

FANCL

Consolidated Financial Statements for the Interim Period 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.

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◆ Sales by Segment (Six Months)

(Millions of yen,%)

		Six Months ended Sept/18			Six Months ended Sept/19		
		amount	% of total	% change	amount	% of total	% change
C o m e	Online and catalogue	13,100	37.4	1.2	14,864	37.3	13.5
	Direct store	14,210	40.6	24.3	16,578	41.5	16.7
	Wholesale	3,793	10.9	18.6	4,911	12.3	29.5
	Overseas	3,897	11.1	1.5	3,547	8.9	(9.0)
	Sub total	35,001	58.1	11.4	39,903	60.3	14.0
S u p p l e	Online and catalogue	6,938	31.6	7.2	7,756	33.8	11.8
	Direct store	7,523	34.2	57.8	6,941	30.2	(7.7)
	Wholesale	6,329	28.8	28.9	7,022	30.6	10.9
	Overseas	1,186	5.4	32.6	1,241	5.4	4.7
	Sub total	21,977	36.4	28.9	22,962	34.7	4.5
O t h e r s	Online and catalogue	2,307	69.7	(5.1)	2,439	73.1	5.7
	Direct store	277	8.4	(7.3)	244	7.3	(12.0)
	Wholesale	716	21.7	11.4	650	19.5	(9.2)
	Overseas	6	0.2	(19.9)	3	0.1	(45.1)
	Sub total	3,308	5.5	(2.2)	3,337	5.0	0.9
T o t a l	Online and catalogue	22,346	37.1	2.2	25,060	37.9	12.1
	Direct store	22,011	36.5	33.4	23,764	35.9	8.0
	Wholesale	10,839	18.0	23.9	12,585	19.0	16.1
	Overseas	5,090	8.4	7.3	4,793	7.2	(5.8)
	Sub total	60,288	100.0	16.3	66,203	100.0	9.8

		Six Months ended Sept/18			Six Months ended Sept/19		
		amount	% of total	% change	amount	% of total	% change
R i c e	Online and catalogue	468	47.1	(19.7)	471	48.5	0.6
	Direct store	44	4.4	(3.8)	44	4.6	1.7
	Wholesale	481	48.4	(1.7)	454	46.8	(5.5)
	Overseas	1	0.1	(50.3)	0	0.1	(42.6)
	Sub total	994	1.7	(11.2)	971	1.5	(2.3)
K a l e	Online and catalogue	815	64.2	(7.6)	805	67.7	(1.3)
	Direct store	219	17.2	(4.9)	188	15.8	(14.1)
	Wholesale	230	18.2	38.8	193	16.3	(16.0)
	Overseas	5	0.4	(7.9)	2	0.2	(45.6)
	Sub total	1,270	2.1	(1.1)	1,189	1.8	(6.4)

◆ 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)	29,050	37.0	6.9
	Direct store	29,000	40.5	21.7	31,900	40.7	10.0
	Wholesale	7,536	10.5	13.5	9,150	11.7	21.4
	Overseas	7,878	11.0	(3.7)	8,350	10.6	6.0
	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	15,530	33.7	6.1
	Direct store	14,042	32.0	35.5	13,800	29.9	(1.7)
	Wholesale	12,728	29.0	28.2	13,820	29.9	8.6
	Overseas	2,506	5.7	24.2	3,000	6.5	19.7
	Sub total	43,919	35.9	22.2	46,150	35.2	5.1
O t h e r s	Online and catalogue	4,980	71.4	(3.8)	4,630	72.4	(7.0)
	Direct store	562	8.1	(4.9)	480	7.5	(14.6)
	Wholesale	1,411	20.2	12.9	1,270	19.8	(10.0)
	Overseas	22	0.3	9.0	20	0.3	(12.8)
	Sub total	6,977	5.7	(0.9)	6,400	4.9	(8.3)
T o t a l	Online and catalogue	46,806	38.2	1.3	49,210	37.6	5.1
	Direct store	43,605	35.6	25.4	46,180	35.2	5.9
	Wholesale	21,676	17.7	21.7	24,240	18.5	11.8
	Overseas	10,408	8.5	1.8	11,370	8.7	9.2
	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)	890	48.1	(10.8)
	Direct store	91	4.5	(1.0)	75	4.1	(17.9)
	Wholesale	945	46.4	0.3	875	47.3	(7.5)
	Overseas	2	0.1	(46.4)	10	0.5	330.1
	Sub total	2,037	1.7	(9.4)	1,850	1.4	(9.2)
K a l e	Online and catalogue	1,694	64.6	(7.1)	1,660	67.8	(2.0)
	Direct store	449	17.1	(2.7)	385	15.7	(14.3)
	Wholesale	462	17.7	46.4	395	16.1	(14.6)
	Overseas	16	0.6	20.0	10	0.4	(40.3)
	Sub total	2,622	2.1	0.3	2,450	1.9	(6.6)

