

July 29, 2015

FANCL Corporation
TSE 1st Section: 4921

FANCL

Consolidated Financial Statements for the First Quarter of the Fiscal Year Ending March 31, 2016 (Additional material)

This document has been translated from the original Japanese as a guide for non-Japanese investors. It contains forward-looking statements based on a number of assumptions and beliefs made by management in light of information currently available. Actual financial results may differ materially depending on a number of uncertain factors.

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◆Sales by Segment (Three Months)

(Millions of yen,%)

		Three Months ended 6/14			Three Months ended 6/15		
		amount	% of total	% change	amount	% of total	% change
Consumer	Mail Order	5,133	47.5	(7.4)	5,750	42.6	12.0
	Retail Store	3,796	35.1	(0.3)	5,127	38.0	35.1
	Wholesale	752	7.0	61.6	1,022	7.6	35.9
	Overseas sales	1,123	10.4	(7.7)	1,597	11.8	42.2
	Sub total	10,805	60.5	(2.1)	13,497	61.0	24.9
Support	Mail Order	2,106	39.2	(18.4)	2,528	36.8	20.1
	Retail Store	1,286	23.9	(22.3)	1,716	25.0	33.4
	Wholesale	1,664	31.0	(13.6)	2,286	33.2	37.4
	Overseas sales	318	5.9	(47.3)	343	5.0	7.8
	Sub total	5,376	30.1	(20.5)	6,875	31.1	27.9
Others	Mail Order	1,179	70.1	(18.3)	1,197	68.9	1.6
	Retail Store	147	8.8	(31.1)	150	8.7	2.2
	Wholesale	350	20.8	(46.1)	383	22.1	9.6
	Overseas sales	4	0.3	(19.0)	6	0.3	40.2
	Sub total	1,681	9.4	(27.3)	1,738	7.9	3.4
Total	Mail Order	8,419	47.1	(12.0)	9,477	42.9	12.6
	Retail Store	5,230	29.3	(7.9)	6,995	31.6	33.7
	Wholesale	2,766	15.5	(9.0)	3,693	16.7	33.5
	Overseas sales	1,446	8.1	(20.8)	1,946	8.8	34.6
	Sub total	17,863	100.0	(11.2)	22,112	100.0	23.8

		Three Months ended 6/14			Three Months ended 6/15		
		amount	% of total	% change	amount	% of total	% change
Rice	Mail Order	309	53.2	(19.4)	327	51.0	5.9
	Retail Store	20	3.6	(26.6)	25	3.9	20.7
	Wholesale	249	42.9	(18.6)	288	44.9	15.5
	Overseas sales	1	0.3	(23.8)	1	0.2	(7.8)
	Sub total	581	3.3	(19.4)	642	2.9	10.5
Kale	Mail Order	436	66.5	(12.9)	444	66.9	1.7
	Retail Store	123	18.8	(25.7)	121	18.3	(1.9)
	Wholesale	93	14.3	(18.1)	93	14.1	(0.7)
	Overseas sales	2	0.4	(16.0)	4	0.7	67.5
	Sub total	657	3.7	(16.4)	663	3.0	0.9

◆Sales by Segment (Six Months)

(Millions of yen,%)

		Six Months ended 9/14			Six Months ended 9/15 (Projection)		
		amount	% of total	% change	amount	% of total	% change
C o s m e	Mail Order	10,383	47.1	(4.1)	11,100	43.0	6.9
	Retail Store	7,925	35.9	3.7	9,800	38.0	23.7
	Wholesale	1,370	6.2	62.9	1,850	7.2	35.0
	Overseas sales	2,379	10.8	(2.1)	3,050	11.8	28.2
	Sub total	22,058	60.4	1.5	25,800	60.6	17.0
S u p p l e	Mail Order	4,360	39.1	(12.0)	5,050	37.7	15.8
	Retail Store	2,788	25.0	(9.6)	3,350	25.0	20.1
	Wholesale	3,355	30.0	(2.8)	4,300	32.1	28.1
	Overseas sales	659	5.9	(50.0)	700	5.2	6.1
	Sub total	11,164	30.5	(12.9)	13,400	31.4	20.0
O t h e r s	Mail Order	2,280	68.7	(15.8)	2,330	68.5	2.2
	Retail Store	296	8.9	(26.7)	295	8.7	(0.6)
	Wholesale	730	22.0	(31.9)	760	22.4	4.1
	Overseas sales	11	0.4	(7.7)	15	0.4	25.5
	Sub total	3,319	9.1	(20.9)	3,400	8.0	2.4
T o t a l	Mail Order	17,024	46.6	(7.9)	18,480	43.4	8.6
	Retail Store	11,010	30.1	(1.1)	13,445	31.6	22.1
	Wholesale	5,456	14.9	1.7	6,910	16.2	26.6
	Overseas sales	3,051	8.4	(18.9)	3,765	8.8	23.4
	Sub total	36,542	100.0	(5.7)	42,600	100.0	16.6

