

Communication
SDGs
Relationship

2020



CSR Communication Report
Aderans

Message from Founder & CEO

Realization of a Global Wellness Company

For the 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."



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.

There are currently 19 countries and regions, and approximately 6,300 employees are expanding our global activities. Along with this, a global perspective is indispensable for corporate social responsibility.

The novel coronavirus (COVID-19) pandemic brought a big challenge to Aderans Group. But it is also a chance to change for the next era.

Even under these circumstances, we value our founding spirit of "solving customer hair concerns." To realize the dream of "Global Brand Aderans," we will challenge the creation of the new social value.



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



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

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

Our History

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

<p>1968 Aderans founded, as a small store specializing in men's custom-made wigs</p> 	<p>1978 Love Charity started</p> 	<p>1986 Aderans Thai., Ltd. established</p> 	<p>2009 Fontaine Green Forest Campaign started</p> 
<p>1972 TV commercials started; spreading the news of men's wigs</p> 	<p>1979 Fitter for making mold developed</p> 	<p>1991 Artificial hair "Cyberhair" products began sale</p> 	<p>2013 Support for Shining Women started</p> 
<p>1974 AS-1, an Artificial Skin wig, began to be sold</p>  <p>*Above photo is AS-3</p>	<p>1980 First National All-Japan Skills Competition held</p> 	<p>1999 Acquired ISO 9001 and ISO 14000 Certification(Thai factory)</p> 	<p>2015 World's first National Standard for Medical Wigs(JIS) was set</p> 
<p>1976 One-touch attachment product AQ-15 began sale</p> 	<p>1983 Research on Artificial hair started</p> 	<p>2001 Bosley joined the group</p> 	<p>2016 Expansion to the beauty wellness industry, Beau Stage brand released</p> 
<p>1985 Studio AD started</p> 	<p>2002 First in-hospital hair salon opened</p> 	<p>2017 Fontaine All-Japan Role-Play / Styling Competition held</p> 	

The Major Changes Of Aderans Group

1969	Aderans Co., Ltd. established Started business in 1968	2001	Bosley joined the group In 2001, BOSLEY MEDICAL INSTITUTE, INC.(founded in 1989) and BOSLEY MEDICAL INSTITUTE OF CANADA INC.(founded in 1997) were merged with Bosley, Inc(founded in 1974). MHR, INC.(founded in 1999, joined in 2007).	2013	HC (USA), Inc. joined the group Hair Club for Men (founded in 1976, merged with HC Inc. in 2003)
1985	Fontaine Co., Ltd. joined the group Founded in 1970, merged with Aderans Co., Ltd. in 2003	2002	Aderans Singapore Pte., Ltd. Aderans Philippines, Inc. established Aderans UK Limited joined the group TREND HAIR SUPPLIES CO., LTD. (founded in 1964)	2014	Aderans Lao Co., Ltd. (Lao Quality Sole Co., Ltd. at the present) established
1986	Aderans Thai., Ltd. established	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) Hi-Net Co., Ltd. (founded in 1960) joined the group
1990	Aderans Taiwan, Inc. established	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
1992	World Quality Co., Ltd. established			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

Corporate Data

Company Name

Aderans Company Limited

Head Office

1-6-3 Shinjuku, Shinjuku-ku,
Tokyo 160-8429 JAPAN

Founded

March 1, 1969

Paid-in Capital

¥ 12.9 billion

Main Business

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

Board of Directors and Audit & Supervisory Board Members

(As of June 1, 2020)

Board of Directors

Founder, Representative Director, Chairman
Nobuo Nemoto

Group CEO, Representative Director, President
Yoshihiro Tsumura

Director, Senior Managing Executive Officer,
in charge of Overseas Business and Production Group
Masaaki Furukawa

Director, Senior Managing Executive Officer,
in charge of Domestic Business Group
Masatoshi Kageyama

Director, Managing Executive Officer,
in charge of Administration Group
Kihachiro (Hutch) Kawaguchi

Outside Director
Kazuhiko Takano

Outside Director
Reijiro Yamamoto

Outside Director
Tsuyoshi Yamazaki

Outside Director
Hiroji Tanaka

Outside Director
Miho Yamada

Audit & Supervisory Board Members

Standing member of Audit & Supervisory Board
Keizo Seki

Outside Audit & Supervisory Board Member
Yoshiyuki Seki

Outside Audit & Supervisory Board Member
Hiroshi Shinagawa

Corporate Governance

Management System

We are a company with an audit & supervisory board. In the current management system, it consists of 10 directors (1 female director), including 5 outside directors. We introduced an executive officer system for faster decision-making and strong business execution. 15 executive officers have been appointed other than directors (as of May 2020).

As a general rule, the board of directors meetings are held monthly. They make decisions on important matters related to business execution, laws, and regulations. Also, these meetings help to supervise directors' business executions. Likewise, we hold a management meeting consisting of representative directors, directors with roles, directors in charge of functions, and executive officers to deliberate important matters related to business execution and to speed up decision-making.

Outside Directors

5 outside directors attend the board of directors meetings and advise from an objective and fair viewpoint with their professional fields. Their advices and opinions related to management contribute to enable function of the corporate governance.

Audit & Supervisory Board

The audit & supervisory board consists of 3 auditors, including 2 outside auditors. Auditors attend important meetings such as board of directors and manager meetings, audit business divisions and management divisions, and investigate group companies worldwide. It functions to supervise management.

CREDO: Customer Service Policy



Aderans

In 2009, our staff members took the initiative to consider customer satisfaction and consequently made our CREDO. It gives a common understanding between

our staff at any levels of decision-making. CREDO is a belief, mission and promise that guide all business decisions. Our staff members think and work towards the same goal, that is to say, our corporate philosophy and CREDO. Our CREDO, which started in Japan, extended throughout the world.



Bosley(USA)



Aderans Benelux



Aderans Taiwan

We recognize the importance of compliance and considers improved management transparency as one of the most important subjects. We will endeavor to enhance the corporate governance by strengthening and improving internal control functions.

Operation of In-House Hotline System



We set up an in-house hotline system for the purpose of whistleblowing. It has in-internal report reception, as well as third-party reception. The purpose is to find corporate problems at the early stage then take corrective measures, which makes a clean and open company that is rewarding to work for. By complying with laws and regulations, we aim to fulfill corporate growth and social responsibility.

We created the mechanism to deal with serious fraud. We will respond carefully with consultations and reports, taking consideration of privacy for whistleblowers and related parties, in accordance with company regulations. We will continue to take risk mitigation measures, including enhancement of the in-house report system.

Strengthening Compliance Training

As part of strengthening employee compliance, we provide e-learning training on subjects related to daily business by providing specific examples. We are working on improving ethical awareness and crisis response capabilities.

Training Examples

- Compliance
- Legal
- Risk Management
- Code of Conduct: To be trusted by customers and society
- Basic knowledge of antisocial force exclusion
- Power Harassment

Education System to Provide Services which Satisfy our Customers

Since our products and services are required based on various needs, they have to be provided "with care" and "with thought" in a way that is close to each customer.

At Aderans Salon, we respond to customer service situations and request a representative of the company at places such as one-on-one booths. In addition, many Fontaine advisors are dispatched to department stores and stand in stores as members of their business partners. Since not all employees work in the same environment, we need to have a common Aderans philosophy. It is the true execution of our management principal, but it is not an easy journey.

In order to be conceived as the "Product excellence," we need

Further Strengthening of Management Foundation

To improve our organizational strength and become a better company, we started an in-house special project in 2020 to strengthen our management foundation.

Work-style Reform Special Project

We go further to realize work-life balance and efficient and high quality work by improving conditions in which our staff able to have enthusiasm for work and work with peace of mind.

Compliance and Governance Special Project

We go further to permeate the importance of compliance within the company. We will enhance corporate governance by detecting problems early and taking corrective measures to handle them.

ESG, SDGs Management Special Project

By linking CSR activities to the SDG's development goals and solving social issues through sustainable activities, we will be seen as an attractive company to work for.

Internal Audit Special Project

We will detect issues at an early stage and improve them by evaluating management systems and operations at each base of the company.

Cost Optimization Special Project

Taking the opportunity of the COVID-19 pandemic, we are optimizing costs by reviewing the business contents and procedures so far.

Evaluation Optimization Special Project, CS Special Project

We will achieve customers' further satisfaction by taking measures against zero complaints and improved work environment.



