

FY2024 1Q

Results Briefing Material

December 14, 2023

Premier Anti-Aging Co. Ltd
TSE Growth Market 4934





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01 | Executive Summary

Executive Summary

【FY2024 1Q Results】

- ✓ FY2024 1Q results showed a decline in sales and we posted an operating loss.
- ✓ Worsening customer acquisition landscape due to increased rival ads led to a decline in advertising investment. In addition, operating loss improved compared to the previous quarter as we did not record a large-scale write-down of accumulated inventory that was carried out in the previous fiscal year.

【FY2024 Full-year Forecast】

- ✓ No change to initial FY2024 earnings forecast.
- ✓ Focused on medium-term management plan to reassess enterprise strengths, advance structural reforms, and prepare for a return to growth.

【Segment Disclosure】

- ✓ Segment-based information disclosed from this quarter. As performance evaluations are conducted for each consolidated subsidiary, we identify these as individual business segments.

(Anti-aging business)

Premier Anti-Aging leads the production and sales of skin care, hair care and inner care products, including the DUO, CANADEL, and clayence brands.

(Recovery business)

Mainly comprises the production and sales of recovery wear by consolidated subsidiary Venex Co., Ltd.



02 | FY2024 1Q Results

Statement of income

- ✓ DUO and CANADEL still face a tough market; sales lower than same period last year and the previous period
- ✓ Operating loss improved from previous period because we did not record a large-scale write-down of accumulated inventory that was carried out in the previous fiscal year and suppressed ad spending

(Millions of yen)

	FY2023 1Q	FY2023 2Q	FY2023 3Q	FY2023 4Q	FY2024 1Q	% change compared to previous period
Net sales	7,391	6,867	6,351	5,790	5,264	(9.1%)
Mail order/EC	5,055	5,261	4,122	3,876	3,543	(8.6%)
Wholesale	1,929	1,172	1,586	952	1,044	9.6%
Others	406	432	642	961	677	(29.6%)
Gross profit	5,747	5,421	4,516	3,557	4,194	17.9%
SG&A Expenses	5,991	5,068	4,582	4,212	4,230	0.4%
Advertising expenses	3,045	2,430	1,809	1,313	1,632	24.3%
Outsourcing	1,248	1,252	1,205	1,169	1,032	(11.7%)
Payroll and allowances	325	293	430	393	428	8.8%
R&D	127	102	146	212	110	(48.2%)
Others	1,244	988	954	1,078	1,026	(4.9%)
Operating profit (loss)	(244)	353	(66)	(654)	(35)	—
Operating profit margin (%)	(3.3%)	5.1%	(1.0%)	(11.3%)	(0.7%)	10.6pts
Ordinary profit (loss)	(224)	320	(51)	(674)	(26)	—
Profit (loss) attributable to owners of parent	(198)	172	(127)	(580)	(35)	—

Advertising expenses

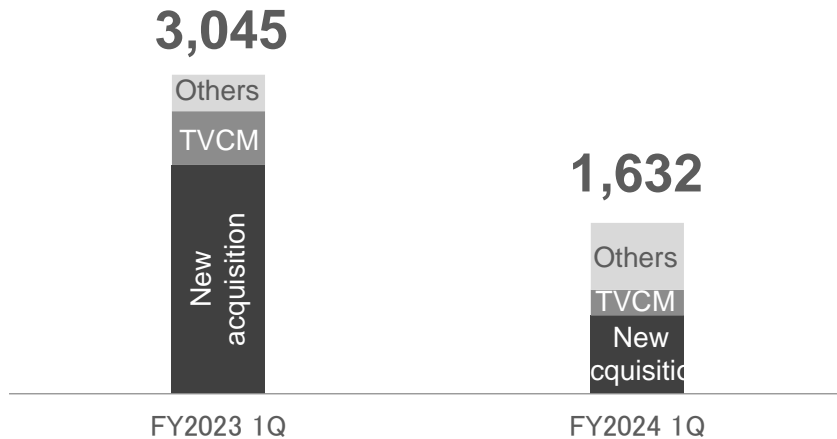
- ✓ Ad spending as a ratio of net sales fell from 41.2% FY2023 1Q to 31.0% but rose from the previous period.
- ✓ Increase in rivals' ads damaged customer acquisitions and raised CPO. Suppressed ad spending meant sluggish acquisitions.

Breakdown of advertising expenses

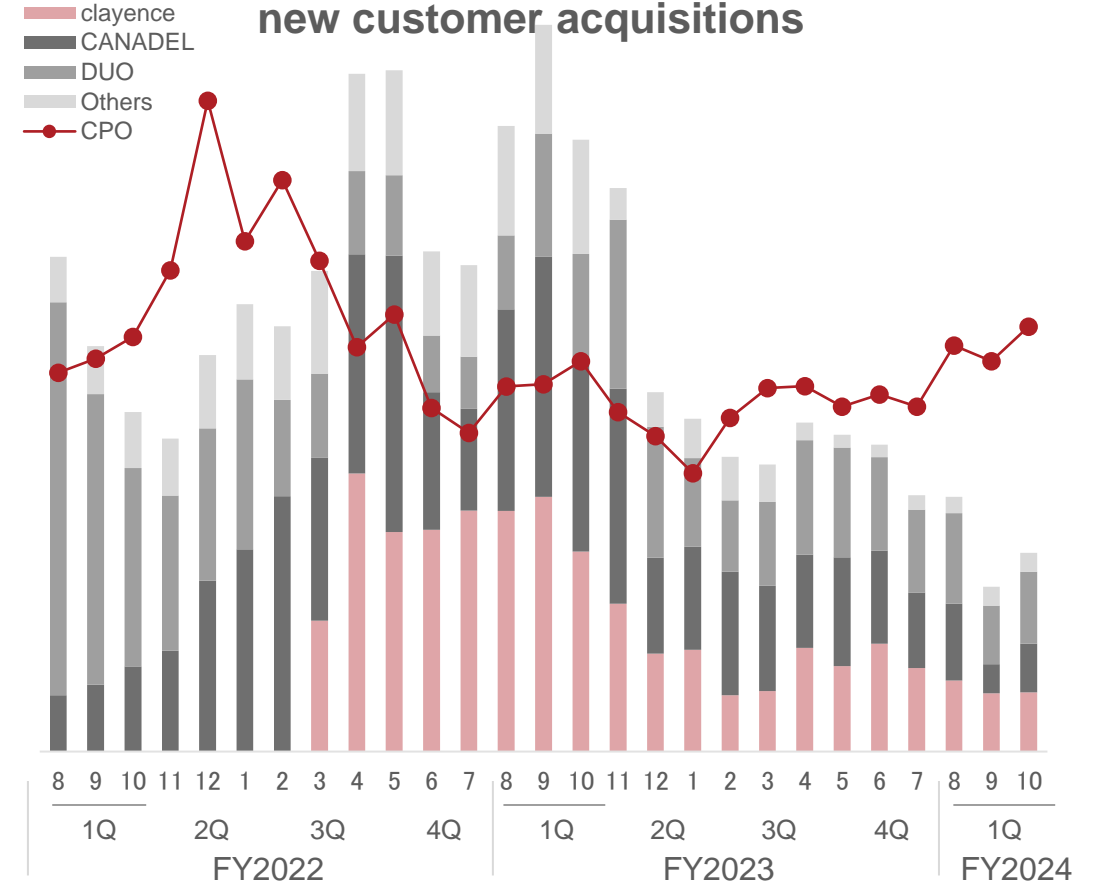
cf. QonQ ad expenses to net sales
 FY2023 4Q) 22.7% → FY2024 1Q) 31.0%

- ✓ Ad expenses/net sales 41.2% → 31.0%
- ✓ New acquisition spending/net sales 29.5% → 14.2%

(Millions of yen)



CPO for mail order/EC and number of new customer acquisitions



Balance sheet

- ✓ Drastically condensed inventory by the end of last fiscal year; continued low levels.
- ✓ Maintaining financial health.

(Millions of yen)

	FY2023 4Q	FY2024 1Q	Increase/ (decrease)	Percentage change
Total assets	12,135	12,908	773	6.4%
Current assets	9,229	9,936	706	7.7%
Inventories	1,909	1,823	(86)	(4.5%)
Non-current assets	2,905	2,971	66	2.3%
Total liabilities	4,525	5,335	809	17.9%
Current liabilities	3,016	3,905	889	29.5%
Non-current liabilities	1,509	1,429	(79)	(5.3%)
Total net assets	7,609	7,573	(36)	(0.5%)
Total liabilities and net assets	12,135	12,908	773	6.4%
Equity ratio (%)	62.7%	58.7%	—	(4.0pts)

* Inventories = finished products + raw materials and supplies



03 | Performance by Segment

Anti-aging business

- ✓ Net sales below same period last year as DUO and CANADEL continue to struggle.
- ✓ Despite gross profit falling due to declines in sales, operating loss improved from same period last year with the suppression of ad spending in a worsening customer acquisition landscape linked to increased rival ads.

