



CORPORATE GUIDE

Find Your Beauty

To live beautifully.

It's how we approach the world. It's the one, single idea that drives us.

Our hair frames our personal beauty how it's styled, how it feels, how it flows. It sets the stage for the inner self we radiate.

Everyone's hair is unique, and everyone's beauty is, too.

Our purpose is to help people find, embrace, and express their individuality to head out into each day confidently and gracefully, and to live vibrantly.

For more than 50 years, professional stylists have been Milbon's partners: we learn from and inspire each other.

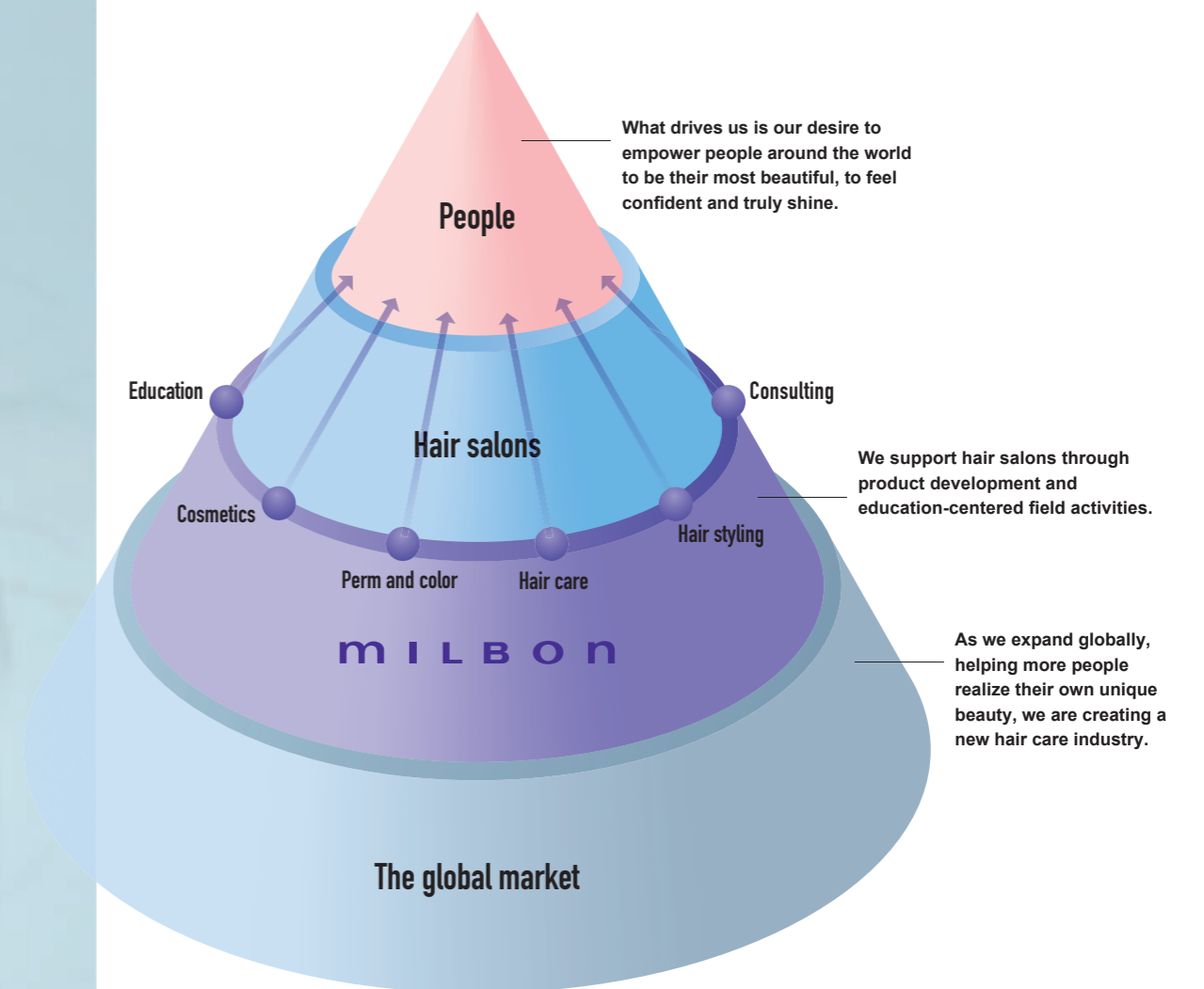
What unites us is our passion for transforming everything we touch into something beautiful.