Yoshinori Fujii

General Manager of Partners Business and General Manager of CS Education and Headmaster of AD Total Beauty Academy Aderans Co., Ltd.

Aderans Initiatives to COVID-19

To Prevent COVID-19 from Spreading

Aderans Group stores worldwide comply with the health and hygiene guidelines and guidance of each country. While we manage hygiene and the health conditions of our workers in stores thoroughly, we operate stores that would prevent the spread of infectious diseases. Some stores are temporarily closed or open for shorter hours.



Aderans



HC (USA)



Aderans Total Hair Solution Iberia



Aderans Germany



WE ARE EXCITED TO WELCOME YOU BACK!
PLEASE HOLD BEFORE COMING TO BOSLEY FOR A PROCEDURE OF CONSULTATION.
We understand your concerns about COVID-19 and we are working to offer you a safe salon experience.



Bosley

New Launch of Hygiene Management Products

RiBiJo Series, New Product to Support Hairdressers



Medical Hand Sanitizer Gel Sanitizer Spray

These are medical disinfecting products that focus on skin rashes of hairdressers. Rough hands are a problem in the entire hairdressing and beauty industry because of washing equipment, washing hair, perms, and hair coloring. Due to a shortage of hygiene-related products, these were released earlier than originally planned.



Mask Case

This case allows you to carry and store your mask hygienically. This is an environmentally friendly product which uses LIMEX material, that is an alternative to paper and plastic.



Face Shelter

By wearing this, you can prevent dust and water droplets from splashing directly onto your face. This transparent panel is made of defogging material and is resistant to alcohol corrosion.



RiBiJo mascot character "Ribi-Suke"

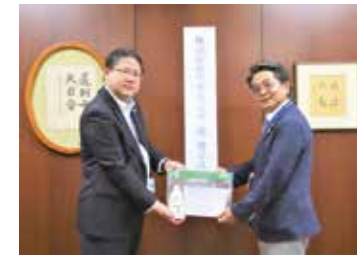
We would like to express our deepest sympathies and pray for the early recovery and the end of this infection as soon as possible, for those who have been infected by or suffered from COVID-19. We will contribute to the restoration of the safety and security of society both in Japan and worldwide. We will take measures against the new coronavirus infection and fulfill our social responsibility as a company.

Donation of Hygiene Management Products

Donation of Medical Hand Sanitizer Gel and Face Shield to medical workers in 33 hospitals nationwide which have in-hospital hair salons



We received a consultation from the hospital where we opened our in-hospital hair salon saying that there was a shortage of sanitizers and protective equipment. We donated willingly to support the medical field, even if it just helps a little bit.



Donations

(as of July 2020)

- Medical Hand Sanitizer Gel 990 units in total
- Face Shield 3,300 units in total

Donation of Medical Hand Sanitizer Gel and Face Shield to JHD&C



See 18 pages for JHD&C

JHD&C, an incorporated nonprofit organization, resumed its activities in late May in order to deliver wigs as soon as possible to the children who are still waiting for wigs. We donated as an infection control measure for staff members who carefully work by hand, strand by strand, with donated hair from all over.

Donated Relief Supplies to Frontline Healthcare Workers (Aderans Philippines)



Aderans Philippines, which manufactures wigs, supports the "Help Us Help Our Frontliners" campaign promoted by the Clark Special Economic Zone, where the headquarters is located. We donated personal protective equipment such as masks and goggles to medical sites in the area.

For Customers Who Need Help during the COVID-19 Crisis



Free Maintenance Service of Medical Wigs

We received a customer's voice message saying they were having trouble with maintaining their wig due to the quarantine during COVID-19. We started free wig maintenance service, such as cleaning, for a limited time from June 2020, while customers are staying at home (customers are charged only a shipping fee).

We accept not only Aderans but other company's products as well.



Consultant Service Using Video Conference

In the US, we were forced to close stores. Instead of face-to-face counseling at stores, we started a video counseling service using a video conference system on the web. Customers were pleased, saying, "It's more casual than face-to-face." Bosley provided about 7,000 video counseling sessions during four months from April to July.



Antibacterial Hygiene in Stores Utilizing Photocatalytic Technology

In response to the growing awareness of hygiene management during these unprecedented times, we have just launched a new brand "Hikarium" as a hygiene business using photocatalytic technology, which is expected to have antibacterial, antiviral, and deodorant effects.

At all Aderans and Ladies' Aderans salons, the photocatalytic coating is applied to the interior of the store to strengthen the hygiene management and reduce the risk of infection for customers who visit the store.

Domestic Businesses

To meet customer's needs which changes with the times, we have provide with core brands such as Aderans for men, Ladies' Aderans for women and Fontaine for women in the domestic wig business.

"Hygiene Business" Launched during COVID-19 as an Opportunity Support Business Partner Salons with Infection Prevention

We started a hygiene business with the idea that we could help with our business partner salons who were suffering from decreasing customers significantly due to the COVID-19 pandemic in 2020. We mainly support

the facilities and clothes at business partners which require hygiene, moral, and interior construction. Later, we will expand the scope of support to nationwide, focusing on beauty salons.



Yutaka Takagi
Senior General Manager
of Beauty Supply
Route Business
Aderans Co., Ltd.

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 August 31, 2020, 165stores in Japan)

ADERANS

Two approaches: Increase hair and grow hair



The lineup is extensive, from Hair Perfect, a new hair-volumizing service, to Pinpoint and Vital EX, two hair-volumizing products that bind artificial hair to the customer's own hair, as well as Hair Repro, a healthy hair-growth product. The Aderans Business also offers Freedom, a membership flat-free plan, new hair-volumizing system drawn from U.S. subsidiary Hair Club. This business segment continues to evolve to meet the wide-ranging needs of men who are concerned about thinning hair.

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 us to address concerns women have about their hair and enable them to maintain a fun, stylish appearance. We also offer Hair Up, hair extensions, and Benefage, a series of products to care for the scalp and make hair beautiful.

レディース アデランス



Fontaine Business

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

As of August 31, 2020, ready-made wigs were available through a 221-store presence including department stores, directly operated shops and major distribution chains. Through department stores and directly operated salons, we offer high-quality, very fashionable ready-made wigs, including hand-made VALAN wigs featuring a mix of human and artificial hair, stylish ROLOC wigs in a palette of personality-creating colors, and Toppiece which easily creates volume in a specific area.

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. In recent years, we have worked to build a higher profile at large super-markets 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. We enriched our lineup with ANY D'AVRAY, a wig brand from Paris, France, infused with an entertainment quality, and present different ways to have fun with wigs.

FONTAINE



スワニー Swanee



ANY D'AVRAY



Other Domestic Businesses

Medical-Use Wig Business

Aderans has opened 35 salons (as of August 31, 2020) inside hospitals. Salons are equipped with mobile salon chairs or have layouts to accommodate wheelchairs, in consideration of the physical limitations that many patients have, and offers regular barber and beauty salon services, such as shampoo and cut, using proprietary products gentle to the skin. The medical wig Rafta is also available at these in-hospital locations. Staff provides patients nail and cuticle oil and introduces MediCure low-irritation inner wear made by Gunze Limited, to help patients achieve a better quality of life.



Beauty Supply Route Business

Ready-made wigs and custom-made wigs are offered to beauty salons across Japan through distributors of beauty supplies. We promote sales through such opportunities as workshops for beauticians and hairstylists. We also offer ready-made wigs to cosmetics stores on a wholesale basis and sell ready-made wigs to the general public. We have started hygiene business with the photocatalytic coating for beauty salons, barbershops, medical facilities and nursing facilities from September 2020. All Ladies' Aderans salons were photocatalytic coated.



Direct-Order Business

We focus on two approaches: 1) B-to-C sales hinging on an e-commerce site and direct-order access; 2) B-to-B sales hinging on wholesale services to direct-order companies, including providers of home-shopping products. Our extensive lineup is noteworthy, ranging from haircare products for men and women to beauty equipment and wigs.



Domestic Affiliated Companies

Hi-Net Co., Ltd.



Established in 1960, consolidated in 2016. Hi-Net offers ready-made wig Hi-Net, fashion wig for 20s-30s women NAVANA WIG, beauty products NAVANA beauty and apparel products YVETTE to department stores.

Aderans Medical Research Co., Ltd.



