



January 30 2019

Consolidated Business Results (April 1, 2018 to December 31, 2018: 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 8, 2019
 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 2019 (April 1, 2018 to December 31, 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	%
First 3 Quarters, FYE March 2019	61,086	△3.5	7,901	△8.0	8,730	△5.8	5,811	△3.4
First 3 Quarters, FYE March 2018	63,294	6.5	8,591	10.0	9,272	11.6	6,015	6.6

Note: Comprehensive Income

First 3 Quarters, FYE March 2019 ¥3,948million (△51.7%)

First 3 Quarters, FYE March 2018 ¥8,172million (146.6%)

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 0.5% decrease.

	Earnings per Share	Diluted Earnings per Share
	yen	yen
First 3 Quarters, FYE March 2019	124.25	—
First 3 Quarters, FYE March 2018	128.66	—

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	%
First 3 Quarters, FYE March 2019	90,256	75,756	77.6
FYE March 2018	92,602	75,749	75.0

Reference: Shareholders' Equity

First 3 Quarters, FYE March 2019	¥70,015 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	–	30.00			
FYE March 2019 (forecast)			–	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
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)

3Q, FYE March 2019	48,269,212 shares
FYE March 2018	48,269,212 shares

b. Treasury stock, end of period

3Q, FYE March 2019	1,483,770 shares
FYE March 2018	1,516,097 shares

c. Average outstanding shares during the period (cumulative)

3Q, FYE March 2019	46,769,236 shares
3Q, FYE March 2018	46,753,781 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 third 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 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."

Third quarter consolidated net sales were down 0.5% in real terms to ¥61.086 billion (a 3.5% year-on-year decrease). This was mainly due to intensification of the competitive environment in Indonesia and other areas and decreased sales in the domestic women's business, which had been performing favorably up to the cumulative consolidated second quarter.

Operating income was down 8.0% year on year to ¥7.901 billion. This was mainly due to decreased income in Indonesia and the aggressive spending on general and administrative expenses to strengthen the business foundation. As a result, ordinary income for the consolidated third quarter amounted to ¥8.730 billion, which was a 5.8% year-on-year decrease. Net income attributable to owners of parent decreased 3.4% year on year to ¥5.811 billion.

Group earnings by segment are as provided below. (Net sales refers to sales to external customers.) Net sales in Japan amounted to ¥37.771 billion, which was a 0.6% year-on-year increase. This increase was mainly due to strong performance of the Gatsby brand in the men's business despite lower revenues of the Barrier Repair brand in the women's business. Operating income was down 11.5% year on year to ¥5.097 billion mainly due to increased general and administrative expenses.

Net sales in Indonesia fell 9.5% in real terms to ¥13.187 billion, representing a 12.2% year-on-year decrease. This was mainly due to the decrease in Indonesian domestic sales resulting from a delay in bringing new products to market and intensification of the competitive environment. Operating income was down 23.4% year on year to ¥894 million. This was mainly due to the impact of decreased sales.

Net sales in Overseas, Other were up 9.1% in real terms to ¥10.128 billion, representing a 5.7% year-on-year decrease. This result was mainly due to overall favorable performance, excluding certain countries. Operating income was up 15.0% year on year to ¥1.909 billion 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 third fiscal quarter amounted to ¥90.256 billion, representing a ¥2.346 billion 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 ¥14.499 billion, representing a decrease of ¥2.353 billion compared to the end of the prior consolidated fiscal year, due mainly to a decrease in accrued expenses included in other current liabilities. Total net assets amounted to ¥75.756 billion. This was a ¥6 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 third quarter was 77.6%.

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. 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 third quarter increased by ¥16.119 billion compared to the end of the prior consolidated fiscal year to ¥29.760 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 ¥6.226 billion. Increasing factors mainly included income before income taxes and minority interest of ¥8.699 billion and depreciation and amortization of ¥2.562 billion, while decreasing factors mainly included corporate and other taxes paid of ¥2.415 billion and a ¥1.958 billion decrease in accrued expenses.

<Cash Flows from Investing Activities>

Net cash provided by investing activities was ¥14.213 billion. Increasing factors mainly included ¥21.3 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 ¥4.015 billion. This was mainly a decrease resulting from dividend payments of ¥3.011 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.