

Our CSR Starts with Lion's Founding Spirit

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Lion's Corporate Social Responsibility (CSR)

Since its foundation in 1891, Lion Corporation has strived to contribute to society by serving needs related to personal health and clean, comfortable living.

Throughout the 118 years of our history up to the present, we have maintained our founder's philosophy of contributing to society through our business, maintaining honesty as the best business strategy, and viewing our employees as partners who work together to develop the Company. This philosophy provides the foundation for CSR activities that encompass environmental protection and social contribution efforts as well as our business, which has evolved around the key focus areas of health, comfort and the environment. Because this essential concept of CSR comes naturally for Lion, each and every employee engages in CSR activities as an intrinsic component of our business.

Looking Back at 2008

In 2008, the Toyako Summit was held in Hokkaido, immediately followed by the Japanese government's cabinet-level approval of the Action Plan for Achieving a Low-carbon Society. This year, the government, industries and the general public shared a common perception of the need to take action toward the development of a low-carbon, recycling-oriented society. On another front, the deteriorating global economic climate triggered by the financial crisis in the United States forced us to also reexamine corporate social responsibility from the perspectives of business operations and employment. Under these circumstances, Lion guided its business and social contribution activities to support the sustainable development of society as a responsible corporate citizen while at the same time meeting the needs of those who desire to live healthy and comfortable lives, endeavor to be environmentally friendly and do something on their own for the environment.

1. Enriching everyday life —Demonstrating leadership in a culture of healthy, comfortable lifestyles

The mission of Lion is to enhance the happiness and lifestyles of each and every customer. Since its founding, the Company has encouraged the development of healthy behavior including good dental habits as well as the regular washing of dishes and vegetables. In recent years, Lion has also demonstrated its commitment to helping establish good hand-washing and gargling habits. We are proud of our role in the development of a clean and sanitary culture in Japan through these activities.

In 2008 as well, we focused on delivering products that instill comfort and new habits into everyday life, and such new products as Kaoritsuzuku TOP and BATHTOLOGY have been well-received.

Looking ahead, Lion intends to play a part in extending healthy life expectancy (lifelong health and independent living) and help people enrich their everyday existence with an enhanced quality of life.

2. From everyday living to a low-carbon and recycling-oriented society —Becoming a leading company in environmental friendliness

We are advancing environmental activities in three priority areas.

The first area is the shift to plant-based materials. Throughout the 36 years since 1972, Lion has been replacing petroleum-based materials with plant-based materials. The ratio of plant-based materials in Company products is now over 50%. We also established a new company in Malaysia, Lion Eco Chemicals, to encourage the widespread use of MES (methyl ester sulfonate), a plant-based surfactant that does not increase Lion's CO₂ emissions. The Company will start full-scale commercial production in 2009. In the procurement of



palm oil as a major plant-based material, Lion is a member of an international roundtable for sustainable palm oil supply to ensure environmentally and socially responsible procurement.

The second area is preserving aquatic environments. Water is an indispensable component of Lion's business, which has been providing a variety of washing-related products since its foundation. So it was natural for Lion to establish the Lion Award at the Japan Society on Water Environment in 2008 to support scientific and technological research by honoring young scientists. The Company also launched the LION TOP Eco Project, which invites customers to participate in activities to preserve aquatic environments. In this project, a portion of the proceeds from the sale of TOP laundry detergent is donated to the Foundation for Living with Clean Rivers operated by the Japan River Association to provide monetary support for activities that protect rivers, lakes and other aquatic environments.

The third area is Lion Eco Standards-based product development. We set product development standards that incorporate environmental considerations and focus on the development and launch of eco-conscious products.

In recognition of these efforts, Lion was selected in March 2008 and then again in 2009 for FTSE4Good Indices, one of the best-known global indices for socially responsible investment. Lion was also recognized as the first Eco First Company in the manufacturing industry by the Ministry of the Environment in June 2008. This certification is awarded to companies leading in environmentally sound operations.

3. A company in which employees can work every day with pride and energy **—Building a dynamic corporate culture**

Lion Corporation has long maintained a corporate culture that values tenacity and creativity and boldly offers younger workers key tasks. I believe that at its core, this culture embodies respect for people and discipline in business. People feel immensely empowered to tackle challenging tasks when

they feel understood by those around them. We must nurture employees from a long-term perspective. Awareness of this support builds confidence and boosts motivation. We at Lion Corporation are committed to establishing and improving systems that free employees from concern about their futures and offer a variety of options for living and working. We view these initiatives as an investment for the Company's future. We have also established a fund through which Company management encourages young employees to plan and develop new businesses without fear of taking risks. Lion Corporation strives to be a company that instills pride in every employee and is recognized by employee families as an excellent place to work.

CSR in the Future

To support lifestyles that are filled with happiness, all of us at Lion focus our actions on delivering customer satisfaction as the root principle of our business. Since April 2008, the first thing a director, auditor or operating officer sees on their monitor when they turn on their computers is the VOC (Voice of the Customer) daily bulletin. This provides particularly key inquiries and opinions about new products selected from comments received by the Consumer Service Office. We believe that paying attention at all times to external trends, including customer comments, is an important means for maintaining the Company's awareness of social values. We always keep the Company's founding spirit in mind while at the same time recognizing the needs of the times through dialogues with our stakeholders so that we can quickly advance our CSR-driven management across a wide range of fields, such as environmental considerations, the creation of safe workplaces and protection of human rights, creation of employment and the establishment of beneficial and appropriate relationships with business partners as well as product quality assurance.