

May 9, 2023

Company name: Lion Corporation

Representative: Masayuki Takemori,

Representative Director,

President and Executive Officer

Code Number: 4912

Prime Market of Tokyo Stock Exchange

**Notice Concerning the Business Transfer of Lactoferrin and Other Foods with
Function Claims to NISSIN FOOD PRODUCTS CO., LTD. through a Corporate Split
(Simplified Absorption-Type Split)**

Lion Corporation (hereinafter “Lion” or “the Company”) hereby announces the decision reached at today’s Board of Directors meeting to transfer (hereinafter “Corporate Split”) the portion of its business handling the lactoferrin series and other direct-to-consumer foods with function claims (hereinafter the “Split Business”) to NISSIN FOOD PRODUCTS CO., LTD. (hereinafter “NISSIN FOOD PRODUCTS”) and concluded an absorption-type split agreement.

Since the decrease in total assets of Lion as a result of the Corporate Split is less than 10% of the net assets as of the end of the most recent fiscal year and the decrease in net sales of the Company is expected to be less than 3% of net sales of the most recent fiscal year, some disclosure items and details have been omitted.

1. Purpose of the Corporate Split

In line with the Lion Group’s medium-term management plan for 2022-2024, Vision2030 1st STAGE, Lion has been aiming to implement growth strategies and transforming its management base to become even more resilient to environmental changes.

Looking to further bolster the Lion Group’s corporate value, Lion has decided to transfer the Split Business to NISSIN FOOD PRODUCTS in order to facilitate the improvement of the business portfolio.

NISSIN FOOD PRODUCTS, widely recognized as a leading instant noodles company, has also been actively engaged in the development and distribution of products that meet the needs of health-conscious consumers, with “Eat wisely for beauty and health,” as one of the tenets of its corporate philosophy. Lion hence believes, with the succession to NISSIN FOODS PRODUCTS, the Split Business would achieve sustainable growth, and thus concluded the corporate split agreement.

2. Summary of the Corporate Split

(1) Schedule

Date of the resolution by the Board of Directors	May 9, 2023
Conclusion of the corporate split agreement	May 9, 2023
Effective date of the Corporate Split	November 30, 2023 (tentative)

Note: The Corporate Split will be conducted, in accordance with Article 784-2 of the Companies Act for Lion, and in accordance with Article 796-2 of the Companies Act for NISSIN FOOD PRODUCTS, without the approval by a resolution of the general meetings of shareholders of either company.

(2) Method of the Corporate Split

An absorption-type split, with Lion as the split company and NISSIN FOOD PRODUCTS as the successor company.

(3) Details of allotment related to the Corporate Split

As part of the Corporate Split, Lion will receive a cash payment totaling ¥1.5 billion from NISSIN FOOD PRODUCTS. Up to the effective date of the Corporate Split, this amount may be adjusted in line with changes in the number of customers and inventories included in the rights and obligations to be assumed by the successor company.

(4) Handling of subscription rights and corporate bonds with subscription rights in connection with the Corporate Split

There will be no change in the handling of subscription rights to shares issued by Lion as a result of the Corporate Split. Lion has not issued any corporate bonds with subscription rights.

(5) Changes in capital due to the Corporate Split

There will be no change in capital due to the Corporate Split.

(6) Rights and obligations to be assumed by the successor company

NISSIN FOOD PRODUCTS will assume the assets, existing contracts, permits and licenses and intellectual property rights, etc., of the Split Business, as well as its rights and obligations (excluding employee labor contracts and their accompanying rights and obligations) upon the Corporate Split. Any trade receivables and liabilities (accounts receivable, accounts payable and other monetary transactions) that arise before the

effective date of the Corporate Split will be attributed to Lion, the split company.

(7) Prospect for fulfillment of obligations

There are no financial liabilities to be borne by NISSIN FOOD PRODUCTS in connection with the Corporate Split.

3. Basis of calculation of allotment relating to the Corporate Split

The two companies have reached an agreement on the aforementioned allotment in relation to the Company Split as a result of sincere discussions based on a comprehensive consideration of factors such as the earnings status and future forecasts of the business to be split from the Company in the Corporate Split.

