Translation

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Consolidated Financial Results for the Fiscal Year Ended July 2026 (Based on Japanese GAAP)

September 14, 2026

Company name: AXXZIA Inc. Listing exchange: Tokyo Stock Exchange

Securities code: 4936 URL: https://axxzia.co.jp/en

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Scheduled date for next ordinary general meeting of shareholders: October 26, 2026

Scheduled date for commencing dividend payments: October 8, 2026

Scheduled date for filing securities report: October 23, 2026

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 Fiscal Year Ended July 2026 (from August 1, 2025 to July 31, 2026)

(1) Consolidated Operating Results (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	%
Fiscal year ended July 31, 2026	13,466	(0.1)	-176	-	23	(95.3)	464	-
Fiscal year ended July 31, 2025	13,478	10.5	513	(44.1)	504	(55.1)	320	(59.6)

(Note) Comprehensive income
Fiscal year ended July 31, 2026: -215 million yen [-%]
Fiscal year ended July 31, 2025: 291 million yen [(66.3%)]

	Basic earnings per share	Diluted earnings per share	Return on equity	Return on assets	Operating income/ net sales
	Yen	Yen	%	%	%
Fiscal year ended July 31, 2026	-20.33	-	(6.3)	0.3	(1.3)
Fiscal year ended July 31, 2025	13.74	-	4.0	5.0	3.8

(Note)Equity in earnings of affiliates
Fiscal year ended July 2026: -million yen Fiscal year ended July 2025: -12 million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of July 31, 2026	8,941	7,141	79.7	311.79
As of July 31, 2025	9,567	7,575	79.1	331.09

(Reference) Total shareholders' equity
As of July 31, 2026: 7,130 million yen As of July 31, 2025: 7,572 million yen

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended July 31, 2026	298	(106)	(452)	3,515
Fiscal year ended July 31, 2025	781	(158)	(1,483)	3,571

2. Cash Dividends

	Annual dividends per share					Total dividends	Payout ratio (Consolidated)	Dividends/ net assets (Consolidated)
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended July 31, 2025	–	5.00	–	5.00	10.00	228	72.8	2.9
Fiscal year ended July 31, 2026	–	5.00	–	5.00	10.00	228	–	3.1
Fiscal year ending July 31, 2027 (Forecast)	–	5.00	–	5.00	10.00	–	–	–

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending July 2027 (from August 1, 2026 to July 31, 2027)

(Percentage figures indicate year-on-year changes for full year)

	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	14,800	9.9	-50	-	-100	-	-185	-	-8.09

* Notes

(1) Significant changes in scope of consolidation during the fiscal year: No

Newly consolidated: None

Excluded from consolidation: None

(2) 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

(3) Number of issued shares (common shares)

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

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

3) Average number of shares during the period

Fiscal year ended July 2026	22,870,400 shares	Fiscal year ended July 2025	23,344,603 shares

(Reference) Overview of Non-consolidated Financial Results

1. Non-Consolidated Financial Results for the Fiscal Year Ended July 2026(from August 1, 2025 to July 31, 2026)

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

	Net sales		Operating income		Ordinary income		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended July 31, 2026	9,076	(1.9)	-189	-	-27	-	-656	-
Fiscal year ended July 31, 2025	9,248	(4.9)	368	(50.4)	307	(66.4)	221	(65.5)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended July 31, 2026	-28.72	-
Fiscal year ended July 31, 2025	9.49	-

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of July 31, 2026	6,598	5,455	82.5	238.52
As of July 31, 2025	7,371	6,329	85.9	276.76

(Reference) Total shareholders' equity
As of July 31, 2026: 5,444 million yen As of July 31, 2025: 6,329 million yen

* This summary of financial results is not subject to review procedures by a public accountant or audit corporation.

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 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 results, etc. may materially differ from the forecast 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. Overview of Operating Results, etc. (4) Future Outlook" on page - 4 - of the Attachment.

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

(1) Overview of Operating Results

During the consolidated fiscal year ended July 31, 2026 (August 1, 2025, to July 31, 2026), the Japanese economy continued to recover gradually supported by improvements in the employment and income environment, and personal consumption showed signs of picking up. However, price increases driven in part by heightened tensions in the Middle East continued to warrant close monitoring.

