

**Notice regarding revision to dividend forecast (special dividend)**

**Yokohama**, July 27, 2016— At a board of directors meeting held today, directors of FANCL Corporation resolved to revise the Company's per-share dividend forecast for the consolidated fiscal year ending March 31, 2017. Details are as follows:

**1. Reason for revision of dividend forecast**

FANCL considers the distribution of profit to shareholders to be an important management issue, and operates under a basic policy of maintaining a dividend payout ratio of at least 40% of net income. Based on the above policy, the Company had planned an annual ordinary dividend payout of ¥34 per share for the consolidated fiscal year ending March 31 2017. However, in September 2016, the Company will record extraordinary income of ¥4,455 million for a gain on sales of investment securities, and therefore from the perspective of improving capital efficiency and as part of its commitment to shareholder returns, the Company will pay an additional special annual dividend of ¥24 per share, which combined with the normal dividend, will bring the total annual dividend payment to ¥58. For details regarding the abovementioned recording of extraordinary income, please refer to the "Notice regarding recording of gain on sales of investment securities (extraordinary income) and revisions to results forecasts", separately announced today.

A special annual dividend of ¥24 per share is also planned for the fiscal year ending March 31, 2018.

**2. Details of revision**

|  | Annual dividend per share                                |  |  |
|--|--|--|--|
|  | Interim  | Year-end   | Total  |
| Previous forecast                          | ¥17  | ¥17  | ¥34  |
| Revised forecast                           | ¥29<br>(Ordinary dividend ¥17)<br>(Special dividend ¥12) | ¥29<br>(Ordinary dividend ¥17)<br>(Special dividend ¥12) | ¥58<br>(Ordinary dividend ¥34)<br>(Special dividend ¥24) |
| Actual amount paid in current fiscal year  | —  | —  | —  |
| Actual amount paid in previous fiscal year | ¥17  | ¥17  | ¥34  |

(Reference) Dividend policy for fiscal years ending March 2017 and 2018

|                   | FY ending March 2017 | FY ending March 2018 |
|-------------------|----------------------|----------------------|
| Ordinary dividend | ¥34                  | At least ¥34         |
| Special dividend  | ¥24                  | ¥24                  |
| Total             | ¥58                  | At least ¥58         |

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

**For further information please contact:**

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