



# Business Results Briefing

(Fiscal Year Ending March 31, 2013)

April 1, 2012-March 31, 2013

Mandom Corporation  
(Securities Code: 4917)





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- 6. Forecast of Consolidated Business Results for FY2014/3**

# 1. Consolidated Business Results

(Unit:MIn Yen)

	Annual Results					
	FY2013/3	FY2012/3	Balance	Yr/Yr	Yr/Yr <sup>※2</sup>	Achiev. <sup>※1</sup>
Net Sales	60,427	59,801	625	101.0%	102.4%	100.7%
Operating Income	5,947	6,050	▲ 102	98.3%	—	106.2%
Ordinary Income	6,241	6,308	▲ 66	98.9%	—	107.6%
Net Income	3,607	3,299	308	109.3%	—	106.1%

※1 Comparison with FY 2012/3 rate after adjustment  
 ※2 Revised plan announced on October 29

ROE	8.0%	7.7%
EPS	¥154.29	¥141.11

Payout Ratio	40.2%	42.5%
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- Net Sales and Net Income were updated to the highest.

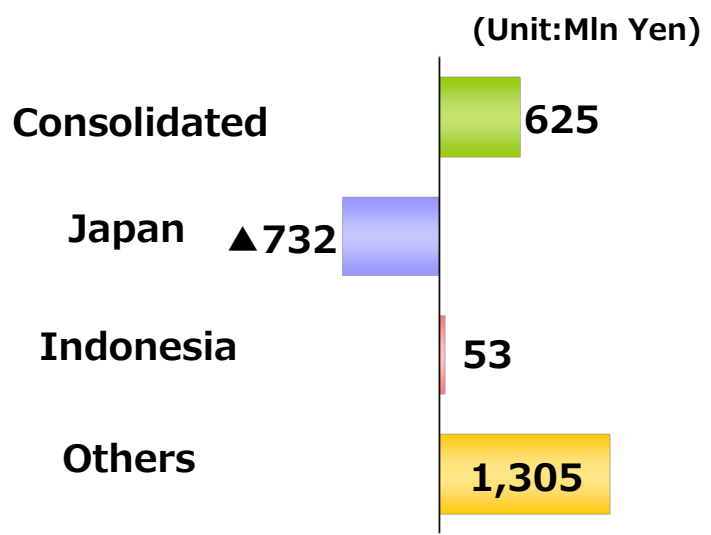
# 2. Consolidated Net Sales

## 2-1. Net Sales by Region

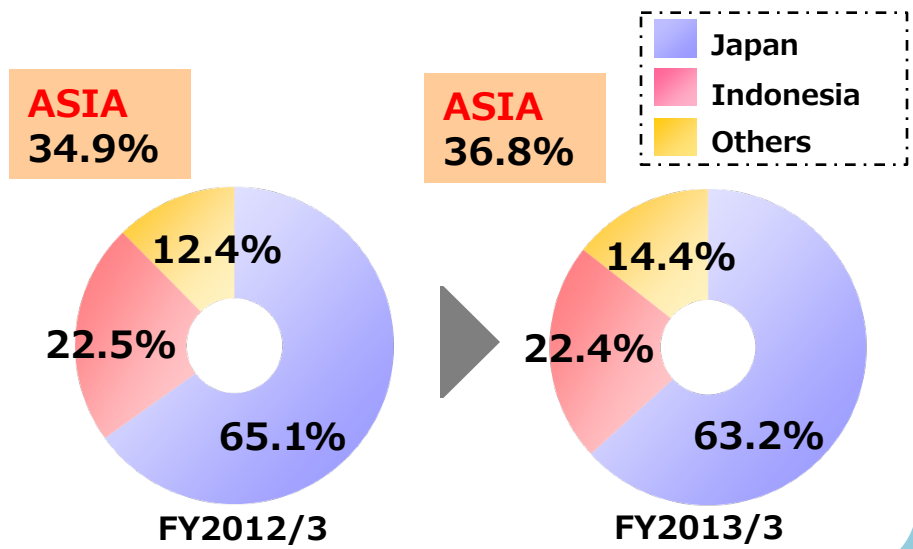
(Unit:MIn Yen)

	Annual			
	FY2013/3	FY2012/3	Balance	Yr/Yr
Net Sales	60,427	59,801	625	101.0%
Japan	38,208	38,940	▲ 732	98.1%
Indonesia	13,510	13,457	53	100.4%
Others	8,708	7,403	1,305	117.6%

