



# Consolidated Financial Results for the Nine Months Ended September 30, 2024 [Japanese GAAP]

November 15, 2024

Tokyo Stock Exchange, Prime Market

Name of registrant: Milbon Co., Ltd.  
Code No.: 4919 URL <https://www.milbon.com/en/>  
Representative: Hidenori Sakashita, President & CEO  
Inquiries: Masahiro Murai, Managing Executive Director  
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)

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

## 1. Consolidated financial results for the nine months ended September 30, 2024 (January 1, 2024 - September 30, 2024)

### (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	%
Nine months ended September 30, 2024	36,993	8.3	4,854	42.1	4,881	39.3	3,393	36.3
Nine months ended September 30, 2023	34,150	5.4	3,416	(39.7)	3,502	(42.0)	2,489	(42.3)

Note: Comprehensive income Nine months ended September 30, 2024: 3,547 million yen [14.9%] Nine months ended September 30, 2023: 3,087 million yen [(43.1)%]

	Basic earnings per share		Diluted earnings per share	
	Yen	Yen	Yen	Yen
Nine months ended September 30, 2024	104.25	-	-	-
Nine months ended September 30, 2023	76.52	-	-	-

### (2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Million yen	Million yen	Million yen	Million yen	%	%
As of September 30, 2024	54,812	46,682	46,682	45,932	85.2	86.0
As of December 31, 2023	53,391	45,932	45,932	45,932	86.0	86.0

(Reference) Equity As of September 30, 2024: 46,682 million yen As of December 31, 2023: 45,932 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
Year ended December 31, 2023	-	40.00	-	48.00	88.00
Year ending December 31, 2024	-	40.00	-	48.00	88.00
Year ending December 31, 2024 (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, 2024 (January 1, 2024 - December 31, 2024)

(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, 2024	50,620	6.0	6,600	19.5	6,560	17.4	4,650	16.2	142.92

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. : None

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 September 30, 2024	33,117,234 shares	As of December 31, 2023	33,117,234 shares
As of September 30, 2024	555,007 shares	As of December 31, 2023	577,107 shares
Nine months ended September 30, 2024	32,553,940 shares	Nine months ended September 30, 2023	32,534,663 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 third quarter of the current consolidated fiscal year, the Japanese economy continued its gradual recovery, supported by improvements in employment and income, as well as strong inbound demand, despite some signs of weakness in certain sectors. However, the outlook remains uncertain due to geopolitical risks in Ukraine and the Middle East, and concerns about an economic downturn overseas, due to the slowdown in the Chinese economy.

In light of this situation, the third year of our Medium-Term Management Plan (2022-2026), Fiscal Year 2024, will see a full-scale promotion of the "Smart Salon" proposal, which expanded to 23 salons in 2023. We are aiming for 100 salons by the end of 2024. Additionally, we will implement measures such as proposing a unique salon-exclusive total color service for both hair and eyebrows as well as a high value-added color service for adults featuring our organic brand, Villa Lodola.

Consolidated net sales for the third quarter amounted to 36,993 million yen (an 8.3% increase year-on-year). This growth was primarily driven by the strong domestic performance of the premium hair care brand Aujua and professional hair care brand Elujuda. Internationally, sales in South Korea saw a significant boost due to enhanced activities in the hair care and perm markets, along with a recovery in hair coloring product sales. Consequently, the sales growth rate remained high, driving an overall growth in sales overseas.

Regarding earnings, the gross profit margin increased due to recovery from inventory valuation losses on hair dryers recorded last year. Additionally, the SG&A expense ratio decreased due to higher sales and increased control of SG&A expenses. Consequently, operating income amounted to 4,854 million yen (a 42.1% increase year-on-year), ordinary income was 4,881 million yen (a 39.3% increase year-on-year), and quarterly net income attributable to owners of the parent amounted to 3,393 million yen (a 36.3% increase year-on-year).

Net sales by item and net sales by domestic and foreign country are as follows.