(Millions of yen)

	FY2023 1Q	FY2024 1Q	Increase/ (decrease)	Percentage change
Net sales	7,391	4,924	(2,467)	(33.4%)
Mail order/EC	5,055	3,543	(1,512)	(29.9%)
Wholesale	1,929	1,044	(885)	(45.9%)
Others	406	336	(70)	(17.3%)
Operating profit (loss)	(244)	(53)	191	—
Operating profit margin (%)	(3.3%)	(1.1%)	—	2.2pts

Anti-aging business (DUO)

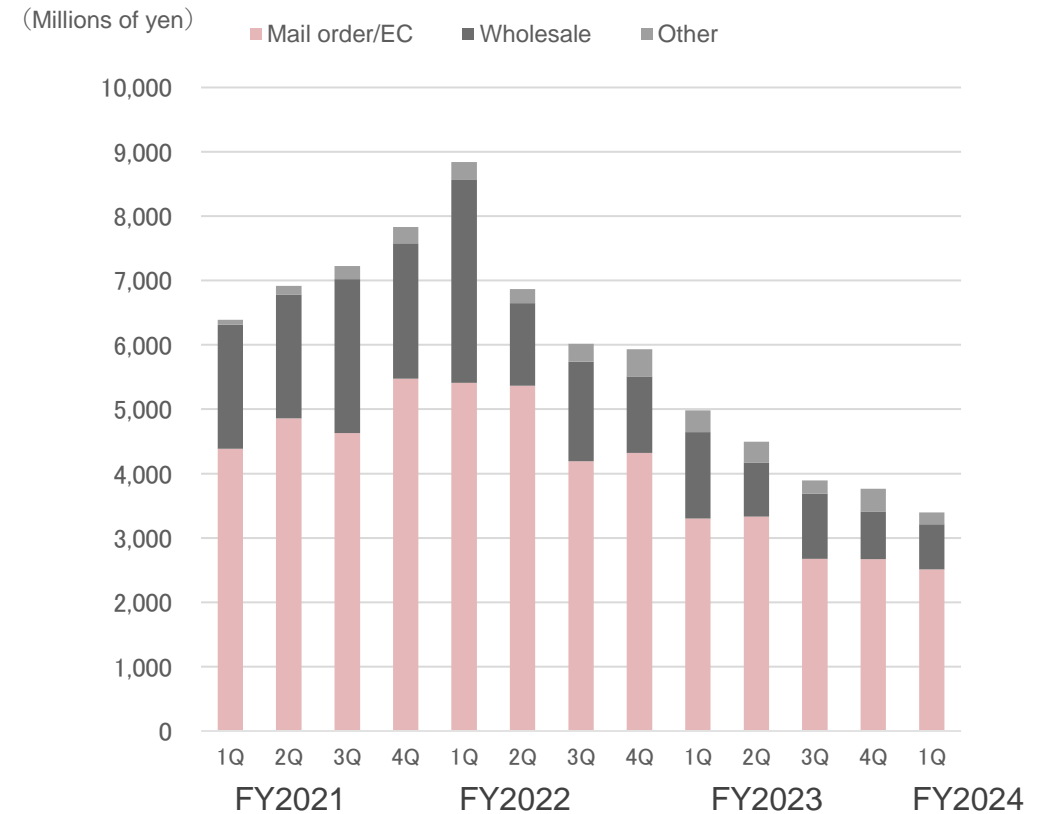
- ✓ Continuing shift from balms to oil-based products and outflow to low-price alternatives causing ongoing sales decline.
- ✓ Aim for an about-turn in sales with communications to improve understanding of the DUO brand and product value through new TV commercial and social media.

Topics

- ✓ Actively develop communications utilizing beauticians and influencers to improve understanding of products.
- ✓ DUO opened on November 3 at Mitsui Outlet Park Kurashiki – our second outlet store.
- ✓ Engaged Yuko Araki as our new brand ambassador and released a new TV commercial in November.



Quarterly net sales of DUO



Anti-aging business (CANADEL)

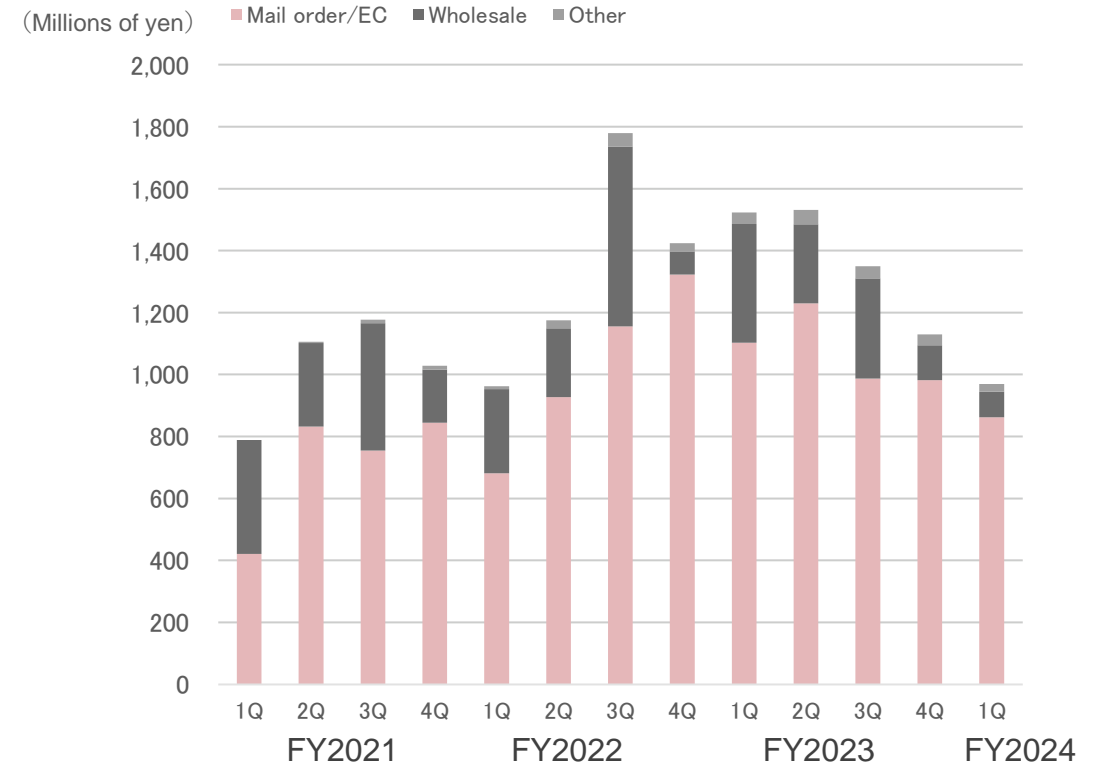
- ✓ Rival skin care products placed more ads, creating an unfavorable ad environment; net sales below same period last year.
- ✓ New TV commercial focuses on product efficacy and continues with unique position as an “all-in-one that works.”

Topics

- ✓ New commercial with existing brand ambassador Michiko Kichise on air from late October.
- ✓ Aiming to increase new customer acquisition by strengthening digital marketing in conjunction with new commercial.
- ✓ In retail, implemented sales campaigns linked to payment methods participated in by main clients.
- ✓ Proposals for store displays and promotions timed with the new commercial launch.



Quarterly net sales of CANADEL



Anti-aging business (clayence)

- ✓ clayence sales declined from FY2023 1Q but rose compared to the previous period.
- ✓ New foaming grey hair color treatment (quasi-drug product) posting good results; we aim to expand the scale going forward.

Topics

- ✓ Stockists up by 2,000 stores to a total of 10,000 stores.
- ✓ Test marketing yielding a good response to “Clay Spa Quick Color” (quasi-drug product), so we will expand the scale going forward.
- ✓ Continue to engage Rei Dan as our brand ambassador in a new TV commercial launched in November.
- ✓ Shampoo and conditioner in the scalp care series have been highly rated by beauty experts and selected for best cosmetics awards in multiple prestigious beauty magazines.
- ✓ Continue to strengthen CRM measures to increase conversion and cross-selling rates and work to evolve into a total hair care brand to address all kinds of hair troubles.



Major cosmetics awards granted for the scalp care series

VOCE January issue

Best cosmetics for the second half of 2023
Skin Care Shampoo & Conditioner category
First place

MAQUIA January issue

Best cosmetics for the second half of 2023
Shampoo & Conditioner category
First place

Biteki GRAND winter issue

Best cosmetics of the year
Hair care category
First place



Anti-aging business (new brands)

- ✓ Launched new products for test marketing in rapid growth categories: skin care for men, inner care, skin care containing highly concentrated vitamin C, and skin care with our proprietary stem cell extract as the core ingredient.

Topics

- ✓ SINTO Vitamin C performing well in test marketing, so we plan to expand the scale of the brand.
- ✓ A permanent Reinca counter will open at the end of January 2024 within the Beauty Apothecary of the Isetan Shinjuku Store (Main Building, B2 floor).

