



# Business Results Briefing

(Fiscal Year Ending March 31, 2014)  
*April 1, 2013-March 31, 2014*

**Mandom Corporation**  
(Securities Code: 4917)





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# 1. Consolidated Business Results

(Unit:MIn Yen)

	Annual					
	FY2014/3	FY2013/3	Balance	Yr/Yr	Yr/Yr	Achiev.
Net Sales	68,215	60,427	7,788	112.9%	107.6%	102.6%
Operating Income	6,853	5,947	906	115.2%	–	103.1%
Ordinary Income	7,330	6,241	1,088	117.4%	–	106.9%
Net Income	4,091	3,607	484	113.4%	–	107.7%

ROE	8.3%	8.0%
EPS	¥175.02	¥154.29

Payout Ratio	40.0%	40.2%
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- Net Sales and Income were updated to the highest.

# 2. Consolidated Net Sales

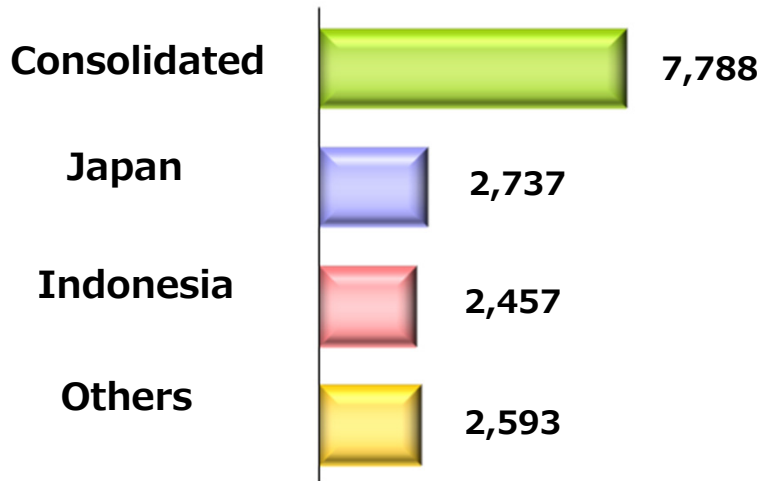
## 2-1. Net Sales by Region

(Unit:MIn Yen)

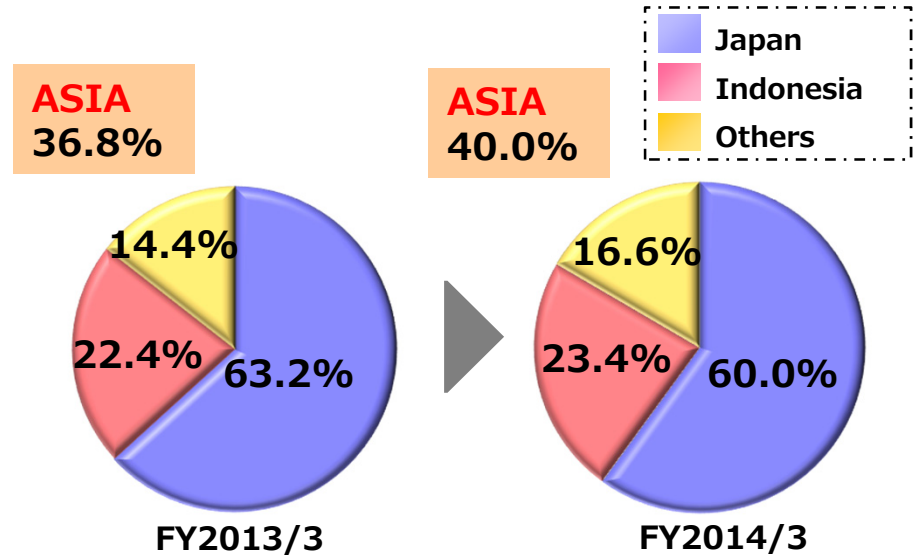
	Annual			
	FY2014/3	FY2013/3	Balance	Yr/Yr
Net Sales	68,215	60,427	7,788	112.9%
Japan	40,945	38,208	2,737	107.2%
Indonesia	15,968	13,510	2,457	118.2%
Others	11,301	8,708	2,593	129.8%

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

(Unit:MIn Yen)



