



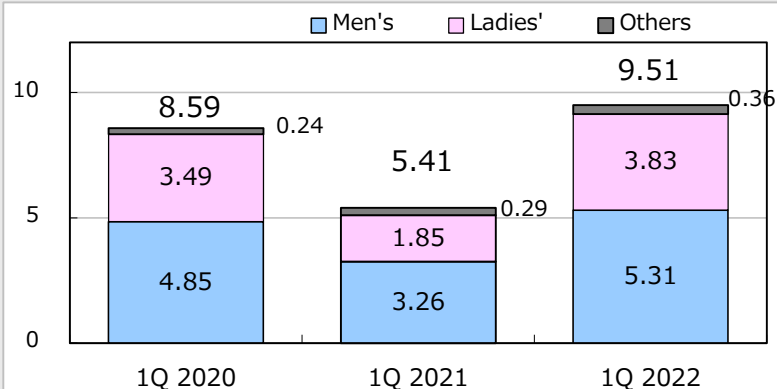
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# Financial Results

July 30<sup>th</sup>, 2021  
**ARTNATURE INC.**

## Net Sales

¥ Billion



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

## Notes

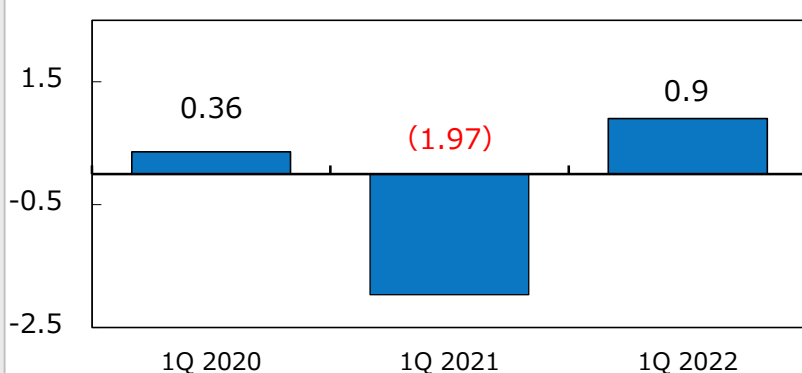
**Net Sales ¥9.51Billion 【Up 75.7%】**

- Men's Business ¥ 5.31 Billion (Up 62.7%)
- Ladies' Business ¥3.83 Billion (Up 106.9%)

※ Sales increased due to the elimination of the significant decrease in sales due to the spread of COVID-19 infection that occurred in the same period of the previous year.

## Operating Income

¥ Billion



## Notes

**Operating Income ¥0.9Billion**

- Gross Profit 52.0% → 67.6% (Up 15.6 Pt)
- SG&A Expenses 88.4% → 58.1% (Down 30.3 Pt)

