

January 30, 2020

FANCL Corporation
TSE 1st Section: 4921

FANCL

Consolidated Financial Statements for the Third 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.

Contents

Page 1,2,3	◆ Sales by Segment
Page 4,5,6	◆ Segment Information
	◆ General and Administrative Expenses
	◆ Capital Investment and Depreciation
Page 7	◆ Retail Store Data

Investor Relations Group
Tel. +81 45 226-1470
Email: 4921ir@fancl.co.jp

◆Sales by Segment (Three Months)

(Millions of yen,%)

		Three Months ended Dec/18			Three Months ended Dec/19		
		amount	% of total	% change	amount	% of total	% change
C o n s u m e	Online and catalogue	7,748	40.5	(1.6)	7,501	40.1	(3.2)
	Direct Store	7,356	38.5	19.8	6,974	37.2	(5.2)
	Wholesale	2,057	10.8	4.3	2,454	13.1	19.3
	Overseas	1,944	10.2	(1.4)	1,801	9.6	(7.3)
	Sub total	19,107	57.8	6.4	18,732	57.6	(2.0)
S u p p l y	Online and catalogue	4,106	34.6	9.2	4,190	35.3	2.0
	Direct Store	3,373	28.4	22.8	3,251	27.4	(3.6)
	Wholesale	3,658	30.8	30.1	3,552	29.9	(2.9)
	Overseas	738	6.2	47.9	883	7.4	19.6
	Sub total	11,877	36.0	21.0	11,879	36.5	0.0
O t h e r s	Online and catalogue	1,504	73.6	3.6	1,418	74.6	(5.7)
	Direct Store	149	7.3	(4.8)	148	7.8	(0.0)
	Wholesale	385	18.8	13.4	330	17.4	(14.2)
	Overseas	5	0.3	9.5	3	0.2	(42.0)
	Sub total	2,043	6.2	4.6	1,901	5.9	(7.0)
T o t a l	Online and catalogue	13,359	40.5	2.1	13,110	40.3	(1.9)
	Direct Store	10,879	32.9	20.3	10,375	31.9	(4.6)
	Wholesale	6,100	18.5	19.1	6,337	19.5	3.9
	Overseas	2,688	8.1	8.6	2,688	8.3	(0.0)
	Sub total	33,028	100.0	11.1	32,512	100.0	(1.6)

		Three Months ended Dec/18			Three Months ended Dec/19		
		amount	% of total	% change	amount	% of total	% change
R i c e	Online and catalogue	297	52.3	(9.0)	285	51.3	(3.9)
	Direct store	23	4.2	(0.3)	23	4.1	(2.4)
	Wholesale	246	43.4	(2.6)	248	44.5	0.6
	Overseas	0	0.1	(58.0)	0	0.1	(18.8)
	Sub total	568	1.7	(6.1)	557	1.7	(1.9)
K a l e	Online and catalogue	462	63.6	(6.9)	453	69.7	(2.0)
	Direct store	122	16.8	(2.5)	112	17.3	(7.6)
	Wholesale	137	18.9	68.4	81	12.5	(40.7)
	Overseas	5	0.7	35.7	2	0.5	(44.8)
	Sub total	727	2.2	2.8	650	2.0	(10.5)

◆Sales by Segment (Nine Months)

(Millions of yen,%)

		Nine Months ended Dec/18			Nine Months ended Dec/19		
		amount	% of total	% change	amount	% of total	% change
C o n s u m e	Online and catalogue	20,849	38.5	0.1	22,366	38.1	7.3
	Direct store	21,567	39.9	22.7	23,553	40.2	9.2
	Wholesale	5,850	10.8	13.2	7,366	12.6	25.9
	Overseas	5,841	10.8	0.5	5,349	9.1	(8.4)
	Sub total	54,108	58.0	9.6	58,635	59.4	8.4
S u p p l e	Online and catalogue	11,044	32.6	7.9	11,946	34.3	8.2
	Direct store	10,897	32.2	45.0	10,192	29.3	(6.5)
	Wholesale	9,988	29.5	29.3	10,575	30.3	5.9
	Overseas	1,925	5.7	38.1	2,125	6.1	10.4
	Sub total	33,855	36.3	26.0	34,841	35.3	2.9
O t h e r s	Online and catalogue	3,811	71.2	(1.9)	3,858	73.7	1.2
	Direct store	426	8.0	(6.5)	393	7.5	(7.8)
	Wholesale	1,101	20.6	12.1	981	18.7	(11.0)
	Overseas	12	0.2	(8.4)	6	0.1	(43.7)
	Sub total	5,352	5.7	0.3	5,239	5.3	(2.1)
T o t a l	Online and catalogue	35,706	38.3	2.2	38,170	38.6	6.9
	Direct store	32,891	35.2	28.7	34,139	34.6	3.8
	Wholesale	16,940	18.2	22.1	18,923	19.2	11.7
	Overseas	7,779	8.3	7.8	7,482	7.6	(3.8)
	Sub total	93,316	100.0	14.4	98,716	100.0	5.8

