



July 30 2018

Consolidated Business Results (April 1, 2018 to June 30, 2018: Japanese Standards)

Corporate Name: Mandom Corporation
 Listed Exchange: Tokyo
 Code Number: 4917
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Dividend Payout: -
 Expected Release Date of Quarterly Report: August 8, 2018
 Documents Providing Supplemental Information: Yes
 Financial Briefing: None

(Figures rounded down to the nearest million yen)

1. Consolidated Earnings for the First Quarter of the Fiscal Year Ended March 2019 (April 1, 2018 to June 30, 2018)

(1) Consolidated Financial Highlights(cumulative) (% = Changes from the same period in the previous fiscal year)

	Net Sales		Operating Income		Ordinary Income		Net Income Attributable to Owners of Parent	
	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%
1Q, FYE March 2019	22,314	△0.7	3,928	0.9	4,215	2.1	2,774	5.3
1Q, FYE March 2018	22,463	6.3	3,893	7.0	4,129	8.6	2,633	6.1

Note: Comprehensive Income

1Q, FYE March 2019 ¥2,302million (△25.9%) 1Q, FYE March 2018 ¥3,106million (99.0%)

Beginning from the first quarter of the fiscal year ending March 31, 2019, some items that had been processed as expenses have been deducted from net sales at overseas consolidated subsidiaries included in financial statements prepared in accordance with IFRS.

The change in net sales resulting from correcting for this impact is a 2.1% increase.

	Earnings per Share	Diluted Earnings per Share
	yen	yen
1Q, FYE March 2019	59.34	-
1Q, FYE March 2018	56.34	-

Note: We conducted a 2-for-1 stock split of common stock on October 1, 2017. Earnings per Share were calculated as though the stock split was conducted at the beginning of the previous fiscal year.

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio
	¥ millions	¥ millions	%
1Q, FYE March 2019	91,767	76,186	76.6
FYE March 2018	92,602	75,749	75.0

Reference: Shareholders' Equity

1Q, FYE March 2019 ¥70,339 million

FYE March 2018 ¥69,412 million

Note: The "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018) have been applied from the beginning of the consolidated first quarter of the fiscal year under review and have also been applied retroactively to the financial position (consolidated) of the fiscal year ended March 31, 2018.

2. Dividends

	Annual Dividend				
	First Quarter End	Second Quarter End	Third Quarter End	Year End	Total
	yen	yen	yen	yen	yen
FYE March 2018	–	49.00	–	34.50	–
FYE March 2019	–				
FYE March 2019 (forecast)		30.00	–	30.00	60.00

Note: Changes to most recently reported dividend forecast: None

- We conducted a 2-for-1 stock split of common stocks on October 1, 2017. The year-end dividends for FYE March 2018 are calculated using the figures after the stock split.
- Breakdown of year-end dividend for the FYE March 2018 (forecast)
Ordinary dividend ¥24.50 90th Anniversary commemorative dividend ¥10.00

3. Consolidated Earnings Forecast, Fiscal Year Ending March 2019 (April 1, 2018 to March 31, 2019)

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

	Net Sales		Operating Income		Ordinary Income		Net Income Attributable to Owners of Parent		Earnings per Share
	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	yen
Second Quarter (cumulative)	43,000	△2.8	5,950	△3.6	6,350	△4.2	4,000	△8.2	85.56
Full Year	80,000	△1.7	8,600	1.7	9,300	0.4	5,800	△4.7	124.06

Note: Changes to most recently reported dividend forecast: None

Beginning from the fiscal year ending March 31, 2019, some items that had been processed as expenses have been deducted from net sales at overseas consolidated subsidiaries included in financial statements prepared in accordance with IFRS. The year-on-year comparison when calculating net sales for the fiscal year ended March 31, 2018 using these standards is expected to increase around 3%.

*** 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: None

d. Changes in presentation: None

(4) Issued shares (common stock)

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

1Q, FYE March 2019	48,269,212 shares
FYE March 2018	48,269,212 shares

b. Treasury stock, end of period

1Q, FYE March 2019	1,516,125 shares
FYE March 2018	1,516,097 shares

c. Average outstanding shares during the period (cumulative)

1Q, FYE March 2019	46,753,091 shares
1Q, FYE March 2018	46,754,297 shares

Note: We conducted a 2-for-1 stock split of common stock on October 1, 2017. Issued shares (common stock) were calculated as though the stock split was conducted at the beginning of the previous fiscal year.

