

Becoming More Attractive to Women

Domestic and overseas women's products are enjoying strong sales, driving the overall Group.

We continue to develop our brands, focused mainly on Japan and Asia. Brands include Bifesta, which makes beauty simple; Pixy, a comprehensive lineup of cosmetic products for sophisticated women; Lúcido-L, a hair care brand for young women; and Pucelle, a fragrance and body care brand for young women newly conscious of fashion and glamour.



Sales have exceeded ¥19 billion, 1.6 times the level of five years ago, and comprise more than 25% of net sales

In the domestic men's cosmetics market, Mandom boasts the top market share in three categories: hair styling, face care and body care. Mandom is well recognized as a men's cosmetics manufacturer, but in recent years we have been channeling resources into the women's cosmetics market, and this has boosted earnings.

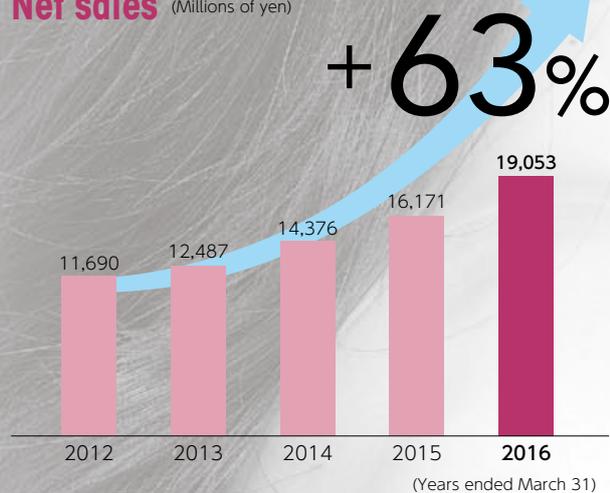
Our entry into the market started with the launch of our Pixy brand in Indonesia in 1982, and in 1993 in Japan with the launch of Lúcido-L, a hair care brand for women.

Relying on a process of trial and error over the past 35 years, Mandom has undertaken research targeting women's cosmetics. Our efforts resulted in 2005 in the launch of Perfect Assist 24, Mandom's first proprietary cosmetic product in Japan for women, and the launch of Bifesta in 2011.

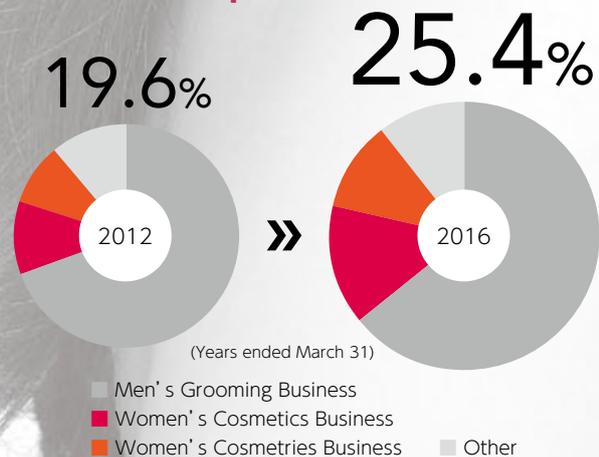
In April 2014, we strengthened our commitment to women's cosmetics and established Marketing Division 2, a specialized unit with comprehensive marketing functions, ranging from the development of women's cosmetics, advertising and sales to promotions. Marketing Division 2's office is not located at Mandom's headquarters in Osaka, but in Tokyo, a hub that draws diverse information on women's cosmetics.

In fiscal 2015, our women's cosmetic business posted sales of more than ¥19 billion (1.6 times the total for fiscal 2011, five years earlier), and comprised more than 25% of net sales.

Women's Cosmetics Business + Women's Cosmetics Business
Net sales (Millions of yen)



Women's Cosmetics Business + Women's Cosmetics Business
Net sales composition



2 Horizontal rollout, spanning Japan and other Asian countries: Products becoming more attractive to women

Bifesta, which belongs to our Women's Cosmetics Business, has seen extraordinary growth.

