



The 1st Half Year Business Results Briefing

(Fiscal Year Ending March 31, 2020)

April 1, 2019-September 30, 2019

Mandom Corporation
(Securities Code: 4917)





Contents

- 1. Consolidated Business Results**
- 2. Progress of MP-12**
- 3. Forecast of Consolidated Business Results for FY2020/3**

Summary of 1st Half Year of FYE 2020

• Consolidated Net Sales were below the target significantly affected by unseasonable weather during summer in Japan and a reactionary fall of purchases made by inbound travelers.

• Incomes declined more than the initial forecast because of expenses paid as planned, though sales were below the target.

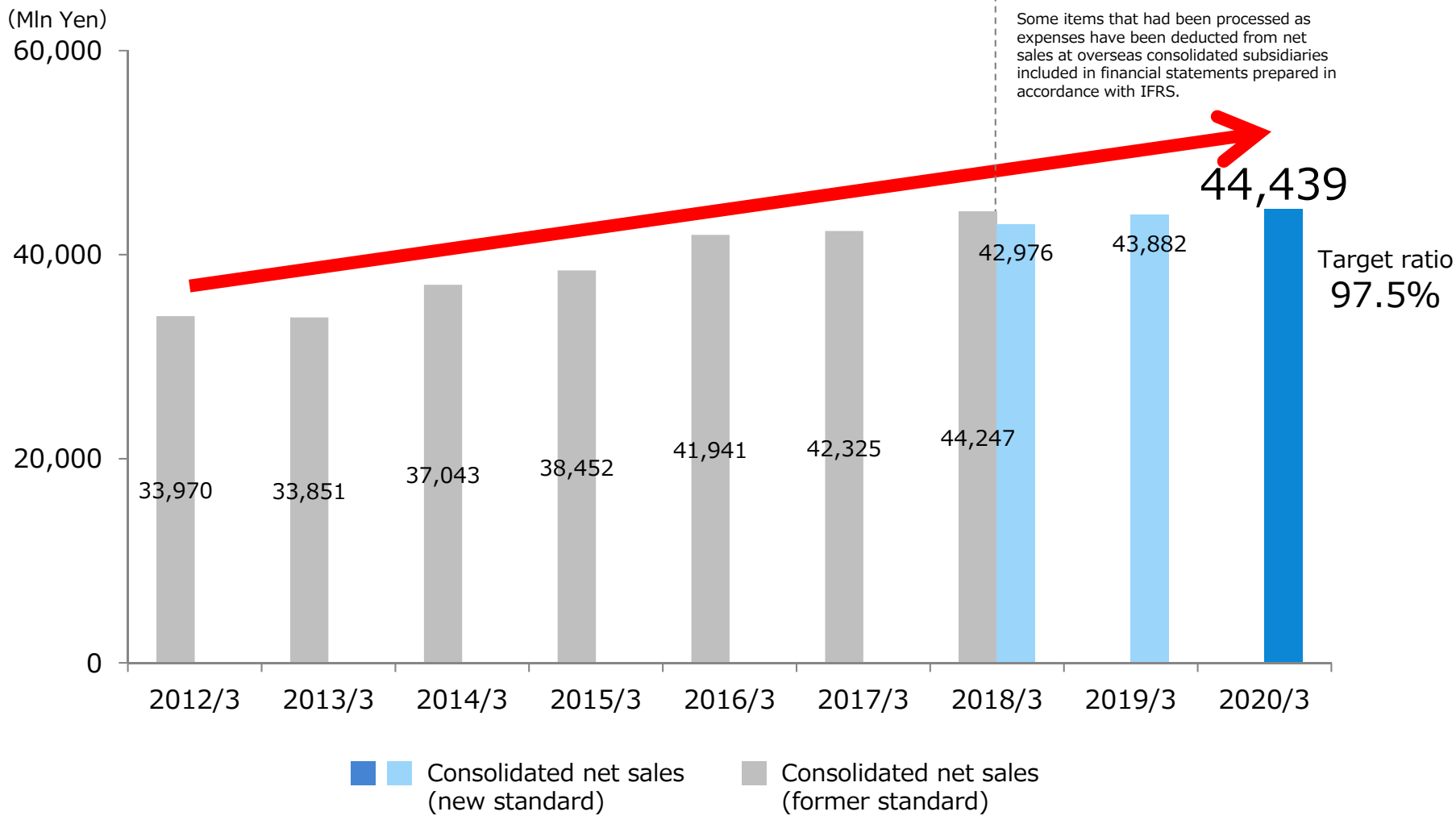
• Full-year forecast will remain unchanged.

1. Consolidated Business Results

1. Consolidated Business Results

1) Consolidated Net Sales slightly increased; income at each level declined.

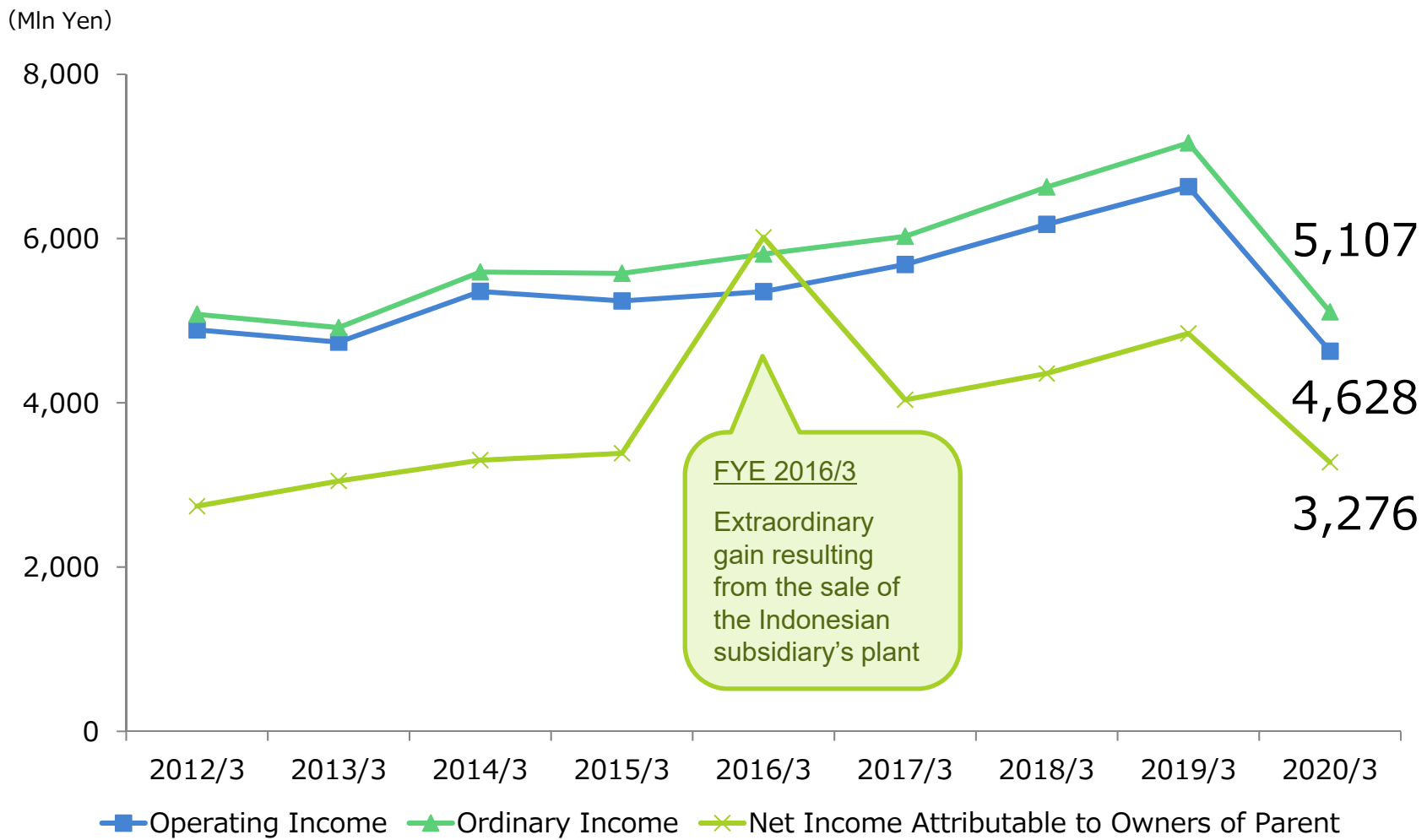
• Consolidated Net Sales for 2Q posted a year-over-year increase, but failed to attain the target.



1. Consolidated Business Results

1) Consolidated Net Sales slightly increased; income at each level declined.

