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December 14, 2022

## Consolidated Financial Results for the First Three Months of the Fiscal Year Ending July 31, 2023 (Under Japanese GAAP)

Company name: Premier Anti-Aging Co., Ltd.  
 Listing exchange: Tokyo Stock Exchange  
 Securities code: 4934  
 URL: <https://www.p-antiaging.co.jp/en>  
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 Scheduled date to file quarterly securities report: December 14, 2022  
 Scheduled date for commencing dividend payments: -  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly 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 first three months of the fiscal year ending July 31, 2023 (from August 1, 2022 to October 31, 2022)

#### (1) Consolidated operating results (cumulative)

(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	%
Three months ended								
October 31, 2022	7,391	(25.1)	(244)	-	(224)	-	(198)	-
October 31, 2021	9,865	-	2,074	-	2,132	-	1,320	-

Note: Comprehensive income Three months ended October 31, 2022: (194) million yen [ - %]  
 Three months ended October 31, 2021: 1,344 million yen [ - %]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended		
October 31, 2022	(22.71)	-
October 31, 2021	151.43	151.19

Note: Premier Anti-Aging Co., Ltd. ("the Company") started preparation of quarterly consolidated financial statements from the first six months of the fiscal year ended July 31, 2021. Accordingly, the rate of year-on-year change for the three months ended October 31, 2021 is not indicated.

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of			
October 31, 2022	12,483	8,153	65.3
July 31, 2022	12,300	8,348	67.9

Reference: Total shareholders' equity  
 As of October 31, 2022: 8,153 million yen  
 As of July 31, 2022: 8,348 million yen

## 2. Cash dividends

	Annual dividends per share				
	End of first quarter	End of second quarter	End of third quarter	Fiscal year-end	Total
Fiscal year ended July 31, 2022	Yen -	Yen 0.00	Yen -	Yen 0.00	Yen 0.00
Fiscal year ending July 31, 2023	-				
Fiscal year ending July 31, 2023 (Forecast)		0.00	-	0.00	0.00

Note: Revisions to the most recently announced cash dividends forecast: None

## 3. Consolidated earnings forecasts for the fiscal year ending July 31, 2023 (from August 1, 2022 to July 31, 2023)

(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, 2023	14,500	(19.3)	-	-	20	(99.1)	(60)	-	(6.88)
Full year	30,000	(11.5)	1,500	(37.9)	1,520	(40.9)	820	(42.4)	94.03

Note: Revisions to the most recently announced earnings forecasts: Yes

### \* Notes

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

(2) Adoption of accounting treatments specific to the preparation of quarterly consolidated financial statements: Yes

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

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

(Note) For details, please refer to "2. Quarterly consolidated financial statements and major notes (3) Notes to quarterly consolidated financial statements (Changes in accounting policies)" on page 7 of the attached document.

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

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

As of October 31, 2022	8,720,534 shares
As of July 31, 2022	8,720,534 shares

ii. Number of treasury shares at the end of the period

As of October 31, 2022	155 shares
As of July 31, 2022	155 shares

iii. Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended October 31, 2022	8,720,379 shares
Three months ended October 31, 2021	8,719,911 shares

\* The report on quarterly 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 for the first three months of the fiscal year ending July 31, 2023, (3) Forward-looking information including consolidated earnings forecasts" on page 3 of the Attachment.

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## **1. Qualitative information for the first three months of the fiscal year ending July 31, 2023**

### **(1) Consolidated financial results**

In the first three months of the consolidated fiscal year ending July 31, 2023, the Japanese economy saw gradual normalization of economic activities due to the spread of vaccines, and a gradual recovery in domestic consumer spending. On the other hand, prices of various consumer goods were being raised, making it difficult to predict the impact, including future consumption trends. Price hikes in a wide range of fields will hinder a full-fledged recovery in demand for consumer goods that rely heavily on preference, and it is expected that a full-fledged recovery in the domestic cosmetics market will continue to take time.

Under such circumstances, Premier Anti-Aging Co., Ltd. (“the Company”) and its consolidated subsidiaries (“the Group”) have been committed to “being unique” since its establishment and have promoted the expansion of anti-aging related business by launching multiple brands in new categories by combining our strengths in “product planning capability” and “marketing capability” with our “subscription sales model.”

