Business Results (April 1, 2008 – March 31, 2009)

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Corporate Name: Mandom Corporation

Code Number: 4917 (URL: http://www.mandom.co.jp)

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Annual General Shareholders' Meeting: June 23, 2009

Dividend Payout: June 24, 2009

Financial Statements Issued: June 24, 2009

1. Results for Fiscal 2009 (April 1, 2008 – March 31, 2009)

(Note: Rounded off to millions)

(1) Sales and Income

	Net Sales		Operating Income		Ordinary Income		Net Income	
	(¥ million)	Change % YoY	(¥ million)	Change % YoY	(¥ million)	Change % YoY	(¥ million)	Change % YoY
FY 2009	55,178	△2.0	4,926	△28.0	5,175	△22.8	3,011	△14.0
FY 2008	56,289	9.8	6,837	31.6	6,704	31.2	3,499	40.6

	Earnings Per Share (EPS)	Earnings Per Share (diluted)	Return on Equity (ROE)	Ordinary Income / Total Assets	Operating Income / Net Sales
	¥	¥	%	%	%
FY 2009	126.60	-	7.4	10.0	8.9
FY 2008	147.13	-	8.4	12.7	12.1

Notes: Investment profit or loss on equity method
3/09: ¥28 million 3/08: ¥37 million

(2) Financial Position

	Total Assets	Shareholders' Equity	Shareholders' Equity Ratio	Shareholders' Equity Per Share
	(¥ million)	(¥ million)	%	¥
FY 2009	49,078	42,379	80.5	1,661.94
FY 2008	54,218	45,868	78.1	1,779.67

Notes: Shareholders' Equity

3/09: ¥39,532 million 3/08: ¥ 42,334 million

(3) Cash Flow

Consolidated Basis

	Operating Activities	Investing Activities	Financing Activities	Cash and Cash Equivalents at end of year
	(¥ million)	(¥ million)	(¥ million)	(¥ million)
FY 2009	3,458	△1,204	△2,045	9,235
FY 2008	7,614	△5,040	△1,659	9,791

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		¥40.00	-	¥20.00	¥60.00
FY 2010 (Forecast)	-	¥30.00	-	¥30.00	¥60.00

(Date)	Total Dividend Payout For Year	Payout Ratio (Consolidated)	Dividend on Equity Ratio (Consolidated)
	(¥ million)	(%)	(%)
FY 2008	1,903	54.4	4.6
FY 2009	1,427	47.4	3.5
FY 2010 (Forecast)		51.0	

3. Outlook for Fiscal 2010 (April 1, 2009 – March 31, 2010)

	Net Sales		Operating Income		Ordinary Income		Net Income		EPS
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
Consolidated Total for FY2010 Q1 and Q2	29,400	△4.8	3,750	△16.7	3,800	△18.3	2,000	△18.8	84.08
FY2010	53,700	△2.7	5,150	4.5	5,300	2.4	2,800	△7.0	117.71

Notes: 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.)

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 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)

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

ii) Total number of treasury stocks

3/09: 347,860 3/08: 346,551

<Reference>

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

1. Business Results for Fiscal 2009 (April 1, 2008 - March 31, 2009): Parent Company Only

(1) Sales and Income

	Net Sales		Operating Income		Ordinary Income		Net Income	
	(¥ million)	Change % YoY	(¥ million)	Change % YoY	(¥ million)	Change % YoY	(¥ million)	Change % YoY
FY 2009	37,316	△4.0	2,805	△31.0	3,670	△17.0	2,189	△19.6
FY 2008	38,859	6.5	4,069	31.3	4,421	31.1	2,720	30.4

	Earnings Per Share (EPS)	Earnings Per Share (diluted)
	¥	¥
FY 2009	92.02	-
FY 2008	114.38	-

(2) Financial Position

	Total Assets	Shareholders' Equity	Shareholders' Equity Ratio	Shareholders' Equity Per Share
	(¥ million)	(¥ million)	%	¥
FY 2009	44,870	39,612	88.3	1,665.33
FY 2008	47,135	40,351	85.6	1,696.31

Notes: Shareholders' Equity

3/09: ¥39,612 million 3/08: ¥40,351million

2. Outlook for Fiscal 2010 (April 1, 2009 – March 31, 2010): Parent Company Only

	Net Sales		Operating Income		Ordinary Income		Net Income		EPS
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
FY2010 Q1+Q2	21,060	△1.1	2,810	△0.4	3,300	△8.1	2,070	△9.9	87.02
FY2010	37,500	0.5	3,430	22.2	4,000	9.0	2,500	14.2	105.10

Notes: 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.)