Together, we constantly push the boundaries of the global haircare industry. Together, we help give people the confidence, sophistication, and grace with which they inspire the world.





**Through hair salons,
Milbon provides total support
for each individual's beauty.**



From the consumers' perspective: Creating a new hair care industry

Transforming the hair care industry to help address societal challenges

Milbon was established in 1960, specializing in the manufacture of professional hair care products. Ever since, Milbon has cultivated and maintained close relationships with hair salons, helping them succeed by educating their stylists and providing high quality products for the continually evolving hair care industry.

Until recently, many hair salons were individually or family owned. However, an increasing trend toward corporatization has brought new challenges. The hair care industry must address wider societal issues such as personnel shortages, a need for better workplace environments, and shrinking markets due to demographic changes.

To meet these challenges, the hair care industry must adapt with agility. In a departure from the conventional supply-centered industry model made up of salons, distributors, and manufacturers, the scope of engagement must include salon customers as well. The industry must now respond to the demands of diverse stakeholders if it is to grow successfully.

For example, Milbon encourages salons to establish more pleasant work environments that help them attract and retain more talented stylists; to offer products and services tailored to their customers' specific needs; and to communicate effectively and with immediacy via social media.

Our commitment as a global company

Because our industry helps shape perceptions of beauty, we feel a responsibility to help people be and feel their most beautiful. Milbon is well positioned to globally promote a new perspective on beauty that encourages people to find their unique beauty—to feel confident and truly shine.

In the Japanese market, we have been strengthening our fieldwork activities centering on education. And we have put down roots in international markets, working together with local hair stylists in Asia, the United States, and Europe. As perceptions of beauty evolve dynamically, Milbon works to understand the forces at work and respond. Although nations may differ, what remains constant is our use of products, technology, and education to pursue and achieve personalized ideals of beauty.

As Milbon continues to grow, we remain committed to help address societal challenges, achieve consistent growth, and build relationships of trust—with the goal of being the world's number 1 professional haircare company.

Ryuji Sato

President and CEO

Milbon is in a never-ending process of self-renewal.

Milbon always strives to be more competitive.

As part of that effort, we have entered into a business partnership with the major cosmetics firm KOSÉ. We expect to transform the market through the synergy that is generated when we combine our complementary strengths in cosmetics and hair care products. We are also developing a new business structure suited to the current age of digital communication, launching an official Milbon e-commerce website specializing in sales to hair salons to

help them improve their productivity and competitiveness. I view Milbon simultaneously as an economic entity geared to maximize profit and as a community of stakeholders working together to contribute social value. Like a biological organism, Milbon is always in a process of self-renewal, changing with the times, the social climate, and the people who make up our community. Together with all of our stakeholders, we invite you to join us as we work to create a new hair care industry.



MILBON

As Milbon has broadened its markets, our products are formulated to enhance the beauty of all types and colors of hair. We collected hair samples from people from 20 countries worldwide and used our own CAT imaging technology to thoroughly analyze the internal structure of the hair. The three-dimensional images of the hair shaft showed narrow stick-shaped internal voids, and found them to be a phenomenon common throughout damaged hair. In our signature lines, products are infused with SSVR-Silk, a highly effective ingredient to repair this damage.



SOPHISTONE

SOPHISTONE is a new hair color line specifically designed to meet the demands of a diverse global market. Using advanced technologies and conditioning formulas, the collection imparts captivating colors with a reflective shine. Sales have begun in the United States, and are scheduled to expand into Europe.

The desire to be beautiful is universal.

Milbon continues to take on challenges in the global market.

Our goal is to be the number 1 professional haircare company in the world, through our salon-support activities that focus on high-quality education in the field.

With locations in 14 countries, including our factory in Thailand, we are rapidly increasing our global presence and enriching societies by helping people find their unique beauty. As we enter new markets, it is our interim goal to be the number 1 professional haircare company in Asia, and fifth ranked in the world.



Asian region

Asia

ORDEVE, a hair color line that creates a beautiful finish, has been highly successful in this market. Moving forward, we will strengthen our support of hair salons by educating and developing local employees, while fostering new perspectives on beauty. We also plan to improve inventory management as we enter new markets in the region.



