

**m i l b o n**

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**Financial Results for Q2 of FY2025  
(Ending December 31, 2025)**

**Milbon Co., Ltd.**

**(TSE code: 4919)**

**August 8, 2025**

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# Key Highlights of Financial Results for the First Half of FY2025

## FY2025 1H Results

### Net Sales by Region

### Operating Income

**Although net sales returned to slightly positive growth in the first half, profit declined.**  
**The overseas business remained generally strong, while domestic sales fell short of the plan.**

- In the domestic salon market, although beauty-related consumer spending has recently weakened, our hair care products have remained resilient. Hair coloring products showed signs of recovery in the second quarter compared to the first; however, sales still fell short of the plan.
- Performance remained generally strong across overseas countries on a local currency basis. Although overseas results were negatively impacted by a stronger yen, South Korea showed signs of recovery, and the U.S. business achieved significant growth.
- Operating profit declined due to inventory losses, foreign exchange effects, and higher SG&A expenses. It also fell short of the plan, mainly because of lower domestic sales and reduced gross profit caused by inventory losses.

## FY2025 Outlook

**Based on domestic sales performance in the first half and the current business environment, we have revised our full-year earnings forecast downward, to incorporate all foreseeable risks.**

## Shareholder Return

**In line with our progressive dividend policy, we have maintained the interim dividend as originally planned and kept the year-end dividend forecast unchanged. Additionally, to enhance capital efficiency and strengthen shareholder returns, we have resolved to repurchase up to ¥2 billion of our own shares.**

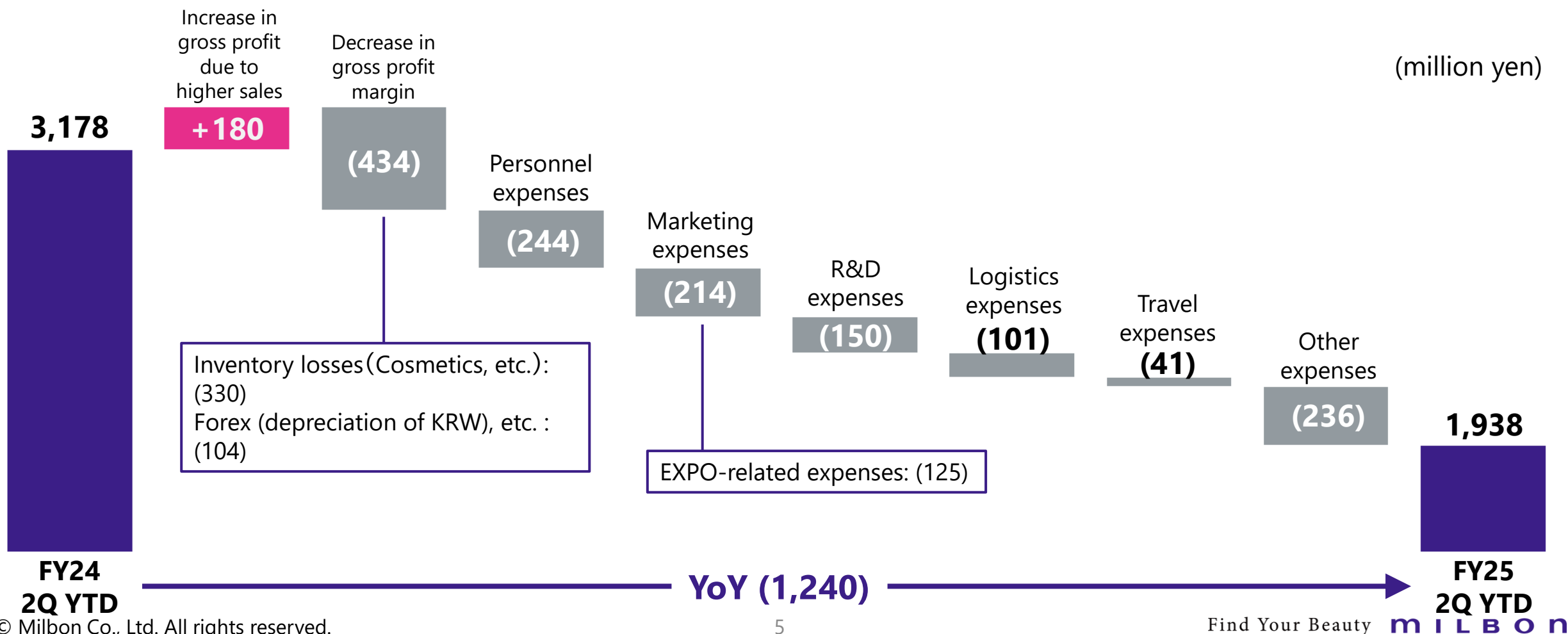
# Consolidated Statement of Earnings

**Sales increased, but profits declined. Operating income fell short of the plan, mainly due to lower-than-expected domestic sales and inventory losses. Additionally, we recorded a valuation loss of approximately ¥760 million on investment securities, which contributed to a significant decline in net profit.**

(Unit: million yen)	FY2024 2Q YTD	% Total	FY2025 2Q YTD	% Total	Diff.	Diff. (%)	FY2025 2Q YTD Target	Vs. Target (%)
Net Sales	24,526	100.0%	<b>24,807</b>	<b>100.0%</b>	281	1.1%	25,907	95.8%
Gross Profit	15,755	64.2%	<b>15,502</b>	<b>62.5%</b>	(253)	(1.6%)	16,664	93.0%
SG&A Expenses	12,577	51.3%	<b>13,563</b>	<b>54.7%</b>	986	7.8%	13,853	97.9%
Operating Income	3,178	13.0%	<b>1,938</b>	<b>7.8%</b>	(1,240)	(39.0%)	2,811	69.0%
Ordinary Income	3,324	13.6%	<b>1,853</b>	<b>7.5%</b>	(1,471)	(44.3%)	2,838	65.3%
Profit Attributable to Owners of Parent	2,280	9.3%	<b>419</b>	<b>1.7%</b>	(1,861)	(81.6%)	2,002	20.9%

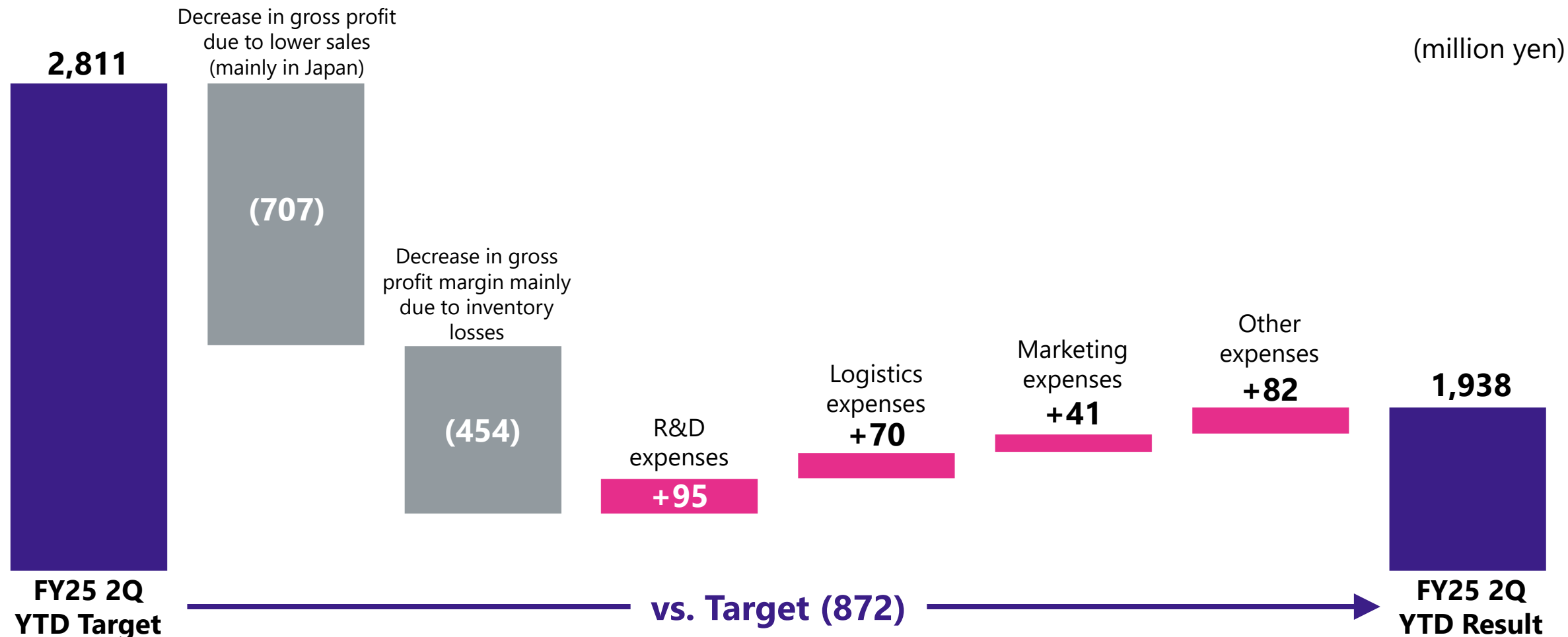
# Consolidated Operating Income – Factors Behind YoY Changes

Net sales returned to slightly positive growth in the first half, but operating profit declined due to lower gross profit resulting from inventory losses and foreign exchange effects, as well as higher SG&A expenses. Profitability improvements from price increases on domestic hair care products are expected to begin in the second half.



# Consolidated Operating Income – Factors Behind Difference vs. Target

Gross profit fell short of the plan, mainly due to lower sales and inventory losses. Although we implemented additional measures to reduce SG&A expenses, they were not sufficient to fully offset the impact, and operating profit also fell below the plan.



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# Net Sales and Operating Income by Region

**Domestic sales increased, but operating income declined due to lower gross profit from inventory losses and higher SG&A expenses. Overseas, particularly in South Korea, results were impacted by yen appreciation, although local currency sales remained strong.**

(Unit: million yen)		FY2024 2Q YTD	FY2025 2Q YTD	Diff.	Diff. (%)	Actual Diff. Rate <sup>*1</sup> (%)	FY2025 2Q YTD Target	Exchange Rate FY24 2Q	Exchange Rate FY25 2Q
Japan	Net Sales	18,367	<b>18,483</b>	116	0.6%	0.6%	19,500		
	Operating Income	2,534	<b>1,640</b>	(894)	(35.3%)	—	2,357	—	—
	Margin (%)	13.8%	<b>8.9%</b>	—	—	—	12.1%		
Overseas	Net Sales	6,159	<b>6,323</b>	164	2.7%	8.2%	6,406		
	Operating Income	643	<b>297</b>	(345)	(53.7%)	—	454	—	—
	Margin (%)	10.5%	<b>4.7%</b>	—	—	—	7.1%		
South Korea	Net Sales	2,662	<b>2,577</b>	(85)	(3.2%)	5.5%	2,707	KRW	KRW
	Operating Income	743	<b>587</b>	(155)	(21.0%)	—	691	0.1132 yen	0.1038 yen
	Margin (%)	27.9%	<b>22.8%</b>	—	—	—	25.5%		
China	Net Sales	1,211	<b>1,193</b>	(18)	(1.5%)	3.6%	1,133	RMB	RMB
	Operating Income	77	<b>76</b>	(1)	(2.4%)	—	14	21.51 yen	20.45 yen
	Margin (%)	6.4%	<b>6.4%</b>	—	—	—	1.2%		
United States	Net Sales	922	<b>1,150</b>	228	24.8%	30.4%	1,018	USD	USD
	Operating Income	(71)	<b>(216)</b>	(144)	—	—	(195)	154.06 yen	147.44 yen
	Margin (%)	(7.8%)	<b>(18.8%)</b>	—	—	—	(19.2%)		
Other <sup>*2</sup>	Net Sales	1,362	<b>1,402</b>	39	2.9%	2.6%	1,546		
	Operating Income	(105)	<b>(148)</b>	(43)	—	—	(55)	—	—
	Margin (%)	(7.7%)	<b>(10.6%)</b>	—	—	—	(3.6%)		

<sup>\*1</sup> Figures are the rates of change in real terms on a local currency basis.  
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<sup>\*2</sup> Thailand, Vietnam, Malaysia, Taiwan, Hong Kong, Turkey, Indonesia, Philippines, Singapore, and EU



# Financial Results by Region: Japan

Sales returned to slightly positive growth in the first half, but profit declined due to lower gross profit from inventory losses and higher SG&A expenses.

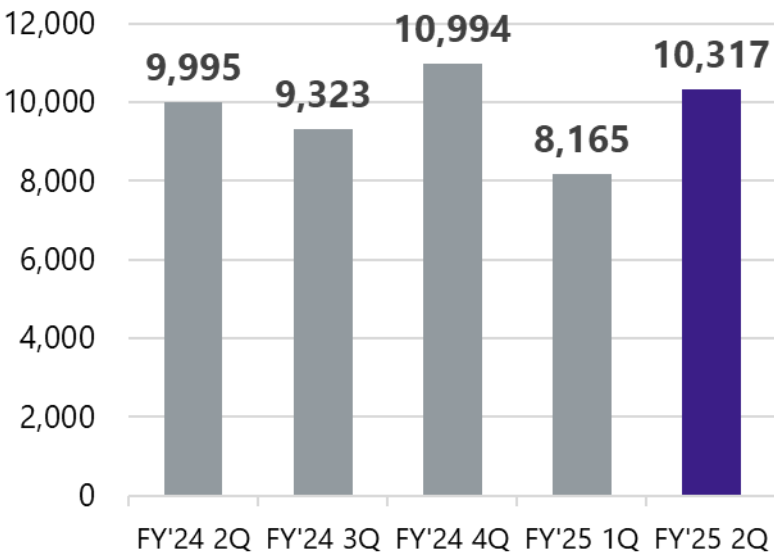
## YoY Growth Rate of Sales by Product Category\*

Hair care sales remained firm. We implemented price increases on May 1. Hair coloring showed signs of recovery, driven by the relatively solid performance of Villa Lodola Color, which was well received for its product quality. Cosmetics sales declined due to a reactionary drop following strong new product launches last year .

FY2025		
Change in Sales	2Q	2Q YTD
Hair Care	+6.8%	+6.7%
Hair Coloring	(1.8%)	(4.7%)
Cosmetics	(15.2%)	(42.9%)
% to Sales	2Q	2Q YTD
Hair Care	67.0%	66.7%
Hair Coloring	28.4%	29.1%
Cosmetics	1.5%	1.6%

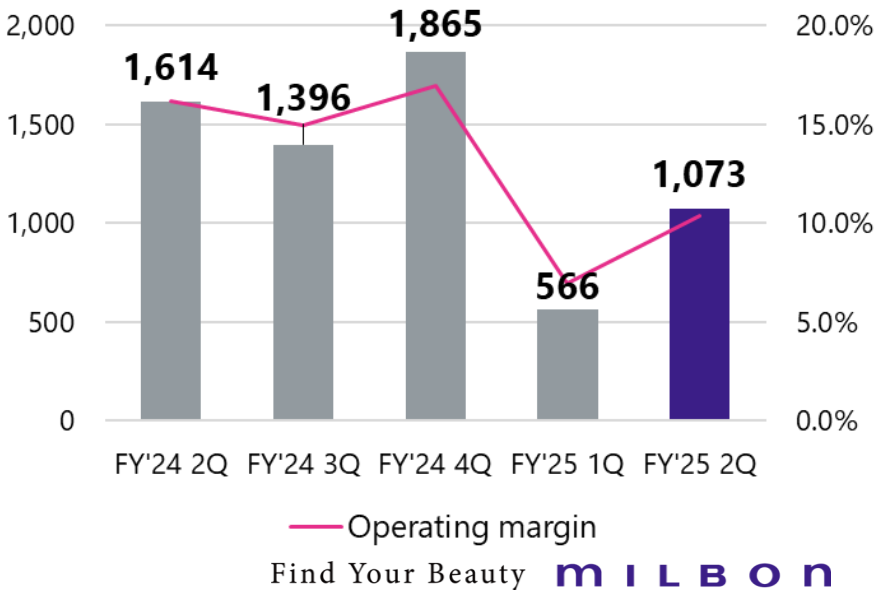
## Quarterly Net Sales (mil. yen)

Q2 sales improved from Q1, but fell short of the plan due to continued weakness in hair coloring and cosmetics.



## Quarterly Operating Income (mil. yen)

Q2 operating income improved from Q1 due to a recovery in sales, but declined year-on-year , as inventory losses and higher SG&A expenses outweighed cost-reduction initiatives.



\*Based on shipment value  
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# Financial Results by Region: South Korea

Temporary negative factors, such as political instability in Q1, have been resolved. While results were affected by yen appreciation and won depreciation, performance in local currency terms has progressed in line with the plan.

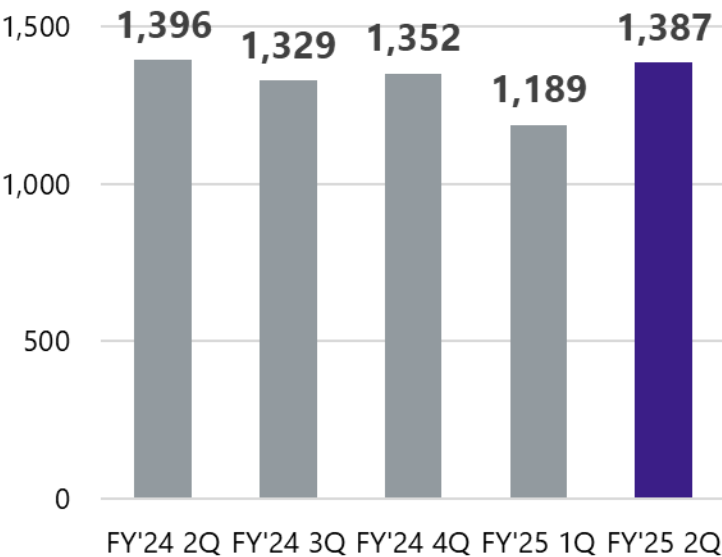
## YoY Growth Rate of Sales by Product Category\*

Sales increased across all categories, supported by a recovering market environment. Hair coloring benefited from increased demand following a competitor's exit from the market.

