AMWAY JAPAN LIMITED

October 15, 1999

Amway Japan Announces Fiscal 1999 Results

Summary

- Net sales for the fiscal year ended August 31, 1999 totaled ¥143.8 billion ($1.3 billion), down 25.3% from the previous year. Operating income was ¥20.3 billion ($185.9 million), down 33.4%, while net income declined 17.8% to ¥10.5 billion ($96.4 million). Net income per share was ¥72.96 ($0.67); net income per ADS was ¥36.48 ($0.33).

- Net sales for the fourth quarter were ¥35.3 billion ($323.7 million), down 23.1% from the same period in the previous year. However, operating income rose 36.5% to ¥5.9 billion ($53.9 million), primarily reflecting a decline in the rate of accruals for sales-related costs included in total operating expenses. Net income also rose, due to the rise in operating income plus an improvement in other income-net and a reduced income tax rate. Net income for the quarter was ¥2.8 billion ($26.1 million), up from ¥1.1 billion in the same period in the previous year. Net income per share was ¥19.77 ($0.18); net income per ADS was ¥9.89 ($0.09).

- Amway Japan's core distributor force as of August 31, 1999 totaled 1,100,000, down 3.9% from a year earlier. The distributor renewal ratio was 72.7%, up from 70.2% a year earlier. New distributor applications in fiscal 1999 declined significantly from fiscal 1998.

- Management is recommending a total cash dividend for the entire 1999 fiscal year of ¥100 ($0.92), unchanged from fiscal 1998.

Financial Highlights ***¥ billions, except per share and ADS da***

	Year Ended August 31			Three Months Ended August 31		
	1999	1998	% change	1999	1998	% change
Net sales	143.8	192.5	- 25.3	35.3	45.9	- 23.1
Operating income	20.3	30.4	- 33.4	5.9	4.3	+36.5
Net income	10.5	12.8	- 17.8	2.8	1.1	NM
Net income per share	72.96	88.71	- 17.8	19.77	7.96	NM
Net income per ADS	36.48	44.36	- 17.8	9.89	3.98	NM

FOR IMMEDIATE RELEASE

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Amway Japan Announces Fiscal 1999 Results

TOKYO: October 15, 1999--Amway Japan Limited (Tokyo OTC: 9821; NYSE: AJL) today announced its financial results for the fiscal year ended August 31, 1999.

Net sales totaled ¥143.8 billion ($1.3 billion), down 25.3% from fiscal 1998. Operating income was down 33.4% to ¥20.3 billion ($185.9 million), while net income declined 17.8% to ¥10.5 billion ($96.4 million). Net income per share was down 17.8% to ¥72.96 ($0.67).

In the fourth quarter of fiscal 1999, net sales declined 23.1% from the same period in fiscal 1998 to ¥35.3 billion ($323.7 million). However, operating income rose 36.5% to ¥5.9 billion ($53.9 million), primarily reflecting a decline in the rate of accruals for sales-related costs included in total operating expenses. Net income also rose, due to the rise in operating income plus an improvement in other income-net and a reduced income tax rate. Net income for the quarter totaled ¥2.8 billion ($26.1 million), up from ¥1.1 billion in the same period of the previous year. Net income per share was ¥19.77 ($0.18).

Amway Japan’s core distributor force, comprising all distributors who had renewed their distributorships with the Company as of the end of the fiscal year, totaled 1,100,000, down 3.9% from a year earlier. The distributor renewal ratio was 72.7%, up from 70.2% in fiscal 1998. New distributor applications in fiscal 1999 declined significantly from fiscal 1998.

Commenting on the results, Chairman Dick DeVos said, “Our sales performance in fiscal 1999 continued to suffer from weak consumer demand in Japan, which took an especially heavy toll on sales of our high-ticket items. Sales also suffered from the continuing impact of negative publicity about our business, and from an intensification of competition among direct selling companies in Japan as the year progressed. These two factors combined to make it more difficult for existing distributors to sponsor new distributors, leading to a significant decline in new distributor applications, which are key to sales growth. At the same time, gross margin remained under pressure, principally because of higher imported product prices mainly attributable to a decline in the value of the yen against the U.S. dollar.

