April 27, 2016

FANCL Corporation
TSE 1st Section: 4921

Notice regarding differential between forecasts and actual results for the consolidated fiscal year ended March 31, 2016

Yokohama, April 27, 2016—A differential has arisen between the consolidated results forecast, announced May 11, 2015, and the actual results for the consolidated fiscal year ending March 31, 2016 (April 1, 2015 – March 31, 2016). Details are as follows:

1. Differential between consolidated forecasts and actual results (April 1, 2015 to March 31, 2016)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of the parent company	Net income per share
Previously announced forecasts (A)	90,000	1,500	1,650	900	¥14.06
Actual results (B)	90,850	1,204	1,421	522	¥8.31
Difference in amount (B – A)	850	(295)	(228)	(377)	
Percentage difference (%)	0.9	(19.7)	(13.8)	(41.9)	
Reference: Results for the fiscal year ended March 31, 2015	77,632	4,001	4,283	2,301	¥36.11

2. Reasons for differential

Net sales were higher than forecast due to improved sales performance in the core cosmetics and nutritional supplements businesses, as a result of strategic investment in advertising launched in April 2015 based on policies in the new Medium-term Management Plan.
Operating income and ordinary income were lower than forecast due to a temporary reduction in the cost-of-sales ratio as a result of growth in wholesale channels and better-than-expected performance in acquiring new customers, as well as increased selling, general and administrative expenses due to initiatives such as active investment in marketing to strengthen foundations for growth.
Net income attributable to owners of the parent company was lower than forecast for the reasons stated above, as well as the reversal of deferred tax assets due to changes in statutory tax rates as part of tax reforms for FY2016, and other factors.

*****ENDS*****

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