July 30, 2014

Consolidated Business Results
(April 1, 2014 to June 30, 2014: Japanese Standards)

Corporate Name: Mandom Corporation
Listed Exchange: Tokyo
Code Number: 4917
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Dividend Payout: -
Expected Release Date of Quarterly Report: August 8, 2014
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 2015 (April 1, 2014 to June 30, 2014)

(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 2015	19,648	9.2	3,306	△2.2	3,550	△0.0	2,103	0.1
1Q, FYE March 2014	17,988	5.1	3,382	22.6	3,550	23.5	2,101	23.4

Note: Comprehensive Income
1Q, FYE March 2015 ¥2,788million (△28.3%)
1Q, FYE March 2014 ¥3,886million (62.2%)

	Earnings per Share	Diluted Earnings per Share
	yen	yen
1Q, FYE March 2015	89.88	–
1Q, FYE March 2014	89.89	–

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio
	¥ millions	¥ millions	%
1Q, FYE March 2015	68,194	56,852	77.1
FYE March 2014	67,858	55,179	75.2

Reference: Shareholders' Equity
1Q, FYE March 2015 ¥52,552 million
FYE March 2014 ¥51,038 million

2. Dividends

	Annual Dividend				
	First Quarter End	Second Quarter End	Third Quarter End	Year End	Total
	yen	yen	yen	yen	yen
FYE March 2014	–	33.00	–	37.00	70.00
FYE March 2015	–				
FYE March 2015 (forecast)		37.00	–	37.00	74.00

Note: Changes to most recently reported dividend forecast: None

3. Consolidated Earnings Forecast, Fiscal Year Ending March 2015 (April 1, 2014 to March 31, 2015)

(% = 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)	39,000	5.3	4,800	△10.4	4,980	△11.0	2,890	△12.5	123.61
Full Year	71,200	4.4	7,120	3.9	7,420	1.2	4,320	5.6	184.78

(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: Yes
- 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 2015	24,134,606 shares
FYE March 2014	24,134,606 shares

b. Treasury stock, end of period

1Q, FYE March 2015	755,434 shares
FYE March 2014	755,434 shares

c. Average outstanding shares during the period(cumulative)

1Q, FYE March 2015	23,379,172 shares
1Q, FYE March 2014	23,379,828 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 Consolidated Results of Operations

During the cumulative consolidated first quarter, Japan’s economy showed a gradual recovery buoyed by government economic and financial policies, despite concerns that the increase in consumption taxes would slow consumer spending. Meanwhile, the economies throughout Asia—our main sphere of international operations—continued to recover, exhibiting overall strength.

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 first quarter consolidated net sales of ¥19.648 billion (a 9.2% year-on-year increase). This increase was mainly due to growth in our core Gatsby brand in Japan, as well as strong overall sales at our overseas subsidiaries.

Operating income amounted to ¥3.306 billion, which was a 2.2% year-on-year decrease. This was mainly due to aggressive investment in domestic and international marketing expenses (sales promotion and advertising expense). As a result, ordinary income for the consolidated first quarter amounted to ¥3.550 billion, level with the same period in the prior fiscal year. Net income increased 0.1% year on year to ¥2.103 billion.

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

Net sales in Japan amounted to ¥12.273 billion, which was a 6.1% year-on-year increase. This increase was due to strong sales in our core Gatsby brand facial paper and body paper products, in addition to overall strong performance in existing products. Operating income was down 9.9% year-on-year to ¥2.230 billion. We attribute this decrease mainly to the result of aggressive investment in marketing expenses (sales promotion and advertising expense).

Net sales in Indonesia reached ¥4.153 billion, representing a 13.4% year-on-year increase. This result was mainly due to foreign-exchange decreases resulting from local currency devaluation, which was more than offset by performance in Indonesia of our core Gatsby and Pixy brand product lines. Operating income was up 9.7% year-on-year to ¥362 million. This was mainly due to higher revenues as a result of aggressive investment in marketing expenses (sales promotion and advertising expense) and higher revenues.

Net sales in other overseas regions amounted to ¥3.221 billion, representing a 16.7% year-on-year gain. This result was mainly due to overall strong performance on a local currency basis and foreign-exchange gains due to the weaker yen. Also, greater revenues led to a 23.8% year-on-year gain in operating income, up to ¥714 million.

(2) Qualitative Information concerning Consolidated Financial Position

(Assets, Liabilities, and Net Assets)

Total consolidated assets as of the end of the first fiscal quarter amounted to ¥68.194 billion, representing a ¥335 million increase compared to the end of the prior consolidated fiscal year. This increase was mainly due to increases in notes and accounts receivable – trade and merchandise and finished goods. Mainly due to decreases in accrued expenses included in other current liabilities, total liabilities decreased ¥1.336 billion compared to the end of the prior consolidated fiscal year, to ¥11.342 billion. Net assets amounted to ¥56.852 billion. This was a ¥1.672 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 77.1%.

(Cash Flows)
Consolidated cash and cash equivalents (“cash”) for the cumulative first quarter decreased by ¥1.103 billion compared to the end of the prior consolidated fiscal year to ¥9.787 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 ¥1.298 billion, which was a ¥254 million increase compared to the same period in the prior fiscal year. Despite a slight decrease in operating income, the Group recorded smaller increases in accounts receivable.

<Cash Flows from Investing Activities>
Consolidated cash used in investing activities amounted to ¥1.260 billion, which was a ¥752 million increase compared to the same period in the prior fiscal year. This result was mainly due to cash outlays for purchases of tangible fixed assets.

<Cash Flows from Financing Activities>
Consolidated cash used in financing activities amounted to ¥1.085 billion, which was a ¥73 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 consolidated full-year earnings forecasts as published on May 8, 2014.

2. Summary Information (Notes)

(1) 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.

(2) Changes in Accounting Policies, Changes in Accounting Estimates, and Restatements (Changes in Accounting Policies)
Beginning the first quarter of the current consolidated fiscal year, the Group adopted the provisions of Paragraph 35 of the Accounting Standard for Retirement Benefits and Paragraph 67 of the Guidance on Accounting Standard for Retirement Benefits as provided in the Accounting Standard for Retirement Benefits (ASBJ Statement No.26, May 17, 2012) and the Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25, May 17, 2012). Under this new accounting policy, the Group has revised its method of calculating retirement benefit obligations and service costs. The Group has replaced the straight-line attribution basis with the benefit formula basis for the method of attributing expected benefit to periods.
Further, the Group has adopted a method to determine the discount rate by using the single weighted average discount rate reflecting the estimated timing and amount of benefit payment, replacing the use of the discount rate based on the expected average remaining working lives of the employees.
In accordance with the transitional application as provided in Paragraph 37 of the Accounting Standard for Retirement Benefits, the Group has, beginning with the start of the first quarter of the current consolidated fiscal year, taken the effects of the changes in calculation method for retirement benefit obligations and service costs directly to retained earnings.
As a result, the impact of this accounting change on the retirement benefit obligation and retained earnings at the beginning of the cumulative consolidated fiscal quarter of the current year is minimal.

In addition, the impact of this accounting change on income for the cumulative consolidated first quarter is minimal.