In these difficult circumstances, we continued to work very hard to support and motivate our distributors, and we were pleased to note that while our core distributor force declined, the distributor renewal rate at year-end was at a very high and healthy 72.7%, up from 70.2% a year earlier. This was clear evidence of the continued loyalty and dedication of Amway Japan distributors, and gives us confidence that we have a solid base on which to rebuild growth in the future."

President Richard S. Johnson added: "As anticipated, fiscal 1999 was another very difficult year for Amway Japan, with both net sales and gross margin under downward pressure. We engaged in aggressive cost-cutting efforts, which contributed to the sharp reduction in total operating expenses. However, the main reason for this reduction was the decline in sales volume-related costs. We also succeeded in securing significantly better returns on investment funds, which contributed to an improvement in other income-net. Meanwhile, we focused on core strategies designed to strengthen our business for the future. We intensified our efforts to support and to motivate our distributors through the development of new distributor incentives and a variety of other initiatives. We sustained our commitment to a steady flow of new product introductions, which made a major contribution to fiscal 1999 sales. We continued our advertising and other communications efforts designed to enhance our corporate reputation and combat the effects of negative publicity. And finally, from April 1 we successfully implemented our 3D business re-engineering project, a major initiative which we are confident will allow us to further improve distributor satisfaction and performance in the future."

Mr. Johnson continued: "Looking ahead, fiscal 2000 promises to be another difficult year, with consumer spending in Japan unlikely to rebound rapidly. However, the recent strengthening of the yen against the U.S. dollar is a potentially positive development. We aim for fiscal 2000 to be a pivotal year during which we stabilize sales and distributor force numbers, while continuing to make necessary investments to build a strong foundation for resumed growth."

Corporate Developments

Dividends

Consistent with its commitment to providing shareholders with an above-average return on their investment, Amway Japan management is recommending a year-end regular cash dividend payment, subject to shareholder approval, of ¥50 ($0.46), bringing total cash dividend payments for fiscal 1999 to ¥100 ($0.92), unchanged from fiscal 1998.

For fiscal 2000, based on the Company's outlook for operating results for that year, the Company's current plans are to pay a regular interim dividend of ¥50 per share and a regular year-end dividend of ¥50 per share. All dividends are subject to Board approval and legal and other factors: the year-end dividend is also subject to shareholder approval at the Twenty-fourth Annual General Shareholders' Meeting.

Management and Board of Director Changes
The Board of Directors, at their meeting on October 15, 1999, nominated Douglas L. DeVos and James B. Payne for election to the Board at the annual general shareholders meeting in November. Immediately following the annual meeting and subject to Board approval, Mr. DeVos will be elected Chairman and Mr. Payne will be elected President and Representative Director of the Company. At that time, and subject to Board approval, current President and Representative Director Richard S. Johnson will be elected Vice Chairman and Representative Director. The current Chairman, Dick DeVos, and the current Vice Chairman, Steve Van Andel, have decided not to stand for re-election to the Board. Current Senior Vice President and Representative Director Tomiaki Nagase, following re-election to the Board at the annual general shareholders meeting and subject to Board approval, will be elected Supreme Advisor.

New Headquarters Building: The Company's relocation to its new headquarters building in Shibuya Ward, Tokyo was completed on schedule in September.

