



Financial Results for Q2 of FY2026 (Ending December 31, 2026)

Milbon Co., Ltd.

(TSE code: 4919)

August 10, 2026

Key Highlights of Financial Results for the First Half of FY2026

FY2026 1H Results

Net Sales by Region

Operating Income

[Year-on-year] Net Sales increased by 8.3%, and operating income increased by 72.7%.
[Versus plan] Net Sales increased by 2.9%, and operating income increased by 39.5%, exceeding the plan.

- Although the domestic hair salon market continues to struggle, sales of our hair care products remained solid. Domestic net sales met the first-half plan, as sales of existing products offset the negative impact from the delayed launch of the new hair coloring product "PRETOWA."
- Overseas sales increased by +24.7% on a yen basis and +16.7% on a local currency basis, performing well overall. The U.S. showed strong growth of +45.0% YoY (yen basis), driving overall overseas performance.
- Operating income rose YoY and exceeded plan reflecting increased gross profit from higher sales and lower-than-expected SG&A expenses due to timing differences. The operating income margin improved significantly from 7.8% (YoY) to 12.5%.

FY2026 Outlook

Based on the strong first-half performance, the outlook has been revised upward after factoring in the expected increase in the second-half costs due to the impact of the situation in the Middle East. For the full year, consolidated net sales have been revised to 55,600 million yen (+800 million yen) and operating income to 6,550 million yen (+250 million yen).

Shareholder Return

The interim dividend will be 40 yen as planned at the beginning of the fiscal year, and the year-end forecast will also be maintained. Furthermore, we have decided to acquire treasury shares worth up to 1.8 billion yen to improve capital efficiency and enhance shareholder returns.

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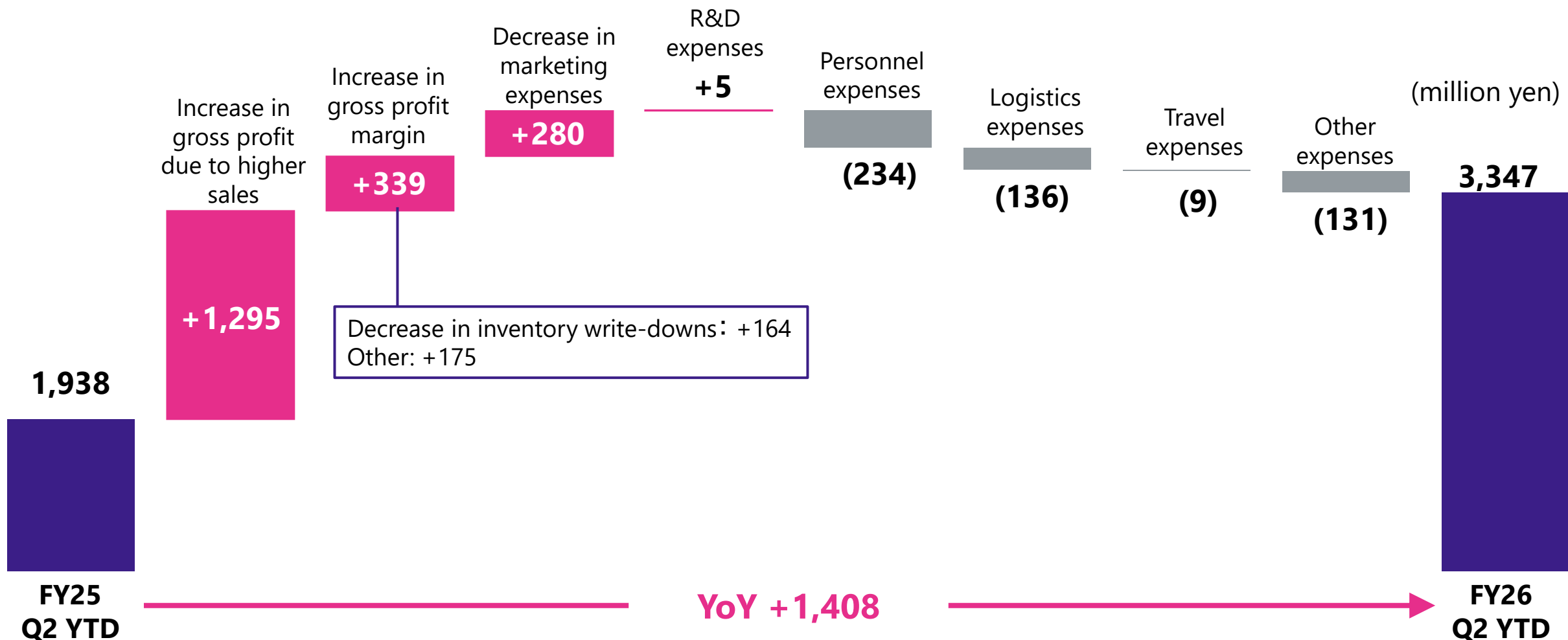
Consolidated Statement of Earnings

Net sales rose YoY and plan due to strong overseas performance. Operating income increased significantly due to higher sales, improved gross profit, and timing differences in SG&A expenses.

(Unit: million yen)	FY2025 Q2YTD	FY2026			Diff.	Diff. (%)	FY2026 Q2 YTD Target	Vs. Target (%)
		Q1	Q2	YTD				
Net Sales	24,807	12,415	14,463	26,878	2,070	+8.3%	26,125	102.9%
Gross Profit	15,502	7,872	9,263	17,135	1,633	+10.5%	16,642	103.0%
Gross Profit Margin	62.5%	63.4%	64.0%	63.8%	—	—	63.7%	—
SG&A Expenses	13,563	6,622	7,166	13,788	224	+1.7%	14,242	96.8%
Operating Income	1,938	1,250	2,097	3,347	1,408	+72.7%	2,400	139.5%
Operating Margin	7.8%	10.1%	14.5%	12.5%	—	—	9.2%	—
Non-operating Income	(85)	86	65	152	237	—	(69)	—
Ordinary Income	1,853	1,337	2,162	3,499	1,646	+88.8%	2,331	150.1%
Extraordinary Income(Loss)	(755)	(0)	(127)	(127)	628	—	(10)	—
Profit Attributable to Owners of Parent	419	1,015	1,400	2,416	1,997	+476.5%	1,657	145.8%

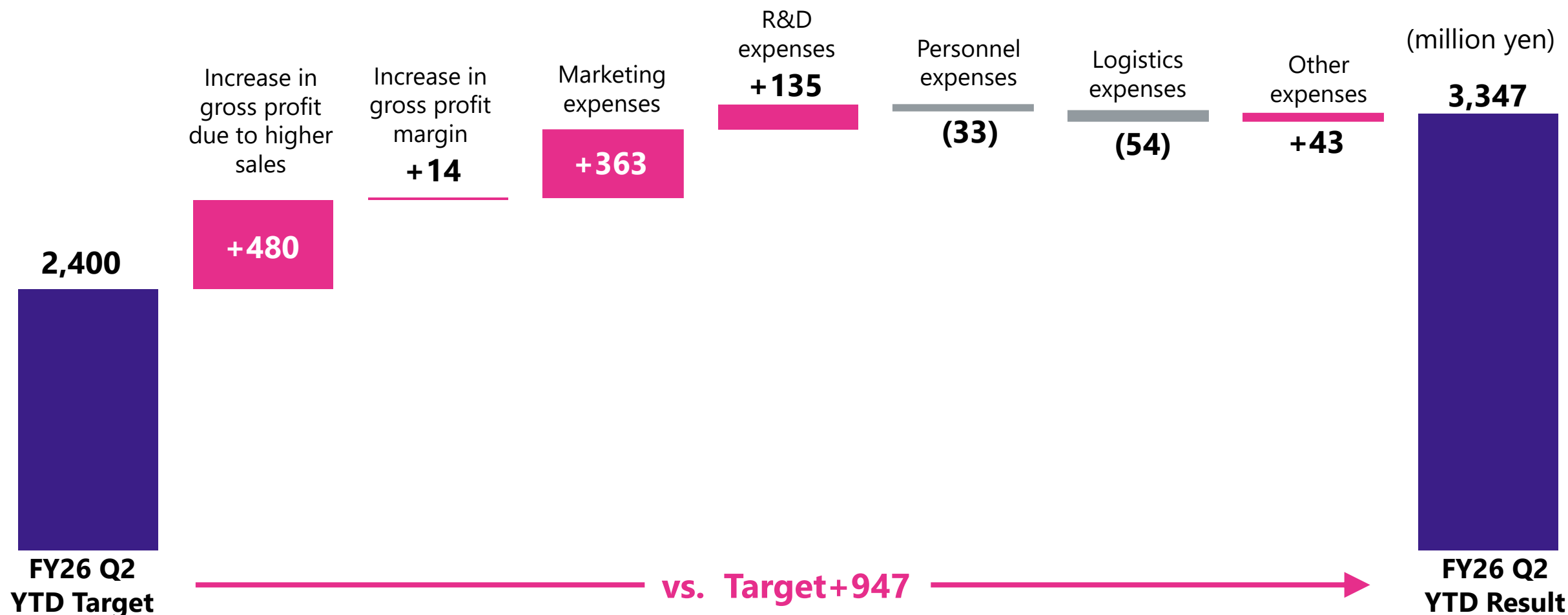
Consolidated Operating Income – Factors Behind YoY Changes

Gross profit increased due to higher sales and improved gross profit margin. The increase in gross profit more than offset higher logistics and personnel costs, resulting in a significant increase in operating income.



Consolidated Operating Income – Factors Behind Difference vs. Target

Although marketing and R&D expenses reflect timing factors, operating income significantly exceeded the plan, driven by higher gross profit on stronger sales.



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Net Sales and Operating Income by Region

(Unit: million yen)		Q2 YTD FY2025	Q2 YTD FY2026	Diff.	Diff. (%)	Actual Diff. Rate ^{*1} (%)	Q2 YTD FY2026 Target	Exchange Rate Q2 FY25	Exchange Rate Q2 FY26
Japan	Net Sales	18,483	18,993	510	2.8%	2.8%	18,872		
	Operating Income	1,640	2,161	520	31.6%	—	1,900	—	—
	Margin (%)	8.9%	11.4%	—	—	—	10.1%		
Overseas	Net Sales	6,323	7,884	1,560	24.7%	16.7%	7,253		
	Operating Income	297	1,185	887	398.1%	—	500	—	—
	Margin (%)	4.7%	15.0%	—	—	—	6.9%		
South Korea	Net Sales	2,577	2,975	398	15.5%	12.1%	2,885	1KRW=	1KRW=
	Operating Income ^{*2}	894	1,108	213	23.8%	—	972	0.1038 yen	0.1069 yen
	Margin (%)	34.7%	37.2%	—	—	—	33.7%		
China	Net Sales	1,193	1,515	321	27.0%	12.8%	1,324	1RMB=	1RMB=
	Operating Income	117	209	92	78.7%	—	81	20.45 yen	23.03 yen
	Margin (%)	9.8%	13.8%	—	—	—	6.2%		
USA	Net Sales	1,150	1,668	517	45.0%	34.8%	1,316	1USD=	1USD=
	Operating Income	(141)	274	415	—	—	(106)	147.44 yen	158.59 yen
	Margin (%)	(12.3%)	16.4%	—	—	—	(8.1%)		
EU	Net Sales	240	383	142	59.3%	39.8%	324	1EUR=	1EUR=
	Operating Income	(67)	(33)	33	—	—	(50)	162.24 yen	184.83 yen
	Margin (%)	(27.9%)	(8.8%)	—	—	—	(15.6%)		
Other ^{*3}	Net Sales	1,161	1,341	179	15.5%	8.5%	1,402		
	Operating Income	107	249	141	132.4%	—	224	—	—
	Margin (%)	9.2%	18.6%	—	—	—	16.1%		
(Allocated costs)		(612)	(621)	(9)	—	—	(621)	—	—

^{*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

^{*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)

Financial Results by Region: Japan

Market conditions remain unchanged. However, hair care sales remained resilient, increasing by 4.4% YoY. Hair coloring products fell short of plan due to the delayed PRETOWA launch, but hair care sales exceeded plan, resulting in overall achievement of the plan.

YoY Growth Rate of Sales by Product Category*

Hair care products performed well, driven by new products such as Suwae, while Aujua maintained solid performance. In hair coloring, gray color remained solid, while the fashion color continued to fall below the previous year, partly due to the delayed PRETOWA launch, although a trend toward improvement is emerging.

