

Securities identification code: 7823

June 3, 2016

To our shareholders:

Yoshikata Igarashi
Chairman and President
ARTNATURE INC.
3-40-7 Yoyogi, Shibuya-ku, Tokyo

NOTICE OF THE 49TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

First, we would like to extend our deepest sympathies and condolences to the victims of the 2016 Kumamoto earthquakes. We sincerely hope for the swift recovery and restoration of all those affected by the disasters.

You are cordially invited to attend the 49th Ordinary General Meeting of Shareholders of ARTNATURE INC. (the “Company”), which will be held as described below.

If you are unable to attend the meeting in person, you may exercise your voting rights by either of the following methods. Please exercise your voting rights after reviewing the attached Reference Documents for the General Meeting of Shareholders, and return it to reach us no later than 6:30 p.m., Wednesday, June 22, 2016 (Japan Standard Time).

<Vote by postal mail>

Please indicate your approval or disapproval of the proposals on the enclosed voting form and return it by postal mail to reach us no later than the above deadline.

<Vote via the Internet>

Access the voting site designated by the Company (<http://www.it-soukai.com>), enter the voting rights exercise code and the password indicated on the enclosed voting form, and input your approval or disapproval of the proposals in accordance with the on-screen instructions. Please input and send your voting information no later than the above deadline.

When exercising voting rights via the Internet, please read through the “Guide to Exercising Voting Rights via the Internet” (Japanese only).

In the event that you vote redundantly by mail and via the Internet, we will consider only the vote via the Internet to be valid.

Meeting Details

- 1. Date and time:** Thursday, June 23, 2016 at 10:00 a.m. (Japan Standard Time)
- 2. Venue:** Park Hyatt Tokyo, Shinjuku Park Tower
The Ballroom on the Level 39
3-7-1 Nishi Shinjuku, Shinjuku-Ku, Tokyo
- 3. Purposes:**
Items to be reported:
 1. Business Report and Consolidated Financial Statements for the 49th Term (from April 1, 2015 to March 31, 2016), as well as the results of audit of the Consolidated Financial Statements by the Accounting Auditor and the Board of Auditors

2. Non-Consolidated Financial Statements for the 49th Term (from April 1, 2015 to March 31, 2016)

Items to be resolved:

- Proposal 1:** Appropriation of surplus
Proposal 2: Election of nine (9) Directors
Proposal 3: Payment of retirement benefits to retiring Director

4. Other items decided by the Board of Directors as notice of the meeting

(1) Exercising voting rights by proxy

If exercising voting rights by proxy, another shareholder of the Company with voting rights can attend the meeting as your proxy. However, please note that the voting form and a document testifying to their authority to act as proxy must be submitted, together with the registered seal certificate for the signature or seal on a document testifying to their authority to act as proxy, a copy of passport, driver's license or health insurance certificate, or other document verifying the identity of the shareholder.

(2) Notification method when exercising voting rights diversely

If you plan to exercise your voting rights in a non-uniform way, please inform the Company of this intention with the reason in writing at least three days prior to the date of the general meeting of shareholders.

(3) Exercising voting rights redundantly

- 1) In the event that you vote redundantly, by mail and via the Internet, we will consider only the vote via the Internet to be valid.
- 2) If you vote redundantly via the Internet, we will consider the final vote to be valid.

If you will be attending the meeting in person, please submit the enclosed voting form to reception staff at the venue.

In the event of revisions to the Reference Documents for the General Meeting of Shareholders, Business Report, Non-Consolidated Financial Statements, or Consolidated Financial Statements, the revised items will be posted on the Company's website (URL: <http://www.artnature.co.jp>).

Reference Documents for the General Meeting of Shareholders

Proposal 1: Appropriation of surplus

The Company proposes appropriation of surplus as follows:

1. Matters related to year-end dividends

The Company believes that returning profits to shareholders is one of its most important issues. Our basic policy is to provide stable dividends to shareholders while strengthening our business foundation and financial structure and augmenting internal reserves for future business expansion. Based on this basic policy and in light of a comprehensive assessment of earnings in this fiscal year, the Company proposes year-end dividends for the 49th Term as follows.

