Business Results (April 1, 2008 – June 30, 2008)

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

President: Motonobu Nishimura, Representative Director, President Executive Officer

Contact: Katsunori Takeda, Corporate Officer and General Manager, Financial Management Division

Tel: (81)- (0) 6 6767 5001

Submission of Report for this Quarter August 8, 2008 (scheduled)

1. Results for Q1 Fiscal 2009 (April 1, 2008 to June 30, 2008)

(Note: Rounded off to millions)

(1) Consolidated Financial Highlights

(The percentages are year-on-year % changes compared with the first quarter of the previous year.)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	(¥ million)	Change % YoY	(¥ million)	Change % YoY	(¥ million)	Change % YoY	(¥ million)	Change % YoY
Three months ended June 30, 2008	14,779	-	2,610	-	2,706	-	1,425	-
Three months ended June 30, 2007	14,273	9.5	2,887	32.7	2,988	33.2	1,586	46.1

	Earnings Per Share (EPS)	Earnings Per Share (diluted)
	(¥)	(¥)
Three months ended June 30, 2008	59.94	-
Three months ended June 30, 2007	66.70	-

(2) Financial Position

	Total Assets	Shareholders' Equity	Shareholders' Equity Ratio	Shareholders' Equity Per Share
	(¥ million)	(¥ million)	(%)	(¥)
Three months ended June 30, 2008	52,219	44,643	79.6	1,748.45
FY 2008	54,218	45,868	78.1	1,779.67

<Reference> Shareholders' Equity: FY2009 Q1 ¥41,591 million
FY2008 ¥42,334 million

2. Dividends

	Dividend Per Share				
(Date)	End Q1	End Q2	End Q3	End FY	FY Total
	(¥)	(¥)	(¥)	(¥)	(¥)
FY 2008	-	30.00	-	50.00	80.00
FY 2009	-				
FY 2009 (Forecast)		40.00	-	40.00	80.00

Note: Changes in dividend forecast for this quarter: None

3. Outlook for Fiscal 2009 (April 1, 2008 to March 31, 2009)

(The percentages are year-on-year increase/decrease rates. The percentage for Q1+Q2 is a comparison over the results of the respective quarters of the previous year.)

	Net Sales		Operating Income		Ordinary Income		Net Income		EPS
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
Consolidated Total for FY2009 Q1 and Q2	30,700	-	4,400	-	4,300	-	2,340	-	98.37
FY 2009	58,400	3.8	6,900	0.9	6,830	1.9	3,520	0.6	147.98

Note: Changes made this quarter in the forecast for consolidated business results: None

4. Other Information

(1) Changes in consolidation of subsidiaries: None

(2) Simplified accounting methods were used and special accounting methods were used for the preparation of the financial statements for this quarter:

For details, refer to p. 6 “Financial Statements: Qualitative Information, 4. Other Information.”

(3) 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 consolidated financial statements for this quarter):

1. There were changes due to alterations in accounting criteria.
2. There were no changes other than 1. above.

For details, refer to p. 6 “Financial Statements: Qualitative Information, 4. Other Information.”

(4) Total number of issued shares (common stock)

1. Total number of issued shares at the end of the fiscal year (including treasury stock)

6/09: 24,134,606 3/08: 24,134,606

2. Total number of treasury stocks

6/09: 346,882 3/08: 346,551

3. Average number of stocks during the consolidated period (Q1)

6/09: 23,787,973 6/08: 23,788,883

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

1. 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 the time. Actual performance may differ greatly from the figures forecast 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 Financial Statements: Qualitative Analysis, 3. Consolidated Business Result Forecast: Qualitative Analysis.
2. Starting from this consolidated financial year, the Accounting Standard for Quarterly Financial Reporting (ASBJ Statement No. 12) and the Guidance on Accounting Standard for Quarterly Financial Reporting (ASBJ Guidance No. 14) have been used. The quarterly financial statements were prepared in accordance with the Rules for Quarterly Consolidated Financial Statements.