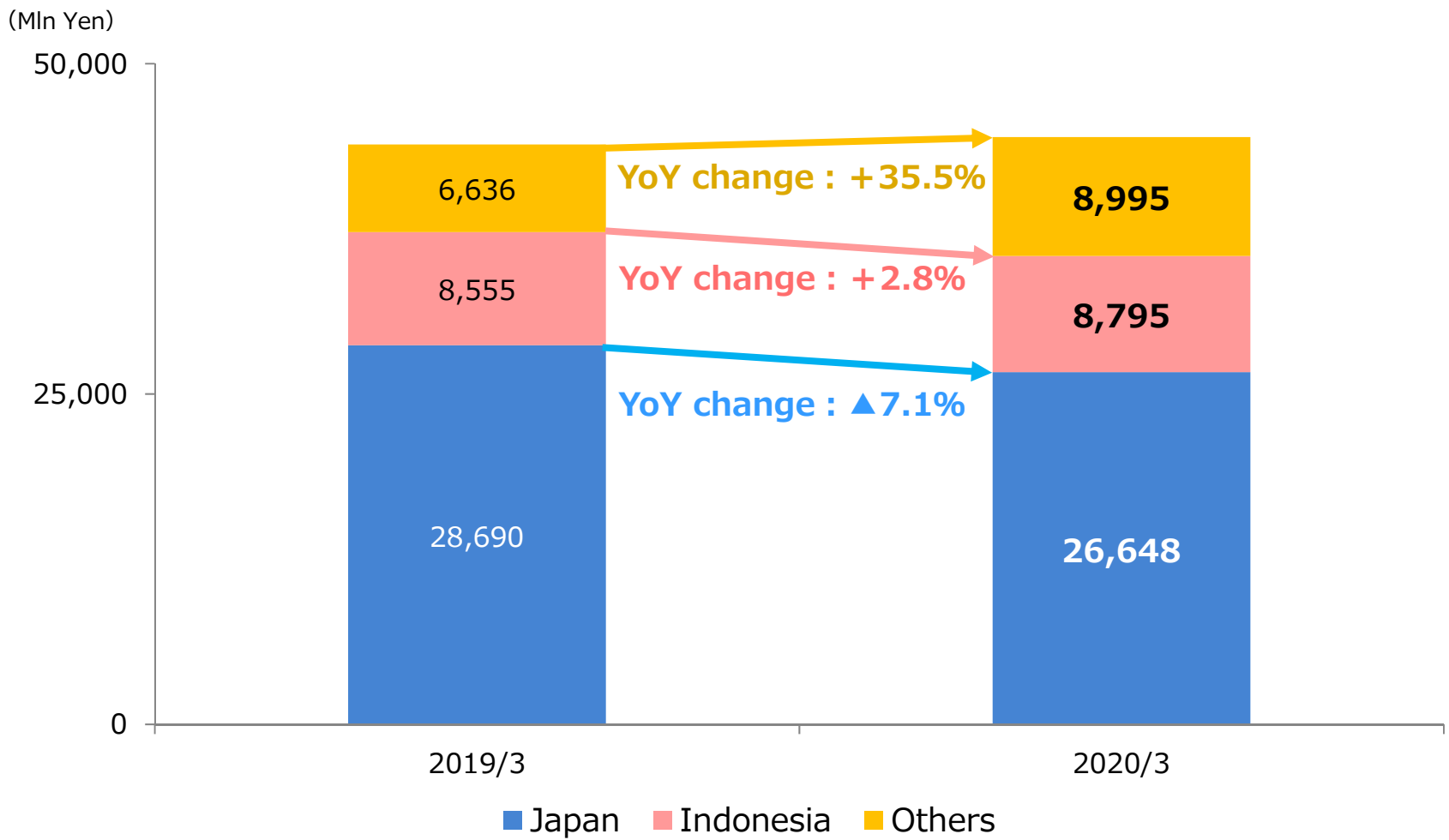
• Income at each level declined more than initially projected.



1. Consolidated Business Results <Net Sales by Region>

2) Sales increased steadily in Indonesia and also grew in other overseas countries; however, sales in Japan declined.

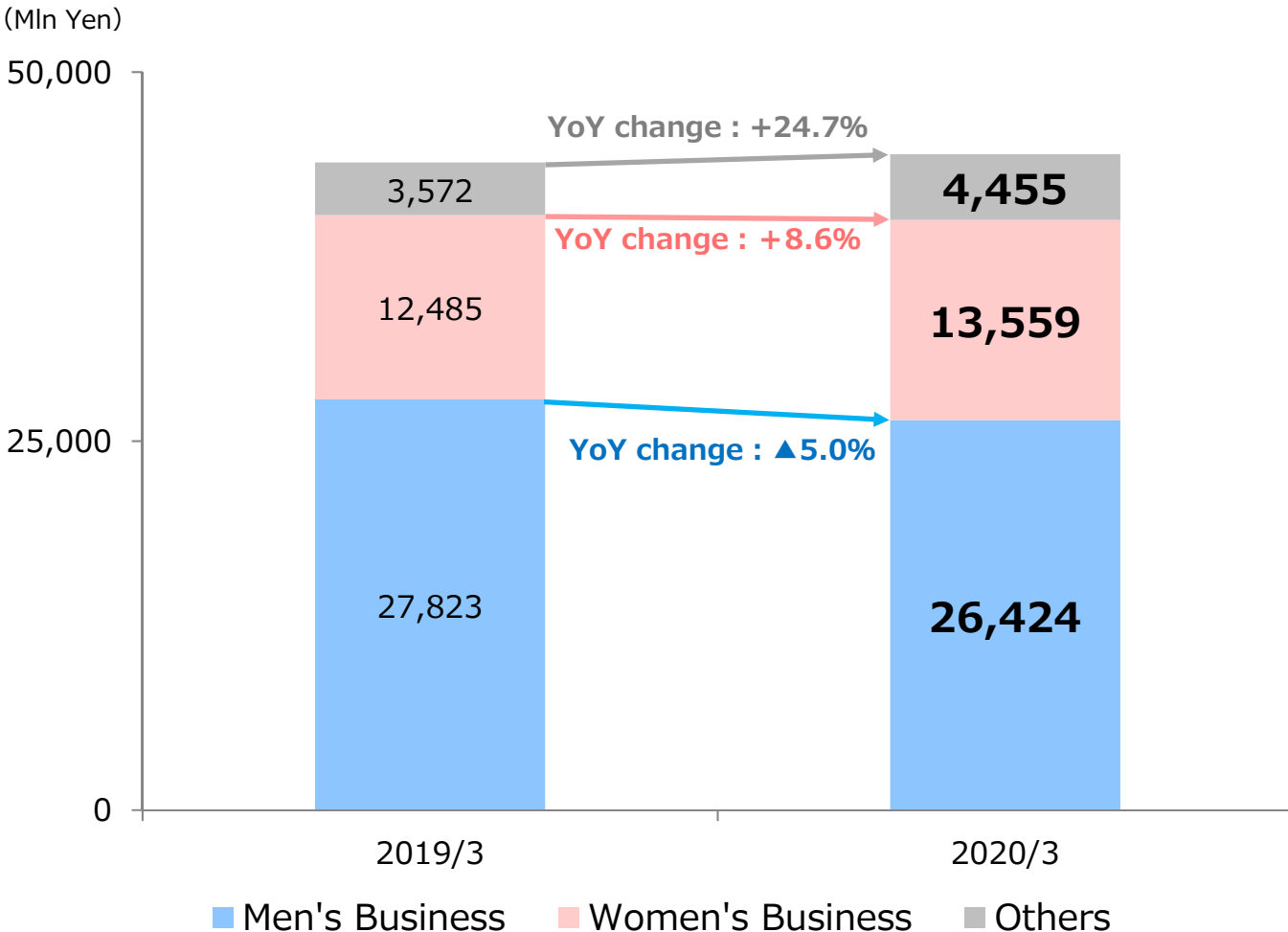
•Overseas Sales accounted for 40.0% of Consolidated Net Sales



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

3) Women's business grew steadily, while men's business posted a decline.

