



Financial Results

July 30th, 2024
ARTNATURE INC.

1st Quarter Of Fiscal 2025 : Highlights

1st Quarter Of Fiscal 2025 had lower sales and profits.
 (Both sales and profits are proceeding according to plan.)

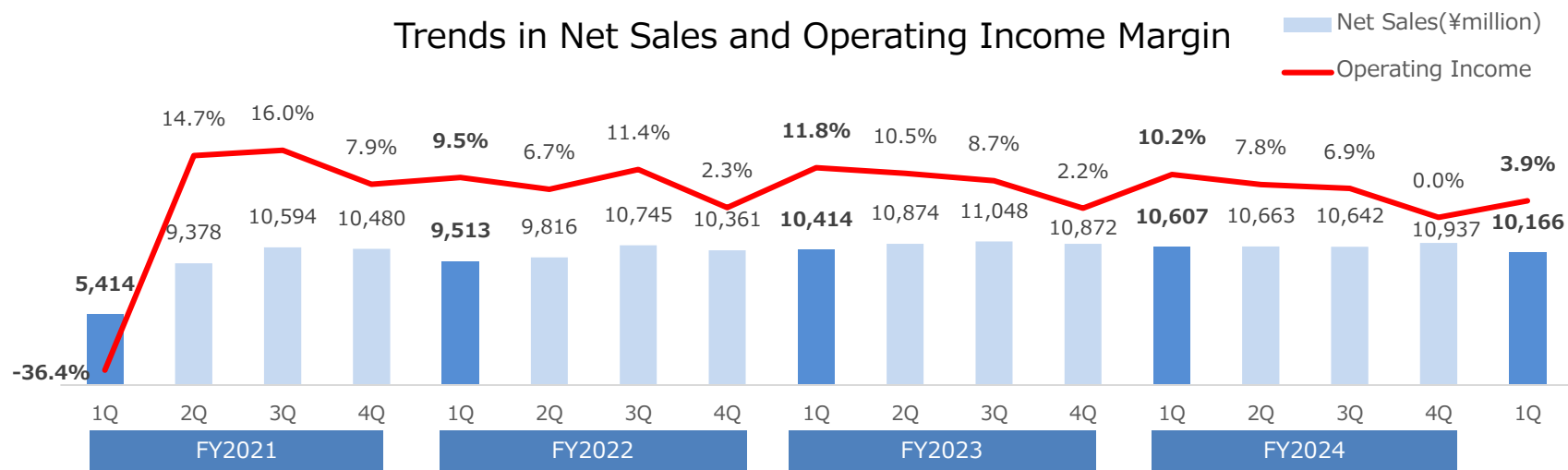
1Q FY2025 Financial Results

¥ Million

	1Q FY2024	1Q FY2025	YoY Change	FY 2025 (Year-end Plan)	Progress rate (Year-end Plan)
Net Sales	10,607	10,166	(4.2%)	45,001	22.6%
Men's Business	5,466	5,246	(4.0%)	23,235	22.6%
Ladies' Business	4,821	4,575	(5.1%)	20,154	22.7%
Others	319	344	+7.8%	1,612	21.4%
Operating Income	1,083	391	(63.9)	2,911	13.5%

