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Aiming to generate synergies spanning development, marketing, production and procurement by jointly leveraging brands and technologies

FANCL Corporation aims to contribute to beauty and health, and healthy life expectancy. The Kirin Group shares these same aspirations, so we regard our partnership as very significant. By quickly pushing ahead with projects that combine the strengths of FANCL and the Kirin Group, I am confident that we can grow our businesses together.

Since Kirin Holdings acquired a stake in FANCL in August 2019, we have been working together to generate synergies. For that purpose, we set up four working groups to oversee R&D, healthcare businesses, channel infrastructure, and collaboration between the companies. Everyone involved has been moving forward quickly, with over 200 meetings held in just half a year.

By sharing our respective channel infrastructure, we expect the increased number of customer contact points to have a synergistic effect. That allows us to produce results as quickly as possible. In fact, sales results are already on the rise.

In our healthcare businesses, representatives from Kirin Brewery, Kirin Beverage, and FANCL's marketing team have met many times to examine collaborative products that eliminate customers' negative experiences. We expect to release the first lineup of these products in the autumn of 2020.

Both FANCL and the Kirin Group are deeply committed to research and development, and we intend to leverage our respective strengths. We will meticulously conduct joint research on brain functionality, intestinal environment, and other fields with a view to develop new products and businesses. In the field of skin care, we are aiming to bolster FANCL's competitive edge by using the Kirin Group's proprietary ingredients to create all-new cosmetic products.

Kazuyuki Shimada

President & CEO,
Representative Director
FANCL Corporation



02

Applying the findings of joint-research projects to develop effective new products and services



Yoshiyuki Takami
President of the Research & Development Division
Kirin Holdings

In January 2020, the Kirin Group started joint-research projects with FANCL Corporation to study cerebral functions and intestinal conditions. By sharing and collaboratively applying both FANCL and the Group's past research findings, we hope to efficiently create new value going forward.

In one of our cerebral function research projects, we plan to begin a clinical trial in 2020 for a treatment designed to prevent dementia using ingredients and technologies supplied by FANCL and the Group. Over the next three years, we will work to develop new products and services that can help

prevent dementia based on these research results.

Through our joint-research, we have discovered how proteins that improve skin conditions can be increasingly activated by 14-dehydroergosterol (14-DHE), a compound contained in a white *koji* mold produced by the Kirin Group. FANCL will examine how 14-DHE's properties that prevent skin aging can be applied in a wide range of products, including cosmetics and sunscreen. FANCL also plans to use 14-DHE in its mainstay cosmetics when its product lineup is renewed in 2021.

The Kirin Group's fermentation and biotechnology and their applications

	FERMENTATION and BIOTECHNOLOGY					
	Food		Health Science			Pharma
Company	KIRIN		KIRIN	協和発酵バイオ	FANCL 正産品質。	GYOWA KIRIN
Applications	Alcohol fermentation	Micro-biological control Aseptic technology	Functional research Immunological science	Amino-acid fermentation Microbial metabolic control technology	Functional research Microbial fermentation	Bio-pharmaceutical manufacturing technology
Products	Alcoholic beverages	Non-alcoholic beverages (PET)	Food	Food supplements	Skincare	Pharma
Brand Examples	<i>Ichiban Shibori</i>	<i>Gogo-no-Kocha</i>	<i>iMUSE</i>	<i>Cognizin Ornithine</i>	<i>Beauty Bouquet</i>	<i>Poteligeo Crysvita</i>