		Six Months ended 9/14			Six Months ended 9/15 (Projection)		
		amount	% of total	% change	amount	% of total	% change
R i c e	Mail Order	594	51.5	(16.4)	620	50.4	4.3
	Retail Store	39	3.4	(24.1)	45	3.7	14.3
	Wholesale	513	44.5	(12.9)	560	45.5	9.1
	Overseas sales	6	0.6	(10.8)	5	0.4	(24.2)
	Sub total	1,153	3.2	(15.2)	1,230	2.9	6.6
K a l e	Mail Order	888	66.2	(12.2)	930	66.9	4.7
	Retail Store	249	18.5	(23.9)	250	18.0	0.4
	Wholesale	199	14.9	(16.8)	200	14.4	0.2
	Overseas sales	5	0.4	(3.7)	10	0.7	86.7
	Sub total	1,342	3.7	(15.3)	1,390	3.3	3.6

◆Sales by Segment (Full Year)

(Millions of yen,%)

		FY2015			FY2016 (Projection)		
		amount	% of total	% change	amount	% of total	% change
Consumer	Mail Order	22,376	47.2	(6.0)	24,000	44.5	7.3
	Retail Store	16,949	35.7	3.3	20,000	37.0	18.0
	Wholesale	3,146	6.6	80.6	3,750	6.9	19.2
	Overseas sales	4,998	10.5	(10.3)	6,250	11.6	25.0
	Sub total	47,471	61.1	(0.1)	54,000	60.0	13.8
Support	Mail Order	9,361	40.2	(9.6)	11,950	41.2	27.6
	Retail Store	5,778	24.8	(5.4)	6,850	23.6	18.5
	Wholesale	6,746	29.0	2.1	8,900	30.7	31.9
	Overseas sales	1,398	6.0	(39.6)	1,300	4.5	(7.0)
	Sub total	23,285	30.0	(8.3)	29,000	32.2	24.5
Others	Mail Order	4,807	69.9	(13.2)	4,900	70.0	1.9
	Retail Store	582	8.5	(24.7)	585	8.3	0.4
	Wholesale	1,464	21.3	(21.6)	1,490	21.3	1.8
	Overseas sales	22	0.3	(24.9)	25	0.4	10.5
	Sub total	6,876	8.9	(16.2)	7,000	7.8	1.8
Total	Mail Order	36,545	47.1	(7.9)	40,850	45.4	11.8
	Retail Store	23,310	30.0	0.1	27,435	30.5	17.7
	Wholesale	11,356	14.6	11.2	14,140	15.7	24.5
	Overseas sales	6,419	8.3	(18.9)	7,575	8.4	18.0
	Sub total	77,632	100.0	(4.3)	90,000	100.0	15.9

		FY2015			FY2016 (Projection)		
		amount	% of total	% change	amount	% of total	% change
Rice	Mail Order	1,240	52.3	(19.9)	1,350	53.0	8.8
	Retail Store	84	3.5	(23.0)	90	3.5	6.4
	Wholesale	1,038	43.8	(10.0)	1,100	43.1	5.9
	Overseas sales	8	0.4	(46.8)	10	0.4	12.6
	Sub total	2,372	3.1	(16.2)	2,550	2.8	7.5
Kale	Mail Order	1,794	67.0	(14.8)	1,850	67.3	3.1
	Retail Store	485	18.1	(23.5)	495	18.0	2.0
	Wholesale	386	14.4	(13.7)	390	14.2	0.9
	Overseas sales	13	0.5	2.3	15	0.5	9.1
	Sub total	2,679	3.5	(16.3)	2,750	3.1	2.6

◆Segment Information (Three Months)

(Millions of yen,%)

