

# FY2024 3Q

## Results Briefing Material

June 13, 2024

Premier Anti-Aging Co., Ltd.

TSE Growth Market 4934





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## 01 | Executive Summary

## Executive Summary

### **【 FY2024 3Q Results 】**

- ✓ **Despite a decrease in company-wide sales, operating profit exceeded the projection**
- ✓ **Anti-aging business saw lower sales and an operating loss**
- ✓ **Recovery business posted new records in sales and operating profit**

### **【FY2024 Full-year Forecast】**

- ✓ **No change to earnings forecast for FY2024**
- ✓ **In 4Q, plans to make future-oriented investments such as strengthening the customer structure and marketing investments, including sales promotion investments, as well as take measures to strengthen our financial position**
- ✓ **Work together as one company to implement measures toward a lean and robust corporate structure that can steadily generate profits even in a tough business environment**



## 02 | FY2024 3Q Results

## Statement of income (year-on-year)

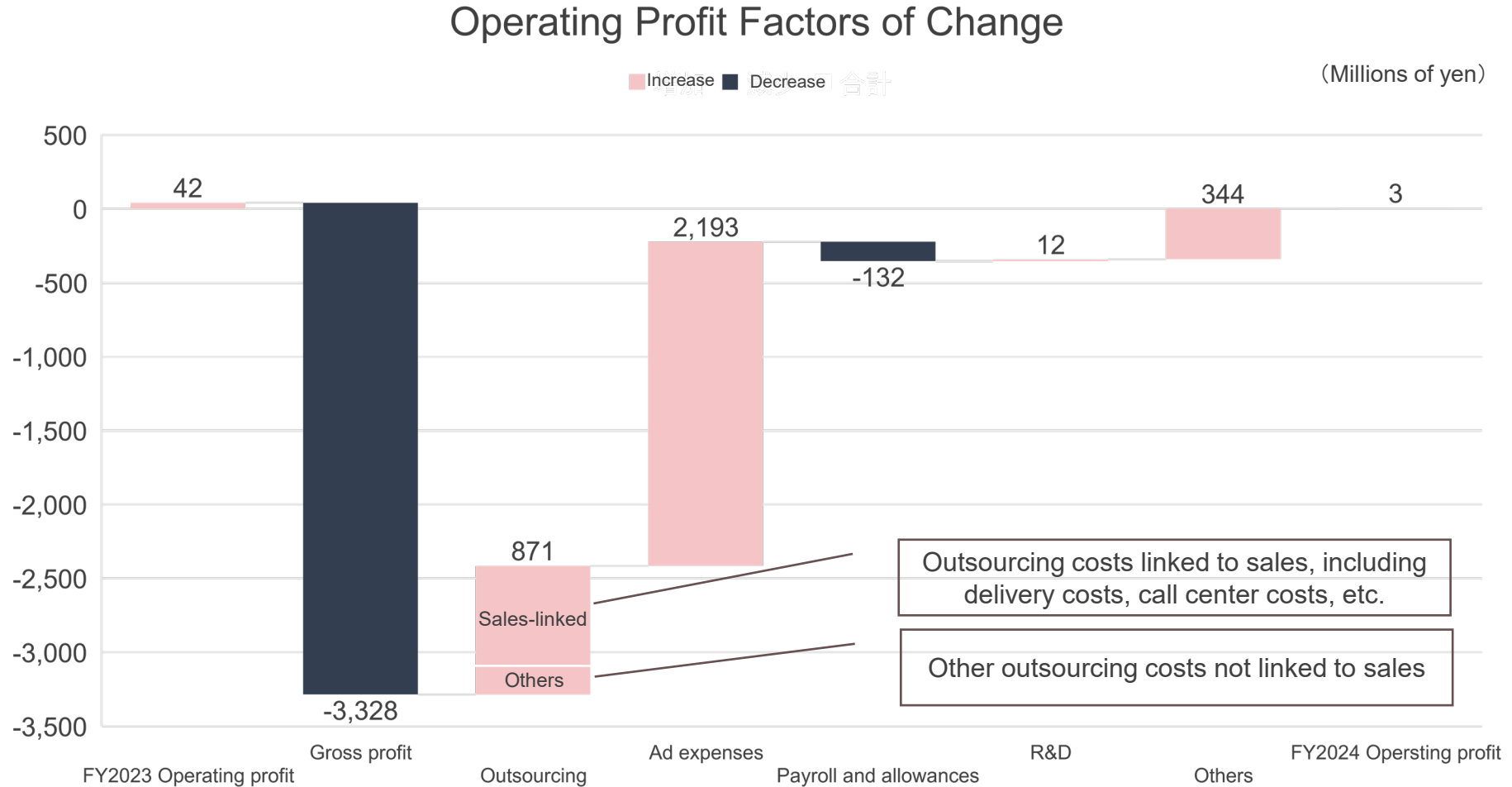
- ✓ Loss attributable to owners of parent significantly worsened due to posting of extraordinary loss related to impairment of software in progress and contract loss as well as the complete reversal of deferred tax assets during 2Q
- ✓ Although sales in newly added recovery business grew, sales in anti-aging business continued to struggle for DUO and CANADEL, and mail order/EC and wholesale sales declined, resulting in a decrease in sales compared to the same period last fiscal year
- ✓ Lower sales in anti-aging business led to fall in gross profit, causing fall in operating profit. However, recovery business profit growth and control of ad spending led to an operating profit significantly exceeding projection and the posting of a profit in 3Q

	FY2023 1Q-3Q	FY2024 1Q-3Q	Increase/ (decrease)	Percentage change
<b>Net sales</b>	20,609	15,439	(5,170)	(25.1%)
└ Mail order/EC	14,439	10,180	(4,258)	(29.5%)
└ Wholesale	4,688	2,915	(1,773)	(37.8%)
└ Others	1,481	2,343	862	58.2%
<b>Operating profit (loss)</b>	42	3	(39)	(92.4%)
<b>Operating profit margin (%)</b>	0.2%	0.0%	—	(0.2pts)
<b>Ordinary profit (loss)</b>	43	44	0	1.3%
<b>Extraordinary losses</b>	—	(908)	(908)	—
<b>Income taxes - current</b>	196	585	389	197.8%
<b>Loss attributable to owners of parent</b>	(153)	(1,450)	(1,297)	—

(Millions of yen)

## Factors affecting operating profit for 3Q (cumulative)

- ✓ Limited SG&A compared to same period last year mostly in outsourcing and ad expenses, thus mitigating profit declines associated with lower sales



## Statement of income (quarterly comparison)

- ✓ Sales fell short of 2Q due to a decline in sales in anti-aging business, despite growth in recovery business
- ✓ Recovery business increased income combined with control of ad spending in anti-aging business led to the posting of an operating profit with figures much better than projection

(Millions of yen)

	FY2023 3Q	FY2023 4Q	FY2024 1Q	FY2024 2Q	FY2024 3Q	QonQ percentage change
<b>Net sales</b>	6,351	5,790	5,264	5,385	4,789	△11.1%
└ Mail order/EC	4,122	3,876	3,543	3,508	3,128	△10.8%
└ Wholesale	1,586	952	1,044	949	921	△2.9%
└ Others	642	961	677	927	738	△20.3%
<b>Gross profit</b>	4,516	3,557	4,194	4,294	3,867	△10.0%
<b>SG&amp;A Expenses</b>	4,582	4,212	4,230	4,464	3,658	△18.1%
└ Advertising expenses	1,809	1,313	1,632	1,994	1,464	△26.6%
└ Outsourcing	1,205	1,169	1,032	947	853	△10.0%
└ Payroll and allowances	430	393	428	364	390	7.1%
└ R&D	146	212	110	103	151	47.2%
└ Others	991	1,078	1,026	1,055	798	△24.3%
<b>Operating profit (loss)</b>	△66	△654	△35	△169	208	—
<b>Operating profit (%)</b>	△1.0%	△11.3%	△0.7%	△3.2%	4.4%	8.1pts
<b>Ordinary profit (loss)</b>	△51	△674	△26	△172	243	—
<b>Quarterly profit (loss) attributable to owners of parent</b>	△127	△580	△35	△1,649	234	—



## Advertising expenses

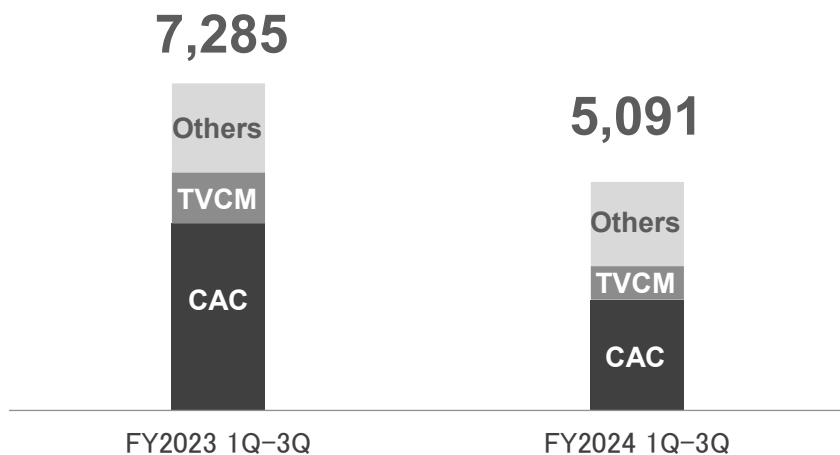
- ✓ Ad expenses/net sales fell from 35.3% over the same period last year to 33.0%. Standalone, the 3Q figure was 30.6% - a significant decrease from 2Q
- ✓ Ad market competition continues to intensify, but high CPO likely leveled off. Conversion rates are improving as a result of changing the policy to emphasize subsequent conversion rates for new customer acquisition
- ✓ Continued focus on measures to increase conversion rate and promote loyal customer retention

