

Financial Results for the Fiscal Year Ended December 31, 2023

**Lion Corporation
February 14, 2024**

- Fiscal 2023 Financial Results
- Consolidated Results Forecasts for Fiscal 2024 and Future Policies for the Next Medium-Term Management Plan
- Fiscal 2024 Shareholder Returns

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Fiscal 2023 Financial Results Highlights

Comparison with original forecast: Both sales and profit failed to meet projections (Net sales: -¥7.2 billion; Core operating income: -¥4.8 billion)

Note: Consolidated results forecasts were revised on January 31, 2024

Sales and profit

- Failed to meet the forecasts as the showings of new products, etc., in the fabric care field fell short of the plan

Y-o-Y change: Sales increased, while profit decreased (Net sales: +¥12.8 billion; Core operating income: -¥3.4 billion)

Net sales

- Consumer Products saw an increase in pharmaceutical product sales due to inbound tourism demand
Fabric Care Products saw only a slight increase in sales despite the initially planned target of two-digit growth
- Overseas Business saw substantial growth in principal market regions (Thailand, Malaysia, China and South Korea)

Core operating income

- Profit decreased due mainly to growth in competition-related expenses and the recording of one-off expenses related to the head office relocation

Operating profit and profit for the period attributable to owners of the parent

- In addition to lower core operating income, profit decreased due to a rebound from the January 2022 recording of proceeds from the sale of land

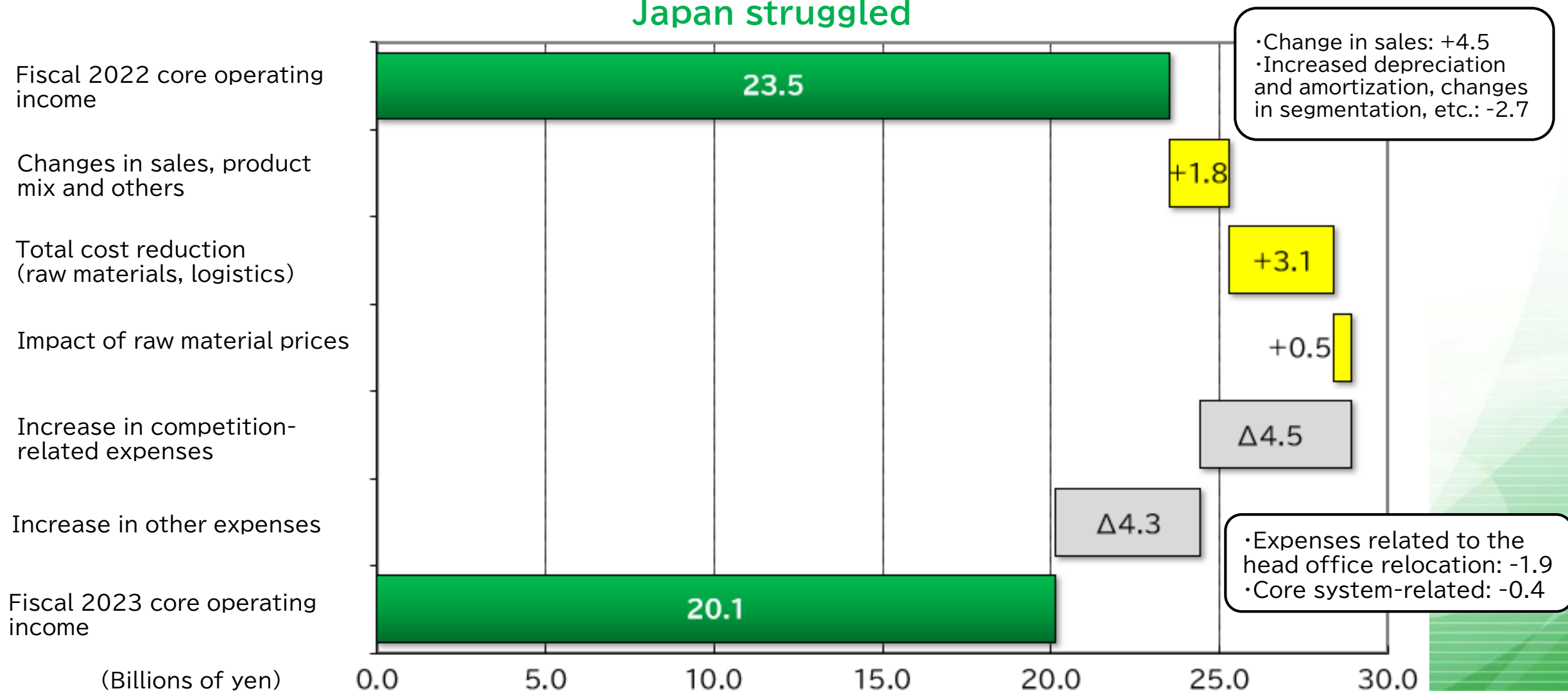
Consolidated Financial Results

(Billions of yen)	2023	2022	Y-o-Y change		Deviation from forecast (% deviation)
			Amount	%	
Net sales	402.7	389.8	12.8	3.3 1.3*	(7.2) (1.8)
Core operating income* ¹ % of net sales	20.1 5.0	23.5 6.0	(3.4)	(14.5)	(4.8) (19.5)
Operating profit % of net sales	20.5 5.1	28.8 7.4	(8.3)	(28.9)	(4.4) (18.0)
Profit for the period attributable to owners of the parent	14.6	21.9	(7.3)	(33.3)	(2.8) (16.4)
EPS (Yen)	51.42	77.04	(25.62)	(33.3)	(10.03) (16.3)
EBITDA* ²	38.0	39.9	(1.9)	(4.9)	—
EBITDA margin (%)* ³	9.4	10.2	—	(0.8PP)	—
ROIC(%) * ⁴	4.7	6.0	—	(1.3PP)	—
ROE(%)	5.4	8.5	—	(3.1PP)	—

Notes 1. Core operating income is an earnings indicator the Company uses to measure regular business performance by subtracting selling, general and administrative expenses from gross profit.
2. EBITDA is an indicator of profitability on a cash basis calculated as the sum of core operating income and depreciation and amortization (excluding that of right-of-use assets as of 2022).
3. EBITDA margin: The ratio of EBITDA to consolidated net sales.
4. ROIC is an indicator calculated from net operating profit after tax (NOPAT) divided by the average invested capital (total equity plus interest bearing liabilities) during the period, and measures the efficiency and profitability of the invested equity.
* Y-o-Y change at constant currency excluding exchange rate fluctuations

Year-on-Year Changes in Core Operating Income

Profit fell due mainly to higher competition-related and other expenses
Gross profit growth was less than expected as sales of major new products released in Japan struggled



Efforts to offset the decrease in gross profit due to falling short of targets for new domestic fabric care products through additional cost reductions and cost control resulted in a discrepancy of approximately ¥5 billion

(Billions of yen) Parentheses denote losses	Year		
	5/9 forecast	Results	Difference
Changes in sales, product mix and others	+7.5	+1.8	-5.7
Impact of raw material prices	+1.0	+0.5	-0.5
Total cost reductions	+2.5	+3.1	+0.6
Changes in competition-related expenses	-5.0	-4.5	+0.5
Changes in other expenses	-4.5	-4.3	+0.2
Total core operating income	+1.5	-3.4	-4.9

Results by Business Segment

Overseas sales and profits increased, profit margins rose and the profitability of Consumer Products declined

(Billions of yen)	Net sales				Segment profit (Core operating income)			
	2023	2022	Y-o-Y change		2023 %	2022 %	Y-o-Y change	
			Amount	%			Amount	%
Consumer Products	267.3	265.5	1.8	0.7	4.7	11.4	(6.6)	(58.1)
	228.6	230.5	(1.8)	(0.8)	1.8	4.3		
Industrial Products	57.1	58.0	(0.8)	(1.5)	3.0	3.1	(0.1)	(3.8)
	38.3	37.8	0.5	1.3	5.3	5.4		
Overseas	148.0	129.3	18.7	14.5	8.5	5.1	3.4	67.8
	134.1	118.0	16.0	13.6	5.8	4.0		
Other	20.9	15.3	5.5	35.8	1.3	1.2	0.1	14.4
	1.6	3.4	(1.8)	(53.4)	6.6	7.8		
Adjustment	(90.7)	(78.4)	(12.2)	—	2.3	2.6	(0.2)	—
	—	(0.0)	0.0	—				
Consolidated Total	402.7	389.8	12.8	3.3	20.1 5.0	23.5 6.0	(3.4)	(14.5)

* Upper lines: net sales; lower lines: sales to external customers

Consumer Products Business Net Sales by Product Category

Pharmaceutical Products sales were buoyed by inbound tourism demand
Fabric Care Products saw only a slight increase in sales despite the release of major new products

(Billions of yen)	Net sales			
	2023	2022	Y-o-Y change	
			Amount	%
Oral Care	72.8	72.2	0.5	0.8
Beauty Care	24.3	26.4	(2.1)	(8.1)
Fabric Care	60.9	60.1	0.8	1.4
Living Care	22.1	23.6	(1.4)	(6.1)
Pharmaceutical	26.3	25.1	1.1	4.8
Other	60.6	57.8	2.8	4.9
Total	267.3	265.5	1.8	0.7

Overseas Business Results by Region

Both sales and profit increased in Southeast and South Asia as well as in Northeast Asia

The overseas sales ratio rose to 33.3%

(Billions of yen)	Net sales				Core operating income			
	2023	2022	Y-o-Y change		2023	2022	Y-o-Y change	
			Amount	%			Amount	%
Southeast and South Asia	90.5	81.2	9.2	11.4	5.1	2.3	2.7	115.4
Northeast Asia	57.5	48.0	9.4	19.7	3.4	2.7	0.7	26.6
Total	148.0	129.3	18.7	14.5	8.5	5.1	3.4	67.8

* Due to the establishment of a joint venture company in Bangladesh in 2022, the business grouping previously labeled "Southeast Asia" has been changed to "Southeast and South Asia"

