



July 30 2021

Consolidated Business Results (April 1, 2021 to June 30, 2021: Japanese Standards)

Corporate Name: Mandom Corporation
 Listed Exchange: Tokyo
 Code Number: 4917
 URL: <https://www.mandom.co.jp>
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Dividend Payout: -
 Expected Release Date of Quarterly Report: August 11, 2021
 Documents Providing Supplemental Information: Yes
 Financial Briefing: None

(Figures rounded down to the nearest million yen)

1. Consolidated Earnings for the First Quarter of the Fiscal Year Ended March 2022 (April 1, 2021 to June 30, 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	%
1Q, FYE March 2022	14,379	△17.4	△745	-	△599	-	△545	-
1Q, FYE March 2021	17,400	△20.8	1,109	△56.9	1,404	△50.4	897	△47.9

Note: Comprehensive Income

1Q, FYE March 2022 ¥989million (- %) 1Q, FYE March 2021 ¥△2,293million (- %)

	Earnings per Share	Diluted Earnings per Share
	yen	yen
1Q, FYE March 2022	△12.15	-
1Q, FYE March 2021	19.99	-

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio
	¥ millions	¥ millions	%
1Q, FYE March 2022	86,999	69,634	73.7
FYE March 2021	87,911	69,713	73.1

Reference: Shareholders' Equity

1Q, FYE March 2022 ¥64,153 million
 FYE March 2021 ¥64,222 million

2. Dividends

	Annual Dividend				
	First Quarter End	Second Quarter End	Third Quarter End	Year End	Total
	yen	yen	yen	yen	yen
FYE March 2021	–	16.00	–	16.00	32.00
FYE March 2022	–				
FYE March 2022(forecast)		18.00	–	18.00	36.00

Note: Changes to most recently reported dividend forecast: No

3. Consolidated Earnings Forecast, Fiscal Year Ending March 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)	29,500	△12.1	△1,600	–	△1,250	–	△450	–	△10.03
Full Year	62,000	△2.1	0	–	300	–	850	△1.2	18.95

Note: Changes to most recently reported earnings forecast: Yes

Consolidated Earnings for the Fiscal Year Ended March 31, 2022, some items that had been processed as expenses 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 3% increase.

*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: Yes
- 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 2022	48,269,212 shares
FYE March 2021	48,269,212 shares

b. Treasury stock, end of period

1Q, FYE March 2022	3,403,164 shares
FYE March 2021	3,403,164 shares

c. Average outstanding shares during the period (cumulative)

1Q, FYE March 2022	44,866,048 shares
1Q, FYE March 2021	46,882,005 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, the future of Japan's economy remained uncertain. Restrictions on social and economic activity continued with the redeclaration of a state of emergency and implementation of semi-emergency coronavirus measures in conjunction with the resurgence of coronavirus infections.

The economies throughout Asia – our main sphere of international operations – also faced difficulties such as repeated quarantines as a result of the spread of the coronavirus.

Under these economic conditions, the Group launched its 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 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

The Mandom Group recorded cumulative first quarter consolidated net sales of ¥14.379 billion (a 17.4% year-on-year decrease). This was mainly due to the decrease in sales both in Japan and overseas as a result of the spread of coronavirus infections and the application of the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) in Japan starting from the beginning of the first quarter under review.

An operating loss of ¥745 million was posted (compared to operating income of ¥1.109 billion the previous year), primarily due to the impact of the decrease in sales. As a result, ordinary loss for the consolidated first quarter amounted to ¥599 million (compared to ordinary income of ¥1.404 billion the previous year). Net loss attributable to owners of parent amounted to ¥545 million (compared to net income attributable to owners of parent of ¥897 million the previous year).

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

Net sales in Japan amounted to ¥8.680 billion, which was a 17.4% year-on-year decrease. This was mainly due to the fact that the recovery in demand in the men's cosmetics market was less favorable than expected and the products that were revamped for the spring/summer season did not contribute to sales as initially expected. In addition, in conjunction with the application of the Accounting Standard for Revenue Recognition as of the beginning of the first quarter under review, sales incentives and other costs, which were previously recorded under SG&A and non-operating expenses, are now subtracted from net sales. An operating loss of ¥532 million was posted (compared to operating income of ¥933 million the previous year), primarily due to the impact of the decrease in sales.

Net sales in Indonesia came to ¥2.550 billion, representing a 24.5% year-on-year decrease. This was mainly due to sluggish consumption resulting from the continued spread of the coronavirus in Indonesia. An operating loss of ¥348 million was posted (a ¥152 million year-on-year increase), primarily due to the impact of the decrease in sales.

Net sales in Overseas, Other amounted to ¥3.148 billion, representing a 10.2% year-on-year decrease. This was mainly due to sluggish consumption as the coronavirus continues to spread in many countries. Operating income was down 63.7% year on year to ¥135 million mainly due to the impact of decreased sales.

(2) Qualitative Information concerning Consolidated Financial Position

(Assets, Liabilities, and Net Assets)

Total consolidated assets as of the end of the first fiscal quarter amounted to ¥86.999 billion, representing a ¥911 million decrease compared to the end of the prior consolidated fiscal year. This result was mainly due to a decrease in investments and other assets as a result of sales and redemptions of investment securities. Total liabilities amounted to ¥17.365 billion, representing a decrease of ¥833 million compared to the end of the prior consolidated fiscal year, due mainly to a decrease in short-term borrowings. Net assets amounted to ¥69.634 billion. This was a ¥78 million decrease compared to the end of the prior consolidated fiscal year, due primarily to a decrease in retained earnings as a result of dividend payments. Shareholders' equity ratio at the end of the first quarter was 73.7%.

(Cash Flows)

Consolidated cash and cash equivalents (“cash”) for the cumulative first quarter decreased by ¥991 million compared to the end of the prior consolidated fiscal year to ¥12.049 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 ¥1.213 billion (compared to ¥765 million used in operating activities the previous year). Decreasing factors mainly included loss before income taxes and minority interest of ¥514 million and a ¥913 million decrease in accrued expenses, while increasing factors mainly included a ¥1.581 billion increase in accounts payable and depreciation and amortization of ¥1.322 billion.

<Cash Flows from Investing Activities>

Net cash used in investing activities was ¥214 million (compared to ¥948 million the previous year). Decreasing factors mainly included cash used in time deposits of ¥661 million and outlays for the acquisition of tangible fixed assets of ¥275 million, while increasing factors mainly included ¥538 million in proceeds from sales and redemptions of investment securities.

<Cash Flows from Financing Activities>

Net cash used in financing activities was ¥2.423 billion (compared to ¥1.631 billion the previous year). This was mainly a decrease resulting from a net decrease in short-term borrowing of ¥1.500 billion and dividend payments of ¥698 million.

(3) Qualitative Information concerning Forecasts of Consolidated Earnings

The cumulative consolidated second quarter and full-year earnings forecasts have been revised in light of the progress made on earnings during the cumulative consolidated first quarter. For details, see the “Notice of Revision to Second Quarter and Full-Year Earnings Forecast for Fiscal Year Ending March 31, 2022” published today (July 30, 2021).