

**Conducts planning and sales of men's cosmetics and operates franchise business for men's hair salons**

This report is an English translation of part of the report issued on July 1, 2025.  
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**【373A LIPPS Sector : Chemistry】**

Fiscal Year	Net sales (mn yen)	YoY (%)	Operating profit (mn yen)	YoY (%)	Ordinary profit (mn yen)	YoY (%)	Profit (mn yen)	YoY (%)	EPS (yen)	BPS (yen)	DPS (yen)
Aug. 2023	3,106	-	766	-	770	-	539	-	215.6	959.1	0.0
Aug. 2024	3,760	21.1	720	-6.0	719	-6.6	423	-21.5	169.5	1,128.6	0.0
Aug. 2025 f	4,408	17.2	910	26.4	906	26.0	629	48.7	250.8	-	0.0

Note: Non-consolidated basis. Figures for the fiscal year ending August 2025 is the company's forecasts.  
It conducted 1:25 stock split on March 15, 2025. Per share indices are adjusted retroactively.

**Conducts Planning and Sales of Men's Cosmetics and Operates Franchise Business for Hair Salons**

LIPPS operates two main businesses. The product business that focuses on planning and sales of LIPPS brand men's cosmetics for Generation Z and other younger demographics, and the salon franchise business responsible for operating men's hair salon franchise LIPPS hair.

Looking at the composition of net sales for fiscal year ended August 2024, the product business accounted for 88.0% and the salon franchise business for 12.0%. The profit margins by net sales segment were 18.4% for the product business and 24.6% for the salon franchise business, which primarily comprises royalty income.

**Product Business**

Through the product business, LIPPS plans and sells men's cosmetics and outsources production to OEM manufacturers. Hair wax, which accounts for more than 50% of net sales, is the main product of the business. Styling products, including hair oil and hair spray in addition to the above, account for over 80% of net sales. Hair care products such as shampoo and hair treatment, as well as LIPPS BOY brand skincare and makeup products, comprise the remainder of the product lineup.

Most of the customers are younger people, such as Generation Z, who have a refined sense of beauty.

Product business net sales by distribution channel in fiscal year ended August 2024 were as follows. 66.3% of sales were through wholesalers to approximately 15,000 retail stores, mainly drugstores, 29.0% through e-commerce and 4.7% through hair salons.

**Salon Franchise Business**

In the salon franchise business, the company acts as a franchisor, providing LIPPS hair men's salons with management guidance, store operation support and technical guidance for their hairdressers. In return, it receives royalty income and other fees.

## Financial Statements

Statement of income	Fiscal Year	Aug. 2023		Aug. 2024		Six months to Feb.2025	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		3,106	100.0	3,760	100.0	2,109	100.0
Cost of sales		1,156	37.2	1,533	40.8	887	42.1
Gross profit		1,950	62.8	2,227	59.2	1,222	57.9
Selling, general and administrative expenses		1,183	38.1	1,506	40.1	750	35.6
Operating profit		766	24.7	720	19.1	471	22.3
Non-operating income		3	-	1	-	10	-
Non-operating expenses		0	-	3	-	2	-
Ordinary profit		770	24.8	719	19.1	480	22.8
Profit before income taxes		770	24.8	598	15.9	480	22.8
Net profit		539	17.4	423	11.3	314	14.9

Balance sheet	Fiscal Year	Aug. 2023		Aug. 2024		Feb.2025	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		2,740	91.9	3,058	94.0	3,405	95.9
Cash and deposits		1,980	66.4	1,864	57.3	2,206	62.2
Accounts receivable - trade		351	11.8	550	16.9	420	11.8
Inventories		281	9.4	544	16.7	735	20.7
Non-current assets		241	8.1	194	6.0	143	4.0
Property, plant and equipment		13	0.4	43	1.3	40	1.1
Intangible assets		115	3.9	25	0.8	30	0.8
Investments and other assets		113	3.8	125	3.8	71	2.0
Total assets		2,982	100.0	3,252	100.0	3,549	100.0
Current liabilities		557	18.7	402	12.4	386	10.9
Accounts payable - trade		47	1.6	59	1.8	43	1.2
Non-current liabilities		25	0.8	26	0.8	24	0.7
Net assets		2,399	80.4	2,823	86.8	3,137	88.4
Owners' equity		2,397	80.4	2,821	86.7	3,135	88.3

Statement of cash flows	Fiscal Year	Aug. 2023	Aug. 2024	Six months to Feb.2025
		(mn yen)	(mn yen)	(mn yen)
Cash flows from operating activities		651	-21	352
Depreciation		12	51	12
Cash flows from investing activities		-133	-94	-10
Cash flows from financing activities		-390	-	-
Dividends paid		-	-	-
Net increase in cash and cash equivalents		128	-115	342
Cash and cash equivalents		1,980	1,864	2,206

Note: Non-consolidated

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

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