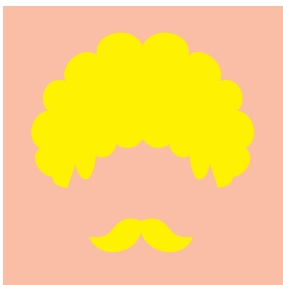
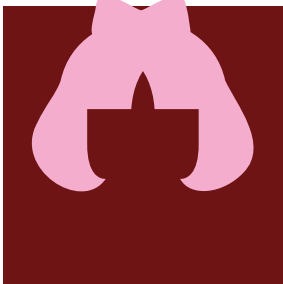


Mandom Report 2024



BE ANYTHING,
BE EVERYTHING.



mandom

Introduction



Toward Society Underpinned by Human-Oriented Company “Mandom”

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.

“A desire to live each day true to oneself,”
“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.

BE ANYTHING WITH COSMETICS.



Power Unique to Humans

“IMAGINATION” × “CREATIVITY”

Health • Cleanliness • Beauty • Fun

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, the “imagination” of imagining people being happy, and the “creativity” of creating value that is useful to people. These are all values that are unique to humans and cannot be created 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.

We aim to be a “Human-Oriented Company”.



Ken Nishimura
President Executive
Officer & Director

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.

- Investor information: <https://www.mandom.co.jp/en/ir/>
- Sustainability information: <https://www.mandom.co.jp/en/sustainability/>

Report Coverage

Mandom Corporation and its affiliated companies both inside and outside Japan
Note: For details, please see p. 90 "Mandom Group Companies."

Reporting Period

FY2023 (ended March 31, 2024)


- Mandom and Group companies in Japan: April 1, 2023-March 31, 2024
- Overseas Group companies: January 1, 2023-December 31, 2023

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

Reference Guidelines

When creating this report, we referred to the "International <IR> Framework" adopted by the IFRS consortium and the "Guidance for Collaborative Value Creation" released by the Ministry of Economy, Trade and Industry and other resources.

Environment
Social
Governance



Guidance for
Collaborative
Value Creation

[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. In addition, all amounts have been rounded down to the nearest whole unit.

Commenced New Middle-Range Management Planning and 14th Middle-Range Planning “MP-14”

The final year of “MP-14”, December 2027, will mark the significant milestone of our company’s 100th anniversary since its founding.

At the same time, it will also be the year we aim to realize our first long-term vision, “VISION2027,” which represents the future we aspire to.

While our 100th anniversary represents an important milestone, we see it as a stepping stone to continue our dedication to service (Oyakudachi) to our consumers and achieve sustainable growth for the next 100 years. In this regard, building a foundation for growth remains a top priority under MP-14.

We are promoting group management even more than before with the aim of increasing corporate value by expanding both economic value and social value as a truly global company.

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Corporate Philosophy

Mission Framework



mandom

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



As a “Human-Oriented Company,” we believe it is essential to create value that only humans can achieve. This means having empathy for people’s feelings, imagining the joy of others, and creating value that benefits people.

We will continue to supplying the world with products and services that treasure human sensitivities, and aim to be a company deemed indispensable by society by our 100th anniversary in 2027 and beyond.

The Mandom framework comprises the following three areas.

Corporate Philosophy/MISSION

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

Code of Practices/PRINCIPLES

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

Founding Spirit/SPIRIT

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

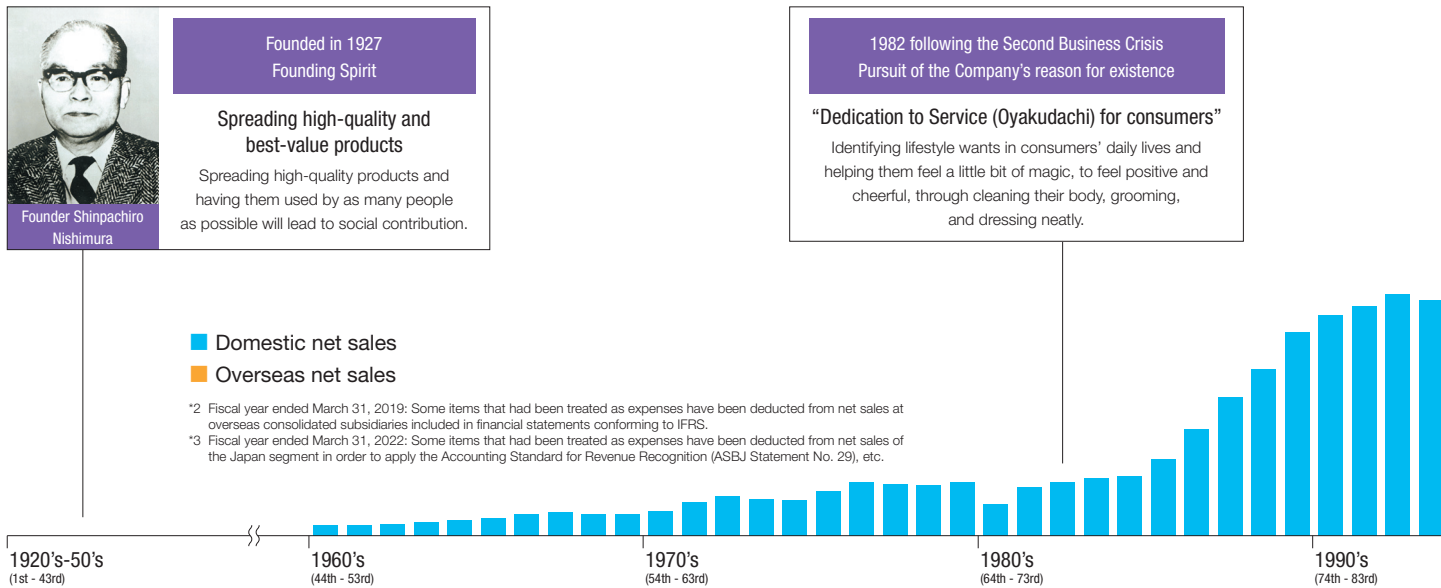
Details of Our Mission Framework

<https://www.mandom.co.jp/en/company/philosophy.html>

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*1.” 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.




Founded in 1927
Founding Spirit

Spreading high-quality and best-value products

Spreading high-quality products and having them used by as many people as possible will lead to social contribution.


Founder Shinpachiro Nishimura

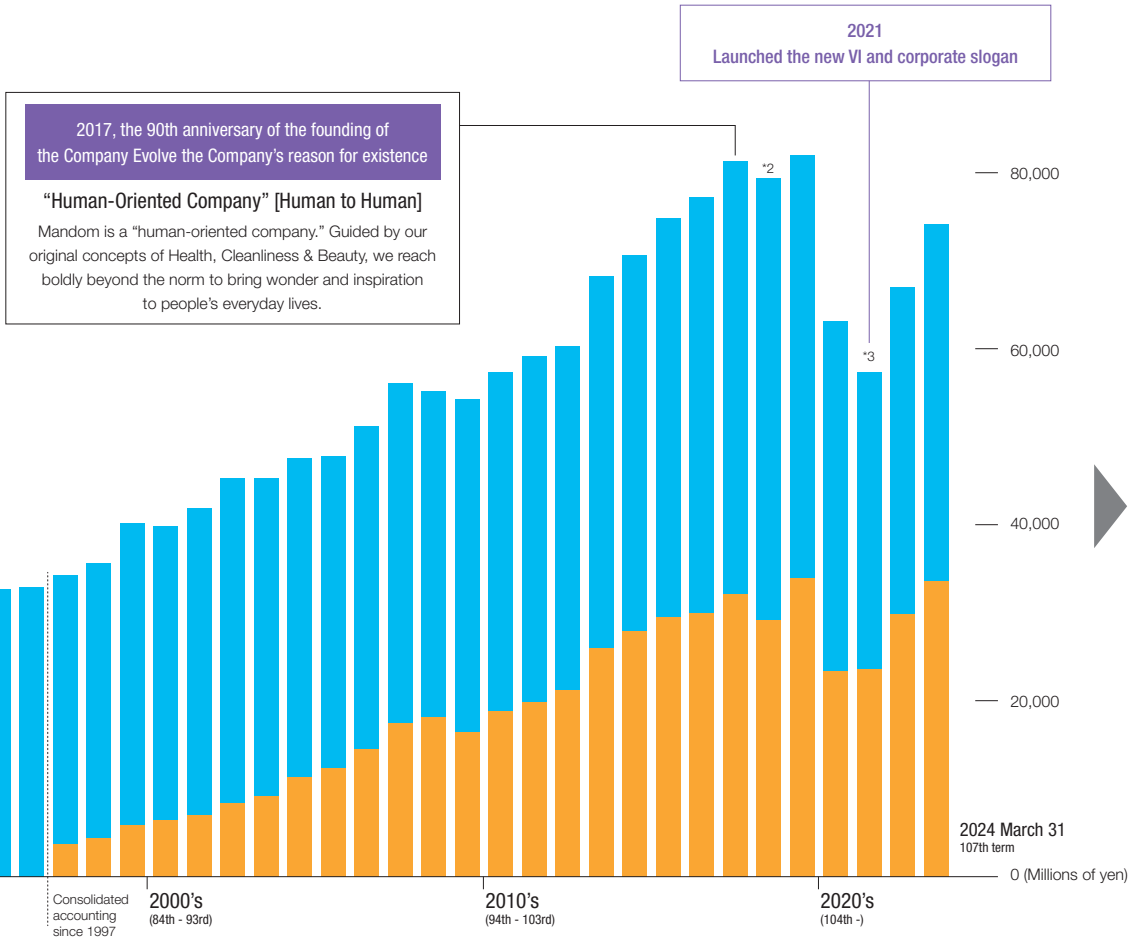
1982 following the Second Business Crisis
Pursuit of the Company's reason for existence

“Dedication to Service (Oyakudachi) for consumers”

Identifying lifestyle wants in consumers' daily lives and helping them feel a little bit of magic, to feel positive and cheerful, through cleaning their body, grooming, and dressing neatly.

*2 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.
 *3 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.

<p>1927 Established Kintsuru Perfume Corporation</p> 	<p>1960's First Business Crisis</p> <p>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.</p>	<p>1980 Second Business Crisis</p> <p>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.</p>						
<p>1933 Launched Tancho Tique</p> 	<p>1970 Launched the Mandom Series</p> 	<p>1982 Commenced the first MP</p> <p>Developed Mandom terminology such as “Oyakudachi (Dedication to Service)”, “Seikatsusha (Consumers)”, and “Kaiba (Market)”</p>						
<p>Overseas Business</p> <p>1958 Commenced operations at technical tie-up in the Philippines</p> 	<p>1969 Established a joint venture in Indonesia</p> 	<p>Strengthened Overseas Developments</p> <table border="1"> <tr> <td>1988 Singapore</td> <td>1990 Thailand</td> <td>1993 Hong Kong</td> </tr> <tr> <td>1989 Taiwan</td> <td>1992 The Philippines</td> <td>1996 China</td> </tr> </table>	1988 Singapore	1990 Thailand	1993 Hong Kong	1989 Taiwan	1992 The Philippines	1996 China
1988 Singapore	1990 Thailand	1993 Hong Kong						
1989 Taiwan	1992 The Philippines	1996 China						



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

VISION 2027

→P.32

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 paper introduced a new way of grooming. Proposing new 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

1997 Malaysia
1999 South Korea
2008 China
2012 India
2015 Vietnam

→P.50

2019
The first M&A since founding
Acquired shares of Malaysia's ACG International Sdn. Bhd.

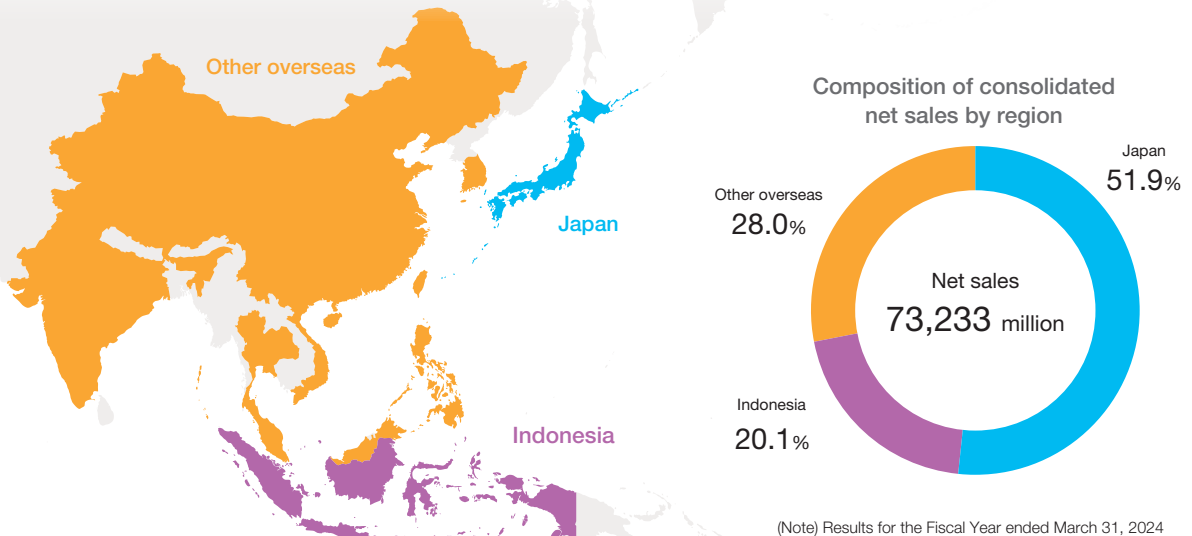
Acquired Assets
(Mandom's Six Strengths)

- Only-One Marketing
- Knowledge in Men's Cosmetics Field
- "Unique Research" and "Reliable Technology"
- Overseas Expansion Focused on Asia
- Production and Supply System with Three Manufacturing Bases
- Highly-Engaged Human Resources (Employees)

→P.20

Mandom Group Business Areas and Business Highlights for the Fiscal Year Ended March 31, 2024

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.

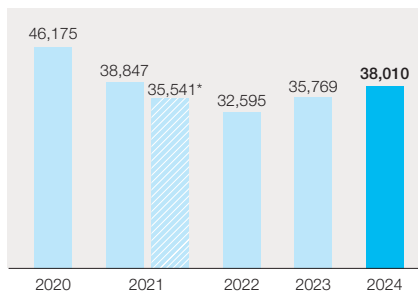


Japan

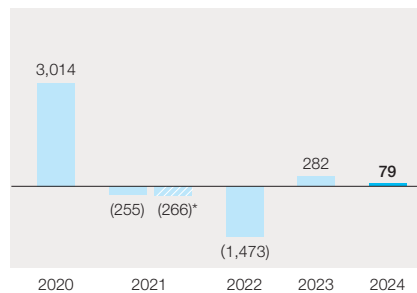
Net sales, year on year **6.3%** | Average growth rate, past five years **(4.7)%**

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

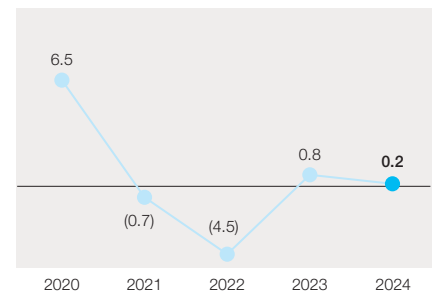
Net sales (Millions of yen)



Operating income (Millions of yen)



Operating margin (%)



* 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 wipes, roll-ons, etc., which are summer season products, due to the unusually hot weather, in addition to the return to normal socio-economic activities since the impact of COVID-19 subsided.

"LÚCIDO" benefited from enhanced communications with the appointment of a new brand ambassador, with an increase in sales of primarily skin care series and middle-aged body odor core series. Looking ahead, we will continue proposing solutions to alleviate concerns related to age, with middle-aged men as the main target.



LÚCIDO Medicated Perfect Skin Gel/Cream EX

<Women's business>

The cleansing and facial wash brand "Bifesta" achieved positive results mainly with sheet care and facial wash due to the increase in opportunities to put on makeup when going out.

Following the hair care brand "LÚCIDO-L", the texture reshaping series launched in 2022 and was inspired by hair salon technologies, shampoo and treatment which were also released as part of a new line-up, leading to growth in the overall brand.

* Containing heat treatment ingredients (levulinic acid)



"LÚCIDO-L Texture Reshaping Series"

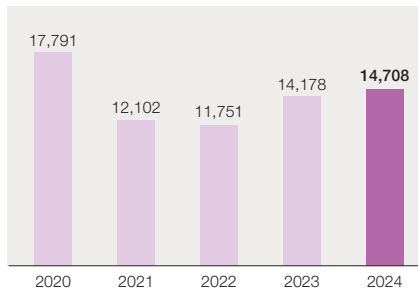
Indonesia

Net sales, year on year
3.7%

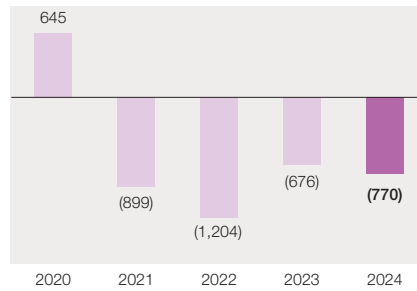
Average growth rate, past five years
(2.9)%

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

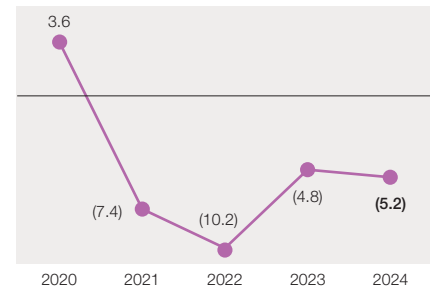
Net sales (Millions of yen)



Operating income (Millions of yen)



Operating margin (%)



<Men's business>

Our mainstay brand "GATSBY" released new products given the growth in consumers' purchasing appetite since the impact of COVID-19 subsided. For hair styling, we launched new types of balm and pomade products, and expanded the product lineup in response to consumer trends. For fragrances, we marketed products across a broad range of prices with the launch of new products.



GATSBY Prime Body Perfume

<Women's business>

Sales of the fragrance brand "PUCELLE" are growing with the placement of new products and releasing sets with mini mist cologne bottles at key local convenience stores and other outlets. The make-up brand "PIXY" had a release of new lip series products as a way of invigorating the market and brand.



PUCELLE Eau de Parfum series

Other overseas

Net sales, year on year
20.0%

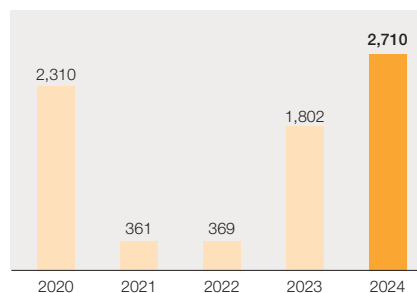
Average growth rate, past five years
8.7%

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

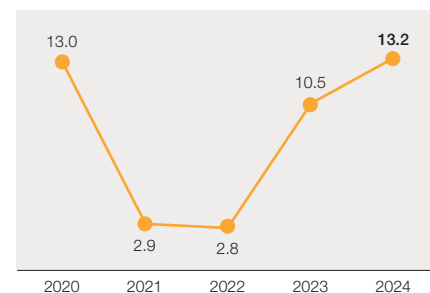
Net sales (Millions of yen)



Operating income (Millions of yen)



Operating margin (%)



[Malaysia]

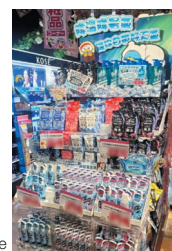
Malaysia continues to lead the "Other overseas" segment, with group companies MMSB and ACGI both recording double-digit growth over the previous year. We are continuing to invest in the women's skin care category to build up new pillars, and focusing on capturing new trends by leveraging the product development system for women's make-up and invigorating brands.



PIXY Glow Essentials Series

[Taiwan]

Continuing our previous investments into A&P and the release of an extensive range of products at stores has led to a gradual growth in summer season products such as cleansing wipes and body water. We are also boosting initiatives for the women's business and entering new categories to help build up a foundation for sales.



Summer season products on sale at a store

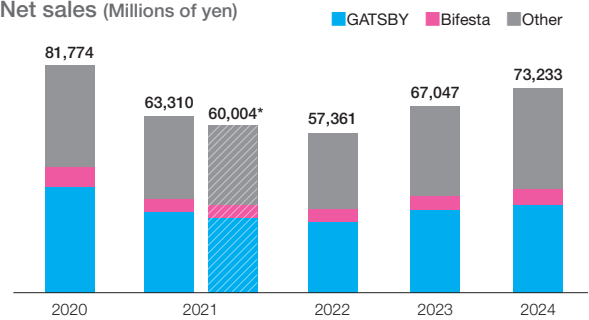
Brands of the Mandom Group

The Mandom Group responds meticulously to the wants of each consumer and offer a wide range of brands, primarily in Asia.

GATSBY Bifesta

LÚCIDO LÚCIDO-L PIXY SILKYGIRL

Net sales (Millions of yen)



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

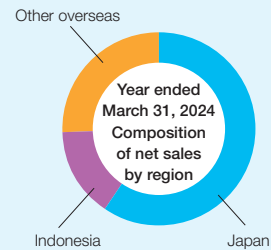
GATSBY

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

Japan Overseas

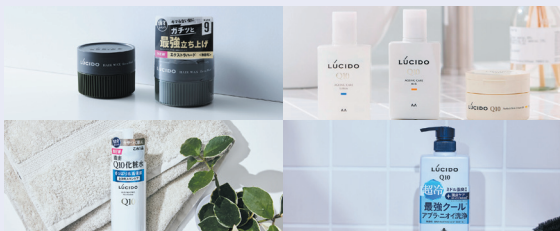


This is a men's cosmetics brand that always offers stylishness for the times. Rolling out horizontally across Asia as a core brand of the Mandom Group.



LÚCIDO

Japan Overseas



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



LÚCIDO-L

Japan Overseas



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



Development Regions (as of May 31, 2024)

	Japan	Indonesia	Singapore	Taiwan	Hong Kong	South Korea	Malaysia	The Philippines	Thailand	Vietnam	China	India
GATSBY	●	●	●	●	●	●	●	●	●	●	●	●
Bifesta	●	●	●	●	●	●	●	●	●	●	●	
LÚCIDO	●		●	●	●				●			
LÚCIDO-L	●	●	●	●	●	●	●	●	●	●	●	
PIXY		●		●			●	●				
SILKYGIRL		●	●				●					

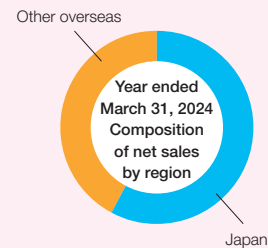
Bifesta

Target categories: Skincare (cleansing lotion/cleansing sheets/point makeup remover/face wash, etc.)

Japan Overseas



As a skin brand that provides excitement and satisfaction through moisturizing skin, we have fans not only in Japan but various other Asian countries as well.

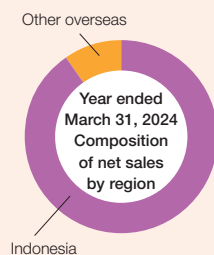


PIXY

Overseas



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.



SILKYGIRL

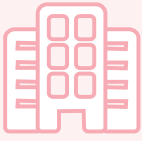
Overseas



A brand with a lineup of makeup products suited to the tastes of consumers in Southeast Asia, developed by swiftly adopting cosmetic trends. Primarily operate in Malaysia, Singapore, and Indonesia.



Mandom's Strengths at a Glance with Numbers



Founding

97th year

100th anniversary in 2027
(Founded on December 23, 1927)

Founded as "Kintsuru Perfume Corporation" that produces perfumes, Mandom will celebrate its 100th anniversary in December 2027.



Since expanding globally

66th year

Ever since commencing operations with a technical tie-up in the Philippines in 1958, Mandom has long been expanding in Asia and providing Oyakudachi (Dedication to Service).



Expanding globally

12th year

In addition to our 100% trade means Mandom is also distributed across North America.

Mandom's Strengths at a Glance with Numbers

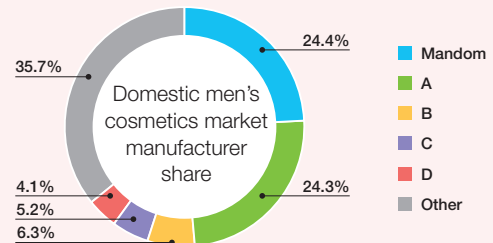


Japan domestic men's cosmetics market manufacturer share

No. 1 (24.4%)

Market data by Mandom calculations (monetary value)
Period: April 2023 - March 2024
Business: All business categories

Despite competition heating up in recent years due to greater awareness for men's beauty, Mandom was successfully chosen by consumers as the No. 1 brand in FY2023.



anding
lly from



Overseas sales ratio



Brand awareness of
GATSBY in Indonesia

areas

48.1%

69.5%

Asia

(as of end of March 2024)

(2023)

2 areas of operation,
om products are
ound Africa and

The overseas sales ratio is trending upward, and will account for about half of total sales as of March 31, 2024. Mandom is proving greater Oyakudachi (Dedication to Service) overseas.

GATSBY originated in Japan, but Indonesia has the leading brand recognition.

Strengths at Numbers

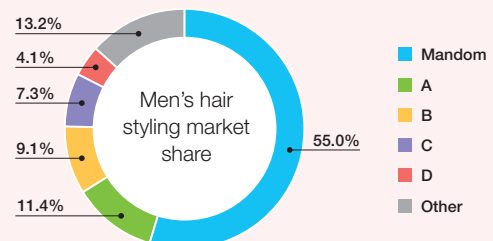


Domestic men's hair
styling market share

No. 1 (55.0%)

Market data by Mandom
calculations (monetary value)
Period: April 2023 - March 2024
Business: All business categories

Boasting the leading share in the men's styling market that is abound with numerous manufacturers and brands.



Top Message



Ken Nishimura

President Executive
Officer & Director



Focus on Both Expanding Sales and Improving Profits for 14th Middle-Range Planning (MP-14) as an Opportunity for Human Asset Development

Review of MP-13



I begin by looking back over the previous Middle-Range Planning “MP-13” (⇒ P.31), which was positioned as a “Period of Reformation and Challenges” toward achieving VISION2027—I am not happy with the results that we achieved for our quantitative targets, due to factors such as the impact of the COVID-19 pandemic. Yet we were able to take on numerous challenges to secure our future, including internal reform and initiatives.