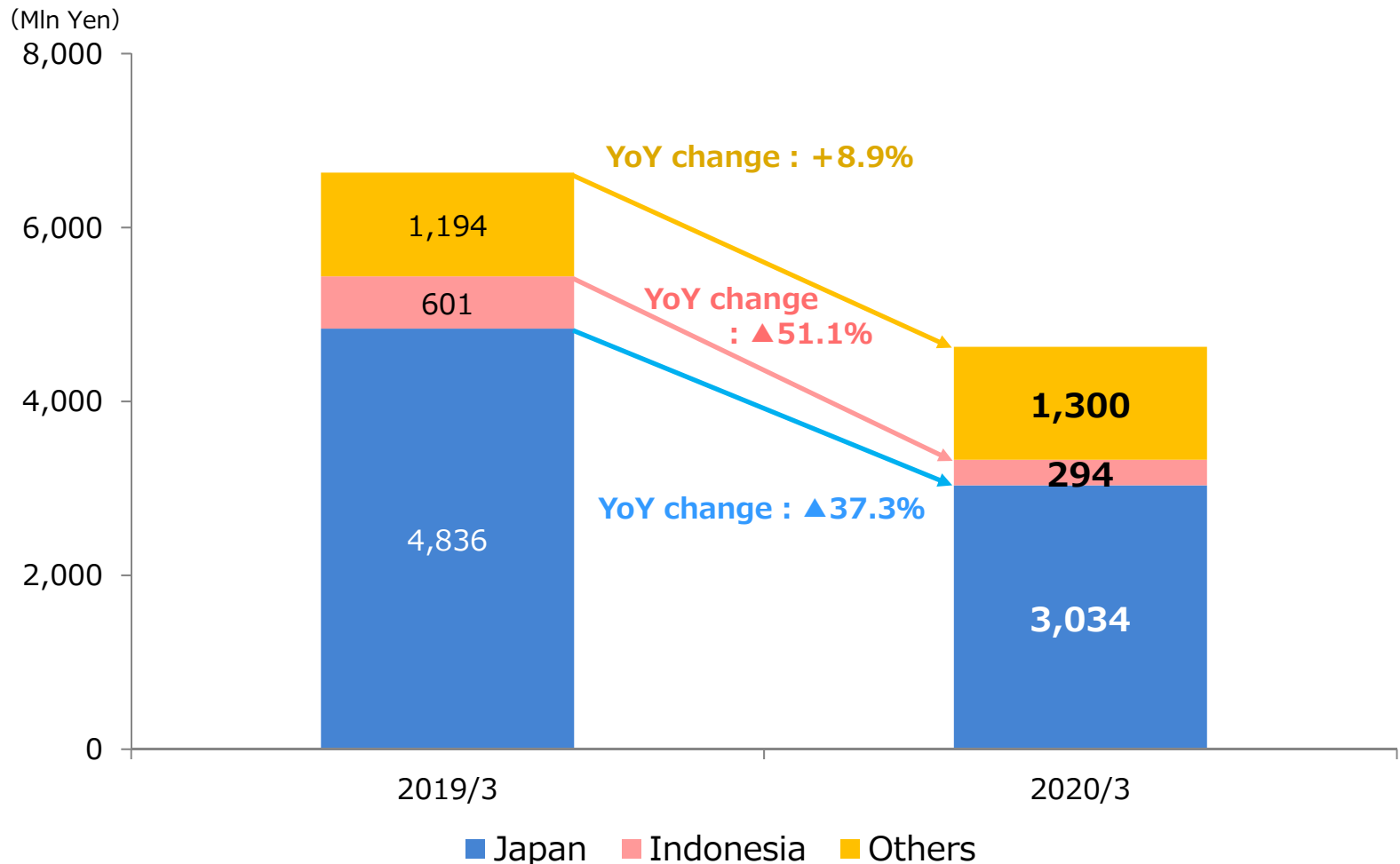
•Gatsby struggled in Japan and Indonesia.



1. Consolidated Business Results <Operating Income by Region>

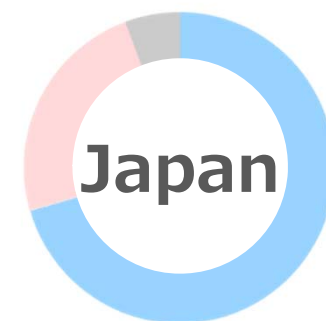
4) Operating Income in "Others" grew; overall, incomes declined sharply.

• Incomes fell because of a fall in revenues in Japan and an increase in SG&A expenses in Indonesia.







Business results by brand

Net Sales by Business



- Gatsby's results declined due to unseasonable weather; Sales of women's business also shrank because of a reactionary fall of purchases made by inbound travelers.
- Business of Lucido and Lucido-L is growing well.

Status of our major brands

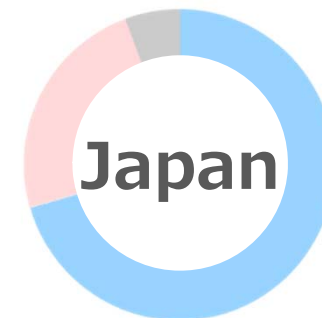
Men's Business	Women's Business
	
	

1. Consolidated Business Results <Summary of Our Strategic Business (JAPAN)>

Men's Business

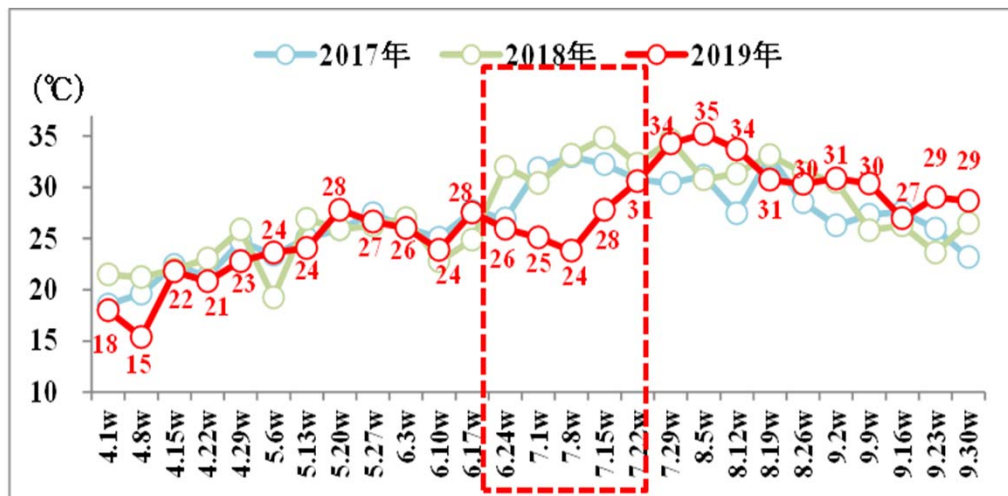


Net Sales by Business



- Sales of seasonal summer items, mainly body papers, were sluggish due to unseasonal weather in summer.
- The Inside Lock series featuring a new styling technology will be launched this autumn to revitalize the hair styling market.

■ Tokyo/Weekly average of daily maximum temperature



※Created by Mandom based on Meteorological observation Data (Japan Meteorological Agency)

■ INSIDE LOCK series



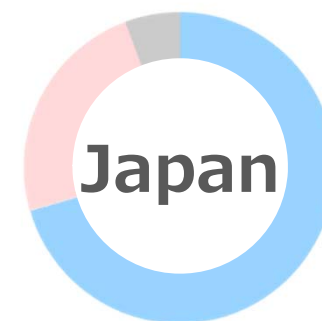
※2019 autumn/winter New Items

1. Consolidated Business Results <Summary of Our Strategic Business (JAPAN)>

Men's Business

LÚCIDO

Net Sales by Business



- Lucido business continued to grow steadily, mainly odor care and skin care items.
- Body cream will be added to the skin care series, which is enjoying strong sales, to expand the offerings for the winter, when demand for skin care items reaches a peak.

■ AGEING CARE BODY CREAM



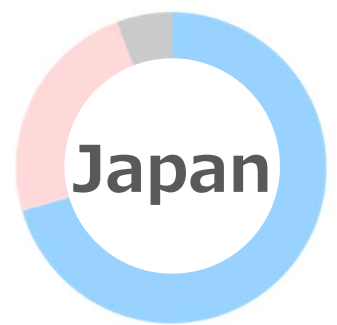
■ Skin Care series



※2019 autumn/winter New Items

Women's Business

Net Sales by Business



- Eye make-up remover temporarily suffered sluggish sales due to a reactionary fall of purchases made by inbound travelers, but still maintains a high market share close to 50%.
- Cleansing Sheet sales were favorable. In this growing market, our Cleansing Sheet items continued to grow at a rate greater than that of the market.

■ Eye Makeup Remover



■ Cleansing Sheet

※

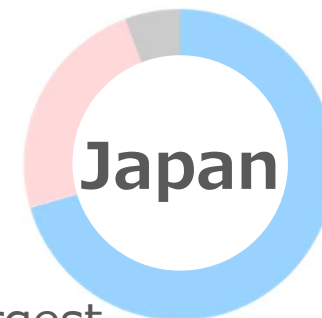


※2019 autumn/winter New Items

Women's Business

LÚCIDO-L

Net Sales by Business



- Hair oil market has been recording more than a two-digit growth. It surpassed hair spray and has now become the largest market in scale in the women's Hair Care and Hair Make category.
- We will add three new items to the lineup this autumn to cater to various hair types, aiming to increase our market share.

■ Hair Treatment Oil series

※



※



※



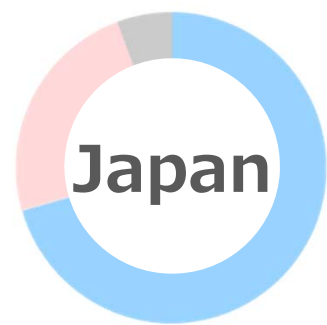
※2019 autumn/winter New Items

Miscellaneous Topics

[Inbound sales]

- Total sum of the purchases by inbound foreign tourists and those considered to be for the purpose of cross-border EC is approximately 200 million yen per month on average.
- Lucido-L HairTreatment Oil and Gatsby Facewash are enjoying strong sales both in Japan and abroad. Their sales to inbound foreign tourists are growing.
- We aim to increase sales through cross-border EC (B to C), focusing on sales promotion at our flagship store on Tmall Global.

