Milbon Co., Ltd.

Q3 Financial Results Briefing for the Fiscal Year Ending December 2025

November 14, 2025

Event Summary

[Company Name]	Milbon Co., Ltd.
[Company ID]	4919-QCODE
[Event Language]	JPN
[Event Type]	Earnings Announcement
[Event Name]	Q3 Financial Results Briefing for the Fiscal Year Ending December 2025
[Fiscal Period]	FY2025 Q3
[Date]	November 14, 2025
[Venue]	Webcast
[Number of Speakers]	1 Shinichiro Hyogo — Executive Officer, General Manager of Corporate Communication Department, and in charge of Finance

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

Key Highlights of Financial Results for Q3 of FY2025

FY2025 Q3 YTD Results

Net sales increased while profits declined. Both figures remained in line with our downward-revised target.

Net Sales by Region

- The domestic salon market continued to experience sluggish growth. Despite this challenging environment, our hair care product sales remained resilient, and overall domestic sales were in line with our target.
- Overseas sales in local currencies were strong, mainly led by South Korea and the United States. Despite the impact of yen appreciation, results exceeded the target even in yen basis.

Operating Income

- Operating income declined due to inventory valuation losses in the first half, which led to a lower gross profit margin, as well as higher SG&A expenses. However, it slightly exceeded the target, supported by overseas sales and cost control.

FY2025 Outlook

The full-year target remains unchanged. Q3 year-to-date results were in line with the target, and we are on track to achieve the full-year guidance.

 3 Find Your Beauty milbon

Hyogo: Thank you for all your support. My name is Hyogo, and I am in charge of corporate communications and finance at Milbon. Thank you very much for taking time out of your busy schedules to attend our financial results briefing. Starting with this presentation, I will be in charge of explaining the financial part in the financial briefings. As I am not very familiar with this situation, I apologize in advance if anything I say sounds unclear. Thank you for your patience. I would now like to start explaining the financial results.

See page three. I would like to present the key highlights of Q3 results.

For Q3 YTD, sales increased by 2.3% and operating income decreased by 28.1% compared to last year. Both sales and operating income were generally in line with the revised plan announced on August 8. Domestic sales increased 0.5% in the first nine months of the fiscal year due to steady sales of haircare products, while the overall hair salon market remained sluggish. Overseas sales, on a local currency basis, were strong in South Korea and the US, our priority regions. Despite the impact of the yen's appreciation, the Company's progress in yen terms also exceeded the plan, with a 7.6% increase in sales on a yen basis.

Operating income decreased in Q3 YTD due to a decline in gross profit margin mainly caused by inventory losses up to H1 of the fiscal year and an increase in SG&A expenses. The progress is slightly ahead of the revised plan. In light of these results, the full-year target remains unchanged.

Consolidated Statement of Earnings

Net sales increased while profits declined year-on-year. Both figures remained in line with our revised target (announced on August 8)* . Net profit for Q3 included 290 million yen in extraordinary income from the sale of our former training center in Osaka.

