

**m i l b o n**

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**Financial Results for FY2025  
(Ending December 31, 2025)**

**Milbon Co., Ltd.**

**(TSE code: 4919)**

**February 13, 2026**

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# Key Highlights of Financial Results for FY2025

## FY2025 Results

### Net Sales by Region

### Operating Income

**Net sales increased while profits declined. Although we revised the initial target downward in August last year mainly due to domestic sales and inventory losses, both net sales and operating income reached the revised targets.**

- Domestic sales achieved the revised target, supported by solid hair care sales.
- Overseas sales also achieved the revised target in yen terms, supported by solid performance on a local currency basis. Sales in the United States were particularly robust and significantly exceeded the target.
- Operating income declined due to inventory losses recorded mainly in the first half, which weighed on the gross profit margin, as well as higher SG&A expenses.
- Following the price adjustment implemented in May 2025, sales volumes declined immediately after the adjustment, but the negative impacts gradually faded toward year-end.
- While we were adversely affected by the weak Korean won and strong Thai baht, we achieved our revised plan thanks to higher-than-expected domestic and overseas sales and cost control.

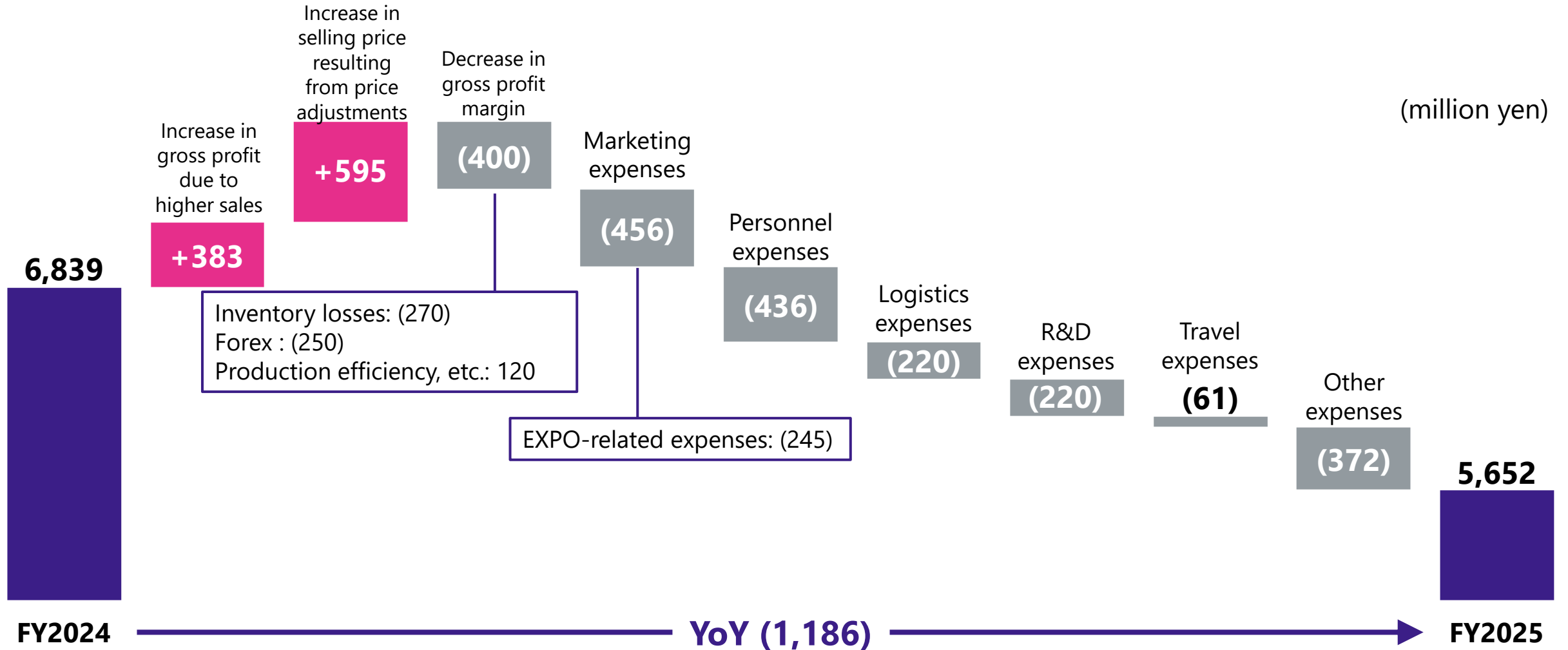
# Consolidated Statement of Earnings

**Net sales increased while profits declined year-on-year, with both achieving the revised targets. While profits declined on a full-year basis, Q4 returned to growth, partly driven by the price adjustment effect.**

(Unit: million yen)	FY2024	FY2025					Diff.	Diff. (%)	FY2025 Revised Target	Vs. Target (%)
		Q1	Q2	Q3	Q4	YTD				
Net Sales	51,316	11,180	13,626	13,020	15,035	<b>52,863</b>	1,546	3.0%	52,300	101.1%
Gross Profit	32,597	7,057	8,444	8,121	9,552	<b>33,176</b>	578	1.8%	32,926	100.8%
Gross Profit Margin	63.5%	63.1%	62.0%	62.4%	63.5%	<b>62.8%</b>	—	—	63.0%	—
SG&A Expenses	25,758	6,345	7,218	6,569	7,390	<b>27,523</b>	1,765	6.9%	27,626	99.6%
Operating Income	6,839	712	1,225	1,551	2,162	<b>5,652</b>	(1,186)	(17.4%)	5,300	106.7%
Operating Margin	13.3%	6.4%	9.0%	11.9%	14.4%	<b>10.7%</b>	—	—	10.1%	—
Ordinary Income	6,968	625	1,227	1,349	2,252	<b>5,455</b>	(1,512)	(21.7%)	5,180	105.3%
Profit Attributable to Owners of Parent	5,017	462	(43)	1,262	1,756	<b>3,437</b>	(1,579)	(31.5%)	3,000	114.6%

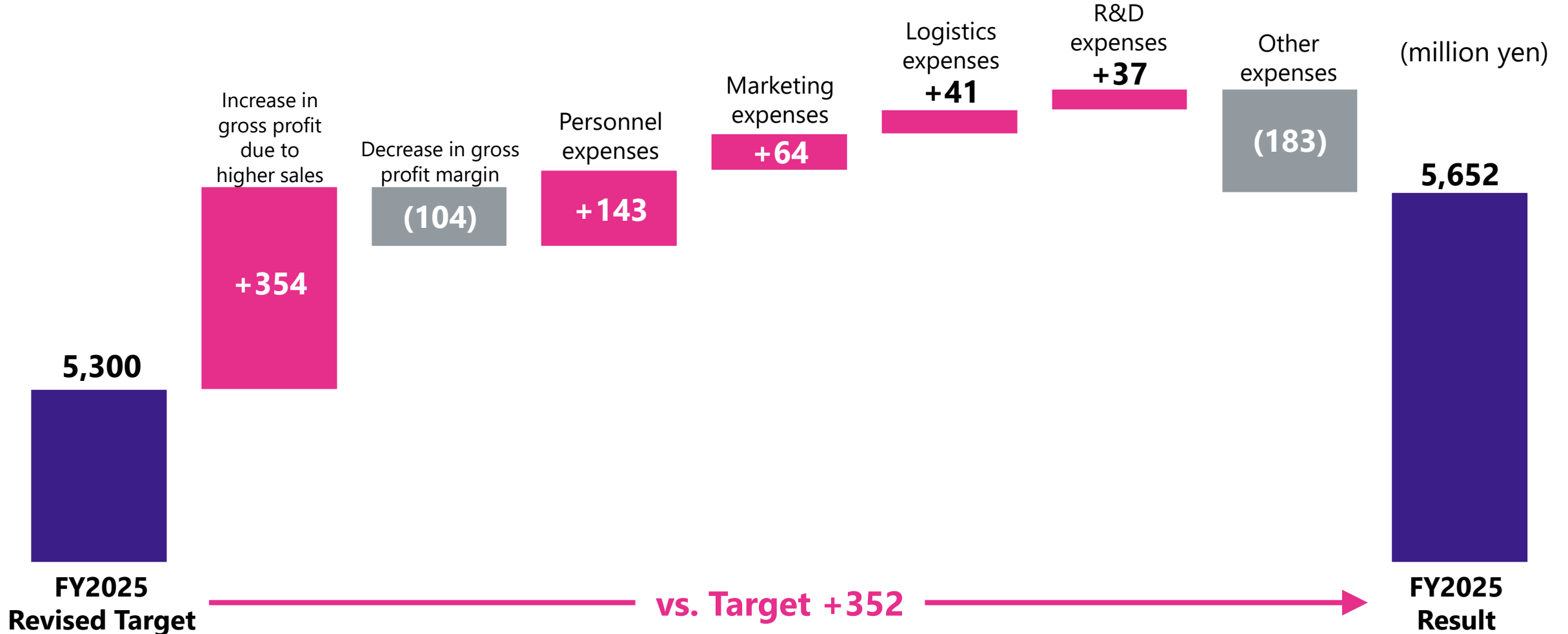
# Consolidated Operating Income – Factors Behind YoY Changes

Operating income declined due to inventory losses recorded mainly in the first half, which weighed on the gross profit margin, as well as higher SG&A expenses.



# Consolidated Operating Income – Factors Behind Difference vs. Target

Although the gross profit margin fell short of the target due to foreign exchange impacts, operating income exceeded the target, supported by higher sales and cost control.

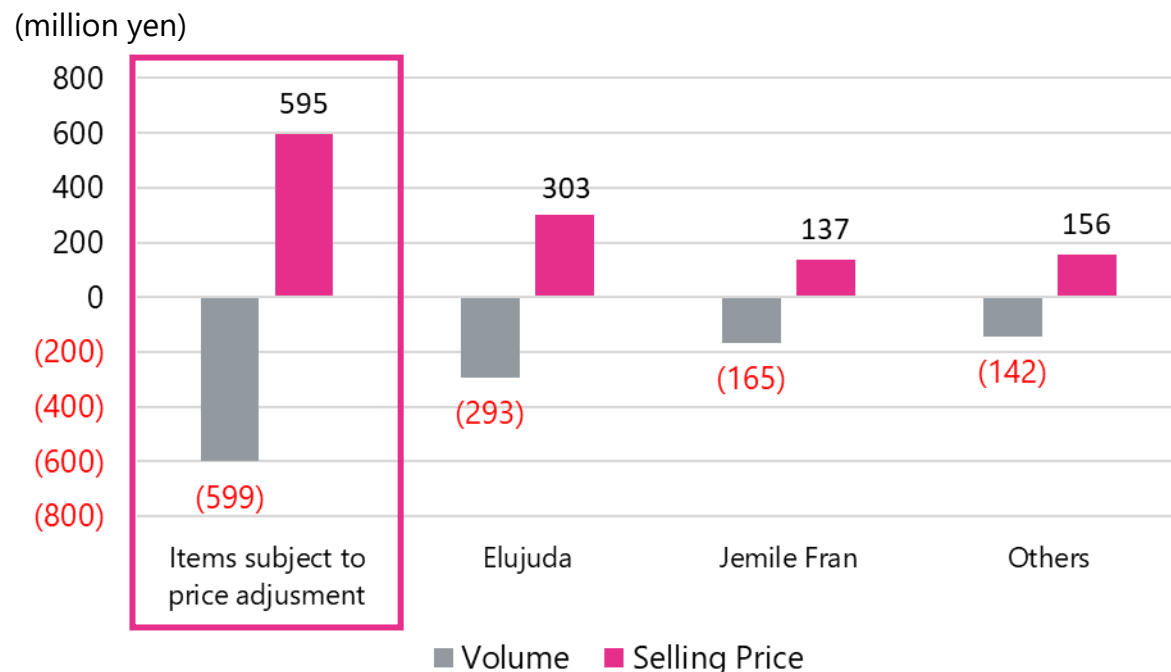


# The Impact of Price Adjustment on Gross Profit

Following the price adjustment implemented in May 2025, sales volumes declined immediately, offsetting the positive impact of higher prices from May through December. However, from October through December, the negative impact of volume declines eased toward year-end.

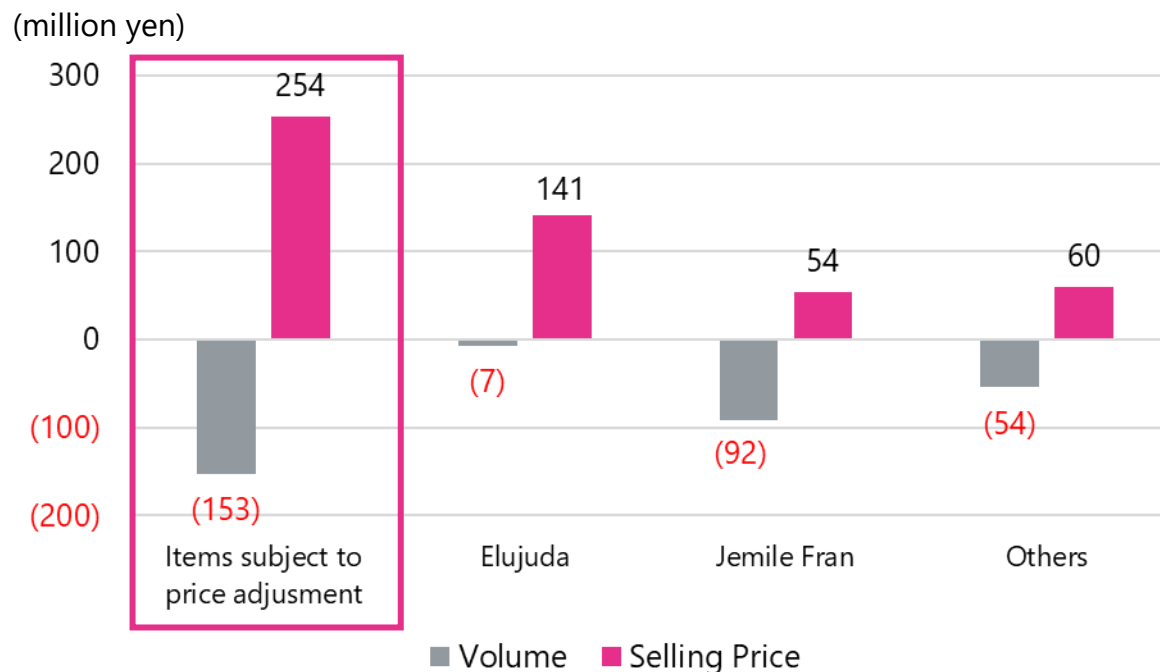
## The Impact from May through December

Demand surged in April ahead of the price adjustment, followed by significant volume declines in May and June.



## The Impact from October through December

Volume declines eased as the impact of price increases outweighed them. Sales volumes of the Elujuda brand, which accounts for the largest share among items subject to the price adjustment, showed a recovery trend.



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# Net Sales and Operating Income by Region

In Japan, net sales increased while operating income declined year on year, with both achieving the revised targets. Overseas net sales also achieved the target, supported by strong results in the U.S.; however, operating income fell slightly short of the target due to forex and higher expenses.

		FY2024	FY2025	Diff.	Diff. (%)	Actual Diff. Rate* <sup>1</sup> (%)	FY2025 Revised Target	Exchange Rate FY25 Result	Exchange Rate FY25 Forecast
		(Unit: million yen)							
Japan	Net Sales	38,684	<b>39,206</b>	521	1.3%	1.3%	38,900		
	Operating Income	5,796	<b>4,757</b>	(1,038)	(17.9%)	—	4,300	—	—
	Margin (%)	15.0%	<b>12.1%</b>	—	—	—	11.1%		
Overseas	Net Sales	12,631	<b>13,657</b>	1,025	8.1%	10.6%	13,400		
	Operating Income	1,043	<b>895</b>	(147)	(14.2%)	—	1,000	—	—
	Margin (%)	8.3%	<b>6.6%</b>	—	—	—	7.5%		
South Korea	Net Sales	5,345	<b>5,503</b>	158	3.0%	8.3%	5,583	KRW	KRW
	Operating Income	1,239	<b>1,071</b>	(167)	(13.5%)	—	1,305	0.1055 yen	0.108 yen
	Margin (%)	23.2%	<b>19.5%</b>	—	—	—	23.4%		
China	Net Sales	2,328	<b>2,441</b>	112	4.9%	6.6%	2,333	RMB	RMB
	Operating Income	49	<b>44</b>	(5)	(11.3%)	—	8	20.91 yen	20.5 yen
	Margin (%)	2.1%	<b>1.8%</b>	—	—	—	0.4%		
United States	Net Sales	1,981	<b>2,520</b>	539	27.3%	29.4%	2,145	USD	USD
	Operating Income	(89)	<b>(47)</b>	41	—	—	(275)	149.76 yen	145.0 yen
	Margin (%)	(4.5%)	<b>(1.9%)</b>	—	—	—	(12.8%)		
Other* <sup>2</sup>	Net Sales	2,976	<b>3,191</b>	214	7.2%	5.2%	3,339		
	Operating Income	(157)	<b>(172)</b>	(15)	—	—	(38)	—	—
	Margin (%)	(5.3%)	<b>(5.4%)</b>	—	—	—	(1.1%)		

\*1 Figures are the rates of change in real terms on a local currency basis.  
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\*2 Thailand, Vietnam, Malaysia, Taiwan, Hong Kong, Turkey, Indonesia, Philippines, Singapore, EU, and UAE

# Financial Results by Region: Japan

**Net sales exceeded the revised target, supported by steady performance in Q4. Operating income also surpassed the target, driven by higher sales and intensive cost control.**

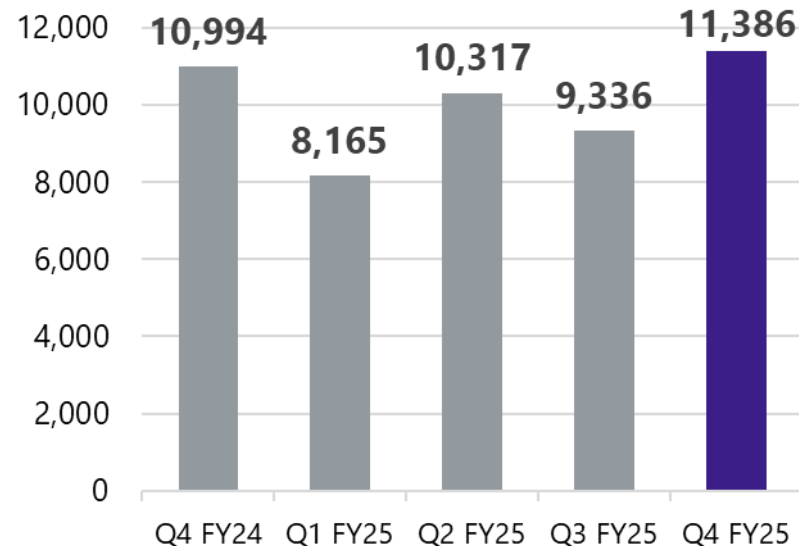
## YoY Growth Rate of Sales by Product Category\*

Hair care sales remained firm. Sales of Ow Bye Tori, a new hair styling brand launched in October, exceeded expectations in Q4. Hair coloring continued to decline YoY; however, grey-coverage products maintained steady sales, supported by strong customer evaluations.

