



# Financial Results Presentation for FY07/24 Q2



AXXZIA Inc.

[TSE Prime: 4936]



# AXXZIA

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## Opening Statement

We have **revised our full-year earnings forecast for FY07/24, as well as our medium-term management plan.** We sincerely apologize to our shareholders for the inconvenience and concerns this may have caused.

The main factors behind the revisions are the **slowdown of macroeconomic growth in China** and the impact of changes in the market environment, such as **consumers refraining from purchasing Japanese cosmetics following the release of treated water.** In terms of profit, we were **unable to conduct live sales featuring key opinion leaders (KOLs) for a period of time,** which led to lower advertising efficiency.

On the other hand, we **concentrated our management resources on Douyin,** which continued to expand its share in our primary business area of the Chinese e-commerce market during 1H FY07/24 and as a result, our **Chinese e-commerce sales grew YoY** driven by strong sales through Douyin.

China's GDP has been growing at a slower pace than before, but given its higher growth rate and larger market size compared to Japan's GDP, **there is no change in our direction of focusing on expanding our business in the Chinese market.** On the other hand, in order to reduce business risks and ensure sustainable growth in the face of rapid changes in the market environment, we will further strengthen our global expansion efforts and accelerate expansion into regions other than China (Japan, Southeast Asia, North America, etc.).

In addition to **continuing to implement** shareholder return policies such as shareholder benefits and dividends, we will strive to further boost our presence through IR and PR activities, and meet the expectations of our shareholders by **enhancing our corporate value over the medium to long term.** We look forward to your continued support in the future.



# 1. Executive Summary

A X X Z I A

FY07/24 Q2  
Consolidated

## Results

- **Net sales:** **5.43bn yen** (+6.1% YoY)
- **Operating income:** **0.61bn yen** (-33.6% YoY)
- Achieved sales growth of **6.1% YoY** despite a business environment marked by a slowdown in macroeconomic growth in China and consumers refraining from purchasing Japanese cosmetics following the release of treated water.
- On the other hand, sales and profit fell short of targets owing to these unexpected changes in the business environment. As a result, we made downward revisions to our full-year forecasts and medium-term management plan.
- Operating income suffered from lower advertising efficiency as we **reallocated advertising expenses to traffic ads** since we suspended some live sales following the release of treated water.

## Topics

- **Brought 8 new SKUs to market** by leveraging the LisBlanc brand of subsidiary Huit Laboratories (Feb. 2024)
- **Collaborated with Aderans Company Limited** for the first time and jointly developed and marketed a scalp care set (Jan. 2024)
- **Collaborated with an artist for the first time** and launched a limited edition essence sheet package (Mar. 2024)
- **Acquired all shares of M&D Co., Ltd. and made it a subsidiary** (Feb. 2024)
- **Repurchased and retired shares** as part of the shareholder return policy, with plans to pay an **interim dividend** starting this fiscal year.



## 2. Business Results: Highlights

A X X Z I A

## Net Sales and Profit (FY07/24 Q2 consolidated results)

AXZIA

**Sales were up YoY**, with **Douyin** driving performance in terms of sales channels and **AGDrink X** leading the way in terms of products. On the other hand, sales fell short of plan owing to the slowdown in macroeconomic growth in China and consumers refraining from purchasing Japanese cosmetics following the release of treated water, causing profit margins to come in lower than initial plan.

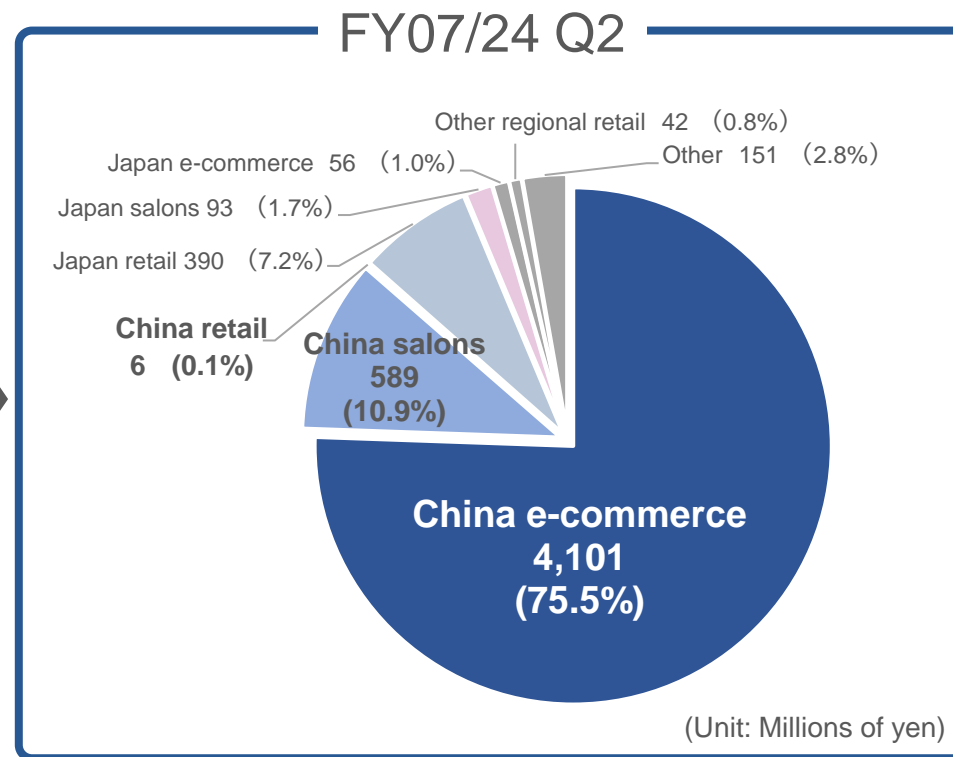
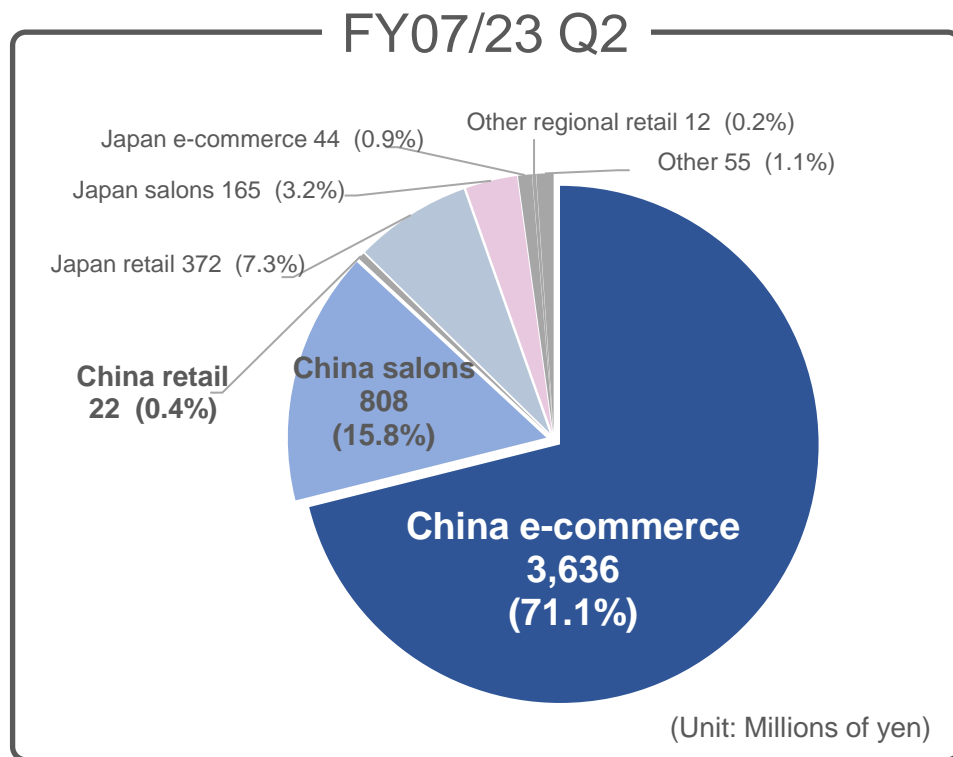
(Unit: Millions of yen)

