

# FY2024 2Q

## Results Briefing Material

March 14, 2024

Premier Anti-Aging Co. Ltd.  
TSE Growth Market 4934





01 | Executive Summary

02 | FY2024 2Q Results

03 | Status by Segment

04 | Sustainability

05 | FY2024 Revised Earnings Forecast

06 | Appendix



## 01 | Executive Summary

## Executive Summary

### **【FY2024 2Q Results】**

- ✓ Overall sales declines led to posting of operating loss, but loss amount was less than projected
- ✓ Anti-aging business recorded declining sales and operating loss
- ✓ Recovery business achieved record-high sales and operating profit, exceeding initial forecasts and showing good progress
- ✓ Loss attributable to owners of parent worsened due to extraordinary losses related to impairment of software in progress and contract losses, and the complete reversal of deferred tax assets

### **【FY2024 Revised Full-year Forecast】**

- ✓ Recent performance trends prompted us to revise downward the full-year forecast for FY2024
- ✓ The entire Company will work together on measures to get back on a growth path from the second half onward.



## 02 | FY2024 2Q Results

## Statement of income (year-on-year)

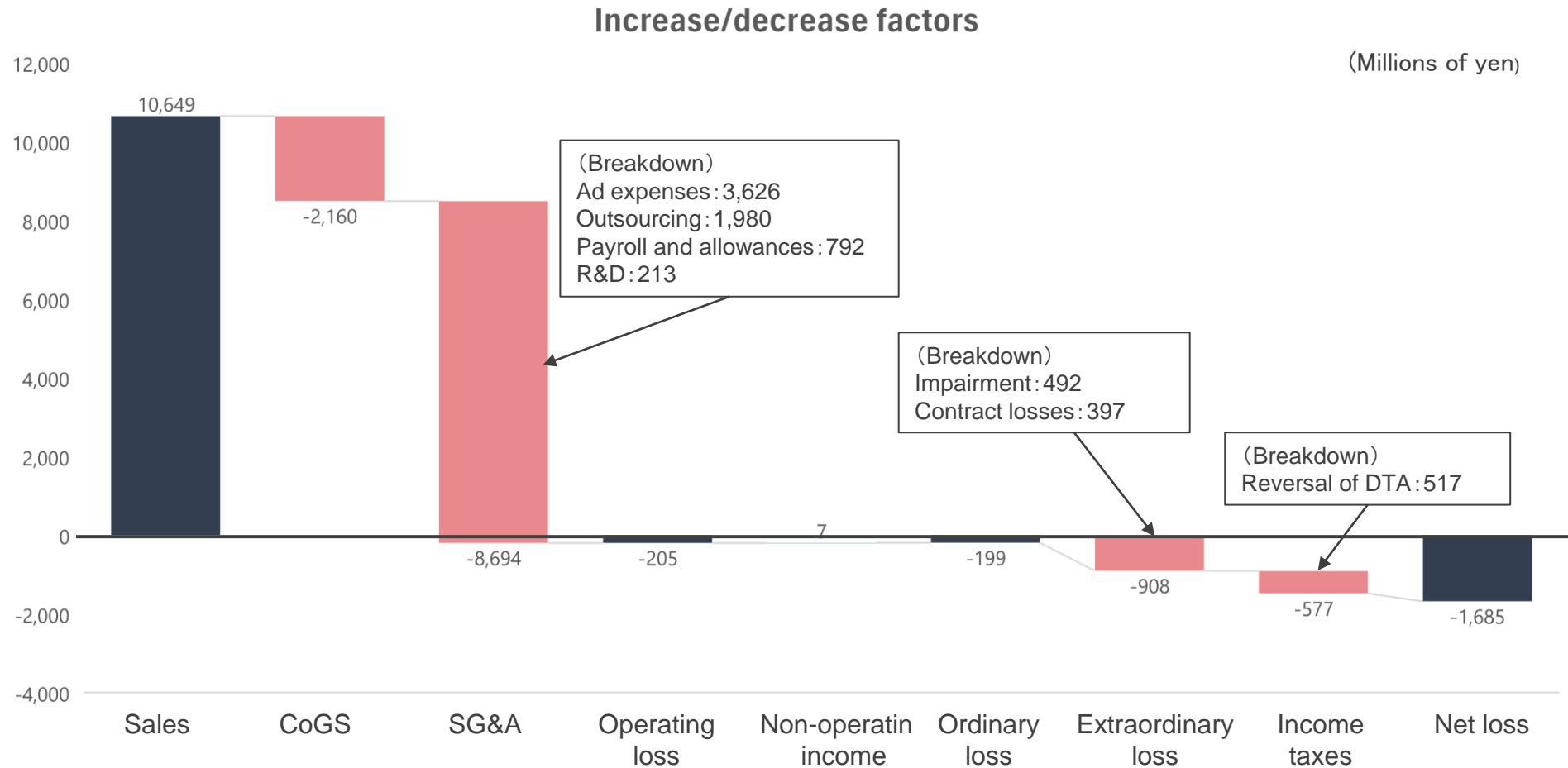
- ✓ Despite sales growth in the newly added recovery business, struggles continue for DUO and CANADEL in the anti-aging business, with sales in mail order/EC and wholesale declining and falling short of the same period last year and projections
- ✓ Operating loss due to lower gross profit stemming from decreased anti-aging business sales. However, profit growth in the recovery business and suppression of ad spending meant a lower-than-forecast loss amount
- ✓ Loss attributable to owners of parent significantly worsened due to extraordinary losses related to impairment of software in progress and contract losses, coupled with the complete reversal of deferred tax assets

(Millions of yen)

	FY2023 1Q-2Q	FY2024 1Q-2Q	Increase/ (decrease)	Percentage change
<b>Net sales</b>	14,258	10,649	(3,608)	(25.3%)
L Mail order/EC	10,317	7,051	(3,265)	(31.6%)
L Wholesale	3,102	1,993	(1,108)	(35.7%)
L Others	839	1,604	765	91.2%
<b>Operating profit (loss)</b>	109	(205)	(314)	—
<b>Operating profit margin (%)</b>	0.8%	(1.9%)	—	(2.7pts)
<b>Ordinary profit (loss)</b>	95	(199)	(294)	—
<b>Extraordinary losses</b>	-	908	908	—
<b>Income taxes - current</b>	121	577	455	375.9%
<b>Loss attributable to owners of parent</b>	(26)	(1,685)	(1,659)	—

## Statement of income

- ✓ SG&A expenses including advertising expenses, outsourcing expenses, payroll and allowances, and R&D were suppressed compared to the same period of last year
- ✓ On the other hand, a temporary loss was recorded as an extraordinary loss, and the reversal of deferred tax assets resulted in a net loss for the second quarter



## Statement of income (quarterly comparison)

- ✓ Net sales fell slightly in the anti-aging business, but growth in the recovery business led to overall net sales above 1Q
- ✓ Despite increased profits in the recovery business, increased ad spending, mainly for new customer acquisitions and TVCMs in the anti-aging business, led to an operating loss bigger than in 1Q

(Millions of yen)

	FY2023 2Q	FY2023 3Q	FY2023 4Q	FY2024 1Q	FY2024 2Q	QonQ percentage change
<b>Net sales</b>	6,867	6,351	5,790	5,264	5,385	2.3%
<b>Mail order/EC</b>	5,261	4,122	3,876	3,543	3,508	(1.0%)
<b>Wholesale</b>	1,172	1,586	952	1,044	949	(9.1%)
<b>Others</b>	432	642	961	677	927	37.0%
<b>Gross profit</b>	5,421	4,516	3,557	4,194	4,294	2.4%
<b>SG&amp;A Expenses</b>	5,068	4,582	4,212	4,230	4,464	5.5%
<b>Advertising expenses</b>	2,430	1,809	1,313	1,632	1,994	22.2%
<b>Outsourcing</b>	1,252	1,205	1,169	1,032	947	(8.2%)
<b>Payroll and allowances</b>	293	430	393	428	364	(15.0%)
<b>R&amp;D</b>	102	146	212	110	103	(6.5%)
<b>Others</b>	988	954	1,078	1,026	1,055	2.8%
<b>Operating profit (loss)</b>	353	(66)	(654)	(35)	(169)	—
<b>Operating profit (%)</b>	5.1%	(1.0%)	(11.3%)	(0.7%)	(3.2%)	(2.5pts)
<b>Ordinary profit (loss)</b>	320	(51)	(674)	(26)	(172)	—
<b>Quarterly profit (loss) attributable to owners of parent</b>	172	(127)	(580)	(35)	(1,649)	—



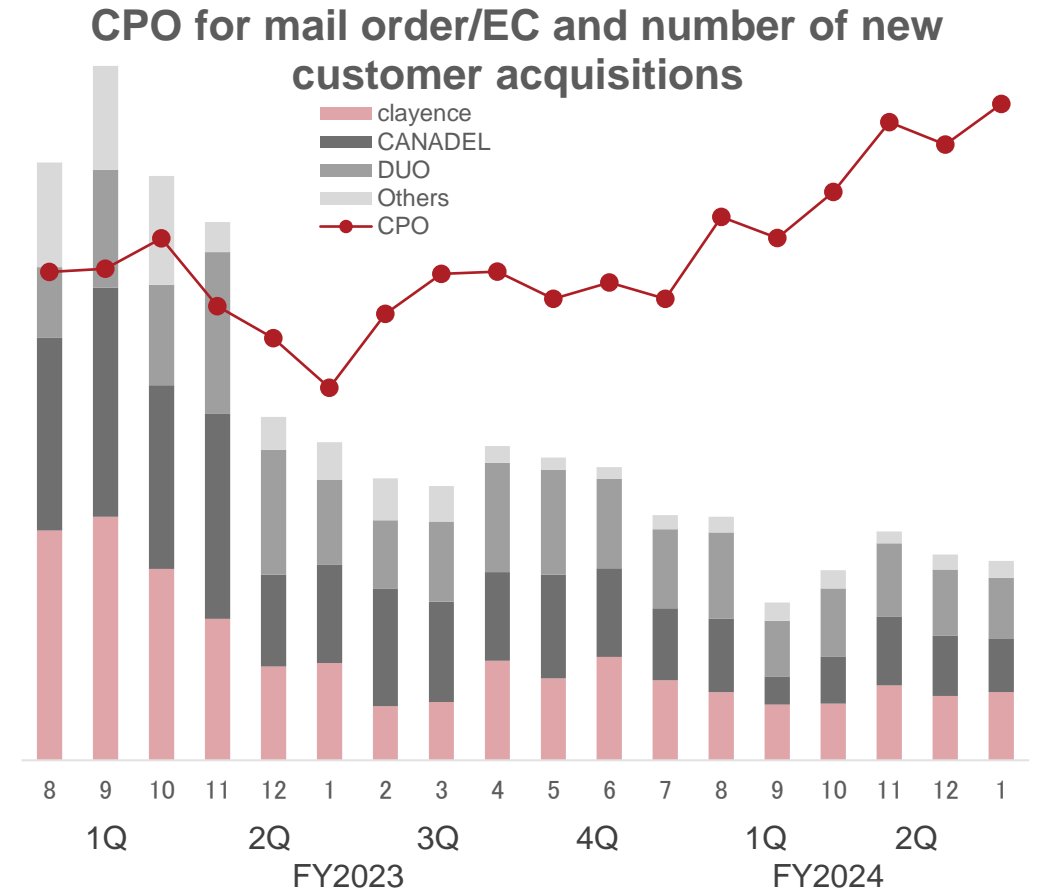
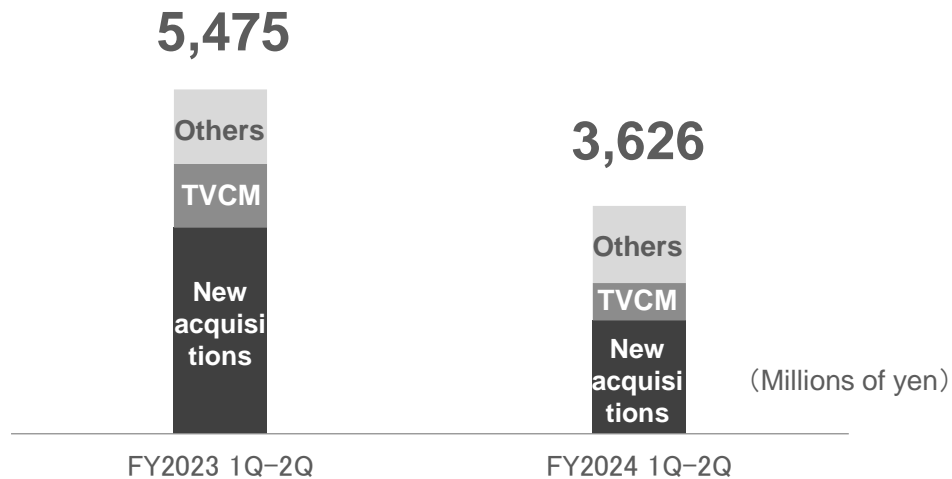
## Advertising expenses

