

AXXZIA

June 29th ,2022



Financial Results Presentation for Q3 FY07/22

AXXZIA Inc.





Contents

01 | Executive Summary

02 | Business Results: Highlights

03 | Q3 FY07/22 Topics

04 | Future Initiatives

05 | Appendix



Executive Summary

AXXZIA

Q3 FY07/22

■ **Net sales:** **5,630mn yen**
(+38.8% YoY)

■ **Operating income:** **1,097mn yen**
(+10.7% YoY)

■ Although we fell short of our forecast in Q3 due to the Shanghai lockdown from March 28, 2022, we surpassed our cumulative Q3 (Q1–Q3) forecast. For cumulative Q3, net sales and operating income exceeded our forecast by 9.1% and 7.5%, respectively. Ordinary income was **1,177mn yen (+19.4% vs. forecast)**.

Topics

- Acquired shares of Huit Laboratories, Inc. and made it a subsidiary.
- Recorded 208% of previous year's sales at "3.8," a large-scale e-commerce event in China.
- Opened flagship store on the Kuaishou short video mobile app.



Business Results: Highlights

AXXZIA

Consolidated P&L (vs. 9M FY07/21 results)

AXXZIA

- Net sales: **5,630mn yen**, up **1,572mn yen** YoY (**+38.8%** YoY)
- Operating income: **1,097mn yen**, up **106mn yen** YoY (**+10.7%** YoY)
- Quarterly profit: **747mn yen**, up **126mn yen** YoY (**+20.4%** YoY)

(Unit: millions of yen)

| | 9M FY07/21 | 9M FY07/22 | YoY change (amount) | YoY change |
|--|---------------|---------------|------------------------|------------|
| Net sales | 4,057 | 5,630 | +1,572 | +38.8% |
| Operating income | 990 | 1,097 | +106 | +10.7% |
| Operating margin | 24.4% | 19.5% | — | -4.9% |
| Ordinary income | 984 | 1,177 | +193 | +19.7% |
| Profit attributable to owners of parent | 621 | 747 | +126 | +20.4% |

Results vs. Forecast (9M)

A X X Z I A

- Net sales: **+467mn yen** vs. 1H forecast (**109.1%** progress rate)
- Operating income: **+76mn yen** vs. 1H forecast (**107.5%** progress rate)
- Quarterly profit: **+105mn yen** vs. 1H forecast (**116.4%** progress rate)

(Unit: millions of yen)

| | 9M FY07/22 Forecast | 9M FY07/22 Results | Results vs. Forecast | Progress rate |
|--|------------------------|-----------------------|-------------------------|---------------|
| Net sales | 5,162 | 5,630 | +467 | 109.1% |
| Operating income | 1,020 | 1,097 | +76 | 107.5% |
| Operating margin | 19.8% | 19.5% | — | -0.3pt |
| Ordinary income | 986 | 1,177 | +191 | 119.4% |
| Profit attributable to owners of parent | 642 | 747 | +105 | 116.4% |

Q3 Results vs. Forecast (for the 3 Months of Feb–Apr)

A X X Z I A

- Due to the Shanghai lockdown from March 28, 2022, Q3 net sales and operating income fell short of our forecast at **1,695mn yen** and **283mn yen**, respectively (progress against forecast: **96.4%** for net sales, **70.5%** for operating income).
- Q3 net sales were **118.7%** of the year-earlier level, but operating income was somewhat sluggish, at **81.1%** of the year-earlier level.
- The negative impact of the Shanghai lockdown on April sales of our Shanghai subsidiary was **about 140mn yen** (achieved 121% of forecast in Feb and Mar). Without this impact, April sales would have reached **103.9%** of the forecast.

(Unit: millions of yen)

| | Q1 FY07/22 (Aug–Oct) | Q2 FY07/22 (Nov–Jan) | Q3 FY07/22 (Feb–Apr) | YoY change |
|---|-------------------------|-------------------------|-------------------------|---------------|
| Net sales | 1,788 | 2,145 | 1,695 | +18.7% |
| vs. Forecast | 113.9% | 117.0% | 96.4% | |
| Operating income | 321 | 492 | 283 | -18.9% |
| vs. Forecast | 132.4% | 130.8% | 70.5% | |
| Ordinary income | 333 | 501 | 342 | +0.2% |
| vs. Forecast | 138.2% | 134.9% | 91.9% | |
| Profit attributable to owners of parent | 218 | 323 | 205 | -8.9% |
| vs. Forecast | 139.0% | 134.7% | 83.8% | |

<Ref.> Monthly Sales Summary (Feb–Apr 2022) Results vs. Forecast

AXXZIA

- AXXZIA: April sales **441mn yen, 97.1%** progress against forecast
The main reason for falling short of the forecast was a logistics stoppage in Shanghai that resulted in more cancellations on Tmall and RED than in a typical month.
- Shanghai subsidiary: April sales **4mn yen, 3.5%** progress against forecast
Sales to beauty salons, our physical sales channel, fell far short of target, mainly due to the Shanghai lockdown.
- Consolidated total: April sales **445mn yen, 77.7%** progress against forecast

(Unit: millions of yen)

| | February | | | March | | | April | | | Q3 Total | | |
|---------------------|----------|--------|--------------|--------|--------|--------------|--------|--------|--------------|----------|--------|--------------|
| | Forecast | Actual | vs. Forecast | Target | Actual | vs. Forecast | Target | Actual | vs. Forecast | Target | Actual | vs. Forecast |
| Headquarters | 354 | 334 | 94.4% | 589 | 619 | 105.2% | 454 | 441 | 97.1% | 1,397 | 1,394 | 99.8% |
| Shanghai subsidiary | 101 | 120 | 118.2% | 143 | 177 | 123.7% | 119 | 4 | 3.5% | 363 | 301 | 82.9% |
| Consolidated total | 455 | 454 | 99.7% | 732 | 796 | 108.8% | 572 | 445 | 77.7% | 1,760 | 1,695 | 96.4% |

The above figures are for reference only and are calculated by multiplying the average rate for cumulative Q3 by monthly sales.

- A full-scale lockdown was implemented in Shanghai starting March 28, 2022, which had a direct negative impact, especially on earnings of our Shanghai subsidiary. In Q3, we took measures to prepare for future lockdowns.

Shanghai Lockdown (Mar. 28 [Q3]) Summary of Impact on the Company

■ Decline in sales to beauty salons and retailers in China

Our Shanghai subsidiary mainly sells wholesale products to beauty salons and retailers, and the Shanghai lockdown directly affected sales in these channels. As a result, our Shanghai subsidiary's sales in physical channels were affected.

■ Logistics disruption

Since March 28, deliveries have been suspended in some areas, including from warehouses, and in April, some products sold through e-commerce did not reach consumers due to delivery stoppages. As a result, cancellations increased.

■ Delay in announcement of Q3 results (June 9, 2022 → June 29, 2022)

Due to the lockdown and logistics stoppage, the administrative work for settling accounts at our Shanghai subsidiary was significantly delayed, resulting in a delay in the announcement of financial results at our company.