	FY07/23 Q2	FY07/24 Q2	YoY change	Versus forecast
Net sales	5,118	<b>5,431</b>	+313 (+6.1%)	-604 (-10.0%)
Operating income	923	<b>613</b>	-309 (-33.6%)	-309 (-33.6%)
Operating margin	18.0%	<b>11.3%</b>	-6.7ppt	-4.0ppt
Ordinary income	867	<b>740</b>	-127 (-14.7%)	-141 (-16.1%)
Profit attributable to owners of parent	572	<b>498</b>	-73 (-12.9%)	-153 (-23.6%)

Net Sales by Region and Channel (FY07/24 Q2 consolidated results)

In the **Chinese e-commerce market**, our primary market, sales rose by **12.8% YoY**. In other regions, growth was driven by **Southeast Asia**, centered on Singapore (**approximately 4x YoY**), and accounted for **3.6%** of total sales.

- China net sales\* **4.6bn yen** (Weighting 87.3% → **86.5%**) **+5.1% YoY**
- Japan and other regions net sales\* **0.7bn yen** (Weighting 12.7% → **13.5%**) **+12.8% YoY**

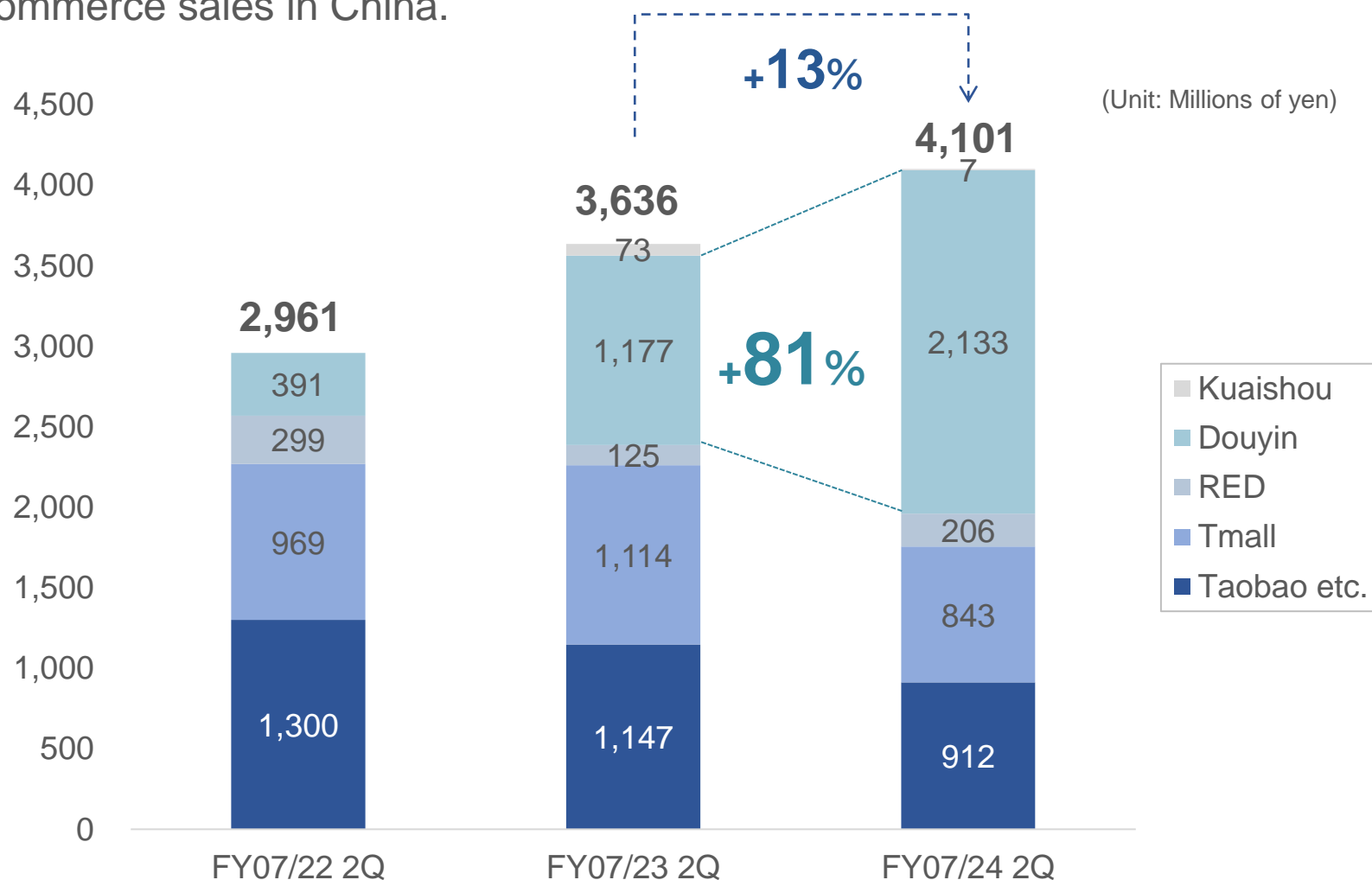


\* Sales figures in China and Japan are the total of e-commerce, salon, and retail sales.



