

2023-2024

CSR Communication Report

Communication
SDGs
Relationship



The Aderans Award Winner at the 2022 PARAART TOKYO,
9th International Exchange Exhibition

"Nakama (friends)"

A work by Ms. Hina Ooyama

For Everyone to Keep on Smiling

Aderans

Management Philosophy

Our greatest mission as the Aderans Group is to promote overall wellness through our hair-related, beauty and health businesses. We aim to help clients worldwide attain physical and emotional wellbeing. We also aim to bring smiles to faces, so they can fulfill their dreams and live full, happy lives.

We strive for:

- Product excellence
- Technological expertise
- Most educated in hair-related, beauty and health solutions with the highest levels of service

We operate in 18 countries and regions around the world.



(As of November, 2024)

Message from Founder & CEO

Realization of a Global Wellness Company

For our next 100th anniversary, we will aim toward becoming a “Global Wellness Company” in the hair, beauty, health, and medical industries to realize “Global Brand Aderans.”



Nobuo Nemoto

Founder,
Representative Director,
Chairman
Aderans Co., Ltd.

Hiromasa Suzuki

Group CEO,
Representative Director,
President
Aderans Co., Ltd.

Our company was founded in Japan as a specialty store for men’s custom-made wigs. Currently, we do business not only in Japan but also overseas such as the U.S., Europe, and Asia, becoming a total hair solutions company offering wigs, hair transplantaion, hair systems, and many more to both men and women.

We currently operate in 67 countries and regions, and approximately 6,700 employees are expanding our global activities. Along with this, a global perspective is indispensable for corporate social responsibility.

Aderans celebrated its 55th anniversary in 2023. The new business we decided to launch five years ago, and our reforms during the COVID-19 pandemic, are now bearing fruit and helping us take solid steps toward our goal of becoming a global beauty and wellness company.

We will continue to challenge ourselves to create new social value based on our management philosophy of “promoting overall wellness through our hair-related, beauty, and health businesses,” “helping clients worldwide attain physical and emotional wellbeing,” and “bringing smiles to people so they can fulfill their dreams and live full, happy lives.”

Corporate Data

Company Name

Aderans Company Limited

Head Office

Shinagawa Seaside Canal Tower
4-12-6, Higashi Shinagawa,
Shinagawa-ku, Tokyo, 140-0002, Japan

Founded

March 1, 1969

Paid-in Capital

¥ 100 million

Main Business

Hair-related business, beauty and health business, control and management of business activities undertaken by subsidiaries and affiliates

Number of Group Companies

60 Includes 5 dormant companies and 2 joint ventures (JVs).
(As of November, 2024)

Number of Employees

Domestic 2,432 Overseas 4,137*
*As of the end of June 2023

Number of Salons

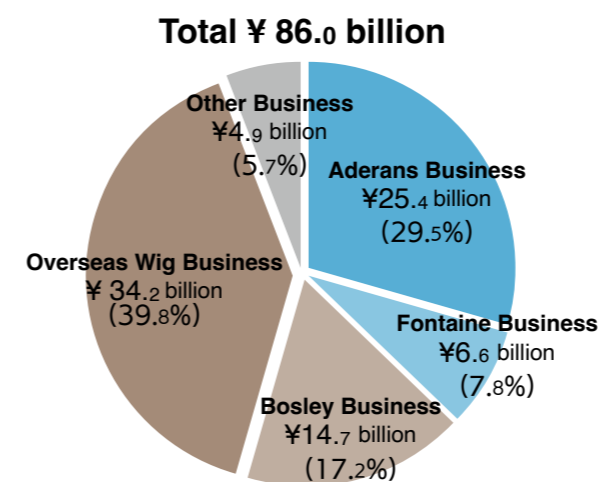
	Domestic	Overseas		Domestic	Overseas
Aderans	162	197	North America	197	
Fontaine	218	20	Asia	20	
In-hospital hair salon	35	48	Europe	48	
Other	33				

As of the end of June 2023

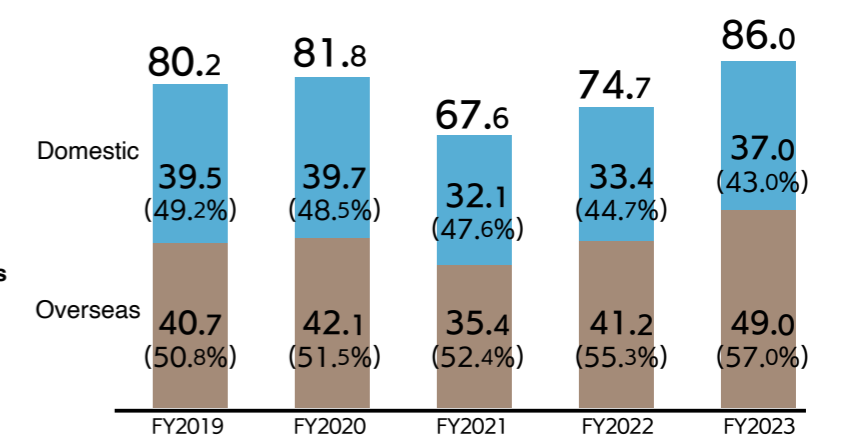
(As of August 31, 2023, unless noted otherwise)

Consolidated Financial Highlights (Year ended February 28, 2023)

Net Sales by Business Segment



Net Sales by Region



Notes

- 1: Other Business represents sales from beauty supply route business, medical wig business, direct-order business, and HI-Net Co., Ltd.
- 2: Yen amounts are truncated to the stated unit. Percentages are rounded to the first decimal place. Therefore, the sum of individual components may not add up to the stated total.

Our History
























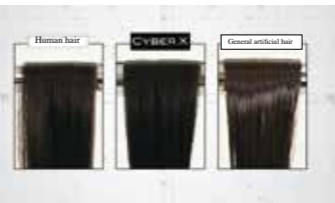
We have contributed to the development of total hair-related solutions since our foundation in 1968.

We celebrated our 50th anniversary in 2018, continued to offer innovative products and services with transformative ideas that would revolutionize the industry, and have grown into a total hair solution company unparalleled in the world. We are committed to establishing ourselves as the Global Brand Aderans, aiming to become a global wellness company in the hair, beauty, health, and healthcare fields.

ABOUT US

COVER STORY

SYMBOLIC ACTIVITIES

1970	1980	1990	2000	2010	2020
Establishment	Integration of manufacturing and sales	Globalization		Business expansion to the wellness industry	
<p>1968 Aderans founded, as a small store specializing in men's custom-made wigs.</p> 	<p>1978 Love Charity started.</p> 	<p>1985 Studio AD started.</p> 	<p>2001 Bosley joined the group.</p> 	<p>2015 World's first national standard for medical wig (JIS) formulated.</p> 	<p>2021 The Legend Kasai becomes Chief Ambition Ambassador (CAA).</p> 
<p>1972 TV commercials started; spreading the news of men's wigs.</p> 	<p>1979 Fitter for making mold launched.</p> 	<p>1986 Aderans Thai., Ltd. established.</p> 	<p>2002 First in-hospital hair salon opened.</p> 	<p>2016 The BeauStage brand launched, expanding to the beauty wellness industry.</p> 	<p>2022 Aderans and Ladies' Aderans salon staff uniforms redesigned.</p> 
<p>1974 AS-1, a wig with an artificial skin base, begins sale.</p> 	<p>1980 First national All-Japan Skills Competition held.</p> 	<p>1991 Cyberhair products begins sale.</p> 	<p>2009 Fontaine Green Forest Campaign started.</p> 	<p>2017 First Fontaine All-Japan Role-Play/Styling Competition held.</p> 	<p>A new environmentally friendly wig with attention to the SDGs launched.</p> 
<p>1976 One-touch attachment product AQ-15 begins sale.</p> 	<p>1983 Research on artificial hair started.</p> 	<p>1999 Thai factory acquired ISO 9001 and ISO 14001 certifications.</p> 	<p>2013 Support Shining Women started.</p> 	<p>2020 A new business using photocatalytic technology launched.</p> 	<p>Successful development of the third-generation functional artificial hair</p> 

2022

NEXT ADERANS: Aderans' growth strategy for the next 50 years

Aderans has launched a special project "NEXT ADERANS" under the theme "Born Again," aiming to promote business diversification and worldwide solutions.



2023

Relocating head office to Shinagawa Seaside Canal Tower

In May 2023, we relocated our head office to Shinagawa Seaside Canal Tower. By consolidating the head office functions, which were scattered in different locations, we aim to have the head office lead the efforts to reinforce and promote the company's work style reform, as well as to strengthen the group-wide business management and to facilitate business growth.



The new head office is designed to improve productivity and communication through the free address workplace and other innovative features, enabling employees to enjoy working and perform at their best.



In the waiting area by the reception desk, we also display the art work "Nakama" (meaning "Friends") by Ms. Hina Ooyama, the winner of the Aderans Award at the 2022 PARAART TOKYO, to broadly share the beauty of disability art.



Nobuo Nemoto, Founder and Chairman of Aderans, receiving the Order of the Rising Sun, Gold Rays with Rosette

In May 2023, Nobuo Nemoto, Founder, Representative Director, and Chairman of the company, received the Order of the Rising Sun, Gold Rays with Rosette, in the 2023 Spring Conferment of Decorations.



The Order of the Rising Sun is one of the national decorations awarded by the Japanese government to people with outstanding achievements, with a focus on their contribution to society in various fields.



The Order was awarded to Nemoto in recognition of his various achievements, such as establishing and leading the growth of Aderans, as well as contributing to the development of the entire hair industry and technological innovation.

