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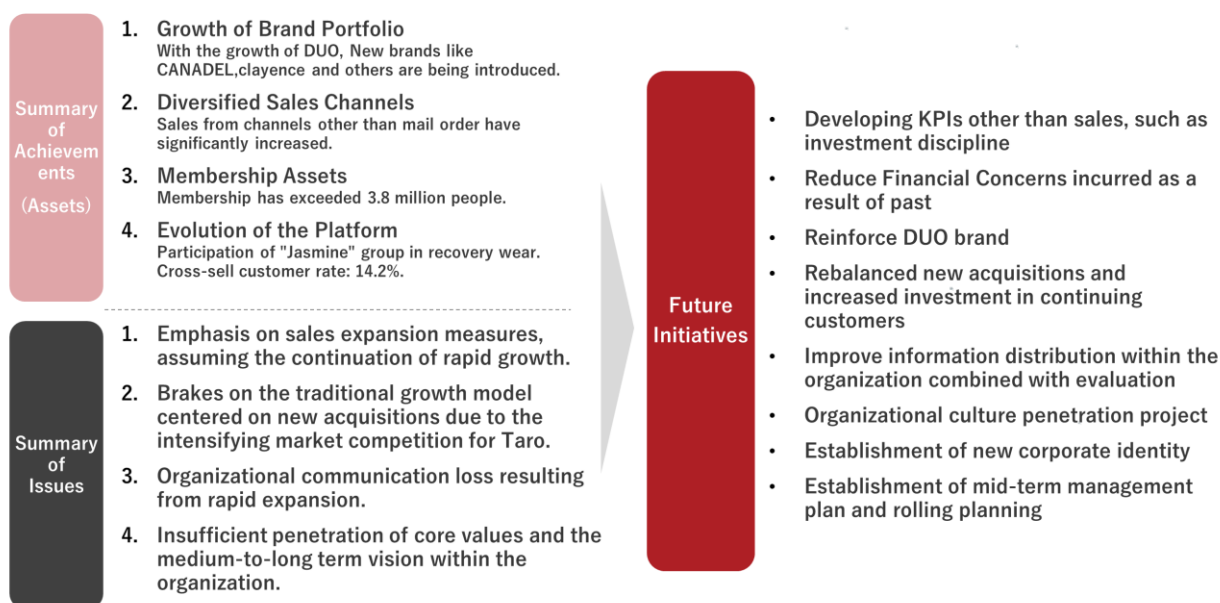
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Announcement on Formulation of Medium-Term Management Plan [2024-2027+Beyond]

We are pleased to announce that our company has formulated a medium-term management plan. It consists of a four-year plan and a mid-to-long term vision.

1. Review of past results

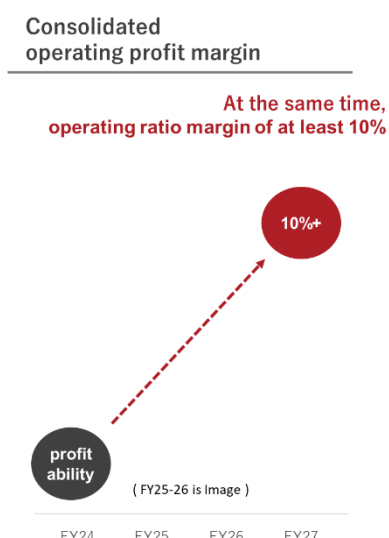
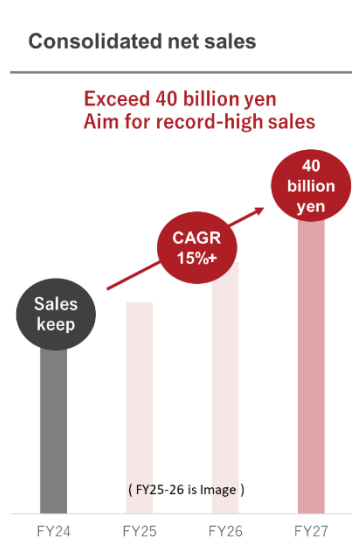
We have expanded our brand portfolio, with DUO as the foundation, adding brands like CANADEL and clayence. We've diversified our sales channels, focusing primarily on wholesale. Our membership numbers have also increased, and by entering new areas like Inner Care and Recovery, we have steadily expanded our business. On the other hand, due to intensified competition in the cleansing balm market, there was a slowdown in the growth of DUO in FY23. As a result, issues like communication challenges due to rapid organizational expansion and excess inventory became evident. To overcome this situation and return to sustained growth, we will undertake structural reforms in FY24.