We have been making preparations for entering new categories and developing new distribution channels as a means of approaching generations who hold a new sense of values and securing new targets for Mandom, and we were able to launch new brands like “aono,” “HOLIDEA” and “ium” at the end of the previous Middle-Range Planning. ⇒ P.52 Next I want to take a look at the internal systems we have worked to create. We developed the job-type personnel affairs system with clear job descriptions for employees in managerial positions of manager level and above, clarified the job expectations, work details and skills required for each position, and made employees aware of the know-how for devising career plans to reach those positions. I believe that building up the relationships that help bring about “Happy individuals make a happy company,” in which employees feel that they are able to develop themselves by working at Mandom, is what makes Mandom truly stand out as a “human-oriented” company. In this sense, we focused more on the development of internal systems and our employees over the past three years.

After looking back over MP-13, I can say that there are two key management issues present today. The first is the drop in profitability of the Japan Business and Indonesia Business. In addition to the recent increases in raw material prices, the drop in consumption caused by fewer opportunities to go out will result in a decrease in production volume and higher costs. In contrast, when considering whether or not we have been able to set prices that match this value, we have not been able to achieve this in at least our main segments of low- and mid-priced cosmetics and daily necessities market, and this has resulted in a low-profit business structure. The second is the ongoing sluggish nature of the Indonesia Business. PT Mandom Indonesia Tbk is a company with a history dating back to 1969, and its main brands of “GATSBY” and “PIXY” have long been well-regarded by consumers, and with products available in almost every corner of the many island that make up this large country. When it comes to the level of economic development, this is a market that requires an aggressive approach to marketing with active investments, but given the long history of our Company, we seem to be taking a somewhat defensive stance as we are mainly deal with markets that have matured. Today, cosmetics priced in excess of 1,000 yen are available throughout the Indonesian market as ordinary products, rather than luxury items. Until now we have mainly focused on products in the low-to-medium price range of several hundred yen, and our slow response to changes in such markets has ultimately led to a drop profitability.

Top Message

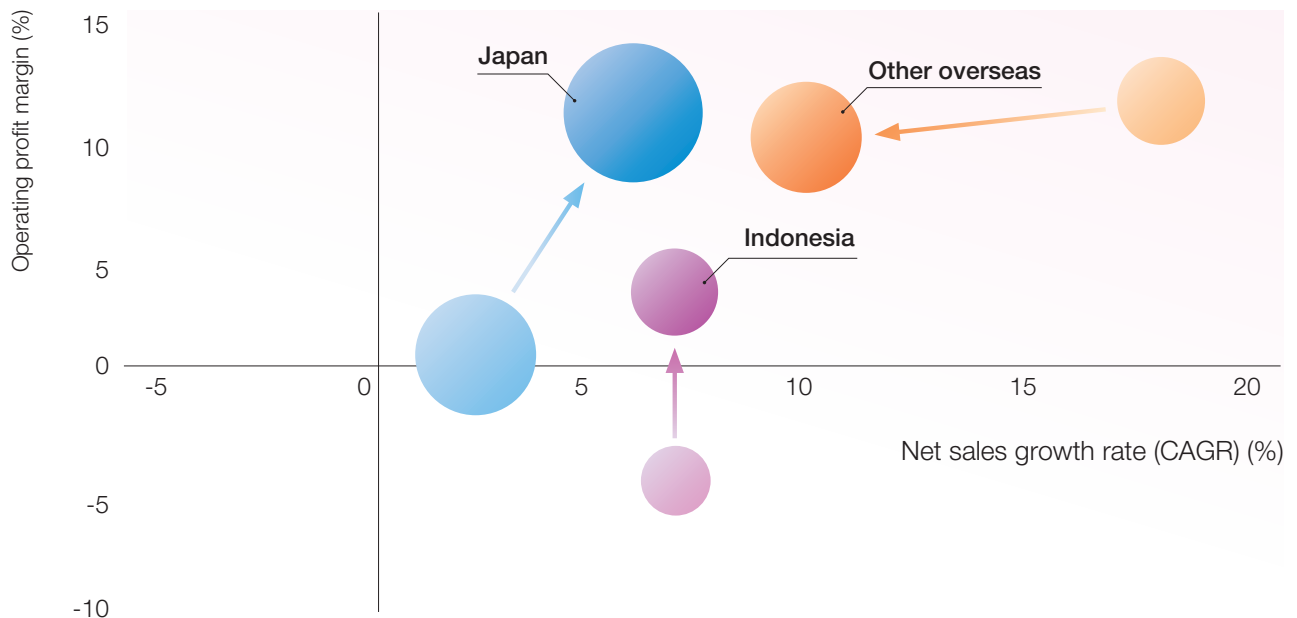
External environments when formulating MP-14



A major change that is occurring in the external environment that affects us are the issues related to the declining population of Japan, its aging society and declining birthrate. The population of the younger population, which our company has primarily targeted as the core audience for Gatsby, and this is also expected to continue going forward. One point of note regarding this is that the number of cosmetics used by younger consumers—particularly men—is still lower than the amount used by women. I believe that we can increase the amount of cosmetics used by customers and create greater demand by coming up with new ways that expand the scope of their cosmetic activities, and as such, I am of the view that it will be possible to maintain and expand our level of sales even if the size of the market drops somewhat. Yet there is no escaping the fact that the population will continue to grow older going forward, and the key challenge for us is identifying how to extend the period in which our customers can remain in a state of well-being. Traditional anti-aging strategies tended to be pursued by people with a keen level of awareness and at considerable expense, but I think that

this trend will expand to demographics with a relatively casual attitude in the future. I view such changes in awareness and environments as an opportunity to carve out a new approach for achieving Oyakudachi (Dedication to Service). Southeast Asia and other overseas countries are still experiencing population growth, and I felt that those markets was extremely active when I traveled there for business. I am positive that the Other Overseas segment will be period where we will be able to achieve quantitative business growth, at least for the duration of MP-14. The global society will continue to evolve with fewer constraints on borders over the next 5 to 10 years, and I am positive that this will present a turning point where the trends and values sought by customers in these regions will undergo even more drastic changes—this is something that we need to be well prepared for. The population and market in Indonesia will both continue to grow in size, so I recognize the importance of finding ways to correct the poor profitability there, while regaining our positive approach and managing our business in an assertive manner. ⇒ P.37

Changes in net sales growth rate and image of operating profit margin



The net sales growth rate is a comparison between MP-13 (3 years) and MP-14 (4 years)
 The operating margin is a comparison of the final fiscal year of MP-13 and MP-14 respectively
 The size of a bubble is the volume of sales



Direction of MP-14 initiatives



Two key concepts raised with MP-14 (⇒ P.34) for increasing the Oyakudachi (Dedication to Service) we provide are selection and concentration. There were not many competitors throughout the Men's Cosmetics market in Asia in the past, and I believe that our strategy of taking a broad but shallow approach was the right one in such an environment. Yet given the increase in the number of players and the booming market conditions, we need to make a concerted effort to focus and strengthen our resources on our key fortes like hair styling. I expect that the cosmetics markets in Asian countries will experience growth in various categories for both men and women, but it will not always be efficient to focus our efforts on product development in categories where we have limited knowledge. In such circumstances, I think we will need to exercise the right options for the right purposes, like joining forces with outside partners for the development of new concepts, or executing M&As with outside companies or brands.

One approach to increasing on our Oyakudachi (Dedication to Service) during MP-14 is to expand on our areas of operation. Expanding areas overseas will require a more assertive approach than those taken in the past. The fact is that we have not expanded into any new areas since the launch of our group company in Vietnam in 2015. Going forward, we will need to consider forging new methods of sales in areas outside of Asia in the future, if an opportunity exists for developing sales methods for existing commercial products, without limiting ourselves to the conventional approach of establishing a group company in a local market. Human resources are the most important aspect for achieving this. We will need to train employees who are able to identify areas and countries with signs of becoming promising markets, so that we can focus our full efforts there. Another approach toward expansion is increasing the target demographics of

our products. In Japan in particular, I would like to expand the scope of generations that we will target for our Oyakudachi (Dedication to Service) than before. An example that illustrates this is products related to anti-aging effects for middle-income and upper-middle-income customers. Having them use our products in a casual manner on a daily basis will help them take care of themselves while also leading to greater internal self-confidence. In turn, this will increase their involvement with society and enrich their own daily lives. I view this approach to anti-aging through cosmetics as a form of Oyakudachi (Dedication to Service). The way people consider aging has changed with the times, and we are confident of our ability to come up with appealing products based on proven technologies that are capable of responding to these changes. I am looking at coming up with products like these in the future, and this stems from our desire of providing Oyakudachi (Dedication to Service) that forms part of everyday life. If we are able to contribute to the development of a healthy, positive lifestyle and a cheerful society, I think we will be well on the track way to achieving consolidated net sales of 100 billion yen. (⇒ P.35)

We need to consider the supply of sustainable products as our underlying base while we push ahead with these initiatives. There are methods of achieving sustainability while reducing unit costs. An example of this is that if too much plastic is used for the packaging of cosmetics products, that amount can be decreased while also reducing costs. I think that the way consumers choose products and their sense of values will undergo change moving forward. I will be overseeing this with a high sense of awareness from an ESG and sustainability perspective. I am of the belief that we are conducting business with a high sense of ethical standards because I view this as the right things to do, rather than as a way of seeking validation from society.

Top Message

Human resources are at the core



Above all else, the most fundamental and crucial aspect for achieving the initiatives of MP-14 is the development of our human resources. The key structural reform project (⇒ P.39) initiative of MP-14 has been designed with the fundamental view that profitability will be improved as a result of developing human resources. We will be working on improving profitability by reducing unit costs, and achieve this by having employees acquire know-how and knowledge that they currently do not have and to change a certain mindset—examples of this include how to find suppliers, or how to be audited by third-party organizations when fair trade is

taken into consideration. The reason why we position human resource development at the core is that it is the growth of human resources itself that leads to ongoing positive performance as a company, and also makes it rewarding for employees and boosts their motivation. Viewing the current crisis as an opportunity for nurturing our employees will in turn create the experiences of success that will improve our profit structure, where employees continuously grow and condition at the company improves. The projects will first be rolled out in Japan, and we are planning to apply the successes we achieve with this horizontally to bases overseas.

Promoting group management



Another aspect of structural reform is the promotion of group management during MP-14. If we consider overall optimization of human resources, for example, it is certainly feasible for skilled human resources from countries other than Japan to be engaged in companywide group management with regards to head office functions. We wanted to convey the message that Mandom would be implementing group management going forward, so each CxO made presentations in English at the group management policy announcement held in April. (⇒ P.38) This was not only a message to our employees overseas showcasing that the management team was able to converse directly with them in English, but it was also a message to our Japanese employees highlighting the fact that despite the sizable local market in Japan, it is not the core of group management. Given our diverse group of employees, I am certain that we can develop more exciting value by coordinating efforts with them to leverage their skills and maximize their individual abilities. Based on this, the keyword I am putting forward to all group employees for MP-14 is Co-Creation . Several skill sets are required in order to implement Co-creation and to pursue collaboration among employees on a global scale. One of these is zero-based thinking. We have been fortunate to be able to create markets in each area and that business remained positive by adopting the same

operations as we did prior—we have developed a habit of basing our thinking on this approach. I was keenly aware of the problem that this created and saw signs that this would start to become a bottleneck, so more recently we have been saying that we should always use zero-based thinking. Even as work is conducted across national boundaries and departments, I hope to implement Co-Creation for creating value with a sense of unity, without being constrained by sectionalism or other factors.

The CxO system that we will be using from this fiscal year also plays an important role for promoting group management. (⇒ P.36) The mission of each CxO is to consider overall optimization of group management for using the group's capital to increase consolidated sales, by determining what should be resolved first for group management, or overall optimization of the group, and what is required for maximizing corporate value for the entire group. All our CxOs are currently located in Japan, but naturally they will be considering factors about their own areas overseas. An example to illustrate this is Chief Supply Chain Officers (CSCOs) who, in addition to production sites in Japan, are also in charge of production overseas. I expect them to harness knowledge available in Japan to solve problems that may currently be occurring in Indonesia, or allocate assets in Japan to help support those problems in Indonesia.

In closing

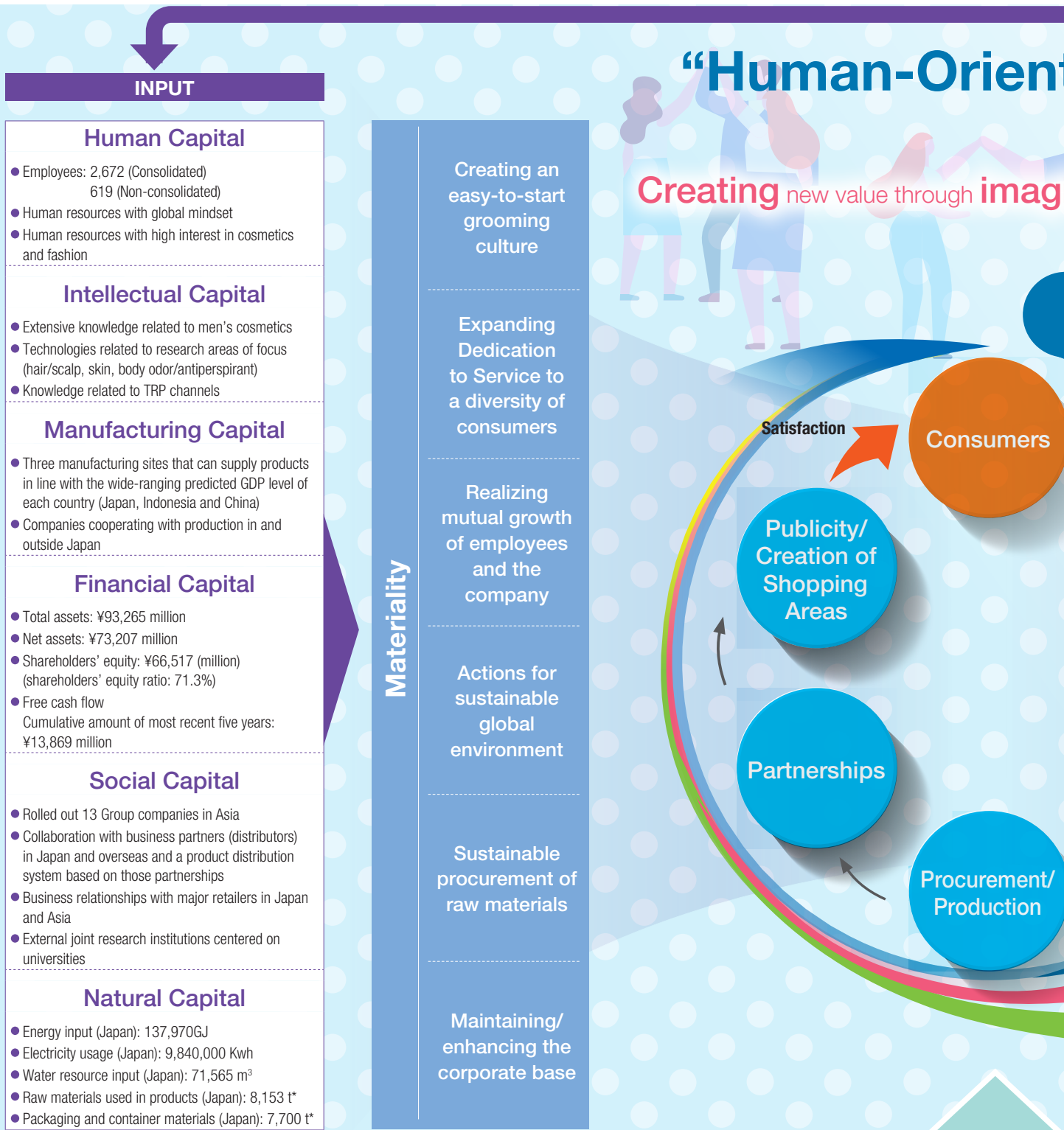


For the first year of MP-14, the fiscal year ending March 31, 2025, we are planning for expenses for initiatives aimed at improving profitability, so we will be unable to generate sufficient profit to meet your expectations. Yet we will be pushing ahead with proper structural reform and planning to achieve the strong sales and profit guidance disclosed for the next fiscal year and beyond, so I am confident that we will be recover and expand our corporate value during MP-14.

I believe that the reason why Mandom was able to survive until now was because it is needed by society and customers as a company as well as a brand. Underpinning this was the approach of providing some form of Oyakudachi (Dedication to Service) to society and associated stakeholders, a concept that has been passed down among employees from the back in the days of our founder and even as new generations have taken the reins. We have been, and need to remain committed to being, a corporate entity that is able to share the “Fun” aspects included in our sustainable policy that also make up our mission of “Health, Cleanliness, Beauty and Fun,” and through various circumstances and moments that bring joy and happiness to those involved with Mandom. If you were to ask me what in particular I would like to achieve or change during my tenure over the long-term span, one of my answers would be to make the company the most enjoyable place to work in Japan and the world, while another answer would be to further grow our business from the current Asia-centric business to a global one. These two answers are actually related, and are connected to my ideal vision of being the most exciting and enjoyable company in the world and the cosmetics industry, all while ensuring an environment where both Japanese employees as well as employees currently working in areas around Asia are able to play an active role on a global scale. At the very core of this is the need to make our employees and other stakeholders, and those working with us, happy and content as a “human-oriented,” and I think it will be important to remain committed to this approach.

We ask for your continued understanding and support on this matter.

Mandom Group's Human-Oriented Value Creation Model



(Mandom's Six Strengths)

- 1 Only One Marketing →P.44
- 2 Extensive Knowledge Related to Men's Cosmetics →P.46
- 3 Overseas Expansion Focused on the Rapidly Growing Asia →P.50
- 4

Sustainable Management

Mission Framework

“MISSION,” “PRINCIPLE”

“Fun” Company

Bringing people's happiness and excitement

Three Features of Only One Marketing

1. Consumer-led Lifestyle Value Creation
2. The Viewpoint of “Fun”
Bringing enjoyment to everyday life and making everyday life easier
3. Something New, Something Different



MHRX

Human resources strategy

See → P.42 for details

Accelerating the enhancement of creativity/productivity

DX

IT strategy

OUTPUT

Owned cosmetic brands

Men

GATSBY

LÚCIDO

Women

Bifesta

PIXY

LÚCIDO-L

SILKYGIRL

Mandom human resources

- Human resources who are highly engaged with the Company
- Human resources overflowing with the spirit to take on challenges
- Human resources overflowing with intellectual curiosity and creativity
- Human resource marketers with strong understanding of consumers

Natural Capital

- CO₂ emissions (Scope 1 + 2 in Japan): 3,964t-CO₂
- Water discharge volume (Japan): 29,715 m³
- Waste disposal volume (Japan): 3,235 t (recycling rate: 100.0%)

OUTCOME

See → P.22 for details

Consumers

Employees

Customers/Suppliers

Shareholders/Investors

Environment/Regional society

Government/Various organizations

Expansion of Dedication to Service

VISION2027

MP-14

MP-13

BE ANYTHING, BE EVERYTHING.

Realizing well-being for consumers around the globe

4 “Unique Research” and “Reliable Technology” to Respond to Consumer Wants →P.48

5 Production and Supply System Which Seeks the Spread of High-Quality and Best-Value Products →P.51

6 Highly-Engaged Employees →P.54

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.

See → P.24 for details

“HEALTH,” and “SPIRIT”

See → P.4 for details

Co-creation and Dialogue with Each Stakeholder

Name of stakeholders	Relation with stakeholders
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).”
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).
Customers/Suppliers	<p>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.</p> <p>As the Company operates its business in Japan and Asia based on the policy of “high-quality and bestvalue 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 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.</p>
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.
Environment/ Regional society	<p>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.</p> <p>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.</p> <p>Furthermore, we also generate employment opportunities by hiring locals in each operating country.</p>
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.

Value provided to stakeholders (OUTCOME) The text in blue represents our materiality focus areas. →P.26	Qualities necessary to provide such value The text in blue is related to our materiality assessment indicators.	Major touch points and engagement
Strengthening our Dedication to Service ("Oyakudachi") for consumers who actively express their individuality	Expansion of number of proposals on a new cosmetic field that "enables consumers to freely express their own individuality" or on consumer attributes	<ul style="list-style-type: none"> ● Customer Relations Div. (Company website) ● Company website ● TV advertising ● Online advertising ● Retail stores ● Integrated reports
Expanding our Dedication to Service	Expanding number of proposals on new technology that contributes to solution of issues faced by consumers	
Providing safety, security and high quality	Challenges addressed to expand our distribution network	
Developing human resources to create a new grooming culture	Enhancing initiatives to achieve zero maximum number of complaints about quality	
Creating a culture that encourages employees to take on new challenges	Expansion of Rate of practice the Code of Conduct MANDOM PRINCIPLES	<ul style="list-style-type: none"> ● Corporate philosophy survey ● Employee performance evaluation interview ● Self-evaluation system ● 1 on 1 dialogue ● Policy presentations ● Integrated reports
Active engagement by diverse human resources	Expanding Ratio of "active engagement employees" in a philosophy survey	
Safety and security of employees	Improvement of Employee engagement	
Pursuing the mission	Proactive appointment of women in managerial posts	
Equal and fair trade relationships	Reduction in number of employees on long-term leave	
Stable supply of products	Ongoing philosophy education	
Provision of products capable of providing healthy profits	<ul style="list-style-type: none"> ● Appropriate and highly transparent purchasing rules ● Creation of high added value products 	
Proposals for creating shopping areas with high sales efficiency	<ul style="list-style-type: none"> ● Capacity for a stable supply of products ● Highly accurate demand forecasting ● Understanding of consumers 	<ul style="list-style-type: none"> ● Daily purchasing activities ● Supplier CSR Guidelines ● CSR Procurement Self-Assessment ● Daily sales activities ● New product presentations ● New product exhibitions ● Product catalogs ● Sales regulations ● Sales proposal materials ● Integrated reports ● Company website
Sustainable procurement of raw materials (palm oil)	<ul style="list-style-type: none"> ● Provision of high added value products ● Appropriate sales policies 	
Sustainable procurement of raw materials (paper containers and packaging materials)	<ul style="list-style-type: none"> ● Understanding of customers ● Understanding of consumers ● Understanding of products 	
Shareholder returns through earnings growth based on sound financial standing	Expansion of ratio of RSPO ^{*1} -certified palm oil among palm oil that is used as an origin of raw materials	
Stable and continuous shareholder returns through dividends	Usage rate of FSC ^{*2} -certified paper for paper and containers and packaging, and expanding the recovered paper usage ratio	
<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 ● Capital allocation ● Optimal capital structure ● Stable increase of share price 	<ul style="list-style-type: none"> ● General meeting of shareholders ● Financial results briefings ● 1 on 1 dialogue (individual interviews) ● 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 	
Promoting measures toward a carbon-free society	<ul style="list-style-type: none"> ● CO₂ emissions reduction in Scope 1+2 ● Achievement of zero CO₂ emissions Group-wide ● Fossil resource-based virgin plastics emissions reduction 	
Eco-friendliness in products	Expansion of promotion of eco-friendly products	<ul style="list-style-type: none"> ● Company website ● Integrated reports ● Activities that contribute to regional societies ● Company tours
Waste reduction	Reduction of the use, weight, and dimensions of waste product and promotional item containers and packaging	
Contribute to job creation in development regions in Asia	<ul style="list-style-type: none"> ● Develop a personnel affair system in accordance with the Group's human capital management initiatives ● Market creation and business scale expansion 	
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	Generation of appropriate profits	
Enhancing data security	Compliance with Cybersecurity Management Guidelines	

*1 RSPO: Roundtable on Sustainable Palm Oil (Round-table conference concerning sustainable palm oil)
 *2 FSC: Forest Stewardship Council® (FSC®N003667)

Sustainability Information, Systems, and Goals

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 (Oyakudachi) 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 Direction

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	Direction
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

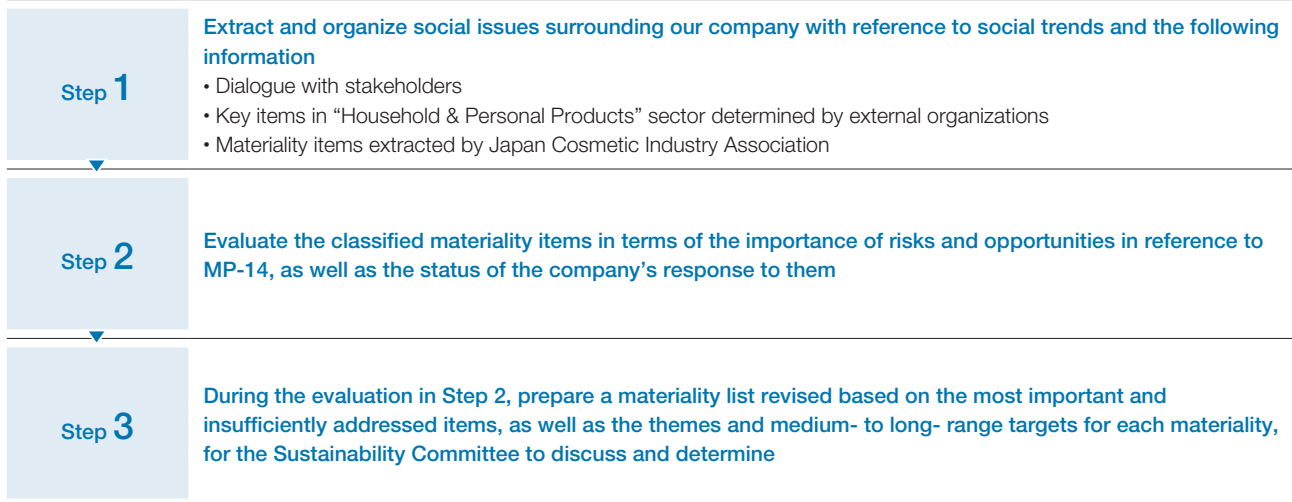
Training human resources that form a society, promoting active engagement of a diverse cohort of employees

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 for Identifying and Reviewing Material issues pertaining to Sustainability (Materialities)



* 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		
<p>1 Creating an easy-to-start grooming culture</p> <p>→P.44</p>	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 offer unique, one-of-a-kind products and services, thereby providing excitement and exhilaration and helping consumers, who have diverse values, be who they want to be.	
<p>2 Expanding Dedication to Service to a diversity of consumers</p> <p>→P.50</p>	We will respond appropriately to changing senses of 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.	
<p>3 Realizing mutual growth of employees and the company</p> <p>→P.54</p>	By investing in the growth of our employees, we maximize the performance of our “human assets” with their diverse individuality and strengths, thereby expanding the scope of our Dedication to Service (Oyakudachi) to all stakeholders.	
Issues to be addressed to realize a sustainable society and company		
<p>4 Actions for sustainable global environment</p> <p>→P.57</p>	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.	
<p>5 Sustainable procurement of raw materials</p> <p>→P.61</p>	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.	
<p>6 Maintaining/enhancing the corporate base</p> <p>→P.64</p>	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.	