Inner care

Skin care

SINTO



X



DUO men

For men



C⁺mania



Reinca



Recovery business (Venex)

- ✓ Increased sales and profit demonstrate synergistic effects with Premier Anti-Aging.
- ✓ Recorded operating profit one year from acquisition even after deducting the amortization of goodwill and patent rights associated with the acquisition.

(Millions of yen)

	FY2023 1Q	FY2024 1Q	Increase/ (decrease)	Percentage change
Net sales	—	340	—	—
Operating profit	—	15	—	—
Operating profit margin (%)	—	4.5%	—	—

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

Recovery business (Venex)

- ✓ Commenced sales of Recharge+ clothing for home use to improve circulation using far-infrared rays (classified as general medical equipment; completed formal notification process for production and sales of medical equipment).
- ✓ Strengthen supply chain management and establish system for increased production.

Topics

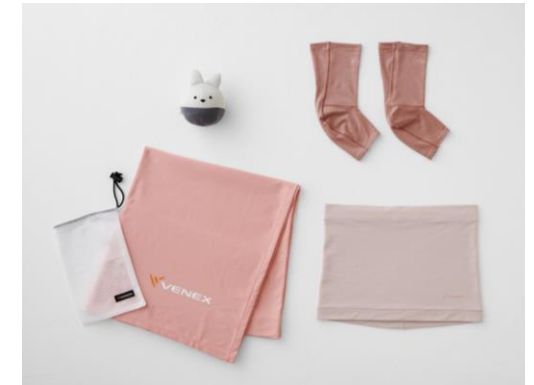
- ✓ Steadily achieving group synergies in marketing and new product development and starting development in new domains.
- ✓ Joined “Postpartum Recovery Project” to support mothers after childbirth and started selling postpartum recovery gift items.
- ✓ Signed new and renewed contracts with many top athletes, teams and sports associations.

【New contracts】

- Softball gold medalists Mana Atsumi and Yukiyo Mine
- J.League professional soccer players Jung Sung-Ryong and Hajime Hosogai
- JAPAN BASE Fukuoka operated by Japan Rugby Football Union
- B.League team Toyama Grouses



Venex Ambassador Yuri Yasui wearing the Recharge+ series



Postpartum recovery gifts



JAPAN BASE Fukuoka





04 | FY2024 Earnings Forecast

FY2024 Earnings forecast

- ✓ No change to initial plan.
- ✓ Focus on reassessing enterprise strengths, advancing structural reforms, and preparing for a return to growth.

(Millions of yen)

	FY2023 Actual	FY2024 Forecast	Increase/ (decrease)	Percentage change	
Full year	Net sales	26,400	26,000	(400)	(1.5%)
	Operating profit (loss)	(611)	100	711	—
	Operating profit margin (%)	(2.3%)	0.4%	—	2.7pts
	Ordinary profit (loss)	(631)	100	731	—
	Profit (loss) attributable to owners of parent	(733)	200	933	—
Half year	Net sales	14,258	11,800	(2,458)	(17.2%)
	Operating profit (loss)	109	(800)	(909)	—
	Operating profit margin (%)	0.8%	(6.8%)	—	(7.6%)
	Ordinary profit (loss)	95	(800)	(895)	—
	Quarterly profit (loss) attributable to owners of parent	(26)	(500)	(474)	—



05 | Sustainability

Sustainability initiatives

- ✓ Based on “2024-2027+Beyond”, the medium-term management plan announced in September 2023, we set goals for the materiality issues identified and have implemented specific initiatives to work toward our goals.

Awarded for 4 consecutive years by the GP certification system

- ✓ Recognized for contributions to the spread and expansion of the GP certification system* and awarded the 2023 GP Environmental Special Grand Prize. Received awards every year since 2020.



* The GP certification system provides certification to factories and equipment that meet independent environmental standards and enables printed materials made at certified factories to display the GP mark.

Cosme Bank Project Support

- ✓ Ongoing participation in the Cosme Bank Project by supplying cosmetics to people who cannot afford to them. Employees were invited to collaborate from this term.



Developing strategic leaders

- ✓ Commenced overhaul of the training system. Started with in-house planned training for managers to examine leadership aimed at strengthening a team’s impact.



Tokyo Weekdays Basketball League Sponsorship

- ✓ A competition aimed at making progress on SDGs to “ensure healthy lives and promote well-being for all” and “achieve gender equality.” This year again, we sponsored products as part of our initiative to promote health management.





06 | Appendix

Company Profile

Name	Premier Anti-Aging Co., Ltd.
Established	December 2009
Head office	Toranomon Hills Station Tower 34F, 2-6-1 Toranomon, Minato-ku, Tokyo
Board members	<p>Kiyoshi Matsuura, President Yoichiro Ito, Director and Managing Executive Officer, CFO Takuyuki Fukumoto, Independent Outside Director Sakiko Sakai, Independent Outside Director Motoyasu Ishihara, Independent Audit and Supervisory Board Member Akira Ide, Independent Audit and Supervisory Board Member Yosuke Kondo, Independent Audit and Supervisory Board Member Takahiro Toya, Executive Officer Keigo Uemura, Executive Officer Kiyoshi Iwakawa, Executive Officer Yuka Uehara, Executive Officer</p>
Consolidated number of employees	246 (as of October 31, 2023)
Line of business	Planning, development, import/export, mail-order/EC, wholesale and retail business of cosmetics, health food products and recovery wear
Group companies	Premier Anti-Aging (Shanghai) Co., Ltd. Venex Co., Ltd.



Corporate Identity

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

Slogan

Forever vivid

^{とき}
人の時間を、解き放つ。

Untether time.

Purpose

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

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

Corporate Logo



PREMIER ANTI-AGING

Wonder Watch

^{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.

Promise

No limits

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

Never boring

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

Always true

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

Corporate History

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

Key Brands and Sales Composition Ratio

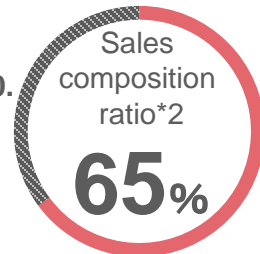
- ✓ Skin care brands “DUO” and “CANADEL” and hair care brand “clayence” drove sales

Skin care

DUO



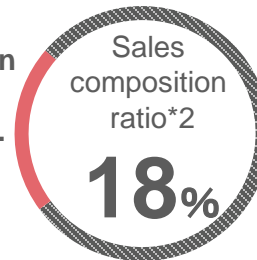
- ✓ Main brand since our founding. Has driven sales for our company as a pioneer in the cleansing balm market.
- ✓ Launched February 2010.
- ✓ Offering 29 SKUs*1



CANADEL



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

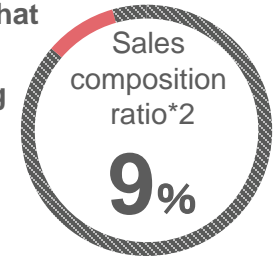


Hair care

clayence



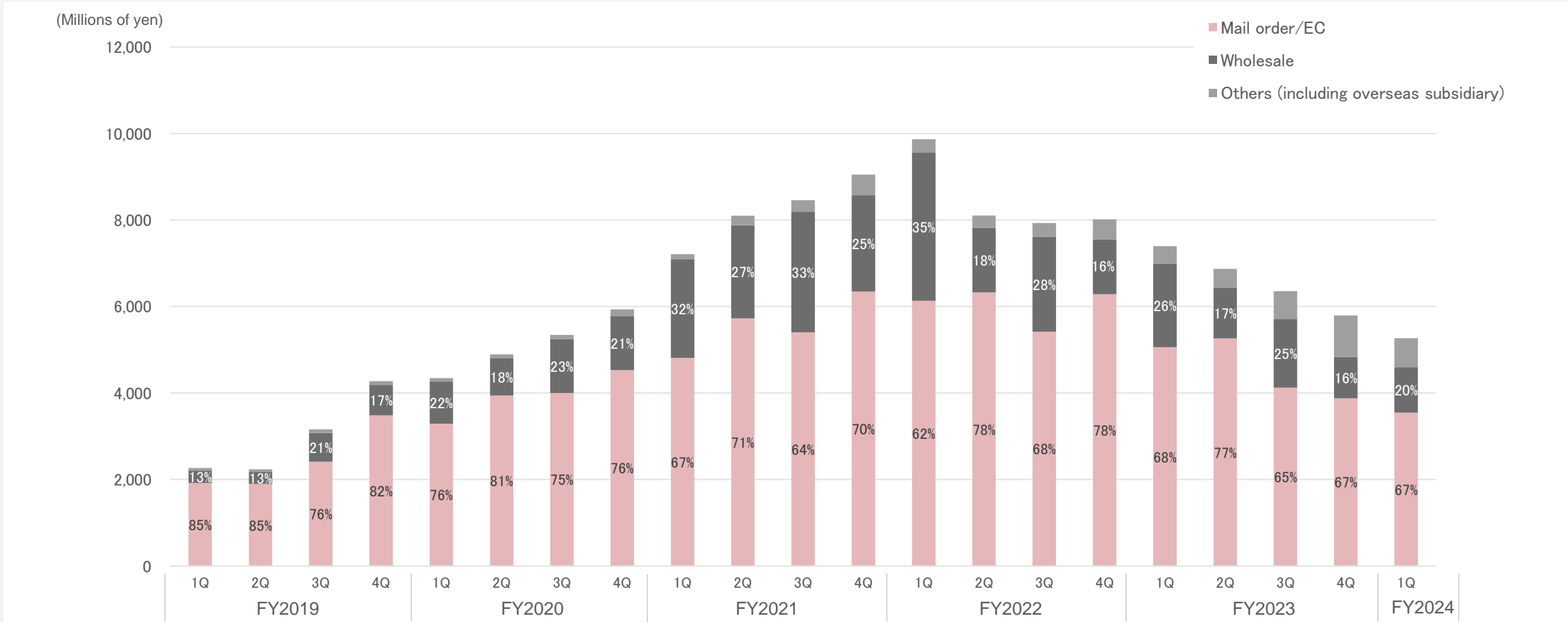
- ✓ Applying brand nurturing know-how gained through DUO and CANADEL.
- ✓ Home hair care brand that focuses on young generation with graying hair.
- ✓ Launched March 2022.
- ✓ Offering 12 SKUs*1



