Translation

Notice: This document has been translated from the Japanese original for reference purposes. In the event of any discrepancy between this translated document and the Japanese original, the latter shall prevail.

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

June 12, 2026

Company name: AXXZIA Inc.
Listing exchange: Tokyo Stock Exchange
Securities code: 4936
URL: https://axxzia.co.jp/en
Representative: Duan Zhuo, President and Representative Director
Inquiries: Yasuhito Fukui, Director in charge of Administration Division
Phone: +81-3-6911-3899

Scheduled date for commencing dividend payments: -
Preparation of supplementary materials on financial results: Yes
Holding of 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 Three Quarters of the Fiscal Year Ending July 2026 (from August 1, 2025 to April 30, 2026)

(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 three quarters of the fiscal year ending July 31, 2026	9,886	(1.9)	-48	-	132	(61.3)	30	(85.7)
First three quarters of the fiscal year ended July 31, 2025	10,080	10.6	426	(55.3)	342	(70.3)	211	(74.0)

(Note) Comprehensive income
First three quarters of the fiscal year ending July 31, 2026: 246 million yen [169.0%]
First three quarters of the fiscal year ended July 31, 2025: 91 million yen [(90.2%)]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
First three quarters of the fiscal year ending July 31, 2026	1.32	-
First three quarters of the fiscal year ended July 31, 2025	8.99	-

(Note) Diluted earnings per share 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 April 30, 2026	9,651	7,600	78.7
As of July 31, 2025	9,567	7,575	79.1

(Reference) Total shareholders' equity
As of April 30, 2026: 7,591 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	-	5.00	-		
Fiscal year ending July 31, 2026 (Forecast)			-	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	13,500	0.2	-250	-	-34	-	-105	-	-4.59

(Note) Revisions to the most recently announced earnings forecast: Yes

* Notes

(1) Changes in significant subsidiaries during the first three quarters
(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 semi-annual 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 April 30, 2026	24,107,000 shares	As of July 31, 2025	24,107,000 shares

2) Number of treasury shares at the end of the period

As of April 30, 2026	1,236,600 shares	As of July 31, 2025	1,236,600 shares

3) Average number of shares during the period (cumulative from the beginning of the fiscal year)

First three quarters of the fiscal year ending July 31, 2026	22,870,400 shares	First three quarters of the fiscal year ended July 31, 2025	23,512,173 shares

* This enclosed consolidated financial results for the first three quarters of the fiscal year ending July 2026 is not subject to review procedures by a certified public accountant or 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.

Contents of Attachment

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

(1) Overview of Operating Results

In the first three quarters of the fiscal year ending July 31, 2026 (August 1, 2025–April 30, 2026), the Japanese economy continued to recover gradually. However, consumers have recently shown a growing tendency to save due to the rising prices driven by factors such as heightened tensions in the Middle East.

The cosmetics market in Japan remained strong as inbound consumption was robust, supported by the weaker yen and a significant increase in overseas visitors. However, the number of Chinese tourists and their consumption began to decline from November due to the Chinese government's request to refrain from travelling to Japan.

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 AXXZIA 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 expanding sales channels, focusing on cosmetics specialty retailers, as well as working on increasing brand awareness by conducting appointment of a brand ambassador and tie-ups with influencers on social media. Furthermore, in March, we opened a new directly managed store, AXXZIA NAMBA CITY, to expand touchpoints for a wide range of domestic and international customers. At our consolidated subsidiary M&D Co., Ltd., we launched BELLE BAI, the first in-house brand of the Company and carried out initiatives such as a pop-up store in a shopping center, striving to expand sales. 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 and expanded sales channels through the pop-up store at a department store.

As a result of the above, the Company posted net sales of 9,886,864 thousand yen (down 1.9% year on year) owing to partial slowdown in the sales growth on China e-commerce platforms and the impact of price adjustments by M&D Co., Ltd. in response to the weak yen. Also, operating loss was 48,664 thousand yen (operating income of 426,287 thousand yen in the same period of the previous fiscal year), due to the increase in personnel for priority focus areas and the continuous advertising investment. Ordinary income was 132,526 thousand yen (down 61.3% year on year), and profit attributable to owners of parent was 30,243 thousand yen (down 85.7% 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 three quarters of the fiscal year ended July 31, 2025 Millions of yen	First three quarters of the fiscal year ending July 31, 2026 Millions of yen	Year-on-year changes %
Net sales	10,080	9,886	-1.9
Operating income (loss)	426	-48	-
Ordinary income	342	132	-61.7
Profit attributable to owners of parent	211	30	-85.7

