

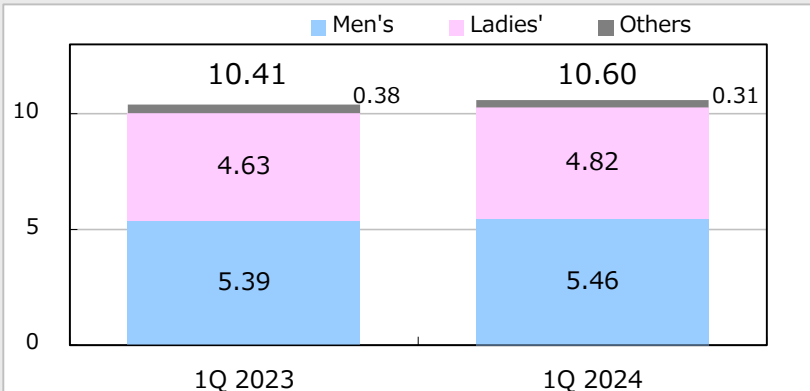


Financial Results

July 27th, 2023
ARTNATURE INC.

Net Sales

¥ Billion



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

Notes

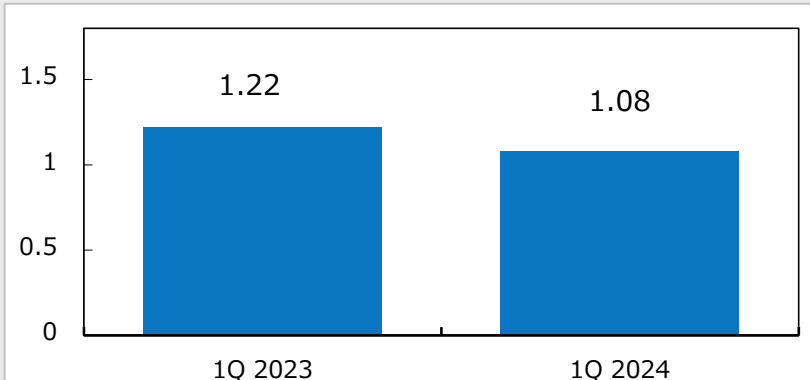
Net Sales ¥ 10.60 Billion 【Up 1.8%】

- Men's Business ¥ 5.46 Billion (Up 1.3%)
- Ladies' Business ¥ 4.82 Billion (Up 4.0%)

※ Strong sales of mainstay custom-made wigs contributed to revenue growth.

Operating Income

¥ Billion



Notes

Operating Income ¥ 1.08 Billion

- Gross Profit 68.5% → 67.1% (Down 1.4 Pt)
- SG&A Expenses 56.7% → 56.9% (Up 0.2 Pt)

※ Net sales increased, but income decreased due to an increase in cost of sales and SG&A expenses