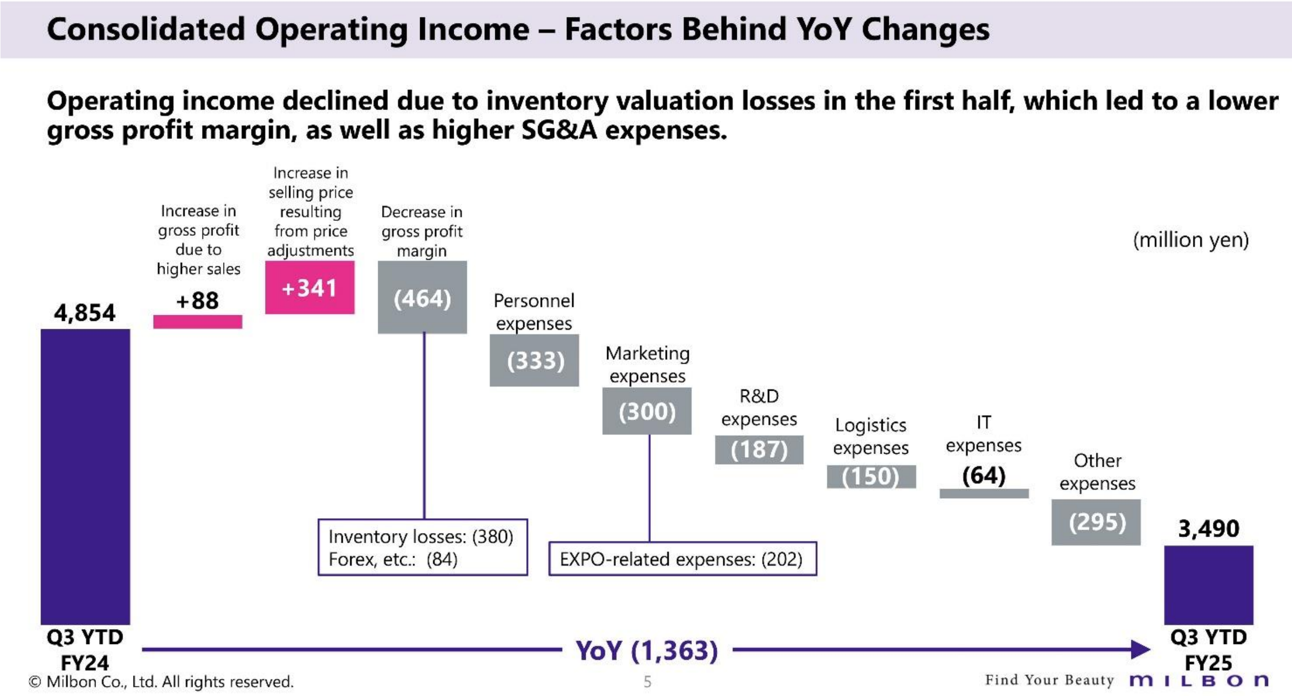
(Unit: million yen)	Q3 YTD FY2024	FY2025				Diff.	Diff. (%)	Q3 YTD FY2025 Revised Target	Vs. Target (%)
		Q1	Q2	Q3	Q3 YTD				
Net Sales	36,993	11,180	13,626	13,020	**37,827**	833	2.3%	37,647	100.5%
Gross Profit	23,659	7,057	8,444	8,121	**23,623**	(35)	(0.1%)	23,652	99.9%
Gross Profit Margin	64.0%	63.1%	62.0%	62.4%	**62.5%**	–	–	62.8%	–
SG&A Expenses	18,805	6,345	7,218	6,569	**20,133**	1,328	7.1%	20,263	99.4%
Operating Income	4,854	712	1,225	1,551	**3,490**	(1,363)	(28.1%)	3,388	103.0%
Operating Margin	13.1%	6.4%	9.0%	11.9%	**9.2%**	–	–	9.0%	–
Ordinary Income	4,881	625	1,227	1,349	**3,203**	(1,677)	(34.4%)	3,283	97.6%
Profit Attributable to Owners of Parent	3,393	462	△43	1,262	**1,681**	(1,712)	(50.4%)	1,638	102.7%

* For details, refer to Consolidated Financial Results for the Six Months Ended June 30, 2025 Presentation Materials：
https://www.milbon.com/en/ir/uploads/docs/20250630en_66s2q_presentation_material.pdf

 4 Find Your Beauty MILBON

Both net sales and operating income were slightly higher than the revised plan for Q3 YTD. In Q3, an extraordinary gain of JPY290 million from the sale of the former training center in Osaka was included in extraordinary income.

Looking at the 73.3% progress rate of sales against the full year target and the 65.9% progress rate of operating income, the progress rate of operating income may appear somewhat lower than it is. However, we believe that the progress is in line with our revised plan.



The following chart shows the factors behind the increase or decrease in consolidated operating income for Q3 year-to-date compared to the previous year.

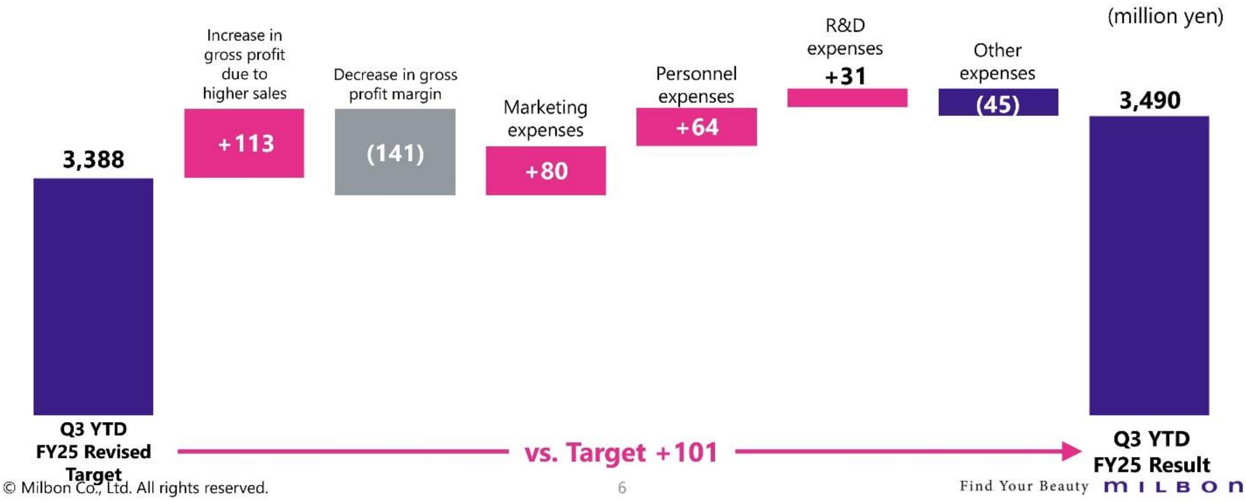
Operating income increased by JPY88 million due to higher sales and by JPY341 million due to higher unit prices following price revisions. However, operating income declined by JPY464 million due to a lower gross profit margin caused by inventory losses and foreign exchange effects, by JPY333 million due to higher personnel expenses, and by JPY300 million due to increased sales promotion-related expenses, including Expo-related costs. As a result, operating income totaled JPY3.49 billion.

