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FANCL Corporation
TSE 1st Section: 4921

FANCL

Consolidated Financial Statements for the Interim Period 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 (Six Months)

(Millions of yen,%)

		Six Months ended 9/14			Six Months ended 9/15		
		amount	% of total	% change	amount	% of total	% change
C o n s u m e	Mail Order	10,383	47.1	(4.1)	10,885	41.9	4.8
	Retail Store	7,925	35.9	3.7	9,839	37.8	24.1
	Wholesale	1,370	6.2	62.9	2,053	7.9	49.8
	Overseas sales	2,379	10.8	(2.1)	3,212	12.4	35.0
	Sub total	22,058	60.4	1.5	25,990	60.2	17.8
S u p p l y	Mail Order	4,360	39.1	(12.0)	5,177	37.6	18.7
	Retail Store	2,788	25.0	(9.6)	3,537	25.7	26.9
	Wholesale	3,355	30.0	(2.8)	4,385	31.9	30.7
	Overseas sales	659	5.9	(50.0)	667	4.8	1.2
	Sub total	11,164	30.5	(12.9)	13,769	31.9	23.3
O t h e r s	Mail Order	2,280	68.7	(15.8)	2,341	68.2	2.7
	Retail Store	296	8.9	(26.7)	301	8.8	1.7
	Wholesale	730	22.0	(31.9)	777	22.6	6.5
	Overseas sales	11	0.4	(7.7)	12	0.4	1.2
	Sub total	3,319	9.1	(20.9)	3,432	7.9	3.4
T o t a l	Mail Order	17,024	46.6	(7.9)	18,404	42.6	8.1
	Retail Store	11,010	30.1	(1.1)	13,679	31.7	24.2
	Wholesale	5,456	14.9	1.7	7,216	16.7	32.3
	Overseas sales	3,051	8.4	(18.9)	3,891	9.0	27.6
	Sub total	36,542	100.0	(5.7)	43,192	100.0	18.2

		Six Months ended 9/14			Six Months ended 9/15		
		amount	% of total	% change	amount	% of total	% change
R i c e	Mail Order	594	51.5	(16.4)	642	51.2	8.1
	Retail Store	39	3.4	(24.1)	47	3.8	20.8
	Wholesale	513	44.5	(12.9)	561	44.8	9.4
	Overseas sales	6	0.6	(10.8)	3	0.2	(54.1)
	Sub total	1,153	3.2	(15.2)	1,254	2.9	8.7
K a l e	Mail Order	888	66.2	(12.2)	902	66.2	1.6
	Retail Store	249	18.5	(23.9)	245	18.0	(1.6)
	Wholesale	199	14.9	(16.8)	206	15.1	3.5
	Overseas sales	5	0.4	(3.7)	9	0.7	69.2
	Sub total	1,342	3.7	(15.3)	1,363	3.2	1.6

◆ Sales by Segment (Full Year)

(Millions of yen,%)

		FY2015			FY2016 (Projection)		
		amount	% of total	% change	amount	% of total	% change
C o s m e	Mail Order	22,376	47.2	(6.0)	23,500	43.5	5.0
	Retail Store	16,949	35.7	3.3	20,100	37.2	18.6
	Wholesale	3,146	6.6	80.6	3,950	7.3	25.6
	Overseas sales	4,998	10.5	(10.3)	6,450	12.0	29.0
	Sub total	47,471	61.1	(0.1)	54,000	60.0	13.8
S u p p l e	Mail Order	9,361	40.2	(9.6)	11,700	40.3	25.0
	Retail Store	5,778	24.8	(5.4)	7,100	24.5	22.9
	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
O t h e r s	Mail Order	4,807	69.9	(13.2)	4,870	69.6	1.3
	Retail Store	582	8.5	(24.7)	600	8.5	3.0
	Wholesale	1,464	21.3	(21.6)	1,510	21.6	3.1
	Overseas sales	22	0.3	(24.9)	20	0.3	(11.6)
	Sub total	6,876	8.9	(16.2)	7,000	7.8	1.8
T o t a l	Mail Order	36,545	47.1	(7.9)	40,070	44.5	9.6
	Retail Store	23,310	30.0	0.1	27,800	30.9	19.3
	Wholesale	11,356	14.6	11.2	14,360	16.0	26.4
	Overseas sales	6,419	8.3	(18.9)	7,770	8.6	21.0
	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
R i c e	Mail Order	1,240	52.3	(19.9)	1,350	53.0	8.8
	Retail Store	84	3.5	(23.0)	95	3.7	12.3
	Wholesale	1,038	43.8	(10.0)	1,100	43.1	5.9
	Overseas sales	8	0.4	(46.8)	5	0.2	(43.7)
	Sub total	2,372	3.1	(16.2)	2,550	2.8	7.5
K a l e	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 (Six Months)

(Millions of yen,%)