Y-o-Y change at constant currency excluding exchange rate fluctuations:

Southeast and South Asia: +3.8% (Thailand: +3.2%, Malaysia: +6.9%);

Northeast Asia: +15.2% (China*: +27.5%, South Korea: +6.8%); * Qingdao Lion

Total: +8.0%

Overseas Business: Status of business in Key Countries

Overseas business achieved profit growth by expanding scale and improving profitability

	Segment total		Personal care field*	
	General assessment	Y-o-Y change	Y-o-Y change	Ratio to consolidated sales
Thailand	<ul style="list-style-type: none"> ➤ Sales of laundry detergents increased year on year despite continuously harsh competitive conditions in the business environment ➤ Sales of <i>Shokubutsu-Monogatari</i> body washes were favorable 	+3.2%	+7.2%	31.4%
Malaysia	<ul style="list-style-type: none"> ➤ Sales of laundry detergents increased steadily in the second half, despite harsh competitive conditions in the business environment, due mainly to the strengthening of store-front marketing measures ➤ Sales of toothpastes increased year on year 	+6.9%	+2.6%	19.5%
Southeast and South Asia		+3.8%	+5.0%	29.2%
China	<ul style="list-style-type: none"> ➤ Both offline and online sales were firm ➤ Sales of locally manufactured <i>White&White</i> toothpaste remained strong 	+27.5%	+32.9%	84.7%
South Korea	<ul style="list-style-type: none"> ➤ Laundry detergents saw steady sales of both liquid and capsule forms ➤ Hand soap sales decreased year on year due to market contraction, but the Group's market share expanded 	+6.8%	+4.2%	29.2%
Northeast Asia		+15.2%	+23.5%	61.1%
Total of Overseas Business		+8.0%	+15.3%	42.0%

* Sales in the personal care field = Total of oral care, beauty care and pharmaceutical products (sales are a shipment basis; year-on-year changes are calculated at constant currency excluding exchange rate fluctuations)

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2024 Consolidated Financial Forecast

Although the initial targets of the medium-term management plan will not be achieved, we aim to improve profit ability and increase profits for the first time in four years

(Billions of yen)	2024	2023	Y-o-Y change		Change amount and rate from the final year target of the medium-term management plan
			Amount	%	
Net sales	410.0	402.7	7.2	1.8	(10.0) (2.4%)
Core operating income* ¹ % of net sales	23.0 5.6	20.1 5.0	2.8	14.2	(9.0) (28.1%)
Operating profit % of net sales	27.0 6.6	20.5 5.1	6.4	31.7	(5.0) (15.6%)
Profit for the period attributable to owners of the parent	19.0	14.6	4.3	29.9	(4.0) (17.4%)
EPS (Yen)	66.81	51.42	15.39	29.9	(5.43) (7.5%)
EBITDA* ²	41.0	38.0	2.9	7.9	(11.0)
EBITDA margin (%)* ³	10.0	9.4	—	0.6PP	—
ROIC (%)* ⁴	5.0	4.7	—	0.3PP	(2.5PP)
ROE (%)	7.0	5.4	—	1.6PP	(2.0PP)

Notes 1. Core operating income is an earnings indicator the Company uses to measure regular business performance by subtracting selling, general and administrative expenses from gross profit.
2. EBITDA is an indicator of profitability on a cash basis calculated as the sum of core operating income and depreciation and amortization (excluding that of right-of-use assets as of 2022).
3. EBITDA margin: The ratio of EBITDA to consolidated net sales.
4. ROIC is an indicator calculated from net operating profit after tax (NOPAT) divided by the average invested capital (total equity plus interest bearing liabilities) during the period, and measures the efficiency and profitability of the invested equity.

Steps toward 2030

(From fiscal 2021 financial results supplementary materials)

We will implement three consecutive 3-year medium-term management plans toward the realization of Vision2030 on a rolling basis, adjusting strategy and policy to changes in the business environment to enhance precision as we go.

3rd STAGE (2028-2030)

- Creating the foundations for subsequent growth

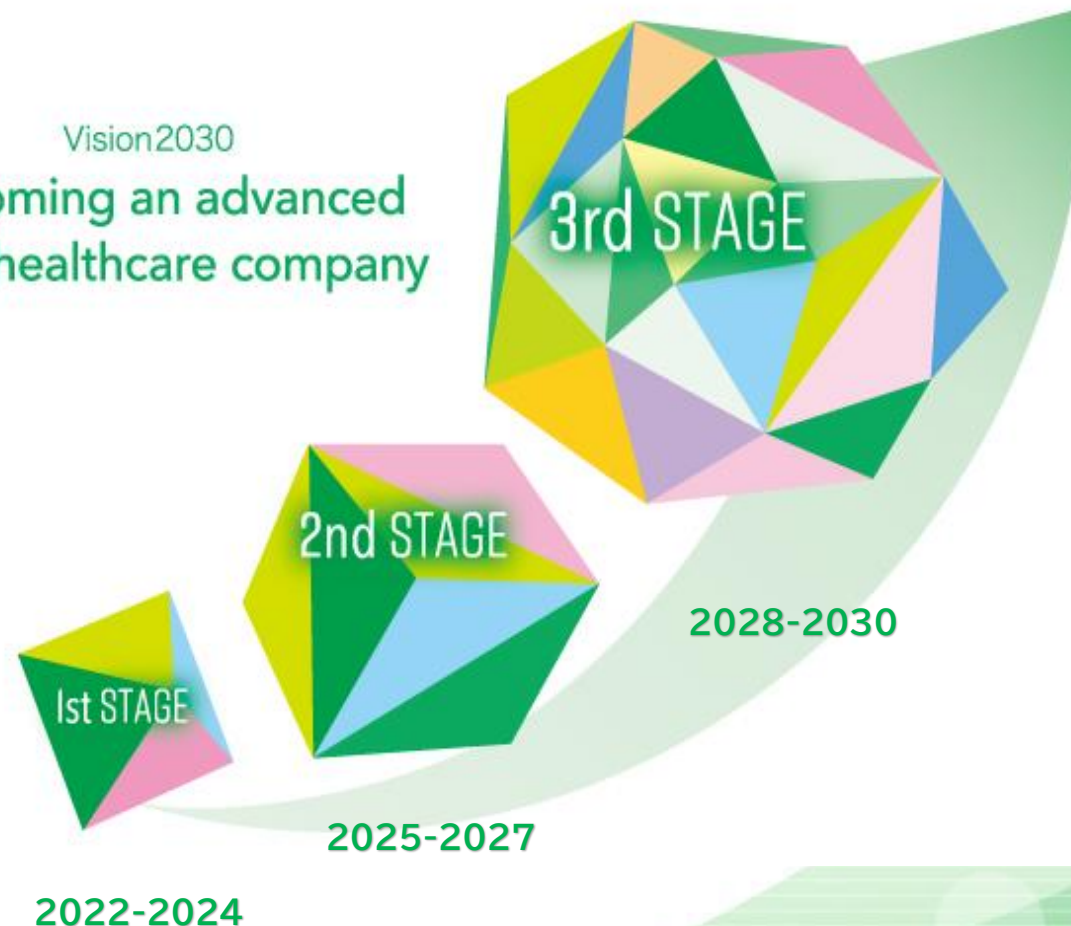
2nd STAGE (2025-2027)

- Accelerate transformation and growth

1st STAGE (2022-2024)

- Get on a growth track and create the foundations for future growth

Vision2030
Becoming an advanced
daily healthcare company



Vision2030 Targets

Social value

Contribute to a sustainable society

- ▶ Enhance consumer QOL
 - ▶ Contribute to the realization of a decarbonized, resource-circulating society
- Create **environmentally friendly habits** with consumers
- Decarbonized society: Create water- and power-saving habits
 - Resource-circulating society: Create refill habits and waste-free habits (recycling)

