

July 30, 2019

FANCL Corporation
TSE 1st Section: 4921

FANCL

Consolidated Financial Statements for the First Quarter of the Fiscal Year Ending March 31, 2020 (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 Jun/18			Three Months ended Jun/19		
		amount	% of total	% change	amount	% of total	% change
C o n s u m e	Online and catalogue	6,744	37.4	1.3	7,081	36.3	5.0
	Direct store	7,461	41.3	29.8	8,367	42.8	12.1
	Wholesale	1,975	10.9	36.6	2,409	12.3	21.9
	Overseas	1,872	10.4	(2.8)	1,670	8.6	(10.8)
	Sub total	18,054	58.6	14.4	19,528	60.0	8.2
S u p p l e	Online and catalogue	3,506	31.8	7.3	3,785	33.3	7.9
	Direct store	3,862	35.0	71.7	3,433	30.2	(11.1)
	Wholesale	3,151	28.6	28.9	3,544	31.2	12.5
	Overseas	501	4.6	15.3	601	5.3	19.9
	Sub total	11,022	35.8	31.2	11,365	34.9	3.1
O t h e r s	Online and catalogue	1,214	70.5	(1.7)	1,201	72.8	(1.1)
	Direct store	141	8.2	(4.3)	113	6.9	(19.2)
	Wholesale	362	21.0	11.5	333	20.2	(7.9)
	Overseas	4	0.3	(4.3)	1	0.1	(68.9)
	Sub total	1,722	5.6	0.6	1,650	5.1	(4.2)
T o t a l	Online and catalogue	11,466	37.3	2.7	12,068	37.1	5.3
	Direct store	11,464	37.2	40.8	11,914	36.6	3.9
	Wholesale	5,489	17.8	30.2	6,287	19.3	14.5
	Overseas	2,379	7.7	0.5	2,273	7.0	(4.4)
	Sub total	30,799	100.0	19.0	32,544	100.0	5.7

		Three Months ended Jun/18			Three Months ended Jun/19		
		amount	% of total	% change	amount	% of total	% change
R i c e	Online and catalogue	249	48.1	(19.5)	220	46.0	(11.7)
	Direct store	23	4.4	(0.1)	20	4.3	(11.2)
	Wholesale	246	47.4	(3.5)	237	49.6	(3.5)
	Overseas	0	0.1	(67.5)	0	0.1	(33.4)
	Sub total	520	1.7	(12.0)	479	1.5	(7.8)
K a l e	Online and catalogue	409	64.4	(6.2)	395	68.0	(3.4)
	Direct store	110	17.3	0.3	89	15.3	(19.0)
	Wholesale	114	18.0	37.0	95	16.5	(16.4)
	Overseas	2	0.3	(33.6)	1	0.2	(49.2)
	Sub total	636	2.1	0.5	581	1.8	(8.6)

◆ Sales by Segment (Six Months)

(Millions of yen,%)

		Six Months ended Sept/18			Six Months ended Sept/19 (Projection)		
		amount	% of total	% change	amount	% of total	% change
C o n s u m e	Online and catalogue	13,100	37.4	1.2	14,550	37.1	11.1
	Direct store	14,210	40.6	24.3	16,650	42.5	17.2
	Wholesale	3,793	10.9	18.6	4,400	11.2	16.0
	Overseas	3,897	11.1	1.5	3,600	9.2	(7.6)
	Sub total	35,001	58.1	11.4	39,200	60.1	12.0
S u p p l y	Online and catalogue	6,938	31.6	7.2	7,540	32.9	8.7
	Direct store	7,523	34.2	57.8	6,760	29.5	(10.1)
	Wholesale	6,329	28.8	28.9	7,150	31.2	13.0
	Overseas	1,186	5.4	32.6	1,450	6.4	22.2
	Sub total	21,977	36.4	28.9	22,900	35.1	4.2
O t h e r s	Online and catalogue	2,307	69.7	(5.1)	2,200	71.0	(4.7)
	Direct store	277	8.4	(7.3)	230	7.4	(17.1)
	Wholesale	716	21.7	11.4	660	21.3	(7.9)
	Overseas	6	0.2	(19.9)	10	0.3	54.7
	Sub total	3,308	5.5	(2.2)	3,100	4.8	(6.3)
T o t a l	Online and catalogue	22,346	37.1	2.2	24,290	37.2	8.7
	Direct store	22,011	36.5	33.4	23,640	36.3	7.4
	Wholesale	10,839	18.0	23.9	12,210	18.7	12.6
	Overseas	5,090	8.4	7.3	5,060	7.8	(0.6)
	Sub total	60,288	100.0	16.3	65,200	100.0	8.1