*1: SKU refers to the number of regular products as of October 31, 2023, excluding limited editions and different sizes *2: Calculated based on FY2024 1Q net sales.

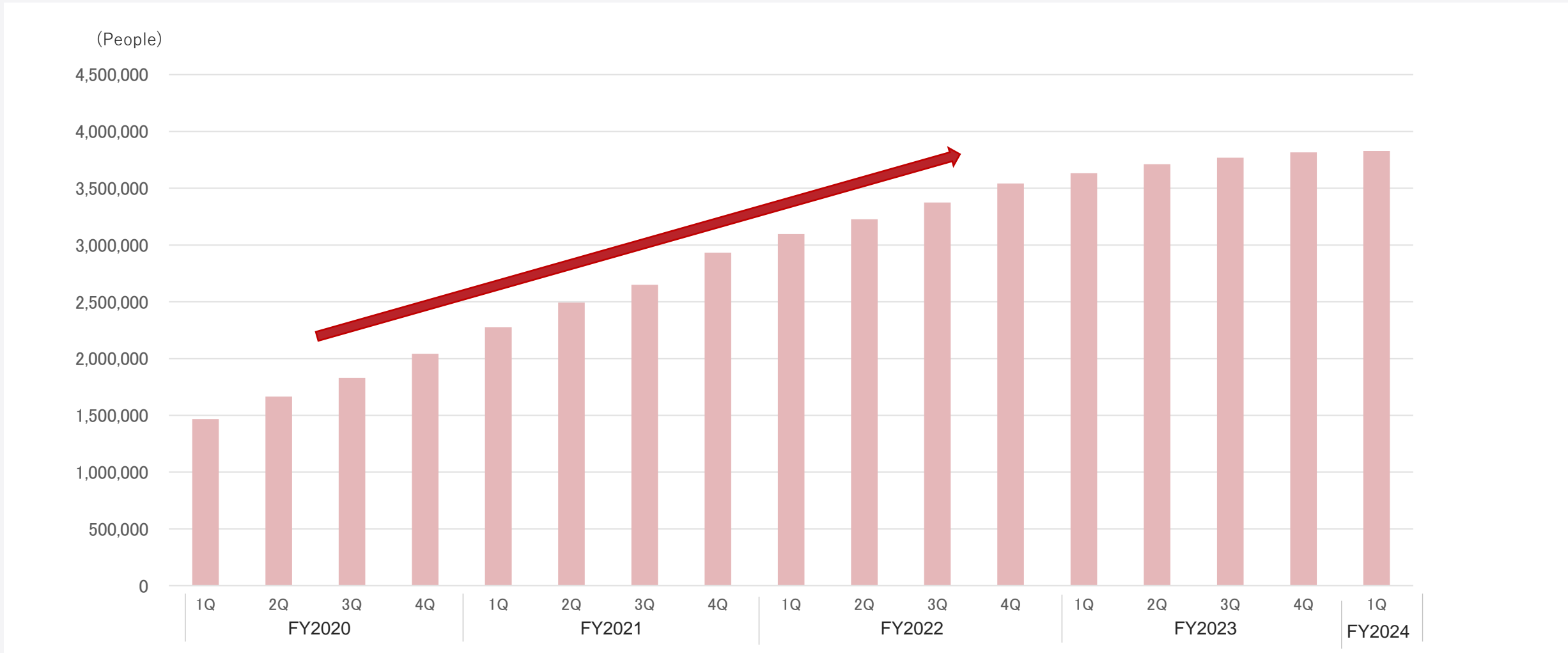
Net sales by channel

- ✓ Our mainstay mail order/EC sales, which we have been engaged in since our founding, account for approximately 67% of sales in 1Q of FY2024
- ✓ Wholesale sales, which are responsible for sales to retail stores such as variety shops, account for approximately 20% of sales. Number of delivery stores expanded to approximately 18,000 stores



Total Number of Mail-order/EC Customers

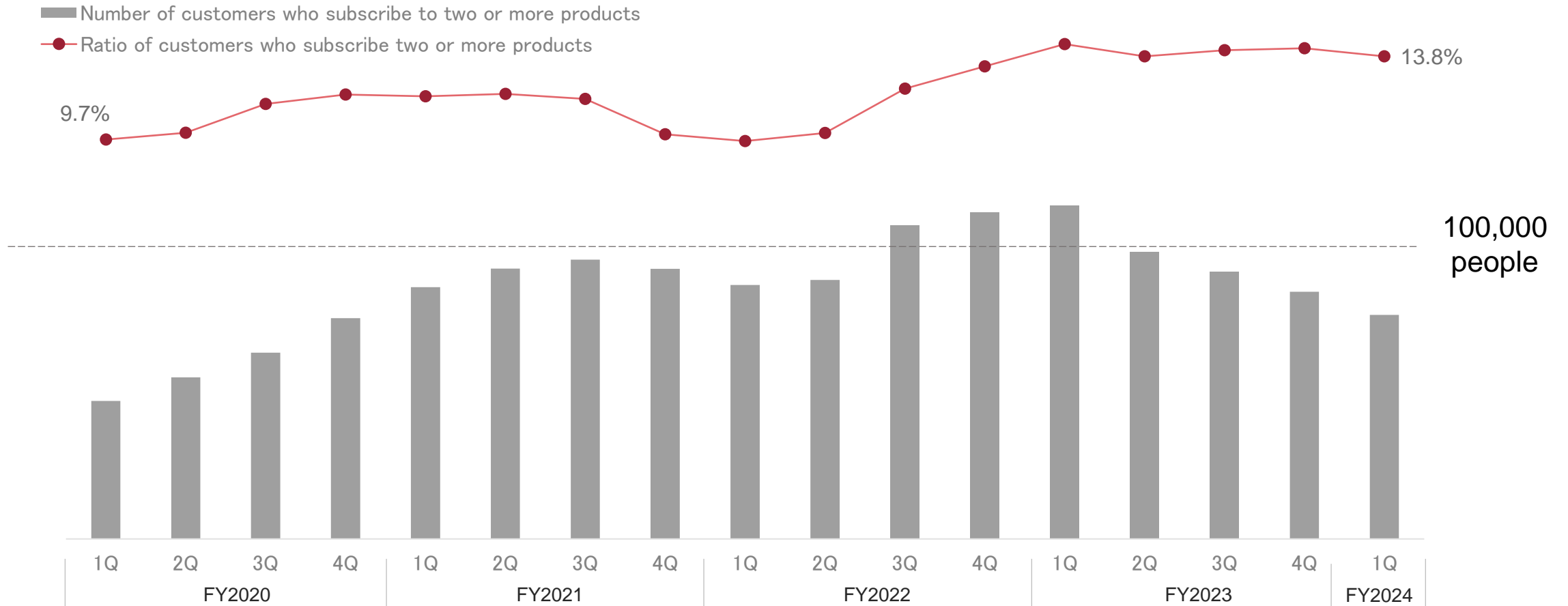
- ✓ The number of members supporting the subscription sales model has steadily increased, with the total number of members exceeding 3.8 million



Number of cross-selling customers

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

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



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

■ Situation by Brand: DUO

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

DUO



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

We currently have 29 SKUs* centering on cleansing balm.

Major cosmetics awards granted in the first half of 2023



MAQUIA

September issue

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



upPLUS July issue

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

+5 more awards

*The SKU figure refers to the number of regular products as of October 31, 2023, excluding limited items and different sizes.

■ Situation by Brand: CANADEL

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

CANADEL



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

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

Major cosmetics awards granted in the first half of 2023



ESSE July issue
Beauty Trend Award 2023
Gel/Oil Department



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

+3 more awards

*The SKU figure refers to the number of regular products as of October 31, 2023, excluding limited items and different sizes.

