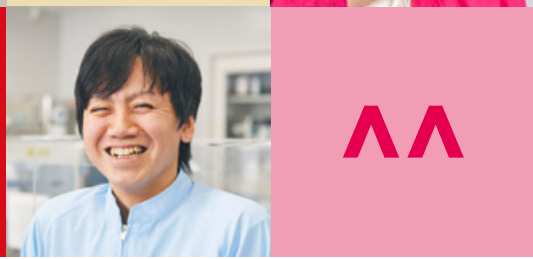
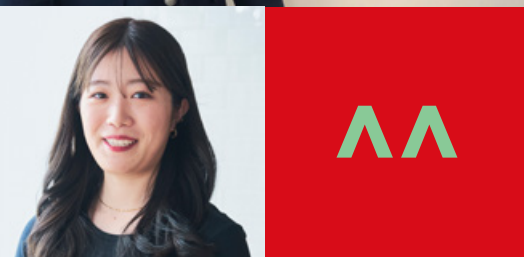
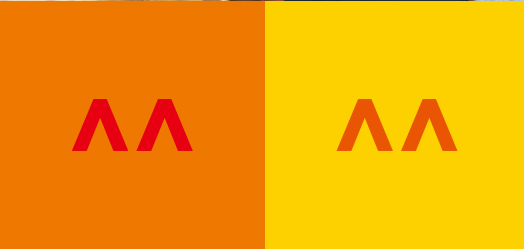




**BE ANYTHING,
BE EVERYTHING.**



mandom



What solutions can cosmetics provide for social issues?

Mandom Corporate Slogan

なりたい自分に、全部なろう。
BE ANYTHING, BE EVERYTHING.

The products and services we provide are neither social infrastructure, nor food, nor pharmaceuticals. In other words, they are not directly essential to people's survival.

Even so, we recognize that people all over the world share a desire to live each day true to themselves, confidently, and filled with positivity.

Cosmetics are an item that can fulfill such desires. Cosmetics offer empathy and understanding to consumers' moods in any ordinary day, as well as give them confidence and vitality. Through cosmetics, we believe we can demonstrate "Dedication to Service (Oyakudachi)" to support consumers all around the world.



Mandom Logo



Why "human-oriented"?

The two unique human abilities, imagination, and creativity, are the key for the future.

Our cosmetics and related services are intended to appeal one's own beauty and coolness and to give oneself confidence to appear in front of others. In this sense, we are an industry with a strong cultural element that requires aesthetic sensitivity, emotional sensibility, and a discerning eye.

That is why Mandom believes in the importance of being compassionate to people's emotions, imagining happy people (imagination), and creating value that is useful to people (creativity), which are all values that are unique to humans and cannot be replicated by AI or robots.

We aspire to be a "human-oriented" company where employees unleash these two abilities to the fullest to bring discovery and inspiration to consumers in the realm of "Health, Cleanliness, Beauty and Fun" and provide new value that resonates with them.



FY2023 Ceremony for New Employees

BE ANYTHING, BE EVERYTHING.

New employees attended the ceremony in clothing that expressed who they want to be

mandom ^^



Contents

About Mandom

- From the Past to the Present Mandom—
- 04 Mission Framework
- 06 Dedication to Service (Oyakudachi) for Consumers Continuing Constantly Since Founding
- 08 Mandom Group Business Areas and Business Highlights for the Fiscal Year Ended March 31, 2023
- 10 Brands of the Mandom Group

Value Creation Story

- From the Present to the Future Mandom—
- 12 Top Message
- 18 Mandom Group’s Human-Oriented Value Creation Model
- 20 Co-creation and Dialogue with Each Stakeholder
- 22 Materiality and Sustainability Strategy of the Mandom Group

Strengths and Initiatives to Help Materiality

- From the Present to the Future Mandom—
- 26 Strengths and initiatives to help “Creating an easy-to-start grooming culture”
- 28 <Feature> Only One Marketing Topics “LÚCIDO-L”
- 31 Strengths and initiatives to help “Expanding Dedication to Service (Oyakudachi) to a diversity of consumers”
- 34 Strengths and initiatives to help “Realizing mutual growth of employees and the company”
- 36 <Feature> The Mandom Group’s Human Capital Management Initiatives
- 39 Strengths and initiatives to help “Actions for sustainable global environment”
- 45 Strengths and initiatives to help “Sustainable procurement of raw materials”
- 48 Strengths and initiatives to help “Maintaining/enhancing the corporate base”
- 51 Corporate Governance
- 58 Introduction of Officers
- 60 Compliance

Middle-Range Planning

- 62 13th Middle-Range Planning “MP-13” and positioning of “VISION2027”
- 64 Look Back at Previous Middle-Range Planning
- 65 Outline of “MP-13 (April 2021 through March 2024)”
- 66 Look Back on the Fiscal Year Ended March 31, 2023
- 68 Financial Strategy
- 70 Middle-Range Planning Topics “Promotion of Digital Transformation of the Mandom Group”

Performance for the Fiscal Year Ended March 31, 2022

- 72 Analyses of Management and Finances
- 74 Financial and Non-financial Highlights
- 76 11-Year Consolidated Financial and Non-financial Highlights
- 78 Consolidated Financial Statements

Company Information

- 84 Mandom Group Detailed History
- 86 Mandom Group Companies
- 87 Company Outline / Stock and Shareholder Information

Editorial Policy

The Mandom Group has been publishing the Mandom Report (integrated report) since 2018 to help our stakeholders understand our medium- to long-term efforts at value creation. Mandom Report also integrates the previously separate KohDoh Report (CSR report). This has been done as part of our work on providing integrated information as a company and to enhance the non-financial information we provide. When editing this report, we put together a brief summary focused on information that is highly important for improving Mandom’s corporate value while referring to the “Guidance for Collaborative Value Creation” released by the Ministry of Economy, Trade and Industry and other resources.

Visit our website for more detailed information.

- IR Information: <https://www.mandom.co.jp/en/ir/>
- CSR Information: <https://www.mandom.co.jp/en/csr/>

Report Coverage: Mandom Corporation and its affiliated companies both inside and outside Japan
 Note: For details, please see p. 86 “Mandom Group Companies.”

Reporting Period: FY2022 (ended March 31, 2023)

- Mandom and Group companies in Japan: April 1, 2022-March 31, 2023
- Overseas Group companies: January 1, 2022-December 31, 2022

Note: To the extent it is possible, the latest information at the time this report was written is included.

Reference Guidelines

- “International <IR> Framework”
- “Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation” released by the Ministry of Economy, Trade, and Industry
- “ISO 26000:2010—Guidance on Social Responsibility” edited by Japanese Standards Association
- “Environmental Reporting Guidelines (2018 Version)” released by Ministry of the Environment, Japan
- “GRI Standards” released by GRI (Global Reporting Initiative)

Regarding Forward-Looking Statements

This annual report contains forward-looking statements concerning Mandom’s current plans, strategies, beliefs and performance. These forward-looking statements include statements other than those based on historical facts and represent the assumptions and beliefs of management based on information currently available. Mandom therefore wishes to caution readers that actual results may differ materially from expectations, and that forward-looking statements are subject to a number of foreseen and unforeseen risks and uncertainties. All amounts have been rounded down to the nearest whole unit.



MISSION Framework



MANDOM MISSION

Human to Human

Mandom is a "human-oriented" company. Guided by our original concepts of Health, Cleanliness & Beauty, we reach boldly beyond the norm to bring wonder and inspiration to people's everyday lives.

MANDOM PRINCIPLES

Consumer-led Lifestyle Value Creation
 Challenge, Change, Innovation
 Active Employee Engagement
 Social Responsibility & Sustainability
 Human Assets

MANDOM SPIRIT

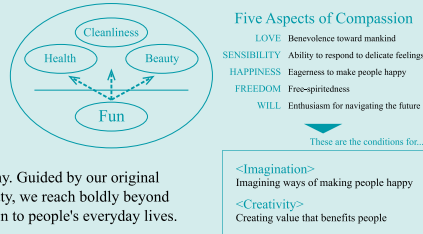
Dedication to Service (Oyakudachi)
 Respect for Humanity
 Freedom & Open-Mindedness

MANDOM MISSION

The MANDOM MISSION presents the reason for Mandom's existence and defines its commitment to society.

MISSION Slogan Human to Human

MISSION Statement Mandom is a "human-oriented" company. Guided by our original concepts of Health, Cleanliness & Beauty, we reach boldly beyond the norm to bring wonder and inspiration to people's everyday lives.



Health, Cleanliness & Beauty (our domain)

The concepts of Health, Cleanliness, Beauty and Fun provide the basis for Mandom's unique business concept. We position Health, Cleanliness & Beauty as elements of the fundamental concept of Fun to remind ourselves to adopt a playful and lighthearted approach to business in this domain.

Reaching boldly beyond the norm (our style)

"Reaching beyond the norm" is not synonymous with selfishness. It means thinking and working out of the box and defying convention. "Boldly" does not suggest thinking and acting in a freewheeling manner. It expresses our determination to take up challenges and face hardships squarely.

Bringing wonder and inspiration to people's everyday lives (our value)

People around the world tend to follow the same routines day after day. In pursuit of more fulfilling lives, we create "something new" and "something different" to bring wonder and lift their spirits and fill their hearts with joy to bring inspiration.

"Human-oriented" (our stance)

However fast and far science may advance, the qualities of Compassion, Imagination and Creativity remain undeniably human. These qualities provide the basis for our "Five Aspects of Compassion," without which no one can acquire the imagination to envision ways of pleasing people and bringing them happiness or the creativity to generate value that provides true benefits. Mandom is committed to offering value by adopting a "human-oriented" approach out of respect for human sensibilities and creativity.

MANDOM PRINCIPLES

The MANDOM PRINCIPLES are a code of conduct that is followed by all Mandom personnel at all times.

Consumer-led Lifestyle Value Creation

We are committed to perceiving consumer wants and offering solutions, and to encouraging consumers to embrace wonder and inspiration in their everyday lives. Achieving this requires that all of our business activities begin and end with consumers in mind. We consequently maintain our focus on consumers at all times, and think and act ingeniously in the awareness that we, too, are consumers.

Challenge, Change, Innovation

We exercise courage and think and act ingeniously in an ongoing "Challenge" to the unknown and difficult tasks. These efforts lead to "Change" in existing systems and processes, freeing us to pursue appropriate actions to become the company we want to be in the future. This means continuing the "Innovation" that creates novel value for our stakeholders and the world.

Active Employee Engagement

Active Employee Engagement means that all the "Human Assets" comprising our diverse and multi-talented workforce are aligned toward a common goal, and that every one of us unflinchingly performs our assigned roles. We respect and collaborate with each other to realize the overall capabilities of our organization.

Social Responsibility & Sustainability

Our social responsibility extends beyond coexistence with society. We pay serious attention to the views and ideas of people from all walks of life and initiate dialogues with them in recognition of and respect for the diversified values and lifestyles of all members of society. We aim to create a better, more sustainable society by addressing social issues from a global perspective and by working out solutions with our stakeholders through our core businesses.

Human Assets

We regard our colleagues as "Human Assets" and work with them to shape the Company's future in a relationship of mutual respect. As business people, we think and act ingeniously to make meaningful contributions to society.

MANDOM SPIRIT

The MANDOM SPIRIT constitutes the bedrock of Mandom's foundation that is handed down through the generations.

Dedication to Service (Oyakudachi)

Dedication to Service refers to our spirit of "bringing happiness to customers and suppliers through our ingenuity; receiving profits in return; and passing them on to our stakeholders."

In the past, cosmetic products were extremely expensive. We were passionate about sharing the fun and happiness of using cosmetic products with more people in their daily routines. That is why we launched Tancho Tique to embody our unique concept of "Value for Money." Much more than an economic concept of offering quality products at affordable prices, this concept represents the true meaning of Dedication to Service presented above.

Respect for Humanity

Respect for Humanity means a spirit of love and trust for each other and of concern and caring for others.

Compassion for our employees and attentiveness to their needs have been part of the Mandom tradition since the onset. We determine our expectations and encourage our employees to exercise ingenuity in word and action to fulfill them. We are fully aware that human resources development is an integral part of organizational growth. This spirit is handed down through generations and across the world.

Freedom & Open-Mindedness

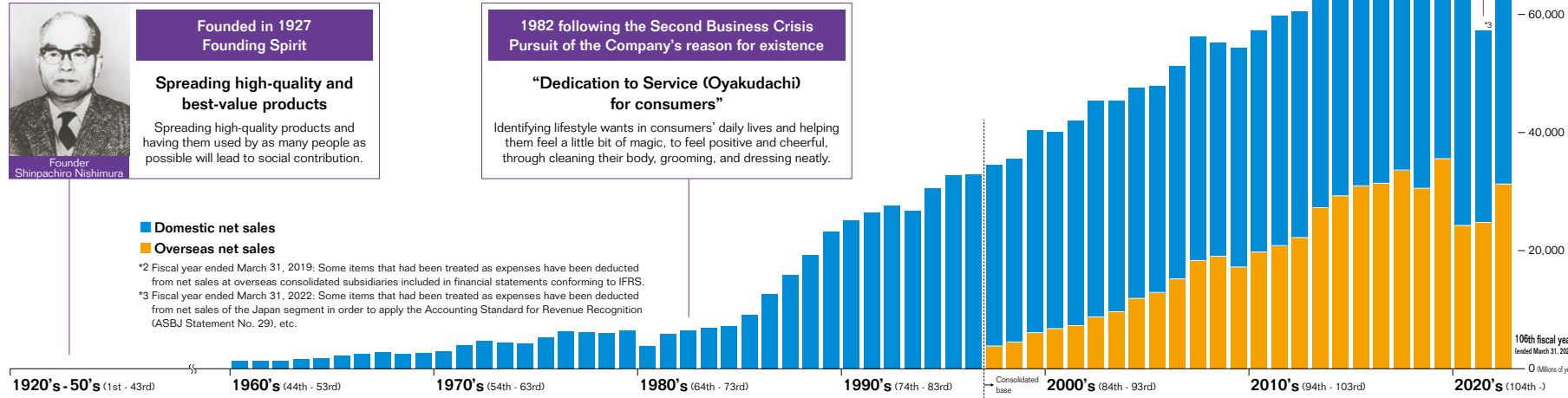
Freedom & Open-Mindedness represents the spirit of our open corporate culture which, unbound by hierarchy, encourages employees to act on their own initiative and express their thoughts without inhibition.

Marketing campaigns conducted following the launch of our "Mandom Series" of products in 1970 challenged the industry status quo and exerted a phenomenal impact on Japanese society. We believe it is important to make continuous efforts of this kind to create new value on a daily basis. Such efforts require an intellectually charged forum of exchange arising from our spirit of Freedom & Open-Mindedness.

Dedication to Service (Oyakudachi) for Consumers Continuing Constantly Since Founding

Shinpachiro Nishimura, the founder, believed that spreading cosmetics would serve society as Dedication to Service (Oyakudachi) under the principle of "high-quality and best-value products". Since then, the Company has believed that Dedication to Services (Oyakudachi) for consumers through cosmetics is its reason for existence, and expanded Dedication to Service (Oyakudachi) in terms of quantity (sales) in Japan and Asia through Only One Marketing from the perspective of Consumer-led Lifestyle Value Creation, and the creation of new markets that propose new grooming behaviors.

*1 To provide consumers with products of unique quality and value at an appropriate price, and to obtain profit by the spread of the products, thereby maintaining social significance.



What the Company aspires to be in 2027, the 100th anniversary of its founding

VISION 2027

→ P.62

1927 Established Kintsuru Perfume Corporation



1933 Launched Tancho Tique



Overseas Business

1958 Commenced operations at technical tie-up in the Philippines



1960's First Business Crisis

Alcohol-based liquid hair styling products came to market
Performance of the Company was sluggish due to being unable to respond to changes in consumer wants as a result of not letting go of the success of tique and pomade

1970 Launched the Mandom Series



1969 Established a joint venture in Indonesia



1980 Second Business Crisis

Transitioned to a direct sales structure in 1978, but with ballooning costs, things came to a standstill in two years, and eventually the decision was made to return to sales through distributors.
The crisis left a long-standing impact, particularly with respect to having to reduce personnel.

1982 Commenced the first MP

Developed Mandom terminology such as "Oyakudachi (Dedication to Service)" and "Seikatsusha (Consumers)."

Strengthened Overseas Developments

1988 Singapore	1990 Thailand	1993 Hong Kong	1997 Malaysia	2008 China	2015 Vietnam
1989 Taiwan	1992 The Philippines	1996 China	1999 South Korea	2012 India	

→ P.31

Created a market and expanded results by offering new grooming options

1985
Commenced the first over-the-counter sales of GATSBY hair foam for men

1996
Launched GATSBY facial cleansing paper
Introduced a new way of grooming

2006
Launched GATSBY Moving Rubber, which became a signature series in the men's styling market

1994
Launched men's hair styling product GATSBY Water Gloss in Indonesia
Expanded product line for various sizes; became widely known, primarily for the sachet-size version

2011
Launched Bifesta, a cosmetics brand for women
Full-scale introduction to the skin care market

Commenced full-scale renewal of LÚCIDO as an aging care brand and developed the middle-aged men's market

2014
Launched LÚCIDO-L Oil Treatment series

1995
Launched women's cosmetic item Pixy Two Way Cake in Indonesia

Acquired Assets (Mandom's Six Strengths)

Only One Marketing
Knowledge in Men's Cosmetics Field

Overseas Expansion Focused on Asia

"Unique Research" and "Reliable Technology"

Production System with Three Manufacturing Bases

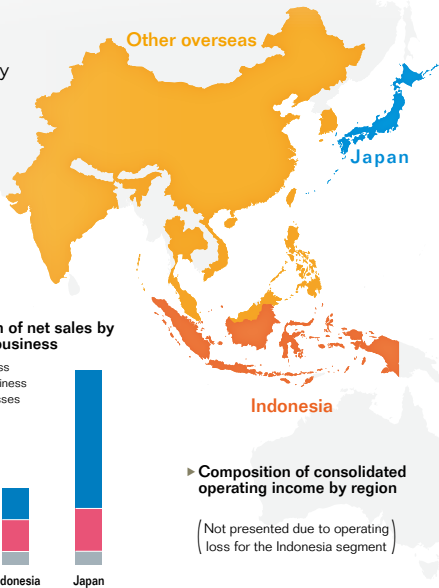
Highly-Engaged Human Resources (Employees)

→ P.34~

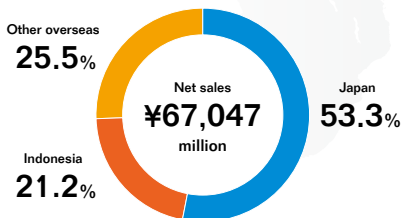
Mandom Group Business Areas and Business Highlights for the Fiscal Year Ended March 31, 2023

The Mandom Group is developing its global operations, particularly in Asia. The Group segments its operations into three regions: Japan, Indonesia and Other overseas.

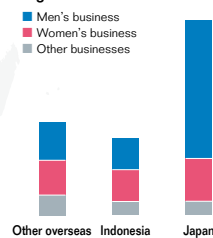
We create and invigorate markets by responding meticulously to conditions in each area and to such characteristics as consumer preferences, lifestyles and purchasing power.



Composition of consolidated net sales by region



Composition of net sales by region and business



Composition of consolidated operating income by region

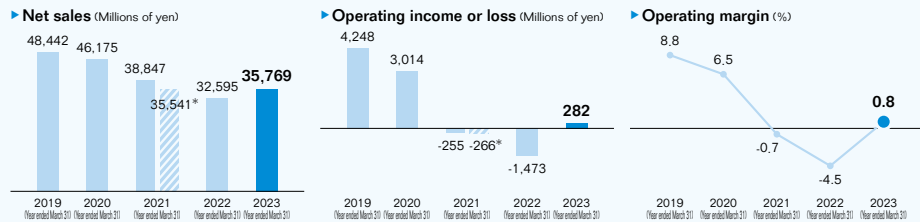
(Not presented due to operating loss for the Indonesia segment)

Note: All figures are for the fiscal year ended March 31, 2023

Japan

Our core sales region, constituting more than half of the Mandom Group's net sales

Net sales, year on year **9.7%**
Average growth rate, past five years **-6.2%**



* If calculated using the same criteria as the fiscal year ended March 31, 2022

<Men's business>

Our mainstay brand "GATSBY" saw an increase in sales of body cleansing wipes, deodorant sprays, etc., which are summer season products, due to the unusually hot weather at the end of June 2022, in addition to the decline in COVID-19 infections resulting in a recovery of the flow of people. In February 2023, we launched "Meta Rubber," a new line of styling products tailored to the tastes of today's young men. Combining an affordable price range and high functionality, this product is in line with the current demand for cost- and time-effectiveness and is expected to increase its sales.



"GATSBY Meta Rubber"

<Women's business>

The cleansing and facial wash brand "Bifesta" also saw an improvement in performance due to a rise in opportunities to go out and put on makeup. The brand's new products, such as Cleansing Balm and Clay Face Mask, contributed to the increase in sales. The hair care brand "LUCIDO-L" launched the "Hair Damage Repair Treatment" in August 2022. The series has garnered fans for making hair quality improvement treatments available at home and at affordable prices, when such treatments are typically costly at salons, and more stores sold the products than anticipated.

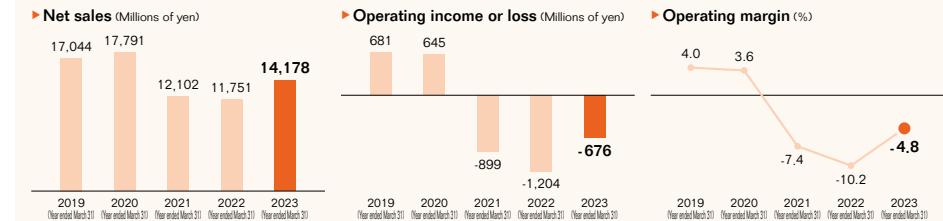


"LUCIDO-L #Hair Damage Repair Treatment"

Indonesia

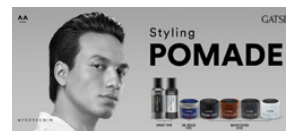
The largest overseas business area and growth leader for the Mandom Group

Net sales, year on year **20.7%**
Average growth rate, past five years **-4.5%**



<Men's business>

Our mainstay brand "GATSBY" is recording a growth in sales with the aggressive launch of new products in response to the recovery of consumers' purchasing appetite since the impact of COVID-19 subsided. In our mainstay category of hair styling, we launched pomade, water gloss, and hair cream products in sachet sizes. For fragrances, we launched "Eau de Blue" and other products in bottles that would be popular in the local market.



"GATSBY Pomade Series"

<Women's business>

Our makeup brand "Pixy" saw a significant rise in sales following the renewal of the foundation "Two Way Cake," a mainstay product, and the airing of TV commercials. Our fragrance brand "Pucelle" has successfully captured the increase in demand due to more opportunities to go out, and new products were steadily introduced.

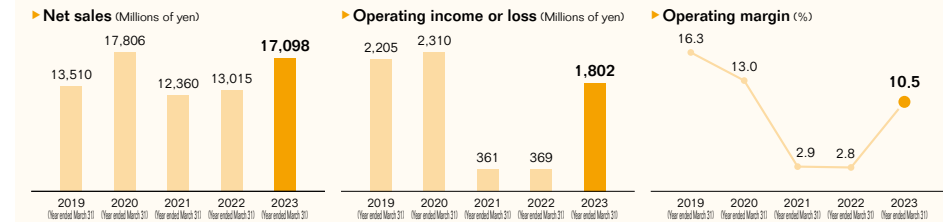


"Pixy Two Way Cake"

Other overseas

This area possesses a large potential for future growth and is expected to become the engine of growth in the future

Net sales, year on year **31.4%**
Average growth rate, past five years **6.1%**



<Malaysia>

Restrictions to stem the spread of COVID-19 were lifted throughout Malaysia in January 2022. Since then, our Group companies witnessed robust growth due to market reopening, with growth of 30% at Mandom (Malaysia) Sdn. Bhd. and over 50% at ACG International Sdn. Bhd., a women's cosmetics company, and they are leading the "Other overseas" segment.



"GATSBY Facial Wash"

<China>

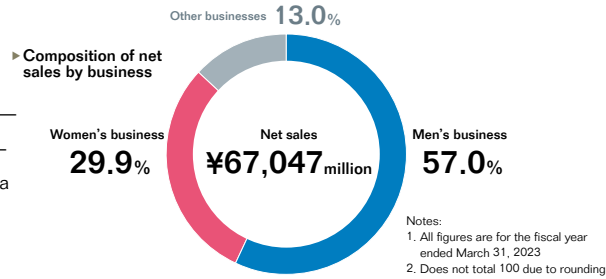
China's zero-COVID policy imposed severe movement restrictions, and while countries around the world were recovering from the pandemic, the Chinese economy continued to slump, resulting in a drop exceeding 30% in the Company's sales from the previous year. However, the market has been recovering since the beginning of 2023, and we expect improved results in the fiscal year ending March 31, 2024.



"Bifesta Cleansing Oil"

Brands of the Mandom Group

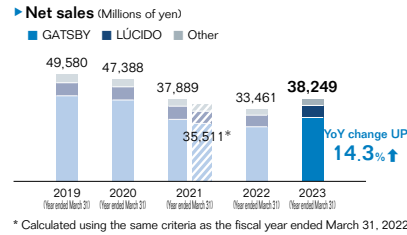
The Mandom Group concentrates its operations in two cosmetics businesses—men's business and women's business—through which it responds carefully with a wide range of brands to meet consumer demands.



Men's business

Business offering a range of products including men's everyday grooming products as well as general fashion items, such as hair styling, face care, and body care products

Target categories: Hair styling/hair coloring/scalp care/
face care/body care



Note: Beginning from the fiscal year ended March 31, 2019, some items that had been treated as expenses have been deducted from net sales at overseas consolidated subsidiaries included in financial statements conforming to IFRS.
* From the fiscal year ended March 31, 2022, some items that had been treated as expenses have been deducted from net sales of the Japan segment in order to apply the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29), etc.

GATSBY



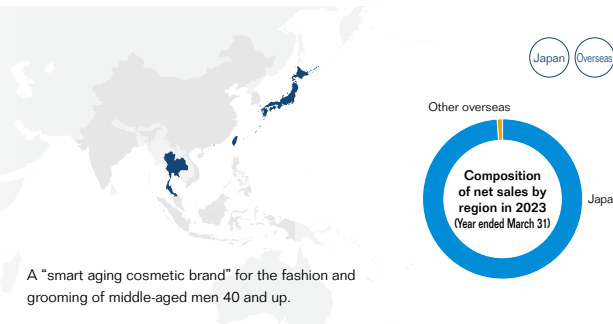
This is a men's cosmetics brand that always offers stylishness for the times. Rolling out horizontally across Asia as a core brand of the Mandom Group.



LUCIDO



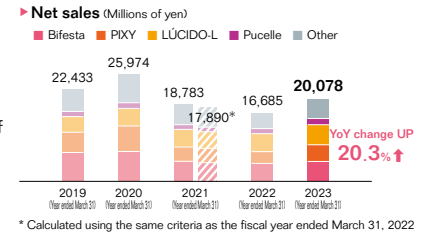
A "smart aging cosmetic brand" for the fashion and grooming of middle-aged men 40 and up.



Women's business

Business offering a range of products spanning everyday women's grooming and fashion items, including hair styling products, body care products, and products to bring a splash of color to the beauty lives of women, such as make-up and skin care items

Target categories: Make-up/skin care/hair styling/
hair coloring/hair treatment/body care



Note: Beginning from the fiscal year ended March 31, 2019, some items that had been treated as expenses have been deducted from net sales at overseas consolidated subsidiaries included in financial statements conforming to IFRS.
* From the fiscal year ended March 31, 2022, some items that had been treated as expenses have been deducted from net sales of the Japan segment in order to apply the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29), etc.

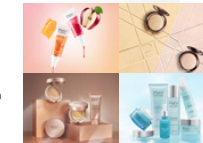
Bifesta



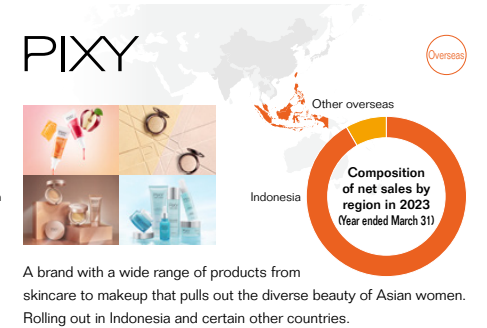
As a brand with the concept of "Beautiful Skin Comes True," it has fans in Japan and various other Asian countries.



PIXY



A brand with a wide range of products from skincare to makeup that pulls out the diverse beauty of Asian women. Rolling out in Indonesia and certain other countries.



LUCIDO-L



We continually offer new hair beauty cosmetics of reliable quality, rolling them out across Japan and other Asian countries.



PUCELLE



A brand of fragrances and body care products for young women who seek a cosmopolitan, cool beauty style. Centered on fragrances, rolling out in Indonesia and certain other countries.



Overseas Development Regions (as of May 31, 2023)

	Japan	Indonesia	Singapore	Taiwan	Hong Kong	South Korea	Malaysia	Philippines	Thailand	Vietnam	China	India
Men's business												
GATSBY	●	●	●	●	●	●	●	●	●	●	●	●
LUCIDO	●	●	●	●	●	●	●	●	●	●	●	●
Women's business												
Bifesta	●	●	●	●	●	●	●	●	●	●	●	●
PIXY	●	●	●	●	●	●	●	●	●	●	●	●
LUCIDO-L	●	●	●	●	●	●	●	●	●	●	●	●
Pucelle	●	●	●	●	●	●	●	●	●	●	●	●

Top Message

**We want to become a company
that is always active for all stakeholders,
including consumers and employees.**



Mandom Corporation
President Executive Officer & Director
Ken Nishimura



Looking Back on the Fiscal Year Ended March 31, 2023

Given that the Company's operating margin was around 10% and consolidated operating profit was around ¥8.0 billion before the COVID-19 pandemic, neither management nor our employees could have imagined that the Company would fall into an operating loss in such a short period of time, even with the impact of the pandemic. As a result, the Company as a whole lost confidence and remained in a state of being unable to stay optimistic for two years. In order to regain confidence, one small step at a time, we decided to start by aiming to record a profit in each segment on a consolidated basis in the fiscal year ended March 31, 2023, which would naturally translate into a profit on a consolidated basis.

Although Indonesia posted an operating loss on a segment basis due to the reconfiguration of financial results that occurred when recording the consolidated results, it was able to post a profit on a non-consolidated basis in local currency terms. As a result, consolidated net sales increased 16.9% year on year to ¥67,047 million, while consolidated operating profit amounted to ¥1,409 million. However, we have only taken the first step toward recovery, and I believe that we must improve profitability to a level where our operating margin approaches 10%, and in the future, exceeds 10%. ROIC was 2.1%. With regard to invested capital, which is the denominator of the calculation formula for ROIC, we are working to shorten the cash conversion cycle, optimize product inventories, and reduce manufacturing costs, while continuing to work with customers to minimize the volume of returned goods as

much as possible in parallel with our cost reduction efforts. We review the figures for our progress every three months at Management Council meetings, and we are raising awareness of these issues across the entire Group, including overseas. The operating margin, which is the numerator of the calculation formula for ROIC, is still at a low level, and we must first restore it to a level where it can reach 10% as soon as possible. We are also aware of the need to raise ROIC to a level where it exceeds capital costs as quickly as possible in the next Middle-Range Planning ("MP").

Current Situation and Issues by Segment

If we take a look at individual segments, although Japan and

Indonesia still have a long way to go in terms of their recovery, consumers in all but a few countries in the Other overseas segment have started to return to their normal lives and go about their everyday routines in a forward-looking manner. I have also resumed going on overseas business trips last year (2022), and unlike in Japan, the streets of the countries I visited were extremely lively, with some countries having already returned to pre-COVID sales levels. I believe that most countries, with the exception of China and South Korea in East Asia, will probably exceed their pre-COVID sales levels by the end of this fiscal year. We consider the Other overseas segment as a growth driver within the Group in the next MP as well. On the other hand, with regard to Indonesia, we have been growing sales by leveraging brands such as GATSBY and Pixy as much as possible, but there is a sense that we are

approaching the limit of their potential. This is an issue not only for Indonesia but across the entire Group. I feel that we are entering a phase in which we should alter our approach in order to develop our next set of strengths, such as by introducing new brands while leveraging our current strengths, rather than relying too heavily on our strong brands. In my view, there are concerns that merely persisting with our past approach in Indonesia will lead to a slowdown in the pace of growth.

In Japan, our major market, we primarily operate our business in the mass market. Our business is centered on brands such as GATSBY and LÚCIDO for men's cosmetics, and on brands such as Bifesta and LÚCIDO-L for women's cosmetics. In terms of men's cosmetics, we have not established any brand in the market following LÚCIDO. LÚCIDO and GATSBY are 34 years old and 45 years old this year, respectively. Until now, both these brands have evolved over time to ensure that they do not become obsolete, but after such a long time, there is indeed a sense that we are almost reaching the limits of their potential. In view of this, it is necessary for us to create new excitement in the mass market, including by proposing new categories or new brands, something we have not done for many years, and by working to adapt to the evolving times. There are concerns



that if we fail to address these needs, our business may be caught in a diminishing equilibrium in a Japanese market that is facing declining population and economic stagnation.

