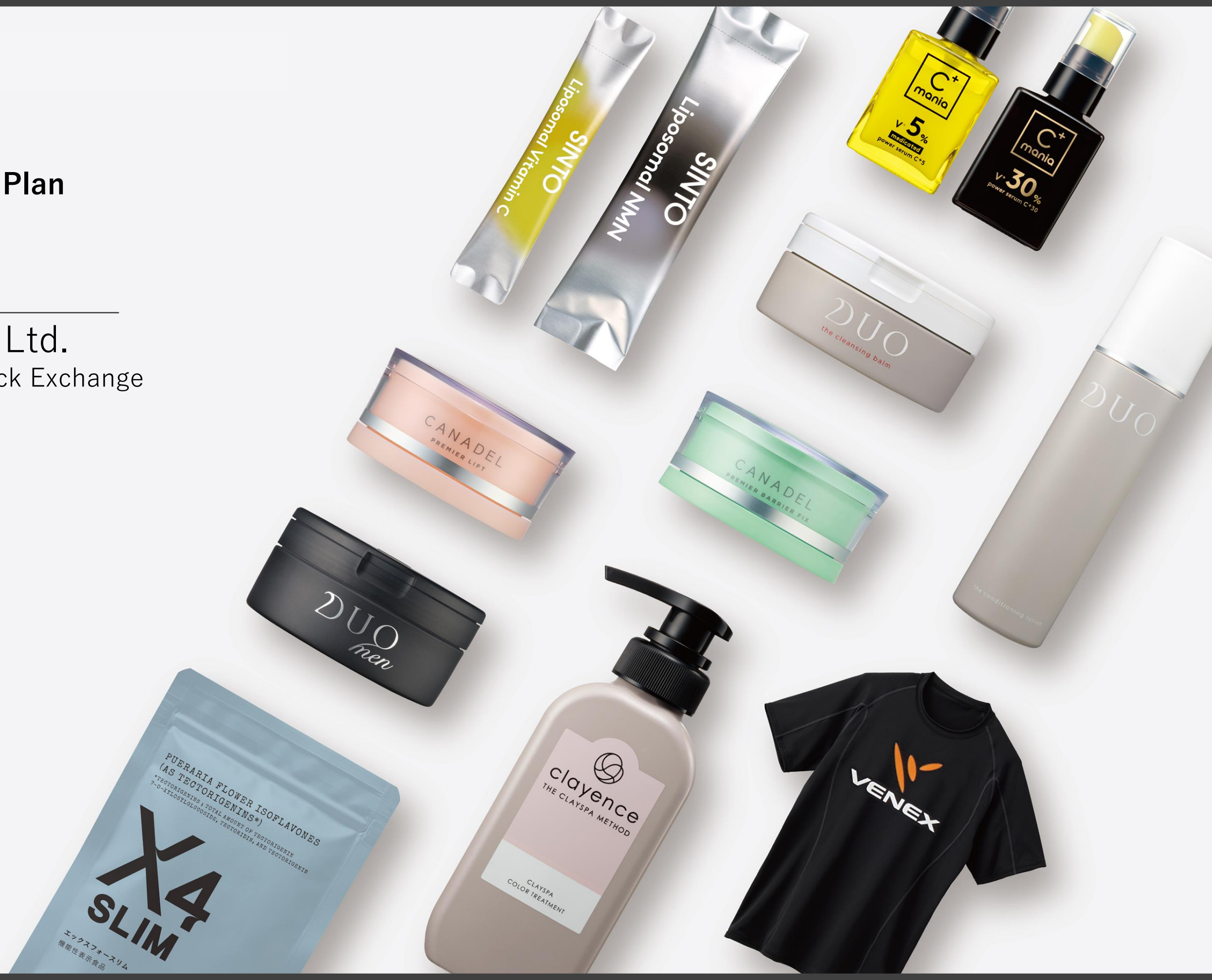


# PREMIER ANTI-AGING

Medium-Term Management Plan  
2024-2027 +Beyond  
2023. 9. 14

Premier Anti-Aging Co., Ltd.  
Securities code : 4934 Tokyo Stock Exchange



- 01 Executive Summary
- 02 Review of past results  
FY23-24 : Structural reform
- 03 FY25-27 : Growth Strategy
- 04 +Beyond : Mid-to-long term Vision
- 05 Sustainability

# 01 | Executive Summary

Define the four-year management plan (2024-2027) and mid-to-long term vision (+Beyond) as follows

**2024-2027**

**Commit to Unique Value  
Return to sustained growth**

We are committed to providing our Unique Value, a core strength of our company. After addressing challenges and undergoing structural reforms, we'll advance our growth strategies to return to a sustained growth.

**Financial KPIs**

**Consolidated net sales 40 billion yen**

**Consolidated operating profit margin 10%+**

**Capital ratio 50%+**

**ROE 12%-15%**

**Business KPIs**

**Number of members , Number of active members , Cross-sell customer ratio , New Business Sales, Ratio Inventory Net Asset Ratio, etc. Set targets sequentially**

**+Beyond**

**Progress to an Anti-Aging Company**

In the 100-year life era, we aim to be a platform that addresses challenges in the Anti-Aging sector.

