



October 29, 2012

Consolidated Business Results (April 1, 2012 to September 30, 2012: Japanese Standards)

Corporate Name: **Mandom Corporation**
 Listed Exchange: Tokyo
 Code Number: 4917
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Dividend Payout: December 6, 2012
 Financial Statements Issued: November 8, 2012
 Documents Providing Supplemental Information: Yes
 Financial Briefing: Yes

(Figures rounded down to the nearest million yen)

1. Consolidated Earnings for the First Quarter and Second Quarter of the Fiscal Year Ended March 2013 (April 1, 2012 to September 30, 2012)

(1) Consolidated Financial Highlights(cumulative)

(% = change vs. same period in prior year)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%
1Q+2Q, FYE March 2013	33,851	△0.3	4,739	△3.1	4,916	△3.2	3,049	11.2
1Q+2Q, FYE March 2012	33,970	8.9	4,888	11.9	5,078	11.8	2,742	30.4

Note: Comprehensive Income
 1Q+2Q, FYE March 2013 ¥2,825 million (△15.9%)
 1Q+2Q, FYE March 2012 ¥3,359 million (75.0%)

	Earnings per Share	Diluted Earnings per Share
	yen	yen
1Q+2Q, FYE March 2013	130.41	-
1Q+2Q, FYE March 2012	117.28	-

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio
	¥ millions	¥ millions	%
1Q+2Q, FYE March 2013	58,008	48,971	78.4
FYE March 2012	55,600	47,082	78.3

Reference: Shareholders' Equity
 1Q+2Q, FYE March 2013 ¥45,485 million
 FYE March 2012 ¥43,511 million

2. Dividends

	Annual Dividend				
	First Quarter End	Second Quarter End	Third Quarter End	Year End	Total
	yen	yen	yen	yen	yen
FYE March 2012	–	30.00	–	30.00	60.00
FYE March 2013	–	30.00			
FYE March 2013 (forecast)			–	30.00	60.00

Note: Changes to most recently reported dividend forecast: None

3. Consolidated Earnings Forecast, Fiscal Year Ending March 2013 (April 1, 2012 to March 31, 2013)

(% = change vs. same period in prior year)

	Net Sales		Operating Income		Ordinary Income		Net Income		Earnings per Share
	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	yen
Full Year	60,000	0.3	5,600	△7.4	5,800	△8.1	3,400	3.1	145.42

(Note) Changes to most recently reported earnings forecast: yes

* Notes

(1) Changes in consolidation of significant subsidiaries during the cumulative consolidated quarter (changes in consolidation of specific subsidiaries): None

(2) Application of special accounting treatment in the preparation of quarterly financial statements: Yes

(3) Changes in accounting estimates, methods, or presentation

a. Changes in accounting methods in connection with changes: Yes

b. Changes in accounting methods other than a.: None

c. Changes in accounting estimates: Yes

d. Changes in presentation: None

(Note) For more information, see page 6 of the attached materials “Summary Information (Notes) “

(4) Issued shares (common stock)

a. Shares outstanding, end of year (including treasury stock)

2Q, FYE March 2013	24,134,606 shares
FYE March 2012	24,134,606 shares

b. Treasury stock, end of period

2Q, FYE March 2013	754,101 shares
FYE March 2012	753,967 shares

c. Average outstanding shares during the period

2Q, FYE March 2013	23,380,632 shares
2Q, FYE March 2012	23,380,887 shares

* Implementation Status of Quarterly Review Procedures

These quarterly financial statements are exempt from quarterly review procedures required under the Financial Instruments and Exchange Act. At the time of disclosure, quarterly financial statement review procedures for these quarterly financial statements had not been completed.

*** Implementation Status of Quarterly Review Procedures**

1. For information on our consolidated earnings forecast for the entire fiscal year, see “Announcement Concerning Revised Earnings Forecast” announced today (October 29, 2012).
2. Information in this report concerning future performance is based on information available and certain assumptions deemed reasonable. Forecasts are not promises of future performance. Actual earnings may differ significantly from forecasts due to a number of factors. See page 5. of the attached materials, “1. Qualitative Information concerning Quarterly Financial Statements, (3) Qualitative Information concerning Consolidated Earnings Forecasts” for important notes concerning assumptions used for earnings forecasts and the appropriate use of earnings forecasts.

1. Qualitative Information concerning Quarterly Financial Statements

(1) Qualitative Information concerning Consolidated Results of Operations

During the cumulative second quarter, Japan's economy showed signs of a moderate recovery, reflecting increased demand in the wake of the March 11 earthquake and tsunami. Despite this, the global economic slowdown and impact of the continuing strong yen have combined to make the future less than clear. Meanwhile, the economies throughout Asia—our main sphere of international operations—remains strong as a whole, despite a slight economic deceleration reflecting worries about the financial situation in Europe

Given these economic conditions, the Mandom Group is pursuing initiatives which we believe will lead to sustained growth:

- a) Stable growth in our core men's grooming business
- b) Expansion of our women's cosmetics business
- c) Continued expansion of overseas sales, emphasizing Asia as an engine of growth

We recorded second quarter consolidated net sales of ¥33.851 billion (0.3% year-on-year decrease). A summer sales slowdown for our core Gatsby brand in Japan was mainly, but not wholly, offset by generally strong sales performance in Indonesia and other overseas locations.