### Breakdown of advertising expenses

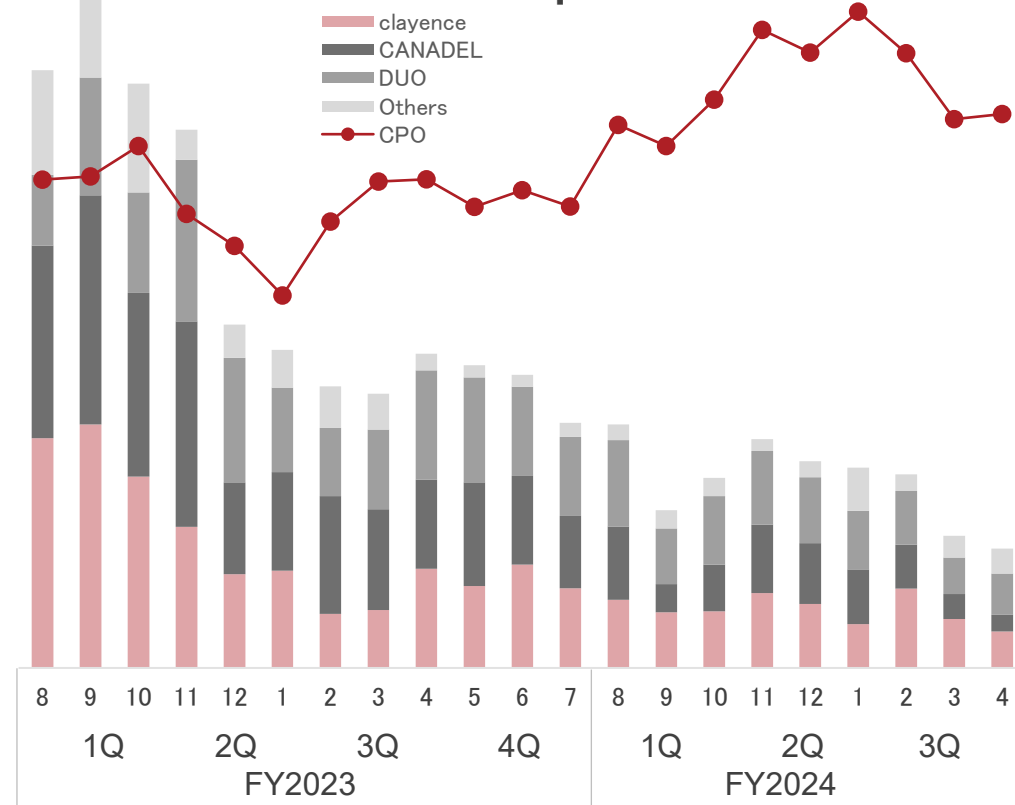
cf. QonQ ad expenses to net sales  
 FY2024 2Q) **37.0%** ➔ FY2024 3Q) **30.6%**

- ✓ Ad expenses/net sales 35.3% ➔ 33.0%
- ✓ Customer acquisition costs/net sales 20.2% ➔ 16.0%

(Millions of yen)



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



## Balance sheet (year-end comparison)

- ✓ Large inventory write-downs in second half of FY2023. Continued controls on inventory figures.
- ✓ Addressed system impairment to dispel major balance sheet concerns, improved asset transparency and soundness

(Millions of yen)

	FY2023 4Q	FY2024 3Q	Increase/ (decrease)	Percentage change
<b>Total assets</b>	12,135	11,169	(966)	(8.0%)
└ Current assets	9,229	8,958	(271)	(2.9%)
└ Inventories ※	1,909	1,954	45	2.4%
└ Non-current assets	2,905	2,210	(694)	(23.9%)
└ Intangible assets	1,511	1,055	(455)	(30.1%)
<b>Total liabilities</b>	4,525	5,012	486	10.8%
└ Current liabilities	3,016	3,766	750	24.9%
└ Non-current liabilities	1,509	1,245	(263)	(17.5%)
<b>Total net assets</b>	7,609	6,156	(1,452)	(19.1%)
<b>Total liabilities and net assets</b>	12,135	11,169	(966)	(8.0%)
<b>Equity ratio (%)</b>	62.7%	55.1%	—	(7.6pts)

\* Inventories = Finished goods + Raw materials and supplies



## 03 | Status by Segment

## Anti-aging business

- ✓ Despite growing sales of clayence as planned, DUO and CANADEL sales fell amid intensifying competition, causing net sales to fall below last year's levels in both mail order/EC and wholesale channels
- ✓ Fall in net sales reduced gross profit, prompting ad spending controls, but still posted an operating loss

(Millions of yen)

	FY2023 1Q-3Q	FY2024 1Q-3Q	Increase/ (decrease)	Percentage change
Net sales	20,303	14,102	(6,201)	(30.5%)
└ Mail order/EC	14,439	10,180	(4,258)	(29.5%)
└ Wholesale	4,688	2,915	(1,773)	(37.8%)
└ Others	1,175	1,006	(168)	(14.4%)
Operating profit (loss)	56	(166)	(222)	—
Operating profit margin (%)	0.3%	(1.2%)	—	(1.5pts)

## Anti-aging business (DUO)

- ✓ Cleansing market shift from balms to oil formulation and ongoing outflow to low-price balm alternatives
- ✓ Due to revised acquisition policy focused on efficiency and conversion rates, sales decline to continue, but this is in line with projections

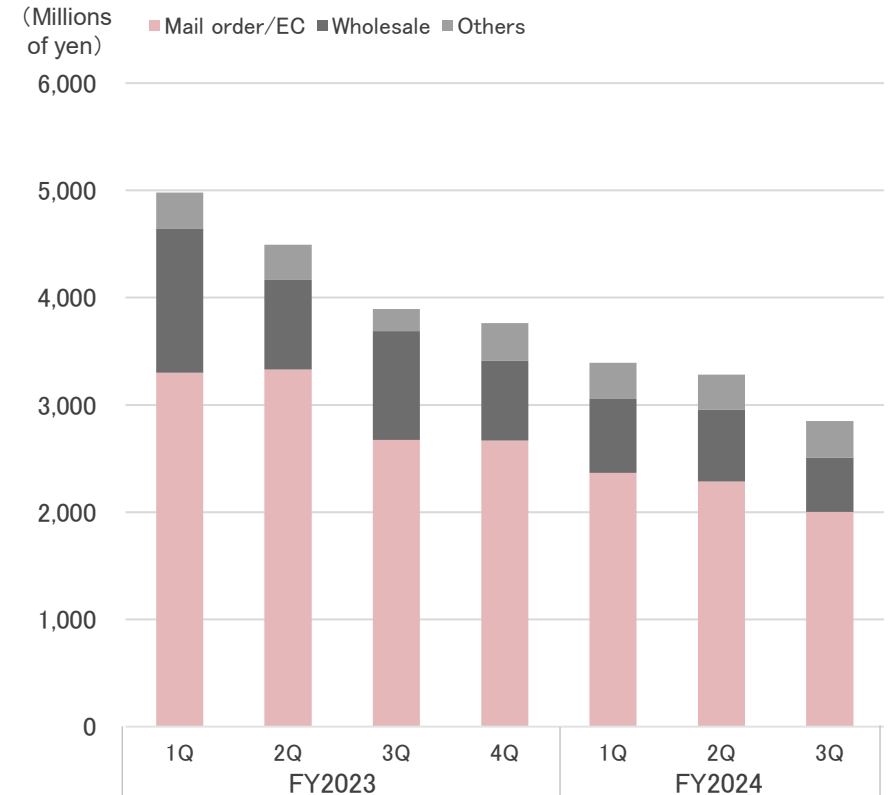
### Results & Next Steps

- ✓ The Cleansing Balm: No. 1 brand\* in cleansing sales for the fifth consecutive year, with total cumulative shipments exceeding 50 million units as of the end of February
- ✓ Mail order/EC focus is on measures to improve retention rate and loyal customer retention
- ✓ Continue marketing strategy leveraging Yuko Araki
- ✓ In retail, heighten appeal with special campaigns offering larger volume balm packages and by strengthening sales activities in stores
- ✓ Overseas, release 7 SKUs of DUO The Cleansing Balm under the branding DUO PREMIER, targeting consumers in China's general market. Roll out to top sales 1,000 stores in Mainland China of WATSONS - Asian largest drugstore



DUO PREMIER product lineup

### Quarterly net sales of DUO



## Anti-aging business (CANADEL)

- ✓ Advertising costs remain high in mail order/EC channel due to increased ad placement by competitors for skin care products, and new acquisitions are sluggish after acquisition policy revision. In retail, continued shrinkage of all-in-one market led to lower sales than in the same period last year
- ✓ Two new products, "Cleansing Water" and "Gelée Lotion (quasi-drug)," were launched in March and distribution outlets were expanded. Various initiatives were implemented

