1Q Financial Results for the Fiscal Year Ending March 31, 2027

(April 1, 2026 – June 30, 2026)

ARTNATURE INC.
TSE Standard: 7823

2026.08.06

1st Quarter Of Fiscal 2027 : Highlights

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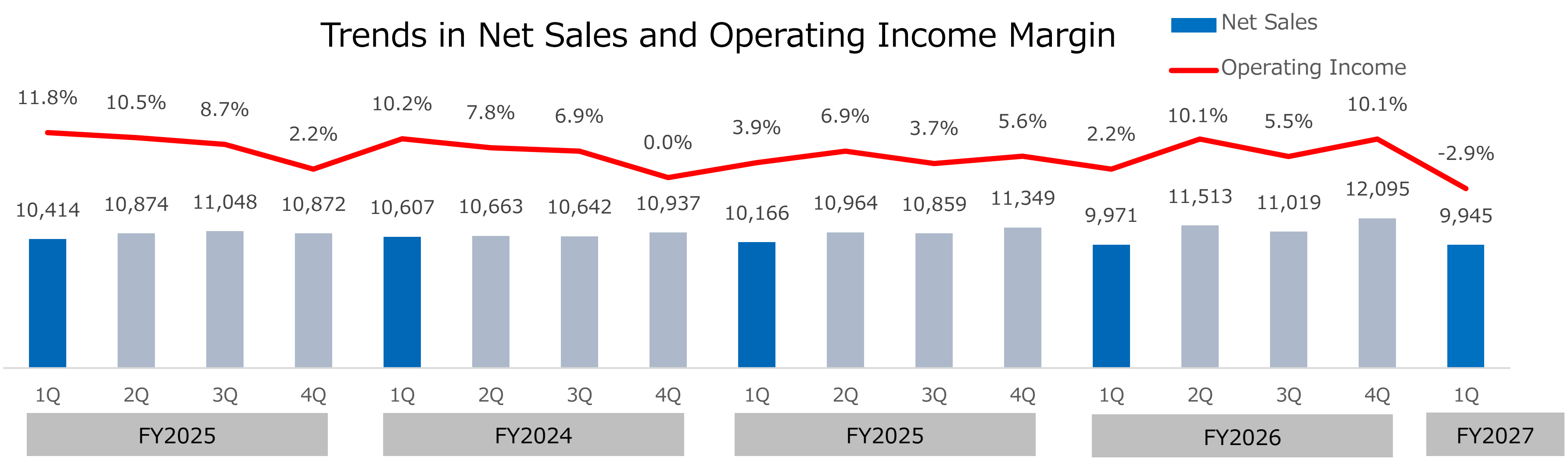
1Q Revenue and Profit Down Year-Over-Year

1Q FY2027 Financial Results

¥ Million

	1Q FY2026	1Q FY2027	YoY Change	FY 2027 (Year-end Plan)	Progress rate (Year-end Plan)
Net Sales	9,971	9,945	(0.3%)	48,494	20.5%
Men's Business	5,062	5,230	+3.3%	23,442	22.3%
Ladies' Business	4,579	4,330	(5.4%)	20,654	21.0%
Others	329	384	+16.7%	4,398	8.7%
Operating Income	214	(285)	―	2,500	―

※ Ladies' Business inc. JULLIA ORGER, NAO-ART CO.,LTD



1st Quarter Of Fiscal 2027 : Financial Highlights

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1Q revenue and profit both declined year-over-year due to a decrease in sales and an increase in selling, general, and administrative expenses

