



Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2026 [J-GAAP]

July 30, 2025

Name of listed company: ARTNATURE INC. Listed on: Tokyo Stock Exchange
 Securities code: 7823 URL: <https://www.artnature.co.jp/english/index.html>
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 Scheduled date of the start of dividends distribution: —
 Supplementary documents for this summary of financial statements: Yes
 Financial results explanatory meeting: None

(Figures shown are rounded down to the nearest million yen.)

1. Consolidated results for the first quarter ended June 30, 2025 (April 1, 2025 – June 30, 2025)

(1) Consolidated operating results (Percentage figures show changes from the previous year.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent company	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2025	9,971	(1.9)	214	(45.2)	242	(39.2)	120	(40.0)
June 30, 2024	10,166	(4.2)	391	(63.9)	398	(64.0)	201	(70.9)

Note: Comprehensive income: Three months ended June 30, 2025: -¥23 million (-%)
 Three months ended June 30, 2024: ¥277 million (-61.4%)

	Net income per share	Diluted net income per share
Three months ended	Yen	Yen
June 30, 2025	3.71	3.65
June 30, 2024	6.19	6.11

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2025	49,534	26,577	53.0	806.23
As of March 31, 2025	49,678	27,055	53.8	820.93

(Reference) Equity capital: As of June 30, 2025: ¥26,250 million As of March 31, 2025: ¥26,726 million

2. Dividends

	Dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2025	—	14.00	—	14.00	28.00
Year ending March 31, 2026	—				
Year ending March 31, 2026 (forecast)		14.00	—	14.00	28.00

Note: Revisions to dividend forecasts published most recently: None

3. Consolidated financial forecast for the fiscal year ending March 31, 2026 (April 1, 2025 – March 31, 2026)

(Percentage figures show changes from the previous year.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent company		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	47,623	9.9	2,778	27.4	2,844	26.4	1,464	78.2	44.99

Note: Revisions to most recently announced results forecasts: None

Notes:

(1) Significant changes to subsidiaries during the period: None

(2) Application of specific accounting methods for preparing the quarterly consolidated financial statements: None

(3) Changes in accounting policies, accounting estimates and restatement of revisions

- | | |
|--|------|
| 1) Changes in accounting policies due to revision of accounting standards, etc.: | None |
| 2) Changes in accounting policies other than 1): | None |
| 3) Changes in accounting estimates: | None |
| 4) Restatement of revisions: | None |

(4) Number of outstanding shares (common stock):

- | | | | |
|--|-------------------|----------------------------------|-------------------|
| 1) Number of shares issued and outstanding (including treasury shares) | | | |
| As of June 30, 2025 | 34,393,200 shares | As of March 31, 2025 | 34,393,200 shares |
| 2) Number of treasury shares | | | |
| As of June 30, 2025 | 1,833,940 shares | As of March 31, 2025 | 1,836,740 shares |
| 3) Average number of shares issued and outstanding in each period | | | |
| Three months ended June 30, 2025 | 32,556,645 shares | Three months ended June 30, 2024 | 32,530,897 shares |

* **A review of the attached quarterly consolidated financial statements by certified public accountants or auditing firms:**
None

* **Explanation of the appropriate use of financial results forecasts; other important items**

(Cautionary statement regarding forward-looking statements, etc.)

Forward-looking statements in this document, including forecasts, are based on information available at the time of disclosure and on certain assumptions deemed reasonable by the Company. Actual results may differ materially from forward-looking statements due to a number of factors. For more information about these assumptions and other conditions that form the basis of these forecasts, please see page 2 of the supplementary materials, "1. Analysis of operating results and financial position, (3) Qualitative information on consolidated financial forecasts."

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1. Analysis of operating results and financial position

(1) Analysis of operating results

During the first quarter of the consolidated fiscal year under review, the Japanese economy staged a moderate recovery on the back of the rebound of consumer spending and inbound tourist demand, although high raw material prices, the continuing labor shortage, the weaker yen and other factors did have an impact. That said, the outlook still remained uncertain mainly due to increased prices, developments regarding U.S. tariff policies and the prolongation of geopolitical risks.

In this economic environment, the Group entered the final year of the ARTNATURE Advance Plan, its medium-term management plan. Under this plan, the Group continued to leverage its strengths and tackle a range of issues to enhance its business performance and increase its market share in the haircare industry while simultaneously promoting its business activities by expanding businesses acquired in new areas with a view toward taking a significant leap for the creation of a new ARTNATURE capable of opening up the next phase.