■ Situation by Brand: sitrana

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

sitrana



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

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

Major cosmetics awards granted in 2022



MAQUIA September Issue
Everyone's Best Cosmetics
Maquia Influencers
BEST COSMETICS



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

+4 more awards

■ Situation by Brand: clayence

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



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

We currently have 12 SKUs*.

Major cosmetics awards granted in the first half of 2023



LEE August issue
LEE Best Cosmetics
2023 first half
Beauty sage's beloved
cosmetics category
Hair care



an·an No. 2337
announcement! Spring 2023
an·an Mote Cosmetics Award
Hair care category
Award for lasting beautiful
color without dryness

+1 more award

*The SKU figure refers to the number of regular products as of October 31, 2023, excluding limited items and different sizes.

■ Situation by Brand: DUO MEN

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

DUO
men



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

Major cosmetics awards granted in the first half of 2023



Fine March issue
Attract men with your appearance
5th Fine Men's Beauty Award!
Sunscreen category
First place



FINEBOYS August issue
17th FINEBOYS
Men's Beauty Award
Facial cleanser category
First place
+1 more award

*The SKU figure refers to the number of regular products as of October 31, 2023, excluding limited items and different sizes.

Situation by Brand: SINTO/X

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

SINTO

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

We currently have 2 SKUs*.



Major cosmetics awards granted in the first half of 2023



MORE August issue
MORE Best Cosmetics
Inner care category
for the first half of 2023
First place



MAQUIA August issue
MAQUIA Best Cosmetics
Inner care category
for the first half of 2023
2nd place

+9 more awards

X

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

We currently have 2 SKUs*.



*The SKU figure refers to the number of regular products as of October 31, 2023, excluding limited items and different sizes.

■ Situation by Brand: C+mania

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

C⁺mania



An “aggressive” vitamin skin care brand that focuses on high purity, high penetration, and high concentration, with carefully selected vitamin C from over 70 types and add α that enhances C.

Based on the concept of "enjoying vitamin C for maniacs", we aim to propose skin care products with high immediate effect in order to maximize the power of vitamin C.

We currently have 3 SKUs*.

*The SKU figure refers to the number of regular products as of October 31, 2023, excluding limited items and different sizes.

■ Situation by Brand : Reinca

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

Reinca



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

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

*The SKU figure refers to the number of regular products as of October 31, 2023, excluding limited items and different sizes.

■ Situation by Brand : Ko

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



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

We currently have 3 SKUs*.

*The SKU figure refers to the number of regular products as of October 31, 2023, excluding limited items and different sizes.

■ Situation by Brand: VENEX

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

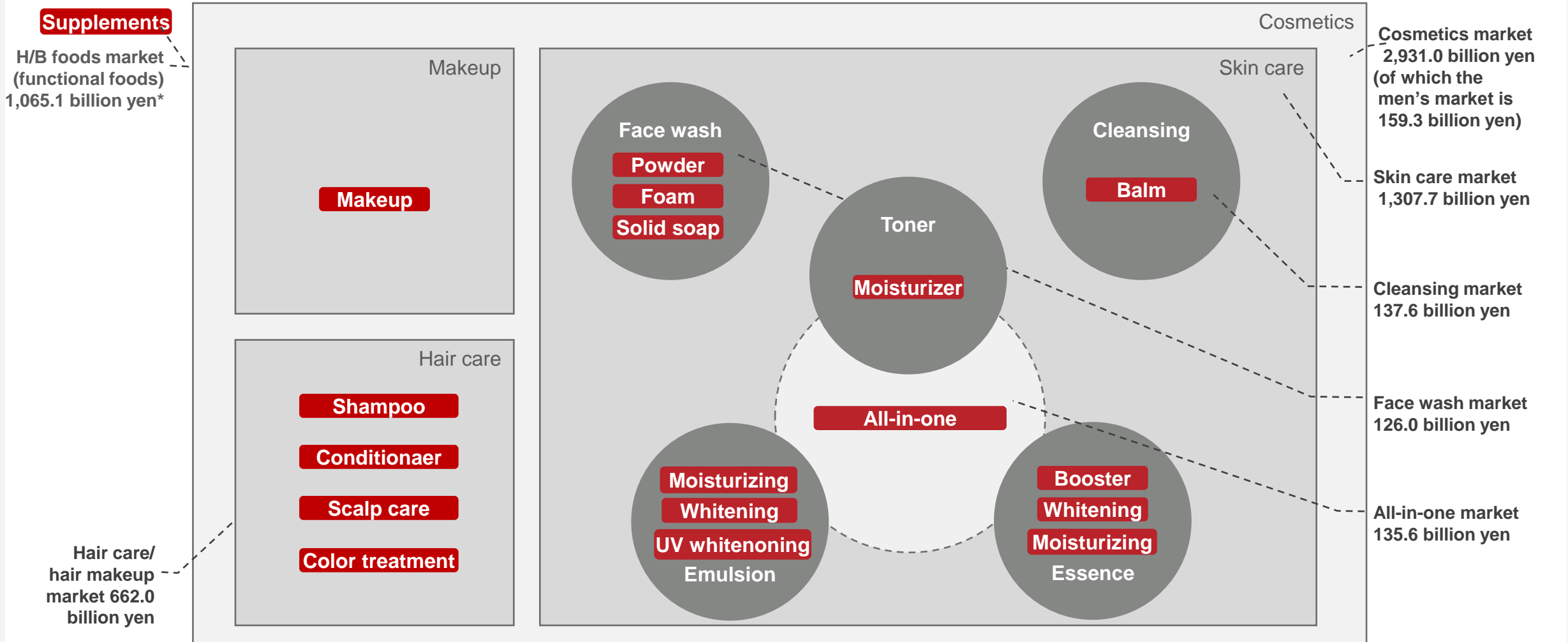


Based on the concept of "maximizing the self-healing power that humans have," we propose clothing for recovery. With our proprietary special fiber "PHT (Platinum Harmonized Technology)" and a non-compression design that does not constrict the body, it supports high-quality recovery just by wearing it. We currently have 82 SKUs*.

*The SKU figure refers to the number of regular products as of October 31, 2023, excluding limited items and different sizes.

Market Size of the Domestic Cosmetics Market

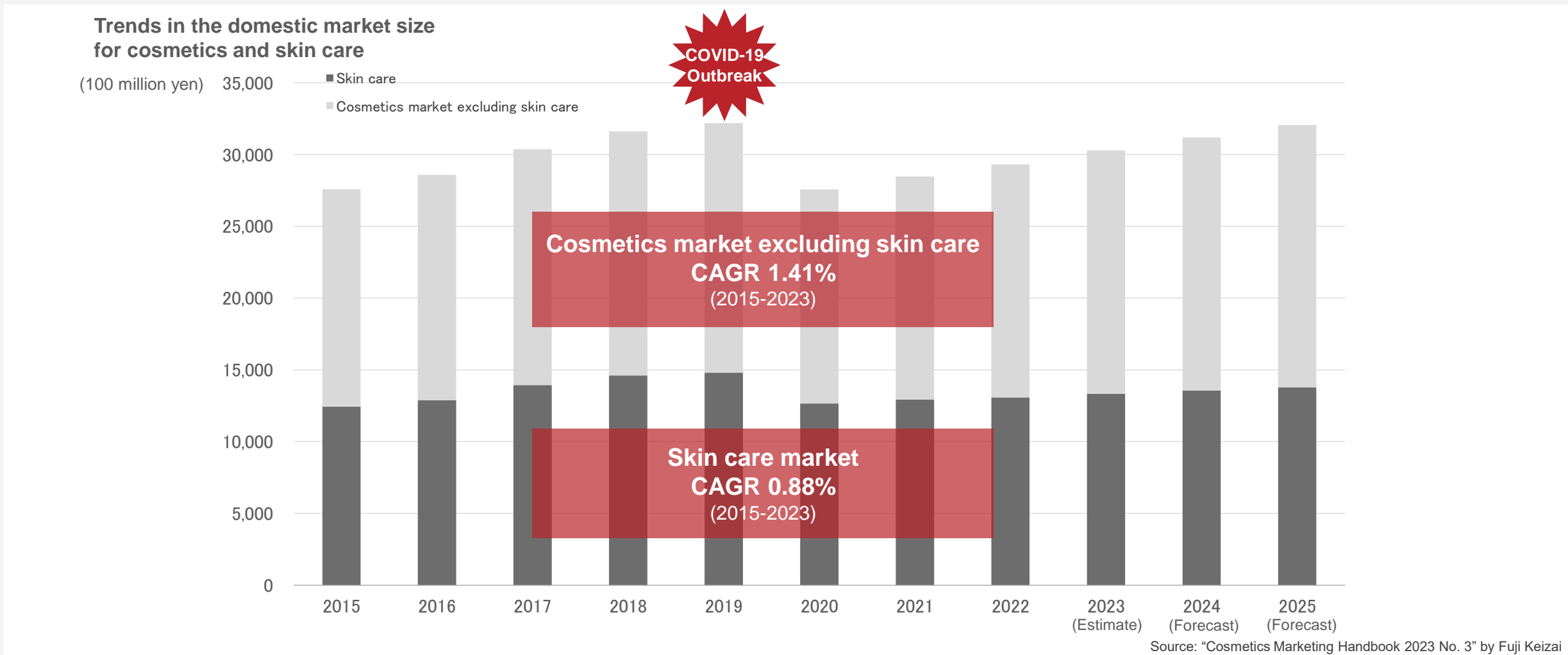
✓ The domestic cleansing market, which includes balms, totaled 137.6 billion yen in 2022



