July 27, 2017

FANCL Corporation
TSE 1st Section: 4921

FANCL

Consolidated Financial Statements for the First Quarter of the Fiscal Year Ending March 31, 2018 (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.

Contents

Page 1,2,3 ◆Sales by Segment

Page 4,5,6 ◆Segment Information
◆General and Administrative Expenses
◆Capital Investment and Depreciation

Page 7 ◆Retail Store Data

Investor Relations Group
Tel. +81 45 226-1470
Email: 4921ir@fancl.co.jp

◆Sales by Segment (Three Months)

(Millions of yen,%)

		Three Months ended 6/16			Three Months ended 6/17		
		amount	% of total	% change	amount	% of total	% change
Cosme	Mail Order	6,075	43.7	5.7	6,656	42.2	9.6
	Retail Store	5,063	36.5	(1.2)	5,746	36.4	13.5
	Wholesale	1,239	8.9	21.3	1,446	9.2	16.7
	Overseas sales	1,516	10.9	(5.0)	1,927	12.2	27.1
	Sub total	13,895	59.2	2.9	15,776	60.9	13.5
Supple	Mail Order	3,086	40.3	22.1	3,269	38.9	5.9
	Retail Store	1,876	24.5	9.3	2,249	26.8	19.8
	Wholesale	2,338	30.5	2.3	2,445	29.1	4.6
	Overseas sales	363	4.7	5.9	435	5.2	19.7
	Sub total	7,666	32.6	11.5	8,399	32.5	9.6
Others	Mail Order	1,274	66.3	6.4	1,235	72.1	(3.0)
	Retail Store	131	6.8	(13.1)	147	8.6	12.4
	Wholesale	512	26.7	33.6	325	19.0	(36.6)
	Overseas sales	3	0.2	(48.1)	4	0.3	41.9
	Sub total	1,921	8.2	10.5	1,712	6.6	(10.9)
Total	Mail Order	10,436	44.5	10.1	11,161	43.1	6.9
	Retail Store	7,071	30.1	1.1	8,143	31.5	15.2
	Wholesale	4,091	17.4	10.8	4,217	16.3	3.1
	Overseas sales	1,883	8.0	(3.3)	2,367	9.1	25.7
	Sub total	23,483	100.0	6.2	25,889	100.0	10.2

		Three Months ended 6/16			Three Months ended 6/17		
		amount	% of total	% change	amount	% of total	% change
Rice	Mail Order	349	50.7	6.7	310	52.6	(11.1)
	Retail Store	23	3.4	(7.6)	23	3.9	(0.1)
	Wholesale	315	45.8	9.5	255	43.2	(19.1)
	Overseas sales	0	0.1	(55.8)	1	0.3	132.4
	Sub total	688	2.9	7.3	590	2.3	(14.3)
Kale	Mail Order	440	59.8	(0.8)	437	69.0	(0.9)
	Retail Store	102	13.9	(15.4)	109	17.3	7.0
	Wholesale	191	26.0	105.2	83	13.2	(56.2)
	Overseas sales	2	0.3	(45.7)	3	0.5	18.8
	Sub total	737	3.1	11.2	633	2.4	(14.1)

◆Sales by Segment (Six Months)

(Millions of yen,%)

		Six Months ended 9/16			Six Months ended 9/17 (Projection)		
		amount	% of total	% change	amount	% of total	% change
Cosme	Mail Order	11,651	42.9	7.0	12,730	42.5	9.3
	Retail Store	9,706	35.8	(1.3)	10,650	35.6	9.7
	Wholesale	2,622	9.7	27.7	2,850	9.5	8.7
	Overseas sales	3,151	11.6	(1.9)	3,730	12.4	18.3
	Sub total	27,132	58.8	4.4	29,960	60.2	10.4
Supple	Mail Order	6,105	39.5	17.9	6,450	39.1	5.6
	Retail Store	3,744	24.3	5.8	4,290	26.0	14.6
	Wholesale	4,827	31.3	10.1	4,860	29.4	0.7
	Overseas sales	754	4.9	12.9	910	5.5	20.6
	Sub total	15,431	33.4	12.1	16,510	33.2	7.0
Others	Mail Order	2,482	68.9	6.0	2,315	70.6	(6.7)
	Retail Store	269	7.5	(10.8)	290	8.8	7.7
	Wholesale	841	23.4	8.3	660	20.1	(21.6)
	Overseas sales	6	0.2	(46.5)	15	0.5	131.6
	Sub total	3,600	7.8	4.9	3,280	6.6	(8.9)
Total	Mail Order	20,238	43.8	10.0	21,495	43.2	6.2
	Retail Store	13,720	29.7	0.3	15,230	30.6	11.0
	Wholesale	8,292	18.0	14.9	8,370	16.8	0.9
	Overseas sales	3,912	8.5	0.5	4,655	9.4	19.0
	Sub total	46,164	100.0	6.9	49,750	100.0	7.8

