March 3, 2015

To Shareholders:

3-7, Honjo 1-chome, Sumida-ku, Tokyo
Lion Corporation
Security Code: 4912
Itsuo Hama
Representative Director, President and Executive Officer

Announcing the Convocation of the Annual Meeting of Shareholders for the Year Ended December 31, 2014

I am grateful for your continued support of Lion Corporation.
Your attendance is requested at Lion Corporation's Annual Meeting of Shareholders for the fiscal year ended December 31, 2014. The meeting will be held in accordance with the information listed below.

In the event you are unable to attend the meeting, please review the appended Reference Materials for the General Meeting of Shareholders and exercise your voting rights through one of the following means:

In writing (postal mail)
Indicate your approval or disapproval on the enclosed form for exercising voting rights, and return the form by postal mail to arrive by **6:00 p.m., Thursday, March 26, 2015**.

Via electronic means (the Internet)
After reviewing the Guide to Exercising Voting Rights via the Internet (as detailed on pages 43 to 44), you may exercise your voting rights by **6:00 p.m., Thursday, March 26, 2015**.

In the event that you exercise your voting rights both by postal mail and via the Internet, the exercise of voting rights via the Internet will be considered valid. If you exercise your voting rights more than once via the Internet, the last time you exercise your voting rights will be considered valid.

1. **Date & Time: Friday, March 27, 2015, at 10:00 a.m.**
2. **Location: Kokugikan**
   3-28 Yokoami 1-chome, Sumida-ku, Tokyo

3. Meeting Objectives

Reporting

Reporting on the content of the business report, financial documents, consolidated financial documents, and the audit report on the consolidated financial documents for the year from January 1, 2014 to December 31, 2014

Matters to be voted upon

Item 1. Election of 10 Directors

Item 2. Election of Four Corporate Auditors

Item 3. Election of One Alternate Corporate Auditor

Item 4. Continuation of Countermeasures against Large-Scale Purchase of Lion's Shares (Anti-Takeover Measures)

The business report, consolidated financial documents, financial documents, and audit report are as described in the enclosed "Financial Report for the Year Ended December 31, 2014" (from page 1 to page 38). However, "VIII. Internal Control Systems" of the business report, "Consolidated notes" of consolidated financial documents, and "Individual notes" of financial documents are provided to shareholders by posting such information on the Company website at http://www.lion.co.jp/ja/invest/shareholders/meeting/ (in Japanese) in accordance with the provisions of relevant laws and regulations and Article 14 of the Articles of Incorporation.

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Notice: When attending the meeting, it is requested that you please submit the enclosed form for exercising voting rights to the meeting reception staff.

In the event of revisions to the business report, consolidated financial documents, financial documents, and Reference Materials for the General Meeting of Shareholders, a notice will be posted on the Company website at http://www.lion.co.jp/ja/invest/shareholders/meeting/ (in Japanese).

Reference Materials for the General Meeting of Shareholders

Item 1. Election of 10 Directors

The tenures of the 10 directors whose services are currently retained will end as of the close of this General Meeting of Shareholders. Accordingly, the Company requests the approval of 10 directors.

The candidates are as follows:

Candidate No.	Name (Date of Birth)	Brief History and Positions and Responsibilities at Lion Corporation (Significant Concurrent Positions)	No. of Lion Corp. Shares Owned
1	Sadayoshi Fujishige (January 1, 1947)	March 1969 Joined Lion Fat and Oil Co., Ltd. March 1996 Director, Executive General Manager of International Division March 2000 Executive Director, Executive General Manager of Home Products Sales Headquarters March 2002 Representative Director, Senior Executive Director, Responsible for Home Products Business, Executive General Manager of Home Products Sales Headquarters March 2004 Representative Director, President and CEO March 2006 Representative Director, President and CEO, Chairman of the Board, Responsible for Home Products Business March 2007 Representative Director, President and CEO, Chairman of the Board January 2012 Representative Director, Chairman and CEO, Chairman of the Board January 2014 Representative Director, Chairman, Chairman of the Board (current position)	88,050

2	Itsuo Hama (March 14, 1954)	April 1977	Joined Lion Fat & Oil Co., Ltd.	29,363
		March 2006	Director of Fabric Care Products Division, Household Products Division, Home Products Business	
		March 2007	Director of Fabric Care Products Division, Household Products Division	
		January 2008	Executive Officer, Executive General Manager of Household Products Division	
		March 2008	Director, Executive General Manager of Household Products Division	
		January 2009	Director, Executive General Manager of Household Products Division, Responsible for Advertising Department, Behavioral Science Research Institute, Distribution Policy and Customer Development Department	
		January 2010	Director, Responsible for Health Care Products Division, Household Products Division, Gift and Channel-Specific Products Division, Advertising Department, Behavioral Science Research Institute, Distribution Policy and Customer Development Department	
		March 2010	Executive Director, Responsible for Health Care Products Division, Household Products Division, Gift and Channel-Specific Products Division, Advertising Department, Behavioral Science Research Institute, Distribution Policy and Customer Development Department	
		January 2012	Representative Director, President, Executive Officer,	

		Chief Operating Officer, Responsible for Risk Management January 2014 Representative Director, President and CEO, Executive Officer (current position) (Significant concurrent positions) (Note 1) Representative of Lion Corporation (Thailand) Ltd.	
3	Takayasu Kasamatsu (March 14, 1951)	April 1974 Joined The Lion Dentrifice Co., Ltd. April 2003 Director, Responsible for Special Missions for Corporate Planning Department March 2007 Standing Corporate Auditor March 2011 Director, Responsible for Corporate Ethics, Finance, Secretary, Legal and Pharmaceutical Affairs January 2012 Director, Executive Officer, Responsible for Corporate Ethics, Secretary, Finance, Personnel, General, Legal and Pharmaceutical Affairs March 2012 Director, Executive Officer, Responsible for Corporate Ethics, Secretary, Finance, Personnel and General Affairs, Corporate Communication Center, Customer Center, Legal and Pharmaceutical Affairs January 2014 Executive Director, Executive Officer, Responsible for Risk Management, Responsible for Corporate Ethics, Secretary, Corporate Brand Promotion, Corporate Planning, Finance, Personnel, General Affairs, Corporate Communication Center, Customer Center, CSR Promotion, Pharmaceutical Affairs and Quality Assurance, Responsible for Legal Department (current position)	16,000

4	Yuji Watari (August 15, 1951)	April 1978	Joined Lion Fat & Oil Co., Ltd.	66,981
		March 2002	Director of Household Products Department, Household Products Division	
		March 2004	Executive Officer, Executive General Manager of Beauty Care Products Division	
		March 2006	Executive Officer, Director of Beauty Care Products Department, Health Care Products Division, Home Products Business	
		March 2007	Executive Officer, Director of Planning and Coordination Department, Household Products Division	
		March 2008	Executive Officer, Executive General Manager of Purchasing Headquarters	
		January 2010	Senior Executive Officer, Executive General Manager of Purchasing Headquarters	
		January 2011	Senior Executive Officer, Responsible for Production Headquarters and Purchasing Headquarters, Logistics Planning and Development Department and Business Coordination Center	
		March 2011	Director, Responsible for Production Headquarters and Purchasing Headquarters, Logistics Planning and Development Department and Business Coordination Center	
		January 2012	Director, Executive Officer, Responsible for Production Headquarters and Purchasing Headquarters, Logistics Planning and Development Department, System, Quality Assurance and Business Coordination Center	
		July 2012	Director, Executive Officer, Responsible for Purchasing Headquarters, Production	

			Headquarters, Logistics Planning and Development Department, System, Quality Assurance, Business Coordination Center and Production Engineering Research Center	
		January 2014	Executive Director, Executive Officer, Responsible for Purchasing Headquarters, Responsible for Production Headquarters, Logistics Planning and Development Department, System, Business Coordination Center and Production Engineering Research Center (current position)	
		(Significant concurrent positions) (Note 1) Representative of Lion Corporation (Thailand) Ltd.		
5	Masazumi Kikukawa (October 26, 1959)	April 1984	Joined Lion Corporation	19,009
		March 2006	Director of Fabric Care Research Laboratories, Research & Development Headquarters, Director of Fabric Care Products Development, Household Products Division	
		January 2008	Director of Fabric Care Products Division, Household Products Division	
		January 2010	Executive Officer, Executive General Manager of Household Products Division	
		January 2012	Executive Officer, Executive General Manager of Health & Home Care Products Division	
		March 2012	Director, Executive Officer, Responsible for Health & Home Care Products Business, Gift and Channel-Specific Products Division, Executive General Manager of Health & Home Care Products Division, Responsible for Advertising Department, Behavioral	

