

Business Results Briefing

(Fiscal Year Ending March 31,2022)

April 1, 2021-March 31, 2022



mandom

Mandom Corporation

(Securities Code: 4917)



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※Beginning from the first quarter of the fiscal year ending March 31, 2022, some items that had been processed as expenses have been deducted from net sales in financial statements prepared in accordance with ASBJ Statement No. 29 Accounting Standard for Revenue Recognition. The results for the first quarter of the fiscal year ended March 31, 2021 have also been calculated according to these standards within this document.

Such calculations have been marked with an asterisk (*) on the following pages as well.

Summary of FYE 2022/MAR

• Consolidated Net Sales

Consolidated net sales substantially declined 4.4%; down 8.3% in Japan

In addition to the continuing impact of COVID-19 both in Japan and overseas, net sales in Japan declined significantly as we were not able to recover the decline in sales of seasonal products for summer.

* *Comparison of FY2021 results with the figures converted based on the "Accounting Standard for Revenue Recognition" adopted from this fiscal year.

• Profit

Recorded operating loss continuously from the previous fiscal year;
Ordinary income and other profit items were also in the red

As in the previous fiscal year, the cost rate worsened due to the impact of lower sales and the decline in gross profit had a significant impact.

Despite a gain on sale of securities of 1.16 billion yen, net loss attributable to parent owners was recorded.



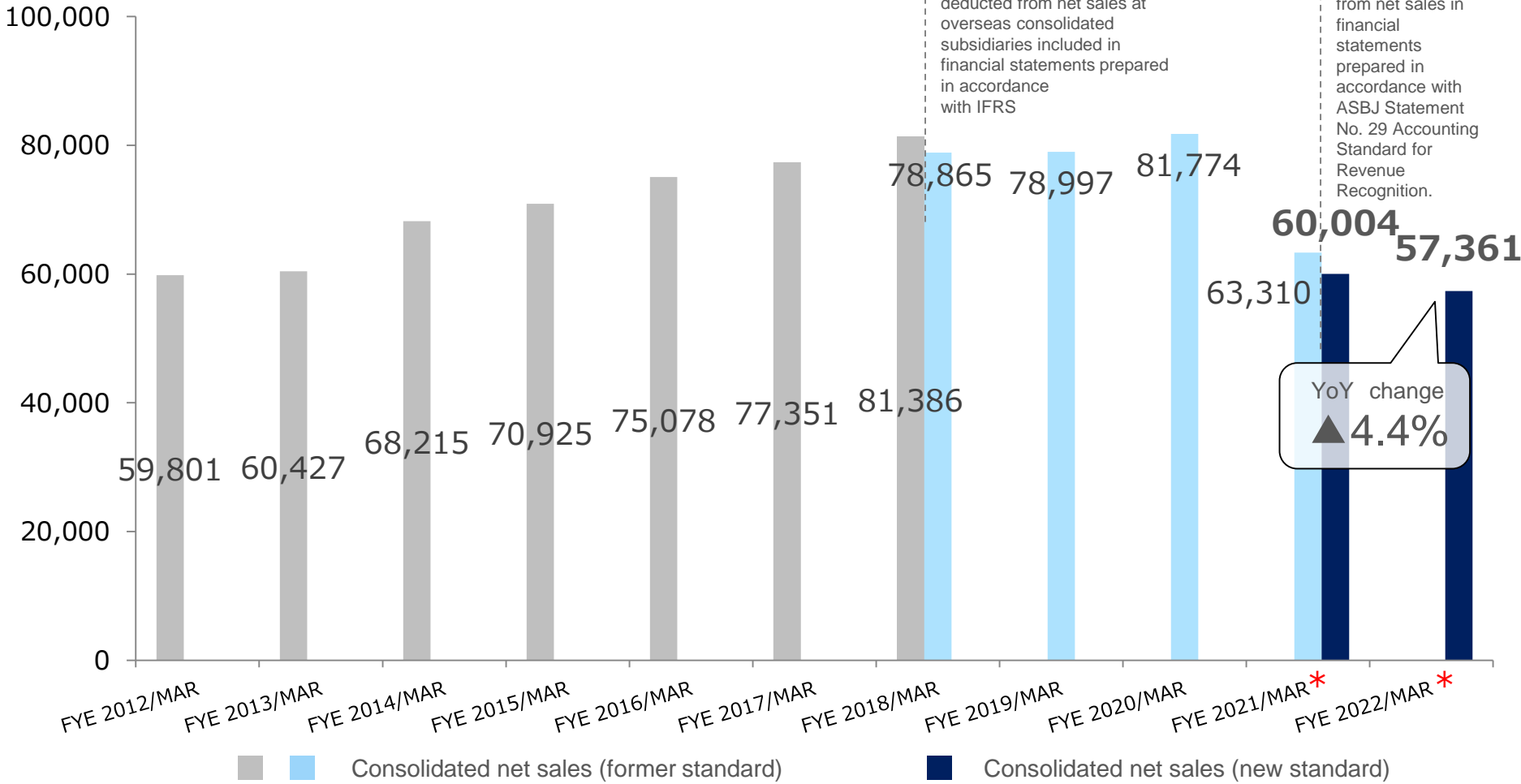
1. Consolidated Business Results

1. Consolidated Business Results



1) Decreased due to difficult sales of summer seasonal products in Japan and the impact of COVID-19.

(millions of yen)

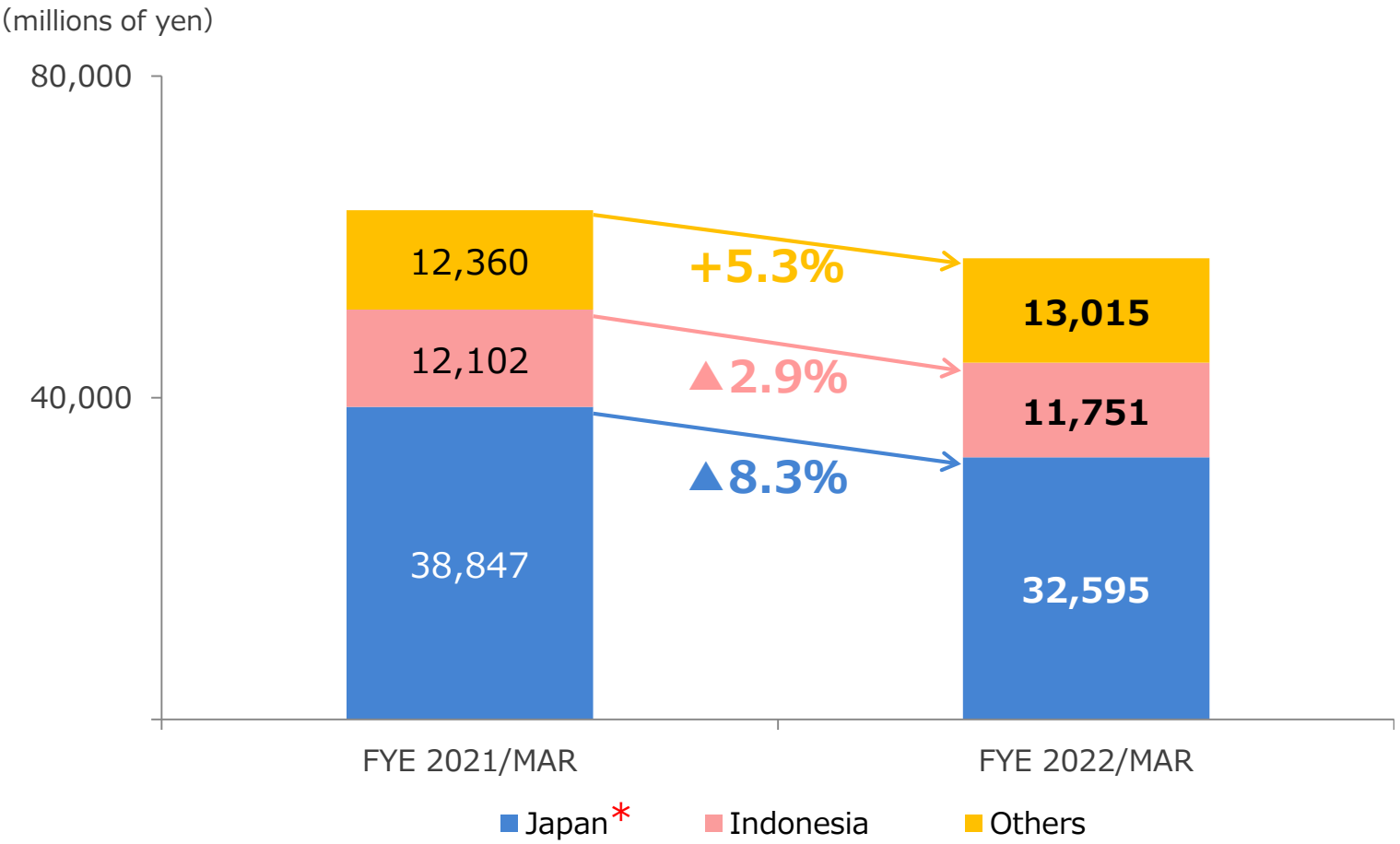


1. Consolidated Business Results

<Sales by Region>

1) Sales declined due to the difficult summer season products in Japan and the continued impact of Corona both in Japan and overseas.

