

Jul. 31, 2023  
Company name: Lion Corporation  
Representative: Masayuki Takemori,  
Representative Director,  
President and Executive Officer  
Code Number: 4912  
Prime Market of Tokyo Stock Exchange

## **Lion to Establish Joint Venture Company in China through a Consolidated Subsidiary**

Lion Corporation (President: Masayuki Takemori) announces the decision to establish a joint venture company in China between Lion's consolidated subsidiary Lion Hygiene Co., Ltd. (in which Lion holds 100% of voting rights; hereinafter "Lion Hygiene") and Yihai Kerry Arawana Holdings Co., Ltd. (hereinafter "Yihai Kerry Arawana Holdings"), a subsidiary of the Wilmar International Limited Group, a major agribusiness group headquartered in Singapore.

### **1. Reasons for Establishing the Joint Venture**

The Lion Group's management vision for 2030, "Becoming an advanced daily healthcare company," is driven by its purpose, "Make a difference in everyday lives by redesigning habits: ReDesign." The Group is carrying out corporate activities to realize this vision. In the Overseas Business, Lion is working to reinforce its businesses in countries and areas where it already operates, including China, its highest priority, with the aim of expanding its presence in Asia.

Lion Hygiene currently operates businesses mainly in the manufacture and sale of detergents for restaurant kitchens in Japan. Aiming to sell and market detergents and hygiene services for institutional use in China, Lion Hygiene will invest in and establish the joint venture in Shanghai.

Lion's investment partner in the new affiliate, Yihai Kerry Arawana Holdings, is engaged in the manufacture and sale of edible oils and food products as well as the operation of commercial central kitchens in China. By leveraging the distribution network of Yihai Kerry Arawana Holdings to offer the unique hygiene solutions the Lion Group has developed in Japan, the new company will contribute to creating clean and healthy environments through the detergents for institutional use business.

### **2. Overview of the New Company**

(1) Name	Yihai Kerry Lion (China) Clean Technology Co., Ltd. (tentative)
(2) Location	Shanghai, China (tentative)
(3) Representative	Chairman: To be determined
(4) Business	• Sale and marketing of detergents and hygiene service for institutional use

	• Research and development and management of production contractors for detergents for institutional use
(5) Capital	10 million RMB (approx. ¥200 million)* <sup>1</sup>
(6) Date of establishment	Between January and June 2024 (tentative)
(7) Major shareholders and shareholding ratios* <sup>2</sup>	Lion Hygiene: 49.0% Yihai Kerry Arawana Holdings: 51.0%

\*1 The registered capital of the new company will be 50 million RMB (approx. ¥1 billion)

\*2 The new company will be an equity method affiliate of Lion.

### 3. Overview of Yihai Kerry Arawana Holdings

(1) Name	Yihai Kerry Arawana Holdings Co., Ltd.	
(2) Location	No. 1379, Bocheng-lu, Free-Trade Zone, Shanghai, China	
(3) Representative	Chairman: Kuok Khoon Hong	
(4) Business	Manufacture and sale of food products and edible oil products; grain and oil processing	
(5) Capital	5,421 million RMB (approx. ¥108.1 billion)	
(6) Date of establishment	June 2005	
(7) Total equity	93,283 million RMB (approx. ¥1,861.0 billion) (as of Dec. 31, 2022)	
(8) Total assets	227,943 million RMB (approx. ¥4,547.5 billion) (as of Dec. 31, 2022)	
(9) Relationships with Lion	Capital relationships	None
	Personal relationships	None
	Business relationships	None
	Related party status	None

### 4. Overview of Lion Hygiene

(1) Name	Lion Hygiene Co., Ltd.	
(2) Location	1-3-28 Kuramae, Taito-ku, Tokyo, Japan	
(3) Representative	President: Kunio Kondo	
(4) Business	Manufacture and sale of detergents for restaurant kitchens and other products	
(5) Capital	¥300 million	
(6) Date of establishment	December 1982	
(7) Relationships with Lion	Capital relationships	Wholly owned by Lion
	Personal relationships	36 Lion employees, including Lion Hygiene's representative, are on loan from Lion to Lion Hygiene (as of July 1, 2023)
	Business relationships	Lion provides products to Lion Hygiene

## 5. Schedule

(1)	Conclusion of agreement	August 2023 (tentative)
(2)	Establishment of new company	Between January and June 2024 (tentative)
(3)	Start of operations	Between February and July 2024 (tentative)

Note: The new company establishment, the dates of establishment and start of operations are subject to change due to permission and registration procedures.

## 6. Outlook

This matter is expected to have only a minor impact on the consolidated results of the Lion Group for the fiscal year ending December 2023.