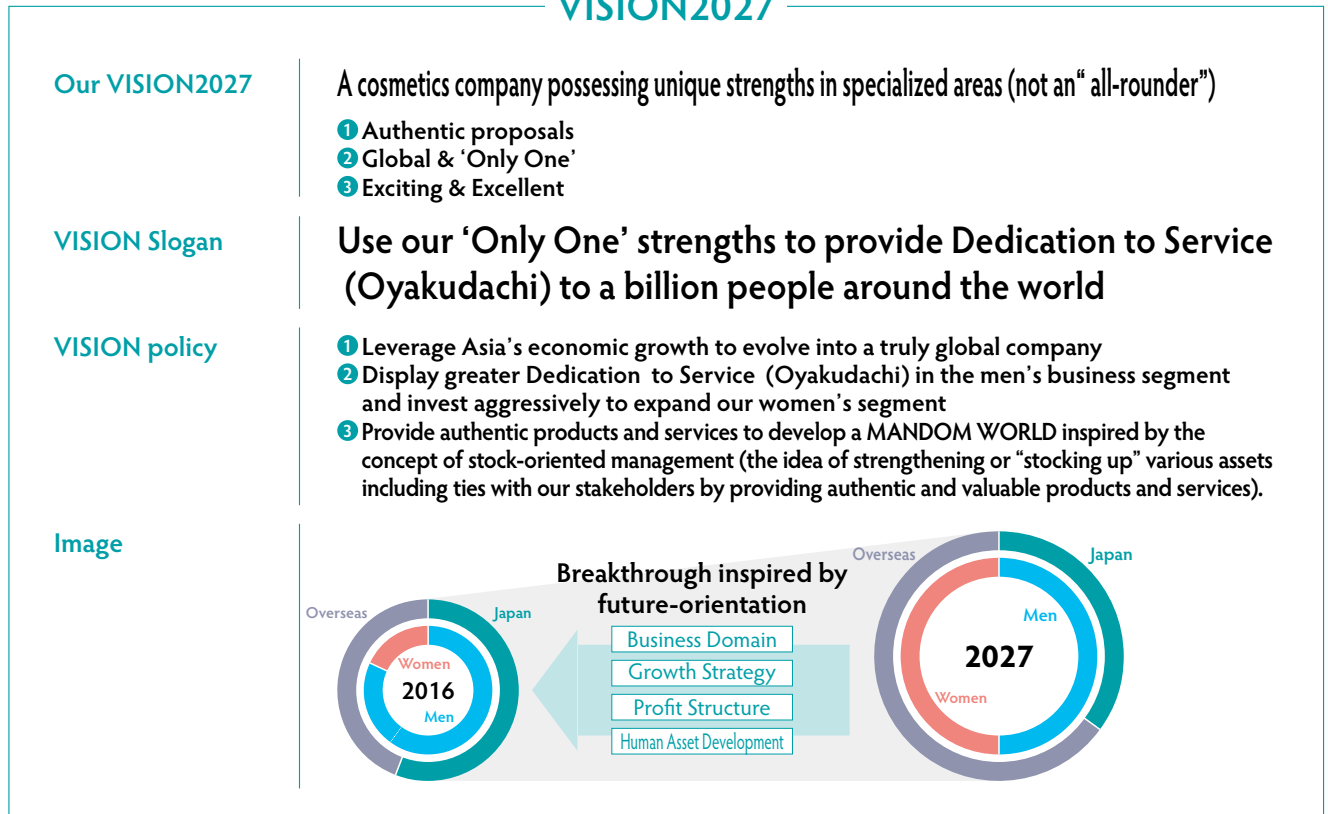


Growth Strategy

For its 90th anniversary, We have formulated the MISSION with concern for a human-oriented business approach at the core. VISION2027 (embodying our dreams, unrestricted by past experience) was also formulated to express a future-orientated approach.