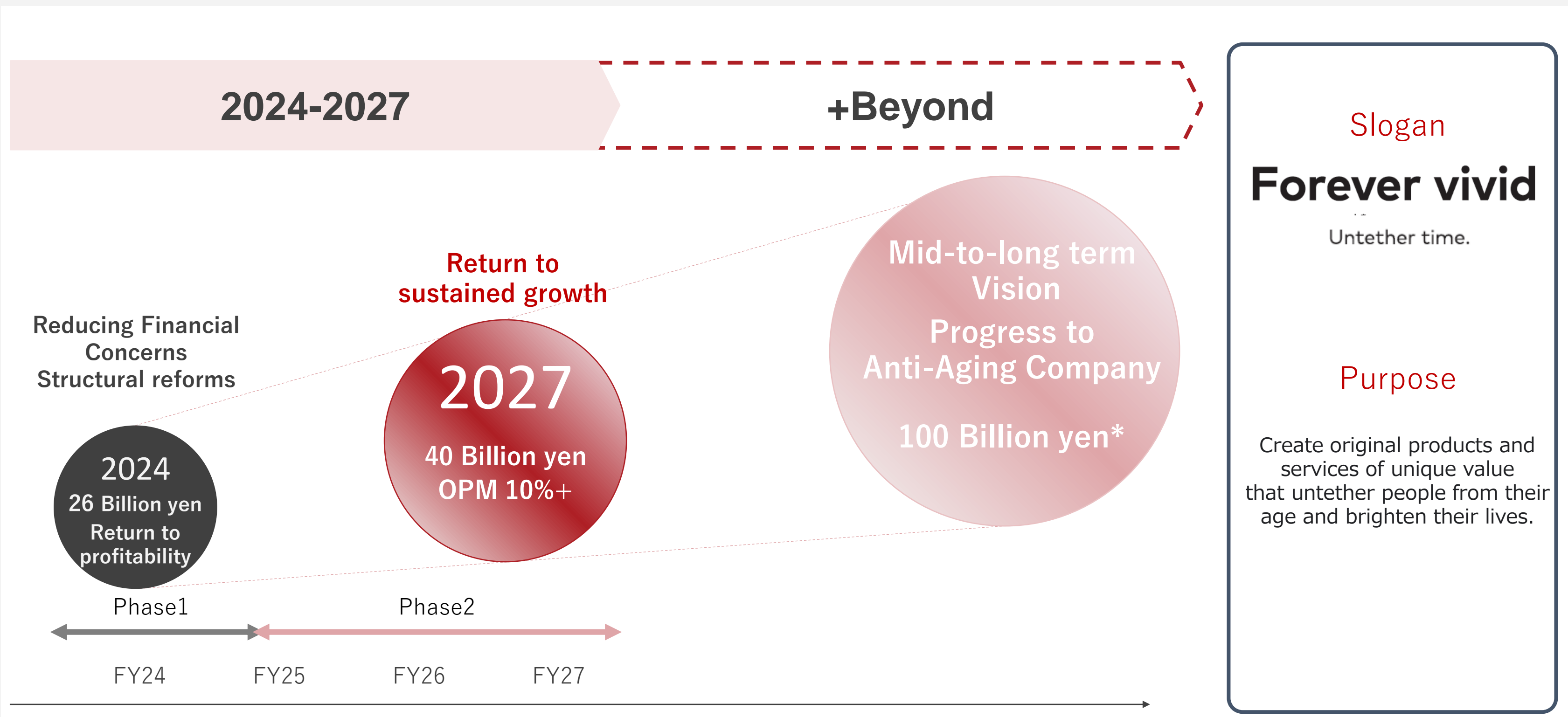
**Financial KPIs\***

**Consolidated net sales 100 billion yen**

**Consolidated operating profit margin 10% keep**

\*This financial KPI serves as a guiding principle for our company's mid-to-long term management objectives and does not represent a specific plan.

After undergoing structural reforms, we'll advance our growth strategies to return to a sustained growth



\*This financial KPI serves as a guiding principle for our company's mid-to-long term management objectives and does not represent a specific plan.



We are committed to providing our Unique Value, a core strength of us

## Commit to Unique Value

Our new medium-term management plan is guided by the principle “Commit to unique Vale”.

Following our stock listing in 2020, every aspect of our business and organization has been continuously expanding in pursuit of high growth targets. However, in emphasizing growth in scale, there were times we overlooked our commitment to the strengths that have been with us since our founding.

We feel that as a company, we are now entering a new growth phase.

To become a company that achieves sustained growth beyond this new phase, we reflected on our management to date, reassessed the managerial assets we've built, and confronted each challenge we must overcome.

We realized that to rebuild our company, capable of advancing as a united front toward the future we envision, it's essential to return to our roots and refocus on Unique Value, which has been the source of our strength and growth.

As we navigate through this new phase and changes, we will continue to grow as a sustainable company and contribute to society.

To further align our vision with stakeholders and drive greater growth, we've established a new CI

## Slogan

# Forever vivid

とき  
人の時間を、解き放つ。

Untether time.

## Logo



PREMIER ANTI-AGING

# Wonder Watch

とき  
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.

## 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.

## Promises

### 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.

Reconceptualizing what's Unique Value

## Unique Value

**Creating precious moments for people.  
Using surprising ideas and methods that are not  
bound by common sense or precedent.**



Commit to Unique value throughout the organization by defining 4 Criteria and incorporating them into operations

## Defining 4 Criteria

**01**

**Discover unmet needs  
(Unique needs)**

**02**

**Solution is Unique**

**03**

**Unique Brand Strategy**

**04**

**customers perceive  
as Unique**

What kind of Unique do we seek to realize ?

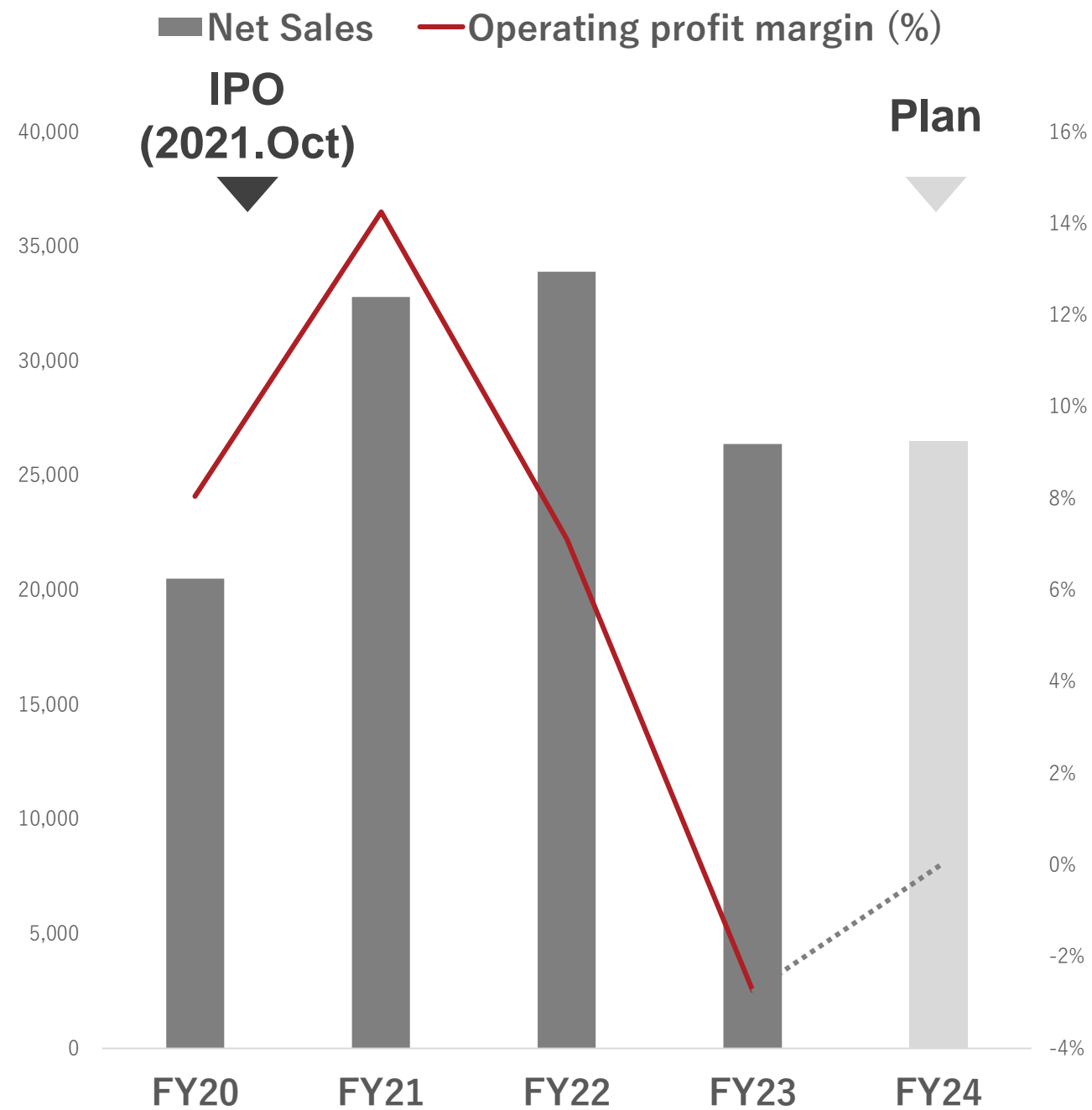
How do our customers feel ?



