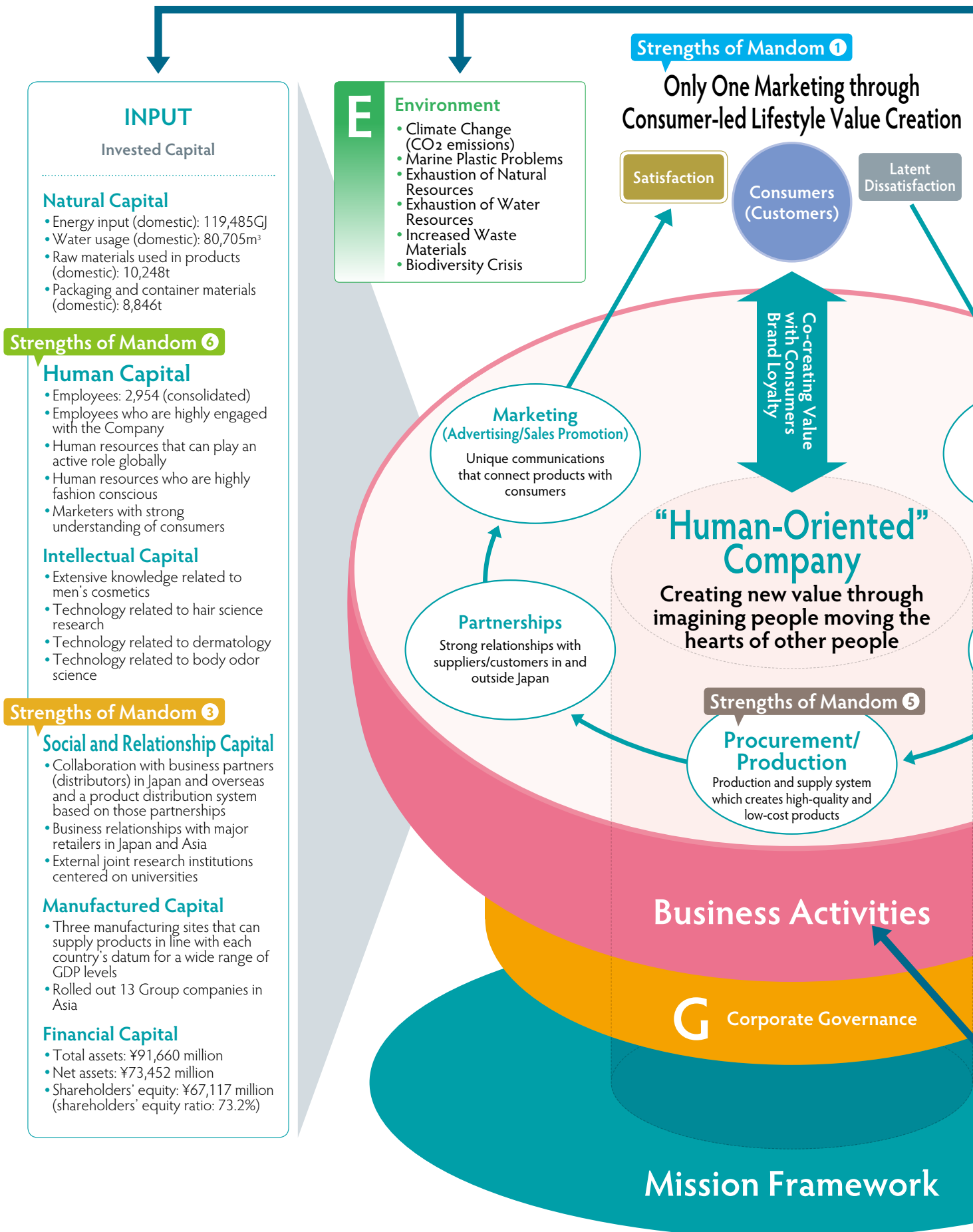
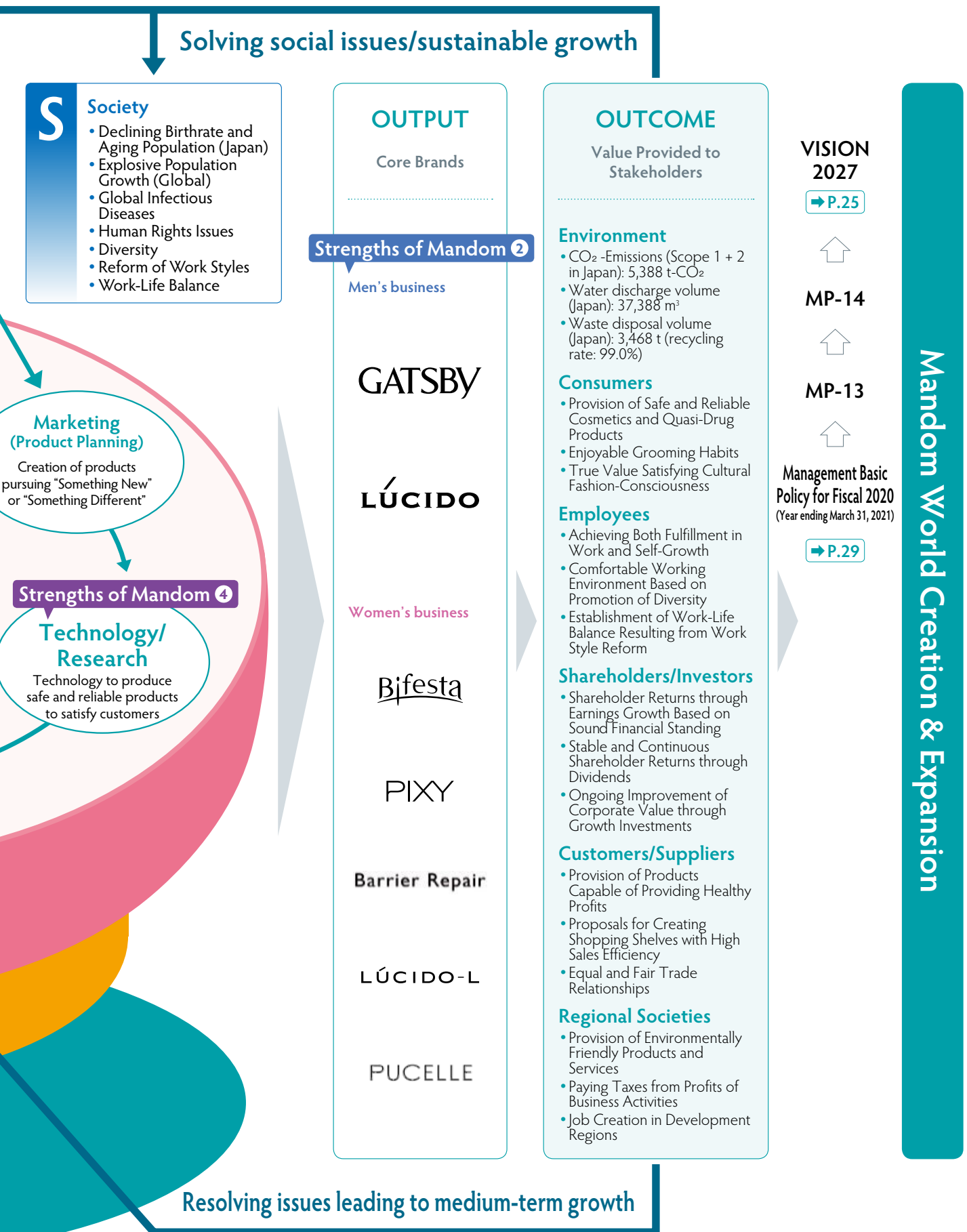


