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September 11, 2025

**Consolidated Financial Results
for the Fiscal Year Ended July 31, 2025
(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
Representative:	Kiyoshi Matsuura, President
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Scheduled date for next annual general shareholders meeting:	October 29, 2025
Scheduled date for commencing dividend payments:	-
Scheduled date to file annual securities report:	October 24, 2025
Preparation of supplementary materials on financial results:	Yes
Holding financial results briefing:	Yes (for institutional investors and analysts)

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

1. Consolidated financial results for the fiscal year ended July 31, 2025 (from August 1, 2024 to July 31, 2025)

(1) Consolidated operating results

(Percentage figures indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
July 31, 2025	16,160	(20.6)	617	343.8	599	271.8	471	-
July 31, 2024	20,359	(22.9)	139	-	161	-	(1,483)	-

Note:	Comprehensive income	Fiscal year ended July 31, 2025:	473 million yen [- %]
		Fiscal year ended July 31, 2024:	(1,484) million yen [- %]

	Basic earnings per share	Diluted earnings per share	Return on equity	Return on assets	Operating profit/ net sales
Fiscal year ended	Yen	Yen	%	%	%
July 31, 2025	54.10	54.03	7.4	5.7	3.8
July 31, 2024	(170.10)	-	(21.6)	1.4	0.7

Note: Although there are dilutive shares, diluted earnings per share for the fiscal year ended July 31, 2024 is not indicated due to net loss per share.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
July 31, 2025	10,140	6,610	65.1	756.65
July 31, 2024	11,002	6,124	55.7	702.33

Reference:	Total shareholders' equity	
	As of July 31, 2025:	6,598 million yen
	As of July 31, 2024:	6,124 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
July 31, 2025	1,472	(229)	(1,337)	4,655
July 31, 2024	425	(540)	183	4,753

2. Cash dividends

	Annual dividends per share					Total cash dividends	Payout ratio (Consolidated)	Dividends to net assets (Consolidated)
	End of first quarter	End of second quarter	End of third quarter	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended July 31, 2024	-	0.00	-	0.00	0.00	-	-	-
Fiscal year ended July 31, 2025	-	0.00	-	0.00	0.00	-	-	-
Fiscal year ending July 31, 2026 (Forecast)	-	0.00	-	0.00	0.00		-	

3. Consolidated earnings forecasts for the fiscal year ending July 31, 2026 (from August 1, 2025 to July 31, 2026)

(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, 2026	8,000	(6.2)	150	(84.7)	150	(84.5)	100	(82.8)	11.47
Full year	16,500	2.1	300	(51.4)	300	(50.0)	300	(36.4)	34.40

* Notes

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

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

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

(Note) For details, please refer to "3. Consolidated financial statements and major notes (5) Notes to consolidated financial statements (Notes on changes in accounting policies)" on page 12 of the attached document.

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

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

As of July 31, 2025	8,720,534 shares
As of July 31, 2024	8,720,534 shares

- Number of treasury shares at the end of the fiscal year

As of July 31, 2025	155 shares
As of July 31, 2024	155 shares

- Average number of shares outstanding during the fiscal year

Fiscal year ended July 31, 2025	8,720,379 shares
Fiscal year ended July 31, 2024	8,720,379 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended July 31, 2025 (from August 1, 2024 to July 31, 2025)

(1) Non-consolidated operating results

(Percentage figures indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
July 31, 2025	12,874	(30.0)	418	-	434	-	440	-
July 31, 2024	18,387	(27.7)	(82)	-	(51)	-	(1,567)	-

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
July 31, 2025	50.47	50.41
July 31, 2024	(179.75)	-

Notes: Although there are dilutive shares, diluted earnings per share for the fiscal year ended July 31, 2024 is not indicated due to net loss per share.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
July 31, 2025	8,389	6,317	75.2	723.03
July 31, 2024	9,732	5,864	60.3	672.55

Reference: Total shareholders' equity

As of July 31, 2025: 6,305 million yen

As of July 31, 2024: 5,864 million yen

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

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

(Caution regarding forward-looking statements, etc.)

