1. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act and its related accounting regulations and in accordance with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to the application and disclosure requirements from International Financial Reporting Standards.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. In addition, certain reclassifications have been made in the 2012 consolidated financial statements to conform to the classifications used in 2013.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which MANDOM CORPORATION (the "Company") is incorporated and operates.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. *Consolidation* - The consolidated financial statements as of March 31, 2013, include the accounts of the Company and its eleven (eleven in 2012) significant subsidiaries (collectively, the "Group").

Under the control or influence concept, those companies in which the Company, directly or indirectly, is able to exercise control over operations are consolidated and those companies over which the Group has the ability to exercise significant influence are accounted for under the equity method.

Investment in one (one in 2012) associated company is accounted for under the equity method.

Investment in the remaining one unconsolidated subsidiary (two in 2012) is stated at cost. If the equity method of accounting had been applied to the investment in this company, the effect on the accompanying consolidated financial statements would not be material.

The excess of the cost of acquisition over the fair value of the net assets of an acquired subsidiary at the date of acquisition is being amortized over a period of five years.

All significant intercompany balances and transactions have been eliminated in consolidation. All material unrealized profit included in assets resulting from transactions within the Group is also eliminated in consolidation.

b. *Cash Equivalents* - Cash equivalents are short-term investments that are readily convertible into cash and that are exposed to insignificant risk of changes in value. Cash equivalents include time deposits and bond funds, all of which mature or become due within three months of the date of acquisition.

c. *Short-term Investments and Investment Securities* - Securities included in short-term investments and investment securities are classified and accounted for, depending on management's intent, as follows: 1) trading securities, which are held for the purpose of earning capital gains in the near term, are reported at fair value, with the related unrealized gains and losses included in earnings; 2) held-to-maturity debt securities, which are expected to be held to maturity with the positive intent and ability to hold to maturity, are reported at amortized cost; and 3) available-for-sale securities, which are not classified as either of the aforementioned securities, are reported at fair value, with unrealized gains and losses, net of applicable taxes, reported in a separate component of equity. The Group's securities (included in "short-term investments" and "investment securities") are all classified as available for sale.

Nonmarketable available-for-sale securities are stated at cost determined by the moving-average method. For other-than-temporary declines in fair value, investment securities are reduced to net realizable value by a charge to income.

d. *Inventories* - Inventories are stated at the lower of cost, determined by the average method, or net selling value.

e. *Property, Plant and Equipment* - Property, plant and equipment are stated at cost. Depreciation of property, plant and equipment of the Company and its consolidated domestic subsidiary is computed substantially by the declining-balance method, while the straight-line method is applied to buildings of the Company acquired after April 1, 1998, and lease assets of the Company and its consolidated domestic subsidiary. The straight-line method is principally applied to the property, plant and equipment of consolidated foreign subsidiaries. The range of useful lives is principally from 15 to 50 years for buildings and structures and from 4 to 12 years for machinery and equipment. The useful lives for lease assets are the terms of the respective leases.

f. *Long-Lived Assets* - The Group reviews its long-lived assets for impairment whenever events or changes in circumstance indicate the carrying amount of an asset or asset group may not be recoverable. An impairment loss would be recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss would be measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition.

g. *Retirement Benefits and Pension Plans* - The Company and certain consolidated subsidiaries have funded defined benefit pension plans, defined contribution pension plans, and advance payment systems which cover substantially all of their employees. The Group accounts for the liability for the pension plans based on the projected benefit obligations and plan assets at the balance sheet date.

h. *Research and Development Costs* - Research and development costs are charged to income as incurred.

i. *Leases* - In March 2007, the Accounting Standards Board of Japan (ASBJ) issued ASBJ Statement No. 13, "Accounting Standard for Lease Transactions," which revised the previous accounting standard for lease transactions. The revised accounting standard for lease transactions was effective for fiscal years beginning April 1, 2008.