WEB : Sustainability information
 : Sustainability > Sustainability Direction, Structure, and Goals

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	Themes of Initiatives	Evaluation Metrics	Medium to long-term targets		FY2023 Results
				Numerical target	Target Year	
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	6 inquiries
			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	16 proposals in total
		Developing human resources to create a new grooming culture	Rate of practice of the MANDOM PRINCIPLES	80% or more	2027	68%
	Expanding Dedication to Service to a diversity of consumers	Expanding our Dedication to Service	Number of challenges addressed to expand our distribution network	13 challenges or more per year	Each year	102 inquiries
	Realizing mutual growth of employees and the company	Creating a culture that encourages employees to take on new challenges	Ratio of "active engagement employees" in a philosophy survey	38% or more	2027	15%
			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	12.8%	
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	22.0% 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 companies under calculation
			Fossil resource-based virgin plastics emissions reduction ratio	25% or more	2027	4.0%
		Eco-friendliness in products	Mandom Group standards-based eco-friendly products ratio	Eco-friendly products account for 90% of the Mandom products sold in Japan (meets internal standards)	2027	61.3%
	Waste reduction	Reduction rate of the use, weight, and dimensions of waste product and promotional item containers and packaging (compared to FY2022)	65% or more	2027	20.4%	
	Sustainable procurement of raw materials	Palm oil	Ratio of RSPO ^{*1} -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 ^{*1} -certified palm oil (including book-and-claim compliance)	2026	50.2%
		Paper containers and packaging materials	Usage rate of FSC ^{*2} -certified paper for paper and containers and packaging, and recovered paper usage ratio	Switching completely to the use of FSC ^{*2} -certified paper/recovered paper for paper containers and packaging	2027	93.8%
	Maintaining/enhancing the corporate base	Providing safety, security and high quality	Number of complaints about quality	Serious complaints: 0	Each year	0 inquiries
		Safety and security of employees	Number of employees on long-term leave	Less than 10 (in Japan)	Each year	9
		Enhancing data security	Compliance with Cybersecurity Management Guidelines	Implementation of all ten important items	2027	62% attainment rate
		Pursuing the mission	Company-wide rate of Mission-based employee decision-making	80% or more	2027	64%

*1 RSPO: Roundtable on Sustainable Palm Oil (Round-table conference concerning sustainable palm oil)

*2 FSC: Forest Stewardship Council® (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.



WEB : Sustainability Information
 : Sustainability > Sustainability Direction, Structure, and Goals

Activities of the Sustainability Committee and associated committees

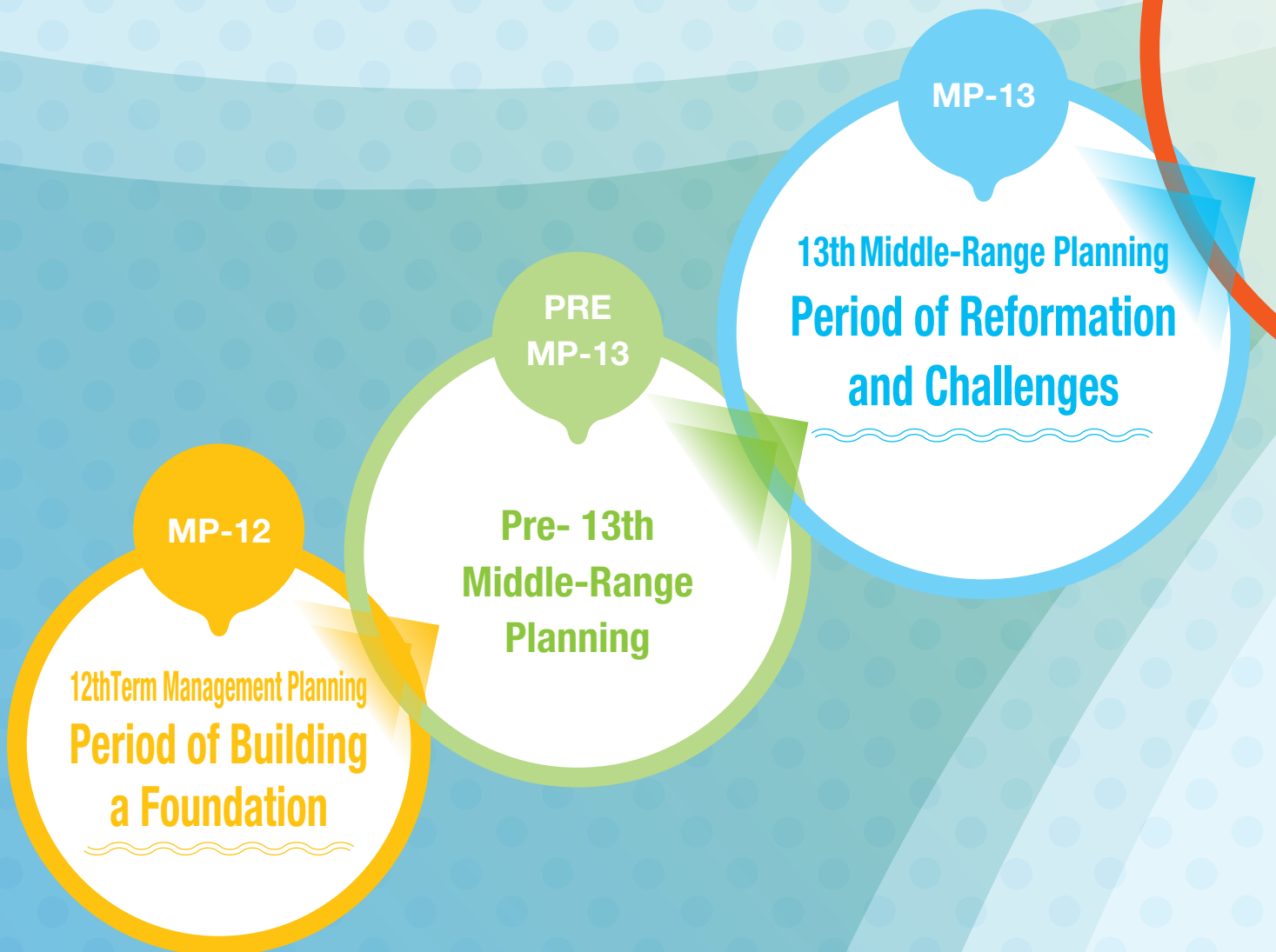
Committee	FY2023 Themes
Sustainability Committee	<ul style="list-style-type: none"> • Manage progress of medium- and long-term targets related to materiality • Supervise and manage associated committees, including evaluating, analyzing, and proposing improvements to their activities • Revise and review materiality
ESG Executive Committee	<ul style="list-style-type: none"> • Review and manage progress for specific initiatives based on materiality • Review and manage progress of medium- and long-term targets related to themes of initiatives
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 FY2024
Occupational Health and Safety Committee	<ul style="list-style-type: none"> • Create system enabling employees to play a role in a vibrant manner • Conduct initiatives aimed at improving the health literacy of employees
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) • Formulate MID · RIDA BCP • Respond to contingency risks in each operating country • Develop and operate an information security management system
Code of Conduct Promotion Committee	<ul style="list-style-type: none"> • Implement effective policies for company-wide education on Mandom Code of Conduct • Implement measures for raising awareness of the internal reporting system

14th Middle-Range Planning (MP-14) FY2024 - FY2028

VISION2027 and building a foundation for accelerating further growth in the future

In April 2024, we embarked on our new Middle-Range Planning, MP-14. Which is the last middle-range management plan of our medium- and long-term vision “VISION2027.”

The previous Middle-Range Planning (MP-13) covered an extremely tough three-year period as it was significantly affected by unprecedented upheaval around the world, including the COVID-19 pandemic and the Ukraine crisis. MP-14 is being positioned as the phase for building a foundation for future growth in the leadup to the next 100 years as we approach our 100th anniversary in 2027.



VISION2027 And the Next 100 Years

MP-14

**4th Middle-Range Planning
Period of Building a
Foundation for
Future Growth**

**Quickly resolve issues that
became evident during MP-13,
and build foundation toward
a new growth stage**

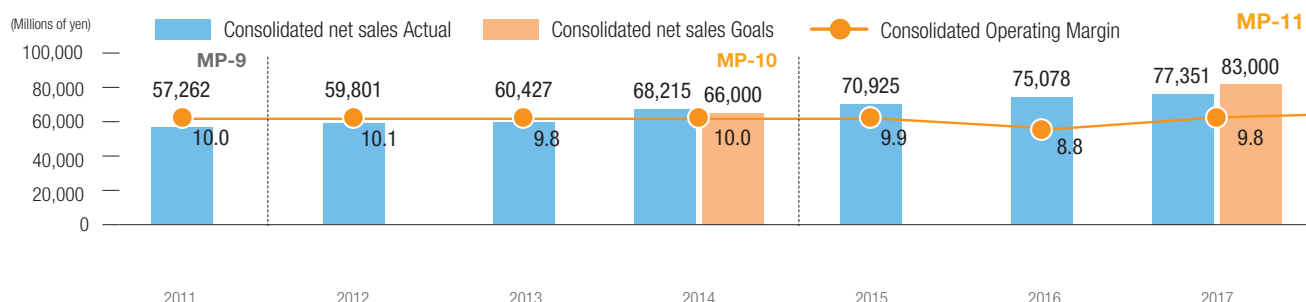
Conduct Dedication to Service
(Oyakudachi) through value
co-creation based on Consumer-led
Lifestyle Value Creation

Continuously strengthen
management infrastructure to
implement group management

Implement structural reforms
according to the growth stage
of each business

Look Back at Previous Middle-Range Planning (MP-10-13)

Consolidated Net Sales/Consolidated Operating Margin

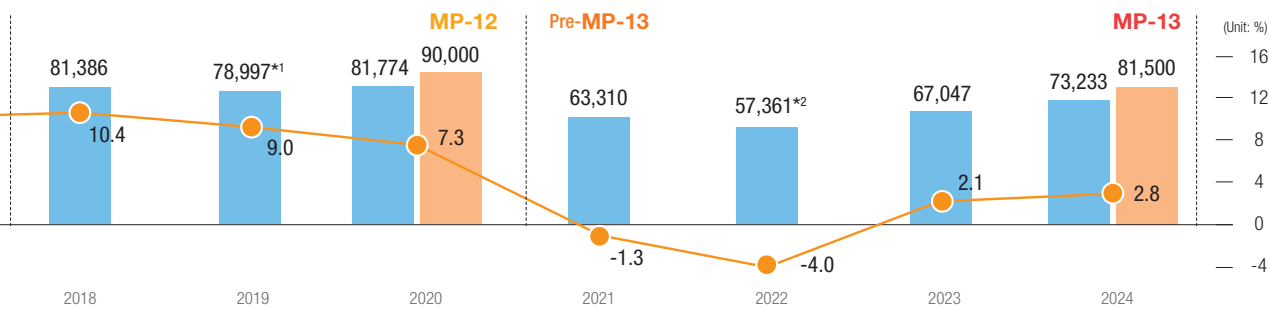


Positioning	MP-10 2011/4-2014/3	MP-11 2014/4-2017/3	MP-12 2017/4-2020/3
	<p>“Only One” Company in Asia with Global Management Expertise</p> <p>Focus on Dedication to Service (Oyakudachi) in Asia to accelerate growth in Group businesses</p>	<p>Middle-Range Planning to Accelerate Growth and Cultivate New Business in Asia</p> <p>Aim to establish competitive advantages by strengthening business expansion in major markets and increase sales volume by cultivating new markets and business fields</p>	<p>Corporate Infrastructure Development for Realizing “VISION2027”</p> <p>First of three phases to achieve “VISION2027” Aim to become a truly global company through proactive investments to strengthen marketing and internal controls</p>
Basic Management Policies	<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
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 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 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 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.

	MP-10		MP-11		MP-12	
	(Numerical Targets)	(Actual)	(Numerical Targets)	(Actual)	(Numerical Targets)	(Actual)
Numerical Targets	(Numerical Targets)	(Actual)	(Numerical Targets)	(Actual)	(Numerical Targets)	(Actual)
Consolidated net sales	¥66.0 billion	¥68.2 billion	¥83.0 billion	¥77.3 billion	¥90.0 billion	¥81.7 billion
Men’s Grooming Business Average Annual Growth Rate*1	3.2%	5.4%	5.2% or more	2.6%	3.0% or more	(0.6%)
“GATSBY” Brand CAGR	3.6%	5.9%				
Women’s Cosmetics Business Average Annual Growth Rate*2	19.3%	11.8%	15.0% or more	15.9%	10.0% or more	11.1%
Consolidated Overseas Net Sales Average Annual Growth Rate	9.4%	11.3%	11.4% or more	4.8%	10.0% or more	6.8%
Consolidated Operating Margin*3	10%	10.0%	¥8.6 billion	¥7.6 billion	10%	7.1%
Consolidated Payout Ratio	40% or more	40.0%	40% or more	40.3%	40% or more	63.5%

*1 *2 Men’s and Women’s Business in MP-12

*3 Operating income amount in MP-11



*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.

Pre-MP-13
2020/4-2021/3

MP-13 2021/4-2024/3

COVID-19 Spread Countermeasures Single-year Plan

Theme

Transformation and Challenges to Realize “VISION2027”

Basic Management Policies

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

- ① Quickly construct cross-company structure that leads to accelerating growth in overseas and women's categories
- ② Improve value of global brands (GATSBY/Bifesta) across Asia
- ③ Improve quality and expand regions where Dedication to Service (Oyakudachi) is offered in the COVID-19 and the post-pandemic world

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

- ① Quickly build a structure and ensure its operation to solve the issues in Indonesia business
- ② Accelerate growth by strengthening alliances between overseas countries and marketing areas; improve management efficiency

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

- ① Achieve success in DX (digital transformation) resulting in the realization of wellness
- ② Create and expand new beauty and grooming culture that includes external knowledge

4. Increase corporate value focused on sustainable management and evolve Dedication to Service (Oyakudachi)

- ① Promote business expansion that contributes to solving social issues (ESG/SDGs)
- ② Advance capabilities to create unique values and improve corporate branding

Numerical Targets	Pre-MP-13	MP-13	
	(Actual)	(Targets)	(Actual)
Consolidated net sales	¥63.3 billion	¥81.5 billion	¥73.2 billion
Men's business Average Annual Growth Rate "GATSBY" Brand CAGR		6.0% or more	2.5%
Women's business Average Annual Growth Rate		16.0% or more	7.1%
Consolidated Overseas Net Sales Average Annual Growth Rate		17.0% or more	12.9%
Consolidated Operating Margin	-0.3%	8.0% or more	2.8%
Consolidated Payout Ratio	166.9%	40.0% or more	69.2%
ROIC	-0.3%	7.0% or more	2.9%

Address Social Issues

Promote eco-friendly products

Japan: 60% of domestic products are eco-friendly **61%**
 (in line with voluntary standards: 60%)

Indonesia: Usage of plastic packaging materials **45%**
 (Target: 10% reduction compared to FY2016)

Indonesia: Amount of plastic waste **31%**
 (Target: 10% reduction compared to FY2016)

14th Middle-Range Planning (MP-14)

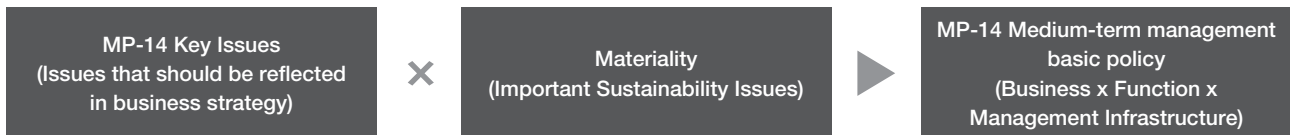
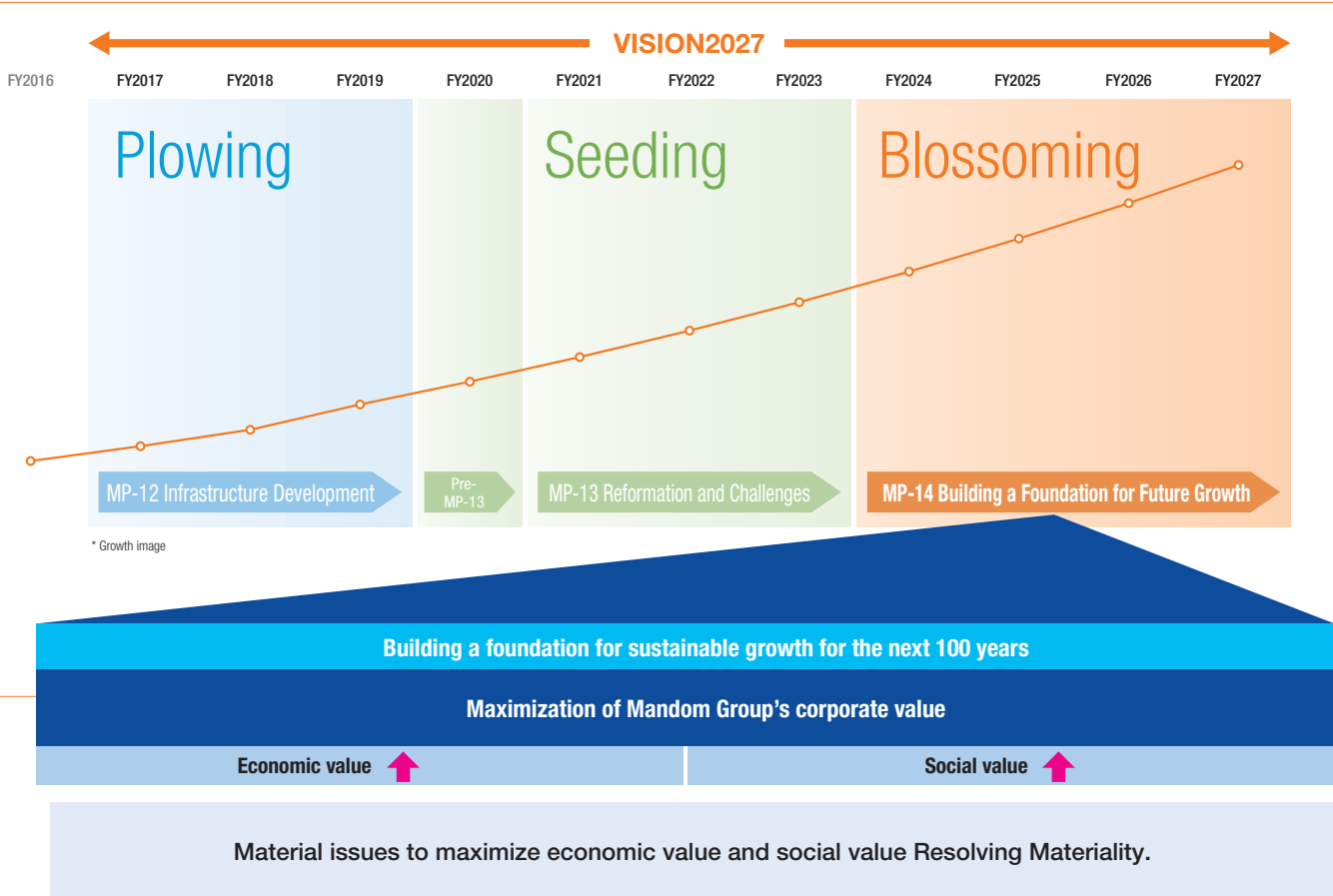
14th Middle-Range Planning “MP-14” and “VISION2027” Positioning

VISION2027

<p style="color: orange; font-weight: bold; margin: 0;">Our Vision 2027</p>	<p>“A cosmetics company possessing unique strengths in specialized areas (not an “all-rounder”).”</p> <ul style="list-style-type: none"> ❶ “Authentic proposals” ❷ “Global & Only One” ❸ “Exciting & Excellent”
<p style="color: orange; font-weight: bold; margin: 0;">VISION Slogan</p>	<p>Use our ‘Only One’ strengths to provide Dedication to Service (Oyakudachi) to a billion people around the world.</p>
<p style="color: orange; font-weight: bold; margin: 0;">VISION Policy</p>	<ul style="list-style-type: none"> ❶ Leverage Asia’s economic growth to evolve into a truly global company ❷ Display greater Dedication to Service (Oyakudachi) in the men’s business and invest aggressively to expand our women’s business. ❸ Provide authentic products and services to develop a MANDOM WORLD inspired by the concept of stock-oriented management.
<p style="color: orange; font-weight: bold; margin: 0;">Image</p>	

Background of MP-14 Formulation (External Environment, Internal Company Issues)

External environment	Internal Company Issues
<div style="background-color: #eee; padding: 5px; margin-bottom: 10px;">Global</div> <ul style="list-style-type: none"> • Lifestyle changes due to the impact of COVID-19 • Impact of Russia’s invasion of Ukraine • Rising raw materials and energy prices • Division and isolation of countries • Climate change/abnormal weather • Advances in IT technology such as AI • Growing inequality • Consideration of human rights • Pursuit of diversity and inclusion • Increase of middle-income class worldwide • Demands for eco-friendliness • Sudden shift to mobile payment society • Expansion of EC channels <div style="background-color: #eee; padding: 5px; margin-bottom: 10px;">Japan</div> <ul style="list-style-type: none"> • Declining birthrate and aging society • Era of labor shortages • Sluggish presence of Japanese companies on the world stage 	<div style="background-color: #eee; padding: 5px; margin-bottom: 10px;">Global</div> <ul style="list-style-type: none"> • Sluggish growth of GATSBY and other existing brands • Gap between market growth and product portfolio • Sales foundation unattained in the skin care category • Low composition of EC channels sales mix • Declining earning capabilities (profit margin) • Increasing cost of sales ratio • Insufficient utilization of IT, DX • Human resources not being harnessed in full <div style="background-color: #eee; padding: 5px; margin-bottom: 10px;">Japan</div> <ul style="list-style-type: none"> • Lack of sufficient backing by generation Z • Lack of digital marketing competitiveness • Business structure with difficulty to boost profits • Increased competition with emerging companies <div style="background-color: #eee; padding: 5px; margin-bottom: 10px;">Indonesia</div> <ul style="list-style-type: none"> • Cost of sales ratio plateaued at abnormal level • Lack of investment into marketing for consumers • Increased competition with local companies



MP-14 Key Issues

- Improve QOL through diverse responses to consumers' needs and wants
- Create new markets
- Development of human assets
- Improvement of work-life balance
- Diversity and Inclusion
- Climate change
- Waste reduction
- Development of environmentally friendly products and services
- Supply chain management
- Data security
- Corporate Philosophy (Governance Purpose)

Materiality

- Creating an easy-to-start grooming culture
- Expanding Dedication to Service to a diversity of consumers
- Realizing mutual growth of employees and the company
- Actions for sustainable global environment
- Sustainable procurement of raw materials
- Maintaining/enhancing the corporate base

Basic Management Policies

P.34

14th Middle-Range Planning (MP-14)

Toward Sustainable Growth for the Next 100 Years

MP-14 Positioning **Period of Building a Foundation for Future Growth**

Basic Management Policies

The Group has formulated the MP-14 Middle-Range Planning Basic Management Policy based on the three axes of “Business,” “Function” and “Management Base (Group Management).”

		Relevant Materiality See page 25
Basic Management Policy 1		
Business	Implement structural reforms according to the growth stage of each business	
	<ul style="list-style-type: none"> ■ Challenge to improve profitability and acquire new growth engines in our Japan and Indonesia businesses 1 ■ Achieve quantitative growth centered on the ASEAN area in international businesses 1 ■ Expand and deepen customer touchpoints by establishing an EC system within the Group 1 ■ Promote business activities that take into consideration responses to social and environmental issues 3, 4, 5 	
Basic Management Policy 2		
Function	Conduct Dedication to Service (Oyakudachi) through value co-creation based on Consumer-led Lifestyle Value Creation	
	<ul style="list-style-type: none"> ■ Create and expand markets by providing products and services that resonate with consumers 1 ■ Search for new businesses that will lead to the realization of well-being for consumers 1 ■ Build a system for using customer data to create new value through digital transformation (DX) 1, 2, 6 	
Basic Management Policy 3		
Management Infrastructure	Continuously strengthen management infrastructure to implement group management	
	<ul style="list-style-type: none"> ■ Improve organizational capabilities by maximizing human capital 1, 3 ■ Maximize management efficiency and further strengthen governance by improving the group management structure 6 ■ Implement corporate branding aimed at establishing a global corporate brand image 2 	



Outline of “MP-14 (April 2024 through March 2028)”

Basic Management Objectives

Growth Potential	Consolidated Net Sales	¥100 billion	CAGR by business	Japan	6% or higher
	CAGR	8.1% or higher		Indonesia	7% or higher
				Other overseas	10% or higher
Profitability	Consolidated Operating Margin	9.0% or higher	ROIC = (NOPLAT ¹ + gain/loss from equity-method investments)/invested capital ²		
	Consolidated ROIC	8.0% or higher	*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]		
Payout ratio		40% or higher			

Management Promotion System

MP-14 sets out the roles that require expertise as key people for promoting group management, and will introduce the CxO system for clarifying the person responsible for each business function—this will help accelerate coordination between each function and business than in the past.

Global Headquarters



See P.36 for details

14th Middle-Range Planning (MP-14)

14th Middle-Range Planning (MP-14) Each Business, Function and CxO

The 14th Middle-Range Planning (MP-14) sets out to achieve “VISION2027,” our vision for the 100th anniversary of Mandom and is positioned as a “Period of Building a Foundation for Future” for subsequent sustainable growth. It places an even greater emphasis on promoting group management than before with the aim of increasing corporate value by expanding both economic value and social value

We will maintain the matrix system comprising three businesses and six functions as with MP-13, while also introducing a CxO system to accelerate coordination between each business and function, which will build up our foundation as a group of people, regardless of nationality or gender, capable of cooperating and enhancing co-creation to increase corporate value as a single group known as Mandom.