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

Domestic Market Size for Cosmetics and Skin Care

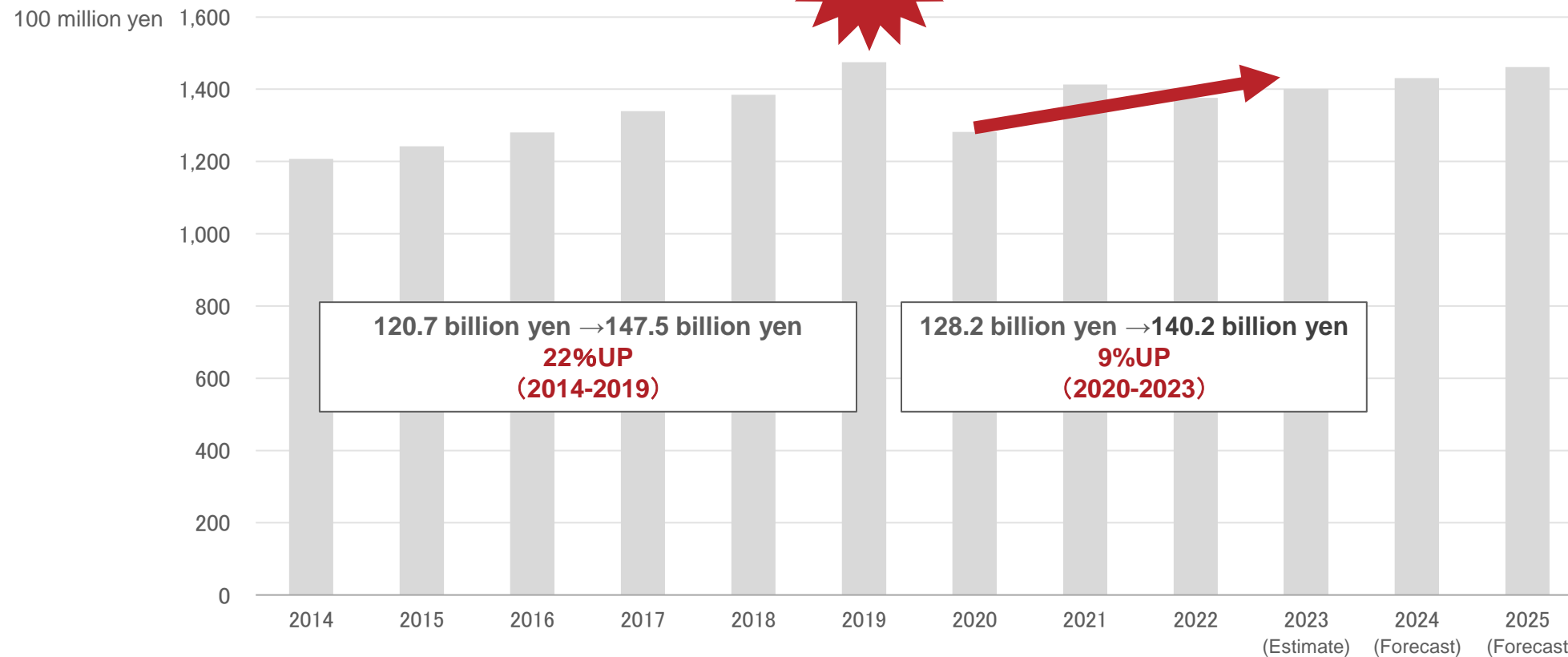
- ✓ Domestic cosmetics market, which continued to grow moderately through 2019, declined significantly with COVID-19
- ✓ Moderate recovery continues in 2023 due to the reduction of COVID-19 to a Category 5 infectious disease



Domestic Market Size for Cleansing

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

Trends in the domestic market size for cleansing



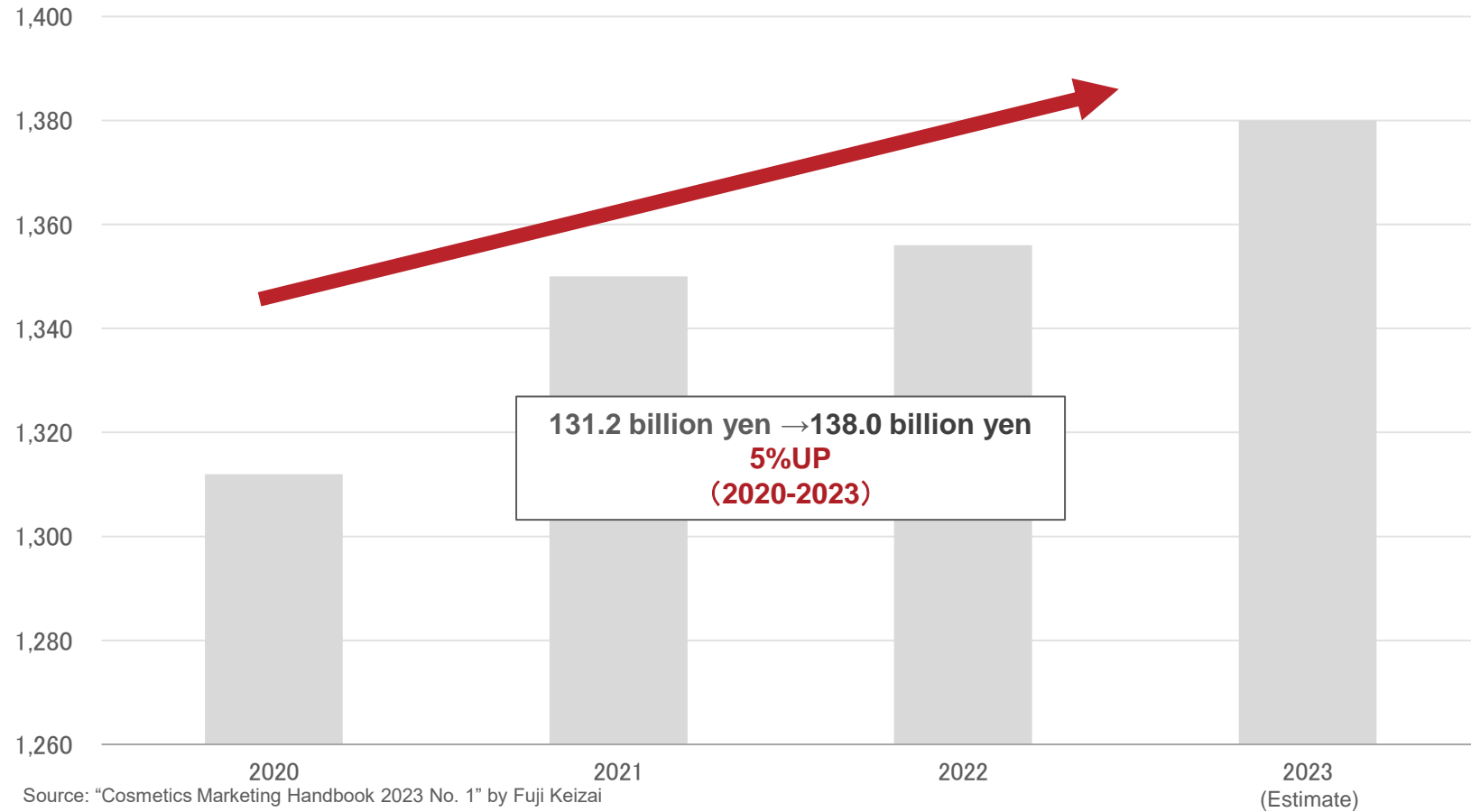
Source: "Cosmetics Marketing Handbook 2023 No. 1" by Fuji Keizai

Domestic Market Size for All-in-one Cosmetics

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

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

(100 million yen)



