

MILBON Sustainability Report 2026

-Enrich the spirit through beauty-

Beauty



Social



Governance



Environment





Milbon is a global professional haircare manufacturer that works with hair professionals worldwide to inspire beautiful living.

Beautiful living enriches the human spirit.
An enriched spirit fosters culture.
A society that values culture brings peace.

Believing this, we will continue to contribute to a sustainable society through our business activities.

Basic Guideline for Sustainability

We strive to achieve a sustainable society through our collaboration with haircare professionals.

- Top Commitment

Contributing to a Sustainable Society Through Beauty —This is Milbon’s Essential Purpose

Milbon is a global professional manufacturer specializing in salon-exclusive hair cosmetics and related services, operating under the corporate slogan, “Find Your Beauty.”

Beautiful living enriches the human spirit; an enriched spirit fosters culture; and a society that values culture brings peace. We believe in this power of beauty. Since our founding in 1960, we have remained dedicated to inspiring beautiful living through salons and haircare professionals worldwide. We believe this is the unique contribution to a sustainable society that only Milbon can make, and it represents our essential purpose.

Building on these ideas, the Sustainability Commitment we have been promoting since FY2022—our Five Key Challenges—centers on “enriching the spirit through beauty.” Our objective is to ensure that our business functions as an “infrastructure for living beautifully” for salons, haircare professionals, and people across all countries and regions. Regarding our KPIs, the number of registered members of our official online store, milbon:iD, reached 1.04 million in FY2025, surpassing the 1 million target one year ahead of schedule. In addition, we have expanded our Smart Salons—innovative salon spaces—to 83 locations across 60 cities.

Furthermore, our business is now closely intertwined with the environment and society at every stage of the global supply chain. Consequently, the sustainability of the entire supply chain and society itself is a prerequisite for our business continuity. For this reason, we are promoting initiatives to minimize negative impacts on the environment and society, starting with areas where assessment and implementation are feasible. In the areas of the environment and human rights, we made significant progress in

FY2025 in reducing petroleum-derived virgin plastic use and increasing the adoption of RSPO-certified palm oil—both of which had previously shown gaps relative to our targets. As a result, we successfully achieved our FY2026 targets ahead of schedule.

Furthermore, regarding KPIs related to strengthening our internal foundations for sustainable business growth, we are maintaining target levels in the appointment of at least one-third outside directors, the proactive appointment of female executives, and the securing of diverse skills, including international perspectives. On the other hand, regarding initiatives to create a rewarding workplace environment, while we have achieved our target for the paid leave utilization rate, challenges remain in the turnover rate of junior employees. Consequently, we are strengthening organization-wide improvement efforts centered on dialogue.

As FY2026 marks the final year of our current medium-term management plan, it is an important year for us to review our materialities in preparation for the next plan. Compared to when our current materialities were first established, not only our internal circumstances but also broader social conditions have changed significantly, with the pace of change continuing to accelerate. Amid these changes, it is essential that we accurately capture the shifting times while returning to our corporate philosophy, clearly identifying what Milbon must do and continuing to take on challenges for the future. By incorporating stakeholder perspectives and engaging in unified deliberation and examination among our management team, we will formulate highly effective materialities, further accelerating our efforts toward realizing a sustainable society enriched in spirit through beauty.



坂下 秀憲 Hidenori Sakashita

President & CEO Milbon Co., Ltd.

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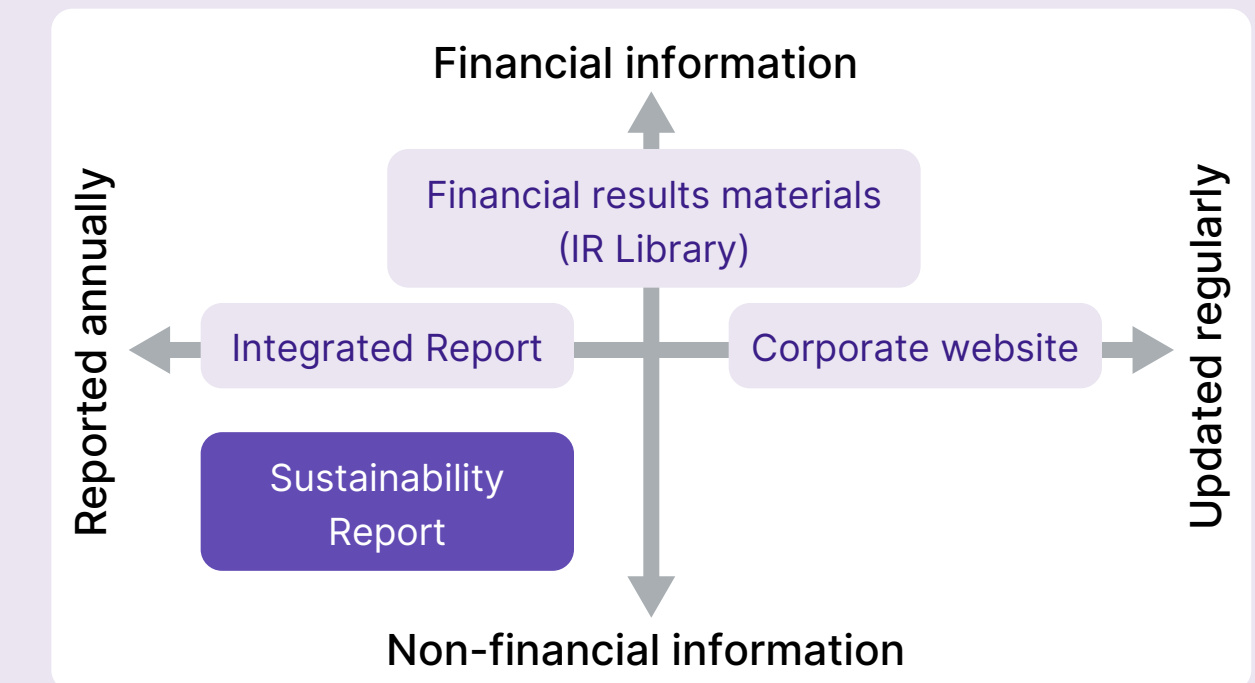


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Disclosure System

Milbon discloses its initiatives through various media, tailored to the type of information and the interests of its stakeholders. The Sustainability Report is positioned primarily as a disclosure of annual non-financial information, providing detailed information on our approach to sustainability and key initiatives.



Information disclosure tools	Description
Integrated Report	Annually Based on our business model and corporate philosophy, we report once a year on business results for the past year, as well as future goals and sustainability-related activities.
Sustainability Report	Annually We report detailed information on sustainability-related activities once a year.
IR Library	Primarily quarterly This section focuses on financial information, including business performance and financial statements, and features materials such as earnings releases, earnings presentation materials, and annual securities reports. ▶ Please visit the IR Library webpage. https://www.milbon.com/en/ir/library/
Corporate website	Regularly We provide comprehensive information on both financial and non-financial matters, including basic corporate information, on an ongoing basis. ▶ Please visit the shareholder and investor information page. https://www.milbon.com/en/ir/ ▶ Please visit the Sustainability page. https://www.milbon.com/en/sustainability/

To our stakeholders

We would appreciate your feedback on this Sustainability Report.



*Please access the survey form via the two-dimensional code.



Overview of Sustainability

- Value Creation and Sustainability
- Milbon's Supply Chain
- Sustainability Approach and Governance
- Message from the Sustainability Director

Sustainability: <https://www.milbon.com/en/sustainability/>



- Overview of Sustainability

Milbon's Value Creation and Sustainability

Under the foundational philosophy of “Everything we do, we do for and with hair professionals,” Milbon has consistently conducted business activities centered on the strategy of “Greater sales and profits for hair salons” since its founding. Leveraging the three sources of value creation—the employee code of conduct known as *The Milbon Way*, our unique business models of the Field Person System and the TAC Product Development System, and our vision for the future defined in our five-year medium-term management plan—we position our Sustainability Commitment as a core pillar. Through the promotion of these initiatives, we aim to “enrich the spirit through beauty.”

Basic Guideline for Sustainability

We strive to achieve a sustainable society through our collaboration with haircare professionals.

Milbon Group Environmental Policy

[Full text ▶ https://www.milbon.com/en/sustainability/environment/environmental_policy.html](https://www.milbon.com/en/sustainability/environment/environmental_policy.html)

Milbon Group Human Rights Policy

[Full text ▶ https://www.milbon.com/en/sustainability/humanrights/policy.html](https://www.milbon.com/en/sustainability/humanrights/policy.html)

Milbon Ethics and Code of Conduct

[Full text ▶ https://www.milbon.com/en/company/way_we_are/ethics.html](https://www.milbon.com/en/company/way_we_are/ethics.html)

Milbon's Value Creation Process

VALUE Enrich the Spirit Through Beauty

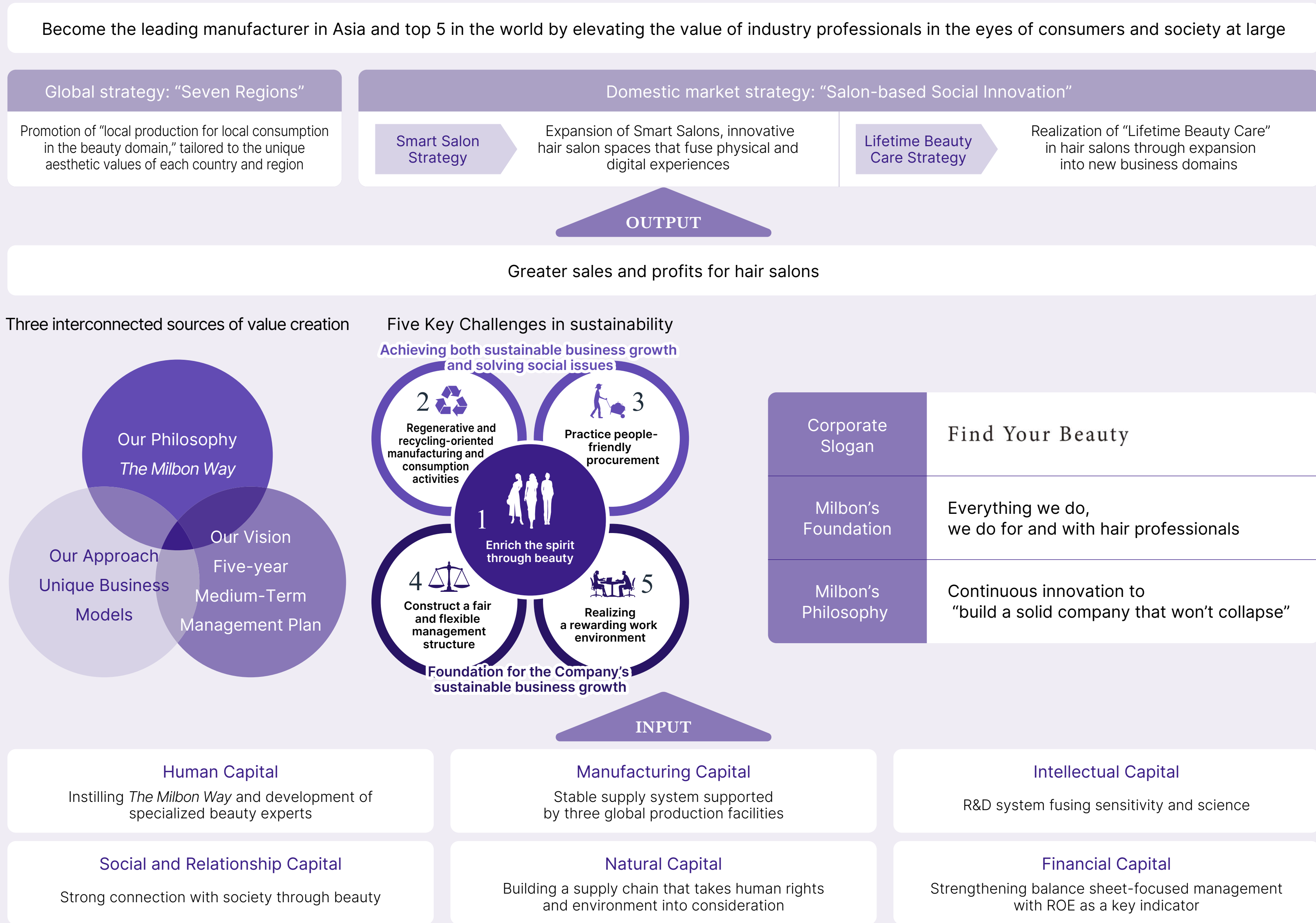
- Creating a beauty industry that enriches beauty and the spirit through our collaboration with haircare professionals
- Fostering sustainable cities and communities through our dedication and contribution to beautiful living tailored to each country and region

Vision for FY2026

Value Creation Process

Milbon's Main Capitals

2022-26 Medium-Term Management Plan ~Stage for the Future~



Reinvestment in Management Resources

• Overview of Sustainability

Milbon's Supply Chain

Milbon actively promotes initiatives that respect the environment and human rights across all stages of the supply chain, from planning and R&D to post-use disposal.



- Overview of Sustainability

Sustainability Approach and Governance

Since its founding, Milbon has upheld the conviction to “build a solid company that won’t collapse,” meaning a sustainable company. This reflects our aspiration to continue being of service to society through a continuous stream of innovations that respond to changes in the times and society, and is rooted in the firm belief that “a company that is of service to society is one that society will not allow to collapse.” Guided by this belief, we contribute to society by continuously “enriching the spirit through beauty” in collaboration with our greatest partners—salons and haircare professionals.

In order to continue contributing to society through beauty into the future, it is essential that we ourselves remain sustainable and that society—the very foundation of our existence—is also sustainable. This is why we continue to address sustainability across our entire supply chain as we strive to contribute to a sustainable society through beauty.

To promote these initiatives, we have established a framework under the oversight of the Board of Directors and the Management Meeting. Within this framework, the Sustainability Promotion Committee, chaired by the Sustainability Director, defines company-wide policies and works closely with each department, ensuring that every employee plays a leading role by thinking and acting on their own initiative.



- Committee Chairman Comment

Pursuing Integrated Management of Business and Sustainability for Further Advancement

Since FY2019, when Milbon intensified its sustainability initiatives, we have positioned each and every employee as a main driver of sustainability, actively promoting initiatives based on a foundation of fostering awareness across the entire company.

In advancing these initiatives, the Sustainability Promotion Committee—chaired by myself as the Sustainability Director—plays a central role. The committee is responsible for formulating company-wide policies and supporting their implementation in collaboration with each department. In addition, through regular reporting to the Board of Directors and the Management Meeting, we are strengthening alignment with management strategy under the supervision of the management team. From FY2025, Tomomi Fukumoto, an outside director with extensive experience in ESG and sustainability promotion within the Suntory Group, has participated in the committee as an advisor. We continue to enhance our initiatives by incorporating her insights on our challenges and by referring to best practices from other companies.

Furthermore, a foundation for company-wide implementation was built by two working groups—Education Promotion and TCFD/TNFD—established within the Committee up to FY2025. From FY2026, as activities in these areas progressed from foundational strategy formulation to the execution phase, we transitioned to a structure in which the ESG Promotion Office handles operations, while the Sustainability Promotion Committee oversees and monitors overall progress.

To promote internal awareness, we continue to hold annual workshops as part of new employee training. In addition, from FY2020 to FY2025, we created ongoing touchpoints by regularly publishing an internal web magazine sharing the latest social trends and company initiatives. In recent years, we have also enhanced practical education by introducing community-based fieldwork.

Through these initiatives, an organizational culture is beginning to take shape in pursuit of “enrich the spirit through beauty”—the core of our Five Key Challenges. Guided by the belief that salons and haircare professionals are indispensable to realizing a spiritually enriched and sustainable society, employees are increasingly able to recognize their own contributions to sustainability in their daily work.

Specifically, in the environmental area, initiatives related to energy and water resources are being actively advanced, centered on the Production Headquarters, and are contributing to reductions in manufacturing costs. Furthermore, by the end of FY2025, we completed emissions calculations for our entire supply chain, including Scope 3, which accounts for more than 90% of the Group’s total CO₂ emissions. In these calculations, we developed and compiled our own emission factors for the product-use stage by hair salons and consumers into a proprietary database. This has established a foundation for realistically examining reduction scenarios toward achieving carbon neutrality by 2050.

Furthermore, our initiatives focused on people—who are at the core of value creation at Milbon—are also delivering tangible results. In FY2025, for example, we were recognized as one of the top 10 companies in the Mid-Sized Enterprise Category (1,000+ employees) in the Employee Engagement Survey conducted by Link and Motivation Inc. At the same time, while maintaining high engagement levels, there remains room for improvement in metrics such as the turnover rate of junior employees. Accordingly, we are currently redesigning our overall human resources system, focusing on aligning the personnel evaluation system with productivity indicators, enhancing engagement initiatives, and strengthening dialogue with management.

In this final year of our current medium-term management plan, we are in the process of redefining our materialities in preparation for the next plan from FY2027 onward. As sustainability initiatives are key management issues for our long-term growth—not merely CSR—we evaluate them based on both social and financial impact, while also placing importance on setting themes that employees can relate to as their own. Going forward, we plan to finalize these after conducting stakeholder dialogue and deliberations by the Management Meeting and the Board of Directors. By continuing to advance the integrated management of business and sustainability, we aim to achieve both the development of a beauty industry that contributes to enriching the spirit through beauty and the realization of a sustainable society.



