



Business Results (April 1, 2007 – June 30, 2007)

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Corporate Name: Mandom Corporation Stock Listing: Tokyo Stock Exchange, First Section
Code Number: 4917 (URL: <http://www.mandom.co.jp>)

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1. Results for Q1 of Fiscal 2008 (April 1, 2007 to June 30, 2007)

(Note: Rounded off to millions)

(1) Consolidated Financial Highlights

(The percentages are year-on-year % changes compared with the first quarter of the previous year.)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	(¥ million)	Change % YoY	(¥ million)	Change % YoY	(¥ million)	Change % YoY	(¥ million)	Change % YoY
Three months ended June 30, 2007	14,273	9.5	2,887	32.7	2,988	33.2	1,586	46.1
Three months ended June 30, 2006	13,033	Δ0.4	2,175	13.0	2,244	11.7	1,085	16.4
FY 2007	51,250	-	5,195	-	5,109	-	2,488	-

	Earnings Per Share (EPS)	Earnings Per Share (diluted)
	(¥)	(¥)
Three months ended June 30, 2007	66.70	-
Three months ended June 30, 2006	45.40	-
FY 2007	104.28	-

(2) Financial Position

	Total Assets	Shareholders' Equity	Shareholders' Equity Ratio	Shareholders' Equity Per Share
	(¥ million)	(¥ million)	(%)	(¥)
Three months ended June 30, 2007	52,810	45,360	79.5	1,764.73
Three months ended June 30, 2006	51,235	43,013	78.6	1,689.61
FY 2007	51,620	44,182	79.6	1,727.55

(3) Consolidated Cash Flow

	Operating Activities	Investing Activities	Financing Activities	Cash and Cash Equivalents at end of year
	(¥ million)	(¥ million)	(¥ million)	(¥ million)
Three months ended June 30, 2007	1,358	Δ569	Δ855	8,855
Three months ended June 30, 2006	638	768	Δ1,395	9,040
FY 2007	3,411	Δ1,120	Δ2,554	8,783

2. Outlook for Fiscal 2008 (April 1, 2007 to March 31, 2008)

(The percentage is a comparison over the interim results of the previous year.)

	Net Sales		Operating Income		Ordinary Income		Net Income		EPS
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	
Interim	30,000	9.9	4,650	34.7	4,600	32.3	2,350	32.1	98.79

Notes: The forecast for the twelve months ending March 31, 2008 will be disclosed as soon as possible after income projections for the second half of the fiscal year are ascertained.

3. Other Information

- (1) Changes in consolidation of subsidiaries: None
- (2) Adoption of simplified method in accounting processing: Yes
- (3) Changes in accounting processing method from that used in the consolidated accounting year immediately preceding: None

Note: For details, refer to p. 7, Financial Statements: Qualitative Information, 4. Other Information

<Reference>

Summary of Business Results for Mandom Corporation (Non-consolidated)

1. Business Results for Q1 of Fiscal 2008 (April 1, 2007 - June 30, 2007): Parent Company Only

(1) Sales and Income

(The percentages are year-on-year % changes compared with the first quarter of the previous year.)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	(¥ million)	Change % YoY	(¥ million)	Change % YoY	(¥ million)	Change % YoY	(¥ million)	Change % YoY
Three months ended June 30, 2007	9,897	8.5	2,060	48.8	2,534	39.7	1,597	39.0
Three months ended June 30, 2006	9,124	Δ4.9	1,384	7.7	1,814	12.3	1,149	25.5
FY 2007	36,498	-	3,099	-	3,372	-	2,086	-

	Earnings Per Share (EPS)
	(¥)
Three months ended June 30, 2007	67.15
Three months ended June 30, 2006	48.07
FY 2007	87.45

(2) Financial Position

	Total Assets	Shareholders' Equity	Shareholders' Equity Ratio	Shareholders' Equity Per Share
	(¥ million)	(¥ million)	(%)	(¥)
Three months ended June 30, 2007	46,060	40,427	87.8	1,699.42
Three months ended June 30, 2006	45,715	39,458	86.3	1,654.62
FY 2007	45,301	39,591	87.4	1,664.28

2. Outlook for Fiscal 2008 (April 1, 2007 – March 31, 2008):

(The percentage is a comparison over the interim results of the previous year.)

