



The 1st Half Year Business Results Briefing

(Fiscal Year Ending March 31, 2018)

April 1, 2017-September 30, 2017

Mandom Corporation

(Securities Code: 4917)



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1. Consolidated Business Results

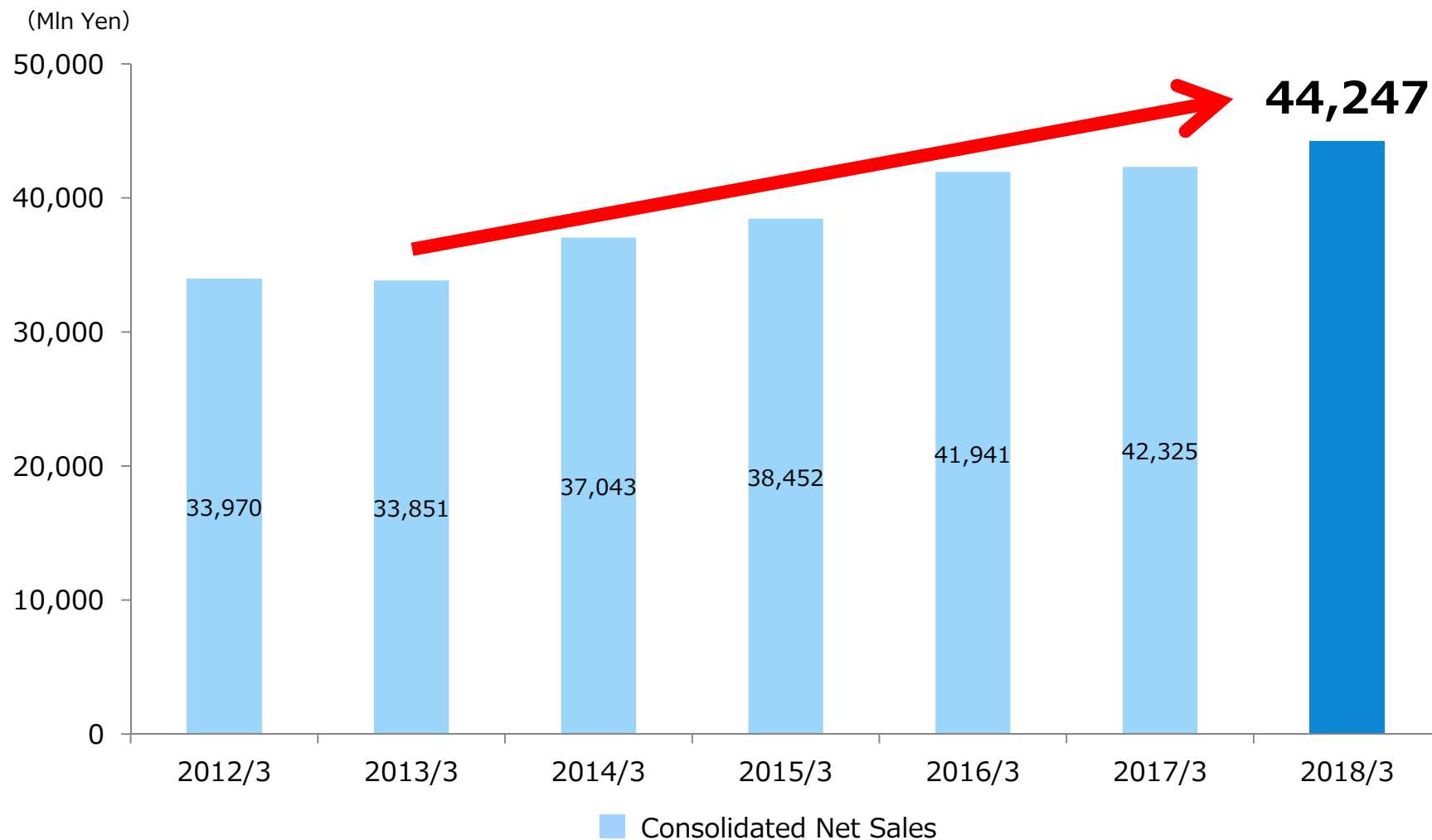
Summary of 1st Half Year of FYE 2018

- Deviation from the plan in breakdown,
but better than projected overall results with
increased sales and income at each level
- No revision of full-year earnings forecasts

1. Consolidated Business Results

1) Consolidated Net Sales and Income at each level increased steadily

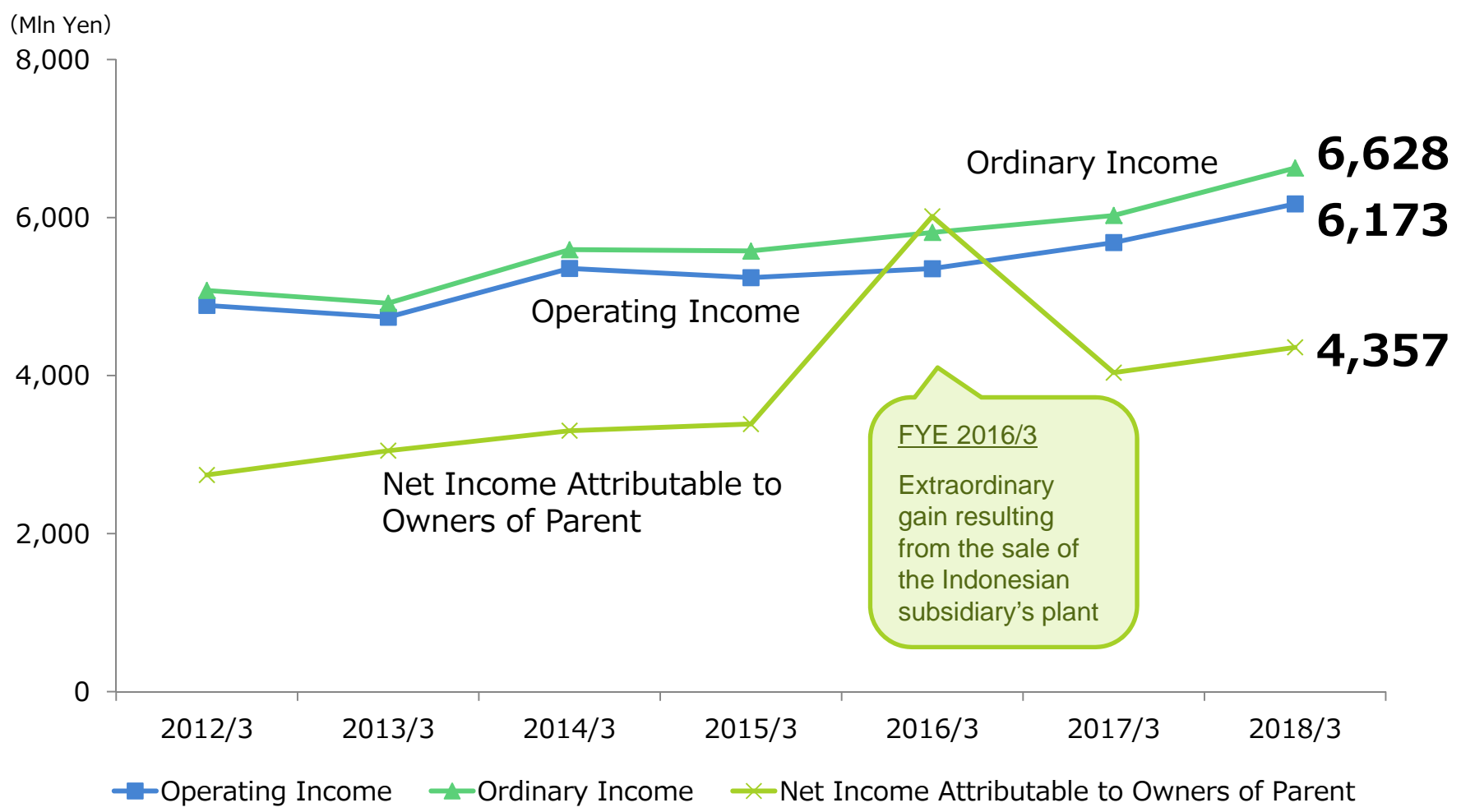
• Consolidated Net Sales reached record highs for 5 consecutive years



1. Consolidated Business Results

1) Consolidated Net Sales and Income at each level increased steadily

•Consolidated Operating Income and Consolidated Ordinary Income reached record highs

