

April 27, 2017

FANCL Corporation
TSE 1st Section: 4921

FANCL

Consolidated Financial Statements for the Fiscal Year Ended March 31, 2017 (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,%)

		FY2016			FY2017			FY2018 (Projection)		
		amount	% of total	% change	amount	% of total	% change	amount	% of total	% change
C o s m e	Mail Order	23,669	43.0	5.8	24,748	43.5	4.6	27,660	44.6	11.8
	Retail Store	20,219	36.8	19.3	20,227	35.5	0.0	21,200	34.2	4.8
	Wholesale	4,360	7.9	38.6	5,300	9.3	21.6	6,050	9.7	14.1
	Overseas sales	6,767	12.3	35.4	6,649	11.7	(1.7)	7,130	11.5	7.2
	Sub total	55,016	60.6	15.9	56,926	59.1	3.5	62,040	59.1	9.0
S u p p l e	Mail Order	11,331	39.6	21.0	13,083	40.8	15.5	15,500	43.7	18.5
	Retail Store	7,199	25.2	24.6	7,828	24.4	8.7	8,140	22.9	4.0
	Wholesale	8,690	30.4	28.8	9,595	29.9	10.4	10,100	28.4	5.3
	Overseas sales	1,390	4.8	(0.6)	1,577	4.9	13.5	1,780	5.0	12.8
	Sub total	28,612	31.5	22.9	32,085	33.3	12.1	35,520	33.8	10.7
O t h e r s	Mail Order	5,076	70.3	5.6	5,204	71.3	2.5	5,375	72.3	3.3
	Retail Store	596	8.3	2.4	581	8.0	(2.6)	620	8.3	6.7
	Wholesale	1,523	21.1	4.0	1,493	20.5	(2.0)	1,420	19.1	(4.9)
	Overseas sales	25	0.3	10.7	15	0.2	(37.5)	25	0.3	59.6
	Sub total	7,221	7.9	5.0	7,294	7.6	1.0	7,440	7.1	2.0
T o t a l	Mail Order	40,078	44.1	9.7	43,037	44.7	7.4	48,535	46.2	12.8
	Retail Store	28,016	30.8	20.2	28,637	29.7	2.2	29,960	28.6	4.6
	Wholesale	14,573	16.1	28.3	16,388	17.0	12.5	17,570	16.7	7.2
	Overseas sales	8,182	9.0	27.5	8,242	8.6	0.7	8,935	8.5	8.4
	Sub total	90,850	100.0	17.0	96,305	100.0	6.0	105,000	100.0	9.0

		FY2016			FY2017			FY2018 (Projection)		
		amount	% of total	% change	amount	% of total	% change	amount	% of total	% change
R i c e	Mail Order	1,394	53.5	12.4	1,345	54.0	(3.5)	1,320	53.0	(1.9)
	Retail Store	100	3.8	18.5	95	3.8	(4.7)	93	3.7	(2.6)
	Wholesale	1,103	42.4	6.2	1,045	42.0	(5.2)	1,070	43.0	2.3
	Overseas sales	6	0.3	(23.2)	3	0.2	(48.0)	7	0.3	97.5
	Sub total	2,604	2.9	9.8	2,490	2.6	(4.4)	2,490	2.4	(0.0)
K a l e	Mail Order	1,859	67.4	3.6	1,822	67.2	(1.9)	1,830	67.5	0.4
	Retail Store	478	17.3	(1.4)	448	16.6	(6.2)	512	18.9	14.1
	Wholesale	401	14.6	3.9	427	15.8	6.4	350	12.9	(18.2)
	Overseas sales	18	0.7	32.6	12	0.4	(33.5)	18	0.7	48.5
	Sub total	2,757	3.0	2.9	2,711	2.8	(1.7)	2,710	2.6	(0.1)

◆Segment Information

(Millions of yen,%)

