

# Business Results Briefing

(Fiscal Year Ending March 31,2024)

April 1, 2023 – March 31, 2024



mandom

**Mandom Corporation**  
(Securities Code:4917)



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# 1. Consolidated Business Results of FYE 2024/MAR

# Summary of Consolidated Business Results

- **Net Sales 73,233 million yen**

Net Sales increased 9.2%, up 6,186 million yen

In addition to strong sales of women's cosmetics in Japan and strong growth in both men's and women's cosmetics in overseas others, there was positive effect of yen conversion by foreign exchange.

- **Profit 2,020 million yen**

Operating Income increased 43.3%, up 610 million yen

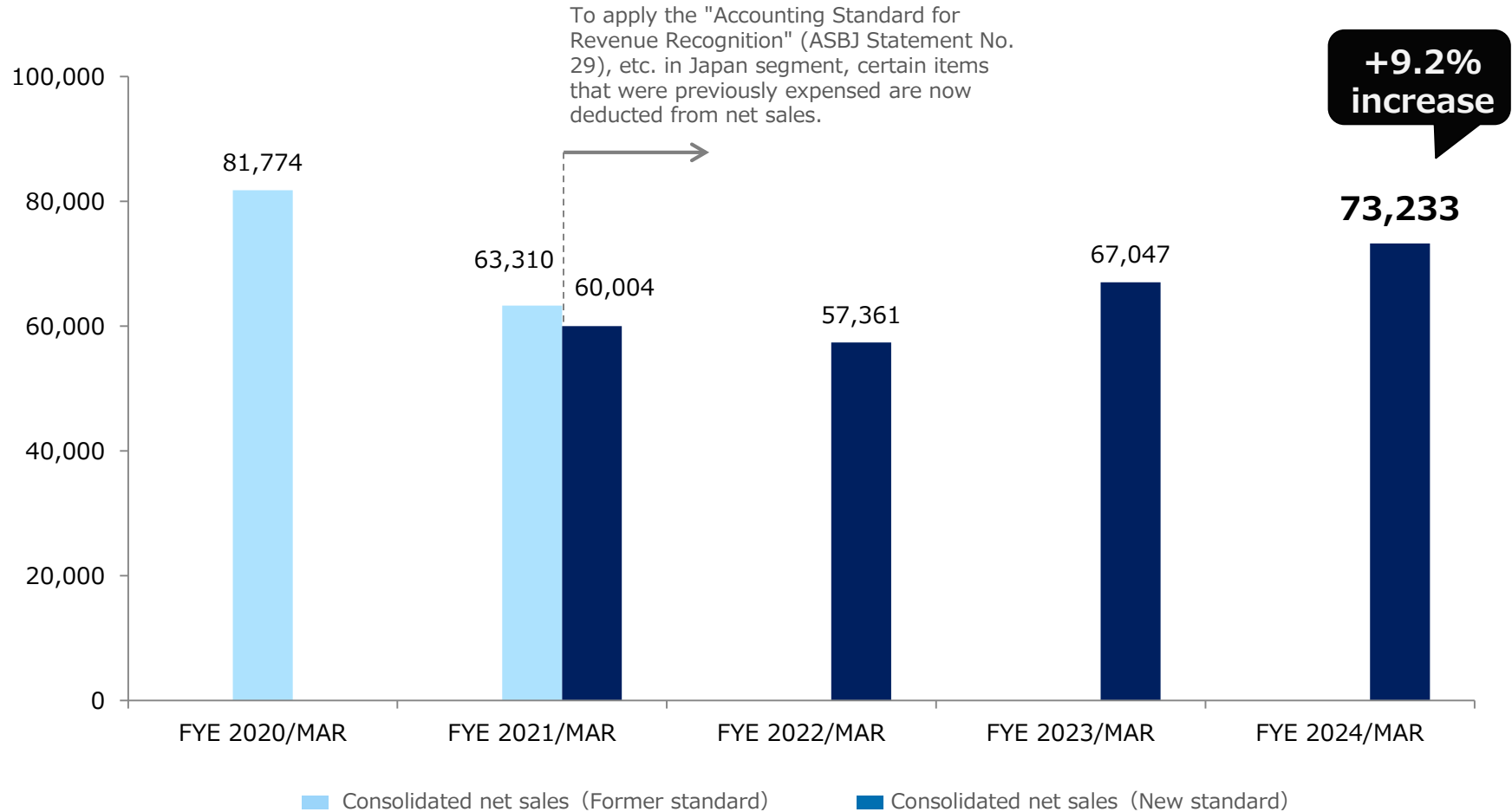
While profits declined in Japan and Indonesia, overseas others performed very well. **Ordinary income was 2,981 million yen**(up 773 million yen). **Net income attributable to owners of the parent was 2,601 million yen**(up 1,642 million yen), by in part to 1 billion yen gain on sales of investment securities.

# 1. Consolidated Business Results of FYE 2024/MAR

## <5-Year Trend in Consolidated Net Sales>

### 1) Consolidated net sales increased 9.2%

(million yen)

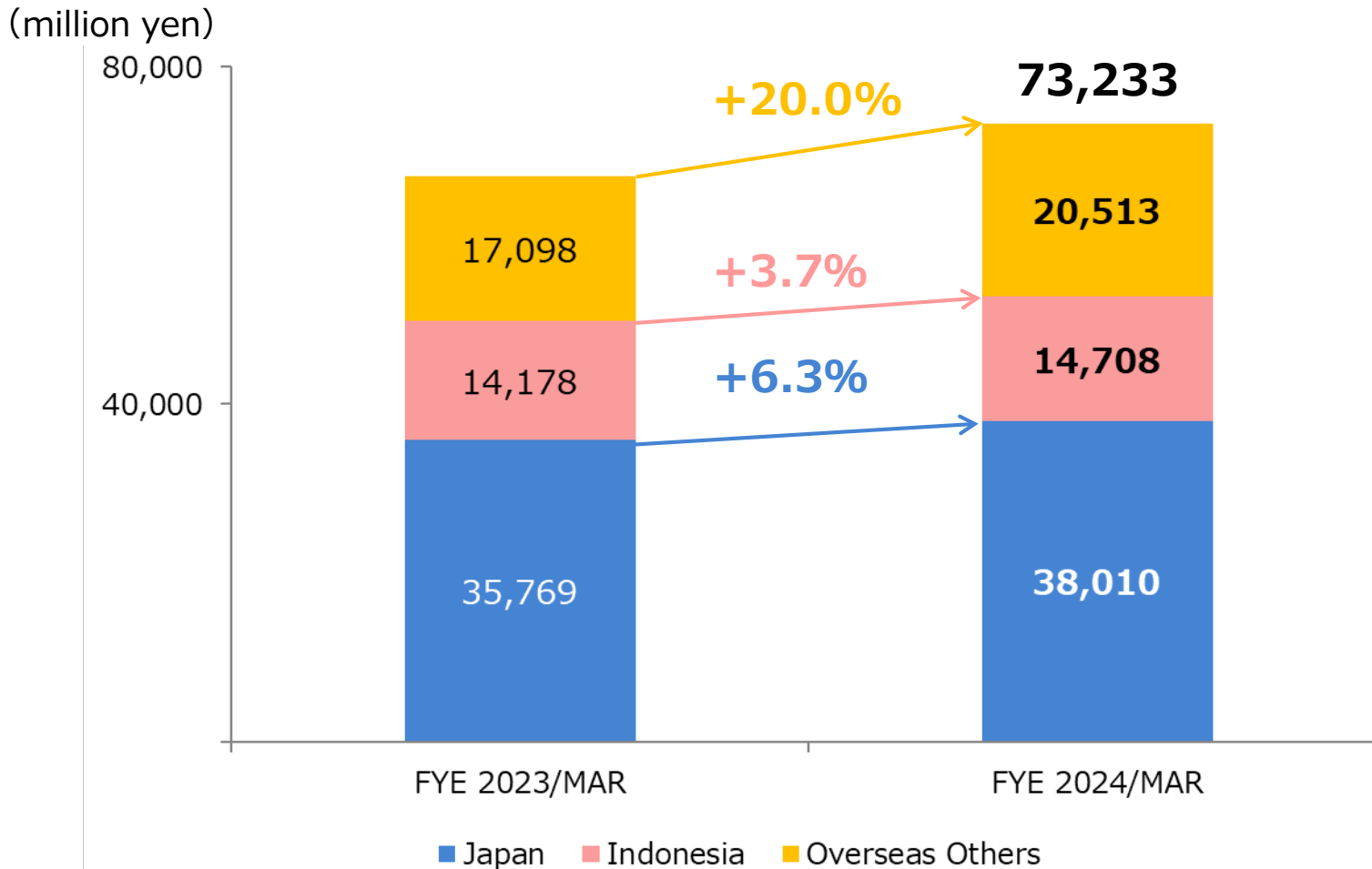


# 1. Consolidated Business Results of FYE 2024/MAR

## <Sales by Region>

### 2) Sales increased in all regions, especially in overseas

• In Japan, sales of summer season products were driven by the effects of intense heat. Sales increased by new products etc.



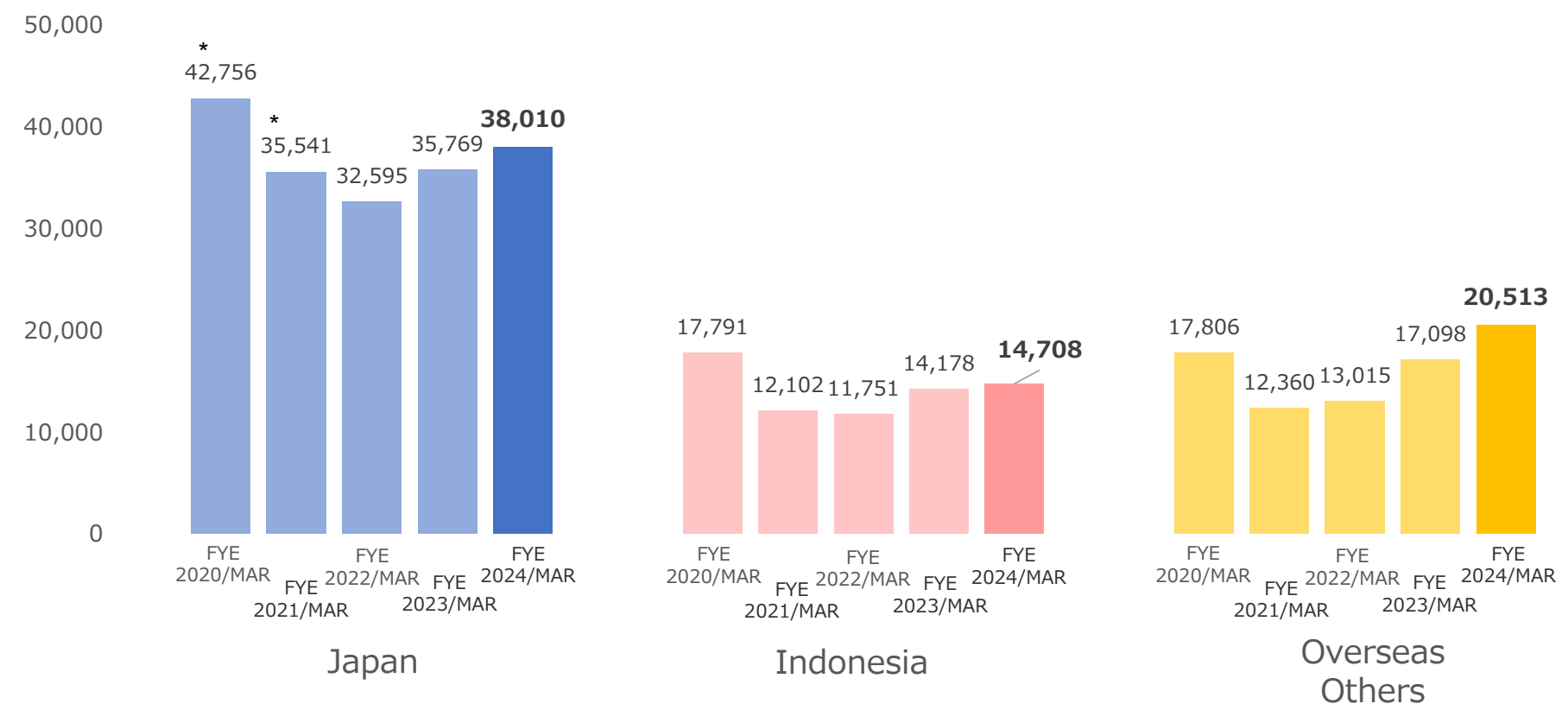
# 1. Consolidated Business Results of FYE 2024/MAR

## <4-Year Trend in Net Sales by Region>

### 3) Recovery to above pre-COVID19 levels(FYE 2021/MAR) in all regions

• Strong recovery in Japan and Southeast Asian countries

(million yen)

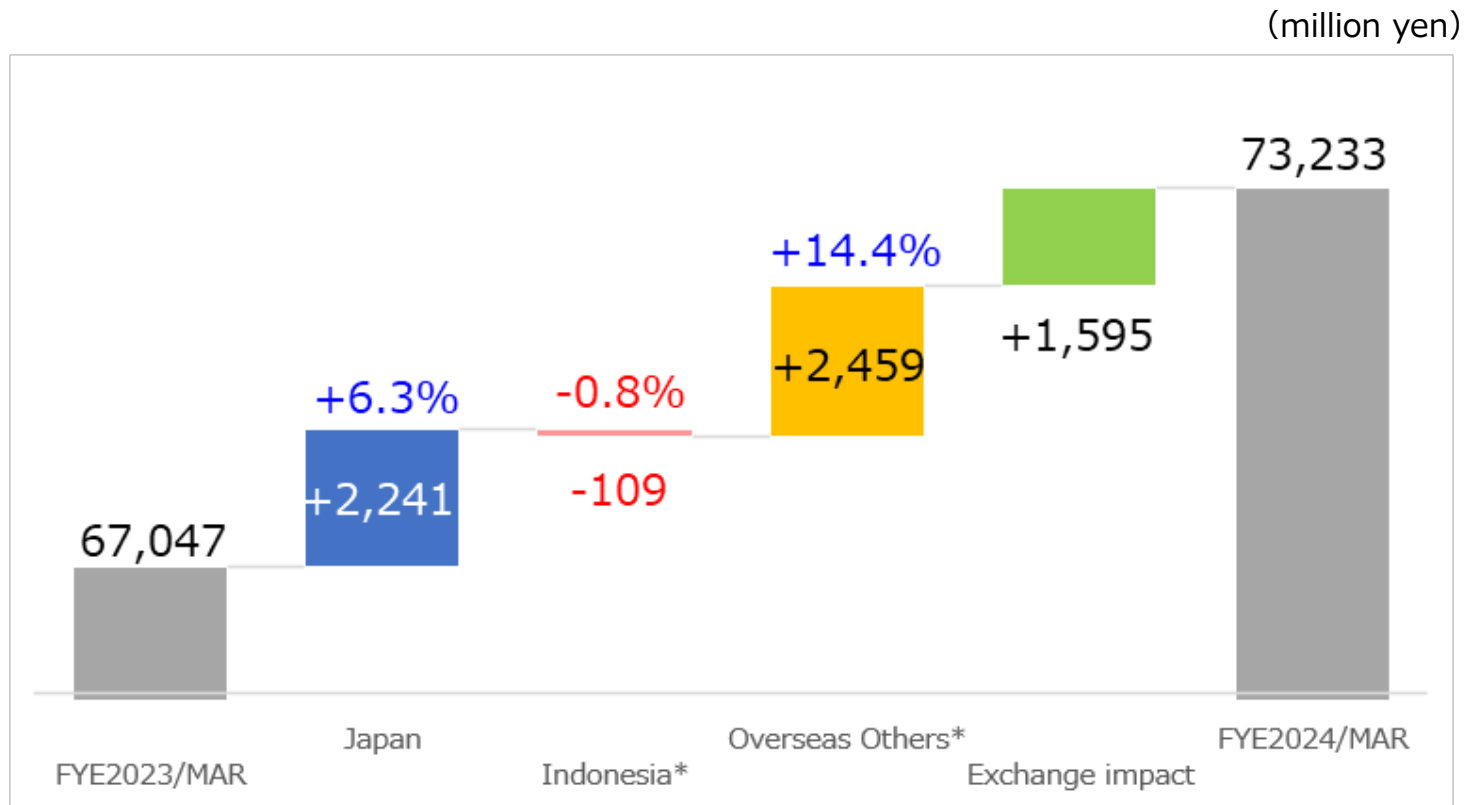


\*The results for FYE 2020/Mar and FYE 2021/Mar have been calculated according to ASBJ Statement No.29 Accounting Standard.

# 1. Consolidated Business Results of FYE 2024/MAR

## <Net Sales Fluctuation by Segment>

4) Japan and Overseas others grew strongly, but Indonesia struggled.



\*Figures for Indonesia and other segments are converted to the previous fiscal year's rates.



