

FANCL Corporation
TSE 1st Section: 4921

FANCL

Consolidated Financial Statements for the Interim Period of the Fiscal Year Ending March 31, 2021 (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 Sept/19 | | | Six Months ended Sept/20 | | |
|---------------------------------|----------------------|--------------------------|------------|----------|--------------------------|------------|----------|
| | | amount | % of total | % change | amount | % of total | % change |
| C o n s u m e | Online and catalogue | 14,864 | 37.3 | 13.5 | 15,842 | 52.2 | 6.6 |
| | Direct store | 16,578 | 41.5 | 16.7 | 7,438 | 24.5 | (55.1) |
| | Wholesale | 4,911 | 12.3 | 29.5 | 3,659 | 12.1 | (25.5) |
| | Overseas | 3,547 | 8.9 | (9.0) | 3,408 | 11.2 | (3.9) |
| | Sub total | 39,903 | 60.3 | 14.0 | 30,349 | 55.9 | (23.9) |
| S u p p l e | Online and catalogue | 7,756 | 33.8 | 11.8 | 8,655 | 44.4 | 11.6 |
| | Direct store | 6,941 | 30.2 | (7.7) | 3,589 | 18.4 | (48.3) |
| | Wholesale | 7,022 | 30.6 | 10.9 | 5,746 | 29.5 | (18.2) |
| | Overseas | 1,241 | 5.4 | 4.7 | 1,494 | 7.7 | 20.4 |
| | Sub total | 22,962 | 34.7 | 4.5 | 19,485 | 35.9 | (15.1) |
| O t h e r s | Online and catalogue | 2,439 | 73.1 | 5.7 | 3,553 | 80.2 | 45.7 |
| | Direct store | 244 | 7.3 | (12.0) | 228 | 5.2 | (6.4) |
| | Wholesale | 650 | 19.5 | (9.2) | 634 | 14.3 | (2.4) |
| | Overseas | 3 | 0.1 | (45.1) | 13 | 0.3 | 268.1 |
| | Sub total | 3,337 | 5.0 | 0.9 | 4,429 | 8.2 | 32.7 |
| T o t a l | Online and catalogue | 25,060 | 37.9 | 12.1 | 28,051 | 51.7 | 11.9 |
| | Direct store | 23,764 | 35.9 | 8.0 | 11,256 | 20.7 | (52.6) |
| | Wholesale | 12,585 | 19.0 | 16.1 | 10,041 | 18.5 | (20.2) |
| | Overseas | 4,793 | 7.2 | (5.8) | 4,916 | 9.1 | 2.6 |
| | Sub total | 66,203 | 100.0 | 9.8 | 54,265 | 100.0 | (18.0) |

| | | Six Months ended Sept/19 | | | Six Months ended Sept/20 | | |
|------------------|----------------------|--------------------------|------------|----------|--------------------------|------------|----------|
| | | amount | % of total | % change | amount | % of total | % change |
| R i c e | Online and catalogue | 471 | 48.5 | 0.6 | 550 | 52.0 | 16.9 |
| | Direct store | 44 | 4.6 | 1.7 | 28 | 2.7 | (36.1) |
| | Wholesale | 454 | 46.8 | (5.5) | 479 | 45.3 | 5.3 |
| | Overseas | 0 | 0.1 | (42.6) | 0 | 0.0 | (44.3) |
| | Sub total | 971 | 1.5 | (2.3) | 1,058 | 2.0 | 9.0 |
| K a l e | Online and catalogue | 805 | 67.7 | (1.3) | 891 | 75.2 | 10.8 |
| | Direct store | 188 | 15.8 | (14.1) | 125 | 10.6 | (33.4) |
| | Wholesale | 193 | 16.3 | (16.0) | 155 | 13.1 | (19.8) |
| | Overseas | 2 | 0.2 | (45.6) | 12 | 1.1 | 337.9 |
| | Sub total | 1,189 | 1.8 | (6.4) | 1,185 | 2.2 | (0.4) |

