



July 30, 2013

## Consolidated Business Results (April 1, 2013 to June 30, 2013: Japanese Standards)

Corporate Name: Mandom Corporation  
 Listed Exchange: Tokyo  
 Code Number: 4917  
 URL: <http://www.mandom.co.jp>  
 Representative: Motonobu Nishimura, Representative Director & President Executive Officer  
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Dividend Payout: -  
 Expected Release Date of Quarterly Report: August 8, 2013  
 Documents Providing Supplemental Information: None  
 Financial Briefing: None

(Figures rounded down to the nearest million yen)

### 1. Consolidated Earnings for the First Quarter of the Fiscal Year Ended March 2014 (April 1, 2013 to June 30, 2013)

#### (1) Consolidated Financial Highlights(cumulative)

(% = change vs. same period in prior year)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%
1Q, FYE March 2014	17,988	5.1	3,382	22.6	3,550	23.5	2,101	23.4
1Q, FYE March 2013	17,118	△0.1	2,759	△12.7	2,875	△12.7	1,702	△0.8

Note: Comprehensive Income

1Q, FYE March 2014 ¥3,886 million (62.2%)  
 1Q, FYE March 2013 ¥2,396 million (△6.3%)

	Earnings per Share	Diluted Earnings per Share
	yen	yen
1Q, FYE March 2014	89.89	-
1Q, FYE March 2013	72.82	-

#### (2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio
	¥ millions	¥ millions	%
1Q, FYE March 2014	63,599	53,875	78.1
FYE March 2013	60,163	51,037	78.2

Reference: Shareholders' Equity

1Q, FYE March 2014 ¥49,690 million  
 FYE March 2013 ¥47,019 million

## 2. Dividends

	Annual Dividend				
	First Quarter End	Second Quarter End	Third Quarter End	Year End	Total
	yen	yen	yen	yen	yen
FYE March 2013	-	30.00	-	32.00	62.00
FYE March 2014	-				
FYE March 2014 (forecast)		33.00	-	33.00	66.00

Note: Changes to most recently reported dividend forecast: None

## 3. Consolidated Earnings Forecast, Fiscal Year Ending March 2014 (April 1, 2013 to March 31, 2014)

(% = change vs. same period in prior year)

	Net Sales		Operating Income		Ordinary Income		Net Income		Earnings per Share
	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	Yen
Second Quarter(cumulative)	36,400	7.5	4,760	0.4	4,850	△1.4	2,720	△10.8	116.34
Full Year	66,500	10.1	6,650	11.8	6,860	9.9	3,800	5.3	162.53

(Note) Changes to most recently reported earnings forecast: None

### \* Notes

(1) Changes in consolidation of significant subsidiaries during the cumulative consolidated quarter (changes in consolidation of specific subsidiaries): None

(2) Application of special accounting treatment in the preparation of quarterly financial statements: Yes

(3) Changes in accounting estimates, methods, or presentation  
a. Changes in accounting methods in connection with changes: None  
b. Changes in accounting methods other than a.: None  
c. Changes in accounting estimates: None  
d. Changes in presentation: None

(4) Issued shares (common stock)

a. Shares outstanding, end of period (including treasury stock)

1Q, FYE March 2014	24,134,606 shares
FYE March 2013	24,134,606 shares

b. Treasury stock, end of period

1Q, FYE March 2014	755,010 shares
FYE March 2013	754,463 shares

c. Average outstanding shares during the period

1Q, FYE March 2014	23,379,828 shares
1Q, FYE March 2013	23,380,644 shares

### \* Implementation Status of Quarterly Review Procedures

These quarterly financial statements are exempt from quarterly review procedures required under the Financial Instruments and Exchange Act. At the time of disclosure, quarterly financial statement review procedures for these quarterly financial statements had not been completed.

**\* Appropriate Use of Business Forecasts ; Other Special Items**

Information in this report concerning future performance is based on information available and certain assumptions deemed reasonable. Forecasts are not promises of future performance. Actual earnings may differ significantly from forecasts due to a number of factors. See page 5. of the attached materials, “1. Qualitative Information concerning Quarterly Financial Statements, (3) Qualitative Information concerning Forecasts of Consolidated Earnings” for important notes concerning assumptions used for earnings forecasts and the appropriate use of earnings forecasts.

## **1. Qualitative Information concerning Quarterly Financial Statements**

### **(1) Qualitative Information concerning Results of Operations**

During the cumulative consolidated first quarter, Japan's economy showed signs of overall improvement buoyed by government economic and financial policies in the face of mild deflation. However, doubts remain as to the stability of the global economy, making it difficult to predict the future with any certainty. Meanwhile, the economies throughout Asia — our main sphere of international operations — are cooling off in general due to worries about the lingering financial crisis in Europe.