Net Sales by Business



■ Barrier Repair Facial Mask



■ LUCIDO-L Hair Treatment Oil



■ GATSBY Facial wash series

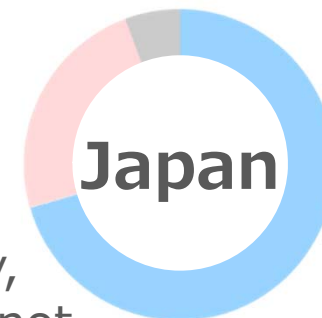


Miscellaneous Topics

Net Sales by Business

[Impact of Consumption Tax Hike]

•Growth rate of Women's Cosmetics and Lucido, which are assumed to be purchased mainly by women for their family, was higher than that in the previous month. However, it is not projected to have a positive impact on the business performance in the second half of this fiscal year.



■ Bifesta



■ LUCIDO



Business results by brand

Net Sales by Business



- Gatsby struggled in the Hair Styling Category.
- Pixy is performing well thanks to the rebranding effect.

Status of our major brands (Consolidated basis)

Men's Business	Women's Business

Men's Business



Net Sales by Business



- Overall sales of hair styling items are in a slump.
- For Styling Pomade, we added new items and updated the existing items.

■ STYLING POMADE MATTE MOULDER



■ REGROOM POMADE



Women's Business

PIXY

My Beauty, My Energy

- There are hit items in "MAKE IT GLOW" and "4 Beautify Benefits" lines added at the time of rebranding.
- We will continue aggressive investments in marketing to expand the PIXY business.

■ MAKE IT GLOW
DEWY CUSHION



■ MAKE IT GLOW
BEAUTY SKIN PRIMER



■ UV WHITENING
CONCEALING BASE



Net Sales by Business



■ A store display
in a Modern Trade



Women's Business

Net Sales by Business

PUCELLE



- Rebranding started in 2019 to meet the changes in trends and the wants of target consumers.
- We target higher age groups to meet the wants of consumers who want fragrances of higher quality.

■ EU DE LUX COLOGNE

■ EU DE LUX BODY SPRAY



S u p p l e m e n t

Net Sales by Business

【Latest Earnings】

PT Mandom Indonesia Tbk 1Q+2Q+3Q Results
(Local currency basis)



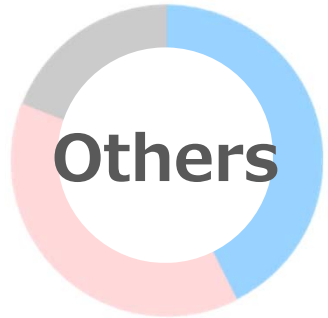
(Unit : Mln Rp.)

	FY2020/3	FY2019/3	Yr/Yr
Net Sales	2,166,886	2,048,794	105.8%
Operating Income	164,455	173,629	94.7%
Net Income	134,339	150,326	89.4%

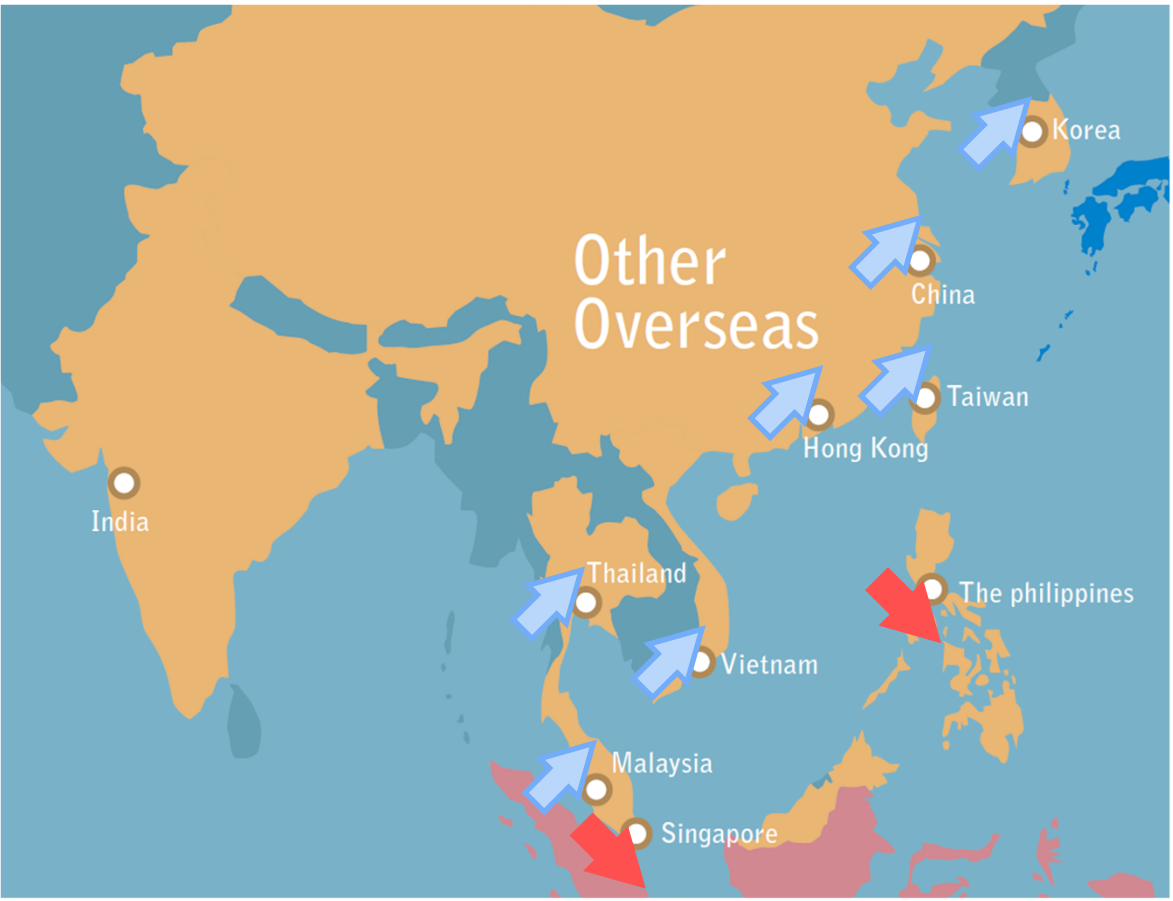
•Y/Y increase of revenues was lower than projected at 5.8% because Trade Business performed very well last year. However, the figures are almost as projected as we expect the launch of new Pixy items in 4Q.

General Status of Business Results

Net Sales by Business



- Overall business is performing well.
- Six countries including China and Thailand are recording two-digit growth on a local currency basis.



Women's Business

Net Sales by Business



- In many countries, sales of cleansing sheets recorded remarkable increases, leading the overall business results.
- Sheet type items have little competitors and are enjoying first-mover advantages.



■ A store display in Taiwan



Women's Business

Barrier Repair

- Launched in mainland China in September.
- It is being introduced to major retailers. Sales are expected to increase.

Net Sales by Business



■ Facial Mask Smooth



■ Facial Mask Moist



2. Progress of MP-12

(FYE 2018/3~FYE 2020/3)

2. Progress of MP-12

VISION 2027

VISION 2027

Our VISION 2027

A cosmetics company possessing unique strengths in specialized areas (not an “all-rounder”)

- ① Authentic proposals
- ② Global & ‘Only One’
- ③ Exciting & Excellent

VISION Slogan

Use our ‘Only One’ strengths to provide Dedication to Service (Oyakudachi) to a billion people around the world