2. Four-Year Plan Overview and KPIs

For the four-year plan, we will focus on our strength, Unique value, aiming to return to growth. FY24 will be a restructuring phase, addressing issues identified up to FY23 and laying the foundation for growth. From FY25 to FY27, positioned as the execution phase of our growth strategy, we will leverage our brand, channels, and capital to collaboration, targeting net sales of 40 billion yen and an operating profit margin of over 10% by FY27.

【Four-Year Plan Overview】



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.

【KPIs】

Timeline	FY24	FY25-26	FY27
Financial KPIs	Consolidated net sales 26 billion yen Consolidated operating profit margin 0.4% (Return to profitability)	CAGR 15%+	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		

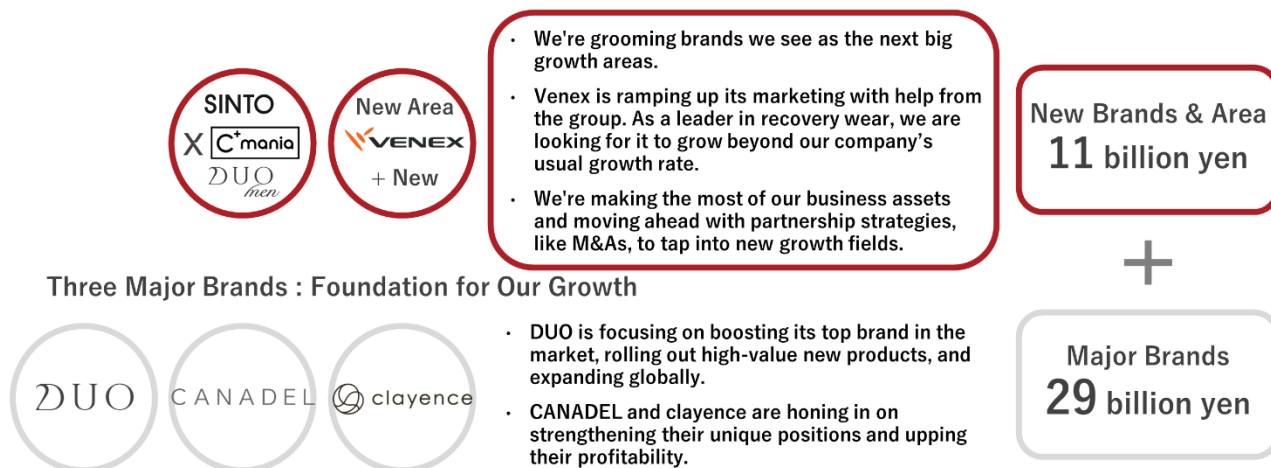
3. Growth Strategy

In our four-year plan, we aim for net sales of 40 billion yen. By implementing the following core strategies, we plan to achieve approximately 29 billion yen from our three main brands and about 11 billion yen from

new brands, including Venex and other new growth areas within the Anti-Aging industry.

Four-Year Growth Image

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



(1) Brand Strategy: Main 3 Brands (DUO, CANADEL, clayence)

We'll emphasize our theme, Unique value, redefining brand uniqueness in each market and strengthening marketing and product strategies to spur individual market growth.

DUO already a domestic market leader, aims for a higher value position and enhanced global expansion. CANADEL positioned as a profit brand, will revise its profit structure while emphasizing a unique stance, supported by younger demographics, and focusing on new product development to highlight functional value. For clayence, with a complete SKU lineup from trial to regular use, we will prioritize expanding acquisition channels and growth investments.