## 2-2. Net Sales by Region Analysis (Year-on-Year)



## 2-3. Net Sales by Region Ratio (Year-on-Year)



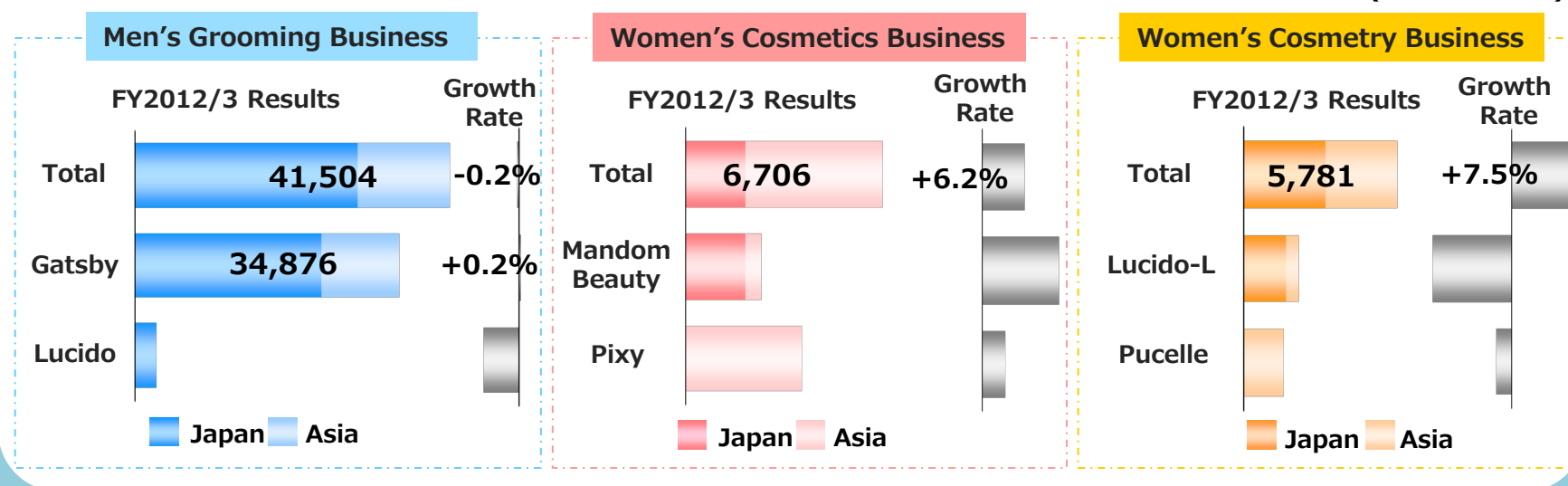
## 2. Consolidated Net Sales

### 2-4. Net Sales by Strategic Business Unit

(Unit:MIn Yen)

	Annual Results			
	FY2013/3	FY2012/3	Balance	Yr/Yr
Net Sales	60,427	59,801	625	101.0%
Men's Grooming Business	41,504	41,586	▲ 82	99.8%
Gatsby	34,876	34,803	73	100.2%
Women's Cosmetics Business	6,706	6,312	394	106.2%
Women's Cosmetry Business	5,781	5,378	402	107.5%
Other Business	6,435	6,524	▲ 88	98.6%

(Unit:MIn Yen)



# 3. Consolidated Incomes

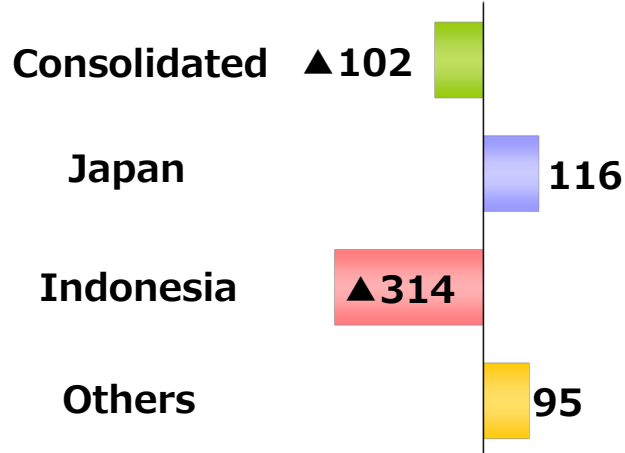
## 3-1. Operating Income by Region

(Unit:MIn Yen)

