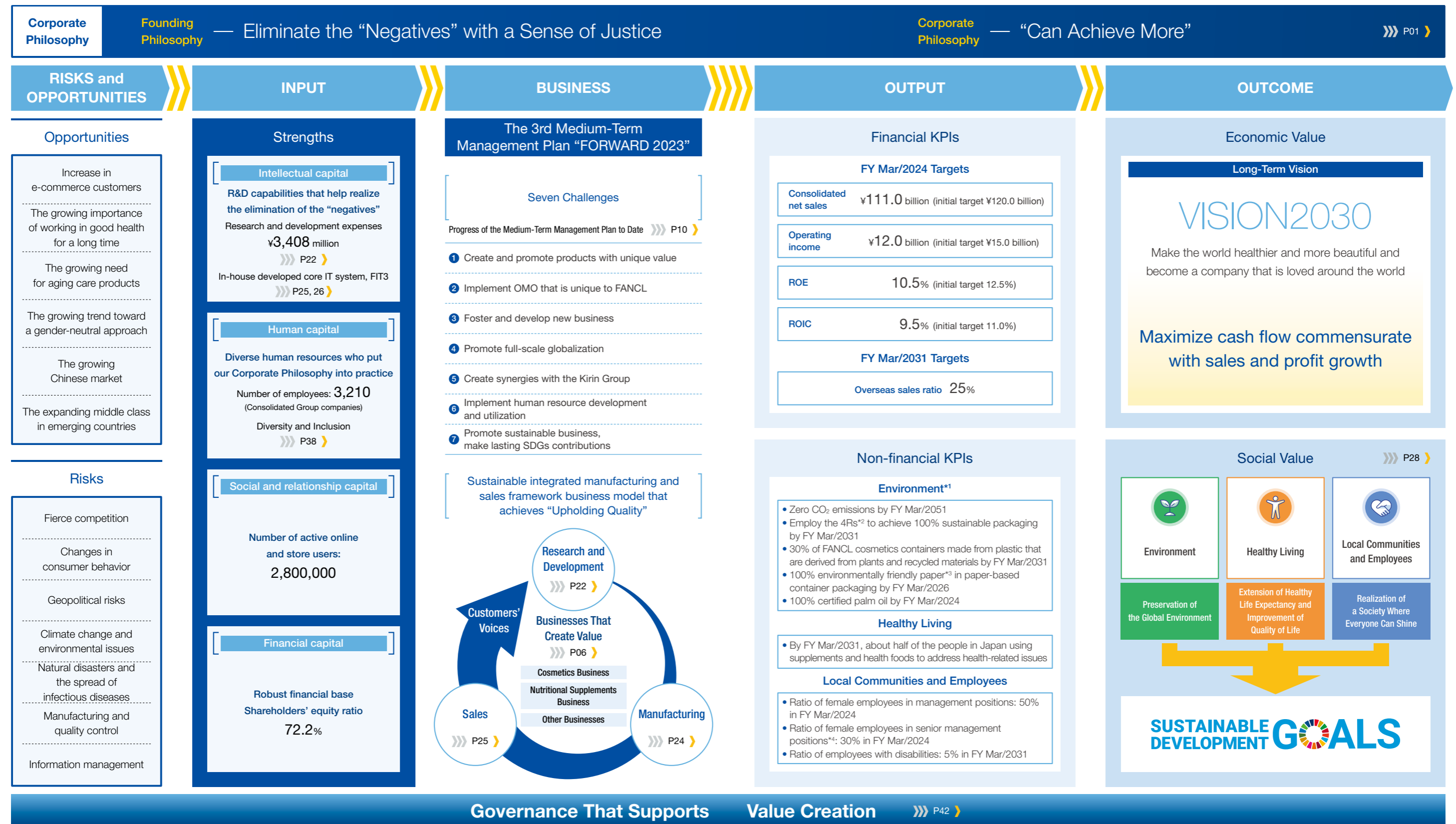


# Value Creation Process

Taking full advantage of the wellspring of value creation that we have nurtured since our foundation, we will work diligently to ensure our ongoing sustainable growth while enhancing our corporate value by adhering to our Corporate Philosophy.



\*1 4R compatibility in the use of plastic container packaging materials, adoption of environmentally friendly paper in paper-based container packaging, and the procurement of certified palm oil apply to the cosmetics and health foods of FANCL Corporation and ATTENIR CORPORATION.  
\*2 Reduce, Reuse, Recycle, Renewable.

\*3 Certified paper, non-wood paper, recycled paper, etc.  
\*4 Managerial positions of departmental deputy manager and above, excluding directors.

# Track Record of Solving Social Issues through Business

Dissatisfactions, anxieties and inconveniences, no matter how small, are the “negatives” upon which FANCL maintains its focus. Bringing to bear our outside-the-box sensibility and originality, we welcome the challenge of eliminating such “negatives,” and that is the starting point for all our corporate activities.