FY2025		
Change in Sales	2Q	2Q YTD
Hair Care	+14.2%	+9.7%
Hair Coloring	+6.2%	+1.9%
Perm	+10.2%	+10.2%
% to Sales	2Q	2Q YTD
Hair Care	23.8%	24.1%
Hair Coloring	68.9%	68.7%
Perm	4.9%	5.1%

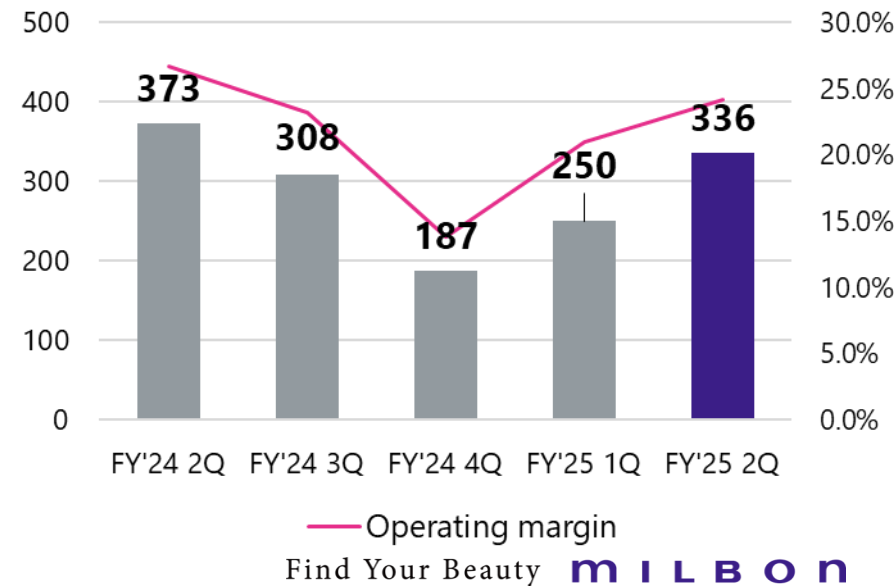
## Quarterly Net Sales (mil. yen)

Sales in Q1 were affected by political instability, but recovered in Q2. Despite a year-on-year decline in yen terms due to currency effects, sales increased on a local currency terms.



## Quarterly Operating Income (mil. yen)

Operating income has been recovering alongside sales but declined year-on-year due to higher SG&A expenses and currency effects.



\*Based on local currency  
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# Financial Results by Region: China

Despite a sluggish market recovery, our salon support activities, an area of strength, were well received, resulting in net sales and operating income exceeding the plan.

## YoY Growth Rate of Sales by Product Category\*

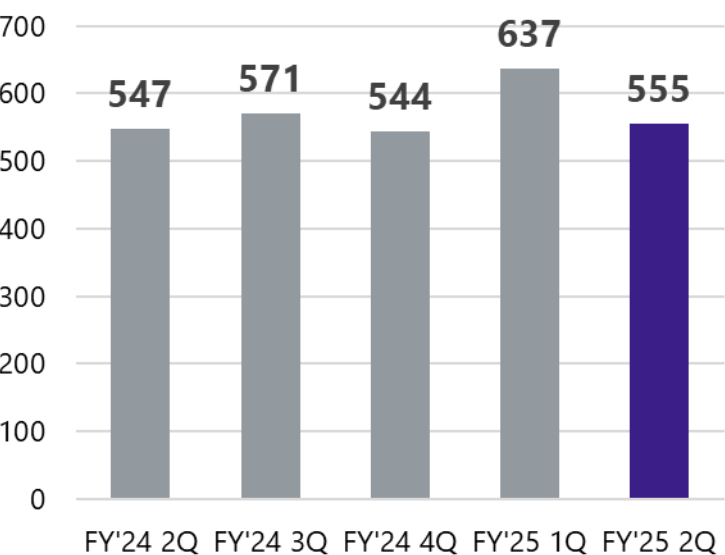
With last year’s market downturn, starting in Q2, setting a low comparison base, sales grew by double digits across categories. Our product quality and salon support activities were well received, leading to a steady increase in the number of salons adopting Global Milbon.

FY2025		
Change in Sales	2Q	2Q YTD
Hair Care	+10.8%	+4.7%
Hair Coloring	+18.1%	+3.2%
% to Sales	2Q	2Q YTD
Hair Care	60.7%	59.2%
Hair Coloring	34.5%	35.4%

\*Based on local currency  
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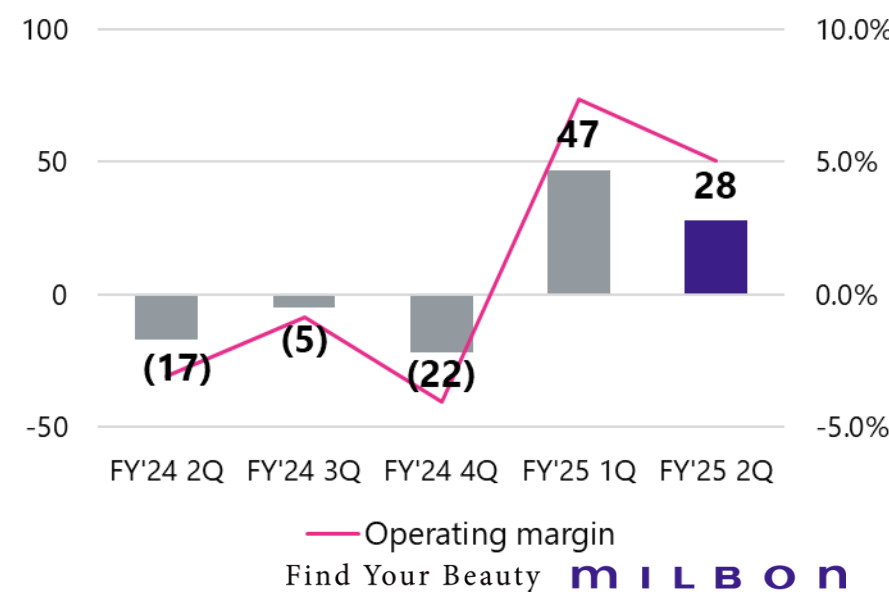
## Quarterly Net Sales (mil. yen)

Q2 sales declined compared to Q1, when salon visits surged ahead of the Lunar New Year, but still exceeded the plan.



## Quarterly Operating Income (mil. yen)

Operating income exceeded the plan due to cost control initiatives. Going forward, we plan to invest in marketing expenses to stimulate demand for hair coloring, while closely monitoring market trends.



# Financial Results by Region: United States

**Amid a challenging salon market, sales grew strongly, driven by the high reputation of our products and collaboration with distributors. Operating loss was almost contained within the planned range, despite up-front investments in marketing, personnel, and the impact of tariffs.**

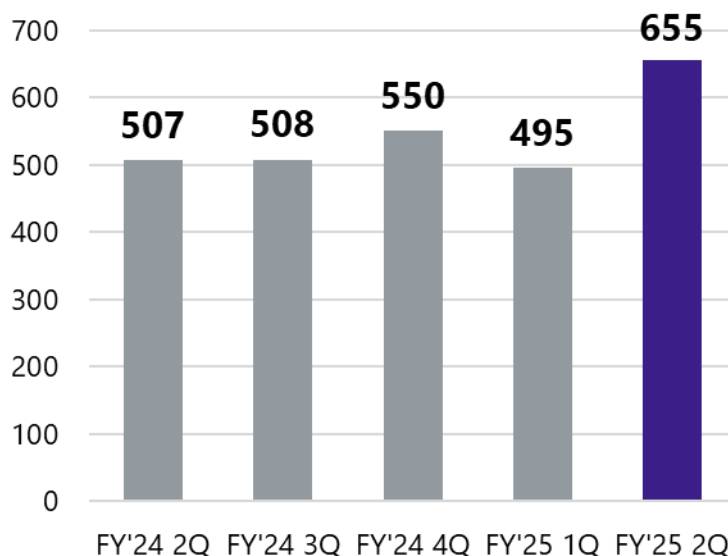
## YoY Growth Rate of Sales by Product Category\*

Sales increased across categories, with hair care showing strong growth driven by the high reputation of new products tailored to the U.S. salon and consumer needs. We also benefited from a competitor's shift from salon-based sales to direct-to-consumer channels.

FY2025		
Change in Sales	2Q	2Q YTD
Hair Care	+41.2%	+32.8%
Hair Coloring	+37.3%	+14.7%
% to Sales	2Q	2Q YTD
Hair Care	86.1%	86.4%
Hair Coloring	8.7%	8.5%

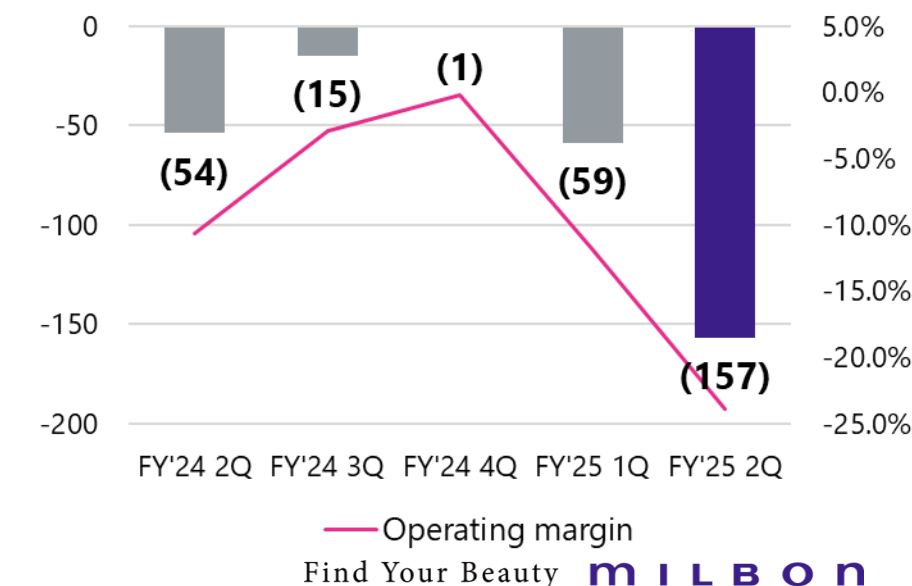
## Quarterly Net Sales (mil. yen)

While consumer sentiment in the U.S. hair salon market has been deteriorating, our sales remain strong, particularly in the hair care category.



## Quarterly Operating Income (mil. yen)

Operating income was slightly below the plan due to intensified marketing efforts, increased field personnel, and the impact of tariffs. We plan to implement price increases starting in September to improve profitability.



\*Based on local currency  
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# Revision of Full-Year Earnings Forecast

**Based on our first-half results and the current market environment, we have revised the full-year earnings forecast downward, incorporating all currently foreseeable risks.**

(Unit: million yen)		FY2025 Initial Target	FY2025 Revised Target	Diff.	Diff. (%)
Net Sales		54,250	<b>52,300</b>	(1,950)	(3.6%)
	Japan	40,850	<b>38,900</b>	(1,950)	(4.8%)
	Overseas	13,400	<b>13,400</b>	—	—
Gross Profit		35,000	<b>32,926</b>	(2,074)	(5.9%)
Margin		64.5%	<b>63.0%</b>	—	—
SG&A Expenses		28,000	<b>27,626</b>	(374)	(1.3%)
Operating Income		7,000	<b>5,300</b>	(1,700)	(24.3%)
Margin		12.9%	<b>10.1%</b>	—	—
Ordinary Income		7,000	<b>5,180</b>	(1,820)	(26.0%)
Profit Attributable to Owners of Parent		5,200	<b>3,000</b>	(2,200)	(42.3%)

Domestic sales target revised downward; overseas target unchanged.

Incorporating inventory losses through 1H, U.S. tariffs, and all currently foreseeable risks, including further inventory losses and forex fluctuations.

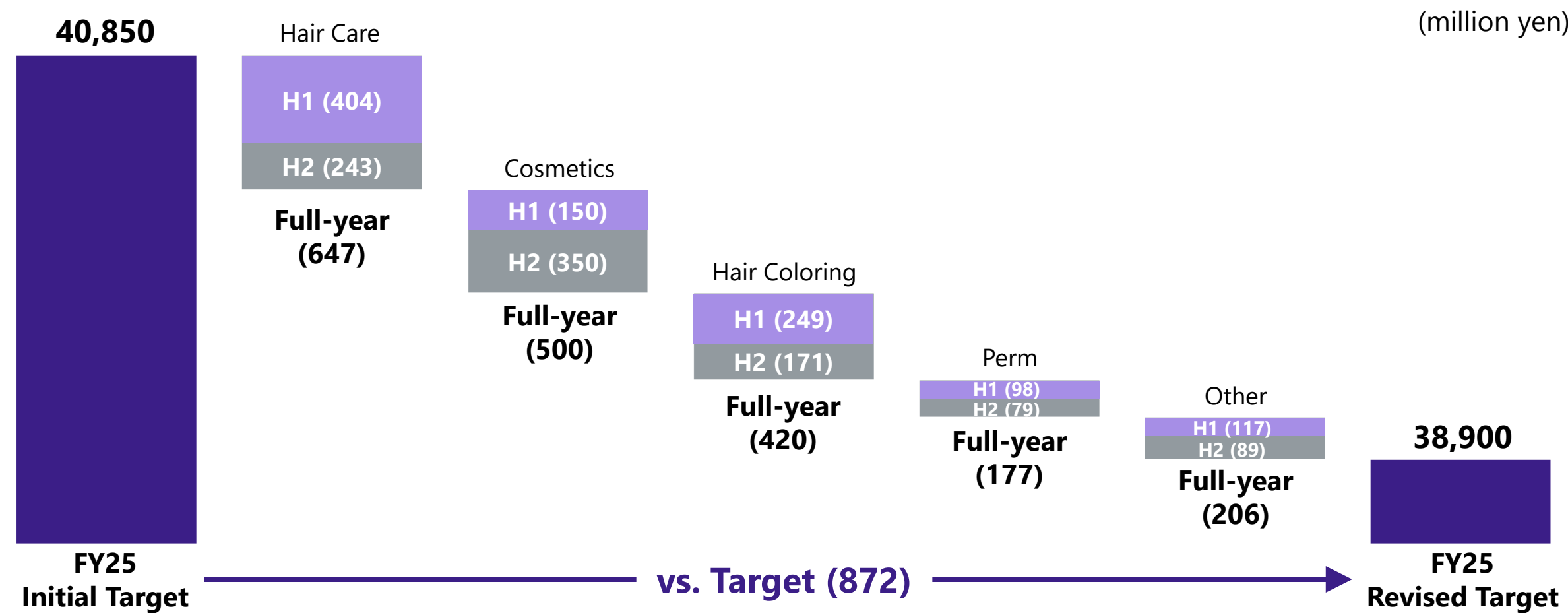
Reductions in R&D, marketing, and other costs, including variable expenses.

Foreign exchange loss

Loss on valuation of investment securities

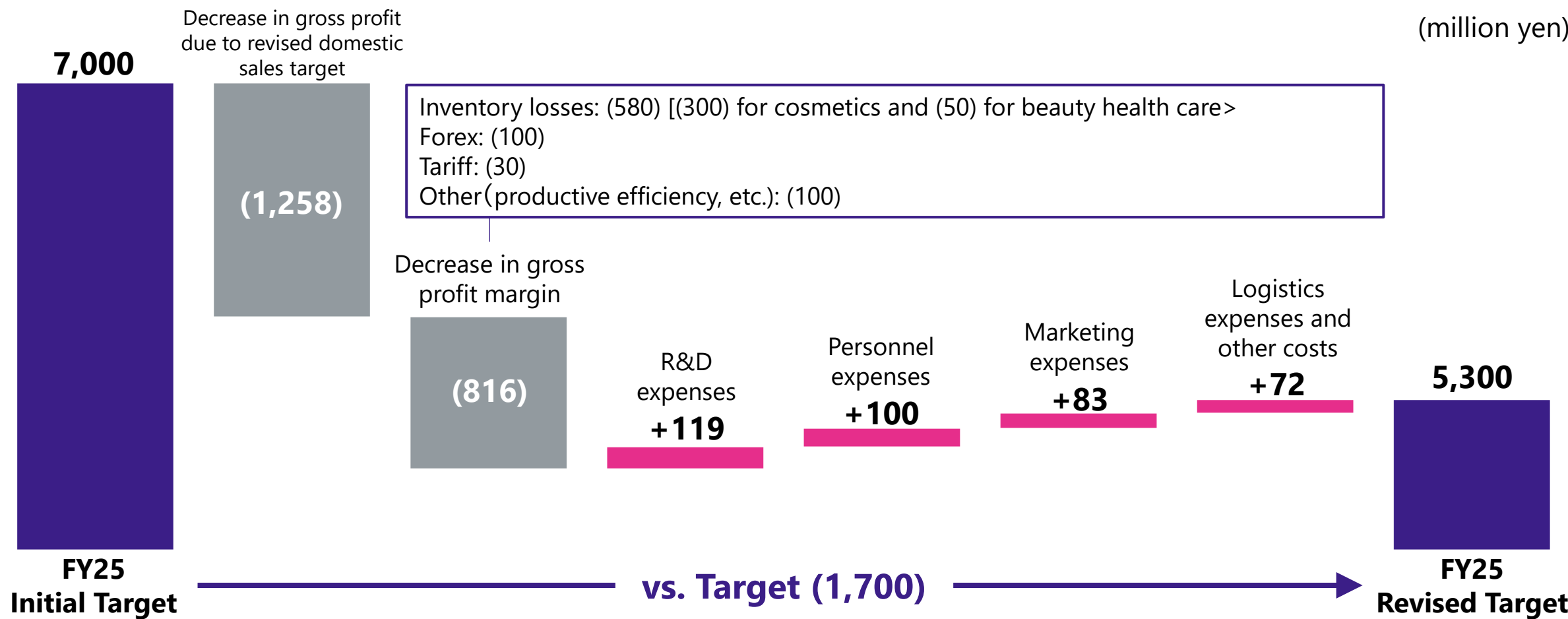
# Revision of Full-Year Earnings Forecast: Factors Behind the Adjustment to Domestic Sales Targets

In addition to falling short of our initial first-half sales target, we have revised our domestic sales forecast for the second half downward, as the impact of our initiatives is expected to take time to materialize.



