

## Expanding Dedication to Service to a Diversity of Consumers

### Comittment

We will respond appropriately to changing senses of consumption behavior of consumers and maintain an environment in which consumers can look and choose the products and services that serve and satisfy a billion customers on earth.

### Medium to long-term targets

| Themes of Initiatives               | Evaluation Metrics  | Medium- to Long-Term targets            |             | FY2024 Progress | Example of Initiatives |
|-------------------------------------|---|---|-------------|-----------------|------------------------|
|                                     |   | Numerical Targets                       | Target Year |                 |                        |
| Expanding our Dedication to Service | Number of challenges addressed to expand our distribution network | 13 challenges or more attempts per year | Each year   | 102 inquiries   | P.50, P.51             |

We will pursue “depth” in the form of brands, communications and categories as a means of dedicating ourselves to serving as many consumers as possible, combined with “breadth” of distribution, channels and areas for ensuring the satisfaction of as many consumers as possible, as we aim to become a global company capable of continuing to create strong ties. At Mandom, we will create new, unique value while keeping an eye on foreseen changes in our market environment and establish systems through which we can continue to provide that value to consumers through products, communication, and distribution as we aim to “use our ‘Only One’ strengths to provide Dedication to Service (Oyakudachi) to a billion people around the world.”

### Example of Initiatives 1

#### Approach to Indonesia’s EC market

In Indonesia, under conditions such as population growth and rising minimum wages leading to active personal consumption, and a population structure with many young people, smartphone penetration is rapidly advancing, especially in urban areas, with many consumers purchasing various products online. Furthermore, the Indonesian

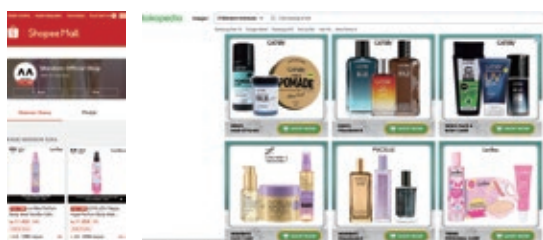
government is promoting the development of digital infrastructure, supporting online businesses, and accelerating the growth of the EC market. Even in the future, this market is expected to grow further, and Mandom Indonesia will strengthen EC initiatives to expand consumer touchpoints.

#### Setting priority initiatives

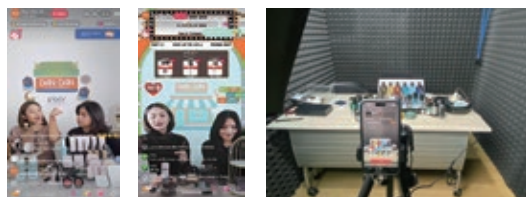
In the EC market, major sites like “Shopee” and platforms like TikTok maintain a certain market share and are expanding sales. Based on this situation, we are setting priority initiatives to build a foundation for expanding EC sales, implementing promotions and live commerce based on effectiveness, and expanding the deployment of official brand sites. On the other hand, “Toko Online,” where individuals and small-scale retailers sell online, is also growing. We are setting top-selling stores as priority stores, building relationships through local visits, and working on horizontal expansion of successful patterns identified through these efforts to other stores.

#### Strengthening marketing activities in EC

To introduce products, enhance understanding of their features, and generate buzz among targeted consumers, we are strengthening information dissemination through social media. One such initiative is actively deploying live commerce. We have set up a live streaming studio within Mandom Indonesia’s headquarters, refining content and timing based on previous broadcasts, and increasing broadcast hours to make live commerce more effective. Additionally, we are utilizing influencers who strongly impact consumer purchasing activities and deploying digital advertisements to expand sales.



Deployment on EC sites



Live commerce broadcasting and in-house studio

## Example of Initiatives 2

## Evolution and History of “Tancho Tique”

## ~ Traditional Product with 92-year History Crafting New Markets ~

Mandom launched Japan’s first plant-based tique “Tancho Tique” in 1933, which swept over the market with its quality and lavender scent. By the following year it had become an extraordinary hit, claiming a 90% share of the market. Later, in 1958, a technical partnership company in the Philippines began operations and started local production. This went on to become the first overseas expansion in the cosmetics industry after the war, and represented a significant step for both Mandom and the industry as a whole.



