



May 12 2023

Consolidated Business Results (April 1, 2022 through March 31, 2023: Japanese Standards)

Corporate Name: Mandom Corporation
 Listed Exchange: TSE Prime Market
 Code Number: 4917
 URL: <https://www.mandom.co.jp>
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Annual General Shareholders' Meeting: June 23, 2023
 Dividend Payout: June 26, 2023
 Financial Statements Issued: June 26, 2023
 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 Fiscal Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(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	%
FYE March 2023	67,047	16.9	1,409	–	2,207	–	958	–
FYE March 2022	57,361	△9.4	△2,308	–	△1,856	–	△621	–

Note: Comprehensive Income

FYE March 2023 ¥3,857million (370.3%) FYE March 2022 ¥820million (–%)

	Earnings per Share	Diluted Earnings per Share	Return on Equity	Ordinary Income/Total Assets	Operating Income/Net Sales
	yen	yen	%	%	%
FYE March 2023	21.31	–	1.5	2.5	2.1
FYE March 2022	△13.84	–	△1.0	△2.1	△4.0

Reference: Income (loss) in minority interests

FYE March 2023 ¥230million FYE March 2022 ¥162million

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share
	¥ millions	¥ millions	%	yen
FYE March 2023	91,005	71,184	71.6	1,448.35
FYE March 2022	85,767	69,051	73.8	1,407.65

Reference: Shareholders' Equity

FYE March 2023 ¥65,125million FYE March 2022 ¥63,321million

(3) Consolidated Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents, End of Period
	¥ millions	¥ millions	¥ millions	¥ millions
FYE March 2023	4,065	△1,257	△2,072	17,481
FYE March 2022	7,693	△185	△5,385	16,015

2. Dividends

	Annual Dividend					Total Dividend (total)	Dividend Payout Ratio (consolidated)	Dividend on Equity Ratio (consolidated)
	First Quarter End	Second Quarter End	Third Quarter End	Year End	Total			
	yen	yen	yen	yen	yen	¥ millions	%	%
FYE March 2022	–	18.00	–	18.00	36.00	1,619	–	2.5
FYE March 2023	–	19.00	–	19.00	38.00	1,708	178.3	2.7
FYE March 2024 (forecast)	–	20.00	–	20.00	40.00		108.3	

3. Forecasts of consolidated operating results for fiscal year ending March 31, 2024 (April 1, 2023 to March 31, 2024)

(% = 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)	35,500	8.7	1,420	36.7	1,750	28.5	1,300	33.4	28.91
Full Year	71,000	5.9	2,100	49.0	2,590	17.3	1,660	73.2	36.92

* Notes

- (1) Changes in significant consolidated subsidiaries during the period (changes in consolidation of specific subsidiaries): None
- (2) Changes in accounting estimates, methods, or presentation
 - a. Changes in accounting methods in connection with changes in accounting standards: None
 - b. Changes in accounting methods other than a.: None
 - c. Changes in accounting estimates: None
 - d. Changes in presentation: None
- (3) Issued shares (common stock)
 - a. Shares outstanding, end of year (including treasury stock)

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

- b. Treasury stock, end of period

FYE March 2023	3,303,802 shares
FYE March 2022	3,285,292 shares

- c. Average outstanding shares during the period

FYE March 2023	44,970,036 shares
FYE March 2022	44,936,458 shares

(Reference) Summary of Non-Consolidated Business Results**1. Business Results, FYE March 2023
(April 1, 2022 to March 31, 2023)****(1) Sales and Income**

(% = change vs PY)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%
FYE March 2023	40,310	11.7	952	–	1,523	312.8	561	△58.2
FYE March 2022	36,102	△13.6	△1,266	–	369	△55.1	1,344	△25.1

	Earnings per Share		Earnings per Share (diluted)	
	yen		yen	
FYE March 2023	12.49		–	
FYE March 2022	29.92		–	