The cosmetics market in Japan remained in a state lacking strength. Regarding inbound consumption, recent months have shown signs of sluggish growth because 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 airing web commercials, among other initiatives. 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, and event sales and campaigns leveraging the brand ambassador's ability to attract customers, 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 net sales grew significantly. We also worked to expand sales channels through the pop-up store at a department store.
As a result of the above, operating results for the consolidated fiscal year were as follows:

During the fiscal year, despite the impact of a deterioration in the business environment in China due to tensions between Japan and China and other factors, net sales were 13,466,653 thousand yen (down 0.1% year on year), and gross profit was 9,951,052 thousand yen, with both figures essentially unchanged from the previous fiscal year. However, sharply higher advertising expenses for e-commerce operations in China and higher personnel expenses incurred as the Group expanded its workforce to support future growth, among other factors, resulted in an operating loss of 176,456 thousand yen, compared with operating income of 513,372 thousand yen in the previous fiscal year. Ordinary income was 23,578 thousand yen (down 95.3% year on year).
Based on recent earnings performance and its business plans for the next and subsequent fiscal years, the Company wrote down the carrying amounts of its non-current assets, the goodwill and non-current assets associated with M&D Co., Ltd., and the non-current assets of its overseas consolidated subsidiaries to their respective recoverable amounts, and recorded an impairment loss of 410,186 thousand yen as an extraordinary loss. As a result, the Company recorded 464,911 thousand yen in loss attributable to owners of parent, compared with 320,660 thousand yen in profit attributable to owners of parent in the previous fiscal year.
Segment information is omitted as the Group operates a single segment, the cosmetics business.

[Summary of Results]

	Previous fiscal year Millions of yen	Current fiscal year Millions of yen	Year-on-year changes %
Net sales	13,478	13,466	-0.1
Operating income (loss)	513	(176)	-
Ordinary income	504	23	-95.3
Profit attributable to owners of parent (loss)	320	(464)	-

(2) Financial Position

(1) Assets, liabilities and net assets
(Assets)
Total assets at the end of the current fiscal year amounted to 8,941,995 thousand yen, a decrease of 625,622 thousand yen from the end of the previous fiscal year. Of this, current assets decreased by 178,285 thousand yen from the end of the previous fiscal year to 7,367,909 thousand yen and non-current assets decreased by 447,336 thousand yen from the end of the previous fiscal year to 1,574,085 thousand yen.
The changes in current assets were mainly attributable to factors such as cash and deposits increasing by 6,099 thousand yen, accounts receivable - trade decreasing by 203,180 thousand yen, merchandise and finished goods decreasing by 197,045 thousand yen. The changes in non-current assets were mainly attributable to factors such as property, plant and equipment decreasing by 344,898 thousand yen, intangible assets decreasing by 156,791 thousand yen and investments and other assets increasing by 54,353 thousand yen.

(Liabilities)
Total liabilities at the end of the current fiscal year amounted to 1,800,379 thousand yen, a decrease of 192,145 thousand yen from the

end of the previous fiscal year. Of this, current liabilities decreased by 108,723 thousand yen from the end of the previous fiscal year to 1,619,801 thousand yen and non-current liabilities decreased by 83,422 thousand yen from the end of the previous fiscal year to 180,578 thousand yen.
The changes in current liabilities were mainly attributable to factors such as a decrease in current portion of long-term borrowings by 82,928 thousand yen, a decrease in income taxes payable by 10,478 thousand yen and an increase in other current liabilities by 28,087 thousand yen. The changes in non-current liabilities were mainly attributable to factors such as a decrease in repayments of long-term borrowings by 58,044 thousand yen.

(Net assets)
Total net assets at the end of the current fiscal year amounted to 7,141,616 thousand yen, a decrease of 433,476 thousand yen from the end of the previous fiscal year. This was mainly attributable to factors such as a decrease in retained earnings amount to 464,911 thousand yen resulting from the recording of loss attributable to owners of parent.
Consequently, the equity ratio came to 79.7% (in contrast to 79.1% at the end of the previous fiscal year).