The Major Changes of the Aderans Group

1969 Aderans Co., Ltd. established Started business in 1968	1992 Aderans France SAS, Aderans Germany GmbH and Aderans Benelux B.V. joined the group Camaflex-Societe Europeenne de Distribution (founded in 1952), D. van Nooijen B.V. (founded in 1925, joined in 1994), Créations de Paris Camaflex Vertriebs GmbH (founded in 1966), Monfair Moden Vertriebs GmbH (founded in 1986), Camaflex S.A. (founded in 1962)	2005 Aderans (Shanghai) Co., Ltd. established Aderans Sweden AB joined the group Carl M Lundh AB (founded in 1900)	2016 Reizvoll Co., Ltd. (founded in 2003) and Hi-Net Co., Ltd. (founded in 1960) joined the group
1985 Fontaine Co., Ltd. joined the group Founded in 1970, merged with Aderans Co., Ltd. in 2003	2001 Bosley joined the group In 2001, BOSLEY MEDICAL INSTITUTE, INC. (founded in 1989) and BOSLEY MEDICAL INSTITUTE OF CANADA INC. (founded in 1997) merged with Bosley, Inc (founded in 1974), MHR, INC. (founded in 1999, joined in 2007).	2009 Aderans Hair Goods, Inc. joined the group Integration of International Hairgoods, Inc. (founded in 1968, joined in 1987), René de Paris (founded in 1971, joined in 1989), New Concepts Hair Goods, Inc. (founded in 1991, joined in 1998), General Wig Manufacturers, Inc. (founded in 1963, joined in 1998) and Aderans Retailing Company, Inc. (founded in 2001)	2017 Aderans Medical Research Co., Ltd. established Aderans Hong Kong Limited established
1986 Aderans Thai., Ltd. established	2002 Aderans Singapore Pte., Ltd. and Aderans Philippines, Inc. established Aderans UK Limited joined the group TREND HAIR SUPPLIES CO., LTD. (founded in 1964)	2013 HC (USA), Inc. joined the group Hair Club for Men (founded in 1976, merged with HC Inc. in 2003)	2018 Amekor Industries, Inc. (founded in 1980) and Estetica Designs, Inc. (founded in 2005) joined the group Aderans Total Hair Solution Iberia S.L. established Aderans Total Hair Beauty Solution (Thailand) Co., Ltd. established
1990 Aderans Taiwan, Inc. established		2014 Aderans Lao Co., Ltd. (Lao Quality Sole Co., Ltd. at the present) established	2019 Aderans Korea, Inc. established
1992 World Quality Co., Ltd. established			2021 Aderans BIO Co., Ltd. established In Vogue, LLC joined the group

Domestic Business

To meet customer's needs which change over time, we provide a variety of brands in Japan, such as Aderans for men as well as Ladies' Aderans and Fontaine for women.

Aderans Business

Total Hair Solution Brand Aderans

Aderans' services begin with careful consultations regarding customers' hair and scalp. Then, depending on each customer's concerns or preferred hairstyle, the right products and services to make the individual look and feel as attractive as he or she can be are selected from custom-made wigs, which are created to match the customer's hair color and shape of head, hair-volumizing products, which utilize the customer's own hair to create volume in specific areas, healthy hair growth services, which create scalp conditions conducive to healthy hair growth, and hair systems, which represent the latest in hair-volumizing technology. We have also enhanced after-sales services, including regular product checks and wig maintenance, haircuts and own-hair care. (As of May 31, 2023, 161-store in Japan)

Aderans

Two approaches: Hair-volumizing and hair-growth products



The lineup is extensive, from Hair Perfect, a new hair-volumizing service, to Vital EX, our hair-volumizing product that binds artificial hair to the customer's own hair, as well as HairRepro, a healthy hair-growth product. The Aderans Business also offers Aderans Freedom Gentle Club, a new hair-volumizing system based on a membership flat-fee plan drawn from a U.S. subsidiary HairClub. This business segment continues to evolve to meet the wide-ranging needs of men who are concerned about hair. This includes wider promotion of HairRepro, as it provides total care for hair and scalp.

Ladies' Aderans

From custom-made wigs to total beauty care and scalp care

The Eve Series, a ladies' custom-made wig brand popular with customers for many years, showcases products based on technology and know-how accumulated within the Aderans Group to address concerns women have about their hair and enable them to maintain a fun, stylish appearance. We also offer Hair Up α, hair extensions, and Benefage, a series of products to care for the scalp and make hair beautiful.



New Work Styles for the New Era: Also Helping Expand Sales Channel

We are now living in the "era of the 100-year life" that calls for diverse work styles. Similarly, as conventional business models are no longer working, flexibility has become a critical factor in acquiring new customers. To adapt to these changes, we have discussed measures from customers' viewpoints and built three systems: sole proprietorship, exclusive distributor, and franchise programs.

For most people, it is easier to take advice from someone they trust rather than from a stranger. If their own stylist is the one to introduce or suggest a wig, they will feel more comfortable trying the product. Such awareness raising and suggestions can not only lead to customers' smiles but also bring other benefits, such as new market opportunities, customer retention, customer satisfaction, and sales growth. All of the three new programs enable us to achieve "Sanpo-yoshi," meaning "good in three directions," benefiting customers, employees, and society. I am committed to working even harder to promote further development and help build a society where Aderans products are widely used.



Yoshinori Fujiu
General Manager
Partnership Business
Department
Aderans Co., Ltd.

Fontaine Business

Rich selection of easy-to-enjoy ready-made wigs

As of August 31, 2023, ready-made wigs were available through a 218-store presence of department stores, directly operated shops, and major distribution chains. At department stores and directly operated shops, Fontaine offers a wide variety of products in different styles, including its main brand VALAN, more luxurious VALAN Premium, and the basic brand FDW which is great for first-time wig users, to help make customers' various wishes come true.

Fontaine brand continues to expand

We want to give more women the opportunity to have fun with wigs. With this in mind, we draw on diverse retailing points to deliver a message that Fontaine enables women to create an appearance matched to any fashion scene. We convey the appeal of the Fontaine brand at department stores and directly operated shops. We have also worked to build a higher profile at large supermarkets and shopping malls, with an emphasis on Swanee by Fontaine, an easy-to-use, anytime wig, and René of Paris, a wig brand loved by women overseas, especially in Europe and the United States.

FONTAINE



Other Domestic Business

Beauty Supply Route Business

We are promoting B-to-B business, with a focus on wholesaling operations through direct-order companies, distributors of beauty supply products and other sales routes. We hold wig workshops for beauticians and hairstylists and conduct sales activities and provide beauty products, including the Bosley Professional series made to professional standards.

Beauty & Health Business



TOTAL BEAUTY



For BeauStage, a brand emphasizing cutting-edge beauty technology, we are reinforcing products and services to deliver total beauty care.

Domestic Affiliated Companies

Aderans Medical Research Co., Ltd.



Aderans Medical Research develops and sells equipment, medicines, supplements, foods with function claims, and other products to medical institutions. It also provides support and consulting services to clinics in their establishment and operation.



Medical-Use Wig Business

We have opened 35 salons (as of August 31, 2023) inside hospitals. In-hospital hair salons are equipped with mobile salon chairs in consideration of the physical limitations that many patients have, and offer regular barber and beauty salon services, such as shampoo and cut, using products gentle to skin. The medical wig Rafta and fashion wigs are also available at these salons, as well as various other products that help address challenges associated with treatment to improve patients' quality of life.



Eyebrow Business

Since November 2020, we have been expanding the BeauStage Eyebrow Salon network with locations attached to Aderans salons to provide eyebrow-shaping services. (59 salons as of August 31, 2023)



Direct-Order Business

We are developing B-to-C business, hinging on e-commerce site and direct-order access. The noteworthy features of this side of business is an extensive product lineup, ranging from haircare products for men and women to beauty equipment and wigs.

Reizvoll Co., Ltd.



Leveraging its dedicated factory, Reizvoll produces, sells, and repairs wigs mainly for women and medical use, and provides suggestions to hair salons (beauty product route business). The company also offers wigs as well as carefully selected beauty and health products on its e-commerce site and shopping malls.

Overseas Business

The overseas subsidiaries of the Aderans Group provide effective ways of dealing with hair problems, linking with the efforts being made in Japan.

ABOUT US

COVER STORY

SYMBOLIC ACTIVITIES

North America

Bosley, Inc.

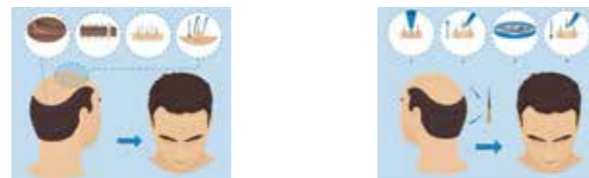


Bosley is a leader in the North American hair transplantation market.



Bosley, a U.S.-based member of the Aderans Group, is the world's leading authority and practitioner of surgical hair restoration, and continues to enjoy the top share of the North American market. Hair transplantation by Bosley is a surgical procedure whereby a highly qualified and experienced physician, working with a trained clinical staff, removes healthy follicles from the back and sides of the scalp and relocates them to areas of hair loss. Bosley offers the most advanced proven surgical and non-surgical hair restoration solutions such as FUT^{*1}, FUE^{*2}, SMP, PRP, and BosleyRX FDA proved solutions. As of May 31, 2023, the company had 25 surgical offices and 50 consultation offices.

*1 FUT: Follicular Unit Transplantation *2 FUE: Follicular Unit Extraction



HC (USA), Inc.



HairClub is a leading provider of comprehensive hair restoration solutions for men and women in North America.



