



Consolidated Financial Results for the Three Months Ended March 31, 2025 [Japanese GAAP]

May 13, 2025

Name of registrant: Milbon Co., Ltd.
Code No.: 4919 URL <https://www.milbon.com/en/>

Tokyo Stock Exchange, Prime Market

Representative: Hidenori Sakashita, President & CEO

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Scheduled starting date of dividend payments: -

Preparation of supplementary materials on financial results: Yes

Holding of an explanatory meeting on financial results: Yes (Online streaming for institutional investors and analysts)

(Amounts of less than one million yen have been omitted.)

1. Consolidated financial results for the three months ended March 31, 2025 (January 1, 2025 - March 31, 2025)

(1) Consolidated operating results

(Percentages show year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended March 31, 2025	11,180	(2.8)	712	(46.7)	625	(55.0)	462	(52.5)
Three months ended March 31, 2024	11,508	11.3	1,337	11.9	1,390	19.2	973	10.3

Note: Comprehensive income Three months ended March 31, 2025: (268) million yen [-%]

Three months ended March 31, 2024: 1,244 million yen [18.3%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended March 31, 2025	14.20	-
Three months ended March 31, 2024	29.91	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of March 31, 2025	54,598	46,985	86.1
As of December 31, 2024	58,899	48,817	82.9

(Reference) Equity As of March 31, 2025: 46,985 million yen

As of December 31, 2024: 48,817 million yen

2. Payment of dividends

	Annual dividends				
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	End of fiscal year	Total
	Yen	Yen	Yen	Yen	Yen
Year ended December 31, 2024	-	40.00	-	48.00	88.00
Year ending December 31, 2025	-				
Year ending December 31, 2025 (forecast)		40.00		48.00	88.00

Note: Changes to latest dividends forecast: None

3. Consolidated operating results forecasts for the fiscal year ending December 31, 2025 (January 1, 2025 - December 31, 2025)

(Percentages show year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Year ending December 31, 2025	54,250	5.7	7,000	2.3	7,000	0.5	5,200	3.6	159.69

Note: Changes to latest performance forecast: None

*Notes

(1) Significant changes in the scope of consolidation during the period : None

New: 0 company (Company name:)

Exclude: 0 companies (Company name:)

(2) Application of accounting methods specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatements

- 1) Changes in accounting policies due to amendment to the accounting standards, etc. : Yes
- 2) Changes in accounting policies other than those in 1) above : None
- 3) Changes in accounting estimates : None
- 4) Retrospective restatements : None

(4) Number of shares issued (common stock)

- 1) Number of shares issued at the end of the period (including treasury shares)
- 2) Number of treasury shares at the end of the period
- 3) Average number of shares during the period

As of March 31, 2025	33,117,234 shares	As of December 31, 2024	33,117,234 shares
As of March 31, 2025	555,110 shares	As of December 31, 2024	555,070 shares
Three months ended March 31, 2025	32,562,128 shares	Three months ended March 31, 2024	32,540,127 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm:
Yes (voluntary)

*Explanation on the appropriate use of operating forecasts and other special instructions

Operating forecasts and other statements regarding the future presented in these materials are based on information currently available and certain assumptions deemed to be reasonable, and actual performance may differ substantially due to various factors.

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[Independent Auditor's Review Report]

1. Qualitative Information on Consolidated Results for the Current Period

(1) Explanation of Operating Results

During the first quarter of the current consolidated fiscal year, the Japanese economy continued its gradual recovery, supported by improvements in employment and income due to wage increases. This occurred despite signs of weakness in certain sectors caused by consumer belt-tightening resulting from price hikes. However, further price increases, trends in US tariff policies, and fluctuations in exchange and interest rates remain risk factors for their potential impact on the Japanese economy.

