



Financial Results Presentation for FY07/25

AXXZIA Inc.

[TSE Standard : 4936]

September 12th ,2025

AXXZIA



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1. Executive Summary

AXXZIA

FY07/25
Consolidated

Results

■ Net sales: **13.47bn yen** (+10.5% YoY Vs. initial target **+1.5%**)

■ Operating income: **0.51bn yen** (-44.1% YoY Vs. initial target **+16.7%**)

- Net sales reached a **record high**.
- Operating income ended below the previous year, as the deterioration in the cost of sales ratio resulting from the consolidation of M&D could not be offset.

FY07/26
Consolidated

Forecast

■ Net sales: **14.40bn yen** (+7.1% YoY)

■ Operating income: **0.57bn yen** (+11.0% YoY)

- We will continue to work on improving the balance of our regional portfolio while **focusing on expanding sales in Japan**.
- While working to **control commissions paid** in Chinese e-commerce and **strengthening advertising investment in Japan**, we expect the operating profit margin to remain at the same level as in FY07/25.

The medium- to long-term plan (performance figures and management strategy)
is scheduled for disclosure on **October 9, 2025**.

We recognize that **the impact** of the recent US tariff measures **on our business is minor**.



2. Business Results: Highlights

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Net Sales and Profit (FY07/25 consolidated results)

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Achieved sales **growth of 10.5%** YoY on a consolidated basis.

China net sales were on par with the previous fiscal year, while **net sales in Japan nearly doubled YoY**.

Operating income declined YoY due to factors such as a worsening cost of sales ratio following the consolidation of M&D.

(Unit: Millions of yen)

	FY07/24	FY07/25	YoY change	Versus forecast released in June 2025
Net sales	12,192	13,478	+1,285 (+10.5%)	+196 (+1.5%)
Operating income	918	513	-404 (-44.1%)	+73 (+16.7%)
Operating margin	7.5%	3.8%	-3.7pt	+0.5pt
Ordinary income	1,122	504	-618 (-55.1%)	+164 (+48.3%)
Profit attributable to owners of parent	794	320	-473 (-59.6%)	+180 (+129.0%)
Earnings per share (yen)	32.06	13.74	-18.32	+7.62

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

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The cost of sales ratio deteriorated by 5.7ppt following the full-year consolidation of M&D, which has a high cost structure. Regarding SG&A expenses, although personnel costs increased due to a rise in the number of employees at the head office and M&D, **the SG&A-to-sales ratio improved by 1.8ppt** due to successful control of commissions paid through **strengthening in-house live sales** and other measures.

(Unit: Millions of yen)

	FY07/24		FY07/25		YoY	
	Amount	Ratio to Net sales	Amount	Ratio to Net sales	Amount	Change
Net sales	12,192	100.0%	13,478	100.0%	+1,285	-
Cost of goods sold	2,581	21.2%	3,604	26.7%	+1,022	+5.7pt
SG&A expenses	8,692	71.3%	9,360	69.4%	+667	-1.8pt
(Personnel expenses)	1,494	12.3%	1,792	13.3%	+297	+1.0pt
(Advertising expenses)	3,134	25.7%	3,466	25.7%	+332	+0.0pt
(Commissions paid)	2,170	17.8%	2,025	15.0%	-145	-2.8pt
Operating income	918	7.5%	513	3.8%	-404	-3.7pt

Consolidated B/S (FY07/25 consolidated results)

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Cash and deposits decreased by 938mn yen compared to the end of the previous fiscal year.

The main factor was shareholder returns (**semiannual dividend payments** and **share buybacks**).

We will continue to implement shareholder returns on an ongoing basis. We expect a dividend payout ratio of **72.8%** for FY07/25.

(Unit: Millions of yen)

		End-FY07/24	End-FY07/25	YoY change
		Amount	Amount	Amount
Current assets		8,631	7,546	-1,085
(Cash and deposits)		4,928	3,990	-938
Non-current assets		1,911	2,021	+109
Total assets		10,543	9,567	-975
Current liabilities		1,684	1,728	+43
Non-current liabilities		321	264	-57
Total liabilities		2,006	1,992	-13
(Interest-bearing liabilities)		975	860	-114
Total net assets		8,536	7,575	-961
(Retained earnings)		4,776	4,020	-756
(Treasury shares)		-655	-838	-182
Total liabilities and net assets		10,543	9,567	-975

- 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. Status by Sales Channel

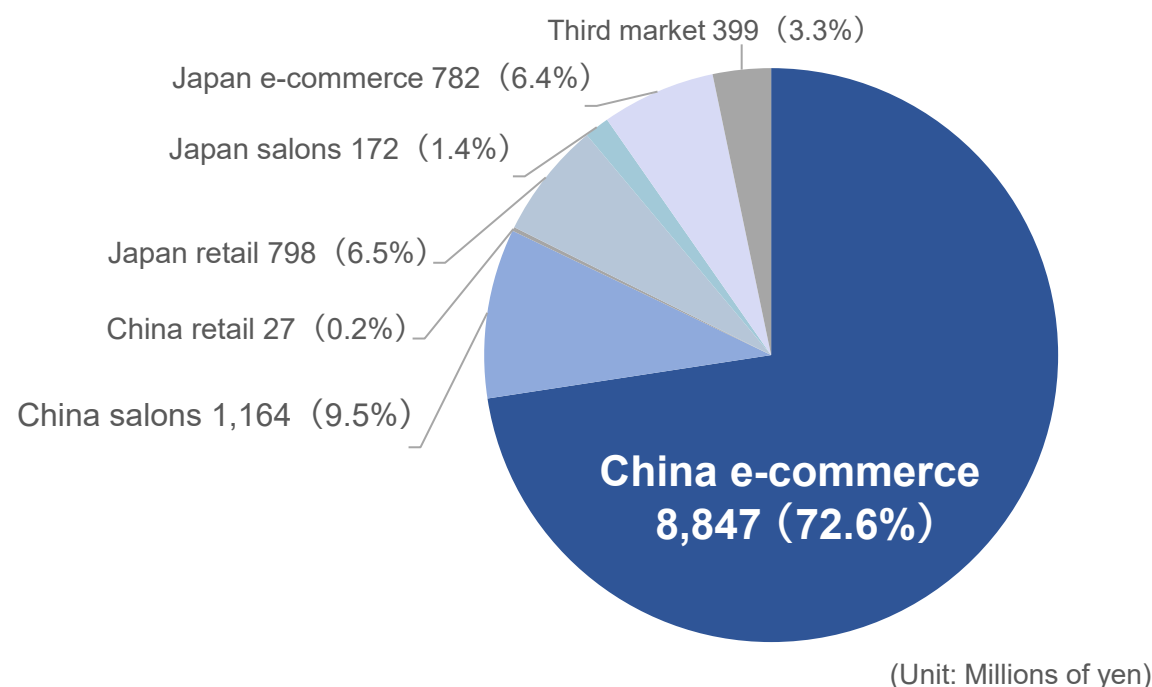
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Net Sales by Region and Channel (FY07/25 consolidated results)

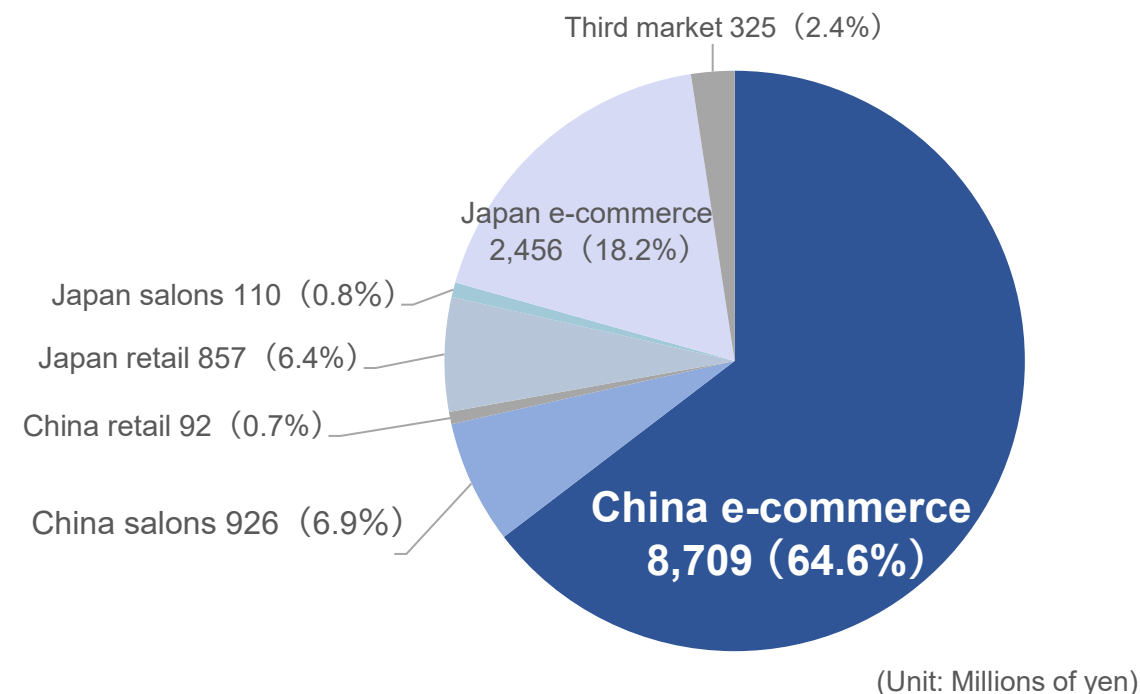
China net sales were on par with the previous fiscal year, while Japan net sales **nearly doubled** YoY, due in part to sales contributions from M&D. **Steady progress has been made in improving the balance of our regional portfolio**, an initiative promoted since the previous fiscal year.