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

Trends in Net Sales and Operating Income Margin



1st Quarter Of Fiscal 2025 : Financial Highlights

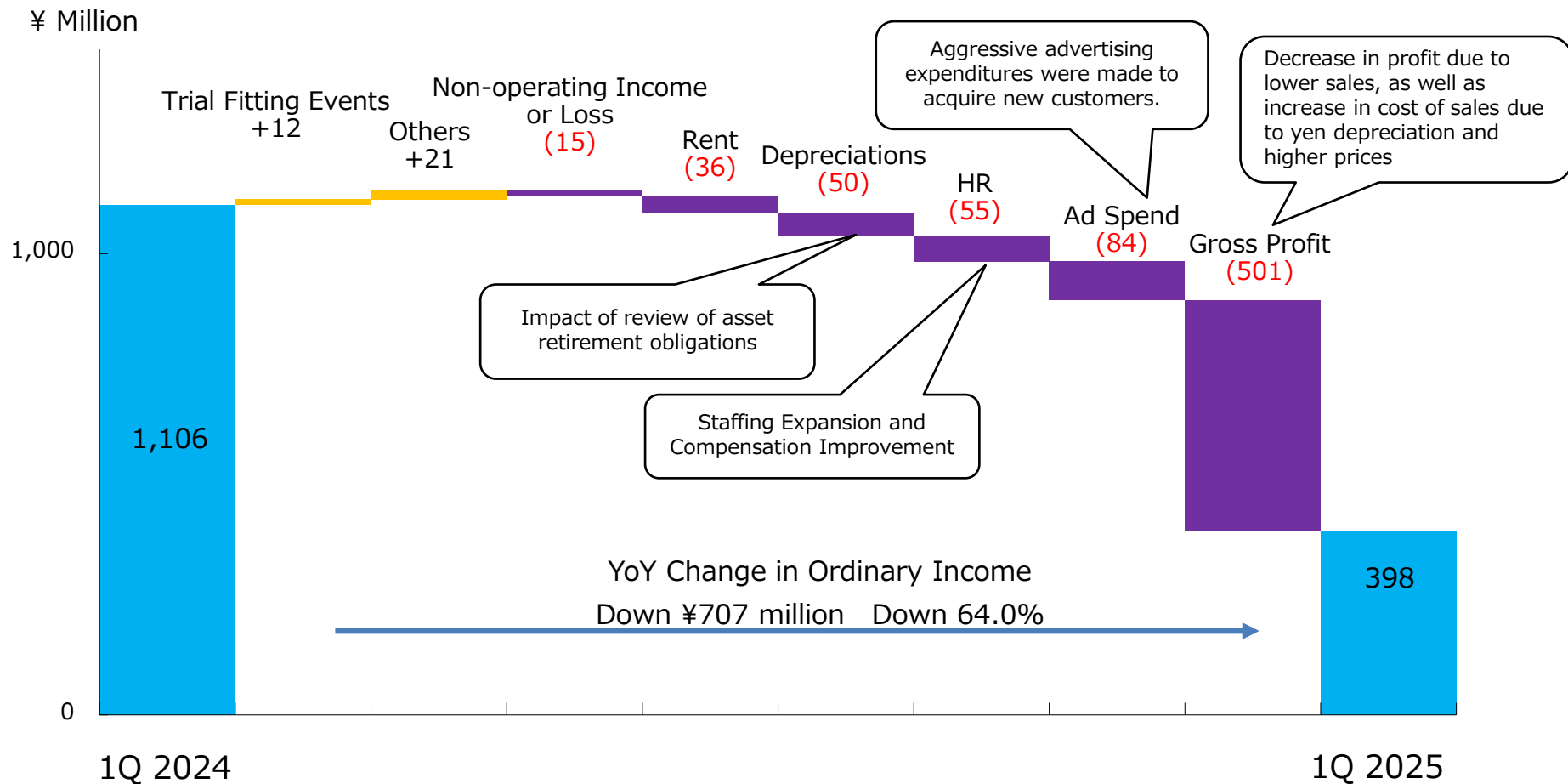
1st Quarter Of Fiscal 2025 had lower sales and profits.

¥ Million

	1Q FY 2024		1Q FY 2025		YoY Change	Notes
	April-June 2023	Sales ratio	April-June 2024	Sales ratio		
Net Sales	10,607	-	10,166	-	(4.2%)	<ul style="list-style-type: none"> • Net Sales Men's Business Down4.0% Ladies' Business Down5.1% • Cost of sales ratio 32.9% → 34.9% Product Cost Up0.7Pt HR Up1.3Pt • SG&A Expenses Ratio 56.9% → 61.2% Ad Spending Up1.4Pt HR Up1.2Pt Others Up1.8Pt
Cost of Sales	3,487	32.9%	3,548	34.9%	+1.7%	
Gross Profit	7,119	67.1%	6,618	65.1%	(7.0%)	
SG&A Expenses	6,036	56.9%	6,226	61.2%	+3.2%	
Ad Spending	1,336	12.6%	1,420	14.0%	+6.3%	
HR	1,579	14.9%	1,635	16.1%	+3.5%	
Operating Income	1,083	10.2%	391	3.9%	(63.9%)	
Ordinary Income	1,106	10.4%	398	3.9%	(64.0%)	
Net Income	692	6.5%	201	2.0%	(70.9%)	

1st Quarter Of Fiscal 2025 : Analysis of SG&A Expenses

Decrease in gross profit due to lower sales and increase in various expenses.



