



January 30 2020

## Consolidated Business Results (April 1, 2019 to December 31, 2019: 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  
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Dividend Payout: -  
 Expected Release Date of Quarterly Report: February 7, 2020  
 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 2020 (April 1, 2019 to December 31, 2019)

#### (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	62,724	2.7	5,776	△26.9	6,404	△26.6	4,094	△29.5
First 3 Quarters, FYE March 2019	61,086	△3.5	7,901	△8.0	8,730	△5.8	5,811	△3.4

Note: Comprehensive Income

First 3 Quarters, FYE March 2020 ¥ 4,100million ( 3.9%)  
 First 3 Quarters, FYE March 2019 ¥ 3,948million (△51.7%)

	Earnings per Share	Diluted Earnings per Share
	yen	yen
First 3 Quarters, FYE March 2020	89.56	-
First 3 Quarters, FYE March 2019	124.25	-

#### (2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio
	¥ millions	¥ millions	%
First 3 Quarters, FYE March 2020	89,347	72,214	74.2
FYE March 2019	93,402	75,810	74.9

Reference: Shareholders' Equity

First 3 Quarters, FYE March 2020 ¥ 66,274 million  
 FYE March 2019 ¥ 70,000 million

## 2. Dividends

	Annual Dividend				
	First Quarter End	Second Quarter End	Third Quarter End	Year End	Total
	yen	yen	yen	yen	yen
FYE March 2019	–	30.00	–	30.00	60.00
FYE March 2020	–	31.00	–		
FYE March 2020 (forecast)				31.00	62.00

Note: Changes to most recently reported dividend forecast: None

## 3. Consolidated Earnings Forecast, Fiscal Year Ending March 2020 (April 1, 2019 to March 31, 2020)

(% = 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	81,500	3.2	5,650	△20.8	6,450	△21.0	4,150	△18.4	92.46

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: 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 2020	48,269,212 shares
FYE March 2019	48,269,212 shares

b. Treasury stock, end of period

3Q, FYE March 2020	3,386,018 shares
FYE March 2019	1,483,926 shares

c. Average outstanding shares during the period (cumulative)

3Q, FYE March 2020	45,717,735 shares
3Q, FYE March 2019	46,769,236 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. 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 remained steady overall as corporate profits and the hiring and income environment kept pace in the midst of uncertainty over the future of the global economy. Additionally, although slowing somewhat, the economies throughout Asia – our main sphere of international operations – remained steady in the midst of these uncertainties.

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

Third quarter consolidated net sales were up 2.7% to ¥62.724 billion. This result was mainly due to overall strong performance of overseas subsidiaries despite the decreased sales in Japan up until the second quarter.

Operating income was down 26.9% year on year to ¥5.776 billion. This was mainly due to decreased sales in Japan and increased SG&A expenses. As a result, ordinary income for the consolidated third quarter amounted to ¥6.404 billion, which was a 26.6% year-on-year decrease. Net income attributable to owners of parent decreased 29.5% year on year to ¥4.094 billion.

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

Net sales in Japan amounted to ¥35.737 billion, which was a 5.4% year-on-year decrease. This was mainly due to a decrease in Gatsby brand sales in the men's business resulting from the struggles of summer products into the second quarter and lower sales of the Barrier Repair brand in the women's business due to a drop in inbound demand, which resulted in a continued decline in sales in the third quarter. Operating income was down 34.5% year on year to ¥3.340 billion. This was due primarily to investment in marketing expenses (sales promotion expense) in the aim of expanding sales and the effect of decreased revenue.

Net sales in Indonesia reached ¥13.580 billion, representing a 3.0% year-on-year increase. This was mainly due to strong domestic sales in Indonesia despite a decrease in the yen equivalent due to appreciation of the yen. Operating income was down 39.9% year on year to ¥537 million. This was mainly due to investment in marketing expenses (sales promotion and advertising expenses) and increased general and administrative expenses.

Net sales in Overseas, Other amounted to ¥13.405 billion, representing a 32.4% year-on-year increase. This result was mainly due to overall strong performance by each company and the inclusion of ACGI in the scope of consolidation as of the end of the prior consolidated fiscal year. Operating income was down 0.6% year on year to ¥1.897 billion. This was mainly due to increased SG&A expenses despite 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 ¥89.347 billion, representing a ¥4.055 billion decrease compared to the end of the prior consolidated fiscal year. This result was mainly due to a decrease in cash and deposits. Total liabilities amounted to ¥17.132 billion, representing a decrease of ¥459 million compared to the end of the prior consolidated fiscal year, due mainly to decrease in accrued expenses included in other current liabilities. Net assets amounted to ¥72.214 billion. This was a ¥3.595 billion decrease compared to the end of the prior consolidated fiscal year, owing in part to stock buybacks. Shareholders' equity ratio at the end of the third quarter was 74.2%.

**(Cash Flows)**

Consolidated cash and cash equivalents (“cash”) for the cumulative third quarter decreased by ¥8.480 billion compared to the end of the prior consolidated fiscal year to ¥14.299 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 ¥6.097 billion. Increasing factors mainly included income before income taxes and minority interest of ¥6.508 billion and depreciation and amortization of ¥3.231 billion, while decreasing factors mainly included ¥2.248 billion in corporate and other taxes paid and a ¥1.524 billion decrease in accrued expenses.

**<Cash Flows from Investing Activities>**

Net cash used by investing activities was ¥6.255 billion. Decreasing factors mainly included outlays for the acquisition of tangible fixed assets of ¥5.181 billion and outlays for the acquisition of intangible fixed assets of ¥836 million.

**<Cash Flows from Financing Activities>**

Net cash used in financing activities was ¥8.232 billion. This was mainly a decrease resulting from outlays for stock buybacks of ¥5.000 billion and dividend payments of ¥2.799 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 Consolidated Full-Year Earnings Forecast for Fiscal Year Ending March 31, 2020” published today.