

Acquisition of shares of NEUES, K.K. and inclusion as consolidated subsidiary

YOKOHAMA, June 10, 2009 – At a board meeting held today, the Directors of FANCL Corporation resolved to acquire shares of NEUES, K.K. (hereafter “NEUES”) and make the company a consolidated subsidiary. Details are as follows.

1. Reason for acquisition of shares

Since being established in 1980, FANCL Corporation has strived to create new value in beauty and health, developing, manufacturing and marketing preservative free cosmetics and health food products.

As part of our ongoing efforts to resolve the various issues and concerns customers have with regard to beauty and health, we have resolved to make NEUES a consolidated subsidiary, bringing within our operations the new ESTIO beauty salons managed by NEUES, and thereby expanding our operations in the area of beauty treatment services.

NEUES manages popular beauty salons that appeal particularly to women who have not previously experienced beauty salon treatments, offering attractive and welcoming premises and beauty treatments that allow customers to feel immediate benefit.

By drawing on NEUES' expertise in beauty salon management, we intend to expand our existing product-centered business to include beauty salon services, pursuing new ways to create value in beauty and health.

2. Overview of NEUES, K.K. (subsidiary to be newly consolidated)

1. Company name	NEUES, K.K.		
2. Head office	3-17-2 Shibuya, Shibuya-ku, Tokyo		
3. Representative Director	Kamigauchi Kiyoto		
4. Main business	Management of beauty salons		
5. Capital	600 million yen		
6. Date of establishment	October 14, 1982		
7. Fiscal year end	End of February		
8. Number of employees	235		
9. Main locations	Head office in Shibuya. 34 other branches nationwide.		
10. Total shares outstanding	4,803		
11. Main shareholder and percentage of shares held	Kamigauchi Kiyoto; 93.75%		
12. Relationships between parties to this transaction, including affiliated companies	Capital relationships: None Personnel relationships: None Transaction relationships: None		
13. Business results of past three years	Unit: Million yen except where noted		
Years ended:	February 2007	February 2008	February 2009
Net assets	169	201	206
Total assets	1,510	1,481	1,498
Net assets per share (yen)	¥35,177	¥41,820	¥42,926

Net sales	2,113	2,218	1,985
Operating income	70	83	44
Ordinary income	72	92	39
Net income	41	41	1
Net income per share (yen)	¥8,587	¥8,639	¥238

3. Share holdings by FANCL Corporation prior to and after transaction

1. Shareholding status prior to transaction	Number of shares held: 0 Number of voting rights: 0 Percentage held of total shares: 0%
2. Number of shares to be acquired	4,803 shares Number of voting rights: 4,803
3. Shareholding status after transaction	Number of shares to be held: 4,803 Number of voting rights: 4,803 Percentage held of total shares: 100%

4. Schedule

June 10, 2009: FANCL Corporation, Board of Directors meeting

July 1, 2009: Transfer of shares

5. Impact on forecast business performance

No material impact on business performance is expected to result from this transaction.

***** Ends *****

For further information in English please contact:

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