# Revision of Full-Year Earnings Forecast: Factors Behind the Adjustment to Consolidated Operating Income

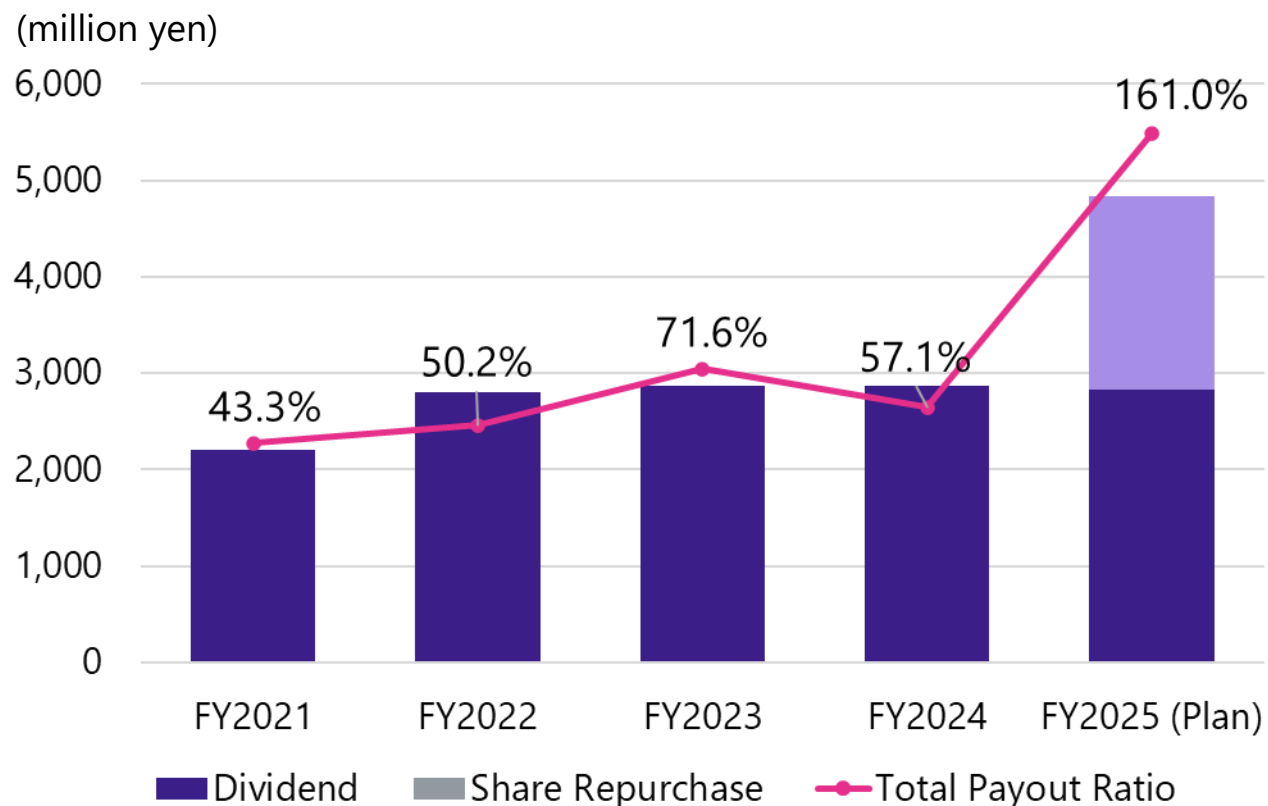
We have revised the forecast downward due to lower-than-expected sales and inventory losses. In terms of SG&A expenses, we implement additional cost-reduction measures as shown below.



# Shareholder Return: Dividend and Share Repurchase

In line with our progressive dividend policy, the interim dividend was set at ¥40 as planned, and the year-end forecast of ¥48 remains unchanged. Additionally, a share repurchase of up to ¥2 billion was resolved to improve capital efficiency and enhance shareholder returns.

## Total Returns Amount



	FY2021	FY2022	FY2023	FY2024	FY2025 (Plan)
Dividend Per Share (yen)	68	86	88	88	88
Dividend (million yen)	2,210	2,797	2,863	2,865	2,829
Share Repurchase (million yen)	—	—	—	—	2,000
Total Payout Ratio (%)	43.3%	50.2%	71.6%	57.1%	161.0%

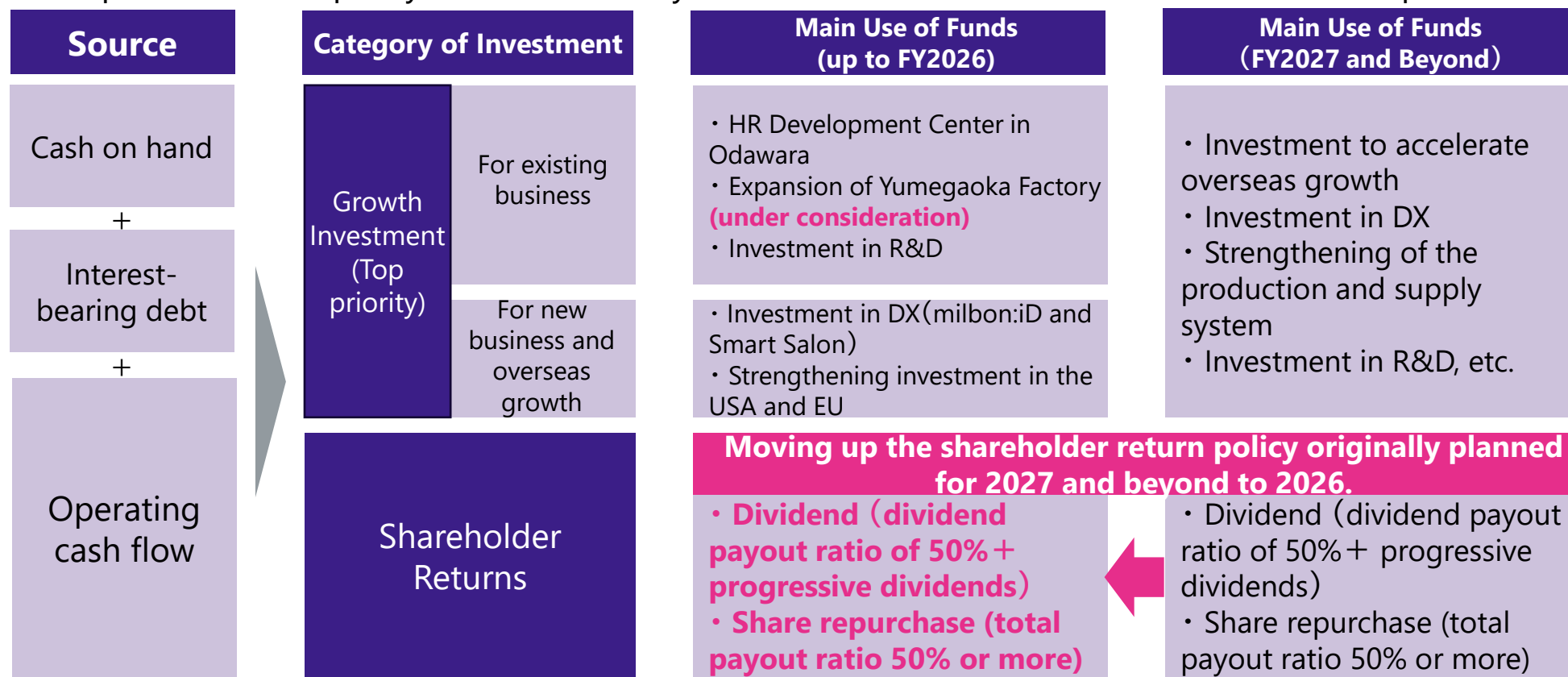
## Shareholder Return Policy

- Target total payout ratio of 50%
- Progressive dividend
- Prioritizing growth investments, with surplus funds allocated to flexible share repurchases.



# Revisions to Capital Allocation Policy Through 2026

- ✓ Growth investments, including the planned expansion of the Yumegaoka Factory by 2026, will be mainly funded through interest-bearing debt to enhance capital efficiency.
- ✓ While shareholder returns were previously limited to dividends, we will consider flexible share repurchases through 2026, based on financial performance, share price trends, and cash on hand.
- ✓ To achieve the 11.3% ROE target by 2026, the final year of the current mid-term plan, we will improve both financial performance and capital efficiency.
- ✓ Details of the capital allocation policy for 2027 and beyond will be announced with the next mid-term plan.



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# Our Strategic Direction and Current Challenges

To become the world's No.1 professional haircare manufacturer, we're building stable growth in Japan, aiming for the top spot in Asia, and accelerating expansion in the U.S. and Europe. Overseas business is strong, while premiumization remains a challenge in Japan.

## Our Strategic Direction

### Japan

Achieve stable growth

### Asia

Strengthening our No.1 market position, with a particular focus on South Korea.

### The U.S. and Europe

Establishing presence and profitability in Europe and the U.S., where market size is significant.

**Overseas business is on track in local currency terms.**



## Japan: Product Category Overview

### Hair Care

Performance remains solid, particularly in take-home products. We aim to drive further growth with the new products launched this year.

### Hair Coloring

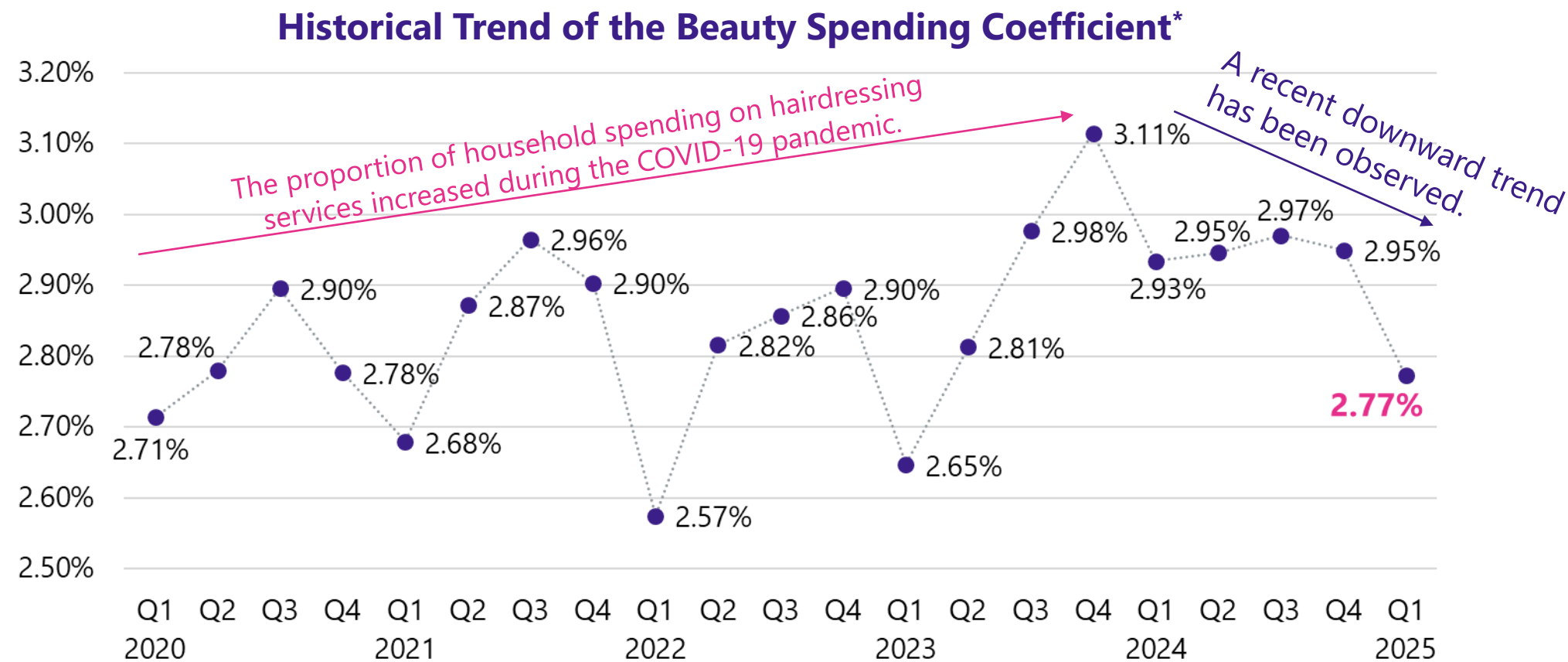
We face challenges in product positioning and will promote premiumization to address them.

### Cosmetics

We will streamline our product lineup and pursue sales with a clear focus on profitability.

# Market Environment in Japan

Household spending on hairdressing services has historically been high, but is now showing a downward trend. Amid rising prices, consumers are becoming more cost-conscious, which may be making it more challenging to implement price increases.



\*Source: Hot Pepper Beauty Academy, Recruit Co., Ltd.  
The Beauty Spending Coefficient is defined as the ratio of household spending on hairdressing services and products (combined) to total consumption expenditure, based on data from the Family Income and Expenditure Survey conducted by the Ministry of Internal Affairs and Communications.

# Hair Care Products in Japan

Despite a challenging market environment, hair care sales increased by 6.7% year-on-year in the first half. We aim to further grow sales, particularly for Aujua, through educational initiatives targeted at hair salons.

## Aujua

### FY25H1 Gross Sales in Japan +2.4% YoY

Supported by milbon:iD, take-home product sales have remained stable, showing resilience to fluctuations in salon visit frequency. The rollout of the new Altiell Line, launched in February, has been delayed at salons. To accelerate adoption, we aim to reassert the product's value through educational initiatives led by Field Person.



## Elujuda

### FY25H1 Gross Sales in Japan +26.2% YoY

The new Elujuda Extra Repair, launched in April, drove overall brand growth and delivered results above plan. In May, we raised prices across the brand, which is expected to help improve the gross profit margin in the second half.



\*Based on shipment value

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# Hair Coloring Markets in Japan

Hair coloring product usage is declining, likely due to reduced beauty spending. We are also seeing an impact from the growing polarization in salon needs for hair coloring.

## Changes in the External Environment

Reduced beauty spending

Rising operating costs for hair salons (e.g., labor and utility expenses)

## Changes in the Hair Coloring Market

**Hair coloring product usage in salons is declining** due to reduced consumer spending and shifting color trends, such as a drop in the demand for bleaching.

**Demand for hair colorants is becoming polarized—either for low-cost products** that help reduce material costs, or for **high-value products that support higher menu prices** through uniqueness and strong consumer brand recognition. In this market environment, our core hair colorant offerings are not fully meeting current market needs.

Low-cost products

Our core hair colorant offerings

High-value products with strong uniqueness and consumer brand recognition



Villa Lodola Color fits this category and continues to perform well.

# Our Approach to Hair Coloring in Japan

**By developing new, highly differentiated products and enhancing consumer brand recognition—with salon education as a key foundation, we aim to help raise in-salon color menu prices and, consequently, contribute to increased sales and profit for salons.**

## Development of New, Distinctive Products

To counter product commoditization, we are developing new products with enhanced added value.

**By helping salons with raising in-salon color menu prices through three key initiatives, we will contribute to increased sales and profits for salons.**

## Enhancing Consumer Brand Recognition

We aim to raise consumer awareness of hair colorants, similar to hair care products, and build a brand that is actively chosen by consumers.

## Salon Education

Leveraging a team of approximately 120 educators, far exceeding the number offered by our competitors, we provide hands-on training support directly at salons.

# This Year's Hair Coloring Initiatives in Japan

We will launch additional items under our distinctive and successful gray coverage color brand, while also enhancing consumer brand recognition to strengthen our position as a preferred choice.

## Development of New, Distinctive Products

In 2025, we will launch additional items from brands that are currently enjoying strong market popularity.

Launching in July  
**Ordeve Crystal**  
**High Bright New Shades**  
**and Items**

**ORDEVE**  
*crystal*  
*High Bright*



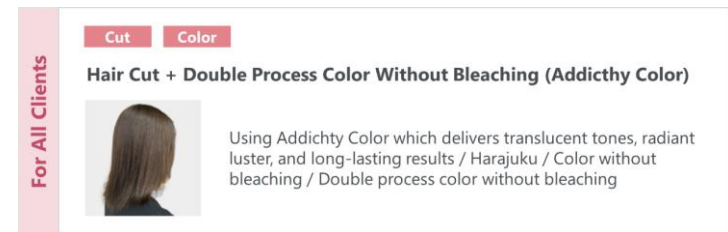
Launching in September  
**Villa Lodola Color**  
**Clear Veil**



We will continue developing and introducing high value-added products that help raise the unit price of color menu services at salons.

## Enhancing Consumer Brand Recognition

By sharing our expertise in attracting customers through a salon reservation platform, and using our hair coloring products as part of the salon menu, we aim to accelerate product adoption and enhance brand recognition.