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. Overview of financial results, etc. (4) Future outlook" on page 4 of the Attachment.

Contents of Attachment

1.	Overview of financial results, etc.	2
	(1) Overview of financial results for the current fiscal year.....	2
	(2) Overview of financial position at the end of the current fiscal year.....	3
	(3) Overview of cash flows at the end of the current fiscal year.....	4
	(4) Future outlook	4
2.	Basic principle on the choice of accounting standards	5
3.	Consolidated financial statements and major notes	6
	(1) Consolidated balance sheet	6
	(2) Consolidated statement of income and consolidated statement of comprehensive income	8
	Consolidated statement of income	8
	Consolidated statement of comprehensive income	9
	(3) Consolidated statement of changes in shareholders' equity	10
	(4) Consolidated statement of cash flows	11
	(5) Notes on consolidated financial statements	12
	(Notes on going concern assumption).....	12
	(Notes on changes in accounting policies).....	12
	(Notes on segment information, etc.)	12
	(Per share information)	14
	(Notes on significant subsequent events)	15

1. Overview of financial results, etc.

(1) Overview of financial results for the current fiscal year

In the consolidated fiscal year ended July 31, 2025 (the “current fiscal year”), the Japanese economy continued to recover at a moderate pace, but some areas showed signs of slowing down. Wages maintained high growth and personal consumption remained solid, but there were signs of sluggish growth in consumption of non-durable goods such as food as households became more saving-minded due to rising prices. The domestic cosmetics market continued to grow at a moderate pace amid the economic recovery, although the speed of growth showed signs of slowing.

Under these circumstances, Premier Anti-Aging Co., Ltd. (“the Company”) and its consolidated subsidiaries (“the Group”) are working to rebuild its brand value by strengthening collaboration between brand management and each channel and to implement appropriate cost management in order to establish a lean and robust corporate structure that can create steady profits even in a tough business environment.

During the current fiscal year, sales increased steadily in the recovery business conducted through subsidiary Venex Co., Ltd., but sales in the anti-aging business conducted by the Company decreased, resulting in an overall sales of 16,160 million yen (down 20.6% year on year). On the other hand, although gross profit decreased due to a decrease in sales in the anti-aging business, operating profit amounted to 617 million yen (up 343.8% year on year) due to the falling sales expenses below plan, mainly advertising expenses, caused by insufficient improvement in advertising efficiency for acquiring new customers in the mail order channel, and implementing appropriate cost management through continued fixed cost reduction, ordinary profit was 599 million yen (up 271.8% year on year) and profit attributable to owners of parent was 471 million yen (loss attributable to owners of parent of 1,483 million yen in the same period of the previous fiscal year).

Business results by segment are as follows.

Anti-aging business

(Millions of yen)

	Previous fiscal year (From August 1, 2023 to July 31, 2024)	Current fiscal year (From August 1, 2024 to July 31, 2025)	Year on year change (%)
Net sales	18,338	12,926	(29.5)
Operating profit (loss)	(139)	408	-

Net sales

Anti-aging business sales amounted to 12,926 million yen (down 29.5% year on year).

Sales by channel were lower than in the same period of the previous fiscal year for both mail order and wholesale sales. In mail order sales, we continue to thoroughly improve the efficiency of new customer acquisition, which we have been working on since the previous fiscal year and strive to implement CRM measures to strengthen our customer structure. The introduction of new products and promotions aimed at increasing the retention rate of subscription customers has been successful to some extent, resulting in an increase in LTV. However, this has not been enough to make up for the decrease in new customer acquisitions, and sales continue to decline.

In wholesale sales, we have been strengthening our efforts to maximize value for customers in stores and on e-commerce malls by promoting tie-ups with PR promotions that gain new value recognition for existing brands. The launch of a new brand exclusively for wholesale sales and promotions in collaboration with wholesalers triggered by “The Cleansing Balm Black Repair” winning the @cosme Best Cosmetics Award have been successful, but sales fell below the previous fiscal year due in part to the impact of the complete renewal of five types of “The Cleansing Balm” series from “DUO.”