In light of this situation, during the fourth year of the Medium-Term Management Plan (2022–2026), Fiscal Year 2025, we will further promote the Smart Salon initiative and milbon:iD in the domestic market to strengthen the infrastructure that enables customers to purchase take-home products directly from salons. This effort is part of our broader aim to realize the Beauty Platform Plan, which seeks to redefine the role of hair salons. Additionally, to promote higher value-added services and increased unit prices of salon services, we will continue pursuing our high-value-added hair color strategy and promote technical support initiatives for stylists through in-salon training and sommelier training programs designed to enhance their expertise. By advancing this strategy of elevating the value and pricing of salon services, we plan to maximize the effectiveness of the Smart Salon initiative and milbon:iD. In overseas markets, we will reassess investment priorities across the seven regions in which we operate. We will focus on enhancing field activities in the United States, the European Union, and South Korea, which we have identified as priority markets with high marketability and growth potential. Specifically, we will strengthen our personnel in the United States, enhance product branding, and accelerate our efforts to grow our presence in the hair care and hair color category.

Consolidated net sales for the first quarter amounted to 11.18 billion yen, representing a 2.8% decrease year on year. In the domestic market, hair care sales have progressed steadily, driven by professional brands such as Elujuda and Jemile Fran, as well as premium brands like Aujua. Regarding hair coloring products, Villa Lodola Color continued to exhibit strong growth through the promotion of our high-value-added hair color strategy. However, fashion colors such as Ordeve Addicthy experienced a decline in sales volume due to a slowdown in the overall market following the peak of the hair bleaching trend and intensified price competition. Additionally, cosmetics sales declined due to an inability to surpass the high benchmark set by the launch of IM Brow & Lash Color Mascara in February of the previous year. In overseas markets, net sales declined, mainly due to a temporary impact on sales in South Korea—our largest overseas market—stemming from political instability, as well as the adverse currency conversion effects from the stronger yen.

Regarding earnings, in addition to the decline in sales, SG&A expenses increased due to higher personnel costs from increased staffing and base pay hikes, as well as soaring logistics costs driven by higher material prices and increased overseas shipments. Consequently, operating income was 712 million yen (down 46.7% year-on-year), ordinary income was 625 million yen (down 55.0% year-on-year), and quarterly net income attributable to owners of the parent was 462 million yen (down 52.5% year-on-year).

[Breakdown of net sales by product category]

(Unit: million yen)

Item	Three months ended March 31, 2024		Three months ended March 31, 2025		Increase/ Decrease	Increase/ Decrease ratio (%)
	Amount	% to sales	Amount	% to sales		
Hair care products	6,670	58.0	6,938	62.1	268	4.0
Hair coloring products	4,044	35.1	3,706	33.1	(338)	(8.4)
Permanent wave products	350	3.1	287	2.6	(63)	(18.1)
Cosmetic products	369	3.2	159	1.4	(210)	(56.9)
Other	73	0.6	89	0.8	15	21.7
Total	11,508	100.0	11,180	100.0	(327)	(2.8)

[Breakdown of net sales into domestic and overseas sales]

(Unit: million yen)

	Three months ended March 31, 2024		Three months ended March 31, 2025		Increase/ Decrease	Increase/ Decrease ratio (%)
	Amount	% to sales	Amount	% to sales		
Domestic sales	8,371	72.7	8,165	73.0	(206)	(2.5)
Overseas sales	3,136	27.3	3,014	27.0	(121)	(3.9)
Total	11,508	100.0	11,180	100.0	(327)	(2.8)

(2) Explanation of Financial Position

Total assets at the end of the first quarter of the current fiscal year decreased by 4.3 billion yen from the end of the previous fiscal year to 54,598 million yen.

Current assets decreased by 4,236 million yen from the end of the previous fiscal year to 26,699 million yen. The main factors for the change were decreases of 3,695 million yen in Cash and deposits and 1,419 million yen in Notes and accounts receivable - trade, and increases of 268 million yen in Merchandise and finished goods and 149 million yen in Raw materials and supplies.

Non-current assets decreased by 64 million yen from the end of the previous fiscal year to 27,899 million yen.

Current liabilities decreased by 2,461 million yen from the end of the previous fiscal year to 6,746 million yen. The main factors for the change were decreases of 1,715 million yen in Accounts payable - other and 997 million yen in Income taxes payable.

Non-current liabilities decreased by 6 million yen from the end of the previous fiscal year to 867 million yen.

Net assets decreased by 1,832 million yen from the end of the previous fiscal year to 46,985 million yen. The main factors for the change were decreases of 1.1 billion yen in Retained earnings and 647 million yen in Foreign currency translation adjustment.