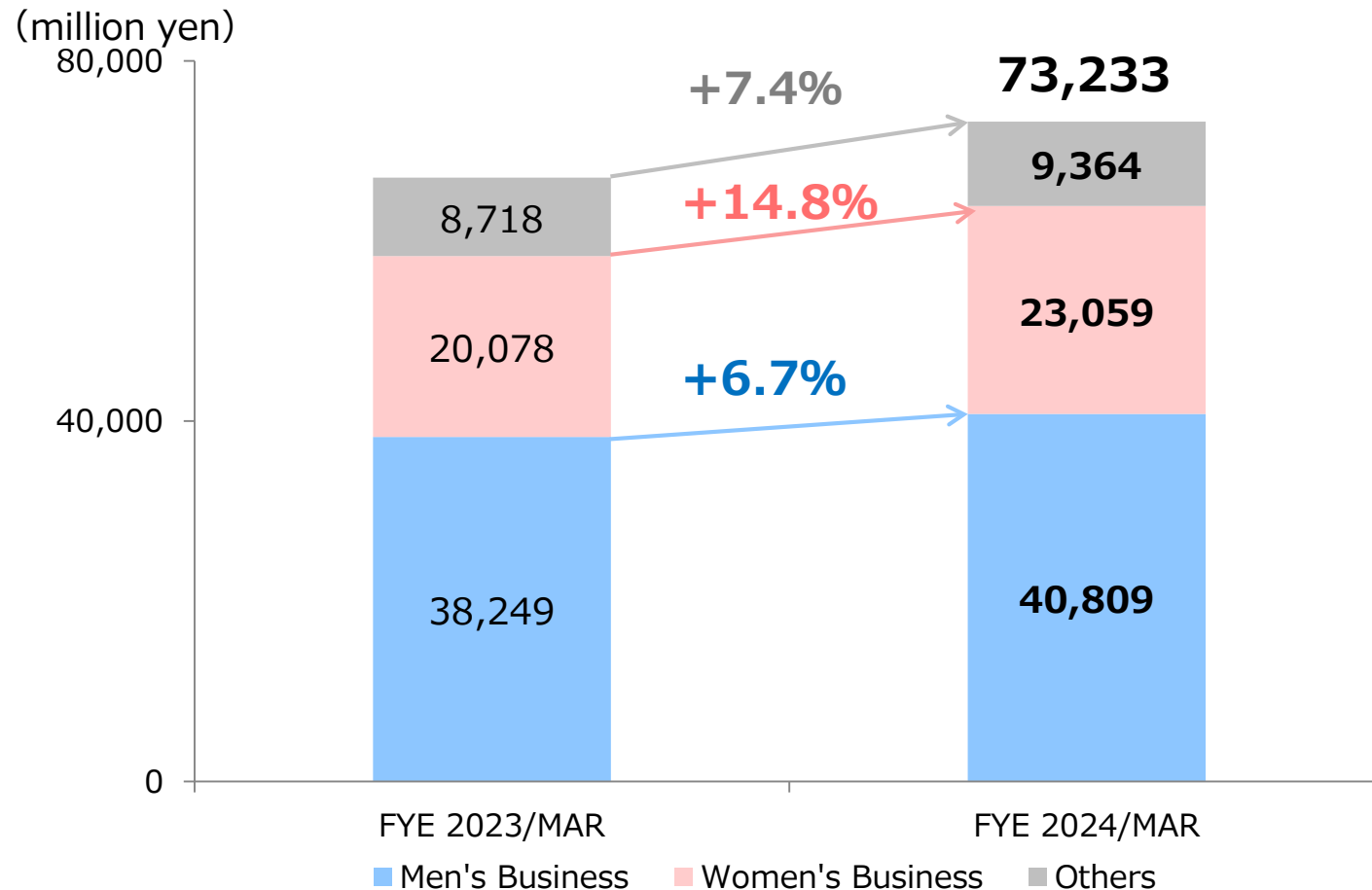
# 1. Consolidated Business Results of FYE 2024/MAR

## <Net Sales by Strategic Business Unit>

### 5) Women's business grew strongly in Japan and overseas.

• "GATSBY" and "LUCIDO" in men's business remained strong.

In women's business "Bifesta" and "LUCIDO-L" performed well in Japan and overseas, and "SILKYGIRL" showed significant growth.

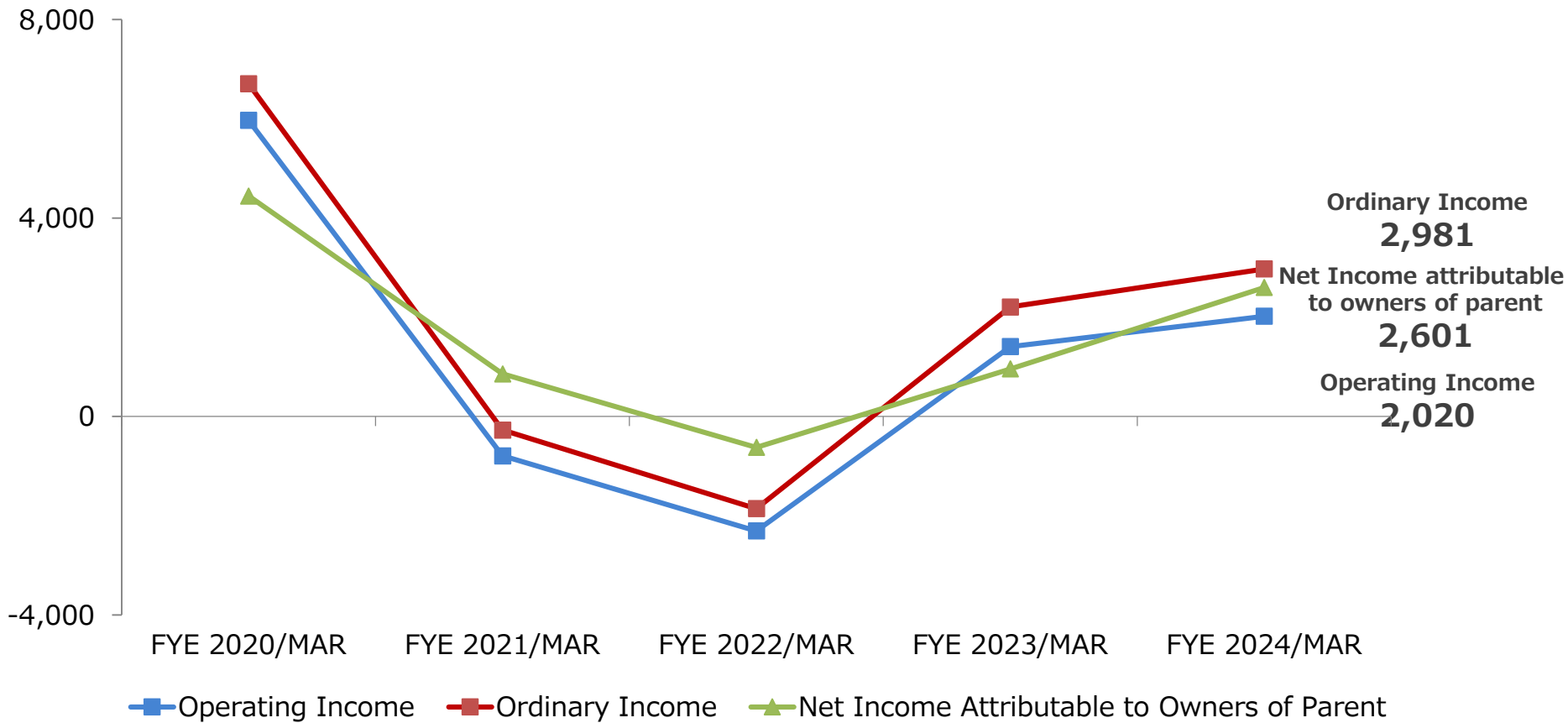


# 1. Consolidated Business Results of FYE 2024/MAR

## <5-Year Trend in Consolidated Profit at Stage>

6) Increase in each stage of income by the effect of higher revenues and gain on sales of investment securities

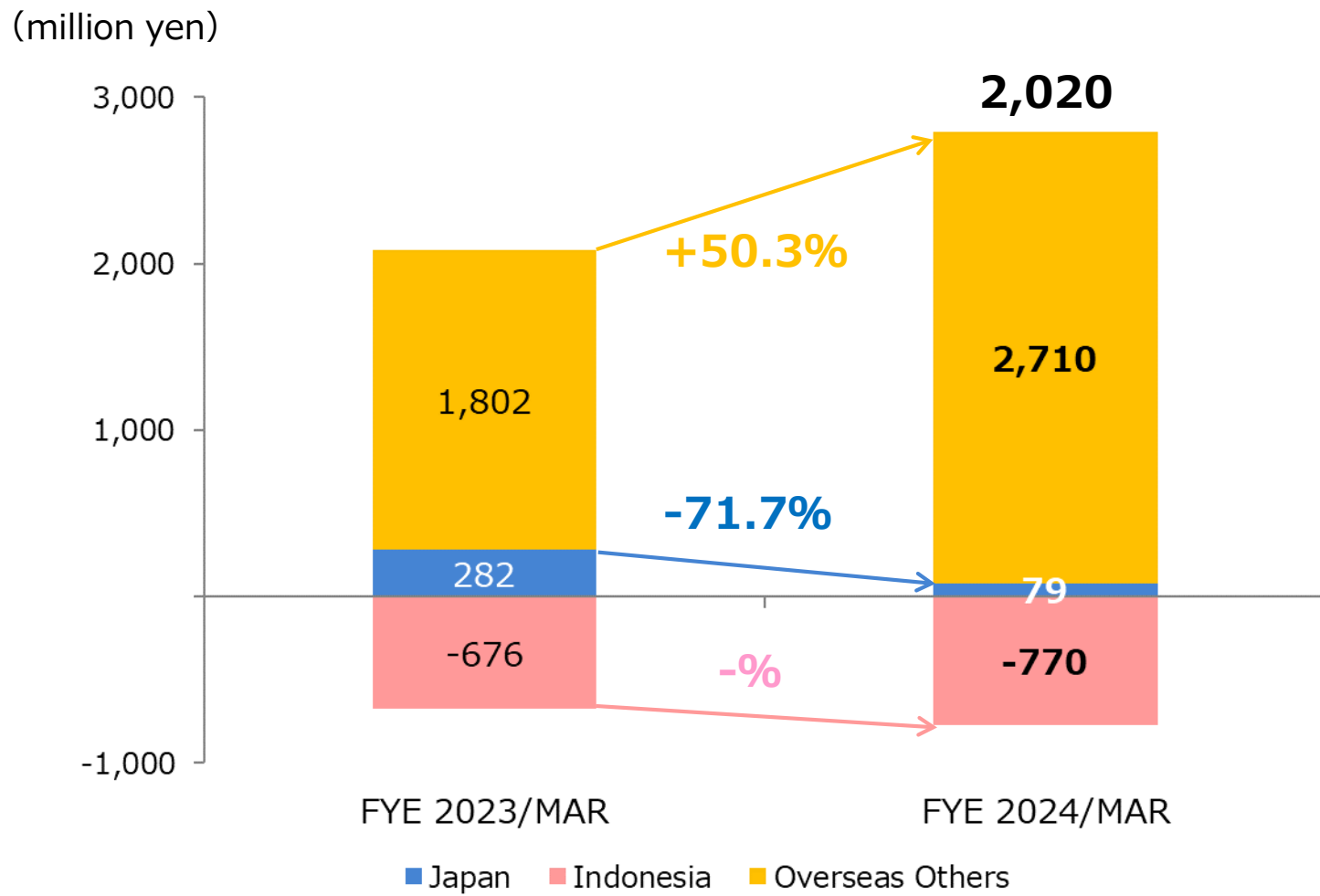
(million yen)



# 1. Consolidated Business Results of FYE 2024/MAR

## <Operating Profit by Region>

7) Decreased profit in Japan and Indonesia were offset by large increase in profit in Overseas others.



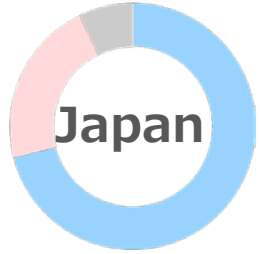


## 2. Review of FYE 2024/MAR




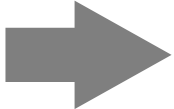






## Business Results by Brand

Net Sales by Business



- In men's business, seasonal products performed well by the effect of intense heat. Sales increased by the effect of new brands and products.
- In women's business, grew substantially by recovery in make-up opportunities and expansion of items.

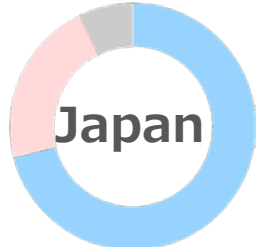
Status of our major brands

Men's Business	Women's Business
 	 
 	 



## GATSBY

Net Sales by Business



- As in the previous fiscal year, implementation of early in-store merchandising of summer season products. The number of stores steadily expanded, partly by the effect of strengthening initiatives for store-exclusive products.
- In products, launched “GATSBY EX Premium Type Deodorant Series”, based on our cutting-edge sweatline research.



■ GATSBY EX Premium Type Deodorant Series

## LUCIDO

- Appointed Mr. Joe Odagiri as brand ambassador and launched new communication.
- Strengthening product proposals and promotions for skincare and mid-oily odor care for middle men and both expanded their achievements. Record-high sales were achieved for LUCIDO brand.



■ LUCIDO Skincare Series



- Cleansing sheet performed well by recovery in makeup opportunities, etc. In addition, the effects of lineup expansion, planned product initiatives, etc. resulted in significant increase in sales compared to the previous year.

■ Bifesta Cleansing Sheet



## LÚCIDO-L

- Renewal of mainstay Argan Oil Treatment series. Collaboration products were also well received and market share recovered.
- The addition of full-scale in-bath item to Acid-Heat Treatment series expanded the product lineup, and the whole brand achieved strong performance.

■ LUCIDO-L Acid-Heat Treatment Series





## New initiatives of 2024/MAR

D2C strengthen by new brands



Men's skin care brand "aono"



Women's skin care brand "HOLIDEA"

Entry into beauty appliance business



Beauty appliance brand for men "ium"

Initiatives with retailers



Exclusive men's brand for major retailers "KNOWLEDGE"





## Business Results by Brand

Net Sales by Business



- Due to impact of selling cost reduction caused by rising cost rate, mainstay GATSBY and PIXY struggled.
- Strengthening the lineup in fragrance category for both men and women.

Status of our major brands

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



## GATSBY

- Aggressive new product launches in response to the recovery of consumers' purchasing motivation from the COVID-19 impact.
- In mainstay hair styling category, new formulations of balm and pomade were added to product lineup to match trends. In fragrance category, new products were added to offer products in wide price range.
- Sales plan was not achieved due to insufficient promotional measures.

Net Sales by Business



■ GATSBY Prime Body Perfume



## Lovillea

- Aggressively launching new items based on rebranding. Expansion sale by approaching different target than PUCELLE. Continue to strengthen proposals in fragrance category.

■ Lovillea Hijabmood

■ Lovillea HAPPY HYPE



# 2. Review of FYE 2024/MAR <Overseas others>



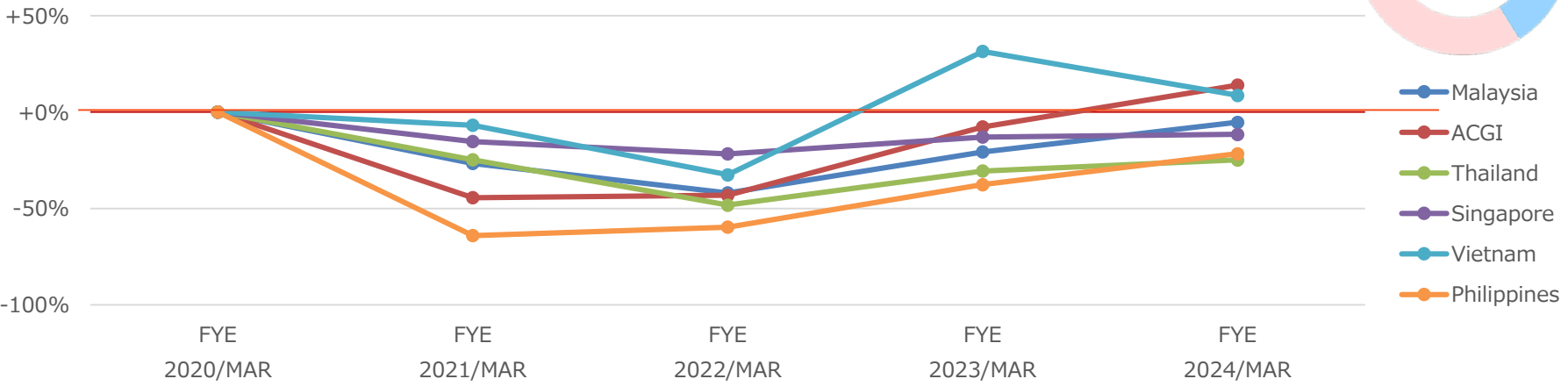
## Overseas Others 4-year sales trend

Net Sales by Business

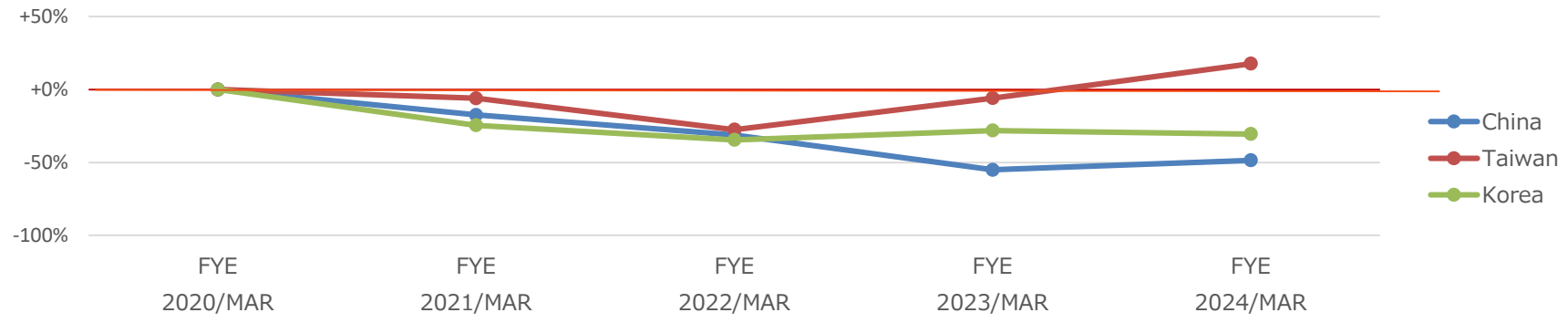


### • Southeast Asia

※Fluctuations in local currency based on FYE 2020/MAR



### • East Asia



# 2. Review of FYE 2024/MAR <Overseas others>



Net Sales by Business



- Sales increased in each country by significant recovery centered on "GATSBY" and "Bifesta" as result of resumed promotions and new product launches, which had been suspended due to recovery in consumption from COVID-19.
- Strengthening initiatives with Japanese retailers, which are accelerating store openings in Southeast Asia, will also expand local operations.
- "GATSBY SEA SALT Series," launched as exclusive overseas product based on global hair trends, sold well in all countries where it was deployed.
  - GASTBY SEA SALT Series
- "SILKYGIRL" sales grew significantly by successful promotions against the backdrop of Malaysia's favorable economic situation. We will strengthen overseas expansion in the future.