Mandom Group's Human-Oriented Value Creation





Strengths of Mandom ①

Only One Marketing through Consumer-led Lifestyle Value Creation

The Mandom Group pursues a marketing model unique to us in which we constantly interact with and give care to consumers. This is in order to meet their latent needs and wants and guide their discoveries and feelings under a marketing philosophy of “Only One Marketing through Consumer-led Lifestyle Value Creation.”

Feature **Lúcido**

As we uphold “Pursue Something New/Something Different” as one of Mandom’s marketing policies, we have taken efforts to show a Dedication to Services (Oyakudachi) to consumers by proposing new value through the pursuit of unique products and services. To demonstrate this, we would like to present the example of the “Lúcido” brand, which has continued to evolve to flexibly respond to the changes of the times and consumers.

Launched in September 1989, the men’s cosmetic brand Lúcido celebrated its 30th anniversary in 2019. Born as the first fragrance-free men’s cosmetic brand, Lúcido has grown into a driver of the middle-aged men’s cosmetics market in Japan as a brand which offers smart aging to address the concerns of aging as well as the fashion and grooming sensibilities of middle-aged men.

Up until today, Lúcido has continued to provide consumers new discoveries and satisfaction as the brand proposes new cosmetics habits and value with unprecedented perspectives, research, and ideas.



A “fragrance-free” cosmetic products which eliminated the assumptions of “fragrant” cosmetics

At its launch in 1989, cosmetics were assumed to be “fragrant.” The scent not only expressed the worldview of the brand, it was also one of the major values of the cosmetic as it provided consumers emotional satisfaction.

While some consumers sought that value in their cosmetics, other consumers faced the difficulty of being unable to wear fragrant cosmetics in their workplaces, or had wants of a fragrance-free cosmetic because scents of cosmetics interfered with the specific scent they wanted to wear. As such, the fragrance-free brand “Lúcido” was born to address these concerns and wants.

After its launch, the product gained the trust of consumers because fragrance-free meant that there was nothing extra added to it. The “fragrance-free” concept also expressed a sense of cleanliness that the Japanese people value. Acknowledging the value of this, the brand gained the support of young working people.

The value came to be sought after by not only men, but also women. In 1993, “Lúcido-L” was launched as a women’s product line.

As the economic bubble was reaching its peak, it was standard practice to utilize “development by addition” to attach various features to a product, reflecting the state of the world. However, Mandom focused on foundational features and even removed the “fragrance” which had been the status quo for cosmetics. This innovative concept of “development by subtraction” was accepted by consumers and gained their support.