We have previously communicated that the effect of the price revision for the full year would be JPY200 million. That figure included the impact of lower volume. Going forward, as shown on this slide, we would like to separate the communication into two components: the effect of the price increase and the increase in gross profit from higher sales.

Based on the standard we have used so far, the effect of the price increase is JPY123 million, and we believe we are generally progressing in line with the JPY200 million target in the plan. Inventory losses are expected to reduce profit by JPY380 million for Q3 year-to-date, which may appear low compared to the full-year estimate of JPY580 million. However, please understand that we incorporated the maximum level of risk when formulating the revised plan. We have not changed our view at this time.

Consolidated Operating Income – Factors Behind Difference vs. Target

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



6
Find Your Beauty MILBON

This page shows the factors behind the increase or decrease in consolidated operating income for Q3 year-to-date compared with the revised plan.

The consolidated gross profit margin was lower than planned due to the impact of the Thai baht appreciation against the yen, as we have a manufacturing facility in Thailand. However, operating income slightly exceeded the revised plan, supported by increased gross profit from higher overseas sales and the effect of cost control measures.

Net Sales and Operating Income by Region

Domestic sales increased, but operating income declined due to inventory losses in the first half and higher SG&A expenses. Overseas sales in local currencies remained strong despite the impact of yen appreciation.

	(Unit: million yen)	Q3 YTD FY2024	Q3 YTD FY2025	Diff.	Diff. (%)	Actual Diff. Rate[*1] (%)	Q3 YTD FY2025 Revised Target	Exchange Rate Q3 FY24	Exchange Rate Q3 FY25
Japan	Net Sales	27,690	**27,819**	129	0.5%	0.5%	27,888	–	–
	Operating Income	3,931	**2,645**	(1,285)	(32.7%)	–	–		
	Margin (%)	14.2%	**9.5%**	–	–	–	–		
Overseas	Net Sales	9,303	**10,007**	704	7.6%	11.5%	9,758	–	–
	Operating Income	922	**844**	(78)	(8.5%)	–	–		
	Margin (%)	9.9%	**8.4%**	–	–	–	–		
South Korea	Net Sales	3,992	**4,126**	134	3.4%	10.3%	4,120	KRW 0.1118 yen	KRW 0.1047 yen
	Operating Income	1,051	**987**	(64)	(6.1%)	–	–		
	Margin (%)	26.3%	**23.9%**	–	–	–	–		
China	Net Sales	1,783	**1,819**	35	2.0%	5.3%	1,769	RMB 21.22 yen	RMB 20.57 yen
	Operating Income	72	**78**	6	8.4%	–	–		
	Margin (%)	4.1%	**4.3%**	–	–	–	–		
United States	Net Sales	1,430	**1,863**	433	30.3%	33.7%	1,587	USD 151.59 yen	USD 147.76 yen
	Operating Income	(87)	**(57)**	30	–	–	–		
	Margin (%)	(6.1%)	**(3.1%)**	–	–	–	–		
Other[*2]	Net Sales	2,096	**2,197**	101	4.8%	3.7%	2,281	–	–
	Operating Income	(113)	**(164)**	(50)	–	–	–		
	Margin (%)	(5.4%)	**(7.5%)**	–	–	–	–		

*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

 8 Find Your Beauty milbon

We will now explain the situation by country.

In Japan, net sales increased 0.5% year-on-year to JPY27,819 million, while operating income declined 32.7% to JPY2,645 million. Although this was slightly below the revised plan of JPY27,888 million for the first nine months of the fiscal year, we assess that the business is generally in line with the plan.

Overseas sales increased 7.6% year-on-year to JPY10,007 million, while operating income declined 8.5% to JPY840 million. Sales growth in local currency terms was 11.5%. On a local currency basis, sales in South Korea and the United States were particularly strong, and overall overseas sales also exceeded the plan. The EU, which is included in the “Other regions” category but is a key focus area for us among overseas markets, is showing significant growth. Growth in local currency terms for Q3 year-to-date was 76.7%, and 46.6% in Q3 alone, indicating continued strong performance.