Marketing That Is Well-Adapted to Changes Among Consumers

Many players have entered the men's cosmetics market in recent years, and the market has also matured as consumers become more literate. There are also some categories whose products now offer more powerful functions and higher added value. For example, there are currently many skincare and men's makeup products on the market, but as their value and functionality grow, the cost of these products naturally rises as well. Since the Company was founded, we have been committed to the popularization of high-quality and best-value products and have continued operating our business with the hope that our Dedication to Service (Oyakudachi) can enrich the everyday lives of consumers by spreading the culture of cosmetics to as many such consumers as possible regardless of the times. Although the Company does not take decisions to raise prices lightly even considering the soaring prices of various raw materials in recent times, the market has come to demand high added value products, and thus the selling prices of our new products have also increased in line with their higher product functionality. For example, some of our new products launched last year (2022) are priced close to ¥2,000, which is higher than our normal price range up to now. However, one positive we can take heart in is that these products have garnered tremendous support and are ranked among the top products of their respective categories in the market, which I believe is a sign of our ability to evolve.

As for what we refer to as career recruitment in the Company, we have hired several individuals who possess various forms of marketing expertise, including digital marketing and product planning, in recent years. The aim of this is to strengthen our ability to develop fans of our brand,

which has been an issue for a long time. Brands that have been around for a long time have the support of loyal customers, and it is vital for a brand to identify what its fans want from it and reflect their needs in its new products as well as its advertising and promotional activities. In particular, there is a sense that GATSBY had abandoned its original fans by striving to become a brand that is universally accepted, resulting in a brand that has become less distinctive and unique, which makes it difficult to identify who exactly the brand is targeting. Unlike in the past, it is imperative that we evolve and adapt to the times, given that so many players have entered the market. To this end, I hope that the newly recruited members of our team through the career recruitment will not only demonstrate the skills they possess but also bring new perspectives to the Company.

Initiatives for the Fiscal Year Ending March 31, 2024

We are keenly aware that the demand for sustainability is growing both within and beyond the Company. As human capital management becomes increasingly necessary, issues such as the promotion of diversity and women's participation have become important themes. In addition, it is necessary to take action over the course of our business operations to reduce various resources and energy used in our manufacturing process and utilize more environmentally friendly product packaging. Although our current business environment requires us to address many issues, such as rising costs across the board, we are actively engaged in initiatives aimed at addressing social and environmental issues. We have set our medium- and long-term targets for materiality in April of this year, and awareness of these targets is growing throughout the Group. [▶ P.24](#) The Company has adopted the slogan of "BE ANYTHING, BE EVERYTHING," and its goal is to create and provide value that contributes to realizing a lifestyle and society that do not require trade-offs, which have been traditionally perceived as parts of a so-called trade-off relationship in

cases where many people and things need to give up something in order to do certain other things. For example, the stance that quality is not negotiable in the case of cosmetics but such products must also be environmentally friendly has become very important as well.

I believe this fiscal year is an important year for us, especially in terms of how we formulate the next MP. Until now, decisions have often been made by the management team alone, but starting from this fiscal year, we have launched training for department heads, during which we ask them to consider and propose actions that each department can take in response to the 14th Middle-Range Planning ("MP-14"). We are starting to involve even department heads in our management plans, thereby setting a trend where everyone gets involved. [▶ P.35](#) In MP-14, we hope to go a little further than before and explain with greater nuance how, in terms of our growth strategy, some areas can be expanded with our existing portfolio while other areas require us to take on new challenges, such as by introducing new brands or considering M&A opportunities. I believe presenting a growth strategy that serves as the basis for creating such exciting possibilities will benefit not only investors and other external stakeholders but also employees as well. We hope to present an MP that is an upgrade from our current plan and which clearly shows employees our future direction as a company.

We have established a new division this fiscal year called the Corporate Transformation Division. It is composed of three members, and I serve as its General Manager. The first thing we are currently working on is the facilitation of internal dialogues between all our management personnel in Japan and young employees aged 40 years old and younger over a two-year period following my appointment as President, and this year, we plan to hold dialogues with employees aged 40 and older. [▶ P.35](#) We conduct surveys on the spot for each employee to find out what we can do now and what we need to do moving forward to make the Company a place that is rewarding and always enjoyable to work at. The results of these surveys are analyzed by delving below the superficial descriptions to identify any

intrinsic issues that lie beneath the responses. The findings are then presented to the Human Resources & General Administration Division, the Corporate Planning Division, and other relevant divisions as part of efforts to reform and revitalize our company culture. As for initiatives involving external parties, I believe there is a need to establish an environment in which we can collaborate with external ventures and startups. This would allow us to collaborate more flexibly with external parties, perhaps by exploring M&A opportunities or partnering with startups and ventures. I believe that having the new division take some concrete actions, no matter how small, at an earlier stage would make it more likely that our efforts will resonate with employees. After all, it is imperative that the Corporate Transformation Division becomes a division that employees can have high expectations of.

Toward a Truly Global Company

Although we have made progress in the globalization of our products and brands, I believe that we cannot become a truly global company unless we promote the globalization of our people and management. The percentage of overseas net sales will probably exceed 50% in the period corresponding to MP-14. I believe that Japan currently accounts for too large a portion of the Group. In order for Japan to retain the Group's headquarters function and support our business in various countries, employees working in Japan need to acquire a holistic understanding of the Group's business operations, foster a global mindset, and embrace diversity. Staying in Japan and having the mindset and lack of urgency associated with the stagnant status quo will not allow us to offer adequate support for our overseas business. I also believe that we should delegate authority to each country to some extent, attract human resources of various nationalities and attributes to work at their companies, and ensure that the management team of each overseas company is localized and diversified, all of which are key points that must be addressed in MP-14.

From the perspective of employees, it is crucial for a company to be able to have people of various attributes working well together. In the case of Japan, I believe that gender bias must be eliminated. Diversity can be defined in terms of gender, age, nationality and other attributes, but it is important to strike a good balance not only in terms of individual attributes but also in giving rise to an improvement in the company's corporate value. There is a sense in recent times that career diversity is also very important. For instance, there are quite a number of employees who do not wish to move into management; instead, they want to further refine their specialized skills in their field of expertise and work as experts and professionals. There will be situations in the future where men and women embrace different work styles and pursue different career paths while young employees and overseas employees work together. A key requirement I look for in human resources is the ability to approach issues from scratch without relying on past successes. The ability to think from scratch also means being open to diversity. It is important for us to have human resources who are capable of being receptive to what is best for the Company when figuring out combinations that feature the very best. They must be always intellectually curious, constantly in pursuit of new developments and attuned to what is going on around them, and aware of their own weaknesses, while setting their own vision of what they want to be and growing toward that vision. People who can do that are the kind of human resources I would like to work with.

Toward the 100th Year of Our Founding

Our material issues include creating a grooming culture, expanding Dedication to Service (Oyakudachi) to a diversity of consumers, and realizing mutual growth of employees and the company. This part of value creation should be called "aggressive materiality" as it leverages the Company's strengths, and I believe that the introduction of Mandom HR

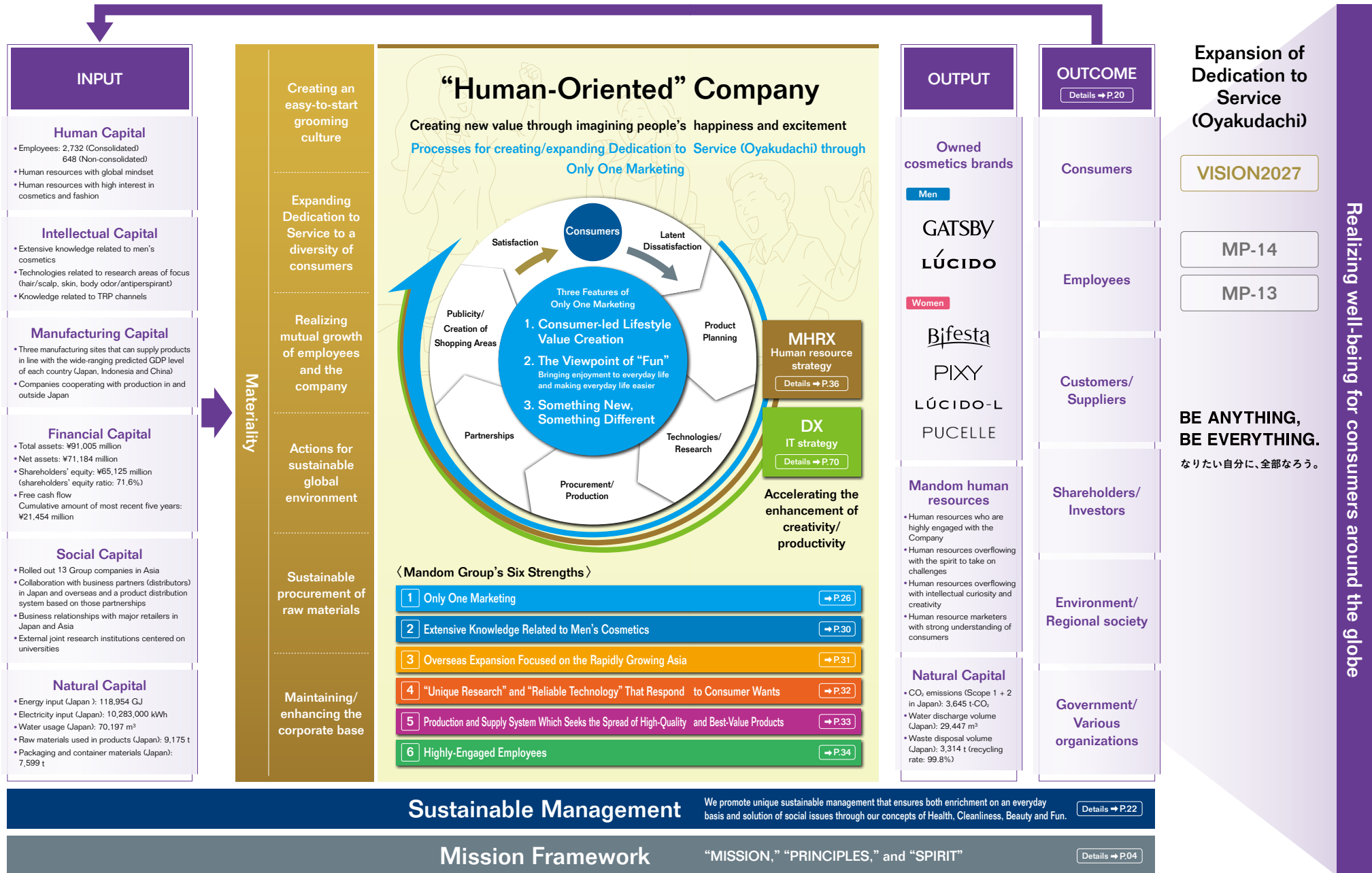
Transformation (MHRX) [→ P.36](#) is very important as a framework for realizing mutual growth of employees and the company. There is no company growth without employee growth, and I believe that we must foster a relationship in which both parties can grow and find mutual happiness. Indeed, as set out in our corporate philosophy, Mandom must reach boldly beyond the norm and always strive to be an active company. Regardless of whether we are dealing with long-selling brands or new brands, I want employees to have an image of a company that is always on the move, generating news, and making new product proposals, which is also the image I would like all our stakeholders to have of the company. In order to become an active company, we hope, for example, to systemize and formalize in MP-14 a framework under which employees are given positive evaluations in their evaluation indicators for taking on new challenges, regardless of whether the eventual outcome was a success or a failure. While a bottom-up approach is fundamental for reforming the company culture as it is vital for each employee to take ownership in addressing various issues, I also recognize that top-down action is sometimes necessary.

Another quality of Mandom is our respect for people. I believe that our stance of always prioritizing our employees, consumers, suppliers, and all other affiliated parties with whom we work together to operate our business is part of our company culture, a testament to how we are a highly human-oriented company. We have managed to survive in the cosmetics industry until now as a result of our unique and active approach of reaching boldly beyond the norm over the years, and the recent stagnation in the Company may be attributed to a slight decline in this aspect. This is a quality that has been handed down since the time of the Company's founder and has remained intact for nearly 100 years, and it is one that I believe we must preserve. The Company's name has been changed twice in the past, and if you take a look at our history, you will notice that we are a company that has undergone a series of changes and innovations and overcome various crises to get to where we are today. I believe that our fundamental stance is to be

actively on the move, continue to evolve, and approach the new era undeterred. When I was asked what kind of company I wanted Mandom to be following my appointment as President, I replied, "The most enjoyable and vibrant company for employees to work for in Japan, and hopefully in the entire world." I believe there are countless ways for a company to achieve excellence. However, not many companies can claim that they are a company that nurtures its employees or a company that its employees enjoy working for. Yet, there is no reason why such companies should have poor business performance. I am not talking about companies at which people simply have fun hanging out but companies where employees enjoy working. These are companies where there is constant friendly competition, where everyone is moving in the same direction despite the occasional disagreement, and where a diverse range of human resources work together to always actively provide value to the world. Mandom hopes to become a corporate group that always has that vision in mind.



Mandom Group's Human-Oriented Value Creation Model



Realizing well-being for consumers around the globe

About Mandom | Value Creation Story | Materiality | Middle-Range Planning | Parameters for the First Year Ended March 31, 2022 | Company Information

Co-creation and Dialogue with Each Stakeholder

Name of stakeholders	Relation with stakeholders	Value provided to stakeholders (OUTCOME)	Qualities necessary to provide such value	Major touch points and engagement
Consumers	Narrowly defined, consumers are end users of Mandom products. Broadly defined, consumers are our employees, customers and suppliers, shareholders and investors, and each and every member of regional societies. We earn high-quality profits in return for the satisfaction of consumers by understanding their needs and wants and creating products that satisfy them. Our corporate slogan is "BE ANYTHING, BE EVERYTHING," and we aim to create value that enriches the everyday lives of people by supporting everyone to live their lives to the fullest and creating in a sustainable manner a society that enables them to achieve this goal, which we have positioned as our new "Dedication to Service (Oyakudachi)."	Provide value satisfying cultural fashion-consciousness	<ul style="list-style-type: none"> • Understanding of consumers • Product development with a "Fun" perspective • Cultural knowledge • Aesthetic sense • Fashion sense 	<ul style="list-style-type: none"> • Customer Relations Div. (Company website) • Company website • TV advertising • Online advertising • Retail stores • Integrated reports
		Provide safety and security through high-quality products and services	<ul style="list-style-type: none"> • Safe and reliable raw materials procurement • Production technologies • Quality management 	
		Construct distribution environment and channels to easily and comfortably obtain products	<ul style="list-style-type: none"> • Strong relationships of trust with distributors • Safe products 	
Employees	Our employees are at the very heart of the Company, whose corporate philosophy is rooted in the principle of being human-oriented. Our human resources philosophy is "Happy individuals make a happy company," which seeks to allow each and every employee to demonstrate their individual qualities, enhance their expertise, and grow, thereby increasing their job satisfaction, while simultaneously allowing the Company to enhance its corporate value by making the most of its diverse human resources and fulfilling its Dedication to Service (Oyakudachi). Our aim is to become a cosmetics company that possesses strengths unique to Mandom and to create an organization and a pool of human resources that are capable of change and taking on new challenges to establish new forms of value and Dedication to Service (Oyakudachi).	<ul style="list-style-type: none"> • Company culture that allows both employees and the Company to mutually grow • Development of human resources with career autonomy who possess professional skills 	<ul style="list-style-type: none"> • Organizational culture that respects new challenges • HR system which sustains high motivation • Fair HR evaluation • Talent management system 	<ul style="list-style-type: none"> • Corporate philosophy survey • Employee performance evaluation interview • Self-evaluation system • One-on-one dialogues • Policy presentations • Integrated reports
		Achievement of diverse human resources through the promotion of diversity	<ul style="list-style-type: none"> • Organizational culture that respects diversity and inclusion • Human rights education 	
		Establishment of work-life balance resulting from work style reform	<ul style="list-style-type: none"> • Organizational culture that respects the work-life balance of each individual • Highly productive work style • Promote decent work 	
Customers/ Suppliers	We use a distributor system for sales in many cases in both Japan and overseas. As such, narrowly defined, our customers are domestic and overseas distributors. Broadly defined, our customers can also be considered to include retailers and e-commerce sites where consumers encounter our products. As the Company operates its business in Japan and Asia based on the policy of "high-quality and best-value products," we are supported by many suppliers through the provision of sustainable and highly economical raw materials. In response, suppliers seek fair and sound transactions with us. In recent years, society has demanded that we build a sustainable supply chain that takes into consideration environmental conservation and the respect for human rights.	Equal and fair trade relationships	<ul style="list-style-type: none"> • Appropriate and highly transparent purchasing rules • Creation of high added value products 	<ul style="list-style-type: none"> • Daily purchasing activities • Supplier CSR Guidelines • Daily sales activities • New product presentations • New product exhibitions • Product catalogs • Sales regulations • Sales proposal materials • Integrated reports • Company website
		Stable supply of products	<ul style="list-style-type: none"> • Capacity for a stable supply of products • Highly accurate demand forecasting • Understanding of consumers 	
		Provision of products capable of providing healthy profits	<ul style="list-style-type: none"> • Provision of high added value products • Appropriate sales policies 	
		Proposals for creating shopping areas with high sales efficiency	<ul style="list-style-type: none"> • Understanding of customers • Understanding of consumers • Understanding of products 	
Shareholders/ Investors	Shareholders/investors expect the Company to produce returns exceeding their capital costs in exchange for financially supporting the execution and growth of the business operations of the Company as the financial capital contributor. In recent years, there have been increased investor interest and demand for greater consideration for and engagement in ESG issues, which are in the spotlight. Shareholders and investors also function as monitors of the Company's business execution. In response, the Company focuses on management transparency and accountability, and engages in dialogue as needed.	<ul style="list-style-type: none"> • Shareholder returns through earnings growth based on sound financial standing • Stable and continuous shareholder returns through dividends • Ongoing improvement of corporate value through growth investments 	<ul style="list-style-type: none"> • Securing and expanding cash flows from operating activities • Financial capital strategy • Dividend policy • Investment strategies (investment plan in line with the MP) • Optimal capital structure • Stable increase of share price 	<ul style="list-style-type: none"> • General meeting of shareholders • Financial results briefings • Small meetings • Overseas road shows • Conferences held by securities companies • Briefings for private investors • Mandom Report dialogues • Company website • Integrated reports • Shareholder reports
		Highly transparent information disclosure	<ul style="list-style-type: none"> • Disclosure activities in accordance with disclosure policy • Proactive IR activities 	
Environment/ Regional society	The soundness and sustainability of the global environment and regional societies is a major prerequisite for the Company's continued sustainable growth, and we will promote sustainable management that creates resolution of social and environmental issues through our core businesses. In addition, for a corporate group such as the Mandom Group that operates widely across Asia, we cannot sustain our business without a mutual understanding and harmony with regional societies. Furthermore, we also generate employment opportunities by hiring locals in each operating country.	<ul style="list-style-type: none"> • Eco-friendliness through business activities • Co-creation of a sustainable society through cooperation with stakeholders 	<ul style="list-style-type: none"> • Obtainment and procurement of environmentally friendly raw materials • Environment-adaptive technologies • Initiatives for the environment and climate change 	<ul style="list-style-type: none"> • Company website • Integrated reports • Activities that contribute to regional societies • Company tours
		Contribute to job creation in development regions in Asia	<ul style="list-style-type: none"> • HR system suited to each region • Market creation and business scale expansion 	
Government/ Various organizations	As a corporate member of society, we strive to create new value by building partnerships with multiple stakeholders that we believe are effective for the sustainable development of society and the standard of living of people around the world. We also fulfill our social responsibilities as a corporation by paying the required taxes in compliance with the laws in each of our areas of operations.	New value creation through partnerships between industry, government, and academia	<ul style="list-style-type: none"> • Networking within the industrial sector • Networking with government agencies • Networking with academia 	<ul style="list-style-type: none"> • Joint research programs • Various technical conferences • Technical presentations • Information exchange with public institutions, local public bodies, etc.
		Paying taxes from profit from business activities	<ul style="list-style-type: none"> • Generation of appropriate profits 	

Materiality and Sustainability Strategy of the Mandom Group

The Concept of Sustainability in Mandom Group

Mandom Group's business activities are premised on the basis of sound and sustainable "environment (E)" and "society (S)." However, we are confronted with various issues that have begun surfacing, such as climate change, declining biodiversity, marine plastic pollution, and human rights issues in supply chains, which should be addressed appropriately by maintaining solid "governance (G)" that supports such actions. Mandom upholds "social responsibility & sustainability" as its corporate philosophy, which itself is equivalent to sustainability of the Mandom Group. To solve social and environmental issues, we adhere to sustainable management (ESG management + SDGs management), having worked out sustainability policies and identified material issues (materiality) in sustainability in FY2021 to provide further Dedication to

Service (Qyukudachi) to consumers and create new corporate values through our core businesses.

Framework for a Global Society and Sustainability of the Mandom Group

In September 2015, we signed the UN Global Compact to express our support for its ten principles in four areas of activity, with the aim of allowing all Mandom Group employees to share in the values of global society as a step toward sustainable development, and to create new opportunities to strengthen relations with a diverse and wide range of stakeholders.



Sustainability Policies

We will promote unique sustainable management that ensures both enrichment on an everyday basis and solution of social issues through our concepts of Health, Cleanliness, Beauty and Fun.

Themes of Unique Sustainable Management

Theme	Details
Creating strong ties with consumers by strengthening/expanding Dedication to Service	We will focus on two aspects of Dedication to Service, that is, maximizing satisfaction of consumers and increasing contact with them, by creating unique new value and providing this to consumers through products, communication and distribution.
Training human resources that form a society, promoting active engagement of a diverse cohort of employees	We will train all employees to be diverse "human assets," who should take an active part in rewarding work and contributing to the corporate future and society through Dedication to Service.
Contributing as good corporate citizens to a sustainable society	We will dedicate ourselves to the realization of a sustainable society by analyzing the impact of all our business activities, including supply chains as well as products and services, on the global environment and society from a long-term perspective.
Taking measures to be a going concern	Through social responsibility & sustainability, we will continue to develop as a company that is recognized by all stakeholders for its value, with the dynamism to survive in any era.

Relationship between the 4 themes

Creating strong ties with consumers by strengthening/expanding Dedication to Service

Training human resources that form a society, promoting active engagement of a diverse cohort of employees

Contributing as good corporate citizens to a sustainable society

◀ The last theme is the basis on which three other themes will be developed in a medium- to long-term plan ▶







Taking measures to be a going concern

Process of Identifying Material Issues (Materiality) in Sustainability

Step 1	List the threats/risks and opportunities surrounding the Company based on social trends
Step 2	Extract themes of initiatives based on threats/risks and opportunities
Step 3	Identify "key themes of initiatives" from themes of initiatives and the following matters <ul style="list-style-type: none"> Key matters in Household & Personal Products sector set by external organizations* Framework of Company Mission and each strategy Degree of impact on the Company's business
Step 4	Have dialogues on the key themes of initiatives identified in Step 3 with external experts (14 persons across nine companies)
Step 5	Submit the Material Issues (Materiality) in Sustainability revised following the dialogues in Step 4 to Sustainability Promotion Committee (currently Sustainability Committee) for approval

* External organizations: FTSE, MSCI, SASB

Material Issues (Materiality) in Sustainability

Materiality	Commitment	Related SDGs
Future challenges to be addressed by taking advantage of our strength and creating values		
Creating an easy-to-start grooming culture → P.26	Based on our original concept of "Health, Cleanliness, Beauty and Fun," that is, the basic parts of "Health, Cleanliness and Beauty" combined with "Fun," we will make consumers have fun and feel satisfied with everyday life through products and services that only Mandom can provide.	
Expanding Dedication to Service to a diversity of consumers → P.31	We will respond appropriately to changing senses of values and consumption behavior of consumers and maintain an environment in which consumers can look and choose the products and services that serve and satisfy a billion customers on earth.	
Realizing mutual growth of employees and the company → P.34	We will promote work-style reform to improve "productivity per unit," "growth of individuals and job satisfaction" and "creativity" so that all employees as "human assets" may support the company and society.	
Issues to be addressed to realize a sustainable society and company		
Actions for sustainable global environment → P.39	Switching over to a recycling-based society in our view, we will take measures to reduce our environmental burden at all stages of the life cycle of products, including less dependence on plastics. Regarding reduction of greenhouse gas emissions, we hope to realize virtually zero greenhouse gas emissions by 2050.	
Sustainable procurement of raw materials → P.45	We will procure palm oil, paper, etc., ethically. Our action ranges from protection of forests and biodiversity to execution of corporate social responsibility by sustaining natural and labor environments and respecting human rights throughout all supply chains.	
Maintaining/enhancing the corporate base → P.48	Our everlasting mission is expanding and strengthening our Dedication to Service, which is feasible on the assumption that we are a going concern. Besides ensuring safety and security, we will strengthen business systems based on our philosophy.	

Medium- and Long-Term Targets and Progress on Material Issues (Materiality) in Sustainability

The Company formulated its sustainability policies and identified materiality in FY2021 and has been promoting initiatives in this regard. However, no specific materiality-related evaluation indicators and targets had been disclosed previously, which was considered to be an issue. The ESG Executive Committee, which was newly established in FY2022, has scrutinized and

consolidated the themes of initiatives, as well as deliberated and formulated medium- and long-term targets for the material issues (materiality) in sustainability. Moving forward, we will continuously review materiality-related matters in consideration of the latest social conditions as well as the opinions and expectations of our stakeholders, while reporting on our progress.

Materiality	Theme of initiatives	Evaluation indicator	Medium- and long-term targets		Progress (FY2022 results)
			Target	Year of achievement	
Future challenges to be addressed by taking advantage of our strength and creating values					
Creating an easy-to-start grooming culture	Strengthening our Dedication to Service ("Oyakudachi") for consumers who actively express their individuality	Number of proposals on a new cosmetic field that "enables consumers to freely express their own individuality" or on consumer attributes	Three or more proposals per year	Each year	Eight proposals
	Developing human resources to create a new grooming culture	Number of proposals on new technology that contributes to solution of issues faced by consumers	35 or more proposals in total from 2021 to 2027	2027	Eight proposals (total number of proposals from 2021)
	Expanding Dedication to Service to a diversity of consumers	Participation rate of employees in training programs for penetration of Only One Marketing	(To be disclosed in FY2023)	2027	Target to be disclosed in FY2023
Realizing mutual growth of employees and the company	Expanding our Dedication to Service	Number of challenges addressed to expand our distribution network	13 or more attempts per year	Each year	44 attempts
	Creating a culture that encourages employees to take on new challenges	Ratio of "active engagement employees" in a philosophy survey	38% or higher	2027	16%
Realizing mutual growth of employees and the company	Employee engagement	Employee engagement	81% or higher per year	Each year	70%
	Active engagement by diverse human resources	Ratio of women in managerial posts	20% or more (Mandom Corp. (non-consolidated))	2027	11.9%
Issues to be addressed to realize a sustainable society and company					
Actions for sustainable global environment	Promoting measures toward a carbon-free society	CO ₂ emissions reduction (compared to FY2013) in Scope 1+2	CO ₂ emissions reduction in Scope 1+2 in Japan and overseas: 43% or more compared to FY2013	2027	14.8% reduction
		Achievement of zero CO ₂ emissions Group-wide	Completed preparation of scenarios for achievement of zero CO ₂ emissions Group-wide by 2050	2027	Scope 3 emissions for overseas group companies under calculation
	Eco-friendliness in products	Fossil resource-based virgin plastics emissions reduction ratio	25% or higher	2027	5.7% (compared to FY2016)
Sustainable procurement of raw materials	Palm oil	Ratio of RSPO -certified palm oil among palm oil that is used as an origin of raw materials	Switching 100% of palm-derived raw materials used at the Fukusaki Factory to RSPO* -certified palm oil (including book-and-claim compliance)	2026	38.1%
	Paper containers and packaging materials	Usage rate of FSC® -certified paper for paper and containers and packaging, and recovered paper usage ratio	Switching completely to the use of FSC®-certified paper/recovered paper for paper containers and packaging	2027	89.0%
Maintaining/enhancing the corporate base	Providing safety, security and high quality	Number of complaints about quality	Serious complaints: 0	Each year	Two complaints
	Safety and security of employees	Number of employees on long-term leave	Less than 10 (in Japan)	Each year	15 employees
	Pursuing the mission	Mission sharing ratio	65% or higher	Each year	62%

* RSPO: Roundtable on Sustainable Palm Oil

(FSC® N003667)

Sustainability Promotion System

We have established a Sustainability Committee headed by the President Executive Officer with the aim of strengthening the sustainability promotion system. While developing our approach for promoting the sustainability of the Mandom

Group and holding discussions with relevant departments at committee meetings and other meetings, we are strengthening our efforts to contribute to the sustainable development of society.



CSR Information
▶ Mandom Group CSR > Mandom Group Sustainability Promotion System

Activities of the Sustainability Committee and associated committees

Committee	FY2022 Themes
Sustainability Committee	<ul style="list-style-type: none"> Formulate medium- and long-term targets related to materiality Supervise and manage associated committees, including evaluating, analyzing, and proposing improvements to their activities Determine the themes of initiatives to be strengthened in FY2023
ESG Executive Committee	<ul style="list-style-type: none"> Review medium- and long-term targets related to materiality List threats/opportunities relevant to management and business issues in MP-14 Report on the latest sustainability-related issues
Quality Assurance Committee	<ul style="list-style-type: none"> Conduct management reviews based on quality assurance regulations Summarize reports from customers Respond to quality issues Report on safety issues Report on product recalls as well as recall-related issues and measures to be taken Conduct and report on quality training and internal quality audits as well as plans for FY2023
Occupational Health and Safety Committee	<ul style="list-style-type: none"> Improve the health and safety as well as workplace environment of employees Provide information to improve employee health
Total Risk Management Committee	<ul style="list-style-type: none"> Adopt measures to prevent leakage of confidential information due to viruses Promote the Human Ethical Testing Committee (subcommittee) Review policy on responding to the present COVID-19 situation Formulate BCP for the head office Respond to contingency risks in each operating country
Code of Conduct Promotion Committee	<ul style="list-style-type: none"> Determine policies for company-wide education on Mandom Code of Conduct Review current status of internal reporting system and consider measures for raising awareness of the system

Strengths and initiatives to help

“Creating an easy-to-start grooming culture”

We at Mandom aim to be a company that is dedicated to service by proposing concepts born from the day-to-day lives of consumers as genuine value through our “human-oriented” approach.

Dedication to Service (Oyakudachi) has two aspects: “depth” in terms of how much satisfaction can be provided to a single consumer, and “breadth” in terms of how many consumers can be satisfied. In the age of VUCA, where the future is uncertain and complex, and consumers’ needs and wants are becoming more and more diverse, proposing unique and one-of-a-kind products and services that meet their needs and wants will expand the “depth” of our Dedication to Service (Oyakudachi) and lead to the realization of well-being* for as many consumers as possible and to Mandom’s sustainable growth.

Mandom has always been and will continue to be committed to our original concept of “Health, Cleanliness, Beauty and Fun” that is, the basic parts of “Health, Cleanliness and Beauty” combined with “Fun,” and we will make consumers have fun and feel satisfied with everyday life through products and services that only Mandom can provide.

Strengths of Mandom 1

Only One Marketing

Proposing products that lower taboo lines to freely enjoy cosmetic actions

The Mandom Group pursues a unique marketing model in which we constantly interact with and give care to consumers. This is in order to meet their latent needs and wants and guide their discoveries and feelings under a marketing philosophy of “Only One Marketing through Consumer-led Lifestyle Value Creation.”

For example, in 1989, when it was considered a given that cosmetics had fragrances, Mandom launched the fragrance-free brand LÚCIDO in response to the wants of consumers who said they could not use fragrant cosmetics because of their professions, or that the fragrance of cosmetics bothered them because they were particular about the fragrance they wore.

In 1996, “GATSBY Facial Cleansing Wipes” were launched to meet the want to wash and thoroughly refresh one’s face while on the go.

This product introduced the grooming habit of cleansing one’s face with wipes, which had not existed until then.

This was followed by the release of body cleansing wipes that easily wipe away perspiration and provides a refreshing sensation as a body care product for the hot and humid Japanese summer.

In addition to proposing a new grooming habit, we expanded the sheet care category in the men’s cosmetics market.

In 2001, we launched the GATSBY hair color series for men with dark hair to accommodate the rapidly-increasing want among young men to make their hair a lighter color.

This series made it easier for men to color their hair and has led to the spread of hair coloring as a fashionable daily activity for young men.

In this manner, we have created several new markets for men’s cosmetics.



1 LÚCIDO, a fragrance-free brand (launched in 1989)



2 GATSBY Facial Cleansing Wipes (launched in 1996)



3 GATSBY Hair Color Series (launched in 2001)



4 Bifesta water cleansing (launched in 2011)

This is true not only for men’s cosmetics, but also for women’s cosmetics.

Against the backdrop of an increase in the number of busy women with the progress of women in society, such as working women, working mothers, and solo-parenting mothers, we proposed a water cleansing product that can perform cleansing, washing, and toning in a single wipe-off, regardless of location, to meet the wants of women who are tired and want to go to bed immediately and who do not have time for cleansing. This product is now widely distributed not only in Japan but also in other Asian countries.

