



**Corporate Profile** 

**ARTNATURE** 

ARTNATURE INC.

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# **Management Principles**

We create a hair culture which satisfies customers by accomplishing our mission as a hair consultant.

We propose more positive ways of life and more beautiful and bright lifestyles.

We provide products of the best quality and the best services through our global network.

We make our best efforts to enhance the status of the hair industry and aim for our management to be relied upon widely by society.

Your best smile is what we want.

## History

ARTNATURE's history is one of continual endeavor and continual evolution toward fulfilling our mission of making people happy through hair. It is a history of tradition and pride as a pioneer that has made repeated innovations while staying focused on hair.

### 1965-1979

1965 Founded ARTNATURE as a sole proprietorship in April.
 1967 Established ARTNATURE INC. (capitalized at 1 million yen)
 1973 Launched Triple Hair Addition System, the original staged hair addition method.

### 1980-1989

1983 Developed synthetic hair Artron.
 1984 Launched MRP, a ground-breaking hair addition system that uses no base material.
 1987 Began foray into market for women.

Announced Ladies Artnature.

## 1990-1999

991 Established the Product Distribution Center in Murakami, Niigata as the domestic distribution base. 995 Opened the Hair Academy hair specialist training school. 998 Started the Little Wing Works program to provide free wigs to children with hair problems.

### 2000-2005

2001 Started an online hair counseling service.

Opened ARTNATURE Mobile, the mobile website.

2003 Launched hair revolution Hair For Life (HFL).

2005 Launched Celaire, a ladies wig in a new era.

Launched Scalp and Hair Care System, a hair growth system

## President's Message



Since its founding in 1965, ARTNATURE INC. has been the leader in the industry as Japan's first comprehensive hair solutions company. Today, our extensive services—including the highest-quality custom-made wigs, hair addition products, hair growth care & services, and barber and beauty services—are ready to meet all kinds of hair-related needs.

ARTNATURE regards its mission as providing people of both genders with hair problems with the best possible solutions appropriate for their characteristics, thus offering more beautiful and brilliant lifestyles.

Customer needs relating to hair are expected to become more diverse and sophisticated in the future. As a comprehensive hair consultancy, ARTNATURE will continue striving to create a global hair culture by leveraging its three strengths—namely its product development capabilities, technical abilities, and customer service. We will continuously support positive ways of life for customers, in line with our motto of "Your best smile is what we want."

Yoshikata Igarashi Yoshikata Igarashi

Chairman and President

## 2006-2009

2007 Made an initial public offering on the JASDAQ market.
2008 Started supporting the Pink Ribbon awareness campaign for breast cancer screening
Launched the Jullia Olger brand of ready-made ladies wigs.
2009 Began operations at a new plant in the Philippines (ANMP).
Launched Primadonna ladies wigs.

## 2010

Opened online shopping site ARTNATURE Online. Launched Hair For Life Nuda men's wigs. Launched Nudefine ladies wigs.

# **Business Overview**

At ARTNATURE we have built relationships of trust by providing products and services tailored to our customers' unique characteristics and objectives and through excellent after-sales service.

We want to be the first company that comes to mind when people feel like consulting with someone about hair concerns or problems.

That is the vision we have of ourselves.





## We are a comprehensive consultancy that supports more positive lifestyles.

One of our important jobs is counseling. Our hair experts use their abundant expertise and experience to suggest the optimum plan in response to customers' concerns and wishes.

Our main products and services are divided into four categories: (1) custom-made wigs boasting outstanding fit; (2) hair addition products in which synthetic hair is bound to customers' own hair; (3) hair growth care & services for cultivating strong, thick hair; and (4) barber and beauty services in which hairstylists with advanced techniques provide advice about haircutting and hairstyle.

ARTNATURE has developed a nationwide network of special salons as bases for providing these products and services to customers.

Customers can receive the same service at the nearest salon while traveling or if they move, since data about customers' hair and products is centrally controlled in a computer system. We also hold exhibitions and trial fittings around Japan to give women chances to feel more familiar with the appeal of custom-made wigs.

We launched the Jullia Olger brand of ready-made ladies wigs by making use of our time-tested production technology for custom-made wigs. In addition, we have been making our unique products and services available globally, in response to customer needs, including by launching a full mail order business for our various hair care products.



Jullia Olger MJO Inc. (domestic subsidiary) Beauty Laboratory Inc. (domestic subsidiary)



We deliver trust and satisfaction.

Technical Abilities
that provide customer satisfaction

Product Development
Capabilities
that anticipate customer needs

Customer Service
that wins customer trust

As a pioneer in the hair market, ARTNATURE will lead the industry in product development capabilities, technical abilities, and customer service.

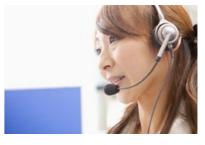
Product development capabilities that give form to diverse customer needs, technical abilities that resolve customers' hair-related problems and create desired hairstyles through barber and beauty skills, and customer service that provides accurate advice with the customer's point of view in mind in an atmosphere of comfortable hospitality—theses are all requirements for winning customer trust. They are also the factors that will drive ARTNATURE's continued growth.