		Science Research Institute and Distribution Policy Department (current position) (Significant concurrent positions) (Note 1) Representative of Lion Corporation (Thailand) Ltd.	
6	Kenjiro Kobayashi (December 18, 1962)	April 1987 Joined Lion Corporation January 2001 Director of Strategic Business Development Department March 2004 Executive Officer, Executive General Manager of Oral Care Products Division March 2006 Executive Officer, Director of Oral Care Business Department, Health Care Products Division January 2009 Executive Officer, Director of Planning and Coordination Department, Health Care Products Division January 2010 Senior Executive Officer, Executive General Manager of International Division January 2012 Executive Officer, Executive General Manager of International Division March 2012 Director, Executive Officer, Responsible for Overall International Businesses, Executive General Manager of International Division January 2014 Director, Executive Officer, Responsible for Overall International Businesses, Executive General Manager of International Division and Business Development Department I January 2015 Director, Executive Officer, Responsible for Overall International Businesses, Executive General Manager of International Division and Director of Oleochemical Business Development Office, International Division (current position)	498,289

		(Significant concurrent positions) (Note 2) Representative, Lion (China) Home Products & Technology Co., Ltd. Representative, Lion Daily Necessities Chemicals (Qingdao) Co., Ltd. Representative, Lion Corporation (Singapore) Pte. Ltd. Representative, Lion Corporation (Hong Kong) Ltd. Representative, PEERLESS LION CORPORATION (Philippines) Representative, Lion Corporation (Thailand) Ltd. Representative, Southern Lion Sdn. Bhd.	
7	Yasuo Shimizu (April 1, 1953)	April 1975 Joined The Lion Dentrifice Co., Ltd. March 2007 Director of Beauty Care Business Department, Health Care Products Division January 2010 Executive General Manager, Responsible for Sales, Household Products Division January 2011 Executive Officer, Executive General Manager Responsible for Sales, Household Products Division January 2012 Executive Officer, Executive General Manager of Health & Home Care Products Sales Division March 2012 Director, Executive Officer, Executive General Manager of Health & Home Care Products Sales Division (current position)	12,422
8	Toshio Kakui (April 1, 1955)	April 1979 Joined Lion Fat and Oil Co., Ltd. April 2001 Director of Chemicals Research Laboratories, Research & Development Headquarters March 2002 Director of Chemicals Research Laboratories, Chemicals Division March 2006 Director of Planning and Coordination Department,	17,422

			Chemicals Division	
		January 2008	Director of Research and Coordination Department, Research & Development Headquarters	
		January 2010	Assistant Executive General Manager of Research & Development Headquarters	
		January 2011	Executive Officer, Executive General Manager of Research & Development Headquarters	
		March 2012	Director, Executive Officer, Responsible for Chemicals Division, Executive General Manager of Research & Development Headquarters, Responsible for Intellectual Property Department	
		January 2014	Director, Executive Officer, Responsible for Research & Development Headquarters, Responsible for Chemicals Division, Responsible for Intellectual Property Department (current position)	
9	Candidate for External Director: Mitsuaki Shimaguchi (March 31, 1942)	April 1987	Professor of Graduate School of Business Administration, Keio University	34,000
		June 1998	External Auditor, Ishii Food Corporation	
		June 2002	External Director, Eisai Co., Ltd.	
		August 2003	Member of Lion's Management Evaluation Committee	
		March 2006	External Director, Lion Corporation (current position)	
		May 2006	External Director, Bellsystem24, Inc.	
		April 2007	Professor Emeritus of Keio University (current position)	
			Professor of Graduate School of Hosei University	
			Visiting Professor of Graduate School of Waseda University	

		April 2012 Professor of Graduate School of Kaetsu University (current position) (Significant concurrent positions) Director, Japan Marketing Association External Auditor, Suntory Holdings Limited External Director, SATO HOLDINGS CORPORATION External Director, Sanrio Co., Ltd.	
10	Candidate for External Director: Hideo Yamada (January 23, 1952)	April 1984 Registered as a lawyer at Daini Tokyo Bar Association April 1992 Established Yamada Hideo Law Firm (currently Yamada/Ozaki Law Firm) (current position) April 2001 Vice Chairman, Daini Tokyo Bar Association June 2004 External Director, SATO CORPORATION (now SATO HOLDINGS CORPORATION March 2006 External Director, Lion Corporation (current position) June 2007 External Auditor, MIKUNI CORPORATION External Auditor, IshiiFood Corporation March 2011 External Auditor, Seibu Lions Co., Ltd. April 2014 Chairman, Daini Tokyo Bar Association (current position) Vice President, Japan Federation of Bar Associations (current position) (Significant concurrent positions) Trustee, Akiko Tachibana Memorial Foundation External Auditor, Taiyo Chemical Industry Co., Ltd. External Director, Hulic Co., Ltd.	9,000

Notes:

1. Itsuo Hama, Yuji Watari, Masazumi Kikukawa, and Toshio Kakui are also representatives of Lion Corporation (Thailand) Ltd. The Company engages in the sale of finished products and the procurement of merchandise with Lion Corporation

(Thailand) Ltd. and receives royalties for the use of its technologies and trademarks from that company.

2. Kenjiro Kobayashi is also a representative of Lion Daily Necessities Chemicals (Qingdao) Co., Ltd., Lion Corporation (Thailand) Ltd., and Southern Lion Sdn. Bhd. The Company engages in the sale of finished products and the procurement of merchandise with these companies. In addition, Kenjiro Kobayashi is also a representative of Lion Corporation (Singapore) Pte. Ltd. and Lion Corporation (Hong Kong) Ltd. The Company sells finished products to these companies. The Company guarantees obligations for Lion Daily Necessities Chemicals (Qingdao) Co., Ltd., and PEERLESS LION CORPORATION, of which Kenjiro Kobayashi also is a representative. Furthermore, the Company receives royalties for the use of its technologies and trademarks from all of the abovementioned companies.

Notes: Matters concerning candidates for external director

(1) Mitsuaki Shimaguchi and Hideo Yamada are candidates for the post of external director positions.

(2) Reasons for the election of the candidates for external director

1) Mitsuaki Shimaguchi is not involved in corporate management either as a director or corporate auditor. However, he has actively engaged in marketing and has experience at other companies both as an external director and an external corporate auditor. In order to make use of his wealth of marketing knowledge and experience in the management of the Company, as well as to incorporate into management the effects of enhanced oversight of directors, the Company requests the election of Mitsuaki Shimaguchi as external director.

2) Hideo Yamada is not involved in corporate management either as a director or corporate auditor. However, he has a wealth of experience and knowledge as a lawyer, and also has experience at other companies both as an external director and an external corporate auditor. The purpose of electing Hideo Yamada as an external director of the Company is to enhance the transparency and objectivity of management and strengthen the oversight of the Board of Directors.

(3) Number of years from assumption of office as external director
Both Mitsuaki Shimaguchi and Hideo Yamada will have been in office for nine years as of the conclusion of this General Meeting of Shareholders.

(4) Contents of limited liability agreement
Pursuant to Article 427, Paragraph 1 of the Companies Act and the provisions of the Articles of Incorporation, the Company has concluded agreements with Mitsuaki Shimaguchi and Hideo Yamada that limit liability under Article 423, Paragraph 1 of the Companies Act to 10 million yen or the amount specified by law, whichever is higher. The Company plans to conclude similar limited

liability agreements with both Mitsuaki Shimaguchi and Hideo Yamada if they are elected directors.

(5) Mitsuaki Shimaguchi and Hideo Yamada meet the requirements set forth in the "Lion Corporation Standards Regarding the Independence of External Directors/Corporate Auditors"* and are deemed sufficiently independent from management. Mitsuaki Shimaguchi and Hideo Yamada also meet the requirements for independent directors set forth by the Tokyo Stock Exchange. Accordingly, the Company has notified said Stock Exchange with regard to the appointment of Mitsuaki Shimaguchi and Hideo Yamada as independent directors who have no potential conflict of interest with general shareholders.

*Posted at the following URL on the Lion website:
http://www.lion.co.jp/en/invest/pdf/independence-e.pdf

Item 2. Election of Four Corporate Auditors

The tenures of the four corporate auditors whose services are currently retained will end as of the close of this General Meeting of Shareholders. Accordingly, the Company requests the approval of four corporate auditors.

The Board of Corporate Auditors has agreed to the submission of this Item to the General Meeting of Shareholders.