Under the philosophy of “Consumer-led Lifestyle Value Creation,” we have always been close to consumers, proposing new cosmetic actions and creating markets in order to respond to the changing wants of consumers over time.

Consumers, either consciously or unconsciously, draw lines that define what acceptable cosmetics and cosmetic actions are and which ones cross into taboo territory. We believe that offering value propositions that encourage consumers to freely realize their own individuality while enjoying cosmetic actions, free from such their stereotypes and current norms will lead to the realization of our corporate slogan of “BE ANYTHING, BE EVERYTHING.”

Lowering taboo lines to make cosmetic actions more freely enjoyable
– Creating new markets with new value proposition –

1. Fragrance-free cosmetics

Cosmetics being fragrant is to be expected, but the fragrance gets in the way of my perfume. (1989)

I would love to wash my face or shower to refresh myself away from home, but it’s just not feasible. (1996)

2. Casually refresh both your face and body even when away from home with sheet cosmetics.

Cleansing requires a place to wash up. Facial care is something you do carefully after washing your face twice, right? (around 2010)

3. Hair coloring for men for them to freely enjoy coloring their hair too.

Changing hair color is a part of women’s fashion. When men do it, however, they are likely to be seen as unserious. (2001)

4. Completely cleanse and moisturize your face anytime, anywhere just by wiping it.

<Feature> Only One Marketing Topics

– LÚCIDO-L: A popular, dear-and-near hair beauty cosmetics brand –
Tackling the challenge of the hair care category and mass-marketing LÚCIDO-L as a salon brand



Since we launched it in 1993 as a hair styling brand, LÚCIDO-L has won over considerable recognition and popularity for its reliable quality and a newly-proposed form. Today, we have a wide-ranging lineup of LÚCIDO-L products that go beyond hair styling to hair coloring, hair care and other types of hair beauty cosmetics that we have rolled out across Japan and in other Asian countries.



Below, we will introduce our initiatives in the hair care category, which is enjoying favorable sales growth at present.

A hair styling brand tackling the challenge of the hair care category

With LÚCIDO-L, we proposed styling products matched to trendy hair styles since initially releasing the series. Our products and their considerable styling power, which constitute Mandom's original strength, were combined with recognition of those products' high quality to win over women of a wide range of ages. From 2000 onward, alongside the entrenchment of hair coloring and styling conducted with the use of hair irons and other thermal appliances, consumer awareness surrounding hair care grew, and the hair care market, driven by the likes of non-bath hair treatment, also grew.

Many a time, we had proposed non-bath hair treatment under the LÚCIDO-L brand as well. However, at the time, the hair care market favored in-bath hair treatment, and we continued to struggle in our challenge of the hair care category for many years.

Mandom's Oil Treatment series becomes a hit

Then, in 2014, we turned our focus to argan oil, which had started becoming a target of attention at hair salons. As LÚCIDO-L's image as a hair care option was anemic relative to the sway carried by in-bath brands, we shifted to product proposals that carried a sense of trendiness and quality.

At the time, argan oil was attracting attention for being plant-derived and having a considerable moisturizing feel. On the other hand, a large number of hair oils that were launched amid the prevailing trend of natural hair styles felt heavy when used, and there was no shortage of consumers who were unable to effectively use the oils due to factors such as the difficulty in adjusting what part of the hair to use them on and how much to use. Another hurdle consumers encountered in buying the oils were that they were priced somewhat highly. With that in mind, Mandom offered the "LÚCIDO-L Oil Treatment Series," an approachable and easy-to-use product line containing argan oil, to general consumers as a series for mass distribution, which we specialize in.

In addition to offering this series with an affordable price point for many, we applied high-pressure treatment to the argan oil within to enhance the diffusibility of each strand of hair and give it a light, smooth finish. Easy for novices to use as well, the series became hit items that were lauded on word-of-mouth websites as well.

Today, there is a greater number of items in the LÚCIDO-L Oil Treatment series, which has growth into a leading series under that brand with over 17 million units shipped cumulatively.

This series played a considerable role in making argan oil a dear-and-near hair care item for many people and successfully turned it into a leading mass-market trend. These and other factors translated into both greater sales of LÚCIDO-L products and a larger hair care market.



Originating from hair salons: Acid heat treatment

In recent years, given the high damage caused by hair coloring and thermal devices such as hair and crimping irons and growing demand for more beautiful hair, "acid heat treatment" has been touted as a means of improving hair quality, and has been enjoying popularity as a popular treatment option at hair salons.

This option requires a technician at a hair salon to apply heat to hair using a hair iron in the treatment process, and typically exceeds ¥10,000 in price. While relatively high-priced, it has a real sense of being effective and is thus a popular option.

Challenge of commercializing acid heat treatment as a home hair care product

Given that, taking a cue from the treatment offered at hair salons, we launched the "LÚCIDO-L High Damage Repair Treatment Series" containing acid heat treatment* ingredients in August 2022. Using a Mandom Group company that supplies professional-use products and technologies to hair salons and leveraging our strengths from years of hair research, we developed a formula that can be easily used at home with ease and provides a truly genuine sense of treatment. With LÚCIDO-L High Damage Repair Treatment series, we proposed items that enable consumers to casually experience acid heat treatment as part of their hair care and styling routine by applying the heat from a dryer they normally use to dry their hair or hair iron they use to style their hair to simulate the level of heat required in acid heat treatment.

* Levulinic acid



Offered our first acid heat treatment for mass distribution

Even prior to the launch of this series, retailers also had high expectations for this new, unprecedented proposal of making the popular acid heat treatment at hair salons casually available at consumers' homes. Stores carrying the series greatly exceeded our target. Following launch, the series was considerably noted and praised by highly trend-sensitive consumers as well, and was also a hot topic on social media. With growth in awareness of acid heat treatment showing no signs of slowing down, the market is expected to grow further going forward.

Meanwhile, people in the Asian region are highly conscious of hair beauty as well. The series is performing strongly in Taiwan, where we rolled it out early on through a Mandom Group company, and we intend to further expand the rollout area within that region.

Additionally, in August 2023, we will add shampoo and treatment to the lineup to enhance it, and will work towards proposing this lineup as the first full-fledged in-bath series under the LÚCIDO-L brand.



Looking towards the further growth of LÚCIDO-L

Our Oil Treatment series containing argan oil, which continued to perform favorably with little impact from the COVID-19 pandemic, as well as our High Damage Repair Treatment series containing acid heat treatment ingredients, which we newly launched in 2022, helped LÚCIDO-L reach its highest net sales on record during the fiscal year ended March 31, 2023.

Going forward, Mandom will continue to propose leading trends with speed and in ways that more and more people find approachable and easy to use, and will work towards expanding its Dedication to Service (Oyakudachi) alongside creating new markets.

Materiality: “Creating an easy-to-start grooming culture”

Strengths of Mandom 2

Men’s Cosmetics

Achievements and knowledge in the men’s cosmetics field Overwhelming presence in men’s cosmetics since Tancho and MANDOM

At Mandom’s founding, we were known for Kintsuru Perfume.

Mandom did not start out specializing in men’s cosmetics.

After launching hit products such as Tancho Tique and the MANDOM series, we began to establish a strong presence in men’s cosmetics.

PIXY, a series of cosmetics centered around makeup, has been rolled out in Indonesia since 1987. Mandom also globally launched the Bifesta cleansing and face wash brand in Japan and other Asian countries in 2010 onwards. Both of these series have been performing well, experiencing expanding sales. However, even now the core brand of Mandom remains the men’s GATSBY brand. In order to satisfy the high expectations of male consumers, primarily in the long-selling GATSBY series and LÚCIDO cosmetic brand for middle-aged men, Mandom has invested people, resources, and money to continue tracking changes in men’s tastes and values. We possess the advantage of having continuously conducted proprietary research on men’s hair and skin.



GATSBY, our men’s grooming brand enjoying tremendous popularity in Asia

Born in 1978, for over 40 years GATSBY has continuously delivered an enjoyable grooming experience to young men in their teens and 20s in various Asian countries. We offer a wide range of products in a variety of categories for all grooming situations, from personal grooming to fashion, including hair styling, hair coloring, skin care, shaving, body care, and fragrances.

GATSBY is currently available in all of the 12 areas where Mandom does business, including Japan.

Although GATSBY’s brand philosophy is globally unified, different products are sold in Japan and other countries.

Needs or wants and the standard of living of local consumers differ between Japan and overseas countries; therefore, the content and selling price of the products are designed differently for each country.

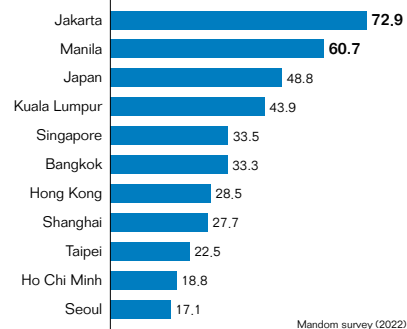
As a result of focusing on the young male in our business expansion in Asia, not just with products but also with communication and in-store points of contact, the name recognition of the GATSBY brand is high in many countries, and it has penetrated to the point of establishing a number one position in the hair styling market. With the spread of social media, we will continue to offer products and value that can help men realize their ideal selves, in line with their ever-increasing awareness of fashion.

<p>GATSBY Japan for men Cosmetics Brand share*1</p> <p>No. 1</p>	<p>GATSBY Indonesia Hair styling products Brand share*2</p> <p>No. 1</p>
<p>GATSBY Japan for men Hair styling products Brand share*1</p> <p>40% or higher</p>	<p>Total quantities of GATSBY-brand products shipped by the Mandom Group in FY2022</p> <p>260 million units</p>

*1 Period: April 2022–March 2023; all business categories, monetary value (market data by Mandom calculations)

*2 Period: January 2022–December 2022; monetary value of brand sales (RMS Nielsen)

GATSBY brand awareness in major Asian cities (%)



Materiality:

Strengths and initiatives to help “Expanding Dedication to Service to a diversity of consumers”

The second aspect of “Dedication to Service (Oyakudachi)” is “breadth” in terms of how many consumers can be satisfied.

As a means of dedicating ourselves to serving as many consumers as possible, we will pursue both “depth” in the form of brand, communication and categories and “breadth” of distribution and area as we aim to become a global company capable of continuing to create strong ties.

At Mandom, we will create new, unique value while keeping an eye on foreseen changes in our market environment and establish systems through which we can continue to provide that value to consumers through products, communication, and distribution as we aim to “use our ‘Only One’ strengths to provide Dedication to Service (Oyakudachi) to a billion people around the world.”

Strengths of Mandom 3

Overseas Expansion Focused on the Rapidly Growing Asia

The Mandom Group views overseas countries as markets rather than production bases. We have been engaged in overseas business with the policy to demonstrate Dedication to Service (Oyakudachi) to local consumers through our products.

Our overseas expansion began with the commencement of operations at Tancho Corporation, our technical tie-up in the Philippines, in 1958.

Later, in 1969, we established a subsidiary in Indonesia via a joint venture.

Since then, we have continued to expand our area of operations, and today, we have 13 business companies in 11 areas in Asia.

Furthermore, we export our products from Indonesia to more than 90 countries, including in the Middle East and Africa, via Dubai (UAE), which is a global trade hub.

Since our founding, there has been a spirit of spreading high-quality and best-value products at Mandom. In our overseas operations, we target the general public in each area. We are engaged in product development with a thorough emphasis on Consumer-led Lifestyle Value Creation for the consumers in each area, not getting caught up in what products are popular in Japan.

If there is a need or want among consumers, we will boldly take up the challenge to roll out products in various categories, regardless of whether we have experience with such categories in Japan, such as with the Pixy makeup brand in Indonesia.

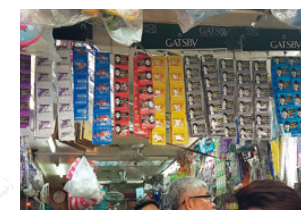
Moreover, lifestyle types, income levels, and preferences about fragrances vary depending on the area. As of now, we have placed development hubs in Indonesia, China, and South Korea in order to offer products that match the preferences and buying power of consumers and have built a distribution network that makes it easy for general public consumers to acquire our goods. Through these and other efforts, we provide reasonably priced products and services that allow people to enjoy personal styling.

Overseas Business Areas

(The Company’s overseas operations are reported in two segments: Indonesia and Overseas Other)



Men’s cosmetics in Japan and overseas



Traditional trade store (The Philippines)

Materiality: “Expanding Dedication to Service to a diversity of consumers”

Strengths of Mandom 4

“Unique Research” and “Reliable Technology” to Respond to Consumer Wants

Conducting unique research to respond to diversifying consumer wants

Mandom Group conducts research and development focused on the three areas of “hair/scalp,” “skin,” and “deodorant/antiperspirant,” an area which has gained significant interest in recent times.

Hair/scalp, skin, and deodorant/antiperspirant vary by individual depending on their race, gender, age, lifestyle, climate, and culture. Just as each person’s situation varies, so do their demands as consumers.

In order to respond to as many customer wants as possible, Mandom is proceeding with research and development in a wide range of areas including the human body structure, function, and mechanisms in order to discover ingredients and apply them to products that respond to these wants.

Hair/Scalp

As a sector, hair/scalp is considerably affected by the external environment surrounding consumers, such as climate and trends, as well as by consumers’ own internal changes such as growing in age. In order to continue to address the ever-changing, ever-evolving new wants and concerns of consumers, Mandom conducts research and development from the perspective of consumers to develop bold and revolutionary products.



Realized perm-like hair arrangements by fastening fine crystal “spikes” atop hair

Our “GATSBY Meta Rubber Series” that we launched in February 2023 is a new form of styling product for young men who pursue efficiency and cost performance at an affordable price point. This series strikes a balance between setting power and ease of use. Of particular note is “GATSBY bubble / perm-style creator,” a revolutionary product utilizing foam that can be spread into hair with ease to arrange even straight hair into perm-like style without actually getting a perm. After the foam agent is evenly applied to and spread into the hair, it dries to

form crystals called “spikes” that attach themselves to the hair as a whole. This gives hair adhesion and manifests a function through which hair strongly pulls at each other. This makes it possible to bundle hair in the three-dimensional curls that define perm hairstyles. Some people are averse to perm treatments due to factors such as damage to the hair and scalp, the risk of a perm that does not come out right, and cost. We at Mandom believe that the technology in this product makes it possible to casually enjoy a perm-like hairstyle, thereby offering new value to consumers.

Skin

Mandom has continuously conducted surveys and research related to the condition of skin in both men and women and has shown that there are unique conditions for the skin of each gender. In particular, we have carried out fully designed surveys and research on men before anyone else in the cosmetics industry. We discovered that men’s skin has attributes different from that of women’s. In recent years, we have conducted research and development which consider how skin condition makes the “impression of appearance.” We have also made new discoveries about women through research focusing on the relationship between the menstrual cycle and skin condition.



Concealer is proven to instantly change the impression of the skin of middle-aged men by reducing the appearance of blotches, redness, and dry skin

In a joint study with Assistant Professor Koyo Nakamura and Professor Katsumi Watanabe of the School of Science and Engineering, Waseda University, it was found that the makeup effect of concealers tended to reduce the “noticeability of blemishes,” “noticeability of scars,” and “redness of skin,” as well as the “apparent age.” It was also found to have a stronger effect of reducing the appearance of blotches close rather than far away, meaningfully improve one’s impression of leadership, and make one appear younger when the face was slightly tilted to the side rather than facing straight forward.



3D structure of sweat gland published in “Gray’s Anatomy,” the common anatomy textbook used worldwide

The (Mandom) Joint Research Program in the Laboratory of Advanced Cosmetic Science at the Graduate School of Pharmaceutical Sciences at Osaka University produced a new visualization of the detailed structure of human sweat glands and the blood vessel structure that is the source of sweat production. This image was published in the “Skin” part of Chapter 1 of “Gray’s Anatomy.” Based on this knowledge, if ideas that solve sweat gland disorders are born and our understanding of the basic mechanisms of sweat gland contraction and maintenance of homeostasis are deepened, this will not only help in development of the next generation of antiperspirants, but also contribute to medical developments through the elucidation and treatment of medical conditions related to sweat, such as heat stroke and hyperhidrosis.

Strengths of Mandom 5

Production and Supply System Which Seeks the Spread of High-Quality and Best-Value Products

Product supply system comprised of three manufacturing bases with different missions

Mandom Group reinforces the concept of products through Consumer-led Lifestyle Value Creation in each Asian country we operate. Mandom has three manufacturing bases in Japan, Indonesia, and China in order to provide high-quality, reasonably priced products and services which fit the changing income levels, wants, and tastes and lifestyle of consumers in various countries.

Fukusaki Factory in Japan takes the lead of the Group as an innovation center with technological and production functions. It is the supply base to provide high quality “Made in Japan” women’s cosmetics, including Bifesta, to Asian countries. Starting in February 2019, we carried out the construction of a new production building to meet the expected supply capacity, including domestic and overseas exports, by the time we reach VISION2027, the 100th anniversary of the Company’s founding.

Previously, there were some inefficiencies due to the transfer of items among five buildings between delivery of raw materials and shipping of finished goods. With the new production facility, each building is connected by a walkway that enables employees and raw materials to pass indoors throughout, which has improved efficiency. We made the building’s design environmentally friendly, aiming to obtain an A rating under the CASBEE¹ evaluation standard. We are also implementing IoT, AI, and robotization, to help improve accuracy, product quality and efficiency while saving labor.

The new production building has been in operation since November 2021.

¹ CASBEE (Comprehensive Assessment System for Built Environment Efficiency): Methodology of evaluating and rating the environmental performance of buildings

Our Indonesian factory, which serves as a global production center, has a production structure that allows it to manufacture high-quality, cost-competitive products. The factory primarily supplies ASEAN countries, but its global reach extends to many markets. Our factory in China primarily supplies products to the country’s domestic market and provides additional production for the Group.

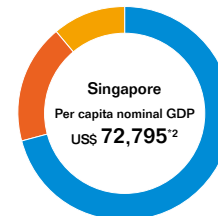
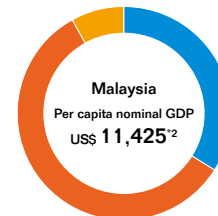
We are also taking efforts to construct a system to substitute, provide complementary production, and conduct shipping in cases when natural disasters or accidents occur at factories.

Product supply system which fits various GDP levels and local requirements

Group companies in each country sell products with their own unique product mix; importing products from Japan, Indonesia, and some from China, tailored to the GDP levels of the countries, consumers’ income levels, and lifestyles. In each country, products produced in Japan are in a higher price zone, while products produced in Indonesia are in a more reasonable price zone and products produced in China are between those two zones. This makes it possible to arrange the best product mix for each country.

Comparison of net sales by manufacturing center

■ Made in Japan
■ Made in Indonesia
■ Made in China
Note: Composition excluding products from other companies



*2 2021 values from the JETRO website

Three manufacturing bases which support the Group



Fukusaki Factory (Japan)
Production volume: 144 million units



Factory 1 (Indonesia)
Production volume: 409 million units



Zhongshan Factory (China)
Production volume: 14 million units
Note: Production volume based on FY2022 performance



Strengths of Mandom 6

Highly-Engaged Employees

Believing the instillation of our corporate philosophy in all employees and its implementation to be a matter of the highest priority in order to realize “VISION2027,” our vision for 2027 when we commemorate the 100th anniversary of our founding, in 2017, the first year of our “MP-12” 12th Middle-Range Planning, we conducted a series of initiatives to instill that philosophy among all Group employees with the considerable speed of just six months’ time. We started by holding discussions among officers through gatherings, then instilled our corporate philosophy among department heads positioned as “evangelists,” and finally instilled it from the various department heads to their respective department staff through holding workshops.

Every year since 2018, for the purpose of following up on the degree of awareness among employees, we have continued to conduct employee surveys, provide feedback results, and hold workshops in each department to address their respective issues based on that feedback.

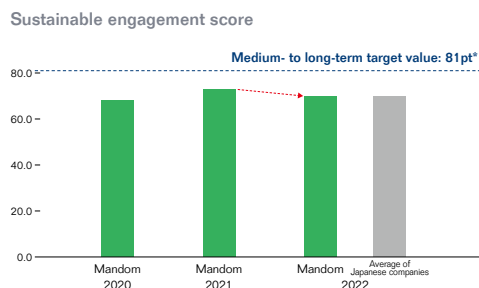
FY2022 survey results and Group response

1 Sustainable engagement

Unfortunately, our “sustainable engagement” score fell by three points over last year.

This is presumably due to anxiety about the company, which has struggled for the past two years, and a decline in satisfaction. We believe that initiatives and measures are needed to dispel these concerns.

Engagement scores were slightly lower than last year and comparable to the Japanese standard. We will aim for the level of global consumer goods manufacturers as a medium- to long-term target value through the resolution of issues, including surveys.



* Set based on global manufacturing industry standard value

► Points that showed improvement compared to FY 2021

Authority/discretion

The score increased with respect to the delegation of authority necessary to promote operations and the provision of challenging and fascinating work opportunities. The three years through FY2023 (fiscal year ending March 31, 2024) are positioned as a “period of transformation and challenges” in the 13th Middle-Range Planning “MP-13,” and we assess that this has gradually begun to instill throughout the company.

In April 2023, we implemented organizational restructuring, including flattening of the organization and consolidation and elimination of departments, with the aim of delegating authority, speeding up decision-making, and strengthening collaboration among departments. We will continue to create an environment in which employees can demonstrate their abilities to the fullest extent.

► Points that did not show improvement compared to FY 2021

Well-being

The development of new products to strengthen the brand led to long working hours in some departments, resulting in a lower score with respect to consideration for employee health. We are promoting health management and believe that employees must be healthy both physically and mentally as a prerequisite for their rewarding and lively activities. We have begun efforts to rectify this situation.

► Points of superiority in benchmark comparisons

Goals/targets

This is presumably due to our high level of understanding of the strategies of each affiliated department and the significance of each employee’s work, and the fact that Dedication to Service (Oyakudachi), the foundation of our philosophy, is instilled in employees on a daily basis. In the future, we intend to create value by synchronizing management strategy and organizational strategy more closely, with the department heads as key persons.

► Points of inferiority in benchmark comparisons

Leadership

Employees are becoming increasingly anxious about the company and management’s strategies, decision-making, and response to change amid struggling business performance arising from the COVID-19 pandemic. We believe that more careful and continuous communication is necessary.

In addition to the “distribution of video messages from Supervisory Executive Officers to employees” and “dialogue sessions between the President and employees,” which we have implemented until now, we have been conducting training for department heads since FY2023 with the aim of behavioral change to realize transformation. We believe that department heads have the role of organically linking management with members of each organization. We aim to create an environment and structure in which management and employees can promote business in unison by realizing a system in which management strategy and management’s ideas can be felt more closely through the department heads.

2 Initiatives to improve engagement

Dialogue sessions between the President and employees

President Nishimura held dialogue sessions with employees that continued from FY2021 with the objective of direct communication that leads to mutual understanding and instillation of policies.

Purpose

- Realizations of things that should be addressed during period of “transformation/challenge,” and instillation of understanding of Mandom’s medium- to long-term direction
- Regular sharing of awareness of issues, mutual understanding of each other’s personalities
- Formation of sound and solid organizational climate and workplace

Session schedule

September 2022–January 2023 Total of 44 sessions

Number of participants

Mandom Corporation employees between their teens and 30s 238 employees in total (Participants in the previous year 247 employees/Total participants 485 employees)



Each dialogue session was held with three to eight employees. All of them were conducted face to face in principle. Group-wide shared themes and individual themes for employees in their teens and 20s, those in their 30s, and new managers were configured as preliminary challenges, with each employee asked to prepare prior to engaging in the dialogue.

The most recent sessions, whose participants were mostly young employees, yielded some important feedback such as “Internal communication and teamwork is becoming diluted,” “There are few regular opportunities to be ‘praised’ or sense a ‘Dedication to Service (Oyakudachi)’ in the course of performing duties,” “It’s difficult to understand superior policies, as they are not being sufficiently conveyed,” and “Overtime work at a level that affects work-life balance is becoming the norm.” With President Nishimura also sincerely accepting this feedback himself, we have already begun initiatives to solve these issues.

Meanwhile, numerous positive opinions were received regarding the implementation of the dialogue sessions, such as “Rather than giving a cut-and-dried response to individual employee concerns, the President carefully addressed them, which pleased me,” “I feel at ease now knowing that the President has a sense of the same kind of challenges that I sense on the frontlines,” and “There were numerous realizations through dialogue with fellow employees in the same age group, which led to improved motivation.”

These dialogue sessions are positioned as a meaningful opportunity for employees to understand and share how the company and its top management recognize the current situation and what direction they are aiming to take. We plan to hold dialogue sessions between the president and approximately 200 employees who have not yet participated in the session in FY2023.

Department head training

We already mentioned that department heads are “evangelists” for our corporate philosophy. They are the bridge between our management team and employees in our corporate organization, and are the key persons who lead the transformation and challenges in their respective organizations. Given that, we established new department head training as a forum for the Company to communicate its expectations for department heads and encourage them to change their behavior in preparation for future transformation and challenges.

Designed with a number of vertical and horizontal contact points in mind, including those between fellow department heads, department heads and subordinates, and department heads and our management team, this training is conducted at the Osaka Head Office in a face-to-face format.

We plan to implement the training in series over the next year, from acquiring the mindset of a department head and the knowledge and skills to lead the organization and its people, to developing and implementing strategies for transformation and challenges through these efforts.



Materiality: "Realizing mutual growth of employees and the company"

<Feature> The Mandom Group's Human Capital Management Initiatives

-MHRX (MHRX HR Transformation) enters full-fledged operation-

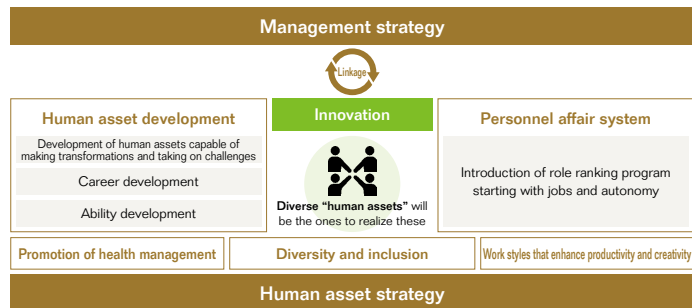
In 2021, the Group formulated its corporate slogan of "BE ANYTHING, BE EVERYTHING." This is an expression of the form of new "Dedication to Service (Oyakudachi)" that we seek to realize from here on out, that being supporting all consumers to "live their own lives" and sustainably creating a society in which they can achieve this and which is close to their ideals.

With a view to that realization, we regularly conduct ourselves so that each and every one of our employees can play an active role as irreplaceable human assets with diverse individuality and strengths (specialization) and practice Dedication to Service (Oyakudachi) by providing new, unprecedented, one-of-a-kind value.

Additionally, amid the heightened uncertainty in our social environment in recent years in particular and the more pronounced transformation of business models through DX, in order for us to enhance our corporate value on an ongoing basis through Dedication to Service (Oyakudachi) for society, it is crucial that we cope with these social changes in a proper way and keep on giving rise to innovation (creating new value) at a greater level than before.

At Mandom, we see "human assets with diverse individuality and strengths" as the true largest source of various innovations, and believe aggressive investment in those human assets to be imperative. Our approach to "human assets" in this fashion is also consistently expressed in "Human Assets," one of the Mandom Principles that constitute the Mandom Group's code of conduct, and in "Happy individuals make a happy company," our human resources philosophy.

Based on this idea, in order to realize "Dedication to Service (Oyakudachi)" for society and improved corporate value through innovation in conjunction with our management strategy, we have adopted the following five items as our main initiative areas with respect to human assets: ① "development of human assets" with diverse individuality and strengths, ② new "personnel affair system" that helps those human assets play active roles, promotion of ③ "health management" and ④ "diversity and inclusion," and ⑤ practice of "work styles that enhance productivity and creativity." We will proceed to practice the following concrete initiatives.



① Development of human assets with diverse individuality and strengths (human assets development policy)

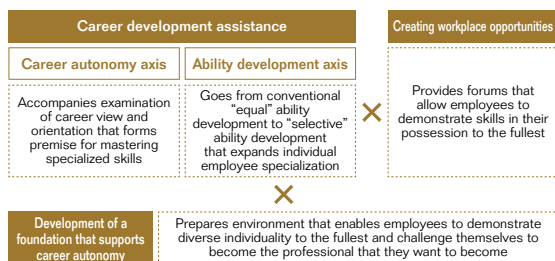
In order for each and every one of our employees to grow as human assets with individuality and strengths (professional human assets), we will need initiatives based on a multilateral standpoint that include fostering a mindset for autonomous career development by employees themselves and the enhancement of specialized skills in each field.

At Mandom, we implement various measures aimed at the development of professional human assets within our organization.

Supporting employees in developing their career paths and abilities

We define human assets who engage in independent career development as "autonomous human assets." In order for our employees to grow into autonomous human assets based on that definition, we have compiled the three pillars of "career development assistance" made up of the dual axes of career autonomy and ability development, the "creating workplace opportunities" for employees to demonstrate the skills in their possession to the fullest both internally and externally, and the "development of a foundation" to support the previous two pillars into a system chart. Using these pillars as a cornerstone, we establish various forms of education and programs for career and ability development and conduct other related efforts.

Career development support system chart



Implementation of DX education aimed at creating new value

Our belief is that in developing employees' abilities, the development of abilities and skills in the areas of digital and DX is particularly essential elements in future new value creation by Mandom. Having launched the DX Promotion Committee in May 2021, we are currently pursuing the promotion of DX companywide, and are tackling the following two points in order to develop human assets capable of creating new value by Mandom amid that transformation.

- Select and train next-generation digital leaders
- Implement digital education for all employees that fosters company culture of DX promotion

The recognition of DX initiatives at Mandom and our accompanying promotion system satisfying certification standards based on the Digital Governance Code set forth by the Ministry of Economy, Trade and Industry (DX promotion indices) as well as our information disclosure efforts being adequately conducted to stakeholders, among others, led to Mandom being a certified operator under the Digital Transformation Certification on August 1, 2022.



Initiatives developing and educating human resources

Please visit our website for information on standard training, employee education, and career support.

CSR Information
 ▶ Mandom Group's CSR KohDoh Practices > Labor Practices > Human Resources Development

Internal Environment Development Policy

② Introduction of job-type personnel affair program in line with transformation of personnel affair systems

With a view to the creation of an organization and human assets capable of making transformations and taking on challenges in order to realize Dedication to Service (Oyakudachi) through the creation of new value, we initiated reforms of our human resources system starting with jobs and career autonomy ("Mandom HR Transformation," or MHRX for short). As part of those reforms, we introduced a role ranking program based on jobs in April 2023.

Based on these reforms, through clarifying the responsibilities and skills required of each role, we will conduct fair and impartial evaluations and treatment in accordance with the extent of that role to enable our employees to sense worth in their work and, in turn, realize a system that can be tied into the creation of new value.

<https://www.mandom.co.jp/release/2023033101.html> (Japanese Only)

③ Promotion of health management

Based on the belief that healthy employees enhance the value of the company, Mandom promotes the creation of workplaces where employees can gain job satisfaction and all employees can participate in a comfortable work environment to achieve their own well-being.

As a result of these initiatives, Mandom has been selected under the 2023 Certified Health & Productivity Management Outstanding Organizations Recognition Program (large enterprise category) in March 2023.

Main measures

- "Enhancement of health management promotion system" through health guidance by and opportunities to consult with public health nurses
- Placement of Health Management Promotion Committee members at each business site
- "Promotion of visualization of health management" in which information on health literacy and health is communicated to coincide with opening of internal health management portal site
- "Implementation of health seminars" online

In June 2023, the Health Management Alliance was established for the purpose of "designing a model for health management, co-creating solutions to make it work, and implementing them in the industry." Mandom will participate as a member of the "Practice Group" that co-creates a health management model and results through the sharing of initiatives of participating companies. Through our participation, we will further promote our health management by studying and implementing various initiatives based on the collective knowledge gained within the Alliance.



At the same time, "rectifying long work hours for certain employees" is a challenge of ours in our efforts to further promote health management at Mandom. At present, average overtime work per month for our employees is 15.5 hours. However, it has come to light that certain employees actually work long hours in excess of 30 per month (calculated with full-time employees including managers at Mandom Corporation (non-consolidated) as the target using average hours per month for the three-year period between FY2020-2022). We believe that by rectifying all long work hours and creating an environment in which our employees can work soundly, we will be able to realize the well-being of our employees themselves as well as the creation of various forms of new value and a further improvement in corporate value through that well-being. With that point in mind, Mandom has adopted a new target of "achieving ten hours or less of overtime work per month on average for all full-time employees (including managers) by FY2027," and will proceed to tackle this target.

Materiality: "Realizing mutual growth of employees and the company"

4 Promotion of diversity and inclusion

Based on our idea that "human assets with diverse individuality and strengths" are our true largest source of various innovations, we will place a particular focus on active engagement by "female employees," "midcareer hires," and "non-Japanese employees," and further promote initiatives geared towards diversity and inclusion.

