

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, 2022	-	0.00	-	0.00	0.00
Fiscal year ending July 31, 2023	-	0.00	-		
Fiscal year ending July 31, 2023 (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, 2023 (from August 1, 2022 to July 31, 2023)

(Percentage figures indicate year-on-year changes)

	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	26,500	(21.9)	(720)	-	(710)	-	(720)	-	(82.57)

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

* Notes

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

(Note) Venex Co., Ltd., whose shares were acquired on January 31, 2023, has been included in the scope of consolidation from the second quarter of the current fiscal year, although it does not fall under the category of change in specified subsidiary.

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

(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. Quarterly consolidated financial statements and major notes (3) Notes to quarterly consolidated financial statements (Changes in accounting policies)" on page 7 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 April 30, 2023	8,720,534 shares
As of July 31, 2022	8,720,534 shares

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

As of April 30, 2023	155 shares
As of July 31, 2022	155 shares

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

Nine months ended April 30, 2023	8,720,379 shares
Nine months ended April 30, 2022	8,720,216 shares

* The report on quarterly financial results is not subject to audit procedures by a certified public accountant or an auditing firm.

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

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. Qualitative information for the first nine months of the fiscal year ending July 31, 2023, (3) Forward-looking information including consolidated earnings forecasts" on page 3 of the Attachment.

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1. Qualitative information for the first nine months of the fiscal year ending July 31, 2023

(1) Consolidated financial results

In the first nine months of the fiscal year ending July 31, 2023, the Japanese economy showed signs of weakness in some areas, but economic activity gradually returned to normal, and the economy gradually recovered. Regarding the outlook for the economy, it is expected that the economy will continue to recover due to the effects of various government policies under the COVID-19 pandemic. In the domestic cosmetics market, the removal of the obligation to wear masks from March and the reduction of COVID-19 to category 5 from May have led to an increase in the number of people taking off masks in the streets, and demand for cosmetics continues to recover. However, as the global financial tightening continues, there is a risk that a downturn in overseas economies will put downward pressure on the Japanese economy, and we need to pay close attention to the effects of price increases, supply-side constraints, and fluctuations in financial and capital markets.

Under such circumstances, Premier Anti-Aging Co., Ltd. (“the Company”) and its consolidated subsidiaries (“the Group”) have been committed to “being unique” since establishment and have been striving to expand its core cosmetics business by combining our strengths in “product planning capability” and “marketing capability” with our “subscription sales model.” In addition, the Company has promoted the expansion of business areas related to anti-aging, such as newly entering the inner care business and the recovery business.

In order to stop the decline of the main brand “DUO”, the Company has been implementing various measures by rolling out new TV commercial “King of Balm” from February this year, introducing a new limited product “DUO The Kingdom Cleansing Balm”, and strengthening the approach to existing customers. However, both mail-order sales and wholesale sales declined due to continued intensification of competition in the cleansing market and balm formulations, as well as low level of new customer acquisitions remained since new acquisition measures to further improve LTV were not as effective as expected. From May of this year, the Company continues to bolster the “DUO” brand, including the introduction of a new product, Matcha (Green Tea) Balm, aimed at capturing inbound demand.

The “CANADEL” brand continued to steadily increase sales centered on the highly appealing quasi-drugs “Premier Barrier Fix” and “Premier White.” The Company aims to maximize the number of new customers by deploying the renewal product of “Premier Lift” as a quasi-drug through the mail-order channel.

The Company has been increasing the recognition of the “clayence” brand through a media mix strategy that utilizes mass marketing such as TV commercials and is working to expand sales through mail-order and wholesale sales channels. LTV of “clayence” is on an upward trend currently due to aggressive cross-selling measures, and the Company is strengthening new customer acquisitions. The Company will strive to develop “clayence” as a comprehensive hair care brand by introducing gray hair color quasi-drugs and developing new scalp care series.