Fiscal 1999 Results Overview

Net Sales
The decline in fiscal 1999 net sales was led by a steep decline in sales of high-ticket items in the Housewares product line, which suffered most from the weakness of consumer demand in Japan. Sales in all other product lines also declined, though by smaller percentages and lesser amounts. A steady flow of new product introductions in all four primary product lines made a major contribution to fiscal 1999 sales, but could not offset declines in sales of existing products. Details are as follows:

Fiscal 1999 sales in ***Personal Care***, the largest of Amway Japan's four primary product lines, declined 21.1% from fiscal 1998 to ¥52.4 billion ($480.7 million). This decline was led by a decrease in sales in the Artistry category of cosmetics and skin care products. New and enhanced Artistry skin care products introduced during the year made a major contribution to category sales, but failed to offset declines in sales of existing products.

Elsewhere in the product line, sales of toiletry products declined, although this decline was limited by sales of new products including Satinique Lustertone, a hair coloring product, and Satinique Baby-S, a new product category featuring basic body care products with an extremely gentle formula developed for sensitive baby skin. Sales of Amway World Plaza fashion accessories and other fashion products also declined.

Fiscal 1999 sales in the ***Housewares*** line declined 32.7% from the year before to ¥38.1 billion ($349.9 million), reflecting sharply lower sales of high-ticket durable items including the Amway Water Treatment System, the Amway Air Treatment System, Queen Cookware, the Amway Food Processor and the Induction Range.

These declines were partly offset by strong sales of the Amway Floor Treatment System, which was launched in the third quarter of the year, and also by sales of the Cafetek coffee maker, introduced in the first quarter of the year.

Nutrition line sales were down 22.8% to ¥34.1 billion ($313.1 million), led by a decline in combined sales of Triple X and Triple X refill. Sales of other food supplements also declined, although these declines were partly offset by the successful launch in the third quarter of Nutrikids, Amway Japan’s first vitamin and mineral supplement product specially designed for children. Elsewhere in the product line, sales of food and beverage products declined, as did sales of gourmet products.

Home Care sales were down 27.5% to ¥12.6 billion ($115.2 million), led by a decline in sales of SA8 and other laundry products. Sales of household products were also down, although the decline was partly offset by the third quarter introduction of the Amway Toilet Bowl Cleaner and L.O.C. Towelettes. Sales of home fabrics also declined, and sales of miscellaneous other products decreased mainly reflecting the fact that the fiscal 1998 period benefited from one-time sales of the Olympic Anniversary Box, a Nagano Winter Olympic Games souvenir set of Home Care products.

Sales in the ***Other*** product line decreased 16.0 % to ¥6.6 billion ($60.3 million), reflecting declines in sales of welcome kits and in renewal fees, partly offset by a one-time rise in handling fees associated with the phasing in of the 3D re-engineering project.

Fourth Quarter Net Sales

In the fourth quarter, the year-on-year decline in Housewares sales slowed considerably, reflecting the successful launch of the Amway Floor Treatment System.

Sales in the fourth-largest product line -- Home Care -- recorded the steepest drop, declining 28.8%. Net sales by product line for the full year and the fourth quarter were as follows:

Net Sales by Product Category, Fiscal 1999 Full Year & Fourth Quarter

	Full Year Period			Fourth Quarter Period		
	Net sales ¥ billions	**% change year earlier**	**% of total**	**Net sales ¥ billions**	**% Change year earlier**	**% of total**
Personal Care	52.4	-21.1	36.4	12.0	-22.3	34.0
Housewares	38.1	-32.7	26.5	10.5	-23.3	29.6
Nutrition	34.1	-22.8	23.7	8.2	-22.2	23.4
Home Care	12.6	-27.5	8.8	3.0	-28.8	8.5
Other	6.6	-16.0	4.6	1.6	-18.9	4.5
Total	**143.8**	**-25.3**	**100.0**	**35.3**	**-23.1**	**100.0**

Gross Margin

Fiscal 1999 gross margin declined to 66.8% from 67.7% in fiscal 1998, principally reflecting a year-on-year rise in prices for products purchased by the Company from Amway Corporation, mainly due to a weakening of the yen against the U.S. dollar during 1998. To reflect a subsequent strengthening of the yen against the U.S. dollar, Amway Corporation reduced the implicit yen/dollar exchange rate for products purchased by the Company by 7.7% to ¥120 = $1.00, effective December 1, 1998. However, this reduced rate was still above the average rate in effect for product purchases during fiscal 1998.

