



Milbon Co., Ltd.

Q1 Financial Results Briefing for the Fiscal Year Ending December 2026

May 15, 2026

Event Summary

[Company Name]	Milbon Co., Ltd.	
[Company ID]	4919-QCODE	
[Event Language]	JPN	
[Event Type]	Earnings Announcement	
[Event Name]	Q1 Financial Results Briefing for the Fiscal Year Ending December 2026	
[Fiscal Period]	FY2026 Q1	
[Date]	May 15, 2026	
[Venue]	Webcast	
[Number of Speakers]	1 Shinichiro Hyogo	Executive Officer, General Manager of Corporate Communication Department and in charge of Finance

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Presentation

Hyogo: Hello, everyone. My name is Hyogo, and I serve as Executive Officer, General Manager of Corporate Communication Department, and in charge of Finance. Thank you for taking the time out of your busy schedules to attend our financial results briefing today.

As time is limited, I will move straight to the presentation materials.

Key Highlights of Financial Results for Q1 of FY2026

FY2026 Q1 YTD Results	[Year-on-year] Net Sales increased by 11.0%, and operating income increased by 75.4%. [Versus plan] Net Sales increased by 3.7%, and operating income increased by 62.4%, exceeding the plan.
Net Sales by Region	- Domestic hair salon market growth remained subdued. Amid a challenging market conditions, sales of hair care products remained resilient, while sales of hair coloring products recovered to near year-on-year levels (-0.5%). As a result, domestic sales progressed broadly in line with the plan. - Overseas sales increased by 31.1% on a yen basis and by 25.1% on a local-currency basis, reflecting strong performance overall. Sales in the U.S. in particular showed strong year-on-year growth of 72.9% on a yen basis.
Operating Income	Operating income exceeded both the year-on-year level and the plan due to higher gross profit driven by increased sales, and lower-than-planned SG&A expenses due to timing differences. The operating margin improved to 10.1% (Q1 of the previous fiscal year: 6.4%)
FY2026 Outlook	Although uncertainties remain, in light of the solid performance to date, we have left the full-year plan unchanged at this stage.

Here are the highlights of Q1 financial results. Compared to the previous fiscal year, net sales increased 11%, and operating income increased 75.4%. Compared to our plan, net sales increased 3.7%, and operating income increased 62.4%, resulting in strong performance that exceeded the Company's plan.

On net sales by region, the domestic hair salon market continues to struggle, but sales of our hair care products remain steady. Sales of hair coloring products have also recovered to a level nearly in line with the previous year. In terms of our plan, domestic sales were largely in line with plan.

Overseas sales showed strong growth, increasing 31.1% on a yen basis and 25.1% on a local currency basis. We believe that the business is generally performing well. In particular, the US posted strong growth with a 72.9% increase YoY. I will explain the reasons for this later.

Operating income exceeded both the previous year's figure and the plan due to higher gross profit driven by higher sales, as well as time-related underspend in SG&A expenses.

The operating margin was 10.1%. This is a significant improvement from 6.4% in Q1 of last year.

On the full-year outlook, while uncertainties such as the Middle East situation remain, we have maintained our current forecast, considering our strong recent performance.

Consolidated Statement of Earnings

Although sales benefited from the weaker yen, strong overseas performance drove to solid sales growth. Operating income significantly exceeded the plan, supported by higher gross profit from increased sales as well as timing differences in SG&A expenses.

(Unit: million yen)	FY2025 Q1YTD	FY2026		Diff.	Diff. (%)	FY2026 Q1 YTD Target	Vs. Target (%)
		Q1	YTD				
Net Sales	11,180	12,415	12,415	1,234	+11.0%	11,977	103.7%
Gross Profit	7,057	7,872	7,872	814	+11.5%	7,647	102.9%
Gross Profit Margin	63.1%	63.4%	63.4%	—	—	63.8%	—
SG&A Expenses	6,345	6,622	6,622	276	+4.4%	6,877	96.3%
Operating Income	712	1,250	1,250	537	+75.4%	770	162.4%
Operating Margin	6.4%	10.1%	10.1%	—	—	6.4%	—
Non-operating Income	(87)	86	86	174	—	(41)	—
Ordinary Income	625	1,337	1,337	711	+113.7%	729	183.4%
Extraordinary Income(Loss)	(0)	(0)	(0)	0	—	(5)	—
Profit Attributable to Owners of Parent	462	1,015	1,015	553	+119.6%	530	191.6%

© Milbon Co., Ltd. All rights reserved.

