Consolidated Business Results (April 1, 2010 – June 30, 2010: Japanese Standard)

Published July 30, 2010

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

Submission of Report for this Quarter August 5, 2010 (scheduled)
Dividend Payout Date (scheduled): -
Documents providing supplementary information on the quarter's results: none
Information meeting on the quarter's results: none

1. Results for Q1 Fiscal 2011 (April 1, 2010 to June 30, 2010)

(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, 2010	15,107	4.2	2,292	△13.2	2,423	△11.5	1,240	△15.5
Three months ended June 30, 2009	14,500	△1.9	2,640	1.2	2,737	1.2	1,468	3.0

	Earnings Per Share (EPS)	Earnings Per Share (diluted)
	(¥)	(¥)
Three months ended June 30, 2010	53.07	-
Three months ended June 30, 2009	61.89	-

(2) Financial Position

	Total Assets	Shareholders' Equity	Shareholders' Equity Ratio	Shareholders' Equity Per Share
	(¥ million)	(¥ million)	(%)	(¥)
Three months ended June 30, 2010	54,182	45,918	78.0	1,806.91
FY 2010	54,182	45,058	76.6	1,774.64

<Reference> Shareholders' Equity: FY2011 Q1 ¥42,247 million
FY2010 ¥41,493 million

2. Dividends

	Dividend Per Share				
	End Q1	End Q2	End Q3	End FY	FY Total
	(¥)	(¥)	(¥)	(¥)	(¥)
FY 2010	-	30.00	-	30.00	60.00
FY 2011	-				
FY 2011 (Forecast)		30.00	-	30.00	60.00

Note: Changes in dividend forecast for this quarter: None

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

(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 FY2011 Q1 and Q2	31,300	6.3	4,250	2.1	4,250	△3.8	2,250	△7.3	96.23
FY 2011	57,800	6.4	5,950	10.8	6,000	5.0	3,200	14.2	136.86

Note: Changes made in the business result forecast in this quarter: none.

4. Other Information

(Refer to "2. Other Information " on Page 7 of the Attachment for details.)

(1) Changes in consolidation of subsidiaries: None

Consolidation: New (-) Exclusion (-)

NB: Changes in consolidation of specific subsidiary(ies) resulting in any change in the scope of consolidation during the quarter reviewed

(2) Simplified accounting methods and special accounting methods were used:

NB: Statement of whether or not such methods have been adopted

(3) Changes in the accounting principles, methods, display, etc.

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

NB: Statement of whether or not any changes have occurred in the accounting principles, methods, display, etc. relating to the preparation of consolidated quarterly financial statements mentioned in the "Changes to the significant accounting policies serving as the basis for preparation of consolidated quarterly financial statements"

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

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

   6/11: 24,134,606 3/10: 24,134,606

2. Total number of treasury stocks

   6/11: 753,436 3/10: 753,410

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

   6/11: 23,381,188 3/10: 23,725,557

<u>* Information on the status of implementation of quarterly review formalities</u>

- The present quarterly report of business results falls outside the scope of quarterly review formalities as defined in the Financial Instruments and Exchange Act of Japan. At the time of publication of the present quarterly report, the quarterly review of the Company's financial statements as defined in the above Act have not been completed.

<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 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. 7 under 1. Qualitative Analysis of the Quarter's Consolidated Business Results, (3) Consolidated Business Result Forecast: Qualitative Analysis.

1. Qualitative Analysis of the Quarter's Consolidated Business Results

(1) Consolidated Business Results: Qualitative Analysis

In the first quarter of the financial year ending March 2011, the Japanese economy remained in a challenging situation, despite increased exports, better corporate profits and other signs of economic recovery, while stock prices tended to decline and the value of yen increased against the backdrop of general concern about continued worldwide economic slump centering on Europe. The cosmetics industry also continued to face a tough challenge in terms of incomes and profits. Meanwhile, as for the economies in Asia, where the Group’s overseas operations are conducted, recovery in China was sustained thanks to economy-boosting measures, as seen in the other Asian countries and regions.

Under such circumstances, the Group continued to pursue its main strategies aimed at stable growth, further strengthening the core business area of Men’s Grooming, laying down a solid foundation for the new growth area of Women’s Cosmetry and Cosmetics, and continuing the expansion of the overseas business.

For this first quarter of Fiscal 2011, the Group posted consolidated sales of ¥15,107 million (up 4.2% year on year). This is result mainly because, despite generally sluggish sales of the existing products in Japan, yen-quoted sales from overseas subsidiaries largely increased due to the appreciation of local currencies throughout Asia.

The quarter's operating income was ¥2,292 million (down 13.2% year on year). This is mainly due to an increase in sales expenses resulting from aggressive marketing (sales promotion) launched to secure sales expansion in and outside Japan. As a result, the quarter's ordinary income was ¥2,423 million (down 11.5% year on year) and the net profit for the quarter registered ¥1,240 million (down 15.5% year on year).

The segment-specific business results are as follows:

In Japan, sales totaled ¥10,176 million (down 2.3% year on year). This is mainly due to sluggish sales of the existing products except the core brand *Gatsby,* whose performance was as positive as in the same period last year. With regards profits, an increase in sales expenses resulting from aggressive marketing (sales promotion) launched to secure sales expansion brought an operating income of ¥1,534 million (down 23.2% year on year).