(1) Type of dividend property

Cash

(2) Allocation of dividend property and total amount thereof

14 yen per common share of the Company

Total amount of dividends: 467,614,868 yen

(3) Effective date of distribution of dividends of surplus

June 24, 2016

2. Matters related to other appropriation of surplus

Not applicable.

Proposal 2: Election of nine (9) Directors

The term will expire for all nine Directors at the conclusion of this meeting, and thus the Company proposes that nine (9) Directors be elected, including one (1) new candidate for Director.

The candidates for Directors are as follows:

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions outside the Company)	Number of the Company's shares owned
1	Yoshikata Igarashi (August 1, 1941)	<p>April 1967 Participated in the wig business run by the late Saburo Akutsu, founder of the Company (predecessor of the Company).</p> <p>June 1967 Joined the Company at establishment.</p> <p>October 1977 Established ARTNATURE KANSAI INC. President of ARTNATURE KANSAI INC.</p> <p>October 1981 Established ARTNATURE SHIKOKU INC. President of ARTNATURE SHIKOKU INC.</p> <p>April 2000 President of the Company</p> <p>August 2000 President of ARTNATURE TOKYO INC.</p> <p>March 2001 President of ARTNATURE CHIBA INC. President of ARTNATURE KOTO INC.</p> <p>September 2002 Chairman of EUROTECH HAIR SYSTEMS, INC. (currently ARTNATURE PHILIPPINES INC.)</p> <p>February 2004 Chairman of BICOL HAIR EXPORT CORPORATION</p> <p>July 2007 Chairman and President of the Company</p> <p>August 2015 Chairman, President, and Senior Corporate Officer, General Manager of Publicity Department of the Company</p> <p>April 2016 Chairman and President of the Company (present position)</p> <p>[Significant concurrent positions outside the Company] Chairman of ARTNATURE LANDHOLDING PHILIPPINES INC. Chairman of ARTNATURE (SHANGHAI) INC. Chairman of ARTNATURE SINGAPORE PTE. LTD. Chairman of ARTNATURE MANUFACTURING PHILIPPINES INC. Chairman of ARTNATURE (CAMBODIA) INC. Chairman of ARTNATURE MALAYSIA SDN.BHD. Chairman of ARTNATURE (THAILAND) CO.,LTD.</p>	6,242,640
<p>Reasons for nomination as candidate for Director</p> <p>Yoshikata Igarashi is extremely knowledgeable about the Company's operations, having become familiar with a variety of its divisions over his many years with the Company since its foundation. He has also displayed strong leadership in his management role at the Company owing to his extensive experience as an executive and wide-ranging knowledge of the hair solutions industry. We have therefore nominated him for reappointment as a Director.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions outside the Company)	Number of the Company's shares owned
2	Hisakazu Moriyasu (November 15, 1958)	<p>May 1991 Joined ARTNATURE KANSAI INC.</p> <p>April 2005 General Manager of Store Marketing Department of the Company</p> <p>April 2008 Corporate Officer, Deputy Executive General Manager of Marketing Headquarters of the Company</p> <p>April 2009 Senior Corporate Officer, Executive General Manager of Marketing Headquarters of the Company</p> <p>June 2009 Director and Senior Corporate Officer, Executive General Manager of Marketing Headquarters of the Company</p> <p>April 2011 Director and Senior Corporate Officer, Executive General Manager of Men's Marketing Headquarters of the Company</p> <p>April 2012 Managing Director and Senior Corporate Officer, Executive General Manager of Men's Marketing Headquarters and Executive General Manager of Ladies' Marketing Headquarters of the Company</p> <p>August 2015 Managing Director and Senior Corporate Officer, Executive General Manager of Marketing Headquarters of the Company (present position)</p>	40,400
<p>Reasons for nomination as candidate for Director</p> <p>Hisakazu Moriyasu has been involved in the operations of both Men's and Ladies' marketing divisions of the Company for many years. Having served as Executive General Manager of Marketing Headquarters since 2009, he possesses extensive experience and insight in his management role in the Company's marketing. We have therefore nominated him for reappointment as a Director.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions outside the Company)	Number of the Company's shares owned
