

Financial Results

1H FY2017(April 1st , 2016 to September 30th , 2016)

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Financial Forecast

FY2017(April 1st , 2016 to March 31st , 2017)

November 11th , 2016

ARTNATURE INC.

Financial Results

1H FY2017

(April 1st , 2016 to September 30th , 2016)

1H FY 2017 : Summary

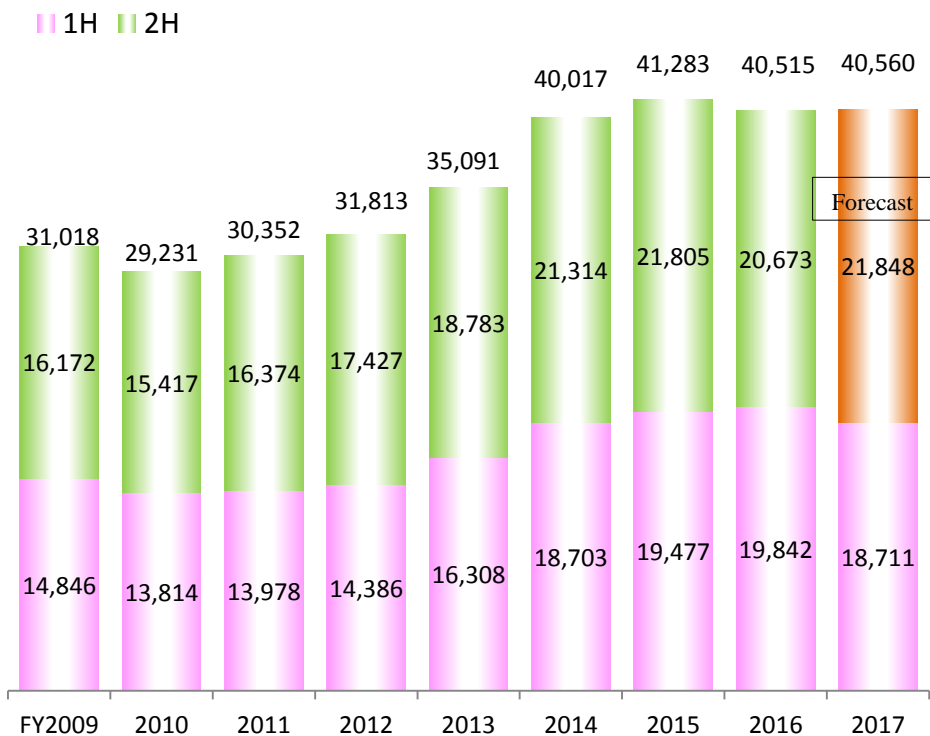
¥ million

	1H FY2016 (Results)	1H FY2017 (Results)	Y o Y Change	Original Plan	
					Change from the Original Plan
Net Sales	19,842	18,711	▲5.7%	20,612	▲9.2%
Men's Business	11,517	11,200	▲2.8%	11,698	▲4.3%
Lady's Business	6,411	5,752	▲10.3%	6,732	▲14.6%
Jullia Olger (Lady's Ready-made wig)	1,475	1,395	▲5.5%	1,702	▲18.1%
Others	437	363	▲16.9%	478	▲24.1%
Cost of Sales	5,713	5,753	+0.7%	6,154	▲6.5%
Gross Profit	14,128	12,957	▲8.3%	14,458	▲10.4%
SG&A Expcnce	12,423	11,828	▲4.8%	12,685	▲6.8%
AD Spending	3,368	3,205	▲4.8%	3,200	+0.2%
HR	3,000	2,913	▲2.9%	3,064	▲4.9%
Operating Income	1,705	1,129	▲33.8%	1,773	▲36.3%
Ordinary Income	1,778	1,004	▲43.5%	1,813	▲44.6%
Net Income	960	629	▲34.5%	1,150	▲45.3%