(2) Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio	Shareholders' Equity per Share
	¥ millions	¥ millions	%	yen
FYE March 2023	64,244	54,178	84.3	1,204.89
FYE March 2022	63,661	54,661	85.9	1,215.14

(Reference) Treasury Stock FYE March 2023 ¥54,661 million
 FYE March 2022 ¥54,661 million

**2. FYE March 2024 Forecast
(April 1, 2023 to March 31, 2024)**

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

	Net Sales		Ordinary Income		Net Income		Earnings per Share
	¥ millions	%	¥ millions	%	¥ millions	%	yen
Second Quarter (cumulative)	22,000	4.7	1,920	55.3	1,510	75.3	33.58
Full Year	42,000	4.2	1,950	28.0	1,540	174.2	34.25

* 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. Overview of Results of Operations, etc.

(1) Results of Operations

(Financial Highlights)

(¥ millions)

	Net Sales	Operating Income (Loss)	Ordinary Income (Loss)	Net Income (Loss) Attributable to Owners of Parent
FYE March 2023	67,047	1,409	2,207	958
FYE March 2022	57,361	△2,308	△1,856	△621
Change	16.9%	—	—	—

During the consolidated fiscal year, 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. At the same time, raw material prices rose as the conflict in Ukraine became protracted and, against a backdrop of global monetary tightening, there are concerns about the risk of an economic downturn overseas putting downward pressure on the domestic economy. As such, the future is uncertain.

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

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

During the consolidated fiscal year, net sales were up 16.9% year on year to ¥67.047 billion. 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 ¥1.409 billion (compared to an operating loss of ¥2.308 billion the previous year). This was primarily the result of an increase in the gross margin. As a result, ordinary income of ¥2.207 billion (compared to an ordinary loss of ¥1.856 billion the previous year) was posted. Net income attributable to owners of parent of ¥958 million was posted (compared to a net loss of ¥621 million the previous year).

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

(Performance by Segment)

(¥ millions)

	Net Sales			Operating Income (Loss)		
	FYE March 2022	FYE March 2023	Change	FYE March 2022	FYE March 2023	Change
Japan	32,595	35,769	9.7%	△1,473	282	—
Indonesia	11,751	14,178	20.7%	△1,204	△676	—
Overseas, Other	13,015	17,098	31.4%	369	1,802	388.5%

Net sales in Japan amounted to ¥35.769 billion, which was a 9.7% year-on-year increase. This was primarily the result of an increase in net sales of Gatsby owing to normalization of economic and social activities as the COVID-19 pandemic subsided. Operating income came to ¥282 million (compared to an operating loss of ¥1.473 billion the previous year) mainly due to an increase in the gross margin.

Net sales in Indonesia reached ¥14.178 billion, representing a 20.7% year-on-year increase. This was mainly due to an increase in net sales of PIXY in the women's business and an increase in the yen equivalent of net sales resulting from depreciation of the yen. The operating loss improved to ¥676 million (compared to an operating loss of ¥1.204 billion the previous year), owing primarily to an improvement in the cost of sales ratio.

Net sales in Overseas, Other amounted to ¥17.098 billion, representing a 31.4% year-on-year increase. This was mainly due to favorable net sales in Malaysia and other Southeast Asian countries. Operating income was up 388.5% year on year to ¥1.802 billion mainly due to an increase in the gross margin.

(2) Financial Position

(Assets)

Current assets as of the end of the consolidated fiscal year amounted to ¥49.573 billion, representing a ¥6.705 billion increase compared to the end of the prior consolidated fiscal year. This was mainly due to a ¥1.968 billion increase in notes and accounts receivable-trade and a ¥3.233 billion increase in merchandise and finished goods. Noncurrent assets amounted to ¥41.431 billion, representing a decrease of ¥1.468 billion compared to the end of the prior consolidated fiscal year. This was mainly due to a ¥2.202 billion decrease in tangible fixed as a result of depreciation.

As a result, total assets amounted to ¥91.005 billion, representing an increase of ¥5.237 billion compared to the end of the prior consolidated fiscal year.