The launch of Lúcido led to the creation of a new value, “fragrance-free cosmetics,” and the construction of a new product category (market).



Shift to brand addressing concerns of middle-aged men and construction of middle-aged men’s cosmetics market

Lúcido continued to increase sales as it expanded its items and categories. It grew into one of the brands which represents men’s cosmetics, evolving through multiple renewals to respond to the times and changes in consumer wants.

During this, the main users of Lúcido also began to gradually expand from its launch as the user base of the brand shifted from young working people to primarily middle-aged male working people.

While exploring the wants of target consumers via surveys and direct dialogue with them, we realized they were worried about aging changes with those in their 40s or so saying “I can’t get my hair done well like before” and “My body seems to smell differently”.



In 2011, as target consumers who were in their 20s when the product launched had become middle-aged, Lúcido underwent a product overhaul as a men's aging care brand which focuses on men's early middle-age years. By displaying the age of "40+" on the product package, target consumers could more easily realize that the product was for them. At the same time, we proposed the new genre of middle-aged cosmetics in the men's cosmetics market.

As a result, middle-aged men who had not used cosmetics in the past were encouraged to begin new care habits as they realized that "since I'm in my 40s, I had better start using them."

Following this, various companies began to sell cosmetics for middle-aged men and effective communications strategies were carried out, leading to the large growth of the market, driven by the Lúcido brand.

Proposing new cosmetics habits as a smart aging brand

The current Lúcido is a cosmetics brand for middle-aged men operating in a wide variety of categories based on the theme of "smart aging" for care to positively address the issues of middle-age. The brand provides not only products, but also information.

Mandom conducts research and product development to address the middle-aged men's concerns with aging to propose the new cosmetics habits they need.

Through the discovery of middle-aged body odor, Mandom has spread awareness that odor care, which men tend to only do in the summer to combat sweat odor, should be conducted throughout the year as men age.

As a result, men are more aware of body odor care and more often use shampoo and body soap to combat the body odor for their personal use.

In fall of this year, Mandom will launch new, high-performance skincare and make-up products to address the impression given from the appearance of men's aging skin.

We will take efforts to spread awareness of and gain a foothold in new cosmetics habits by making detailed proposals to middle-aged men as their aging care and skin appearance care needs grow.

In the future, consumer's cosmetics habits and awareness will constantly change along with the changes in society and the environment. However, the cheerful, exuberant feeling when people are well groomed and without worries is timeless.

Lúcido will continue to grow with its consumers as a beloved brand for the next 30 years.



— Hair Styling —



— Skin Care —

LÚCIDO

Responding to middle-aged men's concerns with its extensive product lineup



— Hair Coloring —



— Body Care —

Executive officer message

Since our founding, Mandom has taken efforts to constantly offer new products and values that approach and respond to consumer wants of each era. We are especially proud of having uncovered new markets and categories in the men's cosmetics market.

The Lúcido brand highlighted here also created new value as a "fragrance-free" cosmetic and broke open a new market (domain) as a "middle-aged men's cosmetic."

This fall, we will add a high-performance product to the skin care series and launch a new make-up product. As life spans grow to 100 years, middle-aged men will certainly become more aware of youthfulness and their appearance.

We will continue to respond to their wants and make new proposals to "Pursue Something New/Something Different" to support our customers and allow them to live each day positively and cheerfully.

Please look forward to our new offerings.



Managing Executive Officer & Director
Ken Nishimura

Strengths of Mandom ②

Achievements and Knowledge in Men's Cosmetics Field

Overwhelming presence in men's cosmetics since Tancho and MANDOM

At Mandom's founding, we were known for Kintsuru Perfume.

Mandom did not start out specializing in men's cosmetics.

After launching hit products such as Tancho Tique and the MANDOM series, we began to establish a strong presence in men's cosmetics.

PIXY, a series of cosmetics centered around make-up, has been rolled out in Indonesia since 1987. Mandom also globally launched the Bifesta cleansing and face wash brand in Japan and other Asian countries in 2010 onwards. Both of these series have been performing well, experiencing expanding sales. However, even now the core brand of Mandom remains the men's Gatsby brand.

In order to satisfy the high expectations of male consumers, primarily in the long-selling Gatsby and previously highlighted Lúcido series, Mandom has invested people, resources, and money to continue tracking changes in men's tastes and values. We possess the advantage of having continuously conducted proprietary research regarding men's hair and skin.

Gatsby, our men's grooming brand enjoying tremendous popularity in Asia

Born in 1978, for over 40 years Gatsby has continuously delivered an enjoyable grooming experience, including hairstyling, to young men in their teens and 20s in various Asian countries.

No matter the era, Gatsby has always been and always will be a brand for them.

Gatsby is currently available in all areas of the 11 countries and regions where Mandom does business, including Japan.