Trends of Net Sales and Operating Income

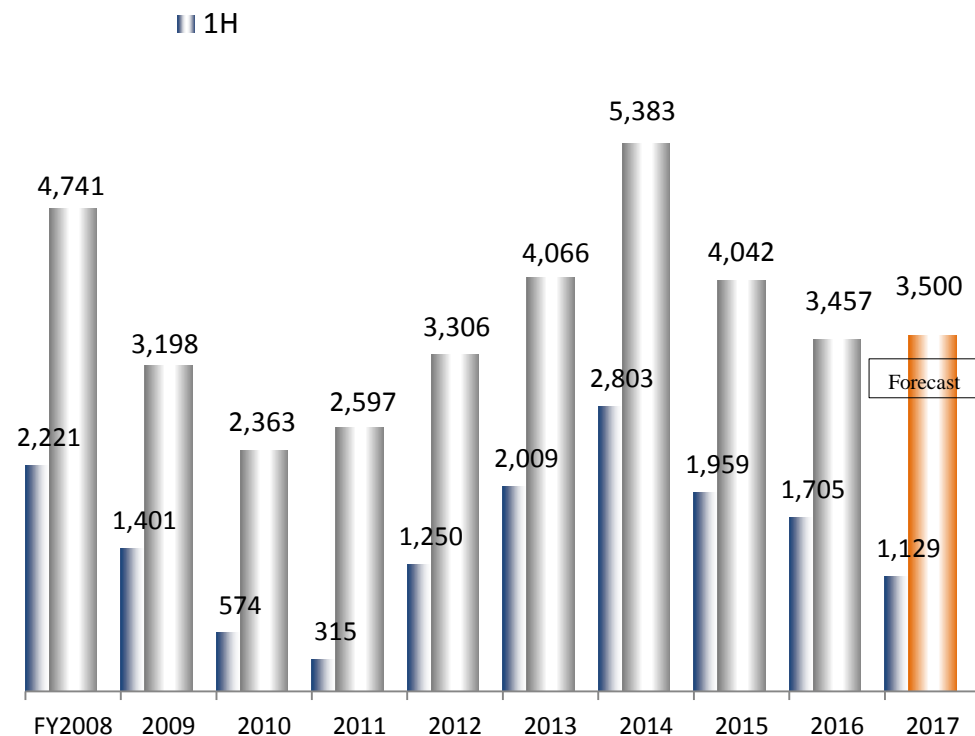
Net Sales

(¥ Million)



Operating Income

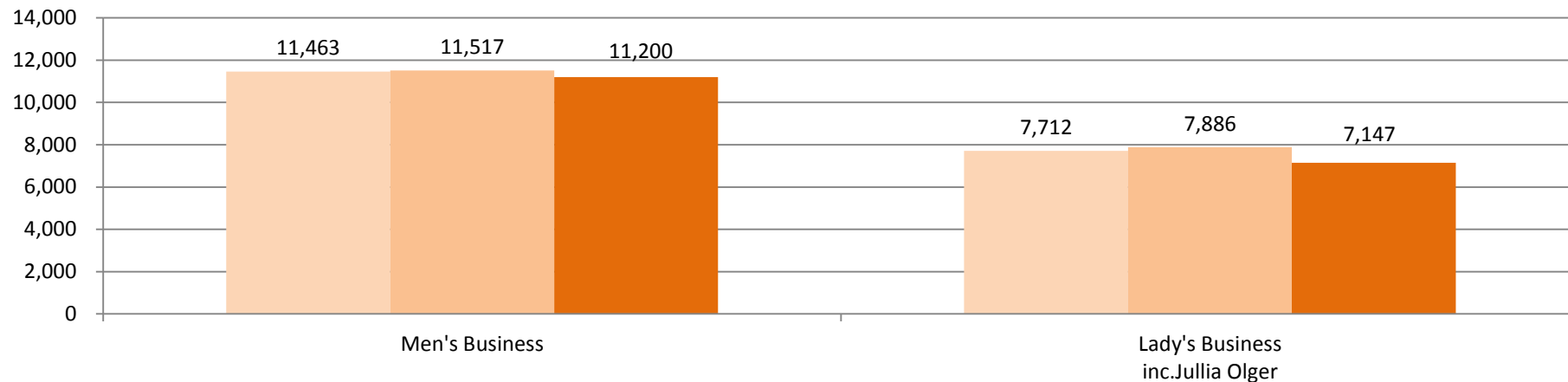
(¥ Million)