[Breakdown of net sales by product category]

(Unit: million yen)

Item	Nine months ended September 30, 2023		Nine months ended September 30, 2024		Increase/Decrease	Increase/Decrease ratio (%)
	Amount	% to sales	Amount	% to sales		
Haircare products	19,933	58.4	22,243	60.1	2,309	11.6
Hair coloring products	12,431	36.4	12,654	34.2	223	1.8
Permanent wave products	1,083	3.2	1,148	3.1	65	6.0
Cosmetic products	421	1.2	717	2.0	295	70.1
Other	280	0.8	228	0.6	(51)	(18.4)
Total	34,150	100.0	36,993	100.0	2,843	8.3

[Breakdown of net sales into domestic and overseas sales]

(Unit: million yen)

	Nine months ended September 30, 2023		Nine months ended September 30, 2024		Increase/Decrease	Increase/Decrease ratio (%)
	Amount	% to sales	Amount	% to sales		
Domestic sales	25,829	75.6	27,690	74.9	1,860	7.2
Overseas sales	8,320	24.4	9,303	25.1	982	11.8
Total	34,150	100.0	36,993	100.0	2,843	8.3

(2) Explanation of Financial Position

Total assets at the end of the third quarter of the current fiscal year increased by 1,420 million yen from the end of the previous fiscal year to 54,812 million yen.

Current assets increased by 821 million yen from the end of the previous fiscal year to 27,000 million yen. The main factors for the change were decrease of 1,070 million yen in Notes and accounts receivable - trade, and increases of 1,063 million yen in Merchandise and finished goods and 519 million yen in Raw materials and supplies, respectively.

Non-current assets increased by 598 million yen from the end of the previous fiscal year to 27,811 million yen.

Current liabilities increased by 692 million yen from the end of the previous fiscal year to 7,260 million yen. The main factors for the change were decrease of 1,398 million yen in Accounts payable - other, and increases of 665 million yen in Accounts payable - trade and 556 million yen in Provision for bonuses, respectively.

Non-current liabilities decreased by 23 million yen from the end of the previous fiscal year to 868 million yen.

Net assets increased by 750 million yen from the end of the previous fiscal year to 46,682 million yen. The main factors for the change were increases of 529 million yen in Retained earnings and 314 million yen in Foreign currency translation adjustment due to the depreciation of the yen.

As a result, the equity ratio changed from 86.0% at the end of the previous fiscal year to 85.2%. Net assets per share per share based on the total number of shares outstanding at the end of the fiscal year was 1,433.65 yen, compared with 1,352.52 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, 2024) 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, 2023	Current 3rd quarter As of September 30, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	11,337,201	11,398,147
Notes and accounts receivable - trade	5,345,669	4,275,253
Merchandise and finished goods	6,939,156	8,002,837
Work in process	36,838	77,653
Raw materials and supplies	2,072,829	2,592,304
Other	446,775	654,051
<b>Total current assets</b>	<b>26,178,470</b>	<b>27,000,248</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	9,260,764	9,686,498
Machinery, equipment and vehicles, net	3,314,046	3,483,511
Land	6,461,904	6,471,915
Construction in progress	995,352	1,074,447
Other, net	967,392	956,954
<b>Total property, plant and equipment</b>	<b>20,999,461</b>	<b>21,673,326</b>
Intangible assets	1,930,204	1,736,249
Investments and other assets		
Investment securities	1,312,251	1,158,658
Long-term loans receivable	1,120	36,705
Net defined benefit asset	511,056	506,824
Deferred tax assets	909,850	1,065,544
Other	1,595,544	1,662,298
Allowance for doubtful accounts	(46,087)	(27,790)
<b>Total investments and other assets</b>	<b>4,283,736</b>	<b>4,402,241</b>
<b>Total non-current assets</b>	<b>27,213,401</b>	<b>27,811,817</b>
<b>Total assets</b>	<b>53,391,872</b>	<b>54,812,065</b>
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	931,247	1,596,667
Accounts payable - other	3,665,522	2,267,509
Income taxes payable	410,988	877,923
Provision for bonuses	581,530	1,137,707
Other	978,650	1,380,942
<b>Total current liabilities</b>	<b>6,567,940</b>	<b>7,260,750</b>
Non-current liabilities		
Net defined benefit liability	14,620	15,683
Deferred tax liabilities	277	312
Asset retirement obligations	734,815	736,702
Other	141,919	115,809
<b>Total non-current liabilities</b>	<b>891,633</b>	<b>868,507</b>
<b>Total liabilities</b>	<b>7,459,574</b>	<b>8,129,257</b>

