



Financial Results Presentation for FY07/25 Q3

AXXZIA Inc.

[TSE Prime: 4936]

June 13th ,2025

AXXZIA



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Application for Change of Listing Market Segment to the Standard Market of the Tokyo Stock Exchange

A X X Z I A

On May 9, 2025, AXXZIA Inc. submitted an application for a **change of listing to the Standard Market segment** of the Tokyo Stock Exchange.

Background of the Application

- Our **operating profit margin declined** due to factors such as **recent deterioration in the economic climate in the Chinese market**.
- Due to this business performance downturn—a key element in stock price formation—the Company remains below the Prime Market's listing maintenance criterion of a **market capitalization of tradable shares of ¥10 billion or more**, then **we have concluded that it would be difficult to meet this criterion within the next year**.

Policy after Change of Listing Market Segment

- In the Standard Market, which provides a certain level of governance and liquidity, we will reaffirm our commitment to addressing management challenges, solidify our organizational foundation, and work diligently to **enhance our corporate value over the medium to long term**.

At this time, the approval date has not yet been determined, and the Application may not be approved by Tokyo Stock Exchange, Inc. if the requirements for the change are not satisfied for any reason.



1. Executive Summary

AXXZIA

FY07/25 Q3
Consolidated

Results

■ Net sales: **10.08bn yen** (+10.6% YoY)

■ Operating income: **0.42bn yen** (-55.3% YoY)

- Due to sluggish personal consumption in China, e-commerce sales in China, our key market, declined YoY; however, net sales **rose 10.6%** YoY, driven by the **expansion of e-commerce sales in Japan**.
- Operating income **declined 55.3%** YoY, partly reflecting the impact of reduced profits through Q2.
- On the other hand, AGDrink, a core product, was renewed in Q3. Sales initiatives for the product proved effective, resulting in stronger-than-expected sales of this relatively high-margin item. This in turn narrowed the decline in profits, prompting an **upward revision to the full-year earnings forecast**.

Topics

- The **mainstay inner care product**, AGDrink, was renewed and launched as AGDrink XI, further strengthening our inner care lineup. In conjunction with this, **press conferences** and **special live sales** were held to **strengthen sales**.
- The jointly developed supplement RevWell Lacto Stick, **created in collaboration with Kirin and FANCL**, was launched through our cross-border e-commerce flagship store in China.
- Strengthened influencer marketing and increased advertising proved effective, resulting in organic e-commerce sales in Japan* **more than doubling** YoY.

* E-commerce sales in Japan, excluding sales of M&D, which became a subsidiary in February 2024

Revision of Earnings Forecasts (FY07/25)

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Net sales are expected to be generally in line with the previous forecast. However, **operating profit is now projected to exceed the prior estimate**. This upward revision reflects stronger-than-expected sales of AG Drink, a core inner care product in the company's lineup with a relatively high gross margin. The product's renewal in the third quarter, along with the success of related promotional measures, contributed to this outperformance. Accordingly, the earnings forecast has been revised.

(Unit: Millions of yen)

	FY07/24 Results	FY07/25 Previous forecast	FY07/25 Revised forecast	YoY change (amount)	YoY change
Net sales	12,192	13,281	13,281	+0	+0.0%
Operating income	918	207	440	+232	+112.3%
Operating margin	7.5%	1.6%	3.3%	-	+1.8pt
Ordinary income	1,122	185	340	+154	+83.4%
Profit attributable to owners of parent	794	111	140	+28	+26.0%



2. Business Results: Highlights

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Net Sales and Profit (FY07/25 Q3 consolidated results)

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Sales **increased 10.6%** YoY, driven by growth in Japan sales and other factors.

Operating income **significantly exceeded the figure announced at the time of the Q2 earnings announcement.**

The higher-than-expected sales contribution from AG Drink and China e-commerce helped **narrow the decline in profits.**

(Unit: Millions of yen)

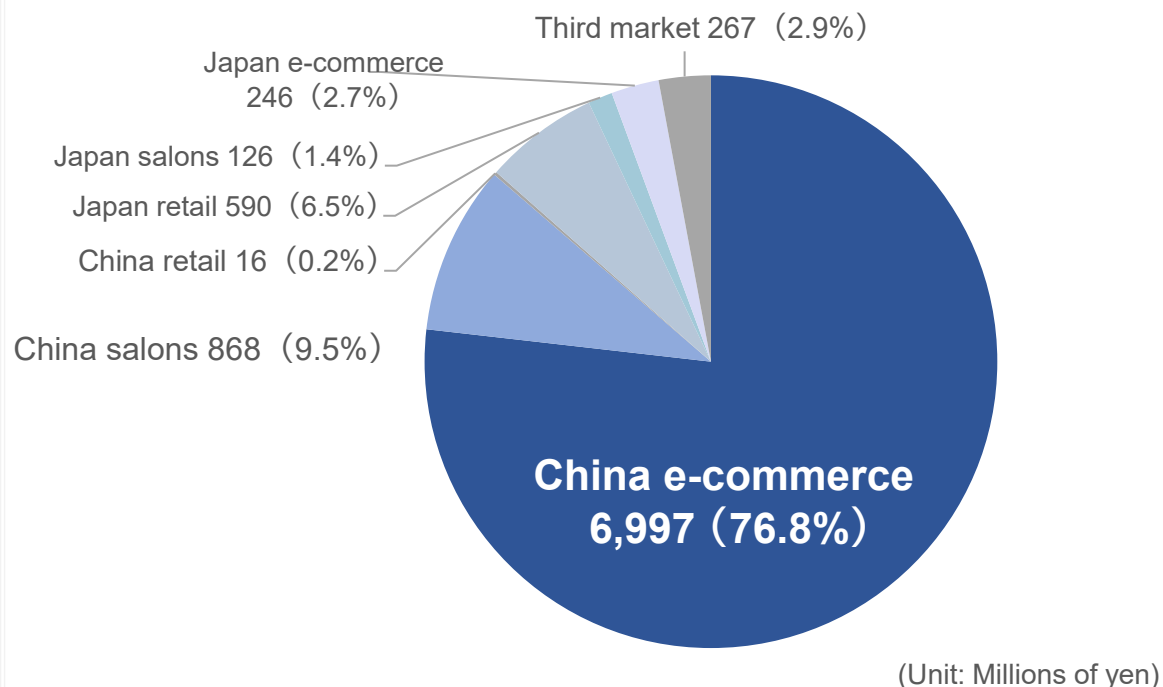
	FY07/24 Q3	FY07/25 Q3	YoY change	VS Previous forecast
Net sales	9,113	10,080	+966 (+10.6%)	75.9%
Operating income	953	426	-527 (-55.3%)	205.7%
Operating margin	10.5%	4.2%	-6.2pt	-
Ordinary income	1,155	342	-812 (-70.3%)	184.8%
Profit attributable to owners of parent	811	211	-600 (-74.0%)	190.2%

Net Sales by Region and Channel (FY07/25 Q3 consolidated results)

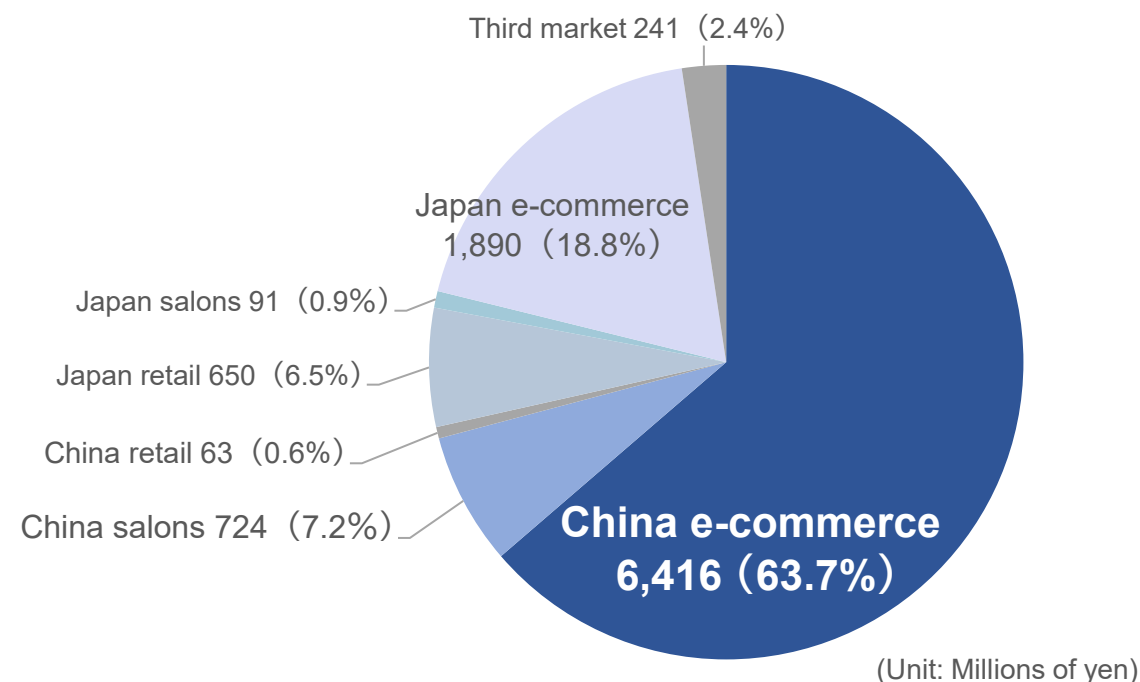
Amid continued weakness in consumer spending in China, our sales in the country declined 8.6% YoY. Net sales in Japan increased **approximately threefold** YoY, supported by the consolidation of M&D Co., Ltd., which became a subsidiary in February 2024, as well as organic sales growth.