Established in 2017, consolidated in 2017. Aderans Medical Research sells equipment, medicines and other products to medical institutions and provides clinics with advisory services in its establishment and operation.

Pal Messe Co., Ltd. PalMesse

Pal Messe is mainly served in the insurance business, beauty/health business, hygiene business, and real estate business. In the hygiene business, Pal Messe are engaged in products and services for the purpose of antibacterial and deodorant using photocatalytic technology. Pal Messe has developed "Hikarium" as a photocatalyst brand. Pal Messe would like to contribute to strengthening and promoting the hygiene business, increasing awareness of photocatalysts and developing the industry.



Reizvoll Co., Ltd.



Established in 2003, consolidated in 2016. Reizvoll owns a dedicated factory to produce and sell wigs mainly for women and medical use. Also, the company offers to beauty salons and e-commerce.

Overseas Business

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

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 complements the FUT^{*1} conventional technique with FUE^{*2}, a technique that does not use a scalpel, to provide procedures better matched to patient needs. As of August 31, 2020, the company had 27 surgical offices and 42 consultation offices.

*1 FUT: Follicular Unit Transplantation



*2 FUE: Follicular Unit Extraction



Aderans Hair Goods, Inc.

Aderans Hair Goods is driving wholesale and retail activities ahead in the U.S. market for men's and women's custom-made and ready-made wigs. We have offered Cyberhair products in America after IHI joined the Aderans Group in 1987. Also, we have tried to expand into lady fashionable wig business and medical wig business after René of Paris joined in 1989. Seeking further growth, the company is working to strengthen existing brands, develop new products and cultivate new marketing channels.

Asia (excluding Japan)

Aderans Singapore Pte., Ltd.



In September 2002, a local subsidiary was established a local subsidiary. Consolidated Fortune Wigs Center, which deals in ready-made wigs, in October 2002, and salons in 2004. In addition to sales of ready-made wigs that are developed at the mall, the salon offers total solutions for custom-made wigs, hair volumizing, and hair growth.

Aderans Taiwan, Inc.



In January 1990, a local subsidiary was established, dealing with ready-made wigs and custom-made wigs. Focusing on custom-made wigs with fully equipped hair salon functions, and salon operations mainly with hair volumizing and hair growth services. In June 2020, the company opened the first in-hospital salon.

Aderans Hong Kong Limited



In April 2017, a local subsidiary was established in Causeway Bay, one of Hong Kong's leading commercial areas. The same year in September, Aderans Causeway Bay Store was opened. It has a salon function and offers not only wigs, but also hair volumizing, hair growth services, and beauty equipment.

Aderans Total Hair Beauty Solution (Thailand) Co., Ltd.



In September 2018, a local subsidiary was established in Bangkok. The same year in November, "Aderans Siam Takashimaya" in Siam Takashimaya was opened. The company provides ready-made wigs, custom-made wigs, and hair-volumizing products.

Aderans (Shanghai) Co., Ltd.

In December 2005, a local subsidiary was established in Shanghai. Custom-made wigs and ready-made wigs are dealt with like in Japan. The company is particularly focusing on selling ready-made wigs at department stores and malls.

Supporting Increasing Demand Overseas Business from IT

Aderans has subsidiaries all over the world. Just as each has a different history and culture, so does the IT system. We deliberately consider what level of each country and company to integrate for optimization. While we make the most of what we have, we add on what we don't have. If it needs to be changed, we will change. Depending on the situation, I am deeply involved in the project, or sometimes I only direct the big picture. Furthermore, the importance of overseas business will

increase more and more. The Information Systems Department will promote what can be done from the IT side to make the best use of limited resources and to contribute to the realization and development of "Global Brand Aderans."



Hiroshi Anjou
General Manager
of Information System
Department
Aderans Co., Ltd.

HC (USA), Inc.



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

HAIRCLUB®

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 August 31, 2020, HairClub had 120 offices, mostly in the United States and Canada.

For more than 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.

Amekor Industries, Inc. Estetica Designs, Inc.

Wholesale business of ready-made wigs for women. As Amekor specializes in the African-American market, the synergy within the group will expand.



Europe

Aderans Sweden AB



Aderans Sweden AB has become synonymous with wigs in Sweden. Not only to Sweden but also exports to Finland, Norway, and Denmark. The company also operates stores including in-hospital salons.

Aderans Benelux B.V.



In addition to retail sales at wholesale and directly managed stores 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 UK Limited



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

Aderans France SAS

In 1992, Aderans France SAS joined our group for the first time in Europe and became Aderans founding place in Europe. In addition to manufacturing and selling wigs, hairpieces, and hair-related products, the company is developing total hair solution salons.

Aderans Germany GmbH

Wigs and hairpieces are sold at department stores and directly managed stores in Germany. Aderans Germany GmbH carries out wholesale in Germany and abroad, and has expanded the medical field.

Aderans Total Hair Solution Iberia S.L.

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

Business Highlight

Aderans Group operates in 19 countries and regions.

Business Location

(As of August 31, 2020)

North America

Aderans America Holdings, Inc.
Aderans Hair Goods, Inc.
Bosley, Inc.
HC (USA), Inc.
Amekor Industries, Inc.
Estetica Designs, Inc.

Europe

Aderans Europe B.V.
Aderans France SAS
Aderans Germany GmbH
Aderans Benelux B.V.
Aderans UK Limited
Aderans Sweden AB
Aderans Total Hair Solution Iberia S.L.

Japan

Aderans Company Limited
Aderans Medical Research Co., Ltd.
Pal Messe Co., Ltd.
Hi-Net Co., Ltd.
Reizvoll Co., Ltd.
Aderans BIO Co., Ltd.



Asia

Aderans (Shanghai) Co., Ltd.
Aderans (Shanghai) Trading Co., Ltd.
Aderans Hong Kong Limited
Aderans Taiwan, Inc.
Aderans Korea, Inc.

Aderans Singapore Pte., Ltd.
Aderans Total Hair Beauty Solution (Thailand) Co., Ltd.
Aderans Thai., Ltd.
World Quality Co., Ltd.
Lao Quality Sole Co., Ltd.
Aderans Philippines, Inc.



Number of Group Companies

67

※ Including non-consolidated companies

Number of Employees

Domestic 2,711

Overseas 3,604

Total of 6,315

Number of Salons

Domestic 499

Aderans 165

FONTAINE 221

In-hospital hair salon 35

Other 78

Overseas 305

North America 190

Asia 37

Europe 78

For additional details please refer to the following website.

<https://www.aderans.co.jp/corporate/company/group.html>

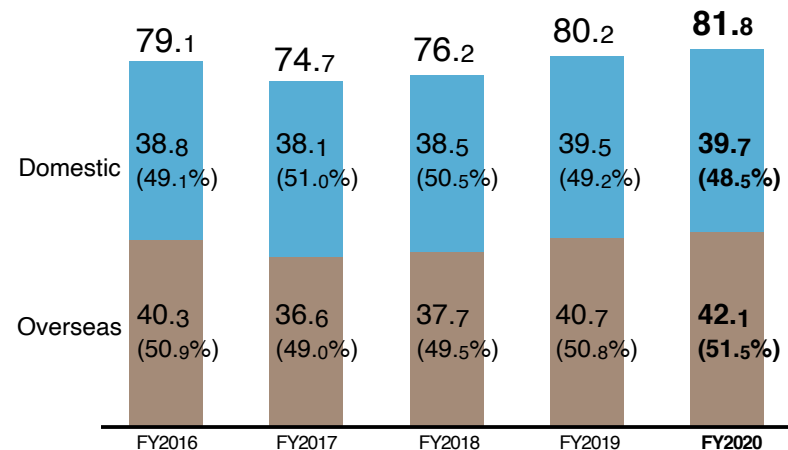
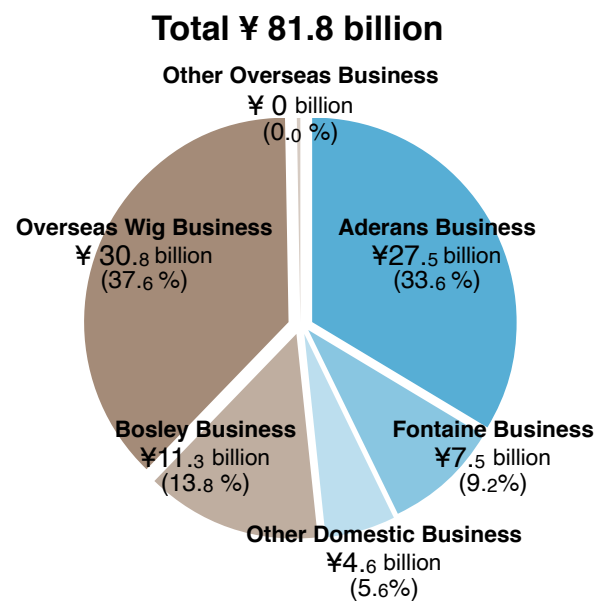
Consolidated Financial Highlights

(Year ended February 29, 2020)

Net Sales by Business Segment

Net Sales by Region

Billions of yen



Notes
1: Other Domestic Business represents sales from beauty supply route business, medical-use wig business, electronic commerce 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.