## China E-commerce Sales Trend (FY07/24 Q2 consolidated results)

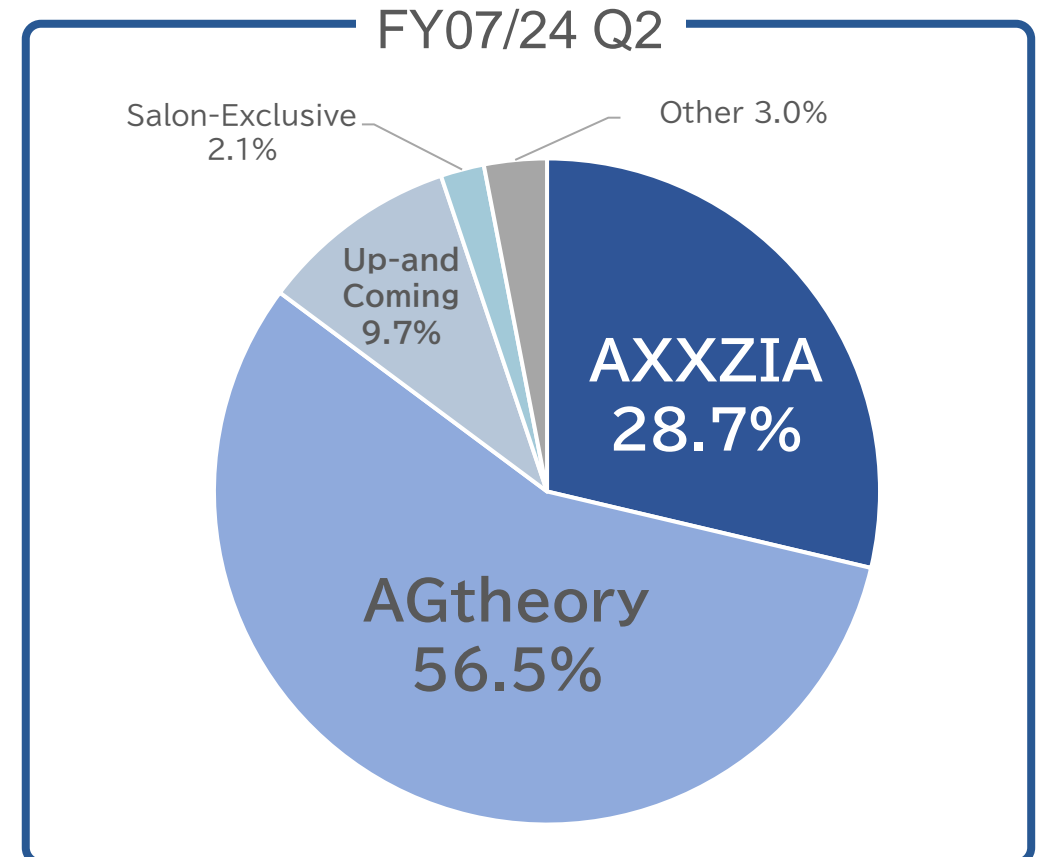
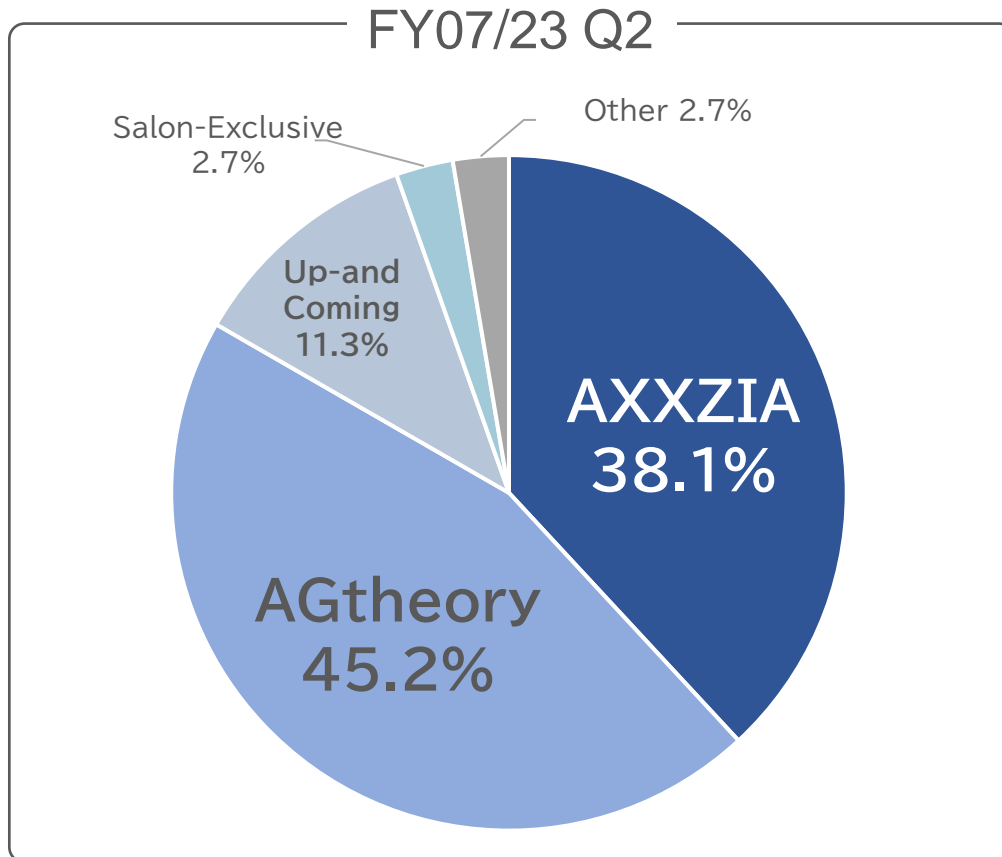
We invested in advertising, concentrating heavily on **Douyin**, which is currently expanding its share of the Chinese e-commerce market. Consequently, sales expanded significantly, **approximately +81.3%** YoY and driving overall e-commerce sales in China.



## Sales Breakdown by Brand (FY07/24 Q2 consolidated results)

AXXZIA

Sales expanded **substantially (+52.1% YoY) despite the business environment** thanks to AGDrink X's strong brand power, and as a result, the share of our net sales generated through AGtheory rose to **56.5%**.



\* The above composition ratios are calculated based on our company's standalone shipments.

## CoGS and SG&A expenses (FY07/24 Q2 consolidated results)

AXXZIA

Cost of sales ratio improved **4.5ppt YoY**.

Advertising expenses were spent according to plan, but we **reallocated the budget for live sales to traffic advertising** following the release of treated water, which lowered advertising efficiency and led to a drop in operating margin.

(Unit: Millions of yen)

	FY07/23 Q2		FY07/24 Q2		Change	
	Amount	Ratio to Net sales	Amount	Ratio to Net sales	YoY	Versus forecast
Net sales	5,118	100.0%	<b>5,431</b>	<b>100.0%</b>	+6.1%	-10.0%
Cost of goods sold	1,175	23.0%	<b>1,002</b>	<b>18.5%</b>	-14.7%	-12.6%
SG&A expenses	3,020	59.0%	<b>3,816</b>	<b>70.3%</b>	+26.3%	-3.8%
(Personnel expenses)	622	12.2%	<b>645</b>	<b>11.9%</b>	+3.7%	-22.8%
(Advertising expenses)	995	19.4%	<b>1,440</b>	<b>26.5%</b>	+44.7%	-0.8%
(Commissions paid)	785	15.3%	<b>925</b>	<b>17.0%</b>	+17.8%	+3.3%
Operating income	923	18.0%	<b>613</b>	<b>11.3%</b>	-33.6%	-33.6%

**We repurchased shares and paid dividends** to strike a balance between growth and shareholder returns, and implemented initiatives to **boost capital efficiency**. In addition, treasury shares decreased by over ¥500 million owing to the **retirement of shares**.

(Unit: Millions of yen)

		End-FY07/23	End-FY07/24 Q2	YoY change
		Amount	Amount	Amount
	Current assets	9,150	<b>8,754</b>	-396
	(Cash and deposits)	5,787	<b>4,606</b>	-1,181
	Non-current assets	1,550	<b>1,514</b>	-36
	<b>Total assets</b>	<b>10,701</b>	<b>10,269</b>	<b>-432</b>
	Current liabilities	1,363	<b>1,248</b>	-115
	Non-current liabilities	436	<b>244</b>	-192
	<b>Total liabilities</b>	<b>1,799</b>	<b>1,492</b>	<b>-307</b>
	(Interest-bearing liabilities)	632	<b>494</b>	-137
	<b>Total net assets</b>	<b>8,901</b>	<b>8,776</b>	<b>-124</b>
	(Retained earnings)	5,473	<b>4,728</b>	-744
	(Treasury shares)	-891	<b>-350</b>	+540
	<b>Total liabilities and net assets</b>	<b>10,701</b>	<b>10,269</b>	<b>-432</b>


## Revision of Earnings Forecasts (FY07/24)

AXXZIA

We made downward revisions to our full-year forecasts as shown below owing to the **slowdown in macroeconomic growth in China**, our primary market, as well as **consumers refraining from purchasing Japanese cosmetics following the release of treated water**. We expect operating margin for the current fiscal year to come in lower YoY due to a drop in advertising efficiency stemming from the release of treated water and our policy of **continuing to maintain our advertising expenditures** to recover market share and expand sales for the next fiscal year (FY07/25) onward.