■ China net sales*	7.2bn yen	(Weighting 86.5% → 71.5%)	-8.6% YoY
■ Japan and third market net sales*	2.8bn yen	(Weighting 13.5% → 28.5%)	+133.6% YoY

FY07/24 Q3



FY07/25 Q3

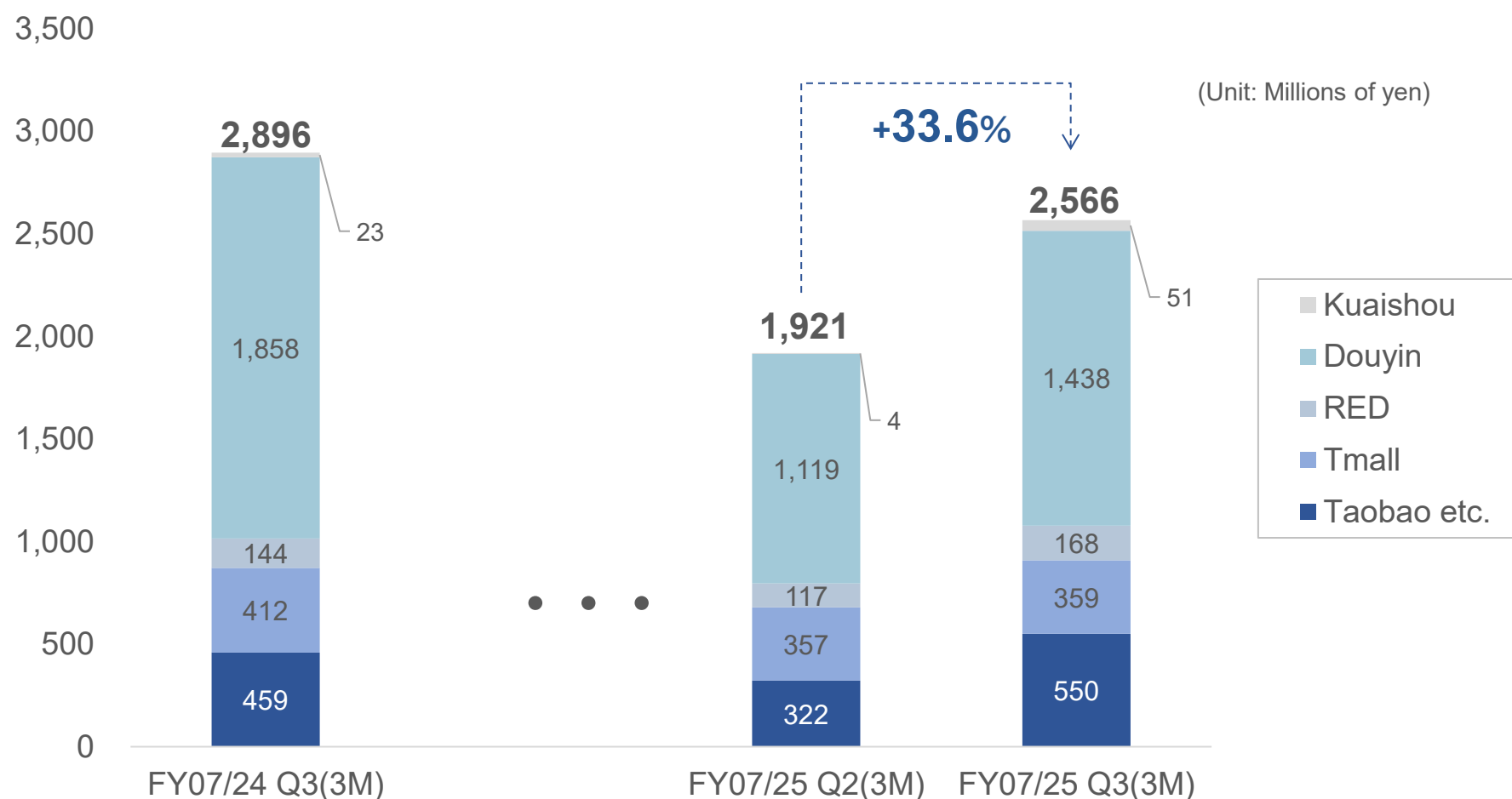


* Sales figures in China, Japan and third market are the total of e-commerce, salon, and retail sales

China E-commerce Sales Trend (FY07/25 Q3 consolidated results)

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Although sales declined compared to FY07/24 Q3, they **increased by 33.6%** from the previous quarter (FY07/25 Q2). The renewal of AGDrink and the accompanying sales measures proved effective, with **all platforms achieving QoQ sales growth**.

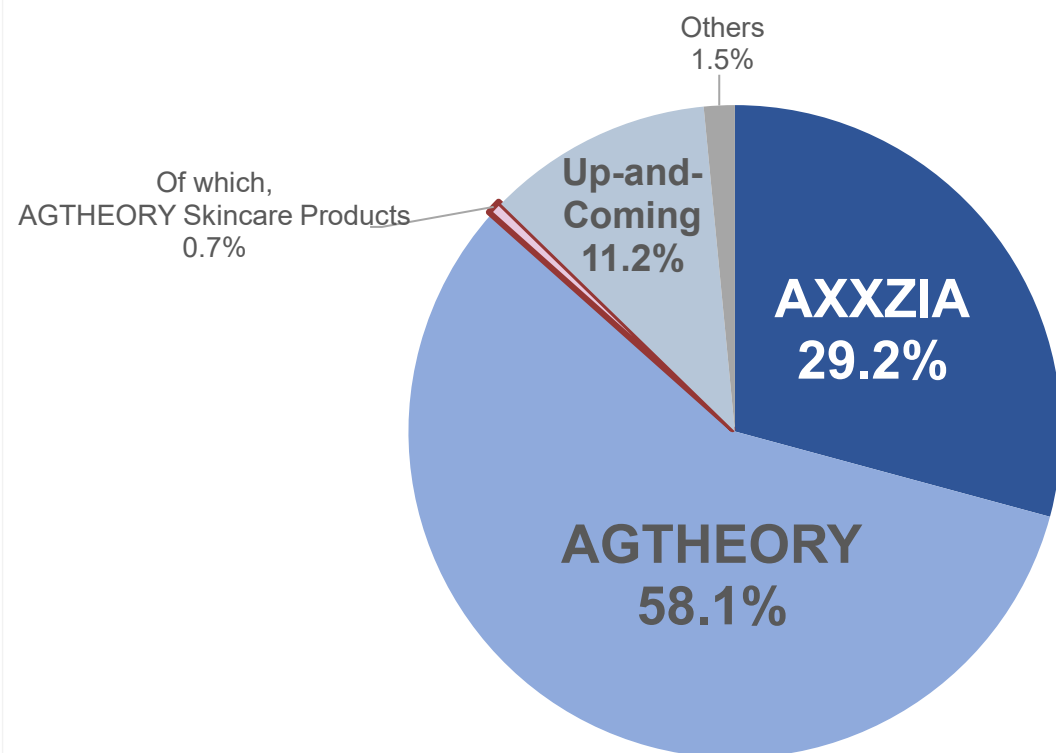


Sales Breakdown by Brand (FY07/25 Q3 consolidated results)