4

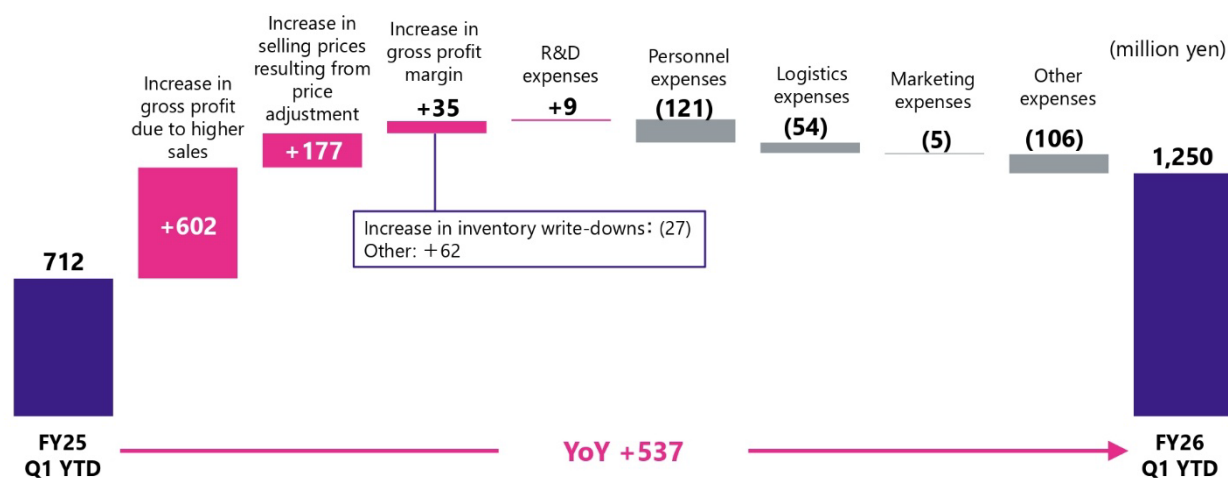
Find Your Beauty **MILBON**

This is the consolidated statement of earnings. As mentioned earlier, net sales were strong overseas, partly due to the effect of the weak yen, and operating income significantly exceeded the target, mainly due to increased gross profit from higher sales and the timing of SG&A recognition.

The second column on the right shows the plan for Q1 of FY2026. One point I would like you to note is in the line of ordinary income. The growth rate here is a high 113.7% YoY. This is primarily due to foreign exchange gains recorded in non-operating income this quarter, in contrast to the foreign exchange losses incurred in the previous quarter.

Consolidated Operating Income – Factors Behind YoY Changes

In addition to higher sales, the gross profit margin improved. Logistics costs increased with higher sales, while personnel expenses rose primarily due to headcount growth and base salary increases.



© Milbon Co., Ltd. All rights reserved.

5

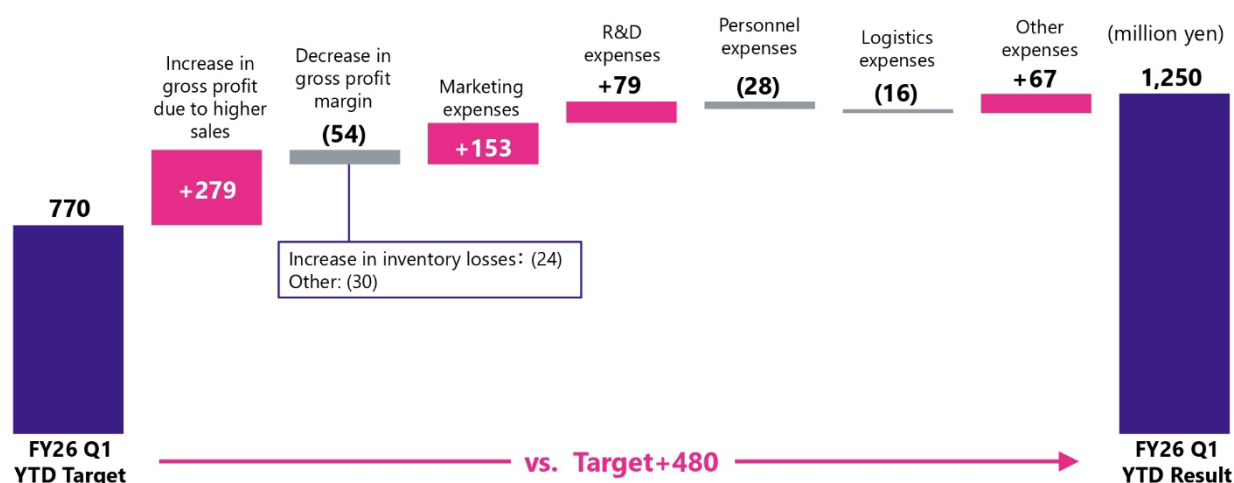
Find Your Beauty **MILBON**

Page 5 shows the YoY changes in consolidated operating income using a waterfall chart. As you can see, the increase in gross profit due to higher sales and the increase in unit price due to price revisions were among the factors that boosted profits.