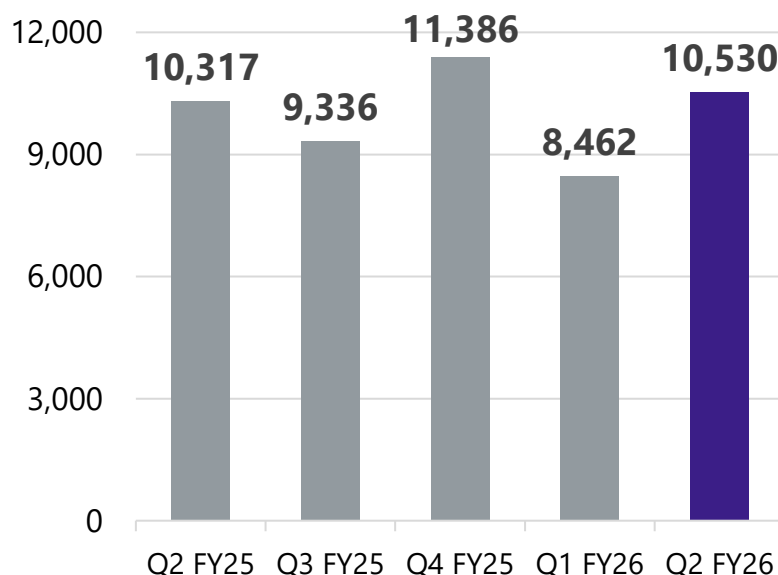
	FY2026	
Change in Sales	Q2	Q2 YTD
Hair Care	+3.5%	+4.4%
Hair Coloring	(0.0%)	(0.2%)
Cosmetics	(22.0%)	(9.5%)
% to Sales	Q2	Q2 YTD
Hair Care	68.7%	68.3%
Hair Coloring	27.1%	27.6%
Cosmetics	1.3%	1.6%

*Based on shipment value

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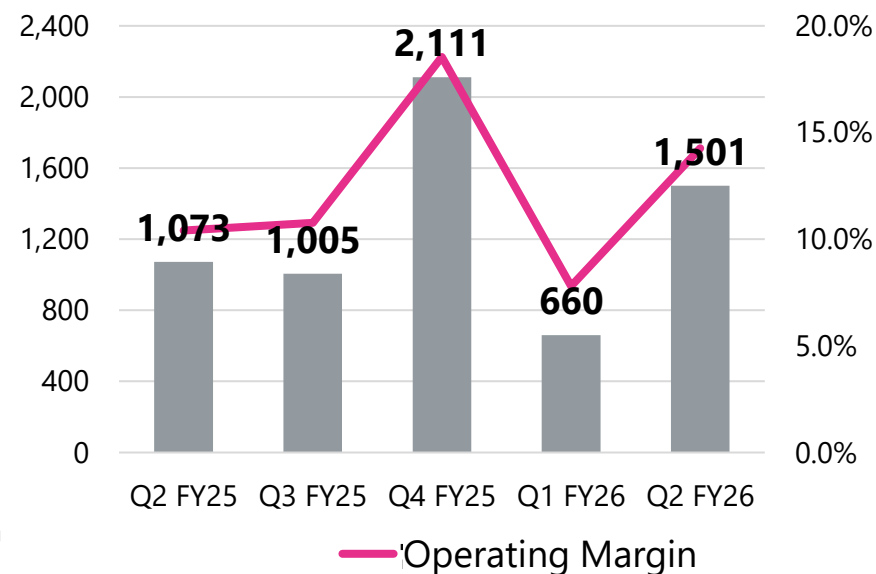
Quarterly Net Sales (mil. yen)

Net sales increased 2.8% (YoY) in the first half, reflecting stable growth. While hair care products continue to drive performance, hair coloring products are also showing a trend toward improvement.



Quarterly Operating Income (mil. yen)

Operating income increased in line with higher sales. Results were in line with plan.



Financial Results by Region: South Korea

Net sales met plan supported by strengthened sales activities. Operating income exceeded plan due to controlled SG&A expenses.

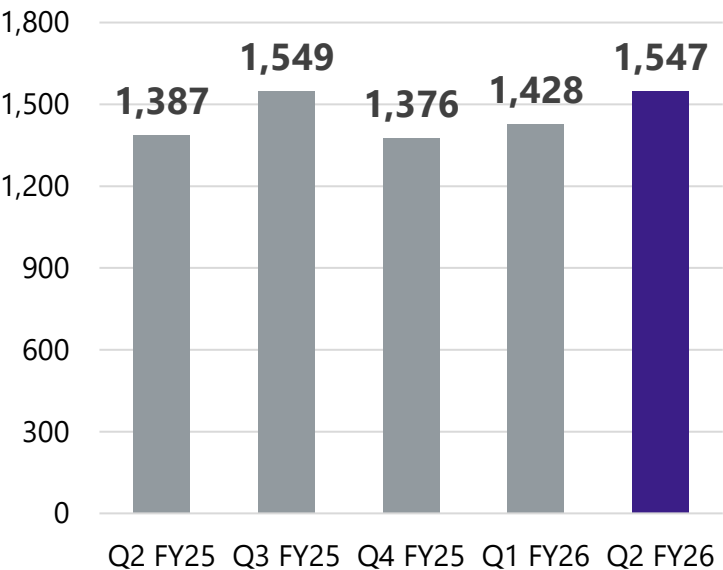
YoY Growth Rate of Sales by Product Category*

Following Q1, hair coloring, hair care, and perm products all achieved high growth. Growth is being driven not only by hair care but also by continued growth in hair coloring, which accounts for a large share of sales.

FY2026		
Change in Sales	Q2	Q2 YTD
Hair Care	+15.7%	+18.9%
Hair Coloring	+8.2%	+12.0%
Perm	+9.6%	+13.2%
% to Sales	Q2	Q2 YTD
Hair Care	25.5%	25.5%
Hair Coloring	69.0%	68.7%
Perm	4.9%	5.2%

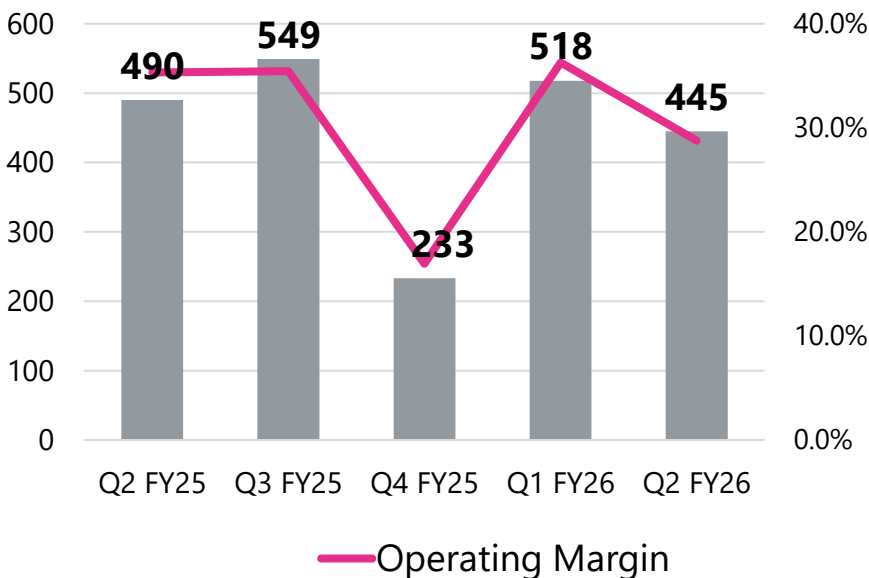
Quarterly Net Sales (mil. yen)

Following Q1, sales growth continued in Q2. Net sales of Q2 nearly reached the level recorded in Q3 of the previous fiscal year, which benefited from consumer spending recovery coupons, demonstrating sustained strong performance.



Quarterly Operating Income (mil. yen)

Operating income remained at a high level in line with sales growth and exceeded plan.



*Based on local currency
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Overseas operating income by region is presented before company-wide cost allocations from this year.

Financial Results by Region: China

Although the market environment remained sluggish, our proposal and educational activities for priority salons drove growth in both hair coloring and hair care products, with both net sales and operating income exceeding plan.

YoY Growth Rate of Sales by Product Category*

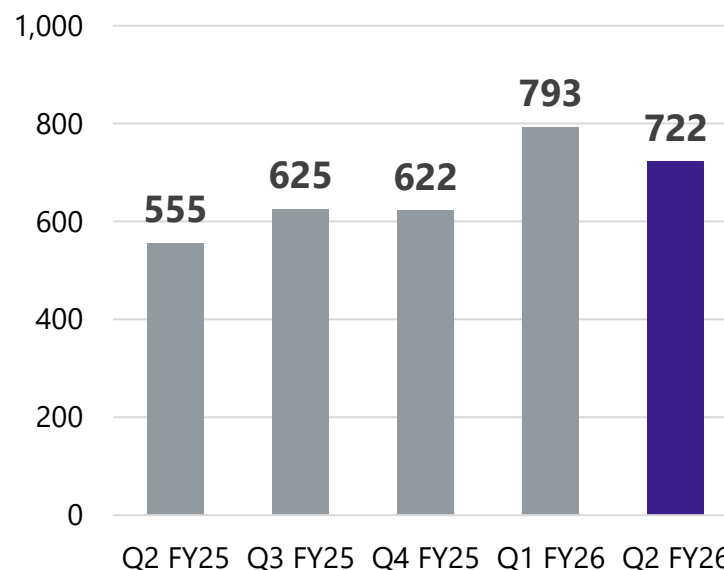
We have continued to implement initiatives and proposals addressing changes in consumer behavior, and these efforts have been well received. Sales of Global Milbon salon treatments remained solid.

FY2026		
Change in Sales	Q2	Q2 YTD
Hair Care	+12.3%	+12.8%
Hair Coloring	+6.6%	+13.5%
% to Sales	Q2	Q2 YTD
Hair Care	62.2%	59.2%
Hair Coloring	33.5%	35.7%

*Based on local currency

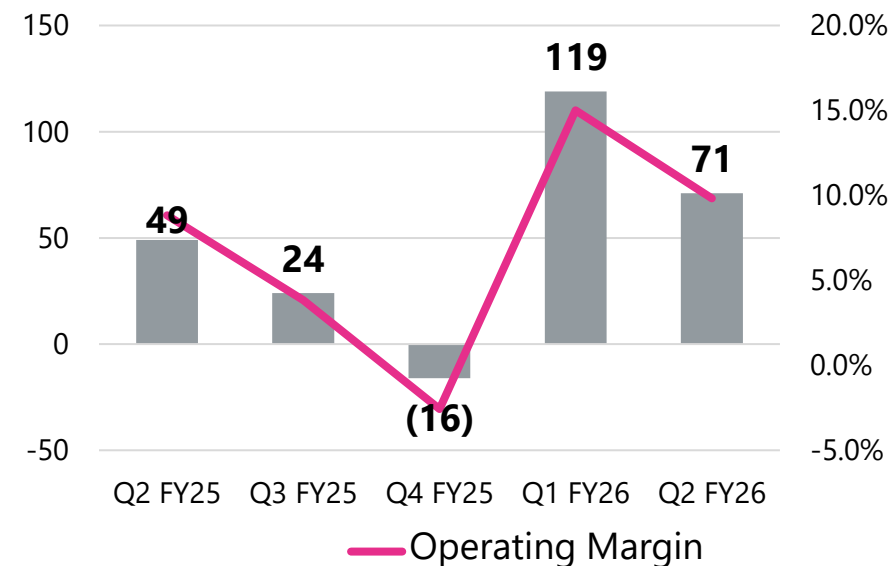
Quarterly Net Sales (mil. yen)

Q2 showed high growth driven by strong sales with no impact from seasonal factors.



Quarterly Operating Income (mil. yen)

With sales of both hair care and hair coloring products performing steadily, profitability continues to improve due to higher gross profit generated by increased net sales.



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

Financial Results by Region: United States

The impact of the distributor switch by a competing brand has run its course. In Q2, results broadly came in line with plan. High growth was maintained year-on-year, while profitability also continued to improve.

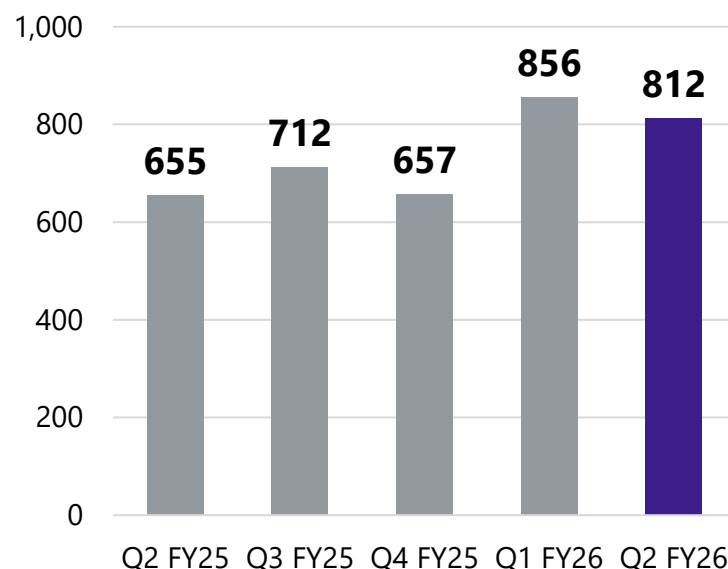
YoY Growth Rate of Sales by Product Category*

Hair care products, which account for a significant portion of sales, continued to perform well. Collaboration with distributors continued to deepen. Hair coloring products maintained growth, although not to the same extent as hair care, and Q2 finished broadly in line with plan.

FY2026		
Change in Sales	Q2	Q2 YTD
Hair Care	+13.7%	+36.9%
Hair Coloring	+0.5%	+28.6%
% to Sales	Q2	Q2 YTD
Hair Care	87.9%	87.8%
Hair Coloring	7.8%	8.1%

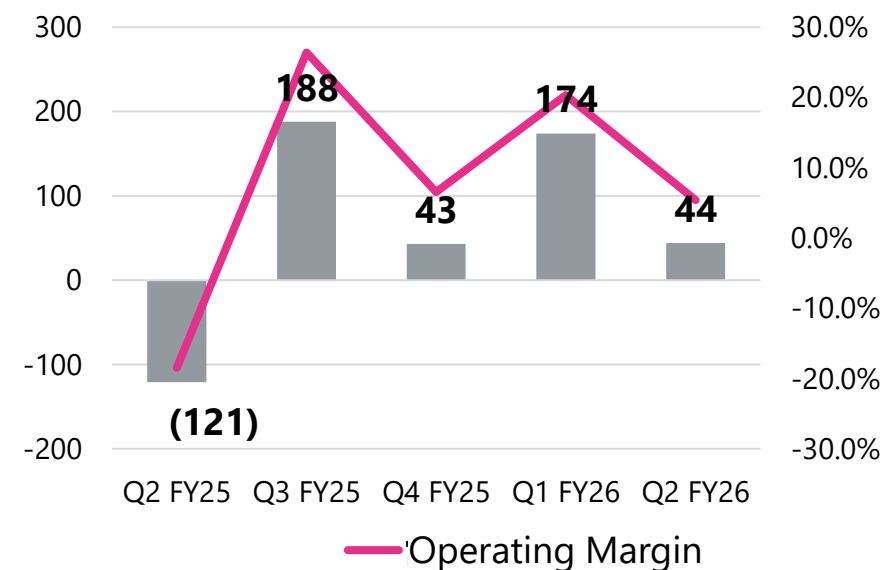
Quarterly Net Sales (mil. yen)

Although the impact of a competing brand's distributor switch has largely run its course, sell-through continues to progress steadily.



