

Business Results (April 1, 2007 – September 30, 2007)

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Corporate Name: Mandom Corporation Stock Listing: Tokyo Stock Exchange, First Section
 Code Number: 4917 Head Office: Osaka Prefecture
 (URL: <http://www.mandom.co.jp>)

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 Interim Business Report December 13, 2007
 Issued
 Dividend Payout December 10, 2007

1. Interim Results for Fiscal 2008 (April 1, 2007 – September 30, 2007)

(Note: Rounded off to millions)

(1) Sales and Income

(The percentages are year-on-year increase/decrease rates compared to the interim results of the previous year.)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	(¥ million)	Change % YoY	(¥ million)	Change % YoY	(¥ million)	Change % YoY	(¥ million)	Change % YoY
FY 2008 Interim	30,352	11.2	4,762	37.9	4,739	36.3	2,488	39.9
FY 2007 Interim	27,287	4.8	3,452	△14.0	3,476	△14.7	1,778	△15.8
FY 2007	51,250	-	5,195	-	5,109	-	2,488	-

	Earnings Per Share (EPS)	Earnings Per Share (diluted)
FY 2008 Interim	¥104.61	¥ ---
FY 2007 Interim	¥74.31	¥ ---
FY 2007	104.28	¥ ---

Notes: Investment profit or loss on equity method

9/07: ¥17 million

9/06: ¥19 million

3/07: ¥35 million

(2) Financial Position

	Total Assets	Shareholders' Equity	Shareholders' Equity Ratio	Shareholders' Equity Per Share
	(¥ million)	(¥ million)	%	¥
FY 2008 Interim	56,606	46,791	76.0	1,809.14
FY 2007 Interim	52,129	43,446	78.2	1,712.90
FY 2007	51,620	44,182	79.6	1,727.55

Notes: Shareholders' Equity

9/07: ¥43,036 million

9/06: ¥ 40,749 million

3/07: ¥41,096 million

(3) Cash Flow

Consolidated Basis

	Operating Activities	Investing Activities	Financing Activities	Cash and Cash Equivalents at end of fiscal year
	(¥ million)	(¥ million)	(¥ million)	(¥ million)
FY 2008 Interim	5,001	△3,867	△944	9,198
FY 2007 Interim	3,093	△1,233	△1,839	8,978
FY 2007	3,411	△1,120	△2,554	8,783

2. Dividends

(Date)	Dividend Per Share		
	H1	H2	FY Total
FY 2007	¥30.00	¥30.00	¥60.00
FY 2008	¥30.00	-	¥80.00
FY 2008 (Forecast)	-	¥50.00	

3. Outlook for Fiscal 2008 (April 1, 2007 – March 31, 2008)

(The percentages are year-on-year increase/decrease rates.)

	Net Sales		Operating Income		Ordinary Income		Net Income		EPS
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
2008	55,500	8.3	6,450	24.1	6,250	22.3	3,200	28.6	134.52

4. Other Information

- (1) Changes in consolidation of subsidiaries: None
- (2) Changes in the accounting principles, methods or display applying to the period
(Changes to the significant accounting policies serving as the bases for preparation of interim consolidated financial statements):
- i) There were changes due to alterations in accounting criteria.
 - ii) There were no changes other than i) above.
- (3) Total number of issued shares (common stock)
- i) Total number of issued shares at the end of the fiscal year (including treasury stock)

9/07: 24,134,606	9/06: 24,134,606	3/07: 24,134,606
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 - ii) Total number of treasury stocks

9/07: 346,207	9/06: 344,889	3/07: 345,687
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<Reference>

Summary of Business Results for Mandom Corporation (Non-consolidated)

1. Interim Business Results for Fiscal 2008 (April 1, 2007 - September 30, 2007):

Parent Company Only

(1) Sales and Income

(The percentages are year-on-year increase/decrease rates compared to the interim results of the previous year.)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	(¥ million)	Change % YoY	(¥ million)	Change % YoY	(¥ million)	Change % YoY	(¥ million)	Change % YoY
FY 2008 Interim	21,188	7.7	2,898	42.3	3,252	34.5	2,059	32.3
FY 2007 Interim	19,665	1.6	2,036	△31.4	2,418	△25.7	1,556	△19.0
FY 2007	36,498	-	3,099	-	3,372	-	2,086	-

