

To all persons concerned

Company name	Mandom Corporation
Representative	Ken Nishimura Representative Director & President Executive Officer
Securities code	TSE Prime Market 4917
Contact	Hideo Kawakita, General Manager, IR Division Phone: +81-6-6767-5020

Notice Concerning Disposal of Treasury Stock as Restricted Stock Compensation

Mandom Corporation (the “Company”) hereby announces that, at the meeting of its Board of Directors held on June 22, 2023, the Company has resolved to dispose of its treasury stock (the “Disposal of Treasury Stock” or the “Disposal”) as follows.

1. Outline of the Disposal

(1)	Date of disposal	July 21, 2023
(2)	Class and number of shares to be disposed of	3,200 shares of common stock of the Company
(3)	Disposal price	1,494 yen per share
(4)	Total value of the shares to be disposed of	4,780,800 yen
(5)	Recipients of shares to be disposed of and number thereof, number of shares to be disposed of	Executive officer: 2 persons, 3,200 shares

2. Purposes and Reasons of the Disposal

At the meeting of its Board of Directors held on April 27, 2018, the Company resolved to introduce a restricted stock compensation plan (the “Compensation Plan”) with the aim of providing medium- to long-term incentives for the Company’s Directors excluding External Directors (the “Eligible Directors”) and Executive Officers who do not concurrently serve as a Director (collectively, the “Eligible Directors, etc.”) and sharing value with shareholders. Furthermore, at the 101st Ordinary General Meeting of Shareholders held on June 22, 2018 (the “General Meeting of Shareholders”), based on the Compensation Plan, as monetary compensation to serve as contributed properties to acquire the restricted stocks (the “Restricted Stock Compensation”), the Company received approval to provide the Eligible Directors with monetary compensation claims that shall be 150 million yen or less per year and to set the transfer restriction period to 35 years.

The outline of the Compensation Plan, etc. is as follows.

[Outline of the Compensation Plan]

The Eligible Directors, etc. shall make in-kind contribution of all monetary compensation claims to be provided by the Company according to the Compensation Plan, and shall, in return, receive shares of common stock of the Company that shall be issued or disposed by the Company. The amount to be paid per share shall be the closing price of shares of common stock of the Company on the First Section of the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution by the Board of Directors (or the closing price on the most recent transaction day preceding that day, if no transaction is made on that business day).

For the issuance or disposal of shares of common stock of the Company under the Compensation Plan, the Company and each Eligible Director, etc., shall make an agreement on allotment of restricted stocks (the "Allotment Agreement"), such that (1) The Eligible Directors, etc., shall not transfer, create a security interest on, or otherwise dispose of the Allotted Shares during a fixed period, and (2) The Company shall acquire said shares of common stock without consideration on the occurrence of specified events. For your information, under the Compensation Plan, shares of restricted stock where the number corresponds to the subject period shall be provided in lump sum in the initial year of the Company's Middle-Range Planning in principle. However, this time, since the payment is to be made to a newly appointed executive officer and the "MP-13", the Company's 13th Middle-Range Planning, is already in its third fiscal year, the period subject to payment will be set at one year and the Restricted Stock Compensation corresponding to one fiscal year (fiscal 2023; from April 1, 2023 to March 31, 2024) shall be provided.

Considering the purpose of the Compensation Plan, the Company's business performance, scope of responsibility of the Eligible Directors, etc., and various factors, the Company has decided to provide monetary compensation claims totaling 4,780,800 yen (the "Total Monetary Compensation Claims"), and 3,200 shares of common stock of the Company, in order to further increase motivation of the Eligible Directors, etc. Furthermore, the Company has set the transfer restriction period to 35 years with the aim of using the Compensation Plan as an incentive to enhance corporate value over a long period.

For the Disposal of Treasury Stock, 2 of the Eligible Directors, etc. to whom disposal of shares is scheduled to be allotted shall make in-kind contribution of all monetary compensation claims to the Company according to the Compensation Plan, and shall receive disposed shares of common stock of the Company (the "Allotted Shares"). The outline of the Allotment Agreement concluded between the Company and the Eligible Directors, etc. for the Disposal of Treasury Stock is described in 3. below.

3. Outline of the Allotment Agreement

(1) Transfer restriction period

July 21, 2023 to July 20, 2058

(2) Conditions for lifting the transfer restrictions

On the condition that an Eligible Director, etc. continuously maintains his or her position as a Director, Executive Officer who does not concurrently serve as a Director, Audit & Supervisory Board Member, employee, or any equivalent position at the Company or the Company's subsidiaries during the transfer restriction period, the Company shall lift the transfer restrictions at the expiration of the transfer restriction period.