森本 淳二 Junji Morimoto

Board Director, Senior Executive Officer in Charge of Sustainability Promotion
Chair, Sustainability Promotion Committee
Milbon Co., Ltd.



Materiality

-Five Key Challenges-

- Process for selecting Milbon's Five Key Challenges as material issues
- KPIs, targets, and progress for the Five Key Challenges
- Key Challenge 1: Enrich the spirit through beauty
- Key Challenge 2: Regenerative and recycling-oriented manufacturing and consumption activities
- Key Challenge 3: Practice people-friendly procurement
- Key Challenge 4: Construct a fair and flexible management structure
- Key Challenge 5: Realizing a rewarding work environment

Details of ESG/SDGs Matrix and Five Key Challenges: https://www.milbon.com/en/sustainability/esg_sdgsmatrix.html

• Materiality -Five Key Challenges-

Process for Selecting Milbon's Five Key Challenges as Material Issues

At Milbon, sustainability activities are positioned at the core of our business strategy. To promote these initiatives across all business activities, the Sustainability Promotion Committee leads the identification of priority action items from three perspectives: ISO 26000, the 17 Sustainable Development Goals (SDGs), and environmental, social, and governance (ESG). These items are organized into an ESG/SDGs Matrix, which consolidates input from internal departments, external experts, and management.

In selecting our materiality (Five Key Challenges), we reassessed issues that are particularly relevant to our business activities and of high interest and expectation to our stakeholders. Based on this, we identified key challenges from three perspectives: addressing social issues, achieving sustainable business growth, and strengthening internal foundations. We have established medium- to long-term KPIs and are promoting focused initiatives accordingly.

Process for selecting our material issues (Five Key Challenges)



Sustainability Commitment Five Key Challenges



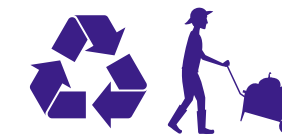
• Materiality -Five Key Challenges-

KPIs, Targets, and Progress for the Five Key Challenges

Co-creating value with stakeholders



Achieving both sustainable business growth and solving social issues



Foundation for the Company's sustainable business growth



Key Challenge 1 Enrich the spirit through beauty

OUTCOME: Realization of a beautiful, spiritually enriched society through haircare professionals—the professionals of beauty

At Milbon, we believe that beauty leads to emotional well-being, and that a spiritually enriched society contributes to a sustainable society.

For this reason, under Key Challenge 1, which lies at the core of our materialities, we are promoting initiatives to deliver the services provided by haircare professionals and hair salons—our business partners and professionals of beauty—to consumers more seamlessly and at a higher level of quality.

Key Challenge 2 Regenerative and recycling-oriented manufacturing and consumption activities

OUTCOME: Acceleration of the circular economy throughout the supply chain

Key Challenge 3 Practice people-friendly procurement

OUTCOME: Development of a sustainable supply chain

For Milbon to contribute to a sustainable society by “enriching the spirit through beauty,” society itself—the very foundation of our business activities—must be sustainable.

Accordingly, to fulfill our responsibility as a member of society and achieve sustainable business growth, we are working to address various environmental issues, including climate change, as well as social issues such as human rights.

Key Challenge 4 Construct a fair and flexible management structure

OUTCOME: Establishment of a management foundation to enhance corporate value sustainably

Key Challenge 5 Realizing a rewarding work environment

OUTCOME: Realization of a workplace environment with enhanced job satisfaction allowing employees to keep working

In order for Milbon to continue contributing to society through beauty, it is essential that society—the very foundation of our existence—be sustainable, and that we ourselves also remain sustainable.

Accordingly, in addition to strengthening our management foundation for sustainable business growth, we are advancing initiatives to build systems and frameworks that enable each and every employee—the source of our value creation—to feel a sense of fulfillment and continue working at Milbon.

Priority themes		KPI [medium- to long-term theme]	Results as of Dec. 31, 2024	Results as of Dec. 31, 2025 <small>*Figures indicating that the 2026 target has already been achieved are shown in color.</small>	2026 target	2030 target	The 17 SDGs
Co-creating value with stakeholders	Key Challenge 1: Enrich the spirit through beauty	Establishment of knowledge-based product sales*business utilizing both the physical and digital realms <small>*Knowledge-based product sales: A sales method in which product sales are accompanied by valuable information based on the knowledge and insights of professional hairstylists</small>	<ul style="list-style-type: none"> ① Number of registered milbon:iD members: 870,000 ② Number of cities in Japan where Milbon deploys knowledge-based product sales (Smart Salon): 50 cities 	<ul style="list-style-type: none"> ① Number of registered milbon:iD members: 1,040,000 ② Number of cities in Japan where Milbon deploys knowledge-based product sales (Smart Salon): 60 cities 	<ul style="list-style-type: none"> ▶ 1,000,000 ▶ 500 hair salons in 100 cities 	▶	
		Fostering lifetime beauty partners	<ul style="list-style-type: none"> ① Total number of annual users of our studios, events, and educational videos: 244,000 ② Number of registered education:iD members: 51,000 	<ul style="list-style-type: none"> ① Total number of annual users of our studios, events, and educational videos: 225,000 ② Number of registered education:iD members: 65,000 	<ul style="list-style-type: none"> ▶ 335,000 ▶ 100,000 	▶	

Achieving both sustainable business growth and solving social issues		Key Challenge 2: Regenerative and recycling-oriented manufacturing and consumption activities		Key Challenge 3: Practice people-friendly procurement		Key Challenge 4: Construct a fair and flexible management structure		Key Challenge 5: Realizing a rewarding work environment	
Achieving both sustainable business growth and solving social issues	Key Challenge 2: Regenerative and recycling-oriented manufacturing and consumption activities	Establishment of a carbon-neutral production system	Reduction rate of CO ₂ emissions at Yumegaoka Factory (compared to 2019 levels)	82.2% reduction	81.4% reduction	▶75% reduction (achieved ahead of schedule)	▶Achieve carbon neutrality		
		Sustainable container and packaging design	Reduction rate of petroleum-derived virgin plastic use (compared to 2020 levels, per unit sales)	11.6% reduction	16.4% reduction	▶15% reduction	▶30% reduction		
		Sustainable procurement of palm oil	RSPO certified palm oil adoption rate (MB+B&C)	24.4%	50.8%	▶50%	▶100%		
	Key Challenge 3: Practice people-friendly procurement	Respect for human rights in the supply chain	Number of human rights violations identified through due diligence	0	0	▶Keep human rights violation as close to zero as possible	▶Keep human rights violation as close to zero as possible		
		Key Challenge 4: Construct a fair and flexible management structure	Promoting diversity among the Board of Directors	<ul style="list-style-type: none"> ① Appointment of outside board directors ② Active appointment of female board members ③ Securing diverse skills, including internationality 	5 outside board directors (5 out of 12) 3 female board members (3 out of 15) 6 board members with overseas work experience (6 out of 15) (excluding 1 foreign executive officer)	5 outside board directors (5 out of 12) 3 female board members (3 out of 15) 6 board members with overseas work experience (6 out of 15) (excluding 1 foreign executive officer)	<ul style="list-style-type: none"> ▶Continuous appointment of over 1/3 outside board directors ▶Continuous appointment of female board members ▶Ensure diverse skills, including internationality 	▶	
			Improving the effectiveness of the Board of Directors	Progress in selecting and improving key challenges through third-party evaluations	Ongoing implementation	Ongoing implementation	▶Continuous improvement activities for setting annual challenges	▶	
	Key Challenge 5: Realizing a rewarding work environment	Achieving systems and frameworks that encourage employees to continue working	<ul style="list-style-type: none"> ① Turnover rate of junior employees *Average turnover rate of young employees (new graduates to 3rd year) over the past five years	11.7%	12.8%	▶9%	▶6%		
			<ul style="list-style-type: none"> ② Paid leave acquisition rate ③ Progress of engagement survey 	72.9%	75.6%	▶70%	▶80%		
	Foundation for the Company's sustainable business growth	Key Challenge 4: Construct a fair and flexible management structure	Improving the effectiveness of the Board of Directors	Progress in selecting and improving key challenges through third-party evaluations	Ongoing implementation	Ongoing implementation	▶Continuous improvement activities for setting annual challenges	▶	
			Achieving systems and frameworks that encourage employees to continue working	<ul style="list-style-type: none"> ① Turnover rate of junior employees ② Paid leave acquisition rate ③ Progress of engagement survey 	11.7%	12.8%	▶9%	▶6%	

- Materiality -Five Key Challenges-

Co-Creating Value with Stakeholders

Beauty is closely connected to the unique characteristics of each region and culture, and the pursuit of beauty serves as a driving force that encourages people to step forward into society with a positive mindset. Consequently, Milbon believes that its most important mission is to support the enhancement of the value of salons and haircare professionals, who are able to bring out the unique beauty of each individual customer.



Key Challenge
1

Enrich the Spirit Through Beauty: Initiatives and KPI Progress

OUTCOME: Realization of a beautiful, spiritually enriched society through haircare professionals—the professionals of beauty

Priority Theme 1: Establishment of Knowledge-Based Product Sales Business Utilizing Both the Physical and Digital Realms

KPI① Number of registered milbon:iD members

2024 results	2025 results	2026 target
870,000	1,040,000 (YoY: +170,000)	1,000,000

| Building beauty infrastructure connecting salons and customers 365 days a year



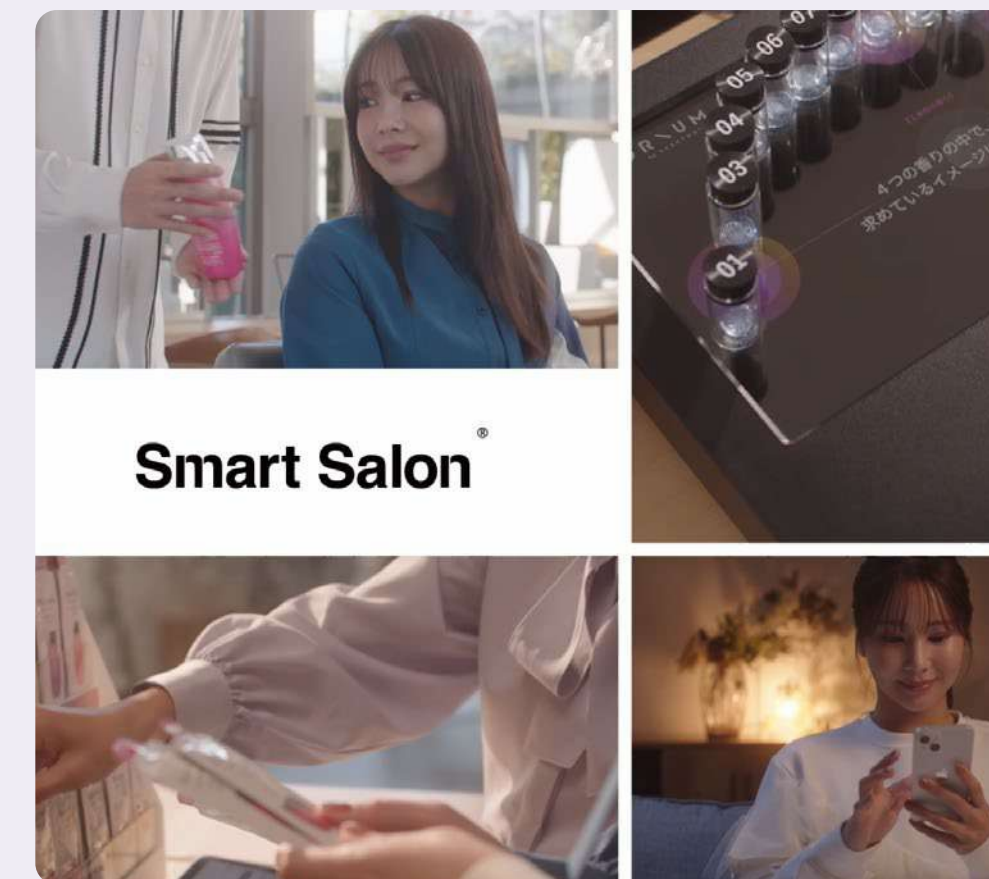
milbon:iD is a communication platform that enables salons and customers to stay connected not only during in-person visits, but also 24 hours a day, 365 days a year. In doing so, it contributes to people's beautiful and enriching lifestyles through haircare professionals.

Since its full-scale launch in 2020, milbon:iD has continued to rapidly expand its user base. In FY2025, as a result of efforts to strengthen touchpoints between salons and customers—particularly through the evolution of live commerce channels—shipment value from live commerce alone exceeded 100 million yen. Furthermore, through the reactivation of dormant members and the acquisition of new members, total membership reached 1.04 million, achieving the medium-term target ahead of schedule. For FY2026, we have set a new target of 1.15 million members and will further enhance and develop milbon:iD as a “beauty infrastructure” that provides more convenient and seamless access to beauty.

KPI② Number of cities where Milbon knowledge-based product sales (Smart Salon) is implemented

2024 results	2025 results	2026 target
62 salons in 50 cities	83 salons in 60 cities (YoY: +21 salons in 10 cities)	500 salons in 100 major cities in Japan

| Redefining hair salons by enhancing the customer experience



As a new salon format that integrates physical and digital experiences, Smart Salons represent a new model for the industry. By creating customer experience value that increases touchpoints between customers and knowledge-based products, Smart Salons help improve salon productivity—amid challenges such as a declining customer base due to population decline—while contributing to people's beautiful lifestyles.

In FY2025, Smart Salons expanded to 83 locations across 60 cities nationwide. Through customer experience design centered on product trials and integration with milbon:iD, they contributed to enhanced salon productivity and customer experience. Going forward, we will increase awareness of these services and expand the use of experiential content, while accelerating the rollout of successful models. Through these efforts, we will promote the sustainable development of salons and further advance the establishment of a “beauty infrastructure.”

Key Challenge 1

Enrich the Spirit Through Beauty: Initiatives and KPI Progress

OUTCOME: Realization of a beautiful, spiritually enriched society through haircare professionals—the professionals of beauty

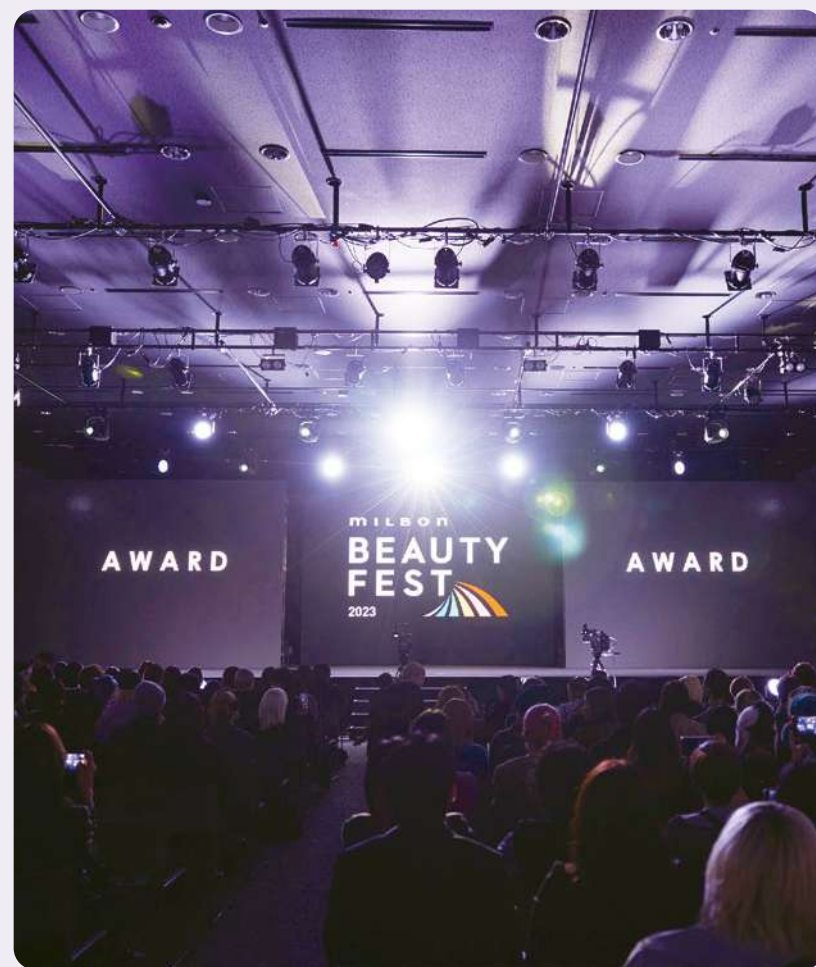


Priority Theme 2: Fostering Lifetime Beauty Partners

KPI① Total number of annual users of our studios, events, and educational videos

2024 results	2025 results	2026 target
244,000	225,000 (YoY: -19,000)	335,000

Supporting higher added value and greater sales and profits for salons through education