1st Quarter Of Fiscal 2024 : Financial Highlights

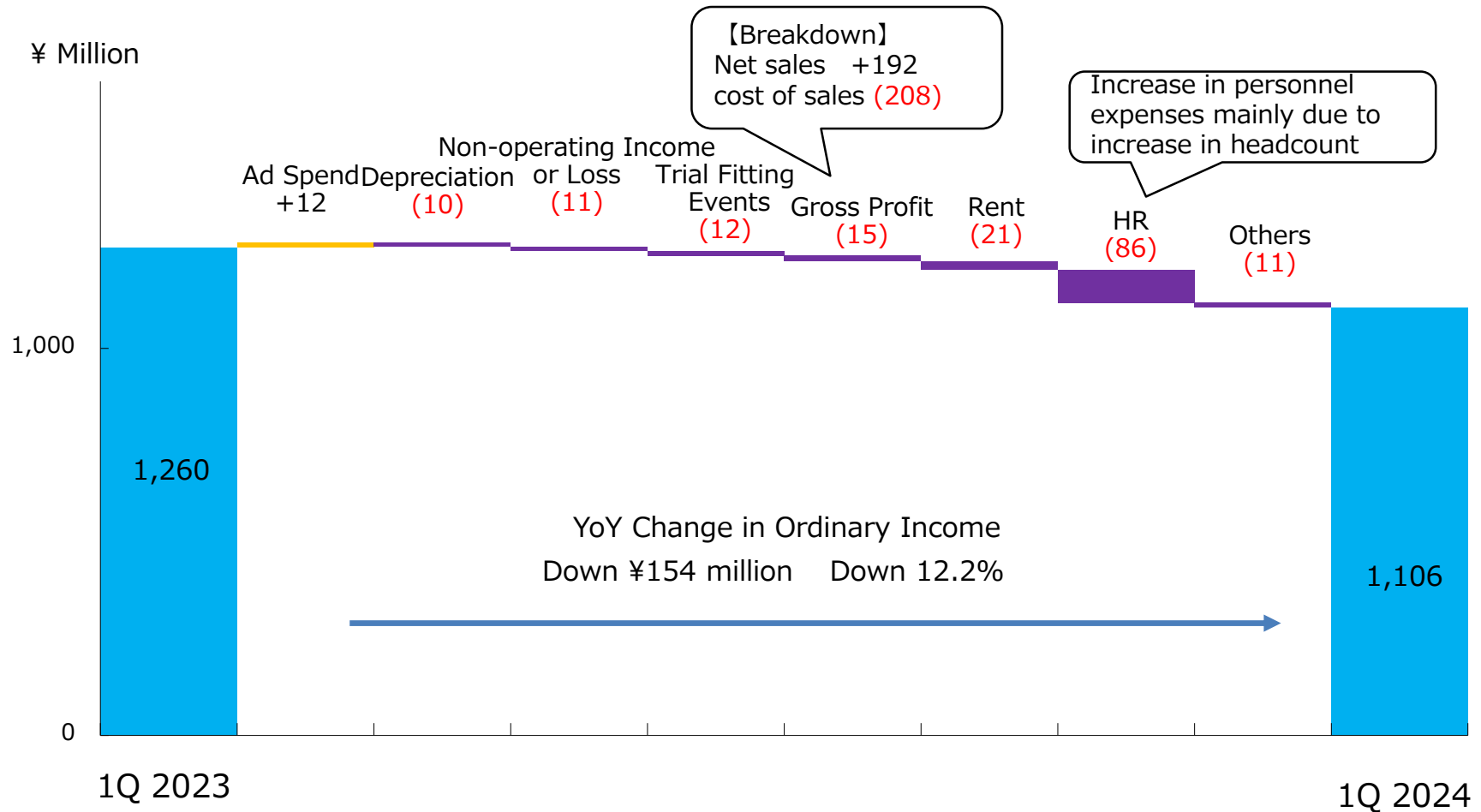


Q1 results showed an increase in sales and a decrease in profit compared to the previous quarter.

	1Q FY 2023		1Q FY 2024		YoY Change	Notes
	April-June 2022	Sales ratio	April-June 2023	Sales ratio		
Net Sales	10,414	-	10,607	-	+1.8%	<ul style="list-style-type: none"> • Net Sales Men's Business Up 1.3% Ladies' Business Up 4.0% • Cost of sales ratio 31.5% → 32.9% Product Cost Up 1.1Pt HR Up 0.4Pt • SG&A Expenses Ratio 56.7% → 56.9% Ad Spending Down 0.4Pt HR Up 0.6Pt Others Down 0.1Pt
Cost of Sales	3,278	31.5%	3,487	32.9%	+6.4%	
Gross Profit	7,135	68.5%	7,119	67.1%	(0.2%)	
SG&A Expenses	5,909	56.7%	6,036	56.9%	+2.1%	
Ad Spending	1,348	13.0%	1,336	12.6%	(1.0%)	
HR	1,493	14.3%	1,579	14.9%	+5.8%	
Operating Income	1,225	11.8%	1,083	10.2%	(11.6%)	
Ordinary Income	1,260	12.1%	1,106	10.4%	(12.2%)	
Net Income	790	7.6%	692	6.5%	(12.4%)	

