



May 11 2021

## Consolidated Business Results (April 1, 2020 through March 31, 2021: Japanese Standards)

Corporate Name: Mandom Corporation  
 Listed Exchange: Tokyo  
 Code Number: 4917  
 URL: <https://www.mandom.co.jp>  
 Representative: Ken Nishimura, President Executive Officer & Director  
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Annual General Shareholders' Meeting: June 24, 2021  
 Dividend Payout: June 25, 2021  
 Financial Statements Issued: June 25, 2021  
 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, 2021 (April 1, 2020 to March 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	%
FYE March 2021	63,310	△22.6	△793	-	△273	-	860	△80.7
FYE March 2020	81,774	3.5	5,970	△16.3	6,706	△17.8	4,445	△12.6

Note: Comprehensive Income

FYE March 2021    ¥△1,393million (-%)    FYE March 2020    ¥5,342million (33.6%)

	Earnings per Share	Diluted Earnings per Share	Return on Equity	Ordinary Income/Total Assets	Operating Income/Net Sales
	yen	yen	%	%	%
FYE March 2021	19.17	-	1.3	△0.3	△1.3
FYE March 2020	97.68	-	6.5	7.2	7.3

Reference: Income (loss) in minority interests

FYE March 2021    ¥95million    FYE March 2020    ¥273million

#### (2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share
	¥ millions	¥ millions	%	yen
FYE March 2021	87,911	69,713	73.1	1,431.42
FYE March 2020	91,660	73,452	73.2	1,495.40

Reference: Shareholders' Equity

FYE March 2021    ¥67,117million    FYE March 2020    ¥67,117million

### (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 2021	6,208	△5,680	1,125	13,040
FYE March 2020	6,937	△9,836	△8,307	11,657

## 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 2020	–	31.00	–	31.00	62.00	2,788	63.5	4.1
FYE March 2021	–	16.00	–	16.00	32.00	1,435	166.9	2.2
FYE March 2022 (forecast)	–	18.00	–	18.00	36.00		224.3	

### 3. Forecasts of consolidated operating results for fiscal year ending March 31, 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
Second Quarter (cumulative)	33,150	△1.2	960	7.2	1,110	△7.9	870	△59.3	19.39
Full Year	64,000	1.1	950	–	1,220	–	720	△16.3	16.05

Consolidated Earnings for the Fiscal Year Ended March 31, 2022, some items that had been processed as expenses have been 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 7% increase.

#### \* 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

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

(3) Issued shares (common stock)

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

FYE March 2021	48,269,212 shares
FYE March 2020	48,269,212 shares

b. Treasury stock, end of period

FYE March 2021	3,403,164 shares
FYE March 2020	3,386,851 shares

c. Average outstanding shares during the period

FYE March 2021	44,870,094 shares
FYE March 2020	45,510,213 shares

(Reference) Summary of Non-Consolidated Business Results

**1. Business Results, FYE March 2021  
(April 1, 2020 to March 31, 2021)**

**(1) Sales and Income**

(% = change vs PY)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%
FYE March 2021	41,784	△17.1	116	△96.5	822	△79.9	1,796	△42.4
FYE March 2020	50,414	△4.4	3,326	△33.5	4,091	△30.5	3,117	△23.6

	Earnings per Share		Earnings per Share (diluted)	
	yen		yen	
FYE March 2021	40.03		-	
FYE March 2020	68.51		-	

**(2) Financial Position**

	Total Assets	Net Assets	Shareholders' Equity Ratio	Shareholders' Equity per Share
	¥ millions	¥ millions	%	yen
FYE March 2021	67,525	56,094	83.1	1,250.27
FYE March 2020	66,734	56,961	85.4	1,269.14

(Reference) Treasury Stock FYE March 2021 ¥56,094 million  
FYE March 2020 ¥56,961 million

**2. FYE March 2022 Forecast  
(April 1, 2021 to March 31, 2022)**

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

	Net Sales		Ordinary Income		Net Income		Earnings per Share
	¥ millions	%	¥ millions	%	¥ millions	%	yen
Second Quarter (cumulative)	22,300	△3.5	2,630	△17.6	2,240	△26.3	49.93
Full Year	40,500	△3.1	2,220	170.0	1,840	2.4	41.01

Non-Consolidated Earnings for the Fiscal Year Ended March 31, 2022, some items that had been processed as expenses have been 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 5% increase.

**\* 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 Attributable to Owners of Parent
FYE March 2021	63,310	-793	-273	860
FYE March 2020	81,774	5,970	6,706	4,445
Change	-22.6%	-	-	-80.7%

During the consolidated fiscal year, Japan's economy declined rapidly due to the global spread of the novel coronavirus, which caused social and economic activity to be suspended, resulting in a rapid decrease in consumption. The economies throughout Asia – our main sphere of international operations – face a very dire situation as a result of the global spread of the coronavirus.

Given these economic conditions, the Mandom Group worked on reviewing companywide marketing functions to improve brand value, strengthening the overseas foundation with Indonesia at the core, and improving productivity and corporate value through business process reform, which are the management policies of the FYE March 2021, while thoroughly promoting action emphasizing financial soundness and work style reform.

During the consolidated fiscal year, net sales were down 22.6% year on year to ¥63.310 billion. This was mainly due to a continued decrease in sales both in Japan and overseas as a result of the spread of the coronavirus.

An operating loss of ¥793 million was posted (compared to operating income of ¥5.970 billion the previous year). This was mainly due to sudden deterioration of the market environment both in Japan and overseas. The Group worked to reduce SG&A expenses, but it was not enough to cover the dip in sales. As a result, an ordinary loss of ¥273 million (compared to operating income of ¥6.706 billion the previous year) was posted. A gain on investment securities was also recorded, but net income attributable to owners of parent decreased 80.7% year on year to ¥860 million.

