

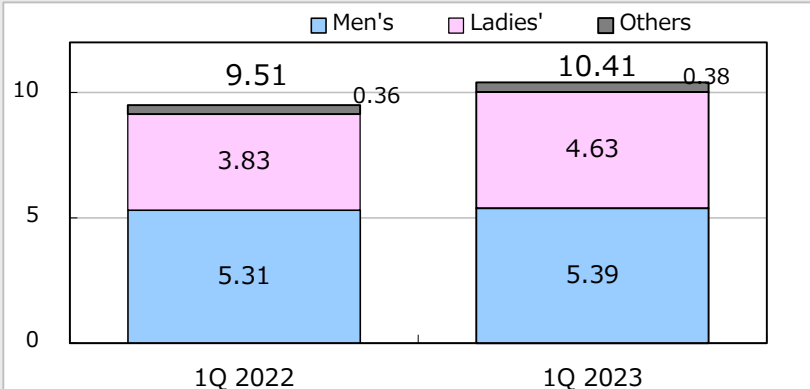


Financial Results

July 28th, 2022
ARTNATURE INC.

Net Sales

¥ Billion



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

Notes

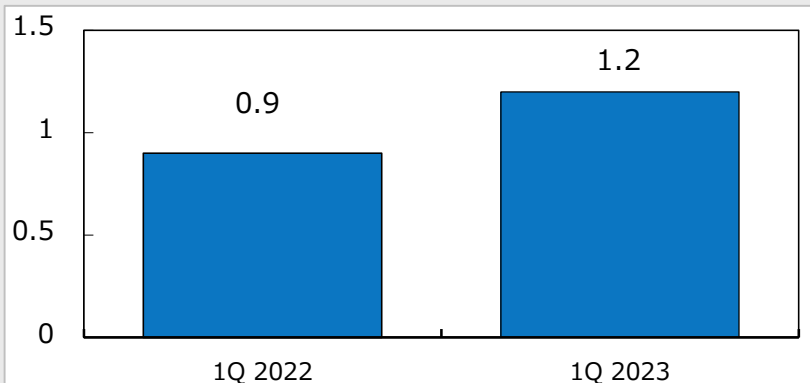
Net Sales ¥10.41Billion 【Up 9.5%】

- Men's Business ¥ 5.39 Billion (Up 1.5%)
- Ladies' Business ¥ 4.63 Billion (Up 20.9%)

※ Hit sales of women's wig "Feerin" launched in September 2021 contributed to revenue growth

Operating Income

¥ Billion



Notes

Operating Income ¥ 1.22Billion

- Gross Profit 67.6% → 68.5% (Up 0.9 Pt)
- SG&A Expenses 58.1% → 56.7% (Down 1.4 Pt)