Sales of the “DUO” brand decreased in both mail order and wholesale sales channels due to the calming down of the boom for record-setting “DUO The Cleansing Balm Black Repair” and the continued intensification of competition in the cleansing market and balm formulations. Although sales in the cleansing market as a whole is on a flattening trend, intensifying competition is driving a shift from balm formulations to oil and gel formulations. In addition, among balm formulations, “DUO” continued to struggle due to the introduction of a series of inexpensive balm products by competitors. Under these circumstances, the Company is trying to bolster sales by rolling out new TV commercials from September and launching a new product, “DUO The Cleansing Balm Hot.”

In the “CANADEL” brand, the Company has steadily increased sales of unique new products including “CANADEL Premier Zero” and “CANADEL Barrier Fix.” In the first three months of the previous fiscal year, new customer acquisitions were restrained due to the impact of advertising regulations. However, this fiscal year, we are actively investing in advertising and achieving a high level of new customer acquisitions. In September, we launched refill products, and from October, we are developing promotions centered on new commercials, aiming to expand to the main target segment of the all-in-one cosmetics market.

The “clayence” brand, launched in March, continued to attract new customers at a higher level than “DUO” and “CANADEL.” The Company expanded sales of “clayence” to retail outlets in line with the roll out of TV commercials in October, and completed distribution to 8,000 retail outlets by the end of October. Until the previous fiscal year, it was sold through mail order alone, but through a media mix strategy that utilizes mass marketing such as TV commercials, it has further increased its recognition, and sales is growing in both mail order and wholesale sales channels.

As a result of the above activities, net sales in the three months ended October 31, 2022 amounted to 7,391,604 thousand yen (down 2,474,145 thousand yen year-on-year), operating loss was 244,294 thousand yen (operating profit of 2,074,797 thousand yen in the same period of the previous year), ordinary loss was 224,861 thousand yen (ordinary profit of 2,132,204 thousand yen in the same period of the previous year), and loss attributable to owners of parent was 198,039 thousand yen (profit attributable to owners of parent of 1,320,414 thousand yen in the same period of the previous year).

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

### **(2) Consolidated financial position**

#### **(Assets)**

Total assets at the end of the first three months of the current fiscal year increased by 182,693 thousand yen from the end of the previous fiscal year to 12,483,140 thousand yen. The main factors of increase and decrease were as follows. Current assets increased by 48,454 thousand yen from the end of the previous fiscal year to 11,565,387 thousand yen. This was mainly due to a decrease of 343,523 thousand yen in accounts receivable - trade, an increase of 26,121 thousand yen in cash and deposits, an increase of 297,130 thousand yen in prepaid expense included in investments and other assets and an increase of 67,919 thousand yen in accrued consumption taxes.

Non-current assets increased by 134,238 thousand yen from the end of the previous fiscal year to 917,752 thousand

yen. This was mainly due to a decrease of 14,708 thousand yen in property, plant and equipment, an increase of 128,435 thousand yen in intangible assets due to investment in software, etc. and an increase of 20,511 thousand yen in investments and other assets due to deferred tax assets, etc.

(Liabilities)

Total liabilities at the end of the first three months of the current fiscal year increased by 377,433 thousand yen from the end of the previous fiscal year to 4,329,861 thousand yen. The main factors of increase and decrease were as follows. Current liabilities increased by 434,263 thousand yen from the end of the previous fiscal year to 3,654,804 thousand yen. This was mainly due to an increase of 663,932 thousand yen in accounts payable - other and a decrease of 390,000 thousand yen in short-term borrowings.

Non-current liabilities decreased by 56,830 thousand yen from the end of the previous fiscal year to 675,056 thousand yen. This was mainly due to a decrease of 57,004 thousand yen in long-term borrowings.

(Net Assets)

Net assets at the end of the first three months of the current fiscal year decreased by 194,740 thousand yen from the end of the previous fiscal year to 8,153,279 thousand yen. This was mainly due to loss attributable to owners of parent of 198,039 thousand yen.

As a result, the equity ratio was 65.3%.

### **(3) Forward looking information including consolidated earnings forecasts**

We have revised the first six months and full-year earnings forecasts for the fiscal year ending July 31, 2023, based on currently available information and forecasts, taking into consideration sales trends for cosmetics, the Group's main sales products, and the progress of our business performance in the first three months of the current fiscal year. For details, please refer to the "Notice Concerning Revision of Earnings Forecasts" separately released today (December 14, 2022)

## 2. Quarterly consolidated financial statements and major notes

### (1) Quarterly consolidated balance sheet

(Thousands of yen)

