

Translation

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Consolidated Financial Results for the First Quarter of the Fiscal Year Ending July 2026 (Based on Japanese GAAP)

December 15, 2025

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Securities code: 4936 URL: <https://axxzia.co.jp/en>
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Scheduled date for commencing dividend payments: —
Preparation of supplementary materials on quarterly financial results: Yes
Holding of quarterly financial results briefing session: 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 Quarter of the Fiscal Year Ending July 2026 (from August 1, 2025 to October 31, 2025)

(1) Consolidated Operating Results (Cumulative) (Percentage figures represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First quarter ended October 31, 2025	3,631	17.9	61	7.1	127	148.3	69	138.0
First quarter ended October 31, 2024	3,079	12.8	57	(77.6)	51	(86.6)	29	(88.8)

(Note) Comprehensive income

First quarter ended October 31, 2025: 147 million yen [136.0%]

First quarter ended October 31, 2024: 62 million yen [(79.5)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
First quarter ended October 31, 2025	3.05	-
First quarter ended October 31, 2024	1.21	-

(Note) Diluted earnings per share for the first quarter ended October 31, 2025 has not been provided, as there were no potential shares with dilutive effects.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of October 31, 2025	9,760	7,608	77.9
As of July 31, 2025	9,567	7,575	79.1

(Reference) Total shareholders' equity

As of October 31, 2025: 7,604 million yen As of July 31, 2025: 7,572 million yen

2. Cash Dividends

	Annual dividends per share				
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended July 31, 2025	—	5.00	—	5.00	10.00
Fiscal year ending July 31, 2026	—				
Fiscal year ending July 31, 2026 (Forecast)		5.00	—	5.00	10.00

(Note) Revisions to the most recently announced dividend forecast: No

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending July 2026 (from August 1, 2025 to July 31, 2026)

(Percentage figures indicate year-on-year changes for full year and each quarter)

	Net sales		Operating income		Ordinary income		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	14,440	7.1	570	11.0	560	11.1	370	15.4	16.23

(Note) Revisions to the most recently announced earnings forecast: No

* Notes

(1) Changes in significant subsidiaries during the first quarter

(changes in specified subsidiaries resulting in change in scope of consolidation): No

Newly consolidated: None

Excluded from consolidation: None

(2) Application of accounting method specific to preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

1) Changes in accounting policies due to revisions to accounting standards and other regulations: No

2) Changes in accounting policies other than those in 1) above: No

3) Changes in accounting estimates: No

4) Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares)

As of October 31, 2025	24,107,000 shares	As of July 31, 2025	24,107,000 shares
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2) Number of treasury shares at the end of the period

As of October 31, 2025	1,236,600 shares	As of July 31, 2025	1,236,600 shares
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3) Average number of shares during the period (cumulative from the beginning of the fiscal year)

First quarter ended October 31, 2025	22,870,400 shares	First quarter ended October 31, 2024	24,221,750 shares
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* The enclosed quarterly consolidated financial statements are not subject to review by a certified public accountant or an audit firm.

* Explanation regarding appropriate use of earnings forecasts, and other notes

(Notes on forward-looking statements)

The earnings outlook and other forward-looking statements contained in this document are based on information currently available to and certain assumptions that are thought to be reasonable by the Company. Accordingly, such statements should not be construed as a guarantee of achieving the results by the Company. Actual business performance and other results may differ materially due to various factors.

In addition, for the conditions forming the assumptions used in forecasting earnings and precautions regarding the use of earnings forecasts, please refer to "1. Qualitative Information on the Financial Results for the Period under Review (3) Explanations on Consolidated Earnings Forecast and Other Forward-looking Statements" on page 3 of the Attachment.

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1. Qualitative Information on the Financial Results for the Period under Review

(1) Overview of Operating Results

In the first quarter of the fiscal year ending July 31, 2026 (August 1–October 31, 2025), the Japanese economy continued to recover gradually, and personal consumption also showed signs of picking up. However, uncertainties persisted due to factors such as U.S. trade policy, exchange rate movements, and the impact of rising prices.

The cosmetics market in Japan remained strong as inbound consumption was robust, supported by the weaker yen and a significant increase in overseas visitors.

In the Chinese cosmetics market, although a modest recovery trend has recently emerged, the outlook remained uncertain due to weak consumer sentiment and intensifying competition from the rise of local Chinese brands.

Under these market conditions, the AXZIA Group focused on further expanding sales in China, our key market, while advancing efforts to establish a business foundation and strengthen sales activities in regions outside China, including Japan.

In China, we worked to further expand sales of our core products, AGDrink and The Pure Drink, while also promoting the mid-priced inner-care product PQ Drink plus. We also worked to further enhance our brand presence in the Chinese market by obtaining administrative approval for our UV Protection Cream—one of the AGTHEORY cosmetics series for which we are also strengthening sales—as a special cosmetic product permitted to claim specific effects and efficacy.