In the fiscal 1999 fourth quarter, gross margin was 66.2%, down from 66.4% in the same period of fiscal 1998, primarily reflecting the exchange rate-led year-on-year rise in prices for products purchased from Amway Corporation.

Operating Expenses

Total operating expenses, comprising distributor incentives, distribution expenses and selling and administrative expenses, declined 24.1% from fiscal 1998 to ¥75.8 billion ($695.4 million), but increased as a percentage of sales to 52.7% from 51.9 %. This increase was mainly due to the fact that selling and administrative expenses declined less than sales, reflecting expenses related to fixed costs.

Distributor incentives declined 28.4%, mainly due to the lower sales volume. The decline also reflected a reduced number of qualifiers for bonus payments under the Dream Incentive Program (“DIP”), and a one-time special bonus paid in the fiscal 1998 fourth quarter.

Distribution expenses declined 23.2%, mainly reflecting reductions in sales volume-related expenses including freight costs, outside labor costs and warehouse costs. Substantial additional cost savings were achieved through reductions in rent costs and lower salary and benefit costs reflecting a decline in the total number of employees following the reorganization of the distribution infrastructure initiated in late fiscal 1998.

Selling and administrative expenses declined 16.4%, reflecting a variety of factors including a decline in advertising and public relations expenses following the end of Nagano Winter Olympics-related promotional activities; a reduction in expenses for distributor events because of a reduced number of qualifying distributors; and lower salaries and benefits reflecting the decline in total employee numbers caused by the early retirement program initiated in late fiscal 1998.

In the fourth quarter, total operating expenses were down 33.2% from the same period of fiscal 1998 to ¥17.5 billion ($160.4 million), and declined as a percentage of sales to 49.6% from 57.1%. This was mainly due to a 42.9% decline in distributor incentives, reflecting lower incentive accruals in light of the lower sales volume in fiscal 1999, the reduced number of qualifiers for DIP bonuses and a reduction in the rate of accruals for DIP bonuses for fiscal 1999, and the one-time bonus paid to distributors in the fourth quarter of fiscal 1998. Fourth quarter distribution expenses declined 24.7%, while selling and administrative expenses were down 15.6%.

Operating Income

Operating income for the year totaled ¥20.3 billion ($185.9 million), down 33.4% from the previous year, reflecting lower net sales, lower gross margin and the rise in total operating expenses as a percentage of net sales.

Fourth quarter operating income, however, was up 36.5% from the same period a year earlier to ¥5.9 billion ($53.9 million), reflecting the decline in total operating expenses as a percentage of sales, mainly due to the decrease in sales related costs.

Other Income-Net

Other income-net in fiscal 1999 was ¥0.7 billion ($6.8 million), compared to a net expense of ¥0.7 billion in fiscal 1998. This turnaround was led by a strong improvement in income from investment funds, following steps taken by the Company to maximize the benefits of its cash position.

In the fourth quarter, other income-net recorded a net expense of ¥0.05 billion ($0.4 million). This compared to a net expense of ¥0.9 billion in the fourth quarter of fiscal 1998, which resulted from a one-time restructuring charge associated with the reorganization of the Company's distribution infrastructure and the early retirement program for employees.

Net income

Net income for fiscal 1999 declined 17.8% from fiscal 1998 to ¥10.5 billion ($96.4 million). For the fourth quarter, net income totaled ¥2.8 billion ($26.1 million), up from ¥1.1 billion in the same period of fiscal 1998, reflecting the increase in operating income, plus the improvement in other income-net and a reduced corporate tax rate.

Financial Condition

On August 31, 1999, total shareholders' equity stood at ¥57.0 billion ($522.6 million), down 6.4% from a year earlier, reflecting dividend payments.