- ✓ Ad expenses/net sales fell from 38.4% in the same period last year to 34.1% but rose from 1Q
- ✓ CPO remains high due to intense ad market competition. Restrained ad spending means continued lower new acquisitions
- ✓ Continue to focus on improving the conversion rate at each stage through investing in advertising expenses

Breakdown of advertising expenses

cf. QonQ ad expenses to net sales  
 FY2024 1Q) **31.0%** ➔ FY2024 2Q) **37.0%**

- ✓ Ad expenses/net sales 38.4% ➔ 34.1%
- ✓ New acquisition spending/net sales 23.0% ➔ 16.9%



## Balance sheet (year-end comparison)

- ✓ Lower non-current assets due to impairment of software in progress
- ✓ Shareholder equity fell due to posting of net loss, but maintaining a healthy equity ratio

(Millions of yen)

	FY2023 4Q	FY2024 2Q	Increase/ (decrease)	Percentage change
<b>Total assets</b>	12,135	10,625	(1,509)	(12.4%)
Current assets	9,229	8,368	(861)	(9.3%)
Inventories	1,909	1,673	(236)	(12.4%)
Non-current assets	2,905	2,256	(648)	(22.3%)
Intangible assets	1,511	1,075	(436)	(28.9%)
<b>Total liabilities</b>	4,525	4,702	176	3.9%
Current liabilities	3,016	3,315	298	9.9%
Non-current liabilities	1,509	1,386	(122)	(8.1%)
<b>Total net assets</b>	7,609	5,923	(1,686)	(22.2%)
<b>Total liabilities and net assets</b>	12,135	10,625	(1,509)	(12.4%)
<b>Equity ratio (%)</b>	62.7%	55.7%	—	(7.0pts)

\* Inventories = finished products + raw materials and supplies

## Changes in financial condition (Balance sheet)

- ✓ Inventories were significantly written down in the second half of the previous fiscal year. Continuously control inventory quantity
- ✓ Implemented system impairment for the current fiscal year, eliminating future concerns considering changes in the business environment

(Millions of yen)

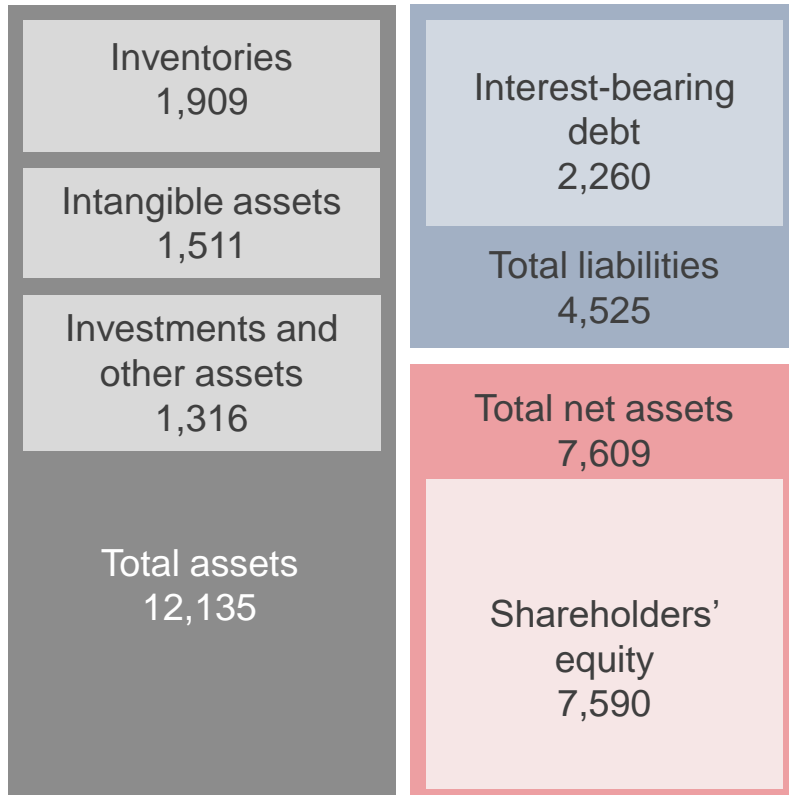
	End of July 2023	→	End of January 2024	
Total assets	12,135	→	10,625	<b>Factors</b> <ul style="list-style-type: none"> <li>- A large-scale write-down of stuck inventory has been carried out</li> <li>- Promoting thorough inventory management</li> <li>- Impairment due to discontinuation of sales system development</li> <li>- Assets recorded in B/S mainly consist of goodwill/patent rights associated with the acquisition of Venex and software in operation</li> <li>- Declined due to 2Q net loss</li> <li>- Assets also decreased by 1,509 million yen</li> </ul>
Inventories <sup>(1)</sup>	1,909	→	1,673	
Intangible assets	1,511	→	1,075	
Equity ratio	62.7%	→	55.7%	

(1) Total amount of finished products, raw materials and supplies

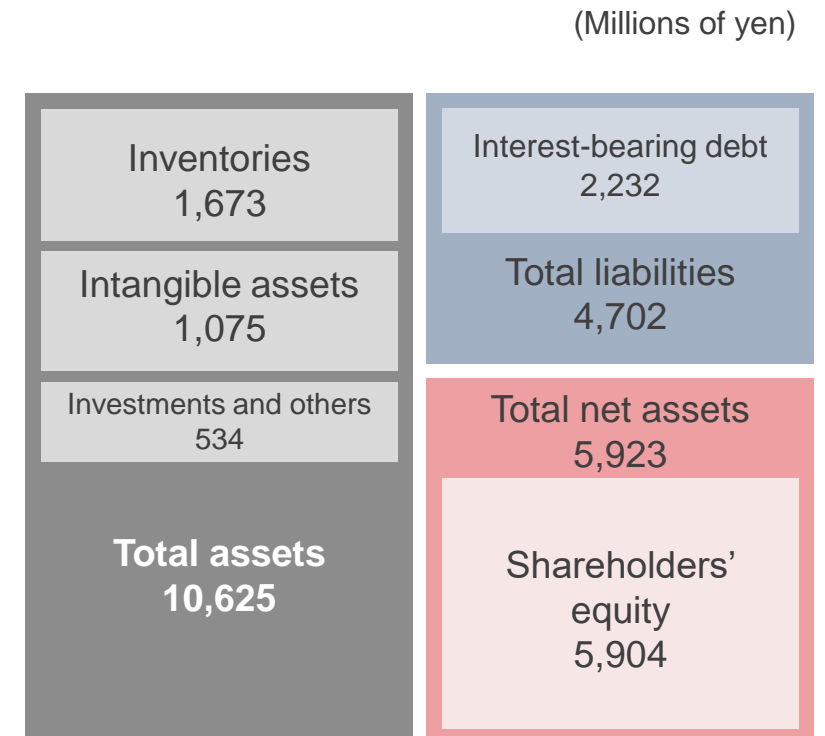
## Consolidated balance sheet diagram

- ✓ Proceed with inventory reduction and implement software impairment. Total assets decreased as a result of the reversal of deferred tax assets
- ✓ As of the end of 2Q, major concerns regarding B/S have been eliminated, and asset transparency and soundness have improved

End of July 2023 (Millions of yen)



End of January 2024



(Amounts of assets decreased)

Inventories: -236  
 Intangible assets: -436  
 Investments and other assets: -782



## 03 | Status by Segment

## Anti-aging business

- ✓ In the anti-aging business, clayence performed as planned, but DUO continued to decline, CANADEL increased compared to the previous quarter but decreased compared to the same period of previous fiscal year, resulting in sales decline for both mail order and wholesale sales from the same period of the previous fiscal year
- ✓ Limited ad spending, but lower net sales caused a decline in gross profit, and we posted an operating loss

(Millions of yen)

	FY2023 1Q-2Q	FY2024 1Q-2Q	Increase/ (decrease)	Percentage change
Net sales	14,258	9,750	(4,507)	(31.6%)
Mail order/EC	10,317	7,051	(3,265)	(31.6%)
Wholesale	3,102	1,993	(1,108)	(35.7%)
Others	839	705	(133)	(15.9%)
Operating profit (loss)	109	(360)	(469)	—
Operating profit margin (%)	0.8%	(3.7%)	—	(4.5pts)

## Anti-aging business (DUO)

- ✓ Shift from balm to oil formulation and low-price balm products continues
- ✓ Mail order/EC subscription cancellations exceeded new customer contracts; sales continue to fall, but at slower pace

### Results & Next Steps

- ✓ Continue measures using beauty experts and influencers to promote product value to customers
- ✓ Rolling out marketing measures in connection with a new Yuko Araki commercial on air from November
- ✓ Mail order/EC customer conversion rate uptrend at each level
- ✓ Strengthen measures with beauty experts and influencers. Continue brand communication through various contents featuring Yuko Araki



### Quarterly net sales of DUO



## Anti-aging business (CANADEL)

- ✓ Although sales increased compared to the previous quarter as a result of marketing measures linked to the new commercial, new acquisitions were lower than planned due to the impact of persistently high advertising costs
- ✓ "Cleansing Water" that removes oil-like makeup and "Gelée Lotion [quasi-drug product]" that moisturizes instantly will be released on March 18th

### Results & Next Steps

- ✓ Rolling out marketing measures in conjunction with a new commercial featuring Michiko Kichise on air from October
- ✓ Set to launch new cleansing water and gelée lotion products on March 18, with distribution to approximately 5,000 stores
- ✓ Implement cross-media strategy leveraging beauty experts and influencers
- ✓ Continue to strengthen CRM measures aimed at existing customers



Quarterly net sales of CANADEL

(Millions of yen)





## Anti-aging business (clayence)

- ✓ Benefits from marketing in conjunction with TV commercial; sales of clayence, mainly color treatments, grow as forecast
- ✓ Steady sales growth for quasi-drug foaming grey hair color treatment – highly effective at dyeing grey hair

