



February 25, 2011

To Whom It May Concern

Company Name: Milbon Co., Ltd.
Title of Representative : Ryuji Sato, Representative Director and President
(Code Number: 4919 – First Section of the Tokyo Stock Exchange)
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Conclusion of Distributorship Agreement with Kemon S.p.A, Italy

We voted to conclude a distributorship agreement with Kemon S.p.A (from Italy) in our board meeting held on February 25, 2011. The details are as follows.

1. Purpose of Agreement

Japan has an increasing number of customers who want to buy natural-oriented products. In such circumstances, we will conclude a distributorship agreement with Kemon S.p.A (from Italy) to develop genuine organic products through hair designers and thereby create new salon customers.

Outline of Contracting Company

- (1) Company name: Kemon S.p.A
- (2) Location: Via E. Mattei n.35, Zona Industriale Altomare 06016 San Giustino (PG)
- (3) Representative: Mr. Giuliano Nocentini
- (4) Establishment: 1959
- (5) Description of business: Manufacturing and distribution of hair care products for professionals, starting from the development of organic products.
- (6) Sales Territories: Domestic and export to 35 countries in the world, mainly Europe and America.
- (7) Others: Kemon S.p.A and Milbon have a lot in common in management philosophy — market deployment respecting Italian culture, obsessions with and ideas for products and specialized sales strategies for professionals.

2. Contractual Coverage

We will acquire exclusive distribution rights for the “Villa Lodola” brand in Japan from Kemon S.p.A, Italy.

“Villa Lodola” Brand

The “Villa Lodola” brand, which is the subject of this agreement, is an internationally certified true organic hair care brand that considers the environment not only with its products but also in other areas such as the manufacturing processes, containers and development tools used, based on the concept of “Organic Way.”

- (1) Product characteristics: All products are certified by ICEA, Italy.
- (2) Product Lineup: 5 shampoos, 3 conditioners, 1 scalp care product, 2 scalp clays: 11 products in total

3. Schedule

February 25, 2011 (Friday): Approve the conclusion of the distributorship agreement
March 3, 2011 (Thursday): Conclude the distributorship agreement (in San Giustino, Italy)

4. Prospects

We expect the conclusion of the distributorship agreement with Kemon S.p.A will have little impact on our business performance for the fiscal period ending December 2011 because distribution of the Kemon products is scheduled to start at the beginning of September 2011.

However, we expect we will expand our share in the domestic market by developing Kemon’s “Villa Lodola” as our second brand, in addition to our regular brand.