Production Bases

Aderans relies on experienced technicians at its own production facilities and the facilities of alliance partners in Thailand, the Philippines and Laos to craft delicately constructed, high-quality wigs under an integrated production and marketing structure.

In 1986, Aderans established our first overseas plant operated by Aderans Thai, Ltd. Further expansion of its 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. Following the inauguration of a second Philippines plant in October 2013, we began local production in Laos from September 2012. We deliver high-quality wigs to customers through this three-point structure in Thailand, Philippines and Laos.

Number of Local Employees

(As of August 31, 2020)

Aderans Thai., Ltd.	463
World Quality Co., Ltd.	229
Aderans Philippines, Inc.	781
Dispatched employees	472
Lao Quality Sole Co., Ltd.	32
Dispatched employees	857
Dispatched employees: employees from temporary staff recruitment agencies	



Aderans Thai., Ltd.

Established in Nava Nakorn in 1986, the Buriram factory started operation in 1988. The factory conducts integrated production of ready-made wigs, hair planting/base back coating/inspection of custom-made wigs, and product repair work. In 1999, the factory acquired ISO 9001 and ISO 14001 certification. The factory has started school forestation in Thailand from 2009 and wig donation to hospital from 2012.



Acquired ISO 9001 and ISO 14001 certification.



World Quality Co., Ltd.

Established in Ayutthaya, Thailand in 1992, World Quality Co., Ltd. built and moved our Saraburi factory in 2012 due to damage of catastrophic flood. The factory is in charge of manufacturing and logistics for custom-made wigs in Thailand and Laos. The factory also produces artificial "vital hair." In 2015, the factory acquired ISO 9001 certification. The factory has started wig donation to hospital from 2017.



Aderans Philippines, Inc.

Established in Clark, Philippines, in 2002. The factory manufactures and exports custom-made wigs for men and women, and produces artificial "Cyberhair." In 2013, the second factory started operations for custom-made wig hair planting processes. In 2015, education department was established and education for newcomers and outsourcing contractors started.



Lao Quality Sole Co., Ltd.

In 2012, as a new production base, the factory began consignment production of custom-made wig hair planting at the Vientiane Factory in Laos. In 2017, Lao Quality Sole Co., Ltd., which operates the factory, was consolidated. The factory mainly engaged in hair planting for products received from World Quality Co., Ltd. To aim to create job opportunities, the factory opened hair planting course associating with vocational training schools.

Our SDGs New Classification based on SDGs

In 2015, the United Nations General Assembly adopted the Sustainable Development Goals (SDGs) as goals to be achieved by 2030, such as poverty, inequality, eradication of injustice, and response to climate change.

Not only emerging countries, but also all countries and regions including developed countries, set international goals for 15 years from 2016 to 2030. It consists of 17 big goals to achieve a sustainable world, and 169 specific targets to achieve them.

Aderans Group, as a company that develops business on a global scale, face a variety of issues faced by the world. We work to solve social issues through our business, promote initiatives for important issues to realize a sustainable society, and aim for sustainable growth.



"Leveraging our Strengths in Society," Aderans' Unique CSR Activities

The SDGs (Sustainable Development Goals) were adopted by the United Nations in 2015 as successors to the MDGs (Millennium Development Goals).

Aderans' CSR activities, which sublimated the idea of "SANPO-YOSHI", three-way satisfaction" good for the three sides: good for the seller, good for the buyer, good for the community," which has been a merchant philosophy since the Edo period (17th to mid 19th century), as a CSR corporate philosophy, have been highly evaluated since the time of the MDGs.

"Love charity to prevent hair troubles from damaging children's hearts." "A universal design environment that can be used by anyone from our hairdressers by placing a movable hairdresser chair in in-hospital hair salons." Our unique CSR activities, through "utilizing our strengths in society," received high praise from the United Nations Secretary in Japan at the time of the MDGs, in 2014.

By the recommendation of the secretariat, we have become a member of the United Nations Global Compact, which only companies that are serious about CSR activities can join. By shifting to the SDGs, which is the successor goal of the United Nations, we would like to further increase our responsibilities and meet the expectations of society.



Mutsuo Minowa
Senior Executive Officer,
in charge of Group CSR &
Corporate Communications,
Aderans Co., Ltd.



Teruyuki Tokunaga
Senior General Manager
of e-Business Department
Aderans Co., Ltd.

Show the Value and Significance of Aderans' Existence both Inside and Outside the Company

Currently, as a leader of ESG/SDGs management special mission projects, we are proceeding with efforts to achieve SDGs. At Aderans, we have been actively working for a long time with the aim of solving social issues through our business. For example, "Love Charity" started in 1978 and has continued for more than 40 years. In addition, we have continued various activities including environmental conservation at the business site, such as "Fontaine Green Forest Campaign" and "installation of water-saving shower heads in Aderans Salon." Not only in Japan, but also in worldwide group companies, we are carrying out unique activities that make use of the strengths of each company.

In the ESG/SDGs Management Special Project, we are organizing and restructuring our business activities as "activities with social value" under the theme of "Growth of Aderans' business will improve society." I would also like to take on the role of connecting on-site activities to the SDGs by making use of my experience in the business field and show the value and significance of our existence both inside and outside of the company.

New Classification based on SDGs

4 Categories in Our CSR

In 2011, as a CSR project, Aderans Group verified the entire business process from product planning to post-sales aftercare from a CSR perspective. We have unearthed "activities with social value" across the organization in the company. We classified and listed by duration and importance from CSR viewpoint and its scope, which goes to those categories of "Social and Regional Contributions," "Customer Comfort and Safety," "Environmental Efforts," and "Academic and Cultural Activities." We have actively communicated that value both inside and outside of the company.

A characteristic of our CSR activities is that we have positioned CSR through our core business. By setting the significance of working on CSR as a growth driver, "aiming for sound and lasting corporate growth," we have clarified the unity with the business.

By showing this direction at the first stage, we move on to dynamic activities that are in line with the realization of our founding philosophy and the expansion of our business scope, without falling into social contribution activities in a narrow sense.

In 2019, we worked to link the SDGs with CSR activities to identify the key issues that Aderans Group should address toward the universal goals, the Sustainable Development Goals (SDGs).

Former 4 Categories in Our CSR For Everyone's Smile



New Classification Based on SDGs

Through the work of association, Aderans Group is currently setting the SDGs commitment to continue business growth and at the same time aims to realize the sustainable society that SDGs aim for.

Also, starting in 2020, we shift from the conventional CSR classification to a classification based on the SDGs perspective, aiming to formulate more relevant goals.

4 Categories in Our SDGs To be able to Smile Forever



How to Proceed with SDGs

Moving forward, we will promote measures to deepen understanding of SDGs for group employees, and set goals for achieving SDGs through problem solving. We will promote businesses that contribute to further solving of social issues.