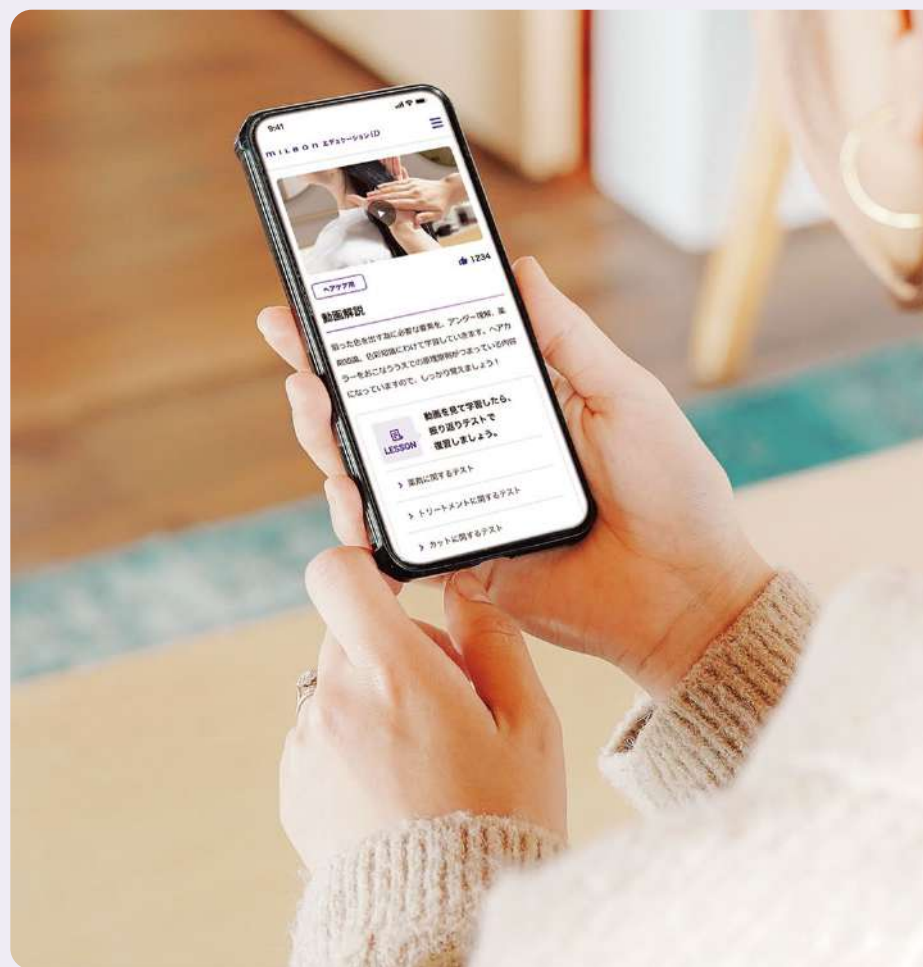
To support the growth of haircare professionals, we are expanding both in-person opportunities—such as studio-based educational seminars and events—and online content, including video distribution. We are promoting education based on three pillars—expertise, career, and ability—to address the increasingly diverse profiles of haircare professionals.

In FY2025, 11,684 individuals participated in our Sommelier Training System curriculum, with 1,750 obtaining Sommelier certification. In addition, a record-high 134 individuals were certified as Beauty Sommeliers, recognized as specialists in beauty. Furthermore, the number of participants in career-specific curricula reached 933, while participation in events such as Digital Arena (DA), Knowledge Abilities (KA), and Milbon Beauty Fest increased to 15,587. Going forward, we will continue to advance global standardization and expand educational outreach. Through these efforts, we will support higher added value and greater sales and profits for salons through education, and aim to establish ourselves as an indispensable partner to salons and haircare professionals.

KPI② Number of registered education:iD members

2024 results	2025 results	2026 target
51,000	65,000 (YoY: +14,000)	100,000

Fostering lifelong haircare professionals through education that caters to increasingly diverse work styles



Hair salons are having difficulty securing adequate time for education due to work-style reform and work-style diversification. Milbon offers education:iD, its online educational service that supports the education of haircare professionals enabling them to deliver high-quality beauty services.

In FY2025, we expanded our practical content—including hair color recipes and sales-driving strategies—while promoting the provision of information to salons in remote areas and encouraging registrations among beauty school students. As a result, new registrations reached 13,301, bringing the cumulative total to 64,920. Going forward, we will further develop this initiative into an educational platform where haircare professionals and beauty school students can access optimal learning tailored to their individual careers, strengths, and challenges. Through this, we will strengthen our support for an environment in which all haircare professionals can continue to serve their customers as lifelong professionals.

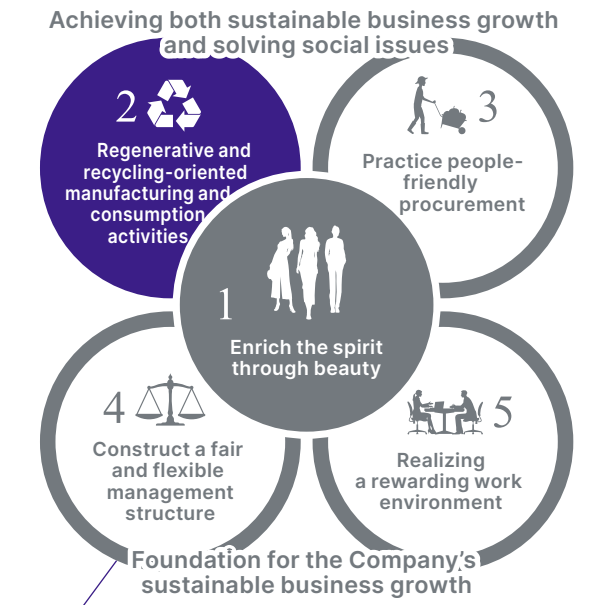
- Materiality -Five Key Challenges-

Achieving Both Sustainable Business Growth and Solving Social Issues

Key Challenge 2

Regenerative and Recycling-Oriented Manufacturing and Consumption Activities: Initiatives and KPI Progress

OUTCOME: Acceleration of the circular economy throughout the supply chain



To contribute to a sustainable society through “enriching the spirit through beauty,” society itself—which serves as the foundation of our business activities—must be sustainable. Accordingly, to achieve sustainable business growth, Milbon is working to address social issues, including environmental and human rights issues, across the entire supply chain, from procurement and production to consumption and disposal.

Priority Theme 1: Establishment of a Carbon-Neutral Production System

KPI Reduction rate of CO₂ emissions at Yumegaoka Factory *Compared to 2019 levels

2024 results	2025 results	2026 target
82.2%	81.4% (YoY: -0.8 points)	75%

Promoting CO₂ emission reductions toward achieving carbon neutrality by 2030



To reduce CO₂ emissions at the Yumegaoka Factory, our core production facility, we continued the 100% procurement of CO₂-free electricity in FY2025, while also promoting improvements in energy efficiency. We reduced emissions from both electricity and heat sources by applying heat-shielding coatings to outdoor air conditioning units, switching to LED lighting, and improving boiler efficiency through the addition of chemicals to steam. As a result, our CO₂ emissions reduction rate reached 81.4%, and we have consistently achieved our 2026 target since 2023.

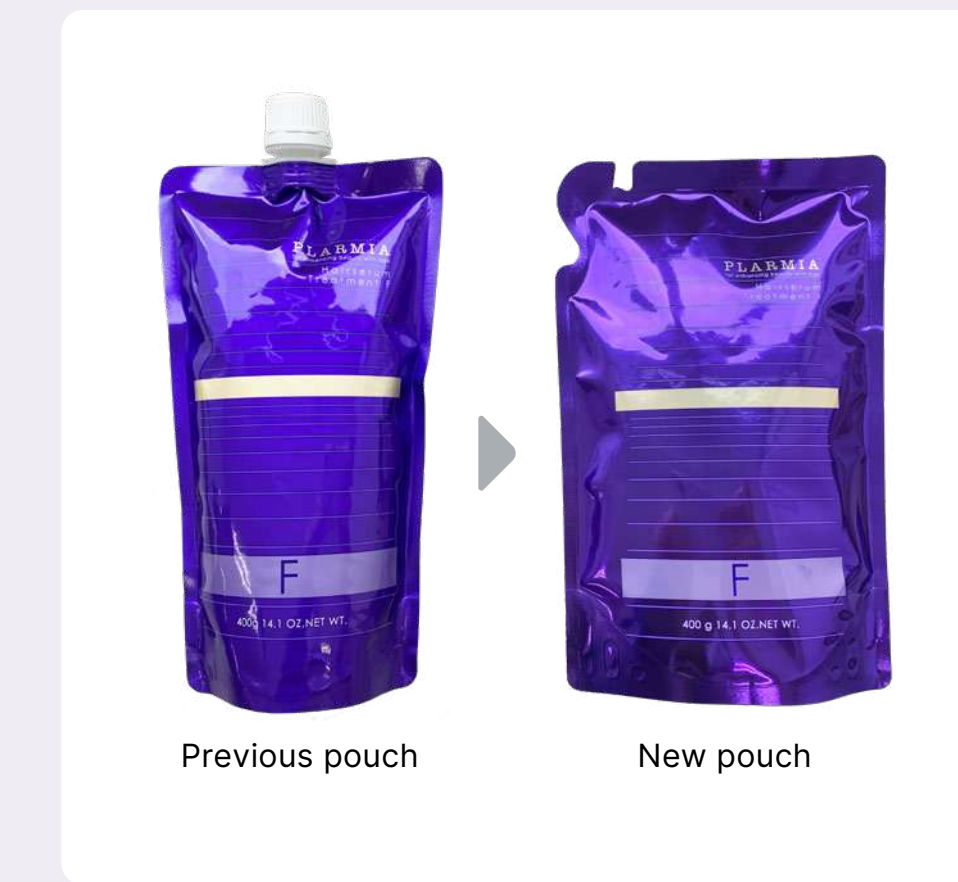
However, increased city gas consumption due to higher hot water usage in production processes remains a challenge. Looking ahead, we will promote greater efficiency and the decarbonization of heat sources as we work toward achieving carbon neutrality by 2030.

Priority Theme 2: Sustainable Container and Packaging Design

KPI Reduction rate of petroleum-derived virgin plastic use *Compared to 2020 levels, per unit of sales

2024 results	2025 results	2026 target
11.6%	16.4% (YoY: +4.8 points)	15%

Implementing systematic reductions and contributing to a recycling-oriented society through the 4R approach



Milbon is reducing its usage of petroleum-derived virgin plastic by promoting the 4R approach (reduce, replace, reuse, recycle), to better utilize limited resources and address global warming.

In FY2025, we reduced usage through the downsizing of containers and caps, changes in molding methods, the adoption of direct label printing, and the transition to refill pouches. In addition, we promoted the use of plant-derived and recycled plastics and the shift toward glass containers. We also worked to improve recyclability through initiatives such as the adoption of aluminum vapor-deposited pouches. As a result of these initiatives, the reduction rate improved to 16.4%, achieving the 2026 target ahead of schedule. Moving forward, we will continue to increase the reduction rate by promoting mono-material packaging and expanding the scope of applicable products, thereby contributing to a circular economy.

Key Challenge 3

Practicing People-Friendly Procurement: KPI Initiatives and KPI Progress

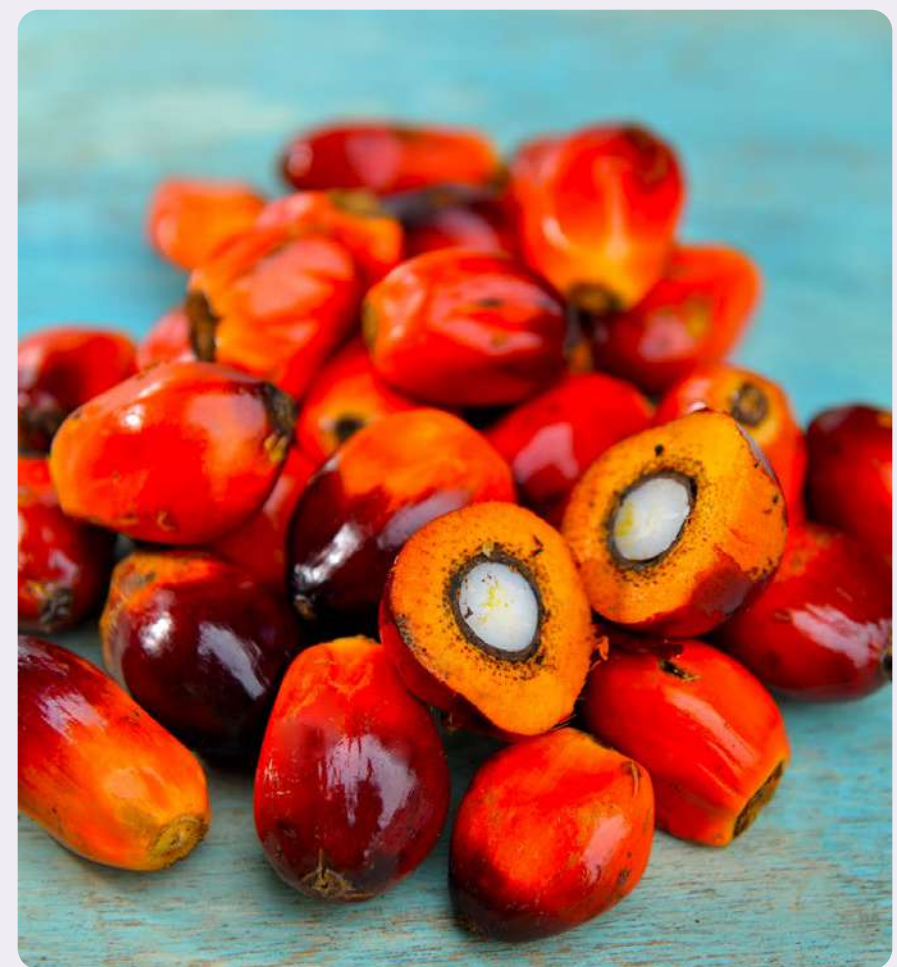
OUTCOME: Development of a sustainable supply chain



Priority Theme 1: Sustainable Procurement of Palm Oil

KPI	RSPO certified palm oil adoption rate (MB+B&C)		
	2024 results	2025 results	2026 target
	24.4%	50.8% (YoY: +26.4 points)	50%

Actively adopting certified raw materials that take the environment and human rights into account



Milbon is actively adopting RSPO-certified palm oil produced in consideration of the environment and human rights, to ensure sustainable procurement of palm oil, one of the key ingredients in our products.

In FY2025, we steadily maintained and renewed supply chain certifications for our core production facility, the Yumegaoka Factory. We also established administrative functions within the Production Headquarters to streamline audit processes and reduce risks. In addition, by strengthening collaboration with suppliers and enhancing the updating and sharing of certified raw material information, we expanded the range of materials eligible for certification. As a result, the adoption rate for FY2025 improved significantly to 50.8%, achieving the 2026 target ahead of schedule. Going forward, while carefully balancing costs and operation burden, we will continue the phased transition to certified raw materials, and fulfill our environmental and social responsibilities through sustainable raw material procurement and improved supply chain transparency.

Priority Theme 2: Respect for Human Rights in the Supply Chain

KPI	Number of human rights violations identified through due diligence	
	2023-2025 results	2026-2030 target
	0	Keep human rights violation as close to zero as possible

Building a collaborative framework for respecting human rights across the entire supply chain



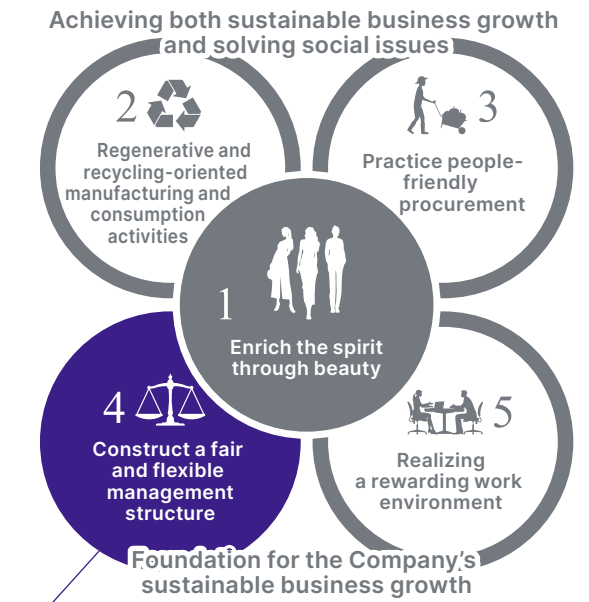
Based on the United Nations Guiding Principles on Business and Human Rights, we are strengthening our human rights due diligence initiatives.

In FY2025, we advanced the implementation of the Milbon Sustainable Procurement Basic Policy, which was revised in FY2024, and continued to conduct and analyze the results of the self-assessment questionnaire (SAQ) for our suppliers. We also established a new Supply Chain Management Office and promoted the development of a framework to integrate human rights and environmental perspectives across procurement, production, and logistics. As a result of these efforts, we maintained zero cases of serious human rights violations in FY2025. However, in response to findings from external assessments, we have identified the further enhancement of human rights due diligence and the establishment of a grievance mechanism as priority issues. Going forward, we will work to ensure respect for human rights and reduce risks across the entire supply chain.

- Materiality -Five Key Challenges-

Foundation for the Company's Sustainable Business Growth

To contribute to a sustainable society, Milbon itself must also remain sustainable. Accordingly, to build internal foundations for sustainable business growth, we are working to establish a fair and flexible management structure by enhancing the effectiveness of the Board of Directors. At the same time, we are promoting initiatives to develop systems and frameworks that enable each employee to feel a sense of fulfillment and to continue working at Milbon.