4. Overview of the companies involved in the Corporate Split

(1) Split Company (as of May 9, 2023, consolidated)

(1)	Name	Lion Corporation
(2)	Location	1-3-28 Kuramae, Taito-ku, Tokyo
(3)	Name and title of representative	Representative Director, President and Executive Officer Masayuki Takemori
(4)	Business content	The manufacture and sale of toothpastes, toothbrushes, soaps, detergents, hair care and skin care products, cooking-related products and pharmaceuticals. Exports to overseas affiliates.
(5)	Capital	¥34,433 million
(6)	Date of establishment	September 3, 1918
(7)	Shares issued	292,536,446
(8)	Fiscal year-end	December 31
(9)	Major shareholders and shareholding ratios (as of December 31, 2022)	<div> <div>The Master Trust Bank of Japan, Ltd. (trust account)</div> <div>12.22%</div> </div> <div> <div>Custody Bank of Japan, Ltd. (trust account)</div> <div>8.20%</div> </div> <div> <div>Custody Bank of Japan, Ltd. As trustee for Mizuho Bank, Ltd.</div> <div>2.90%</div> </div> <div> <div>Retirement Benefit Trust Account re-entrusted by Mizuho Trust and Banking Co., Ltd.</div> <div></div> </div>

	STATE STREET BANK AND TRUST COMPANY 505223 (Standing proxy: Mizuho Bank, Ltd.) MUFG Bank, Ltd.	2.63% 2.48%
(10)	Financial position and results of operations for the most recent fiscal year	
	Accounting period	Fiscal year ended December 31, 2022
	Equity attributable to owners of the parent	¥264,255 million
	Total assets	¥469,278 million
	Equity attributable to owners of the parent per share	¥929.72
	Net sales	¥389,869 million
	Core operating income	¥23,559 million
	Operating profit	¥28,843 million
	Profit for the period attributable to owners of the parent	¥21,939 million
	Basic earnings per share	¥77.04

(2) Successor Company (as of March 31, 2022, non-consolidated)

(1)	Name	NISSIN FOOD PRODUCTS CO., LTD.
(2)	Location	1-1, 4chome, Nishinakajima, Yodogawa-ku, Osaka
(3)	Name and title of representative	President & Representative Director Noritaka Ando
(4)	Business content	Production and sale of instant noodles, etc.
(5)	Capital	¥5,000 million
(6)	Date of establishment	October 1, 2008
(7)	Fiscal year-end	March 31

(8)	Major shareholders and shareholding ratios	NISSIN FOODS HOLDINGS CO., LTD.	100.00%
(9)	Financial position and results of operations for the most recent fiscal year		
	Accounting period	Fiscal year ended March 31, 2022	
	Total net assets	¥142,475 million	
	Total assets	¥210,497 million	
	Revenue	¥204,710 million	
	Operating profit	¥23,418 million	
	Ordinary income	¥26,487 million	
	Net profit	¥19,754 million	

5. Outline of the business to be Split

(1) Details of the business to be split

The following four products will be transferred from the Company to NISSIN FOOD PRODUCTS as a result of the Corporate Split:

Intestinal Effect Nice rim essence Lactoferrin

Intestinal Effect Nice rim essence Lactoferrin Kudzu Flower Premium

Intestinal Effect Nice rim essence Lactoferrin Lactic Acid Bacteria PLUS

Nice rim support Ellagic Acid no Chikara

(2) Operating results of the business to be split

Net sales: ¥3,377 million (fiscal year ended December 31, 2022)

(3) Items and book value of assets and liabilities to be split

Inventories: ¥511 million (as of December 31, 2022)

The sums of the assets to be split listed above are presented as of December 31, 2022. The actual value of the assets will be as of the effective date and, as such, will reflect changes that occur to that point. There are no liabilities to be split as a result of the Corporate Split.

6. Status of the parties after the Corporate Split

Name, location, name and title of representative, nature of business, capital, and fiscal year end of the Company and NISSIN FOOD PRODUCTS remain unchanged after the Corporate Split.

7. Forecasts

No material impact is expected as a result of the Corporate Split for the fiscal year ending December 31, 2023. The Company will promptly publish any changes to forecasts of consolidated results if they arise in the future.

Reference:

1. Consolidated Financial Forecast for Fiscal 2023 and Results from Fiscal 2022

(Millions of yen)

	Net sales	Core operating income	Operating income	Profit for the period attributable to owners of the parent
Fiscal 2023 forecast (ending December 31, 2023)	410,000	25,000	25,000	17,500
Fiscal 2022 results (ended December 31, 2022)	389,869	23,559	28,843	21,939

* Core operating income is an earnings indicator the Company uses to measure regular business performance by subtracting selling, general and administrative expenses from gross profit.

2. Images of Products to be Transferred



*Intestinal Effect Nice
rim essence Lactoferrin*



*Intestinal Effect Nice
rim essence Lactoferrin
Kudzu Flower Premium*



*Intestinal Effect Nice
rim essence Lactoferrin
Lactic Acid Bacteria
PLUS*



*Nice rim support
Ellagic Acid no
Chikara*