■ China net sales*	9.7bn yen	(Weighting 82.3% → 72.2%)	-3.1% YoY
■ Japan and third market net sales*	3.7bn yen	(Weighting 17.7% → 27.8%)	+74.1% YoY

FY07/24



FY07/25



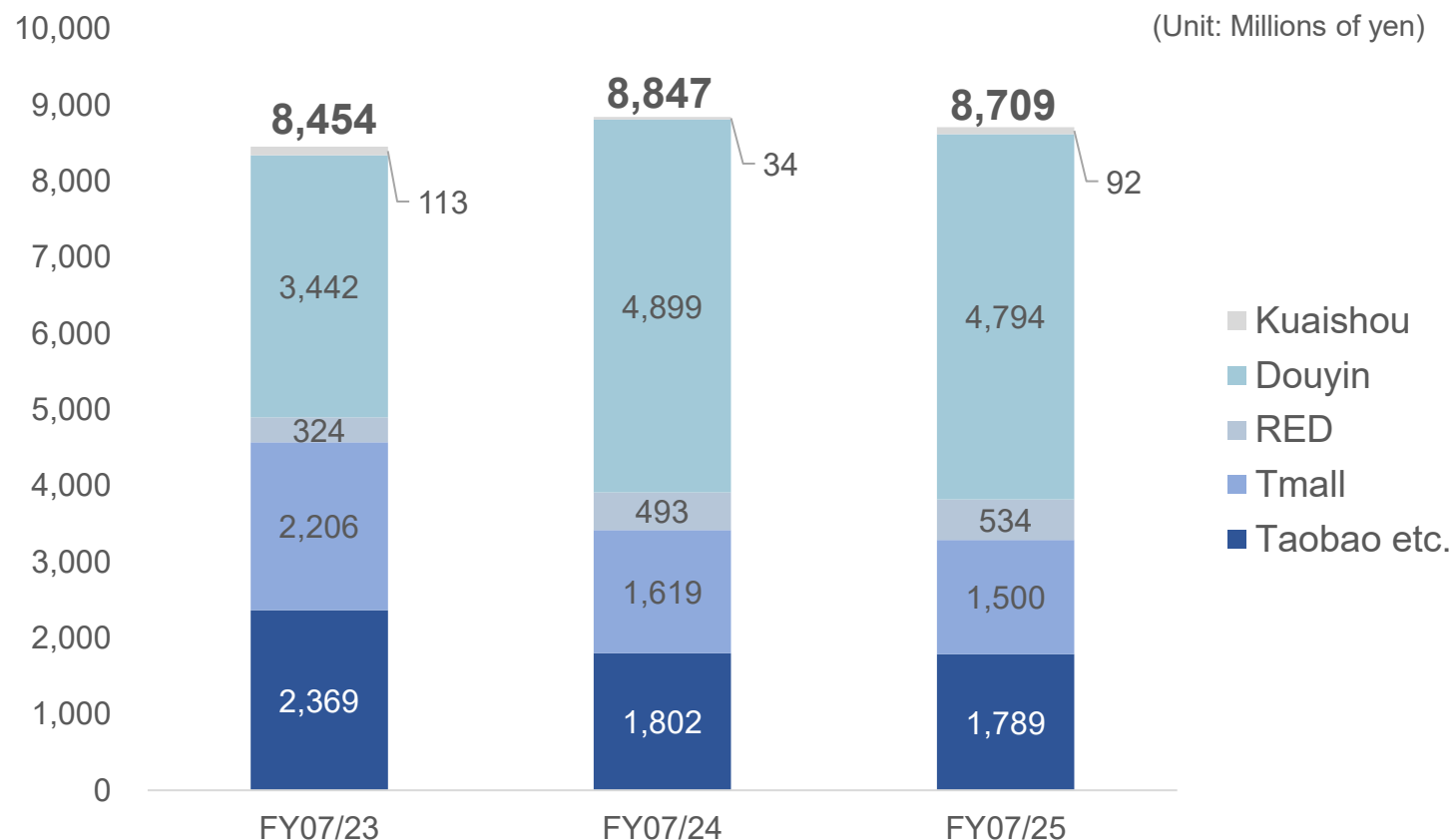
* Sales figures in China, Japan and third market are the total of e-commerce, salon, and retail sales

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

While the business environment remained challenging due to sluggish consumption, our e-commerce sales in China were **nearly unchanged from the previous fiscal year**.

Although sales of AGDrink, a core product, declined YoY on the main channel Douyin, sales of **AGTHEORY cosmetics**, which are being actively promoted, expanded steadily, offsetting the decline in AGDrink sales.

Sales on Douyin were also on par with the previous fiscal year.

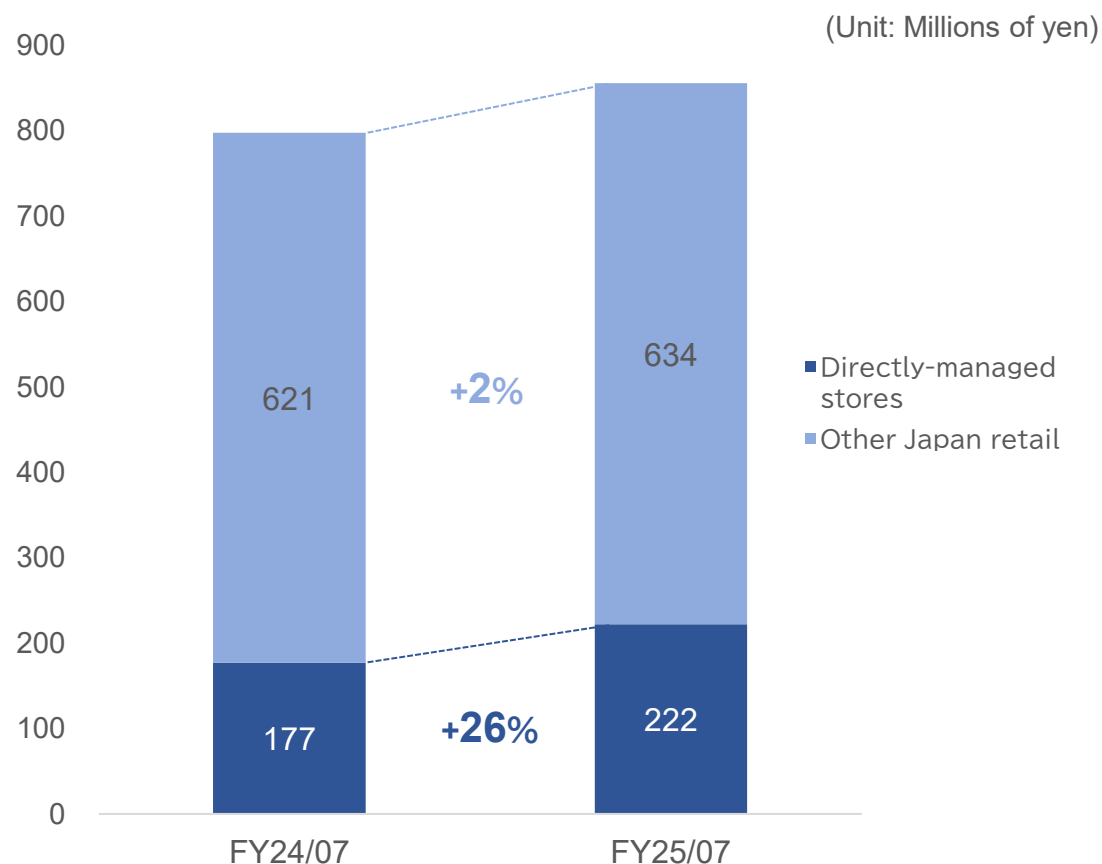


Business Performance in Japan (FY07/25)