Quarterly Operating Income (mil. yen)

Profitability continues to improve due to increased gross profit from higher net sales.



*Based on local currency

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

Financial Results by Region: EU

In addition to expanded sales of new hair care products, the acquisition of new salon accounts is progressing well. The color ambassador initiative also contributed, and high growth continued, driven by direct sales in Germany.

YoY Growth Rate of Sales by Product Category*

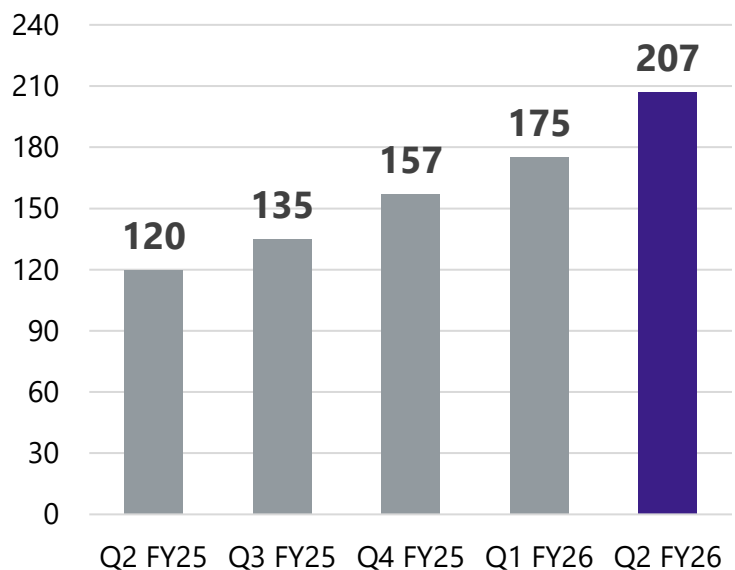
Both hair care and hair coloring products continued to deliver strong growth. New products drove growth in the hair care category, while hair coloring products also grew steadily despite their small share of sales.

FY2026		
Change in Sales	Q2	Q2 YTD
Hair Care	+42.9%	+41.8%
Hair Coloring	+44.9%	+40.2%
% to Sales	Q2	Q2 YTD
Hair Care	76.0%	76.8%
Hair Coloring	20.1%	19.6%

*Based on local currency

Quarterly Net Sales (mil. yen)

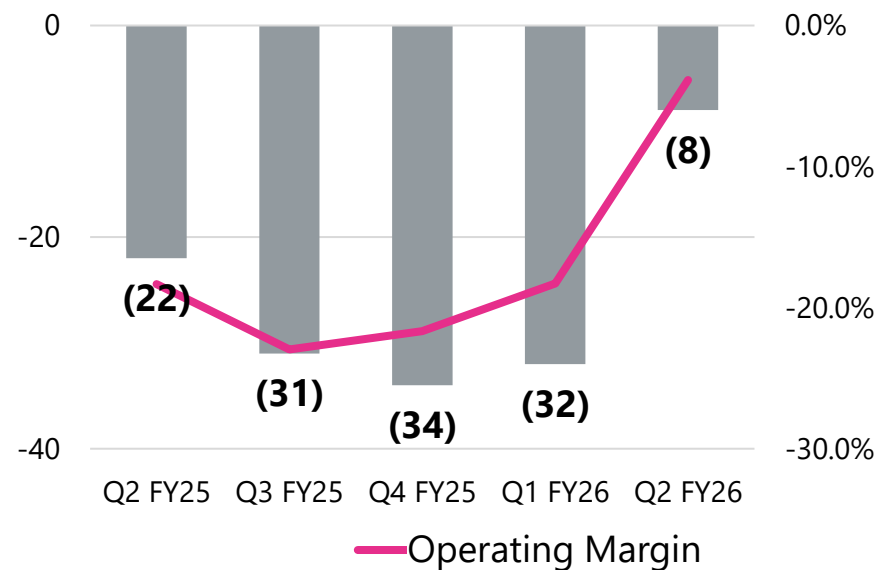
Expansion of the commission sales force and customer base is progressing steadily. Strong growth continues, supported in part by the impact of a newly contracted color ambassador.



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

Quarterly Operating Income (mil. yen)

While net sales remained solid, operating losses continued as we maintained growth investments, including expanding FP workforce and strengthening our management structure.

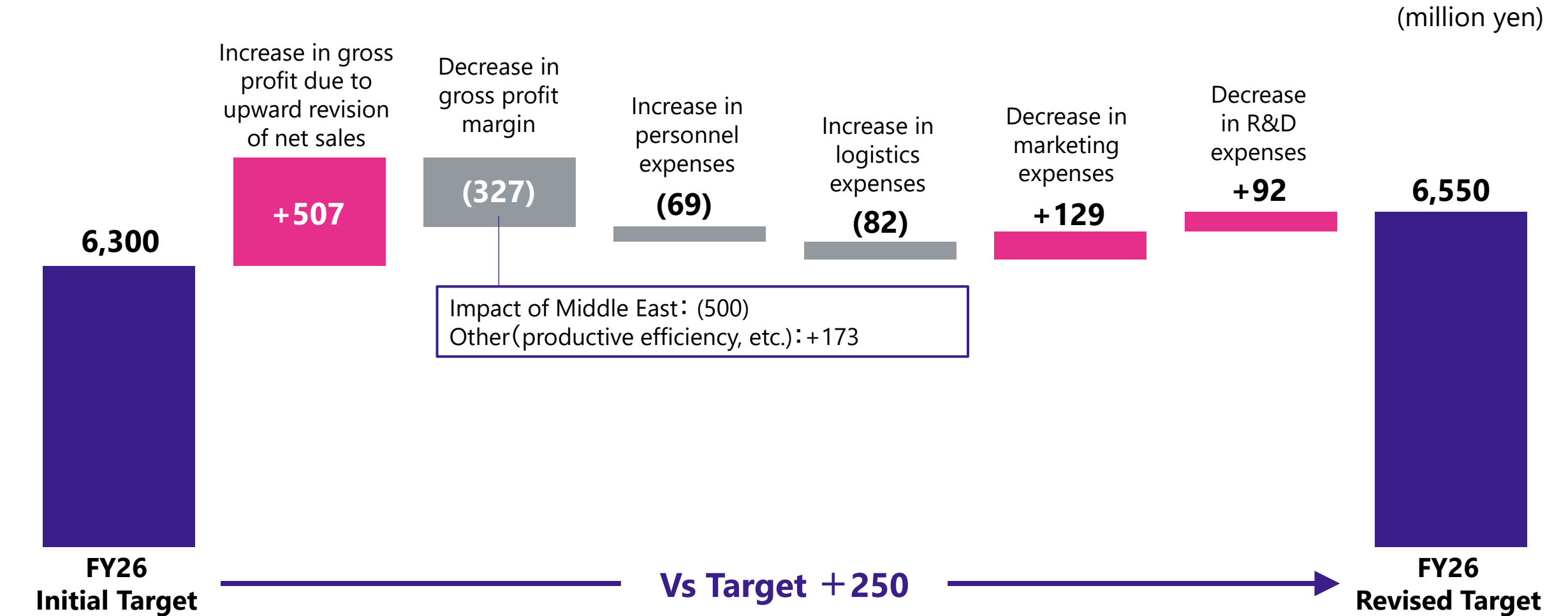


Revision of Full-Year Earnings Forecast

(Unit: million yen)		FY2025	FY2026 Initial Target	FY2026 Revised Target	Diff.	Diff. (%)
Net Sales		52,863	54,800	55,600	800	+1.5%
	Japan	39,206	39,880	40,050	170	+0.4%
	Overseas	13,657	14,920	15,550	630	+4.2%
Gross Profit		33,176	34,720	34,900	180	+0.5%
Gross Profit Margin		62.8%	63.4%	62.8%	—	—
SG&A Expenses		27,523	28,420	28,350	(70)	(0.2%)
Operating Income		5,652	6,300	6,550	250	+4.0%
Operating Margin		10.7%	11.5%	11.8%	—	—
Ordinary Income		5,455	6,180	6,740	560	+9.1%
Profit Attributable to Owners of Parent		3,437	4,300	4,600	300	+7.0%
ROE		7.0%	8.6%	9.3%	—	—

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

We have revised the forecast upward to reflect strong first-half net sales. We expect an additional 400-500 million yen in costs added to raw materials and supplies due to the Middle East situation. SG&A expenses also revised to align with current conditions.



Breakdown of Changes to Current Fiscal Year Plan

		FY2026(Initial Target)		FY2026 (Revised Target)	
		Q2 YTD	Q4 YTD	Q2 YTD (Results)	Q4 YTD
(Unit: million yen)					
Japan	Net Sales	18,872	39,880	18,993	40,050
	Operating Income	1,900	5,090	2,161	4,850
	Margin (%)	10.1%	12.8%	11.4%	12.1%
Overseas	Net Sales	7,253	14,920	7,884	15,550
	Operating Income	500	1,210	1,185	1,700
	Margin (%)	6.9%	8.1%	15.0%	10.9%
South Korea	Net Sales	2,885	5,802	2,975	5,900
	Operating Income ^{*1}	972	1,822	1,108	1,870
	Margin (%)	33.7%	31.4%	37.2%	31.7%
China	Net Sales	1,324	2,623	1,515	2,820
	Operating Income	81	144	209	280
	Margin (%)	6.2%	5.5%	13.8%	9.9%
USA	Net Sales	1,316	2,850	1,668	3,250
	Operating Income	(106)	37	274	360
	Margin (%)	(8.1%)	1.3%	16.4%	11.1%
EU	Net Sales	324	666	383	730
	Operating Income	(50)	(92)	(33)	(80)
	Margin (%)	(15.6%)	(14.0%)	(8.8%)	(11.0%)
Other ^{*2}	Net Sales	1,402	2,979	1,341	2,850
	Operating Income	224	487	249	458
	Margin (%)	16.1%	16.3%	18.6%	16.1%
(Allocated costs)		(621)	(1,188)	(621)	(1,188)

^{*1} Overseas operating income by region is presented before company-wide cost allocations from this year.(Company-wide allocated costs shown on the bottom line)

^{*2} Taiwan, Hong Kong, Thailand, Malaysia, Singapore, Vietnam, Indonesia, Philippines, Turkey, and UAE

Impact of the Middle East Situation on Financial Results

Procurement and supply systems remain stable. The impact of cost increases is already factored into the full-year forecast.

Impact on Business Activities and Response

No material impact on procurement has been identified at this time.

- We continue to closely monitor the risk of rising costs for certain raw materials, packaging, and logistics.
- We maintain a stable supply system by utilizing our global SCM and strengthening inventory management.

Current Status of Product Supply

No significant disruption to product supply has been identified at this time.

- We have established a stable supply system by utilizing production facilities not only in Japan but also in Thailand and China.
- We have secured alternative materials, packaging, and procurement routes through global SCM.

Impact on Business Performance and Future Outlook

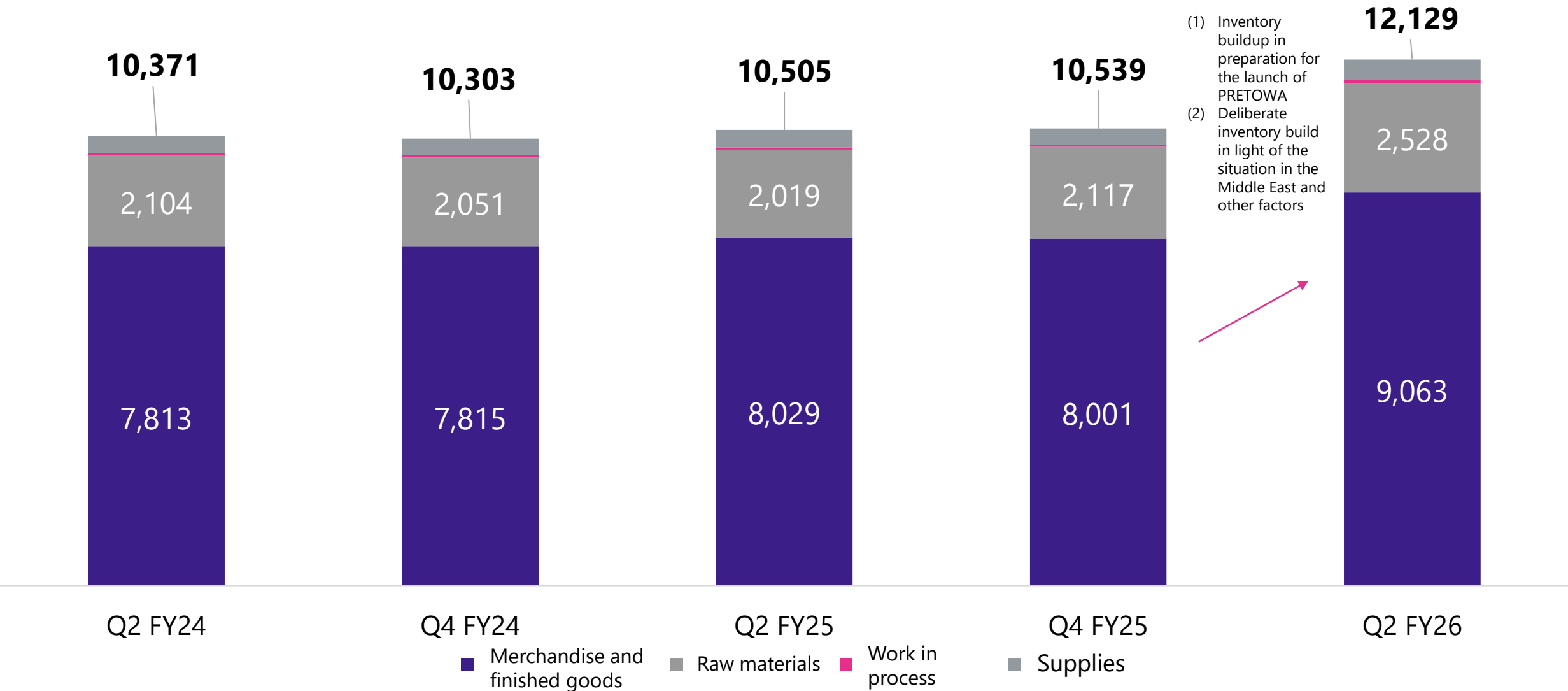
The impact of higher raw materials, packaging, and logistics costs is already incorporated into the full-year forecast.

