

ARTNATURE

Presentation Material FY2025 for the Year Ended March 31, 2025

ARTNATURE INC.

Financial Results for the Fiscal Year Ending March 2025



In the fiscal year ended March 31, 2025, sales increased but income declined year on year, and the revised plan was largely achieved.

FY2025 : Highlights

(¥ Million)

	FY2024 (Results)	FY2025 (Results)	YoY Change	Revision plan	Revision plan ratio
Net Sales	42,850	43,340	+1.1%	43,354	(0.0%)
Men's Business	22,814	23,167	+1.5%	23,103	+0.3%
Ladies' Business*	18,446	18,646	+1.1%	18,794	(0.8%)
Others	1,589	1,526	(4.0%)	1,456	+4.8%
Operating Income	2,654	2,181	(17.8%)	2,044	+6.7%

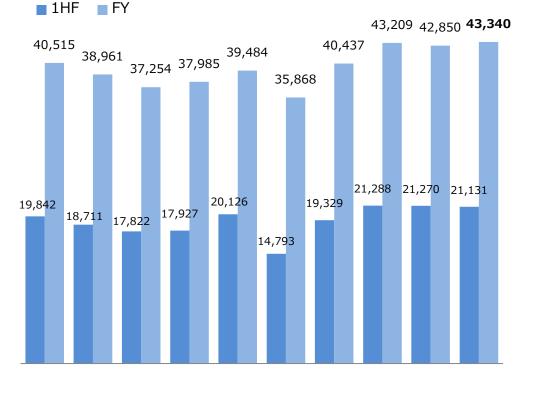
% Ladies' Business inc. JULLIA ORGER, NAO-ART CO.,LTD

Net Sales and Operating Income

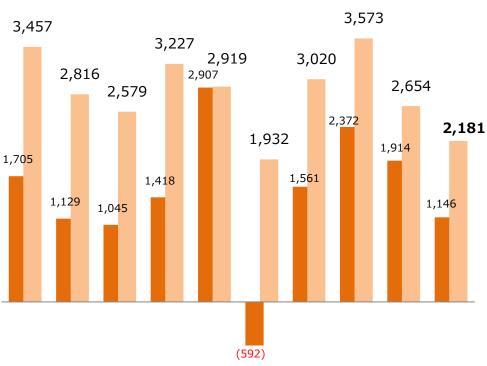
Despite the profitability challenges, sales reached a record high since the Company's IPO.

IHF FY

Net Sales (¥ Million)



Operating Income (¥ Million)



FY2016 FY2017 FY2018 FY2019 FY2020 FY2021 FY2022 FY2023 FY2024 FY2025

FY2016 FY2017 FY2018 FY2019 FY2020 FY2021 FY2022 FY2023 FY2024 FY2025

ARTNATURE

Progress of Medium-Term Management Plan

N O



With its vision as "Pioneering the Next Generation: ARTNATURE's Leap Forward," the Medium-Term Management Plan 2023-2025 is positioned as the third step toward the realization of the long-term vision for 2027, the 60th anniversary of the company's founding.

AN Group Motto	"Your best smile is what we want."
AN Long-Term Vision 2026 (60th Anniversary)	"A Decade to Open a New Future" Open up a new future by shifting to a management style emphasizing customer satisfaction and profitability, while exploring new business areas.
3rd step Medium-Term Management Plan 2023-2025 Vision	"Pioneering the Next Generation: ARTNATURE's Leap Forward" Make a new breakthrough to the realization of the long-term vision based on the achievements to date
2nd step Medium-Term Management Plan 2020-2022 Vision	"Pioneering the Next Generation: ARTNATURE's Challenge" Embrace the challenges to enhance business value in spite of an uncertain future
1st step Medium-Term Management Plan 2017-2019 Vision	"Pioneering the Next Generation: The Birth of ARTNATURE" Aim for a recovery in business performance to build a solid foundation
Strengthening of Business Foundation Corporate Responsibility	