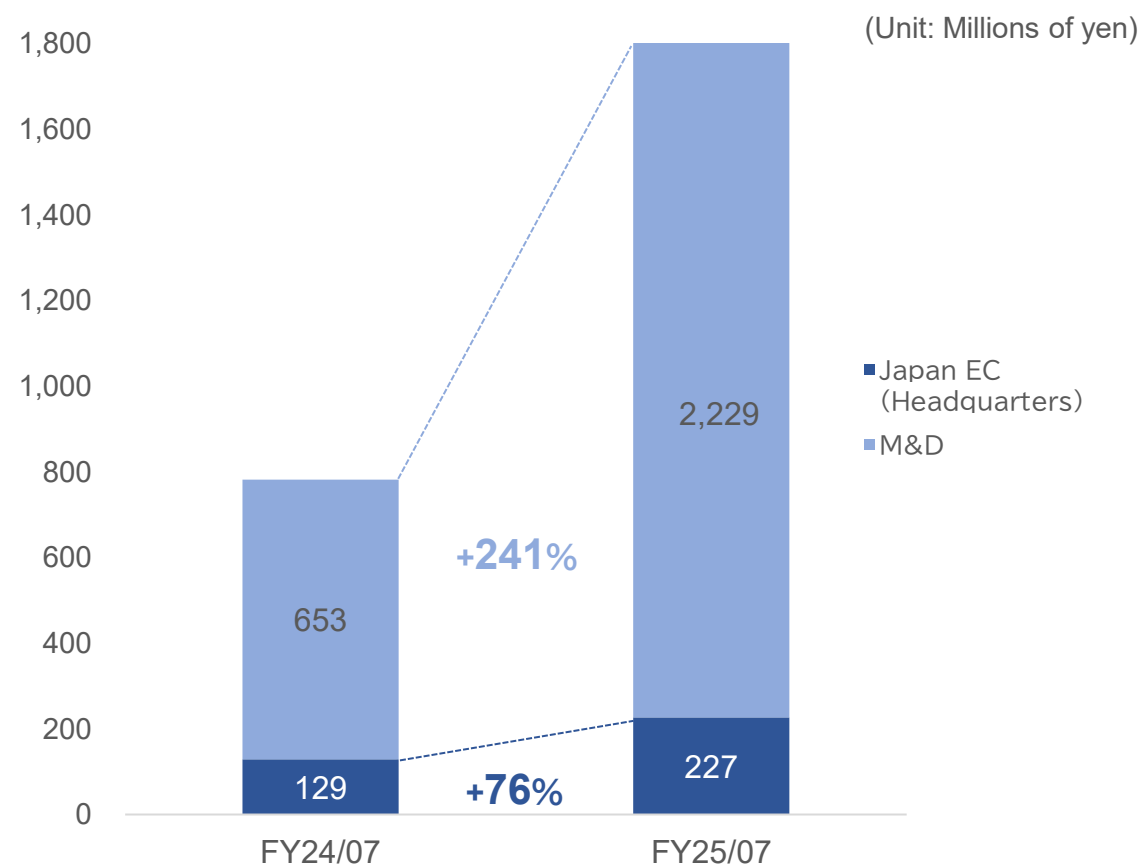
In Japan Retail, sales at directly managed stores expanded steadily, backed by the **success of measures to capture inbound demand**.

In Japan e-commerce, **organic e-commerce sales*** excluding M&D **increased 76% YoY**, driven by **strengthened sales of beauty appliances** through influencer marketing centered on social media.

Sales Trend on Japan Retail



Sales Trend on Japan EC



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



4. Overview by Brand

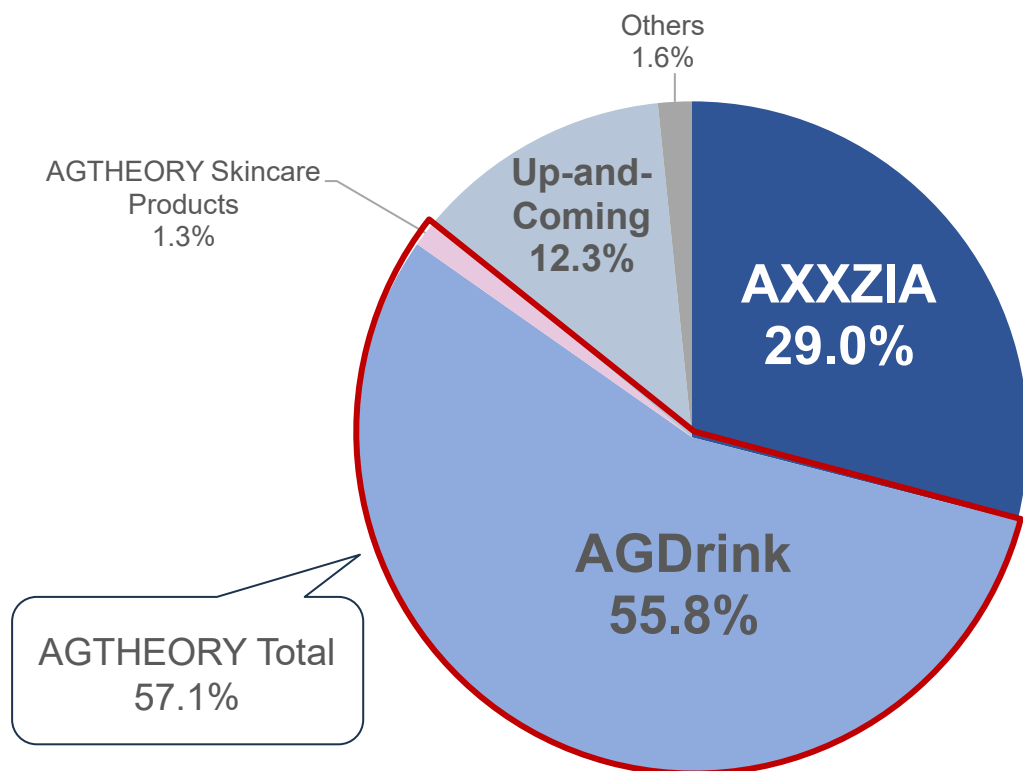
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Sales Breakdown by Brand (FY07/25 consolidated results)

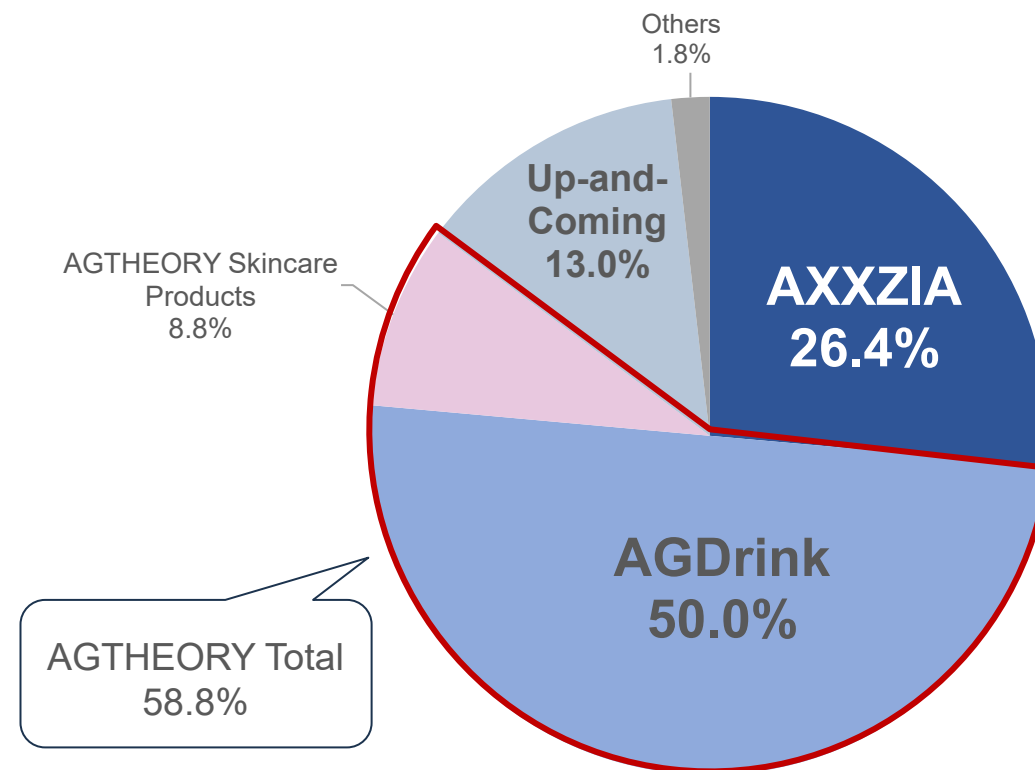
Sales of **AGTHEORY cosmetics**, which are currently being actively promoted, expanded steadily, and sales in **the up-and-coming category** also increased.

