January 28, 2016

FANCL Corporation
TSE 1st Section: 4921

FANCL

Consolidated Financial Statements for the Third Quarter of the Fiscal Year Ending March 31, 2016 (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 12/14			Three Months ended 12/15		
		amount	% of total	% change	amount	% of total	% change
Cosme	Mail Order	6,681	49.4	3.0	7,067	46.5	5.8
	Retail Store	4,601	34.1	10.3	5,388	35.4	17.1
	Wholesale	991	7.3	107.4	1,149	7.5	16.0
	Overseas sales	1,244	9.2	(15.5)	1,606	10.6	29.0
	Sub total	13,518	62.2	7.2	15,210	61.4	12.5
Supple	Mail Order	2,672	42.6	(2.0)	3,154	41.4	18.1
	Retail Store	1,465	23.4	(0.5)	1,838	24.1	25.4
	Wholesale	1,774	28.3	5.2	2,280	30.0	28.5
	Overseas sales	355	5.7	(19.5)	341	4.5	(4.1)
	Sub total	6,267	28.8	(1.0)	7,614	30.7	21.5
Others	Mail Order	1,401	71.8	(7.7)	1,423	72.3	1.6
	Retail Store	146	7.5	(20.4)	154	7.9	5.3
	Wholesale	400	20.5	(1.6)	384	19.5	(4.0)
	Overseas sales	4	0.2	(56.7)	5	0.3	35.3
	Sub total	1,952	9.0	(7.8)	1,968	7.9	0.8
Total	Mail Order	10,754	49.5	0.2	11,645	46.9	8.3
	Retail Store	6,214	28.6	6.6	7,380	29.8	18.8
	Wholesale	3,165	14.5	23.1	3,814	15.4	20.5
	Overseas sales	1,604	7.4	(16.7)	1,953	7.9	21.7
	Sub total	21,739	100.0	3.2	24,793	100.0	14.1

		Three Months ended 12/14			Three Months ended 12/15		
		amount	% of total	% change	amount	% of total	% change
Rice	Mail Order	343	52.5	(24.1)	415	57.0	20.8
	Retail Store	20	3.2	(29.3)	29	4.0	39.8
	Wholesale	287	44.0	2.0	282	38.8	(1.9)
	Overseas sales	2	0.3	(58.5)	1	0.2	(17.6)
	Sub total	654	3.0	(15.0)	728	2.9	11.3
Kale	Mail Order	493	68.8	(11.4)	509	69.5	3.2
	Retail Store	123	17.2	(19.5)	122	16.6	(1.4)
	Wholesale	98	13.7	(12.1)	97	13.3	(0.7)
	Overseas sales	2	0.3	(55.0)	4	0.6	84.5
	Sub total	718	3.3	(13.3)	733	3.0	2.1

◆Sales by Segment (Nine Months)

(Millions of yen,%)

		Nine Months ended 12/14			Nine Months ended 12/15		
		amount	% of total	% change	amount	% of total	% change
Cosme	Mail Order	17,064	48.0	(1.4)	17,952	43.6	5.2
	Retail Store	12,527	35.2	6.0	15,227	36.9	21.6
	Wholesale	2,361	6.6	79.1	3,202	7.8	35.6
	Overseas sales	3,624	10.2	(7.2)	4,818	11.7	32.9
	Sub total	35,577	61.0	3.6	41,200	60.6	15.8
Supple	Mail Order	7,033	40.4	(8.5)	8,332	39.0	18.5
	Retail Store	4,254	24.4	(6.6)	5,376	25.1	26.4
	Wholesale	5,129	29.4	(0.2)	6,666	31.2	30.0
	Overseas sales	1,015	5.8	(42.4)	1,008	4.7	(0.7)
	Sub total	17,432	29.9	(8.9)	21,383	31.5	22.7
Others	Mail Order	3,681	69.8	(12.9)	3,765	69.7	2.3
	Retail Store	443	8.4	(24.7)	456	8.5	2.9
	Wholesale	1,130	21.5	(23.6)	1,162	21.5	2.8
	Overseas sales	16	0.3	(29.0)	17	0.3	10.2
	Sub total	5,271	9.1	(16.5)	5,401	7.9	2.5
Total	Mail Order	27,778	47.7	(4.9)	30,050	44.2	8.2
	Retail Store	17,225	29.5	1.6	21,060	31.0	22.3
	Wholesale	8,621	14.8	8.6	11,030	16.2	27.9
	Overseas sales	4,656	8.0	(18.2)	5,844	8.6	25.5
	Sub total	58,281	100.0	(2.6)	67,986	100.0	16.7