Key ratios for fiscal 1999 are shown in the table below:

	Years Ended August 31	
	1999	**1998**
Return on sales (%)	7.3	6.6
Return on equity (%)	17.8	20.6
Return on assets (%)	11.4	12.2
Inventory turnover (times)	3.7	3.7
Current ratio (times)	1.4	1.5

Outlook for Fiscal 2000

In keeping with disclosure standards in Japan, Amway Japan issues projections for net sales, operating income, ordinary income, and net income. These projections reflect numerous assumptions, many of which are beyond the control of the Company. Therefore, actual results can, and will, vary from projected results.

For fiscal 2000, management projects net sales of ¥ 145.0 billion ($ 1.3 billion), operating income of ¥15.9 billion ($145.9 million) and net income of ¥ 8.6 billion ($78.9 million).

These projections reflect the Company's expectation that while the Japanese economy may continue on a recovery path, any upturn in consumer spending in fiscal 2000 will be gradual and relatively limited. The projections incorporate the assumption that the implicit yen/dollar exchange rate for products purchased from Amway Corporation will be revised effective January 1, 2000 to ¥110=U.S.$1.00 from the rate of ¥120=U.S.$1.00 effective for products purchased from September 1, 1999.

The Company plans for fiscal 2000 to be a year during which net sales and distributor force numbers are stabilized, while continued investments are made in a broad range of areas to build a solid foundation for future growth. A key building block in that foundation will be expanded e-commerce capabilities, as well as telecommunications initiatives. In addition, the Company will undertake several product fairs designed to showcase products, and to motivate distributors and enhance their recruitment efforts. The Company will also continue to undertake advertising and other initiatives designed to protect and enhance its reputation. These initiatives, together with the new distributor incentives discussed below, will result in an increase in operating expenses in fiscal 2000.

Specific initiatives planned for fiscal 2000 include:

3D Project: The Company will continue to maximize the benefits of its 3D business re-engineering project to further strengthen distributor satisfaction and motivation. A key aspect of this will be expanded implementation of Direct Marketing programs, designed to enhance the Company's ability to promote purchases among targeted groups of distributors. Another key aspect will be continuing initiatives to further expand the role of e-commerce.

New distributor incentives: The Company has developed new distributor incentives designed to make its direct selling system more attractive and more competitive, and also designed to contribute to enhanced distributor productivity. These new incentives, which took effect as of the beginning of the new fiscal year on September 1, include the addition of several new bonuses. At the same time, the entire bonus program is being simplified and made easier to understand.

New Product Introductions: The Company is committed to ensuring a steady flow of new product introductions in fiscal 2000 to support its distributors and help to reinvigorate their sales efforts. New products already launched or to be launched in the first quarter of the year include Magna Bloc Magnetic Discs, a highly innovative therapeutic treatment for use in the home, designed to alleviate stiffness and promote blood circulation. This will be the first product to be introduced as part of Amway Japan's planned total healthcare management program, entitled "Wellness Life."

First quarter new product developments also include a full revision of the Company's Artistry make-up line, introducing new, improved formulas and more simplified and sophisticated package designs. Details of other new products planned for introduction during the year will be announced in due course.

Risks and Uncertainties in Forward Looking Statements

The statements contained in this release that are not historical facts are forward-looking statements. These forward-looking statements involve risks and uncertainties, such as, without limitation: the continuation of adverse publicity in general and with respect to consumer complaints as experienced in the past; continued worsening of the overall economic situation in Japan, resulting in lower demand for the Company's products; continued competitive pressure from other direct selling companies; potential deterioration in the value of the yen relative to the U.S. dollar such that the Company's anticipated implicit yen/dollar exchange rate for products purchased from Amway does not occur; weaker than expected sales from new product introductions scheduled for fiscal 2000 and from those products introduced in fiscal 1999; adverse action against the Company's distributors or the Company under statutes or regulations which pertain to the direct selling industry and which may impact the Company's ability to sell any of its products or operate pursuant to the Sales Plan generally; and a deterioration in the Company's relationship with distributor leadership or conflicts between distributor leadership.