¥ Million

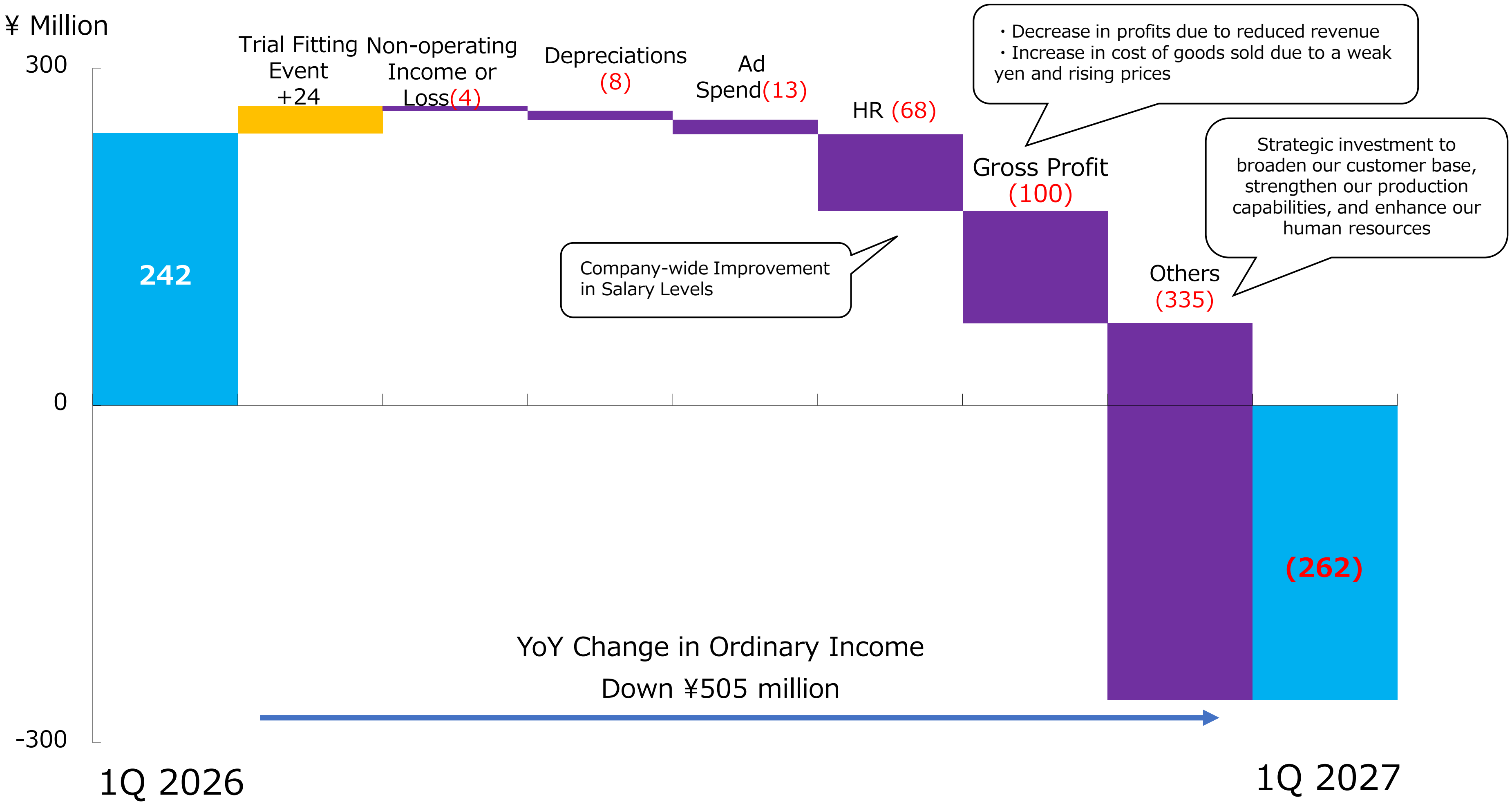
	1Q FY 2026		1Q FY 2027		YoY Change
	April-June 2025	Sales ratio	April-June 2026	Sales ratio	
Net Sales	9,971	-	9,945	-	(0.3%)
Men's Business	5,062	50.8%	5,230	52.6%	+3.3%
Ladies' Business	4,579	45.9%	4,330	43.5%	(5.4%)
Others	329	3.3%	384	3.9%	+16.7%
Cost of Sales	3,483	34.9%	3,558	35.8%	+2.2%
Gross Profit	6,488	65.1%	6,387	64.2%	(1.5%)
SG&A Expenses	6,273	62.9%	6,673	67.1%	+6.4%
Ad Spending	1,311	13.2%	1,325	13.3%	+1.0%
HR	1,635	16.4%	1,704	17.1%	+4.2%
Operating Income	214	2.2%	(285)	-	—
Ordinary Income	242	2.4%	(262)	-	—
Net Income	120	1.2%	(214)	-	—