VISION policy

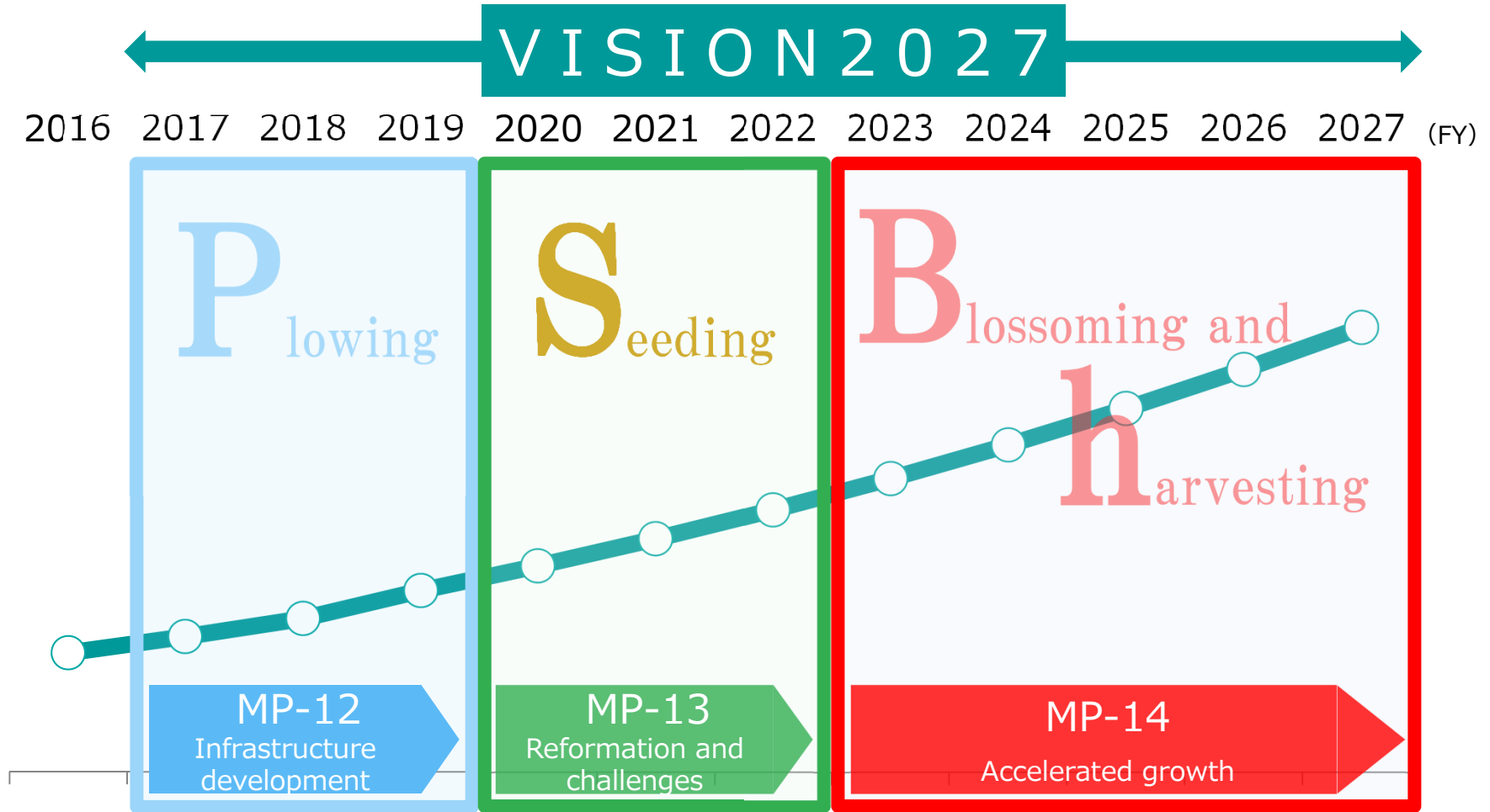
- ① Leverage Asia’s economic growth to evolve into a truly global company
- ② Display greater Dedication to Service (Oyakudachi) in the men’s business segment and invest aggressively to expand our women’s segment
- ③ Provide authentic products and services to develop a MANDOM WORLD inspired by the concept of stock-oriented management (the idea of strengthening or “stocking up” various assets including ties with our stakeholders by providing authentic and valuable products and services).

Image



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

■ Key action measures implemented in line with basic management policies

- [1] Promotion of the global marketing system
- [2] Building a business foundation to become a truly global company
- [3] Construction of a new building at Fukusaki Factory
- [4] Achievements of fundamental research technologies
- [5] Actions taken to increase EC sales
- [6] Challenges to build a new sales channel

2. Progress of MP-12 < Promotion of the global marketing system >

(1) Promotion of the global marketing system

- International Marketing Conference of Gatsby (IMCG) was held to share success cases, stimulate creativity, imagination and willingness to take on challenges, and enhance teamwork spirit.
- We created and shared brand values to become a strong global brand.

■ Participant of IMCG




■ In discussion




(1) Promotion of the global marketing system

•Gatsby’s new creatives were highly evaluated outside the company.

- Won awards in three categories of ADFEST 2019
(Press release dated April 22, 2019)

News Release



 April 22, 2019


GATSBY’s Campaign Video & CM Wins Prizes in Three Categories at ADFEST 2019


Mandom Corporation (Head Office: Osaka, President: Motonobu Nishimura, hereafter “Mandom”) has won one gold lotus and two bronze lotuses in three categories at the 22nd Asia-Pacific advertising festival known as “ADFEST 2019,” one of the largest advertising festivals in the Asia-Pacific region, for its GATSBY campaign video and CM. GATSBY is a men’s cosmetics brand developed by Mandom.

ADFEST was founded in 1998 and is one of the largest advertising festivals in the Asia-Pacific region. This year, outstanding ads were selected from a total of 2,539 works in 20 categories, and a campaign video, that was created as part of Mandom’s activities promoting its “GATSBY Perfect Skin Lotion” product series, won two lotuses including a gold in the Interactive Lotus category, while a CM about “GATSBY COP” won bronze in the Film Craft Lotus category.

Prize-Winning Work	Prize
“The Kawaii Tweak Hazard Song” (campaign video)	INTERACTIVE LOTUS GOLD FILM LOTUS BRONZE
“GATSBY COP” (CM)	FILM CRAFT LOTUS BRONZE

- Won awards of Spikes Asia 2019 and 2019 Clio Awards
(Press release dated October 9, 2019)

News Release



 October 9, 2019

Mandom GATSBY’s Campaign Video Wins Gold and Silver Awards at Spikes Asia 2019 and Bronze Award at 2019 Clio Awards

The skincare campaign video of GATSBY, a men’s cosmetic brand developed by Mandom Corporation (Head Office, Osaka; President Executive Officer & Director, Motonobu Nishimura; “Mandom”) won a Film Gold Award and a Digital Silver Award at Spikes Asia 2019 held in Singapore, one of the largest communications festivals in Asia, and was chosen as a Film Bronze Winner at the 2019 Clio Awards, one of the three premier advertising awards in the world.

Before these awards, the video had won an Interactive Gold Award and a Film Bronze Award at ADFEST 2019 held in March 2019.¹⁾ The video is the winner of a total of five awards at these three international advertising competitions.

[Details of Awards]

- ◆ Spikes Asia 2019
 - Film Gold Award
 - Digital Silver Award

*Spikes Asia is one of the largest festivals of creativity in communications in Asia and is held in Singapore in September every year. It is a regional sister festival of Cannes Lions, similar to Eurobest in Europe and Dubai Lynx in the Middle East. The festival gathers under 22 categories creative works that are released in the Asia Pacific (APAC) region. This year’s festival took place from September 25 to 27.

- ◆ 2019 Clio Awards
 - Film Bronze Award

2. Progress of MP-12 < Promotion of the global marketing system >

(1) Promotion of the global marketing system

- We set August 29 as the “Bifesta Day” and organized events for “Happy Bifesta Day.”
- We invited Bifesta users from each country and held a fan meeting.

■ Japan



■ Thailand



■ Malaysia

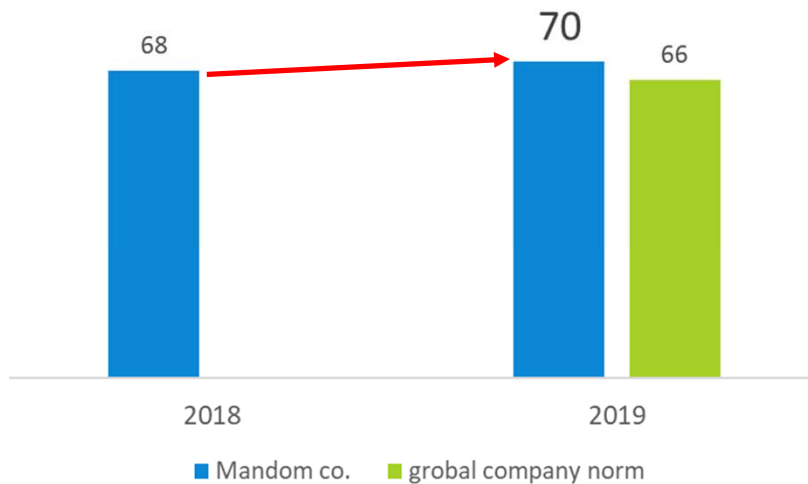


(2) Building a business foundation to become a truly global company (Development of Talents)

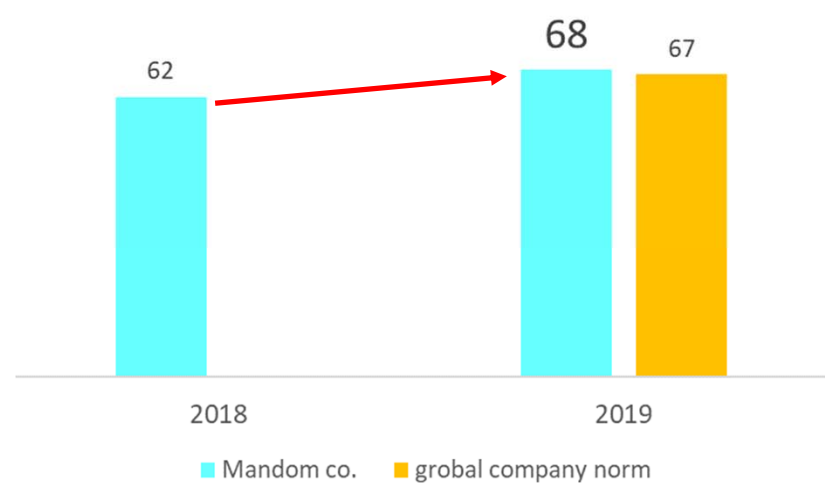
1) The survey to check the implementation level of the Corporate Philosophy

- As in the previous year, we conducted an employee survey. Going forward, each division manager and employee will recognize the issues of their own division and take countermeasures autonomously.