From our founding in 1965 right up to the present, we at ARTNATURE have continued to make management efforts to maximize the level of customer satisfaction.

We make use of our advanced R&D capabilities accumulated over many years and our flexible thinking in forecasting the next-generation hair market to push the development of new products and services forward. At the same time, we develop human resources with comprehensive knowledge and skills in hair-related matters and make company-wide efforts to improve our customer service skills to ensure that we provide reassuring and pleasant service.









Product Development Capabilities

## Everything is to bring smiles to customers' faces. That is the starting point for product development at ARTNATURE.

Artnature's history is one of original product development. In 1985, when most hair materials were real human hair, we succeeded in developing the polyester-based synthetic hair Artron 180, which was the progenitor of the synthetic hair with outstanding morphological stability that predominates today. Since then, we have developed a variety of synthetic hairs that combine functionality with naturalness. We also made a number of other developments one after another, including a base material that is so thin that the color of the skin underneath shows through. In recent years, we gathered together the advanced technical abilities we had cultivated over the years and created products such as the striking, natural Hair For Life series and Nudefine ladies wigs that blend so well with bare skin that they practically cast a spell on the hairline.

Underpinning our development of products with the highest standards are the advanced production technologies and thorough quality control at our plant in the Philippines. A state-of-the-art 3D head measuring system and hand knotting of hairs by our skilled staff help maintain the quality of ARTNATURE's products. We also put effort into the development of various hair care products for keeping the scalp in optimum condition.

Thriving on customers' smiles, we will continue using our experience-backed creativity and out-of-the-box thinking to develop next-generation products.





## Production Management System

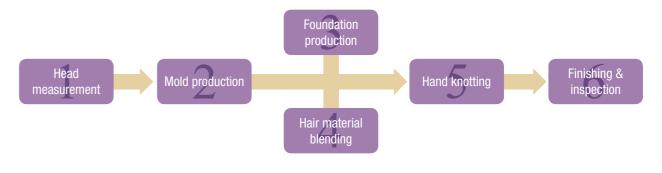
Our plant in the Philippines started operations in 2009. Outfitted with state-of-the-art production equipment, the plant provides an integrated system from development through production.

The plant produces high-quality hair products under strict standards and thorough quality control.



Artnature Manufacturing Philippines, Inc. (ANMP)

## Production flow for custom-made wigs





#### 1. Head measurement

The shape of the customer's head is accurately measured using a special 3D measuring system. Order information including desired style and color are sent directly from the salon to the plant.



## 2. Mold production

A mold the same size and shape as the customer's head is produced using a special milling machine. Making an accurate mold is a key to producing a foundation that fits perfectly on the head.



### 3. Foundation production

A foundation (cap) that serves as the base is produced to fit the shape of the mold.

## 4. Hair material blending

Hair material that most closely matches the different specifications of each product is carefully selected for volume, color, length, and other characteristics and blended together.



## 5. Hand knotting

Skilled specialist wigmakers carefully hand knot hair to the foundation, strand by strand. The natural looking finish, with hairs of differing thicknesses interwoven, is created by the technical expertise of our wigmakers.



### 6. Finishing & inspection

Products to which the hair has all been knotted are shampooed, cut, styled, and then subjected to a strict inspection. They are ther carefully packaged and shipped.





**Technical Abilities** 

## As hair professionals, ARTNATURE's hairstylists possess superior technical abilities—techniques that support beautiful and brilliant lifestyles.

No matter how outstanding the products we develop are, true relationships of trust cannot be built with customers without continually providing regular after-sales care and accurate advice about hairstyles. At ARTNATURE, our salons are staffed by hairstylists who hold national qualifications as barbers and hairdressers. They provide counseling to first-time customers and day-to-day support to customers who are using our products and services. They also strive to acquire deeper product knowledge and to further improve their barbering and hairdressing skills as well as hair growth and hair addition techniques.

ARTNATURE runs its own detailed educational program to train many excellent hairstylists. In addition to learning hair addition and hair growth techniques, trainees go through customer service training that is the basis of providing satisfying service to customers. This training greatly contributes to improving technical abilities.





**Customer Service** 

## Considering the perspective of each individual customer, we provide the very best hospitality to build lasting relationships.

The basic concept for ARTNATURE's products is to provide custom-made products individually tailored to each customer. Counseling and other customer service must also be suited to each customer's individual character, concerns, and requests. Accordingly, we provide courtesy training to hair counselors and hairstylists to improve their customer service skills. We also established an Excellent Staff Award as a system for acknowledging staff members based on feedback from customers and for supporting self-improvement.

Customer service at ARTNATURE is based on thinking about things from the customer's perspective. Ongoing relationships of trust are built by sympathizing with customers' concerns and worries, thinking together about the most suitable solutions and making appropriate suggestions.

At ARTNATURE we strive to create warm communication imbued with a feeling of hospitality in order to remain our customers' best partner.





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## For Men

We support men's active lifestyles, from business situations to off-time hours.

ARTNATURE responds comprehensively to men's worries and requests about hair with a diverse lineup of products and services and a full support system in our salons.