Change in Sales	FY2025	
	Q4	Q4 YTD
Hair Care	+6.5%	+5.6%
Hair Coloring	(4.2%)	(3.9%)
Cosmetics	+2.5%	(24.0%)
% to Sales	Q3	Q4 YTD
Hair Care	69.6%	67.2%
Hair Coloring	26.9%	28.8%
Cosmetics	1.3%	1.5%

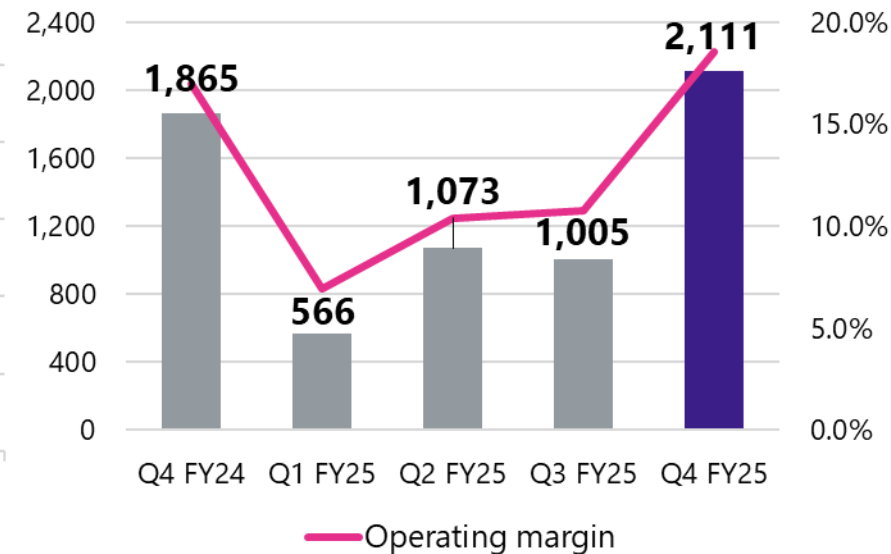
## Quarterly Net Sales (mil. yen)

Full-year net sales slightly exceeded the target, supported by solid hair care sales in Q4.



## Quarterly Operating Income (mil. yen)

Operating income exceeded the target due to higher sales and cost control.



\*Based on shipment value  
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# Financial Results by Region: South Korea

Net sales increased but fell short of the target due to a reactionary decline following the government's measures in Q3 and the impact of foreign exchange. Operating income declined and fell short of the target, reflecting higher event-related expenses in Q4 and the impact of foreign exchange.

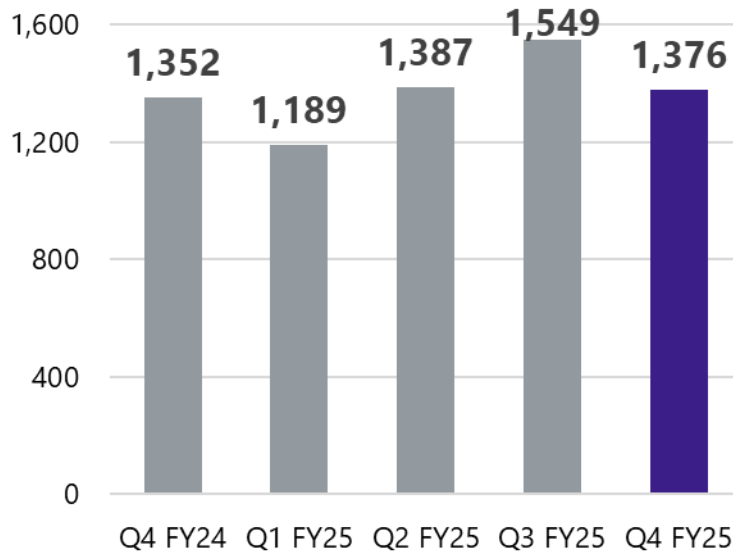
## YoY Growth Rate of Sales by Product Category\*

Government-issued consumption coupons introduced in July boosted salon visits in Q3. In Q4, while affected by a reactionary decline, full-year performance on a local-currency basis remained solid across all product categories.

Change in Sales	FY2025	
	Q4	Q4 YTD
Hair Care	+3.0%	+10.1%
Hair Coloring	+2.3%	+5.7%
Perm	+4.9%	+13.7%
% to Sales	Q4	Q4 YTD
Hair Care	23.3%	23.7%
Hair Coloring	70.8%	69.2%
Perm	5.2%	5.2%

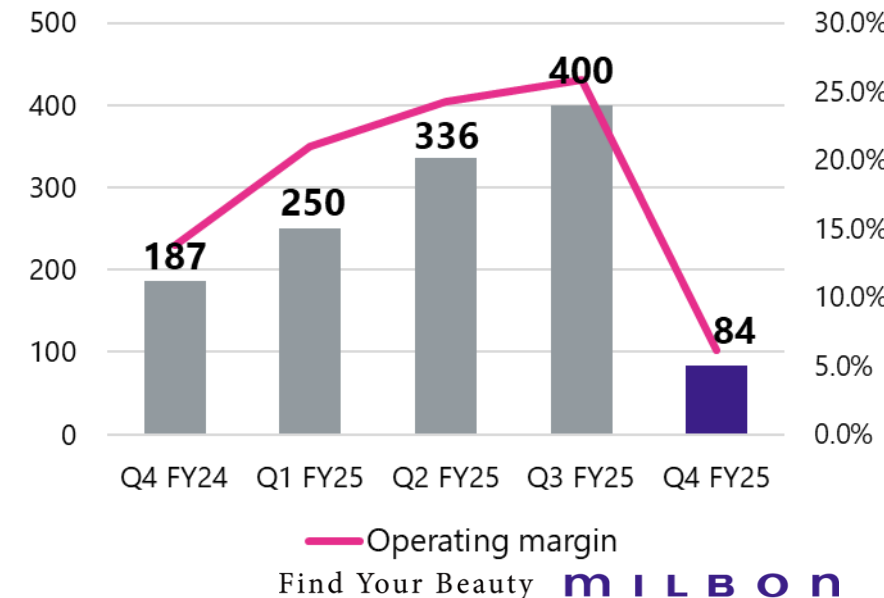
## Quarterly Net Sales (mil. yen)

Q1 sales were impacted by political instability but recovered from Q2 onward as market conditions improved. Q3 recorded a significant increase, supported by government measures, while Q4 was affected by a reactionary decline.



## Quarterly Operating Income (mil. yen)

Despite higher sales, full-year operating income declined due to the impact of foreign exchange and higher event-related expenses in Q4. The operating margin in Q4 declined due to those factors.



\*Based on local currency  
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# Financial Results by Region: China

Both net sales and operating income exceeded the targets, supported by the strong reputation of our salon support activities, despite the continued sluggish market environment.

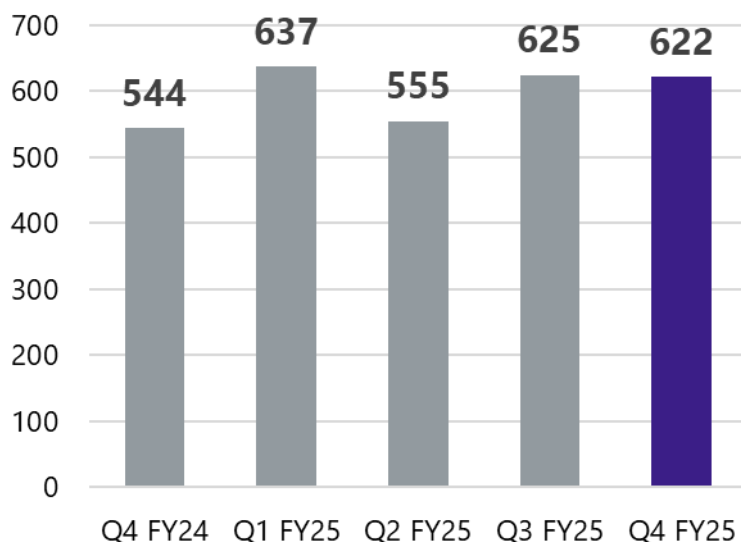
## YoY Growth Rate of Sales by Product Category\*

Both hair care and hair coloring sales increased steadily. The number of salons adopting Global Milbon increased, supported by the strong reputation of our products and salon activities. In addition, hair coloring sales showed signs of recovery after bottoming out in FY2024.

Change in Sales	FY2025	
	Q4	Q4 YTD
Hair Care	+13.8%	+6.9%
Hair Coloring	+12.2%	+8.2%
% to Sales	Q4	Q4 YTD
Hair Care	64.4%	59.7%
Hair Coloring	30.4%	35.0%

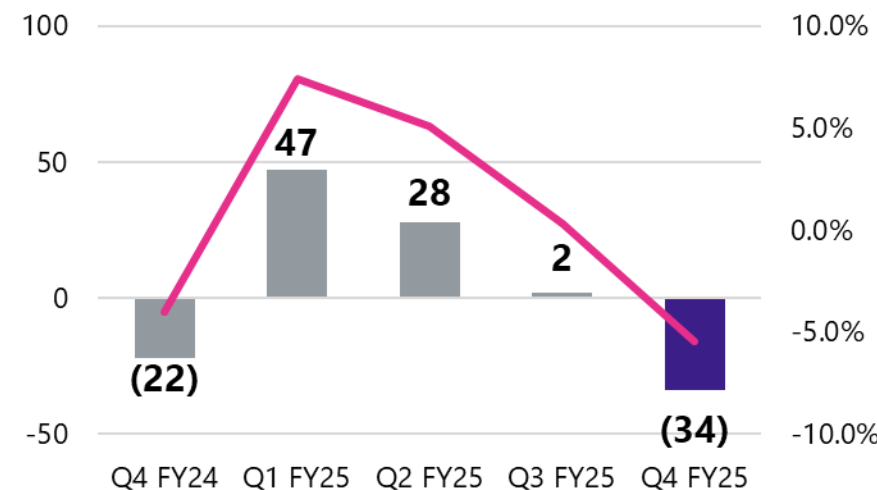
## Quarterly Net Sales (mil. yen)

Although the market condition remained challenging, sales increased YoY.



## Quarterly Operating Income (mil. yen)

Operating income exceeded the full-year target, while it declined in Q4 due to increased sales promotion expenses.



\*Based on local currency  
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# Financial Results by Region: United States

**Both net sales and operating income increased and exceeded the target, supported by deeper collaboration with distributors and favorable evaluations of our products. In FY2025, we achieved the solid full-year sales growth.**

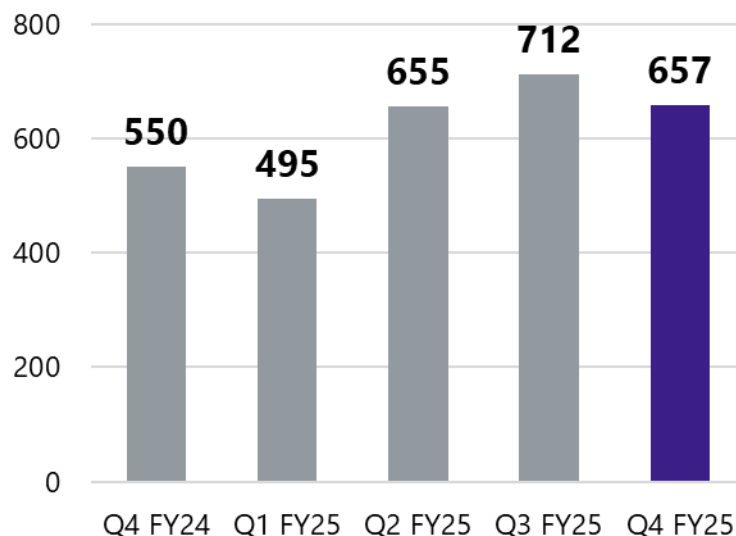
## YoY Growth Rate of Sales by Product Category\*

Sales of both hair care and hair coloring products increased significantly, supported by favorable evaluations of new products tailored to U.S. salon and consumer needs. In Q4, sales in each product category recorded double-digit growth, despite a high comparison base following a distributor change last year.

Change in Sales	FY2025	
	Q4	Q4 YTD
Hair Care	+18.1%	+30.4%
Hair Coloring	+22.3%	+27.3%
% to Sales	Q4	Q4 YTD
Hair Care	86.6%	86.8%
Hair Coloring	9.3%	8.7%

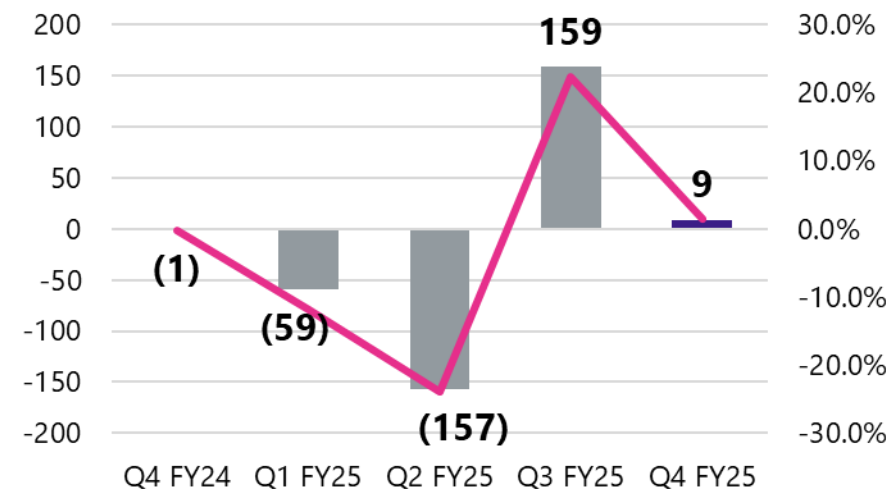
## Quarterly Net Sales (mil. yen)

Sales increased significantly, supported by the cross-selling of hair care and hair coloring products.



## Quarterly Operating Income (mil. yen)

¥99 million of SG&A expenses recorded in Q2 was overstated. The amount was deducted from Q3 SG&A expenses and reclassified as non-operating expenses, temporarily boosting Q3 operating income. Aside from this factor, underlying profitability shows an improving trend.



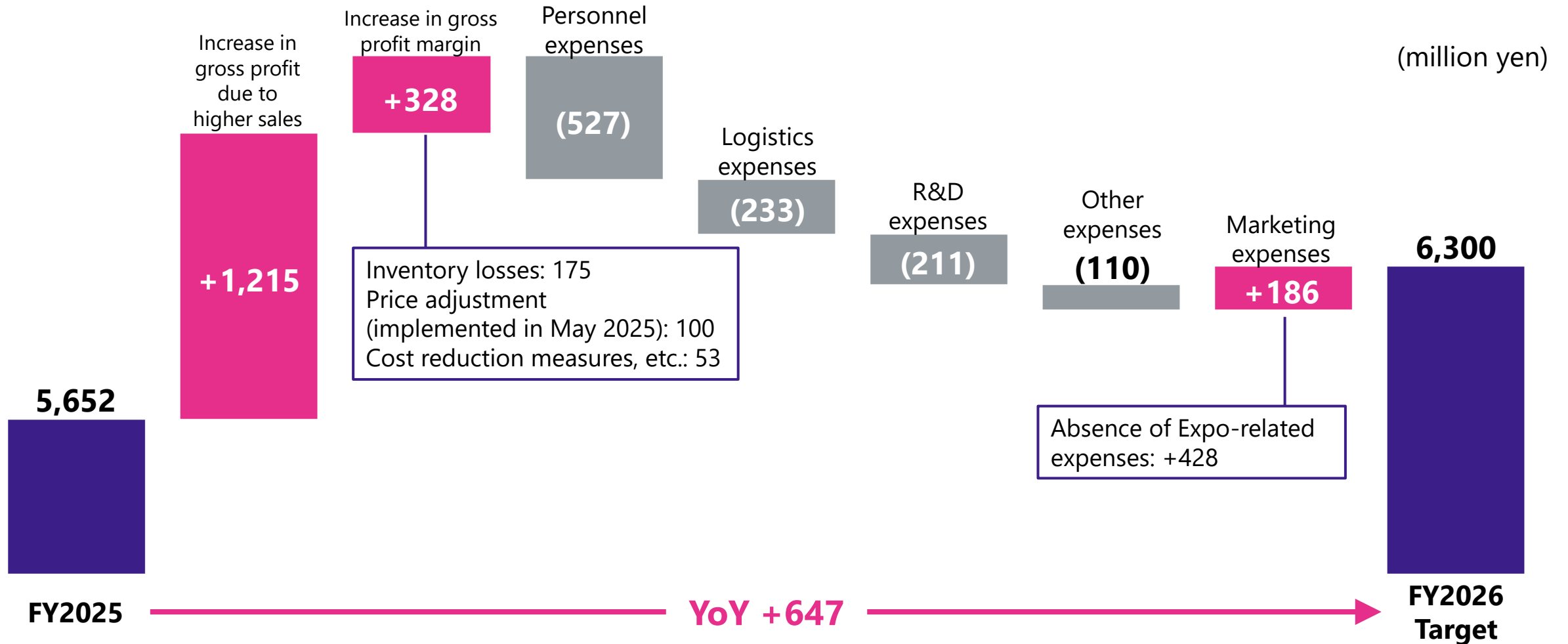
\*Based on local currency  
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# Financial Target for FY2026