Smile for Health

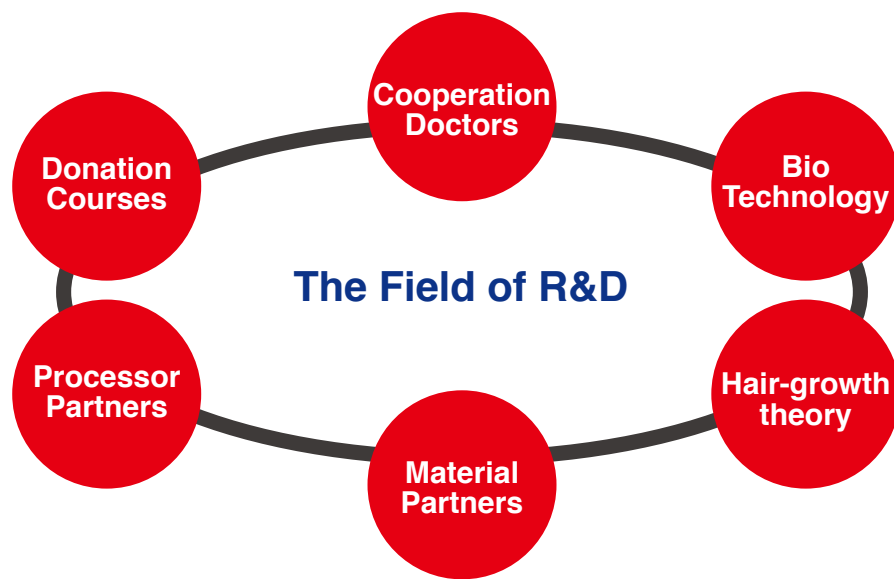
Wishing for Many People to be Healthy

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

Basic Concept

As a leading total hair solution company, we have faced various hair problems since its 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



Coordination With External Organizations

Japan) Pink Ribbon Smile Walk



We supports the Pink Ribbon Campaign that conveys the importance of early detection, early diagnosis, and early treatment of breast cancer. In addition to distributing the Pink Ribbon badge, we have set up the "Pink Ribbon Mark" stand at

the reception desks of all sales offices in an effort to raise employee awareness. In 2019, we participated in the Pink Ribbon Smile Walk held in Tokyo for the 9th time.

Japan) Support for "Healthcare Academy" for Cancer Survivors



We began supporting "Healthcare Academy," hosted by Cancer Fitness, General Association. Cancer Fitness is an organization that engages in activities such as support for physical fitness, and self-management after cancer treatments. Their slogan is "Let's exercise when you have cancer." They hold a variety of "exercise classes" for cancer patients. Also, the "Healthcare Academy" is where you learn how to manage your health to improve the quality of your life after treatment.

US) Donation to the American Breast Cancer Research Foundation



Bosley has donated part of its revenue to the American Breast Cancer Foundation since 2014. From 2015, by changing donation from fixed amount of money to sales percentage during Pink Ribbon month, employee awareness was intensified and they became active.

Currently, Bosley has donated more than \$125,000 to the American Breast Cancer Research Foundation.

UK) Support for "The Little Princess Trust"



Aderans UK supports "The Little Princess Trust," the only charity organization endorsed by the Queen of the UK since 2011. The group is engaged in providing human hair wigs to children who have lost their hair due to cancer or other illnesses. Aderans UK is involved in shipping human hair to the factory, delivering wigs to the salon, and is fully supporting activities. We offer wigs to children suffering from hair loss. In 2020, Aderans Sweden and Aderans Germany joined this activity. We have started supported taking advantage of the synergy effect and offer wigs to children suffering from hair loss.

Solving Health Issues Through Hair

Japan) In-Hospital Hair Salon

Since September 2002, we have been organizing in-hospital hair salons and offering various support to patients with delicate issues over their hair due to their illnesses and treatments. As of 2020, there are 35 in-hospital hair salons in Japan.

We support a better quality of life for patients through these salons, and our efforts include handling JIS-compliant medical-use wigs, offering makeup and manicure services to enhance outward appearance and, in response to comments from the medical front-line, the use of a foam-type shampoo more suitable for patients who are losing their hair due to cancer treatment.

Japan) Seminar on Appropriate Services in Medical Care

We sold its first medical-use wig in 2005, and all staff involved in sales at that time were required to attend a seminar on medical care presented by outside experts(VOL-NEXT).

More than 2,000 employees have attended our medical care seminars, underpinning a system that allows customers to purchase products with peace of mind.



Japan) Certified as a Custom-made Wig "Health Promotion Device"

In addition to quality and safety, our custom-made wigs are improving their health by obtaining the mental satisfaction of users which results in health promotion regarding the research on "improvement of psychological QOL in using wigs" jointly conducted with Osaka University. In 2019, it was certified as a "health promotion device" by The Japan Home-Health Apparatus Industrial Association.



The Importance of being Close to the Patient's Feelings

In an era when it is said that one out of every two Japanese people will get cancer, I feel the importance and responsibility of actually dealing with patients at the hair salon in the hospital more than ever. I learned patients' complex feelings and real experiences through medical treatment courses about treatment methods, drugs, side effects associated with treatment, anxiety about illness, and hair loss. I realize the importance of being close to each patient.

I am always thinking about what we can do and what we need to do to alleviate the anxiety of patients. I would like to do my best to have a smile and compassion for each facial expression and consideration so that patients can spend time with peace of mind.



Erika Wakui
Hair Salon Komorebi
in Komagome Hospital

The Bridge toward the Patient

We are asked about the complicated psychology of cancer patients and our determination to confront them. When we meet with patients, we remember the determination of "Ichi-go-ichi-e; once-in-a-lifetime encounter" and think that we should act sincerely.

The environment surrounding cancer patients is constantly changing. I myself will not neglect to study, build relationships with medical institutions, become a bridge between patients and society, and continue to make efforts.



Rie Iketani
Chukyo Office of
Medical-use Wig Business
Aderans Co., Ltd.

Seeking Health Issues That Need Solving

Japan) Collaborative Research with Academic Institutions Osaka University



With a research team led by specially-appointed Prof. Shigeki Inui, Graduate School of Medicine, a pioneer in hair research in Japan, we have investigated the mechanism of hair loss and growth since 2006.

Oita University



We collaboratively examine prevention of hair loss, a side effect of chemotherapy, with Assoc. Prof. Masabumi Inomata. He is one of researchers at the forefront of cancer research.

Tokyo Institute of Technology



We conclude the cooperative research contract with Prof. Takeshi Kikutani, Tokyo Institute of Technology, who is world authority in spinning engineering and plastic processing. We have researched artificial hair since December 2014.

Japan) Participated in "Hair Diagnostic Consortium" as a secretary corporation



We participated in the "Hair Diagnostic Consortium" as a secretary corporation. The "Hair Diagnostic Consortium" is a project that was operated from April 1, 2017 to March 31, 2020 by the RIKEN R&D Institute. It is a collaborative research project aimed at building big data based on scientific evidence for the establishment of a diagnostic system. On the basis of the consortium, we have sought to realize a physical examination system and improve measurement for health maintenance, ahead sick and affection.

Solving Problems in the Area around the Hair

We have released the makeup palette "BLINDMAKE UD Palette" with the desire to support visually impaired people who are having trouble with "looks care" using makeup. For commercialization, we developed it in collaboration with visually impaired people who are working to spread "BLINDMAKE" at the Japan Care Makeup General Incorporated Association.



Smile for Society

To Be A Healthy Society

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

Basic Concept

We have approximately 6,300 employees expanding its global activities, centered on approximately 500 stores in Japan and 300 stores worldwide in 19 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 store.

Mainly Corresponding SDGs



Promotion of Work Style Diversity

(Domestic)

- Ratio of Female Managers: 17.7
- Childcare/Nursing Leave, etc.: 19
- Employment Rate of Persons with Disabilities: 2.21

Employee Skill Improvement

(As of July, 2020)

(Domestic)

- Barber License: 399
- Hairdresser License: 1,060
- Barber license / Hairdresser License: 33
- Certified Hair Adviser: 343
- Certified Hair Consultant: 13
- Certified Senior Hair Consultant: 7

Rewarding Workplace

Japan) Improvement of In-House Education; History of Skill Competition



To enhance skill and knowledge of staff, we have continued to improve in-house education since our establishment. Also, we have held The In-house Skill Competition where our staffs compete to showcase their "Skill" since 1980. Furthermore, to celebrate our 50th anniversary in 2018, we held the Wig Design World Challenge Award for the first time.

We will work together with Aderans Group as a whole, for further improvement of our technical capabilities.

The In-house Skill Competition



Aderans Section

Mainly Aderans staff from custom-made-wigs compete in the "Barber Section" and the "Beauty Section."



Fontaine Ready-Made Section

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

Japan) Received the 5th Good Standing Company Award in "Health Management" Category



In recognition of our efforts for "cancer," such as the establishment of "Rules on Employment Support for Cancer-affected people," we received the "Health Management" category of the "5th Good Standing Company Awards" in March 2020, by General Foundation of Japan Next Generation Enterprise Promotion Organization (Representative Director: Masayoshi Gomita, known as: Japan White Spread), which develops a clean enterprise certification system.

