

August 28, 2024

FANCL Corporation  
TSE Prime Market: 4921

**(Change) Notice regarding the partial changes to the “Notice of Expression of Our Affirmative Opinion regarding, and Recommendation to Tender in, the Tender Offer for the Company’s Shares etc. by Kirin Holdings Company, Limited”**

**Yokohama**, August 28, 2024—FANCL Corporation (the “Company”) hereby announces that the “Notice of Expression of Our Affirmative Opinion regarding, and Recommendation to Tender in, the Tender Offer for the Company’s Shares etc. by Kirin Holdings Company, Limited” announced by the Company on June 14, 2024 (including the changes by the “(Change) Notice regarding the partial changes to the “Notice of Expression of Our Affirmative Opinion regarding, and Recommendation to Tender in, the Tender Offer for the Company’s Shares etc. by Kirin Holdings Company, Limited” announced on July 29, 2024 and the (Change) Notice regarding the partial changes to the “Notice of Expression of Our Affirmative Opinion regarding, and Recommendation to Tender in, the Tender Offer for the Company’s Shares etc. by Kirin Holdings Company, Limited” announced on August 6, 2024) has been changed as detailed below. The changed parts are underlined.

3. Details of, and grounds and reasons for, the opinion on the Tender Offer
- (2) Grounds and reasons for the opinion on the Tender Offer
  - (ii) Background, purpose, and decision-making process that led to the Tender Offeror's decision to implement the Tender Offer

<Before Amendment>

<Omitted>

Given the above, the Tender Offeror determined at the Board of Directors meeting held on August 6, 2024, that it would change the Tender Offer Price from JPY 2,690 to JPY 2,800 and that it would extend the Tender Offer Period to August 28, 2024, for a total of 51 business days. At such meeting, the Tender Offeror also decided to make the Tender Offer Price after the Changes to Terms and Conditions of Tender Offer for Shares, Etc. final, make no change in the Tender Offer Price thereafter and make no additional extension of the Tender Offer Period at its own discretion unless required under the Act. The Tender Offer Price after the Changes to Terms and Conditions of Tender Offer for Shares, Etc. (JPY 2,800) is an amount adding 48.58% on JPY 1,884.5, which was the closing price of the Company Shares on the Prime Market of the TSE on June 13, 2024, the business day immediately preceding the date of announcement of the Tender

Offer, i.e., June 14, 2024; a premium of 41.84% on JPY 1,974, which was the simple average of the closing prices for the preceding one (1) month period until the same date (any amount less than one yen has been rounded to the nearest yen; hereinafter the same applies to the calculation of the simple average of closing prices); a premium of 42.78% on JPY 1,961, which was the simple average of the closing prices for the preceding three (3) month period until the same date; and a premium of 33.40% on JPY 2,099, which was the simple average of the closing prices for the preceding six (6) month period until the same date, the Tender Offeror is said to be considering that the Tender Offer Price after the Changes to Terms and Conditions of Tender Offer for Shares, Etc. (JPY 2,800) is a reasonable opportunity to sell the Company Shares.

<After Amendment>

<Omitted>

Given the above, the Tender Offeror determined at the Board of Directors meeting held on August 6, 2024, that it would change the Tender Offer Price from JPY 2,690 to JPY 2,800 and that it would extend the Tender Offer Period to August 28, 2024, for a total of 51 business days. At such meeting, the Tender Offeror also decided to make the Tender Offer Price after the Changes to Terms and Conditions of Tender Offer for Shares, Etc. final, make no change in the Tender Offer Price thereafter and make no additional extension of the Tender Offer Period at its own discretion unless required under the Act. The Tender Offer Price after the Changes to Terms and Conditions of Tender Offer for Shares, Etc. (JPY 2,800) is an amount adding 48.58% on JPY 1,884.5, which was the closing price of the Company Shares on the Prime Market of the TSE on June 13, 2024, the business day immediately preceding the date of announcement of the Tender Offer, i.e., June 14, 2024; a premium of 41.84% on JPY 1,974, which was the simple average of the closing prices for the preceding one (1) month period until the same date (any amount less than one yen has been rounded to the nearest yen; hereinafter the same applies to the calculation of the simple average of closing prices); a premium of 42.78% on JPY 1,961, which was the simple average of the closing prices for the preceding three (3) month period until the same date; and a premium of 33.40% on JPY 2,099, which was the simple average of the closing prices for the preceding six (6) month period until the same date, the Tender Offeror is said to be considering that the Tender Offer Price after the Changes to Terms and Conditions of Tender Offer for Shares, Etc. (JPY 2,800) is a reasonable opportunity to sell the Company Shares.

