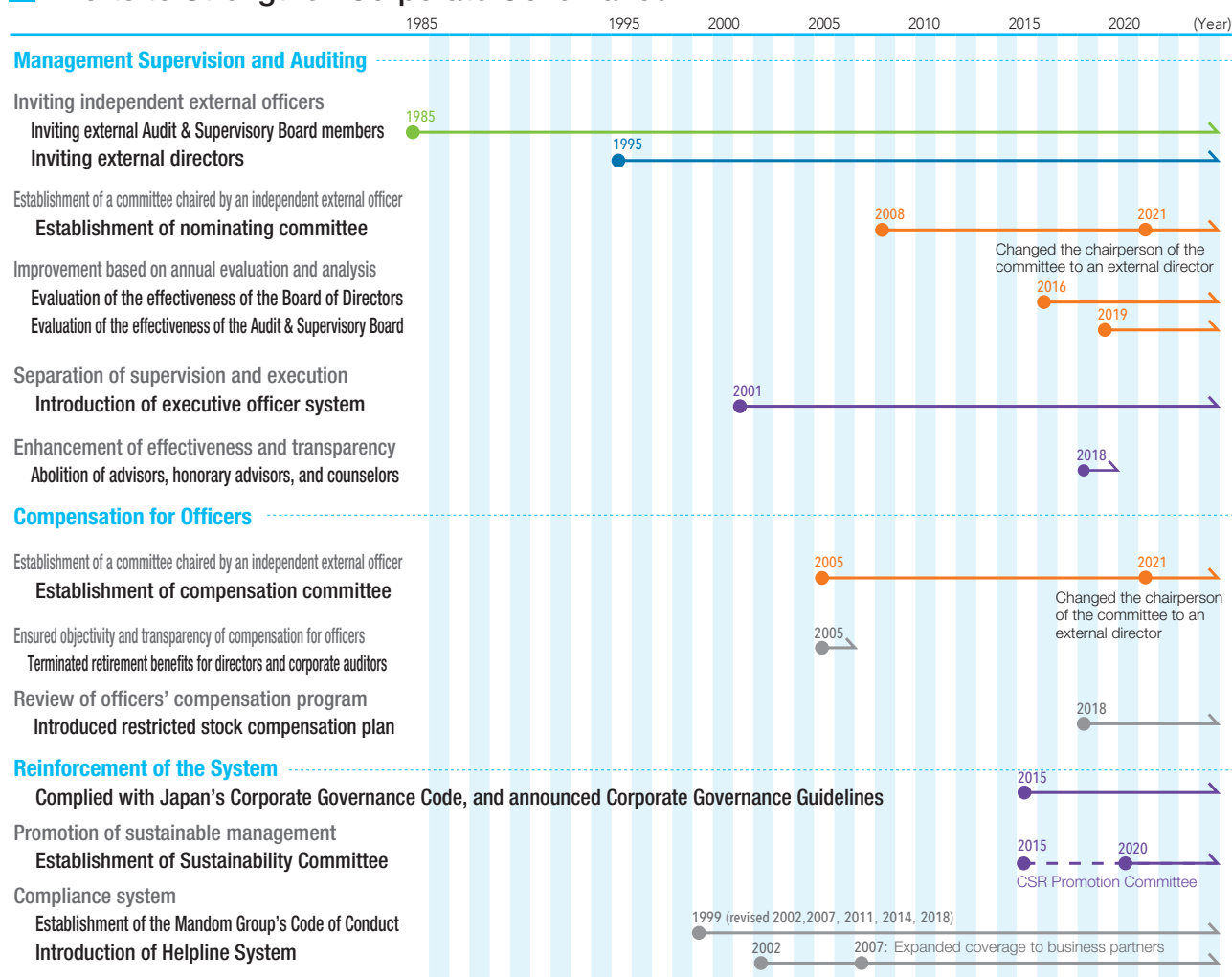


Corporate Governance

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



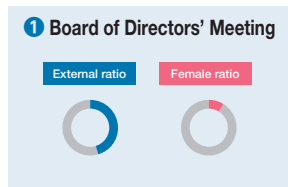
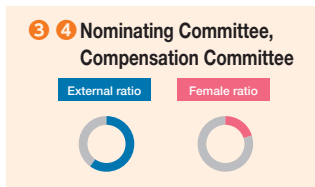
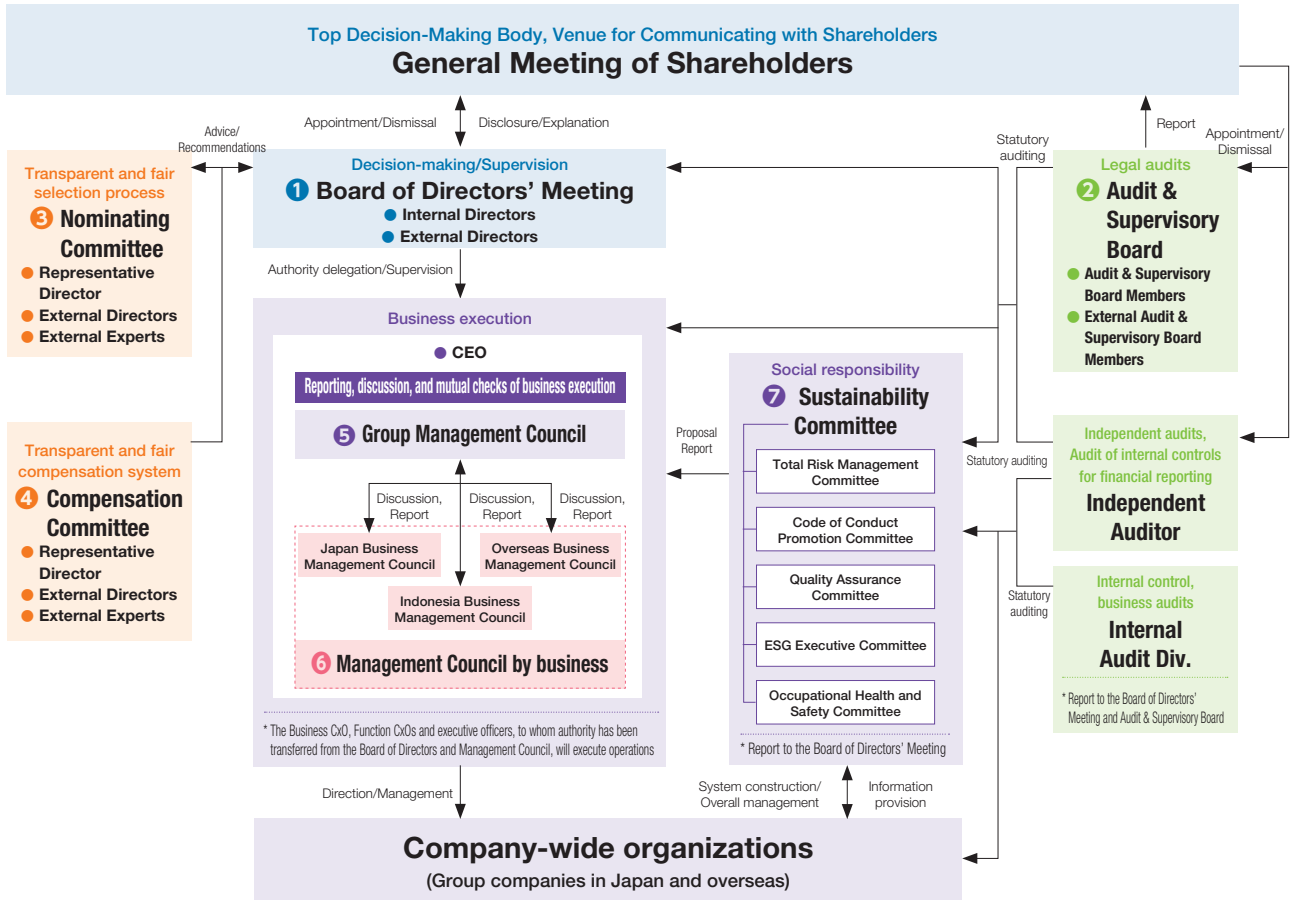
Corporate Governance System

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 Board of Directors' Meeting	Audit & Supervisory Board	Nominating Committee	Compensation Committee	Management Council	Executive Board	Sustainability Committee	
		Number of Meetings Held	13	17*	3	2	11	11	2	
		Role								
(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)										
	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 <ul style="list-style-type: none"> • Achievement rate for net sales forecast in pertinent fiscal year • Achievement rate for operating margin • Performance of division in charge 	Company's Performance <ul style="list-style-type: none"> • 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.