		Nine Months ended 12/14			Nine Months ended 12/15		
		amount	% of total	% change	amount	% of total	% change
Rice	Mail Order	938	51.9	(19.4)	1,057	53.3	12.7
	Retail Store	60	3.3	(26.0)	76	3.9	27.4
	Wholesale	801	44.3	(8.1)	843	42.6	5.3
	Overseas sales	8	0.5	(30.0)	4	0.2	(45.3)
	Sub total	1,808	3.1	(15.1)	1,982	2.9	9.7
Kale	Mail Order	1,381	67.1	(11.9)	1,411	67.4	2.2
	Retail Store	372	18.1	(22.5)	367	17.5	(1.5)
	Wholesale	298	14.4	(15.3)	304	14.5	2.1
	Overseas sales	7	0.4	(27.8)	13	0.6	73.7
	Sub total	2,060	3.5	(14.6)	2,096	3.1	1.8

◆Sales by Segment (Full Year)

(Millions of yen,%)

		FY2015			FY2016 (Projection)		
		amount	% of total	% change	amount	% of total	% change
Cosme	Mail Order	22,376	47.2	(6.0)	23,600	43.1	5.5
	Retail Store	16,949	35.7	3.3	20,400	37.3	20.4
	Wholesale	3,146	6.6	80.6	4,100	7.5	30.3
	Overseas sales	4,998	10.5	(10.3)	6,600	12.1	32.0
	Sub total	47,471	61.1	(0.1)	54,700	60.8	15.2
Supple	Mail Order	9,361	40.2	(9.6)	11,200	39.6	19.6
	Retail Store	5,778	24.8	(5.4)	7,200	25.4	24.6
	Wholesale	6,746	29.0	2.1	8,600	30.4	27.5
	Overseas sales	1,398	6.0	(39.6)	1,300	4.6	(7.0)
	Sub total	23,285	30.0	(8.3)	28,300	31.4	21.5
Others	Mail Order	4,807	69.9	(13.2)	4,870	69.5	1.3
	Retail Store	582	8.5	(24.7)	600	8.6	3.0
	Wholesale	1,464	21.3	(21.6)	1,510	21.6	3.1
	Overseas sales	22	0.3	(24.9)	20	0.3	(11.6)
	Sub total	6,876	8.9	(16.2)	7,000	7.8	1.8
Total	Mail Order	36,545	47.1	(7.9)	39,670	44.1	8.6
	Retail Store	23,310	30.0	0.1	28,200	31.3	21.0
	Wholesale	11,356	14.6	11.2	14,210	15.8	25.1
	Overseas sales	6,419	8.3	(18.9)	7,920	8.8	23.4
	Sub total	77,632	100.0	(4.3)	90,000	100.0	15.9

		FY2015			FY2016 (Projection)		
		amount	% of total	% change	amount	% of total	% change
Rice	Mail Order	1,240	52.3	(19.9)	1,370	53.1	10.4
	Retail Store	84	3.5	(23.0)	105	4.1	24.2
	Wholesale	1,038	43.8	(10.0)	1,100	42.6	5.9
	Overseas sales	8	0.4	(46.8)	5	0.2	(43.7)
	Sub total	2,372	3.1	(16.2)	2,580	2.9	8.7
Kale	Mail Order	1,794	67.0	(14.8)	1,830	67.3	2.0
	Retail Store	485	18.1	(23.5)	485	17.8	(0.0)
	Wholesale	386	14.4	(13.7)	390	14.3	0.9
	Overseas sales	13	0.5	2.3	15	0.6	9.1
	Sub total	2,679	3.5	(16.3)	2,720	3.0	1.5

◆Segment Information(Three Months)

(Millions of yen,%)

		Three Months ended 12/14			Three Months ended 12/15		
		amount	% of total	% change	amount	% of total	% change
Cosme	Sales	13,518	62.2	7.2	15,210	61.4	12.5
	Gross Profit	9,926	73.4	6.7	11,439	75.2	15.2
	SGA	7,716	57.1	(4.6)	9,150	60.2	18.6
	Advertising	*1,081*	*8.0*	*(25.7)*	*1,575*	*10.4*	*45.7*
	Operating Income	2,210	16.4	82.4	2,288	15.0	3.5
Supple	Sales	6,267	28.8	(1.0)	7,614	30.7	21.5
	Gross Profit	4,348	69.4	(0.9)	5,255	69.0	20.9
	SGA	4,514	72.0	9.8	5,555	73.0	23.0
	Advertising	*1,014*	*16.2*	*26.2*	*1,755*	*23.0*	*73.0*
	Operating Income	(166)	(2.7)	―	(299)	(3.9)	―
Others	Sales	1,952	9.0	(7.8)	1,968	7.9	0.8
	Gross Profit	894	45.8	(8.6)	929	47.2	4.0
	SGA	793	40.6	(20.7)	1,240	63.0	56.4
	Advertising	*51*	*2.6*	*(37.4)*	*393*	*20.0*	*669.3*
	Operating Income	100	5.2	―	(310)	(15.8)	―
Eliminations or Corporate		(440)			(412)		
Total	Sales	21,739	100.0	3.2	24,793	100.0	14.1
	Gross Profit	15,169	69.8	3.4	17,624	71.1	16.2
	SGA	13,465	61.9	(1.5)	16,358	66.0	21.5
	Advertising	*2,146*	*9.9*	*(8.3)*	*3,723*	*15.0*	*73.5*
	Operating Income	1,703	7.8	69.9	1,266	5.1	(25.7)