In Indonesia, sales amounted to ¥3,310 million (up 25.3% year on year). The reason for this considerable increase is that the figures only slightly above the level of last year's same quarter when quoted in the local currency were rendered significant in the Japanese yen. As for profits, with the increased sales expenses resulting from aggressive marketing (sales promotion) offset by an increase in yen-quoted gross margin, the operating income was ¥484 million (up 17.1% year on year).

Sales in other overseas markets amounted to ¥1,619 million in total (up 12.4% year on year). This is principally because local currency-based growth was sustained in the markets except some and yen-quoted overseas sales also increased. In terms of profits, with increased sales and general administrative costs offset by an increase in yen-based gross margin, the operating income reached ¥272 million (up 19.5% year on year).

(2) Consolidated Financial Condition: Qualitative Analysis

Total assets at the end of the first quarter stand at ¥54,182 million, same as at the end of the previous fiscal year, mainly because of an increase in accounts receivable and inventory assets, offset by a decrease resulting from repayment and sales of investment securities.

The liabilities amounted to ¥8,263 million, a decrease of ¥859 million from the previous fiscal year end, mainly because an increase in accounts payable were surpassed by a decrease in accrued corporate tax.

Shareholders' equity increased by ¥859 million from the previous fiscal year end and now stands at ¥45,918 million, chiefly due to an increase in valuation and conversion differentials under the influence of such positive factors as equity capital increase resulting from greater retained earnings and exchange rates. The equity-capital ratio is 78.0%.

[Cash Flow]

Cash flow from operations in the first quarter of FY 2011 decreased by ¥1,815 million over the same period of the previous fiscal year, resulting in a negative balance of ¥490 million. This is mainly due to the pre-tax net profit for the quarter registering ¥2,396 million, down ¥343 million from the same period last year, combined with a decrease of ¥446 million in accounts payable resulting in a positive balance of ¥272 million and corporate tax and other payments decreasing by ¥1,090 million resulting in a negative balance of ¥1,358 million.

Cash flow from investment activities increased by ¥1,602 million from the same period the previous year, resulting in a positive balance of ¥979 million. This is mainly due to income from the acquisition, sales and redemption of investment securities which increased by ¥1,699 million from the same period the previous year.

Cash flow from financing activities increased by ¥427 million from to the same period last year, bringing about a negative balance of ¥894 million. This is mainly due to a decrease from the same period last year of ¥254 million in dividend payments to shareholders including minority shareholders registering ¥892 million, offset by an outflow of ¥681 million spent in the previous year same period on purchasing treasury stocks.

As a result, cash and cash equivalents on hand at the end of the first quarter ending March 31, 2011 decreased ¥343 million to rest at ¥9,399 million.

(3) Consolidated Business Result Forecast: Qualitative Analysis

The business performance during the first quarter of this consolidated accounting period can be summed up as an increase in sales and a decrease in profits from the same period last year. In the second quarter and onward, fiercer sales competition is anticipated in markets in and outside Japan. Nevertheless, the Company expects to achieve most of its projected goals through continued reinforcement of the core brand Gatsby, streamlined promotion with women's products and launch of new products in Japan. Regarding profits, while higher sales costs due to increased raw material costs are likely both in Japan and overseas, vigorous cost reduction measures will be adopted, including internal manufacturing of goods currently outsourced in Japan and overseas procurement of raw materials and products.

In view of the above, there are no changes in the initially announced business result forecast for the first two quarters and whole the fiscal year.

2. Other Information

(1) Changes in principal subsidiaries:

No applicable event occurred.

(2) Simplified accounting methods and special accounting methods:

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 the accounting principles, methods, display, etc.

Changes in matters related to accounting standards

1. From the current quarter of the consolidated fiscal year, the Company adopts "Accounting Standard for Asset Retirement Obligations" (ASBJ Statement No. 18, March 31, 2008) and "Guidance on Accounting Standard for Asset Retirement Obligations" (ASBJ Guidance No. 21, March 31, 2008).
Following the above, the operating income and the ordinary income have each decreased by one million yen, while the pre-tax quarterly net income has decreased by 18 million yen. The adoption of the above standards has produced a change of 39 million yen in asset retirement obligations.

2. From the current quarter of the consolidated fiscal year, the Company adopts "Accounting Standard for Equity Method of Accounting for Investments" (ASJB Statement No. 16, announced on March 10, 2008) and "Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method" (ASBJ PITF No. 24, March 10, 2008).
The above has no influence on the Company's profits or loss.

3. From the current quarter of the consolidated fiscal year, the Company adopts "Accounting Standard for Business Combination" (ASBJ Statement No. 21, December 26, 2008), "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, December 26, 2008), the partially revised "Accounting Standard for Research and Development Costs" (ASBJ Statement No. 23, December 26, 2008), " Accounting Standard for Business Divestitures" (ASBJ Statement No. 7, December 26, 2008), "Accounting Standard for Equity Method of Accounting for Investments" (ASBJ Statement No. 16, announced on December 26, 2008), and "Guidance on Accounting Standard for Business Combination and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, December 26, 2008).