



Consolidated Financial Results for the Six Months Ended June 30, 2025 [Japanese GAAP]

August 8, 2025

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Scheduled filing date for quarterly report: August 8, 2025

Scheduled starting date of dividend payments: August 22, 2025

Preparation of supplementary materials on the quarterly results: Yes

Holding of an explanatory meeting on the quarterly results: Yes (For institutional investors and analysts)

(Amounts of less than one million yen have been omitted.)

1. Consolidated financial results for the Six months ended June 30, 2025 (January 1, 2025 - June 30, 2025)

(1) Consolidated operating results

(Percentages show year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended June 30, 2025	24,807	1.1	1,938	(39.0)	1,853	(44.3)	419	(81.6)
Six months ended June 30, 2024	24,526	8.0	3,178	2.8	3,324	6.3	2,280	3.9

Note: Comprehensive income Six months ended June 30, 2025: 140 million yen [(95.8)%]

Six months ended June 30, 2024: 3,353 million yen [20.5%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended June 30, 2025	12.87	-
Six months ended June 30, 2024	70.06	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2025	55,958	47,480	84.9
As of December 31, 2024	58,899	48,817	82.9

(Reference) Equity As of June 30, 2025: 47,480 million yen

As of December 31, 2024: 48,817 million yen

2. Payment of dividends

	Annual dividends				
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	End of fiscal year	Total
	Yen	Yen	Yen	Yen	Yen
Year ended December 31, 2024	-	40.00	-	48.00	88.00
Year ending December 31, 2025	-	40.00			
Year ending December 31, 2025 (forecast)				48.00	88.00

Note: Changes to latest dividends forecast: None

3. Consolidated operating results forecasts for the fiscal year ending December 31, 2025 (January 1, 2025 - December 31, 2025)

(Percentages show year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Year ending December 31, 2025	52,300	1.9	5,300	(22.5)	5,180	(25.7)	3,000	(40.2)	92.09

Note: Changes to latest performance forecast: Yes

*Notes

(1) Significant changes in the scope of consolidation during the period : None

New: 0 company (Company name:)

Exclude: 0 companies (Company name:)

(2) Application of accounting methods specific to the preparation of interim consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatements

- 1) Changes in accounting policies due to amendment to the accounting standards, etc. : Yes
- 2) Changes in accounting policies other than those in 1) above : None
- 3) Changes in accounting estimates : None
- 4) Retrospective restatements : None

(4) Number of shares issued (common stock)

- 1) Number of shares issued at the end of the period (including treasury shares)
- 2) Number of treasury shares at the end of the period
- 3) Average number of shares during the period

As of June 30, 2025	33,117,234 shares	As of December 31, 2024	33,117,234 shares
As of June 30, 2025	524,844 shares	As of December 31, 2024	555,070 shares
Six months ended June 30, 2025	32,575,503 shares	Six months ended June 30, 2024	32,549,746 shares

*These financial statements are not subject to the review by a certified public accountant or an audit corporation.

*Explanation on the appropriate use of operating forecasts and other special instructions

Operating forecasts and other statements regarding the future presented in these materials are based on information currently available and certain assumptions deemed to be reasonable, and actual performance may differ substantially due to various factors.

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1. Qualitative Information on Consolidated Results for the Current Period

(1) Explanation on Operating Results

During the current interim consolidated fiscal year, the Japanese economy continued its gradual recovery, supported by improvements in employment and income conditions. However, some weakness persisted in the economy, due to ongoing consumer belt-tightening in response to rising prices. In addition, further price increases and developments in US tariff policies remain risk factors that could impact the Japanese economy.

In light of this situation, during the fourth year of the Medium-Term Management Plan (2022–2026), Fiscal Year 2025, we are promoting the Smart Salon initiative and milbon:iD in the domestic market to strengthen the infrastructure that enables customers to more conveniently purchase take-home products from salons. This effort is part of our broader goal of realizing the Beauty Platform Plan, which seeks to redefine the role of hair salons. Additionally, to encourage higher value-added services and increased unit prices of salon services, we are advancing our high-value hair color strategy and promoting technical support for stylists through in-salon and sommelier training programs designed to enhance their expertise. By advancing our strategy to elevate the value and pricing of salon services, we aim to maximize the effectiveness of the Smart Salon initiative and milbon:iD. In overseas markets, we are reassessing investment priorities across the seven regions in which we operate. We are focusing on strengthening field activities in the United States, the European Union, and South Korea, markets we have identified as having high marketability and growth potential. Specifically, we are expanding our personnel in the United States, enhancing product branding, and accelerating efforts to grow our presence in both the hair color and hair care categories.