(3) Cash Flows

Cash and cash equivalents ("net cash") at the end of the current fiscal year decreased by 56,002 thousand yen from the end of the previous fiscal year to 3,515,198 thousand yen. The status of cash flows in the current fiscal year and their contributing factors are as follows.

(Cash flows from operating activities)
Net cash provided by operating activities at the end of the current fiscal year amounted to 298,855 thousand yen (in contrast with net cash provided amounting to 781,652 thousand yen in the previous fiscal year). This was mainly attributable to the recording of loss before income taxes of 387,553 thousand yen, offset by adjustments for the non-cash items of depreciation of 174,956 thousand yen and impairment losses of 410,186 thousand yen, as well as a decrease in trade receivables of 210,478 thousand yen and a decrease in inventories of 223,249 thousand yen, partially offset by an increase in prepaid expenses of 117,171 thousand yen and income taxes paid of 135,698 thousand yen.

(Cash flows from investing activities)
Net cash used in investing activities at the end of the current fiscal year amounted to 106,916 thousand yen (in contrast with net cash used amounting to 158,540 thousand yen in the previous fiscal year). This mainly reflected cash outflows of 456,604 thousand yen in payments into time deposits, 455,901 thousand yen in proceeds from withdrawal of time deposits, 80,395 thousand yen in purchase of property, plant and equipment and 19,442 thousand yen in purchase of intangible assets.

(Cash flows from financing activities)
Net cash used in financing activities at the end of the current fiscal year amounted to 452,294 thousand yen (in contrast with net cash used amounting to 1,483,991 thousand yen in the previous fiscal year). This was primarily attributable to repayments of long-term borrowings of 140,972 thousand yen and dividends paid of 228,506 thousand yen.

(4) Future Outlook

The Japanese economy is expected to continue on a path of gradual recovery, supported by improving employment and income conditions. However, concerns remain that factors such as weaker consumer sentiment due to persistent inflation, higher costs for raw materials, supplies, and logistics amid heightened geopolitical risks, and exchange-rate fluctuations arising from monetary policy developments in Japan and the U.S. could weigh on the economy.
In China, the Group's key market, consumer sentiment is expected to remain weak amid uncertainty over the outlook for employment and income. With price growth remaining subdued, selling prices are expected to face downward pressure and promotional expenses are projected to rise, while increasingly intense competition is anticipated as local Chinese brands gain ground. The business environment is therefore expected to remain challenging.
Against this market backdrop, the Group will seek to further expand sales in China, its key market, while continuing to invest for growth in Japan and strengthening its presence in other overseas markets, particularly Southeast Asia. At the same time, the Group will tighten control over advertising expenses and commissions paid and work to contain costs by making more effective use of Group resources and AI, with the aim of improving its operating margin.
Accordingly, for the fiscal year ending July 31, 2027, the Company forecasts net sales of 14,800 million yen, an operating loss of 50 million yen, an ordinary loss of 100 million yen, and 185 million yen in loss attributable to owners of parent.

2. Basic Principle on the Choice of Accounting Standards

For the time being, the Group makes it a policy to prepare its consolidated financial statements based on Japanese GAAP, in view of the comparability for the period covered by the consolidated financial statements and inter-company comparability.

With regard to the application of the International Financial Reporting Standards (IFRS), the Company intends to respond to the application in an appropriate manner, based on the situations of various factors both in and outside Japan and taking into account the trend of other companies in the same industry.

3. Consolidated Financial Statements and Significant Notes Thereto
(1) Consolidated Balance Sheets

(Thousands of yen)

	Previous fiscal year (As of July 31, 2025)	Current fiscal year (As of July 31, 2026)
Assets		
Current assets		
Cash and deposits	3,990,101	3,996,201
Accounts receivable - trade	930,811	727,630
Merchandise and finished goods	1,674,161	1,477,115
Work in process	5,664	17,112
Raw materials and supplies	267,859	288,022
Income taxes refund receivable	16,800	24,558
Other	673,172	837,944
Allowance for doubtful accounts	(12,375)	(676)
Total current assets	7,546,195	7,367,909
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	719,331	493,828
Land	396,595	385,177
Other, net	301,716	193,739
Total property, plant and equipment	1,417,643	1,072,745
Intangible assets		
Goodwill	104,621	26,358
Other	107,371	28,842
Total intangible assets	211,992	55,201
Investments and other assets		
Deferred tax assets	237,808	282,506
Other	153,977	163,633
Total investments and other assets	391,785	446,139
Total non-current assets	2,021,422	1,574,085
Total assets	9,567,617	8,941,995