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



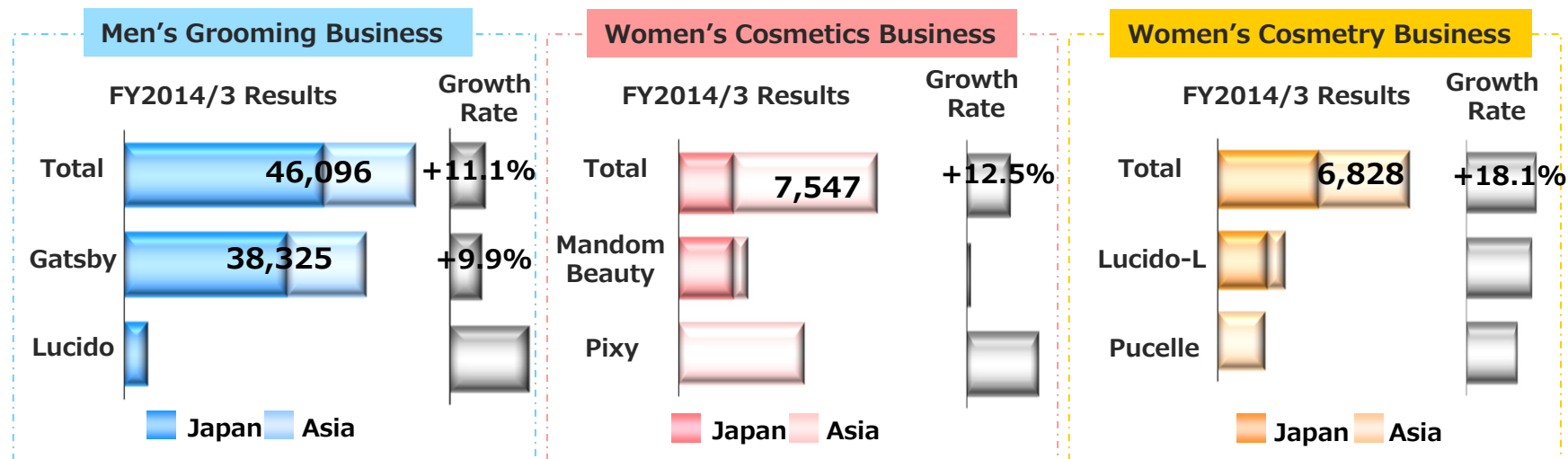
# 2. Consolidated Net Sales

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

(Unit:MIn Yen)

	Annual			
	FY2014/3	FY2013/3	Balance	Yr/Yr
Net Sales	68,215	60,427	7,788	112.9%
Men's Grooming Business	46,096	41,504	4,592	111.1%
Gatsby	38,325	34,876	3,448	109.9%
Women's Cosmetics Business	7,547	6,706	841	112.5%
Women's Cosmetry Business	6,828	5,781	1,047	118.1%
Other Business	7,743	6,435	1,308	120.3%

(Unit:MIn Yen)



# 3. Consolidated Incomes

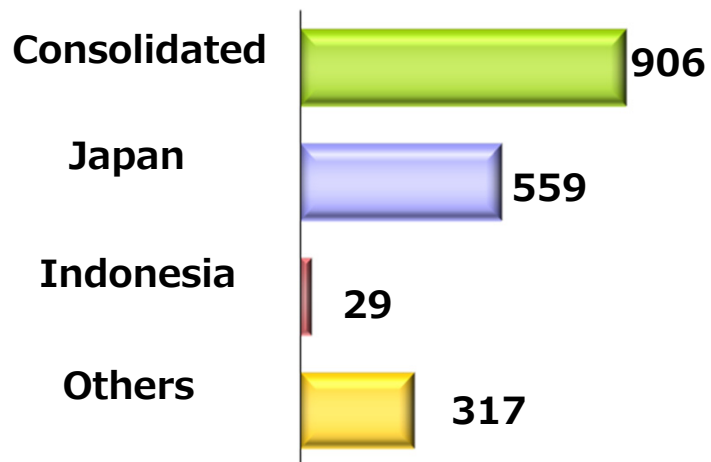
## 3-1. Operating Income by Region

(Unit:Mln Yen)