SEA SALT series

# **3. The 14<sup>th</sup> Middle-Range Planning**

**(April, 2024 - March, 2028)**

## Mandom Group MISSION



**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.



# 3. The 14<sup>th</sup> Middle-Range Planning



## Mandom Group Corporate Slogan

**BE ANYTHING, BE EVERYTHING.** Meaning : consumers can live true to their identity



**We support each consumers in being true to themselves.**



From "What do you think club hair?" activity.



## Mandom Group First Long-term Vision "VISION2027"

### Our Vision of 100th Anniversary

#### VISION2027

Our Vision 2027

"A cosmetics company possessing unique strengths in specialized areas (not an "all-rounder")."

- ① Authentic proposals
- ② Global & 'Only One'
- ③ Exciting & Excellent

VISION Slogan

Use our 'Only One' strengths to provide Dedication to Service (Oyakudachi) to a billion people around the world.

VISION Policy

- ① Leverage Asia's economic growth to evolve into a truly global company
- ② Display greater Dedication to Service (Oyakudachi) in the men's business and invest aggressively to expand our women's business.
- ③ Provide authentic products and services to develop a MANDOM WORLD inspired by the concept of stock-oriented management (the idea of strengthening or "stocking up" various assets including ties with our stakeholders by providing authentic and valuable products and services).

Image





# 3. The 14<sup>th</sup> Middle-Range Planning

## Mandom Group Material Issues (Materiality) in Sustainability

Future challenges to be addressed by taking advantage of our strength and creating values.

Materiality	Theme of initiative	Evaluation metrics	Medium to long-term targets	
			Numerical target	Target year
<b>Creating an easy-to-start grooming culture</b>	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 proposals or more per year	Each year
		Number of proposals on new technology that contributes to solution of issues faced by consumers	A cumulative total of 35 proposals or more from 2021 to 2027	2027
	Developing human resources to create a new grooming culture	Rate of practice of the Mandom Principles	80% or more	2027
<b>Expanding Dedication to Service to a diversity of consumers</b>	Expanding our Dedication to Service	Number of challenges addressed to expand our distribution network	13 challenges or more per year	Each year
<b>Realizing mutual growth of employees and the company</b>	Creating a culture that encourages employees to take on new challenges	Ratio of “active engagement employees” in a philosophy survey	38% or more	2027
		Employee engagement	81% or more per year	Each year
	Active engagement by diverse human resources	Ratio of women in managerial posts	20% or more (Mandom Corp. (non-consolidated))	2027

# 3. The 14<sup>th</sup> Middle-Range Planning



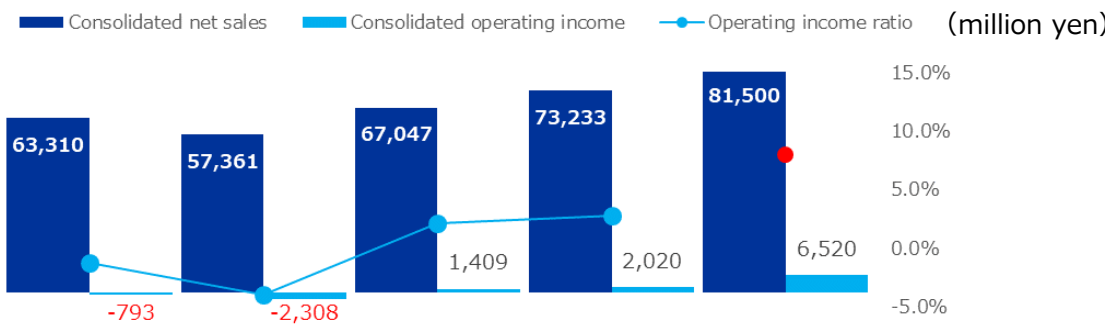
## Mandom Group Material Issues (Materiality) in Sustainability

Issues to be addressed to realize sustainable society and company

Materiality	Theme of initiative	Evaluation metrics	Medium to long-term targets	
			Numerical target	Target year
<b>Actions for sustainable global environment</b>	Promoting measures toward a carbon-free society	CO2 emissions reduction (compared to FY2013) in Scope 1+2	CO2 emissions reduction in Scope 1+2 in Japan and overseas: 43% or more compared to FY2013	2027
		Achievement of zero CO2 emissions Group-wide	Completed preparation of scenarios for achievement of zero CO2 emissions Group-wide by 2050	2027
		Fossil resource-based virgin plastics emissions reduction ratio	25% or more	2027
	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.	2027
	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
<b>Sustainable procurement of raw materials</b> □	Palm oil	Ratio of RSPO-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
	Paper container and packaging materials	Usage rate of FSC-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
<b>Maintaining/enhancing the corporate base</b>	Providing safety, security and high quality	Number of complaints about quality	Serious complaints	Each year
	Safety and security of employees	Number of employees on long-term leave	Less than 10 persons (in Japan)	Each year
	Enhancing data security	Compliance with Cybersecurity Management Guidelines	Implementation of all ten important items	2027
	Pursuing the mission	Company-wide rate of Mission-based employee decision-making	80% or more	2027

# 3. The 14<sup>th</sup> Middle-Range Planning

## The 13<sup>th</sup> Middle-range Planning "MP-13" Summary of Basic Management Objectives



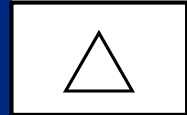
	*Reference FYE2021/MAR	FYE2022/MAR	FYE2023/MAR	FYE2024/MAR	Original target FYE2024/MAR
Consolidated Net Sales	63,310	57,361	67,047	73,233	81,500
Operating Income Ratio	-1.3%	-4.0%	2.1%	2.8%	8.0% over
Consolidated Operating Income	-793	-2,308	1,409	2,020	6,520
Consolidated ROIC	-0.3	-1.7	2.1	2.9	7.0% over
(Reference)Dividend Payout Ratio	166.9%	—	178.3%	69.2%	40.0% over
(Reference)Dividend Per Share (yen)	32	36	38	40	—
				<b>Actual</b>	<b>MP-13 Target</b>
Consolidated Sales Growth Rate				5.0%	10.7% over
Men's Business Growth Rate				2.5%	6.0% over
Women's Business Growth Rate				7.1%	16.0% over
Overseas Business Growth Rate				12.9%	17.0% over
<b>Promoting Environmentally Conscious Products</b>					
Japan Product Environmental Consideration Standards (voluntary standards cleared)	—	46%	54%	61%	60%
Indonesia Reduce use of plastic containers and packaging by 10%(vs FY2016)	—	-39%	-39%	-45%	-10%
Indonesia Reduce plastic waste by 10% (vs FY2016)	—	-43%	-57%	-31%	-10%

# 3. The 14<sup>th</sup> Middle-Range Planning

## The 13<sup>th</sup> Middle-range Planning "MP-13" Summary of Basic Management Objectives

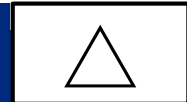
We have launched several new initiatives in period of change and challenge, but the impact on overall performance is still minor, and we are in the middle of our transformation and evolution.

**Basic policy 1 Evolution and challenge of category strategies in new normal and company-wide marketing innovations that can thoroughly improve brand value**



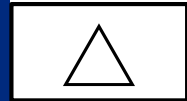
- ① Early establishment of company-wide structure that will lead to accelerated growth in overseas and women's categories
- ② Enhance the value of the global brands "GATSBY" and "Bifesta" throughout Asia
- ③ Qualitative improvement and expansion of area of Oyakudachi in with/after COVID19

**Basic policy 2 Speedy completion of Indonesia business revitalization and business model innovation in overseas business**



- ① Early establishment and execution of system to resolve issues in Indonesia business
- ② Accelerate growth and improve management efficiency by strengthening collaboration between overseas countries and marketing domain

**Basic policy 3 Transformation into new value-creating company through digitalization and open innovation**



- ① Success creation of DX (Digital transformation) that leads to wellness
- ② Creation and expansion of new fashionable culture incorporating knowledge from outside company

**Basic policy 4 Improvement of corporate value and evolution of Oyakudachi with sustainable management at the core**



- ① Promote business development that contributes to solving social issues (ESG/SDGs)
- ② Evolution of only one kind value creation capability and enhancement of corporate branding capability

# 3. The 14<sup>th</sup> Middle-Range Planning

## Business Issues in the 13<sup>th</sup> Middle-range Planning (MP-13)

<b>Men's business CAGR 2.5%</b> (Target 6% or more)	<b>Women's business CAGR 7.1%</b> (Target 16% or more)
<ul style="list-style-type: none"> <li>● <b>GATSBY CAGR 2.9%</b> Overseas expanded, but Japan and Indonesia stagnated.</li> <li>● <b>LUCIDO</b> Growth in skincare but sluggish in others.</li> <li>● <b>Styling</b> Decrease in market share(Japan, Indonesia).</li> <li>● <b>Summer Seasonal Products</b> Profitability deteriorated due to high cost of sales ratio and increase in sales composition (Japan).</li> </ul>	<ul style="list-style-type: none"> <li>● <b>PIXY</b> Decline in brand activity in the market.</li> <li>● <b>Bifesta</b> Expansion through item expansion.</li> <li>● <b>LUCIDO-L</b> Strong performance in Japan but slow to expand overseas.</li> <li>● <b>SILKY GIRL</b> Steady expansion through flexible supply system and marketing initiatives.</li> </ul>
<b>Japan CAGR ▲0.7%</b>	<b>Overseas CAGR 12.9%</b> (Target 17% or more)
<ul style="list-style-type: none"> <li>● <b>Men's Styling</b> Sluggish due to declining birthrate, declining opportunities for use, and declining market share resulting from the offensive activities of emerging brands.</li> <li>● <b>Summer Seasonal Products</b> Despite market expansion, profitability declined due to intensified price competition.</li> <li>● <b>Skincare</b> Both men and women expanded but didn't reach plan.</li> <li>● Lack of reach to generation Z and above middle class.</li> </ul>	<ul style="list-style-type: none"> <li>● Profitability deteriorated due to slow sales recovery and high cost of sales ratio caused by inflation (Indonesia).</li> <li>● Decrease in market share due to reduced market presence resulting from significant curtailment of sales expenses due to sluggish consumption and deteriorating business performance (Indonesia).</li> <li>● Uncertain social conditions, including zero-COVID-19 policy impact and subsequent economic downturn (China).</li> <li>● Failed to expand overseas areas due to COVID-19.</li> </ul>

# 3. The 14<sup>th</sup> Middle-Range Planning

## Environment and issue recognition in MP-14

### External environment

Life transformation by COVID-19	The situation in Ukraine Middle East
Climate change and extreme weather	Digital and smartphone society
Raw materials & energy price hikes	EC channel expansion
	Logistics issues
Aging population combined with the diminishing number of children	Diversity & Inclusion
Genderless	Cheap yen
	Rise of emerging companies

### Internal problem

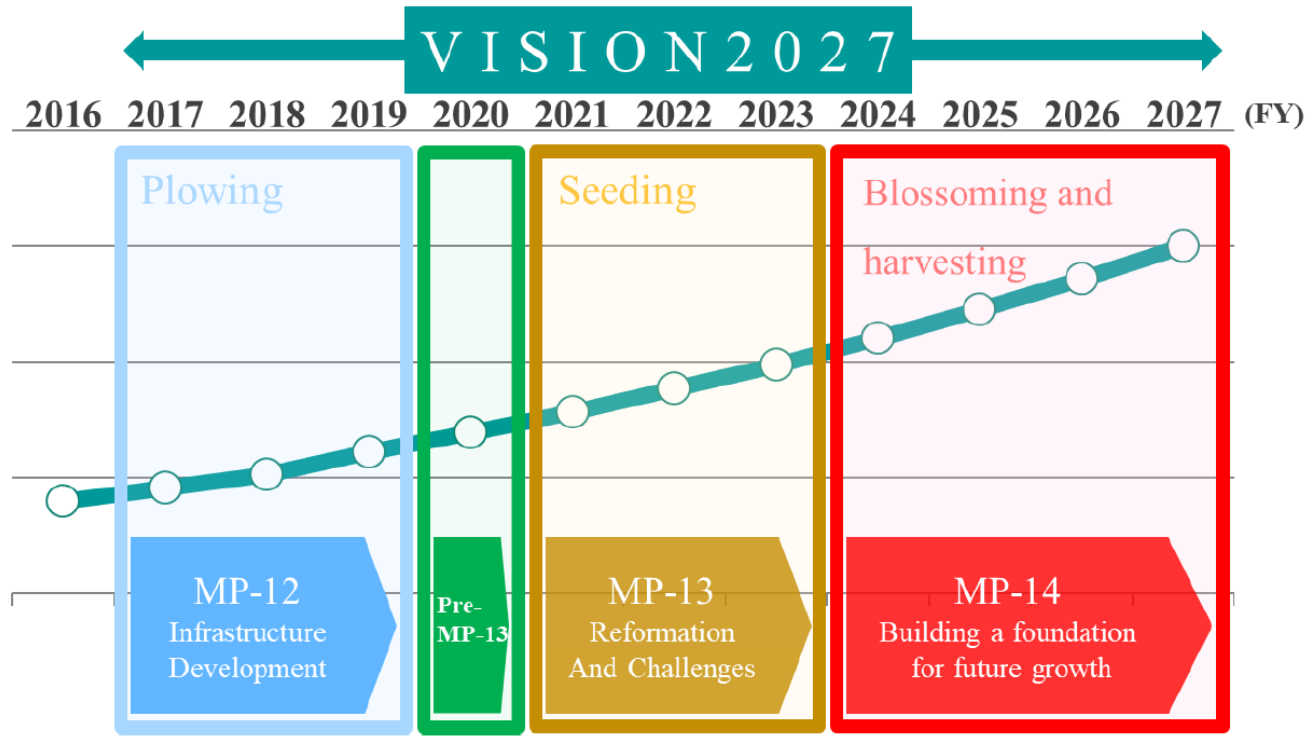
	Diversity & Inclusion
New market creation	Development of environmentally friendly products and services
Responding to climate change	Supply Chain Management
Waste reduction	Corporate philosophy (Purpose of governance)
Improved work-life balance	Data security
Improving quality of life by responding to the diversification of consumers' needs and wants	Human Resource Development

### Voices from Outside the Company

	What is your response to P/B ratio below 1x?
Unclear on specific issues and solutions for Indonesia business	
Is the Japanese male business strengthening existing brands or fostering new brands?	What are the high cost ratio factors in Indonesia?
What is the sustainability of strong overseas others growth? Which areas are expected to grow the most?	Will you continue to strengthen the growth of the women's business in the next mid-term plan?
	When will return to the 10% operating income level?