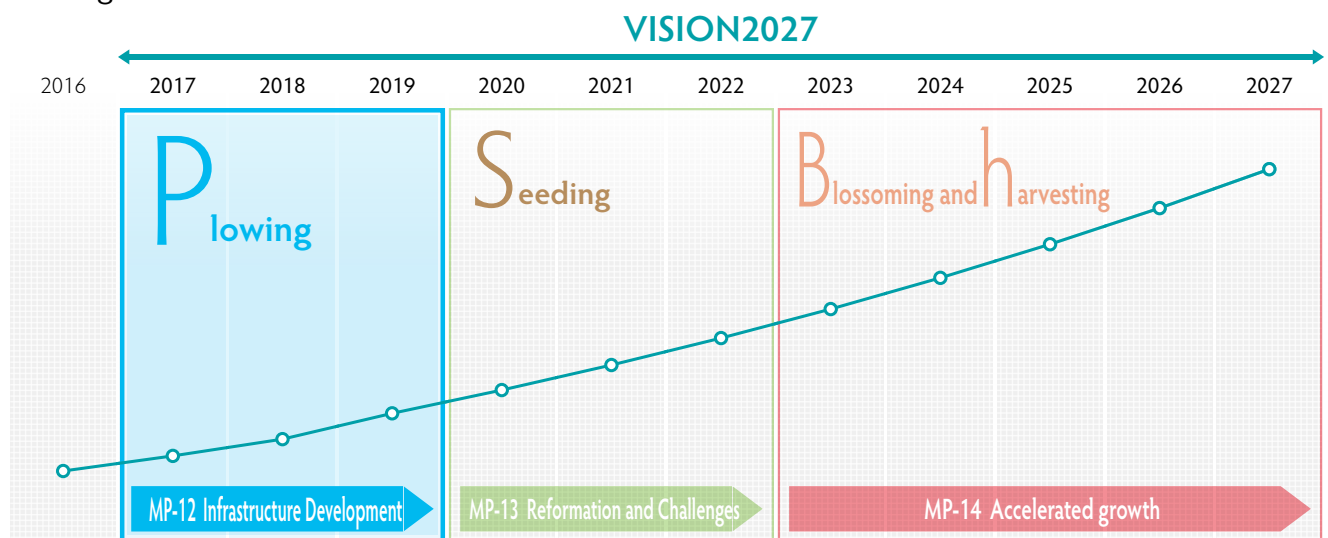
Mandom is evolving with the aim of realizing VISION2027 by 2027, the 100th anniversary of the company.

VISION2027



Positioning of 12th Middle-Range Planning (MP-12)

MP-12 (April 2017-March 2020) is designated as the “Infrastructure Development period,” a first step in realizing of VISION2027.



* Growth image

Management Policy of MP-12

In an unpredictable world, “creating a future” is the surest way of determining what tomorrow will bring. Our ability to create a future depends on how successful we are in gathering the strengths of the Mandom Group by using “backcasting” (as opposed to “forecasting”) approach.

Mandom has identified its current external environment and issues to form a policy during this infrastructure development period as it aspires to become the company we envision by the milestone year 2027, the centennial of our establishment.

External environment

Threats	Opportunities
<ul style="list-style-type: none"> Demographic changes such as declining birthrate and aging population Diversification of consumer needs and wants Sudden shifts in consumer purchasing styles (emergence of e-commerce) Intensification of competition from global companies in Asia and new entrants from other industries 	<ul style="list-style-type: none"> Invigoration of senior market Potential unique niche markets Innovation through new marketing methods Invigoration of Asia market

Issue awareness

Product	Area	Infrastructure development
<ul style="list-style-type: none"> Mandom has secured the top share of the men's hair styling market in many countries. However, we have not sufficiently secured market share in other categories Insufficient products and services to address declining birthrate and aging population Inability to respond flexibly to diversity of countries of operation Sales scope of women's cosmetics remains small 	<ul style="list-style-type: none"> Indonesia: Company must strengthen ability to respond to sudden market environment changes, such as standard of income increases and changes to distribution Other overseas: Each business scope remains small There remain areas not fully explored, even within Asia 	<ul style="list-style-type: none"> Overseas developments have been executed on a single country basis, preventing Group synergies from forming Management platform is not integrated across the Group

Response

<ul style="list-style-type: none"> Make additional proposals in men's business area as a core business Expand women's business area: Expand volume of existing categories, enter new categories Strengthen response for middle-age and senior customers in Japan as a developed nation facing these issues while considering horizontal deployment of dedication to service (Oyakudachi) in Asian nations in the future Develop global brands Products responding to diversity of countries of operation Create a new communications model in order to forge strong bonds with consumers 	<ul style="list-style-type: none"> Indonesia: Further strengthen business, including product development and expansion in stores Other overseas: Set Indochina (five nations with a total population roughly the size of Indonesia and average age lower than that of Indonesia) and China (high potential) as areas of focus Aim to strengthen a profitability structure by dividing areas into three businesses 	<ul style="list-style-type: none"> Shift to a matrix structure with businesses and functions as axes and strengthen function axis to generate Group synergies Prioritize marketing functions (category-based strategy) and aim to optimize technology and production for a global perspective Develop business infrastructure (human assets development, accounting system, information systems, etc.) for the Group to support such initiatives
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Policy

1. Promotion of category strategies and thorough implementation of activity	2. Improvement of growth in overseas operations, focusing on Indonesia	3. Building a group operation system and improving productivity per unit
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☞ The details of each policy are provided under “Management Basic Policy” on the next page.

