

December 26, 2018

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

Notice Concerning a Decision to Construct a New Toothpaste Manufacturing Facility

Lion Corporation (“Lion”) herein announces the decision reached at today’s Board of Directors meeting to construct a new toothpaste manufacturing facility on the premises of the Oleochemical Division of Lion Chemical Co., Ltd. (Sakaide, Kagawa Prefecture), a wholly owned subsidiary of Lion. With the aim of expanding the Company’s toothpaste production capacity, plans call for initiating construction by the end of 2019 and production to kick off in 2021. Details follow.

1. Reasons for Constructing the New Facility

In 2018, Lion launched the LION Value Evolution Plan (LIVE Plan), a medium-term management plan designed to help realize its new management vision, “Becoming an advanced daily healthcare company.” Basic strategies aimed at achieving the targets of this plan include “Reinforce Our Management Base through Business Structure Reform,” under which Lion strives to improve its management infrastructure.

Meanwhile, demand for oral care products is constantly growing. This is attributable to ever stronger health consciousness among Japan’s general public as well as the generally solid customer reviews regarding quality and reliability that Japan-made products receive in markets overseas.

Going forward, Lion anticipates that demand for toothpaste will continue to grow in Japan and overseas, and it aims to secure the capabilities it needs to accommodate this demand. With this in mind, Lion concluded that if the Company is to achieve medium- to long-term business growth, it will be necessary to establish a more stable production and supply structure. Lion thus reached the decision to construct a new manufacturing facility.

2. Overview of the New Facility

(1)	Location	1, Bannosu-cho 22, Sakaide-shi, Kagawa, Japan
(2)	Site area	18,000m ²
(3)	Annual production capacity	Approximately 130 million product units (approximately 16,000 tons)
(4)	Investment	Approximately ¥35 billion to ¥40 billion
(5)	Commencement of construction	By the end of 2019
(6)	Production kickoff	By the end of 2021

Note: Because the construction plan may be amended, information presented above has yet to be finalized.

3. Future Outlook

The aforementioned decision will not impact the consolidated results of the Lion Group for the fiscal year ending December 2018.

Reference:

Overview of the Oleochemical Division of Lion Chemical Co., Ltd.

(1)	Location	1, Bannosu-cho 22, Sakaide-shi, Kagawa, Japan
(2)	Establishment	May 1991
(3)	Site area	175,000 m ²
(4)	Products	Toothbrushes, body soap, hand soap, etc.

Note: In November 2018, the Company brought a new toothbrush manufacturing facility online within the aforementioned premises.