

October 30, 2018

FANCL Corporation
TSE 1st Section: 4921

FANCL

Consolidated Financial Statements for the Interim Period of the Fiscal Year Ending March 31, 2019 (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 9/17			Six Months ended 9/18		
		amount	% of total	% change	amount	% of total	% change
C o n s u m e	Online and catalogue	12,950	41.2	11.2	13,100	37.4	1.2
	Direct store	11,436	36.4	17.8	14,210	40.6	24.3
	Wholesale	3,197	10.2	21.9	3,793	10.9	18.6
	Overseas	3,839	12.2	21.8	3,897	11.1	1.5
	Sub total	31,424	60.6	15.8	35,001	58.1	11.4
S u p p l e	Online and catalogue	6,475	38.0	6.1	6,938	31.6	7.2
	Direct store	4,767	28.0	27.3	7,523	34.2	57.8
	Wholesale	4,911	28.8	1.7	6,329	28.8	28.9
	Overseas	894	5.2	18.7	1,186	5.4	32.6
	Sub total	17,049	32.9	10.5	21,977	36.4	28.9
O t h e r s	Online and catalogue	2,432	71.9	(2.0)	2,307	69.7	(5.1)
	Direct store	299	8.9	11.1	277	8.4	(7.3)
	Wholesale	643	19.0	(23.5)	716	21.7	11.4
	Overseas	8	0.2	24.6	6	0.2	(19.9)
	Sub total	3,383	6.5	(6.0)	3,308	5.5	(2.2)
T o t a l	Online and catalogue	21,858	42.2	8.0	22,346	37.1	2.2
	Direct store	16,504	31.8	20.3	22,011	36.5	33.4
	Wholesale	8,752	16.9	5.5	10,839	18.0	23.9
	Overseas	4,742	9.1	21.2	5,090	8.4	7.3
	Sub total	51,857	100.0	12.3	60,288	100.0	16.3

		Six Months ended 9/17			Six Months ended 9/18		
		amount	% of total	% change	amount	% of total	% change
R i c e	Online and catalogue	583	52.0	(8.7)	468	47.1	(19.7)
	Direct store	45	4.1	0.2	44	4.4	(3.8)
	Wholesale	489	43.7	(13.4)	481	48.4	(1.7)
	Overseas	2	0.2	77.3	1	0.1	(50.3)
	Sub total	1,121	2.2	(10.4)	994	1.7	(11.2)
K a l e	Online and catalogue	883	68.7	(0.0)	815	64.2	(7.6)
	Direct store	230	17.9	8.2	219	17.2	(4.9)
	Wholesale	166	12.9	(37.7)	230	18.2	38.8
	Overseas	5	0.5	11.6	5	0.4	(7.9)
	Sub total	1,285	2.5	(6.0)	1,270	2.1	(1.1)

◆Sales by Segment (Full Year)

(Millions of yen,%)

		FY2018			FY2019 (Projection)		
		amount	% of total	% change	amount	% of total	% change
C o n s u m e	Online and catalogue	27,408	41.5	10.7	28,380	39.5	3.5
	Direct store	23,822	36.1	17.8	27,820	38.7	16.8
	Wholesale	6,638	10.0	25.3	7,240	10.0	9.1
	Overseas	8,179	12.4	23.0	8,460	11.8	3.4
	Sub total	66,048	60.6	16.0	71,900	58.9	8.9
S u p p l e	Online and catalogue	13,622	37.9	4.1	14,590	33.8	7.1
	Direct store	10,366	28.9	32.4	13,720	31.8	32.3
	Wholesale	9,925	27.6	3.4	12,320	28.6	24.1
	Overseas	2,018	5.6	28.0	2,520	5.8	24.8
	Sub total	35,933	33.0	12.0	43,150	35.4	20.1
O t h e r s	Online and catalogue	5,175	73.5	(0.6)	4,950	71.2	(4.4)
	Direct store	591	8.4	1.7	550	7.9	(7.0)
	Wholesale	1,250	17.8	(16.3)	1,430	20.6	14.4
	Overseas	21	0.3	34.4	20	0.3	(5.0)
	Sub total	7,037	6.4	(3.5)	6,950	5.7	(1.2)
T o t a l	Online and catalogue	46,206	42.4	7.4	47,920	39.3	3.7
	Direct store	34,780	31.9	21.5	42,090	34.5	21.0
	Wholesale	17,813	16.3	8.7	20,990	17.2	17.8
	Overseas	10,219	9.4	24.0	11,000	9.0	7.6
	Sub total	109,019	100.0	13.2	122,000	100.0	11.9