We will continue to monitor geopolitical risks and will promptly disclose any material impact on our business performance.

- The launch of the new hair coloring product(PRETOWA) is scheduled for September 10, as a stable supply structure has been secured.
- We will continue to implement appropriate cost controls in both cost of sales and SG&A expenses.

Status of Inventory

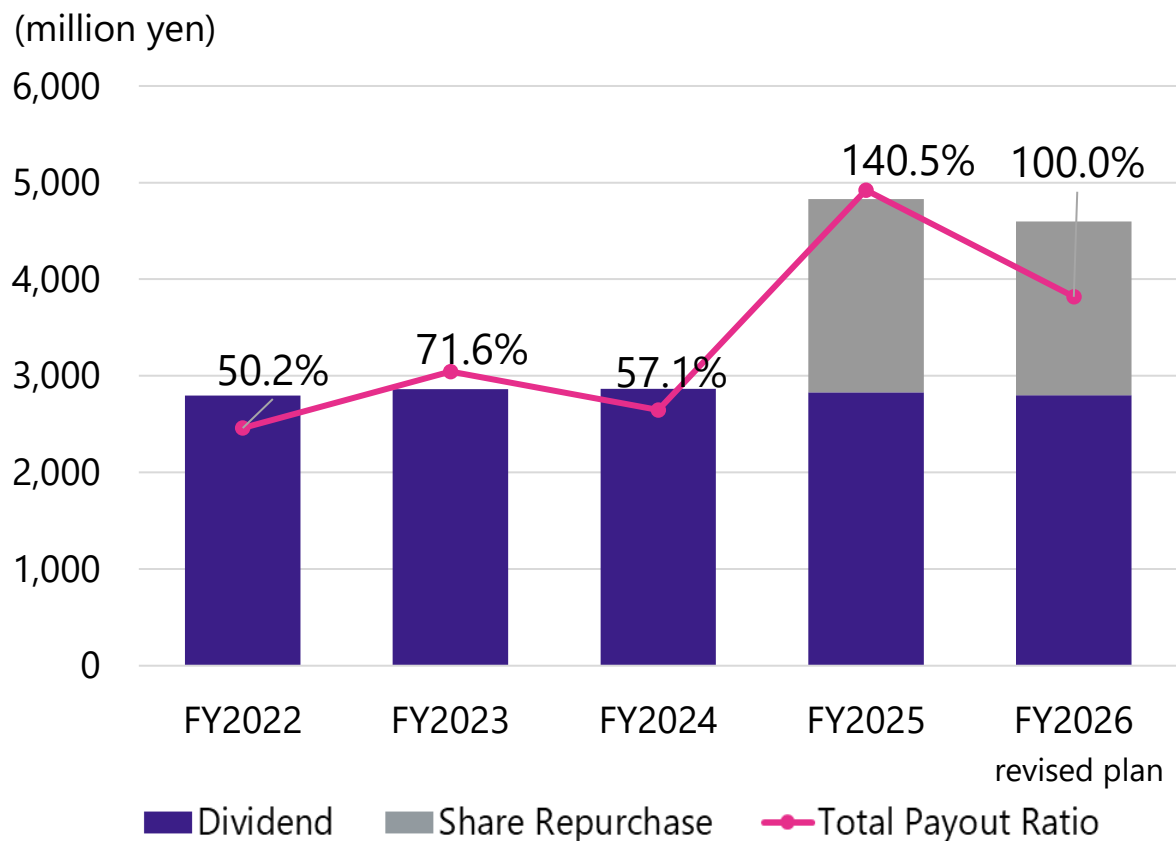
(million yen)



Shareholder Return: Dividends and Acquisition of Treasury Shares

Under our progressive dividend policy, the interim dividend was set at ¥40 as planned, and the year-end forecast of ¥48 remains unchanged. Additionally, we resolved to repurchase up to ¥1.8 billion of our shares to improve capital efficiency and enhance shareholder returns.

Total Returns Amount



	FY2023	FY2024	FY2025	FY2026 (plan)
Dividend Per Share (yen)	88	88	88	88
Dividend (million yen)	2,863	2,865	2,829	2,798
Share Repurchase (million yen)	—	—	1,999	1,800
Total Payout Ratio (%)	71.6%	57.1%	140.5%	100.0%

Shareholder Return Policy

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

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Review of the First Half

In Japan, we achieved our plan despite the delayed launch of PRETOWA. Supported by strong overseas performance, we have revised our full-year forecast upward, incorporating increased costs.

Japan

Hair Care

New products such as Suwae are performing well.
Sales of premium brands such as Aujua and Global Milbon are also solid, mainly take-home products.

Hair coloring products

The impact of market polarization continues. Although fashion color sales struggled due to the delayed launch of PRETOWA, sales of gray color products remain solid, led by Villa Lodola Color.

Overseas

South Korea

Net sales achieved the plan through strengthened sales activities. Operating income also exceeded the plan partly due to controlled SG&A expenses.

China

Despite the sluggish market environment, sales of both hair color and hair care products grew, driven by our proposal and educational activities.

US

Although the impact of competitors' distributor change has run its course, collaboration with distributors has deepened, and sell-out sales has remained solid.

EU

Expansion of the customer base and color ambassador initiatives have contributed to continued strong growth, particularly in Germany.

Other

Return to shareholders

The interim dividend will be maintained at 40 yen. Considering business performance and fund trends, we announced the implementation of share buybacks up to a maximum of 1.8 billion yen.

Our Strategic Direction and Current Challenges(Announced in Q2 FY2025)

We are 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

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 basis.

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.

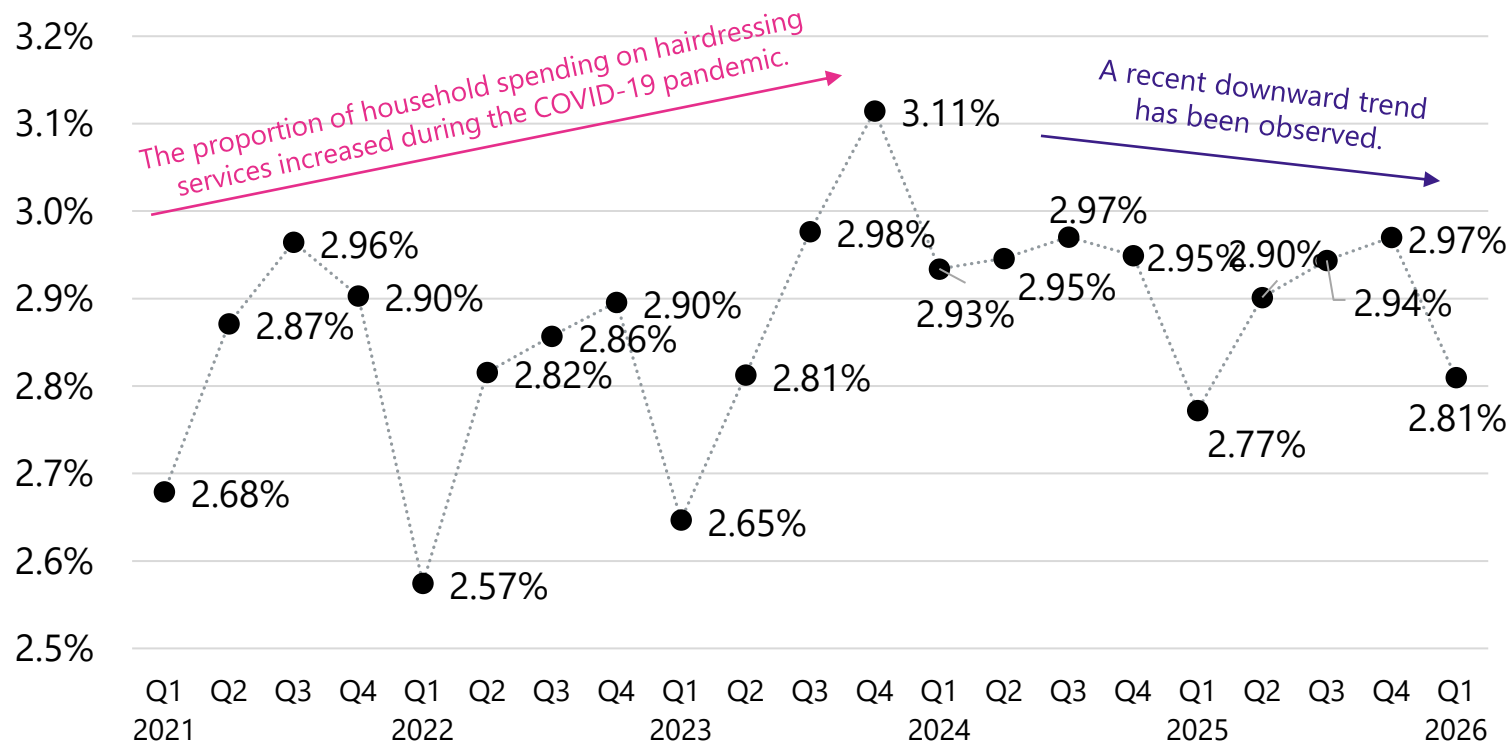
Cosmetics

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

Market Environment in Japan

The proportion of household spending on beauty services is showing a slight downward trend from flat. With growing cost-conscious driven by inflation, adapting to shifts in consumer behavior is urgent.

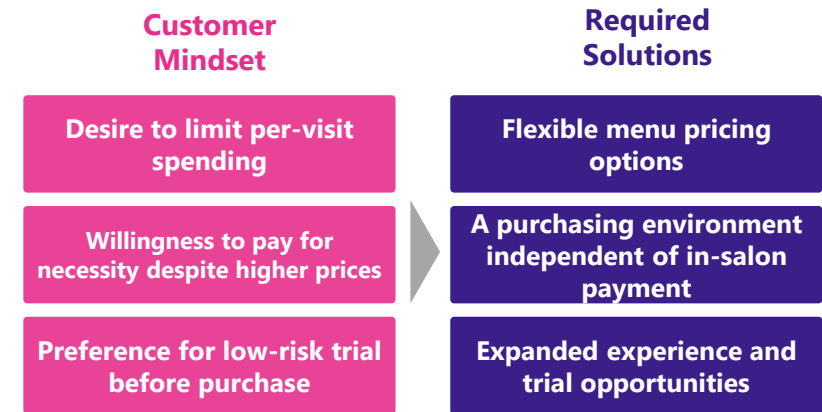
Historical Trend of the Beauty Spending Coefficient*



*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.

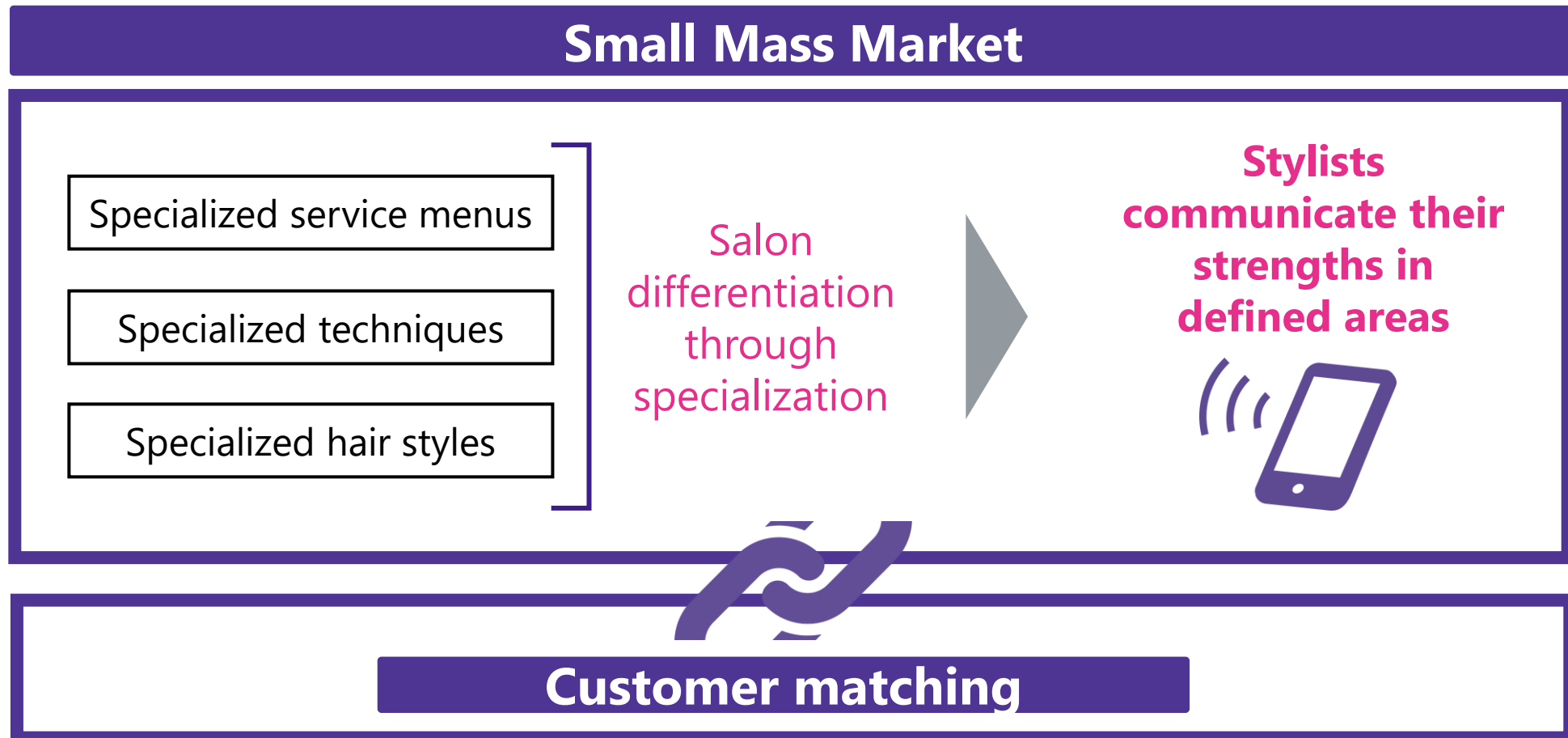
Changes in Consumption Behavior



It is essential to enhance service menus, pricing structures, and the product purchasing environment from a customer perspective.