(Thousands of yen)

	Previous fiscal year (As of July 31, 2025)	Current fiscal year (As of July 31, 2026)
Liabilities		
Current liabilities		
Accounts payable - trade	225,019	254,827
Short-term borrowings	449,481	410,000
Current portion of long-term borrowings	133,472	50,544
Accounts payable - other	531,448	487,602
Income taxes payable	101,720	91,242
Provision for bonuses	44,907	51,874
Provision for shareholder benefit program	16,908	20,056
Other	225,565	253,653
Total current liabilities	1,728,524	1,619,801
Non-current liabilities		
Long-term borrowings	168,458	110,414
Deferred tax liabilities	-	1,316
Other	95,542	68,847
Total non-current liabilities	264,000	180,578
Total liabilities	1,992,524	1,800,379
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	3,326,839
Treasury shares	(838,300)	(838,300)
Total shareholders' equity	7,394,964	6,701,347
Accumulated other comprehensive income		
Foreign currency translation adjustment	177,101	429,365
Total accumulated other comprehensive income	177,101	429,365
Non-controlling interests	3,027	―
Share acquisition rights	-	10,902
Total net assets	7,575,092	7,141,616
Total liabilities and net assets	9,567,617	8,941,995

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

Consolidated Statement of Income

(Thousands of yen)

	Previous fiscal year (August 1, 2024 - July 31, 2025)	Current fiscal year (August 1, 2025 - July 31, 2026)
Net sales	13,478,088	13,466,653
Cost of sales	3,604,583	3,515,600
Gross profit	9,873,505	9,951,052
Selling, general and administrative expenses	9,360,133	10,127,509
Operating income (loss)	513,372	△176,456
Non-operating income		
Interest and dividend income	16,987	11,599
Subsidy income	65,380	40,113
Foreign exchange gains	-	151,797
Other	9,364	13,821
Total non-operating income	91,733	217,331
Non-operating expenses		
Interest expenses	17,200	16,126
Commission for purchase of treasury shares	1,535	-
Share of loss of entities accounted for using equity method	12,725	-
Foreign exchange losses	67,231	-
Other	2,163	1,170
Total non-operating expenses	100,856	17,297
Ordinary income	504,249	23,578
Extraordinary income		
Gain on sale of shares of subsidiaries and affiliates	1,076	-
Total extraordinary income	1,076	-
Extraordinary losses		
Loss on retirement of non-current assets	6,894	945
Impairment losses	-	410,186
Total extraordinary losses	6,894	411,131
Profit before income taxes	498,431	(387,553)
Income taxes - current	197,525	99,212
Income taxes - deferred	(13,954)	(18,827)
Total income taxes	183,571	80,385
Profit	314,859	(467,938)
Profit (loss) attributable to non-controlling interests	(5,800)	(3,027)
Profit attributable to owners of parent	320,660	(464,911)

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	Previous fiscal year (August 1, 2024 - July 31, 2025)	Current fiscal year (August 1, 2025 - July 31, 2026)
Profit	314,859	(467,938)
Other comprehensive income		
Foreign currency translation adjustment	(23,100)	252,264
Total other comprehensive income	(23,100)	252,264
Comprehensive income	291,759	(215,674)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	297,560	(212,646)
Comprehensive income attributable to non-controlling interests	(5,800)	(3,027)

(3) Consolidated Statements of Changes in Equity

Fiscal year ended July 31, 2025 (August 1, 2024 to July 31, 2025)

(Thousands of yen)