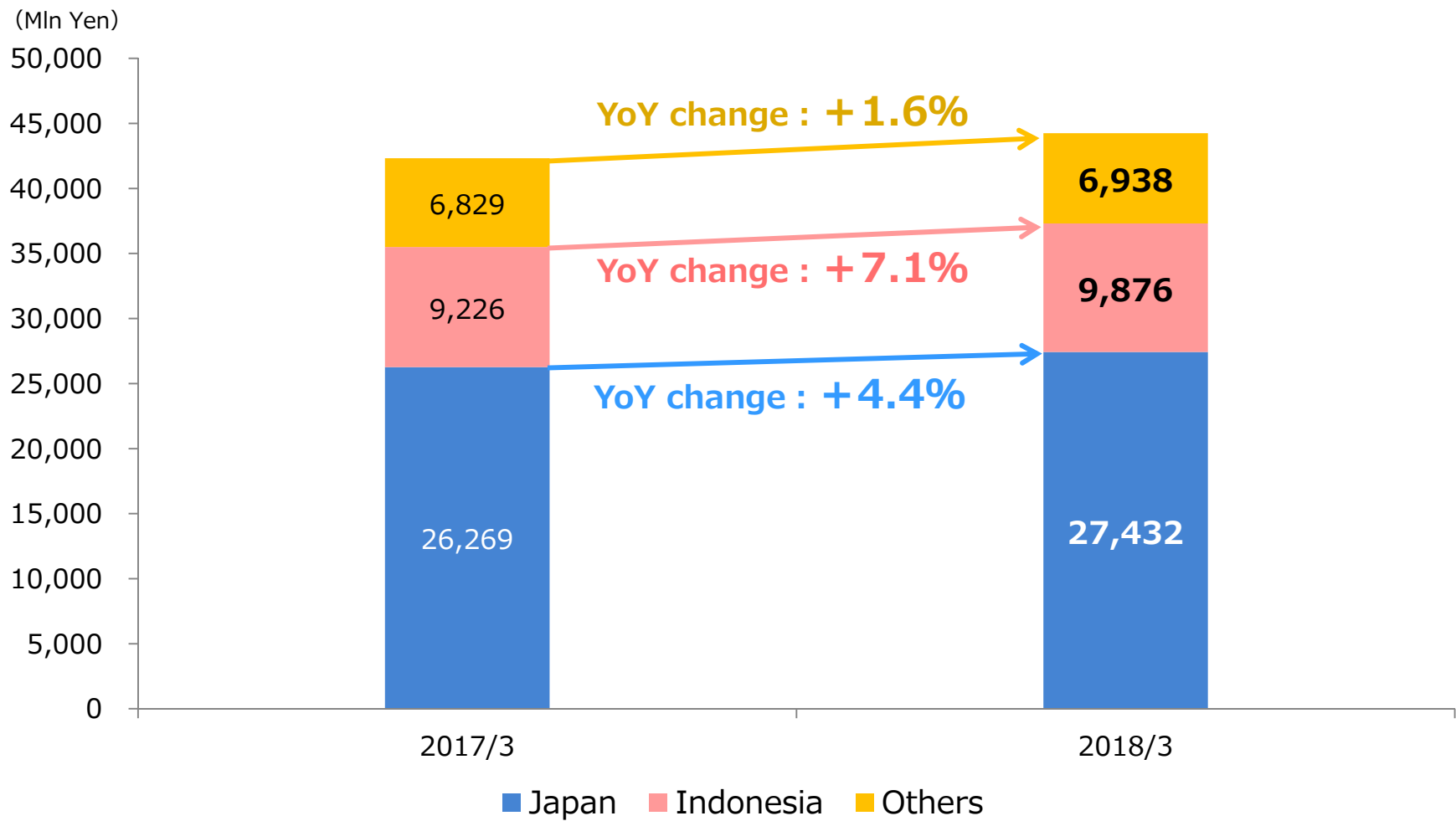


1. Consolidated Business Results <Net Sales by Region>

2) Japan and Indonesia: Steady growth

Others: Impact of lower yen-quoted amounts due to forex rates

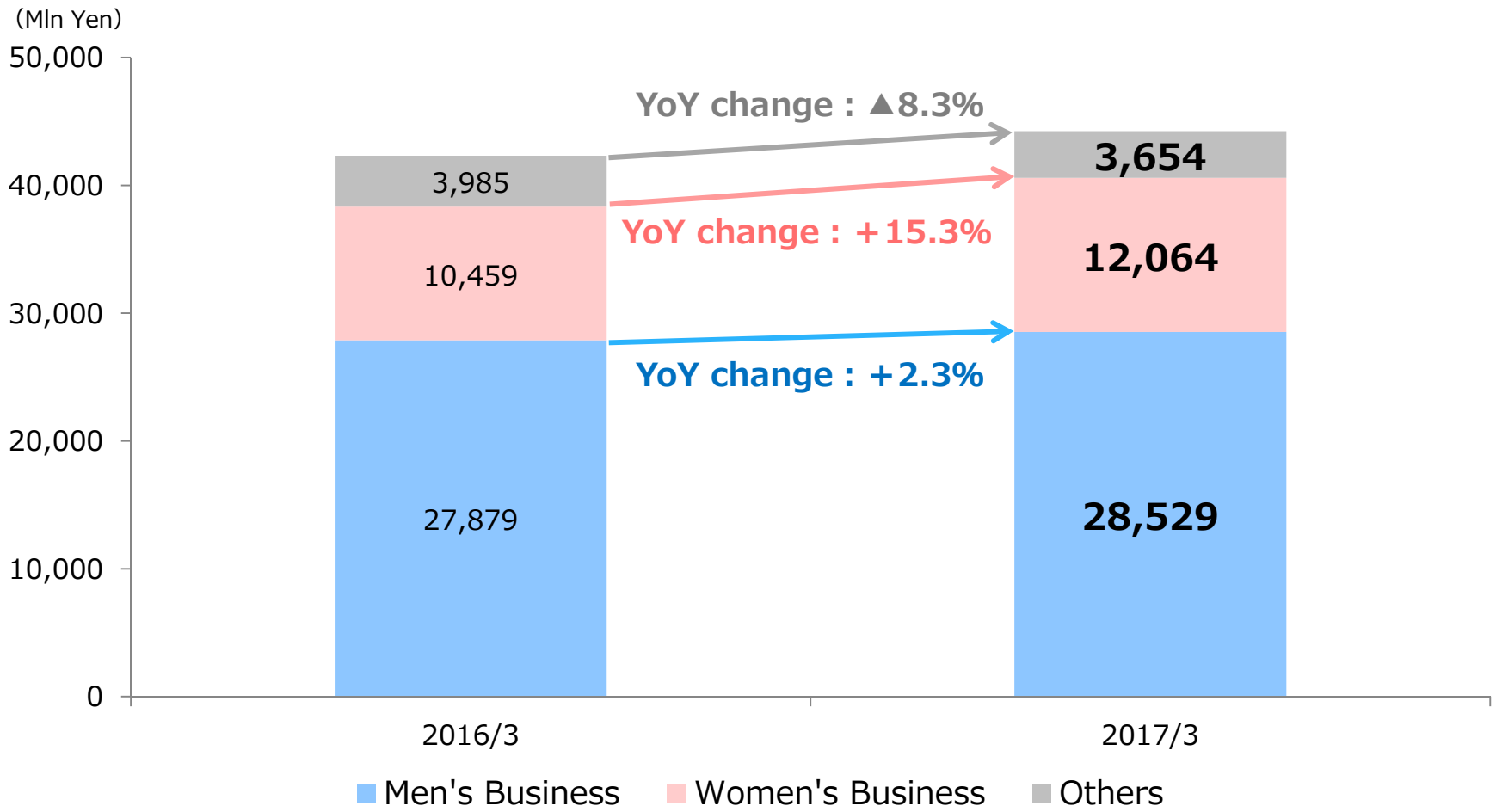
•Overseas Sales accounted for 38.0% of Consolidated Net Sales



1. Consolidated Business Results <Net Sales by Strategic Business Unit>

3) Major growth of Women's Business mainly resulting from good performance of Bifesta in Japan and overseas

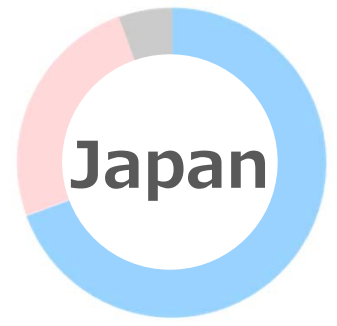
• Better than projected performance of Bifesta and Barrier Repair in Japan and Bifesta overseas