However, this increase was partially offset by higher personnel expenses due to an increase in staff and pay raises, as well as increases in other expenses. As a result, it increased by JPY537 million YoY.

Consolidated Operating Income – Factors Behind Difference vs. Target

Although marketing and R&D expenses included timing differences, they contributed positively to profit versus the plan.



Page 6 shows the factors contributing to the variance in consolidated operating income compared to the plan. As I mentioned earlier, this is primarily due to sales growth, particularly in overseas markets. In addition to the increase in gross profit from this sales growth, there were also timing differences in marketing expenses and R&D expenses.

On the other hand, we recorded inventory losses of JPY24 million, which was related to cosmetics. We had not anticipated recognizing this in Q1. Its recognition had a negative impact.

Including these factors of timing differences, it landed at a positive JPY480 million compared to the plan.

Net Sales and Operating Income by Region

(Unit: million yen)		Q1 YTD FY2025	Q1 YTD FY2026	Diff.	Diff. (%)	Actual Diff. Rate*1 (%)	Q1 YTD FY2026 Target	Exchange Rate Q1 FY25	Exchange Rate Q1 FY26
Japan	Net Sales	8,165	8,462	296	3.6%	3.6%	8,446		
	Operating Income	566	660	93	16.5%	—	—	—	—
	Margin (%)	6.9%	7.8%	—	—	—	—	—	—
Overseas	Net Sales	3,014	3,952	937	31.1%	25.1%	3,530		
	Operating Income	145	589	443	304.2%	—	—	—	—
	Margin (%)	4.8%	14.9%	—	—	—	—	—	—
South Korea	Net Sales	1,189	1,428	239	20.1%	16.8%	1,436	1KRW=	1KRW=
	Operating Income ^{*2}	404	518	113	28.1%	—	—	0.1045 yen	0.1074 yen
	Margin (%)	34.0%	36.3%	—	—	—	—		
China	Net Sales	637	793	155	24.4%	15.7%	689	1RMB=	1RMB=
	Operating Income	67	119	51	75.5%	—	—	20.98 yen	22.56 yen
	Margin (%)	10.7%	15.0%	—	—	—	—		
USA	Net Sales	495	856	361	72.9%	67.1%	552	1USD=	1USD=
	Operating Income	(20)	174	195	—	—	—	151.21¥	156.45 yen
	Margin (%)	(4.2%)	20.3%	—	—	—	—		
EU	Net Sales	110	175	65	58.7%	37.8%	162	1EUR=	1EUR=
	Operating Income	(46)	(31)	14	—	—	—	159.35 yen	183.53 yen
	Margin (%)	(41.5%)	(18.2%)	—	—	—	—		
Other ^{*3}	Net Sales	581	697	115	19.9%	14.1%	689		
	Operating Income	52	128	77	148.9%	—	—	—	—
	Margin (%)	9.0%	18.4%	—	—	—	—	—	—
(Allocated costs)		(312)	(318)	(6)	—	—	—	—	—

*1 Figures are the rates of change in real terms on a local currency basis.

*3 Taiwan, Hong Kong, Thailand, Malaysia, Singapore, Vietnam, Indonesia, Philippines, Turkey, and UAE
© Milbon Co., Ltd. All rights reserved.

*2 Overseas operating income by region is presented before company-wide cost allocations from this year. (Company-wide allocated costs shown on the bottom line)

Find Your Beauty **MILBON**

Page 8 shows the results by region showing domestic and overseas net sales and operating income. Allow me to explain one point regarding this table. There are a couple changes that have been made this fiscal year.

First, we have included the EU in the overseas segment. As the EU is a key market for us, we have begun disclosing actual net sales and operating income figures for this region starting this quarter.

Secondly, allocated costs. As you can see at the bottom of the other section, we have made the allocation cost a separate line item. Previously, we disclosed figures after allocating them to each region based on sales shipped, but we determined that this made it difficult to understand the growth in operating income. Therefore, we believe that presenting allocated costs separately will allow you to gain a clearer picture of our overseas operations.

As you can see here, net sales and operating income in Japan increased 16.5%, up 3.6%. Overseas as a whole, while net sales increased 31.1%, operating income increased 304.2%, which demonstrates a significant rise in the level of operating income in our overseas operations.

The prior Q1 figures have also been disclosed under the new rules. Details of our Q1 plan are provided on page 23, including last year's figures, so please take a look if you have a moment.

Financial Results by Region: Japan

Market conditions remain largely unchanged; however, sales of hair care product remained resilient, increasing by 5.5% YoY. Hair coloring product declined by 0.5%, with the decline narrowing. Both sales and operating income progressed largely in line with the plan.