Given these economic conditions, the Mandom Group is pursuing initiatives which we believe will lead to sustained growth:

Stable growth in our core men's grooming business

Expansion of our women's cosmetics business

Continued expansion of overseas sales, emphasizing Asia as an engine of growth

The Mandom Group recorded consolidated net sales of ¥17.988 billion (a 5.1% year-on-year increase). This increase was mainly due to overall solid performance in our core Gatsby brand in Japan and overseas, as well as an increase in yen conversion exchange gains due to the weaker yen when converting overseas subsidiary net sales.

Operating income amounted to ¥3.382 billion, which was a 22.6% year-on-year gain. This result was mainly due to efficiencies in selling expenses and lower cost of goods in Japan, despite significant investment in overseas marketing expenses (sales promotion and advertising expense). As a result, ordinary income for the consolidated first-quarter amounted to ¥3.550 billion, representing a 23.5% increase. Net income increased 23.4% year-on-year to ¥2.101 billion.

Group earnings by segments are as provided below (sales shown are net sales to external clients).

Net sales in Japan amounted to ¥11.563 billion, which was a 4.9% year-on-year increase. This result was mainly due to solid performance in women's summer-season goods and an expanding market for men's paper goods. With higher revenues, lower cost of goods, and effective investment in marketing expenses (sales promotion and advertising expense), operating income increased 39.0% year-on-year, reaching ¥2.475 billion for the quarter.

Net sales in Indonesia reached ¥3.663 billion, representing a 3.6% year-on-year decrease. Despite foreign-exchange gains due to the weaker yen, sales of women's cosmetics within the country struggled, while export levels decreased. Operating income fell 22.1% to ¥330 million, mainly due to lower revenues and increases in payroll and other general and administrative expenses.

Net sales in other overseas regions amounted to ¥2.761 billion, representing a 20.5% year-on-year gain. This result was mainly due to solid performance in most regions, as well as foreign-exchange gains due to the weaker yen. Aggressive investment in marketing expenses (sales promotion and advertising expense) led to a 4.1% increase in operating income, which amounted to ¥576 million.

### **(2) Qualitative Information concerning Financial Position**

(Assets, Liabilities, and Net Assets)

Total consolidated assets as of the end of the first quarter amounted to ¥63.599 billion, a ¥3.435 billion increase compared to the end of the prior fiscal year. This increase was due in part to increases in notes and accounts receivable. Total consolidated liabilities increased by ¥597 million, amounting to ¥9.724 billion.

This increase was mainly due to higher notes and accounts payable. Net assets amounted to ¥53.875 billion. This was a ¥2.837 billion increase compared to the end of the prior consolidated fiscal year, owing in part to higher retained earnings. Shareholders' equity ratio at the end of the first quarter was 78.1%.

(Cash Flows)

Consolidated cash and cash equivalents ("cash") for the cumulative first quarter decreased by ¥162 million compared to the end of the prior consolidated fiscal year to ¥10.319 billion.

The following details the main factors affecting cash flows during the first quarter.

<Cash Flows from Operating Activities>

Cash flows from operating activities amounted to ¥1.043 billion, which was a ¥622 million increase compared to the same period in the prior fiscal year. This result was mainly due to increased operating income and a net decrease in inventories.

<Cash Flows from Investing Activities>

Consolidated cash used in investing activities amounted to ¥508 million, which was a ¥356 million increase compared to the same period in the prior fiscal year. This increase was mainly due to cash used in time deposits and increased purchases of tangible fixed assets.

<Cash Flows from Financing Activities>

Consolidated cash used in financing activities amounted to ¥1.012 billion, which was a ¥130 million increase compared to the same period in the prior fiscal year. This result was due to an increase in dividend payments, including payments to minority interest holders.

**(3) Qualitative Information concerning Forecasts of Consolidated Earnings**

The Mandom Group has made no changes to cumulative consolidated second quarter or consolidated full-year earnings forecasts as published on May 9, 2013.

**2. Summary Information (Notes)**

**(1) Changes in Consolidated of Significant Subsidiaries during the Cumulative Consolidated Fiscal Quarter:**

None.

**(2) Application of special accounting treatment in the preparation of quarterly financial statements**

The Company has made reasonable estimates of effective tax rates after applying tax-effect accounting to net income before net income taxes for the consolidated fiscal period including the consolidated first quarter for the Company and domestic consolidated subsidiaries. Income tax expense has been calculated by multiplying quarterly net income before income taxes by the estimated effective tax rate.