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March 13, 2025

Consolidated Financial Results
for the First Six Months of the Fiscal Year Ending July 31, 2025
(Under Japanese GAAP)

Company name:	Premier Anti-Aging Co., Ltd.
Listing exchange:	Tokyo Stock Exchange
Securities code:	4934
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Scheduled date for commencing dividend payments:	-
Preparation of supplementary material:	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 first six months of the fiscal year ending July 31, 2025 (from August 1, 2024 to January 31, 2025)

(1) Consolidated operating results (cumulative)

(Percentage figures indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
January 31, 2025	8,528	(19.9)	977	-	970	-	581	-
January 31, 2024	10,649	(25.3)	(205)	-	(199)	-	(1,685)	-

Note:	Comprehensive income	Six months ended January 31, 2025:	580 million yen [- %]
		Six months ended January 31, 2024:	(1,686)million yen [- %]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
January 31, 2025	66.67	66.64
January 31, 2024	(193.25)	-

Note: Although there are dilutive shares, diluted earnings per share for the first six months ended January 31 is not indicated due to net loss per share.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
January 31, 2025	10,958	6,709	61.2
July 31, 2024	11,002	6,124	55.7

Reference:	Total shareholders' equity	
	As of January 31, 2025:	6,705 million yen
	As of July 31, 2024:	6,124 million yen

2. Cash dividends

	Annual dividends per share				
	End of first quarter	End of second quarter	End of third quarter	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended July 31, 2024	-	0.00	-	0.00	0.00
Fiscal year ending July 31, 2025	-	0.00			
Fiscal year ending July 31, 2025 (Forecast)			-	0.00	0.00

Note: Revisions to the most recently announced cash dividends forecast: None

3. Consolidated earnings forecasts for the fiscal year ending July 31, 2025 (from August 1, 2024 to July 31, 2025)

(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
Full year	17,500	(14.0)	150	7.9	130	(19.4)	130	-	14.91

Note: Revisions to the most recently announced earnings forecasts: None

* Notes

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

(2) Adoption of accounting treatments specific to the preparation of interim consolidated financial statements: Yes

(Note) For details, please refer to "2. Interim consolidated financial statements and major notes (4) Notes on interim consolidated financial statements (Notes on accounting treatments specific to the preparation of interim consolidated financial statements)" on page 9 of the attached document.

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

i. Changes in accounting policies due to revisions to accounting standards, etc.: Yes

ii. Changes in accounting policies other than those in i. above: None

iii. Changes in accounting estimates: None

iv. Restatements: None

(Note) For details, please refer to "2. Interim consolidated financial statements and major notes (4) Notes on interim consolidated financial statements (Notes on changes in accounting policies)" on page 9 of the attached document.

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

i. Number of shares issued and outstanding at the end of the period (including treasury shares)

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

ii. Number of treasury shares at the end of the period

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

iii. Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended January 31, 2025	8,720,379 shares
Six months ended January 31, 2024	8,720,379 shares

* Review by a certified public accountant or an auditing firm of the attached interim consolidated financial statements: None

* 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. (3) Forward-looking information including consolidated earnings forecasts" on page 4 of the attached document.

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1. Overview of financial results, etc.

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

In the first six months of the consolidated fiscal year ending July 31, 2025, the Japanese economy continued to recover at a moderate pace, but some areas showed signs of slowing down. Although personal consumption picked up moderately due to expanded wage growth, 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 expand due to the economic recovery, but the speed of expansion 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 first six months ended January 31, 2025, sales increased 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 8,528 million yen (down 19.9% 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 977 million yen (operating loss of 205 million yen in the same period of the previous fiscal year) due to the suppressing sales expenses, mainly advertising expenses, caused by insufficient improvement in advertising efficiency for acquiring new customers in the mail order channel, and implementing appropriate cost management by reducing fixed costs in line with business scale, ordinary profit was 970 million yen (ordinary loss of 199 million yen in the same period of the previous fiscal year) and profit attributable to owners of parent was 581 million yen (loss attributable to owners of parent of 1,685 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 first six months (From August 1, 2023 to January 31, 2024)	Current first six months (From August 1, 2024 to January 31, 2025)	Year on year change (%)
Net sales	9,750	7,012	(28.1)
Operating profit (loss)	(360)	794	-

Net sales

Anti-aging business sales amounted to 7,012 million yen (down 28.1% 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 such as expanding member community measures to strengthen our customer structure. However, the downward trend in sales continues as the competitive environment for acquiring new customers continues to be tough and it still takes time for the effects of activating existing customers through CRM measures to be seen.