Financial Results by Region: Japan

Despite a modest recovery in the domestic market during Q3, both sales and operating income remained in line with our revised target.

YoY Growth Rate of Sales by Product Category*

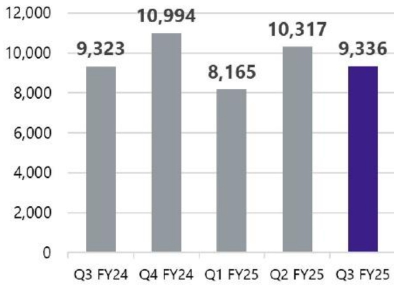
Hair care sales remained firm. Hair coloring continued to decline YoY; however, grey-coverage products maintained steady sales, supported by strong evaluations. Cosmetics returned to positive YoY growth in Q3, driven by new product launches.

	FY2025	
Change in Sales	**Q3**	**Q3 YTD**
Hair Care	+2.1%	+5.2%
Hair Coloring	(2.1%)	(3.8%)
Cosmetics	+20.9%	(29.6%)
% to Sales	**Q3**	**Q3 YTD**
Hair Care	65.3%	66.2%
Hair Coloring	30.7%	29.6%
Cosmetics	1.8%	1.7%

*Based on shipment value

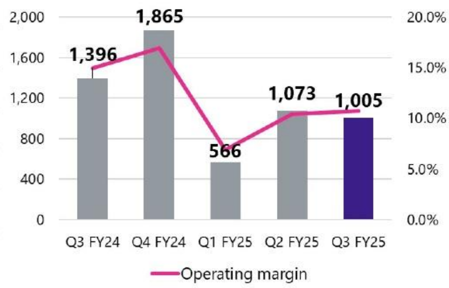
Quarterly Net Sales (mil. yen)

Q3 sales posted a slight YoY increase and remained in line with the revised target.



Quarterly Operating Income (mil. yen)

Q3 operating income remained in line with the revised target, consistent with sales performance.



Find Your Beauty milbon

This page describes the situation in Japan.

Although the market environment in Q3 continued to be challenging as in the first half, sales of haircare products and, among hair coloring products, gray-coverage products—particularly Villa Lodola Color—remained strong. As mentioned on the previous page, domestic sales are slightly short of the revised plan. However, according to reports from the domestic sales division, there has been a gradual recovery trend since mid-September. Considering that domestic sales in October exceeded the revised plan mainly due to new products, we believe that both sales and operating income are generally progressing in line with the revised full-year plan.

By category, the growth rate of haircare products appears weak, but we believe this is due to the delayed introduction of the new Aujua product, Altiell, and a reaction to the accelerated pace of new touchpoint growth last year. We expect to catch up with the plan as new product launches gradually progress and the styling product OW BYE TORI, which was released in October as mentioned, continues to perform well. Although cosmetics appear to have grown significantly in Q3, we believe this is due to the timing of new product launches and that there has been no significant change in fundamentals for both Imprea and IM.

Financial Results by Region: South Korea

Q3 sales and operating income grew strongly YoY, supported by government measures to stimulate consumption.

YoY Growth Rate of Sales by Product Category*

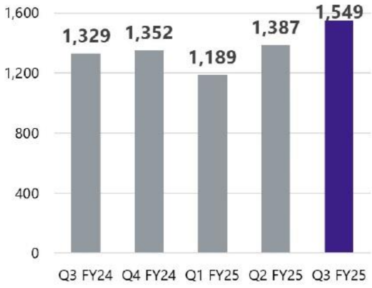
Government-issued consumption coupons introduced in July boosted salon visits.
Hair coloring sales increased strongly as salons shifted to our products following a competitor's market exit.

	FY2025	
Change in Sales	**Q3**	**Q3 YTD**
Hair Care	+18.0%	+12.6%
Hair Coloring	+16.9%	+7.0%
Perm	+29.3%	+16.8%
% to Sales	**Q3**	**Q3 YTD**
Hair Care	23.5%	23.9%
Hair Coloring	68.7%	68.7%
Perm	5.4%	5.2%

*Based on local currency

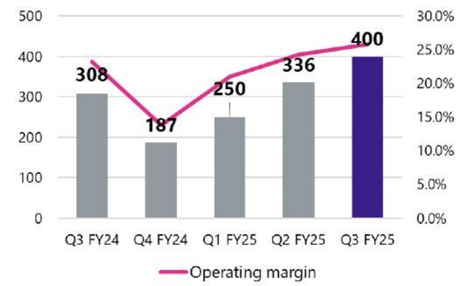
Quarterly Net Sales (mil. yen)

Q1 sales were impacted by political instability but recovered in Q2 as market conditions improved. Q3 recorded a significant increase, supported by government measures.