<u>* Information for the appropriate use of forecast figures, and other special comments</u>

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 "Results of Operations and Financial Condition; 1. Review of Operations."

1. Results of Operations and Financial Condition

1. Review of Operations

(1) Business Results

	Net Sales	Operating Income	Ordinary Income	Net Income	EPS	ROE
	(¥ million)	(¥ million)	(¥ million)	(¥ million)	(¥)	(%)
FY 2009	55,178	4,926	5,175	3,011	126.60	7.4
FY 2008	56,289	6,837	6,704	3,499	147.13	8.4
Change % YoY	△2.0%	△28.0%	△22.8%	△14.0%	△14.0%	△1.0%

During the twelve months ended March 2009, the Japanese economy recorded the biggest negative growth since the end of World War II. In the first half of the business year, inflation resulted from high crude oil and materials prices. In the second half, the U.S. credit crunch triggered the downturn of the global economy, slumping external demand. For Japanese companies engaged in export and related businesses, this spelt excess inventories, facilities and manpower. Our cosmetics industry, which is said to be relatively unaffected by economic changes, faced tough times with regard profits due to the weakness of domestic demand. Meanwhile, in Asia, where the Group's overseas business is conducted, the economies suffered from inflation and the global economic recession, a sea-change from the comparatively huge growth trend maintained up till the previous business year. The Asian economies slowed down at an acute pace.

Such being the economic backdrop, the Group directed efforts to achieve sustained growth by realizing stable growth through the reinforcement of the core business area of Men's Grooming, by laying down the growth track for the new growth area of Women's Cosmetry and Women's Cosmetics, and by continuing the expansion of the overseas business.

The consolidated sales for the year ended March 2009 totaled ¥55,178 million (down 2.0% year on year), a decrease of ¥1,110 million from the previous year. This is explained by the slow sales in the third and fourth quarters in Japan and the rapid fall in local currency values overseas after the fourth quarter, which cut deeply into the yen-denominated figures.

The cost of sales was ¥24,920 million (up 4.1% year on year). This is mainly due to an increase in returned goods in Japan, the high price of raw materials because of expensive crude oil and materials, plus a massive rise in materials costs at the Group's Indonesian subsidiary and overseas production center, PT MANDOM INDONESIA Tbk, which suffered the effects of the weak rupiah. For these reasons, gross profit dipped to ¥30,257 million (down 6.5% year on year).

The sales and general administration costs totaled ¥25,331 million (down 0.7%). This is thanks to the reduction in marketing costs through rationalization and the reduction in yen-denominated values of overseas subsidiaries' cost of sales due to the weakness of local currencies. Thus, operating income decreased ¥1,911 million to ¥4,926 million (down 28.0% year on year).

As for non-operating profit and loss, changes in accounting criteria meant that "loss due to inventory disposal" that had been posted as non-operating cost is now part of "cost of sales," thus greatly reducing non-operating costs. Consequently, ordinary income was ¥5,175 million (down 22.8% year on year)

Looking at extraordinary profit and loss, profit due to the sale of fixed assets came to ¥798 million on the profit ledger while loss due to the sale of fixed assets of ¥814 million and valuation loss of investment securities of ¥269 million were posted on the loss ledger. As a result, pre-tax net income for the year decreased by ¥1,829 million to ¥4,836 million (down 27.4% year on year). However, the adoption of the non-inclusion of the foreign subsidiaries' dividend profits led to some disposal of deferred tax liabilities. Thus, current net income only dropped by ¥488 million from last year to ¥3,011 million (down 14.0% year on year).

The overall results for the consolidated financial year ended March 2009 were reduced revenues and reduced profits.