		Six Months ended Sept/18			Six Months ended Sept/19 (Projection)		
		amount	% of total	% change	amount	% of total	% change
R i c e	Online and catalogue	468	47.1	(19.7)	410	45.1	(12.5)
	Direct store	44	4.4	(3.8)	35	3.8	(20.7)
	Wholesale	481	48.4	(1.7)	460	50.6	(4.4)
	Overseas	1	0.1	(50.3)	5	0.5	343.2
	Sub total	994	1.7	(11.2)	910	1.4	(8.5)
K a l e	Online and catalogue	815	64.2	(7.6)	800	67.2	(1.9)
	Direct store	219	17.2	(4.9)	185	15.6	(15.6)
	Wholesale	230	18.2	38.8	200	16.8	(13.2)
	Overseas	5	0.4	(7.9)	5	0.4	(6.3)
	Sub total	1,270	2.1	(1.1)	1,190	1.8	(6.4)

◆ Sales by Segment (Full Year)

(Millions of yen,%)

		FY Mar/2019			FY Mar/2020 (Projection)		
		amount	% of total	% change	amount	% of total	% change
C o n s u m e	Online and catalogue	27,183	38.0	(0.8)	28,850	36.8	6.1
	Direct store	29,000	40.5	21.7	32,250	41.1	11.2
	Wholesale	7,536	10.5	13.5	8,750	11.1	16.1
	Overseas	7,878	11.0	(3.7)	8,600	11.0	9.2
	Sub total	71,599	58.4	8.4	78,450	59.9	9.6
S u p p l e	Online and catalogue	14,641	33.3	7.5	15,390	33.4	5.1
	Direct store	14,042	32.0	35.5	13,800	29.9	(1.7)
	Wholesale	12,728	29.0	28.2	13,860	30.0	8.9
	Overseas	2,506	5.7	24.2	3,100	6.7	23.7
	Sub total	43,919	35.9	22.2	46,150	35.2	5.1
O t h e r s	Online and catalogue	4,980	71.4	(3.8)	4,660	72.8	(6.4)
	Direct store	562	8.1	(4.9)	450	7.0	(20.0)
	Wholesale	1,411	20.2	12.9	1,270	19.9	(10.0)
	Overseas	22	0.3	9.0	20	0.3	(12.8)
	Sub total	6,977	5.7	(0.9)	6,400	4.9	(8.3)
T o t a l	Online and catalogue	46,806	38.2	1.3	48,900	37.3	4.5
	Direct store	43,605	35.6	25.4	46,500	35.5	6.6
	Wholesale	21,676	17.7	21.7	23,880	18.2	10.2
	Overseas	10,408	8.5	1.8	11,720	9.0	12.6
	Sub total	122,496	100.0	12.4	131,000	100.0	6.9

		FY Mar/2019			FY Mar/2020 (Projection)		
		amount	% of total	% change	amount	% of total	% change
R i c e	Online and catalogue	998	49.0	(17.5)	910	49.2	(8.8)
	Direct store	91	4.5	(1.0)	55	3.0	(39.8)
	Wholesale	945	46.4	0.3	875	47.3	(7.5)
	Overseas	2	0.1	(46.4)	10	0.5	330.1
	Sub total	2,037	1.7	(9.4)	1,850	1.4	(9.2)
K a l e	Online and catalogue	1,694	64.6	(7.1)	1,660	67.8	(2.0)
	Direct store	449	17.1	(2.7)	385	15.7	(14.3)
	Wholesale	462	17.7	46.4	395	16.1	(14.6)
	Overseas	16	0.6	20.0	10	0.4	(40.3)
	Sub total	2,622	2.1	0.3	2,450	1.9	(6.6)

◆Segment Information (Three Months)

(Millions of yen,%)