	Earnings Per Share (EPS)
FY 2008 Interim	¥86.59
FY 2007 Interim	¥65.03
FY 2007	¥87.45

(2) Financial Position

	Total Assets	Shareholders' Equity	Shareholders' Equity Ratio	Shareholders' Equity Per Share
	(¥ million)	(¥ million)	%	
FY 2008 Interim	48,291	40,692	84.3%	¥1,710.62
FY 2007 Interim	46,520	39,856	85.7%	¥1,675.35
FY 2007	45,301	39,591	87.4	1,664.28

Notes: Shareholders' Equity

9/07: ¥40,692 million

09/06: ¥39,856 million

3/07: ¥39,591 million

2. Outlook for Fiscal 2008 (April 1, 2007 – March 31, 2008): Parent Company Only

(The percentages are year-on-year increase/decrease rates.)

	Net Sales		Operating Income		Ordinary Income		Net Income		EPS
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	
2008	38,300	4.9	3,840	23.9	4,210	24.8	2,600	24.6	109.30

* Information for the appropriate use of forecast figures, and other special comments

Data and comments relating to performance outlook given hereby are based on the information currently available to Mandom Corporation and on specific facts deemed to be reasonable at this time. Actual performance may differ greatly from the figures forecasted due to various factors. For special notes on using the forecast figures and the assumptions used in making the forecast, refer to p. 6 under “1. Results of Operations and Financial Condition; 1. Review of Operations.”

I. Results of Operations and Financial Condition

1. Review of Operations

(1) Business Results

	Net Sales (¥ million)	Operating Income (¥ million)	Ordinary Income (¥ million)	Net Income (¥ million)	EPS (¥)	ROE (%)
FY 2008 Interim	30,352	4,762	4,739	2,488	104.61	5.9
FY 2007 Interim	27,287	3,452	3,476	1,778	74.31	4.4
Change % YoY	11.2%	37.9%	36.3%	39.9%	40.8%	34.1%

Between April and September 2007, the Japanese economy underwent continued recovery led by the private sector, with increases in plant and equipment investment on the heels of better corporate profits and steady improvements in employment. The cosmetics market, however, remains subject to severe competition, although macroeconomic indicators (shipment figures in quantity and value) are rising. The Asian economy meanwhile, where the Mandom Group's overseas operations are conducted, expanded gently despite some foreboding (high crude oil prices and the economic downturn in US) about the global economy.

Total consolidated sales for the Interim Period ending September 30, 2007 reached ¥30,352 million, which as an 11.2% increase over the same period last year. In Japan, the core brand *Gatsby* provided the main thrust for expansion in sales, thanks to the contribution made by its hair wax series (Moving Rubber) and seasonal summer goods. Assisted further by the launch of new autumn lines, sales in Japan increased 5.9% year on year. Overseas also, the Gatsby brand is showing steady growth in sales in most of Asia. This fiscal year saw the consolidation of the Chinese subsidiary, and women's cosmetics produced stronger sales results, both of which led to a huge rise in income of 24.4% year on year.

Operating profit was ¥4,762 million, a remarkable increase of 37.9% over the same period last year. The chief reasons are that income increased due to sales growth in Japan, further enhanced by marketing expenditure (A&P costs) being contained at a

lower level than the previous year and that favorable foreign exchange conditions overseas resulted in cost reduction. Ordinary income thus increased 36.3% over the same period of FY 2007 and recorded ¥4,739 million. Net income for the Interim Period, April 1 to September 30, 2007, saw an impressive increase of 39.9% year on year, totaling ¥2,488 million.

The business results for this Interim Period outperformed the results of the same period last year in sales and in income at all levels, resting at record high numbers. The dividend payout for this interim period is to be ¥30 per share as initially announced.

Sales Breakdown by Region

Given below are operational results by geographical segment.