### Results & Next Steps

- ✓ Rolling out marketing measures in conjunction with a new commercial featuring Rei Dan airing since November
- ✓ New customers for color treatment growing in line with projections
- ✓ Sales of foaming grey hair color treatment “Clayspa Quick Color” growing
- ✓ Expand shipments to an additional 500 stores in spring/summer 2024
- ✓ Promote product understanding and correct usage through beauty experts and SNS to improve retention and cross-selling rates

芽生える実感、  
未来に自信。

clayence  
THE CLAYSPA METHOD

誕生  
スカルブケア

クレイ\*の力で、  
頭皮整う。  
髪立ち上がる。

※自信がつくこと  
\*薬用シャンプー：ペントナイト(吸着成分)  
薬用トリートメント：含硫ケイ酸アルミニウム(整肌成分)  
薬用育毛剤：フムスエキス(頭皮保護成分)

## Anti-aging business (brands under cultivation)

- ✓ Launched new brands and running test marketing in rapid growth categories, including skin care for men, inner care, high-concentration vitamin C skin care, and skin care whose core ingredient is our proprietary stem cell extract

### Results & Next Steps

## SINTO

- ✓ After SINTO VC performed well in test marketing, we aim for increases in new customer acquisitions by strengthening promotions through influencers



## C<sup>+</sup>mania

- ✓ C+mania enzyme face wash on advance sale at Don Quixote to be expanded to 7,000 stokists from March



## Recovery business (Venex)

- ✓ Achieved record-high net sales and operating profit; substantially higher than initial plan
- ✓ Business growth forecasts made at the time of acquisition being achieved ahead of schedule

(Millions of yen)

	FY2023 1Q-2Q	FY2024 1Q-2Q	Increase/ (decrease)	Percentage change
Net sales	—	899	—	—
Operating profit	—	151	—	—
Operating profit margin (%)	—	16.8%	—	—

\*Same period last year not recorded as it was prior to the acquisition of Venex Co., Ltd.

## Recovery business (Venex)

- ✓ Started sales of the newly designed, more stylish “Standard Dry Plus” (registered as general medical equipment)
- ✓ Continued coordination with Premier Anti-Aging and boosted the supply chain, creating the base for business drive in the second half as planned

### Results

- ✓ Harnessed group synergies to develop new sales channels and achieved channel expansion
- ✓ Venex conducted its first “Recycle Action” campaign, collecting clothes and accessories and reusing them in support of athletes and to make recuperative items
- ✓ Signed more new contracts with top athletes and teams and conducted collaborative product development and sales

#### 【New contracts】

- J.League pro soccer player Ryoma Watanabe
- B1 League Nagoya Fighting Eagles (Third B1 League team contract)
- F League Pro Futsal Club Shonan Bellmare Futsal Club



Won the Best Goal Award at the 2023 J League Awards  
Ryoma Watanabe x VENEX collaboration recovery wear worn Shonan Bellmare Futsal Club



Nagoya Fighting Eagles



FUTSAL

## Recovery business (Venex)

- ✓ Ayako Imoto appointed as the new Venex brand ambassador
- ✓ Suggest new applications and different recuperation settings for recovery wear beyond bedtime

### Next Steps



We want to encourage everyone to adopt a healthy cycle of “work hard, get tired, recover, and do it all again.” Our concept is “Rikabaru” – a portmanteau combining the Japanese *rikaba* (recover) and *ganbaru* (work hard). While recovery wear is typically associated with bedtime, our Venex product promotions will include ideas for new applications and different ways to recuperate.



## 04 | Sustainability

# Sustainability Initiatives

## Initiatives for resolving social issues based on materialities identified in our sustainability policy

Improving well-being

### 2024 Certified Health & Productivity Management Outstanding Organizations

- ✓ Certified as a 2024 Health & Productivity Management Outstanding Organization run by the Ministry of Economy, Trade and Industry (METI) and Nippon Kenko Kaigi
- ✓ Certified for two consecutive years in recognition of initiatives for facilitating communication and improvements in productivity and wellbeing



Improving well-being

### International Women’s Day (IWD) internal event

- ✓ Held IWD event on March 8 to raise awareness on gender equality toward realizing a society in which everyone can shine as they are
- ✓ Gave mimosa flowers – the IWD symbol - to all entering the office on the day



Providing unique value

### Ongoing social contribution initiatives

- ✓ Donated products to the victims of the 2024 Noto Peninsula Earthquake through the Social Emergency Management Alliance (SEMA)





# 05 | FY2024 Revised Earnings Forecast



## FY2024 Revised Earnings Forecasts

- ✓ Considering the current business environment and performance trends, sales and profit and loss at each stage have been revised downward

(Millions of yen)

	FY2023 Actual	FY2024 Initial plan (A)	FY2024 Revised plan (B)	Increase/ (decrease) (B)−(A)	Percentage change (B)÷(A)
<b>Net sales</b>	26,400	26,000	20,000	(6,000)	(23.1%)
<b>Operating profit (loss)</b>	(611)	100	(1,000)	(1,100)	—
<b>Operating profit margin (%)</b>	(2.3%)	0.4%	(5.0%)	(5.4pts)	—
<b>Ordinary profit (loss)</b>	(631)	100	(1,000)	(1,100)	—
<b>Profit (loss) attributable to owners of parent</b>	(733)	200	(2,500)	(2,700)	—

## FY2024 Revised Earnings Forecasts

✓ The main factors behind the revision of the earnings forecasts are as follows

(Millions of yen)

	FY2024 Initial plan (A)	FY2024 Revised plan (B)	Increase/ (decrease) (B)-(A)	Percentage change (B)÷(A)	Main factors
<b>Net sales</b>	26,000	20,000	(6,000)	(23.1%)	- Number of new acquisitions in mail order business lower than planned - Existing customer conversion rate in mail order business lower than planned
<b>Operating profit (loss)</b>	100	(1,000)	(1,100)	—	- Gross profit not achieved due to sales decline
<b>One-time loss</b>	—	(1,485)	(1,485)	—	- Impairment, contract losses, etc. related to software in progress - Reversal of deferred tax assets
<b>Profit (loss) attributable to owners of parent</b>	200	(2,500)	(2,700)	—	- Impairment, contract losses, etc. related to software in progress - Reversal of deferred tax assets

## FY2024 Revised Earnings Forecasts

- ✓ We are taking very seriously the significant downward revision of our earnings forecasts following the previous fiscal year, which occurred half a year after announcing our medium-term management plan on September 14, 2023. The entire company will work together on the following measures to return to a growth path for this fiscal year and the next fiscal year onwards

### Measures to return to a growth path for the current fiscal year and the next fiscal year onwards

#### Rebuilding mail-order business

- ❑ Improving investment efficiency of promotional expenses
- ❑ Further improvement of CRM measures
- ❑ Measures to improve customer satisfaction

#### Brand management

- ❑ Plans to launch new products for fall/winter 2024 and spring/summer 2025

#### Improving cost structure

- ❑ Review of fixed costs (organization, outsourcing, systems)
- ❑ Control of costs and variable costs



## 06 | Appendix

## Company Profile

Name	Premier Anti-Aging Co., Ltd.
Established	December 2009
Head office	Toranomon Hills Station Tower 34F, 2-6-1 Toranomon, Minato-ku, Tokyo
Board members	<p>Kiyoshi Matsuura, President          Yoichiro Ito, Director and Managing Executive Officer, CFO          Takuyuki Fukumoto, Independent Outside Director          Sakiko Sakai, Independent Outside Director          Motoyasu Ishihara, Independent Audit and Supervisory Board Member          Akira Ide, Independent Audit and Supervisory Board Member          Yosuke Kondo, Independent Audit and Supervisory Board Member          Takahiro Toya, Executive Officer          Keigo Uemura, Executive Officer          Kiyoshi Iwakawa, Executive Officer          Yuka Uehara, Executive Officer</p>
Consolidated number of employees	235 (as of January 31, 2023)
Line of business	Planning, development, import/export, mail-order/EC, wholesale and retail business of cosmetics, health food products and recovery wear
Group companies	Premier Anti-Aging (Shanghai) Co., Ltd. Venex Co., Ltd.



## Corporate Identity

- ✓ In formulating our medium-term management plan, we redefine our slogan, purpose, and promise

### Slogan

# Forever vivid

<sup>とき</sup>  
人の時間を、解き放つ。

Untether time.

### Purpose

Uniqueな感性と思考で生み出した製品やサービスで、  
すべての人を年齢から解き放ち、新たな価値観で輝かせる。

Create original products and services of unique value that untether  
people from their age and brighten their lives.

### Corporate Logo



PREMIER ANTI-AGING

# Wonder Watch

<sup>とき</sup>  
時間を解き放つ。そのとき、人生は鮮やかに輝きはじめる。

Untether time. For the time of your life.

### Promise

#### No limits

プロフェッショナルとして、自らの壁を超え成長し続ける。  
Be a professional, pushing your boundaries and seeking growth.

#### Never boring

決まりきった方法を疑い、新たな驚きと発想を生み出す。  
Question the status quo and welcome surprising new ideas.

#### Always true

自分に、仲間に、社会に、妥協なく誠実に向き合う。  
Be sincere and honest with everyone—including yourself.

## Corporate History

- 2009**
  - December : Established Premier Anti-Aging Co., Ltd. in Toranomom, Minato-ku, Tokyo
- 2010**
  - February : Started sales of cosmetic products with the launch of the DUO brand and began selling The Cleansing Balm through mail-order/EC service
- 2012**
  - July : Relocated the head office to Roppongi Hills Keyakizaka Terrace
- 2019**
  - April : Launched the CANADEL brand, an aging care brand for adults
  - October : Cumulative sales of the DUO “The Cleansing Balm” series exceeded 10 million units
- 2020**
  - March : Relocated the head office to Toranomom Hills Mori Tower
  - September : Launched “sitrana,” a new brand for sensitive skin
  - October : Listed on the Tokyo Stock Exchange Mothers market
  - December : Established Premier Wellness Science Co., Ltd.
- 2021**
  - February : Established Premier Anti-Aging (Shanghai) Co., Ltd.
- 2022**
  - March : Launched the “clayence” hair care brand
  - April : Launched “DUO MEN,” a men’s skin care brand
  - August : Cumulative sales of the DUO “The Cleansing Balm” series exceeded 40 million units
- 2023**
  - January : Launched the “SINTO” inner care brand
  - January : Venex Co., Ltd. became a consolidated subsidiary
  - February : Launched the “X” inner care brand
  - August : Launched vitamin skin care brand “C+mania” brand
  - November : Merger with Premier Wellness Science Co., Ltd.
  - November : Relocated the head office to Toranomom Hills Station Tower

## Key Brands and Sales Composition Ratio

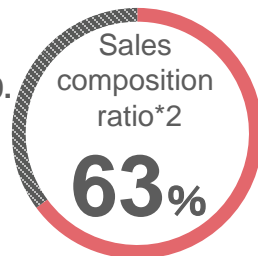
- ✓ Skin care brands “DUO” and “CANADEL” and hair care brand “clayence” drove sales

### Skin care

# DUO



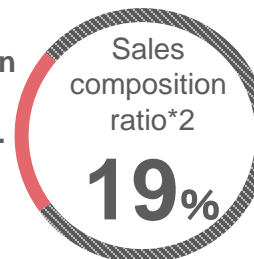
- ✓ Main brand since our founding. Has driven sales for our company as a pioneer in the cleansing balm market.
- ✓ Launched February 2010.
- ✓ Offering 30 SKUs\*1