◆ Sales by Segment (Full Year)

(Millions of yen,%)

| | | FY Mar/2020 | | | FY Mar/2021 (Projection) | | |
|---------------------------------|----------------------|-------------|------------|----------|-----------------------------|------------|----------|
| | | amount | % of total | % change | amount | % of total | % change |
| C o n s u m e | Online and catalogue | 29,081 | 38.3 | 7.0 | 33,380 | 49.2 | 14.8 |
| | Direct store | 29,666 | 39.1 | 2.3 | 18,460 | 27.2 | (37.8) |
| | Wholesale | 9,096 | 12.0 | 20.7 | 8,470 | 12.5 | (6.9) |
| | Overseas | 8,047 | 10.6 | 2.1 | 7,490 | 11.1 | (6.9) |
| | Sub total | 75,891 | 59.8 | 6.0 | 67,800 | 56.5 | (10.7) |
| S u p p l e | Online and catalogue | 15,710 | 35.7 | 7.3 | 18,910 | 43.5 | 20.4 |
| | Direct store | 12,501 | 28.4 | (11.0) | 8,240 | 19.0 | (34.1) |
| | Wholesale | 13,176 | 29.9 | 3.5 | 12,620 | 29.0 | (4.2) |
| | Overseas | 2,617 | 6.0 | 4.4 | 3,680 | 8.5 | 40.6 |
| | Sub total | 44,006 | 34.7 | 0.2 | 43,450 | 36.2 | (1.3) |
| O t h e r s | Online and catalogue | 5,104 | 73.9 | 2.5 | 6,930 | 79.2 | 35.8 |
| | Direct store | 519 | 7.5 | (7.7) | 460 | 5.3 | (11.4) |
| | Wholesale | 1,277 | 18.5 | (9.5) | 1,330 | 15.2 | 4.1 |
| | Overseas | 10 | 0.1 | (52.8) | 30 | 0.3 | 177.0 |
| | Sub total | 6,911 | 5.5 | (0.9) | 8,750 | 7.3 | 26.6 |
| T o t a l | Online and catalogue | 49,896 | 39.3 | 6.6 | 59,220 | 49.4 | 18.7 |
| | Direct store | 42,687 | 33.7 | (2.1) | 27,160 | 22.6 | (36.4) |
| | Wholesale | 23,549 | 18.6 | 8.6 | 22,420 | 18.7 | (4.8) |
| | Overseas | 10,675 | 8.4 | 2.6 | 11,200 | 9.3 | 4.9 |
| | Sub total | 126,810 | 100.0 | 3.5 | 120,000 | 100.0 | (5.4) |

| | | FY Mar/2020 | | | FY Mar/2021 (Projection) | | |
|------------------|----------------------|-------------|------------|----------|-----------------------------|------------|----------|
| | | amount | % of total | % change | amount | % of total | % change |
| R i c e | Online and catalogue | 1,018 | 50.1 | 2.0 | 1,200 | 52.2 | 17.8 |
| | Direct store | 88 | 4.4 | (3.5) | 70 | 3.0 | (20.6) |
| | Wholesale | 923 | 45.4 | (2.4) | 1,020 | 44.4 | 10.5 |
| | Overseas | 2 | 0.1 | 9.0 | 10 | 0.4 | 294.4 |
| | Sub total | 2,031 | 1.6 | (0.3) | 2,300 | 1.9 | 13.2 |
| K a l e | Online and catalogue | 1,663 | 68.7 | (1.8) | 1,800 | 73.5 | 8.2 |
| | Direct store | 398 | 16.5 | (11.4) | 320 | 13.1 | (19.6) |
| | Wholesale | 350 | 14.5 | (24.3) | 310 | 12.6 | (11.5) |
| | Overseas | 8 | 0.3 | (50.5) | 20 | 0.8 | 141.2 |
| | Sub total | 2,420 | 1.9 | (7.7) | 2,450 | 2.0 | 1.2 |