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

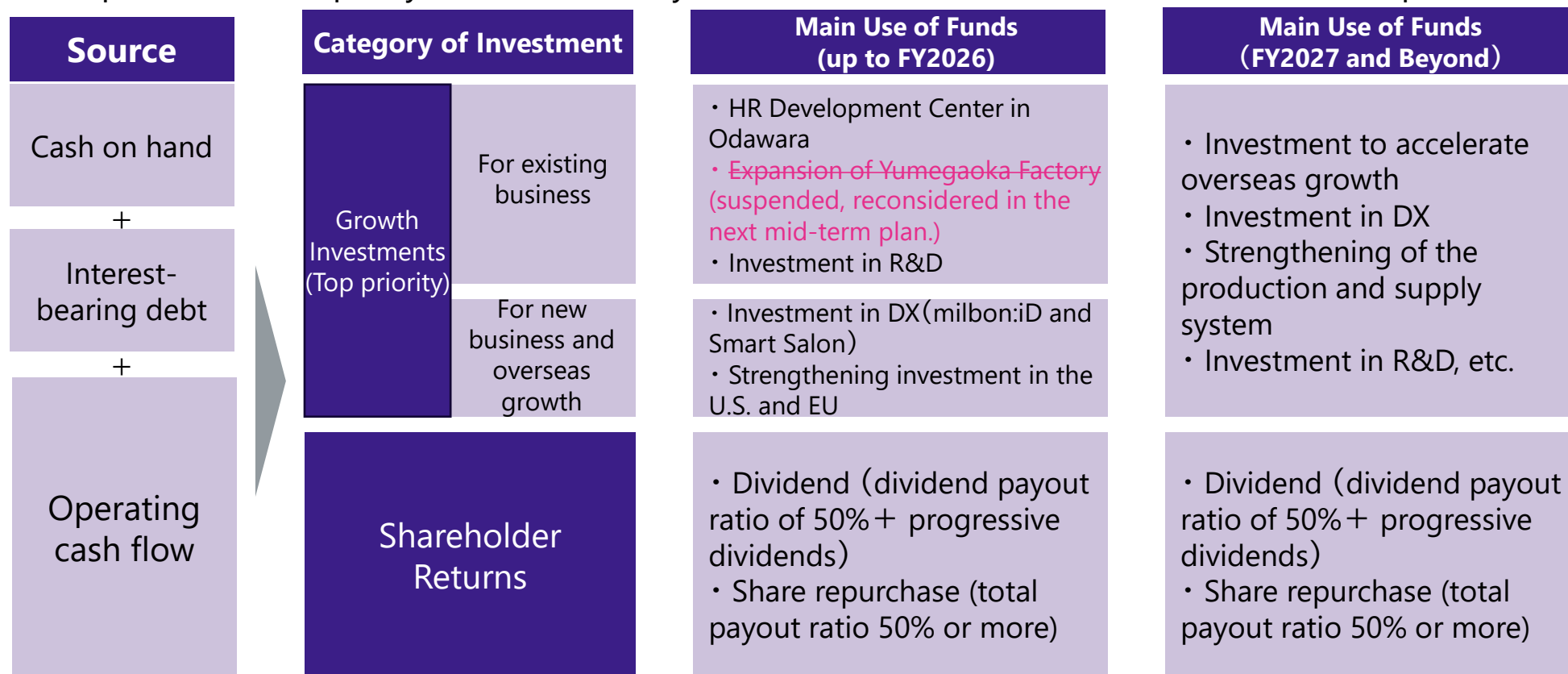
# Consolidated Operating Income – Factors Behind YoY Changes (FY2025 to FY2026)

In FY2026, we expect operating income of ¥6.3 billion, up 11.4% year on year, absorbing higher costs from inflation and upfront investments despite the absence of prior-year one-off factors.



# Financial Strategy – Long-term Capital Allocation Policy

- ✓ The expansion of the Yumegaoka Factory, previously planned for 2026, has been temporarily suspended and is currently under reconsideration, in light of domestic sales trend.
- ✓ For growth investments, we plan to utilize interest-bearing debt from the perspective of improving capital efficiency.
- ✓ With regard to shareholder returns, our dividend policy is based on a target dividend payout ratio of 50% and progressive dividends. In addition, we will consider flexible share repurchases based on financial performance, share price trends, and cash on hand.
- ✓ Details of the capital allocation policy for 2027 and beyond will be announced with the next mid-term plan.

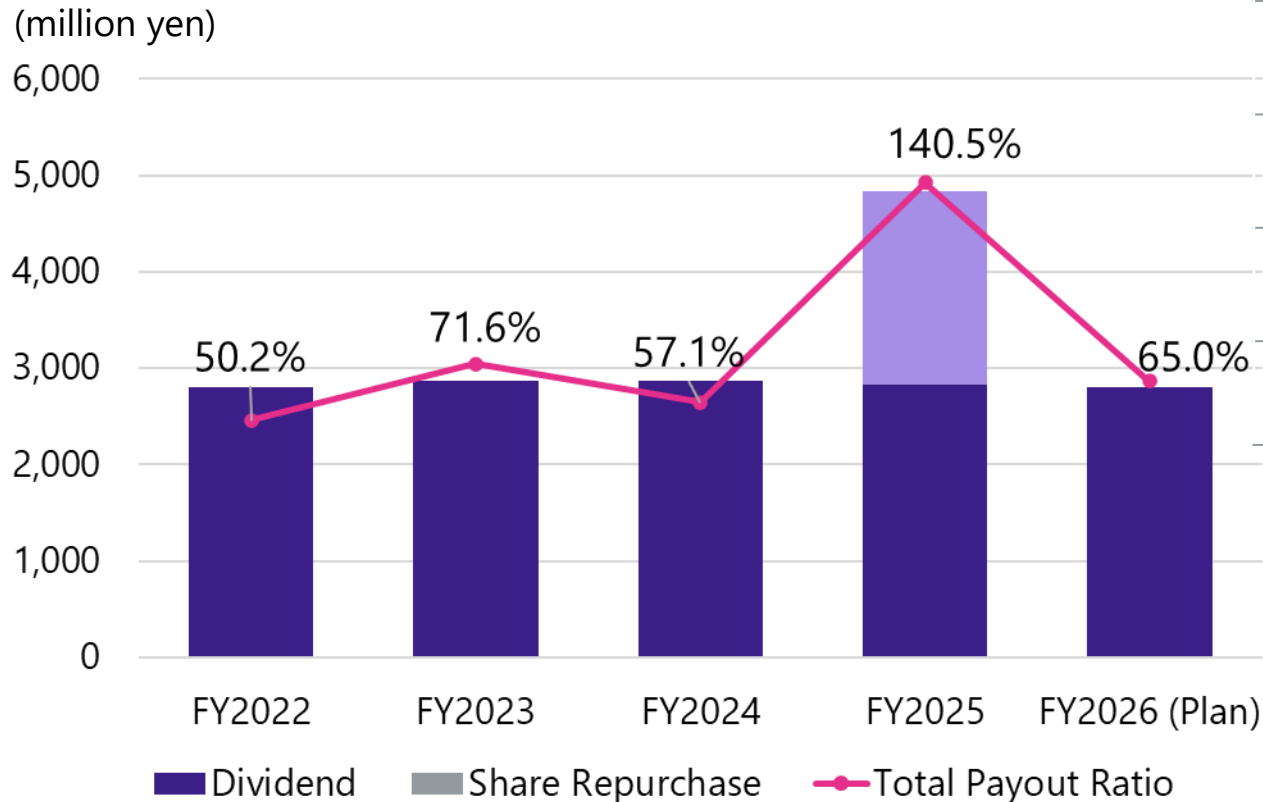




# Shareholder Returns for FY2026

The full-year dividend is planned at ¥88 per share, comprising an interim dividend of ¥40 and a year-end dividend of ¥48. Our initiatives to improve capital efficiency remain unchanged. We will consider flexible share repurchases based on share price trends and cash needs.

## Total Payout



	FY2022	FY2023	FY2024	FY2025	FY2026 (Target)
Dividend Per Share (yen)	86	88	88	88	<b>88</b>
Dividend (million yen)	2,797	2,863	2,865	2,829	<b>2,796</b>
Share Repurchase (million yen)	–	–	–	1,999	–
Total Payout Ratio (%)	50.2%	71.6%	57.1%	140.5%	<b>65.0%</b>

### Shareholder Return Policy

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

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# Today's Message

- In the domestic hair salon market, responding to increasingly diverse consumer needs has become essential. We support productivity improvement at hair salons through both service menus and take-home products.
- In hair color, we aim to restore sales by launching PRETOWA, a new brand designed to resolve hair color concerns that conventional products could not address. We will also support the development of in-salon color menus aligned with the polarization of consumer spending.
- Our overseas expansion is progressing largely as planned. In the United States and European markets, where sales growth has exceeded our expectations, we will strengthen initiatives aimed at profit creation, while in Asian markets we will pursue stable growth and consistent profit generation.

# FY2025 in Review

**Overseas operations progressed in line with the initial plan in FY2025; however, sluggish domestic sales led us to revise the full year plan downward. We ultimately achieved the revised targets for both sales and profits.**

## Japan

### Market Environment

Rising inflation led to a trend of restrained beauty spending among consumers.

### Hair Care

Despite the impact of restrained beauty spending, demand for hair care products remained resilient, with solid performance led by take-home products. In addition, Ow Bye Tori, a new styling brand launched in October, outperformed initial expectations.

### Hair Coloring

Sales declined due to the impact of the polarization of the hair color market; however, high value-added products such as Villa Lodola Color continued to perform steadily.

### Cosmetics

Our core lotion products continued to perform steadily, while newly launched makeup products struggled.

## Overseas

### South Korea

While the Q1 got off to an unstable start due to social conditions, sales momentum subsequently recovered, supported in part by the government's consumption coupon program.

### China

We achieved positive growth despite a continued stagnant market environment.

### United States

In addition to the continued strong performance of hair care products, hair coloring sales recorded notable growth, accompanied by deeper collaboration with distributors.

### Others

Strong sales growth in Germany has continued, and growth expectations for the EU region are rising.

## Other Topic

### Shareholder Return

In August, we announced a share repurchase program with an upper limit of ¥2.0 billion. The repurchased shares were subsequently cancelled in December.

# Our Initiative in Japan

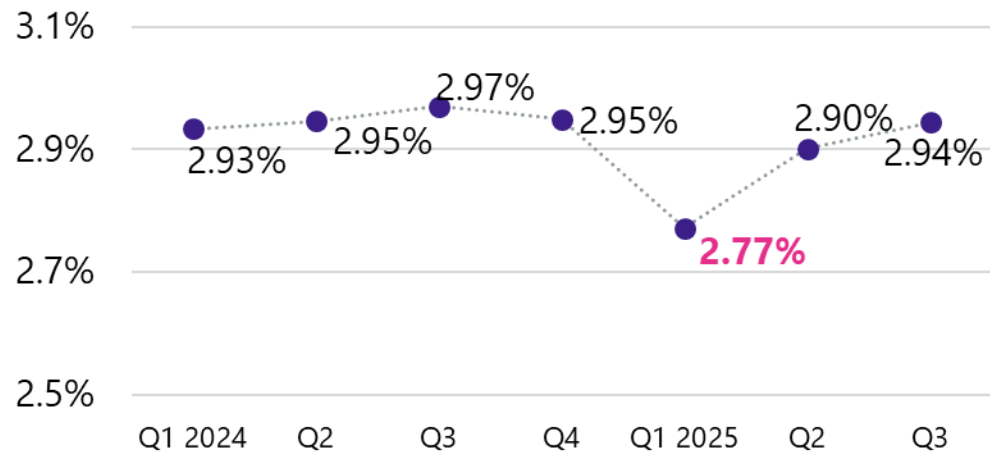
Through our products, education, and services, we have supported productivity improvement at hair salons by enhancing the value of in-salon service menus and expanding purchases of take-home products.



# Market Environment in Japan: Trend of Beauty Spending

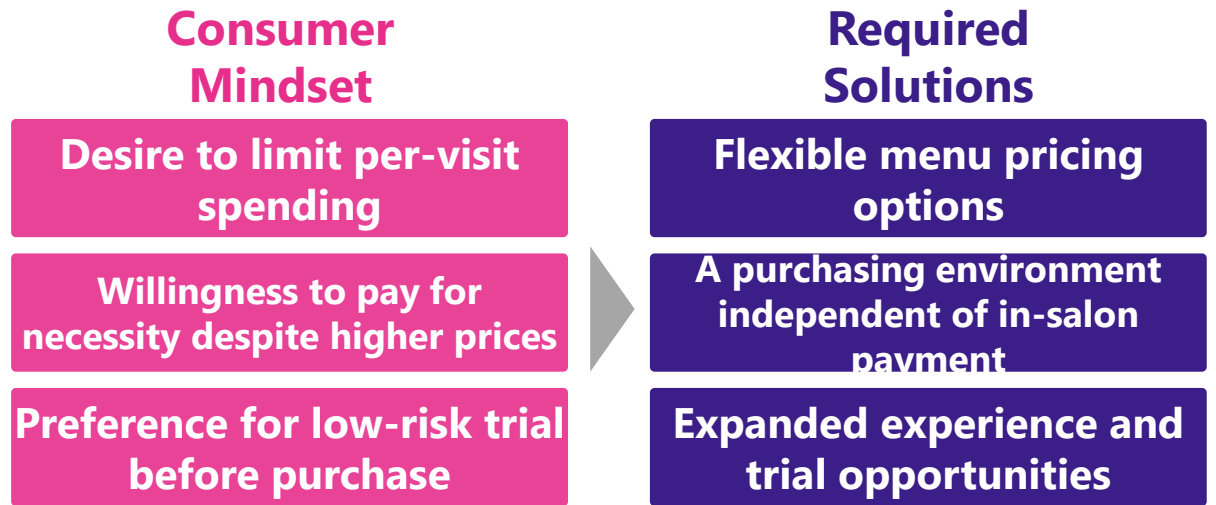
Household spending on hair and beauty services was at a low level in Q1 of 2025, but has shown a recovery trend from Q2 onward. Consumer purchasing behavior indicates a tendency to limit the amount spent per transaction while continuing to purchase necessary items even at higher prices.

**Trend in the Beauty Spending Coefficient\***



\*Source: Hot Pepper Beauty Academy, Recruit Co., Ltd.  
The Beauty Spending Coefficient is defined as the ratio of household spending on hairdressing services and products (combined) to total consumption expenditure, based on data from the Family Income and Expenditure Survey conducted by the Ministry of Internal Affairs and Communications.

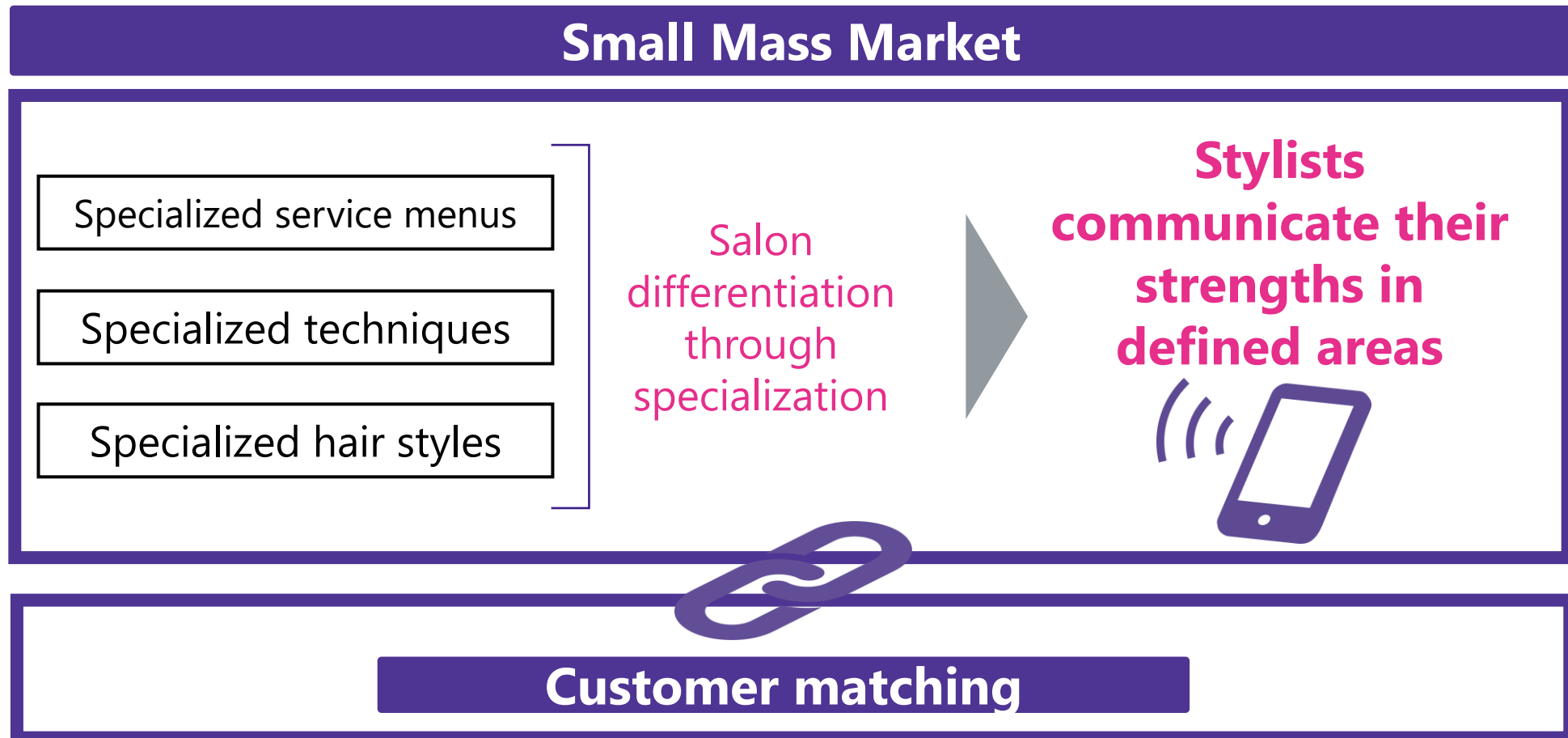
## Change in Consumer Purchasing Behavior



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

# Market Environment in Japan: Growth Strategy for Hair Salons

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



# Our Initiatives in Japan for FY2026

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

## Mature Segment

### Hair Color

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



### Hair Care

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



## Younger Segment

### Hair Care and Styling

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

nigelle  
dressia



suwae



Styling Series for Men





# Changes in the Hair Color Market in Japan

Rising salon operating costs and narrowing product performance differences have driven polarization in hair color demand toward low priced and high value-added products, leaving our current offerings in the volume segment less able to fully address these needs.

