



October 29, 2021

## Consolidated Business Results (April 1, 2021 to September 30, 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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Dividend Payout: December 1, 2021  
 Expected Release Date of Quarterly Report: November 11, 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 First Quarter and Second Quarter of the Fiscal Year Ended March 2022 (April 1, 2021 to September 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+2Q, FYE March 2022	29,311	△12.6	△646	—	△358	—	326	△84.7
1Q+2Q, FYE March 2021	33,548	△24.5	895	△80.6	1,205	△76.4	2,136	△34.8

Note: Comprehensive Income

1Q+2Q, FYE March 2022    ¥844million (—%)    1Q+2Q, FYE March 2021    ¥△475million (—%)

	Earnings per Share	Diluted Earnings per Share
	yen	yen
1Q+2Q, FYE March 2022	7.28	—
1Q+2Q, FYE March 2021	47.62	—

#### (2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio
	¥ millions	¥ millions	%
1Q+2Q, FYE March 2022	84,738	69,712	75.9
FYE March 2021	87,911	69,713	73.1

Reference: Shareholders' Equity

1Q+2Q, FYE March 2022    ¥64,290 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	–	18.00			
FYE March 2022 (forecast)			–	18.00	36.00

Note: Changes to most recently reported dividend forecast: None

## 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
Full Year	62,000	△2.1	0	–	300	–	850	△1.2	18.9

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)

2Q, FYE March 2022	48,269,212 shares
FYE March 2022	48,269,212 shares

b. Treasury stock, end of period

2Q, FYE March 2022	3,285,222 shares
FYE March 2021	3,403,164 shares

c. Average outstanding shares during the period (cumulative)

2Q, FYE March 2022	44,889,235 shares
2Q, FYE March 2021	44,874,040 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 promising of future performance. Actual earnings may differ significantly from forecasts due to several factors.

## 1. Qualitative Information concerning Quarterly Financial Statements

### (1) Qualitative Information concerning Consolidated Results of Operations

During the cumulative consolidated second quarter, the redeclaration of a state of emergency and implementation of semi-emergency coronavirus measures in conjunction with the resurgence of coronavirus infections have had a tremendous impact on economic activity in Japan. Although progress is being made with vaccines, the future remains uncertain.

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 second quarter consolidated net sales of ¥29.311 billion (a 12.6% year-on-year decrease). Sales were down both in Japan and overseas due primarily to sluggish demand for summer products as a result of poor weather conditions such as lower summer temperatures and long periods of rain in Japan along with the impact of the spread of coronavirus infections. There has also been an impact from 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.

An operating loss of ¥646 million was posted (compared to operating income of ¥895 million the previous year), primarily due to the impact of the decrease in sales. As a result, ordinary loss for the consolidated second quarter amounted to ¥358 million (compared to ordinary income of ¥1.205 billion the previous year). Nevertheless, owing primarily to the recording of a gain on investment securities, net income attributable to owners of parent amounted to ¥326 million (an 84.7% year-on-year decrease).

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

Net sales in Japan amounted to ¥17.722 billion, which was an 18.3% year-on-year decrease. This was primarily due to sluggish demand for summer products as a result of poor weather conditions such as lower summer temperatures and long periods of rain, which in turn led to a decrease in Gatsby brand sales in the men's business. In addition, in conjunction with the application of the Accounting Standard for Revenue Recognition as of the beginning of the first quarter, 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 ¥178 million was posted (compared to operating income of ¥1.479 billion the previous year), primarily due to the impact of the decrease in sales.

Net sales in Indonesia came to ¥5.186 billion, representing a 13.2% 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 ¥593 million was posted (compared to operating loss of ¥719 million the previous year), primarily due to the impact of the decrease in sales.

Net sales in Overseas, Other amounted to ¥6.403 billion, representing an 8.9% year-on-year increase. This was mainly a result of net sales recovering in the second quarter in China and other countries despite the coronavirus continuing to spread in some countries. Operating income was down 7.3% year on year to ¥125 million mainly due to an increase in sales costs.

(2) Qualitative Information concerning Consolidated Financial Position  
(Assets, Liabilities, and Net Assets)

(Cash Flows)

Consolidated cash and cash equivalents (“cash”) for the cumulative second quarter increased by ¥1.513 billion compared to the end of the prior consolidated fiscal year to ¥14.554 billion.

The following discusses the factors that affected cash flows during the second quarter.

<Cash Flows from Operating Activities>

Net cash provided by operating activities was ¥5.233 billion (compared to ¥2.576 billion the previous year). Increasing factors mainly included income before income taxes and minority interest of ¥546 million and depreciation and amortization of a ¥2.642 billion, while decreasing factors mainly included a ¥858 million decrease in accrued expenses and corporate and other taxes paid of ¥260 million.

<Cash Flows from Investing Activities>

Net cash provided by investing activities was ¥376 million (compared to ¥3.745 billion used in investing activities the previous year). Increasing factors mainly included ¥2.151 billion in proceeds from sales and redemptions of investment securities, while decreasing factors mainly included cash used in time deposits of ¥1.197 billion and outlays for the acquisition of tangible fixed assets of ¥1.071 billion.

<Cash Flows from Financing Activities>

Net cash used in financing activities was ¥4.475 billion (compared to ¥1.716 billion the previous year). This was mainly a decrease resulting from a net decrease in short-term borrowing of ¥3.500 billion and dividend payments of ¥719 million.

(3) Qualitative Information concerning Forecasts of Consolidated Earnings

The Mandom Group has made no changes to consolidated full-year earnings forecasts as published on July 30, 2021.