Environment Where Staff Can Work with Good Physical and Mental Health

This time, we received an evaluation of the "Rules on Employment Support for Cancer-affected people." We provide services to customers with cancer, and we are pleased that this award has provided an opportunity for employees to become more aware of our efforts to support the balance between treatment and employment.

We have set up a "health declaration" for "health management" in our management strategy and will continue to be a "Good Standing Company" so that employees who provide health and beauty to our customers can work in good physical and mental health and with a sense of satisfaction. We will continue to work on building a desirable work environment.



Senkichi Yagi
General Manager of
Personnel Department
Aderans Co., Ltd.

Efforts at Shops

Japan) Cooperation with NPO JHD&C



JHD&C
Japan Hair
Donation & Charity
Nonprofit Organization

We agreed to the activities of the non-profit organization Japan Hair Donation & Charity (JHD&C), which provides free wigs for children who need wigs due to illness. Starting in

March 2015, we worked with Aderans stores nationwide to measure head sizes. In April 2016, we started our cooperation in wig production. In 2018, we installed hair donation support vending machines in our company.

Starting in 2018, 35 in-hospital salons and Any D'avray Fukuoka Keyaki-dori store have been registered as JHD&C supporter beauty salons. It is now possible to accept donors who wish to cut donated wigs.

UK) "Ladies Night Charity Fashion Show"



Aderans UK held a CSR event, "Ladies Night Charity Fashion Show," in Brighton, England. It was held with the aim of telling society at large that there are many people who suffer from hair loss, and calling for support of them.

Aderans Taiwan) Free Haircut at Facilities for the Disabled



At Aderans Taiwan, our staffs visits facilities for the disabled and offer free haircut. Since we were called by the volunteer organization in 2012, we conduct them once a week in Kaohsiung City. In 2015, by request from a beauty salon owner

of Keelung City, we also started offering the service in that city, too. This activity will also increase technical skills of our employees, so we will continue to do so in the future.

US) Pay It Forward



Inspired by the movie "Pay It Forward", Hair Club started volunteer activity that will spread kindness by expanding feeling of gratitude instead of returning kindness afterwards when we receive.

Efforts at Production Bases

Thailand) Wig Donation to Hospital



2,294 cumulative pieces were offered
We have been donating wigs every year since 2012, in association with our wig production plant in Thailand. At first, we offered them to the hospitals in Bangkok. In 2017, we started to offer them to the hospitals in Buriram area, where we have a factory.

Thailand) Installation of Welfare Support Vending Machines



At World Quality, we have installed a vending machine to support children suffering from poverty and disabilities. Part of sales of vending machines support local deaf schools and children who cannot receive an education.

Philippines) Award Winning Work Environment



At Aderans Philippines, we were commended by MDG ACHIEVEMENT FUND, which is under the Department of Labor and Employment in Republic of the Philippines, for our diversity in the workplace environment for employees in February 2013.

Philippines) Health and Safety Initiatives for Employees and Their Families



At Aderans Philippines, we are taking the initiative to assist employees, such as the "Employee and Family Welfare Group" and the "Safety and Health Group."

Community Volunteers: Spread Smiles

In the Philippines, where Aderans production plants are located, there are a number of rules imposed on the company for its employees. One of them is an item that considers the health and safety of employees and their families.

Although the activity itself is obligatory, the detail of the activity can be freely decided by the company, and API has set up a committee and is proceeding with the proposal of employees.

Main activities include health seminars, donation activities, and family planning guidance. In the activity of donating clothing, employees cooperate to collect things and interact with the residents of the donation facility. When I see smiles of the employees and related parties, I recognized that this is a very important activity.

I would like to continue my activities so that I can create a workplace where families of employees can smile and say, "I'm glad you were able to work with the API."



Youko Shiroaki
Administration Account Manager
Aderans Philippines, Inc.

Smile for the Earth

Preserve the Earth Forever

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

Basic Concept

We consider the "environment" to be one of its 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



Coexistence with Nature

Japan) Fontaine Green Forest Campaign, 12th year since starting in 2009
Bringing Together Tree-Planting for Eco Cycling

This campaign began with customers' feedbacks considering the environmental effects at disposal of old wigs. Most of ready-made wigs are made of polyester. So if customers dispose 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

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

About This Campaign



When customer bring old wigs to our shops, we offer coupon to the customer. If the customer use coupon and buy new ones, we offer wigs at reduced prices and spend a part of its sales, 100 YEN per wig, to preserve environment.

Nationwide Activity, "Green Forest Campaign" Expand Into Nationwide in Japan

"Fontaine Green Forest Campaign" which was started since 2009, we expanded our tree-planting activity in Yamanashi Prefecture into nationwide in Japan from 2017. We will save beautiful nature in Japan for our descent.

"Green Forest Campaign," the 1st Nationwide Expansion Collaboration with NPO Sakura Namiki Network



Since 2017, we have been supporting cherry blossom tree planting in areas affected by the Great East Japan Earthquake. In 2019, we started to support the "Life Forest with a Sea View" project to plant trees at the tsunami arrival point in Minamisanriku-cho.

"Green Forest Campaign," the 2nd Nationwide Expansion Regeneration of Red Pine Forest at Shizuoka Prefectural Forest Park First Support as a Private Company

In 2019, as a new environmental conservation destination, we began to support the restoration of red pine trees at Shizuoka Prefectural Forest Park (Ono, Hamakita-ku, Hamamatsu City), as the first supporter among private companies. On December 2019, our staff planted trees for the first time.



Efforts at Shops

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 objects are no longer required.

Number of Filters Used

Before:	41,884(2014)
After:	20,190(2019)

Japan) Utilizing LEDs in Salons



At Ladies' Aderans, we have been installing a "Style Museum" in which wigs are shown with huge varieties in styles for our customers to find their ideal hairstyles. We also attempt to minimize environmental impact at our stores by reducing power consumption such as converting lightings to LEDs at salon renovations and construction of new salon.

Japan) Introduction of Water-Saving Shower Heads



We have installed hand-held showers with water-saving attachments at salons 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 July 31, 2020)

158 stores in Japan
 Introduced in 1,311 booths

Japan) Environment-Friendly Disposal



Wigs we collect are disposed upon much stricter regulations than that at general disposal facilities by our contracted waste disposal company, J&T Recycling Corporation Kawasaki Eco-Clean Factory.

Efforts at Production Bases

Thailand) Use of Scraps from Wig Manufacturing Process



At Aderans Thai., considerations were made to eliminate waste and to effectively use as resources the scrap materials that are produced during the manufacturing of wigs. Efforts are being made for various experimental manufacturing, such as artificial flowers, car wipes, cushions, and sandals.

Thailand) School Forestation



At Aderans Thai., we, together with teachers and students, have planted trees within the school area, as part of TO BE NUMBER ONE movement from 2009. This event was meant to raise awareness of the environment by through a protection activity for children.

Thailand) ISO 14001



In 1999, the Group's production facilities in Thailand acquired ISO 14001 Certification for environment-friendly operations.

- 1.Prevent water pollution through factory effluent.
- 2.Prevent air pollution within the factory.
- 3.Safely dispose of industrial waste.
- 4.Effectively utilize available resources.
- 5.Improve working conditions within the factory.

Trust from Society through ISO Acquisition

We were convinced that ISO-acquired factories could easily guarantee the quality of products from customers and gain the trust of providing environmentally and customer-friendly products. So, we worked on the acquisition work.

At that time, Buriram, Thailand, where the factory of Aderans Thai. was located, was in a state close to the wilderness, and it was a difficult task including the cost of installing septic tank equipment that meets the environmental standards.

Having acquired ISO, the product can have an advantage as an ISO-acquired factory product. And it has led to employee education by thinking about the environment of employees and conducting community-contribution activities.

Our goal is to be a trusted wig factory. We will continue to carry out quality activities and environmental activities in our corporate organization with the aim of providing products that are friendly to our customers and the environment.



Hitoshi Akatsuka
 President
 Aderans Thai., Ltd.

Smile for the Future

Expanding a Bright Future

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

Basic Concept

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 leverage our strengths.