Thereafter, since the Tender Offeror became aware that the holding percentage of the share certificates, etc. related to the Company Shares of MY. Alpha Management HK Advisors Limited had increased from 8.94% to 9.94% by the statement of changes to the statement large-volume holdings submitted by the said company, a shareholder of the Company, to Kanto Local Finance Bureau on August 22, 2024, the Tender Offeror is said to have confirmed on August 26, 2024 that a change to the major shareholder of the Company had occurred when it confirmed, with the said company through the Company, the percentage of the voting rights of the said company

against the voting rights of all shareholders, etc. Since the Tender Offeror also confirmed that an ad hoc report had been submitted by the Company dated August 26, 2024 when it was contacted by the Company that it planned to submit an ad hoc report dated August 26, 2024 in accordance with the provisions of Article 19 Paragraph 2 Item 4 (Change of Major Shareholder) of the Cabinet Office Order on Disclosure of Corporate Affairs, the Tender Offeror is said to have decided to submit an amendment statement to the tender offer statement to the Director-General of Kanto Local Finance Bureau in accordance with the provisions of Article 27-8 Paragraph 2 of the Act dated August 28, 2024. Considering that MY. Alpha Management HK Advisors Limited had implemented the transaction of the Company Shares, not only acquisition of the Company Shares but also disposition of the Company Shares that is equivalent to one percent or more of ownership ratio of share certificates, etc., including out-of-market transactions multiple times during the period from June 14, 2024, when the announcement and pre-announcement media reports of the Tender Offer were made, till August 22, 2024 when the said company became a major shareholder of the Company, the Tender Offeror is said to be considering that further changes to the major shareholder may occur repeatedly by the said company implementing disposition, etc. of the Company Shares and subsequent acquisition, etc. after the submission of such amendment statement. The Tender Offeror is said that, if it is reasonably determined that the said company implemented acquisition or disposition etc. of the Company Shares, with the purpose of further extending the Tender Offer Period or with knowledge that the Tender Offer Period will be extended, in order to cause a change to the major shareholder of the Company regarding the said company after the submission of such amendment statement, it shall not submit the amendment statement to the tender offer statement nor extend the Tender Offer Period in accompaniment thereof on the grounds of such changes to the major shareholder. The Tender Offeror is also said to have determined, at the Board of Directors meeting dated August 6, 2024, that it shall not voluntarily re-extend the Tender Offer Period even though it has no legal obligation, and although such decision shall continue, since it is necessary to extend the Tender Offer Period till September 11, 2024, the date on which ten (10) business days have elapsed calculating from August 28, 2024, the submission date of such amendment statement, in accordance with the provisions of Article 27-8 Paragraph 8 of the Act and the main text of Article 22 Paragraph 2 of the Ordinance in accompaniment with the submission of such amendment statement, the Tender Offeror is said to have extended the Tender Offer Period till September 11, 2024 and set the totaling sixty-one (61) business days as of August 28, 2024 for compliance with the obligations under the provisions of the Act and the Ordinance above.

- (6) Measures to ensure the fairness of the Tender Offer, such as measures to ensure the fairness of the Tender Offer Price and measures to avoid conflicts of interest
  - (ix) Establishment of measures to ensure purchase opportunities from other purchasers

<Before Amendment>

While the shortest period provided by laws and regulations in relation to the Tender Offer Period is twenty (20) business days, the Tender Offeror is said to have set the period as fifty-one (51) business days. By setting the Tender Offer period for a relatively long period of time in light of the shortest period provided in laws and regulations, it is said that the Tender Offeror is contemplating to ensure an appropriate decision-making opportunity for the Company's shareholders and Stock Acquisition Rights Holders as to whether to tender in the Tender Offer, and also to ensure an opportunity for parties other than the Tender Offeror to purchase, etc. the Company Shares, thereby ensuring the appropriateness of the Tender Offer Price.

<Omitted>

<After Amendment>

While the shortest period provided by laws and regulations in relation to the Tender Offer Period is twenty (20) business days, the Tender Offeror is said to have set the period as sixty-one (61) business days. By setting the Tender Offer period for a relatively long period of time in light of the shortest period provided in laws and regulations, it is said that the Tender Offeror is contemplating to ensure an appropriate decision-making opportunity for the Company's shareholders and Stock Acquisition Rights Holders as to whether to tender in the Tender Offer, and also to ensure an opportunity for parties other than the Tender Offeror to purchase, etc. the Company Shares, thereby ensuring the appropriateness of the Tender Offer Price.