		FY2018			FY2019 (Projection)		
		amount	% of total	% change	amount	% of total	% change
R i c e	Online and catalogue	1,209	53.8	(10.1)	1,020	48.6	(15.7)
	Direct store	92	4.1	(3.4)	80	3.8	(13.3)
	Wholesale	942	41.9	(9.8)	990	47.1	5.0
	Overseas	4	0.2	22.3	10	0.5	130.6
	Sub total	2,248	2.1	(9.7)	2,100	1.7	(6.6)
K a l e	Online and catalogue	1,823	69.7	0.0	1,780	65.9	(2.4)
	Direct store	462	17.7	3.0	470	17.4	1.7
	Wholesale	315	12.1	(26.1)	440	16.3	39.3
	Overseas	13	0.5	15.2	10	0.4	(28.4)
	Sub total	2,615	2.4	(3.6)	2,700	2.2	3.2

◆Segment Information (Six Months)

(Millions of yen,%)

		Six Months ended 9/17			Six Months ended 9/18		
		amount	% of total	% change	amount	% of total	% change
C o s t s	Sales	31,424	60.6	15.8	35,001	58.1	11.4
	Gross Profit	23,651	75.3	16.9	26,739	76.4	13.1
	SGA	19,309	61.4	3.9	20,810	59.5	7.8
	Advertising	3,970	12.6	(3.6)	4,086	11.7	2.9
	Operating Income	4,341	13.8	164.3	5,929	16.9	36.6
S u p p l y	Sales	17,049	32.9	10.5	21,977	36.4	28.9
	Gross Profit	11,635	68.2	10.9	15,132	68.9	30.1
	SGA	11,433	67.1	(0.7)	12,907	58.7	12.9
	Advertising	3,214	18.9	(9.9)	3,600	16.4	12.0
	Operating Income	202	1.2	-	2,224	10.1	998.9
O t h e r s	Sales	3,383	6.5	(6.0)	3,308	5.5	(2.2)
	Gross Profit	1,542	45.6	(5.4)	1,251	37.8	(18.8)
	SGA	1,484	43.9	(26.6)	1,417	42.9	(4.5)
	Advertising	272	8.1	(33.4)	220	6.7	(19.1)
	Operating Income	58	1.7	-	(166)	(5.0)	-
Eliminations or Corporate		(865)			(905)		
T o t a l	Sales	51,857	100.0	12.3	60,288	100.0	16.3
	Gross Profit	36,829	71.0	13.9	43,124	71.5	17.1
	SGA	33,092	63.8	0.4	36,041	59.8	8.9
	Advertising	7,457	14.4	(7.9)	7,908	13.1	6.0
	Operating Income	3,736	7.2	-	7,082	11.7	89.6

◆General and Administrative Expenses (Six Months)

(Millions of yen,%)

	Six Months ended 9/17			Six Months ended 9/18		
	amount	% of total	% change	amount	% of total	% change
Advertising	7,457	14.4	(7.9)	7,908	13.1	6.0
Sales Promotions	6,106	11.8	3.5	6,141	10.2	0.6
Transport	2,095	4.0	6.0	2,603	4.3	24.2
Communications	887	1.7	(13.7)	902	1.5	1.8
Fees/Outsourcing	5,606	10.8	6.3	6,773	11.2	20.8
Salaries	7,225	13.9	9.3	7,827	13.0	8.3
Depreciations	923	1.8	(16.7)	890	1.5	(3.6)
Others	2,790	5.4	(5.6)	2,993	5.0	7.3
Total	33,092	63.8	0.4	36,041	59.8	8.9

◆Capital Investment and Depreciation (Six Months)

(Millions of yen)

	Six Months ended 9/17	Six Months ended 9/18
Capital Investment	1,149	1,860
Depreciation	1,368	1,428

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

◆Segment Information (Full Year)

(Millions of yen,%)