		Six Months ended 9/16			Six Months ended 9/17 (Projection)		
		amount	% of total	% change	amount	% of total	% change
Rice	Mail Order	639	51.0	(0.5)	570	50.9	(10.8)
	Retail Store	45	3.7	(3.7)	45	4.0	(1.8)
	Wholesale	565	45.2	0.7	500	44.6	(11.6)
	Overseas sales	1	0.1	(57.8)	5	0.5	290.7
	Sub total	1,251	2.7	(0.2)	1,120	2.3	(10.5)
Kale	Mail Order	883	64.6	(2.1)	845	68.2	(4.4)
	Retail Store	212	15.5	(13.2)	225	18.1	5.7
	Wholesale	266	19.5	28.9	160	12.9	(39.9)
	Overseas sales	5	0.4	(42.7)	10	0.8	92.4
	Sub total	1,367	3.0	0.3	1,240	2.5	(9.4)

◆Sales by Segment (Full Year)

(Millions of yen,%)

		FY2017			FY2018 (Projection)		
		amount	% of total	% change	amount	% of total	% change
Cosme	Mail Order	24,748	43.5	4.6	27,300	43.4	10.3
	Retail Store	20,227	35.5	0.0	21,940	34.9	8.5
	Wholesale	5,300	9.3	21.6	6,070	9.6	14.5
	Overseas sales	6,649	11.7	(1.7)	7,640	12.1	14.9
	Sub total	56,926	59.1	3.5	62,950	60.0	10.6
Supple	Mail Order	13,083	40.8	15.5	14,330	40.9	9.5
	Retail Store	7,828	24.4	8.7	8,750	25.0	11.8
	Wholesale	9,595	29.9	10.4	10,020	28.6	4.4
	Overseas sales	1,577	4.9	13.5	1,910	5.5	21.0
	Sub total	32,085	33.3	12.1	35,010	33.3	9.1
Others	Mail Order	5,204	71.3	2.5	5,130	72.9	(1.4)
	Retail Store	581	8.0	(2.6)	600	8.5	3.2
	Wholesale	1,493	20.5	(2.0)	1,285	18.2	(13.9)
	Overseas sales	15	0.2	(37.5)	25	0.4	59.6
	Sub total	7,294	7.6	1.0	7,040	6.7	(3.5)
Total	Mail Order	43,037	44.7	7.4	46,760	44.5	8.7
	Retail Store	28,637	29.7	2.2	31,290	29.8	9.3
	Wholesale	16,388	17.0	12.5	17,375	16.6	6.0
	Overseas sales	8,242	8.6	0.7	9,575	9.1	16.2
	Sub total	96,305	100.0	6.0	105,000	100.0	9.0

		FY2017			FY2018 (Projection)		
		amount	% of total	% change	amount	% of total	% change
Rice	Mail Order	1,345	54.0	(3.5)	1,260	54.3	(6.4)
	Retail Store	95	3.8	(4.7)	93	4.0	(2.6)
	Wholesale	1,045	42.0	(5.2)	960	41.4	(8.2)
	Overseas sales	3	0.2	(48.0)	7	0.3	97.5
	Sub total	2,490	2.6	(4.4)	2,320	2.2	(6.8)
Kale	Mail Order	1,822	67.2	(1.9)	1,795	68.5	(1.5)
	Retail Store	448	16.6	(6.2)	482	18.4	7.4
	Wholesale	427	15.8	6.4	325	12.4	(24.0)
	Overseas sales	12	0.4	(33.5)	18	0.7	48.5
	Sub total	2,711	2.8	(1.7)	2,620	2.5	(3.4)

◆Segment Information (Three Months)

(Millions of yen,%)

		Three Months ended 6/16			Three Months ended 6/17		
		amount	% of total	% change	amount	% of total	% change
Cosme	Sales	13,895	59.2	2.9	15,776	60.9	13.5
	Gross Profit	10,367	74.6	3.8	11,753	74.5	13.4
	SGA	9,418	67.8	13.5	9,916	62.9	5.3
	Advertising	*2,015*	*14.5*	*34.2*	*2,069*	*13.1*	*2.7*
	Operating Income	949	6.8	(43.9)	1,836	11.6	93.5
Supple	Sales	7,666	32.6	11.5	8,399	32.5	9.6
	Gross Profit	5,207	67.9	9.2	5,733	68.3	10.1
	SGA	5,656	73.8	19.9	5,990	71.3	5.9
	Advertising	*1,689*	*22.0*	*38.2*	*1,722*	*20.5*	*1.9*
	Operating Income	(449)	(5.9)	-	(257)	(3.1)	-
Others	Sales	1,921	8.2	10.5	1,712	6.6	(10.9)
	Gross Profit	853	44.4	2.5	799	46.7	(6.3)
	SGA	1,083	56.4	(30.5)	759	44.4	(29.9)
	Advertising	*245*	*12.8*	*(67.6)*	*142*	*8.3*	*(41.9)*
	Operating Income	(229)	(11.9)	-	40	2.3	-
Eliminations or Corporate		(384)			(403)		
Total	Sales	23,483	100.0	6.2	25,889	100.0	10.2
	Gross Profit	16,428	70.0	5.4	18,286	70.6	11.3
	SGA	16,542	70.4	10.6	17,071	65.9	3.2
	Advertising	*3,951*	*16.8*	*13.4*	*3,935*	*15.2*	*(0.4)*
	Operating Income	(114)	(0.5)	-	1,215	4.7	-