Sales Breakdown by Region

Consolidated Basis (¥ million)

Regional Segment	Net Sales			Operating Income		
	Fiscal Year 2008	Fiscal Year 2009	Change % YoY	Fiscal Year 2008	Fiscal Year 2009	Change % YoY
Japan	37,957	36,126	△4.8%	4,235	2,861	△32.4%
Asia	18,331	19,052	3.9%	2,599	2,053	△21.0%

Sales in Japan totaled ¥36,126 million (down 4.8% year on year). The main reasons for the fall are the slump in sales in the Men's Grooming, with established lines such as *Lucido* selling poorly due to the sharp deterioration in the Japanese market from the third quarter onwards, and the slump in Women's Cosmetry, with the sales dip of *Produce*, the women's gray hair coloring brand. On the profit side, the sales (marketing) cost was kept low but cost of sales went up due to an increase in returned goods among other reasons. Operating profit was ¥2,861 million (down 32.4% year on year).

By contrast, sale in Asia totaled ¥19,052 million (up 3.9% year on year). Men's Grooming, led by the core brand *Gatsby*, performed well overall. Women's Cosmetics grew in sales successfully. With the exception of some regions, a healthy double-digit growth was posted on the local currency basis. Nevertheless, the steep rise in the value of the yen meant that the increase in revenue was only ¥720 million on the yen-denominated basis. As a result, the ratio of sales in Asia to the Group total was 34.5% for this financial year. In profit terms, the Indonesian subsidiary PT MANDOM INDONESIA Tbk, which is the Group's overseas production base, was adversely affected by a rise in costs due to high crude oil and materials costs as well as high raw materials costs because of the weak local currency. Thus operating profit stood at ¥2,053 million (down 21.0% year on year).

(2) Outlook for Next Fiscal Year, Ending March 31, 2010

	Net Sales	Operating Income	Ordinary Income	Net Income	EPS	ROE
	(¥ million)	(¥ million)	(¥ million)	(¥ million)	(¥)	(%)
FY 2010	53,700	5,150	5,300	2,800	117.71	7.1
FY 2009	55,178	4,926	5,175	3,011	126.60	7.4
Change % YoY	△2.7%	4.5%	2.4%	△7.0%	△7.0%	△0.3%

The outlook for the next business year is very uncertain. The economic climate has rapidly darkened globally. Governments are implementing economic stimulus packages and big recovery initiatives. However, it is difficult to discern how the economies will shape up worldwide. Therefore, our conjecture is that the Japanese economy cannot expect to see recovery or turnaround in the immediate future due to its dependence on external demand. The Asian economies there again will suffer further slowdown because of the weakness of local currencies brought on by the continued strength of the yen. Having said that, all Japanese and overseas corporate members of the Group will concert their effort to continue in the creation of new growth areas and to restore the growth of existing product lines.

Regarding sales, the Management intends to do the following: 1. Return the core business (Men's Grooming) to stable growth; 2. Lay growth tracks for new growth areas (Women's Cosmetics); and 3. Maintain/strengthen sales increase on local currency basis in the overseas business. Nevertheless, the slump in the Japanese market will negatively impact and the weakness of Asian currencies will adversely affect yen-denominated figures. Thus, we envisage a slight fall in revenue.

In profit terms, the Management will endeavor to increase operating income and ordinary income by: 1. Continued reinforcement of cost reduction activities including in-house manufacture; 2. Further improvement on cost performance of A&P (marketing cost); and 3. Complete overhaul and budget control of general and administrative costs. Still, due to such reasons as the effect of the changes in the Japanese taxation system that went into effect in this fiscal year ended March 2009, current net income is expected to decrease.

To arrive at forecast values, the key exchange rates used for calculations are 97 yen to 1 US dollar, 10,780 rupiah to 1 US dollar and 0.0090 yen to 1 rupiah.

Thus, the following projections for the year ending March 2010 have been made: Sales - ¥53,700 million (down 2.7% year on year); Operating income - ¥5,150 million (up 4.3% year on year); Ordinary income - ¥5,300 million (up 2.4% year on year) and net income - ¥2,800 million (down 7.0% year on year).

(3) Mid-Term Management Plan: Progress Report

The current Mid-Term Management Plan (FY 2009 – FY 2011) set the fulcrum of the Group's management strategies on "the continued growth of the Group's business." Under the policy of achieving continued increase in income through well-planned input of business resources for the phased expansion of the Group's business, Management has pursued the following strategic aims: 1. Stable growth of the core business, Men's Grooming; 2. Laying of growth tracks for new growth areas of women's sector (Women's Cosmetry and Women's Cosmetics); and 3. Continued expansion of our overseas business, which is to continue to serve as the growth engine in this new Mid-Term Management Plan.