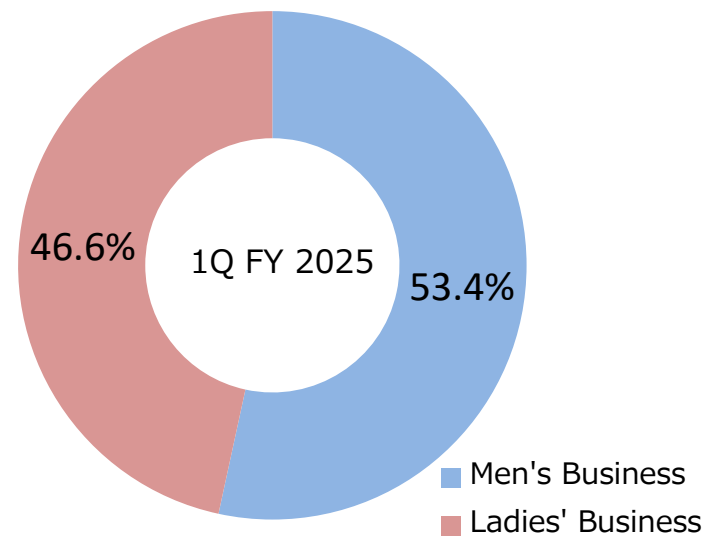
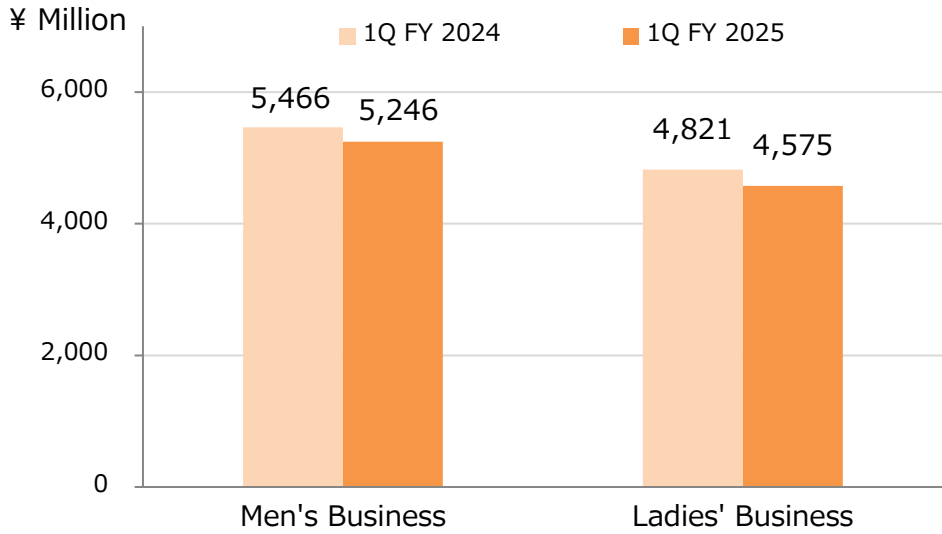
1st Quarter Of Fiscal 2025 : Breakdown of Sales by Segment

Sales in both the men's business and ladies' businesses declined, but are generally progressing as planned.

¥ Million

	1Q FY 2024	1Q FY 2025	YoY Change
Net Sales	10,607	10,166	(4.2%)
Men's Business	5,466	5,246	(4.0%)
Ladies' Business	4,821	4,575	(5.1%)
Others	319	344	+7.8%

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



1st Quarter Of Fiscal 2025 : Breakdown of Net Sales by Products & Services(Non-consolidated Basis)



New sales of custom-made wigs fell sharply from the previous quarter, but JULLIA OLGIER remained strong.

¥ Million

Net Sales		1Q FY 2024	1Q FY 2025	YoY Change	
Custom-made Wigs	New customers	1,492	1,100	(391)	(26.2%)
	Repeat Business	4,315	4,098	(217)	(5.0%)
	Total	5,807	5,198	(608)	(10.5%)
Hair Addition Products	New customers	189	152	(36)	(19.5%)
	Repeat Business	666	706	+39	+6.0%
	Total	856	858	+2	+0.3%
Hair Growth Services	New customers	11	8	(2)	(24.6%)
	Repeat Business	258	256	(2)	(0.8%)
	Total	270	265	(5)	(1.9%)
Styling Services		1,750	1,804	+54	+3.1%
JULLIA OLGIER(Lady's Ready-made wig)		952	1,033	+80	+8.5%
Others		584	583	(1)	(0.3%)
All Products & Sevices	New Customers	1,694	1,262	(431)	(25.5%)
	Repeat Business ※	7,380	7,254	(126)	(1.7%)
	JULLIA OLGIER	952	1,033	+80	+8.5%
	Others	194	193	(1)	(0.5%)
	Total	10,222	9,744	(477)	(4.7%)

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

1st Quarter Of Fiscal 2025 : Breakdown of Sales by Products & Services in Men's Business (Non-consolidated Basis)



Repeat business of custom-made wigs struggled, resulting in lower revenues.