		Three Months ended Jun/18			Three Months ended Jun/19		
		amount	% of total	% change	amount	% of total	% change
C o n s u m e	Sales	18,054	58.6	14.4	19,528	60.0	8.2
	Gross Profit	13,766	76.3	17.1	14,869	76.1	8.0
	SGA	10,226	56.6	3.1	11,079	56.7	8.3
	Advertising	1,950	10.8	(5.8)	1,880	9.6	(3.6)
	Operating Income	3,540	19.6	92.8	3,790	19.4	7.1
S u p p l e	Sales	11,022	35.8	31.2	11,365	34.9	3.1
	Gross Profit	7,604	69.0	32.6	7,835	68.9	3.0
	SGA	6,161	55.9	2.8	6,894	60.7	11.9
	Advertising	1,538	14.0	(10.7)	1,924	16.9	25.1
	Operating Income	1,443	13.1	-	940	8.3	(34.8)
O t h e r s	Sales	1,722	5.6	0.6	1,650	5.1	(4.2)
	Gross Profit	622	36.1	(22.2)	730	44.2	17.3
	SGA	684	39.7	(9.9)	661	40.1	(3.3)
	Advertising	85	5.0	(39.9)	100	6.1	17.1
	Operating Income	(61)	(3.6)	-	68	4.1	-
Eliminations or Corporate		(434)			(422)		
T o t a l	Sales	30,799	100.0	19.0	32,544	100.0	5.7
	Gross Profit	21,993	71.4	20.3	23,435	72.0	6.6
	SGA	17,506	56.8	2.5	19,058	58.6	8.9
	Advertising	3,575	11.6	(9.1)	3,905	12.0	9.2
	Operating Income	4,487	14.6	269.2	4,377	13.5	(2.5)

◆General and Administrative Expenses (Three Months)

(Millions of yen,%)

	Three Months ended Jun/18			Three Months ended Jun/19		
	amount	% of total	% change	amount	% of total	% change
Advertising	3,575	11.6	(9.1)	3,905	12.0	9.2
Sales Promotions	2,961	9.6	(9.5)	3,340	10.3	12.8
Transport	1,316	4.3	25.8	1,386	4.3	5.4
Communications	429	1.4	(2.3)	437	1.3	2.0
Fees/outsourcing	3,393	11.0	19.5	3,708	11.4	9.3
Salaries	3,840	12.5	9.9	3,969	12.2	3.3
Depreciations	423	1.4	(10.1)	474	1.5	12.0
Others	1,566	5.1	(0.4)	1,835	5.6	17.2
Total	17,506	56.8	2.5	19,058	58.6	8.9

◆ **Segment Information (Six Months)**

(Millions of yen,%)

		Six Months ended Sept/18			Six Months ended Sept/19 (Projection)		
		amount	% of total	% change	amount	% of total	% change
C o n s u m e	Sales	35,001	58.1	11.4	39,200	60.1	12.0
	Gross Profit	26,739	76.4	13.1	30,000	76.5	12.2
	SGA	20,810	59.5	7.8	23,100	58.9	11.0
	Advertising	4,086	11.7	2.9	4,500	11.5	10.1
	Operating Income	5,929	16.9	36.6	6,900	17.6	16.4
S u p p l e	Sales	21,977	36.4	28.9	22,900	35.1	4.2
	Gross Profit	15,132	68.9	30.1	15,730	68.7	3.9
	SGA	12,907	58.7	12.9	14,130	61.7	9.5
	Advertising	3,600	16.4	12.0	4,150	18.1	15.3
	Operating Income	2,224	10.1	998.9	1,600	7.0	(28.1)
O t h e r s	Sales	3,308	5.5	(2.2)	3,100	4.8	(6.3)
	Gross Profit	1,251	37.8	(18.8)	1,380	44.5	10.2
	SGA	1,417	42.9	(4.5)	1,430	46.1	0.9
	Advertising	220	6.7	(19.1)	280	9.0	26.9
	Operating Income	(166)	(5.0)	-	(50)	(1.6)	-
Eliminations or Corporate		(905)			(1,000)		
T o t a l	Sales	60,288	100.0	16.3	65,200	100.0	8.1
	Gross Profit	43,124	71.5	17.1	47,110	72.3	9.2
	SGA	36,041	59.8	8.9	39,660	60.8	10.0
	Advertising	7,908	13.1	6.0	8,930	13.7	12.9
	Operating Income	7,082	11.7	89.6	7,450	11.4	5.2

◆ **General and Administrative Expenses (Six Months)**

(Millions of yen,%)

	Six Months ended Sept/18			Six Months ended Sept/19 (Projection)		
	amount	% of total	% change	amount	% of total	% change
Advertising	7,908	13.1	6.0	8,930	13.7	12.9
Sales Promotions	6,141	10.2	0.6	7,230	11.1	17.7
Transport	2,603	4.3	24.2	2,800	4.3	7.5
Communications	902	1.5	1.8	1,000	1.5	10.8
Fees/Outsourcing	6,773	11.2	20.8	7,100	10.9	4.8
Salaries	7,827	13.0	8.3	8,150	12.5	4.1
Depreciations	890	1.5	(3.6)	960	1.5	7.8
Others	2,993	5.0	7.3	3,490	5.4	16.6
Total	36,041	59.8	8.9	39,660	60.8	10.0