# 3. The 14<sup>th</sup> Middle-Range Planning

## Redefinition of MP-14 positioning



“Period of Accelerated Growth” revised,

in the **“Period of building a foundation for future growth”** toward sustainable growth over the next 100 years

Aiming for record-high sales and operating income in the final year  
 Explore future growth drivers outside of existing brands

# 3. The 14<sup>th</sup> Middle-Range Planning



## MP-14 Basic Management Target

	FYE 2024/MAR	FYE 2028/MAR	Average growth rate
<b>Consolidated Net Sales</b>	73,233 million yen	100,000 million yen	+8.1%
<b>Consolidated Operating Income</b>	2,020 million yen	9,000 million yen	+45.3%
<b>Operating Income Ratio</b>	2.8%	9.0% or more	—
<b>ROIC</b>	2.9%	8.0% or more	—
<b>Dividend Payout Ratio</b>	69.2%	40% or more	—
	FYE 2024/MAR	FYE 2028/MAR	Average growth rate
<b>Japan Business Sales</b>	38,010 million yen		+6% or more
<b>Indonesia Business Sales</b>	14,708 million yen		+7% or more
<b>Overseas Others Business Sales</b>	20,513 million yen		+10% or more



# 3. The 14<sup>th</sup> Middle-Range Planning

## MP-14 Approach to Formulation of Basic Management Policies

Material issues to maximize economic value and social value  
Resolving Materiality.

MP-14 Key Issues  
(Issues that should be reflected in business strategy)



Materiality  
(Material sustainability issues)



MP-14 Middle-Range Basic Management Policy  
(Business x Function x Management Base)

MP-14重要課題 (分類)
新市場創造
ダイバーシティ&インクルージョン
企業理念 (統治目的)

現状のマテリアリティ
気軽に楽しめるおしゃれ文化の創造
社員と会社の相互成長の実現
企業基盤の継続強化

生活者のニーズ・ウォンツの多様化への対応によるQOL向上
気候変動
環境配慮商品・サービスの開発
廃棄物の削減
ワークライフバランスの向上
人材育成
データセキュリティ
サプライチェーンマネジメント

気軽に楽しめるおしゃれ文化の創造
多様な生活者へのお役立ち拡大
持続可能な地球環境への取り組み
持続可能な地球環境への取り組み
持続可能な地球環境への取り組み
社員と会社の相互成長の実現
社員と会社の相互成長の実現
気軽に楽しめるおしゃれ文化の創造
企業基盤の継続強化
持続可能な原材料調達

経営基本方針	
基本方針1 各事業の成長ステージに応じた構造変革	海外事業のASEANエリアを中心とした量的成長の実現
基本方針2 「生活者発・生活者着」を基本とした価値共創による新たなお役立ちの実践	生活者から共感が得られる商品・サービス提供による市場創造と拡大
	生活者のウェルビーイング実現につながる新規事業の探索
	デジタルを活用した新価値創造 (DX) のための顧客データ活用の仕組み構築
基本方針1 各事業の成長ステージに応じた構造変革	社会課題・環境課題への対応を考慮した事業活動の推進
基本方針3 グループ経営実践に向けた経営基盤の継続強化	人的資本の最大化による組織能力の向上
基本方針3 グループ経営実践に向けた経営基盤の継続強化	グループ経営体制の整備による経営効率の最大化と更なるガバナンス強化
基本方針1 各事業の成長ステージに応じた構造変革	日本事業およびインドネシア事業における収益性改善と新たな成長エンジン獲得に向けたチャレンジ
	グループにおけるEC体制の確立による顧客接点の拡大・深耕
	生活者から共感が得られる商品・サービス提供による市場創造と拡大
基本方針2 「生活者発・生活者着」を基本とした価値共創による新たなお役立ちの実践	デジタルを活用した新価値創造 (DX) のための顧客データ活用の仕組み構築
	グローバルでの企業ブランドのイメージ確立を目指したコーポレートブランディングの実践
基本方針3 グループ経営実践に向けた経営基盤の継続強化	社会課題・環境課題への対応を考慮した事業活動の推進
基本方針1 各事業の成長ステージに応じた構造変革	社会課題・環境課題への対応を考慮した事業活動の推進
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# 3. The 14<sup>th</sup> Middle-Range Planning

## MP-14 Positioning

Toward Sustainable Growth for the Next 100 Years

**Period of building a foundation for future growth**

## Basic Management Policies

- Business

1

**Implement structural reforms according to the growth stage of each business**
  
- Function

2

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

3

**Continuously strengthen management infrastructure to implement group management**

## MP-14 Basic Management Policy 1

Business

**Implement structural reforms according to the growth stage of each business**

- **Challenge to improve profitability and acquire new growth engines in our Japan and Indonesia businesses**
- **Achieve quantitative growth centered on the ASEAN area in International businesses**
- **Expand and deepen customer touchpoints by establishing an EC system within the Group**
- **Promote business activities that take into consideration responses to social and environmental issues**

## MP-14 Basic Management Policy 2

### Function

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

- **Create and expand markets by providing products and services that resonate with consumers**
- **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)**

## MP-14 Basic Management Policy 3

Management  
Infrastructure

**Continuously strengthen management infrastructure  
to implement group management**

- **Improve organizational capabilities by maximizing human capital**
- **Maximize management efficiency and further strengthen governance by improving the group management structure**
- **Implement corporate branding aimed at establishing a global corporate brand image**

## MP-14 Four Key Theme

**Accelerate group management by changing the management promotion structure**

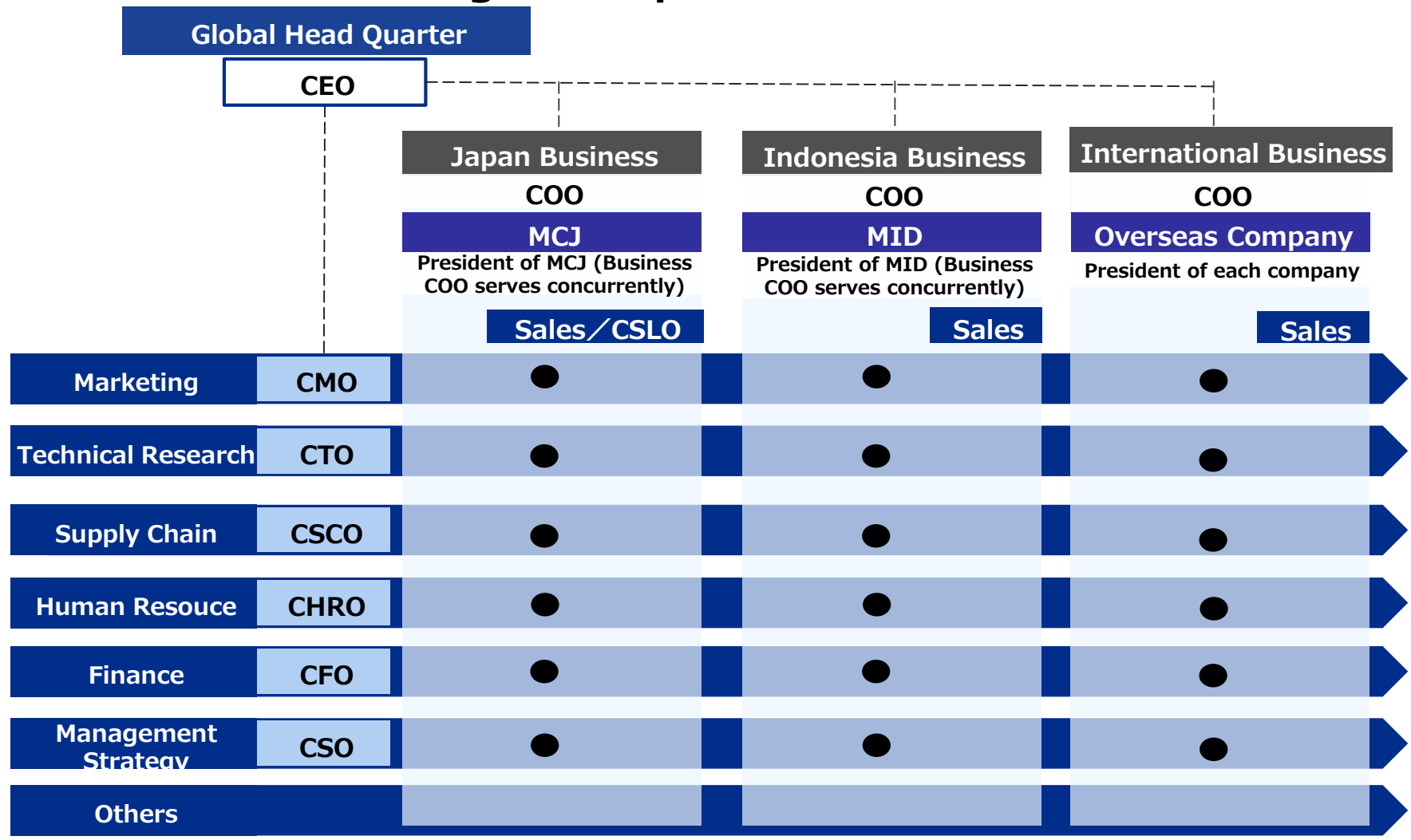
**Profitability improvement**

**Restructuring in Indonesia Business**

**Investments to acquire new business areas**

# 3. The 14<sup>th</sup> Middle-Range Planning

## Key Theme 1 Accelerate group management by changing the management promotion

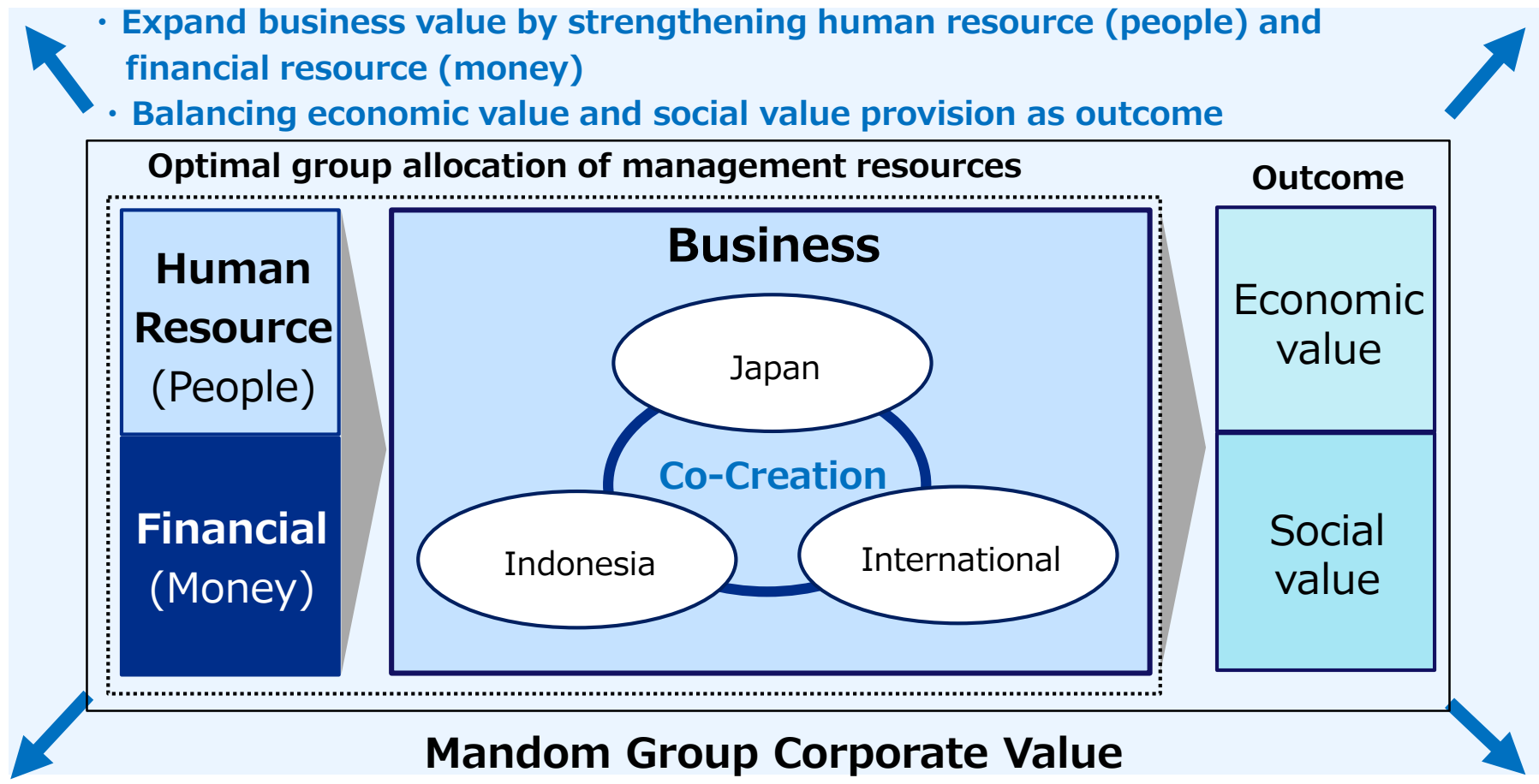


# 3. The 14<sup>th</sup> Middle-Range Planning

## Key Theme 1 Accelerate group management by changing the management promotion

Maximize corporate value through optimal allocation and maximum utilization of management resources within the group

- Expand business value by strengthening human resource (people) and financial resource (money)
- Balancing economic value and social value provision as outcome





## Key Theme 2 Profitability improvement

Working to improve profitability through fundamental review of the value chain, with focus on reducing the cost of sales ratio.

Launching special project headed by the president, starting with Japan.

### Effort to Reduce Cost Ratio

- Global procurement of raw materials
- Switching to alternative possible raw materials
- Set and revise selling price at level that is appropriate for profitability
- Narrowing down unprofitable products etc.

**Profit improvement including cost ratio reduction**

**7 billion yen or more (total for 4 years)**

**→ Allocation to investment in growth and shareholder returns**

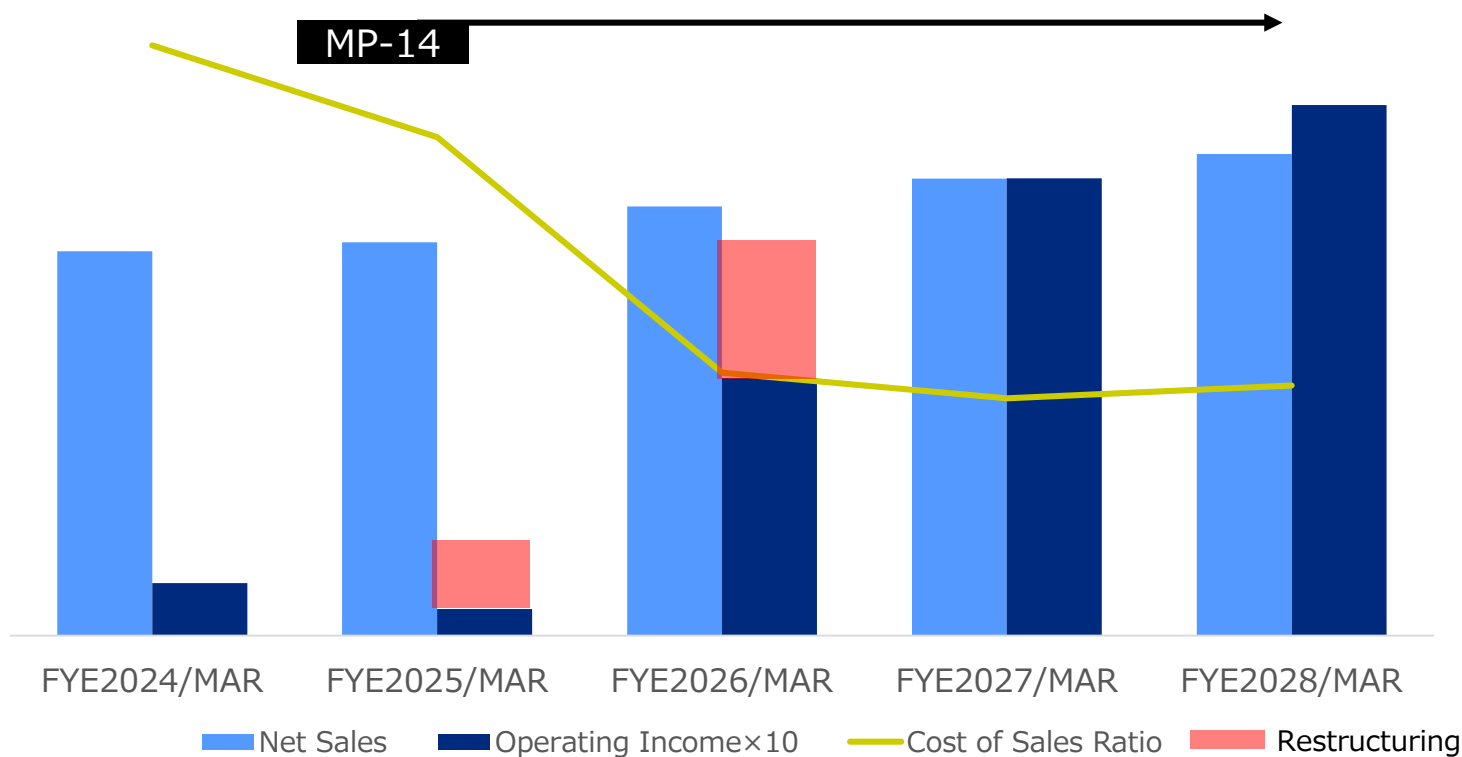
# 3. The 14<sup>th</sup> Middle-Range Planning

## Key Theme 2 Profitability improvement

### Japan Segment 4-Year Performance Trend Image

Start structural reform to improve profitability from the end of fiscal year ending 2024/MAR.

