We will accelerate the growth of Mandom Group businesses to achieve the initial targets of our 10th Three-Year Middle-Range Plan.

In the fiscal year ended March 31, 2013, the second fiscal year of our 10th three-year Middle-Range Plan (fiscal year ended March 31, 2012–fiscal year ending March 31, 2014, “MP-10”), we recorded record-breaking net sales and net income. Nevertheless, results fell short of initial targets due to weather-related factors and the impact of intensifying competition on summer season products in Japan.

In the fiscal year ending March 31, 2014, the final year of MP-10, we will work to achieve the initial numerical targets of the MP-10 by aggressively expanding sales promotion activities centered on strong-performing overseas businesses. At the same time, we will undertake measures to achieve further growth during MP-11.

Motonobu Nishimura
Representative Director
President Executive Officer

Masayoshi Momota
Representative Director
Vice President Executive Officer

Overview of Fiscal 2013

Consolidated Net Sales
¥60,427 million (1.0% increase on previous period)

Consolidated Operating Income
¥5,947 million (1.7% decrease)

Consolidated Ordinary Income
¥6,241 million (1.1% decrease)

Consolidated Net Income
¥3,607 million (9.3% increase)

We achieved record-breaking net sales despite a marginal rise in revenues amid slumping sales of summer season products in Japan. Operating income and ordinary income decreased due to aggressive marketing investments primarily overseas.

In fiscal 2013, the Group worked toward sustained growth through the strategic measures of achieving stable growth in the core men's grooming business, stepping up efforts in women's cosmetics and continuing to expand overseas operations with Asia as the engine of growth. Based on these measures, in Japan we redoubled our efforts maintain ongoing expansion primarily in the Gatsby face & body category of summer season products and further developed the Bifesta women's cosmetic brand. Overseas, we stepped our efforts to expand Gatsby reflecting the conditions of individual countries while growing the women's cosmetics business in Asia. We also worked to curb the rising cost to sales ratio amid high currency exchange rates and raw materials prices by cutting costs focusing on paper products in Japan. In addition, we aggressively invested in marketing, particularly in overseas markets.

As a result of these efforts, overseas sales were strong, including double-digit growth on a local currency basis, excluding certain regions. In Japan, sales of summer season products were weak because of weather-related factors and intensifying competition. Consequently, net sales increased only 1.0% over the previous fiscal year to ¥60,427 million. Regarding earnings, operating income decreased 1.7% to ¥5,947 million, and ordinary income declined 1.1% to ¥6,241 million. Despite a decrease in the cost to sales ratio, mainly reflecting cost-cutting measures and foreign currency translations into yen, these decreases were attributable to aggressive marketing investments overseas, beginning with Indonesia. Net income increased 9.3% year on year owing primarily to decreases in extraordinary loss and domestic corporate taxes.

Despite achieving record-high net sales and net income, operating income, ordinary income and other results fell short of initial targets.

Progress in the Second Fiscal Year of MP-10

During the second fiscal year of MP-10, there was a slight discrepancy between initial targets and results.

We have positioned MP-10 as a three-year business plan for accelerating Mandom Group growth. To this end, we have commenced the strategic measures of MP-10, which are to accelerate growth through stable growth of the men's grooming business, bolstering expansion for the women's cosmetic business and continued strengthening of overseas business, while remaining mindful of improving profitability and maintaining high and consistent shareholder dividend payouts. In the first fiscal year of MP-10, both growth and profitability surpassed our initial projections. This was due to outperforming our goals for MP-10 in its first fiscal year, recording higher-than-expected growth that led to higher profits. In addition, we improved profitability beyond our expectations due to increased efficiency and a review of sales, general and administrative expenses.

In the second year of MP-10, we did not reach initial targets. Despite higher-than-projected net sales in the overseas

Progress in the Second Fiscal Year of MP-10

Slightly below initial targets

Inability to reach growth and earnings targets due to unattained domestic targets and currency exchange rates

Growth Potential

Inability to reach second fiscal year targets due to unattained domestic business targets and currency exchange rates

Consolidated net sales

MP-10 final fiscal year target: ¥66.0 billion

Second fiscal year result: ¥60.4 billion

Profitability

Inability to reach targets due to lower profitability accompanying unattained net sales targets

Operating income margin

MP-10 final fiscal year target: 10% or higher

Second fiscal year result: 9.8%

Shareholder Returns

Increased dividend payouts in line with record-breaking earnings

Payout ratio

MP-10 ongoing three-year target: 40% or higher

Second fiscal year result: 40.2%

Forecasts for the final fiscal year of MP-10

Aim to achieve targets

Aim to achieve targets by focusing on MP-10's projections

Growth Potential

Aim to achieve final fiscal year targets by further promoting three businesses

Consolidated net sales

Forecast the achievement of target

Final year target: ¥66.5 billion

Profitability

Despite aggressive marketing investments in overseas and other businesses, aim to maintain the operating income margin through cost efficiency

Operating income margin

Forecast the achievement of target

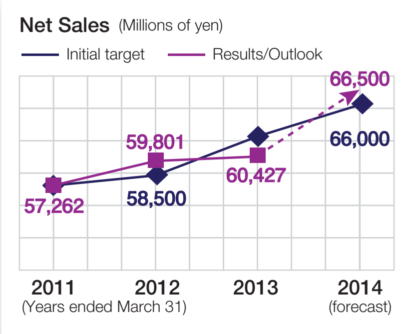
Final year target: 10%

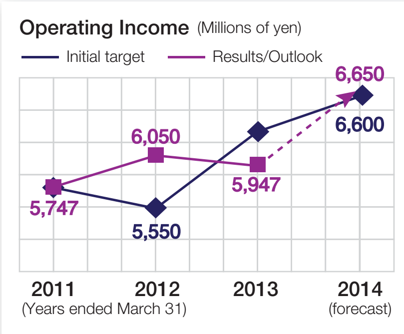
Shareholder Returns

Maintain high and consistent shareholder dividend payouts

Payout ratio

Achieve an ongoing three-year target of 40% or higher





business, this was due to currency exchange losses and weak domestic summer season product sales in the men's grooming business. In addition, we were unable to reach initial targets in the women's cosmetics business due to the poor performance of skin care products in Japan and the delayed market release of improved core Pixy brand products in Indonesia. Operating income fell below initial targets due to a decline in profitability in line with lower-than-projected net sales.