The situation by brand is as follows.

To mark the 15th anniversary of the launch of the “DUO” brand in February 2025, we have relaunched five new products in the “The Cleansing Balm” series. In addition to the regular 90g size, we have launched a new store-exclusive 66g size and an 18g mini size, and have been running promotions to coincide with “The Cleansing Balm Black Repair” winning the @cosme Best Cosmetics Award, area promotions using train channels and OOH, and trial campaigns to acquire new mail order customers using the mini size. We continue to actively communicate the functionality of our

improved cleansing balm and the level of satisfaction it provides.

The “CANADEL” brand has exceeded 9 million units in cumulative shipments in September 2024 and is gaining recognition as a high-performance anti-aging care brand for adults with changing skin concerns. Advertising using the new brand character contributed to increasing brand recognition and expanding sales channels. In April 2025, we have launched a new product, “CANADEL tuning lotion [Quasi-drug],” which supports skin care as a first step before using an all-in-one product, and in May, we have launched the summer-only “CANADEL PREMIER MOIST COOL,” increasing the options available to our customers.

The “clayence” brand celebrates its third anniversary in March 2025 and is strengthening communication with customers through campaigns and workshops. The cumulative shipments exceeded 2 million units by April 2025, and we continue developing it into a comprehensive hair care brand.

We launched a new skin care brand, “Lalaskin,” which realizes fast beauty medical concept, in April 2025 at some variety shops, drug stores, GMS, and EC malls, and it is scheduled to be fully rolled out to approximately 5,000 stores nationwide from September 2025. Additionally, we have redefined the concept of our anti-aging brand “Reinca,” which focuses on stem cell culture extract, to “Recovery Beauty,” and by crossing over with “Venex,” a pioneer in recovery wear, we will promote synergies centered on “recovery.” We are also continuing test marketing of our inner care supplement “SINTO Liposomal Vitamin C” and high-concentration Vitamin C skin care brand “C+mania.”

Operating profit

Although gross profit decreased due to the decline in sales, operating profit improved significantly to 408 million yen (operating loss of 139 million yen in the same period of the previous fiscal year) due to the falling sales expenses below plan, mainly advertising expenses, caused by insufficient improvement in advertising efficiency for acquiring new customers in the mail order channel, and implementing appropriate cost management through continued fixed cost reduction.

Recovery business

	(Millions of yen)		
	Previous fiscal year (From August 1, 2023 to July 31, 2024)	Current fiscal year (From August 1, 2024 to July 31, 2025)	Year on year change (%)
Net sales	2,020	3,233	60.0
Operating profit	278	208	(25.2)

Net sales

Sales were driven by the mainstay product Standard Dry Plus, and sales of seasonal products and entry models also grew steadily, resulting in sales of 3,233 million yen (up 60.0% year on year), significantly exceeding the initial plan. Strengthening of supply chain management, which involves a seamless approach from yarn production to fabric production and sewing, is also progressing as planned, which further reinforces the foundation for sales growth.

Operating profit

Operating profit fell to 208 million yen (down 25.2% year on year) compared to the previous fiscal year due to investments centered on TV commercials and digital marketing to further grow sales, but progressed as planned.

(2) Overview of financial position at the end of the current fiscal year

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

(Assets)

Total assets at the end of the current fiscal year decreased by 861 million yen from the end of the previous fiscal year to 10,140 million yen. The main factors of increase and decrease were as follows.

Current assets decreased by 808 million yen from the end of the previous fiscal year to 8,073 million yen.

This was mainly due to a decrease of 105 million yen in cash and deposits, a decrease of 305 million yen in accounts receivable – trade, and a decrease of 109 million yen in finished goods.

Non-current assets decreased by 52 million yen from the end of the previous fiscal year to 2,067 million yen. This was mainly due to a decrease of 30 million yen in software and a decrease of 41 million yen in goodwill.