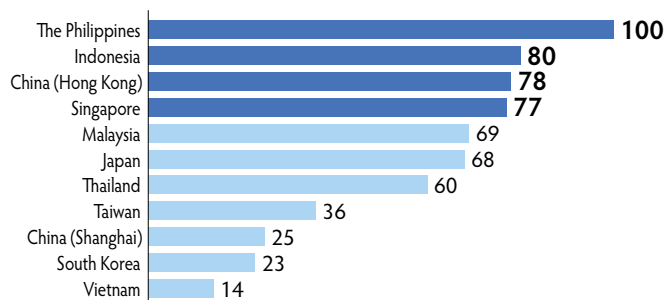
Although Gatsby's brand philosophy is globally unified, different products are sold in Japan and other countries.

The wants, needs, and standards of living of local consumers differ between Japan and other countries, so the content and selling prices of products are designed accordingly.

Gatsby products made at factories in Japan are mainly sold in countries with high GDP per capita, such as Japan and NIEs, the Gatsby products made in Indonesian factories are mainly sold in ASEAN countries where income levels are lower. In China, Gatsby products made at our Chinese factories are sold.

As a result of focusing on young male in our business expansion in Asia, not just with products but also with communication and in-store points of contact, name recognition of the Gatsby brand is high in many countries, and it has penetrated to the point of establishing a number one position in the hair styling market.

► Gatsby awareness by country (%) Mandom survey (2019)



Gatsby brand products distributed in countries

► History of Gatsby

1978. 7

Launched Gatsby



1985. 3

Commenced the first over-the-counter sales of hair foam for men



1994. 11

Launched men's hair styling product Gatsby Water Gloss in Indonesia
Expanded product line for various sizes; became widely known, primarily for the sachet-size version



1999. 3

Achieved ¥10 billion sales, a first in the Japanese cosmetics industry for men's products

2001. 3

Launched Hair Color series, developing a market for men's hair color products



2002. 3

Gatsby Hair Color commercial voted best overall in a survey carried out by CM Databank in the Tokyo metropolitan area



2006. 8

Launched Gatsby Moving Rubber

2013. 8

Released Gatsby brand Hair Jam series as a new styling offering following on the heels of wax



2014. 5

Launched men's hair styling product Gatsby Styling Pomade in Indonesia

2019. 8

Launched Gatsby Inside Lock



Strengths of Mandom ③

Overseas Expansion Focused on the Rapidly Growing Asia

Earliest expansion into Asia in the industry

The Mandom Group views overseas countries as markets rather than production areas (from which to import and sell low cost products in Japan). We are engaged in business overseas with the desire to demonstrate Dedication to Service (Oyakudachi) to local consumers through our products.

Our overseas expansion began with the commencement of operations at Tancho Corporation, our technical tie-up in the Philippines, in 1958.

Later, in 1969, we established a subsidiary in Indonesia via a joint venture.

Since then, we have continued to expand our area of operations, and today, we have 16 business companies in 10 countries and regions outside of Japan.

Furthermore, we export our products from Indonesia to more than 90 countries, including in the Middle East and Africa, via Dubai (UAE), which is a global trade hub.

Product proposals and distribution tailored to each local customer base

Since our founding, there has been a spirit of spreading Value for Money at Mandom. In our overseas operations, we target the general public in each area. We are engaged in product development with a thorough emphasis on Consumer-led Lifestyle Value Creation for the consumers in each country and region, not getting caught up in what products are popular in Japan.

If there is a need or want among consumers, we will boldly take up the challenge to roll out products in various categories, regardless of whether we have experience with such categories in Japan.

Moreover, income levels of general public vary depending on the country or region, so we offer product sizes that match the buying power of consumers and have built a distribution network that makes it easy for middle-class consumers to acquire our goods. Through these and other efforts, we provide reasonably priced products and services that allow people to enjoy personal styling.



Different sizes of the same item to match the buying power of consumers



Traditional trade store (The Philippines)

▶ Overseas Business Areas



Strengths of Mandom 4

“Unique Research” and “Reliable Technology” to Respond to Consumer Wants

Conducting unique research to respond to diversifying consumer wants

At Mandom, we pursue “value creation” that benefits people.

Mandom does not simply develop and provide products, but rather delivers “value” to customers through our products. Providing Oyakudachi (dedication to service) to consumers is central to our research and development and our concept of “innovation.”

What is our concept of value?

For us, our value means products filling each consumer's day with “discovery” and “inspiration.”

Mandom conducts research and development focused on the three areas of “hair/scalp,” “skin,” and “body odor/antiperspirant,” an area which has gained significant interest in recent years.

Hair/Scalp

The two central pillars of the research are in the “hair styling area (hair styling products, hair coloring products)” and the “hair care area (hair care products, scalp care products).”

In order to continue to address the ever-changing, ever-evolving new wants and concerns of consumers, Mandom conducts research and development from the perspective of consumers to develop bold and revolutionary products.



Styling from inside the hair

As a result of joint research with Kyoto University which began in 2014, we discovered that standard hair styling products apply the styling ingredients mainly to the outside of the hair. On the other hand, by making the product penetrate into the hair itself, we can form a binding inside the hair. This discovery led to the development of technologies which achieve producing a more natural look while providing the perfect hold.

Skin

Mandom has continuously conducted surveys and research related to the condition of skin in both men and women and has shown that there are unique conditions for the skin of each gender.