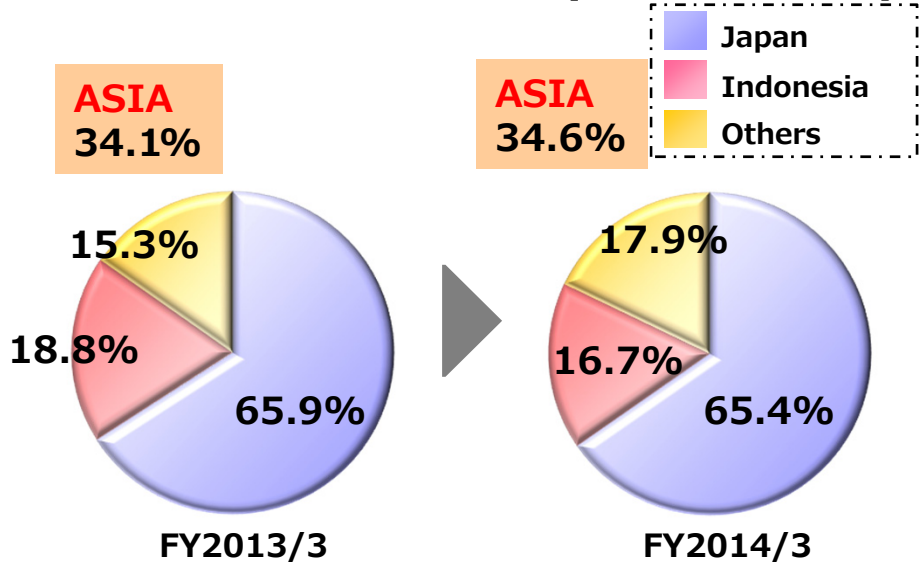
	Annual					
	FY2014/3		FY2013/3		Balance	Yr/Yr
	Result	per Sales	Result	per Sales		
Operating Income	6,853	10.0%	5,947	9.8%	906	115.2%
Japan	4,480	10.9%	3,921	10.3%	559	114.3%
Indonesia	1,147	7.2%	1,117	8.3%	29	102.6%
Others	1,225	10.8%	908	10.4%	317	134.9%

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

(Unit:Mln Yen)



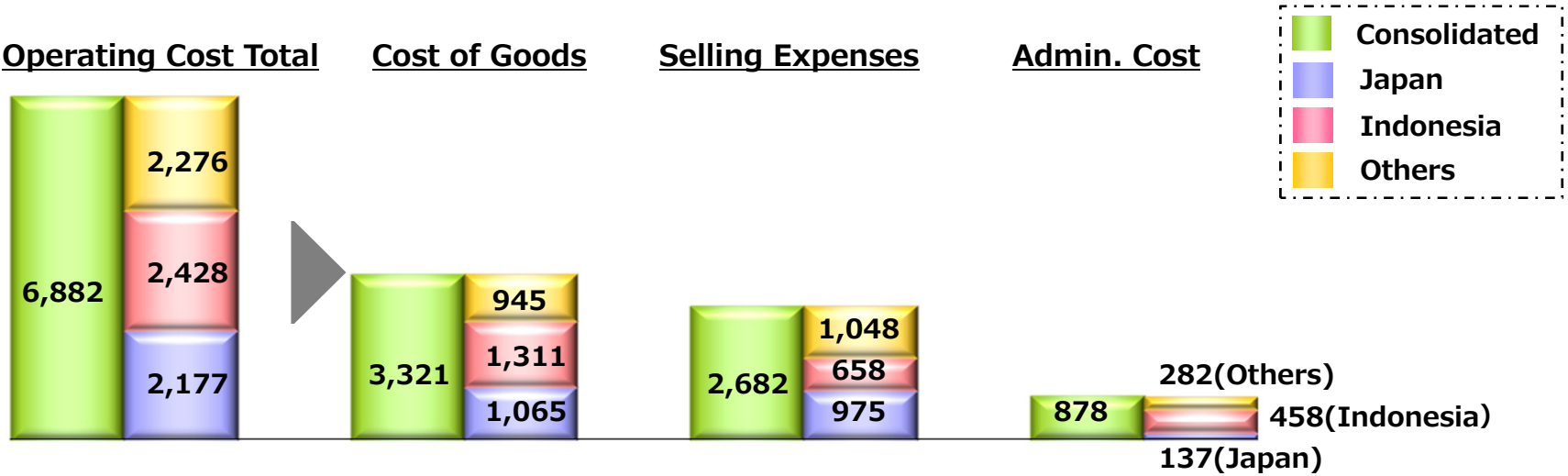
## 3-3. Operating Income by Region Ratio (Year-on-Year)



