

July 29, 2024

To whom it may concern

Company Name: KIRIN HOLDINGS COMPANY, LIMITED

Name and Title of Representative: Takeshi Minakata, President & COO

Code Number: 2503 (Tokyo Stock Exchange, Prime Market)

Name and Title of Contact Person:

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**Notice Concerning Changes to Terms and Conditions of Tender Offer for Shares, Etc. of
FANCL Corporation (Code Number: 4921)**

On June 17, 2024, Kirin Holdings Company, Limited (the “Tender Offeror”) commenced a tender offer (the “Tender Offer”) for shares, etc. of FANCL Corporation (which is listed on the Prime Market of the Tokyo Stock Exchange, Inc., code number: 4921; the “Target Company”) pursuant to the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended), and the Tender Offeror, after taking into consideration the overall situation of, among others, the applications to the Tender Offer since its commencement, as well as the prospects for future applications, made by the shareholders of the Target Company and the Stock Acquisition Rights Holders, and, in order to provide the shareholders of the Target Company and the Stock Acquisition Rights Holders with further opportunities to make a decision on whether to tender their shares in the Tender Offer, determined today to change the period of the Tender Offer (the “Tender Offer Period”).

Accordingly, the Tender Offeror announces that the “Notice Regarding Commencement of Tender Offer for Shares, Etc. of FANCL Corporation (Securities Code:4921)” dated June 14, 2024 (including changes stated in the “(Change) Notice Concerning Changes to ‘Notice Regarding Commencement of Tender Offer for Shares, Etc. of FANCL Corporation (Code Number: 4921)’ and Public Notice of the Tender Offer Following Filing of Amendment to Tender Offer Registration Statement,” dated June 26, 2024) has been changed as detailed below. The changed portions are underlined.

1. Purpose of Tender Offer
- (1) Overview of the Tender Offer

(Before Change)

<Omitted>

The Tender Offeror determined by the resolution of its Board of Directors meeting as of today to implement the Tender Offer as part of the transaction for the purpose of acquiring all of the Target Company Shares and all of the Stock Acquisition Rights (excluding the Target Company Shares held by the Tender Offeror and the treasury shares held by the Target Company) and making the Target Company a wholly-owned subsidiary of the Tender Offeror (the “Transaction”).

<Omitted>

(After Change)

<Omitted>

The Tender Offeror determined by the resolution of its Board of Directors meeting as of today to implement the Tender Offer as part of the transaction for the purpose of acquiring all of the Target Company Shares and all of the Stock Acquisition Rights (excluding the Target Company Shares held by the Tender Offeror and the treasury shares held by the Target Company) and making the Target Company a wholly-owned subsidiary of the Tender Offeror (the “Transaction”).

The Tender Offeror then commenced the Tender Offer on June 17, 2024, and, after taking into consideration the overall situation of, among others, the applications to the Tender Offer since its commencement, as well as the prospects for future applications, made by the shareholders of the Target Company and the Stock Acquisition Rights Holders, and, in order to provide the shareholders of the Target Company and the Stock Acquisition Rights Holders with further opportunities to make a decision on whether to tender their shares in the Tender Offer, the Tender Offeror determined, on July 29, 2024, to extend the Tender Offer Period to August 13, 2024, for a total of 40 business days. The Tender Offeror believes that the purchase price of JPY 2,690 per share of the Target Company Shares in the Tender Offer (the “Tender Offer Price”) sufficiently reflects the value of the Target Company and doesn’t change the Tender Offer Price or the Stock Acquisition Rights Purchase Prices.

<Omitted>

(4) Measures to Ensure the Fairness of the Tender Offer such as Measures to Ensure the

Fairness of the Tender Offer Price and to Avoid a Conflict of Interest

i. Measures to Ensure Purchase Opportunities for Other Purchasers

(Before Change)

The Tender Offeror sets the Tender Offer Period at 30 business days, while the statutory minimum period is 20 business days. By setting the Tender Offer Period for a period longer than the statutory minimum, the Tender Offeror intends to secure an appropriate opportunity for the shareholders of the Target Company and the Stock Acquisition Rights Holders to make a decision as to whether to tender their shares in the Tender Offer and create an opportunity for persons other than the Tender Offeror to make purchase offers, etc. with respect to the Target Company Stock, and thereby ensure the fairness of the Tender Offer Price.

<Omitted>

(After Change)

The Tender Offeror sets the Tender Offer Period at 40 business days, while the statutory minimum period is 20 business days. By setting the Tender Offer Period for a period longer than the statutory minimum, the Tender Offeror intends to secure an appropriate opportunity for the shareholders of the Target Company and the Stock Acquisition Rights Holders to make a decision as to whether to tender their shares in the Tender Offer and create an opportunity for persons other than the Tender Offeror to make purchase offers, etc. with respect to the Target Company Stock, and thereby ensure the fairness of the Tender Offer Price.