In particular, we have carried out fully designed surveys and research on men before anyone else in the cosmetics industry. We discovered that men's skin has attributes different from that of women's. In recent years, we have conducted research and development which consider how skin condition makes the “impression of appearance.”

We have also made new discoveries about women through research focusing on the relationship between the menstrual cycle and skin condition.



Men's skin impression research

We are conducting “skin impression research” for the development of products which could improve the impression of one's appearance. We discovered that the “youthful impression” of middle-aged men in their 30s and 40s is determined by the “brightness” of their skin and that one's impression can be improved through appropriate skin care.

We also discovered that the impression of “cleanliness” of young men in their teens and 20s is deeply related to surface of their cheeks and forehead, their pores, and their skin tone (brightness, spotting).

Body odor/Antiperspirant

Body odor influences one's impression and plays an important role in achieving smooth communication.

Understanding body odor and taking appropriate care is directly linked to a clean and comfortable life.

Mandom is engaged in research and development to propose products best suited to various body odors, such as with the discovery of a new body odors like the “middle-aged body odor” which had not been identified before and the development of technology to limit the function of substances which are the source of body odor, including sweat.



Discovery of sweat gland structure and its functioning mechanism

We are engaged in industrial joint research on the “sweat gland,” which excretes sweat, with the Graduate School at Osaka University in order to develop high-performance antiperspirants.

We discovered the existence of stem cells in human sweat glands and succeeded in regenerating sweat glandular-like structures in vitro.

The team was also the first in the world to visualize the complex three-dimensional structure of human sweat glands. In addition, we successfully established a new valuation method through visualization and quantification of the contraction of sweat glands to push out sweat. Through these efforts, Mandom aims to develop a deodorant with completely new functionality to directly affect the sweat gland and adjust perspiration itself.

Strengths of Mandom ⑤

Production and Supply System Which Seeks the Spread of High-Quality and Low-Cost Products

Product supply system comprised of three manufacturing bases with different missions

Mandom Group reinforces the concept of products through Consumer-led Lifestyle Value Creation in each Asian country we operate. Mandom has three manufacturing bases in Japan, Indonesia, and China in order to provide high-quality, reasonably priced products and services which fit the income levels, wants, and changes in tastes and lifestyle of consumers in various countries.

Our Fukusaki Factory in Japan takes the lead as our innovation center with technological and production functions. It is the supply base to provide high quality "Made in Japan" women's cosmetics, including Bifesta, to Asian countries. Our Indonesian factory, which serves as a global production center, has a production structure which allows it to manufacture high-quality, cost-competitive products. The factory primarily supplies ASEAN countries, but its global reach extends to many markets. Our factory in China primarily supplies products to the country's domestic market and additionally provides production for the Group.

We are also taking efforts to construct a system to substitute, provide complementary production, and conduct shipping in cases when natural disasters or accidents occur at factories.

► Three manufacturing bases which support the Group



Fukusaki Factory (Japan)

Production volume: **181 million units**



Zhongshan Factory (China)

Production volume: **20 million units**



Factory 1 (Indonesia)

Production volume: **467 million units**

* Production volume: Actual results for 2020 (year ended March 31)

Product supply system which fits various GDP levels and local requirements

Group companies in each country sell products with their own unique product mix; importing products from Japan, Indonesia, and some from China, tailored to the GDP levels of the countries, consumers' income levels, and lifestyles.

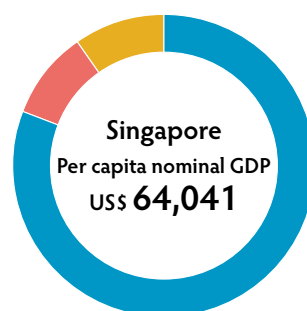
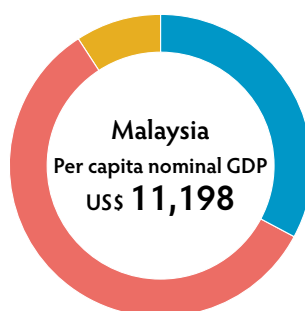
In each country, products produced in Japan are in a higher price zone, while products produced in Indonesia are in a more reasonable price zone and products produced in China are between those two zones.

This makes it possible to arrange the best product mix for each country.

► Comparison of sales by manufacturing center

- Made in Japan
- Made in Indonesia
- Made in China

* Composition excluding products from other companies



Strengths of Mandom ⑥

Highly-Engaged Employees

Efforts to share and instill the philosophy

Fiscal 2017 marked the start of our twelfth Middle-Range Planning (MP-12), which is positioned as a period to develop the infrastructure for realizing VISION2027, the 100th anniversary of the establishment of the Company. Within this, our priority is the instillation and establishment of the corporate philosophy.

In order to promote the understanding of the corporate philosophy across all employees of Group Companies, the text for training has been translated into eight languages: Mandarin Chinese, Cantonese, Korean, Vietnamese, Indonesian, and Thai, in addition to Japanese and English versions.

These were not simple direct translations but rather translations crafted with the help of local staff to express what the Company truly is trying to express in its philosophy.

We educated all employees on this philosophy in three steps.