(Unit: Millions of yen)

	FY07/23 results	FY07/24 Previous forecast	FY07/24 Revised forecast	YoY change (amount)	YoY change
Net sales	11,341	13,000	<b>11,400</b>	-1,600	-12.3%
Operating income	1,899	2,400	<b>740</b>	-1,660	-69.2%
Operating margin	16.8%	18.5%	<b>6.5%</b>	-	-12.0pt
Ordinary income	1,902	2,300	<b>800</b>	-1,500	-65.2%
Profit attributable to owners of parent	1,330	1,635	<b>530</b>	-1,105	-67.6%



### 3. FY07/24 Q2 Topics

A X X Z I A

Launched 8 new SKUs under the LisBlanc brand as part of a sensitive skin\* series

AXZIA

We launched 8 SKUs in February 2024 as **Axxzia's first sensitive skin\* series** by adding our **R&D-improved formulation** to the long-selling LisBlanc brand of our subsidiary Huit Laboratories. Products were launched in the low to mid price range, in contrast to our core mid to high price range, and we plan to sell these products in China as well as in Japan and Southeast Asia.



LisBlanc

Since 1977

\*For people with sensitive skin who feel a difference when the seasons change

## First collaboration with Aderans

A X Z I A

**Collaborated with Aderans Company Limited for the first time** with the aim of further boosting brand awareness in Japan and China.

Jointly developed and launched the scalp care HairRepro AG CareSet in Japan and China.



地肌の悩みから解放、  
スカルプエイジングケア\*。

**Aderans** × A X Z I A  
**HairRepro AG CareSet**

数量限定販売

\*年齢に応じたお手入れ



## Collaboration with artist Kojiro Matsumoto

A X X Z I A

Collaborated with internationally acclaimed contemporary artist Kojiro Matsumoto for the first time to **boost awareness of the AXXZIA brand and to promote Japanese culture globally**. Launched a **limited-edition essence sheet** package in March 2024 and held a **pop-up** event in Harajuku, Tokyo, to commemorate the launch.



**Pop-up event: Tale of Genji in HARAJUKU**  
(Pre-opening: Feb. 20, 2024; Opening: Feb. 21-25, 2024)

- **Held the event at UNKNOWN HARAJUKU for about a week, and pre-sold** the Matsumoto Kojiro Limited Collaboration Package
- In addition to showcasing his work, we held a **touch-up session** for visitors to see how it feels

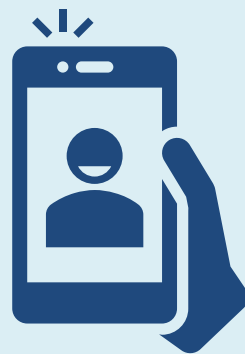
We currently operate in Singapore through four main business lines: retail stores, live sales, salons, and online stores. Going forward, we will continue to bolster PR, mainly through social media, and **accelerate our business development in Singapore.**

### Retail store



Products available in **11 drugstores** in Singapore (as of the end of January 2024)

### Live sales



Conducting live sales **once every month or two** on **Facebook** and **TikTok** by leveraging our expertise gained in the Chinese market.

### Salon



Collaborating with beauty salon **SUMU BEAUTY**. Offering a special service that incorporates our products.

### Online store

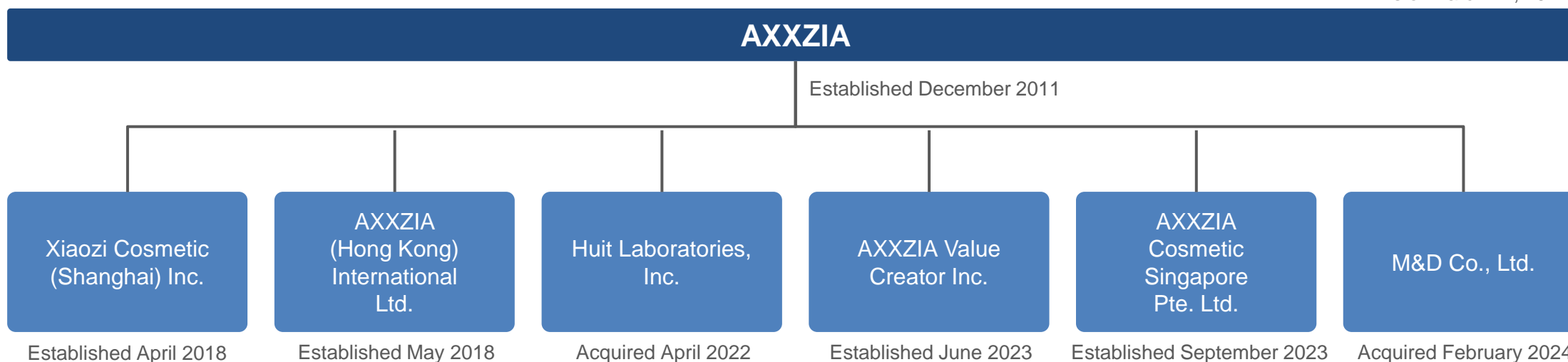


Operating **one cross-border e-commerce store** as well as one **local e-commerce store** through a local partner.

# Status of Business Development through M&A and Subsidiaries

We are expanding our Group with measures to **maximize corporate value** through **global business expansion** as well as **boosting profits through sales expansion and synergy creation by leveraging M&A**

As of March 14, 2024



Purpose

- Expand sales at salons and retail stores in mainland China
- Operation of local e-commerce in China

- Expand sales at retail stores in Hong Kong and Macau

- Acquire plant and R&D facilities and reduce cost of sales through in-house production
- Acquire domestic sales network in Japan

- Expand sales in Japan through social media marketing

- Expand sales in Singapore
- Expand business in Southeast Asian countries

- Acquire e-commerce sales platform in Japan
- Attract new customers



Role

Sales (China)  
PR

Sales  
(Hong Kong, Macau)

Manufacturing  
Research & Development  
Sales (Japan)

Marketing  
(Japan and China)

Sales (Southeast Asia)

Sales (Japan)

We **repurchased shares and retired treasury shares** to further boost shareholder returns. In addition, we plan to pay an interim dividend for the first time starting in mid-April 2024.

## Acquisition / Cancellation of treasury shares

### < Acquisition of treasury shares >

(As of March 14, 2024)

Type of shares	Common shares in AXXZIA
Total number of shares acquired	750,000 shares
Total acquisition cost	655,867,000 yen
Period of acquisition	December 18, 2023 - March 6, 2024

### < Cancellation of treasury shares >

Type of shares	Common shares in AXXZIA
Total number of shares cancelled	750,000 shares (cancellation to begin with all shares acquired as treasury shares during April through June 2023)
Date of cancellation	December 25, 2023

## Dividend

### < Basic policy >

- Continue **providing stable and continuous** dividends while promoting investment for future growth.
- Aim for a dividend payout ratio of **around 30% for each fiscal year**

### < Dividend forecast (FY 07/24) >

Dividend per share (yen)		Dividend payout ratio* (%)
Interim dividend	Year-end dividend	
<b>10.0 yen</b>	<b>10.0 yen</b>	<b>30.7 %</b>

\* Dividend payout ratio is calculated based on previous forecast.