Operating income amounted to ¥4.739 billion, a 3.1% year-on-year decline. This result was mainly due to lower gross profit stemming from lower sales in Japan, combined with aggressive investments in marketing expenses (sales promotion and advertising expense) overseas. With no significant non-operating income or expenses, ordinary income amounted to ¥4.916 billion, which was a 3.2% year-on-year decline. We recorded an 11.2% year-on-year increase in net income at ¥3.049 billion. This increase was mainly due to lower corporate and other taxes.

Group earnings by segment are as provided below. (Sales shown are net sales to external clients.)

Net sales in Japan amounted to ¥22.338 billion (4.7% year-on-year decrease). Although wax products, which are our main type of hairdressing, sold well, there was a decline mainly due to weather factors affecting our core Gatsby brand summer season product (mainly paper products) sales. We saw a 3.8% decrease in Japan operating income, down to ¥3.432 billion. This result was mainly due to lower sales, despite more efficient use of marketing expenses (sales promotion and advertising expense).

The Mandom Group recorded ¥7.068 billion (5.3% year-on-year increase) in net sales in Indonesia. We credit strong sales of men's grooming products (mainly Gatsby) and export growth for these results. However, we marked operating income of ¥493 million, representing a 30% year-on-year decrease, reflecting higher costs due to local currency devaluation and major increases to selling expenses due to aggressive investments in marketing (sales promotion expense).

Net sales in other overseas regions amounted to ¥4.445 billion, representing a 16.9% year-on-year increase. With few exceptions, revenues valued in local currencies experienced two-digit growth. Operating income rose 31.8% to ¥814 million, driven mainly by increased revenues.

(2) Qualitative Information concerning Consolidated Financial Position

(Assets, Liabilities, and Net Assets)

Total consolidated assets as of the end of the second quarter amounted to ¥58.008 billion, reflecting an increase in marketable securities. This was a ¥2.408 billion increase compared to the end of the prior fiscal year.

Liabilities increased a comparative ¥519 million to ¥9.036 billion, pushed higher by increases in corporate and other taxes payable.

Net assets amounted to ¥48.971 billion, which was a ¥1.888 billion increase over the prior year. This was mainly due to increased retained earnings. Our consolidated shareholders' equity ratio at the end of the second quarter was 78.4%.

(Cash Flows)

Consolidated cumulative cash and cash equivalents ("Cash") for the second quarter increased by ¥192 million over the prior fiscal period, reaching ¥9.984 billion.

The following details the main factors affecting cash flows during the second quarter.

< Cash Flows from Operating Activities >

Cash flows from operating activities amounted to ¥5.412 billion, which was a ¥1.594 billion increase compared to the same period in the prior fiscal year. This result was mainly due to a decrease in inventories.

< Cash Flows from Investing Activities >

Cash used in investing activities amounted to ¥4.018 billion, a ¥26 million decrease in outflow compared to the same period in the prior fiscal year. This result was mainly due to increased purchases of fixed assets offset somewhat by redemptions of time deposit.

< Cash Flows from Financing Activities >

Cash used in financing activities amounted to ¥938 million, a ¥1 million decrease in outflows year on year. This was primarily due to shareholder dividend payments, including payments to minority interest shareholders.

(3) Qualitative Information concerning Forecast of Consolidated Earnings

The Mandom Group has revised our full-year consolidated earnings forecast to reflect developments in earnings for the cumulative consolidated second quarter. For more details, see “Announcement Concerning Revised Earnings Forecast” announced earlier today.

2. Summary Information (Notes)

(1) Application of Special Accounting Treatment in the Preparation of Quarterly Financial Statements

The Company has made reasonable estimates of effective tax rates after applying tax-effect accounting to net income before income taxes for the consolidated fiscal period including the consolidated second fiscal quarter for the Company and domestic consolidated subsidiaries. Income tax expense has been calculated by multiplying quarterly net income before income taxes by the estimated effective tax rate.

(2) Changes in Accounting Estimates, Methods, or Presentation

Changes to accounting methods deemed difficult to distinguish from changes to accounting estimates

Beginning with the first quarter of the current consolidated fiscal period, the Company and domestic consolidated subsidiaries have adopted accounting methods for depreciation and amortization based on the revised Corporate Tax Act for tangible fixed assets acquired after April 1, 2012.

This change has no significant effect on earnings.