April 25, 2019

FANCL Corporation
TSE 1st Section: 4921

Consolidated Financial Statements for the Fiscal Year Ended March 31,2019 (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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Investor Relations Group
Tel. +81 45 226-1470
Email: 4921ir@fancl.co.jp

◆Sales by Segment

(Millions of yen,%)

		FY2018			FY2019			FY2020（Projection)		
		amount	% of total	% change	amount	% of total	% change	amount	% of total	% change
Cosme	Online and catalogue	27,408	41.5	10.7	27,183	38.0	(0.8)	28,650	37.5	5.4
	Direct Store	23,822	36.1	17.8	29,000	40.5	21.7	30,900	40.4	6.5
	Wholesale	6,638	10.0	25.3	7,536	10.5	13.5	8,350	10.9	10.8
	Overseas	8,179	12.4	23.0	7,878	11.0	(3.7)	8,600	11.2	9.2
	Sub total	66,048	60.6	16.0	71,599	58.4	8.4	76,500	58.4	6.8
Supplie	Online and catalogue	13,622	37.9	4.1	14,641	33.3	7.5	15,400	32.4	5.2
	Direct Store	10,366	28.9	32.4	14,042	32.0	35.5	15,700	33.0	11.8
	Wholesale	9,925	27.6	3.4	12,728	29.0	28.2	13,400	28.1	5.3
	Overseas	2,018	5.6	28.0	2,506	5.7	24.2	3,100	6.5	23.7
	Sub total	35,933	33.0	12.0	43,919	35.9	22.2	47,600	36.3	8.4
Others	Online and catalogue	5,175	73.5	(0.6)	4,980	71.4	(3.8)	4,950	71.7	(0.6)
	Direct Store	591	8.4	1.7	562	8.1	(4.9)	500	7.3	(11.1)
	Wholesale	1,250	17.8	(16.3)	1,411	20.2	12.9	1,430	20.7	1.3
	Overseas	21	0.3	34.4	22	0.3	9.0	20	0.3	(12.8)
	Sub total	7,037	6.4	(3.5)	6,977	5.7	(0.9)	6,900	5.3	(1.1)
Total	Online and catalogue	46,206	42.4	7.4	46,806	38.2	1.3	49,000	37.4	4.7
	Direct Store	34,780	31.9	21.5	43,605	35.6	25.4	47,100	36.0	8.0
	Wholesale	17,813	16.3	8.7	21,676	17.7	21.7	23,180	17.7	6.9
	Overseas	10,219	9.4	24.0	10,408	8.5	1.8	11,720	8.9	12.6
	Sub total	109,019	100.0	13.2	122,496	100.0	12.4	131,000	100.0	6.9

		FY2018			FY2019			FY2020（Projection)		
		amount	% of total	% change	amount	% of total	% change	amount	% of total	% change
Rice	Online and catalogue	1,209	53.8	(10.1)	998	49.0	(17.5)	990	49.5	(0.8)
	Direct store	92	4.1	(3.4)	91	4.5	(1.0)	40	2.0	(56.2)
	Wholesale	942	41.9	(9.8)	945	46.4	0.3	970	48.5	2.6
	Overseas	4	0.2	22.3	2	0.1	(46.4)	0	0.0	(100.0)
	Sub total	2,248	2.1	(9.7)	2,037	1.7	(9.4)	2,000	1.5	(1.9)
Kale	Online and catalogue	1,823	69.7	0.0	1,694	64.6	(7.1)	1,710	64.5	0.9
	Direct store	462	17.7	3.0	449	17.1	(2.7)	460	17.4	2.4
	Wholesale	315	12.1	(26.1)	462	17.7	46.4	460	17.4	(0.6)
	Overseas	13	0.5	15.2	16	0.6	20.0	20	0.7	19.4
	Sub total	2,615	2.4	(3.6)	2,622	2.1	0.3	2,650	2.0	1.0

◆Segment Information

(Millions of yen,%)

