

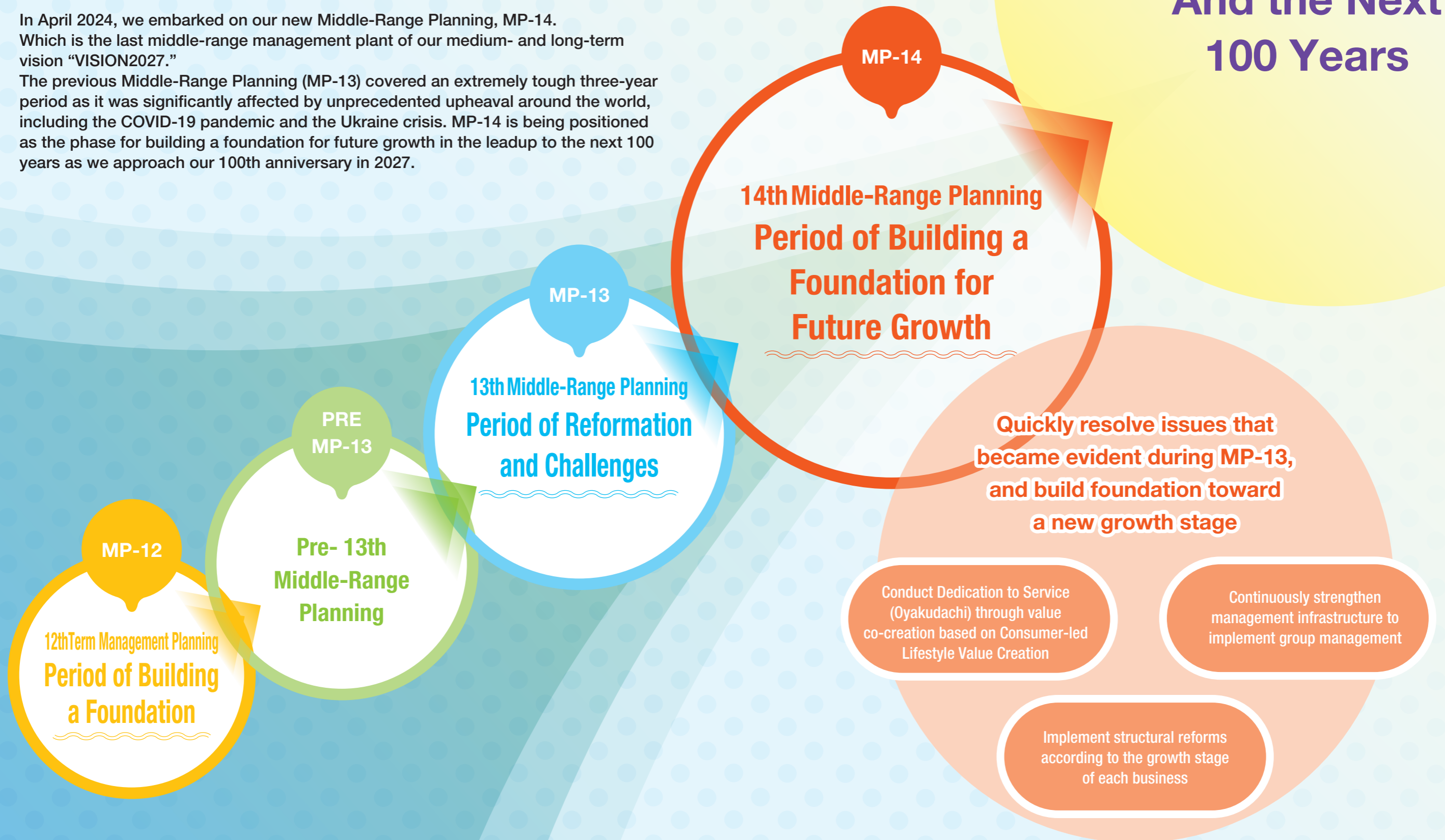
## 14th Middle-Range Planning (MP-14) FY2024 - FY2028

### VISION2027 and building a foundation for accelerating further growth in the future

In April 2024, we embarked on our new Middle-Range Planning, MP-14. Which is the last middle-range management plan of our medium- and long-term vision “VISION2027.”