<Omitted>

- (x) Establishment of measures to ensure opportunity for the Company's shareholders and Stock Acquisition Rights Holders to make an appropriate decision on whether to tender their shares in the Tender Offer

<Before Amendment>

<Omitted>

In addition, while the shortest period provided by laws and regulations in relation to such matters as purchase related to the Tender Offer Period is twenty (20) business days, the Tender Offeror is said to have set the tender offer period as fifty-one (51) business days. By setting the Tender Offer Period for a long period of time in light of the shortest period provided in laws and regulations, it is said that the Tender Offeror is contemplating to ensure an appropriate decision-making opportunity for the Company's shareholders and Stock Acquisition Rights Holders as to whether to tender in the Tender Offer, thereby ensuring the appropriateness of the Tender Offer Price.

<After Amendment>

<Omitted>

In addition, while the shortest period provided by laws and regulations in relation to such matters as purchase related to the Tender Offer Period is twenty (20) business days, the Tender Offeror is said to have set the tender offer period as sixty-one (61) business days. By setting the Tender Offer Period for a long period of time in light of the shortest period provided in laws and regulations, it is said that the Tender Offeror is contemplating to ensure an appropriate decision-making opportunity for the Company's shareholders and Stock Acquisition Rights Holders as to whether to tender in the Tender Offer, thereby ensuring the appropriateness of the Tender Offer Price.

## 10. Others

<Before Amendment>

<Omitted>

- (2) Announcement of the "Consolidated Financial Statements for the First Quarter of the Fiscal Year Ending March 31, 2025 [Japan Standard]"

<Omitted>

<After Amendment>

- (2) Announcement of the "Consolidated Financial Statements for the First Quarter of the Fiscal Year Ending March 31, 2025 [Japan Standard]"

<Omitted>

- (3) Announcement of the "Notice concerning Change of Major Shareholder" and submission of ad hoc report

As the Company confirmed the change of its major shareholder, the Company announced the "Notice concerning Change of Major Shareholder" as of August 26, 2024 and submitted ad hoc report to Kanto Local Finance Bureau as of the same date. For details, please refer to the said announcement and the ad hoc report.

[Regulation of Solicitation]

This press release is a press release relating to our expression of opinion regarding the Tender Offer and is not prepared for the purpose of soliciting applications for the sale, etc. of securities in connection with the Tender Offer or for the purchase, etc. of securities. When making an application for sales, etc., please be sure to read the Tender Offer Explanation relating to the Tender Offer and make such an application at the discretion of the shareholders and the Share Acquisition Rights Holders. This press release shall not constitute or be a part of an offer to sell or purchase securities or a solicitation of offer to sell or purchase securities, and the fact of this press release (or any part thereof) or the distribution thereof shall not be the basis for, and may not be relied upon in entering into, any agreement relating to the Tender Offer.

[Forecast]

This press release and the reference documents of this press release may contain forward-looking statements, including words such as “anticipate”, “forecast”, “predict”, “intend”, “will,” “believe,” “schedule”, “estimate”, “presume” and similar expressions. Such expressions are based on the tender offer related party or the Company’s current business outlook, and may change depending on future conditions. The tender offer related party or the Company, or any of their affiliates assume no obligation to present forward-looking statements about this information to reflect actual results, circumstances or developments or changes in conditions.

[U.S. regulations]

The Tender Offer covers common stock and the Stock Acquisition Rights of the Company, a company incorporated in Japan. The Tender Offer is made in compliance with the processes and information disclosure standards stipulated in the Financial Instruments and Exchange Law of Japan, however these procedures and standards are not necessarily the same as the procedures and information disclosure standards in the United States. In particular, the provisions of Article 13(e) or Article 14(d) of the Securities Exchange Act of 1934 of the United States (Securities Exchange Act of 1934, as amended, the “US Securities Exchange Act of 1934”) and the rules set forth thereunder shall not apply to the Tender Offer and the Tender Offer shall not be in accordance with these procedures and standards. The financial information included in this press release and in the reference documents of this press release is not based on U.S. GAAP. Because the Tender Offer and the Company is a corporation incorporated outside the United States and none of its officers are U.S. residents, it may be difficult to exercise or claim rights on the basis of U.S. securities-related laws. In addition, the Company may not be able to initiate legal proceedings in a court outside the United States against a corporation or its officers outside the United States on the basis of a violation of securities-related laws in the United States. In addition, a corporation outside the United States or its officers or related (affiliate) of such corporation may not be admitted to the jurisdiction of the United States courts.

All procedures relating to the Tender Offer shall be in Japanese unless otherwise stated. All or part of the documents relating to the Tender Offer shall be prepared in English. However, in the event of any

discrepancy between the applicable documents in English and those in Japanese, the documents in Japanese shall prevail.