FANCL is committed to transforming anxiety into peace of mind, inconvenience into convenience, and dissatisfaction into satisfaction. To support lifestyles of beauty and health, we offer products and services that meet the highest standards of safety while providing peace of mind. Aiming to eliminate the negatives to an even greater degree—this is our ongoing challenge.

We will continue to build a bright future together by eliminating “negatives” through our businesses.

## 1982

Eliminate concerns about cosmetics pollution  
Birth of *Mutenka* Cosmetics



In the late 1970s, skin problems caused by cosmetics were a major social problem. After discovering that the cause was additives such as preservatives, FANCL's founder, Kenji Ikemori took on the challenge of developing cosmetics that did not use such additives. FANCL initially had difficulty removing such preservatives, but the idea of sizing products so they could be used up before spoiling gave birth to the long-desired concept of *Mutenka* (additive-free) cosmetics.

## 1994

Eliminating health concerns faced by modern people  
Start of the Health Food Business



FANCL launched the Health Food Business to protect the health of people living in an age of food satiation. In order to dispel the conventional industry image that health foods are untrustworthy and expensive, the Company adopted an in-house production system and aluminum pouches, which are now the mainstream. FANCL was also the first to call these health foods that could be consumed with peace of mind on a daily basis “supplements.”

## 1997

Eliminate the dissatisfaction of makeup removers that are hard on the skin  
Launch of the first *MILD CLEANSING OIL*



## 1998

Eliminate the inconvenience of the visually impaired to identify products  
Development of touch mark stickers



## 1999

Eliminate the employment concerns of people with disabilities  
Establishment of FANCL SMILE



Many people with disabilities wish to find employment, yet there are few job opportunities available to them. In response, we established special subsidiary FANCL SMILE Co., Ltd. in order to eliminate this “negative.” FANCL SMILE promotes the employment of people with disabilities not to protect them as socially vulnerable people, but rather to help them become “independent” members of society. FANCL SMILE currently employs around 100 staff members who play an active role in each business facility.

## 2013

Eliminate the dissatisfaction surrounding health foods that do not work effectively  
Enhanced appeal for inner body effectiveness design



## 2020

Thoroughly eliminate dissatisfaction with choosing supplements  
Launch of *Personal ONE*



Foundation

Future

## 1980

## 1989

Eliminate dissatisfaction with sought-after but expensive cosmetics  
Launch of *ATTENIR* cosmetics



The belief that the higher priced cosmetics were, the more effective they were prevailed during Japan's bubble economy years. Even so, women were secretly dissatisfied with these prices. In response, we took on the challenge of developing the *ATTENIR* brand to eliminate these “negatives.” By upgrading and expanding the existing distribution system, we realized affordably priced, fashionable cosmetics abundantly blended with high-quality ingredients.

## 1990

## 1995

Eliminate the dissatisfaction of not being able to see or try products by mail order alone  
Opening of the first directly managed store



## 1996

Eliminate the dissatisfaction of not knowing which supplement to choose  
Launch of the first one-pack supplement



## 1997

Eliminate the inconvenience of receiving mail orders  
Development of the Designated Delivery Place service



The inconvenience of receiving products impeded mail order sales. In response, FANCL developed the Designated Delivery Place service\* to deliver products to customer-designated locations. In addition to eliminating the inconvenience of receiving packages, this service also reduced the time and effort required by delivery personnel to re-deliver packages as well as the CO<sub>2</sub> emissions produced by this. This service is the root of the package drop services that are now the standard in the home delivery industry.

## 2000

## 1999

Eliminate discomfort from wearing underwear  
Start of the Underwear Business



Female employees voiced their desire to eliminate discomfort like tightness and itchiness while wearing underwear, and from this desire FANCL underwear was born. We achieve beauty and comfort for the wearer by strictly adhering to our own comfort standards, extending from material selection to design. These comfortable-to-wear items are an expression of FANCL's commitment to caring for bare skin.

## 2004

Eliminate concerns about the consumption of health foods in combination with medications  
Launch of the health food and drug combination search services



Consuming health foods together with medications may affect the efficacy of the medications. To address this issue, we developed a system to search for combinations of about 120 FANCL health foods and around 30,000 medicines prescribed and sold in Japan. Under the supervision of physicians and specialized pharmacists, we continuously update information based on academic literature in order to reassure our customers.

## 2020

## 2018

Resolve health concerns in China  
Full-scale launch of health food sales in China



We want to support people's health in China, where the rise in patients with lifestyle-related diseases is being called a social problem. With this in mind, we have started selling health foods using cross-border e-commerce through a partnership with China Sinopharm International Corporation, the largest pharmaceutical group in China. Since then, we have taken on the challenge of engaging in general trade sales and aim to further expand our product lines.

\* Transitioned to Designated Delivery Place Direct from 2019