<Omitted>

j. Measures to Ensure Appropriate Opportunity for Shareholders and Stock Acquisition Rights Holders of Target Company to Make Decision as to Whether to Tender Shares in Tender Offer

(Before Change)

<Omitted>

In addition, the Tender Offeror sets the Tender Offer Period at 30 business days, while the statutory minimum period is 20 business days. By setting the Tender Offer Period for a period longer than the statutory minimum, the Tender Offeror intends to secure an

appropriate opportunity for the shareholders of the Target Company and the Stock Acquisition Rights Holders to make a decision as to whether to tender their shares in the Tender Offer, and thereby ensure the fairness of the Tender Offer Price.

(After Change)

<Omitted>

In addition, the Tender Offeror sets the Tender Offer Period at 40 business days, while the statutory minimum period is 20 business days. By setting the Tender Offer Period for a period longer than the statutory minimum, the Tender Offeror intends to secure an appropriate opportunity for the shareholders of the Target Company and the Stock Acquisition Rights Holders to make a decision as to whether to tender their shares in the Tender Offer, and thereby ensure the fairness of the Tender Offer Price.

- (5) Policy on Reorganization, etc. after the Tender Offer (Matters Relating to the So-Called Two-Stage Takeover)
 - b. Share Consolidation

(Before Change)

If the total number of voting rights of the Target Company held by the Tender Offeror is less than 90% of the voting rights of all shareholders of the Target Company after the Tender Offer is completed, the Tender Offeror plans to request, promptly after the completion of the settlement of the Tender Offer, and in accordance with Article 180 of the Companies Act, that the Target Company hold an extraordinary meeting of shareholders (the “Extraordinary Shareholders’ Meeting”) at which the Target Company will present proposals to approve the consolidation of the Target Company Shares (the “Share Consolidation”) and, subject to the Share Consolidation becoming effective, abolish the article in the Articles of Incorporation concerning the number of shares constituting one unit. In addition, the Tender Offeror plans to request that the record date for the Extraordinary Shareholders’ Meeting be a date that is after and close to the commencement date of the settlement of the Tender Offer. The Tender Offeror will vote in favor of these proposals at the Extraordinary Shareholders’ Meeting. According to the Target Company’s Press Release, the Target Company intends to hold the Extraordinary Shareholders’ Meeting at the request of the Tender Offeror and the Extraordinary Shareholders’ Meeting is scheduled to be held around September, 2024. The Tender Offeror will vote in favor of these proposals at the Extraordinary Shareholders’ Meeting.

<Omitted>

(After Change)

If the total number of voting rights of the Target Company held by the Tender Offeror is less than 90% of the voting rights of all shareholders of the Target Company after the Tender Offer is completed, the Tender Offeror plans to request, promptly after the completion of the settlement of the Tender Offer, and in accordance with Article 180 of the Companies Act, that the Target Company hold an extraordinary meeting of shareholders (the “Extraordinary Shareholders’ Meeting”) at which the Target Company will present proposals to approve the consolidation of the Target Company Shares (the “Share Consolidation”) and, subject to the Share Consolidation becoming effective, abolish the article in the Articles of Incorporation concerning the number of shares constituting one unit. In addition, the Tender Offeror plans to request that the record date for the Extraordinary Shareholders’ Meeting be a date that is after and close to the commencement date of the settlement of the Tender Offer. The Tender Offeror will vote in favor of these proposals at the Extraordinary Shareholders’ Meeting. According to the Target Company, the Target Company intends to hold the Extraordinary Shareholders’ Meeting at the request of the Tender Offeror and the Extraordinary Shareholders’ Meeting is scheduled to be held around October, 2024. The Tender Offeror will vote in favor of these proposals at the Extraordinary Shareholders’ Meeting.

<Omitted>

2. Outline of Purchase, Etc.

(2) Schedule, Etc.

b. Period for Purchase, etc. as of the Filing Date of the Tender Offer Registration Statement

(Before Change)

From Monday, June 17, 2024 to Monday, July 29, 2024 (30 business days)

(After Change)

From Monday, June 17, 2024 to Tuesday, August 13, 2024 (40 business days)

(8) Method of Settlement

b. Settlement Commencement Date

(Before Change)

Monday, August 5, 2024

(After Change)

Tuesday, August 20, 2024

(End of Document)

[Soliciting Regulations]

This press release is intended to announce the Tender Offer to the public and has not been prepared for the purpose of soliciting an offer to sell shares. If shareholders wish to make an offer to sell their shares, they should first read the Tender Offer Explanation Statement concerning the Tender Offer and make an offer to sell their shares at their own discretion. This Press Release shall neither be, nor constitute a part of, an offer or solicitation to sell, or solicitation of an offer to purchase, any securities, and neither this Press Release (or any part of this Press Release) nor its distribution shall be interpreted to constitute the basis of any agreement in relation to the Tender Offer, and this Press Release may not be relied upon at the time of entering into any such agreement.