Domestic Market Environment: Salon Growth Strategies

Consumers increasingly rely on social media as a daily source of beauty related information. As a result, hair salons are moving toward a model in which they refine individual staff strengths, communicate expertise in defined areas, and match more effectively with customer needs.



Our Initiatives in Japan for FY2026

By capturing the small mass market, we aim to support stylists' information dissemination and help salons drive revenue and profit growth through clearly targeted professional and take-home products.

Mature Segment

Hair Color

Enhance the value of salon color offerings through the launch of the new brand PRETOWA and support customer-focused color menu development to restore growth.



Hair Care

Enhance the value of professional in-salon menus and take-home products through the launch of a new line under Aujua.



Younger Segment

Hair Care and Styling

Take-home product offerings addressing trends, specific concerns such as frizzy hair, and men's needs.



Styling Series for Men



Hair Care Products in Japan

Amid continued inflationary pressures, sales of hair care products remained solid, increasing 4.4% year-on-year in the first half. In addition to strong performance of new products, we aim to drive further sales growth through ongoing educational activities.

Aujua

FY26H1 Gross Sales in Japan +2.5% YoY

Milbon:iD has helped create a business structure that is less dependent on salon visit frequency. Sales remained solid, particularly for take-home products. Performance remained solid, driven primarily by take-home products, and Aujua increased 2.5% year-on-year in the first half, despite the Miragery sales period being two months shorter than previous year.



New Products

FY26H1 Gross Sales in Japan 450 million yen

Suwae, which launched in February, and Nigelle, which launched in March, are performing well. Our proposals targeting the small-mass market have been successful, and we plan to launch a new styling series for the men's market in the second half.



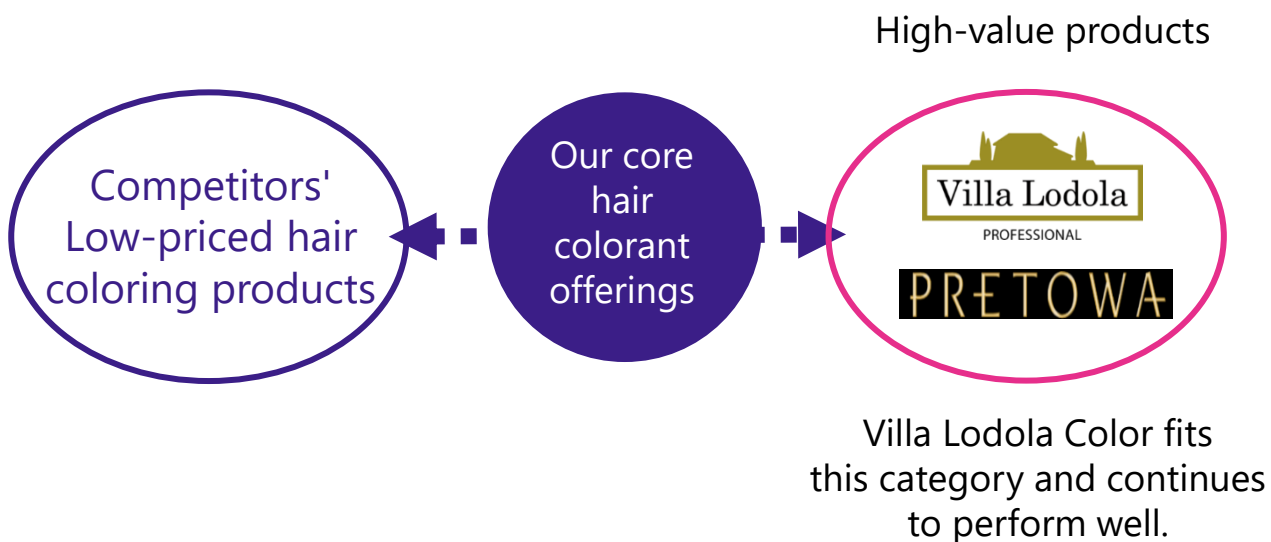
*Based on shipment value

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Hair Coloring Markets in Japan

In an increasingly polarized market environment, sales of fashion color fell below the previous year due to the delayed launch of PRETOWA. However, solid performance of Villa Lodola Color resulted in only a modest decline in overall hair color sales.

Polarizing Hair Coloring Product Needs

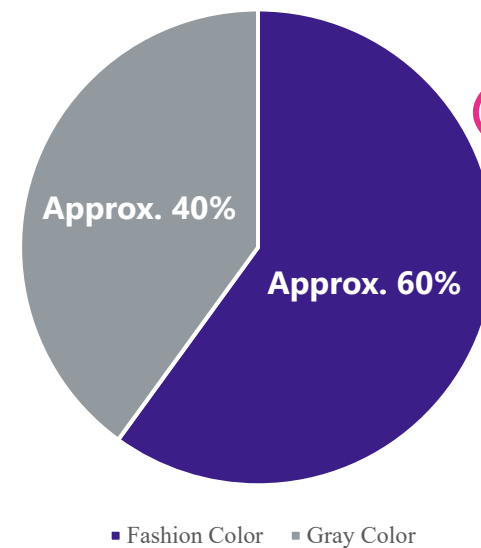


The momentum of low-priced hair coloring products has settled, but demand continues. High-value-added hair coloring products with strong uniqueness and consumer recognition remain solid.

Fashion and Gray



(Mid-price range)
- OD Crystal
- OD Beaute
- OD Ledress, etc.



Pre-launch



(Mid-price range)
- Addicthy
- ORDEVE
- ENOG, etc.

We offer a wide lineup of hair coloring products, but we have not yet launched high-value-added fashion color products.

New Hair Color Brand: PRETOWA

PRETOWA is scheduled to be launched on September 10. Pre-launch marketing activities have received highly positive feedback from both distributors and hair salons. Reflecting the launch delay, the sales target for the current fiscal year has been revised to ¥0.7 billion.

Realizing a high value-added
emotional experience

Immediate
value

Sustained
value

Repeat
value

Supports higher hair color average ticket and
repeat rate

Hair Color Concerns Unavoidable with
Conventional Products

Damage

Longevity

Unpleasant
odor

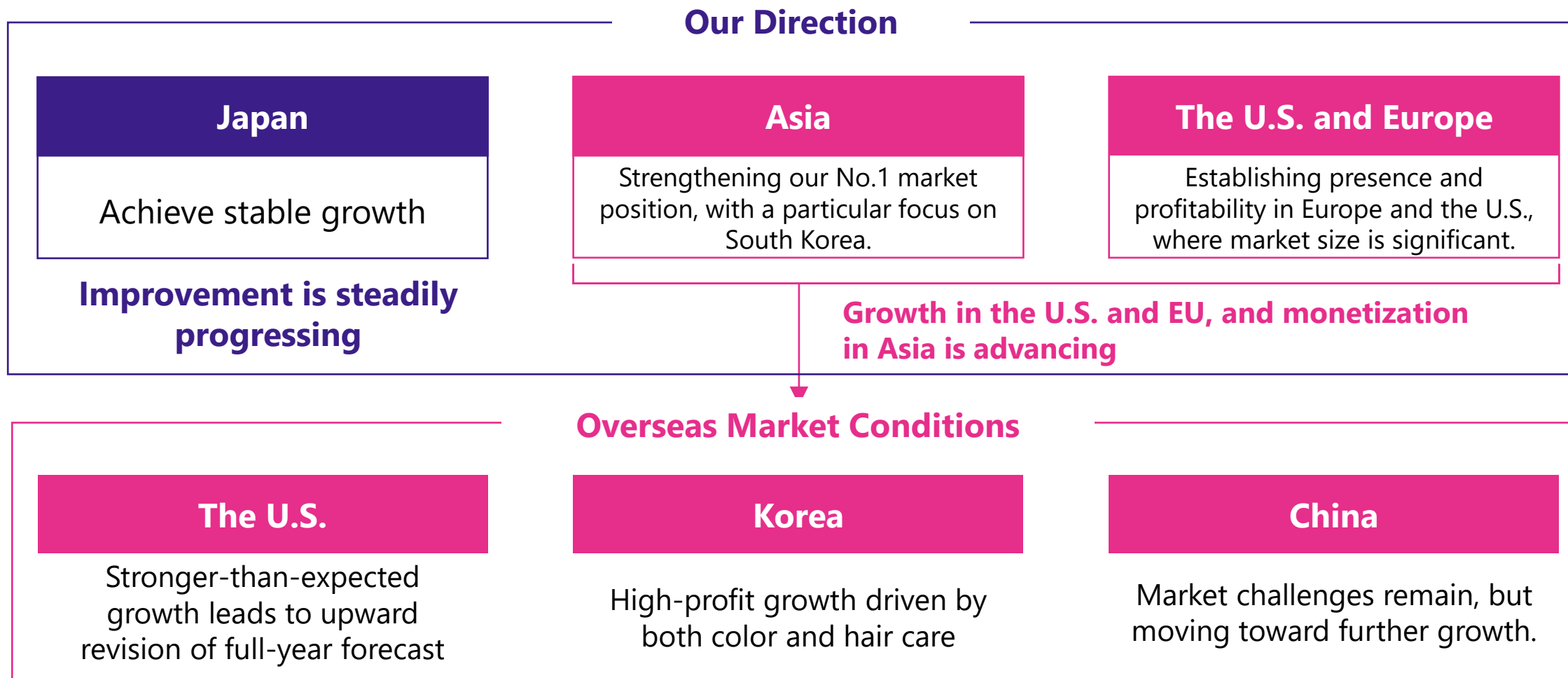
**PRETOWA addresses concerns that could not be
adequately addressed with conventional products.**



Annual sales target : ¥1.0 billion → ¥ 0.7 billion
Sales period : 7 month→4 month

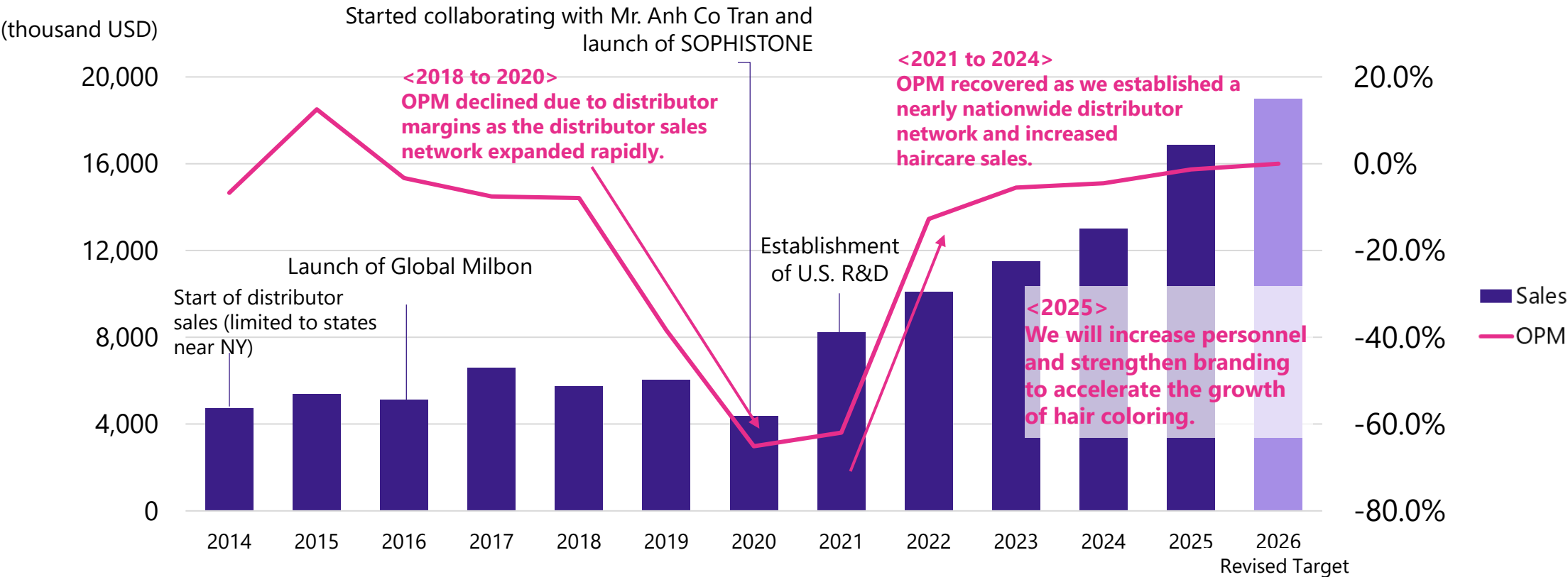
Our Direction and Growth Opportunities Ahead

Domestic improvements are progressing steadily, and we will report on our initiatives and progress toward becoming No.1 in Asia and accelerating growth in Europe and the United States.



USA: Review of Business Development to Date

We have been establishing a sales structure across the vast country and addressing hair types unique to Europe and North America, while developing distributor sales network and shift in product strategy. Growth has accelerated after the COVID-19 pandemic.



Sales ratio for direct sales to salons and distributors	Direct*1	94	88	85	84	74	42	38	28	20	19	17	13
	Distributor	6	12	15	16	26	58	62	72	80	81	83	87

*1 As of 2025, we conduct direct sales to salons only in the Manhattan area.
* Sales are in local currency, and OPM is in yen.

