



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

October 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>
 Representative: Yoshikata Igarashi, Chairman and President
 Contact: Hiroaki Inoue, General Manager, Finance & Accounting Division Senior Corporate Officer TEL: +81-3-3379-3334
 Scheduled date of filing the semi-annual financial report: November 14, 2025
 Scheduled date of the start of dividends distribution: December 1, 2025
 Supplementary documents for this summary of financial statements: Yes
 Financial results explanatory meeting: Yes (for institutional investors and analysts)

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

1. Consolidated results for the first six months ended September 30, 2025 (April 1, 2025 – September 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	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2025	21,485	1.7	1,382	20.5	1,464	33.7	848	36.5
September 30, 2024	21,131	(0.7)	1,146	(40.1)	1,095	(44.2)	621	(48.6)

Note: Comprehensive income: Six months ended September 30, 2025: ¥730 million (20.1%)

Six months ended September 30, 2024: ¥608 million (-53.1%)

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended September 30, 2025	26.06	25.64
September 30, 2024	19.10	18.83

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2025	50,248	27,388	53.8	829.39
March 31, 2025	49,678	27,055	53.8	820.93

(Reference) Equity capital: As of September 30, 2025: ¥27,018 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	—	14.00			
Year ending March 31, 2026 (forecast)			—	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 semi-annual 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 September 30, 2025 | 34,393,200 shares | As of March 31, 2025 | 34,393,200 shares |
| 2) Number of treasury shares | | | |
| As of September 30, 2025 | 1,817,440 shares | As of March 31, 2025 | 1,836,740 shares |
| 3) Average number of shares issued and outstanding in each period | | | |
| Six months ended September 30, 2025 | 32,561,194 shares | Six months ended September 30, 2024 | 32,536,600 shares |

* **This semi-annual kessan tanshin document is outside the scope of audit procedures conducted by certified public accountants or auditing firms.**

* **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 3 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 six months 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 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 six months under review, consolidated net sales increased 1.7% year on year to ¥21,485 million as sales to repeat customers exceeded the level of the same period a year ago. In terms of profits, operating income, ordinary income, and net income attributable to owners of the parent company stood at ¥1,382 million (up 20.5% year on year), ¥1,464 million (up 33.7% year on year) and ¥848 million (up 36.5% year on year), respectively, due to the increase in net sales and other factors, despite rises in selling, general, and administrative expenses.

Business results by segment are as follows.

Men's business

Sales in the men's business rose 0.8% year on year, to ¥11,570 million, reflecting the fact that the Group moved forward with effective advertising targeting new customers and customer retention programs designed for repeat customers, which in turn contributed to year-on-year increases in sales to both new and repeat customers.

Ladies' business

Sales in the ladies' business rose 3.4% year on year to ¥6,526 million, attributable to an increase in sales to repeat customers as a result of capturing replacement demand for wigs without clips, which offset a slight year-on-year decrease in sales to new customers.

Ladies' ready-made wigs business

Sales in the ladies' ready-made wigs business rose 2.6% year on year to ¥2,677 million, chiefly reflecting strong sales to repeat customers.

(2) Analysis of financial position

1) Assets, liabilities and net assets

(Assets)

As of the end of the second quarter, total assets were ¥50,248 million, an increase of ¥569 million compared with the end of the previous fiscal year. This reflected an increase in non-current assets of ¥1,030 million mainly as a result of increases in property, plant and equipment, investments and other assets, which more than offset a decline in current assets of ¥461 million mainly as a result of a decrease in accounts receivable-trade.

(Liabilities)

As of the end of the second quarter, liabilities totaled ¥22,859 million, an increase of ¥236 million compared with the end of the previous fiscal year. Although accounts payable-other declined, current liabilities rose ¥69 million, mainly due to an increase in income taxes payable, and non-current liabilities rose ¥166 million primarily due to a rise in net defined benefit liability.

(Net assets)

As of the end of the second quarter, net assets were ¥27,388 million, an increase of ¥333 million compared with the end of the previous fiscal year. This largely reflected an increase in retained earnings.

2) Cash flow position

As of the end of the second quarter, cash and cash equivalents (cash) totaled ¥18,141 million, an increase of ¥115 million compared with the end of the previous fiscal year. The cash flow position and contributing factors in each section of the statements of cash flows are as follows.

