FANCL CORPORATION
TSE 1st Section: Code No. 4921

FANCL CORPORATION Revises Full-year Forecasts

YOKOHAMA, April 24, 2007 – FANCL CORPORATION ("FANCL"), one of Japan's leading producers of preservative-free cosmetics and nutritional supplements, today issued revised full-year forecasts for the fiscal year ended March 31, 2007 in consideration of recent business trends. Details of the revised forecasts are as follows, along with the previous forecasts issued on October 25, 2006.

1. Revised consolidated forecasts

Fiscal year 2007 forecasts (April 1, 2006 to March 31, 2007)

(¥ million)

	Net sales	Ordinary income	Net income
Previous forecasts (A) (October 25, 2006)	98,700	7,500	4,100
Revised forecasts (B)	**101,065**	**8,388**	**2,547**
Change (B) - (A)	2,365	888	(1,552)
Change in percent	2.4%	11.8%	(37.9%)
Results for FY 2006	95,322	9,113	5,183

(Net income per share forecast for fiscal year ended March 31, 2007: ¥39.59)

2. Revised non-consolidated forecasts

Fiscal year 2007 forecasts (April 1, 2006 to March 31, 2007)

(¥ million)

	Net sales	Ordinary income	Net income
Previous forecasts (A) (October 25, 2006)	74,500	5,200	2,700
Revised forecasts (B)	**76,574**	**5,914**	**1,144**
Change (B) - (A)	2,074	714	(1,555)
Change in percent	2.8%	13.7%	(57.6%)
Results for FY 2006	74,628	5,833	2,848

(Net income per share forecast for fiscal year ended March 31, 2007: ¥17.79)

3. Reason for revision of forecasts

- For fiscal year ended March 31, 2007, accounting methods have changed to record points[1] as an expense at time of issue. Previously, points were recognized as a cost at time of use.
- As a result of this change, forecasted net sales have been revised upwards to include the 4,000 million yen worth of points used in fiscal 2007.
- Forecasted ordinary income has been revised upwards due to cost reductions and other factors.
- Forecasted net income has been revised downwards as a result of incurring special losses.
  A breakdown of the main items of the special losses follows:

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[1] Points system: FANCL customers are awarded approximately 5% of their purchases in points redeemable at 1 yen per point at the time of their next purchase.

1. A 2,132 million yen reserve following changes to the accounting methods regarding points
2. A 981 million yen impairment from *Hatsuga Genmai* production facilities.
   The *Hatsuga Genmai* business has had continuous losses since it began operations seven years ago. Investments made to date in the factory, land, etc., have been recognized as non-recoverable and the amount has been recorded as a loss.

- As a result of recording this loss, a total of 1,031 million yen for loss for impairment and excess of debt has been recognized as non-recoverable and recorded in transfer to allowance for bad debt as a part of the loans for subsidiary FANCL *Hatsuga Genmai* in the non-consolidated financial report.

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