Interim consolidated net sales for the current fiscal year totaled 24,807 million yen, a year-on-year increase of 1.1%. In Japan, sales of Elujuda, a professional brand, remained robust. Newly launched products in April performed well, and preemptive demand ahead of the partial price increase implemented in May contributed to domestic sales growth. In the hair coloring category, Villa Lodola Color continued to show strong growth, supported by our high-value-added color strategy. However, sales volume of fashion colors such as Ordeve Addicthy declined due to intensified market competition. Amid sluggish growth in the overall hair color market, some salons shifted to lower-priced brands to reduce raw material costs. Overseas, net sales in our key markets—the United States and the European Union—achieved double-digit growth, contributing to overall favorable performance.

Regarding earnings, gross profit declined due to sluggish domestic sales, mainly in hair coloring products, and inventory losses resulting from decreased cosmetic products. SG&A expenses increased primarily due to higher personnel costs from an increase in staff and base pay hikes, higher logistics costs driven by growth in overseas and e-commerce sales, and increased advertising expenses including those related to the Expo. As a result, operating income decreased by 39.0% to 1,938 million yen, while ordinary income decreased by 44.3% to 1,853 million yen. In addition, a loss on valuation of investment securities was recorded as extraordinary losses as the market value of the securities held declined by more than 50% from acquisition cost. Consequently, profit attributable to owners of the parent was 419 million yen, down 81.6% year-on-year.

Net sales by item and net sales by domestic and foreign country are as follows.

[Breakdown of consolidated net sales by product category]

(Unit: million yen)

Product category	Six months ended June 30, 2024		Six months ended June 30, 2025		Increase (decrease) amount	Year-on-year change (%)
	Amount	% to sales	Amount	% to sales		
Haircare products	14,682	59.9	15,624	63.0	941	6.4
Hair coloring products	8,346	34.0	7,982	32.2	(363)	(4.4)
Permanent wave products	799	3.3	710	2.9	(89)	(11.2)
Cosmetic products	566	2.3	327	1.3	(239)	(42.2)
Other	131	0.5	163	0.6	32	24.7
Total	24,526	100.0	24,807	100.0	281	1.1

[Breakdown of net sales into domestic and overseas sales]

(Unit: million yen)

	Six months ended June 30, 2024		Six months ended June 30, 2025		Increase (decrease) amount	Year-on-year change (%)
	Amount	% to sales	Amount	% to sales		
Domestic sales	18,367	74.9	18,483	74.5	116	0.6
Overseas sales	6,159	25.1	6,323	25.5	164	2.7
Total	24,526	100.0	24,807	100.0	281	1.1

(2) Explanation on Financial Position

① Assets, liabilities and net assets

Total assets at the end of the current interim consolidated accounting period decreased by 2,940 million yen from the end of the previous fiscal year to 55,958 million yen.

Current assets decreased by 2,445 million yen from the end of the previous fiscal year to 28,490 million yen. The main factors for the change were decreases of 2,103 million yen in Cash and deposits and 728 million yen in Notes and accounts receivable - trade.

Non-current assets decreased by 495 million yen from the end of the previous fiscal year to 27,467 million yen.

Current liabilities decreased by 1,599 million yen from the end of the previous fiscal year to 7,608 million yen. The main factors for the change were decreases of 1,027 million yen in Accounts payable - other and 426 million yen in Income taxes payable.

Non-current liabilities decreased by 4 million yen from the end of the previous fiscal year to 869 million yen.

Net assets decreased by 1,336 million yen from the end of the previous fiscal year to 47,480 million yen. The main factors for the change were decreases of 1,143 million yen in Retained earnings and 638 million yen in Foreign currency translation adjustment due to the appreciation of the yen.

As a result, the equity ratio changed from 82.9% at the end of the previous fiscal year to 84.9%. Net assets per share based on the total number of shares outstanding at the end of the fiscal year was 1,456.80 yen, down from 1,499.20 yen at the end of the previous fiscal year.

② Cash flows

Cash and cash equivalents ("funds") at the end of the current interim consolidated accounting period decreased by 2,101 million yen from the end of the previous consolidated accounting year to 11,676 million yen.

(Cash flows from operating activities)

Net cash provided by operating activities was 1,466 million yen. This was mainly due to the recording of Profit before income taxes of 1,098 million yen, Depreciation of 1,136 million yen, Loss on valuation of investment securities of 755 million yen, Decrease in trade receivables of 686 million yen, and Increase in inventories of 410 million yen, and Income taxes paid of 1,173 million yen.

(Cash flows from investing activities)

Net cash used in investing activities was 1,819 million yen. This was mainly due to Purchase of property, plant and equipment of 1,674 million yen and Purchase of intangible assets of 119 million yen.

(Cash flows from financing activities)

Net cash used in financing activities was 1,570 million yen. This was mainly due to Dividends paid to shareholders of 1,570 million yen.