(Liabilities)

Current liabilities as of the end of the consolidated fiscal year amounted to ¥13.786 billion, representing a ¥2.552 billion increase compared to the end of the prior consolidated fiscal year. This was mainly due to a ¥444 million increase in notes and accounts payable-trade, a ¥492 million increase in accounts payable, and a ¥994 million increase in others. Noncurrent liabilities amounted to ¥6.034 billion, representing an increase of ¥552 million compared to the end of the prior consolidated fiscal year. This result was mainly due to a ¥337 million increase in deferred tax liabilities.

As a result, total liabilities amounted to ¥19.820 billion, representing an increase of ¥3.104 billion compared to the end of the prior consolidated fiscal year.

(Net assets)

Net assets as of the end of the consolidated fiscal year amounted to ¥71.184 billion, representing a ¥2.132 billion increase compared to the end of the prior consolidated fiscal year. This increase was mainly due to a ¥1.854 billion increase in foreign currency translation adjustments.

As a result, the shareholders' equity ratio at the end of the third quarter was 71.6% (compared to 73.8% at the end of the previous year).

(3) Cash Flows

Cash and cash equivalents (Cash) as of the end of the consolidated fiscal year amounted to ¥17.481 billion. This represents a ¥1.466 billion increase compared to the end of the prior consolidated fiscal year.

The following discusses the factors that affected cash flows during the consolidated fiscal year.

(Cash Flows from Operating Activities)

Net cash provided by operating activities was ¥4.065 billion (compared to ¥7.693 billion the previous year). Increasing factors mainly included income before income taxes and minority interest of ¥1.589 billion and depreciation and amortization of ¥4.988 billion, while decreasing factors mainly included a ¥2.943 billion increase in inventories.

(Cash Flows from Investing Activities)

Net cash used in investing activities was ¥1.257 billion (compared to ¥185 million the previous year). This was mainly a decrease resulting from outlays for the acquisition of tangible fixed assets of ¥1.200 billion.

(Cash Flows from Financing Activities)

Net cash used in financing activities was ¥2.072 billion (compared to ¥5.385 billion the previous year). This was mainly a decrease resulting from dividend payments of ¥1.667 billion.

(4) Future Outlook

	Net Sales	Operating Income	Ordinary Income	Net Income Attributable to Owners of Parent
FYE March 2024	71,000	2,100	2,590	1,660
FYE March 2023	67,047	1,409	2,207	958
Change	5.9%	49.0%	17.3%	73.2%

As for the future business environment, our assumption is that social and economic activities will continue to recover from the COVID-19 pandemic in all regions where the Group conducts business. We expect the Japanese market to recover only moderately due to consumer caution about high prices, but we expect Indonesia and other Southeast Asian markets to maintain high growth. In terms of income, raw material prices have come down from their peak, but we expect the impact of soaring prices to exceed what it was in the fiscal year ended March 31, 2023.

Amid these circumstances, the Group will review its product portfolio in order to address changing consumer wants.

After considering the above business environment and other factors, the outlook for the Group as a whole is for an increase in operating income as the effect of higher sales absorbs the impact of higher raw material prices.

In the fiscal year ending March 31, 2024, we expect net sales of ¥71.000 billion (a 5.9% increase year on year), operating income of ¥2.100 billion (a 49.0% increase), ordinary income of ¥2.590 billion (a 17.3% increase), and net income attributable to owners of parent of ¥1.660 billion (a 73.2% increase).

The assumed exchange rates used for these forecasts are ¥130 to the U.S. dollar and ¥0.0084 to the rupiah.

2. Basic Thinking on Selection of Accounting Standards

For the foreseeable future, the policy of the Mandom Group is to prepare consolidated financial statements according to Japanese accounting standards in consideration of comparability of consolidated financial statements between periods and between companies.

We will address the application of the International Financial Reporting Standards as appropriate, taking into account the situations in Japan and other countries.