• Sales in Japan declined sharply. Overseas others grew by more than 5%.



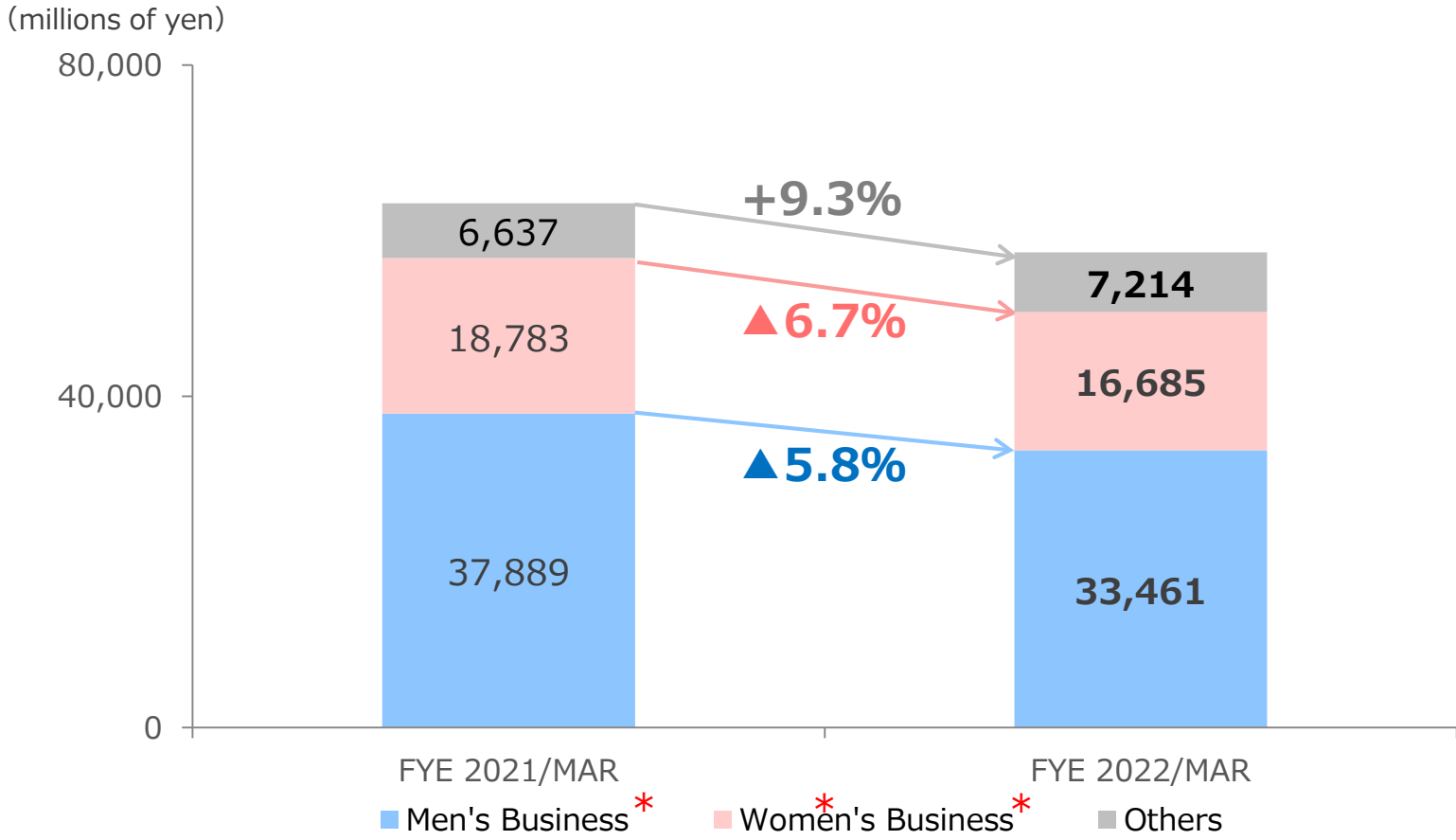


1. Consolidated Business Results

<Net Sales by Strategic Business Unit>

1) Sales declined due to the difficult summer season products in Japan and the continued impact of Corona both in Japan and overseas.

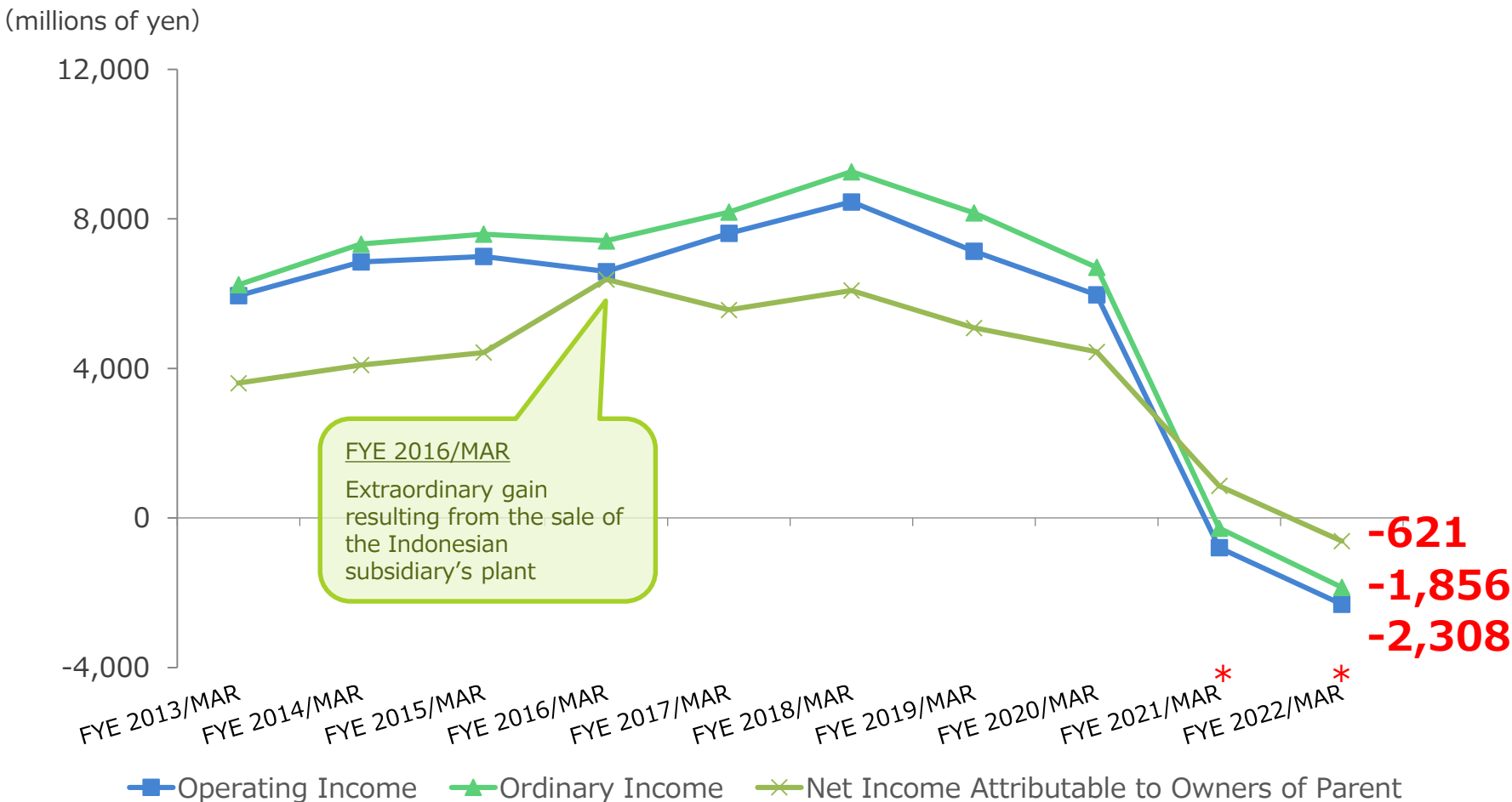
· Sales of summer season products (face and body care) and styling products in Japan and makeup overseas declined. Sales of styling products were up from the previous year in overseas.



1. Consolidated Business Results



2) Operating income and below were in deficit due to the impact of lower sales.