In Japan, we positioned LisBlanc as a key brand, first renewing its brand concept and revising prices to make the products more affordable, and since October have been working to expand sales channels, focusing on cosmetics specialty retailers. We also launched BELLE BAI, the first in-house brand of our consolidated subsidiary M&D Co., Ltd. By shifting its business model from importing and selling cosmetics to selling its own branded products, the Company aims to pursue group synergies and improve profit margins.

In other regions, mainly in Southeast Asia, we actively conducted live sales through influencers and worked to strengthen sales through e-commerce.

As a result of the above, strong sales during Singles' Day (Double 11), one of China's largest e-commerce events, drove Chinese e-commerce sales above expectations, and the Company posted net sales of 3,631,302 thousand yen (up 17.9% year on year), surpassing the year-ago level. Operating income was 61,720 thousand yen (up 7.1% year on year), ordinary income was 127,099 thousand yen (up 148.3% year on year), and profit attributable to owners of parent was 69,716 thousand yen (up 138.0% year on year).

Note that descriptions by segment are omitted, as the Group has a single operating segment engaged in the cosmetics business.

[Summary of Results]

	First quarter of the fiscal year ended July 2025 Millions of yen	First quarter of the fiscal year ending July 2026 Millions of yen	Year-on-year changes %
Net sales	3,079	3,631	+17.9
Operating income	57	61	+7.1
Ordinary income	51	127	+148.3
Profit attributable to owners of parent	29	69	+138.0

(2) Financial Position

(Assets)

Total assets at the end of the first quarter ended October 31, 2025 amounted to 9,760,828 thousand yen, an increase of 193,210 thousand yen (+2.0%) from the end of the previous fiscal year. Of this, current assets increased by 215,302 thousand yen (+2.9%) from the end of the previous fiscal year to 7,761,497 thousand yen and non-current assets decreased by 22,091 thousand yen (-1.1%) from the end of the previous fiscal year to 1,999,331 thousand yen.

The increase in current assets was mainly attributable to factors such as cash and deposits increasing by 142,040 thousand yen and accounts receivable – trade increasing by 385,267 thousand yen. The decrease in non-current assets was mainly attributable to factors such as buildings and structures decreasing by 9,823 thousand yen, goodwill decreasing by 7,133 thousand yen, and deferred tax assets increasing by 8,219 thousand yen.

(Liabilities)

Total liabilities at the end of the first quarter ended October 31, 2025 amounted to 2,152,607 thousand yen, an increase of 160,082 thousand yen (+8.0%) from the end of the previous fiscal year. Of this, current liabilities increased by 183,253 thousand yen (+10.6%) from the end of the previous fiscal year to 1,911,777 thousand yen and non-current liabilities decreased by 23,170 thousand yen (-8.8%) from the end of the previous fiscal year to 240,829 thousand yen.

The increase in current liabilities was mainly attributable to factors such as a decrease in accounts payable - trade by 55,550 thousand yen, an increase in income taxes payable 43,506 thousand yen and an increase in accounts payable - other by 143,588 thousand yen. The decrease in non-current liabilities was mainly attributable to factors such as a decrease in repayments of long-term borrowings by 12,636 thousand yen.

(Net assets)

Total net assets at the end of the first quarter ended October 31, 2025 amounted to 7,608,221 thousand yen, an increase of 33,128 thousand yen (+0.4%) from the end of the previous fiscal year.

This was mainly attributable to factors such as an increase in retained earnings by 69,716 thousand yen resulting from recording of profit attributable to owners of parent and a decrease in retained earnings resulting from the payment of 114,352 thousand yen in dividends. Consequently, the equity ratio came to 77.9% (in contrast to 79.1% at the end of the previous fiscal year).

(3) Explanations on Consolidated Earnings Forecast and Other Forward-looking Statements

With regard to the earnings forecast for the fiscal year ending July 31, 2026, no change has been made to the forecast for the entire fiscal year announced on September 12, 2025 in the Consolidated Financial Results for the Fiscal Year Ended July 2025. Please note that the forecast has been prepared based on the information available as of today and certain assumptions deemed to be reasonable. Accordingly, actual business results may differ from the forecast figures due to various factors arising going forward.

2. Quarterly Consolidated Financial Statements and Significant Notes Thereto

(1) Quarterly Consolidated Balance Sheets

	(Thousands of yen)	
	Previous fiscal year (As of July 31, 2025)	First quarter ended October 31, 2025 (As of October 31, 2025)
Assets		
Current assets		
Cash and deposits	3,990,101	4,132,142
Accounts receivable - trade	930,811	1,316,078
Merchandise and finished goods	1,674,161	1,486,714
Work in process	5,664	7,218
Raw materials and supplies	267,859	256,423
Income taxes refund receivable	16,800	12,176
Other	673,172	562,601
Allowance for doubtful accounts	(12,375)	(11,857)
Total current assets	7,546,195	7,761,497
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	719,331	709,508
Leased assets, net	108,733	103,124
Land	396,595	396,595
Other, net	192,982	192,530
Total property, plant and equipment	1,417,643	1,401,759
Intangible assets		
Goodwill	104,621	97,488
Other	107,371	100,365
Total intangible assets	211,992	197,853
Investments and other assets		
Deferred tax assets	237,808	246,028
Other	153,977	153,689
Total investments and other assets	391,785	399,717
Total non-current assets	2,021,422	1,999,331
Total assets	9,567,617	9,760,828