# CANADEL



- ✓ Being nurtured as the second key brand after DUO. Addresses needs of contemporary women by saving time.
- ✓ Launched April 2019.
- ✓ Offering 7 SKUs\*1

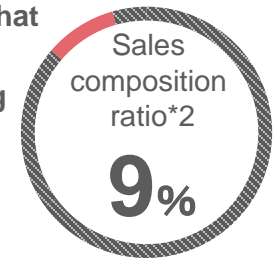


### Hair care

# clayence



- ✓ Applying brand nurturing know-how gained through DUO and CANADEL.
- ✓ Home hair care brand that focuses on young generation with graying hair.
- ✓ Launched March 2022.
- ✓ Offering 12 SKUs\*1

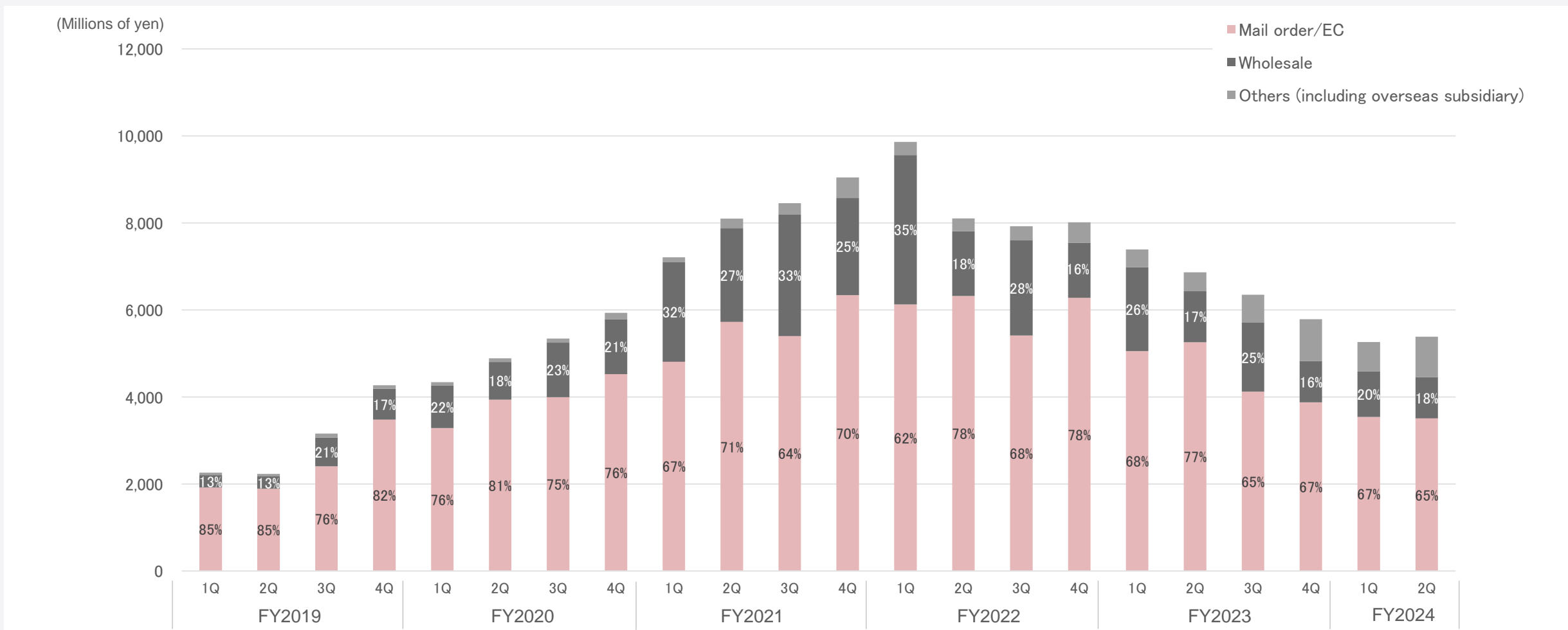


\*1: SKU refers to the number of regular products as of January 31, 2024, excluding limited editions and different sizes \*2: Calculated based on FY2024 2Q net sales.



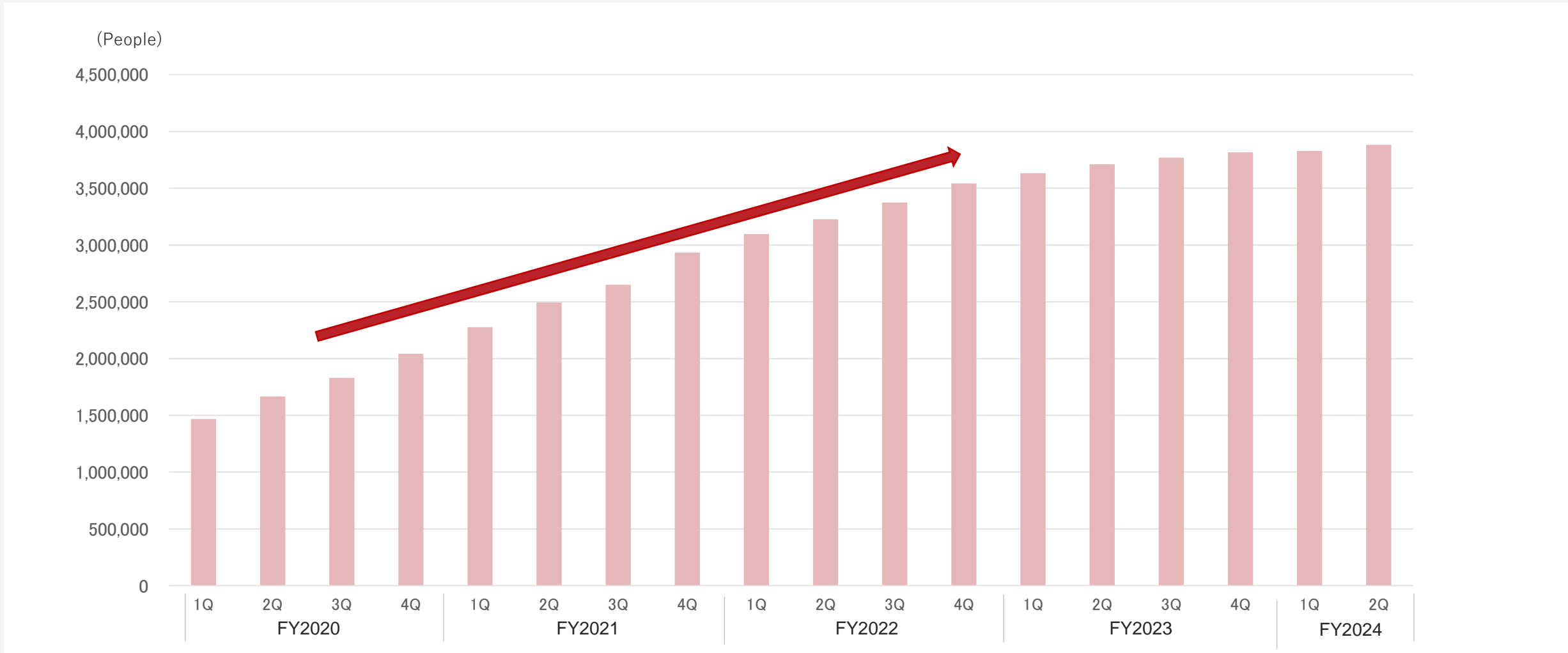
## Net sales by channel

- ✓ Our mainstay mail order/EC sales, which we have been engaged in since our founding, account for approximately 65% of sales in 2Q of FY2024
- ✓ Wholesale sales, which are responsible for sales to retail stores such as variety shops, account for approximately 18% of sales. Number of delivery stores are approximately 18,000 stores



## Total Number of Mail-order/EC Customers

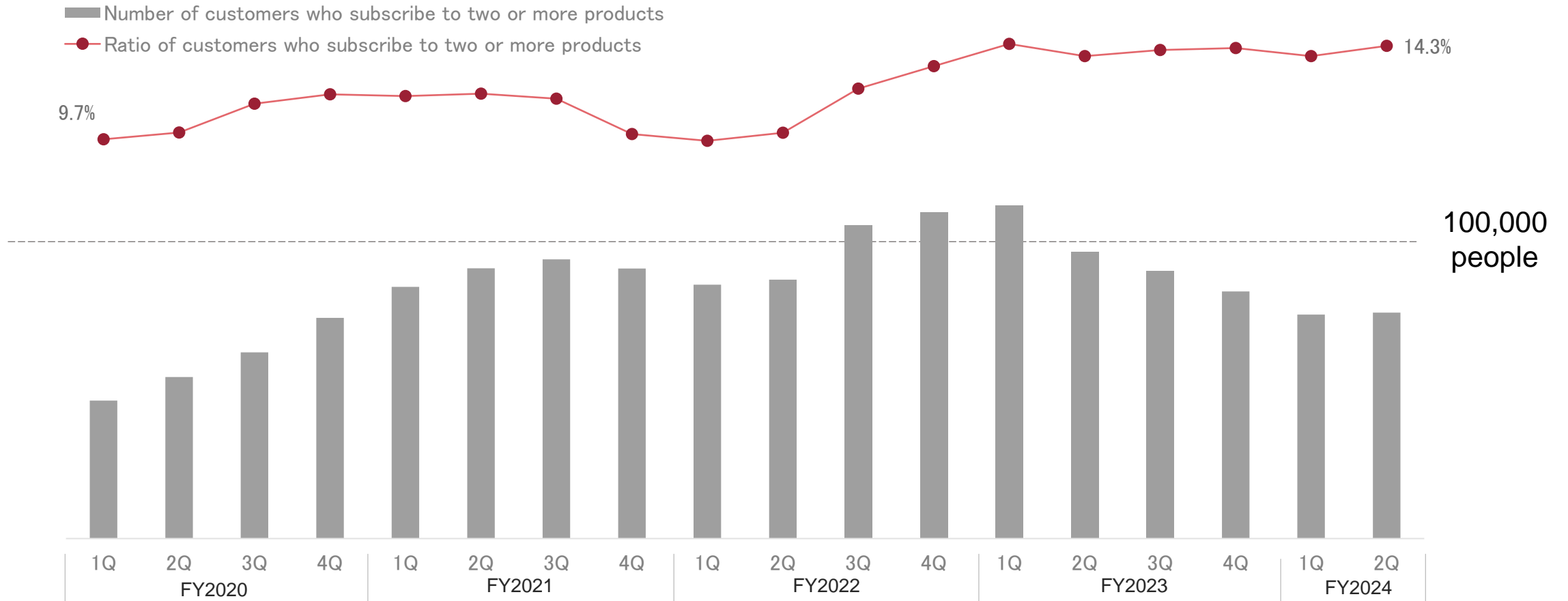
- ✓ The number of members supporting the subscription sales model has steadily increased, with the total number of members exceeding 3.8 million



## Number of cross-selling customers

✓ Cross-selling rate remained steady due to aggressive CX promotion

Number of customers who subscribe to two or more products and the relevant ratio



Note: The number of customers who subscribe to two or more products refers to customers who are purchasing two or more product categories (e.g., balms and serums) on a regular basis.