The Company

Amway Japan Limited is the exclusive distribution vehicle in Japan for Amway Corporation. A direct selling company, Amway Japan distributes approximately 190 consumer products through a core distributor force (distributors who renewed within fiscal 1999) of approximately 1,100,000 independent distributors. With total shareholders' equity at August 31, 1999 of ¥57.0 billion, its fiscal 1999 net sales were ¥143.8 billion and net income was ¥10.5 billion. Amway Japan is registered on the Tokyo OTC market (securities code: 9821) and its ADSs (American Depository Shares), each representing one-half of one share of common stock, are listed on the New York Stock Exchange (ticker symbol: AJL) and quoted on SEAQ International. Current Press releases and SEC earnings filings are available through the Internet at http://www.ajl-amway.com.

(MORE)

Selected Financial Data

Amway Japan Limited ***¥ millions, except per share data and ADS data***

	Years Ended August 31,			Three Months Ended August 31		
	1999	1998	% change	1999	1998	% change
Statement of Income						
Net sales	¥143,797	¥192,458	-25.3	¥35,281	¥45,859	-23.1
Cost of sales	47,738	62,178	-23.2	11,915	15,390	-22.6
	96,059	130,280	-26.3	23,366	30,469	-23.3
Distributor incentives	41,350	57,781	-28.4	9,116	15,952	-42.9
Distribution expenses	8,278	10,783	-23.2	2,018	2,680	-24.7
Selling and administrative expenses	26,170	31,289	-16.4	6,355	7,532	-15.6
Total operating expenses	75,798	99,853	-24.1	17,489	26,164	-33.2
Operating income	20,261	30,427	-33.4	5,877	4,305	+36.5
Other income (net)	746	(698)	*NM**	(49)	(896)	*NM**
Income before income taxes	21,007	29,729	-29.3	5,828	3,409	+71.0
Income taxes	10,500	16,950	-38.1	2,981	2,263	+31.7
Net income	10,507	12,779	-17.8	2,847	1,146	*NM**
Weighted average number of common shares (millions)	144.0	144.0	0.0	144.0	144.0	0.0
Equivalent weighted average number of ADSs (millions)	288.0	288.0	0.0	288.0	288.0	0.0
Amounts per share:						
Net income per common share	¥72.96	¥88.71	-17.8	¥19.77	¥7.96	*NM**
Net income per ADS	¥36.48	¥ 44.36	-17.8	¥9.89	¥3.98	*NM**

	August 31, 1999	August 31, 1998	% change
Balance Sheet			
Assets:			
Total current assets	¥36,878	¥59,780	-38.3
Net property and equipment	44,969	36,639	+22.7
Total investments and other assets	2,114	3,627	-41.7
Total assets	¥83,961	¥100,046	-16.1
Liabilities and Shareholders Equity:			
Total current liabilities	¥26,996	¥39,168	-31.1
Retained earnings	26,537	30,450	-12.9
Total shareholders' equity	56,965	60,878	-6.4
Total liabilities and shareholders' equity	¥83,961	¥100,046	-16.1

*** NM--Not meaningful**

Note: 1. All figures in this release have been prepared in accordance with Japanese accounting principles and have been rounded, as appropriate. All U.S. dollar amounts represent translations, for the convenience of readers, of yen amounts at the rate of ¥109=US$1, the approximate prevailing rate of exchange on August 31, 1999.

2. In the previous year, enterprise taxes were included in operating expenses in the Company's financial statement disclosed in Japan, in accordance with the requirements of the Japanese Commercial Code. However, in the Company's financial statements prepared for the convenience of readers outside Japan, enterprise taxes were included in income taxes. In 1999, the Japanese Commercial Code was changed and enterprise taxes are included in income taxes. Therefore, no such reclassification is made in the Company's financial statements for fiscal 1999.

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