In wholesale sales, we aim to gain growth potential by promoting tie-up measures with new communication and new promotions that appeal to brand value, and by deepening collaboration with retailers. During the first six months of the current fiscal year, we worked to strengthen in-store appeal through the launch of the renewed “DUO” brand, measures linked to the new TV commercial for the “CANADEL” brand and the launch of new color treatments for the “clayence” brand, but sales decreased due to the impact of intensifying competition at stores.

The situation by brand is as follows.

The “DUO” brand will be renewing and releasing five types of "The Cleansing Balm" series to celebrate the 15th anniversary of the brand's birth in February 2025. As the first step, we have started selling “The Cleansing Balm Black Repair” from January 2025. In conjunction with the launch of the renewed product, we are working to promote the renewed “DUO” by airing a new commercial, “The Balm is Reborn Once Again,” and running a sales promotion campaign.

The “CANADEL” brand has exceeded 9 million units in cumulative shipments in September 2024 and has been growing sales as a high-performance anti-aging care brand for adults with changing skin concerns. However, competition in the all-in-one cosmetics market continues to intensify, and sales are currently on a downward trend. Since October last year, we have been working to acquire new customers through TV commercials featuring our new brand character, social media initiatives, and in-store appeal. In addition, we will launch a new product, “CANADEL tuning lotion [Quasi-drug],” from April 2025, which supports the care of skin concerns as the first step before using all-in-one products, with the aim of expanding the number of repeat users by improving satisfaction with the effect on the skin.

The “clayence” brand expanded its lineup by launching a new color treatment “Rose Brown” in October 2024. We are increasing the options for our customers in the color treatment category and developing “clayence” as a comprehensive hair care brand that is more popular for our customers.

In addition, we are continuing test marketing of our inner care supplement "SINTO Liposomal Vitamin C" and high-concentration Vitamin C skin care brand “C+mania.” In addition, we are preparing to launch a new skin care brand, “Lalaskin,” which realizes fast beauty medical concept, from April 2025 at some variety shops, drug stores, GMS, and EC malls, followed by nationwide sales from September.

Operating profit

Although gross profit decreased due to the decline in sales, operating profit improved significantly to 794 million yen (operating loss of 360 million yen in the same period of the previous fiscal year) due to the suppressing sales expenses, mainly advertising expenses, caused by insufficient improvement in advertising efficiency for acquiring new customers in the mail order channel, and implementing appropriate cost management by reducing fixed costs in line with business scales.

Recovery business

(Millions of yen)			
	Previous first six months (From August 1, 2023 to January 31, 2024)	Current first six months (From August 1, 2024 to January 31, 2025)	Year on year change (%)
Net sales	899	1,515	68.6
Operating profit	151	183	21.3

Net sales

Sales grew significantly thanks in part to the effects of proactively implementing TV commercials and digital marketing measures, reaching a record high of 1,515 million yen (up 68.6% year on year) for the half year.

Operating profit

Although advertising expenses increased due to aggressive advertising investment, operating profit grew steadily in line with sales growth, reaching 183 million yen (up 21.3% year-on-year).

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

(Assets)

Total assets at the end of the first six months of the current fiscal year decreased by 43 million yen from the end of the previous fiscal year to 10,958 million yen. The main factors of increase and decrease were as follows.

Current assets decreased by 9 million yen from the end of the previous fiscal year to 8,872 million yen. This was mainly due to an increase of 548 million yen in cash and deposits and a decrease of 454 million yen in accounts receivable - trade.

Non-current assets decreased by 34 million yen from the end of the previous fiscal year to 2,086 million yen. This was mainly due to a decrease of 20 million yen in property, plant and equipment, a decrease of 19 million yen in intangible assets and an increase of 5 million yen in investments and other assets

(Liabilities)

Total liabilities at the end of the first six months of the current fiscal year decreased by 628 million yen from the end of the previous fiscal year to 4,249 million yen. The main factors of increase and decrease were as follows.

Current liabilities decreased by 436 million yen from the end of the previous fiscal year to 3,322 million yen. This was mainly due to a decrease of 408 million yen in short-term borrowings.

Non-current liabilities decreased by 191 million yen from the end of the previous fiscal year to 926 million yen. This was mainly due to a decrease of 129 million yen in long-term borrowings.

(Net Assets)

Net assets at the end of the first six months of the current fiscal year increased by 584 million yen from the end of the previous fiscal year to 6,709 million yen. This was mainly due to profit attributable to owners of parent of 581 million yen.

As a result, the equity ratio was 61.2%.

(Status of consolidated cash flows)

Cash and cash equivalents (“net cash”) at the end of the first six months of the current fiscal year amounted to 5,301 million yen (increased by 547 million yen from the end of the previous fiscal year).

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

(Cash flows from operating activities)

Net cash provided by operating activities in the first six months of the current fiscal year amounted to 1,390 million yen (38 million yen provided in the same period of the previous fiscal year). The major factors of cash inflows were recording profit before income taxes of 967 million yen and a decrease of 454 million yen in trade receivables, while the major factor of cash outflows was a decrease of 281 million yen in provision for contract loss.