## ■ Situation by Brand: DUO

- ✓ The core brand since inauguration, DUO continues to drive sales as the pioneer in the cleansing balm market

# DUO



DUO is an aging care brand with the concept of “nourishing the skin from its foundation,” created under the policy of developing highly effective products by combining natural ingredients that are kind to the skin, body and nature with advanced science based on dermatology.

We currently have 30 SKUs\* centering on cleansing balm.

### Major cosmetics awards granted in 2023



**MAQUIA**  
**September issue Everyone's**  
 Best Cosmetics 2023 first half  
 Just dropping it is not enough!  
 Cleansing category  
 First place



**upPLUS July issue**  
 Cosmetics recommended by  
 beauty connoisseur STAFF &  
 discerning buyers  
 Skin care category cleansing  
 First place

+20 more awards

\*The SKU figure refers to the number of regular products as of January 31, 2024, excluding limited items and different sizes.

## ■ Situation by Brand: CANADEL

- ✓ Being fostered as the second brand following DUO, CANADEL focuses on the busy modern women's needs for spending less time on skin care

# CANADEL



Based on the concept of “continuously pursuing beauty, being true to oneself, and enjoying life,” CANADEL is a highly advanced aging care brand launched in April 2019 to address the changing skin care needs of mature consumers. Four types of all-in-one creams and eye cream are currently available, taking in mind the lifestyles of modern women proactively living busy daily lives.

We currently have 7 SKUs\* centering on all-in-one cosmetics.

### Major cosmetics awards granted in 2023



**ESSE July issue**  
Beauty Trend Award 2023  
Gel/Oil Department



**LEE August issue**  
LEE Best Cosmetics 2023 First  
Half  
Positive Aging Award

**+4 more awards**

\*The SKU figure refers to the number of regular products as of January 31, 2024, excluding limited items and different sizes.

## ■ Situation by Brand: sitrana

- ✓ A cosmetics brand for sensitive skin with cica substance\* in all products

# sitrana



Featuring a unique anti-pollution capability, the sitrana products protect the skin from dryness that causes skin irritation and such external stimuli as air pollution and dirt/grime. The cica substances\* under our original blending help fix the damaged skin and facilitate users to attain their ideal skin.

\*Cica substances refers to the substance extracted from a plant called Centella asiatica.

### Major cosmetics awards granted in 2022



#### MAQUIA September Issue

Everyone's Best Cosmetics  
Maquia Influencers  
BEST COSMETICS



**BAILA August issue**  
Best Cosmetics Grand Prize  
for Working 30s  
in the first half of 2022  
Skin Care Category Award

+4 more awards

## ■ Situation by Brand: clayence

- ✓ A home hair care brand that focuses on young generation with graying hair, clayence was developed by applying the brand nurturing know-how gained through DUO and CANADEL



A hair care brand inspired by a clay spa, clayence was created by combining the power of clay and cutting-edge science to provide hair and scalp treatment while coloring gray hair. With calming aroma on top of carefully selected clay and beauty substances, the product transforms tedious hair care into luxurious time at the spa.

We currently have 12 SKUs\*.

### Major cosmetics awards granted in 2023



**VOCE March issue**

Bath beauty is the best  
in time performance!

VOCE Bath Best cosmetics  
Shampoo & Treatment Category  
First place



**MAQUIA January issue**

Best cosmetics  
in the second half of 2023  
Shampoo & Conditioner Category  
First place

+21 more award

\*The SKU figure refers to the number of regular products as of January 31, 2024, excluding limited items and different sizes.

## ■ Situation by Brand: DUO MEN

- ✓ With DUO men, we newly entered the fast-growing men's cosmetics market by taking advantage of the high awareness of DUO brand

DUO  
*men*



While staying true to DUO's brand concept of "Beauty is reborn from skin care," we took a close look at skin problems and damage specific for men from the viewpoint of ecological and biological science. DUO MEN offers secure and effective skin care requiring only a few easy steps, allowing all men living busy lives to continue skin care in an enjoyable way. We currently have 5 SKUs\*.

### Major cosmetics awards granted in 2023



**MEN'S NON-NO  
December issue**

Men's Non-No Beauty Award 2023  
Face Wash Category  
2nd place



**MEN'S NON-NO  
December issue**

Men's Non-No Beauty Award 2023  
All-in-one Category  
2nd place

**+5 more award**

\*The SKU figure refers to the number of regular products as of January 31, 2024, excluding limited items and different sizes.



## Situation by Brand: SINTO/X

- ✓ Developing two inner care brands based on the development philosophy of “response with results”

# SINTO

Based on the idea that bodily sensations are the essence of supplements, we adopted the same DDS technology as in the medical field. Thoroughly sticking to the "experience" of the ingredients, we aim to renew the relationship between the body and the ingredients from the area of "penetration". It is a health care supplement for adults who enjoy aging that pursues a high experience with a high amount of compounding (high compounding) and high absorption and high penetration type (liposomes).

We currently have 2 SKUs\*.



Major cosmetics awards granted in 2023



**Biteki.com**  
**November 22<sup>nd</sup> issue**  
 Biteki HEN 2023  
 Best cosmetics of the year  
 Biteki HEN Annual Sage  
 Inner care ranking  
 First place



**LEE Jan/Feb issue**  
 LEE Best Cosmetics Award  
 2nd half of 2023  
 Beauty Sage's  
 Beloved Cosmetics Award  
 Inner care category

**+15 more awards**

\*The SKU figure refers to the number of regular products as of January 31, 2024, excluding limited items and different sizes.

# X

Aiming to support the creation of an ideal body, it was born under the lead of a food health instructor certified by the Japan Health and Nutrition Food Association. We propose optimal supplements (functional foods) that match the two styles of “those who want to incorporate exercise” and “those who want to improve their eating habits” to support body fat reduction.

We currently have 2 SKUs\*.



## ■ Situation by Brand: C+mania

- ✓ A high-concentration vitamin skin care brand for “consumers with high beauty information literacy” who pursue reliable effects



An “aggressive” vitamin skin care brand that focuses on high purity, high penetration, and high concentration, with carefully selected vitamin C from over 70 types and add α that enhances C. Based on the concept of "enjoying vitamin C for maniacs", we aim to propose skin care products with high immediate effect in order to maximize the power of vitamin C.

We currently have 3 SKUs\*.

### Major cosmetics awards granted in 2023



**an•an No. 2365**  
2023 Autumn Anan Mote  
Cosmetics Award  
Skin care category

The power of VC that everyone loves  
An award you can feel



**LEE January/February issue**  
Close to your skin and feelings  
LEE Best Cosmetics Award 2023 Second Half  
Cleansing/Facial Wash Award

+13 more award

\*The SKU figure refers to the number of regular products as of January 31, 2024, excluding limited items and different sizes.

## ■ Situation by Brand : Reinca

- ✓ A skin care brand that uses a unique stem cell extract as a core ingredient created through joint research with the University of Tokyo

# Reinca



Based on the brand concept of “Facing the source of skin and sensibility with the power of SKIN & SENSE science,” we advocate skin cell care born from advanced skin research and care for the five senses that pursues the comfort of physical sensations.

We have developed a brand based on our original dental pulp stem cell culture supernatant "ENGY Stem S", which was successfully commercialized through joint research with the University of Tokyo. We currently have 5 SKUs\*.

\*The SKU figure refers to the number of regular products as of January 31, 2024, excluding limited items and different sizes.

## ■ Situation by Brand : Ko

- ✓ A brand with CBD (cannabidiol) as a key ingredient, which has a wide range of usefulness in beauty and health



Focusing on the human endocannabinoid system (ECS) and circadian rhythm. The key ingredient CBD (cannabidiol) supports daily rhythms and helps maintain a healthy mind and body. To ensure the safety and transparency of CBD raw materials, we have introduced a traceability system that allows inspection, identification, and tracking through a combination of lot number and serial number identifiers.

We currently have 3 SKUs\*.

\*The SKU figure refers to the number of regular products as of January 31, 2024, excluding limited items and different sizes.

## ■ Situation by Brand: VENEX

- ✓ As a pioneer in the recovery field, Venex has developed products using fabrics made with its unique patented technology

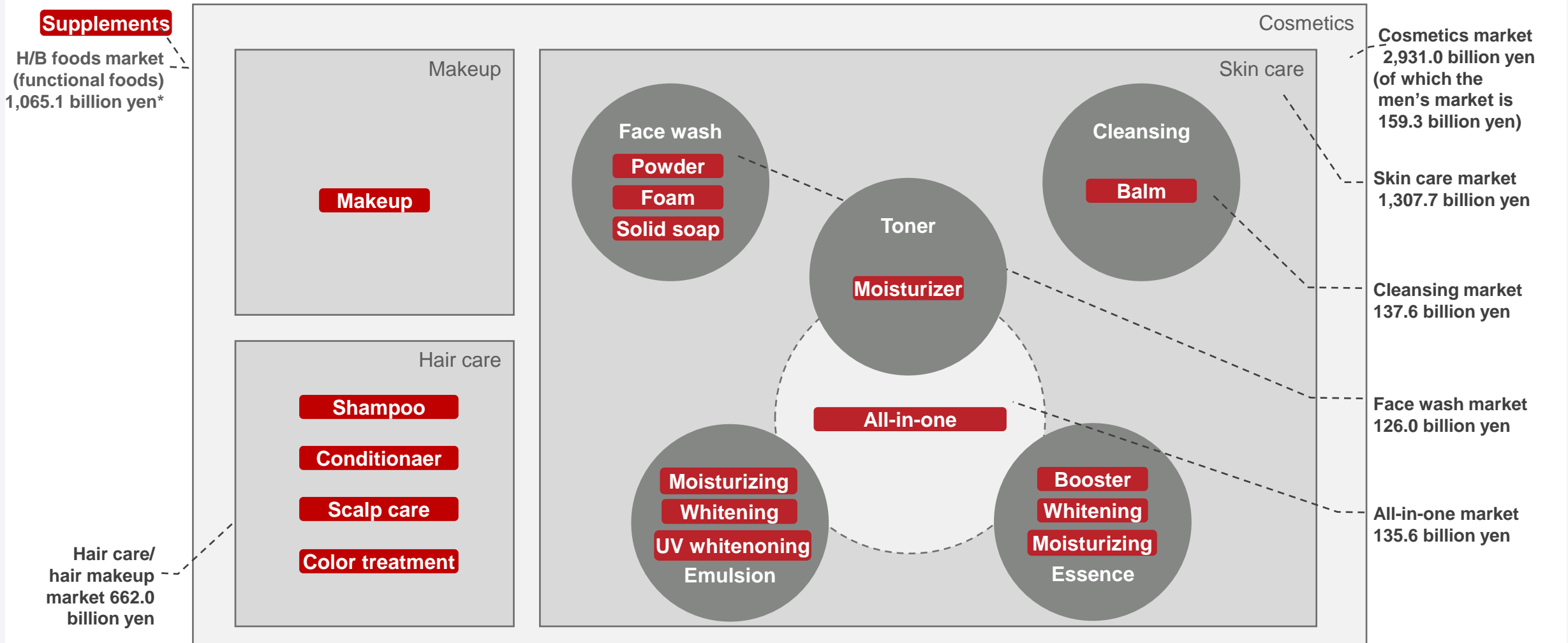


Based on the concept of "maximizing the self-healing power that humans have," we propose clothing for recovery. With our proprietary special fiber "PHT (Platinum Harmonized Technology)" and a non-compression design that does not constrict the body, it supports high-quality recovery just by wearing it. We currently have 85 SKUs\*.

