

July 30, 2018

FANCL Corporation
TSE 1st Section: 4921

FANCL

Consolidated Financial Statements for the First Quarter of the Fiscal Year Ending March 31, 2019 (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 6/17			Three Months ended 6/18		
		amount	% of total	% change	amount	% of total	% change
C o n s u m e	Online and catalogue	6,656	42.2	9.6	6,744	37.4	1.3
	Direct store	5,746	36.4	13.5	7,461	41.3	29.8
	Wholesale	1,446	9.2	16.7	1,975	10.9	36.6
	Overseas	1,927	12.2	27.1	1,872	10.4	(2.8)
	Sub total	15,776	60.9	13.5	18,054	58.6	14.4
S u p p l e	Online and catalogue	3,269	38.9	5.9	3,506	31.8	7.3
	Direct store	2,249	26.8	19.8	3,862	35.0	71.7
	Wholesale	2,445	29.1	4.6	3,151	28.6	28.9
	Overseas	435	5.2	19.7	501	4.6	15.3
	Sub total	8,399	32.5	9.6	11,022	35.8	31.2
O t h e r s	Online and catalogue	1,235	72.1	(3.0)	1,214	70.5	(1.7)
	Direct store	147	8.6	12.4	141	8.2	(4.3)
	Wholesale	325	19.0	(36.6)	362	21.0	11.5
	Overseas	4	0.3	41.9	4	0.3	(4.3)
	Sub total	1,712	6.6	(10.9)	1,722	5.6	0.6
T o t a l	Online and catalogue	11,161	43.1	6.9	11,466	37.3	2.7
	Direct store	8,143	31.5	15.2	11,464	37.2	40.8
	Wholesale	4,217	16.3	3.1	5,489	17.8	30.2
	Overseas	2,367	9.1	25.7	2,379	7.7	0.5
	Sub total	25,889	100.0	10.2	30,799	100.0	19.0

		Three Months ended 6/17			Three Months ended 6/18		
		amount	% of total	% change	amount	% of total	% change
R i c e	Online and catalogue	310	52.6	(11.1)	249	48.1	(19.5)
	Direct store	23	3.9	(0.1)	23	4.4	(0.1)
	Wholesale	255	43.2	(19.1)	246	47.4	(3.5)
	Overseas	1	0.3	132.4	0	0.1	(67.5)
	Sub total	590	2.3	(14.3)	520	1.7	(12.0)
K a i e	Online and catalogue	437	69.0	(0.9)	409	64.4	(6.2)
	Direct store	109	17.3	7.0	110	17.3	0.3
	Wholesale	83	13.2	(56.2)	114	18.0	37.0
	Overseas	3	0.5	18.8	2	0.3	(33.6)
	Sub total	633	2.4	(14.1)	636	2.1	0.5

◆ Sales by Segment (Six Months)

(Millions of yen,%)

		Six Months ended 9/17			Six Months ended 9/18 (Projection)		
		amount	% of total	% change	amount	% of total	% change
C o n s u m e	Online and catalogue	12,950	41.2	11.2	13,500	38.4	4.2
	Direct store	11,436	36.4	17.8	13,840	39.4	21.0
	Wholesale	3,197	10.2	21.9	3,880	11.1	21.4
	Overseas	3,839	12.2	21.8	3,910	11.1	1.8
	Sub total	31,424	60.6	15.8	35,130	58.8	11.8
S u p p l e	Online and catalogue	6,475	38.0	6.1	6,930	32.7	7.0
	Direct store	4,767	28.0	27.3	7,040	33.2	47.7
	Wholesale	4,911	28.8	1.7	6,030	28.5	22.8
	Overseas	894	5.2	18.7	1,190	5.6	33.0
	Sub total	17,049	32.9	10.5	21,190	35.5	24.3
O t h e r s	Online and catalogue	2,432	71.9	(2.0)	2,440	71.3	0.3
	Direct store	295	8.7	9.6	270	7.9	(8.6)
	Wholesale	647	19.1	(23.0)	700	20.5	8.1
	Overseas	8	0.2	24.6	10	0.3	24.0
	Sub total	3,383	6.5	(6.0)	3,420	5.7	1.1
T o t a l	Online and catalogue	21,858	42.2	8.0	22,870	38.3	4.6
	Direct store	16,500	31.8	20.3	21,150	35.4	28.2
	Wholesale	8,756	16.9	5.6	10,610	17.8	21.2
	Overseas	4,742	9.1	21.2	5,110	8.5	7.7
	Sub total	51,857	100.0	12.3	59,740	100.0	15.2

