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September 14, 2021

Consolidated Financial Results for the Fiscal Year Ended July 31, 2021 (Under Japanese GAAP)

Company name: Premier Anti-Aging Co., Ltd.
 Listing exchange: Tokyo Stock Exchange
 Securities code: 4934
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 Scheduled date for next annual general meeting of shareholders: October 28, 2021
 Scheduled date for commencing dividend payments: -
 Scheduled date to file annual securities report: October 29, 2021
 Preparation of supplementary materials on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

(Amounts are rounded down to the nearest million yen, unless otherwise noted)

1. Consolidated financial results for the fiscal year ended July 31, 2021 (from August 1, 2020 to July 31, 2021)

(1) Consolidated operating results

(Percentage figures indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended July 31, 2021	32,815	-	4,680	-	4,653	-	2,793	-
July 31, 2020	-	-	-	-	-	-	-	-

Note: Comprehensive income Fiscal year ended July 31, 2021: 2,788 million yen [- %]
 Fiscal year ended July 31, 2020: - million yen [- %]

	Basic earnings per share	Diluted earnings per share	Return on equity	Return on assets	Operating profit/net sales
Fiscal year ended	Yen	Yen	%	%	%
July 31, 2021	326.87	326.38	66.9	46.7	14.3
July 31, 2020	-	-	-	-	-

- Notes: 1. Premier Anti-Aging Co., Ltd. ("the Company") started preparation of consolidated financial statements from the fiscal year ended July 31, 2021. Accordingly, the figures and the rate of year-on-year change for the fiscal year ended July 31, 2020 as well as the rate of year-on-year change for the fiscal year ended July 31, 2021 are not indicated.
2. Diluted earnings per share for the fiscal year ended July 31, 2020 is not indicated, as the Company's shares were not listed and their average price during the fiscal year could not be determined, although there are dilutive shares.
3. Diluted earnings per share for the fiscal year ended July 31, 2021 is calculated by using the average share price for the period from the initial listing date to the end of the said fiscal year, deeming it to be the period-average share price, as the Company was listed on the Tokyo Stock Exchange Mothers on October 28, 2020.
4. The Company conducted a 20-for-1 stock split of its common shares as of August 29, 2020. In accordance with this, basic earnings per share and diluted earnings per share are calculated on the assumption that the stock split was conducted at the beginning of the fiscal year ended July 31, 2021.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
July 31, 2021	13,071	6,903	52.8	791.65
July 31, 2020	-	-	-	-

Reference: Total shareholders' equity
As of July 31, 2021: 6,892 million yen
As of July 31, 2020: - million yen

Note: As the Company started preparation of consolidated financial statements from the fiscal year ended July 31, 2021, the figures for the fiscal year ended July 31, 2020 are not indicated.

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
July 31, 2021	2,753	(180)	1,584	6,052
July 31, 2020	-	-	-	-

Note: As the Company started preparation of consolidated financial statements from the fiscal year ended July 31, 2021, the figures for the fiscal year ended July 31, 2020 are not indicated.

2. Cash dividends

	Annual dividends per share					Total cash dividends	Payout ratio (Consolidated)	Dividends to net assets (Consolidated)
	End of first quarter	End of second quarter	End of third quarter	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended July 31, 2020	-	0.00	-	0.00	0.00	-	-	-
Fiscal year ended July 31, 2021	-	0.00	-	0.00	0.00	-	-	-
Fiscal year ending July 31, 2022 (Forecast)	-	0.00	-	0.00	0.00		-	

3. Consolidated earnings forecasts for the fiscal year ending July 31, 2022 (from August 1, 2021 to July 31, 2022)

(Percentage figures indicate year-on-year changes for full year and for six months)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending January 31, 2022	19,000	-	2,600	-	2,610	-	1,530	-	175.46
Full year	40,000	-	6,000	-	6,020	-	3,460	-	396.79

Note: The Company will apply the "Accounting Standard for Revenue Recognition" (Accounting Standards Board of Japan [ASBJ] Statement No. 29), etc. from the beginning of the fiscal year ending July 31, 2022. The forecast figures above have been prepared on the basis of the said Standard. Accordingly, percentage changes from the actual results before the application of the Standards, etc. are not indicated.