\*The SKU figure refers to the number of regular products as of January 31, 2024, excluding limited items and different sizes.

# Market Size of the Domestic Cosmetics Market

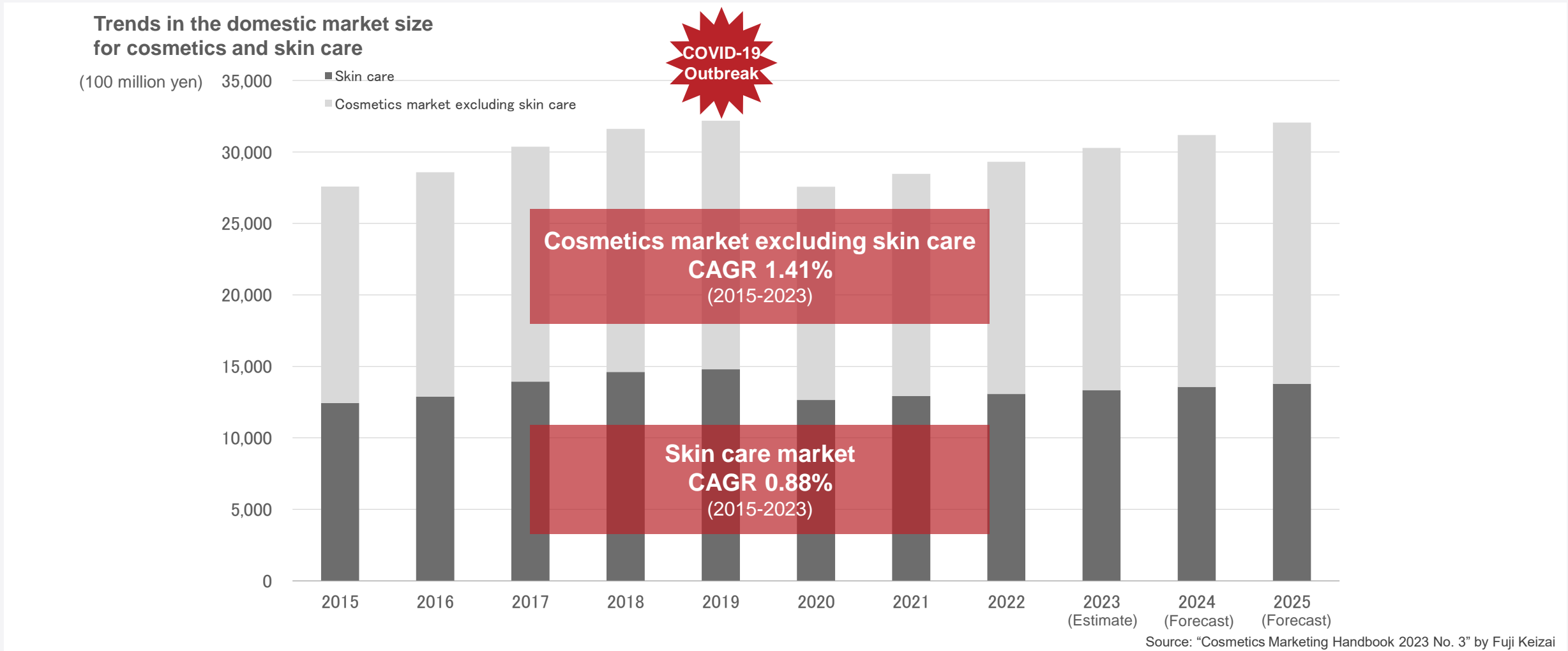
✓ The domestic cleansing market, which includes balms, totaled 137.6 billion yen in 2022



Note: Gray circles indicate the markets, and red boxes represents our products.  
 Source: "Cosmetics Marketing Handbook 2023 No. 1", "Cosmetics Marketing Handbook 2023 No. 3", "H/B Foods Marketing Handbook 2023 <Overview>" by Fuji Keizai  
 \*H/B foods markets are estimates for 2022

## Domestic Market Size for Cosmetics and Skin Care

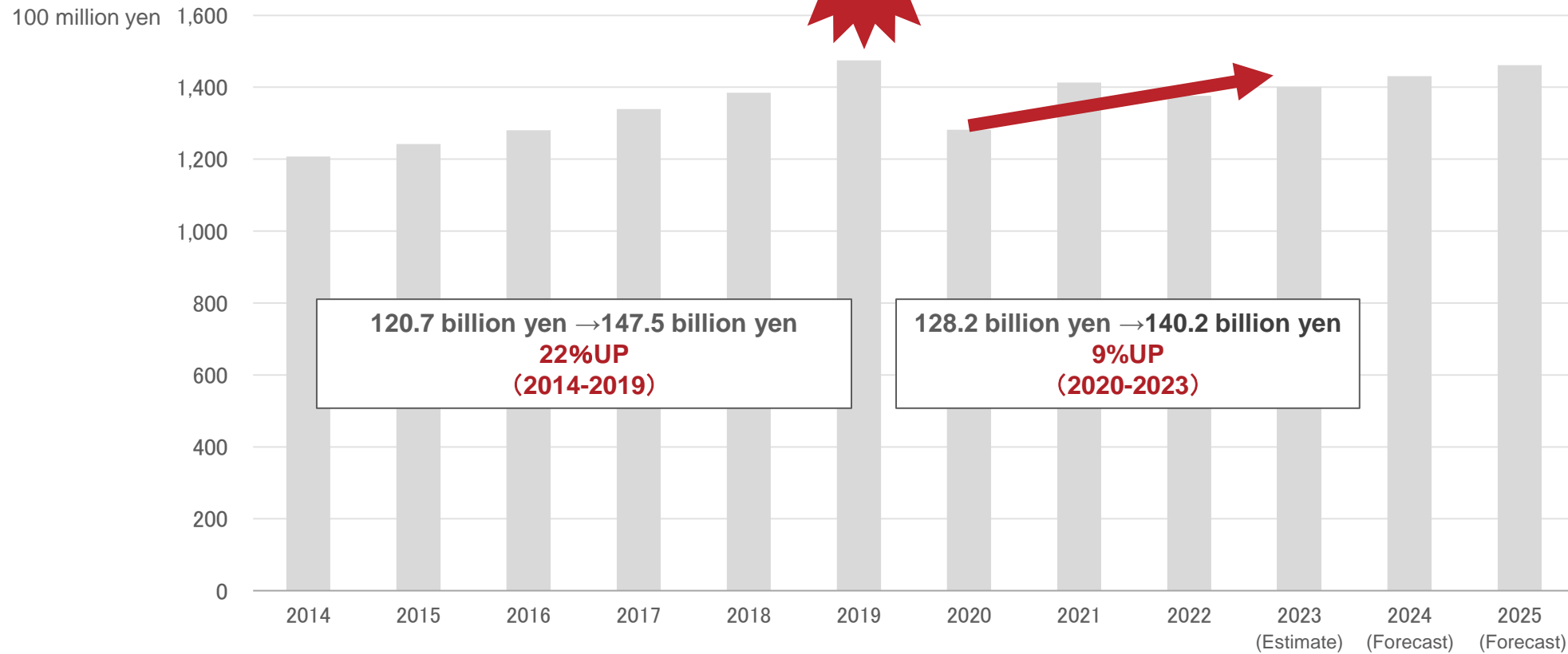
- ✓ Domestic cosmetics market, which continued to grow moderately through 2019, declined significantly with COVID-19
- ✓ Moderate recovery continues in 2023 due to the reduction of COVID-19 to a Category 5 infectious disease



## Domestic Market Size for Cleansing

- ✓ Domestic cleansing market plummeted due to disappearance of inbound demand caused by COVID-19
- ✓ The market expanded again in 2021 as the positioning of cleansing products changes from makeup remover to skin care products

Trends in the domestic market size for cleansing



Source: "Cosmetics Marketing Handbook 2023 No. 1" by Fuji Keizai

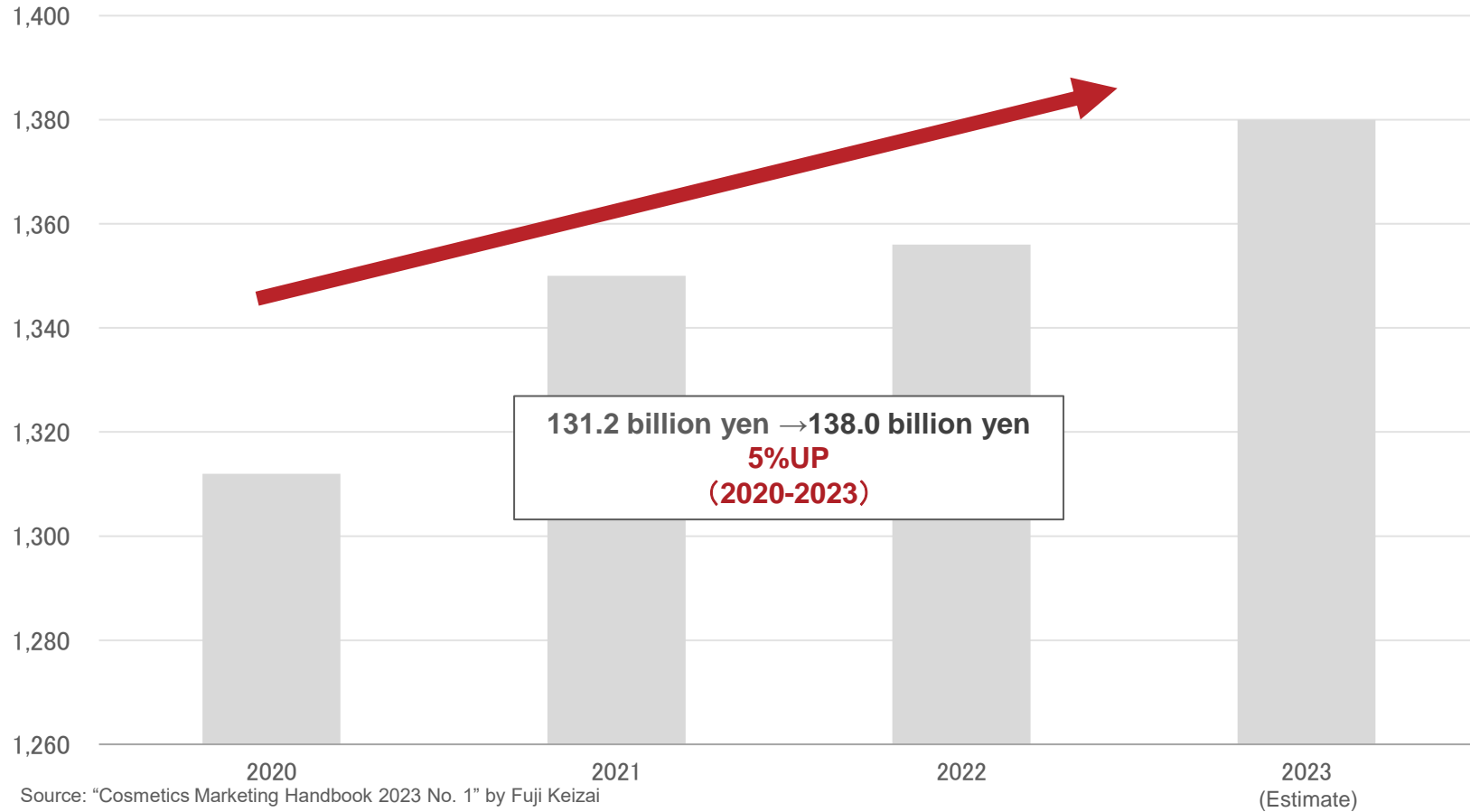


## Domestic Market Size for All-in-one Cosmetics

- ✓ A product that promotes the ability to complete skin care after washing face with just one item
- ✓ Market is expanding slowly