As a leader in hair loss solutions in North America, HairClub responds to the hair loss concerns of all customers. The company offers carefully considered services unmatched by any other company and backed by a solid track record, maintains a cooperative arrangement with Bosley, an Aderans Group company, to introduce hair transplantation customers, and presents a wide selection of products, hinging on hair systems and hair growth products. Solutions are personalized to customer requirements, such as the degree of concern over hair loss as well as budget and hair-volumizing technique. As of May 31, 2023, HairClub had 118 offices, mostly in the United States and Canada.

For some 40 years, HairClub has helped men and women find solutions to hair loss. The company's experienced hair restoration consultants, licensed cosmetologists and surgical staff work as a team and will continue to build trust and tangible results.

Aderans Hair Goods, Inc.

Aderans Hair Goods is driving wholesale activities ahead in the U.S. market for men's and women's custom-made and ready-made wigs. Seeking further growth, the company is working to strengthen existing brands, develop new products, and cultivate new marketing channels.

Europe

Aderans UK Limited



Aderans UK Limited is a leading wig provider in the UK that engages in wholesale and retail sales of fashion wigs, hair extensions, and other hair-related products.

Aderans Sweden AB



Aderans Sweden AB has become synonymous with wigs in Sweden. The company goes beyond the national border by exporting products to other countries such as Finland, Norway, and Denmark. The company also operates stores including in-hospital salons.

Aderans Benelux B.V.



In addition to retail sales at directly operated stores and wholesale in the Netherlands and Belgium, Aderans Benelux B.V. provides in-hospital salons in the Netherlands. In the field of women's wigs, the company is a fashion leader in the Netherlands and Belgium.

Aderans Germany GmbH

Aderans Germany GmbH wholesales wigs and hairpieces in Germany and Eastern European countries.

Aderans Total Hair Solution Iberia S.L.

Aderans Total Hair Solution Iberia S.L. wholesales fashion wigs, hair extensions, and other hair-related products in Spain and Portugal. In addition, the company operates two retail stores and also provides hair transplantation services.

Asia (excluding Japan)

Aderans Hong Kong Limited



In April 2017, we established the local subsidiary. It sells custom-made wigs for men and women as well as ladies' ready-made wigs, and provides hair-volumizing and hair-growth services.

Aderans Taiwan, Inc.



In January 1990, we established the local subsidiary. It complements primary operation of full-service salons offering custom-made wigs, ready-made wigs, and hair-volumizing and hair-growth services with sales of ready-made wigs at roadside shops and department stores.

Aderans Singapore Pte., Ltd.



In September 2002, we established the local subsidiary. It complements mall sales of ready-made wigs with total-solution salon operations offering custom-made wigs, hair-volumizing, and hair-growth services.

Filling the Globe with Smiles through Teamwork

Aiming to be the number 1 Total Hair Solution company in Benelux, we at Aderans Benelux have worked hard and successfully improved our sales performance and B2B portal thanks to our enthusiastic team. In retail, we are upgrading with hair treatments and selling high-end products. We always want to fill the globe with smiles and bring confidence and happiness to our customers. Since teamwork is the key, I listen to and respect members' ideas. My employees also take training to improve their skills, and an effective communication between all departments is very important. Our vision is to provide customers with the best solution. To achieve this, we endeavor to keep working closely together and developing synergies so that we can continue to be the best in design and development, provide the best customer service, and maintain top quality products.



Michel van Tartwijk
General Manager
Aderans Benelux

Production Bases

We rely on experienced technicians at our production facilities and the facilities of alliance partners in Thailand, the Philippines and Laos to craft delicately constructed, high-quality wigs under the integrated production and marketing structure.

In 1986, we established our first overseas plant operated by Aderans Thai., Ltd. Further expansion of our production capability in Southeast Asia came with the establishment of plants operated by World Quality Co., Ltd. (Thailand) in 1992, and Aderans Philippines, Inc. in 2002. We began production in Laos in September 2012 and launched the second plant in the Philippines in October 2013. We deliver high-quality wigs to customers through these three key production bases in Thailand, the Philippines, and Laos.

Number of Local Employees

Aderans Thai., Ltd.	589
World Quality Co., Ltd.	208
Aderans Philippines, Inc.	657
Dispatched employees	418
Lao Quality Sole Co., Ltd.	841

(As of August 31, 2023)

Dispatched employees: employees from temporary staff recruitment agencies

Aderans Philippines, Inc.

Established in Clark in 2002, Aderans Philippines, Inc. manufactures and exports custom-made wigs for men and women.

The company started producing artificial hair “Cyberhair” in 2012, and its second factory started operations in 2013, specializing in custom-made wig ventilation. In this factory, skilled and experienced technicians produce wigs tailored for the individual needs of each customer.

In 2015, the company also established the education department to cultivate new talent and to provide technical education to contract manufacturers. The company’s mission is to help the industry grow by focusing on transferring and improving skills.

The newest factory has innovative equipment and comfortable work environments in place, offering an attractive workplace to local people. Its pioneering work also drew an international attention and was introduced in a Japanese TV program.

We aim to improve quality and pursue customer satisfaction by constantly working on technological innovation. Our goal is to continue to provide the finest products to customers across the globe.



Other production bases



Aderans Thai., Ltd.

Established in Nava Nakorn in 1986, the Buriram factory started operations in 1988.

It is the only factory in the group to conduct integrated production of ready-made wigs. The factory is also responsible for product repair, production of items for theatrical & artistic activities, as well as ventilation for some custom-made wigs.

In 1999, the factory acquired ISO 9001 and ISO 14001 certification.

It has been engaged in school tree planting since 2009 and wig donation to hospitals since 2012.



World Quality Co., Ltd.

Established in Ayutthaya, Thailand in 1992, World Quality Co., Ltd. started producing artificial hair “Cyberhair” in 2001 (transferred to API in 2012) and artificial hair “Vital Hair” in 2006. The factory was moved to Saraburi in 2012 due to the flood damage in 2011. The factory is in charge of manufacturing and logistics for custom-made wigs in Thailand and Laos. In 2015, the factory acquired ISO 9001 certification. The factory has started wig donation to hospitals since 2017.



Lao Quality Sole Co., Ltd.

In 2012, as a new production base, the Vientiane Factory in Laos began consignment production of custom-made wigs (ventilation). In 2017, Lao Quality Sole Co., Ltd., which operates the factory, was consolidated. The factory is mainly engaged in hair ventilation for products delivered from World Quality Co., Ltd.

The factory has launched a hair ventilation skills training program in collaboration with a vocational school, aiming to create job opportunities. It also provides hair ventilation skills training for women with disabilities, women who have a family member with a disability, as well as women in poverty who are socially and economically disadvantaged.

New CSR Activities across the World

Aderans Germany GmbH) Donating to Charity Golf Cup “Play for Life”

Proceeds of this charity golf cup, organized by a network of hairstylists “Intercoiffure Deutschland,” will be used to help young people in other countries receive training in the beauty industry. Aderans Germany took part in the event on September 23 and 24, 2023, as a premium sponsor.

Support by Production Sites to Fight Against the COVID-19 Pandemic

Thailand) Donation of Relief Money and Support for a Medical Facility



The governor of Saraburi Province ordered the construction of a quarantine facility in WHA SIL* Industrial Park to address the shortage of such facilities in the area. In response, World Quality Co., Ltd. donated money to help its construction. The company’s employees also helped set up goods and equipment within the facility after the building was completed.

*Warehouse Asia Saraburi Industrial Land

Thailand) Donation of Supplies and Other Necessary Items



In September 2021, Aderans Thai Ltd. donated necessary supplies to the Nong Phloen Temple to support countermeasures against the new coronavirus infection.

In 2020, the company also donated 300 handmade face shields and 10,000 baht donations from employees to Buriram Hospital, located near the plant. It was a gesture of support and gratitude to the medical staff who were battling the new coronavirus day to day.

Relief Supplies

- PPE 100
- CPE gown 100
- N95 mask 240
- Rubber glove 750
- Drinking water 240
- Used drum can 3

Laos) Donation of Relief Supplies



In August 2021, Aderans Lao Co., Ltd. donated relief supplies to Kaysone Phom Wiharn District, Savannakhet Province, to support countermeasures against the new coronavirus infection.

Relief Supplies

- Instant coffee 2,160
- Instant noodles 1,620
- Mineral water 600

Thailand) Supporting COVID-19 Vaccination



World Quality Co., Ltd. (WQC), which mainly manufactures wigs, purchased and donated booster doses of COVID-19 vaccine for 140 people to Chulabhorn Hospital in May 2022 as part of its initiatives to support measures against the pandemic. The donated doses have been used to support the vaccination effort.

When Thailand faced serious challenges with the COVID-19 pandemic, media kept sharing stories about many people being unable to get vaccinated. To help address this problem, the CSR Activity Committee of WQC organized fundraising and purchased the booster doses, using the proceeds from the sale of waste materials and the support funds they had raised. After the donation, WQC received a letter of gratitude from the hospital.

Laos) Aderans receives the Medal of Development First Class from the President of the Lao People’s Democratic Republic for its support for COVID-19 countermeasures in the country

Aderans Co., Ltd. received the Medal of Development First Class from the President of the Lao People’s Democratic Republic (Lao PDR) on Friday, February 17, 2023, for the donation of an operating factory building in January 2022 to Lao PDR, a host country of its production bases.

Our initiative has been recognized with the Medal of Development First Class by President Thongloun Sisoulith of Lao PDR. The medal awarding ceremony was held on Friday, February 17, 2023, in which Shinichi Sendo (Chairman, ALC) received the award certificate and the medal from Vice Minister of Planning and Investment Dr. Sthabandith Insisienmay. We will continue to provide support in accordance with the country’s situation and make every effort to contribute to the development of Lao PDR.