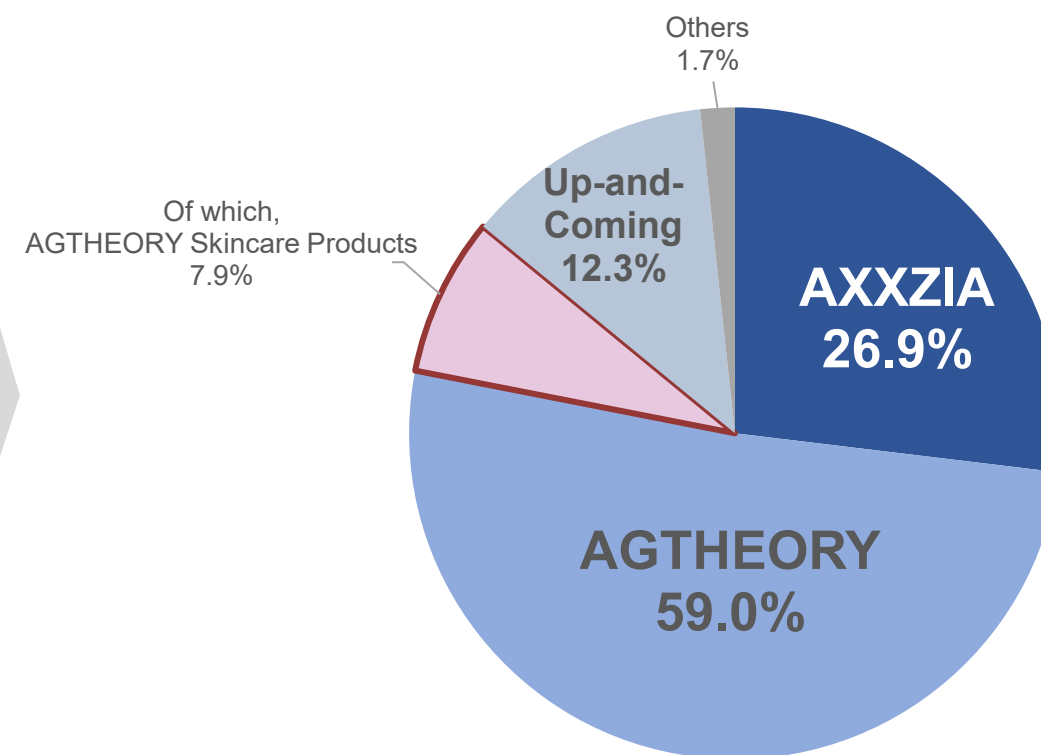
Sales in our **up-and-coming categories** continued to grow, by capturing expanding demand for mid-priced inner care products in the Chinese market.

For the AGTHEORY brand, the sales composition of the **cosmetics series** under intensified sales efforts also increased. The company aims to **reduce its dependence on core products and improve its brand portfolio**.

FY07/24 Q3



FY07/25 Q3



CoGS and SG&A expenses (FY07/25 Q3 consolidated results)

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The cost of sales ratio deteriorated by 7.8ppt YoY due to the impact of the consolidation of M&D (which has a cost of sales ratio of over 70%), but this was offset by growth in sales of AGDrink, which has a relatively high gross margin, resulting in a **1ppt improvement** compared to the forecast at the time of the Q2 results.

In addition, the decline in profit was mitigated by strengthening control over commissions paid through measures such as enhancing in-house live sales.

(Unit: Millions of yen)

	FY07/24 Q3		FY07/25 Q3		YoY	
	Amount	Ratio to Net sales	Amount	Ratio to Net sales	Amount	Change
Net sales	9,113	100.0%	10,080	100.0%	+966	-
Cost of goods sold	1,734	19.0%	2,698	26.8%	+963	+7.8pt
SG&A expenses	6,425	70.5%	6,956	69.0%	+530	-1.5pt
(Personnel expenses)	1,046	11.5%	1,354	13.4%	+307	+1.9pt
(Advertising expenses)	2,316	25.4%	2,607	25.9%	+290	+0.4pt
(Commissions paid)	1,721	18.9%	1,486	14.7%	-235	-4.1pt
Operating income	953	10.5%	426	4.2%	-527	-6.2pt

Consolidated B/S (FY07/25 Q3 consolidated results)

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Repurchase and retire treasury shares to **enhance shareholder returns and improve capital efficiency**.
In April 2025, an **interim dividend** was paid (**114mn yen**).

(Unit: Millions of yen)

		End-FY07/24	End-FY07/25 Q3	YoY change
		Amount	Amount	Amount
Current assets		8,631	7,654	-977
(Cash and deposits)		4,928	3,762	-1,166
Non-current assets		1,911	1,939	+28
Total assets		10,543	9,594	-948
Current liabilities		1,684	1,928	+243
Non-current liabilities		321	290	-30
Total liabilities		2,006	2,219	+212
(Interest-bearing liabilities)		975	874	-100
Total net assets		8,536	7,375	-1,161
(Retained earnings)		4,776	3,911	-865
(Treasury shares)		-655	-838	-182
Total liabilities and net assets		10,543	9,594	-948

- Year-End Dividends Paid (-244mn yen)
- Interim Dividends Paid (-114mn yen)
- Cancellation of Treasury Shares (-718mn yen)

- Acquisition of Treasury Shares (-901mn yen)
- Cancellation of Treasury Shares (+718mn yen)

3. Initiatives to Address Management Issues

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Initiatives to Address Management Issues (Summary)

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To support the recovery of sales in China, we **renewed mainstay products** for the Chinese market and **launched new products**. A **wide range of influencers** were used for the renewal. Increased opportunities for contact with customers and strengthened sales.

In Japan, we will continue to strengthen **measures to attract new customers**.

From a medium- to long-term perspective, we plan to expand sales by leveraging **TikTok's e-commerce function**, which is scheduled to be implemented in Japan in the future.

Business Challenge 1 Sluggish sales in China

- (1) Renewal of AGDrink, Our Mainstay Inner Care Product
- (2) Broadening the Base of Influencers
- (3) Joint Development of Supplements with Kirin and FANCL, with Sales Through Cross-Border E-commerce in China

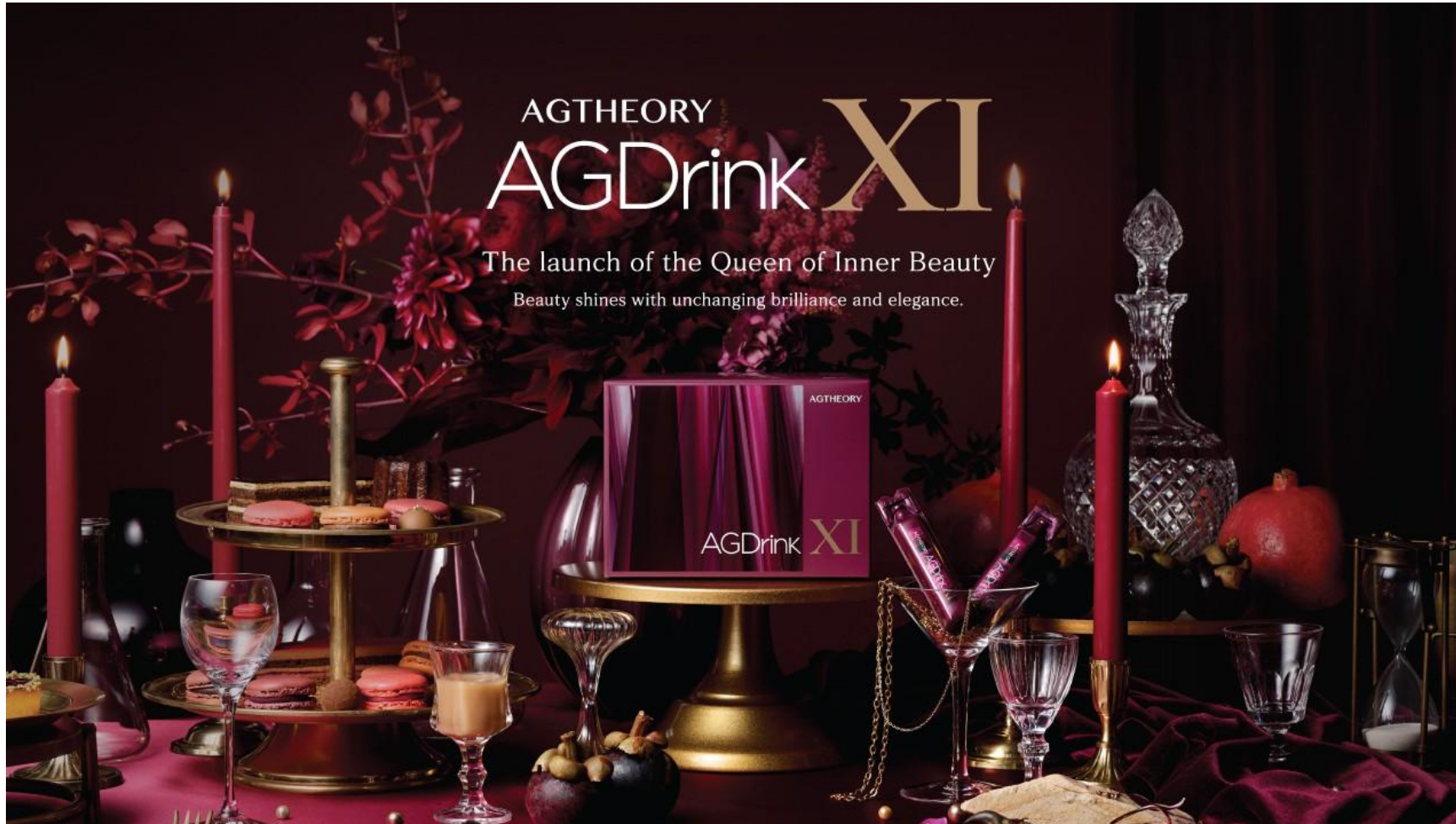
Business Challenge 2 Slow growth in Japan

- (4) Implementing Measures to Attract New Customers
- (5) Expanding sales in Japan using TikTok (medium- to long-term strategy)

Theme 1: Renewal of AGDrink, Our Mainstay Inner Care Product

A X X Z I A

We renewed our mainstay inner care product, AGDrink, under the concept of “Science on aging care × flower extracts*.” By adding new ingredients, we restructured the formula into the **best in the brand’s history** and launched **AGDrink XI** in April 2025.