※ Sales increased and profit increased

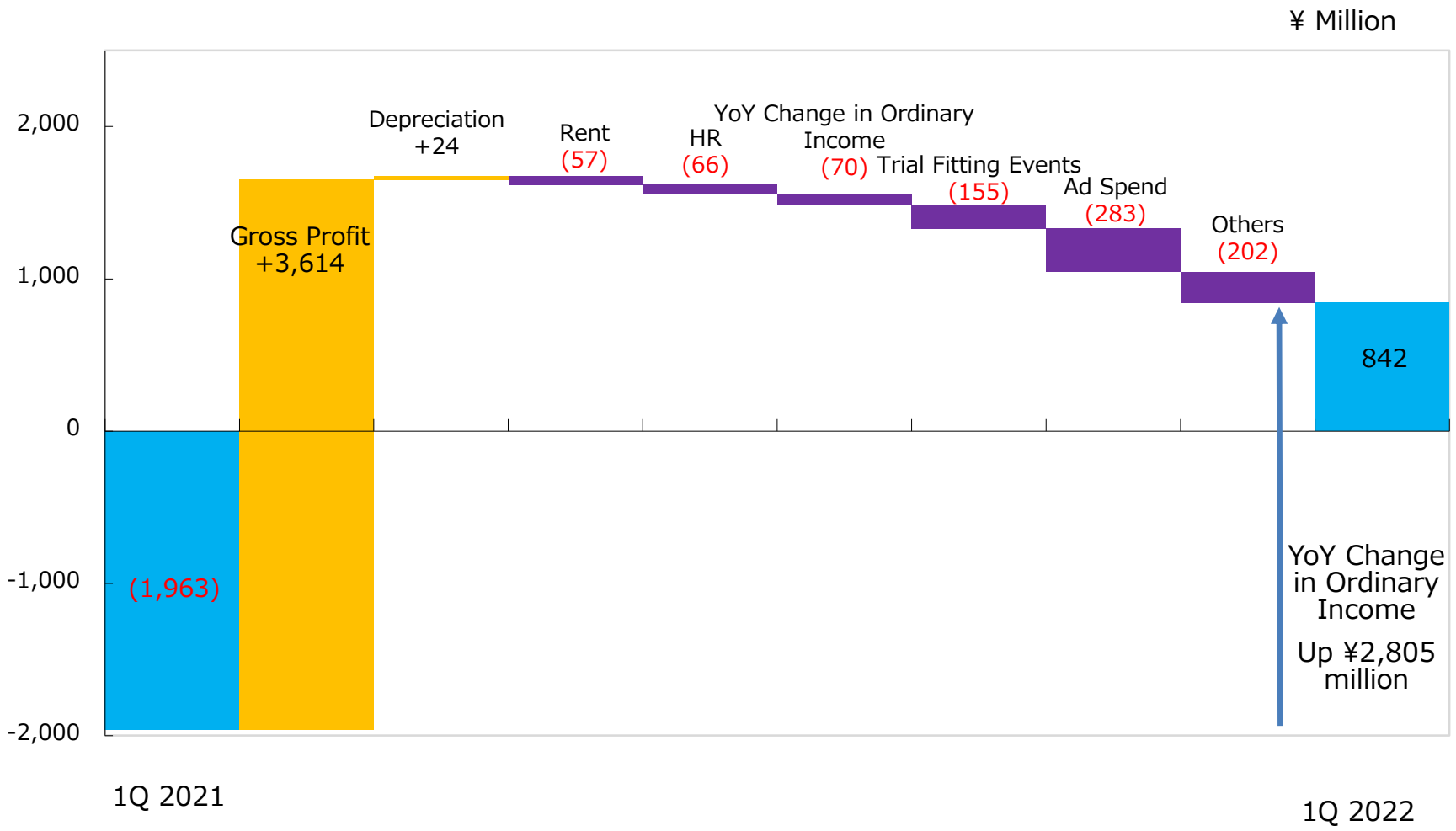
# 1<sup>st</sup> Quarter Of Fiscal 2022 : Financial Highlights



¥ Million

	1Q FY 2020		1Q FY 2021		1Q FY 2022		YoY Change	Notes
	April-June 2019	Sales ratio	April-June 2020	Sales ratio	April-June 2021	Sales ratio		
Net Sales	8,598	-	5,414	-	9,513	-	+75.7%	<ul style="list-style-type: none"> <li>• Net Sales Men's Business UP 62.7% Ladies' Business Up 106.9%</li> <li>• Cost of sales ratio 48.0% → 32.4% Product Cost Down 0.6Pt HR Down 15.0 Pt</li> <li>• SG&amp;A Expenses Ratio 88.4% → 58.1% Ad Spending Down 5.3 Pt HR Down 10.2 Pt Others Down 14.8 Pt</li> </ul>
Cost of Sales	2,868	33.4%	2,601	48.0%	3,085	32.4%	+18.6%	
Gross Profit	5,729	66.6%	2,813	52.0%	6,428	67.6%	+128.5%	
SG&A Expenses	5,364	62.4%	4,784	88.4%	5,523	58.1%	+15.4%	
Ad Spending	1,403	16.3%	1,033	19.1%	1,317	13.8%	+27.5%	
HR	1,287	15.0%	1,372	25.3%	1,438	15.1%	+4.8%	
Operating Income	365	4.3%	(1,971)	-	904	9.5%	-	
Ordinary Income	371	4.3%	(1,963)	-	842	8.9%	-	
Net Income	207	2.4%	(1,439)	-	488	5.1%	-	