■ Employee engagement



■ Environment to make use of the capacity of employees



2. Progress of MP-12 < Building a business foundation >

(2) Building a business foundation to become a truly global company (Development of Talents)

2) Global leader training

- We conducted training for future leaders both in Japan and abroad to achieve VISION 2027.

■ Training scene



2. Progress of MP-12 < Building a business foundation >

(2) Building a business foundation to become a truly global company (Development of Talents)

3) Securing and developing global talent

- Executive candidates in Indonesia received training for a limited term in Japan.

■ Training scene



(2) Building a business foundation to become a truly global company (Information Infrastructure)

1)Introducing a common accounting system

- Currently in operation in Japan, Thailand, and Indonesia
- We are creating a plan and a policy to introduce it to other countries planning to introduce the system.

2)Introducing a common groupware

- To strengthen information infrastructure, we will unify and utilize information and make information ubiquitous.
- The groupware was introduced to Japan in April.
It will be introduced to other countries by the end of this term.

2. Progress of MP-12 < New building at Fukusaki Factory >

(3) Construction of a new building at Fukusaki Factory

- Construction work is in progress as planned.
It is scheduled to start operations in the beginning of 2021.

■ Construction is underway



(4) Achievements of fundamental research technologies

• Our research on the skin and sweat glands was given awards by multiple institutions.

Field of skin research

■ Won Hiroshi and Aya Irisawa Memorial Award for Excellent Papers in the Journal of Physiological Sciences at the 96th Annual Meeting of the Physiological Society of Japan (Press release dated April 1, 2019)



News Release  
April 1, 2019

Mandom received Hiroshi and Aya Irisawa Memorial Award for Excellent Papers in The Journal of Physiological Sciences at The 96th Annual Meeting of Physiological Society of Japan

Mandom Corporation (Head Office: Osaka, President Executive Officer: Motonobu Nishimura, hereinafter "Mandom"), through collaboration with Professor Makoto Tominaga of Exploratory Research Center on Life and Living System, National Institute of Natural Science, has developed a cosmetics evaluation method focused on using TRP (Transient Receptor Potential) channels (see "Reference material: Working with TRP channels") as sensors of skin sensations, and applying this method to product development.

Mandom's previous scientific paper named "Hypotonicity-induced cell swelling activates TRPA1", which is published on Journal of Physiological Sciences, received Hiroshi and Aya Irisawa Memorial Award for Excellent Papers[®] in The Journal of Physiological Sciences at The 96th Annual Meeting of Physiological Society of Japan held from March 28 to 31, 2019. This is second time that Mandom receives the award.

Mandom is continuing to explore research for sensory irritation and apply these evaluation methods for sensory irritation in its future products for consumer use.



■ Won Best Presentation of IPCE award at the 3rd IPCE Conference (Press release dated August 6, 2019)



News Release  
August 6, 2019

Mandom Wins the Best Presentation Award at the 3rd IPCE Conference

In recent years, Mandom Corporation (hereinafter "Mandom"; Headquarters: Osaka City, President Executive Officer & Director: Motonobu Nishimura) has increased its efforts in the women's cosmetics business and has been actively conducting research on women's skin. Amid these efforts, Mandom received the Best Presentation Award at the 3rd Intercontinental Personal Care Excellence (IPCE) Conference held at Hong Kong's Science Park on June 3-5, 2019.¹



¹The participants in the oral presentations were selected from poster presenters with particularly interesting research among those at the Congress of International Federation of Societies of Cosmetic Chemists (IFSCC). The IPCE Conference had been held in Italy in previous years. However, this year it was held in Hong Kong to commemorate mainland China's joining of IFSCC as a new member last fall and was jointly held with the 14th Asian Societies of Cosmetic Scientists (ASCS) Conference.

[Summary of the Award Winner]
(1) Title of the winning research
A New Approach Using Cultured Cells to Understand How Female Sex Hormones Affect Skin Barrier Function: Revisiting the Role of Progesterone (Hero or Villain?)

Field of sweat glands

■ Won the Academic Prize at Cosmetic Victories 2019 (Press release dated June 18, 2019)



Press Release  
June 18, 2019

Field: Life science and medicine; Keywords: sweat gland, live imaging, heat stroke, hyperhidrosis, antiperspirant

Researcher in Joint Research Group Led by Osaka University Wins Academic Prize at Cosmetic Victories 2019
First in Japan to Receive the Award
-Proposing New Concept for Next-Generation Antiperspirants-

[Gist of the research results]

- ◆ Kie Nakashima, a Specially Appointed Researcher at Laboratory of Advanced Cosmetic Science, Graduate School of Pharmaceutical Sciences, Osaka University¹⁾, has won the Academic Prize at the Cosmetics Victories 2019 sponsored by Cosmetic Valley in France²⁾, the world's largest cluster in the cosmetics industry. In the contest, contestants competed on the state-of-the-art cosmetics technologies.
- ◆ In the research, an imaging system of contracting motility of human sweat glands in sweating was established. The system clarified contracting motility of sweat glands in sweating and was applied to evaluate active ingredients that suppress sweating.
- ◆ The imaging system of motility of sweat gland resolves problems caused when the exit of sweat gland is plugged by using a conventional antiperspirant (excessive sweating that cannot be suppressed, skin inflammation, yellowing of the clothes caused by active ingredients, etc.). It is also expected to be applied to next-generation antiperspirants that directly act on the secretory part of sweat glands.

2. Progress of MP-12 < Actions taken to increase EC sales >

(5) Actions taken to increase EC sales

- Our flagship store opened on Tmall Global made a good start.
- A large-scale promotion is planned on the Single's Day in China.



(6) Challenges to build a new sales channel

- "HIBInoBI" online shop was launched on July 30, 2019, for modern women who want to stay beautiful while living busy lives.
- 「.:M4」 science skin care series focusing on the skin's sensation sensor was launched on the online shop in September.

■ Online Shop 「HIBInoBI」



■ Science skin care series 「.:M4」



3. Forecast of Consolidated Business Results for FY2020/3

3. Forecast of Consolidated Business Results for FY2020/3

1) Forecast of full-year consolidated business results for FY2020/3 will remain unchanged.

(Unit:Mln Yen)

	1Q+2Q			3Q+4Q			Annual		
	Result	FY2019/3	Yr/Yr	Outlook *	FY2019/3	Yr/Yr	Outlook	FY2019/3	Yr/Yr
Net Sales	44,439	43,882	101.3%	40,560	35,115	115.5%	85,000	78,997	107.6%
Operating Income	4,628	6,632	69.8%	3,231	503	642.3%	7,860	7,135	110.2%
Ordinary Income	5,107	7,165	71.3%	3,582	996	359.6%	8,690	8,161	106.5%
Net Income	3,276	4,845	67.6%	2,343	241	968.9%	5,620	5,087	110.5%

* FY2020/3Outlook – (1Q+2Q)Result 2020/3

3. Forecast of Consolidated Business Results for FY2020/3

1) Forecast of full-year consolidated business results for FY2020/3 will remain unchanged.

- Sluggish performance in Japan will be offset by strong sales outside Japan.

【Prerequisites of the plan】

■ Net Sales

- +) • Addition of new products and sales promotion measures in and outside Japan
 - Expansion of offerings in the Bifesta cleansing category for women and the face wash category in other overseas countries.
- ±) • Market trend of new products
-) • Extended political instability outside Japan

■ Operating Income

-) • A rise in cost rate due to differences in product mix between Japan and abroad
 - A rise in cost rate due to differences in sales by region in Indonesia

◆ Appendix

(Appendix) Consolidated Business Results

(Unit: Mln Yen)

	1Q+2Q					
	FY2020/3	FY2019/3	Balance	Yr/Yr	Yr/Yr※	Achiev.
Net Sales	44,439	43,882	557	101.3%	102.4%	97.5%
Operating Income	4,628	6,632	▲ 2,003	69.8%	—	91.3%
Ordinary Income	5,107	7,165	▲ 2,057	71.3%	—	92.2%
Net Income Attributable to Owners of Parent	3,276	4,845	▲ 1,568	67.6%	—	88.8%

EPS	¥71.05	¥103.62
-----	--------	---------

※ Comparison with FY 2019/3 rate after adjustment.

