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Hibiki Path Advisors Pte. Ltd.



INTRODUCTION TO HIBIKI PATH ADVISORS



Company	Hibiki Path Advisors Pte. Ltd.	
CIO	Yuya Shimizu	
Established	November 2015 (Started Operation March 2016)	
Shareholders	100% internal	
License	Monetary Authority of Singapore CMS (Reg.201541140R)	
Clients	Domestic and Foreign Pensions, family offices and Individuals	
Head Office	9 Raffles Place, #26-01, Singapore 048619	
Our Media	Website	https://www.hibiki-path-advisors.com
	Hibiki Investment News	https://hibiki-investment-news.com
	X	https://x.com/news_hibiki
	LinkedIn	https://www.linkedin.com/company/hibiki-path-advisors/

Hibiki's Core Investment Philosophy

- We invest in small-to-mid Caps in Japan
- We invest in companies with value but for some reason stock market is not appreciating its value
- We would like to walk side by side with the management and engage with them
- We will invest in 3-5 years time frame



OUR INITIAL RESPONSE TO MANDOM'S MANAGEMENT BUY OUT OFFER

17 SEPTEMBER 2025



PURPOSE OF THIS PRESENTATION



- Mandom, one of Hibiki Path Advisors' ("Hibiki", "Us", "We") core holdings has announced an MBO on 10th September 2025 and we would like to explain our view as minority shareholder
- Introduction of the Questionnaire we sent out to the board and the special committee of Mandom

MANDOM'S KEY BRANDS



SILKYGIRL



LÚCIDO-L



PIXY
My Beauty, My Energy

ABOUT MANDOM



History

- Founded in 1927 as Kintsuru Perfume, renamed to Mandom in 1970 due to mega hit of the Mandom hair liquid brand, then in 1978, introduced "GATSBY".
- Possess over 25% of the domestic male cosmetics market share and over 50% of the male hair styling market due to its continued success on GATSBY.
- Expanded into Indonesia as early as 1969 which is leading to high brand recognition throughout all Southeast Asian countries.

Summary data and valuation

- Revenue \$571mn, OP \$24mn (both 3/26 Co Est), Mkt Cap \$628nm
(based on 2,053yen price as of 12 Sept 2025 – 4.7% higher than TOB price of 1,960yen)
- P/E 16.9x、 P/BR 1.2x、 EV/EBITDA 5.9x (all based on 3/27 estimate)

(note) 3/27 profit estimated by Hibiki, based on mid-term plan of Mandom

COMPARABLE VALUATIONS



Ticker	Name	Market Cap (USD mn)	EV (USD mn)	P/B ratio (actual)	EV / EBITDA (FY26)
4917	MANDOM	628	457	1.4x	5.9x
4911	SHISEIDO	6,410	8,147	1.5x	9.1x
4922	KOSE	2,288	1,737	1.3x	7.7x
4927	POLA ORBIS	1,966	1,629	1.8x	9.4x
4928	NOEVIR	1,071	971	3.2x	11.2x
4919	MILBON	554	475	1.7x	7.2x
4933	I-NE	181	178	1.5x	4.2x
Average				1.8x	8.1x
Median				1.6x	8.4x

(note)

Based on closing stock price of 12 Sept, 2025

Net debt is short- and long-term interest-bearing debt minus cash & cash equivalents

Mandom's EBITDA forecast is average of the two financial advisors' estimates

Other companies are calculated based on Bloomberg estimates

Fiscal year-ends: Mandom / March, Noevir / September, Others / December

1 USD = JPY 147.67

Source Bloomberg

OUR PROPOSAL LETTER IN MARCH 2024



- **Intrinsic value 3,050 yen※ (stock price was 1,320yen as of 31st March. 131% upside)**
- **We pointed out excessively conservative Balance Sheet management as one cause for low valuation**
- **We made four proposals to the management**
 - **Proactive brand-specific disclosure to firmly establish each brand's narrative within the market**
 - **Disclose Mandom's differentiation strategy as a pioneer in Asia while competitors are trying to enter the market**
 - **Enhance the stock incentive frameworks by expanding eligibility and increasing grant amounts**
 - **Establish a double-digit ROE goal supported by focused capital allocation efforts**