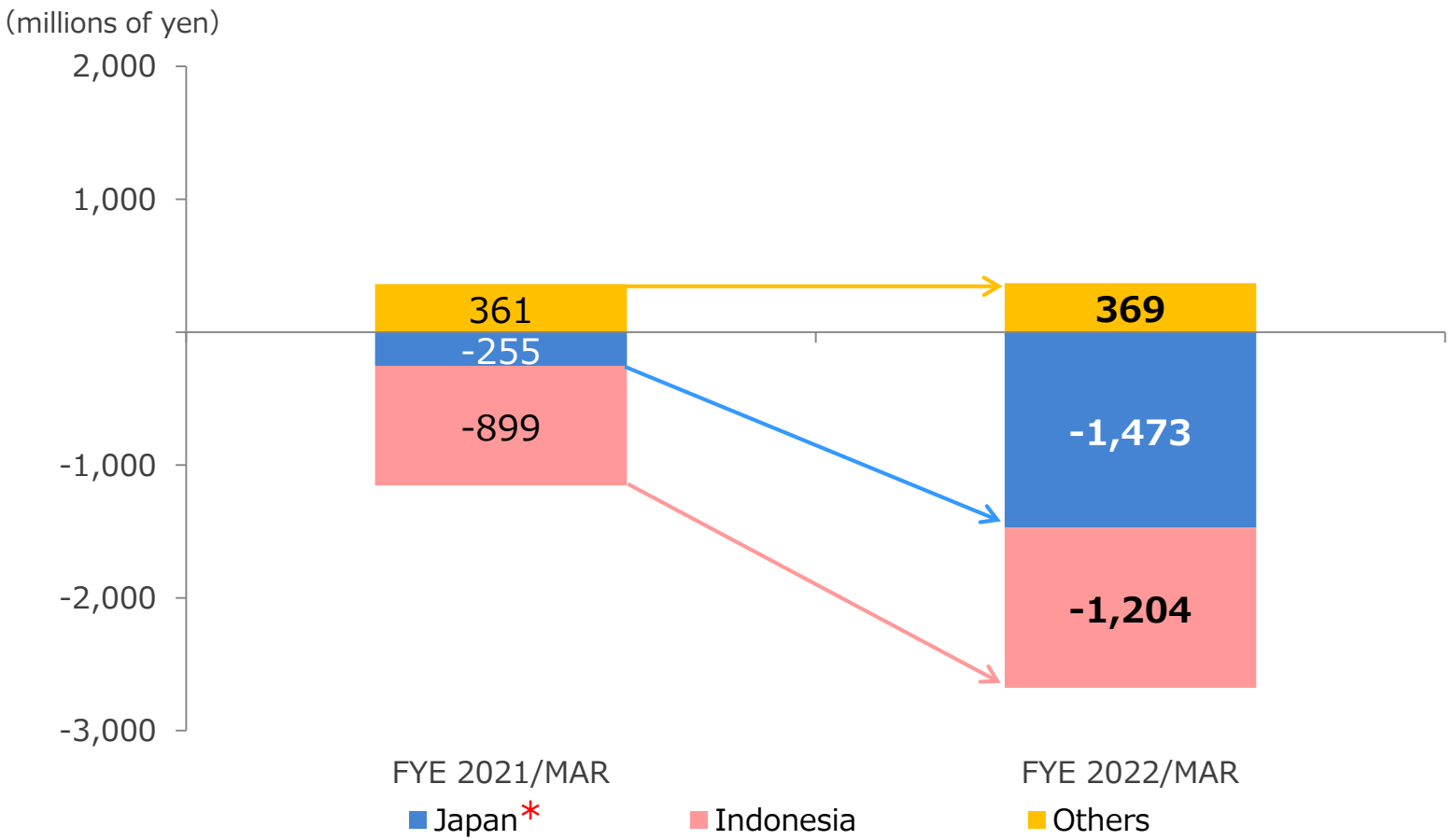


1. Consolidated Business Results

<Operating Income by Region>

2) Operating loss in Japan and Indonesia increased due to lower sales

• Operating loss in Japan increased by 1.2 billion yen. Slight increase in Overseas.



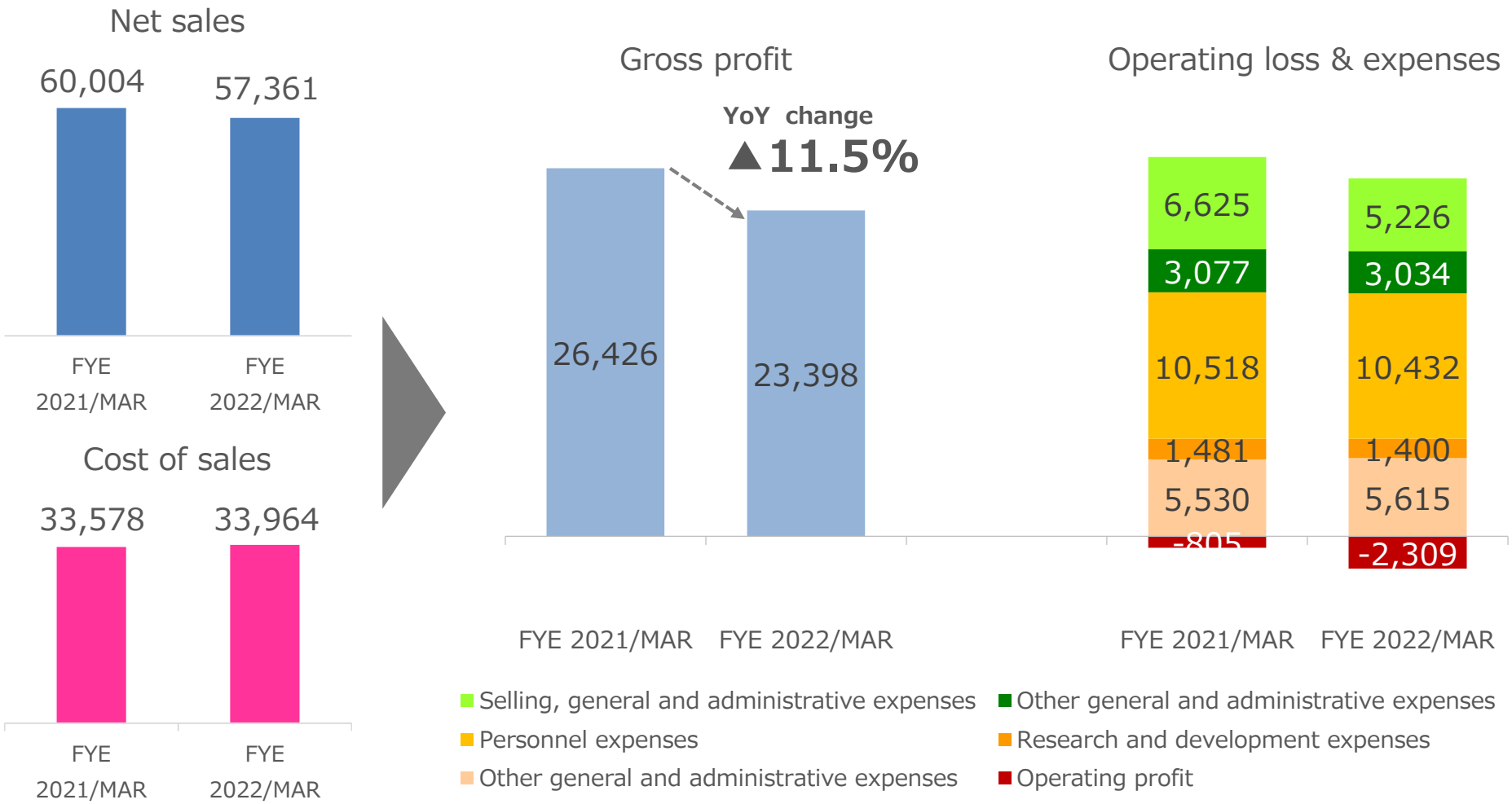


1. Consolidated Business Results

<Profit and loss >

3) Gross profit declined significantly due to an increase the cost of sales ratio caused by the impact of lower revenues.

·Significant decrease the gross profit due to lower sales



1. Consolidated Business Results

<Sales by Region>



Quarterly Performance Trend by Region

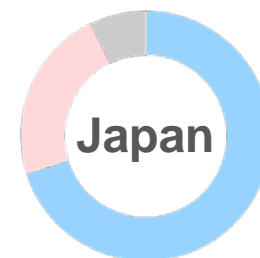
Year-on-year change in sales from the recent quarter (less than a 5% change indicated by a horizontal arrow)

	1Q		2Q		3Q		4Q	
Net Sales	▲13.2%		▲0.1%		▲4.5%		+1.4%	
Japan	▲10.3%		▲9.4%		▲3.2%		▲9.2%	
Indonesia	▲24.5%		+1.5%		+2.1%		+11.6%	
Others	▲10.2%		+37.1%		▲12.9%		+19.0%	

1. Consolidated Business Results

<Summary of Our Strategic Business (JAPAN)>

Net Sales by Business



Business results by Brand

- Gatsby's sales fell sharply due to a difficult summer seasonal products especially paper series.
- Lucido-L continues to grow.