The candidates are as follows:

Candidate No.	Name (Date of Birth)	Brief History and Positions and Responsibilities at Lion Corporation (Significant Concurrent Positions)		No. of Lion Corp. Shares Owned
1	Yasutaro Nakagawa (August 31, 1957)	April 1981	Joined Lion Corporation	7,000
		January 2008	Director, Business Coordination, Planning and Coordination Department, Health Care Products Division	
		December 2010	Director, Auditing Office, Lion Corporation	
		January 2015	Assistant to the President, Lion Corporation (current position)	
2	Junko Nishiyama (January 10, 1957)	April 1979	Joined Lion Fat & Oil Co., Ltd.	13,000
		March 2006	Director, Finished Product Department, Purchasing Headquarters	
		March 2007	Director, Finished Product Purchasing, Production Coordinating Department No. 2, Production Headquarters	
		January 2009	Director, Packaging Engineering Research Laboratories, Research & Development Headquarters	
		January 2014	Director, CSR Promotion Department	
		January 2015	Assistant to the President, Lion Corporation (current	

		position)	
3	Candidate for External Corporate Auditor Noboru Kojima (December 19, 1948)	May 1981 Acquired Japanese tax accountant certification March 1982 Acquired Japanese CPA certification January 1986 Established the Noboru Kojima Certified Public Accountant Office July 1998 Chief executive of the Japanese Institute of Certified Public Accountants July 1999 Specialist member of the taxation subcommittee of the Tax Commission of the Japanese Cabinet Office December 2001 Senior partner at Chiyoda CPA (current position) December 2013 Senior partner at Chiyoda Tax Accountants (current position) March 2014 Alternate corporate auditor, Lion Corporation (current position) (Significant concurrent positions) External auditor, The Daiei, Inc.	0
4	Candidate for External Corporate Auditor Hideo Higashi (September 27, 1952)	April 1971 Kumamoto Regional Taxation Bureau, National Tax Agency, Ministry of Finance July 2010 Director, Narita Tax Agency July 2012 Manager, Fourth Survey Division, Tokyo Regional Taxation Bureau July 2013 Retired from National Tax Agency, Ministry of Finance August 2013 Acquired Japanese tax accountant certification Established Higashi Hideo Tax Accountant Office (current position) (Significant concurrent positions) External Director, Central General Development Co., Ltd.	0

Notes concerning candidates for external corporate auditor:

(1) Noboru Kojima and Hideo Higashi are the candidates for the post of external corporate auditor.

(2) Reasons for the election of the candidates for external corporate auditor

i. Noboru Kojima is not involved in corporate management either as a director or corporate auditor. However, he has cultivated a knowledge of taxes and accounting over his many years as a tax accountant and certified public accountant, and has experience working as an external corporate auditor at another company. In order to make use of his knowledge and experience in the Company's audit system should he be appointed corporate auditor, the Company requests that Noboru Kojima be elected as external corporate auditor.

ii. Hideo Higashi is not involved in corporate management either as a director or corporate auditor. However, he possesses an expert knowledge of taxes and finance and has experience working in senior posts within government agencies. In order to make use of his knowledge and experience in the Company's audit system should he be appointed corporate auditor, the Company requests that Hideo Higashi be elected as external corporate auditor.

(3) Limited liability agreement with the external corporate auditors

Pursuant to Article 427, Paragraph 1 of the Companies Act and the provisions of the Articles of Incorporation, the Company plans to conclude a limited liability agreement with the candidates above that limits liability under Article 423, Paragraph 1 of the Companies Act to 10 million yen or the amount specified by law, whichever is higher, if they are appointed as corporate auditors.

(4) Noboru Kojima and Hideo Higashi meet the requirements for external corporate auditors set forth in the "Lion Corporation Standards Regarding the Independence of External Directors/Corporate Auditors."* Also, Noboru Kojima and Hideo Higashi meet the requirements for independent auditors set forth by the Tokyo Stock Exchange, and, accordingly, are deemed sufficiently independent from management, having no potential conflict of interest with general shareholders. A notification of their nomination as such has been sent to the Tokyo Stock Exchange.

*Posted at the following URL on the Lion website:
http://www.lion.co.jp/en/invest/pdf/independence-e.pdf

Item 3. Election of One Alternate Corporate Auditor

To ensure preparedness in the event of a shortfall in the number of external corporate auditors required by law, the Company requests the advance election of one alternate external corporate auditor.

The Board of Corporate Auditors has agreed to the submission of this Item to the General Meeting of Shareholders.

The candidate for the post of alternate corporate auditor is as follows:

Name (Date of Birth)	Brief History (Significant Concurrent Positions)	No. of Lion Corp. Shares Owned
Takao Yamaguchi (September 13 1954)	October 1981 Joined Chuo Accounting Office Auditing Corporation February 1985 Acquired Japanese CPA certification September 1987 Entered Yamaguchi Accounting Office December 1987 Acquired Japanese tax accountant certification January 1996 Director, Yamaguchi Accounting Office (current position) (Significant concurrent positions) External auditor, SATO HOLDINGS CORPORATION	0

Notes concerning candidate for alternate external corporate auditor:

(1) Takao Yamaguchi is the candidate for the post of alternate external corporate auditor.

(2) Reasons for the selection of the candidate for external corporate auditor
Takao Yamaguchi is not involved in corporate management either as a director or corporate auditor. However, he has cultivated a knowledge of taxes and accounting over his many years as a tax accountant and certified public accountant, and has experience working as an external corporate auditor at another company. In order to make use of his knowledge and experience in the Company's audit system should he be appointed corporate auditor, the Company requests that Takao Yamaguchi be elected as alternate external corporate auditor.

(3) Limited liability agreement with the alternate external corporate auditor

Pursuant to Article 427, Paragraph 1 of the Companies Act and the provisions of the Articles of Incorporation, the Company plans to conclude a limited liability agreement with the candidate above that limits liability under Article 423, Paragraph 1 of the Companies Act to 10 million yen or the amount specified by law, whichever is higher, if he is appointed corporate auditor.

(4) Takao Yamaguchi meets the requirements for an external corporate auditors set forth in the "Lion Corporation Standards Regarding the Independence of External Directors/Corporate Auditors."* Also, Takao Yamaguchi meets the requirements for independent auditors set forth by the Tokyo Stock Exchange, and, accordingly, is deemed sufficiently independent from management, having no potential conflict of interest with general shareholders.

*Posted at the following URL on the Lion website:
http://www.lion.co.jp/en/invest/pdf/independence-e.pdf

Item 4. Continuation of Countermeasures against Large-Scale Purchase of Lion's Shares (Anti-Takeover Measures)

At a meeting held on February 10, 2012, Lion Corporation's Board of Directors passed a resolution for the continuation of the Countermeasures against Large-Scale Purchase of Lion's Shares (hereinafter referred to as "the Current Plan") in accordance with Company's Basic Policy regarding Persons Who Control the Company's Decision Making on Financial Matters and Business Policies (stipulated in article 118-3 of the Enforcement Regulations of the Corporation Law; hereinafter referred to as "the Basic Policy"), and contingent on shareholder approval at the Company's regular shareholders' meeting on March 29, 2012. The Current Plan was intended as a means of preventing inappropriate parties from controlling the Company's decision making on financial matters and business policies. Its continuation was then approved at the abovementioned shareholder's meeting.
The effective period of the Current Plan extends through the end of the regular shareholders' meeting scheduled to be held on March 27, 2015 (the "Regular Shareholders' Meeting"). Given changes in economic conditions and from the perspective of securing the Company's corporate value and shareholders' common interest, the Company has been carefully examining whether and in what manner the Current Plan should be continued. As a result of said examination, at a meeting held on February 10, 2015, the Board of Directors resolved to approve the continuation of the Current Plan as a means of preventing inappropriate parties from controlling the Company's decision making on financial matters and business policies, in accordance with the Basic Policy, extending its effective period through the end of the regular shareholders' meeting scheduled to be held in March 2018, contingent on approval by the Regular Shareholders' Meeting (the plan after re-approval will hereinafter be referred to as "the Plan").

1. Basic Policy

Lion believes that persons who control the Company's decision making on financial matters and business policies should fully understand Lion's management philosophy, sources of corporate value and the relationship of trust it has with stakeholders who support the Company in order to secure and improve corporate value and to act in the common interests of shareholders in a continuous and sustainable manner.

At the same time, Lion considers final decisions concerning any proposal of acquisition that would involve a transfer of control of the Company must ultimately be based on the collective will of its shareholders. This is not meant to imply opposition to a large-scale acquisition of Lion's shares. if such acquisition is to be to the benefit of corporate value and the common interests of shareholders.

Nevertheless, in some cases large-scale acquisitions are undertaken clearly for the purpose of undermining Lion's corporate value and the common interests of shareholders; for forcing shareholders to sell their shares; or are pushed forward without provisions of sufficient time and/or information to Lion's Board of Directors and shareholders so that they may examine suggestions regarding the acquisition proposal and alternatives. Thus, such cases can impair Lion's corporate value and the common interests of shareholders.

Lion believes that a party that pursues such a large-scale acquisition that does not benefit the Company's corporate value and the common interests of shareholders should be ineligible to control its decision making on finances and business policies. Thus, Lion is taking necessary and appropriate measures against any large-scale acquisition by such parties in order to secure its corporate value and the common interests of its shareholders.

2. Approach to Implementing the Basic Policy

(1) Lion's Corporate Philosophy

Since its founding in 1891, Lion has been contributing to society while offering quality products to ensure people's healthy, clean and comfortable lifestyles. On the product development front, Lion has introduced many of Japan's original, epoch-making technologies and products, such as a detergent exclusively for dishes and vegetables that contributes to public health, toothpaste in laminated tubes and fluoridated toothpaste, thanks to its steady pursuit of technological innovation. By doing so, Lion has consistently placed importance on customer satisfaction in each era of its operations.

Lion's environmental protection activities represent the history of its technological innovation in the detergent business. Considering taking an environment-friendly approach through its business as an important part of its mission, Lion has continuously engaged in such activities as water quality improvement for rivers, lakes and other waterfront, to this end developing Japan's first high-performance phosphorus-free detergents, while working to reduce CO2 emissions by developing detergent containing washing components derived from plant-based materials.