As a result, the equity ratio changed from 82.9% at the end of the previous fiscal year to 86.1%. Net assets per share based on the total number of shares outstanding at the end of the fiscal year was 1,442.94 yen, compared with 1,499.20 yen at the end of the previous fiscal year.

(3) Explanation of Forward-Looking Statements Including Consolidated Operating Forecasts

There is no change from the previous forecast (announced on February 14, 2025) for the full-year performance forecast.

2. Quarterly Consolidated Financial Statements and Main Notes

(1) Quarterly Consolidated Balance Sheets

(Thousand yen)

	Previous fiscal year As of December 31, 2024	Current 1st quarter As of March 31, 2025
Assets		
Current assets		
Cash and deposits	13,829,730	10,133,838
Notes and accounts receivable - trade	6,037,963	4,618,760
Merchandise and finished goods	7,815,306	8,083,970
Work in process	58,436	67,299
Raw materials and supplies	2,430,008	2,579,742
Other	778,634	1,229,965
Allowance for doubtful accounts	(14,103)	(14,103)
Total current assets	30,935,977	26,699,472
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	9,726,301	9,556,611
Machinery, equipment and vehicles, net	3,477,183	3,263,144
Land	6,478,922	6,470,914
Construction in progress	1,634,978	2,222,192
Other, net	990,417	942,362
Total property, plant and equipment	22,307,804	22,455,226
Intangible assets	1,675,032	1,593,288
Investments and other assets		
Investment securities	875,480	774,080
Long-term loans receivable	28,565	20,086
Net defined benefit asset	739,025	737,175
Deferred tax assets	940,314	949,889
Other	1,422,145	1,394,579
Allowance for doubtful accounts	(25,290)	(25,290)
Total investments and other assets	3,980,240	3,850,521
Total non-current assets	27,963,077	27,899,036
Total assets	58,899,055	54,598,508
Liabilities		
Current liabilities		
Accounts payable - trade	1,444,264	1,530,780
Accounts payable - other	4,545,685	2,830,403
Income taxes payable	1,229,121	231,398
Provision for bonuses	612,819	559,364
Other	1,376,179	1,594,222
Total current liabilities	9,208,070	6,746,168
Non-current liabilities		
Net defined benefit liability	17,278	16,385
Asset retirement obligations	737,191	735,056
Other	119,425	115,812
Total non-current liabilities	873,895	867,253
Total liabilities	10,081,966	7,613,422

(Thousand yen)

	Previous fiscal year As of December 31, 2024	Current 1st quarter As of March 31, 2025
Net assets		
Shareholders' equity		
Capital stock	2,000,000	2,000,000
Capital surplus	298,667	298,667
Retained earnings	45,232,474	44,131,967
Treasury shares	(1,906,453)	(1,906,589)
Total shareholders' equity	45,624,687	44,524,045
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(398,009)	(462,307)
Foreign currency translation adjustment	3,239,389	2,591,513
Remeasurements of defined benefit plans	351,021	331,834
Total accumulated other comprehensive income	3,192,401	2,461,041
Total net assets	48,817,089	46,985,086
Total liabilities and net assets	58,899,055	54,598,508

(2) Quarterly Consolidated Statements of Earnings and Consolidated Statements of Comprehensive Income

Quarterly Consolidated Statements of Earnings

Three Months Ended March 31, 2024 and 2025

(Thousand yen)

	Three months ended March 31, 2024 (January 1, 2024 - March 31, 2024)	Three months ended March 31, 2025 (January 1, 2025 - March 31, 2025)
Net sales	11,508,323	11,180,826
Cost of sales	4,261,765	4,122,892
Gross profit	7,246,558	7,057,934
Selling, general and administrative expenses	5,909,248	6,345,069
Operating income	1,337,310	712,864
Non-operating income		
Interest income	4,748	3,965
Dividend income	8,639	8,592
Foreign exchange gains	39,040	-
Company house defrayment income	415	365
Other	3,539	14,012
Total non-operating income	56,383	26,935
Non-operating expenses		
Share of loss of entities accounted for using equity method	2,934	605
Foreign exchange losses	-	113,256
Other	25	314
Total non-operating expenses	2,959	114,176
Ordinary income	1,390,734	625,623
Extraordinary income		
Gain on sales of non-current assets	-	204
Total extraordinary income	-	204
Extraordinary losses		
Loss on retirement of non-current assets	0	447
Total extraordinary losses	0	447
Profit before income taxes	1,390,734	625,380
Income taxes - current	329,607	127,351
Income taxes - deferred	87,690	35,552
Total income taxes	417,298	162,903
Profit	973,435	462,477
Profit attributable to owners of parent	973,435	462,477