Notes

- Net Sales
  Men's Business UP 3.3%
  Ladies' Business Down 5.4%
- Cost of sales ratio
  34.9% → 35.8%
  Product Cost Up 0.7Pt
  HR Up 0.2Pt
- SG&A Expenses Ratio
  62.9% → 67.1%
  Ad Spending UP 0.1Pt
  HR Up 0.7Pt
  Others Up 3.2Pt

1st Quarter Of Fiscal 2027 :
Analysis of Change in Ordinary Income

Profit declined due to a decrease in gross profit resulting from lower revenue, as well as an increase in various expenses resulting from strategic investments to strengthen the business foundation



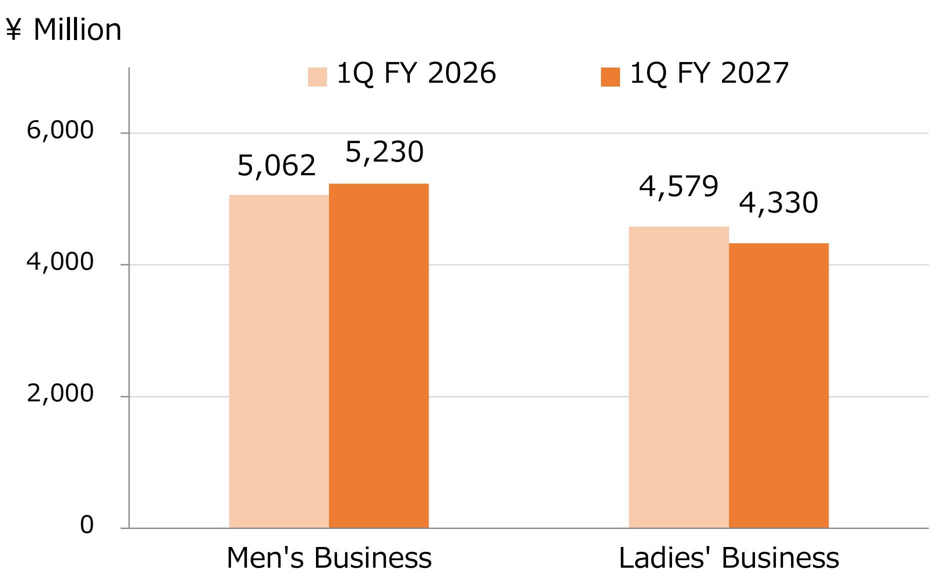
1st Quarter Of Fiscal 2027 : Breakdown of Sales by Segment

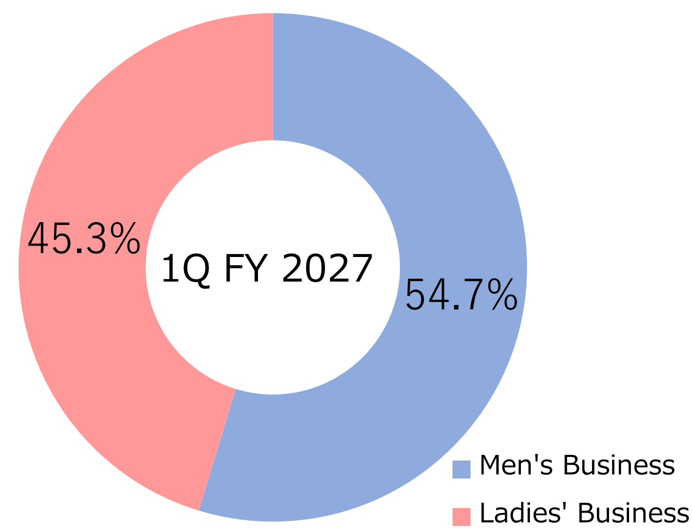
While sales in the men's business increased year-over-year, sales in the Ladies' business decreased year-over-year