MP-12 (12th Middle-Range Planning)

Theme

Corporate Infrastructure Development for Realizing VISION2027

Management Basic Policy

1. Promotion of category strategies and thorough implementation of activity

- ① Nurturing of a category that can become a firm mainstay
- ② Increase of brand values

2. Improvement of growth in overseas operations focusing on Indonesia

- ① Indonesia: Display greater Dedication to Service (Oyakudachi) for middle-income class
- ② Asian countries other than Indonesia: Advance marketing measures unique to each country by understanding consumer wants and achieving profitability

3. Building a group operation system and improving productivity per unit

- ① Increases in the decision making accuracy and speed by securing a group personnel affair system, accounting system, and information system, and building a structure for increasing productivity per unit
- ② Construction of a structure that allows prompt strategy formulation and implementation at the operating company

Management Basic Target

Growth Potential

Consolidated Net Sales	Men's business	Women's business	Overseas
Final year of MP-12	Average annual growth rate:	Average annual growth rate:	Average annual growth rate:
¥90,000million	3% or more	10% or more	10% or more

Profitability

Consolidated Operating Profit Margin
10%

Shareholder Returns

Consolidated Payout Ratio Consolidated basis, excluding extraordinary items
40% or higher

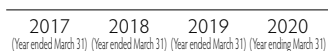
Progress of MP-12 Management Basic Targets

Mandom has set three important growth areas and displayed average annual growth rate targets for each area

Men's business



Average annual growth rate:
+1.4%



*Growth curve image

*Performance in the fiscal year ended March 31, 2019 has been calculated using the same criteria as before.

- The two-year average growth rate in the men's business was 1.4%.
- In the men's business, we recognize re-accelerating Gatsby as the top priority issue, so we will promote further strengthening of the rebranding efforts already underway and continue developing a new Gatsby with a stronger presence and greater influence on young men in Asia.

Women's business



Average annual growth rate:
+8.9%



*Growth curve image

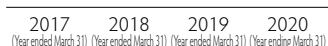
*Performance in the fiscal year ended March 31, 2019 has been calculated using the same criteria as before.

- The average growth rate in the women's business was 8.9%.
- We will promote shared brand value of "high-quality facial wash and cleansing series from Japan" for Bifesta as a global brand and work to improve the brand image and expand our Dedication to Service (Oyakudachi) in terms of both quantity and quality.
- We will continue to strengthen the brand activity for Pixy in Indonesia and Malaysia.

Overseas



Average annual growth rate:
+2.7%



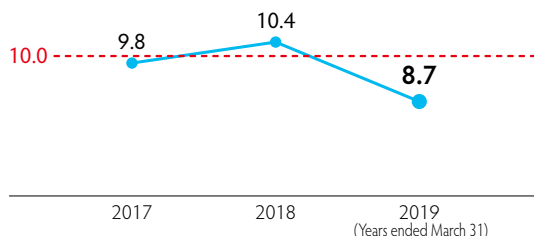
*Growth curve image

*Performance in the fiscal year ended March 31, 2019 has been calculated using the same criteria as before.

- The sluggishness of the Indonesia business in the fiscal year ended March 31, 2019 had a significant impact, and the average growth rate overseas was 2.7%.
- In Indonesia, we will refocus on understanding the changing mindset of local consumers and proposing more suitable products, placing top priority on Gatsby and Pixy, as we work to expand our Dedication to Service (Oyakudachi) in terms of both quantity and quality.
- As for the Other Overseas segment, we will continue to actively invest in marketing.
- We will promote the expansion of MANDOM WORLD, including ACG International, which will join the Group in the fiscal year ending March 31, 2020.

Profitability

● Operating income margin (%)

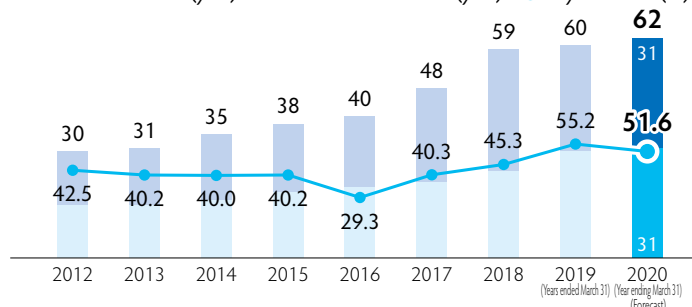


- In the fiscal year ended March 31, 2019, the operating margin was 8.7%, while the target was 10%.
- Impacted by a major downswing of sales in Indonesia, and a substantial increase of costs in Japan.
- We hope to improve profitability by increasing capital efficiency and expanding profits at each stage while completing development of an infrastructure to achieve VISION2027.