		Nine Months ended Dec/18			Nine Months ended Dec/19		
		amount	% of total	% change	amount	% of total	% change
R i c e	Online and catalogue	766	49.0	(15.9)	757	49.5	(1.2)
	Direct store	67	4.3	(2.6)	68	4.4	0.2
	Wholesale	727	46.6	(2.0)	703	46.0	(3.4)
	Overseas	1	0.1	(53.3)	1	0.1	(34.2)
	Sub total	1,563	1.7	(9.4)	1,529	1.5	(2.2)
K a l e	Online and catalogue	1,278	64.0	(7.4)	1,259	68.4	(1.5)
	Direct store	341	17.1	(4.1)	300	16.3	(11.8)
	Wholesale	368	18.4	48.6	275	15.0	(25.3)
	Overseas	10	0.5	9.1	5	0.3	(45.3)
	Sub total	1,998	2.1	0.3	1,840	1.9	(7.9)

◆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)	29,300	37.3	7.8
	Direct store	29,000	40.5	21.7	31,750	40.5	9.5
	Wholesale	7,536	10.5	13.5	9,500	12.1	26.0
	Overseas	7,878	11.0	(3.7)	7,900	10.1	0.3
	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	15,730	34.3	7.4
	Direct store	14,042	32.0	35.5	13,600	29.7	(3.2)
	Wholesale	12,728	29.0	28.2	13,870	30.2	9.0
	Overseas	2,506	5.7	24.2	2,650	5.8	5.7
	Sub total	43,919	35.9	22.2	45,850	35.0	4.4
O t h e r s	Online and catalogue	4,980	71.4	(3.8)	4,900	73.1	(1.6)
	Direct store	562	8.1	(4.9)	510	7.6	(9.3)
	Wholesale	1,411	20.2	12.9	1,270	19.0	(10.0)
	Overseas	22	0.3	9.0	20	0.3	(12.8)
	Sub total	6,977	5.7	(0.9)	6,700	5.1	(4.0)
T o t a l	Online and catalogue	46,806	38.2	1.3	49,930	38.1	6.7
	Direct store	43,605	35.6	25.4	45,860	35.0	5.2
	Wholesale	21,676	17.7	21.7	24,640	18.8	13.7
	Overseas	10,408	8.5	1.8	10,570	8.1	1.6
	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)	950	48.7	(4.8)
	Direct store	91	4.5	(1.0)	90	4.6	(1.5)
	Wholesale	945	46.4	0.3	900	46.2	(4.8)
	Overseas	2	0.1	(46.4)	10	0.5	330.1
	Sub total	2,037	1.7	(9.4)	1,950	1.5	(4.3)
K a l e	Online and catalogue	1,694	64.6	(7.1)	1,620	67.5	(4.4)
	Direct store	449	17.1	(2.7)	400	16.7	(11.0)
	Wholesale	462	17.7	46.4	370	15.4	(20.0)
	Overseas	16	0.6	20.0	10	0.4	(40.3)
	Sub total	2,622	2.1	0.3	2,400	1.8	(8.5)

◆Segment Information(Three Months)

(Millions of yen,%)