Shinichi Sendo (left: Chairman, ALC), receiving the award certificate, and Dr. Sthabandith Insisienmay (right: Vice Minister of Planning and Investment)

For Everyone to Keep on Smiling

Our CSR

Our CSR is integrated with core business. The purpose of CSR is “To achieve healthy and lasting corporate growth.” We defined CSR as the driver of corporate growth. Our activities are based on taking advantage of our strengths in society.

The Aderans Group is capable of creating value and demonstrating its strengths to offer total hair solutions to customers. Since the company’s establishment, we have tirelessly worked to integrate such value and strengths with our business.

New Classification Based on SDGs

We are shifting from the conventional CSR classification to a classification based on the SDGs perspective, aiming to formulate more relevant goals.

In 2022, we launched a cross-sectional project within the company to discuss the vision of the Aderans Group as well as social issues in the SDGs. Building upon its results, we are currently promoting new initiatives.

We will remain committed to promoting business that will help address social issues, striving to realize both our business growth and the sustainable society the SDGs aim for.



4 Categories in Our SDGs

For Everyone to Keep on Smiling

Smile for Health

- Solving potential problems in the hair-related area
- Solving health issues through hair



Smile for Society

- Collaboration with local communities
- Universal design that considers society
- Rewarding work, human resource development, diversity & inclusion



Smile for the Earth

- Prevention of environmental pollution
- Reduction of environmental load
- Realization of a resource recycling society



Smile for the Future

- Cultural development
- Supporting children
- Efforts for a sustainable society



Mainly related to SDGs are listed in each category. Also, some activities may relate to several categories.

New Business from the SDGs Perspective

The Aderans Group leverages the health-related technologies developed from its long years of hair research to enable a healthy life and to offer solutions to social issues in the beauty and health fields. Through these efforts, we aim to contribute to the SDGs.



Aderans Enters the Next Phase of Growth by Solving Social Issues

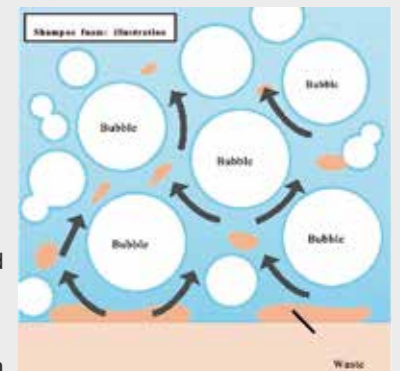
Introducing a New 3-Minute Daily Hair Care Routine AWANIST, an Electric Shampoo Brush with a Dense & Creamy Foam to Cleanse Your Scalp

AWANIST is an electric shampoo brush offering a combination of a dense and creamy foam, vibration, and red LED lights. Creating a dense and creamy foam with your own hands can be quite challenging, but AWANIST can make it really easy. We started its presale in April 2023 on the website of Makuake, Japan’s product launch platform, and proved its popularity by achieving its sales target in only nine minutes.



AWANIST: Product Features

- 1 Dense and creamy foam: hard to create by hand but can be done in only 15 seconds
- 2 Ergonomic design: fitting comfortably in your hand whether you are right- or left-handed
- 3 Dense and creamy foam: wrapping the hair and scalp to lift and help remove sebum and waste
- 4 AWANIST’s special shampoo and treatment: developed with a focus on the creamy foam and mainly composed of amino acid cleansing ingredients, gentle on your hair and scalp



Creating Products to Make People Smile in the Beauty and Health Fields

Hair and scalps are major issues in the beauty industry. While they are not easy to solve, the difficulty of these challenges also gives us business opportunities. We started developing AWANIST about two years ago, at the beginning of the COVID-19 pandemic, when many people voiced their concerns about going to a hair salon. Responding to such concerns, we decided to develop a creative product they could enjoy using at home. While we mainly targeted people in their 20s and 30s at its presale on the Makuake website, the product was surprisingly popular among men in their 40s and 50s as well as people who would like to purchase it for their parents. I look forward to continuing to identify needs from ideas and to help enrich people’s lives.



Takako Iino
Manager
e-Business Office
Aderans Co., Ltd.

The History of Our SDGs Activities

The Adelans Group celebrates its 55th anniversary in 2023. Since its early days, we have continued to generate various activities with 'social value' both domestically and internationally.



1980



All-Japan Skills Competitions

In addition to product sales, we also prioritize after-sales service, emphasizing the improvement of hairdressing and beauty techniques to ensure that customers can use wigs for a long time. We have held national technical competitions where staff can compete and improve their own skills.

1983

Commencement of artificial hair research

Due to ethical concerns regarding the sourcing of human hair, as well as considerations for stable supply, we initiated research on artificial hair. We have successfully developed artificial hair that is comparable to human hair in quality and offer it as a product.



1991

Commercialization of artificial hair products

We have successfully developed artificial hair that is comparable to human hair, and have been offering it as a product since 1991.

1995



Environmentally friendly 'Green AD Fitter'

We developed the 'Green AD Fitter' to accurately replicate the shape of the customer's head and the natural flow of hair when creating custom-made wigs. It utilizes biodegradable plastic as an environmentally friendly material.

2002

In-hospital hair salons

We have established in-hospital hair salons within cancer treatment hospitals, primarily focusing on cancer care centers. We provide hairdressing services to patients, their families, healthcare professionals, and anyone else who may have concerns about their hair.

2021

Supporting people with disabilities through art

We support exhibitions of art created by individuals with disabilities, and utilize their artworks on the covers of our CSR communication reports and for our novelty items.

Smile for Health

Smile for Society

Smile for the Earth

Smile for the Future

- 1970 Support for establishment of Japan Hair Industry Association
- 1974 Launched artificial skin wig
- 1978 Developed original fitter
- 1980 National Skill Competition
- 1981 Established domestic captive plant
- 1983 Commencement of artificial hair research
- 1986 Established Thailand plant
- 1991 Commercialization of artificial hair products
- 1999 ISO 9001 Certification(Thailand plant)
- 2002 Started in-hospital hair salon
- 2002 Established Philippines plant
- 2005 Seminar on appropriate services in medical care
- 2006 Endowed course at Osaka University
- 2010 Introduced Credo
- 2010 Support for the pink ribbon campaign
- 2010 USA)Wig donation for support groups
- 2010 USA)Pay It Forward
- 2011 Overseas expansion of in-hospital hair salon
- 2012 UK)Support for "My New Hair"
- 2012 Started the production in Laos
- 2012 Thailand) Donation of wigs to hospitals
- 2012 Support for "One World Project"
- 2012 Support for "Pink Ribbon Hostel Network"
- 2012 USA)Donation for breast cancer foundation
- 2012 Collaborative research with University of Tokyo
- 2012 Collaborative research with Oita University
- 2013 Attained hair adviser certification
- 2013 Collaborative research with Oita University
- 2014 Participated in the Global Compact
- 2014 Cooperation with insurance companies
- 2015 USA)Pay It Forward
- 2017 Fontaine ready-made skill competition
- 2017 Received social products award
- 2017 Fontaine Green Forest Campaign
- 2017 Received social products award
- 2018 Thailand) Installation of welfare support vending machines
- 2020 Supports related to COVID-19
- 2020 Makeup palette for people with visual impairments
- 2021 Supporting people with disabilities through art
- 2021 USA)DEIB
- 2021 USA)HairClub Cares: Christmas Toy Drive
- 2022 Development of the third-generation functional artificial hair
- 2022 A new environmentally friendly wig with attention to the SDGs launched
- 2022 A medical wig jointly developed by Aderans, JHD&C, and Shiseido

1970s 1980s 1990s 2000s 2010s 2020s

- 1978 Love Charity
- 1980 Christmas Santa Project (now Santa Smile Project)
- 1983 The first Japanese performance of the Shiki Theatre Company musical 'Cats'
- 1985 Studio AD started to support entertainment culture
- 1995 Adoption of environmentally friendly biodegradable plastic for molding (fitters)
- 1995 Hair Club For Kids
- 1999 ISO 14001 Certification (Thailand plant)
- 2006 Introduction of water-saving shower heads at salons
- 2008 Cleaning the area around the factory(Thailand plant)
- 2009 Fontaine Green Forest Campaign
- 2009 School forestation in Aderans Thailand
- 2012 Use of LED lighting in salons
- 2012 Use of scraps from wig manufacturing process (Thailand plant)
- 2014 Mold making system by 3D scanner
- 2016 Launched organic certified products
- 2017 Fontaine Green Forest Campaign expanded nationwide
- 2020 Utilization of new material LIMEX made from limestone
- 2022 A new environmentally friendly wig with attention to the SDGs launched

1978



Love Charity

The origin of Adelans' CSR activities, which have continued since 1978, is to spread smiles and joy. The underlying concept of this campaign is to prevent the physical trauma of hair loss from becoming an emotional scar as well. Love Charity is an opportunity to bring smiles back through the gift of a custom-made wig.

