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News Release

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Notice of Partial Revision of Basic Policy of Internal Control System

The Board of Directors Meeting of Mandom Corporation (“the Company”) held on April 28, 2022 resolved that a partial revision should be made to the company’s Basic Policy of Internal Control System. The revisions are as stated below.

Revisions to the Basic Policy of Internal Control System

1. System for Ensuring Compliance with Legislation and Company Statutes by Directors and Employees in the Execution of Their Office

1. The Company adopts a corporate system that has an Audit and Supervisory Board. The auditors oversee the compliance with legislation and company statutes by the directors in the execution of their office. Multiple independent external directors are appointed to the board to oversee from a fair and independent standpoint the execution of the company’s operations. This system ensures the appropriate supervision of the Board of Directors.

2. In line with the Group’s Code of Conduct Promotion Regulations, the following are measures adopted in the Compliance Program provided for directors and employees in accordance with the adopted Mandom Group’s Code of Conduct, to create a system that is totally committed to compliance with law and social norms as well as to ethical conduct.

i. The Group’s Code of Conduct Promotion Committee will be established to deliver educational and publicity activities on compliance matters.

ii. A Helpline system will be set up to create a system that addresses non-compliance risks. Having fully ensured the protection of whistleblowers, the system will aim to achieve early detection of risks, to avoid and to minimize risk as well as to prevent recurrence. The system includes a mechanism that reports to auditors all information regarding the use of the Helpline system.

3. If the internal control audit by the Internal Audit Division reveals any issue, having conducted checks on “Progress of action to ensure adherence to the Code of Conduct,” a report will be submitted to directors and

auditors.

4. To address issues relating to antisocial forces, the Company will adopt Regulations Concerning Action against Antisocial Forces. The Company will uphold the basic policy of “resolutely confronting any antisocial forces or organizations that negatively impact on public order and security, clearly rejecting and eliminating involvement with these.” The company will closely liaise with police and legal representatives so that appropriate action can be taken.

5. The Company regards the ensuring the reliability and appropriateness of financial reports to be an important responsibility of management. To make sure this is achieved, under the leadership of the President Executive Officer, the Company and all Group members will adhere to the basic policy of creating an appropriate Internal Control system. The Internal Audit division will verify and conduct internal audit of the setup and operation of the Internal Control system and will make timely and appropriate reports to the Board of Directors and the Audit and Supervisory Board, thereby creating a system that allows the monitoring of Internal Control by the Board of Directors and the Audit and Supervisory Board.

2. System for Storing and Managing Information Necessary for the Execution of Their Office by Directors

The minutes of the Board of Directors meeting and minutes of other important meetings together with records of important decision-making and other such information relating to the execution of the office of directors will be appropriately stored and managed in accordance with legislation and company regulations.

3. System Regarding Regulations and Other Matters Concerning Risk Management

1. The Company considers risk management as an important management issue. In accordance with the Basic Policy of Total Risk Management as defined by the Total Risk Management Promotion Regulations, we work towards improving and strengthening the operation of a total risk management system.

2. In order to improve and strengthen the operation of the said system, The Company will establish the Total Risk Management Committee which will serve as the promotional body and will be headed by the Supervisory Executive Officer in charge of the General Affairs Division. The Committee will be responsible for the overall management and operation of the system. The state of the improvement and operation of the system will be monitored as part of the internal audit conducted by the Internal Audit Division.

3. The Committee will prepare various manuals that address risk management. The Committee considers it an important task to manage risks that may potentially lead to have a serious impact on the continuation of the Company’s business. In addition, it will identify, analyze and evaluate signs of any risks emerging, in an effort

to detect them early and prevent them from causing damage.

4. In collaboration with all departments, the Committee will undertake educational activities on the Company's Basic Policy on Risk Management (basic aim, guideline on code of conduct) and on how to handle risks. This is aimed at raising the risk awareness of directors and employees as well as disseminating thorough knowledge of the regulations and instruction manuals in effect.

4. System for Ensuring the Efficient Execution of Office by Directors

1. To ensure the efficiency of execution of their office by directors, the meetings comprising them as members, namely the Board of Directors, the Management Council, and the Executive Board, will be held on a monthly basis. These meetings will serve to deliberate important matters, make decisions and to share information on the status of directors' operational execution. As necessary, meetings will be held ad hoc in order to ensure the flexibility and efficiency of the decision-making and execution of their office by the directors.

2. Appropriate transfer of authority in the execution of office by directors will be made by instituting the Board of Directors Regulations, Organizational Regulations, Decision-making Authority Regulations. This will maintain a system that allows the execution of flexible and efficient pursuit of office and will clearly identify the responsibilities of the execution of office.