(3) Explanation on Forward-Looking Statements Including Consolidated Operating Forecasts

With regard to the full-year earnings forecast, the previous forecast (announced on February 14, 2025) has been revised, taking into account the most recent earnings and other factors. For details, please refer to the "Notice of Revision to Consolidated Operating Results Forecast" announced today (August 8, 2025).

2. Interim Consolidated Financial Statements and Main Notes

(1) Interim Consolidated Balance Sheets

(Thousand yen)

	Previous fiscal year As of December 31, 2024	Current 2nd quarter As of June 30, 2025
Assets		
Current assets		
Cash and deposits	13,829,730	11,725,789
Notes and accounts receivable - trade	6,037,963	5,309,932
Merchandise and finished goods	7,815,306	8,029,010
Work in process	58,436	52,655
Raw materials and supplies	2,430,008	2,423,463
Other	778,634	963,780
Allowance for doubtful accounts	(14,103)	(14,103)
Total current assets	30,935,977	28,490,529
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	9,726,301	9,389,172
Machinery, equipment and vehicles, net	3,477,183	3,185,519
Land	6,478,922	6,471,915
Construction in progress	1,634,978	2,229,932
Other, net	990,417	933,965
Total property, plant and equipment	22,307,804	22,210,505
Intangible assets	1,675,032	1,537,371
Investments and other assets		
Investment securities	875,480	693,560
Long-term loans receivable	28,565	41,061
Net defined benefit asset	739,025	741,142
Deferred tax assets	940,314	824,805
Other	1,422,145	1,444,634
Allowance for doubtful accounts	(25,290)	(25,290)
Total investments and other assets	3,980,240	3,719,914
Total non-current assets	27,963,077	27,467,791
Total assets	58,899,055	55,958,321
Liabilities		
Current liabilities		
Accounts payable - trade	1,444,264	1,463,466
Accounts payable - other	4,545,685	3,518,066
Income taxes payable	1,229,121	803,061
Provision for bonuses	612,819	654,404
Other	1,376,179	1,169,381
Total current liabilities	9,208,070	7,608,381
Non-current liabilities		
Net defined benefit liability	17,278	16,496
Asset retirement obligations	737,191	736,369
Other	119,425	116,326
Total non-current liabilities	873,895	869,193
Total liabilities	10,081,966	8,477,574

(Thousand yen)

	Previous fiscal year As of December 31, 2024	Current 2nd quarter As of June 30, 2025
Net assets		
Shareholders' equity		
Capital stock	2,000,000	2,000,000
Capital surplus	298,667	280,721
Retained earnings	45,232,474	44,088,654
Treasury shares	(1,906,453)	(1,802,593)
Total shareholders' equity	45,624,687	44,566,782
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(398,009)	-
Foreign currency translation adjustment	3,239,389	2,601,316
Remeasurements of defined benefit plans	351,021	312,647
Total accumulated other comprehensive income	3,192,401	2,913,963
Total net assets	48,817,089	47,480,746
Total liabilities and net assets	58,899,055	55,958,321

(2) Interim Consolidated Statements of Earnings and Interim Consolidated Statements of Comprehensive Income
(Interim Consolidated Statements of Earnings)

(Thousand yen)

	Six months ended June 30, 2024 (January 1, 2024 - June 30, 2024)	Six months ended June 30, 2025 (January 1, 2025 - June 30, 2025)
Net sales	24,526,319	24,807,456
Cost of sales	8,770,342	9,305,330
Gross profit	15,755,977	15,502,126
Selling, general and administrative expenses	12,577,227	13,563,536
Operating income	3,178,750	1,938,590
Non-operating income		
Interest income	12,076	11,194
Dividend income	8,763	2,292
Share of profit of entities accounted for using equity method	33,806	-
Foreign exchange gains	96,247	-
Company house defrayment income	1,699	1,446
Subsidy income	13,702	14,318
Other	11,568	15,382
Total non-operating income	177,865	44,634
Non-operating expenses		
Share of loss of entities accounted for using equity method	-	9,406
Foreign exchange losses	-	120,087
Provision of allowance for doubtful accounts	20,100	-
Other	11,669	411
Total non-operating expenses	31,769	129,906
Ordinary income	3,324,846	1,853,318
Extraordinary income		
Gain on sales of non-current assets	-	625
Total extraordinary income	-	625
Extraordinary losses		
Loss on retirement of non-current assets	19,057	447
Loss on sales of non-current assets	-	0
Loss on valuation of investment securities	-	755,420
Total extraordinary losses	19,057	755,868
Income before income taxes	3,305,788	1,098,075
Income taxes - current	1,100,004	721,479
Income taxes - deferred	(74,606)	(42,568)
Total income taxes	1,025,398	678,911
Net income	2,280,390	419,164
Profit attributable to owners of parent	2,280,390	419,164