The sales composition ratio of core products declined, **steadily improving the imbalance in the product portfolio.**

FY07/24



FY07/25

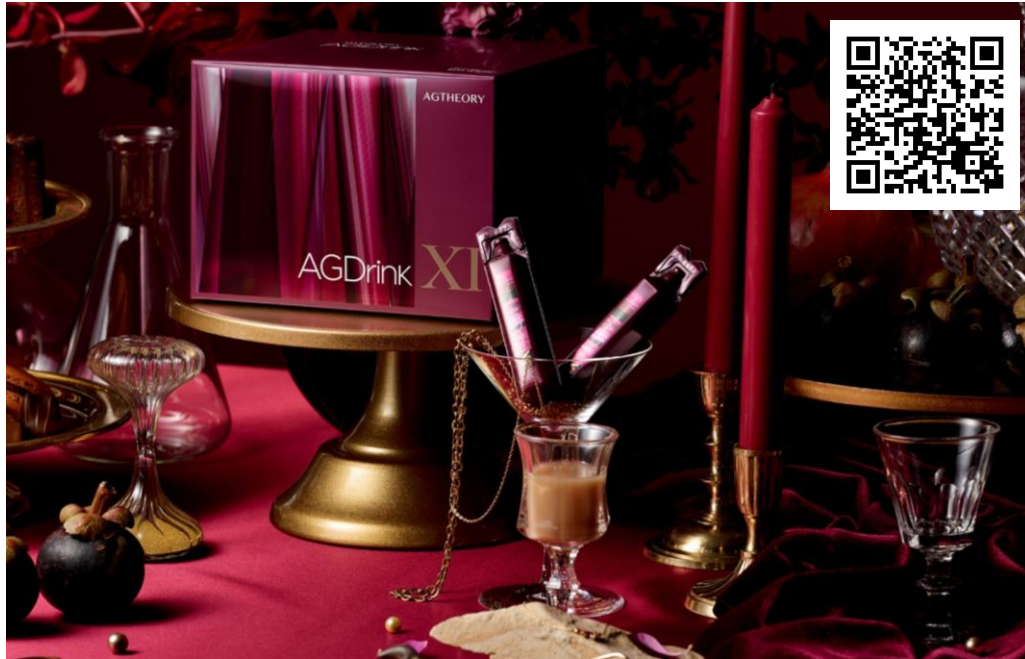


[Main Brands1]

AGTHEORY Series (FY07/25)

A X X Z I A

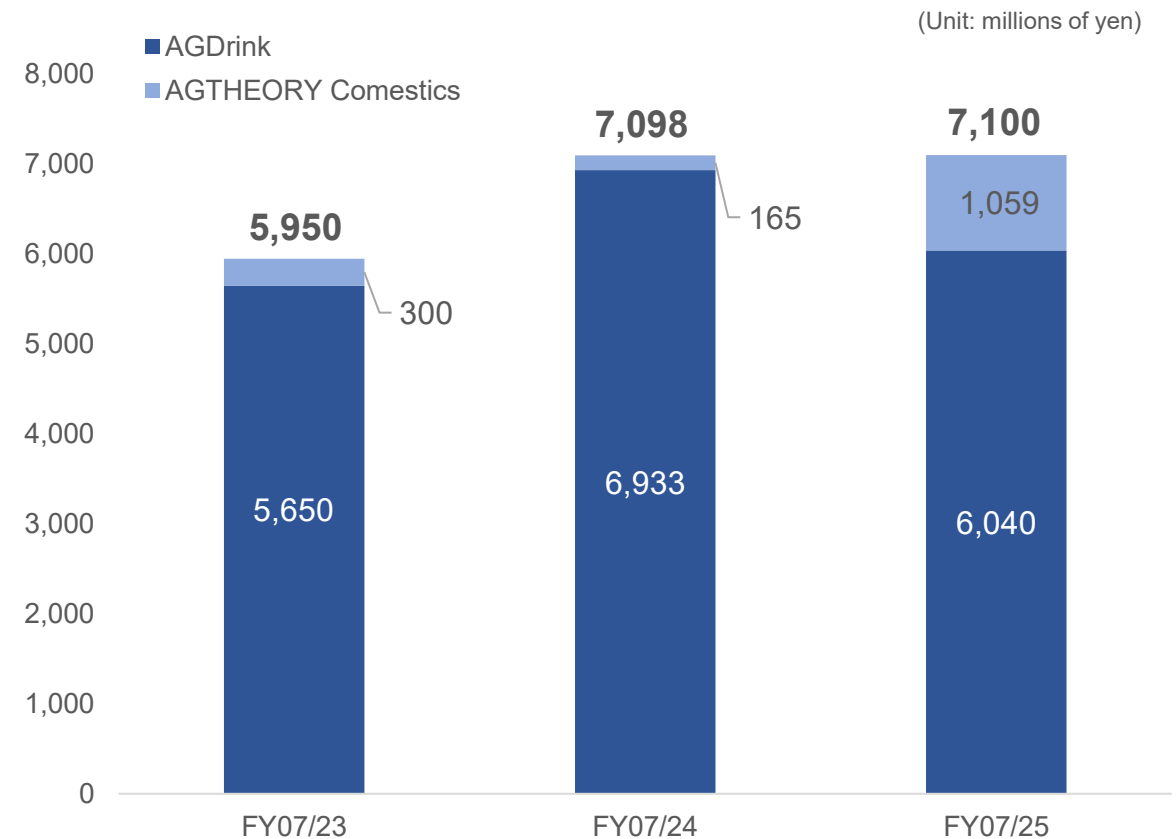
The growth of **AGTHEORY cosmetics** led to **increased sales across the brand overall**. Although sales of AGDrink declined for the full year, the renewal proved successful, and **sales grew YoY** in Q4.



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



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

[Main Brands2]

AXXZIA Series (FY07/25)

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In China, sales of the AXXZIA brand as a whole, centered on Essence Sheet, were sluggish. Meanwhile, in Japan, **sales are being strengthened through set sales** of Essence Sheet and a beauty device for the eye area.

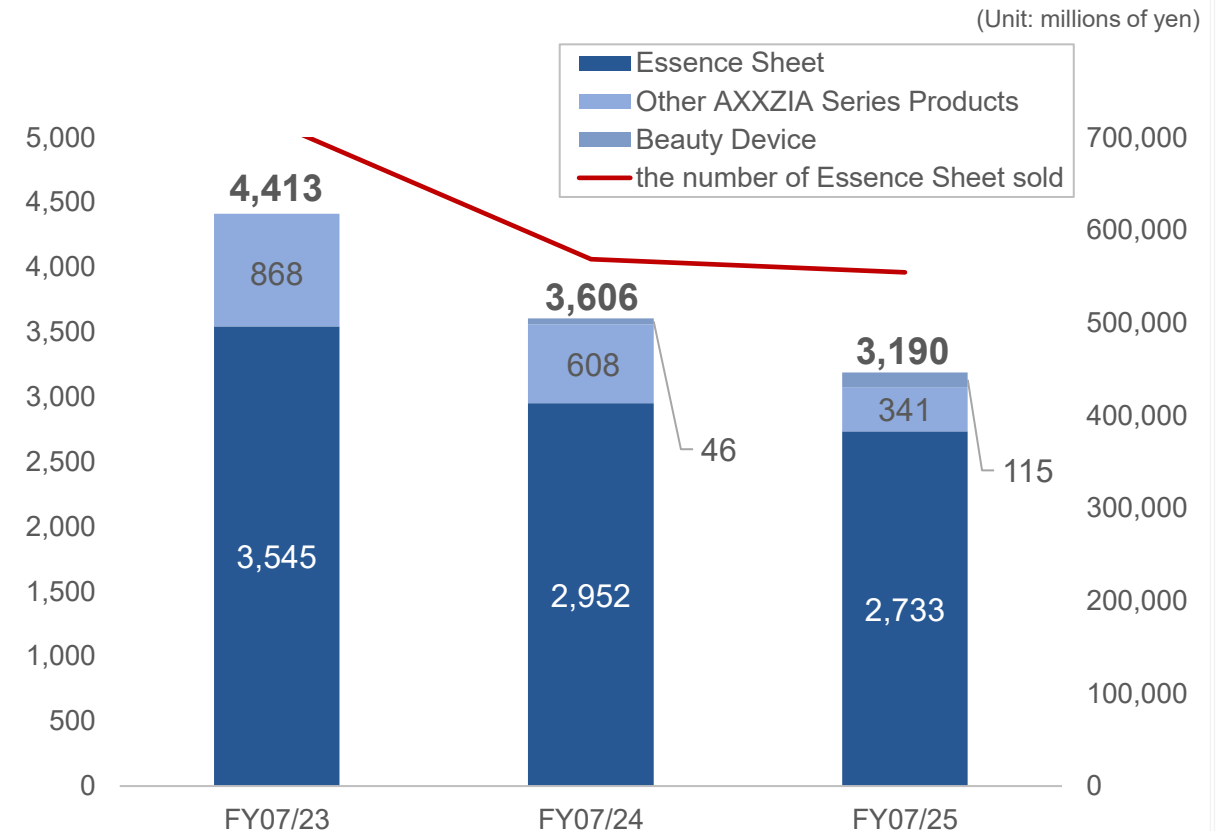


AXXZIA MATE FOR EYES (Beauty Device for the Eye Area) ↑

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 and the number of Essence Sheet sold



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

[Up-and-Coming Series]

Venus Recipe / RevWell (FY07/25)

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Sales in the up-and-coming category remained steady. In September, we launched PQ Drink Plus, **a mid-priced inner care product**. We will actively invest in advertising to drive sales growth.