(Thousands of yen)

	Previous fiscal year (As of July 31, 2025)	First quarter ended October 31, 2025 (As of October 31, 2025)
Liabilities		
Current liabilities		
Accounts payable - trade	225,019	169,469
Short-term borrowings	449,481	430,000
Current portion of long-term borrowings	133,472	112,588
Accounts payable - other	531,448	675,037
Income taxes payable	101,720	145,226
Provision for bonuses	44,907	42,885
Provision for shareholder benefit program	16,908	7,194
Other	225,565	329,376
Total current liabilities	1,728,524	1,911,777
Non-current liabilities		
Long-term borrowings	168,458	155,822
Other	95,542	85,007
Total non-current liabilities	264,000	240,829
Total liabilities	1,992,524	2,152,607
Net assets		
Shareholders' equity		
Share capital	2,155,505	2,155,505
Capital surplus	2,057,304	2,057,304
Retained earnings	4,020,454	3,975,818
Treasury shares	(838,300)	(838,300)
Total shareholders' equity	7,394,964	7,350,328
Accumulated other comprehensive income		
Foreign currency translation adjustment	177,101	254,416
Total accumulated other comprehensive income	177,101	254,416
Non-controlling interests	3,027	3,476
Total net assets	7,575,092	7,608,221
Total liabilities and net assets	9,567,617	9,760,828

(2) Quarterly Consolidated Statement of Income and Consolidated Statements of Comprehensive Income

Quarterly Consolidated Statement of Income

(Consolidated results for the first quarter)

(Thousands of yen)

	First quarter ended October 31, 2024 (August 1, 2024 - October 31, 2024)	First quarter ended October 31, 2025 (August 1, 2025 - October 31, 2025)
Net sales	3,079,351	3,631,302
Cost of sales	856,102	948,870
Gross profit	2,223,248	2,682,431
Selling, general and administrative expenses	2,165,639	2,620,711
Operating income	57,608	61,720
Non-operating income		
Interest and dividend income	6,156	3,744
Foreign exchange gains	-	61,818
Other	797	3,606
Total non-operating income	6,954	69,169
Non-operating expenses		
Interest expenses	2,609	3,681
Commission for purchase of treasury shares	967	-
Foreign exchange losses	7,195	-
Share of loss of entities accounted for using equity method	2,485	-
Other	113	108
Total non-operating expenses	13,371	3,790
Ordinary income	51,192	127,099
Extraordinary losses		
Loss on retirement of non-current assets	113	162
Total extraordinary losses	113	162
Profit before income taxes	51,078	126,936
Income taxes - current	11,190	60,279
Income taxes - deferred	12,246	(3,508)
Total income taxes	23,436	56,771
Profit	27,641	70,165
Profit (loss) attributable to non-controlling interests	(1,654)	448
Profit attributable to owners of parent	29,295	69,716

Quarterly Consolidated Statements of Comprehensive Income
(Consolidated results for the first quarter)

(Thousands of yen)

	First quarter ended October 31, 2024 (August 1, 2024 - October 31, 2024)	First quarter ended October 31, 2025 (August 1, 2025 - October 31, 2025)
Profit	27,641	70,165
Other comprehensive income		
Foreign currency translation adjustment	34,839	77,315
Total other comprehensive income	34,839	77,315
Comprehensive income	62,481	147,480
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	64,135	147,031
Comprehensive income attributable to non-controlling interests	(1,654)	448

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Notes on Significant Changes in Shareholders' Equity)

Not applicable.

(Segment Information, Etc.)

[Segment information]

I. First quarter of the fiscal year ended July 2025 (August 1, 2024 - October 31, 2024)

The information is omitted as the Company has a single operating segment engaged in the cosmetics business.

II. First quarter of the fiscal year ending July 2026 (August 1, 2025 - October 31, 2025)

The information is omitted as the Company has a single operating segment engaged in the cosmetics business.

(Notes on the Quarterly Consolidated Statement of Cash Flows)

The quarterly consolidated statement of cash flows for the first quarter of the fiscal year under review has not been prepared.

Depreciation expenses for the first quarter are as follows.

	(Thousands of yen)	
	First quarter ended October 31, 2024 (August 1, 2024 - October 31, 2024)	First quarter ended October 31, 2025 (August 1, 2025 - October 31, 2025)
Depreciation	37,309	37,927
Amortization of goodwill	7,133	7,133

(Significant Subsequent Events)

Not applicable.