* “Flower extracts” are derived from Toka, a plant-based ingredient known for producing sweet, luscious blossoms. Toka is a signature component of the AGTHEORY line.

Theme 1: Renewal of AGDrink, Our Mainstay Inner Care Product

To **further expand sales** through this renewal, we organized a press event and special live sales to strengthen sales. As a result, monthly sales of the AGDrink series reached **1.1bn yen** in April*.

Press conference held for AGDrink XI

A **press conference** was held in Japan to announce the new product AGDrink XI. A total of **over 200 people** were invited, including micro to top influencers from Japan and abroad.

Point 1 Use of celebrities in China

- Ms. Misato Ugaki, a freelance announcer and actress who is **also well-known in China**, and Ms. Yuka Chiba, a beauty expert, took the stage for a talk session.
- There was also a live performance by singer MARIA, who is **extremely popular in Asia**.



Point 2 Evidence-based product appeal

- Professor Yoshikazu Yonei, a **leading expert in glycation stress research**, was invited to give a seminar on the relationship between glycation and aging.
- It was also announced that **joint research** with Professor Yonei **will be conducted going forward**.



Social media posting

- Social media posts by participants**
Participants posted on social media about the press conference. It stimulated **buzz** and **purchase interest**.



Live sales

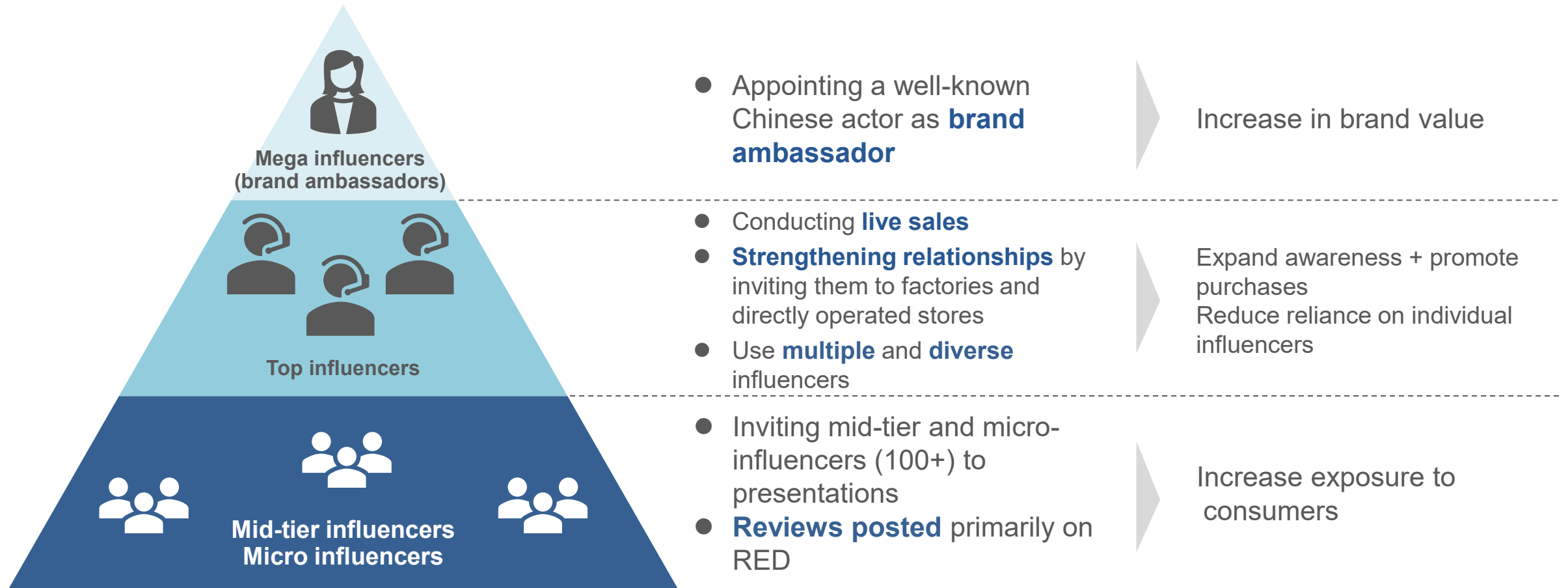
- Influencer live sales**
In conjunction with their visit to Japan for the press event, a live sales session was held in Japan.
- In-house live sales**
Sales at a **campaign price** for a **few days only**.

* Based on standalone shipment-based sales for AXXZIA. Due to revenue recognition standards, a portion of sales was recorded in Q4.

Theme 2: Broadening the Base of Influencers

In conjunction with strengthening sales following the renewal of AGDrink, we **expanded the base of influencers**. While aiming to enhance brand value through the **appointment of brand ambassadors**, we **increased consumer touchpoints** by inviting mid-tier and micro influencers to the press conference and having them post about the event on their social media accounts.

In addition, to accommodate these consumers, live sales were conducted by top influencers to **encourage purchases**.



Theme 3: Joint Development of Supplements with Kirin and FANCL, with Sales Through Cross-Border E-commerce in China

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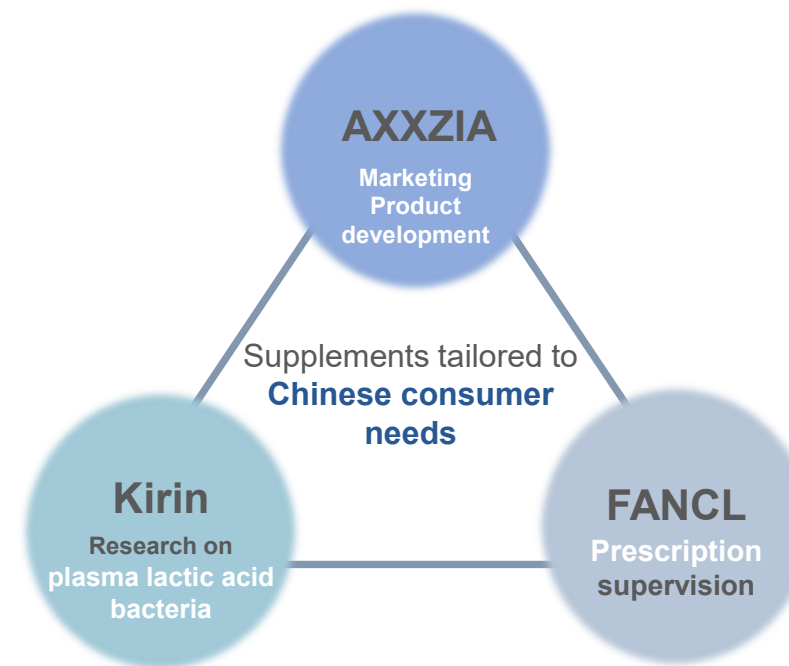
The supplement Lacto Stick was jointly developed with Kirin and FANCL.

It was launched under our wellness brand, RevWell.

Leveraging our brand strength in the Chinese market, the product is being sold through AXXZIA's cross-border e-commerce flagship store in China.