Breakdown of Net Sales

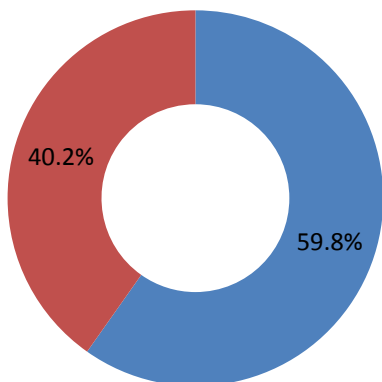
¥ million

1H FY2015 1H FY2016 1H FY2017



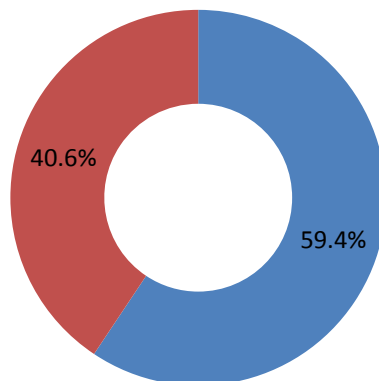
1H FY2015

Men's Business 40.2%
Lady's Business inc. Jullia Olger 59.8%



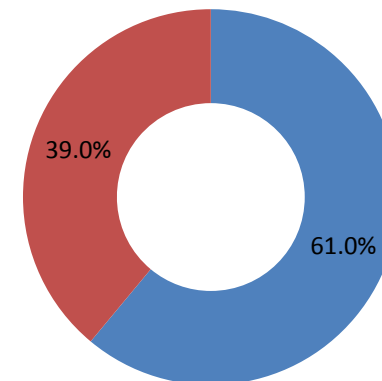
1H FY2016

Men's Business 40.6%
Lady's Business inc. Jullia Olger 59.4%



1H FY2017

Men's Business 39.0%
Lady's Business inc. Jullia Olger 61.0%



Breakdown of Net Sales by Products & Services

(Non-consolidated Basis)



¥ million

		1H FY2016	1H FY2017	Y o Y Cahnge	
Custom-made wig	New customers	2,530	2,027	▲502	▲19.9%
	Repeat business	9,638	9,155	▲483	▲5.0%
		12,168	11,182	▲986	▲8.1%
Hair addition products	New customers	700	715	+14	+2.1%
	Repeat business	984	1,118	+134	+13.6%
		1,684	1,833	+149	+8.9%
Hair growth services	New customers	85	80	▲4	▲5.4%
	Repeat business	605	505	▲100	▲16.5%
		691	586	▲104	▲15.2%
Styling services		2,642	2,650	+8	+0.3%
Jullia Olger		1,475	1,395	▲80	▲5.5%
Others		1,028	954	▲74	▲7.2%
All products & services	New customers	3,315	2,823	▲492	▲14.8%
	Repeat business	14,613	14,129	▲483	▲3.3%
	Jullia Olger	1,475	1,395	▲80	▲5.5%
	Others	286	254	▲31	▲11.0%
		19,691	18,603	▲1,088	▲5.5%

Breakdown of Net Sales by Products & Services

Men's Business (Non-consolidated Basis)



¥ million

		1H FY2016	1H FY2017	Y o Y Change	
Custom-made wig	New customers	528	488	▲40	▲7.6%
	Repeat business	6,485	6,257	▲228	▲3.5%
		7,014	6,745	▲269	▲3.8%
Hair addition products	New customers	643	589	▲54	▲8.5%
	Repeat business	736	812	+76	+10.3%
		1,380	1,401	+21	+1.6%
Hair growth services	New customers	75	73	▲1	▲2.2%
	Repeat business	384	333	▲50	▲13.3%
		459	407	▲52	▲11.4%
Styling services		2,136	2,149	+13	+0.6%
Others		527	496	▲30	▲5.8%
All products & services	New customers	1,247	1,150	▲96	▲7.7%
	Repeat business	10,270	10,049	▲220	▲2.1%
		11,517	11,200	▲317	▲2.8%

Breakdown of Net Sales by Products & Services

Ladies' Business (Non-consolidated Basis)



¥ million

		1H FY2016	1H FY2017	Y o Y Change	
Custom-made wig	New customers	2,001	1,539	▲ 462	▲ 23.1%
	Repeat business	3,152	2,898	▲ 254	▲ 8.1%
		5,154	4,437	▲ 716	▲ 13.9%
Hair addition products	New customers	56	126	+69	+122.8%
	Repeat business	247	306	+58	+23.5%
		304	432	+127	+42.0%
Hair growth services	New customers	10	7	▲ 2	▲ 29.6%
	Repeat business	221	172	▲ 49	▲ 22.2%
		231	179	▲ 52	▲ 22.6%
Styling services		506	501	▲ 4	▲ 1.0%
Others		1,690	1,597	▲ 92	▲ 5.5%
All products & services	New customers	2,068	1,672	▲ 395	▲ 19.1%
	Repeat business	4,342	4,079	▲ 262	▲ 6.1%
	Jullia Olger	1,475	1,395	▲ 80	▲ 5.5%
		7,886	7,147	▲ 739	▲ 9.4%