(Liabilities)

Total liabilities at the end of the current fiscal year decreased by 1,347 million yen from the end of the previous fiscal year to 3,530 million yen. The main factors of increase and decrease were as follows.

Current liabilities decreased by 761 million yen from the end of the previous fiscal year to 2,997 million yen. This was mainly due to a decrease of 603 million yen in short-term borrowings and a decrease of 282 million yen in provision for contract loss.

Non-current liabilities decreased by 585 million yen from the end of the previous fiscal year to 533 million yen. This was mainly due to a decrease of 529 million yen in long-term borrowings.

(Net Assets)

Net assets at the end of the current fiscal year increased by 485 million yen from the end of the previous fiscal year to 6,610 million yen. This was mainly due to an increase of 471 million yen in retained earnings.

As a result, the equity ratio was 65.1%.

(3) Overview of cash flows at the end of the current fiscal year

Cash and cash equivalents ("net cash") at the end of the current fiscal year amounted to 4,655 million yen (decreased by 98 million yen from the end of the previous fiscal year).

The status of cash flows and their factors during the current fiscal year were as follows.

(Cash flows from operating activities)

Net cash provided by operating activities in the current fiscal year amounted to 1,472 million yen (cash inflow of 425 million yen in the previous fiscal year). The major factors of cash inflows were recording profit before income taxes of 588 million yen, a decrease of 305 million yen in trade receivables and a decrease of 125 million yen in inventories, while the major factor of cash outflow was a decrease of 333 million yen in provision for contract loss.

(Cash flows from investing activities)

Net cash used in investing activities in the current fiscal year amounted to 229 million yen (cash outflow of 540 million yen in the previous fiscal year). The major factor of cash inflow was gain on sale of investment securities of 21 million yen, while the major factor of cash outflow was purchase of intangible assets of 165 million yen.

(Cash flows from financing activities)

Net cash used by financing activities in the current fiscal year amounted to 1,337 million yen (cash inflow of 183 million yen in the previous fiscal year). The major factors of cash outflow were a decrease of 603 million yen in short-term borrowings and repayments of long-term borrowings of 707 million yen.

(4) Future outlook

Looking to the future, we expect that the negative impact of the US tariff hikes, such as rising prices and reduced profits, will become apparent in the US and Chinese economies towards the second half of 2025, causing export volumes to decline and slowing the Japanese economy. On the other hand, as the rise in energy prices and food prices slows, the inflation rate is expected to fall toward the beginning of next year, and as real wages rise from this fall onwards, solid personal consumption is expected to support the economy. The domestic cosmetics market is also expected to continue its recovery, supported by favorable factors such as rising wages and a recovery in inbound tourism.

Under these circumstances, in the anti-aging business, we aim to turn around sales by further strengthening collaboration between brand management and each channel, planning and development, marketing, quality and supply chain management.

In terms of brand management, we will proactively introduce new and limited edition products to further enhance our brand value, and will implement communications and promotions to appeal and spread our brand value.

As for our channel strategy, firstly, in the mail order channel, we will strengthen our reach to customers who have not used our products so far and aim to acquire new customers. At the same time, we will further expand our CRM measures to strengthen our customer structure by introducing new and limited edition products to increase the average customer spending and promote cross-selling. In the wholesale sales channel, we will develop the newly launched "Lalaskin" brand exclusively for wholesale sales. We will also strive to secure growth potential by deepening collaboration with

wholesale clients and strengthening our e-commerce mall business. Additionally, overseas, we will strengthen collaboration with inbound tourists and continue our efforts in the Chinese business while closely monitoring market trends. Furthermore, we will continue to work on developing new sales channels domestically.

In the recovery business, we will expand our business in growing markets while, as a pioneer in the recovery business, promoting recovery know-how based on the recuperation expertise. We will further strengthen collaboration as a Premier Anti-Aging group, create group synergies, and work harder on branding, digital marketing, CRM, new product development, store expansion, etc., in order to strengthen ties with customers and increase sales.