Quarterly Operating Income (mil. yen)

Operating income increased, supported by higher sales and a timing shift in personnel expenses due to delayed hiring.



10

Find Your Beauty MILBON

See next page for the situation in South Korea.

In South Korea, the government began providing People's Livelihood Recovery Consumption Coupons to the public in July as part of its economic stimulus package. Each coupon is worth several hundred thousand won per person, and since they can only be used at small stores, the number of visits to targeted hair salons and the frequency of use of high unit-price menus have increased, which we believe has contributed to the expansion of our product sales. Looking at Q3 alone, sales grew 19.5% in local currency terms, a strong performance compared to a 0.8% increase in Q1 and a 10% increase in Q2. Operating income increased significantly year-on-year, despite the negative impact of foreign exchange rates, due to higher sales and the timing shift of personnel expenses from the previous year.

South Korea experienced a slowdown in Q1, partly due to political unrest, but is now on a recovery trend, as shown on this slide. Although it is necessary to assess the impact of the November 30 expiration date for the consumption coupon program, both sales and operating income are on track to achieve the full-year plan in yen terms.

Financial Results by Region: China

Despite a sluggish market recovery, our salon support activities were well received, driving sales and operating income in line with the revised target.

YoY Growth Rate of Sales by Product Category*

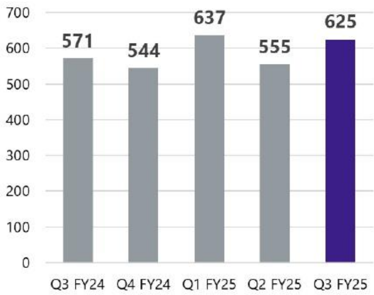
Both hair care and hair coloring sales increased steadily. The number of salons adopting Global Milbon grew significantly, supported by the strong reputation of our products and salon activities.

	FY2025	
Change in Sales	**Q3**	**Q3 YTD**
Hair Care	+4.6%	+4.7%
Hair Coloring	+15.2%	+7.2%
% to Sales	**Q3**	**Q3 YTD**
Hair Care	56.2%	58.2%
Hair Coloring	38.4%	36.4%

*Based on local currency

Quarterly Net Sales (mil. yen)

Although market condition remained challenging, sales increased YoY.



Quarterly Operating Income (mil. yen)

Operating income exceeded the target, supported by higher sales and cost control initiatives, although the operating margin declined in Q3 due to inventory losses.

11
Find Your Beauty MILBON

See next page for the situation in China.

Market conditions remained challenging in Q3, as in the first half. However, our initiatives for hair salons under these circumstances continued to receive high recognition, and both sales and operating income remained strong. By category, sales of both haircare products and hair coloring products were steady. Operating income in Q3 is progressing at a faster pace than planned, supported in part by the effects of cost controls. Operating income declined because JPY40 million in inventory losses originally scheduled for year-end were brought forward. Overall, however, both sales and operating income are on track to achieve the full-year plan.

Financial Results by Region: United States

Sales increased significantly, driven by the cross-selling of hair care and hair coloring.
Underlying profitability continued to improve, supported by strong sales.

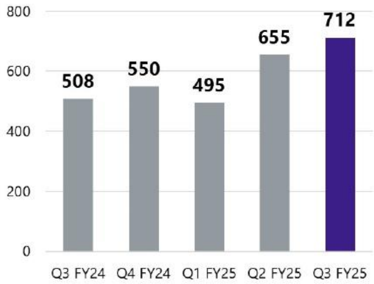
YoY Growth Rate of Sales by Product Category*

Sales of both hair care and hair coloring products increased significantly, supported by the strong reputation of new products tailored to U.S. salon and consumer needs. In July, we expanded our hair coloring lineup to better address diverse shade requirements.

	FY2025	
Change in Sales	**Q3**	**Q3 YTD**
Hair Care	+39.0%	+35.1%
Hair Coloring	+63.3%	+29.2%
% to Sales	**Q3**	**Q3 YTD**
Hair Care	87.5%	86.9%
Hair Coloring	8.4%	8.5%

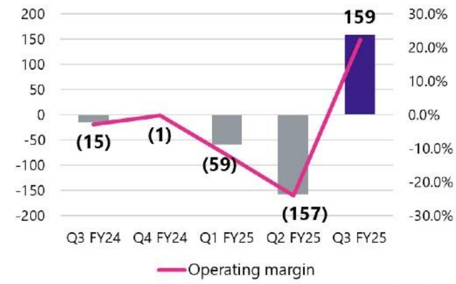
Quarterly Net Sales (mil. yen)

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



Quarterly Operating Income (mil. yen)

¥99 million recorded in Q2 SG&A expenses was overstated. The amount was deducted from Q3 SG&A expenses and reclassified as non-operating expenses, temporarily boosting Q3 operating income.