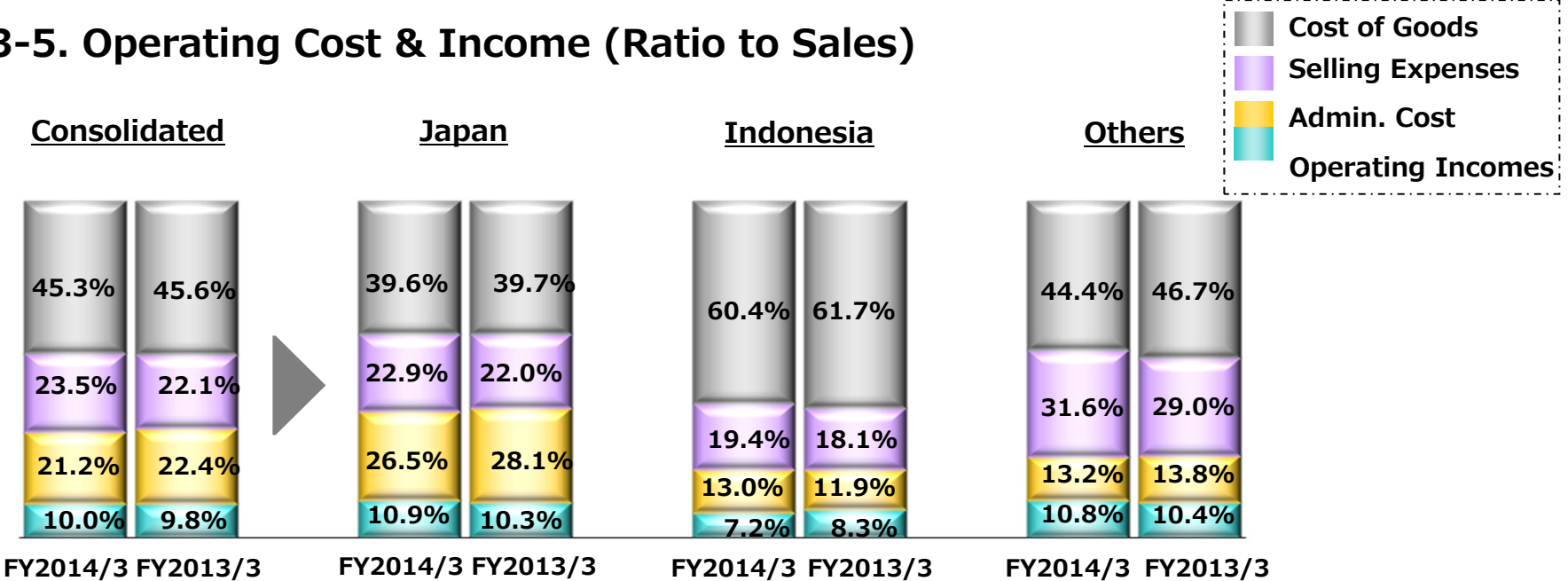
# 3. Consolidated Incomes

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

(Unit:MIn Yen)



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



# 3. Consolidated Incomes

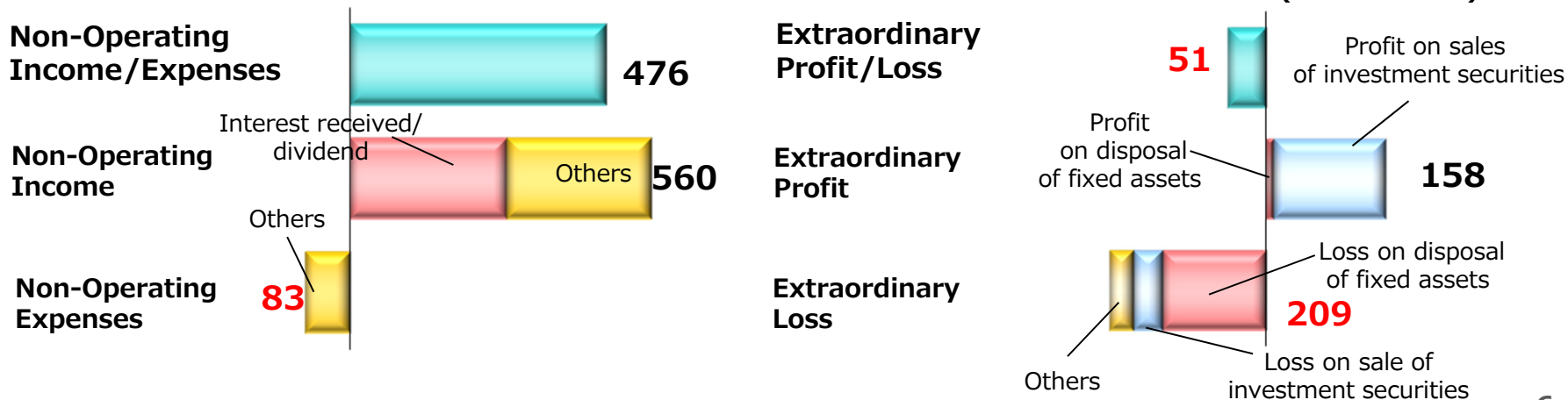
## 3-6. Ordinary Income and Net Income by Region