## Polarizing Hair Color Needs

Low-cost hair coloring products from competitors

Our core hair color offerings

High value-added products with strong uniqueness and consumer brand recognition

Villa Lodola  
PROFESSIONAL

Villa Lodola Color fits this category and continues to perform well

PRETOWA

**In 2026, we will launch PRETOWA, a high value-added new brand aligned with evolving market needs.**

# New Hair Color Brand: PRETOWA

We will launch the new brand PRETOWA in mid-year, leveraging a new technology that enhances hair strength during the coloring process and addresses concerns such as damage that could not be adequately avoided with conventional products.

Realizing a high value-added emotional experience

Immediate value

Sustained value

Repeat value

Supports higher hair color average ticket and repeat rate

Hair Color Concerns Unavoidable with Conventional Products

Damage

Longevity

Unpleasant odor

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



Annual sales target: ¥1.0 billion

# Hair Color Initiatives in Japan

Through educational activities led by Field Person, we communicate the value of PRETOWA while supporting the development of salon color menus aligned with polarized consumer needs.

## Three Pillars to Restore Growth in Hair Color



Highly differentiated new product:  
**PRETOWA**

Robust, large-scale education capability  
driven by Field Person

Enhancement of consumer awareness

## Supporting the Development of Salon Color Menus

The Field Person provides support for the development of salon specific color menus aligned with each salon's customer base, together with in-salon education programs.

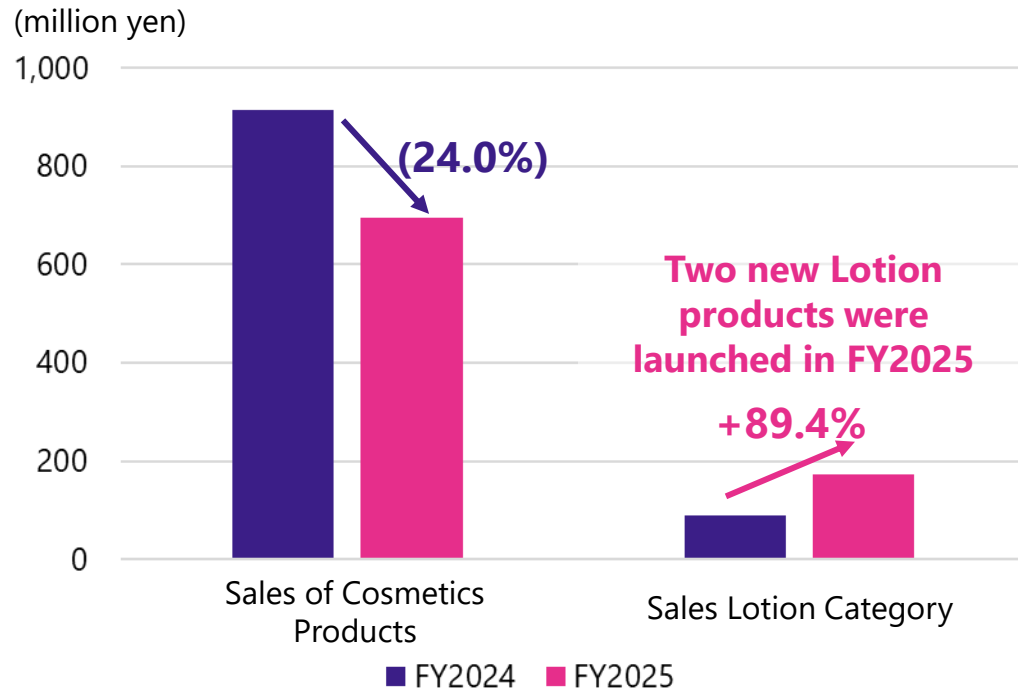
	Menu Pricing Examples
	Standard fee +2,000 yen
	Standard fee +1,000 yen
Other hair coloring product	Standard color fee

# Cosmetics Business Overview

Overall cosmetics sales declined due to challenges in makeup products in FY2025. However, our core Lotion category remained solid. In 2026, we will continue to position Lotion as the central pillar of our cosmetics strategy.

## Results in FY2025

Due to a gap in eyebrow products, overall cosmetics sales declined. In contrast, sale in the core Lotion category increased, supported by the launch of new products and a focused sales approach.



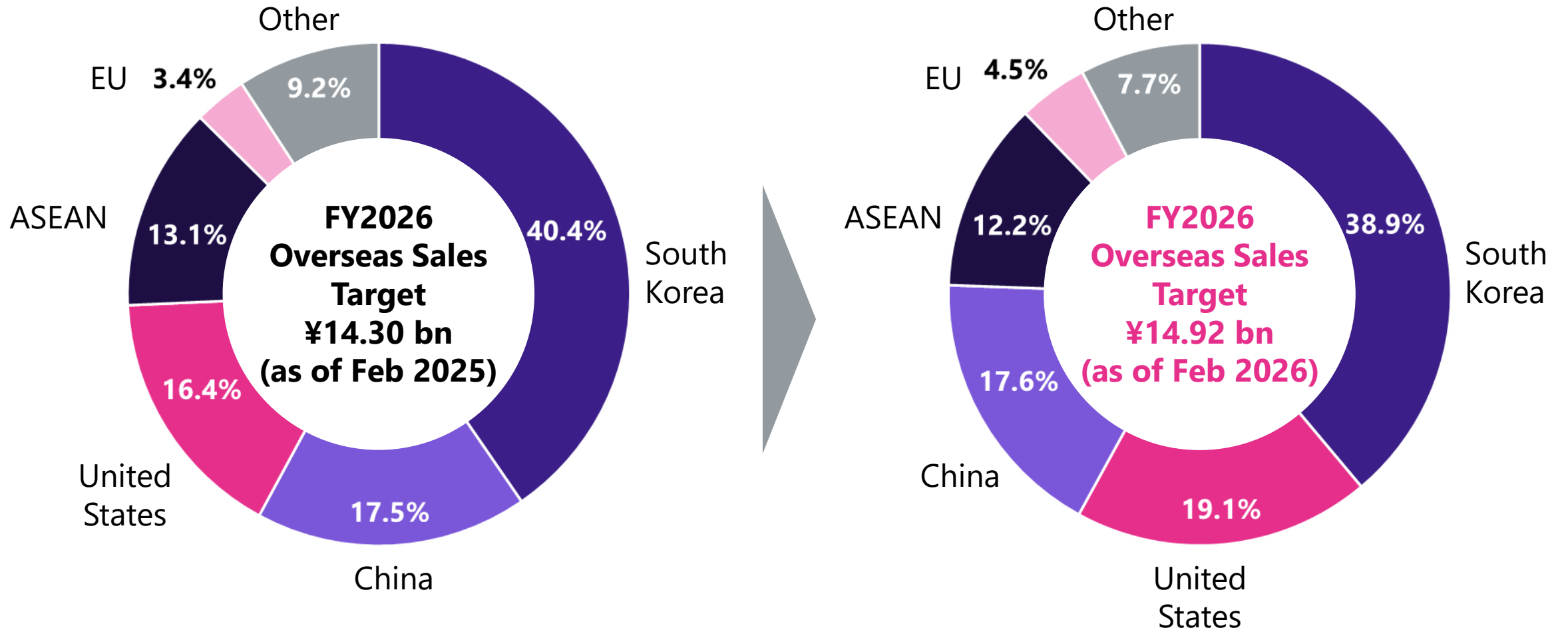
## Initiatives in FY2026

We will expand the lotion lineup to address a wider range of skin concerns, thereby broadening the customer base, while beginning to consider a review of the overall cosmetics lineup.



# Overseas Business: Sales Target

We raised our FY2026 overseas sales target from that set in February 2025, driven by stronger-than-expected sales performance in the United States and the EU.



# Overseas Business: The United States and the EU

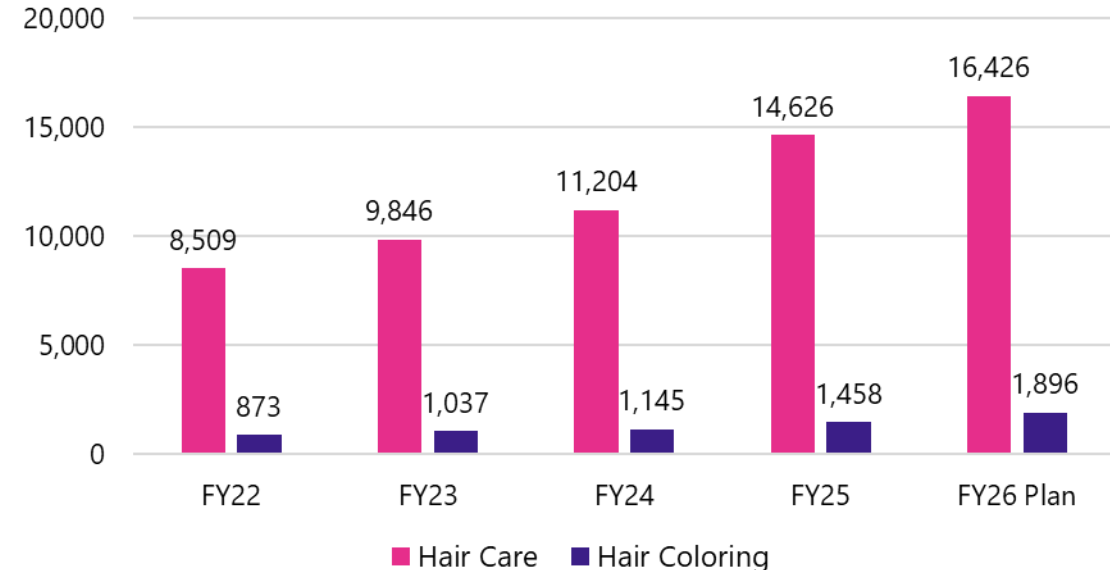
**In 2025, sales growth in both the United States and the EU exceeded expectations. In 2026, we will continue a similar sales strategy in both regions. In particular, we aim to expand sales in the United States through growth investment and achieve profitability during the next mid-term plan period.**

## United States

In 2025, we achieved the top annual in-store share at one distributor in the Los Angeles area. In 2026, we will strengthen collaborative structures centered on distributors in the Midwest and Canada, while aiming for growth in both hair care and hair color.

### Sales by Product Category (Local Currency Terms)

(thousand USD)

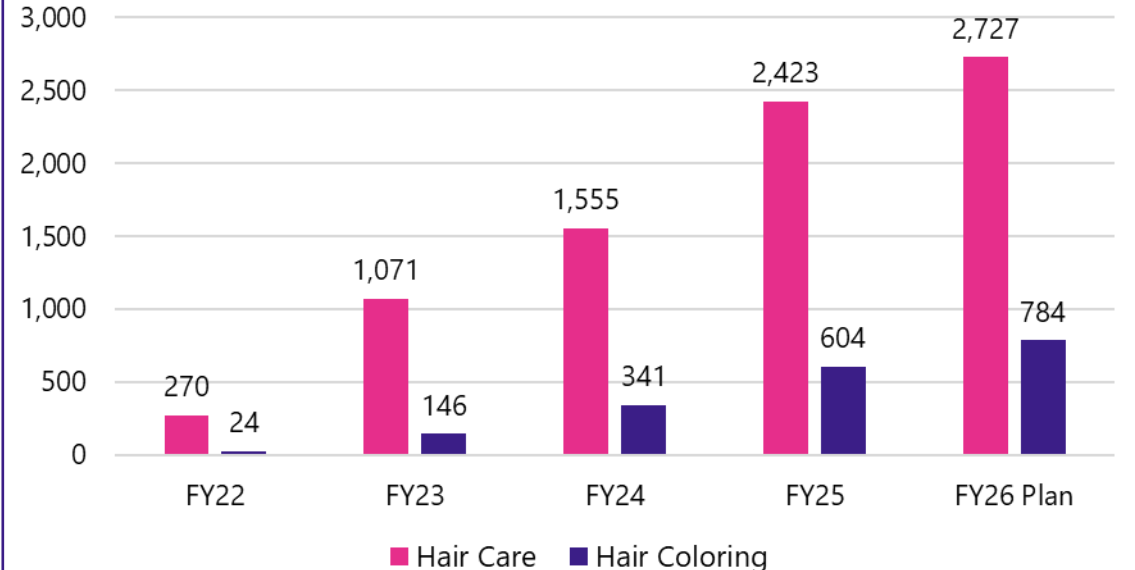


## EU

In 2025, collaboration with commission-based sales personnel with prior experience at competitor companies progressed, leading to an increase in the number of salons carrying our products, particularly in Germany. Going forward, we will continue this approach and aim to further expand distribution across the EU.

### Sales by Product Category (Local Currency Terms)

(thousand EUR)



# Overseas Business: South Korea and China

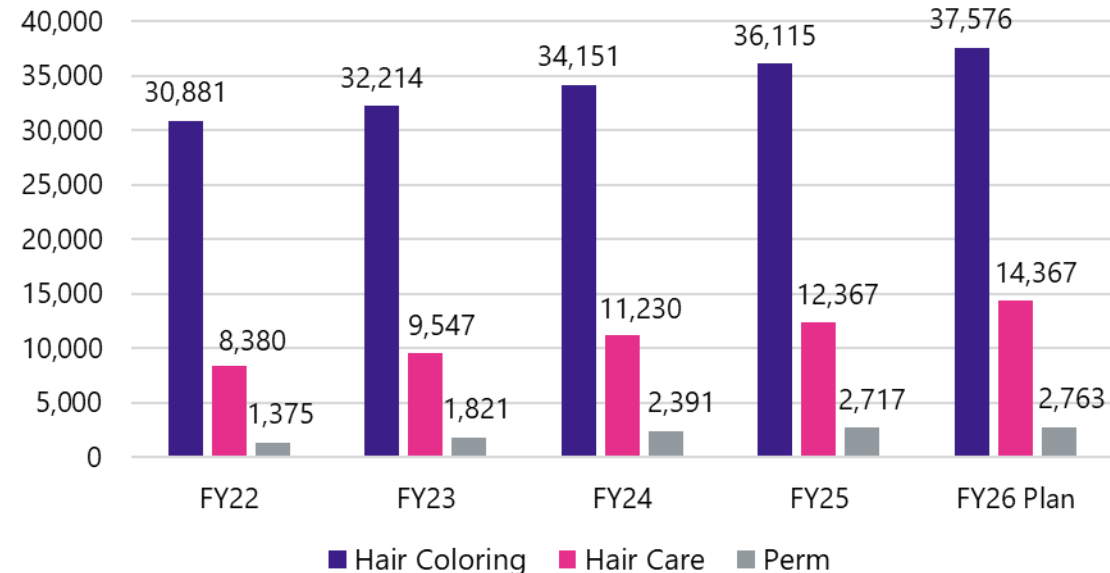
**South Korea is expected to deliver stable growth. In China, despite a challenging market environment, sales increased, and hair color sales showed signs of recovery after bottoming out in 2024.**

## South Korea

In 2025, despite the impact of changes in the external environment, sales grew steadily across all product categories. In 2026, we will further strengthen hair care initiatives, centered on Aujua and Global Milbon.

### Sales by Product Category (Local Currency Terms)

(million KRW)



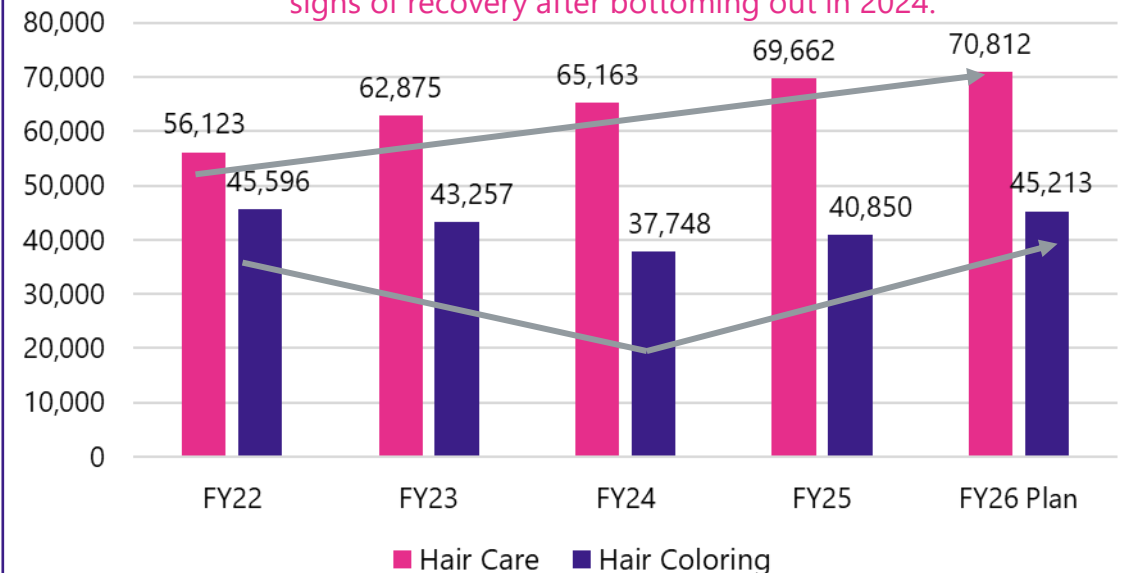
## China

In 2025, while the recovery of the overall market remained slow, our field activities were favorably received by salons, resulting in sales growth exceeding expectations across all categories. In 2026, we will strengthen hair color related activities.