◆ Segment Information (Six Months)

(Millions of yen,%)

| | Six Months ended Sept/19 | | | Six Months ended Sept/20 | | | |
|----------------------------|--------------------------|------------|----------|--------------------------|------------|----------|--------|
| | amount | % of total | % change | amount | % of total | % change | |
| C o m m e | Sales | 39,903 | 60.3 | 14.0 | 30,349 | 55.9 | (23.9) |
| | Gross Profit | 30,396 | 76.2 | 13.7 | 22,335 | 73.6 | (26.5) |
| | SGA | 22,865 | 57.3 | 9.9 | 19,243 | 63.4 | (15.8) |
| | Advertising | 4,322 | 10.8 | 5.8 | 3,331 | 11.0 | (22.9) |
| | Operating Income | 7,531 | 18.9 | 27.0 | 3,091 | 10.2 | (58.9) |
| S u p p l e | Sales | 22,962 | 34.7 | 4.5 | 19,485 | 35.9 | (15.1) |
| | Gross Profit | 15,884 | 69.2 | 5.0 | 13,550 | 69.5 | (14.7) |
| | SGA | 13,701 | 59.7 | 6.2 | 11,140 | 57.2 | (18.7) |
| | Advertising | 3,852 | 16.8 | 7.0 | 2,297 | 11.8 | (40.4) |
| | Operating Income | 2,183 | 9.5 | (1.9) | 2,410 | 12.4 | 10.4 |
| O t h e r s | Sales | 3,337 | 5.0 | 0.9 | 4,429 | 8.2 | 32.7 |
| | Gross Profit | 1,488 | 44.6 | 18.9 | 1,916 | 43.3 | 28.8 |
| | SGA | 1,361 | 40.8 | (4.0) | 1,689 | 38.1 | 24.0 |
| | Advertising | 219 | 6.6 | (0.4) | 271 | 6.1 | 23.6 |
| | Operating Income | 126 | 3.8 | - | 227 | 5.1 | 79.6 |
| Eliminations or Corporate | (944) | | | (851) | | | |
| T o t a l | Sales | 66,203 | 100.0 | 9.8 | 54,265 | 100.0 | (18.0) |
| | Gross Profit | 47,769 | 72.2 | 10.8 | 37,802 | 69.7 | (20.9) |
| | SGA | 38,873 | 58.7 | 7.9 | 32,924 | 60.7 | (15.3) |
| | Advertising | 8,395 | 12.7 | 6.2 | 5,901 | 10.9 | (29.7) |
| | Operating Income | 8,896 | 13.4 | 25.6 | 4,878 | 9.0 | (45.2) |

◆ General and Administrative Expenses (Six Months)

(Millions of yen,%)

| | Six Months ended Sept/19 | | | Six Months ended Sept/20 | | |
|------------------|--------------------------|------------|----------|--------------------------|------------|----------|
| | amount | % of total | % change | amount | % of total | % change |
| Advertising | 8,395 | 12.7 | 6.2 | 5,901 | 10.9 | (29.7) |
| Sales Promotions | 6,995 | 10.6 | 13.9 | 6,975 | 12.9 | (0.3) |
| Transport | 2,732 | 4.1 | 5.0 | 2,915 | 5.4 | 6.7 |
| Communications | 933 | 1.4 | 3.4 | 916 | 1.7 | (1.8) |
| Fees/Outsourcing | 7,285 | 11.0 | 7.6 | 5,239 | 9.7 | (28.1) |
| Salaries | 8,129 | 12.3 | 3.9 | 7,046 | 13.0 | (13.3) |
| Depreciations | 978 | 1.5 | 9.8 | 1,026 | 1.9 | 4.9 |
| Others | 3,423 | 5.2 | 14.4 | 2,903 | 5.4 | (15.2) |
| Total | 38,873 | 58.7 | 7.9 | 32,924 | 60.7 | (15.3) |