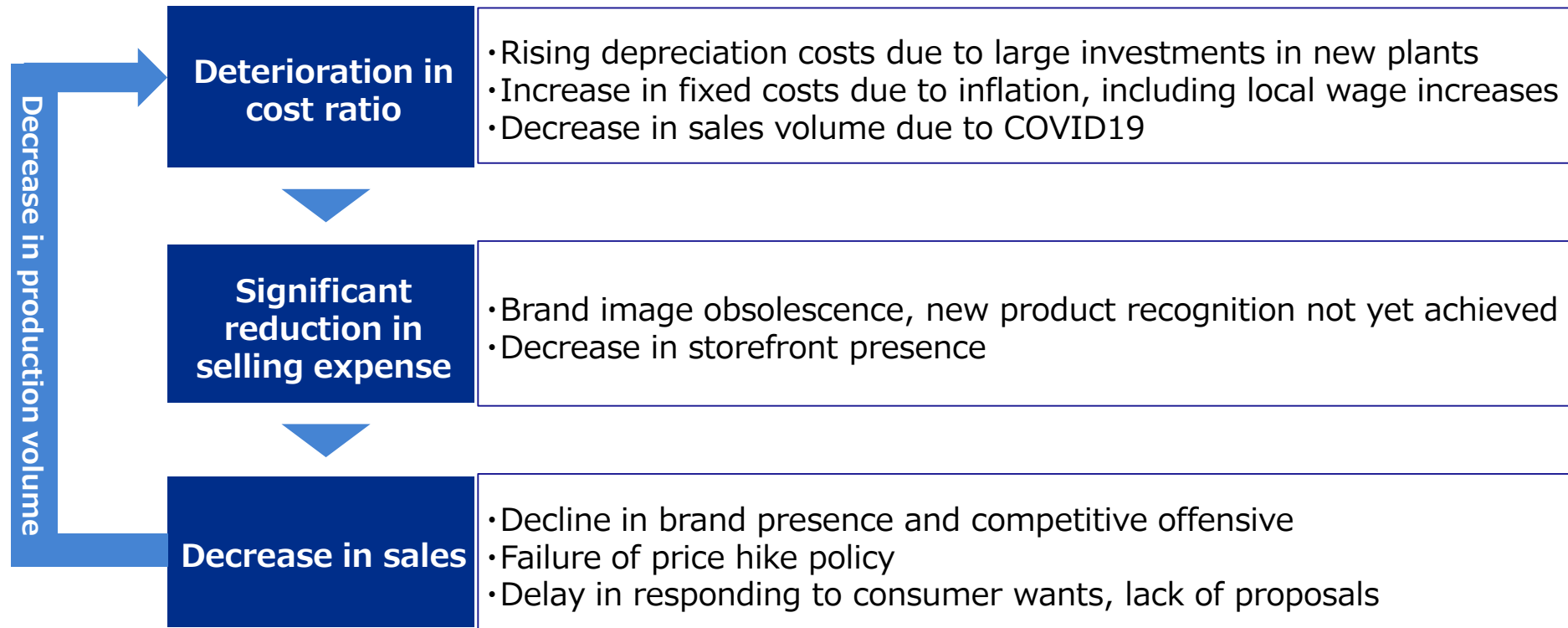
Plan to concentrate efforts in fiscal year ending 2025/MAR, and achieve significant improvement in cost ratio from fiscal year ending 2026/MAR.





## Key Theme 3 Restructuring in Indonesia Business

**【Present】 Significant reduction in marketing expenses due to the normalization of high cost ratios sluggish sales**



# 3. The 14<sup>th</sup> Middle-Range Planning

## Key Theme 3 Restructuring in Indonesia Business

Build positive cycle that starts with increasing gross profit margin and allow the cash generated to be invested in consumers.

Expansion of production volume

**Procurement and Production**

**Reduce cost ratio**  
**Securing gross profit**

- Review of suppliers in Japan and jointly with Japan, reduction of raw material costs
- Replacement of raw materials without affecting product quality
- Curbing factory manufacturing costs
- Review of optimal personnel allocation on factory lines etc.

**Restructuring**

Investing in growth, with a focus on marketing, for the costs generated.

**Marketing**

Products•Brands

- Recovery of activity for existing brands
- Consideration of new brands

Distribution•Promotion

- Strengthening measures by TT/MT distribution
- Strengthen of in-store measures

- Important point**
- Actively propose new products that match consumer wants
  - Resumption of A&P drops to restore brand activity
  - Acquire new younger users, mainly generation Z users
  - New brand initiatives with M&A in mind etc.
- 
- Product offerings with high affinity for Traditional Trade(TT).
  - Active introduction of new products into modern trade(MT).
  - Strengthen product distribution and in-store promotions etc.

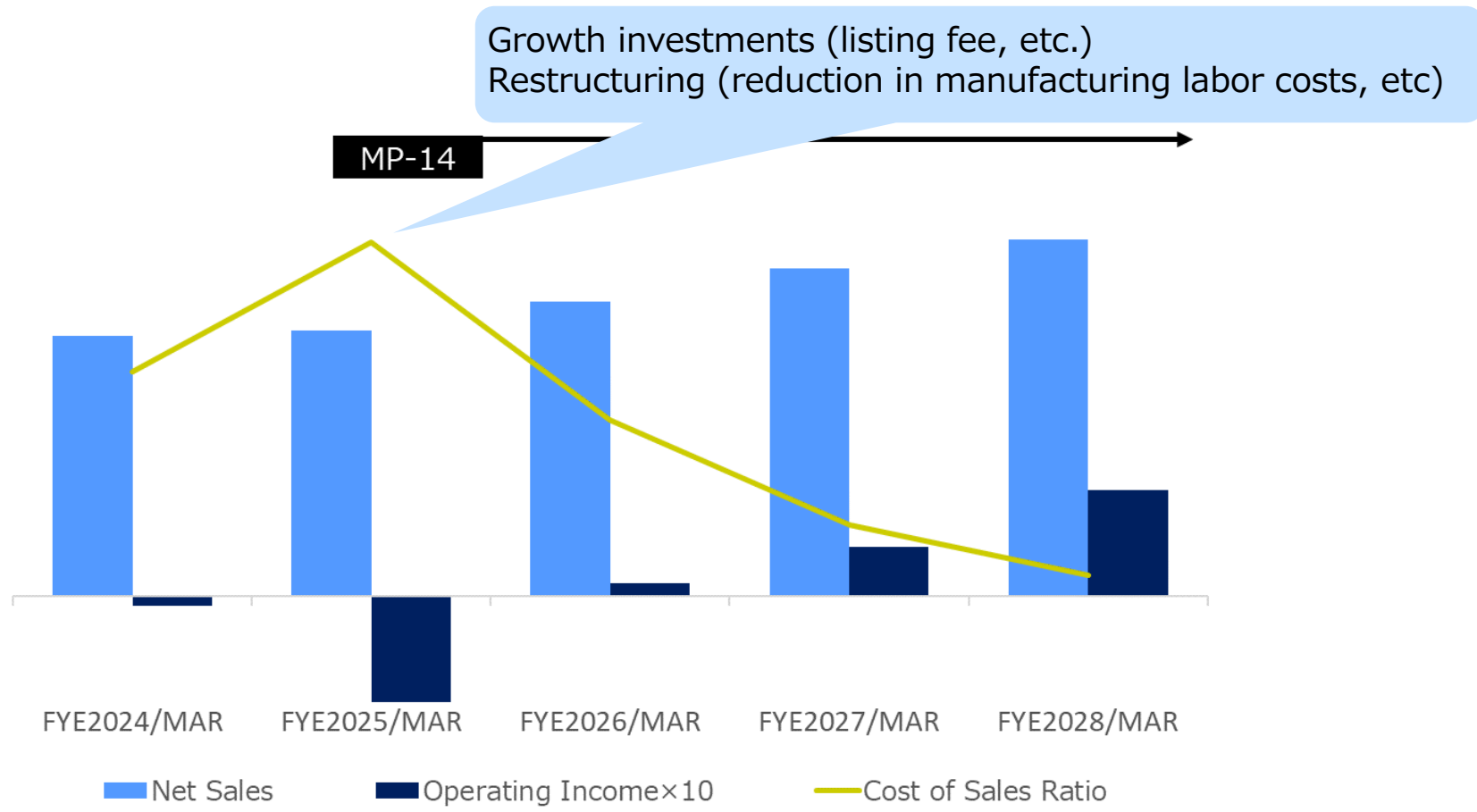
**Renewal of management structure**

# 3. The 14<sup>th</sup> Middle-Range Planning



## Key Theme 3 Restructuring in Indonesia Business

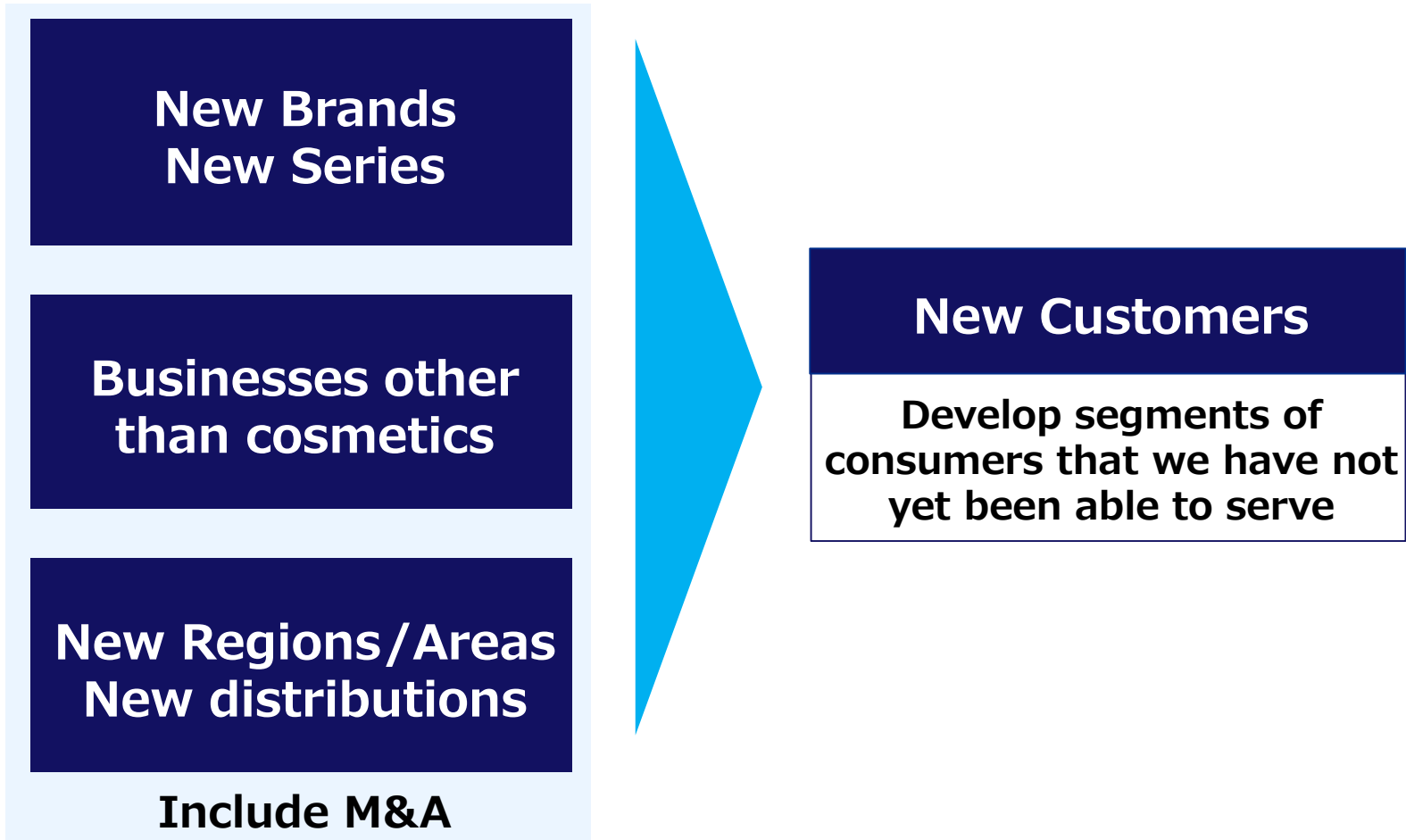
Indonesia Segment 4-Year Performance Trend Image



### 3. 第14次中期経営計画 (MP-14)

#### Key Theme 4 Investments to acquire new business areas

Implement upfront investments that will lead to new corporate value growth for the future beyond MP-15.



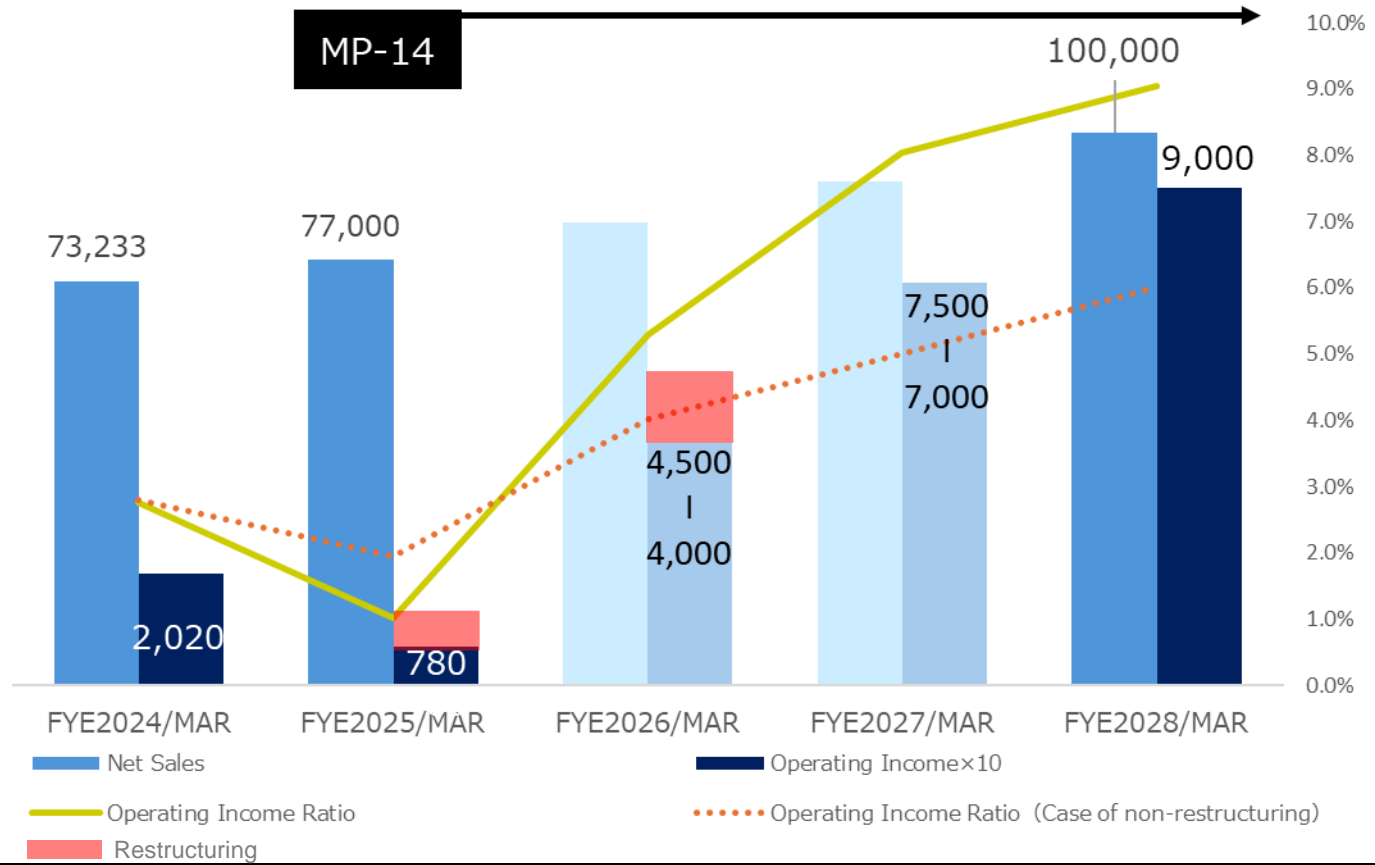
# 3. The 14<sup>th</sup> Middle-Range Planning

## MP-14 Basic Management Target

Sales and operating income growth image

**In first year, FYE2025/MAR, company expects to incur restructuring costs in Japan and Indonesia, resulting in decrease of profit.**