Status of our major brands

Men's Business	Women's Business
<p>GATSBY </p>	<p>Bifesta ビフェスタ </p>
<p>LÚCIDO </p>	<p>LÚCIDO-L </p>

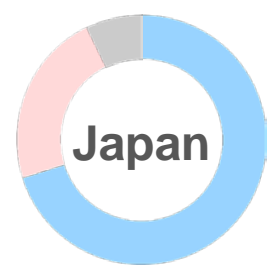
1. Consolidated Business Results

<Summary of Our Strategic Business (JAPAN)>

Men's business

GATSBY

Net Sales by Business



summer items : Face/Body paper products

• **Market trend**

Both Face and Body are lower than previous year



- Bad weather during peak season
- Reduced opportunities to go out due to COVID-19

• **Our product situation**

Significantly lower than the market average.



- Intensifying competitive environment

[Factor]

• Retail price

Strategic price offensive of competing products. Quality appeals were not sufficient.

• In-store display

Promotional displays were inferior to competitors



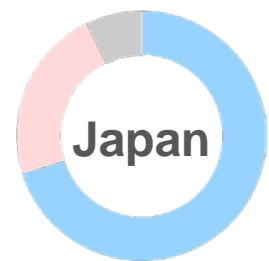
1. Consolidated Business Results

<Summary of Our Strategic Business (JAPAN)>

Women's Business

LUCIDO-L

Net Sales by Business



- Hair oil market continues to grow at 125% vs LY
- Argan oil treatment series expanded and further enhanced

■ LUCIDO-L Hair Treatment Oil series



■ LUCIDO-L Hair Treatment Oil Frizz Care



1. Consolidated Business Results

<Summary of Our Strategic Business (INDONESIA)>

Business results by brand

- Both male Gatsby and female Pixie struggled due to the impact of COVID-19.
- Pucelle's "Eau de Luxe" showed growth in sales.

Net Sales by Business



Status of our major brands (consolidated basis)

Men's Business	Women's Business
<p>GATSBY →</p>	<p>PIXY My Beauty, My Energy ↘</p>
	<p>PUCELLE ↗</p>

1. Consolidated Business Results

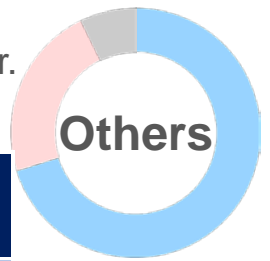
<Summary of Our Strategic Business (OTHERS)>



Net Sales by Business

Quarterly Performance Trend by Area

Up/down arrows for changes of more than 5% from the same period of the previous quarter.
(less than a 5% change indicated by a horizontal arrow)



Area	1Q	2Q	3Q	4Q
China	↗	→	↘	↗
Taiwan	↗	↘	↘	↗
Korea	↗	↗	↘	↗
Thailand	→	↗	↘	↗
Philippines	↗	-	-	↗
Malaysia	↗	↗	↘	↗
Singapore	→	↗	↘	↘
Vietnam	↘	↗	→	↘
ACGI	↗	↗	↘	↗

2. Progress of MP-13

MP-13 Management Basic Policy

1. Evolution and challenges of category strategies and renewal of company-wide marketing functions to thoroughly enhance brand values under a new normal
2. Early establishment of a company-wide framework that leads to accelerated growth of overseas and women's category businesses
3. Enhancement of value of global brands (GB and BA) throughout Asia
4. Quality improvement and scope expansion of OYAKUDACHI during and after the COVID-19 pandemic

Progress of management basic policy

【Growth potential】 Consolidated Net Sales

Target	81.5 billion yen	1 st year	57.3 billion yen
	[*] 79.0 billion yen	GAP	21.7 billion yen
CAGR	10.7%	1 st year	-4.4%

*Japan Business converted to "Accounting Standard for Revenue Recognition." effective from the fiscal year ending March 31, 2022

【Profitability】

Consolidated operating income margin	8.0% or above	1 st year	-4.1%
Consolidated ROIC	7.0% or above	1 st year	-1.7%

2. Progress of MP-13

Progress of management basic policy

【Response to social issues】

All targets are for the final year (fiscal year ending March 2024)

■ JAPAN

Initiatives for eco-friendliness in products sold in Japan
 (Percentage of products that clear our standards) **60%**

1st year results 46%

■ INDONESIA

10% reduction in use of plastic packages
 (compared to FYE2016/Mar)

1st year results 38%

10% reduction of plastic wastes
 (compared to FYE2016/Mar)

1st year results 43%

2. Progress of MP-13

Efforts of Management basic policy No. 1

1. Challenging to new marketing 『gatsby THE DESIGNER』

Challenge to develop channels different from existing mass distribution

Store display



Selling trial sets on the company's website to promote entering.

透明肌を叶える! スキンケア&メイク お試しサイズ3種セット

洗顔+ローション+BBクリーム **500円** (税込)

※お一人様につき一回限り ※送料無料

詳しくはこちら

送料無料! 🚚

セット内容



ブライトアップスパークリングウォッシュ
BRIGHT UP
SPARKLING WASH

[洗顔料] 220g



ブライトアップ
オールインワンローションモイスト
BRIGHT UP
ALL IN ONE LOTION MOIST

感動オールインワン。染み込み浸透力*。
※高保湿
モイスト：しっとり、柔らかな肌へ。
6ml (60秒分)

合計 **1,430円** (税込)

※お一人様につき一回限り
※送料無料

今すぐ購入 🛒

2. Progress of MP-13

Efforts of Management basic policy No. 1

1. Challenging to new marketing 『gatsby THE DESIGNER』



BLIGHT UP
SPARKLING
WASH



MEN'S NAIL



COLOR BUTTER



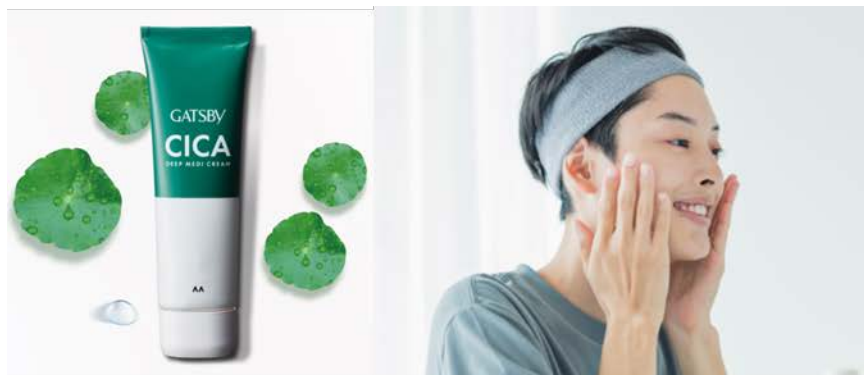
ALL IN ONE NAIL

2. Progress of MP-13

Efforts of Management basic policy No. 2

2. Shift in product portfolio in the Japanese market

New products for spring/summer2022



2. Progress of MP-13

Efforts of Management basic policy No. 2

3. Strengthening EC Channels in Overseas Countries

Mandom flagship store in video-focused social networking service

Jump to the product page from the video and purchase on the spot



2. Progress of MP-13

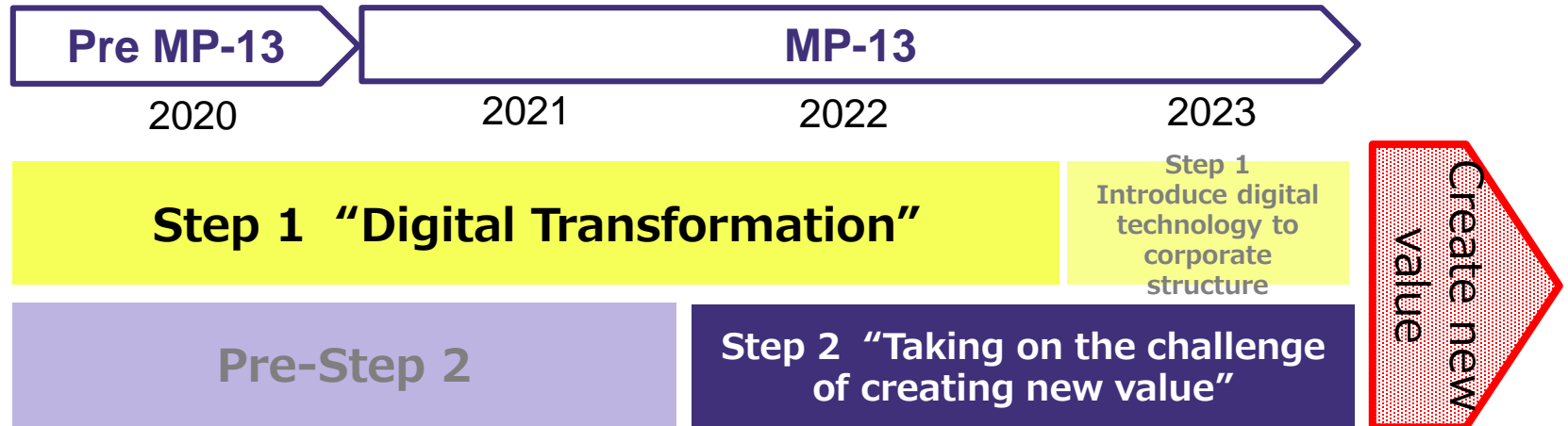
Efforts of Management basic policy No. 3