Under the previous accounting standard, finance leases that were deemed to transfer ownership of the leased property to the lessee were capitalized. However, other finance leases were permitted to be accounted for as operating lease transactions if certain “as if capitalized” information was disclosed in the notes to the lessee’s financial statements. The revised accounting standard requires that all finance lease transactions be capitalized by recognizing lease assets and lease obligations in the balance sheet.

j. ***Income Taxes*** - The provision for income taxes is computed based on the pretax income included in the consolidated statement of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred taxes are measured by applying currently enacted tax laws to the temporary differences.

k. ***Foreign Currency Transactions*** - All short-term and long-term monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rates as of the balance sheet date. The foreign exchange gains and losses from translation are recognized in the consolidated statement of income.

l. ***Foreign Currency Financial Statements*** - The balance sheet accounts of the consolidated foreign subsidiaries are translated into Japanese yen at the current exchange rate as of the balance sheet date, except for equity which is translated at the historical rate. Differences arising from such translation are shown as “Foreign currency translation adjustments” under accumulated other comprehensive income (loss) in a separate component of equity. Revenue and expense accounts of consolidated foreign subsidiaries are translated into yen at the average exchange rate.

m. ***Per Share Information*** - Basic net income per share is computed by dividing net income available to common shareholders by the weighted-average number of common shares outstanding for the period.

Diluted net income per share is not disclosed because no dilutive securities exist.

Cash dividends per share presented in the accompanying consolidated statements of income are dividends applicable to the respective years, including dividends to be paid after the end of the year.

n. ***New Accounting Pronouncements***

Accounting Standard for Retirement Benefits - On May 17, 2012, the ASBJ issued ASBJ Statement No. 26, “Accounting Standard for Retirement Benefits” and ASBJ Guidance No. 25, “Guidance on Accounting Standard for Retirement Benefits,” which replaced the Accounting Standard for Retirement Benefits that had been issued by the Business Accounting Council in 1998 with an effective date of April 1, 2000, and the other related practical guidance, and followed by partial amendments from time to time through 2009.

Major changes are as follows:

(a) *Treatment in the balance sheet*

Under the current requirements, actuarial gains and losses and past service costs that are yet to be recognized in profit or loss are not recognized in the balance sheet, and the difference between retirement benefit obligations and plan assets (hereinafter, “deficit or surplus”), adjusted by such unrecognized amounts, is recognized as a liability or asset.

Under the revised accounting standard, actuarial gains and losses and past service costs that are yet to be recognized in profit or loss shall be recognized within equity (accumulated other comprehensive income), after adjusting for tax effects, and any resulting deficit or surplus shall be recognized as a liability (liability for retirement benefits) or asset (asset for retirement benefits).

(b) *Treatment in the statement of income and the statement of comprehensive income*

The revised accounting standard does not change how to recognize actuarial gains and losses and past service costs in profit or loss. Those amounts would be recognized in profit or loss over a certain period no longer than the expected average remaining working lives of the employees. However, actuarial gains and losses and past service costs that arose in the current period and have not yet been recognized in profit or loss shall be included in other comprehensive income and actuarial gains and losses and past service costs that were recognized in other comprehensive income in prior periods and then recognized in profit or loss in the current period shall be treated as reclassification adjustments.

(c) *Amendments relating to the method of attributing expected benefit to periods and relating to the discount rate and expected future salary increases*

The revised accounting standard also made certain amendments relating to the method of attributing expected benefit to periods and relating to the discount rate and expected future salary increases.

This accounting standard and the guidance for (a) and (b) above are effective for the end of annual periods beginning on or after April 1, 2013, and for (c) above are effective for the beginning of annual periods beginning on or after April 1, 2014, or for the beginning of annual periods beginning on or after April 1, 2015, subject to certain disclosure in March 2015, both with earlier application being permitted from the beginning of annual periods beginning on or after April 1, 2013. However, no retrospective application of this accounting standard to consolidated financial statements in prior periods is required.

The Company expects to apply the revised accounting standard for (a) and (b) above from the end of the annual period beginning on April 1, 2013, and for (c) above from the beginning of the annual period beginning on April 1, 2014, and is in the process of measuring the effects of applying the revised accounting standard in future applicable periods.

