Business Results (April 1, 2009 – March 31, 2010)

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

President:	Motonobu Nishimura, Representative Director, President Executive Officer
Contact:	Kazunori Koshikawa, Corporate Officer and General Manager, Financial Management Division Tel: (81)- (0) 6 6767 5001
Annual General Shareholders' Meeting	June 24, 2010
Dividend Payout	June 25, 2010
Financial Statements Issued	June 25, 2010

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

(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 2010	54,304	△1.6	5,368	9.0	5,715	10.4	2,802	△6.9
FY 2009	55,178	△2.0	4,926	△28.0	5,175	△22.8	3,011	△14.0

	Earnings Per Share (EPS)	Earnings Per Share (diluted)	Return on Equity (ROE)	Ordinary Income / Total Assets	Operating Income / Net Sales
	¥	¥	%	%	%
FY 2010	119.40	–	6.9	11.1	9.9
FY 2009	126.60	–	7.4	10.0	8.9

Notes: Investment profit or loss on equity method
3/10: ¥26 million 3/09: ¥28 million

(2) Financial Position

	Total Assets	Shareholders' Equity	Shareholders' Equity Ratio	Shareholders' Equity Per Share
	(¥ million)	(¥ million)	%	¥
FY 2010	54,182	45,058	76.6	1,774.64
FY 2009	49,078	42,379	80.5	1,661.94

Notes: Shareholders' Equity

3/10: ¥41,493 million 3/09: ¥ 39,532 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 2010	7,766	△5,111	△2,291	9,742
FY 2009	3,458	△1,204	△2,045	9,235

2. Dividends

	Dividend Per Share				
	End Q1	End Q2	End Q3	End FY	FY Total
FY 2009	–	¥40.00	–	¥20.00	¥60.00
FY 2010	–	¥30.00	–	¥30.00	¥60.00
FY 2011 (Forecast)	–	¥30.00	–	¥30.00	¥60.00

	Total Dividend Payout For Year	Payout Ratio (Consolidated)	Dividend on Equity Ratio (Consolidated)
	(¥ million)	(%)	(%)
FY 2009	1,427	47.4	3.5
FY 2010	1,402	50.3	3.5
FY 2011 (Forecast)		43.8	

3. Outlook for Fiscal 2011 (April 1, 2010 – March 31, 2011)

	Net Sales		Operating Income		Ordinary Income		Net Income		EPS
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
Consolidated Total for FY2011 Q1 and Q2	31,300	6.3	4,250	2.1	4,250	△3.8	2,250	△7.3	96.23
FY2011	57,800	6.4	5,950	10.8	6,000	5.0	3,200	14.2	136.86

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)

3/10: 24,134,606 3/09: 24,134,606

ii) Total number of treasury stocks

3/10: 753,410 3/09: 347,860

<Reference>

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

1. Business Results for Fiscal 2010 (April 1, 2009 - March 31, 2010): 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 2010	38,121	2.2	3,630	29.4	4,288	16.9	2,369	8.3
FY 2009	37,316	△4.0	2,805	△31.0	3,670	△17.0	2,189	△19.6

	Earnings Per Share (EPS)	Earnings Per Share (diluted)
	¥	¥
FY 2010	100.96	–
FY 2009	92.02	–

(2) Financial Position

	Total Assets	Shareholders' Equity	Shareholders' Equity Ratio	Shareholders' Equity Per Share
	(¥ million)	(¥ million)	%	¥
FY 2010	47,537	40,267	84.7	1,722.21
FY 2009	44,870	39,612	88.3	1,665.33

Notes: Shareholders' Equity

3/10: ¥40,267 million 3/09: ¥39,612 million

2. Outlook for Fiscal 2011 (April 1, 20010 – March 31, 2011): Parent Company Only

	Net Sales		Operating Income		Ordinary Income		Net Income		EPS
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
FY2011 Q1+Q2	21,900	2.0	3,060	△4.5	3,490	△7.8	2,190	△6.7	93.67
FY2011	39,000	2.3	3,840	5.8	4,350	1.4	2,700	13.9	115.48

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.)

* 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 "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 2010	54,304	5,368	5,715	2,802	119.40	6.9
FY 2009	55,178	4,926	5,175	3,011	126.60	7.4
Change % YoY	△1.6%	9.0%	10.4%	△6.9%	△5.7%	△6.8%

Throughout the twelve months ended March 2010, the Japanese economy struggled overall against tough conditions, with domestic-demand driven companies experiencing revenue declines and the employment situation deteriorating, despite some signs of economic recovery such as increases in export towards Asia and regaining of strength in manufacturing output in the latter half of the financial year. Our cosmetics industry as a whole continues to face a difficult profit environment under deflationary trends, with macroeconomic indicators (quantity/value) underperforming figures from the previous year. Meanwhile, in Asia, where the Group's overseas business is conducted, the economic stimulus package deployed in China triggered recovery there, and other countries and regions in general showed indications of regeneration.