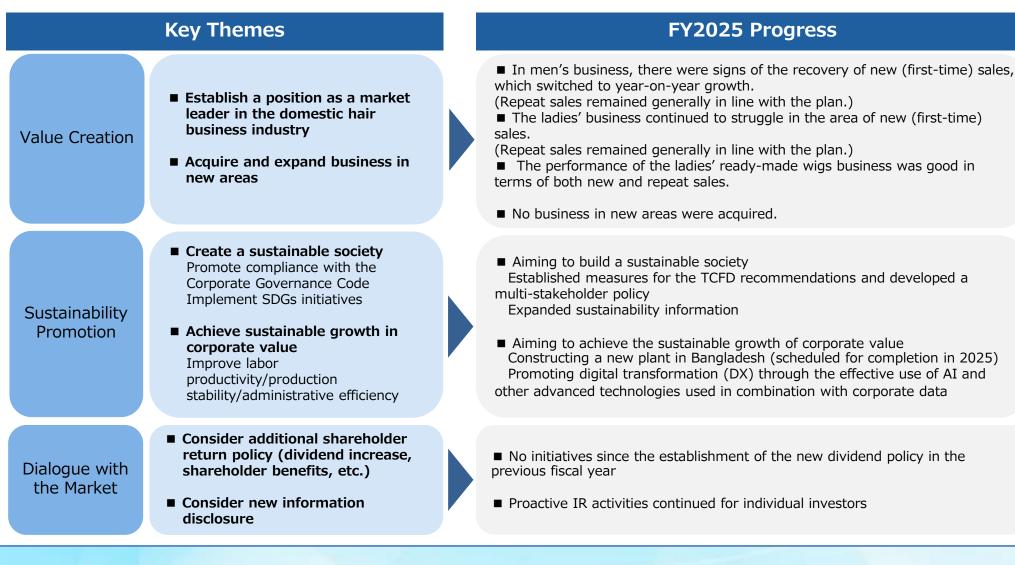
The final-year target of the current medium-term plan, sales of over 50 billion yen, has been revised based on the latest financial results.

Long-Term Vision "A Decade to Open a New Future"							
	Previous two mid-term management plans	Previous Mid-term Management Plan	New Medium-Term Management Plan	Final fiscal year			
	2017-2019	2020-2022	2023-2025	2025			
Medium-Term Management Plan	REBORN	Challenge	Advance				
	Pioneering the Next Generation: The Birth of ARTNATURE	Pioneering the Next Generation: ARTNATURE's Challenge	Pioneering the Next Generation: ARTNATURE's Leap Forward	Revision			
Net sales _{*1}	39.4Billion yen(2019)	43.2Billion yen(2022)	52.3Billion yen(2025)				
Ordinary Income Margin X1	7.6%(2019)	8.2%(2022)	10.0%(2025)	1			
ROE _{%1}	6.2%(2019)	7.5%(2022)	10.3%(2025)				
Hair business market share涨2	30.5%(2019)	35.3%(2021)	Over 40%(2025)	_			

*1 Net sales, Ordinary income margin, and ROE shown are actual results and plans for the final year of the medium-term management plan. *2 Hair business market share: the ratio of our sales to the industry's total domestic sales (2019, 2021)

Progress on Key Themes of the Medium-Term Management Plan

Focused on key themes in order to propel "ARTNATURE, pioneer of the next generation" to the next stage.





In the men's business, new sales were recovering beginning in the second quarter, resulting in the year-on-year growth of sales.

Factors in the recovery of new sales

We focused on strengthening sales of high value-added products and enhanced issue-specific training for individual salespeople, which led to year-on-year improvements in their contract success rates and the unit sale price.

Future challenges

Further strengthen marketing efforts targeting both potential and existing customers concerned about hair thinning.



New Sales Annual Trend

New sales have not yet recovered to the pre-

improved +5.0 points compared to FY2024.)

COVID levels. (However, in FY2025, results

Based on aggregated new sales of all products and services in the men's business Sales ratio shown using FY2020 (pre-COVID) sales as the baseline of 100





The ladies' business struggled with new sales of custom-made wigs.

Factors in the struggle in new sales

We regularly launched new products but were unable to produce a hit. We implemented various initiatives to create new customer touchpoints, but they were unsuccessful.

Future challenges

Launch a new hit product surpassing Feelin, which was released in September 2021. Create new customer contact opportunities.

New Sales Annual Trend

New sales have stagnated since FY2023.



New Sales Monthly Trend (YoY Comparison)

Signs of recovery began to appear in February.



Based on aggregated new sales of all products and services in the ladies' business Sales ratio shown using FY2020 (pre-COVID) sales as the baseline of 100