# 02 | Review of past results FY23-24 : Structural reform

# Review of past

Aggressive investment of capital acquired through DUO's growth to expand business scale at an early stage



## Past management theme

1. Continued growth of DUO brand and cultivation of new brands
2. Sales growth through expansion of Channel (wholesale and overseas)
3. Expansion of SKU lineups for each brand to meet diverse needs
4. Establish an organizational foundation that can withstand rapid expansion

In the process of growth, we have built some assets that will serve as the foundation of our business going forward

## Our Management Assets

### 1. Brand Portfolio

With DUO and CANADEL leading the way, we've launched numerous new brands  
Sales from brands other than DUO represent about 35%

### 2. Diverse Channels Centered on wholesale

Achieved a multi-faceted channel combining both online sales and wholesale.  
Successfully created a model seamlessly linking brands originated online to their next growth stage in wholesale

### 3. Membership Assets

A foundation supporting our sustainable growth. We are grateful to our over 3.8 million members, enabling continuous dialogue with highly responsive customers for new product development and improvements to existing products

### 4. Platform Evolution (Entry into New Area & Cross-branding)

Acquired the recovery wear brand Venex  
Launched new inner-care brands SINTO and X  
Continued growth in cross-utilization between brands

# Assets 1. Brand Portfolio

We have proposed various Unique Values and solutions in the field of Anti-Aging

DUO

Skin Care



CANADEL

Skin Care



clayence

Hair Care



DUO  
men

Men's  
Skin Care



VENEX

Recovery  
Wear



SINTO

Inner Care



X

Inner Care



C<sup>+</sup>mania

Skin Care





# Assets 2.Channel / 3.Membership / 4.Platform

Steadily built up each asset as a foundation for growth

## Diverse Channels Centered on wholesale

Expanding channels as a mechanism to create brands and grow into major players through mail order.

Ratio of non-mail order sales to total sales



## Membership Assets

Memberships for each brand have accumulated and grown into a large membership base for the Company as a whole.

Number of membership



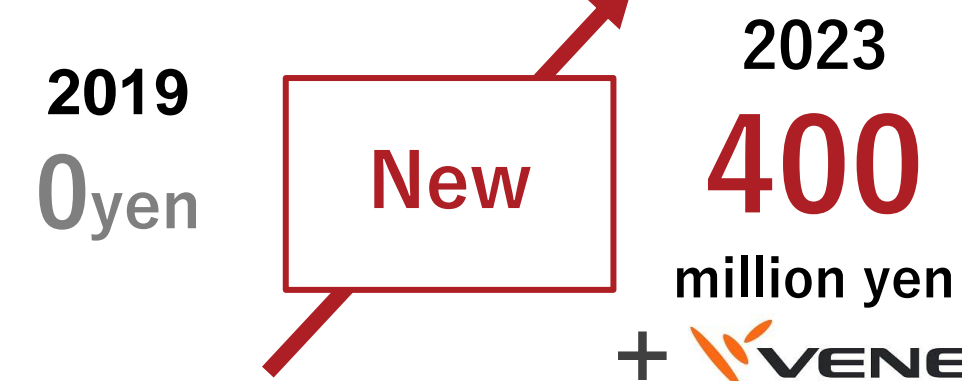
## Platform Evolution

Continued growth of cross-use among brands and categories. Entry into new business areas.

Ratio of cross-selling customers



New business areas Total sales





## Progress in addressing issues from FY23 to FY24

### Issues

1. Emphasis on sales expansion measures, assuming the continuation of rapid growth.
2. Brakes on the traditional growth model centered on new acquisitions due to the intensifying market competition for DUO.
3. Organizational communication loss resulting from rapid expansion.
4. Insufficient penetration of core values and the mid-to-long term vision within the organization.

### Initiatives

- Developing KPIs other than sales, such as investment discipline
- Reduce Financial Concerns incurred as a result of past
  
- Reinforce DUO brand
- Rebalanced new acquisitions and increased investment in continuing customers
  
- Improve information distribution within the organization combined with evaluation
- Organizational culture penetration project
  
- Establishment of new corporate identity
- Establishment of mid-term management plan and rolling planning

# Reducing Financial Concerns

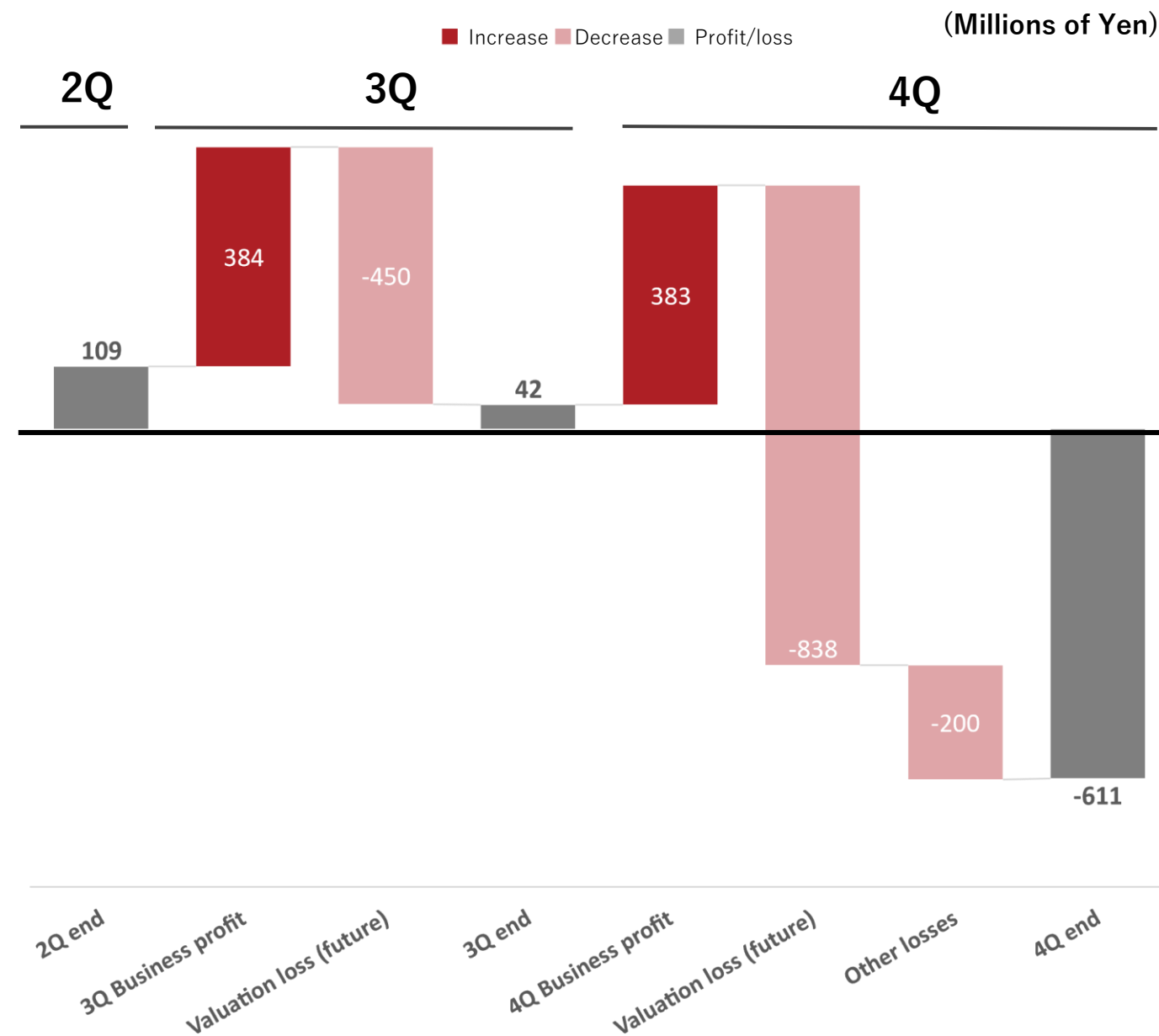
Finished reducing Financial Concerns, and established a starting point for re-growth by company-wide reforms

## Analysis of FY2023 Operating profit/loss fluctuation factors

## Starting point at FY24

### Measures for financial soundness

- Valuation loss due to inventory optimization
- Eliminate financial concerns (review of some new businesses, etc.)
- Merger of Premier Wellness Science, etc.