1st Quarter Of Fiscal 2024 : Analysis of SG&A Expenses

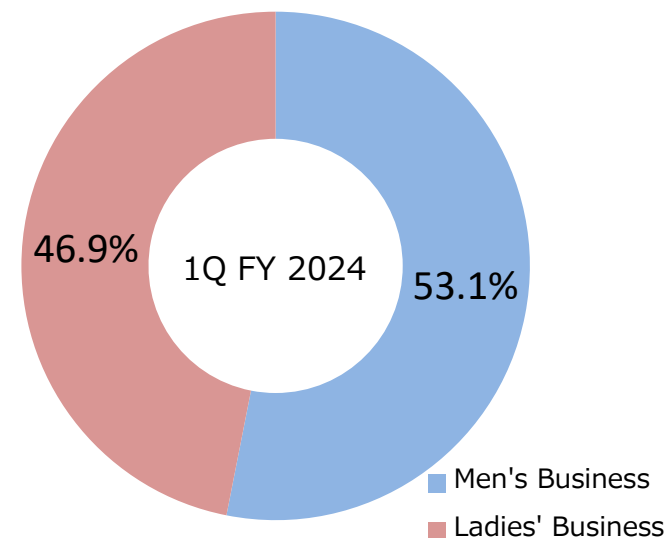
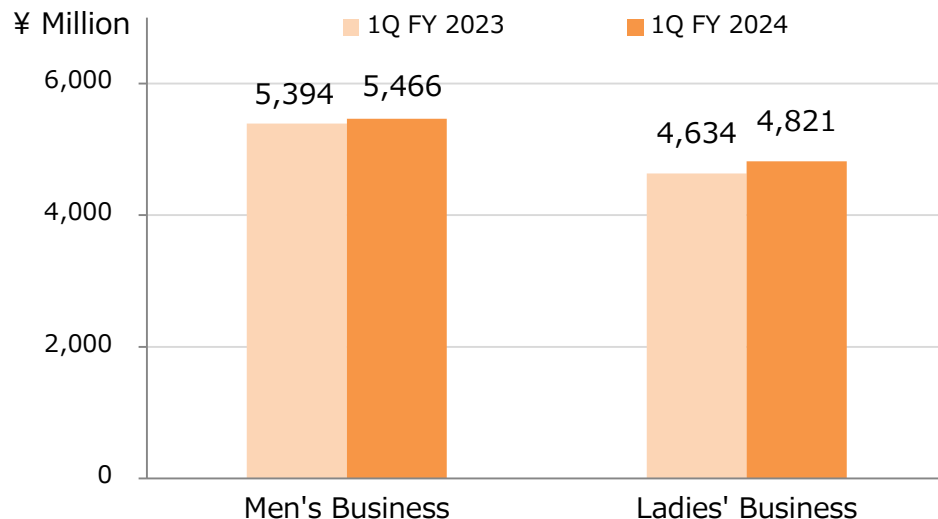
Net sales increased, but income decreased due to higher cost of sales and labor costs



Sales increased for both men’s business and ladies’ business and generally in line with plans.

	1Q FY 2023	1Q FY 2024	YoY Change
Net Sales	10,414	10,607	+1.8%
Men’s Business	5,394	5,466	+1.3%
Ladies’ Business	4,634	4,821	+4.0%
Others	385	319	(17.1%)

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



1st Quarter Of Fiscal 2024 : Breakdown of Net Sales by Products & Services(Non-consolidated Basis)



¥ Million

		1Q FY 2023	1Q FY 2024	YoY Change	
Custom-made Wigs	New customers	1,400	1,492	+91	+6.6%
	Repeat Business	4,206	4,315	+108	+2.6%
	Total	5,607	5,807	+200	+3.6%
Hair Addition Products	New customers	280	189	(90)	(32.3%)
	Repeat Business	824	666	(157)	(19.1%)
	Total	1,104	856	(248)	(22.5%)
Hair Growth Services	New customers	16	11	(4)	(26.7%)
	Repeat Business	279	258	(21)	(7.6%)
	Total	296	270	(25)	(8.6%)
Styling Services		1,586	1,750	+164	+10.3%
JULLIA OLGER(Lady's Ready-made wig)		811	952	+141	+17.4%
Others		662	584	(77)	(11.7%)
All Products & Sevices	New Customers	1,696	1,694	(2)	(0.2%)
	Repeat Business ※	7,259	7,380	+121	+1.7%
	JULLIA OLGER	811	952	+141	+17.4%
	Others	299	194	(105)	(35.0%)
	Total	10,067	10,222	+154	+1.5%

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

1st Quarter Of Fiscal 2024 : Breakdown of Sales by Products & Services in Men's Business (Non-consolidated Basis)