(¥ million)

Regional Segment	Net Sales			Operating Income		
	FY 2008 Interim	FY 2007 Interim	Change % YoY	FY 2008 Interim	FY 2007 Interim	Change % YoY
Japan	20,617	19,462	5.9%	2,973	2,170	37.0%
Asia	9,735	7,825	24.4%	1,787	1,281	39.5%

Sales in Japan totaled ¥20,617 million. This was an increase of 5.9% year on year. The main contributor to this good performance were *Gatsby*, whose hair wax (Moving Rubber) and paper products (facial paper, body paper) led the way, *Lucido*, which launched a new styling series, and *Produce*, a new brand in women's gray hair colorant market. Their success compensated for the sluggish sales of other existing products.

Operating income saw a big increase over last year at 37.0%, reaching ¥2,973 million. Although crude oil prices rose sharply and pushed raw material costs high and a heavy outlay of marketing costs (advertising and promotions) due to new product launches had to be made, sales expansion increased income and the strategic investment of marketing costs returned to ordinary levels of investment.

Sales in Asia totaled ¥9,735 million. The core brand *Gatsby* hit a wall in some areas, but hair styling agents in the whole of Asia grew in sales and women's cosmetics in Indonesia also increased sales at a steady rate. The result was a 24.4% increase over the same period last year. The total proportion of sales in Asia to total Group sales for this Interim Period was 32.1%.

In operating income, thanks to cost reductions brought about by the Indonesian subsidiary (PT Mandom Indonesia Tbk) reining in its cost and the strength of local currencies in the whole of Asia against the dollar and yen when importing raw materials and goods, there was a huge increase of 39.5% year on year. The operating income was ¥1,787 million.

(2) Outlook for Next Fiscal Year, Ending March 31, 2008

	Net Sales (¥ million)	Operating Income (¥ million)	Ordinary Income (¥ million)	Net Income (¥ million)	EPS (¥)	ROE (%)
FY Ending March 31, 2008	55,500	6,450	6,250	3,200	134.52	7.4
FY Ended March 31, 2007	51,250	5,195	5,109	2,488	104.28	6.1
Change % YoY	8.3	24.1	22.3	28.6	29.0	21.3

The Japanese economy is expected to continue in its recovery led by private sector demand in spite of some uncertainties clouding the picture. The cosmetics market in the second half of this fiscal year is likely to experience intensifying competition. The Asian economy overall is on a gentle expansion curve but fluctuations in the financial (capital) market may adversely affect the global economy, leaving continuing uncertainties for the future.

Against this backdrop, the Mandom Group foresees increase in net sales over the previous fiscal year. The core brand *Gatsby* will be given further impetus mainly through the reinforcement of hair styling agents. New products will be launched in spring in Japan and market-tailored product development and marketing activities will be strengthened overseas.

In profit terms, the outlook is equally optimistic. In Japan, the second half of this fiscal year is likely to suffer the same fate as the first half with regard to raising raw material costs due to skyrocketing crude oil prices. In addition, a heavy input of marketing expenditure (advertising and promotions) aimed at sharpening competitiveness will be required. Similarly, marketing outlay is anticipated overseas in order to foster core brands in all overseas markets and to strengthen distribution capability. However, such negative impacts are expected to be more than offset by the benefits of increased sales, delivering huge increases in incomes over the previous fiscal year.

Given this situation, as was announced on October 19, 2007 in the Notice Regarding the Revision of Performance Outlook for FY 2008, the figures forecast for the fiscal year

ending March 31, 2008 are as follows: consolidated sales are forecast to total ¥55,500 million (8.3% up year on year), operating income ¥6,450 million (24.1% up year on year), ordinary income ¥6,250 million (22.3% up year on year) and net income ¥3,200 million (28.6% up year on year).

There is a risk factor pertaining to these figures. Foreign exchange fluctuations greatly impact the financial statements of the overseas subsidiary that is the Group's growth engine. Therefore, the forecast is based on exchange rates of 0.0130 yen to one Indonesian rupiah (0.0128 JPY/IDR for October to March).

(3) Mid-Term Management Plan: Progress Report

The key goal of the current Three-Year Mid-Term Management Plan (FY 2006 – FY 2008) is to deliver consistently high returns to shareholders by increasing profits for the term through improved growth and profitability.