YoY Growth Rate of Sales by Product Category*

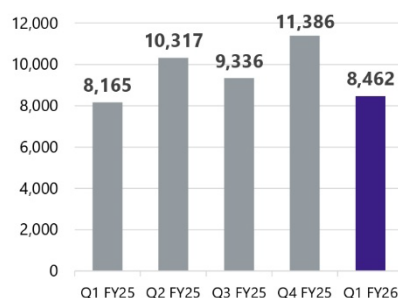
Hair care sales remained solid, supported by the strong performance of the new brand Suwae and various initiatives. Hair coloring sales remained steady, supported by continued strength in gray hair color and the decline in fashion color is narrowing.

	FY2026	
Change in Sales	Q1	Q1 YTD
Hair Care	+5.5%	+5.5%
Hair Coloring	(0.5%)	(0.5%)
Cosmetics	+3.8%	+3.8%
% to Sales	Q1	Q1 YTD
Hair Care	67.7%	67.7%
Hair Coloring	28.1%	28.1%
Cosmetics	2.0%	2.0%

*Based on shipment value
© Milbon Co., Ltd. All rights reserved.

Quarterly Net Sales (mil. yen)

Q1 is a seasonally low in sales. Supported by the steady performance of hair care products, sales increased by 3.6% YoY and progressed steadily.



Quarterly Operating Income (mil. yen)

Operating income increased in line with higher sales, and performance was largely in line with the plan.



Find Your Beauty **MILBON**

This is on Japan. There has been no significant change in the market environment here. Amid this, sales of hair care products remained steady, up 5.5%. Sales of hair coloring products were down, but the decline was smaller at 0.5%. Both net sales and operating income were largely in line with plans.

In hair care products, Aujua performed well, including in e-commerce (milbon:iD). Our new product, Suwae, is also performing well.

Financial Results by Region: South Korea

Reflecting a rebound from the impact of political instability in the Q1 last year, both sales and operating income showed high growth rates. While sales slightly fell short of the plan, operating income exceeded the plan.

YoY Growth Rate of Sales by Product Category*

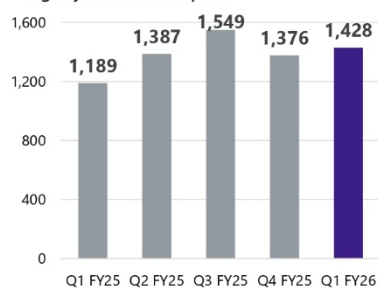
Sales of hair coloring products, hair care products, and perm products all showed double-digit growth. While overall market conditions remain largely unchanged, salon owners are becoming increasingly cautious about rising costs.

	FY2026	
Change in Sales	Q1	Q1 YTD
Hair Care	+22.7%	+22.7%
Hair Coloring	+16.6%	+16.6%
Perm	+17.0%	+17.0%
% to Sales	Q1	Q1 YTD
Hair Care	25.5%	25.5%
Hair Coloring	68.4%	68.4%
Perm	5.5%	5.5%

*Based on local currency
© Milbon Co., Ltd. All rights reserved.

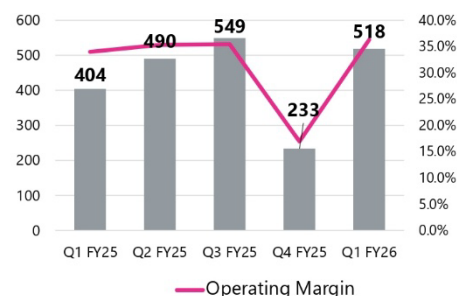
Quarterly Net Sales (mil. yen)

Although sales of hair coloring products, which account for a high proportion of sales, remained weak in January and February, they recovered in March due to strengthened sales activities. Results remained solid YoY, although sales fell slightly short of the plan.



Quarterly Operating Income (mil. yen)

Although sales fell slightly short of the plan, operating income exceeded the plan, supported by disciplined control of SG&A expenses.



Find Your Beauty **MILBON**

On South Korea. In South Korea, political unrest in January of last year made it difficult to visit salons due to demonstrations and other factors. Partly as a result of this, we saw strong growth in Q1 of this fiscal year.

Compared to the plan, January and February saw sluggish sales of our main coloring products, but sales have rebounded in March due to our intensified sales efforts and other measures. While net sales fell slightly short of our targets, operating income exceeded the plan due to effective cost control.

Financial Results by Region: China

Although the market conditions remained challenging, both sales and operating income recorded strong growth and exceeded the plan, partly due to the timing shift of the Lunar New Year.