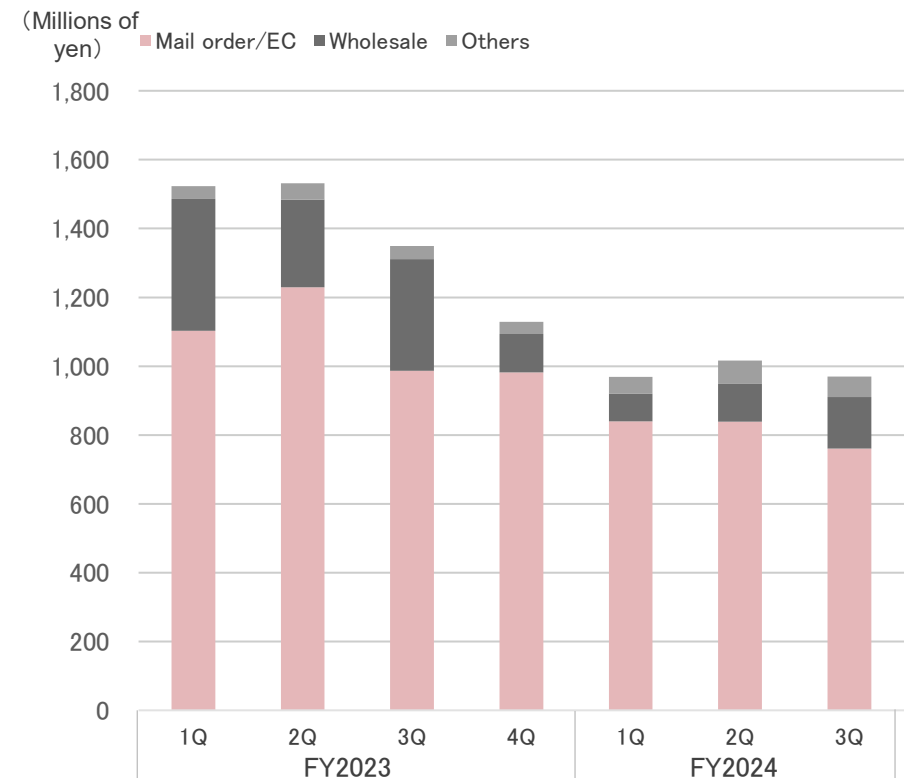
### Results & Next Steps

- ✓ Mail order/EC: As with DUO, shifted focus of acquisition policy to acquisition efficiency and conversion rates. Selection/optimization of advertising media targeting acquisitions expected to improve LTV and CPO balance
- ✓ Continue to promote value to customers through posts and videos by famous beauty experts and influencers
- ✓ In retail, in addition to linking with SNS initiatives, we have implemented point-based initiatives and continue to focus on expanding the number of stores stocking our new products, "Cleansing Water" and "Gelée Lotion (quasi-drug)"



CANADEL Cleansing Water and Gelée Lotion (quasi-drug)

### Quarterly net sales of CANADEL



## Anti-aging business (clayence)

- ✓ clayence sales gradually growing and progressing as planned despite stiffer competition in the market for color treatments

### Results & Next Steps

- ✓ Experiencing growing competition for color treatments and persistently high advertising costs, but sales rising steadily in line with projections
- ✓ Expanded distribution to 600 new stores for a total of 11,000 stores
- ✓ Focus on acquisition efficiency suppresses new acquisitions; strengthening measures to raise LTV by improving retention rates
- ✓ Continued efforts to promote product understanding and correct usage through beauty experts and influencers



## Anti-aging business (brands under cultivation)

- ✓ Running test marketing in growth categories, such as skin care for men, inner care, high-concentration vitamin C skin care, and skin care whose core ingredient is our proprietary stem cell extract

### Results & Next Steps

## SINTO

- ✓ Since SINTO VC performed well in test marketing, we have been strengthening influencer measures to increase new acquisitions
- ✓ Boost acquisitions through trials appealing to customer demand for UV care from spring to summer
- ✓ Engage power influencers to expand awareness of the products among the beauty conscious



Marketing initiatives using SNS

## C<sup>+</sup>mania

- ✓ C+mania enzyme face wash expanded to 6,300 stockists
- ✓ Utilize influencers and implement in-store promotions to bolster shopfront unit prices



LOFT Ikebukuro store in-store promotion



## Recovery business (Venex)

- ✓ Harnessed group synergies in areas of strengthened supply chain management and cultivation of new sales channels to post record-high profit in 3Q
- ✓ Sudden spike in website access due to higher ad spending targeting brand awareness, and in April, achieved highest ever single-month sales figures. Net sales growth contributed to record profit in 3Q

(Millions of yen)

	* FY2023 1Q-3Q	FY2024 1Q-3Q
Net sales	306	1,337
Operating profit	(13)	163
Operating profit margin (%)	(4.5%)	12.3%

\*Our recovery business started from the 3Q consolidated accounting period of the previous consolidated fiscal year; thus, the figures for net sales and operating profit for the FY2023 1Q-3Q period show the cumulative figures from the third quarter.

## Recovery business (Venex)

- ✓ Launched sales of “Recovery Move” (registered as general medical equipment\*) – a new concept for recuperating while on the move \*excluding some products
- ✓ “Venex de Rikabaru” project with new brand ambassador Ayako Imoto had major impact on website access

### Results & Next Steps

- ✓ Improved sales capability due to solid growth in online/offline sales channels
- ✓ Rewriting the narrative from old-generation common sense, which carries a sense of guilt around rest and relaxation, to a new normal by announcing the “9 Declarations to Change the Thinking Around Rest and Recuperation”
- ✓ Signed new contracts with top athletes and teams
- ✓ Plan to expand communications to improve understanding of the Venex brand, product features, benefits, efficacy, and recommended uses among new customers reached through our “Venex de Rikabaru” project
- ✓ Continue to build systems to support sales growth by boosting sales capability



Hiroaki Sugimoto  
Rugby League One  
Kubota Spears Funabashi  
TOKYO-BAY



Hiroshi Yamashita  
Rugby League One  
KOBELCO  
KOBE EELERS



Rugby League One  
Kubota Spears  
Funabashi TOKYO-BAY



Arisa Sato  
Former Japan National Team  
Volleyball player



Kaori Maruyama  
Deaf Basketball  
Japan National Team player



Martial arts gym  
EXFIGHT  
by LDH Japan



## 04 | FY2024 Earnings Forecast

## FY2024 Earnings Forecast

- ✓ No revision to full-year earnings forecast
- ✓ In 4Q, plans to make future-oriented investments such as strengthening the customer structure and marketing investments, including sales promotion investments, as well as take measures to strengthen our financial position

(Millions of yen)

	FY2023 Actual	FY2024 Forecast	Increase/ (decrease)	Percentage change
<b>Net sales</b>	26,400	20,000	(6,400)	(24.2%)
<b>Operating profit (loss)</b>	(611)	(1,000)	(388)	—
<b>Operating profit margin (%)</b>	(2.3%)	(5.0%)	—	(2.7pts)
<b>Ordinary profit (loss)</b>	(631)	(1,000)	(368)	—
<b>Profit (loss) attributable to owners of parent</b>	(733)	(2,500)	(1,766)	—

## FY2024 Earnings Forecast

- ✓ Even in increasingly difficult business conditions, we will work as one company on the following measures to establish a lean and robust corporate structure that can steadily generate profits

### Rebuilding mail order/EC business

- ✓ Improving investment efficiency of acquisition costs
- ✓ Further improvement of CRM measures
- ✓ Measures to improve customer satisfaction



- ✓ Progress in the selection and optimization of advertising media
- ✓ Conversion rate of existing customers showing signs of improvement

### Brand management

- ✓ Plans to launch new products for fall/winter 2024 and spring/summer 2025



- ✓ Moving ahead with new products launch preparations
- ✓ Driving brand /SKU selection and focus towards FY2025  
→ Anti-aging business SKUs reduced from 63 at end FY2023 to 50 at present

### Improving cost structure

- ✓ Review of fixed costs (organization, outsourcing, systems)
- ✓ Control of costs and variable costs



- ✓ Company-wide project team actively reviewing fixed costs
- ✓ Initiatives underway to strengthen profitability



## 05 | Sustainability

## Sustainability Initiatives

### Initiatives for resolving social issues based on materialities identified in our sustainability policy

#### Furthering understanding and raising awareness about sustainability

- ✓ Online information sharing about our company's materialities aimed at furthering employee understanding and raising awareness



Pursuing a corporate culture that we build and nurture together

#### Study session: UNIPAL Academy

- ✓ Wishing to fully capitalize on the professionals in our company, started "UNIPAL Academy" study session in May as an opportunity for all employees to share their knowledge



Improving well-being

#### Improving health × encouraging communication

- ✓ Establishment of "Health Management Month" to raise awareness of mental and physical health
- ✓ Be it sports or culture-based, recommending activities involving multiple departments



Providing unique value

#### Cosme Bank Project ongoing participation

- ✓ Continued participation since 2022 through the supply of cosmetics to people who cannot afford to buy them
- ✓ Employees engaged in collaborative activities again this year





## 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          Keigo Uemura, Executive Officer          Kiyoshi Iwakawa, Executive Officer          Yuka Uehara, Executive Officer</p>
Consolidated number of employees	237 (as of April 30, 2024)
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

<sup>とき</sup>  
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

<sup>とき</sup>  
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
- 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
- 2024** ● - February : Cumulative sales of the DUO “The Cleansing Balm” series exceeded 50 million units

## Key Brands and Sales Composition Ratio

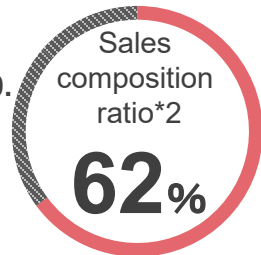
- ✓ Skin care brands “DUO” and “CANADEL” and hair care brand “clayence” drove sales

### Skin care

# DUO



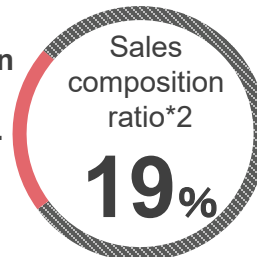
- ✓ Main brand since our founding. Has driven sales for our company as a pioneer in the cleansing balm market.
- ✓ Launched February 2010.
- ✓ Offering 27 SKUs\*1



# CANADEL



- ✓ Being nurtured as the second key brand after DUO.
- Addresses needs of contemporary women by saving time.
- ✓ Launched April 2019.
- ✓ Offering 8 SKUs\*1