※ Please find the calculation in pages 9 and 10 of our [Proposal to Enhance Mandom's Corporate Value](#) (Link here)

FOUR KEY POINTS OF THE MBO



- The tender offer price has been set at ¥1,960 per share, implying a market capitalization of ¥88.5 billion. Of this amount, approximately ¥53.0 billion will be financed through a loan facility provided by MUFG. Valuation multiples at the offer price are PER 16.1x, EV/EBITDA 5.4x (FY ending March 27 forecast), and PBR 1.2x (actual).
- Following the privatization, the founding family will reinvest and is expected to hold a 33.4% stake. The existing leadership team, comprising Chairman Motonobu Nishimura and President Ken Nishimura, will be retained, along with approximately one-third representation on the board of directors by the family.
- CVC Capital Partners, a leading global private equity sponsor, will provide the remaining 66.7% of equity capital. Together with the founding family, CVC will focus on driving corporate value creation with the stated objective of pursuing a re-listing within three years.
- The transaction is currently at the pre-TOB announcement stage, with the commencement of the tender offer targeted for late September, subject to obtaining clearance under Vietnam's competition law.

(note) P/E, P/B, EV/EBITDA is based on Hibiki estimate that takes Mandom's mid-term plan as bottomline

THREE COMMENT FROM HIBIKI

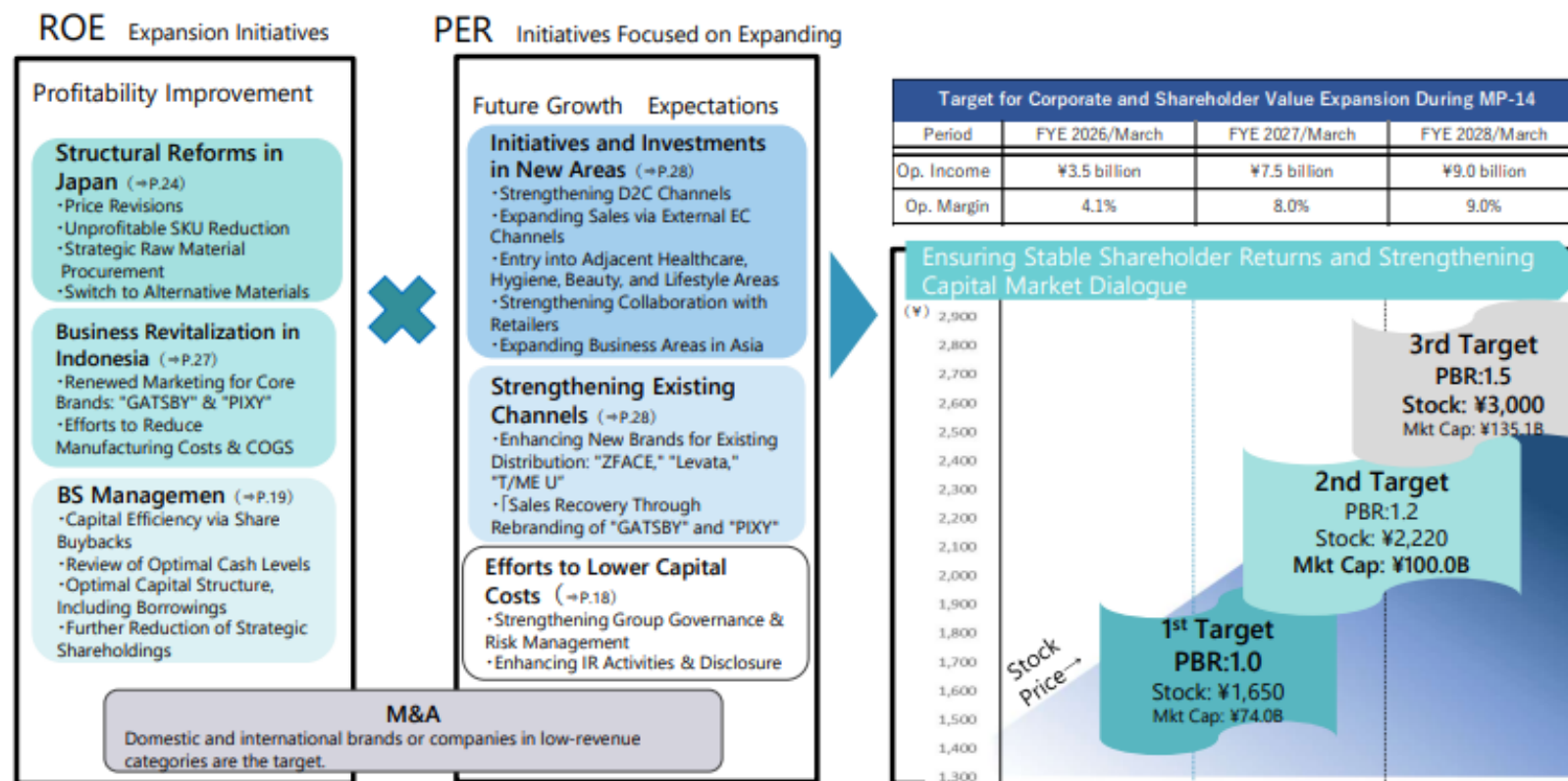


- We agree that there is a genuine strategic rationale behind pursuing a “proactive and offensive” MBO aimed at achieving discontinuous growth.
- The efforts of the Board of Directors and the Special Committee in negotiating an upward price revision are well acknowledged and valued. ⇒ However, several questions remain.
- With respect to the ¥1,960 offer price we feel it is insufficient in fully reflecting the company’s intrinsic value.

MANDOM – 3/25 IR MATERIAL SLIDE 18

5-1. Our main efforts to expand PBR and the time-series image