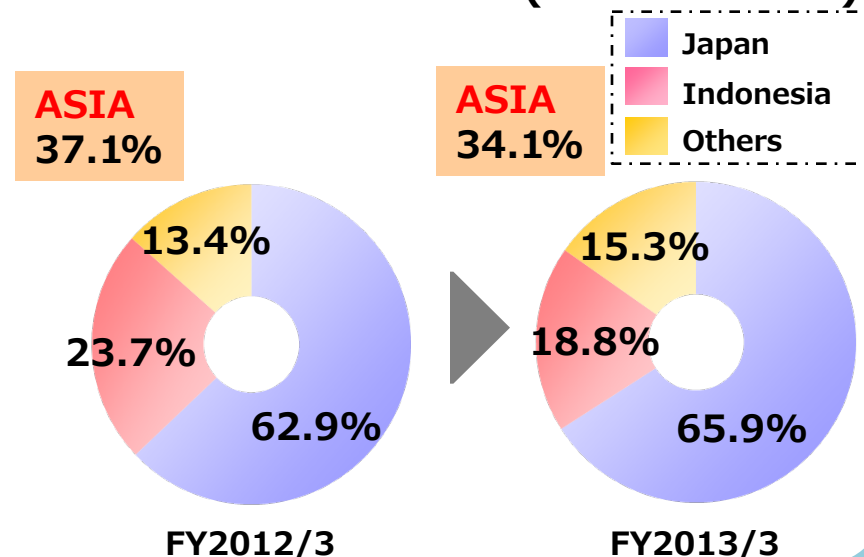
	Annual					
	FY2013/3		FY2012/3		Balance	Yr/Yr
	Result	per Sales	Result	per Sales		
Operating Income	5,947	9.8%	6,050	10.1%	▲ 102	98.3%
Japan	3,921	10.3%	3,805	9.8%	116	103.0%
Indonesia	1,117	8.3%	1,432	10.6%	▲ 314	78.1%
Others	908	10.4%	812	11.0%	95	111.8%

## 3-2. Operating Income by Region Analysis (Year-on-Year)

(Unit:MIn Yen)



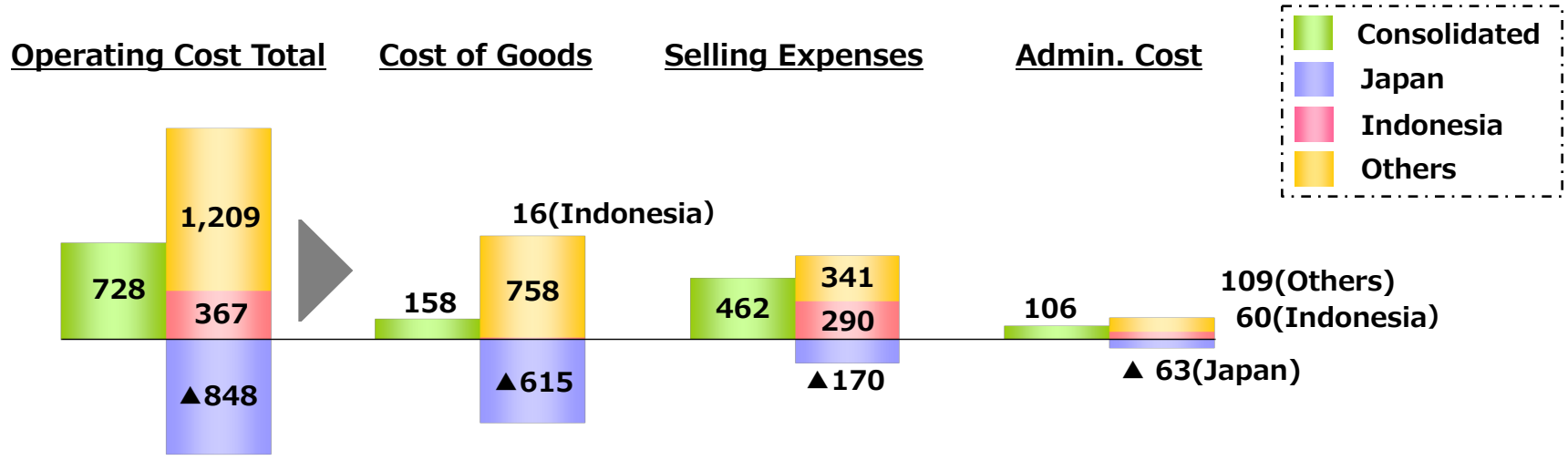
## 3-3. Operating Income by Region Ratio (Year-on-Year)



