

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

## Notice Concerning the Acquisition of Dermatologic Agent Brands *FERZEA* and *Encron*

Lion Corporation (“Lion”) herein announces the decision reached at today’s Board of Directors meeting to acquire the over-the-counter (OTC) dermatologic agent brands *FERZEA* and *Encron* currently sold by Shiseido Pharmaceuticals Co., Ltd. (“Shiseido Pharmaceuticals”), a consolidated subsidiary of Shiseido Company, Limited (“Shiseido”), as well as the signing of an agreement with Shiseido and Shiseido Pharmaceuticals, dated January 31, 2019, for said acquisition.

### 1. Reasons for the Acquisition

In 2018, Lion established its new management vision, “Becoming an advanced daily healthcare company,” and, to achieve this vision, is advancing the LION Value Evolution Plan (LIVE Plan) medium-term management plan.

Lion’s pharmaceutical products include *BUFFERIN* antipyretic analgesics and *Smile* eye drops. In the category of dermatologic agents, Lion offers the acne treatment brand *PAIR*.

The market for dermatologic agents is expected to continue expanding going forward. In light of this, Lion has determined that adding the *FERZEA* and *Encron* brands to its product lineup will enhance the value that it can provide to consumers and contribute to the growth of its pharmaceutical business. As such, Lion has decided to acquire said brands.

### 2. Details of the Acquisition

#### (1) Items to be acquired

Intellectual property, contractual status, etc., related to the *FERZEA* and *Encron* brands.

#### (2) Overview of the Brands to Be Acquired

<i>FERZEA</i>	<p>A dermatologic agent brand blended with urea for dry skin</p> <ul style="list-style-type: none"> <li>● Three OTC pharmaceutical products                      HA20 Cream 80g, HA20 Cream 160g, DX20 Lotion 180g</li> <li>● One Class 3 OTC drug                      Cream MN Jar Type</li> </ul>
<i>Encron</i>	<p>A dermatologic agent brand to help treat skin issues, such as eczema and inflammation, with steroid and non-steroid options that users can choose from depending on the severity of their symptoms</p> <ul style="list-style-type: none"> <li>• Seven OTC pharmaceutical products                      Lotion EX 12g, Cream EX 6g, Cream EX 12g, Ointment 6g, Ointment 12g,                      UF Cream 12g, Remedyna 50ml</li> </ul>

### 3. Overview of the Companies Selling the Brands

#### Shiseido Company, Limited

(As of January 1, 2019)

(1)	Location	5-5, Ginza 7-chome, Chuo-ku Tokyo, Japan															
(2)	Representative director	Representative Director, President and CEO Masahiko Uotani															
(3)	Businesses	The manufacture, sale, import and export of cosmetics, professional-use cosmetics, soap, shampoo, conditioner, pharmaceuticals and other products															
(4)	Capital	¥64,506 million															
(5)	Date of establishment	June 24, 1927															
(6)	Consolidated net assets (as of September 30, 2018)	¥491,205 million															
(7)	Consolidated total assets (as of September 30, 2018)	¥988,062 million															
(8)	Major shareholders and shareholding ratios (as of June 30, 2018)	<table border="0"> <tr> <td>The Master Trust Bank of Japan, Ltd. (Trust Account)</td> <td>10.26%</td> </tr> <tr> <td>Japan Trustee Services Bank, Ltd. (Trust Account)</td> <td>5.30%</td> </tr> <tr> <td>BNYM TREATY DTT 15</td> <td>2.50%</td> </tr> <tr> <td colspan="2">(Standing agent: MUFG Bank, Ltd.)</td> </tr> <tr> <td>Mizuho Trust &amp; Banking Co., Ltd. re-trusted to Trust &amp; Custody Services Bank, Ltd. Employees Pension Trust for Mizuho Bank</td> <td>2.50%</td> </tr> <tr> <td>STATE STREET BANK AND TRUST COMPANY</td> <td>1.84%</td> </tr> <tr> <td colspan="2">(Standing agent: The Hongkong and Shanghai Banking Corporation Limited Tokyo Branch Custody Services Department)</td> </tr> </table>		The Master Trust Bank of Japan, Ltd. (Trust Account)	10.26%	Japan Trustee Services Bank, Ltd. (Trust Account)	5.30%	BNYM TREATY DTT 15	2.50%	(Standing agent: MUFG Bank, Ltd.)		Mizuho Trust & Banking Co., Ltd. re-trusted to Trust & Custody Services Bank, Ltd. Employees Pension Trust for Mizuho Bank	2.50%	STATE STREET BANK AND TRUST COMPANY	1.84%	(Standing agent: The Hongkong and Shanghai Banking Corporation Limited Tokyo Branch Custody Services Department)	
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(9)	Relationships with Lion	There are no notable capital, personal or business relationships between Lion and Shiseido.															

#### Shiseido Pharmaceuticals Co., Ltd.

(As of January 1, 2019)

(1)	Location	5-5, Ginza 7-chome, Chuo-ku Tokyo, Japan	
(2)	Representative director	Representative Director and President Kouichi Shichino	
(3)	Businesses	The sale of pharmaceuticals, quasi-drugs, cosmetics, health foods and sundries	

(4)	Capital	¥100 million
(5)	Date of establishment	August 1, 1987
(6)	Major shareholders and shareholding ratios	Shiseido Company, Limited 100%
(7)	Relationships with Lion	There are no notable capital, personal or business relationships between Lion and Shiseido Pharmaceuticals.

#### 4. Schedule

(1)	Resolutions of the boards of directors	January 1, 2019
(2)	Conclusion of transfer agreement	January 1, 2019
(3)	Execution of transfer	July 31, 2019

#### 5. Forecasts

This acquisition is expected to have only a minor impact on consolidated results of the Lion Group for the fiscal year ending December 2019.

Note that Lion plans to announce its consolidated results forecasts for the fiscal year ending December 2019 as part of its February 13, 2019 announcement of financial results.