3. SHORT-TERM INVESTMENTS AND INVESTMENT SECURITIES

Short-term investments and investment securities as of March 31, 2013 and 2012, consisted of the following:

	Millions of Yen	
	2013	2012
Short-term investments:		
Time deposits other than cash equivalents	¥ 1,762	¥ 903
Short-term treasury securities	9,199	6,098
Government, corporate, and other bonds		299
Commercial paper other than cash equivalents	1,497	999
Certificates of deposits	1,500	1,500
Trust fund investment	4	5
Total	¥13,962	¥9,804
Investment securities:		
Marketable equity securities	¥ 5,021	¥4,230
Nonmarketable equity securities	13	13
Total	¥ 5,034	¥4,243

Information regarding the securities classified as available-for-sale as of March 31, 2013 and 2012, was as follows:

	Millions of Yen			
March 31, 2013	Cost	Unrealized Gain	Unrealized Loss	Fair Value
Equity securities	¥ 4,493	¥643	¥(115)	¥ 5,021
Debt securities	10,698	0	(2)	10,696
Other	1,505		(1)	1,504

	Millions of Yen			
March 31, 2012	Cost	Unrealized Gain	Unrealized Loss	Fair Value
Equity securities	¥4,767	¥181	¥(718)	¥4,230
Debt securities	7,397	0	(1)	7,396
Other	1,505		(0)	1,505

Available-for-sale securities whose fair value could not be reliably determined as of March 31, 2013 and 2012, were as follows:

	Millions of Yen	
	2013	2012
Equity securities	¥13	¥13

Proceeds from sales of available-for-sale securities for the years ended March 31, 2013 and 2012, were ¥280 million and ¥231 million, respectively. Gross realized gain and loss on these sales, computed on the moving-average cost basis, were ¥1 million and ¥3 million for the year ended March 31, 2013.

4. INVENTORIES

Inventories as of March 31, 2013 and 2012, consisted of the following:

	Millions of Yen	
	2013	2012
Merchandise	¥1,959	¥1,772
Finished products	3,010	3,727
Work in process	407	386
Raw materials and supplies	2,265	2,388
Total	¥7,641	¥8,273

5. OTHER ASSETS

Other assets as of March 31, 2013 and 2012, consisted of the following:

	Millions of Yen	
	2013	2012
Long-term prepaid expenses	¥ 688	¥ 660
Guarantee deposits	492	497
Long-term loans	168	199
Software	296	284
Other	179	336
Total	¥1,823	¥1,976

Long-term loans are primarily housing loans to employees bearing interest at annual rates which ranged from 0% to 3% at March 31, 2013 and 2012.

6. RETIREMENT BENEFITS AND PENSION PLANS

The Company and certain consolidated subsidiaries have funded defined benefit pension plans, defined contribution pension plans, and advance payment systems for employees.
Under most circumstances, employees terminating their employment are entitled to retirement benefits determined based on the rate of pay at the time of termination, years of service, and certain other factors. Such retirement benefits are made in the form of a lump-sum severance payment and annuity payments from a trustee.

The liability for retirement benefits as of March 31, 2013 and 2012, consisted of the following:

	Millions of Yen	
	2013	2012
Projected benefit obligation	¥3,694	¥3,321
Fair value of plan assets	(2,377)	(2,001)
Unrecognized actuarial loss	(406)	(456)
Unrecognized past service cost	162	181
Net liability	¥1,073	¥1,045
Attributed to:		
Prepaid pension expense	¥ (0)	¥ (1)
Liability for retirement benefits	1,073	1,046

The components of net periodic retirement benefit costs for the years ended March 31, 2013 and 2012, were as follows:

	Millions of Yen	
	2013	2012
Service cost	¥229	¥218
Interest cost	96	104
Expected return on plan assets	(46)	(42)
Amortization of past service cost	(19)	27
Recognized actuarial loss	74	102
Subtotal	334	409
Contribution for the multiemployer pension plan	271	271
Contribution for the defined contribution pension plan	85	85
Net periodic retirement benefit costs	¥690	¥765

Assumptions used for the years ended March 31, 2013 and 2012, are set forth as follows:

	2013	2012
Discount rate	1.2%	1.5%
Expected rate of return on plan assets	2.0%	2.0%
Amortization period of past service cost	7 years	7 years
Recognition period of actuarial gain/loss	7 years	7 years

The Company and certain consolidated subsidiaries participate in a contributory multiemployer pension plan (the “Plan”) covering substantially all of their employees. The pension fund assets available for benefits under this plan at March 31, 2013 and 2012, were approximately ¥4,078 million and ¥3,844 million, respectively.
Contributions to the Plan are expensed as retirement benefit costs. Based on the Group’s salary expense in comparison to the total salary expense of all employees who participate in the Plan, the Group’s share of the Plan is 12.4% at March 31, 2013. However, the share is not equal to the actual contribution percentage of the Group.