(Unit:Mln Yen)

	Annual					
	FY2014/3		FY2013/3		Balance	Yr/Yr
	Result	per Sales	Result	per Sales		
Non-operating Income/Loss	476	0.7%	293	0.5%	182	162.2%
Ordinary Income	7,330	10.7%	6,241	10.3%	1,088	117.4%
Extraordinary Profit/Loss	▲ 51	▲0.1%	31	0.1%	▲ 82	▲164.7%
Income before Income Taxes and Minority Interests	7,279	10.7%	6,272	10.4%	1,006	116.0%
Income Taxes and Minority Interests	2,608	3.8%	2,175	3.6%	433	119.9%
Minority Interests in Net Income	579	0.8%	490	0.8%	89	118.2%
Net Income	4,091	6.0%	3,607	6.0%	484	113.4%

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

(Unit:Mln Yen)





# 4. Summary of Our Strategic Business

## Japan



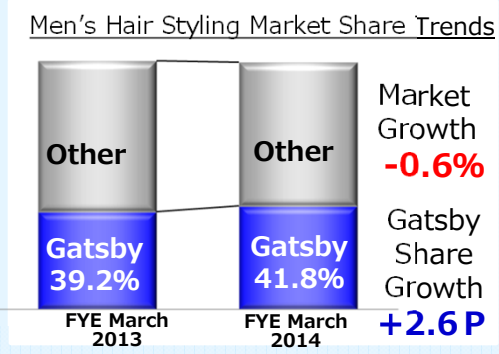
\* Mandom data

### Men's Grooming Business

#### GATSBY

##### [Hair Styling]

Continued to promote and improve market awareness of the new Hair Jam hair styling product (released in August).  
 Minor impact on Moving Rubber (No. 1 item); expanding GATSBY share of the styling market.



##### [Face & Body Care]

Expanded summer seasonal product offerings early in stores for stronger growth when peak demand occurred.  
 Invested in new commercials for Body Paper for even higher usage levels.

#### LUCIDO

Released LUCIDO Deodorant Series for body chemistry changes in middle-aged men to take advantage of growing concern among men regarding odor care in the growing middle-aged men's cosmetics market.  
 Initiatives to increase recognition of the body chemistry changes in middle-aged men and take steps to remediate the problem.



Increased recognition through new commercials

### Women's Cosmetics Business

#### Mandom Beauty

Commercials and continued promotion of strong performance of Bifesta (water-based make-up remover) resulted in maintaining No. 1 position in the cleansing lotion category.

### Women's Cosmetry Business

Revisited strong-performing summer seasonal products to improve product features, lineup. Stronger storefront promotions for Disney Series.

Expand out strong performing Disney Series lineup



# 4. Summary of Our Strategic Business

## Indonesia



### Men's Grooming Business

**GATSBY**  
[Hair Styling]



Continued to promote products in the hair wax category, including Water Gloss, our leading item in the category. Executed and strengthened storefront promotions to expand and foster recognition of hair wax.

### [Face & Body Care]

Released new eau du parfum in the fragrance category where Urban Cologne is already performing well. Expanded product lineup in order to respond to increased fashion awareness.



Release new eau du parfum fragrance series

### Women's Cosmetics Business



Strengthened product lineup in our skin care series by releasing new products. Rolled out promotional events and invested heavily commercials to expand share of our make-up series.



Release new White-Aqua Gel Cream product

### Women's Cosmetry Business



Released new hair fragrance product to the "GLAZELLE" line to expand product lineup.

First hair fragrance series for Pucelle



Invested in commercials for strong-performing hair care series to grow even greater brand recognition.

