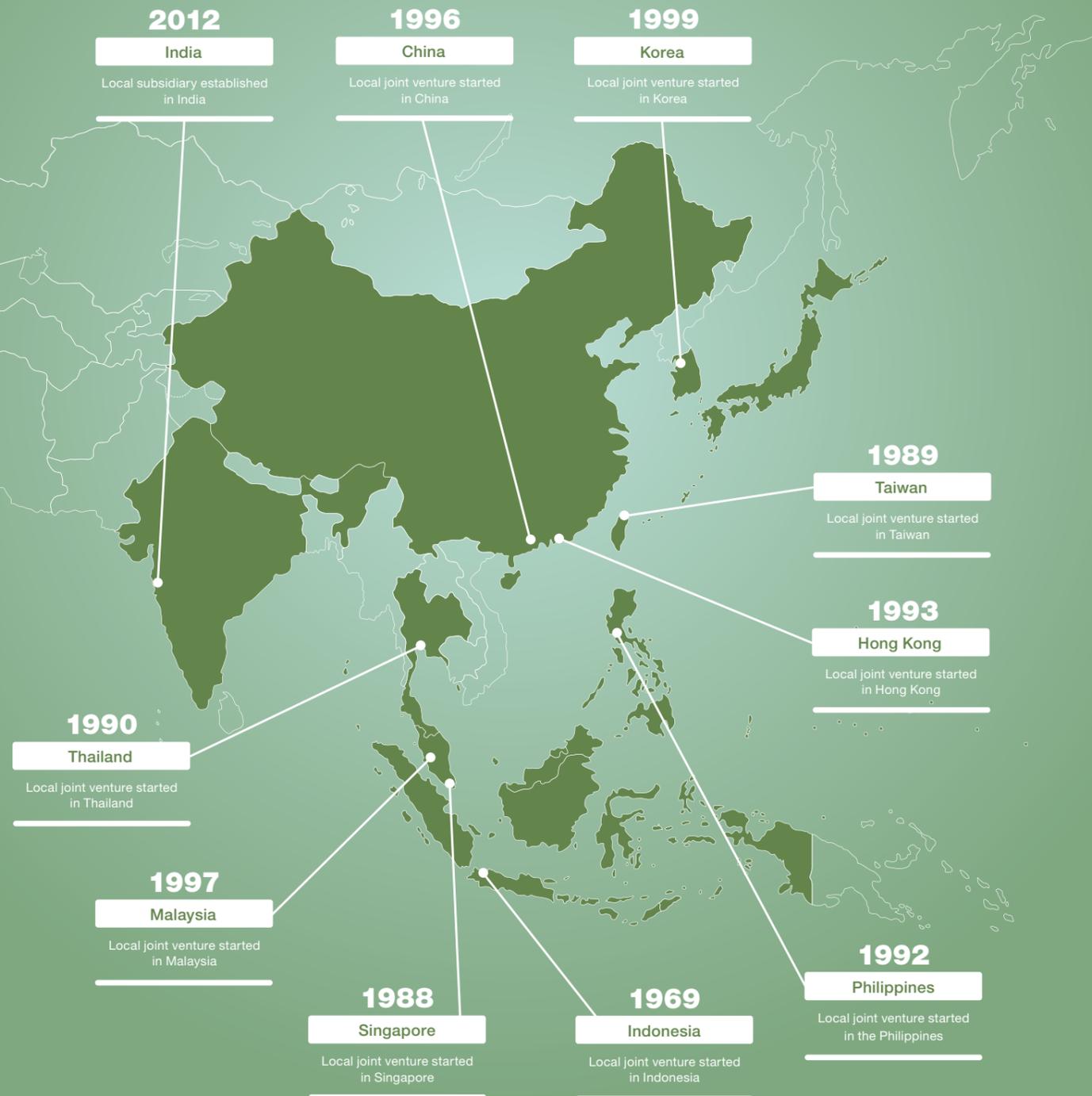


Special Feature
Mandom's Distinctive Presence in Asia

Mandom's overseas business focusing on Asia was started in the Philippines in 1958 and has since expanded by providing useful products to local consumers. The resultant steady growth has led to the company's overseas business constituting 40% of consolidated sales as of March 2014. This special feature introduces the story of how Mandom, aiming to be an "Only One" company in Asia with a strength in global management, came to establish the position it holds today in Asia and examines the outlook for the company's future.