Starting with a brief review of the course of the current Mid-Term Management Plan, the first year (FY 2006) saw less increase in income than was initially planned due to intensifying competition in the Japanese market and a slump in some of the overseas markets. The second year (FY 2007) resulted in sales exceeding target thanks to strategic marketing investment in Japan; however, profits suffered a huge setback. This year (FY 2008) is the final year of the Plan. Because of the results of the preceding two years, the targets set in the Plan cannot be met by efforts made this year but the Management's aim is to narrow the gap between actual performance and the targets of the Plan through the strengthening of sales in Japan and overseas and the recovery of badly dented profitability back to a level above the norm.

FY 2008 has so far seen the top priority brand *Gatsby* performing well in consolidated Group companies and the *Lucido* brand in Japan doing better than anticipated. The news overseas is also good, with women's cosmetics selling well. Thus performance is better than the forecast at the beginning of the fiscal year. On the profit front, there are some threats such as the sharp rise in crude oil prices that have pushed up raw materials cost; still, the benefits of increased income have penetrated to all the income categories of the financial statement and at the time of this interim report, all income figures are outperforming planned levels.

In relation to the Mid-Term Management Plan, overall turnover will not attain the level as planned. Nevertheless, the top priority brand *Gatsby* has grown in this period, the final fiscal year of the Plan, so much so that total sales of ¥30,000 million is now within sight. The success is due to improvement in the product line-up in Japan, creation of new markets and direction of effort into expanding the overseas market. Furthermore, overseas operations, our priority in terms of area strategy, have expanded to comprise one third of total consolidated sales. Thus, in terms of the two priorities described above, the planned objectives are mostly being fulfilled. As for profits, the good performance of FY 2008 to date has meant a further closing of the gap between actual achievement and the targets set by the Mid-Term Management Plan.

In this context, although the Group has not attained the capital efficiency that is the goal of the Mid-Term Management Plan, the Management will endeavor to maximize shareholder return by maintaining the Group's stable financial conditions and aim to continue to deliver the indicators adopted for shareholder return, namely the dividend payout ratio of 40% or more and DOE of 3% or more.

(4) Achievement of Target Performance Indicators

Management places particular priority on the efficient use of capital and growth per share. The two performance indicators Mandom uses in this regard are: Return on Equity (ROE) and Earnings Per Share (EPS). At the start of the current Mid-Term Management Plan, target values were set for the Plan's final year, on the assumption that increased income and profit would be achieved each year. Sadly in FY 2007, the second year of the Plan, both indicators went far below those of the preceding year. This was due to falling profit levels because of strategic marketing investment necessitated by intensifying competition in Japan. Thus the target indicators for FY 2008, the final year of the Three-Year Mid-Term Management Plan have been revised to ROE at 7.4% and EPS at ¥134.52.

Thanks to the performance recovery based on good sales figures in Japan, better results are being achieved in FY 2008 than forecast at the start of the fiscal year. In both ROE and EPS, the revised target values are expected to be attained. In view of making efficient use of capital, Management will work towards increasing income in the existing business operations for the fiscal year; also, in view of the investment set aside for business expansion and idle cash, Management will work towards improving the

Group's capital efficiency, and in terms of offering returns to shareholders from a long-term perspective, a flexible policy in the acquisition of treasury stock will be adopted, with Management aim being the continued growth of the Group and enhanced corporate value.

Notes:

ROE = Net income / [(Shareholders' equity at the beginning of the period + Shareholders' equity at the end of the period) / 2]

* Shareholders' equity = Net assets in total – Stock acquisition right – Minority interest

EPS = Net income / Average number of outstanding shares

2. Review of Financial Condition

(Consolidated Basis)

(¥ million)

	FY 2007	FY 2008 Interim	Change YoY
Total Assets	51,620	56,606	4,986
Shareholder's Equity	44,182	46,791	2,609
Shareholder's Equity Ratio	79.6%	76.0%	△3.6%
Shareholder's Equity per Share	¥1,727.55	1,809.14	¥81.59

Cash Flow (Consolidated Basis)

(¥ million)