## 4. Revision of Medium-Term Management Plan

A X X Z I A

Assumption

1

The Chinese skincare/supplement market, which is our primary market, has been growing at a slower rate than in the past, but we will continue to focus on this market given its higher growth rate and larger market size compared to Japan

Assumption

2

Within the Chinese skincare market, we expect the premium segment to continue showing strong growth

Assumption

3

We expect the impact of the release of treated water to be resolved in the next fiscal year (FY07/25) onward.  
Advertising efficiency will also recover accordingly

\*This plan only takes into account organic growth in our existing businesses, and does not include growth through M&A deals, alliances, etc.

**Medium-Term Management Plan (FY07/24-FY07/26)**

We will take on the challenge of reigniting high growth in anticipation of a recovery in the market environment.

We will **improve operating margin** by boosting advertising efficiency and **streamlining fixed costs** through the use of Huit Laboratories and distribution centers.

**KPIs for the next 3 years**

Sales CAGR remains unchanged reflecting the acquisition of M&D Co., Ltd.. Operating income CAGR adjusted downward to around 10% based on revised plan for FY07/24.

**Sales CAGR**

**Around 15%**

**Operating Profit CAGR**

**Around 10%**

**Medium-Term Management Plan**

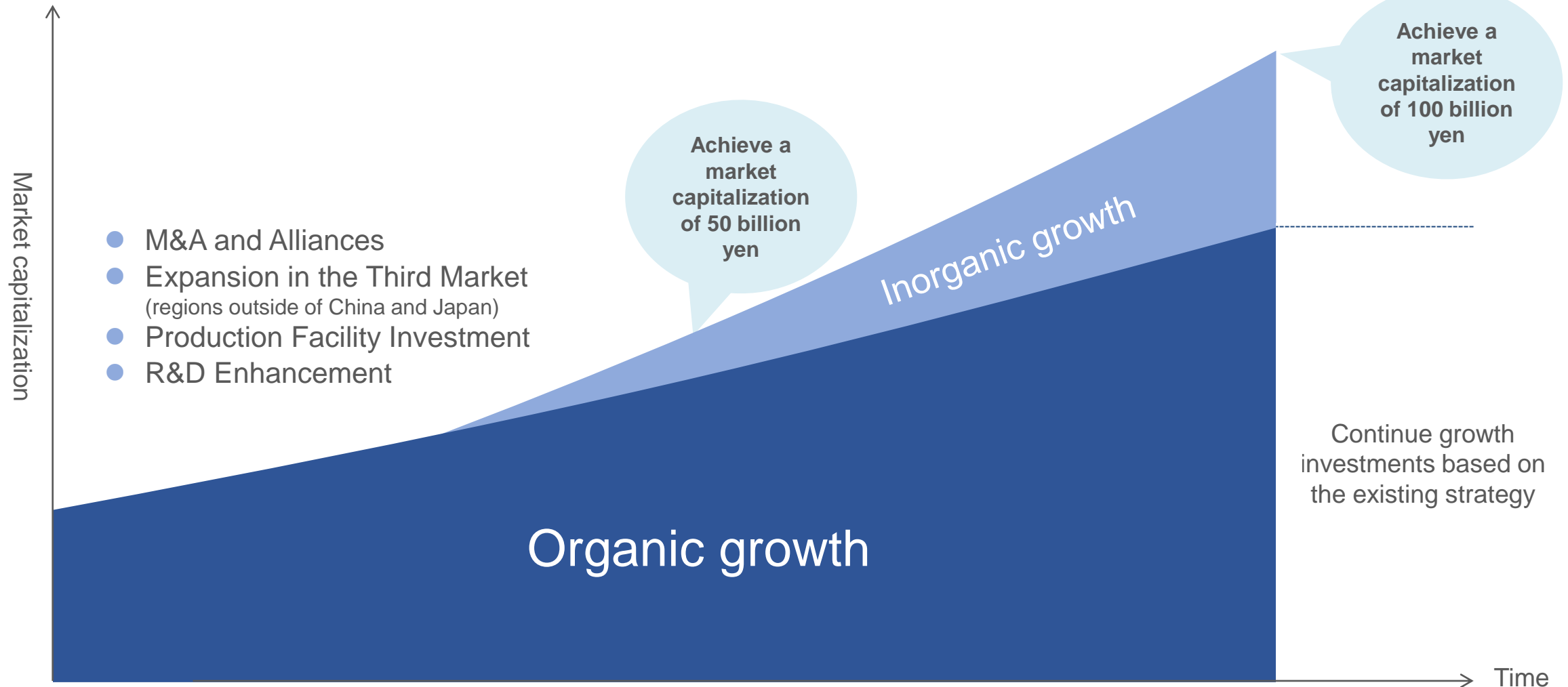
(Unit: Millions of yen)

	FY07/23 Results	FY07/24 Forecast	FY07/26 Plan (Final year of 3yr period)	CAGR (FY07/23-FY07/26)
Net sales	11,341	11,400	17,000	14.4%
Operating income	1,899	740	2,500	9.6%
Operating margin	16.8%	6.5%	14.7%	-

\*This plan only assumes organic growth of current businesses (including M&D Co., Ltd.) and does not include growth through M&A or alliances.

## Medium to Long-Term Vision

In addition to organically growing our existing businesses, we will accelerate growth through M&A deals and growth investments with the aim of achieving a **market capitalization of ¥50 billion in the medium term** and surpassing the **¥100 billion** mark over the long term.





Alongside **strengthening and growing Chinese e-commerce operations**, efforts will be directed towards further diversifying business and revenue bases. This includes **bolstering development in both Japan** and the **third market (regions other than China and Japan)**. We will also continue to promote M&A and alliances.

Strategy

1

### Brand strategies

- ① Launch branded product series and nurture hit product
- ② Prompt registration of cosmetics with NMPA to protect brand
- ③ Strengthen research and development through R&D Center

Strategy

2

### Marketing strategies

- ① Deepen and diversify Chinese e-commerce channels
- ② Reinforce domestic (Japan) operations
- ③ Enhance expansion into the third market  
(regions other than China and Japan)

Strategy

3

### Policies on M&A and alliances

- ① Expand business and secure sales channels
- ② Realize synergies from the acquisition of Huit Laboratories and M&D Co., Ltd.

## [Growth Strategy 1] Brand Strategies

In addition to strengthening our two main brands, we will continue to foster and promote hit products in the **skin whitening market**. We will also focus on developing new niche products, such as **face masks**, as potential hero products.



### ① Launch branded product series and nurture hit products

In addition to the White Drink, which is being nurtured as our third hero product, concentrate on developing new niche products like face masks. Aim to diversify our product sales portfolio.



### ② Prompt registration of cosmetics with NMPA to protect brand

Develop products on the premise of registering them with NMPA in China to ensure approval is obtained smoothly. Help the brand grow and gain a solid reputation through intellectual property registration (trademark/design) and introduction of a security label system in major markets.



### ③ Strengthen research and development through R&D Center

Advance ingredient research and proprietary formula development at our R&D Center, established in November 2022.