(Cash flows from operating activities)

Operating activities provided net cash of ¥2,222 million, compared with ¥1,007 million in the same period a year earlier. Cash inflows, including income before income taxes of ¥1,401 million, depreciation of ¥613 million, and a decrease in notes and accounts receivable-trade of ¥473 million, more than offset cash outflows, including income taxes paid of ¥164 million, and payments for other operating activities of ¥61 million.

(Cash flows from investing activities)

Investing activities used net cash of ¥1,591 million, compared with ¥996 million in the same period a year earlier. That mainly reflected purchase of property, plant and equipment of ¥1,254 million and purchase of intangible assets of ¥233 million.

(Cash flows from financing activities)

Financing activities used net cash of ¥455 million, compared with ¥455 million in the same period a year earlier. That mainly reflected cash dividends paid of ¥455 million.

(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. Semi-annual consolidated financial statements and related notes**(1) Semi-annual consolidated balance sheets**

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	18,163	18,244
Accounts receivable – trade	3,093	2,613
Securities	32	30
Merchandise and finished goods	3,182	3,287
Work in process	214	189
Raw materials and supplies	1,893	1,844
Others	1,297	1,204
Allowance for doubtful accounts	(7)	(5)
Total current assets	27,870	27,408
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,190	5,430
Others, net	4,740	5,294
Total property, plant and equipment	9,930	10,725
Intangible assets		
Others	1,821	1,805
Total intangible assets	1,821	1,805
Investments and other assets		
Others	10,688	10,940
Allowance for doubtful accounts	(631)	(631)
Total investments and other assets	10,056	10,308
Total non-current assets	21,808	22,839
Total assets	49,678	50,248

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Accounts payable – trade	343	316
Accounts payable – other	2,183	1,683
Income taxes payable	265	731
Advances received	6,169	6,186
Provision for bonuses	1,103	1,104
Provision for directors' bonuses	142	75
Provision for product warranties	45	41
Others	3,256	3,441
Total current liabilities	13,510	13,580
Non-current liabilities		
Net defined benefit liability	4,096	4,205
Asset retirement obligations	3,163	3,213
Others	1,854	1,860
Total non-current liabilities	9,113	9,279
Total liabilities	22,623	22,859
Net assets		
Shareholders' equity		
Capital stock	3,667	3,667
Capital surplus	3,631	3,634
Retained earnings	19,742	20,134
Treasury shares	(1,031)	(1,020)
Total shareholders' equity	26,009	26,416
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	63	110
Foreign currency translation adjustment	163	54
Remeasurements of defined benefit plans	490	436
Total accumulated other comprehensive income	717	601
Subscription rights to shares	317	360
Non-controlling interests	11	9
Total net assets	27,055	27,388
Total liabilities and net assets	49,678	50,248

(2) Semi-annual consolidated statements of income and comprehensive income
(Semi-annual consolidated statements of income)

	(Millions of yen)	
	Six months ended September 30, 2024	Six months ended September 30, 2025
Net sales	21,131	21,485
Cost of sales	7,251	7,289
Gross profit	13,879	14,195
Selling, general and administrative expenses	12,732	12,813
Operating income	1,146	1,382
Non-operating income		
Interest income	24	39
Foreign exchange gains	—	38
Others	14	18
Total non-operating income	38	95
Non-operating expenses		
Foreign exchange losses	27	—
Provision of allowance for doubtful accounts	49	—
Guarantee commission	8	8
Others	4	5
Total non-operating expenses	90	13
Ordinary income	1,095	1,464
Extraordinary income		
Gain on sales of non-current assets	0	0
Total extraordinary income	0	0
Extraordinary losses		
Loss on retirement of non-current assets	0	0
Impairment loss	15	63
Total extraordinary losses	15	63
Income before income taxes	1,080	1,401
Income taxes – current	463	615
Income taxes – deferred	(4)	(63)
Total income taxes	458	552
Net income	622	848
Net income attributable to non-controlling interests	0	0
Net income attributable to owners of the parent company	621	848

(Semi-annual consolidated statements of comprehensive income)