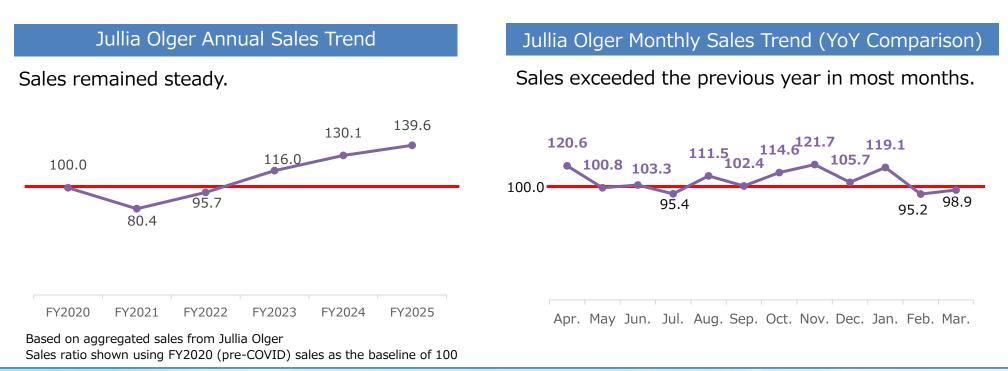
Both new sales and repeat sales were strong in the ladies' ready-made wigs business.

Factors in strong sales

We strengthened in-store promotions by holding store events in line with the promotional periods of commercial facilities. LEFIA GRACE, launched in October, became a major hit with the highest sales ever recorded in the ready-made wigs business.

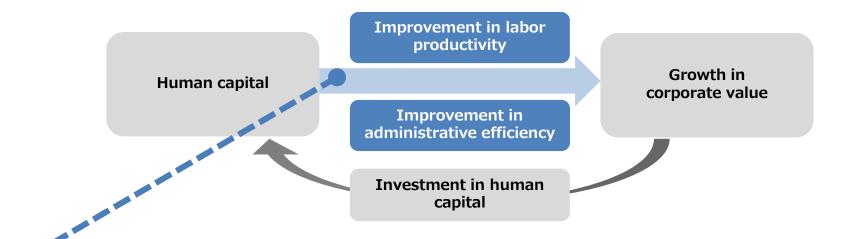
Future challenges

Build a sales structure that further drives the growth of sales volume Strengthen collaboration with the ladies' business to implement upselling initiatives





Promoting digital transformation (DX) initiatives using AI and other advanced technologies to achieve the sustainable growth of corporate value.



Examples of DX initiatives to achieve the sustainable growth of corporate value

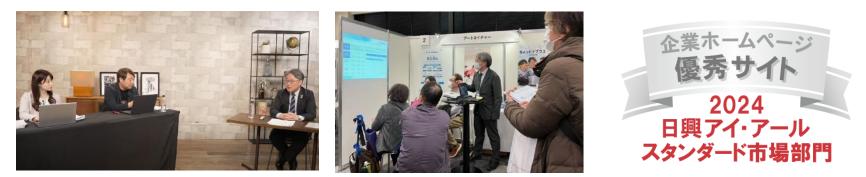




Facilitating dialogue with the market by enhancing the disclosure of information and strengthening relationships with individual investors.

Status of Efforts Concerning Dialogue with the Market

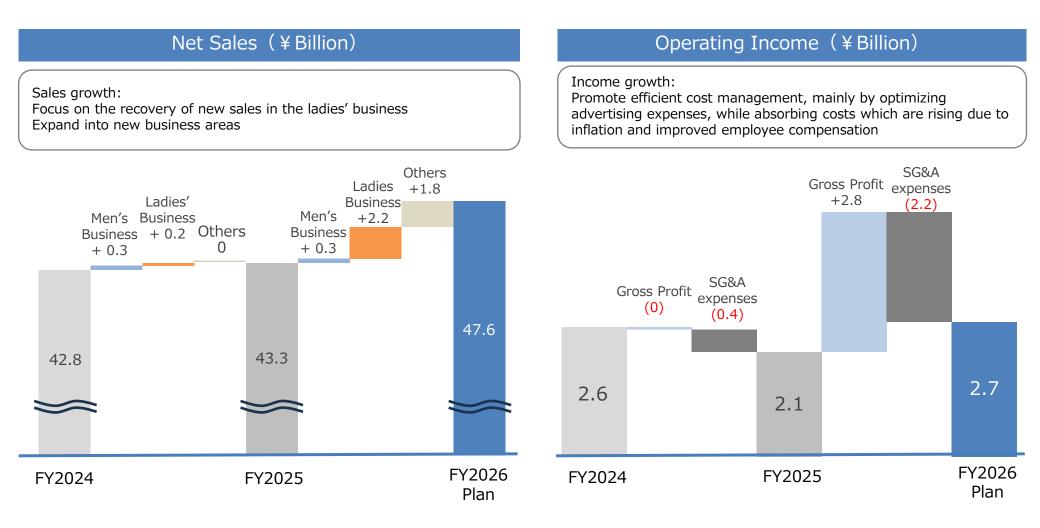
Initiatives	Implementation status
Consideration of additional shareholder return measures	No initiatives since the establishment of the new dividend policy last year
Consider new information disclosure	Expanded the sustainability and IR-related information on the IR website, resulting in the website being selected as an Outstanding Website in the Standard Market category of the 2024 Website Quality Ranking conducted by Nikko Investor Relations Co., Ltd
Others	Actively engaged in IR activities, including regularly hosting online events for individual investors and participating in IR events organized by other companies



Forecast for FY2026, etc.