An essential for daily life (excerpt from “Bungeishunju,” 1941)



Slicked-back hairstyle that is in fashion with celebrities overseas

“Tancho Tique” on sale on overseas EC sites



Tancho Tique Cherry Blossom Scent



Over time, in 2022, “Tancho Tique” became a topic on social media as American celebrities used it to create tight “Slick Back Bun” hairstyles, increasing attention in the American market. Although exporting existing products was difficult due to raw material issues, we responded to local wants and launched “Tancho Tique Sakura Fragrance” for the U.S. market in November 2023. With a high ratio of female users in America, we added cherry blossom styling to the traditional crane design and “TANCHO” characters, with the content also made with a cherry blossom color for an adorable look. We continue to aim provide new Oyakudachi (Dedication to Service) with “Tancho Tique”, 92 years after release.

## Example of Initiatives 3

## Hosting the first pop-up for the “aono” brand

The men’s organic cosmetics brand “aono” began sales on its own EC site in January 2024. To expand consumer touchpoints and product recognition, we opened the brand’s first pop-up store for a limited time. Consumers could experience the high-quality fragrance and texture of products

not available online, and the pop-up store expressed the brand message “Wisdom of Nature for Your Skin,” creating a space where consumers could feel nature even in the city, connecting to the proposal of experiencing the world of “aono.”

## Event overview

## ‘aono POP UP store at BEAMS NEWS’

- Period: March 24 (Mon) - April 4 (Fri), 2025
- Location: BEAMS NEWS (Inside NEWoMan Shinjuku, 2F, JR Shinjuku Station South Exit)

## About “BEAMS NEWS”

Located in the station area on the 2nd floor of NEWoMan at Shinjuku Station South Exit, it is a concept store featuring re-edited apparel and goods from BEAMS labels based on periodically changing themes. As a new “newsstand,” it showcases items and concepts selected by BEAMS’ discerning eye.



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### Strengths of Mandom 4

#### Overseas Expansion Focused on the Rapidly Growing Asia

The Mandom Group views overseas countries as markets rather than production bases. We have been engaged in overseas business with the policy 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 13 business companies in 11 areas in Asia. 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.



Products sold overseas

Since our founding, there has been a spirit of spreading high-quality and best-value products 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 area, 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, such as with the PIXY makeup brand in Indonesia.

Moreover, lifestyle types, income levels, and preferences about fragrances vary depending on the area. As of now, we

have placed development hubs in Indonesia, Malaysia, China, South Korea, and other countries in order to offer products that match the preferences and buying power of consumers and have built a distribution network that makes it easy for general public consumers to acquire our goods. Through these and other efforts, we provide reasonably priced products and services that allow people to enjoy personal styling.



Products sold in Japan and overseas

#### Overseas Business Areas (The Company's overseas operations are reported in two segments: Indonesia and Overseas Other)



Products on sale at a store overseas



## Strengths of Mandom 5

### Production and Supply System Which Seeks the Spread of High-Quality and Best-Value Products

#### Product supply system comprised of three manufacturing bases with different missions

The 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 changing income levels, wants, and tastes and lifestyle of consumers in various countries.

Fukusaki Factory in Japan takes the lead of the Group as an 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. Starting in February 2019, we carried out the construction of a new production building to meet the expected supply capacity, including domestic and overseas exports, by the time we reach VISION2027, the 100th anniversary of the Company’s founding. Previously, there were some inefficiencies due to the transfer of items among five buildings between delivery of raw materials and shipping of finished goods. With the new production facility, each building is connected by a walkway that enables employees and raw

materials to pass indoors throughout, which has improved efficiency. We made the building’s design environmentally friendly, aiming to obtain an A rating under the CASBEE<sup>\*1</sup> evaluation standard, and are also implementing IoT, AI, and robotization. Mandom is also working to enhance logistics by increasing the pallet loading ratio with improvements to the size and number of product cases, and pursuing a modal shift from trucks to rail and ship as a means of achieving greater efficiency and reducing environmental impact.

Our Indonesian factory, which serves as a global production center, has a production structure that 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 provides additional 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.

<sup>\*1</sup> CASBEE (Comprehensive Assessment System for Built Environment Efficiency): Methodology of evaluating and rating the environmental performance of buildings

#### Three manufacturing bases which support the Group



Fukusaki Factory (Japan)

Production volume: 114 million units



Factory 1 (Indonesia)

Production volume: 314 million units



Zhongshan Factory (China)

Production volume: 12 million units

Note: Production volume based on FY2024 performance

#### 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 net sales by manufacturing center