(Cash flows from investing activities)

Net cash used in investing activities in the first six months of the current fiscal year amounted to 178 million yen (745 million yen used in the same period of the previous fiscal year). The major factors of cash outflows were payments for purchase of property, plant and equipment of 19 million yen and purchase of intangible assets of 94 million yen.

(Cash flows from financing activities)

Net cash used in financing activities in the first six months of the current fiscal year amounted to 665 million yen (29 million yen used in the same period of the previous fiscal year). The major factors of cash outflows were a decrease of 408 million yen in short-term borrowings and 243 million yen in repayments of long-term borrowings.

(3) Forward-looking information including consolidated earnings forecasts

The consolidated earnings forecast for the fiscal year ending July 31, 2025 remains unchanged from the forecast announced on September 12, 2024, as announced in the “Notice concerning difference between interim consolidated earnings forecasts and actual results for the first six months of the fiscal year ending July 31, 2025” dated March 13, 2025. The Company will promptly disclose it if it becomes necessary to revise the earnings forecast.

2. Interim consolidated financial statements and major notes

(1) Interim consolidated balance sheet

	(Millions of yen)	
	As of July 31, 2024	As of January 31, 2025
Assets		
Current assets		
Cash and deposits	4,760	5,308
Accounts receivable - trade	1,727	1,272
Finished goods	1,112	1,215
Raw materials and supplies	474	502
Other	807	572
Total current assets	8,882	8,872
Non-current assets		
Property, plant and equipment	610	590
Intangible assets		
Goowill	352	331
Other	646	648
Total intangible assets	999	979
Investments and other assets	510	515
Total non-current assets	2,120	2,086
Total assets	11,002	10,958
Liabilities		
Current liabilities		
Accounts payable - trade	204	273
Short-term borrowings	1,008	600
Current portion of long-term borrowings	385	271
Current portion of bonds payable	26	26
Accounts payable - other	871	719
Income taxes payable	23	369
Provision for bonuses	81	73
Provision for contract loss	308	80
Other	848	907
Total current liabilities	3,759	3,322
Non-current liabilities		
Bonds payable	43	30
Long-term borrowings	980	851
Provision for contract loss	52	-
Asset retirement obligations	6	14
Other	34	30
Total non-current liabilities	1,118	926
Total liabilities	4,877	4,249
Net assets		
Shareholders' equity		
Share capital	1,351	1,351
Capital surplus	1,351	1,351
Retained earnings	3,404	3,986
Treasury shares	(1)	(1)
Total shareholders' equity	6,106	6,688
Accumulated other comprehensive income		
Foreign currency translation adjustment	17	17
Total accumulated other comprehensive income	17	17
Stock acquisition rights	-	4
Total net assets	6,124	6,709
Total liabilities and net assets	11,002	10,958

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

(Millions of yen)

	Six months ended January 31, 2024 (From August 1, 2023 to January 31, 2024)	Six months ended January 31, 2025 (From August 1, 2024 to January 31, 2025)
Net sales	10,649	8,528
Cost of sales	2,160	1,751
Gross profit	8,489	6,776
Selling, general and administrative expenses	8,694	5,798
Operating profit (loss)	(205)	977
Non-operating income		
Interest income	0	0
Profit on currency exchange	19	1
Miscellaneous income	2	3
Total non-operating income	22	5
Non-operating expenses		
Interest expenses	11	12
Miscellaneous losses	4	0
Total non-operating expenses	15	12
Ordinary profit (loss)	(199)	970
Extraordinary losses		
Impairment loss	492	-
Contract loss	147	-
Provision of allowance for contract loss	250	-
Other	18	2
Total extraordinary losses	908	2
Profit (loss) before income taxes	(1,108)	967
Income taxes - current	577	343
Income taxes for prior periods	-	43
Profit (loss)	(1,685)	581
Profit (loss) attributable to owners of parent	(1,685)	581

(Interim consolidated statement of comprehensive income)

(Millions of yen)

	Six months ended January 31, 2024 (From August 1, 2023 to January 31, 2024)	Six months ended January 31, 2025 (From August 1, 2024 to January 31, 2025)
Profit (loss)	(1,685)	581
Other comprehensive income		
Foreign currency translation adjustment	(0)	(0)
Total other comprehensive income	(0)	(0)
Comprehensive income	(1,686)	580
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,686)	580

(3) Interim consolidated statement of cash flows

(Millions of yen)