**In second year, from fiscal year FYE2026/MAR, restructuring will contribute to rapid recovery in profitability.**



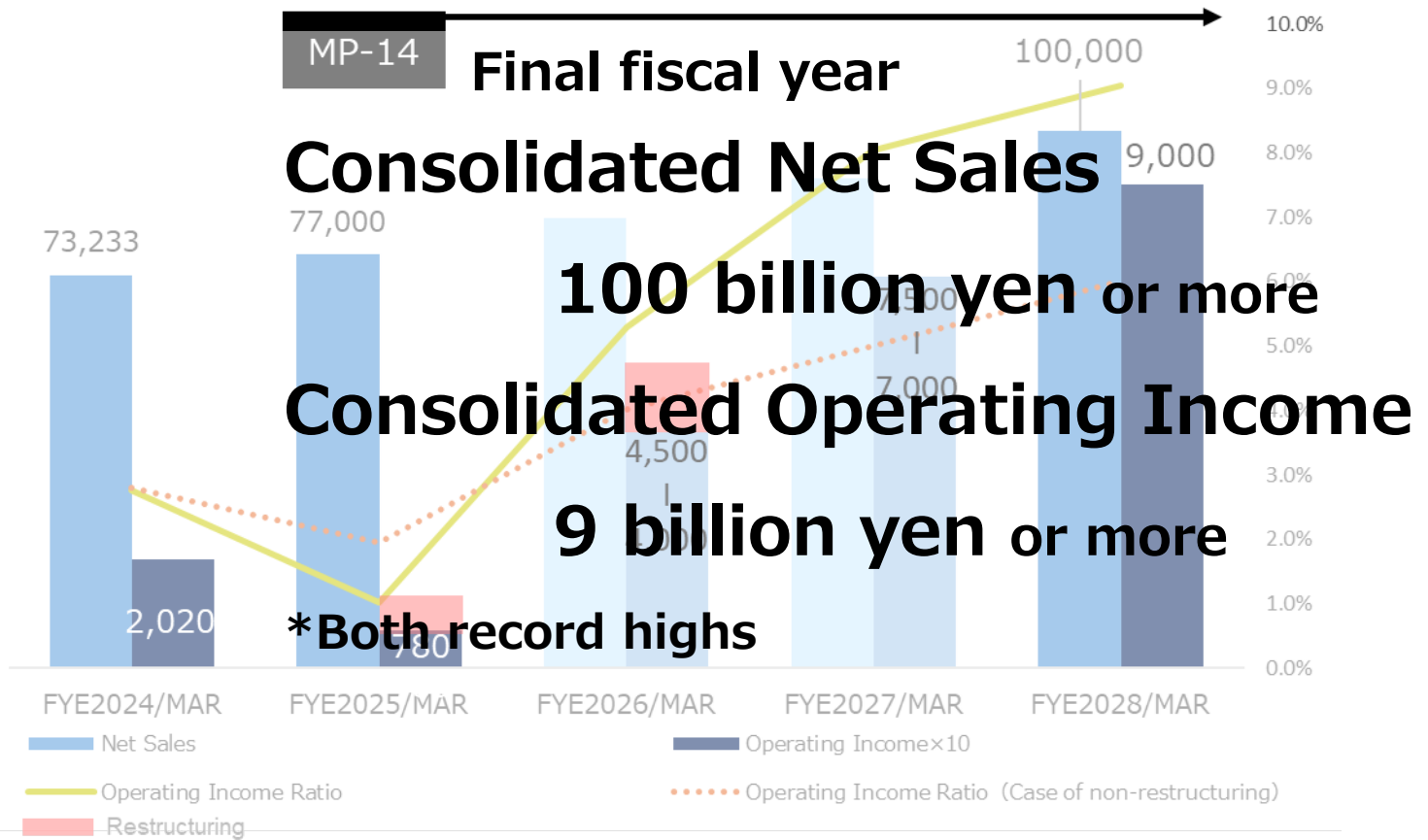
# 3. The 14<sup>th</sup> Middle-Range Planning

## MP-14 Basic Management Target

Sales and operating income growth image

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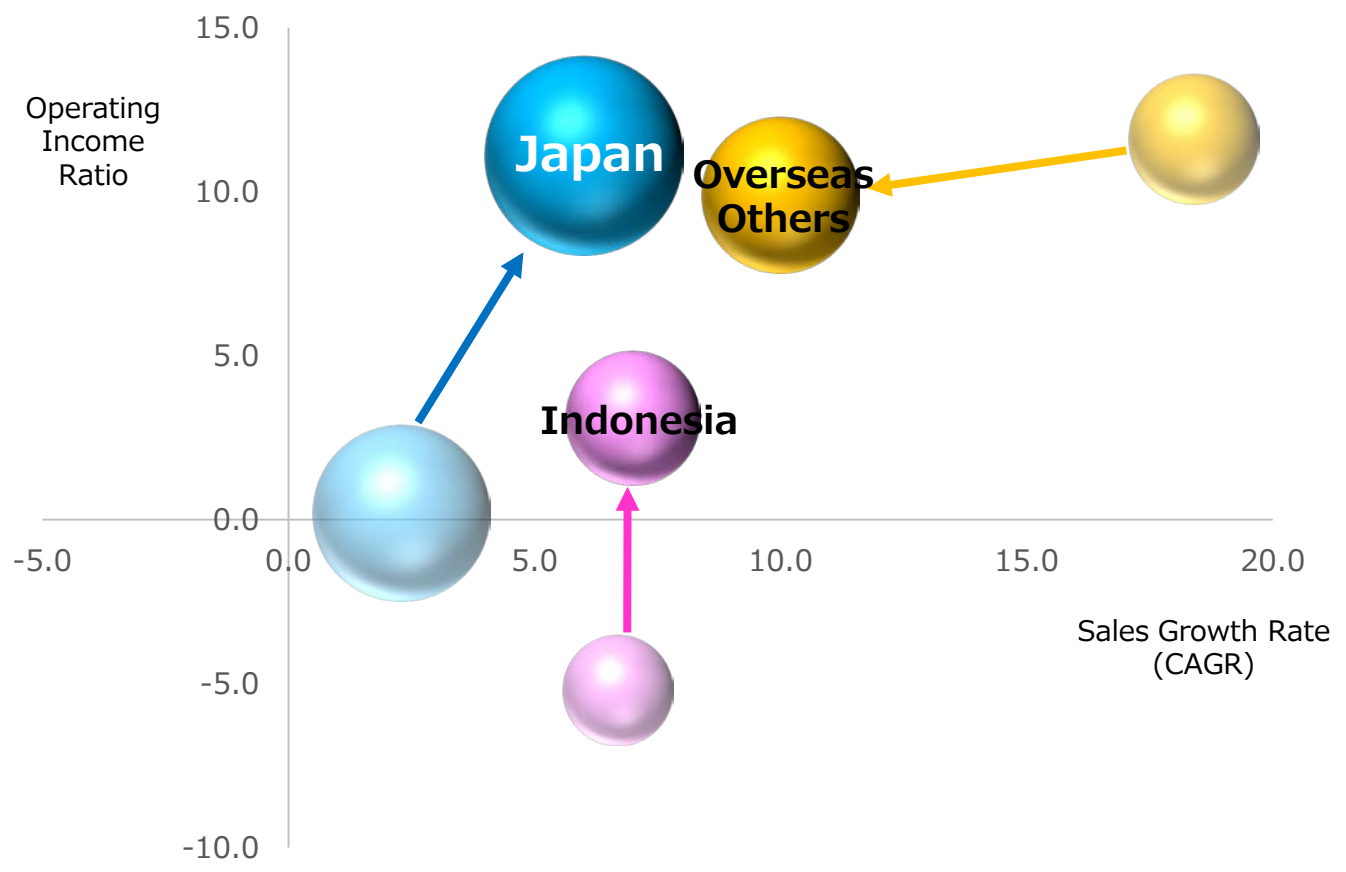


# 3. The 14<sup>th</sup> Middle-Range Planning



## Key Theme 2 Profitability improvement

### MP-14 Growth and Profitability Image by Segment



# 3. The 14<sup>th</sup> Middle-Range Planning

## External Requests for Financial Policy

Requests from investors for new middle-range management plan

- While the level of cash on hand remains high, there has not been much active investment in growth other than the expansion of production facilities. We would like to know your financial policy and capital efficiency policy along with your growth strategy.
- I believe that free cash flow is stable and profitable business, but I would like to see clear indication of the specific uses of that cash and how it is allocated.
- What is your approach to dividend? What is your policy on shareholder return, including share buyback?

## Request from Tokyo Stock Exchange

- From "Measure to Achieve Management Conscious of Cost of Capital and Stock Price" -

<b>Analysis</b>	<b>Accurately understand the company's cost of capital and return on capital, and analyze and evaluate the current situation with respect to its content and market valuation by Board of Directors.</b>
<b>Planning and disclosure</b>	<b>Board of Directors review and formulate policy, target, planning period, and specific initiative for improvement, and disclose the detail of them, together with assessment, in manner that is easy for investors to understand.</b>
<b>Action</b>	<ul style="list-style-type: none"> <li>•Promote management that is aware of cost of capital and stock price based on the plan</li> <li>•Active dialogue with investors based on disclosure</li> </ul>

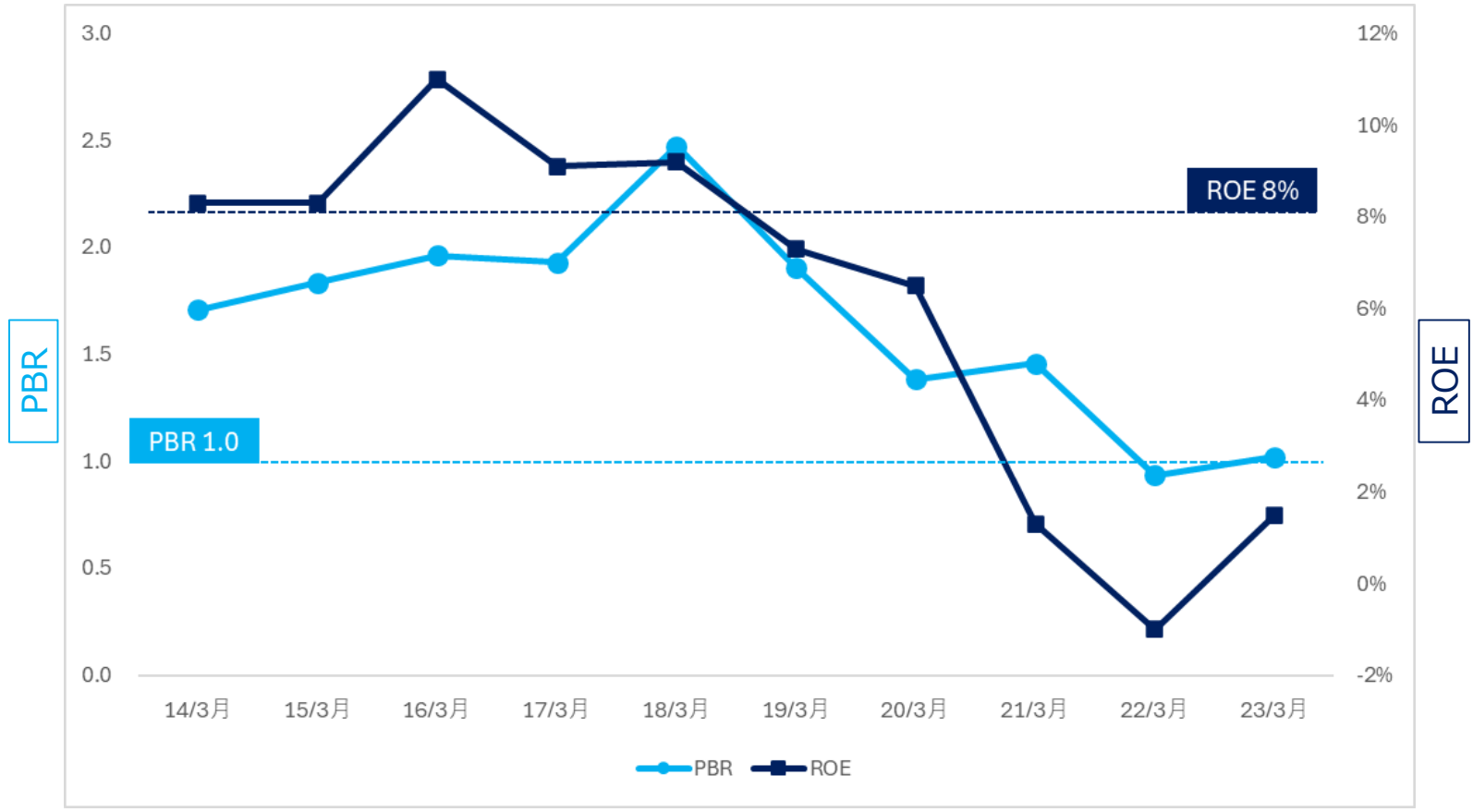
# 3. The 14<sup>th</sup> Middle-Range Planning



## View on PBR Issue

### Our Perception of P/B Ratio 1

Change in PBR and ROE are almost identical.  
Declining ROE is major cause of the PBR slump.



# 3. The 14<sup>th</sup> Middle-Range Planning

## View on PBR Issue

### Our Perception of P/B Ratio 2

Main reason for the decline in ROE

- ① Cost ratio including COG ratio rose due to the combination of investment in plant expansion, COVID-19 disaster and high raw material price.
- ② Lack of investment in growth including new business through efficient use of cash and associated unfulfilled external expectation

The following 2 points are the pillars of our efforts

## Final year of MP-14

**Achieve consolidated operating income/9 billion yen and consolidated ROIC/8%**

### ① Improve profitability through fundamental review of the value chain

Shift to global procurement, expand the number of items for which sales prices are revised, the efficiency of operating expenses, etc., to achieve not merely cost reductions but transformation of the value chain.

### ② Formulate capital allocation including the use of interest-bearing debt and make strategic investments

Investment in growth of D2C new brand and men's beauty appliances. Further new business investment will continue. Allocation of 10 billion yen to search for future business roots, and active consideration of M&A. Allocation of 20 billion yen.

## MP-14 Financial Strategy

Premise We calculates its cost of capital using WACC, and recognize that the consolidated cost of capital is less than 4%

\*Figures to be determined with reference to data calculated by external organization in the future

### Financial Policy

- **Aiming for medium to long-term development, funds are allocated to shareholder returns and business investment, and borrowings are also used.**
- **Financial security is also considered in order to be able to respond to unexpected situations. Cash and deposits equivalent to three months of monthly sales are maintained.**
- **Certain limits on net debt, debt-to-EBITDA ratio, and DE ratio are set. Policy stock investments will be reduced in accordance with the existing policy.**

【Cash to be utilized】

Operating cash flow 26.5 billion yen \*Excluding incremental working capital and net of taxes

Sale of policy investment shares 1.5 billion yen

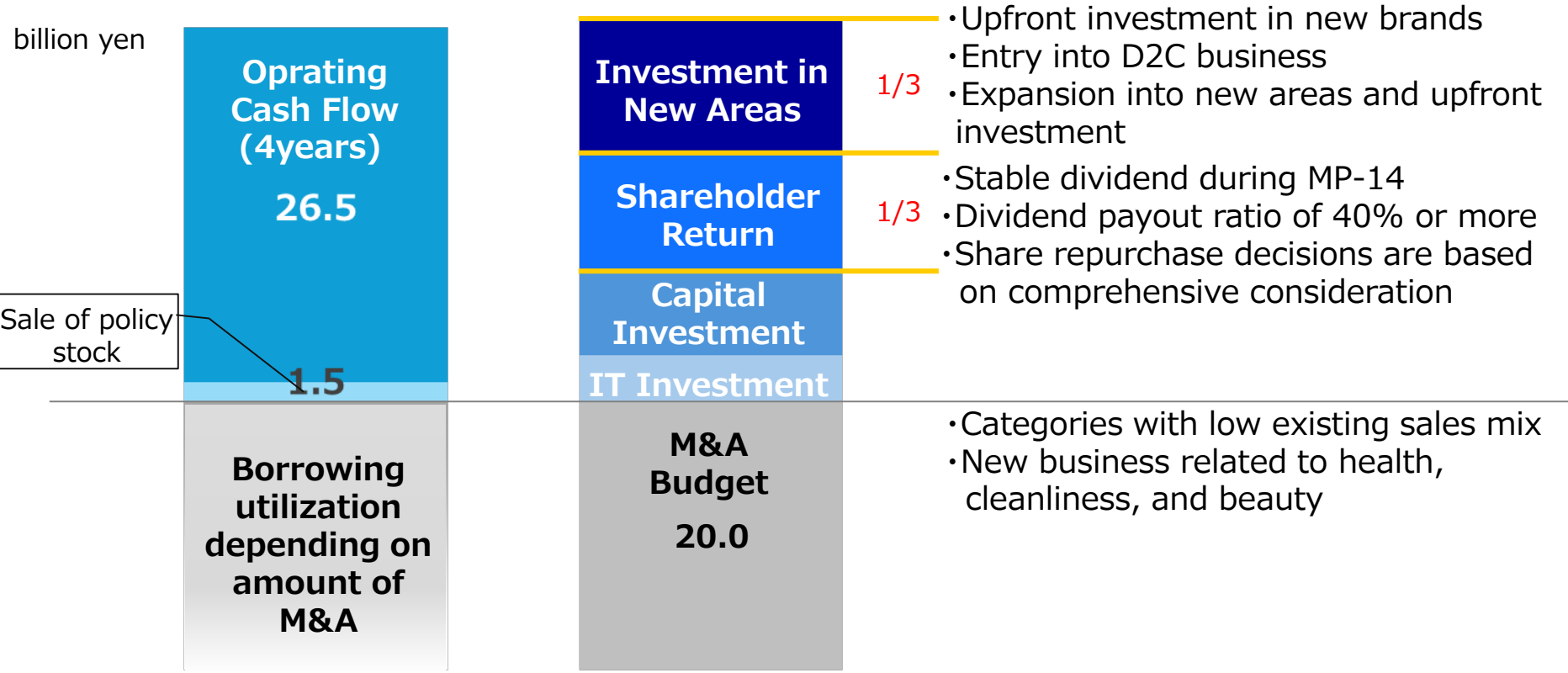
\*Sales to be conducted in February and March 2024

# 3. The 14<sup>th</sup> Middle-Range Planning

## MP-14 Financial Strategy

### Capital allocation

1/3 of cash to be earned over the next 4 years will be invested to strengthen new business areas, and 1/3 will be used to return profit to shareholders. Proactively consider M&A. Borrowing as necessary.