	As of July 31, 2022	As of October 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	2,973,269	2,999,390
Accounts receivable - trade	3,071,846	2,728,322
Finished goods	3,784,814	3,734,307
Raw materials and supplies	576,394	644,896
Other	1,110,607	1,458,469
Total current assets	11,516,933	11,565,387
Non-current assets		
Property, plant and equipment	110,246	95,538
Intangible assets	266,267	394,702
Investments and other assets	407,000	427,511
Total non-current assets	783,514	917,752
<b>Total assets</b>	<b>12,300,447</b>	<b>12,483,140</b>
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	435,845	765,489
Short-term borrowings	390,000	-
Current portion of long-term borrowings	322,114	295,656
Accounts payable - other	1,568,285	2,232,217
Income taxes payable	165,723	18,441
Provision for bonuses	18,607	27,223
Other	319,964	315,776
Total current liabilities	3,220,541	3,654,804
Non-current liabilities		
Long-term borrowings	701,114	644,110
Asset retirement obligations	30,772	30,946
Total non-current liabilities	731,886	675,056
<b>Total liabilities</b>	<b>3,952,427</b>	<b>4,329,861</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	1,351,544	1,351,544
Capital surplus	1,351,544	1,351,544
Retained earnings	5,622,227	5,424,188
Treasury shares	(1,313)	(1,313)
Total shareholders' equity	8,324,004	8,125,964
Accumulated other comprehensive income		
Foreign currency translation adjustment	24,016	27,314
Total accumulated other comprehensive income	24,016	27,314
<b>Total net assets</b>	<b>8,348,020</b>	<b>8,153,279</b>
<b>Total liabilities and net assets</b>	<b>12,300,447</b>	<b>12,483,140</b>

**(2) Quarterly consolidated statement of income and consolidated statement of comprehensive income**  
**(Quarterly consolidated statement of income)**  
(Three months ended October 31, 2022)

(Thousands of yen)

	Three months ended October 31, 2021 (From August 1, 2021 to October 31, 2021)	Three months ended October 31, 2022 (From August 1, 2022 to October 31, 2022)
Net sales	9,865,750	7,391,604
Cost of sales	1,941,531	1,644,503
Gross profit	7,924,218	5,747,100
Selling, general and administrative expenses	5,849,421	5,991,395
Operating profit (loss)	2,074,797	(244,294)
Non-operating income		
Interest income	432	440
Surrender value of insurance policies	35,693	-
Profit on currency exchange	26,317	19,442
Miscellaneous income	893	2,898
Total non-operating income	63,337	22,780
Non-operating expenses		
Interest expenses	4,313	3,083
Miscellaneous losses	1,616	263
Total non-operating expenses	5,930	3,347
Ordinary profit (loss)	2,132,204	(224,861)
Profit (loss) before income taxes	2,132,204	(224,861)
Income taxes - current	811,790	(26,821)
Profit (loss)	1,320,414	(198,039)
Profit (loss) attributable to owners of parent	1,320,414	(198,039)

**(Quarterly consolidated statement of comprehensive income)**

(Three months ended October 31, 2022)

(Thousands of yen)

	Three months ended October 31, 2021 (From August 1, 2021 to October 31, 2021)	Three months ended October 31, 2022 (From August 1, 2022 to October 31, 2022)
Profit (loss)	1,320,414	(198,039)
Other comprehensive income		
Foreign currency translation adjustment	24,013	3,298
Total other comprehensive income	24,013	3,298
Comprehensive income	1,344,427	(194,740)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,344,427	(194,740)



**(3) Notes to quarterly consolidated financial statements**

(Notes on going concern assumption)

Not applicable

(Notes when there are significant changes in amounts of equity)

Not applicable

(Application of accounting treatments specific to the preparation of quarterly consolidated financial statements)

(Calculation of income tax expense)

Income tax expenses are calculated by reasonably estimating the effective tax rate after applying tax effect accounting to profit before income taxes for the consolidated fiscal year, including the first three months under review, and multiplying profit (loss) before income taxes by the estimated effective tax rate. However, if tax expenses calculated using the estimated effective tax rate result in significantly lacking rationality, the statutory effective tax rate is used.

(Changes in accounting policies)

(Application of implementation guidance on accounting standard for calculation of fair value and others)

The "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021, the "Implementation Guidance on Accounting Standard for Fair Value Measurement"), is applied from the beginning of the first three months of the current fiscal year, and in accordance with the transitional treatment set forth in Paragraph 27-2 of the Implementation Guidance on Accounting Standard for Fair Value Measurement, the Group has decided to apply prospectively the new accounting policies established by the Implementation Guidance on Accounting Standard for Fair Value Measurement. This change has no impact on the quarterly consolidated financial statements.

(Segment information, etc.)

(Segment information)

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