Financial Forecast

FY2017

(April 1st , 2016 to March 31st , 2017)

FY2017 : Financial Forecast



(¥ million)

	FY 2016		FY 2017			
	IH FY2016 (Results)	Year-end (Results)	IH FY2017 (Results)	Y o Y change	Year-end (Plan)	Y o Y change
Net Sales	19,842	40,515	18,711	▲5.7%	40,560	+0.1%
Men's Business	11,517	23,439	11,200	▲2.8%	23,698	+1.1%
Lady's Business	6,411	12,779	5,752	▲10.3%	12,790	+0.1%
Jullia Olger (Lady's Ready-made wig)	1,475	3,436	1,395	▲5.5%	3,458	+0.6%
Others	437	859	363	▲16.9%	612	▲28.8%
Cost of Sales	5,713	11,395	5,753	+0.7%	11,745	+3.1%
Gross Profit	14,128	29,119	12,957	▲8.3%	28,814	▲1.0%
SG&A Expence	12,423	25,662	11,828	▲4.8%	25,313	▲1.4%
AD Spending	3,368	6,903	3,205	▲4.8%	6,417	▲7.0%
HR	3,000	6,018	2,913	▲2.9%	5,963	▲0.9%
Operating Income	1,705	3,457	1,129	▲33.8%	3,500	+1.3%
Ordinary Income	1,778	3,456	1,004	▲43.5%	3,482	+0.7%
Net Income	960	1,731	629	▲34.5%	2,050	+18.4%

FY2017 : Breakdown of Sales Forecast by Products and Services (Non-consolidated basis)



(¥ million)

	FY 2016		FY 2017			
	1H FY2016 (Results)	Year-end (Results)	1H FY2017 (Results)	Y o Y change	Year-end (Plan)	Y o Y change
Custom-made wigs	12,168	24,425	11,182	▲ 8.1%	24,288	▲ 0.6%
Hair addition products	1,684	3,759	1,833	+8.9%	4,143	+10.2%
Hair growth services	691	1,333	586	▲ 15.2%	1,235	▲ 7.3%
Styling services	2,642	5,262	2,650	+0.3%	5,375	+2.2%
Jullia Olger	1,475	3,436	1,395	▲ 5.5%	3,458	+0.6%
Others	1,028	1,998	954	▲ 7.2%	1,941	▲ 2.8%
Total	19,691	40,214	18,603	▲ 5.5%	40,443	+0.6%

FY2017 : Breakdown of Sales Forecast by Products and Services

Men's Business (Non-consolidated basis)



(¥ million)

	FY 2016		FY 2017			
	IH FY2016 (Results)	Year-end (Results)	IH FY2017 (Results)	Y o Y change	Year-end (Plan)	Y o Y change
Custom-made wigs	7,014	14,229	6,745	▲3.8%	14,655	+3.0%
Hair addition products	1,380	3,050	1,401	+1.6%	2,836	▲7.0%
Hair growth services	459	893	407	▲11.4%	857	▲4.0%
Styling services	2,136	4,247	2,149	+0.6%	4,332	+2.0%
Others	527	1,018	496	▲5.8%	1,017	▲0.1%
Total	11,517	23,439	11,200	▲2.8%	23,698	+1.1%

FY2017 : Breakdown of Sales Forecast by Products and Services Ladies' Business (Non-consolidated basis)



(¥ million)

	FY 2016		FY 2017			
	1H FY2016 (Results)	Year-end (Results)	1H FY2017 (Results)	Y o Y change	Year-end (Plan)	Y o Y change
Custom-made wigs	5,154	10,196	4,437	▲13.9%	9,632	▲5.5%
Hair addition products	304	708	432	+42.0%	1,307	+84.6%
Hair growth services	231	439	179	▲22.6%	378	▲13.9%
Styling services	506	1,014	501	▲1.0%	1,043	+2.8%
Jullia Olger	1,475	3,436	1,395	▲5.5%	3,458	+0.6%
Others	214	421	202	▲5.7%	428	+1.9%
Total	7,886	16,216	7,147	▲9.4%	16,248	+0.2%



<http://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.

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