The business climate surrounding the first year of this three-year management plan (FY 2009, ending March 2009) was a harsh one, beset simultaneously in the first half by economic recession and inflation of raw materials prices due to the high price of oil and materials. Nevertheless, the Group's business went well, more or less according to the initial plan. In the second half, the credit crunch originating in the United Sates triggered a downturn in the global economy. The external-demand led Japanese economy suffered a quick and heavy blow. The Asian economies, where the Group conducts its overseas operations, made a marked U-turn from their expansion trends to recessionary slowdown because of inflation and global economic slump. What is more, the weakness of the Asian currencies led to the rise in cost of sales and diminution of yen-denominated business figures. Thus the Group's consolidated business results underperformed the planned targets both in sales and profits.

Such being the business environment in which we find ourselves, the following is a brief report on the progress made in the strategic aims:

1. Stable growth of Men's Grooming

   The core brand *Gatsby* showed healthy results as planned but *Lucido*, the priority brand in Japan, suffered sluggishness in the sales of existing lines, leading to non-attainment of target sales.

2. Laying of growth tracks for new growth areas of women's sector (Women's Cosmetry and Women's Cosmetics);

   In Women's Cosmetry, the overseas business achieved successful levels of sales but in Japan, *Produce*, the women's gray hair coloring brand, slumped in sales and led to non-achievement of target. In Women's Cosmetics, both Japan and overseas sales did well.

3. Continued expansion of our overseas business

   The Group's overseas business held up well with double-digit growth on local currency basis with the exception of some regions, despite the negative impact on results due to the weakness of local currencies.

Our assumption is that we cannot expect to see a recovery/upturn of business conditions that had undergone rapid downslide globally during the three years of this Mid-Term Management Plan. The achievement of the targets initially set by the Plan appears difficult.

In sales, although we will not reach the target levels set originally by the Plan, the Management will continue to strengthen the following: 1. The overseas (Asia) business that is doing well with an increased-income trend on local currency bases; 2. The core brand *Gatsby* that is showing healthy results in all of Asia in the face of the tough market environment; and 3. The "new growth area" of Women's Cosmetics business that is performing above target. Through these efforts, we aim to return turnover by the end of the final year of the Plan (FY 2011) to the level exceeding past results.

On the profit front, the Management intends to improve cost performance through a fundamental review of costs and continued reinforcement of cost reduction activities; however, raw materials prices look set to remain high and Asian currencies have plummeted, with the result that retrenchment efforts cannot compensate for 1) the rise in the cost of sales in all countries and 2) the impact of yen-denominated values diminishing. Consequently, our premise is that it would be difficult to recover net income to historic high levels during the three years of the Plan ending March 2011.

(4) Achievement of Target Performance Indicators

The target values for the Return on Equity (ROE) and Earnings Per Share (EPS) were calculated on the premise that the record high sales and income figures achieved in the final year of the previous Three-Year Mid-Term Management Plan (FY 2008) will be surpassed each year. However, as reported in (3) above on the progress of the current Mid-Term Management Plan, the values have been revised downwards because the initial targets are difficult to achieve. The Management will aim to attain the newly set targets.

The values of the initial targets and the revised targets are given below in “3. Management Policies (2) Management Targets and Performance Indicators.”

Notes:

ROE = [Net income ÷ {(Shareholders’ equity at the beginning of the period + Shareholders’ equity at the end of the period) ÷ 2}] × 100

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

EPS = (Net income ÷ Average number of outstanding shares) × 100

2. Financial Condition

Financial Condition (Consolidated Basis) (¥ million)

	Fiscal Year 2008	Fiscal Year 2009	Change YoY
Total Assets	54,218	49,078	△5,140
Shareholder’s Equity	45,868	42,379	△3,489
Shareholder’s Equity Ratio	78.1%	80.5%	2.4%
Shareholder’s Equity per Share	¥1,779.67	¥1,661.94	△¥117.73

Cash Flow (Consolidated Basis) (¥ million)

	Fiscal Year 2008	Fiscal Year 2009	Change YoY
Cash & cash equivalents balance at start of period	8,783	9,791	1,007
Operating cash flow	7,614	3,458	△4,155
Investment cash flow	△5,040	△1,204	3,836
(Fixed assets investment)	(△2,119)	(△ 2,178)	(△59)
Financing cash flow	△1,659	△2,045	△385
Foreign currency translation adjustment	△69	△834	△764
Net increase in cash and cash equivalents	843	△625	△1,469
Increase due to change in consolidation	163	69	△94
Cash and cash equivalents at end of period	9,791	9,235	△556
*Pre-tax net income	6,665	4,836	
Depreciation cost	2,236	2,353	
*Fixed asset investment			
Tangible fixed assets	2,016	1,989	
Intangible fixed assets	102	189	