As of the end of June 2025, **10,628 salons featured the Addicty Color menu** on the salon reservation platform **(an increase of 549 salons since the initiative began in April)**

**Sales of the featured color shades promoted through this initiative are steadily increasing.** We aim to enhance consumer awareness to revitalize existing products and leverage that momentum for upcoming product launches.



# Cosmetics Products in Japan

**We aim to improve sales efficiency by streamlining our lineup and focusing on high-potential products.**

## Key Issues at Present

- ✓ The broad cosmetics lineup has led to dispersed sales activities.
- ✓ The makeup category continues to show weak repeat purchases.

## Strengths and Opportunities

- ✓ The new product Balance Tuner in the Imprea lotion (toner) category is performing well.
- ✓ Salons have responded positively to the concept of coordinating hair and eyebrow color.

## Future Initiatives

Imprea (focused on skincare):  
Concentrating efforts on the lotion category



Launched in Sep. 2019  
Lotion



Launched Feb. 2025  
Balance Tuner



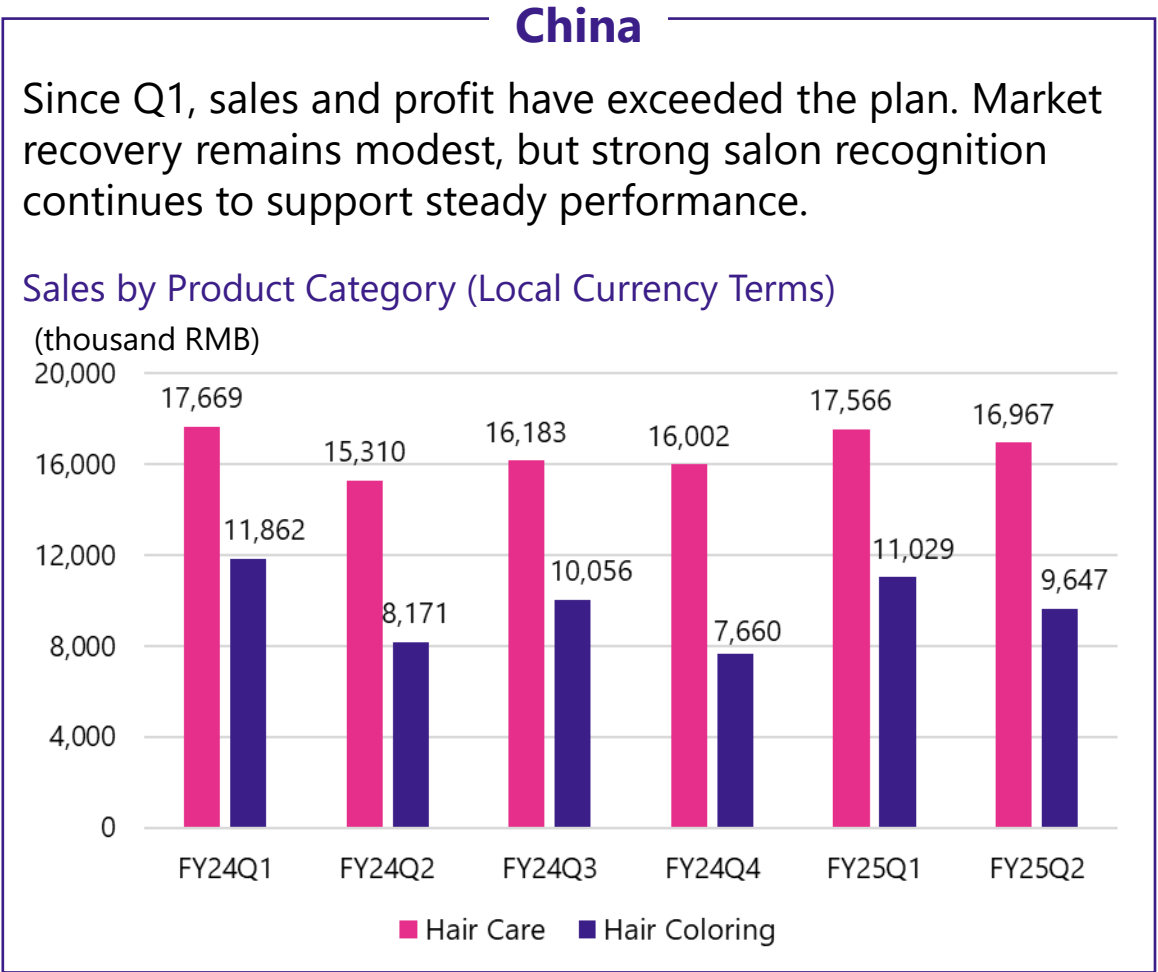
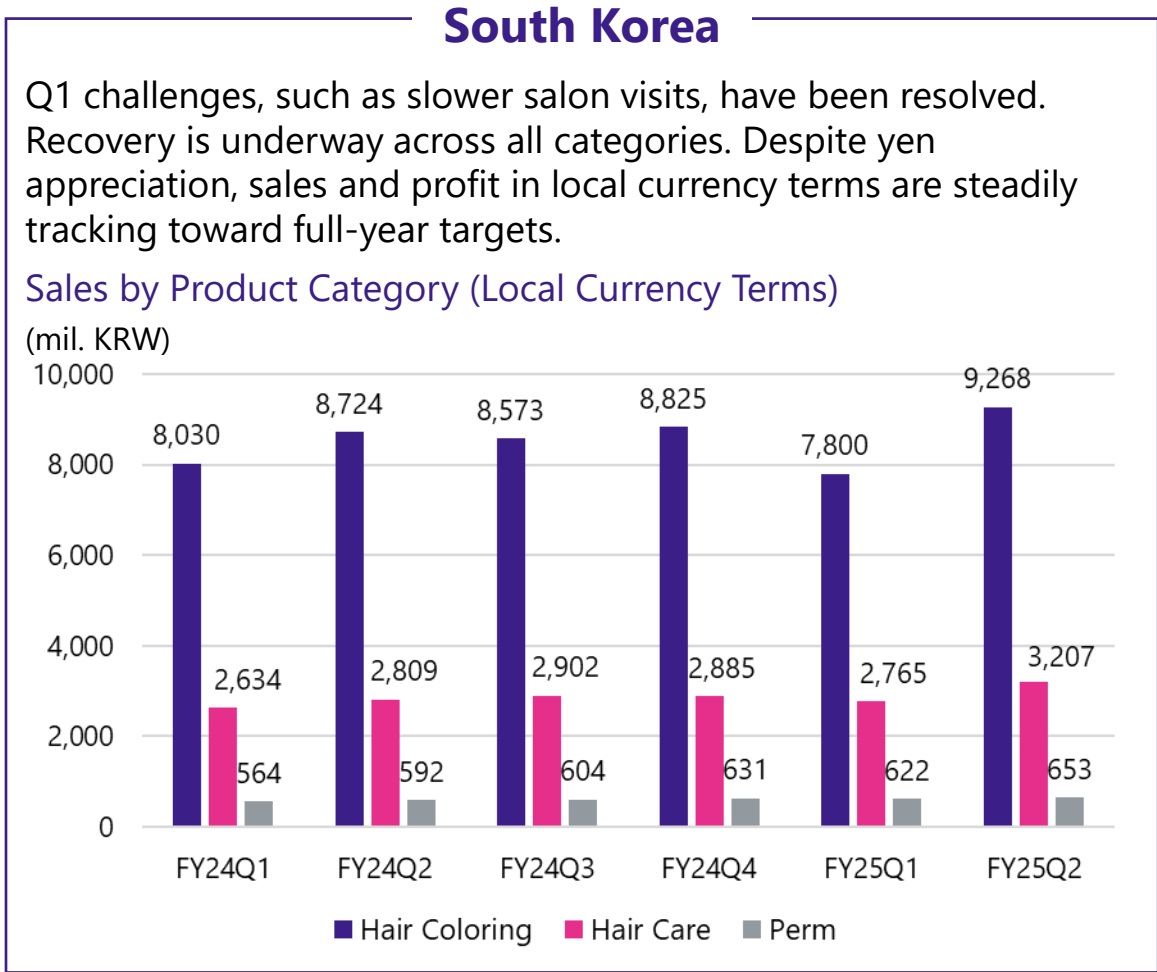
Launching Sep. 2025  
Linkless Tuner

IM (focused on makeup):

Salon cosmetics remain at an advantage in harmonizing hair color and makeup. Focus will be on items like eyebrow products that naturally complement hair color.

# Overseas Business: South Korea and China

Recovery has been underway since Q1 in South Korea and China, progressing as planned under favorable conditions.



# Overseas Business: The U.S. and Europe

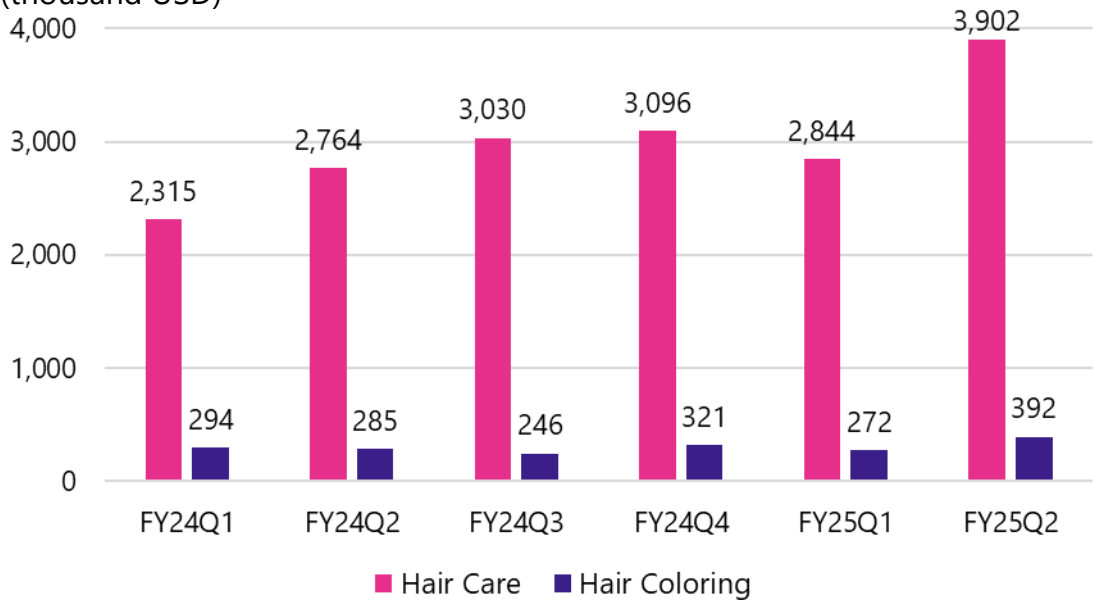
Sales are growing strongly, especially in hair care, driven by product quality and sales execution. We aim to further strengthen our presence in the U.S. and Europe.

## United States

Amid a challenging market environment, hair care products tailored to local beauty habits and hair types have driven significant sales growth. For hair coloring, we aim to achieve further expansion with the launch of additional items in July.

Sales by Product Category (Local Currency Terms)

(thousand USD)

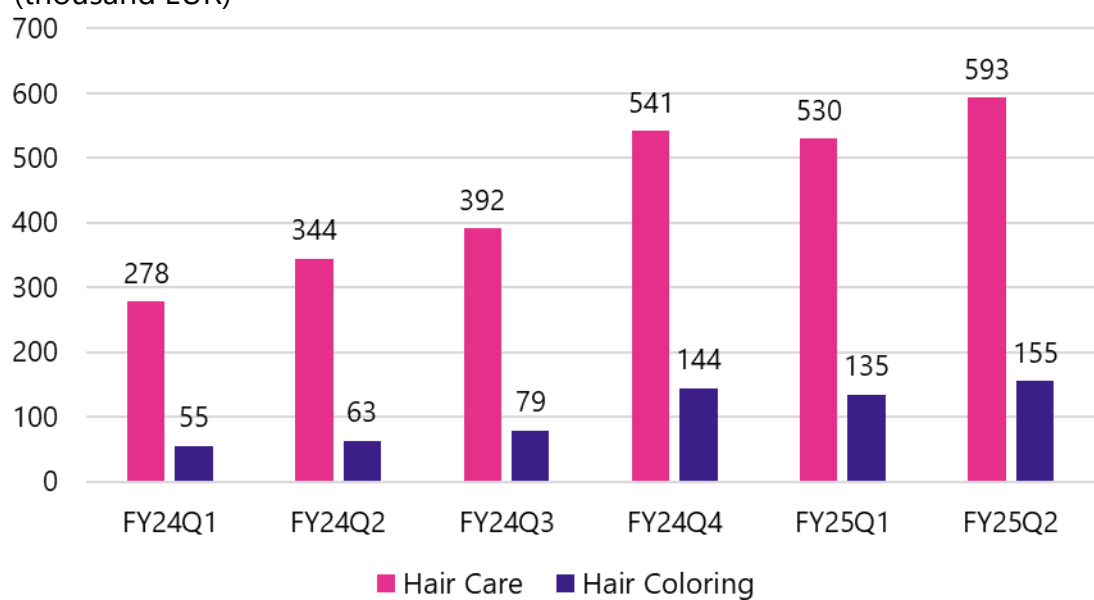


## EU

Commission-based contracts with sales reps who have experience at competing firms have steadily increased the number of salons carrying our products, driving strong growth, particularly in hair care.

Sales by Product Category (Local Currency Terms)

(thousand EUR)



# Outlook for Medium-Term Management Plan (Through 2026)

FY2026 plan remain unchanged, despite reflecting a gap from the FY2025 revised target, mainly due to domestic sales and inventory losses. Looking ahead, we will focus on improving profitability and capital efficiency to achieve FY2026 targets, prioritizing the achievement of an ROE of 11.3%.

(Unit: million yen)	FY2025 Revised Target	FY2026 Plan*	Diff.	Diff. (%)
Net Sales	52,300	<b>58,000</b>	5,700	10.9%
Japan	38,900	<b>43,700</b>	4,800	12.3%
Overseas	13,400	<b>14,300</b>	900	6.7%
Gross Profit	32,926	<b>37,600</b>	4,674	14.2%
Margin	63.0%	<b>64.8%</b>	—	—
Operating Income	5,300	<b>8,400</b>	3,100	58.5%
Margin	10.1%	<b>14.5%</b>	—	—
Ordinary Income	5,180	<b>8,340</b>	3,160	61.0%
Profit Attributable to Owners of Parent	3,000	<b>5,940</b>	2,940	98.0%
ROE	6.3%	<b>11.3%</b>	—	—
ROIC	7.7%	<b>11.1%</b>	—	—

\* Announced in February 2025

## Achieving 11.3% of ROE

Improving Profitability

×

Improving Capital Efficiency

### Premiumization

Improving profitability through new product launches and the emerging impact of price increases

### Stable Dividend

Target dividend payout ratio of 50%, progressive dividend policy

+

### Cost Control

Reviewing SG&A and production plans to reduce inventory losses

+

### New Initiative

**Flexible share repurchase**

# Closing Summary

**Overseas business is progressing steadily. In Japan, we aim to expand sales and improve profitability as part of our commitment to sustainable global growth.**

## Achieve Stable Growth in Japan



Core hair care category continues stable growth; price increases and higher value-added products driving profitability.



Drive renewed growth in hair coloring through product differentiation, consumer awareness, and education.



Streamline cosmetics lineup to improve sales efficiency

## Increase Overseas Sales Expansion and Enhance Profitability

### Asia

By securing the No.1 position in South Korea, a leading source of global beauty trend we aim to enhance our influence across other regions.

### The U.S. and Europe

Upfront investment in the U.S. is expected to be largely completed by the next fiscal year, with focus shifting toward profitability through sales expansion. In Europe, we are actively broadening distribution channels to establish a foundation for medium- to long-term growth.

## Improving Capital Efficiency Strengthening Shareholder Returns

Progressive dividend

Flexible share repurchase

# Agenda

1. Consolidated Financial Results ————— P2
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# Current Status of Expo 2025 Osaka-Kansai

Our booth at the Osaka Healthcare Pavilion has drawn strong interest, with visitor numbers far exceeding initial projections. We expect meaningful results in both PHR sample collection and the impact on public relations.

## Our Exhibit at the Osaka Healthcare Pavilion



## Number of Visitors Who Experienced Our Booth

**165,000 Visitors**

as of the End of July

**280,000 Visitors**

Projected for the Full Event Period



Visitor turnout far exceeds the initial projection of 120,000, indicating strong booth performance.

\*For further details about our exhibit, please visit the dedicated Expo 2025 website: <https://expo2025.milbon.com/en/>



# ESG Initiatives: Third-Party Evaluation

Strengthened ESG initiatives and disclosures have led to improved third-party evaluations, with steady growth in inclusion across ESG investment indices.