Key Challenge 4

Construct a Fair and Flexible Management Structure: Initiatives and KPI Progress

OUTCOME: Development of a management foundation for the sustainable enhancement of corporate value

Priority Theme 1: Promoting Diversity Among the Board of Directors

KPI① Appointment of outside board directors

2024 results	2025 results	2026–2030 target
5 out of 12 directors	5 out of 12 directors	Continuous appointment of over 1/3 outside board directors

KPI② Active appointment of female board members

2024 results	2025 results	2026–2030 target
3 out of 15 board members	3 out of 15 board members	Continuous appointment of female board members

KPI③ Securing diverse skills, including internationality

2024–2025 results	2026–2030 target
6 board members with overseas work experience (6 out of 15) (except 1 foreign executive officer)	Ensure diverse skills, including internationality

Creating a diverse Board of Directors bringing flexibility to discussions and decision-making

Milbon is committed to ensuring a diverse Board of Directors, and to continually strengthening its management structure to enable discussions and decision-making that respond appropriately to the values and demands of an increasingly diverse society.

In FY2025, we made steady progress in strengthening the structure to enhance the diversity and supervisory functions of the Board of Directors. We have maintained a ratio of outside board directors of at least one-third, and with the appointment of one additional outside director in March 2026, the Board now comprises six internal and five outside directors. Regarding gender diversity, we have maintained three female outside directors, thereby enriching discussions through diverse perspectives. In terms of international experience, 6 out of 15 executives have overseas work experience, ensuring that a global perspective is reflected in management. Through these initiatives, we will continue to strengthen our governance structure—characterized by objectivity, diversity, and expertise—while reinforcing the management foundation that supports sustainable growth and enhances corporate value.

Priority Theme 2: Improving the Effectiveness of the Board of Directors

KPI Progress in selecting and improving key challenges through third-party evaluations

Target
Continuous improvement activities for setting annual challenges

Supporting sustainable growth and enhancing corporate value through effective Board governance

To enhance the effectiveness of our Board of Directors, we conduct an annual survey of all directors through an independent third-party organization, along with interviews with outside directors conducted by the secretariat. Based on this process, the Board deliberates on and implements measures to address issues identified in previous years.

In the effectiveness evaluation for FY2025, a lack of discussion on medium- to long-term management strategies was identified as a key challenge. In FY2026—also a critical year for formulating the next medium-term management plan—we plan to promote more substantive discussions, including by proactively incorporating these topics into the annual agenda. Going forward, we will continue to implement a PDCA cycle of evaluation and improvement, strengthening governance that supports sustainable growth and enhances corporate value through active discussion and effective Board governance.

Key Challenge 5

Realizing a Rewarding Work Environment: Initiatives and KPI Progress

OUTCOME: Realization of a workplace environment with enhanced job satisfaction allowing employees to keep working



Priority Theme: Achieving Systems and Frameworks that Encourage Employees to Continue Working

KPI① Turnover rate of junior employees *Average turnover rate of young employees (new graduates to 3rd year) over the past five years

2024 results	2025 results	2026 target
11.7%	12.8% (YoY: +1.1 points)	9%

KPI② Paid leave utilization rate

2024 results	2025 results	2026 target
72.9%	75.6% (YoY: +2.7 points)	70%

KPI③ Progress of engagement survey

2023-25 results	2026-30 targets
Conducted engagement survey and set key items and targets	Continuation of the engagement survey



Strengthening human capital: Creating an environment where employees can continue working with a sense of fulfillment

Given that enabling each employee to experience a sense of fulfillment at work is essential for sustainable business growth, we are strengthening our human capital. This includes fostering a workplace environment where employees can continue working with job satisfaction, as well as cultivating a culture that enables employees to achieve results within limited timeframes.

In FY2025, while the turnover rate for junior employees remained a challenge at 12.8%, we revised tools used to visualize the mental well-being of first-year sales staff and established a framework that enables supervisors and HR to provide early support. Meanwhile, we continued to achieve our medium-term target for the paid leave utilization rate, reaching 75.6%. To further promote this, we expanded the planned annual leave system and conducted analysis and implemented measures targeting management-level employees with lower utilization rates. In terms of engagement, we maintained a high overall score and were recognized as one of the top 10 companies in the Mid-Sized Enterprise Category (1,000+ employees) in the Employee Engagement Survey conducted by Link and Motivation Inc.

Going forward, we will continue to pursue sustainable business growth and the medium- to long-term enhancement of corporate value by focusing on the development and retention of junior employees, creating an environment where employees can continue working, and strengthening organizational cohesion.



Beauty



Key B+ESG Initiatives for FY2025 -Beauty-

Milbon × Beauty

- The Future We Envision Through “Beauty” and Our Journey to Date
- Key Beauty Initiatives for FY2025
 - ↳ Membership in milbon:iD (Milbon’s official online store) surpasses 1 million
 - ↳ Sponsorship and Exhibition in the Osaka Healthcare Pavilion at Expo 2025 Osaka, Kansai, showcasing “Future Salon”

The Milbon Way: <https://www.milbon.com/en/company/>

- Key B+ESG Initiatives for FY2025 -Beauty- Milbon × Beauty

The Future We Envision Through “Beauty” and Our Journey to Date

Everything we do, we do for and with hair professionals

Milbon aims to realize a spiritually enriched society by inspiring beautiful ways of living through salons and haircare professionals worldwide, under its corporate slogan, “Find Your Beauty.” Since its founding in 1960, guided by its core philosophy, “Everything we do, we do for and with hair professionals,” Milbon has consistently developed its business in close partnership with salons and haircare professionals, who are indispensable to people’s beautiful ways of living.



- Corporate Slogan

Find Your Beauty

- Our Essential Purpose

Enrich the Spirit Through Beauty

- Management Philosophy

Milbon works with hair professionals to inspire beautiful living worldwide. Beautiful living and beautiful hair enrich the spirit. An enriched spirit fosters culture. A society that values culture brings peace to society. This is the philosophy behind Milbon’s contributions to the beauty market and, by extension, the world.

Key Milestones in Milbon’s Pursuit of Beauty

1984 — Started a Field Person (FP) Strategy, truly personalized for haircare professionals
Under the slogan “Don’t sell products, sell concepts,” Milbon launched its unique sales and education support system for hair salons, designed to work closely with and truly support haircare professionals.

1987 — TAC Product Development System introduced for joint development with leading haircare professionals
Milbon launched its unique product development system, TAC Product Development, which creates products and concepts in collaboration with leading haircare professionals who enjoy strong support from customers.

1993 — nigelle styling products, a brand for creating natural-looking hairstyles, launched
nigelle was launched in response to the growing need for customers to easily recreate salon-designed hairstyles at home. Alongside this, we established a system to support seamless care from in-salon services through to at home maintenance.

1998 — Liscio hair straightening products, based on hair ironing technology, launched
Liscio hair straightening products were launched in response to an increasing desire for straight hair. By establishing a technical system that provides simple and stable results, Liscio has contributed younger hairstylists to become immediate assets to the team, and it helped attract more customers while increasing customer retention rates.

2007 — ORDEVE, a new foiling-optimized, comprehensive hair color line, launched
As the mainstay of salon management shifted from perms to hair color, ORDEVE was developed to deliver high-quality hair color made possible by the advanced technical expertise of haircare professionals. It became a product that symbolized the industry’s shift toward hair coloring.

2010 — Aujua, a premium haircare brand addressing a wide range of hair concerns, launched
Haircare concerns grew as hair coloring reached a broader audience. To address wide ranges of hair concerns, Aujua was developed as a premium haircare brand offering personalized treatment, born from in-depth research on everything from the texture and shine of black hair unique to the Japanese to the climate and culture of Japan. Aujua has grown to become our flagship brand.

2012 — Introduced Villa Lodola, an organic haircare brand
As more people place importance on living in harmony with nature, the Villa Lodola organic haircare brand was launched in Japan after receiving 100% certification from ICEA, one of Europe’s leading organic certification bodies.

2016 — Launched “milbon,” a premium haircare brand, through analysis of diverse hair characteristics around the world
Using hair research technology cultivated since our founding, we analyzed a wide variety of hair in 20 countries. From the research, we identified common hair damage phenomena and established a unique haircare system.

2019 — Launched iMPREA, a salon-exclusive premium cosmetics brand
iMPREA was launched as the first brand from Kosé Milbon Cosmetics. The company continues to create a wide range of cosmetic products.

SOPHISTONE, Milbon’s first hair color brand for Europe and North America, launched
Developed based on extensive research into the values, techniques, and characteristics of hair color products in European and North American color cultures. As Milbon’s first brand created exclusively for markets outside Japan, it introduced new value to hair coloring in these regions.

2020 — milbon:iD (Milbon’s official online store) began full operation
milbon:iD was launched as a new communication platform connecting salons and their customers. It not only enables customers to purchase Milbon products from home, but also offers live commerce. By allocating sales to distributors and salons, the platform enhances customer convenience while supporting salon revenue.

2021 — education:iD, an online learning service for haircare professionals, launched

2023 — Smart Salon® launched as a new beauty experience in collaboration with hair salons
Smart Salons were launched in collaboration with participating hair salons. In a fusion of physical and digital worlds, they offer a range of beauty experiences and contribute to increase in-salon sales of take-home products.

Corporate History: <https://www.milbon.com/en/company/history/>

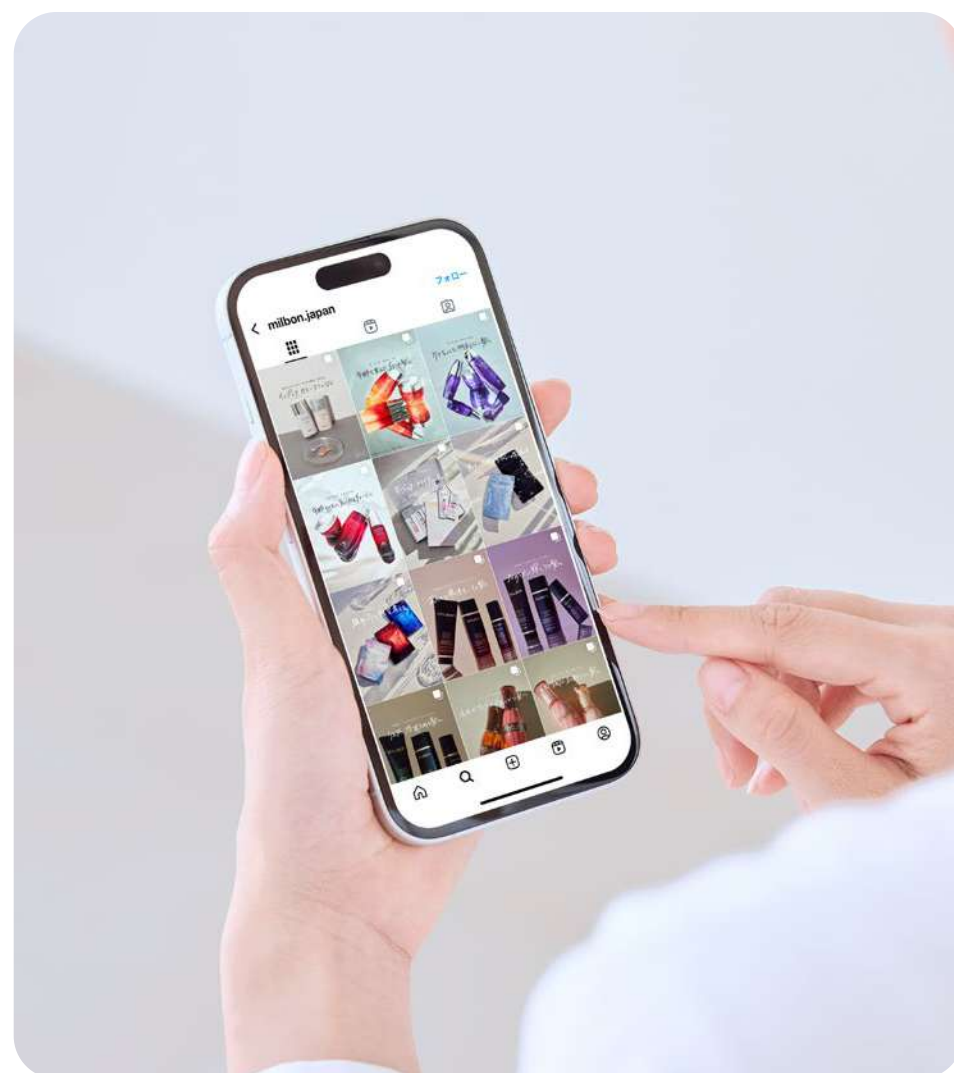
- -Beauty- Milbon × Beauty

Key Initiatives for “Beauty” in FY2025

milbon:iD Surpasses 1 million Registered Members

Milbon’s official online store, milbon:iD, is a communication tool that enables salons and customers to stay connected not only during in-person visits, but 24 hours a day, 365 days a year. By doing so, it contributes to both sustainable salon growth and beautiful, enriching lives.

Since its full-scale launch in June 2020, the platform has continued to rapidly gain support as “an online store connecting you with hair salons.” The number of registered members reached 1.04 million by the end of FY2025, achieving the 2026 target of 1 million one year ahead of schedule. The platform has been adopted by 6,669 hair salons and is beginning to function as a beauty infrastructure provides more convenient and seamless access to beauty.



Continuous updates and expansion of trial offerings

In FY2025, we expanded customer usage through continuous updates to our commerce channels and the active rollout of trial kits. These initiatives contributed to the reactivation of dormant members and the acquisition of more than 70,000 new trial members, while continuously creating touchpoints between customers and hair professionals.

Special website commemorating the milestone of 1 million milbon:iD members: https://salon.milbon.co.jp/shop/pages/million_thanks_campaign.aspx (Japanese only)

Sponsoring and Exhibiting at the Osaka Healthcare Pavilion at Expo 2025 Osaka, Kansai: Approximately 290,000 Visitors Experience “Future Salon”

Driven by its commitment to deliver beauty through salons and contribute to the creation of sustainable communities worldwide, Milbon sponsored and exhibited at the Osaka Healthcare Pavilion at the 2025 World Exposition (Expo 2025 Osaka, Kansai).

As part of our Beauty Platform Plan, which aims to position salons as essential local infrastructure supporting people’s lives through beauty and health, our booth presented the concept of “Future Salon.” This concept envisions realizing each individual’s unique beauty—not only through hair care, but also through skincare and beauty healthcare—through experiences such as integration with PHR* data, immersive visuals, and product sampling. Of the approximately 620,000 visitors to the pavilion, around 290,000 experienced our booth. In addition, through technical sponsorship, we acquired PHR data from approximately 300,000 individuals, which can be utilized for future research and development.

*Personal Health Record (PHR): A system in which individuals centrally manage and utilize their own health and medical information



Milbon’s Vision of Future Salon



① Beauty Platform—Vision of the future (video)

Visitors viewed a video presentation that illustrated one vision of Milbon’s Beauty Platform, while tracing the evolution of people’s relationship with beauty and health over time.



③ Three cares (hair care, skin care, beauty healthcare) and the PHR experience

Utilizing PHR data acquired at the Osaka Healthcare Pavilion, visitors experienced the Future Salon, where they received personalized product recommendations based on their PHR data, individual preferences, and advice from haircare professionals.



② Beauty Platform—Immersive future experience

We also provided an immersive experience of our future vision of the Beauty Platform as a new way of engaging with beauty and health, in which haircare professionals support customers not only in salons but also at home.



④ Take-home samples

Participants in the Future Beauty Platform experience received product samples designed to reflect a personalized salon experience.

—About Expo 2025 Osaka, Kansai—

Organizer: Japan Association for the 2025 World Exposition / Period: April 13–October 13, 2025 / Theme: Designing Future Society for Our Lives / Venue: Yumeshima, Osaka / Total visitors: Approx. 29.01 million (including related personnel) / Total visitors to the Osaka Healthcare Pavilion: Approx. 5.53 million / Total visitors to the Milbon Booth: Approx. 289,000



Environment

Key B+ESG Initiatives for FY2025 -Environment-

Milbon × Environment

- Our Approach to the Environment
- Response to climate change
-Disclosure Based on TCFD Recommendations-
- Key Environmental Initiatives for FY2025
 - └ Establishes a three-company joint transportation system; received the Logistics Structural Reform Award
 - └ PJOLI receives the Japan Package Design Awards 2025
 - └ Green space at the Yumegaoka Factory to be registered as a Nature Symbiosis Site

Environment: <https://www.milbon.com/en/sustainability/environment/>



- Key B+ESG Initiatives for FY2025 -Environment- Milbon × Environment

Our Approach to the Environment

To fulfill its responsibility to the global environment throughout all stages of the supply chain—from development and procurement to production, distribution, sales, customer use, and disposal—Milbon is promoting initiatives toward carbon neutrality and regenerative and circular production and consumption activities under the Milbon Group Environmental Policy.

Key Environmental Initiatives

Climate Change

We place high priority on promoting corporate activities aimed at achieving carbon neutrality. In support of the TCFD, we are advancing these initiatives by working to gain a detailed understanding of GHG emissions across the entire supply chain, actively promoting energy conservation and the use of renewable energy, and enhancing information disclosure.