## [Growth Strategy 2] Marketing Strategies

We will strengthen our presence in the Chinese e-commerce channel, while also bolstering our reach in **Japan and the third market** (regions other than China and Japan).



### ① Deepen and diversify Chinese e-commerce channels

Raise AXXZIA's profile further and attract new customer segments, as well as diversify channel risk. Establish brand's position through a bottom-up approach (word of mouth, social media, and live commerce). Analyze customer segments and approach potential customers using big data.



### ② Reinforce domestic (Japan) operations

To capture the expected inbound demand, expand our directly-managed stores, launch pop-up stores, and increase the number of drugstores that handle our products. Enhance our online sales through stronger social media outreach, leveraging our new subsidiary established in June 2023.



### ③ Enhance expansion into the third market (regions other than China and Japan)

Target Chinese-speaking communities worldwide to establish a foundation for sales growth. In Southeast Asia, utilize our Singaporean subsidiary, while in North America (Canada & US) and the Middle East, leverage trade shows for expansion. Through this global business development, aim to diversify our revenue base and boost sales.

## [Growth Strategy 3] Policy on M&A and Alliances

Building upon the successful M&A with Huit Laboratories, we will **actively expand our business and diversify our revenue base**, leveraging our abundant cash reserves to **pursue continued M&As and alliances**.



### ① Expand business and secure sales channels

Leverage our robust financial health and utilize our ample cash reserves. Advance M&As and alliances as part of our growth strategy. Use our wealth of resources to swiftly reinforce our domestic operations and lay a solid sales foundation. Aim to boost brand recognition among domestic consumers and amplify our capture of inbound demand.



### ② Realize synergies from the acquisition of Huit Laboratories and M&D Co., Ltd.

Leverage Huit Laboratories, acquired in April 2022, to continually **strengthen the use of our factory and R&D center**. Reduce manufacturing costs by bringing a portion of AXXZIA product production in-house. Regarding M&D Co., Ltd., acquired in February 2024, we aim to develop it into the foundation of AXXZIA Group's domestic e-commerce business.

The background features two large, overlapping wireframe structures. The one on the left is a complex, multi-faceted polyhedron-like shape, while the one on the right is a more elongated, angular structure. Both are composed of thin, light gray lines on a dark gray background.

## 5. Appendix

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# AXXZIA

Creating things and experiences  
that amaze people.

### Board of Directors

■ President	Duan Zhuo
■ Executive Vice President	Shoi Dan
■ Managing Director	Wu Jun
■ Managing Director	Zhang Hui
■ Director	Masahiro Yoshida
■ Director	Yasuhito Fukui
■ Outside Director	Yujiro Arakawa
■ Outside Director	Reiko Akemine
■ Outside Director	Junichi Ito
■ Corporate Auditor	Masahiro Miyajima
■ Outside Corporate Auditor	Kenji Shimizu
■ Outside Corporate Auditor	Kuninobu Okuda

### Company Overview

Establishment	December 21, 2011
Capital	2,155 million yen (As of end of January 2024)
Location	Tokyo, JAPAN
Office	Tokyo Head Office, Osaka Sales Office, Fukuoka Sales Office
Flagship Store	AXXZIA GINZA SIX Store, AXXZIA HANEDA Airport Garden Store, AXXZIA Daimaru Shinsaibashi Store, AXXZIA Daimaru Shinsaibashi South Building Store, AXXZIA Keio Department Store
Business Activities	Manufacturing, sales of cosmetics and supplements
Market	TSE Prime (4936)

### Consolidated Subsidiaries

- Xiaozi Cosmetic (Shanghai) Inc.
- AXXZIA (Hong Kong) International Limited
- Huit Laboratories, Inc.
- AXXZIA Value Creator Inc.
- AXXZIA Cosmetic Singapore Pte. Ltd.
- M&D Co., Ltd.

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

# [Main Brands1]

## AXXZIA Series (FY07/24 Q2 consolidated results)

AXXZIA

Sales of essence sheets fell YoY as Chinese consumers refrained from purchasing Japanese cosmetics following the release of treated water, as well as a drop in the number of live broadcasts featuring key opinion leaders



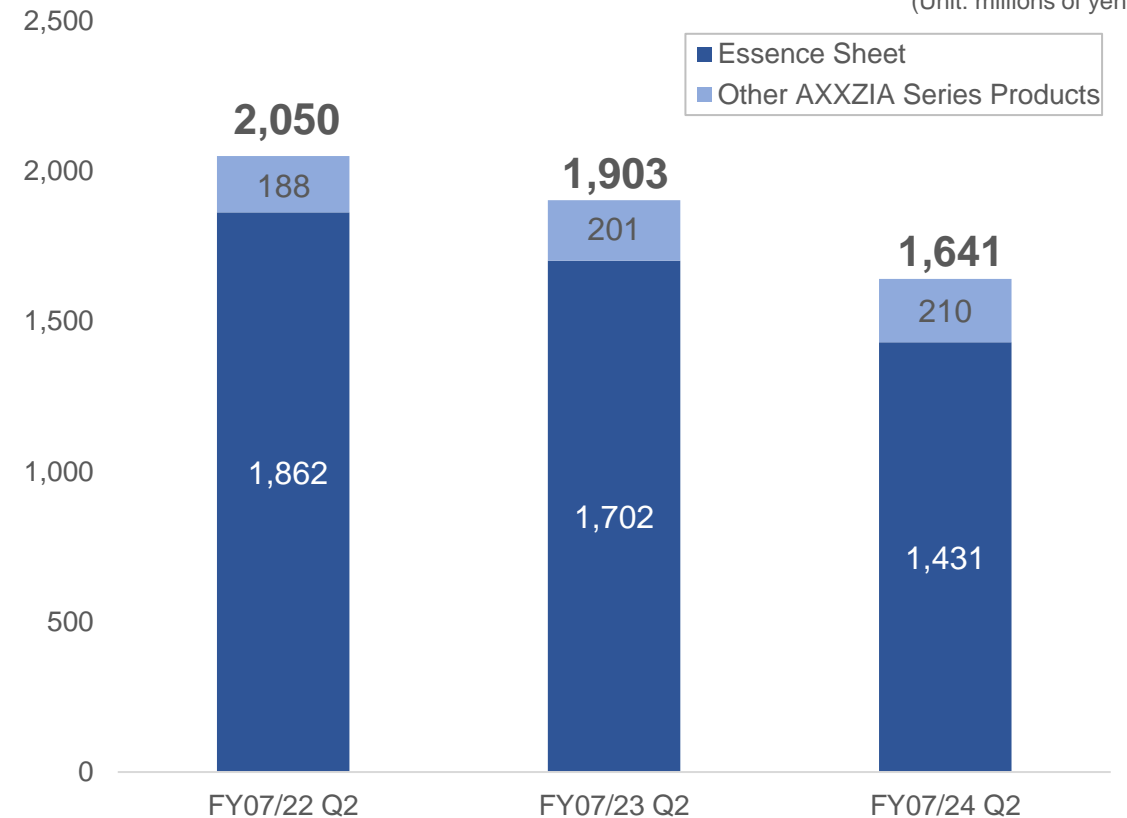
↑「Treatment Mask [GK/MW/AG]」

### Milestones for sustained growth

- Brought product range to market centered on Essence Sheet
- Full renewal of AXXZIA Beauty Force's basic skincare line in May 2023
- September 2023: First revamp of skincare sheets for the eye area; launched the Essence Sheet Plus and Essence Sheet Premium Plus

