

## Plans and sells cosmetics centering on cleansing balms under DUO brand

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## 【 4934 Premier Anti-Aging Sector : Chemicals 】

Fiscal Year	Net sales	YoY	Operating profit	YoY	Ordinary profit	YoY	Profit	YoY	EPS	BPS	DPS
	(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)	(yen)	(yen)	(yen)
July 2019	11,929	2.4x	242	75.6	235	67.4	174	82.5	21.8	16.5	0.0
July 2020	20,508	71.9	1,653	6.8x	1,635	6.9x	1,143	6.6x	142.9	38.3	0.0
July 2021 f	25,270	23.2	2,601	57.3	2,546	55.7	1,766	54.5	207.1	na	0.0

Note: Non-consolidated basis. Figures for the fiscal year ending July 2021 are the company's forecast.  
It conducted 1-to-20 stock split on August 29,2020. Par share indicies are adjusted retroactively.

**Handling Anti-aging Cosmetics**

Premier Anti-Aging plans and sells its own brand cosmetics, and entrusts manufacturing to external companies. The company's main brands are DUO brand and CANADEL brand. In the fiscal year ended July 2019, sales of the DUO brand accounted for over 90% of total sales, and furthermore, sales of the DUO brand makeup remover accounted for 89.3% of total sales. The CANADEL brand, which launched in April 2019, handles all-in-one cosmetics.

The company sells its products mainly via e-commerce sites of the company and through wholesalers. For the first three quarters of the fiscal year ended July 2020, sales via e-commerce sites accounted for around 80% of the total sales. For sales via e-commerce sites, in addition to one-time purchases, there is periodic purchasing, which delivers products to customers on a regular basis. The sales from periodic purchasing accounts for the majority of sales via e-commerce sites.

The company acquires customers by utilizing pay-for-performance type digital marketing, and the advertising expenses to net sales ratio is at a high level of 48.2% for the fiscal year ended July 2019 and 43.0% for the fiscal year ended July 2020.

**Corporate Plan for Fiscal Year ending July 2021**

The company expects net sales of 25,270 million yen (23.2% increase year-on-year), operating profit of 2,601 million yen (57.3% increase year-on-year), and advertising expenses to net sales ratio of 41.3% for the fiscal year ending July 2021.

It forecasts net sales via e-commerce sites to increase 18.8% year-on-year to 18,717 million yen and net sales via wholesalers to increase 40.8% year-on-year to 6,117 million yen, with the effect of TV commercials. Net sales via other channels is expected to increase 5.4% year-on-year to 453 million yen with the launch of two new brands.

**Premier Anti-Aging (4934-TSE Mothers) ----- November 12,2020****Financial Statements**

Statement of income	Fiscal Year	July 2018		July 2019		July 2020	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		4,975	100.0	11,929	100.0	20,508	100.0
Cost of sales		924	18.6	2,215	18.6	4,024	19.6
Gross profit		4,050	81.4	9,713	81.4	16,483	80.4
Gross profit-net		4,049	81.4	9,710	81.4	16,483	80.4
Selling, general and administrative expenses		3,911	78.6	9,467	79.4	14,829	72.3
Operating profit		138	2.8	242	2.0	1,653	8.1
Non-operating income		8	-	0	-	0	-
Non-operating expenses		5	-	7	-	18	-
Ordinary profit		140	2.8	235	2.0	1,635	8.0
Profit before income taxes		147	3.0	235	2.0	1,636	8.0
Profit		95	1.9	174	1.5	1,143	5.6

Balance sheet	Fiscal Year	July 2018		July 2019		July 2020	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		1,458	91.4	2,882	94.6	6,477	94.6
Cash and deposits		317	19.9	719	23.6	1,902	27.8
Accounts receivable-trade		746	46.8	1,576	51.8	2,504	36.6
Inventories		368	23.1	520	17.1	1,985	29.0
Non-current assets		137	8.6	163	5.4	370	5.4
Property, plant and equipment		14	0.9	16	0.5	124	1.8
Intangible assets		55	3.5	63	2.1	90	1.3
Investments and other assets		67	4.2	84	2.8	155	2.3
Total assets		1,595	100.0	3,045	100.0	6,848	100.0
Current liabilities		1,281	80.3	2,450	80.4	4,735	69.1
Accounts payable		177	11.1	914	30.0	1,063	15.5
Short-term borrowings		-	-	550	18.1	1,050	15.3
Current portion of long-term borrowings		145	9.1	178	5.9	309	4.5
Accounts payable-other		833	52.2	714	23.5	1,626	23.8
Non-current liabilities		181	11.4	289	9.5	662	9.7
Long-term borrowings		174	10.9	283	9.3	632	9.2
Net assets		132	8.3	306	10.1	1,449	21.2
Shareholders' equity		132	8.3	306	10.1	1,449	21.2

Statement of cash flows	Fiscal Year	July 2018		July 2019		July 2020	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Cash flows from operating activities		67		-238		338	
Depreciation		11		29		31	
Cash flows from investing activities		-41		-54		-135	
Cash flows from financing activities		-135		692		979	
Dividends paid		-		-		-	
Net increase in cash and cash equivalents		-109		399		1,182	
Cash and cash equivalents		313		712		1,894	

Note: Non-consolidated basis.

Source: Prepared by Stock Research Center based on the notifiable prospectus.

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