USA: Competitive Advantages of Global Milbon

In the U.S. market, the quality and performance of Global Milbon products are highly valued. These are two key factors that help salons differentiate themselves.

1. Professional Products to Enhance the Value of Salon Menus

Japanese-origin salon treatments that deliver both immediate and long-lasting results offer a competitive advantage through a diverse range of menu options, including take-home products. The combination of professional salon techniques and home care enhances customer satisfaction.



2. Take-home Products to Boost Salon Sales

The reliable results delivered by salon treatments strengthen trust between stylists and customers, leading to increased take-home product purchases. The high efficacy experienced through home care also encourages repeat purchases, contributing to higher salon revenue.

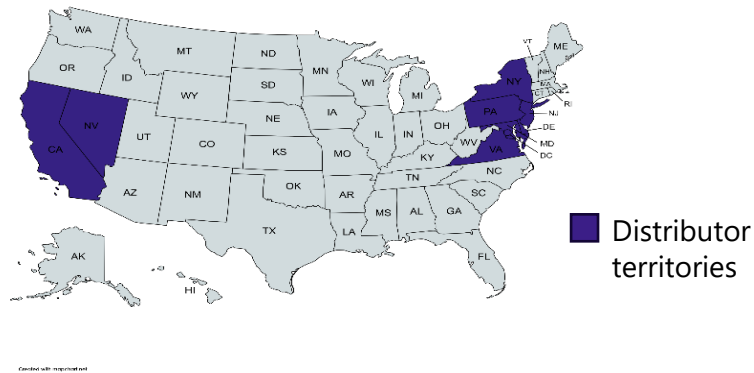


USA: Distributor Network Driving Our Growth and Expanding In-Store Share

We have completed the establishment of sales structure across North America. Furthermore, we have achieved No.1 in-store share with major distributors in the Western and Eastern regions, and share expansion is also progressing with large distributors in the Central region.

FY2018

We sell directly to salons
outside distributor sales areas.



Sales of Milbon (K USD)	5,730
Distributors	3
Distributor Sales Reps	50

FY2024

We have established a distributor network across North America.



Sales of Milbon (K USD)	13,013
Distributors	9
Distributor Sales Reps	312

FY2026(January-June)

Rising in-store share within distributors.



West	(Sweis/ Red) in-store share ranking No.1.
Central	(SSG/Blue) in-store share ranking No.2
East	(TRU/ Purple) in-store share ranking No.1. Direct sales return to growth.

USA: Competitive Advantages That Support Growth

The business model developed in Japan is also gaining traction in the United States. We are expanding salon support, beginning with hair care, while developing educational and business support models.

Market Environment

The USA has a high demand for hairstylist education and high-performance products, making it **the largest market in the world**. However, the country's vastness makes efficient sales and educational activities challenging.

Competitive Landscape

Competitors are shifting from B2B2C models involving distributors or salons to B2C models with direct consumer sales through retail stores or their own e-commerce platforms.

Milbon's Strengths in the United States

Position

Through a business model dedicated to hair salons and hairstylists, **Milbon has built strong trust between distributors and hair salons.**

Product Capability

The technology and product capabilities developed in Japan serve as a key competitive strength. Our hair care products are highly regarded in the market.

Sales Capability

A nationwide sales network has been established, while strengthening the education network through FP expansion and distributor development.



Strong partnerships built through a commitment to growing together with distributors and salon.



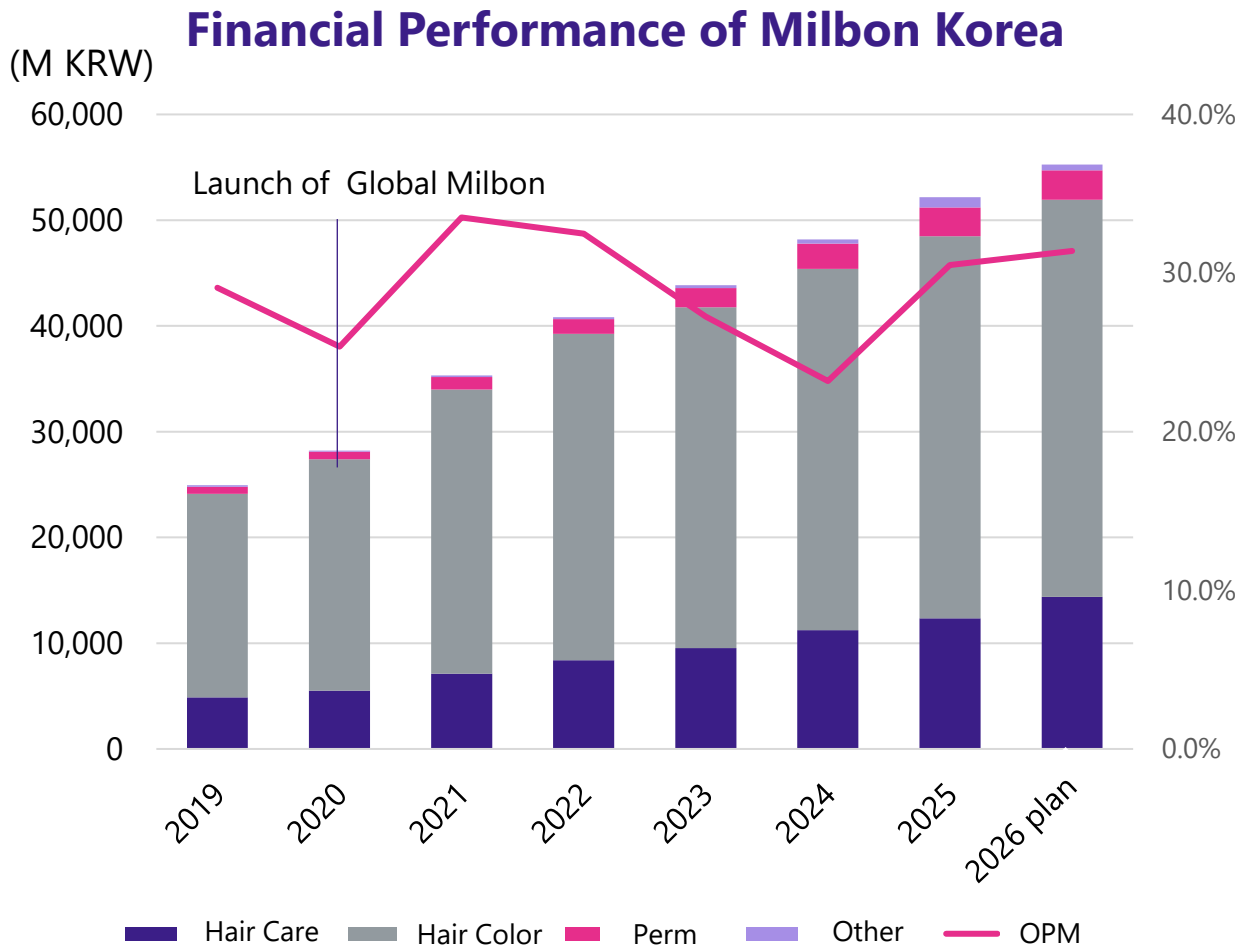
Technology and product capabilities developed in Japan serve as a competitive advantage, driving demand in hair care



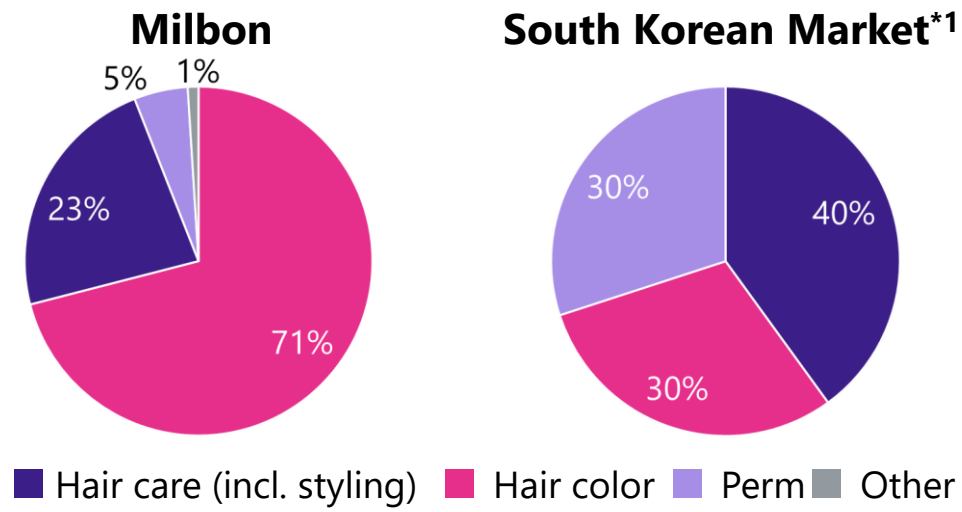
Evolution toward an education and business support model through distributor development and expansion of the FP workforce

South Korea: Initiatives to Become No.1 in the South Korean Market

Estimated market share ranks No.2. While growth at the market leader is moderating, we continue to deliver strong growth. Driving growth through hair color and further expanding performance through growth in hair care and perm products.



Sales and Market Composition by Product Category



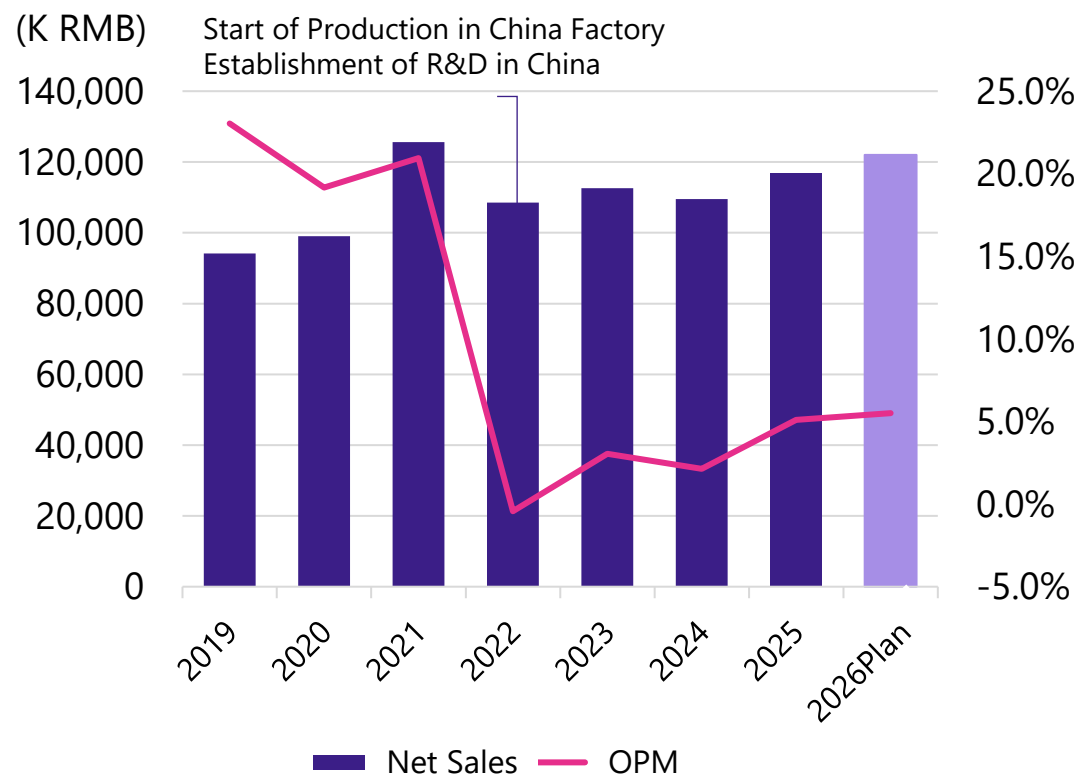
Hair care: promoting cross-selling for hair color products, primarily Aujua and Global Milbon.
Perm: developing products specifically tailored to needs of South Korean market.

*1 The composition rate in the South Korean professional market is based on our own research.
* Sales are in local currency, and OPM is in yen.

China: Market Shifts and the Growing Traction of Milbon's Philosophy

Since the COVID-19 pandemic, the market has changed significantly, but our policy proposal activities have steadily gained traction. Our policy proposals, which support the growth of hair salons, have been well received, contributing to sales expansion and enhancing our market presence.

Financial Performance of Milbon China



Achievement

• Estimated Market Share: Ranked #4

→ Our management strategies for hair salons, based on our "Policy," and the associated haircare product proposals are well-received, allowing us to outperform competitors in this challenging market environment.



→ **Hairstylists in China are supportive of our initiatives.**

* Net sales are shown on a local currency basis, operating income ratio is shown on a yen basis

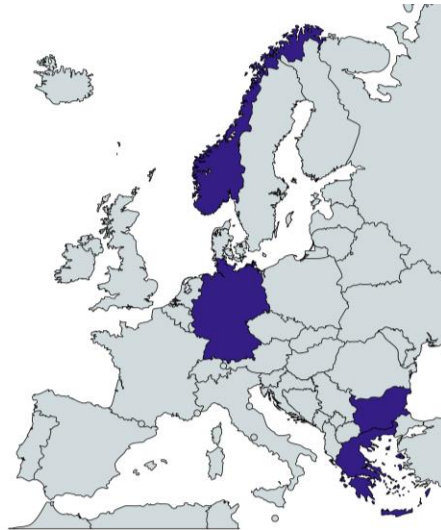
EU: Expansion into Growth Markets from Germany

The commission sales model is making steady progress, but we have not yet covered all of Germany, so we first aim to expand within Germany. Meanwhile, we are advancing expansion to other countries through distributors

Expansion of Sales Channels within the EU and EEA

Distributor sales began in Greece and Norway in 2025. In Europe, we will gradually expand the number of sales countries through partnerships with distributors whose ideas align with our activities, while maintaining our base in Germany.

We will expand into new countries with minimal fixed costs by leveraging our distributors' bases and sales networks.