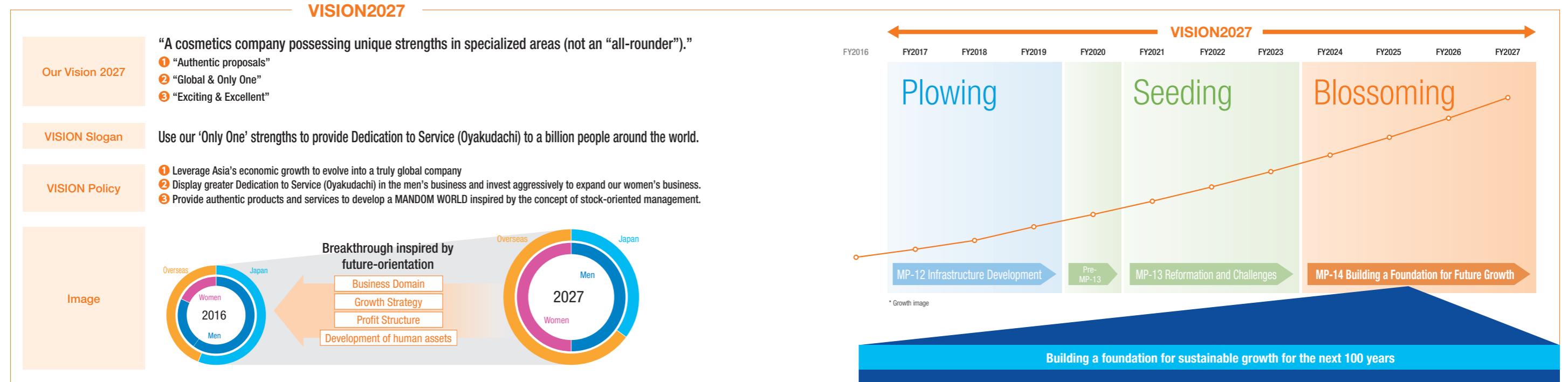
The previous Middle-Range Planning (MP-13) covered an extremely tough three-year period as it was significantly affected by unprecedented upheaval around the world, including the COVID-19 pandemic and the Ukraine crisis. MP-14 is being positioned as the phase for building a foundation for future growth in the leadup to the next 100 years as we approach our 100th anniversary in 2027.