◆General and Administrative Expenses(Three Months)

(Millions of yen,%)

	Three Months ended 12/14			Three Months ended 12/15		
	amount	% of total	% change	amount	% of total	% change
Advertising	2,146	9.9	(8.3)	3,723	15.0	73.5
Sales Promotions	2,832	13.0	(0.1)	3,327	13.4	17.4
Transport	843	3.9	(2.5)	965	3.9	14.4
Communications	408	1.9	2.9	453	1.8	10.9
Fees/outsourcing	2,300	10.6	3.2	2,660	10.7	15.7
Salaries	3,228	14.9	1.2	3,354	13.5	3.9
Depreciations	543	2.5	(0.1)	581	2.3	7.0
Others	1,160	5.3	(8.1)	1,292	5.2	11.4
Total	13,465	61.9	(1.5)	16,358	66.0	21.5

◆Segment Information(Nine Months)

(Millions of yen,%)

		Nine Months ended 12/14			Nine Months ended 12/15		
		amount	% of total	% change	amount	% of total	% change
Cosme	Sales	35,577	61.0	3.6	41,200	60.6	15.8
	Gross Profit	26,272	73.8	4.4	30,721	74.6	16.9
	SGA	22,760	64.0	2.0	25,843	62.7	13.5
	Advertising	*3,776*	*10.6*	*4.7*	*4,675*	*11.3*	*23.8*
	Operating Income	3,511	9.9	23.5	4,877	11.8	38.9
Supple	Sales	17,432	29.9	(8.9)	21,383	31.5	22.7
	Gross Profit	12,154	69.7	(5.9)	14,706	68.8	21.0
	SGA	12,439	71.4	(0.8)	15,384	71.9	23.7
	Advertising	*2,743*	*15.7*	*(3.6)*	*4,556*	*21.3*	*66.1*
	Operating Income	(285)	(1.6)	―	(678)	(3.2)	―
Others	Sales	5,271	9.1	(16.5)	5,401	7.9	2.5
	Gross Profit	2,416	45.8	(15.2)	2,581	47.8	6.8
	SGA	2,242	42.5	(22.6)	4,168	77.2	85.9
	Advertising	*190*	*3.6*	*(46.3)*	*1,760*	*32.6*	*822.6*
	Operating Income	173	3.3	―	(1,587)	(29.4)	―
Eliminations or Corporate		(1,395)			(1,228)		
Total	Sales	58,281	100.0	(2.6)	67,986	100.0	16.7
	Gross Profit	40,843	70.1	(0.2)	48,008	70.6	17.5
	SGA	38,838	66.6	(1.0)	46,625	68.6	20.1
	Advertising	*6,710*	*11.5*	*(1.5)*	*10,992*	*16.2*	*63.8*
	Operating Income	2,004	3.4	17.0	1,382	2.0	(31.0)

◆General and Administrative Expenses(Nine Months)

(Millions of yen,%)

	Nine Months ended 12/14			Nine Months ended 12/15		
	amount	% of total	% change	amount	% of total	% change
Advertising	6,710	11.5	(1.5)	10,992	16.2	63.8
Sales Promotions	7,113	12.2	(0.5)	8,748	12.9	23.0
Transport	2,355	4.0	(4.3)	2,646	3.9	12.3
Communications	1,237	2.1	1.8	1,227	1.8	(0.8)
Fees/Outsourcing	6,544	11.2	(0.9)	7,537	11.1	15.2
Salaries	9,456	16.2	1.4	9,816	14.4	3.8
Depreciations	1,588	2.7	0.2	1,682	2.5	5.9
Others	3,832	6.6	(5.6)	3,974	5.8	3.7
Total	38,838	66.6	(1.0)	46,625	68.6	20.1

◆Segment Information (Full Year)