*Performance in the fiscal year ended March 31, 2019 has been calculated using the same criteria as before.

Shareholder Returns

■ Interim dividend (yen) ■ Year-end dividend (yen) ● Payout ratio (%)



- As for shareholder returns, our target payout ratio on a consolidated basis was 40% or higher (excluding extraordinary factors). Due to the impact of a decline in net income, the payout ratio was substantially higher than the target at 55.2%.
- In the fiscal year ending March 31, 2020, we plan to increase the annual dividend to 62 yen, which will be the eighth consecutive year of increases, and if things proceed according to plan, the payout ratio will be 51.6%.
- We also acquired treasury stock for the first time in ten years. We will work on enhancing return of profits to shareholders and improving our capital efficiency.

*We executed a 2-for-1 stock split of common stock effective on October 1, 2017. The figures in the above graph are figures taking into consideration the impact of stock split.

Measures Taken for MP-12 Basic Management Policies

Group-wide Instillation of MISSION

The Company believes that the most important topic in the globalization of its business is the spread of its mission to each Group employee.

Based on this thinking, management trained department managers in “evangelist training” sessions. Then these “evangelists” conducted “philosophy sharing workshops” for their department members. This included all overseas subsidiaries, following the implementation at each regional office in Japan from 2017 to January 2018. After these efforts, in fiscal 2018, we conducted a MISSION Implementation Survey of all employees as part of our MISSION implementation program.

Based on the results of this survey, officers first shared the strengths and improvements in evangelist training.

The evangelists then shared the current and ideal situations with employees in their departments, proposed action plans for closing the gap, created schedules, and implemented the plans.

We will continue these efforts year after year to increase understanding of and instill the MISSION so that every employee has the opportunity to think about and share their ideas on what is necessary to create a lively workplace climate and put the MISSION into practice.

Evangelist training



Workshop



Next-Generation Global Leaders Training

It is essential to train and assemble human resources that are capable of fulfilling their responsibilities with a global perspective in order to achieve VISION2027 and look beyond. In fiscal 2018, we launched our Next-Generation Global Leader Training as a group-wide educational program designed to train and assemble human resources that will play important roles in the future of the Mandom Group.

We will train leaders that are capable of coming up with strategies to achieve VISION2027, carrying out both management and marketing, backcasting future markets in the midst of environmental changes that create high uncertainty, testing their own hypotheses, formulating policies from a group perspective, and planning and implementing strategies accordingly.

·Number of participants in FY2018: 15

Training



Rebranding of Gatsby

At present, the rapid pace of global digitalization and emergence of a borderless economy is promoting shared values, and the lifestyles, values, and communication behavior of consumers have changed completely. For more than 40 years since its release in 1978, Gatsby had continually proposed stylishness for the times in every era, but for global development, we had to compete in-store with big companies from around the world, and we feel that we had come to a turning point.

To make Gatsby a stronger brand, we felt that it was necessary to redefine global shared value while respecting the value built with consumers in each country. At international marketing conferences, marketers from each country spoke about the strengths, spirit, and brand value of Gatsby and redefined the shared value of Gatsby for Asia as a whole. As a part of that, since fiscal 2018, we have been working on rebranding, including creating a brand book and concept video.

First, in Japan, we reorganized the creative team and updated our communication. Actors Yuya Yagira and Mackenyu Arata

were tapped as the new brand ambassadors, and a new television commercial called "Gatsby Cop" was released featuring Kenshi Yonezu's song "Teenage Riot," which is tremendously popular among young people, as the theme song.

At the same time, we have shifted to a communication method that fully leverages digital media to target today's young men who are part of the digital native generation. Using Twitter posts, we are rolling out content such as the Gatsby Cop video that becomes a topic of conversation among young men. These tweets have received a very large number of retweets and likes.

As mentioned in our press release dated April 22, 2019, the Gatsby campaign video and commercial won prizes in three categories at the 22nd Asia Pacific Advertising Festival, one of the largest advertising festivals in the Asia Pacific region. We will continue to promote Dedication to Service (Oyakudachi) in response to the changing lifestyles of young people in Asia.