(Thousand yen)

	Previous fiscal year As of December 31, 2023	Current 3rd quarter As of September 30, 2024
Net assets		
Shareholders' equity		
Capital stock	2,000,000	2,000,000
Capital surplus	306,957	298,667
Retained earnings	43,079,323	43,608,725
Treasury shares	(1,982,161)	(1,906,241)
Total shareholders' equity	43,404,119	44,001,150
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(106,728)	(213,321)
Foreign currency translation adjustment	2,373,812	2,688,052
Remeasurements of defined benefit plans	261,094	206,925
Total accumulated other comprehensive income	2,528,178	2,681,656
Total net assets	45,932,297	46,682,807
Total liabilities and net assets	53,391,872	54,812,065

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

## Quarterly Consolidated Statements of Earnings

Nine Months Ended September 30, 2023 and 2024

(Thousand yen)

	Nine months ended September 30, 2023 (January 1, 2023 - September 30, 2023)	Nine months ended September 30, 2024 (January 1, 2024 - September 30, 2024)
Net sales	34,150,359	36,993,567
Cost of sales	13,126,445	13,334,482
Gross profit	21,023,914	23,659,085
Selling, general and administrative expenses	17,607,443	18,805,039
Operating income	3,416,470	4,854,045
Non-operating income		
Interest income	12,899	16,661
Dividend income	17,247	17,221
Foreign exchange gains	64,906	-
Company house defrayment income	2,438	3,253
Subsidy income	15,150	15,934
Share of profit of entities accounted for using equity method	-	25,255
Other	31,390	12,240
Total non-operating income	144,033	90,566
Non-operating expenses		
Share of loss of entities accounted for using equity method	56,824	-
Foreign exchange losses	-	30,573
Provision of allowance for doubtful accounts	-	20,100
Other	856	12,826
Total non-operating expenses	57,680	63,500
Ordinary income	3,502,823	4,881,111
Extraordinary losses		
Loss on sales of non-current assets	18	-
Loss on retirement of non-current assets	29,045	18,706
Total extraordinary losses	29,064	18,706
Profit before income taxes	3,473,759	4,862,405
Income taxes - current	1,286,296	1,552,271
Income taxes - deferred	(301,934)	(83,686)
Total income taxes	984,362	1,468,584
Profit	2,489,397	3,393,820
Profit attributable to owners of parent	2,489,397	3,393,820



Quarterly Consolidated Statements of Comprehensive Income  
 Nine Months Ended September 30, 2023 and 2024

(Thousand yen)

	Nine months ended September 30, 2023 (January 1, 2023 - September 30, 2023)	Nine months ended September 30, 2024 (January 1, 2024 - September 30, 2024)
Profit	2,489,397	3,393,820
Other comprehensive income		
Valuation difference on available-for-sale securities	(297,545)	(106,593)
Foreign currency translation adjustment	871,679	314,240
Remeasurements of defined benefit plans, net of tax	23,880	(54,168)
Total other comprehensive income	598,014	153,478
Comprehensive income	3,087,411	3,547,298
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,087,411	3,547,298
Comprehensive income attributable to non-controlling interests	-	-

(3) Notes Regarding Quarterly Consolidated Financial Statements

(Notes regarding going concern assumption)

None

(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 third quarter cumulative period were as follows:

	Nine months ended September 30, 2023 (January 1, 2023 - September 30, 2023)	Nine months ended September 30, 2024 (January 1, 2024 - September 30, 2024)
Depreciation and amortization	1,683,269 thousand yen	1,690,946 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)

None

## Independent Auditor's Review Report

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November 15, 2024

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 interim 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 third quarter (July 1, 2024, to September 30, 2024) and the first nine months (January 1, 2024, to September 30, 2024) of the consolidated fiscal year from January 1, 2024, to December 31, 2024, 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 to 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.

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- 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.