※ Sales increased and profit increased

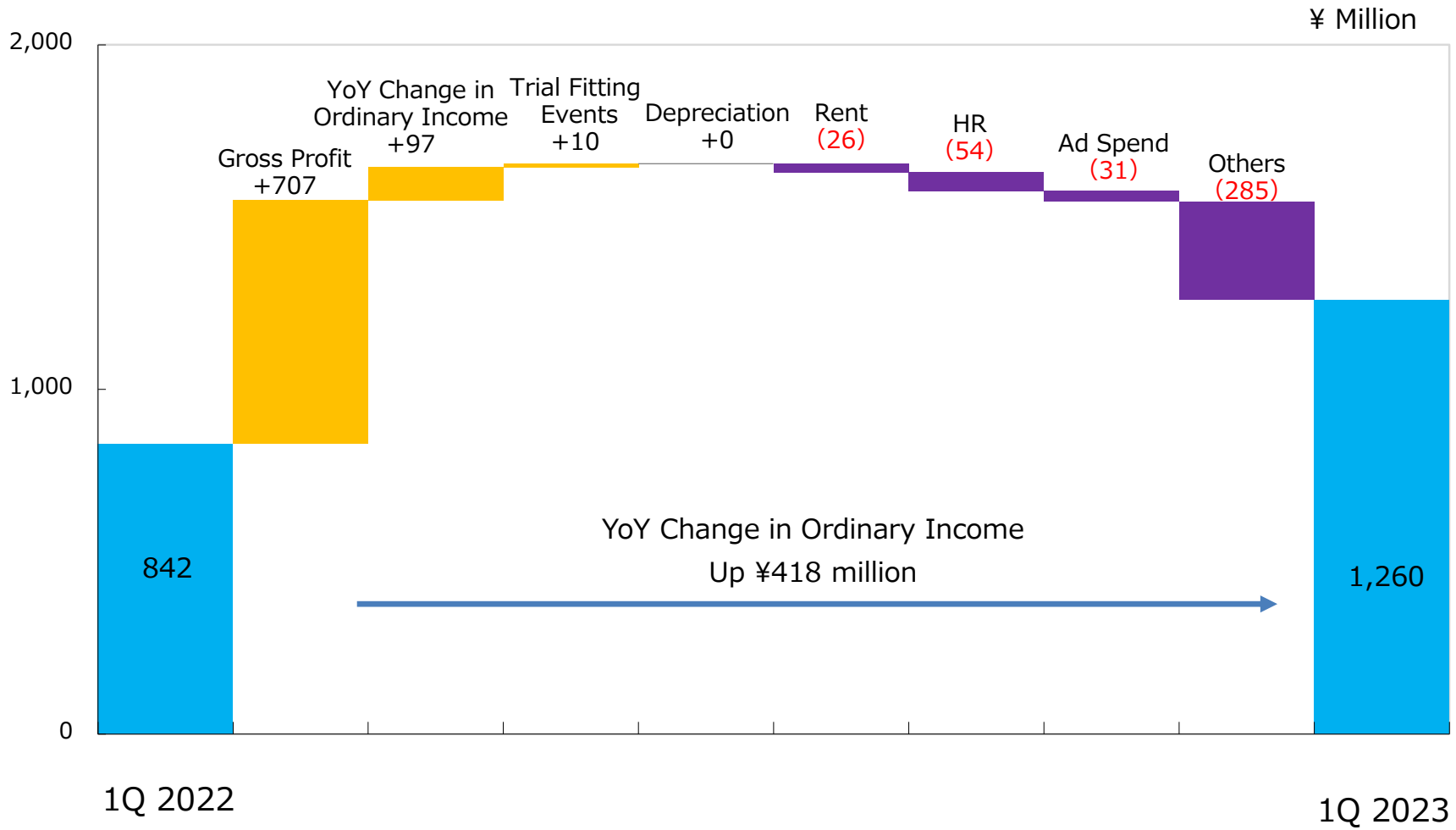
1st Quarter Of Fiscal 2023 : Financial Highlights



¥ Million

	1Q FY 2022		1Q FY 2023		YoY Change	Notes
	April-June 2021	Sales ratio	April-June 2022	Sales ratio		
Net Sales	9,513	-	10,414	-	+9.5%	<ul style="list-style-type: none"> • Net Sales Men's Business UP 1.5% Ladies' Business Up 20.9% • Cost of sales ratio 32.4% → 31.5% Product Cost Up 0.7Pt HR Down 1.8 Pt • SG&A Expenses Ratio 58.1% → 56.7% Ad Spending Down 0.8Pt HR Down 0.8Pt Others Up +0.4Pt
Cost of Sales	3,085	32.4%	3,278	31.5%	+6.3%	
Gross Profit	6,428	67.6%	7,135	68.5%	+11.0%	
SG&A Expenses	5,523	58.1%	5,909	56.7%	+7.0%	
Ad Spending	1,317	13.8%	1,348	13.0%	+2.4%	
HR	1,438	15.1%	1,493	14.3%	+3.8%	
Operating Income	904	9.5%	1,225	11.8%	+35.5%	
Ordinary Income	842	8.9%	1,260	12.1%	+49.7%	
Net Income	488	5.1%	790	7.6%	+61.8%	