◆ Segment Information (Six Months)

(Millions of yen,%)

		Six Months ended Sept/18			Six Months ended Sept/19		
		amount	% of total	% change	amount	% of total	% change
C o n s u m e	Sales	35,001	58.1	11.4	39,903	60.3	14.0
	Gross Profit	26,739	76.4	13.1	30,396	76.2	13.7
	SGA	20,810	59.5	7.8	22,865	57.3	9.9
	Advertising	4,086	11.7	2.9	4,322	10.8	5.8
	Operating Income	5,929	16.9	36.6	7,531	18.9	27.0
S u p p l e	Sales	21,977	36.4	28.9	22,962	34.7	4.5
	Gross Profit	15,132	68.9	30.1	15,884	69.2	5.0
	SGA	12,907	58.7	12.9	13,701	59.7	6.2
	Advertising	3,600	16.4	12.0	3,852	16.8	7.0
	Operating Income	2,224	10.1	998.9	2,183	9.5	(1.9)
O t h e r s	Sales	3,308	5.5	(2.2)	3,337	5.0	0.9
	Gross Profit	1,251	37.8	(18.8)	1,488	44.6	18.9
	SGA	1,417	42.9	(4.5)	1,361	40.8	(4.0)
	Advertising	220	6.7	(19.1)	219	6.6	(0.4)
	Operating Income	(166)	(5.0)	-	126	3.8	-
Eliminations or Corporate		(905)			(944)		
T o t a l	Sales	60,288	100.0	16.3	66,203	100.0	9.8
	Gross Profit	43,124	71.5	17.1	47,769	72.2	10.8
	SGA	36,041	59.8	8.9	38,873	58.7	7.9
	Advertising	7,908	13.1	6.0	8,395	12.7	6.2
	Operating Income	7,082	11.7	89.6	8,896	13.4	25.6

◆ General and Administrative Expenses (Six Months)

(Millions of yen,%)

	Six Months ended Sept/18			Six Months ended Sept/19		
	amount	% of total	% change	amount	% of total	% change
Advertising	7,908	13.1	6.0	8,395	12.7	6.2
Sales Promotions	6,141	10.2	0.6	6,995	10.6	13.9
Transport	2,603	4.3	24.2	2,732	4.1	5.0
Communications	902	1.5	1.8	933	1.4	3.4
Fees/Outsourcing	6,773	11.2	20.8	7,285	11.0	7.6
Salaries	7,827	13.0	8.3	8,129	12.3	3.9
Depreciations	890	1.5	(3.6)	978	1.5	9.8
Others	2,993	5.0	7.3	3,423	5.2	14.4
Total	36,041	59.8	8.9	38,873	58.7	7.9

◆ Capital Investment and Depreciation (Six Months)

(Millions of yen)

	Six Months ended Sept/18	Six Months ended Sept/19
Capital Investment	1,860	3,706
Depreciation	1,428	1,533

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

◆ Segment Information (Full Year)

(Millions of yen,%)