14th Middle-Range Planning (MP-14) Group Initiatives

The promotion of group management will begin in earnest from MP-14. Rather than taking the approach of single businesses and single functions, group initiatives will be addressed with coordination throughout the entire group.

MP-14 group initiatives are the top-priority challenges of MP-14 that were formulated in accordance with the Basic Management Policies and Basic Management Objectives.

Basic Management Policies

		Related Businesses			Related Functions			Related Management Infrastructure		
Policy 1. Implement structural reforms according to the growth stage of each business		J	Id	In	M	T	SC	S	HR	F
Challenge to improve profitability and acquire new growth engines in our Japan and Indonesia businesses	Reduce cost of sales ratio of Japan Business	○			○	○	○	○		○
	Reduce cost ratio of Indonesia Business		○		○	○	○	○		○
	Take on challenge of expanding share for women's skin care		○		○	○	○	○		
Achieve quantitative growth centered on the ASEAN area in International businesses	Expand scope of Oyakudachi (Dedication to Service) with value proposition of individual Overseas Business and entering new categories (increase sales per store)		○	○	○	○	○	○		
	Increase consumer touchpoints by leveraging product and brand strengths Increase consumer touchpoints by leveraging product and brand strengths (increase number of stores available with products)		○	○	○			○		
Expand and deepen customer touchpoints by establishing an EC system within the Group	Establish communication model for increasing each country's customer experience value and conversion to fans	○	○	○	○			○		
Promote business activities that take into consideration responses to social and environmental issues	Consideration of new useful products that take sustainability into account	○	○	○	○	○	○	○		○
Policy 2. Conduct Dedication to Service (Oyakudachi) through value co-creation based on "Consumer-led Lifestyle Value Creation"		J	Id	In	M	T	SC	S	HR	F
Create and expand markets by providing products and services that resonate with consumers	Value proposition for products and services by creating new technologies capturing consumer wants, and enhancing and utilizing owned technologies	○			○	○		○		
	Aggressively propose and cultivate new men's brands with high expertise specializing in category x cluster	○	○	○	○	○	○	○		
	Expand the scope of women's business by proposing total beauty	○	○	○	○	○	○	○		
Search for new businesses that will lead to the realization of well-being for consumers		○	○	○	○	○		○		○
Build a system for using customer data to create new value through digital transformation (DX)	Increase sophistication of existing businesses and develop new businesses by capturing and leveraging customer data with the aim of increasing LTV	○			○			○		○
Policy 3. Continuously strengthen management infrastructure to implement group management		J	Id	In	M	T	SC	S	HR	F
Improve organizational capabilities by maximizing human capital	Develop group personnel system foundation by establishing group personnel headquarter function	○	○	○				○	○	
Maximize management efficiency and further strengthen governance by improving the group management structure	Establish and strengthen coordination of group management structure centered on CxO	○	○	○	○	○	○	○	○	○
	Promote initiatives for standardizing group accounting foundation	○	○	○				○		○
	Reduce international tax risks	○	○	○				○		○
Implement corporate branding aimed at establishing a global corporate brand image	Implement group branding activities by providing value from the "MANDOM" brand	○	○	○	○			○	○	

14th Middle-Range Planning (MP-14) Topic

MP-14 Topic 1 ~ Promotion of Group Management ~

Group management policy announcement held overseas for the first time

The MP-14 Mandom Group management policy announcement was held on April 2, 2024. Enhancing the group management structure is a key topic of MP-14, and President Nishimura is seeking employees to pursue “Co-creation” as a crucial keyword. Zero-based thinking, English communication skill, and Diversity & Inclusion are also sought as skill sets required for achieving “Co-Creation” amongst employees on a global scale.

To make this a reality, the group management policy announcement that is normally held in Japan was held overseas (Bangkok, Thailand) for the first time. This announcement also formed an opportunity to provide a message to all group employees, so all presentations on CxO policy announcements were made in English.

Purpose of holding the group management policy announcement meeting

- Spread understanding of the management policy to all group employees
- Achieve swift decision-making focused on streamlining group-wide operations and efficient management
- Express the commitment of the management team toward the entire group and create avenues for employees mindsets

Details of meeting

Led by CSO Matsuda, the meeting began with Nishimura summarizing MP-13 and providing an overview of MP-14 Middle-Range Planning, followed by a speech to all group employees about how to achieve the targets. The COOs of three businesses outlined how to enhance coordination with functional areas from a business perspective, and then function CxOs gave a presentation regarding maximizing the group’s synergy.

Breakdown of meeting shared with employees

To convey the proceedings of the meeting, Japanese and English versions of videos were produced and made available to all group employees. The videos served to create a realistic feel for the group management policy announcement as the Company aims to become a truly global entity.



MP-14 Topic 2 ~ Profitability Improvement ~

Key theme of MP-14 Structural reform to improve profitability

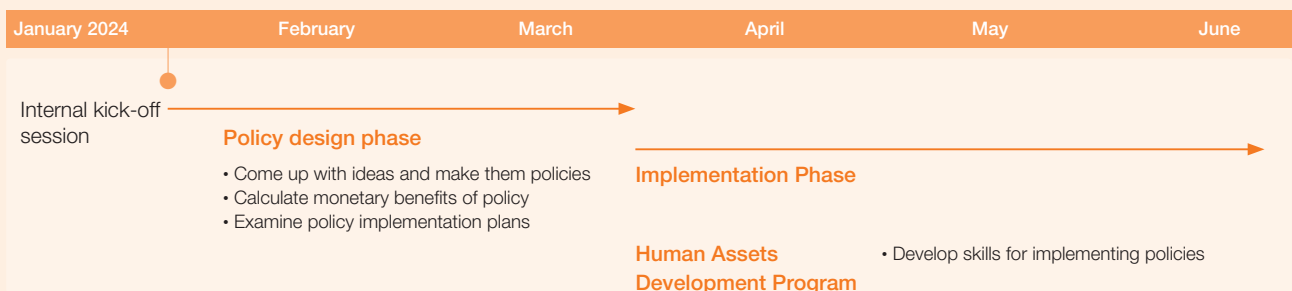
An urgent issue that the Mandom Group is currently facing is improving “profitability” of the Japan Business and Indonesia Business. While there are various external and internal factors present, the entire Group needs to resolve these management issues so that Mandom is able to lead the market going forward and remain in a position of Oyakudachi (Dedication to Service).

As already widely known, Mandom will be celebrating its 100th anniversary milestone in 2027, the final year of MP-14. Driven by the desire to bring about change and essential

reform to Mandom, President and CEO Nishimura took the reins himself and set out to initiate a structural reform project covering various areas as the first step taken toward the next century since February, 2024.

The project set out with a team around 50-strong focusing on the areas of technology, production, personnel affairs, and management strategy to build a foundation for the development of human assets carrying the next-generation of Mandom, while resolving management issues.

Progress of activities



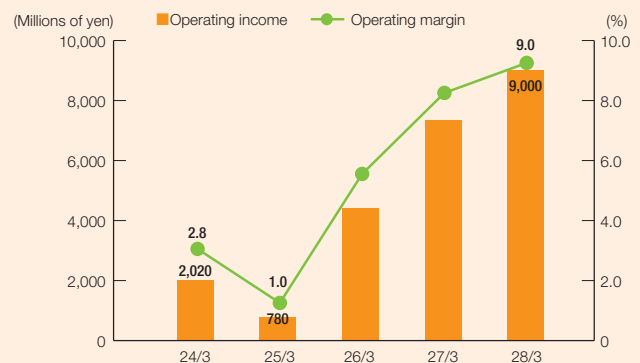
Profitability improvement targets (including effects of reduced unit costs)

7 billion yen or more (4-year total amount) → **Allocation to growth investments and shareholder returns**

Main Policies

- Shift to global procurement of raw materials
- Switch over to substitute raw materials
- Set and revise sales prices at levels appropriate for profitability
- Narrow down unprofitable products, etc.

The image of consolidated operating income and operating profit margin trends during the MP-14 period



MP-14 Financial Strategy

Financial Strategy ~ CFO Message ~



Allocating resources with a view to securing growth areas for our 100th anniversary of our founding and beyond.

I joined Mandom in November 2017 from my previous position at a financial corporation, and since then have been working to strengthen the financial foundation as the General Manager of the Finance Division. In April 2024 I was appointed to the role of CFO following changes to the management promotion system. While this role involves a broader scope of authority, I am also keenly aware of the greater responsibility it brings, so will be striving even harder to advance our financial strategy and increasing corporate value. I trust you will join me along the way.

CFO Masanori Sawada: In charge of Finance Div. and Investor Relations Div.; General Manager of Finance Div.

Review of 13th Middle-Range Planning (MP-13)

“MP-13” was a Middle-Range Planning positioned as a “Period of transformation and challenges to achieve “VISION2027”,” and set forth our approach to taking on new challenges for achieving sustainable growth during the “14th Middle-Range Planning (MP-14),” in which the company will celebrate its 100th anniversary since found, and beyond. We cultivated a number of new sprouts in response to changes in consumer values and lifestyles, with the launch of the new GATSBY line “gatsby THE DESIGNER” released in October 2021 as a channel other than mass distribution that

formed our conventional revenue base, the full-scale launch of “aono” and “HOLIDEA” to D2C channels and the release of collaboration brands with retailers in late FY2023. Yet in addition to lifestyle changes following fewer opportunities to go outside with the impact of COVID-19, our key global brands of “GATSBY” and “Bifesta” failed to reach planned levels due to causes such as tougher competition, with MP-13 coming to an end falling considerably short of our performance targets.

	Targets of MP-13	Achievements of MP-13	Difference
Consolidated net sales	81,500	73,233	(8,267)
Consolidated operating income	6,520	2,020	(4,500)
Consolidated Operating Margin	8.0% or more	2.8%	(5.2P)
ROIC	7.0% or more	2.9%	(4.1P)

Consolidated Net Sales/Consolidated Operating Margin
Millions of yen

Targets of MP-14	Increase from MP-13
100,000	+26,767
9,000	+6,980
9.0%	+6.2P
8.0%	+5.1P

Financial Strategy of “MP-14” and Concurrent Structural Reform

When looking back at MP-13, one point of reflection was that we were unable to make sufficient growth investments for the future as a means of ensure profits during periods of tough business performance like those outline above. Our ROE dropped sharply after the fiscal year ended March 31, 2020, and in turn our PBR also decreased, and the PBR has been around the 1.0 level since the fiscal year ended March 31, 2022. Naturally I am aware that the primary cause of this was a lackluster recovery in business performance, but I also feel that other major causes were related to the path of recovery

to pre-COVID-19 levels and the fact that investors could not envisage any higher level of growth. We will take a proactive approach to growth investments during MP-14.

In parallel with growth investments, a key theme will be improving profitability by drastically reviewing the value chain during MP-14. More concretely, our first steps will be reforming the value chain to reduce manufacturing costs in Japan that go beyond simple cost reductions—shifting to global procurement for raw materials, switching over to substitute raw materials while retaining a high level of quality



and usability, and revising sales prices of existing products to appropriate levels. During MP-14's starting year, the fiscal year ending March 31, 2025, consolidated profits are forecast to drop following greater temporary operating losses in Indonesia due to a rise in the cost of sales ratio with the development of the business environment as well as planned enhancements to advertising and publicity. Cash acquired by improving profitability will be allocated to growth investments to significantly increase profits from the third year and beyond

while also pursuing a foundation for growth in FY2027 and beyond.

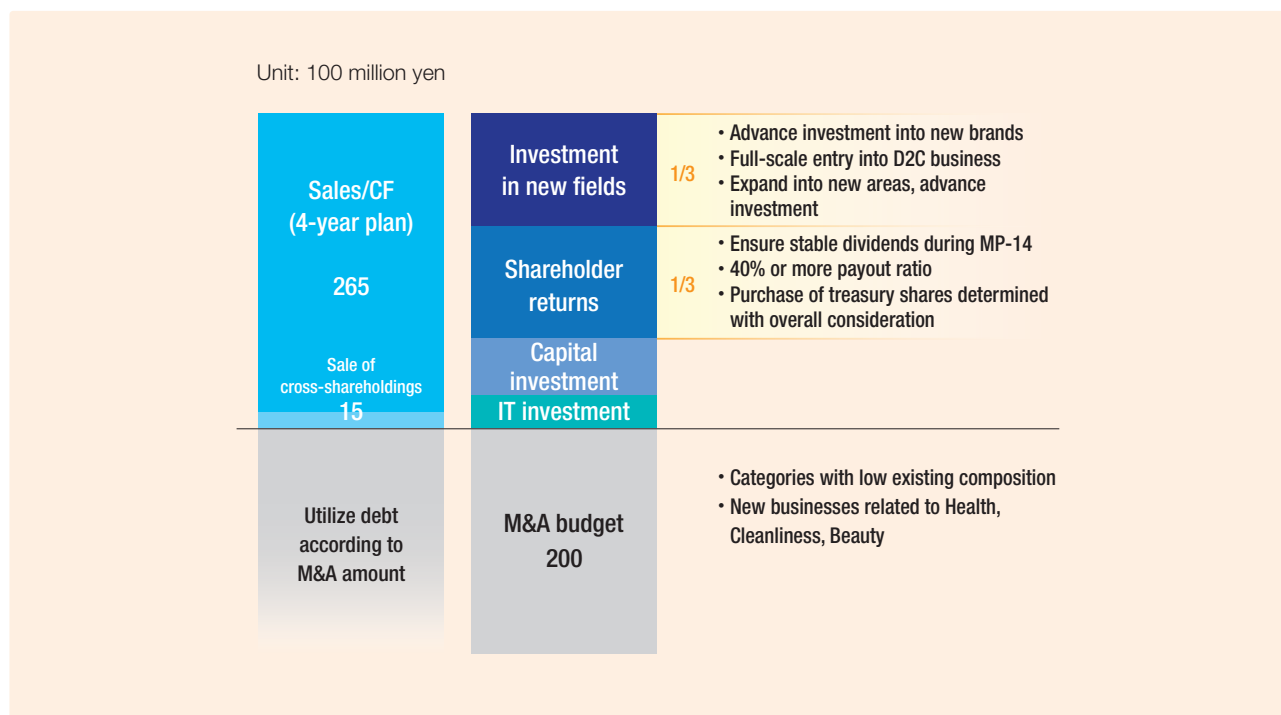
Of course we will be implementing growth investments while ensuring the soundness of our finances. In order to be able to respond to unexpected situations, we have set our amount of cash on hand to three months of monthly sales, and have set certain internal limits for our net debt, debt-to-EBITDA ratio, and DE ratio.

Capital Allocation During MP-14

During MP-14, funds will be allocated to business investments and shareholder returns with the aim of achieving medium- and long-term development. Cash secured during this period is calculated to be cash flows from operating activities as well as 28 billion yen from the sale of cross-shareholdings during the previous fiscal year. One third of this will be allocated to investments in new fields. Another third will be allocated as shareholder returns in the form of dividends. The final third

is planned to be allocated to capital investments and IT/DX investments.

Separately, we will also be actively looking into M&A possibilities. We are also considering the use of borrowings, and have set a scope of up to 20 billion yen. The targets of M&As are expected to include categories of cosmetics that our company has a low composition of sales of, and new businesses related to Health, Cleanliness, Beauty.



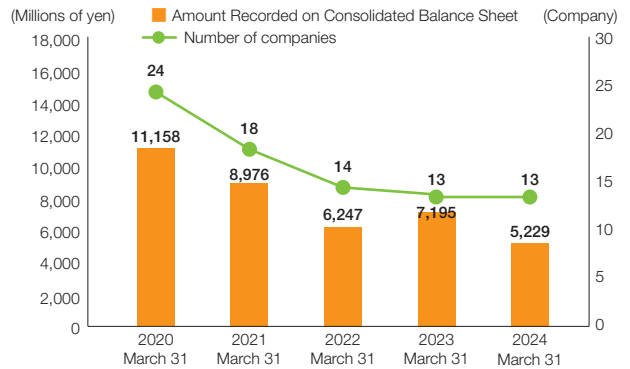
Shareholder Returns Policy

As outlined above, we are planning to allocate one third of acquired cash to shareholder returns as per our Shareholder Returns Policy. The payout ratio will be set to 40% or more. During this four-year period, we will be ensuring stable dividends while focusing on growth investment in new areas that will become the foundation for growth beyond MP-14. We are expecting at payout ratio of almost

200% for the first year, and do not envisage a reduction in dividends. Meanwhile, dividends are planned to be increased significantly based on a 40% payout ratio in the third year in FY2026 and final year in FY2027 when profits are planned to greatly increase. To this end, we request your continued understanding on this matter.

Cross-shareholdings

Our policy regarding cross-shareholdings remains unchanged from the past, and the rationale for our shareholdings by company is examined at the Management Council attended by all members of the Board of Directors' Meeting. 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, and it is 7.2% as of the end of March 2024 (end of the final year of MP-13). Our policy was to reduce this by at least 30% compared to the end of March 2021, and we achieved a 41% reduction.



For the Final Year

The final year brought in the start of MP-14 in which we will celebrate our 100th anniversary. While our 100th anniversary represents an important milestone, we view it as a milestone that will allow us to continue providing Oyakudachi (Dedication to Service) to our consumers and achieve sustainable growth for the next 100 years—in this regard, building a foundation for growth is a topic of the utmost priority with MP-14. In addition to improving profitability, we will allocate funds in a quest for new areas that can go on to serve as a foundation for the future and establish a budget

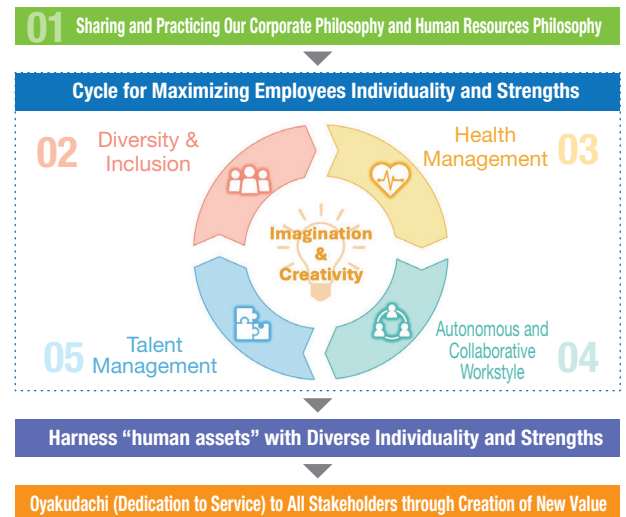
framework for M&A that also includes borrowing. By taking this approach in a steady manner, we hope to quickly recover to a PBR exceeding 1.0, and plan on making changes over the next four years with the view to enhancing our corporate value. Furthermore, we are seeking to promote understanding of the Company through both internal and external dialogue, and to address concerns raised by external parties by sharing them internally. To this end, we seek the continued support of our shareholders, institutional investors, and other stakeholders.

MP-14 Human Resources Strategy

Mandom Group's Human Capital Management

The Mandom Group pursues "Human Assets" as one of the Mandom Principles that form our code of conduct, and has formulated our human resources philosophy of "Happy individuals make a happy company" based on this principle. The company invests actively into the growth of employees and harnesses the diverse personalities and strengths of each and every employee in full based on this human resources philosophy, with the aim of "realizing mutual growth of employees and the company" by also achieving growth for the company and providing society with Oyakudachi (Dedication to Service). The series of initiatives in place as part of management to achieve this are positioned as "Human Capital Management," with a priority on five key areas based on "(1) Sharing and Practicing Our Corporate Philosophy and Human Resources Philosophy," "(2) Diversity and Inclusion," "(3) Health Management," "(4) Autonomous and Collaborative Workstyle," and "(5) Talent Management," with the aim of maximizing the individuality and strengths of all employees of the Mandom Group.

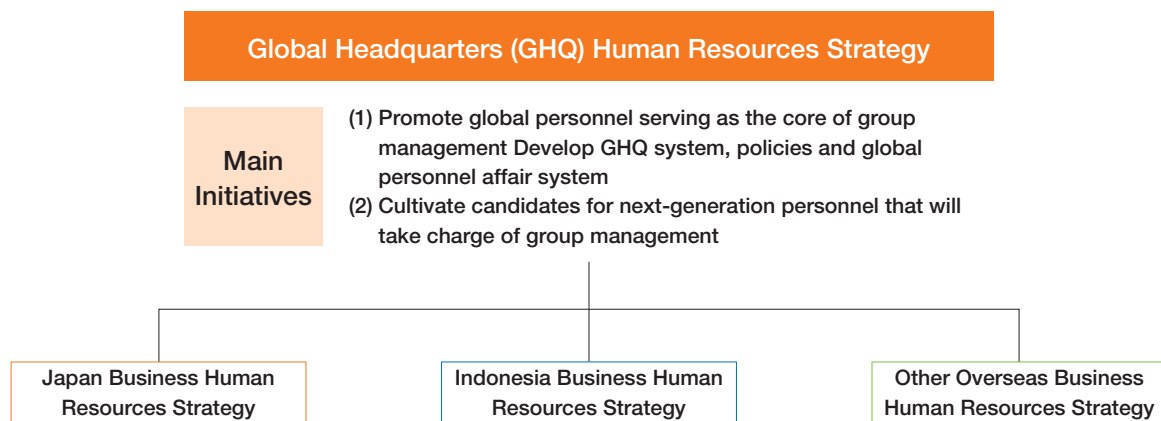
Five Perspectives of Human Capital Management Initiatives - Schematic



MP-14 Group Human Resources Strategy

To promote full-scale group management from MP-14 and on, we will also be changing our perspective from the traditional Japan-centered approach for human resource functions, and invest in human capital from a group perspective, with the aim of maximizing the human capital performance of each and every group employee to improve organizational capabilities and maximize corporate value.

In line with this, the first step for the Mandom Group will be placing our human resources strategy of the Global Headquarters (GHQ) that unites our group at the highest level, then formulating a human resources strategy for each segment based on this GHQ policy, and promoting initiatives in line with these strategies.



■ MHRX (Mandom HR Transformation) Initiatives

In Japan, we began introducing a HR system (MHRX, Mandom HR Transformation) from MP-13 starting with jobs and autonomy in order 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 introduced the job-type personnel affair system as part of these efforts. Over roughly one year since its introduction,

the following results and issues related to MHRX have gradually become apparent in Japan. Given these current conditions, we will continue to promote reforms in Japan and disseminate these initiatives to overseas groups during MP-14, with the aim of creating an organization and a pool of human resources that are capable of change and taking on new challenges across the Group.

■ Results of MHRX

Increasing opportunities to play a role by assigning the right person for the right job

We have started successfully appointing the right person for the right job and achieving faster promotions of skilled human resources, regardless of their age or years of experience. An example that illustrates this is a comparison before and after

the first year of MHRX, with a lower average age of employees in newly appointed management roles. Furthermore, as a result of our efforts to quickly select skilled human resources regardless of their age or years of experience, the average age of those promoted to lead staff (the highest level of staff) in FY2023 was lower by around five years.

Promoting organizational flattening and transferring authority

Together with the introduction of the new personnel affair system, we clarified the roles of each managerial and professional position in Japan, and revised the organizational structure accordingly. This resulted in the number of management positions being reduced from 142 to 121 in

FY2023, thereby achieving a flattening of the organization. We are also fostering a swift decision-making process by reviewing our internal decision-making authority, and developing an environment in which employees are able to take on challenges in an autonomous and proactive manner by delegating authority to subordinate organizations.

Raising employees awareness of career autonomy

In Japan, new “optional training programs” were launched to create an environment in which employees are able to select what they need to learn for themselves. The six programs we run during its initial year in FY2023 reached capacity,

and served to boost the awareness of career autonomy amongst employees. An “internal recruitment” system was also introduced, with five employees developing their careers autonomously with the system in FY2023.

■ Current issues with MHRX

Slow rate of understanding and dissemination of MHRX

The results of the 2023 Mandom survey in Japan revealed room for improvement with “performance management,” and also highlighted uncertainties about employee treatment such as compensation and benefits. We took these results onboard and deemed it was necessary to ensure the correct understanding and dissemination toward employees

regarding MHRX and the job-type personnel affair system, in order to eliminate any anxieties they may harbor. In light of this, during FY2024 we will provide training and opportunities to hold dialogue as a way of promoting understanding of “managers” who are the key persons spearheading change from within the departments they are in charge of, in order to promote future understanding throughout the company.

Materiality 1 Creating an Easy-to-start Grooming Culture

Commitment

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.

Medium to long-term targets

Themes of Initiatives	Evaluation Metrics	Medium to long-term targets		FY2023 Progress	Example of Initiatives
		Numerical Targets	Target Year		
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	6 inquiries	P.47
	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	16 proposals in total	P.49
Developing human resources to create a new grooming culture	Rate of practice of the MANDOM PRINCIPLES	80% or more	2027	68%	—

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.”

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. Like some of the examples shown on the page on the right, 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 their typical stereotypes and current norms will lead to the realization of our corporate slogan of “BE ANYTHING, BE EVERYTHING.”

Fragrance-free men's cosmetics
Launched "LÚCIDO" 1989



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

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



Casually refresh both your face and body even when away from home with sheet cosmetics. Launched "GATSBY Facial Wipes"



1996

Lowering taboo lines to make cosmetic actions more freely enjoyable

– Creating new markets with new value proposition –

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



Hair coloring "for men" for them to freely enjoy coloring their hair too. Launched "GATSBY Hair Color Series"

2001



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

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

Launched "Bifesta Cleansing Water".

2011



I need to go to a hair salon for professional care for highly effective treatment for damaged hair.

Acid care* based on salon technology easily achieved at home

Launched "LÚCIDO-L Texture Reshaping Series"



2022



* Containing levulinic acid ingredients for treatment harnessing the heat of hair straighteners and dryers

Materiality 1 Creating an Easy-to-start Grooming Culture

Strengths of Mandom 2

Men's Cosmetics

Achievements and knowledge in the men's cosmetics field

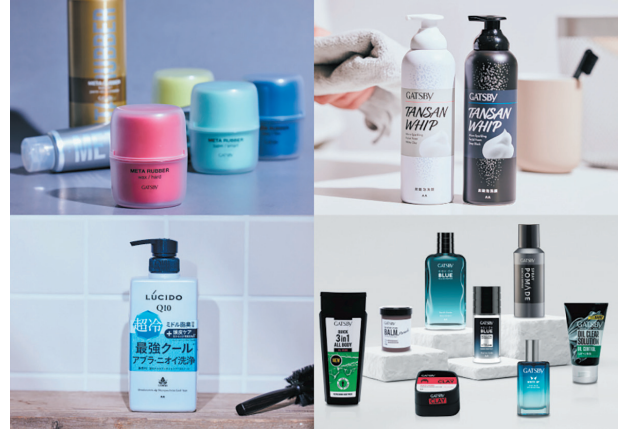
Overwhelming presence in men's cosmetics since Tancho and MANDOM

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

all management resources to continue tracking changes in every management resource, men's tastes and values. We possess the advantage of having continuously conducted proprietary research on men's hair and skin.