◆General and Administrative Expenses (Three Months)

(Millions of yen,%)

	Three Months ended 6/16			Three Months ended 6/17		
	amount	% of total	% change	amount	% of total	% change
Advertising	3,951	16.8	13.4	3,935	15.2	(0.4)
Sales Promotions	2,835	12.1	8.5	3,272	12.6	15.4
Transport	975	4.2	17.7	1,046	4.0	7.2
Communications	474	2.0	30.4	439	1.7	(7.4)
Fees/outsourcing	2,753	11.7	11.6	2,839	11.0	3.1
Salaries	3,283	14.0	1.4	3,493	13.5	6.4
Depreciations	543	2.3	0.4	471	1.8	(13.3)
Others	1,725	7.3	21.9	1,572	6.1	(8.9)
Total	16,542	70.4	10.6	17,071	65.9	3.2

◆Segment Information (Six Months)

(Millions of yen,%)

		Six Months ended 9/16			Six Months ended 9/17 (Projection)		
		amount	% of total	% change	amount	% of total	% change
Cosme	Sales	27,132	58.8	4.4	29,960	60.2	10.4
	Gross Profit	20,224	74.5	4.9	22,420	74.8	10.9
	SGA	18,581	68.5	11.3	20,110	67.1	8.2
	Advertising	*4,117*	*15.2*	*32.8*	*4,050*	*13.5*	*(1.6)*
	Operating Income	1,642	6.1	(36.6)	2,310	7.7	40.6
Supple	Sales	15,431	33.4	12.1	16,510	33.2	7.0
	Gross Profit	10,492	68.0	11.0	11,310	68.5	7.8
	SGA	11,518	74.6	17.2	11,250	68.1	(2.3)
	Advertising	*3,569*	*23.1*	*27.4*	*3,130*	*19.0*	*(12.3)*
	Operating Income	(1,026)	(6.6)	-	60	0.4	-
Others	Sales	3,600	7.8	4.9	3,280	6.6	(8.9)
	Gross Profit	1,630	45.3	(1.3)	1,510	46.0	(7.4)
	SGA	2,023	56.2	(30.9)	1,470	44.8	(27.3)
	Advertising	*409*	*11.4*	*(70.0)*	*320*	*9.8*	*(21.8)*
	Operating Income	(392)	(10.9)	-	40	1.2	-
Eliminations or Corporate		(825)			(910)		
Total	Sales	46,164	100.0	6.9	49,750	100.0	7.8
	Gross Profit	32,347	70.1	6.5	35,240	70.8	8.9
	SGA	32,948	71.4	8.9	33,740	67.8	2.4
	Advertising	*8,096*	*17.5*	*11.4*	*7,500*	*15.1*	*(7.4)*
	Operating Income	(601)	(1.3)	-	1,500	3.0	-

◆General and Administrative Expenses (Six Months)

(Millions of yen,%)

	Six Months ended 9/16			Six Months ended 9/17 (Projection)		
	amount	% of total	% change	amount	% of total	% change
Advertising	8,096	17.5	11.4	7,500	15.1	(7.4)
Sales Promotions	5,898	12.8	8.8	6,610	13.3	12.1
Transport	1,977	4.3	17.6	2,150	4.3	8.7
Communications	1,027	2.2	32.8	910	1.8	(11.5)
Fees/Outsourcing	5,273	11.4	8.1	5,470	11.0	3.7
Salaries	6,609	14.3	2.3	7,210	14.5	9.1
Depreciations	1,109	2.4	0.8	950	1.9	(14.4)
Others	2,956	6.4	10.3	2,940	5.9	(0.6)
Total	32,948	71.4	8.9	33,740	67.8	2.4

◆Segment Information (Full Year)

(Millions of yen,%)

