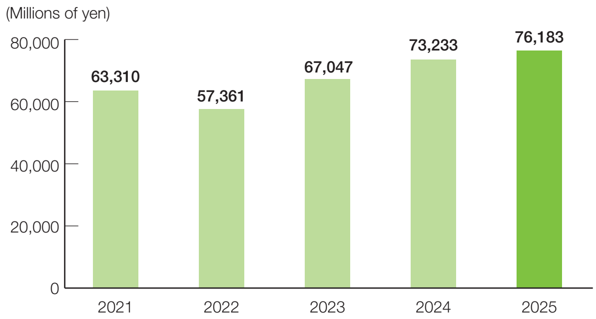
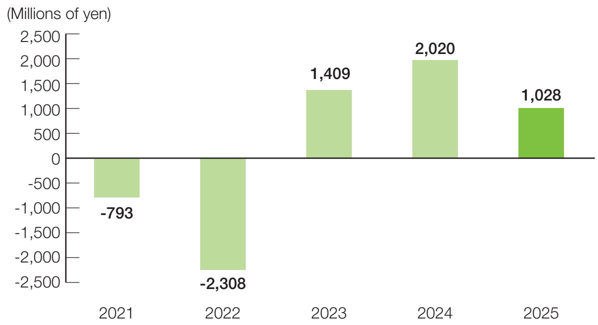
Financial and Non-financial Highlights

Financial Highlights

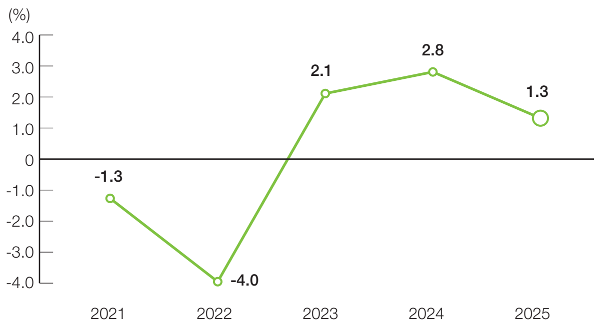
Consolidated net sales



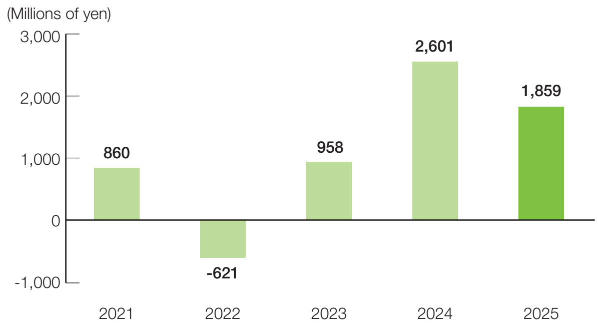
Consolidated Operating Margin or Operating Loss



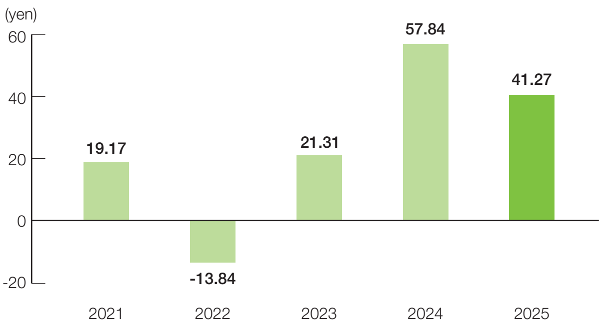
Operating margin



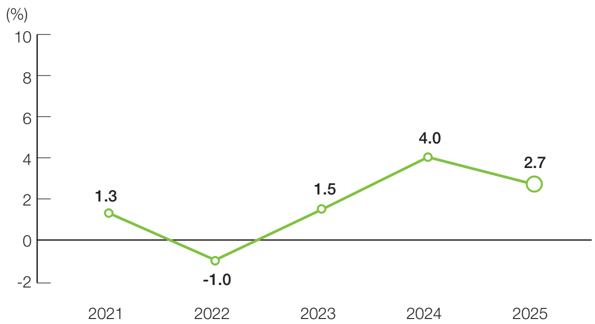
Net income or loss attributable to owners of parent