The Mandom Group aims to provide for people a comfortable lifestyle supported by health and beauty. We create products tailored to the needs and wants of consumers in different countries to suit a wide range of lifestyles.

■ Features of Mandom's Overseas Business

Mandom strives in its overseas business to understand its customers' world views and provide attentive response to needs based on ethnic, religious, and cultural differences, also taking into consideration the historical and economic differences of disparate regions.

□ Business Development Centered on Asia

Asia is not only a vast region that encompasses numerous ethnicities and languages; it is also an area of the world in which economic disparities, exchange risks, and other factors are complexly interrelated. Mandom works to supply products to ordinary consumers in various countries and regions, having begun its focus on creating useful products for Asia decades ago. Today the company is highly capable of responding to Asian consumers, markets, and societal change.

□ Core Business: Men's Cosmetics

Men's cosmetics are the core of Mandom's overseas business. A wide range of men's cosmetics are being sold in Japan and the market is mature. Yet in Asia the market is not yet mature or it has yet to be developed, so Mandom has taken on the role of developing markets for men's cosmetics.

□ Ordinary Consumers Are Our Main Target

Mandom targets the general public in each country and region in which it is engaged. To reach so many different consumers requires marketing tailored to each country and the ability to manufacture many product variations, including size, price, category, and field.

The Start of Mandom's Overseas Business and Building of Its Business Model (1958 on)

Mandom began its overseas business endeavors in 1958 by establishing a technical tie-up in the Philippines. Mandom has since worked to develop products, distribution, and sales networks that allow the company to bring useful products to ordinary consumers in various countries and regions.

□ Entering Categories That Match the "Wants" of Local Consumers

Upon discovering consumer "wants," even in a category in which no R&D in Japan had been done before, nor any such products sold, Mandom engaged in research, development, and marketing. The company developed women's make-up, hair dye, talc, perfumed tissues, and products in many other categories for the Indonesian market.



Hair dye Talc Perfumed tissues

□ Building a Wide Distribution Network

Mandom has built wide distribution networks in each country to ensure its products can easily reach local consumers.

□ Products Adapted for Local Consumers

Mandom downsizes products and adds variations to suit the lifestyle needs and incomes of consumers.



Size variations

Mandom's History in Overseas Business

Before starting with a technical tie-up with a company in the Philippines in 1958, the pomade Tancho Tique had become a hit product in Japan. Overseas Chinese merchants visiting Japan became interested in the product, and bought it in large volumes to give as gifts in their home countries. The product gained a reputation in this way by word of mouth.

One such businessman expressed interest in producing Tancho Tique locally, which took the form of a technical tie-up in the Philippines. Rather than using overseas sites for inexpensive production for import to Japan, Mandom produced the pomade abroad for sale in local overseas markets—something the company had been previously keenly interested in. This is how Mandom took its first steps into overseas business, aiming to contribute through its products.



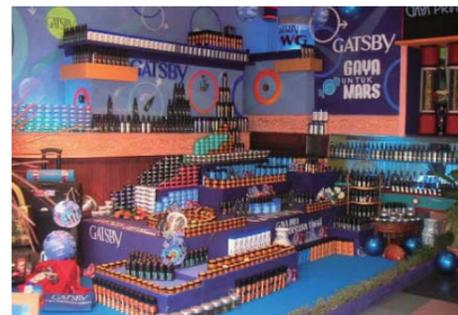
Establishment of Sales Subsidiaries and Strengthening of Group Management (1988 on)

Mandom began to set up sales subsidiaries around Asia in the mid-1980s.

To strengthen the group's management, efforts were made to unify efforts under a single business philosophy and carry out a style of marketing unique to Mandom. An emphasis was placed on developing overseas business through group companies in the 8th three-year Middle-Range Plan (2002–2004).

□ In-Store Retailing

Aiming to be helpful to consumers in multiple countries, an in-store strategy is needed to increase visibility in retail stores. Mandom is taking an aggressive retail approach to increase points of contact with consumers.