		Six Months ended 9/17			Six Months ended 9/18 (Projection)		
		amount	% of total	% change	amount	% of total	% change
R i c e	Online and catalogue	583	52.0	(8.7)	470	46.5	(19.4)
	Direct store	45	4.1	0.2	40	4.0	(12.8)
	Wholesale	489	43.7	(13.4)	495	49.0	1.1
	Overseas	2	0.2	77.3	5	0.5	120.3
	Sub total	1,121	2.2	(10.4)	1,010	1.7	(9.9)
K a i e	Online and catalogue	883	68.7	(0.0)	860	66.1	(2.6)
	Direct store	230	17.9	8.2	230	17.7	(0.1)
	Wholesale	166	12.9	(37.7)	205	15.8	23.4
	Overseas	5	0.5	11.6	5	0.4	(13.8)
	Sub total	1,285	2.5	(6.0)	1,300	2.2	1.1

◆ Sales by Segment (Full Year)

(Millions of yen,%)

		FY2018			FY2019 (Projection)		
		amount	% of total	% change	amount	% of total	% change
C o n s u m e	Online and catalogue	27,408	41.5	10.7	28,880	39.9	5.4
	Direct store	23,822	36.1	17.8	27,340	37.8	14.8
	Wholesale	6,638	10.0	25.3	7,390	10.2	11.3
	Overseas	8,179	12.4	23.0	8,740	12.1	6.9
	Sub total	66,048	60.6	16.0	72,350	59.3	9.5
S u p p l i e	Online and catalogue	13,622	37.9	4.1	14,630	34.4	7.4
	Direct store	10,366	28.9	32.4	13,280	31.3	28.1
	Wholesale	9,925	27.6	3.4	12,170	28.6	22.6
	Overseas	2,018	5.6	28.0	2,420	5.7	19.9
	Sub total	35,933	33.0	12.0	42,500	34.8	18.3
O t h e r s	Online and catalogue	5,175	73.5	(0.6)	5,160	72.2	(0.3)
	Direct store	591	8.4	1.7	550	7.7	(7.0)
	Wholesale	1,250	17.8	(16.3)	1,420	19.8	13.6
	Overseas	21	0.3	34.4	20	0.3	(5.0)
	Sub total	7,037	6.4	(3.5)	7,150	5.9	1.6
T o t a l	Online and catalogue	46,206	42.4	7.4	48,670	39.9	5.3
	Direct store	34,780	31.9	21.5	41,170	33.7	18.4
	Wholesale	17,813	16.3	8.7	20,980	17.2	17.8
	Overseas	10,219	9.4	24.0	11,180	9.2	9.4
	Sub total	109,019	100.0	13.2	122,000	100.0	11.9

		FY2018			FY2019 (Projection)		
		amount	% of total	% change	amount	% of total	% change
R i c e	Online and catalogue	1,209	53.8	(10.1)	1,020	47.4	(15.7)
	Direct store	92	4.1	(3.4)	80	3.7	(13.3)
	Wholesale	942	41.9	(9.8)	1,040	48.4	10.3
	Overseas	4	0.2	22.3	10	0.5	130.6
	Sub total	2,248	2.1	(9.7)	2,150	1.8	(4.4)
K a i e	Online and catalogue	1,823	69.7	0.0	1,840	68.1	0.9
	Direct store	462	17.7	3.0	470	17.4	1.7
	Wholesale	315	12.1	(26.1)	380	14.1	20.3
	Overseas	13	0.5	15.2	10	0.4	(28.4)
	Sub total	2,615	2.4	(3.6)	2,700	2.2	3.2

◆ Segment Information (Three Months)

(Millions of yen,%)

		Three Months ended 6/17			Three Months ended 6/18		
		amount	% of total	% change	amount	% of total	% change
C o s m e	Sales	15,776	60.9	13.5	18,054	58.6	14.4
	Gross Profit	11,753	74.5	13.4	13,766	76.3	17.1
	SGA	9,916	62.9	5.3	10,226	56.6	3.1
	Advertising	2,069	13.1	2.7	1,950	10.8	(5.8)
	Operating Income	1,836	11.6	93.5	3,540	19.6	92.8
S u p p l e	Sales	8,399	32.5	9.6	11,022	35.8	31.2
	Gross Profit	5,733	68.3	10.1	7,604	69.0	32.6
	SGA	5,990	71.3	5.9	6,161	55.9	2.8
	Advertising	1,722	20.5	1.9	1,538	14.0	(10.7)
	Operating Income	(257)	(3.1)	-	1,443	13.1	-
O t h e r s	Sales	1,712	6.6	(10.9)	1,722	5.6	0.6
	Gross Profit	799	46.7	(6.3)	622	36.1	(22.2)
	SGA	759	44.4	(29.9)	684	39.7	(9.9)
	Advertising	142	8.3	(41.9)	85	5.0	(39.9)
	Operating Income	40	2.3	-	(61)	(3.6)	-
Eliminations or Corporate		(403)			(434)		
T o t a l	Sales	25,889	100.0	10.2	30,799	100.0	19.0
	Gross Profit	18,286	70.6	11.3	21,993	71.4	20.3
	SGA	17,071	65.9	3.2	17,506	56.8	2.5
	Advertising	3,935	15.2	(0.4)	3,575	11.6	(9.1)
	Operating Income	1,215	4.7	-	4,487	14.6	269.2