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 2010 totaled ¥54,304 million (down 1.6% year on year), a decrease of ¥874 million from the previous year. This is explained mainly by the fall in local currency values across Asia resulting in the decrease in yen-denominated sales figures of overseas companies, which could not be offset by a growth in sales both in Japan and overseas that was powered by the core brand Gatsby.

The cost of sales was ¥24,553 million (down 1.5% year on year), a decrease of ¥366 million from the previous year. This is mainly thanks to our successful effort at cost reduction: namely, the curtailment in returned goods in Japan and the use of alternative materials in the face of sharp raw material price rises. When materials costs increase, the Group's overseas sale-to-cost ratio increases because of the reliance on imports, and measures were thus adopted to address the issue. Gross profit totaled ¥29,750 million (down 1.7% year on year).

The sales and general administration costs totaled ¥24,381 million (down 3.8%), a decrease of ¥949 million from the previous year. This is thanks to the reduction in marketing costs through rationalization and the reduction in yen-denominated values of overseas subsidiaries' cost of sales. Thus, operating income increased ¥442 million to ¥5,368 million (up 9.0% year on year).

Non-operating profit and loss increased by ¥97 million. Consequently, ordinary income rose to ¥5,715 million (up 10.4% year on year), an increase of ¥540 million.

Looking at extraordinary profit and loss, extraordinary profit amounted to ¥24 million while extraordinary loss was ¥265 million including loss due to fixed assets disposal. As a result, pre-tax net income for the year increased by ¥638 million to ¥5,474 million (up 13.2% year on year).

Corporate and other taxes increased by ¥898 million to ¥2,237 million, due to the increase in income of Mandom Corporation and the impact of deferred tax liabilities disposal due to changes in the tax system that was posted in the previous financial year. Thus, current net income dropped by ¥208 million from last year to ¥2,802 million (down 6.9% year on year).

The overall results for the consolidated financial year ended March 2010 were reduced revenues and reduced profits.

Sales Breakdown by Region

Consolidated Basis (¥ million)

Regional Segment	Net Sales			Operating Income		
	Fiscal Year 2009	Fiscal Year 2010	Change % YoY	Fiscal Year 2009	Fiscal Year 2010	Change % YoY
Japan	36,126	37,070	2.6%	2,861	3,714	29.8%
Asia	19,052	17,233	△9.5%	2,053	1,645	△19.9%

Sales in Japan totaled ¥37,070 million (up 2.6% year on year). The main reasons for the rise are the Face & Body Category of the core brand Gatsby driving up sales, good performance of Women's Cosmetics and new product launches, altogether more than making up for the struggling sales of other existing lines. On the profit side, the increase in gross profit due to the increase in revenue and the curtailment in returned goods, together with the reduction in sales and general administration costs through marketing cost rationalization resulted in a huge rise in operating profit, which was ¥3,714 million (up 29.8% year on year).

By contrast, sale in Asia totaled ¥17,233 million (down 9.5% year on year). Men's Grooming, led by the core brand Gatsby, grew in sales overall. Women's Cosmetics also did well. However, the weakness of local currencies meant that yen-denominated values dropped by a considerable amount, ¥1,818 million. As a result, the ratio of sales in Asia to the Group total was 31.7% for this financial year. In profit terms, despite a fall in sales and administrative costs on the yen-denominated basis, there was a bigger fall in yen-denominated gross profit which slid due to fallen revenues. Thus operating profit stood at ¥1,645 million (down 19.9% year on year).

(2) Outlook for Next Fiscal Year, Ending March 31, 2011

	Net Sales	Operating Income	Ordinary Income	Net Income	EPS	ROE
	(¥ million)	(¥ million)	(¥ million)	(¥ million)	(¥)	(%)
FY 2011	57,800	5,950	6,000	3,200	136.86	7.7
FY 2010	54,304	5,368	5,715	2,802	119.40	6.9
Change % YoY	6.4%	10.8%	5.0%	14.2%	14.6%	11.6%

The outlook for the next business year is that of a gentle recovery in both domestic and external demand in the Asian economy, with the global economy turning a corner. The Japanese scene is likewise expected to show gentle growth, although there is a lack in strength of domestic demand and a risk of an economic downslide. In such a context, all Japanese and overseas corporate members of the Group will concert their effort to continue in the creation of new growth areas.