Plan to increase sales and income in FY2026 by improving the revenue structure of each business.



Numerical Targets



Aim to steadily achieve the revised final-year (FY2026) plan and build a foundation for the next medium-term management plan.

	Previous Medium-Term Management Plan			Medium-Term Plan					
Main Indexes	FY2021	FY2022	FY2023	FY2	024	FY2	025	FY2026	
	FIZUZI	FTZUZZ	112025	Initial plan	Results	Initial plan	Results	Initial plan	Revised plan
Net sales	35.8 billion yen	40.4 billion yen	43.2 billion yen	44.7 billion yen	42.8 billion yen	47.0 billion yen	43.3billion yen	52.3 billion yen	47.6 billion yen
Average annual growth rate	Men's business: 1.3% Ladies' business: 3.5% Ladies' ready-made wigs business: 5.1%			$ \begin{array}{cccc} \mbox{Men's business} & 1.5\% \Rightarrow & 0.4\% & (-1.1P) \\ \mbox{Ladies' business} & 5.4\% \Rightarrow & 1.9\% & (-3.5P) \\ \mbox{Ladies' ready-made wigs business} & 12.7\% \Rightarrow & 12.7\% & (\pm 0.0P) \end{array} $)	
Ordinary profit margin	5.6%	7.5%	8.2%	8.5%	6.4%	9.7%	5.2%	10.0%	6.0%
ROE	3.3%	4.9%	7.5%	8.2%	5.6%	9.6%	3.1%	10.3%	5.5%
Cost of Capital	6.4%	4.3%	5.2%	5.2%	3.6%	5.2%	4.4%	5.2%	4.4%

Shareholder Returns



Plan to provide shareholder returns based on the dividend policy in line with the medium-term management plan.

Basic policy	Based on a consolidated payout ratio of 40% or higher, we will strive to increase dividends in line with consolidated performance (increase in increments of 1 yen), with the current annual dividend of 28 yen as the minimum limit. However, <u>until we achieve an ROE of over 10%, the consolidated payout ratio will be set to 50% or higher</u> . If consolidated net income fluctuates significantly, we may adjust the dividends to account for these fluctuations.								
Key	Previous Mi	d-term Manag	jement Plan			Medium-	Term plan		
Indicators (Shareholder	wels else w		FY2023	FY2	024	FY2	025	FY2	026
Returns)	Returns)			Initial plan	Results	Initial plan	Results	Initial plan	Revised plan
Net income per share	25.99yen	37.51yen	58.00yen	65.92yen	44.99yen	80.08yen	25.25yen	91.04yen	44.99yen
ROE	3.3%	4.9%	7.5%	8.2%	5.6%	9.6%	3.1%	10.3%	5.5%
Dividend per share	28yen	28yen	28yen	33yen	28yen	28yen or more	28yen	28yen or more	28yen or more
Dividend payout ratio	107.7%	74.7%	48.3%	50.1%	62.2%	50% or more	110.9%	40% or more	50% or more

Financial Results FY2025 (April 1st, 2024 to March 31st, 2025)

FY2025 : Consolidated Statements of Income Highlights



Achieved record-high sales but lower income in FY2025.

(¥ Million)

		FY2024 Results	FY2025 Results	Revision plan	YoY Change
Net Sa	lles	42,850	43,340	43,354	
	Men's Business	22,814	23,167	23,103	
	Ladies' Business	18,446	18,646	18,794	Net Sales : Up 1.1%
	Others	1,589	1,526	1,456	Men's Business : Up 1.5% Ladies' Business : Up 1.1%
Cost of	f Sales	14,134	14,646	14,738	
Gross I	Profit	28,715	28,694	28,615	Cost of Sales Ratio : Up 0.8Pt Product Cost : Up 0.5Pt HR : Up 0.3Pt
SG&A	Expenses	26,060	26,512	26,570	
	Ad Spending	6,220	6,188	-	SG&A Expenses Ratio : Up 0.4Pt Ad Spending : Down 0.2Pt
	HR	6,455	6,533	-	HR : 0.0Pt Other : Up 0.6Pt
Operat	ing Income	2,654	2,181	2,044	
Ordina	ry Income	2,724	2,249	2,067	CAPEX Store facilities : ¥865million System related : ¥786million
Net In	come	1,462	821	976	Related to New Factories ¥696million
Depre	ciation	1,045	1,117	-	
CAPE	<	2,089	2,831	-	

FY2025 : Breakdown of Sales by Product and Service in Total Both Segments (Non-consolidated Basis)



New sales declined. Repeat sales and Jullia Olger sales increased.