	Shareholders' equity					Accumulated other comprehensive income		Share acquisition rights	Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	2,155,505	2,057,304	4,776,900	(655,867)	8,333,842	200,201	200,201	-	2,828	8,536,872
Changes of items during period										
Dividends of surplus			(358,522)		(358,522)					(358,522)
Profit attributable to owners of parent			320,660		320,660					320,660
Purchase of treasury shares				(901,017)	(901,017)					(901,017)
Cancellation of treasury shares			(718,584)	718,584						
Change in ownership interest of parent due to transactions with non-controlling interests					-					-
Net changes in items other than shareholders' equity						(23,100)	(23,100)		199	(22,900)
Total changes during period	-	-	(756,445)	(182,433)	(938,878)	(23,100)	(23,100)	-	199	(961,779)
Balance at end of period	2,155,505	2,057,304	4,020,454	(838,300)	7,394,964	177,101	177,101	-	3,027	7,575,092

Fiscal year ended July 31, 2026 (August 1, 2025 to July 31, 2026)

(Thousands of yen)

	Shareholders' equity					Accumulated other comprehensive income		Share acquisition rights	Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	2,155,505	2,057,304	4,020,454	(838,300)	7,394,964	177,101	177,101	-	3,027	7,575,092
Changes of items during period										
Dividends of surplus			(228,704)		(228,704)					(228,704)
Profit attributable to owners of parent			(464,911)		(464,911)					(464,911)
Purchase of treasury shares										
Cancellation of treasury shares										
Change in ownership interest of parent due to transactions with non-controlling interests		(0)			(0)					(0)
Net changes in items other than shareholders' equity						252,264	252,264	10,902	(3,027)	260,139
Total changes during period	-	(0)	(693,615)	-	(693,616)	252,264	252,264	10,902	(3,027)	(433,476)
Balance at end of period	2,155,505	2,057,303	3,326,839	(838,300)	6,701,347	429,365	429,365	10,902	-	7,141,616

(4) Consolidated Statement of Cash Flows

(Thousands of yen)

	Previous fiscal year (August 1, 2024 - July 31, 2025)	Current fiscal year (August 1, 2025 - July 31, 2026)
Cash flows from operating activities		
Profit before income taxes	498,431	(387,553)
Depreciation	160,159	174,956
Impairment loss	-	410,186
Amortization of goodwill	28,533	31,641
Increase (decrease) in allowance for doubtful accounts	3,064	(11,699)
Interest and dividend income	(16,987)	(11,599)
Interest expenses	17,200	16,126
Foreign exchange losses (gains)	51,684	(84,597)
Decrease (increase) in trade receivables	(102,021)	210,478
Decrease (increase) in inventories	159,289	223,249
Decrease (increase) in prepaid expenses	38,774	(117,171)
Increase (decrease) in trade payables	1,836	26,074
Increase (decrease) in accounts payable - other	25,504	(47,289)
Increase (decrease) in income taxes payable - factor based tax	(920)	(137)
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	42,394	(24,395)
Other, net	(2,672)	28,876
Subtotal	904,269	437,145
Interest and dividends received	17,590	13,125
Interest paid	(16,695)	(15,717)
Income taxes refund (paid)	(123,511)	(135,698)
Net cash provided by (used in) operating activities	781,652	298,855
Cash flows from investing activities		
Payments into time deposits	(625,802)	(456,604)
Proceeds from withdrawal of time deposits	639,156	455,901
Purchase of property, plant and equipment	(141,431)	(80,395)
Purchase of intangible assets	(20,899)	(19,442)
Payments for retirement of property, plant and equipment	(636)	-
Proceeds from sales of shares of subsidiaries and affiliates	1,103	-
Other, net	(10,029)	(6,375)
Net cash provided by (used in) investing activities	(158,540)	(106,916)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	-	(40,000)
Proceeds from long-term borrowings	180,000	-
Repayments of long-term borrowings	(377,080)	(140,972)
Purchase of treasury shares	(902,552)	-
Dividends paid	(358,082)	(228,506)
Proceeds from share issuance to non-controlling shareholders	6,000	-
Others, net	(32,276)	(42,815)
Net cash provided by (used in) financing activities	(1,483,991)	(452,294)
Effect of exchange rate change on cash and cash equivalents	(57,902)	204,352
Net increase (decrease) in cash and cash equivalents	(918,781)	(56,002)
Cash and cash equivalents at beginning of period	4,489,982	3,571,201
Cash and cash equivalents at end of period	3,571,201	3,515,198

(5) Notes to 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.

(Segment Information, Etc.)

