

FY2025 Results Briefing Q&A



Premier Anti-Aging Co., Ltd.
September 17, 2025

Summary of Financial Results Briefing Q&A
for the Fiscal Year Ended July 31, 2025
(held on September 11, 2025)

[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. Please explain how to analyze full-year sales forecast for the fiscal year ending July 2026. The Company expects a 2% growth to 16.5 billion yen, but in which quarter is it expected to see an increase in sales compared to the previous quarter? Also, do you expect an increase in sales from the recovery business and a decrease in sales from the anti-aging business?

We expect that sales for the fiscal year ending July 2026 will be 8 billion yen in the first half and 8.5 billion yen in the second half. As for the current business trend, we believe that the decline in sales is beginning to slow, and we plan to hit bottom compared to the previous quarter around the middle of the fiscal year, followed by a gradual recovery toward the latter half of the second half. Although we do not disclose the breakdown of sales between the recovery business and the anti-aging business, we hope to achieve solid growth in the recovery business. The anti-aging business is currently on a slight downward trend, but we aim to hit bottom and turn things around by the middle of the second half through various measures.

2. I would like to know about the accounting process for DUO returns and the situation of DUO's POS. Also, once the impact of returns is eliminated in the new fiscal year, can we expect sales to recover from the first quarter?

The impact of returns of approximately 500 million yen for the fiscal year ended July 2025 was the full-year impact, but since the DUO renewal was implemented in January, returns have increased, particularly in the fourth quarter, and sales of the same amount have been eliminated in accounting terms. DUO's POS at store has been on a recovery trend since immediately after the renewal, and the pace of recovery has accelerated especially since June when the brand received the Best Cosmetics Award from @cosme, and has recently recovered to a level comparable to the previous year at major drugstores. On the other

hand, new customer acquisition in the mail order channel has not progressed as planned, and some customers have dropped out of the subscription sales contracts. In the fourth quarter, the use of points by mail order customers increased compared to normal months, so we will need to wait and see whether DUO sales, which combine mail order and wholesale, will bottom out from the first quarter of the fiscal year ending July 2026.

3. Competition in the recovery wear industry is intensifying, with listed companies announcing upward revisions and competitors launching affordable recovery wear. Please tell us about the industry environment and its impact on your company.

The recovery wear industry is expanding, with many listed companies and new players entering the market, and new brands and affordable brands emerging, while the competitive environment is becoming increasingly tough. Venex Co., Ltd. increased its sales by 60% in the fiscal year ended July 2025 compared to the fiscal year ended July 2024, but some of its competitors increased their sales even more, and we are approaching this with sense of crisis. Venex has built products and branding that is accepted by customers through sales methods that do not offer discounts in stores or on e-commerce malls, and targeting professionals. Going forward, we would like to continue to position Venex as a growth driver for the Premier Anti-Aging Group and achieve steady growth. From this perspective, rather than focusing on making a significant contribution to profits right now, we will focus on strengthening our presence in the market and strengthening our branding.

4. Will you be actively investing in advertising for both the anti-aging business and the recovery business in the fiscal year ending July 2026?

Advertising costs are rising in both the anti-aging and recovery businesses. The CPO/LTV relationship is particularly difficult in the anti-aging business, but we will continue to invest in advertising while keeping an eye on efficiency. At the same time, we will continue to invest in strengthening our brands and in developing new products and brands.

5. Please provide a detailed explanation of the results for the fourth quarter of the fiscal year ended July 2025. DUO mail-order sales have bottomed out, but will this continue into the fiscal year ending July 2026? Advertising expenses increased to 1.2 billion yen in the fourth quarter. How should we view the appropriate scale of advertising expenses and their ratio to sales in the medium term?

DUO's mail order sales have been affected by an increase in purchases made using points from customers whose points expired in July, and we do not believe that they have bottomed out yet. In the fourth quarter, although the CPO/LTV relationship in the mail order

sales of the anti-aging business did not improve, the Company invested in sales promotions such as large-scale influencer marketing campaign, inbound campaigns, and promotions triggered by winning the @cosme Best Cosmetics Award, and also made aggressive investments in advertising, such as airing Venex television commercials. It is difficult to say exactly how much advertising expenses would be appropriate for the fiscal year ending July 2026, but we are planning to conduct various trials. Although awareness of DUO and CANADEL is increasing, we would like to make qualitative changes to our advertising, such as emphasizing functionality and efficacy, so that they will become customer's first choice.

6. Why was CANADEL's mail-order sales so solid in the fourth quarter?

As with DUO, the recovery in CANADEL's mail-order sales in the fourth quarter was due to the impact of point usage, as well as the impact of efforts to increase cross-selling and the number of items purchased by customers by selling summer-only "PREMIER MOIST COOL" and "tuning lotion" to existing customers.

7. Profits increased in the fiscal year ended July 2025 due to the reduction of sales promotion expenses and fixed costs, but what is the outlook for fixed cost reduction this fiscal year?

The fixed cost reductions for the fiscal year ended July 2025 have resulted in cost reductions that exceeded the plan. For the fiscal year ending July 2026, we have incorporated highly probable cost reductions into our plans, and do not expect the effects of fixed cost reductions to be greater than planned.

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】

Corporate Communication Division

mail : ir@p-antiaging.co.jp