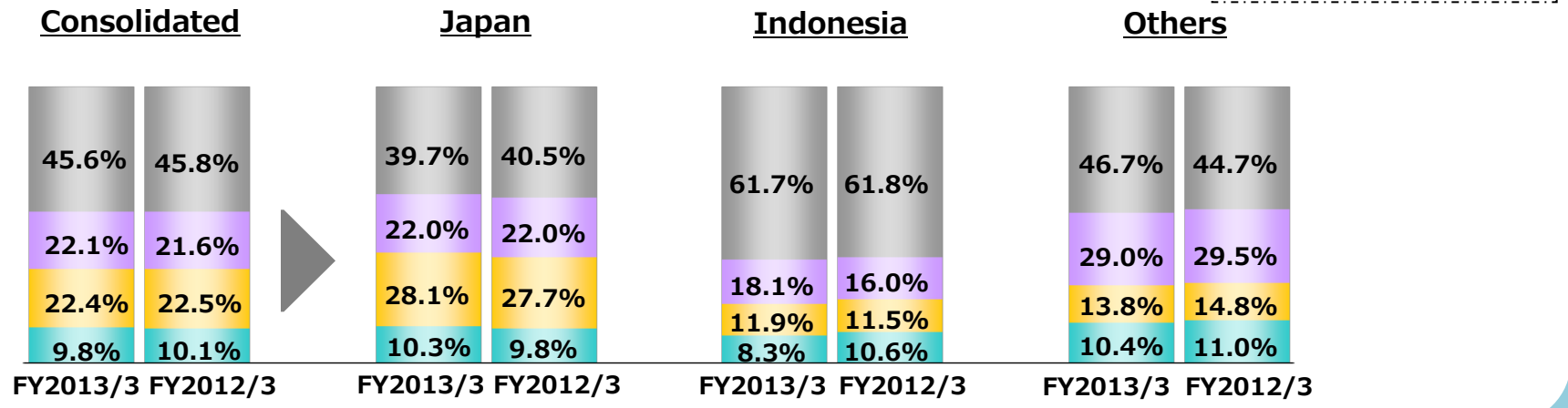
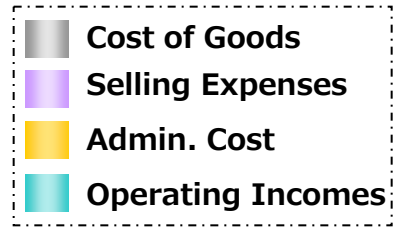
# 3. Consolidated Incomes

## 3-4. Operating Cost Analysis (Year-on-Year)

(Unit:MIn Yen)



## 3-5. Operating Cost & Income (Ratio to Sales)



# 3. Consolidated Incomes

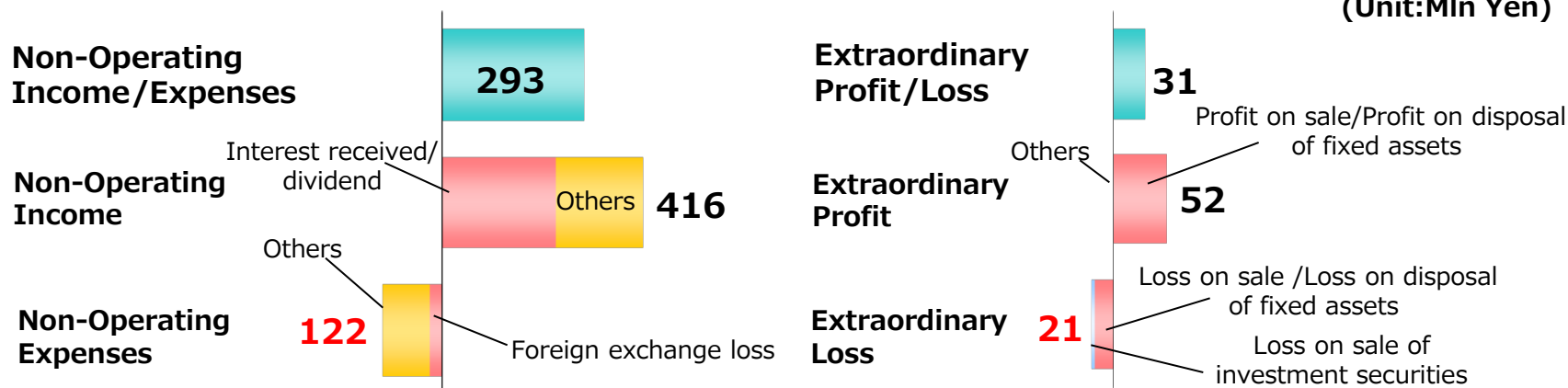
## 3-6. Ordinary Income and Net Income by Region