(3) Treatment in cases where the Eligible Director, etc., retires from his or her position due to the expiration of the term of office, reaching retirement age, or any other justifiable cause.

(i) Timing of the lifting of the transfer restrictions

If an Eligible Director, etc. step downs or resigns from his or her position as a Director, Executive Officer who does not concurrently serve as a Director, Audit & Supervisory Board Member, employee, or any equivalent position at the Company or the Company's subsidiaries due to the expiration of the term of office, reaching retirement age, or any other justifiable cause (except in the case of step-down or resignation due to death), the transfer restrictions shall be lifted at the time immediately after his/her resignation. In the case of step-down or resignation due to death, the Company shall lift the transfer restrictions when the Board of Directors separately makes its decision after the death of the Eligible Director etc.

(ii) Number of shares for which the transfer restrictions are to be lifted

If the number of months from the date of disposal to the month in which the Eligible Director, etc. stepped down or retired from his or her position (the "Length of Service") is less than 12, the number of shares obtained shall be calculated by multiplying the number of Allotted Shares held at the time of the step-down or resignation defined in (i) by the number obtained by dividing the Length of Service by 12 and multiplying it by 75% (however, any fractional shares of less than one unit of stock resulting from the calculation are to be omitted.)

If the Length of Service is 12 months or more, the number of the Allotted Shares shall be that held at the time of the step-down or resignation defined in (i).

(4) Acquisition of the Allotted Shares by the Company without consideration

The Company has set its performance target, basing on three indices including "consolidated net sales" of 81.5 billion yen, "consolidated operating profit margin" of 8.0%, and "consolidated ROIC" of 7.0% for the fiscal year ending March 31, 2024, announced as its Management Basic Targets under "MP-13," the Company's 13th Middle-Range Planning. The Company shall be entitled to acquire part of the Allotted Shares without compensation depending on the achievement level of its performance target in the fiscal year ending March 31, 2024, when said achievement level is finalized. However, from the perspective of promoting the Eligible Directors, etc. to hold shares, the number of shares to be acquired without compensation depending on the achievement level of the performance target shall be up to one half of the Allocated Shares.

In addition, the Company shall be entitled to acquire without compensation the Allocated Shares for which the transfer restriction will not be lifted at the expiry of the transfer restriction period or the time of the lifting of the transfer restriction that is defined in (3) above.

(5) Administration of the Allotted Shares

To prevent the transfer, creation of a security interest on, or disposal of the Allotted Shares during the transfer restriction period, the Allotted Shares shall be managed in a dedicated account at Nomura Securities Co., Ltd., opened by the Eligible Directors, etc. during the transfer restriction period. To ensure the effectiveness of the restrictions on the Allotted Shares, the Company has entered into an agreement with Nomura Securities Co., Ltd. regarding the administration of the accounts for the Allotted Shares held

by each Eligible Director, etc. In addition, the Eligible Directors, etc. shall agree to the administration details for the accounts.

(6) Treatment of the Allocated Shares under organizational structure, etc.

If, during the transfer restriction period, a merger agreement in which the Company becomes an absorbed entity, a share exchange agreement or a share transfer plan in which the Company becomes a wholly-owned subsidiary, or another matter related to organizational restructuring, etc. is approved at a General Meeting of Shareholders of the Company (or the Board of Directors of the Company in cases when the approval of the General Meeting of Shareholders is not required for the organizational restructuring, etc.), the Company will, by resolution of the Board of Directors, lift the transfer restrictions, with respect to the number of shares determined by multiplying the number, obtained by dividing the number of months from the date of disposal until the month that includes the date of said approval, by 12 (if that number exceeds one, it will be rounded down to one), by the number of the Allocated Shares held at that time by the Eligible Directors, etc. (any fractional shares of less than one unit of stock resulting from the calculation are to be omitted), on the business day immediately prior to the effective date of the organizational restructuring, etc. Additionally, the Company shall be entitled to acquire without consideration Allocated Shares for which the transfer restrictions are not lifted on the business day preceding the effective date of the organizational restructuring, etc.

4. Basis of Calculation and Specific Details for the Payment Amount

The Disposal of Treasury Shares to the Eligible Directors, etc., shall be funded by the monetary compensation claims that the Company provided as the Restricted Stock Compensation for fiscal 2023 (April 1, 2023 to March 31, 2024) in accordance with the Compensation Plan. To eliminate arbitrariness in the disposal price, the closing price for the common stock of the Company on the Prime Market of the Tokyo Stock Exchange on June 21, 2023 (the business day prior to the day of resolution at the meeting of the Board of Directors) of 1,494 yen is used as the disposal price. As this is the market price the day immediately prior to the day of resolution of the Board of Directors, we believe it is valid and does not represent a particularly biased price.

-End of News Release-