Promotion of active engagement by female employees

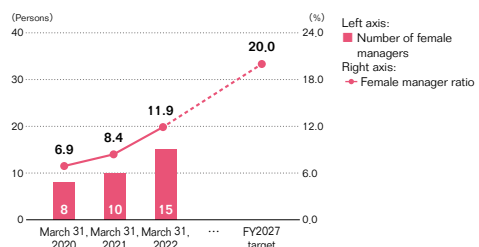
It is essential to have diverse perspectives rather than the uniform viewpoints such as "Japanese," "men," and "new graduates" in order to provide Dedication to Service (Oyakudachi) to consumers in the midst of diversifying values. We believe that one of these perspectives is that of women, and as such, we have established gradual conduct plans aimed at promoting active engagement by women and realizing a society in which women's individuality and abilities can be fully manifested, and have promoted initiatives to that end.

Recognition of the outcomes of such initiatives led to Mandom acquiring the highest rank of three stars for the "Osaka City Leading Company in Women's Participation" ranking in June 2022 as well as the "Excellence Prize" in the Large-Scale Enterprise Category for 2022's "Osaka City Leading Company in Women's Participation" in February 2023.

Additionally, in order to promote further active engagement by our female employees in the future, we have established a new indicator in the form of "female manager ratio of at least 20% by FY2027." To achieve that, we will proceed to implement a number of initiatives that include formulating a managerial position promotion plan for female employees every single year, conducting various forms of training for female employees, and enhancing various forms of education for our management and managers to ready them for active engagement by women.



Trends in actual female manager ratio and future indicators

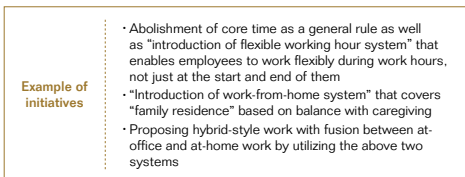


Notes: Results of Mandom Corporation (non-consolidated) as of March 31 of each year
 The manager ratio was calculated based on the provision of the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015).
 Managers include General Managers and Managers. Executive Officers are not included.

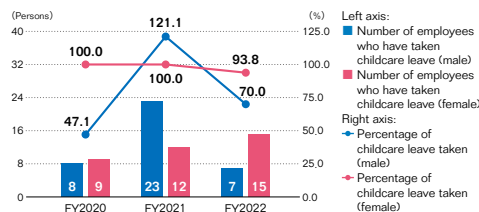
5 Practice of work styles that enhance productivity and creativity

We are promoting work-style reform to improve "productivity per unit," "growth of individuals and job satisfaction," and "creativity." Through this work-style reform, we will realize a work style that increases productivity and creativity while employees demonstrate their individuality and strengths to the fullest without being bound by various constraints.

We are also promoting the proactive taking of childcare leave by employees. As part of our general employer action plan (between April 1, 2020 and March 31, 2023) based on the Act on the Promotion of Women's Active Engagement in Professional Life, we adopted the goal of achieving 100% of childcare leave taken by both male and female employees. Looking to achieve that goal, we conducted efforts such as having the Human Resources Division make proactive announcements aimed at having eligible employees take childcare leave and requiring three-party interviews between all eligible employees, their superior and the Human Resources Division. The results for each fiscal year during the plan period are as shown in the table on the right. We view this indicator as something we should keep on achieving. Going forward, we will continue to tackle it as we strive to continuously achieve 100% childcare leave taken by both male and female employees.



Trend in percentage of childcare leave taken



Supplementary information
 Results of Mandom Corporation (non-consolidated) as of March 31 of each year
 For percentages of childcare leave taken, percentages of childcare leave, etc. taken under Article 71-4, item (i) of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ordinance of the Ministry of Labor No. 25 of 1991) were calculated based on the provisions of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991).
 For the results of male employees for FY2021, given that certain employees who were eligible to take childcare leave in FY2020 took that leave in FY2021, the number of employees who took childcare leave in FY2021 exceeded the eligible number, yielding a percentage result of over 100%.

Materiality:

Strengths and initiatives to help "Actions for sustainable global environment"

Recently, the severity of environmental problems such as climate change and plastic marine pollution have been increasing year by year, and the Sixth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) released in 2021 states that "It is unequivocal that human influence has warmed the atmosphere, ocean, and land." The report concluded that human activities are also responsible for the increase in extreme events such as heat waves and heavy rainfall that have been occurring frequently in recent years.

We recognize that the growing awareness of our stakeholders, including consumers and investors, toward the global environment will have an impact on the continuity of the Company's business activities in the future, and we believe that promoting global environmental initiatives as a company will enhance our corporate value. We have been engaged in activities to reduce our environmental impact to date, and we will further strengthen our efforts to reduce our environmental impact throughout the product life cycle, including less dependence on plastics, with the aim of transitioning to a recycling-oriented society. Regarding reduction of greenhouse gas emissions, we hope to realize virtually zero greenhouse gas emissions by 2050.

The Mandom Group's Environmental Policies

The Mandom Group, based on its corporate philosophy, recognizes that environmental issues are a common issue for all humankind, and strives to understand the environmental impact of the entire value chain through its business activities. We will strive to realize a sustainable society by creating value through our core business, while cooperating with society to fulfil its wishes.

For detailed items in the Mandom Group's Environmental Policies, please see our website.
 The Fukusaki Factory has separately established the "Fukusaki Factory Environmental Policy."

Formulation of Targets and Associated Progress

Targets

- By 2027, we aim to turn 90% of Mandom products sold in Japan into eco-friendly products.
- By 2050, we aim to turn 100% of products sold by the Mandom Group into eco-friendly products.

Progress

53.5%
 (as of March 31, 2023)
 * Target: Progress against products sold in Japan

We place eco-friendliness as one of our product values and promote efforts to create value that empathizes with society in accordance with the Mandom Group Eco-Friendliness Product Standards. As part of our effort, we have adopted our own eco-friendly product standards alongside medium- to long-term targets. We will promote efforts to make eco-friendly products in aid of achieving sustainability across society while checking progress toward our targets. These standards will be updated on an ongoing basis, with reference to the latest information on technology and developments in Japan and overseas while taking into account views, expectations and wishes of all our diverse stakeholders.

Eco-Friendliness of Products

Life cycle stage	Environmental issues	Environmental-friendliness standards
Procurement of raw materials	Biodiversity conservation and forest conservation	Product that uses recycled paper with 80%+ content of waste paper pulp as material for its outer and inner box package inserts and other paper-based items
		Product that uses FSC® certified paper as material for its outer and inner boxes, package inserts, and other paper-based items
Product use	Climate change Carbon neutrality/ CO ₂ emissions reduction	Product that uses raw and other materials that have satisfied other international environmental certification systems or criteria
		Product that uses 25%+ plant-derived biomass content for its container and packaging materials
Disposal	Waste reduction	Product that uses 10%+ plant-derived biomass content for its laminate packaging
		Product that uses 25%+ recycled materials for its container and packaging materials
		Product that uses 50%+ recycled materials for its laminate packaging
Other	Recycling Circular economy	Product that uses 20%+ less in power for dryer and gas for hot water supply when product is used, compared against benchmark
		Product that uses 20%+ less water when product is used, compared against benchmark
Other	Recycling Circular economy	Product that eliminates use of main container and packaging materials or reduces weight or dimension to achieve 10%+ less use of such packaging, compared against benchmark
		Product that eliminates use of individually packaged units or reduces weight by 10%+ of such packaging, compared against benchmark
Other	Recycling Circular economy	Refill product that reduces container weight by 50%+, compared to standard container weight
		Product that has switched from petroleum-based plastic to alternative materials (e.g. paper, glass)
Other	Recycling Circular economy	Product that uses mono materials that make separation for disposal easier

(Notes) 1. Product that satisfies one or more of the criteria above shall be considered an eco-friendly product. (FSC®N003667)
 2. The benchmark will be a product manufactured in 2016 when Mandom revised the Environmental Policy.

Materiality: "Actions for sustainable global environment"

Initiatives to Reduce Plastic Waste

Plastic packaging, which is widely used in various fields including cosmetics, has the advantages of being lightweight, durable, and easy to process. On the other hand, it becomes so-called "marine plastic" if it is not disposed of and managed properly and ends up in the sea, and there is growing concern about its impact on the ecosystem. In addition, plastics derived from fossil resources generate a large volume of CO₂ emissions in their manufacturing process and when incinerated, and are also said to be a cause of global warming. In order to preserve a sustainable global environment and contribute to a carbon-free society, Mandom set a medium- to long-term target of reducing the volume of virgin plastics derived from fossil resources by at least 25% (compared to FY2016) by FY2027.

Having positioned the reduction of plastic waste as a top-priority challenge in the eco-friendliness of its products, the Mandom Group will strengthen its efforts through the 4Rs (reduce (reduce use and emissions), reuse, recycle, and renewable (replace with renewable materials)) to work towards reducing the use of plastics derived from fossil resources and addressing social challenges.

Reduce Reduction of usage and emissions	Promote initiatives to reduce the amount of plastics used and the amount of plastics discarded by reducing the thickness and weight of containers and packaging as well as sales promotion materials, and by adopting materials other than plastics.
Reuse Promotion of reuse	Promote the development of refillable and replaceable products with the aim of reducing waste of single-use containers by enabling repeated use of main containers.
Recycle Promotion of recycling	Promote the development of products that are easy to sort during disposal as well as containers made of mono material for easy reuse or recycle and recycled materials.
Renewable Promotion of switching to renewable materials	Promote the switching to sustainable materials such as plant-based materials (biomass plastics, etc.) to reduce the use of petroleum-based materials.

Examples of Initiatives to Reduce Plastic Waste

Example of "Reduce"

We removed the individual packaging of "GATSBY Facial Wipes/Body Wipes" sold exclusively through e-commerce.



Example of "Reuse"

We developed refill products in order to reuse main containers and reduce waste.



Example of "Renewable"

We changed the outer box of our "GB Hair Self Trimming Kit" and "GB Mens Eyebrow Kit" and the cases housing the accompanying scissors and other elements from a plastic to a paper construction.



Promoting a Recycling-Oriented Society

We have been maintaining a rate of 99% or higher for resource recovery from industrial waste to qualify for "zero waste emissions" since October 2003 at the Fukusaki Factory. In FY2022, this was achieved at all Mandom business sites in Japan.

To encourage waste reduction and recycling at our head office building, we conduct environmental awareness seminars relating to such topics as environmental problems, and explain rules for proper waste classification and disposal to new employees and individuals who have transferred to the head office building.

Waste emissions including general wastes were 3,314 tons in FY2022, a year-on-year decrease of 2.0%. We take this result seriously. Additionally, to further bolster our initiatives geared towards a sustainable global environment as we prepare for the transition to a recycling-oriented society, we joined the Japan Circular Economy Partnership (J-CEP) in 2022. Using the knowledge that we gained in doing so, we will endeavor to promote a circular economy going forward.

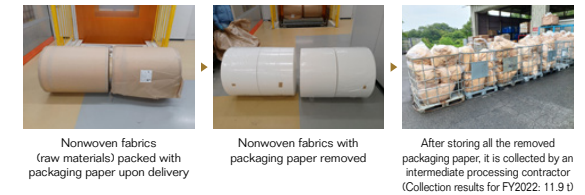


J-CEP is a new business co-creation partnership in which companies and other entities that seek to realize a sustainable society engage in the promotion of a circular economy in cooperation with residents, governments, universities, and other organizations.

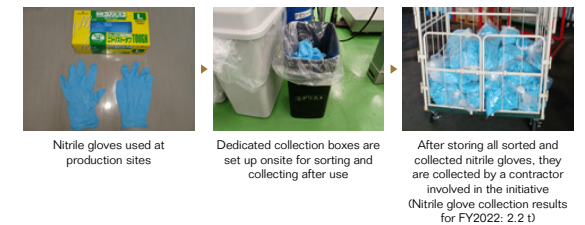
Waste Resource Recovery Initiatives

At the Fukusaki Factory, we conduct improvement activities every year with an awareness of waste resource recovery within the factory. As an example of these improvement activities, packaging paper used as raw material for nonwoven fabric deliveries, which used to be treated as waste, is now collected by an intermediate processing contractor and recycled as recycled paper. In addition, nitrile gloves, which were collected by a contractor after being sorted and collected post-use within the factory, are recycled as raw materials for roadbed materials and sand cushioning. We are committed to further improvements and initiatives toward a recycling-oriented society.

Example of packaging paper initiative



Example of nitrile glove initiative



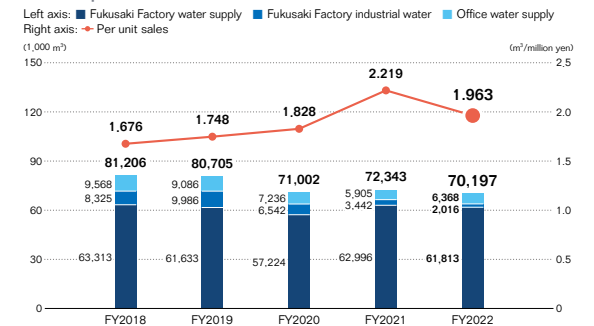
Efficient Water Use

In FY2020, water resource usage decreased due to a decrease in production volume, affected by COVID-19 pandemic. In FY2022, production volume recovered to exceed that of the previous year. However, water resource usage was 70,197m³, a year-on-year decrease of 3.0%.

At the Fukusaki Factory, we are regularly calling upon each department to save water, and reviewing methods of cleaning production equipment, piping, and other facilities.

We will continue to emphasize efficient use of limited water resources and the continuous response to water resource issues as we aim to do our part for a better environment.

Water Input



Materiality: "Actions for sustainable global environment"

Promoting Measures toward a Carbon-Free Society

Initiatives related to Climate Change (disclosure based on TCFD¹ recommendations)

Viewing climate change as one of its material issues (materiality) in sustainability, the Mandom Group has adopted "initiatives geared towards a carbon-free society" and "eco-friendly product manufacturing" as themes it will tackle. We expressed our support for the Task Force on Climate-related Financial Disclosures (TCFD) in June 2022, as a good corporate citizen who lives socially with the dynamism of the times, and in order to be more effective in evolving our Dedication to Service (Oyakudachi) and creating corporate value through our core business. Alongside using the TCFD proposal framework to further strengthen our governance

on climate change, we perform scenario analysis using the scenarios disclosed by various initiatives as a reference, extract the risks and opportunities arising from climate change, and assess the financial impact of climate change. Additionally, we will push forward with various actions based on the themes we will tackle as well as proactively disclose information.



¹ External Site
*1 TCFD: Task force on Climate-related Financial Disclosures

Governance

Viewing response to climate change as a material issue in sustainability management, we have established it as one of the themes we will tackle with respect to materiality. Additionally, we have formed medium- to long-term targets² that we discuss at meetings of the Sustainability Committee³ chaired by the President Executive Officer and consisting of our management as well as meetings of related subordinate committees. The content of those discussions is then referred to the Management Council and the Board of Directors, where the execution status of targets is ascertained and deliberated.

² See p.24 "Sustainability Strategy and Materiality."
³ See p.25 "Sustainability Promotion System."

Strategy (Opportunity and Risk Analysis)

Depending on the status of warming prevention measures, a number of conceivable scenarios are present with respect to the issue of climate change. Using a variety of data as a reference, the Group examines transition risks and physical risks in its business management while referring to scenarios for 1.5°C and 4°C⁴, both of which are considered representative average temperatures. We will analyze risks and opportunities as well as their impact and aggressively tackle them as they pertain to the effects on our Dedication to Service (Oyakudachi) through the products that constitute our business domain.

⁴ External Site
*4 Examples of various scenarios used as a reference
▶ AR6 Synthesis Report: Climate Change 2023: IPCC > World Energy
▶ World Energy Outlook (WEO) 2022: International Energy Agency (IEA)

Risks and opportunities with climate change at Mandom

Scenario	Classification	Risks and opportunities	Business impact/financial impact	Envisioned timing of manifestation	Degree of impact	Envisioned monetary impact
1.5°C scenario	Transition risks	Introduction of/rise in carbon tax	Increase in operational costs due to introduction of carbon tax	Medium term	++	¥320 million per year *Maximum risk value when current emissions continue until 2030
		Rise in energy costs for renewable power	Rise in energy costs due to growth in demand for renewable power	Short term	++	¥170 million-¥990 million per year *Maximum risk value when current power composition/electricity consumption continues until 2030
		Cost resulting from transition from packaging materials and plastic products to "sustainable products"	Risk of getting shut out of market if there is no progress in transition to "sustainable products" concerning packaging materials and plastic products	Long term	++	¥710 million per year *Maximum risk value when current consumption continues until 2030
	Opportunities	Decrease in earnings and increase in business costs resulting from changes in the market	Risk of earnings decreasing and business costs increasing due to changes in market (changes in consumer preferences) and intensified competition in specific markets	Medium term	++	-
		Reduction in costs, increase in earnings, improvement in asset value, etc. resulting from development of new products and technologies	Reduction in costs, increase in earnings, improvement in asset value, etc. resulting from development of new products and technologies	Long term	++	-
		Increase in earnings and enhancement of market competitiveness resulting from incorporation of consumer preferences	Increase in earnings and enhancement of market competitiveness resulting from incorporation of consumer preferences	Medium term	++	-
4°C scenario	Physical risks	Fragmentation of supply chain caused by damage to suppliers	Damage to business bases and suppliers caused by abnormal weather, etc. and risk of decrease in earnings resulting from fragmentation of supply chain	Long term	++	-
		Risk of stagnation of business activities caused by water shortages resulting from heat waves and droughts	Risk of stagnation of business activities caused by water shortages given projections of increased frequency of heat waves and droughts	Long term	++	-
	Transition risks	Rise in energy costs for renewable power	Rise in energy costs due to growth in demand for renewable power	Short term	++	-
	Opportunities	Product development/market expansion and cost reductions related to physical risks and accompanying improvement in evaluation by investors	Product development/market expansion and cost reductions related to physical risks and accompanying improvement in evaluation by investors	Long term	++	-

* Timing of manifestation
* Degree of impact
Short term: 0-1 years; medium term: 3-5 years; long term: 10+ years
++: Considerable impact, ++: Certain degree of impact, -: Small or negligible impact

Risk Management

Under the Sustainability Committee, after examining of impact on our business activities pertaining to climate-related opportunities and risks at meetings of related committees, we ascertain the situation in the entire Group and examine response. Through deliberation and approval by the Sustainability Committee and reports to the Management Council and the Board of Directors, we manage progress in each material issue (materiality) and target. Additionally, for emission results, progress in targets is managed based on yearly calculations of CO₂ emissions originating from energy and power used by each company in the entire Group (Scope 1 + 2) and CO₂ emissions generated by the value chain in our Japan business (Scope 3).⁵ In particular, concerning CO₂ emissions, emissions originating

from the use of power in Scope 2 and emissions from the procurement of raw materials and use of products in Scope 3 are deemed considerable. From the dual perspective of risks and opportunities in our business activities, we formulate medium- to long-term targets and tackle with priority the changeover of the power we consume to renewable energy and the development of eco-friendly products. Moreover, with respect to the calculation and ascertainment of CO₂ emissions in our value chain, going forward, we will pursue initiatives aimed at calculating and ascertaining emissions across the entire Group.

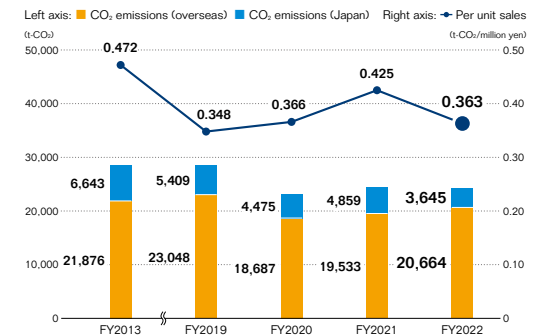
⁵ Trends over five years in environmental data for the Mandom Group - Supply chain emissions in Japan

CO₂ emissions in business activities

Trends in CO₂ emissions (Scope 1 + 2 in Japan and overseas)

In FY2022, CO₂ emissions from Scope 1 + 2 in Japan and overseas totaled 24,309 tons, a 14.8% reduction compared to FY2013.

In FY2022, while an increase in overseas production yielded increases in fuel and power consumed, due in part to the replacement of all power at our Japanese head office building with renewable power, emissions decreased by 0.3% year on year.

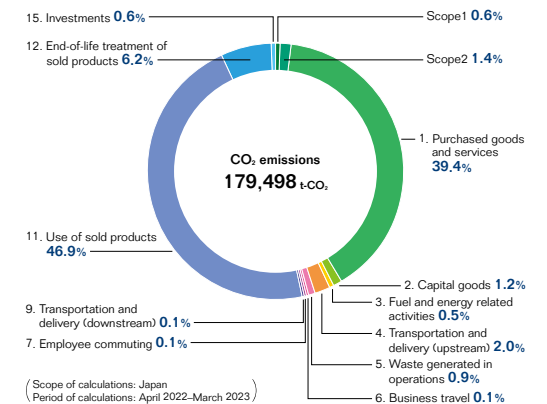


Calculation of GHG emissions for the entire value chain

Mandom believes that reducing GHG emissions throughout the entire value chain, from raw material procurement to product manufacturing, sales, use, and disposal, is important in order to realize a "decarbonized society." Since FY2018, we have been calculating the greenhouse gas emissions produced throughout the entire value chain based on the Scope 3 Standard established by the GHG Protocol.

Our calculations show that more than 90% of greenhouse gas emissions fall under Scope 3 and we were able to see that emissions were particularly large in Category 1 (Purchased goods and services) and Category 11 (Use of sold products).

In addition to improving the accuracy of future calculations, we will strive to reduce our environmental impact throughout the value chain, such as by developing environmentally friendly products that can help reduce emissions in the categories detailed above.



⁵ External Site
CSR Information
▶ Overview of Domestic Environmental Load of the Mandom Group
▶ Historical Environmental Data
▶ Environmental Data by Production Site

Materiality: "Actions for sustainable global environment"

Indicators and Targets

In order to realize a sustainable society, we at Mandom are moving to ascertain our GHG emissions (in Scopes 1, 2 and 3). Believing that addressing the matter with further speed is of the essence, in addition to the long-term targets that we formulated, we formulated medium-term targets aimed at

achieving the long-term counterparts in December 2021. As a Group-wide initiative, we formulated an initiative roadmap for risks and opportunities based on scenario analysis that we performed in 2022, and are currently implementing that roadmap.

GHG emission reductions in the Group

Long-term targets

· Aiming to achieve zero CO₂ emissions Group-wide in FY2050

Medium-term targets

- Aiming to reduce CO₂ emissions in Scope 1 + 2 in Japan and Overseas by 46% or more compared to FY2013 by FY2030
- Aiming to reduce CO₂ emissions in Scope 1 + 2 in Japan and Overseas by 43% or more compared to FY2013 by FY2027

▶ For the progress status, please refer to "Medium- and Long-Term Targets and Progress on Material Issues (Materiality) in Sustainability" on page 24.

Related targets: Eco-friendliness in products

Long-term targets

· Turning 100% of products marketed by the Mandom Group into eco-friendly products by 2050

Medium-term targets

· Turning 90% of Mandom products marketed in Japan into eco-friendly products by 2027

Initiative roadmap for risks and opportunities

Scenario	Classification	Risks and opportunities	FY2023	FY2027	FY2030	FY2050
1.5°C scenario	Transition risks	<ul style="list-style-type: none"> · Introduction of/rise in carbon tax · Rise in energy costs for renewable power 	43% reduction of CO ₂ emissions in Scope 1 + 2	46% reduction of CO ₂ emissions in Scope 1 + 2		Net zero CO ₂ emissions * Including Scope 3
	Opportunities	<ul style="list-style-type: none"> · Cost resulting from transition from packaging materials and plastic products to "sustainable products" · Decrease in earnings and increase in business costs resulting from changes in the market 		Promotion of eco-friendly products (90% adoption of eco-friendliness for products marketed in Japan (up to 2027) ⇒ 100% (up to 2050))		
4°C scenario	Physical risks	<ul style="list-style-type: none"> · Reduction in costs, increase in earnings, improvement in asset value, etc. resulting from development of new products and technologies · Increase in earnings and enhancement of market competitiveness resulting from incorporation of consumer preferences 				Building of supply chain from perspective of BCP
		<ul style="list-style-type: none"> · Fragmentation of supply chain caused by damage to suppliers · Risk of stagnation of business activities caused by water shortages resulting from heat waves and droughts 				

Status of Initiatives

In 2022, we changed the power consumed at our head office under our Japan business over to renewable energy-certified power, and also switched lighting at the head office and R&D buildings to LED. Consequently, due to the increase in production volume accompanying the recovery in the market, which had been sluggish due to the impact of the COVID-19 pandemic, CO₂ emissions in Scope 1 increased (an increase of 442 t-CO₂ compared to 2021). However, we managed to facilitate reductions in CO₂ emissions in Scope 2 (a decrease of 524 t-CO₂ compared to 2021), resulting in a total reduction volume of 81 t-CO₂ in Scope 1 and 2 (compared to 2021). For initiatives geared towards eco-friendliness with products, we are currently enhancing our eco-friendly product offerings,

which constitute 53.5% of the Mandom products marketed in Japan as of March 31, 2023 (45.8% as of March 31, 2022). Additionally, as a means of responding to changes in consumer value in the market due to the rise in outdoor temperatures accompanying the issue of climate change, we are rolling out products that make use of our proprietary "Kai-tech technology"⁶. (Examples of such products: "GATSBY Space Shower Wipes for Scalp/for Body," "Mandom Happy Deo Body Sheets Fresh & Smooth/Extra Cool," and "Mandom Happy Deo Face Mist Refresh Mint.")

⁶ Kai-tech technology: Proprietary technology of Mandom that utilizes our knowledge of Transient Receptor Potential (TRP) channels, which are skin sensation sensor, to thoroughly pursue greater comfort upon use

Visit our website below for more detailed information on disclosures in line with TCFD.
https://www.mandom.co.jp/en/csr/eco_globalwarming.html

Materiality:

Strengths and initiatives to help "Sustainable procurement of raw materials"

At the Mandom Group, we will follow the Guiding Principles on Business and Human Rights and identify the negative impact on human rights relating to the business conducted by the Company and will engage in action that prevents or reduces such negative impact. If due diligence action on human rights uncovers any occurrence or furtherance of negative impact on human rights, we will strive to take appropriate and effective remedial action. If our products or services are directly linked to a negative impact on human rights due to our trading partnerships, we recognize the possible need to take corrective action.

Recently, companies have been internationally required to engage in fair and free competition as well as proper trade and responsible procurement. To achieve this, the Mandom Group will procure palm oil, paper, etc. ethically. Our action ranges from protection of forests and biodiversity to execution of corporate social responsibility by sustaining natural and labor environments and respecting human rights throughout all value chains.

Human Rights

The Mandom Group recognizes that our business activities must only exist on the basis of our respect for human rights. We have adopted and will implement the following Human Rights Policy so that we can promote action in respect of the

human rights of all Mandom employees and their families, trading partners and all others involved in the supply chain as well as production operations upstream, consumers and all other stakeholders relating to the Mandom Group.

Mandom Group's Human Rights Policy

1. Basic Stance on Human Rights

We support and respect international norms relating to human rights including the International Bill of Human Rights stipulated by the United Nations on the basic human rights of all people, the ILO Declaration on Fundamental Principles and Rights at Work, and the Guiding Principles on Business and Human Rights. As a signatory to the United Nations Global Compact, the Company supports the ten basic principles of the Compact. The Mandom Group will comply with the laws of the nations and regions where we conduct our business activities. If laws or rules in the nations or regions conflict with the international principles on human rights, we will comply with the local laws while pursuing methods of respecting the internationally accepted basic human rights principles.

4. Dialogue and Discussion with Stakeholders

In our activities relating to negative impact on business and human rights, we will engage experts from outside the Company and we will provide opportunities and engage in dialog and discussion with relevant stakeholders, with respect and sincerity.

5. Reporting System

Any employee recognizing the possibility of violation of laws and rules that apply in the countries and regions of our operation or the infringement of human rights rules and other in-house regulations can use the internal reporting system to report such violations. We also have set up a reporting contact where external stakeholders can report any violation of our Human Rights Policy or any risk of violation.

2. Respect of Stakeholder Human Rights and Promotion of Diversity

We respect all the diverse values, individualities and privacy of stakeholders relating to our corporate activities as we promote diversity. We will not discriminate under any circumstance against any person on reasons of race, nationality, ethnicity, sex, age, origin, religion, education, physical characteristics, disability, health condition, sexual orientation, or gender identity. We strive to create a workplace environment where employees can work safely with reassurance, energy and in full mental and physical health, where there is mutual trust and where common sense prevails. We will eliminate any discrimination, violence or harassment in the workplace.

6. Education and Training

We will deliver continuous education to employees so that correct knowledge about respect for human rights can be fully diffused and understood throughout the Mandom Group.

3. Due Diligence in the Supply Chain

We will follow the Guiding Principles on Business and Human Rights and identify the negative impact on human rights relating to the business conducted by the Mandom Group and will engage in action that prevents or reduces such negative impact. If due diligence action on human rights uncovers any occurrence or furtherance of negative impact on human rights, we will strive to take appropriate and effective remedial action. If our products or services are directly linked to a negative impact on human rights due to our trading partnerships, we recognize the possible need to take corrective action.

7. Information Disclosure

We will disclose the progress and results of our human rights actions on the Company website and through other means.

Materiality: “Sustainable procurement of raw materials”

Building and Implementing a CSR Procurement System

Aiming to Build and Implement a CSR Procurement System

We have selected “the building and implementing a CSR procurement system” and are engaged in drafting supplier CSR guidelines and gaining the cooperation of trading partners to achieve this goal.

As times change in an age of rapid globalization, social and environmental issues are becoming more varied and complex. We are currently engaged in thoughtful action based on our Purchasing Policy, but we need to strengthen that implementation, which includes making ongoing improvements and revisions to prevent new social and environmental

issues from arising and thereby avoiding such risks. Another reason for better implementation is to be able to continue responding to expectations and demands from a broad range of stakeholders.

We strive to achieve fairness and transparency in all transactions and will try to gain the cooperation of our trading partners as we practice due diligence with respect to specific topics in core areas such as human rights, labor practices and the environment, alongside taking other measures to build a sustainable and CSR procurement system.

Purchasing Policy

We at the Mandom Group have adopted the following Purchasing Policy and will implement it in order to pursue fair and transparent business practices to the fullest extent.

1. We strive to achieve fairness, honesty and transparency in all transactions based on the principles of mutual equality, respect for independence, and free competition, regardless of nationality, business record or size of business. In choosing our trading partners, we will take overall consideration including their effort input into sustainable technology development capacity and environmental protection, respect for human rights and management attitudes towards sustainability and social responsibility while balancing our judgements on our assessment of the quality, technology, price, delivery and stability of supply that they can assure.
2. Our shared goals are OYAKUDACHI and safety and reassurance to consumers. To this end, we will work with our trading partners by engaging in mutual learning and development as well as close communication so that we can build a business partnership of harmony and mutual prosperity.
3. We will contribute to the sustainable development of the society that surrounds us and the global world. Through collaboration with our trading partners, we will reduce environmental impact in all our activities involving design, production and distribution of our products and services.
4. In undertaking our international business operations, we will act as a local company to enhance OYAKUDACHI to our local stakeholders. We will promote local production and local purchasing.
5. We will fully understand and comply with Japanese and foreign laws and rules in order to engage in honest and fair purchasing activities.

About the Mandom Group Supplier CSR Guidelines (Version 2)

In order to address sustainable procurement, we issued the Mandom Group Supplier CSR Guidelines (Version 2) in November 2017, asking suppliers for their understanding of these guidelines. Going forward, we will secure the understanding and cooperation of our trading partners—through steps such as requesting that these guidelines be shared with secondary, tertiary, and overseas trading partners—and we will continue discussions, working step-by-step to make our supply chain more transparent.

We also regularly conduct monitoring using the “CSR Procurement Self-Assessment Tool Set” recommended by the Global Compact Network Japan.

· Number of companies monitored in FY2021: 110
*Our next monitoring survey is scheduled to be conducted in FY2023.

CSR Information
▶ Mandom Group’s CSR KohDoh Practices > Fair Operating Practices > Mandom Group Supplier CSR Guidelines (Version 2)

Protecting Biodiversity

Formulation of Targets and Associated Progress

Targets	Progress
① Procure 100% of palm-derived materials accepted by the Fukusaki Factory as certified oil (including book-and-claim response) by 2026	38.1 % (as of March 31, 2023)
② Switch completely to the use of FSC®-certified paper, used paper, and recycled paper for paper containers and packaging by 2027	89.0 % (as of March 31, 2023)

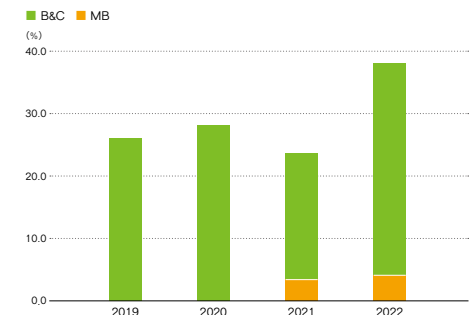
These efforts will not only protect both the environment and biodiversity; they will help to actively build and strengthen cooperative relationships with related counterparties and experts, NGOs and NPOs, and people in various communities. At the same time, the efforts will lead to our building and implementing a CSR procurement system that also considers human rights and labor issues.