¥ Million

	1Q FY 2026	1Q FY 2027	YoY Change
Net Sales	9,971	9,945	(0.3%)
Men’s Business	5,062	5,230	+3.3%
Ladies’ Business	4,579	4,330	(5.4%)
Others	329	384	+16.7%

※ Ladies’ Business inc. JULLIA ORGER, NAO-ART CO.,LTD





1st Quarter Of Fiscal 2027: Breakdown of Net Sales by Products & Services(Non-consolidated Basis)

Weakness in new custom-made wig sales was covered by repeat business, new hair addition products, and styling services, keeping total sales at approximately the same level as the prior year

¥ Million

Net Sales		1Q FY 2026	1Q FY 2027	YoY Change	
Custom-made Wigs	New customers	1,041	878	(163)	(15.7%)
	Repeat Business	3,890	3,900	+9	+0.3%
	Total	4,932	4,778	(153)	(3.1%)
Hair Addition Products	New customers	179	266	+86	+48.4%
	Repeat Business	679	638	(40)	(6.0%)
	Total	859	905	+46	+5.4%
Hair Growth Services	New customers	8	7	(1)	(13.0%)
	Repeat Business	250	235	(15)	(6.1%)
	Total	259	242	(16)	(6.3%)
Styling Services		1,829	1,873	+43	+2.4%
JULLIA OLGER(Lady's Ready-made wig)		1,093	1,093	(0)	(0.0%)
Others		584	625	+41	+7.1%
All Products & Sevices	New Customers	1,229	1,152	(77)	(6.3%)
	Repeat Business ※	7,046	7,038	(8)	(0.1%)
	JULLIA OLGER	1,093	1,093	(0)	(0.0%)
	Others	188	235	+47	+25.0%
	Total	9,558	9,519	(39)	(0.4%)

※Repeat business of all products including part of styling services and others.

1st Quarter Of Fiscal 2027 : Breakdown of Sales by Products & Services in Men's Business（Non-consolidated Basis）

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Revenue Increased Year-Over-Year, Driven by Growth in Custom-Made Wigs

¥ Million

		1Q FY 2026	1Q FY 2027	YoY Change	
Custom-made Wigs	New customers	122	150	+27	+22.1%
	Repeat Business	2,721	2,807	+86	+3.2%
	Total	2,844	2,957	+113	+4.0%
Hair Addition Products	New customers	162	209	+47	+29.0%
	Repeat Business	440	408	(31)	(7.1%)
	Total	602	618	+15	+2.6%
Hair Growth Services	New customers	6	5	(1)	(16.3%)
	Repeat Business	117	115	(2)	(1.9%)
	Total	124	121	(3)	(2.7%)
Styling Services		1,220	1,261	+41	+3.4%
Others		269	270	+1	+0.5%
All Products & Services	New Customers	292	365	+73	+25.0%
	Repeat Business※	4,770	4,864	+94	+2.0%
	Total	5,062	5,230	+168	+3.3%

※Repeat business of all products including part of styling services and others.