◆ Capital Investment and Depreciation (Six Months)

(Millions of yen)

| | Six Months ended Sept/19 | Six Months ended Sept/20 |
|--------------------|--------------------------|--------------------------|
| Capital Investment | 3,706 | 2,870 |
| Depreciation | 1,533 | 1,761 |

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

◆ Segment Information (Full Year)

(Millions of yen,%)

| | | FY Mar/2020 | | | FY Mar/2021 (Projection) | | |
|---------------------------------|------------------|-------------|------------|----------|-----------------------------|------------|----------|
| | | amount | % of total | % change | amount | % of total | % change |
| C o n s u m e | Sales | 75,891 | 59.8 | 6.0 | 67,800 | 56.5 | (10.7) |
| | Gross Profit | 57,085 | 75.2 | 4.8 | 49,800 | 73.5 | (12.8) |
| | SGA | 45,316 | 59.7 | 4.5 | 41,100 | 60.6 | (9.3) |
| | Advertising | 8,224 | 10.8 | (0.1) | 6,450 | 9.5 | (21.6) |
| | Operating Income | 11,768 | 15.5 | 6.0 | 8,700 | 12.8 | (26.1) |
| S u p p l e | Sales | 44,006 | 34.7 | 0.2 | 43,450 | 36.2 | (1.3) |
| | Gross Profit | 30,397 | 69.1 | 0.8 | 30,050 | 69.2 | (1.1) |
| | SGA | 26,301 | 59.8 | (1.2) | 24,450 | 56.3 | (7.0) |
| | Advertising | 6,606 | 15.0 | (8.0) | 5,150 | 11.9 | (22.0) |
| | Operating Income | 4,095 | 9.3 | 16.4 | 5,600 | 12.9 | 36.7 |
| O t h e r s | Sales | 6,911 | 5.5 | (0.9) | 8,750 | 7.3 | 26.6 |
| | Gross Profit | 3,061 | 44.3 | 10.4 | 4,000 | 45.7 | 30.7 |
| | SGA | 2,970 | 43.0 | (3.3) | 3,600 | 41.1 | 21.2 |
| | Advertising | 572 | 8.3 | 12.2 | 610 | 7.0 | 6.6 |
| | Operating Income | 90 | 1.3 | - | 400 | 4.6 | 339.8 |
| Eliminations or Corporate | | (1,829) | | | (1,700) | | |
| T o t a l | Sales | 126,810 | 100.0 | 3.5 | 120,000 | 100.0 | (5.4) |
| | Gross Profit | 90,543 | 71.4 | 3.6 | 83,850 | 69.9 | (7.4) |
| | SGA | 76,417 | 60.3 | 1.9 | 70,850 | 59.0 | (7.3) |
| | Advertising | 15,402 | 12.1 | (3.2) | 12,210 | 10.2 | (20.7) |
| | Operating Income | 14,125 | 11.1 | 14.0 | 13,000 | 10.8 | (8.0) |

◆ General and Administrative Expenses (Full Year)

(Millions of yen,%)

| | FY Mar/2020 | | | FY Mar/2021 (Projection) | | |
|------------------|-------------|------------|----------|-----------------------------|------------|----------|
| | amount | % of total | % change | amount | % of total | % change |
| Advertising | 15,402 | 12.1 | (3.2) | 12,210 | 10.2 | (20.7) |
| Sales Promotions | 14,542 | 11.5 | 8.3 | 15,780 | 13.2 | 8.5 |
| Transport | 5,375 | 4.2 | 1.3 | 6,200 | 5.2 | 15.3 |
| Communications | 1,934 | 1.5 | 0.7 | 1,950 | 1.6 | 0.8 |
| Fees/Outsourcing | 14,018 | 11.1 | 2.1 | 11,400 | 9.5 | (18.7) |
| Salaries | 16,341 | 12.9 | 0.7 | 15,280 | 12.7 | (6.5) |
| Depreciations | 2,062 | 1.6 | 10.5 | 2,150 | 1.8 | 4.2 |
| Others | 6,738 | 5.3 | 2.3 | 5,880 | 4.9 | (12.7) |
| Total | 76,417 | 60.3 | 1.9 | 70,850 | 59.0 | (7.3) |