YoY Growth Rate of Sales by Product Category*

In response to changes in consumption behavior at hair salons, we have continuously implemented our policies and proposals, which have been positively received by the market. Global Milbon salon treatment products also performed steadily.

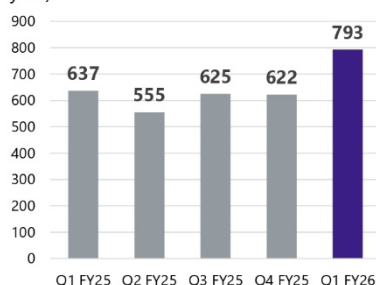
FY2026		
Change in Sales	Q1	Q1 YTD
Hair Care	+13.2%	+13.2%
Hair Coloring	+19.5%	+19.5%
% to Sales	Q1	Q1 YTD
Hair Care	56.6%	56.6%
Hair Coloring	37.5%	37.5%

*Based on local currency

© Milbon Co., Ltd. All rights reserved.

Quarterly Net Sales (mil. yen)

Despite continued challenging market conditions, there was a high growth rate for sales, partly due to the timing shift of the Lunar New Year (from December–January last year to January–February this year).

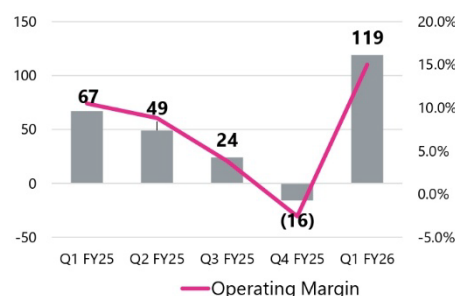


※Overseas operating income by region is presented before company-wide cost allocations from this year.

11

Quarterly Operating Income (mil. yen)

Supported by solid performance in both hair care products and hair coloring products, sales increased and profits recovered significantly.



Find Your Beauty **MILBON**

On China. As noted here, the Chinese market environment remains extremely challenging. However, even under these circumstances, Milbon China continues to grow steadily. The Q1 sales growth was partly due to the shift in the timing of the Lunar New Year, but please note that, in reality, both net sales and operating income are progressing at a pace that exceeds the Company's plan.

Financial Results by Region: United States

Sales of both hair care and hair coloring products increased substantially. Market changes resulting from a distributor switch by a competing brand in the professional segment also contributed, leading to the significant increase in our sales.

YoY Growth Rate of Sales by Product Category*

Sales of both hair care products and hair coloring products increased substantially. Market changes from a distributor switch by a competing brand also contributed, and hair care products, which account a high proportion of sales, continued to perform strongly, supported by deeper collaboration with distributors.

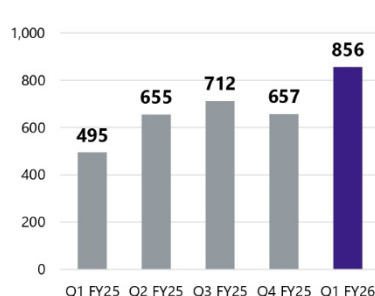
FY2026		
Change in Sales	Q1	Q1 YTD
Hair Care	+68.7%	+68.7%
Hair Coloring	+69.2%	+69.2%
% to Sales	Q1	Q1 YTD
Hair Care	87.6%	87.6%
Hair Coloring	8.4%	8.4%

*Based on local currency

© Milbon Co., Ltd. All rights reserved.

Quarterly Net Sales (mil. yen)

While consumer sentiment in the hair salon market shows some signs of impact, sales of both hair care products and hair coloring products continue to perform strongly.

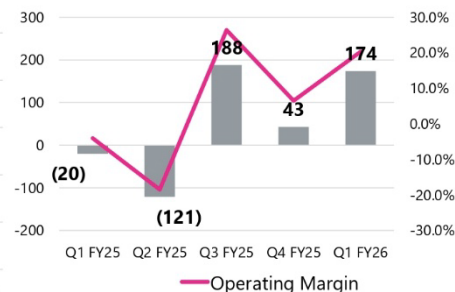


※Overseas operating income by region is presented before company-wide cost allocations from this year.

12

Quarterly Operating Income (mil. yen)

Gross profit increased due to higher sales, leading to a significant improvement in profitability.



Find Your Beauty **MILBON**

On the US, as you can see from the figures, sales of both hair care and coloring products increased significantly. While solid fundamentals were one factor, our sales also grew significantly due to changes in the salon-exclusive market, where a competing brand switched their distributors.

To be a little more specific, a competing brand in the salon product exclusive area partnered with a wholesale company. Then, it stopped doing business with independent distributors. As a result, the distribution channels for independent distributors changed, leading to an increase in Milbon's market share among them, which was one of the factors behind the significant sales growth.