# 1<sup>st</sup> Quarter Of Fiscal 2022 : Analysis of SG&A Expenses

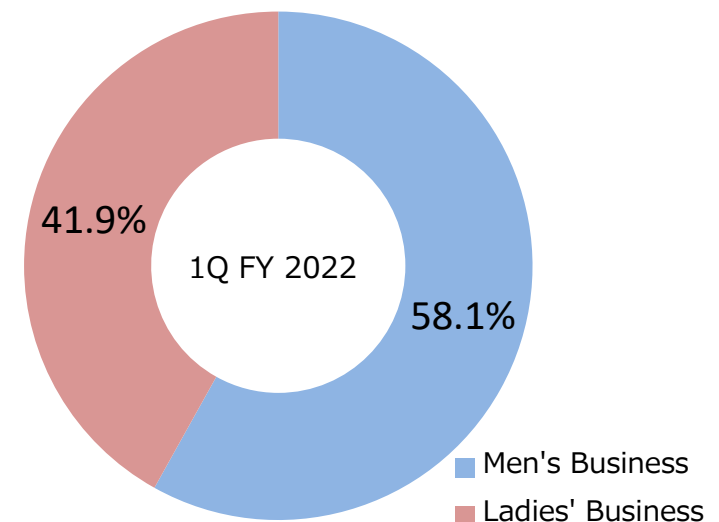
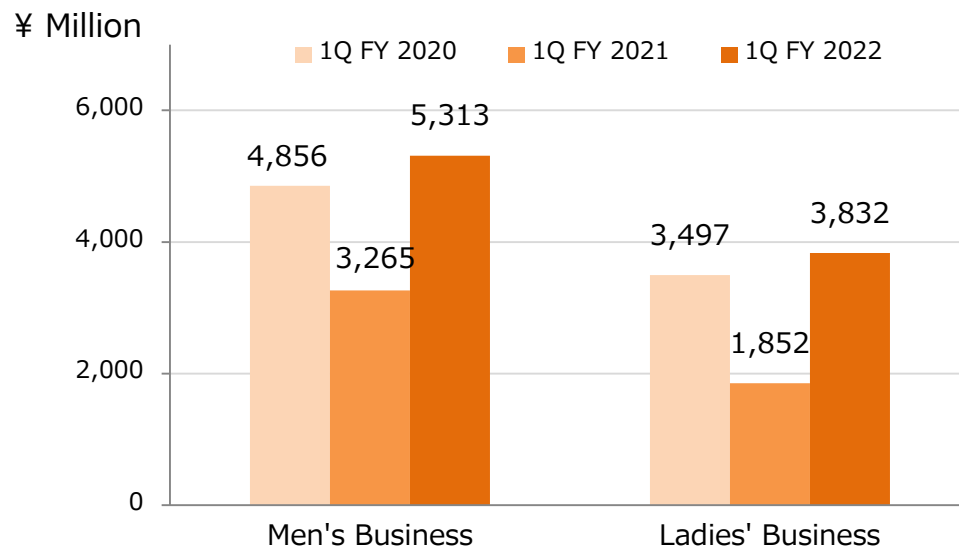


# 1<sup>st</sup> Quarter Of Fiscal 2022 : Analysis of SG&A Expenses

¥ Million

	1Q FY 2020	1Q FY 2021	1Q FY 2022	YoY Change
Net Sales	8,598	5,414	9,513	+75.7%
Men's Business	4,856	3,265	5,313	+62.7%
Ladies' Business	3,497	1,852	3,832	+106.9%
Others	244	296	366	+23.7%

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



# FY2022 : Breakdown of Sales by Product and Service in Total Both Segments (Non-consolidated Basis)

(¥ Million)

	1Q FY 2022		
	①Results	②Results before impact	③Amount of impact (①-②)
Custom-made Wigs	4,996	5,214	(217)
Hair Addition Products	1,097	1,093	+4
Hair Growth Services	313	313	+0
Styling Services	1,530	1,305	+225
JULLIA OLGER	595	643	(48)
Others	634	634	0
Total	9,169	9,205	(36)

## Applying "Accounting Standard for Revenue Recognition" from the start of the fiscal year ending March 31, 2022

- ①The cumulative effect of contract liabilities in the year of initial application was estimated and subtracted from retained earnings at the beginning of the period (decrease of approximately 1.65 billion yen)
- ②1Q FY 2022 impact of lower sales (decrease of approximately 30 million yen)

# 1<sup>st</sup> Quarter Of Fiscal 2022 : Breakdown of Net Sales by Products & Services(Non-consolidated Basis)



¥ Million

		1Q FY 2020	1Q FY 2021	1Q FY 2022	YoY Change	
Custom-made Wigs	New customers	979	361	958	+596	+165.0%
	Repeat Business	3,740	1,634	4,038	+2,404	+147.1%
	Total	4,719	1,995	4,996	+3,000	+150.4%
Hair Addition Products	New customers	281	275	263	(11)	(4.2%)
	Repeat Business	603	467	834	+367	+78.5%
	Total	885	742	1,097	+355	+47.9%
Hair Growth Services	New customers	28	23	21	(2)	(10.6%)
	Repeat Business	256	234	292	+58	+24.9%
	Total	284	257	313	+55	+21.6%
Styling Services		1,389	1,290	1,530	+240	+18.6%
JULLIA OLGER(Lady's Ready-made wig)		727	398	595	+197	+49.4%
Others		537	560	634	+74	+13.2%
All Products & Sevices	New Customers	1,289	660	1,242	+582	+88.2%
	Repeat Business ※	6,337	3,936	7,052	+3,116	+79.2%
	JULLIA OLGER	727	398	595	+197	+49.4%
	Others	189	251	278	+27	+11.0%
	Total	8,543	5,245	9,169	+3,923	+74.8%

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

# 1<sup>st</sup> Quarter Of Fiscal 2022 : Breakdown of Sales by Products & Services in Men's Business (Non-consolidated Basis)