		FY2018			FY2019 (Projection)		
		amount	% of total	% change	amount	% of total	% change
C o s m e	Sales	66,048	60.6	16.0	71,900	58.9	8.9
	Gross Profit	49,755	75.3	16.2	54,500	75.8	9.5
	SGA	40,605	61.5	8.1	43,800	60.9	7.9
	Advertising	8,030	12.2	4.9	8,240	11.5	2.6
	Operating Income	9,150	13.9	74.2	10,700	14.9	16.9
S u p p l e	Sales	35,933	33.0	12.0	43,150	35.4	20.1
	Gross Profit	24,546	68.3	13.0	29,780	69.0	21.3
	SGA	23,681	65.9	4.8	26,430	61.3	11.6
	Advertising	6,669	18.6	1.0	7,390	17.1	10.8
	Operating Income	864	2.4	-	3,350	7.8	287.4
O t h e r s	Sales	7,037	6.4	(3.5)	6,950	5.7	(1.2)
	Gross Profit	3,129	44.5	(4.5)	2,850	41.0	(8.9)
	SGA	2,979	42.3	(23.1)	3,040	43.7	2.0
	Advertising	465	6.6	(16.7)	620	8.9	33.3
	Operating Income	149	2.1	-	(190)	(2.7)	-
Eliminations or Corporate		(1,717)			(1,660)		
T o t a l	Sales	109,019	100.0	13.2	122,000	100.0	11.9
	Gross Profit	77,431	71.0	14.2	87,130	71.4	12.5
	SGA	68,983	63.3	5.2	74,930	61.4	8.6
	Advertising	15,164	13.9	2.4	16,250	13.3	7.2
	Operating Income	8,448	7.7	276.4	12,200	10.0	44.4

◆General and Administrative Expenses (Full Year)

(Millions of yen,%)

	FY2018			FY2019 (Projection)		
	amount	% of total	% change	amount	% of total	% change
Advertising	15,164	13.9	2.4	16,250	13.3	7.2
Sales Promotions	12,839	11.8	0.0	14,300	11.7	11.4
Transport	4,717	4.3	15.8	5,500	4.5	16.6
Communications	1,779	1.6	(12.6)	1,930	1.6	8.4
Fees/Outsourcing	11,816	10.8	11.6	13,300	10.9	12.6
Salaries	14,959	13.7	12.3	15,750	12.9	5.3
Depreciations	1,843	1.7	(19.3)	1,920	1.6	4.1
Others	5,861	5.4	4.5	5,980	4.9	2.0
Total	68,983	63.3	5.2	74,930	61.4	8.6

◆Capital Investment and Depreciation (Full Year)

(Millions of yen)

	FY2018	FY2019 (Projection)
Capital Investment	2,476	4,340
Depreciation	2,826	3,100

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

◆Number of Shops by Region

As of 30 September, 2018

	Hokkaido	Tohoku	Kanto (except Tokyo)	TOKYO	Tokai, Hokuriku & Shinetsu	Kinki	Chugoku, Shikoku	Kyusyu, Okinawa	Total
FANCL beauty&health	1	-	1	3	-	2	-	-	7
(NEW) Fanci Shop	2	2	10	8	7	7	2	2	40
FANCL Hybrid Shop	4	7	37	24	14	31	12	15	144
FANCL Beauty Shop(Ginza Square 3F)	-	-	-	1	-	-	-	-	1
FANCL Health House(Ginza Square 6F)	-	-	-	1	-	-	-	-	1
Fanci Shop	-	-	1	-	-	-	-	1	2
Fanci House	-	-	-	-	-	-	1	-	1
Fanci Ginza Square	-	-	-	1	-	-	-	-	1
Others	-	-	2	1	-	-	-	-	3
Total	7	9	51	39	21	40	15	18	200
ATTENIR Shop	1	-	4	3	1	5	1	1	16

◆Number of Shops

	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	As of September 30, 2018	As of March 31, 2019 (Projection)
FANCL beauty&health	-	-	-	2	3	7	9
(NEW) Fanci Shop	-	-	-	-	14	40	62
FANCL Hybrid Shop	1	21	77	168	162	144	125
FANCL Beauty Shop	2	4	1	1	1	1	1
FANCL Health House	2	3	3	3	1	1	1
Fanci Shop	83	77	52	10	6	2	1
Fanci House	56	42	31	9	4	1	1
Fanci House J	19	15	10	6	2	-	-
Fanci Ginza Square	1	1	1	1	1	1	1
Others	3	1	1	1	3	3	3
Total	167	164	176	201	197	200	204
ATTENIR Shop	16	15	16	16	16	16	17