					(¥ Million)
Net Sal	es	FY2024 (Results)	FY2025 (Results)	YoY Change	YoY %
	New customers	4,427	3,865	(562)	(12.7%)
Custom-made Wigs	Repeat Business	17,731	18,208	+477	+2.7%
	Total	22,159	22,074	(84)	(0.4%)
	New Customers	732	901	+169	+23.1%
Hair Addition Products	Repeat Business	3,103	3,015	(88)	(2.8%)
	Total	3,836	3,917	+81	+2.1%
	New Customers	44	33	(11)	(24.7%)
Hair Growth Services	Repeat Business	1,041	1,000	(41)	(4.0%)
	Total	1,085	1,033	(52)	(4.8%)
Styling Services		7,001	7,136	+135	+1.9%
JULLIA OLGER		4,467	4,791	+323	+7.3%
Others		2,508	2,497	(10)	(0.4%)
	New Customers	5,204	4,801	(403)	(7.8%)
	Repeat Business	30,397	30,936	+539	+1.8%
All Products & Sevices	JULLIA OLGER	4,467	4,791	+323	+7.3%
	Others	989	922	(66)	(6.7%)
	Total	41,059	41,451	+392	+1.0%
※Repeat business of all p	roducts including par	t of styling services a	nd others.		

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FY2025 : Breakdown of Sales by Product & Service in Men's Business (Non-consolidated Basis)

Returned to growing sales, supported by repeat sales of custom-made wigs and new sales of hair addition products.

					(¥ Million)
Net Sal	es	FY2024 (Results)	FY2025 (Results)	YoY Change	YoY %
	New Customers	723	672	(51)	(7.1%)
Custom-made Wigs	Repeat Business	12,962	13,244	+281	+2.2%
	Total	13,685	13,916	+230	+1.7%
	New Customers	666	829	+163	+24.5%
Hair Addition Products	Repeat Business	2,038	1,977	(61)	(3.0%)
	Total	2,704	2,807	+102	+3.8%
	New Customers	37	28	(8)	(23.3%)
Hair Growth Services	Repeat Business	516	483	(32)	(6.4%)
	Total	553	512	(41)	(7.5%)
Styling Services		4,805	4,846	+40	+0.8%
Others		1,063	1,084	+21	+2.0%
	New Customers	1,427	1,530	+103	+7.2%
All Products & Sevices	Repeat Business	21,386	21,636	+249	+1.2%
	Total	22,814	23,167	+353	+1.5%

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

FY2025 : Breakdown of Sales by Product & Service in Ladies' Business (Non-consolidated Basis)

New sales of custom-made wigs struggled while repeat sales and Jullia Olger sales increased.

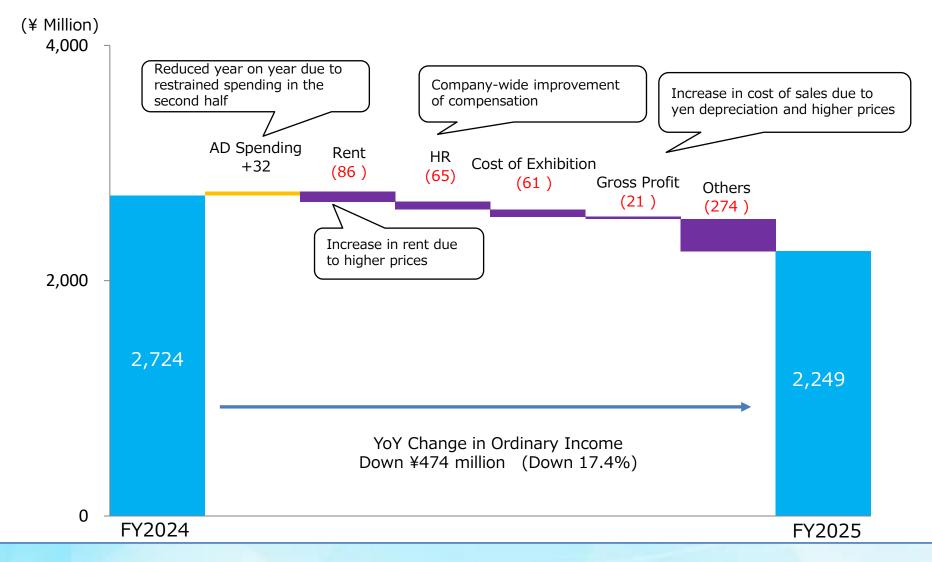
Net Sales		FY2024 (Results)	FY2025 (Results)	YoY Change	YoY %
	New Customers	3,704	3,193	(510)	(13.8%)
Custom-made Wigs	Repeat Business	4,769	4,964	+195	+4.1%
	Total	8,473	8,158	(315)	(3.7%)
	New Customers	65	72	+6	+9.5%
Hair Addition Products	Repeat Business	1,065	1,038	(27)	(2.6%)
	Total	1,131	1,110	(21)	(1.9%)
	New Customers	6	4	(2)	(32.2%)
Hair Growth Services	Repeat Business	525	516	(8)	(1.6%)
	Total	532	521	(10)	(2.0%)
Styling Services		2,195	2,290	+94	+4.3%
Others		4,922	5,281	+358	+7.3%
	New Customers	3,777	3,270	(506)	(13.4%)
All Droducto & Coviena	Repeat Business	9,011	9,300	+289	+3.2%
All Products & Sevices	JULLIA OLGER	4,467	4,791	+323	+7.3%
	Total	17,255	17,361	+106	+0.6%