## VISION2027 And the Next 100 Years

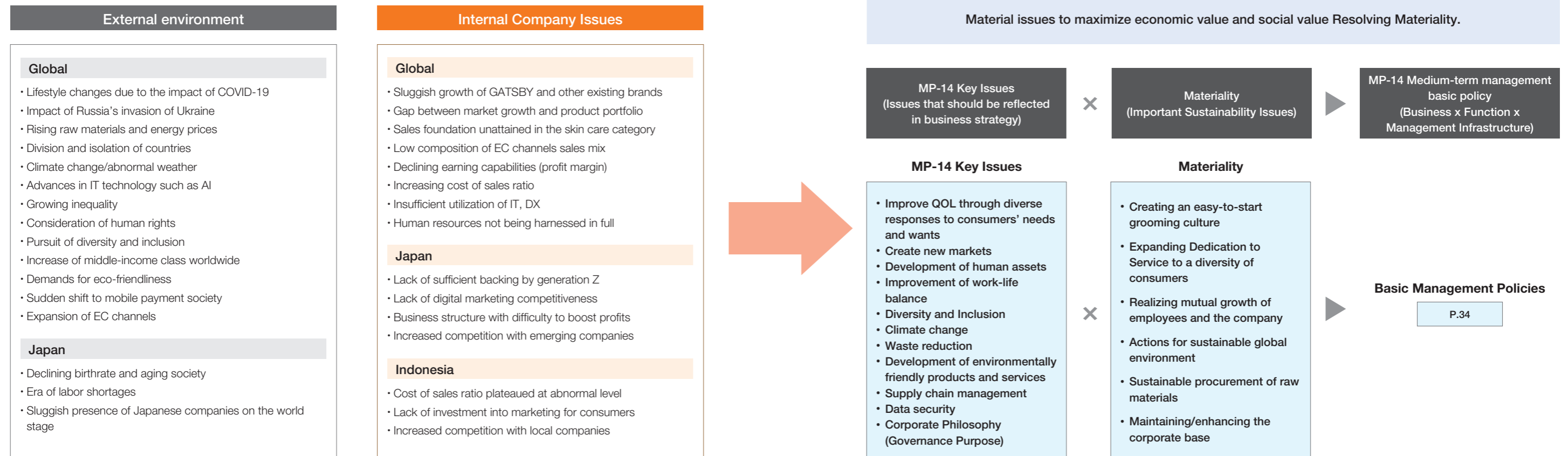


## 14th Middle-Range Planning (MP-14)

### 14th Middle-Range Planning “MP-14” and “VISION2027” Positioning



### Background of MP-14 Formulation (External Environment, Internal Company Issues)



## 14th Middle-Range Planning (MP-14)

Toward Sustainable Growth for the Next 100 Years

### MP-14 Positioning **Period of Building a Foundation for Future Growth**

#### Basic Management Policies

The Group has formulated the MP-14 Middle-Range Planning Basic Management Policy based on the three axes of “Business,” “Function” and “Management Base (Group Management).”

##### Basic Management Policy 1

Business	Implement structural reforms according to the growth stage of each business	
	<ul style="list-style-type: none"><li>Challenge to improve profitability and acquire new growth engines in our Japan and Indonesia businesses</li><li>Achieve quantitative growth centered on the ASEAN area in international businesses</li><li>Expand and deepen customer touchpoints by establishing an EC system within the Group</li><li>Promote business activities that take into consideration responses to social and environmental issues</li></ul>	<div>Relevant Materiality See page 25</div> <div>1 1 1 3, 4, 5</div>

##### Basic Management Policy 2

Function	Conduct Dedication to Service (Oyakudachi) through value co-creation based on Consumer-led Lifestyle Value Creation	
	<ul style="list-style-type: none"><li>Create and expand markets by providing products and services that resonate with consumers</li><li>Search for new businesses that will lead to the realization of well-being for consumers</li><li>Build a system for using customer data to create new value through digital transformation (DX)</li></ul>	<div>1 1 1, 2, 6</div>

##### Basic Management Policy 3

Management Infrastructure	Continuously strengthen management infrastructure to implement group management	
	<ul style="list-style-type: none"><li>Improve organizational capabilities by maximizing human capital</li><li>Maximize management efficiency and further strengthen governance by improving the group management structure</li><li>Implement corporate branding aimed at establishing a global corporate brand image</li></ul>	<div>1, 3 6 2</div>

## Outline of “MP-14 (April 2024 through March 2028)”

#### Basic Management Objectives

Growth Potential	Consolidated Net Sales	¥100 billion	CAGR by business Japan 6% or higher Indonesia 7% or higher Other overseas 10% or higher
	CAGR	8.1% or higher	
Profitability	Consolidated Operating Margin	9.0% or higher	ROIC = (NOPLAT <sup>*1</sup> + gain/loss from equity-method investments)/invested capital <sup>*2</sup>  <sup>*1</sup> (Operating income + interest income + dividend income) × (1 - effective tax rate) <sup>*2</sup> Borrowings + corporate bonds + lease liability + net assets [uses the average values of beginning and ending balances of the fiscal year]
	Consolidated ROIC	8.0% or higher	
Payout ratio		40% or higher	

#### Management Promotion System

MP-14 sets out the roles that require expertise as key people for promoting group management, and will introduce the CxO system for clarifying the person responsible for each business function—this will help accelerate coordination between each function and business than in the past.

##### Global Headquarters

CEO		Japan Business	Indonesia Business	Overseas Business
		Business COO	Business COO	Business COO
		Mandom (MCJ) domestic companies	Mandom Indonesia (MID)	Each Overseas Company
		MCJ President (concurrent with Business COO)	MID President (concurrent with Business COO)	Each company President
		Sales/CSLO	Sales	Sales
Marketing	CMO			
Research	CTO			
Production	CSCO			
Management Strategy and Planning	CSO			
Personnel Affairs	CHRO			
Financial	CFO			
Other				

See P.36 for details

# 14th Middle-Range Planning (MP-14)

## 14th Middle-Range Planning (MP-14) Each Business, Function and CxO

The 14th Middle-Range Planning (MP-14) sets out to achieve “VISION2027,” our vision for the 100th anniversary of Mandom and is positioned as a “Period of Building a Foundation for Future” for subsequent sustainable growth. It places an even greater emphasis on promoting group management than before with the aim of increasing corporate value by expanding both economic value and social value

We will maintain the matrix system comprising three businesses and six functions as with MP-13, while also introducing a CxO system to accelerate coordination between each business and function, which will build up our foundation as a group of people, regardless of nationality or gender, capable of cooperating and enhancing co-creation to increase corporate value as a single group known as Mandom.