Enhancing Your Everyday Health
Health Care Supplement “RevWell Lacto Stick”



[Product overview]

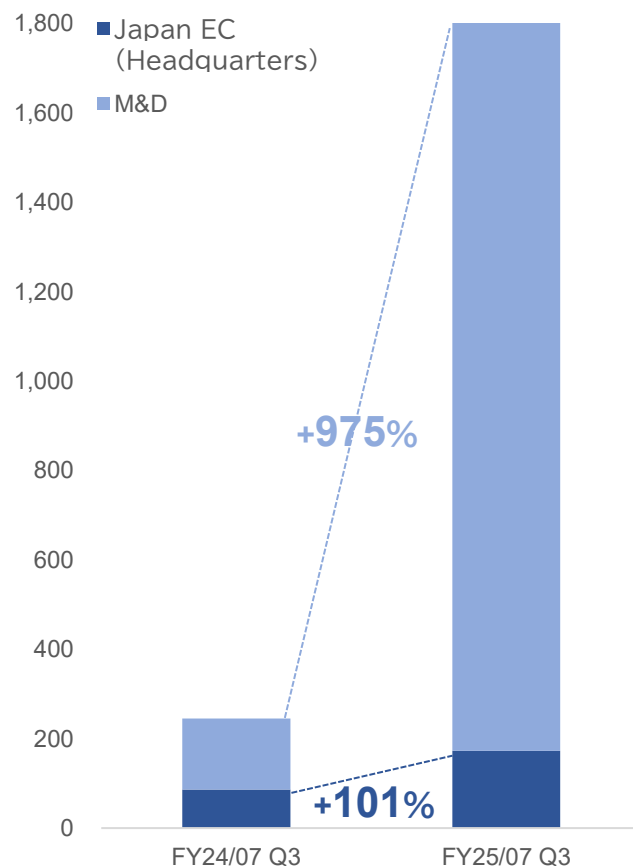
Each bottle contains **100 billion** of Kirin's proprietary **plasma lactic acid bacteria** and **30 mg** of **GABA** as the main ingredients, along with other supportive ingredients designed by AXXZIA, including amino acids, vitamin B6, and minerals.

A **granule-type** supplement that **tastes good on its own**.

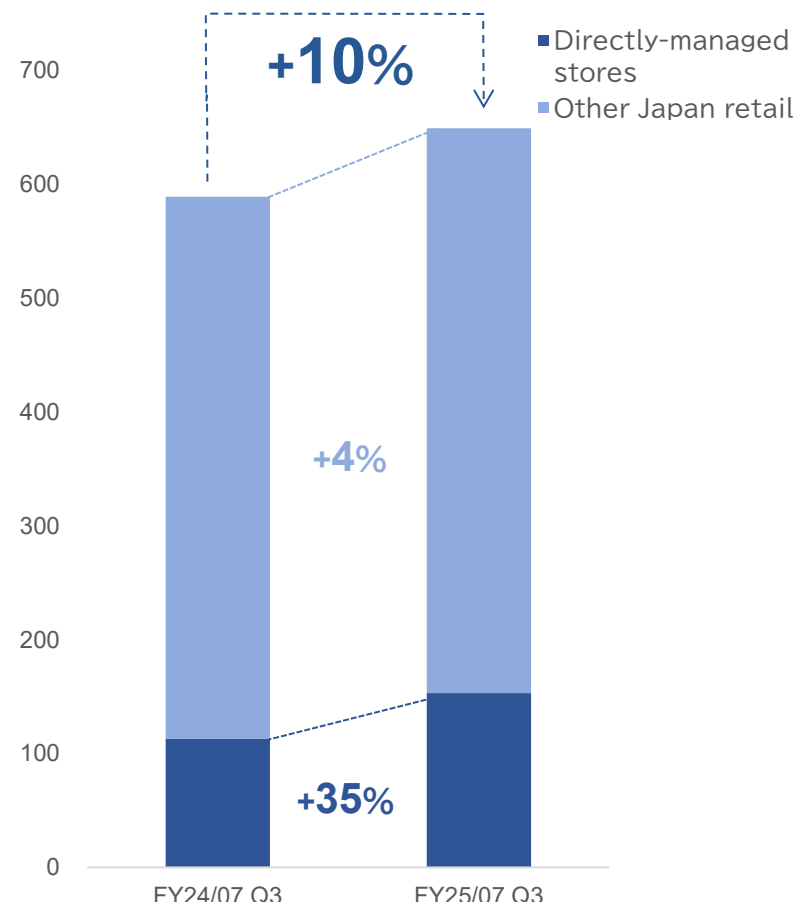
Theme 4: Implementing Measures to Attract New Customers

In Japan, we are working to expand both awareness and sales online (i.e., via e-commerce) through the **use of influencers** and **live sales**, while continuing to **increase offline** (i.e., retail) **touchpoints**. Sales in Japan are **steadily expanding**.

Sales Trend on Japan EC



Sales Trend on Japan Retail



Initiatives

Japan EC

- Acquired M&D Co., Ltd., a Japanese e-commerce sales company, as a subsidiary (February 2024)
- Conducted **tie-ups with influencers** on social media platforms (including Instagram, X, and YouTube)
- Held **live sales** events on Instagram, Rakuten, TikTok, and other platforms

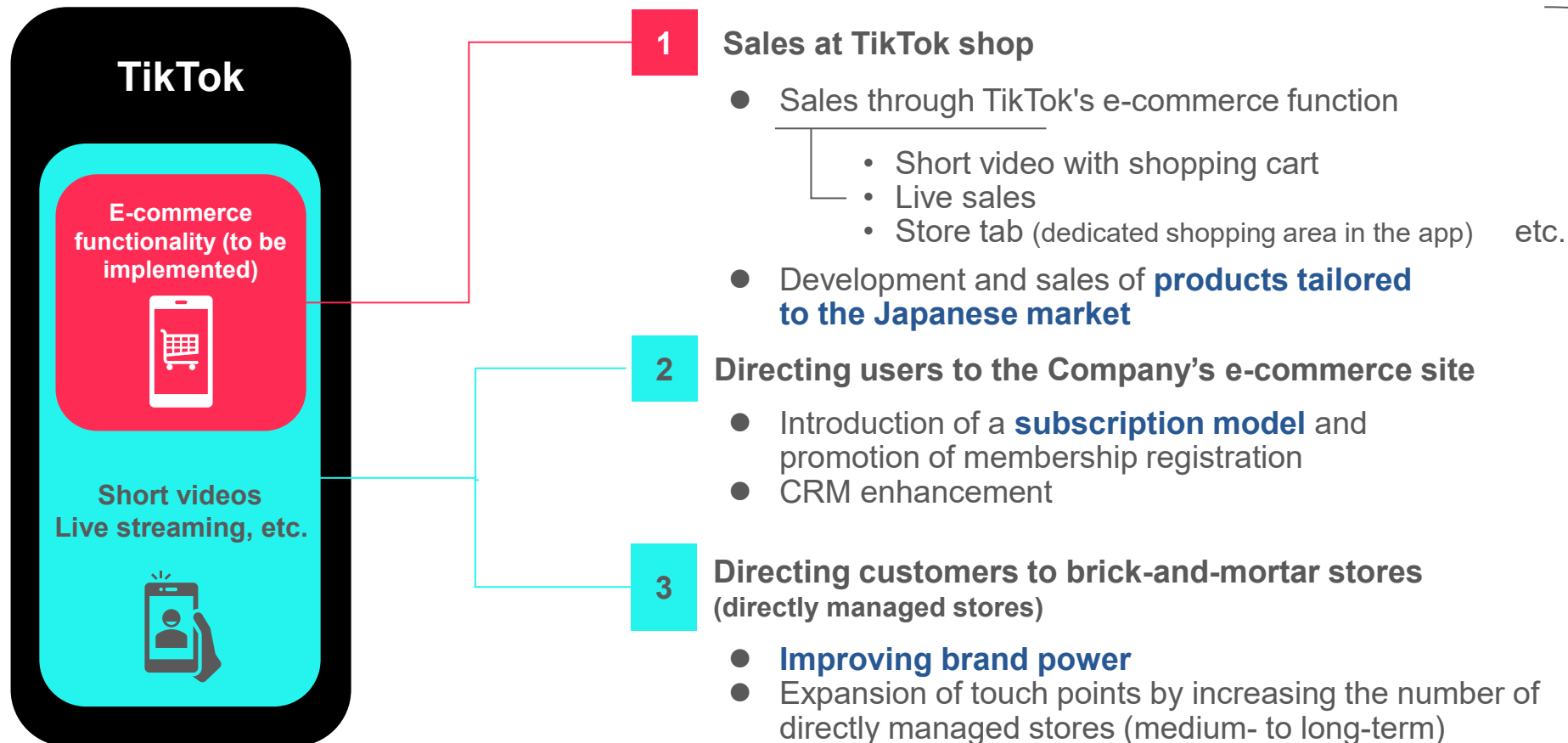
Japan Retail

- **Enhanced brand image** through the renewal of existing store (Ginza Six) (August 2024)
- Held **pop-up** events at Hanshin Umeda Main Store (November 2024, June 2025)
- **Expanded directly managed stores with the addition of Shibuya Hikarie ShinQs** (November 2024)
- Strengthened expansion into **variety goods stores** such as @cosme

Theme 5: Expand Sales in Japan Using TikTok (Medium- To Long-Term Strategy)

Leveraging the TikTok expertise gained in the Chinese market, the Company aims to expand sales in Japan **through TikTok** as well.

