July 29, 2016

# Consolidated Business Results
# (April 1, 2016 to June 30, 2016: 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, 2016
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 2017 (April 1, 2016 to June 30, 2016)

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

(% = Changes from the same period in the previous fiscal year)

| | Net Sales | | Operating Income | | Ordinary Income | | Net Income Attributable to Owners of Parent | |
|---|---|---|---|---|---|---|---|---|
| | ¥ millions | % | ¥ millions | % | ¥ millions | % | ¥ millions | % |
| 1Q, FYE March 2017 | 21,130 | 0.2 | 3,637 | △5.2 | 3,803 | △6.4 | 2,482 | △0.2 |
| 1Q, FYE March 2016 | 21,094 | 7.4 | 3,836 | 16.0 | 4,062 | 14.4 | 2,487 | 18.3 |

Note: Comprehensive Income
1Q, FYE March 2017 ¥1,560million (△37.9%)
1Q, FYE March 2016 ¥2,513million (△9.9%)

| | Earnings per Share | Diluted Earnings per Share |
|---|---|---|
| | yen | yen |
| 1Q, FYE March 2017 | 106.19 | – |
| 1Q, FYE March 2016 | 106.40 | – |

### (2) Consolidated Financial Position

| | Total Assets | Net Assets | Shareholders' Equity Ratio |
|---|---|---|---|
| | ¥ millions | ¥ millions | % |
| 1Q, FYE March 2017 | 79,150 | 66,219 | 76.3 |
| FYE March 2016 | 79,821 | 65,856 | 74.8 |

Reference: Shareholders' Equity
1Q, FYE March 2017 ¥60,359million
FYE March 2016 ¥59,707 million

## 2. Dividends

| | Annual Dividend | | | | |
|---|---|---|---|---|---|
| | First Quarter End | Second Quarter End | Third Quarter End | Year End | Total |
| | yen | yen | yen | yen | yen |
| FYE March 2016 | – | 40.00 | – | 40.00 | 80.00 |
| FYE March 2017 | – | | | | |
| FYE March 2017 (forecast) | | 43.00 | – | 43.00 | 86.00 |

Note: Changes to most recently reported dividend forecast: None

## 3. Consolidated Earnings Forecast, Fiscal Year Ending March 2017 (April 1, 2016 to March 31, 2017)

(% = Changes from the same period in the previous fiscal year)

| | Net Sales | | Operating Income | | Ordinary Income | | Net Income Attributable to Owners of Parent | | Earnings per Share |
|---|---|---|---|---|---|---|---|---|---|
| | ¥ millions | % | ¥ millions | % | ¥ millions | % | ¥ millions | % | Yen |
| Second Quarter(cumulative) | 41,600 | △0.8 | 4,400 | △17.8 | 4,700 | △19.1 | 2,900 | △51.8 | 124.05 |
| Full Year | 76,800 | 2.3 | 7,400 | 12.2 | 7,900 | 6.5 | 5,000 | △21.7 | 213.88 |

(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 2017 | 24,134,606 shares |
| FYE March 2016 | 24,134,606 shares |

b. Treasury stock, end of period

| | |
|---|---|
| 1Q, FYE March 2017 | 756,656 shares |
| FYE March 2016 | 756,548 shares |

c. Average outstanding shares during the period(cumulative)

| | |
|---|---|
| 1Q, FYE March 2017 | 23,378,009 shares |
| 1Q, FYE March 2016 | 23,378,701 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 4.of the attached materials, “1. Qualitative Information concerning Quarterly Financial Statements, (3) Qualitative Information concerning Forecast 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 strong corporate profits and improvement in the employment situation despite concern over increased uncertainty in the global economy. Additionally, the economies throughout Asia—our main sphere of international operations—showed a modest expansion despite signs of an overall slowdown. Given these economic conditions, the Mandom Group is pursuing initiatives which we believe will lead to sustained growth:

1) Sustainable growth in our core men's grooming business
2) Accelerated expansion of our women's cosmetics business
3) Continued expansion of our global business as an engine of growth

The Mandom Group recorded first quarter consolidated net sales of ¥21.130 billion (a 0.2% year-on-year increase). This increase was due to solid performance in our women's products and core Gatsby brand despite a decrease in foreign-exchange gains due to the appreciating yen when converting overseas subsidiary net sales.