As a result of the above activities, net sales in the first nine months ended April 30, 2023 amounted to 20,609,823 thousand yen (down 5,287,067 thousand yen year-on-year), operating profit was 42,547 thousand yen (down 1,914,942 thousand yen year-on-year), ordinary profit was 43,447 thousand yen (down 2,098,185 thousand yen year-on-year), and loss attributable to owners of parent was 153,280 thousand yen (profit attributable to owners of parent of 1,222,406 thousand yen in the same period of the previous fiscal year).

Note that descriptions by segment are omitted, as the Group is engaged in the manufacturing and sales of cosmetics and other businesses, but other businesses are not important in monetary terms.

(2) Consolidated financial position

Assets, liabilities and net assets at the end of the third quarter of the current fiscal year were as follows.

(Assets)

Total assets at the end of the third quarter of the current fiscal year increased by 961,730 thousand yen from the end of the previous fiscal year to 13,262,177 thousand yen. The main factors of increase and decrease were as follows.

Current assets decreased by 187,948 thousand yen from the end of the previous fiscal year to 11,328,984 thousand yen. This was mainly due to an increase of 1,474,755 thousand yen in cash and deposits, a decrease of 811,128 thousand yen in accounts receivable - trade, a decrease of 1,306,279 thousand yen in finished goods, and an increase of 378,976 thousand yen in receivable income taxes, etc. included in current assets “other”.

Non-current assets increased by 1,149,678 thousand yen from the end of the previous fiscal year to 1,933,193 thousand yen. This was mainly due to an increase of 446,403 thousand yen in software in progress included in intangible assets “other” and an increase of 547,893 thousand yen in goodwill.

(Liabilities)

Total liabilities at the end of the third quarter of the current fiscal year increased by 1,126,978 thousand yen from the end of the previous fiscal year to 5,079,406 thousand yen.

Current liabilities increased by 301,838 thousand yen from the end of the previous fiscal year to 3,522,380 thousand yen. This was mainly due to an increase of 346,000 thousand yen in short-term borrowings.

Non-current liabilities increased by 825,139 thousand yen from the end of the previous fiscal year to 1,557,026 thousand yen. This was mainly due to an increase of 741,048 thousand yen in long-term borrowings.

(Net Assets)

Net assets at the end of the third quarter of the current fiscal year decreased by 165,248 thousand yen from the end of the previous fiscal year to 8,182,771 thousand yen. This was mainly due to recording loss attributable to owners of parent of 153,280 thousand yen.

As a result, the equity ratio was 61.7%.

(3) Forward-looking information including consolidated earnings forecasts

We have revised the full-year earnings forecasts for the fiscal year ending July 31, 2023, based on currently available information and forecasts, taking into consideration sales trends for cosmetics, the Group's main sales products, and the progress of our business performance in the first nine months of the current fiscal year. For details, please refer to the "Notice Concerning Revision of Earnings Forecasts" separately released today (June 14, 2023).

2. Quarterly consolidated financial statements and major notes

(1) Quarterly consolidated balance sheet

(Thousands of yen)

	As of July 31, 2022	As of April 30, 2023
Assets		
Current assets		
Cash and deposits	2,973,269	4,448,024
Accounts receivable - trade	3,071,846	2,260,718
Finished goods	3,784,814	2,478,535
Raw materials and supplies	576,394	652,927
Other	1,110,607	1,488,777
Total current assets	11,516,933	11,328,984
Non-current assets		
Property, plant and equipment	110,246	129,020
Intangible assets		
Goowill	-	547,893
Other	266,267	841,818
Total intangible assets	266,267	1,389,712
Investments and other assets	407,000	414,460
Total non-current assets	783,514	1,933,193
Total assets	12,300,447	13,262,177
Liabilities		
Current liabilities		
Accounts payable - trade	435,845	393,054
Short-term borrowings	390,000	736,000
Current portion of long-term borrowings	322,114	369,948
Current portion of bonds payable	-	26,600
Accounts payable - other	1,568,285	1,297,350
Income taxes payable	165,723	31,681
Provision for bonuses	18,607	27,725
Other	319,964	640,020
Total current liabilities	3,220,541	3,522,380
Non-current liabilities		
Bonds payable	-	76,600
Long-term borrowings	701,114	1,442,162
Asset retirement obligations	30,772	38,264
Total non-current liabilities	731,886	1,557,026
Total liabilities	3,952,427	5,079,406
Net assets		
Shareholders' equity		
Share capital	1,351,544	1,351,544
Capital surplus	1,351,544	1,351,544
Retained earnings	5,622,227	5,468,946
Treasury shares	(1,313)	(1,313)
Total shareholders' equity	8,324,004	8,170,723
Accumulated other comprehensive income		
Foreign currency translation adjustment	24,016	12,048
Total accumulated other comprehensive income	24,016	12,048
Total net assets	8,348,020	8,182,771
Total liabilities and net assets	12,300,447	13,262,177