3	Keisuke Igarashi (December 8, 1971)	<p>December 1998 Joined ARTNATURE KANSAI INC.</p> <p>October 2007 General Manager of Publicity Department of the Company</p> <p>April 2008 Corporate Officer, General Manager of Publicity Department of the Company</p> <p>June 2008 Director, General Manager of Publicity Department of the Company</p> <p>May 2009 Director and Senior Corporate Officer, General Manager of Publicity Department of the Company</p> <p>October 2010 Director and Senior Corporate Officer, General Manager of Publicity Department and General Manager of Channel Development Section of the Company</p> <p>April 2012 Managing Director of the Company</p> <p>April 2013 Managing Director and Senior Corporate Officer, General Manager of Publicity Department of the Company</p> <p>August 2015 Managing Director of the Company (present position)</p> <p>[Significant concurrent positions outside the Company] President of AI CORPORATION Ltd.</p>	989,200
<p>Reasons for nomination as candidate for Director</p> <p>Keisuke Igarashi has extensive experience with and insight into the Company's operations, having served as General Manager of the Publicity Department, an important strategic division of the Company, since 2007 and has extensive experience with and insight into the Company's operations, being responsible for regional consolidation as part of his role in charge of Marketing Headquarters since 2015. We have therefore nominated him for reappointment as a Director.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions outside the Company)	Number of the Company's shares owned
4	Isao Naito (July 28, 1959)	<p>April 1982 Joined Fuji Bank, Limited (currently Mizuho Bank, Ltd.).</p> <p>May 2006 General Manager of Atsugi Branch of Mizuho Bank, Ltd.</p> <p>May 2009 Joined the Company, Senior Manager of Corporate Planning Department of the Company Corporate Officer, General Manager of Corporate Planning Department of the Company</p> <p>April 2012 Senior Corporate Officer, Executive General Manager of Administration Headquarters and General Manager of Corporate Planning Department of the Company</p> <p>June 2012 Director and Senior Corporate Officer, Executive General Manager of Administration Headquarters and General Manager of Corporate Planning Department of the Company</p> <p>April 2013 Director and Senior Corporate Officer, Executive General Manager of Business Administration Headquarters and General Manager of Corporate Planning Department of the Company</p> <p>January 2014 Director and Senior Corporate Officer, Executive General Manager of Business Administration Headquarters, General Manager of Corporate Planning Department, and General Manager of Personnel Department of the Company</p> <p>April 2016 Managing Director and Senior Corporate Officer, and General Manager of Personnel Department of the Company (present position)</p> <p>[Significant concurrent positions outside the Company] Director of ARTNATURE SINGAPORE PTE. LTD. Director of ARTNATURE (SHANGHAI) INC. Director of ARTNATURE MALAYSIA SDN.BHD. Director of ARTNATURE (THAILAND) CO.,LTD.</p>	9,000
<p>Reasons for nomination as candidate for Director</p> <p>Isao Naito has extensive experience with and insight into the Company's operations. He has served as General Manager of the Corporate Planning Department, the department responsible for the Company's business strategy, since joining the Company in 2009, assumed additional duties as Executive General Manager of Administration Headquarters in 2012, and took charge of overseas operations in 2016. We have therefore nominated him for reappointment as a Director.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions outside the Company)	Number of the Company's shares owned
5	Hisayuki Kawazoe (December 24, 1958)	<p>November 1995 Joined ARTNATURE CHUBU INC.</p> <p>April 2002 General Manager of Marketing Administration Department, Marketing General Headquarters of the Company</p> <p>October 2003 General Manager of Murakami Product Center of the Company</p> <p>July 2004 Deputy Executive General Manager of Production Headquarters of the Company</p> <p>July 2007 Executive General Manager of Production Headquarters of the Company</p> <p>April 2008 Senior Corporate Officer, Executive General Manager of Production Headquarters of the Company</p> <p>June 2009 Director and Senior Corporate Officer, Executive General Manager of Production Headquarters of the Company (present position)</p> <p>[Significant concurrent positions outside the Company] President of ARTNATURE MANUFACTURING PHILIPPINES INC. Vice Chairman of ARTNATURE LANDHOLDING PHILIPPINES INC. Vice Chairman of ARTNATURE (CAMBODIA) INC.</p>	22,000
<p>Reasons for nomination as candidate for Director</p> <p>Hisayuki Kawazoe has extensive experience with and insight into the Company's operations. He possesses detailed knowledge of global production networks as President of the Company's manufacturing subsidiary in the Philippines, an important base for the Group's production strategy, while serving as Executive General Manager of Production Headquarters since 2007. We have therefore nominated him for reappointment as a Director.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions outside the Company)	Number of the Company's shares owned
