4936, TSE Prime
Contact person: Yasuhito Fukui, director
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Notice Regarding the Establishment of an Overseas Subsidiary

At the Board of Directors meeting held today, AXXIZA Inc. (the “Company”) has resolved to establish an overseas subsidiary, as below.

1. Purpose of establishing the subsidiary

Shenzhen, known as China’s Silicon Valley, is a hub for cutting-edge information technology and highly skilled professionals in the field of e-commerce. As part of our strategy to strengthen e-commerce channels globally, we intend to internalize e-commerce functions into the Shenzhen subsidiary with an aim of enhancing the efficiency and competitiveness of our e-commerce operations.

As a first step, we plan to outsource e-commerce operations to an external agent while the Shenzhen subsidiary accumulates expertise. Within one to two years, we will transfer these e-commerce functions to the Shenzhen subsidiary. Following this transfer, the subsidiary will also assume responsibility for customer service, sales promotion, and logistics management for the US subsidiary, established in June 2024. Additionally, in the future, it will support the Singapore subsidiary, the Group’s overall operations in Southeast Asia, and the Company’s e-commerce operations. Through the establishment of this subsidiary, we aim to enhance the competitiveness and streamline the overall e-commerce operations of the AXXZIA Group.

2. Overview of the subsidiary to be established

(1)	Name	AXXZIA (Shenzhen) International E-Commerce Co., Ltd.	
(2)	Location	Scheduled to be located in Longgang District, Shenzhen, Guangdong, China	
(3)	Name of representative	Zhang Hui	
(4)	Business	Overall e-commerce operation	
(5)	Capital	3,000,000 Chinese yuan	
(6)	Ownership ratio	100% owned by Xiaozhi Cosmetic (Shanghai) Inc.	
(7)	Date of establishment	September 20, 2024 (scheduled)	
(8)	Fiscal year-end	December 31	
(9)	Relationship between the listed company and the subsidiary	Capital relationship	The subsidiary will be a wholly owned subsidiary of the Company’s wholly owned subsidiary.
		Personal relationship	Zhang Hui, managing director of the Company, will concurrently serve as representative director of the subsidiary.

	Business relationship	The subsidiary will support the AXXIZA Group's e-commerce operations (US, Southeast Asia, and Japan).
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3. Schedule

(1)	Decision by the Board of Directors	August 20, 2024
(2)	Date of establishment	September 20, 2024 (scheduled)
(3)	Date of business commencement	October 2024 or later (scheduled)

4. Impact on business performance

The impact of this matter on the Company's consolidated financial results is expected to be negligible.