4. Start Digital transformation

Overview

Step 1 Create management resources (time) to take on the challenge of creating new value

Step 2 Invest the management resources created to **take on the challenge of creating new value**



2. Progress of MP-13

Efforts of Management basic policy No. 3

4. Start Digital transformation

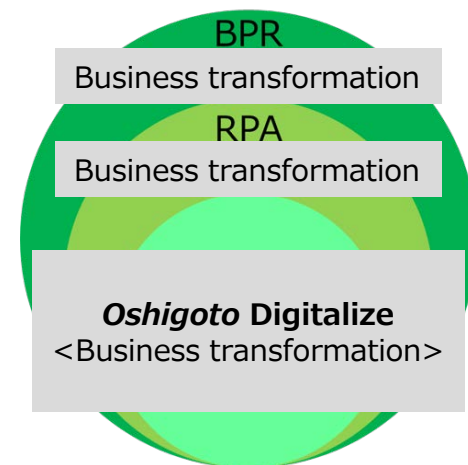
Step1-① Promotion of digital transformation **to create management resources (time) to take on the challenge** of creating new value

Promotion of “Oshigoto Digitalize” and use RPA

Step1-② **Advancing development of DX leaders**

Step1-③ **Educating all employees while fostering a DX culture**

Understanding the background and objectives of DX promotion and the overview of digital technology (e-learning)



2. Progress of MP-13

Efforts of Management basic policy No. 3

5. Cost Reduction Efforts

Fixed cost reduction at Fukuzaki factory in Japan

Promote in-house production through the use of robots and curb outsourced processing costs



Reduction of labor costs by reducing wasted time through labor saving and complete visualization of production status

INDONESIA

Price increases for domestic and trading products due to reform of pricing policy

2. Progress of MP-13

Efforts of Management basic policy No. 4

6. Promotion of Sustainable Management (MP-13 Basic Management Objectives)

E (Environment)

- Steadily implemented the MP-13 Management Basic Target "Responding to Social Issues"
- Installed rooftop solar panels on the Fukusaki Factory's new production building
- Reduced plastic usage by eliminating the outer package of E-commerce exclusive products



S (Society)

- The ratio of female managers and assistants to managers increased
To 14% as of April 1, 2022 (11% in 2021)
- Certified "Health and Productivity Management Organization 2022"

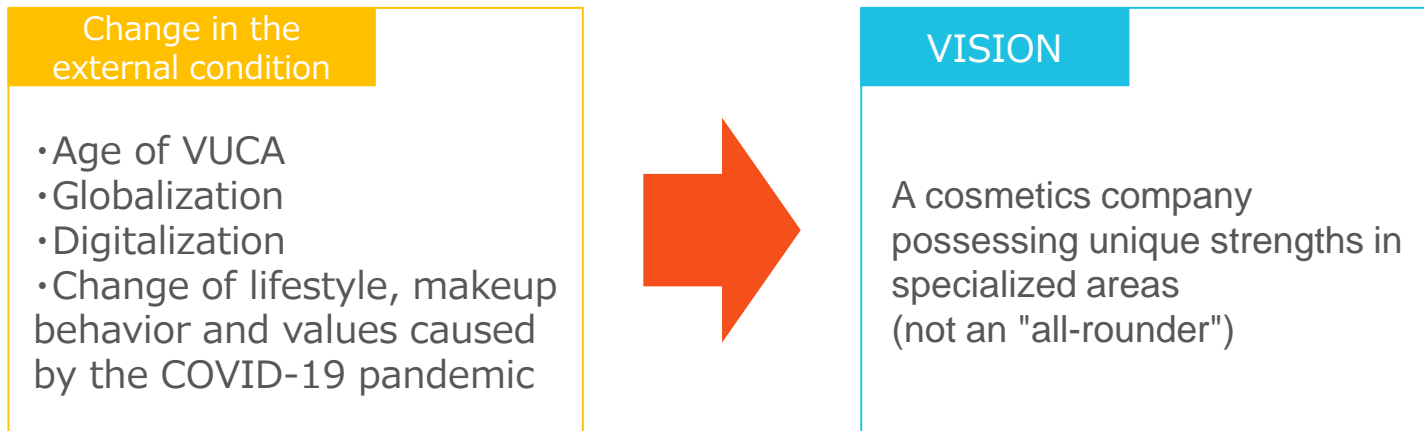


2022
健康経営優良法人
Health and productivity

2. Progress of MP-13

Efforts to strengthen the management base

7. Preparing for the transition to the MHRX, a job-based personnel system to respond to changes in society and for greater dedication to service (Oyakudachi) to consumers



Amid the need to accurately adapt to drastic changes in the external condition and to provide new dedication to service (Oyakudachi) through innovation and challenge, the limitations of the current personnel system are becoming apparent.

We need to reform the system based on “human resources development based on autonomous career development” and “job (role)-based perspective”

⇒ Briefings and dialogue sessions are underway aiming to launch a new system from FY2023

3. Efforts of FYE 2023/March

Top priorities for this fiscal year

- **Re-emphasizing the "OYAKUDACHI" to consumers through our products**
- **Reduction of cost ratio**
- **Return to profitability in operating income**

3. Efforts of FYE 2023/March

1. Challenging to new marketing 『CYQ』



Target : Generation-Z

Feature

- ① Central consumption segment in the world
- ② High purchasing power and consumer confidence
- ③ Social native
- ④ Naturally accepting diversity

Among Asian Generation Z,
beauty trends across borders.

3. Efforts of FYE 2023/March

1. Challenging to new marketing 『CYQ』

Wants of Generation Z consumers in Asia

Generation Z is native to the digital and social world

They take it for granted that they process their face images

They want to bridge the gap between the ideal (image on the app) and the real face

Information on makeup to create plastic surgery-like effects is increasing on SNS.



**Design cosmetics that are
“more than makeup, less than plastic surgery”**



3. Efforts of FYE 2023/March

1. Challenging to new marketing 『CYQ』



CUPID LIP (5 colors)

Global Development Team



With this lipstick, you can easily put on makeup that makes your philtrum look shorter and your face look smaller

To be launched on Friday, May 20, on our own EC site, @cosme SHOPPING, lifestyle goods store LOFT nationwide, and the LOFT online store.



3. Efforts of FYE 2023/March

2. Strengthen marketing to recover performance of Japan business

Aggressive introduction of new, highly innovative products into existing mass distribution

Men's Business	Women's Business

3. Efforts of FYE 2023/March

2. Strengthen marketing to recover performance of Japan business

Efforts focused on major retailers

- Strengthening promotion of seasonal products for summer

Based on the evaluation and reflection of the previous term, we will review all, including Product, Price, Promotion and Place, to focus on creating optimal touch points with the consumers who choose GATSBY.

- Initiatives for pre-sale and exclusive products
- Dedication to Service (Oyakudachi) with OEM (PB products)



3. Efforts of FYE 2023/March

3. Efforts for Well-Being

■ Applied development of TRP channels technology

TRP channels are a part of the research that won the Nobel Prize in Physiology or Medicine in 2021 on the thermally sensitive receptors and pressure-sensing channels.

TRP channels are the cell's sensors, triggering sensations that detect thermal or chemical stimulation, separate from the five senses.

Mandom turned attention to TRP channels and has been conducting joint research with Professor Makoto Tominaga at the Exploratory Research Center on Life and Living Systems (ExCELLS) since 2005, expanding the scope of application for (1) reducing unpleasant sensation, (2) improving fresh sensation, and (3) controlling skin immunity, and has made many discoveries and advanced product applications.