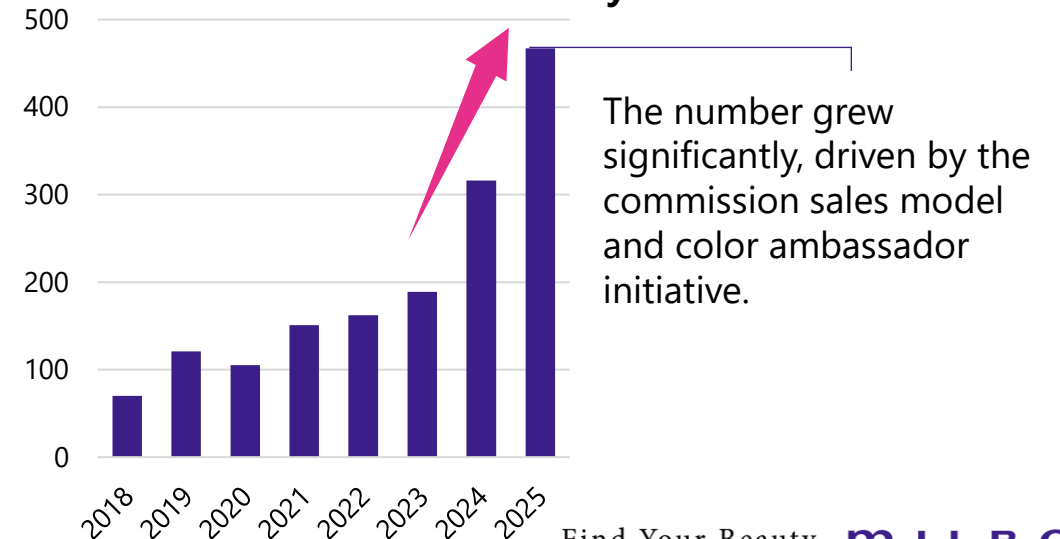


Created with mapchart.net

Sales Channel to Salons in Germany

We began distributor sales in 2018 but switched to direct sales with the establishment of a local subsidiary in 2022. Our growth has accelerated since 2024 due to commission contracts with several independent sales reps with experience at competing manufacturers. We have since expanded these contracts.

(salons) **The Number of Salons Carrying Global Milbon in Germany**



Closing Summary

Domestic business exceeded planned progress despite the delayed launch of PRETOWA. In the second half, we aim to recover market share with the new color "PRETOWA." Overseas is performing well, including strong performance in the US; full-year forecast revised upward.

Achieve Stable Growth in Japan



Our mainstay hair care products are performing steadily. New products are performing well, and mainstay products such as Aujua are stable. In the second half, we will launch men's products.



Hair coloring products are benefiting from our ongoing initiatives, but have not yet returned to growth. Awaiting the launch of PRETOWA.



Market conditions remain challenging for cosmetics, but progress is being made in portfolio optimization and the concentration of sales activities.

Expand Overseas Sales and Enhance Profitability

The U.S. and EU

Strong overseas performance particularly in the U.S. drove the upward revision of the earnings forecast.

Asia

In South Korea, growth continues to be driven by both hair coloring and hair care products, supporting our progress toward becoming the No.1 player in the market. In China, policy proposals are gaining traction, providing a clearer path toward the next stage of growth.

Improving Capital Efficiency Strengthening Shareholder Returns

Maintained a dividend of 40 yen in the first half, continuing progressive dividends.

Resolved to acquire treasury shares worth up to 1.8 billion yen.

Revision of Full-Year Earnings Forecast

(Unit: million yen)		FY2025	FY2026 Target	FY2026 Revised Target	Diff.	Diff. (%)
Net Sales		52,863	54,800	55,600	800	+1.5%
	Japan	39,206	39,880	40,050	170	+0.4%
	Overseas	13,657	14,920	15,550	630	+4.2%
Gross Profit		33,176	34,720	34,900	180	+0.5%
Gross Profit Margin		62.8%	63.4%	62.8%	—	—
SG&A Expenses		27,523	28,420	28,350	(70)	(0.2%)
Operating Income		5,652	6,300	6,550	250	+4.0%
Operating Margin		10.7%	11.5%	11.8%	—	—
Ordinary Income		5,455	6,180	6,740	560	+9.1%
Profit Attributable to Owners of Parent		3,437	4,300	4,600	300	+7.0%
ROE		7.0%	8.6%	9.3%	—	—

Considerations for the Next Medium-Term Management Plan(2027-2031)

Changes in the External Environment

- Significant shifts in the business environment amid persistent low growth, normalized inflation, and changes in population and industrial structure
- Evolution of our growth strategy in light of structural changes in the domestic beauty market, intensifying global competition, and advances in AI

Toward the Next Growth Stage - Balancing Deepening Customer Value and Global Growth -

Domestic

- Profitability improvement through high-value-added proposals and productivity gains
- Competitive enhancement through strengthened salon education programs
- Marketing activities tailored to the diversification of salon business models

Overseas

- Growth in key markets, including the U.S., EU, South Korea, and China
- Accelerating overseas growth based on the highly profitable business model established in Japan

Management Foundation and Financial Policies Supporting Growth

- Improving productivity through DX and AI
- Strengthening our cash management capabilities
- Balancing growth investments and shareholder returns (including consideration of a DOE-based policy)
- Capital policies with awareness of ROE and ROIC

* Details will be explained in the next Medium-Term Management Plan starting from FY2027 (scheduled for disclosure in February 2027)

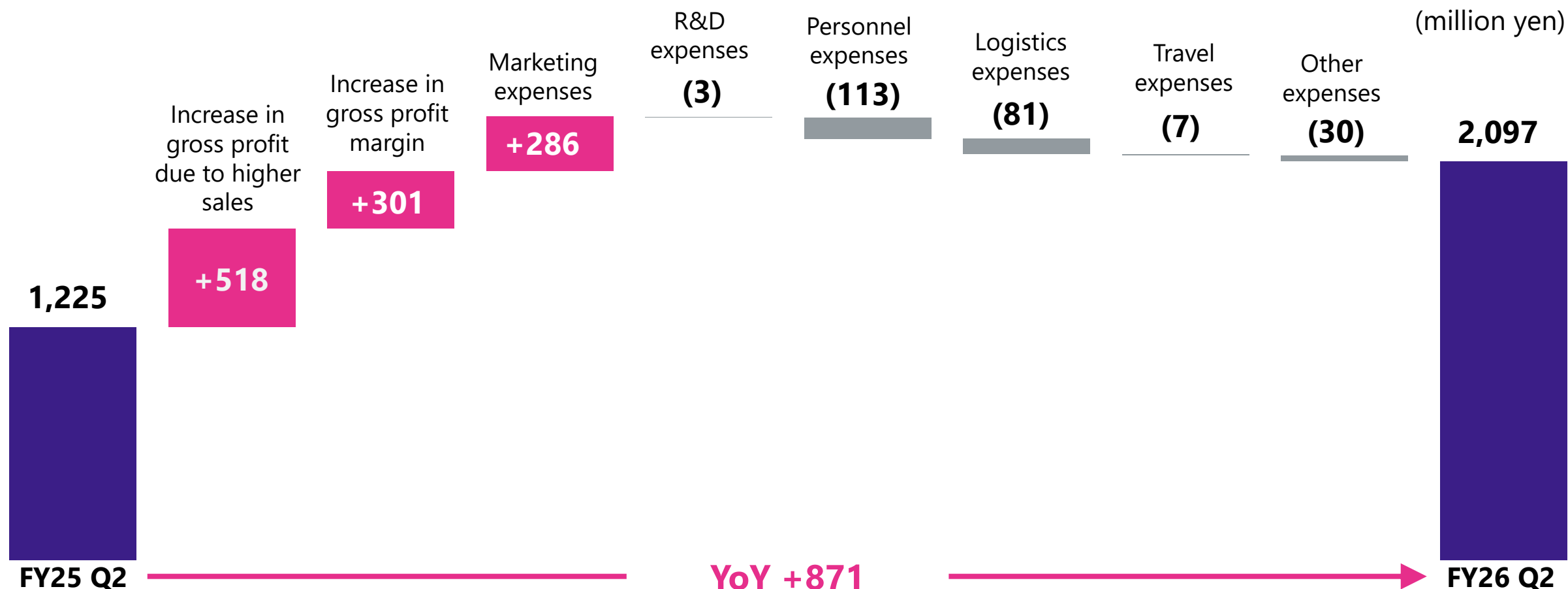
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This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

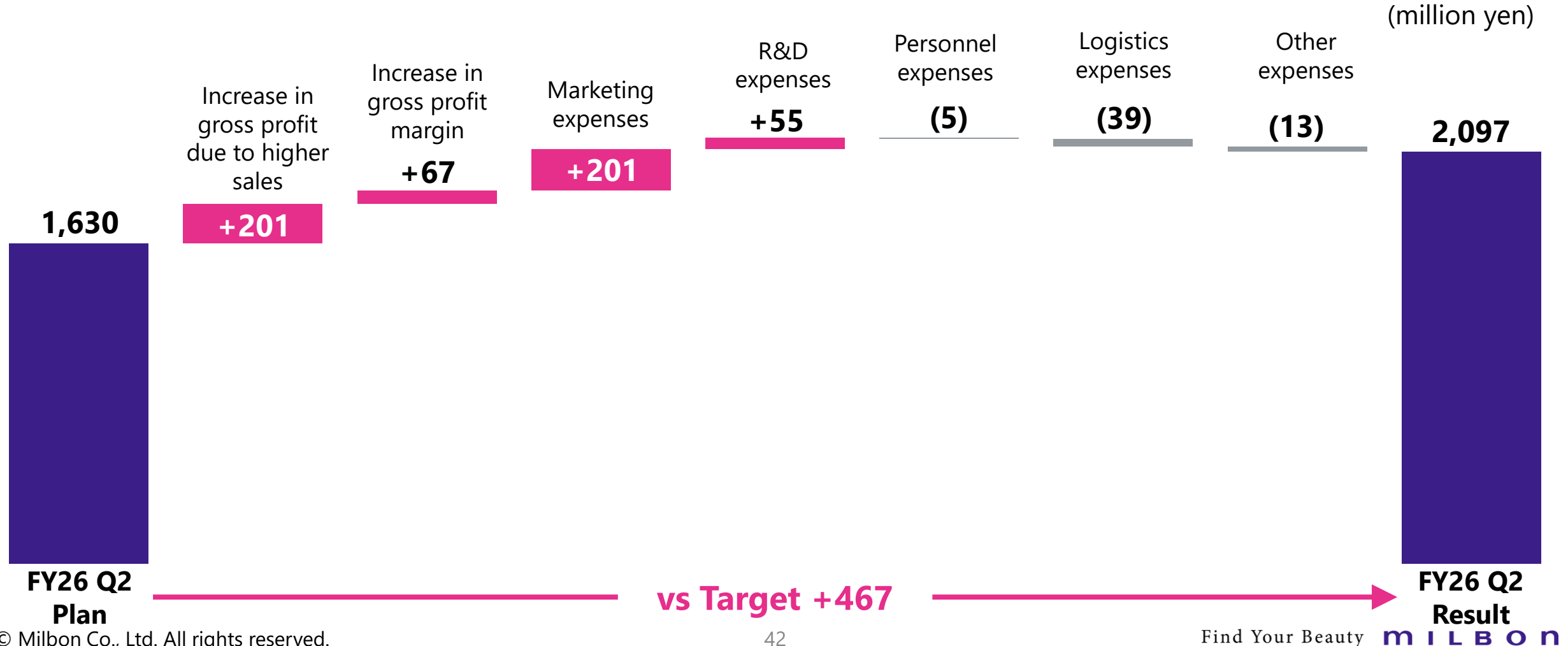
Consolidated Operating Income – Factors Behind YoY Changes (Quarterly Basis)

Higher gross profit from increased sales and an improved gross profit margin more than offset SG&A expenses, resulting in a substantial increase in operating income.



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

In addition to higher gross profit driven by sales growth, the timing of marketing expenses and R&D expenses contributed to results exceeding plan.



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)	FY2025		FY2026	
	Q2	Q2 YTD	Q2	Q2 YTD
Gross Sales	3,185	5,591	3,315	5,771
Japan	3,066	5,369	3,180	5,505
South KR	119	222	134	265

(Unit: salons)	FY2025		FY2026	
Salons		8,217		8,724
Japan		7,842		8,325
South KR		375		399

New Products

Aujua Hair Care Series Miragery (Debut on April 11)



(Unit: mil. yen)	FY2026	
		Target
Gross Sales	297	840

Hair Care – Global Milbon

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

(Unit: mil. yen)	FY2025		FY2026	
	Q2	Q2 YTD	Q2	Q2 YTD
Gross Sales	1,989	3,668	2,171	4,352
Japan	858	1,594	851	1,636
US	602	1,052	746	1,508
EU	96	182	135	268
China	163	313	180	386
South KR	71	144	67	144
Other	198	382	189	407

(Unit: salons)	FY2025		FY2026	
Salons		31,755		35,918
Japan		12,382		14,117
US*		14,326		16,854
EU		467		469
China		1,260		1,311
South KR		1,432		1,498
Other		1,888		1,669

*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 continues to face a slowdown and heightened competition. We aim to regain momentum by supporting customer acquisition at hair salons through salon reservation platforms utilizing the Addicthy brand, while increasing consumer awareness.

(Unit: mil. yen)	FY2025		FY2026	
	Q2	Q2 YTD	Q2	Q2 YTD
Gross Sales	1,681	3,050	1,614	2,923
Japan	1,404	2,506	1,275	2,283
Overseas	276	543	339	639

New Products – PRETOWA

New brand PRETOWA (Scheduled to be released on September 10th)



(Unit: mil. yen)	FY2026	FY2026 Target
Gross Sales	—	<u>700</u>

*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.

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Hair Coloring – Villa Lodola Color

The number of salons adopting Villa Lodola Color has increased, reflecting strong recognition of its functionality. Overseas, South Korea drove the growth.