Net sales 26 billion yen  
Return to profitability

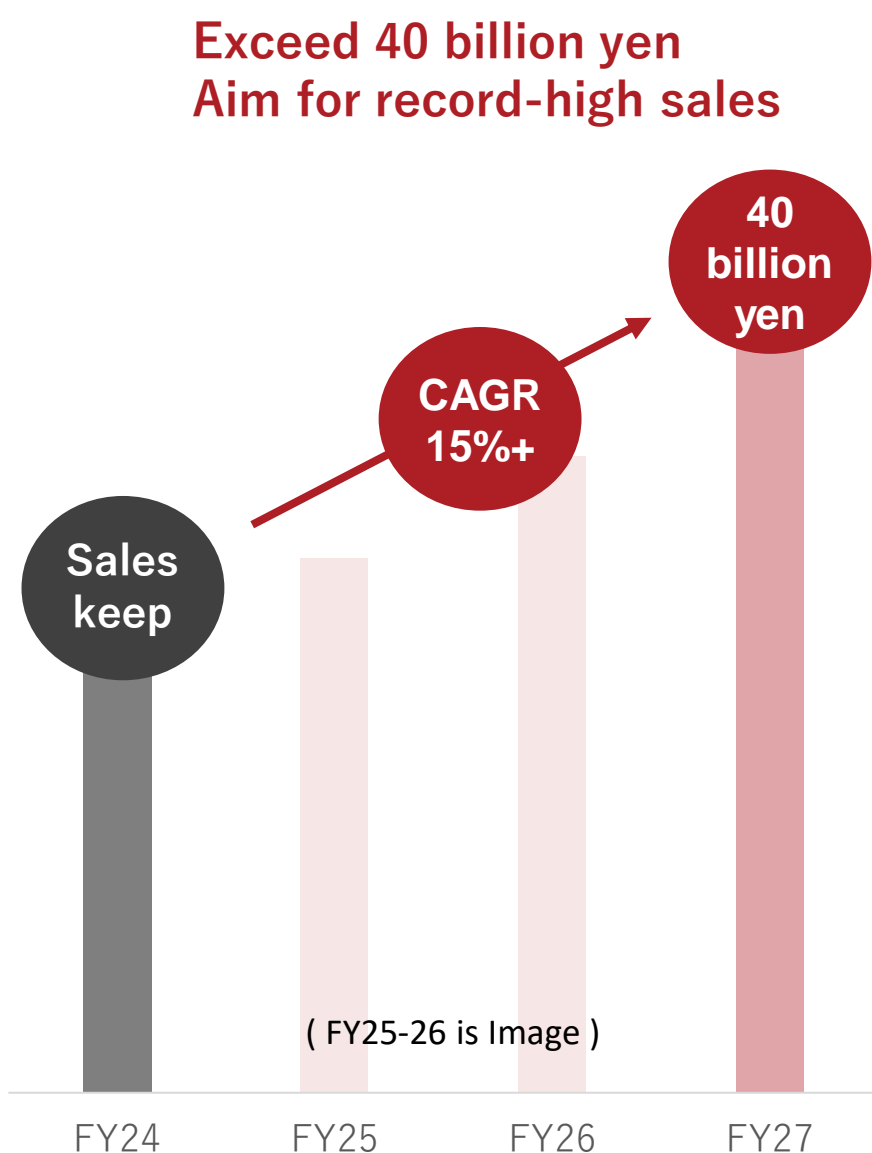
- Maintain sales at current level
- Invest in structural reforms and growth in FY25
- Reduction completed by FY23

# 03 | FY25-27 : Growth Strategy

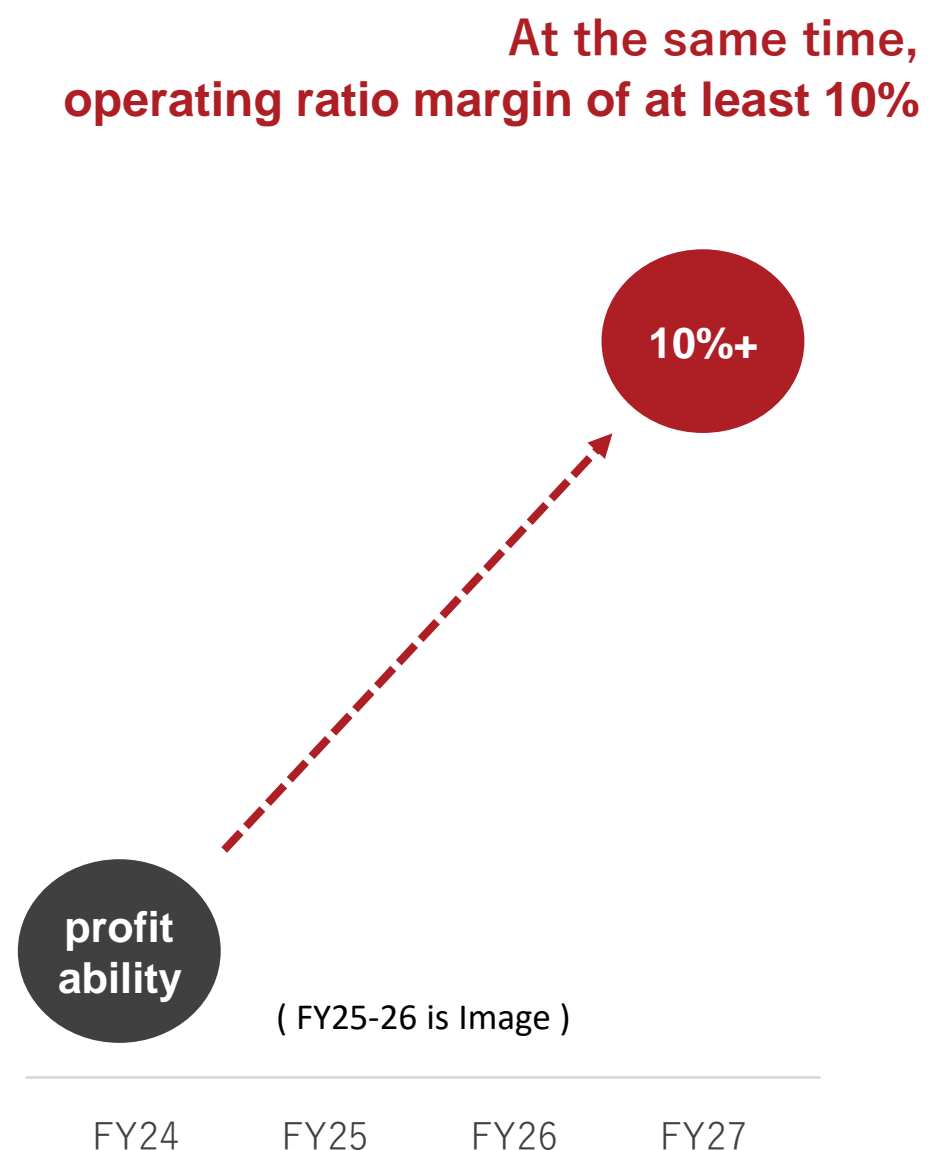
# Four-Year Business Plan Overview

Finish structural reforms in FY24. Return to sustained growth in the latter 3 years

## Consolidated net sales



## Consolidated operating profit margin



2024

We will continue from FY23 to reduce Financial Concerns and advance structural reforms. At the same time, we'll focus on revisiting our strengths and invest energy into preparations for returning to sustained growth.

2025  
|  
2026

Through FY24, we are committed to our reform guidelines, strengthening existing brands and investing in new business.