Economic value

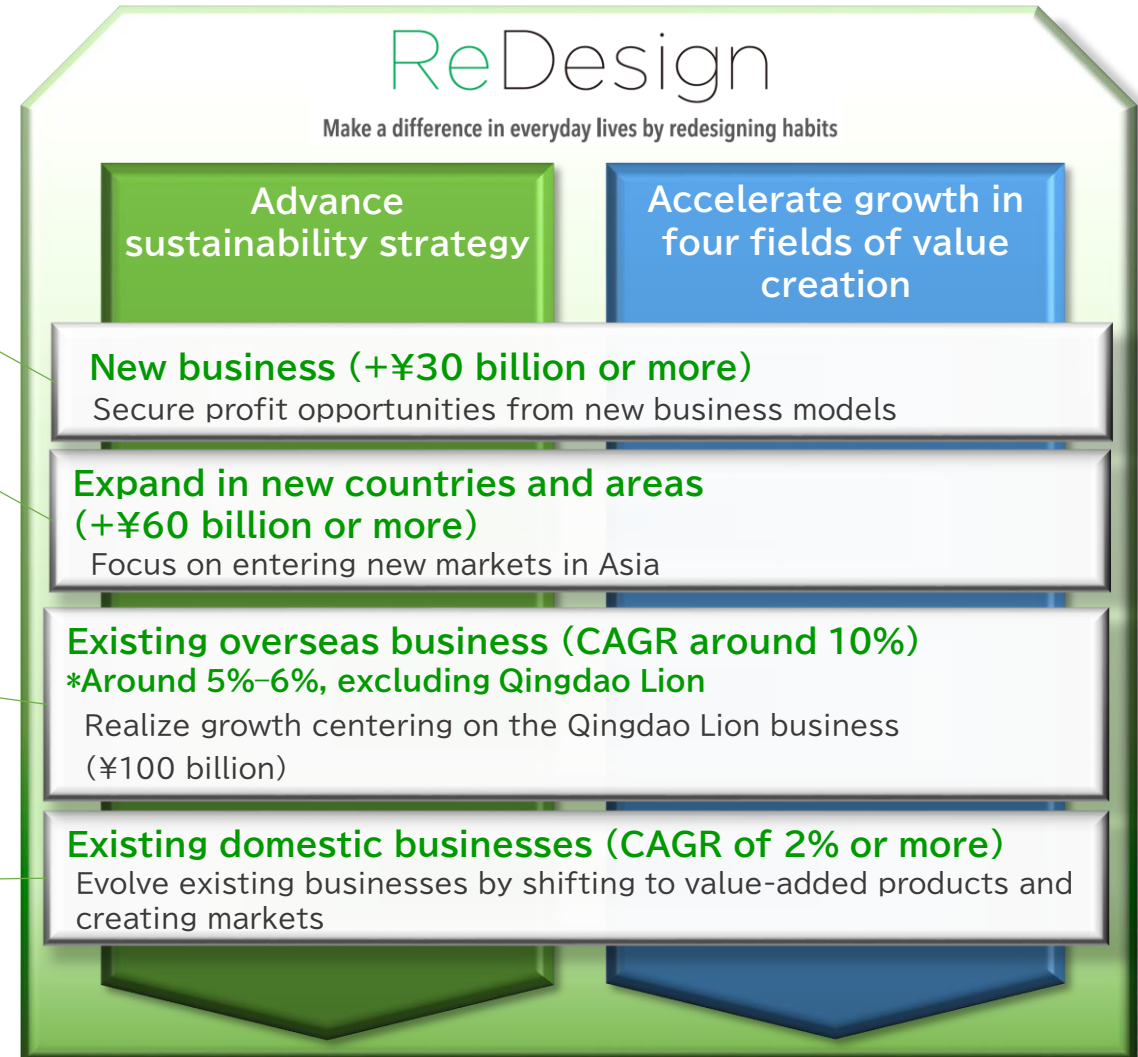
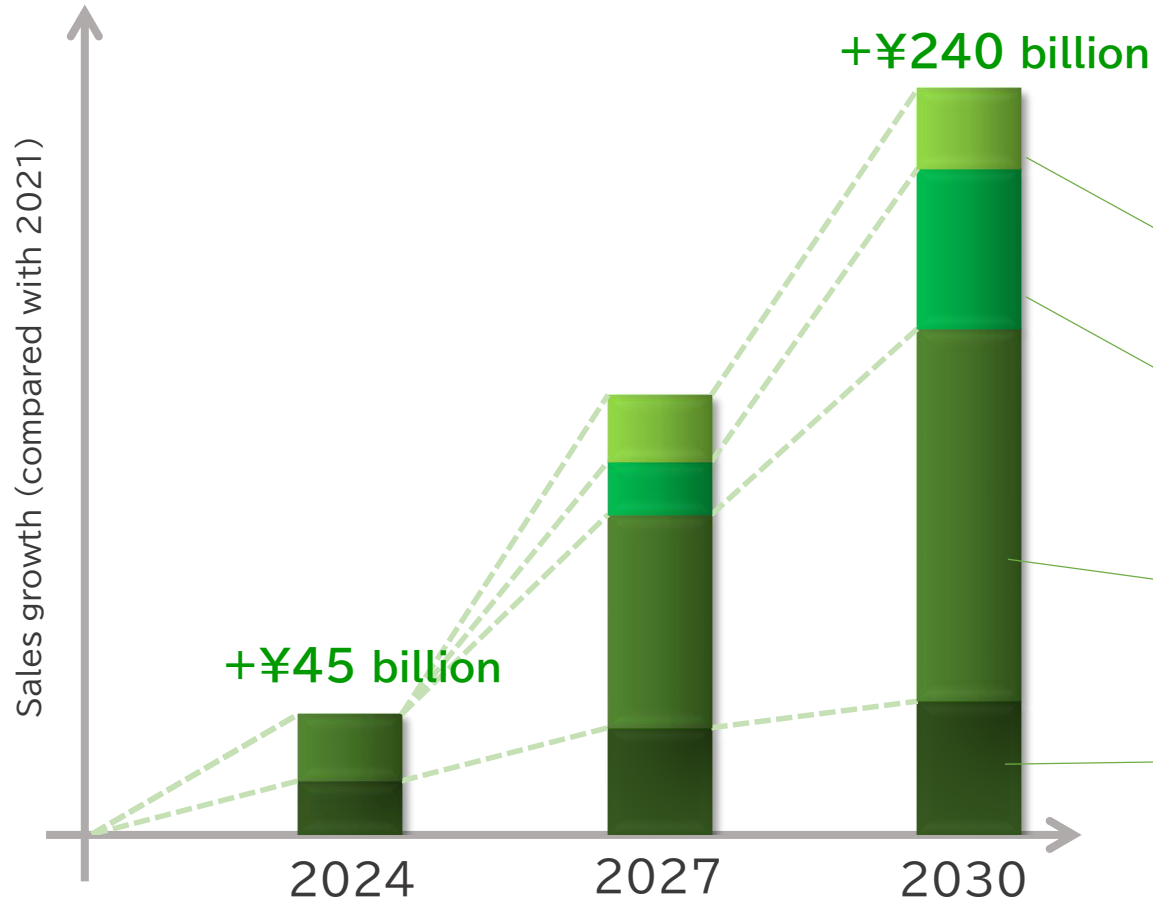
Net sales	Approx. ¥600 billion (Approx. 50% from the Overseas Business)
EBITDA*	Approx. ¥80 billion
Core operating income	Approx. ¥50 billion
ROIC	8-12%
ROE	10-14%

* EBITDA: Core operating income + depreciation and amortization (excluding depreciation and amortization of right-of-use assets)

Envisioned Growth in the Run-Up to 2030

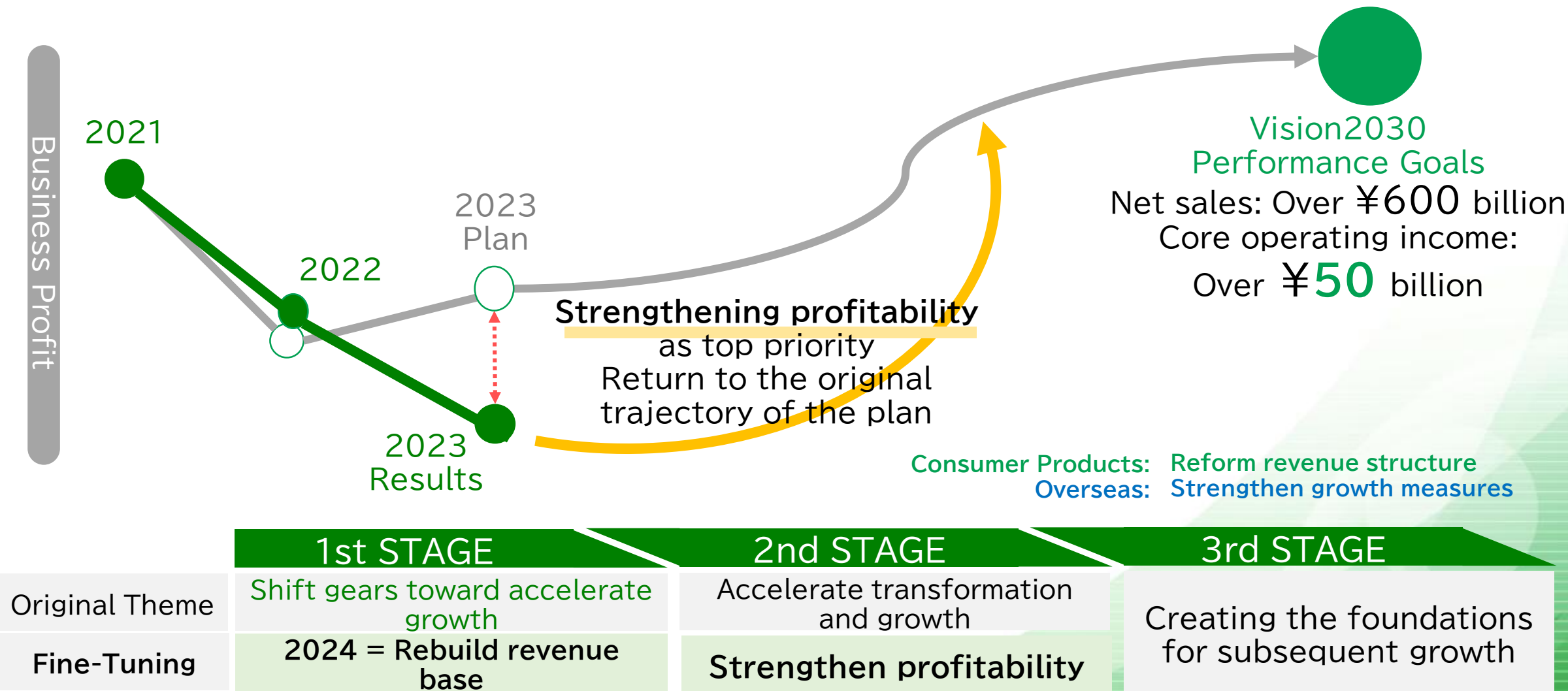
(From fiscal 2021 financial results supplementary materials)