(2) Brand Strategy (New Brands, Venex)

Based on the Anti-aging platform concept, we'll launch Unique brands for markets such as men's skincare, high-concentration vitamin C, and Inner care. After achieving stable early growth through cross-brand usage by existing members and a direct-to-consumer model, we'll introduce a phased investment decision mechanism for further investments and wider channel expansion, aiming to cultivate key brands in the coming years.

Venex, which joined our group in 2023, is a pioneering brand in the domestic Recovery wear market, anticipated for future growth. It's the only brand in this increasingly competitive market with medical device certification. Positioned as a high-value brand, it will leverage our group's marketing expertise and sales channels for further growth.

(3) Channel Strategy (Mail order/EC, Wholesale, Overseas, New channel)

As the competition for digital advertising intensifies, we actively invest in retaining our members and

strengthen cross-selling between brands to maximize the value of our membership assets. As a result, we aim to reform the revenue structure balance between new and existing members.

In wholesale, we will transition from a sell-in model based on previous distribution expansion to a sell-out model that emphasizes POS and individual store value. We will deepen our collaboration with retailers and intensify joint marketing efforts with them.

Regarding overseas, we have narrowed our focus from over 10 target countries to primarily regions like China, Taiwan, and Southeast Asia, represented by Singapore, which have significant domestic inbound demand. We will employ a combination of cross-border e-commerce and general trade, advancing a brand awareness strategy tailored to the region, in partnership with local entities.

We also see the exploration of new channels as crucial. Emphasizing the "asset-light" approach, we will collaborate with companies from different sectors that already have unique sales channels and networks.

(4) Collaborative Strategy (Capitalizing on M&A and alliances)

With the aim of establishing an Anti-Aging platform, we will utilize and strengthen the managerial assets owned by our company. In our pursuit of new growth areas, akin to the second and third Recovery wear markets, we aim to leverage our group's assets. This strategy involves forming joint ventures (JV), conducting M&As, and engaging in other collaborative initiatives with external companies to drive our growth.

(5) Cost Structure Improvement

By FY23, we finished reducing Financial Concerns. Our first objective is to achieve profitability by FY24. Given the risks associated with the issues forecasted for 2024 and the escalating raw material costs, we will establish pragmatic reduction targets based on our sales composition ratio. 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. Moreover, we aim to boost the investment efficiency of our advertising expenses, with the goal of attaining an operating profit margin of over 10%.

(6) Enhancing Sustainability

In alignment with our core sustainability principle dubbed "Enabling unique pathways through life", we have pinpointed five key materials: "Contribution to global environmental conservation", "Pursuing an organizational culture that grows up together", "Improving well-being", "Providing unique value", and "Strengthening governance". Having set distinct goals for each, we are committed to diligently advancing these objectives. Through these endeavors, we aspire to both foster a sustainable society and elevate our corporate value.

【Sustainability Principle】

～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】

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	Compliance and information security training participation rates	Attendance rate	100%	Every fiscal year end
		Protection of information security and privacy				

4. Mid-to-long term Vision: External Environmental Changes and Social Challenges

We live in what's referred to as the "100-year life" era, witnessing a global extension in average healthy lifespans. In Japan, the government has set, and is progressing towards, a goal to extend the healthy life expectancy to over 75 years for both men and women by 2040. Moreover, the aging rate is increasing worldwide. Estimates suggest that by 2060, about 1.7 billion people globally will be aged. The world is entering a surprising era of longevity.

Within this trend of Aging X Enhanced healthy lifespan, we anticipate an increasing demand in the Anti-Aging sector. International organizations such as the United Nations and WHO are addressing social challenges related to age discrimination, or Ageism, and the social participation of older adults. They have initiated programs like the UN Decade of Healthy Ageing with various stakeholders, underscoring the

increasing significance of this field in society.

As the meaning of age evolves over time, we believe it's paramount for individuals to be liberated from time constraints, to remain curious, and to continue challenging themselves in society. This, in our view, is key to maximizing societal happiness. With that in mind, we are committed to contributing to society by addressing challenges in the Anti-Aging sector.