Indonesia



Philippines



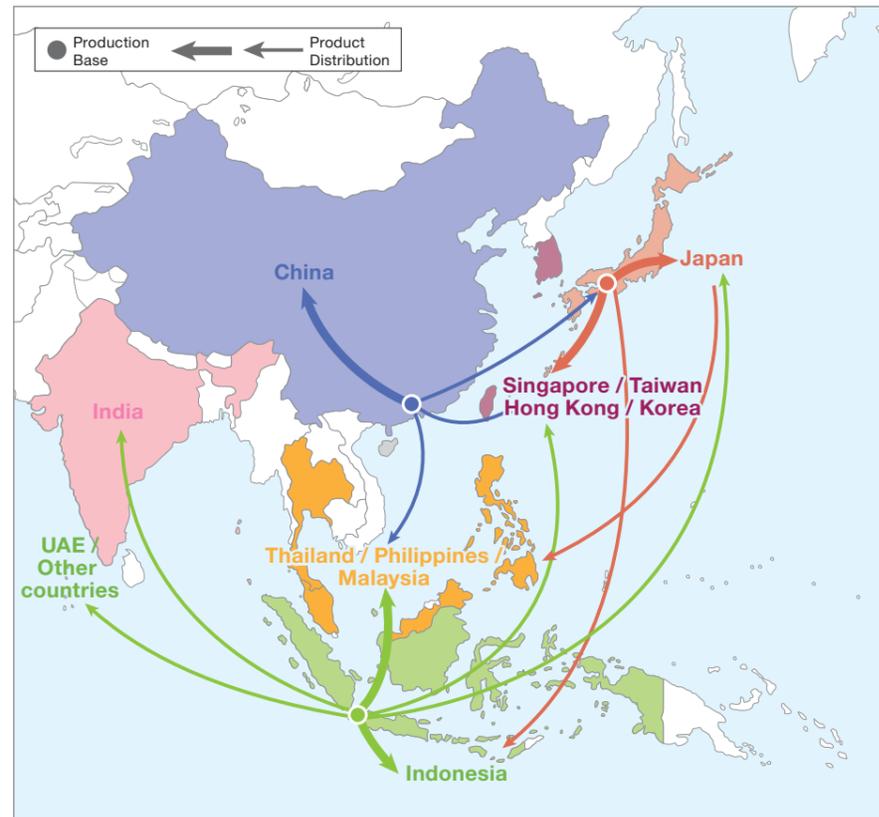
Singapore

□ Establishing a Three-Base System in Asia

Mandom has production centers in Japan, Indonesia, and China. These three centers are being connected closely to standardize quality and production technologies, and improve competitiveness by reducing costs.

□ Merchandising in Various Countries

Mandom has a system in place that makes adjustments in products and supply destinations in each country according to changes in consumer preferences, lifestyles, and purchasing power as the times change.



Toward Further Growth (2011 on)

Mandom began aiming to develop into an "Only One" company in Asia with a strength in global management starting with its 10th three-year Middle-Range Plan (2011–2013). To be able to cope with rapidly changing markets in Asia that are growing at different rates, Mandom aims to diversify its management and make it more international, assuring compliance with the corporate philosophy. Mandom works to integrate globally while responding locally as it has in the past, paying close attention to always making a positive contribution.

We plan to build upon decades of efforts overseas, establish a formidable global system, and work toward even further growth.

□ Expanding Throughout Asia

Mandom is expanding into new territory across Asia, aiming to grow even further. The markets of China, India, and mainland southeast Asia are being fostered for growth in the medium and long term as we build distribution networks and continue to improve our product lines.

□ Strengthening the System of Production

Looking ahead to future growth in Asia, we have made capital investments in Japan and Indonesia aimed not only at reinforcing and expanding production capacity but also at building a supply system that will have a positive and synergistic effect throughout the group. The Fukusaki Factory in Japan functions as a mother factory capable of producing high-quality products and developing innovations in production technology. Meanwhile, the new Cibitung Factory in Indonesia has its sights set on supplying products to all of Asia, and aims to manufacture products of high quality at low cost.

□ Improving Our Marketing and Production Strategies

Mandom has set up a Group Marketing Strategy Office and Production Strategy Office to establish an advantage in the Asian market and build a supply system. The Group Marketing Strategy Office maintains traditional country-by-country marketing plans in addition to which it has drafted an overall medium-to-long-term marketing strategy for the group based on quick decision-making. The Production Strategy Office works to bring together marketing with the drafting of strategies for group production and procurement.

□ Building Human Resources

Mandom is putting energy into education and training with overseas employee training and an exchange-style group training system that aims to cultivate personnel capable of working effectively in any country, enabling active transfers of personnel throughout the group.



Emerging markets with prospects for medium-term growth