Regarding sales, the Management intends to do the following: 1. Promote the stable growth of the core brand Gatsby; 2. Ensure further growth of Women's Cosmetics; and 3. Strengthen sales increase on local currency basis in the overseas business. In profit terms, the Management will endeavor to increase operating income by: 1. Continued cost reduction efforts; 2. Further rationalization of marketing cost; and 3. Complete budget control of general and administrative costs.

To arrive at forecast values, the key exchange rates used for calculations are 90 yen to 1 US dollar, 9,500 rupiah to 1 US dollar and 0.0095 yen to 1 rupiah.

Thus, the following projections for the year ending March 2011 have been made: Sales - ¥57,800 million (up 6.4% year on year); Operating income - ¥5,950 million (up 10.8% year on year); Ordinary income - ¥6,000 million (up 5.0% year on year) and net income - ¥3,200 million (up 14.2% 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 by the world economic downturn due to the credit crunch originating in the United Sates. With no prospect of a short-term recovery or improvement in the economic environment, the Group revised downward the Mid-Term Management Plan in pursuing business in the Plan's second year (ending March 2010). The Group's sales, operating income and ordinary income outperformed the planned targets in this second year. Extraordinary loss posted by Mandom Corporation meant that the current net income was roughly as planned.

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

(As targets for the Mid-Term Management Plan have been revised downward, the report will concern itself mainly with the revised Plan (Plan) and make supplementary comments on progress with reference to the original Plan (Original Plan).)

1) Stable growth of Men's Grooming

The core brand Gatsby did better than the target in spite of more fierce competition in Japan. Overseas, it performed more or less as planned. Lucido, the priority brand in Japan, alongside other existing lines dipped a little below target but Men's Grooming overall exceeded target. The core brand Gatsby is showing healthy sales on local currency bases, along the target set by the Original Plan, although it was impacted by the global economic slowdown and intensifying competition in Japan.

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 slump in sales of Lucido-L, the priority brand in Japan, resulted in the Plan being underachieved. In Women's Cosmetics, both Japan and overseas sales went according to plan.

3) Continued expansion of our overseas business

The Group's overseas business performed roughly according to plan, with the exception of some regions.

The revised Mid-Term Management Plan is broadly on target. Therefore, Management will aim to achieve the planned results with some changes as indicated below to the figures disclosed in the Business Results for the year ended March 31, 2009 (published on May 13, 2009).

In sales, although we will not reach the target levels set the Original 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 by the end of the final year of the Plan (FY 2011) to return turnover to the level exceeding past results.

On the profit front, the Management foresees difficulty in returning results to past record levels during the current Mid-Term Management Plan. However, operating income and ordinary income are exceeding targets, the Asian economy is in recovery, and the Asian currencies that had plummeted in value are now nudging upwards. Therefore, the Management’s aim is to achieve increased profits in the final year of the Plan (FY 2011).

(4) Achievement of Target Performance Indicators

Though the economic climate promises continued difficulties, with deteriorations in the global economic condition and intensifying competition in Japan, sales, operating income and ordinary income outperformed targets and are in healthy condition. Therefore, no changes will be made to the targets announced in the Business Results for the year that ended March 31, 2009 (published May 13, 2009). The Management will aim to attain the targets set thereby.

2.　Financial Condition

Financial Condition (Consolidated Basis)　(¥ million)

	Fiscal Year 2009	Fiscal Year 2010	Change YoY
Total Assets	49,078	54,182	5,103
Shareholder’s Equity	42,379	45,058	2,678
Shareholder’s Equity Ratio	80.5%	76.6%	△3.9%
Shareholder’s Equity per Share	¥1,661.94	¥1,774.64	△¥112.70

Cash Flow (Consolidated Basis)　(¥ million)

	Fiscal Year 2009	Fiscal Year 2010	Change YoY
Cash & cash equivalents balance at start of period	9,791	9,235	△556
Operating cash flow	3,458	7,766	4,308
Investment cash flow	△1,204	△5,111	△3,906
(Fixed assets investment)	(△2,178)	(△3,035)	(△856)
Financing cash flow	△2,045	△2,291	△245
Foreign currency translation adjustment	△834	184	1,019
Net increase in cash and cash equivalents	△625	549	1,174
Increase due to change in consolidation	69	△41	△110
Cash and cash equivalents at end of period	9,235	9,742	507

*Pre-tax net income	4,836	5,474
Depreciation cost	2,353	2,125
*Fixed asset investment		
Tangible fixed assets	1,989	2,861
Intangible fixed assets	189	173

(1) General Overview

Total assets during the twelve-month period increased by ¥5,103 million from the previous consolidated fiscal year up to ¥54,182 million, chiefly as a result of the increase at Mandom Corporation in negotiable securities and investment securities by ¥2,281 million and in tangible fixed assets at Mandom Corporation and PT MANDOM INDONESIA Tbk. by ¥1,475 million due to investments in plant and equipment.