### AXXZIA Series - Changes in sales

(Unit: millions of yen)



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



## [Main Brands2]

### AGtheory Series (FY07/24 Q2 consolidated results)

AXXZIA

Sales continued to grow substantially as we **focused our management resources on Douyin**, where we mainly sell **AGDrink (+52.1% YoY)**

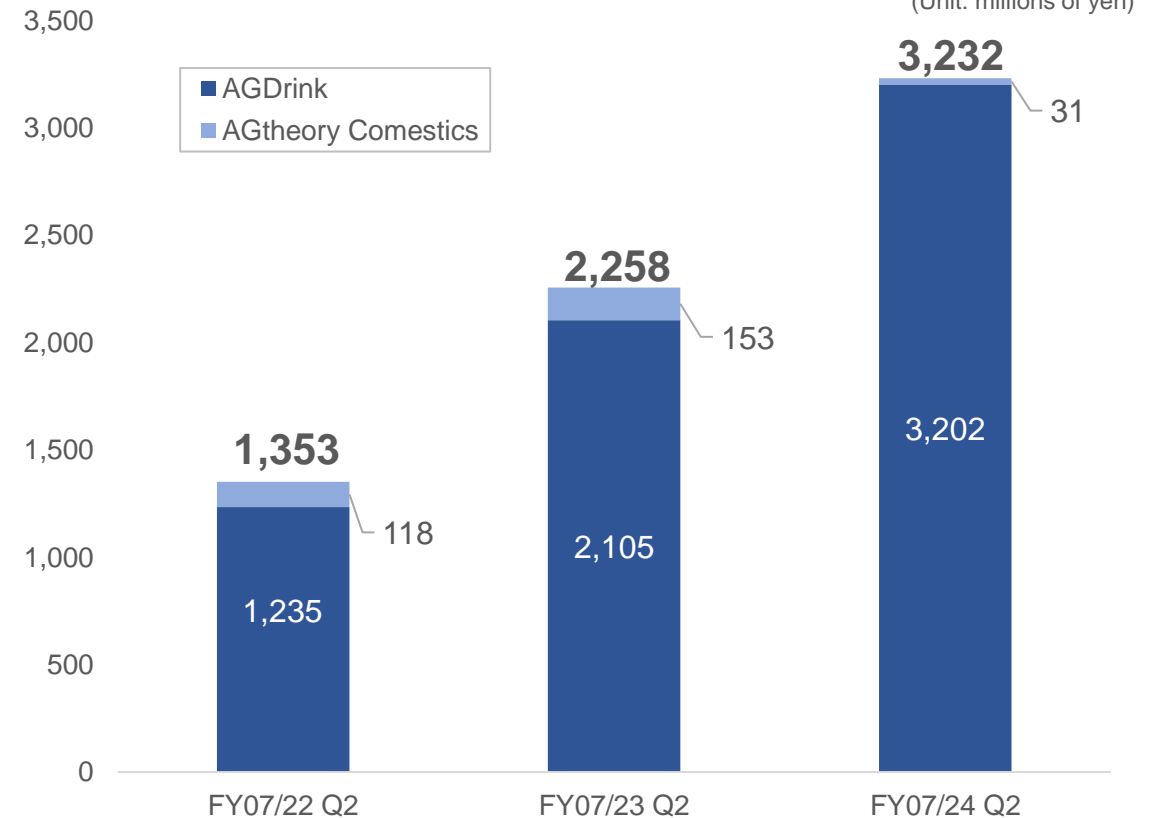


#### Milestones for sustained growth

- Completed AGtheory cosmetics range in October 2021 with addition of cleanser/face wash
- AGDrink was revamped as AGDrink X in April 2023, registering strong sales even during its pre-sale period

#### AGtheory Series - Changes in sales

(Unit: millions of yen)



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

# [Up-and-Coming (Whitening Appeal) Series]

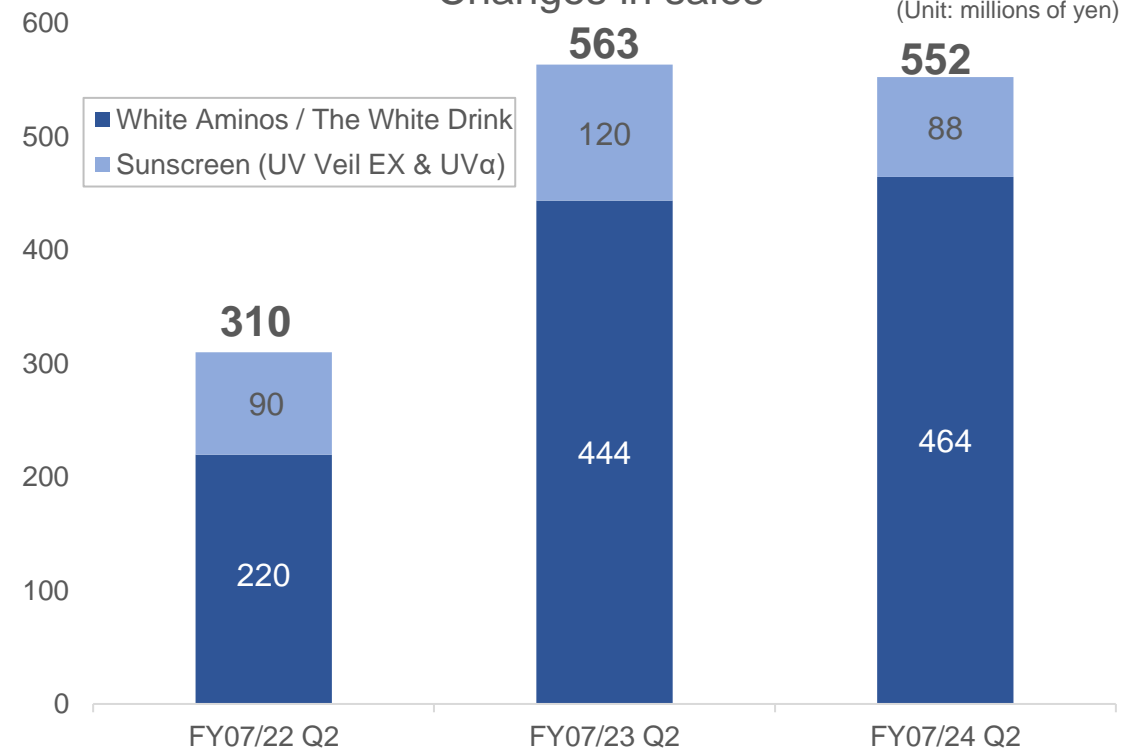
## The White Drink / UV α (FY07/24 Q2 consolidated results)

AXXZIA

Whitening Appeal product sales remained roughly level YoY despite impact stemming from incidents involving the oceanic release of treated water.



Up-and-Coming (Whitening Appeal)  
- Changes in sales



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

### Milestones for turning into main series

- Launched AXXZIA's first Whitening Appeal cosmetics series
- Completed NMPA special cosmetics registration. To begin sales in China of products imported by Shanghai subsidiary
- The White Drink is now approved for sale as our first functional food product

## [Salon-Exclusive Series]

### Le Ciel de L'aube / The B (FY07/24 Q2 consolidated results)

AXXZIA

Includes long-selling Le Ciel de L'aube and The B premium skincare range.