Procurement of Sustainable Palm Oil

In March 2018, Mandom joined the Roundtable on Sustainable Palm Oil (RSPO) in order to procure sustainable palm oil that takes into consideration the social issues and environmental impact of the raw material production area, and in March 2021 acquired RSPO supply chain certification at its Fukusaki Factory, the only production base in Japan, and began procuring mass balance (MB) certified oil in May 2021.

In FY2022, in addition to procuring RSPO-certified palm oil using a mass balance method for some raw materials that were to be used at our Fukusaki Factory, we completed the purchase of certification under the RSPO supply chain certification model “book-and-claim method” for the entire volume of three raw materials, including the one most commonly used at that factory. We plan to gradually increase our purchase of certifications for other materials in the future. For book and claim credits, we also purchase credits that support small-scale palm farmers who obtained RSPO certification.

Ratio of Raw Materials Including RSPO-Certified Palm Oil to Palm-Derived Raw Materials



Procurement of Sustainable Paper Materials

Mandom engages in the procurement of sustainable paper materials. We will contribute to preventing global warming through the effective use of forestry resources that is eco- and community-friendly while preventing illegal deforestation and the destruction of ecosystems.

We have set a target to use FSC®-certified paper or recycled paper for all paper containers and packaging for our products by 2027 in accordance with “Eco-Friendliness of Products” on page 39. We are 89.0% of the way there as of March 31, 2023.

At the Fukusaki Factory, we are gradually introducing the use of FSC®-certified paper and recycled paper for cardboard used to transport Mandom products.

(FSC® N003667)

External Site
FSC
▶ FSC Japan Official Website

WWF Japan Official Website
▶ About RSPO

Examples of product using FSC®-certified paper



Used in mount part



Used in paper packaging materials

Strengths and initiatives to help “Maintaining/enhancing the corporate base”

As the corporate philosophy of the Mandom Group, we consider that “Social Responsibility & Sustainability” is the sustainability of the Mandom Group. With that in mind, we treat sustainable management aimed at resolving social and environmental issues (ESG management + SDGs management) as a fundamental concept.

We will continue to develop as a company that is recognized by all stakeholders for its existence value, with the dynamism to survive in any era, and we will further strengthen our corporate foundation based on our management philosophy with advancing our Dedication to Service (Oyakudachi) deeply and widely as the going concern.

In addition, in order to provide cosmetics and quasi-drugs that consumers can use safely and with peace of mind, we are working to ensure conformity with Mandom safety standards (safe quality) and to achieve conformity with consumer satisfaction (reliable quality).

Providing High Quality and Peace of Mind

Reconfiguring Our Quality Assurance System and Quality Assurance Activities

Regarding quality assurance for cosmetics and quasi-drugs, Mandom works to assure fully satisfactory quality as demanded by consumers from purchase to end of use. We engage in quality assurance activities to improve the quality of our products and services in all processes, including planning, design and development, production, sales, and customer handling.

In January 2014, we established the ISO 9001-based “Mandom quality management system” (a system for quality assurance activities that incorporate customer opinions), which we have since operated as we pursue continuous improvement of quality.

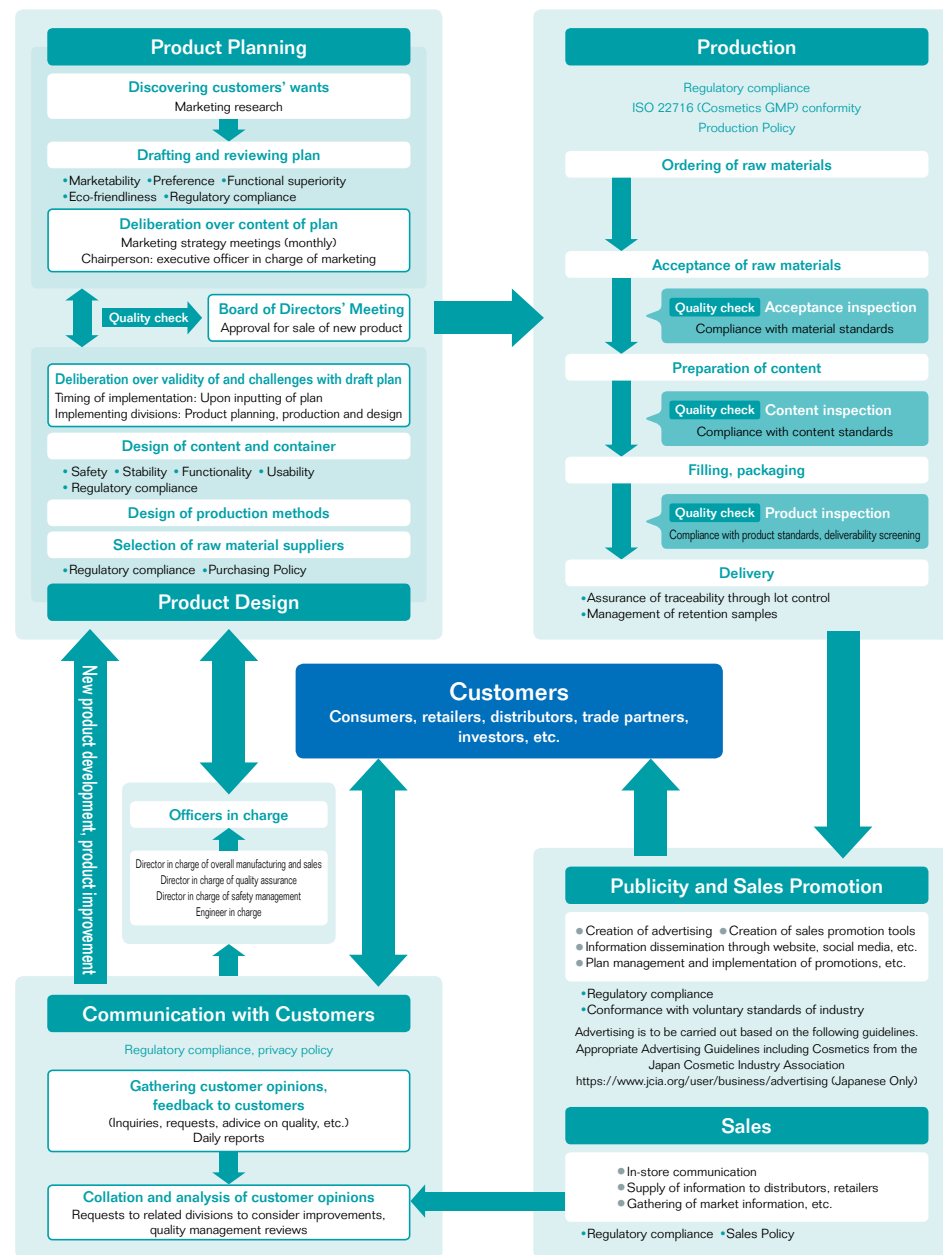
In order to continuously improve the effectiveness and reliability of this Mandom quality management system, we

established the Quality Assurance Committee through which we unify the company-wide direction on quality. Additionally, the officers in charge, director in charge of overall manufacturing and sales, director in charge of quality assurance, director in charge of safety management and technical supervisors stipulated in the Pharmaceutical and Medical Devices Act (Act on Securing Quality, Efficacy and Safety of Products Including Pharmaceuticals and Medical Devices) work closely with each other to supervise and promote quality assurance activities. For a diagram of the Mandom quality management system, please see the next page.

CSR Information
 Consumer Issues > Promotion of Quality Assurance System



Mandom quality management system (a system for quality assurance activities that incorporate customer opinions)



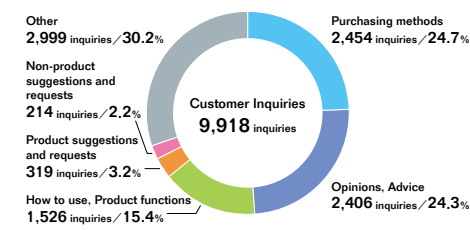
About Mandom
 Value Creation Story
 Materiality
 Middle-Range Planning
 Performance for the First Year Ended March 31, 2022
 Company Information

Materiality: "Maintaining/enhancing the corporate base"

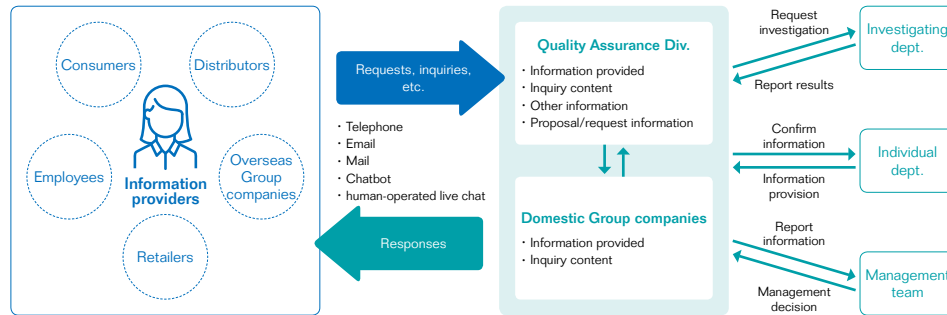
Customer Inquiry System

We set up a Customer Relations Division in 1994 as a general contact point for communicating with customers, including their suggestions, requests and other feedback. After reviewing the feedback received, we add information to the Frequently Asked Questions (FAQ) & Inquiries section of our website as part of our efforts to ensure the supply of information. Furthermore, feedback is compiled in a database, and through mutually attended internal meetings, is passed along to top management and relevant departments to be integrated into future product development and improvement.

Customer Inquiries in FY2022



(Notes) 1. Does not include the number of inquiries received via chatbot.
2. Opinions, Advice: Includes 870 inquiries related to voluntary recalls.



[Top Page](#)
[Customer Support](#)

Examples of Utilizing Customer Feedback

At Mandom, we share feedback from customers with top management and relevant departments, and work to express true customer satisfaction.

The following presents our latest efforts making use of customer feedback.

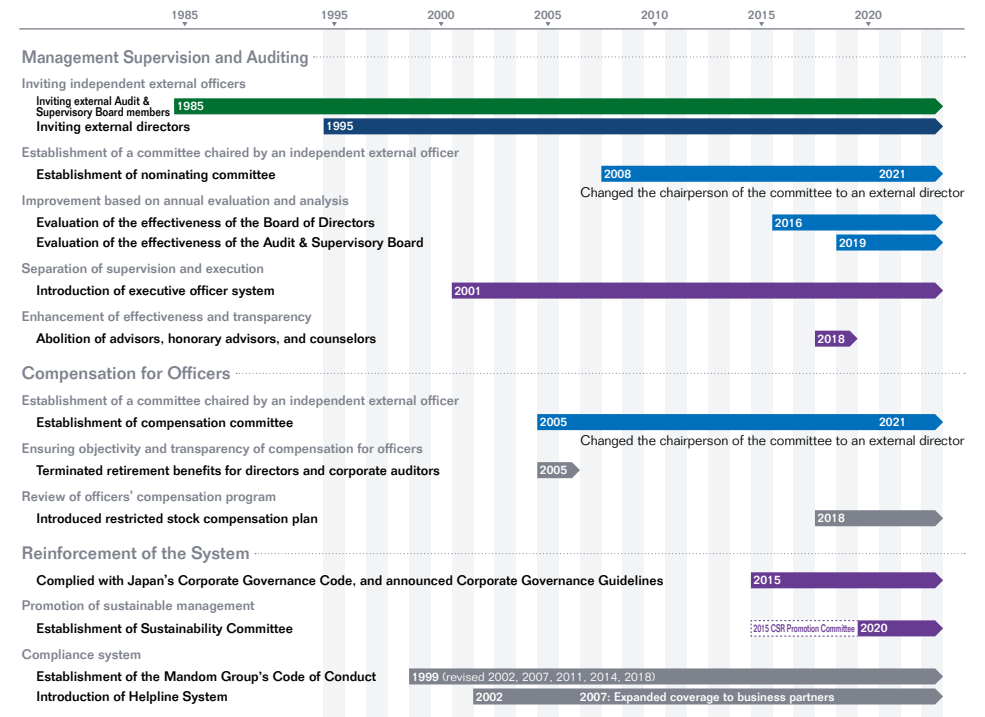
Fiscal Year	Product	Feedback Summary
FY2022	LÚCIDO Perfect Skin Gel/Cream	Based on feedback regarding the label on the inner lid such as "The explanation is hard to understand" and "The characters are hard to see," we changed the explanation to an easy-to-understand one and gave the label content improved visibility.
	LÚCIDO-L Hair Treatment Oil Frizz Care	We stated a "gel form" label to the product in response to feedback that the product did not look how customers imagined.
FY2021	LÚCIDO-L Oil Treatment Series	A customer commented, "It is difficult to see the remaining amount." In response to this, we improved the label by widening the gap to make it easier to see the remaining amount.
	LÚCIDO-L Hair Styling Stick	A customer reported to us that opening the cap caused the stick inside to break, so we stated "Please pull the cap up without twisting it" on the back side of the product.
FY2020	GATSBY Styling Grease	Since inquiries about how to separate trash to be recycled have increased, the following environmentally-friendly labeling is written on the product: "Bottle is plastic; Cap is aluminum."
	GATSBY Acne Care Water	Since inquiries about the product appearing blacker have increased because we changed ingredients, the following is written on the top of the product: "Changed to environmentally-friendly powder *Color may appear lighter, but this does not affect quality."
	GATSBY Body Hair Remover Foam Type	Since inquiries about use in delicate zones have increased, the following is written on the back of the product: "Please do not use on delicate zones."
	LÚCIDO Ageing Care Refreshing Lotion	We stated a "gel-type" label to the product in response to feedback that the product did not look how customers imagined.

Corporate Governance

Corporate Governance Policy

The Mandom Group's mission is co-existence, mutual growth and mutual creation with global society. Consequently, to realize our core philosophy, we are dedicated to generating stable profits by pursuing efficiency, while ensuring soundness and transparency. As a result, we look to achieve sustainable, steady growth together with consumers, society and other stakeholders.

Efforts to Strengthen Corporate Governance



Corporate Governance System

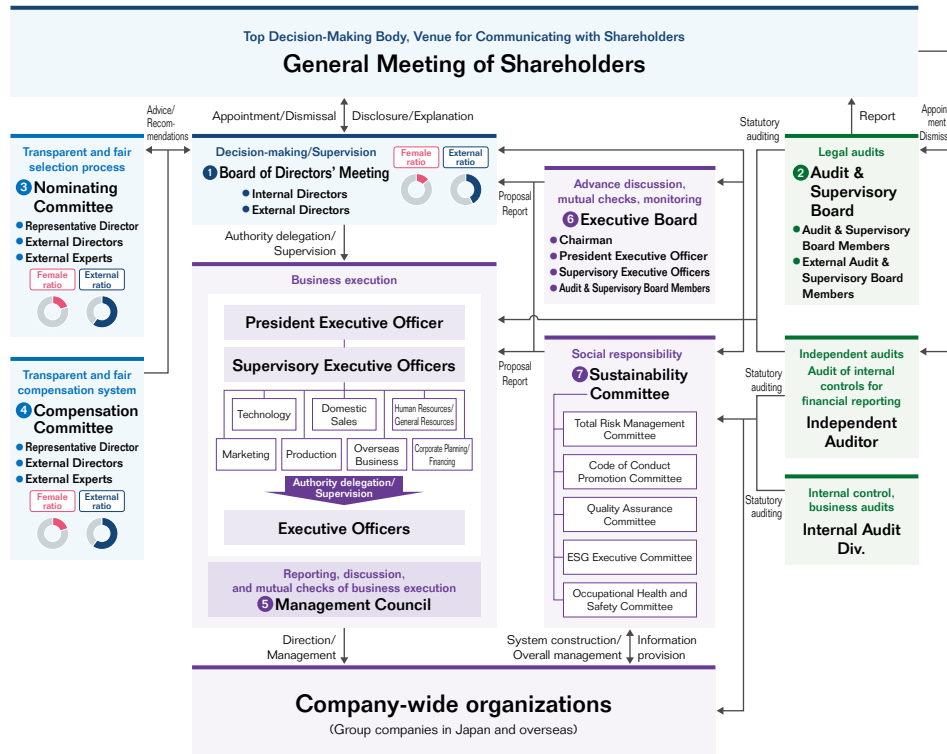
The Company adopts an audit & supervisory board system, where its compliance management is founded on strict audits carried out by Audit & Supervisory Board members to ensure the legality of the Company's activities. Based on such policy, the Company will strengthen its monitoring and advisory functions by appointing more than one (1) external director in

the Board of Directors.

By adopting a system of supervisory and executional officers in charge of specific operations and clarifying responsibilities and delegating authority, we have created a system for the proactive and expeditious execution of operations.

Materiality: "Maintaining/enhancing the corporate base"

Corporate Governance System (as of June 23, 2023)



- 1 Board of Directors' Meeting**
The Board of Directors is comprised of directors and makes decisions regarding important business execution matters based on a corporate philosophy and corporate planning in addition to supervising the execution of business by directors and executive officers. Representative Director and Chairman serves as Chair.
- 2 Audit & Supervisory Board**
The Audit & Supervisory Board is comprised of Audit & Supervisory Board members, who attend important meetings, such as Board of Directors and Management Council meetings. Audit & Supervisory Board members also exchange information with the Accounting Audit and Internal Audit Division and audit the business execution of directors, etc. through hearing of each division and affiliated company. An Audit & Supervisory Board member serves as Chair.
- 3 Nominating Committee**
The Nominating Committee is comprised of the Representative Director and external directors. It is established as an advisory body to the Board of Directors in order to ensure fairness and transparency of the process when determining candidates for directors and Audit & Supervisory Board members. This committee advises the Board of Directors on proposals regarding candidates for director, Audit & Supervisory Board member and supervisory executive officer. An external director serves as Chair.
- 4 Compensation Committee**
The Compensation Committee is comprised of the Representative Director and external directors. It is established as an advisory body to the Board of Directors in order to ensure transparency and fairness of the process when determining officers' compensations. This committee advises the Board of Directors on policies regarding compensation for directors and supervisory executive officers. An external director serves as Chair.
- 5 Management Council**
The Management Council is comprised of officers of executive officer level and higher. It performs decision-making and reporting related to business execution of the management strategy, primarily for the applicable fiscal year. The Mandom Group promptly responds to changing business environments by delegating business execution to the Management Council. The Representative Director & President Executive Officer serves as Chair.
- 6 Executive Board**
The Executive Board is comprised of officers of supervisory executive officer level and higher. It performs decision-making and reporting related to business execution of the management strategy, primarily for the medium- to long-term. The Executive Board also deliberates on efforts to realize VISION2027 as developed by the Company. The Representative Director & President Executive Officer serves as Chair.
- 7 Sustainability Committee**
The Sustainability Committee is comprised primarily of directors, Audit & Supervisory Board members, and supervisory executive officers. While developing our approach for promoting the sustainability of the Mandom Group and holding discussions with relevant departments at committee meetings and other meetings, this committee is strengthening our efforts to contribute to the sustainable development of society. The President Executive Officer & Director serves as Chair.

Skill Matrix of Directors and Audit & Supervisory Board Members

Mandom acknowledges the importance of a composition of personnel with various business experiences and of diversity when it comes to the composition of the Board of Directors and the Audit & Supervisory Board. From the standpoint of promoting women's contribution, we have had one female external director since June 2019. Mami Ito was appointed in June 2023. At our listed subsidiary in Indonesia, which is our biggest subsidiary in the overseas business, there are six Japanese directors and two directors who are foreign nationals (both of which are female) of the total eight directors. In addition, five foreign nationals (including one of whom is an equity-method affiliate) have already served as representative directors of overseas subsidiaries. Mandom aims to become a global company, and while we currently do not have any foreign national directors or Audit & Supervisory Board members, we acknowledge this as an important issue in order to promote diversity management. Going forward, our policy is to lead innovation and realize new "Dedication to Service (Oyakudachi)" for society and improved

corporate value by proactively promoting diverse human resources, including foreign nationals and female employees, to officers and managerial positions to provide opportunities for them to leverage their talents. By appointing external directors and external Audit & Supervisory Board members who have no special interest relationships with the Company and are highly independent of the Company, the Company aims to reinforce its corporate governance and augment the Group's overall management quality. The Company has formulated the Standards for the Independence of Independent External Officers shown below. The external directors and external Audit & Supervisory Board members of the Company satisfy these standards and the Tokyo Stock Exchange's independence criteria. The Company has notified the Tokyo Stock Exchange that all of these executives are independent officers.

Company Information
 ▶ Company Profile > Corporate Governance > External Officers "Standards for the Independence of Independent External Officers"

Skill Matrix (as of June 23, 2023)

Name	Field of experience*									
	Corporate planning	Global business	Marketing	Sales	Technology/ Production	Finance/ Accounting	Human Resources/ General Resources	Legal affairs and risk management	ESG	DX and IT
[Directors]										
Motonobu Nishimura	●			●		●				
Ken Nishimura	●	●	●	●						
Yasuaki Kameda	●		●	●		●	●	●	●	●
Shinichiro Koshiba		●	●	●						
Shigeiki Suzuki	●	●			●				●	
Hitoshi Tani	●		●	●		●				●
Mami Ito	●	●	●				●			
[Audit & Supervisory Board Members]										
Takehiko Ikehata	●		●							
Takeshi Hibi		●		●						
Masahiro Nishio						● CPA				
Mikiharu Mori								● Attorney		

* Areas of practical or supervising experience. "Global business" means that the person was seconded by Mandom Corporation to its subsidiaries or affiliated companies where he/she held a management position. For independent external officers, this refers to experience in other companies.

Materiality: “Maintaining/enhancing the corporate base”

Message from Newly Appointed External Director

Comments from Chairman Nishimura

I would like to receive advice from a broad perspective based on Ms. Mami Ito’s eventful and unique career and management experience to date. In addition, I am also looking forward to her advice on the promotion of women’s activities as part of our diversity and inclusion promotion efforts.

Not only this, but she is also active in the media, sharing her own experiences with younger generations. Therefore, I would like her to have opportunities to talk directly with our employees, and I hope that she will provide valuable insights from an outside perspective as well as a great deal of inspiration.

Along with strengthening our corporate governance, I strongly hope that she will help us improve the overall quality of management of the Mandom Group, a human-oriented company with the corporate slogan of “BE ANYTHING, BE EVERYTHING.” for all consumers.

Message from Director Ito

Hello, everyone.

I am Mami Ito, and I was appointed as a director at the General Meeting of Shareholders on June 23, 2023. I look forward to working for the Mandom Group.

I visited Mandom’s head office several times before assuming this position, but it was at the reception after the management policy announcement on April 3 that I had a good conversation with Mandom’s employees. My honest impression at that time was, “Lively, laughing and having fun!” I was relieved to find that Mandom was considerably friendlier than I had imagined. The atmosphere was full of “Come on in! You’re more than welcome!” and I was able to fit in even with people I had never met before. I felt comfortable being so warmly accepted. I believe that Mandom has experienced several turning points in its long history, but Mandom’s strength is that it has grown by taking advantage of change as an ally without fearing changes. I think that is the origin of the friendly corporate culture.

In 2000, I became the Representative Director of NIHON DENTO KOUGYO Co., Ltd., a surface treatment company founded by my father. Although I am the daughter of the founder, my father had already passed away and my appointment as president was unexpected, so only a handful of employees greeted me when I went to the office. On the contrary, I started out in an environment so unwelcoming that there were even employees who ignored me. The company itself was on the verge of bankruptcy, so there was no sparkle in the eyes of employees who sensed that the company was fighting for survival, and the atmosphere was very somber. Most of the employees were male baby boomers and they were in a state of resignation, wondering what the inexperienced daughter of the founder could do and thinking that the company was doomed. I am a competitive person, and the more opposition I faced, the more motivated I became. However, it took time and effort to actually revive the company. To put it simply, the reason why the company’s business had deteriorated so much was because after my father’s passing, they failed to see the times as they were, and took no action in the face of the reality. There may have been plenty of opportunities, but I believe that this state was the result of not taking action, just getting by, hating change, and refusing to



take on new challenges.

There is nothing more foolish than refusing to accept someone, or rejecting them, because they are outside of your industry, or because they are a different gender, or because they do not share your values. It is perfectly natural for people to be different. It is precisely because people are not the same that they are fresh and can make new discoveries. Some people have obvious skills that anyone can see are amazing, while others have amazing talents that are hard to see from the surface. Everyone has different strengths and weaknesses. It is important to recognize and respect each other because of our differences.

Japan is a wonderful country. However, I believe that there are still a high percentage of people who are too concerned about their surroundings and do not like to be different from others. Is there still a strong culture of “the nail that sticks out gets hammered down”? Perhaps Japan still has a culture that refuses to recognize uniqueness as a wonderful thing. Perhaps the importance of having your own ideas and asserting them without being dragged down by others has not yet spread throughout Japanese society. This may be one of the reasons why Japan has yet to become a country where women can play an active role. Part of the problem is that many policies have been male-driven for many years. However, it cannot be said that there are no problems on the part of the women who have allowed this to happen. I think it was necessary for women to have the courage to take action for the sake of their juniors and for the future, even though they may be criticized for doing so. Among developed countries, Japan is a backward country in terms of diversity. However, as you all know, with the birthrate declining, the survival of not only companies but also the nation itself will be in jeopardy unless diversity and inclusion are promoted and diverse human resources play an active role. The phase of wait and see, where we think that even if we don’t do anything, someone surely will, is over. “Now is the time to act!”

By moving forward, we will inevitably meet others with similar mindsets. Like an orchestra playing different instruments in beautiful harmony, we can combine our different personalities

to deliver a powerful and impactful message to the world. My first impression of Mandom is not only that it has a cheerful corporate culture, but also that it is a company that makes it possible for anyone to do what they want. I hope that this positive impression of “BE ANYTHING, BE EVERYTHING!” will not only spread within the company, but will also be conveyed to the consumers who use Mandom’s products. Through Mandom’s stance and values, I want to make Mandom a

company so impactful that everyone remembers to enjoy life in their own way. I have only been in office for a short time, and I am sure there are many things I do not yet understand. However, I would like to fulfill my role as an external director by drawing on my 23 years of experience as a business manager and the sensitivity I have developed growing up in a bicultural environment.

Method of Determining Compensation Amounts for Company Officers

In addition to ensuring soundness and transparency, the Company’s compensation for directors is aimed at the appropriate pursuit of efficiency, leading to the achievement of management plans and the enhancement of corporate value. To this end, the Company sets an amount of fixed compensation to ensure steady devotion to their duties. In addition, a certain amount of performance-linked variable compensation is provided to serve as an incentive to a higher level of motivation. The Company’s policy is to strike a balance between these two.

The Company sets fixed compensation amounts at appropriate levels by referring to third-party data. These amounts differ according to executive rank and Group management responsibilities.

Variable compensation is linked to single-year and medium- to long-term performance at an appropriate ratio. Annual payment amounts are set to reflect performance with reference to the Company’s performance in the preceding fiscal year and achievement of planned targets, and to the business plan for the current fiscal year (amounts paid to individual internal directors are based on evaluation of their individual performance). Restricted Stock compensation (in principle, the amount will correspond to compensation for performance of duties in the first year covered by Middle-Range Planning) is

linked to medium- to long-term performance. Restricted Stock compensation aims to further promote shared value with shareholders and provide an incentive to strive to continually increase the Company’s corporate value. Compensation for external directors is composed solely of fixed compensation.

Compensation for Audit & Supervisory Board members is set at an appropriate level that reflects their important role and responsibility for conducting rigorous legal audits that form the basis of compliance management for the Group, thereby maintaining and improving corporate value. As the role and responsibility of Audit & Supervisory Board members is to conduct rigorous legal audits unrelated to the Company’s operating performance, their compensation is composed only of the fixed compensation portion, which is not affected by operating performance.

The amount of compensation for directors is determined by a resolution of the Board of Directors within the limit of compensation approved at the General Meeting of Shareholders based on the deliberation and report of the Compensation Committee, which is chaired by an independent external director and of which more than half of the members are from outside the Company (external officers and external experts).

Appropriate Balance of Fixed and Performance-Linked Compensation (at time of standard evaluation)

Percentage of compensation	Fixed compensation (monetary)		Short-term performance-linked compensation (monetary)		Medium- to long-term performance-linked compensation (shares)	
	Approximately 60%		Approximately 31%		Approximately 9%	
Payment method	Set compensation level based on responsibility Paid as monthly fixed compensation		Performance evaluation based on achievement of single-year targets Paid as bonus after evaluating target achievement		Performance evaluation based on achievement of Middle-Range Planning targets Paid Company shares within three fiscal years corresponding to Middle-Range Planning	
Performance evaluation period	—		One year		Three years (FY2021–2023)	
Evaluation indicator	—		Company performance <ul style="list-style-type: none"> Achievement rate for consolidated net sales forecast in pertinent fiscal year Achievement rate for consolidated operating margin forecast in pertinent fiscal year Rate of dividend growth Individual performance <ul style="list-style-type: none"> Evaluation of contributions (Representative Director only evaluated based on Company performance) 		Company performance <ul style="list-style-type: none"> Middle-Range Planning Achievement rate for consolidated net sales in final year Middle-Range Planning Achievement rate for consolidated operating margin in final year <ul style="list-style-type: none"> Achievement rate for consolidated ROIC 	
Range of fluctuation of evaluation	—		50% above or below standard		33% above or below standard	
Eligible persons	Directors Audit & Supervisory Board members Supervisory Executive Officers		Directors (excluding external directors) Supervisory Executive Officers		Directors (excluding external directors) Supervisory Executive Officers Executive Officers	

Materiality: "Maintaining/enhancing the corporate base"

Amount of Compensation, etc. for Directors and Audit & Supervisory Board Members for FY2022

Category	Total amount of compensation (Millions of yen)	Total amount by type of compensation (Millions of yen)			Number of eligible officers
		Fixed compensation	Performance-linked compensation, etc.	Non-monetary compensation, etc.	
Directors (external directors)	288 (24)	203 (24)	49 (-)	36 (-)	7 (3)
Audit & Supervisory Board Members (external Audit & Supervisory Board Members)	50 (14)	50 (14)	- (-)	- (-)	4 (2)
Total (external officers)	339 (38)	253 (38)	49 (-)	36 (-)	11 (5)

(Notes) 1. The amount of monetary compensation for directors was resolved at the 89th Ordinary General Meeting of Shareholders held on June 23, 2006 to be no more than ¥450 million per year. As of the close of said General Meeting of Shareholders, the number of directors was eight (including one external director). Separately from the above compensation framework, a resolution was passed at the 101st Ordinary General Meeting of Shareholders held on June 22, 2018 that the annual amount of compensation under the Restricted Stock compensation plan shall not exceed ¥150 million and the maximum number of shares shall not exceed 39,000 shares per year (external directors are not eligible for the grant). This compensation amount is, in principle, based on the assumption that an amount equivalent to the compensation for the execution of duties over the period covered by the Middle-Range Planning will be paid in a lump sum in the first year of the period covered by the Middle-Range Planning. The number of directors (excluding external directors) as of the close of said General Meeting of Shareholders was five.

2. The amount of monetary compensation for Audit & Supervisory Board members was resolved at the 88th Ordinary General Meeting of Shareholders held on June 24, 2005 to be no more than ¥70 million per year. As of the close of said General Meeting of Shareholders, the number of Audit & Supervisory Board members was four (including two external Audit & Supervisory Board members).

Policy Related to Stockholdings

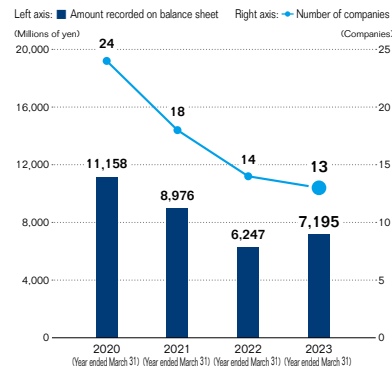
The Group maintains a basic policy of strategically holding shares of listed companies that it determines will contribute to the sustainable improvement of corporate value in the Group from a medium- to long-term perspective due to the synergies emerging from strengthening relationships through stockholding. Each year, the Board of Directors verifies whether the profit and risks that correspond to holding each individual company stock are aligned with capital costs and maintains a policy to comprehensively judge the logic of holdings. The Board of Directors will consider reducing holdings if it determines that a stockholding is not logical. Even if stockholding is logical, the Board of Directors will consider selling as needed after considering a myriad of factors, including free cash flows, investment plans, etc. Our policy is to keep the amount recorded on the balance sheet for policy

stockholdings at less than 10% of net assets at the end of each fiscal year. However, it was 10.1% at the end of March 2023. The Company's policy is to reduce by at least 30% by the end of March 2024 compared to the end of March 2021. Stockholding of shares is a matter for approval by the Board of Directors. The Group publishes the purpose for holding major stockholdings in the securities report. The Group judges exercising voting rights for stockholdings based on whether a decision will contribute to the improvement of shareholder value for the Group and the alignment with the purpose of this investment. The Group strives for constructive dialogue with the company from the position of a shareholder and maintains a policy to appropriately and strictly exercise voting rights to improve mutual healthy corporate value and synergies.