Net Sales by Business

Business results by brand

- A tough battle for GATSBY
- Good results for LUCIDO and Women's Business

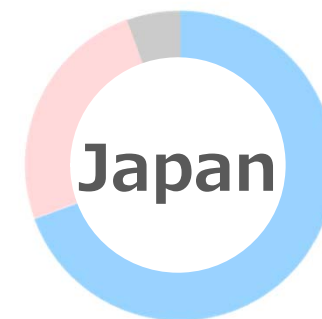


Status of our major brands

<p>GATSBY →</p>	<p>Bifesta ビフェスタ ↗</p>
<p>LUCIDO ↗</p>	<p>Barrier Repair ↗</p>

Men's Business

Net Sales by Business



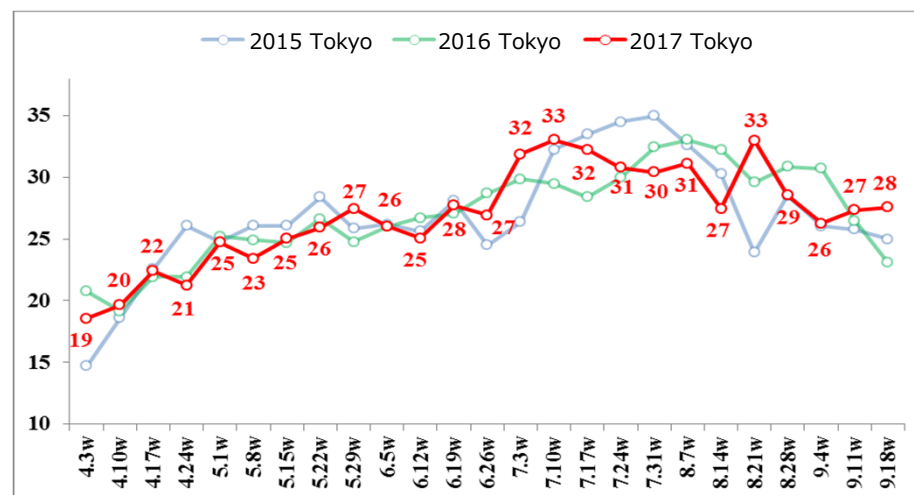
GATSBY 【Seasonal items of summer】

- GATSBY Spot Deodorant series has expanded sales, but summer seasonal items in general have had a tough battle, mainly due to many rainy days in August in and around the Kanto region.
- GATSBY brand's overall performance has been below the previous year's level.

■ Spot Deodorant series



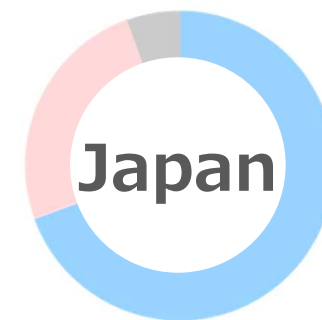
■ Weekly averages of highest daily temperatures (Tokyo)



Men's Business

Net Sales by Business

LÚCIDO 【Middle-Aged Care】



- Odor Care series: Continued good performance
- Skin Care series: Major renewal in autumn 2017
Positive initial response following active investment in marketing

■ Skin care series

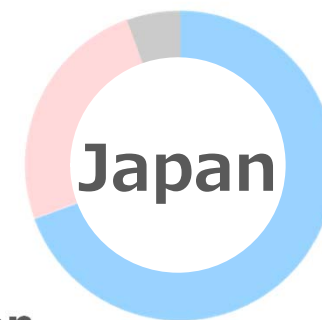


Women's Business

Net Sales by Business

Bifesta 【Cleansing】

ビフェスタ



- Continued investment in TV commercials starting with steady high-performance Cleansing Sheet for even greater recognition
- Renewal of Cleansing Lotion in autumn 2017 leading to better than projected performance of the brand as a whole

■ Cleansing Sheet

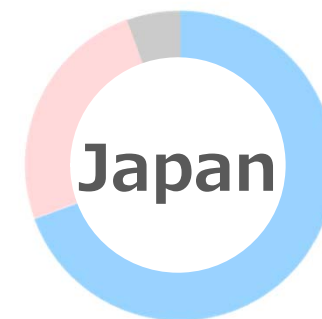


■ Cleansing Lotion



Women's Business

Net Sales by Business



Barrier Repair [Skin Care Series]

- Addition of Sleeping Pack this autumn for greater market penetration by the Skin Care series for skin degradation of women in their 30s, launching TV commercials featuring a brand ambassador
- The brand as a whole has performed well, partly due to the effect of brisk sales of Sheet Mask among inbound tourism in Japan.

■ Sleeping Pack



■ Oil in Facial Mask



Miscellaneous Topics

【Inbound sales】

- Inbound sales are not only foreign tourists visiting Japan; there are also substantial sales presumably for transnational e-commerce. The total business with these Inbound sales amounts to about 300 million yen per month on average.
- Their favorites are mainly Barrier Repair Sheet Mask items, as well as the Bifesta and LUCIDO Hair Color series.

■ Barrier Repair Facial Mask



■ Lucido Hair color series



Net Sales by Business

Business results by brand

- Good results for GATSBY, steady performance by Pixy, but a slump for Pucelle due to intensified competition



Status of our major brands

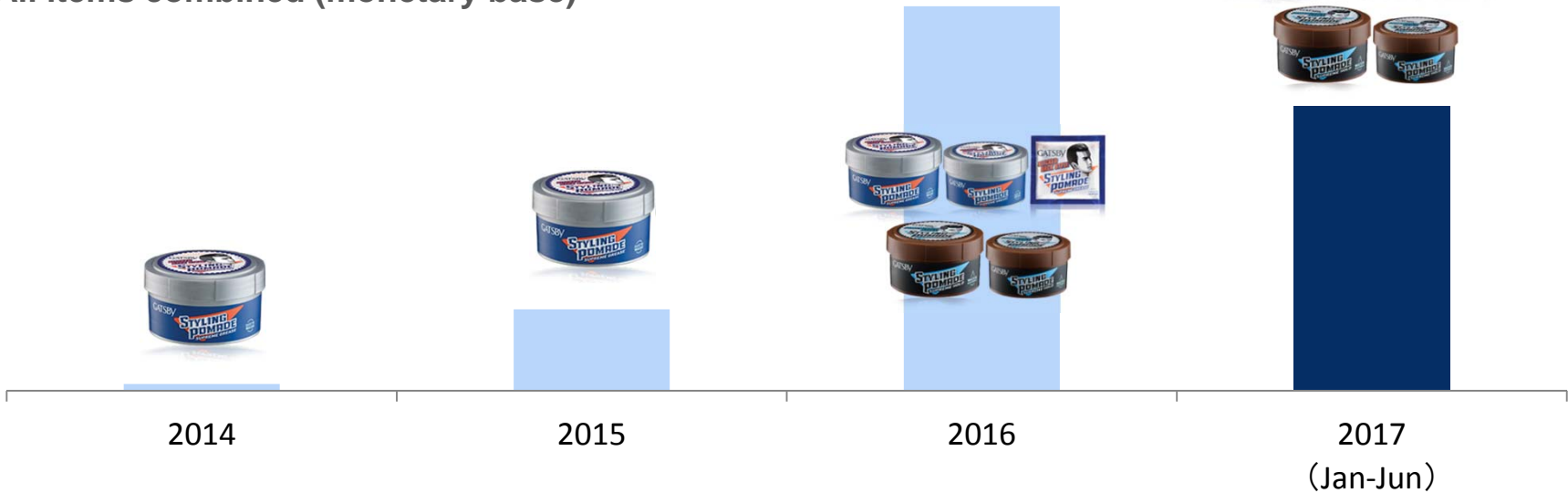
<p>GATSBY</p> 	<p>PIXY</p> 
	<p>Pucelle</p> 

Men's Business

GATSBY [Hair Styling]

• Favorable results of Styling Pomade Sales have expanded partly due to sales promotional campaigns addressing traditional trade.

■ Styling Pomade sales
 * All items combined (monetary base)



Net Sales by Business



Women's Business

Net Sales by Business



【Make Up】



- Sales of Lip Cream targeting young customers has expanded. Market penetration has progressed, with investment in TV commercials.
- The mainstay Two-way Cake has also fared well, prompted by sales promotional campaigns.

■ Lip Cream TV commercial images



Miscellaneous Topics

【Export Sales】

- Exportation to Group companies and India has been brisk.
(Sales to Group companies are offset in consolidated accounting.)
- Exportation to Dubai has had difficulty growing, due to unstable situations in Africa and the Middle East, the final destinations of the exports to Dubai.