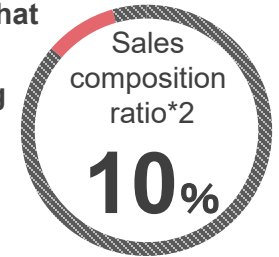


### Hair care

# clayence



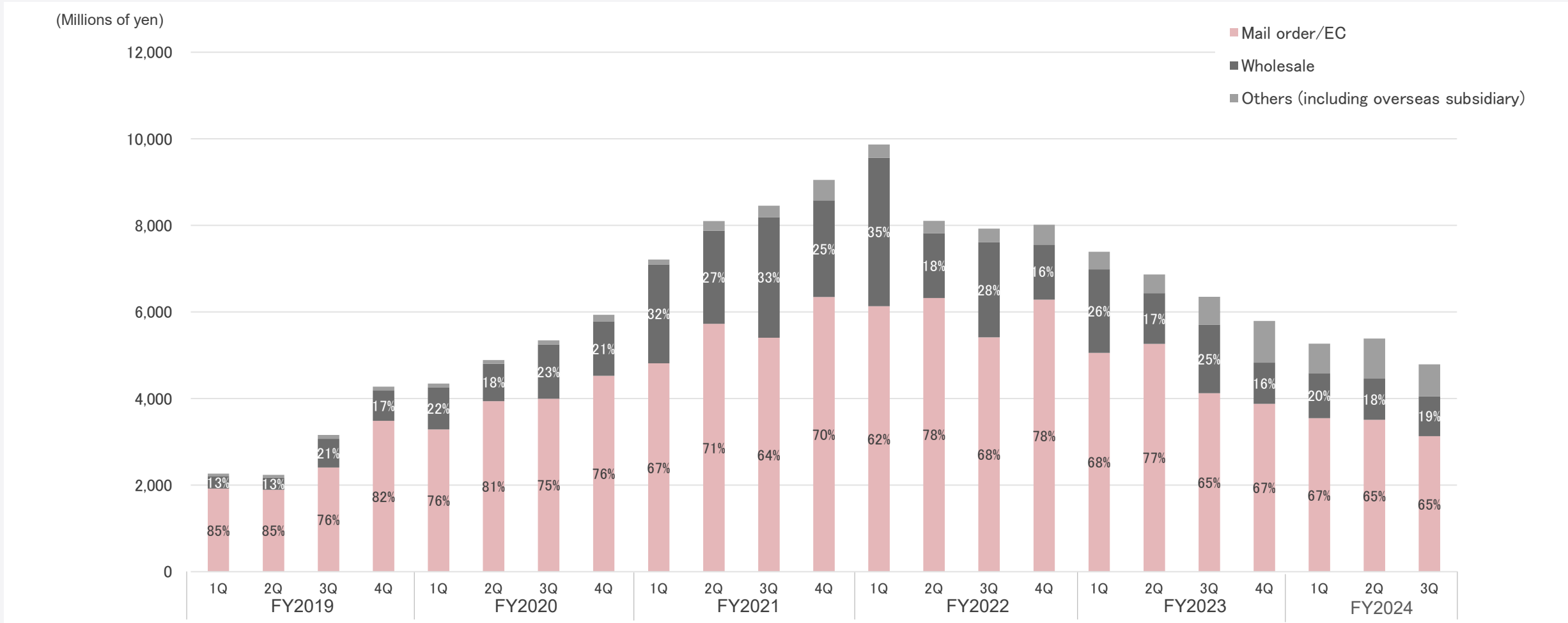
- ✓ Applying brand nurturing know-how gained through DUO and CANADEL.
- ✓ Home hair care brand that focuses on young generation with graying hair.
- ✓ Launched March 2022.
- ✓ Offering 12 SKUs\*1



\*1: SKU refers to the number of regular products as of April 30, 2024, excluding limited editions and different sizes \*2: Calculated based on FY2024 3Q net sales.

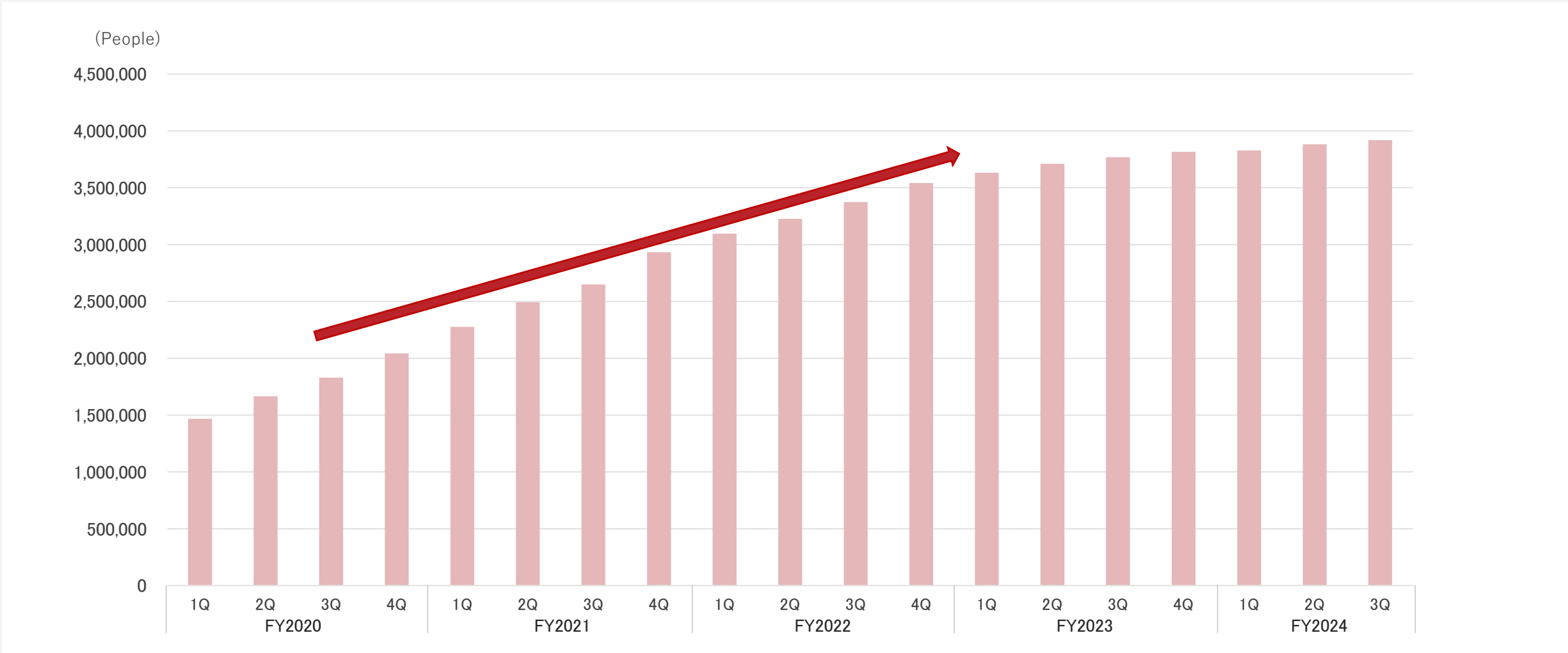
## Net sales by channel

- ✓ Our mainstay mail order/EC sales, which we have been engaged in since our founding, account for approximately 65% of sales in 3Q of FY2024
- ✓ Wholesale sales, which are responsible for sales to retail stores such as variety shops, account for approximately 19% of sales. Number of delivery stores are approximately 18,000 stores



## Total Number of Mail-order/EC Customers

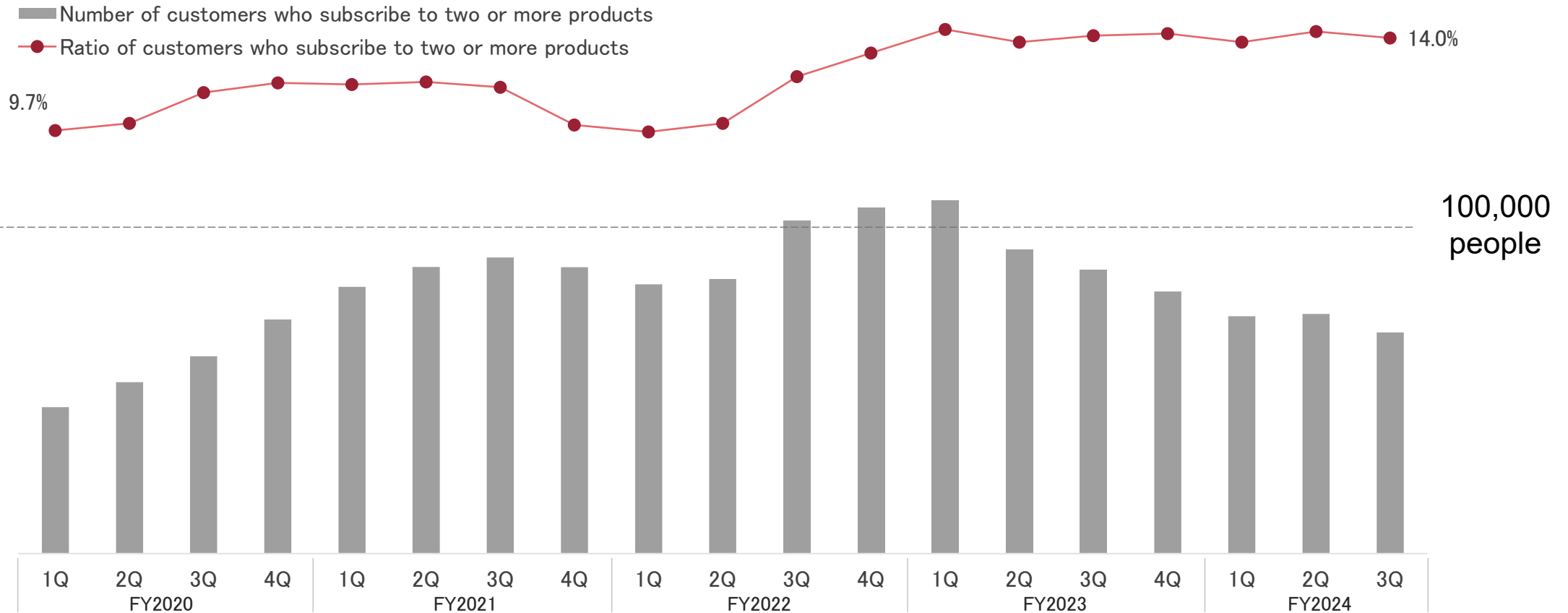
- ✓ The number of members supporting the subscription sales model has steadily increased, with the total number of members exceeding 3.9 million



## 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 27 SKUs\* centering on cleansing balm.

### Major cosmetics awards granted in 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

+20 more awards

\*The SKU figure refers to the number of regular products as of April 30, 2024, 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 8 SKUs\* centering on all-in-one cosmetics.