1983



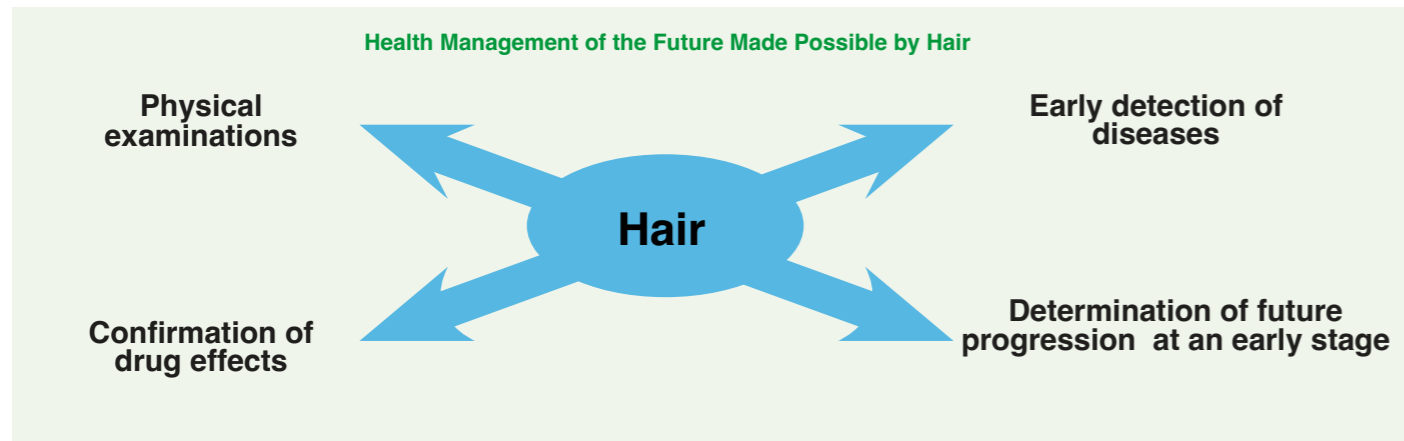
Provision of entertainment wigs

We collaborated with the Shiki Theatre Company musical 'Cats' to develop wigs capable of withstanding the vigorous movements of intense dance routines.

*Some of the content listed above is currently on hiatus.

Using Hair in Diagnosis: Social Implementation

Establishing New Methods to Understand Health Status through Hair Analysis



As we enter the era of the 100-year life, physical examinations are expected to play a major role in preventing the development and aggravation of lifestyle diseases, aiming to increase healthy life expectancy and to reduce health disparities. Existing physical examinations are not perfect, however, with room for further improvement.

For example, while blood tests and urine tests are broadly used in physical examinations, obtained data are reported to be unstable because they can be easily affected by what we ate and drank immediately before the tests. We also need to go to a hospital or a health center to have an examination.

The Aderans Group therefore works on research to establish stable indicators for health management using hair based on scientific evidence. We strongly believe that hair tests are more convenient, as we only need to mail hair without visiting a hospital to submit specimens, and that hair can provide more stable health data than blood and urine. Our goals are to turn hair salons, which most women use, into wellbeing hubs, to expand our hair testing technologies from the beauty to the healthcare field, and ultimately to help address social problems.

Industry-Academia Collaboration with Universities and More

The Aderans Group promotes research on various themes through industry-academia collaboration with universities and research institutions in the pursuit of new insights into hair-related studies.

We apply the results of research on hair and hair growth, based on academic advice and supporting data, to expand the circle of happiness around our customers.

Cosponsoring Academic Conferences and Organizing Seminars on Hair

We support many academic societies by cosponsoring their research conferences related to hair and organizing seminars there. Examples of these organizations include the Society for Nursing Science and Engineering, Japan Society of Clinical Hair Restoration, Japanese Society of Cancer Nursing, the Japanese Dermatological Association, the Society for Hair Science Research, and the International Federation of Hair Research Societies.

We Can Manage Our Health through Hair

Hair is made of various components, and we have been striving to develop new technologies for health management while leveraging some of them. If we can develop a system that finds warning signs from our bodies, even those we don't recognize ourselves, that should lead to the early detection and treatment of diseases. Also, as our society grows older and more diverse, we are confident that such development can help promote people's health and revitalize society.

R&D Department
Aderans Co., Ltd.

Supporting Cancer Patients

Helping everyone to enjoy a fulfilling life in society with cancer

Cancer is the leading cause of deaths among Japanese people, and it is estimated that one in two men and one in three women will develop cancer during their lifetime. We are also seeing a growing number of cancer patients and deaths across the world. Meanwhile, the survival rate from cancer continues to improve. Efforts such as early detection, treatment environment, and care for the concerns of patients and their families are becoming more and more important. (Source: Ministry of Health, Labour and Welfare, "Cancer Control Policy Report")

The Aderans Group is promoting various activities in Japan and worldwide to realize a society where everyone, including people living with cancer, can enjoy a fulfilling life with a smile.

Japan) In-Hospital Hair Salons



Since 2002, we have been actively developing in-hospital hair salons as part of our health business to support emotional health through hair. We currently operate 35 salons across Japan. (As of August 31, 2023)

In addition to general salon services, these salons also provide various other products and services to help improve patients' quality of life, such as medical wigs, maintenance of wigs made by other companies, and counseling on hair loss and appearance due to cancer treatment.

Japan) Medical Wig JIS Standardization

Japan Hair Association submitted JIS draft to Ministry of Economy, Trade and Industry. Through their deliberation over the application, it was approved as the world's first national standard for wigs on April 20, 2015. In JIS process, the Aderans Group played a leadership role in the industry.

With this JIS standardization, the quality standards for medical wigs have been clarified, allowing customers to purchase with confidence.

*These products are not intended to treat or prevent illnesses.

Japan) Seminar on Appropriate Services in Medical Care

All staff members helping patients, including those working in the in-hospital hair salons and those visiting hospitals, are required to take a course covering such subjects as patient psychology and the basics of cancer.

A total of 1,274 employees have taken this training, provided by outside experts VOL-NEXT, since it started in 2005. (As of December 31, 2023)

Japan) Joining Alopecia STAND UP! 2023, an Event to Raise Awareness of Hair Loss

On September 23, 2023, Aderans took part in Alopecia STAND UP! 2023, a fun event hosted by a non-profit organization Alopecia Style Project Japan (ASPS) to raise awareness of hair loss and hair-pulling disorder



caused by various reasons. In the event, we participated in the Alopecia Parade, hosted a fashion show introducing our wigs, and invited visitors to try wigs.

The wig was great, really comfortable and beautiful!! You have no need to give up being stylish just because you don't have hair. Wigs can help you enjoy different styles and become more fashionable.



Ms. Momoka
High school student model

HC (USA), Inc.) Breast Cancer Walk

HairClub team members participated in the Making Strides Against Breast Cancer walk, an event hosted by the American Cancer Society. The members walked alongside people who are fighting for a cure and raising awareness of breast cancer, including cancer survivors, patients, their caregivers and families, and other supporters.

Japan) Offering One-Stop Solutions to All Hair Problems

Aderans signed a business partnership agreement with Policy Company Co., Ltd. (Head Office: Chuo-ku, Tokyo; Representative Director: Kazuhito Nishida) on August 22, 2023. Leveraging Policy Company's clinic management support and marketing know-how, we will work together to develop a system that enables our interested customers to receive AGA and hair loss treatments at their clinics.

Smile for Health

Theme of Our Activities

Wishing for Many People to be Healthy

- Solving potential problems in the hair-related area
- Solving health issues through hair

As a leading total hair solution company, we have faced various hair problems since our foundation. In order to bring smiles to people suffering from hair challenges all over the world, we are promoting the solution of health issues through hair. We actively promote in-house research and development, industry academia collaboration with universities, and joint research and development with partner companies. We research on epoch-making artificial hair and medical wigs, hair growth and hair scalp care-related research, and anti-cancer drug hair loss suppression research.

Mainly Corresponding SDGs



Key Action Indicator

Medical wigs applied for the JIS* certification (total)
* Japanese Industrial Standards

2015
26 products

※ 28 JIS applications including products other than medical wigs.

Present
(2022)
72 products

※ 178 JIS applications including products other than medical wigs.

2030
122 products

Building a Society Where No One Is Left Behind

According to the Annual Report on Government Measures for Persons with Disabilities 2023 by the Cabinet Office, nearly 10 million (9,647,000) people live with disabilities in Japan, accounting for 7.6% of the total population. Also, according to the Employment Status of Persons with Disabilities 2022 by the Ministry of Health, Labour and Welfare, over half a million (613,958) people with disabilities were employed by private sector companies, and the actual employment rate of people with disabilities was 2.25%. Only 48.3% of the companies met the statutory employment rate.

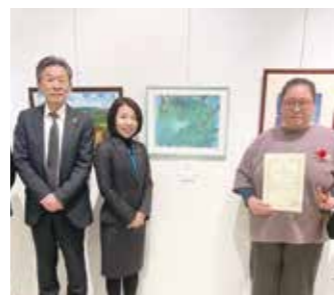
The Aderans Group members within Japan and across the world promote various initiatives aiming to build an enabling society for diverse groups of people, including those with disabilities, to enjoy safe, comfortable, and productive lives.

Supporting People with Disabilities through Art

We support artistic activities of people with disabilities to help promote their financial independence and social participation, aiming to build an inclusive society that embraces diversity.

As the first step of our support, we started featuring an artwork by a person with a disability on the cover of our CSR Communication Report in 2021.

In 2022, we expanded collaborative work on disability art beyond the CSR Communication Report, including free gifts for customers and our 2023 corporate calendar.



At the 2023 Para Art Tokyo event, Ms. Chiemi Muraki (pictured: right) won the Aderans Award



Our 2024 calendar featuring artworks by people with disabilities

Developing the BLINDMAKE UD Palette, a Universally Designed Makeup Palette Proposed by a Person with a Visual Impairment



While Aderans has been committed to appearance care for patients through the development of medical wigs, we have also realized that people with visual impairments face challenges in appearance care as well. Many of them are hesitant to go out and meet people, or even feeling depressed. To support them through makeup, we have launched a universally designed makeup palette "BLINDMAKE UD Palette." For commercialization, we developed the product in collaboration with people with visual impairments who are promoting BLINDMAKE at the Caremake Association.