### Sales by Product Category (Local Currency Terms)

(thousand RMB)

*Hair care grew steadily, and hair color sales showed signs of recovery after bottoming out in 2024.*



# Financial Target for FY2026

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

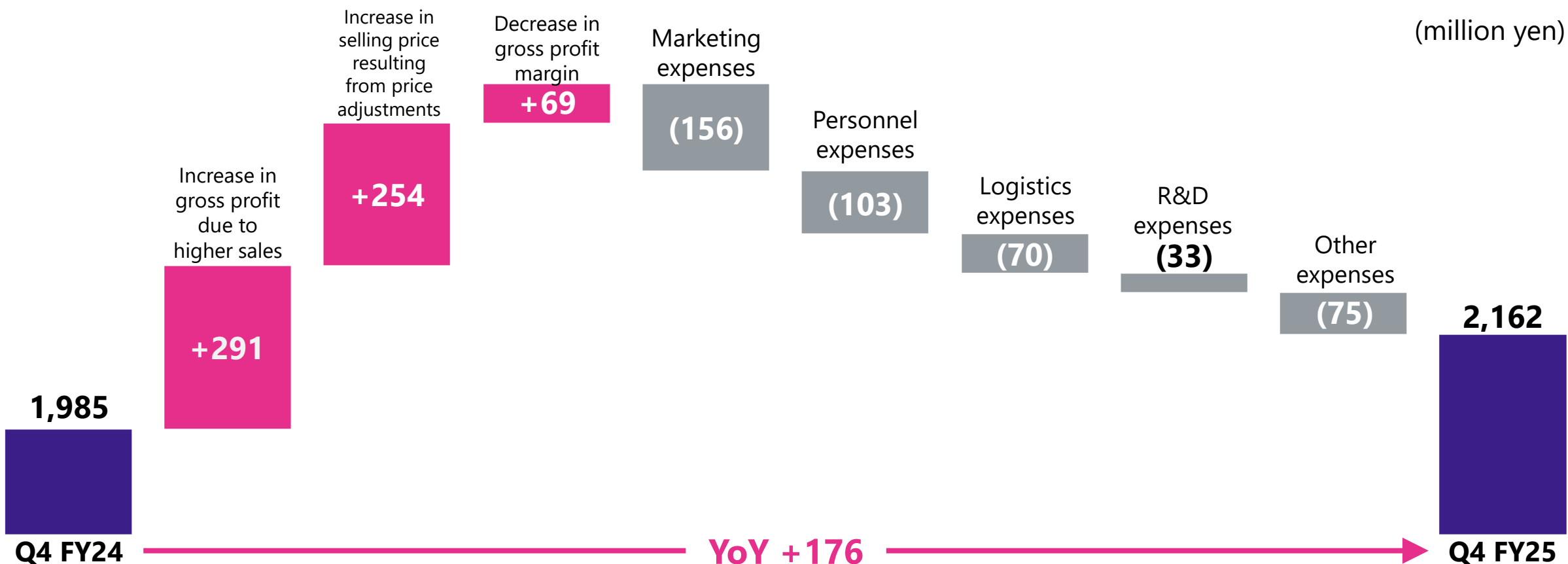


# Agenda

- 1. Consolidated Financial Results** \_\_\_\_\_ **P2**
- 2. Financial Results by Region and Full-Year Outlook** \_\_\_\_\_ **P8**
- 3. Initiatives in FY2026** \_\_\_\_\_ **P18**
- 4. Appendix** \_\_\_\_\_ **P33**
  - Consolidated Operating Income – Factors Behind YoY Changes and Difference vs. Target (Quarterly)** \_\_\_\_\_ **P34**
  - Consolidated Net Sales and Sales Ratio by Product Category (FY2025 to FY2026 Target)** \_\_\_\_\_ **P36**
  - Net Sales and Operating Income by Region (FY2025 to FY2026 Target)** \_\_\_\_\_ **P37**
  - Forex Assumptions and Sensitivities** \_\_\_\_\_ **P38**
  - Status of Main Brands** \_\_\_\_\_ **P39**
  - Sales Growth and Sales Ratio by Category in Japan and Overseas (Local Currency Basis)** \_\_\_\_\_ **P42**
  - Progress of milbon:iD and Smart Salon Initiatives** \_\_\_\_\_ **P44**
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  - Status of Capital Expenditures, etc.** \_\_\_\_\_ **P46**
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- 5. Overview of Milbon** \_\_\_\_\_ **P48**

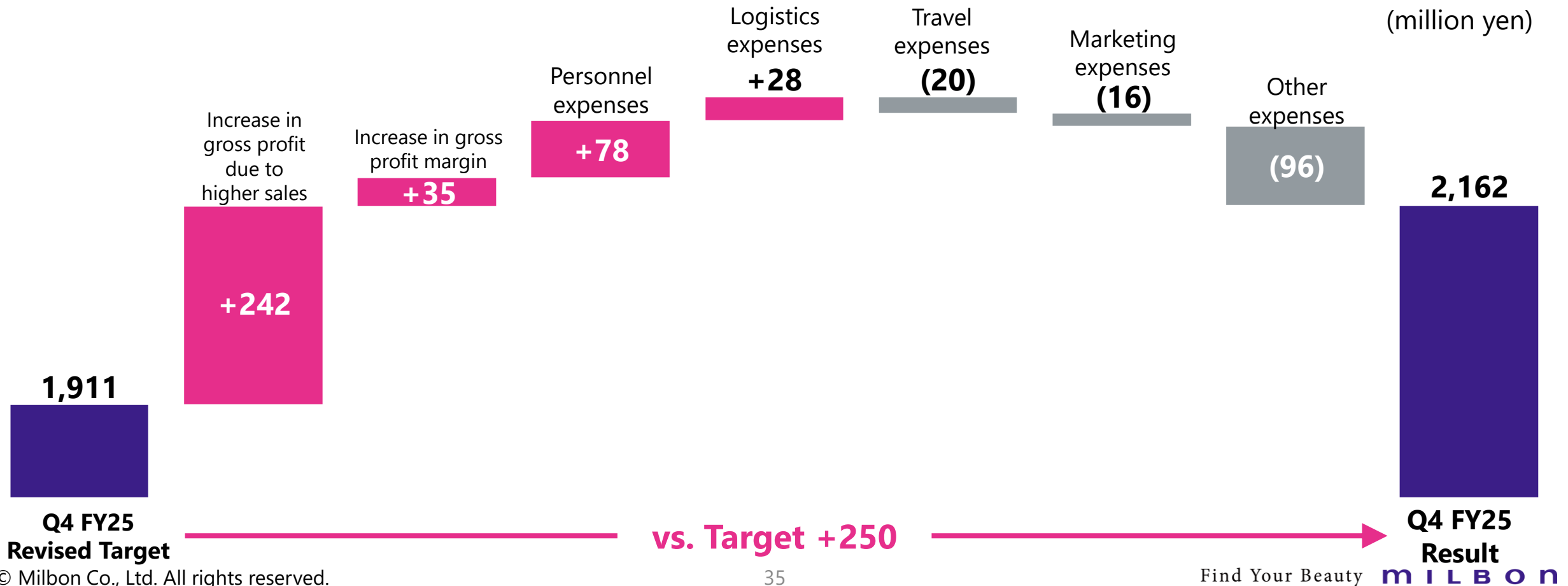
# Consolidated Operating Income – Factors Behind YoY Changes (Quarterly)

Both net sales and operating income increased. Higher sales and the positive impact of the price adjustment offset increased SG&A expenses.



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

Operating income exceeded the target, supported by higher sales.



## Consolidated Net Sales and Sales Ratio by Product Category (FY2025 to FY2026 Target)

(Unit: million yen)	FY2024					FY2025					FY2026
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Target
Net Sales	11,508	13,017	12,467	14,322	51,316	11,180	13,626	13,020	<b>15,035</b>	52,863	<b>54,800</b>
Hair Care	6,670	8,012	7,560	9,080	31,324	6,938	8,685	7,944	<b>9,897</b>	33,466	<b>34,800</b>
Hair Coloring	4,044	4,301	4,308	4,545	17,200	3,706	4,275	4,427	<b>4,486</b>	16,896	<b>17,520</b>
Perm	350	448	348	398	1,547	287	422	341	<b>384</b>	1,435	<b>1,360</b>
Cosmetics	369	197	151	150	868	159	168	181	<b>154</b>	664	<b>693</b>
Others	73	57	97	147	375	89	74	124	<b>113</b>	401	<b>427</b>
% to Sales											
Hair Care	58.0%	61.6%	60.6%	63.4%	61.1%	62.1%	63.7%	61.0%	<b>65.8%</b>	63.3%	<b>63.5%</b>
Hair Coloring	35.1%	33.0%	34.6%	31.7%	33.5%	33.1%	31.4%	34.0%	<b>29.8%</b>	31.9%	<b>32.0%</b>
Perm	3.1%	3.5%	2.8%	2.8%	3.0%	2.6%	3.1%	2.6%	<b>2.6%</b>	2.7%	<b>2.5%</b>
Cosmetics	3.2%	1.5%	1.2%	1.1%	1.7%	1.4%	1.2%	1.4%	<b>1.0%</b>	1.3%	<b>1.3%</b>
Others	0.6%	0.4%	0.8%	1.0%	0.7%	0.8%	0.6%	1.0%	<b>0.8%</b>	0.8%	<b>0.7%</b>

# Net Sales and Operating Income by Region (FY2025 to FY2026 Target)

(Unit: million yen)		FY2025	FY2026 Target	Diff.	Diff. (%)	Actual Diff. Rate <sup>*1</sup> (%)
Japan	Net Sales	39,206	<b>39,880</b>	673	1.7%	1.7%
	Operating Income	4,757	<b>5,090</b>	333	7.0%	—
	Margin(%)	12.1%	<b>12.8%</b>	—	—	—
Overseas	Net Sales	13,657	<b>14,920</b>	1,262	9.2%	8.1%
	Operating Income	895	<b>1,210</b>	314	35.1%	—
	Margin(%)	6.6%	<b>8.1%</b>	—	—	—
South Korea	Net Sales	5,503	<b>5,802</b>	298	5.4%	5.9%
	Operating Income	1,071	<b>1,271</b>	199	18.6%	—
	Margin(%)	19.5%	<b>21.9%</b>	—	—	—
China	Net Sales	2,441	<b>2,623</b>	181	7.4%	4.5%
	Operating Income	44	<b>68</b>	24	54.3%	—
	Margin(%)	1.8%	<b>2.6%</b>	—	—	—
United States	Net Sales	2,520	<b>2,850</b>	329	13.1%	12.9%
	Operating Income	(47)	<b>(168)</b>	(120)	—	—
	Margin(%)	(1.9%)	<b>(5.9%)</b>	—	—	—
Other <sup>*2</sup>	Net Sales	3,191	<b>3,645</b>	453	14.2%	11.0%
	Operating Income	(172)	<b>39</b>	211	—	—
	Margin(%)	(5.4%)	<b>1.1%</b>	—	—	—

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

\*2 Thailand, Vietnam, Malaysia, Taiwan, Hong Kong, Turkey, Indonesia, Philippines, Singapore, EU, and UAE

# Forex Assumption and Sensitivities

(million yen)

	FY2026 Assumption	Impact on Consolidated Net Sales	Impact on Consolidated Operating Income
KRW	0.105 yen	+1% → +55	+1% → +39
RMB	21.5 yen	+1% → +24	+1% → +5
USD	150.0 yen	+1% → +25	+1% → +8
THB	4.8 yen	+1% → +3	+1% → (28)

Operating income is negatively affected by yen depreciation against the Thai baht because we operate a manufacturing plant in Thailand.

\*The amount of impact is calculated based on the FY2025 financial results.

# Status of Main Brands – Hair Care Products

## Hair Care – Aujua

The number of salons introducing Aujua continued to expand both in Japan and South Korea.

(Unit: mil. yen)	FY2024		FY2025	
	Q4	Q4 YTD	Q4	Q4 YTD
Gross Sales	3,942	12,232	<b>4,139</b>	<b>12,679</b>
Japan	3,838	11,838	<b>4,019</b>	<b>12,187</b>
South KR	103	393	<b>119</b>	<b>492</b>

(Unit: salons)	FY2024		FY2025	
	Q4	Q4 YTD	Q4	Q4 YTD
Salons		7,625		<b>8,217</b>
Japan		7,278		<b>7,842</b>
South KR		347		<b>375</b>

## New Products

**Aujua Aging Hair Care Series Altiell (Debuted on February 11)**



(Unit: mil. yen)	FY2025	FY2025 Target
	Gross Sales	<b>1,056</b>

## Hair Care – Global Milbon

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

(Unit: mil. yen)	FY2024		FY2025	
	Q4	Q4 YTD	Q4	Q4 YTD
Gross Sales	2,144	7,266	<b>2,433</b>	<b>8,144</b>
Japan	1,053	3,469	<b>1,058</b>	<b>3,478</b>
U.S.	491	1,763	<b>581</b>	<b>2,290</b>
China	165	627	<b>211</b>	<b>704</b>
South KR	71	286	<b>72</b>	<b>299</b>
Other	363	1,119	<b>508</b>	<b>1,372</b>

(Unit: salons)	FY2024		FY2025	
	Q4	Q4 YTD	Q4	Q4 YTD
Salons		22,584		<b>31,755</b>
Japan		10,840		<b>12,382</b>
U.S.*		7,449		<b>14,326</b>
China		814		<b>1,260</b>
South KR		1,371		<b>1,432</b>
Other		2,110		<b>2,355</b>

\*Due to the distributor changeover at the end of FY2024, data on the number of salons in some US regions was unavailable, leading to lower figures for FY2024 compared to FY2024 Q3.

\*Sales figures are based on shipment value. The number of salons is calculated based on shipments over the past year for both Japan and overseas.

# Status of Main Brands – Hair Coloring Products

## Hair Coloring – Ordeve Addicthy

The domestic fashion color market remains sluggish amid intensifying competition. We aim to regain momentum by supporting salon customer acquisition through Addicthy and salon reservation platforms, while enhancing consumer recognition.

(Unit: mil. yen)	FY2024		FY2025	
	Q4	Q4 YTD	Q4	Q4 YTD
Gross Sales	1,870	6,775	<b>1,753</b>	<b>6,431</b>
Japan	1,562	5,569	<b>1,423</b>	<b>5,228</b>
Overseas	308	1,205	<b>329</b>	<b>1,202</b>

## Hair Coloring – Sophistone

Sales increased due to strengthened sales and educational initiatives for distributors and salons in the U.S. and EU.

(Unit: mil. yen)	FY2024		FY2025	
	Q4	Q4 YTD	Q4	Q4 YTD
Gross Sales	64	197	<b>83</b>	<b>298</b>

\*Sales figures are based on shipment value.

## Hair Coloring – Villa Lodola Color

Villa Lodola Color continues to expand steadily, supported by its strong reputation. International growth is primarily driven by South Korea.

(Unit: mil. yen)	FY2024		FY2025	
	Q4	Q4 YTD	Q4	Q4 YTD
Gross Sales	354	1,221	<b>435</b>	<b>1,516</b>
Japan	331	1,171	<b>394</b>	<b>1,362</b>
Overseas	22	50	<b>41</b>	<b>153</b>

(Unit: salons)	FY2024		FY2025	
	Q4	Q4 YTD	Q4	Q4 YTD
Salons		12,934		<b>15,295</b>
Japan		12,271		<b>13,700</b>
Overseas		663		<b>1,595</b>



# Status of Main Brands – Cosmetics

## Cosmetics – Imprea

Sales of Lotion, our mainstay product, were steady, while sales of other existing products declined.

	FY2024		FY2025	
(Unit: mil. yen)	Q4	Q4 YTD	Q4	Q4 YTD
Gross Sales	140	525	138	519

(Unit: salons)	FY2024	FY2025
Salons	2,083	2,505

## New Products

### Imprea Balance Tuner (Debuted on February 8)



(Unit: mil. yen)	FY2025	FY2025 Target
Gross Sales	59	100

## Cosmetics – IM

Sales declined due to slow adoption by salons of the newly added eyebrow mascara items launched in Q1 FY2024

	FY2024		FY2025	
(Unit: mil. yen)	Q4	Q4 YTD	Q4	Q4 YTD
Gross Sales	17	389	23	176

## New Products

### IM Brow & Lash Color Mascara (New Shades, Debuted on February 8)



(Unit: mil. yen)	FY2025	FY2025 Target
Gross Sales	25	140

\*Sales figures are based on shipment value. The number of the salons is calculated based on the past year's shipments for both Japan and overseas.

## Sales Growth and Sales Ratio by Category in Japan and Overseas (Local Currency Basis)

Japan	FY2024					FY2025				
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD
Net Sales	+9.3%	+5.0%	+7.7%	+3.0%	+6.0%	(2.5%)	+3.2%	+0.1%	<b>+3.6%</b>	+1.3%
Hair Care	+9.1%	+8.9%	+13.4%	+7.1%	+9.4%	+6.6%	+6.8%	+2.1%	<b>+6.5%</b>	+5.6%
Hair Coloring	+0.8%	(0.5%)	+1.1%	(0.5%)	+0.2%	(7.9%)	(1.8%)	(2.1%)	<b>(4.2%)</b>	(3.9%)
Perm	+2.9%	+10.4%	(11.0%)	+3.3%	+1.6%	(23.3%)	(9.6%)	(18.8%)	<b>(3.5%)</b>	(13.0%)
Cosmetics	+197.6%	+40.4%	(2.5%)	+0.4%	+52.8%	(57.5%)	(15.2%)	+20.9%	<b>+2.5%</b>	(24.0%)
Others	+60.8%	(35.0%)	(53.9%)	(35.6%)	(34.9%)	(32.7%)	(27.6%)	(14.3%)	<b>(15.5%)</b>	(21.5%)
% to Sales										
Hair Care	61.2%	64.7%	64.3%	67.3%	64.6%	66.2%	67.0%	65.3%	<b>69.6%</b>	67.2%
Hair Coloring	32.1%	29.9%	31.5%	28.9%	30.4%	30.0%	28.4%	30.7%	<b>26.9%</b>	28.8%
Perm	2.2%	3.1%	2.3%	2.0%	2.4%	1.7%	2.7%	1.9%	<b>1.8%</b>	2.1%
Cosmetics	4.1%	1.8%	1.5%	1.2%	2.1%	1.8%	1.5%	1.8%	<b>1.3%</b>	1.5%
Others	0.4%	0.5%	0.4%	0.6%	0.5%	0.2%	0.4%	0.3%	<b>0.4%</b>	0.3%

South Korea	FY2024					FY2025				
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD
Net Sales	+6.5%	+8.4%	+11.2%	+13.3%	+9.9%	+0.8%	+10.0%	+19.5%	<b>+2.5%</b>	+8.3%
Hair Care	+20.1%	+14.5%	+23.6%	+13.0%	+17.6%	+5.0%	+14.2%	+18.0%	<b>+3.0%</b>	+10.1%
Hair Coloring	+1.1%	+4.6%	+6.2%	+12.2%	+6.0%	(2.9%)	+6.2%	+16.9%	<b>+2.3%</b>	+5.7%
Perm	+33.6%	+37.5%	+30.1%	+25.1%	+31.3%	+10.2%	+10.2%	+29.3%	<b>+4.9%</b>	+13.7%
% to Sales										
Hair Care	23.3%	23.0%	23.8%	23.2%	23.3%	24.3%	23.8%	23.5%	<b>23.3%</b>	23.7%
Hair Coloring	71.1%	71.3%	70.3%	70.9%	70.9%	68.5%	68.9%	68.7%	<b>70.8%</b>	69.2%
Perm	5.0%	4.8%	4.9%	5.1%	5.0%	5.5%	4.9%	5.4%	<b>5.2%</b>	5.2%
Others	0.6%	0.9%	1.0%	0.8%	0.8%	1.7%	2.4%	2.4%	<b>0.7%</b>	1.9%

\*The figures for Japan are based on shipment value. The overseas figure are based on local currency.