## FTSE Score

	FY2021	FY2022	FY2023	FY2024	FY2025
FTSE スコア	1.1/5.0	1.5/5.0	2.3/5.0	3.5/5.0	3.6/5.0

## External Assessments

ESG Investment Index  
Newly Selected in FY2025



ESG Investment Indices  
Selected Continuously



Other External  
Assessments



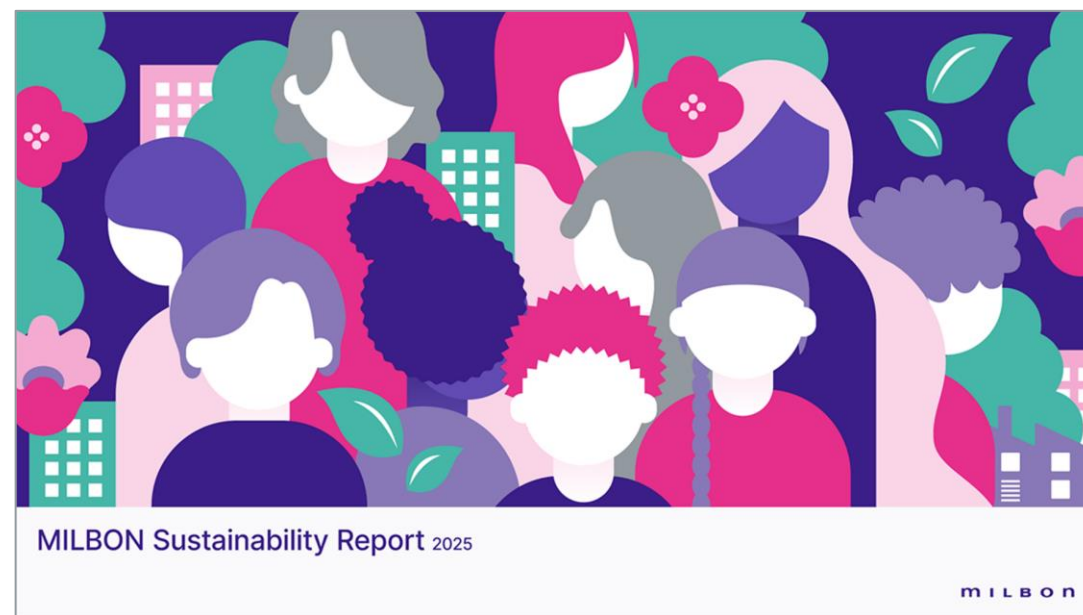


# ESG Initiatives: Integrated Report and Sustainability Report

**In addition to our annual integrated report, we published our first sustainability report in late April\*. We remain committed to advancing ESG initiatives and disclosures to deepen engagement with stakeholders.**



Published on August 8, 2025  
[Integrated Report | Milbon Global](#)

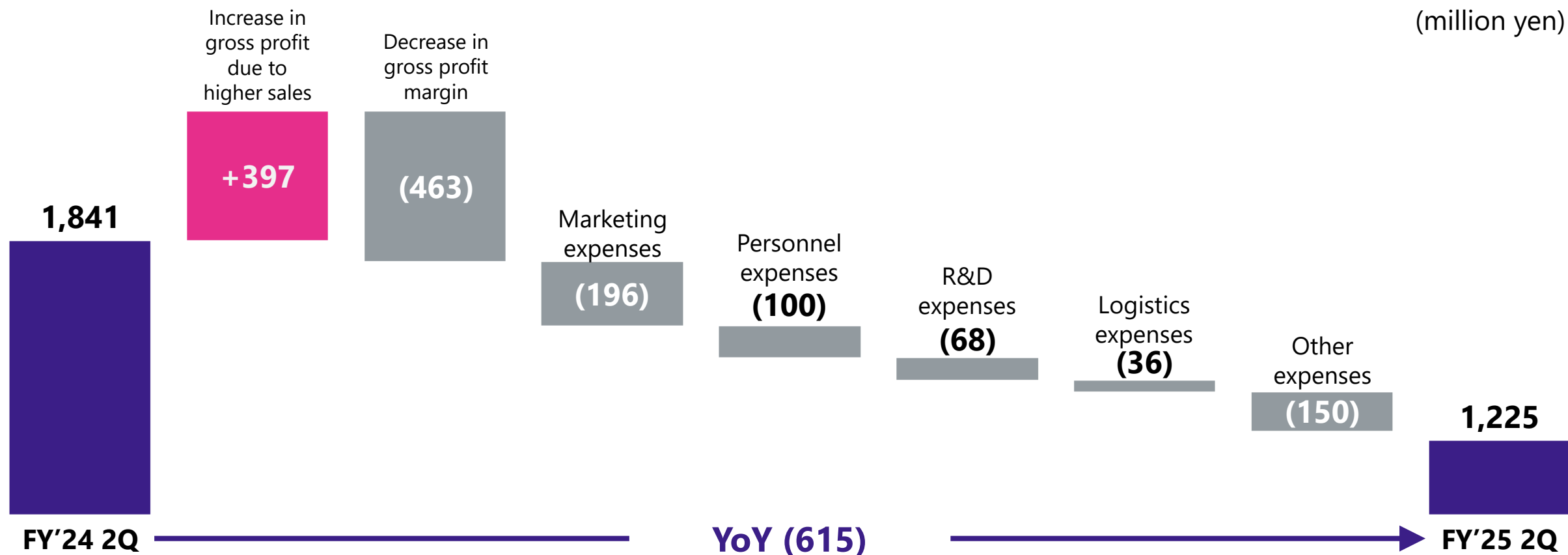


Published on April 30, 2025  
[Sustainability Report | Milbon Global](#)

\* Japanese version of the integrated report and sustainability report were disclosed on June 30, 2025 and March 31, 2025, respectively.

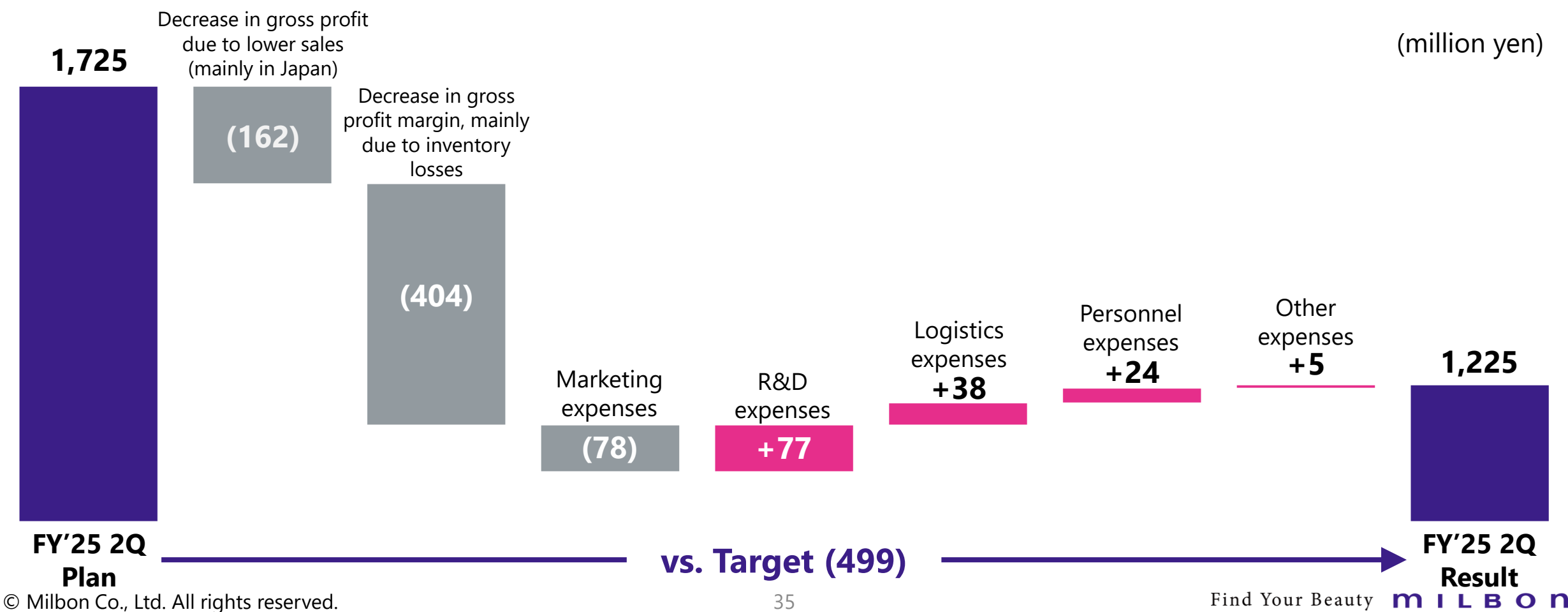
# Consolidated Operating Income – Factors Behind YoY Changes (Quarterly Basis)

Net sales increased YoY, but operating profit declined due to lower gross profit from inventory losses and foreign exchange effects, as well as higher SG&A expenses.



# Consolidated Operating Income – Factors Behind Difference vs. Target (Quarterly Basis)

Gross profit fell short of the plan, mainly due to lower sales and inventory losses. Although we took additional steps to reduce SG&A expenses, they did not fully offset the impact, and operating profit also fell below the plan.



# Consolidated Net Sales and Sales Ratio by Product Category

(Unit: million yen)	FY2024					FY2025					FY2025
	1Q	2Q	3Q	4Q	YTD	1Q	2Q	3Q	4Q	YTD	Revised Target*
Net Sales	11,508	13,017	12,467	14,322	51,316	11,180	<b>13,626</b>			24,807	52,300
Hair Care	6,670	8,012	7,560	9,080	31,324	6,938	<b>8,685</b>			15,624	33,280
Hair Coloring	4,044	4,301	4,308	4,545	17,200	3,706	<b>4,275</b>			7,982	16,580
Perm	350	448	348	398	1,547	287	<b>422</b>			710	1,400
Cosmetics	369	197	151	150	868	159	<b>168</b>			327	700
Others	73	57	97	147	375	89	<b>74</b>			163	340
% to Sales											
Hair Care	58.0%	61.6%	60.6%	63.4%	61.1%	62.1%	<b>63.7%</b>			63.0%	63.6%
Hair Coloring	35.1%	33.0%	34.6%	31.7%	33.5%	33.1%	<b>31.4%</b>			32.2%	31.7%
Perm	3.1%	3.5%	2.8%	2.8%	3.0%	2.6%	<b>3.1%</b>			2.9%	2.7%
Cosmetics	3.2%	1.5%	1.2%	1.1%	1.7%	1.4%	<b>1.2%</b>			1.3%	1.3%
Others	0.6%	0.4%	0.8%	1.0%	0.7%	0.8%	<b>0.6%</b>			0.6%	0.7%

\* Announced on August 8, 2025

# Status of Main Brands – Hair Care Products

## Hair Care – Aujua

The number of salons introducing Aujua continued to expand both in Japan and South Korea.

(Unit: mil. yen)	FY2024		FY2025	
	2Q	2Q YTD	2Q	2Q YTD
Gross Sales	3,123	5,435	<b>3,185</b>	<b>5,591</b>
Japan	3,022	5,244	<b>3,066</b>	<b>5,369</b>
South KR	100	190	<b>119</b>	<b>222</b>

(Unit: salons)	FY2024		FY2025	
Salons		7,625		<b>7,917</b>
Japan		7,278		<b>7,563</b>
South KR		347		<b>354</b>

## New Products

**Aujua Aging Hair Care Series Altiell (Debut on February 11)**



(Unit: mil. yen)	FY2025	FY2025 Target
Gross Sales	<b>472</b>	1,350

## Hair Care – Global Milbon

Sales growth is being propelled by our strong performance in overseas markets, especially in the United States.

(Unit: mil. yen)	FY2024		FY2025	
	2Q	2Q YTD	2Q	2Q YTD
Gross Sales	1,777	3,322	<b>1,989</b>	<b>3,668</b>
Japan	855	1,580	<b>858</b>	<b>1,594</b>
U.S.	457	813	<b>602</b>	<b>1,052</b>
China	164	305	<b>163</b>	<b>313</b>
South KR	71	138	<b>71</b>	<b>144</b>
Other	227	483	<b>294</b>	<b>564</b>

(Unit: salons)	FY2024		FY2025	
Salons		22,584		<b>29,240</b>
Japan		10,840		<b>11,892</b>
U.S.*		7,449		<b>12,851</b>
China		814		<b>1,027</b>
South KR		1,371		<b>1,370</b>
Other		2,110		<b>2,100</b>

\*Due to the distributor changeover at the end of FY2024, data on the number of salons in some US regions was unavailable, leading to lower figures for FY2024 compared to FY2024 Q3.

\*Sales figures are based on shipment value. The number of the salons is calculated based on the past year's shipments for both Japan and overseas.

# Status of Main Brands – Hair Coloring Products

## Hair Coloring – Ordeve Addicthy

The domestic fashion color market remains sluggish amid intensifying competition. We aim to regain momentum by supporting salon customer acquisition through Addicthy and salon reservation platforms, enhancing consumer recognition.

(Unit: mil. yen)	FY2024		FY2025	
	2Q	2Q YTD	2Q	2Q YTD
Gross Sales	1,682	3,173	<b>1,681</b>	<b>3,050</b>
Japan	1,400	2,593	<b>1,404</b>	<b>2,506</b>
Overseas	281	579	<b>276</b>	<b>543</b>

## Hair Coloring – Sophistone

Sales increased due to strengthened sales and educational initiatives for distributors and salons in the US and the EU.

(Unit: mil. yen)	FY2024		FY2025	
	2Q	2Q YTD	2Q	2Q YTD
Gross Sales	47	91	<b>78</b>	<b>137</b>

\*Sales figures are based on shipment value.

## Hair Coloring – Villa Lodola Color

Villa Lodola Color is steadily expanding, driven by positive reviews of its organic formulation. Internationally, growth is led by South Korea.

(Unit: mil. yen)	FY2024		FY2025	
	2Q	2Q YTD	2Q	2Q YTD
Gross Sales	288	545	<b>356</b>	<b>679</b>
Japan	277	530	<b>316</b>	<b>614</b>
Overseas	11	14	<b>40</b>	<b>65</b>

(Unit: salons)	FY2024	FY2025
Salons	12,934	<b>13,775</b>
Japan	12,271	<b>12,528</b>
Overseas	663	<b>1,247</b>

# Status of Main Brands – Cosmetics

## Cosmetics – Imprea

Both our mainstay product, Lotion, and the new launch, Balance Tuner, have received strong market recognition.

	FY2024		FY2025	
(Unit: mil. yen)	2Q	2Q YTD	2Q	2Q YTD
Gross Sales	147	268	122	252
	FY2024		FY2025	
(Unit: salons)				
Salons	2,083		2,345	

## New Products

### Imprea Balance Tuner (Debut on February 8)



	(Unit: mil. yen)	FY2025	FY2025 Target
Gross Sales		45	100

## Cosmetics – IM

Sales declined due to the slow adoption by salons of the newly added eyebrow mascara items launched in Q1 last year.

	FY2024		FY2025	
(Unit: mil. yen)	2Q	2Q YTD	2Q	2Q YTD
Gross Sales	59	330	54	90

## New Products

### IM Brow & Lash Color Mascara (New Shades, Debut on February 8)



	(Unit: mil. yen)	FY2025	FY2025 Target
Gross Sales		24	140

\*Sales figures are based on shipment value. The number of the salons is calculated based on the past year's shipments for both Japan and overseas.

## Sales Growth and Sales Ratio by Category in Japan and Overseas (Local Currency Basis)

Japan	FY2024					FY2025				
	1Q	2Q	3Q	4Q	YTD	1Q	2Q	3Q	4Q	YTD
Net Sales	+9.3%	+5.0%	+7.7%	+3.0%	+6.0%	(2.5%)	<b>+3.2%</b>			+0.6%
Hair Care	+9.1%	+8.9%	+13.4%	+7.1%	+9.4%	+6.6%	<b>+6.8%</b>			+6.7%
Hair Coloring	+0.8%	(0.5%)	+1.1%	(0.5%)	+0.2%	(7.9%)	<b>(1.8%)</b>			(4.7%)
Perm	+2.9%	+10.4%	(11.0%)	+3.3%	+1.6%	(23.3%)	<b>(9.6%)</b>			(14.7%)
Cosmetics	+197.6%	+40.4%	(2.5%)	+0.4%	+52.8%	(57.5%)	<b>(15.2%)</b>			(42.9%)
Others	+60.8%	(35.0%)	(53.9%)	(35.6%)	(34.9%)	(32.7%)	<b>(27.6%)</b>			(29.5%)
% to Sales										
Hair Care	61.2%	64.7%	64.3%	67.3%	64.6%	66.2%	<b>67.0%</b>			66.7%
Hair Coloring	32.1%	29.9%	31.5%	28.9%	30.4%	30.0%	<b>28.4%</b>			29.1%
Perm	2.2%	3.1%	2.3%	2.0%	2.4%	1.7%	<b>2.7%</b>			2.3%
Cosmetics	4.1%	1.8%	1.5%	1.2%	2.1%	1.8%	<b>1.5%</b>			1.6%
Others	0.4%	0.5%	0.4%	0.6%	0.5%	0.2%	<b>0.4%</b>			0.3%

South Korea	FY2024					FY2025				
	1Q	2Q	3Q	4Q	YTD	1Q	2Q	3Q	4Q	YTD
Net Sales	+6.5%	+8.4%	+11.2%	+13.3%	+9.9%	+0.8%	<b>+10.0%</b>			+5.5%
Hair Care	+20.1%	+14.5%	+23.6%	+13.0%	+17.6%	+5.0%	<b>+14.2%</b>			+9.7%
Hair Coloring	+1.1%	+4.6%	+6.2%	+12.2%	+6.0%	(2.9%)	<b>+6.2%</b>			+1.9%
Perm	+33.6%	+37.5%	+30.1%	+25.1%	+31.3%	+10.2%	<b>+10.2%</b>			+10.2%
% to Sales										
Hair Care	23.3%	23.0%	23.8%	23.2%	23.3%	24.3%	<b>23.8%</b>			24.1%
Hair Coloring	71.1%	71.3%	70.3%	70.9%	70.9%	68.5%	<b>68.9%</b>			68.7%
Perm	5.0%	4.8%	4.9%	5.1%	5.0%	5.5%	<b>4.9%</b>			5.1%
Others	0.6%	0.9%	1.0%	0.8%	0.8%	1.7%	<b>2.4%</b>			2.1%

\*The figures for Japan are based on shipment value. The overseas figure are based on local currency.  
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## Sales Growth and Sales Ratio by Category in Japan and Overseas (Local Currency Basis)