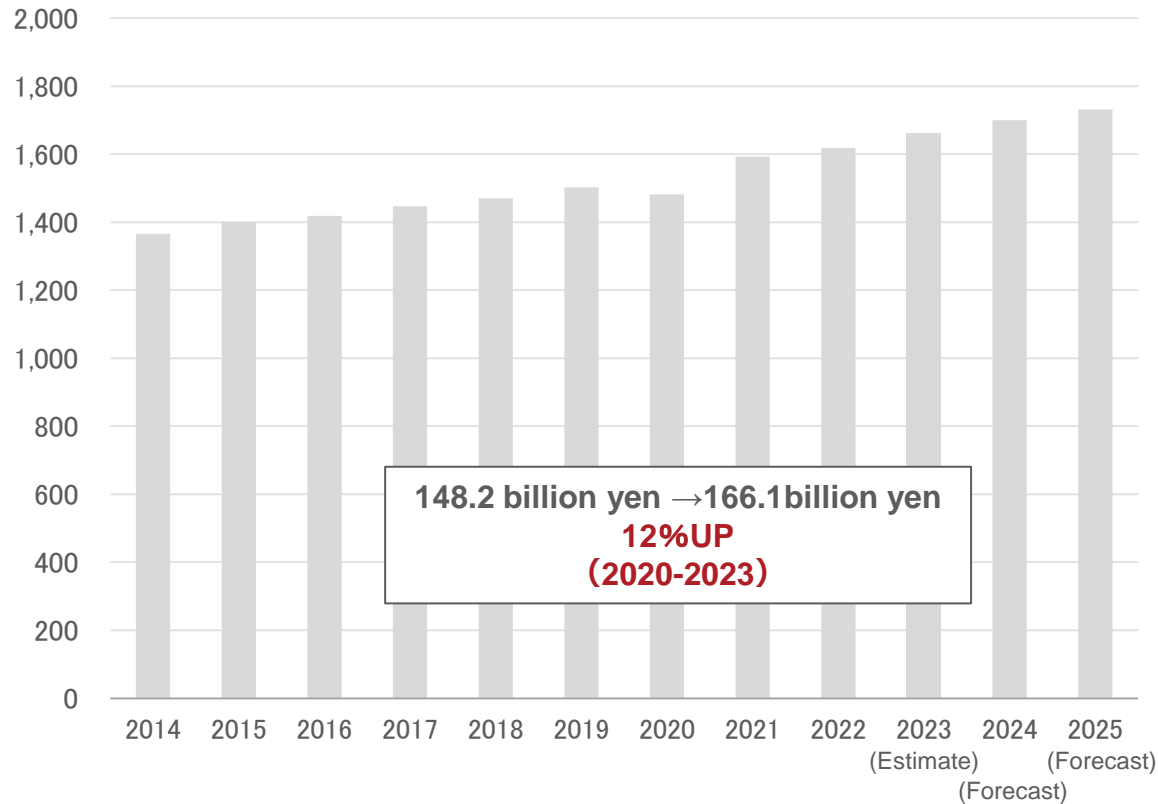
Source: "Cosmetics Marketing Handbook 2023 No. 1" by Fuji Keizai

Domestic Market Size for Hair Color and Female Scalp Care

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

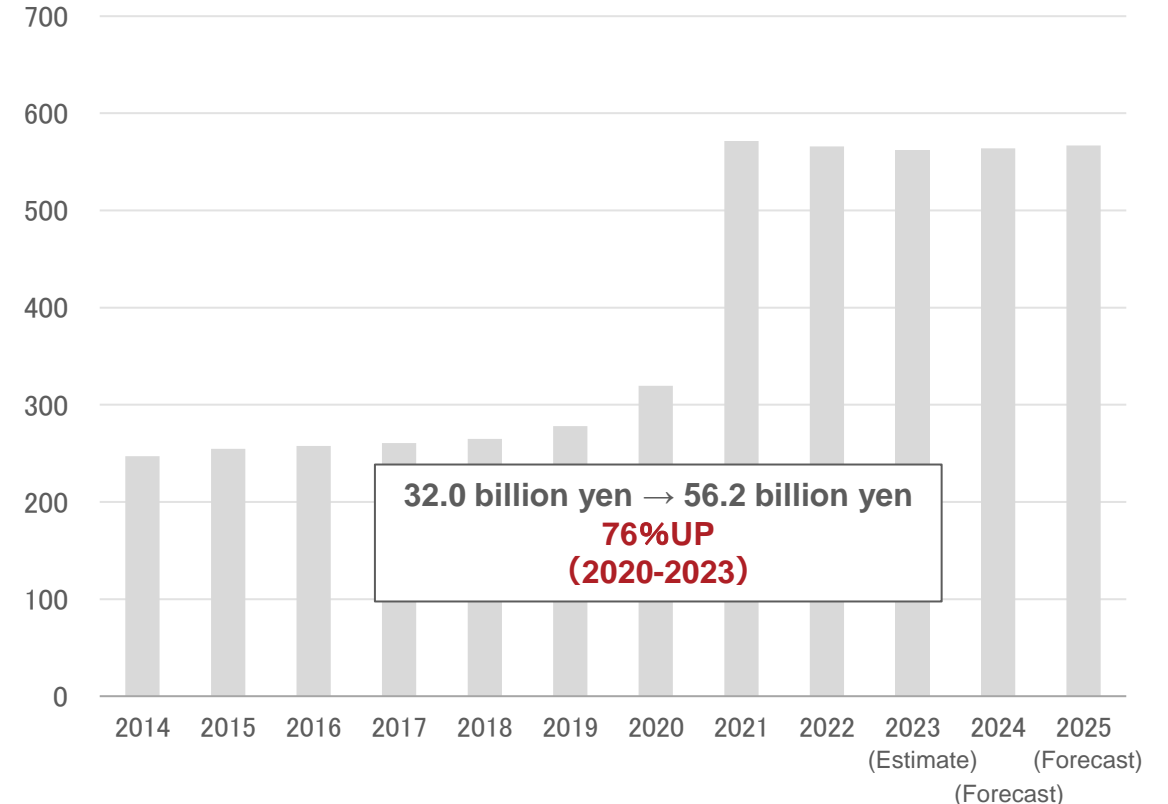
Trends in the domestic market size for hair color

(100 million yen)



Trend in the domestic market size for female scalp care

(100 million yen)