◆ General and Administrative Expenses (Three Months)

(Millions of yen,%)

	Three Months ended 6/17			Three Months ended 6/18		
	amount	% of total	% change	amount	% of total	% change
Advertising	3,935	15.2	(0.4)	3,575	11.6	(9.1)
Sales Promotions	3,272	12.6	15.4	2,961	9.6	(9.5)
Transport	1,046	4.0	7.2	1,316	4.3	25.8
Communications	439	1.7	(7.4)	429	1.4	(2.3)
Fees/outsourcing	2,839	11.0	3.1	3,393	11.0	19.5
Salaries	3,493	13.5	6.4	3,840	12.5	9.9
Depreciations	471	1.8	(13.3)	423	1.4	(10.1)
Others	1,572	6.1	(8.9)	1,566	5.1	(0.4)
Total	17,071	65.9	3.2	17,506	56.8	2.5

◆ Segment Information (Six Months)

(Millions of yen,%)

		Six Months ended 9/17			Six Months ended 9/18 (Projection)		
		amount	% of total	% change	amount	% of total	% change
C o s m e	Sales	31,424	60.6	15.8	35,130	58.8	11.8
	Gross Profit	23,651	75.3	16.9	26,760	76.2	13.1
	SGA	19,309	61.4	3.9	21,060	59.9	9.1
	Advertising	3,970	12.6	(3.6)	4,020	11.4	1.3
	Operating Income	4,341	13.8	164.3	5,700	16.2	31.3
S u p p l e	Sales	17,049	32.9	10.5	21,190	35.5	24.3
	Gross Profit	11,635	68.2	10.9	14,600	68.9	25.5
	SGA	11,433	67.1	(0.7)	12,830	60.5	12.2
	Advertising	3,214	18.9	(9.9)	3,580	16.9	11.4
	Operating Income	202	1.2	-	1,770	8.4	774.2
O t h e r s	Sales	3,383	6.5	(6.0)	3,420	5.7	1.1
	Gross Profit	1,542	45.6	(5.4)	1,350	39.5	(12.5)
	SGA	1,484	43.9	(26.6)	1,440	42.1	(3.0)
	Advertising	272	8.1	(33.4)	230	6.7	(15.6)
	Operating Income	58	1.7	-	(90)	(2.6)	-
Eliminations or Corporate		(865)			(880)		
T o t a l	Sales	51,857	100.0	12.3	59,740	100.0	15.2
	Gross Profit	36,829	71.0	13.9	42,710	71.5	16.0
	SGA	33,092	63.8	0.4	36,210	60.6	9.4
	Advertising	7,457	14.4	(7.9)	7,830	13.1	5.0
	Operating Income	3,736	7.2	-	6,500	10.9	74.0

◆ General and Administrative Expenses (Six Months)

(Millions of yen,%)

		Six Months ended 9/17			Six Months ended 9/18 (Projection)		
		amount	% of total	% change	amount	% of total	% change
Advertising		7,457	14.4	(7.9)	7,830	13.1	5.0
Sales Promotions		6,106	11.8	3.5	6,450	10.8	5.6
Transport		2,095	4.0	6.0	2,600	4.4	24.1
Communications		887	1.7	(13.7)	930	1.6	4.8
Fees/Outsourcing		5,606	10.8	6.3	6,480	10.8	15.6
Salaries		7,225	13.9	9.3	7,850	13.1	8.6
Depreciations		923	1.8	(16.7)	920	1.5	(0.4)
Others		2,790	5.4	(5.6)	3,150	5.3	12.9
Total		33,092	63.8	0.4	36,210	60.6	9.4

◆ Segment Information (Full Year)

(Millions of yen,%)