	Net Sales		Operating Income		Ordinary Income		Net Income		Earnings Per Share (EPS)
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
Interim	20,750	5.5	2,840	39.5	3,280	35.6	2,050	31.7	86.18

Notes: The forecast for the twelve months ending March 31, 2008 will be disclosed as soon as possible after income projections for the second half of the fiscal year are ascertained.

* Information for the appropriate use of forecast figures, and other special comments

1. The forecast on the consolidated and non-consolidated business results published on May 11, 2007 has been revised. Revised figures for the interim forecast are given in this report. Revised figures for the twelve-month period will be disclosed as soon as income projections for the second half of the fiscal year are ascertained.
2. Data and comments relating to performance outlook given hereby are based on the information currently available to Mandom Corporation and on specific facts deemed to be reasonable at the time. Actual performance may differ greatly from the figures forecast due to various factors. For special notes on using the forecast figures and the assumptions used in making the forecast, refer to p. 6 under Financial Statements: Qualitative Analysis, 3. Forecast for the Fiscal Year Ending March 31, 2008: Qualitative Analysis, or to the Notification Concerning the Revision of Interim Result Forecast published today, July 27, 2007.

Financial Statements: Qualitative Analysis

1. Consolidated Business Results: Qualitative Analysis

In this first quarter of the financial year ending March 31 2008, the Japanese economy moved forward on a steady and sound course, thanks to increased manufacturing investment arising from private-sector profit recovery and improvement on the employment front. The cosmetics industry still faces a tough competitive environment, despite a slight improvement in macroeconomic indicators (shipment volume and value). The Asian economy meanwhile, where the Group's overseas operations are conducted, is on an expansion trend and maintained good performance by and large.

Against this backdrop, the business performance for the April to June quarter of Fiscal 2008 ended in improved profits over the same period of the previous year. In sales, the core brand *Gatsby* is growing, both on the domestic and overseas fronts. In the Japanese market especially, the hair wax category (Moving Rubber) became the driving force in delivering a 6.9% increase in income year on year, offsetting the stumbling performance of fashion hair colorants and seasonal summer products. The overseas business registered a 15.2% increase year on year in income, due to having added the Chinese subsidiary for consolidation from this term and due to enjoying the positive foreign exchange impact of the weak yen. Sales overseas totalled ¥14,273 million (9.5% up year on year).

Looking at profits, the cost of sales went up to ¥6,211 million (10.2% increase year on year) because of the increase in sales of hair wax (Moving Rubber) in Japan. However, marketing expenditure including A & P was modest, resulting in the operative profit becoming ¥2,887 million (32.7% up over the same period of the previous year) and ordinary profit becoming ¥2,988 million (33.2% up over the same period of the previous year). Pre-tax net income for the quarter also saw a huge increase year on year to ¥1,586 million (46.1% up year on year).

Consolidated subsidiaries overseas are together maintaining double-digit growth in income. Sales of the Asian and of the overseas operations as a whole saw a healthy increase this quarter over the same period. The ratio of overseas sales to total consolidated sales now exceeds one-third, standing at 33.6%

ZHONGSHAN CITY RIDA FINE CHEMICAL CO.,LTD. (China), which became consolidated as of this financial year, contributed to consolidated results (in net terms) in this first quarter by ¥269 million in sales and roughly ¥3 million in net profit.