The United States

Our initial rollout of the new SOPHISTONE line for Europe and the United States began in trendsetting New York and Los Angeles. Moving forward, we plan to build a sales network across the entire United States.



The European region

Europe

Centering on target salons with a powerful influence on other salons, we have earned high recognition for our unique salon-to-home treatment system, which is still new to European salons. Beginning with Düsseldorf as the hub, we plan to carry out a phased expansion that encompasses each major city in Germany. Our future goal is to expand throughout the European Union.



The Field Person System centering on educational activities to help salons resolve a wide range of challenges

Hair salons face a wide range of challenges, including staff professional development, as well as administrative and personnel management. The Field Person System is a sales structure unique to Milbon, in which we work closely with each individual hair salon to help address challenges. Together with our distributors, our Field Marketing Sales (FMS) personnel help identify the issues that salons face, while our Field Salon Educators (FSE) and Field Cosmetics Educators (FCE) provide technical support.



A representative (Field Person) with hair care expertise provides training in the latest techniques.

The TAC Product Development System: Combining the sensibilities of leading hair stylists with Milbon science

Leading hair stylists work with customers' hair in the salon every day, developing keen sensibilities that give rise to sophisticated styling techniques. At Milbon, we scientifically analyze and hone those techniques, and apply them to product development. This enables us to share techniques that were previously limited to a few professionals across a broad range of salons. Combining sensibility and science, Milbon develops the highest quality, one-of-a-kind products. Our goal is for all customers to experience consistently superior results and the joy they bring.



We study various techniques from multiple perspectives in our product development.

Field Person System

FP Headquarters, Field Marketing Sales **Hideaki Tamura**

Interview

01

Listening attentively to hair salon professionals about their concerns, and finding solutions together



Resolving issues faced by distributors and hair salons is ultimately all about the customer.

With education at its core, the Field Person System embodies Milbon's unique approach to sales. In addition to offering superior quality products, we provide education through which salons benefit from learning advanced techniques. With our distributors, our Field Marketing Sales (FMS) representatives visit salons to help identify the issues they face. Our Field Salon Educators (FSE) specializing in hair care and Field Cosmetics Educators (FCE) provide training in the latest techniques. Together they all comprise our powerful Field Person System.

I work in FMS for the Aoyama-Harajuku area, which covers approximately 250 hair salons. Together with the sales representative, I work to identify the challenges that hair salons face. For example, we might analyze the difficulties encountered by a particular hair salon that hopes to expand its business, and find that they have few customers who color their hair. Our educational session teaches product



knowledge, coloring techniques, and consultation skills. And we would help them develop a color service menu. I think our ability to recommend a wide range of solutions is among Milbon's many strengths.

Recently, my team has noted many opportunities for improvement regarding personnel education in our area. We became aware that stylists new to the floor were struggling with sales. I consulted with the FSE, who then visited the salon to observe customer service. The FSE made individualized recommendations tailored to the strengths of each stylist and the customers they serve. Within three months, we had significant results, and the salon owner asked us to evaluate other salons he owned. By continuing to listen attentively to resolve the issues confronting distributors and hair salons, I hope to further elevate the quality of hair care available in the Aoyama-Harajuku area. If doing so ultimately helps the salons' customers be and feel more beautiful, I will be delighted.



Field Cosmetics Educator

Creating beauty that makes an impact every day with iMPREA, the result of our first collaborative project with KOSÉ

Milbon and KOSÉ bring many years of accumulated knowledge, experience and technology to the table in the creation of iMPREA—a new skincare product line that helps people attain their greatest personal beauty.

Stylists who understand their customers best can recommend hairstyles that best enhance their beauty. Rather than stop there, we take it one step further by offering personal recommendations about skincare, so that each customer can radiate