Furthermore, Lion proactively contributes to society based on its company motto of "Fulfilling a spirit of love," which reflects the Company's aim to enhance the

happiness and lifestyles of each and every customer. In 1900, not long after its inauguration, Lion released toothpastes accompanied by charity coupons that enabled a number of orphanages to be built thanks to the donations resulting from the toothpaste sales. During the Taisho era, Lion officially commenced Japan's first oral hygiene promotion activities. This spirit of social contribution has continued uninterrupted to this day and enhances Lion's social contribution activities in various fields.

With a pattern of consistent business activity based on the corporate philosophy, Lion's businesses encompass various the fields of household products, including toothpastes, toothbrushes, laundry detergents, and hand soaps as well as such over-the-counter (OTC) drugs as analgesics and eye care products, which are all necessary for people's daily lives. Supported by these diverse businesses, the Company's operational area has expanded into major Asian countries. Lion products enjoy an excellent reputation among customers in a variety of business categories and countries, and overseas sales have become a source of corporate value.

(2) Efforts to Enhance Corporate Value

Lion established Vision2020 as its management vision, and carried out the V-1 Plan (Vision2020 Part-1) for three years starting in 2012. For the period extending from 2015 through 2017, Lion has formulated and is now implementing a new three-year medium-term management plan, the V-2 Plan (Vision2020 Part-2).
Under the V-2 Plan, Lion will continue to pursue four basic strategies: ⅰ Qualitative Growth of Domestic Businesses; ⅱ Quantitative Expansion of Overseas Businesses; ⅲ Development of New Business Value; and ⅳ Enhancement of Organizational Learning Capabilities. At the same time, Lion has positioned improving profitability as its highest priority in order to reach its performance targets, and will focus on various initiatives aimed at improving the profit structure.

Management Vision:

The Ideal Lion Corporation in Fiscal 2020 (Three Defining Characteristics)

1. Be a company that creates value for lifestyle and spiritual fulfillment
2. Be a company that is advanced in the area of environmental responsiveness
3. Be a company that continues to take on challenges, create and learn

Basic Strategies of the V-2 Plan

i. Qualitative Growth of Domestic Businesses

In the Consumer Products business, Lion will systematically nurture mainstay fields and brands and develop new high-value-added products. Lion will also review its production and supply structures while streamlining assets. In the Industrial Products Business, Lion will continue to augment its worksite hygiene analysis and management business to secure growth in the detergent for institutional use business. At the same time, the Company will reorganize the chemical business to facilitate the Groupwide gathering of R&D seeds and realization of synergies.

ii. Quantitative Expansion of Overseas Businesses
Lion will nurture and reinforce its global brands while expanding operations in the personal care field. This will help to expand the Company's business domain and enhance its business portfolio to ensure profitable business growth. Lion will steadily work to secure profits from the up-front investments made during the three-year period of the V-1 Plan by stepping up operations in new business locations overseas and new business fields while improving facility utilization.

iii. Development of New Business Value
In the direct-to-consumer business, Lion will develop a more efficient product supply structure for mainstay *Nice rim essence Lactoferrin* and accelerate the development and establishment of products that will become second and third earnings pillars. Lion will also actively explore business opportunities related to new business domains in which it can utilize existing management resources.

iv. Enhancement of Organizational Learning Capabilities
Lion will continuously nurture human resources while developing a working environment that is more accommodating of workforce diversity. The Company will develop more sophisticated marketing based on feedback via interactive digital communications.

Lion will steadily implement the strategies of the V-2 Plan outlined above, and will boost profitability and reinforce its business foundations to improve corporate value.

(3) Corporate Governance

To achieve true corporate governance, Lion places the highest priority on enhancing management transparency, ensuring prompt decision-making, maintaining effective supervision and securing compliance.

The Company's Board of Directors has 10 directors including two external directors. The Company introduced an executive officer system, separating the executive and supervisory functions. Under the new system, the Board of Directors is responsible for decision making and management supervision, while the Executive Committee is responsible for job execution. The term of office for both directors and executive

officers is one year. Among its corporate auditors, Lion has appointed two standing auditors and two external corporate auditors. Corporate auditors attend the Board of Directors' meetings and other important meetings to audit directors' job execution status while maintaining close liaisons with persons in charge of internal audits as well as accounting auditors to facilitate the exchange of information, realize established partnerships and enhance audit effectiveness and efficiency. The Board of Directors shall consult its Compensation Advisory Committee about the policy regarding compensation for directors, corporate auditors and executive officers. The Compensation Advisory Committee comprises external directors and external corporate auditors to ensure objectivity and transparency, and its advice is assigned maximum value. In addition, Lion established a Management Evaluation Committee comprising knowledgeable people from outside of the Company to evaluate its business operations from a social standpoint.

3. The Plan (Approach to prevent the assumption of control over the Company's finances and business policies by inappropriate parties in accordance with the Basic Policy)

(1) Objectives of the Plan

Lion's Board of Directors decided to introduce the Plan in order to clarify rules to be followed by parties who propose large-scale acquisitions of Lion's shares and to secure necessary and sufficient information and time for shareholders and investors so that they may make appropriate decisions on such large-scale acquisitions as well as to allow for opportunities to negotiate with such parties.

The Plan shall, as described below, establish rules to be complied with by any party that proposes a large-scale acquisition of Lion's shares, and clearly state that such a party may be impaired by Lion's taking countermeasures against their offer in certain cases. By appropriately disclosing such information, Lion shall give warning to parties who propose such large-scale acquisitions of Lion's shares in a manner that does not result in a benefit to Lion's corporate value and the common interests of its shareholders.

Upon the execution of countermeasures, the Plan stipulates that Lion shall assign maximum value to the advice of its corporate governance committee (the "Corporate Governance Committee"), comprising persons selected and appointed from external directors and external auditors by the Company's Board of Directors in accordance with the Corporate Governance Committee Rules (see Reference 1 for details), in order

to eliminate any occurrence of arbitrary judgment on the part of the Board of Directors. Together with this, the Plan clearly states that Lion shall disclose relevant information to shareholders and investors in a timely manner to secure management transparency. Members of the Corporate Governance Committee upon the continuation of the Plan will be Messrs. Mitsuaki Shimaguchi, Hideo Yamada, Noboru Kojima and Hideo Higashi, all of whom serve Lion as either external directors or external auditors.

Lion's principal shareholders as of December 31, 2014 are listed in the top ten shareholders in the Financial Report for the Year Ended December 31, 2014, page 13. As of March 3, 2015, Lion has not received any proposal for the large-scale acquisition of its shares.

(2) Processes in the Plan

(i) Large-Scale Acquisitions Subject to the Plan

The Plan shall cover any large-scale acquisition of Lion's shares corresponding to (a) or (b) below or any actions similar to said acquisition (excluding those approved by Lion's Board of Directors; hereinafter referred to as the "Purchase"). Parties who offer or intend to propose such Purchase ("Purchaser") shall comply with procedures stipulated in the Plan.

(a) A purchase of shares[1] issued by Lion that results in the holders'[2] shareholding ratio[3] exceeding 20%

(b) A public tender offer[4] of shares[5] issued by Lion that results in the total shareholding ratio[6] of the purchasers of such public tender offer and specially related parties[7] exceeding 20%

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[1] As defined in Article 27-23, Paragraph 1 of the Financial Products Exchange Law. This definition shall be applied throughout this document unless otherwise specified. In case of the changes in laws and regulations quoted in the Plan (including changes in the name of laws and regulations as well as the establishment of new laws and regulations that take over contents of old laws and regulations), each Article of laws and regulations quoted in the Plan shall be replaced to the revised contents that practically succeed the contents of old laws and regulations unless otherwise defined by the Company's Board of Directors.

[2] As defined in Article 27-23, Paragraph 1 of the Financial Products Exchange Law including parties corresponding hereto in accordance with the Paragraph 3 of the said Article.

[3] As defined in Article 27-23, Paragraph 4 of the Financial Products Exchange Law. This definition shall be applied throughout this document.

[4] As defined in Article 27-2, Paragraph 6 of the Financial Products Exchange Law. This definition shall be applied throughout this document.

[5] As defined in Article 27-2, Paragraph 1 of the Financial Products Exchange Law. This definition shall be applied to the following (ii).

[6] As defined in Article 27-2, Paragraph 8 of the Financial Products Exchange Law. This definition shall be applied throughout this document.

[7] As defined in 27-2, Paragraph 7 of the Financial Products Exchange Law. Parties as stipulated in Article 3, Paragraph 2 of the Cabinet Office Ordinance concerning the disclosure of public tender offer by parties other then

(ii) Prior Submission of Request to Lion

Prior to the offer of purchase, the Purchaser shall submit their pledge to comply with procedures stipulated in the Plan to Lion's Board of Directors in a written form ("Request") according to the format set by the Company.