Number of Companies with Stock Held and Amount on Balance Sheet

Category		2020	2021	2022	2023
		(Year ended March 31)	(Year ended March 31)	(Year ended March 31)	(Year ended March 31)
Number of companies	Listed	24	18	14	13
	Not listed	7	6	6	6
	Total	31	24	20	19
Amount recorded on balance sheet (Million of yen)	Listed	11,158	8,976	6,247	7,195
	Not listed	26	24	24	24
	Total	11,184	9,000	6,271	7,219

Trend of listed shares



Evaluation of the Effectiveness of the Board of Directors

Since 2016, the Company has conducted an annual survey on the effectiveness of the Board of Directors targeting those participating in the Board of Directors (excluding the chairman). **Based on the results of the survey, we believe that the effectiveness of our Board of Directors has been ensured if the quantitative evaluation shows that the Board of Directors has been appropriately implemented. In addition, items that were pointed out or suggested in the qualitative evaluation**

and items that need to be strengthened in future corporate governance are identified as issues and items for improvement. The following is a summary of our evaluation and analysis of the effectiveness of the Board of Directors for the fiscal year ended March 31, 2023 based on the Corporate Governance Code (hereinafter the "CG Code") [Supplementary Principle 4-11 ㉓] in our Corporate Governance Guidelines (hereinafter the "CG Guidelines").

Evaluation and Analysis Procedures and Quantitative Results

- From January up through February 2023, a questionnaire was distributed to participants in the Board of Directors to determine whether the Company's Board of Directors is effectively fulfilling its role in accordance with the policies and other requirements of Section 4 (Responsibilities of the Board) of the CG Code as stated in the CG Guidelines, and responses were obtained from all eligible participants.
 - Based on these responses, the Representative Director & Chairman, who is the Chairperson of the Board of Directors, interviewed each internal director to confirm their content.
 - The responses to the above questionnaire and the results of the interviews were provided to the participants of the Nominating Committee, and after ensuring a period and opportunity for consideration by the participants, the Nominating Committee made a report to the Board of Directors after careful deliberation.
 - Upon receiving the Nominating Committee's report, the Board of Directors confirmed the results of its own evaluation and analysis of the effectiveness of the Board of Directors based on an understanding and respect for the content of the report.
- The results were as follows: 67.0% for the highest evaluation (appropriate) (66.1% in 2021), 29.1% for the next highest evaluation (appropriate with some issues) (30.3% in 2021), and 2.6% for the lowest evaluation (not appropriate with many issues) (1.7% in 2021).

Items for Which Effectiveness Has Been Ensured

- Based on the Mandom Mission Framework, the Board of Directors has developed, revised as needed, and disclosed the Corporate Governance Policy and Corporate Governance Guidelines through constructive discussions in prior deliberations at the Executive Board and Management Council meetings.
- The Board of Directors formulated and disclosed appropriate Standards for the Independence of Independent External Officers. In addition to complying with these standards, the Board of Directors also invited persons capable of monitoring from an objective perspective of a shareholder who possess a wealth of business experience and an understanding and knowledge of management.
- The Board of Directors appropriately established and disclosed the "Philosophy of Balance, Diversity, and Scope of the Board of Directors" and the "Policies and Procedures Related to Appointment of Directors" after receiving advice from independent external directors and Audit & Supervisory Board members and conducting constructive discussions, and has maintained the structure of the Board of Directors in accordance with these policies.

Issues and Improvement Items

- While the Nominating Committee and Compensation Committee, which are chaired by external directors, are being properly operated, it is believed that clarifying policies and procedures would result in increased transparency as well as deeper discussion with respect to personnel affairs for and the development of officers and the management team.
- It is believed that further reinforcing supervising functions for business execution by the management team would produce stronger linkage to actions to follow through differential analysis and reflections of progress in management plans.

Examples of Specific Comments

Items for Which Effectiveness Has Been Ensured

- The Nominating Committee, which is chaired by an external director, is being properly operated, its reports are being respected, and sufficient governance is being ensured. [Supplementary Principle 4-3 ㉓]
- Exchanges of information with executive officers are being conducted by external directors. There is a sense of this being effective in demonstrating monitoring functions. [Principle 4-6. Business Execution and Supervision of the Management]
- Effective in gathering information and ascertaining the current situation, such as through informal discussions with executive officers, quality meetings, and factory cost meetings. Regular meetings to exchange information with Audit & Supervisory Board members are highly meaningful. [Supplementary Principle 4-13 ㉓]

Issues and Improvement Items

- Regarding our long-term vision, it is believed that gaps have arisen with VISION2027 in aspects such as changes in the management environment and the suitability of the company's business model in the COVID-19 and the post-pandemic world. It is likely necessary to make revisions under the leadership of the Board of Directors. [Supplementary Principle 4-1 ㉒]
- Perhaps personnel affairs for principal members of the managerial team need to be handled with greater room to spare. [Supplementary Principle 4-3 ㉓]
- The careers of external directors are the same with all of them being management executives. [Principle 4-7. Roles and Responsibilities of Independent Directors]

Introduction of Officers

(As of June 23, 2023)



Representative Director & Chairman
Motonobu Nishimura
(Date of birth: January 9, 1951)

Apr. 1977 Joined the Company
Apr. 1983 General Manager, the East Japan Sales Div.
Jun. 1984 Director (current position)
Jun. 1987 Managing Director
Jun. 1990 Representative Director (current position), Senior Vice President
Jun. 1995 President Director
May 2000 Audit & Supervisory Board Member, PT Mandom Indonesia Tbk
Jun. 2004 President Executive Officer of the Company
Apr. 2008 In charge of the Internal Control Promotion Div. (until June 2015)
Apr. 2019 In charge of the Internal Audit Div.
Apr. 2021 Chairman (current position)

Number and rate of attendance at the Board of Directors meetings
2023 (Year ended March 31):
13/13 (100%)

Chairperson of Board of Directors



External Director
Shigeki Suzuki
(Date of birth: January 2, 1953)

Apr. 1975 Joined Toyota Motor Co., Ltd. (now Toyota Motor Corporation)
Jan. 1999 Project General Manager, Material Engineering Div. No. 2 (High Polymer Materials)
Jan. 2001 Project General Manager, Material Engineering Div. No. 3 (Advanced Materials Technology Research)
Jan. 2003 Project General Manager, Material Engineering Div. No. 1 (Metal/Inorganic Materials)
Jun. 2007 Managing Officer (Material Technology Field, Intellectual Property Div., Environmental Affairs Div. and Future Project Div.)
Apr. 2013 Advisor, Primearth EV Energy Co., Ltd.
Jun. 2013 Representative Director and Vice President
Jun. 2014 Representative Director and President
Jun. 2020 External Director of the Company (current position)

Number and rate of attendance at the Board of Directors meetings
2023 (Year ended March 31):
13/13 (100%)



Representative Director & President Executive Officer
Ken Nishimura
(Date of birth: May 12, 1982)

In charge of the Marketing Units, the Internal Audit Div. and the Corporate Transformation Div.

Apr. 2008 Joined the Company
Jan. 2011 Assistant Manager, Mandom Corporation (Singapore) Pte. Ltd.
Apr. 2013 The Human Resources Div. of the Company
Jul. 2015 The Human Resources Div., stationed in Europe; IESE Business School (Spain)
May 2017 Graduated from IESE Business School (MBA)
Jul. 2017 Executive Officer, General Manager, the Corporate Strategy Div. of the Company
Apr. 2018 Managing Executive Officer, In charge of the Marketing Units
Jun. 2019 Director (current position)
Apr. 2021 Representative Director (current position), President Executive Officer (current position)
May 2021 Audit & Supervisory Board Member, PT Mandom Indonesia Tbk (current position)
Apr. 2022 In charge of the Internal Audit Div. of the Company (current position)
Apr. 2023 In charge of the Marketing Units (current position)
In charge of the Corporate Transformation Div.; General Manager, the Corporate Transformation Div. (current position)

Number and rate of attendance at the Board of Directors meetings
2023 (Year ended March 31):
13/13 (100%)

Chairperson of Management Council and Executive Board
Chairperson of Sustainability Committee



External Director
Hitoshi Tanii
(Date of birth: June 2, 1972)

Apr. 1996 Joined NIPPON TELEGRAPH AND TELEPHONE CORPORATION
Sep. 1997 Established Digital Network Service Limited Partnership Company, Representative Partner
Jan. 2000 Established Infocast, Inc., Representative Director
Sep. 2000 Established Index Digital Co., Ltd., Representative Director and President
Jun. 2005 Established Synergy Marketing, Inc., Representative Director
Sep. 2016 External Director, MarketEnterprise Co., Ltd. (current position)
Feb. 2017 Representative Director, Payforward Inc. (current position)
Mar. 2017 External Director, adish Co., Ltd.
Jan. 2019 External Director, Space Engine Co., Ltd. (current position)
Jul. 2019 Chairperson of the Board, Synergy Marketing, Inc. (current position)
Aug. 2019 External Director, any Carry Co., Ltd. (current position)
Dec. 2019 External Director, ONDECK Co., Ltd. (current position)
Jan. 2020 Established Happy PR Inc., Representative Director (current position)
Jun. 2020 External Director of the Company (current position)

Number and rate of attendance at the Board of Directors meetings
2023 (Year ended March 31):
13/13 (100%)

Chairperson of Nominating Committee
Chairperson of Compensation Committee



Director & Senior Vice President Executive Officer
Yasuaki Kameda
(Date of birth: November 1, 1961)

In charge of the Corporate Planning & the Financial Units and the Human Resources & the General Resources Units, the Legal Affairs Office, and the Executive Secretary Div.

Apr. 1984 Joined the Company
Apr. 2008 General Manager, the Product Development Dept. Sec. 1
Apr. 2009 Executive Officer
Apr. 2012 In charge of the Chainstore Sales Div. 1, the Chainstore Sales Div. 2 and the Distribution Channel Development Div.; General Manager, the Chainstore Sales Div. 2
Apr. 2014 In charge of the Corporate Planning Div. and the Corporate Communications & Investor Relations Div.; General Manager, the Corporate Planning Div.
Apr. 2015 Managing Executive Officer, In charge of the Corporate Planning Units
Apr. 2017 In charge of the Corporate Planning & the Financial Units and the Human Resources & the General Resources Units (current position)
Jun. 2017 Director (current position)
Apr. 2018 Senior Managing Executive Officer
Apr. 2021 Senior Vice President Executive Officer (current position); Supervising Domestic Business

Number and rate of attendance at the Board of Directors meetings
2023 (Year ended March 31):
13/13 (100%)



External Director
Mami Ito
(Date of birth: November 24, 1967)

Mar. 2010 Representative Director, NIHON DENTO KOUGYO Co., Ltd. (current position)
Apr. 2012 Representative Director and President, Japan Accessories Co., Ltd. (current position)
Jul. 2012 Representative Director and President, JULICO Co., Ltd. (current position)
Jun. 2020 External Director, KIMOTO Co., Ltd. (current position)
Mar. 2023 Outside Director, RYOBI LIMITED (current position)
Jun. 2023 External Director of the Company (current position)

Number and rate of attendance at the Board of Directors meetings
*New appointment



Director & Senior Managing Executive Officer
Shinichiro Koshiba
(Date of birth: December 24, 1963)

In charge of the International Business Operation Units and the INTERNATIONAL BUSINESS STRATEGY DIV.

Apr. 1987 Joined the Company
Jul. 1993 Senior Managing Director, Sunwa Marketing Co., Ltd.
May 1997 General Manager, Zhongshan City Rida Fine Chemical Co., Ltd. (now Zhongshan City Rida Cosmetics Co., Ltd.)
Apr. 2002 General Manager, the Sales Planning Div. of the Company
Jun. 2008 Executive Officer
Apr. 2013 Managing Executive Officer, In charge of the Marketing Units
Jun. 2016 Director (current position)
Apr. 2018 Senior Managing Executive Officer (current position); In charge of the International Business Operation Units (current position)
Audit & Supervisory Board Member, Chairman, PT Mandom Indonesia Tbk (current position)
Apr. 2021 Supervising Overseas Business of the Company

Number and rate of attendance at the Board of Directors meetings
2023 (Year ended March 31):
13/13 (100%)

Executive Officers

Managing Executive Officer	Fumihiko Okada	Supervising Technology Units In charge of the Regulatory Strategy & Affairs Div., the Technology Strategy Div., and the Quality Assurance Div.
Managing Executive Officer	Koichi Watanabe	Supervising Production Units In charge of the Purchasing Div.
Managing Executive Officer	Kenji Uchiyama	Supervising Domestic Sales In charge of the East Japan Sales Div., the West Japan Sales Div., and the Chainstore Sales Div.

Executive Officer	Gosuke Omori	In charge of the Brand Marketing Div. 1, the Brand Marketing Div. 2, the Sales Marketing Div., and the Marketing Strategy Div.; General Manager, the Brand Marketing Div. 1
Executive Officer	Ichihiro Kagawa	In charge of the International Marketing Div., the EC Marketing Div., and the Public Relations Div.; General Manager, the International Marketing Div.
Executive Officer	Teiji Izawa	In charge of the Hair Care Institute, the Advanced Technology Institute, and the Skin Care Institute; General Manager, the Hair Care Institute



Audit & Supervisory Board Member
Takehiko Ikehata

Number and rate of attendance at the Board of Directors meetings
2023 (Year ended March 31): 13/13 (100%)
Number and rate of attendance at the Audit & Supervisory Board meetings
2023 (Year ended March 31): 16/16 (100%)



Audit & Supervisory Board Member
Takeshi Hibi

Number and rate of attendance at the Board of Directors meetings
2023 (Year ended March 31): 13/13 (100%)
Number and rate of attendance at the Audit & Supervisory Board meetings
2023 (Year ended March 31): 16/16 (100%)
Chairperson of Audit & Supervisory Board



External Audit & Supervisory Board Member
Masahiro Nishio

Number and rate of attendance at the Board of Directors meetings
2023 (Year ended March 31): 13/13 (100%)
Number and rate of attendance at the Audit & Supervisory Board meetings
2023 (Year ended March 31): 16/16 (100%)



External Audit & Supervisory Board Member
Mikiharu Mori

Number and rate of attendance at the Board of Directors meetings
2023 (Year ended March 31): 13/13 (100%)
Number and rate of attendance at the Audit & Supervisory Board meetings
2023 (Year ended March 31): 16/16 (100%)

Executive Officer	Yasumasa Yoshida	Representative Director and Vice President Executive Officer, PT Mandom Indonesia Tbk
Executive Officer	Tetsuya Takahashi	In charge of the Human Resources & General Administration Div.; General Manager, the Human Resources & General Administration Div.
Executive Officer	Tetsuaki Matsuda	In charge of the Corporate Planning Div. and the IT Innovation Promotion Div.; General Manager, the Corporate Planning Div.
Executive Officer	Masanori Sawada	In charge of the Finance Div. and the Investor Relations Div.; General Manager, the Finance Div.

Compliance

Rather than relying on external standards and adopting passive compliance stance that centers on just adhering to regulations required by laws, the Mandom Group sets voluntary standards that exceed legal requirements, taking an independent and proactive stance for the purpose of “usefulness to consumers,” toward protecting consumer safety and benefits.

The Mandom Group has established the “Mandom Group Code of Conduct” (revised five times since the establishment in 1999) as a compliance program that officers and employees should always keep in mind in order to realize the corporate philosophy.

In order to ensure thorough compliance with the Code of Conduct, the Company has established the Code of Conduct Promotion Committee, which focuses on awareness-raising and education on compliance for all departments.

In addition, in December 2002, we introduced (expanded the target up to business partners in 2007) a helpline system, which is an internal reporting system for compliance violations, aimed at early detection, early correction, and prevention of risks related to compliance violations. With this system, legitimate information providers are completely protected, and retaliatory acts against information providers are absolutely prohibited.

 [Mandom Group's Code of Conduct](#)

Excerpt from the Mandom Group Code of Conduct (FY2018 revised version)

Mandom Group Compliance

As a member of society, we fully understand domestic and international laws, customs, and all other social norms and their respective mentality, comply with them with a spirit of legal compliance, and always act ethically with a high degree of social decency.

The compliance of the Mandom Group is based on “usefulness” (founding spirit) and “honesty toward society” (corporate philosophy).

In other words, rather than relying on external standards and adopting passive compliance stance that centers on just adhering to regulations required by laws, the Mandom Group sets voluntary standards that exceed legal requirements, taking an independent and proactive stance for the purpose of “usefulness to consumers,” toward protecting consumer safety and benefits.

In addition, for the sake of honesty towards society, we will strictly adhere to compliance management and never use fraudulent methods as a means of achieving results.

Therefore, at the Mandom Group,

(1) End does not justify the means.

We do not accept the idea that any means can be adopted to achieve business results.

(2) Morals are superior to results. (Results are inferior to morals)


No matter how good the Company's business performance is, the Company does not recognize results obtained through immoral (unlawful) means.

Helpline System

In December 2002, we introduced the “Helpline System,” which is an internal reporting system for compliance violations, aimed at early detection, prevention and recurrence prevention of risks related to compliance violation. This is a system for accepting reports and consultations when one sees an act that violates various laws and the code of conduct in the workplace, or when there is a risk of violation thereof. The Code of Conduct Promotion Committee, including external parties (attorneys), serves as a reception desk and the operation of the whistle-blowing system ensures that whistle-blowers are not treated unfavorably by the Company. Since September 2007 we have been expanding the scope of the

Helpline System to include all domestic business partners of the Mandom Group.

Our wish is that suppliers who have become aware of a violation of compliance by a Group company, its officers or employees in Japan, or an act that may cause a compliance violation, contact the helpline reception desk in accordance with the following guidelines. Upon receipt of the report, led by the Code of Conduct Promotion Committee, the Company will promptly investigate the facts and causes to correct, stop and prevent recurrence thereof and work to resolve them.

 [Group Company Information](#)
[Corporate Governance > Helpline System](#)

1. Business partners that are subject to the helpline system are suppliers, customers, and other business partners of the domestic Group companies, including the Company.
2. In order to conduct a fair investigation, we ask that you report your information under your real name, rather than anonymously.
3. The facts and the details (including personal information such as the name of the person reporting) are held only by the Company's investigating body (Code of Conduct Promotion Committee) and will not be used for any purpose other than investigation and response based on the report.
4. The Group will not cause any disadvantage to the person reporting, and will not make any request to the business partner to which the person reporting belongs to that would cause him or her a disadvantage due to the fact that the report was made. However, this does not apply to fraudulent reporting that goes against the intent of the Helpline System (avoiding or minimizing the risk of non-compliance) such as slander or defamation.
5. You can make reports by e-mail or postal letter. Please refer to the report reference form attached at the end of the document, and make the report following with the form as much as possible. Upon receipt of the report, the helpline will contact the person who made the report for confirmation. Therefore, please be sure to clearly indicate the contact information and contact method.

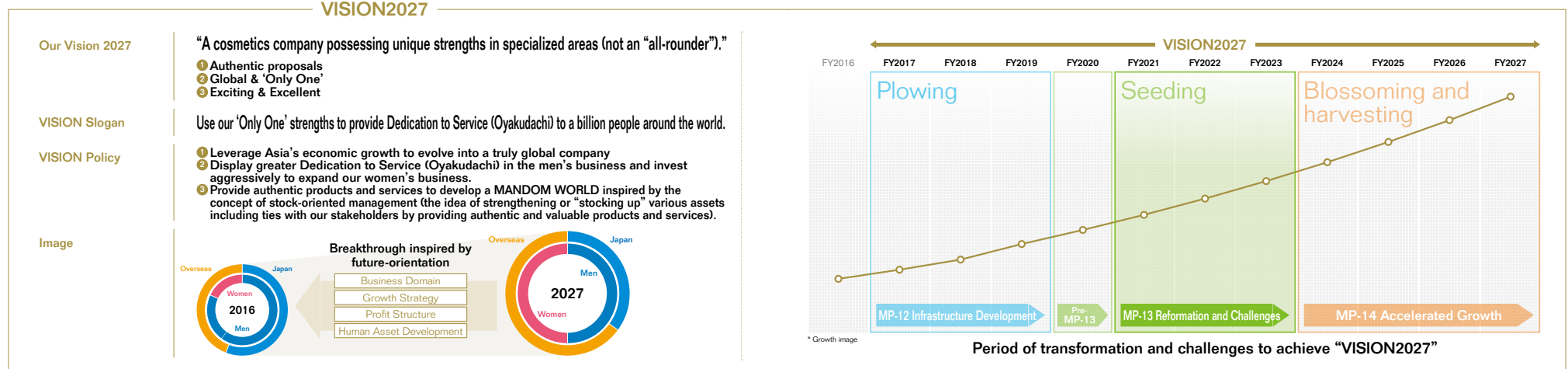
Special reception desk for business partners

5-12, Juniken-cho, Chuo-ku, Osaka 540-8530, Japan
 Helpline Desk, Code of Conduct Promotion Committee, Mandom Corporation
 Special email address: mandom-helpline@mandom.com

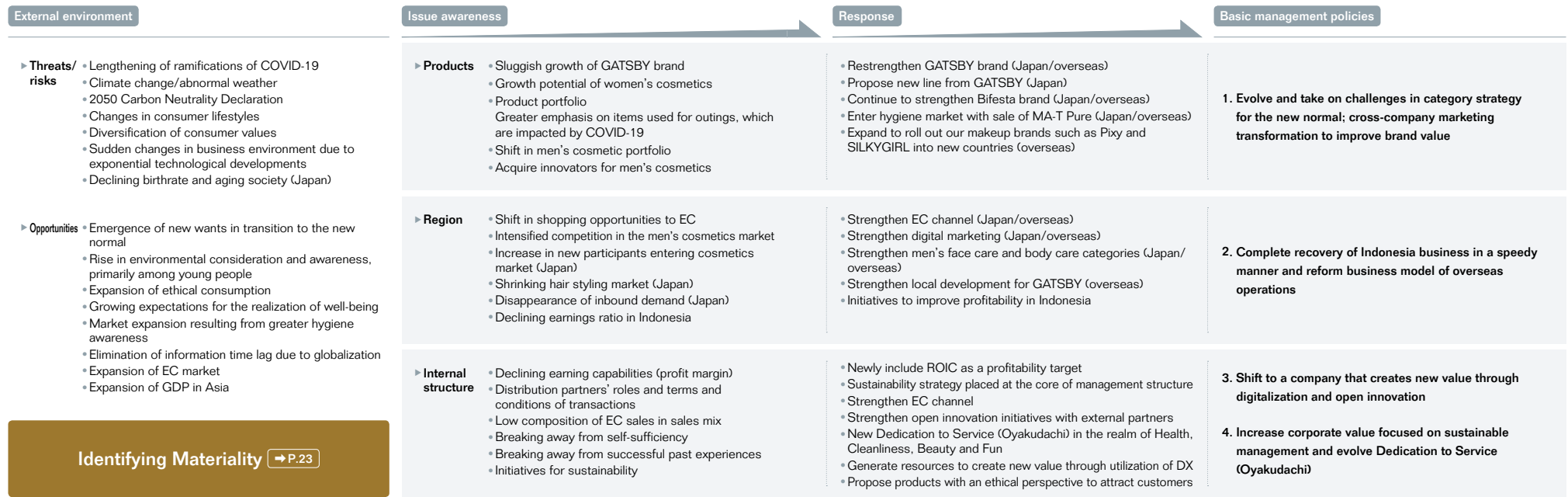


Middle-Range Planning

13th Middle-Range Planning “MP-13” and positioning of “VISION2027”



Background of MP-13 Formulation (External Environment, Internal Issues)



Look Back at Previous Middle-Range Planning

	MP-10 4/2011-3/2014	MP-11 4/2014-3/2017	MP-12 4/2017-3/2020	Pre-MP-13
Positioning	"Only One" Company in Asia with Global Management Expertise Focus on Dedication to Service (Oyakudachi) in Asia to accelerate growth in Group businesses	Middle-Range Planning to Accelerate Growth and Cultivate New Business in Asia Aim to establish competitive advantages by strengthening business expansion in major markets and increase sales volume by cultivating new markets and business fields	Corporate Infrastructure Development for Realizing "VISION2027" First of three phases to achieve "VISION2027" Aim to become a truly global company through proactive investments to strengthen marketing and internal controls	
Key Points	Shifted to Planning from backcast perspective. Envisioned the ideal form and shape Mandom should take from a long-term perspective and developed a plan which aimed higher, not simply continuing the path of the past.	We will further promote the shift to Asia for the Group's management in order to increase our competitiveness in the Asian market, which has high growth expectations.	Announced our corporate philosophy of a new "MISSION" focusing on the concept of "Human Orientation," and "VISION2027," the company figure that Mandom will become in 2027 when it marks the 100th anniversary of the founding of the Company.	
Summary	<ul style="list-style-type: none"> Stable growth in men's grooming business, the Company's core business Aim for stable growth as a core business; maintain and expand the market share in categories of the men's grooming segment. Bolster the development of women's cosmetics business Aim to strengthen and cultivate the rollout of products centered on skin care products, with the product lineups catered for the markets in each country where the operation of business is in place. Continue strengthening overseas business operations with Asia as growth engine Establish Indonesia and China as strategic markets and aim for proactive business expansion to establish the greater Asian market presence and improve the growth of the Group. In addition, construct distribution network and expand businesses in Indian and Indochinese markets, which have a future growth prospect. 	<ul style="list-style-type: none"> Achieve sustainable growth in men's grooming business Aim for sustainable growth as a core business; maintain and expand the market share in categories of the men's cosmetics segment. Speed up the development of women's cosmetics business Aim to speed up development in Asia with a product lineup customized to each country by focusing on the skin care and base makeup categories. Continue strengthening overseas business operations as growth engine Aim to expand the scale of operation by strengthening initiatives for Indonesian market as the major market and construct the foundation for developing markets, such as building a distribution network in China and Indochina. 	<ul style="list-style-type: none"> Promotion of category strategies and thorough enhancement of brand value ① Develop a category into a robust pillar ② Increase brand value Improvement of growth in overseas business with a focus on Indonesia ① Indonesia: Provide greater Dedication to Service (Oyakudachi) for middle-income class ② Asian countries other than Indonesia: Promote marketing measures unique to each country by understanding consumer wants and achieve higher profitability Building a group operation system and improving productivity per unit ① Increases in the decision-making accuracy and speed by building the Group's personnel affair system, accounting system, and information system, and building a structure to increase productivity per unit ② Build a structure that allows the prompt formulation and implementation of strategy at operating companies 	
Numerical Targets	(Targets) (Actual)	(Targets) (Actual)	(Targets) (Actual)	
Consolidated Net Sales	¥66,000 million or more ¥68,200 million	¥83,000 million ¥77,300 million	¥90,000 million ¥81,700 million	
Men's Grooming Business Average Annual Growth Rate	3.2% or more 5.4%	5.2% or more 2.6%	3.0% or more -0.6%	
"GATSBY" Brand Average Annual Growth Rate	3.6% or more 5.9%			
Women's Cosmetics Business Average Annual Growth Rate <small>Note: Women's business in MP-12</small>	19.3% or more 11.8%	15.0% or more 15.9%	10.0% or more 11.1%	
Consolidated Overseas Net Sales Average Annual Growth Rate	9.4% or more 11.3%	11.4% or more 4.8%	10.0% or more 6.8%	
Consolidated Operating Margin <small>Note: Operating income amount in MP-11</small>	10% or more 10.0%	¥8,600 million ¥7,600 million	10% or more 7.1%	
Consolidated Payout Ratio	40% or higher 40.0%	40% or higher 40.3%	40% or higher 63.5%	
Results and Issues	<ul style="list-style-type: none"> The men's grooming business exceeded target growth rates mainly for "GATSBY" and achieved targets for consolidated net sales. The women's cosmetics business had sluggish growth in Japan and did not reach targets. The overseas business performed well, and the annual growth rate was over 10%, exceeding the target. The consolidated operating margin was 10%, reaching the target. 	<ul style="list-style-type: none"> Although the women's cosmetics business reached the target growth rate due to growth of "Bifesta," consolidated net sales did not reach the target due to sluggish growth in the men's grooming business. The overseas business did not reach targets due to the impact of the factory accident in Indonesia. Consolidated operating income did not reach the target primarily due to net sales being below the planned level. 	<ul style="list-style-type: none"> We were able to execute just about all of the infrastructure development initiatives we should have executed. Net sales in men's grooming business decreased due to the impact of reduced sales of summer seasonal goods due to poor weather in Japan in the fiscal year ended March 31, 2020. Women's cosmetics business continued to reach the target growth rate due to strong performance of "Bifesta" and "Pixy." In addition to net sales being below the planned level, the injection of expenses associated with infrastructure development also contributed to the target consolidated operating margin not being reached. 	
Foreign Exchange Impact <small>Rupiah/JPY (period average)</small>	MP-10 Set Rate ¥0.0093 2011: 0.0091 2012: 0.0086 2013: 0.0093	MP-11 Set Rate ¥0.0085 2014: 0.0089 2015: 0.0091 2016: 0.0083	MP-12 Set Rate ¥0.0083 2017: 0.0084 2018: 0.0078 2019: 0.0077	
<small>Middle-Range Planning Initial Set Rate and Actual Rate by Year</small>				

Outline of "MP-13 (April 2021 through March 2024)"

MP-13 4/2021-3/2024

Theme Transformation and Challenges to Realize "VISION2027"

Basic management policies

- Evolve and take on challenges in category strategy for the new normal; cross-company marketing transformation to improve brand value
 - Quickly construct cross-company structure that leads to accelerating growth in overseas and women's categories
 - Improve value of global brands (GATSBY/Bifesta) across Asia
 - Improve quality and expand regions where Dedication to Service (Oyakudachi) is offered in the COVID-19 and the post-pandemic world
- Complete recovery of Indonesia business in a speedy manner and reform business model of overseas operations
 - Quickly build a structure and ensure its operation to solve the issues in Indonesia business
 - Accelerate growth by strengthening alliances between overseas countries and marketing areas; improve management efficiency
- Shift to a company that creates new value through digitalization and open innovation
 - Achieve success in DX (digital transformation) resulting in the realization of wellness
 - Create and expand new beauty and grooming culture that includes external knowledge
- Increase corporate value focused on sustainable management and evolve Dedication to Service (Oyakudachi)
 - Promote business expansion that contributes to solving social issues (ESG/SDGs)
 - Advance capabilities to create unique values and improve corporate branding

Basic management targets

Growth Potential	Consolidated Net Sales	¥81.5 billion	CAGR by business	Men's business 6% or higher
	CAGR	10.7%		Women's business 16% or higher
				Overseas business 17% or higher
Profitability	Consolidated Operating Margin	8.0% or higher		
	Consolidated ROIC	7.0% or higher	ROIC = (NOPLAT ¹ + gain/loss from equity-method investments)/invested capital ²	

*1 (Operating income + interest income + dividend income) × (1 - effective tax rate)
*2 Borrowings + corporate bonds + lease liability + net assets (uses the average values of beginning and ending balances of the fiscal year)

Address Social Issues

Promote eco-friendly products

Japan: **60%** of domestic products are eco-friendly (in line with voluntary standards)

Indonesia: Reduce volume of plastic containers/packaging by **10%** (compared to FY2016)

Reduce volume of plastic waste by **10%** (compared to FY2016)

Look Back on the Fiscal Year Ended March 31, 2023

The fiscal year ended March 31, 2023 was the second year of the 13th Middle-Range Planning (hereinafter "MP-13"). MP-13 was positioned as a period of transformation and challenges to achieve "VISION2027" for the 100th anniversary of the founding of the Company. The Company has established four basic management policies and begun efforts for this transformation and these challenges. Although the impacts of COVID-19 were receding in Japan and overseas, the prolonged situation in Ukraine and the resulting increase in energy and raw material prices caused prices to soar and demand to stagnate, and the speed of recovery varied by area during the year.

As the Company recorded operating losses for two consecutive years through the fiscal year ended March 31, 2022, one of our most important tasks was to return to operating income. Due to a recovery of the movement of people, net sales increased in Japan, Indonesia, and other overseas locations, up 16.9% from the previous year to 67,047 million yen. While operating income was affected by raw material price hikes, we returned to operating income on a consolidated basis mainly due to the increase in gross income. As a result, ordinary income and net income attributable to owners of parent also returned to profit.

The basic management policies of MP-13 and major initiatives based on these for the fiscal year ended March 31, 2023 are as follows. For the fiscal year ending March 31, 2024, following on from the previous year, the Company will reinforce Dedication to Service (Oyakudachi) for consumers through our products. We will give top priority to value-added products that fulfill consumer wants as well as to high quality and satisfaction with product effectiveness. As a result, we will manufacture products in accordance with our founding management philosophy of "high-quality and best-value products" that consumers will be willing to pay more for. In addition, we will take all necessary steps and do nothing short during this fiscal year to ensure a smooth start for MP-14 in April 2024.



Senior Vice President Executive Officer & Director
Yasuaki Kameda

1 Evolve and take on challenges in category strategy for the new normal; cross-company marketing transformation to improve brand value

Specific initiatives and results

1 Reinforce Dedication to Service (Oyakudachi) for consumers through our products

In an era of diversifying values and style preferences, it has become difficult to grasp consumer wants. Against this backdrop, we renewed our focus on "Consumer-led Lifestyle Value Creation." Imagining how customers would enjoy our products, we made every effort to propose products with concepts and stories that arouse demand and make customers want to see and use them. We released "LÚCIDO Perfect Skin Cream EX" for men's skin care, "LÚCIDO-L High Damage Repair" series for women's hair care, and other products which achieve a balance between a new Dedication to Service (Oyakudachi) on the one hand and product effectiveness and cost-performance on the other.