This press release and reference documents to this press release contain “forward-looking statements” (forward-looking statements) as defined in section 27A of the Securities Act of 1933 of the United States (including any subsequent amendments) and section 21E of the US Securities Exchange Act of 1934. Known or unknown risks, uncertainties or other factors may cause actual results to differ materially from those expressed or implied by the forward-looking statements. No assurance can be given that the Tender Offeror, the Company or any related person will achieve the projections expressed or implied by the “forward-looking statements.” The “forward-looking statements” in this press release and the reference documents of this press release are prepared on the basis of the information of the Tender Offeror or the Company as of the date of this press release and the reference documents of this press release, and except as required by law, the Tender Offeror, the Company, or any of their affiliates are not obligated to update or modify the reference documents to reflect future events or circumstances.

The Tender Offeror, the Financial Advisors of the Tender Offeror and the Company and Tender Offer Agents (including their affiliates) may, within their normal scope and to the extent permitted by the laws and regulations relating to Japanese financial Instruments transactions related laws and regulations, and other applicable laws and regulations, make a purchase of the Company Shares for their own account or for the account of customers of the Company prior to the commencement of the Tender Offer or during the Tender Offer Period or take any action towards it, subject to the requirements of 14e-5 (b) of the US Securities Exchange Act of 1934. In the event that information relating to such purchase is disclosed in Japan, such disclosure shall also be made in the English language on the website (or other means of disclosure) of the person who made such purchase or any of its affiliates.

The Company may purchase its own shares in accordance with legal procedures during the Tender Offer Period from any shareholder who exercises the right under the Companies Act (Act No. 86 of 2005, as amended; the “Companies Act”) to require the Company to purchase shares constituting less than one unit.

As stated in the “Notice regarding introduction of performance-linked stock price-based compensation plan” announced by the Company on May 19, 2021, the Company has introduced a trust-type performance-linked stock compensation plan (the “Performance-Linked Stock Compensation Plan”) that includes Directors (excluding Outside Directors and non-residents of Japan) of the Company among the persons covered by the plan. Under the Performance-Linked Stock Compensation Plan, (i) each Director of the Company covered by such plan will be granted points at certain times of each year in accordance with his/her job position, number of months in office, and the degree to which his/her targets under the Medium-Term Management Plan have been achieved, (ii) the right (trust beneficial interest) of such Director to receive the delivery of the Company Shares in the number corresponding to such points will vest, and (iii) such Director will receive the delivery of the above-mentioned number of Company Shares. With respect to Mr. Kazuyuki Shimada, Mr. Tomochika Yamaguchi, Mr. Yasushi Sumida and Mr. Shinro Fujita, who are Directors of the Company, in accordance with the Performance-Linked Stock Compensation Plan on July

1, 2024, (a) the right to receive the delivery of 1,100 Company Shares (ownership ratio (as defined in “1. Purpose of Tender Offer,” “(1) Overview of the Tender Offer” of the Tender Offer Commencement Press Release; hereinafter the same): 0.00%), 700 Company Shares (ownership ratio: 0.00%), 600 Company Shares (ownership ratio: 0.00%), and 600 Company Shares (ownership ratio: 0.00%) (total: 3,000 shares, ownership ratio: 0.00%), respectively, vested during the Tender Offer Period, and (b) such number of the Company Shares was delivered to the above Directors on July 16, 2024, which also falls during the Tender Offer Period. After the delivery of each of the Company Shares stated above, the ownership ratio of each of the above Directors is less than 5%. The vesting of these rights and the delivery of the Company Shares were conducted in accordance with the service agreements that were entered into between the Directors and the Company prior to the date of public notice of commencement of the Tender Offer and in accordance with the Performance-Linked Stock Compensation Plan that applies to such Directors based on such service agreements. Accordingly, pursuant to the provision to Article 27-5 of the Act and Item 1 of the same article, the above-mentioned Directors, who are pro forma Specially Related Parties of the Tender Offeror, are entitled to the vesting of the right to receive the delivery of, and to actually receive delivery of, such Company Shares even during the Tender Offer Period without the application of the main clause of Article 27-5 of the Act, and, in accordance with the conditions of Rule 14e-5(b) (7) of the U.S. Securities Exchange Act of 1934, such vesting of the right and such delivery were conducted without the application of the provisions prohibiting purchases outside of a tender offer under Rule 14e-5. The vesting of the right to receive the delivery of the Company Shares and the delivery of the Company Shares have been conducted as a form of stock compensation to each of the above-mentioned Directors, and no money has been delivered by each of the above-mentioned Directors to the Company

[Other countries]

In some countries or regions, statutory restrictions may be imposed on the announcement, issue or distribution of this press release. In such a case, please pay attention to and comply with those restrictions. It shall not be regarded as soliciting applications for the purchase of share certificates or sales of share certificates in connection with the Tender Offer, but simply as distribution of materials as information.

\*\*\*END\*\*\*

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