* Notes

(1) Changes in significant subsidiaries during the fiscal year (changes in specified subsidiaries resulting in change in scope of consolidation): None

(2) Changes in accounting policies, changes in accounting estimates, and restatements

- i. Changes in accounting policies due to revisions to accounting standards, etc.: None
- ii. Changes in accounting policies other than those in i. above: None
- iii. Changes in accounting estimates: None
- iv. Restatements: None

(3) Number of shares issued and outstanding (common shares)

i. Number of shares issued and outstanding at the end of the fiscal year (including treasury shares)

As of July 31, 2021	8,720,000 shares
As of July 31, 2020	8,000,000 shares

ii. Number of treasury shares at the end of the fiscal year

As of July 31, 2021	89 shares
As of July 31, 2020	- shares

iii. Average number of shares outstanding during the fiscal year

Fiscal year ended July 31, 2021	8,546,495 shares
Fiscal year ended July 31, 2020	- shares

(Notes) 1. The Company conducted a 20-for-1 stock split of its common shares as of August 29, 2020. In accordance with this, the number of shares issued and outstanding at the end of the fiscal year and the average number of shares outstanding during the fiscal year were calculated on the assumption that the stock split was conducted at the beginning of the fiscal year ended July 31, 2021.

2. As the Company started preparation of consolidated financial statements from the fiscal year ended July 31, 2021, the average number of shares outstanding for the fiscal year ended July 31, 2020 is not indicated.

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended July 31, 2021 (from August 1, 2020 to July 31, 2021)

(1) Non-consolidated operating results

(Percentage figures indicate year-on-year changes)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
July 31, 2021	32,792	59.9	5,125	209.9	5,109	212.4	3,237	183.1
July 31, 2020	20,508	71.9	1,653	581.9	1,635	593.5	1,143	555.9

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
July 31, 2021	378.82	378.24
July 31, 2020	142.93	-

Notes: 1. Diluted earnings per share for the fiscal year ended July 31, 2020 is not indicated, as the Company's shares were not listed and their average price during the fiscal year could not be determined, although there are dilutive shares.

2. Diluted earnings per share for the fiscal year ended July 31, 2021 is calculated by using the average share price for the period from the initial listing date to the end of the said fiscal year, deeming it to be the period-average share price, as the Company was listed on the Tokyo Stock Exchange Mothers on October 28, 2020.

3. The Company conducted a 20-for-1 stock split of its common shares as of August 29, 2020. In accordance with this, basic earnings per share for the fiscal year ended July 31, 2020 as well as basic earnings per share and diluted earnings per share for the fiscal year ended July 31, 2021 are calculated on the assumption that the stock split was conducted at the beginning of the fiscal year ended July 31, 2020.

(2) Non-consolidated financial position

As of	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
July 31, 2021	13,373	7,352	55.0	843.20
July 31, 2020	6,848	1,449	21.2	181.24

Reference:	Total shareholders' equity	
	As of July 31, 2021:	7,352 million yen
	As of July 31, 2020:	1,449 million yen

* The report on financial results is not subject to audit procedures by a certified public accountant or an auditing firm.

* Explanation regarding appropriate use of earnings forecasts, and other notes

The earnings outlook and other forward-looking statements contained in this document are based on information currently available to, and certain assumptions that are deemed to be reasonable by, the Company. Such statements are not intended as a promise by the Company that they will be achieved. Actual results may differ from the forecasts in this document due to various factors. For the conditions forming the assumptions used in forecasting earnings and precautions regarding the use of earnings forecasts, please refer to "1. Qualitative information on the fiscal year ended July 31, 2021, (4) Future outlook" on page 3 of the Attachment.

Contents of Attachment

1.	Qualitative information on the fiscal year ended July 31, 2021	2
	(1) Consolidated financial results	2
	(2) Consolidated financial position	2
	(3) Consolidated cash flows	3
	(4) Future outlook	3
2.	Basic principle on the choice of accounting standards	4
3.	Consolidated financial statements and major notes	5
	(1) Consolidated balance sheet	5
	(2) Consolidated statement of income and consolidated statement of comprehensive income	6
	Consolidated statement of income	6
	Consolidated statement of comprehensive income	7
	(3) Consolidated statement of changes in shareholders' equity	8
	(4) Consolidated statement of cash flows	9
	(5) Notes to consolidated financial statements	10
	(Notes on going concern assumption)	10
	(Segment information, etc.)	10
	(Per share information)	10
	(Significant subsequent events)	11