The following items shall be covered in this document:

(a) Basic information about the purchaser

1. Name of person or company and address
2. Name and status of the representative
3. Objectives of business and principal activities
4. Major shareholders or large-scale investors (top 10 parties based onnumber of shares held or shareholding ratio)
5. Contact information in Japan
6. Laws under which the Purchaser's business was established

(b) Current number of shares owned by the Purchaser and the Purchaser's share trading status in the last 60 days before the submission of the request

(c) Overview of the purchase offer by the Purchaser Type and number of the Company's shares planned to be acquired by the Purchaser through the Purchase and the purpose of the Purchase (In instances where the Purchaser's purposes include: the acquisition of control over the Company's business operations or of rights to management participation; net investment or politically motivated investment; the transfer of the Company's shares to a third party(ies) after the Purchase; or such other purpose as gaining influence over[8] the Company, the Purchaser must write down details of such purposes. If the Purchaser has more than one motivation for the Purchase, all purposes must be mentioned in the form).

(iii) Provision of Information

After submitting the Request as described the above (ii), the Purchaser shall follow the procedure below to provide necessary and sufficient information (the "Information") to Lion for the appropriate judgment of the Company's shareholders and investors.

First, Lion will send a request for information list to the Purchaser's address as

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the issuer of shares shall be excluded from parties mentioned in the Item 1 of the said Paragraph.

[8] As defined in Article 27-26, Paragraph 1 of the Financial Products Exchange Law, Article 14-8-2, Paragraph 1 of Financial Products Exchange Law Enforcement Order as well as Article 16 of the Cabinet Office Ordinance concerning the disclosure of the status of substantial shareholding.

provided in the abovementioned (ii) (a) 5. within 10 working days[9] (excluding the date the Request was received) by post. The Purchaser shall provide sufficient information to the Company in accordance with the information list.

In instances where the information provided by the Purchaser is in accordance with the information list but is upon rational examination is considered insufficient by Lion's Board of Directors with regard to the details and conditions of the Purchase, the Purchaser shall provide additional information upon the request of the Company's Board of Directors for the judgment of shareholders and investors as well as for the evaluation and deliberation of the Company's Board of Directors.

No matter what the details and conditions of a given Purchase are, information stipulated in the following items shall be included in the information list in principle:

(a) Details of the Purchaser and/or group to which the Purchaser belongs (including co-holders[10], specially related parties, and partners and members in cases where the Purchaser is a fund), such as its corporate history, name of group (if any), capital composition, principal businesses, financial condition and the names and career histories of its directors

(b) Purposes (details pertaining to purposes listed in the submitted Request), method and details (the Purchaser's intentions regarding participation in the Company's management; type and amount of consideration to be paid for the Purchase; the timing of the Purchase and how related transactions are to be executed; the number of shares to be purchased and the intended shareholding ratio after the purchase; and the legality of the purchasing method) of the Purchase

(c) Calculation basis for the Purchase's consideration (facts and assumptions for calculation; calculation method; numerical information and expected synergies emerging from the series of transactions involved in the Purchase; the names of third parties in the event such parties are asked to consult on such calculation; the details of such opinions and the process of calculating the purchase amount based on such consultation)

(d) Supporting documents explaining the source of funds for the Purchase (names of financial supporters (including actual providers of such funds), fund procurement method and details of related transactions)

(e) Possibility of contact with third parties with regard to the Purchase or details of communications and information regarding such third parties

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[9] "Working days" are days excluding those defined in Article 1, Paragraph 1 of the Law Concerning Holidays of Administrative Agency.

[10] As defined in Article 27-23, Paragraph 5 of the Financial Products Exchange Law including those who were regarded as co-holders by the Company's Board of Directors in accordance with the Paragraph 6 of the said Article. This definition shall be applied throughout this document.

(f) Type of purchase contract, counterparties of such contract, and detailed information about such contract, including the number of shares designated as hypothecated in case the Purchaser already holds a lease contract, hypothecated assets, and the possession of sell-back, sales reservation or other contracts with regard to Lion shares held by the Purchaser (the "Hypothecated holdings")

(g) Type of agreement, counterparts of such agreement, the number of shares to be transferred in accordance with such agreement and other detailed information regarding such agreement in case the Purchaser plans to use Lion's shares for hypothecation or other contracts with third parties subsequent to the Purchase

(h) Lion and its Group companies' management policies, business plans, capitalization policy and dividend policy after the Purchase

(i) Correspondence with and handling of the Company's employees, labor union, suppliers, customers, local community and other relevant parties after the Purchase

(j) Specific measures to avoid conflicts of interest with other shareholders of the Company

The Company's Board of Directors will disclose such information as the fact that the Purchaser made a Purchase offer, an overview of the Purchase offer, an overview of the Information and other information provided in a timely and appropriate manner when it deems it necessary to be submitted to the shareholders and investors' judgment.

When the Board of Directors considers that the Purchaser's provision of Information is sufficient, it will send a notification to the Purchaser (the "Notification concerning the Completion of Information Provision"), while disclosing said fact in a timely manner.

(iv) Setup of the Board of Directors' Deliberation Period

After sending the Notification concerning the Completion of Information Provision to the Purchaser, the Company's Board of Directors shall set up a deliberation period, as stipulated either in (a) or (b) (excluding the date the Notification concerning the Completion of Information Provision is issued) as follows (the "Board of Directors' Deliberation Period") to evaluate the offer, negotiate with the Purchaser, exchange opinions among themselves and draft substitute plans. Such period is determined based on the level of difficulty in the deliberation of the Purchase

(a) Up to 60 days in cases where the Purchase will be made via a public tender offer of

all Lion shares and the consideration to be paid only in cash (Japanese yen)

(b) Up to 90 days in other cases

However, both (a) and (b) can be extended when the Company's Board of Directors considers it necessary. In such cases, the Company will notify the Purchaser of the extended period of deliberation and reason, while disclosing such information to shareholders and investors. The extended period of deliberation shall be up to 30 days.

While receiving advices from external specialists upon necessity, the Company's Board of Directors shall sufficiently evaluate the Information provided by the Purchaser within the Board of Directors' Deliberation Period, and screen the details of the Purchase offered by the Purchaser from a perspective of securing and enhancing Lion's corporate value and the common interests of its shareholders. In the course of their evaluation, members of the Board of Directors shall carefully weigh opinions regarding the Purchase and notify the Purchaser of the results of such evaluation while disclosing relevant information to shareholders and investors in a timely and appropriate manner. In addition, the Board of Directors shall negotiate with the Purchaser with regard to the conditions and methods of the Purchase as necessary. Furthermore, the Board of Directors may suggest substitute plans to shareholders and investors.

(v) Corporate Governance Committee's Recommendations regarding the Exercise of Countermeasures

Upon the introduction of the Plan, the Company established the Corporate Governance Committee. This move was made to eliminate any possibility of the Board of Directors' making an arbitrary decision regarding the exercise of countermeasures against the Purchase as well as to secure objectivity and reasonability with regard to judgments and responses on the part of the Board of Directors.

The Corporate Governance Committee shall advise Lion's Board of Directors of the pros and cons of the exercise of countermeasures. In this regard, the Corporate Governance Committee may, at Lion's expense, solicit the advice of outside specialists (investment banks, securities companies, lawyers and other specialists) who are independent from Lion's top management and who are involved in the Company's business operations in order to secure such specialists' judgment as to whether the proposed purchase will contribute to the securement and improvement of corporate value and the common interests of shareholders. If the Corporate

Governance Committee provides the Company's Board of Directors with a recommendation whose contents are as described in the following (a) through (c), the Board of Directors will promptly disclose information regarding the receipt of the recommendation, an overview of such recommendation and other items that the Board of Directors deems appropriate for disclosure.

(a) When the Purchaser does not follow the procedure stipulated in the Plan

Should the Purchaser fail to follow the procedure stipulated in the Plan, the Corporate Governance Committee shall basically recommend that the Company's Board of Directors exercise countermeasures against the Purchase.

(b) When the Purchase to be carried out by the Purchaser is considered to be potentially seriously damaging to the Company's corporate value and the common interests of its shareholders

Even if the Purchaser follows the procedure stipulated in the Plan, the Corporate Governance Committee may recommend that the Board of Directors exercise countermeasures against the Purchase during the Deliberation Period should such Purchase by the Purchaser is deemed to be potentially damaging to Lion's corporate value and the common interests of shareholders. In such a case, the Board of Directors shall adhere to procedures described in the following section (vi) to confirm shareholders' willingness regarding pros and cons of the countermeasures' details and exercise of it.

When such offer of the Purchase is considered to fail in any category stipulated as follows, such Purchase shall be deemed to be potentially seriously damaging to Lion's corporate value and the common interests of shareholders.

Types of Purchase Offer Deemed to Pose Danger of Causing Substantial Damage to Lion's Corporate Value and the Common Interests of Shareholders

1. In cases where the Purchaser is regarded as a "greenmailer," a party that acquires or intends to acquire a Company's shares not with the intention of participating in the Company's management, but for the purpose of raising share prices and then requiring the Company or parties related to the Company to buy such shares back at an inflated price.
2. In cases where the Purchaser acquires the Company's shares for the purpose of temporarily gaining control of Lion's business management in order to transfer the assets of the Company and its Group companies—such as intellectual property rights, management know-how, confidential information, and major suppliers and customers, all of which are necessary for the Company and Group companies' continued business operations—to the Purchaser itself or its group

companies.

