

**FANCL announces acquisition of treasury stock
(Acquisition of treasury stock based on provisions set by Section 165, Paragraph 2 of the
Corporate Law)**

Yokohama, November 1, 2006—Today, following a change to the application of Section 165 Paragraph 3 of the Japanese Corporation Act, the directors of FANCL Corporation (“FANCL”) have decided to carry out an acquisition of treasury stock in accordance with Section 156 of the Corporate Law.

Details

1. Reason for acquisition of treasury stock

The acquisition is being carried out to further increase returns to shareholders as well as to increase capital efficiency and put into effect flexible capital policies in response to changes in FANCL'S corporate environment.

2. Details of acquisition

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|--------------------------------------|-------------------------------------------------------------------------------------------------------|
| (1) Type of shares to be acquired: | Common shares of FANCL |
| (2) Number of shares to be acquired: | A maximum of 3,000,000 shares
(4.6% of shares in issuance following subtraction of treasury stock) |
| (3) Value of shares to be acquired: | A maximum of ¥5.0 billion |
| (4) Period of acquisition: | November 2, 2006 to January 31, 2007 |
| (5) Method of acquisition: | Market purchase using the trust method |

Reference:

Number of treasury stock held as of September 30, 2006

Number of shares in issuance

(excluding treasury stock) 64,725,190 shares

Treasury stock 5,451,410 shares

++ Ends ++

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