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

FY2025 : Analysis of Consolidated Ordinary Income

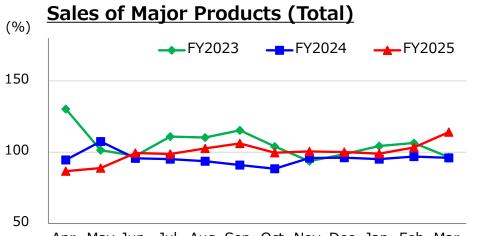


Income declined due to reduced gross profit and higher expenses.





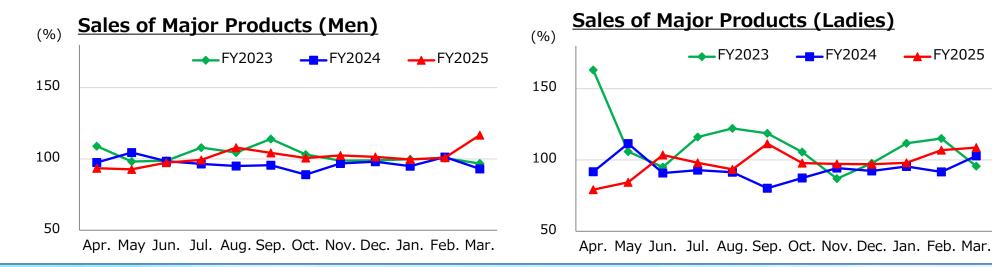
Sales of major products remained nearly flat compared to FY2024, supported by the recovery of men's sales.



Total Sales of Major Products (Full-year) (%)

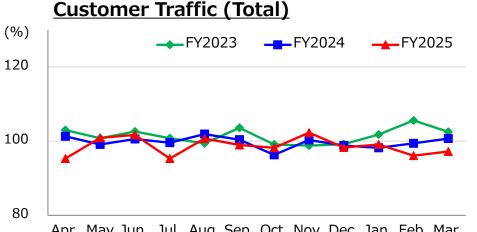
	Total	Men	Ladies
FY2023	105.4	102.4	110.6
FY2024	95.5	96.6	93.7
FY2025	99.8	101.7	96.6

Apr. May Jun. Jul. Aug. Sep. Oct. Nov. Dec. Jan. Feb. Mar.



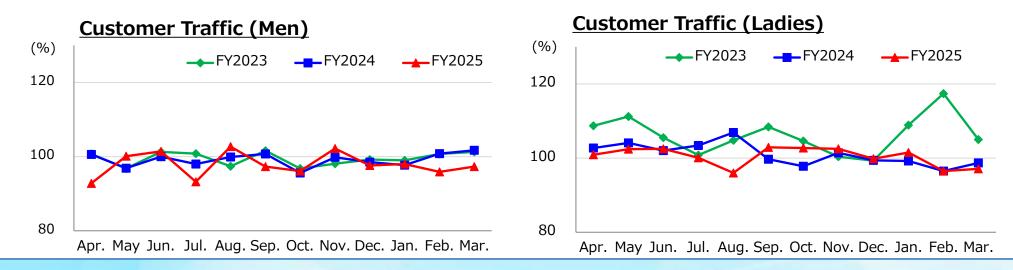
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Total customer traffic declined compared to FY2024, with visits from women being strong, but visits from men being sluggish.



