

April 27, 2018

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

**Capital Increase in a Consolidated Subsidiary and Establishment of a Joint Venture
Company (Change of Group Companies)
(Progress report on disclosed items)**

Lion Corporation herein announces the decision reached at today's Board of Directors meeting to increase its capital investment in consolidated subsidiary Lion Eco Chemicals Sdn. Bhd. ("LECO") in preparation for the establishment of a joint venture company. Furthermore, Lion herein announces additional details regarding the joint venture company announced in the June 30, 2017 Lion press release "Lion to Establish a Joint Venture Company" that have now been determined.

1. Capital Increase in Consolidated Subsidiary

(1) Purpose of the Capital Increase

LECO is a wholly owned subsidiary of Lion Corporation that engages in the manufacture and sale of the plant-based surfactant methyl ester sulfonate ("MES"), a raw ingredient of detergents.

Lion has decided to increase its capital investment in LECO, thereby adjusting said company's business value in light of the establishment of a joint venture company with the Wilmar International Limited Group ("the Wilmar Group").

Amount of capital increase: 65,000 thousand Malaysian ringgit (approximately ¥1.79 billion)

(Reference: 1 Malaysian ringgit = ¥27.60)

Date of capital increase: Mid-May 2018

(2) Overview of the Subsidiary

Provided below under "Overview of the Joint Venture Companies."

2. Establishment of the Joint Venture Company

(1) Purpose of Establishing the Joint Venture Company

Lion manufactures and sells MES through LECO. The Wilmar Group operates integrated businesses ranging from oil palm cultivation to the manufacture and sale of edible oils and MES. By establishing a

joint venture company with the Wilmar Group, Lion aims to enhance the competitiveness of its MES business and achieve further growth.

(2) Commencement of Joint Venture

June 1, 2018

(3) Overview of the Joint Venture Companies

Joint venture company (new company)

(1) Name	Global Eco Chemicals Singapore Pte. Ltd.	
(2) Location	Singapore (56 Neil Road)	
(3) Representative	President Osamu Yoshitake	
(4) Businesses	Holding company	
(5) Capital	39,538 thousand USD	
(6) Established ¹	June 2017 ^{*1}	
(7) Ownership	Lion Corporation	50.0%
	KOG Investments PTE LTD ^{*2}	50.0%

*1. Established as a wholly owned subsidiary of the Wilmar Group in 2017 in preparation for the establishment of the joint venture company.

*2. A wholly owned subsidiary of Wilmar International Limited.

MES production and sales company (located in Malaysia; currently LECO)

(1) Name	Global Eco Chemicals Malaysia SDN. BHD. (name to change on June 1, 2018)	
(2) Location	Johor, Malaysia	
(3) Representative	President Kazuaki Yamaguchi	
(4) Businesses	Manufacture and sale of surfactants and chemicals	
(5) Capital	287,000 thousand Malaysian ringgit (before capital increase) 352,000 thousand Malaysian ringgit (after capital increase) *Capital increase of 65,000 thousand Malaysian ringgit	
(6) Established	June 2007	
(7) Ownership	Global Eco Chemicals Singapore Pte. Ltd.	100.0%

MES production and sales company (located in Indonesia; new company)

(1) Name	PT Global Eco Chemicals Indonesia	
(2) Location	North Sumatra, Indonesia	
(3) Representative	President Director Rahul Kale	
(4) Businesses	Manufacture and sale of surfactants and chemicals	
(5) Capital	4,000 thousand USD	
(6) Established*	October 2017 ^{*3}	
(7) Ownership	Global Eco Chemicals Singapore Pte. Ltd.	99.975%
	Global Eco Chemicals Malaysia SDN. BHD.	0.025%

*3. Established as a wholly owned subsidiary of the Wilmar Group in 2017 in preparation for the establishment of the joint venture company.

(4) Overview of the Other Party to the Joint Venture

(1) Name	Wilmar International Limited	
(2) Location	56 Neil Road, Singapore 088830	
(3) Representative	Chairman and Chief Executive Officer Kuok Khoon Hong	
(4) Businesses	Oil palm cultivation; oilseed crushing; edible oil refining; sugar milling and refining; specialty fat, oleochemicals, biodiesel and fertiliser manufacturing; and grain processing	
(5) Capital	8,895,134 thousand USD	
(6) Established*	1991	
(7) Relationships with Lion	Capital relationships	None
	Personal relationships	None
	Business relationships	Sells methyl ester for use as raw materials to the Lion Group

3. Change of Group Companies

With the establishment of the joint venture company, Lion consolidated subsidiary LECO will be removed from the scope of consolidation and change its name. The joint venture companies, Global Eco Chemicals Singapore Pte. Ltd., Global Eco Chemicals Malaysia SDN BHD. and PT Global Eco Chemicals Indonesia, will become equity method affiliates of Lion.

4. Forecasts

The sale of shares of LECO accompanying the establishment of the joint venture company will affect Lion's profit, but this has already been factored into the forecast of consolidated financial results published February 9, 2018. Accordingly, there is no change to the Company's forecast of consolidated results for fiscal 2018.