

December 27, 2017

Company name: Lion Corporation  
Representative: Itsuo Hama, Representative Director,  
President and Executive Officer  
Security code: 4912; the First Section of the Tokyo  
Stock Exchange

## **Notice Concerning Capital Increase in Consolidated Subsidiary**

Based on a resolution passed today by its Board of Directors, Lion Corporation announces its decision to increase its capital investment in its consolidated subsidiary Lion Corporation (Thailand) Ltd. ("Lion Thailand").

### 1. Purpose of the Capital Increase

Lion Thailand is a joint venture of Lion Corporation and the Saha Group, a major general consumer product group in Thailand. In preparation for business expansion and to create a framework that will allow Lion Thailand to flexibly handle businesses subject to regulation under Thailand's Foreign Business Act, such as OEM production for the Saha Group and service operations, Lion Thailand will raise additional capital by issuing new stock to be acquired by Lion Corporation and the Saha Group. As a result, Lion Thailand's ownership ratio will change.

Note that because the new stock to be issued will be a combination of common stock and non-voting stock, Lion Thailand's voting rights ratio will be unchanged, and Lion Thailand will continue to operate as an important consolidated subsidiary of Lion Corporation after the change in its ownership ratio.

### 2. Overview of the Subsidiary

Name: Lion Corporation (Thailand) Ltd.  
Location: Bangkok, Thailand  
Representative: Chairman Boonyarith Mahamontri  
Businesses: Manufacture and sale of toothpastes, toothbrushes, laundry  
detergents, dishwashing detergents, etc.  
Capital: 300 million Thai baht  
Ownership: Lion Corporation: 51.0%; Saha Group: 49.0%

### 3. Overview of the Capital Increase

Shares to be issued: Common stock: 1,088,000 shares; Non-voting stock: 912,000  
shares (with 228,000 voting rights)

Issue price: 100 baht  
Capital increase: 200 million baht (approximately ¥690 million)  
\*Reference: 1 baht = ¥3.44  
Capital after increase: 500 million baht

Shareholdings after the capital increase:

Lion Corporation	Common stock: 2,118,000 shares; Non-voting stock: 332,000 shares (with 83,000 voting rights)
Saha Group	Common stock: 1,970,000 shares; Non-voting stock: 580,000 shares (with 145,000 voting rights)

Investment ratio after the capital increase:

Lion Corporation: 49.0%; Saha Group: 51.0%

Voting rights ratio after the capital increase:

Lion Corporation: 51.0%; Saha Group: 49.0%

#### 4. Overview of Recipient of New Stock

Name: Saha Pathana Inter-Holding PLC.  
Location: Bangkok, Thailand  
Representative: Chairman Boonsithi Chokwatana  
Businesses: Investing, industrial park operation, etc.

\*Saha Pathana Inter-Holding PLC. is a core company of the Saha Group and owns 24.8% of the shares of Lion Thailand.

\*In addition to Saha Pathana Inter-Holding PLC., three companies and two individuals (all shareholders of Lion Thailand) will be recipients of the new stock.

#### 5. Schedule

Capital increase: Late January 2018

#### 6. Forecasts

This capital increase will have only a minor impact on the consolidated results of the Lion Group for the fiscal year ending December 2017.