Strong-performing LUCIDO-L series



# 4. Summary of Our Strategic Business

## Others

Sales by business category (%)



### China

Expanded presence in men's hair styling category, focusing mainly on hair spray products; invested in commercials and promotional events to raise brand recognition

### Indochina

Continued heavy promotion in Thailand and surrounding countries, including Myanmar, Vietnam, and Cambodia  
Assigned sales managers, conducted promotional events, expand storefront promotions in each country

In Cambodia, expanded Gatsby recognition and sales as a men's grooming products in the hair styling product and men's deodorant categories



### India

Despite strong local sales of cosmetics, production system issues in India, as well as foreign exchange risk of the devaluation of the Indian rupee, led to decision to temporarily suspend Mandom India business  
Initiatives to expand market presence of Mandom Indonesia business



# 5. MP-10 Review and MP-11 Overview

## MP-10 Review

**Three-year business plan designed to accelerate Group growth**

### Numerical Targets and Results

#### MP-10 Numerical Targets Achieved

#### Growth Potential

##### Net Sales

Final-Year Target	¥66.0 billion	⇒	Result	¥68.2 billion	Achieved
<b>Men's Grooming Business</b>					
Average Annual Growth Target	3.2 %	⇒	Result	5.4 %	Achieved
<b>Gatsby</b>					
Average Annual Growth Target	3.6 %	⇒	Result	5.9 %	Achieved
<b>Women's Cosmetics Business</b>					
Average Annual Growth Target	19.3 %	⇒	Result	11.8 %	Not Achieved
<b>Overseas Business</b>					
Average Annual Growth Target	9.4 %	⇒	Result	11.3 %	Achieved

### Results

- Stable growth in men's grooming business, driven by GATSBY
- Aggressive marketing investment to grow the Asian market
- Maintain operating income ratio through cost revisions and revenue growth

#### Profitability

Consolidated Operating Income Ratio					
Final-Year Target	10 %	⇒	Result	10.0 %	Achieved

### Issues

- Women's cosmetics business flat domestically, delayed expansion overseas
- Delayed expansion in China and India

#### Shareholder Returns

Consolidated Payout Ratio					
Ongoing Goals	At least 40 %	⇒	First Fiscal Year	42.5 %	Achieved
			Second Fiscal Year	40.2 %	
			Final Fiscal Year	40.0 %	

# 5. MP-10 Review and MP-11 Overview

## MP-11 Overview

**Three-year business plan to accelerate growth and develop new business in Asia**

### Growth Potential

**Expand business to establish competitive advantage in main markets; grow sales by developing new markets, business fields**

Target: Consolidated Net Sales MP-11 Final Fiscal Year ¥83.0 billion

Continue to address issues from MP-10; target greater growth compared to MP-10

**Sustained Growth in Men’s Grooming Business**

Maintain and expand category share in the men’s cosmetics market to ensure sustained growth as a core business

Men’s grooming business                      5.2% or greater average annual growth

**Accelerate Growth of Women’s Cosmetics Business**

Focus on skin care and makeup base product categories, accelerating rollout of product lines tailored to each country

Women’s cosmetics business                15.0% or greater average annual growth

**Continue to strengthen overseas business as an engine of growth**

More initiatives to expand scope of business in Indonesia, a main market for Mandom. At the same time, create a foundation for logistics networks in the Chinese and Indochinese developing markets

Overseas Business                              11.4% or greater average annual growth

### Profitability

**Invest in marketing to drive growth while improving profitability at the same time**

Target: Final fiscal year MP-11 consolidated operating income ¥8.6 billion

### Shareholder Returns

**Continue stable, high-level shareholder returns**

Target: Continue consolidated payout ratio of 40% or higher in MP-11

# 6. Forecast of Consolidated Business Results for FY2015/3

## 6-1. Premises for Planning of Consolidated Outlook FY 2015/3

### Assumptions for Increased Sales

- + Stable growth in men's grooming business
- + Continued expansion of women's cosmetics business
- + High-growth in overseas business as growth engine
- Yen Conversion of overseas revenues due to impact of foreign exchange (strong yen)

### Assumptions for Increased Profit

- + Higher profits through revenue growth
- Higher cost ratios in connection with greater share of overseas sales having higher cost of sales ratios (reduce cost ratios in Japan and overseas)
- Higher raw materials costs in Indonesia due to impact of foreign exchange (devaluation of rupee)