2027

We are meeting our financial KPIs, establishing a foundation for group-wide growth, and progressing towards becoming an Anti-Aging company.

Grow our three main brands and build on them to create new growth areas

## Four-Year Growth Image

New Brands & New area (Venex + ) : Develop new growth areas in Anti-Aging



- We're grooming brands we see as the next big growth areas.
- Venex is ramping up its marketing with help from the group. As a leader in recovery wear, we are looking for it to grow beyond our company's usual growth rate.
- We're making the most of our business assets and moving ahead with partnership strategies, like M&As, to tap into new growth fields.

New Brands & Area  
**11 billion yen**

+

Three Major Brands : Foundation for Our Growth



- DUO is focusing on boosting its top brand in the market, rolling out high-value new products, and expanding globally.
- CANADEL and clayence are honing in on strengthening their unique positions and upping their profitability.

Major Brands  
**29 billion yen**

# Three Strategies

We aim to achieve growth by integrating three strategies





## Aim to further strengthen brands that embody Unique Value

### Skin care Market in Japan

While there was a decline due to the impact of the novel coronavirus, the demand for makeup has gradually shown signs of recovery due to increased inbound demand and more opportunities to go out. However, with the increase in time spent at home and a limited interaction lifestyle, the recovery and growth remain constrained. Given the deflationary impact and the altered lifestyle making beauty expenditures challenging, there's a pressing need to carve out new markets such as those aimed at men or seniors.

## DUO

### Unique

- Not just for removing makeup, our product leaves the skin moisturized and radiant.
- We are a pioneering brand in the cleansing balm market.

### Market

- The cleansing balm market is witnessing intensified competition as numerous similar products are launched.
- Due to aggressive price competition, the overall market size is on a slight decline.

### Strategy

**01**  
We aim for a reinvigoration of brand value, refining its added value even further.

**02**  
We're leading the charge in the development of new products to drive growth in the cleansing balm market.

**03**  
We're embarking on a challenge to become a global brand, with an emphasis on overseas expansion.

## CANADEL

### Unique

- In the all-in-one market primarily for those over 60, we've managed to carve a new niche supported by the 40-50 age group, owing to our high-quality and stylish branding.

### Market

- The all-in-one market, having moved past its rapid growth phase, continues to grow at a steady rate.
- The 'all-in-one' category strongly resonates with the senior and time-saving comprehensive product segment, though its functional positioning isn't always clearly defined.

### Strategy

**01**  
We continually strive to bolster our unique position primarily for the 40-50 age demographic

**02**  
We are focusing on improving our profit structure and reinforcing brand cross-use.

**03**  
We are driving the development of new products that pursue added functional value beyond the all-in-one capability.

Aiming to discover, create, and nurture brands that embody Unique values



**Unique**

- A haircare brand that combines the beauty benefits of clay with science, envisioned as a "Clay Spa" for hair and scalp aging care.
- Developed by hair professionals, it offers easy and beautiful gray hair coloring and a series for fundamental scalp care targeting thinning hair.

**Market**

- The market for gray hair color treatments is expected to grow with the aging trend. Post-COVID, there's a shift from self-use to salon treatments. Scalp care follows a similar trend.
- Due to its growth with direct sales brands, there's a surge in entries by direct sales players, intensifying competition for acquisition ads.

**Strategy**

01 We're amplifying our message on the allure of the "clay" ingredient and its user experience.

02 Expanding more into adjacent markets like the women's scalp sector.

03 Broadening our product lineup to offer a phased experience for users and promote cross-usage.

**New Brands**



Coming Soon

**Unique**

We're launching unique brands for male skincare, high-concentration Vitamin C, inner care, and other growth markets, targeting Anti-Aging platforms.

**Strategy**

Following our brand development model, we efficiently nurture brands by selecting channels based on their growth stage. We aim to expand into mass advertising and other channels for growth investment.



**Group Company**

**Unique**

- The Pioneer in recovery wear, embraced by top athletes and celebrities.
- Using PHT fibers containing nano-platinum (patented) in all items.
- A high-value-added manufacturer, has earned certification as a general medical device.

**Market**

The recovery market is growing. Major manufacturers and DtoC brands are entering, but amid fierce competition, we consistently expand as a market-leading high-brand, offering proven functionality based on evidence.

**Strategy**

- 01 Solidify our high-end recovery position and increase customer touchpoints.
- 02 Strengthen group collaboration through mass ant digital marketing.

Implement strategies optimized for the changing environment of each channel

## Mail order / EC

### Market

While the DtoC/EC market grows, rising competition from more entrants has intensified. With diverse customer values and media, ad costs have surged. In this challenging environment, acquiring new customers and retaining existing subscribers become crucial.

### Strategy

- Shift to a subscription-based sales structure; enhance CRM for improved retention and LTV.
- Leverage multi-brand strategy and bolster cross-brand sales to raise customer value.
- Strengthen member community initiatives in planning and marketing.

## Wholesale

### Market

The retail market overall shows sluggish growth, affected by deflation. However, with inbound tourism rebounding, drugstores grow. Our brand doesn't always fit the main retail price range, but we collaborate with retailers for optimization.

### Strategy

- Shift from sell-in to sell-out; strengthen collaboration with retailers.
- Optimize customer touchpoints based on POS data to boost average store sales.
- Intensify joint marketing efforts with retailers.

## Overseas

### Market

With the domestic inbound market reviving, we aim to focus on key countries and regions. However, given the ongoing instability, the future remains uncertain.

### Strategy

- Concentrate on regions like China, Taiwan, and Southeast Asia, represented by Singapore.
- Emphasize brand localization in collaboration with local partners, mainly through cross-border EC.

## New channel

### Strategy

Collaborate with other companies to explore optimal channels tailored to brand stages and customer segments, like department stores, clinics etc.

Developing into new growth areas related to Anti-Aging with collaboration

## Basic approach to collaboration

With the aim of establishing an Anti-Aging platform, we will utilize and strengthen the managerial assets owned by our company

### Assets

- Brand Portfolio
- Diverse Channels Centered on wholesale
- Membership Assets
- Platform (Cross-using)

### Utilization

We fully utilize all of the managerial assets built by our company to discover and promote collaboration opportunities.

### Strengthening

Maximize co-creation for the establishment of an Anti-Aging platform.

## Basic approach to Capital Utilization

While maintaining the group's financial stability, we operate strictly based on various rules.

### Rules

- Maintain a capital adequacy ratio of 50%
- Maintain an ROE level of 12-15%
- Establish strict operating rules for M&As and new investments