Lao Quality Sole Co., Ltd.) Promoting Employment of People with Disabilities

Lao Quality Sole Co., Ltd. (LQC), an Aderans Group member in Laos mainly producing and exporting custom-made wigs, has been working together with Lao Disabled Womens Development Center to provide hair ventilation skills training for women with disabilities, women who have a family member with a disability, as well as women in poverty who are socially and economically disadvantaged.

In Laos, most private companies have yet to work on employment of people with disabilities. It is therefore extremely meaningful, both for our company and for the local community, that a member of the Aderans Group takes the initiative in this area to train them, to build an enabling work environment for them, and to promote their employment.

Aderans Thai., Ltd.) Donating Unused Calendars to Support an Organization for People with Visual Impairments

Since 2022, Aderans Thai., Ltd. has been supporting an organization for people with visual impairments in the county by collecting and donating unused desk calendars, which will be used to make braille teaching materials.



Rewarding Workplace

At the Aderans Group, we strive to enable each employee to enjoy working, good physical and mental health, and a fulfilling life, while also spreading smiles in society through the business. We particularly stress the importance of after-sales services in addition to product sales, with a firm belief that enhancing employees' barbering and hairstyling skills will bring smiles not only to customers through wigs but also to employees themselves.

Launching and Managing Aderans University



In July 2022, we launched Aderans University, a self-directed e-learning program for Aderans employees, to help them grow and fulfill their potential. Opportunities for training and skill improvement are offered on a regular basis to develop employees'

leadership skills and expertise. By creating an enabling environment for employees to truly experience personal growth, we are building the culture where they can grow together.

Aderans Benelux B.V.) Offering Specialist Training

Aderans Benelux B.V. provides wig specialist training as the leading company in the hair and hairstyling fields equipped with the latest techniques. The company offers different courses according to students' skill levels: The basic course is for beginners to prepare for careers in the fields, and the advanced course is for experienced stylists to learn a variety of the latest knowledge and cutting/styling techniques.

All-Japan Skills Competitions

We have held the All-Japan Skills Competition where our staffs compete to showcase their skills since 1980. At the 28th event in 2023, winners were selected from finalists among 908 participants nationwide.

Originally started as the event only for Aderans and Ladies' Aderans, the Competition has been expanded to Fontaine since 2016, aiming to further enhance customer service and technical skills at Fontaine as well. We held the 6th event in 2023, where 590 Fontaine members participated and a winner was selected for the Role Playing and Styling divisions respectively.



Winning piece in the Styling Division



Winning piece in the Freestyle Division, Ladies category

The Key Is to Keep Learning No Matter Your Age

There is a saying, "Life is a continuous learning process," highlighting the importance of continuing to learn no matter your age. Aderans University was launched in July 2022 as an e-learning program for employees. We post a training video once a month, covering a wide range of topics such as management, CSR, and health. Each video is about 15 minutes long to make it easy for employees to watch in their spare time at work. To date, the program has attracted a total of over 18,000 viewers. Aiming to achieve our management philosophy of Product Excellence, we will keep working to create the attractive learning site to develop employees' knowledge and passion for learning.



Kyoko Nitta
Aderans University President
Head of Group CSR & Corporate Communications Office
Aderans Co., Ltd.

Technical Meister System

We have introduced a system to train Technical Meisters to improve customer satisfaction when delivering new products. By embedding this system in the company and providing Technical Meisters' top-quality services, we strive to improve customer retention through customer satisfaction.

All-Japan Skills Competitions

Aderans Ladies' Aderans FONTAINE

Aderans Division

Mainly Aderans staff from custom-made wigs compete in the "Free Style Category" and the "Hair System Category."

Fontaine Ready-Made Division

Mainly Fontaine staff from ready-made wigs compete in the "Styling Division" and the "Role Playing Division."

Japan) Employee Skill Improvement

- Barber License: 377
- Hairdresser License: 1058
- Barber License and Hairdresser License: 34
- Certified Hair Adviser: 366
- Certified Hair Consultant: 15
- Certified Senior Hair Consultant: 6

(Domestic, as of August 31, 2023)

Smile for Society

Theme of Our Activities

To Be A Healthy Society

- Collaboration with local communities
- Universal design that considers society
- Rewarding work, human resource development, diversity & inclusion

We have approximately 6,700 employees expanding our global activities, centered on approximately 500 stores in Japan and 300 stores worldwide in 18 countries and regions. Regardless of nationality or gender, employees who have diverse values and ideas aim to continue to create new value by maximizing their individuality and abilities. We also promote coexistence with the local community through each local site.

Mainly Corresponding SDGs



Key Action Indicator

The growing number of Aderans' unique hair fibers



At Aderans, we are committed to the in-house research, development, and production of artificial hair fibers, aiming to bring satisfaction to customers by recreating their unique hair. The stable supply of hair materials for wigs will lead to reliable procurement and production processes, which in turn will bring smiles to more customers, hairstylists, and many more.

Fontaine Green Forest Campaign

15th year since starting in 2009, bringing together tree planting and proper wig disposal

This campaign began with customers' feedback considering the environmental effects at disposal of old wigs. Most of ready-made wigs are made of polyester. So if customers dispose of them as household waste, there are slight emissions of CO₂ from waste incineration.



Covering Area (amount)

2009	406 m ²
2010	1,813 m ²
2011	2,063 m ²
2012	2,531 m ²
2013	3,469 m ²
2014	5,013 m ²
2015	6,825 m ²
2016	7,875 m ²
2017	12,459 m ²
2018	22,776 m ²
2019	24,083 m ²
2020	25,089 m ²
2021	25,989 m ²
2022	26,989 m ²

Covering area is estimate which is evaluated from number of trees and our ratio of support to environmental preservation groups.

Japan) Green Forest Campaign Expanding Nationwide Part 2: Shizuoka Prefectural Forest Park Helping Restore Its Red Pine Forest as the First Corporate Supporter



In 2019, as a new environmental conservation destination, we started helping restore a Japanese red pine forest in Shizuoka Prefectural Forest Park (Ono, Hamakita-ku, Hamamatsu City) as the first corporate supporter of the reforestation project.

The park has been loved by locals as a natural landscape mainly consisting of Japanese red pine trees, and is also recognized as a habitat for rare species, having been selected by the Ministry of the Environment as an "Important Satochi-Satoyama (Rural Landscape)

for Biodiversity Conservation." However, due to the Great East Japan Earthquake in 2011, it became extremely difficult to secure helicopters for the aerial spraying of chemicals to control pine beetles, resulting in a drastic increase in the damage caused by the insects. The number of Japanese red pine trees in the pure forest of the park decreased to about 1/3 compared with a decade earlier.

In response, we have decided to join the reforestation project of the park. It takes decades to restore the Japanese red pine forest. As we celebrated our 50th anniversary in 2018 and work towards the next milestone of the 100th anniversary, we will continue to support the reforestation in the park. Even during the COVID-19 pandemic, we continued this activity while taking thorough measures to prevent infection. In January 2023, 38 Aderans employees planted 100 seedlings of Japanese red pine trees in the park.



Japan) Over 100,000 Wigs Collected in the Campaign

By 2021, the 13th year of the campaign, we had collected over 100,000 wigs from customers.

Japan) Eco-Friendly Wig Disposal

We collect wigs that are no longer used by customers and dispose of them in an eco-friendly manner. For example, we have signed a contract with an industrial waste treatment company (J&T Recycling Corporation Kawasaki Eco-Clean Factory) to reduce CO₂ emissions.



Environmental Initiatives throughout the Production Process

How a Custom-Made Wig Is Made: From Ordering to Delivering the Product

Salon in Japan

Overseas Factory

1 Measuring the customer's head

Also choose the base and hair fibers.



Japan) Mold Making System by 3D Scanner

By introducing the new mold making system in December 2014, we actively manage to be environmentally friendly since we can reduce the amount of fitting materials. It also leads to the reduction of power usage because both domestic and international transportation of those materials are no longer required.

Number of Fitters Used
Before: 41,884 (FY2014)
After: 17,150 (FY2021)

2 Making the wig base

Recreate the scalp with artificial skin to give a natural parting line.



3 Making hair fibers

Make Aderans' original artificial hair fibers, looking and feeling more like human hair.



4 Ventilating hair

Knot hair into the base, adjusting the volume with the space between and the number of strands, and set the direction of the hair.



6 Delivering the product to the customer

A dedicated stylist makes final adjustments for the customer's own hair and provides after-sales services.



Japan) Introduction of Water-Saving Shower Heads

We have installed hand-held showers with water-saving attachments at stores where staff has the expertise to offer barber and hairdressing services. These showers reduce the amount of water used and lead to less CO₂ emissions.

Installation Status
(As of August 31, 2023)
193 stores in Japan



Use of LED lighting in salons

We reduce power consumption in salons by using LED lighting.

5 Finishing and inspecting

Shampoo and blow-dry the hair, conduct a final check.



Water Management

The factory procures and uses soft water because hard water, which is high in minerals such as calcium and magnesium, can deteriorate the quality of wigs. Also, to protect the environment, the factory has introduced high performance equipment to purify the water used for dyeing hair.



ISO Management System

Having obtained the ISO 14001 (the international standard for environmental management systems) certification, the Thai factory continues to promote a variety of environmentally friendly activities.

Smile for the Earth

Theme of Our Activities

Preserve the Earth Forever

- Prevention of environmental pollution
- Reduction of environmental load
- Realization of a resource recycling society

We consider the "environment" to be one of our corporate social responsibilities. We are engaged in environmentally friendly activities so that we can create a sustainable society in which the economy and the environment are compatible. Activities include environmentally friendly products and reducing the environmental impact of our business establishments.