Therefore, it will be difficult to continue this high growth in Q2, but please understand this to mean that our sales base has increased. Operating income also continues to exceed the plan.

Financial Results by Region: EU

Sales achieved strong growth, driven by new product launches, new salon account acquisitions, and the expansion of direct sales in Germany. Meanwhile, operating losses continued due to ongoing upfront investments.

YoY Growth Rate of Sales by Product Category*

Hair care products performed well, driven by market expansion from new product launches and the acquisition of new salon accounts through trade show participation. The impact of a newly contracted color ambassador is also beginning to emerge.

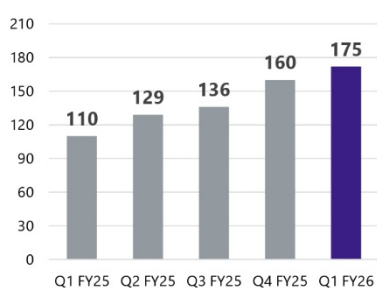
FY2026		
Change in Sales	Q1	Q1 YTD
Hair Care	+40.7%	+40.7%
Hair Coloring	+34.7%	+34.7%
% to Sales	Q1	Q1 YTD
Hair Care	77.8%	77.8%
Hair Coloring	18.9%	18.9%

*Based on local currency

© Milbon Co., Ltd. All rights reserved.

Quarterly Net Sales (mil. yen)

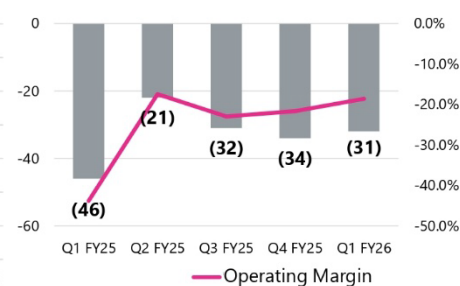
Sales growth continues, supported by an increase in commission-based sales personnel and the ongoing expansion of the customer base.



※Overseas operating income by region is presented before company-wide cost allocations from this year.

Quarterly Operating Income (mil. yen)

While sales remain steady, operating losses continue as we maintain growth investments, including an increase in FPs and the strengthening of administrative functions.



Find Your Beauty **MILBON**

On the EU, sales have shown very strong growth driven by the launch of new products, the acquisition of new salon accounts, and the expansion of direct sales in Germany. However, in terms of profits, we are currently in a phase where we are continuing to post an operating loss due to upfront investments.

Within the EU, we currently operate in countries such as Germany, Norway, and Greece. Since we are still in the early stages, we plan to enter the market with hair care products first and then expand our business into hair coloring products. We believe the business is performing well, thanks to market expansion through new products and the acquisition of new salon accounts through trade show exhibitions.

TOPIC 1: Impact of the Middle East Situation on Financial Results

Uncertainty regarding raw material procurement as well as rising costs has increased due to the situation in the Middle East. Temporary supply constraints or sales timing adjustments may occur for certain products.

Impact on Business Activities and Response

- Most petroleum-derived raw materials are produced primarily in Asia; however, procurement and logistics may be affected by the situation in the Middle East.
- Going forward, certain products may experience temporary supply constraints, as well as increases in raw material and logistics costs.
- To mitigate such risks, we will continue measures on both procurement and logistics by leveraging global SCM and strengthened inventory management.

Current Status of Product Supply (Based on Information Available to the Company)

- While certain components used in aerosol products are difficult to substitute and pose procurement uncertainties, overall supply is largely being maintained through measures such as the use of alternative materials. At this stage, we consider the risk of long-term supply disruptions to be relatively limited.

Impact on Financial Performance and Future Outlook

- While the impact on full-year performance is under review, cost increases due to rising materials and raw material prices are expected in the second half at this stage.
- The launch timing of new hair coloring brand, PRETOWA, will be carefully determined based on progress toward a stable supply structure.
- Considering the impact of the situation in the Middle East, we will appropriately control both cost of sales and SG&A expenses.
- We will continue to closely monitor geopolitical risks and promptly disclose any matter that may have a material impact on our business or financial performance.

From here on, I would like to discuss the key topics for this quarter. First, I will address the impact on our business performance of the escalating tensions in the Middle East, a matter of great concern to all of you.

The situation in the Middle East continues to create uncertainty regarding the procurement of materials and raw materials, as well as rising costs. As a result, we are currently facing the possibility of temporary supply shortages for certain products and are having to reconsider the timing of their market launch.

Our global production network includes the Yumegaoka Factory in Mie Prefecture, as well as factories in Thailand and China. Since we use petroleum-based raw materials and supplies in our manufacturing processes, we may be affected by the situation in the Middle East. In particular, procurement and logistics may be affected.