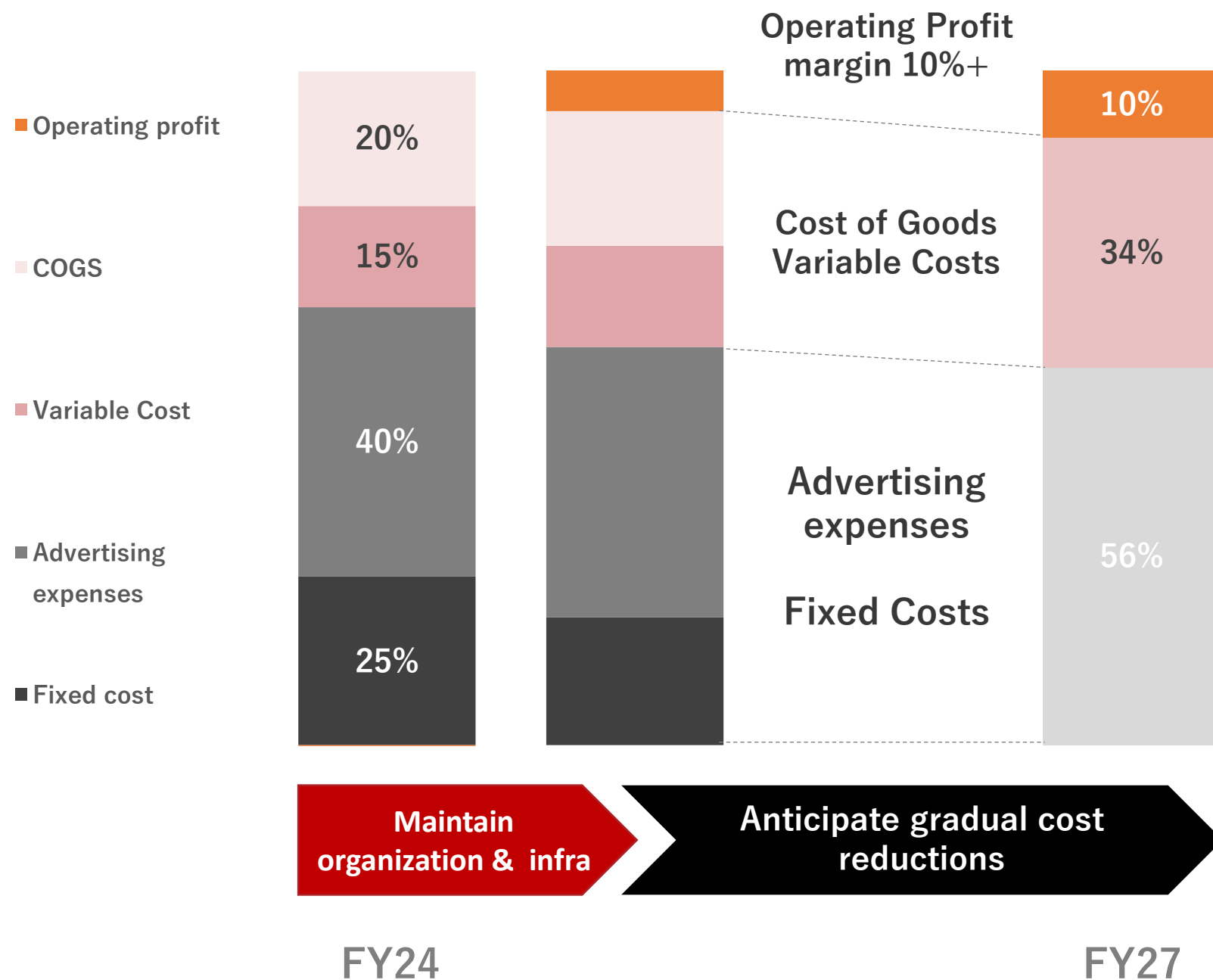
### M&A Case

- On January 31, 2023, we acquired all shares and Venex joined the group.
- Growing well ahead of the pre-M&A business plan since we advanced through the PMI phase by sharing group resources.

# Cost Structure Improvement

Progressively improving the cost structure, aiming to reach an operating profit margin of over 10% by FY27

Ratio of major cost items to sales FY24→FY27



## Basic approach to improvement of Cost

### Fixed Costs

(Organization, Outsourcing, IT System)

Considering that we have already been developing an organization and infrastructure based on the business scale anticipated for FY27, we will enhance overall organizational productivity and streamline system infrastructure.

### Advertising expenses

(Advertising, Customer Relations)

While we anticipate improved investment efficiency in promotional expenses, taking into account the balance between acquiring new members and investing in existing ones, we don't set any reduction target considering these as necessary investments for growth.

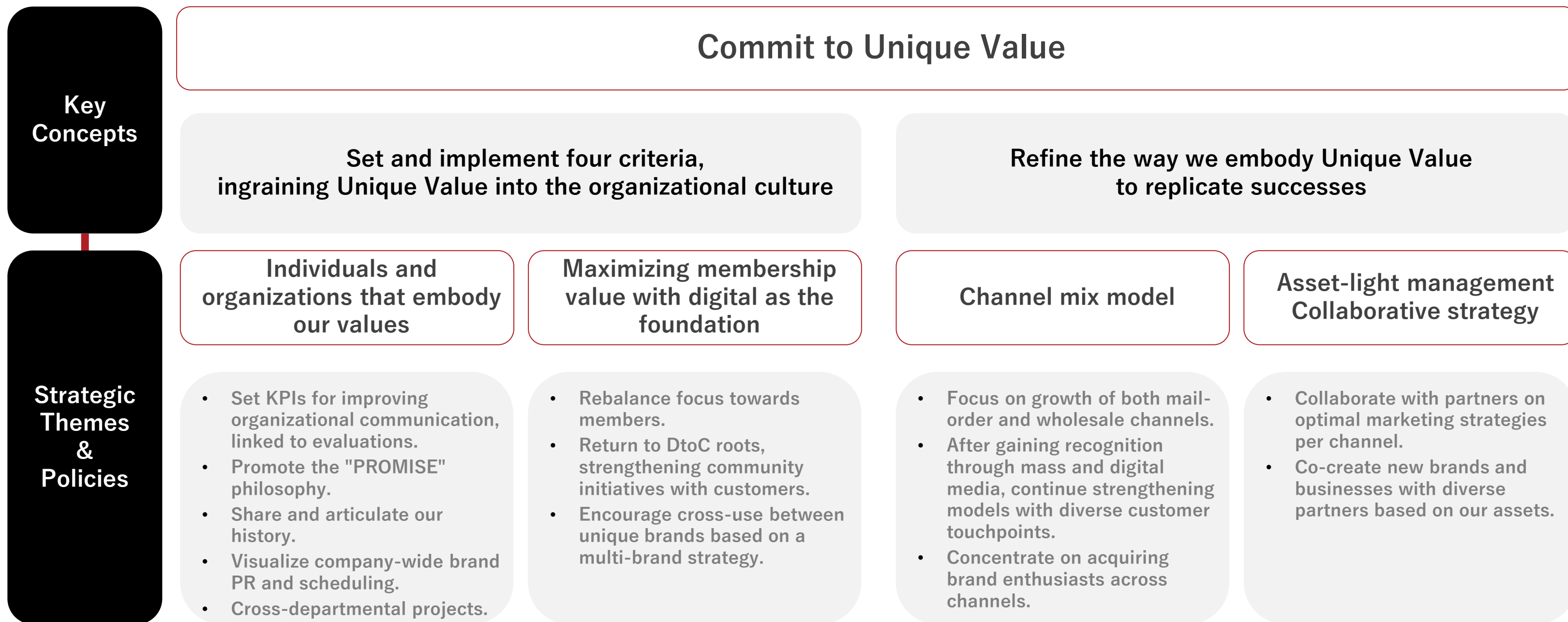
### Cost of Goods & Other Variable Costs

(Logistics, payroll, etc. )

Recognizing environmental changes, we are committed to rigorous cost control and optimization of deliveries, aiming for steady reductions.



Define the “Commit to Unique Value” initiative, as well as strategic key themes and enhancement policies



Polish our unique strengths leading to evolution into an Anti-Aging company



# 04 | +Beyond : Mid-to-long term Vision

# Progress to an Anti-Aging Company

Aiming to be an Anti-Aging company demanded in the 100-year life era

Understanding of Society & Era

We are entering an era termed the "100-year life", where average and healthy life expectancies are extending worldwide. As society embraces this unprecedented longevity, the meaning of age evolves with time. We believe that the most crucial element for maximizing societal happiness is for individuals to maintain their curiosity and continue to challenge themselves in society.

Corporate Identity

Slogan

Purpose

Promise

FY27 Target

Commit to Unique Value  
Return to sustained growth

+Beyond  
Progress to an  
Anti-Aging  
Company

## Anti-Aging Company

Unique brands responsible for addressing challenges across the Anti-Aging sector converge to create a platform trusted by those who, freed from the constraints of time, continue to take on challenges.

