

FANCL Corporation
TSE 1st Section: 4921

FANCL

Consolidated Financial Statements for the Third Quarter 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 (Three Months)

(Millions of yen,%)

		Three Months ended 12/17			Three Months ended 12/18		
		amount	% of total	% change	amount	% of total	% change
C o n s u m e	Online and catalogue	7,876	43.8	9.8	7,748	40.5	(1.6)
	Direct Store	6,142	34.2	19.1	7,356	38.5	19.8
	Wholesale	1,972	11.0	59.3	2,057	10.8	4.3
	Overseas	1,971	11.0	29.1	1,944	10.2	(1.4)
	Sub total	17,963	60.4	19.0	19,107	57.8	6.4
S u p p l y e	Online and catalogue	3,760	38.3	0.5	4,106	34.6	9.2
	Direct Store	2,746	28.0	37.0	3,373	28.4	22.8
	Wholesale	2,811	28.6	19.4	3,658	30.8	30.1
	Overseas	499	5.1	36.7	738	6.2	47.9
	Sub total	9,818	33.0	16.0	11,877	36.0	21.0
O t h e r s	Online and catalogue	1,452	74.3	0.1	1,504	73.6	3.6
	Direct Store	156	8.0	5.2	149	7.3	(4.8)
	Wholesale	339	17.4	(0.6)	385	18.8	13.4
	Overseas	5	0.3	(10.2)	5	0.3	9.5
	Sub total	1,953	6.6	0.3	2,043	6.2	4.6
T o t a l	Online and catalogue	13,089	44.0	5.8	13,359	40.5	2.1
	Direct Store	9,045	30.4	23.8	10,879	32.9	20.3
	Wholesale	5,124	17.3	30.2	6,100	18.5	19.1
	Overseas	2,475	8.3	30.5	2,688	8.1	8.6
	Sub total	29,734	100.0	16.6	33,028	100.0	11.1

		Three Months ended 12/17			Three Months ended 12/18		
		amount	% of total	% change	amount	% of total	% change
R i c e	Online and catalogue	327	54.0	(12.3)	297	52.3	(9.0)
	Direct store	23	3.9	(3.6)	23	4.2	(0.3)
	Wholesale	253	41.8	0.7	246	43.4	(2.6)
	Overseas	1	0.3	(9.3)	0	0.1	(58.0)
	Sub total	605	2.0	(7.0)	568	1.7	(6.1)
K a l e	Online and catalogue	497	70.2	0.9	462	63.6	(6.9)
	Direct store	125	17.7	6.7	122	16.8	(2.5)
	Wholesale	81	11.6	(4.6)	137	18.9	68.4
	Overseas	3	0.5	(10.5)	5	0.7	35.7
	Sub total	707	2.4	1.1	727	2.2	2.8

◆ Sales by Segment (Nine Months)

(Millions of yen,%)

		Nine Months ended 12/17			Nine Months ended 12/18		
		amount	% of total	% change	amount	% of total	% change
C o n s u m e	Online and catalogue	20,827	42.2	10.6	20,849	38.5	0.1
	Direct store	17,579	35.6	18.3	21,567	39.9	22.7
	Wholesale	5,169	10.5	33.9	5,850	10.8	13.2
	Overseas	5,811	11.7	24.2	5,841	10.8	0.5
	Sub total	49,387	60.5	17.0	54,108	58.0	9.6
S u p p l y	Online and catalogue	10,235	38.1	3.9	11,044	32.6	7.9
	Direct store	7,514	28.0	30.7	10,897	32.2	45.0
	Wholesale	7,723	28.7	7.5	9,988	29.5	29.3
	Overseas	1,394	5.2	24.5	1,925	5.7	38.1
	Sub total	26,867	32.9	12.4	33,855	36.3	26.0
O t h e r s	Online and catalogue	3,884	72.8	(1.2)	3,811	71.2	(1.9)
	Direct store	456	8.5	9.0	426	8.0	(6.5)
	Wholesale	983	18.4	(16.9)	1,101	20.6	12.1
	Overseas	13	0.3	8.2	12	0.2	(8.4)
	Sub total	5,337	6.6	(3.8)	5,352	5.7	0.3
T o t a l	Online and catalogue	34,947	42.8	7.2	35,706	38.3	2.2
	Direct store	25,549	31.3	21.5	32,891	35.2	28.7
	Wholesale	13,876	17.0	13.5	16,940	18.2	22.1
	Overseas	7,218	8.9	24.2	7,779	8.3	7.8
	Sub total	81,592	100.0	13.8	93,316	100.0	14.4