Bifesta was first launched as "cleansing express" in 2007, but in 2011 we changed the name to "Bifesta," and started marketing water cleansing in the cleansing market. Bifesta Cleansing Water has moisture-retaining cleansing factors derived from our proprietary cleansing lotion technology. Unlike oil-based cleansers, Bifesta Cleansing Water leaves moisture in the skin and only removes dirt; since women can effectively remove makeup by simply and quickly applying a cotton soaked with the moisturizing cleansing water, it was a major hit with busy office women in Japan. Later on, we expanded the lineup and further enhanced the product's functionality to better satisfy the needs and wants of working women.

Bifesta Cleansing Lotion, which has captured more than 60% of the cleansing lotion market, has shipped a total of over 20 million bottles in Japan*. Bifesta Eye Makeup Remover enjoys the dominant market share of the point make-up remover market, and Bifesta Cleansing Sheet is steadily capturing market share.

Bifesta is also rolling out products horizontally, both in Japan and in other Asian countries, expanding the area in which it provides value. Overseas, where there is no bathtub culture but instead a shower culture, there is a strong need for the out-of-bath products, such as lotions that can be easily applied. After capturing the top share of the cleansing market in Thailand, we are experiencing steady growth.

* August 2011 to February 2016.

3 Steadily strengthening our lineup to tap the growing women's cosmetics category

Barrier Repair Facial Mask, which in Japan is benefiting from inbound tourist demand, and Lúcido-L, an oil treatment that became a hit after its launch in 2014, continue to enjoy double-digit-plus sales growth.

In addition, in Indonesia, with the kickoff of the "Perfect Surprise Campaign," which aims to promote the Pixy brand, we strengthened our core product, Two Way Cake. By increasing the number of stores selling our Pucelle PinkMe series and other initiatives, we continue to strengthen our women's cosmetics lines both in Japan and overseas.

In the future, while sustaining growth at our men's grooming business, we plan to expand growth for women's products.

Bifesta and Water Cleansing Products Expanding the Rollout in Asia

The Bifesta Cleansing Water series proves a hit with today's busy modern women, with shipments of 20 million bottles

The Bifesta Cleansing Water series is a single product that functions as all-in-one cleansing lotion for more moisturized skin. It removes makeup left in pores, alleviates darkening of the skin caused by dead skin cells, and performs deep cleansing. Thanks to this innovation, it is overwhelmingly popular with busy modern women, and since its launch in August 2011 has seen a steady rise in sales in Japan and overseas. In Japan, shipments of the series have shattered the 20 million mark. To satisfy the diversifying cleansing needs and wishes of customers in the years ahead, we will launch a new series, renew existing products to keep them fresh, and introduce new items to expand sales.



First in Thailand, then South Korea, China and Taiwan Trial samples and word of mouth are creating a stream of customers

South Korea

In Spring 2015, Mandom Korea Corporation created its first TV commercial featuring popular actress Go Ah-sung, our brand ambassador. The commercial was timed to coincide with store advertisements to boost brand recognition and product usage. In fall 2015, Ms. Go was featured in a second TV commercial.



Go Ah-sung, a rising star in the South Korean film industry, is expected to boost product appeal.

China

Since the end of 2013, Bifesta has been imported from Japan. Benefiting from the recent import boom, the brand got off to a robust start, with its eye make-up remover and cleansing lotion seeing strong demand. Since summer 2015, Mandom has also been using e-commerce to boost sales. From September, we have succeeded in generating round-the-clock sales with an app that integrates a buzz marketing website popular among young women with e-commerce. Mandom will continue to exploit opportunities in the women's skin care category as we seek to expand sales.

Taiwan

On weekends from Christmas 2015 to the new year, we have been setting up Bifesta booths in shopping malls, and have held round-table discussions, run magazine and online ads, and bought bus wrap advertisements as part of our efforts to stimulate demand and enhance our brand's recognition. These initiatives have increased our Facebook followers 1.75 times.



Bus-wrap advertisement