(Unit: mil. yen)	FY2025		FY2026	
	Q2	Q2 YTD	Q2	Q2 YTD
Gross Sales	356	679	414	822
Japan	316	614	373	739
Overseas	40	65	41	82

(Unit: salons)	FY2025	FY2026
Salons	15,295	16,642
Japan	13,700	15,059
Overseas	1,595	1,583

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)	FY2025		FY2026	
	Q2	Q2 YTD	Q2	Q2 YTD
Gross Sales	78	137	92	188

Status of Main Brands – Cosmetics

Cosmetics – Imprea

The core lotion products continued to perform steadily.

	FY2025		FY2026	
(Unit: mil. yen)	Q2	Q2 YTD	Q2	Q2 YTD
Gross Sales	122	252	117	230
	FY2025		FY2026	
(Unit: salons)				
Salons	2,505		2,954	

New Products

Imprea Crystal Tuner (Debut on February 10)



(Unit: mil. yen)	FY2026	FY2026 Target
Gross Sales	32	100

Cosmetics – IM

Although new products have been launched, sales have fallen short of the target.

	FY2025		FY2026	
(Unit: mil. yen)	Q2	Q2 YTD	Q2	Q2 YTD
Gross Sales	54	90	17	76

New Products

IM Jelly On Series (Debut on February 5)



(Unit: mil. yen)	FY2026	FY2026 Target
Gross Sales	33	100

*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.

Net Sales and Operating Income by Region(Results and Target)

		FY2025 (Results)				FY2026 (Results)		FY2026 Initial Target	FY2026 Revised Target
(Unit: million yen)		Q1 YTD	Q2 YTD	Q3 YTD	Q4 YTD	Q1 YTD	Q2 YTD	Q4 YTD	Q4 YTD
Japan	Net Sales	8,165	18,483	27,819	39,206	8,462	18,993	39,880	40,050
	Operating Income	566	1,640	2,645	4,757	660	2,161	5,090	4,850
	Margin (%)	6.9%	8.9%	9.5%	12.1%	7.8%	11.4%	12.8%	12.1%
Overseas	Net Sales	3,014	6,323	10,007	13,657	3,952	7,884	14,920	15,550
	Operating Income	145	297	844	895	589	1,185	1,210	1,700
	Margin (%)	4.8%	4.7%	8.4%	6.6%	14.9%	15.0%	8.1%	10.9%
South Korea	Net Sales	1,189	2,577	4,126	5,503	1,428	2,975	5,802	5,900
	Operating Income ^{*1}	404	894	1,444	1,677	518	1,108	1,822	1,870
	Margin (%)	34.0%	34.7%	35.0%	30.5%	36.3%	37.2%	31.4%	31.7%
China	Net Sales	637	1,193	1,819	2,441	793	1,515	2,623	2,820
	Operating Income	67	117	141	125	119	209	144	280
	Margin (%)	10.7%	9.8%	7.8%	5.1%	15.0%	13.8%	5.5%	9.9%
USA	Net Sales	495	1,150	1,863	2,520	856	1,668	2,850	3,250
	Operating Income	(20)	(141)	46	89	174	274	37	360
	Margin (%)	(4.2%)	(12.3%)	2.5%	3.5%	20.3%	16.4%	1.3%	11.1%
EU	Net Sales	110	240	377	537	175	383	666	730
	Operating Income	(46)	(67)	(99)	(134)	(31)	(33)	(92)	(80)
	Margin (%)	(41.5%)	(27.9%)	(26.4%)	(25.0%)	(18.2%)	(8.8%)	(14.0%)	(11.0%)
Other ^{*2}	Net Sales	581	1,161	1,820	2,653	697	1,341	2,979	2,850
	Operating Income	52	107	214	351	129	249	487	458
	Margin (%)	9.0%	9.2%	11.8%	13.3%	18.6%	18.6%	16.3%	16.1%
(Allocation costs)		(312)	(612)	(903)	(1,214)	(318)	(621)	(1,188)	(1,188)

^{*1} Overseas operating income by region is presented before company-wide cost allocations from this year.(Company-wide allocated costs shown on the bottom line)

^{*2} Taiwan, Hong Kong, Thailand, Malaysia, Singapore, Vietnam, Indonesia, Philippines, Turkey, and UAE

Consolidated Net Sales and Sales Ratio by Category

(Unit: million yen)	FY2025					FY2026					FY2026
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Revised Target
Net Sales	11,180	13,626	13,020	15,035	52,863	12,415	14,463			26,878	55,600
Hair Care	6,938	8,685	7,944	9,897	33,466	7,847	9,302			17,150	35,620
Hair Coloring	3,706	4,275	4,427	4,486	16,896	4,010	4,527			8,538	17,630
Perm	287	422	341	384	1,435	321	424			745	1,450
Cosmetics	159	168	181	154	664	165	131			296	500
Others	89	74	124	113	401	70	78			149	400
% to Sales											
Hair Care	62.1%	63.7%	61.0%	65.8%	63.3%	63.2%	64.3%			63.8%	64.1%
Hair Coloring	33.1%	31.4%	34.0%	29.8%	31.9%	32.3%	31.3%			31.8%	31.7%
Perm	2.6%	3.1%	2.6%	2.6%	2.7%	2.6%	2.9%			2.8%	2.6%
Cosmetics	1.4%	1.2%	1.4%	1.0%	1.3%	1.3%	0.9%			1.1%	0.9%
Others	0.8%	0.6%	1.0%	0.8%	0.8%	0.6%	0.5%			0.6%	0.7%

Sales Growth and Sales Ratio by Category : Japan

Japan	FY2025					FY2026				
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD
Net Sales	(2.5%)	+3.2%	+0.1%	+3.6%	+1.3%	+3.6%	+2.1%			+2.8%
Hair Care	+6.6%	+6.8%	+2.1%	+6.5%	+5.6%	+5.5%	+3.5%			+4.4%
Hair Coloring	(7.9%)	(1.8%)	(2.1%)	(4.2%)	(3.9%)	(0.5%)	(0.0%)			(0.2%)
Perm	(23.3%)	(9.6%)	(18.8%)	(3.5%)	(13.0%)	+4.4%	(4.4%)			(1.5%)
Cosmetics	(57.5%)	(15.2%)	+20.9%	+2.5%	(24.0%)	+3.8%	(22.0%)			(9.5%)
Others	(32.7%)	(27.6%)	(14.3%)	(15.5%)	(21.5%)	(7.7%)	93.3%			+27.2%
% to Sales										
Hair Care	66.2%	67.0%	65.3%	69.6%	67.2%	67.7%	68.7%			68.2%
Hair Coloring	30.0%	28.4%	30.7%	26.9%	28.8%	28.1%	27.1%			27.6%
Perm	1.7%	2.7%	1.9%	1.8%	2.1%	1.7%	2.5%			2.2%
Cosmetics	1.8%	1.5%	1.8%	1.3%	1.5%	2.0%	1.3%			1.6%
Others	0.2%	0.4%	0.3%	0.4%	0.3%	0.5%	0.4%			0.4%

*The figures for Japan are based on shipment value.

Sales Growth and Sales Ratio by Category : Overseas

South Korea	FY2025					FY2026				
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD
Net Sales	+0.8%	+10.0%	+19.5%	+2.5%	+8.3%	+16.8%	+8.0%			+12.1%
Hair Care	+5.0%	+14.2%	+18.0%	+3.0%	+10.1%	+22.7%	+15.7%			+18.9%
Hair Coloring	(2.9%)	+6.2%	+16.9%	+2.3%	+5.7%	+16.6%	+8.2%			+12.0%
Perm	+10.2%	+10.2%	+29.3%	+4.9%	+13.7%	+17.0%	+9.6%			+13.2%
% to Sales										
Hair Care	24.3%	23.8%	23.5%	23.3%	23.7%	25.5%	25.5%			25.5%
Hair Coloring	68.5%	68.9%	68.7%	70.8%	69.2%	68.4%	69.0%			68.7%
Perm	5.5%	4.9%	5.4%	5.2%	5.2%	5.5%	4.9%			5.2%
Others	1.7%	2.4%	2.4%	0.7%	1.9%	0.6%	0.5%			0.6%

China	FY2025					FY2026				
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD
Net Sales	(3.9%)	+13.2%	+8.7%	+10.9%	+6.6%	+15.7%	+9.6%			+12.8%
Hair Care	(0.6%)	+10.8%	+4.6%	+13.8%	+6.9%	+13.2%	+12.3%			+12.7%
Hair Coloring	(7.0%)	+18.1%	+15.2%	+12.2%	+8.2%	+19.5%	+6.6%			+13.5%
Perm	(14.7%)	+9.7%	+10.8%	(19.6%)	(6.0%)	+16.7%	(2.1%)			+8.7%
% to Sales										
Hair Care	57.8%	60.7%	56.2%	64.4%	59.7%	56.5%	62.2%			59.2%
Hair Coloring	36.3%	34.5%	38.4%	30.4%	35.0%	37.5%	33.5%			35.6%
Perm	5.9%	4.8%	5.4%	5.2%	5.3%	6.0%	4.3%			5.2%
Others	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			0.0%

*Figures are based on local currency.

Sales Growth and Sales Ratio by Category : Overseas

USA	FY2025					FY2026				
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD
Net Sales	+18.4%	+40.7%	+39.4%	+17.9%	+29.4%	+67.1%	+11.4%			+34.8%
Hair Care	+22.9%	+41.2%	+39.0%	+18.1%	+30.4%	+68.7%	+13.7%			+36.9%
Hair Coloring	(7.2%)	+37.3%	+63.3%	+22.3%	+27.3%	+69.2%	+0.5%			+28.6%
Perm	(17.7%)	+5.0%	+18.0%	(14.5%)	(2.5%)	+41.6%	(15.9%)			+5.0%
% to Sales										
Hair Care	86.8%	86.1%	87.5%	86.6%	86.8%	87.6%	87.9%			87.8%
Hair Coloring	8.3%	8.7%	8.4%	9.3%	8.7%	8.4%	7.8%			8.1%
Perm	2.2%	2.8%	2.3%	2.5%	2.4%	1.9%	2.1%			2.0%
Others	2.7%	2.4%	1.8%	1.6%	2.1%	2.1%	2.2%			2.2%

EU	FY2025					FY2026				
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD
Net Sales	+94.5%	+82.6%	+58.8%	+24.5%	+58.0%	+37.8%	+41.6%			+39.8%
Hair Care	+90.7%	+72.2%	+52.5%	+29.9%	+55.8%	+40.7%	+42.9%			+41.8%
Hair Coloring	+144.7%	+145.1%	+104.5%	+6.4%	+77.0%	+34.7%	+44.9%			+40.2%
Perm	(0.4%)	+36.9%	+6.8%	+18.3%	+14.7%	+12.4%	+9.4%			+10.7%
% to Sales										
Hair Care	76.2%	75.3%	75.2%	78.8%	76.5%	77.8%	76.0%			76.8%
Hair Coloring	19.3%	19.7%	20.3%	17.2%	19.1%	18.9%	20.1%			19.6%
Perm	3.4%	3.8%	3.7%	3.3%	3.5%	2.7%	3.0%			2.9%
Others	1.1%	1.2%	0.8%	0.7%	0.9%	0.6%	0.9%			0.7%

*Figures are based on local currency.

Status of Capital Expenditures, etc.

(Unit: million yen)		FY2022	FY2023	FY2024	FY2025	FY2026 Q2YTD	FY2026 Target
Capital Expenditures		4,097	3,151	2,865	2,701	1,151	1,950
Depreciation and Amortization		2,026	2,213	2,288	2,317	1,192	2,410
R&D exp.	Amount	2,074	2,334	2,452	2,672	1,283	2,884
	% to Sales	4.6	4.9	4.8	5.1	4.8	5.3

FY2026 CAPEX Main Items

Sales Offices, Studios

- HR Development Center

Digital

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

Production System

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

Others

- Internal infrastructure
- Production equipment

Progress on milbon:iD and Smart Salon Initiatives

milbon:iD

Although the growth in number of salons has slowed due to the exclusion of closed locations following a change in the counting criteria, the number of registered uses continues to increase steadily. Since June 2025, we connected milbon:iD to the LINE messaging app to improve the active user rate.

	FY2024	FY2025	FY2026 Q2YTD	FY26 Target
Users	881,000	1,040,000	1,115,000	1,150,000
Salons (reference)	6,566	6,669	6,855	—
EC Sales*1	1,970 mil. yen	2,250 mil. yen	930mil. yen	2,500mil.yen

Number of Smart Salons

	FY2024	FY2025	FY2026 Q2 YTD
Salons	62	83	90

*Results for the Japan market

*1 EC sales are based on shipment value.

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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)

	FY2023	FY2024	FY2025	FY2026
Japan	350.2	361.4	364.8	367.0
	104	107	107	—
South Korea	33.4	33.2	33.6	35.0
	141	160	163	—
China	34.3	33.8	32.2	27.0
	65	68	75	—
USA	13.2	15.8	18.2	17.0
	123	125	138	—
EU	3.8	6.2	9.0	10.0
	—	—	—	—
Other*	34.4	36.8	37.0	39.0
	70	69	68	—

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

FP Recruitment and Training Status in Japan

As of June 30, 2026

12 FPs joined in October 2025 and are currently on-site OJT

As of April 1, 2026

30 FPs joined in April 2026 and are in training

(The above 30 FPs are not included in the left chart.)

Forex Assumption and Sensitivities

(million yen)

	FY2026 Assumption	Impact on Consolidated Net Sales	Impact on Consolidated Operating Income	Q2 Results
KRW	0.105 yen	+1% → +55	+1% → +39	0.1060 yen
RMB	21.5 yen	+1% → +24	+1% → +5	23.03 yen
USD	150.0 yen	+1% → +25	+1% → +8	158.59 yen
EUR	180.0 yen	+1% → +5	+1% → +0	184.83 yen
THB	4.8 yen	+1% → +3	+1% → (28)	4.90 yen

As we operate a manufacturing plant in Thailand, a weaker yen against the Thai baht has a negative impact on operating income.

*The impact amount is calculated based on FY2025 results.

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.