		FY2018			FY2019 (Projection)		
		amount	% of total	% change	amount	% of total	% change
C o s m e	Sales	66,048	60.6	16.0	72,350	59.3	9.5
	Gross Profit	49,755	75.3	16.2	54,840	75.8	10.2
	SGA	40,605	61.5	8.1	43,930	60.7	8.2
	Advertising	8,030	12.2	4.9	8,240	11.4	2.6
	Operating Income	9,150	13.9	74.2	10,910	15.1	19.2
S u p p l e	Sales	35,933	33.0	12.0	42,500	34.8	18.3
	Gross Profit	24,546	68.3	13.0	29,310	69.0	19.4
	SGA	23,681	65.9	4.8	26,210	61.7	10.7
	Advertising	6,669	18.6	1.0	7,390	17.4	10.8
	Operating Income	864	2.4	-	3,100	7.3	258.5
O t h e r s	Sales	7,037	6.4	(3.5)	7,150	5.9	1.6
	Gross Profit	3,129	44.5	(4.5)	2,930	41.0	(6.4)
	SGA	2,979	42.3	(23.1)	3,080	43.1	3.4
	Advertising	465	6.6	(16.7)	620	8.7	33.3
	Operating Income	149	2.1	-	(150)	(2.1)	-
Eliminations or Corporate		(1,717)			(1,660)		
T o t a l	Sales	109,019	100.0	13.2	122,000	100.0	11.9
	Gross Profit	77,431	71.0	14.2	87,080	71.4	12.5
	SGA	68,983	63.3	5.2	74,880	61.4	8.5
	Advertising	15,164	13.9	2.4	16,250	13.3	7.2
	Operating Income	8,448	7.7	276.4	12,200	10.0	44.4

◆ General and Administrative Expenses (Full Year)

(Millions of yen,%)

	FY2018			FY2019 (Projection)		
	amount	% of total	% change	amount	% of total	% change
Advertising	15,164	13.9	2.4	16,250	13.3	7.2
Sales Promotions	12,839	11.8	0.0	14,600	12.0	13.7
Transport	4,717	4.3	15.8	5,500	4.5	16.6
Communications	1,779	1.6	(12.6)	1,930	1.6	8.4
Fees/Outsourcing	11,816	10.8	11.6	12,700	10.4	7.5
Salaries	14,959	13.7	12.3	15,750	12.9	5.3
Depreciations	1,843	1.7	(19.3)	1,920	1.6	4.1
Others	5,861	5.4	4.5	6,230	5.1	6.3
Total	68,983	63.3	5.2	74,880	61.4	8.5

◆ Capital Investment and Depreciation

(Millions of yen)

	FY2018	FY2019 (Projection)
Capital Investment	2,476	3,490
Depreciation*	2,826	3,270

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

◆Number of Shops by Region

As of 30 June,2018

	Hokkaido	Tohoku	Kanto (except Tokyo)	TOKYO	Tokai,Hokuriku& Shinetsu	Kinki	Chugoku,Shikoku	Kyusyu,Okinaawa	Total
FANCL beauty&health	1	-	-	3	-	-	-	-	4
(NEW) Fancl Shop	2	2	6	4	3	4	2	-	23
FANCL Hybrid Shop	4	7	39	28	17	35	12	17	159
FANCL Beauty Shop(Ginza Square 3F)	-	-	-	1	-	-	-	-	1
FANCL Health House(Ginza Square 6F)	-	-	-	1	-	-	-	-	1
Fancl Shop	-	-	2	-	1	-	-	1	4
Fancl House	-	-	-	1	-	-	1	-	2
Fancl House J	-	-	2	-	-	-	-	-	2
Fancl Ginza Square	-	-	-	1	-	-	-	-	1
Others	-	-	2	1	-	-	-	-	3
Total	7	9	51	40	21	39	15	18	200
ATTENIR Shop	1	-	4	3	1	5	1	1	16

◆Number of Shops

	As of March 31, 2014	As of March 31, 2015	As of March 31, 2016	As of March 31, 2017	As of March 31, 2018	As of June 30, 2018	As of March 31, 2019 (Projection)
FANCL beauty&health	-	-	-	2	3	4	11
(NEW) Fancl Shop	-	-	-	-	14	23	59
FANCL Hybrid Shop	1	21	77	168	162	159	125
FANCL Beauty Shop	2	4	1	1	1	1	1
FANCL Health House	2	3	3	3	1	1	1
Fancl Shop	83	77	52	10	6	4	1
Fancl House	56	42	31	9	4	2	1
Fancl House J	19	15	10	6	2	2	-
Fancl Ginza Square	1	1	1	1	1	1	1
Others	3	1	1	1	3	3	3
Total	167	164	176	201	197	200	203
ATTENIR Shop	16	15	16	16	16	16	17