In response to this situation, we have been promoting the use of multiple sources, such as procurement from China and Thailand in addition to Japan, utilizing our global supply chain management to ensure a stable supply system.

As of now, there has been no significant impact on product supply. Although some aerosol products contain hard-to-replace components, we have generally maintained our supply system by sourcing alternatives and using substitute raw materials. Therefore, we believe the risk of a long-term supply disruption is low at this stage.

For the impact on full-year results, we will continue to closely monitor the situation. However, at this point, we anticipate that rising costs of materials and raw materials will affect H2. In addition, we have decided to postpone the release of PRETOWA, the new hair coloring product that was scheduled to launch in the middle of the year. We plan to carefully set the sales schedule after confirming that we have a stable supply of key raw materials. Since expectations are high for this product, we concluded that launching it when we cannot stably meet repeat orders could potentially undermine the brand's value.

We have thoroughly reviewed this matter at our management meetings and held extensive discussions, including proposals to adjust the allocation of raw materials for our existing products. Then, we concluded that prioritizing the stable supply of our professional-use products, for which we already have an established

customer base, will best meet the expectations of our hair salons and distributors, and we have therefore reached this decision. This decision is in line with our fundamental policy of prioritizing hair salons, and we believe it is one of the reasons we have received such strong support from hair salons and distributors to date.

Regarding PRETOWA, internal expectations have been running very high since the February earnings briefing. Following test sales, we are gaining confidence in scaling PRETOWA. For this reason, and to avoid causing any inconvenience to our salon partners if we were to run out of stock after adding the product to their menus, we have decided to temporarily postpone its launch. We will announce the sales schedule via disclosure as soon as it is finalized.

TOPIC 2: Changes to Governance Structure

The independent auditor was changed following a long-term contract and other factors. Also, a mandate-based executive officer model was introduced to further strengthen the separation between management oversight and execution.

Change of Independent Auditor (Approved at the General Meeting of Shareholders)

- The independent auditor was changed from GYOSEI & Co. to Ernst & Young ShinNihon LLC.
- The change reflects prolonged audit tenure(34 years) and the need to further strengthen the global audit framework.
- The change was approved at the Annual General Meeting of Shareholders held in March 2026.

Shortening of Directors' Terms to One Year and Transition to a Mandate-Based Executive Officer System

- To promote a clearer separation between oversight and execution.
- To accelerate decision-making and improve operational efficiency.
- Changes to director terms was approved at the Annual General Meeting of Shareholders in March 2026.
- The mandate-based executive officer model was implemented in January 2026.

On changes to the governance structure, we have changed our independent auditor in light of long-term contracts and other factors, and have transitioned to a mandate-based executive officer model aiming to further strengthen the separation of management and execution. We believe that both of these measures will enhance governance.

First, regarding the change in auditors, this was resolved at the recent Annual General Meeting of Shareholders in March 2026. We changed the auditor from GYOSEI to Ernst & Young ShinNihon.

Although GYOSEI has supported our audits for 34 years, we have decided to make this change to the contract and our need to strengthen our global audit structure in line with our global expansion. I would like to take this opportunity to thank the members of GYOSEI for their support to date. Thank you very much.

Second, we transitioned to a mandate-based executive officer system. This is to promote the separation of management oversight and operational functions. At the same time, it aims to streamline decision-making process and operations.

In line with the change, the term of office of directors was also changed from two years to one year by resolution of the Annual General Meeting of Shareholders held in March 2026. With regard to this, we have received quite a few requests from institutional investors to shorten the term of office. With this in mind, we have submitted this resolution. The change to the executive officer model was implemented in January 2026.

Outlook After Q2

Although the situation in the Middle East is expected to remain a concern in the second half, its impact is anticipated to be limited. Given the recent strong performance, the full-year target remains unchanged at this stage.

Outlook After Q2		
Net Sales	Japan	- We expect continued solid demand for hair care products and have high expectations for new Aujua series (Miragery), that launched in April. - Hair coloring products are recovering, led by gray color products such as Villa Lodola Color. Once a stable supply framework is secured, we plan to regain market share through the launch of the highly anticipated new fashion color brand, PRETOWA.
	Overseas	- U.S. : Although the sales growth rate is expected to decelerate from the Q1 level from the Q2 onward, the business is expected to continue driving growth above the plan. - EU : Remains in the upfront investment phase but is expected to sustain strong growth exceeding the plan. - South Korea : Stable growth driven by strengthened sales activities is expected, supporting continued high profitability. - China : While market conditions are not expected to change significantly, the recovery trend is expected to continue.
Operating Income		- While higher sales are expected to increase gross profit, cost increases are anticipated due to the postponement of the launch of PRETOWA and rising materials and raw material prices. - We will continue to assess the impact of the situation in the Middle East on performance and respond appropriately on both the cost of sales and SG&A fronts. - Although uncertainties remain, in light of the solid performance to date, we have left the full-year plan unchanged at this stage.