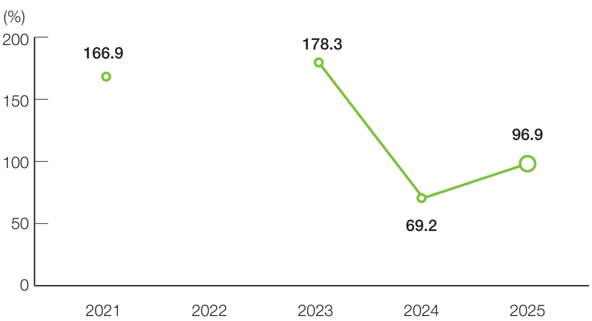
Net income (loss) per share [EPS]



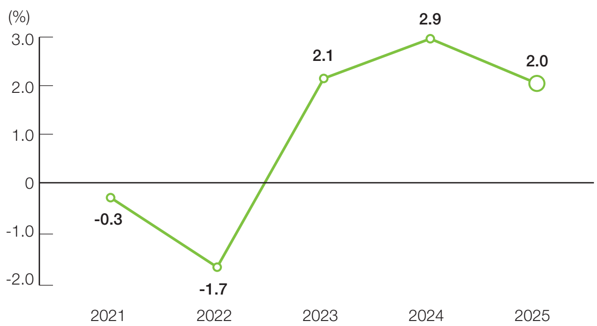
ROE



Payout ratio



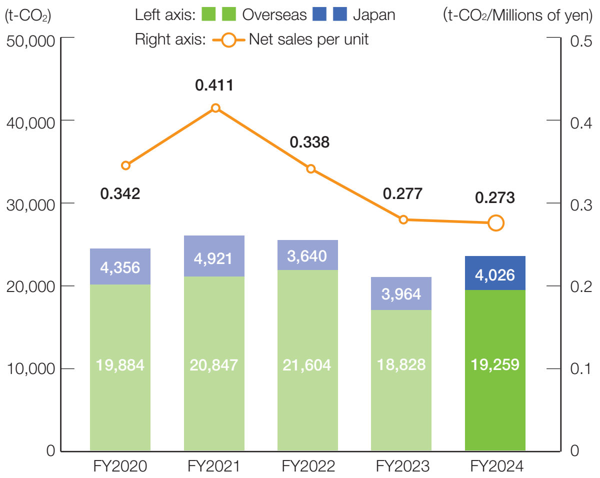
ROIC



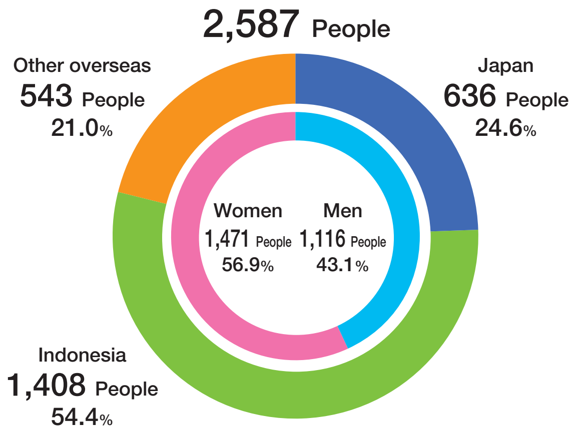
* From the fiscal year ended March 31, 2022, the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29) has been applied in the Japan segment. Accordingly, certain items previously recorded as expenses are deducted from net sales.