		FY Mar/2019			FY Mar/2020 (Projection)		
		amount	% of total	% change	amount	% of total	% change
C o m m e	Sales	71,599	58.4	8.4	78,450	59.9	9.6
	Gross Profit	54,465	76.1	9.5	59,550	75.9	9.3
	SGA	43,363	60.6	6.8	46,950	59.8	8.3
	Advertising	8,229	11.5	2.5	9,050	11.5	10.0
	Operating Income	11,101	15.5	21.3	12,600	16.1	13.5
S u p p l i e	Sales	43,919	35.9	22.2	46,150	35.2	5.1
	Gross Profit	30,141	68.6	22.8	31,700	68.7	5.2
	SGA	26,621	60.6	12.4	27,500	59.6	3.3
	Advertising	7,180	16.3	7.7	6,900	15.0	(3.9)
	Operating Income	3,519	8.0	307.0	4,200	9.1	19.3
O t h e r s	Sales	6,977	5.7	(0.9)	6,400	4.9	(8.3)
	Gross Profit	2,772	39.7	(11.4)	2,850	44.5	2.8
	SGA	3,071	44.0	3.1	2,840	44.4	(7.5)
	Advertising	510	7.3	9.7	480	7.5	(5.9)
	Operating Income	(299)	(4.3)	-	10	0.2	-
Eliminations or Corporate		(1,934)			(1,810)		
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	94,100	71.8	7.7
	SGA	74,990	61.2	8.7	79,100	60.4	5.5
	Advertising	15,919	13.0	5.0	16,430	12.5	3.2
	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	16,430	12.5	3.2
Sales Promotions	13,430	11.0	4.6	15,370	11.7	14.4
Transport	5,306	4.3	12.5	5,600	4.3	5.5
Communications	1,921	1.6	7.9	1,940	1.5	1.0
Fees/Outsourcing	13,733	11.2	16.2	14,500	11.1	5.6
Salaries	16,226	13.2	8.5	16,700	12.7	2.9
Depreciations	1,866	1.5	1.2	2,000	1.5	7.2
Others	6,586	5.4	12.4	6,560	5.0	(0.4)
Total	74,990	61.2	8.7	79,100	60.4	5.5

◆ Capital Investment and Depreciation (Full Year)

(Millions of yen)

	FY Mar/2019	FY Mar/2020 (Projection)
Capital Investment	3,683	11,390
Depreciation	3,057	3,160

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

◆Number of Shops by Region

As of 30 September, 2019

	Hokkaido	Tohoku	Kanto (except Tokyo)	TOKYO	Tokai, Hokuriku & Shinetsu	Kinki	Chugoku, Shikoku	Kyusyu, Okinawa	Total
(NEW) Fancl Shop	4	4	16	18	13	16	5	7	83
FANCL beauty&health	1	-	2	4	-	6	-	1	14
FANCL New me	-	1	-	-	-	-	-	1	2
FANCL Hybrid Shop	2	5	31	17	9	18	11	12	105
FANCL Beauty Shop(Ginza Square 3F)	-	-	-	1	-	-	-	-	1
FANCL Health House(Ginza Square 6F)	-	-	-	1	-	-	-	-	1
Fancl Shop	-	-	1	-	-	-	-	-	1
Fancl Ginza Square	-	-	-	1	-	-	-	-	1
Others	-	-	2	1	-	-	-	-	3
Total	7	10	52	43	22	40	16	21	211
ATTENIR Shop	1	1	4	6	1	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 September 30, 2019	As of March 31, 2020 (Projection)
(NEW) Fancl Shop	-	-	-	14	59	83	108
FANCL beauty&health	-	-	2	3	12	14	16
FANCL New me	-	-	-	-	-	2	4
FANCL Spot	-	-	-	-	-	-	1
FANCL Hybrid Shop	21	77	168	162	125	105	78
FANCL Beauty Shop	4	1	1	1	1	1	1
FANCL Health House	3	3	3	1	1	1	1
Fancl Shop	77	52	10	6	1	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	3	3
Total	164	176	201	197	204	211	213
ATTENIR Shop	15	16	16	16	17	22	23