◆ Capital Investment and Depreciation (Full Year)

(Millions of yen)

| | FY Mar/2020 | FY Mar/2021 (Projection) |
|--------------------|-------------|-----------------------------|
| Capital Investment | 11,233 | 8,610 |
| Depreciation | 3,307 | 3,450 |

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

◆Number of Shops by Region

As of 30 September,2020

| | Hokkaido | Tohoku | Kanto (except Tokyo) | TOKYO | Shinetsu Tokai,Hokuriku& Shinetsu | Kinki | Chugoku,Shikoku | Kyusyu, Okinawa | Total |
|---|----------|-----------|-------------------------|-----------|---|-----------|-----------------|-----------------|------------|
| Fancl Shop | 4 | 5 | 24 | 22 | 18 | 18 | 8 | 10 | 109 |
| FANCL beauty&health | 1 | - | 3 | 5 | 1 | 6 | - | 1 | 17 |
| FANCL New me | - | 2 | 1 | 1 | 1 | 2 | 2 | 1 | 10 |
| FANCL Spot | - | - | 1 | - | 1 | - | - | - | 2 |
| FANCL Beauty Salon | - | - | - | - | - | 1 | - | - | 1 |
| FANCL Hybrid Shop | 1 | 4 | 22 | 12 | 5 | 13 | 6 | 9 | 72 |
| FANCL International Shop (Ginza Square 1F) | - | - | - | 1 | - | - | - | - | 1 |
| FANCL Beauty Shop (Ginza Square 3F,5F) | - | - | - | 1 | - | - | - | - | 1 |
| FANCL Supplement Shop (Ginza Square 4F,6F) | - | - | - | 1 | - | - | - | - | 1 |
| Others | - | - | 1 | 1 | - | - | - | - | 2 |
| Total | 6 | 11 | 52 | 44 | 26 | 40 | 16 | 21 | 216 |
| ATTENIR Shop | 1 | 1 | 2 | 9 | 2 | 7 | 1 | 2 | 25 |

◆Number of Shops

| | As of March 31, 2016 | As of March 31, 2017 | As of March 31, 2018 | As of March 31, 2019 | As of March 31, 2020 | As of September 30, 2020 | As of March 31, 2021 (Projection) |
|---|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|--------------------------------|---|
| Fancl Shop | - | - | 14 | 59 | 107 | 109 | 119 |
| FANCL beauty&health | - | 2 | 3 | 12 | 16 | 17 | 19 |
| FANCL New me | - | - | - | - | 6 | 10 | 15 |
| FANCL Spot | - | - | - | - | 1 | 2 | 4 |
| FANCL Beauty Salon | - | - | - | - | 1 | 1 | 1 |
| FANCL Hybrid Shop | 77 | 168 | 162 | 125 | 76 | 72 | 51 |
| FANCL Beauty Shop | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| FANCL Supplement Shop (FANCL Health House) | 3 | 3 | 1 | 1 | 1 | 1 | 1 |
| (Old) Fancl Shop | 52 | 10 | 6 | 1 | - | - | - |
| Fancl House | 31 | 9 | 4 | 1 | - | - | - |
| Fancl House J | 10 | 6 | 2 | - | - | - | - |
| FANCL International Shop (Ginza Square 1F) | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Others | 1 | 1 | 3 | 3 | 2 | 2 | 1 |
| Total | 176 | 201 | 197 | 204 | 212 | 216 | 213 |
| ATTENIR Shop | 16 | 16 | 16 | 17 | 24 | 25 | 26 |