With these endeavors, we expect to achieve consolidated net sales of 16,500 million yen (up 2.1% year-on-year), operating profit of 300 million yen (down 51.4% year-on-year), ordinary profit of 300 million yen (down 50.0% year-on-year) and profit attributable to owners of parent of 300 million yen (down 36.4% year on year) for the fiscal year ending July 31, 2026.

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

2. Basic principle on the choice of accounting standards

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

3. Consolidated financial statements and major notes

(1) Consolidated balance sheet

(Millions of yen)

	Previous fiscal year (As of July 31, 2024)	Current fiscal year (As of July 31, 2025)
Assets		
Current assets		
Cash and deposits	4,760	4,655
Accounts receivable - trade	1,727	1,421
Finished goods	1,112	1,002
Raw materials and supplies	474	457
Prepaid expense	251	214
Other	556	321
Total current assets	8,882	8,073
Non-current assets		
Property, plant and equipment		
Buildings, net	431	414
Vehicles, net	1	0
Tools, furniture and fixtures, net	178	138
Total property, plant and equipment	610	553
Intangible assets		
Goodwill	352	310
Patent rights	187	169
Software	404	373
Software in progress	10	21
Other	44	39
Total intangible assets	999	914
Investments and other assets		
Investment securities	10	18
Long-term prepaid expenses	-	13
Deferred tax assets	-	81
Leasehold deposits	471	460
Other	105	63
Allowance for doubtful accounts	(77)	(37)
Total investments and other assets	510	599
Total non-current assets	2,120	2,067
Total assets	11,002	10,140
Liabilities		
Current liabilities		
Accounts payable - trade	204	203
Short-term borrowings	1,008	405
Current portion of long-term borrowings	385	208
Current portion of bonds payable	26	26
Accounts payable - other	871	794
Income taxes payable	23	126
Accrued consumption taxes	-	75
Contract liabilities	171	163
Provision for bonuses	81	78
Provision for contract loss	308	25
Other	677	890
Total current liabilities	3,759	2,997

(Millions of yen)

	Previous fiscal year (As of July 31, 2024)	Current fiscal year (As of July 31, 2025)
Non-current liabilities		
Bonds payable	43	17
Long-term borrowings	980	451
Deferred tax liabilities	34	50
Provision for contract loss	52	-
Asset retirement obligations	6	14
Total non-current liabilities	1,118	533
Total liabilities	4,877	3,530
Net assets		
Shareholders' equity		
Share capital	1,351	1,351
Capital surplus	1,351	1,351
Retained earnings	3,404	3,876
Treasury shares	(1)	(1)
Total shareholders' equity	6,106	6,578
Accumulated other comprehensive income		
Foreign currency translation adjustment	17	19
Total accumulated other comprehensive income	17	19
Stock acquisition rights	-	12
Total net assets	6,124	6,610
Total liabilities and net assets	11,002	10,140

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

(Millions of yen)

	Previous fiscal year (From August 1, 2023 to July 31, 2024)	Current fiscal year (From August 1, 2024 to July 31, 2025)
Net sales	20,359	16,160
Cost of sales	4,258	3,774
Gross profit	16,100	12,386
Selling, general and administrative expenses	15,961	11,768
Operating profit	139	617
Non-operating income		
Interest income	1	3
Profit on currency exchange	35	-
Miscellaneous income	12	12
Total non-operating income	49	15
Non-operating expenses		
Interest expenses	22	19
Loss on currency exchange	-	12
Miscellaneous losses	5	0
Total non-operating expenses	27	32
Ordinary profit	161	599
Extraordinary profit		
Gain on sales of investment securitites	-	20
Total extraordinary profit	-	20
Extraordinary losses		
Loss on retirement of non-current assets	36	32
Impairment loss	495	-
Loss on valuation of shares of affiliated company	2	-
Contract loss	147	-
Provision of allowance for contract loss	361	-
Other	19	-
Total extraordinary losses	1,063	32
Profit (loss) before income taxes	(902)	588
Income taxes - current	62	139
Income taxes for prior periods	-	43
Income taxes - deferred	518	(66)
Total income taxes	581	116
Profit (loss)	(1,483)	471
Profit (loss) attributable to owners of parent	(1,483)	471