1. Qualitative information on the fiscal year ended July 31, 2021

(1) Consolidated financial results

In the consolidated fiscal year ended July 31, 2021 (the "current fiscal year"), the Japanese economy was hit by the re-spread of infection caused by a new COVID-19 variant, as the Tokyo Metropolitan Government made its fourth declaration of a state of emergency in early July 2021 immediately before the Tokyo Olympics. Although progress is underway toward containment of the pandemic through reinforced anti-epidemic measures and progress in vaccinations, economic activities stay suppressed and the outlook remains uncertain. The domestic cosmetics market continued to be affected by shortened business hours and shutdown of retail stores, voluntary restraint on outings, and a sharp decline in inbound tourist demand, although the mail-order business including e-commerce (EC) remained strong.

Under such circumstances, Premier Anti-Aging Co., Ltd. ("the Company") and its consolidated subsidiaries ("the Group") have promoted manufacture and sale of cosmetics products, centering on "The Cleansing Balm" series of the mainstay "DUO" brand while working to prevent the spread of COVID-19 infection through teleworking and off-peak commuting.

In the DUO brand, sales of "The Cleansing Balm Black Repair", which was launched in March 2021, continued to grow significantly, recording shipments of over 600,000 units*1 in a single month in July 2021. "The Cleansing Balm Black Repair" particularly matched the pore care needs of customers in their 20s, resulting in a large increase in the membership of the age group and causing a major change in the structure of the Company's customer base, which had been centered on people in their 30s and 40s. These factors also helped to boost sales of cleansing products. In the April 2020-March 2021 period, the Company secured the largest market share*2 in cleansing sales by company and by brand, for two consecutive years following the April 2019-March 2020 period.

In the "CANADEL" brand, which is being fostered as the second earnings pillar following the DUO brand, the Company aggressively implemented mass marketing, including TV commercials, in addition to new customer acquisition measures through digital marketing. As a result, sales of the CANADEL brand were 284.5% of the previous fiscal year's level.

Despite a temporarily slowdown in March and April 2021, acquisition of new customers in the mail-order sales channel made steady progress again in the fourth quarter (May - July) of the current fiscal year, allowing the Company to solidify its foothold for growth in the next fiscal year.

In wholesale sales, measures to heighten recognition through TV commercials gave a strong momentum, as the number of distribution outlets increased to approximately 16,000 for DUO and approximately 12,000 for CANADEL and sales grew significantly to stand at 217.7% of the year-earlier figure, strongly driving the Company's overall sales.

In the overseas business, the Company entered "618"*3, a large-scale Chinese e-commerce market, for the first time to sell "sitrana," the sensitive skin cosmetics brand, at the Tmall Flagship Store and "DUO," the anti-aging skincare brand, at the Tmall Global Flagship Store. A good start was made with the sitrana limited edition gift boxes, as the planned number of the boxes were sold out immediately after they went on sale.

As a result of the above activities, the Company posted net sales of 32,815,296 thousand yen, operating profit of 4,680,076 thousand yen, ordinary profit of 4,653,138 thousand yen and profit attributable to owners of parent of 2,793,627 thousand yen for the current fiscal year.

Note that descriptions by segment are omitted, as the Group has a single business segment engaged in manufacturing and sale of cosmetics.

*1 Includes mini-size products

*2 "Cleansing Survey (Share by Brand)," surveyed in June 2021, by TPC Marketing Research Corp.

*3 One of the largest EC sales in China, held for about two weeks around June 18 each year

(2) Consolidated financial position

Assets, liabilities and net assets at the end of the current fiscal year were as follows.

(Assets)

Total assets at the end of the current fiscal year amounted to 13,071,332 thousand yen.

Current assets totaled 12,479,879 thousand yen, mainly comprised of 6,061,056 thousand yen in cash and deposits, 3,399,564 thousand yen in accounts receivable - trade and 2,391,946 thousand yen in finished goods.

Non-current assets totaled 591,453 thousand yen, mainly comprised of 120,503 thousand yen in property, plant and equipment, 149,605 thousand yen in intangible assets and 321,343 thousand yen in investments and other assets.