(1) General Overview

Total assets during the twelve-month period decreased by ¥5,140 million from the previous consolidated fiscal year to ¥49,078 million, chiefly as a result of the decrease in negotiable securities and investment securities by ¥2,147 million and in tangible fixed assets by ¥3,874 million due to the sale of three main buildings in Tokyo.

Liabilities decreased over this twelve-month period by ¥1,651 million to ¥6,698 million. This is mainly accounted for by the decrease of ¥1,167 million in accrued corporate tax and other liabilities resulting from the reduced income of Mandom Corporation.

Shareholders' equity decreased over this period by ¥3,489 million to ¥42,379 million. This is chiefly due to the foreign currency translation adjustment account being reduced by ¥2,751 million with the reduction in yen-converted sums of total assets of overseas subsidiaries and due to the valuation difference on securities holdings of Mandom Corporation decreasing by ¥784 million.

(2) Cash Flow Situation

Cash and cash equivalents ("Liquidity") at the end of this consolidated fiscal year showed a decrease of ¥556 million from the end of the preceding fiscal year to rest at ¥9,235 million at the end of March 2009. This is because the pre-tax net income decreased, trade receivables increased and corporate tax payment decreased, although to some extent revenue from the sale of tangible fixed assets counterbalanced the drop.

The cash flow situation during the consolidated fiscal year ended March 2009 and the factors affecting it are described below:

<Operating Cash Flow>

Net cash provided by operating activities decreased by ¥4,155 million and stood at a positive balance of ¥3,458 million. The principal reasons are the pre-tax net income decreasing by ¥1,829 million to ¥4,836 million, the increase/decrease of trade receivables decreasing by ¥1,265 million to leave a negative balance of ¥475 million and corporate and other tax payments decreasing by ¥1,155 million to a negative balance of ¥2,954 million. Depreciation cost saw an increase of ¥117 million over the previous year to ¥2,353 million.

<Investment Cash Flow>

Cash provided by investment activities increased by ¥3,836 million, leaving a negative balance of ¥1,204 million. This is due chiefly to the sale of tangible fixed assets (chiefly three main buildings in the Tokyo area) increasing by ¥2,370 million and to the balance of acquisition, redemption and disposal of securities increasing by ¥2,168 million compared to the previous year to leave a negative balance of ¥198 million.

<Financing Cash Flow>

Cash flow from financing activities decreased by ¥385 million and ended in a negative balance of ¥2,045 million, resulting from a payout of ¥2,364 million in shareholder dividend including payment of dividends to minority shareholders and from a revenue of ¥333 million due to payment received from minority shareholders for the capital increase of PT MANDOM INDONESIA Tbk. The change in consolidation resulted in an increase of cash and cash equivalents by ¥69 million.

(3) Cash Flow Indicators

	FY 2006 (89th Term)	FY 2007 (90th Term)	FY 2008 (91st Term)	FY 2009 (92nd Term)
Shareholders' Equity Ratio (%)	79.1	79.6	78.1	80.5
Market Value Shareholders' Equity Ratio (%)	139.4	135.9	131.6	79.0
Cash flow to Interest-bearing Liabilities Ratio (%)	7.1	9.9	4.4	8.9
Interest Coverage Ratio	2,659.3	1,045.0	4,568.0	1,092.1

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 and for addressing corporate risks. Thus, under this strong commitment to dividend policy, the Group will endeavor to deliver shareholder return through dividend payout.

The numerical targets set for the fiscal year were a dividend payout ratio of not less than 50% of net income on a consolidated basis and a dividend-on-equity ratio (DOE) at not less than 4%; however, in the face of uncertain economic conditions due to the economic meltdown, currency fluctuations and toughening competition, the Group needs to negotiate its way through this harsh business environment. Thus, from Term 93 (twelve months ending March 2010) the target dividend payout ratio will be not less than 40%.

