

FANCL announces revisions to operating results forecasts

YOKOHAMA, January 26, 2012 – In consideration of recent trends in its business performance, FANCL Corporation today announced revisions to its business results forecasts for the fiscal year ending March 31, 2012. The previous forecasts were announced on May 9, 2011 with the Consolidated Financial Statements for the Fiscal Year Ended March 31, 2011. Revisions are as follows:

1. Revisions to full-year consolidated results forecast (April 1, 2011 to March 31, 2012)

	(Millions of yen)				
	Net sales	Operating income	Ordinary income	Net income	Net income per share (¥)
Previously announced forecasts (A)	94,000	6,000	6,000	3,000	¥46.20
Revised forecasts (B)	89,000	4,300	4,200	2,400	¥36.96
Change (B – A)	(5,000)	(1,700)	(1,800)	(600)	
Percentage change (%)	(5.3%)	(28.3%)	(30.0%)	(20.0%)	
Reference: Results for the fiscal year ended March 31, 2011	93,789	7,117	6,668	2,849	¥43.89

2. Reasons for revisions

- The forecast for net sales has been revised downwards in light of lower-than-expected sales of ATTENIR cosmetics, prolonged regulations on food imports by the Chinese government, a decline in foreign visitors resulting from the Great East Japan Earthquake, and the transfer of the IIMONO OHKOKU business.
- The operating income, ordinary income and net income forecasts have been revised downwards due to the above factors and because of expenses, such as marketing expenses to achieve the rebranding of FANCL cosmetics products, which will be used as initially planned.

These forecast revisions also take into account extraordinary income of ¥200 million resulting from the company separation (division through establishment of new company) of FANCL's household sundries sales business IIMONO OHKOKU Co., Ltd. and transfer of shares of the newly established company, as announced on December 5, 2011. Special liquidation proceedings are planned for the separated company (IIMONO FUDOSAN Co., Ltd), which is

expected to provide an additional boost to net income. Forecasts will be issued as soon as special liquidation proceedings are confirmed.

3. Dividend forecast

- There are no changes to the dividend forecast.

An annual dividend of ¥34.00 per share is forecast, composed of interim and year-end dividend payments of ¥17.00 respectively.

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 factors, including changing economic conditions, legislative and regulatory developments, delay in new product launches, and pricing and product initiatives of competitors.

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