Envisioned growth in the run up to 2030



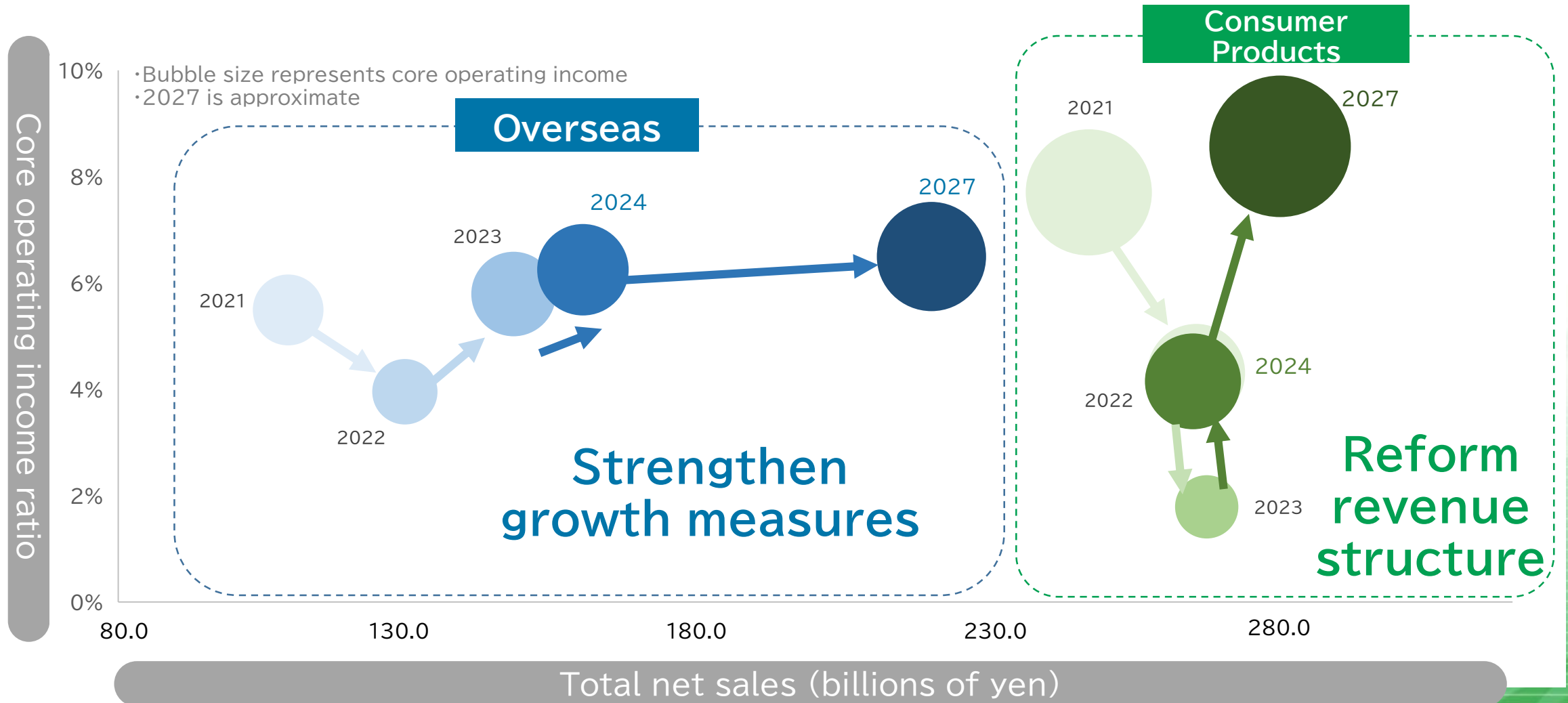
While pursuing the goals of Vision2030, 2nd STAGE will strive to strengthen profitability

Position 2024 as the year to rebuild the revenue base towards 2nd STAGE



Towards 2nd STAGE: Performance Trends by Segment and Future Direction

Consumer Products: Focus on improving profitability (profitability > growth potential)
Overseas: Act as a growth engine and accelerate growth (growth potential profitability)



Consumer Products

Reform revenue structure

- ◆ **Portfolio reforms**
 - Clarify separation of business fields
 - Shift to high value-added products
 - Execute upward price revisions
 - Reduce SKU
 - Streamline competition-related expenses
- ◆ **Business structure reforms**
 - Reduce inventories
 - Improve productivity
 - Streamline indirect operations and costs

Overseas Business

Strengthen growth measures

- ◆ **Accelerated growth in existing countries and regions**
 - Maintain high growth in the Chinese business
 - Strengthen our operations in the personal care field
- ◆ **Strengthening and expansion of operations in new countries and regions**
 - Launch full-scale operations in new countries
 - Explore new opportunities

KPIs for 2027 (Compared to 2023)

Portfolio reforms

- Clear differentiation of business fields (strengthen priority fields and reorganize non-core fields)
- Shift to high value-added products and undertake upward price revisions* (a total increase of around ¥15 billion)
- Reduce SKU (30% reduction)
- Streamline competition-related expenses (reduce their ratio to net sales by 2pt)

Business structure reforms

- Reduce inventories (30% reduction)
- Improve productivity (utilize and reorganize non-current assets while optimizing production bases and items)
- Streamline indirect operations and costs (consolidate organizational units and functions while promoting standardization and digitalization)

* Upward price revisions include upwardly revising shipment prices, cutting back on promotion expenses and reducing product content

Fiscal 2024 Measures:

Clear differentiation of business fields (strengthen priority fields)

Accelerate shift toward higher added value by proposing new habits in priority areas

Oral care field

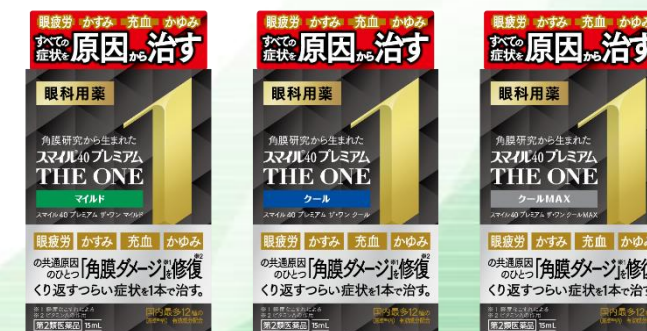
Customers now choose based on lifestyle and values in addition to the conventional appeal of addressing symptoms
Accelerate shift toward higher added value by proposing new positive oral care habits
Solidify Lion's position as the #1 oral care manufacturer



「OCH-TUNE」

High price range eye drops

While the premium market for symptom-based marketing is stagnant, we have launched a new product in the highest price bracket that meets the two needs of treating the cause of symptoms and treating all symptoms with one product
Revitalization of the eye drop premium market



「Smaile 40 Premium THE ONE」

Resolution to transfer of health tonic drink brands and one topical anti-inflammatory analgesics brand (February 14, 2024)
➔ Refine allocation of management resources to the oral care and overseas fields

Products to be transferred

Guronsan, Guromont → Transfer to LEC, Inc. (scheduled for June 2024)



Guronsan Oral Liquid



Guronsan Strong Oral Liquid



New Guromont A

Halix → Transfer to Teikoku Seiyaku Co., Ltd. (scheduled for March 2024)



Halix 55 EX Cool A



Halix 55 EX Warm A



Halix 55 ID Plus

2022 to 2023

Executed upward price revisions mainly in response to hikes in raw material prices

2024 onward

Promote upward price revisions with reference to market trends, product features, competitive conditions and other factors in order to improve profitability

Approx. ¥4 billion or more

Examples of products whose prices were revised upward



- Toothpastes
- Laundry detergents
- Pet supplies, etc.

Examples of products whose prices are expected to be revised upward



- Toothbrushes
- Fabric softeners
- Mold removers, etc.

Towards 2nd STAGE: Strengthen Growth Measures for Overseas Business

**Accelerated growth in
countries and regions
where Lion already
has operations**

- Accelerated growth of business in China
- Strengthened the personal care field

**Strengthened and
expanded into new
countries and regions**

- Launched full-scale businesses in new countries
- Searched for new opportunities

Although business in China is expanding soundly, Lion's presence remains weak
Aim for further growth by expanding sales areas, channels, fields, etc.

Plans to Expand Business in China

Lion's share of the Chinese oral care primary market is approximately 2-3%*

*Source: Lion's survey

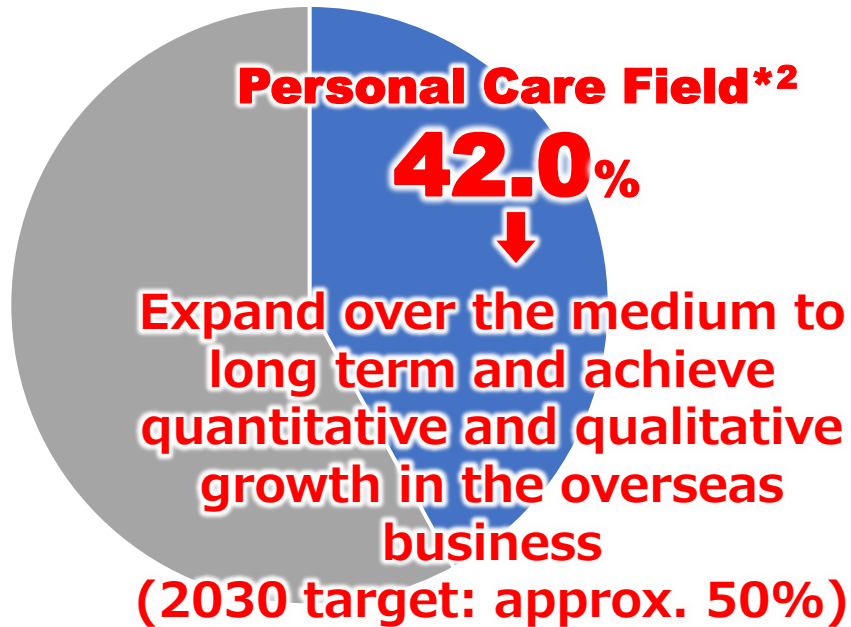
	Main sales areas	Sales channels	Products	Business fields
Previously	Centered on large coastal cities	Primarily online sales	Medium-to-high price range Made in Japan/Japanese quality	Focused on oral care, KireiKirei, etc.
	+	+	+	+
Plan for expansion	Inland cities	Strengthen offline sales	Mid-range pricing Emphasis on local preferences Made in China/Japanese quality	Gradually expand products range from oral care

2024 Measures

- Expand sales areas by strengthening in-person sales system
- Improve product development capabilities and speed based at the new research center in Shanghai
- Enter into detergents for institutional use business

Strengthen the personal care field and strive to accelerate growth and improve profitability

Overseas Business
Net sales composition share of
total by field (%)^{*1} (2023)



*1 Calculated based on Lion shipments

*2 Oral care, beauty care and pharmaceutical product fields

Oral care

- Full-scale rollout of toothbrushes with extremely thin heads, which are already fully launched in Japan



Toothbrushes
「Systema」

Beauty care

- Capturing the high value-added segment by leveraging the brand power of *Shokubutsu-Monogatari* body washes



Body washes
「Shokubutsu-Monogatari」

Fiscal 2024 Measures: Full-scale Business Operations in New Countries

Conducted activities to ramp up business in new countries in order to accelerate growth over the medium to long term

Bangladesh

Started laundry detergent business in 2023

With the goal of establishing new habits to achieve cleanliness, Lion is expanding its product range and strengthening supply systems

- In 2024, Lion will start new businesses centered on dishwashing detergents, toothbrushes, etc.
- Construction of a new factory in a special economic zone is scheduled to start in March 2024

➡ Aim for approx. ¥20 billion in 2030



Laundry detergents
「Jet」



Dishwashing detergents
「mama」



Toothbrushes
「Systema」

Vietnam

Entered the high value-added segment of the healthcare field and gaining a presence through professional marketing*

- Introduced SunoHada, the Lion Group's skincare brand for sensitive skin, aiming to create synergies between our brands and those of our partner companies

➡ Aim for approx. ¥10 billion in 2030



Nasal spray
「Xisat」



Sensitive skincare brand「SunoHada」

* Sales mainly through pharmaceutical routes while obtaining recommendations from influential associations, academic societies, and doctors.