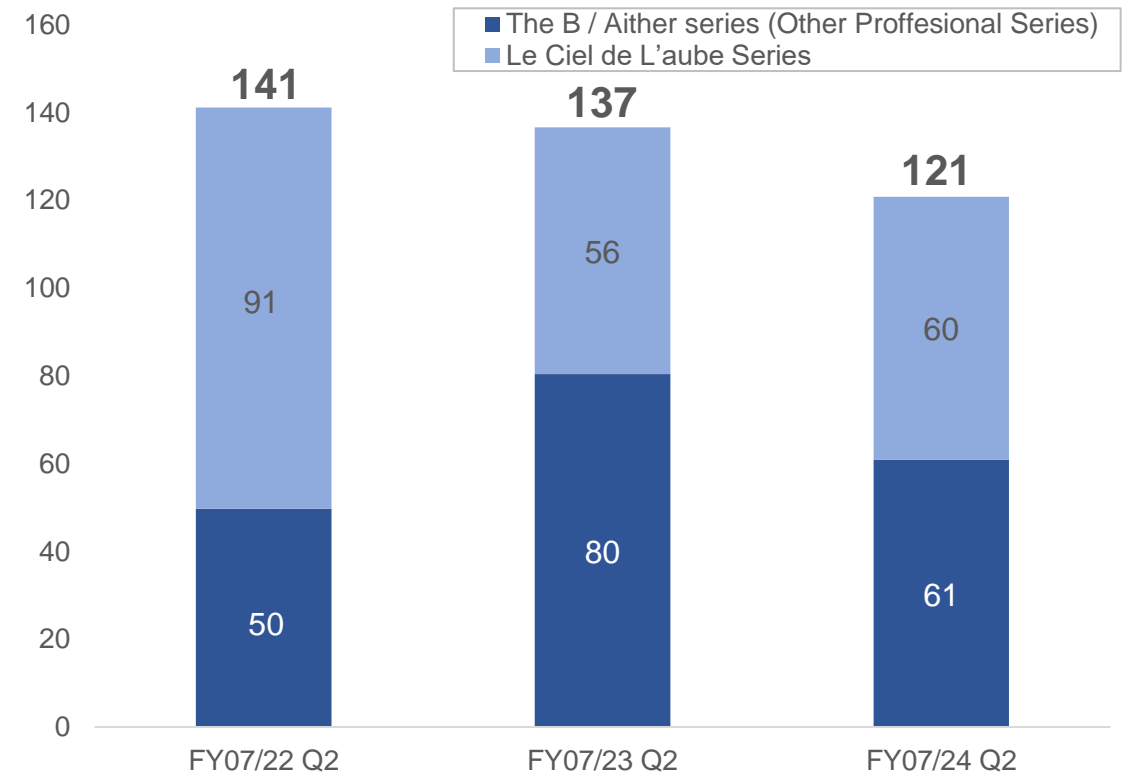


#### Milestones for sustained growth

- Launched The B premium skincare brand in March 2021. To nurture into new earnings pillar by development and expansion of cosmetics catering to special-care needs
- To use the series also as new trial products that harness new technologies and ingredients
- Launched Sparkling Mask of THE B MAISON series in October 2022.

#### Salon Exclusive Sales (Professional) Series - Changes in sales

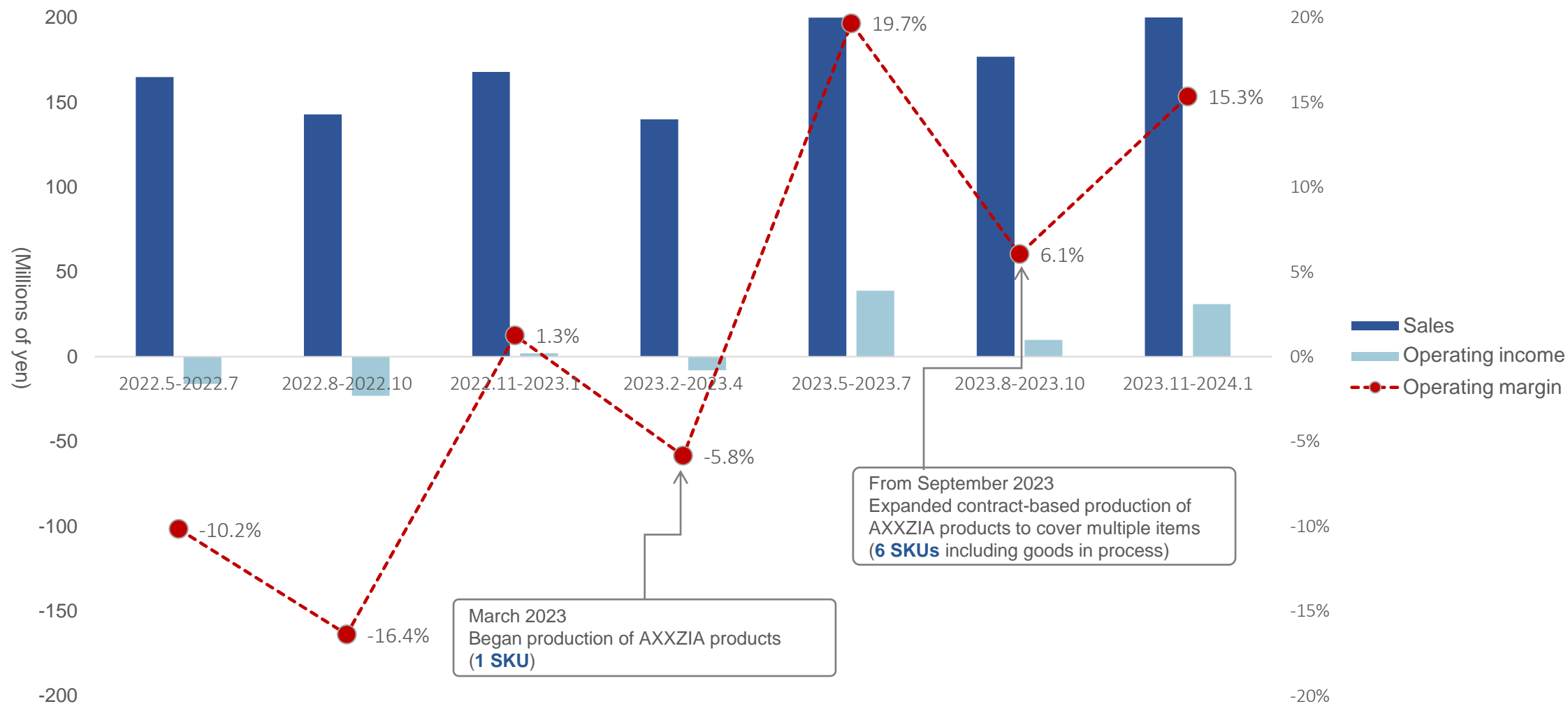
(Unit: millions of yen)



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

## Reference: Profitability Restored at Huit Laboratories

We successfully **restored profitability** at Huit Laboratories about one year after we acquired its shares in April 2022. **Huit Laboratories generated profit for nine consecutive months beginning with May 2023.** Following the completion of post-merger integration, Huit Laboratories began **contract-based production** of AXXZIA products (thereby producing synergy) in March 2023.



## Disclaimer and notes regarding the future outlook

- 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 any other statement.
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Creating things and experiences  
that amaze people.

[Contact]

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