(Unit:MIn Yen)

	Annual Results					
	FY2013/3		FY2012/3		Balance	Yr/Yr
	Result	per Sales	Result	per Sales		
Non-operating Income/Loss	293	0.5%	257	0.4%	36	114.0%
Ordinary Income	6,241	10.3%	6,308	10.5%	▲ 66	98.9%
Extraordinary Profit/loss	31	0.1%	▲ 188	▲ 0.3%	220	▲ 16.4%
Income before Income Taxes and Minority Interests	6,272	10.4%	6,119	10.2%	153	102.5%
Income Taxes and Minority Interests	2,175	3.6%	2,354	3.9%	▲ 179	92.4%
Minority Interests in Net Income	490	0.8%	465	0.8%	24	105.3%
Net Income	3,607	6.0%	3,299	5.5%	308	109.3%

## 3-7. Non-Operating Income/Expenses & Extraordinary Profit/Loss

(Unit:MIn Yen)





# 4. Summary of Our Strategic Business

## Japan



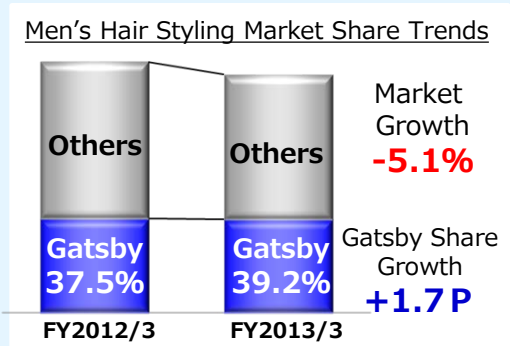
\* Mandom data

### Men's Grooming Business



#### [Hair Styling]

Hair styling market share expanded through reinforcement of the major item "Moving Rubber"

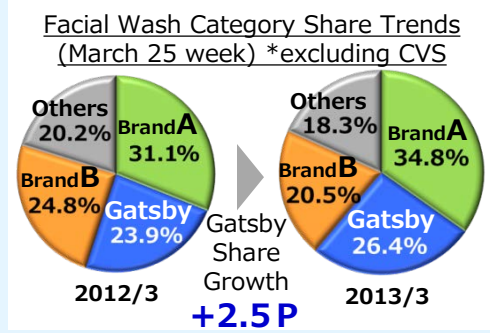


#### [Face & Body Care]

Total renewal of "Face Care Series" in fiercely competitive skin care segment for a large increase in face wash market share



Face Care Series showing positive performance



Continued reinforcement in body care category with high growth potential, including "Bio Core Series" renewal and new ad for "Body Paper Series"

### Women's Cosmetics Business



Continued brand promotion, including new "Bifesta" ad and campaign for greater recognition of water based cleansing lotion, and product line expansion

Product line expanded with new products



### Women's Cosmetry Business

Product line expansion with new items added to Body Care Category showing favorable performance

New fragrance added to well-received Body Paper Series, and launch of new Body Water



# 4. Summary of Our Strategic Business

## Indonesia



### Men's Grooming Business



#### [Hair Styling]

Hair Styling category reinforced with total renewal of the major item "Water Gloss"

Total renewal of "Water Gloss"



#### [Face & Body Care]

Product line expansion with launch of new fragrance series, in response to customer s' higher style & Grooming consciousness



New fragrance series, Urban Cologne

### Women's Cosmetics Business



Reinforcement of product power and brand image with total renewal of the major item "Two-way Cake"

Reinforced promotion of "Two-way Cake" concurrently with its total renewal



### Women's Cosmetry Business



Brand expansion with new products added in the new "Glazelle" series

New series "Glazelle" targeting Mainly women in their 20s



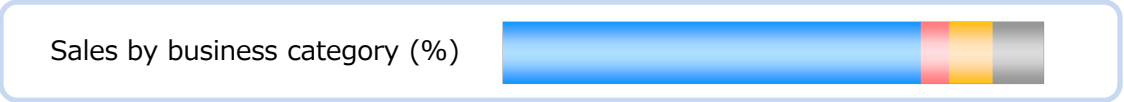
### New business endeavors commenced for greater business scale

Launch of children's products featuring popular characters



# 4. Summary of Our Strategic Business

## Others



### China

**Hair Styling Category:**  
Expand development areas and channels  
**Men's Face & Body Category and Women's Skin Care Category:**  
Select suitable channels for each category mainly in urban areas for concentrated development