Measures Implemented in Anticipation of Future Lockdowns

■ Diversification of local logistics bases

We have established logistics bases in regions other than Shanghai (in operation since May). We will continue to promote the decentralization of logistics bases to further reduce the risk of logistics stoppages.

■ Reducing business risks at our Shanghai subsidiary

In addition to sales to beauty salons, an existing physical sales channel at the Shanghai subsidiary, we have opened a flagship store on a local e-commerce site as an online channel. Going forward, we will further accelerate the reinforcement of e-commerce sales based on the flagship stores on local e-commerce sites. We will also increase our preparedness for the risk of failure of business continuity by having our sales and administrative departments work remotely.

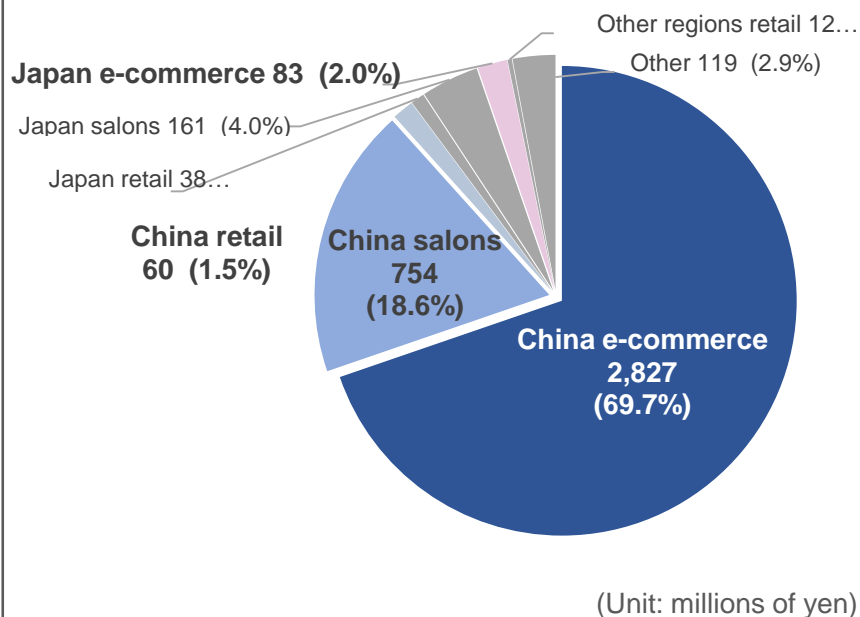
9M FY07/22 Net Sales by Region and Channel

AXXZIA

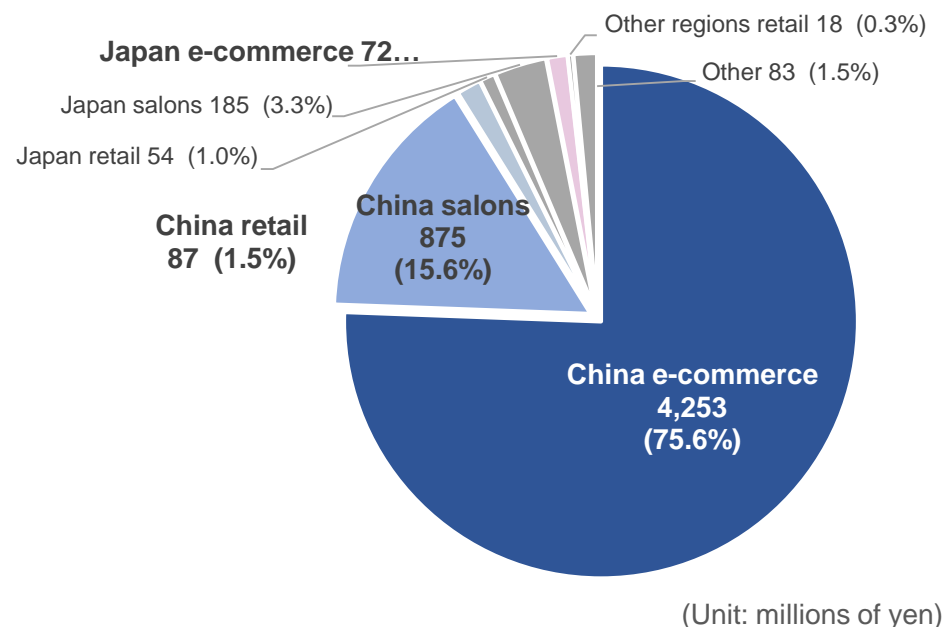
■ China net sales (*1): **5,215mn yen** (92.6% of total sales) **+1,573mn yen** YoY (+43.2% YoY)

■ Japan net sales (*1): **312mn yen** (5.5% of total sales) **+28mn yen** YoY (+10.0% YoY)

9M FY0721 **4,057mn yen**



9M FY0722 **5,630mn yen**



*1 Net sales in China and Japan are the total of e-commerce, salon, and retail sales.

9M FY07/22 China E-commerce Net Sales by Channel

AXXZIA

- China e-commerce net sales: **4,253mn yen** **+1,425mn yen (+50.4% YoY)**
- Achieved sales of **668mn yen** on TikTok, compensating for the negative impact of the Shanghai lockdown on overall April sales in the China e-commerce channel. The horizontal development of China e-commerce, the policy for this fiscal year, was successful and supported earnings.

(Unit: millions of yen)

| | 9M FY07/21 Results | 9M FY07/22 Results | YoY change (amount) | YoY change |
|---------------------------|-----------------------|-----------------------|------------------------|------------|
| Taobao, etc. | 1,543 | 1,905 | +362 | +23.5% |
| Tmall Global | 982 | 1,299 | +316 | +32.2% |
| RED | 301 | 380 | +78 | +26.0% |
| TikTok | 0 | 668 | +668 | - |
| Total China e-commerce | 2,827 | 4,253 | +1,425 | +50.4% |

CoGS and SG&A Expenses

AXZIA

- CoGS-to-sales ratio: 25.2% (+16.9ppt YoY) SG&A-to-sales ratio: 55.3% (+68.1ppt YoY)
- Advertising expenses totaled 1,076mn yen, 3.2% above the 9M forecast of 1,042mn yen
- TikTok sales were much higher than we expected, and commissions paid increased accordingly.