Regarding the financial results for the first three months under review, however, consolidated net sales decreased 1.9% year on year to ¥9,971 million as deliveries were rescheduled for later dates in sales to both new and repeat customers. In terms of profits, operating income and ordinary income stood at ¥214 million (down 45.2% year on year) and ¥242 million (down 39.2% year on year), respectively, due to increases in selling, general, and administrative expenses, lower net sales, and other factors. Similarly, net income attributable to owners of the parent company came to ¥120 million (down 40.0% year on year).

Business results by segment are as follows.

Men's business

Sales in the men's business declined 3.5% year on year to ¥5,062 million mainly due to deliveries not being rescheduled for later dates, although the Group moved forward with effective advertising targeting new customers and customer retention programs designed for repeat customers.

Ladies' business

Sales in the ladies' business declined 1.7% year on year to ¥3,213 million mainly because of deliveries being rescheduled for later dates in sales to repeat customers, offsetting a slight year-on-year increase in sales to new customers attributable mainly to the implementation of effective advertising programs.

Ladies' ready-made wigs business

Sales in the ladies' ready-made wigs business rose 4.6% year on year to ¥1,365 million, chiefly reflecting strong sales to repeat customers.

(2) Analysis of financial position

Assets, liabilities and net assets

(Assets)

As of the end of the first quarter, total assets were ¥49,534 million, a decrease of ¥144 million compared with the end of the previous fiscal year. This reflected a decline of ¥914 million in current assets mainly due to decreases in cash and deposits and accounts receivable-trade, which more than offset a ¥770 million increase in non-current assets attributable mainly to an increase in property, plant and equipment and in investments and other assets.

(Liabilities)

As of the end of the first quarter, liabilities totaled ¥22,956 million, an increase of ¥333 million compared with the end of the previous fiscal year. This largely reflected an increase of ¥230 million in current liabilities chiefly due to increases in advances received and provision for bonuses.

(Net assets)

As of the end of the first quarter, net assets were ¥26,577 million, a decrease of ¥477 million from the end of the previous fiscal year. This largely reflected a decrease in retained earnings.

(3) Qualitative information on consolidated financial forecasts

Consolidated financial forecasts for the fiscal year ending March 31, 2026 remain the same as those announced on May 15, 2025.

2. Quarterly consolidated financial statements and related notes**(1) Quarterly consolidated balance sheets**

	(Millions of yen)	
	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	18,163	17,338
Accounts receivable – trade	3,093	2,748
Securities	32	30
Merchandise and finished goods	3,182	3,460
Work in process	214	203
Raw materials and supplies	1,893	1,893
Others	1,297	1,287
Allowance for doubtful accounts	(7)	(6)
Total current assets	27,870	26,955
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,190	5,179
Others, net	4,740	5,206
Total property, plant and equipment	9,930	10,385
Intangible assets		
Others	1,821	1,814
Total intangible assets	1,821	1,814
Investments and other assets		
Others	10,688	11,010
Allowance for doubtful accounts	(631)	(631)
Total investments and other assets	10,056	10,378
Total non-current assets	21,808	22,578
Total assets	49,678	49,534

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Liabilities		
Current liabilities		
Accounts payable – trade	343	324
Accounts payable – other	2,183	1,226
Income taxes payable	265	319
Advances received	6,169	6,616
Provision for bonuses	1,103	1,608
Provision for directors' bonuses	142	37
Provision for product warranties	45	45
Others	3,256	3,562
Total current liabilities	13,510	13,740
Non-current liabilities		
Net defined benefit liability	4,096	4,143
Asset retirement obligations	3,163	3,206
Others	1,854	1,866
Total non-current liabilities	9,113	9,216
Total liabilities	22,623	22,956
Net assets		
Shareholders' equity		
Capital stock	3,667	3,667
Capital surplus	3,631	3,631
Retained earnings	19,742	19,407
Treasury shares	(1,031)	(1,029)
Total shareholders' equity	26,009	25,676
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	63	87
Foreign currency translation adjustment	163	25
Remeasurements of defined benefit plans	490	460
Total accumulated other comprehensive income	717	573
Subscription rights to shares	317	317
Non-controlling interests	11	10
Total net assets	27,055	26,577
Total liabilities and net assets	49,678	49,534

(2) Quarterly consolidated statements of income and comprehensive income
(Quarterly consolidated statements of income)

	(Millions of yen)	
	Three months ended June 30, 2024	Three months ended June 30, 2025
Net sales	10,166	9,971
Cost of sales	3,548	3,483
Gross profit	6,618	6,488
Selling, general and administrative expenses	6,226	6,273
Operating income	391	214
Non-operating income		
Interest income	11	11
Foreign exchange gains	—	17
Others	4	7
Total non-operating income	16	36
Non-operating expenses		
Foreign exchange losses	2	—
Guarantee commission	5	4
Others	1	4
Total non-operating expenses	9	9
Ordinary income	398	242
Extraordinary income		
Gain on sales of non-current assets	—	0
Total extraordinary income	—	0
Extraordinary losses		
Loss on retirement of non-current assets	0	0
Impairment loss	15	0
Total extraordinary losses	15	0
Income before income taxes	383	242
Income taxes – current	308	254
Income taxes – deferred	(126)	(132)
Total income taxes	181	121
Net income	201	120
Net income (loss) attributable to non-controlling interests	0	(0)
Net income attributable to owners of the parent company	201	120