Financial Statements: Qualitative Analysis

1. Consolidated Business Results: Qualitative Analysis

In the first quarter of the financial year ending March 2009, the Japanese economy witnessed a gentle increase in private-sector exports. However, the strong yen and high cost of resources led to steep increases in prices (including food), in turn depressing consumer confidence. Thus recovery of domestic demand was slow. The cosmetics industry is facing a tough environment of declining profits because of falling profits in Japan, what with volume of sales diminishing because of depressed domestic demand and the difficulty in reflecting the raw material price rise in the price of products. The Asian economy meanwhile, where the Group's overseas operations are conducted, is on an overall expansion trend despite some slowdown being seen in some regions, resulting in healthy performance by and large.

Against this economic backdrop, the Mandom Group concerted efforts in Japan and overseas to foster and strengthen brand power and to develop products that deliver what the customer wants in all countries and regions, diverse though in nature that has become.

The consolidated sales for the quarter ended June 30, 2008 totaled ¥14,779 million (3.5% up year on year). This is chiefly due to the core brand Gatsby increasing sales in Japan thanks to the good performance of its paper products (Facial Paper, Body Paper). In Asia likewise, Gatsby was the leader in growth. Mandom Corporation Thailand Ltd. was included in consolidation as of this quarter, further boosting sales figures.

Operating profit ended at ¥2,610 million (9.6% down year on year). The cause of this is mainly the A&P expenditure at Mandom Corporation exceeding that of the same period of previous year, plus PT Mandom Indonesia Tbk suffering from steep raw material price rises due to crude oil price increase and from cost rise due to local currency weakness against the dollar and the yen pushing up imported material and goods costs. All in all, the result was ordinary profit halting at ¥2,706 million (9.5% down year on year) and net profit decreasing for the quarter ended June 30, 2008 to ¥1,425 million (10.1% down year on year).

Regional segment information on sales figures is as follows.

In Japan, sales totaled ¥9,469 million (1.2% down year on year). Although the core brand Gatsby expanded sales, it was unable to compensate fully for the poor performance of existing lines. In terms of profit, a massive fall was experienced. Material costs increased and cost of sales and such as A&P and R&D and general administrative costs all increased. Operating profit was ¥1,673 million (20.1% down year on year).

In Asia, however, sales grew to ¥5,310 million (13.3% up year on year). This is thanks to Gatsby performing well through the growth in sales of hair styling agents. Regarding profit, the negative factors of steep raw material prices and cost rise due to local currency weakness in PT Mandom Indonesia Tbk were absorbed comfortably by the increase in income. Operating profit recorded a massive increase at ¥934 million (18.0% up year on year).

With Asian subsidiaries expanding the size and variety of business and with the consolidation of the Thai subsidiary, overseas sales shot up to ¥5,430 million (13.2% up year on year). The ratio of overseas sales to total consolidated sales has now reached 36.7%.

2. Consolidated Financial Condition: Qualitative Analysis

Total assets at the end of the first quarter decreased ¥1,999 million compared to the end of the previous financial year, now standing at ¥52,219 million. The reason for this is the decrease in securities through redemption and sales. Shareholders' equity decreased ¥1,225 million compared to the end of the previous financial year to ¥44,643 million. This is because the weakness of the local currencies against the dollar and the yen impacted and diminished the value of foreign exchange adjustment.

[Cash Flow]

Net cash provided by operating activities in the first quarter of FY 2009 was a negative balance of ¥905 million. The principal reasons are despite the pre-tax net income being ¥2,702 million, the trade receivables increased by ¥1,078 million, inventory increased by ¥753 million and corporate and other tax payments accounted for ¥1,403 million.

Cash provided by investment activities ended with a positive balance of ¥2,599 million. This is due to the balance of acquisition, redemption and disposal of securities being ¥3,580 million, although there was expenditure of ¥442 million on tangible fixed assets, mainly on manufacturing facilities investment in Japan and Indonesia.

Financing activities ended in a negative cash flow of ¥1,240 million, resulting from a payout of ¥1,268 million in shareholder dividend including payment of dividends to minority shareholders. The change in consolidation resulted in an increase of cash and cash equivalents by ¥69 million.

As a result of all the above activities, cash and cash equivalents on hand at the end of the first quarter of FY 2009 increased ¥255 million to ¥10,046 million.