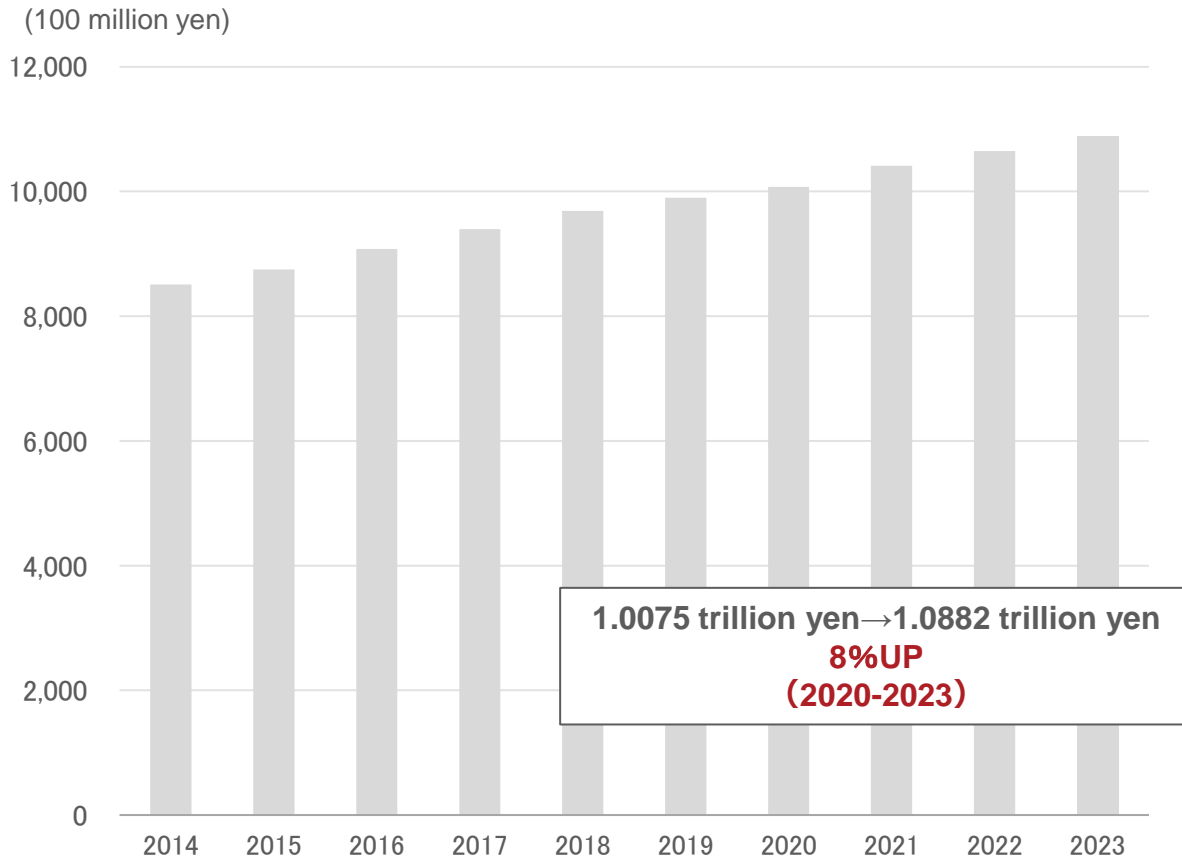


Source: "Cosmetics Marketing Handbook 2023 No. 2" by Fuji Keizai

Domestic Market Size for Functional Food and Recovery Wear

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

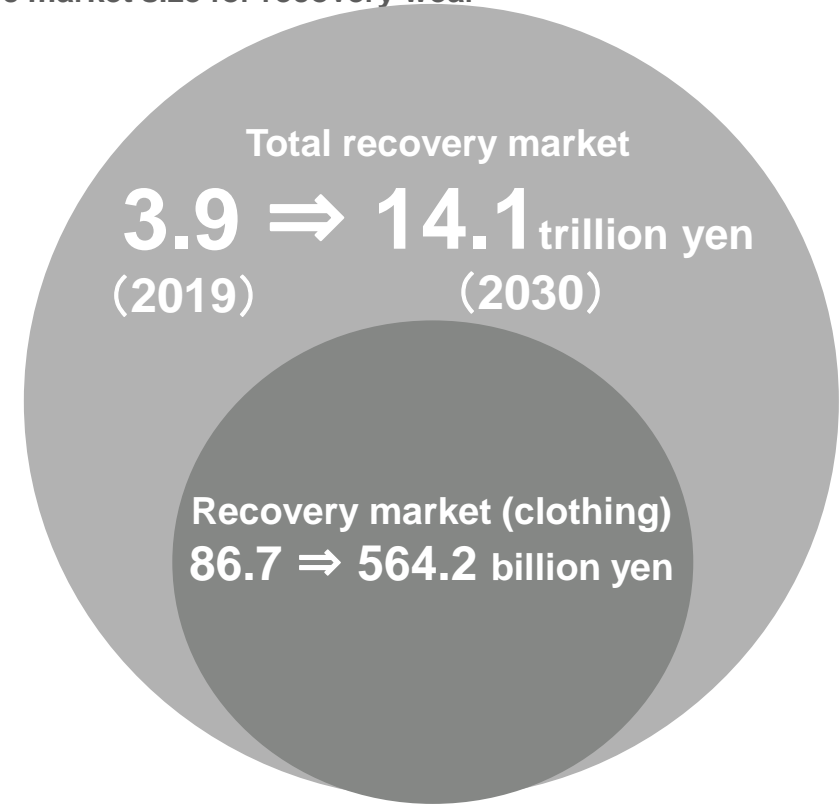
Trends in the domestic market size for functional food



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

(Estimate) (Forecast)

Domestic market size for recovery wear

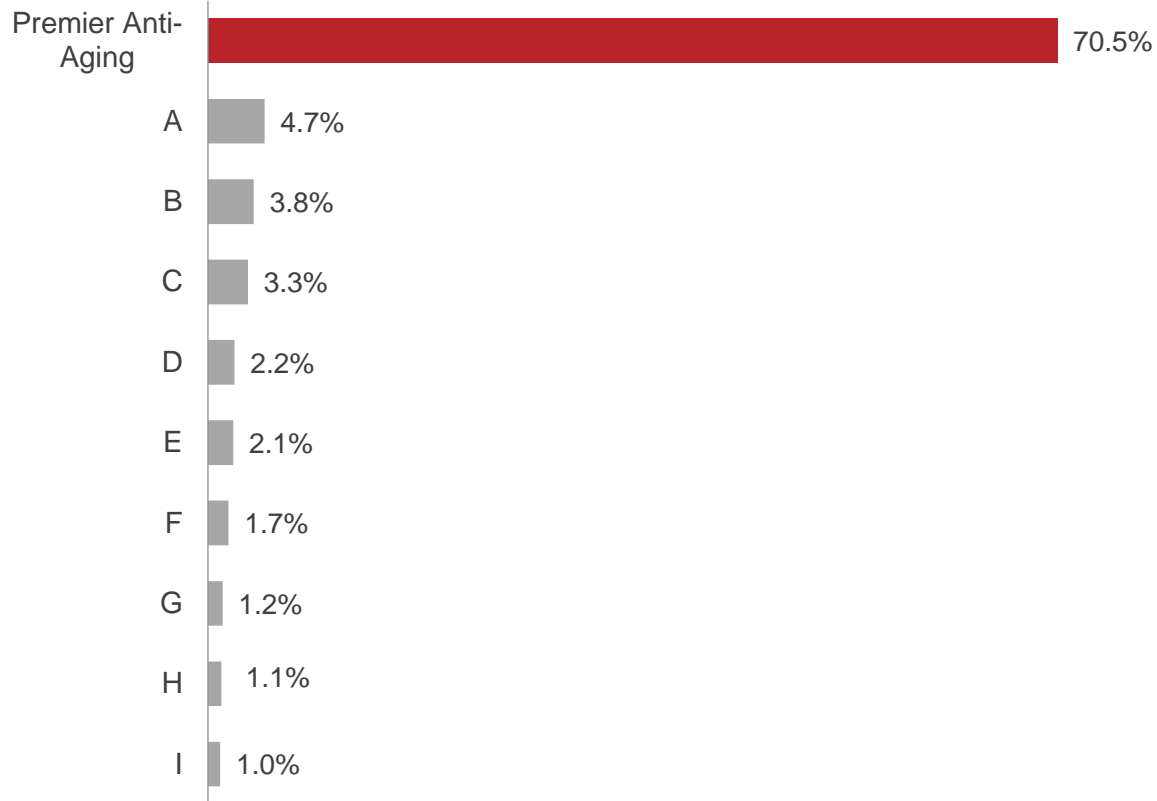


* Rest Week Promotion Secretariat: "In collaboration with the Kanagawa Prefecture Meibyou Industry Research Group, we estimate the market size of the three elements of health, "recovery," for the first time in Japan. The recovery market in 2030 will be worth 14.1 trillion yen."

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

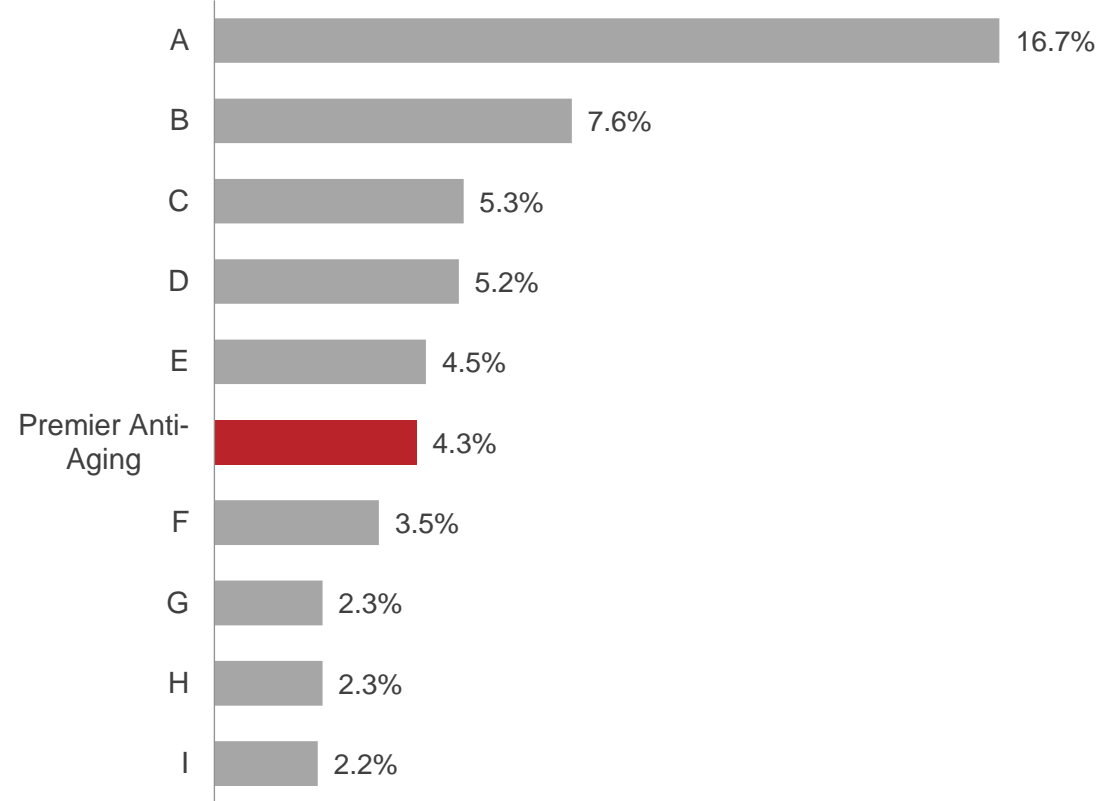
✓ Established a competitive position with cleansing (balm type) by DUO and all-in-one by CANADEL

Cleansing (Balm type)



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

All-in-one



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

Basic Sustainability Policy

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

~Enabling unique pathways through life~

Untether time.

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

Materiality and Goals

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

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

Disclaimers and Notes on Forecasts and Projections

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

Contact: Corporate Communication Division
E-mail : ir@p-antiaging.co.jp

Forever vivid

とき
人の時間を、解き放つ。

Untether time.