¥ Million

		1Q FY 2020	1Q FY 2021	1Q FY 2022	YoY Change	
Custom-made Wigs	New customers	150	75	127	+51	+68.8%
	Repeat Business	2,478	1,195	2,947	+1,751	+146.5%
	Total	2,629	1,271	3,074	+1,803	+141.9%
Hair Addition Products	New customers	248	208	213	+4	+2.3%
	Repeat Business	423	292	473	+181	+62.0%
	Total	672	500	686	+185	+37.1%
Hair Growth Services	New customers	25	22	18	(3)	(16.9%)
	Repeat Business	149	138	143	+4	+3.6%
	Total	174	160	161	+1	+0.8%
Styling Services		1,123	1,096	1,130	+34	+3.1%
Others		256	236	259	+23	+9.8%
All Products & Sevices	New Customers	424	306	359	+53	+17.3%
	Repeat Business※	4,431	2,959	4,954	+1,995	+67.4%
	Total	4,856	3,265	5,313	+2,048	+62.7%

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



# 1<sup>st</sup> Quarter Of Fiscal 2022 : Breakdown of Sales by Products & Services in Ladies' Business (Non-consolidated Basis)



¥ Million

		1Q FY 2020	1Q FY 2021	1Q FY 2022	YoY Change	
Custom-made Wigs	New customers	828	285	830	+544	+190.5%
	Repeat Business	1,261	438	1,091	+652	+148.8%
	Total	2,090	724	1,921	+1,197	+165.3%
Hair Addition Products	New customers	33	66	49	(16)	(24.9%)
	Repeat Business	179	175	361	+186	+106.2%
	Total	213	241	411	+169	+70.2%
Hair Growth Services	New customers	3	1	2	+1	+69.2%
	Repeat Business	107	95	148	+53	+55.7%
	Total	110	97	151	+54	+56.0%
Styling Services		265	194	400	+205	+105.8%
JULLIA OLGER(Lady's Ready-made wig)		727	398	595	+197	+49.4%
Others		91	72	96	+23	+32.1%
All Products & Sevices	New Customers	864	354	883	+529	+149.5%
	Repeat Business※	1,905	976	2,097	+1,121	+114.8%
	JULLIA OLGER	727	398	595	+197	+49.4%
	Total	3,497	1,729	3,576	+1,847	+106.8%

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

# Consolidated Balance Sheets

¥ Million

	As of March 31, 2021		As of June 30, 2021		Rate of change
		Composition ratio		Composition ratio	
Total Current Assets	26,586	59.2%	25,588	57.5%	(3.8%)
Cash and Deposits	19,073	42.5%	17,846	40.1%	(6.4%)
Total non-current Assets	18,332	40.8%	18,927	42.5%	+3.2%
Total Property, Plant and Equipment	8,674	19.3%	8,719	19.6%	+0.5%
Total Assets	44,919	100.0%	44,515	100.0%	(0.9%)
Total Current Liabilities	12,147	27.0%	12,573	28.2%	+3.5%
Advances received	6,464	14.4%	6,132	13.8%	(5.1%)
Total Non-current Liabilities	7,517	16.7%	7,623	17.1%	+1.4%
Total Liabilities	19,664	43.8%	20,196	45.4%	+2.7%
Total Net Assets	25,255	56.2%	24,318	54.6%	(3.7%)
Retained earnings	19,075	42.5%	18,041	40.5%	(5.4%)
Total Liabilities and Net Assets	44,919	100.0%	44,515	100.0%	(0.9%)

## Major Factors on YoY Change

Current Assets : (998)

- Cash and Deposits : (1,227)
- Accounts receivable trade : (251)
- Inventory : +227

Current Liabilities : +425

- Advances received : (331)
- Accounts payable : (883)
- Others : +1,690
- ※Accounting Standard for Revenue Recognition

Retained earnings : (1,033)

- Cash dividends paid : (449)
- Net income : +488
- Beginning adjustment : (1,072)
- ※Accounting Standard for Revenue Recognition

¥ Million

	1Q FY 2022	FY 2022 Year-end (Plan)	YoY Progress rate
Net Sales	9,513	40,363	23.6%
Men's Business	5,313	22,366	23.8%
Ladies' Business	3,832	16,052	23.9%
Others	366	1,945	18.9%
Cost of Sales	3,085	13,076	23.6%
Gross Profit	6,428	27,286	23.6%
SG & A Expenses	5,523	25,262	21.9%
Ad Spending	1,317	6,740	19.5%
HR	1,438	6,066	23.7%
Operating Income	904	2,023	44.7%
Ordinary Income	842	2,088	40.3%
Net Income	488	1,045	46.7%



<https://www.artnature.co.jp/english/index.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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