6	Keisuke Satake (October 5, 1956)	<p>January 1992 Joined ARTNATURE KANSAI INC.</p> <p>April 2005 General Manager of New Marketing Department of the Company</p> <p>April 2008 Corporate Officer, Deputy Executive General Manager of Marketing Headquarters of the Company</p> <p>April 2010 Senior Corporate Officer, Executive General Manager of JO Marketing Headquarters of the Company</p> <p>April 2012 Senior Corporate Officer, Executive General Manager of JO Marketing Headquarters and General Manager of JO Marketing Department of the Company</p> <p>June 2012 Director and Senior Corporate Officer, Executive General Manager of JO Marketing Headquarters and General Manager of JO Marketing Department of the Company</p> <p>April 2014 Director and Senior Corporate Officer, Executive General Manager of JO Marketing Headquarters and General Manager of JO Business Development Department of the Company</p> <p>December 2015 Director and Senior Corporate Officer, Executive General Manager of JO Marketing Headquarters, General Manager of JO Store Marketing Department and General Manager of JO Business Development Department of the Company</p> <p>April 2016 Director and Senior Corporate Officer, Executive General Manager of JO Marketing Headquarters and General Manager of JO Marketing Department of the Company</p> <p>June 2016 Director and Senior Corporate Officer, Executive General Manager of Jullia Olger Marketing Headquarters and General Manager of Jullia Olger Marketing Department (present position)</p> <p>[Significant concurrent positions outside the Company] Director of ART MIKAWAYA INC.</p>	23,000
<p>Reasons for nomination as candidate for Director</p> <p>Keisuke Satake has extensive experience with and insight into the Company's operations. He has been involved in the Company's marketing divisions for many years and served as Executive General Manager responsible for the marketing headquarters of Jullia Olger, the Company's ready-made ladies' wig business unit, since 2010. We have therefore nominated him for reappointment as a Director.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions outside the Company)		Number of the Company's shares owned
7	Takashi Kawata (November 16, 1958) <New Candidate>	<p>April 1982 Joined The Sumitomo Bank, Limited (currently Sumitomo Mitsui Banking Corporation).</p> <p>April 2008 General Manager of Yokohama Ekimae Branch, Sumitomo Mitsui Banking Corporation</p> <p>March 2013 Joined the Company, Senior Manager of Marketing Planning Department of the Company</p> <p>April 2013 General Manager of Marketing Planning Department of the Company</p> <p>August 2015 Corporate Officer, General Manager of Marketing Planning Department of the Company</p> <p>April 2016 Senior Corporate Officer, Deputy Executive General Manager of Marketing Headquarter and General Manager of Marketing Planning Department of the Company (present position)</p> <p>[Significant concurrent positions outside the Company] Director of AN TOMONOKAI INC.</p>		0
Reasons for nomination as candidate for Director Takashi Kawata has extensive experience with and insight into the Company's operations, having served as General Manager of the Marketing Planning Department, the department responsible for the Company's marketing strategy, since joining the Company in 2013 and demonstrating his skills in both administration and the pursuit of earnings as Deputy Executive General Manager of Marketing Headquarters since 2016. We have therefore newly nominated him as a candidate for Director.				
8	Jiro Nagao (October 6, 1967) <Outside Director> <Independent Officer>	<p>April 1995 Registered as Lawyer.</p> <p>April 2012 Joined AOKI, SEKINE & TANAKA law office.</p> <p>April 2012 Practicing attorney-professor for civil advocacy of Supreme Court Legal Training and Research Institute of Japan</p> <p>January 2014 Joined Samon-cho Law Office (present position).</p> <p>June 2014 Director of the Company (present position)</p>		0
Reasons for nomination as candidate for Director As a lawyer, Jiro Nagao has provided valuable advice based on his expert knowledge and wealth of practical experience built up over many years. We have nominated him for reappointment as an Outside Director because we expect that his oversight of business execution by Corporate Officers and others from an independent perspective will strengthen the Board's auditing function.				