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## Sales Growth and Sales Ratio by Category in Japan and Overseas (Local Currency Basis)

China	FY2024					FY2025				
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD
Net Sales	+4.3%	(16.5%)	+0.0%	+2.0%	(2.7%)	(3.9%)	+13.2%	+8.7%	<b>+10.9%</b>	+6.6%
Hair Care	+6.2%	(3.3%)	+8.3%	+3.4%	+3.6%	(0.6%)	+10.8%	+4.6%	<b>+13.8%</b>	+6.9%
Hair Coloring	(0.6%)	(33.7%)	(9.1%)	(3.5%)	(12.7%)	(7.0%)	+18.1%	+15.2%	<b>+12.2%</b>	+8.2%
Perm	+19.0%	(14.5%)	(13.8%)	+14.8%	+2.1%	(14.7%)	+9.7%	+10.8%	<b>(19.6%)</b>	(6.0%)
% to Sales										
Hair Care	55.8%	62.0%	58.4%	62.8%	59.5%	57.8%	60.7%	56.2%	<b>64.4%</b>	59.7%
Hair Coloring	37.5%	33.1%	36.3%	30.0%	34.5%	36.3%	34.5%	38.4%	<b>30.4%</b>	35.0%
Perm	6.7%	5.0%	5.3%	7.2%	6.0%	5.9%	4.8%	5.4%	<b>5.2%</b>	5.3%
Others	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	<b>0.0%</b>	0.0%

United States	FY2024					FY2025				
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD
Net Sales	+8.5%	+2.2%	+12.0%	+31.1%	+13.1%	+18.4%	+40.7%	+39.4%	<b>+17.9%</b>	+29.4%
Hair Care	+6.0%	+4.8%	+12.7%	+32.6%	+13.8%	+22.9%	+41.2%	+39.0%	<b>+18.1%</b>	+30.4%
Hair Coloring	+25.9%	(6.2%)	+3.2%	+22.4%	+10.4%	(7.2%)	+37.3%	+63.3%	<b>+22.3%</b>	+27.3%
Perm	(19.6%)	(21.3%)	(8.7%)	+22.3%	(8.7%)	(17.7%)	+5.0%	+18.0%	<b>(14.5%)</b>	(2.5%)
% to Sales										
Hair Care	83.7%	85.9%	87.8%	86.5%	86.1%	86.8%	86.1%	87.5%	<b>86.6%</b>	86.8%
Hair Coloring	10.6%	8.9%	7.1%	9.0%	8.8%	8.3%	8.7%	8.4%	<b>9.3%</b>	8.7%
Perm	3.1%	3.7%	2.7%	3.4%	3.2%	2.2%	2.8%	2.3%	<b>2.5%</b>	2.4%
Others	2.6%	1.5%	2.4%	1.1%	1.9%	2.7%	2.4%	1.8%	<b>1.6%</b>	2.1%

# Progress on milbon:iD and Smart Salon Initiatives

## milbon:iD

Although the number of salons remained flat due to the exclusion of closed salons following a change in the counting method, user registrations continued to grow. Starting in June 2025, we connected milbon:iD to the LINE messaging app to enable easier communication with users and enhance the ratio of active purchasers.

	FY2024	FY2025	FY2026 Target
Users	881,000	<b>1,040,000</b>	<b>1,150,000</b>
Salons (reference)	6,566	<b>6,669</b>	-
EC Sales* <sup>1</sup>	1,970 mil. yen	<b>2,250 mil. yen</b>	<b>2,500 mil. yen</b>

## Number of Smart Salons

	FY2024	FY2025
Salons	62	<b>83</b>

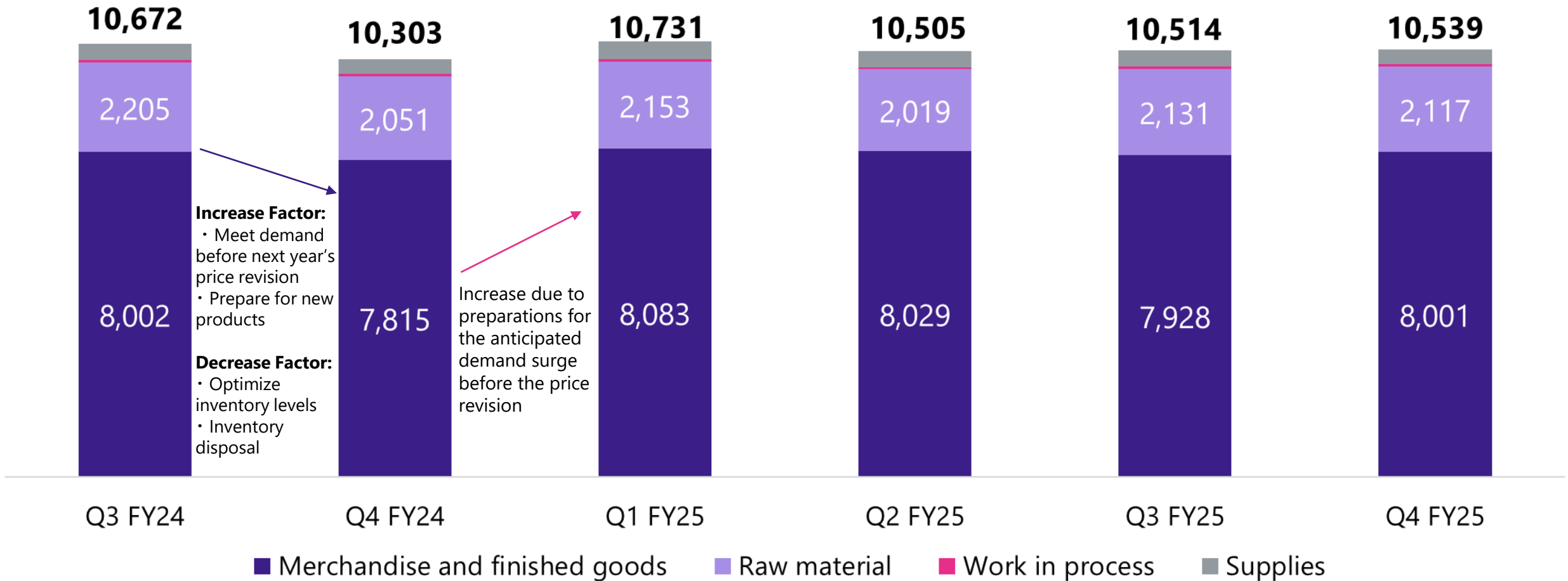
\*Results for the Japan market

\*1 EC sales are based on shipment value.

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# Status of Inventory

(million yen)



# Status of Capital Expenditures, etc.

(Unit: million yen)		FY2021	FY2022	FY2023	FY2024	FY2025	FY2026 Target
Capital Expenditures		4,644	4,097	3,151	2,865	<b>2,701</b>	<b>1,950</b>
Depreciation and Amortization		1,777	2,026	2,213	2,288	<b>2,317</b>	<b>2,410</b>
R&D exp.	Amount	1,741	2,074	2,334	2,452	<b>2,672</b>	<b>2,884</b>
	% to Sales	4.2	4.6	4.9	4.8	<b>5.1</b>	<b>5.3</b>

## FY2025 CAPEX Main Items

### Sales Offices, Studios

- HR Development Center
- Establishment and maintenance of sales offices

### Digital

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

### Production System

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

### Others

- Internal infrastructure
- Production equipment

# The Number of Field Person (FP)

## The Number of FP by Country

Upper column: Average number of FPs during the period (persons)

Lower column: Net sales per FP (million yen)

	FY2022	FY2023	FY2024	FY2025
Japan	335.4	350.2	361.4	<b>364.8</b>
	105	104	107	<b>107</b>
South Korea	32.8	33.4	33.2	<b>33.6</b>
	126	141	160	<b>163</b>
China	31.6	34.3	33.8	<b>32.2</b>
	66	65	68	<b>75</b>
USA	13.0	13.2	15.8	<b>18.2</b>
	102	123	125	<b>138</b>
Other*	36.2	38.2	43.0	<b>46.0</b>
	63	70	69	<b>68</b>

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

## FP Recruitment and Training Status in Japan

As of December 31, 2025

35 FPs joined in April 2025 and are currently on-site OJT

12 FPs joined in October 2025 and are in training  
(The above 47 FPs are not included in the left chart.)

# Contents

- 1. Consolidated Financial Results**————— **P2**
- 2. Financial Results by Region and the Target for FY2026**— **P8**
- 3. Initiatives in FY2026**————— **P18**
- 4. Appendix**————— **P33**
- 5. Overview of Milbon**————— **P48**



# Overview of Milbon

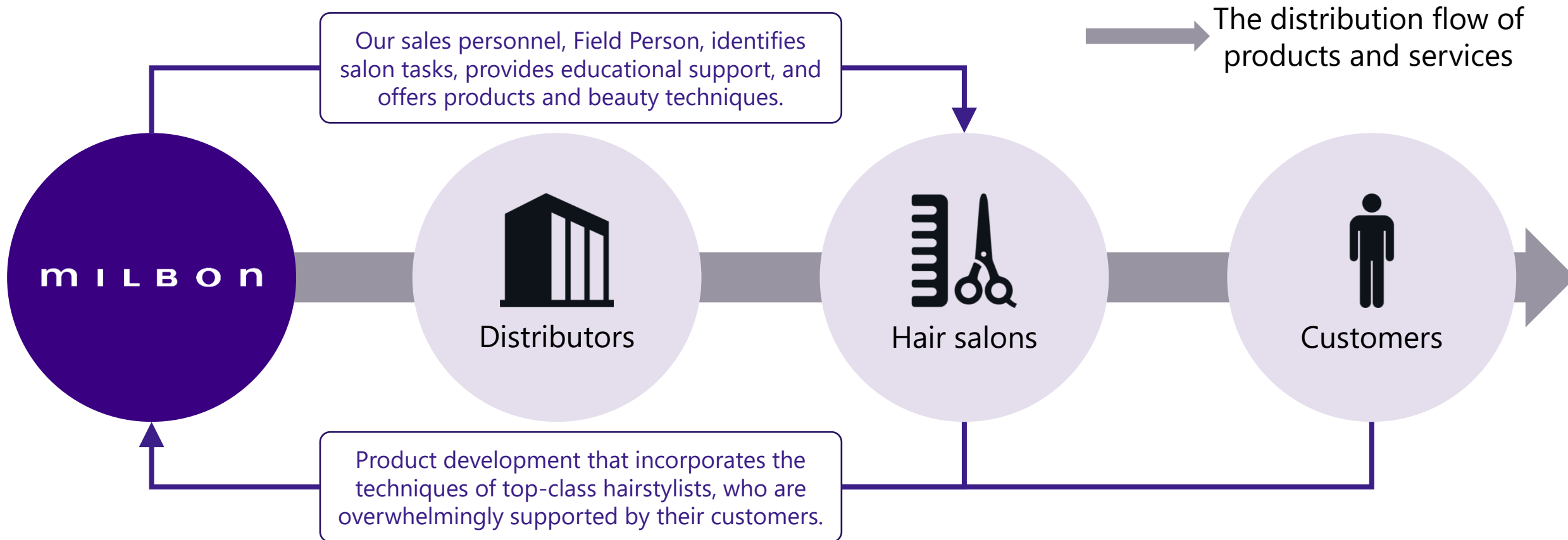
**Milbon is a cosmetics manufacturer that produces and sells haircare products including treatments and hair coloring products exclusively to hair salons.**



\*Source: Fuji Keizai(2023) haircare products only

# Overview of Milbon: Business Model

**We have established solid trust with hair salons by offering our products and services that contribute to enhance their sales and profits.**



\*We sell products directly to hair salons in some overseas areas.

# Overview of Milbon: Three Key Points of Our Business Model



## Consistent focus on hair salons and hair stylists

Since our founding in 1960, we have sustained continuous growth by steadfastly narrowing our business focus to hair salons, with the strategy of increasing sales and profits of hair salons at the forefront of all its initiatives.



## Field Person (FP) System – Sales and educational support to hair salons

This is our unique sales and education system that contributes to greater sales and profit for hair salons. Our Field Person (FP), who acquire beauty techniques through an intensive 9-month training program after joining the company, identifies areas for improvement for each hair salon. FPs support these salons by providing not just products, but also additional value through associated beauty techniques.



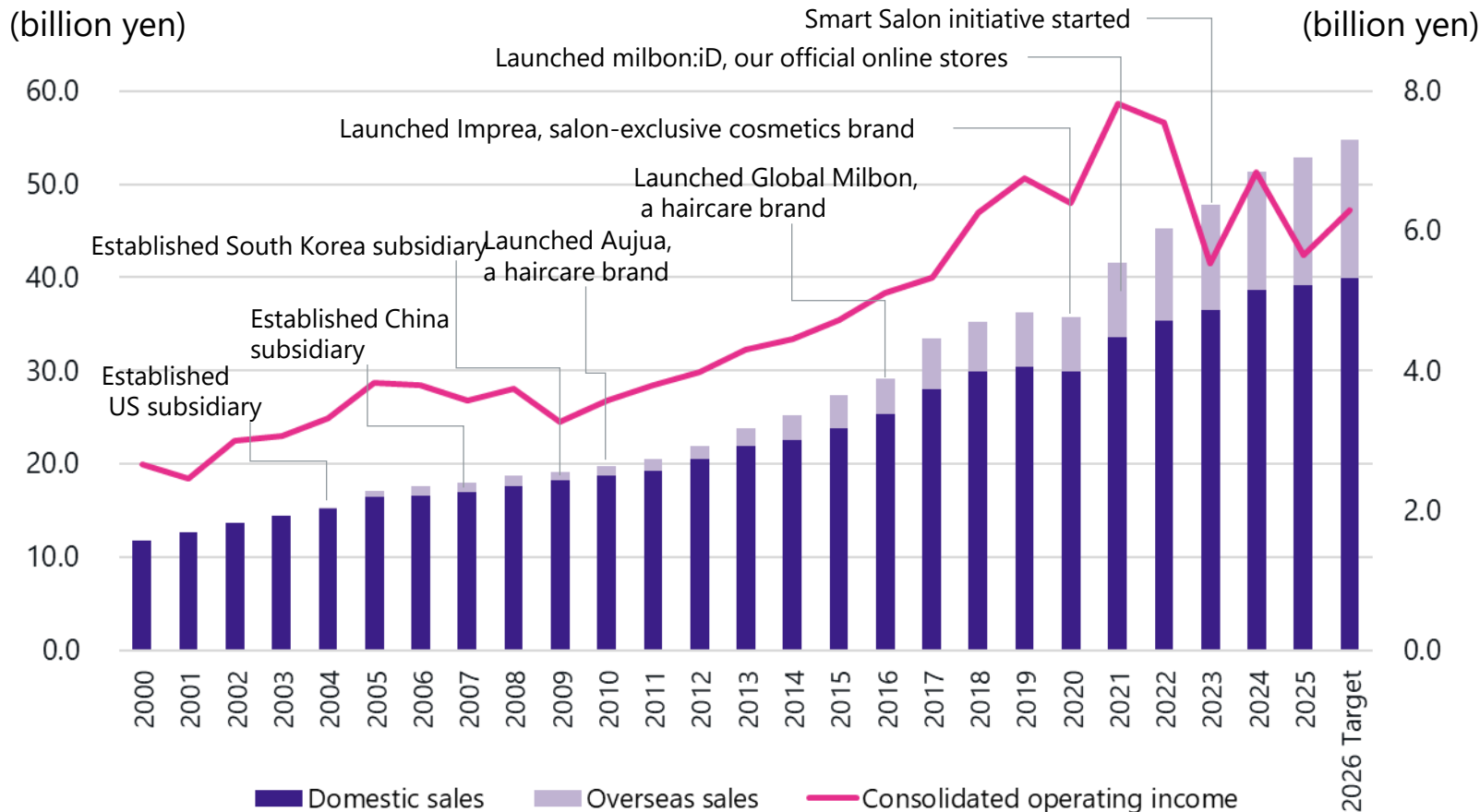
## TAC Product Development System – Standardization of top-class hair stylist's technique

This system seeks out hair stylists with exceptional skills and knowledge, encourages the sharing of their expertise and techniques, and enables our researchers to scientifically decode this knowledge for product development. We aim to commercialize sophisticated beauty techniques in a way that can be broadly replicated across general hair salons.

# Overview of Milbon: Our Growth Trajectory

## Steady growth through business expansion in Japan and overseas

### Net Sales and Operating Income

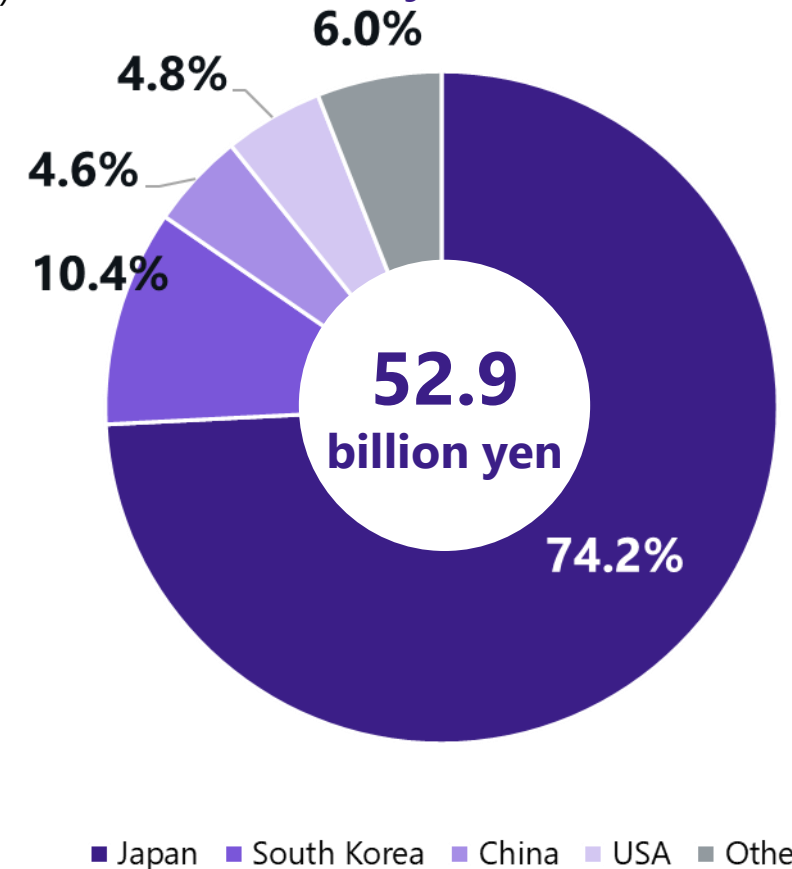


\* FY2017 is an irregular accounting period due to a change in the fiscal year-end date.