Started considering the construction of a new factory to increase production of electro-conductive carbon black for future growth

- Demonstrate the Lion Group's competitive advantages
- Expect further market growth
- Contribute to a sustainable society



Strengthen electro-conductive carbon black as a priority area

Signed an MoU with IRPC*, a major petrochemical company in Thailand, and have begun considering ways to increase production to further improve supply capacity
Investment decision scheduled for January 2025

*IRPC Public Company Limited

Reference: About electro-conductive carbon black

Electro-conductive carbon black “*KETJENBLACK*”, developed by consolidated subsidiary Lion Specialty Chemicals Co., Ltd., is mainly used as an electro-conductive agent and antistatic agent for lithium-ion secondary batteries in electric vehicles



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Aim to sustainably improve corporate value through business growth, strengthening of profitability, improvement of capital efficiency, enhancement of shareholder returns, etc.

1st STAGE (2022–2024) Shareholder Returns Policy

**Total shareholder returns:
¥30 billion or more**

Dividends	Increase dividends continuously over the 3 years
Acquisition of treasury stock	Flexible acquisition and cancellation of treasury stock



Progress

**Total shareholder returns:
Approx. ¥24 billion**

Dividends	2022: ¥ 7.12 billion (dividend increase of ¥1) 2023: ¥ 7.41 billion (dividend increase of ¥1)
Treasury stock acquisition	2022: approx. ¥ 10 billion acquisition and cancellation

Acquisition and cancellation of treasury stock

- **Acquired and cancelled treasury stock with an upper limit acquisition price of ¥10 billion** in line with the capital policy set in Vision2030 1st STAGE

Revision of dividend policy

- With the aim of further improving shareholder returns, introduced **progressive dividends*** with an eye to ensuring stability over the long term

* Progressive dividends: As a rule, the Company will not decrease dividends, but instead maintain or increase them.

Before
changes

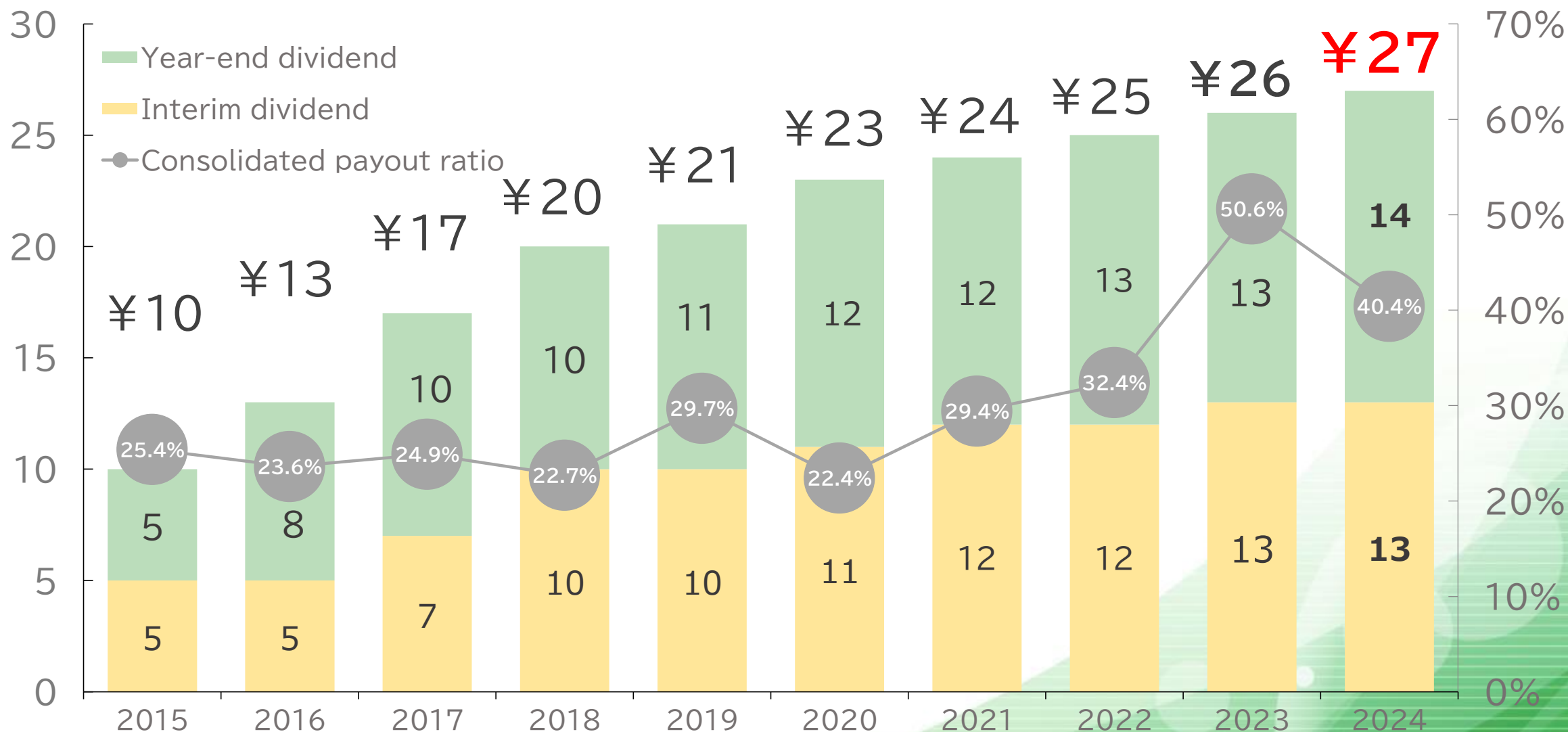
Pay dividends to shareholders on a continuous and stable basis, aiming for a consolidated dividend payout ratio of 30%

After
changes

Achieve progressive dividends while aiming for a consolidated payout ratio of around 30% and striving to increase dividends by improving profits

Trends in Shareholder Dividends

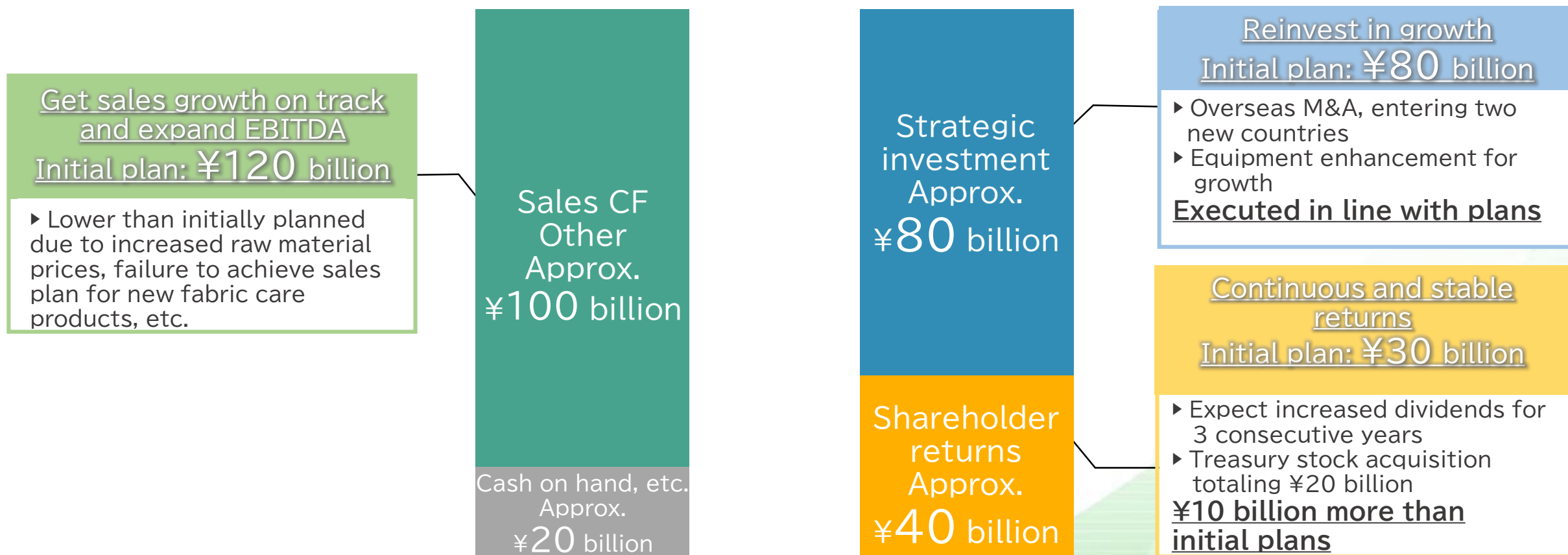
Lion plans to pay a total annual dividend of ¥27 per share, the 9th consecutive year of increased dividends (consolidated dividend payout ratio of 40.4%)



