

FANCL announces revisions to operating results forecasts

YOKOHAMA, November 2, 2010 – In consideration of recent trends in its business performance, FANCL Corporation today announced revisions to its business results forecasts for the fiscal year ending March 31, 2011. The previous forecasts were announced on May 14, 2010 with the Consolidated Financial Statements for the Fiscal Year Ended March 31, 2010. Revisions are as follows:

1. Revisions to the interim consolidated results forecast (April 1, 2010 to September 30, 2010)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (¥)
Previously announced forecasts (A)	47,700	2,870	2,870	1,600	¥24.65
Revised forecasts (B)	45,776	2,588	2,460	976	¥15.04
Change (B – A)	(1,923)	(281)	(409)	(623)	
Percentage change (%)	(4.0%)	(9.8%)	(14.3%)	(39.0%)	
Reference: (Results for the interim period of fiscal year ended March 31, 2010)	47,683	3,126	3,102	1,542	¥25.16

2. Revisions to the full year consolidated results forecast (April 1, 2010 to March 31, 2011)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (¥)
Previously announced forecasts (A)	97,500	8,000	8,000	4,400	¥67.78
Revised forecasts (B)	93,500	6,000	5,800	2,500	¥38.50
Change (B – A)	(4,000)	(2,000)	(2,200)	(1,900)	
Percentage change (%)	(4.1%)	(25.0%)	(27.5%)	(43.2%)	
Reference: (Results for the fiscal year ended March 31, 2010)	99,536	9,158	9,181	4,306	¥68.26

3. Reasons for revisions

(1) Interim consolidated results forecast

- Overall sales were lower-than-planned, due to weaker than expected sales in the Cosmetics business and Nutritional supplements business and despite achieving higher-than-planned sales in the *Hatsuga Genmai* (germinated brown rice) business and kale juice business
- Operating income is expected to be lower than planned, reflecting lower sales
- Ordinary income is expected to be lower than planned due to the effects of changes to the financial year end of equity affiliate companies not reflected in the previous forecast
- Net income is expected to be lower than planned due to the above factors as well as from recording a loss on revaluation of shares in affiliates as an extraordinary expense during the first quarter

(2) Full year consolidated results forecast

- Forecasts for net sales, operating income and ordinary income have been revised downwards in light of business trends during the first half of the fiscal year
- The net income forecast has been revised downwards due to the above factors as well as to anticipated extraordinary losses arising from manufacturing subsidiary restructuring expenses and losses from the closure of stores

(3) Dividend forecast

- There are no changes to the dividend forecast.

Annual dividend forecast of ¥34.00 per share is composed of interim and year-end dividend payments of ¥17.00 each

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 factors, including changing economic conditions, legislative and regulatory developments, delay in new product launches, and pricing and product initiatives of competitors.

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