Mainly Corresponding SDGs



Key Action Indicator

Environmental Covering Area (amount)

2009
406m²

Present
(2023)
26,989m²

2030
30,000m²

Supporting Children

Aiming to Further Expand Children's Future Possibilities

The Aderans Group works in Japan and worldwide to support children in difficult situations due to various complex reasons. Through these efforts, we hope to bring many smiles to the children who will bear the future.

Japan) Love Charity

Starting Point of Our CSR Activities since 1978

Love Charity started in 1978 to provide custom-made wigs to children aged 4 to 15 who have lost their hair due to illness, injury, or other reasons. The underlying concept of this campaign is to prevent the physical trauma of hair loss from becoming an emotional scar. Love Charity is an activity, using a portion of sales, to bring smiles back to children through the gift of wigs.

Furthermore, as of September 2012, we decided to conduct throughout the year our campaign that had previously been limited to the Christmas period, for the happiness of greater numbers of children. Since March 2014, we started to provide ready-made wigs to children who need wigs immediately.

Fiscal Year	Number of Provided Wigs
2013	172
2014	265
2015	343
2016	336
2017	315
2018	330
2019	308
2020	333
2021	386
2022	369

US) HairClub For Kids

Since 1995, HairClub has provided non-surgical hair replacement services to children aged 6 to 17 who have lost their hair, as well as Aderans' Love Charity program.



Aderans UK Limited, Aderans Germany GmbH, and Aderans Sweden AB) Supporting The Little Princess Trust

The Aderans Group has been supporting activities of the Little Princess Trust (LPT) since 2011.

The LPT is one of the UK's best-loved charities, offering free real hair wigs to children and young people (up to 24 years) who have lost their own hair through cancer treatment or other conditions. It also funds childhood cancer research. The LPT is the only charity in the UK that has been awarded the MBE.

Aderans UK Limited helps the LPT by providing wigs, supporting hair donations, jointly hosting events, and offering special services to the organization.

Japan) Cooperation with NPO JHD&C

Since March 2015, we have been supporting the activities of Japan Hair Donation & Charity (JHD&C). The organization provides free wigs, made of donated human hair, to children who need ones due to illness.

(Collaboration between JHD&C and Aderans: Examples)

March 2015: Started the cooperation

April 2016- : Help the production of JHD&C's wigs

September 2018- : Install special vending machines to support hair donation

October 2018- : Register some Aderans salons as JHD&C supporters

Japan) A Medical Wig Jointly Developed by Aderans, JHD&C, and Shiseido

Aderans, JHD&C, and Shiseido have jointly developed a medical wig with artificial fibers uniquely blended by Aderans to present more natural looking black hair. The product, named "Wig+ (Wig Plus)," was launched in November 2022. This joint project started as the three organizations agreed on the shared goal of helping as many people with hair concerns as possible. JHD&C leads the planning of Wig+, Aderans is in charge of its production, and Shiseido supervises its hair design and introduces hairstyles using the company's original bang method. Aderans and Shiseido have shared their expertise free of charge as part of their initiatives to fulfill their corporate social responsibility (CSR).

Wig+



Japan) Santa Smile Project

We have continuously conducted "Santa Smile Project" for more than 30 years. This project is for children who need to stay at hospital during the festive season.



Art and Cultural Activities

Supporting the Entertainment Industry through Hair and Wigs

By offering wigs to a variety of theatrical and art activities, Aderans strives to contribute to the development of the entertainment industry as well as to promote the wig culture.

Japan) Helping Recreate the Hair of the Popular Character "Nakano-san from Adelas" for the "Super Kinnikuman Exhibition," Celebrating the Anime's 40th Anniversary

We collaborated in the production of the "Super Kinnikuman Exhibition," the event celebrating the anime's 40th anniversary. Our theatrical and art division Studio AD faithfully recreated the "hair" of the popular character "Nakano-san (Mr. Nakano) from Adelas" in "Kinnikuman" using human and artificial hair.



The project started as Toei Company, Ltd., the organizer of the exhibition, approached us and asked if we could recreate the hair of "Nakano-san from Adelas" for the event, and Studio AD agreed to collaborate. We aimed to recreate his hair texture, color, and style in the anime, striving for a high level of realism.

Support for Shining People

We support people who shine in their own ways through hair and wigs.

Saren Nagata Calligrapher



Ms. Saren Nagata is an artist particularly popular among women, with the unique and free style extending beyond calligraphy. While she is active in a variety of fields such as solo exhibitions and live performances, her classes are recently gaining popularity across Japan, attracting a total of over 10,000 students to date.

Anna Saeki Tango Singer



Ms. Saeki is a globally acclaimed tango singer with new sensibility. We have been supporting her stages within and outside Japan with a variety of wigs. For example, in 2022, we provided wigs for her 35th anniversary concerts throughout the year as well as a festival in Argentina.



Photo by Katsuhiko Hori

Studio AD Experts in wigs and hair makeup Supporting the entertainment business for 39 years

We are expanding the possibilities of wigs by providing wigs for various cultural activities. Among them, Studio AD, which is the culture and entertainment department, is involved in the performing arts and video works that represent Japan.

The Shiki Theatre Company brought the musical "Cats" to the stage in Japan in 1983. The development of wigs that could withstand the vigorous dancing in "Cats" was a cooperative effort between staff at Aderans and the hair and makeup artists and costume designers at the theater company at that time.

Our very own wigs for the performing arts, later helping to realize such headlining stage productions in Japan as "Phantom of the Opera" and "Beauty and the Beast", have also been used in non-theater applications, including a variety of movies and television shows as well as concerts.

Japan) Contest to Bring Out a New Charm by Wearing a Wig Fontaine BeauWig Award by Aderans

On July 7, 2023, Bellissima Japan K.K. hosted the Mrs. Universe Japan 2023 contest. Aderans cosponsored the event and selected the grand prize winner of the "Fontaine BeauWig Award by Aderans." The five finalists, who had been selected in advance, took the stage during the event, wearing wigs arranged by Aderans' leading wig designer



Ms. Saori Miyoshi won the Grand Prize

NORIKO. Each of them showcased her own beauty with the wig through a runway walk and a speech on "How I enjoy hair fashion with wigs." The judge panel, consisting of six beauty and health specialists, reviewed the contestants based on their commitment to social contribution, ability to put it into action, and their views on how to enjoy wigs. The grand prize went to Ms. Saori Miyoshi, a psychological counselor.

Smile for the Future

Theme of Our Activities

Expanding a Bright Future

- Cultural development
- Supporting children
- Efforts for a sustainable society

In recent years, society has undergone major changes, the rate of change has increased, and social issues have become more complex. We aim to realize a future full of smiles and joy. We are working to create value that will lead to the future by solving issues in areas where we can take advantage of our strengths.

Mainly Corresponding SDGs



Key Action Indicator

The number of wigs presented to children by the Aderans Group (total/estimate)(Love Charity and HairClub For Kids)

2012
4,452 wigs

Present
(2021)
22,910 wigs

2030
39,600 wigs

*The number for HairClub For Kids is the total since HairClub joined the Aderans Group in 2013.

Stakeholder Dialogue

This time, we invited an outside director of Aderans, Mr. Kazuhiko Takano, as an outside expert to hold a Stakeholder Dialogue. Meeting date: September 25, 2023.

Minowa: The theme of this year's stakeholder dialogue is the Legal Affairs Department's roles in supporting corporate growth from a legal perspective, and we have our legal check team members and Dr. Takano to discuss the issue.

Takano: Roles of legal affairs departments in companies have changed over time. In the 1980s, their roles were not considered that important in business management. From the late 1990s to 2000, we started to see the concept of "strategic legal affairs," meaning how to handle legal risks in management strategies.

Minowa: I cannot agree more, and that is the whole point of me becoming General Manager of the Legal Affairs Department. Since the Department's legal perspective can be directly linked to the success of a management plan, our roles include strengthening collaboration with other departments and clearly communicating the company's direction. I'd also like to hear what the legal check team members have to say.

Akita: I have been working for the Department for eight years, mostly in charge of preventive legal affairs such as checking and reviewing contracts and other communication items. Since Mr. Minowa came to the Department as General Manager around two years ago, the way we work in the Department has changed, and recently I have started feeling that our messages have reached other departments.

Takano: That is wonderful.



Kazuhiko Takano Outside Director, Aderans Co., Ltd.

-Professor/Doctor of Law, Kansai University, Faculty of Social Safety Sciences, Graduate School of Social Safety Sciences
-Executive Director, Japan Society for Business Ethics
-Senior Researcher, Business Ethics Research Center (BERC)
-Director, Association of Certified Business Ethics Experts Japan



Akita: When we have a meeting with another department in the company, Mr. Minowa would also come along and give a brief comment, which would completely change the atmosphere of the room and help the discussion go smoothly. Some subjects are so difficult to explain that I had long given up on trying. But lately, I have started thinking like, "Maybe I can do it" and "I will try harder."

Kato: I agree. As Ms. Akita mentioned, I also feel that our voices have started reaching the whole company, including the president, officers, and staff in charge. Consequently, we as the Legal Affairs Department can now share what we should say in management decisions, and the managers would incorporate it in their decisions. It is essential that we actively respond to inquiries and create a friendly environment so that everyone can easily come to us for advice. More people are now coming straight to us, and I feel much closer to colleagues from other departments. I would like to keep it that way.

Akita: In the past, when checking a contract or a communication item, we wouldn't go beyond "This needs to be changed" most of the time. But lately, we have started making suggestions for alternatives by saying, "Here are some possible ideas."