Non-financial Highlights

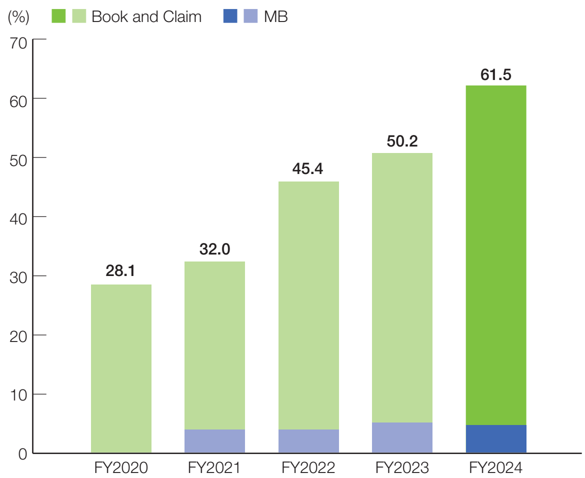
CO_2 emissions (Japan + overseas Scope 1+2)



Consolidated number of employees (as of March 2025)

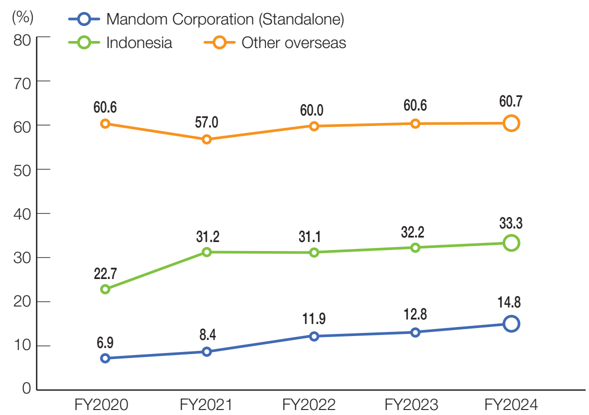


Ratio of RSPO-certified palm oil in Japan (ingredient ratio)



* The calculation method has been revised since FY2021

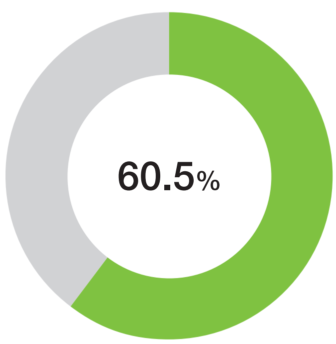
Ratio of women in managerial posts* (As of March 31 of each fiscal year)



* Management positions are calculated based on the number of section managers and above. Officers are not included. Mandom Corporation (standalone) calculates based on the definition of the Act on Promotion of Women's Participation and Advancement in the Workplace.

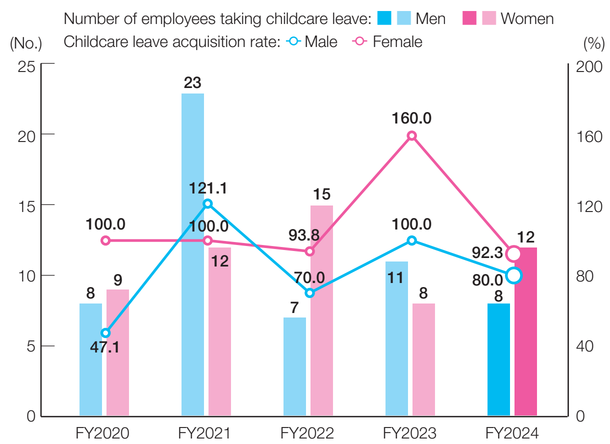
Environmental consideration for products in Japan (self-standard*clear)

(as of end of March 2025)



* Voluntary Standards: Environmental Consideration Standards for Products (https://www.mandom.co.jp/sustainability/environmental_consideration1.html)

Childcare leave acquisition rate*



* Mandom Corporation (non-consolidated) * Calculated based on the provisions of the "Act on Welfare of Workers Engaged in Childcare or Family Care Leave, etc." (Act No. 76 of 1991).