\* The "Accounting Standard for Revenue Recognition," etc., has been adopted since FY2019.

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### Composition of Sales by Country (FY2025)



# Overview of Milbon: Our Main Products

Haircare and hair coloring products are the mainstay of our sales. In recent years, we have expanded our business to include cosmetics, etc.

## Composition of Sales by Product Category (FY2025)

### Cosmetics (only available in Japan)

Products sold for retail in hair salons

#### Main Brand

Imprea



IM



### Hair coloring

Items used for in-salon hair coloring

#### Main Brand

Ordeve Series

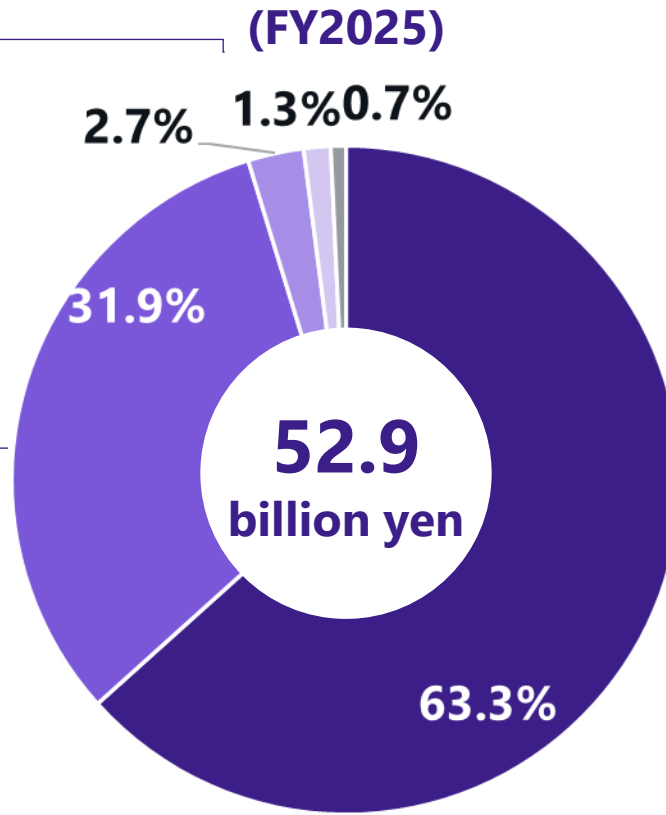


Villa Lodola Color



Sophistone

(Hair color brand exclusive for Europe and North America)



■ Hair care ■ Hair coloring ■ Perm ■ Cosmetics ■ Other

### Hair Care

- Take-home products sold in salons for customers to use at home.
- Professional products used by stylists during in-salon treatments.

### Main Brand

Aujua (Only available in Japan and South Korea)



Global Milbon



Elujuda



# Overview of Milbon: Domestic Hair Salon Market Conditions

Hair salons have the potential for further growth despite the medium- to long term decrease in the number of customers due to declining birth rate and aging population.

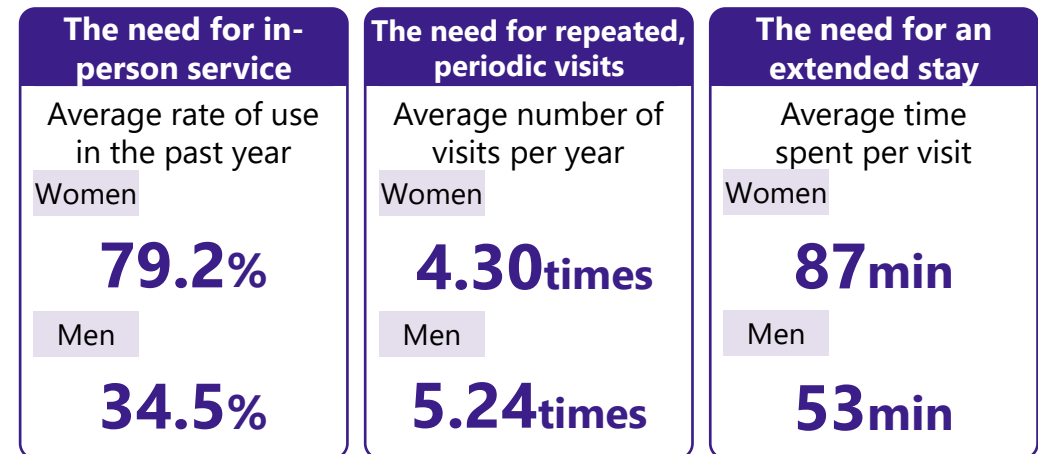
## Challenges and Growth of Aging Population with Low Fertility

Although the number of customers at hair salons is expected to decrease over the medium to long term, the promotion of premium-priced services and retail products is expected to drive further improvements in salon productivity and customer spend.



## Community Characteristics Unique to Salons

A visit to a hair salon is necessary to receive its services. Additionally, hair salons hold a place as an indispensable part of people's lives.

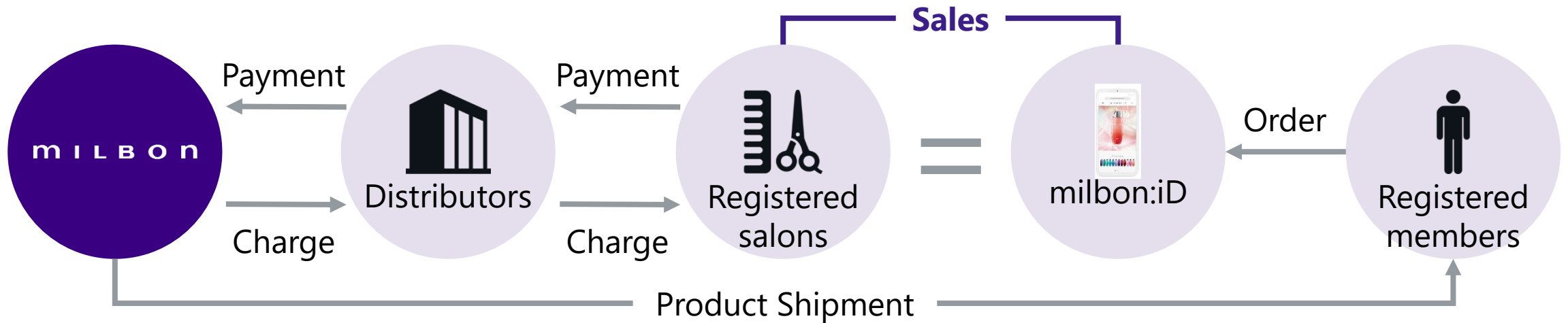


Source: Beauty Industry Census, First Half of FY2025 (Hair Salons), Recruit Co., Ltd.

# Overview of Milbon: Our Recent Initiatives in Japan, milbon:iD

We launched milbon:iD, an EC platform, in 2020 to support productivity enhancement of hair salons. This platform allows salon customers to purchase retail products online.

## How milbon:iD Works – Revenue is attributed to salons in the BtoBtoC sales channel



## Progress of milbon:iD (as of the end of FY2025)

Number of registered salons  
**6,669**

Number of registered members  
**1,040,000**

EC sales (Gross sales)  
**2,250 million yen**

# Overview of Milbon: Our Recent Initiatives in Japan, Two Major Strategies

We aim to maximize the inherent value of hair salons, which enables frequent and extended in-person visits, by enhancing our Smart Salon concept and broadening the range of products available for in-salon purchase.

## Smart Salon Strategy – Enhancing the Salon Customer Experience

The Smart Salon system is implemented in hair salons that have embraced the concept. It aims to enhance salon productivity by eliminating the challenges customers face when purchasing retail products.

**Styling station** to provide face-to-face consultation

**Tester station** to raise product awareness and offer trial opportunities

**Generating synergies through the integration of three sales areas**

**EC service milbon:iD** to enhance convenience of product purchases

See our corporate website for more details:  
<https://www.milbon.com/en/ir/management/business.html>

## Lifetime Beauty Care Strategy – Broadening the Range of Products

We collaborate with other companies to extend salon services and product sales beyond haircare to include skincare and beauty health care.

### **Cosmetics (Collaborated with KOSÉ)**

IMPREA



### **Beauty Supplements**

ALANOUS



### **Beauty Equipment (Collaborated with Panasonic)**

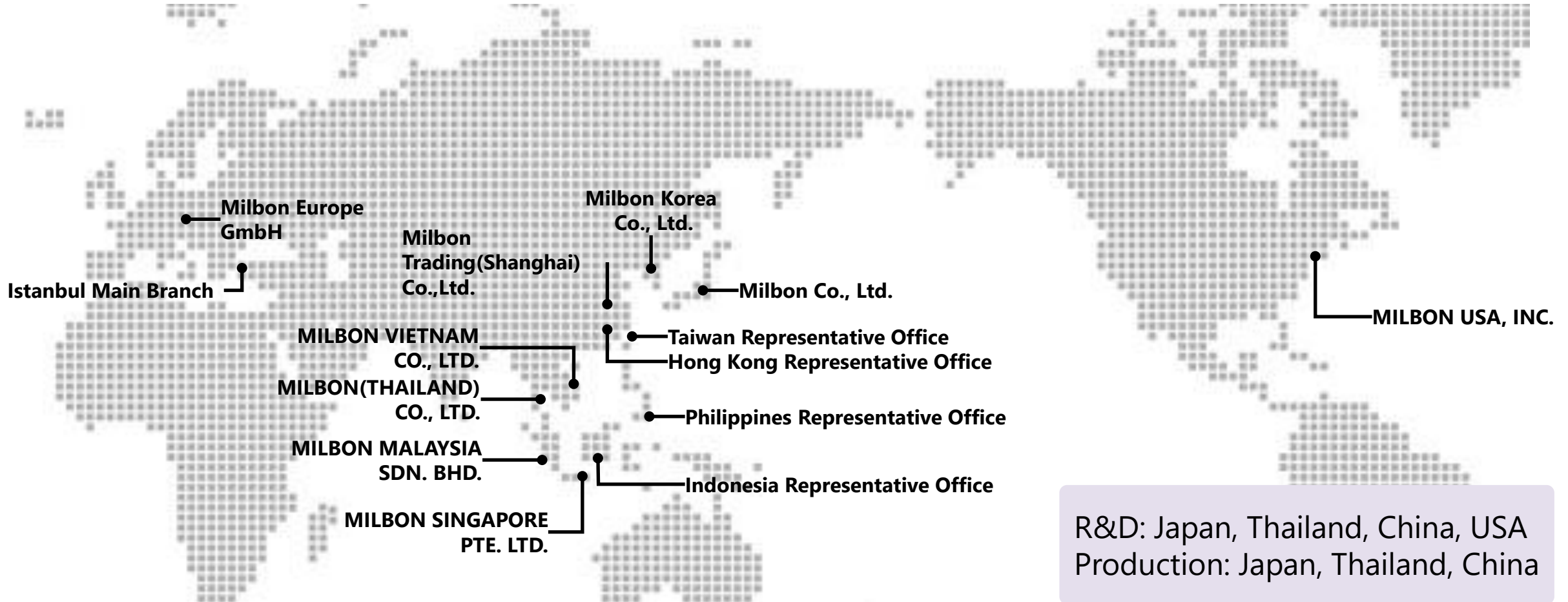
Panasonic x MILBON  
ELMISTA





# Overview of Milbon: Status of Overseas Expansion

We conduct business across the world, and have recently expanded our international bases for R&D as well as production.

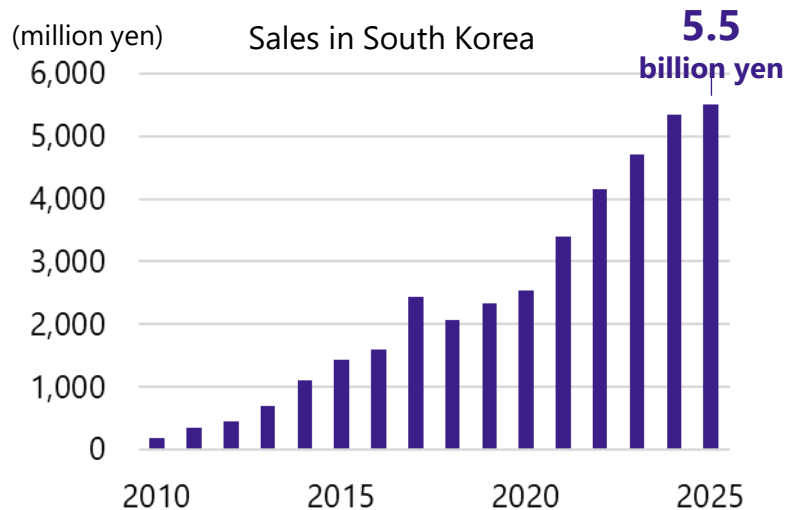


# Overview of Milbon: Our Three Major Overseas Countries

Three major countries, South Korea, China, and the USA account for nearly 80% of overseas sales

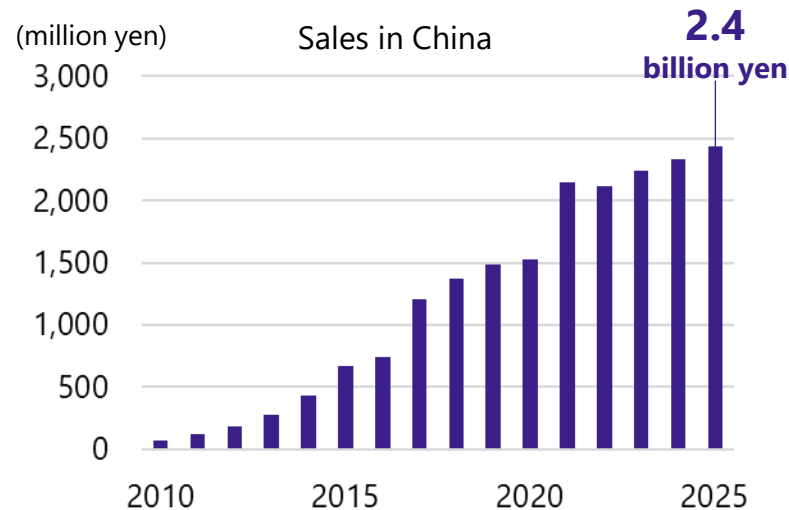
## South Korea

Our educational initiatives focused on hair coloring are highly regarded, contributing to a strong market presence in South Korea. In recent years, we have been strengthening our haircare business, working to transform ourselves into a comprehensive manufacturer.



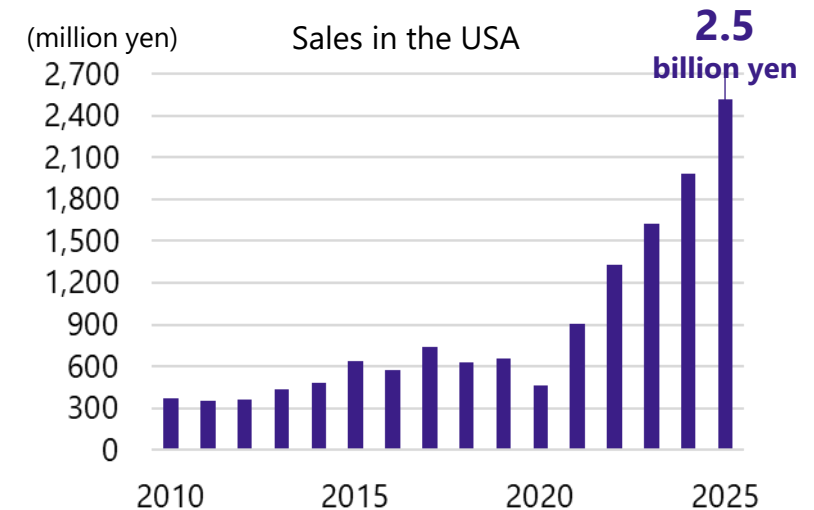
## China

Subsequent to COVID-19, activities for hair salons have gained traction amid market changes, such as decreased frequency of customer visits to salons, leading to a sustained increase in our sales. The local factory commenced operations in 2022.



## USA

We have enjoyed rapid growth triggered by launch of the Global Milbon haircare line and shift in sales structure (from direct sales to distributor ship). With the launch of hair coloring products exclusive for the European and North American markets, further growth is anticipated.