3. In cases where the Purchaser is seen as acquiring the Company's shares for the purpose of diverting the assets of the Company and its Group companies toward use as security for or sources for the reimbursement of the debts of Purchaser or its group companies once control over Lion's business management is gained.
4. In cases where the Purchaser acquires the Company's shares for the purpose of forcing the Company to sell valuable assets—including real estate not currently used by the Company or its Group companies as well as marketable securities—by temporarily gaining control of the Company's business management. Such a move temporarily raises dividends (by bringing in disposal profit), and the Purchaser seeks to benefit either through the reaping of high dividends or by selling the stock at the highest possible price.
5. In cases where the purchase method proposed by the Purchaser is a so-called high-handed two-stage acquisition (a type of share acquisition conducted by public tender offer in which the seller does not offer to purchase all the shares of a Company at the first stage and subsequently brings disadvantage to the Company to drive down the price for the second stage of the purchase or does not clarify the terms and conditions of the second stage of the purchase) that places limitations on shareholders' ability to judge the situation, and thus may force shareholders to sell their shares.
6. In cases where the terms and conditions of the Purchase (including but not limited to the type and amount of consideration for the Purchase; the calculation basis for the Purchase's consideration; other specific conditions (including the period and method of the Purchase) as well as illegality and feasibility of the Purchase) offered by the Purchaser are considered to be significantly insufficient or inappropriate compared with the Company's corporate value.
7. In cases where the Purchaser's control over the Company may destroy relationships between the Company and customers, employees, suppliers and other related parties deemed necessary for the creation of corporate value. Such Purchase may significantly damage the Company's efforts to ensure and improve corporate value and promote the common interests of shareholders.
8. In cases where the Purchaser's gaining control over the Company is considered to have the potential to deteriorate corporate value in comparison to the condition that would prevail under the Company's own control from the medium- to long-term perspective.

(c) When the Purchase to be carried out by the Purchaser is not considered to be potentially seriously damaging to the Company's corporate value and the common

interests of shareholders

With the exceptions of the situations stipulated in (a) and (b) above, the Corporate Governance Committee shall recommend that the Board of Directors not exercise countermeasures against the Purchase.

(vi) Confirmation of Shareholders' Willingness

Should the Corporate Governance Committee recommend the exercise of countermeasures against the Purchase in accordance with the above (v) (b), the Board of Directors shall hold a shareholders' meeting to confirm shareholders' willingness regarding the exercise of such countermeasures.

In this instance, the Board of Directors shall hold a shareholders' meeting as promptly as possible so that it may submit a report delineating the pros and cons of the exercise of countermeasures.

Furthermore, the Board of Directors shall promptly disclose information, including an overview of the resolution reached by the shareholders' meeting regarding the pros and cons of the exercise of countermeasures and other items that the Board of Directors deems appropriate to disclose.

(vii) Board of Directors' Resolution

Lion's Board of Directors shall assign maximum value to the recommendations of the Corporate Governance Committee described in (v) above. When a shareholders' meeting is held in accordance with (vi) above, the Board of Directors shall promptly exercise countermeasures or resolve not to exercise countermeasures based on the decision made at the said shareholders' meeting for the purpose of securing and improving corporate value and the common interests of shareholders.

Should the Board of Directors issue the abovementioned resolution, it will promptly disclose information regarding the overview of the shareholders' meeting's resolution and other items that the Board of Directors deems appropriate to disclose.

(viii) Cancellation or Cessation of the Exercise of Countermeasures

When the Board of Directors resolves to exercise countermeasures or subsequent to exercising countermeasures in accordance with the procedure in the above (vii), the Board of Directors shall cancel or cease the exercise of countermeasures regardless of the Corporate Governance Committee's recommendation if (a) the Purchaser has cancelled its Purchase or (b) the Board of Directors faces a situation in which the facts underlying the assessment of the pros and cons of the exercise of countermeasures have changed and thus the Board of Directors considers the

exercise of countermeasures to be inappropriate in light of the need to secure and improve Lion's corporate value and the common interests of shareholders.
Should the Board of Directors decide upon the abovementioned resolution, it shall immediately disclose information regarding the overview of the resolution and other items that the Board of Directors deems appropriate to disclose.

(ix) Commencement of Purchase

The Purchaser shall comply with the procedure stipulated in the Plan, and cannot move forward with the Purchase unless the Board of Directors reaches resolution on whether countermeasures should be exercised or not.

(3) Details of Countermeasures in the Plan

Among the countermeasures that may be exercised in accordance with the Board of Directors' resolutions stipulated in the above (2) (vii), is the gratis issue of subscription rights (the "Subscription Rights").
The overview of the gratis issue of Subscription Rights shall be described in the following "Overview of the Gratis Issue of Subscription Rights."
The Board of Directors may cancel or cease the exercise of countermeasures as described in the above (2) (viii) even if they have already resolved or commenced the exercise of said countermeasures. For example, the Company may cease the exercise of countermeasures should the Purchaser cancel the Purchase and the Board of Directors responds by passing a resolution as stipulated in the above (2) (viii) by (a) canceling the gratis issue of Subscription Rights up to the day before the date set for cancellation of rights in connection with the scheduled gratis issue of Subscription Rights; or (b) having Lion itself receive such Subscription Rights in gratis from the effective date of the gratis issue of Subscription Rights to the date before the commencement of the exercise of such Subscription Rights.

Overview of the Gratis Issue of Subscription Rights

1. Total Number of Subscription Rights to Be Allocated

The total number of Subscription Rights to be allocated shall be up to twice the final number of the Company's shares issued and outstanding (not including the number of shares held by the Company itself) as of the date specified by the Board of Directors ("Date of Allotment") at the Board of Directors' meeting regarding the gratis issue of Subscription Rights ("Resolution for Gratis Issue of Subscription Rights").

2. Shareholders Eligible for the Allocation

The Company shall issue Subscription Rights to shareholders listed on the final shareholders' register as of the Date of Allotment in the proportion determined by the Board of Directors' Resolution for Gratis Issue of Subscription Rights of up to two Subscription Rights per common share (not including those held by the Company itself).

3. Effective Date of the Gratis Issue of Subscription Rights

The date shall be specified in the Resolution for the Gratis Issue of Subscription Rights.

4. Type and Number of Shares Entitled to Subscription Rights

The type of shares entitled to Subscription Rights shall be the Company's common shares, and the number of shares per Subscription Right ("Applicable Share Number") shall be no more than one and determined by the Resolution for the Gratis Issue of Subscription Rights. If the Company splits up or splits down its shares, however, such number shall be adjusted accordingly.

5. Type and Amount of Assets Invested upon the Exercise of Subscription Rights

The object of investment in the exercise of Subscription Rights shall be monetary, and the amount of assets invested in the exercise of Subscription Rights per each of Lion's common shares shall be more than one yen and determined by the Resolution for Gratis Issue of Subscription Rights.

6. Transfer Restrictions on Subscription Rights

The Transfer of Subscription Rights shall require an approval from the Company's Board of Directors.

7. Conditions Applicable to the Exercise of Subscription Rights

The following parties ("Ineligible Parties") shall not be able to exercise Subscription Rights: (1) specified large shareholders[11], (2) co-holders of the specified large shareholders, (3) specified large purchasers[12], (4) specially related parties of

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[11] Parties who own shares issued by the Company and are acknowledged by the Company's Board of Directors as having shareholding ratios of more than 20% of the corresponding shares, as well as parties the Company's Board of Directors deems to correspond thereto. However, this shall not be applied to such parties for whom the Company's Board of Directors deems the acquisition or holding of the Company's shares does not run counter to the Company's corporate value and the common interests of its shareholders and who are otherwise so specified by the Company's Board of Directors in the Resolution for the Gratis Issue of Subscription Rights.

[12] Parties who make a public announcement to the effect that they will purchase (as defined in Article 27-2, Paragraph 1 of the Financial Products Exchange Law; this definition shall be applied to the following) shares (as defined in Article 27-2, Paragraph 1 of the Financial Products Exchange Law; this definition shall be applied to the following) issued by the Company through public tender offer, where the possession (including cases specified in Article 7, Paragraph 1 of the Financial Products Exchange Law Enforcement Order pursuant to this) of such shares by said party following such purchase would, combined with the shareholding of specially related parties, total to a shareholding ratio of over 20%, as well as parties the Company's Board of Directors deems to correspond thereto. However, this shall not be applied to such parties for whom the Company's Board of Directors deems the acquisition or holding of the Company's shares does not run counter to the Company's corporate value and the common interests of its shareholders, and who are otherwise so specified by the Company's Board of Directors in the

specified large purchasers, (5) parties who received or had Subscription Rights transferred to them by parties corresponding to the above (1) to (4) without the approval of the Company's Board of Directors, or (6) relevant parties[13] related to the above (1) to (5). Details of conditions applicable to the exercise of Subscription Rights shall be defined in the Resolution for the Gratis Issue of Subscription Rights.