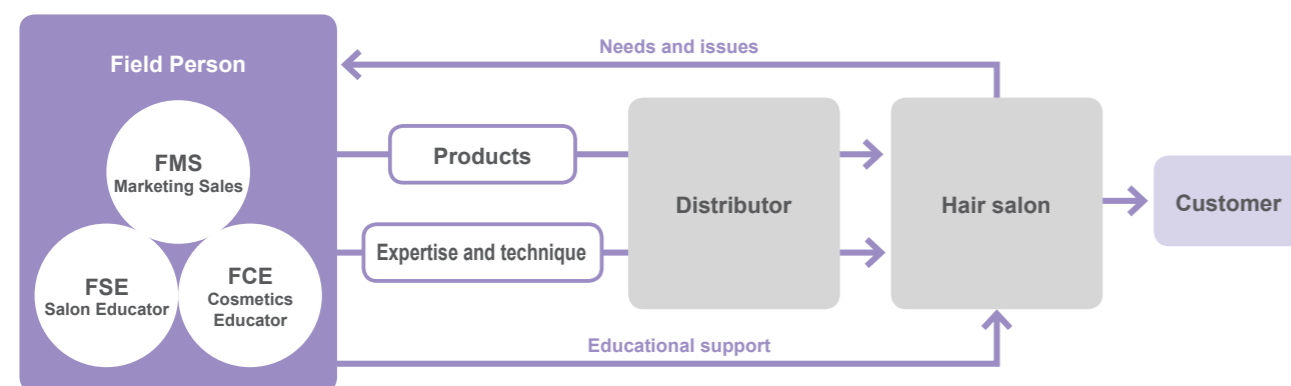
their best self.

It makes me happy when I hear from customers about wanting to brighten their hair color because their complexion has improved. While creating a new market is no simple task, I want to engage in activities together with stylists every day as we work to help a new beauty culture take root, in which buying cosmetics at the hair salon becomes the norm.



FP Headquarters, Yumi Mikuriya

Business Model 01: The Field Person System



TAC Product Development System

Research and Development Department, Akane Uchida

Interview

02

Combining sensibility and science to develop one-of-a-kind products



Adapting the techniques of leading stylists for use in hair salons nationwide

At Milbon, approximately 80 percent of our products have been created through the TAC Product Development System. As a manufacturer, we don't just make things we want to sell. We create products that are needed in the market, and that reflect the aesthetics and spirit of the times. We develop our products in close collaboration with hair stylists, who best understand what their customers are feeling on a given occasion. This is the product development process that Milbon has continually pursued for more than 30 years.

For the ORDEVE color line, we release two new colors each year, in spring/summer and fall/winter. Subtle changes in hair color can affect the skin's appearance. Fine tuning the interplay between hair color and complexion can require delicate adjustments of the formula.

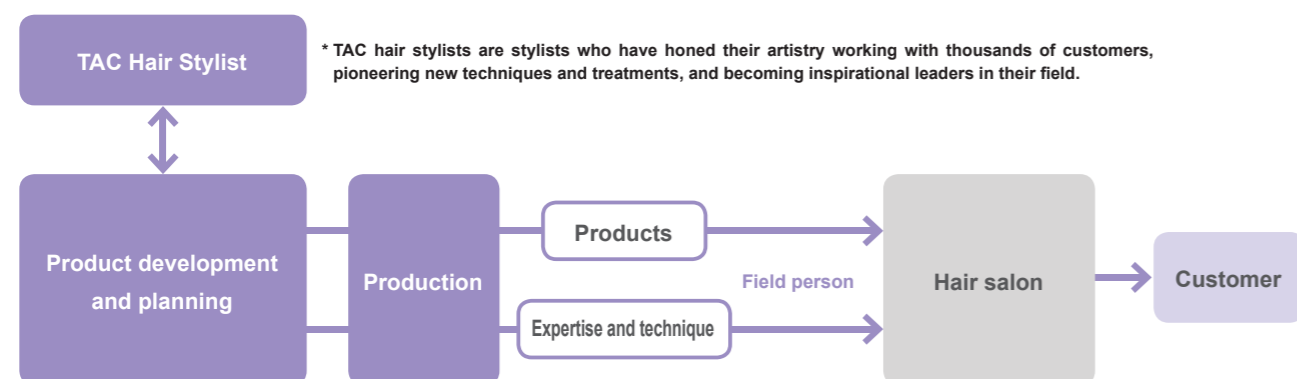


The TAC hair stylists working with me on ORDEVE new color development have outstanding technical expertise. They are able to make recommendations for hair color that is informed by an awareness of color's effect on how their customers feel and how they want to be seen.