1st Quarter Of Fiscal 2023 : Analysis of SG&A Expenses

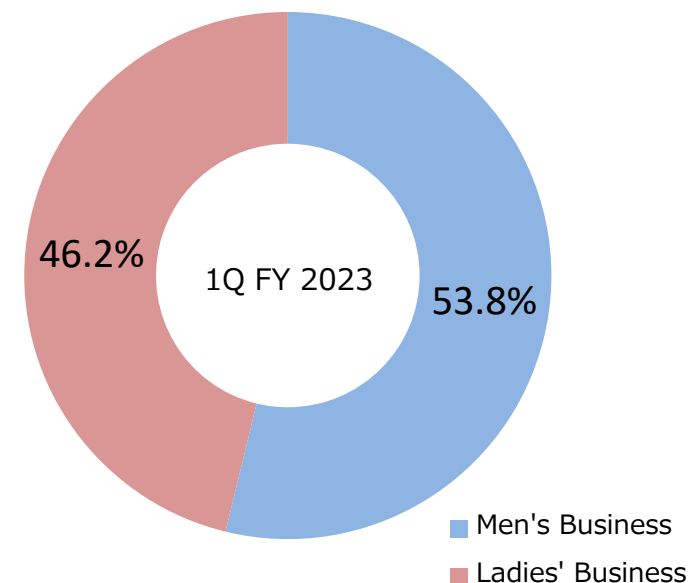
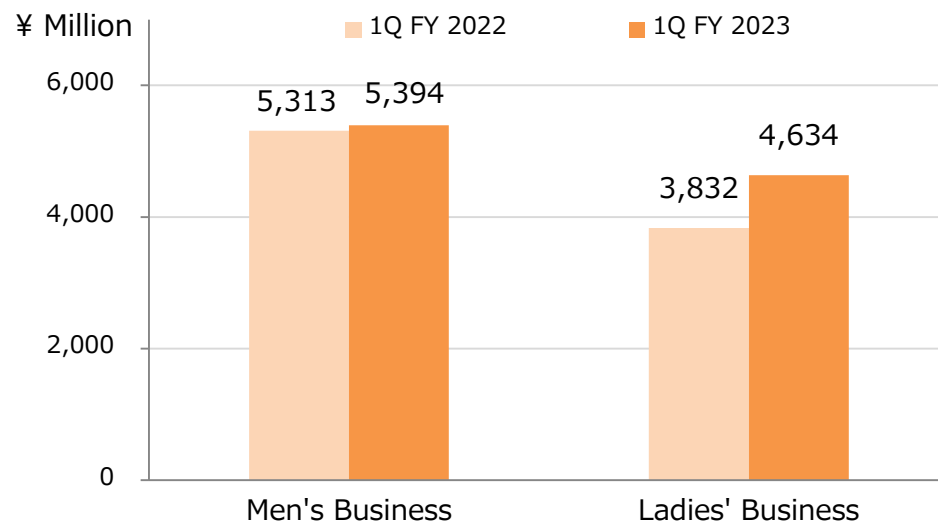


1st Quarter Of Fiscal 2023 : Breakdown of Sales by Segment

¥ Million

	1Q FY 2022	1Q FY 2023	YoY Change
Net Sales	9,513	10,414	+9.5%
Men's Business	5,313	5,394	+1.5%
Ladies' Business	3,832	4,634	+20.9%
Others	366	385	+5.0%

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



1st Quarter Of Fiscal 2023 : Breakdown of Net Sales by Products & Services(Non-consolidated Basis)



¥ Million

		1Q FY 2022	1Q FY 2023	YoY Change	
Custom-made Wigs	New customers	958	1,400	+442	+46.2%
	Repeat Business	4,038	4,206	+168	+4.2%
	Total	4,996	5,607	+610	+12.2%
Hair Addition Products	New customers	263	280	+16	+6.4%
	Repeat Business	834	824	(10)	(1.2%)
	Total	1,097	1,104	+6	+0.6%
Hair Growth Services	New customers	21	16	(5)	(24.1%)
	Repeat Business	292	279	(12)	(4.2%)
	Total	313	296	(17)	(5.6%)
Styling Services		1,530	1,586	+55	+3.6%
JULLIA OLGER(Lady's Ready-made wig)		595	811	+216	+36.3%
Others		634	662	+27	+4.3%
All Products & Sevices	New Customers	1,242	1,696	+453	+36.5%
	Repeat Business ※	7,052	7,259	+207	+2.9%
	JULLIA OLGER	595	811	+216	+36.3%
	Others	278	299	+20	+7.5%
	Total	9,169	10,067	+898	+9.8%

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

1st Quarter Of Fiscal 2023 : Breakdown of Sales by Products & Services in Men's Business (Non-consolidated Basis)



