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FANCL Corporation
TSE 1st Section: 4921

FANCL

Consolidated Financial Statements for the Fiscal Year Ended 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

(Millions of yen,%)

		FY2015			FY2016			FY2017 (Projection)		
		amount	% of total	% change	amount	% of total	% change	amount	% of total	% change
C o n s u m e	Mail Order	22,376	47.2	(6.0)	23,669	43.0	5.8	25,130	42.7	6.2
	Retail Store	16,949	35.7	3.3	20,219	36.8	19.3	21,850	37.2	8.1
	Wholesale	3,146	6.6	80.6	4,360	7.9	38.6	5,240	8.9	20.2
	Overseas sales	4,998	10.5	(10.3)	6,767	12.3	35.4	6,580	11.2	(2.8)
	Sub total	47,471	61.1	(0.1)	55,016	60.6	15.9	58,800	57.4	6.9
S u p p l y	Mail Order	9,361	40.2	(9.6)	11,331	39.6	21.0	14,620	40.6	29.0
	Retail Store	5,778	24.8	(5.4)	7,199	25.2	24.6	9,080	25.2	26.1
	Wholesale	6,746	29.0	2.1	8,690	30.4	28.8	11,100	30.9	27.7
	Overseas sales	1,398	6.0	(39.6)	1,390	4.8	(0.6)	1,200	3.3	(13.7)
	Sub total	23,285	30.0	(8.3)	28,612	31.5	22.9	36,000	35.1	25.8
O t h e r s	Mail Order	4,807	69.9	(13.2)	5,076	70.3	5.6	5,380	69.9	6.0
	Retail Store	582	8.5	(24.7)	596	8.3	2.4	600	7.8	0.6
	Wholesale	1,464	21.3	(21.6)	1,523	21.1	4.0	1,700	22.1	11.6
	Overseas sales	22	0.3	(24.9)	25	0.3	10.7	20	0.2	(20.2)
	Sub total	6,876	8.9	(16.2)	7,221	7.9	5.0	7,700	7.5	6.6
T o t a l	Mail Order	36,545	47.1	(7.9)	40,078	44.1	9.7	45,130	44.0	12.6
	Retail Store	23,310	30.0	0.1	28,016	30.8	20.2	31,530	30.8	12.5
	Wholesale	11,356	14.6	11.2	14,573	16.1	28.3	18,040	17.6	23.8
	Overseas sales	6,419	8.3	(18.9)	8,182	9.0	27.5	7,800	7.6	(4.7)
	Sub total	77,632	100.0	(4.3)	90,850	100.0	17.0	102,500	100.0	12.8

		FY2015			FY2016			FY2017 (Projection)		
		amount	% of total	% change	amount	% of total	% change	amount	% of total	% change
R i c e	Mail Order	1,240	52.3	(19.9)	1,394	53.5	12.4	1,610	54.6	15.5
	Retail Store	84	3.5	(23.0)	100	3.8	18.5	110	3.7	9.8
	Wholesale	1,038	43.8	(10.0)	1,103	42.4	6.2	1,220	41.4	10.6
	Overseas sales	8	0.4	(46.8)	6	0.3	(23.2)	10	0.3	46.6
	Sub total	2,372	3.1	(16.2)	2,604	2.9	9.8	2,950	2.9	13.2
K a l e	Mail Order	1,794	67.0	(14.8)	1,859	67.4	3.6	1,910	66.1	2.7
	Retail Store	485	18.1	(23.5)	478	17.3	(1.4)	490	17.0	2.4
	Wholesale	386	14.4	(13.7)	401	14.6	3.9	480	16.6	19.5
	Overseas sales	13	0.5	2.3	18	0.7	32.6	10	0.3	(45.2)
	Sub total	2,679	3.5	(16.3)	2,757	3.0	2.9	2,890	2.8	4.8

◆Segment Information

(Millions of yen,%)