(Appendix) Consolidated Net Sales

2-1. Net Sales by Region

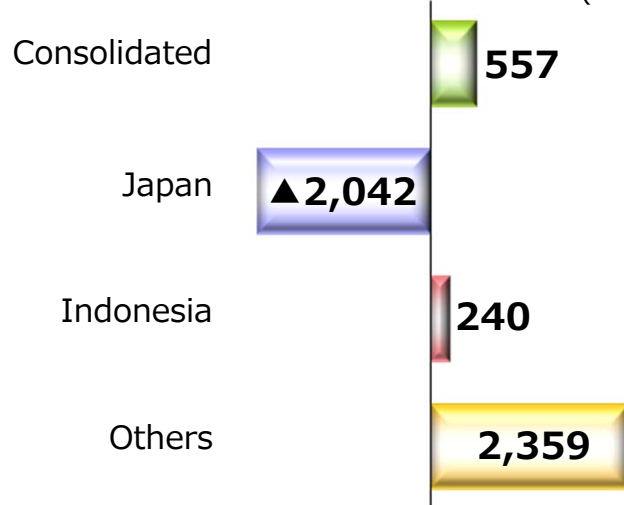
(Unit: Mln Yen)

	1Q+2Q			
	FY2020/3	FY2019/3	Balance	Yr/Yr
Net Sales	44,439	43,882	557	101.3%
Japan	26,648	28,690	▲ 2,042	92.9%
Indonesia	8,795	8,555	240	102.8%
Others	8,995	6,636	2,359	135.5%

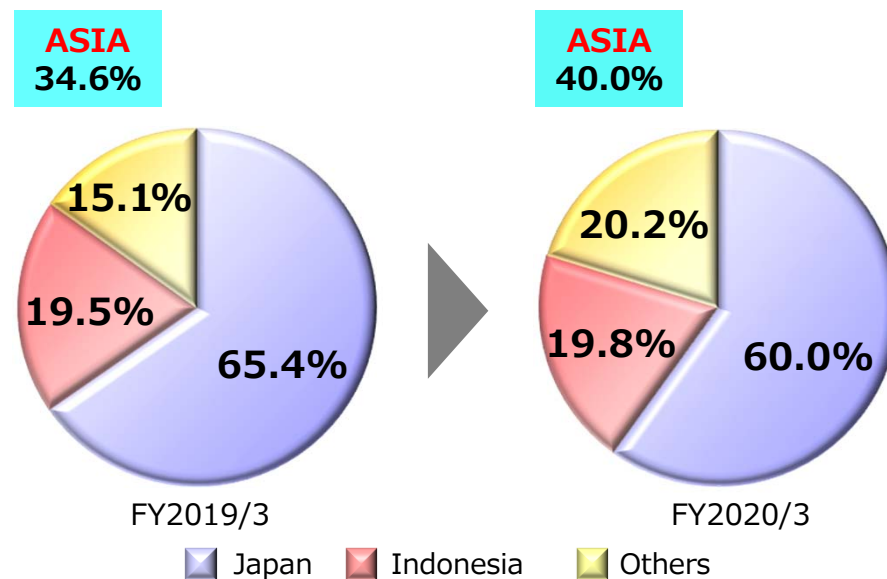
2-2. Net Sales by Region Analysis

(Year-on-Year)

(Unit: Mln Yen)



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



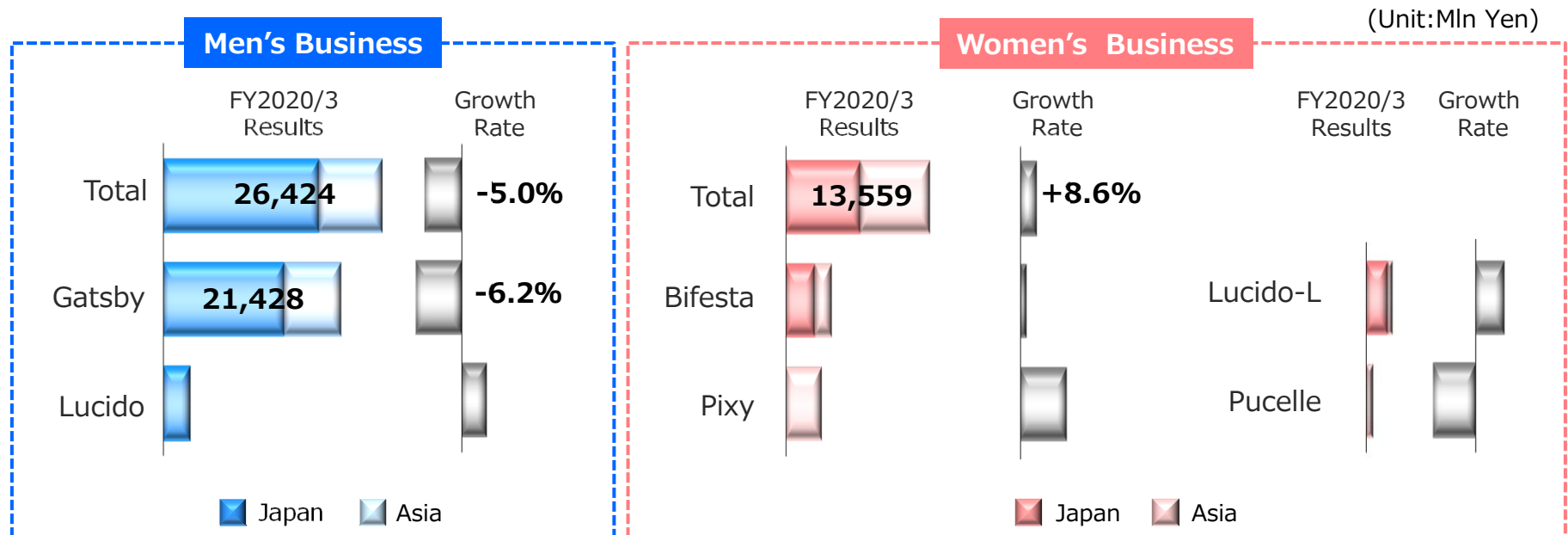
(Appendix) Consolidated Net Sales

2-4. Net Sales by Strategic Business Unit

(Unit:Mln Yen)

	1Q+2Q			
	FY2020/3	FY2019/3	Balance	Yr/Yr
Net Sales	44,439	43,882	557	101.3%
Men's Business	26,424	27,823	▲ 1,399	95.0%
Gatsby	21,428	22,848	▲ 1,420	93.8%
Women's Business	13,559	12,485	1,073	108.6%
Other Business	4,455	3,572	882	124.7%

※breakdown :Women's Cosmetics 8,948 Mln Yen (Yr/Yr 111.0%) /Women's Cosmetry 4,611 Mln Yen (Yr/Yr 104.3%)



(Appendix) Consolidated Income

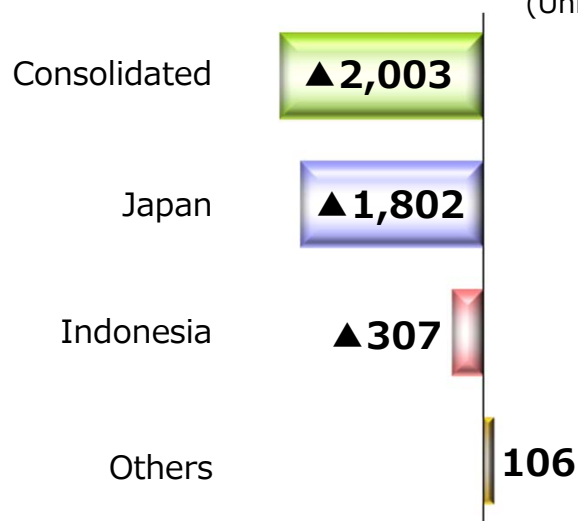
3-1. Operating Income by Region

(Unit: MIn Yen)

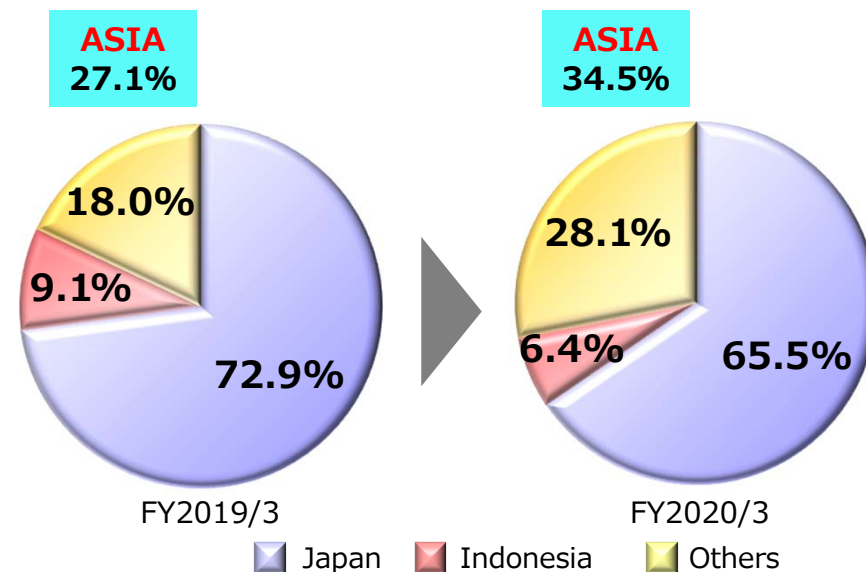
	1Q+2Q					
	FY2020/3		FY2019/3		Balance	Yr/Yr
	Result	per Sales	Result	per Sales		
Operating Income	4,628	10.4%	6,632	15.1%	▲ 2,003	69.8%
Japan	3,034	11.4%	4,836	16.9%	▲ 1,802	62.7%
Indonesia	294	3.3%	601	7.0%	▲ 307	48.9%
Others	1,300	14.5%	1,194	18.0%	106	108.9%

