

FY2024 3Q Results Briefing Q&A



Premier Anti-Aging Co., Ltd.  
June 17, 2024

**Summary of Financial Results Briefing Q&A  
for the First Nine Months of the Fiscal Year Ending July 31, 2024  
(held on June 13, 2024)**

**[Notes]**

**The "Summary of Financial Results Briefing Q&A" is not a verbatim transcription of the questions and answers that took place at the briefing but has been summarized concisely at our discretion for those who were unable to attend.**

**1. Sales continue to decline, but when do you think the decline will stop?**

We hope to stop and reverse the downward trend in sales during the next fiscal year (ending July 2025) and are planning various investments in the fourth quarter. First, as a new challenge, we are accelerating our efforts to develop new sales channels and new brands and new products for existing brands. We also continue to strengthen our customer base and focus on increasing the number of loyal customers through CRM measures. Furthermore, while assessing the CPO/LTV relationship, if the relationship improves, we will accelerate investment in new acquisitions. We believe that these measures will drive renewed growth. We also plan to address strengthening our financial position. Through these measures, we hope to achieve renewed growth and establish a foundation for profitability within the next fiscal year.

**2. You have left your full-year earnings forecast unchanged, but are you expecting an operating loss of 1 billion yen in the fourth quarter? How should we view the upside and downside risks to full-year earnings forecast?**

Again, we have some investments planned for the fourth quarter.

- ① If the CPO/LTV relationship improves, aggressively accelerate investment in new acquisitions
- ② Promote investment in the development of new sales channels and new brands
- ③ We have caused concern to our shareholders and investors due to last fiscal year's inventory valuation loss and system impairment loss in the second quarter of this fiscal year, but we will once again carry out a comprehensive financial review. However, we are not aware of any significant costs at this point, such as those at the end of last fiscal year or in the first half of this fiscal year.

As we plan to make these investments, we have not changed our full-year earnings

forecast. However, we do not foresee any downside risk.

**3. The recovery business continues to perform well, but what was the reason for the decline in operating profit margin in the third quarter?**

Regarding the recovery business, we have strengthened our supply chain management and established a stable product supply system, so we have been increasing advertising and promotional investment through digital marketing since the third quarter. Since March, we have been working on a project with new brand ambassador Ayako Imoto to promote communication that promotes understanding of the Venex brand and product features, as well as user benefits, efficacy, and usage scenarios. We have just started aggressive investment in advertising, and sales have not yet sufficiently increased, but going forward we will continue to tune our advertising distribution and appeal methods to achieve sales growth that is commensurate with costs.

**4. How should we view the future growth of the recovery business?**

The recovery wear market is in a period of expansion and competition is intensifying, but we aim to achieve growth that exceeds the market and expand our market share. As for future growth, we would like to aim for slightly more than double-digit sales growth and double-digit profit margins.

**Disclaimer Regarding Forecasts and Projections**

- ✓ The document and information provided as part of our results announcement include forward-looking statements, which reflect our current expectations and assumptions about forecasts and risks. Our actual results may materially differ from those described in the forecast due to unknown risks and uncertainties.
- ✓ These risks and uncertainties include domestic and international economic conditions such as general industry and market conditions, interest, and currency exchange rate fluctuations.
- ✓ Cosmetics mail order/EC market trends may prove to be a major risk factor that impacts our growth and execution of business plans, but through active promotions and application of our understanding of customers' potential needs to product planning, we will do our utmost to mitigate such risks and hone our competitive edge. For other types of risks, please refer to the "Business Risks, etc." as highlighted in our Securities Report.

**【Contact】**

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