### Indochina

Expansion from Thailand to Myanmar, Vietnam and Cambodia  
Collaboration with local agents for market exploration and distribution network building

### India

Reinforced marketing in collaboration with local partner, with Mandam India in full-scale operation since July 2012, for distribution network expansion in Indian market and product establishment in local market

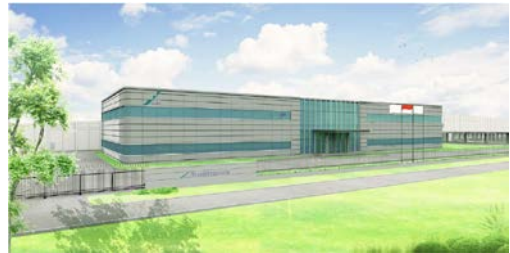
## Plant Investment

**Plant investment to increase output capacity and perfect a solid supply system that maximizes group synergy, with an eye to greater development and expansion in Asia**

- **Japan: Fukuzaki Plant**  
Approx. 3.5 billion yen  
Completion Dec.2013  
(scheduled)

- **Indonesia: New Cibitung Head Office Plant**  
Approx. 3.7 billion yen  
Completion Dec. 2014  
(scheduled)

New Cibitung Head Office Plant  
Artist's sketch



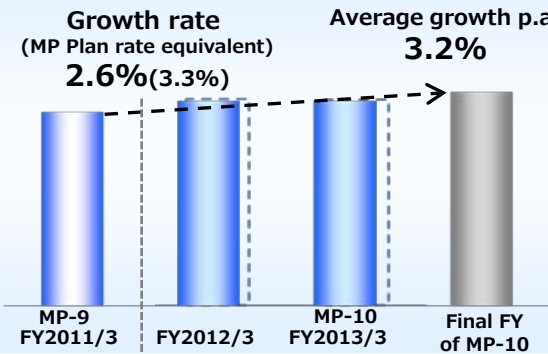
# 4. Summary of Our Strategic Business

## Men's Grooming Business

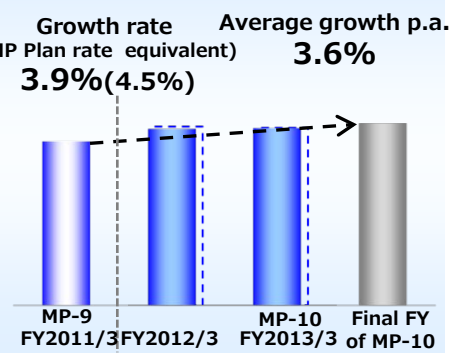
**Core business: Promote its stable growth while maintaining and expanding category share in the men's grooming market**

- Year 2 status: Progress roughly as projected, led by overseas business
- Final Year prospects: Target achievement expected

**Men's grooming business targets and results**



**Gatsby sales targets and results**

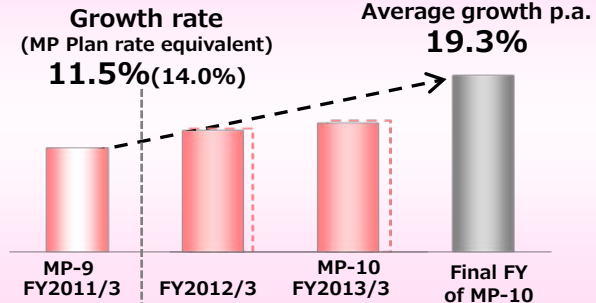


## Women's Cosmetics Business

**Reinforced product development and promotion with focus on individual market needs, particularly on skin care**

- Year 2 status: Targets not achieved (Japan and overseas)
- Final Year prospects: Targets achievement unlikely (with initially projected Final Year growth rate target attained)

**Women's Cosmetics Business targets and results**

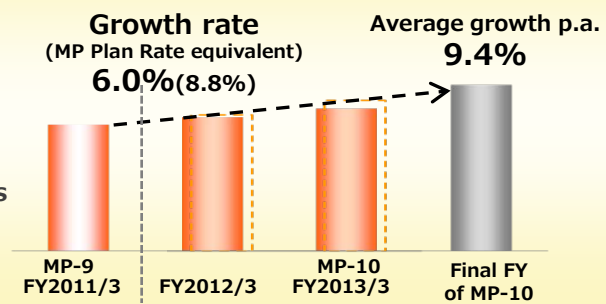


## Overseas Business

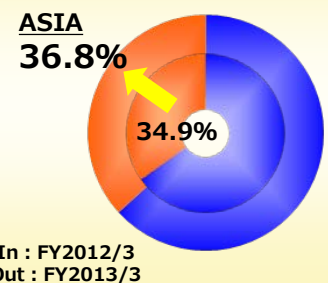
**Explore Asian markets through vigorous campaigns in priority areas (Indonesia, China), aiming to enhance group growth potential**