Response to Climate Change: <https://www.milbon.com/en/sustainability/environment/tcfd.html>

Water Resources

Given that water resources play an integral role in all aspects of our business activities, we are actively engaged in water conservation initiatives, including reducing water consumption and giving due consideration to wastewater.

Response to Water Resources: <https://www.milbon.com/en/sustainability/environment/water.html>

Waste and Environmental Pollution

As a manufacturer, we actively strive to reduce waste and emissions of environmentally harmful substances through resource conservation and the recycling of containers and packaging.

Waste and Environmental Pollution: <https://www.milbon.com/en/sustainability/environment/pollution.html>
 Initiatives through Products: <https://www.milbon.com/en/sustainability/environment/commodity.html>

Biodiversity

We value the benefits and richness that biodiversity offers to society as a whole. We are actively engaged in activities to protect the global environment, including participation in the 30by30 Alliance for Biodiversity.

Biodiversity Conservation Initiatives: <https://www.milbon.com/en/sustainability/humanrights/action07.html>



● -Environment- Milbon × Environment

Response to Climate Change

-Disclosure Based on TCFD Recommendations-

In light of the serious impact that climate change will have on management strategy and financial planning over the medium to long term, Milbon has positioned it as one of the Key Challenges within its Sustainability Commitment, and discloses information with reference to the TCFD framework. We will build an organization capable of making prompt decisions to drive decarbonization, and we will promote such by disclosing climate change-related information to all stakeholders and promoting dialogue.

Governance and Risk Management

The Sustainability Promotion Committee identifies risks and opportunities related to climate change. The status of these activities is reported to the Management Meeting and the Board of Directors semiannually through the Sustainability Promotion Committee and is overseen by the Board of Directors.



Metrics and Targets

	2026	2030
Targets for reduction of petroleum-derived virgin plastic (compared to 2020, volume used per unit of net sales)	15%	30%
RSPO certified palm oil adoption rate (MB+B&C)	50%	100%

	Yumegaoka Factory	Milbon Group
Targets for reduction of CO ₂ emissions (Scope 1 and 2)	2026: 75% reduction (compared to 2019) *Target met since 2023 2030: Carbon neutrality	2050: Carbon neutrality

Strategy

We conducted a scenario analysis covering Milbon Co., Ltd. (non-consolidated), the core company of the Milbon Group. Based on scenarios presented by the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC), we examined the risks and opportunities associated with climate change under temperature increase scenarios of 1.5°C and 4°C.

The results of the scenario analysis indicate the possibility of significant impacts from increased raw material procurement costs under both the 1.5°C and 4°C scenarios. Furthermore, under the 1.5°C scenario, increased operating costs at our own facilities may also have a significant impact.

We also found that, with respect to these risks and opportunities, promoting “regenerative and circular production and consumption activities” and “people-friendly procurement activities,” as set forth in Milbon's Sustainability Commitment, will contribute to mitigating risks and capturing opportunities. We will continue to advance measures in other areas as well.

List of Scenario Analysis Results: <https://www.milbon.com/en/sustainability/environment/tcfd.html>

CO₂ Emissions in 2025 (t-CO₂) *Market-based

Scope 1 Coverage: 100% of all sites	1,437
Scope 2 Coverage: 100% of all sites	3,763
Scope 3 Coverage: 100% of all sites	324,305
Total	329,505

Breakdown of Scope 3 emissions (t-CO₂)

Category 1	Purchased products and services	143,277
Category 2	Capital goods	6,429
Category 3	Fuel and energy-related activities not included in Scope 1&2	1,031
Category 4	Transportation and distribution (upstream)	25,186
Category 5	Waste from business	362
Category 6	Business trip	2,028
Category 7	Employee commuting	381
Category 11	Use of sold products	143,907
Category 12	Disposal of sold products	1,702

● -Environment- Milbon × Environment

Key Initiatives for “Environment” in FY2025

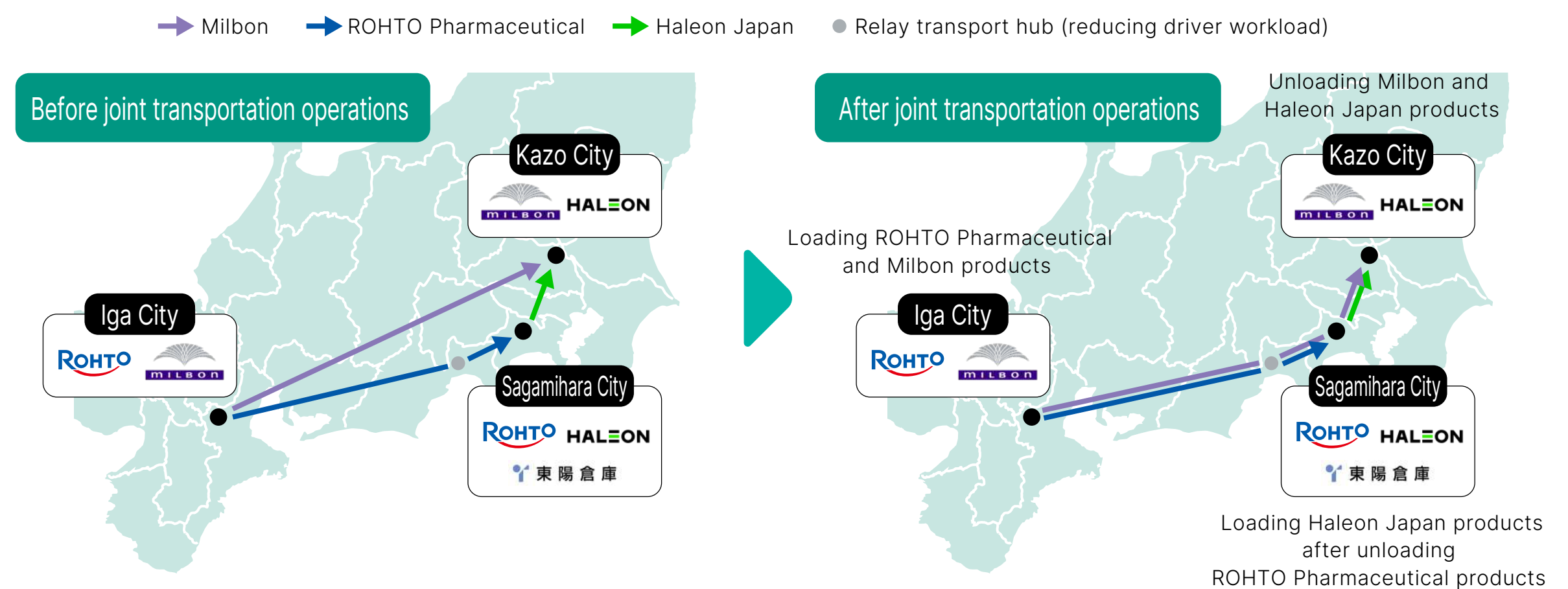
Establishes a Three-Company Joint Transportation System; Receives the Logistics Structural Reform Award at the Logistics Partnership Excellent Operator Awards

In August 2025, in collaboration with Toyo Logistics Co., Ltd., Milbon commenced joint transportation operations with ROHTO Pharmaceutical Co., Ltd. and Haleon Japan K.K. This initiative, designed to maximize transportation efficiency, reduce CO₂ emissions, and contribute to work-style reform for drivers, was recognized at the FY2025 Green Logistics Partnership Conference: Logistics Partnership Excellent Operator Awards held on December 23, 2025, where it jointly received the Logistics Structural Reform Award, a category award (Director-General’s Award).

While each company had previously pursued transportation efficiencies independently, this joint transportation system leverages shared delivery routes to connect manufacturing sites and warehouses through a relay system. After taking into account each company’s specific constraints, such as pallet sizes, transport volumes, and product safety requirements, we conducted product selection suitable for joint transportation, verified loading techniques, and performed quality testing. By maximizing loading efficiency and implementing driver-switch operations, we established an operational framework that avoids placing an excessive burden on drivers, even during long-distance transportation. Going forward, we are also considering expanding this initiative to upstream supply chain logistics, including raw material and packaging procurement logistics and inbound logistics, as well as downstream sales and distribution logistics.

—Specific results—

- Loading efficiency: 13.7% improvement (average 66.5% → 75.6%)
- Transportation efficiency: Reduction of 102 truck trips per year (67.1% reduction)
- Total transportation distance: Reduction of 15,428 km per year (38.6% reduction)
- CO₂ emissions reduction: Reduction of 13.3 t-CO₂ per year (32.8% reduction)
- These transportation efficiency initiatives resulted in an 18.4% cost reduction and a 19.2% improvement in transportation cost per trip. They also contributed to mutual support and improvements in drivers’ working conditions.



Release: <https://prtimes.jp/main/html/rd/p/000000116.000028306.html> (Japanese only)
 Efforts through Production Activities: <https://www.milbon.com/en/sustainability/environment/production.html>

Botanical Hair Care Brand, PJOLI, Receives Golden Award at the Japan Package Design Awards 2025

PJOLI, Milbon's flagship brand for environmentally conscious products, received the Golden Award at the Japan Package Design Awards 2025, selected from approximately 1,000 entries.

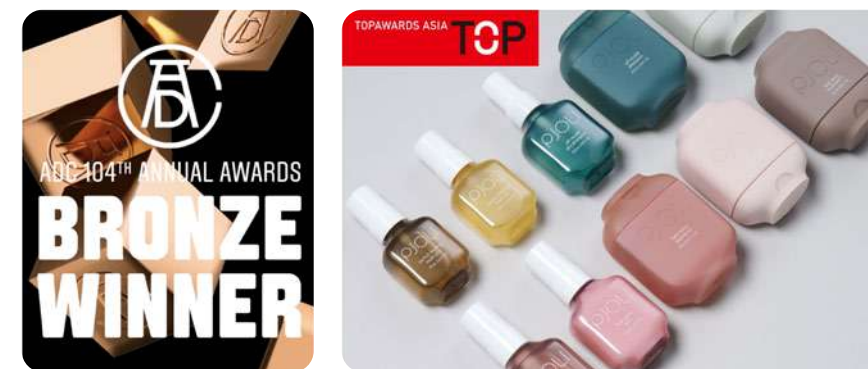
Guided by the concept "naturally beautiful, from hair to soul," PJOLI is a botanical hair care brand that incorporates plant-derived and organic ingredients with hair-repairing properties while pursuing excellence in both usability and finish. In addition to the high quality expected of salon-exclusive products, it combines environmental consideration with fragrances and designs that provide emotional satisfaction.

The package design was developed in collaboration with art director and package/graphic designer Sayuri Shoji. The design expresses harmony between the mind, body, and nature through a circular motif symbolizing a healthy mind, forms reminiscent of rice—the product's primary ingredient—and a color palette incorporating color psychology and earth tones. Furthermore, the brand is committed to reducing environmental impact through initiatives such as refill packaging for the 200mL treatment products and the active adoption of plant-derived (sugarcane-based) plastics. By integrating product quality, design excellence, and environmental consciousness, PJOLI aims to create sustainable beauty value.

PJOLI has also received several other awards, including a Bronze Cube at the 104th ADC Annual Awards (New York), one of the world's longest-standing design awards, as well as TOPAWARDS ASIA, an award recognizing outstanding package design in Asia, and the 2024 Good Design Award.

Design firm: SAYURI STUDIO, INC.

Art direction and design: Sayuri Shoji



Release: <https://prtimes.jp/main/html/rd/p/000000092.000028306.html> (Japanese only)
PJOLI brand: <https://www.pjoli.com/> (Japanese only)

Green Space at the Yumegaoka Factory to be Registered as a Nature Symbiosis Site

As a member of the 30by30 Alliance for Biodiversity, Milbon aims to register the green space within the premises of its core production facility, the Yumegaoka Factory, as a Nationally Certified Sustainably Managed Natural Site (Nature Symbiosis Site). As part of this effort, we conducted environmental surveys from 2024 through October 2025 to contribute to the formation and strengthening of ecological networks. The survey results confirmed the presence of diverse native species and the establishment of a healthy and rich ecosystem within the green space on the factory premises. Based on these findings, we have submitted an application to the Ministry of the Environment for certification as a Nature Symbiosis Site.

Moving beyond its role as a production site, the Yumegaoka Factory aims for sustainable development in harmony with the local community. In addition to sustainability considerations within our own operations, we are committed to understanding and conserving the surrounding environment through initiatives such as water quality surveys conducted along the drainage route from the factory to the sea. We are also actively engaged in community collaboration activities, including environmental education for the next generation, and promote factory operations that create value together with the local community.



—What are Nature Symbiosis Sites?—

Based on the 30by30 target set forth in the Kunming-Montreal Global Biodiversity Framework—which aims to effectively conserve at least 30% of land and sea as healthy ecosystems by 2030—this certification system is intended to expand areas where biodiversity conservation is being achieved through private-sector initiatives and other efforts.

Efforts through Production Activities: <https://www.milbon.com/en/sustainability/environment/production.html>



Social

Key B+ESG Initiatives for FY2025 -Social-

Milbon × People and Society

- Our Approach to People and Society
- Key People and Society Initiatives for FY2025
 - ↳ Launch of new community coexistence activities
 - ↳ President × all employees: implementation of Milbon Person discussions

Social: <https://www.milbon.com/en/sustainability/humanrights/>



- Key B+ESG Initiatives for FY2025 -Social- Milbon × People and Society

Our Approach to People and Society

Milbon has established the Milbon Group Human Rights Policy as a guideline for fulfilling our responsibility to respect human rights, which are fundamental rights, throughout our corporate activities. It is founded in the United Nations Guiding Principles on Business and Human Rights and constitutes the basis for our promotion of initiatives to respect human rights.



Key Initiatives for People and Society

Investing in Human Capital

Since its founding, Milbon has consistently focused on creating value centered on people. We regard human capital as our most important form of capital and as essential for sustainable growth. In addition to building a workplace environment where employees can feel fulfilled and continue working with motivation, we are promoting human resource strategies aligned with our management strategy.

List of Human Capital Management KPIs and Targets

Theme	KPI	2025 results	2026 target	2030 target
1) Next-generation leadership development	Next-generation leadership development	Implementation of MCU-Prep Systematization of the succession management framework	Continuation of MCU-Prep	
2) Fostering greater motivation	Junior employee turnover rate (Average turnover rate for junior employees (new graduates to third year) over the past 5 years)	12.8%	9%	6%
	Paid leave utilization rate	75.6%	70%	80%
3) Promoting omnidirectional dialogue	Engagement survey	Continuation of the engagement survey	A state where the three important indicator areas are functioning as strengths	
	Smoother internal communication	Implementation of Milbon Person discussions (21 sessions in total)	Implementation of Free Sessions: President × Milbon Persons	
4) DE&I promotion	Ratio of female managers	14.7%		20%
5) Strengthening people and organizations to improve the value provided	—	Full-scale operation of the Odawara Human Resources Development Center		

Investing in Human Capital: <https://www.milbon.com/en/sustainability/humanrights/action03.html>

Health & Productivity Management: <https://www.milbon.com/en/sustainability/humanrights/action04.html>

Diversity, Equity and Inclusion

We are committed to promoting DE&I with the aim of fostering a culture and establishing systems that enable all individuals to thrive, regardless of race, gender, disability, sexual orientation, or the need to balance work with childcare or caregiving.

Diversity, Equity and Inclusion: <https://www.milbon.com/en/sustainability/humanrights/action05.html>

Initiatives for Hiring Persons with Disabilities: <https://www.milbon.com/en/sustainability/humanrights/action02.html>

Supply Chain Management

Together with our suppliers, we are promoting initiatives to ensure a sustainable supply chain. This includes conducting fair and equitable purchasing and procurement activities in compliance with laws and regulations, while giving due consideration to the protection of natural resources, environmental conservation, and human rights.

Supply Chain Management: <https://www.milbon.com/en/sustainability/humanrights/action06.html>

Use of RSPO-Certified Palm Oil: <https://www.milbon.com/en/sustainability/humanrights/action01.html>

Together with the Community

As a responsible member of society, Milbon is actively engaged in collaboration with local communities and educational institutions, as well as in social contribution activities through cosmetic products, striving for the healthy development of and coexistence with local communities.

Together with the Community: <https://www.milbon.com/en/sustainability/humanrights/action07.html>

● -Social- Milbon × People and Society
 Key Initiatives for “People and Society”
 in FY2025

Launch of New Community Coexistence Activities

Aiming to be a manufacturer supported by local communities, Milbon regards coexistence and mutual prosperity with local communities as a core value. As part of these efforts, beginning in FY2023, we launched environmental surveys and awareness-raising activities for the river that serves as the drainage route for our core domestic production facility, the Yumegaoka Factory (Iga City, Mie Prefecture). Furthermore, in FY2025, the Central Research Institute (Miyakojima-ku, Osaka City) and the Human Resources Development Center (Odawara City, Kanagawa Prefecture) also launched cleanup and biodiversity conservation activities in collaboration with civic groups, local governments, and local residents. Through these activities, we will promote community collaboration rooted in each location and contribute to the realization of a sustainable society.

Activities in the Yumegaoka Factory area



Activities in the Central Research Institute area



Activities in the Human Resources Development Center area



Activities in the Innovation Center area



President × All Employees: Implementation of Milbon Person Discussions

Over the past decade, the number of employees at Milbon has increased by approximately 80% on a consolidated basis, surpassing 1,000 employees. This growth has led to an expansion of departments and organizational layers, as well as a greater diversity of employees. To address the risk of reduced communication opportunities accompanying organizational expansion, we conduct regular workshops throughout the Group, including overseas subsidiaries, to instill and share *The Milbon Way*, the guiding principles that our employees are expected to uphold.