↑ Venus Recipe The Pure Drink

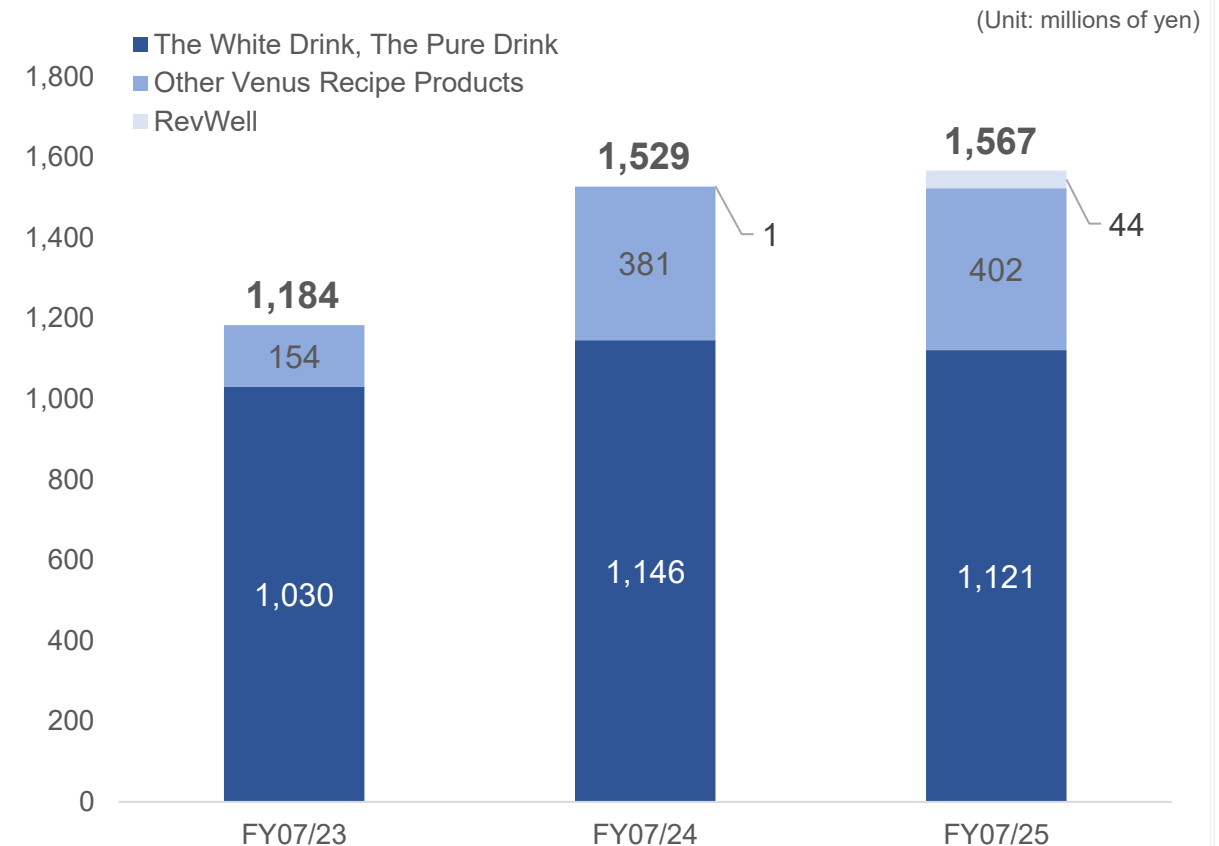


↑ Venus Recipe PQ Drink plus

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.
- Renewal of "The White Drink", Launched "The Pure Drink" in February 2025.
- Renewal of "PQ Liquid", Launched "PQ Drink plus" in September 2025.

Up-and-Coming - Changes in sales



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

5. Forecast for FY07/26

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[Sales and Profit] FY07/26 Earnings Forecast

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We aim to expand sales not only in China, our key market, but also in Japan, and plan to **increase consolidated sales by 7.1%**.

While strengthening control over advertising expenses and commissions paid in China, we invested in advertising, concentrating on our Japan business.

Therefore, **the operating profit margin** is expected to remain **at the same level as in FY07/25**.

(Unit: Millions of yen)

	FY07/24 Results	FY07/25 Forecast	YoY change
Net sales	13,478	14,440	+962 (+7.1%)
Operating income	513	570	+56 (+11.0%)
Operating margin	3.8%	3.9%	+0.1pt
Ordinary income	504	560	+55 (+11.1%)
Profit attributable to owners of parent	320	370	+49 (+15.4%)
Earnings per share (yen)	13.74	16.23	+2.49

[Sales by Region] FY07/26 Earnings Forecast

Although China remains our main market, we are **focusing on expanding sales in Japan** to further **improve the balance of our regional portfolio**. We aim for **11.9% growth** YoY in Japan.

(Unit: Millions of yen)

	FY07/25 Results	FY07/26 Forecast	YoY change
Net sales	13,478	14,440	+7.1%
China	9,728	10,190	+4.7%
(Ratio to Net sales)	(72.2%)	(70.6%)	(-1.6pt)
Japan	3,423	3,832	+11.9%
(Ratio to Net sales)	(25.4%)	(26.5%)	(+1.1pt)
Third Market	325	417	+28.5%
(Ratio to Net sales)	(2.4%)	(2.9%)	(+0.5pt)

We aim to recover sales of our three main products while developing products that will become our fourth and fifth pillars. We will promote **diversification of our product portfolio** and reduce our dependence on our three main products.

Stable growth of three main products

- Appointing celebrities as ambassadors for our three main products—**AGDrink**, **Essence Sheet**, and **The Pure Drink**—to enhance brand power
- Implementing live sales utilizing mid-tier influencers efficiently

Development of products beyond the mainstays to become the fourth and fifth pillars

- Developing candidates for the fourth and fifth pillars (**AGTHEORY cosmetics**, **PQ Drink Plus**, etc.) with the aim of expanding sales
- Increasing exposure through PR posts on social media (RED, etc.) by mid-tier to micro-influencers
- Sales through both in-house live and influencer live channels

Acquisition of new customers

- Launching new products in the **mid price range** to expand the customer base from our main target customers in the upper segment to the middle segment

Japan: Initiatives for FY07/26

We will strengthen advertising investment to **accelerate growth**, planning to invest **approximately 1.5 times** the actual advertising expenses for Japan recorded in FY07/25.

By expanding touchpoints, we aim to **expand recognition** and **increase sales**.

Regarding products, we have positioned a new **product in the low to mid price range (LisBlanc)** as a strategic product for Japan and are strengthening sales.

Expansion of touch points

Offline



- Increase in the number of **beauty and lifestyle retailers** (such as @cosme) carrying our products
- Attracting department store customers to **directly managed stores** (e.g., through the use of department store apps)

Online



- Tie-ups with influencers, live sales, etc., on social media
- Driving traffic to in-house e-commerce
- Strengthening **CRM** to improve LTV, including the introduction of a subscription model



Strengthen sales of strategic products for Japan

LisBlanc^{*1}



- A skincare series in the **low to mid price range for sensitive skin*2 care**
- Focusing on the growing demand for sensitive skin cosmetics in Japan

Essence Sheet MATE FOR EYES



- A set of sheet masks for the eye area and an eye area facial device

*1 A long-selling brand of subsidiary Huit Laboratories. In February 2024, we launched a full line of seven new products under the AXXZIA brand.