■ Products for India and Dubai



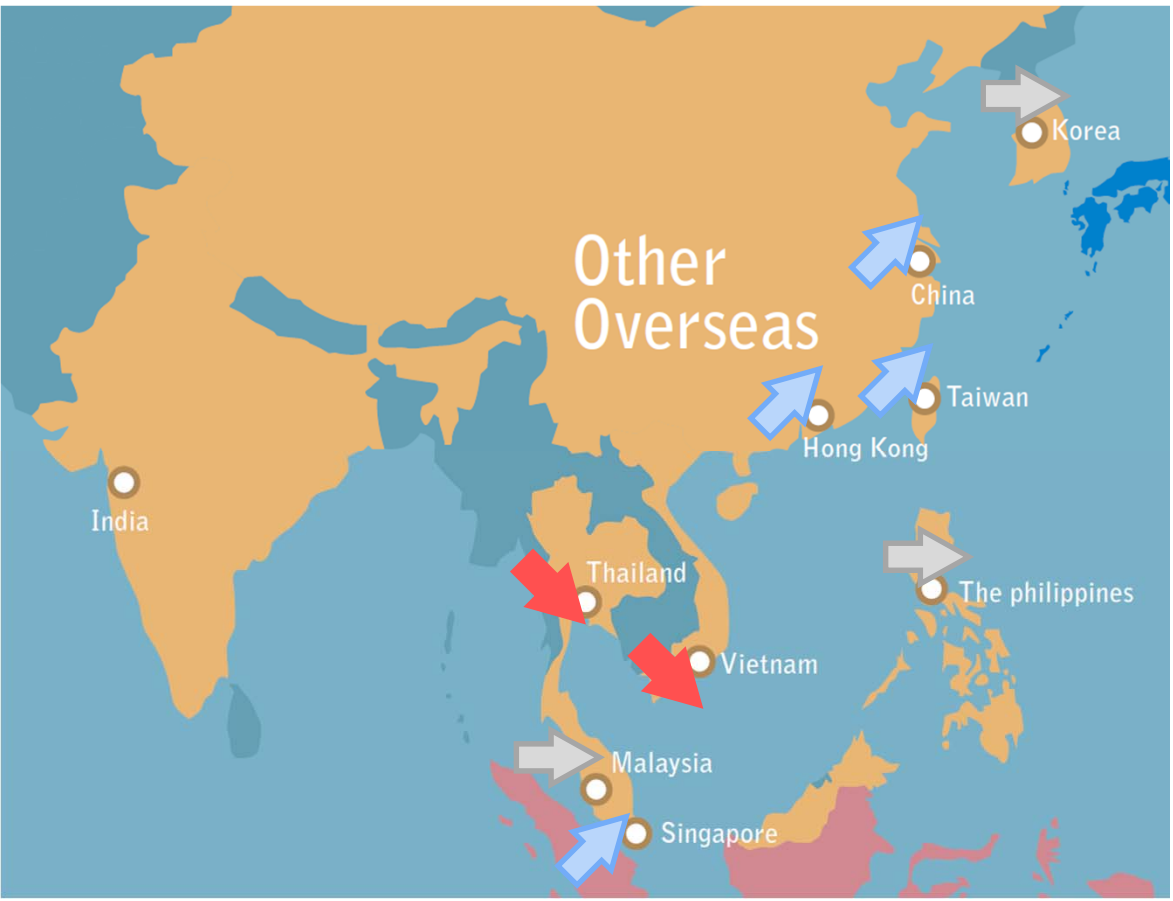
■ Products for Group companies (GATSBY)



General Status of Business Results

Net Sales by Business

- Double-digit growth in China and Singapore (local currency base)
- Stable performance in most countries, except for some



Men's Business

Net Sales by Business

GATSBY [Pomade]



- Pomade, which has been doing well in Indonesia, has been introduced into other Asian countries.
- The sale began first in China, Malaysia, and Singapore, showing steady results immediately following the launch.

■ China, Singapore (Dressing Pomade)

■ Malaysia (Styling Pomade)

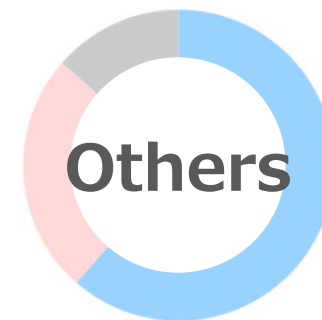


Women's Business

Net Sales by Business

Bifesta 【Cleansing】 ピフェスタ

- Steady expansion is under way in China, following accelerated introduction into major retail outlets.
- Actions for e-commerce have been continuously reinforced, resulting in steady growth.



■ A store display in China



Women's Business

Net Sales by Business

Bifesta 【Cleansing】



- In Taiwan and Singapore, Bifesta has registered the highest shipment volume.
- In Thailand, Bifesta has had a tough battle due to rivals' offensive pricing moves. Sales promotion and other measures are being carried out.

■ A store display in Taiwan



■ No. 1 Item in Taiwan



■ A store display in Singapore



■ No. 1 Item in Singapore

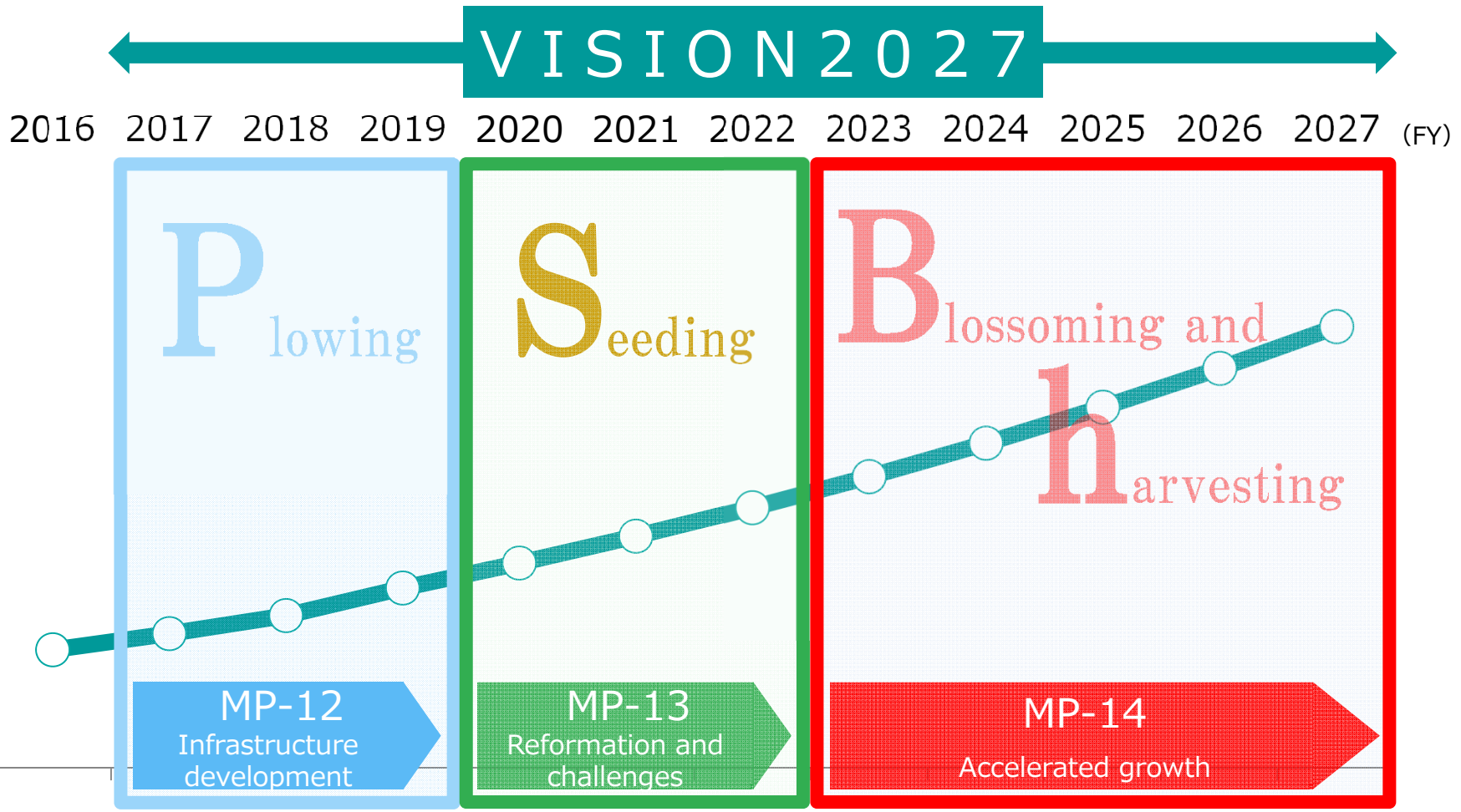


2. Progress of MP-12

(FYE 2018/3~FYE 2020/3)

2. Progress of MP-12

■ Positioning of MP-12



Corporate Infrastructure Development for Realizing VISION2027

Management Basic Policy

- 1. Promotion of category strategies and thorough implementation of activity**
- 2. Improvement of growth in overseas operations focusing on Indonesia**
- 3. Building a group operation system and improving productivity per unit**

2. Progress of MP-12

1. Promotion of category strategies and thorough implementation of activity

1) International marketing conferences were held on GATSBY and Bifesta.