		Three Months ended Dec/18			Three Months ended Dec/19		
		amount	% of total	% change	amount	% of total	% change
C o s m e	Sales	19,107	57.8	6.4	18,732	57.6	(2.0)
	Gross Profit	14,420	75.5	6.1	13,858	74.0	(3.9)
	SGA	11,460	60.0	9.3	11,384	60.8	(0.7)
	Advertising	2,413	12.6	5.8	2,095	11.2	(13.2)
	Operating Income	2,960	15.5	(4.8)	2,474	13.2	(16.4)
S u p p l e	Sales	11,877	36.0	21.0	11,879	36.5	0.0
	Gross Profit	8,120	68.4	19.9	8,130	68.4	0.1
	SGA	6,873	57.9	11.0	6,430	54.1	(6.5)
	Advertising	1,936	16.3	12.1	1,441	12.1	(25.5)
	Operating Income	1,247	10.5	115.0	1,700	14.3	36.3
O t h e r s	Sales	2,043	6.2	4.6	1,901	5.9	(7.0)
	Gross Profit	827	40.5	(3.0)	866	45.6	4.8
	SGA	835	40.9	13.7	910	47.9	9.0
	Advertising	111	5.5	24.2	233	12.3	108.5
	Operating Income	(8)	(0.4)	-	(43)	(2.3)	-
Eliminations or Corporate		(617)			(554)		
T o t a l	Sales	33,028	100.0	11.1	32,512	100.0	(1.6)
	Gross Profit	23,368	70.8	10.1	22,855	70.3	(2.2)
	SGA	19,786	59.9	10.4	19,279	59.3	(2.6)
	Advertising	4,461	13.5	8.8	3,770	11.6	(15.5)
	Operating Income	3,581	10.8	8.6	3,576	11.0	(0.2)

◆General and Administrative Expenses(Three Months)

(Millions of yen,%)

	Three Months ended Dec/18			Three Months ended Dec/19		
	amount	% of total	% change	amount	% of total	% change
Advertising	4,461	13.5	8.8	3,770	11.6	(15.5)
Sales Promotions	3,650	11.1	8.3	3,759	11.6	3.0
Transport	1,507	4.6	18.2	1,399	4.3	(7.2)
Communications	511	1.5	15.8	503	1.5	(1.6)
Fees/Outsourcing	3,485	10.6	10.2	3,502	10.8	0.5
Salaries	4,193	12.7	10.8	4,224	13.0	0.7
Depreciations	466	1.4	2.6	530	1.6	13.7
Others	1,510	4.6	13.3	1,589	4.9	5.2
Total	19,786	59.9	10.4	19,279	59.3	(2.6)

◆Segment Information(Nine Months)

(Millions of yen,%)

		Nine Months ended Dec/18			Nine Months ended Dec/19		
		amount	% of total	% change	amount	% of total	% change
C o s m e	Sales	54,108	58.0	9.6	58,635	59.4	8.4
	Gross Profit	41,160	76.1	10.5	44,254	75.5	7.5
	SGA	32,271	59.6	8.3	34,249	58.4	6.1
	Advertising	6,500	12.0	4.0	6,417	10.9	(1.3)
	Operating Income	8,889	16.4	19.3	10,005	17.1	12.6
S u p p l e	Sales	33,855	36.3	26.0	34,841	35.3	2.9
	Gross Profit	23,253	68.7	26.3	24,015	68.9	3.3
	SGA	19,781	58.4	12.2	20,132	57.8	1.8
	Advertising	5,537	16.4	12.0	5,294	15.2	(4.4)
	Operating Income	3,471	10.3	343.7	3,883	11.1	11.8
O t h e r s	Sales	5,352	5.7	0.3	5,239	5.3	(2.1)
	Gross Profit	2,078	38.8	(13.2)	2,355	45.0	13.3
	SGA	2,253	42.1	1.6	2,272	43.4	0.8
	Advertising	332	6.2	(8.3)	453	8.7	36.3
	Operating Income	(174)	(3.3)	-	83	1.6	-
Eliminations or Corporate		(1,522)			(1,498)		
T o t a l	Sales	93,316	100.0	14.4	98,716	100.0	5.8
	Gross Profit	66,493	71.3	14.5	70,625	71.5	6.2
	SGA	55,828	59.8	9.4	58,152	58.9	4.2
	Advertising	12,369	13.3	7.0	12,165	12.3	(1.7)
	Operating Income	10,664	11.4	51.6	12,472	12.6	17.0

◆General and Administrative Expenses(Nine Months)

(Millions of yen,%)

	Nine Months ended Dec/18			Nine Months ended Dec/19		
	amount	% of total	% change	amount	% of total	% change
Advertising	12,369	13.3	7.0	12,165	12.3	(1.7)
Sales Promotions	9,792	10.5	3.3	10,754	10.9	9.8
Transport	4,110	4.4	21.9	4,131	4.2	0.5
Communications	1,414	1.5	6.4	1,436	1.5	1.6
Fees/Outsourcing	10,258	11.0	17.0	10,787	10.9	5.2
Salaries	12,021	12.9	9.2	12,354	12.5	2.8
Depreciations	1,357	1.5	(1.5)	1,508	1.5	11.2
Others	4,504	4.8	9.2	5,013	5.1	11.3
Total	55,828	59.8	9.4	58,152	58.9	4.2