Mainly Corresponding SDGs



Support for Children

Japan) Love Charity Since 1978 Starting Point of Our CSR Activities



Love Charity started in 1978 to provide custom-made wigs to children aged 4 to 15 who have lost their hair due to some sort of trauma, such as sickness or injury. 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.

Furthermore, as of September 2012, we have 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. Also, from 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

Love Charity The Importance of Being Close to the Feelings of the Family

As a mother raising a child, it could be difficult to see a child fighting illness. Every time I hear news about the child from the parents after delivery, my eyes become enthusiastic about the recovery and growth.

But it's not all happy. Sometimes I receive a sad message from the family. Then every time, I realize the preciousness and importance of life.

It is important to care not only for children but also for parents. Especially for small children, if the mother cares about the lack of hair, the child will be worried. I try to follow up as closely as possible while staying close to the feelings of their parents.



Megumi Misonoo
Aderans Tokyo Main Store

Thailand) Provide Donation of Money for School Food Service and Textbook



At World Quality, we have donated money for food service and textbook to schools which are near the factory.

US) HAIRCLUB FOR KIDS



From 1995, Hair Club 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.

US) Toys for Tots



Aderans Hair Goods has been carrying out "Toys for Tots" activity since 2018 with the idea of "toys for children." During the Christmas season, we distribute new, unopened toys to underprivileged children. We presented 220 toys during the year.

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 hospitals during the festive season and we visit hospitals to give them presents. In 2019, we visited 31 hospitals in Japan.

Contribution to Culture and Entertainment



Photo by Masanobu Yamanoue

Japan) Studio AD

The Shiki Theater 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.

*Experts in wigs and hair makeup
Support Entertainment Business for 37th years*

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) Support For Shining People *We support people who live their own way and shine now through hair and wig*



Anna Saeki
Tango Singer

Anna Saeki attracted attention as a new sensibility singer in the tango world. She was among the "100 Japanese whom the world respects" (Newsweek Japan) and "20 people who contributed to Tango" (Argentina). She also received the praise of "Gran Artista (great artist)" by Mr. Horacio Ferrer, the greatest poet in the Tango world. She is earning high praise around the world.



Saren Nagata
Calligrapher

Honest words unique to women, colorful rich images that come from the words, and the free atmosphere beyond the calligraphy frame. Saren Nagata is an artist who is supported by many women. In recent years, she has focused on lessons and training lecturers, and she has now certified 30 lecturers all over the country.



Joanna Rowsell
Former Women's
Bicycle Sports
Olympic Gold Medalist

Joanna Rowsell, is a former British cyclist, who won two consecutive gold medals at the Olympic Games in London (2012) and Rio de Janeiro (2016) (retired in March 2017). Also, when she was young, she suffered from Alopecia (alopecia), and most of her hair was lost.

Rowsell first encountered Aderans UK when she was in a London shop looking for a wig to use for the Olympic ceremony.

Also, Rowsell's wedding picture, which showed her wearing our wig, was picked up by the British popular magazine "Hello" and it became a big topic.

Efforts for The Future

Japan) Started Joint Research on Novel Hair Materials to Contribute Sustainable Society

Utilizing Structural Proteins Originally Developed by Spiber Inc.



We started joint research and development on new hair materials with Spiber Inc. (Head Office: Tsuruoka City, Yamagata Prefecture, Director and Representative Executive Officer: Kazuhide Sekiyama) by utilizing structural proteins originally developed by Spiber.

Spiber conducts cutting edge R&D devoted to the commercialization of sustainable structural protein materials as a new cornerstone material of industry, all to push forward its mission: contributing to innovative solutions to global issues.

What motivates our collaboration is not just the innovative use of bio-produced protein materials, but more fundamentally, the shared passion for contributing to people's happiness.

Petroleum that serves as their raw material is an exhaustible resource. Looking ahead to the next 100 years, we felt that it is necessary to find renewable alternatives, we will continue to create hair materials that will be a new option and not depend on depleted resources.

Japan) Promote Environmental Conservation Activities in the Hairdressing and Beauty Industry

Collaboration with TBM of "LIMEX," which uses limestone as the main raw material, as an alternative to plastic and paper

TBM Co., Ltd. (Headquarters: Chuo-ku, Tokyo, CEO: Nobuyoshi Yamazaki) develops, manufactures and sells a new material "LIMEX" that is friendly to the environment. To promote environmental-conservation activities centered on the hairdressing and beauty industry, we are starting to collaborate toward a sustainable society.



We started to sell mask cases that use "LIMEX" and can be hygienically stored and carried.

To Solve Various Problems Facing the World through Partnership

We would like to thank all of Aderans' people for their support of our social project "Bridge," which tackles global resources and environmental problems. We are working together of donating masks in developing countries where it is difficult to get masks for public people. Aderans is promoting "value-creating CSR integrated with business" by leveraging its strengths. We are revolutionizing sustainability through materials, their recycling-oriented mechanism, and the formation of new values. We are confident that the partnership between two companies will contribute to the achievement of the SDGs and solve the various challenges facing the world. We look forward to continuing to create business synergies between two companies and take on the challenge of building a bridge to the future we want to move toward a sustainable society.



Takayuki Sasaki
Senior Executive Officer, CMO
General Manager of Corporate
Communications,
TBM Co., Ltd.

Stakeholder Dialogue

Minowa: Today, I would like to hear from the experts about the uniqueness of our CSR and the affinity of the SDGs.

Tanaka: The important part of our CSR is that we carry out CSR activities rooted in our core business. From the main point of view, based on our corporate philosophy, we are conducting CSR activities with the idea that the practice of corporate ethics will broadly contribute to society. The SDGs are international goals, so they are too big to blur what companies should do. However, when a company is active, it cannot be done if it is expanded too much. It is fruitful to carry out activities through the main business based on the corporate philosophy. Our CSR activities are based on the three aspects of "economy, society, and environment" and are rooted in our core business. Therefore, when they are connected to the SDGs, we can immediately and smoothly execute them.

Minowa: When I first met Mr. Tanaka, we received an evaluation that "Aderans' CSR activities are value-creating." So with that, we set out the uniqueness of our activities as "value-creating strategic CSR" today. By finding the value creation in our strengths, we were able to convey the direction of our CSR in an easy-to-understand manner, such as "CSR activities that utilize our strengths in society."

Takano: Until now, we have solved social issues with our strengths. Mobile salon chairs for in-hospital hair salons. Products that prevent infection due to the recent spread of the COVID-19 infection. Those are the result of the idea of how to solve social problems rooted in our main business. While many companies are exploring how to develop SDGs and CSR, I think it is important for us to continue our CSR activities rooted in our core business without changing our stance.

Minowa: Thank you very much. In-house, we launched a new ESG / SDGs special mission project, which focused on the 17th goal of SDGs, "partnership." We incorporated "co-creation," which creates value together with partner companies. And we decided to promote "value co-creation type CSR." Therefore, we set a major goal of our activities as "Growth of Aderans will Improve Society," and revised the slogan to "To be able to Smile Forever." We would like to aim for achieving "Sustainable Growth" certainty.

Yamada: I am totally in agreement and sympathize with what Mr. Tanaka and Mr. Takano said. I would like to add that many companies focus only on increasing profits, but in our case, it is completely different. I used to be on a customer side. There are people who may be left out of society without sufficient support due to difficulties, such as those who have trouble with their hair, and those who are having a hard time due to illness. We will help those people to be proud as members of the same society, with the hope that they will gain confidence by using our products and services, and that they will keep smiling. This is our only and unique corporate value, and I think that the goal of "leave no one behind" matches the goal of the SDGs.

Minowa: The first encounter with Ms. Yamada was a discussion about "the difference between CSR and CSV" at CSR Subcommittee of Business Ethics Society. After that, she had a lecture on "diversity" and clearly showed the important viewpoint of "no one should be left behind". The lecture at that time led to product development based on our universal design.

Nitta: Earlier, the experts said that the service activities that Aderans is doing are CSR activities themselves which solve customers' concerns. Faced with the question of whether to close the store in this COVID-19 crisis, President Tsumura decided to continue while protecting the safety of employees for our customers. At that time, I felt that our Aderans service was also necessary for our customers. We seriously considered hygiene in order to welcome our customers in a hygienic and environmentally friendly place. We took various measures, such as infection-prevention measures and hygiene with photocatalysts. I think this is the corporate culture that Aderans has. Many years before CSR launched, I was deeply moved by doing various activities rooted in such thoughts and summarizing those activities.