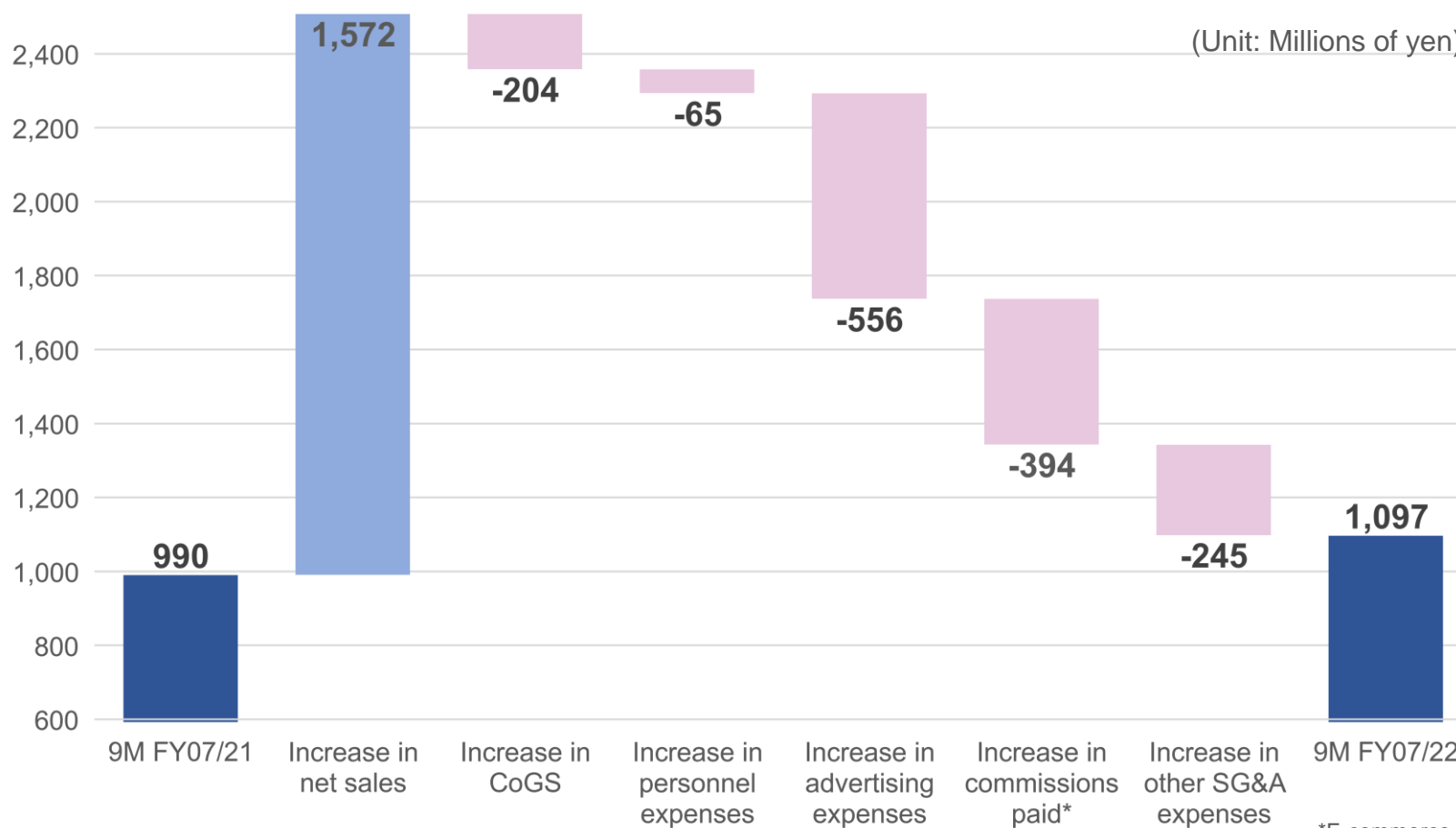
(Unit: Millions of yen)

| | 9M FY07/21 | | 9M FY07/22 | | YoY | |
|-----------------------------|------------|--------------------|------------|--------------------|--------|---------|
| | Amount | Ratio to net sales | Amount | Ratio to net sales | Amount | Change |
| Cost of goods sold | 1,214 | 29.9% | 1,418 | 25.2% | +204 | +16.9% |
| SG&A expenses | 1,852 | 45.7% | 3,114 | 55.3% | +1,261 | +68.1% |
| Advertising expenses | 520 | 12.8% | 1,076 | 19.1% | +556 | +106.9% |
| Commissions paid | 445 | 11.0% | 839 | 14.9% | +394 | +88.6% |
| Personnel expenses | 501 | 12.4% | 567 | 10.1% | +65 | +13.1% |
| Depreciation & amortization | 14 | 0.4% | 46 | 0.8% | +31 | +211.9% |
| R&D expenses | 8 | 0.2% | 9 | 0.2% | 0 | +7.9% |
| Other | 361 | 8.9% | 574 | 10.2% | +212 | +58.8% |

Operating Income (Breakdown of YoY Change)

AXXZIA

- Net sales: **Up 1,572mn yen** YoY (+38.8% YoY)
- Operating income: **Up 106mn yen** YoY (+10.7% YoY)
- As planned, we continued upfront investments in advertising in order to raise brand awareness and expand the customer base.



Consolidated B/S

A X X Z I A

- Continued to maintain a robust financial position, including current ratio and equity ratio.

(Unit: Millions of yen)

| | | End-FY07/21 | | End-Q3 FY 07/22 | | YoY change |
|--------------------------------|------------------------|-------------|--------|-----------------|--------|------------|
| | | Amount | Share | Amount | Share | Amount |
| | Current assets | 7,690 | 93.0% | 8,267 | 86.9% | +577 |
| | Noncurrent assets | 577 | 7.0% | 1,250 | 13.1% | +673 |
| Total assets | | 8,267 | 100.0% | 9,518 | 100.0% | +1,250 |
| | Current Liabilities | 958 | 11.6% | 1,072 | 11.3% | +114 |
| | Noncurrent Liabilities | 116 | 1.4% | 442 | 4.6% | +326 |
| Total Liabilities | | 1,074 | 13.0% | 1,514 | 15.9% | +440 |
| Total Net Assets | | 7,193 | 87.0% | 8,003 | 84.1% | +810 |
| Total Liabilities & Net Assets | | 8,267 | 100.0% | 9,518 | 100.0% | +1,250 |



Q3 FY07/22 Topics

AXXZIA

Summary of the Acquisition of Huit Laboratories, Inc. as a Subsidiary

AXXZIA

- Effective April 1, 2022, we acquired shares of Huit Laboratories, Inc.
- The primary aim of the acquisition was to acquire the company's plant and R&D facilities. The company is now a wholly owned subsidiary and PMI is progressing as planned. We aim to realize synergies with Huit Laboratories through the **transition to OEM production of AXXZIA products** by FY07/23.

Summary

■ Acquisition of 100% of shares in Huit Laboratories, Inc., thereby converting it into a subsidiary

| | |
|--------------------------------------|---------------|
| Completion date of share acquisition | April 1, 2022 |
| Cost of share acquisition | 860mn yen |

■ Impact on consolidated financial results for FY07/22

- We have completed the acquisition of shares in Huit Laboratories on April 1, 2022 and expects the acquisition to have only a negligible impact on performance in FY07/22.
- As part of the PMI promotion, we rationalized operations by consolidating offices and migrated accounting and human resource systems to our in-house systems. This resulted in a one-time increase in expenses.