- Year 2 status: Targets not achieved due to exchange rate influence, but plan-surpassing progress on local currency basis
- Final Year prospects: Target achievement expected

**Overseas Business targets and results**



**Ratio of Overseas Sales to Net Sales (2nd -year)**



# 5. Progress of MP-10 (the 10<sup>th</sup> Three-year Middle-Range Planning)

## MP-10 Year 2 Status

### Slight downward turn from initial plan

Growth target not achieved due to Japan business targets not achieved and exchange rate influence, resulting in non-achievement of profitability target

### Growth Potential

Non-achievement of initial plan Year 2 target due to Japan business targets non achieved and exchange rate influence

Consolidated sales

MP-10 Final Year target: 66 billion yen

**Year 2 sales: 60.4 billion yen**

### Profitability

Non-achievement due to sales target  
Non-achievement and lower profitability

Consolidated profitability

MP-10 Final Year target: 10% or higher

**Year 2 profitability: 9.8%**

### Shareholder Returns

Increased following highest profits

Consolidated dividend payout rate  
MP-10 target (3 consecutive years):

40% or higher

**Year 2 payout rate: 40.2%**

## MP-10 Final Year Prospects

### Work toward achieving initial targets

Focus efforts on MP-10 themes to achieve initial plan targets

### Growth Potential

Achieve initial plan Final Year target by further promoting 3 business categories

Consolidated sales

Target achievement expected

**Final Year target: 66.5 billion yen**

### Profitability

Ensure target profitability by higher cost efficiency, despite vigorous marketing investment in overseas and other categories

Consolidated operating profitability

Target achievement expected

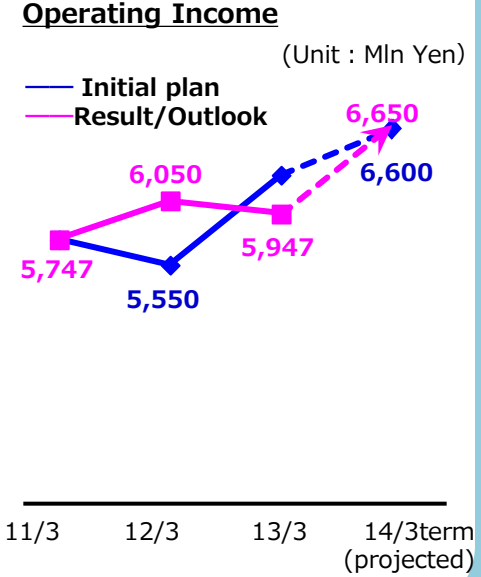
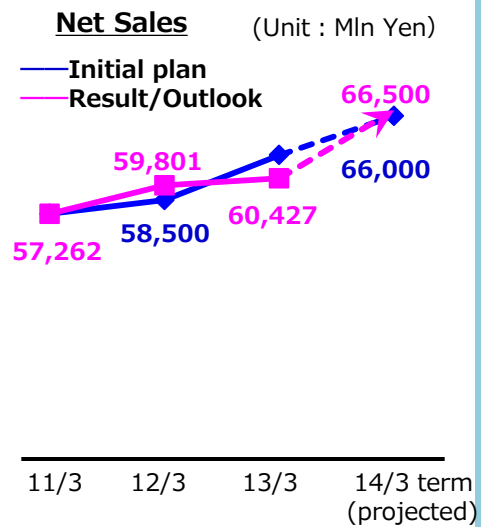
**Final Year target: 10%**

### Shareholder Returns

Attain continuation target

Consolidated dividend payout rate

**Continuation target 40% or higher maintained**



## 6. Forecast of Consolidated Business Results for FY2014/3

### 6-1. Premises for Planning of Consolidated Outlook FY 2014/3

#### Assumptions for Increased Sales

- + Stable growth of Men's Grooming led by Gatsby's growth
- + Continued reinforcement of Women's Cosmetics
- + Rapid growth of overseas business as growth engine
- + Rise in overseas sales due to exchange rate influence

#### Assumptions for Increased Profit

- + Increased profit resulting from increased sales
- + Increased yen-quoted overseas profit due to exchange rate influence (weaker yen)
- Higher cost-to-sales ratio resulting from greater part of overseas business with higher c-to-s (c-to-s ratio itself decreased in Japan and overseas)
- Continued marketing investment in overseas business (especially "overseas and others" category)