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.

Industries related to Anti-Aging (examples)

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.

5. Overview of the mid-to-long term Vision

We have set our mid-to-long-term vision towards evolving into an Anti-Aging company. Building upon the foundation we have cultivated so far; we will advance collaboration with partners across a broader range of industries and channels. We aim to gather unique brands that address challenges in the entire Anti-Aging sector, build a platform that people can trust, and set a management goal of achieving consolidated sales of 100 billion yen and an operating profit margin of over 10% for the group. Please note that these figures are not based on any specific plan.

FY27
Return to sustained growth

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

Management Assets

- Brand Portfolio
- Diverse Channels Centered on Retail
- Membership Assets
- Platform

+ Beyond
Progress to an Anti-Aging Company

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.

6. Establishment of the New Corporate Identity (CI)

We have clearly defined our slogan, purpose, and the mid-to-long term vision we aim for. (For details, please refer to the announcement released today titled "Notice on the Establishment of the New Corporate Identity (CI)")

(Slogan)

Forever vivid
Untether time.

(Purpose)

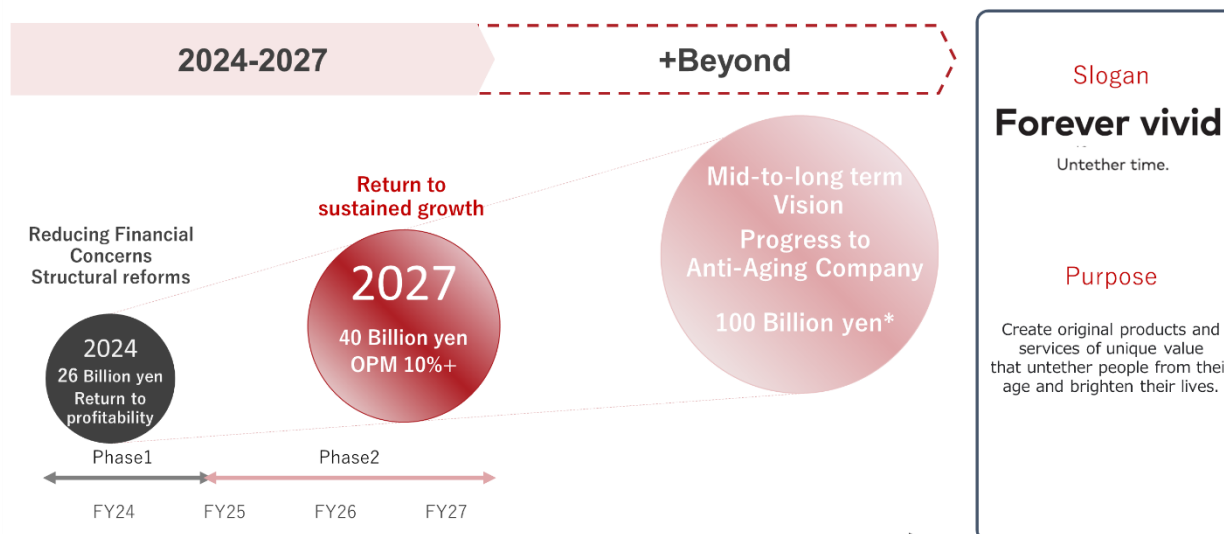
Create original products and services of unique value
that untether people from their age and brighten their lives.

(Mid-to-long term Vision)

Anti-aging Company

A gathering of distinctive brands that take on the comprehensive challenges in the Anti-Aging sector, evolving into a platform trusted by those who challenge the constraints of time.

In conclusion, we have summarized our medium-term management plan, slogan, and the vision for our future as described above.



*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.

For details on the medium-term management plan "2024-2027 +Beyond", please see the URL below.

<https://www.p-antiaging.co.jp/en/ir/management/plan.html>

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.

The Company does not undertake any obligation to revise or update these forward-looking statements included in this material even in the face of new information or future events.