2 Shift product portfolio in Japan market

In recent years, summer season products, which make up an increasing share of sales in Japan, face inherent challenges such as impact of weather conditions and intensifying market competition. On the other hand, demand for skin care and hair care products has expanded following the onset of the pandemic.

In the fiscal year ended March 31, 2023, the Company aggressively introduced and enhanced new products under the GATSBY and LÚCIDO skin care brands for men and the LÚCIDO-L hair treatment brand for women. In addition, we launched the "GATSBY Meta Rubber" series in the men's hair styling category, where the market is recovering in step with the increased movement of people.

2 Complete recovery of Indonesia business in a speedy manner and reform business model of overseas operations

Specific initiatives and results

1 Strengthen distribution by collaborating with the local exclusive distributor in the lead-up to the post-COVID-19 period

As the impacts of COVID-19 began to recede, we were finally able to collaborate with our exclusive distributor in Indonesia. With the market itself shifting to recovery, we were able to approach distributors in traditional markets, which is a strength of the exclusive distributor. In the fiscal year ended March 31, 2023, we strengthened sales promotion focusing on traditional markets and, in turn, expanded sales.

2 Strengthen marketing of ACG International's "SILKYGIRL" looking ahead to after the pandemic

The "SILKYGIRL" makeup products, which anticipated and adapted to changes in consumer wants and mindsets in conjunction with the reopening from the COVID-19 pandemic, contributed to strong results. During the pandemic when masks were required, we held off on the launch of new products and concentrated on investing in digital marketing centered on e-commerce. The products we promoted were mainly eye makeup, which is visible even when masks are worn. After COVID-19 restrictions were lifted, the Company made a complete shift and proactively launched new products in all categories, including lip, face, and eye, in anticipation of consumers' longing for makeup. Our digitalization efforts since the pandemic also helped in gaining strong support from consumers.

3 Shift to a company that creates new value through digitalization and open innovation

Specific initiatives and results

1 Initiatives to reduce cost

Despite the soaring costs of all energy sources and various raw materials, the consolidated cost-to-sales ratio declined by 2.0 percentage points to 57.2%, while the cost-to-sales ratio of the Japan segment declined by 1.0 percentage point to 50.4%. Significantly contributing to this result was the expansion of production volume due to net sales recovery in each segment and the accompanying increase in production efficiency. Furthermore, the procurement and production divisions are implementing project activities to reduce costs. In Japan, for example, we achieved a cost reduction of 50 million yen in the "LÚCIDO-L Hair Oil" series by reviewing procurement and production methods. The Company has also achieved other cost reductions by changing the commercial distribution system for procurement and reviewing component specifications. At the Fukusaki Factory, we introduced robots to save labor on the production line, which has led to a reduction in total manufacturing costs.

Initiatives to strengthen the management foundation

Specific initiatives and results

Preparing to implement "MHRX," a strategic HR system to materialize organizational reform and HR creation

The fiscal year ended March 31, 2023 was a culmination of the preparations for introducing "MHRX," a new HR system to create an organization and develop HR capable of change and taking on challenges, aimed at creating new value for the Group. As part of this initiative, as originally planned, we started a new personnel affair system for career development in April 2023 with an all-new ranking, evaluation, and compensation system.

1 Financial strategy

Upon starting the 13th Middle-Range Planning (hereinafter “MP-13”), the Company developed the “Financial Strategy to Contribute to Sustainable Company Value Improvement” in April 2021 and communicated this strategy within the company.

In principle, the Company makes efforts to improve company value through the following financial strategy **from a perspective of free cash flow (hereinafter “FCF”)**.

1 Setting ROIC targets

In recent years, “a decline in earning power” has been raised as the Group’s issue, which some investors are concerned about. In MP-13, in addition to traditional net sales and profit targets, the Company newly adopted ROIC from a perspective of capital efficiency and shifted to management that focuses on “earning power.” MP-13 targeted consolidated ROIC of 7.0% or higher for FY2023 (final fiscal year of MP-13). This level surpasses capital costs and makes it possible to grow company value. However, since the fiscal year ended March 31, 2021, the global environment has changed drastically, including restrictions on outings and reduced movement of people due to the pandemic, as well as rising prices of raw materials and supplies, the rapid appreciation of the dollar, and the ongoing depreciation of the yen. Consequently, the Group’s performance, including net sales and profit, has deviated downward from the initial plan. As a result, consolidated ROIC for the fiscal year ended March 31, 2023 stayed put at 2.1%. Although we returned to operating income in the fiscal year ended March 31, 2023 and will improve operating income in the following fiscal years, we expect consolidated ROIC to be 2.4% in the fiscal year ending March 31, 2024.

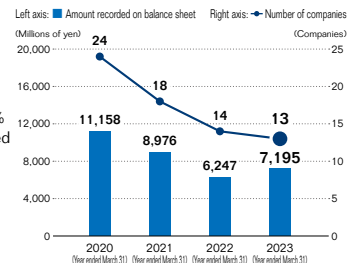
2 Improve asset efficiency rate through balance sheet (BS) management

The Company will conduct the following measures as part of the financial strategies to achieve the ROIC targets and evolve into management that takes into account the balance sheet (BS) and cash flow (CF).

(1) Reduction of cross-shareholding

The policy states that cross-shareholding shall be less than 10% of net assets at the end of each fiscal year on the consolidated balance sheet, and that as of March 31, 2024 (end of the final fiscal year of MP-13), cross-shareholding shall be reduced by at least 30% compared to March 31, 2021. As of March 31, 2023, cross-shareholding was 10.1% of net assets at the end of the fiscal year on the consolidated balance sheet, no more than a 19% reduction compared to March 31, 2021. This was due to an increase in the market value of the shares held, despite reducing our shareholding for policy investments during the year under review. In the fiscal year ending March 31, 2024, we will continue to examine the rationale for our shareholding by company and consider reductions.

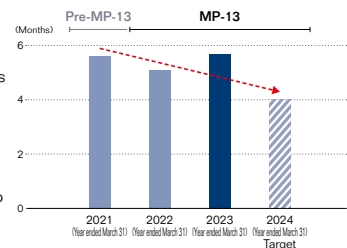
Trends in Cross-shareholdings (listed companies)



(2) Improvement of cash conversion cycle (CCC)

The Company is reviewing to improve the receivables turnover cycle, inventory assets turnover cycle, and debt repayments cycle in order to cut down the cycle from 5.6 months on a balance base on March 31, 2021 to 4.0 months or less on a balance base on March 31, 2024 (end of the final fiscal year of MP-13). The cycle was 5.7 months based on balances as of March 31, 2023. This was due to an increase in year-end product inventories at Mandom (Japan) as a result of accelerated production of new products and summer season products. We will make continued efforts to improve asset efficiency.

Trends in CCC



(3) Group cash management

The Company regularly checks the cash flows of each Group company, pools excess cash in the Company, the headquarters of the Group, and utilizes it in high-profitability investments as the Group. In the fiscal year ended March 31, 2022 and the fiscal year ended March 31, 2023, the Company pooled a total of 1.37 billion yen in capital.

(4) Financing for strategic investment

With cooperation from our partner banks, the Company has secured a line of credit of 20 billion yen. There was no outstanding balance as of March 31, 2023. The Company will utilize this financing for strategic investments with due consideration to FCF and the profit and loss statement (P/L). For the 14th Middle-Range Planning (MP-14), we will consider a cash allocation policy that combines FCF and the line of credit. Furthermore, the Company aims to share its earnings results and direction, including Middle-Range Planning, with our partner banks as appropriate in constructing a strong relationship.

3 Improve shareholder returns

The Company strives to increase FCF through BS management, boost ROIC, and improve shareholder returns.

(1) Dividend policy

The Company regards the return of profits to shareholders as an important management issue. While always keeping the improvement of capital efficiency in mind, we will comprehensively consider a number of factors, including FCF, investment plans, securing liquidity and economic conditions. We have a basic policy of implementing stable and continuous returns through dividends (numerical target: consolidated payout ratio of 40% or more excluding special elements). In the fiscal year ended March 31, 2023, dividend was 38 yen, up 2 yen from the previous year, and the payout ratio was 178%.

(2) Acquisition of treasury shares

The Company will deliberate the acquisition of treasury shares after the comprehensive consideration of economic status, company assets, FCF status, stock price trends, and other factors.

2 Strengthening governance in accounting

In executing this financial strategy, the Company must also strengthen the financial governance that underpins the execution.

The Company is undertaking the following initiatives in order to strengthen the financial governance.

1 Introduction of the Company-wide ERP system (SAP)

In addition to improving the accuracy and speed of decision-making, Mandom is proceeding with the implementation of SAP for the Group companies aimed at ensuring the accuracy of information and acceleration of consolidating earnings. We aim to build a structure in which 80% of consolidated net sales are covered by companies that have implemented SAP. As of March 31, 2023, such companies comprised 77% of consolidated net sales. We are also proceeding with visualization of management information at each overseas Group company.

2 Standardization of accounting policies on a global base

The Company aims to speed up management decisions and strengthen Group management operations by changing and aligning various systems, operation rules, and processes in the Group to standardize accounting policies on a global base.

3 Minimize tax risks on a global base

The Company is making efforts to minimize tax risks in the overall Group while fulfilling our social responsibilities through appropriate tax payment in all countries where the Group is operating business.

Middle-Range Planning Topics

Promotion of Digital Transformation of the Mandom Group

The Mandom Group stipulates "Shift to a company that creates new value through digitalization and open innovation" in its 13th Middle-Range Planning (MP-13) basic management policies, and accordingly, is developing the internal infrastructure to "Achieve success in DX (digital transformation) resulting in the realization of wellness."

Promotion of digital transformation in MP-13

We have been promoting digital transformation throughout the Company, establishing the DX Promotion Committee in May 2021, and became a certified operator under the Digital Transformation Certification* in August 2022.



* Digital Transformation Certification is a national initiative that certifies companies that meet the basic requirements specified in the Digital Governance Code based on the Act on Facilitation of Information Processing.

<p>MP-13 basic management policies</p>	<p>3. Shift to a company that creates new value through digitalization and open innovation</p> <p>① Achieve success in DX resulting in the realization of wellness</p>
<p>DX objectives</p>	<p>Transition to a company that produces new value through digital transformation</p> <p>Dramatically expand both the quality and quantity of Dedication to Service (Oyakudachi) by simultaneously proceeding with initiatives for new businesses and improving efficiency of existing businesses through a digital foundation</p>

IT strategy

In order to develop the IT environment necessary to shift to become a company that creates new value through promoting digital transformation, we have formulated an IT strategy based on the IT priority measures in MP-13. It sets out three strategic themes as areas of focus: acquisition of new digital technology; data utilization; and reduction of technical debt. We are carrying out initiatives under MP-13 to achieve our vision for each theme.

Strategic Theme 1 Acquisition of new digital technology

To equip ourselves with organizational capabilities to utilize new digital technologies for operation process transformation and new value creation, we are acquiring knowledge and building up a track record in the utilization of RPA, AI, and low-code/no-code development technologies.

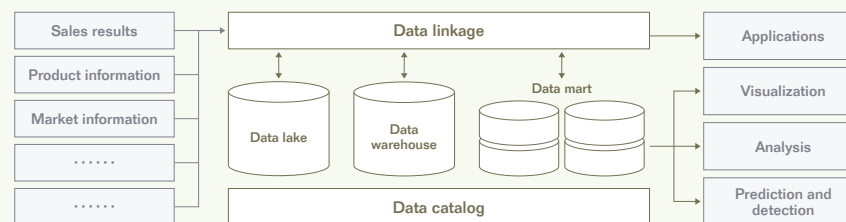
<p>RPA</p>	<p>To generate management resources through automation of routine operations, develop a system to proactively promote RPA in internal departments and implement it across the Company.</p>
<p>AI</p>	<p>Conduct research on AI technologies that will help solve the Company's issues and consolidate in-house AI experience, and promote more optimal and advanced operations through the use of AI and machine learning technologies.</p>
<p>Low-code/no-code development</p>	<p>Aiming to create agile operational applications in-house, promote their development using low-code tools through collaboration between the business and IT divisions.</p>

Strategic Theme 2 Data utilization

In order to effectively utilize data, which is the source of value creation via digital technology, Mandom promotes data governance and data management by establishing a basic policy on data utilization, along with analyzing data-related issues and monitoring the utilization and management of our data.

In addition, we built a cloud-based data utilization platform system that functions as a data hub for the entire company, which can be expanded flexibly according to purpose and usage. Based around this platform, we are advancing various data utilization measures to maximize the value of internal data assets and generate business results.

Conceptual diagram of the data utilization platform system



Strategic Theme 3 Reduction of technical debt

In order to maximize business value through proactive use of new technologies, it is important to build and maintain an information system platform that can adapt quickly and flexibly to changes in the business environment. Therefore, we have formulated company-wide governance rules on IT utilization, and are evaluating existing IT assets from a combination of perspectives to identify and address technical debt risks that may hinder the use of new technologies.

Information security measures

To protect the Group's information assets from increasingly sophisticated cyber attacks and maintain a safe and secure business environment, the Group implements information security measures covering all domestic and overseas Group companies from organizational, human resource, technical, and other perspectives.

For organizational measures, we established the Mandom Group Information Security Basic Policy and shared our basic approach and policy on information security across the entire Group. In addition, by referring to global standards and domestic guidelines, we established the Mandom Group Unified Standards for Information Security Measures on matters to be observed by Group companies. All Group companies are implementing initiatives to comply with the standards.

For human resource measures, we conduct regular employee training throughout the year to ensure awareness about compliance with information security measures and about basic security procedures. We also internally disseminate information on security incidents that have occurred in the world to alert employees.

For technical measures, in preparation for any unforeseen situations, we have introduced Group-wide tools for early detection and response to security breaches, and have established and are operating a 24-hour/365-day security monitoring system through external security experts.

Through these efforts, the Group as a whole is promoting the optimization of information security measures.

Analyses of Management and Finances

Analysis of Operating Results

During the fiscal year under review, Japan's economy showed signs of recovery as the movement restrictions to contain COVID-19 were eased, and economic and social activities began to return to normal. On the other hand, raw material prices rose due to the prolonged situation in Ukraine. Furthermore, the economic outlook remains uncertain, with concerns that a downturn in overseas economies, against the backdrop of global monetary tightening and other factors, could put downward pressure on the domestic economy. In the economies throughout Asia, our main sphere of overseas business, East Asia, mainly China, was affected by the movement restrictions imposed due to the resurgence of COVID-19, while Southeast Asia as a whole saw an easing of the movement restrictions

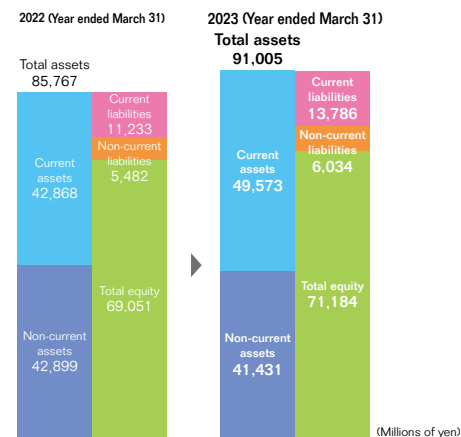
and a sustained economic recovery. Under such economic conditions, the Group is taking measures according to the basic management policies in the Middle-Range Planning, which is positioned as a period for "Reformation and Challenges" for realizing "VISION 2027." As a result, in the fiscal year under review, net sales totaled ¥67,047 million (up 16.9% year on year), operating income totaled ¥1,409 million (operating loss of ¥2,308 million in the previous fiscal year), ordinary income totaled ¥2,207 million (ordinary loss of ¥1,856 million in the previous fiscal year), and net income attributable to owners of parent totaled ¥958 million (net loss attributable to owners of parent of ¥621 million in the previous fiscal year).

	2022 (Year ended March 31) (Millions of yen)	2023 (Year ended March 31) (Millions of yen)	Change (Millions of yen)	YoY (%)
Net sales	57,361	67,047	9,685	+16.9
Cost of sales	33,964	38,362	4,398	+13.0
Selling, general and administrative expenses	25,706	27,274	1,568	+6.1
Operating income (loss)	(2,308)	1,409	3,718	—
Non-operating income (loss)	452	798	345	+76.5
Ordinary income (loss)	(1,856)	2,207	4,064	—
Extraordinary income (loss)	1,094	(617)	(1,712)	—
Income (loss) before income taxes	(762)	1,589	2,351	—
Income taxes	72	571	499	+690.0
Net income (loss) attributable to non-controlling interests	(212)	59	272	—
Net income (loss) attributable to owners of parent	(621)	958	1,580	—

Analysis of Financial Position and Cash Flows

1. Assets, Liabilities and Total Equity

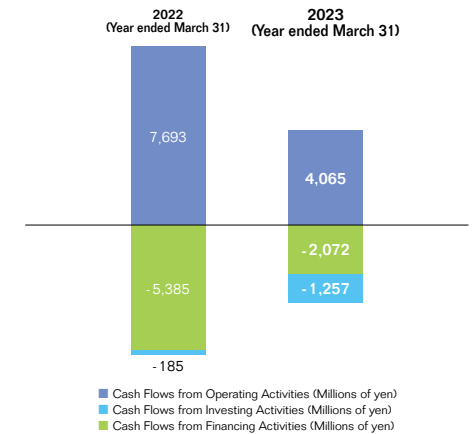
Total current assets were ¥49,573 million as of March 31, 2023, up ¥6,705 million from a year earlier. This was mainly due to increases of ¥1,968 million in notes and accounts receivable – trade and ¥3,233 million in merchandise and finished goods. Non-current assets were ¥41,431 million as of March 31, 2023, down ¥1,468 million from a year earlier. This was mainly due to a decrease of ¥2,202 million in property, plant and equipment due to depreciation. Current liabilities were ¥13,786 million as of March 31, 2023, up ¥2,552 million from a year earlier. This was mainly due to increases of ¥444 million in notes and accounts payable - trade, ¥492 million in accounts payable - other, and ¥994 million in other. Non-current liabilities were ¥6,034 million as of March 31, 2023, up ¥552 million from a year earlier. This was mainly due to an increase of ¥337 million in deferred tax liabilities. Total net assets were ¥71,184 million as of March 31, 2023, up ¥2,132 million from a year earlier. This was mainly due to an increase of ¥1,854 million in foreign currency translation adjustment. As a result, shareholders' equity ratio was 71.6% as of March 31, 2023 (compared to 73.8% from a year earlier).



2. Status of Cash Flows

Cash and cash equivalents as of March 31, 2023 came to ¥17,481 million, up ¥1,466 million from the end of the previous fiscal year. Factors influencing cash flows during the term are as follows.

- Cash Flows from Operating Activities**
 Net cash provided by operating activities was ¥4,065 million (compared to ¥7,693 million provided from a year earlier). It mainly consisted of increases resulting from income before income taxes of ¥1,589 million and depreciation of ¥4,988 million, and a decrease resulting from ¥2,943 million increase in inventories.
- Cash Flows from Investing Activities**
 Net cash used in investing activities was ¥1,257 million (compared to ¥185 million used from a year earlier). It mainly consisted of a decrease resulting from purchase of property, plant and equipment of ¥1,200 million.
- Cash Flows from Financing Activities**
 Net cash used in financing activities was ¥2,072 million (compared to ¥5,385 million used from a year earlier). It mainly consisted of a decrease resulting from dividends paid of ¥1,667 million.



Capital Policy

The Group has two main funding requirements: operation funding requirements and capital investment funding. The main requirements for operation funding are the supply of raw materials for manufacturing the Group's products, as well as operating expenses such as manufacturing expenses, and selling, general and administrative expenses. For capital investment funding, the main requirements are the purchase of non-current assets such as buildings and machinery associated with the acquisition of production facilities.

1. Financial policy

The Group's financial policy is to maintain a solid balance sheet and appropriate liquid assets for its business activities, and capital is used primarily to fund operations and for capital investments, and prioritizes the use of internal reserves in principle, with any shortfalls covered by loans from financial institutions. If a domestic subsidiary lacks necessary funds, the shortfall is covered by a loan from the parent company, while demand for short-term funds from overseas subsidiaries is met by local-currency-based short-term loans taken out by the Group's main representative office in the region. The Group regards any additional funds in hand as cash reserves for business investment, and places the utmost priority on ensuring their liquidity and security. We have set commitment lines with financial institutions, and built a system that can constantly secure funds of over three months' worth of monthly sales in order to prepare for unforeseen funding.

2. Facilities

1) Overview of capital investments

The Group maintains a basic policy of making capital investments in facilities to manufacture products that sustain a competitive advantage. Total capital investments were ¥1,433 million as of March 31, 2023, down ¥536 million (27.2%) from a year earlier. A breakdown by segment is as follows.

Segment name	2023 (Millions of yen)	YoY change (%)
Japan	606	-54.4
Indonesia	503	7.9
Other overseas	323	88.0
Total	1,433	-27.2

2) New important facilities

The Group determines its plans for capital investments while comprehensively taking into consideration investment efficiency and other factors. In principle, each consolidated company separately determines its capital investment plan. However, the Group makes adjustments mainly to the reporting companies when determining the plan. As of March 31, 2023, there were no plans for new important facilities excluding the new establishment for routine renewal of facilities.

3. Dividend policy

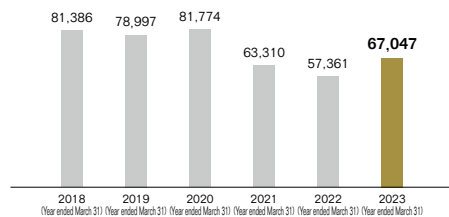
The Company regards the return of profits to shareholders as an important management issue. While keeping the improvement of capital efficiency in mind, we will comprehensively consider a number of factors, including free cash flow, investment plans, securing liquidity and economic conditions. We have a basic policy of implementing stable and continuous returns through dividends (numerical target: consolidated payout ratio of 40% or more excluding special elements). We allocate internal reserves to strategic investments aimed at boosting corporate value, including investment in facilities to expand existing business operations, overseas investment and research and development investment. Furthermore, we will consider purchasing treasury shares to implement flexible capital policies based on the changes in the business environment. The dividends of surplus for the fiscal year under review were as follows.

Resolution date	Total amount of dividends (Millions of yen)	Dividends per share (Yen)
November 2, 2022 Resolution of the Board of Directors	854	19.00
June 23, 2023 Resolution of the Ordinary General Meeting of Shareholders	854	19.00

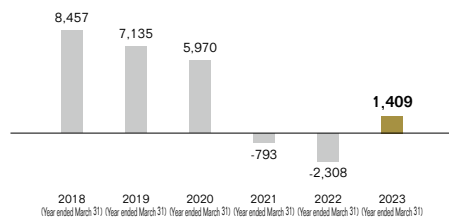
Financial and Non-financial Highlights

Financial Highlights

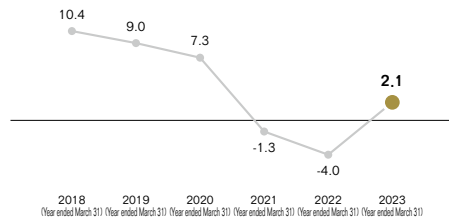
► Consolidated net sales^{*1, *2} (Millions of yen)



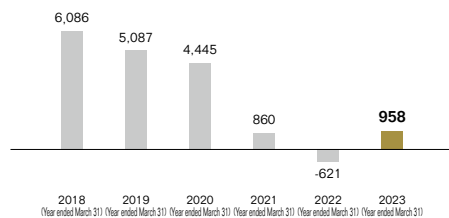
► Consolidated operating income (Millions of yen)



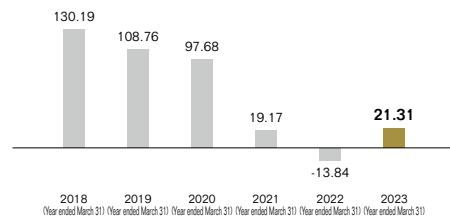
► Operating margin (%)



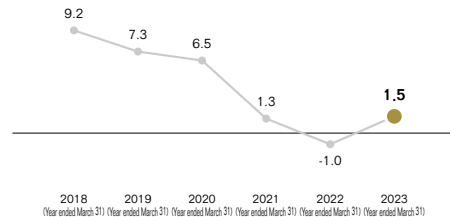
► Net income attributable to owners of parent (Millions of yen)



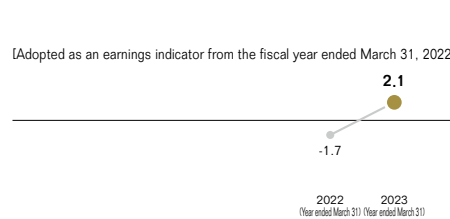
► Earnings per share [EPS]^{*3} (Yen)



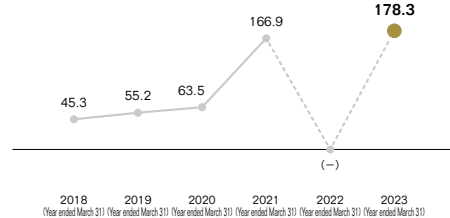
► Return on equity [ROE] (%)



► Return on invested capital [ROIC] (%)

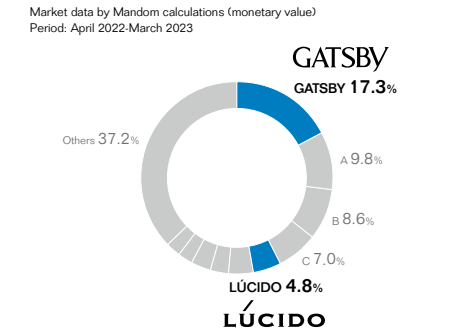


► Payout ratio (%)

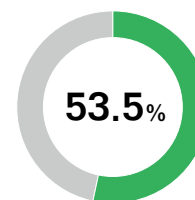


Non-financial Highlights

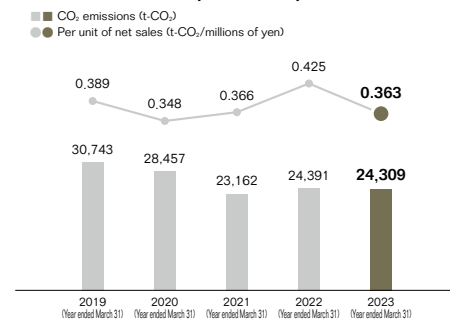
► Domestic brand share of men's cosmetics market



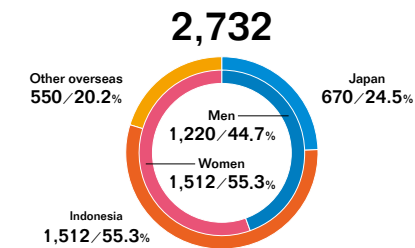
► Initiatives for eco-friendliness in products sold in Japan (Percentage of products that clear our standards^{*4}) (as of March 31, 2023)



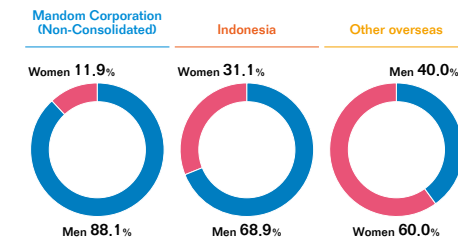
► CO₂ emissions (Scope 1+2 in Japan and overseas)^{*5}



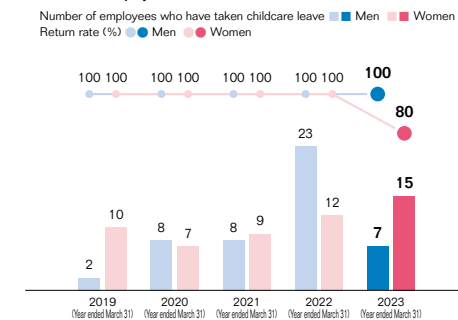
► Number of employees in consolidated companies^{*6} (as of March 31, 2023)



► Percentage of males and females in management positions^{*7} (fiscal year ended March 31, 2023)



► Number of employees who have taken childcare leave and return rate^{*8, *9}



*1 Beginning from the fiscal year ended March 31, 2019, some items that had been treated as expenses have been deducted from net sales at overseas consolidated subsidiaries included in financial statements conforming to IFRS.

*2 From the fiscal year ended March 31, 2022, some items that had been treated as expenses have been deducted from net sales of the Japan segment in order to apply the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29), etc.

*3 We executed a 2-for-1 stock split of common stock on October 1, 2017. EPS above is all figures taking into consideration the impact of stock split.

*4 Our standards: eco-friendly product standards (<https://www.mandom.co.jp/en/csr/environment.html>)

*5 The method used to calculate the data for all fiscal years was revised.

*6 The number of employees in Japan as of March 31, 2023 and in Indonesia and other overseas as of December 31, 2022.

*7 Percentages in management positions are calculated based on the number of employees in manager or higher positions. Officers are not included. Percentages for Mandom Corporation (non-consolidated) are calculated by applying the definition in the Act on Promotion of Women's Participation and Advancement in the Workplace.

*8 Return rate: number of employees who have returned after childcare leave ÷ the number of employees planning to return from childcare leave × 100

*9 Performance of Mandom Corporation (non-consolidated).

11-Year Consolidated Financial and Non-financial Highlights

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
	March 2013	March 2014	March 2015	March 2016	March 2017	March 2018	March 2019	March 2020	March 2021	March 2022	March 2023
Operating Results (Millions of yen)											
• Net sales	60,427	68,215	70,925	75,078	77,351	81,386	78,997	81,774	63,310	57,361	67,047
Overseas ratio (%)	36.8	40.0	41.3	41.3	40.6	41.3	38.7	43.5	38.6	43.2	46.7
Japan	38,208	40,945	41,637	44,104	45,945	47,739	48,442	46,175	38,847	32,595	35,769
Indonesia	13,510	15,968	17,172	18,164	18,323	19,616	17,044	17,791	12,102	11,751	14,178
Other overseas	8,708	11,301	12,115	12,809	13,081	14,030	13,510	17,806	12,360	13,015	17,098
• Operating income or operating loss	5,947	6,853	6,996	6,594	7,617	8,457	7,135	5,970	(793)	(2,308)	1,409
Japan	3,921	4,480	4,485	4,704	5,077	5,525	4,248	3,014	(255)	(1,473)	282
Indonesia	1,117	1,147	1,028	880	925	1,181	681	645	(899)	(1,204)	(676)
Other overseas	908	1,225	1,482	1,008	1,614	1,750	2,205	2,310	361	369	1,802
• Ordinary income or ordinary loss	6,241	7,330	7,595	7,415	8,183	9,264	8,161	6,706	(273)	(1,856)	2,207
• Net income attributable to owners of parent or net loss attributable to owners of parent	3,607	4,091	4,425	6,383	5,566	6,086	5,087	4,445	860	(621)	958
Capital investment	1,467	7,632	3,443	3,725	3,309	2,855	3,559	9,193	7,980	1,970	1,433
Depreciation and amortization	2,165	2,143	2,599	2,919	3,165	3,315	3,583	4,369	4,818	5,337	4,988
Promotion expenses	6,599	7,850	8,228	8,581	8,077	8,673	6,006	6,471	4,836	2,021	2,281
Advertising expenses	3,105	4,121	4,243	4,998	5,331	5,207	5,156	4,725	3,416	3,204	3,279
Research and development expenses	1,792	1,960	1,731	1,558	1,717	1,813	1,826	1,855	1,480	1,399	1,402
Financial Position (Millions of yen)											
Total assets	60,163	67,858	75,980	79,821	83,835	93,195	93,402	91,660	87,911	85,767	91,005
Liabilities	9,126	12,679	15,000	13,965	14,245	17,445	17,592	18,208	18,198	16,716	19,820
Total equity	51,037	55,179	60,980	65,856	69,590	75,749	75,810	73,452	69,713	69,051	71,184
Cash Flows (Millions of yen)											
Cash flows from operating activities	7,605	7,303	5,488	7,232	9,045	10,246	6,587	6,937	6,208	7,693	4,065
Cash flows from investing activities	(5,387)	(5,596)	(5,141)	(2,383)	(5,920)	(6,776)	6,921	(9,836)	(5,680)	(185)	(1,257)
Free cash flows	2,218	1,706	346	4,849	3,124	3,469	13,509	(2,899)	528	7,508	2,808
Cash flows from financing activities	(1,646)	(1,833)	(341)	(3,534)	(2,215)	(2,669)	(4,020)	(8,307)	1,125	(5,385)	(2,072)
Per Share Data (Yen)											
Book value per share (BPS)	1,005.54	1,091.54	1,197.11	1,277.01	1,352.88	1,484.67	1,496.20	1,495.40	1,431.42	1,407.65	1,448.35
Earnings (loss) per share (EPS)	77.15	87.51	94.64	136.52	119.05	130.19	108.76	97.68	19.17	(13.84)	21.31
Cash dividends per share	31.00	35.00	38.00	40.00	48.00	59.00	60.00	62.00	32.00	36.00	38.00
Financial Index (%)											
Operating margin	9.8	10.0	9.9	8.8	9.8	10.4	9.0	7.3	(1.3)	(4.0)	2.1
Shareholders' equity ratio	78.2	75.2	73.7	74.8	75.4	74.5	74.9	73.2	73.1	73.8	71.6
Return on invested capital (ROIC)									(0.3)	(1.7)	2.1
Return on equity (ROE)	8.0	8.3	8.3	11.0	9.1	9.2	7.3	6.5	1.3	(1.0)	1.5
Return on assets (ROA)	10.8	11.5	10.6	9.5	10.0	10.5	8.8	7.2	(0.3)	(2.1)	2.5
Payout ratio	40.2	40.0	40.2	29.3	40.3	45.3	55.2	63.5	166.9	—	178.3
Non-financial Data											
Number of employees by region	2,221	2,316	2,400	2,663	2,662	2,694	2,914	2,954	2,914	2,765	2,732
Japan	565	566	557	562	581	595	605	629	667	665	670
Indonesia	1,222	1,353	1,421	1,689	1,670	1,671	1,693	1,701	1,652	1,561	1,512
Other overseas	434	397	422	412	411	428	616	624	595	539	550
Market Performance											
Domestic brand share of men's cosmetics market* (%)						27.9	27.6	26.8	24.5	22.8	23.5
Domestic brand share of men's cosmetics market* (ranking)	<small>(Due to a change in the calculation method in April 2021, data that can be calculated under the same conditions will be available from the 101st fiscal year (ended March 31, 2018) onward.)</small>					No. 1	No. 1	No. 1	No. 1	No. 2	No. 2

Notes: 1. We executed a 2-for-1 stock split of common stock on October 1, 2017. EPS and Cash dividends per share above are all figures taking into consideration the impact of stock split.
2. Beginning from the fiscal year ended March 31, 2019, some items that had been treated as expenses have been deducted from net sales at overseas consolidated subsidiaries.
3. The "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018) have been applied from the beginning of the first quarter of the fiscal year ended March 31, 2022, some items that had been treated as expenses have been deducted from net sales of the Japan segment in order to apply the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29), etc.