Trends in the domestic market size for all-in-one cosmetics

(100 million yen)



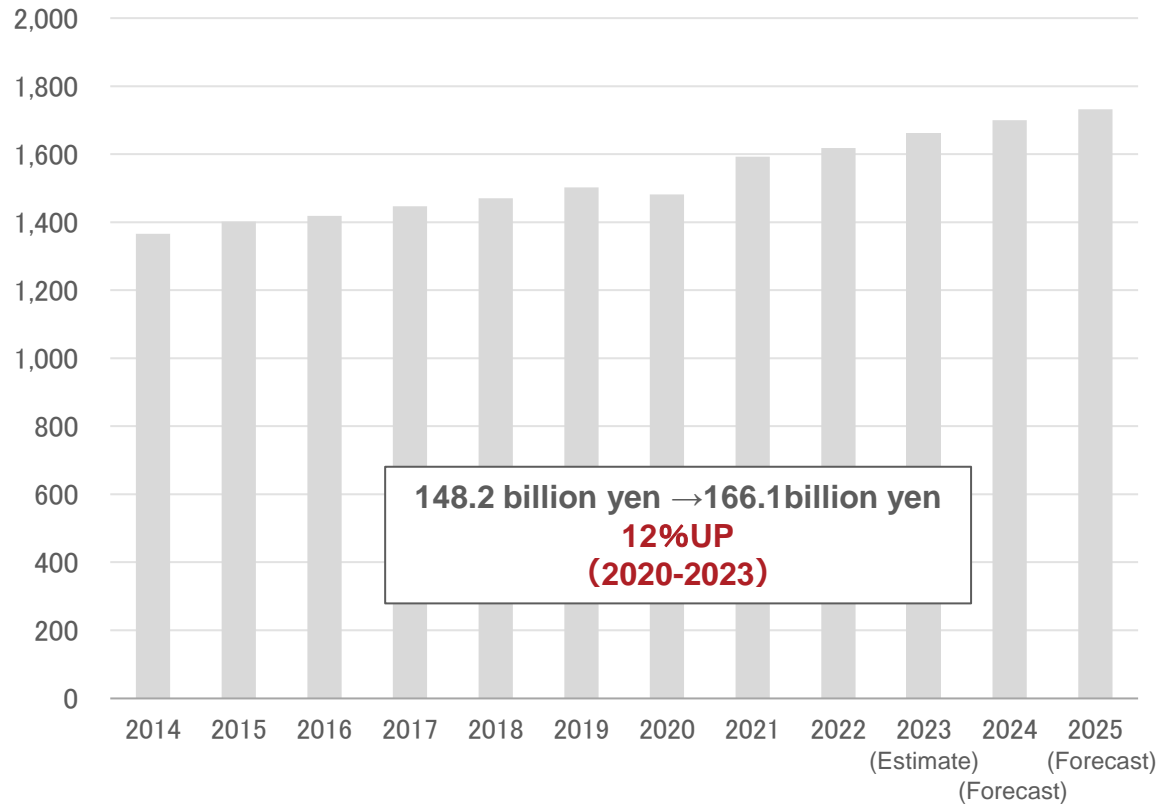
Source: "Cosmetics Marketing Handbook 2023 No. 1" by Fuji Keizai

## Domestic Market Size for Hair Color and Female Scalp Care

- ✓ The hair color market remains strong from 2022 onwards, with the entry of highly convenient color treatments for gray hair
- ✓ The female scalp care market has expanded rapidly since the COVID-19 outbreak due to increased time at home and heightened awareness of scalp care

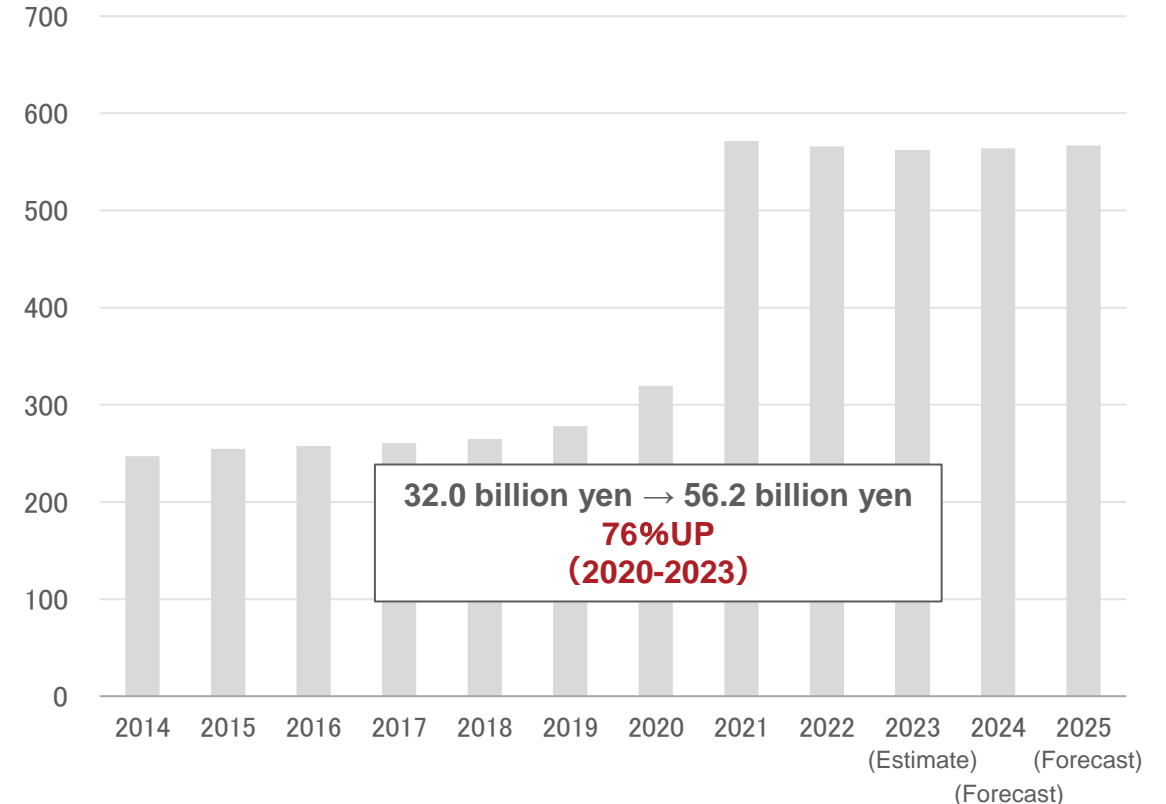
Trends in the domestic market size for hair color

(100 million yen)



Trend in the domestic market size for female scalp care

(100 million yen)

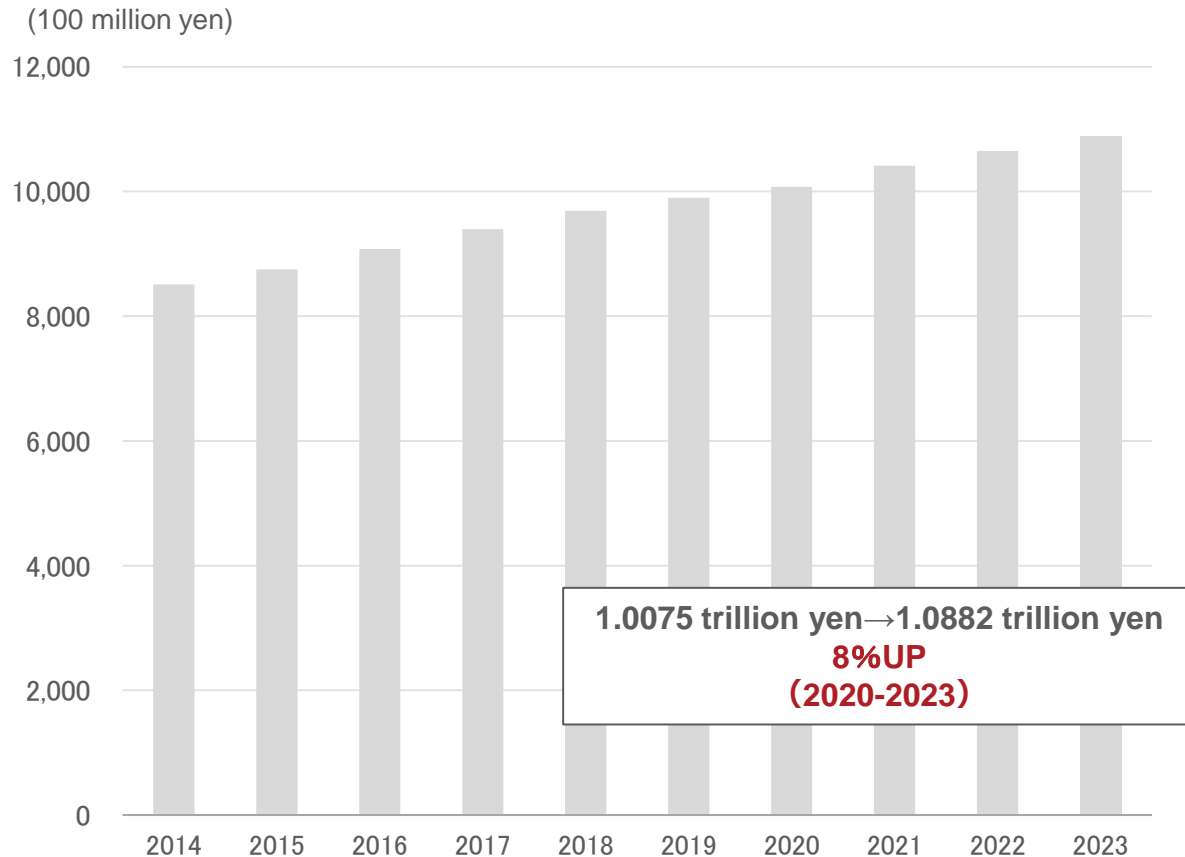


Source: "Cosmetics Marketing Handbook 2023 No. 2" by Fuji Keizai

## Domestic Market Size for Functional Food and Recovery Wear

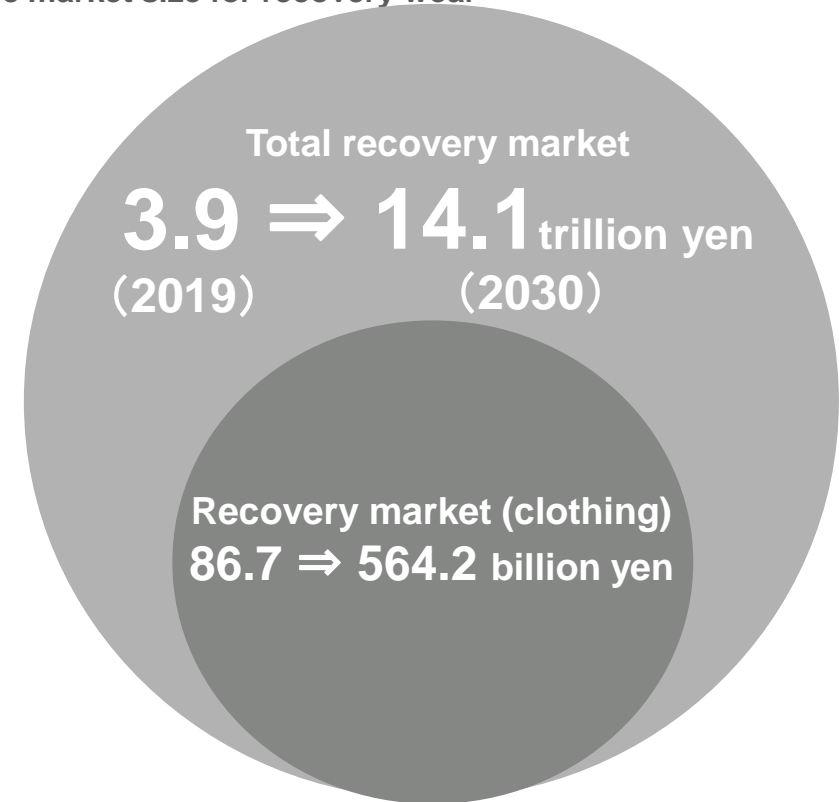
- ✓ The functional food market has been performing well due to increasing demand for health since the COVID-19 outbreak
- ✓ The recovery market is expected to grow approximately 3.6 times from 2019, and the rest solution (clothing) is expected to grow approximately 6.5 times