### China

	FY2024				
	1Q	2Q	3Q	4Q	YTD
Net Sales	+4.3%	(16.5%)	+0.0%	+2.0%	(2.7%)
Hair Care	+6.2%	(3.3%)	+8.3%	+3.4%	+3.6%
Hair Coloring	(0.6%)	(33.7%)	(9.1%)	(3.5%)	(12.7%)
Perm	+19.0%	(14.5%)	(13.8%)	+14.8%	+2.1%
% to Sales					
Hair Care	55.8%	62.0%	58.4%	62.8%	59.5%
Hair Coloring	37.5%	33.1%	36.3%	30.0%	34.5%
Perm	6.7%	5.0%	5.3%	7.2%	6.0%
Others	0.0%	0.0%	0.0%	0.0%	0.0%

FY2025				
1Q	2Q	3Q	4Q	YTD
(3.9%)	<b>+13.2%</b>			+3.6%
(0.6%)	<b>+10.8%</b>			+4.7%
(7.0%)	<b>+18.1%</b>			+3.2%
(14.7%)	<b>+9.7%</b>			(5.8%)
57.8%	<b>60.7%</b>			59.2%
36.3%	<b>34.5%</b>			35.4%
5.9%	<b>4.8%</b>			5.4%
0.0%	<b>0.0%</b>			0.0%

### United States

	FY2024				
	1Q	2Q	3Q	4Q	YTD
Net Sales	+8.5%	+2.2%	+12.0%	+31.1%	+13.1%
Hair Care	+6.0%	+4.8%	+12.7%	+32.6%	+13.8%
Hair Coloring	+25.9%	(6.2%)	+3.2%	+22.4%	+10.4%
Perm	(19.6%)	(21.3%)	(8.7%)	+22.3%	(8.7%)
% to Sales					
Hair Care	83.7%	85.9%	87.8%	86.5%	86.1%
Hair Coloring	10.6%	8.9%	7.1%	9.0%	8.8%
Perm	3.1%	3.7%	2.7%	3.4%	3.2%
Others	2.6%	1.5%	2.4%	1.1%	1.9%

FY2025				
1Q	2Q	3Q	4Q	YTD
+18.4%	<b>+40.7%</b>			+30.4%
+22.9%	<b>+41.2%</b>			+32.8%
(7.2%)	<b>+37.3%</b>			+14.7%
(17.7%)	<b>+5.0%</b>			(4.5%)
86.8%	<b>86.1%</b>			86.4%
8.3%	<b>8.7%</b>			8.5%
2.2%	<b>2.8%</b>			2.5%
2.7%	<b>2.4%</b>			2.6%

# Progress on milbon:iD and Smart Salon Initiatives

## milbon:iD

Although the number of salons decreased due to the exclusion of closed locations following a change in the counting method, user registrations have steadily increased, approaching one million. Starting in June, we connected milbon:iD to the LINE messaging app to facilitate easier communication with users and improve the ratio of active purchasers.

	FY24	FY25	FY25 Target
Users	881,000	<b>957,000</b>	1,070,000
Salons (reference)	6,566	<b>6,440</b>	7,000
EC Sales* <sup>1</sup>	1,970 mil. yen	<b>920 mil. yen</b>	2,300 mil. yen

## Number of Smart Salons

	FY'24	FY'25
Salons	62	<b>73</b>

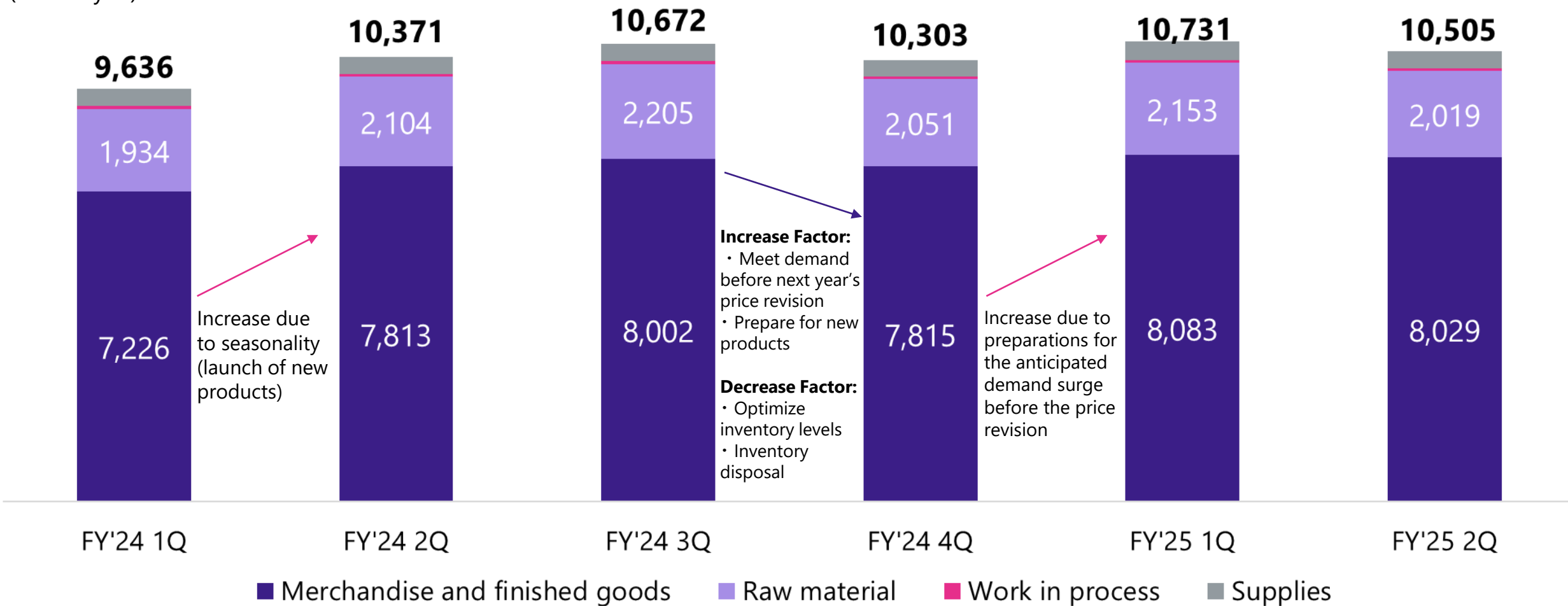
\*Results for the Japan market

\*1 EC sales are based on shipment value.

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# Status of Inventory

(million yen)



# Status of Capital Expenditures, etc.

(Unit: million yen)		FY2021	FY2022	FY2023	FY2024	FY2025 2Q YTD	FY2025 Target
Capital Expenditures		4,644	4,097	3,151	2,865	1,224	2,611
Depreciation and Amortization		1,777	2,026	2,213	2,288	1,136	2,354
R&D exp.	Amount	1,741	2,074	2,334	2,452	1,289	2,829
	% to Sales	4.2	4.6	4.9	4.8	5.2	5.2

## FY2025 CAPEX Main Items

### Sales Offices, Studios

- HR Development Center
- Establishment and maintenance of sales offices

### Digital

- milbon:iD
- Smart Salon (Digital Marketing)
- Education:iD

### Production System

- Yumegaoka Factory (Machinery and equipment)
- Technical Center
- Thailand Factory (Machinery and equipment)

### Others

- Internal infrastructure
- Production equipment

# The Number of Field Person (FP)

## The Number of FP by Country

Upper column: Average number of FPs during the period (persons)

Lower column: Net sales per FP (million yen)

	FY2022	FY2023	FY2024	FY2025
Japan	335.4	350.2	361.4	<b>366.0</b>
	105	104	107	—
South Korea	32.8	33.4	33.2	<b>34.0</b>
	126	141	160	—
China	31.6	34.3	33.8	<b>32.3</b>
	66	65	68	—
USA	13.0	13.2	15.8	<b>19.0</b>
	102	123	125	—
Other*	36.2	38.2	43.0	<b>45.3</b>
	63	70	69	—

\*Thailand, Vietnam, Malaysia, Taiwan, Hong Kong, Turkey, Indonesia, Philippines, Singapore, Germany

## FP Recruitment and Training Status in Japan

As of June 30, 2025

10 FPs joined in October 2024 and are currently on-site OJT

35 FPs joined in April 2025 and are in training

(The above 45 FPs are not included in the left chart.)

# Forex Assumption and Sensitivities

(million yen)

	FY2025 Assumption	Impact on Consolidated Net Sales	Impact on Consolidated Operating Income
KRW	0.108 yen	$\pm 0.001$ yen $\rightarrow$ 51	$\pm 0.001$ yen $\rightarrow$ 38
RMB	20.5 yen	$\pm 0.1$ yen $\rightarrow$ 11	$\pm 0.1$ yen $\rightarrow$ 2
USD	145.0 yen	$\pm 1$ yen $\rightarrow$ 15	$\pm 1$ yen $\rightarrow$ 4

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# Overview of Milbon

**Milbon is a cosmetics manufacturer that produces and sells haircare products including treatments and hair coloring products exclusively to hair salons.**

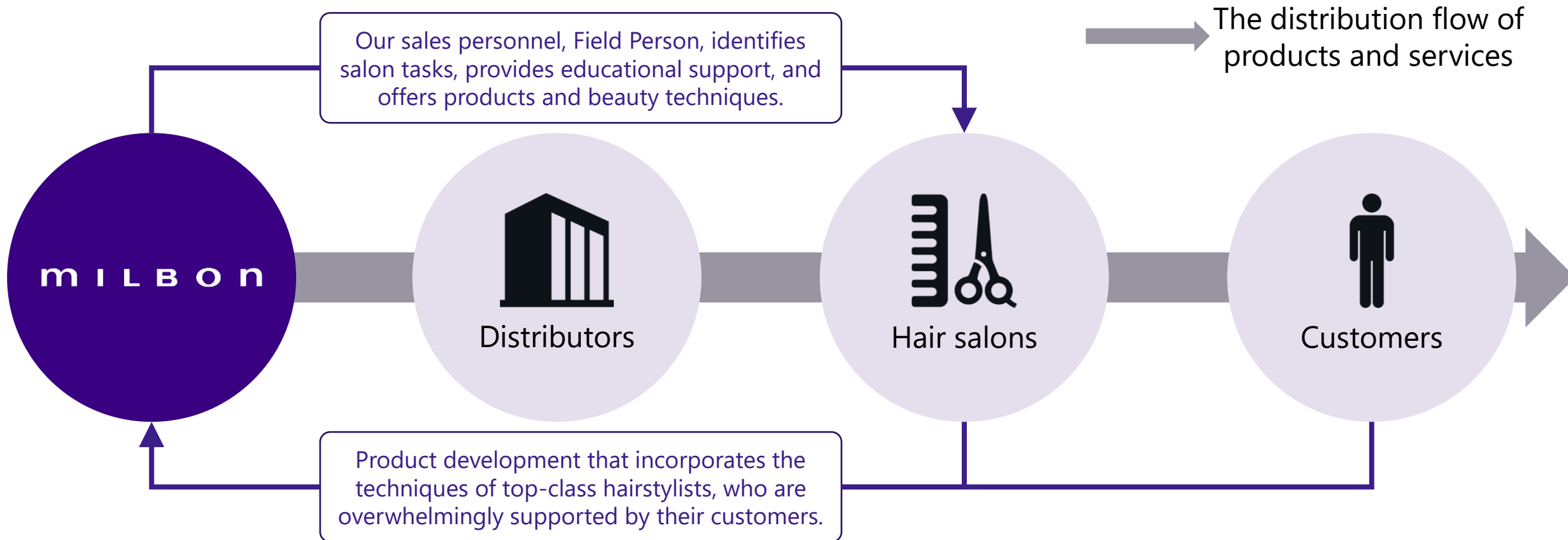


\*Source: Fuji Keizai(2023) haircare products only



# Overview of Milbon: Business Model

**We have established solid trust with hair salons by offering our products and services that contribute to enhance their sales and profits.**



\*We sale product directly to hair salons in some overseas area.

# Overview of Milbon: Three Key Points of Our Business Model



## Consistent focus on hair salons and hair stylists

Since our founding in 1960, we have sustained continuous growth by steadfastly narrowing our business focus to hair salons, with the strategy of increasing sales and profits of hair salons at the forefront of all its initiatives.



## Field Person (FP) System – Sales and educational support to hair salons

This is our unique sales and education system that contributes to greater sales and profit for hair salons. Our Field Person (FP), who acquire beauty techniques through an intensive 9-month training program after joining the company, identifies areas for improvement for each hair salon. FPs support these salons by providing not just products, but also additional value through associated beauty techniques.



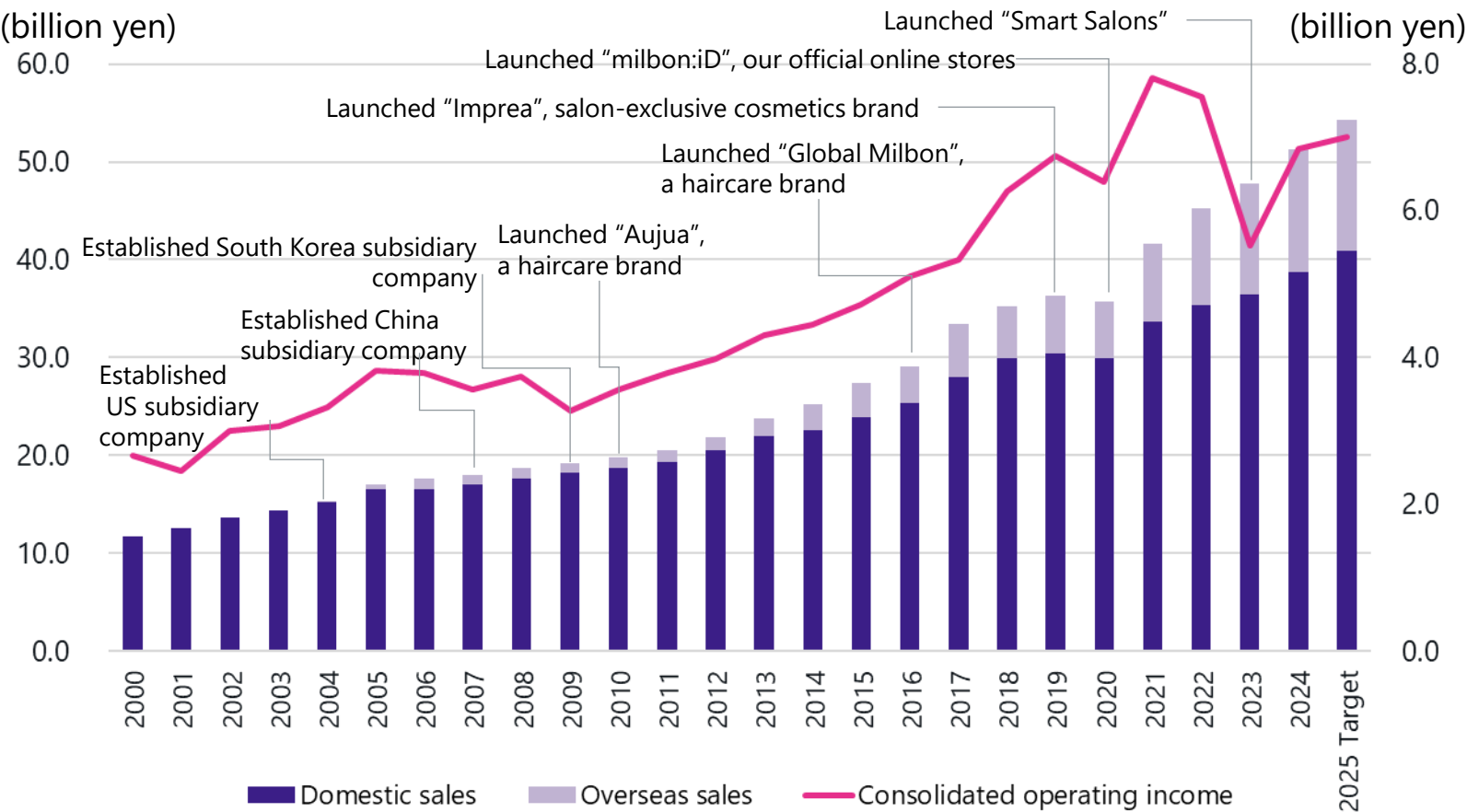
## TAC Product Development System – Standardization of top-class hair stylist's technique

This system seeks out hair stylists with exceptional skills and knowledge, encourages the sharing of their expertise and techniques, and enables our researchers to scientifically decode this knowledge for product development. We aim to commercialize sophisticated beauty techniques in a way that can be broadly replicated across general hair salons.