In our new color development process, we first seek out the core new color concept that the TAC hair stylists identified from their day-to-day salon work. Milbon research and development then uses an iterative process to create a product with the appropriate characteristics. If we were to convert the TAC hair stylist's requirements directly into products, they would be too specific. So, Milbon generalizes the needs and desires of the TAC hair stylists to develop new products that achieve effects suitable for a wide variety of hair salons and customers. My goal is that through this process customers will find the hair color that truly suits them.



Business Model 02: The Product Development System



TAC Hair Stylist

Creating new hair color products that support close, lifelong customer relationships

Since the salon's founding, we have worked to perfect techniques to achieve excellent gray coverage. After gaining a wide following, I was approached by Milbon to work together to create new hair color products based on my recommendations. I helped develop neutral formulas without any red that have thorough gray

coverage, which had proved challenging. It was well worth the effort when we developed the ORDEVE Seedil line, which allows stylists nationwide to offer lifelong salon color recommendations. In particular, Seedil is suitable for at-home use, helping busy people easily maintain their beauty.



Ken Sakaue, Dreap

SEMINARS

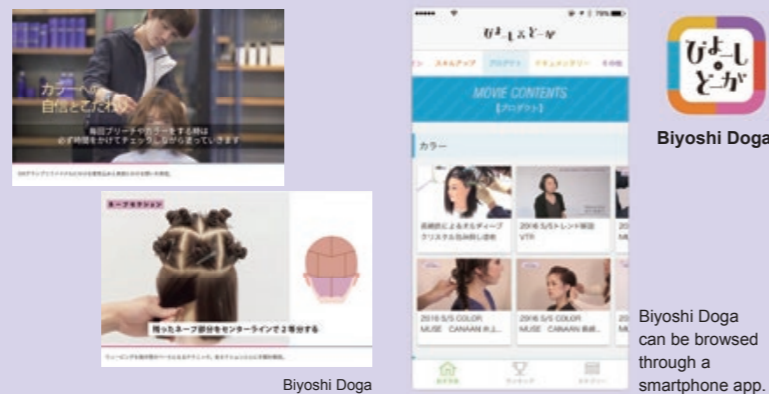


Learning high-level techniques and leading-edge knowledge at Milbon studios worldwide

Education-centered hair salon support is at the heart of Milbon's business model. In addition to in-salon education and on-demand video tutorials, we hold a variety of seminars at our training facilities. To help stylists maintain a lifelong career in the field, we offer a wide range of programs designed to teach advanced techniques, design concepts, and consultation skills that expand service offerings. We also offer professional development courses for stylists and business courses for owners and managers.

Educational system using video content

Biyoshi Doga programming offers hair stylists information on the latest trends in the hair care industry and instruction on how to elevate their techniques using Milbon products. As we respond to changes in the salon educational environment, we expect to expand our video offerings beyond the 200 titles currently available. We are putting effort into creating a new educational system that combines seminars and digital content, through which we aim to make beauty education both more effective and less time consuming.



EVENTS



Inspiring creativity and improving design ability

Milbon holds Design Abilities (DA) educational events developed to elevate stylists' design capabilities. The DA Photoworks photo contest, which hones individuality and creativity through photography, receives entries from across Asia. DA Inspire Live holds live contests in eight locations in Japan and four overseas. We also hold the DA Awards, where finalists from each region compete to receive the Gran Prix. This is a closely watched event in the industry, in which competition encourages stylists to be more creative. Through our DA branding effort, hair stylists worldwide can aspire to participate in this competition.





**Science & Sensibility:
Scientific rigor inspired by artistry
and innovation**

Since its founding, Milbon has specialized in products for salon professionals. What has made our products their preferred choice is stellar performance, backed by our evidence-based research and development process.

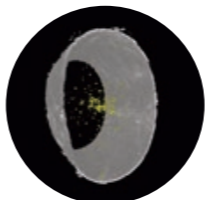
Our researchers don't only look into the structure and physical properties of hair itself. They conduct advanced research into what happens within hair when it is damaged. We also study how different styling techniques can produce different final results, even when the same styling products are used. As a leading hair care company, we focus our research efforts exclusively on the hair and scalp, ensuring our products are based on the most advanced research in the field.