		Nine Months ended 12/17			Nine Months ended 12/18		
		amount	% of total	% change	amount	% of total	% change
R i c e	Online and catalogue	910	52.7	(10.0)	766	49.0	(15.9)
	Direct store	69	4.1	(1.2)	67	4.3	(2.6)
	Wholesale	742	43.0	(9.1)	727	46.6	(2.0)
	Overseas	3	0.2	29.2	1	0.1	(53.3)
	Sub total	1,726	2.1	(9.2)	1,563	1.7	(9.4)
K a l e	Online and catalogue	1,380	69.3	0.3	1,278	64.0	(7.4)
	Direct store	355	17.8	7.7	341	17.1	(4.1)
	Wholesale	247	12.4	(29.6)	368	18.4	48.6
	Overseas	9	0.5	1.8	10	0.5	9.1
	Sub total	1,993	2.4	(3.6)	1,998	2.1	0.3

◆ 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	27,700	38.8	1.1
	Direct store	23,822	36.1	17.8	28,300	39.7	18.8
	Wholesale	6,638	10.0	25.3	7,410	10.4	11.6
	Overseas	8,179	12.4	23.0	7,940	11.1	(2.9)
	Sub total	66,048	60.6	16.0	71,350	58.5	8.0
S u p p l i e	Online and catalogue	13,622	37.9	4.1	14,550	33.3	6.8
	Direct store	10,366	28.9	32.4	14,100	32.2	36.0
	Wholesale	9,925	27.6	3.4	12,530	28.7	26.2
	Overseas	2,018	5.6	28.0	2,520	5.8	24.8
	Sub total	35,933	33.0	12.0	43,700	35.8	21.6
O t h e r s	Online and catalogue	5,175	73.5	(0.6)	5,000	71.9	(3.4)
	Direct store	591	8.4	1.7	530	7.6	(10.4)
	Wholesale	1,250	17.8	(16.3)	1,400	20.2	12.0
	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	47,250	38.7	2.3
	Direct store	34,780	31.9	21.5	42,930	35.2	23.4
	Wholesale	17,813	16.3	8.7	21,340	17.5	19.8
	Overseas	10,219	9.4	24.0	10,480	8.6	2.5
	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)	1,000	50.0	(17.3)
	Direct store	92	4.1	(3.4)	90	4.5	(2.4)
	Wholesale	942	41.9	(9.8)	905	45.3	(4.0)
	Overseas	4	0.2	22.3	5	0.2	15.3
	Sub total	2,248	2.1	(9.7)	2,000	1.6	(11.1)
K a l e	Online and catalogue	1,823	69.7	0.0	1,700	64.2	(6.8)
	Direct store	462	17.7	3.0	440	16.6	(4.8)
	Wholesale	315	12.1	(26.1)	495	18.7	56.7
	Overseas	13	0.5	15.2	15	0.6	7.5
	Sub total	2,615	2.4	(3.6)	2,650	2.2	1.3

◆Segment Information(Three Months)

(Millions of yen,%)