We plan to sell on the upcoming **TikTok Shop** while also **guiding users** to **our e-commerce site and directly managed stores** to boost sales. We are also considering **the use of AI** to improve efficiency in content generation.



Utilization of AI



We are also considering the **use of AI** to improve the efficiency of content generation and to enhance the sophistication of data analysis.

4. Appendix

AXXZIA



AXXZIA

Our company name has been created from the word of XX (female's chromosome) and ASIA (=AZIA). We will present "Asian Beauty" with innovative and passionate attitude from Japan to the world.

Company Name	AXXZIA Inc.	
Representative	President Duan Zhuo	
Establishment	December 21, 2011	
Capital	2,155 million yen (As of end of April 2025)	
Location	Shinjuku Sumitomo Building 35F, 2-6-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo, 163-0235 Japan	
Office	Tokyo Head Office, Osaka Sales Office, Fukuoka Sales Office	
Business Activities	Manufacturing, sales of cosmetics and supplements	
Market	TSE Prime (4936)	
Board of Directors	President	Duan Zhuo
	Vice President	Shoi Dan
	Managing Director	Wu Jun
	Managing Director	Zhang Hui
	Director	Yasuhito Fukui
	Outside Director	Yujiro Arakawa
	Outside Director	Junichi Ito
	Outside Director	Yuko Shitamori
	Corporate Auditor	Masahiro Miyajima
	Outside Auditor	Kenji Shimizu
	Outside Auditor	Kuninobu Okuda

Date	Topics
2011	Established Orientina Cosme Co.,Ltd. in Tokyo, Japan (Capital: 9 million yen) Started development and production of cosmetics for beauty salons
2012	Changed company name from Orientina Cosme Co.,Ltd. to AXXZIA Inc.
2013	Launched Le Cier de L'aube, skincare brand for beauty salons and spas
2016	Launched Beauty Eyes, eye care and skincare brand for the retail market Launched Venus Recipe, supplemental brand for retail the market
2018	Established Xiaozhi Cosmetic (Shanghai) Inc. as a consolidated subsidiary (100%)
2019	Opened AXXZIA Flagship Store, an e-commerce flagship store on Xiaohongshu (RED), one of China's largest social commerce platforms Opened AXXZIA Flagship Store, an e-commerce flagship store on Tmall Global, another of China's largest social commerce platforms Launched AGtheory, skincare brand for the retail market
2021	Listed on the Mothers market (section) of the Tokyo Stock Exchange Launched The B Pro, a salon-exclusive skincare brand Opened AXXZIA GINZA SIX Store, the Company's first directly managed store Launched LisBeau, skincare brand for the retail market Opened AXXZIA flagship store for China's largest mobile video app Douyin/TikTok Opened AXXZIA flagship store for major Chinese e-commerce platform JD.com
2022	Made Huit Laboratories a wholly owned subsidiary Opened AXXZIA flagship store for major Chinese mobile video app Kuaishou
2023	Changed its listing to the Prime section of the Tokyo Stock Exchange Established AXXZIA Value Creator Inc. as a consolidated subsidiary (100%) Established AXXZIA Cosmetic Singapore Pte. Ltd. as a consolidated subsidiary (100%)
2024	Made M&D Co., Ltd. a wholly owned subsidiary Established AXXZIA Cosmetic USA Ltd. as a consolidated subsidiary (100%) Established AXXZIA Technology Inc. as a consolidated subsidiary (100%) Established AXXZIA (Shenzhen) International E-Commerce Co., Ltd. as a consolidated subsidiary (100%)

[Main Brands1]

AGTHEORY Series (FY07/25 Q3)

A X X Z I A

The growth of **AGTHEORY cosmetics** helped reduce the overall decline in sales across the brand. In April, AGDrink was renewed to **AGDrink XI**. We aim to use this renewal as an opportunity to recover sales.

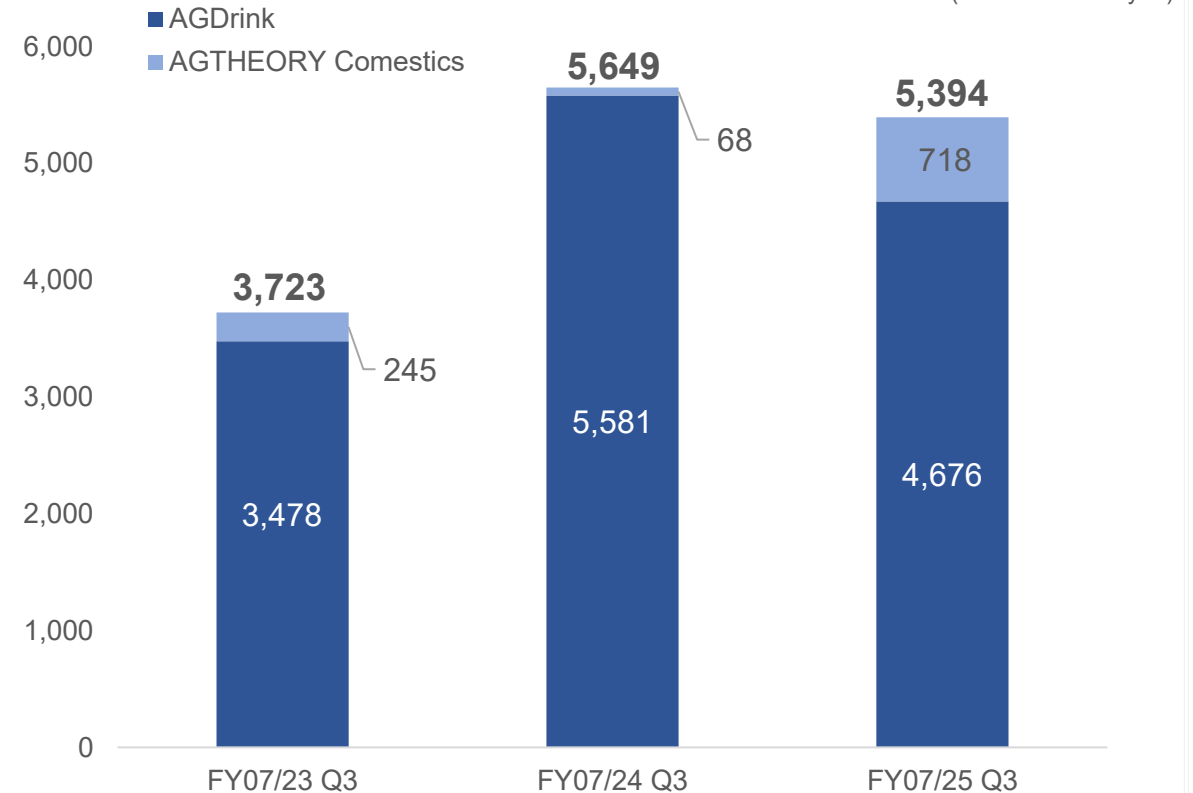


Milestones for sustained growth

- Fully revamped skincare line with ingredients linked to AGDrink X in June 2024.
- In April 2025, AGDrink was renewed as AGDrink XI, adding new ingredients and reconstructing the formula as the best recipe in the brand's history.

AGTHEORY Series - Changes in sales

(Unit: millions of yen)