(2) Financial Position

(1) Assets, liabilities and net assets

(Assets)

Total assets at the end of the third quarter ended April 30, 2026 amounted to 9,651,709 thousand yen, an increase of 84,091 thousand yen (+0.9%) from the end of the previous fiscal year. Of this, current assets increased by 60,123 thousand yen (+0.8%) from the end of the previous fiscal year to 7,606,318 thousand yen and non-current assets increased by 23,968 thousand yen (+1.2%) from the end of the previous fiscal year to 2,045,390 thousand yen.

The changes in current assets were mainly attributable to factors such as cash and deposits increasing by 273,256 thousand yen, accounts receivable - trade decreasing by 31,388 thousand yen, merchandise and finished goods decreasing by 193,640 thousand yen and other increasing by 25,598 thousand yen. The changes in non-current assets were mainly attributable to factors such as property, plant and equipment decreasing by 17,162 thousand yen, intangible assets decreasing by 30,325 thousand yen and investments and other assets increasing by 71,456 thousand yen.

(Liabilities)

Total liabilities at the end of the third quarter ended April 30, 2026 amounted to 2,051,179 thousand yen, an increase of 58,654 thousand yen (+2.9%) from the end of the previous fiscal year. Of this, current liabilities increased by 108,372 thousand yen (+6.3%) from the end of the previous fiscal year to 1,836,897 thousand yen and non-current liabilities decreased by 49,718 thousand yen (-18.8%) from the end of the previous fiscal year to 214,282 thousand yen.

The changes in current liabilities were mainly attributable to factors such as a decrease in accounts payable - trade by 44,071 thousand yen, a decrease in current portion of long-term borrowings by 62,652 thousand yen and an increase in income taxes payable by 64,977 thousand yen. The changes in non-current liabilities were mainly attributable to factors such as a decrease in repayments of long-term borrowings by 37,908 thousand yen.

(Net assets)
Total net assets at the end of the third quarter ended April 30, 2026 amounted to 7,600,530 thousand yen, an increase of 25,437 thousand yen (+0.3%) from the end of the previous fiscal year. This was mainly attributable to factors such as a payment of 228,704 thousand yen in dividends, an increase in foreign currency translation adjustment by 218,279 yen, and an increase in retained earnings resulting from the recording of profit attributable to owners of parent amount to 30,243 thousand yen.
Consequently, the equity ratio came to 78.7% (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, we have revised the forecast based on currently available information and projections, taking into the progress of our business performance in the first three quarters of the current consolidated fiscal year. For details, please refer to the "Notice of Revision of Earnings Forecasts" released today (June 12, 2026). 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)	Third quarter ended April 30, 2026 (As of April 30, 2026)
Assets		
Current assets		
Cash and deposits	3,990,101	4,263,357
Accounts receivable - trade	930,811	899,422
Merchandise and finished goods	1,674,161	1,480,521
Work in process	5,664	13,988
Raw materials and supplies	267,859	255,603
Income taxes refund receivable	16,800	5
Other	673,172	698,770
Allowance for doubtful accounts	(12,375)	(5,351)
Total current assets	7,546,195	7,606,318
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	719,331	718,791
Leased assets, net	108,733	92,425
Land	396,595	396,595
Other, net	192,982	192,668
Total property, plant and equipment	1,417,643	1,400,481
Intangible assets		
Goodwill	104,621	83,221
Other	107,371	98,445
Total intangible assets	211,992	181,667
Investments and other assets		
Deferred tax assets	237,808	296,263
Other	153,977	166,978
Total investments and other assets	391,785	463,242
Total non-current assets	2,021,422	2,045,390
Total assets	9,567,617	9,651,709

(Thousands of yen)