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Net income	622	848
Other comprehensive income		
Valuation difference on available-for-sale securities	3	47
Foreign currency translation adjustment	6	(110)
Remeasurements of defined benefit plans	(23)	(54)
Total other comprehensive income	(13)	(117)
Comprehensive income	608	730
(Comprehensive income attributable to)		
Owners of the parent company	608	732
Non-controlling interests	0	(2)

(3) Semi-annual consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Cash flows from operating activities		
Income before income taxes	1,080	1,401
Depreciation	563	613
Impairment loss	15	63
Increase (decrease) in allowance for doubtful accounts	49	(1)
Increase (decrease) in provision for bonuses	44	0
Increase (decrease) in provision for directors' bonuses	(60)	(67)
Increase (decrease) in provision for product warranties	2	(3)
Increase (decrease) in net defined benefit liability	72	39
Interest income	(24)	(39)
Loss on retirement of non-current assets	0	0
Loss (gain) on sales of non-current assets	(0)	(0)
Decrease (increase) in notes and accounts receivable – trade	597	473
Decrease (increase) in inventories	100	(64)
Increase (decrease) in notes and accounts payable – trade	50	(25)
Increase (decrease) in advances received	(73)	16
Others	(1,280)	(61)
Subtotal	1,137	2,345
Interest income received	26	40
Income taxes paid	(157)	(164)
Net cash provided by (used in) operating activities	1,007	2,222
Cash flows from investing activities		
Payments into time deposits	(26)	–
Proceeds from withdrawal of time deposits	–	26
Purchase of property, plant and equipment	(457)	(1,254)
Proceeds from sales of property, plant and equipment	0	0
Purchase of intangible assets	(361)	(233)
Long-term loan advances	(50)	–
Collection of long-term loans receivable	0	0
Payments for lease and guarantee deposits	(38)	(139)
Proceeds from collection of lease and guarantee deposits	23	75
Others	(86)	(66)
Net cash provided by (used in) investing activities	(996)	(1,591)
Cash flows from financing activities		
Cash dividends paid	(455)	(455)
Net cash provided by (used in) financing activities	(455)	(455)
Effect of exchange rate change on cash and cash equivalents	16	(60)
Net increase (decrease) in cash and cash equivalents	(428)	115
Cash and cash equivalents at beginning of period	19,208	18,025
Cash and cash equivalents at end of period	18,780	18,141

(4) Notes on semi-annual 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. Six months ended September 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 semi-annual consolidated statement of income Note 3
	Men's business	Ladies' business	Ladies' ready-made wigs business	Total				
Net sales								
Sales to external customers	11,480	6,314	2,608	20,404	726	21,131	—	21,131
Intersegment sales and transfers	—	—	—	—	1,434	1,434	(1,434)	—
Total	11,480	6,314	2,608	20,404	2,161	22,565	(1,434)	21,131
Segment income	7,174	4,024	2,099	13,298	686	13,984	(105)	13,879

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

2. The adjustment of -¥105 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 semi-annual consolidated financial statements.

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

(Millions of yen)

	Amount
Total for reportable segments	13,298
Others Note 1	686
Total	13,984
Adjustment Note 2	(105)
Gross profit in the semi-annual consolidated statements of income	13,879
Selling, general and administrative expenses	12,732
Operating income in the semi-annual consolidated statements of income	1,146

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 six months under review.

II. Six months ended September 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 semi-annual consolidated statement of income Note 3
	Men's business	Ladies' business	Ladies' ready-made wigs business	Total				
Net sales								
Sales to external customers	11,570	6,526	2,677	20,774	710	21,485	—	21,485
Intersegment sales and transfers	—	—	—	—	1,432	1,432	(1,432)	—
Total	11,570	6,526	2,677	20,774	2,142	22,917	(1,432)	21,485
Segment income	7,285	4,181	2,165	13,633	673	14,306	(111)	14,195

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

2. The adjustment of -¥111 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 semi-annual consolidated financial statements.

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

(Millions of yen)

	Amount
Total for reportable segments	13,633
Others Note 1	673
Total	14,306
Adjustment Note 2	(111)
Gross profit in the semi-annual consolidated statements of income	14,195
Selling, general and administrative expenses	12,813
Operating income in the semi-annual consolidated statements of income	1,382

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 six months under review.