(Consolidated statement of comprehensive income)

(Millions of yen)

	Previous fiscal year (From August 1, 2023 to July 31, 2024)	Current fiscal year (From August 1, 2024 to July 31, 2025)
Profit (loss)	(1,483)	471
Other comprehensive income		
Foreign currency translation adjustment	(1)	1
Total other comprehensive income	(1)	1
Comprehensive income (loss)	(1,484)	473
Comprehensive income (loss) attributable to		
Owners of parent	(1,484)	473
Non-controlling interests	-	-

(3) Consolidated statement of changes in shareholders' equity
Previous fiscal year (From August 1, 2023 to July 31, 2024)

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income		Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	1,351	1,351	4,888	(1)	7,590	19	19	7,609
Changes of items during period								
Profit (loss) attributable to owners of parent			(1,483)		(1,483)			(1,483)
Net changes in items other than shareholders' equity						(1)	(1)	(1)
Total changes of items during period	-	-	(1,483)	-	(1,483)	(1)	(1)	(1,484)
Balance at end of period	1,351	1,351	3,404	(1)	6,106	17	17	6,124

Current fiscal year (From August 1, 2024 to July 31, 2025)

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income		Stock acquisition rights	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	1,351	1,351	3,404	(1)	6,106	17	17	-	6,124
Changes of items during period									
Profit attributable to owners of parent			471		471				471
Net changes in items other than shareholders' equity						1	1	12	13
Total changes of items during period	-	-	471	-	471	1	1	12	485
Balance at end of period	1,351	1,351	3,876	(1)	6,578	19	19	12	6,610

(4) Consolidated statement of cash flows

(Millions of yen)

	Previous fiscal year (From August 1, 2023 to July 31, 2024)	Current fiscal year (From August 1, 2024 to July 31, 2025)
Cash flows from operating activities		
Profit (loss) before income taxes	(902)	588
Depreciation	209	257
Amortization of goodwill	41	41
Loss on retirement of non-current assets	36	32
Impairment loss	495	-
Loss on valuation of shares of affiliated company	2	-
Increase (decrease) in allowance for doubtful accounts	3	(39)
Increase (decrease) in provision for contract loss	361	(333)
Interest income	(1)	(3)
Interest expenses	22	19
Decrease (increase) in trade receivables	353	305
Decrease (increase) in inventories	323	125
Increase (decrease) in trade payables	(54)	(1)
Increase (decrease) in accounts payable - other	(270)	(62)
Increase (decrease) in accrued expenses	208	(44)
Decrease (increase) in prepaid expenses	54	37
Increase (decrease) in accrued consumption taxes	(252)	177
Loss (Gain) on sale of investment securities	-	(20)
Other, net	(2)	296
Subtotal	630	1,376
Interest received	1	3
Interest paid	(21)	(19)
Income taxes paid	(184)	111
Net cash provided by (used in) operating activities	425	1,472
Cash flows from investing activities		
Decrease (increase) in time deposits	4	7
Purchase of property, plant and equipment	(629)	(30)
Purchase of intangible assets	(191)	(165)
Proceeds from collection of loans	2	2
Payments of leasehold and guarantee deposits	(0)	(0)
Proceeds from collection of lease and guarantee deposits	277	2
Payments of insurance funds	(1)	(1)
Gain on sale of investment securities	-	21
Other	(2)	(64)
Net cash provided by (used in) investing activities	(540)	(229)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	440	(603)
Repayments of long-term borrowings	(230)	(707)
Payments of redemption of bonds	(26)	(26)
Net cash provided by (used in) financing activities	183	(1,337)
Effect of exchange rate changes on cash and cash equivalents	26	(3)
Net increase (decrease) in cash and cash equivalents	94	(98)
Cash and cash equivalents at beginning of period	4,659	4,753
Cash and cash equivalents at end of period	4,753	4,655

(5) Notes on consolidated financial statements

(Notes on going concern assumption)

Not applicable

(Notes on changes in accounting policies)

(Application of “Accounting Standards for Corporate Tax, Resident Tax, Business Tax, etc.”)