## 14th Middle-Range Planning (MP-14) Group Initiatives

The promotion of group management will begin in earnest from MP-14. Rather than taking the approach of single businesses and single functions, group initiatives will be addressed with coordination throughout the entire group.

MP-14 group initiatives are the top-priority challenges of MP-14 that were formulated in accordance with the Basic Management Policies and Basic Management Objectives.

### Basic Management Policies

		Related Businesses			Related Functions			Related Management Infrastructure		
		J	Id	In	M	T	SC	S	HR	F
<b>Policy 1. Implement structural reforms according to the growth stage of each business</b>										
Challenge to improve profitability and acquire new growth engines in our Japan and Indonesia businesses	Reduce cost of sales ratio of Japan Business	○			○	○	○	○		○
	Reduce cost ratio of Indonesia Business		○		○	○	○	○		○
	Take on challenge of expanding share for women's skin care		○		○	○	○	○		
Achieve quantitative growth centered on the ASEAN area in International businesses	Expand scope of Oyakudachi (Dedication to Service) with value proposition of individual Overseas Business and entering new categories (increase sales per store)		○	○	○	○	○	○		
	Increase consumer touchpoints by leveraging product and brand strengths		○	○	○			○		
	Increase consumer touchpoints by leveraging product and brand strengths (increase number of stores available with products)		○	○	○			○		
Expand and deepen customer touchpoints by establishing an EC system within the Group	Establish communication model for increasing each country's customer experience value and conversion to fans	○	○	○	○			○		
Promote business activities that take into consideration responses to social and environmental issues	Consideration of new useful products that take sustainability into account	○	○	○	○	○	○	○		○
<b>Policy 2. Conduct Dedication to Service (Oyakudachi) through value co-creation based on “Consumer-led Lifestyle Value Creation”</b>		J	Id	In	M	T	SC	S	HR	F
Create and expand markets by providing products and services that resonate with consumers	Value proposition for products and services by creating new technologies capturing consumer wants, and enhancing and utilizing owned technologies	○			○	○		○		
	Aggressively propose and cultivate new men's brands with high expertise specializing in category x cluster	○	○	○	○	○	○	○		
	Expand the scope of women's business by proposing total beauty	○	○	○	○	○	○	○		
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)	Increase sophistication of existing businesses and develop new businesses by capturing and leveraging customer data with the aim of increasing LTV	○			○			○		○
<b>Policy 3. Continuously strengthen management infrastructure to implement group management</b>		J	Id	In	M	T	SC	S	HR	F
Improve organizational capabilities by maximizing human capital	Develop group personnel system foundation by establishing group personnel headquarter function	○	○	○				○	○	
Maximize management efficiency and further strengthen governance by improving the group management structure	Establish and strengthen coordination of group management structure centered on CxO	○	○	○	○	○	○	○	○	○
	Promote initiatives for standardizing group accounting foundation	○	○	○				○		○
	Reduce international tax risks	○	○	○				○		○
Implement corporate branding aimed at establishing a global corporate brand image	Implement group branding activities by providing value from the “MANDOM” brand	○	○	○	○			○	○	

## 14th Middle-Range Planning (MP-14) Topic

### MP-14 Topic 1 ~ Promotion of Group Management ~

#### Group management policy announcement held overseas for the first time

The MP-14 Mandom Group management policy announcement was held on April 2, 2024. Enhancing the group management structure is a key topic of MP-14, and President Nishimura is seeking employees to pursue “Co-creation” as a crucial keyword. Zero-based thinking, English communication skill, and Diversity & Inclusion are also sought as skill sets required for achieving “Co-Creation” amongst employees on a global scale.

To make this a reality, the group management policy announce that is normally held in Japan was held overseas (Bangkok, Thailand) for the first time. This announcement also formed an opportunity to provide a message to all group employees, so all presentations on CxO policy announcements were made in English.

#### Purpose of holding the group management policy announcement meeting

- Spread understanding of the management policy to all group employees
- Achieve swift decision-making focused on streamlining group-wide operations and efficient management
- Express the commitment of the management team toward the entire group and create avenues for employees mindsets

#### Details of meeting

Led by CSO Matsuda, the meeting began with Nishimura summarizing MP-13 and providing an overview of MP-14 Middle-Range Planning, followed by a speech to all group employees about how to achieve the targets. The COOs of three businesses outlined how to enhance coordination with functional areas from a business perspective, and then function CxOs gave a presentation regarding maximizing the group's synergy.