### Major cosmetics awards granted in 2023



**ESSE July issue**  
Beauty Trend Award 2023  
Gel/Oil Department



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

**+4 more awards**

\*The SKU figure refers to the number of regular products as of April 30, 2024, 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 2023



**VOCE March issue**

Bath beauty is the best  
in time performance!

VOCE Bath Best cosmetics  
Shampoo & Treatment Category  
First place



**MAQUIA January issue**

Best cosmetics  
in the second half of 2023  
Shampoo & Conditioner Category  
First place

+21 more award

\*The SKU figure refers to the number of regular products as of April 30, 2024, 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 2023



**MEN'S NON-NO  
December issue**

Men's Non-No Beauty Award 2023  
Face Wash Category  
2nd place



**MEN'S NON-NO  
December issue**

Men's Non-No Beauty Award 2023  
All-in-one Category  
2nd place

**+5 more award**

\*The SKU figure refers to the number of regular products as of April 30, 2024, 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 2023



**Biteki.com**  
**November 22<sup>nd</sup> issue**  
 Biteki HEN 2023  
 Best cosmetics of the year  
 Biteki HEN Annual Sage  
 Inner care ranking  
 First place **+15 more awards**



**LEE Jan/Feb issue**  
 LEE Best Cosmetics Award  
 2nd half of 2023  
 Beauty Sage's  
 Beloved Cosmetics Award  
 Inner care category

# 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 April 30, 2024, 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



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\*.

### Major cosmetics awards granted in 2023



**an·an No. 2365**  
2023 Autumn Anan Mote  
Cosmetics Award  
Skin care category

The power of VC that everyone loves  
An award you can feel



**LEE January/February issue**  
Close to your skin and feelings  
LEE Best Cosmetics Award 2023 Second Half  
Cleansing/Facial Wash Award

+13 more award

\*The SKU figure refers to the number of regular products as of April 30, 2024, 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 April 30, 2024, 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.

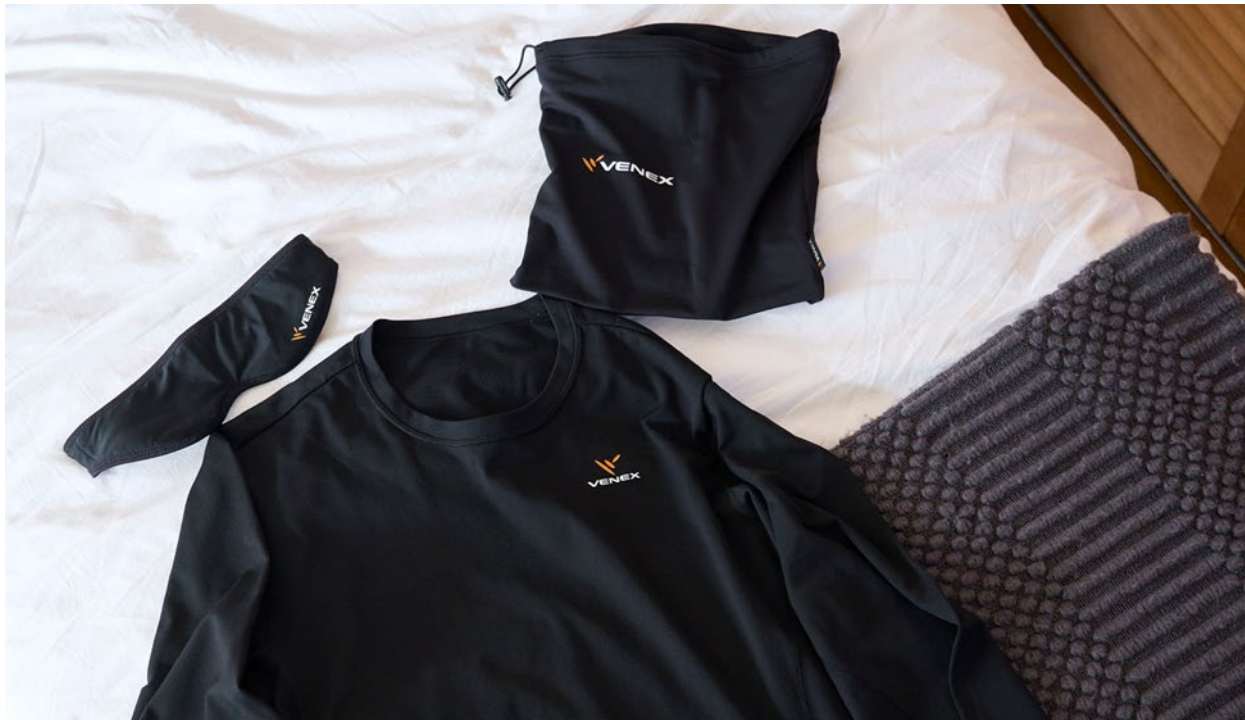
We currently have 3 SKUs\*.

\*The SKU figure refers to the number of regular products as of April 30, 2024, 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

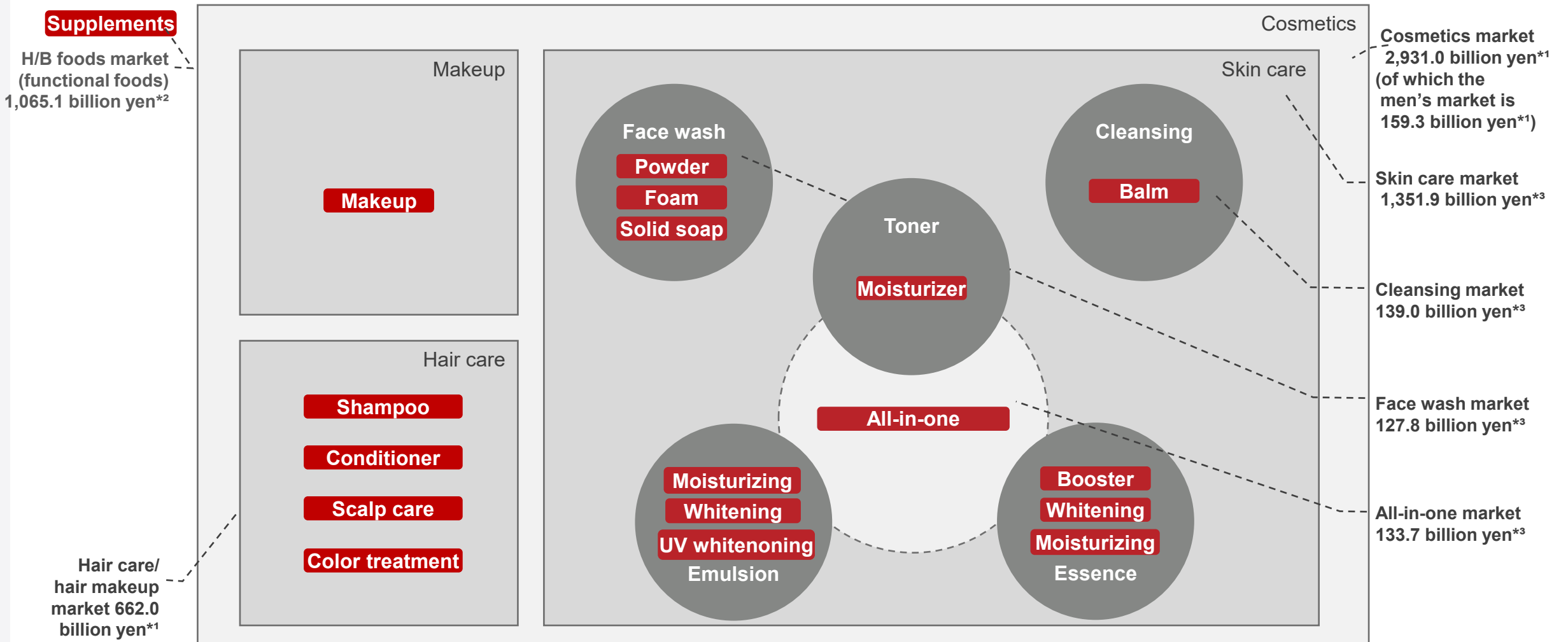


Based on the concept of "maximizing the self-healing power that humans have," we propose clothing for recovery. With our proprietary special fiber "PHT (Platinum Harmonized Technology)" and a non-compression design that does not constrict the body, it supports high-quality recovery just by wearing it. We currently have 84 SKUs\*.

\*The SKU figure refers to the number of regular products as of April 30, 2024, excluding limited items and different sizes.

# Market Size of the Domestic Cosmetics Market

✓ The domestic cleansing market, which includes balms, totaled 139.0 billion yen in 2023



Note: Gray circles indicate the markets, and red boxes represents our products.