◆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 t s	Sales	71,599	58.4	8.4	78,450	59.9	9.6
	Gross Profit	54,465	76.1	9.5	59,150	75.4	8.6
	SGA	43,363	60.6	6.8	46,550	59.3	7.3
	Advertising	8,229	11.5	2.5	8,500	10.8	3.3
	Operating Income	11,101	15.5	21.3	12,600	16.1	13.5
S u p p l y	Sales	43,919	35.9	22.2	45,850	35.0	4.4
	Gross Profit	30,141	68.6	22.8	31,510	68.7	4.5
	SGA	26,621	60.6	12.4	27,310	59.6	2.6
	Advertising	7,180	16.3	7.7	6,900	15.0	(3.9)
	Operating Income	3,519	8.0	307.0	4,200	9.2	19.3
O t h e r s	Sales	6,977	5.7	(0.9)	6,700	5.1	(4.0)
	Gross Profit	2,772	39.7	(11.4)	3,030	45.2	9.3
	SGA	3,071	44.0	3.1	2,970	44.3	(3.3)
	Advertising	510	7.3	9.7	580	8.7	13.7
	Operating Income	(299)	(4.3)	-	(60)	0.9	-
Eliminations or Corporate		(1,934)			(1,860)		
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	93,690	71.5	7.2
	SGA	74,990	61.2	8.7	78,690	60.1	4.9
	Advertising	15,919	13.0	5.0	15,980	12.2	0.4
	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	15,980	12.2	0.4
Sales Promotions	13,430	11.0	4.6	15,460	11.8	15.1
Transport	5,306	4.3	12.5	5,500	4.2	3.6
Communications	1,921	1.6	7.9	1,940	1.5	1.0
Fees/Outsourcing	13,733	11.2	16.2	14,550	11.1	5.9
Salaries	16,226	13.2	8.5	16,600	12.7	2.3
Depreciations	1,866	1.5	1.2	2,100	1.6	12.5
Others	6,586	5.4	12.4	6,560	5.0	(0.4)
Total	74,990	61.2	8.7	78,690	60.1	4.9

◆Capital Investment and Depreciation (Full Year)

(Millions of yen)

	FY Mar/2019	FY Mar/2020 (Projection)
Capital Investment	3,683	11,350
Depreciation *	3,057	3,350

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

◆Number of Shops by Region

As of 31 December, 2019

	Hokkaido	Tohoku	Kanto (except Tokyo)	TOKYO	Tokai, Hokuriku & Shinetsu	Kinki	Chugoku, Shikoku	Kyushu, Okinawa	Total
Fancl Shop	4	5	21	20	14	19	5	8	96
FANCL beauty&health	1	-	3	4	-	6	-	1	15
FANCL New me	-	1	-	-	-	1	1	1	4
FANCL Spot	-	-	1	-	-	-	-	-	1
FANCL Hybrid Shop	2	4	27	16	8	15	11	11	94
FANCL Beauty Shop(Ginza Square 3F)	-	-	-	1	-	-	-	-	1
FANCL Health House(Ginza Square 6F)	-	-	-	1	-	-	-	-	1
Fancl Ginza Square	-	-	-	1	-	-	-	-	1
Others	-	-	1	1	-	-	-	-	2
Total	7	10	53	44	22	41	17	21	215
ATTENIR Shop	1	1	3	6	2	6	1	2	22

◆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 December 31, 2019	As of March 31, 2020 (Projection)
Fancl Shop	-	-	-	14	59	96	107
FANCL beauty&health	-	-	2	3	12	15	16
FANCL New me	-	-	-	-	-	4	6
FANCL Spot	-	-	-	-	-	1	1
FANCL Beauty Salon	-	-	-	-	-	-	1
FANCL Hybrid Shop	21	77	168	162	125	94	76
FANCL Beauty Shop	4	1	1	1	1	1	1
FANCL Health House	3	3	3	1	1	1	1
(Old) Fancl Shop	77	52	10	6	1	-	-
Fancl House	42	31	9	4	1	-	-
Fancl House J	15	10	6	2	-	-	-
Fancl Ginza Square	1	1	1	1	1	1	1
Others	1	1	1	3	3	2	2
Total	164	176	201	197	204	215	212
ATTENIR Shop	15	16	16	16	17	22	24