	FY 2007 Interim	FY 2008 Interim	Change YoY
Cash & cash equivalents balance at start of period	8,983	8,783	△200
Operating cash flow	3,093	5,001	1,907
Investment cash flow (Fixed assets investment)	△1,233 (△1,191)	△3,867 (△1,167)	△2,634 (24)
Financing cash flow	△1,839	△944	894
Foreign currency translation adjustment	△26	61	88
Net increase in cash and cash equivalents	△5	251	256
Increase due to change in consolidation	-	163	163
Cash & cash equivalents balance at end of period	8,978	9,198	220

* Pre-tax net income 3,478 4,768 1,290

Depreciation cost 866 1,057 191

* Fixed asset investment

Tangible fixed assets 1,165 1,130 △35

Intangible fixed assets 26 37 10

(1) General Overview

Total assets during the six-month period increased by ¥4,986 million to ¥56,606 million, chiefly as a result of the increases of securities and of tangible fixed assets. The increase in securities is a result of financial maneuvers by Mandom Corporation. The increase in tangible fixed assets is chiefly the result of the completion of a new plant in the Indonesian subsidiary, Pt Mandom Indonesia Tbk.

Liabilities increased over the six-month period by ¥2,376 million. This is accounted for in the main by the increases in debt service and deferred corporate tax liabilities. The increase in debt service is owing to the heavy investment in marketing expenditure by

Mandom Corporation and the increase in deferred corporate tax liabilities is the result of the rise in profits of Mandom Corporation.

Shareholders' equity increased by ¥2,609 million during this six-month period to ¥46,791 million. This is chiefly due to the amassing of ¥2,488 million in net profit during this six-month period.

(2) Cash Flow Situation

Net cash provided by operating activities stood at ¥5,001 million, a ¥1,907 million rise over the previous year. The principal reasons are the rise in pre-tax net income of ¥1,290 million to ¥4,768 million and the decrease in corporate tax payments of ¥604 million. Depreciation cost saw an increase of ¥191 million over the same period last year and totaled ¥1,057 million.

Cash provided by investment activities saw a year-on-year decrease of ¥2,634 million, leaving a negative balance of ¥3,867 million. This is due to the balance of acquisition, redemption and disposal of securities that decreased ¥2,221 million compared to the previous year.

Financing activities ended also in a negative cash flow of ¥944 million. ¥942 million was spent on shareholder dividend including payment to minority shareholders. The change in consolidation status resulted in an increase in cash and cash equivalents of ¥163 million.

(3) Cash Flow Indicators

	FY 2004 (87th Term)	FY 2005 (88th Term)	FY 2006 (89th Term)	FY 2007 (90th Term)	FY 2008 (91st Interim)
Shareholders' Equity Ratio (%)	80.7	80.5	79.1	79.6	76.0
Market Value Shareholders' Equity Ratio	123.3	148.4	139.4	135.9	118.1
Cash flow to Interest-bearing Liabilities Ratio (%)	8.7	5.8	7.1	9.9	6.7
Interest Coverage Ratio	1,308.8	3,266.3	2,659.3	1,045.0	2,945.4

Notes: Shareholders' Equity Ratio = Shareholders' equity / Total assets

Market Value Shareholders' Equity Ratio = Net market value / Total assets

Cash Flow to Interest-bearing Liabilities Ratio = Interest-bearing liabilities / Cash flow

Interest Coverage Ratio = Cash flow / Interest paid

- * All figures were calculated using financial figures on a consolidated basis.
- * Net market value was calculated by multiplying closing share price at fiscal year-end and number of outstanding shares at fiscal year-end (after discounting treasury stock).
- * Operating cash flow has been used to represent “cash flow.”
- * Interest-bearing liabilities signify all liabilities on which interest is being paid out of the liabilities listed on the consolidated balance sheet. Interest paid is the interest payment sum shown in the consolidated cash flow statement.

3. Earnings Distribution Policy and Dividends

Returning profits to shareholders through dividend payments is a core management policy within the constraints of earmarking adequate internal reserves for operational development and new business development for the medium to long term. Thus, under this strong commitment to dividend policy, the Group will endeavor to maintain a dividend payout ratio of not less than 40% of net income on a consolidated basis and a dividend-on-equity ratio (DOE) of 3% or more.