	Previous fiscal year (As of July 31, 2025)	Third quarter ended April 30, 2026 (As of April 30, 2026)
Liabilities		
Current liabilities		
Accounts payable - trade	225,019	180,948
Short-term borrowings	449,481	470,000
Current portion of long-term borrowings	133,472	70,820
Accounts payable - other	531,448	536,461
Income taxes payable	101,720	166,698
Provision for bonuses	44,907	85,358
Provision for shareholder benefit program	16,908	7,560
Other	225,565	319,050
Total current liabilities	1,728,524	1,836,897
Non-current liabilities		
Long-term borrowings	168,458	130,550
Other	95,542	83,732
Total non-current liabilities	264,000	214,282
Total liabilities	1,992,524	2,051,179
Net assets		
Shareholders' equity		
Share capital	2,155,505	2,155,505
Capital surplus	2,057,304	2,057,303
Retained earnings	4,020,454	3,821,993
Treasury shares	(838,300)	(838,300)
Total shareholders' equity	7,394,964	7,196,502
Accumulated other comprehensive income		
Foreign currency translation adjustment	177,101	395,380
Total accumulated other comprehensive income	177,101	395,380
Non-controlling interests	3,027	1,463
Share acquisition rights	-	7,184
Total net assets	7,575,092	7,600,530
Total liabilities and net assets	9,567,617	9,651,709

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

Quarterly Consolidated Statement of Income

(Consolidated Results for the first three quarters)

(Thousands of yen)

	First three quarters ended April 30, 2025 (August 1, 2024 - April 30, 2025)	First three quarters ended April 30, 2026 (August 1, 2025 - April 30, 2026)
Net sales	10,080,348	9,886,864
Cost of sales	2,698,009	2,582,690
Gross profit	7,382,338	7,304,173
Selling, general and administrative expenses	6,956,051	7,352,838
Operating income (loss)	426,287	(48,664)
Non-operating income		
Interest and dividend income	13,737	9,556
Foreign exchange gains	-	171,590
Subsidy income	30,917	-
Other	5,757	11,854
Total non-operating income	50,412	193,001
Non-operating expenses		
Interest expenses	13,245	10,971
Share of loss of entities accounted for using equity method	12,805	-
Commission for purchase of treasury shares	1,535	-
Foreign exchange losses	104,550	-
Other	1,911	839
Total non-operating expenses	134,048	11,811
Ordinary income	342,651	132,526
Extraordinary income		
Gain on sale of non-current assets	414	-
Total extraordinary income	414	-
Extraordinary losses		
Loss on retirement of non-current assets	5,157	737
Total extraordinary losses	5,157	737
Profit before income taxes	337,908	131,788
Income taxes - current	159,662	132,231
Income taxes - deferred	(29,542)	(29,121)
Total income taxes	130,120	103,110
Profit	207,787	28,678
Profit (loss) attributable to non-controlling interests	(3,555)	(1,564)
Profit attributable to owners of parent	211,342	30,243

Quarterly Consolidated Statements of Comprehensive Income
(Consolidated Results for the first three quarters)

(Thousands of yen)

	First three quarters ended April 30, 2025 (August 1, 2024 - April 30, 2025)	First three quarters ended April 30, 2026 (August 1, 2025 - April 30, 2026)
Profit	207,787	28,678
Other comprehensive income		
Valuation difference on available-for-sale securities, before tax	-	-
Foreign currency translation adjustment	(115,988)	218,279
Total other comprehensive income	(115,988)	218,279
Comprehensive income	91,798	246,958
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	95,354	248,522
Comprehensive income attributable to non-controlling interests	(3,555)	(1,564)

(3) Notes to Semi-Annual Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Notes on Significant Changes in Shareholders' Equity)

Not applicable.

(Notes on Changes in Accounting Policies)

Not applicable.

(Additional Information)

Not applicable.

(Notes on the Quarterly Consolidated Statement of Cash Flows)

The quarterly consolidated statement of cash flows for the first three quarters of the fiscal year under review has not been prepared. Depreciation expenses for the first three quarters are as follows.

(Thousands of yen)

	First three quarters ended April 30, 2025 (August 1, 2024 - April 30, 2025)	First three quarters ended April 30, 2026 (August 1, 2025 - April 30, 2026)
Depreciation	110,936	121,054
Amortization of goodwill	21,399	21,399

(Segment Information, Etc.)

[Segment information]

I. First half of the fiscal year ended July 2025 (August 1, 2024 – April 30, 2025)

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

II. First half of the fiscal year ending July 2026 (August 1, 2025 - April 30, 2026)

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

(Significant Subsequent Events)

Not applicable.