Quarterly Consolidated Statements of Comprehensive Income
Three Months Ended March 31, 2024 and 2025

(Thousand yen)

	Three months ended March 31, 2024 (January 1, 2024 - March 31, 2024)	Three months ended March 31, 2025 (January 1, 2025 - March 31, 2025)
Profit	973,435	462,477
Other comprehensive income		
Valuation difference on available-for-sale securities	(216,747)	(64,297)
Foreign currency translation adjustment	506,316	(647,875)
Remeasurements of defined benefit plans, net of tax	(18,056)	(19,187)
Total other comprehensive income	271,512	(731,360)
Comprehensive income	1,244,947	(268,883)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,244,947	(268,883)
Comprehensive income attributable to non-controlling interests	-	-

(3) Notes Regarding Quarterly Consolidated Financial Statements

(Notes regarding going concern assumption)

None

(Changes in accounting policies)

(Application of the Accounting Standard for Income taxes - current, etc.)

"Accounting Standard for Income taxes - current, etc." (ASBJ Statement No. 27, October 28, 2022; hereinafter referred to as the "Revised Accounting Standard, 2022") has been applied from the beginning of the first quarter of the current fiscal year.

This change in accounting policy had no impact on the quarterly consolidated financial statements.

(Notes in case of any significant changes in shareholders' equity)

None

(Notes on quarterly consolidated statements of cash flows)

Quarterly consolidated statements of cash flows for the period were not prepared. Depreciation and amortization (including amortization related to intangible assets) for the current first quarter cumulative period was as follows:

	Three months ended March 31, 2024 (January 1, 2024 - March 31, 2024)	Three months ended March 31, 2025 (January 1, 2025 - March 31, 2025)
Depreciation and amortization	553,566 thousand yen	567,405 thousand yen

(Notes on segment information, etc.)

This information is omitted since the Group has a single segment of manufacture and sales of cosmetic products.

(Significant subsequent events)

(Disposal of treasury stock as restricted stock compensation)

On April 11, 2025, the Board of Directors resolved to dispose of treasury stock (the "Disposal of Treasury Stock" or "Disposal") as restricted stock compensation.

1. Overview of the Disposal of Treasury Stock

(1) Date of disposal	May 9, 2025
(2) Class and number of shares subject to disposal	30,314 shares
(3) Disposal price	2,843 yen per share
(4) Total value of disposal	86,182,702 yen
(5) Allottees and number of shares to be allotted	7 Board Directors (excluding Outside Board Directors) 23,076 shares 7 Executive Officers 7,238 shares

2. Purpose and Reasons for Treasury Stock Disposal

The Company has resolved to dispose of treasury stock in order to grant restricted stock to Board Directors (excluding Outside Board Directors) and Executive Officers with the aim of providing incentives to continuously improve the corporate value of the Company and further promoting the sharing of value with shareholders.

On February 12, 2020, the Board of Directors resolved to introduce a restricted stock compensation plan.

Independent Auditor's Review Report

May 13, 2025

To the Board of Directors of Milbon Co., Ltd.

GYOSEI & CO.

Tokyo Office

Designated member
Engagement partner

Certified Public Accountant Toshiya Shinshima

Designated member
Engagement partner

Certified Public Accountant Takaaki Hasegawa

Auditor's Conclusion

We have reviewed the consolidated financial statements. They consist of the quarterly consolidated balance sheets, quarterly consolidated statements of earnings, quarterly consolidated statements of comprehensive income, and the notes to the quarterly consolidated financial statements of Milbon Co., Ltd. for the first quarter (January 1, 2025, to March 31, 2025) and the first three months (January 1, 2025, to March 31, 2025) of the consolidated fiscal year from January 1, 2025, to December 31, 2025, and they are included in the "Attached Documents" of the quarterly financial statements.