Challenges, Objectives, and Potential Synergies



Challenges

Bottlenecks associated with order lot sizes and lead times encountered when performing original equipment manufacturing for other companies



Objectives

- Enabling of **speedy development, manufacture, and launch** of a wide variety of products in small quantities
- Intended use of funds at time of IPO: **Construction of a new plant**
- Shortening of the time required for plant construction and launch **by about 1.5 years**
- **Reduction of risks** associated with the recruitment of personnel and the launch of operations
- **Acquisition of domestic sales network (to generate revenue from sales)**



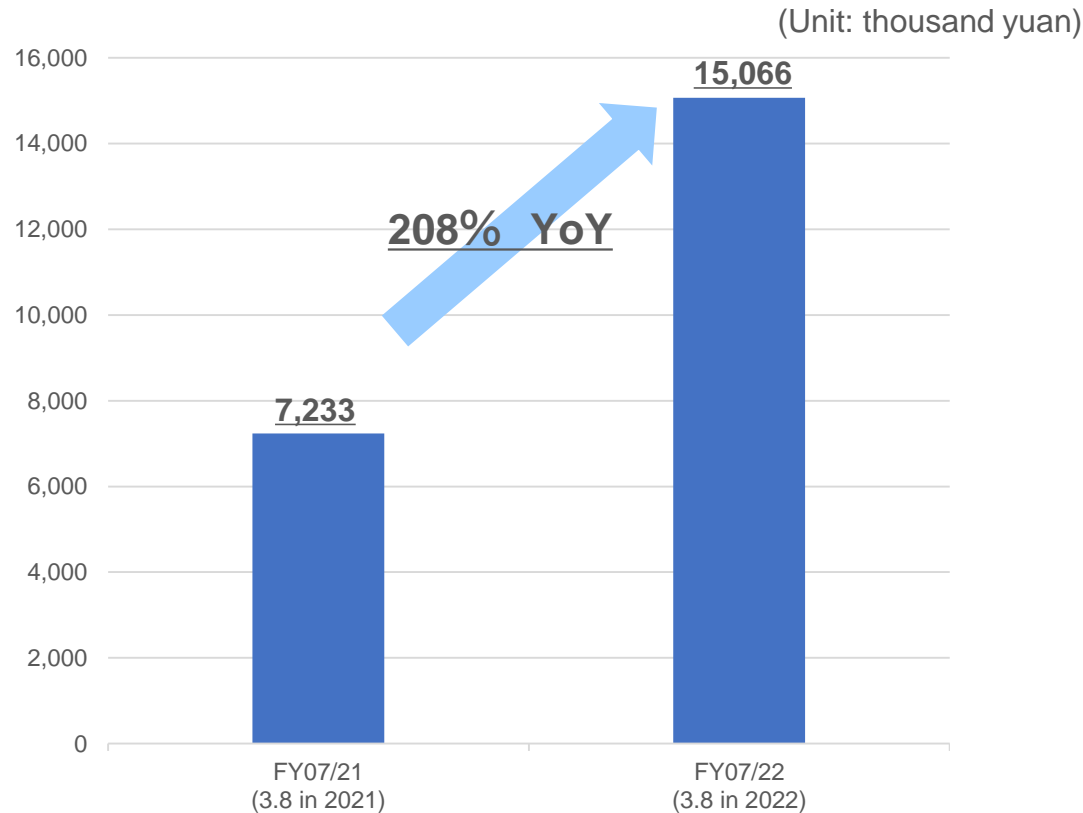
Synergies

- **Internalization** of outsourced manufacturing
- **Acquisition of licenses and expertise** related to the manufacture of cosmetics and quasi-pharmaceutical products
- **Sales channel and customer base expansion** achieved through the acquisition of brands with different price ranges

Results of Cross-Border E-Commerce Flagship Stores at 3.8 event

AXXZIA

- Net sales during 3.8 Event (China's largest e-commerce event): **208% YoY**



China's Three Major E-commerce Events

- China's largest e-commerce sales event held on Nov. 11 every year in celebration of Singles' Day
- E-commerce sales event for women's products held in conjunction with International Women's Day on March 8
- Annual e-commerce sales event held around June 18 every year, by Chinese e-commerce site JingdongMall

Q3 FY07/22 Topics (Sales Channels)

A X X Z I A

- On April 29, 2022, we opened the Official Overseas Flagship Store Kuaishou Axxzia as a cross-border e-commerce store.



<About Kuaishou>

- Kuaishou is a short video mobile app.
- The number of daily active users in China has exceeded 300 million as of April 29, 2022.

Creation of a 3rd Hero Product Candidate

AXXZIA

Renewal of beauty supplement (White Aminos):

The White Drink was widely accepted in the market and made a solid start.

- Q2 FY07/22: Launched Venus Recipe The White Drink.
- Q3 FY07/22: Received favorable reviews from customers and achieved **120mn yen** in quarterly sales.
- We will further nurture The White Drink as a third hero product candidate following AG Drink and Essence Sheet, and establish it as a "brand with whitening appeal."



<Venus Recipe>

A supplement series based on the theme of beauty and health. The product lineup is designed to meet inner-care needs by carefully selecting ingredients for inner beauty.

<The White Drink>

A refreshing and delicious grapefruit-flavored drink that contains carefully selected supportive ingredients and the popular applied polyphenol (APPLEPHENON®*1), which protects the skin from UV rays and other irritants.

*1 APPLEPHENON® is a registered trademark of BGG Japan Co., Ltd., which markets polyphenols extracted from unripe apples.

Winner of Top 10 Emerging Brands Award 2021–2022

AXXZIA

- At an online presentation hosted by C2CC on April 29, 2022, AXXZIA's Beauty Eyes Essence Sheet Premium won the Top 10 Emerging Brands Award 2021–2022.



<About C2CC>

• C2CC MEDIA is a media company founded in January 2000 and headquartered in Jinhua, Zhejiang Province. With the theme of trend, entertainment, and originality, its portal site is the most influential site in the Chinese cosmetics industry.

Q3 FY07/22 Topics (New Products)

AXXZIA

- We launched the following products and lines in Q3 FY07/22



THE B PRO
「THE B PRO Element Serum Kit」

AXXZIA Beauty Force
「UVα」





Future Initiatives

AXXZIA

Q4 FY07/22 “618” Event

AXZIA

- In Q4, we will focus on 618, one of the three major e-commerce events in China.



<618>

- One of the largest e-commerce sales in China, held annually around June 18 by the Chinese e-commerce site JD.com.
- This year, the event will be held from May 24, 2022 to June 20, 2022.

Introduction of Shareholder Benefit Program

A X X Z I A

- One of AXXZIA's management challenges is to increase the number of individual shareholders by addressing our low name recognition among individual investors. We also hope to increase the daily trading volume of our shares in the market to boost liquidity and encourage a rise in our share price.

Eligible shareholders

Shareholders holding at least one *tangen* (100 shares) of AXXZIA's stock listed or recorded in the shareholders' register as of the end of July of each year are eligible for the shareholder benefit program.

Details

| [100–499 shares] | [500–999 shares] | [1000 shares or more] |
|---|--|--|
| AXXZIA products (3,000 yen equivalent) | AXXZIA products (10,000 yen equivalent) | AXXZIA products (17,000 yen equivalent) |

Schedule

The shareholder benefit will be sent out in late October each year.