Analyses of Management and Finances

Analysis of Operating Results

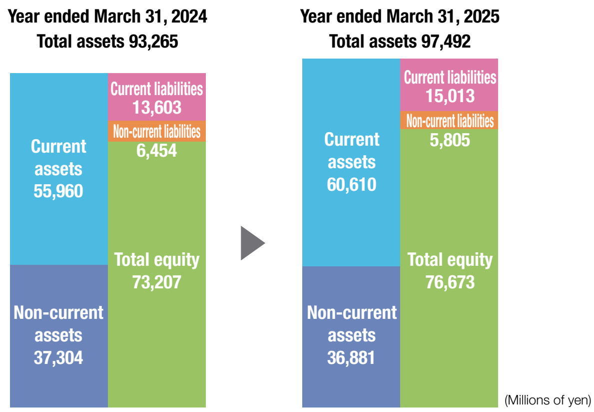
In the current consolidated fiscal year, the Japanese economy showed signs of recovery, with income improving due to better employment conditions. However, personal consumption stagnated due to factors such as rising prices. In the Asian economy, which is the business area of our overseas group, while some regions showed stagnation in recovery, it remained steady overall.
Under such economic conditions, our group is promoting measures based on the basic management policies of the Middle-Range Planning positioned as the "Growth Foundation Building Period" for realizing the ideal vision "VISION2027" by 2027.

Item	2024 (Year ended March 31) (Millions of yen)	2025 (Year ended March 31) (Millions of yen)	Increase/decrease (million yen)	YoY change (%)
Net sales	73,233	76,183	2,949	+4.0
Cost of sales	41,703	43,284	1,581	+3.8
Selling, general and administrative expenses	29,509	31,870	2,360	+8.0
Operating income (loss)	2,020	1,028	(991)	(49.1)
Non-operating income (loss)	961	1,152	191	+19.9
Ordinary income (loss)	2,981	2,180	(800)	(26.8)
Extraordinary income (loss)	891	116	(775)	(87.0)
Income (loss) before income taxes	3,872	2,296	(1,575)	(40.7)
Income taxes	1,108	780	(328)	(29.6)
Net income (loss) attributable to non-controlling interests	162	(343)	(505)	(310.7)
Net income (loss) attributable to owners of parent	2,601	1,859	(741)	(28.5)

Analysis of Financial Position and Cash Flows

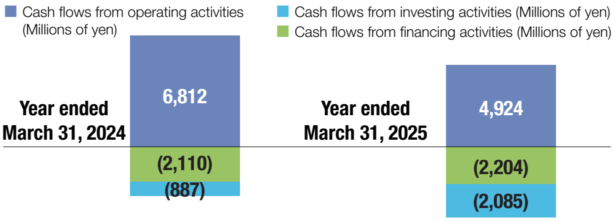
1. Assets, Liabilities and Total Equity

Total current assets were ¥60,610 million as of March 31, 2024, up ¥4,649 million from a year earlier. This was mainly due to increases of ¥2,138 million cash and deposits. Non-current assets were ¥36,881 million as of March 31, 2024, down ¥423 million from a year earlier. This was mainly due to a decrease of ¥1,219 million in property, plant, and equipment due to depreciation.
As a result, total assets amounted to ¥97,492 million, an increase of ¥4,226 million compared to the end of the previous consolidated fiscal year.
Total current liabilities as of the end of the current consolidated fiscal year amounted to ¥15,013 million, an increase of ¥1,409 million compared to the end of the previous consolidated fiscal year. This was mainly due to an increase of ¥760 million in notes payable and accounts payable. Total non-current liabilities amounted to ¥5,805 million, a decrease of ¥649 million compared to the end of the previous consolidated fiscal year. This was mainly due to a decrease of ¥633 million in retirement benefit liabilities.
As a result, total liabilities amounted to ¥20,818 million, an increase of ¥760 million compared to the end of the previous consolidated fiscal year.
Total net assets as of the end of the current consolidated fiscal year amounted to ¥76,673 million, an increase of ¥3,466 million compared to the previous consolidated fiscal year. This was mainly due to an increase of ¥2,813 million in foreign currency translation adjustment.