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

#### (Performance by Segment)

(¥ millions)

Location	Net Sales			Operating Income/Loss		
	Prior Year	Current Year	Change	Prior Year	Current Year	Change
Japan	46,175	38,847	-15.9%	3,014	-255	-
Indonesia	17,791	12,102	-32.0%	645	-899	-
Overseas, Other	17,806	12,360	-30.6%	2,310	361	-84.4%

Net sales in Japan amounted to ¥38.847 billion, which was a 15.9% year-on-year decrease. This was primarily due to a decrease in sales in both the men's and women's businesses resulting from the spread of the coronavirus. Operating loss was ¥255 million (compared to operating income of ¥3.014 billion the previous year) mainly due to the impact of decreased sales.

Net sales in Indonesia reached ¥12.102 billion, representing a 32.0% year-on-year decrease. This was mainly due to sluggish consumption resulting from the spread of the coronavirus in Indonesia which also hindered sales activities. An operating loss of ¥899 million was posted (compared to operating income of ¥645 million

the previous year), primarily due to the impact of the decrease in sales.

Net sales in Overseas, Other amounted to ¥12.360 billion, representing a 30.6% year-on-year decrease. This was mainly due to sluggish consumption as the coronavirus continued to spread in many countries in the third quarter despite signs of a recovery in some countries. Operating income was down 84.4% year on year to ¥361 million mainly due to the impact of decreased sales.

## (2) Financial Position

## (Assets)

Current assets as of the end of the consolidated fiscal year amounted to ¥39.775 billion, representing a ¥4.266 billion decrease compared to the end of the prior consolidated fiscal year. This decrease was mainly due to a ¥2.822 billion decrease in notes and accounts receivable – trade. Noncurrent assets amounted to ¥48.135 billion, representing an increase of ¥517 million compared to the end of the prior consolidated fiscal year. This increase was mainly due to a ¥2.751 billion increase intangible fixed assets as a result of capital investments and a ¥1.280 billion decrease in investments and other assets resulting from sales of investment securities.

As a result, total assets amounted to ¥87.911 billion, representing a decrease of ¥3.749 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 ¥12.298 billion, representing a ¥559 million increase compared to the end of the prior consolidated fiscal year. This was mainly due to a ¥3.651 billion increase in short-term borrowings and a ¥2.002 billion decrease in accrued expenses. Noncurrent liabilities amounted to ¥5.899 billion, representing a decrease of ¥569 million compared to the end of the prior consolidated fiscal year. This result was mainly due to a ¥408 million decrease in deferred tax liabilities.

As a result, total liabilities amounted to ¥18.198 billion, representing a decrease of ¥10 million 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 ¥69.713 billion, representing a ¥3.739 billion decrease compared to the end of the prior consolidated fiscal year. This was mainly due to a ¥1.391 billion decrease in foreign currency translation adjustments and a ¥1.249 billion decrease in retained earnings resulting from payment of dividends.

As a result, shareholders' equity ratio was 73.1% (compared to 73.2% at the end of the prior consolidated fiscal year).

## (3) Cash Flows

Cash and cash equivalents (Cash) as of the end of the consolidated fiscal year amounted to ¥13.040 billion. This represents a ¥1.383 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 ¥6.208 billion. Increasing factors mainly included depreciation and amortization of ¥4.818 billion and a ¥2.494 billion decrease in accounts receivable, while decreasing factors mainly included a ¥1.128 billion decrease in accrued expenses and ¥1.080 billion in corporate and other taxes paid.

## (Cash Flows from Investing Activities)

Net cash used in investing activities was ¥5.680 billion. This was mainly a decrease resulting from outlays for the acquisition of tangible fixed assets of ¥8.219 billion and an increase resulting from proceeds from sales and redemptions of investment securities of ¥2.344 billion.

## (Cash Flows from Financing Activities)

Net cash provided by financing activities was ¥1.125 billion. This was mainly an increase resulting from a net increase in short-term borrowing of ¥3.650 billion and a decrease resulting from dividend payments of ¥2.109 billion.

## (4) Future Outlook

( ¥ millions)

	Net Sales	Operating Income/Loss	Ordinary Income/Loss	Net Income Attributable to Owners of Parent
FYE March 2022	64,000	950	1,220	720
FYE March 2021	63,310	-793	-273	860
Change	1.1%	-	-	-16.3%

Although we expect the global economy to recover from the decline caused by the coronavirus, the spread will continue in many countries for the time being. Normalization of economic activities will be accompanied by measures to prevent the spread of the virus, so economic recovery will be gradual due to various restrictions.

We believe that the makeup culture will change with the emergence of new lifestyles and changes in consumer values. It will be very important to continuously provide value propositions that address that change, and we will do so under the policy below.

## Basic Management Policy

- 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

Based on the preceding facts, we forecast net sales of ¥64.000 billion (1.1% year-on-year increase), operating income of ¥950 million (compared to operating loss of ¥793 million the previous year), ordinary income of ¥1.220 billion (compared to ordinary loss of ¥273 million the previous year), and net income attributable to owners of parent of ¥720 million (16.3% year-on-year decrease) for the next fiscal year.

The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29) has been applied from the beginning of the fiscal year ending March 31, 2022. As such, some items that were previously processed as expenses will be deducted from net sales. When using the same standards to calculate net sales for the fiscal year ended March 31, 2021, we expect a roughly 7% year-on-year increase. (The net sales figure for the fiscal year ended March 31, 2021 used to calculate this year-on-year comparison was an estimate, so it is subject to change depending on the results of the accounting audit.)

We calculated our forecasts assume major foreign exchange rates of ¥103 to the U. S. dollar, 14,200 rupiah to the U. S. dollar, and ¥0.0073 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.