Customer T	(%)		
	Total	Men	Ladies
FY2023	101.4	99.4	106.0
FY2024	99.7	99.2	100.9
FY2025	98.6	97.8	100.4

Apr. May Jun. Jul. Aug. Sep. Oct. Nov. Dec. Jan. Feb. Mar.



Financial Forecasts for FY2026

FY2026 : Full-year Consolidated Business Performance Forecasts

Plan to increase sales and income in FY2026 by expanding the ladies' business and entering new business areas.

				(¥ Million)	
		FY2025 Results	FY2026 Plan	YoY Change	YoY Change
Net Sales		43,340	47,623	+9.9%	
	Men's Business	23,167	23,495	+1.4%	
	Ladies' Business	18,646	20,869	+11.9%	Net Sales : Up 9.9%
	Others	1,526	3,258	+113.5%	Men's Business : Up 1.4% Ladies' Business : Up 11.9%
Cost	of Sales	14,646	16,154	+10.3%	
Gross Profit		28,694	31,468	+9.7%	Cost of Sales Ratio : Up 0.1Pt Product Cost : Up 1.3Pt
SG&	A Expenses	26,512	28,690	+8.2%	HR : Down 1.2Pt
	Ad Spending	6,188	6,187	(0.0%)	SG&A Expenses Ratio : Down 1.0Pt Ad Spending : Down 1.3Pt
	HR	6,533	6,967	+6.6%	Ad Spending: Down 1.3PtHR: Down 0.5PtOther: Up 0.8Pt
Operating Income		2,181	2,778	+27.4%	
Ordinary Income		2,249	2,844	+26.4%	
Net Income		821	1,464	+78.2%	Store facilities : ¥1,144million System related : ¥689millon Related to New Factories : ¥535million
Depreciation		1,117	1,503	+34.6%	
CAPE	EX	2,831	2,820	(0.4%)	

FY2026 : Breakdown of Sales Forecast by Product and Service in Total Both Segments (Non-consolidated Basis)

Drive the growth of sales centered on Jullia Olger.

	FY2025	FY2026				
	Full Year (Results)	Full Year (Plan)	YoY Change	YoY %		
Custom-made Wigs	22,074	22,795	+721	+3.3%		
Hair Addition Products	3,917	4,492	+ 574	+14.7%		
Hair Growth Services	1,033	936	(97)	(9.4%)		
Styling Services	7,136	7,220	+83	+1.2%		
JULLIA OLGER	4,791	5,891	+1,100	+23.0%		
Others	2,497	2,767	+269	+10.8%		
Total	41,451	44,104	+2,652	+6.4%		



(¥ Million)

FY2026 : Breakdown of Sales Forecast by Product and Service in Men's Business (Non-consolidated Basis)



Strengthen marketing efforts targeting both potential and existing customers concerned about hair thinning to increase new sales and achieve stable growth.

Net Sales	FY2025 Results	FY2026 Plan	(¥ Million) YoY YoY		Key measures in the fiscal year ending March 31, 2026		
			Change	%			
Custom-made Wigs	13,916	13,951	+34	+0.3%	Product	Develop and launch high value-added products	
Hair Addition Products	2,807	3,128	+321	+11.5%	Price	Consider price revisions for existing models (in response to rising raw material costs)	
Hair Growth Services			(12.0%)				
Styling Services	4,846	4,928	+82	+1.7%	Place	Efforts to increase response from non-advertising(e.g., events for men)	
Others	1,084	1,035	(49)	(4.6%)		Strengthen online marketing efforts Introduce AI tools	
Total	23,167	23,495	+327	+1.4%	Promotion	Develop measures to improve customer retention	

FY2026 : Breakdown of Sales Forecast by Product and Service in Ladies' Business (Non-consolidated Basis)



