

# 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



Acid care\* based on salon technology easily achieved at home

Launched "LÚCIDO-L Texture Reshaping Series"



2022

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



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

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### Strengths of Mandom 2

#### Men's Cosmetics

##### Achievements and knowledge in the men's cosmetics field

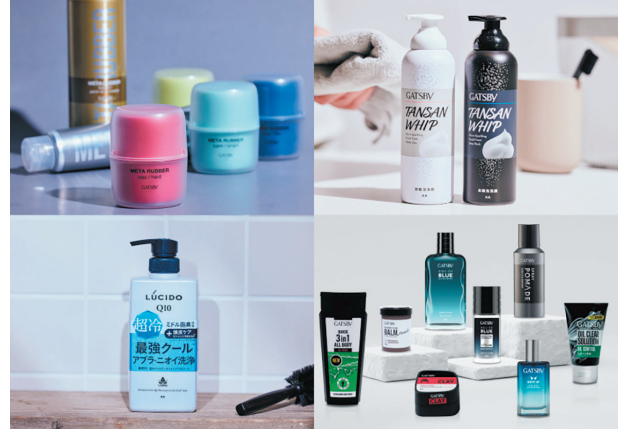
##### Overwhelming presence in men's cosmetics since Tancho and MANDOM

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.



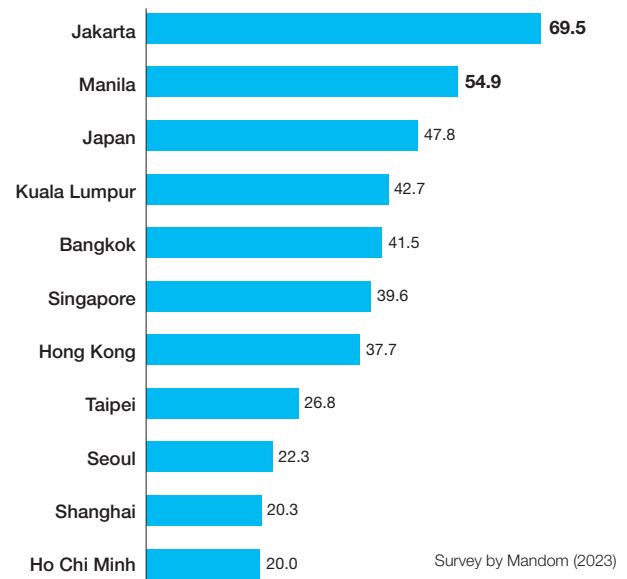
##### GATSBY, our men's grooming brand enjoying tremendous popularity in Asia

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<sup>\*1</sup>

**No.1**

GATSBY  
GATSBY Indonesia Hair styling  
products Brand share<sup>\*2</sup>

**No.1**

“GATSBY” is adored both in Japan and overseas

GATSBY  
GATSBY Japan for men Hair styling  
products Brand share<sup>\*1</sup>

**40% or higher**

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

**270 million units**

<sup>\*1</sup> Period: April 2023–March 2024; all business categories, monetary value (market data by Mandom calculations)

<sup>\*2</sup> 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.”



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### 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.



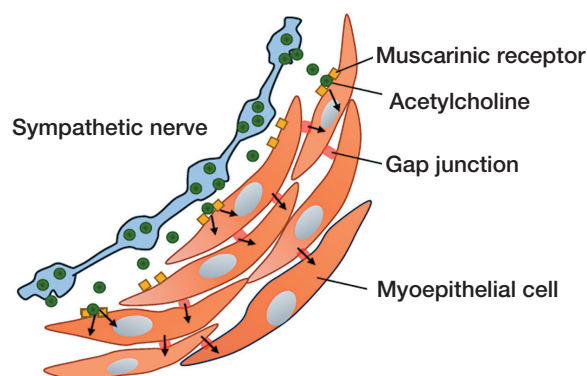
### [Key research findings]

- ◆ The mechanism by which sweat glands contract during sweating has been elucidated
- ◆ Connexins<sup>\*1</sup> that form gap junctions<sup>\*2</sup> 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)<sup>\*3</sup> 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