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions outside the Company)	Number of the Company's shares owned
9	Yasuko Kobashikawa (July 9, 1965) <Outside Director> <Independent Officer>	<p>October 1990 Joined CHUO Shinko Audit Corporation.</p> <p>February 2001 Registered as Certified Public Accountant. Opened Kobashikawa Accounting Office (present position).</p> <p>June 2006 Established Mikasa Audit Corporation (present position).</p> <p>June 2015 Director of the Company (present position)</p>	0
<p>Reasons for nomination as candidate for Director</p> <p>As a certified public accountant, Yasuko Kobashikawa has provided valuable advice based on her expert knowledge and extensive practical experience built up over many years. We have nominated her for reappointment as an Outside Director because we expect that her oversight of business execution by Corporate Officers and others from an independent perspective will strengthen the Board's auditing function.</p>			

Notes:

1. There is no special interest between the candidates for Directors and the Company.
2. Keisuke Igarashi is the President of AI CORPORATION Ltd., but there is no business relationship between AI CORPORATION Ltd. and the Company.
3. Takashi Kawata is a new candidate for Director.
4. Jiro Nagao and Yasuko Kobashikawa are candidates for Outside Director.
5. Jiro Nagao and Yasuko Kobashikawa currently serve as Outside Directors of the Company. At the conclusion of this meeting, their terms as Outside Directors will have been two years for Jiro Nagao and one year for Yasuko Kobashikawa.
6. The Company has entered into limited liability agreements with Jiro Nagao and Yasuko Kobashikawa that limit the liability for damages to the minimum liability amount stipulated by laws and regulations. If their reelections are approved, the Company plans to continue these agreements with them.
7. The Company has registered Jiro Nagao and Yasuko Kobashikawa as Independent Officers in line with the regulations of the Tokyo Stock Exchange. If their reelections are approved, the Company plans to maintain their status as Independent Officers.

Proposal 3: Payment of retirement benefits to retiring Director

Director Shunichi Hayashi will retire at the conclusion of this meeting due to the expiration of his terms of office. Accordingly, the Company proposes the payment of retirement benefits to the retiring Director to reward his respective services while in office, in accordance with the prescribed standards of the Company and within the applicable amount.

The Company requests that the specific amount, the timing of the payment, the method of payment, etc. to be at the discretion of the Board of Directors.

The career summary of the retiring Director is as follows:

Name	Career summary	
Shunichi Hayashi	May 2000	Joined the Company, Advisor of the Company
	June 2000	Managing Director of the Company
	June 2010	Vice President of the Company
	October 2010	Vice President and Executive General Manager of Administration Headquarters of the Company
	April 2012	Vice President of the Company (present position)