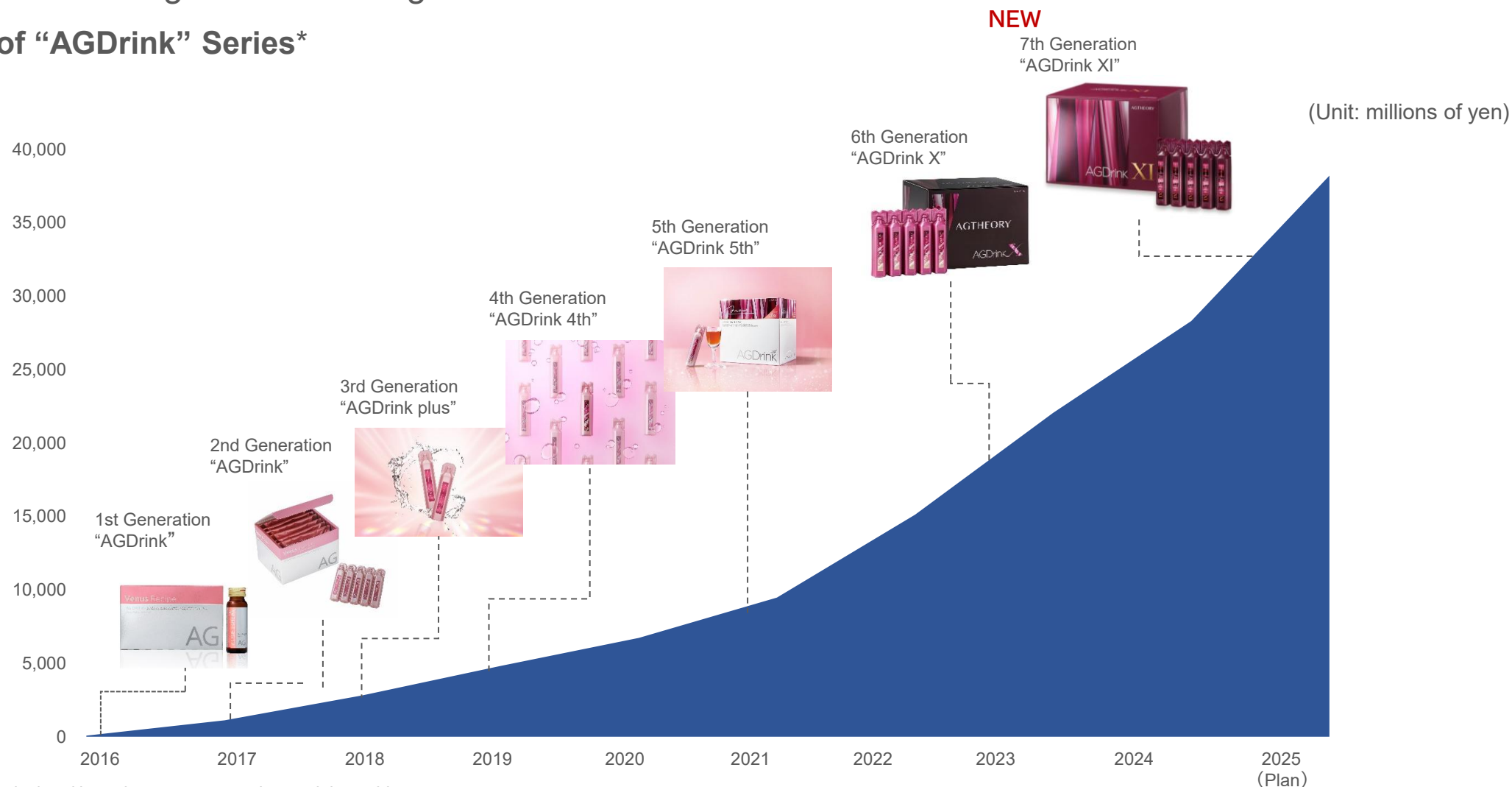


*The sales figures shown above represent AXXZIA 's stand-alone sales.

Reference: AGDrink's Growth Trajectory

The strategy is to **renew the product before it reaches its sales peak**, with the aim of sustaining and enhancing brand strength over the long term.

Total Sales of "AGDrink" Series*

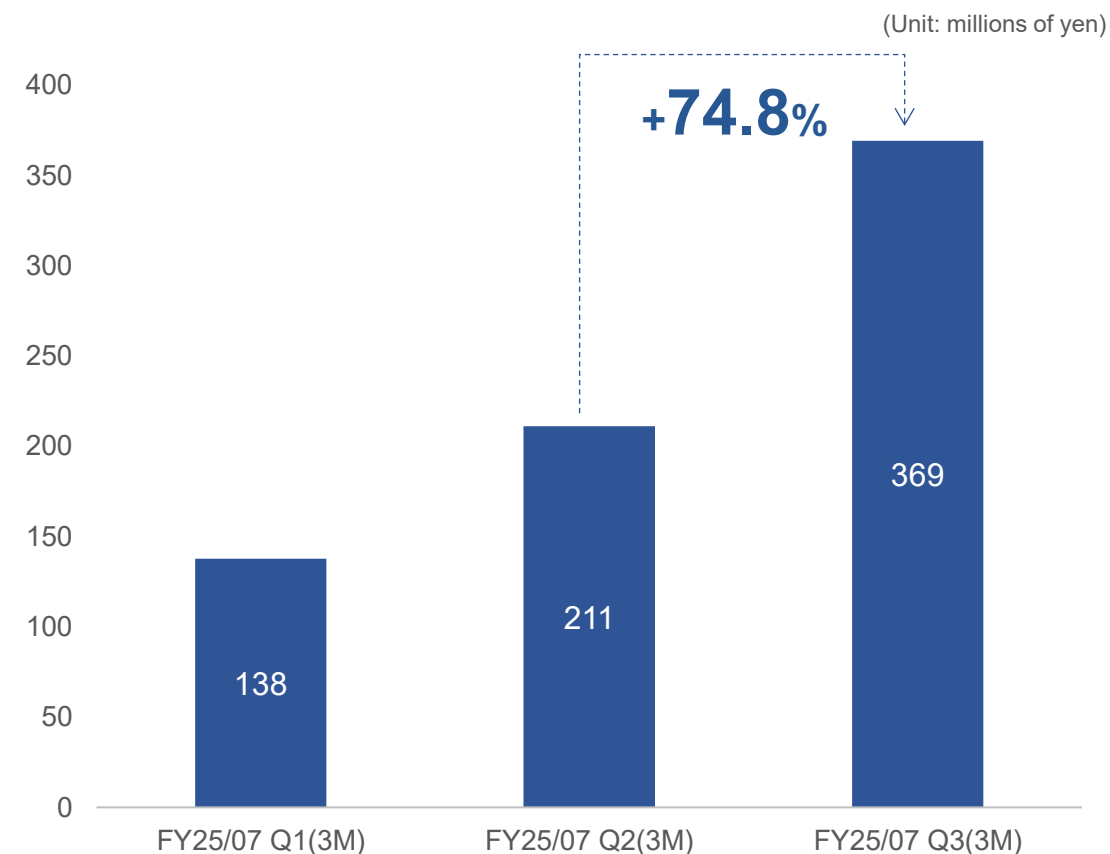
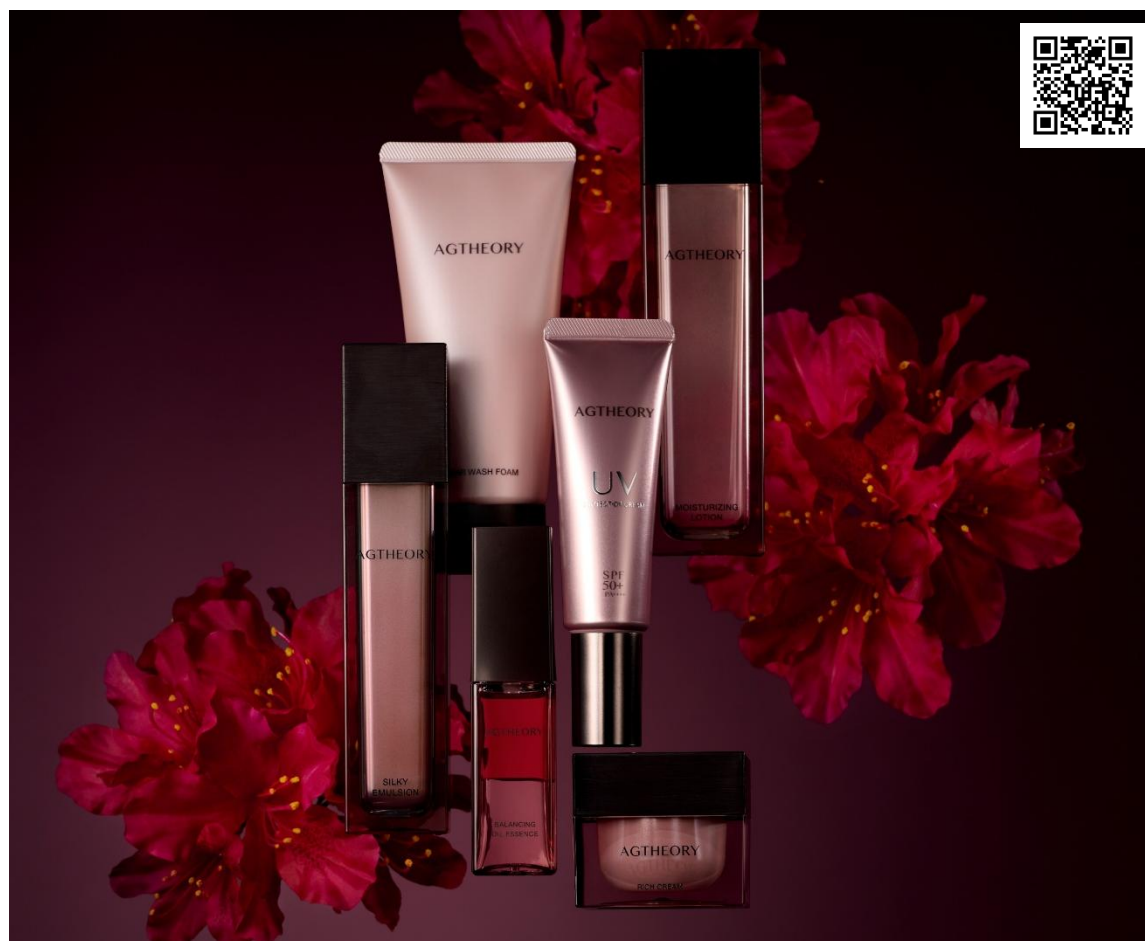


* The above total sales are calculated based on our company's standalone shipments

Reference: Growth of AGTHEORY Skincare Products (QonQ)

Since its launch, sales have expanded primarily in China.

