



February 1, 2022

Consolidated Business Results (April 1, 2021 to December 31, 2021: Japanese Standards)

Corporate Name: Mandom Corporation
 Listed Exchange: Tokyo
 Code Number: 4917
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Dividend Payout: -
 Expected Release Date of Quarterly Report: February 10, 2022
 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 2022 (April 1, 2021 to December 31, 2021)

(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 2022	42,600	△11.1	△1,021	-	△593	-	240	△89.6
First 3 Quarters, FYE March 2021	47,937	△23.6	813	△85.9	1,288	△79.9	2,316	△43.4

Note: Comprehensive Income

First 3 Quarters, FYE March 2022 ¥486 million (-%)
 First 3 Quarters, FYE March 2021 ¥△660 million (-%)

	Earnings per Share	Diluted Earnings per Share
	yen	yen
First 3 Quarters, FYE March 2022	5.35	-
First 3 Quarters, FYE March 2021	51.63	-

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio
	¥ millions	¥ millions	%
First 3 Quarters, FYE March 2022	82,599	68,545	76.3
FYE March 2021	87,911	69,713	73.1

Reference: Shareholders' Equity

First 3 Quarters, FYE March 2022 ¥ 63,020 million
 FYE March 2021 ¥ 64,222 million

2. Dividends

	Annual Dividend				
	First Quarter End	Second Quarter End	Third Quarter End	Year End	Total
	yen	yen	yen	yen	yen
FYE March 2021	–	16.00	–	16.00	32.00
FYE March 2022	–	18.00	–		
FYE March 2022 (forecast)				18.00	36.00

Note: Changes to most recently reported dividend forecast: None

3. Consolidated Earnings Forecast, Fiscal Year Ending March 2022 (April 1, 2021 to March 31, 2022)

(% = 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	58,000	△8.4	△2,400	–	△1,920	–	△650	–	△14.45

Note: Changes to most recently reported dividend forecast: Yes

Consolidated Earnings for the Fiscal Year Ended March 31, 2022, some items that had been processed as expenses deducted from net sales in financial statements prepared in accordance with ASBJ Statement No. 29 Accounting Standard for Revenue Recognition. The change in net sales resulting from correcting for this impact is about 3% decrease.

* 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)

3Q, FYE March 2022	48,269,212 shares
FYE March 2021	48,269,212 shares

b. Treasury stock, end of period

3Q, FYE March 2022	3,285,292 shares
FYE March 2021	3,403,164 shares

c. Average outstanding shares during the period (cumulative)

3Q, FYE March 2022	44,920,925 shares
3Q, FYE March 2021	44,871,407 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 third quarter, corporate activities and consumer spending were stagnant in Japan as a result of the redeclaration of a state of emergency and implementation of semi-emergency coronavirus measures in conjunction with the resurgence of coronavirus infections. Although there were signs of an economic recovery with a certain level of progress on vaccinations in Japan, the future remains uncertain and the situation bleak due to the rapid spread of the new variant.

The economies throughout Asia – our main sphere of international operations – also faced difficulties such as repeated quarantines as a result of the spread of the coronavirus.

Under these economic conditions, the Group launched its three-year plan, positioning it as a period of reformation and challenge for achieving VISION 2027. The basic management policies are as follows:

Basic Management Policies

- Company-wide marketing innovation for thorough advancement and pursuit of category strategies and improvement of brand value in the midst of a new normal
- Quick completion of restructuring of the business in Indonesia and business model innovation in the overseas business
- Transformation into a company that creates new value through digitalization and open innovation
- Improvement of corporate value and usefulness centered on sustainable management

The Mandom Group recorded cumulative third quarter consolidated net sales of ¥42.6 billion (an 11.1% year-on-year decrease). Sales were down both in Japan and overseas due primarily to sluggish demand for summer products as a result of poor weather conditions such as lower summer temperatures and long periods of rain in Japan along with the impact of the spread of coronavirus infections. There has also been an impact from the application of the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) in Japan starting from the beginning of the first quarter.

An operating loss of ¥1.021 billion was posted (compared to operating income of ¥813 million the previous year), primarily due to the impact of the decrease in sales. As a result, ordinary loss for the consolidated third quarter amounted to ¥593 million (compared to ordinary income of ¥1.288 billion the previous year). Nevertheless, owing primarily to the recording of a gain on investment securities, net income attributable to owners of parent amounted to ¥240 million (an 89.6% year-on-year decrease).

Segment performance was as follows: (Net sales are those to unaffiliated customers.)

Net sales in Japan amounted to ¥25.128 billion, which was a 15.7% year-on-year decrease. This was primarily due to sluggish demand for summer products as a result of poor weather conditions such as lower summer temperatures and long periods of rain, which in turn led to a decrease in Gatsby brand sales in the men's business. In addition, in conjunction with the application of the Accounting Standard for Revenue Recognition as of the beginning of the first quarter, sales incentives and other costs, which were previously recorded under SG&A and non-operating expenses, are now subtracted from net sales. An operating loss of ¥336 million was posted (compared to operating income of ¥1.437 billion the previous year), primarily due to the impact of the decrease in sales.

Net sales in Indonesia came to ¥8.076 billion, representing an 8.3% year-on-year decrease. This was mainly due to sluggish consumption resulting from the continued spread of the coronavirus in Indonesia, which was particularly rapid from July to August. An operating loss of ¥842 million was posted (compared to ¥926 million the previous year), primarily due to the impact of the decrease in sales.

Net sales in Overseas, Other amounted to ¥9.395 billion, representing a 0.8% year-on-year increase. This was mainly a result of net sales recovering in some countries despite the coronavirus continuing to spread. Operating income was down 48.0% year on year to ¥156 million mainly due to an increase in sales costs.

(2) Qualitative Information concerning Consolidated Financial Position

(Assets, Liabilities, and Net Assets)

Total assets as of the end of the third quarter amounted to ¥82.599 billion, representing a ¥5.312 billion decrease compared to the end of the prior consolidated fiscal year. This result was mainly due to a decrease in investments and other assets as a result of sales of investment securities. Total liabilities amounted to ¥14.053 billion, representing a decrease of ¥4.144 billion compared to the end of the prior consolidated fiscal year, due mainly to a decrease in short-term borrowings. Net assets amounted to ¥68.545 billion. This was a ¥1.167 billion decrease compared to the end of the prior consolidated fiscal year. Although there was an increase in foreign currency translation adjustments, sales of investment securities resulted in a decrease in the valuation difference on available-for-sale securities. As such, the 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 increased by ¥774 million compared to the end of the prior fiscal year to ¥13.814 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 ¥5.644 billion (compared to ¥3.508 billion the previous year). Increasing factors mainly included income before income taxes and minority interest of ¥309 million, depreciation and amortization of ¥3.977 billion, and a ¥1,246 billion decrease in accounts receivable, while decreasing factors mainly included a ¥1.276 billion decrease in accrued expenses and corporate and other taxes paid of ¥513 million.

<Cash Flows from Investing Activities>

Net cash used in financing activities was ¥3 million (compared to ¥4.437 billion the previous year). Increasing factors mainly included ¥2.151 billion in proceeds from sales and redemptions of investment securities, while decreasing factors mainly included ¥1.399 billion in outlays for the acquisition of tangible fixed assets.

<Cash Flows from Financing Activities>

Net cash used in financing activities was ¥5.337 billion (compared to ¥1.221 billion the previous year). This was mainly a decrease resulting from a net decrease in short-term borrowing of ¥3.500 billion and dividend payments of ¥1.526 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, 2022" published today (February 1, 2022).