“Accounting Standards for Corporate Tax, Resident Tax, Business Tax, etc.” (ASBJ Statement No. 27, October 28, 2022; hereinafter referred to as “2022 Revised Accounting Standards”) etc. has been applied from the beginning of the current fiscal year.

Regarding the amendment to the accounting classification of corporate taxes, etc. (taxation on other comprehensive income), we follow the transitional treatments set out in the proviso to Paragraph 20-3 of the 2022 Revised Accounting Standards and in the proviso to Paragraph 65-2 (2) of the “Implementation Guidance on Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the “2022 Revised Implementation Guidance”). Please note that this change in accounting policy has had no impact on the consolidated financial statements for the current fiscal year.

In addition, with regard to the amendments related to the revision of the treatment in consolidated financial statements when profits or losses arising from the sale of subsidiary shares, etc. between consolidated companies are deferred for tax purposes, the 2022 Revised Implementation Guidance has been applied from the beginning of the current fiscal year. This change in accounting policy has been applied retroactively, and the consolidated financial statements for the previous fiscal year have been retroactively applied. Please note that this change in accounting policy has no impact on the consolidated financial statements for the previous fiscal year.

(Notes on segment information, etc.)

[Segment information]

1. Overview of reporting segments

(1) Method of determining reporting segments

The Company's reporting segments are aggregates of the Company's constituent units according to certain standards. These components have separate financial information available and are subject to periodic review by the highest management decision-making body to determine resource allocation and evaluate performance.

Since the Company mainly evaluates business performance by consolidated subsidiary, this is the unit for identifying business segments. Reporting segments are determined by aggregating those business segments that have similarities in terms of economic characteristics, markets in which products and services are sold, types of customers, etc.

(2) Types of products and services belonging to each reporting segment

The main products and services handled by each segment are listed below.

- Anti-aging business

The business primarily manufactures and sells skin care, hair care, and inner care products, and includes brands such as DUO, CANADEL, and clayence.

- Recovery business

This business primarily manufactures and sells recovery wear through Venex Co., Ltd.

2. Calculation method for the amounts of sales, profit or loss, assets and other items for each reporting segment

The accounting methods for the reporting segments are in accordance with the accounting policies adopted for preparing the consolidated financial statements.

Reporting segment profits are based on operating profit.

Internal profit and transfers between segments are based on prevailing market prices.

3. Information on the amounts of sales, profit or loss, assets and other items for each reporting segment.

I. Previous fiscal year (From August 1, 2023 to July 31, 2024)

(Millions of yen)

	Reporting segment			Adjustment amount	Amount recorded in consolidated statement of income
	Anti-aging business	Recovery business	Total		
Sales					
Sales to external customers	18,338	2,020	20,359	-	20,359
Internal sales and transfers between segments	-	-	-	-	-
Total	18,338	2,020	20,359	-	20,359
Segment profit (loss)	(139)	278	139	-	139
Segment assets	9,134	1,867	11,002	-	11,002
Other items					
Depreciation	188	21	209	-	209
Amortization of goodwill	-	41	41	-	41

II. Current fiscal year (From August 1, 2024 to July 31, 2025)

(Millions of yen)

	Reporting segment			Adjustment amount	Amount recorded in consolidated statement of income
	Anti-aging business	Recovery business	Total		
Sales					
Sales to external customers	12,926	3,233	16,160	-	16,160
Internal sales and transfers between segments	-	-	-	-	-
Total	12,926	3,233	16,160	-	16,160
Segment profit	408	208	617	-	617
Segment assets	7,835	2,305	10,140	-	10,140
Other items					
Depreciation	232	24	257	-	257
Amortization of goodwill	-	41	41	-	41

[Information on impairment losses on non-current assets by reporting segment]

Previous fiscal year (From August 1, 2023 to July 31, 2024)

(Millions of yen)

	Anti-aging business	Recovery business	Other	Elimination	Total
Impairment loss	495	-	-	-	495