The financial statement of the Plan as of March 31, 2012, is as follows:

	Millions of Yen
Fair value of plan assets	¥ 31,565
Projected benefit obligation	(43,870)
Net	¥(12,305)

<Note>
The main reason for the difference between the fair value of plan assets and the projected benefit obligation represented the past service obligation of ¥13,567 million. The past service obligation is evenly amortized over 17 years. The Company and certain consolidated subsidiaries recognized ¥124 million of special contribution expense for the year ended March 31, 2013.

7. OTHER LONG-TERM LIABILITIES

Other long-term liabilities as of March 31, 2013 and 2012, consisted of the following:

	Millions of Yen	
	2013	2012
Deposits received	¥376	¥ 344
Liabilities for retirement benefits to directors and Audit & Supervisory Board members	351	572
Other	128	113
Total	¥855	¥1,029

8. EQUITY

Japanese companies are subject to the Companies Act of Japan (the "Companies Act"). The significant provisions in the Companies Act that affect financial and accounting matters are summarized below:

(a) Dividends

Under the Companies Act, companies can pay dividends at any time during the fiscal year in addition to the year-end dividend upon resolution at the shareholders meeting. For companies that meet certain criteria, such as (1) having a board of directors, (2) having independent auditors, (3) having an Audit & Supervisory Board, and (4) the term of service of the directors is prescribed as one year rather than two years of normal term by its articles of incorporation, the board of directors may declare dividends (except for dividends in kind) at any time during the fiscal year if companies have prescribed so in its articles of incorporation. The Company meets all the above criteria. The Companies Act permits companies to distribute dividends in kind (noncash assets) to shareholders subject to a certain limitation and additional requirements. Semiannual interim dividends may also be paid once a year upon resolution by the board of directors if the articles of incorporation of companies so stipulate. The Companies Act provides certain limitations on the amounts available for dividends or the purchase of treasury stock. The limitation is defined as the amount available for distribution to the shareholders, but the amount of net assets after dividends must be maintained at no less than ¥3 million.

(b) Increases/decreases and transfer of common stock, reserve, and surplus

The Companies Act requires that an amount equal to 10% of dividends be appropriated as a legal reserve (a component of retained earnings) or as additional paid-in capital (a component of capital surplus) depending on the equity account charged upon the payment of such dividends until the aggregate amount of legal reserve and additional paid-in capital equals 25% of the amount of common stock. Under the Companies Act, the total amount of additional paid-in capital and legal reserve may be reversed without limitation. The Companies Act also provides that common stock, legal reserve, additional paid-in capital, other capital surplus and retained earnings can be transferred among the accounts under certain conditions upon resolution of the shareholders.

(c) Treasury stock and treasury stock acquisition rights

The Companies Act also provides for companies to purchase treasury stock and dispose of such treasury stock by resolution of the board of directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the shareholders, which is determined by specific formula.

Under the Companies Act, stock acquisition rights are presented as a separate component of equity. The Companies Act also provides that companies can purchase both treasury stock acquisition rights and treasury stock. Such treasury stock acquisition rights are presented as a separate component of equity or deducted directly from stock acquisition rights.

9. INCOME TAXES

The Company and its domestic subsidiary are subject to Japanese national and local income taxes which, in the aggregate, resulted in a normal effective statutory tax rate of approximately 37.96% and 40.63% for the years ended March 31, 2013 and 2012, respectively. Foreign subsidiaries are subject to income taxes of the countries in which they operate.