		Three Months ended 6/14			Three Months ended 6/15		
		amount	% of total	% change	amount	% of total	% change
C o s m e	Sales	10,805	60.5	(2.1)	13,497	61.0	24.9
	Gross Profit	7,991	74.0	0.2	9,991	74.0	25.0
	SGA	7,702	71.3	13.7	8,298	61.5	7.7
	Advertising	1,378	12.8	112.0	1,502	11.1	9.0
	Operating Income	289	2.7	(76.0)	1,692	12.5	485.3
S u p p l e	Sales	5,376	30.1	(20.5)	6,875	31.1	27.9
	Gross Profit	3,743	69.6	(17.6)	4,768	69.3	27.4
	SGA	4,194	78.0	(14.8)	4,719	68.6	12.5
	Advertising	1,012	18.8	(34.2)	1,222	17.8	20.8
	Operating Income	(451)	(8.4)	—	(48)	0.7	—
O t h e r s	Sales	1,681	9.4	(27.3)	1,738	7.9	3.4
	Gross Profit	782	46.5	(20.7)	833	47.9	6.4
	SGA	762	45.3	(26.3)	1,557	89.6	104.4
	Advertising	73	4.4	(43.5)	759	43.7	930.2
	Operating Income	(20)	1.2	—	(724)	(41.7)	—
Eliminations or Corporate		(443)			(378)		
T o t a l	Sales	17,863	100.0	(11.2)	22,112	100.0	23.8
	Gross Profit	12,517	70.1	(7.4)	15,592	70.5	24.6
	SGA	13,102	73.4	(0.4)	14,954	67.6	14.1
	Advertising	2,464	13.8	6.3	3,484	15.8	41.4
	Operating Income	△584	(3.3)	—	638	2.9	—

◆General and Administrative Expenses (Three Months)

(Millions of yen,%)

	Three Months ended 6/14			Three Months ended 6/15		
	amount	% of total	% change	amount	% of total	% change
Advertising	2,464	13.8	6.3	3,484	15.8	41.4
Sales Promotions	2,095	11.7	(5.0)	2,613	11.8	24.7
Transport	751	4.2	(8.3)	829	3.7	10.4
Communications	421	2.4	(1.2)	364	1.6	(13.7)
Fees/outourcing	2,170	12.2	(4.7)	2,468	11.2	13.7
Salaries	3,179	17.8	2.6	3,238	14.6	1.9
Depreciations	518	2.9	(1.3)	541	2.4	4.4
Others	1,500	8.4	1.2	1,414	6.4	(5.7)
Total	13,102	73.4	(0.4)	14,954	67.6	14.1

◆Segment Information (Six Months)

(Millions of yen,%)

		Six Months ended 9/14			Six Months ended 9/15 (Projection)		
		amount	% of total	% change	amount	% of total	% change
C o s m e	Sales	22,058	60.4	1.5	25,800	60.6	17.0
	Gross Profit	16,345	74.1	3.1	19,300	74.8	18.1
	SGA	15,044	68.2	5.7	17,200	66.7	14.3
	Advertising	2,695	12.2	25.2	3,400	13.2	26.2
	Operating Income	1,301	5.9	(20.2)	2,100	8.1	61.4
S u p p l e	Sales	11,164	30.5	(12.9)	13,400	31.4	20.0
	Gross Profit	7,806	69.9	(8.5)	9,350	69.8	19.8
	SGA	7,924	71.0	(5.9)	10,250	76.5	29.3
	Advertising	1,728	15.5	(15.3)	2,900	21.6	67.7
	Operating Income	(118)	(1.1)	—	(900)	(6.7)	—
O t h e r s	Sales	3,319	9.1	(20.9)	3,400	8.0	2.4
	Gross Profit	1,521	45.9	(18.6)	1,630	47.9	7.1
	SGA	1,449	43.7	(23.6)	2,880	84.7	98.7
	Advertising	139	4.2	(49.0)	1,360	40.0	873.8
	Operating Income	(72)	2.2	—	(1,250)	(36.8)	—
Eliminations or Corporate		(954)			(850)		
T o t a l	Sales	36,542	100.0	(5.7)	42,600	100.0	16.6
	Gross Profit	25,674	70.3	(2.2)	30,280	71.1	17.9
	SGA	25,373	69.4	(0.7)	31,180	73.2	22.9
	Advertising	4,563	12.5	2.1	7,660	18.0	67.8
	Operating Income	300	0.8	(57.6)	(900)	(2.1)	—

◆General and Administrative Expenses (Six Months)

(Millions of yen,%)

	Six Months ended 9/14			Six Months ended 9/15 (Projection)		
	amount	% of total	% change	amount	% of total	% change
Advertising	4,563	12.5	2.1	7,660	18.0	67.8
Sales Promotions	4,280	11.7	(0.7)	5,870	13.8	37.1
Transport	1,512	4.1	(5.3)	1,680	3.9	11.1
Communications	828	2.3	1.3	820	1.9	(1.0)
Fees/Outsourcing	4,243	11.6	(3.1)	4,850	11.4	14.3
Salaries	6,227	17.0	1.5	6,350	14.9	2.0
Depreciations	1,045	2.9	0.4	1,100	2.6	5.2
Others	2,672	7.3	(4.5)	2,850	6.7	6.7
Total	25,373	69.4	(0.7)	31,180	73.2	22.9