Status of 1st STAGE Financial Strategies (Cash Allocation)

Strategic investments implemented in line with initial plans
Shareholder returns were higher than planned due to increased treasury stock acquisition

3-Year Plan for 1st STAGE



Purpose for the changes

- Partially modified our benefits system to encourage shareholders to maintain their shareholdings over the medium to long term

Details of the changes

- Starting from the shareholder benefits recorded December 31, 2025 (scheduled for delivery in March 2026), added the condition of holding shares on a continuous basis for a period of one year or more

	Number of held shares	Continuous owning of shares	Benefits
Before changes	100 or more shares	—	Lion product set
After changes	100 or more shares	One year or longer	Lion product set

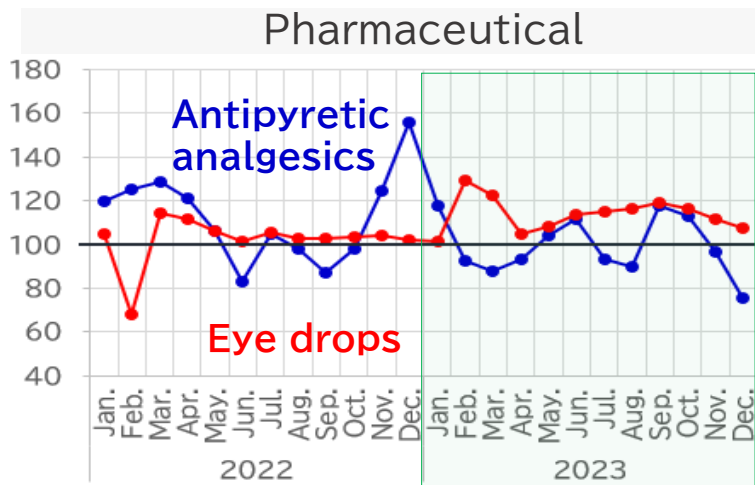
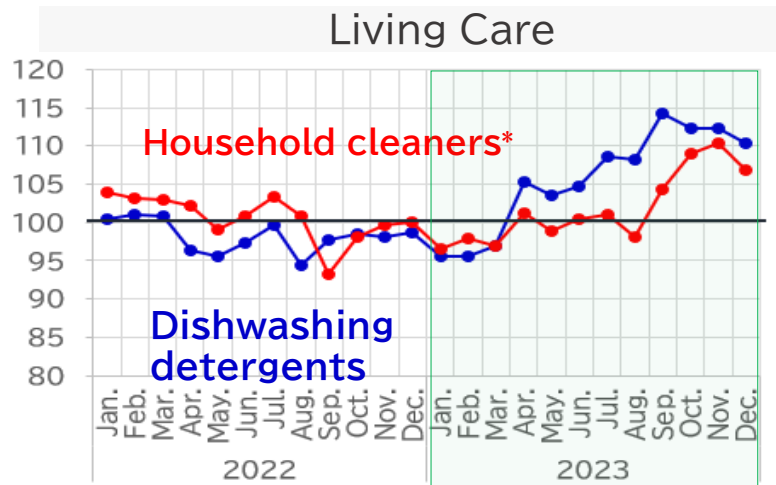
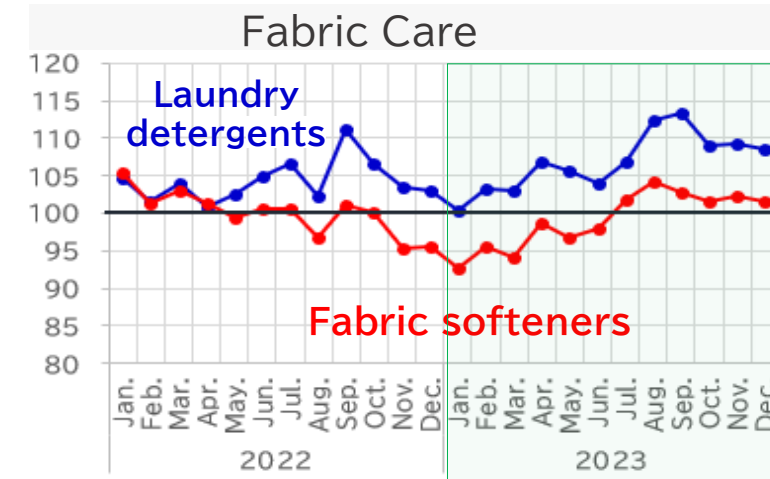
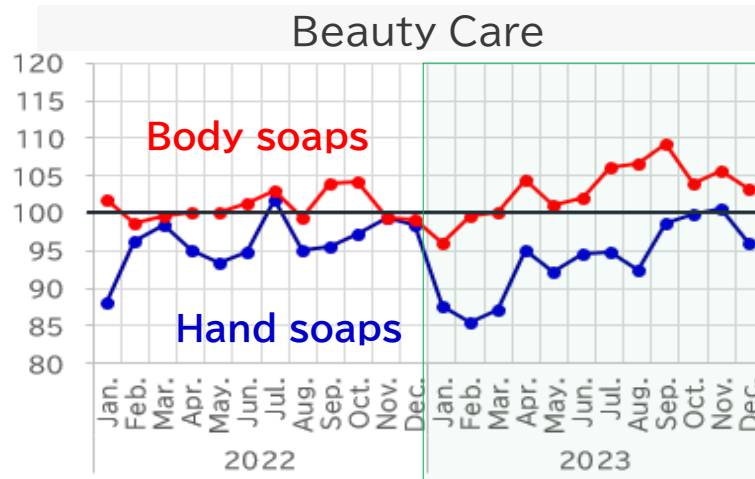
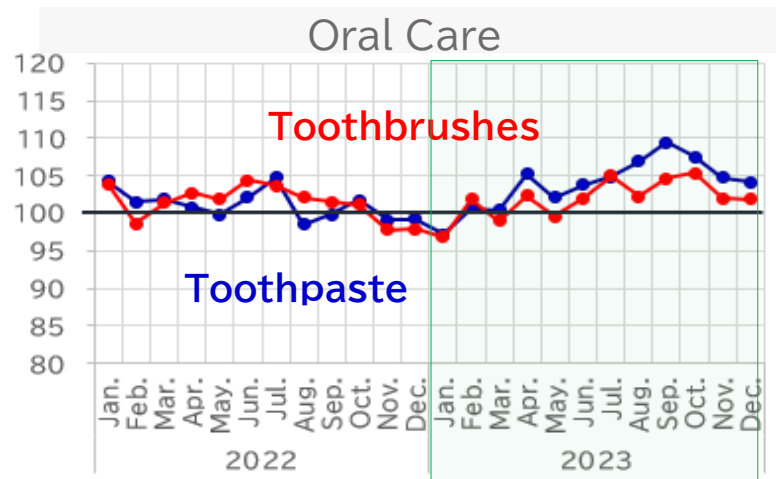
For details, please see the news release published on February 14, 2024.

Reference Materials

Market Trends—Major Product Categories in Japan

Y-o-Y comparison of consumer products markets in Japan by in-store sales value (%)

Source: INTAGE Inc. SRI+ survey



Y-o-Y comparisons of sales in major product categories (%)

Category	Vs. '22	Vs. '21	Vs. '19
Toothpaste	104	105	111
Toothbrushes	102	103	100
Hand soaps	94	90	121
Laundry detergents	107	112	120
Fabric softeners	99	99	107
Dishwashing detergents	106	104	123
Household cleaners	102	103	116
Antipyretic analgesics	98	108	126

* "Household cleaners" above is the sum of home cleaners, bath detergents and bathroom detergents.

Market Trends—Major Product Categories Overseas

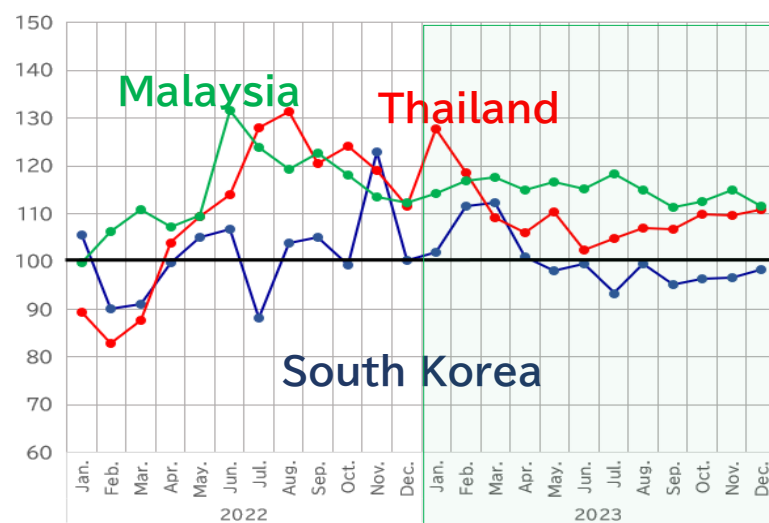
Sales value by country and category compared with previous years (%) (Jan.–Dec. 2023)