8. Subscription Rights Acquisition by the Company

The Company can acquire Subscription Rights held by parties other than Ineligible Parties on a date separately set up by the Company's Board of Directors, and issue the Applicable Share Number of common shares per Subscription Right in exchange.

Details of conditions for the acquisition of Subscription Rights shall be separately determined by the Resolution for Gratis Issue of Subscription Rights.

9. Gratis Issue of Subscription Rights with Regard to the Exercise of Countermeasures

In cases where the Company's Board of Directors ceases the exercise of countermeasures and other instances determined by the Resolution for the Gratis Issue of Subscription Rights, the Company can acquire all of the Subscription Rights in gratis.

10. Exercise Period of Subscription Rights and Other Matters

The exercise period and other necessary matters pertaining to Subscription Rights shall be determined separately by the Company's Board of Directors' Resolution for the Gratis Issue of Subscription Rights.

(4) Effective Period, Abolishment and Revision of the Plan

The effective period of the Plan shall extend through the end of the regular shareholders' meeting planned to be held in March 2018 should the Regular Shareholders' Meeting grant approval of the matter.

If it is resolved to revise or abolish the Plan at the Company's shareholders' meeting prior to the expiration of such effective period, however, the Plan shall be revised or abolished at that point in accordance with the relevant resolution. In addition, if the Company's Board of Directors appointed by a shareholders' meeting resolves to abolish the Plan, the Plan shall be abolished at that point (see Supplementary Explanation 1

Resolution for the Gratis Issue of Subscription Rights.

[13] Related parties are those who exert practical control over a given party, who are controlled by said party, who are together with said party controlled by another (including parties the Company's Board of Directors deems to correspond thereto), or who the Company's Board of Directors deems to effectively act in concert with said party. "Control" means "control of decisions related to the financial and business policies" of another company (defined in Article 3, Paragraph 3 of the Financial Products Exchange Law Enforcement Order).

(6)).

Furthermore, with the Corporate Governance Committee's approval, the Board of Directors may revise the Plan within the scope deemed rationally necessary due to possible revisions in the Corporation Law, Financial Products Exchange Law, other laws and regulations and/or stock market rules, changes in the interpretation and application of those laws and rules, and/or changes in taxation systems and judicial rulings.

With regard to the abolishment or revision of the Plan (if any), the Company will disclose information regarding relevant facts pertaining to the abolishment or revision (not including such minor revisions as word changes due to the amendment of laws), details of such revision and other items that the Board of Directors deems appropriate to disclose.

[Supplementary explanation 1]

Reasonability of the Plan

(1) Fulfillment of the Requirements set out in the Guidelines regarding the Anti-Takeover Measures

The Plan fulfills the three principles (namely, ensuring and/or increasing corporate value and stakeholder profits; practicing prior disclosure and seeking stakeholders consent; and ensuring necessity and suitability) of the "Ensuring and/or Increasing Corporate Value and Stakeholder Profits: Takeover Defense Guidelines" jointly announced by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005. The Plan is also based on the "Takeover Defense Measures in Light of Recent Environmental Changes" announced on June 30, 2008, by the Corporate Value Study Group.

(2) Being Introduced with the Purpose of Securing and Improving Corporate Value and the Common Interests of Shareholders

As described in 3. (1) of main text, the Plan shall be introduced for the purpose of securing and improving corporate value and the common interests of shareholders. This shall be carried out in a manner that enables the Company to negotiate with the Purchaser on behalf of shareholders by ensuring that the necessary information is provided and an adequate amount of time allowed for shareholders to come to a decision about whether the Company should accept or reject the Purchase or for the Board of Directors to offer a substitute plan for such Purchase to the Purchaser.

(3) Respecting Shareholders' Wishes

The Plan requires direct confirmation of the shareholders' position for or against the exercise of countermeasures against the Purchase except in cases where the Purchaser conducts the Purchase without following the procedures stipulated in the Plan and the Corporate Governance Committee has recommended the exercise or nonexercise of countermeasures.

The Company resolved at its Board of Directors' meeting that decisions regarding the Plan must also be approved at the Regular Shareholders' Meeting. As mentioned in 3. (4) of main text, should any resolution be passed regarding the revision or abolishment of the Plan by the Company's shareholders' meeting even after the approval at the Regular Shareholders' Meeting, the Plan shall be revised or abolished accordingly. In this light, shareholders' wishes will be fully reflected with regard to the introduction and abolishment of the Plan.

(4) Respecting Decisions of the Independent Committee and Information Disclosure

The Company has established the Corporate Governance Committee. This move was

made to eliminate any possibility of the Board of Directors' making an arbitrary decision regarding the exercise of countermeasures against the Purchase as well as to secure objectivity and reasonability with regard to judgments and responses on the part of the Board of Directors upon the introduction of the Plan.

Appointed by the Company's Board of Directors, the Corporate Governance Committee consists of members chosen from among the Company's external corporate directors and external corporate auditors, who are independent from the Company's top management.

In addition, the Company discloses information as required to shareholders and investors regarding the overview of the Corporate Governance Committee's judgment. By doing so, the Company ensures operational transparency with regard to the application of the Plan to the benefit of Lion's corporate value and the common interests of shareholders.

(5) Ensuring the Rational and Objective Execution of the Plan

As described in 3. (2) of main text, the Plan ensures the prevention of the Company's Board of Directors arbitrarily exercising the Plan and thus will not be exercised unless rational and objective conditions have been met.

(6) No Dead-Hand or Slow-Hand Features among the Anti-Takeover Measures

As described in 3. (4) of main text, the Plan may be abolished at any time by the Board of Directors whose members were appointed by the Company's shareholders' meeting. Therefore, the Plan is not a dead-hand measure against takeover (where the triggering of the anti-takeover measures cannot be stopped even if the majority of the Board of Directors is replaced).

In addition, the term of office for directors is currently one year. Thus, the Plan is not a slow-hand measure against takeover (where it takes time to stop the triggering of anti-takeover measures and the Board of Directors' members cannot be replaced during that time).

[Supplementary explanation 2]

Impact on Shareholders and Investors

(1) Impact on Shareholders and Investors upon the Continuaton of the Plan

Subscription Rights will not be issued upon the continuaton of the Plan. Therefore, the Plan will not exert a directly specific impact on the legal rights and economic benefits related to the Company's shares held by shareholders when continued.

As described in 3. (2) of main text, the Company's response to the relevant Purchase may vary depending on whether or not the Purchaser complies with the Plan's stipulations. Accordingly, the Company would like shareholders and investors to closely monitor any potential Purchaser's actions. If the Company sees the Purchaser taking any action that would impact shareholders and investors, the Company shall immediately disclose such information.

(2) Impact on Shareholders and Investors upon the Gratis Issue of Subscription Rights

If the Board of Directors decides to exercise countermeasures and implements a gratis issue of Subscription Rights, shareholders who are listed on the Company's shareholders' register as of the allocation date separately set up, shall receive up to two Subscription Rights per share held in gratis. The Company does not assume that legal rights and economic benefits related to the Company's shares held by shareholders will not be impacted in case of the gratis issue of Subscription Rights; given the system's characteristics, the entire economic value of the Company's shares will be diluted despite the per-share economic value of the Company's shares owned by shareholders.

Nevertheless, the Purchaser's legal rights or economic benefits may be impacted by the exercise of such countermeasures.

If the Board of Directors decides to cancel countermeasures or cease the exercise of countermeasures in accordance with 3. (2) (viii) of main text even after its decision to issue Subscription Rights in gratis, the Company's share prices might be affected. For instance, if the Company ceases the exercise of countermeasures and does not issue new shares through Subscription Rights in gratis after confirming which shareholders will receive gratis Subscription Rights, the per-share economic value of the Company's shares owned by shareholders will not be diluted. Therefore, please note that shareholders and investors who sell and purchase on the assumption of the possible occurrence of dilution in per-share economic value may be impacted by stock price fluctuations.

Furthermore, the Purchaser's legal rights and economic benefits may be impacted upon the exercise or acquisition of Subscription Rights when conditions change.

Even in such cases, the Company does not assume that legal rights and economic benefits related to shares held by shareholders other than the Purchaser will be directly impacted.

(3) Procedure for the Gratis Allocation of Subscription Rights to Shareholders

Shareholders who are listed on the latest shareholders' register as of the date of gratis allocation of Subscription Rights are not required to go through any procedure to apply for Subscription Rights as they will be automatically eligible for such Subscription Rights on the effective date of the gratis allocation of relevant Subscription Rights.

When shareholders other than the Purchaser go through procedures in accordance with conditions that the Company has applied for the acquisition of Subscription Rights, they are not required to pay the exercise costs for Subscription Rights as they shall receive Company shares in compensation for the Company's acquisition of subscription rights.

Other details, including procedural methods for the allocation and exercise of Subscription Rights as well as for the acquisition of Subscription Rights by the Company, shall be disclosed by Lion in an appropriate and timely manner once a resolution is passed at the board of Directors' meeting regarding the gratis issue of Subscription Rights. Please note the relevant disclosure or announcement that will be released in accordance with relevant laws as well as stock market rules.