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

(Unit: MIn Yen)



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



(Appendix) Consolidated Income

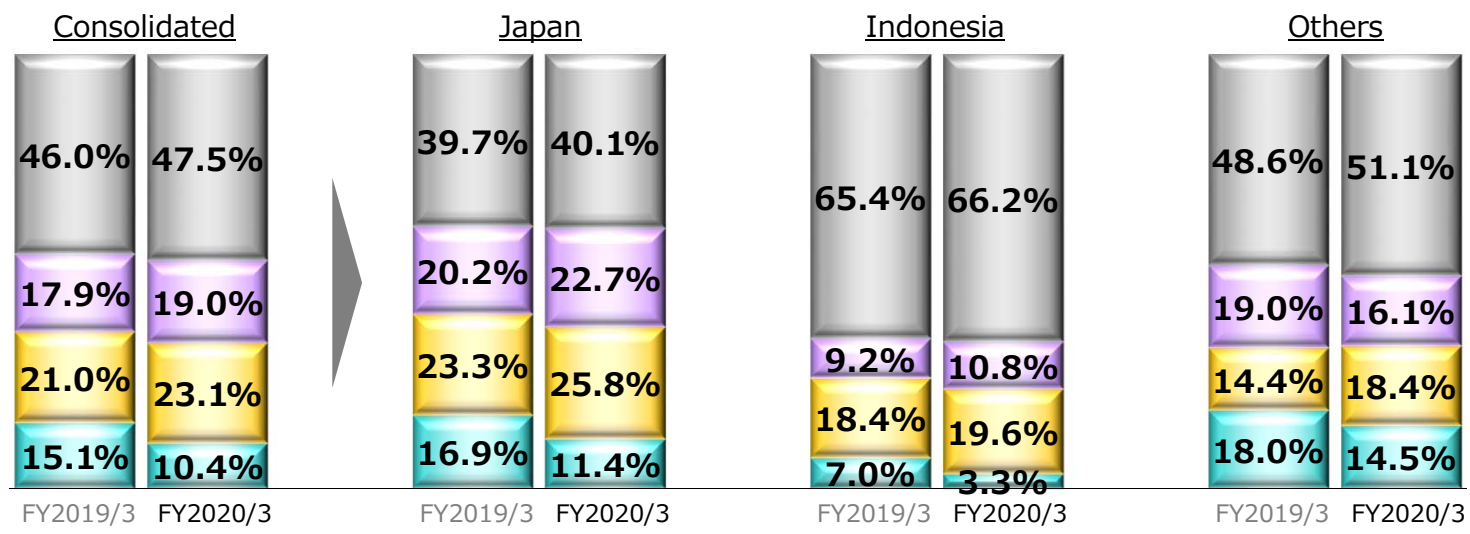
3-4. Operating Cost Analysis (Year-on-Year)

■ Consolidated
 ■ Japan
 ■ Indonesia
 ■ Others
 (Unit: MIn Yen)



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

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



(Appendix) Consolidated Incomes

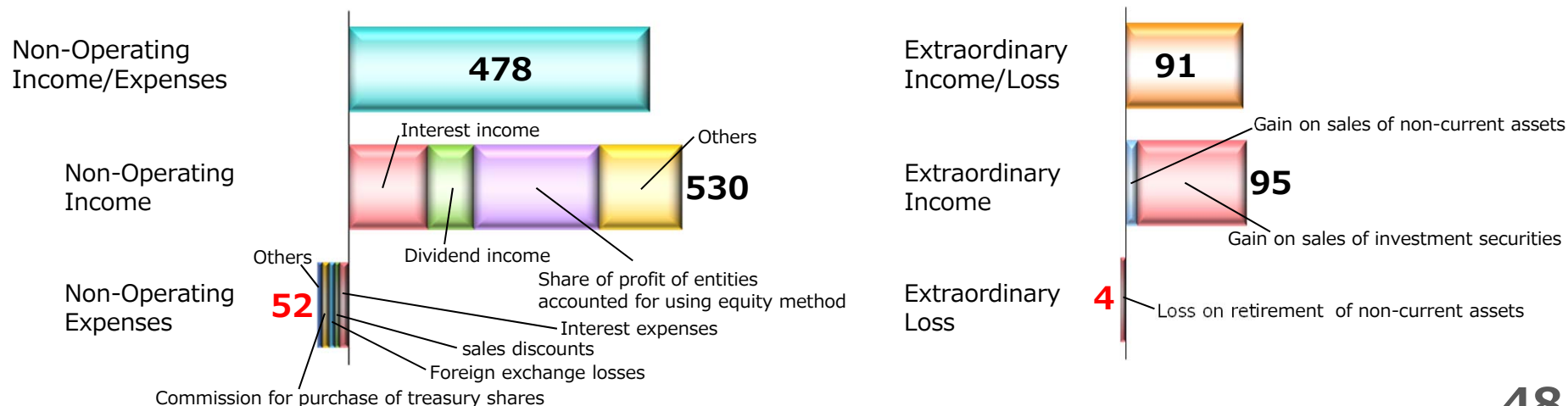
3-6. Ordinary Income and Net Income Attributable to Owners of Parent

(Unit: MIn Yen)

	1Q+2Q				Balance	Yr/Yr
	FY2020/3		FY2019/3			
	Result	per Sales	Result	per Sales		
Non-operating Income/Expenses	478	1.1%	532	1.2%	▲ 54	89.8%
Ordinary Income	5,107	11.5%	7,165	16.3%	▲ 2,057	71.3%
Extraordinary Profit/Loss	91	0.2%	▲ 16	▲0.0%	107	▲544.2%
Income before Income Taxes and Minority Interests	5,198	11.7%	7,148	16.3%	▲ 1,950	72.7%
Income Taxes and Minority Interests	1,751	3.9%	2,004	4.6%	▲ 253	87.4%
Net Income	3,446	7.8%	5,143	11.7%	▲ 1,697	67.0%
Net Income Attributable to Non-controlling interests	170	0.4%	298	0.7%	▲ 128	57.1%
Net Income Attributable to Owners of Parent	3,276	7.4%	4,845	11.0%	▲ 1,568	67.6%

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

(Unit: MIn Yen)



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

Interim Results of FY 2020/3 (P/L of Mandom Corporation, PT Mandom Indonesia Tbk)

Mandom Corporation

(Unit : Mln Yen)

	FY2020/3 1Q+2Q	FY2019/3 1Q+2Q	balance	Yr/Yr	Initial Outlook
Net sales	28,769	30,771	▲ 2,001	93.5%	53,300
Cost of Goods	12,926	13,481	▲ 554	95.9%	—
Cost Ratio	44.9%	43.8%	+1.1P	—	—
Selling, general and administrative	12,696	12,247	448	103.7%	—
Operating Income	3,147	5,042	▲ 1,895	62.4%	5,320
Non-operating Income/Loss	520	518	1	100.3%	—
Ordinary Income	3,667	5,561	▲ 1,893	65.9%	6,100
Extraordinary Profit/loss	80	▲ 15	96	-531.1%	—
Net Income	2,736	3,992	▲ 1,256	68.5%	4,390

Consolidated: Depreciation, Capital Investment

(Unit : Mln Yen)

	FY2020/3	FY2019/3	balance
Depreciation	2,118	1,651	467
Capital investment	4,976	1,765	3,211

Mandom Corp. Only: Depreciation, Capital Investment

(Unit : Mln Yen)

	FY2020/3	FY2019/3	balance
Depreciation	1,204	1,017	187
Capital investment	4,104	1,060	3,044

※Capital investment includes intangible assets

PT Mandom Indonesia Tbk

Local Currency

(Unit : Mln Rp.)

	FY2020/3 1Q+2Q	FY2019/3 1Q+2Q	balance	Yr/Yr
Net sales	1,411,193	1,299,310	111,883	108.6%
Cost of Goods	930,610	828,316	102,294	112.3%
Cost Ratio	65.9%	63.8%	+2.2P	—
Operating Income	113,510	107,231	6,278	105.9%
Net Income	94,714	93,673	1,041	101.1%

Yen Equivalent

(Unit : Mln Yen)

	FY2020/3 1Q+2Q	FY2019/3 1Q+2Q	balance	Yr/Yr
Net sales	10,866	10,264	601	105.9%
Cost of Goods	7,165	6,543	622	109.5%
Cost Ratio	65.9%	63.8%	+2.2P	—
Operating Income	874	847	26	103.2%
Net Income	729	740	▲ 10	98.6%

Rp.1 = ¥ 0.0077 Rp.1 = ¥ 0.0079

※Assumption rate FY 2020/3

Rp.1 = ¥ 0.0077

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.