

Closure of Factory at Consolidated Subsidiary

YOKOHAMA, March 11, 2009 – At a board meeting held today, the Directors of FANCL Corporation resolved to close the FANCL Hatsuga Genmai Kagawa Factory following a review of consolidated subsidiary FANCL Hatsuga Genmai Co., Ltd. production systems.

1. Reason for factory closure

Nine continuous years of losses have been recorded since the hatsuga genmai (germinated brown rice) business began in 1999, and a loss has also been forecasted for the current fiscal year. It has been determined that further losses are not justifiable so the Kagawa factory will be closed in order to achieve profitability from the next term onwards. The Kagawa factory production system will be integrated with the Nagano factory.

2. Overview of consolidated subsidiary

Company name	FANCL Hatsuga Genmai Co., Ltd.
Head office	Nagano Prefecture, Tomi City, Netsu 1080-8
Representative Director	Hiromichi Aoto
Capital	95,800,000 yen

3. Kagawa factory

Location	Kagawa Prefecture, Mitoyo City, Minocho, Shimotakase 50-2
Site area	3,763 m ²
Main operations	Production of FANCL hatsuga genmai rice
Main facilities	Hatsuga genmai rice production facilities
Number of employees	23 (includes 11 part-time employees)

4. Factory closure schedule

March 11, 2009: FANCL Corporation, Board of Directors meeting
May 31, 2009: Shutdown (scheduled date)

5. Impact on results

An extraordinary loss of 440 million yen is estimated to arise as a result of the closure of the Kagawa factory.

***** Ends *****

For further information in English please contact:

Chisa Hayakawa
Investor Relations Group
Tel: +81-45-226-1470
Email: official@fancl.co.jp