The tax effects of significant temporary differences which resulted in deferred tax assets and liabilities at March 31, 2013 and 2012, are as follows:

	Millions of Yen	
	2013	2012
Deferred tax assets:		
Accrued bonuses	¥ 275	¥ 281
Enterprise tax	84	56
Inventories	163	142
Retirement benefit costs	345	343
Long-term liabilities	107	192
Allowance for sales return	89	80
Property, plant and equipment	34	34
Unrealized loss on available-for-sale securities		211
Other	429	305
Less valuation allowance	(102)	(107)
Total	1,424	1,537
Deferred tax liabilities:		
Unrealized gain on available-for-sale securities	185	4
Undistributed earnings of overseas subsidiarieås and associated company	155	113
Other	21	16
Total	361	133
Net deferred tax assets	¥1,063	¥1,404

A reconciliation between the normal effective statutory tax rate and the actual effective tax rate reflected in the accompanying consolidated statement of income for the year ended March 31, 2013, with the corresponding figures for the year ended March 31, 2012, is as follows:

	Millions of Yen	
	2013	2012
Normal effective statutory tax rate	37.96%	40.63%
Expenses not deductible for income tax purposes	1.63	2.56
Adjustment of undistributed earnings of overseas subsidiaries and associated company	0.67	0.04
Difference in subsidiaries' tax rates	(4.67)	(5.61)
Tax credit for research and development costs and others	(1.49)	(1.43)
Change in valuation allowance	(0.08)	(1.97)
Capital levy on inhabitant tax	0.36	0.36
Decrease adjustment of deferred tax assets for changing the tax rate		1.46
Other - net	0.30	2.44
Actual effective tax rate	34.68%	38.48%

10. RESEARCH AND DEVELOPMENT COSTS

Research and development costs charged to income for the years ended March 31, 2013 and 2012, were ¥1,793 million and ¥1,922 million, respectively.

11. ADVERTISING COSTS

Advertising costs charged to income for the years ended March 31, 2013 and 2012, were ¥3,105 million and ¥3,169 million, respectively.

12. LEASES

The Group leases office space, office equipment, and certain other assets.

Total rental expenses for the years ended March 31, 2013 and 2012, were ¥1,349 million and ¥1,411 million, respectively.

Obligations under finance leases and future minimum payments under noncancelable operating leases were as follows:

	Millions of Yen			
	2013		2012	
	Finance Leases	Operating Leases	Finance Leases	Operating Leases
Due within one year	¥ 6	¥150	¥ 8	¥ 145
Due after one year	11	722	14	865
Total	¥17	¥872	¥22	¥1,010

13. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

(1) Group policy for financial instruments

The Group uses financial instruments to invest cash surplus amounts in low-risk and highly liquid financial instruments. Derivatives are used, not for speculative purposes, but to achieve higher yields within specified limits on the amounts.

(2) Nature and extent of risks arising from financial instruments

Receivables, such as trade notes and trade accounts, are exposed to customer credit risk. Short-term investments and investment securities, mainly debt securities with maturities and equity instruments of customers and suppliers of the Group, are exposed to the risk of market price fluctuations.

Payment terms of payables, such as trade notes and trade accounts, are mainly less than three months.

Receivables and payables in foreign currencies are exposed to the market risk of fluctuation in foreign currency exchange rates.

(3) Risk management for financial instruments

Credit risk management

The Group manages its credit risk from receivables on the basis of internal guidelines, which include monitoring on a regular basis of payment terms and balances of major customers by the sales planning division to identify the default risk of customers in the early stages.

With respect to financial investments with maturities, since the Group manages its exposure to credit risk by limiting its funding to high credit rating bonds in accordance with its internal guidelines, the credit risk associated with this investment is not considered to be significant.

Market risk management

With respect to foreign currency trade receivables and payables, the Group monitors on a regular basis foreign exchange risk recognized monthly in each currency.

Short-term investments and investment securities are managed by monitoring market values and the financial position of issuers on a regular basis, and the securities, except for government bonds, are managed by reviewing the condition continuously in view of the market trend and relationship of the business partners.

Derivatives have been utilized in accordance with internal policies which regulate the authorization and credit limit amount. The conditions and results of such transactions are regularly communicated to the Management Committee.

Liquidity risk management

The Group manages its liquidity risk by holding adequate volumes of liquid assets, along with adequate financial planning prepared by the financial management division based on each department's report.