◆ Segment Information (Full Year)

(Millions of yen,%)

		FY Mar/2019			FY Mar/2020 (Projection)		
		amount	% of total	% change	amount	% of total	% change
C o s m e	Sales	71,599	58.4	8.4	78,450	59.9	9.6
	Gross Profit	54,465	76.1	9.5	59,690	76.1	9.6
	SGA	43,363	60.6	6.8	47,090	60.0	8.6
	Advertising	8,229	11.5	2.5	9,250	11.8	12.4
	Operating Income	11,101	15.5	21.3	12,600	16.1	13.5
S u p p l e	Sales	43,919	35.9	22.2	46,150	35.2	5.1
	Gross Profit	30,141	68.6	22.8	31,590	68.5	4.8
	SGA	26,621	60.6	12.4	27,390	59.3	2.9
	Advertising	7,180	16.3	7.7	7,150	15.5	(0.4)
	Operating Income	3,519	8.0	307.0	4,200	9.1	19.3
O t h e r s	Sales	6,977	5.7	(0.9)	6,400	4.9	(8.3)
	Gross Profit	2,772	39.7	(11.4)	2,830	44.2	2.1
	SGA	3,071	44.0	3.1	2,820	44.1	(8.2)
	Advertising	510	7.3	9.7	530	8.3	3.9
	Operating Income	(299)	(4.3)	-	10	0.2	-
Eliminations or Corporate		(1,934)			(1,810)		
T o t a l	Sales	122,496	100.0	12.4	131,000	100.0	6.9
	Gross Profit	87,378	71.3	12.8	94,110	71.8	7.7
	SGA	74,990	61.2	8.7	79,110	60.4	5.5
	Advertising	15,919	13.0	5.0	16,930	12.9	6.3
	Operating Income	12,387	10.1	46.6	15,000	11.5	21.1

◆ General and Administrative Expenses (Full Year)

(Millions of yen,%)

	FY Mar/2019			FY Mar/2020 (Projection)		
	amount	% of total	% change	amount	% of total	% change
Advertising	15,919	13.0	5.0	16,930	12.9	6.3
Sales Promotions	13,430	11.0	4.6	14,940	11.4	11.2
Transport	5,306	4.3	12.5	5,750	4.4	8.4
Communications	1,921	1.6	7.9	2,020	1.5	5.1
Fees/Outsourcing	13,733	11.2	16.2	14,100	10.8	2.7
Salaries	16,226	13.2	8.5	16,720	12.8	3.0
Depreciations	1,866	1.5	1.2	2,000	1.5	7.2
Others	6,586	5.4	12.4	6,650	5.1	1.0
Total	74,990	61.2	8.7	79,110	60.4	5.5

◆ Capital Investment and Depreciation

(Millions of yen)

	FY Mar/2019	FY Mar/2020 (Projection)
Capital Investment	3,683	7,940
Depreciation*	3,057	3,190

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

◆Number of Shops by Region

As of 30 June, 2019

	Hokkaido	Tohoku	Kanto (except Tokyo)	TOKYO	Shinetsu Tokai, Hokuriku & Shinetsu	Kinki	Chugoku, Shikoku	Kyushu, Okinawa	Total
(NEW) Fancl Shop	4	4	12	15	12	12	3	5	67
FANCL beauty&health	1	-	2	3	-	6	-	1	13
FANCL New me	-	1	-	-	-	-	-	-	1
FANCL Hybrid Shop	2	5	35	19	10	22	11	13	117
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	10	52	41	22	40	15	19	206
ATTENIR Shop	1	-	4	5	1	6	1	2	20

◆Number of Shops

	As of March 31, 2015	As of March 31, 2016	As of March 31, 2017	As of March 31, 2018	As of March 31, 2019	As of June 30, 2019	As of March 31, 2020 (Projection)
(NEW) Fancl Shop	-	-	-	14	59	67	108
FANCL beauty&health	-	-	2	3	12	13	17
FANCL New me	-	-	-	-	-	1	4
FANCL Spot	-	-	-	-	-	-	1
FANCL Hybrid Shop	21	77	168	162	125	117	77
FANCL Beauty Shop	4	1	1	1	1	1	1
FANCL Health House	3	3	3	1	1	1	1
Fancl Shop	77	52	10	6	1	1	-
Fancl House	42	31	9	4	1	1	-
Fancl House J	15	10	6	2	-	-	-
Fancl Ginza Square	1	1	1	1	1	1	1
Others	1	1	1	3	3	3	2
Total	164	176	201	197	204	206	212
ATTENIR Shop	15	16	16	16	17	20	22