(Liabilities)

Total liabilities at the end of the current fiscal year amounted to 6,168,215 thousand yen.

Current liabilities totaled 5,591,830 thousand yen, mainly comprised of 1,968,509 thousand yen in accounts payable - other, 1,721,202 thousand yen in income taxes payable and 810,024 thousand yen in accounts payable - trade.

Non-current liabilities amounted to 576,385 thousand yen, mainly comprised of 545,850 thousand yen in long-term borrowings.

(Net Assets)

Net assets at the end of the current fiscal year were 6,903,117 thousand yen, mainly comprised of 1,348,130 thousand yen in share capital, 1,348,130 thousand yen in capital surplus and 4,213,510 thousand yen in retained earnings.

As a result, the equity ratio stood at 52.8%.

(3) Consolidated cash flows

Cash and cash equivalents ("net cash") at the end of the current fiscal year amounted to 6,052,155 thousand yen. The status of cash flows and their factors during the fiscal year are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities in the current fiscal year amounted to 2,753,427 thousand yen. The major factors of cash inflows included recording of profit before income taxes of 4,653,064 thousand yen, while the major factors of cash outflows were increase in trade receivables of 894,849 thousand yen, increase in inventories of 713,366 thousand yen, decrease in trade payables of 253,687 thousand yen and income taxes paid of 804,903 thousand yen.

(Cash flows from investing activities)

Net cash used in investing activities in the current fiscal year amounted to 180,826 thousand yen. The major factors of cash inflows included proceeds from cancellation of insurance funds of 43,126 thousand yen, while the major factors of cash outflows were payments of leasehold and guarantee deposits of 121,042 thousand yen, purchase of intangible assets of 70,261 thousand yen and purchase of insurance funds of 16,423 thousand yen.

(Cash flows from financing activities)

Net cash provided by financing activities in the current fiscal year amounted to 1,584,830 thousand yen. The major factors of cash inflows were proceeds from issuance of shares of 2,666,260 thousand yen and proceeds from long-term borrowings of 330,000 thousand yen. The major factors of cash outflows were repayments of short-term borrowings of 1,050,000 thousand yen and repayments of long-term borrowings of 360,309 thousand yen.

(4) Future outlook

Looking ahead, amid the ongoing severe impact of COVID-19, the outlook of the economy is expected to remain uncertain due to concerns about the spread of infections via variants, although progress is underway toward containment of the pandemic through reinforced anti-epidemic measures and progress in vaccinations. In the domestic cosmetics market, meanwhile, the mail-order business including EC is expected to remain strong, given the stay-at-home demand in the face of the COVID-19 pandemic.

Under such circumstances, the Company anticipates to further expand the scale of the DUO brand by acquiring new subscription customers while expanding the age range of customers, and by raising awareness of its face washes as cross-selling products.

As for the CANADEL brand that is being fostered as the second earnings pillar, the Company anticipates to achieve further growth by working to increase the brand awareness through mass marketing including TV commercials, while efficiently implementing measures to acquire new customers through digital marketing.

In the overseas business (including overseas subsidiaries), the Company expects to increase sales by effectively implementing live commerce, etc., with an eye to the Chinese sales seasons as a target and by raising brand awareness of the "sitrana" brand.

With these endeavors, the Company expects to achieve consolidated net sales of 40,000 million yen, operating profit

of 6,000 million yen, ordinary profit of 6,020 million yen and profit attributable to owners of parent of 3,460 million yen for the fiscal year ending July 31, 2022.

Furthermore, as the Company will apply the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29), etc. from the beginning of the fiscal year ending July 31, 2022, the earnings forecast above indicates the amounts after applying the said accounting Standard, etc. and year-on-year changes are not indicated.

The earnings forecast and other forward-looking statements contained in this document are based on information currently available to, and certain assumptions that are deemed to be reasonable by, the Group. Actual results may differ from the forecast due to various factors. When COVID-19 will be contained and to what extent it will affect going forward may vary greatly, and the Company will promptly disclose any events that may affect the Group's business results.

2. Basic principle on the choice of accounting standards

The Group has adopted Japanese GAAP for accounting standards, in consideration of comparability of financial statements from period to period and between companies. As for the adoption of IFRS (International Financial Reporting Standards), the Group will appropriately consider it by taking into account the domestic and international circumstances.