¥ Million

		1Q FY 2023	1Q FY 2024	YoY Change	
Custom-made Wigs	New customers	185	209	+24	+13.2%
	Repeat Business	2,928	3,034	+106	+3.6%
	Total	3,113	3,244	+130	+4.2%
Hair Addition Products	New customers	247	169	(77)	(31.4%)
	Repeat Business	480	438	(42)	(8.8%)
	Total	727	607	(119)	(16.5%)
Hair Growth Services	New customers	14	10	(4)	(29.1%)
	Repeat Business	140	132	(7)	(5.4%)
	Total	154	143	(11)	(7.6%)
Styling Services		1,137	1,196	+59	+5.2%
Others		261	274	+12	+4.9%
All Products & Sevices	New Customers	446	389	(57)	(12.9%)
	Repeat Business※	4,948	5,076	+128	+2.6%
	Total	5,394	5,466	+71	+1.3%

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

1st Quarter Of Fiscal 2024 : Breakdown of Sales by Products & Services in Ladies' Business (Non-consolidated Basis)



¥ Million

		1Q FY 2023	1Q FY 2024	YoY Change	
Custom-made Wigs	New customers	1,215	1,282	+67	+5.6%
	Repeat Business	1,278	1,280	+2	+0.2%
	Total	2,493	2,563	+70	+2.8%
Hair Addition Products	New customers	33	20	(12)	(38.5%)
	Repeat Business	343	228	(115)	(33.6%)
	Total	376	248	(128)	(34.0%)
Hair Growth Services	New customers	1	1	(0)	(7.3%)
	Repeat Business	139	125	(13)	(9.7%)
	Total	141	127	(13)	(9.7%)
Styling Services		448	553	+104	+23.3%
JULLIA OLGER(Lady's Ready-made wig)		811	952	+141	+17.4%
Others		101	115	+14	+14.4%
All Products & Sevices	New Customers	1,250	1,304	+54	+4.4%
	Repeat Business※	2,311	2,303	(7)	(0.3%)
	JULLIA OLGER	811	952	+141	+17.4%
	Total	4,373	4,561	+188	+4.3%

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

Consolidated Balance Sheets

¥ Million

	As of March 31, 2023		As of June 30, 2023		Rate of change
		Composition ratio		Composition ratio	
Total Current Assets	29,310	61.1%	28,241	60.2%	(3.6%)
Cash and Deposits	20,180	42.1%	19,339	41.2%	(4.2%)
Total non-current Assets	18,645	38.9%	18,698	39.8%	+0.3%
Total Property, Plant and Equipment	8,795	18.3%	8,738	18.6%	(0.6%)
Total Assets	47,956	100.0%	46,939	100.0%	(2.1%)
Total Current Liabilities	14,548	30.3%	13,157	28.0%	(9.6%)
Advances received	6,184	12.9%	5,939	12.7%	(4.0%)
Total Non-current Liabilities	7,480	15.6%	7,582	16.2%	+1.4%
Total Liabilities	22,028	45.9%	20,740	44.2%	(5.8%)
Total Net Assets	25,927	54.1%	26,198	55.8%	+1.0%
Retained earnings	19,278	40.2%	19,516	41.6%	+1.2%
Total Liabilities and Net Assets	47,956	100.0%	46,939	100.0%	(2.1%)

Major Factors on YoY Change

Current Assets (1,069)

- Cash and Deposits (841)
- Accounts receivable trade (253)
- Inventory (16)

Current Liabilities (1,390)

- Accounts payable (1,122)
- Advances received (245)

Retained earnings +237

- Cash dividends paid (454)
- Net income +692

Although profits declined in the first quarter, operating income and below exceeded the plan by about 30%.

¥ Million

	1Q FY 2024	FY 2024 Year-end (Plan)	YoY Progress rate
Net Sales	10,607	44,763	23.7%
Men's Business	5,466	23,384	23.4%
Ladies' Business	4,821	19,584	24.6%
Others	319	1,794	17.8%
Cost of Sales	3,487	14,660	23.8%
Gross Profit	7,119	30,102	23.7%
SG & A Expenses	6,036	26,358	22.9%
Ad Spending	1,336	6,406	20.9%
HR	1,579	6,568	24.1%
Operating Income	1,083	3,744	28.9%
Ordinary Income	1,106	3,821	29.0%
Net Income	692	2,140	32.3%



<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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