(4) Concentration of credit risk

As of March 31, 2013, 50.7% of total receivables are from specific major customers of the Group.

(5) Fair values of financial instruments

(a) Fair value of financial instruments

The carrying amount and fair value as of March 31, 2013 and 2012, were as follows:

	Millions of Yen	
March 31, 2013	Carrying Amount	Fair Value
Cash and cash equivalents	¥10,482	¥10,482
Short-term investments and investment securities	18,983	18,983
Receivables	7,807	7,807
Total	¥37,272	¥37,272
Payables	¥ 4,099	¥ 4,099
Accrued income taxes	995	995
Total	¥ 5,094	¥ 5,094

	Millions of Yen	
March 31, 2012	Carrying Amount	Fair Value
Cash and cash equivalents	¥ 9,793	¥ 9,793
Short-term investments and investment securities	14,034	14,034
Receivables	7,243	7,243
Total	¥31,070	¥31,070
Payables	¥ 4,064	¥ 4,064
Accrued income taxes	703	703
Total	¥ 4,767	¥ 4,767

Cash and cash equivalents

The carrying amounts of cash and cash equivalents approximate fair value because of their short maturities.

Short-term investments and investment securities

The fair values of short-term investments and investment securities are measured at the quoted market price of the stock exchange for the equity instruments and at the quoted price obtained from the financial institutions for certain debt instruments. The carrying amounts of short-term investments and investment securities are equal to the fair values. The information of the fair value for short-term investments and investment securities by classification is included in Note 3.

Receivables, payables, and accrued income taxes

The carrying amounts of receivables, payables, and accrued income taxes approximate fair value because of their short maturities.

(b) Financial instruments whose fair value cannot be reliably determined

	Millions of Yen	
	2013	2012
Investments in equity instruments that do not have a quoted market price in an active market	¥13	¥13

(6) Maturity analysis for financial assets and securities with contractual maturities

March 31, 2013	Millions of Yen Due in 1 Year or Less
Cash and cash equivalents	¥10,482
Short-term investments and investment securities:	
Available-for-sale debt securities with contractual maturities	10,696
Other	3,266
Receivables	7,807
Total	¥32,251

March 31, 2012	Millions of Yen Due in 1 Year or Less
Cash and cash equivalents	¥ 9,793
Short-term investments and investment securities:	
Available-for-sale debt securities with contractual maturities	7,396
Other	2,408
Receivables	7,243
Total	¥26,840

14. COMPREHENSIVE INCOME

The components of other comprehensive income (loss) for the years ended March 31, 2013 and 2012, were as follows:

	Millions of Yen	
	2013	2012
Unrealized gain on available-for-sale securities:		
Gains arising during the year	¥1,061	¥ 334
Reclassification adjustments to profit or loss	3	87
Amount before income tax effect	1,064	421
Income tax effect	(391)	(198)
Total	¥ 673	¥ 223
Foreign currency translation adjustments -		
Adjustments arising during the year	¥ 794	¥(532)
Total	¥ 794	¥(532)
Share of other comprehensive income (loss) in associates -		
Income (loss) arising during the year	¥ 28	¥ (7)
Total	¥ 28	¥ (7)
Total other comprehensive income (loss)	¥1,495	¥(316)

15. RELATED PARTY TRANSACTIONS

Major transactions with unconsolidated subsidiaries and an associated company for the years ended March 31, 2013 and 2012, were as follows:

	Millions of Yen	
	2013	2012
Sales	¥582	¥493
Interest and dividend income	30	23
Other	(280)	(299)

16. SUBSEQUENT EVENT

Appropriations of Retained Earnings

The following appropriations of retained earnings of the Group for the year ended March 31, 2013, were approved at the shareholders' meeting held on June 21, 2013:

	Millions of Yen
Year-end cash dividends, ¥32 per share	¥748

17. SEGMENT INFORMATION

Under ASBJ Statement No. 17, "Accounting Standard for Segment Information Disclosures," and issued ASBJ Guidance No. 20, "Guidance on Accounting Standard for Segment Information Disclosures," an entity is required to report financial and descriptive information about its reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components of an entity about which separate financial information is available and such information is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Generally, segment information is required to be reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

1. Description of reportable segments

The Group's reportable segments are those for which separate financial information is available and regular evaluation by the Company's management is being performed in order to decide how resources are allocated among the Group. The Group mainly produces and sells cosmetic products. The Company and domestic subsidiary oversee the Japan region, PT Mandom Indonesia Tbk oversees the Indonesia region, and other overseas subsidiaries in Malaysia, Thailand, China, and other location oversee activities in each of the countries. Each of the overseas subsidiaries is independent management units, which can develop product strategies and business activities in their respective regions. Therefore, the Group consists of the geographical segments based on production and sales structures, which are identified as Japan, Indonesia, and other foreign countries ("Other").