Appointed an Official Ambassador for THE B MAISON

AXXZIA

- To increase our brand awareness in the Japanese cosmetics market, we appointed Taiki Sato and Yusei Yagi of Fantastics from Exile Tribe as ambassadors of THE B MAISON, a skincare product exclusively sold in salons. We are working to further increase awareness, particularly through social media.
- To commemorate the appointment of ambassadors, THE B MAISON will be available at our official online store for a limited time (*1).



ようこそ、
ザビーメゾンへ。



*1 Period: May 13 (Fri) to July 15 (Fri). The brand is usually sold only at the AXXZIA GINZA SIX store and some beauty salons.



Appendix

AXXZIA

Company Overview

AXXZIA

AXXZIA

Creating things and experiences
that amaze people.

Board of Directors

President
Executive Vice President
Managing Director
Managing Director
Director
Director
Outside Director
Outside Director
Corporate Auditor
Outside Corporate Auditor
Outside Corporate Auditor

Dan Taku
Xiaowei Amano
Wu Jun
Zhang Hui
Masahiro Yoshida
Yasuhito Fukui
Yujiro Arakawa
Reiko Akemine
Masahiro Miyajima
Kenji Shimizu
Kuninobu Okuda

Company Overview

| | |
|-----------------------|--|
| [Establishment] | December 21, 2011 |
| [Capital] | 2,109 million yen (As of end of July 2021) |
| [Location] | Tokyo, JAPAN |
| [Office] | Tokyo Head Office Tokyo 2nd Head Office Osaka Sales Office Fukuoka Sales Office AXXZIA GINZA SIX |
| [Business Activities] | Manufacturing / sales of cosmetics and supplements |
| [Market] | TSE Growth (4936) |

Consolidated Subsidiaries

Xiaozi Cosmetic (Shanghai) Inc.
Huit laboratories, Inc.

Corporate History

AXXZIA



Chinese E-commerce Sales Trend

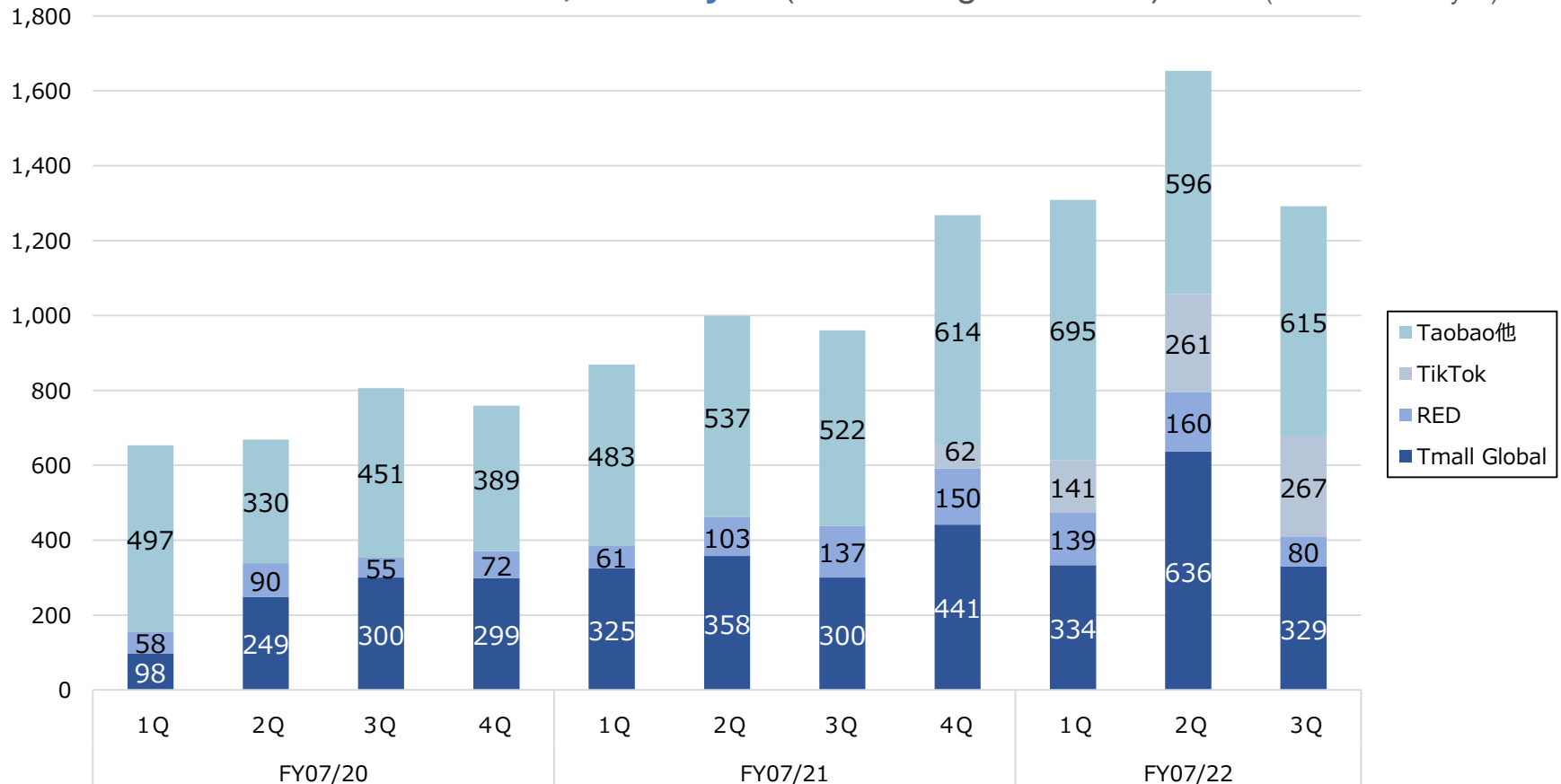
(Quarterly, Q1 FY07/20–Q3 FY07/22)

A X Z I A

- We were unable to achieve the April sales plan on Tmall Global and RED due to the Shanghai lockdown.
- Quarterly sales on TikTok remained solid. Our cross-platform strategy was successful and compensated for the shortfall in April.
- 3Q FY07/22 Net sales **4,253mn yen** (3Q FY07/21: 2,827mn yen)

YoY **+1,425mn yen** (YoY change: **+50.4%**)

(Unit: millions of yen)



Main Brands: AXXZIA Series

AXXZIA

Our main retail brand consisting mainly of eye care cosmetics products.