Operating income was down 5.2% year-on-year to ¥3.637 billion. We attribute this decrease to the result of aggressive investment in marketing expenses (sales promotion and advertising expense) in Japan and overseas. Ordinary income for the consolidated first quarter amounted to ¥3.803 billion, which was a 6.4% year-on-year decrease. Net income attributable to the parent company also decreased 0.2% year on year to ¥2.482 billion.

Group earnings by segment are as provided below. (Net sales refers to sales to external customers.)

Net sales in Japan amounted to ¥13.053 billion, which was a 3.9% year-on-year increase. This increase was mainly due to favorable performance of women's products and Lucido. Operating income was down 2.5% year-on-year to ¥2.461 billion. This was mainly due to aggressive investment in marketing expenses (advertising expense).

Net sales in Indonesia reached ¥4.666 billion, representing a 10.2% year-on-year decrease. This result was mainly due to the struggles of women's products and a decrease in foreign-exchange gains resulting from the appreciating yen despite overall favorable performance in Indonesia of our core Gatsby. As a result, operating income was also down 13.1% year-on-year to ¥499 million.

Net sales in other overseas regions amounted to ¥3.409 billion, representing a 2.4% year-on-year gain. This result was mainly due to decreases in foreign-exchange gains resulting from the appreciating yen despite overall strong performance on a local currency basis. Operating income was down 8.3% year-on-year to ¥676 million. We attribute this decrease mainly to the result of aggressive investment in marketing expenses (sales promotion and advertising expense).

(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 ¥79.150 billion, representing a ¥670 million decrease compared to the end of the prior consolidated fiscal year. This result was mainly due to decreases in marketable securities and investment securities. Total liabilities amounted to ¥12.930 billion, representing a decrease of ¥1.034 billion compared to the end of the prior consolidated fiscal year, due mainly to a decrease in accrued expenses included in other current liabilities. Net assets amounted to ¥66.219 billion. This was a ¥363 million 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 76.3%.

(Cash Flows)

Consolidated cash and cash equivalents ("cash") for the cumulative first quarter decreased by ¥1.049 billion compared to the end of the prior consolidated fiscal year to ¥11.151 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 ¥1.386 billion, which was a ¥3 million increase compared to the same period in the prior fiscal year. This result was mainly due to receipt of insurance claims even though there was a decrease in operating income.

<Cash Flows from Investing Activities>

Consolidated cash used in investing activities amounted to ¥1.143 billion, which was a ¥769 million increase compared to the same period in the prior fiscal year. This was mainly due to an increase in cash used in time deposits.

<Cash Flows from Financing Activities>

Consolidated cash used in financing activities amounted to ¥1.128 billion, which was a ¥1.045 billion decrease compared to the same period in the prior fiscal year. This was primarily due to a decrease in repayment of short-term borrowings.

(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 11, 2016.

**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. 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)

(Application of Practical Solution for Changes in Depreciation Method Associated with Fiscal 2016 Tax Reform)

In conjunction with the revision to the corporation tax act, the “Practical Solution for Changes in Depreciation Method Associated with Fiscal 2016 Tax Reform” (ASBJ PITF No. 32, June 17, 2016) has been applied as of the consolidated first quarter. The depreciation method associated with facilities and accompanying buildings, and structures acquired on or after April 1, 2016 has been changed from the declining balance method to the straight-line method. The impact of this accounting change on income is minimal.

(3) Additional Information

(Implementation Guidance on Recoverability of Deferred Tax Assets)

The “Implementation Guidance on Recoverability of Deferred Tax Assets” (ASBJ Guidance No. 26, March 3, 2016) has been applied as of the consolidated first quarter.