*** These quarterly financial statements are exempt from quarterly review procedures**

*** Appropriate Use of Business Forecasts ; Other Special Items**

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 Forecast of Consolidated Earnings" 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 consolidated first quarter, Japan's economy showed a gradual recovery against a backdrop of improvements in corporate profits and the hiring and income environment despite concern over uncertainty in the global economy. Additionally, the economies throughout Asia - our main sphere of international operations - showed a gradual recovery despite continued uncertainty about the future.

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

- 1) Maintenance and expansion of the core men's business
- 2) Further strengthening of the field of women's products
- 3) Strengthening of the overseas business with Indonesia at the core

Beginning from the cumulative consolidated first quarter, some items that had been processed as expenses have been deducted from net sales at overseas consolidated subsidiaries included in financial statements prepared in accordance with International Financial Reporting Standards. To make the comparison easier, when net sales of the previous year have been calculated according to these standards, we use the phrase "in real terms."

First quarter consolidated net sales were up 2.1% in real terms to ¥22.314 billion (a 0.7% year-on-year decrease). This increase was mainly due to favorable performance of the Bifesta brand and the Barrier Repair brand in the women's business despite lower sales of the Gatsby brand in the men's business.

Operating income was up 0.9% year on year to ¥3.928 billion. This increase was mainly due to decreased sales expenses resulting from efficient marketing activities. As a result, ordinary income for the consolidated first quarter amounted to ¥4.215 billion, which was a 2.1% year-on-year increase. Net income attributable to owners of parent increased 5.3% year on year to ¥2.774 billion.

Group earnings by segment are as provided below. (Net sales refers to sales to external customers.) Net sales in Japan amounted to ¥14.333 billion, which was a 4.6% year-on-year increase. This increase was mainly due to favorable performance of the Bifesta brand and the Barrier Repair brand. Operating income was down 3.8% year on year to ¥2.586 billion. This was mainly due to aggressive investment in marketing expenses (sales promotion and advertising expense).

Net sales in Indonesia fell 12.1% in real terms to ¥4.579 billion, representing a 14.9% year-on-year decrease. This was mainly due to a drop in net sales in Indonesia. Operating income was down 4.3% year on year to ¥534 million. This was mainly due to decreased sales expenses resulting from efficient marketing activities.

Net sales in Overseas, Other were up 16.1% in real terms to ¥3.401 billion, representing a 0.7% year-on-year increase. This result was mainly due to overall favorable performance, excluding certain countries. Operating income was up 24.7% year on year to ¥808 million mainly due to higher revenues.

(2) Qualitative Information concerning Consolidated Financial Position (Assets, Liabilities, and Net Assets)

Total consolidated assets as of the end of the first fiscal quarter amounted to ¥91.767 billion, representing an ¥835 million decrease compared to the end of the prior consolidated fiscal year. This result was mainly due to a decrease in investment securities. Total liabilities amounted to ¥15.581 billion, representing a decrease of ¥1.272 billion compared to the end of the prior consolidated fiscal year, due mainly to a decrease in accrued expenses included in other current liabilities. Net assets amounted to ¥76.186 billion. This was a ¥436 million increase compared to the end of the prior consolidated fiscal year, owing in part to higher retained earnings. Shareholders' equity ratio at the end of the first quarter was 76.6%.

The “Partial Amendments to Accounting Standard for Tax Effect Accounting” (ASBJ Statement No. 28, February 16, 2018) have been applied from the beginning of the consolidated first quarter of the fiscal year under review. For the financial position, the comparison is based on figures from the end of the prior consolidated fiscal year after applying those amendments retroactively.

(Cash Flows)

Consolidated cash and cash equivalents (“cash”) for the cumulative first quarter increased by ¥6.715 billion compared to the end of the prior consolidated fiscal year to ¥20.356 billion.

The following discusses the factors that affected cash flows during the first quarter.

<Cash Flows from Operating Activities>

Net cash provided by operating activities was ¥986 million. Increasing factors mainly included income before income taxes and minority interest of ¥4.205 billion and depreciation and amortization of ¥796 million, while decreasing factors mainly included a ¥1.758 billion decrease in accrued expenses and a ¥1.372 billion increase in accounts receivable.

<Cash Flows from Investing Activities>

Net cash provided by investing activities was ¥7.849 billion. Increasing factors mainly included ¥12.8 billion in proceeds from sales and redemptions of marketable securities, while decreasing factors mainly included outlays for the acquisition of marketable securities of ¥3.499 billion.

<Cash Flows from Financing Activities>

Net cash used in financing activities was ¥1.828 billion. This was mainly a decrease resulting from dividend payments of ¥1.559 billion.

(3) Qualitative Information concerning Forecasts of Consolidated Earnings

The Mandom Group has made no changes to consolidated full-year earnings forecasts as published on May 8, 2018.