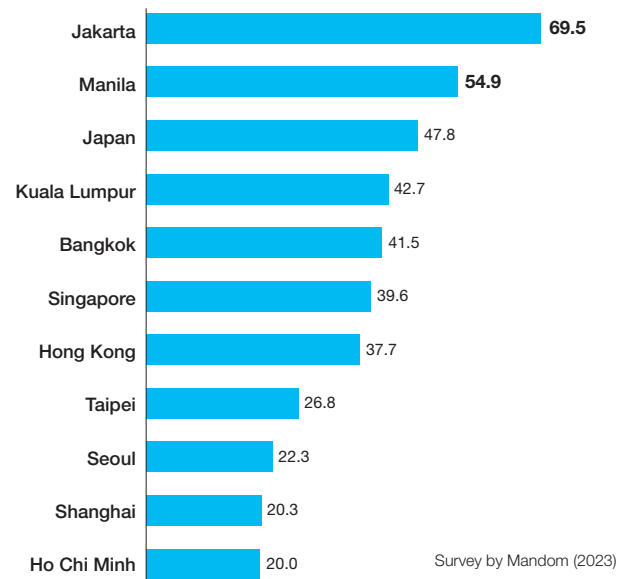
GATSBY, our men's grooming brand enjoying tremendous popularity in Asia

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.

GATSBY brand awareness in major Asian cities (%)



GATSBY
GATSBY Japan for men Cosmetics
Brand share^{*1}

No.1

GATSBY
GATSBY Indonesia Hair styling
products Brand share^{*2}

No.1

“GATSBY” is adored both in Japan and overseas

GATSBY
GATSBY Japan for men Hair styling
products Brand share^{*1}

40% or higher

GATSBY
Total quantities of GATSBY-brand products
shipped by the Mandom Group in FY2023

270 million units

^{*1} Period: April 2023–March 2024; all business categories, monetary value (market data by Mandom calculations)

^{*2} Period: January 2023–December 2023; monetary value of brand sales (RMS Nielsen)

Example of Initiatives 1

■ Launch of “ium” Men’s beauty appliances ~ New entry into the beauty appliances category ~

As values and lifestyles throughout society continue to undergo change, there is an increase in men seeking to purchase beauty accessories in line with the growing awareness and diversity of men’s beauty. In response, Mandom set its sights beyond cosmetics, and harnessed its unique know-how based on “knowledge related to men’s hair” and “understanding of hair-styling trends over many years” to enter the new category of beauty appliances. We established the “ium” brand of beauty appliances designed exclusively for men’s styling, and launched the series in March 2024 starting with Don Quijote stores in Japan (excluding some stores) and Rakuten.

“ium” was developed to allow users to quickly create the hair styles that are in fashion, with a lineup comprising a “hair dryer” providing full control of air flow and temperature for drying hair as well as forming base styling; a “hair straightener” for achieving any type of look with finger-tip ease, from natural styling to flowing permed looks; and a “multi-trimmer” for styling all body hair with a single unit, from keeping undercuts trimmed to shaving unwanted hair. The ium brand gives those taking their first foray into beauty appliances an easy way to achieve the styling they want to express their own “individuality.”



Materiality 1 Creating an Easy-to-start Grooming Culture

Strengths of Mandom 3

“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.

Research Example 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.

Research Example

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.

Deodorant/Antiperspirant

Body odor influences one’s impression and plays an important role in achieving smooth communication. Understanding body odor and taking appropriate care is directly linked to a clean and comfortable life. Mandom is engaged in research and development to propose products best suited to various body odors, such as with the discovery of new body odors like the “middle-aged body odor” which had not been identified before and the development of technology to limit the function of substances which are the source of body odor, including sweat.

Research Example

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.

Example of Initiatives **2**

Deodorant Technology Wins Award in Barcelona

Joint research conducted by Mandom Corporation and Osaka University clarified the molecular mechanism by which human eccrine sweat glands contract during sweating, and discovered a substance that suppresses this mechanism. Furthermore, it was revealed that this substance suppresses not only the sweating that occurs in response to rising body temperature but also the sweating that occurs when a person is nervous. Details of this research were presented at the “33rd International Federation of Societies of Cosmetic Chemists (IFSCC) Congress 2023 Barcelona” held in Barcelona, Spain, from September 4 to 7, 2023, which won an award for best poster presentation.

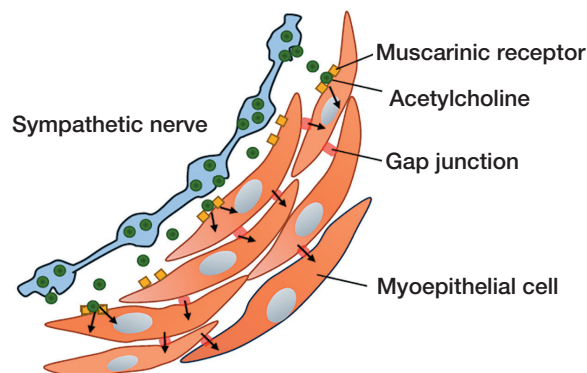
With the increase in average temperatures around the world in recent years, excessive sweating not only deteriorates the quality of life of those suffering from hyperhidrosis caused by dysfunctional sweat regulation, but can also lead to discomfort of others without the disorder. By applying the results of this research, we hope our dedication to service (Oyakudachi) realizes an antiperspirant with a novel function that fundamentally suppresses sweat so that it may help consumers who suffer from untimely sweating in various daily life situations.



[Key research findings]

- ◆ The mechanism by which sweat glands contract during sweating has been elucidated
- ◆ Connexins^{*1} that form gap junctions^{*2} are abundant in myoepithelial cells, which are responsible for sweat gland contractions, and these gap junctions are significantly involved in sweat gland contractions during sweating
- ◆ A gap junction blocker and its analogue monoammonium glycyrrhizate (GMA)^{*3} inhibit thermogenic (heat-induced) and psychogenic (mental stress-induced) sweating in humans.

^{*1} Connexins: A family of proteins that form gap junctions
^{*2} Gap junctions: Intercellular connections between neighboring cells that allow ions with low water solubility and electrical signals to pass between cells
^{*3} Monoammonium glycyrrhizate (GMA): A compound extracted from the herbal medicine licorice root



Reference: Sweat gland tissue responsible for sweat secretion

Materiality 2 Expanding Dedication to Service to a Diversity of Consumers

Commitment

We will respond appropriately to changing senses of diverse 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.

Medium to long-term Targets

Themes of Initiatives	Evaluation Metrics	Medium to long-term targets		FY2023 Progress	Example of Initiatives
		Numerical Targets	Target Year		
Expanding our Dedication to Service	Number of challenges addressed to expand our distribution network	13 challenges or more per year	Each year	102 inquiries	P.52 P.53

We will pursue “depth” in the form of brands, communications and categories as a means of dedicating ourselves to serving as many consumers as possible, combined with “breadth” of distribution, channels and areas for ensuring the satisfaction of as many consumers as possible, 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 4

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, Malaysia, China, South Korea, and other countries 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



Products on sale at a store overseas

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

The 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 CASBEE*1 evaluation standard, and are also implementing IoT, AI, and robotization. Mandom is also working to enhance logistics by increasing the pallet loading ratio with improvements to the size and number of product cases, and pursuing a modal shift from trucks to rail and ship as a means of achieving greater efficiency and reducing environmental impact.

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.

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

Three manufacturing bases which support the Group



Fukusaki Factory (Japan)
Production volume: 110 million units



Factory 1 (Indonesia)
Production volume: 258 million units



Zhongshan Factory (China)
Production volume: 13 million units

Note: Production volume based on FY2023 performance

Product supply system which fits various GDP levels and local requirements

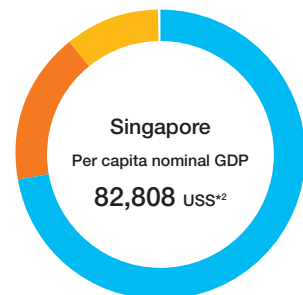
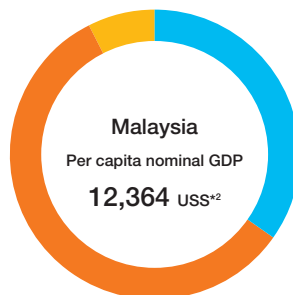
Group companies in each country sell products with their own unique product mix; importing products from Japan, Indonesia, and some from China, tailored to the GDP levels of the countries, consumers’ income levels, and lifestyles.

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 2022 values from the JETRO website

Materiality 2 Expanding Dedication to Service to a Diversity of Consumers

Example of Initiatives 1

Strengths of D2C

We are establishing and strengthening D2C brands with the view of expanding dedication to service to a diversity of consumers. The first of these new D2C brands was the men's organic cosmetic brand "aono" launched in January 2024, and the women's skin care brand "HOLIDEA" crafted around the concept of spa beauty that was launched in February the same year.

Being directly connected to customers, D2C is able to acquire feedback from customers in a timely manner, making

improvements to products and services as well as the creation of new value possible. Going forward, we will be developing a completely new style of D2C business model such as products, prices, distribution, and communications, and will be releasing new brands.

WEB : Our EC site (Japanese Only)
: [Official] Mandom online shop
: mandom online shop

Men's Organic Cosmetics Brand "aono"

A new men's organic cosmetics brand "aono" for men's skin and soul was proposed with a core focus on men in their 30s who have started to notice both mental and physical changes, with the series launched on our EC site from January 2024.

Men around their 30s face emotional stresses stemming from changes in their life stages and career advancement, as well as age-related skin concerns.

aono is a men's organic skincare brand that is a fusion of Mandom's skincare technologies cultivated through years of research, to respond to "changes in their body and mind." It is a unique formulation that supports both the skin and mind of men by leveraging Mandom's thorough understanding of male skin and aging skin as well as its high penetration technology.

WEB : "aono" site (Japanese Only)
: Men's Organic Cosmetics Brand aono
: Mandom online shop [Official]



"HOLIDEA" crafted from proprietary spa science

The new "HOLIDEA" brand was released in February 2024 on our EC site for contemporary women with stressful day-to-day lives by focusing on the beauty cycle of their skin and soul, crafted from our unique research into skin science and sensitivity.

HOLIDEA focused on an indulgent ritual care series developed with our proprietary spa science to soothe both the skin and mind. The key behind this approach was a steaming formula achieved with dermatological research, and sensory research that unlocks feelings of comfort and relaxation.

HOLIDEA is a spa beauty product (melding skincare and spa) developed with Mandom's unique formulation that delivers moments of bliss for contemporary women.

WEB : "HOLIDEA" site (Japanese Only)
: HOLIDEA
: Mandom online shop [Official]

Example of Initiatives 2

Evolution and History of “Tancho Tique” ~ Traditional Product with 91-year History Crafting New Markets ~

Mandom launched Japan’s first plant-based tique “Tancho Tique” in 1933, which swept over the market with its quality and lavender scent. By the following year it had become an extraordinary hit, claiming a 90% share of the market. The success of Tancho Tique spread far beyond Japan, and led to the operation of a technical tie-up with Tancho Corporation in The Philippines in 1958, marking the start of local production of Tancho Tique. This factory went on to become the first overseas expansion in the cosmetics industry after the war, and represented a significant step forward for both Mandom and the industry as a whole. Fast-forward to 2022, and social media was ablaze with American celebrities embracing Tancho Tique to create slicked-back hairstyles dubbed the “Slick Back Bun.”



An essential for daily life (excerpt from “Bungeishunju,” 1941)



Slicked-back hairstyle that is in fashion with celebrities overseas

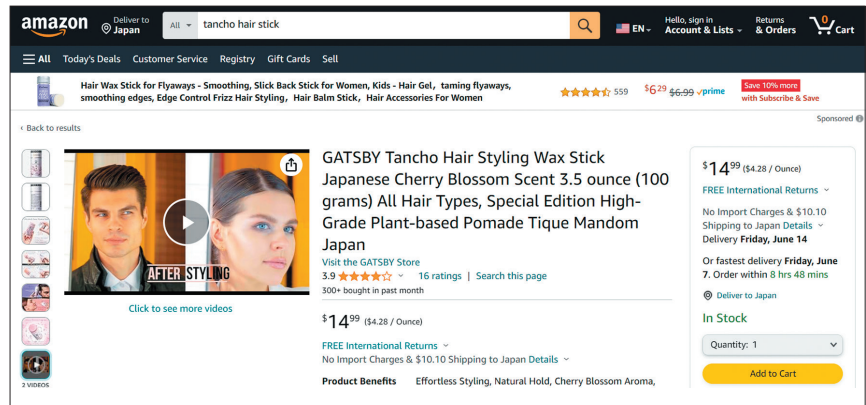
Mandom struggled to export existing products to America due to issues with raw ingredients, but there was potential for prolonged sales given the anticipated levels of demand. Yet we wanted to deliver products brimming with appeal to customers who showed signs of interest in our products, so we launched “Tancho Tique Cherry Blossom Scent” in America in November 2023.

The fragrance is based on the simple and elegant “Cherry Blossom Scent”. With a high ratio of female users in America, we added cherry blossom styling to the traditional crane design and “TANCHO” characters, with the content also made with a cherry blossom color for an adorable look. Other design aspects were also featured, including sizes specified in ounces.

We continue to aim provide new Oyakudachi (Dedication to Service) with Tancho Tique, 91 years after release.



Tancho Tique Cherry Blossom Scent



“Tancho Tique” on sale on overseas EC sites

Materiality 3 Realizing Mutual Growth of Employees and the Company

Commitment

By investing in the growth of our employees, we maximize the performance of our “human assets” with their diverse individuality and strengths, thereby expanding the scope of our Dedication to Service (Oyakudachi) to all stakeholders.

Medium to long-term Targets

Themes of Initiatives	Evaluation Metrics	Medium to long-term targets		FY2023 Progress	Example of Initiatives
		Numerical Targets	Target Year		
Creating a culture that encourages employees to take on new challenges	Ratio of “active engagement employees” in a philosophy survey	38% or more	2027	15%	P.54
	Employee engagement	81% or higher per year	Each year	70%	P.55
Active engagement by diverse human resources	Ratio of women in managerial posts	20% or more (MCJ)	2027	12.8%	P.56

By investing in the growth of our employees, we maximize the performance of our “human assets” with their diverse individuality and strengths, thereby expanding the scope of our Dedication to Service (Oyakudachi) to all stakeholders. Based on this HR philosophy, Mandom actively invests in the growth of its employees and aims to “realize mutual growth of employees and the company” by having all employees capitalize on their diverse individuality and strengths to

perform to the best of their ability (individuals’ happiness), which in turn allows the company to grow and enhance their Dedication to Service (Oyakudachi) to society (Company’s happiness) For this reason, the Mandom Group is promoting a variety of human asset initiatives based on this perspective of “mutual growth.”

Strengths of Mandom 6

Highly-Engaged Employees

Initiatives for creating a culture that encourages employees to take on new challenges

In addition to “Human Assets,” our code of conduct also includes “Challenge / Change / Innovation” and “Cohort of Employees,” and the Mandom Group focuses on “Employees who think independently, and act autonomously and proactively” so that group employees are able to contribute to society with Oyakudachi (Dedication to Service). Accordingly, the Mandom Group believes that a comprehensive understanding of the Group’s core philosophy and conduct based on this philosophy contributes to “greater job satisfaction and employee engagement” of each and every employee.

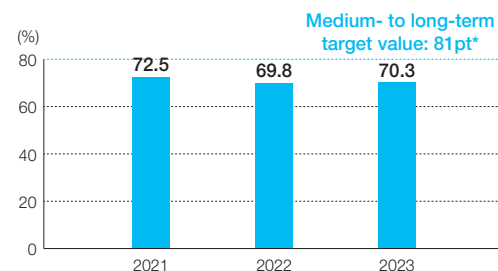
Based on this idea, we conduct the Mandom survey every year as part of efforts toward “Sharing and practicing our corporate philosophy and human resources philosophy” of our human capital management, and respond to the various issues that are evident in the results with the aim of fostering a greater understanding of and promoting empathy with the corporate philosophy amongst employees, and also boosting engagement further.

FY2023 Mandom survey results and Group response

(1) Sustainable engagement

The resulting score for “sustainable engagement” throughout the entire Mandom Group remained unchanged from the previous year. Given the immense changes occur throughout the social environment, we believe that the concerns that employees have about the recovery in performance still lacking is the reason why the employee engagement score remains flat and has failed to show any increase. We will be putting forward a range of initiatives and policies to alleviate any of these concerns.

Sustainable engagement score



* Set based on global manufacturing industry standard value

● Points that showed improvement compared to FY 2023

Innovation

We took the results of the FY2022 survey on board and run a new department head training from FY2023. The level of satisfaction amongst participants of the FY2023 department head training was extremely high, and we believe the purpose of the training, “facilitating behavioral changes amongst department heads toward change and challenges,” was achieved. Given that this score has also increased at the manager level, the results show that the change in the mindset and conduct of department heads through this training has had a positive impact on the manager level. We also began the job-type personnel affair system from FY2023, and the appointment of management personnel based on assigning the right skill set to the right place regardless of age or years of experience contributed to an increase in this score.

● Points of superiority in benchmark comparisons

Goals/targets

Following on from the survey results of the previous fiscal year, we believe there is a high level of understanding regarding the strategy of the department the employees belong to and the significance of their own work, with the Oyakudachi (Dedication to Service) spirit instilled in employees on a daily basis.

We will continue to build on management education for department heads and managers in order to better synchronize their own management strategies with the strategies of their own organizations, thereby providing Oyakudachi (Dedication to Service) to society through the creation of new value.

(2) Initiatives to improve engagement

Structural reform to improve profitability

The management issue that we should be focusing on in the current Japan Business is “Profitability Improvement,” where we need to review our business model in a fundamental manner and implement structural reforms to improve profitability, in order to accurately respond to changes in the external environment and continue providing Oyakudachi (Dedication to Service). In light of this, we launched this structural reform project in February 2024 to promote initiatives from various perspectives toward improving profitability.

This project also places the “development of human assets” at the center of this reform. This is to ensure that the various skills and know-how are molded into organizational knowledge through human resources development, and that profitability improvement remains a continuous effort rather than a one-off event. In addition to the basic skills needed to raise the base level of the organization, we will focus on the

▲ Points that did show improvement compared to FY 2023

Performance management

With the introduction of the job-type personnel affair system in FY2023, we also reviewed compensation and benefits from a zero-base, taking into account the initial objectives of each system. This will reform the system from one that is highly dependent on individual factors to one that ensures fair and equitable treatment based on the job (role).

We will continue to enhance dissemination of information for fostering an understanding of the new personnel affair system, and continue to question the ideal state of the compensation and benefits system in line with changes in society and values, such that fair and equitable treatment can be achieved.

▲ Points of inferiority in benchmark comparisons

Leadership

We believe that the concerns that employees have expressed stem from an environment where business performance has not fully recovered in the wake of COVID-19, in addition to the decline in real wages as a result of rising prices.

Naturally we need to maintain careful communication with employees, but we also believe that it is important for management to clearly communicate to employees the way toward recovery of the company’s performance, with the entire company working together under strong leadership to bring about reform.

development of human resources who are able to hone their specialized skills, and who have the ability to continuously change and take on challenges.



Materiality 3 Realizing Mutual Growth of Employees and the Company

Strengthen and expand management training

The department head training that we started in FY2023 was designed to serve as a bridge between management and employees in the organization, and catered to department heads who are the key people for leading organizational reform and taking on challenges. The training helped them further understand the mindset based on role expectations and management strategies, and to promote and strengthen communication and collaboration vertically (their immediate superiors), horizontally (among division heads) and diagonally (managers in other departments). Positive comments from participants of the year-long training include, “There was a forum to discuss management’s thinking and the direction of future initiatives, which was used to create future strategies,” and “We were able to boost cooperation among department heads, making it easier than ever before to conduct our business operations.”

Through this training, we believe that we were able to gain a better understanding of the expected roles of department heads, cultivate a mindset to lead reform, and strengthen

communication among department heads, thereby creating a sturdier foundation for leading reforms and taking on challenges in the future. In addition to department head training, we began manager training new in FY2024. In this way, we will be creating an organizational structure where in addition to department heads, all management levels will be able to take the lead for organizational reform and taking on challenge to bring about new results.



Initiatives for active engagement by diverse human resources

The Mandom Group places particularly high importance on initiatives related to “Diversity and Inclusion” as part of Human Capital Management. This is because we view the role of “Human assets with diverse individuality and strengths” as essential for sparking innovation for the Oyakudachi (Dedication

to Service) that the Mandom Group aspires to provide. To this end, the Mandom Group will seek human resources with diversity in the four areas of “Cultural background,” “Career history,” “Gender,” and “Age” from the stance of sparking innovation.

Expanding opportunities for overseas group human resources

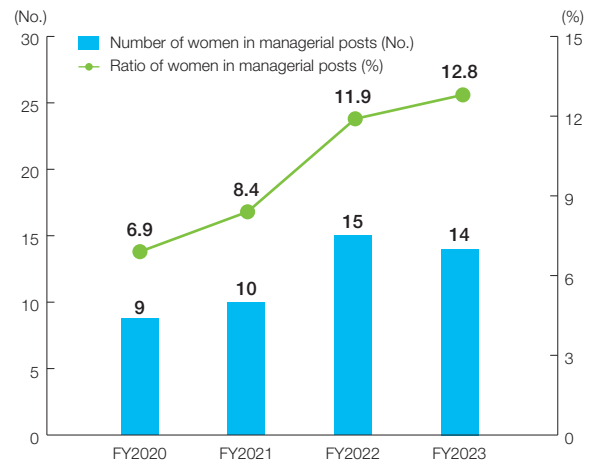
To build on its Oyakudachi (Dedication to Service) on a global scale, the Mandom Group deems it essential to leverage management personnel who are able to accurately understand the social backgrounds of different countries, and respond to them in a flexible manner while leading the business of each company. The Mandom Group will therefore promote efforts toward “diversification of management human resources of each Group company” from the perspective of “cultural background.”

Examples of this include formulating inter-group rules on international transfers for employees in each country the group operates in to work beyond national boundaries, and formulating and implementing systematic succession plans for key positions in each country so that local employees overseas can play an even more active role in the company, creating an environment where those employees can make the most of such opportunities.

Promotion of women’s activities

Mandom is also focusing on promoting the advancement of women, with the aim of making the workplace more comfortable and rewarding for female employees. We are focusing on career development for female employees in particular from the perspective of job satisfaction. By raising career awareness and promoting networking among female employees through participation in career design forums and other sessions, we are promoting the creation of an environment in which each employee can more readily leverage their individuality and strengths. We are also actively promoting women to management positions, based on the viewpoint of diversifying human resources at the decision-making level. We will continue such efforts in a systematic manner to achieve a ratio of more than 20% females in managerial positions in FY2027.

Change of ratio of women in managerial posts



Materiality 4 Actions for Sustainable Global Environment

Commitment

Switching over to a recycling-based society in our view, we will take measures to reduce our environmental burden at all stages of the lifecycle of products, including less dependence on plastics. Regarding reduction of greenhouse gas emissions, we hope to realize virtually zero greenhouse gas emissions by 2050.

Medium to long-term Targets

Themes of Initiatives	Evaluation Metrics	Medium to long-term targets		FY2023 Progress	Example of Initiatives
		Numerical Targets	Target Year		
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	22.0% reduction	P.57
	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 companies under calculation	P.57
	Fossil resource-based virgin plastics emissions reduction ratio	25% or more	2027	4.0%	P.60
Eco-friendliness in products	Mandom Group standards-based eco-friendly products ratio	Eco-friendly products account for 90% of the Mandom products sold in Japan (meets internal standards)	2027	61.3%	P.60
Waste reduction	Reduction rate of the use, weight, and dimensions of product and promotional item containers and packaging (compared to FY2022)	65% or more	2027	20.4%	P.60

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.

Example of Initiatives 1

Disclosure based on TCFD^{*1} recommendations

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.



*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 targets^{*2} that we discuss at meetings of the Sustainability Committee^{*3} 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.

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 °C^{*4}, 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.

*2 Check P.26 for Medium- and Long-Term Targets and Progress on Material Issues (Materiality) in Sustainability

*3 Check P.27 “Sustainability Promotion System.”

External Site

*4 Examples of various scenarios used as a reference

- WEB : AR6 Synthesis Report: Climate Change 2023
- : IPCC > World Energy
- : World Energy Outlook (WEO) 2022: International Energy Agency (IEA)

Materiality 4 Actions for Sustainable Global Environment

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}

CO₂ emissions in business activities

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

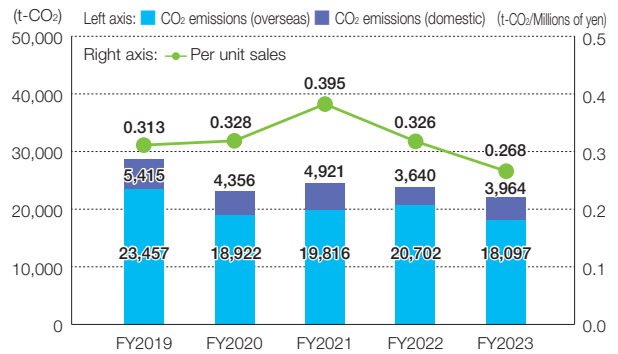
In FY2023, CO₂ emissions from Scope 1 + 2 in Japan and overseas totaled 22,061 tons, a 22.0% reduction compared to FY2013.

In FY2023, consumption of gasoline decreased in the Japan Business due to the outsourcing of the field staff system. Solar panels were also brought online at Factories 1 and 2 in Indonesia, resulting in a 9.4% decrease compared to the previous year.

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.