Building on the Field Person discussions held in FY2024, in which President and CEO Hidenori Sakashita engaged in dialogue with sales and education staff at all sales offices in Japan, in FY2025 we conducted Milbon Person discussions. In this initiative, President Sakashita visited all domestic departments, excluding sales and education divisions to engage in direct dialogue with employees. Through a total of 41 sessions, he completed discussions with all domestic employees, further deepening mutual understanding between management and employees. In FY2026, we plan to hold several “Milbon Person Free Sessions” involving President Sakashita and employees who wish to participate, with the aim of continuing to foster a unified organization through ongoing dialogue.





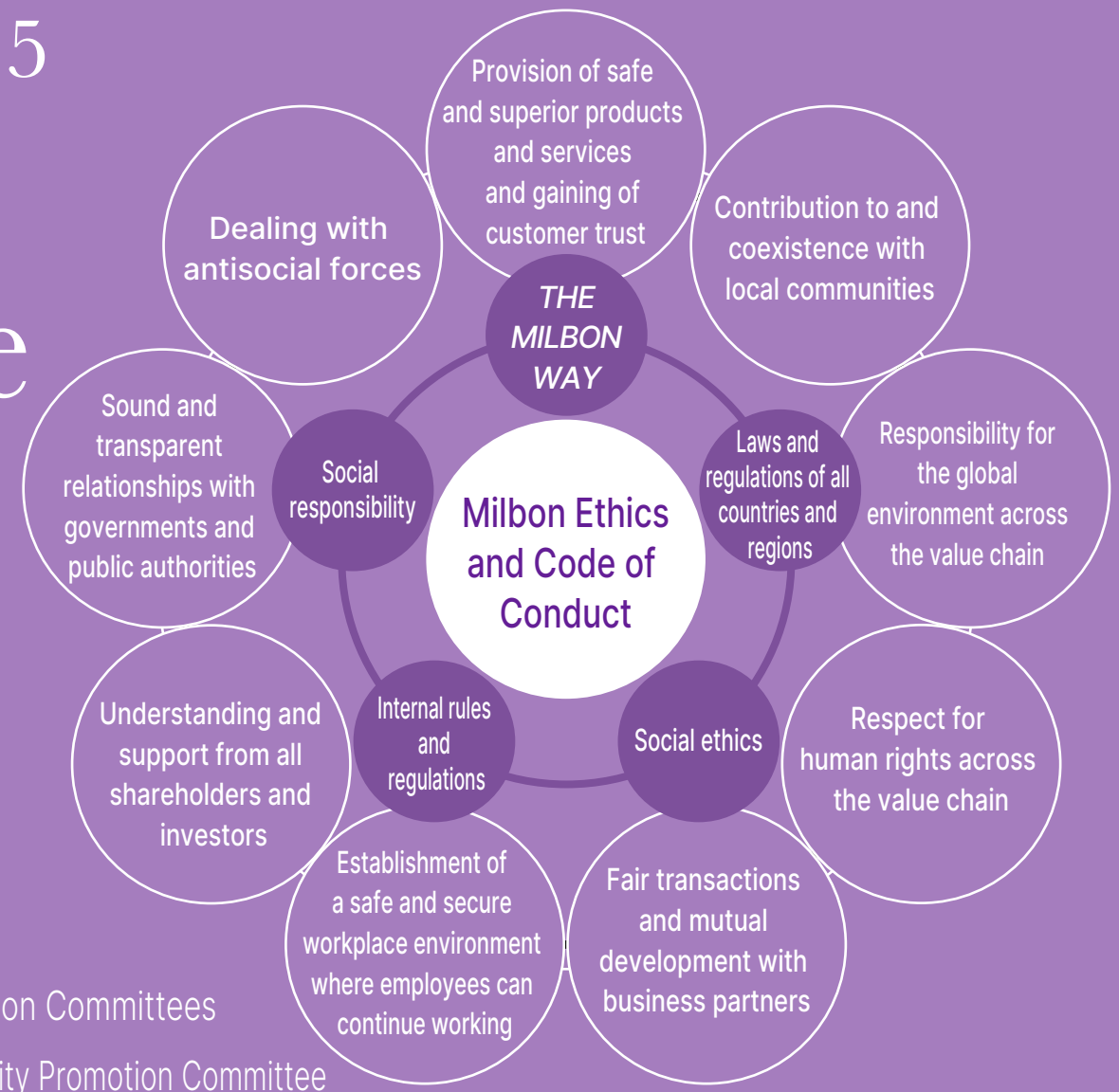
Governance

Key B+ESG Initiatives for FY2025 -Governance-

Milbon × Governance

- Our Approach to Governance
- Key Governance Initiatives for FY2025
 - └ Launch of the “MCU-Prep” Development Program for future successors
 - └ Strengthening the management structure through transition to a delegated executive officer system
 - └ Focused deliberations through the integration of the Nomination and Compensation Committees
 - └ Appointment of Outside Board Director Tomomi Fukumoto as advisor to the Sustainability Promotion Committee
 - └ Appointment of Shinichiro Hyogo as Executive Officer in charge of Corporate Communications and Finance

Governance: <https://www.milbon.com/en/sustainability/governance/>



- Key B+ESG Initiatives for FY2025 -Governance- Milbon × Governance

Our Approach to Governance

The Milbon Group Ethics and Code of Conduct sets forth standards of behavior that each and every Milbon employee worldwide is expected to follow in order to put *The Milbon Way* into practice. Furthermore, by establishing transparent and fair governance structures and acting with a high level of ethical standards, we aim to continuously enhance corporate value.

Key Governance Initiatives

Corporate Governance

For Milbon, enhancing corporate governance is a critical management challenge. Through greater transparency, fairness, and management efficiency, Milbon aims for ongoing improvements to corporate value.

Corporate Governance: <https://www.milbon.com/en/ir/management/governance.html>

Risk Management

We define “risks” as events that could have a significant negative impact on the realization of our management philosophy and business continuity. To reduce the likelihood of such risks occurring and to prevent the escalation of damage in the event that a risk materializes, we are working to develop and improve our risk management system and framework.

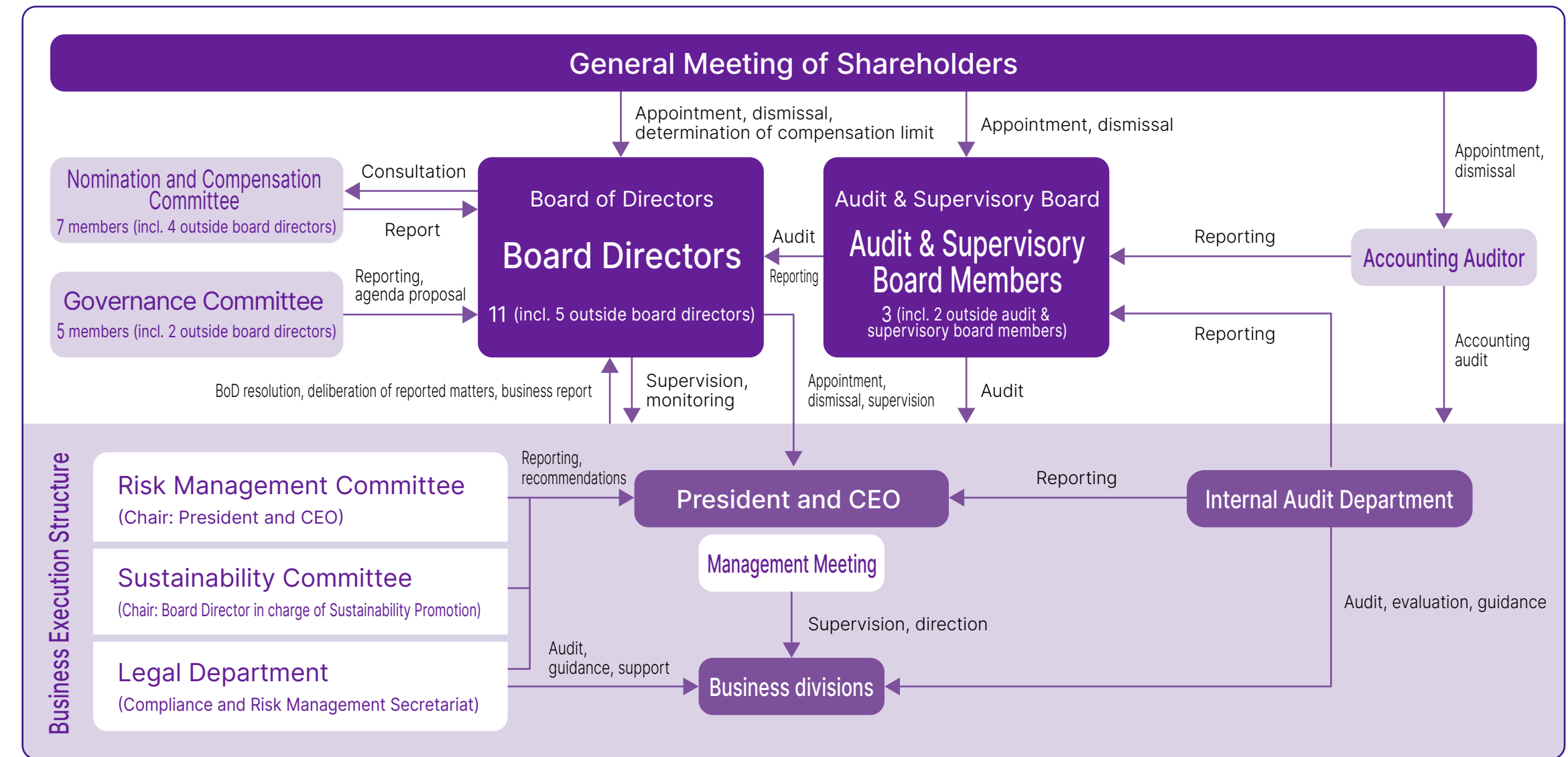
Risk Management: <https://www.milbon.com/en/sustainability/governance/riskmanagement.html>

Compliance

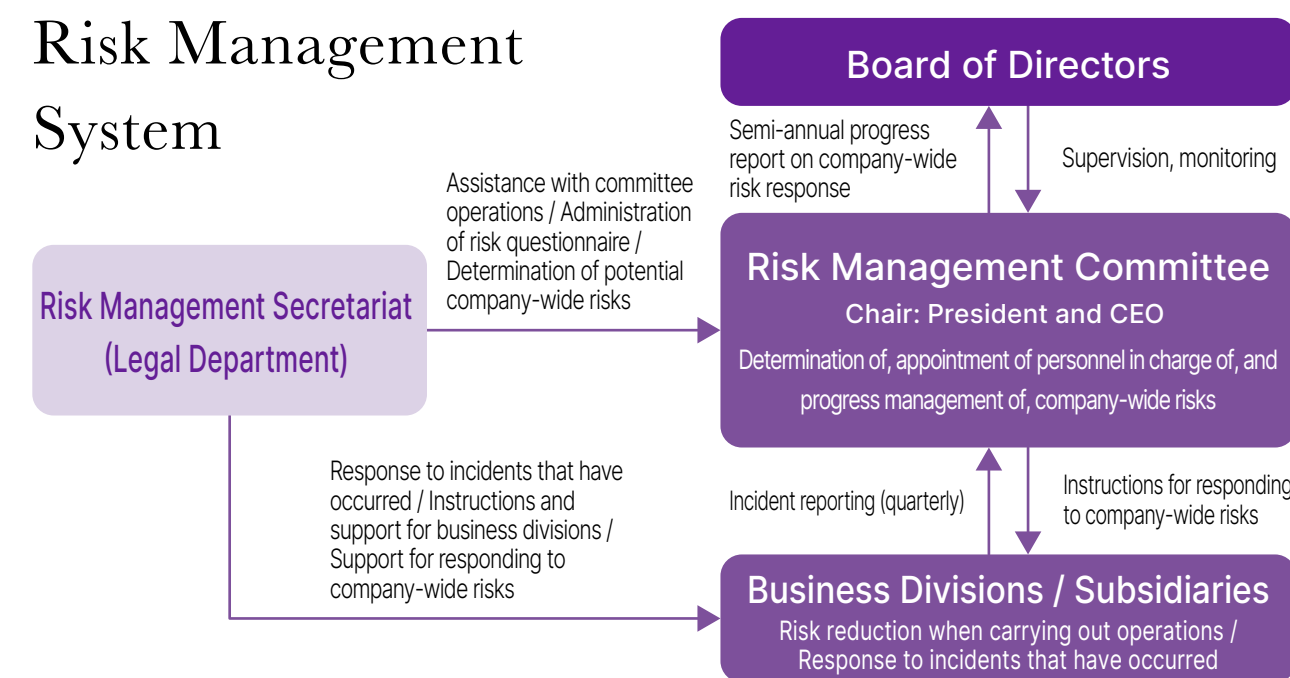
The Milbon Group is committed to acting, throughout the value chain, in compliance with laws and regulations of all countries and regions based on high ethical standards that conform with social ethics.

Compliance: <https://www.milbon.com/en/sustainability/governance/compliance.html>

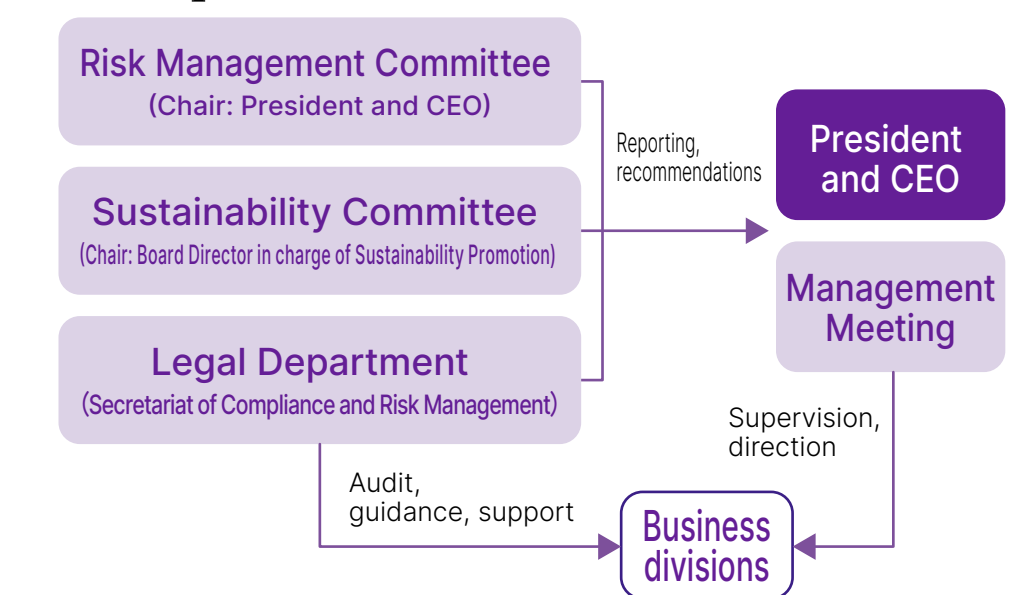
Corporate Governance Structure



Risk Management System



Compliance Structure



- -Governance- Milbon × Governance

Key Initiatives for “Governance” in FY2025

Launch of the “MCU-Prep” Development Program for Future Successors

Recognizing CEO succession planning as one of our most important management strategies, we operate our own executive leadership development program, Milbon Corporate University (MCU). Within this framework, in FY2025, we launched MCU-Prep, a development program for future successor candidates in their 30s. Positioned as a preparatory program for the MCU, MCU-Prep is led by Chairperson Ryuji Sato and is conducted over a two-year period for a total of 48 participants. During the first year in FY2025, 24 participants selected through an internal application process completed a total of eight classroom sessions, culminating in final presentations attended by Board Directors and Audit & Supervisory Board Members. Through these sessions, participants learned the perspectives, mindset, and competences required of leaders.

MILBON CORPORATE UNIVERSITY (MCU)

Completed by
42
people

Appointment of the new President & CEO
Appointment of board directors and executive officers
In charge of business division

MCU-Prep (Training second-next successor candidates)

Period	2025–2026
Purpose	To serve as a preparatory program for the MCU, aimed at training future successor candidates
Structure	Classroom lectures and a final presentation involving board directors
Participants	A total of 48 young leader candidates in their 30s

- Period** Two-year program (2015–2019: 1st to 4th programs)
- Purpose** To provide growth opportunities for future executives through sessions with board members, ranging from inheriting the corporate philosophy to fostering future vision and strategic thinking abilities, enabling them to take on leadership roles
- Theme** Continuity and Change
- Enlightening points** Spread of corporate philosophy, self-awareness, future orientation, foresight, and execution power

To the next MCU



Becoming a corporate entity where leaders are born one after another

Strengthening the Management Structure Through Transition to a Delegated Executive Officer System

Following deliberations in FY2025, we transitioned executive officers—who serve as the primary members of the Management Meeting—from the previous employment-based executive officer system to a delegated executive officer system, effective from FY2026. Through reviewing the selection process and compensation system for executive officers and further enhancing operational effectiveness, we aim to strengthen our management structure by encouraging executive officers to adopt a stronger management perspective within the Management Meeting, the Company's highest decision-making body for business execution.