Reference 1

Overview of the Corporate Governance Committee Rules

1. The Corporate Governance Committee shall be established by a resolution of Lion's Board of Directors for the purpose of eliminating the ability of Board of Directors' for arbitrary decision making regarding the exercise of countermeasures against large-scale acquisitions of the Company's shares while ensuring the objectivity and reasonability of the Board of Directors' decisions and responses.

2. The Corporate Governance Committee shall comprise more than three members selected and appointed from among the Company's external corporate directors and external corporate auditors based on a resolution passed by the Board of Directors.

3. The Corporate Governance Committee members' term of office shall be equal to that of relevant directors and corporate auditors.

4. A Corporate Governance Committee meeting shall be convened by the Chair of the Board of Directors in accordance with a resolution passed by the Board of Directors. The Chair of the Corporate Governance Committee shall be appointed through mutual voting among Corporate Governance Committee members.

5. Resolutions made at Corporate Governance Committee meetings shall be passed by majority votes involving the majority of members.

6. Corporate Governance Committee shall pass resolutions on the following items after deliberation and furnish recommendations backed by reasoned details of such resolutions to the Board of Directors.
   (1) Pros and cons of the exercise of countermeasures related to the Plan
   (2) Cancellation of countermeasures related to the Plan or cessation of the exercise of countermeasures
   (3) Revisions to the Plan
   (4) Other matters regarding the Plan upon which the Board of Directors requests the Corporate Governance Committee to provide advice

   With regard to its deliberations and resolutions on each item above, the Corporate Governance Committee shall carefully collect information and documents about the Purchaser and details of the purchase offer and cautiously examine the matter from a neutral and fair viewpoint.

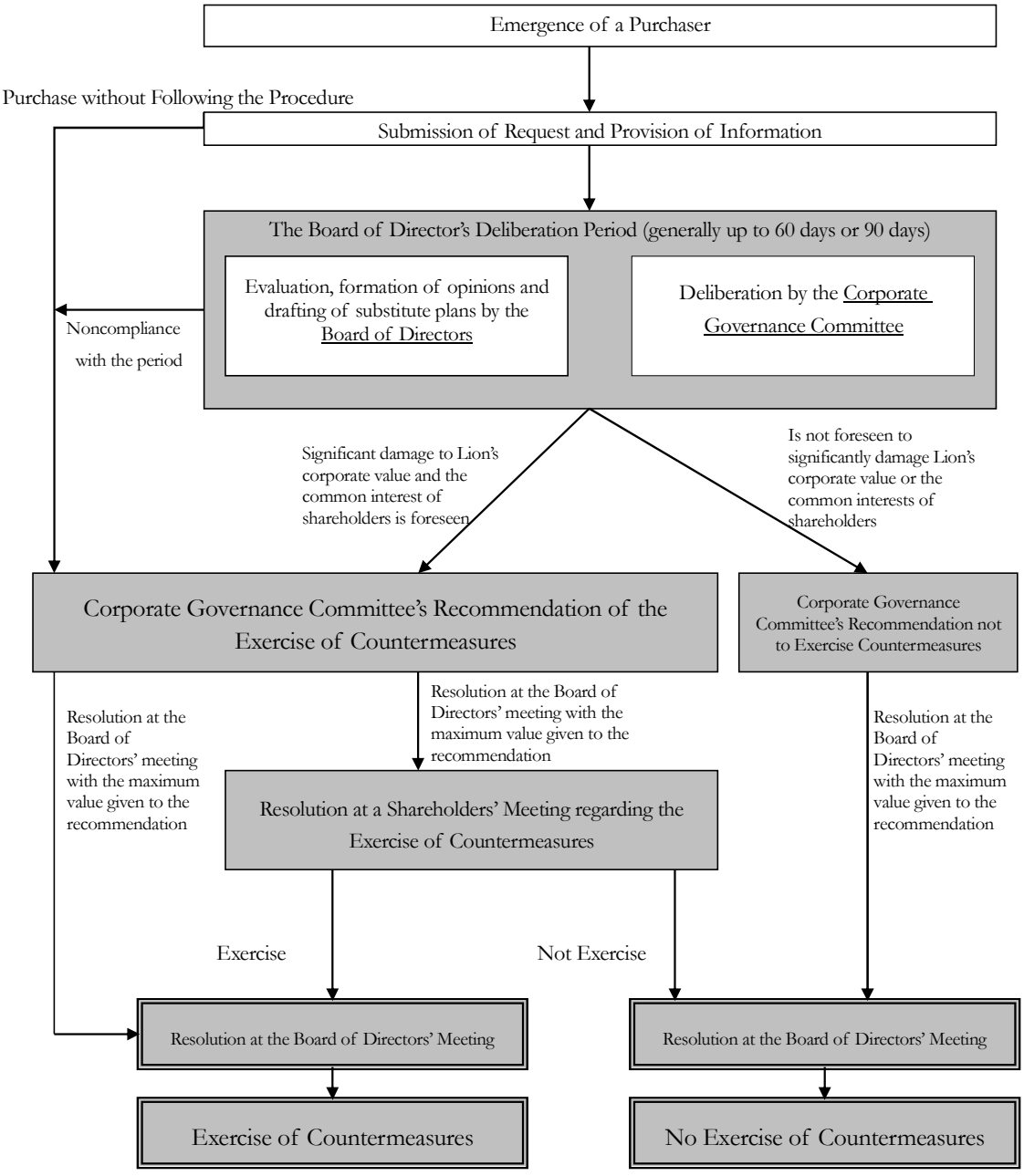
7. With regard to the collection of information and documents about the Purchaser and details of purchase offer, the Corporate Governance Committee can request the

Company president to collect the information and documents required and to forward them to the Corporate Governance Committee. The Company president shall make every effort to cooperate with the Corporate Governance Committee for the collection of information and documents.

8. The Corporate Governance Committee may consult with investment banks, securities companies, lawyers and other outside specialists at the Company's expenses.

Reference 2

Flow of Procedures for the Plan



* This chart is intended to provide an easy-to-understand overview of the Plan. Please refer to the main text for details.

Guide to Exercising Voting Rights via the Internet

In the event that you exercise your voting rights via the Internet, please read the following in advance.
Shareholders who attend the Annual Meeting of Shareholders will not be able to exercise their voting rights via the Internet or by postal mail (using the form for exercising voting rights).

1. Website for Exercising Voting Rights

(1) The exercise of voting rights via the Internet is possible only by accessing the following website designated by the Company on a personal computer, smartphone or other mobile phone (i-mode, EZWeb orYahoo! Keitai service is required for the use of mobile phones other than smartphones*). Please note that the website is inaccessible from 2 a.m. to 5 a.m. every day.
*"i-mode," "EZWeb" and "Yahoo!" are brands or registered trademarks of NTT DOCOMO, INC., KDDI CORPORATION, and Yahoo! Inc., respectively.

(2) When using a personal computer or smartphone to exercise your voting rights, certain factors related to your internet connection and settings, etc., may cause problems and prevent you from exercising your rights. Possible factors include the use of firewall or antivirus software and the use of proxy servers.

(3) When using a mobile phone other than a smartphone, please use either i-mode, EZWeb, or Yahoo! Keitai service. Also note that, for security reasons, phones that cannot send encrypted data (SSL communication) or that cannot send data about the phone itself cannot be used with the online voting platform.

(4) Although we will accept the exercise of voting rights via the Internet until 6:00 p.m., Thursday, March 26, 2015, please vote as early as possible, and contact the Help Desk (see page 43) with any questions.

2. How to Exercise Voting Rights via the Internet

(1) At the website for exercising voting rights (http://www.evote.jp/), please use the login ID and temporary password shown on the form for exercising voting rights and exercise your voting rights in accordance with the on-screen instructions.

(2) Please note that shareholders using the website will be asked to change their password from the temporary password provided. This is to prevent improper access (identity theft) and manipulation of voting data by parties other than the shareholder.

(3) You will be sent a new login ID and temporary password each time a general meeting of shareholders is announced.

3. Treatment of Multiple Exercises of Voting Rights

(1) If the same voting rights are exercised via postal mail and via the Internet, the contents submitted via the Internet will be considered valid.

(2) If the same voting rights are exercised multiple times via the internet, only the content of the final submission will be counted. Even in cases where the same voting rights are exercised multiple times via different devices, whether personal computer, smartphone or other mobile phone, only the content of the final submission will be considered valid.

4. Fees Incurred When Accessing the Website to Exercise Voting Rights

Any fees incurred when accessing the website to exercise voting rights (for example, Internet service provider connection fees) shall be borne by the shareholder. Note that certain fees, including data packet transmission or service fees, may apply when using a mobile phone; such fees shall also be borne by the shareholder.

Help Desk (For inquiries concerning the online system, etc.)
Stock Transfer Agency Department, Mitsubishi UFJ Trust and Banking Corporation
Telephone: +81-0120-173-027 (toll free)
Reception hours: 9:00–21:00