3. Consolidated Business Result Forecast: Qualitative Analysis

The first quarter saw sales gain and earnings decline over the same period of the previous year. In the rest of the fiscal year, despite expected increasing competition at home and abroad, sales turnover will likely be achieved almost as planned by launching new products into the domestic market, as well as through efforts for continually strengthened sales of core brand Gatsby and increased market shares in women's products. Meanwhile, with raw material prices expected to continue to go up due to rising oil prices, earnings will likely come in nearly as originally planned through cost-to-retail ratio reduction efforts. In Japan, the Group will promote switch from outsourced to in-house production and overseas material procurement. Outside the country, its overseas production center PT MANDOM INDONESIA Tbk will raise prices while cutting costs on products.

In light of these expected conditions above, the Group has no reason to make any changes to the second half-year and full year business forecasts announced at the beginning of the year.

4. Other Information

(1) Changes in principal subsidiaries during the period (changes in specified subsidiaries involving changes in the scope of consolidation):
No applicable event occurred.

(2) Adoption of simplified accounting methods and special accounting methods for quarterly consolidated financial statements:

1. Simplified accounting methods

a. Estimation of bad debts on general receivables

Bad debts on general receivables for the first quarter were estimated using the bad debt ratio calculated at the previous fiscal year-end as a reasonable criterion value if there was no significant difference in this ratio between the quarter and the previous year-end.

b. Measurement of inventories

At the end of the first quarter, physical inventory was not taken. Inventories at the quarter-end were calculated using a reasonable method based on the actual inventory balance at the previous fiscal year-end.

2. Special accounting methods for quarterly consolidated financial statements

Mandom Corporation and its domestic consolidated subsidiaries reasonably estimated an effective tax rate on their pre-tax net profit (after tax-effect accounting) for the consolidated fiscal year including the first quarter. Then, they calculated income tax expenses for the quarter by multiplying their pre-tax quarterly net profit by the estimated effective tax rate. Note that income tax adjustments are included in the income tax expenses presented.

(3) Changes in accounting principles, procedures and presentation method for quarterly consolidated financial statements:

- Changes in accounting standards

1. Starting from the current consolidated fiscal year, Mandom Corporation adopts the Accounting Standard for Quarterly Financial Reporting (ASBJ Statement No. 12 issued on March 14, 2007) and the Guidance on Accounting Standard for Quarterly Financial Reporting (ASBJ Guidance No. 14 issued on March 14, 2007). The company also follows the Rules for Quarterly Consolidated Financial Statements to prepare its quarterly consolidated financial statements.
2. Previously, finance leases that do not transfer ownership of the leased property to the lessee were accounted for as rental transactions. Starting from the first quarter, however, the company adopts the Accounting Standard for Lease Transactions (ASBJ Statement No.13 issued on June 17, 1993 by the 1st Committee, Business Accounting Council; amended on March 30, 2007) and the Guidance on Accounting Standard for Lease Transactions (ASBJ Guidance No.16 released on January 18, 1994 by the Accounting Standard Committee, the Japanese Institute of Certified Public Accountants; amended on March 30, 2007), both effective for quarterly consolidated financial statements for fiscal years beginning on or after April 1, 2008. Accordingly, non-ownership transfer finance leases for the quarter were accounted for as ordinary sales transactions. Leased properties under these finance leases were depreciated by the straight-line method under which their lease period is defined as their service life and their remaining value is set at zero.

   The adoption had no effects on income and expenditure.
3. Previously, inventories held for ordinary sales were stated principally at cost determined by periodic average method. Starting from the first quarter, however, the company adopts the Accounting Standard for Measurement of Inventories (ASBJ Statement No. 9 issued on July 5, 2006). Accordingly, such inventories for the quarter were stated principally at cost determined by periodic average method (with their balance sheet values devaluated in line with reduced profitability).

   As a result, loss on disposal of inventories, which had been accounted for as non-operating expense, was charged to cost-of-goods-sold expense, starting from the quarter.

The adoption had minor effects on the income and expenditure.

4. Starting from the first quarter, the company adopts the Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements (ASBJ Practical Issues Task Force (PITF) No. 18 issued on May 17, 2006). According to this PITF, the company made necessary revisions to its quarterly consolidated financial statements.

   The adoption had minor effects on the income and expenditure.