* Market data by Mandom calculations (monetary value) Period: April of each year - March of the following year

included in financial statements conforming to IFRS.
quarter of the fiscal year ended March 31, 2019.
Accounting Standard for Revenue Recognition (ASBJ Statement No. 29), etc.

Consolidated Financial Statements

Consolidated Balance Sheet

(Millions of yen)

Item	2022	2023	Change
Assets			
Current assets			
Cash and deposits	20,018	21,493	1,474
Notes and accounts receivable - trade	9,227	11,196	1,968
Merchandise and finished goods	8,511	11,744	3,233
Work in process	456	480	23
Raw materials and supplies	3,152	3,303	150
Other	1,524	1,362	(161)
Allowance for doubtful accounts	(22)	(6)	16
Total current assets	42,868	49,573	6,705
Non-current assets			
Property, plant, and equipment			
Buildings and structures	32,012	32,427	414
Accumulated depreciation	(15,588)	(16,720)	(1,131)
Buildings and structures, net	16,423	15,706	(716)
Machinery, equipment, and vehicles	26,987	27,590	602
Accumulated depreciation	(19,392)	(21,401)	(2,009)
Machinery, equipment, and vehicles, net	7,595	6,188	(1,406)
Tools, furniture, and fixtures	7,784	7,591	(192)
Accumulated depreciation	(7,003)	(6,909)	93
Tools, furniture, and fixtures, net	781	682	(99)
Land	1,213	1,247	34
Leased assets	4	4	0
Accumulated depreciation	(1)	(2)	(0)
Leased assets, net	2	1	(0)
Right of use assets	874	995	121
Accumulated depreciation	(538)	(655)	(116)
Right of use assets, net	335	340	4
Construction in progress	308	291	(17)
Total property, plant, and equipment	26,660	24,458	(2,202)
Intangible assets			
Goodwill	2,821	2,820	(0)
Trademark right	861	861	(0)
Customer relation assets	1,346	1,346	(0)
Software	1,825	1,287	(538)
Other	388	567	179
Total intangible assets	7,243	6,882	(360)
Investments and other assets			
Investment securities	7,405	8,302	896
Retirement benefit asset	309	418	108
Deferred tax assets	627	763	135
Other	663	613	(49)
Allowance for doubtful accounts	(10)	(7)	3
Total investments and other assets	8,995	10,090	1,094
Total non-current assets	42,899	41,431	(1,468)
Total assets	85,767	91,005	5,237

(Millions of yen)

Item	2022	2023	Change
Liabilities			
Current liabilities			
Notes and accounts payable - trade	3,188	3,632	444
Short-term borrowings	226	142	(84)
Accounts payable - other	4,111	4,603	492
Income taxes payable	151	414	262
Provision for bonuses	654	1,085	430
Provision for Directors' compensations based on profit	37	49	11
Other	2,863	3,858	994
Total current liabilities	11,233	13,786	2,552
Non-current liabilities			
Deferred tax liabilities	1,621	1,959	337
Retirement benefit liability	2,580	2,775	194
Other	1,280	1,300	19
Total non-current liabilities	5,482	6,034	552
Total liabilities	16,716	19,820	3,104
Net assets			
Shareholders' equity			
Share capital	11,394	11,394	0
Capital surplus	11,058	11,086	27
Retained earnings	48,513	47,807	(705)
Treasury shares	(6,589)	(6,590)	(0)
Total shareholders' equity	64,376	63,698	(678)
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	3,348	3,967	619
Foreign currency translation adjustment	(4,555)	(2,701)	1,854
Remeasurements of defined benefit plans	152	161	8
Total accumulated other comprehensive income	(1,055)	1,426	2,482
Non-controlling interests	5,729	6,058	328
Total net assets	69,051	71,184	2,132
Total liabilities and net assets	85,767	91,005	5,237

Consolidated Statement of Income

(Millions of yen)

Item	2022	2023	Change
Net sales	57,361	67,047	9,685
Cost of sales	33,964	38,362	4,398
Gross income	23,397	28,684	5,286
Selling, general and administrative expenses			
Promotion expenses	2,021	2,281	260
Advertising expenses	3,204	3,279	75
Transportation and storage costs	2,997	3,418	421
Remuneration, salaries and allowances	7,450	7,769	318
Provision for bonuses	524	846	322
Retirement benefit expenses	296	303	7
Depreciation	1,429	1,414	(15)
Amortization of goodwill	226	253	27
Research and development expenses	1,399	1,402	2
Other	6,156	6,304	147
Total selling, general and administrative expenses	25,706	27,274	1,568
Operating income (loss)	(2,308)	1,409	3,718
Non-operating income			
Interest income	193	257	63
Dividend income	108	95	(13)
Share of profit of entities accounted for using equity method	162	230	68
Foreign exchange gains	—	122	122
Other	157	228	71
Total non-operating income	622	934	312
Non-operating loss			
Interest expenses	22	21	(1)
Commitment fees	12	9	(2)
Compensation expenses	103	84	(18)
Foreign exchange losses	2	—	(2)
Other	29	20	(8)
Total non-operating loss	170	136	(33)
Ordinary income (loss)	(1,856)	2,207	4,064
Extraordinary income			
Gain on sale of non-current assets	3	8	4
Gain on sale of investment securities	1,162	42	(1,119)
Total extraordinary income	1,165	50	(1,115)
Extraordinary loss			
Loss on sale of non-current assets	2	0	(1)
Loss on retirement of non-current assets	68	16	(51)
Business restructuring expenses	—	651	651
Other	0	—	(0)
Total extraordinary loss	71	668	596
Income (loss) before income taxes	(762)	1,589	2,351
Income taxes - current	132	666	534
Income taxes - deferred	(59)	(94)	(35)
Total income taxes	72	571	499
Net income (loss)	(834)	1,018	1,852
Net income (loss) attributable to non-controlling interests	(212)	59	272
Net income (loss) attributable to owners of parent	(621)	958	1,580

Consolidated Statement of Comprehensive Income

(Millions of yen)

Item	2022	2023	Change
Net income (loss)	(834)	1,018	1,853
Other comprehensive income			
Valuation difference on available-for-sale securities	(1,476)	619	2,096
Foreign currency translation adjustment	2,884	1,999	(885)
Remeasurements of defined benefit plans, net of tax	138	69	(69)
Share of other comprehensive income of entities accounted for using equity method	108	151	42
Total other comprehensive income	1,654	2,839	1,185
Comprehensive income	820	3,857	3,037
Comprehensive income attributable to			
Comprehensive income attributable to owners of parent	346	3,440	3,095
Comprehensive income attributable to non-controlling interests	474	416	(58)

Consolidated Statement of Changes in Equity

(Millions of yen)

	For the Fiscal Year Ended March 31, 2022										
	Shareholders' equity					Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	11,394	11,013	50,662	(6,826)	66,245	4,825	(6,933)	85	(2,023)	5,491	69,713
Changes during period											
Dividends of surplus			(1,527)		(1,527)						(1,527)
Net loss attributable to owners of parent			(621)		(621)						(621)
Purchase of treasury shares				(0)	(0)						(0)
Disposal of treasury shares		(9)		236	227						227
Change in ownership interest of parent due to transactions with non-controlling interests		53			53						53
Net changes in items other than shareholders' equity						(1,477)	2,377	67	968	238	1,206
Total changes during period	—	44	(2,149)	236	(1,868)	(1,477)	2,377	67	968	238	(662)
Balance at end of period	11,394	11,058	48,513	(6,589)	64,376	3,348	(4,555)	152	(1,055)	5,729	69,051

(Millions of yen)

	For the Fiscal Year Ended March 31, 2023										
	Shareholders' equity					Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	11,394	11,058	48,513	(6,589)	64,376	3,348	(4,555)	152	(1,055)	5,729	69,051
Changes during period											
Dividends of surplus			(1,664)		(1,664)						(1,664)
Net income attributable to owners of parent			958		958						958
Purchase of treasury shares				(0)	(0)						(0)
Change in ownership interest of parent due to transactions with non-controlling interests		27			27						27
Net changes in items other than shareholders' equity						619	1,854	8	2,482	328	2,810
Total changes during period	—	27	(705)	(0)	(678)	619	1,854	8	2,482	328	2,132
Balance at end of period	11,394	11,086	47,807	(6,590)	63,698	3,967	(2,701)	161	1,426	6,058	71,184

Consolidated Statement of Cash Flows

(Millions of yen)

Item	2022	2023	Change
Cash flows from operating activities			
Income (loss) before income taxes	(762)	1,589	2,351
Depreciation	5,337	4,988	(348)
Amortization of goodwill	226	253	27
Increase (decrease) in allowance for doubtful accounts	12	(21)	(34)
Increase (decrease) in provision for sales returns	(481)	—	481
Increase (decrease) in provision for bonuses	(190)	431	622
Increase (decrease) in retirement benefit liability	(3)	60	63
Interest and dividend income	(302)	(352)	(50)
Foreign exchange losses (gains)	(105)	(265)	(159)
Share of loss (profit) of entities accounted for using equity method	(162)	(230)	(68)
Loss on retirement of property, plant, and equipment	68	15	(52)
Loss (gain) on sale of investment securities	(1,162)	(42)	1,119
Loss (gain) on sale of non-current assets	(1)	(7)	(6)
Business restructuring expenses	—	651	651
Decrease (increase) in trade receivables	319	(1,585)	(1,905)
Decrease (increase) in inventories	964	(2,943)	(3,908)
Increase (decrease) in trade payables	1,743	398	(1,345)
Increase (decrease) in accounts payable - other	(251)	172	424
Other, net	2,557	428	(2,128)
Subtotal	7,807	3,539	(4,267)
Interest and dividends received	482	643	161
Interest paid	(22)	(21)	1
Business restructuring expenses paid	—	(5)	(5)
Income taxes paid	(573)	(91)	481
Net cash provided by (used in) operating activities	7,693	4,065	(3,628)
Cash flows from investing activities			
Payments into time deposits	(3,264)	(5,643)	(2,379)
Proceeds from withdrawal of time deposits	2,678	5,854	3,176
Purchase of property, plant, and equipment	(1,741)	(1,200)	540
Purchase of intangible assets	(350)	(416)	(66)
Purchase of investment securities	(8)	(8)	(0)
Proceeds from sale and redemption of investment securities	2,462	131	(2,330)
Other, net	39	26	(12)
Net cash provided by (used in) investing activities	(185)	(1,257)	(1,071)
Cash flows from financing activities			
Net increase (decrease) in short-term borrowings	(3,476)	(98)	3,378
Repayments of lease obligations	(200)	(244)	(44)
Dividends paid	(1,525)	(1,667)	(142)
Dividends paid to non-controlling interests	(3)	(2)	0
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(178)	(57)	121
Other, net	(0)	(0)	0
Net cash provided by (used in) financing activities	(5,385)	(2,072)	3,313
Effect of exchange rate change on cash and cash equivalents	851	730	(120)
Net increase (decrease) in cash and cash equivalents	2,974	1,466	(1,507)
Cash and cash equivalents at beginning of period	13,040	16,015	2,974
Cash and cash equivalents at end of period	16,015	17,481	1,466

Mandom Group Detailed History

- ▶ Overall Management
- ▶ Research, Product Development, and Marketing

1927 - 1969

- 1927.12 ▶ Established Kintsuru Perfume Corporation
- 1932.11 ▶ Mr. Shinpachiro Nishimura appointed president of Kintsuru Perfume Corporation
- 1933.4 ▶ Launched *Tancho Tique*, a hit product which laid the foundation for future success
- 1958.4 ▶ Formed a technical tie-up with a local company in Manila, the Philippines, and began operations; this marked the first step in overseas expansion
- 1959.4 ▶ Company name changed to Tancho Corporation
- 1961.5 ▶ Mr. Hikoji Nishimura appointed president of Tancho Corporation
- 1966.11 ▶ Chairman Shinpachiro Nishimura passed away on November 3
- 1969.11 ▶ Started a joint venture P.T. Tancho Indonesia in Jakarta, Indonesia (now consolidated subsidiary PT Mandom Indonesia Tbk)

1970-

- 1970.6 ▶ Received a commendation from the Minister of International Trade and Industry (now Minister of Economy, Trade and Industry) for its economic contributions as an export company (also received this commendation again in 1971 and 1972)
- 7 ▶ Launched the *Mandom Series of men's cosmetics*. Held a product rollout, launching 10 products in 9 categories. Became the first company in Japan to feature a Hollywood star (Charles Bronson) as a character
- 1971.4 ▶ Company name changed to Mandom Corporation
- 1972.10 ▶ Established Japan Doctor Renaud Cosmetics Company (now consolidated subsidiary Piacelabo Corporation)
- 1976.3 ▶ Construction of Fukusaki Factory completed; commenced operations
- 1978.5 ▶ Switched from distributors to direct sales
- 7 ▶ Launched the new *GATSBY* and *Spalding* product lines, the first time in Japan's cosmetics industry that two major lines were introduced simultaneously

1980-

- 1980.4 ▶ Switched from direct sales to distributors
- 8 ▶ Mr. Ikuo Nishimura appointed president of Mandom Corporation
- 1982.4 ▶ Commenced Mandom Corporation's 1st 5-year Middle-Range Planning (MP Project)
- 9 ▶ Commenced sale of *Pagliacci* lineup through beauty salons throughout Japan
- 10 ▶ Launched *Pixy* women's cosmetics in Indonesia
- 1983.4 ▶ Introduced new CI system and changed company logo
- 1984.4 ▶ Adopted information card system
- 7 ▶ Launched *Pucelle My Lip*, the Company's first product geared to the women's cosmetics market
- 1985.2 ▶ Entered the women's cosmetics market via door-to-door sales
- 3 ▶ Commenced the first over-the-counter sales of *GATSBY* hair foam for men
- 1986.1 ▶ Established external Audit & Supervisory Board members
- 9 ▶ Completed construction of a factory specializing in aerosol products at the Fukusaki Factory
- 1987.4 ▶ Commenced 2nd 3-year Middle-Range Planning
- 11 ▶ Launched women's cosmetic item *Pixy* Moisture Lipstick in Indonesia
- 1988.2 ▶ Started a joint venture in Singapore (now consolidated subsidiary Mandom Corporation (Singapore) Pte. Ltd.)

- 1988.11 ▶ Mandom Corporation shares traded on the over-the-counter market
- ▶ Issued 500,000 shares, increasing capital through public offering
- 1989.3 ▶ Received ECO Mark certification for foam products from the Japan Environment Association for the first time in the industry
- 9 ▶ Launched *LUCIDO*, a lineup of fragrance-free men's cosmetics products, unprecedented in the industry
- ▶ Japan Doctor Renaud Cosmetics Company was changed to Piacelabo Corporation
- 12 ▶ Started a joint venture in Taiwan (now consolidated subsidiary Mandom Taiwan Corporation)

1990-

- 1990.4 ▶ Commenced 3rd 3-year Middle-Range Planning
- ▶ Started a joint venture in Thailand (now consolidated subsidiary Mandom Corporation (Thailand) Ltd.)
- 7 ▶ Prices revised due to abolishment of sales subsidies
- 1991.4 ▶ Completed construction of Mandom Tokyo Building
- 1992.2 ▶ Started a joint venture in the Philippines (now consolidated subsidiary Mandom Philippines Corporation)
- 1993.2 ▶ Construction completed on the first stage of new Head Office building; commenced operations in the new building
- 4 ▶ Commenced 4th 3-year Middle-Range Planning
- 7 ▶ Started a joint venture in Hong Kong (now an equity method affiliate *Sunwa Marketing Co., Ltd.*)
- 9 ▶ Launched *LUCIDO-L*, a lineup of fragrance-free products for women
- ▶ P.T. Tancho Indonesia Tbk listed on the Jakarta Stock Exchange (currently the Indonesia Stock Exchange)
- 1994.6 ▶ New Head Office building completed upon finishing second phase construction
- 1995.6 ▶ Mr. Motonobu Nishimura appointed president of Mandom Corporation
- ▶ Established External Director
- 1996.4 ▶ Commenced 5th 3-year Middle-Range Planning
- ▶ Launched "Mandom World," the Group's website on the Internet
- 12 ▶ Started a joint venture in China (now consolidated subsidiary Zhongshan City Rida Cosmetics Co., Ltd.)
- 1997.1 ▶ Started a joint venture in Malaysia (now consolidated subsidiary Mandom (Malaysia) Sdn. Bhd.)
- 4 ▶ Established *Konan Service Corporation* (now *mbs Corporation*)
- 1998.8 ▶ Repurchased 1.7 million shares of Mandom common stock on the open market
- 1999.3 ▶ Achieved ¥10 billion sales of *GATSBY* products, a first in the Japanese cosmetics industry for men's products
- 4 ▶ Commenced 6th 3-year Middle-Range Planning
- 8 ▶ Started a joint venture in South Korea (now consolidated subsidiary Mandom Korea Corporation)

2000-

- 2000.5 ▶ Mr. Ikuo Nishimura, Director and Senior Advisor of Mandom Corporation, passed away on May 23
- 8 ▶ Mandom Corporation's share trading unit lowered from 1,000 shares to 100 shares
- 11 ▶ Fukusaki Factory and Logistics Center certified to ISO14001, the international standard for environmental management systems
- 2001.3 ▶ Commenced operations at PT Mandom Indonesia Tbk's Cibitung Factory
- ▶ Launched *GATSBY* Hair Color series, developing a market for men's hair color products
- 6 ▶ Adopted Executive Officer system
- 8 ▶ Repurchased 2.33 million shares of Mandom common stock on the open market

- 2002.1 ▶ Listed on the Second Section of the Tokyo Stock Exchange
- 3 ▶ Completed construction of the Mandom Group's Tokyo Nihonbashi Building
- ▶ *GATSBY* Hair Color commercial voted best overall in a survey carried out by CM Databank in the Tokyo metropolitan area
- 4 ▶ Commenced 7th 3-year Middle-Range Planning
- 5 ▶ Started marketing *GATSBY* and *LUCIDO-L* simultaneously in Asia
- 2003.1 ▶ Honorary Advisor Hikoji Nishimura passed away on January 25
- 3 ▶ Designated for listing on the First Section of the Tokyo Stock Exchange
- ▶ Issued 1.65 million shares, increasing capital through public offering
- 10 ▶ Achieved "zero emission" status at the Fukusaki Factory
- ▶ PT Mandom Indonesia Tbk won the Economic Value Added (EVA) Award in Indonesia (also received awards in 2004, 2005, and 2006)
- 2004.2 ▶ Recalled *GATSBY* Ex Hi-Bleach, a Mandom product, due to a burn injury accident (the first product recall in the Company's history)
- 3 ▶ Acquired Occupational Health and Safety Management System (OHSAS 18001) certification at the Fukusaki Factory, Logistics Center, and Production Engineering Division
- 10 ▶ Outsourced third-party logistics (3PL) operations to Nippon Express Co., Ltd.
- 2005.4 ▶ Commenced 8th 3-year Middle-Range Planning
- 6 ▶ Terminated retirement benefits for directors and corporate auditors
- 11 ▶ Developed a preservative-free product incorporating "alkanediol"
- ▶ Launched *Perfect Assist 24*, Mandom's first proprietary cosmetic product for women
- 2006.8 ▶ Launched *GATSBY* Moving Rubber and featured Mr. Takuya Kimura as the new model for *GATSBY*
- ▶ Acquired 330,000 shares of treasury shares
- 11 ▶ R&D building completed on Mandom headquarters site
- 2007.1 ▶ Revised work rules in response to the introduction of the citizen judge system scheduled to start from 2009
- 2 ▶ Received a 12th (FY2006) Best Disclosure Award from the Tokyo Stock Exchange
- 12 ▶ PT Mandom Indonesia Tbk achieved annual sales of 1 trillion rupiah
- 2008.4 ▶ Commenced 9th 3-year Middle-Range Planning
- 5 ▶ Established Mandom China Corporation (consolidated subsidiary) in China
- 2009.3 ▶ Reorganized sales offices in the Tokyo metropolitan area (sold the Mandom Tokyo Building, Mandom Group Tokyo Nihonbashi Building, and the Mandom Nihonbashi Bakurocho Building)
- 4 ▶ Executed absorption mergers of *Beaucos Corporation* and *mbs Corporation*
- 7 ▶ Acquired 88,800 shares of treasury shares

2010-

- 2011.2 ▶ Commenced full-scale renewal of *LUCIDO* as an aging care brand
- 4 ▶ Commenced 10th 3-year Middle-Range Planning
- 8 ▶ Launched *Bifesta*, a cosmetics brand for women
- 2012.3 ▶ Established Mandom Corporation (India) Pvt. Ltd. (consolidated subsidiary) in India
- 2013.8 ▶ Released *GATSBY* brand Hair Jam as a new styling offering following on the heels of wax
- 2014.2 ▶ Launched the *LUCIDO* Deodorant series aimed at combating body odors that develop during middle age

- 2014.3 ▶ Extended Fukusaki Factory's production building
- 4 ▶ Commenced 11th 3-year Middle-Range Planning
- 2015.1 ▶ Established Mandom Vietnam Co., Ltd. (consolidated subsidiary) in Vietnam
- 6 ▶ Relocated head office and factory of PT Mandom Indonesia Tbk from Jakarta to Bekasi
- 7 ▶ Established the Laboratory of Advanced Cosmetic Science at Osaka University
- ▶ Fire accident at a PT Mandom Indonesia Tbk plant, resulting in loss of life
- 2016.10 ▶ At the Laboratory of Advanced Cosmetic Science, discovered human sweat gland stem cells and succeeded in regenerating a sweat gland-like structure in vitro
- 2017.4 ▶ Revised the Mission, and formulated "VISION2027" which outlines where the Company aspires to be in 2027, the 100th anniversary
- ▶ Commenced 12th Middle-Range Planning
- ▶ Introduced a work-from-home system as one part of its workstyle reform initiative
- 10 ▶ Executed stock split (split each common stock into two)
- 2018.5 ▶ Concentrated the Group's marketing functions to the Tokyo office located in Aoyama
- 6 ▶ Introduced restricted stock compensation plan
- ▶ Eliminated roles of senior advisor, honorary advisor, and advisor to further increase effectiveness and transparency
- 8 ▶ Established Mandom Will corp., (non-consolidated subsidiary) to expand utilization and hiring of diverse human resources
- 2019.1 ▶ Acquired all shares of ACG International Sdn. Bhd. (making it a subsidiary), which is primarily engaged in young women's makeup brand operations in Malaysia
- 5 ▶ Opened flagship store on Tmall Global, borderless e-commerce website
- 11 ▶ Acquired 1,903,500 shares of treasury shares

2020-

- 2021.4 ▶ Mr. Ken Nishimura appointed as President Executive Officer & Director
- Mr. Motonobu Nishimura appointed as Representative Director & Chairman
- ▶ Commenced 13th Middle-Range Planning
- ▶ Established "Skin Science Joint Research Program" at Kitasato University, School of Pharmacy
- 9 ▶ Renewed VI (visual identity) and introduced corporate slogan of "BE ANYTHING, BE EVERYTHING."
- ▶ Completed a new factory building at Fukusaki Factory
- 11 ▶ Implemented recall of five products containing lysozyme hydrochloride due to health damage including anaphylactic symptoms
- 2022.4 ▶ Transferred from the First Section to the Prime Market of the Tokyo Stock Exchange due to its market restructuring
- 6 ▶ Mandom Corporation recognized as a "Three-Star Certified Company" (highest rank) in the "Osaka City Leading Company in Women's Participation" ranking
- ▶ Mandom Corporation expressed support for Task Force on Climate-related Financial Disclosures (TCFD) recommendations and joined the TCFD Consortium
- 10 ▶ "GATSBY Space Shower Wipes" to be carried on the International Space Station (ISS) left for space
- 2023.4 ▶ Started new personnel affair system for career development as part of "MHRX (Mandom HR Transformation)"



Mandom Group Companies (As of March 31, 2023)

Japan

Company Name	Location	Main Businesses	Main Products	Establishment	Accounting Method on Consolidated Financial Statements	Percentage of Voting Rights Held
Mandom Corporation	Japan	Manufactures and sells products for mass distribution via distributors, primarily to drug stores and convenience stores	Cosmetics and skin care products	1927	-	-
Piaclebo Corporation	Japan	Provides professional-use products and technologies to hair salons via distributors	Cosmetics for hair salons	1972	Consolidated	100.0%
mbs Corporation	Japan	Insurance agency services, travel services and general services	-	1997	Non-consolidated	100.0%
Mandom Will corp.	Japan	Contractor to Mandom Group	-	2018	Non-consolidated	100.0%

Overseas

Company Name	Location	Main Businesses	Main Products	Establishment	Accounting Method on Consolidated Financial Statements	Percentage of Voting Rights Held
Mandom Corporation (Singapore) Pte. Ltd.	Singapore	Sale of cosmetics and other products	Cosmetics, toiletries and skin care products	1988	Consolidated	100.0%
Mandom Taiwan Corporation	Taiwan	Sale of cosmetics and other products	Cosmetics and skin care products	1989	Consolidated	100.0%
Mandom Corporation (Thailand) Ltd.	Thailand	Sale of cosmetics and other products	Cosmetics, toiletries and skin care products	1990	Consolidated	100.0%
Mandom Philippines Corporation	Philippines	Sale of cosmetics and other products	Cosmetics and skin care products	1992	Consolidated	100.0%
Mandom Korea Corporation	South Korea	Sale of cosmetics and other products	Cosmetics, toiletries and skin care products	1999	Consolidated	100.0%
Mandom China Corporation	China (Shanghai)	Sale of cosmetics and other products	Cosmetics and skin care products	2008	Consolidated	100.0%
Mandom Corporation (India) Pvt. Ltd.	India	Sale of cosmetics and other products	Cosmetics and skin care products	2012	Consolidated	100.0%
Mandom Vietnam Co., Ltd.	Vietnam	Sale of cosmetics and other products	Cosmetics and skin care products	2015	Consolidated	100.0%
ACG International Sdn. Bhd.	Malaysia	Others	-	2009	Consolidated	100.0%
Alliance Cosmetics Sdn. Bhd.	Malaysia	Sale of cosmetics and other products	Cosmetics and makeup products	1991	Consolidated	100.0%
Alliance Cosmetics Pte. Ltd.	Singapore	Sale of cosmetics and other products	Cosmetics and makeup products	1965	Consolidated	100.0%
PT Alliance Cosmetics	Indonesia	Sale of cosmetics and other products	Cosmetics and makeup products	2008	Consolidated	100.0%
Mandom (Malaysia) Sdn. Bhd.	Malaysia	Sale of cosmetics and other products	Cosmetics, toiletries and skin care products	1997	Consolidated	99.5%
Zhongshan City Rida Cosmetics Co., Ltd.	China (Zhongshan)	Manufacture and sale of cosmetics and other products	Cosmetics and skin care products	1996	Consolidated	66.7%
PT Mandom Indonesia Tbk	Indonesia	Manufacture and sale of cosmetics and other products	Cosmetics, makeup and skin care products	1969	Consolidated	65.2%
Sunwa Marketing Co., Ltd.	China (Hong Kong)	Sale of cosmetics and other products	Cosmetics, toiletries and skin care products	1993	Equity-method affiliate	44.0%

- Notes: 1. Mandom Corporation (India) Pvt. Ltd. is not currently operating its businesses.
 2. Purchase of ACG International Sdn. Bhd. shares (making it a subsidiary) was completed in 2019.
 3. Alliance Cosmetics Sdn. Bhd. and Alliance Cosmetics Pte. Ltd. are subsidiaries of ACG International Sdn. Bhd.
 4. PT Alliance Cosmetics, an Indonesian subsidiary of ACG International Sdn. Bhd. transitioned to a subsidiary of PT Mandom Indonesia Tbk in 2021.
 5. Percentages of voting rights held are rounded down to one decimal place.

Company Outline / Stock and Shareholder Information (As of March 31, 2023)

Company Outline

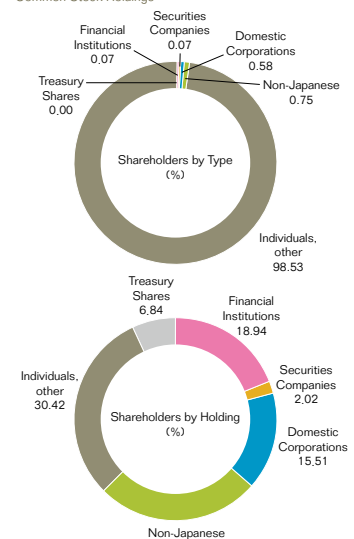
Company Name: Mandom Corporation
 Head Office: 5-12, Juniken-cho, Chuo-ku, Osaka 540-8530, Japan
 Established: December 23, 1927
 Share Capital: 11,394 million yen
 Number of Employees: 2,732 (Consolidated) / 648 (Non-consolidated)

Businesses: Manufacture and sale of cosmetics and perfumes, manufacture and sale of quasi-drugs
 Fiscal Year-End: March 31
 General Meeting of Shareholders: Ordinary general meeting of shareholders every June
 Independent Auditor: Deloitte Touche Tohmatsu LLC

Stock and Shareholder Information

Number of Shares Authorized for Issue: 81,969,700
 Shares of Common Stock Issued and Outstanding: 48,269,212
 Number of Shareholders: 44,464
 Stock Listing: Prime Market of the Tokyo Stock Exchange
 Securities Code: 4917
 Transfer Agent: The Mitsui Sumitomo Trust and Banking Co., Ltd.

Common Stock Holdings

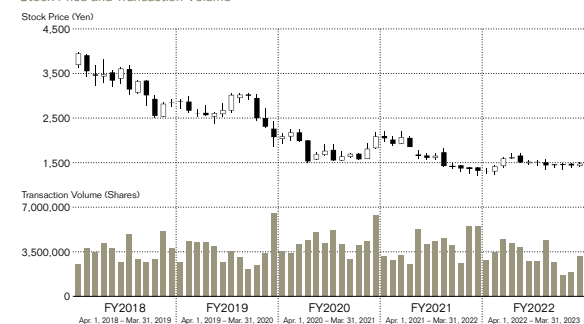


Note: Does not total 100 due to rounding

Major shareholders	Shareholder name or title	No. of shares owned (Thousands)	Ratio of share ownership (%)
The Master Trust Bank of Japan, Ltd. (trust account)		5,562	12.37
Nishimura International Scholarship Foundation		3,600	8.01
Custody Bank of Japan, Ltd. (trust account)		2,876	6.40
SSBTC CLIENT OMNIBUS ACCOUNT		1,858	4.13
Motonobu Nishimura		1,415	3.15
Mandom Employee Shareholding Association		1,390	3.09
THE BANK OF NEW YORK 134105		1,032	2.30
NORTHERN TRUST CO. (AVFO) RE TOWERS WATSON COMMON CONTRACTUAL FUND (TTF)		837	1.86
BNP PARIBAS LUXEMBOURG/2 S/JASDEC/JANUS HENDERSON HORIZON FUND		671	1.49
MN Holdings Co., Ltd.		570	1.27

- Notes: 1. Figures less than 1,000 shares have been rounded down.
 2. Ratios of share ownership are rounded to one decimal place.
 3. We hold 3,303,802 shares of treasury stock which are not listed above.
 4. Ratios of share ownership are calculated excluding treasury shares.

Stock Price and Transaction Volume



Introduction to Our IR-related Site

The Company is working to use its website for IR activities, in the aim of providing information fairly and in a timely manner to shareholders and investors.

IR Information ▶ <https://www.mandom.co.jp/en/ir/>

CSR Information ▶ <https://www.mandom.co.jp/en/csr/>





Contact: Investor Relations Division 5-12, Juniken-cho, Chuo-ku, Osaka 540-8530, Japan Telephone: +81-6-6767-5020 URL: <https://www.mandom.co.jp/en/>