First, we held assorted discussions through officers' gatherings.

Then department managers were appointed "evangelists" after learning about this philosophy from these officers.

Finally, these evangelists spread the philosophy to their department staff through workshops.

These efforts reached 1,009 employees in Japan and overseas in the short period of six months.

In 2018 and 2019, we conducted employee surveys and results feedback to follow up on the degree of awareness among employees. A key focus on 2019 is that the "employee engagement," in other words the sense of belonging and desire to contribute to the Company, was higher than the average global company level and the score itself further increased as with the previous year.

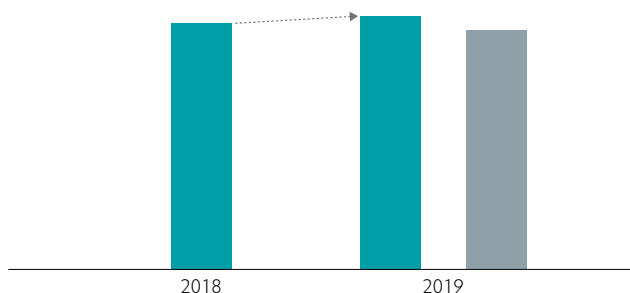
We also saw improvements on "environment which utilizes employees," from below global averages the previous year to be above the global average in 2019.

This is the result of evangelists and on-site staff accepting survey results, by holding dialogues and conducting improvement measures based on Active Employee Engagement.

We consider that maintaining the effectiveness of philosophy awareness is one barometer in achieving a "human-oriented" Company. Therefore, we plan to continue executing measures next year and beyond to establish a PDCA cycle and construct an environment which employees consider the comfortable workplace environment for themselves.

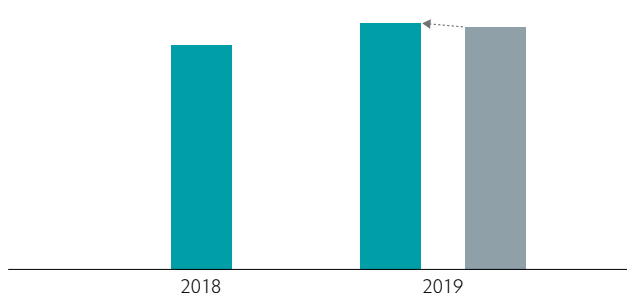
► Employee engagement

■ Mandom ■ Global companies (Norm)



► Environment which utilizes employees

■ Mandom ■ Global companies (Norm)



Personnel affair system encouraging employees to take active roles on a global stage

We are promoting a global personnel affair system as part of our efforts to centralize management platforms in order to become a truly global company.

As we are targeting to foster global human resources who are able to produce results whichever country they are in regardless of the nationality or borders, we are implementing an HR system which bridges the corporate base in Japan and overseas Group companies.

We are moving toward global human resources development in the marketing domain in precedence over other business domains. A foreign national marketer in charge of women's cosmetics was appointed to the Aoyama Office, and in FY 2019, we dispatched two Japanese marketers to overseas positions, making a total of three employees who have taken positions overseas. Furthermore, from April of 2020, an employee from Singapore has assumed the head of the "International Marketing Department" in the Aoyama Office.

In order to achieve the goals of VISION2027, we are also conducting global leadership training programs for selected personnel, primarily among the current department managers, for the purpose of developing human resources who can generate strategic ideas and execute both management and marketing.

As the initial part of this strategy, we spent one year training 15 future leader candidates from in and outside Japan, one fourth of which were foreign nationals working outside of Japan.

In our overseas Group companies, we already have four human resources representing this program on the ground (including one employee of an equity-method affiliate).

Human resource development initiatives

The Company considers all its employees as Human Assets. The aim of VISION2027 is, through daily thoughtful action, to motivate them, and encourage their active engagement.

To realize VISION2027, employees must take responsibility as Human Assets to provide support for the Company and society. The Company, in turn, shall seek to develop their capabilities as Human Assets and provide this diverse talent pool with opportunities for motivation and active engagement.

The HR Division shall continue to redesign and develop systems and structures that allow both parties to realize these ideals and provide Dedication to Service (Oyakudachi).