#### Breakdown of meeting shared with employees

To convey the proceedings of the meeting, Japanese and English versions of videos were produced and made available to all group employees. The videos served to create a realistic feel for the group management policy announcement as the Company aims to become a truly global entity.



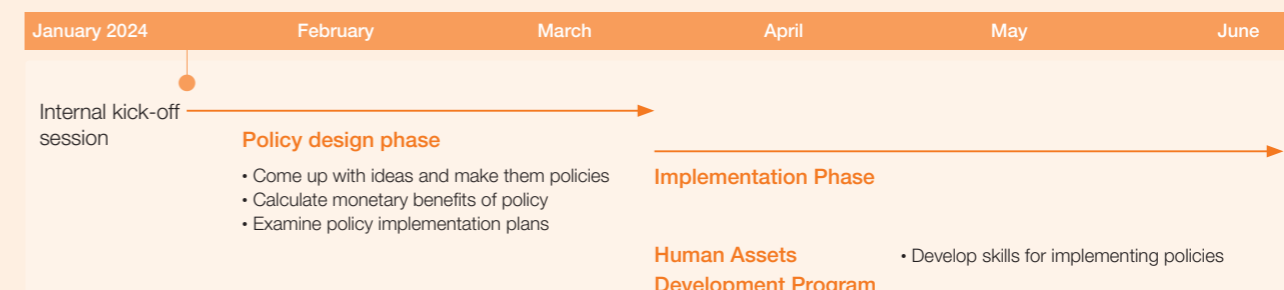
### MP-14 Topic 2 ~ Profitability Improvement ~

#### Key theme of MP-14 Structural reform to improve profitability

An urgent issue that the Mandom Group is currently facing is improving “profitability” of the Japan Business and Indonesia Business. While there are various external and internal factors present, the entire Group needs to resolve these management issues so that Mandom is able to lead the market going forward and remain in a position of Oyakudachi (Dedication to Service). As already widely known, Mandom will be celebrating its 100th anniversary milestone in 2027, the final year of MP-14. Driven by the desire to bring about change and essential

reform to Mandom, President and CEO Nishimura took the reins himself and set out to initiate a structural reform project covering various areas as the first step taken toward the next century since February, 2024. The project set out with a team around 50-strong focusing on the areas of technology, production, personnel affairs, and management strategy to build a foundation for the development of human assets carrying the next-generation of Mandom, while resolving management issues.

#### Progress of activities



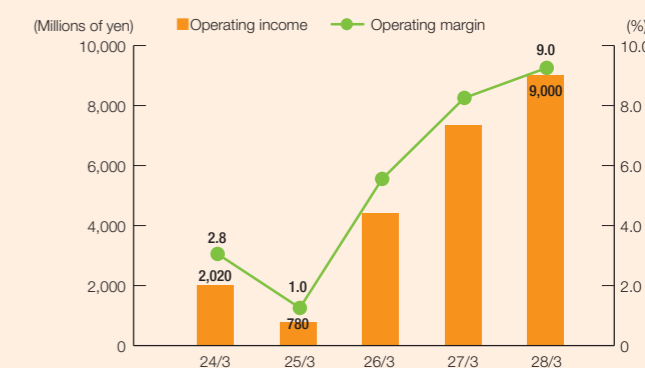
#### Profitability improvement targets (including effects of reduced unit costs)

**7 billion yen or more (4-year total amount)** → **Allocation to growth investments and shareholder returns**

#### Main Policies

- Shift to global procurement of raw materials
- Switch over to substitute raw materials
- Set and revise sales prices at levels appropriate for profitability
- Narrow down unprofitable products, etc.

#### The image of consolidated operating income and operating profit margin trends during the MP-14 period



## MP-14 Financial Strategy

### Financial Strategy ~ CFO Message ~



### Allocating resources with a view to securing growth areas for our 100th anniversary of our founding and beyond.

I joined Mandom in November 2017 from my previous position at a financial corporation, and since then have been working to strengthen the financial foundation as the General Manager of the Finance Division. In April 2024 I was appointed to the role of CFO following changes to the management promotion system. While this role involves a broader scope of authority, I am also keenly aware of the greater responsibility it brings, so will be striving even harder to advance our financial strategy and increasing corporate value. I trust you will join me along the way.

CFO Masanori Sawada: In charge of Finance Div. and Investor Relations Div.; General Manager of Finance Div.