◆Segment Information (Full Year)

(Millions of yen,%)

		FY2015			FY2016 (Projection)		
		amount	% of total	% change	amount	% of total	% change
C o n s u m e	Sales	47,471	61.1	(0.1)	54,000	60.0	13.8
	Gross Profit	34,976	73.7	1.2	40,300	74.6	15.2
	SGA	29,419	62.0	(1.6)	34,300	63.5	16.6
	Advertising	4,277	9.0	(7.4)	6,600	12.2	54.3
	Operating Income	5,557	11.7	19.2	6,000	11.1	8.0
S u p p l e	Sales	23,285	30.0	(8.3)	29,000	32.2	24.5
	Gross Profit	16,140	69.3	(5.4)	20,230	69.8	25.3
	SGA	16,144	69.3	1.3	21,430	73.9	32.7
	Advertising	3,321	14.3	4.2	6,900	23.8	107.7
	Operating Income	(4)	(0.0)	—	(1,200)	(4.1)	—
O t h e r s	Sales	6,876	8.9	(16.2)	7,000	7.8	1.8
	Gross Profit	3,178	46.2	(15.4)	3,260	46.6	2.6
	SGA	3,025	44.0	(19.6)	4,910	70.1	62.3
	Advertising	308	4.5	(32.8)	1,940	27.7	529.7
	Operating Income	(152)	2.2	—	(1,650)	(23.6)	—
Eliminations or Corporate		(1,704)			(1,650)		
T o t a l	Sales	77,632	100.0	(4.3)	90,000	100.0	15.9
	Gross Profit	54,295	69.9	(2.0)	63,790	70.9	17.5
	SGA	50,294	64.8	(2.2)	62,290	69.2	23.9
	Advertising	7,907	10.2	(4.3)	15,440	17.2	95.3
	Operating Income	4,001	5.2	1.5	1,500	1.7	(62.5)

◆General and Administrative Expenses (Full Year)

(Millions of yen,%)

	FY2015			FY2016 (Projection)		
	amount	% of total	% change	amount	% of total	% change
Advertising	7,907	10.2	(4.3)	15,440	17.2	95.3
Sales Promotions	9,451	12.2	0.3	11,830	13.1	25.2
Transport	3,034	3.9	(5.9)	3,380	3.8	11.4
Communications	1,616	2.1	(0.7)	1,670	1.9	3.3
Fees/Outsourcing	8,580	11.1	(3.1)	9,650	10.7	12.5
Salaries	12,451	16.0	(0.1)	12,760	14.2	2.5
Depreciations	2,145	2.8	1.2	2,380	2.6	10.9
Others	5,106	6.6	(6.4)	5,180	5.8	1.4
Total	50,294	64.8	(2.2)	62,290	69.2	23.9

◆Number of Shops by Region

As of 30 June, 2015

	Hokkaido	Tohoku	Kanto (except Tokyo)	TOKYO	Tokai, Hokuriku & Shinetsu	Kinki	Chugoku, Shikoku	Kyushu, Okinawa	Total
FANCL Beauty Shop	—	—	—	1	—	—	—	1	2
FANCL Health House	—	—	1	2	—	—	—	—	3
FANCL Hybrid Shop	1	2	4	7	2	8	—	3	27
Fancl Shop	1	3	18	18	8	11	7	10	76
Fancl House	1	2	11	1	9	9	5	2	40
Fancl House J	—	1	7	2	—	3	2	—	15
Fancl Ginza Square	—	—	—	1	—	—	—	—	1
Others	—	—	1	—	—	—	—	—	1
Total	3	8	42	32	19	31	14	16	165
ATTENIR Shop	1	—	4	3	1	5	1	1	16

◆Number of Shops

	As of March 31, 2011	As of March 31, 2012	As of March 31, 2013	As of March 31, 2014	As of March 31, 2015	As of June 30, 2015
FANCL Beauty Shop	—	—	—	2	4	2
FANCL Health House	—	—	—	2	3	3
FANCL Hybrid Shop	—	—	—	1	21	27
Fancl Shop	43	61	83	83	77	76
Fancl House	75	70	59	56	42	40
Fancl House J	54	39	26	19	15	15
Genki Station	3	3	3	2	—	—
Fancl Ginza Square	1	1	1	1	1	1
Others	3	3	3	1	1	1
Total	179	177	175	167	164	165
ATTENIR Shop	16	16	16	16	15	16