#### • Hair For Life

Outstanding fit that blends with the scalp. This product helps produce a comfortable lifestyle for customers with naturalness that comes from being fastidious about the little details—hairline, scalp hair-whorls, part line, and vellus hair (peach fuzz).

#### • MRP hair-addition system

A premium hair addition system whereby hair can be added reasonably little by little in a natural way in the areas where more hair is desired. In this system strands of hair are bound individually to the base of the customer's own hair.

### • Hair Replacement

A custom-made wig produced according to accurate measurements of the shape of the customer's skull. The appeal of these wigs is their realistic appearance right down to the way the hair rises up naturally.

#### • Scalp and hair care system

A comprehensive hair care system centered on salon care for improving the scalp environment based on the development concept of making hair stronger and







## For Ladies



We respond with cutting edge products and fullblown after-sales service to women's wish to remain forever beautiful.

All women have the wish to remain forever beautiful and stylish even as they age. With just a little more hair volume, hairstyle freedom increases and the possibilities for being stylish expand limitlessly. Custommade wigs for ladies have been attracting attention in recent years as an item that can satisfy that wish.

ARTNATURE has prepared a wide selection of hair-related products and services in answer to women's feelings about their hair.

#### • Nudefine

A custom-made wig that beautifully shows off the silhouette of the back of the head while bringing out volume in the top and bangs, which are the decisive points in hairstyle.

#### • Primadonna series

A custom-made wig that can be arranged as the customer likes according to her mood, on top of providing an exquisite fit that is gentle on and blends right in with the customer's own hair.

### • Ladies MRP

A natural hair addition system for gradually adding hair at the part line, scalp hair-whorls, and other spots of concern by individually binding strands of hair to the base of the customer's own hair.

In addition, our experienced hairstylists offer help so that customers can lead bright lifestyles, including by providing advice about hairstyles and how to maintain healthy hair.

Our salons carry numerous samples in a rich variety of styles and color variations. Customers can feel free to try wigs while relaxing comfortably.



Our salons are bright, tranquil spaces, complete with individual rooms where customers can relax comfortably while being welcomed with hospitality.

## New Business Development



## Jullia Olger salons specializing in ready-made ladies wigs

We developed Jullia Olger salons specializing in ladies wigs with a high-quality, premium feel by making use of our technology for custom-made wigs in order to enable more women to easily enjoy wigs. The salons focus on two wig brands: JO, which offers excellent fit and a rich selection; and emiw, which is all about functionality that reliably supports beautiful style. Additionally, the salons carry popular hair accessories that make style changes easy and a full lineup of other fashionable items that appeal to women of many ages. We have also aggressively expanded our sales channels, including to the internet and TV shopping. From here on we will continue to globally expand products and services that create new value for customers by rapidly meeting market trends and needs.













## ANCS medical wigs ANCS



ANCS medical wigs are Jullia Olger wigs adapted to hair loss caused by anticancer drugs and other forms of chemotherapy. Developed with a focus on gentleness and lightness, these full-head wigs offer long-term comfort.

Wishing to be considerate of women's sensitive feelings, we recast the conventional concept of medical wigs when developing ANCS products and emphasized fashionableness while not compromising quality. These wigs can also be used as fashion wigs in addition to their role as medical wigs.

## Mail-order business

We have entered the mail-order market, focusing on hair-related products, and meeting the needs of diverse customers.



## Social Contribution Activities

## ARTNATURE engages in various social contribution activities as a good corporate citizen.

Not only do we at ARTNATURE contribute to the happiness of people through the creation of a hair culture, we also engage in social contribution activities in various medical and welfare fields.



## Pink Ribbon awareness campaign for breast cancer screening

ARTNATURE has aggressively promoted the Pink Ribbon movement since 2008 as part of its social contribution activities to support women's health. All our salons distribute pamphlets that encourage breast cancer screening and communicate to more women the importance of early diagnosis, early discovery, and early treatment of breast cancer. Begun in the US in the 1980s, the Pink Ribbon movement is an awareness campaign about early detection of breast cancer. Today, citizens' groups and companies around the world are striving to spread correct knowledge about breast cancer and to educate people about the effectiveness of early detection.







## Giving Self-Confidence and Hope to Children—Little Wing Works (LLW)

ARTNATURE has been developing Little Wing Works (LLW) since 1998. LLW is a support program that provides free wigs to children who have lost their hair due to alopecia areata, injury, burns, radiation therapy, chemotherapy, and other reasons so that they can spend their days with self-confidence and hope. Thus far we have donated wigs to more than 2,500 children. The name of the program— Little Wing Works—is filled with our wish to support and help children spread their little wings.

## Salon Network

As of December 31, 2010

We have developed a salon network covering every prefecture in Japan in order to provide the highest quality and best service. We have also been putting

effort into the expansion of ladies salons to enable female customers to feel comfortable about coming in.



Salon Network 233 salons nationwide Figures in parentheses (50) are ladies salons. 12 Jullia Olger salons 39 salons (4) 10 salons in the Tokyo area 2 salons in the Kansai area 23 salons (2) 25 salons (4) 17 salons (3) 51 salons (18) Head office

Head Office (Yoyogi, Tokyo)

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