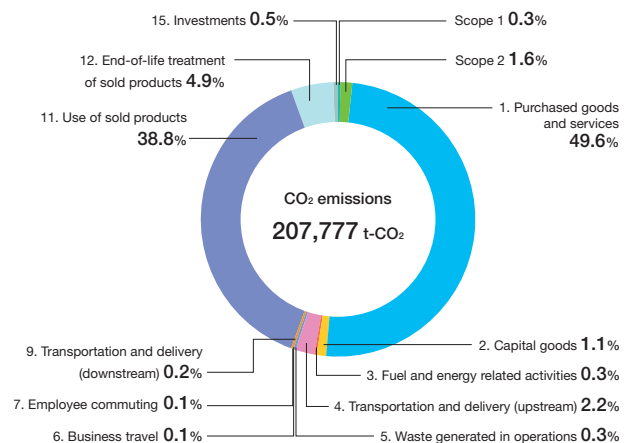
^{*5} Trends over five years in environmental data for the Mandom Group – Supply chain emissions in Japan



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.



Appraisal Target: Japan
Appraisal Target Period: April 2023 - March 2024

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

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 or increase of carbon tax • Increase in renewable energy cost for electricity 	Reduction of CO ₂ emissions by 43% in Scope 1 & 2		Reduction of CO ₂ emissions by 46% in Scope 1 & 2	Net zero CO ₂ emissions * Including Scope 3
	Opportunities	<ul style="list-style-type: none"> • Cost resulting from the transition of packaging materials and plastic products to "sustainable products" • Decrease in revenue and increase in business cost resulting from changes in the market 	Promotion of eco-friendly products (Rate of eco-friendly products sold in Japan: 90% by 2027 → 100% by 2050)			
4 °C scenario	Physical risks	<ul style="list-style-type: none"> • Disruption of supply chains due to damage to suppliers • Risk of suspension of business activities due to water shortages resulting from heat waves or droughts 	Creation of supply chain from perspective of BCP (Business Continuity Planning)			

Status of Initiatives

In FY2023, consumption of gasoline decreased in the Japan Business due to the outsourcing of the field staff system, leading to a reduction in CO₂ emissions in Scope1 (a decrease of 515t-CO₂ year on year). Solar panels were also brought online at Factories 1 and 2 in Indonesia, resulting in a reduction in CO₂ emissions in Scope 2 compared to the previous year (a decrease of 1,766 t-CO₂ year on year). This resulted in a total reduction in volume of 2,281t-CO₂ in Scope 1 and 2.

For initiatives geared towards eco-friendliness with products, we are currently enhancing our eco-friendly product offerings, which constitute 61.3% of the Mandom products marketed in Japan as of March 31, 2024 (53.5% as of March 31, 2023). 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" (examples of such products: "GATSBY Space Shower Wipes for Scalp/for Body" and "Mandom Happy Deo Body Sheets Fresh & Smooth/Extra Cool").

Using Renewable Energy Solar panels installed at Fukusaki Factory and two factories in Indonesia



Solar panels on the roof of the new factory production building at Fukusaki Factory



Solar panels on the roof of Factory 1 (Indonesia)



Solar panels on the roof of Factory 2 (Indonesia)

Products utilizing "Kai- tech technology"

GATSBY Space Shower Wipes for Scalp/for Body



Mandom Happy Deo Body Sheets Fresh & Smooth/Extra



Kai- tech technology

Mandom has focused on sensory stimulation of the skin as a way of improving the function and feel of cosmetics, and to this end is engaged in research harnessing skin sensation sensor TRP channels (Transient Receptor Potential channels). "Kai-tech Technology" is Mandom's proprietary technology that harnesses this knowledge to thoroughly pursue greater comfortable upon use. "GATSBY Space Shower Wipes for Scalp/for Body" features technology that is able to provide a cool, comfortable sensation even in environments where alcohol cannot be used, based on the cool, pleasant sensation provided by the existing "Kai-tech technology" developed for use in space.



Materiality 4 Actions for Sustainable Global Environment

Example of Initiatives 2

Eco-friendliness in products

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 that uses raw and other materials that have satisfied other international environmental certification systems or criteria
Product use	Climate change/Carbon neutrality/CO ₂ emissions reduction	Product that uses 25%+ plant-derived biomass content for its container and packaging materials
		Product that uses 10%+ plant-derived biomass content for its laminate packaging
		Product that uses 25%+ recycled materials for its container and packaging materials
Disposal	Waste reduction	Product that uses 50%+ recycled materials for its laminate packaging
		Product that uses 20%+ less in power for dryer and gas for hot water supply when product is used, compared against benchmark
Other	Water use reduction	Product that uses 20%+ less water when product is used, compared against benchmark
		Recycling Circular economy
Product that eliminates use of individually packaged units or reduces weight by 10%+ of such packaging, compared against benchmark		
Refill product that reduces container weight by 50%+, compared to standard container weight		
Other	Plastic waste reduction	Product that has switched from petroleum-based plastic to alternative materials (e.g. paper, glass)
		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.

Example of “Reduce”

When renewing the Mandom Happy Deo facial sheets, we reduced the amount of plastic by reducing the external packaging by 10% or more.



Example of “Reuse”

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



Example of “Recycle”

We used recycled material for the blister packaging of “GATSBY Premium Type Deodorant Roll On Series” and “LUCIDO-L Hair Styling Stick.”



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.



WEB : Check the Mandom homepage for other examples.
: Sustainability>Environment (E) >Environmentally Friendly Products and
: Promotional Items

Example of Initiatives 3

Initiatives for reducing returned waste

We are working to reduce product returns as part of our waste reduction efforts. Initiatives we have developed with retailers have led to a reduction in inventory by stopping orders at appropriate timing and utilizing markdowns. We also work with our distributors to manage inventory and prevent

overstocking, by acquiring inventory data on a regular basis. Going forward, we will continue working with retailers and distributors to fine-tune demand forecasting and implement appropriate inventory management as a means of preventing excess inventory.

Materiality 5 Sustainable Procurement of Raw Materials

Commitment

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.

Medium to long-term Targets

Themes of Initiatives	Evaluation Metrics	Medium to long-term targets		FY2023 Results	Example of Initiatives
		Numerical Targets	Target Year		
Palm oil	Ratio of RSPO ¹ -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	50.2%	P.61
Paper containers and packaging materials	Usage rate of FSC ² -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	93.8%	P.62

¹ RSPO: Roundtable on Sustainable Palm Oil
² FSC: Forest Stewardship Council® (FSC®N003667)

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.

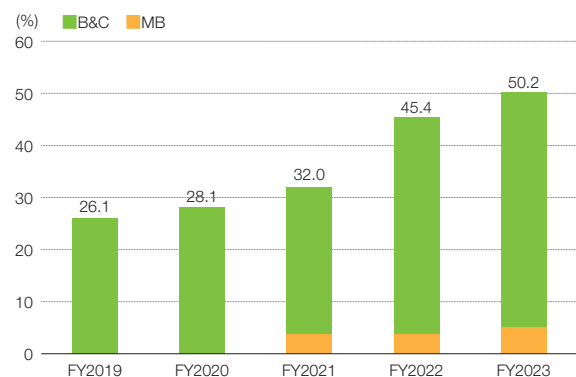
Example of Initiatives 1

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 FY2023, in addition to procuring RSPO-certified palm oil using a mass balance method for some raw materials 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 ten 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 RSPO-certified palm oil used by Mandom in Japan (ratio by type)



* Revised calculation method from FY2021

Materiality 5 Sustainable Procurement of Raw Materials

Example of Initiatives 2

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 60. We are 93.8% of the way there as of March 31, 2024. 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)

Examples of product using FSC®-certified paper



Used in mount part



Used in paper packaging materials

- WEB : External Site (Japanese Only)
- : FSC FSC Japan Official Website
- : WWF Japan Official Website About RSPO

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.

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.

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.

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.

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.

7. Information Disclosure

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

■ 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.

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.

- | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>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.</p> <p>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.</p> <p>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.</p> | <p>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.</p> <p>5. We will fully understand and comply with Japanese and foreign laws and rules in order to engage in honest and fair purchasing activities.</p> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

■ 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. We are also planning to request upstream companies and partner companies in the supply chain to share these guidelines, with the hope that this will lead to future discussions on CSR procurement aimed at mitigating risks and taking into consideration the impact on society and the environment. We also want to gradually work toward further transparency throughout the supply chain, while requesting the understanding and cooperation of our suppliers.

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

- Number of companies monitored in FY2023: 282

* Our next monitoring survey is scheduled to be conducted in FY2025.

 : Sustainability Information
: Sustainability > Society (S) > Connecting with Suppliers

Materiality 6 Maintaining/Enhancing the Corporate Base

Commitment

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 to long-term Targets

Themes of Initiatives	Evaluation Metrics	Medium to long-term targets		FY2023 Results	Example of Initiatives
		Numerical Targets	Target Year		
Providing safety, security and high quality	Number of complaints about quality	Serious complaints: 0	Each year	0 inquiries	P.64
Safety and security of employees	Number of employees on long-term leave	Less than 10 (in Japan)	Each year	9	P.67
Enhancing data security	Compliance with Cybersecurity Management Guidelines	Implementation of all ten important items	2027	62% attainment rate	P.67
Pursuing the mission	Company-wide rate of Mission-based employee decision-making	80% or more	2027	64%	P.68

The Mandom Group upholds “social responsibility & sustainability” as its corporate philosophy, which itself is equivalent to sustainability of the Mandom Group, and adhere to sustainable management (ESG management + SDGs management) to resolve social and environmental issues.

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, while viewing the expansion and strengthening of our Dedication to Service as a going concern to strengthen business systems based on our philosophy.

Example of Initiatives 1

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.

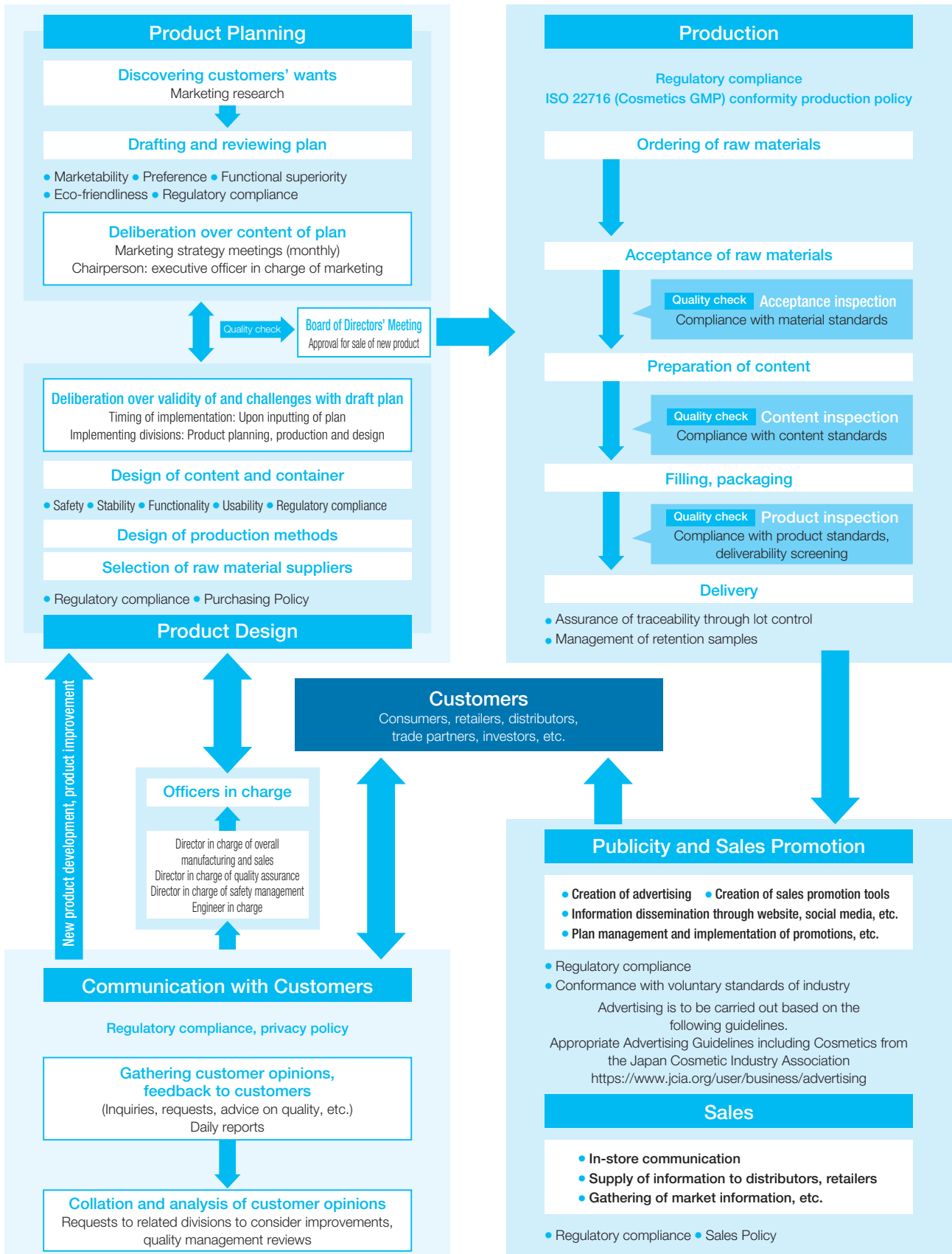
In order to continuously improve the effectiveness and reliability of this Mandom quality management system, we established the Quality Assurance Committee through which

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.

 : Sustainability Information
 : Sustainability > Society (S) > Consumer Issues > Promotion of Quality Assurance System

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



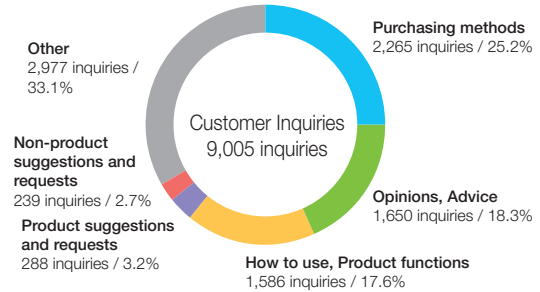
Materiality 6 Maintaining/Enhancing the Corporate Base

Customer Inquiry System

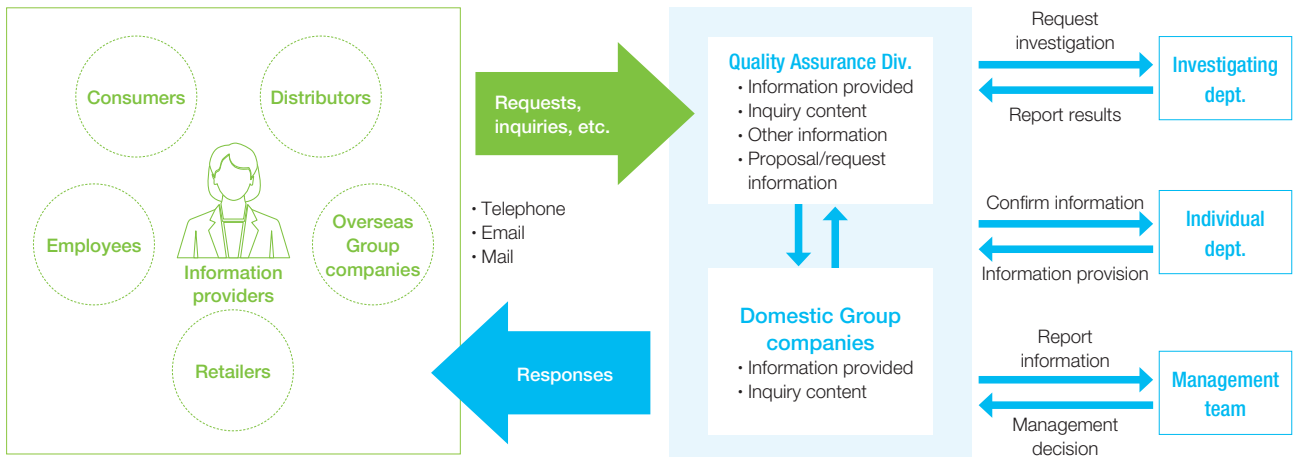
We set up a Customer Relations Division in 1994 as a general contact point for communicating with customers, including their suggestions, requests and other feedback. After reviewing the feedback received, we add information to the Frequently Asked Questions (FAQ) & Inquiries section of our website as 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 FY2023



* Does not include the number of inquiries received via chatbot.



WEB : 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.

FY2023	All products sold since February 2024	Changed text from “Keep out of reach of children” to “Take care of storage location to prevent accidental ingestion by children or people with dementia, etc.”
	LÚCIDO One Push Care Color Series	Enhanced warnings to avoid forgetting the product after using (in bathroom, washbasin, mirror, etc.)
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 #EX hair oil swell and curl 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.

Example of Initiatives 2

Initiatives for improving long working hours

Mandom considers the correction of long working hours in particular to be one of the most important issues in improving the quality of employee health, and has actually identified that some employees are working long hours on a regular basis. At Mandom, we believe that correcting long working hours and allowing employees to get enough sleep can help to reduce presenteeism in each employee, and thus lead to an increase in work productivity. We also believe that by repurposing the time outside of working hours that have been reduced for additional learning and reskilling, we can help enhance each employee's job satisfaction and sense of fulfillment.

Accordingly, we have set the target of "Achieving average of less than 10 hours of overtime work per month for all full-time employees (including managers) by FY2027," and are working to achieve this target.

- Monthly report of performance data related to overtime hours at upper-level meetings for promoting initiatives to reduce overtime involving management
- Study issues and put into place solutions for reducing overtime work by department, led by department managers, factoring in the characteristics of each department, such as busy and off-peak periods of business

Example of Initiatives 3

Initiatives to for strengthening cybersecurity

Cybersecurity at Mandom

Maintaining a safe and secure business environment is considered an important management issue, by protecting the Group's information assets, electronic data, information systems, and other assets from increasingly sophisticated cyberattacks and other risks. To this end, we implement risk countermeasures covering all domestic and overseas group

companies from organizational, human, technological, and other perspectives.

As part of these efforts, we will conduct self-checks, and review and make continuous improvements to measures based on the Compliance with Cybersecurity Management Guidelines in order to implement measures under the leadership of management.

Development of cybersecurity management system

In addition to establishing policies as a guide for groupwide cybersecurity measures and security measures standards for the Group, we have established a groupwide security management system so that we are able to manage cybersecurity risks for the entire Mandom Group in a

centralized manner.

We are also strengthening our cybersecurity management system to increase the effectiveness of security measures, by providing security education to all employees, including management staff, and by assigning in-house experts on security measures.

Identifying and responding to cybersecurity risks

We conduct an inventory of information assets at each company of the Group to identify cybersecurity risks and the status of risk countermeasures across the entire group. We make reference to NIST's Cybersecurity Framework when working to reduce cybersecurity risks, and in addition to implementing measures to prevent security breaches

before they occur, we also detect and respond to signs of security breaches and conduct constant monitoring through a company specializing in security services.

Going forward, we will continually work on strengthening our security measures in response to the ever-changing threats and risks and advances in technologies.

Materiality 6 Maintaining/Enhancing the Corporate Base

Example of Initiatives 4

Mission education aimed at embodying our corporate slogan

Mandom Mission-Based Management

In Mission-Based Management, all employees including executives are actively engaged and inspired to think and act according to the mission. We believe that the most important topic in the globalization of our business is the spread of our mission to all Group employees, and have been working continuously since FY2017 to develop a framework

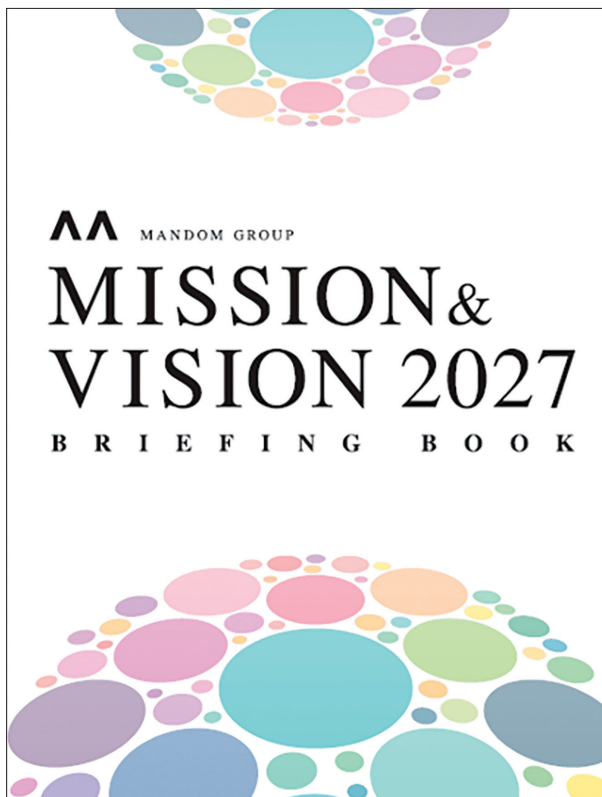
Mission education aimed at embodying our corporate slogan

Our corporate slogan is “BE ANYTHING, BE EVERYTHING.” In order to improve employees’ empathy for and understanding of the background on the launch of our corporate slogan, “BE ANYTHING, BE EVERYTHING,” as well as the need to embody our spirit of Dedication to Service (Oyakudachi) in line with the times, as part of our mission

for spreading this philosophy to all. We built a framework to spread our mission to each Group employee by creating a “briefing book,” a shared text of the Mandom mission and vision in eight languages, including Japanese. With input from local staff, the translation of this text was executed with careful consideration to select the optimal words and phrases to express the intent of this document.

education to embody our corporate slogan, we have held refresher sessions and co-creation workshops attended by employees from beyond units and departments. Such workshops provide an opportunity for employees to discuss our corporate slogan with their colleagues of similar rank and age from throughout the company in a collaborative atmosphere.

MISSION & VISION 2027 BRIEFING BOOK



Corporate slogan / Mission education aimed at embodying our corporate slogan

BE ANYTHING, BE EVERYTHING.

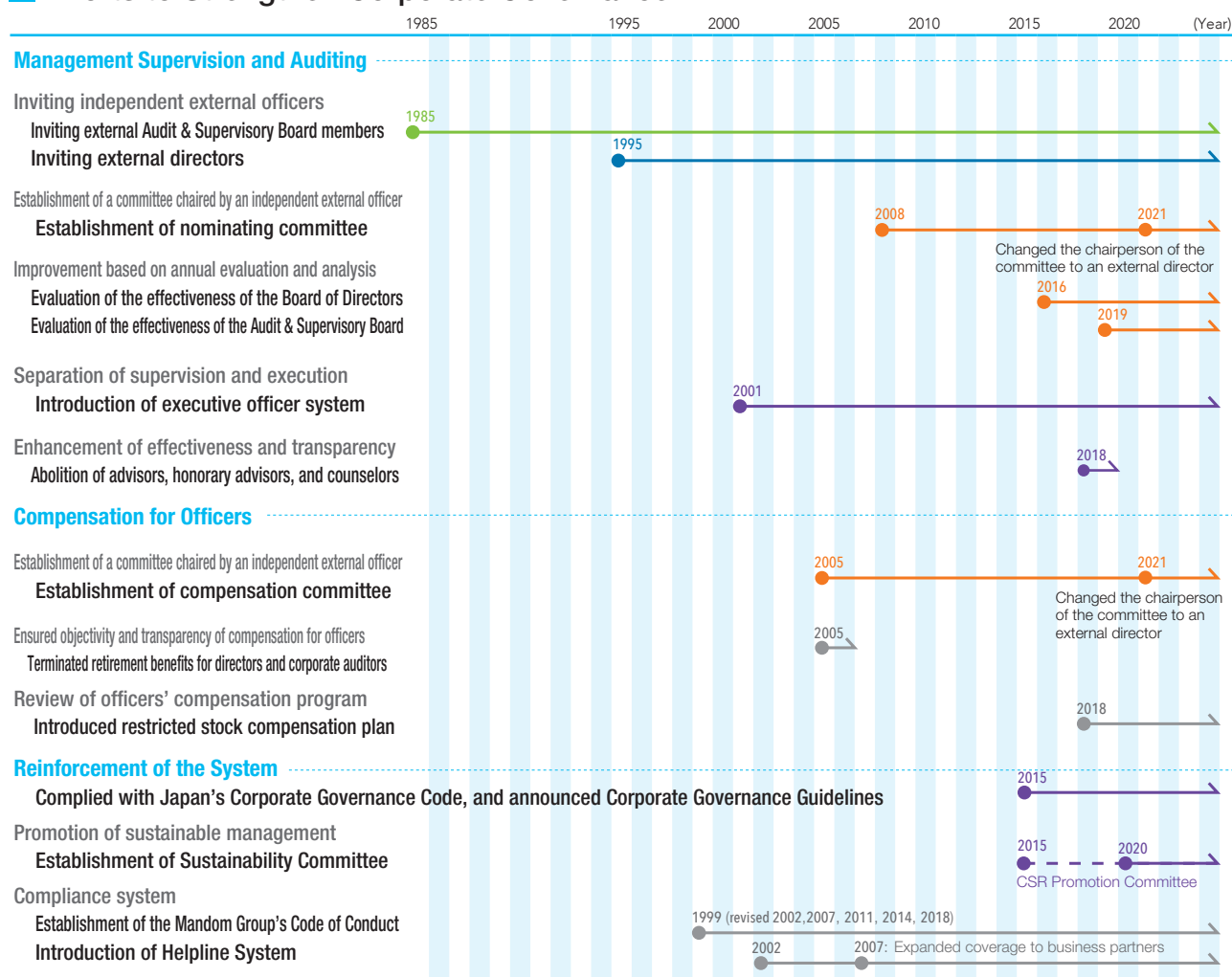


Corporate Governance

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



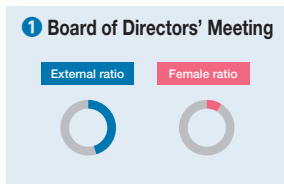
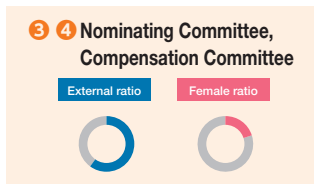
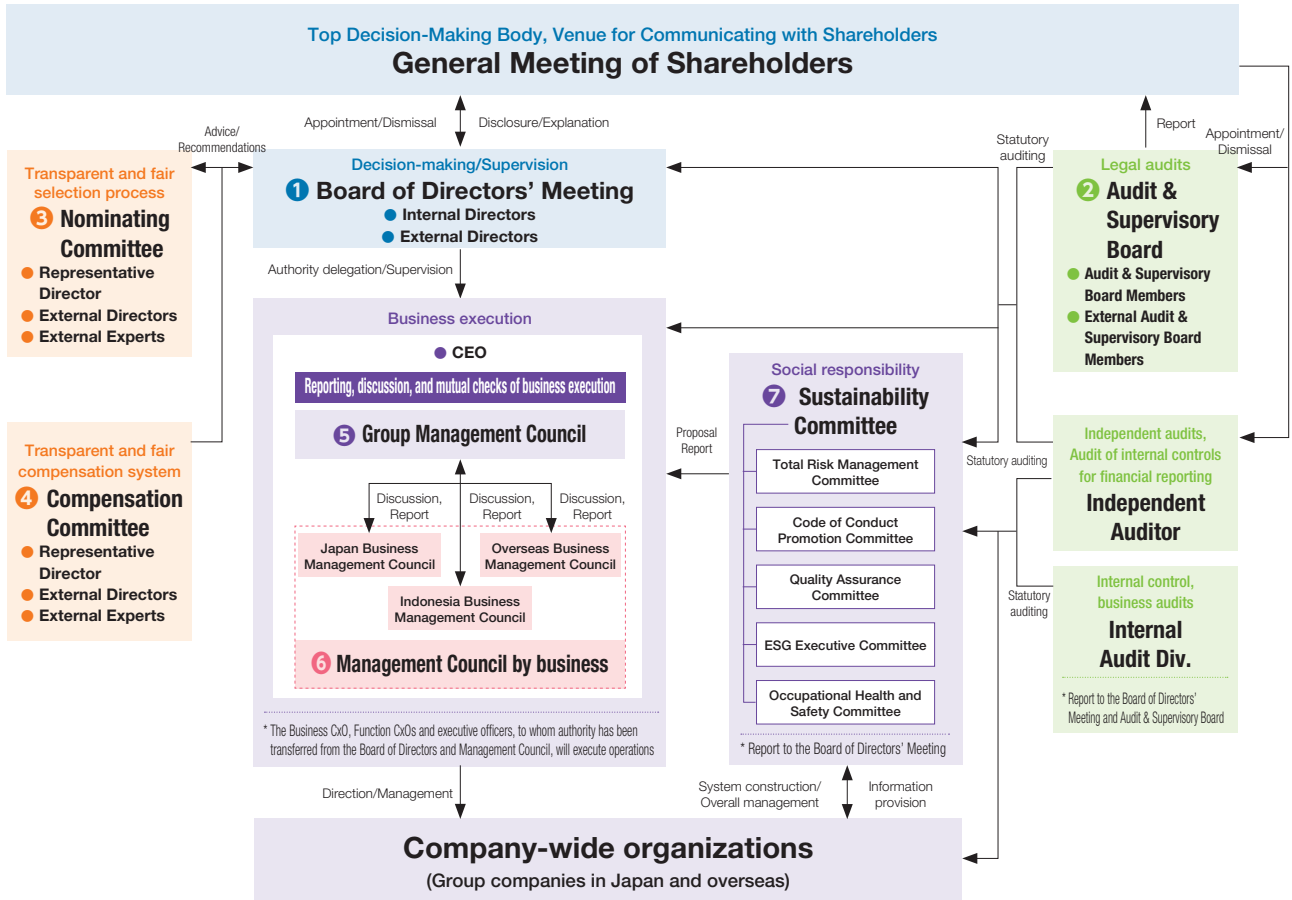
Corporate Governance System

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, while also adopting an executive officer system for clarifying responsibilities and

delegating authority to develop a system for the proactive and expeditious execution of operations. A CxO system will also be introduced from FY2024 when the 14th Middle-Range Planning begins, to strengthen the group management execution system, optimize the allocation of management resources, and accelerate the decision-making process with the view to accelerate innovation and improve growth.