Internal reserves are intended to be put to optimum effect in expanding the Group's existing operations through manufacturing facilities investment and in enhancing corporate value through strategic investment into areas including overseas operations and R&D.

The dividend payout for the whole year is expected to total ¥80 per share, as was announced on October 19, 2007 in the “Notice Regarding Revision of Dividend Forecast.” This assumes the attainment of current net profit forecast, which will deliver an ordinary dividend payout of ¥30 per share at the end of term, together with a ¥20 commemorative dividend of ¥20 per share. This means a payout of ¥50 per share for the second half of the fiscal year brings the total payout for the twelve-month period to ¥80 per share.

II. Mandom Group Companies

The Mandom Group consists of Mandom Corporation, 13 subsidiaries and 1 affiliated company. The Group's main line of business is the manufacture and sales of cosmetics. Summarized below are the roles of each of the Group companies in our business activities.

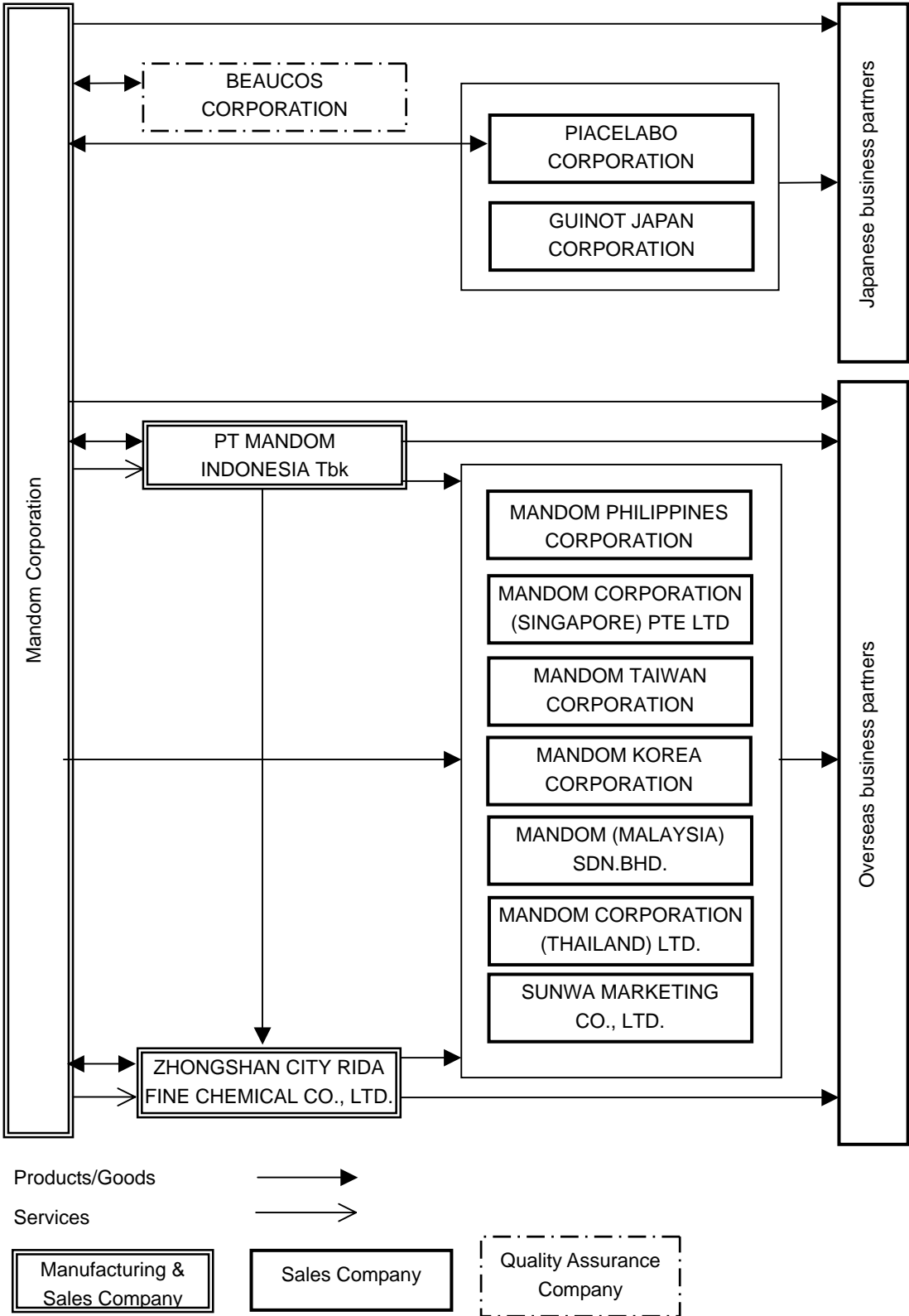
Cosmetics Business

Manufacture /Sales	1 Japanese & 2 overseas companies
Japan	Mandom Corporation Mandom Corporation manufactures and markets cosmetics handled by the company. Mandom Corporation also manufactures cosmetics to be sold by the consolidated Japanese subsidiaries. Mandom Corporation exports cosmetics handled by the consolidated Japanese subsidiaries.