Takano: In many companies, legal affairs departments still keep their roles limited to saying, "This is no good." I would say suggesting alternatives is quite progressive, offering input like, "These are some options from a legal perspective. What do you think?" Our Legal Affairs Department has made a drastic change, and its key aspect is that it can now give suggestions on management. The Department provides advice not only on legal but also on management decisions, showing a significant advancement in its roles.



Legal Affairs Department Portal

We have integrated internal information related to the Department to make it more accessible to employees. The Portal also provides general information to share basic legal knowledge.

Watanabe: We have launched the Legal Affairs Department Portal in the company's intranet, integrating information disclosure related to the Department, to make it easier for employees to access information they are looking for. Basic and general information is also available on the Portal because it is critical that everyone is on the same page before we provide information on what we are doing.

Minowa: The Portal is extremely meaningful. For example, by explaining the basics of contracts and proposal documents in staff members' own words, we can have readers feel closer to this field. I am also delighted to see a similar trend in the Intellectual Property Office. The Office also protects the company from a legal perspective, and it is doing an excellent job in mutual communication.

Takano: People tend to think of legal topics as being "serious" and "difficult," don't they?

Akita: Lately, more people invite us to their meetings, particularly this year since we moved to the new head office with the free address seating arrangement.

Minowa: For a long time, our Legal Affairs Department has had the culture of providing sincere support and advice. To make it easier for other departments to request our advice, I myself approach them and encourage them to contact us. Since our Department members have few opportunities to see the actual products, they tend to think of products based on written information such as contracts. Attending meetings with field staff therefore helps them understand the products as well. Such experiences can also help them see deeper meanings, including ideas behind developing the products and messages to convey when marketing them. It is not easy to reduce legal risks while also understanding the product and sales activities. But putting it into practice will make our organization stronger.

Akita: We are beginning to implement the mechanism where our Department gets involved from the beginning, meaning the planning phase, exploring what evidence to prepare based on how we would like to appeal to customers.

Takano: It is essential that you offer support from a legal perspective while also understanding the product as well as its features and risks. It is an excellent approach.

Kato: What I think is obvious may not be so for people in different departments and positions. I would like to learn more about the company and its business so that I can have a broader perspective when checking contracts and advertisements.

Watanabe: I would also like to play a role in effective communication so that more people can count on our Department.

Takano: As the company starts new business activities, the Legal Affairs Department is now expected to explore how to help the business grow while hedging legal risks. To make it successful, it is critical that the Department build the trust of business departments. Through this dialogue, I feel confident to say that our company is reaching that level.

In 2023, the Aderans Group developed new risk management plans to address social changes at a global level, aiming to promote our corporate governance and to achieve sustainable business growth.

The Aderans Group promotes its business on a global scale, with a network of 60 companies in 18 countries and regions. To adapt to changes in the global business environment, we have developed the new risk management plans in the following nine risk categories.

- | | | |
|----------------|------------------------|-------------------|
| (1)Information | (2)Systems | (3)Labor |
| (4)Legal | (5)Disasters/accidents | (6)Products/sales |
| (7)Assets | (8)Public relations | (9)Meetings |

For example, one of the system risks is a cyberattack, which often occurs in the Western countries. In particular, the United States government sees it as a national risk and has been reinforcing measures, involving the FBI, to address this issue as an international terrorism. In order to address such risks successfully and promptly, we have also established the risk management emergency headquarters within the company.

CSR Publicity

To let more people know about the Aderans Group's activities, we have lectured at events and cooperated with media to coverage.

CSR Radio Broadcast "Smile Connection"



We have broadcasted our original radio program "Smile Connection" since September, 2018, with the aim of exposing more people to our CSR activities.

Aderans' CSR: The More You Learn about It, The More Depth You Find

While Aderans is a major company everyone knows about, how many people are aware that it is the company with great love and compassion at its core? As I witnessed Aderans employees tirelessly and proudly working to put smiles on customers' faces, I wanted more people to learn about the company's initiatives for CSR. The more I learn about their CSR, the deeper love I find in their corporate culture beyond their words. I produce the program, hoping to share that love with listeners.

Ms. Yoriko Sato
Director, "Smile Connection"

Web Media "Integrity of CSR"



We have published a series of articles titled "Integrity of CSR" on BEST TIMES, the web media run by BESTSELLERS CO., LTD. (KK Bestsellers). In each article, Mutsuo Minowa, Senior Executive Officer of Aderans, serves as a host and discusses corporate social responsibility with a guest.

Dialogue #1 guest

Dr. Kazuhiko Takano: Professor, Faculty of Social Safety Sciences, Graduate School of Social Safety Sciences, Kansai University

Dialogue #2 guest

Mr. Kota Mishima: Representative, Tuvalu-forest Corporation

Dialogue #3 guest

Ms. Yoriko Sato: Director, "Smile Connection"

CSR Lectures at Kansai University



We have been offering CSR lectures at Kansai University since 2013. In 2023, we provided lectures on CSR in a seminar by Professor Takano and in the BERC Endowed Chair. In Dr. Takano's seminar, students analyzed the characteristics of Aderans and its CSR activities while also asking questions. At the BERC lecture, which attracted around 200 students, Dr. Takano and our presenter spoke about the philosophy of Sanpo-Yoshi and the Aderans Group's initiatives for the SDGs.

Publication in a book Introduction to Beauty Business



Our CSR lecture at Yamano College of Aesthetics was mentioned in the book.

Participating in Saturday Challenge School at Uemizu Elementary School (Saitama City)



On July 8, 2023, we participated in a special class on hair donations at the Saturday Challenge School, hosted by Uemizu Elementary School in Saitama City near Tokyo. In the presentation titled "For everyone to keep on smiling: activities of Aderans as hair professionals," a member of our Group CSR & Corporate Communications Office introduced some of our corporate activities, including Love Charity and support for hair donations.

You can find more details at the following URLs/QR codes.

The Asahi World Forum

<https://www.asahi.com/ads/awf2023/aderans/>



The Asahi World Forum provides an opportunity to discuss pathways to the United Nations' Sustainable Development Goals (SDGs) by bringing together a variety of speakers, including experts in politics, economics, science and technology, as well as opinion leaders and business leaders.

Good morning, Sunday

<https://musicbird.jp/cfm/timetable/ohasan/>



Every Sunday, 7:00 am - 8:55 am
Our program "Smile Connection" is 8:30 am - 8:45 am on 3rd and 4th Sundays

Web Media "Integrity of CSR"

<https://www.kk-bestellers.com/?s=CSRの品格>



Num. of Lectures	2023	2022	2021	2020	2019
CSR Lectures at Universities	10	3	2	3	4
Seminars for the Public	5	1	3	1	1

(As of October 31, 2023)

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Editorial Editor-in-Chief

Yui Tanaka,
Group CSR &
Corporate Communications Office,
Aderans Co., Ltd.

Advisor & Coordinator Tuvalu Forest LLC

About This Cover Image



To support people with disabilities, we started featuring an artwork by a person with a disability on the cover of our CSR Communication Report in 2021. We will continue to contribute to the creation of a prosperous society through our various activities.

Being a fish lover, I have watched all kinds of fishes at aquariums since I was little. In my work Nakama, many different fishes are swimming around in the big waves and splashes. I used bluish colors to paint details of the smaller waves at the bottom. The bigger waves are painted in pleasant colors like a blue sky with small patterns, and I added beautiful splashes. In this work, I particularly focused on fishes, depicting many different kinds like clownfish and glass fish enjoying swimming around.

Ms. Hina Ooyama

Author of "Nakama (friends)"
The Aderans Award Winner at the 2022 PARAART TOKYO,
9th International Exchange Exhibition

Editorial Policy

Issuing the CSR Communication Report 2023-2024

In 2023, Aderans celebrated its 55th anniversary. While companies are increasingly expected to integrate their business activities and solutions to social issues, Aderans has been focusing on this management concept since the company was founded in 1968, aiming to bring more smiles to customers and society. We will keep moving forward based on our fundamental philosophy: to leverage our strengths in society.

Through the publication of this report, we positioned it as an essential tool for disclosing our initiatives, incorporating the voices of our stakeholders, and further advancing our activities.

We would be grateful if you could take a look at this report and give us your honest opinions, expectations, and requests for our company for the future.

Period Covered

From March 1, 2022 to February 28, 2023

*Some parts of the activities also include current concerns.

Coverage

Aderans Co., Ltd.
and major consolidated subsidiaries are covered.

Published in January, 2024

To be published next in December, 2024

CSR Disclosure System

We have arranged the information in the forms of a "Booklet" and "Web" so that information of the Aderans Group's various activities can be properly delivered to all stakeholders.

Booklet



We have published "CSR Communication Report" and "For Everyone's Smile" [Japanese only] to let more people know about the Aderans Group's activities.

Web



We have announced activities which were not written on booklets.

<https://www.aderans.co.jp/corporate/english/csr/>

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Our efforts to protect personal information have been certified by JIPDEC, and our framework and operation for processing of personal information have been assessed as secure and appropriate. We will continue to handle and protect personal information carefully.



Since April 2014, the Aderans Group has participated in the United Nations Global Compact. To meet its principles, we take advantage of the strength to tackle social problems as a role of a globally integrated enterprise that contributes widely to society. We aim to create a more sustainable society.



The Aderans Group supports the Sustainable Development Goals

The Aderans Group, as a corporate group that develops business on a global scale, faces a variety of issues related with the Sustainable Development Goals. We work to solve social issues through our business, promote initiatives for important issues to realize a sustainable society, and aim for sustainable growth.