2. Methods of measurement for the amount of sales, profit, assets, liabilities, and other items for each reportable segment

The accounting policies of each reportable segment are consistent with those disclosed in Note 2, "Summary of Significant Accounting Policies."

3. Information about sales, profit, assets, liabilities, and other items.

	Millions of Yen					
	2013					
	Reportable Segment					
	Japan	Indonesia	Other	Total	Reconciliations	Consolidated
Sales:						
Sales to external customers	¥38,208	¥13,511	¥8,708	¥60,427		¥60,427
Intersegment sales or transfers	3,674	2,403	359	6,436	¥(6,436)	
Total	¥41,882	¥15,914	¥9,067	¥66,863	¥(6,436)	¥60,427
Segment profit	¥ 3,921	¥ 1,118	¥ 909	¥ 5,948		¥ 5,948
Segment assets	42,262	10,808	7,094	60,164		60,164
Other:						
Depreciation	1,468	625	72	2,165		2,165
Amortization of goodwill			38	38		38
Investments in associated company under the equity method			188	188		188
Increase in property, plant and equipment and intangible assets	766	757	45	1,568		1,568

	Millions of Yen					
	2012					
	Reportable Segment					
	Japan	Indonesia	Other	Total	Reconciliations	Consolidated
Sales:						
Sales to external customers	¥38,941	¥13,458	¥7,403	¥59,802		¥59,802
Intersegment sales or transfers	3,705	1,578	274	5,557	¥(5,557)	
Total	¥42,646	¥15,036	¥7,677	¥65,359	¥(5,557)	¥59,802
Segment profit	¥ 3,805	¥ 1,432	¥ 813	¥ 6,050		¥ 6,050
Segment assets	41,148	9,387	5,066	55,601		55,601
Other:						
Depreciation	1,577	594	71	2,242		2,242
Amortization of goodwill			82	82		82
Investments in associated company under the equity method			159	159		159
Increase in property, plant and equipment and intangible assets	1,423	748	53	2,224		2,224

Notes: * "Reconciliations" represents eliminations of intersegment sales or transfers.
** "Segment profit" represents operating income included in the consolidated statements of income.

4. Information about products and services

	Millions of Yen			
	2013			
	Products for Men	Products for Women	Other	Total
Sales to external customers	¥41,504	¥12,487	¥6,436	¥60,427

	Millions of Yen			
	2012			
	Products for Men	Products for Women	Other	Total
Sales to external customers	¥41,587	¥11,690	¥6,525	¥59,802

5. Information about geographical areas

(1) Sales

Millions of Yen			
2013			
Japan	Indonesia	Other	Total
¥37,566	¥11,532	¥11,329	¥60,427

Millions of Yen			
2012			
Japan	Indonesia	Other	Total
¥38,382	¥11,077	¥10,343	¥59,802

Note: Sales are classified in countries or regions based on location of customers.

(2) Property, plant and equipment

Millions of Yen			
2013			
Japan	Indonesia	Other	Total
¥8,083¥3,201	¥259	¥11,543	

Millions of Yen			
2012			
Japan	Indonesia	Other	Total
¥8,763¥2,899	¥251	¥11,913	

6. Information about major customers

	Millions of Yen	
	2013	
Name of Customers	Sales	Related Segment Name
Paltac Corporation	¥18,245	**Japan**
PT Asia Paramita Indah	11,506	**Indonesia**

	Millions of Yen	
	2012	
Name of Customers	Sales	Related Segment Name
Paltac Corporation	¥18,039	Japan
PT Asia Paramita Indah	11,039	Indonesia