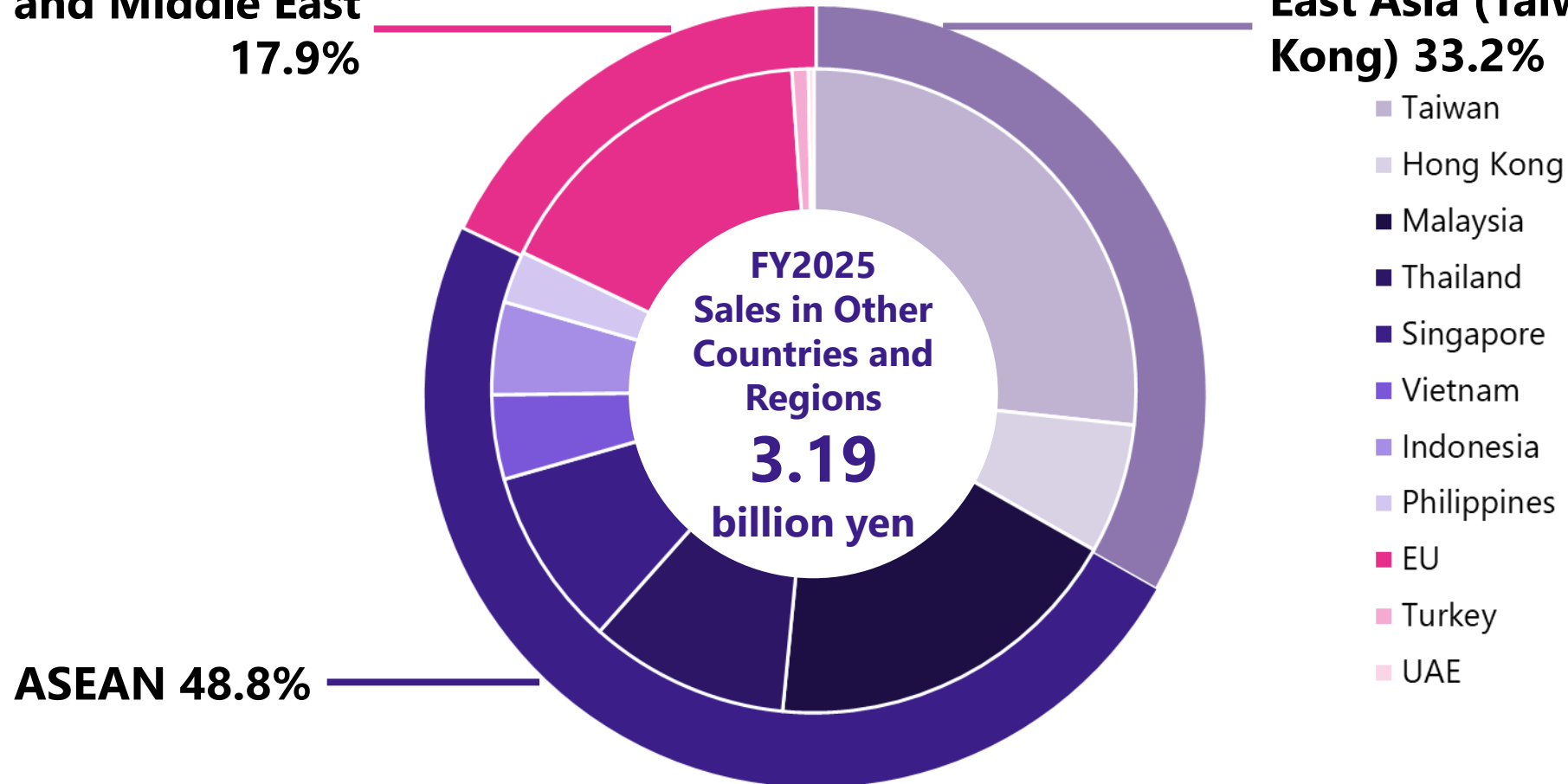


# Overview of Milbon: Other Countries and Regions

Our sales are particularly significant in East Asia and ASEAN, and we have recently expanded into Europe.

**Europe and Middle East**  
**17.9%**

**East Asia (Taiwan and Hong Kong)**  
**33.2%**



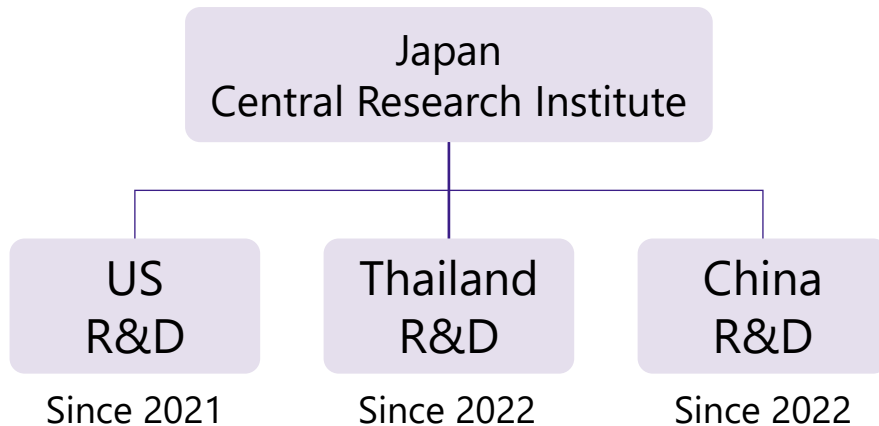
# Overview of Milbon: Our Global R&D and Production

We aim to minimize geopolitical risks and to align ourselves with the diverse values of beauty unique to each locality, by establishing R&D and production systems in each region.

## R&D—

### Collaboration Among our Four Global R&D Bases

Through collaboration with R&D bases in each country, we aim to develop global products that captures beauty needs shared worldwide, as well as localized products tailored to each country and region's unique climate, beauty customs, and laws and regulations.



## Production—

### Collaboration Among our Three Global Factories

We respond flexibly to regulatory and trade risks and ensure stable supply both domestically and internationally through collaboration among factories in each country.



Japan: Yumegaoka Factory  
Products for Japan and overseas



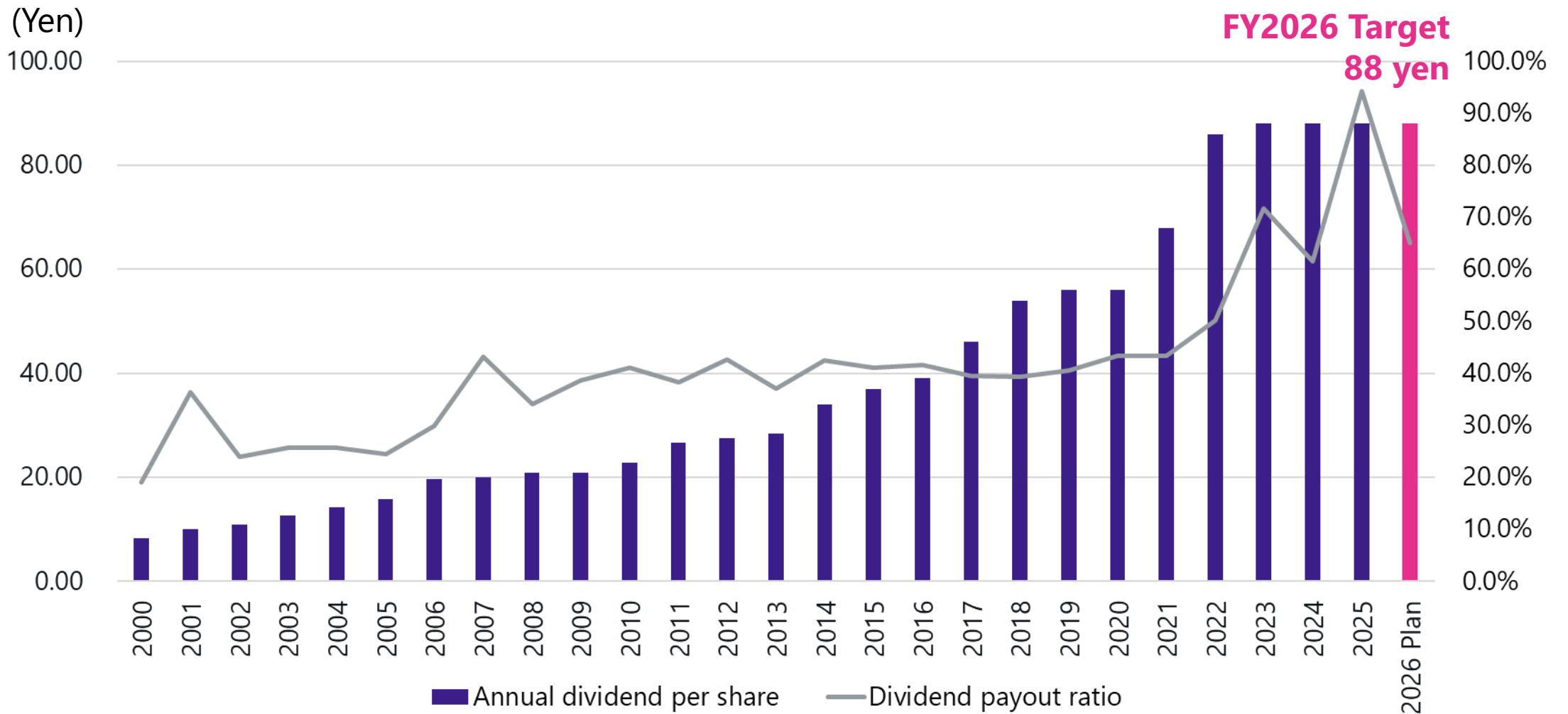
Thailand Factory  
Products for overseas



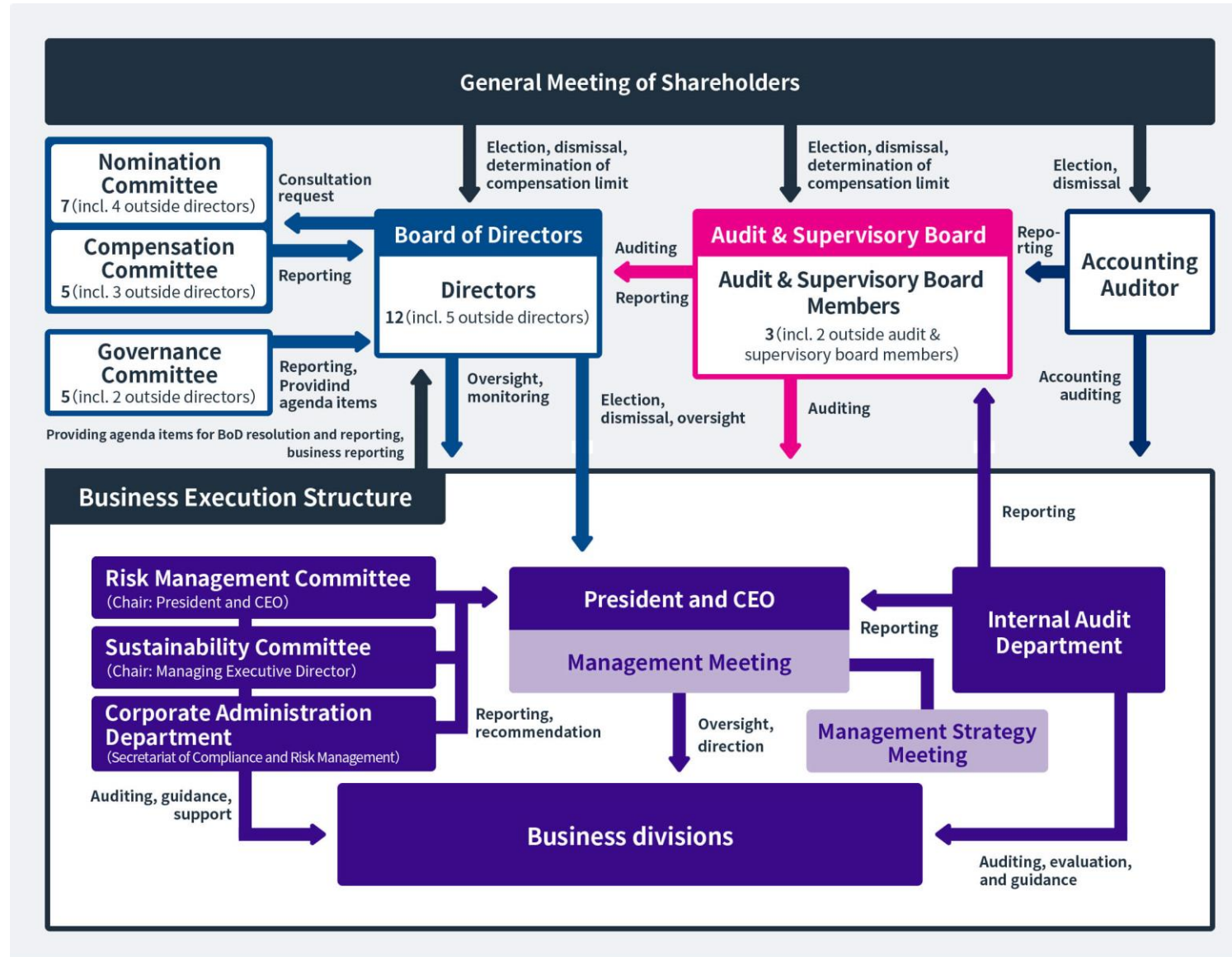
China Factory  
Products for Greater China

# Overview of Milbon: Shareholder Returns

**We have set a dividend payout ratio target of 50% and will increase or maintain dividends without reducing them, aiming for higher dividends in line with profit growth.**



# Overview of Milbon: Corporate Governance Structure

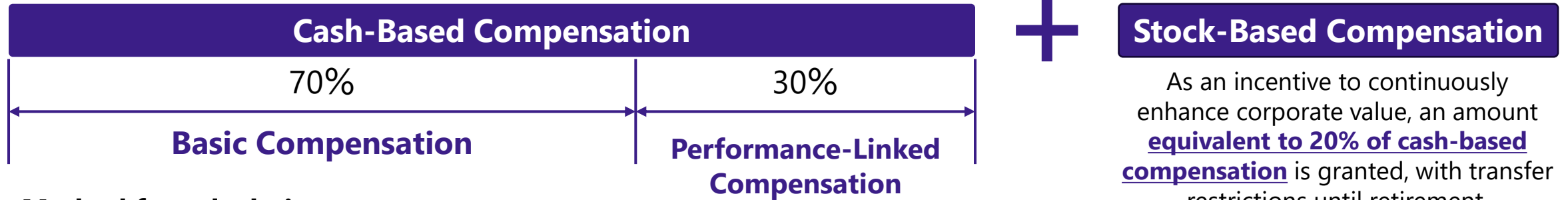


See our Integrated Report for more details : <https://www.milbon.com/en/ir/library/report.html>



# Overview of Milbon: Compensation for Board Members

Compensation for board directors (excluding external board directors) shall consist of cash and stock-based compensation as an incentive to continuously increase corporate value, in order to encourage each board director to perform their duties with an awareness of business performance and sustainable improvement of corporate value.



## Method for calculating performance-linked compensation

1. Calculating the percentage of achievements of Targets

It is calculated by applying a weighted average to the percentage of full-year Targets achieved for each performance metric, based on their respective weighting ratios.

Performance Metric	Consolidated Net Sales	Consolidated Operating Income	Consolidated Profit Attributable to Owners of Parent
Weighting	40%	40%	20%

2. Performance-linked coefficient × Standard amount

The performance-linked compensation amount is determined by multiplying the performance-linked coefficient, based on the achievement percentage, by the standard amount corresponding to the director's position.

Achievement of Targets	≥120%	<120% ≥115%	<115% ≥110%	<110% ≥105%	<105% ≥100%	<100% ≥95%	<95%≥90%	<90%≥85%	<85%≥80%	<80%
Performance-linked coefficient	200%	175%	150%	125%	100%	90%	80%	70%	50%	0%

# Overview of Milbon: Status of Dialogues with Shareholders (FY2025)

We held 179 meetings during the year, led primarily by the Managing Executive Director responsible for Finance and IR together with an Executive Officer. During the interim and year-end results periods, the President and CEO actively participated in IR meetings and also hosted small group meetings. We broadened our IR activities by taking part in seminars for individual investors.

## Meeting Overview

The number of meetings with institutional investors and securities analysts: 179 in total

\*Includes 7 overseas meetings in Toronto and Chicago in July 2025

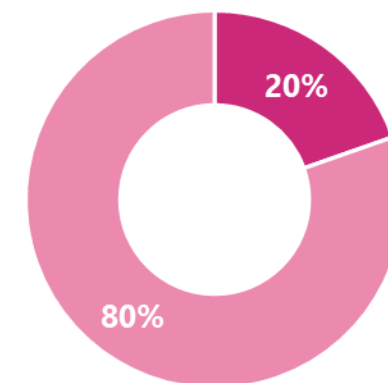
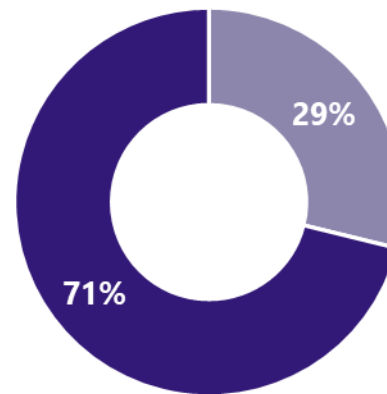
## Main Participants from Milbon for IR Meetings

IR Meetings	President and CEO Managing Executive Director (in charge of Finance, Corporate Communication, and Sustainability Promotion) Executive Officer (General Manager of Corporate Communication Dept.) Manager of IR Division
Financial Results Presentations	President and CEO Managing Executive Director Executive Officer
General Meeting of Shareholders	All Board Directors and Auditors

## Profile of Shareholders and Investors We Met

Overseas Japan

Sell Side Buy Side



## Status of Feedback to the Board of Directors

[Quarterly] Submitting IR Reports

- Reporting on market feedback to the Board of Directors immediately after quarterly financial results presentation
  - Shareholder input and issues to be addressed are also reported
- [As Needed] Sharing Comments and Letters from Shareholders and Institutional Investors
- The Director in charge reports to the Board of Directors as needed.



# Overview of Milbon: Status of Dialogues with Shareholders (FY2025)

In response to the various opinions and requests from institutional investors and other shareholders, we outlined the main examples of changes in our actions and disclosures resulting from these dialogues.

## ■ Incorporation of Feedback From Shareholders and Investors

Main Input from Dialogue	Our Action
Could the shareholder return measures outlined in the disclosure "Notice Concerning Management Approach with a Focus on Capital Costs and Stock Prices" be implemented sooner?	Following dialogue with shareholders and thorough deliberation by the Board of Directors, we announced in August 2025 that we would bring forward the share repurchase, which has now been completed.
Further separating management from execution could accelerate management decision making and strengthen oversight.	Effective January 2026, we introduced an Executive Officer system with delegated authority and are proceeding with the delegation of authority to the Management Committee, which serves as the decision making body for execution.
Increasing initiatives for individual shareholders, such as seminars and briefings, would be appreciated.	In December 2025, we participated in an individual shareholder seminar hosted by Kabu Berry, and we plan to continue these activities on a regular basis.

# Overview of Milbon: ESG Investment Index and External Assessments

## ESG investment index to be selected



**FTSE Blossom  
Japan Index**



**FTSE Blossom  
Japan Sector  
Relative Index**



## 2024 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

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Sompo Sustainability Index

FTSE Blossom Japan Index Series  
: <https://www.lseg.com/en/ftse-russell/indices/blossom-japan>

## External assessments



MILBON CO LTD (YUMEGAOKA SITE)

### **Disclaimer**

With respect to the business forecasts included in this document, any statement that is not historical fact is a forward-looking statement based on information available and certain premises that are judged to be rational at the time of the announcement. Please be aware that actual results may differ from any forward-looking statements due to risks, uncertainties, and a number of other factors.