### 6-2. Consolidated Outlook for FY2014/3

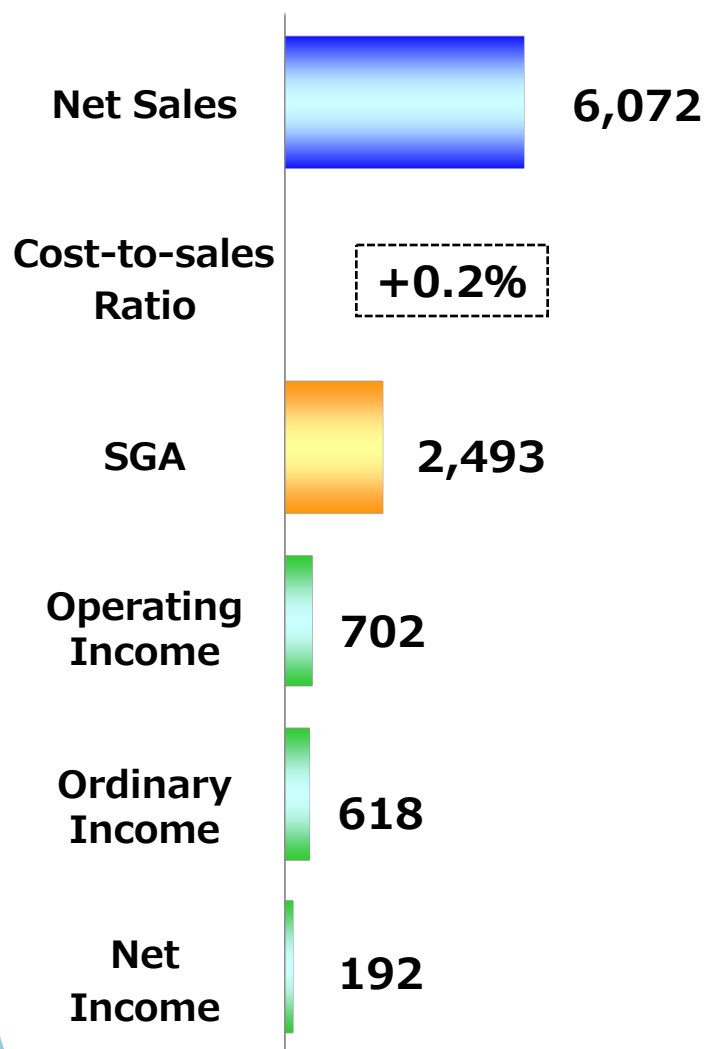
(Unit:Mln Yen)

	FY2014/4						FY2013/3	
	Annual			1Q+2Q			Results	
	Initial Plan	Balance	Yr/Yr	Initial Plan	Balance	Yr/Yr	Annual	1Q+2Q
Net Sales	66,500	6,072	110.1%	36,400	2,548	107.5%	60,427	33,851
Operating Income	6,650	702	111.8%	4,760	20	100.4%	5,947	4,739
Ordinary Income	6,860	618	109.9%	4,850	▲66	98.6%	6,241	4,916
Net Income	3,800	192	105.3%	2,720	▲329	89.2%	3,607	3,049

## 6. Forecast of Consolidated Business Results for FY2014/3

### 6-3. FY 2014/3 Outlook of Main Expenses: Breakdown of Increase/Decrease over FY 2013/3

(Unit:Mln Yen)



#### ■ Net Sales

**Increase due to exchange rate influence and continued reinforcement of the respective business categories**

Japan: Increase from continued reinforcement of "GATSBY" Face & Body segment and "Bifesta" brand development and reinforcement in Women's Cosmetics segment

Asia: Double-digit (local currency basis) increase from reinforced GATSBY development and continued reinforcement of Pixy in Women's Cosmetics as well as introduction of Bifesta into Asia

#### ■ Cost-to-Sales Ratio

**Control cost-to-sales ratio increase by cost cutting efforts in Japan and overseas**

Japan: Control raw material price increase due to exchange rate influence with raw material and product cost cutting and plant streamlining

Asia: Continue cost-cutting efforts to fight continuously high raw material prices and labor cost increase

#### ■ Sales and Administrative Expenses

**Concentrate marketing investment on overseas business**

Japan: Conduct effective marketing investment to expand contact with customers

Asia: Continue vigorous investment for further growth

#### ■ Non-Operating I/E, Extraordinary P/L

No major changes in given assumptions at present