*Based on local currency

Find Your Beauty milbon

See next page for the situation in the United States.

In the US, sales in all product categories have grown strongly, driven by favorable product evaluations and close collaboration with distributors. Both in local currency and yen terms, sales have remained strong. In the hair coloring category, the lack of a comprehensive product lineup for a wide range of customers had been an issue earlier, but additional items launched in July have been well received.

The impact of tariff duties has been partially offset by the implementation of product price revisions since September. The price increase is expected to reduce the negative impact originally estimated at approximately JPY100 million for the full year to about JPY30 million. The impact of tariffs has already been factored into the revised plan.

Regarding Q3 operating income, it was discovered that JPY99 million of SG&A expenses recorded in Q2 had been overstated. As a result, the same amount was deducted from SG&A expenses in Q3. Therefore, while it appears that operating income increased significantly compared to Q2, even excluding this effect, the business was profitable for the quarter, and we believe underlying profitability is on an improving trend.

As for the timing of achieving profitability in the US business, although sales have been strong, the need to invest in growth to achieve greater results and to increase personnel to build a stable internal structure remains unchanged. Therefore, at this time, we have not changed the expected timing, which remains between FY2028 and FY2029, consistent with our previous communication.

Notice Concerning the Completion of Share Repurchase

At the Board of Directors meeting held on August 8, we resolved to repurchase our own shares to enhance shareholder returns and improve capital efficiency, and the repurchase was completed on October 27.

Class of shares repurchased	Common shares
Total number of shares repurchased	811,700 shares
Total amount of share repurchases costs	¥1,999,828,700
Repurchase period	From August 12, 2025 to October 27, 2025
Method of repurchase	Purchase in the market through the Tokyo Stock Exchange

(Reference) Details of the resolution approved at the Board of Directors' meeting held on August 8, 2025

Class of shares to be repurchased	Common shares
Total number of shares to be repurchased	870,000 shares (maximum) (2.7% of total number of issued shares (excluding treasury shares))
Total amount of share repurchases costs	¥2 billion (maximum)
Repurchase period	From August 12, 2025 to December 23, 2025
Method of repurchase	Purchase in the market through the Tokyo Stock Exchange

 13 Find Your Beauty MILBON

See next page.

The share buyback announced in August alongside the Q2 financial results was completed on October 27. We set a maximum limit of JPY2 billion, and ultimately acquired 811,700 shares. Going forward, we will continue to prioritize investment in growth while aiming to improve capital efficiency and enhance shareholder returns, and we will consider flexible share repurchases using surplus funds.

We are currently reviewing internally how to utilize the treasury stock acquired through this buyback. We will share further details with you once decisions have been finalized.

Assumptions for the Full-Year Outlook

		Full-Year Outlook
Net Sales	Japan	• Although the recovery of the domestic salon market has remained sluggish, as anticipated in August, we expect sales to achieve the full-year target. • We will prioritize initiatives for salons around our core hair care and hair coloring products
	Overseas	• Although yen appreciation has had an impact, sales remain strong in local currencies, particularly in South Korea and the United States, and we expect to achieve the full-year target in yen basis.
Operating Income		• While the outlook for the gross profit margin remains uncertain due to factors such as foreign exchange and inventory losses, we expect operating income to achieve the full-year target through disciplined control of SG&A expenses.

 14 Find Your Beauty MILBON

See next page. This is the assumption for the full year forecast. This page contains the assumptions for the full year forecast, which I will not explain here, as it is redundant with what I have already said.

Full-Year Outlook

The full-year target remains unchanged. Q3 year-to-date results were in line with the target, and we remain on track to achieve the full-year guidance.

(Unit: million yen)	FY2024	FY2025 Revised Target	Diff.	Diff. (%)	FY2025 Q3 YTD	Progress Rate (%)
Net Sales	51,316	**52,300**	983	1.9%	37,827	72.3%
Gross Profit	32,597	**32,926**	328	1.0%	23,623	71.7%
Gross Profit Margin	63.5%	**63.0%**	–	–	62.5%	–
SG&A Expenses	25,758	**27,626**	1,868	7.3%	20,133	72.9%
Operating Income	6,839	**5,300**	(1,539)	(22.5%)	3,490	65.9%
Operating Margin	13.3%	**10.1%**	–	–	9.2%	–
Ordinary Income	6,968	**5,180**	(1,788)	(25.7%)	3,203	61.8%
Profit Attributable to Owners of Parent	5,017	**3,000**	(2,017)	(40.2%)	1,681	56.1%

 15 Find Your Beauty MILBON

See next page. This is the full year forecast.