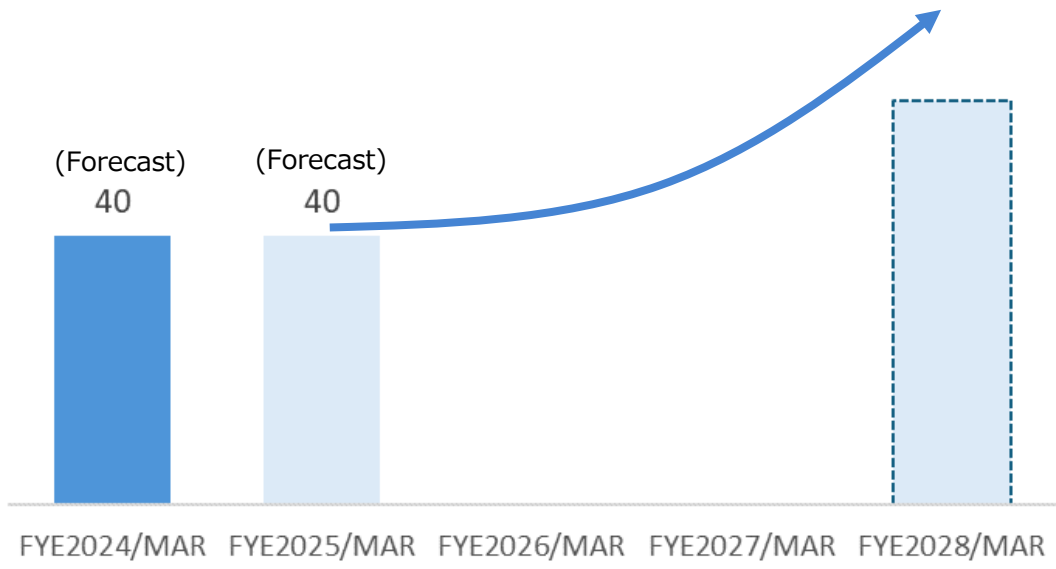


## MP-14 Financial Strategy

### Return Policy

During MP-14 period, basic policy is to provide stable and continuous profit returns, with numerical target of dividend payout ratio of 40% or more.

### MP-14 Image of Dividend Trend



# 4. Forecast of FYE 2025/MAR



# 4. Forecast of FYE 2025/MAR



## Consolidated Earnings Forecast

(million yen)

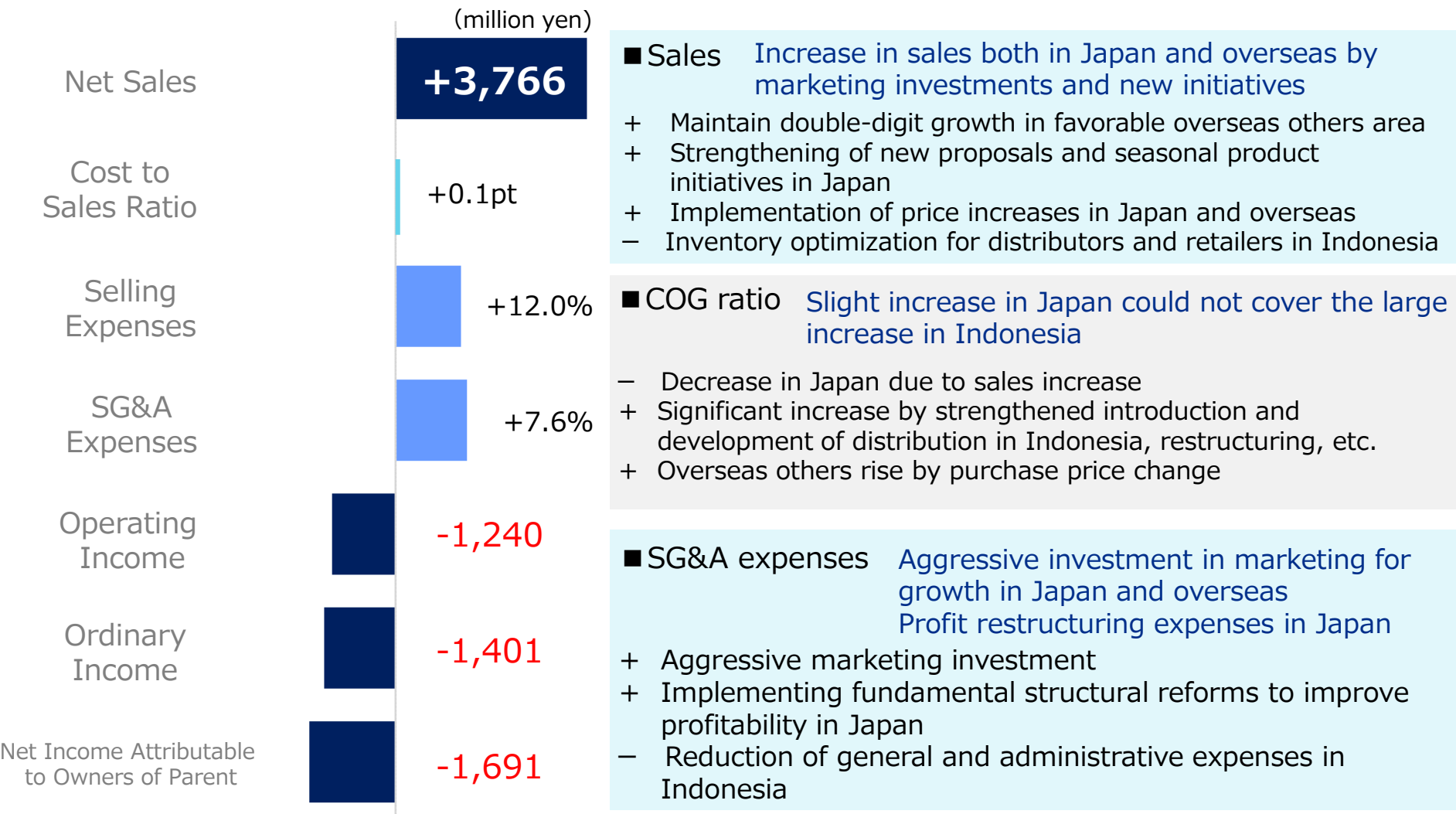
Consolidated	2025/MAR			2024/MAR
	Forecast	Balance	Yr/Yr	Actual
Net Sales	77,000	3,766	+5.1%	73,233
Operating Income	780	-1,240	-61.4%	2,020
Ordinary Income	1,580	-1,401	-47.0%	2,981
Net Income Attributable to Owners of Parent	910	-1,691	-65.0%	2,601

Segment	2025/MAR			2024/MAR
	Forecast	Balance	Yr/Yr	Actual
Japan Business Sales	39,500	1,489	+3.9%	38,010
Indonesia Business Sales	14,700	-8	-0.1%	14,708
Overseas Others Sales	22,800	2,286	+11.1%	20,513

# 4. Forecast of FYE 2025/MAR



## Forecast by major expense item Breakdown of increase/decrease



## 4. Forecast of FYE 2025/MAR

### Change in Calculation Method of Segment Income

#### <Before> Until FYE 2024/MAR

- Because the calculation method included adjustments for internal profit and loss in segment profit and loss, there was large discrepancy between non-consolidated results and segment results, resulting in lower operating income in Japan and Indonesia.

#### <After> FYE 2025/MAR onward

- The calculation method of segment profit/loss does not include adjustments for internal profit and loss.



**Segment results are now closer to non-consolidated results, and the disclosure of business results is closer to the actual situation.**

※Reference FYE 2024/MAR Operating Income by Segment (New Calculation Method)  
Japan 589 million yen, Indonesia -25 million yen, Overseas others 1,416 million yen

( Profit amount are estimate and it's possible to change based on the results of accounting audits. )

**2024/MAR**  
**Financial Result Briefing**  
**Reference Materials**

**April 1, 2023 – March 31, 2024**

## Contents

- 1. Consolidated Business Result of  
FYE 2024/MAR**
- 2. Consolidated Net Sales**
- 3. Consolidated Income**
- 4. P/L of Mandom Corporation,  
PT Mandom Indonesia Tbk**

# 1. Consolidated Business Result of FYE 2024/MAR



(million yen)

	Annual					
	FYE2023/MAR	FYE2024/MAR	Balance	Yr/Yr	Yr/Yr*	Achiev. vs Revised Target
Net Sales	67,047	73,233	6,186	+9.2%	+6.8%	100.3%
Operating Income	1,409	2,020	610	+43.3%	+39.9%	122.4%
Ordinary Income	2,207	2,981	773	+35.1%	—	114.7%
Net Income Attributable to Owners of Parent	958	2,601	1,642	+171.4%	—	118.2%

\*Comparison with FYE 2023/MAR rate after adjustment.

ROE	1.5%	4.0%
EPS	¥21.31	¥57.84

Payout Ratio	178.3%	69.2%
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# 2. Consolidated Net Sales

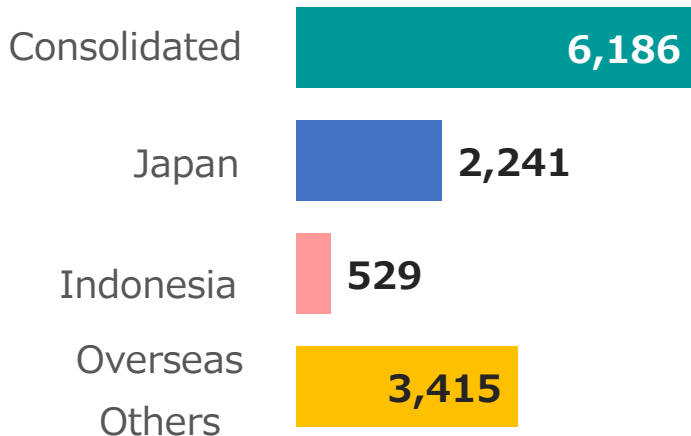
## 2-1. Net Sales by Region

(million yen)

	Annual			
	FYE2023/MAR	FYE2024/MAR	Balance	Yr/Yr
Net Sales	67,047	73,233	6,186	+9.2%
Japan	35,769	38,010	2,241	+6.3%
Indonesia	14,178	14,708	529	+3.7%
Others	17,098	20,513	3,415	+20.0%

## 2-2. Net Sales by Region Analysis

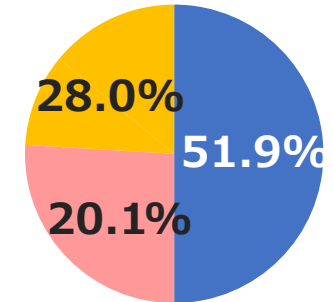
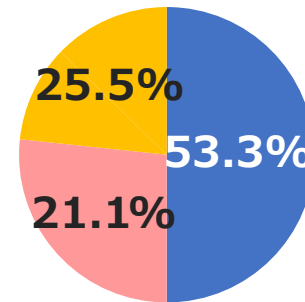
(million yen)



## 2-3. Net Sales by Region Ratio

Overseas 46.6%

Overseas 48.1%



FYE 2023/MAR

FYE 2024/MAR

Japan Indonesia Overseas Others

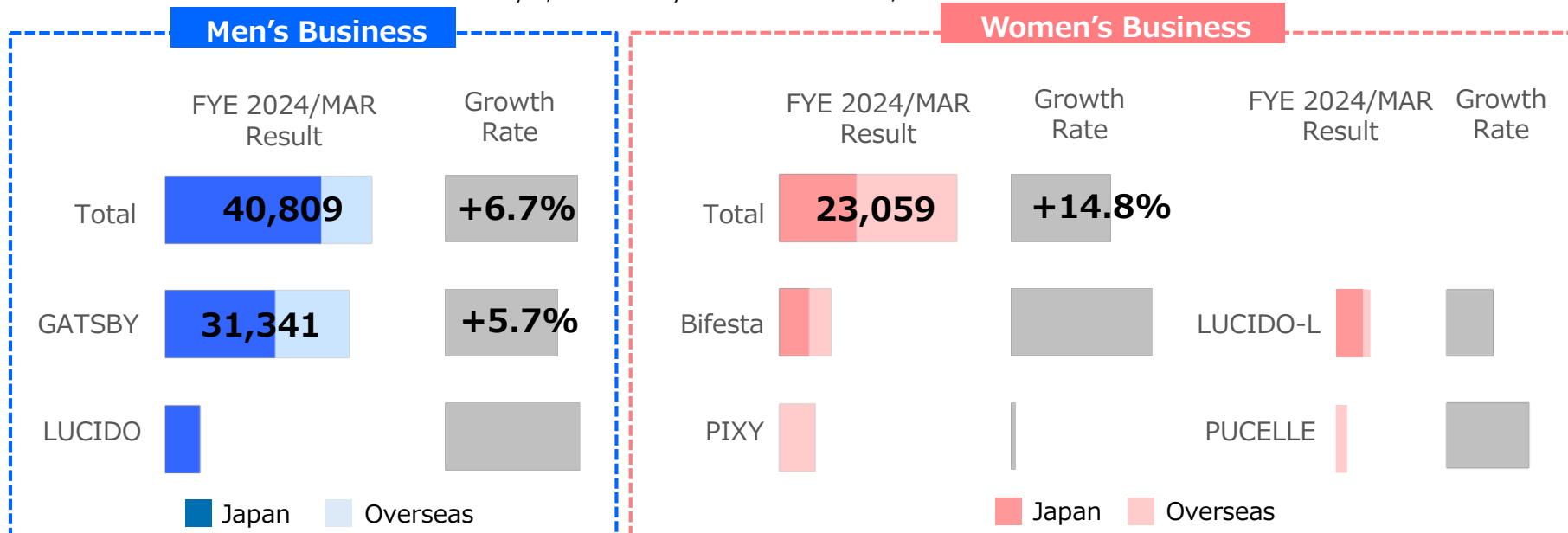
# 2. Consolidated Net Sales

## 2-4. Net Sales by Strategic Business Unit

(Millions of yen)

	Annual			
	FYE2023/MAR	FYE2024/MAR	Balance	Yr/Yr
Net Sales	67,047	73,233	6,186	+9.2%
<b>Men's Business</b>	38,249	40,809	2,559	+6.7%
<b>GATSBY</b>	29,662	31,341	1,679	+5.7%
<b>Women's Business</b>	20,078	23,059	2,980	+14.8%
<b>Other Business</b>	8,718	9,364	646	+7.4%

※Breakdown : Women's Cosmetics 13,845 million yen (ratio of increase/decrease 16.1%)  
 Women's Cosmetary 9,214 million yen (ratio of increase/decrease 13.0%)

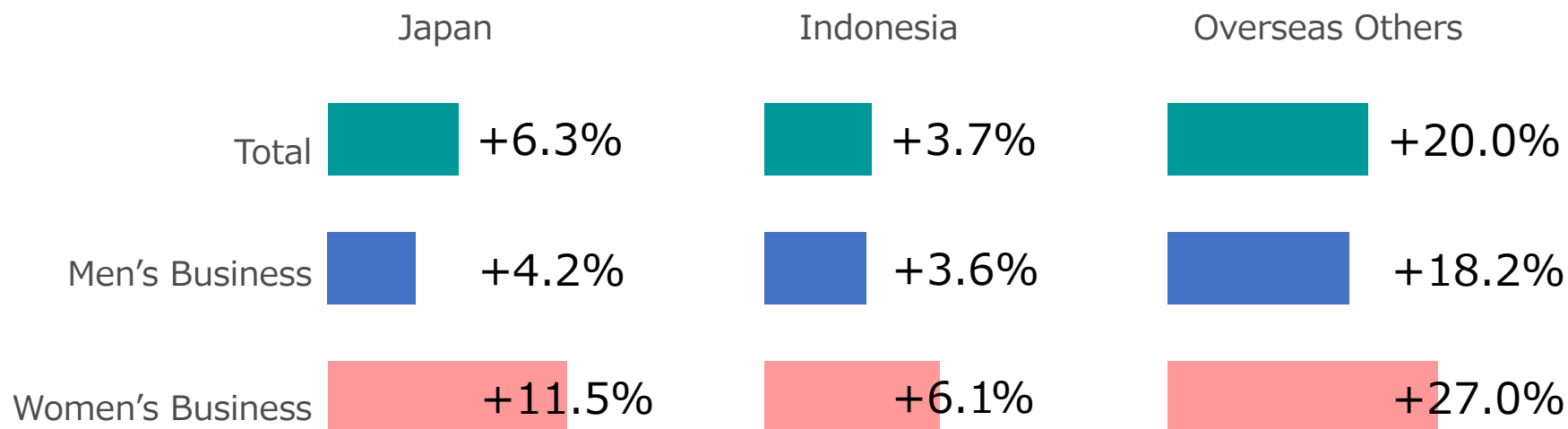




# 2. Consolidated Net Sales



## 2-5. Year-on-Year Comparison by Region and Business



※ Breakdown  
 Women's Cosmetics +18.6%  
 Women's Cosmetary +7.3%  
 ※ Others +10.5%

