

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

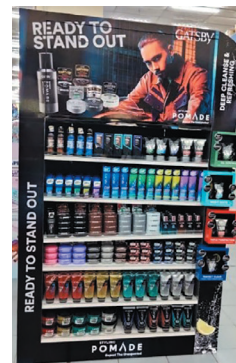
The Mandom Group views overseas countries as markets rather than production bases. We have been engaged in overseas business with the policy to demonstrate Dedication to Service (Oyakudachi) to local consumers through our products. Our overseas expansion began with the commencement of operations at Tancho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

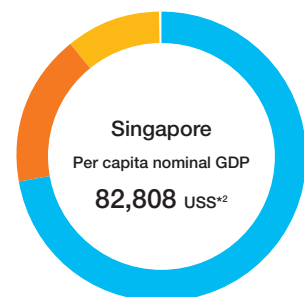
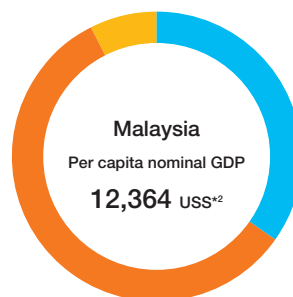
Group companies in each country sell products with their own unique product mix; importing products from Japan, Indonesia, and some from China, tailored to the GDP levels of the countries, consumers’ income levels, and lifestyles.

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

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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

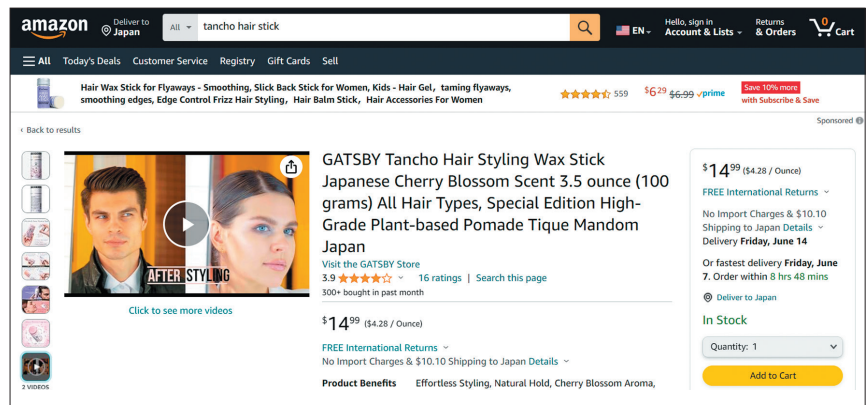
Mandom struggled to export existing products to America due to issues with raw ingredients, but there was potential for prolonged sales given the anticipated levels of demand. Yet we wanted to deliver products brimming with appeal to customers who showed signs of interest in our products, so we launched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