Evaluating the Second Year of MP-10

Our assessments indicate that we will be able to achieve MP-10 targets.

Although we were unable to reach initial targets during the second year of MP-10, our assessments indicate that we will be able to achieve these in the plan's final fiscal year. This will enable us to effectively formulate MP-11.

In summer season products in Japan, the inability to reach our targets is due to a lower share following weather-related market growth stagnation and intensifying competition. To address this, we have renewed our lineups, including product improvements and new releases. In addition, we have developed comprehensive proposals for summer season products that only the Gatsby brand can achieve, including combination body sheets for deodorant spray users.

In the women's cosmetics business, we have undertaken initiatives in areas with high growth potential, readjusting our product mix to emphasize the strong-performing Bifesta brand. In addition, we have improved product competitiveness overseas by releasing renewed versions of Pixy Two Way Cake, a mainstay item in Indonesia.

In the overseas business, we focused on expanding our business areas—including the establishment of a consolidated subsidiary in India—and invested in marketing with an eye to future growth.

Forecasts for the Fiscal Year Ending March 31, 2014, the Final Year of MP-10

We will work to achieve the MP-10 targets.

For the final year of MP-10, Mandom aims to exceed the plan's initial consolidated net sales target in terms of growth, achieve a consolidated operating income ratio of above 10% regarding profitability, and maintain a payout ratio of above 40% to return profits to shareholders.

Performance Forecasts for the Fiscal Year Ending March 31, 2014

Consolidated net sales
¥66,500 million (10.1% increase on previous period)

Consolidated operating income
¥6,650 million (11.8% increase)

Consolidated ordinary income
¥6,860 million (9.9% increase)

Consolidated net income
¥3,800 million (5.3% increase)

We aim to achieve double-digit growth in net sales and operating income.

In the fiscal year ending March 31, 2014, although we expect gradual improvement in Japan's economy as the stock market gains strength and the yen continues to devalue, the slowing global economy prevents us from predicting the future with any certainty. We do see gradual growth in Asia, despite the impact of the ongoing European financial crisis. In light of these conditions, the Mandom Group is pursuing the integration of domestic and international Group companies as a way toward sustained growth.

We believe that we will be able to secure revenue growth through stable growth in the men's grooming business, stronger initiatives in the women's cosmetics business, particularly in skin care, and continuing double-digit growth (local currency basis) in our overseas business, particularly in Asia. While we will aggressively invest in market expenses for overseas and women's products, we will also drive down costs and leverage our SG&A expenses more effectively, which we believe will lead to increased profits.

Future Initiatives

We must take on numerous challenges to realize the innovations necessary for addressing change in Asia.

Mandom has been doing business in Asia for over 55 years, beginning with our entry into the Philippines in 1958. Owing to its history in this region, Mandom is generally recognized in Asia for its merit as a pioneer primarily in terms of brand loyalty.

However, various changes have occurred in Asia in the past few years that have significantly altered its market characteristics in ways that have not been seen previously. In Japan, merchandising has changed as it evolved over the years. In contrast, various Asian countries are currently creating markets where cutting-edge business categories coexist with traditional ones. Targeting these significantly changing business categories, major players from around the globe are entering the Asian market, which is creating fierce competition.

To address these major changes in the Asian market, we will not only leverage our experience and past success, but we must also create a new vision of the future and reform our current operations to achieve this vision. We aim to become an "Only One" company whose strength lies in its global management with a focus on Asia. To that end, Mandom will undertake the abovementioned innovations and maintain consistent global operations while understanding and closely reflecting in its products the diverse values of local consumers.

To achieve innovation, we must address numerous challenges in terms of R&D, production and personnel. R&D is currently conducted mainly in Japan, focusing on capturing Asian customers. However, this poses distance-related difficulties given the pace of change in Asia. Therefore, we will investigate systems that will enable us to broaden the provision of products and services along with accurately addressing the needs and wants in Asian markets, including the enhancement of our R&D capabilities in Indonesia.

Regarding our production capabilities, we will take steps

to increase productivity through plant rationalization (engage in capital investments in Japanese and Indonesian plants) in anticipation of changing conditions, including higher personnel costs accompanying economic growth.

Regarding personnel, we believe that human resource development and skill improvement are necessary in each country where the Group operates. In light of rapidly changing conditions, a major issue we face is the importance of enhancing the capabilities of local employees. In fiscal 2014, we will continue undertaking these ongoing initiatives to solve these issues.

Closing Remarks

Fiscal 2014, the final fiscal year of MP-10, is underway. As we focus on strategic measures to achieve the goals of MP-10, all employees of the Group will work together to solve the above issues and achieve innovation with the aim to be an "Only One" company whose strength lies in its global management with a focus on Asia. We look forward to the further support and guidance of our stakeholders in these endeavors.

July, 2013

M Nishimura

Motonobu Nishimura
Representative Director
President Executive Officer

M. Momota

Masayoshi Momota
Representative Director
Vice President Executive Officer