In our review of the quarterly consolidated financial statements, we found no material matters that would lead us to believe the quarterly consolidated financial statements described above were not prepared in accordance with Article 4, Paragraph 1 of the Standards for the Preparation of Quarterly Financial Statements of the Tokyo Stock Exchange, Inc. (however, the omission prescribed in Article 4, Paragraph 2 of the Standards for the Preparation of Interim Financial Statements, etc. has been applied).

Basis for Conclusion

We conducted our interim review in accordance with standards for quarterly reviews generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Quarterly Review of Quarterly Consolidated Financial Statements section of our report. We are independent of the Company and its consolidated subsidiaries in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Responsibilities of Management and Audit & Supervisory Board and its Members for the Quarterly Consolidated Financial Statements

Management is responsible for the preparation of the quarterly consolidated financial statements in accordance with Article 4, Paragraph 1 of the Standards for the Preparation of Quarterly Financial Statements of the Tokyo Stock Exchange, Inc. (however, the omission prescribed in Article 4, Paragraph 2 of the Standards for the Preparation of Quarterly Financial Statements, etc. has been applied), and for such internal control that management determines is necessary to enable the preparation of the quarterly consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the quarterly consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern in accordance with Article 4, Paragraph 1 of the Standards for the Preparation of Interim Financial Statements of the Tokyo Stock Exchange, Inc. (however, the omission prescribed in Article 4, Paragraph 2 of the Standards for the Preparation of Interim Financial Statements, etc. has been applied).

Audit & Supervisory Board and its Members are responsible for overseeing the Directors' performance of their duties with regard to the design, implementation and maintenance of the Company's financial reporting process.

Auditor's Responsibilities for the Quarterly Review of Quarterly Consolidated Financial Statements

The auditor's responsibility is to express a conclusion on the quarterly consolidated financial statements from an independent standpoint in the quarterly review report based on the quarterly review performed by the auditor.

We make professional judgments in the quarterly review process in accordance with quarterly review standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Conduct interviews with management and those responsible for financial and accounting matters, as well as analytical procedures and other quarterly review procedures. The quarterly review procedures are more limited than the audit of the annual financial statements, which is conducted in accordance with auditing standards generally accepted in Japan.
- Conclude on whether there are matters that would lead us to believe the quarterly consolidated financial statements have not been prepared in accordance with the provisions of Article 4, Paragraph 1 of the Standards for the Preparation of Quarterly Financial Statements of the Tokyo Stock Exchange, Inc. (however, the omission prescribed in Article 4, Paragraph 2 of the Standards for the Preparation of Quarterly Financial Statements, etc. has been applied), in case it is determined that a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern, based on the evidence obtained. If we conclude that a material uncertainty exists on the Company's ability to continue as a going concern, we are required to draw attention in our quarterly review report to the related disclosures in the quarterly consolidated financial statements and the accompanying supplementary schedules or, if such disclosures are inadequate, to pronounce a qualified or negative conclusion on the quarterly consolidated financial statements. Our conclusions are based on evidence obtained up to the date of our quarterly review report. However, future events or conditions may cause the Company to cease as a going concern.
- Evaluate whether there are any matters that would lead us to believe the presentation and disclosures in the quarterly consolidated financial statements and the accompanying supplementary schedules have not been prepared in accordance with Article 4, Paragraph 1 of the Standards for the Preparation of Quarterly Financial Statements of the Tokyo Stock Exchange, Inc. (however, the omission prescribed in Article 4, Paragraph 2 of the Standards for the Preparation of Quarterly Financial Statements, etc. has been applied).
- Obtain evidence regarding the financial information of the Company and its consolidated subsidiaries that serves as the basis for pronouncing a conclusion on the quarterly consolidated financial statements. We are responsible for directing, supervising and implementing the quarterly review of the quarterly consolidated financial statements. We are solely responsible for our conclusions.

We communicate with the Audit & Supervisory Board and its members regarding the planned scope and timing of the quarterly review and significant findings.

We also provide the Audit & Supervisory Board and its members with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Interest

Our firm and engagement partners have no interests in the Company or its consolidated subsidiaries requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

Notes: 1. The original of the above quarterly review report is kept separately by the Company (the reporting company of the financial results for the period)

2. XBRL data and HTML data are not included in the scope of the quarterly review.