Sales for the quarter amounted to **360mn yen**, achieving a high growth of **74.8%** over the previous quarter.



*The sales figures shown above represent AXXZIA 's stand-alone sales.

[Main Brands2]

AXXZIA Series (FY07/25 Q3)

AXXZIA

Although sales declined YoY due to the challenging business environment in the Chinese cosmetics market, **they have recently been recovering.**

In Japan, we worked to boost sales by launching **set sales** of Beauty Eyes in collaboration with influencers.



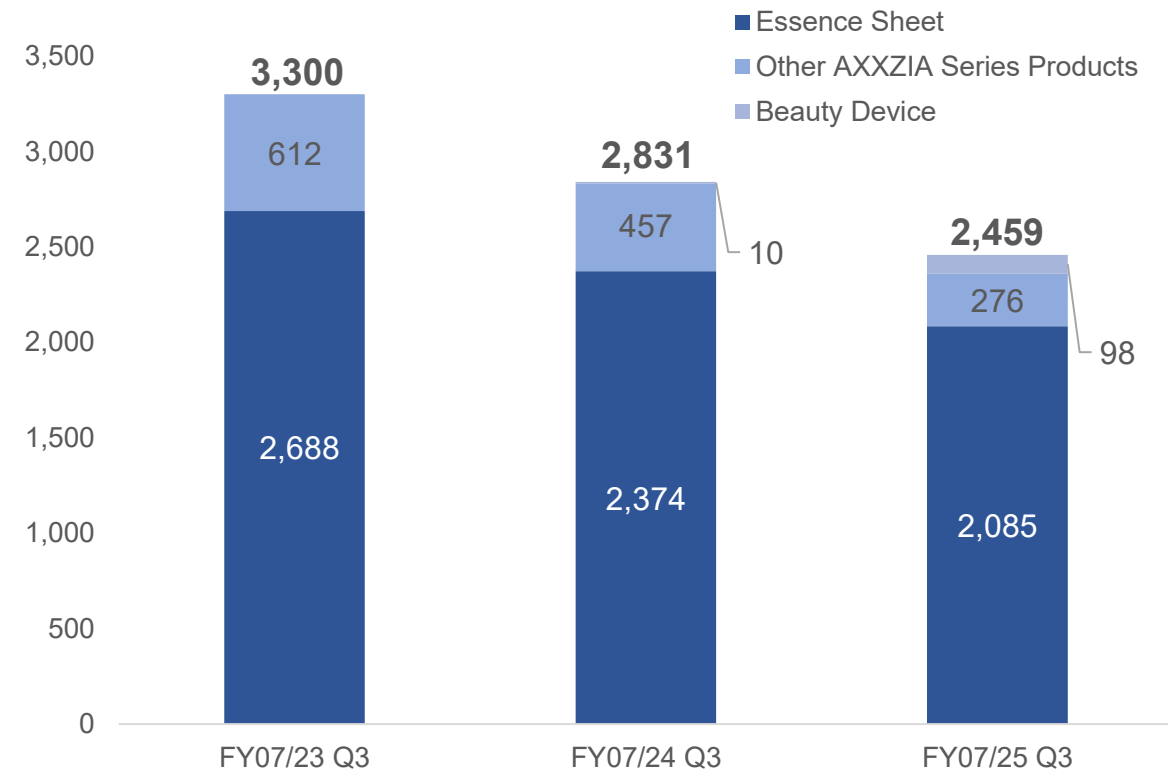
AXXZIA MATE FOR EYES (Beauty Device for the Eye Area) ↑

Milestones for sustained growth

- Brought product range to market centered on Essence Sheet.
- September 2023: First revamp of skincare sheets for the eye area; launched Essence Sheet Plus and Essence Sheet Premium Plus.
- Renewal of beauty device for the eye area, AXXZIA MATE FOR EYES in April 2024.

AXXZIA Series - Changes in sales

(Unit: millions of yen)



*The sales figures shown above represent AXXZIA 's stand-alone sales.

[Up-and-Coming Series]

Venus Recipe / RevWell (FY07/25 Q3)

A X X Z I A

Sales in the up-and-coming category remained steady.

We will continue to launch new products and invest in advertising to drive further sales growth.



↑ Venus Recipe The Pure Drink

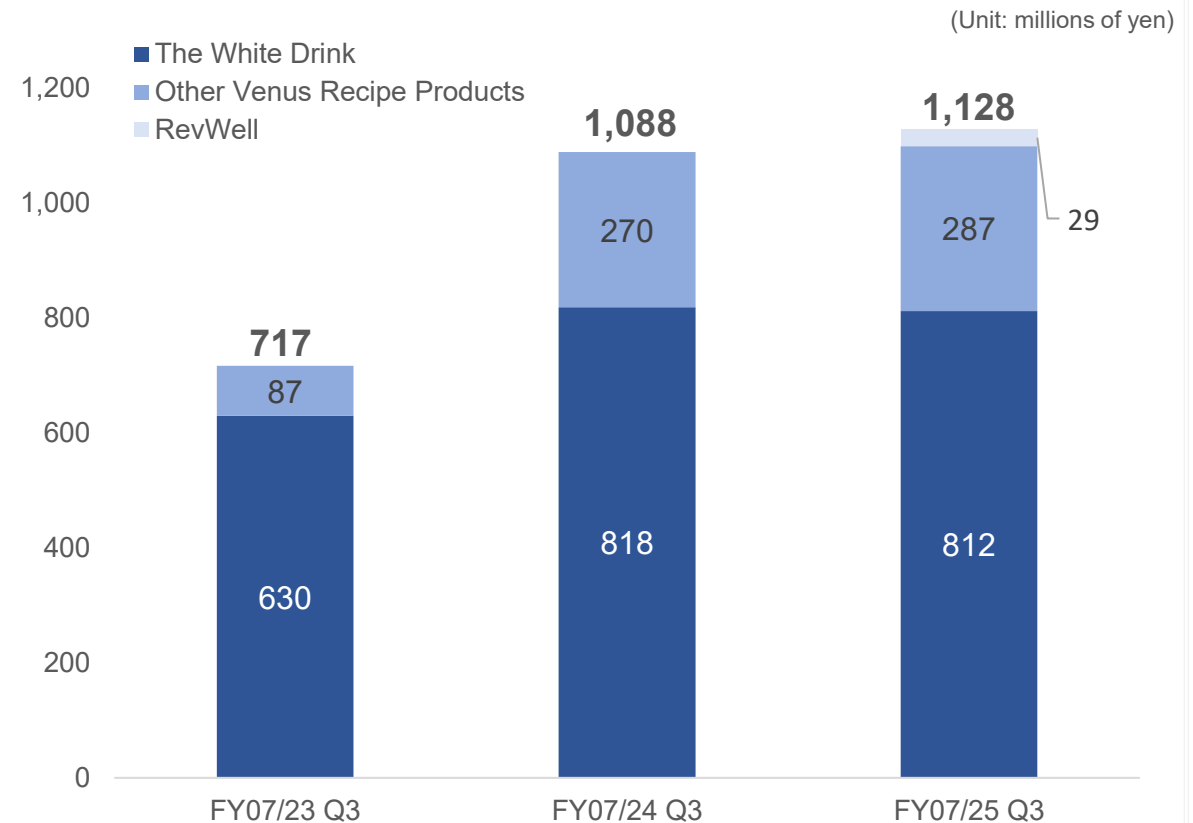


↑ Venus Recipe HM Plump Ball

Milestones for turning into main series

- The White Drink is now approved for sale as our first functional food product.
- Launched AXXZIA's first wellness brand, "RevWell" in June 2024.
- Launched the inner care product with a unique chewy texture, HM Plump Ball from "Venus Recipe" in August 2024.
- Renewal of "The White Drink", Launched "The Pure Drink" in February 2025.

Up-and-Coming - Changes in sales



*The sales figures shown above represent AXXZIA 's stand-alone sales.

Shared Research Report on Our Company

Analyst reports issued by Shared Research are available. We encourage you to review them as a reference for your investment decisions.

<https://sharedresearch.jp/en/companies/4936>



IR X account

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For individual inquiries, please contact via the information listed under “Contact Information” on the right.

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AXXZIA Inc. (Securities code: 4936)



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AXXZIA

Creating things and experiences
that amaze people.