Outside Board Director Tomomi Fukumoto Appointed as Advisor to the Sustainability Promotion Committee

Tomomi Fukumoto, an outside board director who previously oversaw sustainability and corporate communications at Suntory Holdings, assumed the role of advisor to our Sustainability Promotion Committee in FY2025. Through her involvement, we aim to energize discussions and promote deliberations from diverse perspectives.



Focused Deliberations Through the Integration of the Nomination and Compensation Committees

Following deliberations in FY2025, effective from FY2026, we integrated the previously separate Nomination Committee and Compensation Committee into a single Nomination and Compensation Committee, thereby establishing a framework that enables more efficient deliberations within a unified committee structure. Within the integrated Nomination and Compensation Committee, an outside board director serves as chairperson and the majority of the members are outside directors. This structure ensures objectivity and transparency while fostering active deliberations.

Shinichiro Hyogo Appointed as Executive Officer in Charge of Corporate Communications and Finance

In April 2025, Shinichiro Hyogo joined Milbon as an executive officer following a long career as an analyst and fund manager at Mitsubishi UFJ Trust and Banking Corporation. Leveraging his deep expertise in capital markets and extensive practical experience, we are further enhancing discussions related to financial strategy while strengthening IR communications from a capital markets perspective, with a view to enhancing medium- to long-term corporate value.



- Objective Review Review from an Outside Board Director

Milbon's Unique Approach to Sustainability Promotion by Anticipating Medium- to Long-Term Risks and Opportunities

Sustainability is a vital initiative for contributing to a sustainable society and a healthy global environment, while also enabling Milbon to achieve sustainable growth and maximize corporate value. After identifying material topics closely related to its business, Milbon narrows down the themes it should prioritize rather than taking a broad, generalized approach, and steadily advances related initiatives. Having had opportunities to witness these activities firsthand, I have personally come to appreciate the depth of Milbon's commitment to sustainability.

In particular, Key Challenge 1: Enrich the Spirit Through Beauty—which lies at the core of its material topics—represents Milbon's very management philosophy. It embodies an integrated pursuit of both social contribution and corporate growth, based on the belief that “contributing to a sustainable society through beauty leads to Milbon's own sustainability.” Underlying this is Milbon's origin as a company founded on founder Ichiro Konoike's strong desire to support hairstylists. Since its founding, all employees, including management, have continued to inherit the desire to help people” as part of the company's DNA, which I believe is one of Milbon's greatest strengths.

Regarding the Five Key Challenges established in 2022, Milbon has steadily advanced initiatives in areas including the environment and human rights, achieving nearly all KPI targets. At the same time, social issues and expectations toward corporations have changed significantly since these challenges were first established. In addition, from the perspective of Milbon's business development—including the growth of overseas operations and initiatives in new business areas—the company must also turn its attention to new risks and opportunities.

Milbon is currently reviewing its material topics with a view toward the next decade. In identifying these topics, the company is evaluating them from two perspectives: the impact of its corporate activities on society and the environment, and the financial impact that social and environmental issues may have on the company. What differs most from previous medium-term management plans is the time horizon. In light of long-term environmental changes such as climate change and biodiversity loss, it is important to chart a path forward by identifying the challenges Milbon must address to sustain its business and determining what initiatives are needed for hair salons and the beauty industry as a whole to achieve sustainable growth together.

Looking ahead, the foundation of Milbon's growth will continue to be its unique business model, supported above all by people. Amid medium- to long-term environmental

changes—including the expansion of overseas operations and a declining workforce—promoting diversity in terms of gender, nationality, age, and other attributes will become an even more important priority. In addition, alongside responding to climate change, water resources—which are inseparably linked to the beauty industry—it will undoubtedly become a critical issue that Milbon should address as a company that has built strong relationship of trust with hair salons.

With regard to the promotion framework, the Sustainability Promotion Committee appropriately drives key issues, examines the risks and opportunities associated with emerging themes, and reports to the Board of Directors, while also actively promoting information sharing and awareness-building among employees. To further advance the integration of sustainability into management, it is essential not only for the committee but also for the Board of Directors to deepen discussions on sustainability issues and strategies and to regularly monitor progress. In addition, when management embeds sustainability as a management priority throughout the organization, it fosters a culture in which each employee proactively considers what they can do within their own role and acts accordingly.

Despite growing backlash against ESG in some parts of the world, I view this situation rather as an opportunity to further integrate sustainability with corporate growth. Previously, the driving forces behind ESG promotion have largely come from external factors such as regulations, disclosure requirements, and the standards of evaluation agencies. However, by taking a step back from these external pressures, I hope to deepen discussions on more fundamental questions: which themes truly contribute to Milbon's sustainable growth and long-term vision, what goals should be set, and how these goals should be pursued.

With its founding DNA and distinctive business model, I believe Milbon is well positioned to pursue a freer and more creative approach to sustainability. As an outside board director and advisor to the Sustainability Promotion Committee, I also hope to contribute to the advancement of Milbon's ESG management—as well as to its sustainable growth and the enhancement of corporate value—by sharing the insights I have gained through my experience trying various approaches.



Tomomi Fukumoto
Outside Board Director

She previously led company-wide sustainability initiatives as Executive Officer and Division COO of the Sustainability Management Division at Suntory Holdings Limited. She currently serves in several positions, including Senior Advisor at the Suntory Foundation for the Arts, Board Member of Save the Children Japan, Executive Board Member of the Japan Association for the 2025 World Exposition, Outside Director of Daiwa House Industry Co., Ltd., and Outside Director of Tokyo Kaikan Co., Ltd. She was appointed as an outside board director of Milbon in March 2024 and has served as Advisor to the Sustainability Promotion Committee since 2025.



Data

Cooperation with Society and External Assessments, ESG Data, etc.

- Cooperation with Society and External Assessments
- 2025 ESG DATA
- ESG Thematic Highlights: 2019–2025
- Company Profile

- Data

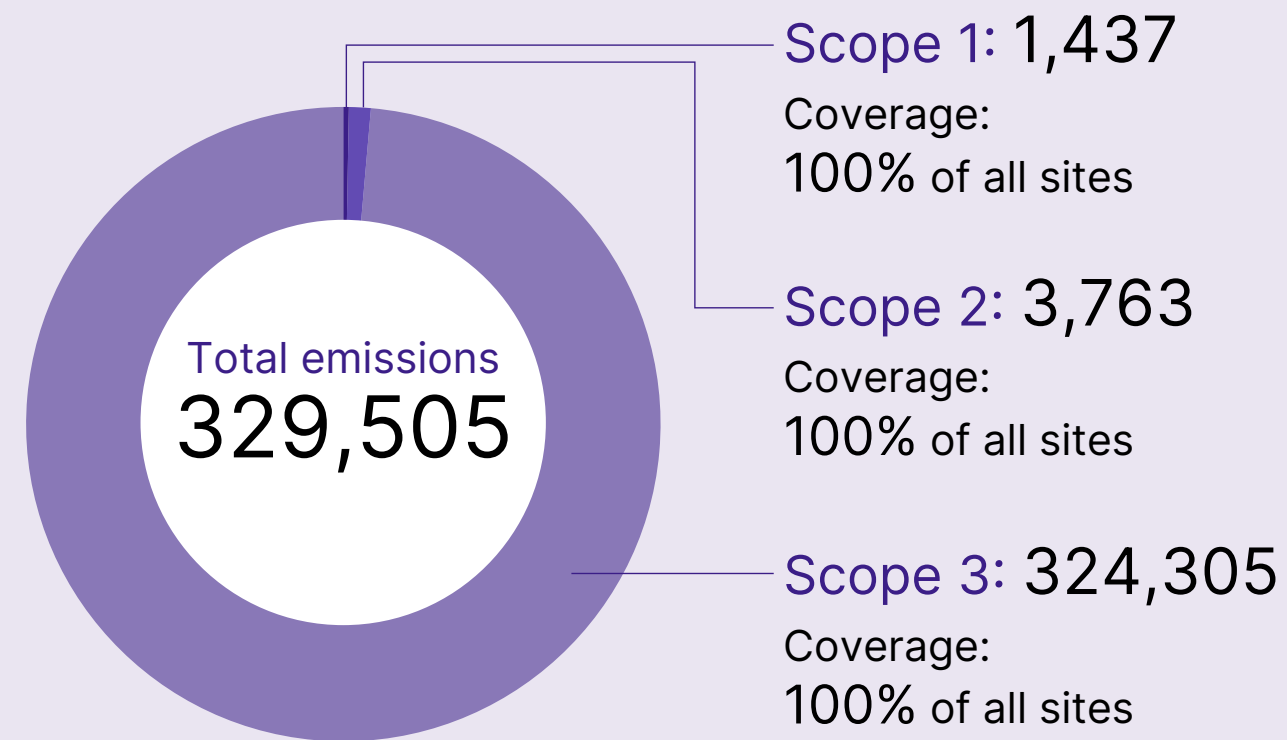
Cooperation with Society and External Assessments



• Data 2025 ESG DATA -Environment-

CO₂ Target Company: Milbon Group

CO₂(GHG) emissions (t-CO₂)*Total emissions, Market-based

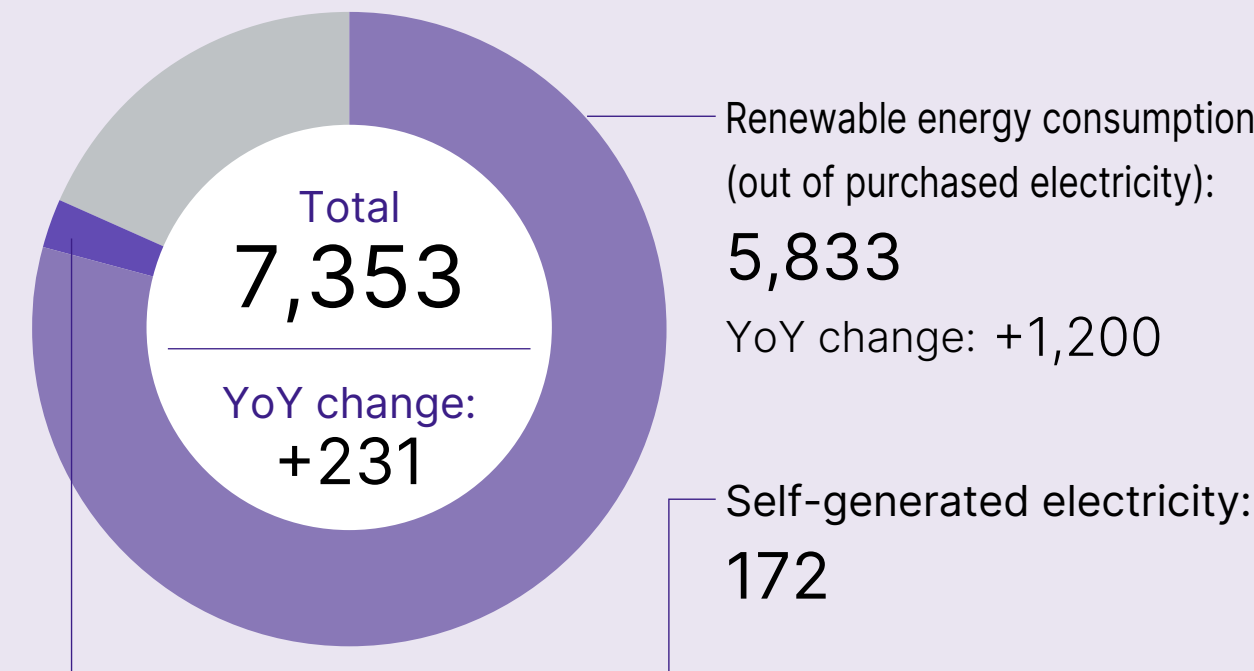


CO₂ emissions, Scope 3, by Category (t-CO₂)

Category 1	Purchased products and services	143,277
Category 2	Capital goods	6,429
Category 3	Fuel and energy-related activities not included in Scope 1 & 2	1,031
Category 4	Transportation and distribution (upstream)	25,186
Category 5	Waste from business	362
Category 6	Business trip	2,028
Category 7	Employee commuting	381
Category 11	Use of sold products	143,907
Category 12	Disposal of sold products	1,702

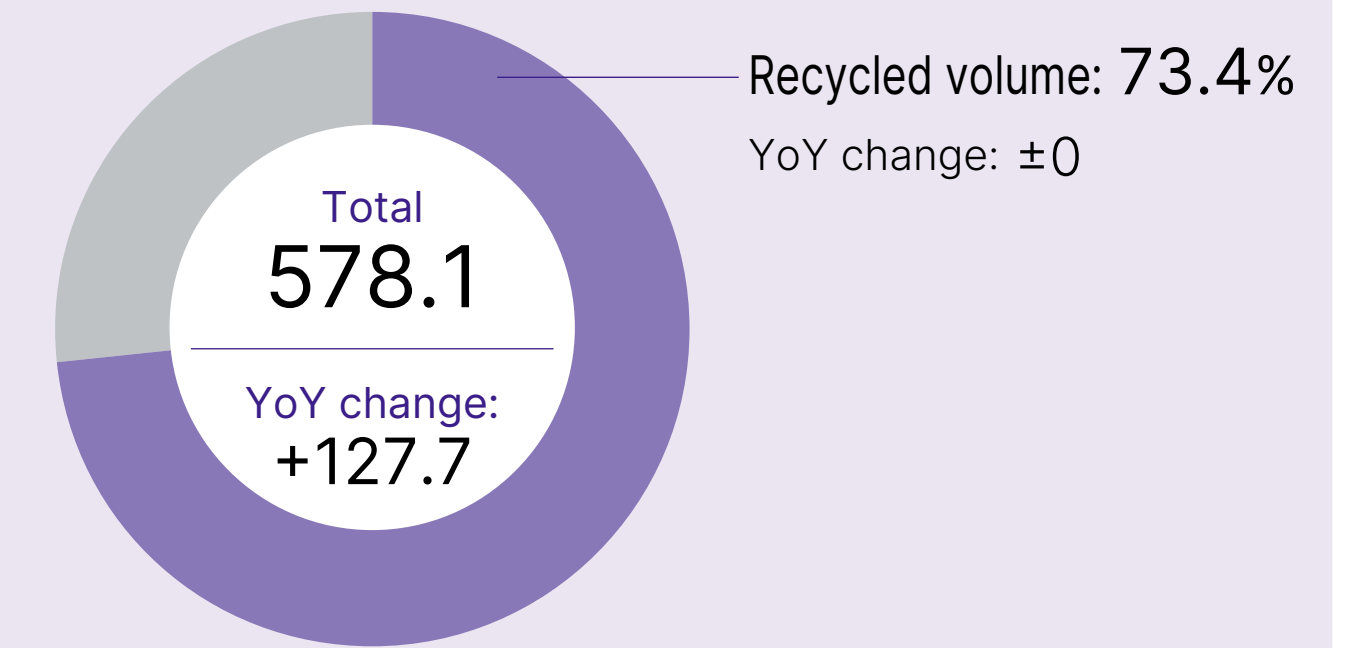
Electricity Target Company: Milbon Co., Ltd

Total electricity consumption ('000 kWh)



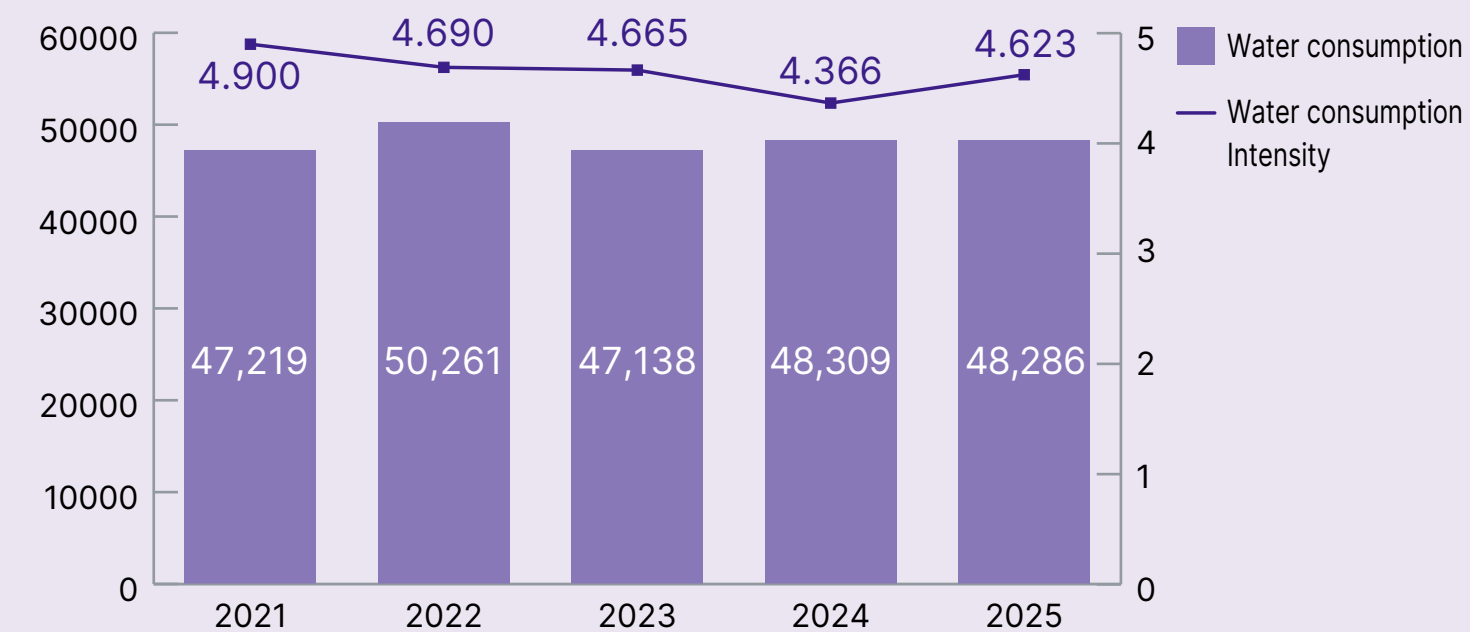
Waste Target Site: Milbon Co., Ltd. manufacturing plant

