March 14, 2025

Company name: AXXZIA Inc.
Representative: Duan Zhuo, president and representative director
Securities code: 4936, TSE Prime
Contact person: Yasuhito Fukui, director
Telephone: +81-3-6911-3899

Notice of Revision of Earnings Forecasts

At a meeting of the Board of Directors held on March 14, 2025, the Company resolved to revise its consolidated earnings forecast for the fiscal year ending July 31, 2025 (August 1, 2024 to July 31, 2025) announced on September 13, 2024 (hereinafter, “previous forecast"), in light of recent trends in its business performance, as shown below.

1. Revision of consolidated earnings forecast for the current fiscal year (August 1, 2024 to July 31, 2025)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Basic earnings per share
Previous forecast (A)	Millions of yen 15,417	Millions of yen 941	Millions of yen 906	Millions of yen 636	Yen 26.09
Revised forecast (B)	13,281	207	185	111	4.86
Change (B-A)	(2,136)	(734)	(720)	(525)	
Change (%)	(13.9)	(78.0)	(79.5)	(82.6)	
(Reference) FY07/24 results	12,192	918	1,122	794	32.06

2. Reason for revision

Regarding net sales, we have revised our forecast downward as results are expected to fall short of the previously announced forecast. This revision is primarily due to sluggish performance in live sales through Chinese e-commerce channels, driven by a decline in consumption of Japanese cosmetic brands amid weakened consumer sentiment, stemming from the deteriorating economic climate in China, our main market. As this challenging environment is expected to persist throughout the second half of the fiscal year, we have adjusted our earnings forecast as noted above.

Regarding profits as well, we expect results to fall short of our previously announced forecast. Despite implementing planned strategic cost-cutting measures, including enhanced controls on advertising expenses considering cost-effectiveness, these efforts have not been sufficient to offset the profit decline caused by the recent downturn in our Chinese e-commerce sales.

There is no change in the dividend forecast in connection with the revised earnings forecast.

(Note) The above earnings forecast is based on information available as of this announcement, and actual results may differ from the forecast due to various factors.