Overseas	2 consolidated subsidiaries These two consolidated subsidiaries - PT MANDOM INDONESIA Tbk, and ZHONGSHAN CITY RIDA FINE CHEMICAL CO. LTD., - manufacture and sell cosmetics that they each handle. In addition, they manufacture and export cosmetics to be sold by Mandom Corporation.
Sales	2 Japanese & 7 overseas companies
Japan	2 consolidated subsidiaries Supplied mainly by Mandom Corporation, PIACELABO CORPORATION and GUINOT JAPAN CORPORATION market the products.
Overseas	5 consolidated subsidiaries, 1 equity-method affiliate and 1 non-consolidated subsidiary These companies mainly purchase supplies from Mandom Corporation and 2 Group's overseas manufacturing companies and sell these products. Consolidated subsidiaries: MANDOM PHILIPPINES CORPORATION, MANDOM CORPORATION (SINGAPORE) PTE LTD, MANDOM TAIWAN CORPORATION, MANDOM KOREA CORPORATION, MANDOM (MALAYSIA) SDN.BHD. Equity-method affiliate: SUNWA MARKETING CO., LTD. Non-consolidated subsidiary: MANDOM CORPORATION (THAILAND) LTD.
Other	1 Japanese company
Japan	1 consolidated subsidiary BEUCOS CORPORATION controls the quality of cosmetics handled by Mandom Corporation and the consolidated Japanese subsidiary.

Other Business Activities

Non-consolidated subsidiaries:	1 Japanese & 1 overseas companies
Japan	MANDOM BUSINESS SERVICE CORPORATION is an insurance agency and undertakes property management for Mandom Corporation's head office building.
Overseas	MANDOM MANAGEMENT CONSULTANTS SDN. BHD. undertakes consultancy.

The figure below shows the business relationship among Group companies.