		FY2016			FY2017			FY2018 (Projection)		
		amount	% of total	% change	amount	% of total	% change	amount	% of total	% change
C o s m e	Sales	55,016	60.6	15.9	56,926	59.1	3.5	62,040	59.1	9.0
	Gross Profit	40,885	74.3	16.9	42,805	75.2	4.7	46,710	75.3	9.1
	SGA	34,609	62.9	17.6	37,551	66.0	8.5	40,360	65.1	7.5
	Advertising	6,410	11.7	49.9	7,656	13.5	19.4	7,650	12.3	(0.1)
	Operating Income	6,275	11.4	12.9	5,253	9.2	(16.3)	6,350	10.2	20.9
S u p p l e	Sales	28,612	31.5	22.9	32,085	33.3	12.1	35,520	33.8	10.7
	Gross Profit	19,581	68.4	21.3	21,728	67.7	11.0	24,390	68.7	12.2
	SGA	21,360	74.7	32.3	22,594	70.4	5.8	23,260	65.5	2.9
	Advertising	6,682	23.4	101.2	6,601	20.6	(1.2)	6,130	17.3	(7.1)
	Operating Income	(1,779)	(6.2)	—	(865)	(2.7)	—	1,130	3.2	—
O t h e r s	Sales	7,221	7.9	5.0	7,294	7.6	1.0	7,440	7.1	2.0
	Gross Profit	3,411	47.2	7.3	3,275	44.9	(4.0)	3,440	46.2	5.0
	SGA	5,186	71.8	71.4	3,874	53.1	(25.3)	3,360	45.2	(13.3)
	Advertising	1,941	26.9	530.4	558	7.7	(71.2)	530	7.1	(5.1)
	Operating Income	(1,774)	(24.6)	—	(599)	(8.2)	—	80	1.1	—
Eliminations or Corporate		(1,517)			(1,544)			(1,560)		
T o t a l	Sales	90,850	100.0	17.0	96,305	100.0	6.0	105,000	100.0	9.0
	Gross Profit	63,878	70.3	17.6	67,810	70.4	6.2	74,540	71.0	9.9
	SGA	62,673	69.0	24.6	65,565	68.1	4.6	68,540	65.3	4.5
	Advertising	15,035	16.5	90.2	14,816	15.4	(1.5)	14,310	13.6	(3.4)
	Operating Income	1,204	1.3	(69.9)	2,244	2.3	86.3	6,000	5.7	167.3

◆General and Administrative Expenses

(Millions of yen,%)

	FY2016			FY2017			FY2018 (Projection)		
	amount	% of total	% change	amount	% of total	% change	amount	% of total	% change
Advertising	15,035	16.5	90.2	14,816	15.4	(1.5)	14,310	13.6	(3.4)
Sales Promotions	11,888	13.1	25.8	12,833	13.3	8.0	13,890	13.2	8.2
Transport	3,528	3.9	16.3	4,075	4.2	15.5	4,650	4.4	14.1
Communications	1,781	2.0	10.2	2,037	2.1	14.4	2,250	2.1	10.4
Fees/Outsourcing	10,015	11.0	16.7	10,590	11.0	5.7	11,500	11.0	8.6
Salaries	12,929	14.2	3.8	13,321	13.8	3.0	14,380	13.7	7.9
Depreciations	2,294	2.5	7.0	2,284	2.4	(0.5)	2,030	1.9	(11.1)
Others	5,200	5.7	1.8	5,606	5.8	7.8	5,530	5.3	(1.4)
Total	62,673	69.0	24.6	65,565	68.1	4.6	68,540	65.3	4.5

◆Capital Investment and Depreciation

(Millions of yen)

	FY2016	FY2017	FY2018 (Projection)
Capital Investment	3,726	4,074	3,170
Depreciation*	3,207	3,185	3,230

*The sum of depreciation included in cost of sales and selling, general, and administrative expenses

◆Number of Shops by Region

As of 31 March, 2017

	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	4	8	41	32	17	36	14	16	168
FANCL beauty&health	—	—	—	2	—	—	—	—	2
Fanci Shop	—	1	2	2	2	—	1	2	10
Fanci House	1	—	2	—	1	3	1	1	9
Fanci House J	—	—	4	1	—	1	—	—	6
Fanci Ginza Square	—	—	—	1	—	—	—	—	1
Others	—	—	1	—	—	—	—	—	1
Total	5	9	51	41	20	40	16	19	201
ATTENIR Shop	1	—	4	3	1	5	1	1	16

◆Number of Shops

	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	As of March 31, 2018 (Projection)
FANCL Beauty Shop	—	—	2	4	1	1	1
FANCL Health House	—	—	2	3	3	3	1
FANCL Hybrid Shop	—	—	1	21	77	168	194
FANCL beauty&health	—	—	—	—	—	2	2
Fanci Shop	61	83	83	77	52	10	2
Fanci House	70	59	56	42	31	9	6
Fanci House J	39	26	19	15	10	6	3
Genki Station	3	3	2	—	—	—	—
Fanci Ginza Square	1	1	1	1	1	1	1
Others	3	3	1	1	1	1	5
Total	177	175	167	164	176	201	215
ATTENIR Shop	16	16	16	15	16	16	16