Gatsby Cop television commercial (first commercial; run time of 15 seconds)



Gatsby international marketing conference



Growth Strategy

All Shares of ACG International Acquired, Making It a Consolidated Subsidiary

In January 2019, we acquired all shares of ACG International, which is engaged in business primarily in Malaysia and owns brands such as "SILKYGIRL," a makeup brand for young women. This was our first corporate acquisition since our founding.

The area in which there is the biggest gap between the current situation and the targets of VISION2027 and where further strengthening is required is women's products overseas.

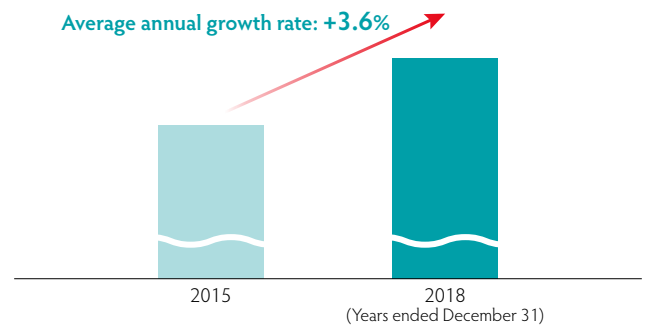
In the midst of these circumstances, the move to acquire ACG International aligned perfectly with the policy of VISION2027. We believe that it will further increase the Group's presence in Southeast Asia and improve our Dedication to Service (Oyakudachi) in terms of both quantity and quality.

Silky Girl matches the preferences of sensible consumers in Southeast Asia, quickly incorporating global cosmetic trends. The brand has been rolled out in Malaysia as well as Singapore, Indonesia, and Brunei, mainly through modern trade channels. In the Malaysian capital of Kuala Lumpur in particular, the brand enjoys high support, especially among women in their teens and twenties. According to an internal survey in 2017, it is the number one brand among women in their twenties in terms of current use.

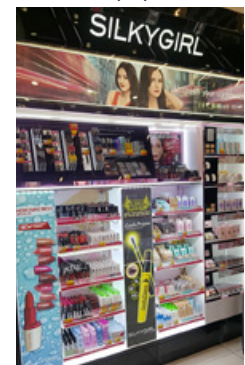
In fiscal 2018, net sales at ACG International were over ¥3.2 billion after conversion to Japanese yen. The highly profitable company is growing steadily with a three-year average growth rate of 3.6% and an operating margin of around 15%.

For the time being, we will not engage in a sudden business integration in order to avoid confusion among the respective organizations and personnel. First, we aim to share our values and MISSION and will tie this into achievement of VISION2027 from a medium- to long-term perspective.

► Net sales (local currency basis)



In-store display



Introduction of Shared Accounting System to Establish Corporate Infrastructure

We are currently updating our management platform to establish an infrastructure for achieving VISION2027. As part of these efforts, we are promoting use of the same backbone systems for accounting, production control, and other operations.

We believe that sharing the level of management accounting at each company will provide the following advantages:

- Allow for more appropriate management decisions
- Allow for decision-making from the perspective of group-wide optimization
- Allow for optimal inventory control and production without overburdening or waste...and more

The system was introduced in Indonesia in fiscal 2018 after having been introduced in Japan and Thailand prior to that. It has been fully operational since early 2019. By updating our management systems as part of our infrastructure development, we are looking to have our business units play an important role in providing management information of even higher added value as we work to increase corporate value.

We will continue introducing the system in one country after another so that we can transform our organizational structure into one that is highly productive by instilling a group-wide profit mindset.

EC (electronic commerce) Efforts

As a major global trend, changes can be seen in purchasing behavior by consumers, the most prominent of which is the expansion of e-commerce.

Up until recently, our basic approach to creating customer contact was to have consumers purchase our products at retail stores. In 2017, we established Marketing Div. 3 to address the changes in the social environment, and it studied and analyzed the situation. To promote our efforts with greater speed, we established the New Business Development Division to review and plan e-commerce at the Group and the EC Sales Division to address e-commerce in our Japan business in 2018.

In May 2019 we opened our flagship store on the Tmall

borderless e-commerce website and began selling 32 items under four brands (Gatsby, Bifesta, Lúcido, and Barrier Repair). This has allowed us to make Mandom products, including Barrier Repair Facial Masks, which enjoys high inbound demand, more accessible to Chinese consumers, offering both convenience and peace of mind.

Borderless commerce is growing in the Asian market as standards of living improve and advances are made in the digital environment. Taking advantage of our distinguishing characteristic of having bases throughout Asia, our group companies will accelerate efforts to address the changes in the environment working closely with each business. As a group, we will work on capturing this huge new market.

Mandom flagship store on Tmall Global