(Quarterly consolidated statements of comprehensive income)

	(Millions of yen)	
	Three months ended June 30, 2024	Three months ended June 30, 2025
Net income	201	120
Other comprehensive income		
Valuation difference on available-for-sale securities	(8)	24
Foreign currency translation adjustment	96	(138)
Remeasurements of defined benefit plans	(11)	(30)
Total other comprehensive income	75	(144)
Comprehensive income	277	(23)
(Comprehensive income attributable to)		
Owners of the parent company	277	(22)
Non-controlling interests	0	(1)

(3) Notes on quarterly consolidated financial statements

(Notes on the going concern assumption)

There is no related information.

(Notes on significant fluctuation in amounts of shareholders' equity)

There is no related information.

(Notes to segment information, etc.)

[Segment information]

I. Three months ended June 30, 2024

1. Information regarding sales, income (loss), by reportable segment

(Millions of yen)

	Reportable segment				Others Note 1	Total	Adjustment Note 2	Amount in quarterly consolidated statement of income Note 3
	Men's business	Ladies' business	Ladies' ready-made wigs business	Total				
Net sales								
Sales to external customers	5,246	3,270	1,305	9,822	344	10,166	—	10,166
Intersegment sales and transfers	—	—	—	—	723	723	(723)	—
Total	5,246	3,270	1,305	9,822	1,067	10,890	(723)	10,166
Segment income	3,199	2,097	1,034	6,331	332	6,663	(45)	6,618

Notes: 1. Others is not a reportable segment and mainly includes manufacturing subsidiaries.

2. The adjustment of -¥45 million in segment income is an elimination of intersegment transactions related to inventories, etc.

3. Segment income has been adjusted to reconcile with the gross profits in the quarterly consolidated financial statements.

2. Adjustments to reconcile total segment income for reportable segments with operating income in the quarterly consolidated statements of income

(Millions of yen)

	Amount
Total for reportable segments	6,331
Others Note 1	332
Total	6,663
Adjustment Note 2	(45)
Gross profit in the quarterly consolidated statements of income	6,618
Selling, general and administrative expenses	6,226
Operating income in the quarterly consolidated statements of income	391

3. Information on impairment losses on non-current assets and goodwill by reportable segment

(Important impairment loss on non-current assets)

No significant impairment losses on non-current assets were recognized in the first three months under review.

II. Three months ended June 30, 2025

1. Information regarding sales, income (loss), by reportable segment

(Millions of yen)

	Reportable segment				Others Note 1	Total	Adjustment Note 2	Amount in quarterly consolidated statement of income Note 3
	Men's business	Ladies' business	Ladies' ready-made wigs business	Total				
Net sales								
Sales to external customers	5,062	3,213	1,365	9,642	329	9,971	—	9,971
Intersegment sales and transfers	—	—	—	—	719	719	(719)	—
Total	5,062	3,213	1,365	9,642	1,049	10,691	(719)	9,971
Segment income	3,051	2,052	1,111	6,215	318	6,534	(46)	6,488

Notes: 1. Others is not a reportable segment and mainly includes manufacturing subsidiaries.

2. The adjustment of -¥46 million in segment income is an elimination of intersegment transactions related to inventories, etc.

3. Segment income has been adjusted to reconcile with the gross profits in the quarterly consolidated financial statements.

2. Adjustments to reconcile total segment income for reportable segments with operating income in the quarterly consolidated statements of income

(Millions of yen)

	Amount
Total for reportable segments	6,215
Others Note 1	318
Total	6,534
Adjustment Note 2	(46)
Gross profit in the quarterly consolidated statements of income	6,488
Selling, general and administrative expenses	6,273
Operating income in the quarterly consolidated statements of income	214

3. Information on impairment losses on non-current assets and goodwill by reportable segment

(Important impairment loss on non-current assets)

No significant impairment losses on non-current assets were recognized in the first three months under review.

(Notes to statement of cash flows)

The Company did not prepare quarterly consolidated statements of cash flows for the first three months under review. Depreciation (including amortization of intangible assets except for goodwill) for the three-month period under review are as follows:

	(Millions of yen)	
	Three months ended June 30, 2024	Three months ended June 30, 2025
Depreciation	257	300