	Six months ended January 31, 2024 (From August 1, 2023 to January 31, 2024)	Six months ended January 31, 2025 (From August 1, 2024 to January 31, 2025)
Cash flows from operating activities		
Profit (loss) before income taxes	(1,108)	967
Depreciation	82	123
Amortization of goodwill	20	20
Loss on retirement of non-current assets	16	2
Impairment loss	492	-
Loss on valuation of shares of affiliated company	2	-
Increase (decrease) in allowance for doubtful accounts	1	(52)
Increase (decrease) in provision for contract loss	250	(281)
Interest and dividend income	(0)	(0)
Interest expenses	11	12
Decrease (increase) in trade receivables	193	454
Decrease (increase) in inventories	236	(131)
Increase (decrease) in trade payables	(12)	69
Increase (decrease) in accounts payable - other	(87)	(138)
Increase (decrease) in accrued expenses	128	(66)
Decrease (increase) in prepaid expenses	23	(106)
Other, net	(277)	374
Subtotal	(27)	1,248
Interest and dividend received	0	0
Interest paid	(10)	(12)
Income taxes (paid) refunded	75	197
Amount of income taxes paid for prior periods	-	(43)
Net cash provided by (used in) operating activities	38	1,390
Cash flows from investing activities		
Decrease (increase) in time deposits	4	(0)
Purchase of property, plant and equipment	(599)	(19)
Purchase of intangible assets	(151)	(94)
Proceeds from collection of loans	1	1
Payments of leasehold	(0)	(0)
Other, net	-	(64)
Net cash provided by (used in) investing activities	(745)	(178)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	69	(408)
Repayments of long-term borrowings	(85)	(243)
Payments of redemption of bonds	(13)	(13)
Net cash provided by (used in) financing activities	(29)	(665)
Effect of exchange rate changes on cash and cash equivalents	15	1
Net increase (decrease) in cash and cash equivalents	(720)	547
Cash and cash equivalents at beginning of period	4,659	4,753
Cash and cash equivalents at end of period	3,938	5,301

(4) Notes on interim consolidated financial statements

(Notes on changes in accounting policies)

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

“Accounting Standards for Corporation 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 first six months 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 no impact on the consolidated financial statements for the first six months of 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 first six months of the current fiscal year. This change in accounting policy has been applied retroactively, and the interim consolidated financial statements for the first six months of the previous fiscal year 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 interim consolidated financial statements for the first six months of the previous fiscal year or the consolidated financial statements for the previous fiscal year.

(Notes on accounting treatments specific to the preparation of interim consolidated financial statements)

(Calculation of income tax expense)

Income tax expenses are calculated by reasonably estimating the effective tax rate after applying tax effect accounting to profit before income taxes for the consolidated fiscal year, including the first six months under review, and multiplying profit or loss before income taxes by the estimated effective tax rate. However, if tax expenses calculated using the estimated effective tax rate result in significantly lacking rationality, the statutory effective tax rate is used.

(Notes on segment information, etc.)

I. Previous first six months (from August 1, 2023 to January 31, 2024)

1. Information regarding the amount of sales and profit or loss by reporting segment

(Millions of yen)

	Reporting segment			Adjustment amount Note 1	Amount recorded in interim consolidated statement of income Note 2
	Anti-aging business	Recovery business	Total		
Sales					
Sales to external customers	9,750	899	10,649	-	10,649
Internal sales or transfers between segments	-	-	-	-	-
Total	9,750	899	10,649	-	10,649
Segment profit (loss)	(360)	151	(209)	3	(205)

Notes: 1. The adjustment amount of 3 million yen for segment profit (loss) is the elimination of intersegment transactions.

2. Segment profit or loss is adjusted with operating profit in the interim consolidated statement of income.

2. Information regarding impairment losses on non-current assets or goodwill, etc. for each reporting segment

(Significant impairment loss on non-current assets)

In the “anti-aging business” segment, impairment losses were recorded for some software in progress accounts. The amount of the impairment loss recorded was 492 million yen.

(Significant changes in the amount of goodwill)

Not applicable

II. Current first six months (from August 1, 2024 to January 31, 2025)

1. Information regarding the amount of sales and profit or loss by reporting segment

(Millions of yen)

	Reporting segment			Adjustment amount	Amount recorded in interim consolidated statement of income Note
	Anti-aging business	Recovery business	Total		
Sales					
Sales to external customers	7,012	1,515	8,528	-	8,528
Internal sales or transfers between segments	-	-	-	-	-
Total	7,012	1,515	8,528	-	8,528
Segment profit	794	183	977	-	977

Note: Segment profit is consistent with operating profit in the interim consolidated statement of income.

2. Information regarding impairment losses on non-current assets or goodwill, etc. for each reporting segment

(Significant impairment loss on non-current assets)

Not applicable

(Significant changes in the amount of goodwill)

Not applicable

(Notes when there are significant changes in amounts of shareholders' equity)

Not applicable

(Notes on going concern assumption)

Not applicable