Business Results (April 1, 2009 – June 30, 2009)

Published July 31, 2009

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

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Submission of Report for this Quarter August 7, 2009 (scheduled)
Dividend Payout Date (scheduled): ー

1. Results for Q1 Fiscal 2010 (April 1, 2009 to June 30, 2009)

(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, 2009	14,500	△1.9	2,640	1.2	2,737	1.2	1,468	3.0
Three months ended June 30, 2008	14,779	-	2,610	-	2,706	-	1,425	-

	Earnings Per Share (EPS)	Earnings Per Share (diluted)
	(¥)	(¥)
Three months ended June 30, 2009	61.89	-
Three months ended June 30, 2008	59.94	-

(2) Financial Position

	Total Assets	Shareholders' Equity	Shareholders' Equity Ratio	Shareholders' Equity Per Share
	(¥ million)	(¥ million)	(%)	(¥)
Three months ended June 30, 2009	51,143	43,264	78.9	1,720.19
FY 2009	49,078	42,379	80.5	1,661.94

<Reference> Shareholders' Equity: FY2010 Q1 ¥40,373 million
FY2009 ¥39,532 million

2. Dividends

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

Note: Changes in dividend forecast for this quarter: None

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

(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 FY2010 Q1 and Q2	29,700	△3.8	4,250	△5.6	4,330	△6.9	2,330	△5.4	99.27
FY 2010	53,700	△2.7	5,150	4.5	5,300	2.4	2,800	△7.0	119.30

Note: Changes made this quarter in the forecast for consolidated business results

4. Other Information

(1) Changes in consolidation of subsidiaries: None

Consolidation: New (－)　　　Exclusion (－)

(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 no changes due to alterations in accounting criteria. : None
2. There were no changes other than 1. above. : None

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)

   6/10: 24,134,606　　　3/09: 24,134,606

2. Total number of treasury stocks

   6/10: 664,193　　　3/09: 347,860

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

   6/10: 23,725,557　　　3/09: 23,787,973

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

1. With reference to the forecast on consolidated business results announced on May 13, 2009, this quarterly report carries revised figures only on the outlook for the first and second quarters of the consolidated accounting period. For more details, refer to “Notice Regarding Revision of Business Result Outlook” published on July 31, 2009.
2. 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.

Financial Statements: Qualitative Analysis

1. Consolidated Business Results: Qualitative Analysis

In the first quarter of the financial year ending March 2010, the Japanese economy had to steer its course through uncertainties for the future due to the lack of signs of recovery in the world economy, with corporate profits down, employment figures worsening and personal spending in the doldrums. The cosmetics industry continued to face a tough challenge in terms of raising incomes and profits. The economies in Asia, where the Group's overseas operations are conducted, all struggled badly, though some bright signs are beginning to emerge in China.

Against this economic backdrop, the Group continued to pursue its main strategies of achieving stable growth through further strengthening of the core business area of Men's Grooming, laying down the growth track for the new growth area of Women's Cosmetry and Women's Cosmetics, and continuing the expansion of the overseas business.

For this first quarter of Fiscal 2010, the Group posted consolidated sales of ¥14,500 million (down 1.9% year on year). This is the result mainly of the weakness of local currencies throughout Asia, hugely diminishing the yen-denominated turnovers of overseas subsidiaries, although the core brand *Gatsby* did expand sales successfully in Japan.

Operating income was ¥2,640 million (up 1.2% year on year). This is principally thanks to general cost-cutting and reduction in the cost of sales through the streamlining of marketing expenditure by Mandom Corporation. Ordinary income thus rose to ¥2,737 million (up 1.2% year on year) and net profit for the quarter registered ¥1,468 million (up 3.0% year on year).

Business results in geographical segments are as follows:

In Japan, sales totaled ¥10,418 million (up 10.0% year on year). Key contributors to this are the core brand *Gatsby* whose seasonal (summer) products such as paper products and antiperspirant lines being the driving force in a steady increase in sales, with other existing lines achieving healthy sales overall. With regards profits, there was an increase in gross margin due to increased income and efficiency saving in marketing costs leading to the reduction in the cost of sales, bringing an operating income of ¥2,038 million (up 21.8% year on year), which was a dramatically large rise.

In Asia meanwhile, sales dipped to ¥4,082 million (down 23.1% year on year), which was an extremely big fall. The reason for this is that although growth was sustained on a local currency basis, yen-denominated figures went down. Looking at profits, although sales and administrative costs dropped in yen-denominated terms, the slip in gross margin due to diminished income had a negative impact on operating income, which was ¥599 million (down 35.9% year on year), a drastic decline. Sales achieved overseas amounted to ¥4,218 million in total (down 22.3% year on year). The ratio of overseas sales to total consolidated sales is now 29.1%.

2. Consolidated Financial Condition: Qualitative Analysis

Total assets at the end of the first quarter increased ¥2,065 million compared to the end of the previous financial year, now standing at ¥51,143 million. The main reasons are the increase in sales bringing an increase in accounts receivable and an increase in inventory assets plus the increase in investment securities due to the rebound in the stock market.

On the liabilities ledger, accounts payable increased and accrued corporate tax increased, resulting in an increase of ¥1,180 million compared to the end of the previous financial year to a total of ¥7,879 million.