3. Efforts of FYE 2023/March

3. Efforts for Well-Being

■ Applied development of TRP channels technology



RS TAICHI
Cooling systems for riders



JAXA
Space Shower Paper for scalp/body

⇒ **Planning to expand into new areas to support daily life**

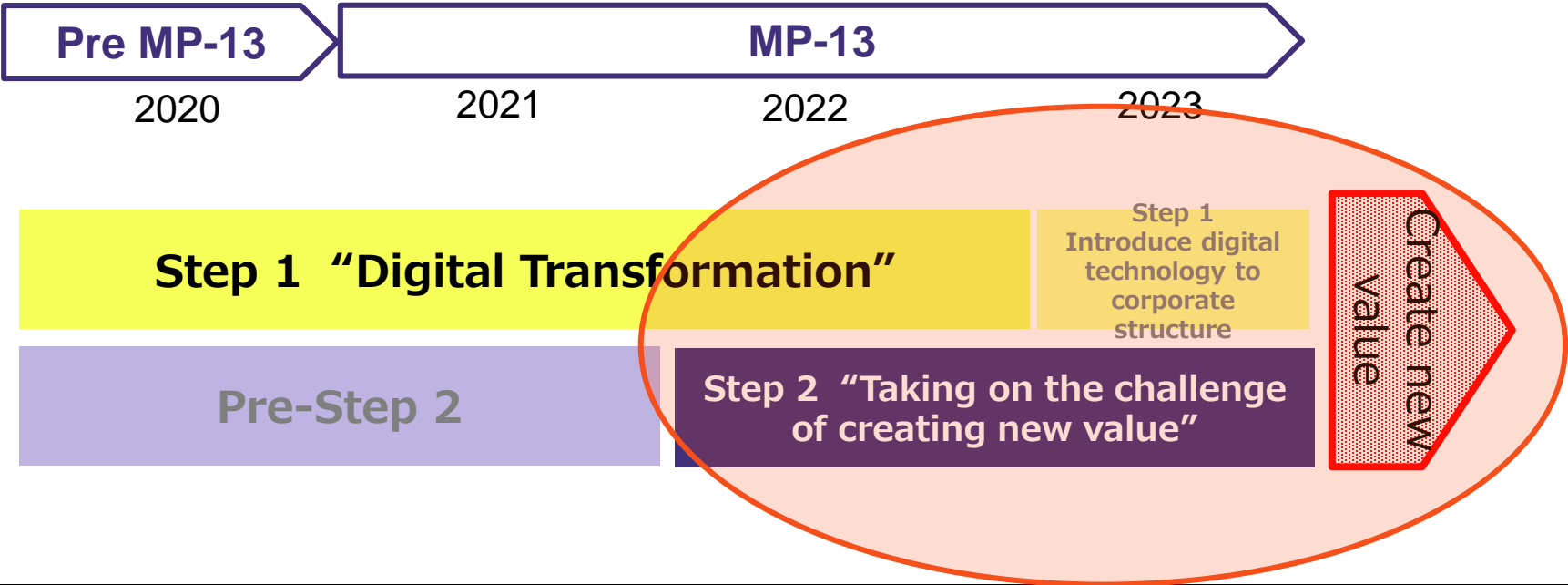
■ We are also preparing new Dedication to Service (Oyakudachi) in the areas of “Health, Cleanliness, Beauty, and Pleasure”.

3. Efforts of FYE 2023/March

4. Start Digital transformation

Full-scale challenge
to create new value for consumers

Move to Step 2



4. FYE 2023/March Forecast

4. FYE 2023/March Forecast



FYE 2023/March Forecast of Consolidated Business Results

(Millions of Yen)

	FYE2023/MAR						FYE2022/MAR	
	Annual			1Q+2Q			Annual	1Q+2Q
	Plan	Balance	Yr/Yr	Plan	Balance	Yr/Yr	Result	
Net Sales	65,000	7,638	113.3%	32,000	2,688	109.2%	57,361	29,311
Operating Income	1,000	3,308	–	800	1,446	–	-2,308	-646
Ordinary Income	1,350	3,206	–	1,000	1,358	–	-1,856	-358
Net Income Attributable to Owners of Parent	750	1,371	–	680	353	208.0%	-621	326

4. FYE 2023/March Forecast

FYE 2023/March Consolidated Forecast

- Economic activity on a recovery track in Japan and Asia, while the number of COVID-19 cases will continue to fluctuate

【Given conditions of the forecast】

■ Net sales

- +) • Recovery of economic and social activities in Japan and overseas
- +) • Increase in sales by strengthening women's cosmetics in Japan and overseas
- +) • Increase in sales by strengthening e-commerce channels in Japan and overseas
- +) • Recovery of seasonal product sales for summer in Japan

■ Operating income

- +) • Improvement in cost ratio due to sales expansion in Japan and overseas
- +) • Improvement in cost ratio due to cost reduction efforts in Japan and overseas
- +) • Efficient use of A&P expenses in Japan and overseas
-) • Cost impact from sharp rises in raw materials and transportation costs

【Risk】 Prolonged restrictions of going out due to the spread of COVID-19 in China

◆ Appendix

Contents

- 1. Consolidated Business Results**
- 2. Consolidated Net Sales**
- 3. Consolidated Income**
- 4. P/L of Mandom Corporation,
PT Mandom Indonesia Tbk**

1. Consolidated Business Results



(Millions of yen)

	Annual					
	FYE2021/MAR	FYE2022/MAR	Balance	Yr/Yr	Yr/Yr*	Achiev. vs Revised
Net Sales*	60,004	57,361	▲ 2,642	95.6%	93.6%	98.9%
Operating Income	-805	-2,308	▲ 1,503	-	-	-
Ordinary Income	-273	-1,856	▲ 1,583	-	-	-
Net Income Attributable to Owners of Parent	860	-621	▲ 1,482	-	-	-

※ Comparison with FYE 2021/MAR rate after adjustment.

ROE	1.3%	-1.0%
EPS	¥19.17	¥-13.84

Payout Ratio	¥1.67	-
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2. Consolidated Net Sales

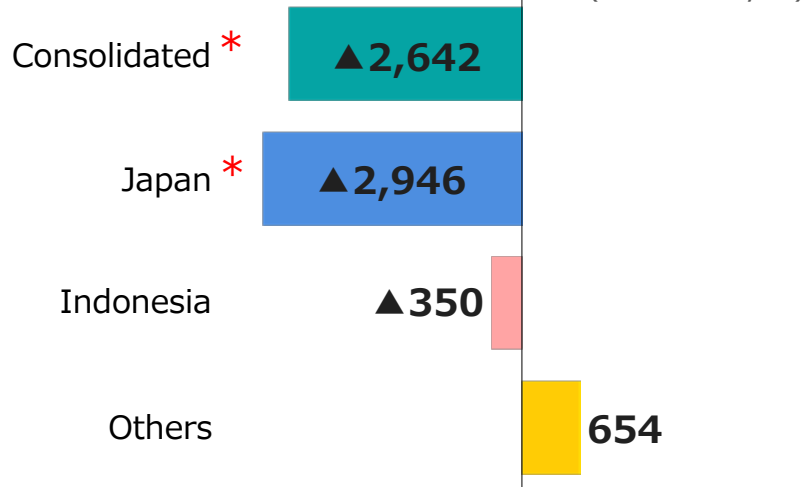
2-1. Net Sales by Region

(Millions of yen)

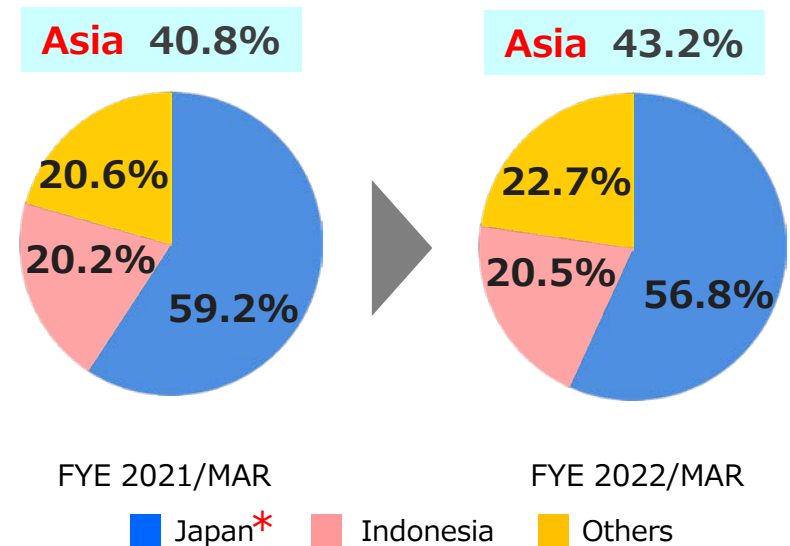
	Annual			
	FYE2021/MAR	FYE2022/MAR	Balance	Yr/Yr
Net Sales*	60,004	57,361	▲ 2,642	95.6%
Japan*	35,541	32,595	▲ 2,946	91.7%
Indonesia	12,102	11,751	▲ 350	97.1%
Others	12,360	13,015	654	105.3%

2-2. Net Sales by Region Analysis

(Year-on-Year)
(Millions of yen)



2-3. Net Sales by Region Ratio (Year-on-Year)