The internal reserves will be allocated to strategic investments covering investment into facilities for expanding existing business operations, overseas investment, R&D investment and other corporate value enhancement. The reserves also serve as a safety net to help us deal with

diverse corporate risks arising out of the difficult business conditions we are subject to. As a means of delivering a return to shareholder and of improving capital efficiency, the acquisition of treasury stock will be considered as an option. The dividend payout for the whole year is expected to total ¥60 per share (consolidated-basis payout ratio of 47.4% and DOE of 3.5%).
The dividend payout for the following term is expected to remain on a par with this year, ¥60 per share (interim dividend of ¥30) in view of the unpredictability of business conditions.

2. Mandom Group Companies

The Mandom Group consists of Mandom Corporation, 14 subsidiaries and 1 affiliate. 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

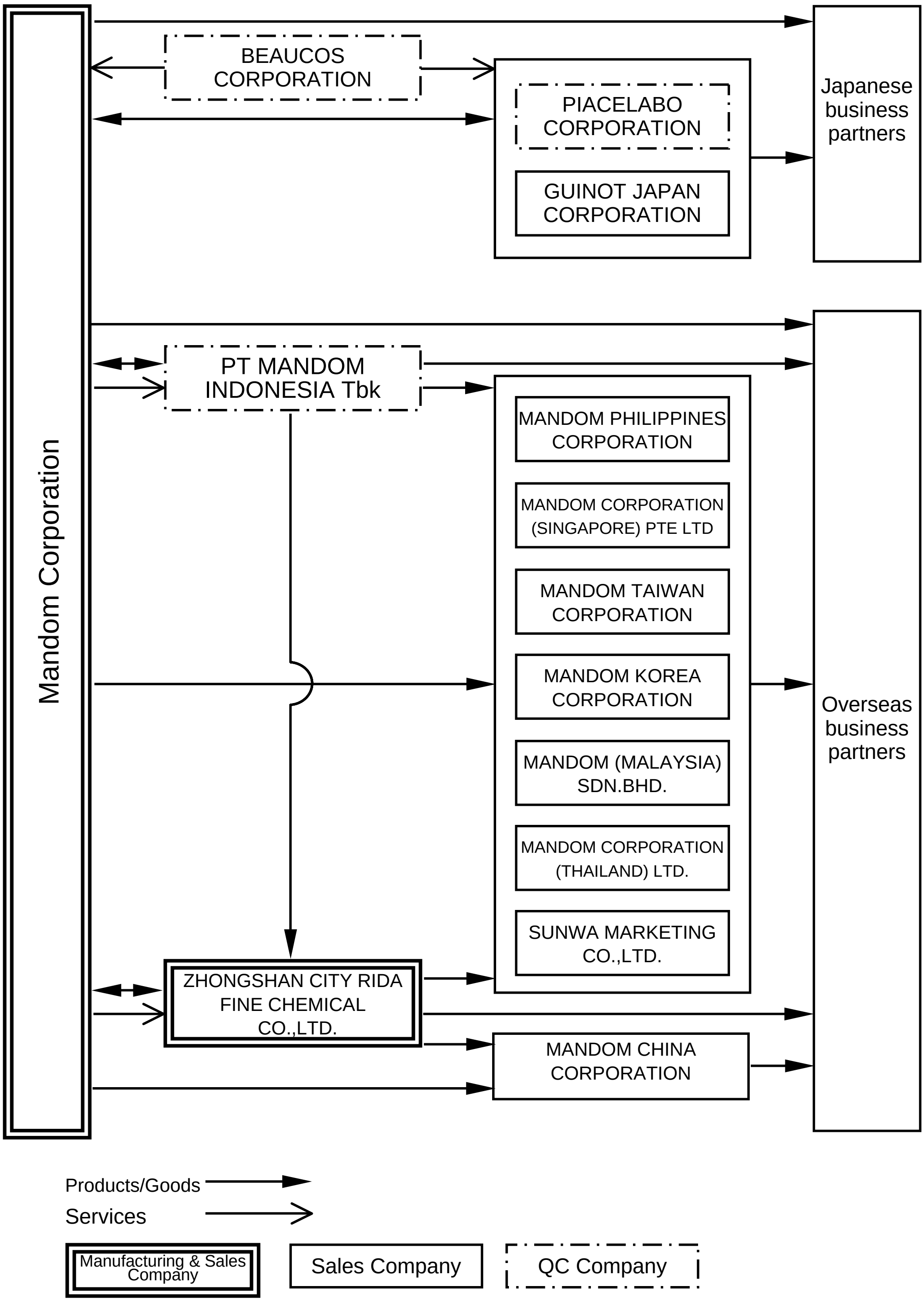
Manufacture & Sales		1 Japanese company and 2 overseas companies
	Japan	Mandom Corporation Mandom Corporation manufactures and markets cosmetics handled by the company and cosmetics to be sold by the consolidated Japanese subsidiaries. Mandom Corporation exports cosmetics handled by the consolidated Japanese subsidiary.
	Overseas	2 consolidated subsidiaries These two 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 and 8 overseas companies
	Japan	2 consolidated subsidiaries Supplied mainly by Mandom Corporation, PIACELABO CORPORATION and GUINOT JAPAN CORPORATION market the products.
	Overseas	7 consolidated subsidiaries, 1 equity-method affiliate These companies mainly purchase supplies from Mandom Corporation and the Group's two 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., MANDOM CORPORATION (THAILAND) LTD., MANDOM CHINA CORPORATION Equity-method affiliate: SUNWA MARKETING CO.,LTD.
Other		1 Japanese company
	Japan	1 consolidated subsidiary BEAUCOS CORPORATION engages in the quality control of cosmetics handled by Mandom Corporation and the consolidated Japanese subsidiaries.