Shareholders’ equity increased ¥885 million compared to the end of the previous financial year and now stands at ¥43,264 million . This is chiefly due to a decrease from the acquisition of treasury stocks and an increase in valuation and conversion differentials. The equity-capital ratio is 78.9%.

[Cash Flow]

Cash flow from operations in the first quarter of FY 2010 increased by ¥2,229 million over the same period of the previous year, amounting to a positive balance of ¥1,324 million. The reason for this is mainly that the pre-tax net profit for the quarter staying level with the previous year at ¥2,731 million but that corporate tax and other payments being contained at ¥268 million in outflow, resulting in an increase of ¥1,135 million over the same period of the previous year.

Cash flow from investment activities decreased by ¥3,222 million compared to the same period the previous year, leaving a negative balance of ¥623 million. This is accounted for mainly by the income from the sale and redemption of investment securities decreasing by ¥3,253 million compared to the previous year.

Cash flow from financing activities decreased by ¥81 million compared to the same period of the previous year and ended in a negative balance of ¥1,321 million. Dividend payments to shareholders including minority shareholders decreased ¥630 million to ¥637 million compared to the previous year, while ¥681 million was spent on purchasing treasury stock. Changes in the application of consolidation led to a decrease in cash and cash equivalents on hand by ¥41 million.

As a result of the above activities, cash and cash equivalents on hand at the end of the first quarter of FY 2010 decreased ¥613 million over the end of FY 2009 to rest at ¥8,621 million.

3. Consolidated Business Result Forecast: Qualitative Analysis

In view of the business performance during the first quarter of this consolidated accounting period, an upward revision has been made to the forecast on the business results for the first two quarters of FY 2010 as announced on May 13, 2009. For further details, refer to "Notice Regarding Revision of Business Result Outlook" published today.

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:

None

<Reference>

July 31, 2009

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Notice Regarding Revision of Business Result Outlook

Mandom Corporation hereby wishes to alert all concerned of the revision of its business result projection for the first and second quarter aggregate of Fiscal 2010 (April 1, 2009 to March 31, 2010) announced at the time of the annual disclosure of financial statements on May 13, 2009. Please refer to the tables and notes below.

NOTE

1. Revised Outlook for Fiscal 2010 Q1 + Q2 (April 1, 2009 to September 30, 2009)

(1) Revised Consolidated Business Result Outlook

		Net Sales	Operating Income	Ordinary Income	Net Income	Earnings Per Share (EPS)
Forecast for FY 2010 Q1 + Q2 announced on May 13, 2009	(A)	¥ million 29,400	¥ million 3,750	¥ million 3,800	¥ million 2,000	¥ 84.08
Forecast for FY 2010 Q1 + Q2 ass. revised on July 31, 2009	(B)	29,700	4,250	4,330	2,330	99.27
Increase/decrease	(B)-(A)	300	500	530	330	-
Percentage Increase/decrease	(%)	1.0	13.3	13.9	16.5	-
Results for FY 2009 Q1 + Q2		30,870	4,503	4,650	2,463	103.56

(2) Revised Parent-Only Business Result Outlook

		Net Sales	Operating Income	Ordinary Income	Net Income	EPS
Forecast for FY 2010 Q1 + Q2 announced on May 13, 2009	(A)	¥ million 21,060	¥ million 2,810	¥ million 3,300	¥ million 2,070	¥ 87.02
Forecast for FY 2010 Q1 + Q2 ass. revised on July 31, 2009	(B)	21,760	3,030	3,450	2,150	91.60
Increase/decrease	(B)-(A)	700	220	150	80	-
Percentage Increase/decrease	(%)	3.3	7.8	4.5	3.9	-
Results for FY 2009 Q1 + Q2		21,297	2,821	3,592	2,297	96.59

2. Reasons for Revision of Consolidated Business Result Outlook

Having considered the business results achieved in the first quarter and the prospects discernible on results for the second quarter, the previously announced outlook for the first and second quarters (on May 13, 2009) appears likely to be exceeded. Decision has been taken to revise the relevant values upwards. Given below are the reasons for revising the outlook.

In the first quarter, sales increased successfully, driven by seasonal (summer) products such as paper products and antiperspirants. In addition, in the Group's overseas business, sales performance was good on local currency basis mainly in Indonesia and Malaysia. These resulted in increased income and gross profit going up, pushing the profit for the period far above the initially planned target.

In view of the above and the market trends in the first half of the fiscal year, the business results of the first and second quarters in aggregate on both the consolidated and parent company basis are expected to rise above the values predicted in the figures disclosed in May. Duly, Management decided to revise the figures for the outlook as above.

However, in the second half of Fiscal 2010, there are risks that may hamper good results, namely further intensification of market competition in Japan and falling profitability due to rising costs, which had not been anticipated at the time of the initial forecast of figures, plus further input into marketing expenditure into markets such as Indonesia, the key constituent in the overseas business. Therefore, at this stage, no changes are being made to the outlook figures for Fiscal 2010 itself.

Once the outlook for income prospects for the second half of the fiscal year are better defined and if revision is necessary to the business result outlook for Fiscal 2010 overall, a new set of figures will be disclosed speedily.

NOTE: The outlook shown hereby are based on the information currently available to Mandom Corporation and on projections made thereon. Actual performance figures may differ greatly from the figures forecast due to various factors.