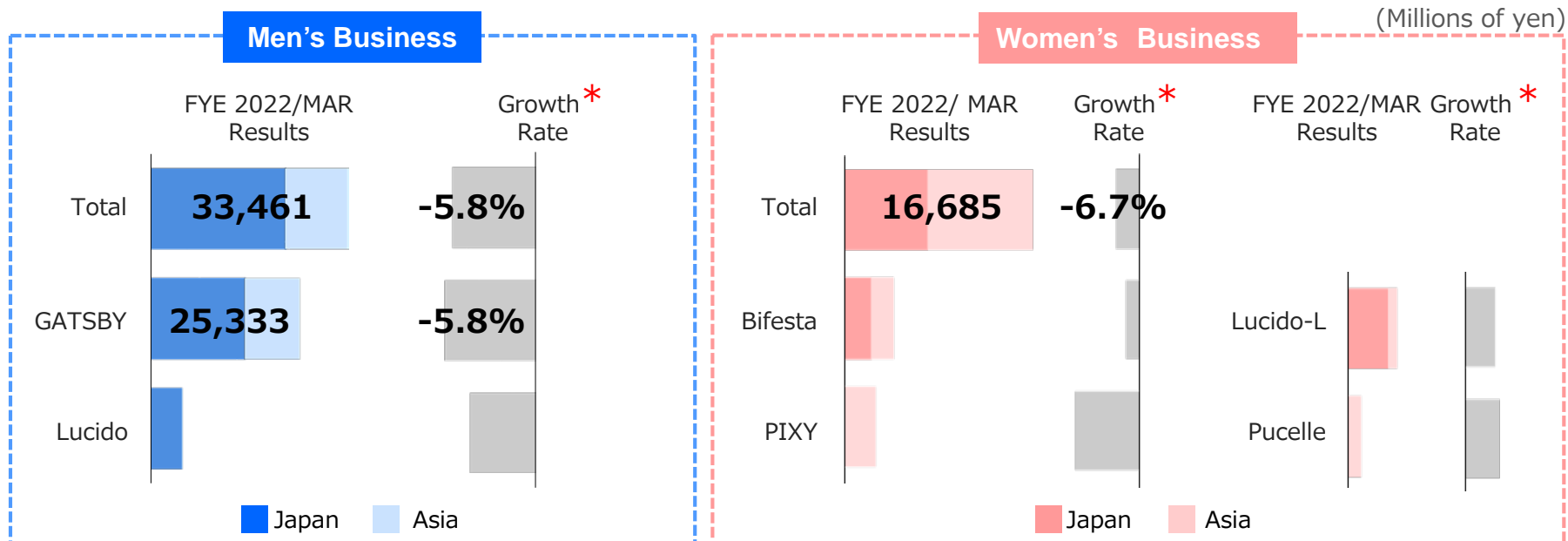
2. Consolidated Net Sales

2-4. Net Sales by Strategic Business Unit

(Millions of yen)

	Annual			
	FYE2021/MAR	FYE2022/MAR	Balance	Yr/Yr
Net Sales*	60,004	57,361	▲ 2,642	95.6%
Men's Business*	35,511	33,461	▲ 2,049	94.2%
GATSBY*	26,904	25,333	▲ 1,570	94.2%
Women's Business*	17,890	16,685	▲ 1,204	93.3%
Other Business*	6,603	7,214	611	109.3%

※breakdown :Women's Cosmetics 9,047 Millions of yen (Yr/Yr 93.6%) / Women's Cosmetry 7,638 Millions of yen (Yr/Yr 92.9%)



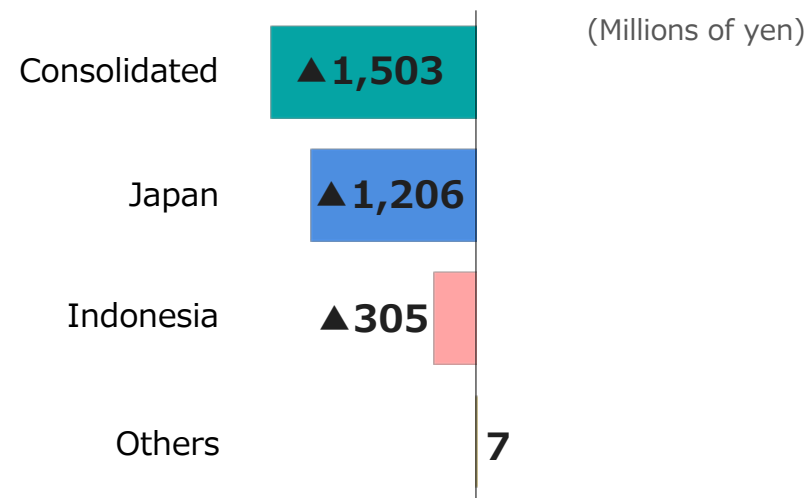
3. Consolidated Income

3-1. Operating Income by Region

(Millions of yen)

	Annual					
	FYE2021/MAR		FYE2022/MAR		Balance	Yr/Yr
	Result	per Sales	Result	per Sales		
Operating Income	-805	—	-2,308	—	▲ 1,503	—
Japan	-266	—	-1,473	—	▲ 1,206	—
Indonesia	-899	—	-1,204	—	▲ 305	—
Others	361	2.9%	369	2.8%	7	102.2%

3-2. Operating Income/Loss by Region Analysis (Year-on-Year)



3-3. Operating Income/Loss by Region Ratio (Year-on-Year)

N/A

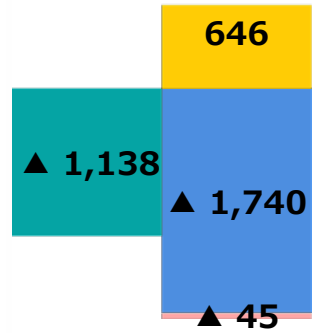
※ Operating Loss

3. Consolidated Income

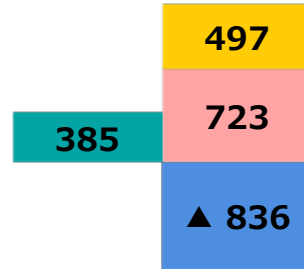
3-4. Operating Cost Analysis (Year-on-Year)

■ Consolidated ■ Indonesia
■ Japan ■ Others (Millions of yen)

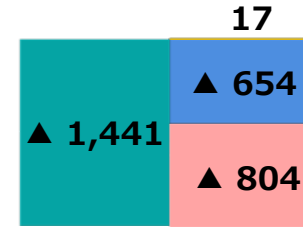
Operating Cost Total*



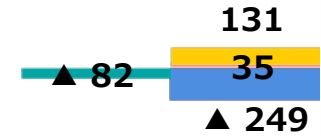
Cost of Goods*



Selling Expenses*



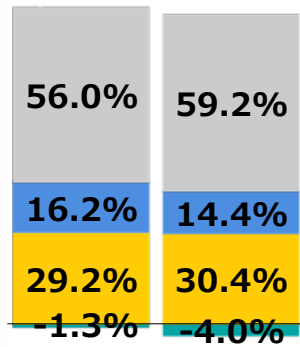
Admin. Cost*



3-5. Operating Cost & Income (Ratio to Sales)

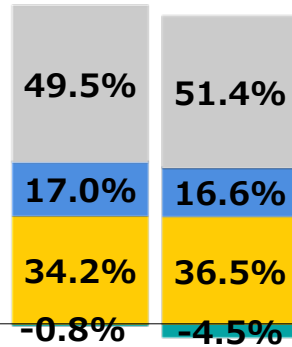
■ Cost of Goods ■ Admin. Cost
■ Selling Expenses ■ OP Income/Loss

