



March 25, 2011

## **Notice Regarding the Decision to Acquire Industrial Química Lasem, S.A.**

The Nisshin OilliO Group ("Nisshin OilliO" or "the Group") has decided to enter into a Stock Purchase Agreement to acquire the shares of Industrial Química Lasem, S.A. (Spain, hereinafter "IQL"), a manufacturing and sales company of cosmetics ingredients in Europe, resulting in IQL becoming a subsidiary of Nisshin OilliO.

### 1. Background

Nisshin OilliO is currently pursuing a 10-year basic management vision---*GROWTH 10*---by creating new values using the "natural power of plants."

The three-year period starting from fiscal 2011 is designated as Phase II of this vision, and during this phase, the Group shall actively pursue the "establishment of stable revenue base" and the "fruition of true growth."

For the "fruition of true growth," Nisshin OilliO must nurture a third pillar of profit-making business, alongside (1) the oils and meal business and (2) the processed oils and fats business. That pillar is recognized as "businesses in a developmental stage," and the Group will positively invest its managerial resources towards its growth.

The acquisition of IQL's shares will enable Nisshin OilliO to build up a stronger international presence for one of its businesses in developmental stage, the Fine Chemicals Department.

At the same time, a strong business foothold in Europe will strategically drive the *GROWTH 10* vision forward towards a thriving global corporation.

### 2. Significance of Acquisition

Nisshin OilliO's Fine Chemicals business domain places its major emphasis on cosmetics ingredients. In Japan, the Group delivers high-quality ingredients for over 30 years and as for cosmetics ingredients, it is the industry leader.

Over the years, the Fine Chemicals Department has been active in developing its

global business. Its initial endeavor to expand its business in Europe, the largest market in the world, was the 2007 establishment of the subsidiary Nisshin OilliO Fine Chemicals GmbH, a sales foothold in Germany.

IQL is a major manufacturer and sales company of cosmetics ingredients in Europe, and with this acquisition of shares, Nisshin OilliO will gain a manufacturing foothold in Europe.

With the synergy of management resources, technology and sales network of both companies, Nisshin OilliO aims to expand the marketing share of its original cosmetics ingredients and enhance its product supply system. Also, by using Nisshin OilliO's sales network in Asia, the Group aims to increase sales of IQL products and thus complement each company's sales reach, gain effective investment, and increase its momentum towards further globalization

### 3. Summary

(1) Target company	Industrial Química Lasem, S.A.
(2) Sellers	Josep Martí Pellisé (Grupo Lasem President) Josep Betriu Pi (IQL CEO) Mercapital (private equity fund)
(3) Change in shares held by Nisshin OilliO	Before the acquisition 0% After the acquisition 85% Nisshin OilliO holds the right to acquire the remaining 15% 12 months after the initial acquisition to make IQL a 100% owned subsidiary
(4) Purchase Price	Total Purchase Price including debts: 26 million Euro (based on 100% acquisition)
(5) contract date	March 25, 2011

### 4. Profile of IQL

(1) Name	Industrial Química Lasem, S.A
(2) Representative	Josep Betriu Pi (Chief Executive Officer)
(3) Headquarters	Spain (Castellgalí, Barcelona)
(4) Established	1975
(5) Main business activities	Sales and manufacturing of cosmetic ingredients and Lubricants

(6) Capital ca. 10 million Euro

(7) Fiscal year end December 31

(8) Number of employees About 40

(9) Financial performance for the last three years

	Euro in million		
	2008	2009	2010
Sales	25	19	26
EBITDA	△0	1	4

#### 5. Forward-looking statement

The estimated timing of the completion of the initial acquisition is in June to July, 2011. The impact on Nisshin OilliO's business results and financials will be announced after the completion.

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