



July 29 2022

Consolidated Business Results (April 1, 2022 to June 30, 2022: Japanese Standards)

Corporate Name: Mandom Corporation
 Listed Exchange: TSE Prime Market
 Code Number: 4917
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Dividend Payout: -
 Expected Release Date of Quarterly Report: August 10, 2022
 Documents Providing Supplemental Information: Yes
 Financial Briefing: Yes (for institutional investors and analysts)

(Figures rounded down to the nearest million yen)

1. Consolidated Earnings for the First Quarter of the Fiscal Year Ended March 2023 (April 1, 2022 to June 30, 2022)

(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 2023	16,050	11.6	694	-	789	-	638	-
1Q, FYE March 2022	14,379	△17.4	△745	-	△599	-	△545	-

Note: Comprehensive Income

1Q, FYE March 2023 ¥2,503million (152.9%) 1Q, FYE March 2022 ¥989million (-%)

	Earnings per Share		Diluted Earnings per Share	
	yen		yen	
1Q, FYE March 2023	14.20		-	
1Q, FYE March 2022	△12.15		-	

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio
	¥ millions	¥ millions	%
1Q, FYE March 2023	87,284	70,745	74.1
FYE March 2022	85,767	69,051	73.8

Reference: Shareholders' Equity

1Q, FYE March 2023 ¥64,711 million
 FYE March 2022 ¥63,321 million

2. Dividends

	Annual Dividend				
	First Quarter End	Second Quarter End	Third Quarter End	Year End	Total
	yen				
FYE March 2022	-	18.00	-	18.00	36.00
FYE March 2023	-				
FYE March 2023(forecast)		19.00	-	19.00	38.00

Note: Changes to most recently reported dividend forecast: None

3. Consolidated Earnings Forecast, Fiscal Year Ending March 2023 (April 1, 2022 to March 31, 2023)

(% = 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)	32,000	9.2	800	–	1,000	–	680	108.0	15.12
Full Year	65,000	13.3	1,000	–	1,350	–	750	–	16.67

Note: Changes to most recently reported earnings forecast: None

*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

- Changes in accounting methods in connection with changes: None
- Changes in accounting methods other than a.: None
- Changes in accounting estimates: None
- Changes in presentation: None

(4) Issued shares (common stock)

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

1Q, FYE March 2023	48,269,212 shares
FYE March 2022	48,269,212 shares

b. Treasury stock, end of period

1Q, FYE March 2023	3,303,592 shares
FYE March 2022	3,285,292 shares

c. Average outstanding shares during the period (cumulative)

1Q, FYE March 2023	44,983,719 shares
1Q, FYE March 2022	44,866,048 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 first quarter, Japan's economy showed signs of a recovery with progress on normalization of economic and social activities as COVID-19-related restrictions on movement were eased. On the other hand, concern is growing over rising raw material prices arising from prolongation of the situation in Ukraine and rapid fluctuations in currency exchange rates. At the same time, there have been signs of a resurgence of COVID-19 since the end of June, so the future of the economy remains uncertain.

Asia is where the Mandom Group conducts most of its overseas business. Although the business has been impacted by restrictions on movement imposed primarily in East Asia in response to a resurgence of COVID-19, overall, economic activity continues to recover in Southeast Asia.

Under these economic conditions, the Group is promoting various measures based on the Basic Management Policies of the 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 Global 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 first quarter consolidated net sales of ¥16.050 billion (an 11.6% year-on-year increase). This was mainly due to an increase in net sales of Gatsby owing to the lifting of various restrictions associated with COVID-19 and the subsequent normalization of economic and social activities as well as an increase in the yen equivalent of net sales at overseas subsidiaries arising from the depreciation of the yen.

Operating income came to ¥694 million (compared to an operating loss of ¥745 million the previous year). This was mainly due to an increase in the gross margin and a decrease in advertising expenses. As a result, ordinary income amounted to ¥789 million (compared to an ordinary loss of ¥599 million the previous year). Net income attributable to owners of parent amounted to ¥638 million (compared to a net loss attributable to owners of parent of ¥545 million the previous year).

The results of operations by segment (net sales refers to sales to external customers) are as follows:

Net sales in Japan amounted to ¥9.408 billion, which was an 8.4% year-on-year increase. This was mainly due to an increase in net sales of Gatsby owing to record heat since late June. Operating income of ¥437 million was posted (compared to an operating loss of ¥532 million the previous year), primarily due to an increase in the gross margin and a decrease in advertising expenses.

Net sales in Indonesia came to ¥3.012 billion, representing an 18.1% year-on-year increase. This was mainly due to an increase in net sales of PIXY in the women's business. An operating loss of ¥145 million (compared to ¥348 million the previous year) was posted despite improvement in the cost-to-sales ratio.

Net sales in Overseas, Other amounted to ¥3.629 billion, representing a 15.3% year-on-year increase. This was mainly due to a recovery of net sales in Malaysia and other Southeast Asian countries. Operating income was up 197.8% year on year to ¥403 million mainly due to an increase in the gross margin.

(2) Qualitative Information concerning Consolidated Financial Position

(Assets, Liabilities, and Net Assets)

Total consolidated assets at the end of the fiscal first quarter amounted to ¥87.284 billion, representing a ¥1.516 billion increase compared to the end of the prior consolidated fiscal year. This result was mainly due to an increase in notes and accounts receivable – trade. Total liabilities amounted to ¥16.539 billion, representing a decrease of ¥176 million compared to the end of the prior consolidated fiscal year. This was mainly due to a decrease in accrued expenses included in other current liabilities despite an increase in notes and accounts payable-trade. Net assets amounted to ¥70.745 billion. This was a ¥1.693 billion increase compared to the end of the prior consolidated fiscal year, due primarily to an increase in foreign currency translation adjustments. Shareholders' equity ratio at the end of the first quarter was 74.1%.

(Cash Flows)

Consolidated cash and cash equivalents (“cash”) for the cumulative first quarter decreased by ¥661 million compared to the end of the prior consolidated fiscal year to ¥15.353 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 ¥249 million (compared to ¥1.213 billion the previous year). Increasing factors mainly included income before income taxes and minority interest of ¥804 million and depreciation and amortization of ¥1.22 billion, while decreasing factors mainly included a ¥758 million increase in accounts receivable and a ¥755 million decrease in accrued expenses.

<Cash Flows from Investing Activities>

Net cash used in investing activities was ¥557 million (compared to ¥214 million the previous year). This was mainly a decrease resulting from outlays for the acquisition of tangible fixed assets of ¥504 million.

<Cash Flows from Financing Activities>

Net cash used in financing activities was ¥847 million (compared to ¥2.423 billion the previous year). This was mainly a decrease resulting from dividend payments of ¥785 million.

(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 11, 2022.