GATSBY

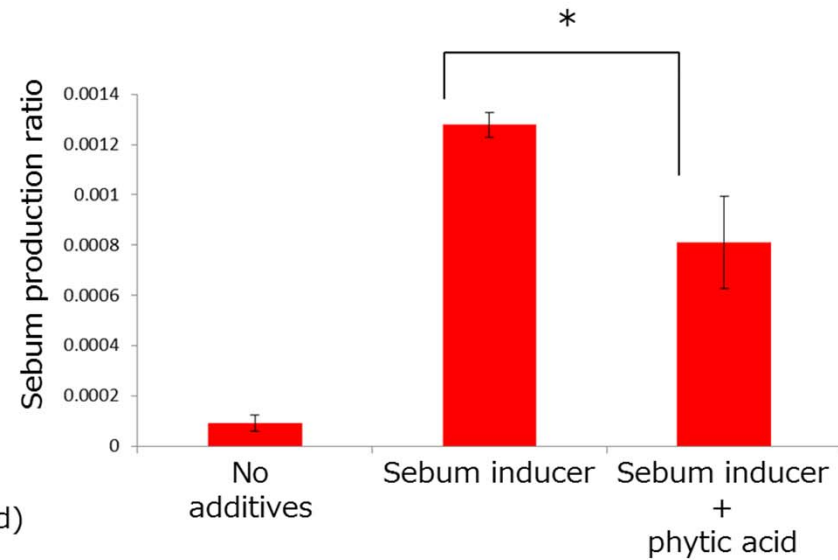
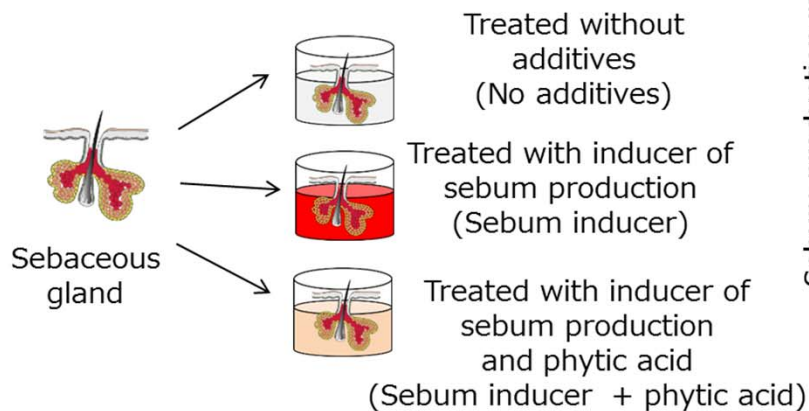


Bifesta
ビフェスタ

2. Progress of MP-12

1. Promotion of category strategies and thorough implementation of activity

2) Demonstrated that phytic acid suppressed sebum droplets production in human sebaceous glands

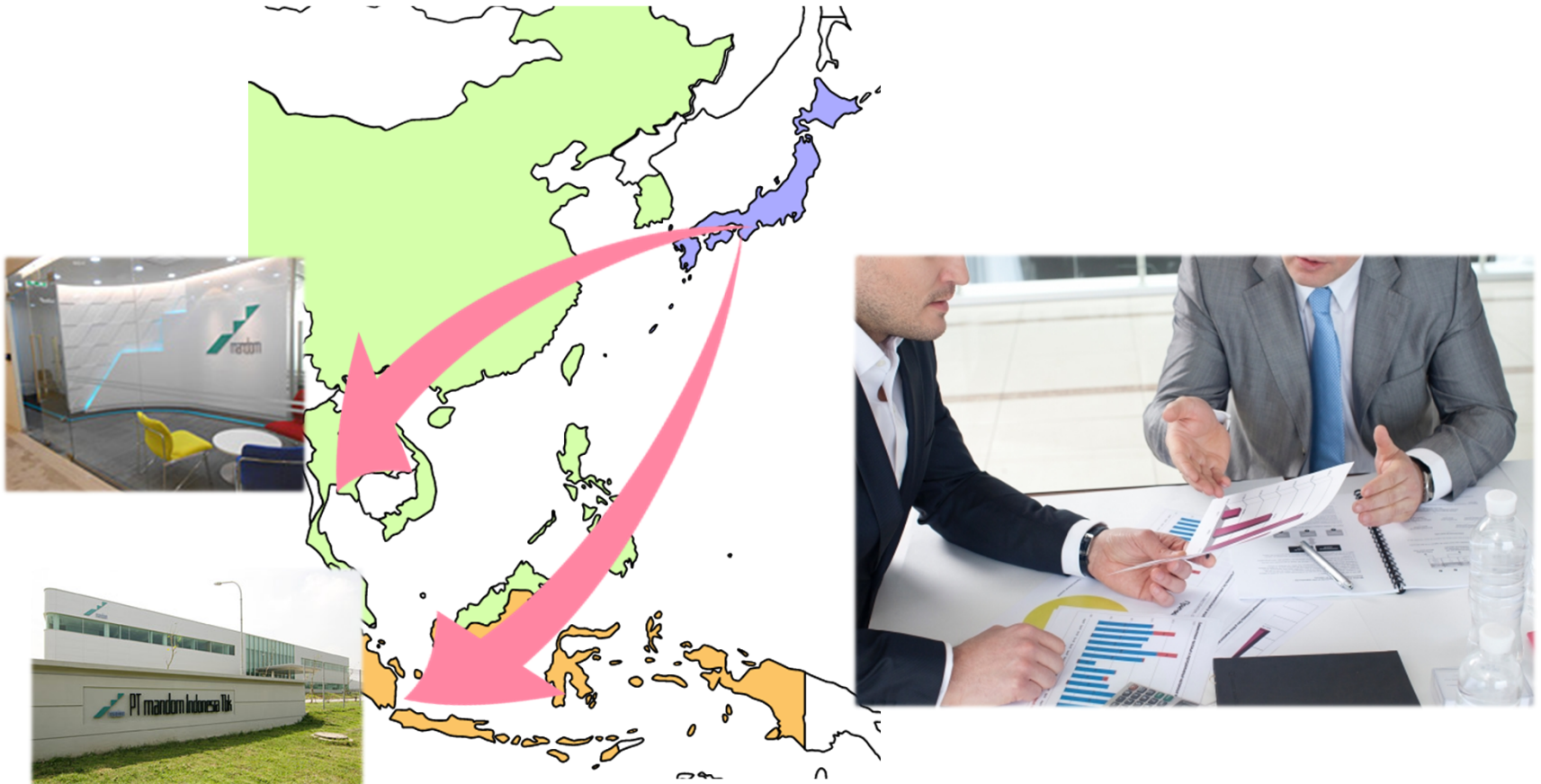


* : $p < 0.05$ (Tukey-Kramer's test)
Sebum production ratio : Sebum droplets number per volume [μm^3]

2. Progress of MP-12

3. Building a group operation system and improving productivity per unit

- 1) Sharing of key operational systems (accounting, production control, etc.) is being promoted.



2. Progress of MP-12

3. Building a group operation system and improving productivity per unit

2) Actions for realizing a paper-free environment

■ Promoting paper-free meetings



■ Creating more collaboration spaces



3. Forecast of Consolidated Business Results for FY2018/3

3. Forecast of Consolidated Business Results for FY2018/3

1) No revision of consolidated business result forecasts for FY2018/3

• For the 2nd half-year, additional marketing investment in Japan and intensified competition overseas are anticipated.