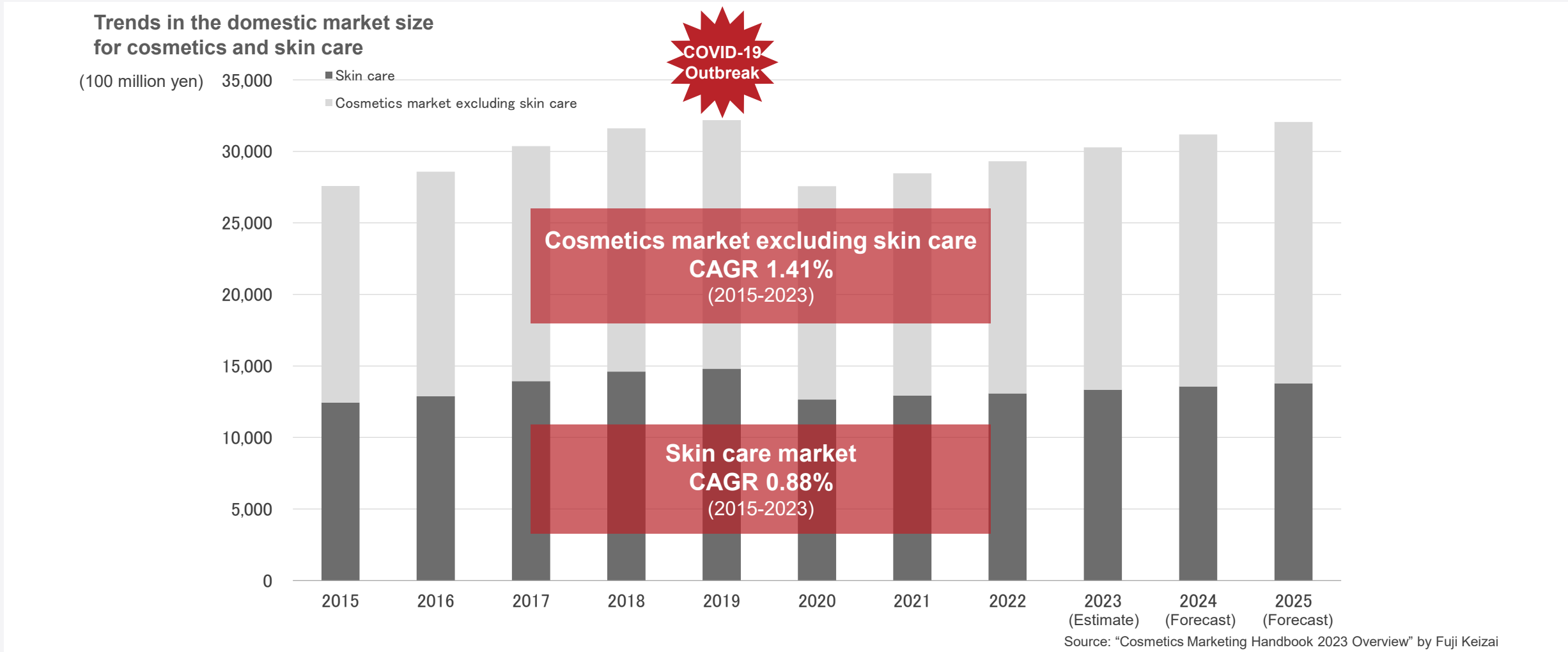
Source: "Cosmetics Marketing Handbook 2024 No. 1", "Cosmetics Marketing Handbook 2023 Overview", "H/B Foods Marketing Handbook 2023 <Overview>" by Fuji Keizai.

\*1 The figures for cosmetics market, men's market, and hair care/makeup market are actual figures for 2022. \*2 \*H/B foods markets figures are estimates for 2022. Copyright©2024 Premier Anti-Aging Co.,Ltd.

\*3 The figures for the skin care market, cleansing market, face wash market, and all-in-one market are actual figures for 2023.

## Domestic Market Size for Cosmetics and Skin Care

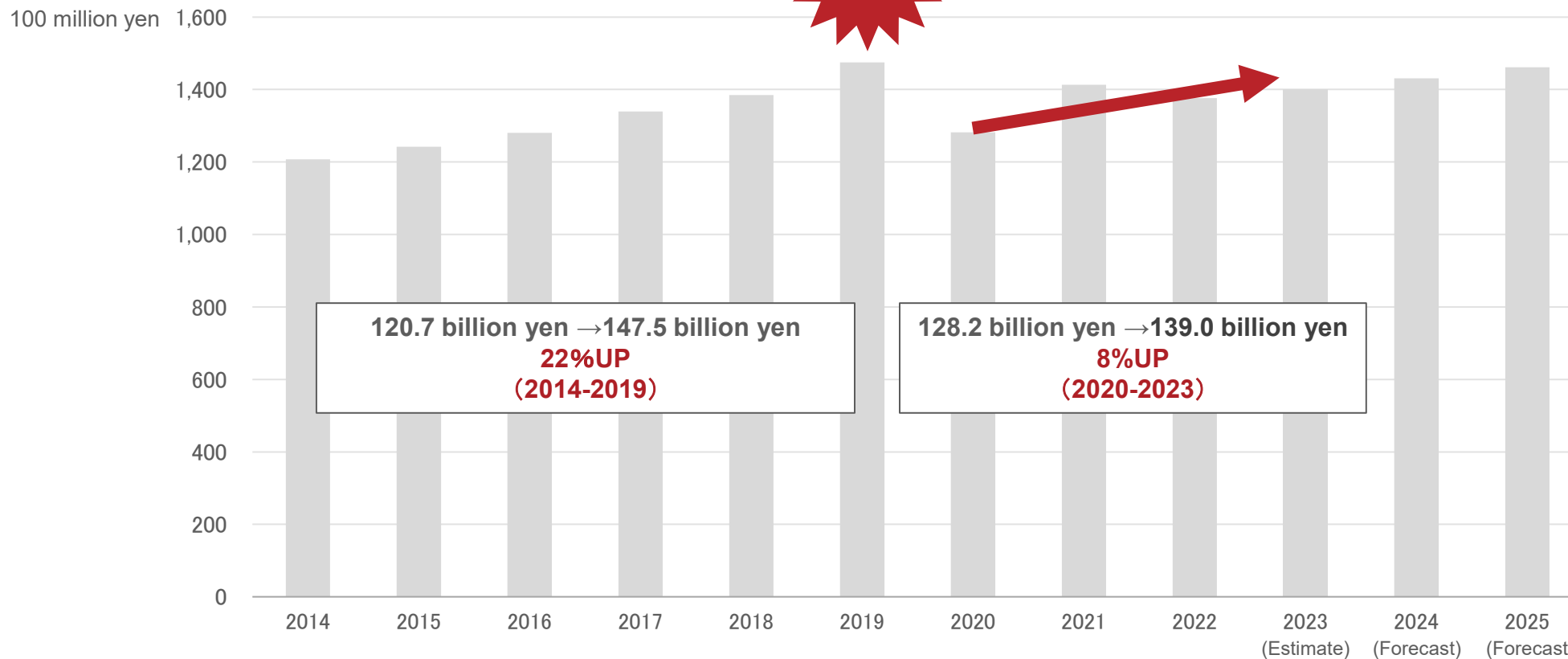
- ✓ The domestic cosmetics market, which declined significantly due to the COVID-19 pandemic, has been recovering slowly since 2020



## Domestic Market Size for Cleansing

- ✓ Domestic cleansing market plummeted due to disappearance of inbound demand caused by COVID-19
- ✓ The position of cleansing has changed from makeup remover to skin care product, and the market has been gradually expanding since 2021

Trends in the domestic market size for cleansing



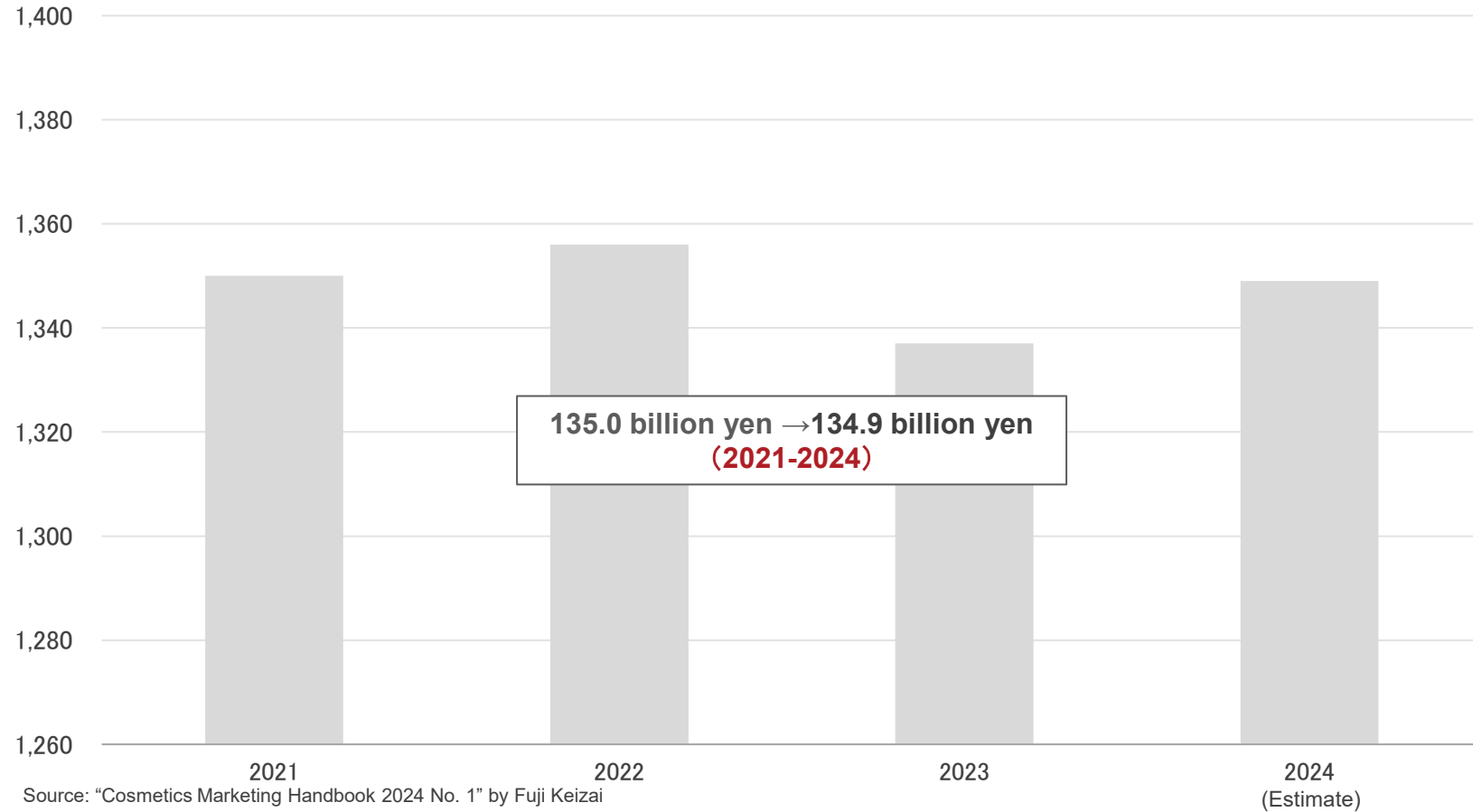
Source: "Cosmetics Marketing Handbook 2024 No. 1" by Fuji Keizai