Other Business Activities

Non-consolidated Subsidiaries		1 Japanese company and 1 overseas company
	Japan	MBS CORPORATION: The company is an insurance agency and undertakes property management for Mandom Corporation's head office building.
	Overseas	MANDOM MANAGEMENT CONSULTANTS SDN.BHD.: The company undertakes consultancy.

Note 1: On April 1, 2009, BEUCOS CORPORATION merged with mbs (company name changed from MANDOM BUSINESS SERVICE CORPORATION in November 2008) and no longer exists as an independent company.

The figure below shows the business relationships among Group companies.



Affiliated Companies

Name	Location	Capital or Invested Capital	Main Business Activities	Voting Rights	Relationship
(Consolidated)		(million)		(%)	
PIACELABO CORPORATION	Chuo-ku, Osaka	100	Sales of cosmetics	100.0	Mandom Corporation manufactures and sells its cosmetics and leases out office premises. 4 concurrent directors (all employees of Mandom Corporation)
GUINOT JAPAN CORPORATION	Chuo-ku, Osaka	100	Sales of cosmetics	100.0	Mandom Corporation manufactures and sells its cosmetics and leases out office premises. 4 concurrent directors (all employees of Mandom Corporation)
BEAUCOS CORPORATION	Chuo-ku, Osaka	10	Quality control of cosmetics	100.0	Mandom Corporation leases out office premises. 1 concurrent director (employee of Mandom Corporation)
MANDOM PHILIPPINES CORPORATION	The Philippines	(million Philippine pesos) 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. 2 concurrent director (both employees 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. 2 concurrent directors (of which 1 is an employee of Mandom Corporation)
PT MANDOM INDONESIA Tbk	Indonesia	(million rupiah) 100,533	Manufacture and sales of cosmetics	60.8	Mandom Corporation sells cosmetics materials to it and purchases cosmetics products from it. 8 concurrent directors (of which 6 are employees of Mandom Corporation)
ZHONGSHAN CITY RIDA FINE CHEMICAL CO.,LTD.	China	(thousand US. dollars) 6,000	Manufacture and sales of cosmetics	66.7	Mandom Corporation sells cosmetics materials to it and purchases cosmetics products from it. 3 concurrent directors (of which 1 is an employee of Mandom Corporation)
MANDOM CORPORATION (THAILAND) LTD.	Thailand	(million Thai baht) 100	Sales of cosmetics	100.0	Mandom Corporation exports and sells products through it. 5 concurrent director (of which 4 are employees of Mandom Corporation)
MANDOM CHINA CORPORATION	China	(million Chinese yuan) 50	Sales of cosmetics	100.0	Mandom Corporation exports and sells products through it. 3 concurrent director (of which 2 are employees of Mandom Corporation)

(Equity-method Affiliate) SUNWA MARKETING CO.,LTD.	Hong Kong	(million Hong Kong dollars) 12	Sales of cosmetics	44.0	Mandom Corporation exports and sells products through it. 2 concurrent directors (both employees of Mandom Corporation)

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

Key Profit and Loss Data:

①	Sales	13,389 million yen
②	Ordinary Income	1,804 million yen
③	Net Income	1,226 million yen
④	Net Assets	6,717 million yen
⑤	Total Assets	7,503 million yen

3. Management Policies

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

There are no significant changes to the disclosure made through the Business Results for FY 2008 (published on May 13, 2008) regarding the two headings mentioned above. No further disclosure is made hereby.