¥ Million

		1Q FY 2022	1Q FY 2023	YoY Change	
Custom-made Wigs	New customers	127	185	+57	+45.0%
	Repeat Business	2,947	2,928	(18)	(0.6%)
	Total	3,074	3,113	+38	+1.3%
Hair Addition Products	New customers	213	247	+33	+15.8%
	Repeat Business	473	480	+7	+1.5%
	Total	686	727	+40	+5.9%
Hair Growth Services	New customers	18	14	(3)	(21.7%)
	Repeat Business	143	140	(2)	(2.0%)
	Total	161	154	(6)	(4.3%)
Styling Services		1,130	1,137	+6	+0.6%
Others		259	261	+1	+0.6%
All Products & Sevices	New Customers	359	446	+87	+24.2%
	Repeat Business※	4,954	4,948	(6)	(0.1%)
	Total	5,313	5,394	+80	+1.5%

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

1st Quarter Of Fiscal 2023 : Breakdown of Sales by Products & Services in Ladies' Business (Non-consolidated Basis)



¥ Million

		1Q FY 2022	1Q FY 2023	YoY Change	
Custom-made Wigs	New customers	830	1,215	+384	+46.3%
	Repeat Business	1,091	1,278	+187	+17.2%
	Total	1,921	2,493	+572	+29.8%
Hair Addition Products	New customers	49	33	(16)	(33.7%)
	Repeat Business	361	343	(17)	(4.9%)
	Total	411	376	(34)	(8.4%)
Hair Growth Services	New customers	2	1	(1)	(38.9%)
	Repeat Business	148	139	(9)	(6.4%)
	Total	151	141	(10)	(7.0%)
Styling Services		400	448	+48	+12.1%
JULLIA OLGER(Lady's Ready-made wig)		595	811	+216	+36.3%
Others		96	101	+4	+4.9%
All Products & Sevices	New Customers	883	1,250	+366	+41.5%
	Repeat Business※	2,097	2,311	+213	+10.2%
	JULLIA OLGER	595	811	+216	+36.3%
	Total	3,576	4,373	+796	+22.3%

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

Consolidated Balance Sheets

¥ Million

	As of March 31, 2022		As of June 30, 2022		Rate of change	Major Factors on YoY Change
		Composition ratio		Composition ratio		
Total Current Assets	28,021	60.2%	27,263	59.4%	(2.7%)	Current Assets (758) <ul style="list-style-type: none"> • Cash and Deposits (919) • Accounts receivable trade (312) • Inventory +212
Cash and Deposits	19,546	42.0%	18,626	40.6%	(4.7%)	
Total non-current Assets	18,488	39.8%	18,670	40.6%	+1.0%	
Total Property, Plant and Equipment	8,694	18.7%	8,759	19.1%	+0.7%	Current Liabilities (946) <ul style="list-style-type: none"> • Advances received (346) • Accounts payable (1,142)
Total Assets	46,510	100.0%	45,933	100.0%	(1.2%)	
Total Current Liabilities	14,237	30.6%	13,290	28.9%	(6.6%)	
Advances received	6,502	14.0%	6,155	13.4%	(5.3%)	Retained earnings +340 <ul style="list-style-type: none"> • Cash dividends paid (449) • Net income +790
Total Non-current Liabilities	7,676	16.5%	7,739	16.8%	+0.8%	
Total Liabilities	21,914	47.1%	21,030	45.8%	(4.0%)	
Total Net Assets	24,596	52.9%	24,903	54.2%	+1.2%	
Retained earnings	18,307	39.4%	18,648	40.6%	+1.9%	
Total Liabilities and Net Assets	46,510	100.0%	45,933	100.0%	(1.2%)	

¥ Million

	1Q FY 2023	FY 2023 Year-end (Plan)	YoY Progress rate
Net Sales	10,414	41,991	24.8%
Men's Business	5,394	22,896	23.6%
Ladies' Business	4,634	17,034	27.2%
Others	385	2,061	18.7%
Cost of Sales	3,278	14,030	23.4%
Gross Profit	7,135	27,961	25.5%
SG & A Expenses	5,909	25,855	22.9%
Ad Spending	1,348	6,873	19.6%
HR	1,493	6,265	23.8%
Operating Income	1,225	2,105	58.2%
Ordinary Income	1,260	2,155	58.5%
Net Income	790	1,137	69.5%



<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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