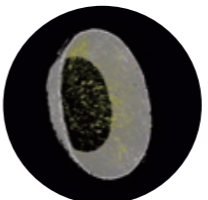
Central Research Laboratory

In the Japanese culture, hair has long been a focus of beauty. As a Japanese company, we bring our deep appreciation for the beauty of hair to the global market. Our mission is to marry scientific rigor with the ineffable feelings evoked by beauty—to create a perfect union of science and sensibility as the foundation of our goal to be the world's number 1 professional haircare company.

CAT imaging results for damaged hair



Hair aged between 20 and 29, magnified



Hair aged between 50 and 59, magnified

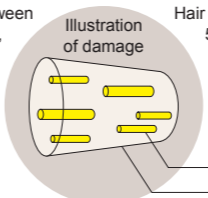


Illustration of damage

Stick-shaped voids
Hair strand

Observational technology

Common phenomena seen in damaged hair worldwide

A hair strand is a slender structure with a diameter of 0.08 millimeters. For the first time, Milbon collected hair samples from people from 20 countries worldwide and subjected them to CAT imaging. The three-dimensional images of the hair showed narrow stick-shaped internal voids, and found them to be a phenomenon common throughout damaged hair. Seeing that the voids increased from the hair root to its end, we discovered this to be a cause of split ends and dry hair.

Scalp flora research

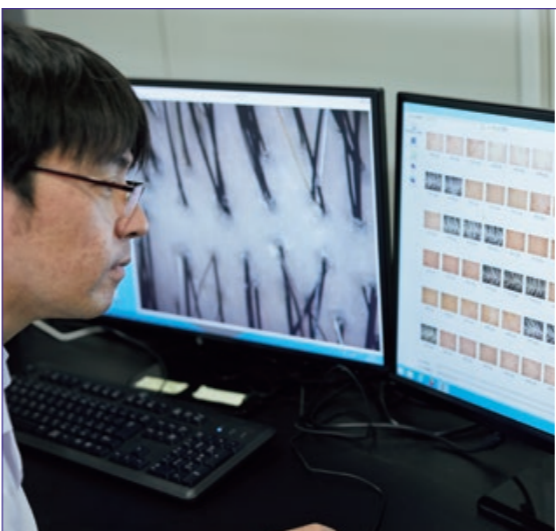
Discovery of a naturally occurring bacterium that contributes to hair loss and graying hair



A variety of bacteria normally live on the scalp, and the balance of this bacteria is known at Milbon as scalp flora. Milbon discovered that people with chronic scalp inflammation had excessively elevated levels of a bacterium called corynebacterium among their scalp flora. Continuing chronic inflammation results in hair loss, thinning hair strands, and more gray hair. This was the first time that evidence had clarified the connection between these phenomena and scalp flora balance.

Big data collection

Collecting big data on hair and scalp



In order to advance knowledge in the field of hair care products, Milbon collected hair and scalp data from approximately 3,000 women ranging in age from their 20s to their 70s. We also conducted tracking studies, collecting data from the same women over time. Scalp and hair analysis demonstrated how the condition of the scalp affects the sheen and color of hair. Milbon received the top prize at the main conference of the International Federation of Societies of Cosmetic Chemists (IFSCC) for our technology for forecasting the future state of a hair strand from a single microscopic image.



To meet the highest professional standards, we engage in thorough quality control.

In order to deliver safe, reliable products, Milbon complies with GMP international standards specified by the World Health Organization (WHO) for pharmaceutical product manufacturing quality management. Thorough quality control enables both our Yumegaoka Plant in Japan and our factory in Thailand to consistently produce the highest quality products.

At the Yumegaoka Plant, efficient automation enables us to deliver the precise quantities of products that satisfy market needs, which is typically multi-product, variable-lot production of 2,000 units.

The goal of Milbon's production department is to get as close as possible to the complete elimination of every kind of error. Our manufacturing lines are fitted with cameras and sensors as part of a quality-check system that includes



Yumegaoka Plant

detailed attention to production operations.

Before the product is placed in its container, we test the content for pH level and analyze the effective ingredients. Visual inspections include checks to confirm correct container fill volumes and labeling, as well as confirmation that products are free of any visible damage. In addition, an evaluation office within the plant performs sensory evaluations, and only products that pass are supplied to the market.