1st Quarter Of Fiscal 2027 : Breakdown of Sales by Products & Services in Ladies' Business (Non-consolidated Basis)

In addition to challenges in new sales, revenue decreased year-over-year because there were few carryovers from orders received in the previous period in repeat sales

¥ Million

		1Q FY 2026	1Q FY 2027	YoY Change	
Custom-made Wigs	New customers	919	728	(190)	(20.8%)
	Repeat Business	1,168	1,092	(76)	(6.5%)
	Total	2,087	1,820	(266)	(12.8%)
Hair Addition Products	New customers	16	56	+39	+235.1%
	Repeat Business	239	229	(9)	(4.0%)
	Total	256	286	+30	+11.8%
Hair Growth Services	New customers	1	1	+0	+1.9%
	Repeat Business	133	119	(13)	(9.8%)
	Total	134	121	(13)	(9.7%)
Styling Service		608	611	+2	+0.4%
Others		126	119	(7)	(5.5%)
All Products & Services	New Customers	937	786	(150)	(16.1%)
	Repeat Business※	2,276	2,173	(103)	(4.5%)
	JULLIA OLGER	1,093	1,093	(0)	(0.0%)
	Total	4,307	4,052	(254)	(5.9%)

※Repeat business of all products including part of styling services and others.

FY 2027 : Financial Forecast

Due to a decline in sales, overall progress is lagging behind the full-year plan

		1Q FY 2027	1Q FY 2027 Year-end (Plan)	Progress rate (Year-end Plan)
Net Sales		9,945	48,494	20.5%
	Men's Business	5,230	23,442	22.3%
	Ladies' Business	4,330	20,654	21.0%
	Others	384	4,398	8.7%
Cost of Sales		3,558	16,922	21.0%
Gross Profit		6,387	31,572	20.2%
SG & A Expenses		6,673	29,072	23.0%
	Ad Spending	1,325	6,037	21.9%
	HR	1,704	7,072	24.1%
Operating Income		(285)	2,500	-
Ordinary Income		(262)	2,665	-
Net Income		(214)	1,214	-

Consolidated Balance Sheets

ARTNATURE

¥ Million

	As of March 31,2026	Composition ratio	As of June 30,2026	Composition ratio	Rate of Change
Total Current Assets	29,413	56.1%	27,346	54.2%	(7.0%)
Cash and Deposits	19,883	38.0%	18,241	36.1%	(8.3%)
Total non-current Assets	22,979	43.9%	23,121	45.8%	+0.6%
Total Property,Plant and Equipment	10,591	20.2%	10,520	20.8%	(0.7%)
Total Assets	52,392	100.0%	50,468	100.0%	(3.7%)
Total Current Liabilities	15,021	28.7%	13,656	27.1%	(9.1%)
Advances received	6,171	11.8%	6,624	13.1%	+7.3%
Total Non-current Liabilities	9,038	17.3%	9,131	18.1%	+1.0%
Total Liabilities	24,060	45.9%	22,787	45.2%	(5.3%)
Total Net Assets	28,332	54.1%	27,680	54.8%	(2.3%)
Retained earning	20,728	39.6%	19,993	39.6%	(3.5%)
Total Liabilities and Net Assets	52,392	100.0%	50,468	100.0%	(3.7%)

Major Factors on YoY Change

Current Assets (2,066)
- Cash and Deposits (1,641)
- Accounts Receivable (463)
- Inventory (39)

Noncurrent assets＋142
- property, plant and equipment (70)
- Intangible Assets (37)
- Others　+251

Current Liabilities (1,364)
- Accounts Payable (765)
- Accrued Income Taxes, etc. (1,269)
- Advance Payments +453
- Provision for Bonuses ＋418

Retained earnings (735)
- Net income (214)
- Dividends (521)

https://corp.artnature.co.jp/en/ir.html

Forward-looking Statements

The forward-looking statements in this document, including forecasts, are based on information available at the time of disclosure and on certain assumptions deemed to be reasonable by the Company. Actual results may differ materially from forward-looking statements due to a number of factors. Amounts shown in this document are displayed numbers truncating the units less than shown.　The percentage is rounded off to the first decimal place.

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