※ Breakdown  
 Women's Cosmetics -0.2%  
 Women's Cosmetary +17.8%  
 ※ Others -1.4%

※ Breakdown  
 Women's Cosmetics +26.6%  
 Women's Cosmetary +28.6%  
 ※ Others +11.3%

# 3. Consolidated Income

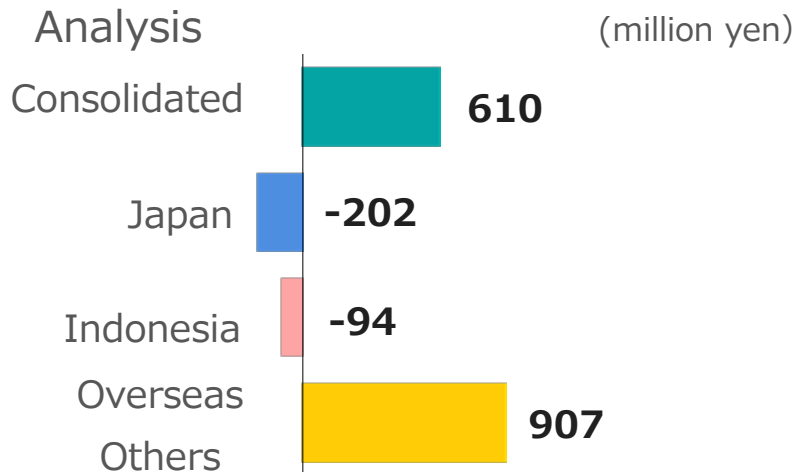
## 3-1. Operating Income by Region

(Millions of yen)

	Annual					
	FYE2023/MAR		FYE2024/MAR		Balance	Yr/Yr
	Result	per Sales	Result	per Sales		
Operating Income	1,409	2.1%	2,020	2.8%	610	+43.3%
<b>Japan</b>	282	0.8%	79	0.2%	(202)	(71.7%)
<b>Indonesia</b>	(676)	—	(770)	—	(94)	—
<b>Others</b>	1,802	10.5%	2,710	13.2%	907	+50.3%

## 3-2. Operating Income/Loss by Region

## 3-3. Operating Income/Loss by Region

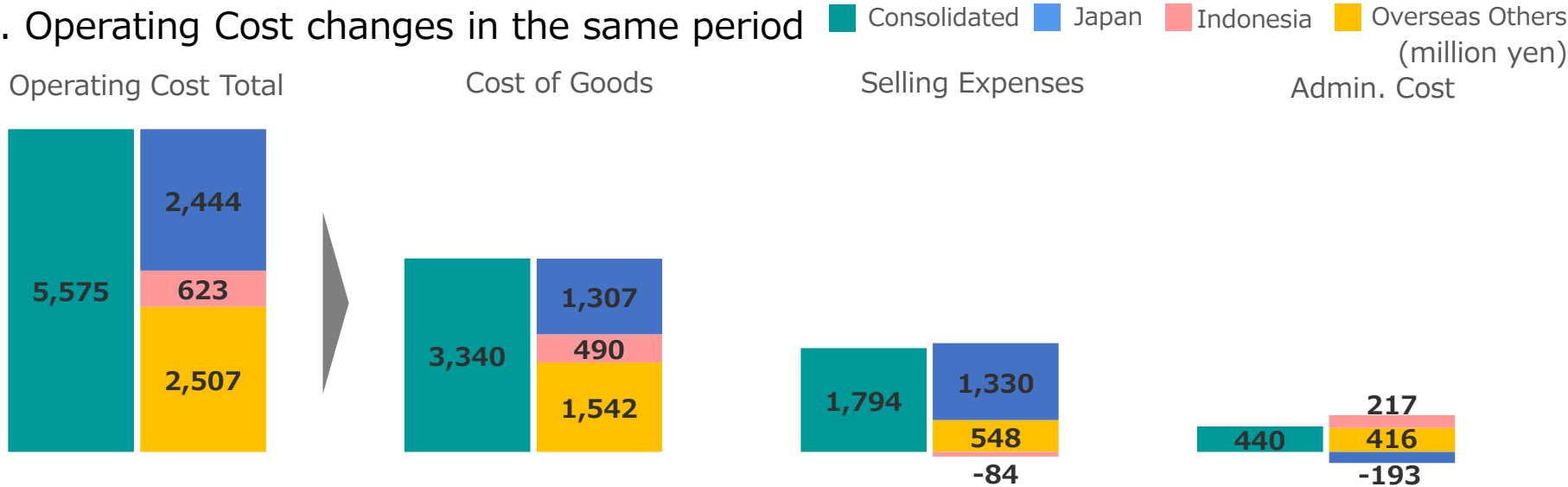


Ratio

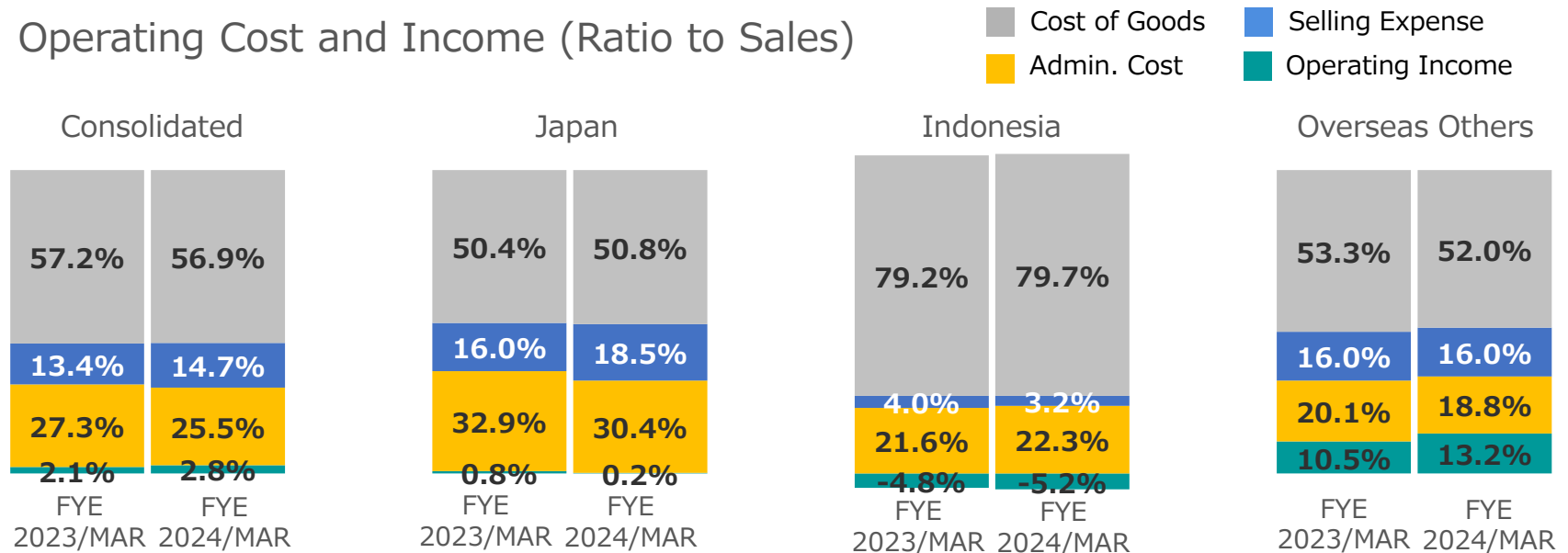
Not stated due to operating loss in Indonesia

# 3. Consolidated Income

## 3-4. Operating Cost changes in the same period



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

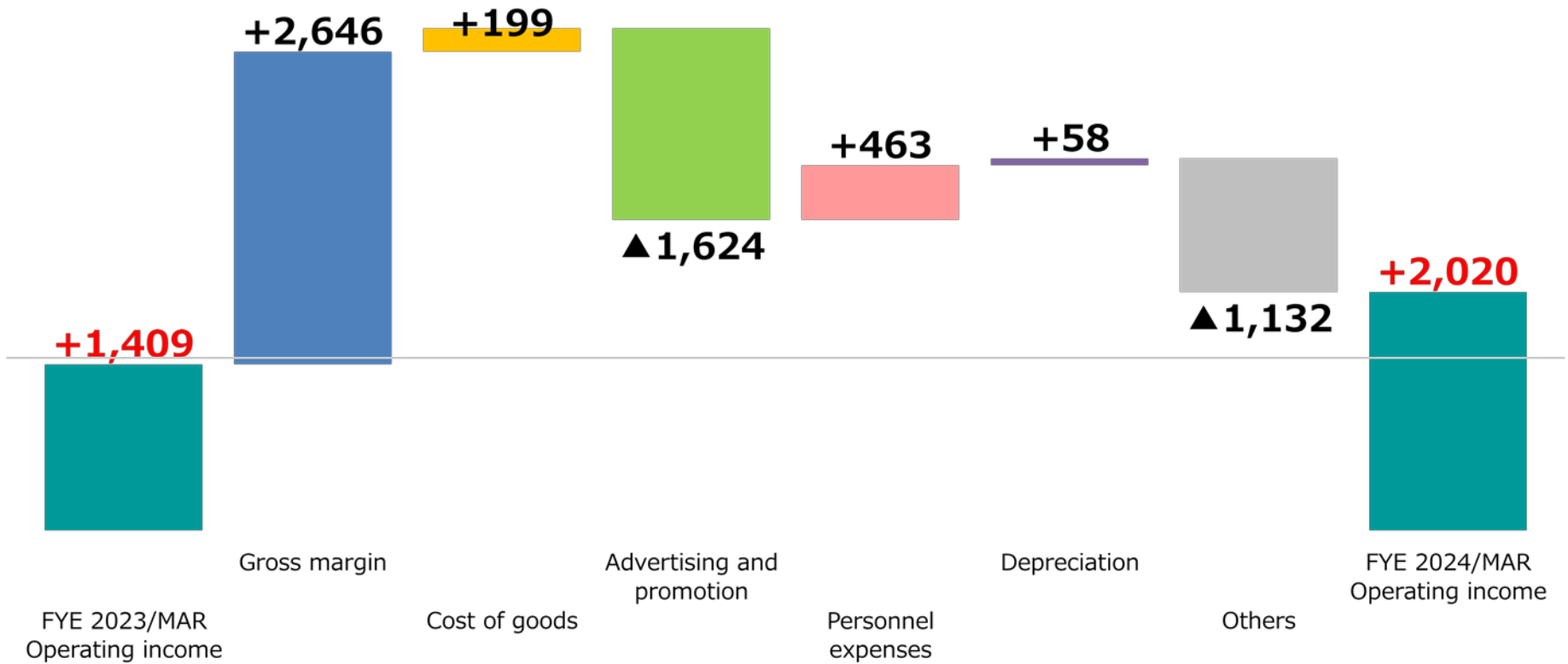




# 3. Consolidated Income

## 3-6. Analysis of Change in Consolidated Operating Income

(million yen)



# 3. Consolidated Income

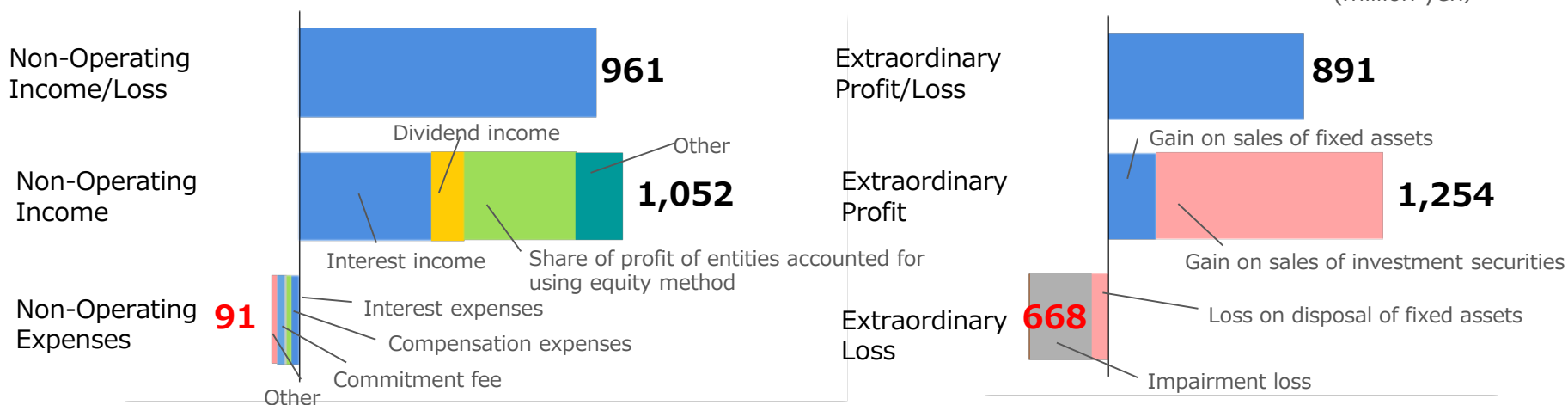
## 3-7. Ordinary Income and Net Income Attributable to Owners of Parent

(Millions of yen)

	Annual					
	FYE2023/MAR		FYE2024/MAR		Balance	Yr/Yr
	Result	per Sales	Result	per Sales		
Non-operating Income/Expenses	798	1.2%	961	1.3%	163	20.4%
Ordinary Income	2,207	3.3%	2,981	4.1%	773	35.1%
Extraordinary Profit/Loss	-617	-	891	1.2%	1,509	-
Income before Income Taxes and Minority Interests	1,589	2.4%	3,872	5.3%	2,283	143.6%
Income Taxes and Minority Interests	571	0.9%	1,108	1.5%	537	94.0%
Net Income	1,018	1.5%	2,763	3.8%	1,745	171.5%
Net Income Attributable to Non-controlling interests	59	0.1%	162	0.2%	103	173.0%
Net Income Attributable to Owners of Parent	958	1.4%	2,601	3.6%	1,642	171.4%

## 3-8. Non-Operating Income/Expenses and Extraordinary Profit/Loss

(million yen)



## Results of FYE 2024/MAR (P/L of Mandom Corporation and PT Mandom Indonesia Tbk)

### Mandom Corporation

(million yen)

	FYE2023/ MAR	FYE2024/ MAR	Balance	Yr/Yr
Net sales	40,310	42,586	2,276	+5.6%
Cost of Goods	22,245	23,773	1,528	+6.9%
Cost Ratio	55.2%	55.8%	+0.6P	-
Selling, general and administrative expenses	17,112	18,218	1,106	+6.5%
Operating Income	952	594	-358	-37.6%
Non-operating Income/Loss	570	1,007	437	+76.6%
Ordinary Income	1,523	1,602	78	+5.2%
Extraordinary Profit/loss	-617	677	1,295	-
Net Income	561	1,800	1,239	+220.6%

### PT Mandom Indonesia Tbk

Local Currency (Millions of Rp.)

	FYE2023/ MAR	FYE2024/ MAR	Balance	Yr/Yr
Net sales	2,044,821	2,050,460	5,638	+0.3%
Cost of Goods	1,633,386	1,643,848	10,462	+0.6%
Cost Ratio	79.9%	80.2%	+0.3P	+0.0%
Operating Income	5,847	813	(5,033)	(86.1%)
Net Income	18,109	38,116	20,006	+110.5%

### Depreciation, Capital Investment

#### Consolidated

(million yen)

	FYE2023/ MAR	FYE2024/ MAR	Balance	FYE2025/MAR Forecast
Depreciation	4,988	4,415	-572	3,929
Capital investment	1,856	1,852	-3	2,325

#### Mandom Corp. Only

(million yen)

	FYE2023/MAR	FYE2024/MAR	Balance
Depreciation	3,254	2,759	-494
Capital investment	981	730	-250

### Yen Equivalent

(Millions of yen)

	FYE2023/ MAR	FYE2024/ MAR	Balance	Yr/Yr
Net sales	17,994	18,864	869	+4.8%
Cost of Goods	14,373	15,123	749	+5.2%
Cost Ratio	79.9%	80.2%	+0.3P	+0.0%
Operating Income	51	7	(43)	-85.5%
Net Income	159	350	191	+120.0%

Rp.1= ¥ 0.0088 Rp.1= ¥ 0.0092

※Assumption rate Rp.1= ¥ 0.0090

Information in this report concerning future performance is based on information available and certain assumptions deemed reasonable. Forecasts are not promises of future performance. Actual earnings may differ significantly from forecasts due to a number of factors. \*All amounts have been rounded to the nearest whole unit.

**BE ANYTHING,  
BE EVERYTHING.**



**mandom**