(Unit: MIn Yen)

	1Q+2Q			3Q+4Q			Annual		
	Result	FY2017/3	Yr/Yr	Outlook	FY2017/3	Yr/Yr	Outlook	FY2017/3	Yr/Yr
Net Sales	44,247	42,325	104.5%	35,752	35,026	102.1%	80,000	77,351	103.4%
Operating Income	6,173	5,684	108.6%	1,826	1,932	94.5%	8,000	7,617	105.0%
Ordinary Income	6,628	6,027	110.0%	1,871	2,155	86.8%	8,500	8,183	103.9%
Net Income Attributable to Owners of Parent	4,357	4,037	107.9%	1,242	1,528	81.3%	5,600	5,566	100.6%

Conditions for 2nd half forecasts:

- ±) Changes in the number of foreign tourists visiting Japan
- ±) Foreign exchange rate fluctuations

-) Intensified competition in the overseas cleansing product market
-) Intensified competition in the overseas hair styling product market
-) Increased marketing costs in Japan and overseas

3. Forecast of Consolidated Business Results for FY2018/3

2) Active marketing investment is scheduled for Japan and overseas.

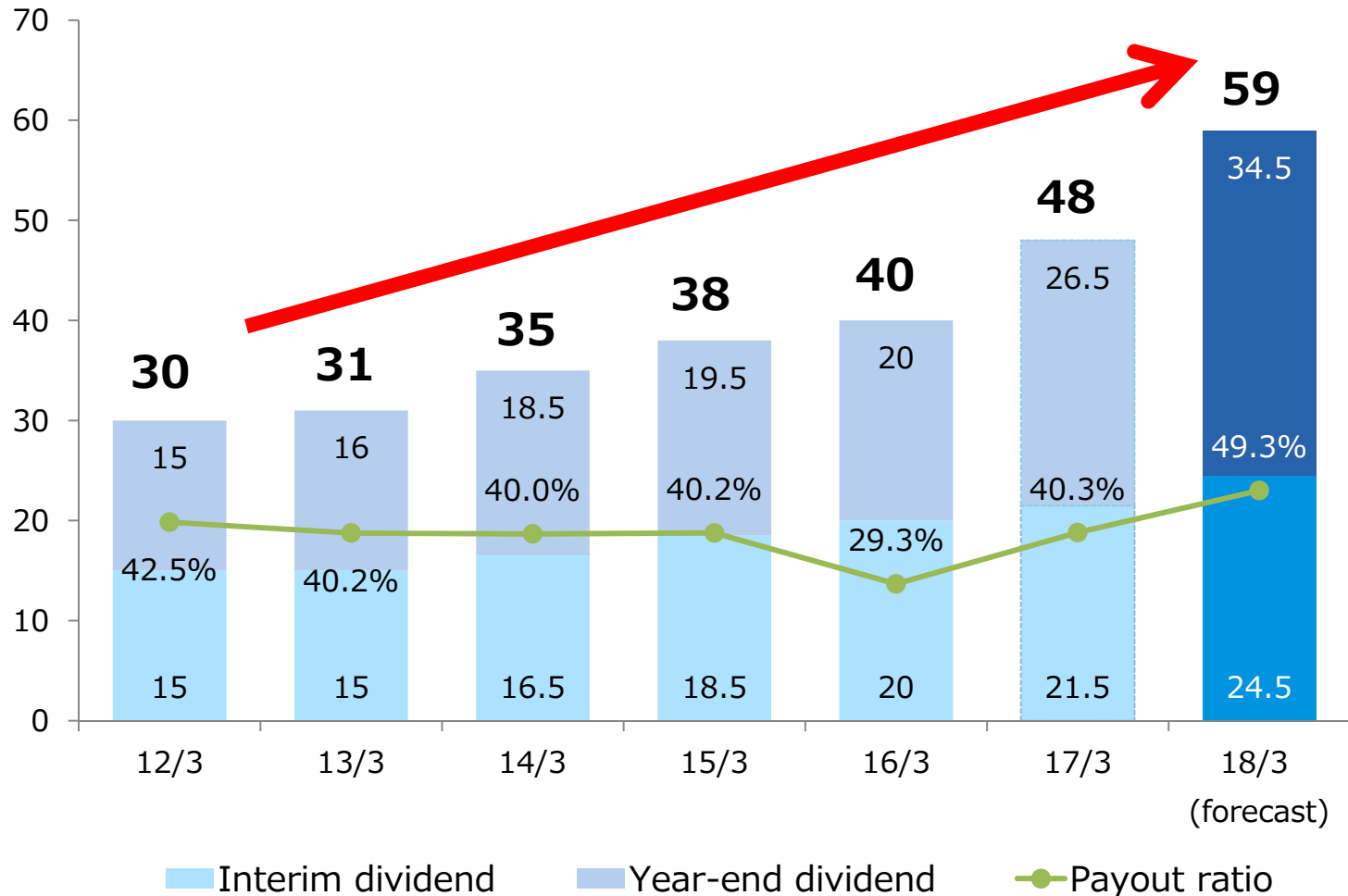
Japan	<ul style="list-style-type: none">• Reinforcement of skin care for men and women• Reinforced sales promotion for a larger share in the wipe-type cleansing product market• Reinforced sales promotion for next summer
Indonesia	<ul style="list-style-type: none">• Addition of new products and marketing investment for greater sales expansion of GATSBY Styling Pomade• Active marketing investment to reinforce Pixy
Others	<ul style="list-style-type: none">• Expansion of the sales zone of GATSBY Styling Pomade• Implementation of measures in response to intensified market competition for Bifesta

* Actions in blue are additional measures complementing the original plan.

3. Forecast of Consolidated Business Results for FY2018/3

3) The 90th anniversary dividend: annual dividend of 59 yen

• Increase for six consecutive terms expected, with a payout ratio of 49.3%



* Effective as of October 1, 2017, Mandom Corp. effectuated a 1:2 stock split. All the figures in the graph above reflect the influence of the split.

◆ Appendix

1.(Appendix) Consolidated Business Results

(Unit:MIn Yen)

	1Q+2Q					
	FY2018/3	FY2017/3	Balance	Yr/Yr	Yr/Yr※	Achiev.
Net Sales	44,247	42,325	1,922	104.5%	104.9%	102.9%
Operating Income	6,173	5,684	488	108.6%	—	121.0%
Ordinary Income	6,628	6,027	601	110.0%	—	122.8%
Net Income Attributable to Owners of Parent	4,357	4,037	319	107.9%	—	119.4%

EPS	¥93.20	¥86.35
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※ Comparison with FY 2017/3 rate after adjustment.

2.(Appendix) Consolidated Net Sales

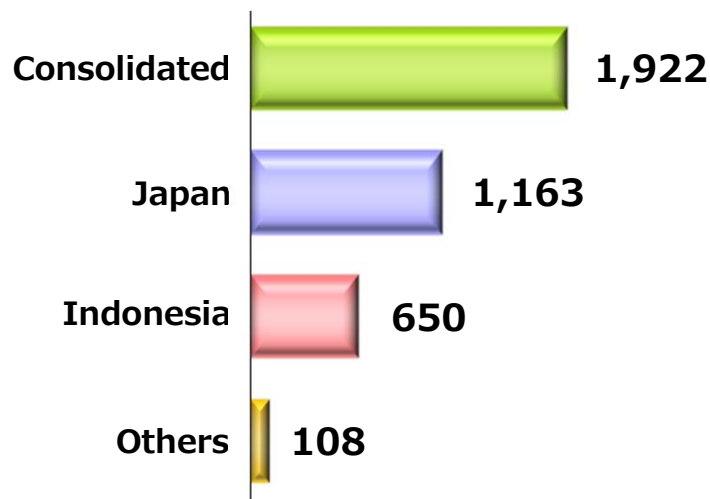
2-1. Net Sales by Region

(Unit:Mln Yen)