Affiliated Companies

Name	Address	Capital or Invested Capital	Main Business Activities	Voting Rights	Relationship	Notes
(Consolidated Subsidiary) PIACELABO CORPORATION	Chuo-ku, Osaka	(million yen) 200	Sales of cosmetics	(%) 100.0	Mandom Corporation manufactures and sells its cosmetics and leases out office premises; 4 concurrent directors (employees of Mandom Corporation)	
BEUCOS CORPORATION	Chuo-ku, Osaka	100	Quality assurance of cosmetics	100.0	Mandom Corporation leases out office premises; 1 concurrent director (employee of Mandom Corporation)	
GUINOT JAPAN CORPORATION	Chuo-ku, Osaka	100	Sales of cosmetics	100.0	Mandom Corporation manufactures and sells its cosmetics, loans out business funds and leases out office premises; 4 concurrent directors (employees of Mandom Corporation)	
MANDOM PHILIPPINES CORPORATION	Philippines	(million Philippine peso) 30	Sales of cosmetics	100.0	Mandom Corporation exports and sells products through it; 4 concurrent directors (of which 3 are employees of Mandom Corporation)	
MANDOM CORPORATION (SINGAPORE) PTE LTD	Singapore	(thousand Singapore dollars) 600	Sales of cosmetics	100.0	Mandom Corporation exports and sells products through it; 1 concurrent director (employee of Mandom Corporation)	
MANDOM TAIWAN CORPORATION	Taiwan	(million new Taiwan dollars) 50	Sales of cosmetics	100.0	Mandom Corporation exports and sells products through it; 4 concurrent directors (of which 3 are employees of Mandom Corporation)	
MANDOM KOREA CORPORATION	South Korea	(million Korean won) 2,500	Sales of cosmetics	100.0	Mandom Corporation exports and sells products through it; 3 concurrent directors (of which 2 are employees of Mandom Corporation)	
MANDOM (MALAYSIA) SDN.BHD.	Malaysia	(million ringgit) 10	Sales of cosmetics	97.6	Mandom Corporation exports and sells products through it; 1 concurrent director (employee of Mandom Corporation)	
PT MANDOM INDONESIA Tbk	Indonesia	(million rupiah) 90,480	Manufacture and sales of cosmetics	60.7	Mandom Corporation sells cosmetics materials to it and purchases cosmetics products from it; 7 concurrent directors (of which 6 are employees of Mandom Corporation)	*1 *2
ZHONGSHAN	China	(thousand	Manufacture	58.4	Mandom Corporation sells	

Name	Address	Capital or Invested Capital	Main Business Activities	Voting Rights	Relationship	Notes
CITY RIDA FINE CHEMICAL CO., LTD.		yuan) 49,717	and sales of cosmetics		cosmetics materials to it and purchases cosmetics products from it; 4 concurrent directors (of which 1 is an employee of Mandom Corporation)	
(Equity-method affiliate) SUNWA MARKETING CO.,LTD.	Hong Kong	(million Hong Kong dollars) 12	Sales of cosmetics	39.0	Mandom Corporation exports and sells products through it; 2 concurrent directors (employees of Mandom Corporation)	

(Notes)

1. *1 indicates special subsidiary.
2. There are no companies that have submitted securities registration or financial statements.
3. The ratio of sales of *2 (excluding internal sales between consolidated companies) to the consolidated sales total exceeds 10%.

Key profit and loss data:

- | | |
|----------------------|-------------------|
| (i) Sales | 7,144 million yen |
| (ii) Ordinary Income | 1,355 million yen |
| (iii) Net Income | 966 million yen |
| (iv) Net Assets | 8,637 million yen |
| (v) Total Assets | 9,899 million yen |

III. Management Policies

1. Fundamental Management Policy, 3. Medium- to Long-Term Business Strategy, 4. Management Issues

There are no significant changes to the disclosure made through the Business Results for FY 2007 (published on May 11, 2007) regarding the three heading mentioned above. No further disclosure is made hereby.

The FY 2007 Business Results can be viewed online by accessing the Mandom Corporation website:

URL: <http://www.mandom.co.jp>

Alternatively, refer to the Tokyo Stock Exchange website (company information search page):

URL: <http://www.tse.or.jp/tseHpFront/HPLCDS0101.do?method=init>

2. Management Targets and Performance Indicators

Management places particular priority on the efficient use of capital and growth per share. The two performance indicators Mandom uses in this regard are: Return on Equity (ROE) and Earnings per Share (EPS). These indicators are deemed appropriate in targeting continued Group growth and enhanced corporate value based on increased profits. FY 2008 is the final year of the Three-Year Mid-Term Management Plan. During this final year, the Management aims to continue expanding the existing core businesses by focusing on cosmetics / toiletry and investing in the Southeast Asian markets to engender further growth in the Group's overseas operations. Successes in these areas are expected to bring increases in income for the fiscal year. Notwithstanding, the target values given for the final year (FY 2008) at the start of the Plan in April 2005 have been revised as follows:

(1) ROE: 10% (Year Ending March 31, 2008) → 7.4% (Year Ending March 31, 2008)

(2) EPS: ¥160 (Year Ending March 31, 2008) → ¥134.52 (Year Ending March 31, 2008)