5. System for Ensuring Appropriateness of Operations in the Corporate Group Comprising Mandom Corporation and Group Members

1. The Company will adopt Affiliated Companies Management Regulations that govern all Japanese and overseas Mandom affiliates. We aim to ensure the appropriate operation of the corporate group by each umbrella division conducting the following activities in the subsidiaries.

i. Guidance and oversight relating to the drafting of business plan by subsidiaries and their progress report and management

ii. Guidance and oversight to ensure the appropriateness, flexibility and efficiency of the execution of their office by directors and employees in all subsidiaries by clearly identifying the Company's decision-making criteria (approval, discussion, divisional consultation) relating to important decision-making and execution of office.

iii. Guidance and oversight relating to reporting (including the submission of reference materials and minutes of important meetings) on important decision-making, execution of office and significant incidents arising.

iv. Monitoring of appropriateness of operations by the Internal Audit Division

2. As necessary, the Company will appoint the Company's directors or employees as directors or auditors of subsidiaries. This is to ensure the appropriateness of operations of the corporate group by monitoring and

advising on the legal compliance, efficiency and feasibility of the operations of the subsidiaries.

3. The Company's Total Risk Management Committee will provide guidance and oversight relating to the establishment and improvement of the risk management system in subsidiaries, in accordance with the Company's Total Risk Management Promotion Regulations.

4. The Company's Code of Conduct Promotion Committee will provide guidance and oversight relating to the establishment of the compliance system in subsidiaries, in accordance with the Code of Conduct Promotion Regulations.

5. Through the internal audit of subsidiaries conducted by the Company's Internal Audit Division, the Company will monitor the progress of the dissemination and thorough understanding of the Mandom Code of Conduct as well as the establishment and improvement of the risk management system.

6. Matters Concerning the Employee When an Auditor Requests for an Employee to Be Assigned to Support His Work; Matters Concerning the Independence of the said Employee from the Directors and the Ensuring of Effectiveness of Instructions Given to the Employee by the Auditor

1. If an auditor requests for the assignment of an employee to support his work, an employee who has the abilities necessary to support the auditor will be appointed. The employee will take instruction from the auditor.

2. Prior approval of the dismissal, exclusive appointment or job share, transfer, performance rating, disciplinary action concerning such supporting employee of an auditor must be obtained from the Audit and Supervisory Board, in order to ensure the independence of the said employee and the effectiveness of the auditor's instruction with respect to the said employee.

7. System for Reporting to Auditors and System for Protecting the Whistleblower from Disadvantage Due to the Reporting

1. The Company will adopt Regulations on Ensuring Effectiveness of Audit by Company Auditors. Thereby, the Company will clearly stipulate the matters that should be reported to the auditors by the directors or employees (including matters that relate to the execution of office in subsidiaries) together with other matters such as the method of making the said report. By appropriately operating this system, the Company will ensure the effectiveness of audits by the Company auditors.

2. The auditor will attend the Board of Directors and other important conference bodies of the Company such as the Management Meeting. The auditor thus will receive appropriate reporting of important information about the

Company. The directors, auditors and employees of subsidiaries should speedily report to the Company's auditors should any deed arise that may have a significant impact on the corporate group or should there be any risk of this occurring.

3. The Internal Audit Division will share with the auditors, the findings of the internal audit conducted on the corporate group.

4. The Company will create a system that reports to auditors all information relating to the use of the Helpline system.

5. If a person makes a report to the auditors or responds to or cooperates with the audit by company auditors (including directors and employees of subsidiaries), the Company will ensure that such a person does not receive disadvantageous treatment because of his report or response/cooperation.

8. Matters Relating to the Prepayment or Reimbursement Procedure of Costs Arising from the Execution of their Office by Auditors and Policy on the Handling of Other Costs or Liabilities Arising from the Execution of Office

When an auditor requests prepayment or reimbursement of costs that arise from the execution of their office, the Company will make speedy payment of these costs or take other necessary action, unless the expenditure is deemed not to be necessary for the execution of the office of the respective auditor.

9. System for Ensuring the Effective Conducting of Audits by Auditors

1. The Representative Director will hold regular meetings with the Audit and Supervisory Board and exchange views on issues to be addressed and important issues relating to auditing.

2. The auditors will work in close partnership with the Internal Audit Division. Cooperation can also be sought from the Financial Division, Corporate Planning Division, General Affairs Division, Legal Affairs Division and other divisions as necessary.

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