¥ Million

		1Q FY 2024	1Q FY 2025	YoY Change	
Custom-made Wigs	New customers	209	186	(22)	(10.7%)
	Repeat Business	3,034	2,830	(203)	(6.7%)
	Total	3,244	3,017	(226)	(7.0%)
Hair Addition Products	New customers	169	134	(35)	(20.9%)
	Repeat Business	438	493	+55	+12.6%
	Total	607	627	+19	+3.2%
Hair Growth Services	New customers	10	7	(2)	(27.8%)
	Repeat Business	132	124	(8)	(6.4%)
	Total	143	131	(11)	(7.9%)
Styling Services		1,196	1,201	+4	+0.4%
Others		274	267	(6)	(2.4%)
All Products & Sevices	New Customers	389	328	(60)	(15.6%)
	Repeat Business※	5,076	4,918	(158)	(3.1%)
	Total	5,466	5,246	(219)	(4.0%)

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

1st Quarter Of Fiscal 2025 : Breakdown of Sales by Products & Services in Ladies' Business (Non-consolidated Basis)



New sales of custom-made wigs fell sharply from the previous quarter, but JULLIA OLGIER remained strong.

¥ Million

		1Q FY 2024	1Q FY 2025	YoY Change	
Custom-made Wigs	New customers	1,282	913	(369)	(28.8%)
	Repeat Business	1,280	1,267	(13)	(1.1%)
	Total	2,563	2,181	(382)	(14.9%)
Hair Addition Products	New customers	20	18	(1)	(7.6%)
	Repeat Business	228	212	(15)	(6.8%)
	Total	248	231	(16)	(6.8%)
Hair Growth Services	New customers	1	1	(0)	(4.9%)
	Repeat Business	125	132	+6	+5.1%
	Total	127	133	+6	+4.9%
Styling Services		553	602	+49	+8.9%
Others		115	121	+6	+5.2%
All Products & Sevices	New Customers	1,304	934	(370)	(28.4%)
	Repeat Business※	2,303	2,336	+32	+1.4%
	JULLIA OLGIER	952	1,033	+80	+8.5%
	Total	4,561	4,304	(257)	(5.6%)

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

Progress was sluggish, but generally in line with the Q1 FY 2025 plan.

¥ Million

	1Q FY 2025	FY 2025 Year-end (Plan)	Progress rate (Year-end Plan)
Net Sales	10,166	45,001	22.6%
Men's Business	5,246	23,235	22.6%
Ladies' Business	4,575	20,154	22.7%
Others	344	1,612	21.4%
Cost of Sales	3,548	15,114	23.5%
Gross Profit	6,618	29,887	22.1%
SG & A Expenses	6,226	26,976	23.1%
Ad Spending	1,420	6,663	21.3%
HR	1,635	6,823	24.0%
Operating Income	391	2,911	13.5%
Ordinary Income	398	2,949	13.5%
Net Income	201	1,509	13.3%

Consolidated Balance Sheets

¥ Million

	As of March 31, 2024		As of June 30, 2024		Rate of change
		Composition ratio		Composition ratio	
Total Current Assets	28,838	57.8%	28,247	57.0%	(2.1%)
Cash and Deposits	19,317	38.8%	18,900	38.2%	(2.2%)
Total non-current Assets	21,012	42.2%	21,290	43.0%	+1.3%
Total Property, Plant and Equipment	9,732	19.5%	9,631	19.4%	(1.0%)
Total Assets	49,851	100.0%	49,538	100.0%	(0.6%)
Total Current Liabilities	13,758	27.6%	13,565	27.4%	(1.4%)
Advances received	6,036	12.1%	6,162	12.4%	+2.1%
Total Non-current Liabilities	9,222	18.5%	9,279	18.7%	+0.6%
Total Liabilities	22,981	46.1%	22,844	46.1%	(0.6%)
Total Net Assets	26,870	53.9%	26,693	53.9%	(0.7%)
Retained earnings	19,831	39.8%	19,577	39.5%	(1.3%)
Total Liabilities and Net Assets	49,851	100.0%	49,538	100.0%	(0.6%)

Major Factors on YoY Change
<p>Current Assets (591)</p> <ul style="list-style-type: none"> • Cash and Deposits (417) • Accounts receivable trade (337) • Inventory : +27
<p>Noncurrent assets +278</p> <ul style="list-style-type: none"> • property, plant and equipment (101) • Intangible fixed assets +178
<p>Current Liabilities (193)</p> <ul style="list-style-type: none"> • Accounts payable (1,126) • Advances received +125 • Reserve for bonuses +539
<p>Retained earnings (254)</p> <ul style="list-style-type: none"> • Net income +201 • Dividends (455)



<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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