2. Status of Cash Flows

Cash and cash equivalents as of March 31, 2025 came to ¥23,810 million, up ¥1,804 million from the end of the previous fiscal year.



▶Cash flows from operating activities

Net cash provided by operating activities was ¥4,924 million (compared to ¥6,812 million from a year earlier). It mainly consisted of increases resulting from income before income taxes of ¥2,296 million and depreciation of ¥3,982 million, and a decrease resulting from an increase in inventory assets of ¥1,382 million.

▶Cash flows from investing activities

Net cash used in investing activities was ¥2,085 million (compared to ¥887 million from a year earlier). It mainly consisted of decreases resulting from expenditures of ¥1,535 million for acquiring property, plant, and equipment and ¥451 million for acquiring investment securities.

▶Cash Flows from Financing Activities

Net cash used in financing activities was ¥2,204 million (compared to ¥2,110 million used from a year earlier). It mainly consisted of a decrease resulting from dividends paid of ¥1,801 million.

Capital Policy

The Group has two main funding requirements: operation funding requirements and capital investment funding. The main requirements for operation funding are the supply of raw materials for manufacturing the Group's products, as well as operating expenses such as manufacturing expenses, and selling, general and administrative expenses. For capital investment funding, the main requirements are the purchase of non-current assets such as buildings and machinery associated with the acquisition of production facilities.

1. Financial policy

Our group maintains a basic policy of preserving a solid balance sheet and ensuring appropriate liquidity. Capital is used primarily to fund operations, business investments, and shareholder returns, prioritizing the use of internal reserves sourced from cash flows from sales activities, with any shortfalls funded by loans from financial institutions. If a domestic subsidiary lacks necessary funds, the shortfall is covered by a loan from the parent company.
Funds in hand are regarded as reserves mainly for funding, ensuring liquidity and security in their operation. We have also set commitment lines with financial institutions, and built a system that can constantly secure funds of over three months' worth of monthly sales in order to prepare for unforeseen funding.

2. Facilities

1) Overview of capital investments

The Group maintains a basic policy of making capital investments in facilities to manufacture products that sustain a competitive advantage. Total capital investments were ¥1,726 million as of March 31, 2025, up ¥133 million (8.4%) from a year earlier.

Segment name	2025 (Year ended March 31) (Millions of yen)	Year-on-year comparison (%)
Japan	637	+31.7
Indonesia	733	(14.9)
Other overseas	354	+43.7
Total	1,726	+8.4

2) New important facilities

The Group determines its plans for capital investments while comprehensively taking into consideration investment efficiency and other factors. In principle, each consolidated company separately determines its capital investment plan. However, the group makes adjustments mainly to the reporting companies when determining the plan. As of the end of the current consolidated fiscal year, there are no plans for new important facilities.

3. Dividend policy

The Company regards the return of profits to shareholders as an important management issue. We have a basic policy of implementing stable and continuous returns through dividends (numerical target: consolidated payout ratio of 40% or more excluding special factors). While always keeping the improvement of capital efficiency in mind, we will comprehensively consider a number of factors, including FCF, investment plans, securing liquidity and economic conditions. Internal reserves are allocated to strategic investments such as capital investments for expanding existing businesses, overseas investments, and research and development investments, contributing to enhancing corporate value. Additionally, the acquisition of treasury stock is comprehensively judged, considering strategic investments. The dividends of surplus for the fiscal year under review were as follows.

Resolution date	Total amount of dividends (Millions of yen)	Dividends per share (yen)
Resolution of the Board of Directors on November 6, 2024	902	20.00
Resolution of the General Shareholders' Meeting on June 24, 2025	902	20.00