		Three Months ended 12/17			Three Months ended 12/18		
		amount	% of total	% change	amount	% of total	% change
C o s m e	Sales	17,963	60.4	19.0	19,107	57.8	6.4
	Gross Profit	13,596	75.7	19.8	14,420	75.5	6.1
	SGA	10,488	58.4	3.0	11,460	60.0	9.3
	Advertising	2,281	12.7	(2.0)	2,413	12.6	5.8
	Operating Income	3,108	17.3	166.1	2,960	15.5	(4.8)
S u p p l e	Sales	9,818	33.0	16.0	11,877	36.0	21.0
	Gross Profit	6,774	69.0	18.3	8,120	68.4	19.9
	SGA	6,194	63.1	0.2	6,873	57.9	11.0
	Advertising	1,727	17.6	(12.1)	1,936	16.3	12.1
	Operating Income	579	5.9	-	1,247	10.5	115.0
O t h e r s	Sales	1,953	6.6	0.3	2,043	6.2	4.6
	Gross Profit	852	43.6	(1.2)	827	40.5	(3.0)
	SGA	734	37.6	(26.3)	835	40.9	13.7
	Advertising	90	4.6	(27.1)	111	5.5	24.2
	Operating Income	117	6.0	-	(8)	(0.4)	-
Eliminations or Corporate		(507)			(617)		
T o t a l	Sales	29,734	100.0	16.6	33,028	100.0	11.1
	Gross Profit	21,223	71.4	18.3	23,368	70.8	10.1
	SGA	17,924	60.3	0.8	19,786	59.9	10.4
	Advertising	4,098	13.8	(7.2)	4,461	13.5	8.8
	Operating Income	3,298	11.1	1952.4	3,581	10.8	8.6

◆General and Administrative Expenses(Three Months)

(Millions of yen,%)

	Three Months ended 12/17			Three Months ended 12/18		
	amount	% of total	% change	amount	% of total	% change
Advertising	4,098	13.8	(7.2)	4,461	13.5	8.8
Sales Promotions	3,371	11.3	(9.3)	3,650	11.1	8.3
Transport	1,275	4.3	13.4	1,507	4.6	18.2
Communications	442	1.5	(16.9)	511	1.5	15.8
Fees/Outsourcing	3,162	10.6	16.8	3,485	10.6	10.2
Salaries	3,786	12.7	10.5	4,193	12.7	10.8
Depreciations	454	1.5	(22.6)	466	1.4	2.6
Others	1,333	4.5	4.6	1,510	4.6	13.3
Total	17,924	60.3	0.8	19,786	59.9	10.4

◆Segment Information(Nine Months)

(Millions of yen,%)

		Nine Months ended 12/17			Nine Months ended 12/18		
		amount	% of total	% change	amount	% of total	% change
C o s m e	Sales	49,387	60.5	17.0	54,108	58.0	9.6
	Gross Profit	37,247	75.4	18.0	41,160	76.1	10.5
	SGA	29,797	60.3	3.6	32,271	59.6	8.3
	Advertising	6,251	12.7	(3.0)	6,500	12.0	4.0
	Operating Income	7,450	15.1	165.1	8,889	16.4	19.3
S u p p l e	Sales	26,867	32.9	12.4	33,855	36.3	26.0
	Gross Profit	18,410	68.5	13.5	23,253	68.7	26.3
	SGA	17,627	65.6	(0.4)	19,781	58.4	12.2
	Advertising	4,942	18.4	(10.7)	5,537	16.4	12.0
	Operating Income	782	2.9	-	3,471	10.3	343.7
O t h e r s	Sales	5,337	6.6	(3.8)	5,352	5.7	0.3
	Gross Profit	2,394	44.9	(4.0)	2,078	38.8	(13.2)
	SGA	2,218	41.6	(26.5)	2,253	42.1	1.6
	Advertising	362	6.8	(32.0)	332	6.2	(8.3)
	Operating Income	175	3.3	-	(174)	(3.3)	-
Eliminations or Corporate		(1,372)			(1,522)		
T o t a l	Sales	81,592	100.0	13.8	93,316	100.0	14.4
	Gross Profit	58,052	71.1	15.4	66,493	71.3	14.5
	SGA	51,017	62.5	0.6	55,828	59.8	9.4
	Advertising	11,556	14.2	(7.6)	12,369	13.3	7.0
	Operating Income	7,035	8.6	-	10,664	11.4	51.6

◆General and Administrative Expenses(Nine Months)

(Millions of yen,%)

	Nine Months ended 12/17			Nine Months ended 12/18		
	amount	% of total	% change	amount	% of total	% change
Advertising	11,556	14.2	(7.6)	12,369	13.3	7.0
Sales Promotions	9,478	11.6	(1.4)	9,792	10.5	3.3
Transport	3,371	4.1	8.7	4,110	4.4	21.9
Communications	1,329	1.6	(14.8)	1,414	1.5	6.4
Fees/Outsourcing	8,768	10.7	9.9	10,258	11.0	17.0
Salaries	11,011	13.5	9.7	12,021	12.9	9.2
Depreciations	1,378	1.7	(18.8)	1,357	1.5	(1.5)
Others	4,123	5.1	(2.6)	4,504	4.8	9.2
Total	51,017	62.5	0.6	55,828	59.8	9.4