Sensory evaluations

Examining the feel, texture, and performance of products

At Milbon, our products are created through the TAC Product Development System. Meeting the high expectations of our TAC hair stylists is no simple matter. These stylists have each worked with thousands of customers, becoming inspirational leaders in their field. This is why our evaluation office staff, who share the sensibilities of our TAC hair stylists, use the products to get a feel for their tactile qualities, lathering performance, etc. To maintain thorough quality assurance, routinely executed sensory evaluations serve as a final checkpoint for Milbon.



ECO

Environmentally friendly factories in harmony with local surroundings

At Milbon, we take our commitment to protect the environment seriously. At our production headquarters, we have established an environmental policy to support our efforts at environmental preservation. We use a disposal system in which factory wastewater is bacterially decomposed and purified. Harmful gases are completely disposed of, and ammonia gas within the factory is collected and neutralized. We also actively engage in energy conservation, including installation of equipment for chilled water thermal storage, solar and wind power generation, and other ecologically sound operations. We will continue to do all that we can to preserve a healthy environment.

A work environment that's inclusive and pleasant

Creating a workplace with meaningful challenges and responsibilities for employees with disabilities

For 30 years, Milbon has employed people with disabilities. Currently, approximately 50 people are working on two packing and packaging lines at the Yumegaoka Plant in Mie Prefecture. We intend to continually maintain an inclusive and welcoming work environment in which people with disabilities can enjoy the satisfaction of meaningful work.



01

Premium Brands

Premium brands designed for people with diverse, modern lifestyles



HAIR CARE

MILBON

Logo: Milbon

Milbon's global brand is a product line formulated to enhance the beauty of all types and colors of hair. Created through a perfect union of sensibility and science, this line expertly serves the needs of the global market.

Through our research, the nano-level analysis of hair strands has discovered stick-shaped voids in the hair shaft—a phenomenon common to damaged hair worldwide. This line of products is infused with SSVR-Silk, a highly effective ingredient to repair damaged hair.



HAIR CARE

Aujua

Logo: Aujua

Throughout one's lifetime, hair can go through many changes, requiring different kinds of hair care. The wide range of products in this line are designed to allow highly knowledgeable stylists to customize product choices for each customer's individual hair and scalp care needs.



HAIR CARE and HAIR COLOR



PROFESSIONAL

Logo: Villa Lodola

Authentic beauty the organic way—that's the Villa Lodola concept. This professional organic line of products nurtures the scalp with ingredients harvested from the rich Italian earth. All products in this line are certified organic by the ICEA, Europe's organic certification institute.

02 Professional Brands

Professional brands that address generational differences in beauty



03 Technical brands

High-performance brands developed especially for hair stylists' professional use in salons



HAIR CARE

CRONNA

A Logo: CRONNA

For people on the go, the CRONNA anti-aging line of products helps to maintain color so hair always looks fresh and shiny. Ingredients such as naturally derived charcoal and honey deliver visible results that garner compliments, without requiring changes in one's hair care routine.

jemile fran

B Logo: Jemile Fran

Jemile Fran is a hair care and styling brand created with active, youthful people in mind. While the hair care products are designed to deliver beautiful hair just by shampooing, styling products will help to quickly transform one's look.

Elujuda

C Logo: Elujuda

The Elujuda line of leave-in treatments imparts a salon-like finish that makes hair easy to style.

HAIR COLOR

ORDEVE

The Professional Haircolor
Logo: ORDEVE

ORDEVE is a professional hair color line designed to deliver a flawless finish. We know there are as many forms of self-expression as there are customers. ORDEVE custom-mixed color achieves the highly refined, carefully calibrated look that reflects each customer's unique self-image.

PERM

NeoLiscio

Straightening for style versatility
Logo: NeoLiscio

NeoLiscio is a line of hair straightening solutions designed to allow clients to achieve natural looking, smooth hair that can be freely styled. The line's unique, anti-heat protective mechanism was discovered from our nano-level research into hair proteins, resulting in hair that is soft and easy to work with.

Milbon's History

Milbon was established in 1960, specializing in the manufacture of professional hair care products. From its founding, Milbon has embraced a unique strategy that incorporates the hair stylist's perspective in product development. Education is one of our strengths in establishing and maintaining close relationships with hair salons. We help them succeed through training their personnel for the continually evolving hair care industry. In 2017, Milbon formed a joint venture with KOSÉ Corporation. This partnership enables hair salons to also offer skincare to their clients, providing them with a complete beauty experience.