On the outlook after Q2. As for the outlook for Q2 and beyond, in Japan, we launched a new hair care product, Miragery in the Aujua brand, in April. For hair coloring products, we continue to expand sales of our gray hair color products, such as the consistently popular Villa Lodola Color, while preparing for the launch of PRETOWA.

Overseas, we expect the favorable business environment to continue in the US. The EU continues to operate in the red. We will work to further expand sales. South Korea is in a stable growth phase, and we will strengthen our sales efforts to achieve profitable growth while maintaining high profitability. In China, although significant improvements in the market environment are unlikely, we will strive to drive growth in hair care and coloring products.

With regard to operating income, we expect gross profit to increase in line with higher sales. On the other hand, we anticipate higher costs due to the delay in the launch of PRETOWA and rising prices for materials and raw materials in H2. We will continue to closely monitor the impact of the Middle East situation on our business and take appropriate cost control measures for both cost and SG&A expenses.

Although some uncertainties remain, we maintained our full-year forecast at this time based on our recent strong performance.

Financial Target for FY2026

(Unit: million yen)	FY2025	FY2026 Target	Diff.	Diff. (%)
Net Sales	52,863	54,800	1,936	3.7%
Japan	39,206	39,880	673	1.7%
Overseas	13,657	14,920	1,262	9.2%
Gross Profit	33,176	34,720	1,543	4.7%
Gross Profit Margin	62.8%	63.4%	—	—
SG&A Expenses	27,523	28,420	896	3.3%
Operating Income	5,652	6,300	647	11.4%
Operating Margin	10.7%	11.5%	—	—
Ordinary Income	5,455	6,180	724	13.3%
Profit Attributable to Owners of Parent	3,437	4,300	862	25.1%
ROE	7.0%	8.6%	—	—
ROIC	8.0%	8.7%	—	—

Please see the last page above. We have not changed our financial targets for FY2026. However, regarding the breakdown between Japan and overseas markets, we intend to review these figures as necessary in Q2, once the impact of the situation in the Middle East becomes clearer.

That concludes my presentation. Thank you for your attention.

Disclaimer

JPX Market Innovation & Research, Inc. ("JPXI") reserves the right to edit or modify, at its sole discretion and at any time, the contents of this document and any related materials, and in such case JPXI shall have no obligation to provide notification of such edits or modifications to any party. This event transcript is based on sources JPXI believes to be reliable, but the accuracy of this transcript is not guaranteed by us and this transcript does not purport to be a complete or error-free statement or summary of the available data. Accordingly, JPXI does not warrant, endorse or guarantee the completeness, accuracy, integrity, or timeliness of the information contained in this event transcript. This event transcript is published solely for information purposes, and is not to be construed as financial or other advice or as an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal.

In the public meetings and conference calls upon which JPXI's event transcripts are based, companies may make projections or other forward-looking statements regarding a variety of matters. Such forward-looking statements are based upon current expectations and involve risks and uncertainties. Actual results may differ materially from those stated in any forward-looking statement based on a number of important factors and risks, which are more specifically identified in the applicable company's most recent public securities filings. Although the companies may indicate and believe that the assumptions underlying the forward-looking statements are accurate and reasonable, any of the assumptions could prove inaccurate or incorrect and, therefore, there can be no assurance that the anticipated outcome described in any forward-looking statements will be realized.

THE INFORMATION CONTAINED IN EVENT TRANSCRIPTS IS A TEXTUAL REPRESENTATION OF THE APPLICABLE PUBLIC MEETING OR CONFERENCE CALL. ALTHOUGH JPXI ENDEAVORS TO PROVIDE ACCURATE TRANSCRIPTIONS, THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE TRANSCRIPTIONS. IN NO WAY DOES JPXI OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BY ANY PARTY BASED UPON ANY EVENT TRANSCRIPT OR OTHER CONTENT PROVIDED BY JPXI. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S PUBLIC SECURITIES FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS. THIS EVENT TRANSCRIPT IS PROVIDED ON AN "AS IS" BASIS. JPXI DISCLAIMS ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, AND ACCURACY, COMPLETENESS, AND NON-INFRINGEMENT.

None of JPXI's content (including event transcript content) or any part thereof may be modified, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of JPXI. JPXI's content may not be used for any unlawful or unauthorized purposes.

The content of this document may be edited or revised by JPXI at any time without notice.

Copyright © 2026 JPX Market Innovation & Research, Inc. ("JPXI"), except where explicitly indicated otherwise. All rights reserved.