◆ 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	71,350	58.5	8.0
	Gross Profit	49,755	75.3	16.2	54,100	75.8	8.7
	SGA	40,605	61.5	8.1	43,500	61.0	7.1
	Advertising	8,030	12.2	4.9	8,140	11.4	1.4
	Operating Income	9,150	13.9	74.2	10,600	14.9	15.8
S u p p l e	Sales	35,933	33.0	12.0	43,700	35.8	21.6
	Gross Profit	24,546	68.3	13.0	30,150	69.0	22.8
	SGA	23,681	65.9	4.8	26,400	60.4	11.5
	Advertising	6,669	18.6	1.0	7,340	16.8	10.1
	Operating Income	864	2.4	-	3,750	8.6	333.7
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)	2,800	40.3	(10.5)
	SGA	2,979	42.3	(23.1)	3,190	45.9	7.1
	Advertising	465	6.6	(16.7)	620	8.9	33.3
	Operating Income	149	2.1	-	(390)	(5.6)	-
Eliminations or Corporate		(1,717)			(1,760)		
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	87,050	71.4	12.4
	SGA	68,983	63.3	5.2	74,850	61.4	8.5
	Advertising	15,164	13.9	2.4	16,100	13.2	6.2
	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	16,100	13.2	6.2
Sales Promotions		12,839	11.8	0.0	14,000	11.5	9.0
Transport		4,717	4.3	15.8	5,600	4.6	18.7
Communications		1,779	1.6	(12.6)	1,930	1.6	8.4
Fees/Outsourcing		11,816	10.8	11.6	13,400	11.0	13.4
Salaries		14,959	13.7	12.3	15,990	13.1	6.9
Depreciations		1,843	1.7	(19.3)	1,850	1.5	0.3
Others		5,861	5.4	4.5	5,980	4.9	2.0
Total		68,983	63.3	5.2	74,850	61.4	8.5

◆ Capital Investment and Depreciation (Full Year)

(Millions of yen)

	FY2018	FY2019 (Projection)
Capital Investment	2,476	4,680
Depreciation *	2,826	3,030

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

◆Number of Shops by Region

As of 31 December, 2018

	Hokkaido	Tohoku	Kanto (except Tokyo)	TOKYO	Tokai, Hokuriku & Shinetsu	Kinki	Chugoku, Shikoku	Kyusyu, Okinawa	Total
FANCL beauty&health	1	-	1	4	-	2	-	1	9
(NEW) Fancl Shop	2	2	10	11	9	8	3	2	47
FANCL Hybrid Shop	4	7	37	22	13	29	11	15	138
FANCL Beauty Shop(Ginza Square 3F)	-	-	-	1	-	-	-	-	1
FANCL Health House(Ginza Square 6F)	-	-	-	1	-	-	-	-	1
Fancl Shop	-	-	1	-	-	-	-	-	1
Fancl House	-	-	-	-	-	-	1	-	1
Fancl Ginza Square	-	-	-	1	-	-	-	-	1
Others	-	-	2	1	-	-	-	-	3
Total	7	9	51	41	22	39	15	18	202
ATTENIR Shop	1	-	4	4	1	5	1	1	17

◆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 December 31, 2018	As of March 31, 2019 (Projection)
FANCL beauty&health	-	-	-	2	3	9	12
(NEW) Fancl Shop	-	-	-	-	14	47	59
FANCL Hybrid Shop	1	21	77	168	162	138	125
FANCL Beauty Shop	2	4	1	1	1	1	1
FANCL Health House	2	3	3	3	1	1	1
Fancl Shop	83	77	52	10	6	1	1
Fancl House	56	42	31	9	4	1	1
Fancl House J	19	15	10	6	2	-	-
Fancl Ginza Square	1	1	1	1	1	1	1
Others	3	1	1	1	3	3	3
Total	167	164	176	201	197	202	204
ATTENIR Shop	16	15	16	16	16	17	17