### Review of 13th Middle-Range Planning (MP-13)

“MP-13” was a Middle-Range Planning positioned as a “Period of transformation and challenges to achieve “VISION2027”,” and set forth our approach to taking on new challenges for achieving sustainable growth during the “14th Middle-Range Planning (MP-14),” in which the company will celebrate its 100th anniversary since found, and beyond. We cultivated a number of new sprouts in response to changes in consumer values and lifestyles, with the launch of the new GATSBY line “gatsby THE DESIGNER” released in October 2021 as a channel other than mass distribution that

formed our conventional revenue base, the full-scale launch of “aono” and “HOLIDEA” to D2C channels and the release of collaboration brands with retailers in late FY2023. Yet in addition to lifestyle changes following fewer opportunities to go outside with the impact of COVID-19, our key global brands of “GATSBY” and “Bifesta” failed to reach planned levels due to causes such as tougher competition, with MP-13 coming to an end falling considerably short of our performance targets.

	Consolidated Net Sales/Consolidated Operating Margin			Millions of yen	
	Targets of MP-13	Achievements of MP-13	Difference	Targets of MP-14	Increase from MP-13
Consolidated net sales	81,500	73,233	(8,267)	100,000	+26,767
Consolidated operating income	6,520	2,020	(4,500)	9,000	+6,980
Consolidated Operating Margin	8.0% or more	2.8%	(5.2P)	9.0%	+6.2P
ROIC	7.0% or more	2.9%	(4.1P)	8.0%	+5.1P

### Financial Strategy of “MP-14” and Concurrent Structural Reform

When looking back at MP-13, one point of reflection was that we were unable to make sufficient growth investments for the future as a means of ensure profits during periods of tough business performance like those outline above. Our ROE dropped sharply after the fiscal year ended March 31, 2020, and in turn our PBR also decreased, and the PBR has been around the 1.0 level since the fiscal year ended March 31, 2022. Naturally I am aware that the primary cause of this was a lackluster recovery in business performance, but I also feel that other major causes were related to the path of recovery

to pre-COVID-19 levels and the fact that investors could not envisage any higher level of growth. We will take a proactive approach to growth investments during MP-14. In parallel with growth investments, a key theme will be improving profitability by drastically reviewing the value chain during MP-14. More concretely, our first steps will be reforming the value chain to reduce manufacturing costs in Japan that go beyond simple cost reductions—shifting to global procurement for raw materials, switching over to substitute raw materials while retaining a high level of quality

and usability, and revising sales prices of existing products to appropriate levels. During MP-14’s starting year, the fiscal year ending March 31, 2025, consolidated profits are forecast to drop following greater temporary operating losses in Indonesia due to a rise in the cost of sales ratio with the development of the business environment as well as planned enhancements to advertising and publicity. Cash acquired by improving profitability will be allocated to growth investments to significantly increase profits from the third year and beyond

while also pursuing a foundation for growth in FY2027 and beyond. Of course we will be implementing growth investments while ensuring the soundness of our finances. In order to be able to respond to unexpected situations, we have set our amount of cash on hand to three months of monthly sales, and have set certain internal limits for our net debt, debt-to-EBITDA ratio, and DE ratio.

### Capital Allocation During MP-14

During MP-14, funds will be allocated to business investments and shareholder returns with the aim of achieving medium- and long-term development. Cash secured during this period is calculated to be cash flows from operating activities as well as 28 billion yen from the sale of cross-shareholdings during the previous fiscal year. One third of this will be allocated to investments in new fields. Another third will be allocated as shareholder returns in the form of dividends. The final third

is planned to be allocated to capital investments and IT/DX investments. Separately, we will also be actively looking into M&A possibilities. We are also considering the use of borrowings, and have set a scope of up to 20 billion yen. The targets of M&As are expected to include categories of cosmetics that our company has a low composition of sales of, and new businesses related to Health, Cleanliness, Beauty.



### Shareholder Returns Policy

As outlined above, we are planning to allocate one third of acquired cash to shareholder returns as per our Shareholder Returns Policy. The payout ratio will be set to 40% or more. During this four-year period, we will be ensuring stable dividends while focusing on growth investment in new areas that will become the foundation for growth beyond MP-14. We are expecting at payout ratio of almost

200% for the first year, and do not envisage a reduction in dividends. Meanwhile, dividends are planned to be increased significantly based on a 40% payout ratio in the third year in FY2026 and final year in FY2027 when profits are planned to greatly increase. To this end, we request your continued understanding on this matter.