► Main Efforts in FY2019

New employee training	Junior employees with less than 2 years experience on the job are provided with training so that they can learn about the company's principles, acquire the fundamental knowledge required to work at Mandom, gain and verify the skills necessary for working individuals, and develop an appropriate mindset. In this way, we hope to nurture a group of self-reliant employees. Number of new graduates in FY2019: 23 (6 weeks in April-May; 4 days in October) / Number of second year employees: 21 (3 days in October)	Senior Full-time Employee System	When employees turn 60, if they want to continue working until 65, they can select one of the following working options: 1) Senior full-time employee expert (continue taking part in designing and coordinating projects aimed at achieving their division's goals) 2) Senior full-time employee supporter (conduct clerical and other work related to supporting their division) Implemented in April 2020
New manager training	Training conducted in-house for employees new to managerial positions. New managers learn what mindset they need, the role of managers, and about such topics as coaching, mental health, and company regulations. Once a year 1 day: Number of participants in FY2019: 14 (July)	Managerial Position Retirement System	Retirement ages are set for each managerial position, and in the fiscal year following the year when employees reach the retirement age, they voluntarily resign from managerial positions. With the aim of helping them begin new careers and early achieve their potential, this system enables younger employees expected to serve primary roles in realizing VISION2027 to experience working in management. On the other hand, senior employees reaching the managerial retirement age have acquired extensive experience and knowledge that younger employees yet lack. Therefore, under this system we will create new value by maximizing employees' potential in their workplaces, and vitalize their divisions by cultivating the next generation. Implemented in April 2020
Education and training for next-generation global managers	Training will be provided to produce leaders who can devise strategies to achieve the goals of VISION2027, implement integrated management and marketing strategies, establish department-based business concepts based on the superior policies, philosophies, and KohDoh practices with the viewpoint of business management, and make correct decisions and conduct plans from a group perspective by fully utilizing their leadership, communication, and driving abilities. Training schedule: January - October 2021. 20 nominated employees	Side Job System	The side job must be one that can be expected to provide the employee with experience, knowledge, and skills useful in helping Mandom grow, and the employee must be the owner of the side business and also meet a number of conditions, including his/her length of service, specified by Mandom. Implemented in April 2020
Company-wide education on Mandom Code of Conduct	Education for all employees to gain and verify understanding of the Mandom Group's Code of Conduct. Conducted by division with testing. Education is also promoted using the monthly in-house email newsletter. Once a year and about two hours (several times a year for training materials and once a month for internal newsletters) / Targets: All employees	Self-investment Support System	Mandom will cover part of the costs incurred by employees for attending lectures and seminars to acquire the experience, knowledge, and qualifications their career goals require. Implemented in April 2020



For other programs and details, see the website.

CSR Information ► Labor Practices > Human Resource Development

Aiming to Achieve Decent Work and Work-Life Balance

At Mandom we aim to achieve Decent Work practices, encourage proper health management by employees, and promote work-life balance, having in place the following systems and measures.

► Main Efforts in FY2019

Childcare/ Elderly care support system	A support system is in place to enable employees who would otherwise be constrained by childcare or elderly care to continue in their jobs. We have made it compulsory for all employees eligible for childcare support to attend an interview with their manager and the human resource department to promote use of the system. A consultation desk was set up in-house to improve support for employees with regard to balancing work and elderly care. As required	Stress checks	In accordance with our "Stress Check System Based on the Amended Industrial Safety and Health Act" which came into effect on December 1, 2015, we have expanded the scope of stress checks to all employees in collaboration with an EAP organization. Individuals are informed of the results and anonymous statistics are compiled and analyzed by division and department. EAP: Employee Assistance Program Once a year (September) Target: All employees Number of employees examined in FY2019: 929 (Medical examination rate: 91.2%)
Flexible working hours	We introduced this system to make working hours more flexible and correspond to varying workloads. This will allow employees to invest more time in their health and education, which we hope will lead to enhanced productivity and creativity. Number of employees under flexible working hours in FY2019: 778	Health checks	Periodic health checks are conducted for all employees and thorough physical examinations are recommended for employees and spouses over the age of 35, with subsidies provided. Once a year Target: All employees Number of employees examined in FY2019: 1,140 (Medical examination rate: 98.3%)
Work-from-home system	In order for each and every one of our diverse range of employees to be able to work comfortably, and to create a meaningful working environment in which they can maximize their potential, we have implemented a work-from-home system. To begin with, those with certain restrictions on their place of work and working time, such as employees raising children or caregiving, are able to take up to 5 days per month from half-day increments. Number of employees in FY2019: 32 * Due to the novel coronavirus, this system was relaxed and applied company-wide in March.	Smoking Rate Reduction Measures	We aim to reduce the smoking rate in the Company by prohibiting smoking on the company premises during standard working hours, except during break time, and by supporting employees with medical fees for smoking cessation clinics. As required



For other programs and details, see the website.

CSR information ► Work practices > Decent Work and Work-Life Balance



External Site

Work-Life Balance Support Forum ►

Mandom page for general employer action plan under the Act on Advancement of Measures to Support Raising Next-Generation Children (Japanese only)