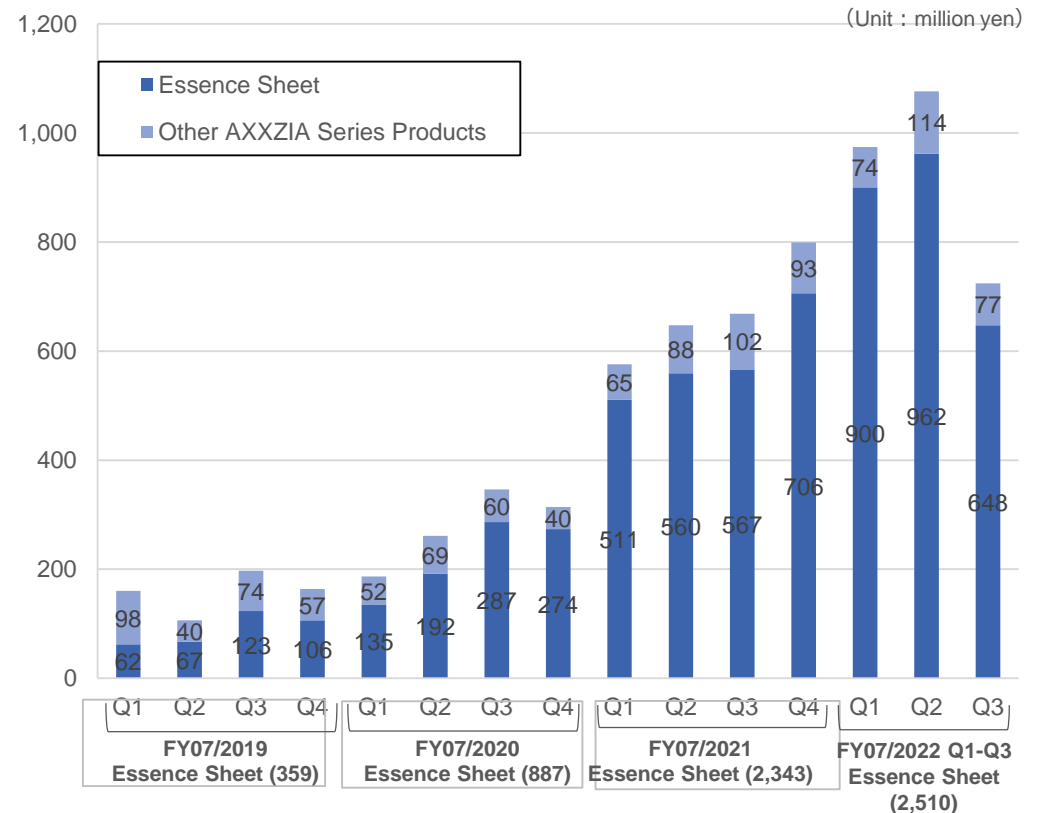
- Succeeded in turning Essence Sheet into a hero product.
(Net sales in Q3 FY07/22: **648mn yen** → Sales volume on Tmall, RED, etc. declined due to the Shanghai lockdown)
- Greater brand awareness also leads to awareness of the Company, because the brand carries the company name.



Milestones for sustainable growth

- Released a product series based on Essence Sheet.
- In December 2020, we launched Essence Sheet Premium Edition and sales are progressing favorably.
- In the spring of 2022, we plan to add a new sunscreen product to the series and turn it into a second growth driver.

AXXZIA Series - Changes in sales



Main Brands: AGtheory Series

AXXZIA

Second main retail brand consisting of the core AG Drink product and cosmetics products based on the same concept.

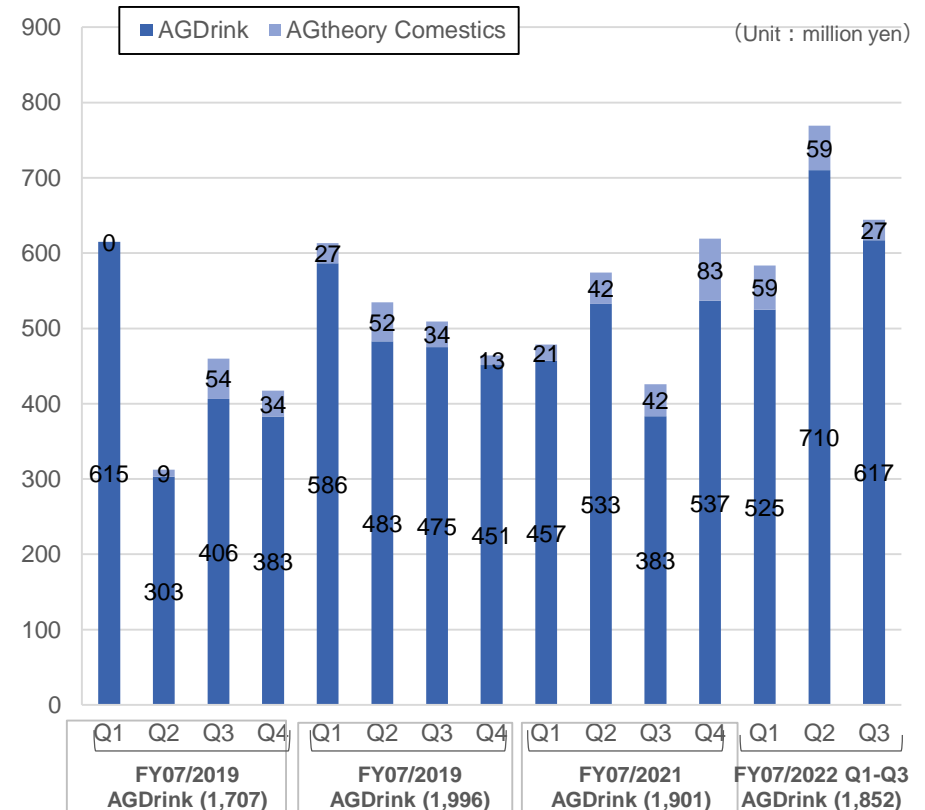
- Created a brand series that combine AG Drink (hero product) with AGtheory cosmetics (based on the same concept) to target the existing loyal users of AG Drink.
- Sales of AG Drink were favorable compared to FY07/21 (Q3 FY07/22 sales: **617mn yen**).
- Expanding sales of AGtheory cosmetics based on AG Drink.



Milestones for Growth

- In March 2021, we released a renewed 5th-generation AG Drink. Sales have been steady around 10,000 units/month.
- In October 2021, we will expand the AGtheory cosmetics series to include facial cleanser and face wash products, completing the full lineup.

AGtheory Series - Changes in sales



Up-and-Coming (Whitening Appeal) Series

AXXZIA

We position beauty supplements (White Aminos) and sunscreens as up-and-coming products, which we hope to turn into our third major brand.