Liabilities increased over this twelve-month period by ¥2,424 million to ¥9,123 million. This is mainly accounted for by the increase of ¥1,035 million in accrued corporate tax and other liabilities.

Shareholders' equity increased over this period by ¥2,678 million to ¥45,058 million. This is chiefly due to the increase of ¥1,597 million in accumulated income and an increase of ¥1,254 million in valuation and conversion differences.

(2) Cash Flow Situation

Cash and cash equivalents ("Liquidity") at the end of this consolidated fiscal year showed a increase of ¥507 million from the end of the previous fiscal year to rest at ¥9,742 million at the end of March 2010. Although there was negative cash flow due to the acquisition of tangible fixed assets and securities, the pre-tax net income increased, inventory assets decreased, and payment of corporate and other taxes decreased.

The cash flow situation during the consolidated fiscal year that ended March 2010 and the factors affecting it are described below:

<Operating Cash Flow>

Net cash provided by operating activities increased by ¥4,308 million and stood at a positive balance of ¥7,766 million. The principal reasons are the pre-tax net income increasing by ¥638 million to ¥5,474 million, the increase/decrease of inventories increasing by ¥1,193 million to leave a positive balance of ¥510 million and corporate and other tax payments decreasing by ¥1,628 million to a negative balance of ¥1,325 million. Depreciation cost saw a decrease of ¥228 million over the previous year to ¥2,125 million.

<Investment Cash Flow>

Cash provided by investment activities decreased by ¥3,906 million compared to the previous year, leaving a negative balance of ¥5,111 million. This is due chiefly to the acquisition of tangible fixed assets increasing by ¥872 million to leave a negative balance of ¥2,861 million and to the balance of acquisition, redemption and disposal of securities decreasing by ¥1,459 million compared to the previous year to leave a negative balance of ¥1,657 million.

<Financing Cash Flow>

Cash flow from financing activities decreased by ¥245 million compared to the previous year and ended in a negative balance of ¥2,291 million. Despite payout in shareholder dividend including payment of dividends to minority shareholders decreasing by ¥973 million compared to the previous year to ¥1,390 million, acquisition of treasury stock resulted in an expenditure of ¥891 million and a revenue of ¥333 million due to payment received from minority shareholders for the capital increase of PT MANDOM INDONESIA Tbk. had been posted in the previous year. The change in consolidation resulted in a decrease of cash and cash equivalents by ¥41 million.

(3) Cash Flow Indicators

	FY 2007 (90th Term)	FY 2008 (91st Term)	FY 2009 (92nd Term)	FY 2010 (93rd Term)
Shareholders' Equity Ratio (%)	79.6	78.1	80.5	76.6
Market Value Shareholders' Equity Ratio (%)	135.9	131.6	79.0	110.0
Cash flow to Interest-bearing Liabilities Ratio (%)	9.9	4.4	8.9	4.0
Interest Coverage Ratio	1,045.0	4,568.0	1,092.1	57,195.5

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 target set for the fiscal year was a dividend payout ratio of not less than 40% of net income on a consolidated basis. In Term 94 (twelve months ending March 31, 2011), this target will remain: a dividend payout ratio of not less than 40% of net income on a consolidated basis.

The internal reserves will be allocated to strategic investments covering investment into facilities for expanding existing business operations and to strategic investment for 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 50.3%).

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

No further disclosure is made hereby as there are no significant changes in the “roles of Group companies (business activities)” or the “business relationships among Group companies” in the latest financial statement (submitted on June 24, 2009).

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, 4. Management Issues

Regarding the two headings mentioned above, downward revision of target values were made after it became apparent at the end of the first year of the current Mid-Term Management Plan that the Plan's initial targets were difficult to achieve. The revision was disclosed in the Business Results for FY 2009 (published on May 13, 2009). There are no significant changes to the disclosure made through the said Business Results for FY 2009 regarding the two headings mentioned above. No further disclosure is made hereby.

The FY 2009 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