Source: Nielsen

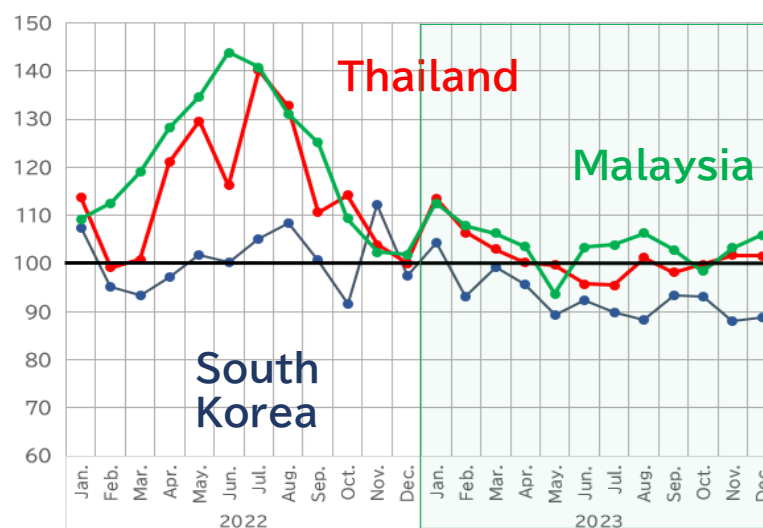
	Thailand			Malaysia			South Korea		
Category	Vs. '22	Vs. '21	Vs. '19	Vs. '22	Vs. '21	Vs. '19	Vs. '22	Vs. '21	Vs. '19
Laundry detergents	110	119	96	115	131	118	100	101	97
Toothbrushes	101	115	94	104	125	124	93	93	85
Hand soaps	93	83	146	65	48	133	82	76	118

Y-o-Y comparison of overseas markets (%)

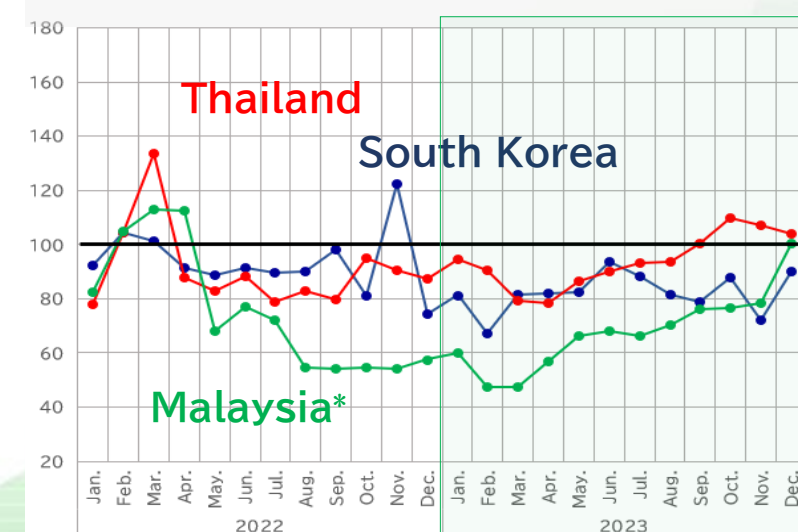
Laundry detergents



Toothbrushes



Hand soaps



* Figures for Malaysia represent the entire soap market, including the hand soap market.

Consolidated Results for October–December 2023

(Billions of yen)	Jan.–Sep. 2023	Oct.–Dec. 2023	Y-o-Y change Oct.–Dec.	
			Amount	%
Net sales	296.0	106.6	2.9	2.8
Core operating income* ¹	12.6	7.5	1.1	18.9
% of net sales	4.3	7.1		
Operating profit	12.5	7.9	1.5	24.0
% of net sales	4.2	7.5		
Profit for the period attributable to owners of the parent	8.8	5.7	0.9	19.5
EPS (Yen)	31.12	20.30	3.30	19.4
EBITDA* ²	26.0	11.9	0.8	7.4

Notes 1. Core operating income is an earnings indicator the Company uses to measure regular business performance by subtracting selling, general and administrative expenses from gross profit.

2. EBITDA is an indicator of profitability on a cash basis calculated as the sum of core operating income and depreciation and amortization (excluding that of right-of-use assets as of 2022).

Segment Results for October–December 2023

(Billions of yen)	Net sales				Segment income (core operating income)			
	Jan.–Sep. 2023	Oct.–Dec. 2023	Y-o-Y change Oct.–Dec.		Jan.–Sep. 2023, %	Oct.–Dec. 2023, %	Y-o-Y change Oct.–Dec.	
			Amount	%			Amount	%
Consumer Products	196.5	70.8	(1.6)	(2.3)	3.0	1.7	(0.7)	(30.8)
	167.4	61.2	(1.9)	(3.1)	1.6	2.4		
Industrial Products	42.7	14.4	(1.2)	(8.0)	2.5	0.4	(0.2)	(32.1)
	28.1	10.1	(0.0)	(0.1)	5.9	3.5		
Overseas	109.6	38.4	5.3	16.2	5.9	2.6	0.8	48.7
	99.1	34.9	5.0	16.7	5.4	6.8		
Other	15.5	5.3	1.2	30.9	0.9	0.4	0.1	31.8
	1.2	0.3	(0.0)	(18.9)	6.0	8.2		
Adjustment	(68.3)	(22.4)	(0.7)	—	0.0	2.2	1.2	—
	—	—	(0.0)	—				
Consolidated total	296.0	106.6	2.9	2.8	12.6 4.3	7.5 7.1	1.1	18.9

* Upper lines: net sales; lower lines: sales to external customers

Consumer Products Net Sales for October–December 2023

(Billions of yen)	Total net sales			
	Jan.–Sep. 2023	Oct.–Dec. 2023	Y-o-Y change Oct.–Dec.	
			Amount	%
Oral care	51.8	20.9	0.6	3.5
Beauty care	18.0	6.3	(0.3)	(5.0)
Fabric care	46.6	14.2	(1.8)	(11.7)
Living care	15.8	6.3	(0.1)	(2.7)
Pharmaceuticals	18.9	7.4	0.1	2.5
Other	45.2	15.4	(0.1)	(1.0)
Total	196.5	70.8	(1.6)	(2.3)

Overseas Business Performance by Region for October–December 2023

(Billions of yen)	Total net sales				Segment income (core operating income)			
	Jan.–Sep. 2023	Oct.–Dec. 2023	Y-o-Y change Oct.–Dec.		Jan.–Sep. 2023	Oct.–Dec. 2023	Y-o-Y change Oct.–Dec.	
			Amount	%			Amount	%
Southeast and South Asia	66.8	23.6	3.5	17.4	3.4	1.7	0.8	91.9
Northeast Asia	42.7	14.7	1.8	14.3	2.5	0.8	0.0	4.0
Total	109.6	38.4	5.3	16.2	5.9	2.6	0.8	48.7

* Due to the establishment of a joint venture company in Bangladesh in the previous fiscal year, the region previously referred to as “Southeast Asia” has been changed to “Southeast and South Asia.”

Y-o-Y change at constant currency excluding exchange rate fluctuations:

Thailand: 2.4%, Malaysia: 40.3%, China:* 12.3%, South Korea: 5.9% * Qingdao Lion

Consolidated Statement of Income

(Billions of yen)	2023	2022	Y-o-Y change	
			Amount	%
Net sales	402.7	389.8	12.8	3.3
Cost of sales	222.1	215.2	6.9	3.2
Gross profit	180.5	174.6	5.9	3.4
Selling, general and administrative expenses	160.4	151.0	9.4	6.2
Core operating income	20.1	23.5	(3.4)	(14.5)
Other income	2.1	6.7	(4.5)	(67.4)
Other expenses	1.8	1.4	0.3	25.5
Operating profit	20.5	28.8	(8.3)	(28.9)
Finance income	1.1	0.8	0.3	37.5
Finance costs	0.8	0.1	0.6	369.6
Share of profit of investments accounted for using the equity method	1.6	1.8	(0.2)	(11.9)
Profit before tax	22.3	31.2	(8.9)	(28.5)
Income taxes	5.6	8.1	(2.4)	(30.5)
Profit for the period	16.6	23.1	(6.4)	(27.8)
Profit for the period attributable to non-controlling interests	2.0	1.1	0.8	76.2
Profit for the period attributable to owners of the parent	14.6	21.9	(7.3)	(33.3)

Selling, General and Administrative Expenses

(Billions of yen)		2023		2022		Y-o-Y change	
		Amount	% of sales (%)	Amount	% of sales (%)	Amount	%
Selling, general and administrative expenses		160.4	39.8	151.0	38.7	9.4	6.2
	Sales commissions	7.8	1.9	10.2	2.6	(2.3)	(23.4)
	Promotional expenses	38.7	9.6	31.7	8.2	6.9	21.9
	Advertising expenses	21.0	5.2	21.1	5.4	(0.1)	(0.5)
	Transportation and warehousing expenses	21.3	5.3	20.7	5.3	0.6	3.1
	R&D expenses	11.2	2.8	11.0	2.8	0.1	1.3
	Other expenses	60.2	14.9	56.0	14.4	4.1	7.4

Consolidated Statement of Financial Position

(Billions of yen)		2023	2022	Change
Current assets		232.2	237.6	(5.4)
	Cash and cash equivalents	85.5	101.0	(15.5)
	Trade and other receivables	75.2	71.2	3.9
	Inventories	56.0	53.9	2.1
Non-current assets		254.0	231.5	22.5
	Property, plant and equipment	140.6	130.1	10.5
	Intangible assets	22.7	23.9	(1.2)
	Right-of-use assets	31.3	31.5	(0.2)
	Other financial assets	25.4	22.8	2.6
Total assets		486.3	469.2	17.0