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

Subsidiaries: Creation of Group Synergies

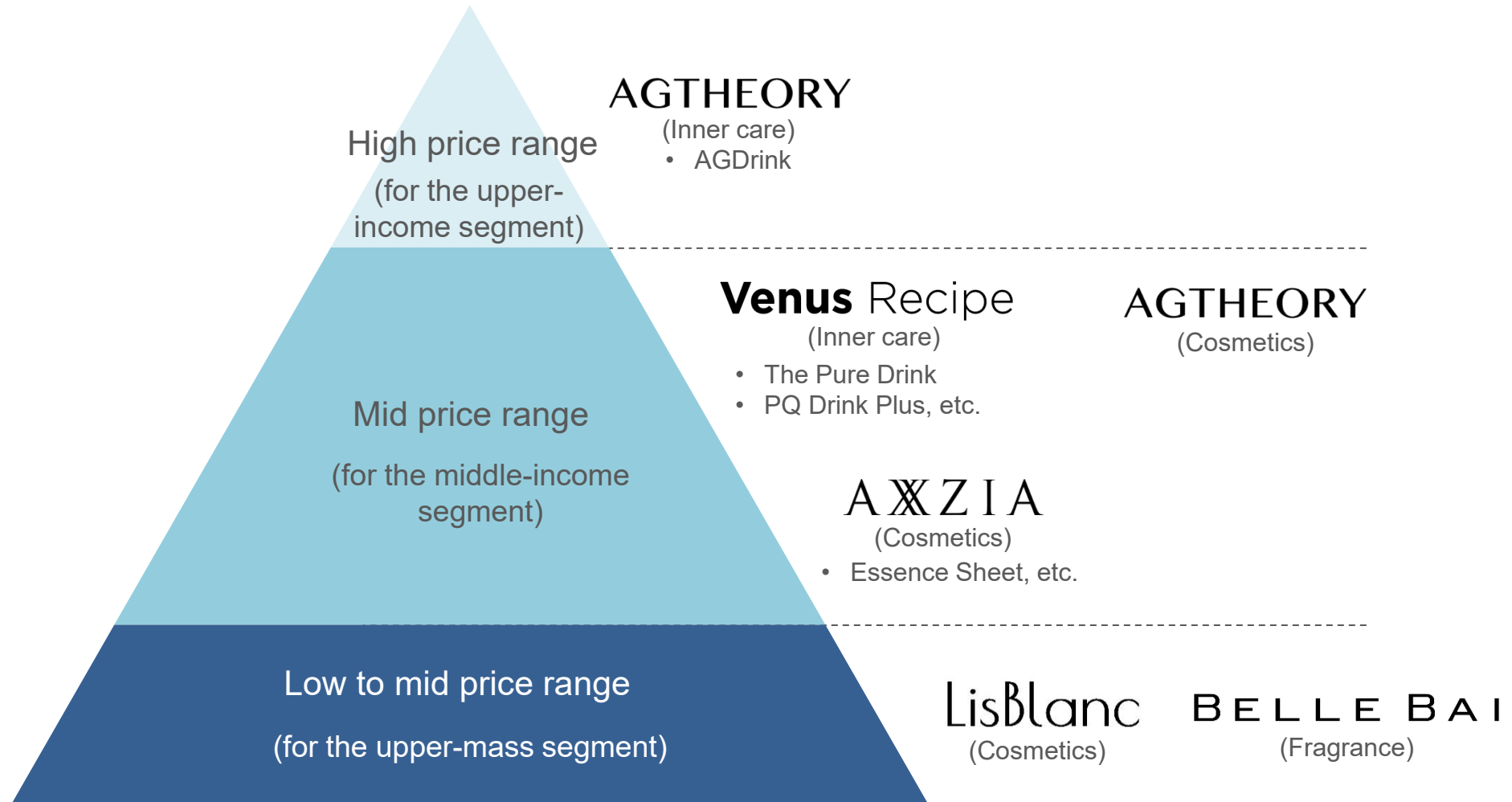
Launched the first in-house brand **BELLE BAI** from M&D. Five Fragrances, researched and developed by AXXZIA Inc. and manufactured by Huit Laboratories, are scheduled to be released in October 2025 through M&D's sales channels. M&D is promoting a transformation of its business model from reselling third-party cosmetics to selling in-house products developed within the AXXZIA Group, **with the aim of improving profit margins.**



Reference: Target Customer Base by Market

A X X Z I A

In the Chinese market, we will focus on mid- to high-priced inner care and cosmetic products to target **the middle to upper-income segment**. In the Japanese market, we will center on low- to mid-priced cosmetics with the aim of cultivating **the upper-mass and middle-income segments**.



4. Appendix

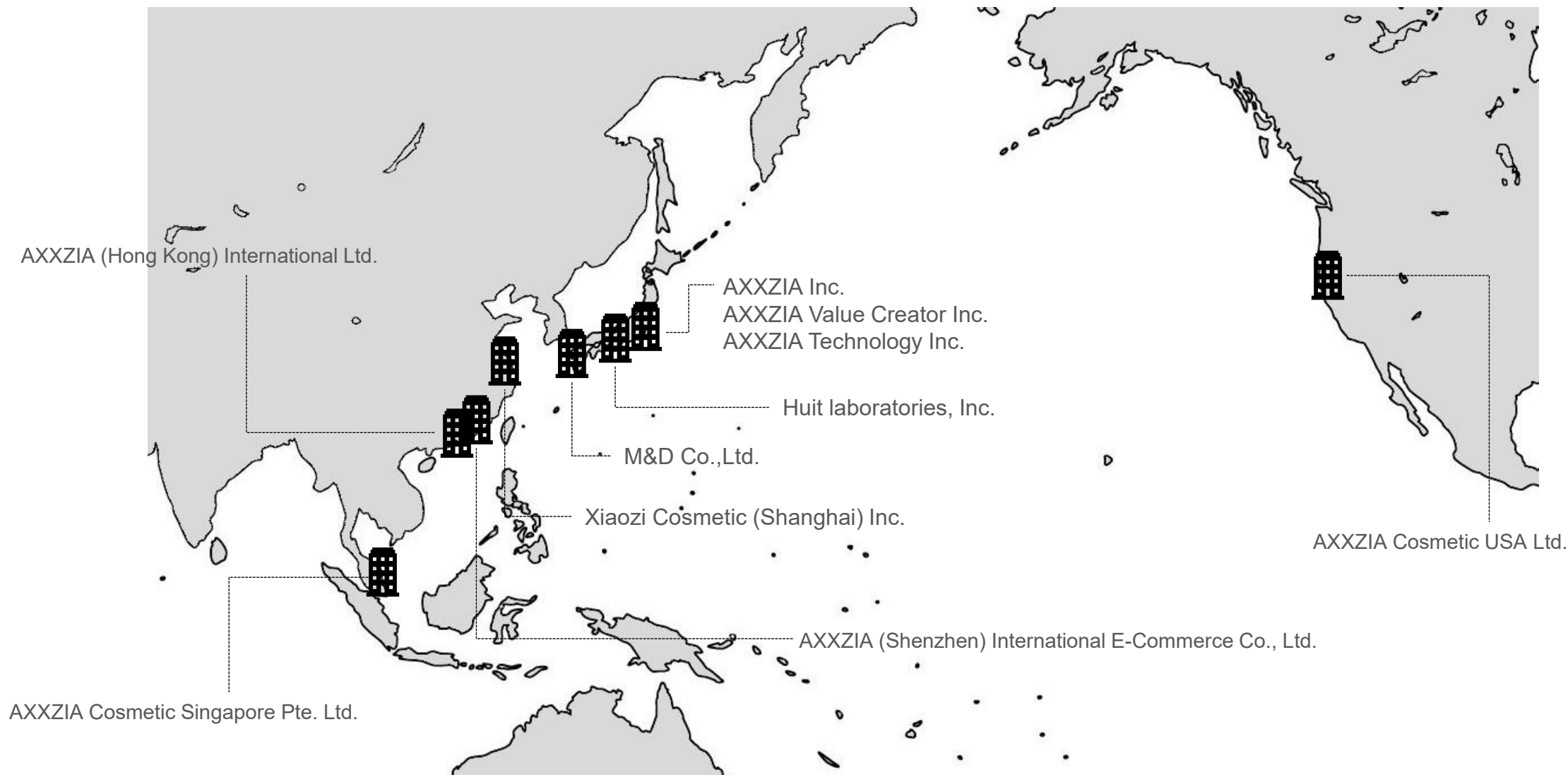
AxxZIA



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.

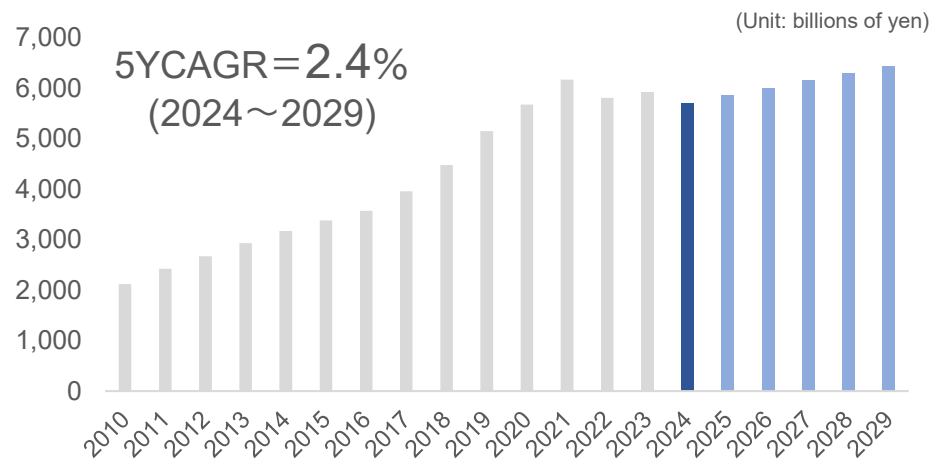
Company Name	AXXZIA Inc.	
Representative	President Duan Zhuo	
Establishment	December 21, 2011	
Capital	2,155 million yen (As of end of July 2025)	
Location	Shinjuku Sumitomo Building 35F, 2-6-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo, 163-0235 Japan	
Office	Tokyo Head Office, Osaka Sales Office, Fukuoka Sales Office	
Business Activities	Manufacturing, sales of cosmetics and supplements	
Market	TSE Standard (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