The FY 2008 Business Results can be viewed online by accessing the Mandom Corporation website:

http://www.mandom.co.jp

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

http://www.tse.or.jp/listing/compsearch/index.html

2. Management Targets and Performance Indicators

Management places particular priority on the efficient use of capital and on improving returns to shareholders. The two performance indicators Mandom uses in this regard are: 1. Return on Equity (ROE) and 2. Earnings Per Share (EPS). Management will continue the use of these indicators to measure progress in the Group's continued growth and corporate value enhancement based on increased profits.

As mentioned above in 1. Review of Operations (1) Business Results, (3) Mid-Term Management Plan: Progress Report, (4) Achievement of Target Performance Indicators, the initial target performance indicators disclosed in the FY 2008 Business Results (published May 13, 2008), which were

	FY 2008	FY 2011
Return on Equity (ROE)	8.4%	At least 8%
Earnings Per Share (EPS)	¥147.13	At least ¥155

are hereby revised downwards to:

	FY 2008	FY 2011
Return on Equity (ROE)	8.4%	At least 8%
Earnings Per Share (EPS)	¥147.13	At least ¥140

4. Management Issues

Mandom regards the following as core issues to be addressed in view of the previous year's business results:

(1) Responses to Changes in the Men's Cosmetics Market in Japan

Men's cosmetics constitute a core part of Mandom Corporation's business operations for the business year just ended, with well over 70% share in turnover. Competition in the business environment in the sector, however, has hugely increased in intensity. This is not a short-lived trend but a permanent state of affairs for this market, with companies from different business sectors eagerly making entry into the market. Against this backdrop, Management pledges to engage in the exploration and pursuit of customer needs and wants, product development backed by technological excellence and the delivery of marketing innovation.

(2) Redressing the Dependence on PT MANDOM INDONESIA Tbk in Overseas Business Results

The Group's Overseas Business performance has a high degree of dependence on the Indonesian subsidiary, PT MANDOM INDONESIA Tbk. In view of the current market size and future expansion thereof, Management will pursue a growth strategy to make the overseas subsidiaries in the five nations of Thailand, the Philippines, Malaysia, South Korea and China outperform that of PT MANDOM INDONESIA Tbk.

(3) Personnel Development and HR Overhaul for Individual and Corporate Growth

It is Mandom's strong belief that corporate growth cannot be realized without individual growth of the employees. Thus, Management will continue to focus on "maximizing the full potential of all staff." While pursuing the strategy of human resources development for the benefit of the Group as a whole, Management will create a framework and mechanism for staff to acquire the "capacity for change," a requisite for the new age of rapid and massive corporate environmental change.

(4) Greater Social Contribution through Quality Assurance and Environmental Action

Corporate social responsibility (CSR) forms an increasingly significant part of business activities today. Mandom considers CSR to be a key management issue. Mandom will step up its effort to improve quality assurance and environmental action. Furthermore, Management will seek out CSR activities that the Group should undertake as a good corporate citizen and build a system whereby CSR can be properly implemented.

(5) Pursuit of Capital Efficiency

The pursuit of efficiency in capital management was a key issue for the Group's previous Management Plan (April 2005 – March 2008) and this will remain so in the current Management Plan. In Japan, however, the competitive environment in the corporate sector is intensifying, with aging society, low birth rate and declining population shrinking the market, while economic uncertainties provide a glum backdrop. In the overseas areas where the Group conducts its business, business competition is intensifying in the rapidly growing Southeast Asian markets. Thus competition among businesses is tremendously and increasingly fierce both in Japan and overseas. Compounding this is the rise in costs arising from the weakness of the local currencies in Asia, meaning that short-term improvements in capital efficiency is difficult to achieve through cost-cutting or cost-saving measures.

Given this situation, the Group's top priority will be expanding its business operations. A long-term and phased pursuit of capital efficiency will be the task to be undertaken by Management, with due consideration of treasury stock acquisition as an optional instrument.