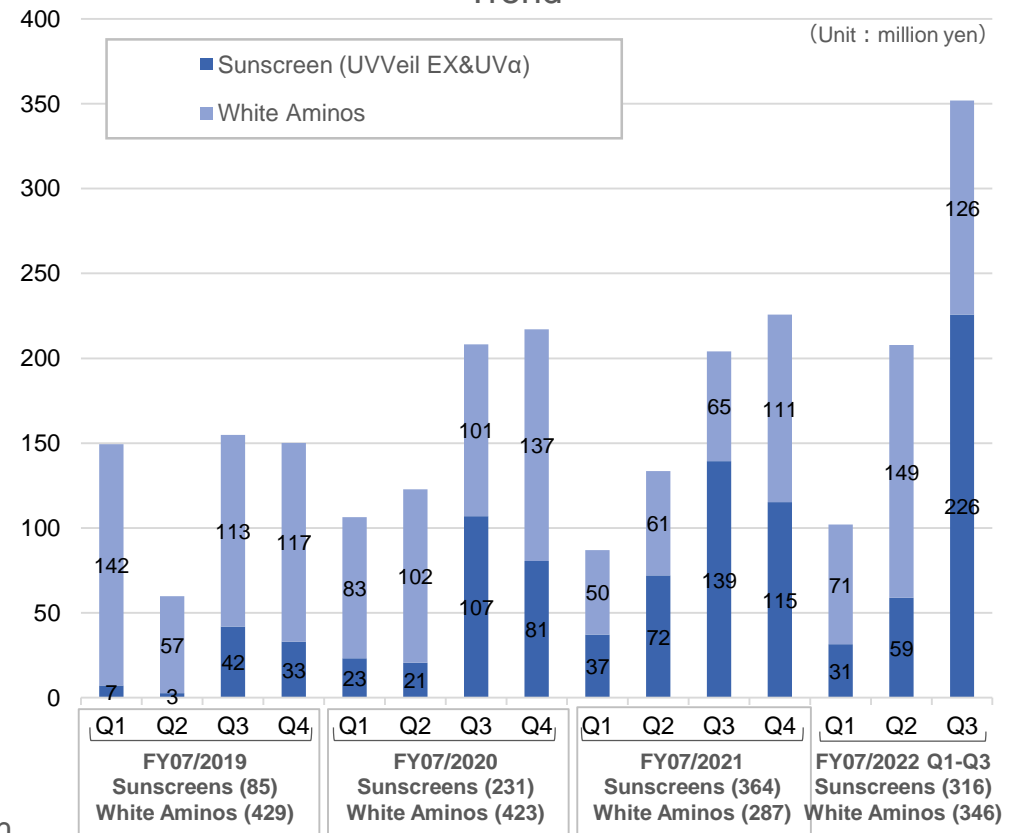
- As our third core brands, White Aminos and sunscreens (UV Veil EX) are growing steadily. (Combined sales reached **350mn yen** in Q3 FY07/22.)
- Developing these items into product series is under consideration.

Up-and-Coming (Whitening Appeal) Sales Trend



Milestones for turning into main series

- The following plans are underway for the full-scale launch starting in the spring of 2022.
- Release of a renewed White Aminos drink with a unique container.
- Release of AXXZIA's first cosmetics series (quasi-drugs) with skin whitening features.



Salon-Exclusive (Professional) Series

AXXZIA

Salon-exclusive products have been AXXZIA's strength and distinctive business area since its establishment.

- In addition to Le Ciel de L'aube, a long-selling brand available since AXXZIA's founding, we offer a range of special cosmetics (Eyetail Series) for professional use.
- We were one of the first companies to register cosmetics in China and launched a business targeting Chinese salons with made-in-Japan cosmetics, contributing to the success of our Shanghai subsidiary.

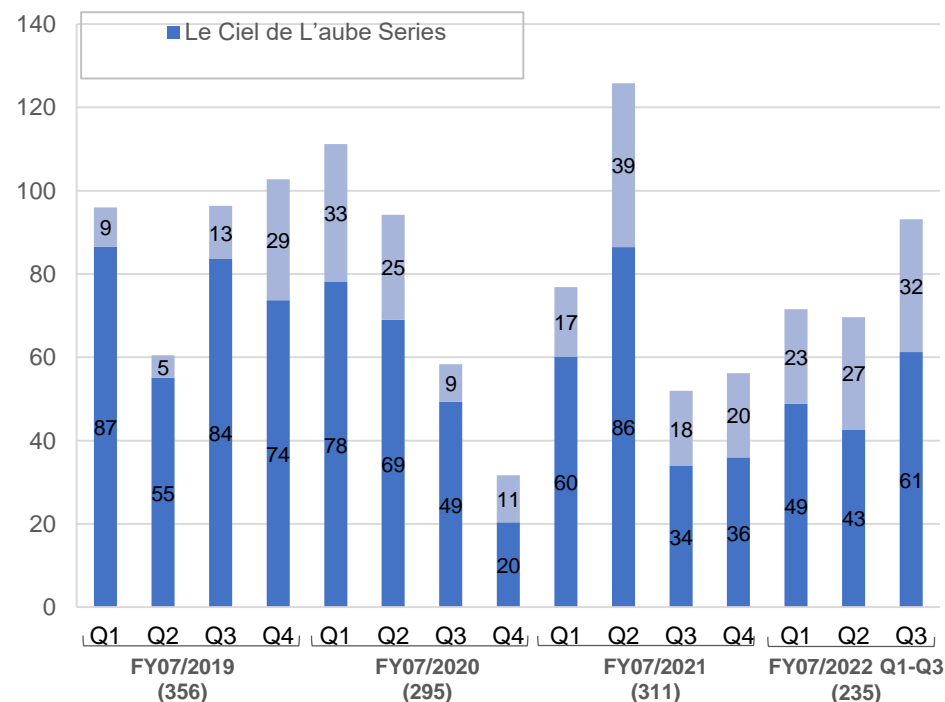


Milestones for sustainable growth

- In March 2021, we launched a new premium version skincare brand called The B. We aim to create a new growth driver by developing and expanding cosmetics catering to special-care needs.
- We will use this series as a leeway for introducing new products that employ novel technologies and ingredients.

Salon Exclusive Sales (Professional) Series - Changes in sales

(Unit : million yen)

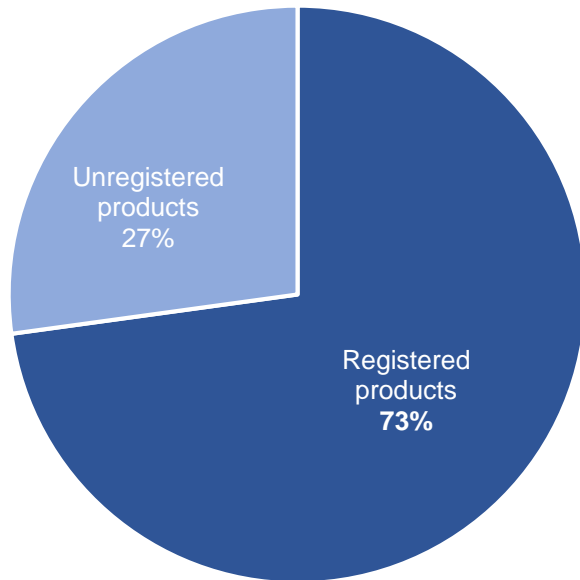


Status of NMPA Approvals

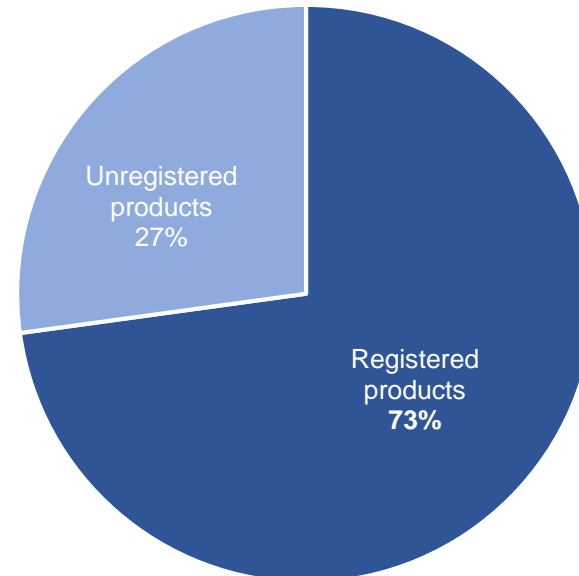
AXXZIA

- AXXZIA's product design emphasizes the use of NMPA-approved ingredients and formulas in order to ensure a smooth approval process.
- Approx. **73%** of the 92 total product SKUs are NMPA* approved.
- Approx. **82%** out of all products developed for the Chinese market
- **100% approval rate** in the last two years (generally, other companies average 20%-30%)
- **3-month average application period** (generally, other companies average 6 months)