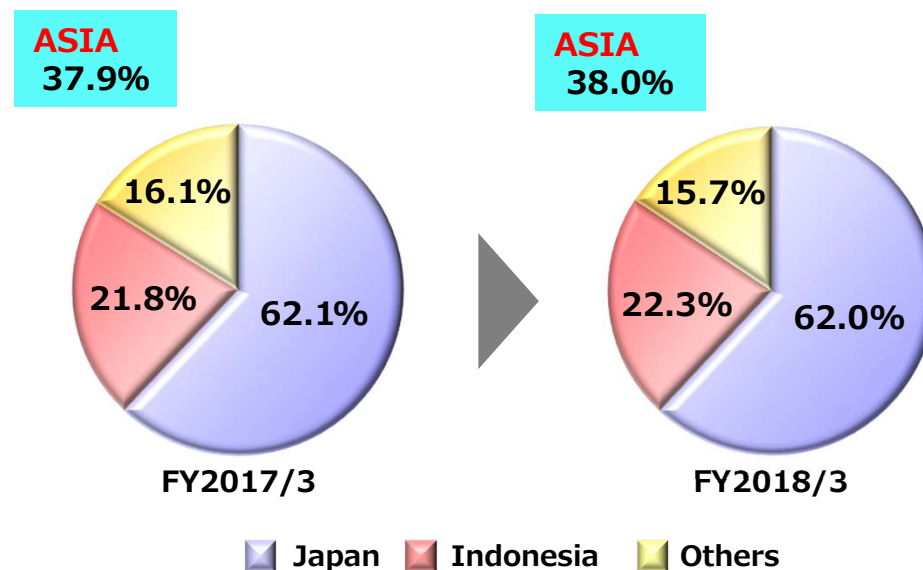
	1Q+2Q			
	FY2018/3	FY2017/3	Balance	Yr/Yr
Net Sales	44,247	42,325	1,922	104.5%
Japan	27,432	26,269	1,163	104.4%
Indonesia	9,876	9,226	650	107.1%
Others	6,938	6,829	108	101.6%

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

(Unit:Mln Yen)



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

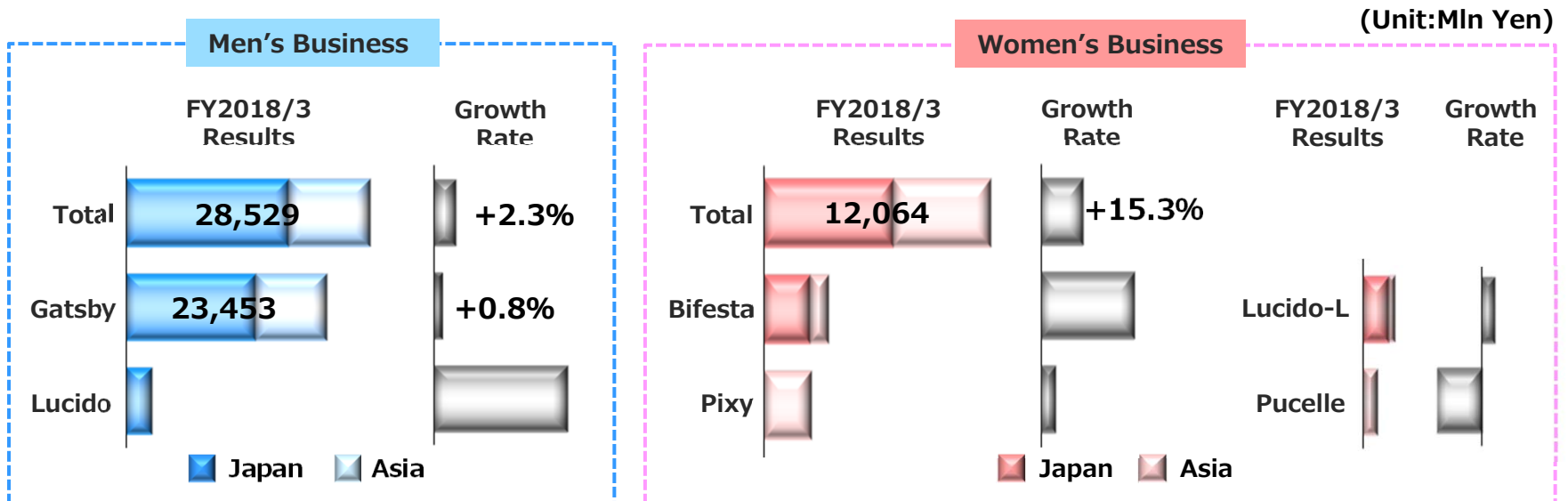


2.(Appendix) Consolidated Net Sales

2-4. Net Sales by Strategic Business Unit

(Unit:Mln Yen)

	1Q+2Q			
	FY2018/3	FY2017/3	Balance	Yr/Yr
Net Sales	44,247	42,325	1,922	104.5%
Men's Business	28,529	27,879	649	102.3%
Gatsby	23,453	23,263	189	100.8%
Women's Business	12,064	10,459	1,604	115.3%
Other Business	3,654	3,985	▲ 331	91.7%



3.(Appendix) Consolidated Incomes

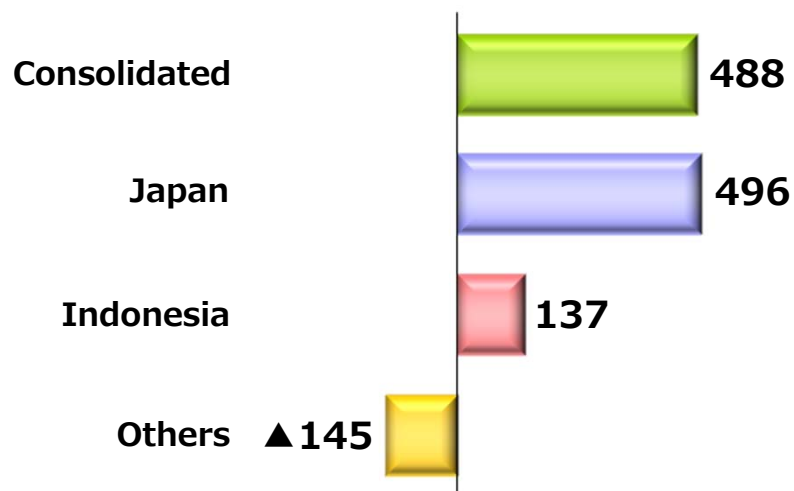
3-1. Operating Income by Region

(Unit:Mln Yen)

	1Q+2Q					
	FY2018/3		FY2017/3		Balance	Yr/Yr
	Result	per Sales	Result	per Sales		
Operating Income	6,173	14.0%	5,684	13.4%	488	108.6%
Japan	4,539	16.5%	4,043	15.4%	496	112.3%
Indonesia	626	6.3%	489	5.3%	137	128.1%
Others	1,007	14.5%	1,152	16.9%	▲ 145	87.4%

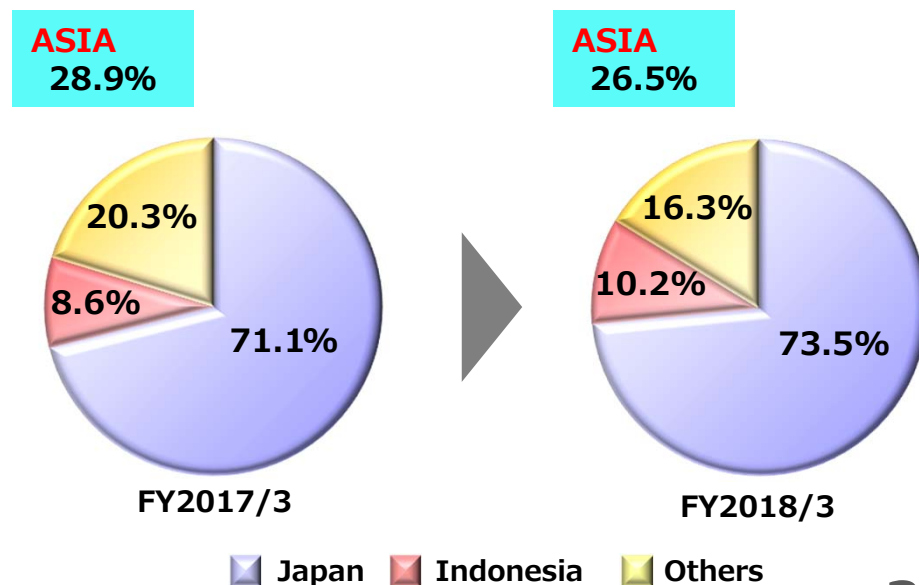
3-2. Operating Income by Region Analysis (Year-on-Year)

(Unit:Mln Yen)



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

(Year-on-Year)



