

**PRESS RELEASE**

Company Name	M a n d o m C o r p o r a t i o n
Head Office	5.12, Juniken-cho, Chuo-ku, Osaka, Japan
President	M o t o n o b u N i s h i m u r a
Stock Listing	Tokyo Stock Exchange 1 <sup>st</sup> Section 4917
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**Notice Regarding Introduction of Restricted Stock Compensation Plan**

Mandom Corporation (the “Company”) hereby announces that, at the meeting of its Board of Directors held on April 27, 2018, the Directors reviewed the executive compensation plan of the Company and decided to introduce a restricted stock compensation plan (the “Compensation Plan”) and to submit a proposal regarding the Compensation Plan to the 101st Annual General Shareholders’ Meeting scheduled for June 22, 2018 (the “General Meeting of Shareholders”).

**1. Purpose of and Conditions Related to Introduction of the Compensation Plan****(1) Purpose of introduction of the Compensation Plan**

The Compensation Plan is introduced in order to further promote shared value with shareholders and provide an incentive for the Company’s Directors (excluding Outside Directors, “Eligible Directors”) to strive to continually increase the Company’s corporate value.

**(2) Conditions related to introduction of the Compensation Plan**

Under the Compensation Plan, since compensation for the Eligible Directors for granting restricted stocks shall be monetary compensation receivables, the introduction of the Compensation Plan is subject to approval of payment of said compensation at the General Meeting of Shareholders.

Director compensation of no more than 450 million yen per year (however, this does not include the portion of employee’s salary for Directors who concurrently serve as employees) was approved at the 89th Annual General Shareholders’ Meeting on June 23, 2006, but at the General Meeting of Shareholders, we will ask our shareholders to approve the new introduction of the Compensation Plan and establish a compensation limit separate from the above in relation to the Compensation Plan for Eligible Directors.

**2. Overview of the Compensation Plan**

The Eligible Directors shall make in-kind contribution of all monetary compensation receivables to be granted according to the Compensation Plan, and shall, in return, receive the Company’s common shares that will be issued or disposed of by the Company.

The total amount of monetary compensation receivables to be paid to Eligible Directors based on the Compensation Plan shall not exceed 150 million yen per year (however, this does not include the portion of employee’s salary for Directors who concurrently serve as employees). However, we envision that an amount

corresponding to compensation for performance of duties over the three fiscal years covered by the Middle-Range Planning will be paid in a lump sum in the first year of that period, so in principle the amount of compensation shall, in practice, not exceed 50 million yen per fiscal year. The current fiscal year in which the new Compensation Plan will be introduced is the second year of the three-year Middle-Range Planning, so the total amount of monetary compensation receivables to be paid to Eligible Directors in the current fiscal year shall not exceed 100 million yen. We envision that Eligible Directors who are appointed in the middle of the three-year Middle-Range Planning shall be paid a lump sum corresponding to compensation for performance of duties from when they are appointed to the last day of the final year of the three-year period of the Middle-Range Planning. The specific timing of payment and amounts for each Eligible Director shall be determined by the Board of Directors.

The total number of shares to be newly issued or disposed of under the Compensation Plan shall not exceed 39,000 shares per year (however, in the event of a stock split [including allotment of the Company's common shares without contribution] or a reverse split effective the day after resolution at the General Meeting of Shareholders or thereafter, the total number of shares may be reasonably adjusted on the effective date or thereafter according to the ratio of the stock split or reverse stock split). However, as provided above, we envision that an amount corresponding to compensation for performance of duties over the three fiscal years covered by the Middle-Range Planning will be paid in a lump sum in the first year of that period, so in principle the amount of monetary compensation receivables shall, in practice, not exceed 13,000 shares per fiscal year. Basically, the amount to be paid per share shall be the closing price of common shares of the Company on the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution by the Board of Directors (or the closing price on the transaction day immediately prior thereto if no transaction is made on said business day) and shall be determined by the Board of Directors within a range that is not particularly advantageous to the Eligible Directors receiving the Company's common shares.

The condition of such issuance or disposal of common shares of the Company under the Compensation Plan shall be that an agreement restricting transfer shall be concluded between the Company and the Eligible Director to receive restricted stock compensation that includes (1) prohibition of transfer of the shares to a third party, establishment of security interests or other such disposal for a certain period of time and (2) a provision that the Company may acquire the shares without contribution under certain circumstances, such as in accordance with the level of achievement of performance targets set in advance by the Company's Board of Directors with respect to consolidated sales, consolidated operating margin, etc. The shares shall be managed by the Eligible Directors in a dedicated account opened with Nomura Securities so that the shares cannot be transferred, have security interests established in them or otherwise disposed of during the period in which transfer is restricted.

### 3. Application of the Compensation Plan to Executive Officers

Subject to approval of introduction of the Compensation Plan at the General Meeting of Shareholders, the Company also plans to introduce the same plan for executive officers of the Company.

END OF PRESS RELEASE