Net sales, both domestic and overseas, are progressing steadily in line with the revised plan. In particular, despite uncertainties in foreign exchange trends, overseas sales on a local currency basis have remained strong, especially in the US and South Korea. Although there are risk factors for operating income, such as inventory losses linked to domestic sales trends and foreign exchange fluctuations that could lower the gross profit margin, we aim to achieve the full-year plan through cost control measures, including SG&A expenses. As a result, the revised plan announced on August 8 remains unchanged, and the year-end dividend of JPY48 is also unchanged.

In the current fiscal year, we announced the original plan in February and were forced to make a significant downward revision in August, partly due to changes in the external environment. We recognize that this has caused considerable concern and inconvenience to our shareholders, investors, and all those involved in the capital markets. Management, together with all employees, is working as one to achieve the revised plan for this fiscal year and to restore your trust as much as possible. We sincerely ask for your continued support.

Outlook for Medium-Term Management Plan (Through 2026)

We remain focused on achieving the ROE target by improving profitability and capital efficiency. However, we will carefully review the domestic market environment, which remains uncertain, as well as our cost structure. An updated outlook will be announced in next February.

(Unit;: million yen)		FY2025 Revised Target	FY2026 Target*	Diff.	Diff. (%)
Net Sales		52,300	**58,000**	5,700	10.9%
	Japan	38,900	**43,700**	4,800	12.3%
	Overseas	13,400	**14,300**	900	6.7%
Gross Profit		32,926	**37,600**	4,674	14.2%
Gross Profit Margin		63.0%	**64.8%**	–	–
Operating Income		5,300	**8,400**	3,100	58.5%
Operating Margin		10.1%	**14.5%**	–	–
Ordinary Income		5,180	**8,340**	3,160	61.0%
Profit Attributable to Owners of Parent		3,000	**5,940**	2,940	98.0%
ROE		6.3%	**11.3%**	–	–
ROIC		7.7%	**11.1%**	–	–

* Announced in February 2025

Find Your Beauty milbon

See next page. I would like to make a few comments on the outlook for the medium-term management plan.

As stated here, we remain focused on achieving our ROE target of 11.3% by improving profitability and capital efficiency. However, as mentioned by President Sakashita at the first-half financial results briefing in August, we recognize that the gap between the FY2026 sales and operating income targets in our medium-term management plan and the revised FY2025 plan has widened due to factors such as inventory losses and the domestic sales plan.

Although we cannot disclose specific figures, we expect profitability to improve through measures such as the introduction of new products, a thorough review of SG&A expenses, reducing inventory losses through closer examination of production plans, and lower expenses related to the Expo. At the same time, we anticipate cost increases associated with new product launches, upfront investments such as digital initiatives and R&D expenses, and higher distribution and personnel costs to address inflation. We also recognize the need to carefully assess the future business environment, particularly in the domestic market, where uncertainty remains.

With respect to improving capital efficiency, in addition to dividends, we will continue to consider flexible share repurchases with an eye on stock price levels. Based on these factors, we are currently formulating the plan for the next fiscal year, and we ask that you wait until the announcement of the full-year financial results in February for specific figures.

Business Update 1: OW BYE TORI

OW BYE TORI, a new hair-styling brand launched in October, has already exceeded its annual sales target. We will continue to drive additional growth through year-end.

Highly Evaluated Product Features

＞Bottle design

＞Fragrance

＞Styling compatibility

Gross Sales as of October 31：
¥190 million (Annual Target of ¥120 million)

 17 Find Your Beauty MILBON

See next page. I would like to introduce some of our most recent initiatives.

One of our most recent initiatives is OW BYE TORI. OW BYE TORI, a new styling brand launched in October, got off to a strong start, achieving its annual sales target in the first month after launch. While competing with other brands in terms of packaging and fragrance, the product is highly regarded for its ease of creating hairstyles, which is essential for styling products. As a manufacturer, we are very pleased that our new products have been well accepted by hairstylists and hair salons.

Although the sales amount of each individual item is not large, we will continue to provide products and services that help hair salons increase their sales and profits, thereby contributing to overall company performance.