Materiality 6 Maintaining/Enhancing the Corporate Base

Corporate Governance System (as of June 23, 2024)



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, managing executive officers, CxOs, 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 Group 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, Audit & Supervisory Board members, managing executive officers, and CxOs. This committee advises the Board of Directors on proposals regarding candidates for director, Audit & Supervisory Board member, managing executive officer, and CxO. 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 managing executive officers. An external director serves as Chair.

5 Group Management Council

The Management Council comprises directors, Audit & Supervisory Board members, managing executive officers, and CxOs, and functions as a forum for reviewing and monitoring management plans and strategies from a group-wide perspective, resolving issues related to the promotion of group management, as well as check and supervise business execution from a medium- to long-term perspective. The Representative Director & President Executive Officer serves as Chair.

6 Management Council by business

The Management Council convenes for each "Japan Business," "Indonesia Business" and "Overseas Business" in order to promote discussions to resolve issues related to each business. The Management Council comprises the managing executive officers, CxOs and executive officers of each business and performs decision-making processes and reporting related to the execution of business under of the management strategy mainly for the applicable fiscal year, with the aim of responding swiftly to changes in the business environment. It is chaired by the COO of each business.

7 Sustainability Committee

The Sustainability Committee is comprised primarily of directors, Audit & Supervisory Board members, managing executive officers, and CxOs. 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.

■ Status of External Officers

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"



Message from Newly Appointed External Director

Tetsuro Harada

External Director

Mandom's TV commercials used to be so popular amongst my elementary school friends, so I was already familiar with the company name, despite never having even used cosmetics. In my family, three generations of parents and children used Mandom's actual products when getting themselves ready to leave in the morning. Mandom has long been a national brand and is now recognized as one of the leading players in the cosmetics industry, with a growing number of loyal customers based overseas, including in Asia.

The business environment is undergoing a period of significant upheaval, owing to factors including a declining and aging population in Japan, economic growth in developing Asian countries, changes in consumer preferences, digitalization and changes in purchasing behavior, and competition from new players in the market. We will be leveraging the strengths that Mandom has accumulated, while also anticipating a growing number of extraordinary measures such as reviewing the value chain, new business areas, new investment decisions including M&A, and organizational development as a way of devising a new approach toward medium- and long-term sustainable growth. I hope to apply my outside perspective as an external director in order to contribute to growth strategy and governance. I trust that Mandom members will have the confidence and courage for continuing to fulfill our mission, "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," even further as a means of enhance our corporate value to each of our stakeholders.

Message from External Director



Hitoshi Tanii

Nominating Committee
 Chairperson, Compensation
 Committee Chairperson

—What achievements have been made since you were appointed chairperson of the Nominating Committee and the Compensation Committee, and are there any outstanding issues that need to be addressed?

Also let us know if there are any other changes that you have made conscious effort to achieve.

It has been two years since I was appointed chairperson of the Nominating Committee and the Compensation Committee. The first thing we achieved was reinvigorating the members that make up the Board of Directors and inviting external directors with experience in corporate management. As a result of in-depth discussions and deliberations on the structure the management and business execution system for the 14th Middle-Range Planning "MP-14," I am proud to have accomplished a reinvigorated and highly effective management team. A result we achieved for the Compensation Committee was that we verified that compensation is properly based on performance. In my capacity as the chairperson managing the running of the committee, I have focused on fostering an

atmosphere conducive to more open and frank discussions. One of the current issues that I believe we are facing is that we need to examine and discuss a compensation system that is linked effectively to performance as a means of shifting toward more aggressive management going forward.

—“MP-14” has been announced, but given the current issues, what are your thoughts on the appropriateness of the key initiatives of the Basic Management Policies and numerical targets of MP-14?

We carefully designed MP-14 across various areas in preparation for the 100th anniversary of Mandom that we will be celebrating in the final year of MP-14. While MP-14 may at first glance seem like an aggressive plan for a company still suffering from the effects of COVID-19, I believe the plan is achievable with the new management team, as it actively addresses core factors of its existence such as D2C initiatives and redefining brands, and fosters an atmosphere that encourages the forging of a new era without the constraints of the past.

—You scheduled an opportunity for dialogue for the first time last year in response to a request from institutional investors. What was your impression of this meeting did you find it helpful?

I think that having the opportunity for dialogue with external institutional investors was a very valuable experience. It was a good opportunity to gain the objective insight of the company from the perspective of independent directors, and provided a great window into the expectations of our investors, including their harsh views of the company. Our management team recognized the importance of creating more opportunities like having this dialogue to lend an ear directly to our shareholders and investors.

Materiality 6 Maintaining/Enhancing the Corporate Base

Role and Attendance at Major Meetings in FY2023

Meeting/Committee Name		* Including 5 extraordinary meetings	Audit & Supervisory Board	Nominating Committee	Compensation Committee	Management Council	Executive Board	Sustainability Committee		
Number of Meetings Held		Board of Directors' Meeting								
Role		13	17*	3	2	11	11	2		
(Board of Directors)										
	Motonobu Nishimura	Board of Directors' Meeting Chairperson	12		3	2	10	11	2	
	Ken Nishimura	Sustainability Committee Chairperson Executive Board Chairperson Sustainability Committee Chairperson	13		3	2	11	11	2	
	Shinichiro Koshiba		13				11	11	2	
New Election	Koichi Watanabe						11	11	2	
New Election	Independent External Officers	Hitoshi Tanii	Nominating Committee Chairperson Compensation Committee Chairperson	13		3	2	11	11	2
		Mami Ito		10		3	2	8*	8*	2
		Tetsuro Harada								
		Shigeki Suzuki		13		3	2	11	11	2
(Audit & Supervisory Board)										
New Election	Takeshi Hibi		13	17			11	11	2	
New Election	Yasuaki Kameda		13				11	11	2	
	Takehiko Ikehata		13	17			11	11	2	
New Election	Independent External Officers	Mikiharu Mori		13	17	3	2	11	11	2
		Motohiro Tanaka								
		Masahiro Nishio		13	17	3	2	11	11	2

* Appointed after June 23, 2023

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.

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. The promotion of group management is a key theme

under the 14th Middle-Range Planning "MP-14" that we embarked on from this fiscal year. 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.

Incidentally, five foreign nationals (including one of whom is an equity-method affiliate) have already served as representative directors of overseas subsidiaries.

Skill Matrix (as of June 21, 2024)

Starting this time, we have changed the items in MP-14 in consideration of the direction of our efforts as a company and the promotion of group management. Please refer to chart on bottom for the selection rationale for each skill

		Global Business	Marketing	Technology/ Production	Finance/ Accounting	Human Resources	Legal Affairs and Risk Management	ESG	BX/DX
(Board of Directors)									
	Motonobu Nishimura				●			●	
	Ken Nishimura	●	●						●
	Shinichiro Koshiba	●	●						
	Koichi Watanabe	●		●				●	
Independent External Officers	Hitoshi Tanii		●						●
	Mami Ito	●				●			●
	Tetsuro Harada				●	●			●
	Shigeki Suzuki	●		●				●	
(Audit & Supervisory Board)									
	Takeshi Hibi	●						●	
	Yasuaki Kameda		●					●	
	Takehiko Ikehata		●						
Independent External Officers	Mikiharu Mori						● Attorney		●
	Motohiro Tanaka				● CPA				
	Masahiro Nishio				● CPA				

Selection Rationale for Each Skills Matrix

Skill	Selection Rationale
Global Business	As the world becomes increasingly globalized in the modern age where information is disseminated at a tremendous pace, there is the need for management personnel armed with extensive experience in overseas management, overseas lifestyle and customs, and the skills and experience to build cooperative relationships with employees, business partners and other internal and external stakeholders anywhere in the world, including Japan, in order to achieve business results.
Marketing	With the demands of consumers changing rapidly, achieving Only One marketing that forms the core of our business calls for management personnel who have a high level of understanding of innovative technologies, in addition to basic marketing know-how and skills, and who are able to respond to changes in a flexible manner.
Technology/ Production	Mandom requires management personnel with exceptional knowledge in research and production as well as a high understanding of innovative technologies in order to achieve a production system with a high productivity per unit by incorporating various advanced technologies, while ensuring compliance with Mandom's safety standards (safety quality) and consumer satisfaction (safety quality).
Finance/Accounting	Developing financial strategies that allocate resources for implementing growth investments (including M&A) and strengthening shareholder returns to increase corporate value in a sustainable manner while building a strong financial foundation calls for management personnel with sound knowledge and experience in the fields of finance and accounting.
Human Resources/ General Resources	Becoming a "human-oriented company" by creating new value through imagining people's happiness and excitement requires the development of human resources strategies that ensure each employee feels fulfilled with their work and able to maximize their capabilities, and calls for management personnel with a high level of knowledge and a broad perspective in the field of human capital.
Legal Affairs and Risk Management	Establishing and maintaining a governance system, the foundation for sustainable corporate value enhancement, requires management personnel with sound knowledge and experience in the areas of corporate governance, risk management and compliance are required.
ESG	Implementing the Mandom Group's sustainable management (ESG management + SDGs management), which encapsulates ESG perspectives that are increasingly required of companies in recent years, requires management personnel with a broad perspective and insight and who understand the way social demands evolve, including respect for human rights and the environmental concerns of all stakeholders.
BX/DX	Departing from business models of the past and remaining in a position of Oyakudachi (Dedication to Service) with respect to fast and rapidly changing consumer wants and lifestyles requires management personnel with knowledge and skills in IT and DX, and a high level of understanding of innovative technologies.

Materiality 6 Maintaining/Enhancing the Corporate Base

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, 2024 based on the Corporate Governance Code (hereinafter the "CG Code") [Supplementary Principle 4-11 3] in our Corporate Governance Guidelines (hereinafter the "CG Guidelines").

1. Overview of Board of Directors Meeting Evaluation and Analysis Method

The following procedures were used for evaluation and analysis.

(1) From January up through February 2024, a questionnaire comprising 23 items related to policies was distributed to participants in the Board of Directors to determine whether the 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.

(2) When necessary, the Representative Director (Chairman and President) exchanged views with each director and auditor in a wide-ranging set of interviews on their opinions.

(3) The responses to the above questionnaire and the results of exchange of opinions 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.

(4) 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 for FY2023 were as follows: 69.1% for the highest evaluation (appropriate) (67.0% in 2022), 28.3% for the next highest evaluation (appropriate with some issues) (29.1% in 2022), and 1.3% for the lowest evaluation (not appropriate with many issues) (2.6% in 2021).

2. Overview of Evaluation and Analysis Method for Effective of Board of Directors' Meeting

(1) The Company's Board of Directors is assessed to be effective on the following key findings.

- ① 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.
- ② The Board of Directors' Meeting strives to cultivate an atmosphere that respects broadminded, open and constructive discussion and exchange of opinions, by having External Directors and External Audit & Supervisory Board Members make suggestions and voice their opinions, including raising issues, and encouraging each Director and Audit & Supervisory Board Member to make positive statements, and is able to operate in this manner
- ③ Independent External Directors and External Audit & Supervisory Board Members (hereinafter, "independent outsiders") shall hold a meeting, comprising solely of independent outsiders, for exchanging opinions on a regular basis (once a year), and communicate as appropriate amongst independent outsiders to exchange information and share awareness, based on an objective viewpoint.

(2) During the course of evaluating and analyzing the effectiveness of the Board of Directors' Meeting, the following observations and recommendations were made, which our Board of Directors' Meeting recognizes as issues that require addressing and will be working toward improving.

- ① While an environment for broadminded, open and constructive discussion and exchange of opinions is in place, the Board of Directors' Meeting can be expected to operate more functionally by reconsidering from a governance perspective the roles and positioning of important meetings such as the Management Council and the Executive Board spearheaded by the Board of Directors' Meeting.
- ② While there is a culture of accepting new businesses and challenging proposals, more in-depth discussions can be expected by leveraging this culture to instill an attitude of examining and suggesting various proposals, including new products and measures with a commitment to profitability and awareness of capital costs.

Example of specific comment

Items for Which Effectiveness Has Been Ensured

- Compared to last year, there was an increase in positive opinions and propositions from External Directors. It would be great if the Management Council can operate as a venue for more lively discussions in the future, instead of simply as a place for reporting. (Principle 4-12)
- Roundtable meetings between External Directors and Executive Officers are very effective for understanding the issues faced by each department and the Company. (Supplementary Principle 4-13)

Issues and Improvement Items

- There seems to be a need for reconsidering from a governance perspective the roles and positioning of important meetings such as the Management Council, Executive Board and Business Committee spearheaded by the Board of Directors' Meeting. A system where the Corporate Division and other Functional Divisions take a proactive stance to participating in group management is urgently required. (Supplementary Principle 4-1(1))
- For important proposals such as important new products, new businesses, investment projects, and major contracts, including the results of studies that serve as the basis for management decisions, such as profitability, capital costs, and the concept of return on investment, in proposals would be desirable. (Principle 4-2)

Method of Determining Compensation Amounts for Company Officers

The Company has formulated an officers' compensation program based on the following policies.

- The compensation program should provide motivation for achieving the management plan by “pursuing efficiency” based on the assumption of “ensuring soundness and transparency”
- Efforts for achieving medium- and long-term strategies with the aim of permanently increasing corporate value should be promoted
- The compensation level should be commensurate with the extent of roles and responsibilities that reflect each individual's mission, and should be designed with differentiation in compensation based on the degree of achievement of management goals (results)

The Company has set compensation for directors with an appropriate balance between an amount of fixed compensation to ensure steady devotion to their duties, and greater performance-linked variable compensation that serves as an incentive to a higher level of motivation, by taking into consideration with standards at other companies and the positioning of each type of compensation. The ratio of fixed compensation

to variable compensation varies depending on the position, but in general, the total fixed compensation for internal directors is approximately 60% and variable compensation is approximately 40%. Compensation for external directors is composed solely of fixed compensation.

As the role and responsibility of Audit & Supervisory Board members is to conduct rigorous legal audits unrelated to the Company's operating performance, the compensation of the Company's Audit & Supervisory Board members is composed only of the fixed compensation portion, which is not affected by operating performance.

The amount of compensation for each Audit & Supervisory Board Member is determined through discussions with each Audit & Supervisory Board Member, including the two External Audit & Supervisory Board Members, based on a comprehensive consideration of each member's abilities, audit performance, external data, and other factors. The policy for determining the compensation for Audit & Supervisory Board Members is determined through discussions with each Audit & Supervisory Board Member, including the two External Audit & Supervisory Board Members.

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

Compensation category	Fixed compensation (monetary)		Short-term performance-linked compensation (money)	Mid-to long-term performance-linked compensation (stock)
	Approximately 60%		Approximately 30%	Approximately 10%
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 Four fiscal years	
Performance evaluation period	—	One year	Four years (FY2024–2027)	
Evaluation Metrics	—	Company's Performance • Achievement rate for net sales forecast in pertinent fiscal year • Achievement rate for operating margin • Performance of division in charge	Company's Performance • ROIC • Medium- to long-term material issues in sustainability	
Range of fluctuation of evaluation	—	50% above or below standard	33% above or below standard	
Eligible persons	Directors Audit & Supervisory Board members Managing Executive Officers CxO	Directors Audit (excluding outside directors), Managing Executive Officers CxO	Directors Audit (excluding outside directors), Managing Executive Officers CxO	

Amount of Compensation, etc. for Directors and Audit & Supervisory Board Members for FY2023

Director 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	Of which, non-monetary compensation, etc.	
Directors (excluding External Directors)	286	179	107	36	4
Audit & Supervisory Board Members (excluding external Audit & Supervisory Board Members)	36	36	—	—	2
External Director	24	24	—	—	4
External Audit & Supervisory Board Member	14	14	—	—	2

*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). The number of directors (excluding external directors) as of the close of said General Meeting of Shareholders was five.

The 107th Ordinary General Meeting of Shareholders held on June 21, 2024 resolved that the maximum number of shares of Restricted Stock compensation shall not exceed 150,000 shares (external directors are not eligible). As of the close of said General Meeting of Shareholders, the number of directors was four (excluding external director). In principle, the amount of this compensation is 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 is paid as a lump sum in the first year of the period covered by the Middle-Range Planning.

*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).

*3 The breakdown of the total amount of non-monetary compensation for Directors (excluding External Directors) is ¥36 million in Restricted Stock compensation.

Introduction of Officers (as of June 21, 2024)



Motonobu Nishimura

Representative Director & Chairman
(Date of birth: Tuesday, January 09, 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)



Ken Nishimura

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

Chief Executive Officer (CEO), Chief Operating Officer (COO) of Japan businesses and Chief Marketing Officer (CMO), In charge of Internal Audit 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)
Apr. 2024 Chief Executive Officer, Chief Operating Officer of Japan Businesses, Chief Marketing Officer (current position)



Shinichiro Koshiba

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

Chief Operating Officer of the International Business Operation Units and in charge of 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
Apr. 2024 Chief Operating Officer of the International Businesses (current position)



Koichi Watanabe

Director & Senior Managing Executive Officer
(Date of birth: November 16, 1965)

Chief Operating Officer of Indonesia Businesses, President Director, PT Mandom Indonesia Tbk

Apr. 1988 Joined the Company
Apr. 2007 Director, PT Mandom Indonesia Tbk
Apr. 2011 Senior Director, PT Mandom Indonesia Tbk
Apr. 2014 Executive Officer of the Company, In charge of Fukusaki Factory and Production Engineering Div.; General Manager, Fukusaki Factory
Apr. 2017 Senior Managing Director, PT Mandom Indonesia Tbk
Apr. 2020 Managing Executive Officer (current position) In charge of Production Units
Apr. 2024 Chief Operating Officer of Indonesia Businesses (current position)
May 2024 President Director, PT Mandom Indonesia Tbk (current position)
Jun. 2024 Director (current position)

Chief Officers/Executive Officers

CTO	Takuji Asada	In charge of Advanced Technology Institute, Technology Strategy Div., Regulatory Strategy & Affairs and Quality Assurance Div.; General Manager of Technology Strategy Div.
CSCO	Tsunehisa Hirota	In charge of Fukusaki Factory, Production Engineering Div. and Purchasing Div.
CHRO	Tetsuya Takahashi	In charge of Human Resources & General Administration Div., Legal Affairs Div. and Executive Secretary Div.; General Manager of Human Resources & General Administration Div.

CSO	Tetsuaki Matsuda	In charge of Corporate Planning Div. and IT Innovation Promotion Div.; General Manager of Corporate Planning Div.
CFO	Masanori Sawada	In charge of Finance Div. and Investor Relations Div.; General Manager of Finance Div.
Chief Sales Officer (CSLO) of Japan businesses	Kenji Uchiyama	In charge of East Japan Sales Div., West Japan Sales Div. and Chainstore Sales Div.



External

Hitoshi Tanii

External Director
(Date of birth: Friday, June 02, 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, SpaceEngine Co., Ltd. (current position)
 Jul. 2019 Chairperson of the Board, Synergy Marketing, Inc. (current position)
 Aug. 2019 External Director, any Carry Inc. (current position)
 Dec. 2019 External Director, ONDECK Co., Ltd.
 Jan. 2020 Established Happy PR Inc., Representative Director (current position)
 Jun. 2020 External Director of the Company (current position)



External

Mami Ito

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

Mar. 2000 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)



External

Tetsuro Harada

External Director
(Date of birth: September 22, 1965)

Apr. 1981 Joined the Japan Maritime Self-Defense Force
 Apr. 1990 Joined Nippon Life Insurance Company
 Jun. 1996 MBA, Haas School of Business, University of California, Berkeley
 Jun. 2006 Executive Officer, Dream Incubator Inc.
 Nov. 2017 Director, ipet Insurance Co., Ltd.
 Jun. 2018 Director, Dream Incubator Inc.
 Jun. 2020 Representative Director and CEO, Dream Incubator Inc.
 Oct. 2020 Director (Audit and Supervisory Committee Member), ipet Holdings, Inc.
 Jun. 2021 Director, ipet Holdings, Inc.
 Jun. 2023 Director, Dream Incubator Inc. (current position)
 Jun. 2024 External Director of the Company (current position)



Takeshi Hibi

Audit & Supervisory Board Member



Yasuaki Kameda

Audit & Supervisory Board Member



External

Mikiharu Mori

External Audit & Supervisory Board Member



External

Motohiro Tanaka

External Audit & Supervisory Board Member

Executive Officer	Ichiro Kagawa	In charge of Global Brand Strategy Div., Communication Marketing Div. and Public Relations Div. General Manager of Global Brand Strategy Div. and Communication Marketing Div.
Executive Officer	Gosuke Omori	In charge of Product Marketing Div.1, Product Marketing Div.2, Sales Marketing Div. and BX Promotion Div.; General Manager of Product Marketing Div.1

Executive Officer	Teruhiko Komatsu	In charge of Sales Strategy Div. and Distribution Channel Development Div.; General Manager of Sales Strategy Div.
Executive Officer	Hidenori Yamada	In charge of International Business Div.; General Manager of International Business Div.
Executive Officer	Shinya Hara	In charge of Package Development Div., Hair Care Institute and Skin Care Institute; General Manager of Hair Care Institute
Executive Officer	Masao Takatsu	In charge of Corporate Transformation Div.; General Manager of Corporate Transformation Div.

Analyses of Management and Finances

Analysis of Operating Results

During the fiscal year under review, the Japanese economy showed signs of moderate recovery, as COVID-19 was downgraded to Category 5 under the Infectious Disease Control Law, and personal consumption began to pick up amid further normalization of socioeconomic activities. Meanwhile, the economic outlook remains uncertain, with concerns that a downturn in overseas economies, against the backdrop of global monetary tightening measures and concerns about the outlook for the Chinese economy, could put downward pressure on the domestic economy. In the economies throughout Asia, our main sphere of overseas business, the economies of Southeast Asia in particular were generally firm, although economic recovery in China appears to have stalled and there are concerns about

the future. Under such economic conditions, the Group took measures according to the basic management policies in the Middle-Range Planning, which was positioned as a period for “Reformation and Challenges” for realizing its ideal vision by 2027, “VISION2027”.

As a result, net sales totaled ¥73,233 million (up 9.2% year on year). This was mainly due to strong sales in other overseas segments. Operating income totaled ¥2,020 million (up 43.3% year on year). This was mainly due to an increase in gross income in the Other overseas segment. Ordinary income totaled ¥2,981 million (up 35.1% year on year), and net income attributable to owners of parent totaled ¥2,601 million (up 171.4% year on year).