[Forward-Looking Statements]

This information may contain expressions concerning future prospects for business of the Tender Offeror and other companies, including “expect,” “anticipate,” “intend,” “plan,” “strongly believe,” and “project.” These expressions are based on the business prospects of the Tender Offeror at present, and are subject to change depending on the future circumstances. In respect of this information, the Tender Offeror assures no obligation to update these expressions concerning future prospects to reflect actual performance and other circumstances, and changes in the terms.

[U.S. Regulations]

The Tender Offer targets the shares of the Target Company, a company incorporated in Japan. The Tender Offer is to be conducted in accordance with the procedures and information disclosure standards prescribed in the Financial Instruments and Exchange Act in Japan, and such procedures and information disclosure standards are not necessarily the same as the procedures and information disclosure standards in the U.S. In particular, Section 13(e) and Section 14(d) of the U.S. Securities Exchange Act of 1934 (as amended, the same applies hereinafter), and the rules prescribed thereunder do not apply to the Tender Offer, and the Tender Offer does not necessarily conform to those procedures and standards. The financial statements contained in this press release and reference materials thereof consist of information prepared in accordance with Japanese accounting standards or the international financial reporting standards (the IFRS), and such accounting standards may be significantly different from the accounting standards in the U.S. or other countries. Moreover, as each of the Tender Offeror and the Target Company is a company incorporated outside of the U.S. and all or some of its directors are non-U.S. residents, it may be difficult to exercise, bring a claim regarding, or enforce any rights arising under the U.S. federal securities laws. In addition, it may not be possible to commence legal actions against a non-U.S. company or its directors in a non-U.S. court on the ground of a violation of the U.S. securities laws. Furthermore, a company incorporated outside the U.S. and its subsidiaries and affiliates may not necessarily be subject to the jurisdiction of the U.S. courts. Also, there is no assurance that the shareholders may be able to subject a company incorporated outside the U.S. and its subsidiaries and affiliates to the jurisdiction of the U.S. courts.

Unless otherwise provided, all procedures for the Tender Offer shall be conducted entirely in the Japanese language. Some or all portions of the documents relating to the Tender Offer may be prepared in the English language. However, should there be any inconsistency

between the documents in English and those in Japanese, the Japanese documents shall prevail. This press release and reference materials thereof contain “forward-looking statements” as defined in Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934. Due to any known or unknown risks, uncertainties, or any other factors, it is possible that actual results may substantially differ from the projections, etc. as expressly or implicitly indicated in any “forward-looking statements.” None of the Tender Offeror, the Target Company or any of its affiliates gives any assurance that such projections, etc. expressly or implicitly indicated in any “forward-looking statements” will be achieved. The “forward-looking statements” in this press release and reference materials thereof have been prepared based on the information held by the Tender Offeror or the Target Company as of the date hereof, and unless otherwise required by applicable laws and regulations, none of the Tender Offeror, the Target Company or any of its affiliates is obliged to update or modify such statements in order to reflect any events or circumstances in the future. The Tender Offeror, the Target Company, their respective financial advisors and the Tender Offer Agent (including their respective affiliates) may, to the extent permitted under the related Japanese financial instruments and exchange laws and regulations and other applicable laws and regulations in the ordinary course of their business, purchase the common stock of the Target Company (the “Target Company Shares”) by means other than the Tender Offer or take actions to purchase the Target Company Shares outside the Tender Offer prior to the commencement of the Tender Offer, or during the Tender Offer Period in accordance with the requirements of Rule 14e-5(b) under the U.S. Securities Exchange Act of 1934. Such purchases may be carried out at market prices through market transactions or at prices determined through off-market negotiations. If any information concerning such purchases, etc. is disclosed in Japan, the disclosure of such information will be made also in English on the website of the person that conducted that purchase or its affiliates (or through another method of disclosure).

The Target 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 Target 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 Target Company on May 19, 2021, the Target 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 Target Company among the persons covered by the plan. Under the Performance-Linked Stock Compensation Plan, (i) each Director of the Target 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 Target 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 Target Company Shares. According to the Target Company, with respect to Mr. Kazuyuki Shimada, Mr. Tomochika Yamaguchi, Mr. Yasushi Sumida and Mr. Shinro Fujita, who are Directors of the Target Company, in accordance with the Performance-Linked Stock Compensation Plan on July 1, 2024, (a) the right to receive the delivery of 1,100

Target 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 Target Company Shares (ownership ratio: 0.00%), 600 Target Company Shares (ownership ratio: 0.00%), and 600 Target 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 Target 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 Target 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 Target Company Shares were conducted in accordance with the service agreements that were entered into between the Directors and the Target 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 Target 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 Target Company Shares and the delivery of the Target 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 Target Company.

[Other Countries]

The announcement, issuance, or distribution of this Press Release may be legally restricted in some countries or territories. In such case, shareholders should be aware of and comply with such restriction. The announcement, issuance, or distribution of this Press Release shall not be interpreted as an offer to purchase or solicitation of an offer to sell share certificates concerning the Tender Offer, but shall be interpreted simply as a distribution of information.