

May 17, 2019

FANCL Corporation  
TSE 1<sup>st</sup> Section: 4921

## **Discontinuation of countermeasures against large-scale acquisitions of FANCL Corporation shares (Takeover Defense Measures)**

**Yokohama**, May 17, 2019—At a board meeting held today, FANCL Corporation (the “Company”) resolved to discontinue countermeasures against large-scale acquisitions of the Company shares (Takeover Defense Measures) (hereinafter referred to as the “Takeover Defense Measures”). Details are as follows.

The Takeover Defense Measures were introduced by the Company following shareholder approval at the Company’s 30<sup>th</sup> Annual General Shareholders Meeting held on June 19, 2010. Since then, the Takeover Defense Measures were most recently revised through a resolution at the 36th Annual General Meeting of Shareholders held on June 25, 2016 (the revised plan shall hereinafter be referred to as the “Plan”).

Following the introduction of the Takeover Defense Measures, the Company has worked proactively to strengthen its corporate governance, including initiatives to increase company value through the formulation and steady implementation of the 2<sup>nd</sup> Medium Term Management Plan, the enhancement of shareholder returns via share buybacks and adjustments to basic policy on shareholder returns, and the establishment of a Nomination and Compensation Committee. Additionally, since the introduction of the Takeover Defense Measures, the Company has continued to carefully consider the Plan based on the operational environment and recent trends associated with takeover defense measures, the opinions of shareholders and investors, and the status of ongoing discussions relating to corporate governance.

As a result, the Company has judged that from the standpoint of securing the Company’s corporate value and common interests of shareholders, the necessity of the Takeover Defense Measures has relatively declined, and at a board meeting held today, resolved to discontinue the Takeover Defense Measures as of the end of the effective period of the Plan, coinciding with the conclusion of the Annual General Shareholders Meeting which will be held in June this year.

Following the discontinuation of the Plan, the Company will continue initiatives to secure and enhance corporate value and common interests of shareholders, and in the event that a takeover bid is attempted, the Company will seek the sufficient provision of necessary information from that person to ensure that shareholders can make an appropriate judgement in response to such actions. At the same time, the Company will disclose any opinions shared at board meetings, and will work to secure sufficient time and information for shareholders’ consideration, while also implementing appropriate measures based on the Financial Instruments and Exchange Act and Companies Act.

The Company has formulated VISION 2030 ~Make the world healthier and more beautiful~, a long-term vision for 2030 through which it aims to achieve sustainable growth with a long-term perspective. Toward 2030, the Company aims to launch business ventures in a range of areas. We

aim to support customer lifestyles full of beauty and health, not only in Japan but on a global scale, as a corporate group that customers can trust and rely upon.

We appreciate your ongoing support of the FANCL Group.

\*\*\*ENDS\*\*\*

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