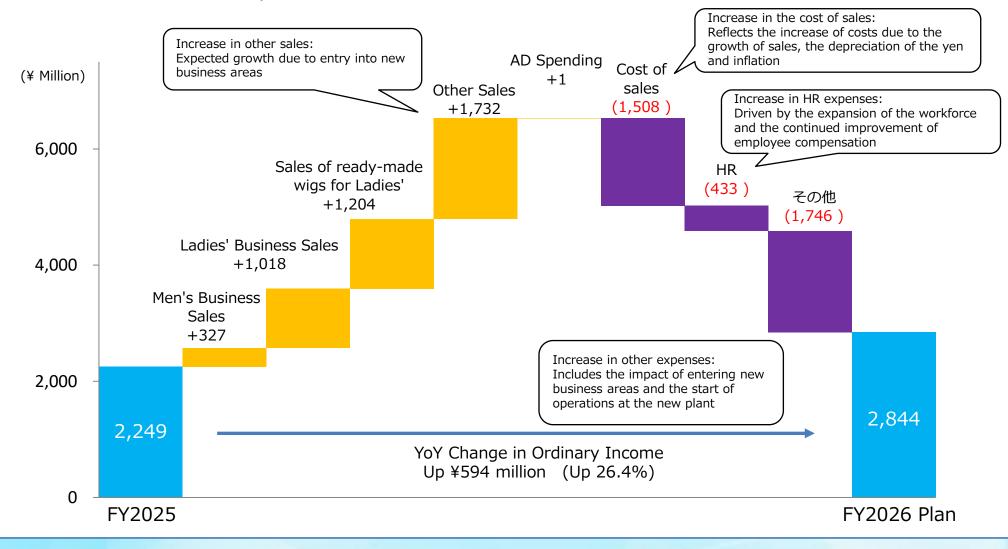
Achieve a recovery of new sales and significant growth by strengthening collaboration across the entire ladies' business and developing new sales channels.

Net Sales			YoY	Key measures in the fiscal year ending March 31, 2026		
Custom-made Wigs	8,158	8,844	Change +686	<mark>%</mark> +8.4%	Product	Develop and launch high value- added products
Hair Addition Products	1,110	1,363	+253	+22.8%	Price	Consider price revisions for existing models (in response to rising raw material
Hair Growth Services	521	485	(35)	(6.8%)		costs)
Styling Services	2,290	2,291	+1	+0.1%	Place	Develop new sales channels Strengthen collaboration among businesses for women
JULLIA OLGER	4,791	5,891	+1,100	+23.0%		
Others	490	603	+113	+23.1%	Promotion	Reduction of sales promotion costs through the use of the Web
Total	17,361	19,480	+2,118	+12.2%		Developing new locations for events

FY2026 Plan : Analysis of Consolidated Ordinary Income



Plan to increase income by pushing forward with the growth of sales and managing expenses with a focus on efficiency.





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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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Reference Material



						(¥ Million)	
		As of March 31, 2024		As of Marc	As of March 31, 2025		Key YoY Changes
			Composition ratio		Composition ratio	change	
Total	Current Assets	28,838	57.8%	27,870	56.1%	(3.4%)	Current Assets (968)
	Cash and Deposits	19,317	38.8%	18,163	36.6%	(6.0%)	 Inventory +101 Cash and deposits (1,154)
Total	Non-current Assets	21,012	42.2%	21,808	43.9%	+3.8%	Non-current assets +796
	Total Property, Plant and Equipment	9,732	19.5%	9,930	20.0%	+2.0%	• property, plant and equipment +197 • Intangible fixed assets +541
Total	Assets	49,851	100.0%	49,678	100.0%	(0.3%)	
Total	Current Liabilities	13,758	27.6%	13,510	27.2%	(1.8%)	Current liabilities(248)• Accounts payable(458)
	Advances Received	6,036	12.1%	6,169	12.4%	+2.2%	• Advance received +133 • Allowance for bonuses +43
Total	Non-current Liabilities	9,222	18.5%	9,113	18.3%	(1.2%)	Fixed liabilities (108)
Total	Liabilities	22,981	46.1%	22,623	45.5%	(1.6%)	Liabilities for retirement benefits (97)
Total	Net Assets	26,870	53.9%	27,055	54.5%	+0.7%	Net Assets +184 • Retained earnings (89)
	Retained Earnings	19,831	39.8%	19,742	39.7%	(0.5%)	(Net income +821) (Cash dividends paid (911))
Total	Liabilities and Net Assets	49,851	100.0%	49,678	100.0%	(0.3%)	



			(¥ Million)	
		Year ended March 31,2024	Year ended March 31,2025	Cause of Occurrence
	Net cash provided by (used in) operating activities	2,137	2,580	
	Net cash provided by (used in) investing activities	(2,165)	(2,909)	Cash flows from operating activities • Income before income taxes +1,499 • Depreciation +1,164
Free cash flow		(28)	(329)	Impairment loss +750 Income taxes paid (607)
Net cash provided by (used in) financing activities		(919)	(911)	Cash flows from investing activities • Purchase of property, plant and equipment (1,768)
	and cash equivalents at the nning of period	20,082	19,208	• Acquisition of intangible assets (825) Cash flows from financing
	and cash equivalents at the of period	19,208	18,025	activities • Cash dividends paid (911)
	ncrease (decrease) in cash and equivalents	(873)	(1,183)	