We are committed to steadily executing initiatives for profitability improvement and growth, while focusing on clearly communicating our future growth potential to investors. Through these efforts, we aim to restore and enhance shareholder value.



FOUR KEY QUESTIONS



- As part of the Special Committee's activities, the initial MBO offer price of ¥1,600 was successfully negotiated upward on seven occasions, which is duly acknowledged. However, in the final stage, although the Special Committee counter-proposed ¥2,100, it promptly agreed the next day to only a minor ¥10 increase from the prior proposal, setting the price at ¥1,960.
- While it is noted that both the management side and the Special Committee conducted DCF-based valuation using the same business plan as a basis, there is a material discrepancy in the underlying assumptions for free cash flow.
- In the equity valuation exercise, the market price method and DCF method were employed; however, it is noteworthy that the comparable company analysis method—commonly used in many similar cases—was deliberately not applied in this instance.
- The TOB price does not incorporate any of the expected synergies arising from the transaction.

SUMMARY



- We acknowledge and praise Mandom founding family's strategic rationale of pursuing an “offensive MBO” aimed at discontinuous growth is acknowledged. As a supporter of the company, we respect and endorse the determination to take risks, adopt a medium to long-term perspective, and maximize corporate value with such a committed mindset.
- However, upon reviewing the disclosed materials, certain aspects of the negotiation process between the buyer and the Special Committee raised questions. Accordingly, a written inquiry was submitted to Mandom management, and we will disclose it to general shareholders.

Link here : **[Letter of Inquiry Regarding the MBO](#)**

- With regard to the TOB offer price of ¥1,960, it is not considered to adequately reflect the company's intrinsic value.

CONTACT INFORMATION AND DISCLAIMER



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