		Six Months ended 9/14			Six Months ended 9/15		
		amount	% of total	% change	amount	% of total	% change
C o n s u m e	Sales	22,058	60.4	1.5	25,990	60.2	17.8
	Gross Profit	16,345	74.1	3.1	19,282	74.2	18.0
	SGA	15,044	68.2	5.7	16,693	64.2	11.0
	Advertising	2,695	12.2	25.2	3,099	11.9	15.0
	Operating Income	1,301	5.9	(20.2)	2,588	10.0	98.9
S u p p l e	Sales	11,164	30.5	(12.9)	13,769	31.9	23.3
	Gross Profit	7,806	69.9	(8.5)	9,450	68.6	21.1
	SGA	7,924	71.0	(5.9)	9,829	71.4	24.0
	Advertising	1,728	15.5	(15.3)	2,801	20.3	62.1
	Operating Income	(118)	(1.1)	—	(379)	(2.8)	—
O t h e r s	Sales	3,319	9.1	(20.9)	3,432	7.9	3.4
	Gross Profit	1,521	45.9	(18.6)	1,651	48.1	8.5
	SGA	1,449	43.7	(23.6)	2,928	85.3	102.1
	Advertising	139	4.2	(49.0)	1,366	39.8	878.8
	Operating Income	72	2.2	—	(1,276)	(37.2)	—
Eliminations or Corporate		(954)			(816)		
T o t a l	Sales	36,542	100.0	(5.7)	43,192	100.0	18.2
	Gross Profit	25,674	70.3	(2.2)	30,384	70.3	18.3
	SGA	25,373	69.4	(0.7)	30,267	70.1	19.3
	Advertising	4,563	12.5	2.1	7,268	16.8	59.3
	Operating Income	300	0.8	(57.6)	116	0.3	(61.2)

◆General and Administrative Expenses (Six Months)

(Millions of yen,%)

	Six Months ended 9/14			Six Months ended 9/15		
	amount	% of total	% change	amount	% of total	% change
Advertising	4,563	12.5	2.1	7,268	16.8	59.3
Sales Promotions	4,280	11.7	(0.7)	5,421	12.6	26.6
Transport	1,512	4.1	(5.3)	1,681	3.9	11.2
Communications	828	2.3	1.3	774	1.8	(6.5)
Fees/Outsourcing	4,243	11.6	(3.1)	4,876	11.3	14.9
Salaries	6,227	17.0	1.5	6,462	15.0	3.8
Depreciations	1,045	2.9	0.4	1,100	2.5	5.3
Others	2,672	7.3	(4.5)	2,681	6.2	0.3
Total	25,373	69.4	(0.7)	30,267	70.1	19.3

◆Segment Information (Full Year)

(Millions of yen,%)

		FY2015			FY2016 (Projection)		
		amount	% of total	% change	amount	% of total	% change
C o s m e	Sales	47,471	61.1	(0.1)	54,000	60.0	13.8
	Gross Profit	34,976	73.7	1.2	40,100	74.3	14.6
	SGA	29,419	62.0	(1.6)	34,100	63.1	15.9
	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)	19,950	68.8	23.6
	SGA	16,144	69.3	1.3	21,200	73.1	31.3
	Advertising	3,321	14.3	4.2	6,900	23.8	107.7
	Operating Income	(4)	(0.0)	—	(1,250)	(4.3)	—
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)	3,250	46.4	2.3
	SGA	3,025	44.0	(19.6)	4,900	70.0	61.9
	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)			(1,600)		
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)	63,300	70.3	16.6
	SGA	50,294	64.8	(2.2)	61,800	68.7	22.9
	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	11,620	12.9	22.9
Transport	3,034	3.9	(5.9)	3,350	3.7	10.4
Communications	1,616	2.1	(0.7)	1,600	1.8	(1.0)
Fees/Outsourcing	8,580	11.1	(3.1)	9,650	10.7	12.5
Salaries	12,451	16.0	(0.1)	12,840	14.3	3.1
Depreciations	2,145	2.8	1.2	2,300	2.6	7.2
Others	5,106	6.6	(6.4)	5,000	5.6	(2.1)
Total	50,294	64.8	(2.2)	61,800	68.7	22.9

◆Number of Shops by Region

As of 30 September, 2015

	Hokkaido	Tohoku	Kanto (except Tokyo)	TOKYO	Tokai, Hokuriku & Shinetsu	Kinki	Chugoku, Shikoku	Kyusyu, Okinawa	Total
FANCL Beauty Shop	—	—	—	1	—	—	—	—	1
FANCL Health House	—	—	1	2	—	—	—	—	3
FANCL Hybrid Shop	2	3	10	11	5	10	1	7	49
Fancl Shop	—	3	14	15	6	9	6	8	61
Fancl House	1	2	10	1	8	9	5	1	37
Fancl House J	—	—	7	2	—	3	2	—	14
Fancl Ginza Square	—	—	—	1	—	—	—	—	1
Others	—	—	1	—	—	—	—	—	1
Total	3	8	43	33	19	31	14	16	167
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 September 30, 2015	As of March 31, 2016 (Projection)
FANCL Beauty Shop	—	—	—	2	4	1	1
FANCL Health House	—	—	—	2	3	3	3
FANCL Hybrid Shop	—	—	—	1	21	49	59
Fancl Shop	43	61	83	83	77	61	59
Fancl House	75	70	59	56	42	37	36
Fancl House J	54	39	26	19	15	14	13
Genki Station	3	3	3	2	—	—	—
Fancl Ginza Square	1	1	1	1	1	1	1
Others	3	3	3	1	1	1	1
Total	179	177	175	167	164	167	173
ATTENIR Shop	16	16	16	16	15	16	16