October 28, 2016

FANCL Corporation
TSE 1st Section: 4921

Notice regarding differential between forecasts and actual results for interim period, and revisions to full-year consolidated results forecasts

Yokohama, October 28, 2016—A differential has arisen between the results forecasts (announced July 27) and actual results for the interim period of the consolidated fiscal year ending March 31, 2017 (April 1, 2016 – September 30, 2016).
Additionally, revisions have been made to the consolidated full-year results forecasts for the fiscal year ending March 31, 2017. Details are as follows.

1. Differential between consolidated forecasts and actual results for interim period of consolidated fiscal year ending March 31, 2017
(April 1, 2016 – September 30, 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)	48,000	(1,000)	(950)	3,300	¥52.70
Actual results (B)	46,164	(601)	(541)	3,873	¥61.77
Difference in amount (B – A)	(1,835)	398	408	573	
Percentage difference (%)	(3.8)	―	―	17.4	
Reference: Results for interim period of fiscal year ended March 31, 2016	43,192	116	221	127	¥2.02

2. Revisions to full year consolidated results forecasts
(April 1, 2016 to March 31, 2017)

(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)	102,500	3,000	3,100	6,200	99.00
Revised forecasts (B)	99,000	3,000	3,100	6,200	99.00
Change (B – A)	(3,500)	0	0	0	
Percentage change (%)	(3.4)	0.0	0.0	0.0	
Reference: Results for fiscal year ended March 31, 2016	90,850	1,204	1,421	522	8.31

3. Reasons for differential and forecast revision

Consolidated interim period

Overall consolidated net sales were lower than forecast due to lower-than-expected sales in the nutritional supplements business. Despite sales results being lower than forecast, income was higher than forecast as a result of the streamlining of marketing costs and revisions to the period of use.

Consolidated full-year period

Net sales forecasts have been reduced from the previously announced forecast based on trends in the interim period along with revisions to the store opening plan for the second half of the fiscal year and other factors. Despite the downward revision in net sales forecasts, income forecasts remain unchanged, due to the streamlining of marketing costs, as well as a reduction in fixed costs reflecting revisions to the store opening plan, and efforts to streamline overall costs.

*****ENDS*****

*The aforementioned forecasts are based on information available as of the date of this announcement.

Actual business performance may differ from the forecasts indicated in this document.

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