		FY2017			FY2018 (Projection)		
		amount	% of total	% change	amount	% of total	% change
Cosme	Sales	56,926	59.1	3.5	62,950	60.0	10.6
	Gross Profit	42,805	75.2	4.7	47,330	75.2	10.6
	SGA	37,551	66.0	8.5	40,900	65.0	8.9
	Advertising	*7,656*	*13.5*	*19.4*	*7,670*	*12.2*	*0.2*
	Operating Income	5,253	9.2	(16.3)	6,430	10.2	22.4
Supple	Sales	32,085	33.3	12.1	35,010	33.3	9.1
	Gross Profit	21,728	67.7	11.0	24,040	68.7	10.6
	SGA	22,594	70.4	5.8	22,940	65.5	1.5
	Advertising	*6,601*	*20.6*	*(1.2)*	*6,140*	*17.5*	*(7.0)*
	Operating Income	(865)	(2.7)	-	1,100	3.1	-
Others	Sales	7,294	7.6	1.0	7,040	6.7	(3.5)
	Gross Profit	3,275	44.9	(4.0)	3,240	46.0	(1.1)
	SGA	3,874	53.1	(25.3)	3,140	44.6	(19.0)
	Advertising	*558*	*7.7*	*(71.2)*	*500*	*7.1*	*(10.5)*
	Operating Income	(599)	(8.2)	-	100	1.4	-
Eliminations or Corporate		(1,544)			(1,630)		
Total	Sales	96,305	100.0	6.0	105,000	100.0	9.0
	Gross Profit	67,810	70.4	6.2	74,610	71.1	10.0
	SGA	65,565	68.1	4.6	68,610	65.3	4.6
	Advertising	*14,816*	*15.4*	*(1.5)*	*14,310*	*13.6*	*(3.4)*
	Operating Income	2,244	2.3	86.3	6,000	5.7	167.3

◆General and Administrative Expenses (Full Year)

(Millions of yen,%)

	FY2017			FY2018 (Projection)		
	amount	% of total	% change	amount	% of total	% change
Advertising	14,816	15.4	(1.5)	14,310	13.6	(3.4)
Sales Promotions	12,833	13.3	8.0	13,890	13.2	8.2
Transport	4,075	4.2	15.5	4,570	4.4	12.1
Communications	2,037	2.1	14.4	2,000	1.9	(1.8)
Fees/Outsourcing	10,590	11.0	5.7	11,730	11.2	10.8
Salaries	13,321	13.8	3.0	14,530	13.8	9.1
Depreciations	2,284	2.4	(0.5)	1,970	1.9	(13.8)
Others	5,606	5.8	7.8	5,610	5.3	0.1
Total	65,565	68.1	4.6	68,610	65.3	4.6

◆Capital Investment and Depreciation

(Millions of yen)

	FY2017	FY2018 (Projection)
Capital Investment	4,074	3,170
Depreciation*	3,185	3,230

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

◆Number of Shops by Region

As of 30 June,2017

	Hokkaido	Tohoku	Kanto (except Tokyo)	TOKYO	Tokai,Hokuriku& Shinetsu	Kinki	Chugoku,Shikoku	Kyusyu,Okinawa	Total
FANCL Beauty Shop	-	-	-	1	-	-	-	-	1
FANCL Health House	-	-	1	1	-	-	-	-	2
FANCL Hybrid Shop	4	8	43	32	17	37	14	17	172
FANCL beauty&health	-	-	-	2	-	-	-	-	2
Fancl Shop	-	1	2	2	2	-	1	1	9
Fancl House	1	-	2	-	1	3	1	1	9
Fancl House J	-	-	3	1	-	1	-	-	5
Fancl Ginza Square	-	-	-	1	-	-	-	-	1
Others	-	-	1	1	-	-	-	-	2
Total	**5**	**9**	**52**	**41**	**20**	**41**	**16**	**19**	**203**
ATTENIR Shop	1	-	4	3	1	5	1	1	16

◆Number of Shops

	As of March 31, 2013	As of March 31, 2014	As of March 31, 2015	As of March 31, 2016	As of March 31, 2017	As of June 30, 2017	As of March 31, 2018 (Projection)
FANCL Beauty Shop	-	2	4	1	1	1	1
FANCL Health House	-	2	3	3	3	2	1
FANCL Hybrid Shop	-	1	21	77	168	172	194
FANCL beauty&health	-	-	-	-	2	2	2
Fancl Shop	83	83	77	52	10	9	2
Fancl House	59	56	42	31	9	9	6
Fancl House J	26	19	15	10	6	5	3
Genki Station	3	2	-	-	-	-	-
Fancl Ginza Square	1	1	1	1	1	1	1
Others	3	1	1	1	1	2	5
Total	**175**	**167**	**164**	**176**	**201**	**203**	**215**
ATTENIR Shop	16	16	16	15	16	16	16