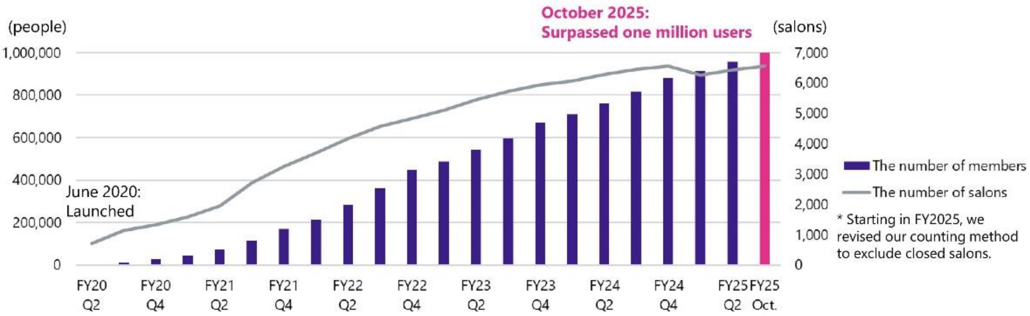
See next page.

During Q3, Milbon’s products were featured in WWD Beauty, an industry magazine, as part of the “Best Cosmetics Awards for Hair Salons” selected by hairstylists. Professional products used in salons were classified into 14 categories, and 159 stylists from 50 salons in Tokyo were asked to choose the products they considered the best in each category. As a result, we received strong support from hair salons for both our products and activities, including high praise for our haircare, hair color, and cosmetics products, as well as first place in the sales staff category.

Although we do not believe these results necessarily represent the entire market, we view them as evidence that Milbon’s field person system and TAC development system—the sources of our competitive advantage—are functioning effectively.

Business Update 3: milbon:iD Surpasses One Million Registered Users

The milestone of one million registered users of milbon:iD was achieved in October, underscoring its role as a key platform for take-home product purchases.



	Purchases on milbon:iD	Purchases in Salons
Unit Price per Order (Retail)	**¥14,435 (FY2024)** 2.9 times	¥5,011 (FY2024)
Repeat Purchase Ratio (Within one year)	**65%(FY2024)**	40% (when preparing the launch of milbon:iD)

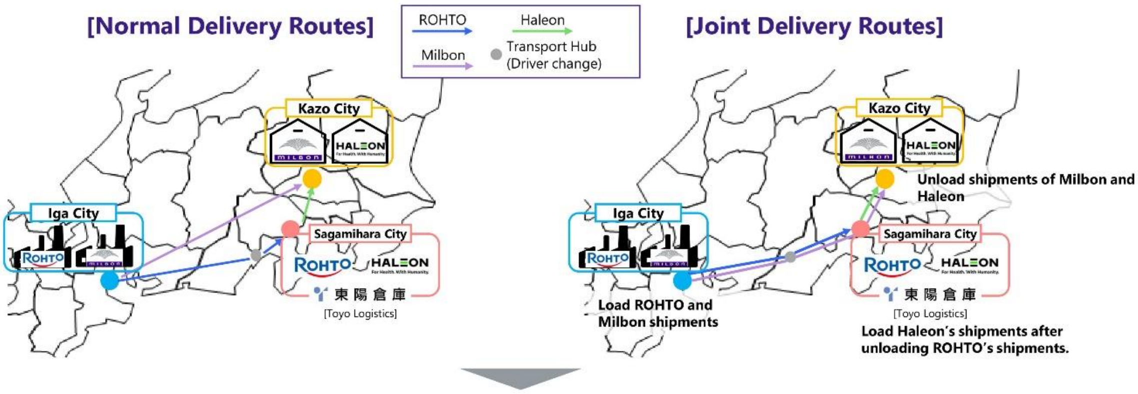
 * Survey conducted by Milbon 19 Find Your Beauty MILBON

See next page.

The number of registered members of milbon:iD reached 1 million in October. At the time of the announcement of the current medium-term management plan, we expected to achieve this goal by the end of FY2026, so we achieved the goal one year earlier than that. We believed that we were making steady progress as a foundation to support the growth of sales of take-home products, which is the core of our growth strategy. We are committed to further development in the future.

Business Update 4: Joint Delivery by Three Manufacturers

Three manufacturers, Milbon, ROHTO, and Haleon Japan, sharing common delivery routes have established a joint delivery system, which began operating in August. Going forward, we aim to expand its coverage by leveraging the expertise gained.



Designed to improve loading efficiency and reduce CO_2 emissions.

* For details, refer to news release (Japanese only): https://prtimes.jp/main/html/rd/p/000000111.000028306.html

 20 Find Your Beauty MILBON

See next page. This is the last page. Finally, we will explain our joint distribution efforts with other companies to improve logistics efficiency.

In August, we established and began operating a joint delivery system with three companies that share common transport routes: Milbon, ROHTO Pharmaceutical, and Haleon Japan. Although currently limited to some shipments, we plan to expand these efforts with a view to developing upstream processes in the supply chain, such as raw material procurement. We hope you will look forward to these initiatives going forward.

That concludes my brief explanation. I would be happy to answer any questions you may have. Thank you for your attention.

Disclaimer