(Millions of yen,%)

		FY2015			FY2016 (Projection)		
		amount	% of total	% change	amount	% of total	% change
Cosme	Sales	47,471	61.1	(0.1)	54,700	60.8	15.2
	Gross Profit	34,976	73.7	1.2	40,800	74.6	16.6
	SGA	29,419	62.0	(1.6)	34,800	63.6	18.3
	Advertising	*4,277*	*9.0*	*(7.4)*	*6,400*	*11.7*	*49.6*
	Operating Income	5,557	11.7	19.2	6,000	11.0	8.0
Supple	Sales	23,285	30.0	(8.3)	28,300	31.4	21.5
	Gross Profit	16,140	69.3	(5.4)	19,500	68.9	20.8
	SGA	16,144	69.3	1.3	20,750	73.3	28.5
	Advertising	*3,321*	*14.3*	*4.2*	*6,900*	*24.4*	*107.7*
	Operating Income	(4)	(0.0)	—	(1,250)	(4.4)	—
Others	Sales	6,876	8.9	(16.2)	7,000	7.8	1.8
	Gross Profit	3,178	46.2	(15.4)	3,300	47.1	3.8
	SGA	3,025	44.0	(19.6)	4,950	70.7	63.6
	Advertising	*308*	*4.5*	*(32.8)*	*1,940*	*27.7*	*529.7*
	Operating Income	152	2.2	—	(1,650)	(23.6)	—
Eliminations or Corporate		(1,704)			(1,600)		
Total	Sales	77,632	100.0	(4.3)	90,000	100.0	15.9
	Gross Profit	54,295	69.9	(2.0)	63,600	70.7	17.1
	SGA	50,294	64.8	(2.2)	62,100	69.0	23.5
	Advertising	*7,907*	*10.2*	*(4.3)*	*15,240*	*16.9*	*92.7*
	Operating Income	4,001	5.2	1.5	1,500	1.7	(62.5)

◆General and Administrative Expenses (Full Year)

(Millions of yen,%)

	FY2015			FY2016 (Projection)		
	amount	% of total	% change	amount	% of total	% change
Advertising	7,907	10.2	(4.3)	15,240	16.9	92.7
Sales Promotions	9,451	12.2	0.3	11,600	12.9	22.7
Transport	3,034	3.9	(5.9)	3,400	3.8	12.0
Communications	1,616	2.1	(0.7)	1,650	1.8	2.0
Fees/Outsourcing	8,580	11.1	(3.1)	9,800	10.9	14.2
Salaries	12,451	16.0	(0.1)	13,000	14.4	4.4
Depreciations	2,145	2.8	1.2	2,300	2.6	7.2
Others	5,106	6.6	(6.4)	5,110	5.7	0.1
Total	50,294	64.8	(2.2)	62,100	69.0	23.5

◆Number of Shops by Region

As of 31 December,2015

	Hokkaido	Tohoku	Kanto (except Tokyo)	TOKYO	Tokai,Hokuriku& Shinetsu	Kinki	Chugoku,Shikoku	Kyusyu,Okinawa	Total
FANCL Beauty Shop	—	—	—	1	—	—	—	—	1
FANCL Health House	—	—	1	2	—	—	—	—	3
FANCL Hybrid Shop	2	3	11	12	6	12	3	7	56
Fancl Shop	—	3	14	14	5	9	6	8	59
Fancl House	1	2	10	1	8	9	4	1	36
Fancl House J	—	—	7	2	—	3	2	—	14
Fancl Ginza Square	—	—	—	1	—	—	—	—	1
Others	—	—	1	—	—	—	—	—	1
Total	**3**	**8**	**44**	**33**	**19**	**33**	**15**	**16**	**171**
ATTENIR Shop	1	—	4	3	1	5	1	1	16

◆Number of Shops

	As of March 31, 2011	As of March 31, 2012	As of March 31, 2013	As of March 31, 2014	As of March 31, 2015	As of December 31,2015	As of March 31, 2016 (Projection)
FANCL Beauty Shop	—	—	—	2	4	1	1
FANCL Health House	—	—	—	2	3	3	3
FANCL Hybrid Shop	—	—	—	1	21	56	77
Fancl Shop	43	61	83	83	77	59	52
Fancl House	75	70	59	56	42	36	31
Fancl House J	54	39	26	19	15	14	10
Genki Station	3	3	3	2	—	—	—
Fancl Ginza Square	1	1	1	1	1	1	1
Others	3	3	3	1	1	1	1
Total	**179**	**177**	**175**	**167**	**164**	**171**	**176**
ATTENIR Shop	16	16	16	16	15	16	16