



October 31, 2023

Consolidated Business Results (April 1 to September 30, 2023: Japanese Standards)

Corporate Name: Mandom Corporation
 Listed Exchange: TSE Prime Market
 Code Number: 4917
 URL: <https://www.mandom.co.jp>
 Representative: Ken Nishimura, President Executive Officer & Director
 Contact: Masanori Sawada, Executive Officer & General Manager, Finance Division
 TEL (81)-6-6767-5001

Dividend Payout: December 1, 2023
 Expected Release Date of Quarterly Report: November 10, 2023
 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 2024 (April 1 to September 30, 2023)

(1) Consolidated Financial Highlights(cumulative) (% = Changes from the same period in the previous fiscal year)

	Net Sales		Operating Profit		Ordinary Profit		Net Income Attributable to Owners of Parent	
	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%
1Q+2Q, FYE March 2024	37,133	13.7	1,645	58.4	2,064	51.5	1,584	62.6
1Q+2Q, FYE March 2023	32,652	11.4	1,038	-	1,362	-	974	198.1

Note: Comprehensive Income

1Q+2Q, FYE March 2024 ¥4,940million (-9.6%) 1Q+2Q, FYE March 2023 ¥5,463million (547.2%)

	Earnings per Share	Diluted Earnings per Share
	yen	yen
1Q+2Q, FYE March 2024	35.23	-
1Q+2Q, FYE March 2023	21.66	-

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio
	¥ millions	¥ millions	%
1Q+2Q, FYE March 2024	94,562	75,210	72.4
FYE March 2023	91,005	71,184	71.6

Reference: Shareholders' Equity

1Q+2Q, FYE March 2024 ¥68,431 million
 FYE March 2023 ¥65,125 million

2. Dividends

	Annual Dividend				
	First Quarter End	Second Quarter End	Third Quarter End	Year End	Total
	yen	yen	yen	yen	yen
FYE March 2023	–	19.00	–	19.00	38.00
FYE March 2024	–	20.00			
FYE March 2024 (forecast)			–	20.00	40.00

Note: Changes to most recently reported dividend forecast: None

3. Consolidated Earnings Forecast, Fiscal Year Ending March 2023 (April 1, 2023 to March 31, 2024)

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

	Net Sales		Operating Profit		Ordinary Profit		Net Income Attributable to Owners of Parent		Earnings per Share
	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	yen
Full Year	72,700	8.4	1,460	3.6	2,280	3.3	1,660	73.2	36.92

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: None
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 2024	48,269,212 shares
FYE March 2023	48,269,212 shares

b. Treasury stock, end of period

2Q, FYE March 2024	3,300,602 shares
FYE March 2023	3,303,802 shares

c. Average outstanding shares during the period (cumulative)

2Q, FYE March 2024	44,966,670 shares
2Q, FYE March 2023	44,974,607 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 first six-month period of the consolidated fiscal year under review, the Japanese economy showed a moderate recovery since the reclassification of COVID-19 to Category V under the Infectious Diseases Control Act, reflecting further progress on normalization of economic and social activities, and personal spending which showed signs of recovery. On the other hand, the outlook remains unclear since wage growth has not caught up with price increases, and there are concerns about the risk of downward pressure on personal spending.

Economies in Asia, where the Mandom Group conducts most of its overseas business, remained robust in general, especially in Southeast Asia, while the economic recovery in East Asia as a whole was delayed.

Under these economic conditions, the Group is promoting various measures based on the Basic Management Policies of the Middle-Range Plan, positioning it as a period of “Changes and Challenges” for achieving “VISION2027,” our future goal. The basic management policies are as follows:

Basic Management Policies

- Developing and introducing a category strategy and innovating company-wide marketing to ensure improved brand value in the age of the New Normal
- Speedy completion of the restructuring of the Indonesian business and business model innovation in overseas operations
- Changing to a company that creates new value through digitalization and open innovation
- Enhancing corporate value and promoting “Dedication to Service” (Oyakudachi) with sustainable management at the core

During the period under review, net sales were up 13.7% year on year to ¥37,133 million. This was mainly attributable to robust sales in Overseas, Other.

Operating profit was ¥1,645 million (up 58.4% year on year). This result primarily reflects an increase in gross profit in Overseas, Other. As a result, ordinary profit and profit attributable to owners of parent were ¥2,064 million (up 51.5% year on year) and ¥1,584 million (up 62.6% year on year), respectively.

Operating results by business segment are as follows (Net sales represents sales to external customers):

Sales in Japan were ¥19,925 million (up 6.0% year on year). This is mainly attributable to robust sales of the “Gatsby” brand in the men’s business and the “Bifesta” brand in the women’s business on the back of social and economic activities that have further normalized, reflecting the reclassification of COVID-19 to Category V under the Infectious Diseases Control Act, and increased opportunities for people to go out. In terms of profits, operating profit was ¥364 million (down 46.5% year on year), mainly due to an increase in advertising expenses associated with marketing investments for new spring and summer products.

Sales in Indonesia reached ¥6,570 million, representing a 7.9% year-on-year increase. This was mainly due to an increase in sales converted into Japanese yen, reflecting the weaker yen. In terms of profits, operating loss fell to ¥721 million (compared with operating loss of ¥370 million in the same period of the previous year), owing primarily to a deterioration in the cost of sales ratio.

Sales in Overseas, Other increased to ¥10,637 million (up 36.8% year on year). This was mainly attributable to an increase in sales in the women’s business in Malaysia and other Southeast Asian countries. In terms of profits, operating profit recorded a year-on-year surge of 174.9% to ¥2,002 million mainly due to an increase in gross profit.

(2) Qualitative Information concerning Consolidated Financial Position

(Assets, Liabilities and Net Assets)

Total consolidated assets as of the end of September 30 amounted to ¥94,562 million, representing a ¥3,557 million increase compared with the end of the previous consolidated fiscal year, reflecting an increase in cash and deposits. Total liabilities were ¥19,351 million, representing a decline of ¥469 million compared with the end of the previous consolidated fiscal year as a result of a decrease in accounts payable included in Other under Current liabilities. Total net assets increased by ¥4,026 million from the end of the previous fiscal year to ¥75,210 million due to factors such as an increase in foreign currency translation adjustments, resulting in an equity ratio of 72.4% (compared with 71.6% at the end of the previous consolidated fiscal year).

(Cash Flows)

Cash and cash equivalents (“cash”) for the first six-month period under review increased by ¥3,320 million from the end of the previous consolidated fiscal year to ¥20,802 million.

The following discusses the status and factors that affected cash flows during the period under review.

<Cash Flows from Operating Activities>

Net cash provided by operating activities was ¥4,334 million (compared with ¥3,794 million in the same period of the previous year). The main factors responsible for the increase included profit before income taxes of ¥2,275 million and depreciation and amortization of ¥2,233 million.

<Cash Flows from Investing Activities>

Net cash used in investing activities was ¥950 million (compared with ¥516 million in the same period of the previous year). This was mainly attributable to a decrease resulting from the acquisition of property, plant and equipment of ¥810 million.

<Cash Flows from Financing Activities>

Net cash used in financing activities was ¥1,065 million (compared with ¥1,018 million in the same period of the previous year). This was mainly attributable to a decrease from dividend payments of ¥853 million.

(3) Qualitative Information concerning Forecasts of Consolidated Earnings

Based on recent business trends, etc., we have revised the full-year business forecast for the fiscal year ending March 31, 2024, which was announced on May 12, 2023. For details, please refer to the notice “Difference between Q2 Earnings Forecast and Actual Results, and Amendment of Full-Year Earnings Forecast” announced today (October 31, 2023).