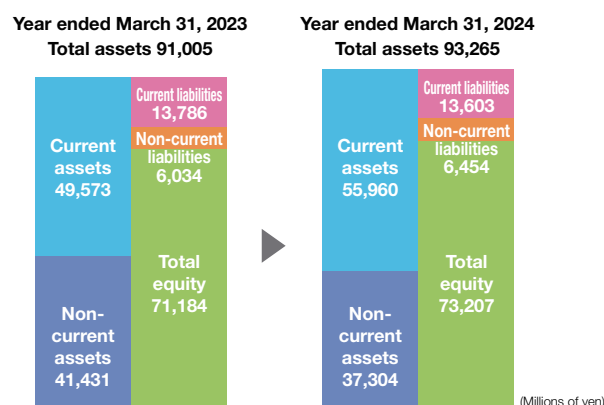
Item	2023 (Year ended March 31) (Millions of yen)	2024 (Year ended March 31) (Millions of yen)	Increase/decrease (Millions of yen)	YoY change (%)
Net sales	67,047	73,233	6,186	+9.2%
Cost of sales	38,362	41,703	3,340	+8.7%
Selling, general and administrative expenses	27,274	29,509	2,235	+8.2%
Operating income (loss)	1,409	2,020	610	+43.3%
Non-operating income (loss)	798	961	163	+20.4%
Ordinary income (loss)	2,207	2,981	773	+35.1%
Extraordinary income (loss)	(617)	891	1,509	-
Income (loss) before income taxes	1,589	3,872	2,283	+143.6%
Income taxes	571	1,108	537	+94.0%
Net income (loss) attributable to non-controlling interests	59	162	103	+173.0%
Net income (loss) attributable to owners of parent	958	2,601	1,642	+171.4%

Analysis of Financial Position and Cash Flows

1. Assets, Liabilities and Total Equity

Total current assets were ¥55,960 million as of March 31, 2024, up ¥6,387 million from a year earlier. This was mainly due to increases of ¥5,487 million cash and deposits. Non-current assets were ¥37,304 million as of March 31, 2024, down ¥4,126 million from a year earlier. This was mainly due to a decrease of ¥1,434 million in property, plant and equipment due to depreciation, and a decrease of ¥1,725 million in investment securities due to being sold off. Current liabilities were ¥13,603 million as of March 31, 2024, down ¥182 million from a year earlier. This was mainly due to a decrease of ¥641 million in accounts payable - other. Non-current liabilities were ¥6,454 million as of March 31, 2024, up ¥419 million from a year earlier. This was mainly due to an increase of ¥694 million in retirement benefit liabilities. Total net assets were ¥73,207 million as of March 31, 2024, up ¥2,023 million from a year earlier. This was mainly due to an increase of ¥1,652 million in foreign currency translation adjustment.

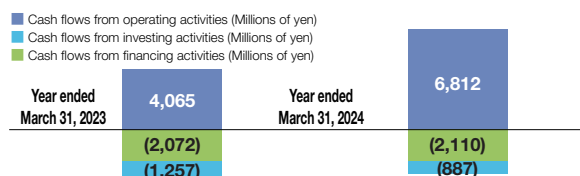
As a result, shareholders' equity ratio was 71.3% as of March 31, 2023 (compared to 71.6% from a year earlier).



2. Status of Cash Flows

Cash and cash equivalents as of March 31, 2024 came to ¥22,006 million, up ¥4,524 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 ¥6,812 million (compared to ¥4,065 million provided from a year earlier). It mainly consisted of increases resulting from income before income taxes of ¥3,872 million and depreciation of ¥4,415 million, and a decrease resulting from ¥645 million in business restructuring expenses paid and ¥651 million in income before income taxes.

► Cash flows from investing activities

Net cash used in investing activities was ¥887 million (compared to ¥1,257 million used from a year earlier). It mainly consisted of a decrease resulting from payments into time deposits of ¥5,855 million and purchase of property plant and equipment of ¥1,451 million, and an increase resulting from proceeds from withdrawal of time deposits of ¥5,127 million and proceeds from sale and redemption of investment securities of ¥1,543 million.

► Cash Flows from Financing Activities

Net cash used in financing activities was ¥2,110 million (compared to ¥2,072 million used from a year earlier). It mainly consisted of a decrease resulting from dividends paid of ¥1,754 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. Capital is used primarily to fund operations, business investments and shareholder returns, and in principle prioritizes the use of internal reserves sourced from cash flows from sales activities, with any shortfalls funded by loans from financial institutions. If a domestic subsidiary lacks necessary funds, the shortfall is covered by a loan from the parent company.

The Group regards any additional funds in hand as cash reserves mainly for funding, and ensures their liquidity and security. We have also 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 ¥1,593 million as of March 31, 2024, up ¥159 million (11.2%) from a year earlier.

A breakdown by segment is as follows.

Segment name	2024 (Millions of yen)	YoY change (%)
Japan	484	(20.2)
Indonesia	862	71.2
Other overseas	246	(23.6)
Total	1,593	11.2

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. 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). 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 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 comprehensively consider a number of factors for 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)
Tuesday, October 31, 2023 Resolution of the Board of Directors	899	20.00
Friday, June 21, 2024 Resolution of the Ordinary General Meeting of Shareholders	899	20.00

11-Year Consolidated Financial and Non-financial Highlights

	2014 March 2014	2015 March 2015	2016 March 2016	2017 March 2017
Operating Results (Millions of yen)				
● Net sales	68,215	70,925	75,078	77,351
Overseas ratio (%)	40.0	41.3	41.3	40.6
Japan	40,945	41,637	44,104	45,945
Indonesia	15,968	17,172	18,164	18,323
Other overseas	11,301	12,115	12,809	13,081
● Operating income (loss)	6,853	6,996	6,594	7,617
Japan	4,480	4,485	4,704	5,077
Indonesia	1,147	1,028	880	925
Other overseas	1,225	1,482	1,008	1,614
● Ordinary income (loss)	7,330	7,595	7,415	8,183
● Net income (loss) attributable to owners of parent	4,091	4,425	6,383	5,566
Capital investment	7,632	3,443	3,725	3,309
Depreciation and amortization	2,143	2,599	2,919	3,165
Promotion expenses	7,850	8,228	8,581	8,077
Advertising expenses	4,121	4,243	4,998	5,331
Research and development expenses	1,960	1,731	1,558	1,717
Financial Position (Millions of yen)				
Total assets	67,858	75,980	79,821	83,835
Liabilities	12,679	15,000	13,965	14,245
Shareholders' equity:	51,038	55,974	59,707	63,253
Cash Flows (Millions of yen)				
Cash flows from operating activities	7,303	5,488	7,232	9,045
Cash flows from investing activities	(5,596)	(5,141)	(2,383)	(5,920)
Free cash flows	1,706	346	4,849	3,124
Cash flows from financing activities	(1,833)	(341)	(3,534)	(2,215)
Per Share Data (Yen)				
Book value per share (BPS)	1,091.54	1,197.11	1,277.01	1,352.88
Earnings (loss) per share (EPS)	87.51	94.64	136.52	119.05
Cash dividends per share	35.00	38.00	40.00	48.00
Financial Index (%)				
Operating margin	10.0	9.9	8.8	9.8
Shareholders' equity ratio	75.2	73.7	74.8	75.4
Return on invested capital (ROIC)				
Return on equity (ROE)	8.3	8.3	11.0	9.1
Return on assets (ROA)	11.5	10.6	9.5	10.0
Payout ratio	40.0	40.2	29.3	40.3
Non-financial Data				
Number of employees by region	2,316	2,400	2,663	2,662
Japan	566	557	562	581
Indonesia	1,353	1,421	1,689	1,670
Other overseas	397	422	412	411
Market Performance				
Domestic brand share of men's cosmetics market* (%)	{ 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. }			
Domestic brand share of men's cosmetics market* (ranking)				

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 included in financial statements.
 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, 2019.
 4. 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 Financial Statements.

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

2018 March 2018	2019 March 2019	2020 March 2020	2021 March 2021	2022 March 2022	2023 March 2023	2024 March 2024
81,386	78,997	81,774	63,310	57,361	67,047	73,233
41.3	38.7	43.5	38.6	43.2	46.7	48.1%
47,739	48,442	46,175	38,847	32,595	35,769	38,010
19,616	17,044	17,791	12,102	11,751	14,178	14,708
14,030	13,510	17,806	12,360	13,015	17,098	20,513
8,457	7,135	5,970	(793)	(2,308)	1,409	2,020
5,525	4,248	3,014	(255)	(1,473)	282	79
1,181	681	645	(899)	(1,204)	(676)	(770)
1,750	2,205	2,310	361	369	1,802	2,710
9,264	8,161	6,706	(273)	(1,856)	2,207	2,981
6,086	5,087	4,445	860	(621)	958	2,601
2,855	3,559	9,193	7,980	1,970	1,433	1,593
3,315	3,583	4,369	4,818	5,337	4,988	4,415
8,673	6,006	6,471	4,836	2,021	2,281	2,721
5,207	5,156	4,725	3,416	3,204	3,279	4,464
1,813	1,826	1,855	1,480	1,399	1,402	1,536
93,195	93,402	91,660	87,911	85,767	91,005	93,265
17,445	17,592	18,208	18,198	16,716	19,820	20,058
69,412	70,000	67,117	64,222	63,321	65,125	66,517
10,246	6,587	6,937	6,208	7,693	4,065	6,812
(6,776)	6,921	(9,836)	(5,680)	(185)	(1,257)	(887)
3,469	13,509	(2,899)	528	7,508	2,808	5,924
(2,669)	(4,020)	(8,307)	1,125	(5,385)	(2,072)	(2,110)
1,484.67	1,496.20	1,495.40	1,431.42	1,407.65	1,448.35	1,479.21
130.19	108.76	97.68	19.17	(13.84)	21.31	57.84
59.00	60.00	62.00	32.00	36.00	38.00	40.00
10.4	9.0	7.3	(1.3)	(4.0)	2.1	2.8
74.5	74.9	73.2	73.1	73.8	71.6	71.3
			(0.3)	(1.7)	2.1	2.9
9.2	7.3	6.5	1.3	(1.0)	1.5	4.0
10.5	8.8	7.2	(0.3)	(2.1)	2.5	3.2
45.3	55.2	63.5	166.9	—	178.3	69.2
2,694	2,914	2,954	2,914	2,765	2,732	2,672
595	605	629	667	665	670	644
1,671	1,693	1,701	1,652	1,561	1,512	1,465
428	616	624	595	539	550	563
27.9	27.6	26.8	24.5	22.8	23.5	24.4
No. 1	No. 1	No. 1	No. 1	No. 2	No. 2	No. 1

Statements conforming to IFRS.

ended March 31, 2019.

Revenue Recognition (ASBJ Statement No. 29), etc.

Consolidated Financial Statements

Consolidated Balance Sheet

(Millions of yen)

Item	2023	2024	Change
Assets			
Current assets			
Cash and deposits	21,493	26,980	5,487
Notes and accounts receivable - trade	11,196	12,176	979
Merchandise and finished goods	11,744	12,341	596
Work in process	480	428	(52)
Raw materials and supplies	3,303	2,943	(359)
Other	1,362	1,097	(264)
Allowance for doubtful accounts	(6)	(6)	(0)
Total current assets	49,573	55,960	6,387
Non-current assets			
Property, plant, and equipment			
Buildings and structures	32,427	33,147	720
Accumulated depreciation	(16,720)	(18,081)	(1,361)
Buildings and structures, net	15,706	15,066	(640)
Machinery, equipment, and vehicles	27,590	28,980	1,390
Accumulated depreciation	(21,401)	(23,636)	(2,234)
Machinery, equipment, and vehicles, net	6,188	5,343	(844)
Tools, furniture, and fixtures	7,591	7,998	406
Accumulated depreciation	(6,909)	(7,371)	(461)
Tools, furniture, and fixtures, net	682	626	(55)
Land	1,247	1,308	60
Leased assets	4	8	4
Accumulated depreciation	(2)	(3)	(1)
Leased assets, net	1	5	3
Right of use assets	995	1,304	309
Accumulated depreciation	(655)	(916)	(261)
Right of use assets, net	340	388	47
Construction in progress	291	285	(5)
Total property, plant, and equipment	24,458	23,024	(1,434)
Intangible assets			
Goodwill	2,820	2,629	(190)
Trademark right	861	802	(58)
Customer relation assets	1,346	1,254	(91)
Software	1,287	1,015	(271)
Other	567	45	(521)
Total intangible assets	6,882	5,749	(1,133)
Investments and other assets			
Investment securities	8,302	6,576	(1,725)
Retirement benefit asset	418	671	252
Deferred tax assets	763	692	(71)
Other	613	598	(14)
Allowance for doubtful accounts	(7)	(8)	(0)
Total investments and other assets	10,090	8,531	(1,559)
Total non-current assets	41,431	37,304	(4,126)
Total assets	91,005	93,265	2,260

(Millions of yen)

Item	2023	2024	Change
Liabilities			
Current liabilities			
Notes and accounts payable - trade	3,632	3,456	(175)
Short-term borrowings	142	102	(40)
Accounts payable - other	4,603	3,962	(641)
Income taxes payable	414	534	120
Provision for bonuses	1,085	1,192	107
Provision for Directors' compensations based on profit	49	70	21
Other	3,858	4,284	426
Total current liabilities	13,786	13,603	(182)
Non-current liabilities			
Deferred tax liabilities	1,959	1,551	(408)
Retirement benefit liability	2,775	3,469	694
Other	1,300	1,433	132
Total non-current liabilities	6,034	6,454	419
Total liabilities	19,820	20,058	237
Net assets			
Shareholders equity			
Share capital	11,394	11,394	0
Capital surplus	11,086	11,084	(1)
Retained earnings	47,807	48,655	847
Treasury shares	(6,590)	(6,583)	6
Total shareholders equity	63,698	64,550	852
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	3,967	2,921	(1,045)
Foreign currency translation adjustment	(2,701)	(1,049)	1,652
Remeasurements of defined benefit plans	161	94	(66)
Total accumulated other comprehensive income	1,426	1,967	540
Non-controlling interests	6,058	6,689	630
Total net assets	71,184	73,207	2,023
Total liabilities and net assets	91,005	93,265	2,260

Consolidated Financial Statements

Consolidated Statement of Income

(Millions of yen)

Item	Previous Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)	This Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)	Change
Net sales	67,047	73,233	6,186
Cost of sales	38,362	41,703	3,340
Gross income	28,684	31,530	2,845
Selling, general and administrative expenses			
Promotion expenses	2,281	2,721	439
Advertising expenses	3,279	4,464	1,185
Transportation and storage costs	3,418	3,591	173
Remuneration salaries and allowances	7,769	7,193	(575)
Provision for bonuses	846	1,031	185
Retirement benet expenses	303	365	61
Depreciation	1,414	1,345	(68)
Amortization of goodwill	253	263	9
Research and development expenses	1,402	1,536	134
Other	6,304	6,995	690
Total selling general and administrative expenses	27,274	29,509	2,235
Operating income	1,409	2,020	610
Non-operating income			
Interest income	257	428	171
Dividend income	95	105	10
Share of prot of entities accounted for using equity method	230	365	134
Foreign exchange gains	122	—	(122)
Other	228	153	(75)
Total non-operating income	934	1,052	118
Non-operating loss			
Interest expenses	21	27	5
Compensation expenses	84	16	(68)
Commitment fees	9	9	0
Foreign exchange losses	—	20	20
Other	20	18	(2)
Total non-operating loss	136	91	(45)
Ordinary income	2,207	2,981	773
Extraordinary income			
Gain on sale of non-current assets	8	214	206
Gain on sale of investment securities	42	1,040	998
Total extraordinary income	50	1,254	1,204
Extraordinary loss			
Loss on sale of non-current assets	0	0	(0)
Loss on retirement of non-current assets	16	81	64
Impairment loss	—	280	280
Business restructuring expenses	651	—	(651)
Other	—	0	0
Total extraordinary loss	668	363	(304)
Income before income taxes	1,589	3,872	2,283
Income taxes - current	666	912	245
Income taxes - deferred	(94)	196	291
Total income taxes	571	1,108	537
Net income	1,018	2,763	1,745
Net income attributable to non-controlling interests	59	162	103
Net income attributable to owners of parent	958	2,601	1,642

Consolidated Statement of Comprehensive Income

(Millions of yen)

Item	Previous Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)	This Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)	Change
Net income	1,018	2,763	1,745
Other comprehensive income			
Valuation difference on available-for-sale securities	619	(1,045)	(1,664)
Foreign currency translation adjustment	1,999	2,046	47
Remeasurements of defined benefit plans net of tax	69	(21)	(91)
Share of other comprehensive income of entities accounted for using equity method	151	92	(58)
Total other comprehensive income	2,839	1,071	(1,767)
Comprehensive income	3,857	3,835	(21)
Comprehensive income attributable to			
Comprehensive income attributable to owners of parent	3,440	3,141	(299)
Comprehensive income attributable to non-controlling interests	416	694	278

Consolidated Financial Statements

Consolidated Statement of Changes in Equity

(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)
Disposal of treasury shares											
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

(Millions of yen)

For the Fiscal Year Ended March 31, 2024											
	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	11,086	47,807	(6,590)	63,698	3,967	(2,701)	161	1,426	6,058	71,184
Changes during period											
Dividends of surplus			(1,753)		(1,753)						(1,753)
Net income attributable to owners of parent			2,601		2,601						2,601
Purchase of treasury shares				(0)	(0)						(0)
Disposal of treasury shares		(1)		6	4						4
Change in ownership interest of parent due to transactions with non-controlling interests											
Net changes in items other than shareholders' equity						(1,045)	1,652	(66)	540	630	1,171
Total changes during period	—	(1)	847	6	852	(1,045)	1,652	(66)	540	630	2,023
Balance at end of period	11,394	11,084	48,655	(6,583)	64,550	2,921	(1,049)	94	1,967	6,689	73,207

Consolidated Statement of Cash Flows

(Millions of yen)

Item	Previous Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)	This Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)	Change
Cash flows from operating activities			
Income before income taxes	1,589	3,872	2,283
Depreciation	4,988	4,415	(572)
Amortization of goodwill	253	263	9
Impairment loss	—	280	280
Increase (decrease) in allowance for doubtful accounts	(21)	0	22
Increase (decrease) in provision for bonuses	431	89	(341)
Increase (decrease) in retirement benefit liability	60	180	120
Interest and dividend income	(352)	(534)	(181)
Foreign exchange losses (gains)	(265)	(186)	79
Loss on retirement of non-current assets	16	81	64
Share of loss (profit) of entities accounted for using equity method	(230)	(365)	(134)
Loss (gain) on sale of investment securities	(42)	(1,040)	(998)
Loss (gain) on sale of non-current assets	(7)	(213)	(206)
Business restructuring expenses	651	—	(651)
Decrease (increase) in trade receivables	(1,585)	(592)	993
Decrease (increase) in inventories	(2,943)	512	3,455
Increase (decrease) in trade payables	398	(251)	(649)
Increase (decrease) in accounts payable - other	172	274	101
Other	428	496	68
Subtotal	3,539	7,282	3,742
Interest and dividends received	643	854	211
Interest paid	(21)	(27)	(5)
Business restructuring expenses paid	(5)	(645)	(640)
Income taxes paid	(91)	(651)	(559)
Cash flows from operating activities	4,065	6,812	2,747
Cash flows from investing activities			
Payments into time deposits	(5,643)	(5,855)	(211)
Proceeds from withdrawal of time deposits	5,854	5,127	(726)
Purchase of property plant and equipment	(1,200)	(1,451)	(251)
Purchase of intangible assets	(416)	(302)	114
Proceeds from sale of property, plant and equipment	25	218	192
Purchase of investment securities	(8)	(158)	(150)
Proceeds from sale and redemption of investment securities	131	1,543	1,412
Other	1	(9)	(10)
Cash flows from investing activities	(1,257)	(887)	369
Cash Flows from Financing Activities			
Net increase (decrease) in short-term borrowings	(98)	(50)	48
Repayments of lease obligations	(244)	(242)	2
Dividends paid	(1,667)	(1,754)	(86)
Dividends paid to non-controlling interests	(2)	(63)	(60)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(57)	—	57
Other	(0)	(0)	0
Cash Flows from Financing Activities	(2,072)	(2,110)	(38)
Effect of exchange rate change on cash and cash equivalents	730	709	(20)
Net increase (decrease) in cash and cash equivalents	1,466	4,524	3,057
Cash and cash equivalents at beginning of period	16,015	17,481	1,466
Cash and cash equivalents at end of period	17,481	22,006	4,524

Mandom Group's 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 Tancho Corporation 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 (currently a 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 (Charles Bronson)
- 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 Pagiacci 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 ► Local joint venture started in Singapore (now consolidated subsidiary Mandom Corporation (Singapore) Pte. Ltd.)
- 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 LÚCIDO, 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 local joint venture in Taiwan (currently consolidated subsidiary Mandom Taiwan Corporation)



1990-

- 1990. 4 ► Commenced 3rd 3-year Middle-Range Planning
- Started a local joint venture in Thailand (currently 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 local joint venture in the Philippines (currently 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 ► Local joint venture company started in Hong Kong (now an equity method affiliate Sunwa Marketing Co., Ltd.)
- 9 ► **Launched LÚCIDO-L, a lineup of fragrance-free products for women**
► P.T. Tancho Indonesia Tbk, listed on the Jakarta Stock Exchange (current 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 ► Start of local joint venture in China (now consolidated subsidiary Zhongshan City Rida Cosmetics Co.Ltd.)
- 1997. 1 ► Started a local joint venture in Malaysia (currently 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 local joint venture in Korea (currently 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**
(CM Databank: Survey on by commercial rankings in the Tokyo metropolitan area)
- 4 ► Commenced 7th 3-year Middle-Range Planning
- 5 ► **Started marketing GATSBY and LÚCIDO-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



- 2003.10 ▶ Achieved “zero emission” status at the Fukusaki Factory
 - ▶ PT Mandom Indonesia Tbk won the “Economic Value Added (EVA) Award in Indonesia” (also won 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
 - ▶ 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 ▶ Reorganization of Tokyo metropolitan area sales bases (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 LÚCIDO 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
- 2014. 2 ▶ Launched the LÚCIDO Deodorant series aimed at combating body odors that develop during middle age
 - 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



- 2017. 4 ▶ 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
 - 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 ▶ Recognized as a “Three-Star Certified Company” (highest rank) in the “Osaka City Leading Company in Women’s Participation” ranking
 - ▶ 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)”
 - 9 ▶ Won award for best poster presentation at the “33rd International Federation of Societies of Cosmetic Chemists (IFSCC) Congress 2023 Barcelona”
- 2024. 4 ▶ Commenced 14th Middle-Range Planning



Group Companies/Company Outline/Stock and Shareholder Information (as of March 31, 2024)

Japan

Company Name	Location	Main Businesses	Main Products	Established	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	—	—
Piadelabo 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, 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	Established	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	The 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	Other	—	2009	Consolidated	100.0%
Alliance Cosmetics Sdn. Bhd.	Malaysia	Sale of cosmetics and other products	Cosmetics, makeup products	1991	Consolidated	100.0%
Alliance Cosmetics Pte. Ltd.	Singapore	Sale of cosmetics and other products	Cosmetics, makeup products	1965	Consolidated	100.0%
PT Alliance Cosmetics	Indonesia	Sale of cosmetics and other products	Cosmetics, 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

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: 2,672 (Consolidated) / 619 (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 Information

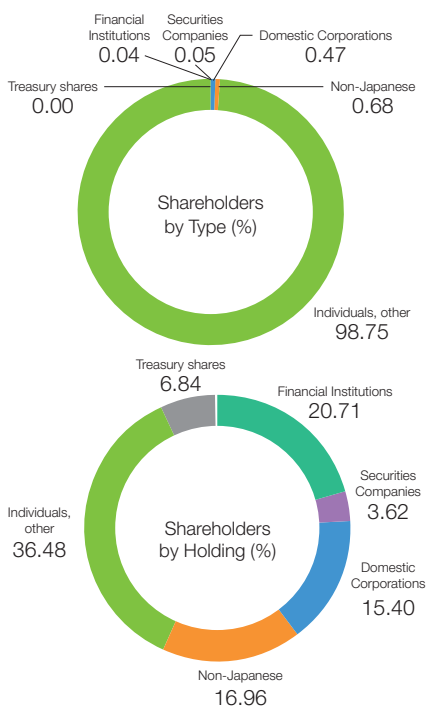
Number of Shares Authorized for Issue: 81,969,700
 Shares of Common Stock Issued and Outstanding: 48,269,212
 Number of Shareholders: 60,633
 Stock Listing: Prime Market of the Tokyo Stock Exchange
 Securities Code: 4917
 Transfer Agent: The Mitsui Sumitomo Trust and Banking Co., Ltd.

Shareholder Information

Major shareholders (Shareholder name or title)	No. of shares owned (Thousands)	Ratio of share ownership (%)
The Master Trust Bank of Japan, Ltd. (trust account)	6,474	14.40
Nishimura International Scholarship Foundation Custody	3,600	8.01
Bank of Japan, Ltd. (trust account)	2,796	6.22
Mandom Employee Shareholding Association	1,422	3.16
Motonobu Nishimura	1,411	3.14
BNP PARIBAS LUXEMBOURG/2S/JASDEC/ JANUS HENDERSON HORIZON FUND	685	1.52
JPMorgan Securities Japan Co., Ltd.	625	1.39
THE BANK OF NEW YORK 134105	584	1.30
MN Holdings Co., Ltd.	570	1.27
JP MORGAN CHASE BANK 385781	452	1.01

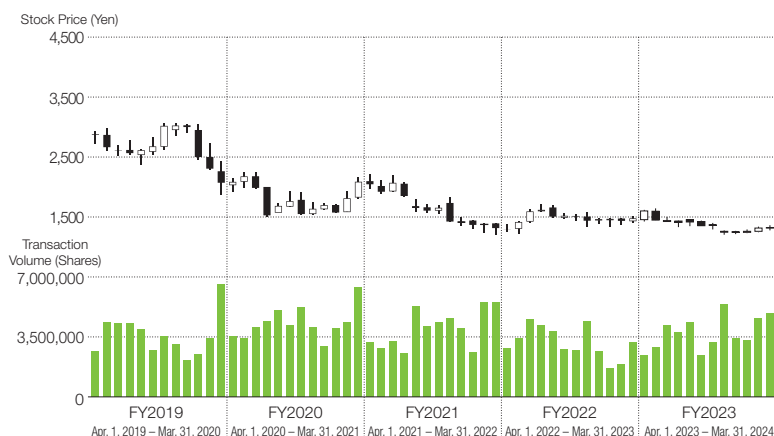
Notes: 1. Figures less than 1,000 shares have been rounded down.
 2. Ratios of share ownership are rounded to one decimal place.
 3. We hold 3,300,668 shares of treasury stock which are not listed above.
 4. Ratios of share ownership are calculated excluding treasury shares.

Common Stock Holdings



Notes: Does not total 100 due to rounding

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.

Shareholder Information

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

Sustainability Information

<https://www.mandom.co.jp/en/sustainability/>



Shareholder Information



Sustainability Information



mandom