[Segment information]

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

[Related information]

Previous fiscal year (from August 1, 2024 to July 31, 2025)

1. Information by product and service

This information is omitted as sales to external customers concerning the cosmetics business account for more than 90% of net sales in the consolidated statements of income.

2. Information by region

(1) Net sales

(Thousands of yen)

Japan	China	Others	Total
3,423,816	9,728,894	325,377	13,478,088

(Note) Net sales are classified by country or region based on the final delivery destination.

(2) Property, plant and equipment

Over 90% of the property, plant, and equipment value on the consolidated balance sheet pertains to assets located in Japan. Therefore, no specific details are provided.

3. Information by major customer

We have omitted information by key customer, as no sales to any one customer amounted to 10% of consolidated net sales as recorded on the consolidated income statement.

Current fiscal year (from August 1, 2025 to July 31, 2026)

1. Information by product and service

This information is omitted as sales to external customers concerning the cosmetics business account for more than 90% of net sales in the consolidated statements of income.

2. Information by region

(1) Net sales

(Thousands of yen)

Japan	China	Others	Total
3,474,726	9,615,354	376,571	13,466,653

(Note) Net sales are classified by country or region based on the final delivery destination.

(2) Property, plant and equipment

Over 90% of the property, plant, and equipment value on the consolidated balance sheet pertains to assets located in Japan. Therefore, no specific details are provided.

3. Information by major customer

We have omitted information by key customer, as no sales to any one customer amounted to 10% of consolidated net sales as recorded on the consolidated income statement.

[Information about impairment loss on non-current assets by reportable segment]

Previous fiscal year (from August 1, 2024 to July 31, 2025)

Not applicable.

Current fiscal year (from August 1, 2025 to July 31, 2026)

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

[Information about amortization and unamortized balance of goodwill by reportable segment]

Previous fiscal year (from August 1, 2024 to July 31, 2025)

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

Current fiscal year (from August 1, 2025 to July 31, 2026)
The information is omitted as the Company has a single operating segment engaged in the cosmetics business.

[Information about gain on bargain purchase by reportable segment]
Not applicable.

(Per Share Information)

	Previous fiscal year (August 1, 2024 – July 31, 2025)	Current fiscal year (August 1, 2025 - July 31, 2026)
Net assets per share	331.09 yen	311.79 yen
Basic earnings per share (losses)	13.74 yen	(20.33) yen
Diluted earnings per share	- yen	- yen

(Note)
(1) Diluted earnings per share for the current fiscal year are not presented because the Company reported a basic loss per share and no potential shares had a dilutive effect. Diluted earnings per share for the previous fiscal year are also not presented because no potential shares had a dilutive effect.
(2) The basis of calculating basic earnings per share and diluted earnings per share is as follows.

(Thousands of yen)

Item	Previous fiscal year (August 1, 2024 - July 31, 2025)	Current fiscal year (August 1, 2025 – July 31, 2026)
Basic earnings per share		
Profit attributable to owners of parent (loss)	320,660	(464,911)
Amount not attributable to common shareholders	—	—
Profit attributable to owners of parent for common shares (loss)	320,660	(464,911)
Average number of common shares during period	23,345 thousand shares	22,870 thousand shares
Diluted earnings per share		
Adjustment to profit attributable to owners of parent	—	—
Increase in the number of common shares	—	—
(Of which, increase in the number of share subscription rights)	(—)	(—)
Description of dilutive shares not included in the calculation of diluted earnings per share due to the absence of dilutive effects	Since the first stock acquisition rights (number of shares subject to the rights: 228,000 shares) and the second stock acquisition rights (number of shares subject to the rights: 12,000 shares) do not have a dilutive effect in the consolidated fiscal year, they are not included in the calculation of diluted earnings per share.	Since the first stock acquisition rights (number of shares subject to the rights: 225,000 shares), the second stock acquisition rights (number of shares subject to the rights: 12,000 shares), the fourth stock acquisition rights (number of shares subject to the rights: 476,000 shares) and the fifth stock acquisition rights (number of shares subject to the rights: 40,000 shares) do not have a dilutive effect in the consolidated fiscal year, they are not included in the calculation of diluted earnings per share.

(Significant Subsequent Events)
Not applicable.

4. Other
Not applicable.