Waste volume (t)

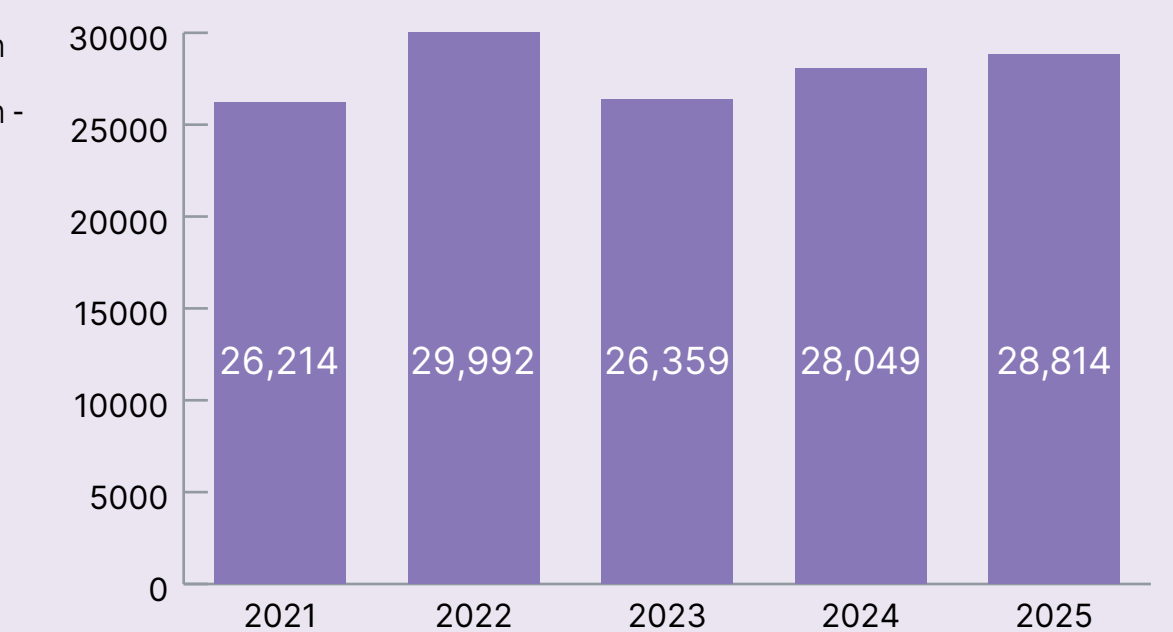


Water Resources Target Site: Milbon Co., Ltd. manufacturing plant

Water consumption (m³) & Water consumption - Intensity (m³/t)



Water discharge by destination - Total (m³)



ESG Data: <https://www.milbon.com/en/sustainability/esg.html>

• Data 2025 ESG DATA -Social-

Diversity & Inclusion Scope: Milbon Co., Ltd. *Excluding items marked as “consolidated”

Donation Activities Target Company: Milbon Co., Ltd.

Number of employees

*Permanent employees, consolidated

1,237

YoY change: +49

Number of employees

*Permanent employees, non-consolidated

941

YoY change: +37

Ratio of male/female

employees (%)

*Permanent employees, consolidated

49.1/50.9

Average length of service (years)

*Permanent employees

11.2

YoY change: +0.1

Average length of service (years)

(male/female)(%) *Permanent employees

13.8/8.2

Average age

36.0

YoY change: +0.4

Number of hires

*Permanent employees, non-consolidated

74

YoY change: -2

Ratio of male/female hires (%)

*Permanent employees, non-consolidated

39.2/60.8

Annual turnover rate among

new graduates within 3 years (%)

for past 5 years

12.8

Ratio of female employees

in management positions (%)

14.7

YoY change: +0.2pts

Ratio of paid

leave taken (%)

75.6

YoY change: +2.7pts

Proportion of employees who

took childcare leave

(male/female)(%)

58.8/100

Return rate following

childcare leave

(male/female)(%)

100/95.8

Education and training

expenses per employee (yen)

143,562

YoY change: +8,074

Education and training

hours per employee (hours)

51.8

YoY change: -21.6

Total number of training

participants

900

YoY change: +324

Total amount donated ('000 yen)

28,110

FY2025 list of donation activities ('000 yen)

Organization name	Amount
Save the Children Japan	1,160
JHD&C (NPO)	159
Ashinaga Foundation	1,458
Baobab Foundation	102
The University of Osaka (Public University Corporation)	8,500
Tohoku University (National University Corporation)	12,000
Japan Advanced Institute of Science and Technology (National University Corporation)	1,000
Kobe University (National University Corporation)	500
Kindai University (School Corporation)	1,000
Professional Beauty Association Foundation (disaster relief for California wildfires)	1,582
Network of Fish and Children (Citizens' Group)	500
Other	149

• Data Thematic Highlights in Sustainability: 2019–2025

Environment

- 2020. 6 Started low-energy manufacturing to reduce CO₂ emissions
- 12 Received the 33rd Hiroshi Itagaki Student Encouragement Award from The Japanese Society for Alternatives to Animal Experiments
- 2021. 1 Launched factory energy management systems (FEMS) at the Yumegaoka Factory, our core domestic plant, to visualize power consumption
- 5 Installed water purifying equipment to reduce water consumption
- 6 Launched RSPO-certified (RSPO Credit)
- 10 Participated in Kobe Plastic Next: Joining Forces to Recycle Refill Packs (plastic recycling)
- 2022. 1 “Villa Lodola COLOR Interval Re:Care” won the Jury’s Award at the Sustainable Cosmetics Award 2021, and Milbon Co., Ltd. won the International Award in the corporate category for its efforts to promote SDGs
- 3 Developed a system to predict the result of alternative methods to animal testing on eye irritation using the HSP method
- 4 Launched a new hair color line ENOG with smaller cap of hair color tubes to reduce the plastic usage / Switched all electricity used at the Yumegaoka Factory, our core domestic plant, to RE100 standard renewable energy
- 6 Acquired RSPO Supply Chain Certification at the Yumegaoka Factory, our core domestic plant
- 8 Adopted new packaging using a plant-derived plastic blend for new products
- 12 Awarded a Silver EcoVadis Sustainability Rating
- 2023. 1 Became a signatory to the recommendations of the TCFD / Joined the TCFD Consortium
- 2 Changed container specifications for haircare products to reduce plastic use, resulting in an annual plastic volume reduction of approximately ten tons
- 3 Formulated and announced the Milbon Group Environmental Policy / Participated in Kobe Plastic Next, a program for recycling refill packs and cleaning up Kobe City / Announced our climate change policy on the corporate website in line with the TCFD recommendations
- 4 Adopted new containers, that use 75% less plastic than existing containers, for the new Villa Lodola RENOVO product series
- 5 Conducted water quality surveys of the Kume River and the Kizu River, which are the direct drainage routes to the sea for water used at the Yumegaoka Factory
- 7 Held the Water Quality Survey and Waterside Nature Observation, a hands-on experience with local children to learn about river environment conservation in collaboration with the civic group, Network of Fish and Children
- 10 Participated in the 30by30 Alliance for Biodiversity
- 2024. 3 Combined plant-derived plastic for the PJOLI series, and used containers made with less petroleum-derived plastics
- 4 Formulated and announced the Milbon Sustainable Procurement Basic Policy / Disclosed Scope 3 emissions at Japanese business locations
- 5 Continued water quality surveys of the Kume River and the Kizu River / Conducted biodiversity conservation activities at the Kameyama Satoyama Park, also known as Michikusa, certified as an area where biodiversity is being conserved
- 7 Held the second Water Quality Survey and Waterside Nature Observation
- 2025. 5 Participated in the Okawa Cleanup activities organized by the Okawa Waterside Club at the Okawa River adjacent to the Milbon Central Research Institute
- 11 Launched conservation activities in Odawara City—home to the Human Resources Development Center—in collaboration with the local authorities and a citizens’ group
- 12 Submitted an application to the Ministry of the Environment for certification of the green space at the Yumegaoka Factory as a Nature Symbiosis Site

Social

- 2019. 9 Endowed course “Beauty and Cosmetology” at Kansai University
- 2020. 2 Keynote speech at M.I.E. Forum on employment of people with disabilities to realize a society where diverse people can work with vim and vigor
- 6 Launched milbon:iD / Stated the Milbon Health Declaration
- 9 Funded an additional endowed course at Kansai University
- 12 Released a special short film “On the Way Home from the Salon”
- 2021. 3 Recognized as Certified Health & Productivity Management Outstanding Organization for 2021
- 4 Launched education:iD, a digital education support service for hair professionals
- 6 Launched Milbon Digital Arena, a virtual event space connecting hair professionals around the world with the future of beauty
- 2022. 1 Launched a joint project with Kao Corporation to establish beauty health care services at salons / Released the 2021–2022 special brand film “Words Encountered at the Salon”
- 2 Launched MILBON BEAUTY MOVIES, a “Find Your Beauty” short film project, in collaboration with Short Shorts Film Festival & Asia
- 3 Sponsorship of the Osaka Healthcare Pavilion at Expo 2025 Osaka, Kansai finalized. / Resolved to donate 100,000 euros to the Office of the United Nations High Commissioner for Refugees to provide humanitarian assistance to victims of the military conflict in Ukraine and neighboring regions / Recognized as a Certified Health & Productivity Management Outstanding Organization for 2022
- 5 Formulated and announced Milbon Group Human Rights Policy / Set a target of 20% ratio of female in management positions by 2030 in order to secure diversity of core human resources
- 6 Awarded the MILBON BEAUTY AWARD at Short Shorts Film Festival & Asia 2022
- 10 Conducted an employee engagement survey for FY2022
- 2023. 1 Launched Smart Salon® as a new hair salon format that fuses physical and digital worlds to satisfy the customer’s desire for more
- 2 Donated 10 million yen to Japan Platform’s Emergency Response to Southeast Turkey Earthquake 2023 program to support disaster relief and recovery efforts for those suffering from the earthquake in Turkey and Syria
- 3 Recognized as a Certified Health & Productivity Management Outstanding Organization for 2023 / Extended new sports sponsorships with female professional golfers
- 5 Selected for inclusion in the MSCI Japan Empowering Women (WIN) Select Index developed by MSCI
- 6 Held the second MILBON BEAUTY AWARD / Acquired ISO 22716 certification for the Yumegaoka Factory
- 7 Selected for inclusion in the ESG investment index, FTSE Blossom Japan Sector Relative Index
- 11 Yumegaoka Factory received a Gold rating in EcoVadis Sustainability Rating
- 2024. 1 Donated 5 million yen to the Japan Platform, a non-profit organization, for the 2024 Noto Peninsula Earthquake Relief and Recovery Program to aid victims of the Noto Peninsula Earthquake and the recovery of affected areas
- 3 Established the Human Resources Development Committee for the purpose of developing a human resources strategy linked to the medium- to long-term management strategy / Recognized as a Certified Health & Productivity Management Outstanding Organization for 2024
- 7 Newly selected as a constituent of the ESG investment index “FTSE Blossom Japan Index” / Continuously selected as a constituent of the ESG investment index “FTSE Blossom Japan Sector Relative Index” / Continuously selected as a constituent of the ESG investment index “MSCI Japan Empowering Women Index (WIN)” / Continuously selected as a constituent of the ESG investment index “S&P/JPX Carbon Efficient Index”
- 11 Yumegaoka Factory received a Gold rating in EcoVadis Sustainability Rating for the second consecutive year
- 2025. 1 Donated \$10,000 to the Professional Beauty Association (PBA) Disaster Relief Fund to support those affected by the California wildfires in the United States / Additionally, through our US subsidiary, we provided complimentary haircare products to support local haircare professionals and their customers affected by the disaster
- 4 Sponsored and exhibited in the Osaka Healthcare Pavilion at Expo 2025 Osaka, Kansai, under the booth concept “Future Salons: Live Your Life, Authentically and Beautifully”
- 6 Newly included as a constituent of the SOMPO Sustainability Index, an ESG investment index

• Data Thematic Highlights in Sustainability: 2019–2025

Governance

- 2020. 3 Introduced restricted stock compensation scheme
- 2021. 2 Completed third-party survey and assessment of Board effectiveness in FY2021
 - 3 Appointed a female outside director and achieved the Board consisting of one-third outside directors
- 2022. 1 Appointed two female executive officers for the first time
 - 2 Announced a new medium-term management plan with sustainability commitment at the core of our strategy / Completed third-party evaluation of Board effectiveness in FY2022, including questionnaires and interviews with outside directors
 - 3 Appointed a new female outside director / Appointed two new outside directors, bringing the total number of directors to five / Establishment of a new Management Committee led by executive officers to promote transition towards monitoring / Conducted Human Rights Training for directors and executive officers
 - 5 Established the Risk Management Committee comprised of internal board members, Audit & Supervisory Board members, and executive officers
 - 6 Outsourced Milbon's internal contacts for whistleblowers to a third-party organization and promoted it to employees
 - 9 Invited an external presenter to offer a TCFD Study Session for board directors, Audit & Supervisory Board members, and executive officers
 - 10 Invited an external lawyer to offer a Corporate Governance Study Session for board directors, Audit & Supervisory Board members, and executive officers / Established the voluntary Governance Committee to discuss medium- to long-term improvements for corporate governance
- 2023. 2 Completed third-party evaluation of Board effectiveness in FY2023, including questionnaires and interviews with outside directors
 - 3 Formulated and announced the Milbon Ethics and Code of Conduct
 - 5 Divided and reorganized the Nomination and Compensation Committee into the Nomination Committee and the Compensation Committee, each with its own bureau
 - 9 Invited an external presenter to provide a Human Capital Management Workshop for board directors, Audit & Supervisory Board members, and executive officers
 - 10 Invited an external presenter to provide a DE&I Workshop for board directors, Audit & Supervisory Board members, and executive officers
- 2024. 2 Completed third-party evaluation of Board effectiveness in FY2024, including questionnaires and interviews with outside directors
 - 3 Appointed one new female outside board director / Appointed one new outside audit & supervisory board member / Launched the Executive Officer Training Program, inviting institutional investors as external presenters to strengthen the management perspective
- 2025. 2 Conducted a third-party evaluation of Board effectiveness in FY2025, including questionnaires and interviews with outside directors / Released a policy regarding measures to realize management conscious of capital costs and share prices
 - 6 Invited an external lecturer to conduct a workshop for internal board directors and executive officers on the operations of the Asset Management Committee and an overview of the defined benefit (DB) pension plan

- Data

Company Profile

Milbon Co., Ltd.

Establishment	July 1960
Capital	2.0 billion yen
Net sales	52.8 billion yen
Business activities	Manufacturing and sales (domestic/export) of hair coloring products, hair styling products, permanent wave products, shampoos, conditioners, hair treatments, hair growth products, skincare and cosmetic products, etc.
Number of employees	1,237 (consolidated) *As of December 31, 2025
Head Office	Kyobashi Edogrand, 2-2-1 Kyobashi, Chuo-ku, Tokyo
Laboratory	Central Research Institute (Miyakojima-ku, Osaka City, Osaka), Innovation Center (Ota-ku, Tokyo), North America Institute, Thailand Institute, China Institute
Factory	Yumegaoka Factory, Thailand Factory, China Factory
Training Institute	Talent Development Center (Odawara City, Kanagawa)
Branches	6 locations in Japan
Sales Offices / Studios	13 locations in Japan
Subsidiaries	MILBON USA, INC. / Milbon Trading (Shanghai) Co., Ltd. / Milbon Korea Co., Ltd. / MILBON (THAILAND) CO., LTD. / MILBON MALAYSIA SDN. BHD. / MILBON VIETNAM CO., LTD. / MILBON SINGAPORE PTE. LTD. / Milbon (Zhejiang) Cosmetics Co., Ltd. / Milbon Europe GmbH.
Affiliate	Kosé Milbon Cosmetics Co., Ltd.

Scope of Reporting, etc.

Reporting organization	Milbon Co., Ltd.
Reporting period	January 1, 2025 to December 31, 2025
Produced by	Corporate Communications Department, Milbon Co., Ltd.

Direction: Ryohei Akita (MILBON)
 Edit: Shun Ohmi (Kuchibue Shoten), Haruki Nukui (Kuchibue Shoten)
 Art Direction: Kenta Sagae (Jetus Inc.)
 Design: Yoshiyuki Morishita (Jetus Inc.)
 Photo: Marisa Shimamoto
 Produce: Chihiro Ikeyama (GREAT WORKS)

m i l b o n

Find Your Beauty