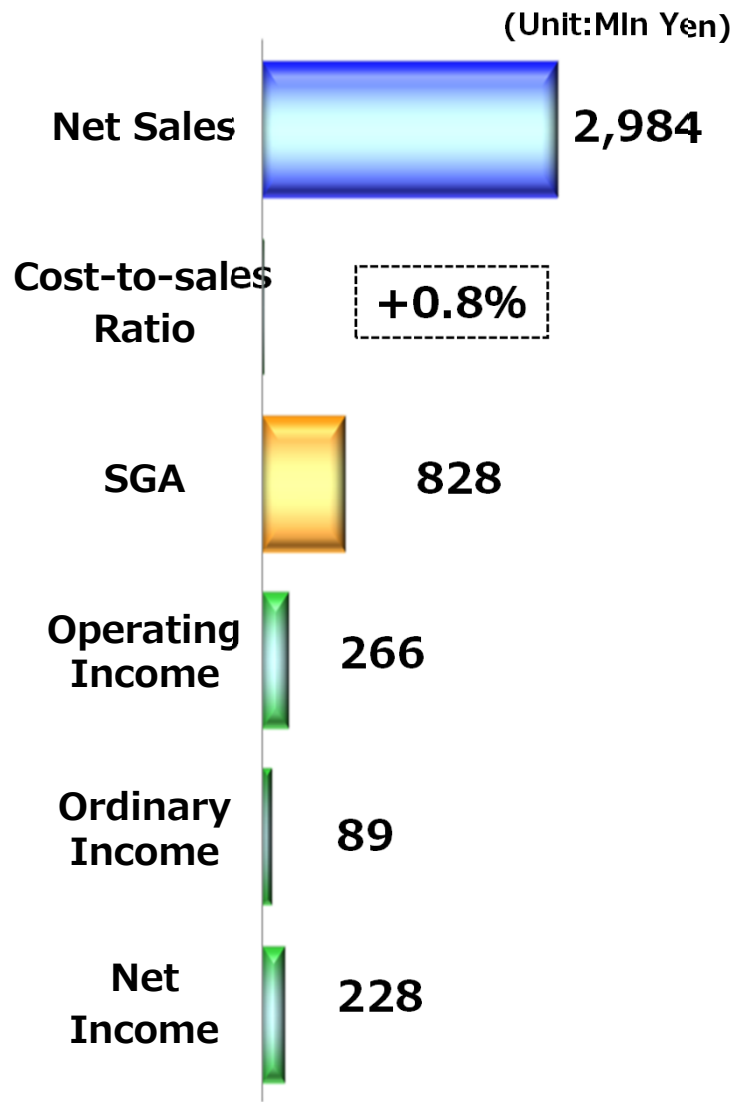
## 6-2. Consolidated Outlook for FY2015/3

(Unit:MIn Yen)

	FY2015/3						FY2014/3	
	Annual			1Q+2Q			Result	
	Initial Plan	Balance	Yr/Yr	Initial Plan	Balance	Yr/Yr	Annual	1Q+2Q
Net Sales	71,200	2,984	104.4%	39,000	1,956	105.3%	68,215	37,043
Operating Income	7,120	266	103.9%	4,800	▲556	89.6%	6,853	5,356
Ordinary Income	7,420	89	101.2%	4,980	▲613	89.0%	7,330	5,593
Net Income	4,320	228	105.6%	2,890	▲412	87.5%	4,091	3,302

# 6. Forecast of Consolidated Business Results for FY2015/3

## 6-3. FY 2015/3 Outlook of Main Expenses: Breakdown of Increase/Decrease over FY 2014/3



**■ Net Sales** **Despite impact of foreign exchange, higher revenues achieved due to continued improvement in each business**

[Japan] Stronger promotion of summer seasonal products (both men's and women's); brand development/growth for LUCIDO, Bifesta

[Overseas] Build GATSBY line further, continue to improve Pixy (women's cosmetics business), roll out Bifesta more widely in Asia

**■ Cost of Sales Ratio** **Cost reduction initiatives worldwide, limit increases in cost ratios**

[Japan] Reduce costs of materials and improve productivity

[Overseas] Limit increases in raw materials costs and payroll expenses (despite impact of foreign exchange)

**■ Selling Expenses** **Invest heavily in marketing in Japan and overseas**

[Japan] Implement effective marketing investment

[Overseas] Continue to invest actively for further growth

**■ Non-operating Income/Loss, Extraordinary Profit/Loss**

No significant fluctuations in assumed conditions at present