

FY2026 1Q Results Briefing Q&A



Premier Anti-Aging Co., Ltd.
December 19, 2025

**Summary of Financial Results Briefing Q&A
for the First Three Months of the Fiscal Year Ending July 31, 2026
(held on December 12, 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. Operating profit for the first three months of the fiscal year ending July 2026 was 575 million yen. There is no change to the forecast for interim operating profit of 150 million yen and full-year operating profit of 300 million yen, but what is your outlook for profits from the second quarter onwards?

In the first quarter, the efficiency of acquiring new customers in the mail order business did not improve, and we did not make investments in acquiring new customers as planned. Since the second quarter, we have been trying new acquisition methods. Additionally, we anticipate a tough business environment for our anti-aging business in the future given the current macro environment. There is a possibility that we will invest in preparations and measures to deal with the worsening environment, particularly in our overseas business centered on China and the impact on inbound tourism. Therefore, no changes have been made to the profit forecasts for either the first or second half of the year.

2. How did sales for the first three months of the fiscal year ending July 2026 compare to your plan?

Sales for the first quarter were 3.6 billion yen, down 13% compared to the same period last year, but were roughly flat compared to the fourth quarter of the previous fiscal year. To be honest, we would have liked to have increased sales a little more, but things are generally going according to plan.

3. In the first three months of the fiscal year ending July 2026, DUO's wholesale sales recovered to a level exceeding that of the previous fiscal year at POS, and sales at the e-commerce mall were also strong. However, new customer acquisition in the mail order business has not fully recovered, and sales continue to decline. How should we evaluate DUO?

Wholesale sales in the fourth quarter of the previous fiscal year decreased due to the impact of returns of old DUO products, but the impact of returns on wholesale sales in the first quarter decreased, POS of DUO balm product improved following the renewal, and sales on the e-commerce mall were also progressing well. Retail sales seemed to recover to the same level as previous year. "DUO The Cleansing Balm Scrub Black," which was launched exclusively at Don Quijote in October, is also selling well. On the other hand, in the mail-order business, the number of subscription customers has decreased due to abandonment, and new customer acquisitions have not been able to fully compensate for this, resulting continued sales decline, so we see as it is too early to say that DUO balm sales have turned around. We are trying a different method for acquiring new customers than usual, so we would like to report the results once we have them.

4. CANADEL's mail-order sales have fallen significantly. How do you plan to recover them from the second quarter onwards?

Even in a tough business environment where sales continue to decline, we have implemented structural reforms with the aim of establishing a lean and robust corporate structure that can steadily generate profits. On the business side, we have been investing resources to ensure that sales of our mainstay DUO turn around. Among these, CANADEL has launched "CANADEL tuning lotion" with the aim of increasing cross-selling, and "CANADEL PREMIER MOIST COOL" for purchase in the summer, and we have confirmed to a certain extent the expected effects. Although sales continue to decline, we will continue to invest as feasible, and once we can confirm a turnaround for DUO, including mail-order sales, we would like to increase our investment in CANADEL.

5. What were Lalaskin's sales in the first three months? What is the expected sales volume in the medium to long term?

Since full-scale nationwide sales of Lalaskin only began in September, its contribution to sales in the first quarter was still small. We are considering raising our brand awareness, increasing distribution, and expanding our product lineup, and we are first building a reputation among beauty experts and consumers. The product has already been highly praised, having won best cosmetic awards in several beauty magazines.

6. As a skincare brand that embodies the fast beauty medical concept, it would be nice to have a lineup of serums and rich creams as well, but what is your future product strategy?

We believe that serums and creams are also candidates for skincare brands that fulfill the fast beauty medical concept. On the other hand, since it will be inefficient if awareness does not increase, we are currently considering product ideas while monitoring the situation.

7. How do you evaluate the promotions of Reinca and Venex?

The joint pop-up store between Reinca, an anti-aging care brand that focuses on stem cell culture extracts, and Venex, a recovery solution brand, is a unique initiative that supports beauty and wellness, something only our group can undertake, and we will continue to pursue such initiatives in the future.

8. The cross-selling rate has remained stable, but what do you think about the decrease in the number of cross-selling customers?

Our cross-selling rate is currently 11.5%, which is still low and has room for growth. We would like to increase cross-selling by developing attractive products and reactivating existing customers.

9. Sales in the recovery business increased 30% compared to the same period last year, but decreased 30% compared to the immediately preceding period. You say this is due to seasonal factors, but are you not concerned?

Sales in the recovery business are growing steadily, up 30% year-on-year, but as the recovery wear market expands, competition is becoming increasingly fierce, including with new entrants and existing players. As we aim for even higher growth, we also face the challenges of a decline in the efficiency of advertising investments. Venex will first work to improve awareness and brand recognition and solidify its foundation so that it can build brand value and achieve sustainable growth in the medium to long term.

10. Operating profit for the recovery business in the first three months was only 11%, partly due to the impact of business investments. Some believe the recovery wear industry will grow at an annual rate of 20% until 2030. What is the trend in Venex's market share? What are your forecasted sales and profit scales?

There is no accurate data on Venex's market share. Although Venex's value can be clearly communicated in stores, competitors are investing large amounts of money in advertising and promotion in online channels, and Venex's efforts to follow suit are

often not efficient. Additionally, some new entrants are launching affordable products as part of their pricing strategies. Regarding sales, we are aiming for a level of 10 billion or 20 billion yen in the future and are considering how we can get closer to this level. Looking at the industry standard, we believe that an operating profit margin of over 10% is what we should aim for.

11. Venex sales are going well in stores, but online sales are facing tough conditions due to intensifying competition. What are your thoughts on future channel strategies?

Currently, online sales account for a large proportion of Venex's sales. We would like to strengthen sales in stores that can promote the value of Venex and our own e-commerce site. To achieve this, we will focus on branding.

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.

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