		FY2015			FY2016			FY2017 (Projection)		
		amount	% of total	% change	amount	% of total	% change	amount	% of total	% change
C o n s u m e	Sales	47,471	61.1	(0.1)	55,016	60.6	15.9	58,800	57.4	6.9
	Gross Profit	34,976	73.7	1.2	40,885	74.3	16.9	44,050	74.9	7.7
	SGA	29,419	62.0	(1.6)	34,609	62.9	17.6	39,100	66.5	13.0
	Advertising	4,277	9.0	(7.4)	6,410	11.7	49.9	8,100	13.8	26.3
	Operating Income	5,557	11.7	19.2	6,275	11.4	12.9	4,950	8.4	(21.1)
S u p p l e	Sales	23,285	30.0	(8.3)	28,612	31.5	22.9	36,000	35.1	25.8
	Gross Profit	16,140	69.3	(5.4)	19,581	68.4	21.3	25,030	69.5	27.8
	SGA	16,144	69.3	1.3	21,360	74.7	32.3	24,830	69.0	16.2
	Advertising	3,321	14.3	4.2	6,682	23.4	101.2	7,150	19.9	7.0
	Operating Income	(4)	(0.0)	—	(1,779)	(6.2)	—	200	0.6	—
O t h e r s	Sales	6,876	8.9	(16.2)	7,221	7.9	5.0	7,700	7.5	6.6
	Gross Profit	3,178	46.2	(15.4)	3,411	47.2	7.3	3,550	46.1	4.0
	SGA	3,025	44.0	(19.6)	5,186	71.8	71.4	3,850	50.0	(25.8)
	Advertising	308	4.5	(32.8)	1,941	26.9	530.4	550	7.1	(71.7)
	Operating Income	152	2.2	—	(1,774)	(24.6)	—	(300)	(3.9)	—
Eliminations or Corporate		(1,704)			(1,517)			(1,850)		
T o t a l	Sales	77,632	100.0	(4.3)	90,850	100.0	17.0	102,500	100.0	12.8
	Gross Profit	54,295	69.9	(2.0)	63,878	70.3	17.6	72,630	70.9	13.7
	SGA	50,294	64.8	(2.2)	62,673	69.0	24.6	69,630	67.9	11.1
	Advertising	7,907	10.2	(4.3)	15,035	16.5	90.2	15,800	15.4	5.1
	Operating Income	4,001	5.2	1.5	1,204	1.3	(69.9)	3,000	2.9	149.1

◆General and Administrative Expenses

(Millions of yen,%)

	FY2015			FY2016			FY2017 (Projection)		
	amount	% of total	% change	amount	% of total	% change	amount	% of total	% change
Advertising	7,907	10.2	(4.3)	15,035	16.5	90.2	15,800	15.4	5.1
Sales Promotions	9,451	12.2	0.3	11,888	13.1	25.8	14,040	13.7	18.1
Transport	3,034	3.9	(5.9)	3,528	3.9	16.3	4,030	3.9	14.2
Communications	1,616	2.1	(0.7)	1,781	2.0	10.2	2,040	2.0	14.5
Fees/Outsourcing	8,580	11.1	(3.1)	10,015	11.0	16.7	11,480	11.2	14.6
Salaries	12,451	16.0	(0.1)	12,929	14.2	3.8	14,010	13.7	8.4
Depreciations	2,145	2.8	1.2	2,294	2.5	7.0	2,480	2.4	8.1
Others	5,106	6.6	(6.4)	5,200	5.7	1.8	5,750	5.6	10.6
Total	50,294	64.8	(2.2)	62,673	69.0	24.6	69,630	67.9	11.1

◆Capital Investment and Depreciation

(Millions of yen)

	FY2015	FY2016	FY2017 (Projection)
Capital Investment	7,612	3,726	5,000
Depreciation	2,973	3,207	3,300

◆Number of Shops by Region

As of 31 March, 2016

	Hokkaido	Tohoku	Kanto (except Tokyo)	TOKYO	Tokai, Hokuriku & Shinetsu	Kinki	Chugoku, Shikoku	Kyushu, Okinawa	Total
FANCL Beauty Shop	—	—	—	1	—	—	—	—	1
FANCL Health House	—	—	1	2	—	—	—	—	3
FANCL Hybrid Shop	2	4	16	17	8	16	7	7	77
Fancl Shop	—	2	12	12	5	8	5	8	52
Fancl House	1	2	9	—	7	8	3	1	31
Fancl House J	—	—	5	2	—	3	—	—	10
Fancl Ginza Square	—	—	—	1	—	—	—	—	1
Others	—	—	1	—	—	—	—	—	1
Total	3	8	44	35	20	35	15	16	176
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 March 31, 2016	As of March 31, 2017 (Projection)
FANCL Beauty Shop	—	—	—	2	4	1	1
FANCL Health House	—	—	—	2	3	3	3
FANCL Hybrid Shop	—	—	—	1	21	77	172
Fancl Shop	43	61	83	83	77	52	25
Fancl House	75	70	59	56	42	31	15
Fancl House J	54	39	26	19	15	10	3
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	176	221
ATTENIR Shop	16	16	16	16	15	16	16