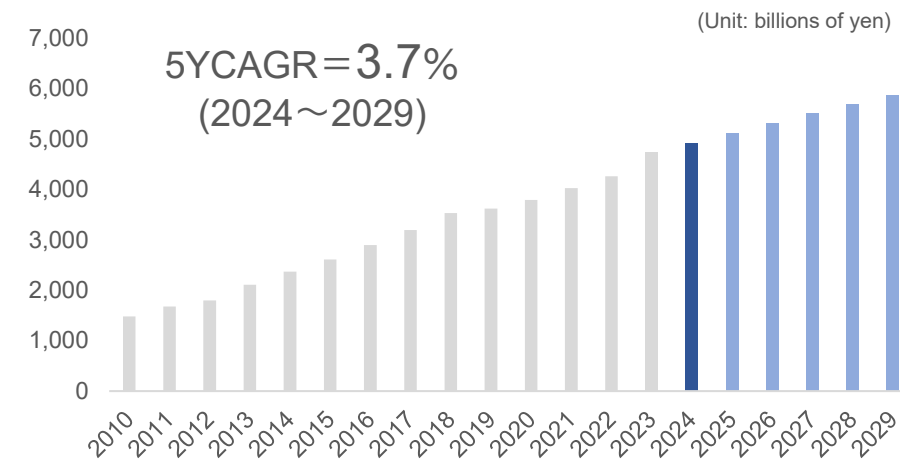
Date	Topics
2011	Established Orientina Cosme Co.,Ltd. in Tokyo, Japan (Capital: 9 million yen) Started development and production of cosmetics for beauty salons
2012	Changed company name from Orientina Cosme Co.,Ltd. to AXXZIA Inc.
2013	Launched Le Cier de L'aube, skincare brand for beauty salons and 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 Xiaozi 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%)
2025	Changed its listing to the Standard section of the Tokyo Stock Exchange

[Market Environment 1] Skincare and Supplement Market

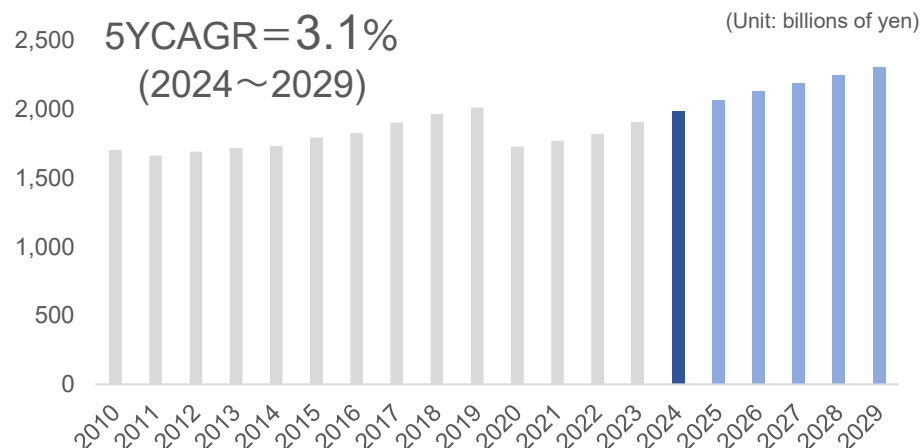
Skincare market size in China: 5,704.3bn yen (retail sales in 2024)



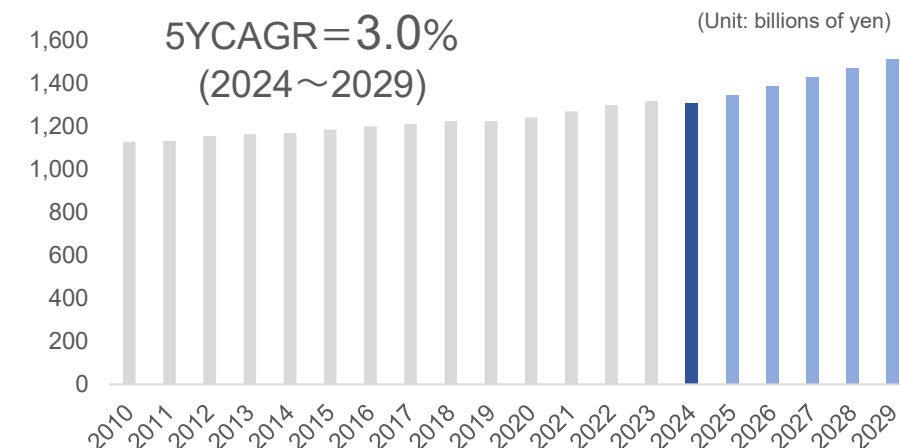
Supplements market size in China: 4,900.8bn yen (retail sales in 2024)



Skincare market size in Japan: 1,981.7bn yen (retail sales in 2024)



Supplements market size in Japan: 1,306.7bn yen (retail sales in 2024)

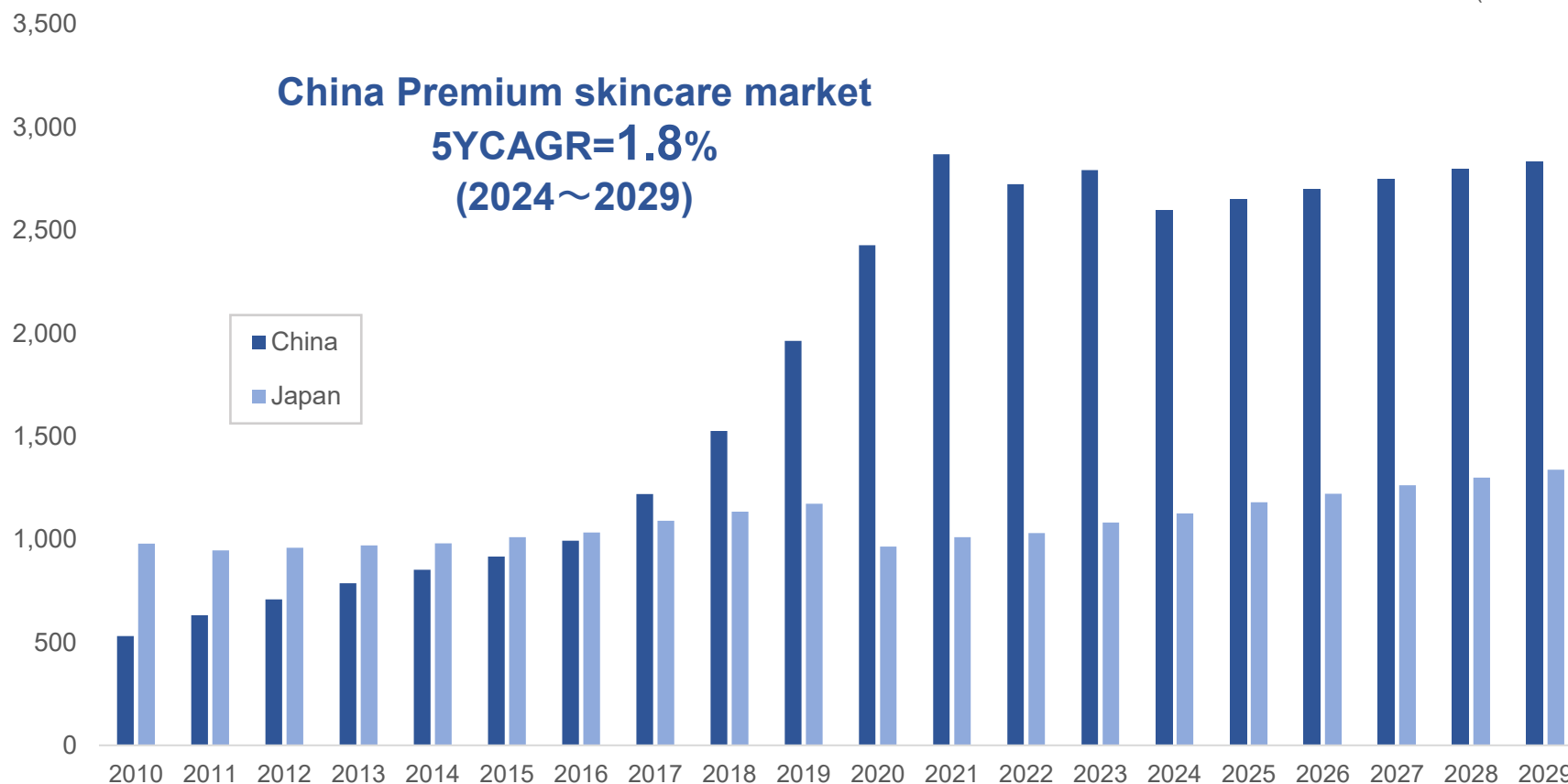


Source :Euromonitor International Limited, Beauty and Personal Care 2024 edition, retail value RSP fixed 2024 exchange rates, current prices, data extracted on 8 August 2025)