## 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 size remains stable

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

(100 million yen)

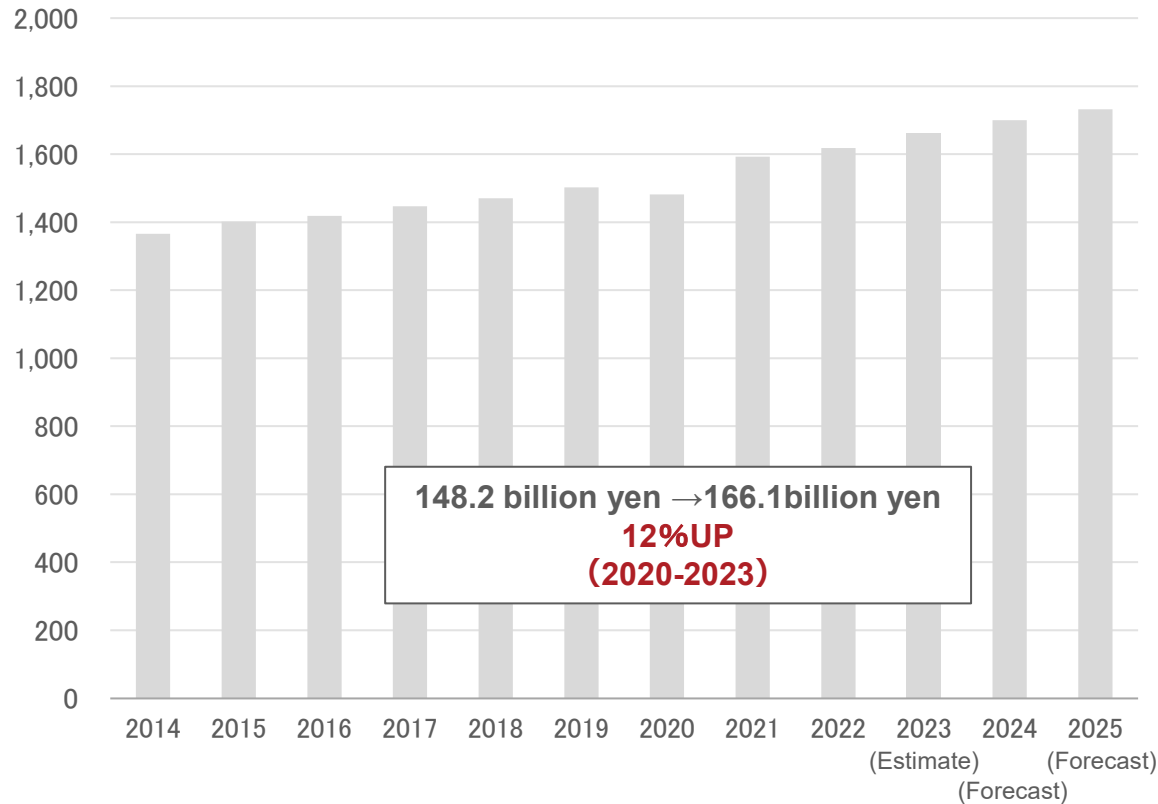


## Domestic Market Size for Hair Color and Female Scalp Care

- ✓ 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

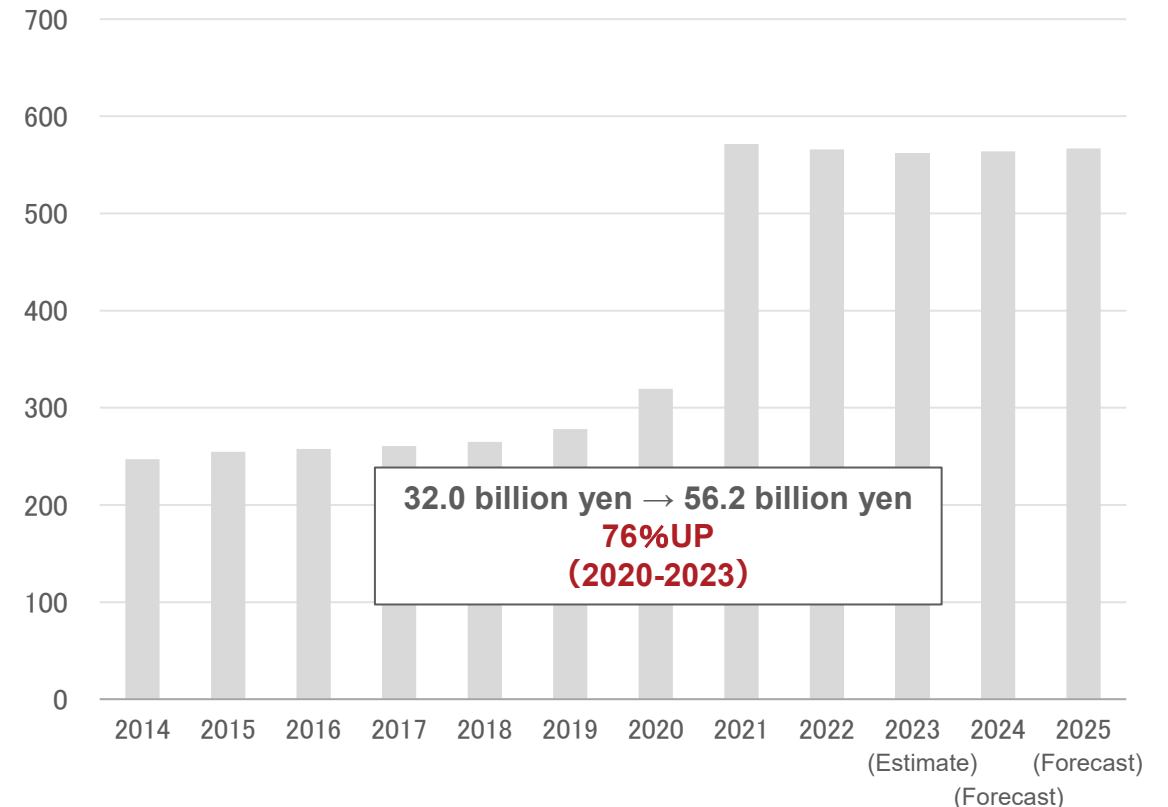
Trends in the domestic market size for hair color

(100 million yen)



Trend in the domestic market size for female scalp care

(100 million yen)