Consolidated*



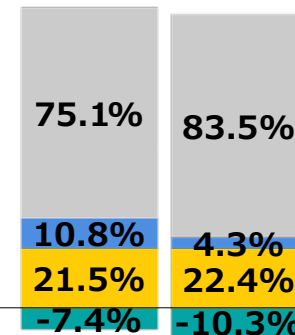
FYE 2021/MAR FYE 2022/MAR

Japan*



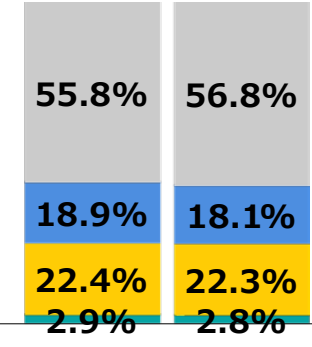
FYE 2021/MAR FYE 2022/MAR

Indonesia



FYE 2021/MAR FYE 2022/MAR

Others

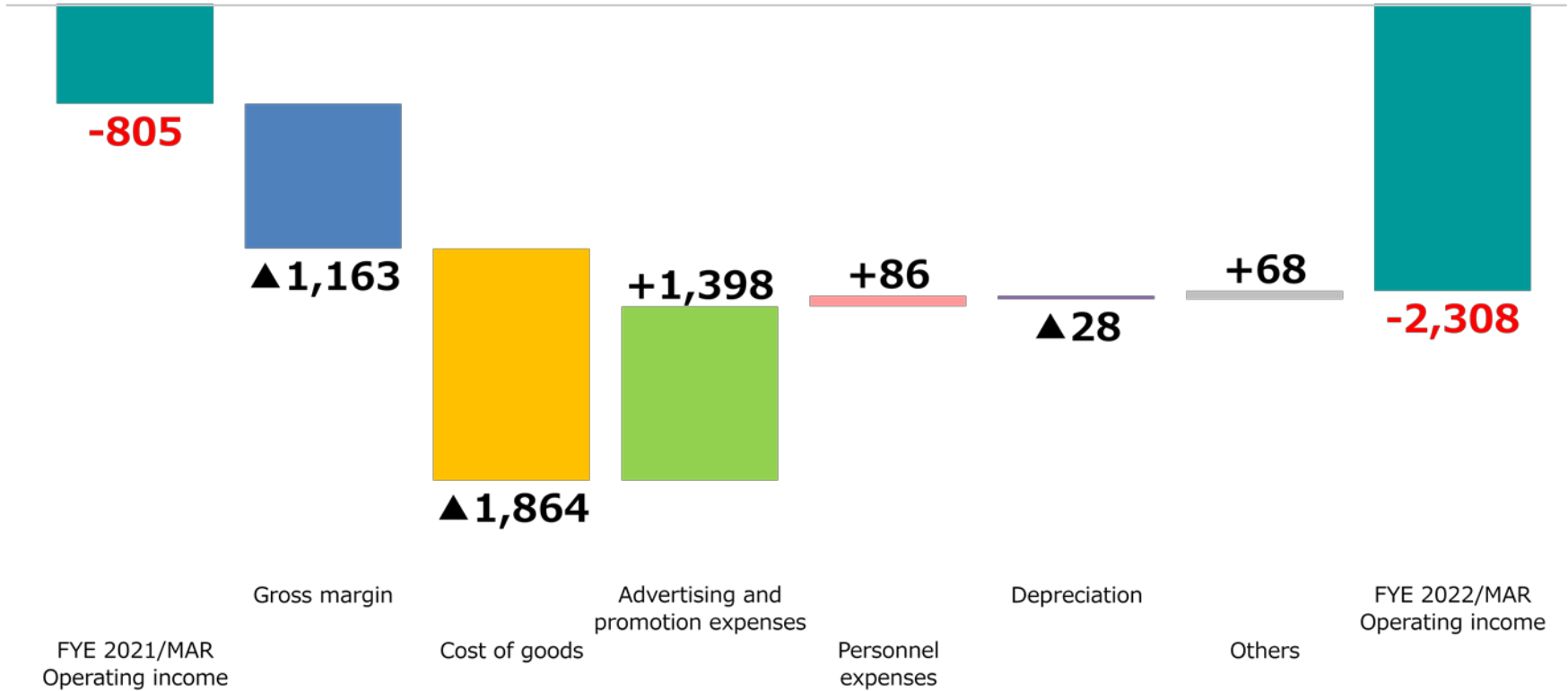


FYE 2021/MAR FYE 2022/MAR

3. Consolidated Income

3-6. Analysis of Change in Consolidated Operating Income

(Millions of yen)



3. Consolidated Income

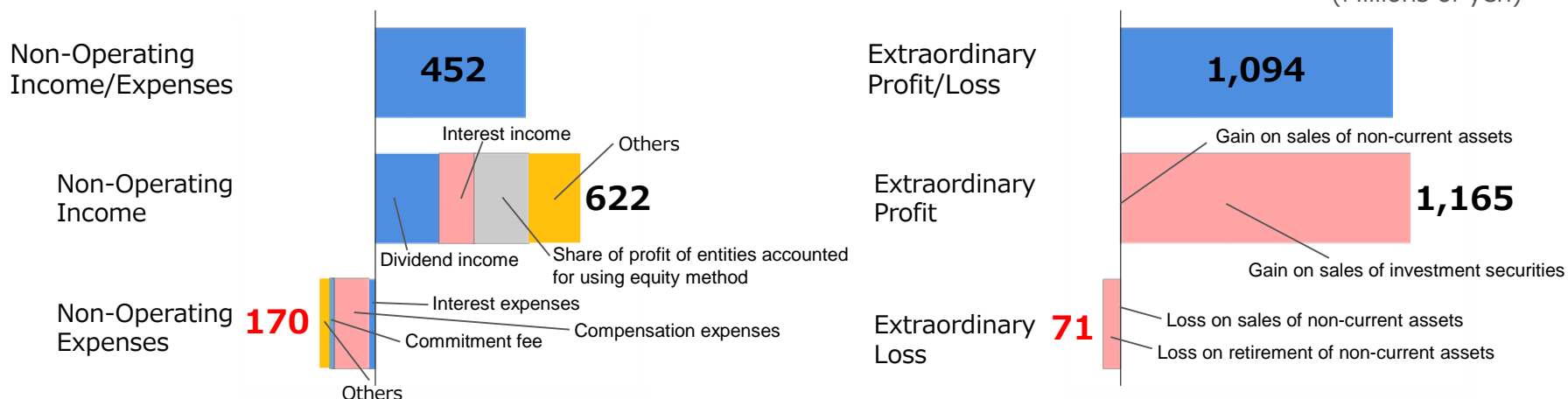
3-6. Ordinary Income and Net Income Attributable to Owners of Parent

(Millions of yen)

	Annual					
	FYE2021/MAR		FYE2022/MAR		Balance	Yr/Yr
	Result	per Sales	Result	per Sales		
Non-operating Income/Expenses	520	0.9%	452	0.8%	▲ 67	86.9%
Ordinary Income	-273	—	-1,856	—	▲ 1,583	—
Extraordinary Profit/Loss	1,494	2.5%	1,094	1.9%	▲ 400	73.2%
Income before Income Taxes and Minority Interests	1,221	2.0%	-762	—	▲ 1,983	—
Income Taxes and Minority Interests	496	0.8%	72	0.1%	▲ 424	14.6%
Net Income	724	1.2%	-834	—	▲ 1,558	—
Net Income Attributable to Non-controlling interests	-136	—	-212	—	▲ 76	—
Net Income Attributable to Owners of Parent	860	1.4%	-621	—	▲ 1,482	—

3-7. Non-Operating Income/Expenses & Extraordinary Profit/Loss

(Millions of yen)



Results of FYE 2022/MAR (P/L of Mandom Corporation, PT Mandom Indonesia Tbk)

Mandom Corporation

(Millions of yen)

	FYE2021/ MAR	FYE2022/ MAR	balance	Yr/Yr	Plan
Net sales *	38,517	36,102	▲ 2,414	93.7%	39,000
Cost of Goods	20,568	20,432	▲ 136	99.3%	—
Cost Ratio	53.4%	56.6%	+3.2P	—	—
Selling, general and administrative expenses	17,834	16,937	▲ 896	95.0%	—
Operating Income	114	-1,266	▲ 1,381	—	—
Non-operating Income/Loss	707	1,635	928	231.2%	—
Ordinary Income	822	369	▲ 453	44.9%	870
Extraordinary Profit/loss	1,423	1,075	▲ 348	75.5%	—
Net Income	1,796	1,344	▲ 451	74.9%	650

Depreciation, Capital Investment

■ Consolidated

(Millions of yen)

	FYE2022/ MAR	FYE2021/ MAR	balance	FYE 2023/MAR Outlook
Depreciation	5,337	4,818	518	5,142
Capital investment	2,345	8,487	▲ 6,142	2,838

■ Mandom Corp. Only

(Millions of yen)

	FYE2022/ MAR	FYE2021/ MAR	balance
Depreciation	3,605	2,965	640
Capital investment	1,691	7,898	▲ 6,207

※Capital investment includes intangible assets

PT Mandom Indonesia Tbk

Local Currency

(Millions of Rp.)

	FYE2021/ MAR	FYE2022/ MAR	balance	Yr/Yr
Net sales	1,882,144	1,850,311	▲ 31,833	98.3%
Cost of Goods	1,567,589	1,544,655	▲ 22,934	98.5%
Cost Ratio	83.3%	83.5%	+0.2P	—
Operating Income	-114,163	-99,524	14,638	—
Net Income	-100,465	-76,507	23,958	—

Yen Equivalent

(Millions of yen)

	FYE2021/ MAR	FYE2022/ MAR	balance	Yr/Yr
Net sales	13,927	14,247	319	102.3%
Cost of Goods	11,600	11,893	293	102.5%
Cost Ratio	83.3%	83.5%	+0.2P	—
Operating Income	-844	-766	78	—
Net Income	-743	-589	154	—

Rp.1 = ¥0.0074 Rp.1 = ¥0.0077

※Assumption rate FYE 2022/MAR

Rp.1 = ¥0.0073

This document 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 fact and represent the assumptions and beliefs of management based on information currently available. Mandom therefore wishes to caution readers that actual results may differ materially from expectations, and that forward-looking statements are subject to a number of foreseen and unforeseen risks and uncertainties. All amounts have been rounded to the nearest whole unit.

**BE ANYTHING,
BE EVERYTHING.**



mandom