# Overview of Milbon: Our Growth Trajectory

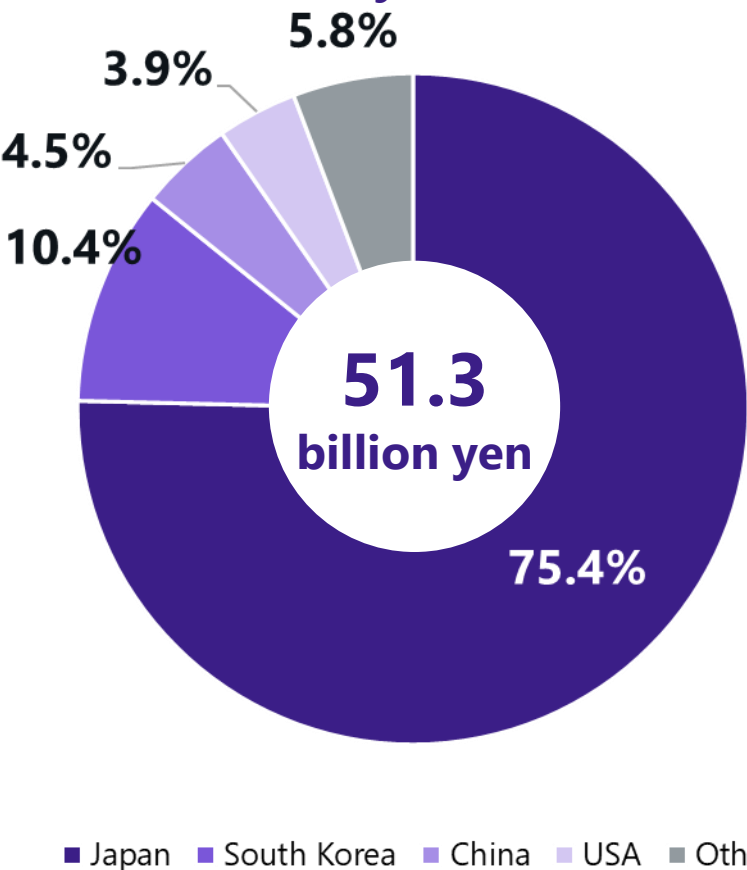
## Steady growth through business expansion in Japan and overseas

### Net Sales and Operating Income



\* FY2017 is an irregular accounting period due to a change in the fiscal year-end date.  
\* The "Accounting Standard for Revenue Recognition," etc., has been adopted since FY2019.  
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### Composition of Sales by Country (FY2024)



# Overview of Milbon: Our Main Products

Haircare and hair coloring products are the mainstay of our sales. In recent years, we have expanded our business to include cosmetics, etc.

Composition of Sales by Product Category (FY2024)

Cosmetics (only available in Japan)

Products sold for retail in hair salons

Main Brand

Imprea



IM



Hair coloring

Items used for in-salon hair coloring

Main Brand

Ordeve Series



Villa Lodola Color

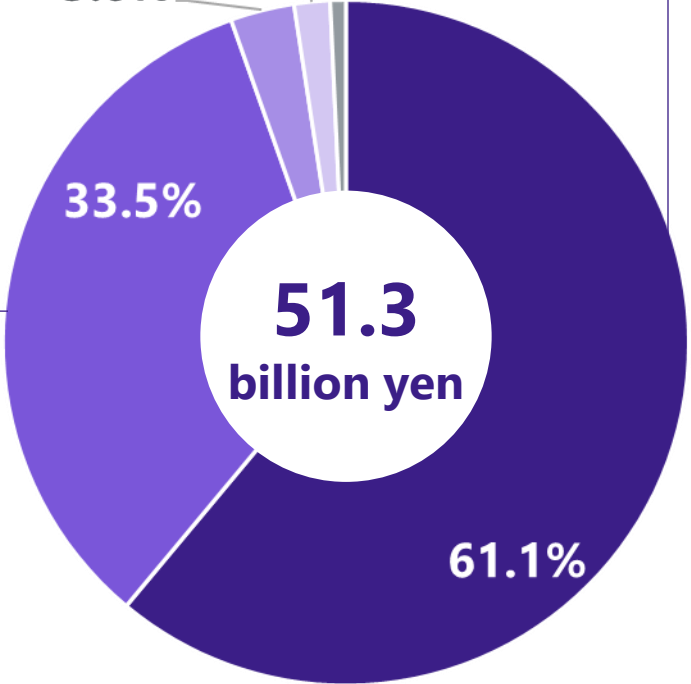


Sophistone

(Hair color brand exclusive for Europe and North America)



3.0% 1.7% 0.7%



■ Hair care ■ Hair coloring ■ Perm ■ Cosmetics ■ Other

Hair Care

- Take-home products sold in salons for customers to use at home.
- Professional products used by stylists during in-salon treatments.

Main Brand

Aujua (Only available in Japan and South Korea)



Global Milbon



Elujuda



# Overview of Milbon: Domestic Hair Salon Market Conditions

Hair salons have the potential for further growth despite the medium- to long term decrease in the number of customers due to declining birth rate and aging population.

## Challenges and Growth of Aging Population with Low Fertility

Although the number of customers at hair salons is expected to decrease over the medium to long term, the promotion of premium-priced services and retail products is expected to drive further improvements in salon productivity and customer spend.



## Community Characteristics Unique to Salons

A visit to a hair salon is necessary to receive its services. Additionally, hair salons hold a place as an indispensable part of people’s lives.

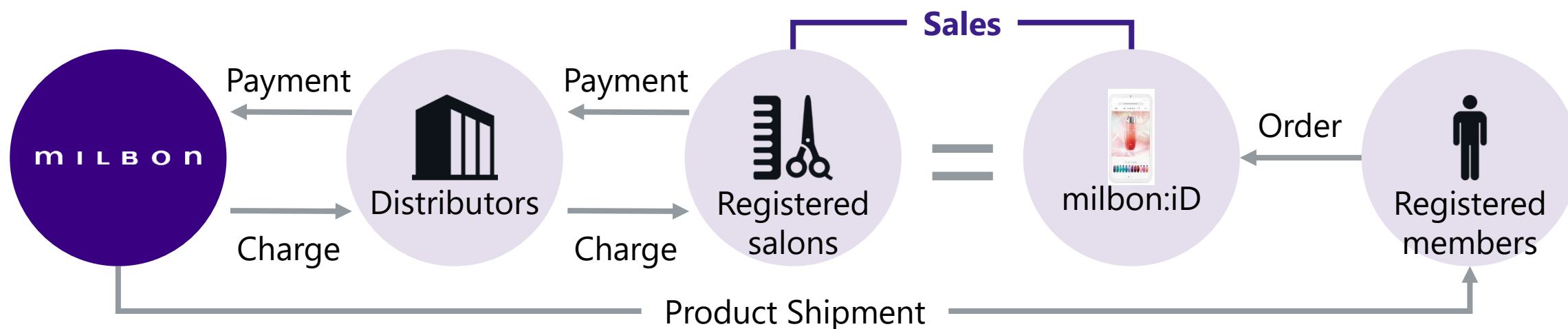
The need for in-person service	The need for repeated, periodic visits	The need for an extended stay
Average rate of use in the past year	Average number of visits per year	Average time spent per visit
Women 80.3%	Women 4.32times	Women 84min
Men 33.9%	Men 5.25times	Men 52min

Source: Beauty Industry Census, First Half of FY2023 (Hair Salons), Recruit Co., Ltd.

# Overview of Milbon: Our Recent Initiatives in Japan, milbon:iD

We launched milbon:iD, an EC platform, in 2020 to support productivity enhancement of hair salons. This platform allows salon customers to purchase retail products online.

## How milbon:iD Works – Revenue is attributed to salons in the BtoBtoC sales channel



## Progress of milbon:iD (as of the end of FY2024)

Number of registered salons

**6,566**

Number of registered members

**880,000**

EC sales (Gross sales)

**1,970 million yen**

# Overview of Milbon: Our Recent Initiatives in Japan, Two Major Strategies

We aim to maximize the inherent value of hair salons, which enables frequent and extended in-person visits, by enhancing our Smart Salon concept and broadening the range of products available for in-salon purchase.

## Smart Salon Strategy – Enhancing the Salon Customer Experience

The Smart Salon system is implemented in hair salons that have embraced the concept. It aims to enhance salon productivity by eliminating the challenges customers face when purchasing retail products.

**Styling station** to provide face-to-face consultation

**Tester station** to raise product awareness and offer trial opportunities

**Generating synergies through the integration of three sales areas**

**EC service milbon:iD** to enhance convenience of products purchase

See our corporate website for more details.:  
<https://www.milbon.com/en/ir/management/business.html>

## Lifetime Beauty Care Strategy – Broadening the Range of Products

We collaborate with other companies to extend salon services and product sales beyond haircare to include skincare and beauty health care.

### Cosmetics (Collaborated with KOSÉ)

IMPREA



### Beauty Supplements

ALANOUS



### Beauty Equipment (Collaborated with Panasonic)

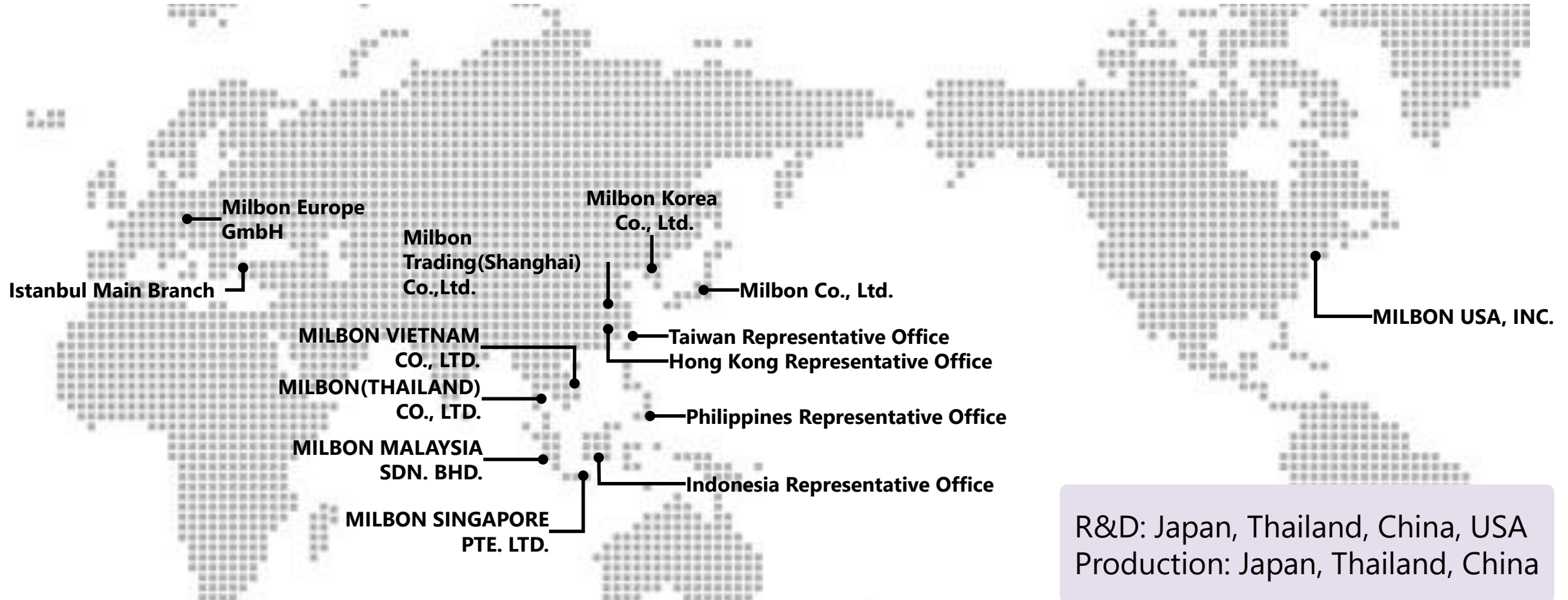
Panasonic x MILBON  
ELMISTA





# Overview of Milbon: Status of Overseas Expansion

We conduct business across the world, and have recently expanded our international bases for R&D as well as production.



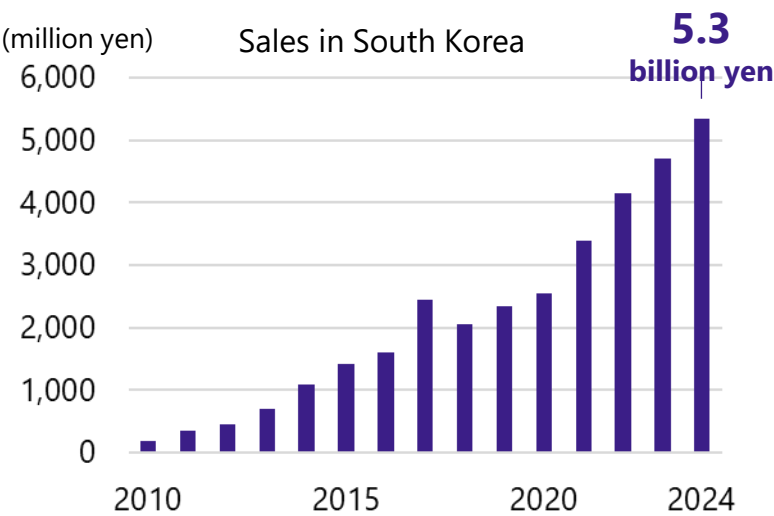


# Overview of Milbon: Our Three Major Overseas Countries

Three major countries, South Korea, China, and the USA account for nearly 80% of overseas sales

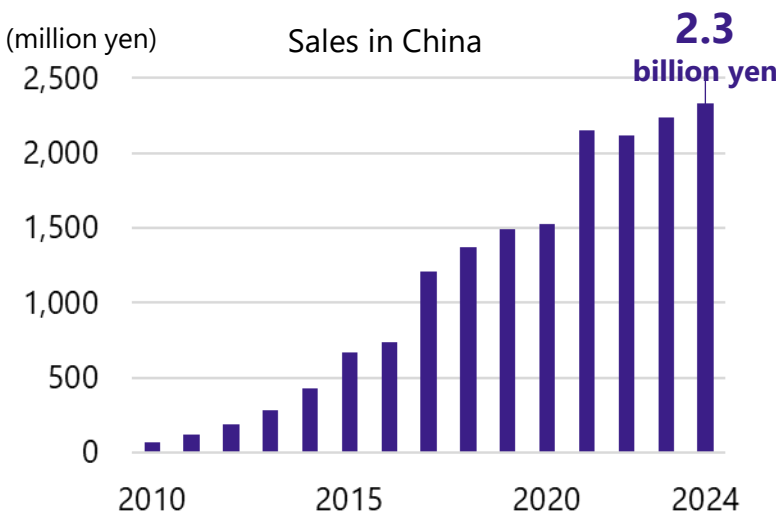
## South Korea

Our educational initiatives focused on hair coloring are highly regarded, contributing to a strong market presence in South Korea. In recent years, we have been strengthening our haircare business, working to transform ourselves into a comprehensive manufacturer.



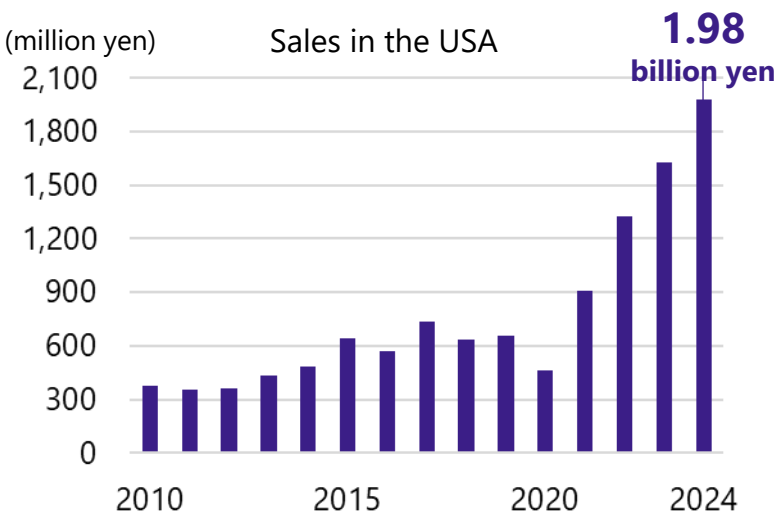
## China

Subsequent to COVID-19, activities for hair salons have gained traction amid market changes, such as decreased frequency of customer visits to salons, leading to a sustained increase in our sales. The local factory commenced operations in 2022.



## USA

We have enjoyed rapid growth triggered by launch of the Global Milbon haircare line and shift in sales structure (from direct sales to distributor ship). With the launch of hair coloring products exclusive for the European and North American markets, further growth is anticipated.

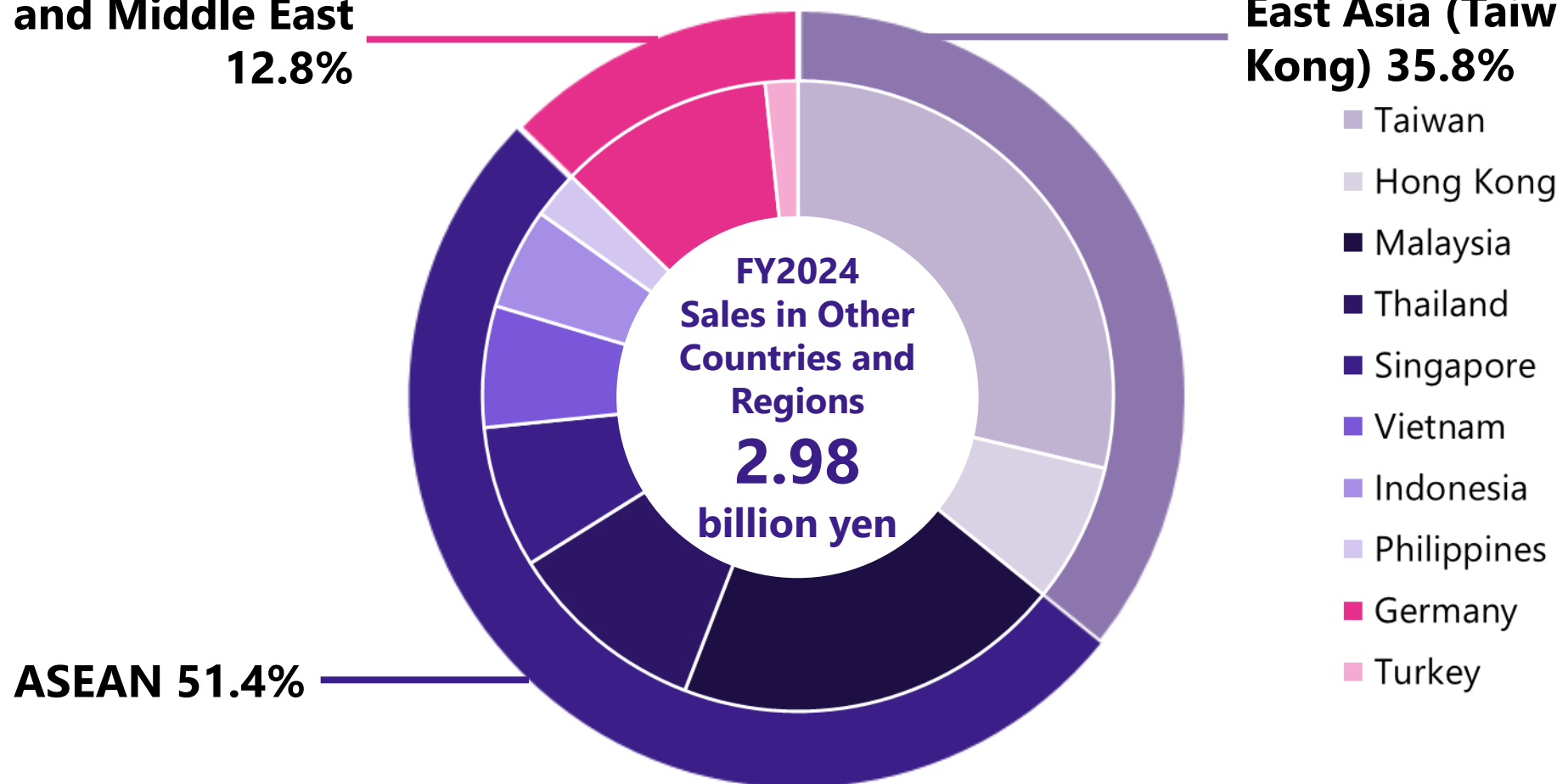


# Overview of Milbon: Other Countries and Regions

Our sales are particularly significant in East Asia and ASEAN, and we have recently expanded into Europe.