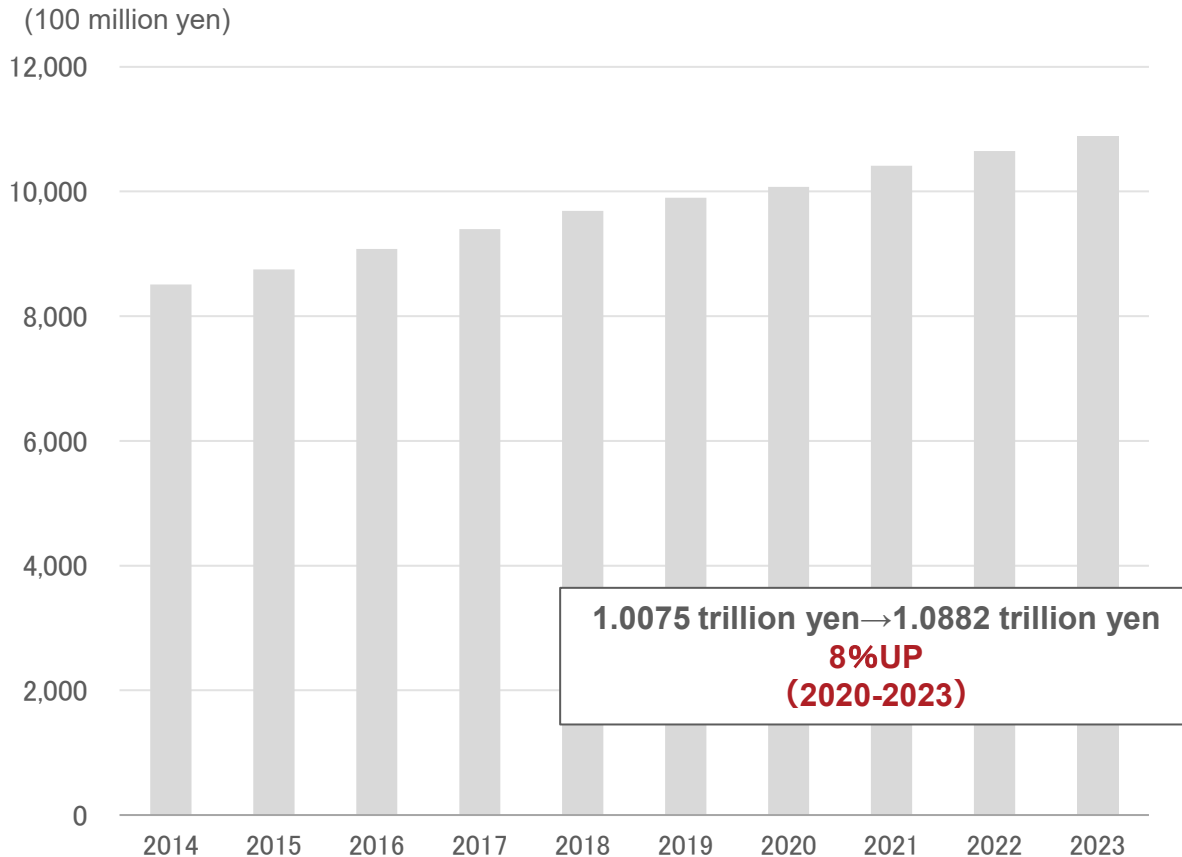


Source: "Cosmetics Marketing Handbook 2023 No. 2" by Fuji Keizai

## 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

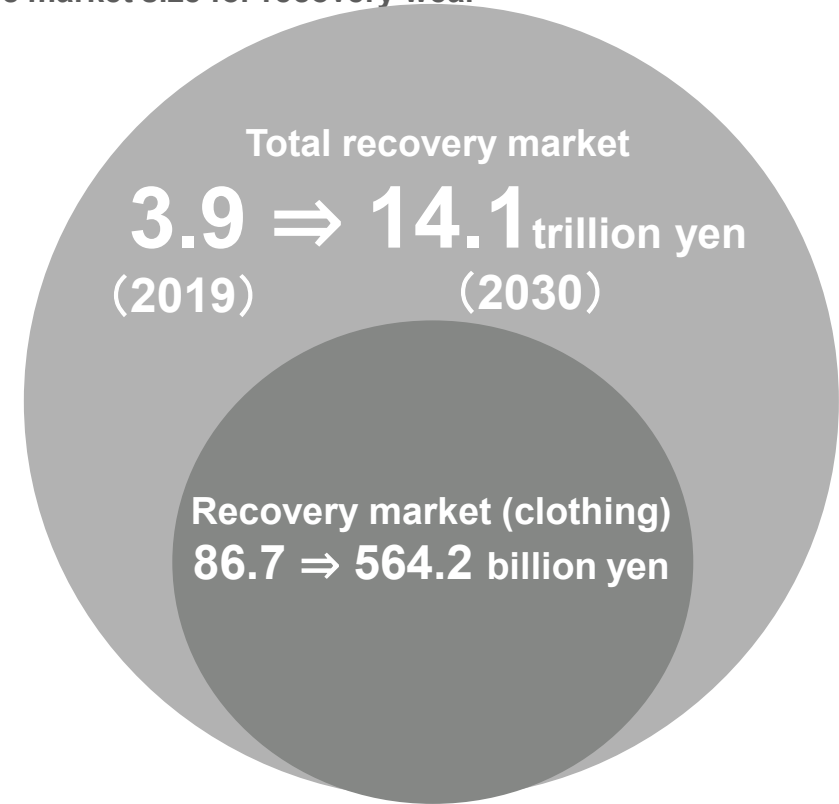
Trends in the domestic market size for functional food



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

(Estimate) (Forecast)

Domestic market size for recovery wear

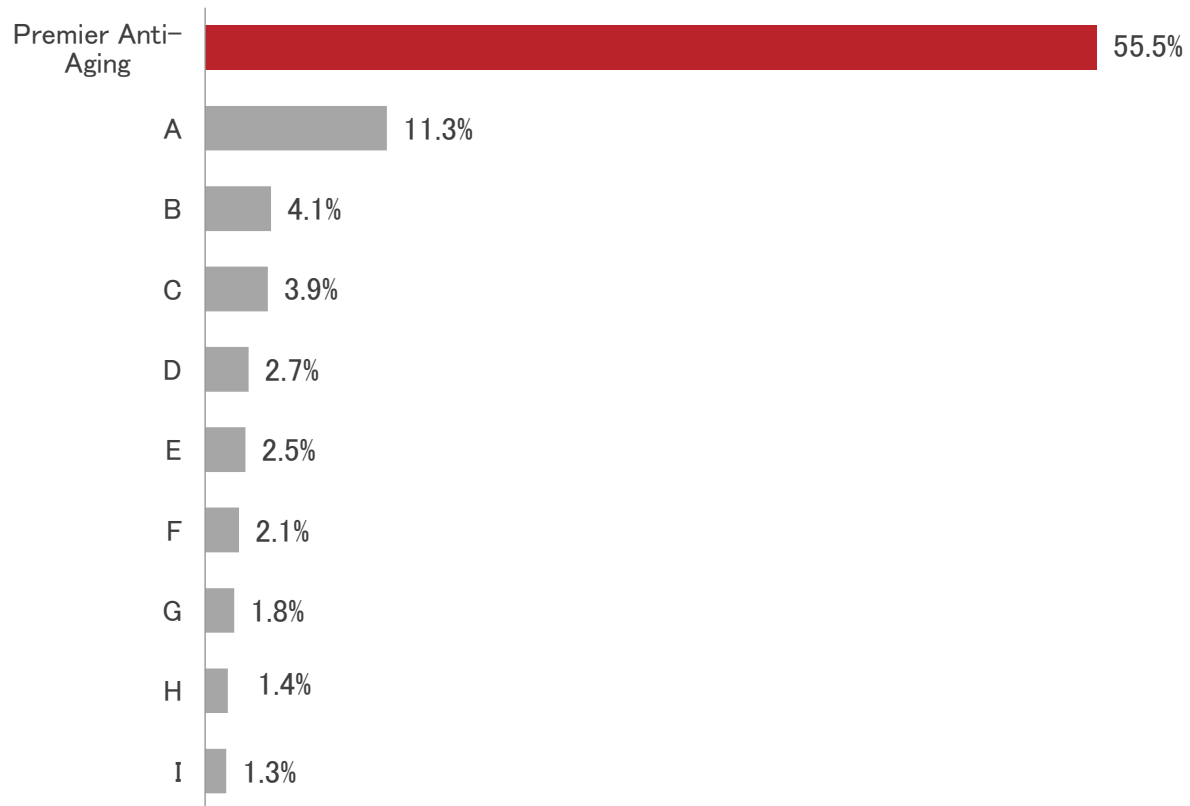


\* Rest Week Promotion Secretariat: "In collaboration with the Kanagawa Prefecture Meibyou Industry Research Group, we estimate the market size of the three elements of health, "recovery," for the first time in Japan. The recovery market in 2030 will be worth 14.1 trillion yen."

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

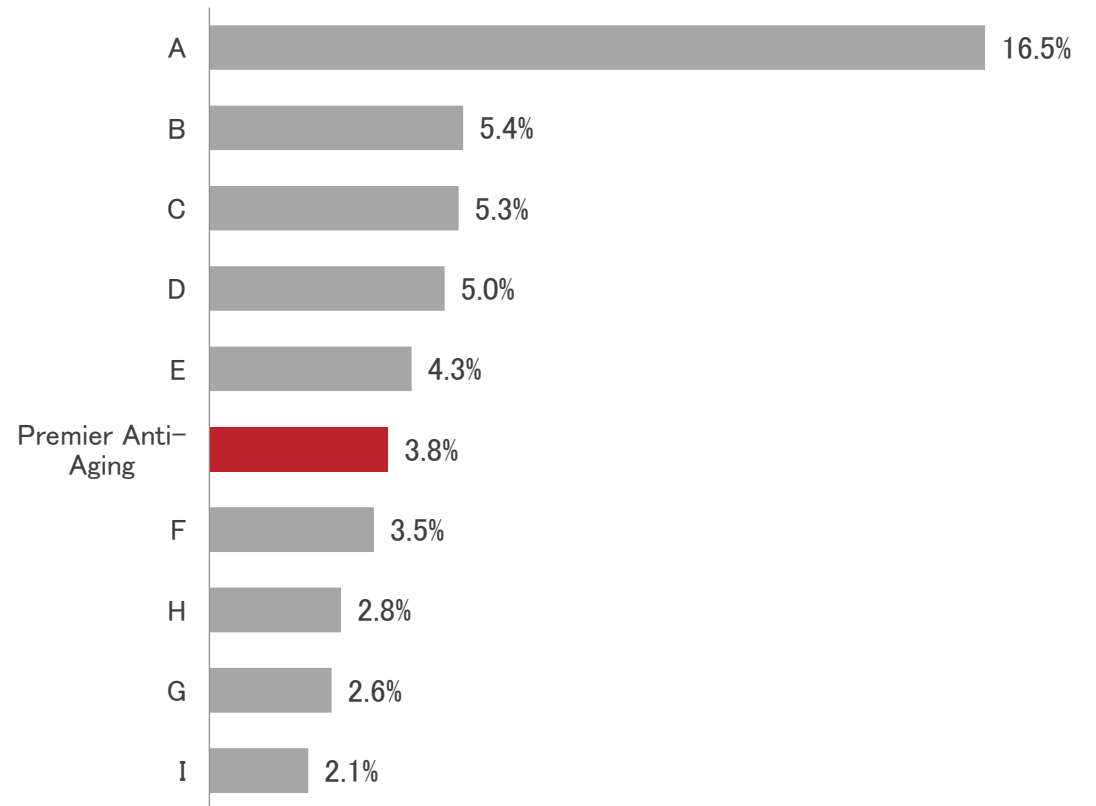
✓ Established a competitive position with cleansing (balm type) by DUO and all-in-one by CANADEL

Cleansing (Balm type)



Source: "Cosmetics Marketing Handbook 2024 No. 1" Cleansing <Balm: Brand Share> 2023 by Fuji Keizai

All-in-one



Source: "Cosmetics Marketing Handbook 2024 No. 1" Moisture <All-in-one: Brand Share> 2023 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	End of July 2024	
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](mailto:ir@p-antiaging.co.jp)

# Forever vivid

とき  
人の時間を、解き放つ。

Untether time.