

March 12, 2013

FANCL Corporation
TSE 1st Section: 4921

Notice regarding consideration of shift to holding company structure

Yokohama, March 12, 2013—At a board meeting held today, the directors of FANCL Corporation decided to begin consideration of a shift to a holding company structure, provisionally as of April 1, 2014.

The shift to a holding company structure will begin following shareholder approval at the general meeting of shareholders scheduled for mid-June and the receipt of required regulatory approvals.

1. Purpose of the holding company

The decision to consider the shift to a holding company structure was based on the following:

(1) To strengthen operations and business implementation structures

As of March 1, 2013, FANCL CORPORATION switched to a company system in order to promote rapid decision making and business execution. To endorse this change, FANCL has clarified responsibilities for each business and sought to better understand the customers' perspective and operate under our own founding principles. However, we also believe that it is necessary to strengthen corporate governance by enhancing expertise and autonomy of each of the businesses.

(2) To strengthen the global nature of the Group

We are currently rebranding the Cosmetics business and endeavoring to raise our corporate brand value. Looking ahead, however, we are aware that these initiatives must address the global market place, and believe that in implementing these initiatives, it is necessary to have a structure that allows the holding company to implement rapid decision making and present policies that are optimal for the entire group.

2. Method to shift towards holding company structure

Details of the schedule to shift towards a holding company structure, and information on the post-holding company structure management and operation structure will be made available in a timely manner following decisions made by the Board of Directors.

3. Schedule for shift towards holding company structure

Mid-May, 2013: Board of Directors decision to become a holding company

Mid-June, 2013: Approval from general meeting of shareholders to become a holding company

April 1, 2014: Change to a holding company structure

*****ENDS*****