Takano: In 2011, Senior Executive Officer Minowa compiled a booklet entitled "For Everyone's Smile" about the wonderful CSR activities of Aderans in the past. Employees read it and created an atmosphere where they can work with pride, and I think that led to the recovery of business performance during the period of company turmoil.



This time, we invited our outside directors of Aderans, Mr. Hiroji Tanaka, Mr. Kazuhiko Takano, and Ms. Miho Yamada, as outside experts to hold a "Stakeholder Dialogue."
(Meeting date: September 18, 2020)

Yamada: In the coming D&I (diversity & inclusion) era, I think that user-friendly activities will become important. In general, diversity is often thought of as something for vulnerable people. In particular, when welfare support is needed, unfortunately the understanding of "objects to be protected" is still deep-rooted. The reality is that Japan has not reached the level of "universal design," which is for everyone, with wonderful and exciting design, including welfare equipment and assistive devices. However, we are making great products such as "blind makeup" for everyone, in addition to the visually impaired people, as well as shampoo allergy treatment.

Nitta: On the occasion of the 50th anniversary, President Tsumura clearly stated that we would like to expand our field from a comprehensive hair company to the wellness industry of beauty, health, and medical care. President Tsumura met a person from an organization that promotes blind makeup, decided on that day that "this is the significance of doing beauty," and launched a blind makeup product for the visually impaired. I think this is amazing.

Tanaka: I have one request. Our activities are expanding. About once every six months, I think we should relate with what we are doing to strategies and actions, and the development goals of the SDGs. When our activities become too widespread, it will be difficult to explain, while the people doing it will be absorbed in the activities. If we organize the relationship of activities with the perspective of SDGs, such as this activity is related to this, it will be effective for future CSR public relations.

Minowa: In line with Mr. Tanaka's advice, I would like to clearly organize the relevance to the SDGs in the annual "CSR Communication Report" and disseminate it effectively. Also, as I used to do, once every six months, the CSR staff will visit the sales departments nationwide, conveying the message to the sales site with our own voice.

Takano: We don't hear in other companies that the CSR department goes around each sales site and explains them about their CSR activities. It's quite hard, but I hope that all employees will continue to work on it, as they will be glad to have worked for this company and will improve their motivation.

Nitta: Thank you very much. We talked about the necessity of such transmission and our unique strength that the directors felt. With the help of everyone, we would like to send it to the point where we can convey everything in a good way. We look forward to working with you in the future as well.



Hiroji Tanaka
Outside Director,
Aderans Co., Ltd.
-Senior Research Fellow of Business Ethics Research Center(BERC)
-Associate Professor of Center for Human Rights Education and Training
-Emeritus Professor of Tokyo College of Transport Studies
-Former member of National Commission for ISO/SR and ISO260000 JIS Standardization
-Outside Members of Companies' CSR Committee



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



Miho Yamada
Outside Director,
Aderans Co., Ltd.
-Part-time Lecturer / Doctor of Human Welfare, Chuo University Faculty of Policy
-Business Ethics, Professional Social Researcher
(Specialized field)
Employment of Persons with Disabilities, Employment Policy, Welfare Policy, Business Ethics, Diversity, and Inclusion

(Host)



Mutsuo Minowa
Senior Executive Officer,
in charge of Group CSR &
Corporate Communications,
Aderans Co., Ltd.



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

Our CSR

Our CSR

Our CSR is defining CSR as integrating with 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.

CSR Communication

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" from September, 2018, with the aim of exposing more people to our CSR activities.

"Good morning, Sunday"
Every sundays, am7:00-am8:55
Our program is am8:30-am8:45(1st and 2nd Sundays)

Aderans' "Creation of Sustainable Value" is Consistent with the Philosophy of the "Asahi World Forum"

The Asahi Shimbun Company has been holding the international symposium "Asahi World Forum" since 2016 with the aim of realizing a sustainable society. Aderans has been working on "solving customers' hair problems" since its founding, and various CSR activities are integrated with the business. Those are consistent with the philosophy of the "Asahi World Forum" that seeks opportunities to solve social issues.

I would like to continue to disseminate the efforts of your company's various activities at the "Asahi World Forum" and other venues.



Urara Nakamura
Manager of Forum Office
Asahi Shimbun Company

All CSR Activities and Entertainment are "For the Smiles of Customers."

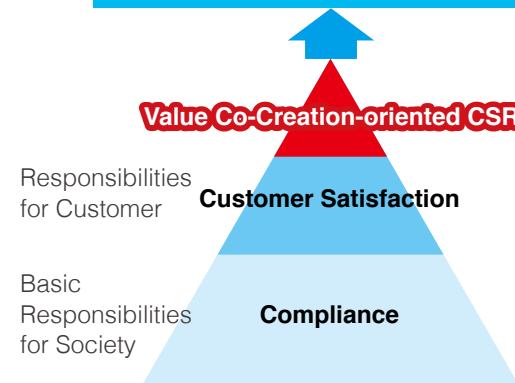
My first encounter with Mr. Minowa was at the "Great East Japan Earthquake Reconstruction Support Special Program KIZUNA station 'For Everyone's Smile'", which broadcasts by connecting community FMs nationwide on March 11th every year. Currently, the regular show is broadcast twice a month. The content is too rich and there is not enough time each show!

I think it is wonderful that all of Aderans' activities are thoroughly committed to "utilizing the strengths of the company." I believe that you will continue to support many smiles. Please spread that smile to radio listeners!



Yumi Kawamura
Radio Personality

Value Co-Creation-oriented CSR
by integrating with core business



Special Partner for Asahi World Forum

At the "Asahi World Forum" hosted by the Asahi Shimbun Company (Newspaper), we deeply sympathized with the idea of the SDGs, which is the purpose of the conference, and have been a special sponsor for the third consecutive year since 2018.



Num. of lecture

	CSR Lectures at Universities	Seminars for Investors	Seminars for Public
2011	1	1	0
2012	1	2	2
2013	8	3	11
2014	3	10	8
2015	2	7	9
2016	3	1	12
2017	2	3	9
2018	2	3	8
2019	10	2	3

Publications



Management learned from
Shibusawa Eiichi's philosophy
"Rongo and Soroban"
(Doyu-kan Publication, ¥1,980-)

Available at nationwide bookstores
and internet bookstores

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Editorial

Editor-in-Chief Hiroyuki Matsuoka,
Manager of Group CSR &
Corporate Communications Office,
Aderans Co., Ltd.

Advisor&Coordinator Tuvalu Forest LLC

About this cover image



Everyone in the Group CSR & Corporate Communications Office politely conveys the image that "Aderans will build a better society together with employees and their families, business partners, and their families, customers, and local communities." I concentrate on how much I want to express those warm words in my atelier. I learned the specific desire to cherish the four smiles of health, society, the earth, and the future. I drew with excitement with the expectation of layering those smiles in an easy-to-understand manner with my fingers.

Then the smiles that come from the bouquet slowly bloomed from the letters of "co-creation." In 2020, our society has undergone major changes. The content that is firmly close to the times has been added.

I am grateful that I have been able to do this work for the eighth year. My heart is filled with blooming bouquet flowers, and I am so deeply moved that I feel the axis of Aderans' gentle activities in this booklet that does not change every year.



Saren Nagata
Calligrapher

Editorial Policy

Issuing the CSR Communication Report 2020

We have positioned this "CSR Communication Report" as an important tool for further promoting value co-creation-oriented CSR with uniqueness while incorporating the opinions of those both inside and outside the company.

This time, we expanded our CSR domain to "Value Co-Creation" from "Value Creation". Also, we defined our CSR as an acronym for "Communication," "SDGs," and "Relationship."

We would appreciate stakeholders to read this report and understand our creation of social value. We would appreciate if you could give any requests or feedback.

Period Covered

From March 1, 2019 to February 29, 2020
*Some parts of the activities also include current parts.

Coverage

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

Published on November, 2020

To be published next on October, 2021

CSR Disclosure System

We have arranged the information in the form 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 secure and appropriate. We will continue to handle and protect personal information carefully.



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



Aderans Group supports the Sustainable Development Goals

Aderans Group, as a company that develops business on a global scale, face a variety of issues faced by the world. We work to solve social issues through our business, promote initiatives for important issues to realize a sustainable society, and aim for sustainable growth.