



February 2, 2021

Consolidated Business Results (April 1, 2020 to December 31, 2020: Japanese Standards)

Corporate Name: Mandom Corporation
 Listed Exchange: Tokyo
 Code Number: 4917
 URL: <https://www.mandom.co.jp>
 Representative: Motonobu Nishimura, President Executive Officer & Director
 Contact: Masanori Sawada, Executive Officer & General Manager, Finance Division
 TEL (81)-6-6767-5001

Dividend Payout: -
 Expected Release Date of Quarterly Report: February 12, 2021
 Documents Providing Supplemental Information: Yes
 Financial Briefing: None

(Figures rounded down to the nearest million yen)

1. Consolidated Earnings for the First 3 Quarters of the Fiscal Year Ended March 2021 (April 1, 2020 to December 31, 2020)

(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	%
First 3 Quarters, FYE March 2020	47,937	△23.6	813	△85.9	1,288	△79.9	2,316	△43.4
First 3 Quarters, FYE March 2019	62,724	2.7	5,776	△26.9	6,404	△26.6	4,094	△29.5

Note: Comprehensive Income

First 3 Quarters, FYE March 2021 ¥△660million (-%)
 First 3 Quarters, FYE March 2020 ¥ 4,100million (3.9%)

	Earnings per Share	Diluted Earnings per Share
	yen	yen
First 3 Quarters, FYE March 2021	51.63	-
First 3 Quarters, FYE March 2020	89.56	-

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio
	¥ millions	¥ millions	%
First 3 Quarters, FYE March 2021	85,404	70,446	76.3
FYE March 2020	91,660	73,452	73.2

Reference: Shareholders' Equity

First 3 Quarters, FYE March 2021 ¥ 65,140 million
 FYE March 2020 ¥ 67,117 million

2. Dividends

	Annual Dividend				
	First Quarter End	Second Quarter End	Third Quarter End	Year End	Total
	yen	yen	yen	yen	yen
FYE March 2020	–	31.00	–	31.00	62.00
FYE March 2021	–	16.00	–		
FYE March 2021 (forecast)				16.00	32.00

Note: Changes to most recently reported dividend forecast: None

3. Consolidated Earnings Forecast, Fiscal Year Ending March 2021 (April 1, 2020 to March 31, 2021)

(% = 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
Full Year	62,700	△23.3	△1,200	–	△650	–	500	△88.8	11.14

Note: Changes to most recently reported dividend 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: None
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)

3Q, FYE March 2021	48,269,212 shares
FYE March 2020	48,269,212 shares

b. Treasury stock, end of period

3Q, FYE March 2021	3,403,107 shares
FYE March 2020	3,386,851 shares

c. Average outstanding shares during the period (cumulative)

3Q, FYE March 2021	44,871,407 shares
3Q, FYE March 2020	45,717,735 shares

* 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.

1. Qualitative Information concerning Quarterly Financial Statements

(1) Qualitative Information concerning Consolidated Results of Operations

During the cumulative consolidated third quarter, Japan's economy declined rapidly due to the global spread of the novel coronavirus, which caused social and economic activity to be suspended, resulting in a rapid decrease in consumption. The economies throughout Asia – our main sphere of international operations – face a very dire situation as a result of the global spread of the coronavirus.

Given these economic conditions, the Mandom Group worked on reviewing companywide marketing functions to improve brand value, strengthening the overseas foundation with Indonesia at the core, and improving productivity and corporate value through business process reform, which are the management policies of the FYE March 2021, while thoroughly promoting action emphasizing financial soundness and work style reform.

Third quarter consolidated net sales were down 23.6% to ¥47.937 billion. This was mainly due to a continued decrease in sales both in Japan and overseas as a result of the spread of the coronavirus.

Operating income was down 85.9% year on year to ¥813 million. This was mainly due to sudden deterioration of the market environment both in Japan and overseas. The Group worked to reduce SG&A expenses, but it was not enough to cover the dip in sales. As a result, ordinary income for the consolidated third quarter amounted to ¥1.288 billion, which was a 79.9% year-on-year decrease, and despite recording of a gain on investment securities, net income attributable to owners of parent decreased 43.4% year on year to ¥2.316 billion.

Group earnings by segment are as provided below. (Net sales refers to sales to external customers.)

Net sales in Japan amounted to ¥29.810 billion, which was a 16.6% year-on-year decrease. This was primarily due to a decrease in sales again in the third quarter in both the men's and women's businesses resulting from the spread of the coronavirus. Operating income was down 57.0% year on year to ¥1.437 billion mainly due to the impact of decreased sales.

Net sales in Indonesia reached ¥8.807 billion, representing a 35.1% year-on-year decrease. This was mainly due to sluggish consumption resulting from the spread of the coronavirus, in Indonesia which also hindered sales activities. An operating loss of ¥926 million was posted (compared to operating income of ¥537 million the previous year), primarily due to the impact of the decrease in sales.

Net sales in Overseas, Other amounted to ¥9.318 billion, representing a 30.5% year-on-year decrease. This was primarily due to the continuation of substantial restrictions on sales activities in response to the spread of the coronavirus despite signs of a recovery in some countries up to the cumulative consolidated second quarter. Operating income was down 84.1% year on year to ¥302 million mainly due to the impact of decreased sales.

(2) Qualitative Information concerning Consolidated Financial Position

(Assets, Liabilities, and Net Assets)

Total consolidated assets as of the end of the third fiscal quarter amounted to ¥85.404 billion, representing a ¥6.256 billion decrease compared to the end of the prior consolidated fiscal year. This result was mainly due to a decrease in notes and accounts receivable – trade. Total liabilities amounted to ¥14.957 billion, representing a decrease of ¥3.250 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 ¥70.446 billion. This was a ¥3.005 billion decrease compared to the end of the prior consolidated fiscal year, due primarily to a decrease in

Mandom Corporation (4917) Consolidated Business Results (April 1, 2020 through December 31, 2020) foreign currency translation adjustments. Shareholders' equity ratio at the end of the third quarter was 76.3%.

(Cash Flows)

Consolidated cash and cash equivalents (“cash”) for the cumulative third quarter decreased by ¥2.539 billion compared to the end of the prior consolidated fiscal year to ¥9.118 billion.

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

<Cash Flows from Operating Activities>

Net cash provided by operating activities was ¥3.508 billion. Increasing factors mainly included income before income taxes and minority interest of ¥3.008 billion and depreciation and amortization of ¥3.394 billion, while decreasing factors mainly included a ¥1.415 billion decrease in accrued expenses and a ¥1.179 billion decrease in accounts payable.

<Cash Flows from Investing Activities>

Net cash used in investing activities was ¥4.437 billion. Decreasing factors mainly included ¥6.815 billion in outlays for the acquisition of tangible fixed assets, while increasing factors mainly included ¥2.319 billion in proceeds from sales and redemptions of investment securities.

<Cash Flows from Financing Activities>

Net cash used in financing activities was ¥1.221 billion. This was mainly a decrease resulting from dividend payments of ¥2.105 billion and an increase resulting from a net increase in short-term borrowing of ¥1.264 billion.

(3) Qualitative Information concerning Forecasts of Consolidated Earnings

The consolidated full-year earnings forecast has been revised in light of the progress made on earnings during the cumulative consolidated third quarter. For details, see the “Notice of Revision to Full-Year Earnings Forecast for Fiscal Year Ending March 31, 2021” published today (February 2, 2021).