		FY2018			FY2019			FY2020（Projection）		
		amount	% of total	% change	amount	% of total	% change	amount	% of total	% change
Cosme	Sales	66,048	60.6	16.0	71,599	58.4	8.4	76,500	58.4	6.8
	Gross Profit	49,755	75.3	16.2	54,465	76.1	9.5	58,270	76.2	7.0
	SGA	40,605	61.5	8.1	43,363	60.6	6.8	46,170	60.4	6.5
	Advertising	*8,030*	*12.2*	*4.9*	*8,229*	*11.5*	*2.5*	*9,250*	*12.1*	*12.4*
	Operating Income	9,150	13.9	74.2	11,101	15.5	21.3	12,100	15.8	9.0
Supple	Sales	35,933	33.0	12.0	43,919	35.9	22.2	47,600	36.3	8.4
	Gross Profit	24,546	68.3	13.0	30,141	68.6	22.8	32,540	68.4	8.0
	SGA	23,681	65.9	4.8	26,621	60.6	12.4	27,890	58.6	4.8
	Advertising	*6,669*	*18.6*	*1.0*	*7,180*	*16.3*	*7.7*	*7,250*	*15.2*	*1.0*
	Operating Income	864	2.4	-	3,519	8.0	307.0	4,650	9.8	32.1
Others	Sales	7,037	6.4	(3.5)	6,977	5.7	(0.9)	6,900	5.3	(1.1)
	Gross Profit	3,129	44.5	(4.5)	2,772	39.7	(11.4)	3,010	43.6	8.6
	SGA	2,979	42.3	(23.1)	3,071	44.0	3.1	2,990	43.3	(2.6)
	Advertising	*465*	*6.6*	*(16.7)*	*510*	*7.3*	*9.7*	*550*	*8.0*	*7.8*
	Operating Income	149	2.1	-	（299）	(4.3)	-	20	0.3	-
Eliminations or Corporate		（1,717）			（1,934）			（1,770）		
Total	Sales	109,019	100.0	13.2	122,496	100.0	12.4	131,000	100.0	6.9
	Gross Profit	77,431	71.0	14.2	87,378	71.3	12.8	93,820	71.6	7.4
	SGA	68,983	63.3	5.2	74,990	61.2	8.7	78,820	60.2	5.1
	Advertising	*15,164*	*13.9*	*2.4*	*15,919*	*13.0*	*5.0*	*17,050*	*13.0*	*7.1*
	Operating Income	8,448	7.7	276.4	12,387	10.1	46.6	15,000	11.5	21.1

◆General and Administrative Expenses

(Millions of yen,%)

	FY2018			FY2019			FY2020（Projection）		
	amount	% of total	% change	amount	% of total	% change	amount	% of total	% change
Advertising	15,164	13.9	2.4	15,919	13.0	5.0	17,050	13.0	7.1
Sales Promotions	12,839	11.8	0.0	13,430	11.0	4.6	14,700	11.2	9.5
Transport	4,717	4.3	15.8	5,306	4.3	12.5	5,700	4.4	7.4
Communications	1,779	1.6	(12.6)	1,921	1.6	7.9	2,020	1.5	5.1
Fees/Outsourcing	11,816	10.8	11.6	13,733	11.2	16.2	14,000	10.7	1.9
Salaries	14,959	13.7	12.3	16,226	13.2	8.5	16,620	12.7	2.4
Depreciations	1,843	1.7	(19.3)	1,866	1.5	1.2	1,970	1.5	5.6
Others	5,861	5.4	4.5	6,586	5.4	12.4	6,760	5.2	2.6
Total	68,983	63.3	5.2	74,990	61.2	8.7	78,820	60.2	5.1

◆Capital Investment and Depreciation

(Millions of yen)

	FY2018	FY2019	FY2020 （Projection）
Capital Investment	2,476	3,683	7,940
Depreciation*	2,826	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 31 March, 2019

	Hokkaido	Tohoku	Kanto (except Tokyo)	TOKYO	Tokai,Hokuriku& Shinetsu	Kinki	Chugoku,Shikoku	Kyusyu,Okinawa	Total
(NEW) Fancl Shop	4	4	12	14	11	9	3	2	59
FANCL beauty&health	1	-	2	3	-	5	-	1	12
FANCL Hybrid Shop	2	6	35	20	11	25	11	15	125
FANCL Beauty Shop(Ginza Square 3F)	-	-	-	1	-	-	-	-	1
FANCL Health House(Ginza Square 6F)	-	-	-	1	-	-	-	-	1
Fancl Shop	-	-	1	-	-	-	-	-	1
Fancl House	-	-	-	-	-	-	1	-	1
Fancl Ginza Square	-	-	-	1	-	-	-	-	1
Others	-	-	2	1	-	-	-	-	3
Total	**7**	**10**	**52**	**41**	**22**	**39**	**15**	**18**	**204**
ATTENIR Shop	1	-	4	4	1	5	1	1	17

◆Number of Shops

	As of March 31, 2014	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 March 31, 2020 (Projection)
(NEW) Fancl Shop	-	-	-	-	14	59	107
FANCL beauty&health	-	-	-	2	3	12	18
FANCL New me	-	-	-	-	-	-	3
FANCL Hybrid Shop	1	21	77	168	162	125	78
FANCL Beauty Shop	2	4	1	1	1	1	1
FANCL Health House	2	3	3	3	1	1	1
Fancl Shop	83	77	52	10	6	1	1
Fancl House	56	42	31	9	4	1	-
Fancl House J	19	15	10	6	2	-	-
Fancl Ginza Square	1	1	1	1	1	1	1
Others	3	1	1	1	3	3	3
Total	**167**	**164**	**176**	**201**	**197**	**204**	**213**
ATTENIR Shop	16	15	16	16	16	17	21