(Interim Consolidated Statements of Comprehensive Income)

(Thousand yen)

	Six months ended June 30, 2024 (January 1, 2024 - June 30, 2024)	Six months ended June 30, 2025 (January 1, 2025 - June 30, 2025)
Net income	2,280,390	419,164
Other comprehensive income		
Valuation difference on available-for-sale securities	(27,207)	398,009
Foreign currency translation adjustment	1,136,207	(638,072)
Remeasurements of defined benefit plans, net of tax	(36,112)	(38,374)
Total other comprehensive income	1,072,887	(278,437)
Interim Comprehensive income	3,353,278	140,726
Comprehensive income attributable to		
Interim Comprehensive income attributable to owners of the parent	3,353,278	140,726
Interim Comprehensive income related to non-controlling shareholders	-	-

(3) Interim Consolidated Statements of Cash Flows

(Thousand yen)

	Six months ended June 30, 2024 (January 1, 2024 - June 30, 2024)	Six months ended June 30, 2025 (January 1, 2025 - June 30, 2025)
Cash flows from operating activities		
Income before income taxes	3,305,788	1,098,075
Depreciation	1,117,194	1,136,193
Increase (decrease) in allowance for doubtful accounts	(18,297)	-
Increase (decrease) in provision for bonuses	19,046	45,192
Decrease (increase) in net defined benefit asset	(48,856)	(58,138)
Interest and dividend income	(20,840)	(13,486)
Share of (profit) loss of entities accounted for using equity method	(33,806)	9,406
Foreign exchange losses (gains)	(95,773)	44,237
Loss (gain) on valuation of investment securities	-	755,420
Gain on sales of non-current assets	-	(625)
Loss on retirement of non-current assets	19,057	447
Decrease (increase) in notes and accounts receivable - trade	362,209	686,798
Decrease (increase) in inventory	(986,181)	(410,835)
Increase (decrease) in notes and accounts payable - trade	658,293	60,915
Other	119,612	(729,737)
Subtotal	4,397,446	2,623,864
Interest and dividend income received	22,569	15,638
Income taxes paid	(389,028)	(1,173,310)
Cash flows from operating activities	4,030,987	1,466,192
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,031,859)	(1,674,124)
Proceeds from sales of property, plant and equipment	-	625
Purchase of intangible assets	(186,592)	(119,080)
Collection of loans receivable	180	170
Payments for guarantee deposits	(60,714)	(31,610)
Proceeds from collection of guarantee deposits	3,525	4,821
Other	21,496	(30)
Cash flows from investing activities	(1,253,964)	(1,819,229)
Net cash provided by (used in) financing activities		
Net decrease (increase) in treasury shares	58	(268)
Cash dividends paid	(1,559,927)	(1,570,561)
Net cash provided by (used in) financing activities	(1,559,868)	(1,570,829)
Effect of exchange rate change on cash and cash equivalents	393,008	(177,775)
Net increase (decrease) in cash and cash equivalents	1,610,163	(2,101,642)
Cash and cash equivalents at beginning of period	11,292,078	13,778,584
Cash and cash equivalents at Interim end end of period	12,902,241	11,676,941

(4) Note on Interim Consolidated Financial Statements

(Notes regarding going concern assumption)

None

(Changes in accounting policies)

(Application of the Accounting Standard for Income taxes - current, etc.)

"Accounting Standard for Income taxes - current, etc." (ASBJ Statement No. 27, October 28, 2022; hereinafter referred to as the "Revised Accounting Standard, 2022") has been applied from the beginning of the first quarter of the current fiscal year

This change in accounting policy had no impact on the quarterly consolidated financial statements.

(Notes in case of any significant changes in shareholders' equity)

None

(Notes on segment information, etc.)

This information is omitted since the Group has a single segment of manufacture and sales of cosmetic products.

(Significant subsequent events)

Repurchase of own shares

We have resolved the matters concerning the repurchase of own shares pursuant to the provisions of Article 156 of the Companies Act, as applied by replacing the relevant terms pursuant to the provisions of Article 165, paragraph (3) of the same Act at a meeting of the Board of Directors held on August 8, 2025,

1. Reason for Repurchase of Own Shares

The Company has decided to repurchase its own shares to enhance shareholder returns and improve capital efficiency, taking into consideration various factors including the current business environment and its financial position.

2. Details of Matters Related to Repurchase

(1)	Class of shares to be repurchased	Common shares
(2)	Total number of shares to be repurchased	870,000 shares (maximum) (2.7% of total number of issued shares (excluding treasury shares))
(3)	Total amount of share repurchases costs	JPY 2 billion (maximum)
(4)	Repurchase period	From August 12, 2025 to December 23, 2025
(5)	Method of repurchase	Purchase in the market through the Tokyo Stock Exchange