Source :Euromonitor International Limited, Consumer Health 2024 edition, retail value RSP, fixed 2024 exchange rates, current prices, data extracted on 8 August 2025)

Premium skincare market in China and Japan

(Unit: billions of yen)

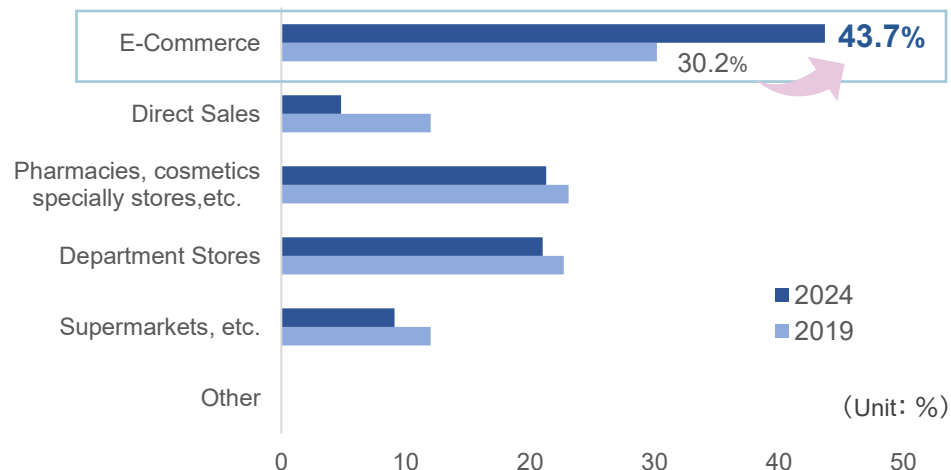


(Source : Euromonitor International Limited, Beauty and Personal Care 2024 edition, retail value RSP fixed 2024 exchange rates, current prices, data extracted of 7 August 2025)

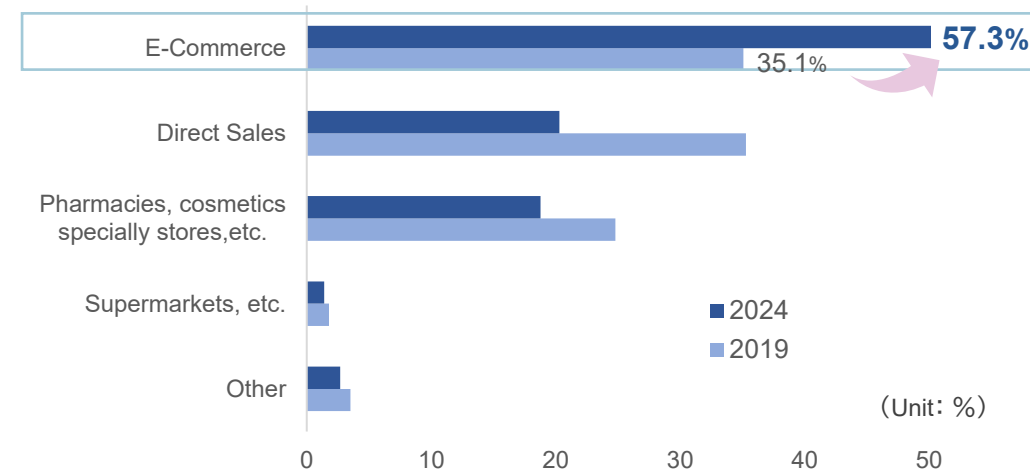
* Premium = high-end cosmetics. Luxury lineup for customers who are highly conscious of beauty and are willing to spend more money on beauty products and services. Positioned as series exclusively for premium channels such as department stores and directly-managed shops.

[Market Environment 3] E-commerce Market

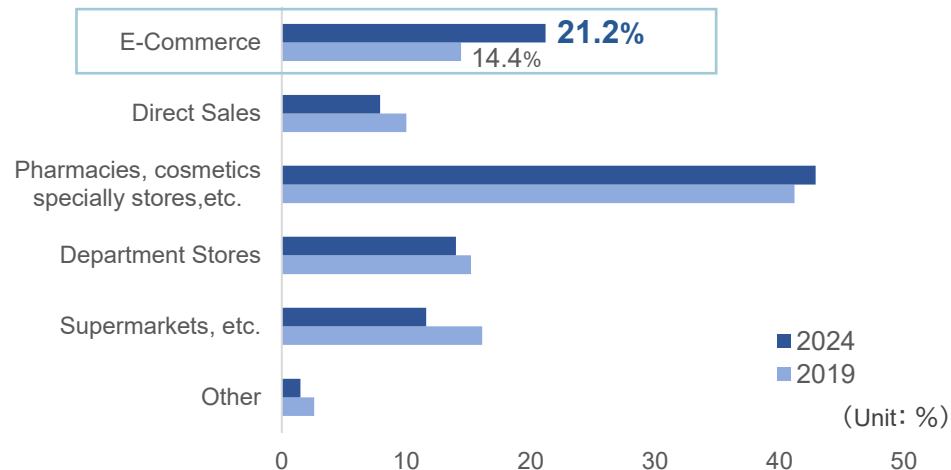
China skincare market



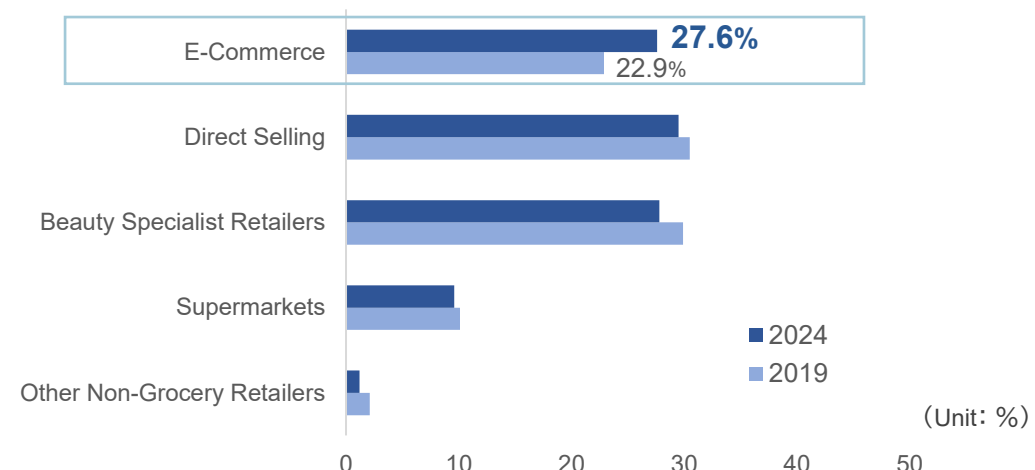
China supplement market



Japan skincare market



Japan supplement market



Source: Euromonitor International Limited, Skin Care 2024 edition, retail value RSP fixed 2024 exchange rates, current prices, data extracted on 14 August 2025

Source: Euromonitor International Limited, Consumer Health 2024 edition, retail value RSP, fixed 2024 exchange rates, current prices, data extracted on 14 August 2025

Historical Financial Data (consolidated results)

A X X Z I A

		FY07/21	FY07/22	FY07/23	FY07/24	FY07/25
Net sales	millions of yen	5,787	8,215	11,341	12,192	13,478
Cost of goods sold	millions of yen	1,712	1,994	2,397	2,581	3,604
SG&A expenses	millions of yen	2,692	4,587	7,043	8,692	9,360
Personnel expenses	millions of yen	686	860	1,280	1,494	1,792
Advertising expenses	millions of yen	793	1,578	2,464	3,134	3,466
Commissions paid	millions of yen	670	1,252	1,892	2,170	2,025
Operating income	millions of yen	1,383	1,633	1,899	918	513
Ordinary income	millions of yen	1,370	1,746	1,902	1,122	504
Profit attributable to owners of parent	millions of yen	868	1,116	1,330	794	320
ROE	%	18.4	14.3	15.4	9.1	4.0
EPS	yen	35.97	43.28	51.80	32.06	13.74
BPS	yen	278.81	325.43	354.00	349.51	331.09
Equity ratio	%	87.0	83.5	83.2	80.9	79.1
Dividend per share	yen	0.00	0.00	14.00	20.00	10.00

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>



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

Contact

AXXZIA Inc. (Securities code: 4936)



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AXXZIA

Creating things and experiences
that amaze people.