Relationship Between Mandom and Stakeholders

	Relation with stakeholders	Stakeholders' areas of interest and stakes
Consumers	<p>Narrowly defined, consumers are end users of Mandom products. Broadly defined, consumers are our employees, shareholders and investors, customers, suppliers, and each and every member of local communities.</p> <p>By producing products based on consumers' needs and wants, we are rewarded with stable profits for consumer satisfaction and we aim for value creation which enriches everyday life and society.</p>	<ul style="list-style-type: none"> • Safe product quality • Products with tangible effects • Satisfaction from using products
Employees	<p>As we advocate a "human-oriented" approach, employees truly make up the center of the Company.</p> <p>We believe that we can continue providing high value to society if each and every employee can work lively with a sense of pride and a strong motivation, and can have a happy relationship with the Company which improves the per capita productivity.</p>	<ul style="list-style-type: none"> • Work that makes one fulfilled and proud • Fair HR evaluation • Satisfying compensation • Motivation for work
Shareholders/Investors	<p>Shareholders and investors expect the Company to produce returns exceeding their capital costs in exchange for financially supporting the execution and growth of the business operations of the Company as the financial capital contributor.</p> <p>In recent years, there have been increased investor interest and demand in awareness and engagement on ESG issues, which are in the spotlight. Shareholders and investors also function as monitors of the Company's business execution.</p> <p>In response, the Company strives for transparency of management, focuses on full accountability through disclosures, and engages in dialogue as needed.</p>	<ul style="list-style-type: none"> • Investment return which exceeds expectations • Appropriate share price • Corporate value improvement • Corporate growth potential
Customers	<p>We use a distributor system for sales in all cases in Japan and many overseas.</p> <p>As such, narrowly defined, our customers are domestic and overseas distributors. Broadly defined, customers can also be considered the retailers where consumers encounter our products. The Company is providing customers effective proposals regarding selling areas and sales promotion.</p>	<ul style="list-style-type: none"> • Bestselling products enjoyed by consumers • Products with high added value • High expertise in product category
Suppliers	<p>As the Company operates its business in Japan and Asia based on the policy of "high-quality and low-cost products," we are supported by many suppliers through the provision of competitive and highly economic raw materials.</p> <p>In response, suppliers seek fair and sound transactions with us.</p> <p>In recent years, society has demanded that activities consider environmental conservation and the respect for human rights throughout the supply chain.</p>	<ul style="list-style-type: none"> • Fair, equal, and transparent transactions • Procurement volume • Securing appropriate profit • Improvement of the Company's technological level • Procurement with societal and environmental considerations
Environment Regional Societies	<p>For a company such as the Mandom Group, which operates widely across Asia, we cannot sustain our business without a mutual understanding and harmony with regional societies.</p> <p>When expanding overseas, Mandom views local regions as one market and produces products based on the wants of the consumers in the area.</p> <p>At the same time, we also generate employment opportunities by hiring locals in each operating country.</p>	<ul style="list-style-type: none"> • Regional development • Job creation • Conservation considerations of regional environment • Safety, securement of local residents' health

Value provided to stakeholders	Requirements to create value	Major touch points and engagement
Provision of safe and reliable cosmetics and quasi-drug products	<ul style="list-style-type: none"> • Safe and reliable raw materials procurement • Production technologies • Quality management 	<ul style="list-style-type: none"> • Company website • TV advertising • Online advertising • Retail stores • Integrated reports
True value satisfying cultural fashion-consciousness	<ul style="list-style-type: none"> • Cultural knowledge • Aesthetic sense • Fashion sense 	
Enjoyable grooming habits	<ul style="list-style-type: none"> • Understanding of consumers • Product development with “fun” axis 	
Fulfillment in work and employee growth	<ul style="list-style-type: none"> • Fair HR evaluation • HR system which sustains high motivation • Human rights education 	<ul style="list-style-type: none"> • Corporate philosophy survey • Employee performance evaluation interview • Self-evaluation system • Policy presentations
Comfortable working environment based on promotion of diversity	<ul style="list-style-type: none"> • Promote diversity and inclusion. • Human rights education 	
Work-life balance through work style reform	<ul style="list-style-type: none"> • Highly productive work style • Promote decent work 	
Shareholder returns through earnings growth based on sound financial standing	<ul style="list-style-type: none"> • Sustaining and expanding operating cash flow (Operating CF) • Financial capital strategy (Financial CF) • Optimal capital structure (BS) 	<ul style="list-style-type: none"> • General meeting of shareholders • Financial results briefings • Small meetings • Overseas road shows • Conferences held by securities companies • Briefings for private investors • Integrated reports • Shareholder reports • Company website
Ongoing improvement of corporate value through growth investments	<ul style="list-style-type: none"> • Stable increase of share price • Capital strategies (medium-term investment plan) (Investment CF) 	
Provision of products capable of providing healthy profits	<ul style="list-style-type: none"> • Provision of high added value products • Appropriate sales strategies 	<ul style="list-style-type: none"> • Daily sales activities • New product presentations • New product exhibitions • Sales sheets • Product catalogs • Sales proposals materials • Company website
Proposals for creating shopping areas with high sales efficiency	<ul style="list-style-type: none"> • Understanding of customers • Understanding of products 	
Transactions which earn appropriate profits	<ul style="list-style-type: none"> • Appropriate and highly transparent purchasing rules • Creation of high added value products 	<ul style="list-style-type: none"> • Daily purchasing activities • Supplier CSR Guidelines • Integrated reports • Company website
Provision of newest market information	<ul style="list-style-type: none"> • Understanding of market • Understanding of consumers 	
Provision of environmentally friendly products and services	<ul style="list-style-type: none"> • Obtainment and procurement of environmentally friendly raw materials • Environment-adaptive technologies • Initiatives for the environment and climate change 	<ul style="list-style-type: none"> • Information exchange with public institutions, local public bodies, etc. • Exchange with industry organizations • Activities to contribute to regional societies
Job creation	<ul style="list-style-type: none"> • HR system suited to each region • Market creation and business scale expansion 	