2. Consolidated Financial Condition: Qualitative Analysis

(1) Assets, Liabilities and Shareholders' Equity

Total assets at the end of the first quarter increased ¥1,190 million compared to the end of the previous financial year, now standing at ¥52,810 million. The main reason for this is the increase in

inventories and tangible fixed assets. The latter increase is chiefly due to the construction completion of a new plant at the Indonesian subsidiary, PT MANDOM INDONESIA Tbk. Shareholders' equity increased ¥1,178 million over the end of the previous year and now totals ¥45,360 million. This is the result mainly of net profit for this first quarter registering ¥1,586 million.

(2) Cash Flow

Cash flow from operations in the first quarter of FY 2008 totaled ¥1,358 million. Pre-tax quarterly net profit was ¥2,999 million and depreciation cost ¥492 million, whereas corporate tax and other payments were contained at ¥577 million.

Cash flow from investment activities left a negative balance of ¥569 million because of a spending of ¥572 million on tangible fixed assets principally on the plant and equipment investment in Japan and Indonesia.

Cash flow from financial activities ended in a negative balance of ¥855 million as a result of spending ¥855 million on dividends payments to shareholders including minority shareholders. Changes in the application of consolidation led to an increase in cash and cash equivalents on hand of ¥163 million.

As a result of all the above activities, cash and cash equivalents on hand at the end of the first quarter of FY 2008 increased ¥71 million over the end of FY 2007 to rest at ¥8,855 million.

3. Forecast for the Fiscal Year Ending March 31, 2008 (consolidated basis): Qualitative Analysis

In the first quarter of FY 2008, the core brand *Gatsby* performed well for Mandom Corporation and our consolidated companies. Added to this, *Lucido* and *Lucido L* both sold better than anticipated. In the overseas business, meanwhile, the Philippines, Malaysia and Indonesia led the way in good performance. The yen grew weaker (in relation to local currency) than forecast, which meant a better than expected result in yen-denominated figures. All these trends are likely to continue through the interim period. Thus sales are likely to be ¥2,000 million more than initially forecast. Increase in income will lead to increase in gross profit, which will result in increases in operating profit and other profit components.

In the second half of FY 2008, unpredictable changes in income are possible due to intensifying market competition in Japan and new category entry of new brands, which had not been anticipated at the time of the original forecast. Therefore, as the outlook for the second half of the financial year is not clear, no change has been made to the forecast for the entire year. However, as soon as the income prospects for the second half are better defined, speedy revision of figures will be made and disclosed.

Shown below are the differences in the outlook for the interim period on a consolidated basis as announced in the business results released on May 11, 2007.

Forecast for the Interim Period, Six Months Ending September 31, 2007

	Net Sales	Operating Income	Ordinary Income	Net Income	EPS
	(¥ million)	(¥ million)	(¥ million)	(¥ million)	(¥)
Previous Forecast (A)	28,000	3,850	3,800	2,000	84.07
Revised Forecast (B)	30,000	4,650	4,600	2,350	98.79
Difference (B - A)	2,000	800	800	350	14.72
Ratio of Change	7.1	20.8	21.1	17.5	17.5
FY 2007 Interim	27,287	3,452	3,476	1,778	74.31

Reference: Forecast for Interim Period, Six Months Ending September 31, 2007 (Mandom Corporation : Non-consolidated)

	Net Sales	Operating Income	Ordinary Income	Net Income	EPS
	(¥ million)	(¥ million)	(¥ million)	(¥ million)	(¥)
Previous Forecast (A)	20,080	2,560	2,960	1,870	78.61
Revised Forecast (B)	20,750	2,840	3,280	2,050	86.18
Difference (B - A)	670	280	320	180	7.57
Ratio of Change	3.3	10.9	10.8	9.6	9.6
FY 2007 Interim	19,665	2,036	2,418	1,556	65.03

4. Other Information

(1) Changes in consolidation of subsidiaries: None

(2) Adoption of simplified methods in accounting

Corporate tax: calculation using predictive tax rates based on the legal effective tax rate

Reserves set aside: simplified accounting method adopted in part

(3) Changes in accounting method from the immediate past consolidated financial year: None