(2) Quarterly consolidated statement of income and consolidated statement of comprehensive income
(Quarterly consolidated statement of income)
(Nine months ended April 30, 2023)

(Thousands of yen)

	Nine months ended April 30, 2022 (From August 1, 2021 to April 30, 2022)	Nine months ended April 30, 2023 (From August 1, 2022 to April 30, 2023)
Net sales	25,896,891	20,609,823
Cost of sales	5,235,023	4,924,828
Gross profit	20,661,867	15,684,995
Selling, general and administrative expenses	18,704,377	15,642,447
Operating profit	1,957,490	42,547
Non-operating income		
Interest income	967	1,168
Surrender value of insurance policies	35,693	-
Profit on currency exchange	134,174	-
Commission received	-	5,780
Miscellaneous income	28,120	15,180
Total non-operating income	198,956	22,128
Non-operating expenses		
Interest expenses	11,674	12,446
Loss on currency exchange	-	7,904
Miscellaneous losses	3,138	877
Total non-operating expenses	14,813	21,228
Ordinary profit	2,141,632	43,447
Profit before income taxes	2,141,632	43,447
Income taxes - current	919,225	196,728
Profit (loss)	1,222,406	(153,280)
Profit (loss) attributable to owners of parent	1,222,406	(153,280)

(Quarterly consolidated statement of comprehensive income)

(Nine months ended April 30, 2023)

(Thousands of yen)

	Nine months ended April 30, 2022 (From August 1, 2021 to April 30, 2022)	Nine months ended April 30, 2023 (From August 1, 2022 to April 30, 2023)
Profit (loss)	1,222,406	(153,280)
Other comprehensive income		
Foreign currency translation adjustment	25,599	(11,967)
Total other comprehensive income	25,599	(11,967)
Comprehensive income	1,248,005	(165,248)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,248,005	(165,248)

(3) Notes to quarterly consolidated financial statements

(Changes in scope of consolidation or scope of application of equity method)

Venex Co., Ltd. was included in the scope of consolidation as it was acquired during the second quarter of the fiscal year ending July 31, 2023. Since December 31, 2022 was set as the deemed acquisition date, the statement of income is consolidated from the third quarter of the fiscal year ending July 31, 2023.

In addition, there are no material changes to the scope of application of the equity method.

(Notes on going concern assumption)

Not applicable

(Notes when there are significant changes in accounts of equity)

Not applicable

(Application of accounting treatments specific to the preparation of quarterly 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 fiscal year, including the third quarter, and multiplying profit before income taxes by the estimated effective tax rate.

(Changes in accounting policies)

(Application of implementation guidance on accounting standard for fair value measurement)

The "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021, the "Implementation Guidance on Accounting Standard for Fair Value Measurement") is applied from the beginning of the first quarter of the fiscal year ending July 31, 2023, and in accordance with the transitional treatment set forth in Paragraph 27-2 of the Implementation Guidance on Accounting Standard for Fair Value Measurement, the Group has decided to apply prospectively the new accounting policies established by the Implementation Guidance on Accounting Standard for Fair Value Measurement. This change has no impact on the quarterly consolidated financial statements.

(Segment information, etc.)

(Segment information)

This information is omitted as the Group is engaged in the manufacturing and sales of cosmetics and other businesses, but other businesses are not important in monetary terms.