Europe and Middle East  
12.8%

East Asia (Taiwan and Hong Kong)  
35.8%



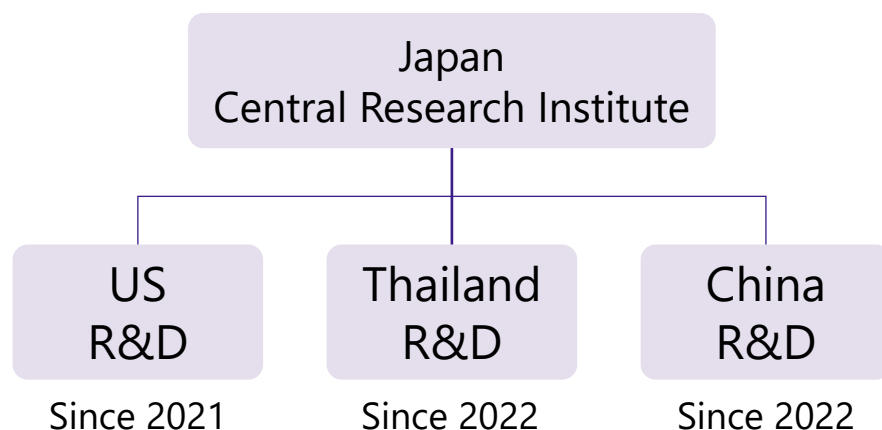
# Overview of Milbon: Our Global R&D and Production

**We aim to minimize geopolitical risks and to align ourselves with the diverse values of beauty unique to each locality, by establishing R&D and production systems in each region.**

## R&D —

### Collaboration Among our Four Global R&D Bases

Through collaboration with R&D bases in each country, we aim to develop global products that captures beauty needs shared worldwide, as well as localized products tailored to each country and region's unique climate, beauty customs, and laws and regulations.



## Production —

### Collaboration Among our Three Global Factories

We respond flexibly to regulatory and trade risks and ensure stable supply both domestically and internationally through collaboration among factories in each country.



Japan: Yumegaoka Factory  
Products for Japan and overseas



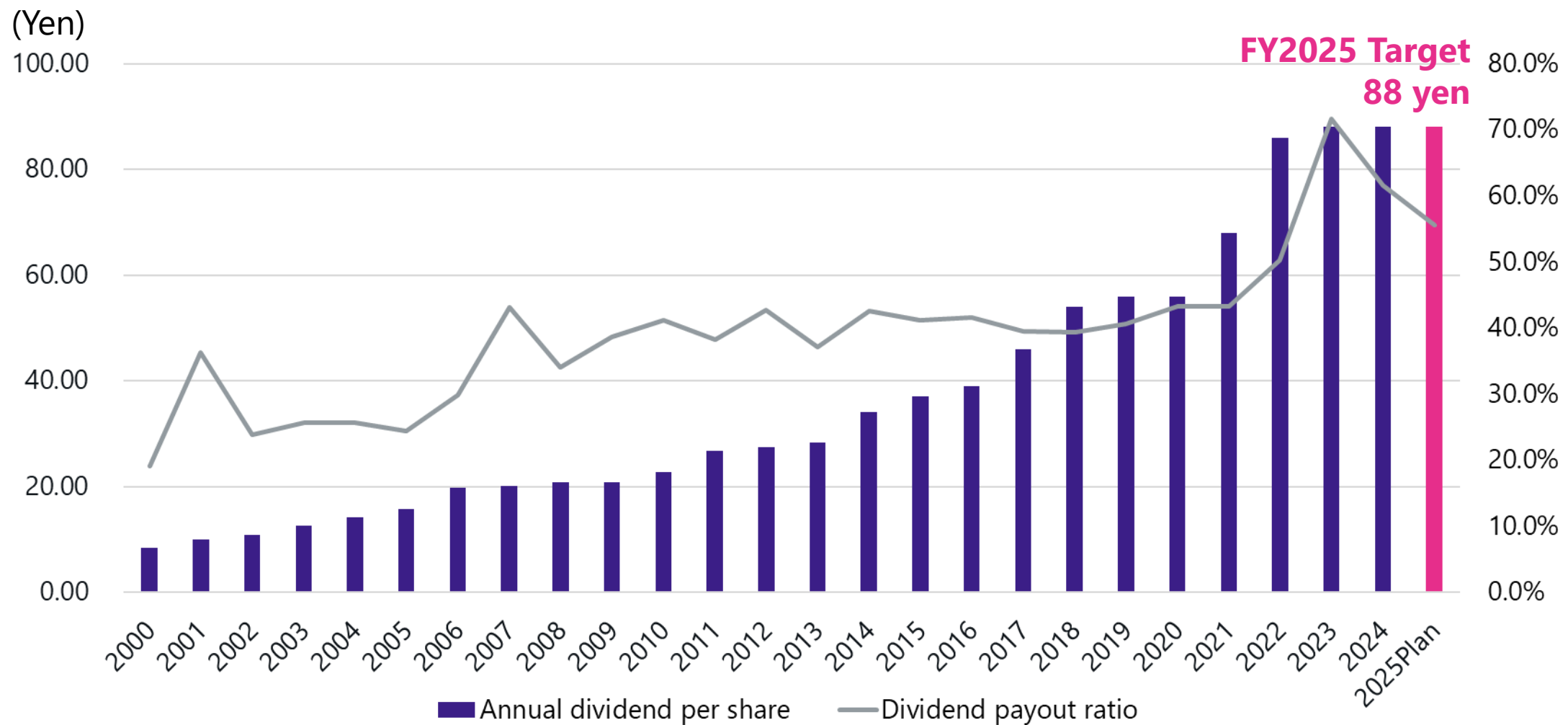
Thailand Factory  
Products for overseas



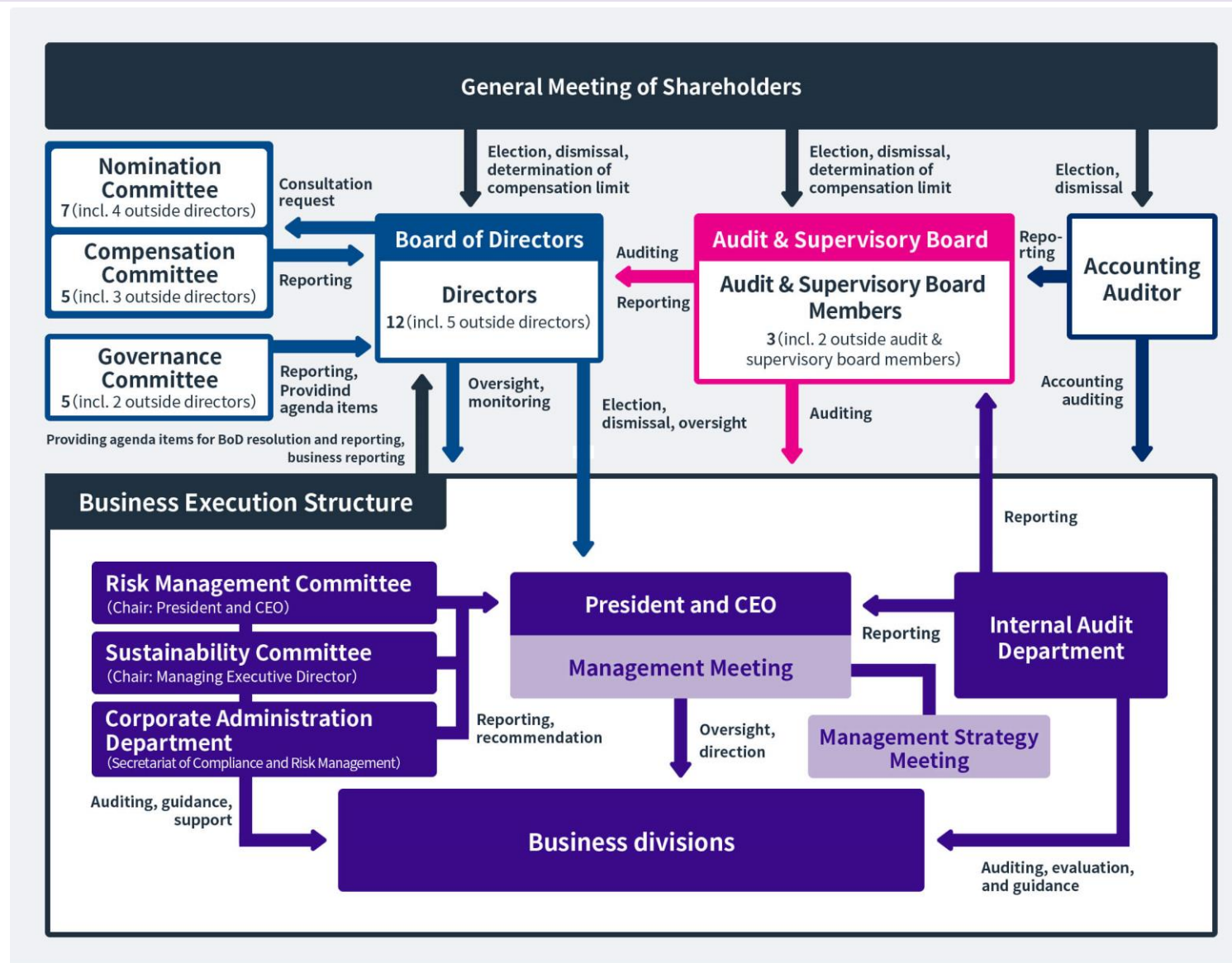
China Factory  
Products for Greater China

# Overview of Milbon: Shareholder Returns

We have set a dividend payout ratio target of 50% and will increase or maintain dividends without reducing them, aiming for higher dividends in line with profit growth.



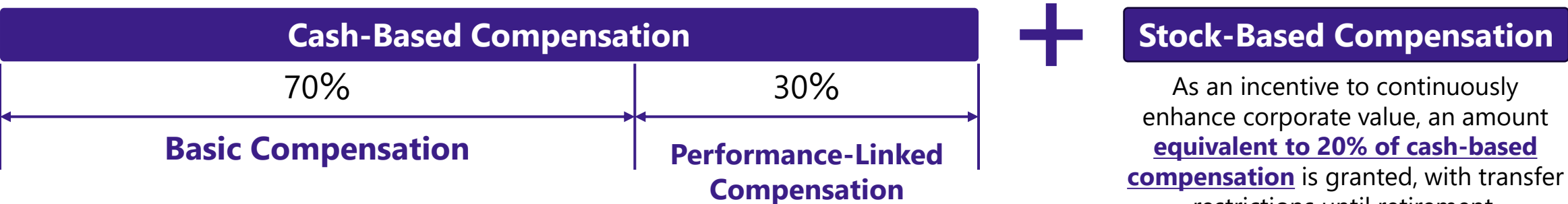
# Overview of Milbon: Corporate Governance Structure



See our Integrated Report for more details : <https://www.milbon.com/en/ir/library/report.html>

# Overview of Milbon: Compensation for Board Members

Compensation for board directors (excluding external board directors) shall consist of cash and stock-based compensation as an incentive to continuously increase corporate value, in order to encourage each board director to perform their duties with an awareness of business performance and sustainable improvement of corporate value.



## Method for calculating performance-linked compensation

1. Calculating the percentage of achievements of targets
- It is calculated by applying a weighted average to the percentage of full-year targets achieved for each performance metric, based on their respective weighting ratios.

Performance Metric	Consolidated Net Sales	Consolidated Operating Income	Consolidated Profit Attributable to Owners of Parent
Weighting	40%	40%	20%

2. Performance-linked coefficient × Standard amount
- The performance-linked compensation amount is determined by multiplying the performance-linked coefficient, based on the achievement percentage, by the standard amount corresponding to the director's position.

Achievement of Targets	≥ 120%	< 120% ≥ 115%	< 115% ≥ 110%	< 110% ≥ 105%	< 105% ≥ 100%	< 100% ≥ 95%	< 95% ≥ 90%	< 90% ≥ 85%	< 85% ≥ 80%	< 80%
Performance-linked coefficient	200%	175%	150%	125%	100%	90%	80%	70%	50%	0%

# Overview of Milbon: Status of Dialogues with Shareholders (FY2024)

We held a total of 163 meetings throughout the year, led mainly by the Managing Executive Director in charge of Finance and IR. During interim and year-end results reporting, the President and CEO actively participated in IR meetings. Additionally, External Board Directors took part in meetings as needed.

## ■ Meeting Overview

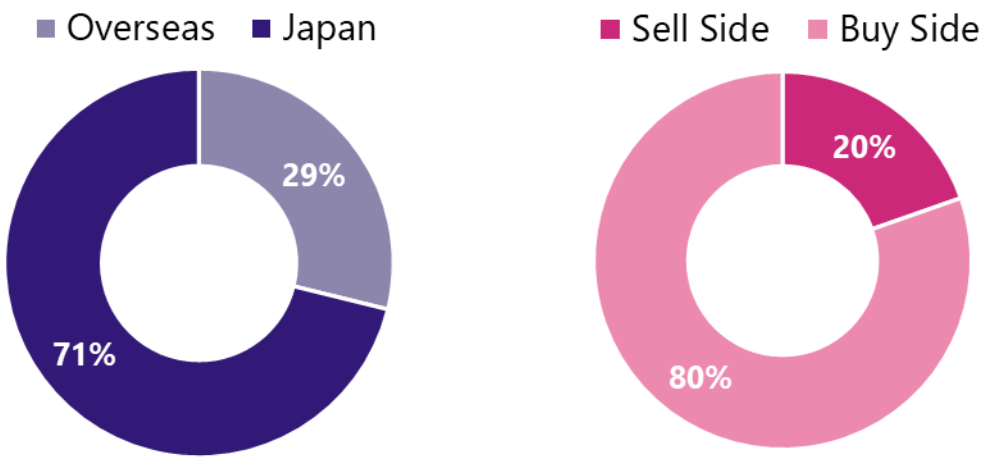
The number of meetings with institutional investors and securities analysts: 163 in total

\*Includes 6 overseas meetings in New York in June 2024

## ■ Main Participants from Milbon for IR Meetings

IR Meetings	President and CEO Managing Executive Director (in charge of Finance, Corporate Communication, and Sustainability Promotion) External Board Directors Manager of IR Division
Financial Results Presentations	President and CEO Chairperson Managing Executive Director
General Meeting of Shareholders	All Board Directors and Auditors

## ■ Profile of Shareholders and Investors We Met



## ■ Status of Feedback to the Board of Directors

- [Quarterly] Submitting IR Reports
- Reporting on market feedback to the Board of Directors immediately after quarterly financial results presentation
  - Shareholder input and issues to be addressed are also reported
- [As Needed] Sharing Comments and Letters from Shareholders and Institutional Investors
- The Director in charge reports to the Board of Directors as needed.



# Overview of Milbon: Status of Dialogues with Shareholders (FY2024)

In response to the various opinions and requests from institutional investors and other shareholders, we outlined the main examples of changes in our actions and disclosures resulting from these dialogues.

## ■ Incorporation of Feedback From Shareholders and Investors

Main Input from Dialogue	Our Action
In training the next generation of leaders, it would be beneficial to strengthen their perspectives on the stock market.	We began a training program for Executive Officers in 2024 with the cooperation of institutional investors.
Since overseas operations are having a greater impact on the company's performance, it is necessary to disclose the company's foreign exchange sensitivity.	We will disclose the foreign exchange sensitivity of sales and profits starting in 2025.
Requests for further disclosure of the shareholder return policy and the policy for appropriate balance sheet management.	We have disclosed a more proactive shareholder returns policy and approach to cost of capital in conjunction with the release of "Management Approach with a Focus on Capital Costs and Stock Prices."



### **Disclaimer**

With respect to the business forecasts included in this document, any statement that is not historical fact is a forward-looking statement based on information available and certain premises that are judged to be rational at the time of the announcement. Please be aware that actual results may differ from any forward-looking statements due to risks, uncertainties, and a number of other factors.