Ratio of NMPA-registered products
(all products)
(as of end-Apr. 2022)



Ratio of NMPA-registered products
(all products)
(as of end-Apr. 2022)



*NMPA: National Medical Products Administration. Government agency administering requirements and review permits in China for sales of medical devices, pharmaceuticals, pharmaceutical packaging materials, cosmetics, and health foods in the Chinese market. Equivalent to the Ministry of Health, Labour and Welfare (MHLW) certificate (manufacturing and marketing approval certificate) in Japan, the premarket approval (PMA) by the US FDA, and CE marking in the EU. Graph entries relate only to cosmetics as AXXZIA's dietary supplements are sold as general foods and beverages.

*Figures only apply to cosmetics for which we are applying for NMPA approval as our policy for supplements is to obtain Chinese import approval.

Company profile

History

| | |
|----------------|--|
| 1977 | Founded as LisBlanc Co., Ltd. |
| 2011 | Absorbed by Nissui Pharmaceutical Co., Ltd., a pharmaceutical company in the Nissui Group, and became Nissui Pharmaceutical's cosmetics division |
| 2016 | Spun off from Nissui Pharmaceutical as Nissui Pharma Cosmetics Co., Ltd. |
| July 2017 | Became a wholly owned subsidiary of Senshukai Co., Ltd. |
| September 2017 | Changed name to Huit Laboratories, Inc. |

Business model

Yatsugatake Plant

Located in Hokuto City, Yamanashi Prefecture, which is endowed with a rich natural environment, this manufacturing plant for cosmetics and quasi-pharmaceutical products uses natural water pumped directly from within the premise as the base for its products.



Business

Manufacture and wholesale of cosmetics and quasi-pharmaceutical products; original equipment manufacturing

Size

FY12/21 Net sales: **717mn yen**

Total assets: **858mn yen**

Net assets: **727mn yen**

Wholesale business (core brands)

LisBlanc

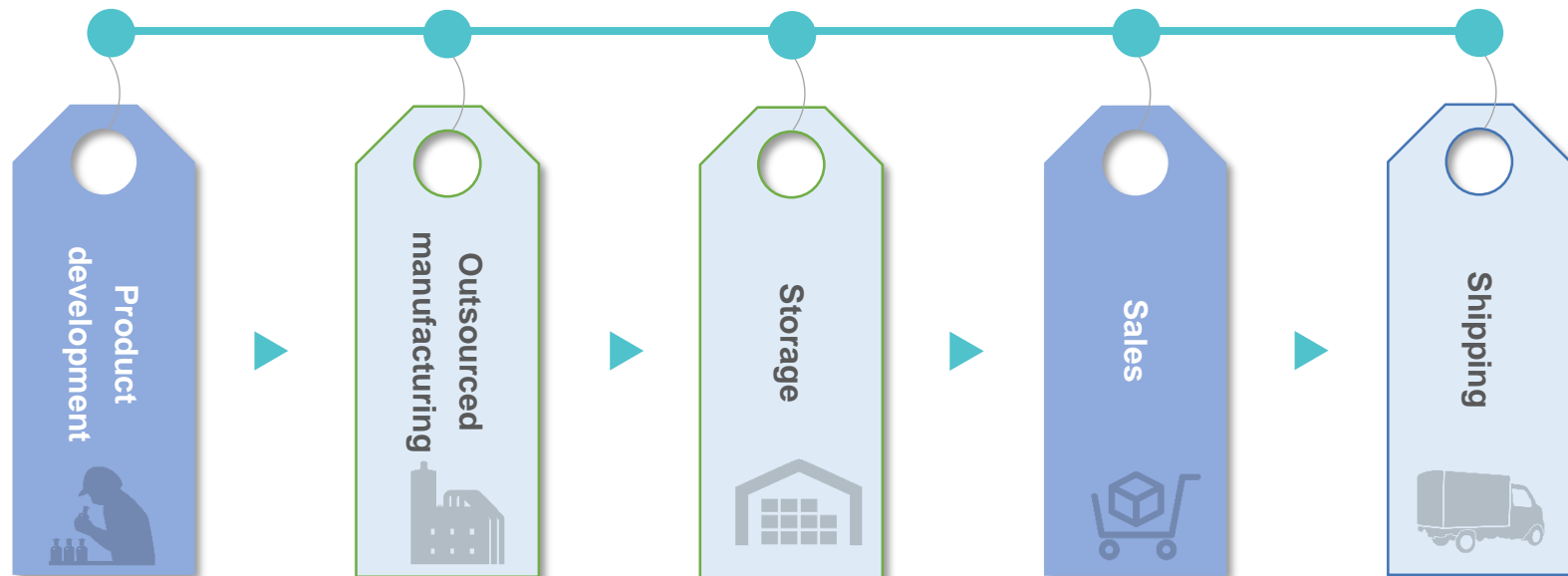
This brand of skin care cosmetics has been on the market for over 40 years. These products are distributed through wholesale to approximately 1,000 stores throughout Japan.



OEM business

Through this business, we conduct original equipment manufacturing focused primarily on skin care products.

**Supplement outsourced manufacturing and storage operations of the AXXZIA Group
(aside from product development and sales)**



Disadvantages of outsourcing

The outsourcing company has limited control over production lot sizes and lead times due primarily to the need to secure production lines operated by its subcontractors.

The outsourcing company incurs storage costs

Disclaimer and notes regarding the future outlook

AXXZIA

- This document is intended solely to provide information about AXXZIA Inc., and is not intended to solicit investment in securities issued by the Company. AXXZIA Inc. does not guarantee the accuracy, completeness, validity, etc. of the numerical figures, information, opinions, and other statements in this document, and will not pay any compensation for any damages, losses, or consequences resulting from use of or reliance on these numerical figures, information, opinions, or other any statement.
- Information provided in this document and this presentation includes forward-looking statements. These statements are based on current expectations, forecasts, and assumptions with a degree of risk, and therefore include some uncertainties that could lead to substantially different results.
- These risks and uncertainties include general Japanese and international economic conditions, such as general industry and market conditions, interest rates, and currency exchange fluctuations.
- AXXZIA Inc. has no obligation to update or revise these forward-looking statements, even if new information comes to light or there are new events in the future.

AXXZIA

Creating things and experiences
that amaze people.

[Contact]

AXXZIA Inc. (Securities code: 4936)

Management department

E-mail : axxzia-ir@axxzia.co.jp

URL : <https://axxzia.co.jp/>