Trends in the domestic market size for functional food



Source: "H/B Foods Marketing Handbook 2023 <Overview>" by Fuji Keizai (Estimate) (Forecast)

Domestic market size for recovery wear

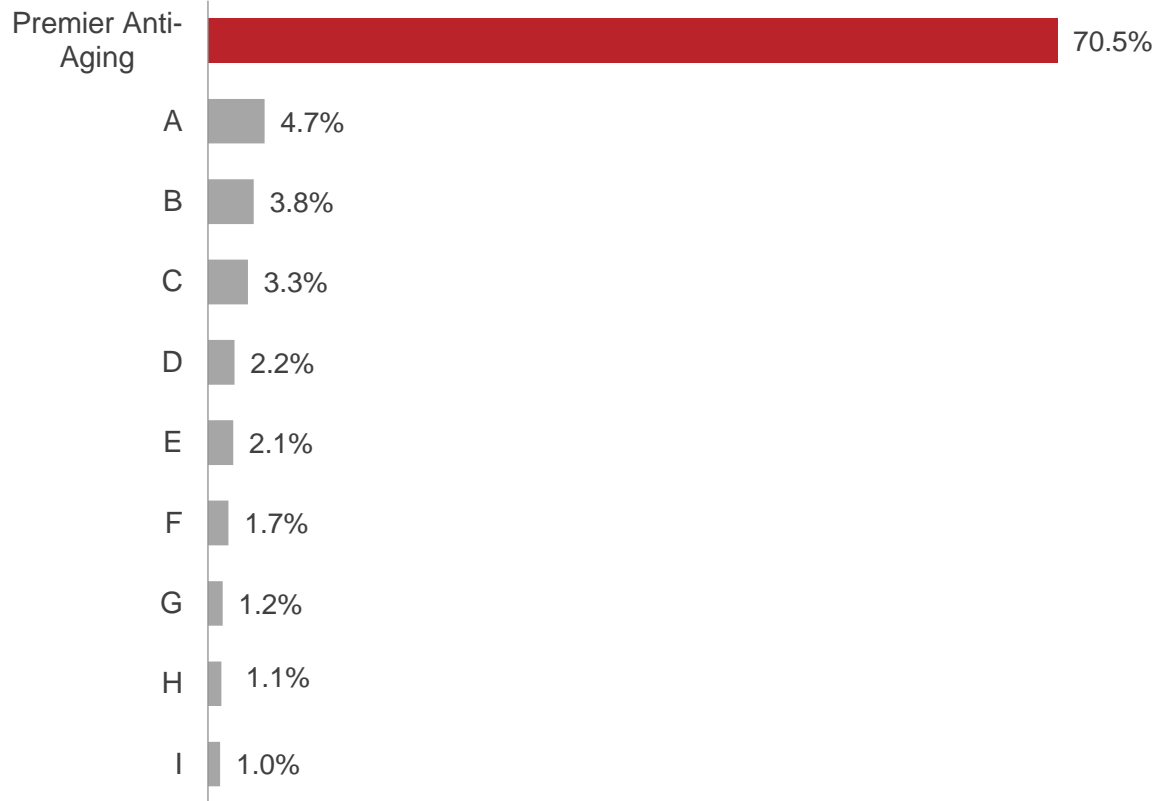


\* Rest Week Promotion Secretariat: "In collaboration with the Kanagawa Prefecture Meibyō Industry Research Group, we estimate the market size of the three elements of health, "recovery," for the first time in Japan. The recovery market in 2030 will be worth 14.1 trillion yen."

## Brand Share for Cleansing (Balm type) and All-in-one Cosmetics

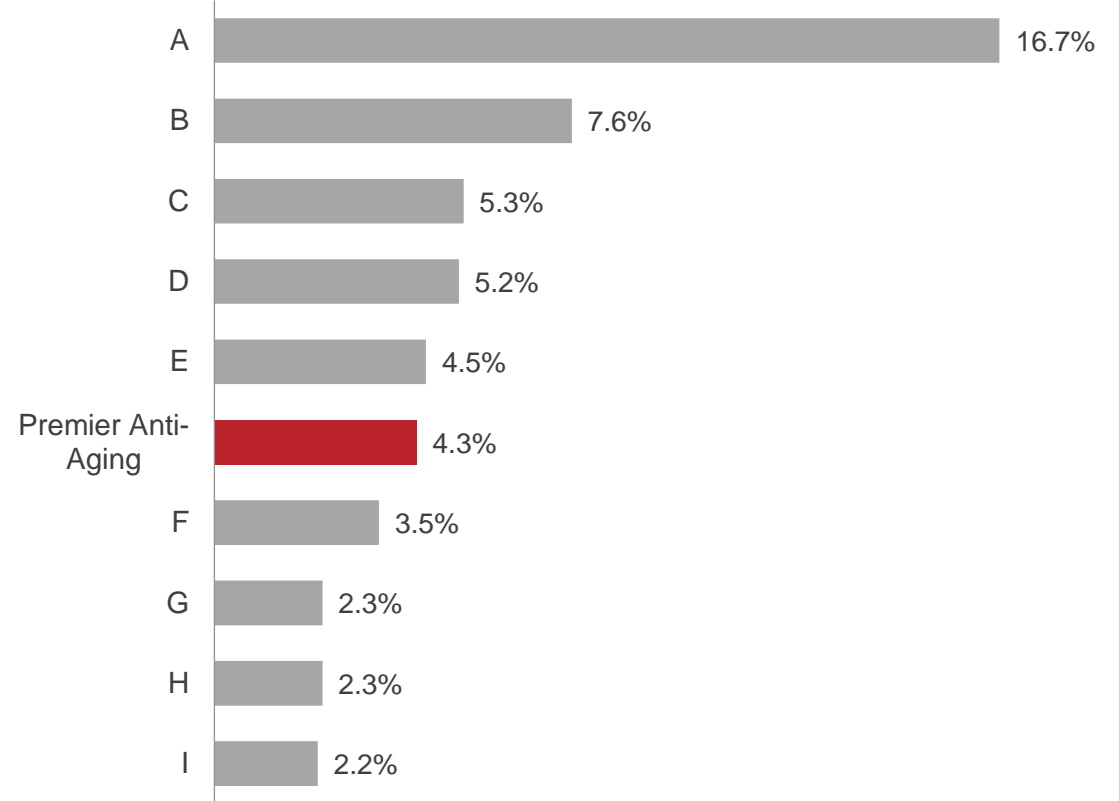
✓ Established a competitive position with cleansing (balm type) by DUO and all-in-one by CANADEL

Cleansing (Balm type)



Source: "Cosmetics Marketing Handbook 2023 No. 1" Cleansing <Balm: Brand Share> 2022 by Fuji Keizai

All-in-one



Source: "Cosmetics Marketing Handbook 2023 No. 1" Moisture <All-in-one: Brand Share> 2022 by Fuji Keizai

## Basic Sustainability Policy

- ✓ In April 2023, we established the "Basic Sustainability Policy," which describes our group's basic approach to sustainability

**~Enabling unique pathways through life~**

**Untether time.**

**As humanity approaches the era of 100-year live spans, we aim to create a world where every individual can pursue new challenges with confidence and curiosity, free from preconceived notions of age and gender. Working together with our stakeholders, we will think outside the square to provide unique value that can change the world, addressing social issues for a brighter, sustainable future.**

## Materiality and Goals

- ✓ Identified five materiality as themes that should be prioritized to improve corporate value and set initiatives and targets

Theme	Materiality	Important Issues	Initiatives	KPI	Target	Target year
Pursuit of prosperity that anti-aging brings	Contribution to global environmental conservation	Contributions to resource recycling and circular economy	Use of environmentally friendly paper	Environmentally friendly paper usage rate	100%	Every fiscal year end
		Initiatives for and contributions to a decarbonized society	Reduction of CO2 emissions	Reduction rate for Scope 1 and 2	50% reduction (Compared to July 2023)	End of July 2027
	Pursuing an organizational culture whose members grow up together	Developing human resources who strive to create value and continue to grow	Improving employee engagement	Engagement scores	10% improvement (Compared to July 2023)	End of July 2027
			Further enhancement of the nurturing environment toward an organization that nurtures and fosters each other	Review of training system and expansion of training content accordingly	Implement the matters listed on the left	Every fiscal year end
	Improving well-being	Realization of mental and physical health	Promoting health support for employees	Obtain Health Management Certification	To be continuously selected	Every fiscal year end
	Providing unique value	Pursuit of premier anti-aging quality	Spreading anti-aging among employees	Number of people with anti-aging qualifications	More than 30 new holders	End of July 2027
				Expansion of systems to promote anti-aging	Implement the matters listed on the left	End of July 2027
				Participation in social activities that promote anti-aging	Implement continuously	Every fiscal year end
			Collaboration with suppliers	Develop a procurement policy that incorporates elements of sustainability	Procurement policy development	Disclose procurement policy
	Corporate foundations that support growth	Strengthening governance	Developing and strengthening corporate governance systems	Enhance disclosure and transparency related to corporate governance	Consider and promote the matters listed on the left	—
Thorough risk management and compliance						
Protection of information security and privacy			Compliance and information security training participation rates	Attendance rate	100%	Every fiscal year end

## Disclaimers and Notes on Forecasts and Projections

- ✓ The document and information provided in our results briefing include forward-looking statements, which are based on our current expectations, forecasts and assumptions involving risks. As such, there are uncertainties that may cause actual results to practically differ from what are described in such statements.
- ✓ These risks and uncertainties include general industry and market conditions as well as general domestic and international economic conditions such as interest rate and currency exchange rate fluctuations.
- ✓ The Company considers cosmetics market trends to be a major risk that may materially impact its growth and execution of business plans. However, the Company endeavors to mitigate such risks and maintain the competitive edge of its products by actively conducting promotions and understanding customers' potential needs to reflect on product planning. For other types of risks, please refer to the "Business Risks, etc." as highlighted in our Securities Report.

Contact: Corporate Communication Division  
E-mail : [ir@p-antiaging.co.jp](mailto:ir@p-antiaging.co.jp)

# Forever vivid

とき  
人の時間を、解き放つ。

Untether time.