(Imagining the expansion in the Anti-Aging sector)

Inner care, recovery, regenerative medicine, wellness tourism, sleep and exercise, long-term societal engagement, finance, insurance, etc.

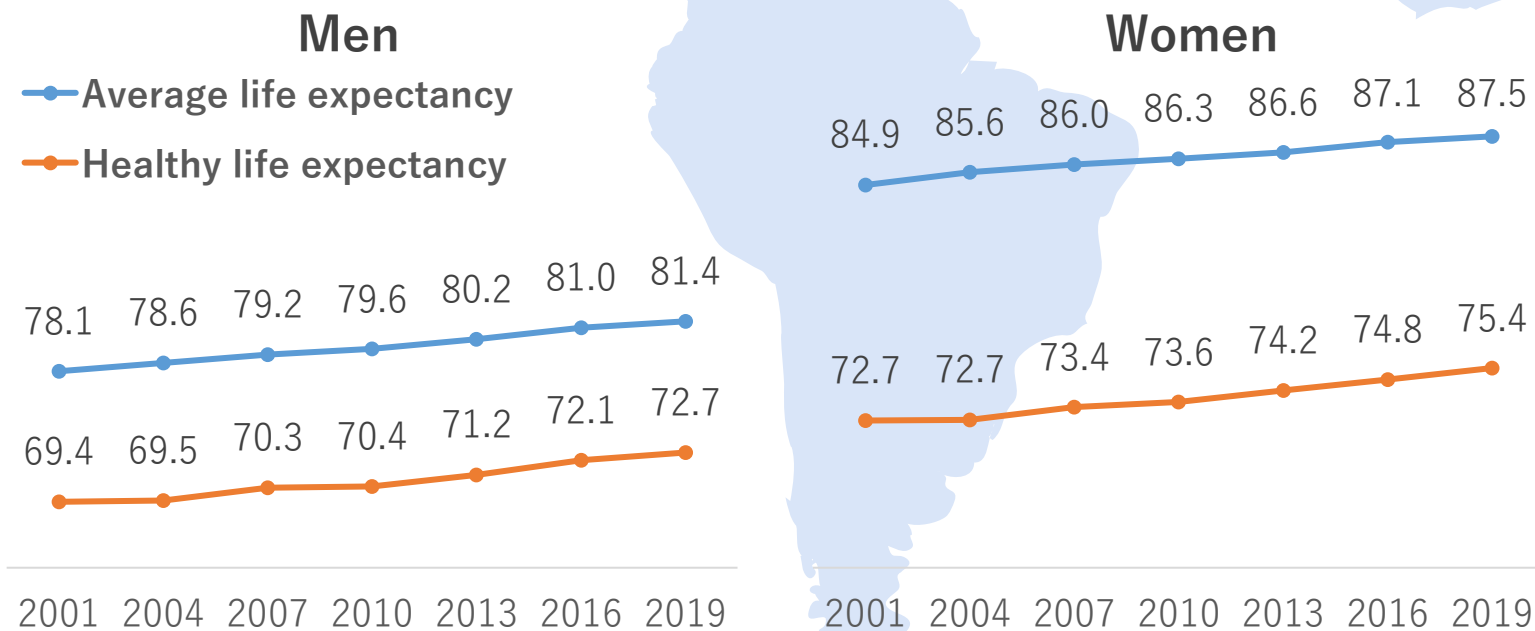
# Anti-Aging Market Potential (1/2)

With the increase in average and healthy life expectancies in Japan and other developed countries, we are confident that the Anti-Aging-related market will continue to grow

## Japan's Extension in Average and Healthy Life

In Japan, both average and healthy life expectancies for men and women have extended by an average of 3 years over approximately 20 years up to 2019. The Ministry of Health, Labor, and Welfare is progressing towards a target of a healthy life expectancy of over 75 years for both men and women by 2040 under its "Healthy Life Expectancy Extension Plan." The time people can live healthily is undoubtedly continuing to grow.

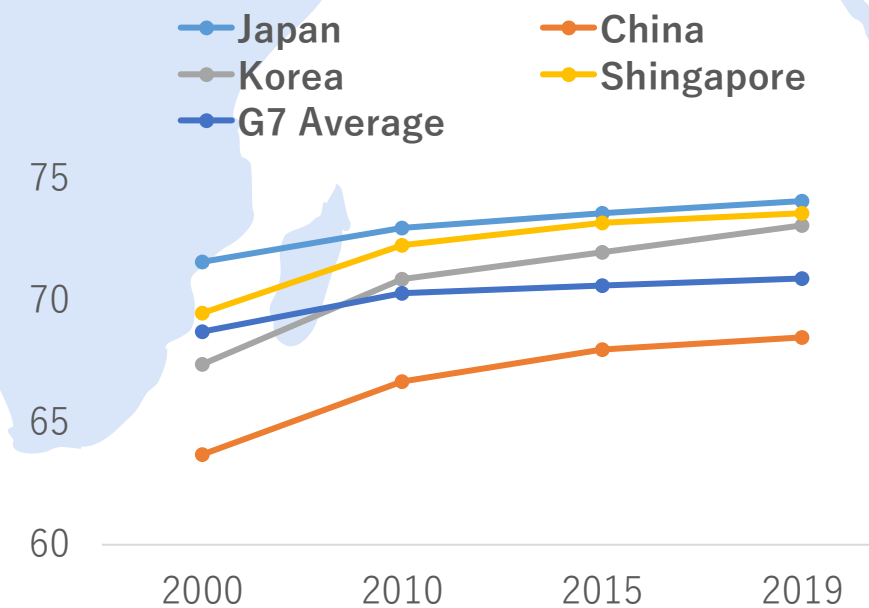
Changes in Average and Healthy Life Expectancies for Men and Women in Japan (2001-19)\*



## Rise in Healthy Life Expectancy

The healthy life expectancy continues to increase globally, especially in Asian countries where our company focuses, at a rate greater than Japan. As societies mature and research technologies advance, we anticipate further extensions in average and healthy life expectancies globally, pointing to even larger trends.

Changes in Healthy Life Expectancy in Each Country (2000-2019) \*\*



Healthy life expectancy growth rate and years (2000-2019) \*\*\*

Country	Growth rate	Growth year
Japan	3.5%	2.5
China	7.5%	4.8
Korea	8.5%	5.7
Singapore	5.9%	4.1
G7 average	3.2%	2.2

(Source)

