

August 6, 2019

FANCL Corporation
TSE 1st Section: 4921

**Notice regarding secondary offering of shares
and
change to the largest and principal shareholder and other affiliated company**

Yokohama, August 6, 2019— FANCL Corporation (the “Company”) was informed by Kenji Ikemori, Chairman & Founder, Representative Director of the Company, and Kazuyoshi Miyajima, Vice Chairman, Director of the Company that a contract has been executed to assign a part of the Company’s common stock held by them to Kirin Holdings Company, Limited (the “Purchaser”) by off-market transaction (the “Assignment”). Since the Assignment falls under a secondary offering of the Company’s shares, and due to the completion of the Assignment and the assignment to the Purchaser of a part of the Company’s common stock held by Kenji Ikemori’s relatives and other shareholders by off-market transaction, changes would occur to the Company’s largest shareholder, which is also a principal shareholder, and other affiliated company, the Company announces as follows.

I. Secondary offering of the shares

1. Overview of secondary offering

(1) Class and number of shares to be offered	11,085,956 shares of the Company’s common stock
(2) Offering price	JPY 3,270 per share The offering price is determined as a result of the discussion between the parties.
(3) Total offering price	JPY 36,251,076,120
(4) Owner and number of offered shares	Kenji Ikemori: 10,978,048 shares Kazuyoshi Miyajima: 107,908 shares
(5) Method of offering	Assignment of the Company’s common stock to the Purchaser
(6) Subscription date	August 6, 2019
(7) Delivery date	September 6, 2019 (scheduled)
(8) Advances on subscription	None
(9) Subscription unit	None
(10) Other	Written notice of securities pursuant to the Financial Instruments and Exchange Act has been submitted to

	the Director of the Kanto Finance Bureau.
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2. Purpose of secondary offering

The purpose of the secondary offering is to perform the Assignment by secondary offering, as procedures provided in related laws and regulations, since Kenji Ikemori, Kazuyoshi Miyajima and the Purchaser have agreed to assign the Company's common stock by off-market transaction.

II. Change to the largest shareholder, which is a principal shareholder, and other affiliated company

1. Background of change

The Company was informed by Kenji Ikemori, Chairman & Founder, Representative Director of the Company, and Kazuyoshi Miyajima, Vice Chairman, Director of the Company that a contract has been executed to assign a part of the Company's common stock held by them to the Purchaser by off-market transaction. Due to the completion of the Assignment and the assignment to the Purchaser of a part of the Company's common stock held by Kenji Ikemori's relatives and other shareholders by off-market transaction, the following changes are prospectively to occur to the Company's "largest shareholder, which is a principal shareholder" and "other affiliated company".

2. Overview of the shareholders subject to change

(1) Outline of the shareholder newly falling under "the largest shareholder, which is a principal shareholder" and "other affiliated company"

(1) Company name	Kirin Holdings Company, Limited	
(2) Location	4-10-2, Nakano, Nakano-ku, Tokyo 164-0001, Japan	
(3) Title and name of representative	Yoshinori Isozaki, President and CEO	
(4) Main business	Developing group-wide management strategies and overseeing their implementation	
(5) Capital	JPY 102,046 million (as of December 31, 2018)	
(6) Date of establishment	February 23, 1907	
(7) Total capital	JPY 1,200,920 million (as of December 31, 2018)	
(8) Total assets	JPY 2,303,624 million (as of December 31, 2018)	
(9) Large shareholders and shareholding ratios	The Master Trust Bank of Japan, Ltd. (Trust account) 8.25% Japan Trustee Services Bank, Ltd (Trust account) 5.15% Meiji Yasuda Life Insurance Company 3.75%	
(10) Relationship with the Company	Capital relationship	None
	Personal relationship	None

	Transactional relationship	None
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3. Number of votes (shares) owned by shareholder and percentage to the number of votes of all shareholders before and after change

(1) Kirin Holdings Company, Limited

	Attributes	Number of votes (percentage of votes owned)			Large shareholder rank
		directly owned	Aggregate portion	Total	
Before change (as of March 31, 2019)	-	-	-	-	-
After change	Other affiliated company and the largest shareholder, which is a principal shareholder	395,404 (39,540,400 shares) (33.0%)	-	395,404 (39,540,400 shares) (33.0%)	No. 1

* Number of shares deducted from the total number of issued shares as shares without voting rights: 10,533,700 shares

Total number of issued shares as of March 31, 2019: 130,353,200 shares

4. Scheduled date of change

September 6, 2019

5. Change in unlisted parent company subject to disclosure and such

None

6. Future prospects

There are no effects to the Company's achievements by these changes.

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