Current fiscal year (From August 1, 2024 to July 31, 2025)

Not applicable

[Information on amortization and unamortized balance of goodwill by reporting segment]

Previous fiscal year (From August 1, 2023 to July 31, 2024)

(Millions of yen)

	Anti-aging business	Recovery business	Other	Elimination	Total
Amortization	-	41	-	-	41
Unamortized balance	-	352	-	-	352

Current fiscal year (From August 1, 2024 to July 31, 2025)

(Millions of yen)

	Anti-aging business	Recovery business	Other	Elimination	Total
Amortization	-	41	-	-	41
Unamortized balance	-	310	-	-	310

[Information on gain on negative goodwill by reporting segment]

Not applicable

(Per share information)

	Previous fiscal year (From August 1, 2023 to July 31, 2024)	Current fiscal year (From August 1, 2024 to July 31, 2025)
Net assets per share	702.33 yen	756.65 yen
Basic earnings (losses) per share	(170.10) yen	54.10 yen
Diluted earnings per share	-	54.03 yen

Notes: 1. Although there are dilutive shares, diluted earnings per share for the previous fiscal year are not indicated due to net losses per share.

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

(Millions of yen)

	Previous fiscal year (As of July 31, 2024)	Current fiscal year (As of July 31, 2025)
Total net assets	6,124	6,610
Amount deducted from total net assets	-	12
(of which stock acquisition rights)	-	(12)
Net assets related to common shares at the end of the period	6,124	6,598
Number of common shares used in the calculation of net assets per share at end of period	8,720,379 shares	8,720,379 shares

3. The basis for calculating basic earnings (losses) per share is as follows.

(Millions of yen)

	Previous fiscal year (From August 1, 2023 to July 31, 2024)	Current fiscal year (From August 1, 2024 to July 31, 2025)
Basic earnings (losses) per share		
Profit (loss) attributable to owners of parent	(1,483)	471
Amount not attributable to common shareholders	-	-
Profit (loss) attributable to owners of parent for common shares	(1,483)	471
Average number of common shares during period	8,720,379 shares	8,720,379 shares
Diluted earnings per share		
Adjustments to profit attributable to owners of parent	-	-
Number of common shares increased	-	11,118 shares
(of which stock acquisition rights)	(-)	(11,118 shares)
Overview of dilutive shares not included in the calculation of diluted earnings per share because they have no dilutive effect	-	-

(Notes on significant subsequent events)

(Reduction of share capital amount)

At the Board of Directors meeting held on September 11, 2025, it was resolved to submit a proposal for a reduction of share capital amount to the 16th Ordinary General Meeting of Shareholders scheduled to be held on October 29, 2025.

1. Purpose of reduction of share capital amount

As part of our management strategy to achieve sustainable growth and increase our corporate value over the medium to long term, we will reduce the amount of our share capital and transfer it to other capital surplus pursuant to Article 447, Paragraph 1 of the Companies Act, in order to more strongly promote our group's growth strategy through the application of appropriate tax systems and ensure flexibility and agility in our future capital policy.

2. Details of the reduction of share capital amount

(1) Amount of share capital to be reduced

We will reduce the share capital of 1,351 million yen as of September 11, 2025 by 1,301 million yen to 50 million yen. Provided that stock options (stock acquisition rights) issued by the Company are exercised before the effective date of the share capital reduction, the amount of share capital stated above and the amount of share capital after the reduction will change.

(2) Method of reducing share capital amount

The total number of shares issued and outstanding will remain unchanged, and the entire amount of the share capital reduction of 1,301 million yen will be transferred to other capital surplus.

3. Schedule for reduction of share capital amount

- | | |
|--|-------------------------------|
| (1) Date of resolution of the Board of Directors meeting | September 11, 2025 |
| (2) Date of resolution of the Ordinary General Meeting of Shareholders | October 29, 2025 (Scheduled) |
| (3) Final date for creditor objections | November 30, 2025 (Scheduled) |
| (4) Effective date | December 1, 2025 (Scheduled) |