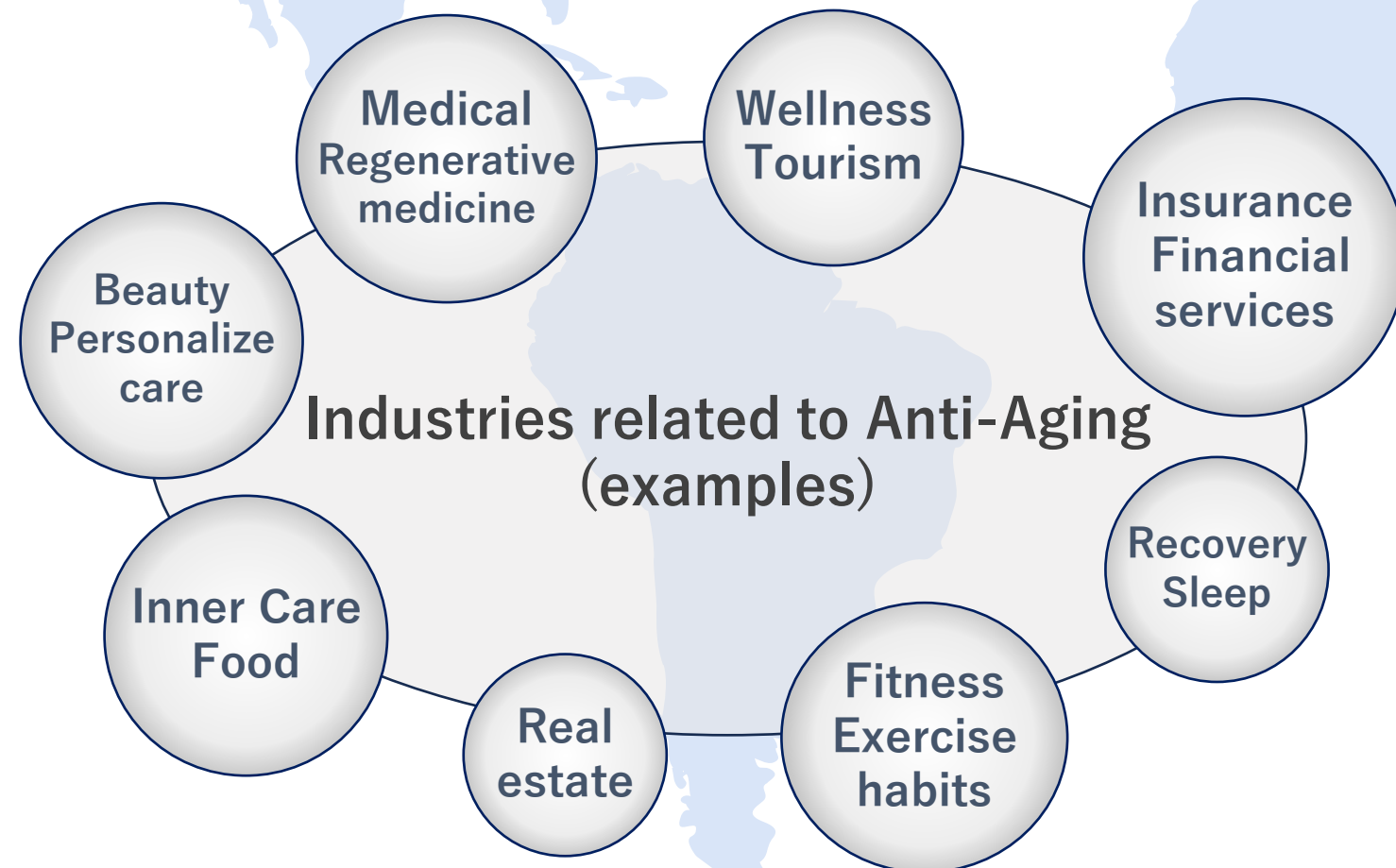
\*Based on the "Healthy Life Expectancy Extension Plan" by the Ministry of Health, Labor and Welfare and the "Trends in Average Life Expectancy and Healthy Life Expectancy" by the Ministry of Health, Labor and Welfare. \*\* \*\*\*Based on WHO Global Health Observatory data repository (Last updated: 2020-12-04).

# Anti-Aging Market Potential (2/2)

All industries will inevitably have to consider societal ageing, increasing its significance as a global societal challenge. Every industry will be involved in Anti-Aging

## All industries are involved in Anti-Aging

With Japan leading at 29%\*, ageing continues in major developed countries worldwide. By 2060, the global elderly population is expected to reach approximately 1.7 billion people (17.8%\*\*). Coupled with the trends in healthy life expectancy, this points to a significant global industry.



## Aging is Global Social Issue

### Aging is Disease

In 2019, the World Health Organization (WHO) added an "ageing-related" category to the International Classification of Diseases (ICD). The notion that "aging is a disease" is spreading from the medical world, and research and development towards its treatment are progressing everywhere.

### Societal Challenges to Be Addressed

#### UN Decade of Healthy Ageing (2021–2030)\*\*\*

The United Nations has set out four societal challenge themes related to ageing for the year 2030, with various countries, organizations, and businesses participating to address them.

1. combatting ageism
2. creating age-friendly environments
3. providing integrated care
4. ensuring access to long-term care when we need it

(Sources) \*Announced by the Ministry of Internal Affairs and Communications on April 12, 2023: Aging rate as of October 1, 2023.

\*\*Extract from 'World Population Trends, etc.', Cabinet Office. Elderly population: those aged 65 and over.

\*\*\*Based on information from WHO HP "Ageing" and UN Decade of Healthy Ageing (2021–2030), compiled by our company.

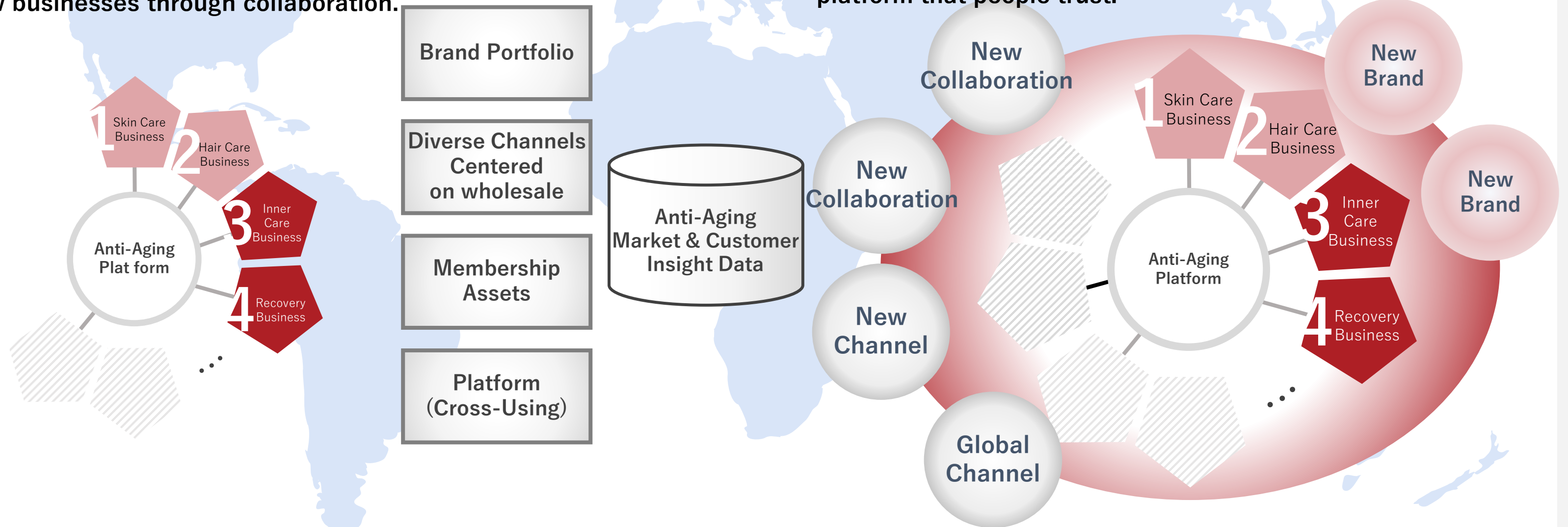
# Collaborative strategy to become an Anti-Aging Company

Amidst these irreversible trends, we aim to grow as a platform for solving Anti-Aging challenges



While establishing our foundation, we plan to grow our existing business portfolio and simultaneously create new businesses through collaboration.

By realizing collaboration across broader industries and channels, unique businesses and brands addressing comprehensive Anti-Aging challenges will gather, building a platform that people trust.



# 05 | 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.



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	End of July 2024
	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

- ✓ 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: IR Department, Corporate Communication Division

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



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