3.(Appendix) Consolidated Incomes

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

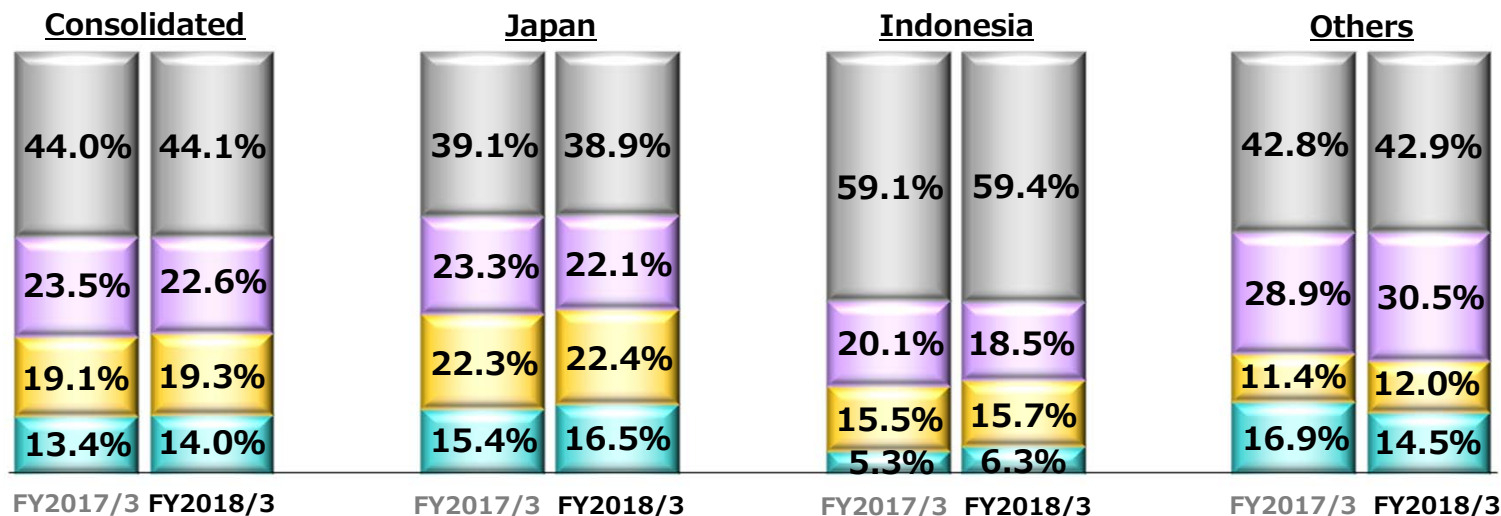
■ Consolidated
 ■ Japan
 ■ Indonesia
 ■ Others

(Unit: Mln Yen)



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

■ Cost of Goods
 ■ Selling Expenses
 ■ Admin. Cost
 ■ Operating Income



3.(Appendix) Consolidated Incomes

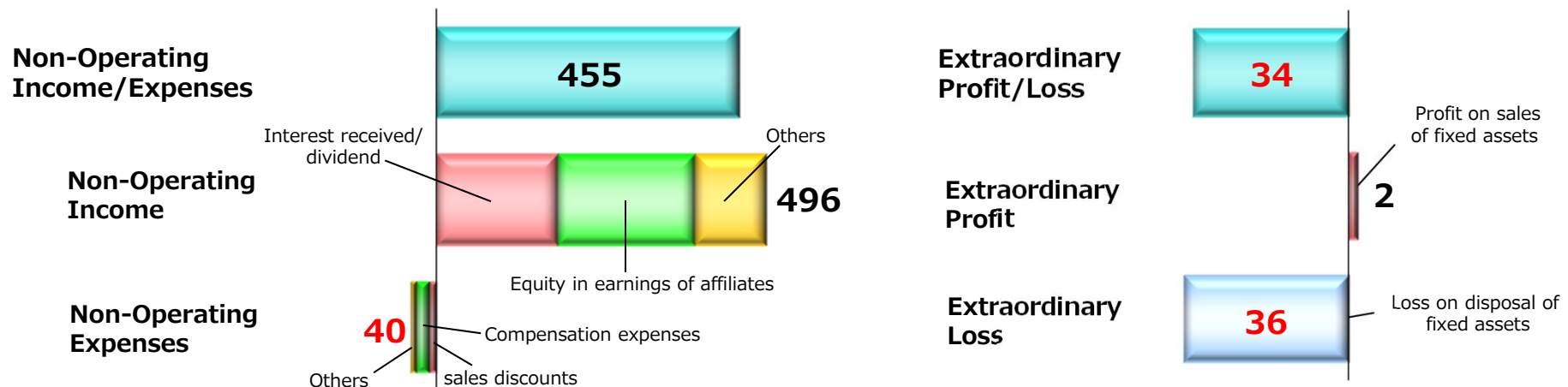
3-6. Ordinary Income and Net Income Attributable to Owners of Parent

(Unit:MIn Yen)

	1Q+2Q					
	FY2018/3		FY2017/3		Balance	Yr/Yr
	Result	per Sales	Result	per Sales		
Non-operating Income/Expenses	455	1.0%	342	0.8%	113	133.1%
Ordinary Income	6,628	15.0%	6,027	14.2%	601	110.0%
Extraordinary Profit/Loss	▲ 34	▲0.1%	▲ 7	▲0.0%	▲ 27	482.8%
Income before Income Taxes and Minority Interests	6,594	14.9%	6,020	14.2%	574	109.5%
Income Taxes and Minority Interests	1,910	4.3%	1,707	4.0%	202	111.9%
Net Income	4,684	10.6%	4,312	10.2%	371	108.6%
Net Income Attributable to Non-controlling interests	327	0.7%	275	0.7%	52	118.9%
Net Income Attributable to Owners of Parent	4,357	9.8%	4,037	9.5%	319	107.9%

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

(Unit:MIn Yen)



4.(Appendix)P/L of Mandom Corporation, PT Mandom Indonesia Tbk

Interim Results of FY 2018/3

(P/L of Mandom Corporation, PT Mandom Indonesia Tbk)

Mandom Corporation

(Unit : Mln Yen)

	FY2018/3 1Q+2Q	FY2018/3 1Q+2Q	balance	Yr/Yr	Initial Outlook
Net sales	29,402	28,138	1,264	104.5%	51,000
Cost of Goods	12,718	12,241	477	103.9%	-
Cost Ratio	43.3%	43.5%	-0.2P	-	-
Selling, general and administrative	11,983	11,708	274	102.3%	-
Operating Income	4,700	4,188	512	112.2%	5,600
Non-operating Income/Loss	519	474	44	109.4%	-
Ordinary Income	5,219	4,662	557	112.0%	6,300
Extraordinary Profit/loss	▲ 14	▲ 6	▲ 7	215.2%	-
Net Income	3,739	3,349	389	111.6%	4,550

■ Consolidated: Depreciation,Capital Investment

(Unit : Mln Yen)

	FY2018/3	FY2017/3	balance
Depreciation	1,574	1,518	55
Capital investment	1,080	1,665	▲ 584

■ Mandom Corp.Only: Depreciation,Capital Investm

(Unit : Mln Yen)

	FY2018/3	FY2017/3	balance
Depreciation	1,037	1,001	35
Capital investment	575	1,083	▲ 507

PT Mandom Indonesia Tbk

Local Currency

(Unit : Mln Rp.)

	FY2018/3 1Q+2Q	FY2018/3 1Q+2Q	balance	Yr/Yr
Net sales	1,367,008	1,252,403	114,604	109.2%
Cost of Goods	846,844	765,121	81,722	110.7%
Cost Ratio	61.9%	61.1%	+0.9P	-
Operating Income	112,683	93,275	19,407	120.8%
Net Income	98,425	77,610	20,815	126.8%

Yen Equivalent

(Unit : Mln Yen)

	FY2018/3 1Q+2Q	FY2018/3 1Q+2Q	balance	Yr/Yr
Net sales	11,482	10,520	962	109.2%
Cost of Goods	7,113	6,427	686	110.7%
Cost Ratio	61.9%	61.1%	+0.9P	-
Operating Income	946	783	163	120.8%
Net Income	826	651	174	126.8%

Rp.1= ¥ 0.0084 Rp.1= ¥ 0.0084

Details of Women's Business Net Sales

(Unit:Mln Yen)

	1Q+2Q			
	FY2018/3	FY2017/3	Balance	Yr/Yr
Women's Business	12,064	10,459	1,604	115.3%
Women's Cosmetics Business	7,749	5,871	1,878	132.0%
Women's Cosmetry Business	4,314	4,588	▲ 273	94.0%

Regarding Forward-Looking Statements

This document contains forward-looking statements concerning Mandom's current plans, strategies, beliefs and performance. These forward-looking statements include statements other than those based on historical fact and represent the assumptions and beliefs of management based on information currently available. Mandom therefore wishes to caution readers that actual results may differ materially from expectations, and that forward-looking statements are subject to a number of foreseen and unforeseen risks and uncertainties. All amounts have been rounded to the nearest whole unit.