3. Consolidated financial statements and major notes

(1) Consolidated balance sheet

(Thousands of yen)

	Current fiscal year (As of July 31, 2021)
Assets	
Current assets	
Cash and deposits	6,061,056
Accounts receivable - trade	3,399,564
Finished goods	2,391,946
Raw materials and supplies	307,203
Prepaid expense	183,217
Other	136,892
Total current assets	<u>12,479,879</u>
Non-current assets	
Property, plant and equipment	
Buildings, net	91,329
Vehicles, net	3,559
Tools, furniture and fixtures, net	18,016
Land	492
Construction in progress	7,104
Total property, plant and equipment	<u>120,503</u>
Intangible assets	
Software	115,648
Software in progress	27,445
Right to use facilities	6,511
Total intangible assets	<u>149,605</u>
Investments and other assets	
Leasehold deposits	124,551
Deferred tax assets	128,578
Investment securities	10,006
Long-term prepaid expenses	10,189
Insurance funds	41,058
Other	6,958
Total investments and other assets	<u>321,343</u>
Total non-current assets	<u>591,453</u>
Total assets	<u>13,071,332</u>
Liabilities	
Current liabilities	
Accounts payable - trade	810,024
Current portion of long-term borrowings	365,562
Accounts payable - other	1,968,509
Income taxes payable	1,721,202
Accrued consumption taxes	521,607
Provision for bonuses	53,925
Provision for point card certificates	59,642
Provision for sales returns	8,491
Other	82,864
Total current liabilities	<u>5,591,830</u>
Non-current liabilities	
Long-term borrowings	545,850
Asset retirement obligations	30,535
Total non-current liabilities	<u>576,385</u>
Total liabilities	<u>6,168,215</u>
Net assets	
Shareholders' equity	
Share capital	1,348,130
Capital surplus	1,348,130
Retained earnings	4,213,510
Treasury shares	(1,120)
Total shareholders' equity	<u>6,908,650</u>
Accumulated other comprehensive income	
Foreign currency translation adjustment	(5,533)
Total accumulated other comprehensive income	<u>(5,533)</u>
Total net assets	<u>6,903,117</u>
Total liabilities and net assets	<u>13,071,332</u>

(2) Consolidated statement of income and consolidated statement of comprehensive income
(Consolidated statement of income)

(Thousands of yen)

	Current fiscal year (From August 1, 2020 to July 31, 2021)
Net sales	32,815,296
Cost of sales	6,382,853
Gross profit	26,432,443
Reversal of provision for sales returns	5,935
Provision for sales returns	8,491
Gross profit - net	26,429,887
Selling, general and administrative expenses	21,749,810
Operating profit	4,680,076
Non-operating income	
Interest income	286
Surrender value of insurance policies	20,045
Miscellaneous income	1,348
Total non-operating income	21,680
Non-operating expenses	
Interest expenses	14,845
Listing expenses	22,051
Miscellaneous losses	11,721
Total non-operating expenses	48,618
Ordinary profit	4,653,138
Extraordinary losses	
Loss on retirement of non-current assets	73
Total extraordinary losses	73
Profit before income taxes	4,653,064
Income taxes - current	1,899,829
Income taxes - deferred	(40,392)
Total income taxes	1,859,436
Profit	2,793,627
Profit attributable to owners of parent	2,793,627

(Consolidated statement of comprehensive income)

(Thousands of yen)

	Current fiscal year (From August 1, 2020 to July 31, 2021)
Profit	2,793,627
Other comprehensive income	
Foreign currency translation adjustment	(5,533)
Total other comprehensive income	(5,533)
Comprehensive income	2,788,094
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	2,788,094
Comprehensive income attributable to non-controlling interests	-

(3) Consolidated statement of changes in shareholders' equity
 Current fiscal year (From August 1, 2020 to July 31, 2021)

(Thousands of yen)

	Shareholders' equity					Accumulated other comprehensive income		Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	15,000	15,000	1,419,883	-	1,449,883	-	-	1,449,883
Changes of items during period								
Issuance of new shares	1,333,130	1,333,130			2,666,260			2,666,260
Profit attributable to owners of parent			2,793,627		2,793,627			2,793,627
Purchase of treasury shares				(1,120)	(1,120)			(1,120)
Net changes in items other than shareholders' equity						(5,533)	(5,533)	(5,533)
Total changes of items during period	1,333,130	1,333,130	2,793,627	(1,120)	5,458,767	(5,533)	(5,533)	5,453,233
Balance at end of period	1,348,130	1,348,130	4,213,510	(1,120)	6,908,650	(5,533)	(5,533)	6,903,117

(4) Consolidated statement of cash flows

(Thousands of yen)

Current fiscal year
(From August 1, 2020
to July 31, 2021)

Cash flows from operating activities	
Profit before income taxes	4,653,064
Depreciation	44,029
Increase (decrease) in provision for sales returns	2,556
Increase (decrease) in provision for point card certificates	47,700
Interest income	(286)
Interest expenses	14,845
Decrease (increase) in trade receivables	(894,849)
Decrease (increase) in inventories	(713,366)
Increase (decrease) in trade payables	(253,687)
Increase (decrease) in accounts payable - other	319,331
Increase (decrease) in accrued expenses	18,741
Decrease (increase) in prepaid expenses	(116,930)
Other, net	451,040
Subtotal	3,572,189
Interest received	286
Interest paid	(14,144)
Income taxes paid	(804,903)
Net cash provided by (used in) operating activities	2,753,427
Cash flows from investing activities	
Decrease (increase) in time deposits	(1,200)
Purchase of property, plant and equipment	(4,870)
Purchase of intangible assets	(70,261)
Payments of leasehold and guarantee deposits	(121,042)
Purchase of insurance funds	(16,423)
Proceeds from cancellation of insurance funds	43,126
Purchase of investment securities	(10,006)
Other, net	(147)
Net cash provided by (used in) investing activities	(180,826)
Cash flows from financing activities	
Increase (decrease) in short-term borrowings	(1,050,000)
Proceeds from long-term borrowings	330,000
Repayments of long-term borrowings	(360,309)
Proceeds from issuance of shares	2,666,260
Purchase of treasury shares	(1,120)
Net cash provided by (used in) financing activities	1,584,830
Net increase (decrease) in cash and cash equivalents	4,157,431
Cash and cash equivalents at beginning of period	1,894,719
Effect of exchange rate changes on cash and cash equivalents	4
Cash and cash equivalents at end of period	6,052,155

(5) Notes to consolidated financial statements

(Notes on going concern assumption)

Not applicable.

(Segment information, etc.)

(Segment information)

The information is omitted as the Group has a single business segment engaged in manufacture and sale of cosmetics.

(Per share information)

	Current fiscal year (From August 1, 2020 to July 31, 2021)
Net assets per share	791.65 yen
Basic earnings per share	326.87 yen
Diluted earnings per share	326.38 yen

Notes 1. The Company conducted a 20-for-1 stock split of its common shares as of August 29, 2020. In accordance with this, basic earnings per share and diluted earnings per share are calculated on the assumption that the stock split was conducted at the beginning of the fiscal year ended July 31, 2021.

2. Diluted earnings per share for the current fiscal year is calculated by using the average share price for the period from the initial listing date to the end of the current fiscal year, deeming it to be the period-average share price, as the Company was listed on the Tokyo Stock Exchange Mothers on October 28, 2020.

3. The basis for calculating net assets per share is as follows.

(Thousands of yen)

	Current fiscal year (As of July 31, 2021)
Total net assets	6,903,117
Amount deducted from total net assets	-
Net assets related to common shares at the end of the period	6,903,117
Number of common shares used in the calculation of net assets per share at end of period	8,719,911 shares

4. The basis of calculating basic earnings per share and diluted earnings per share is as follows.

(Thousands of yen)

	Current fiscal year (From August 1, 2020 to July 31, 2021)
Basic earnings per share	
Profit attributable to owners of parent	2,793,627
Amount not attributable to common shareholders	-
Profit attributable to owners of parent for common shares	2,793,627
Average number of common shares during period	8,546,495 shares
Diluted earnings per share	
Adjustment to profit attributable to owners of parent	-
Increase in the number of common shares	12,981 shares
(Of which, share subscription rights)	(12,981 shares)
Description of dilutive shares not included in the calculation of diluted earnings per share due to the absence of dilutive effects	-

(Significant subsequent events)

Not applicable.