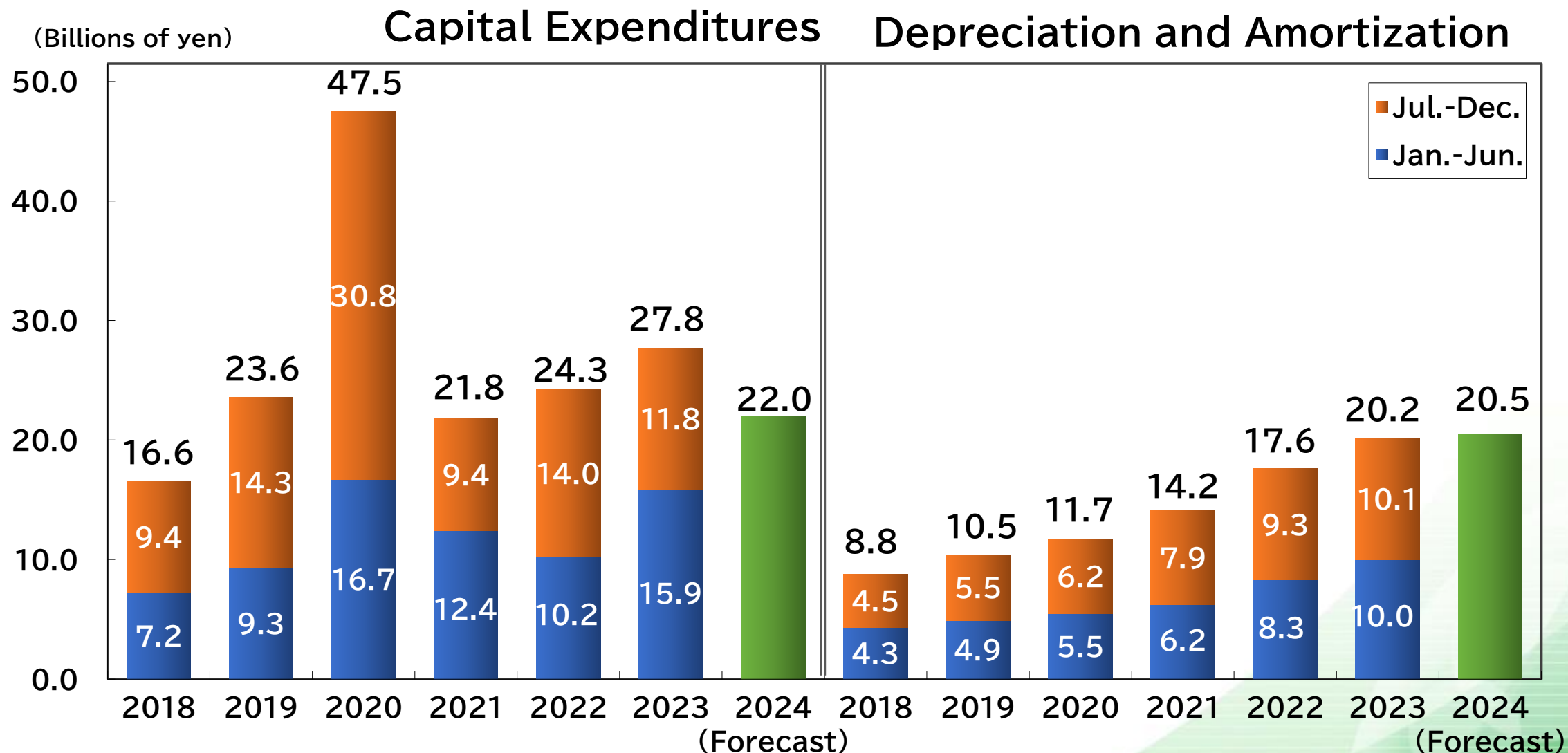
Consolidated Statement of Financial Position

(Billions of yen)		2023	2022	Change
Current liabilities		143.3	141.5	1.7
	Trade and other payables	126.1	126.0	0.1
	Lease liabilities	2.0	1.7	0.2
	Other current liabilities	7.7	7.0	0.6
Non-current liabilities		44.8	48.5	(3.6)
	Retirement benefit liabilities	4.5	10.4	(5.9)
	Lease liabilities	28.1	28.8	(0.6)
Equity		298.1	279.1	18.9
	Share capital	34.4	34.4	—
	Capital surplus	31.1	31.0	0.0
	Treasury stock	(7.8)	(8.0)	0.1
	Other components of equity	18.3	13.9	4.4
	Retained earnings	204.2	192.8	11.4
Total liabilities and equity		486.3	469.2	17.0

Consolidated Statement of Cash Flows

(Billions of yen)	2023	2022	Change
Cash flows from operating activities	30.0	41.9	(11.8)
Cash flows from investing activities	(34.7)	(19.5)	(15.2)
Cash flows from financing activities	(11.7)	(19.8)	8.0
Effect of exchange rate changes on cash and cash equivalents	0.9	1.2	(0.2)
Net increase (decrease) in cash and cash equivalents	(15.5)	3.8	(19.3)
Cash and cash equivalents at beginning of period	101.0	97.2	3.8
Cash and cash equivalents at end of period	85.5	101.0	(15.5)

Capital Expenditures and Depreciation and Amortization



*Capital expenditures and depreciation and amortization both include intangible assets.

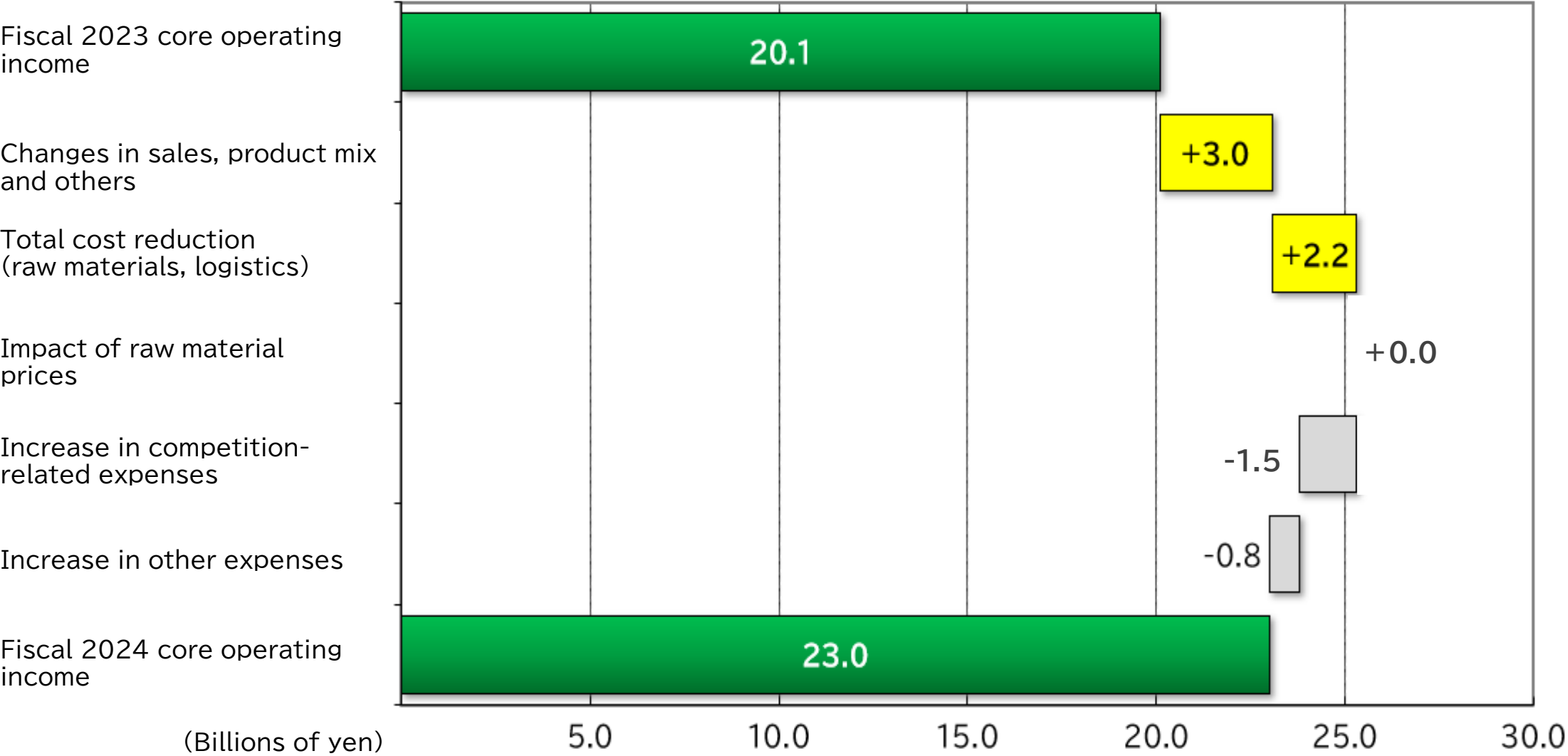
2024 Consolidated Financial Forecast

(Billions of yen)	2024	2023	Y-o-Y change		Jan.-Jun. 2024	Jan.-Jun. 2023	Y-o-Y change	
			Amount	%			Amount	%
Net sales	410.0	402.7	7.2	1.8	195.0	192.8	2.1	1.1
Core operating income, % of net sales	23.0 5.6	20.1 5.0	2.8	14.2	8.0 4.1	6.3 3.3	1.6	25.7
Operating profit, % of net sales	27.0 6.6	20.5 5.1	6.4	31.7	12.0 6.2	6.2 3.2	5.7	92.2
Profit for the period attributable to owners of the parent, % of net sales	19.0 4.6	14.6 3.6	4.3	29.9	8.0 4.1	4.2 2.2	3.7	86.1
EPS (Yen)	66.81	51.42	15.39	29.9	28.13	15.12	13.01	86.0

Fiscal 2024 External Sales Forecasts by Segment

(Billions of yen)	2024	2023	Y-o-Y change		Jan.-Jun. 2024	Jan.-Jun. 2023	Y-o-Y change	
			Amount	%			Amount	%
Consumer Products	225.0	228.6	(3.6)	(1.6)	107.0	109.7	(2.7)	(2.5)
Industrial Products	38.5	38.3	0.1	0.4	18.3	18.7	(0.4)	(2.5)
Overseas	145.0	134.1	10.8	8.1	69.0	63.4	5.5	8.8
Others	1.5	1.6	(0.1)	(7.4)	0.7	0.9	(0.2)	(27.5)
Consolidated Total	410.0	402.7	7.2	1.8	195.0	192.8	2.1	1.1

Fiscal 2024 Forecast of Change Factors Affecting Annual Core Operating Income



Changes in Household Products Market and OTC Drug Market

1) Market Environment for Household Products (35 markets, SRI/SRI+*1)

Overall market trend for the 38 home product markets in which Lion participates
(Values are percentages of the results of the corresponding periods of the previous years)

	2018	2019	2020	2021	2022	2023
Sales value	102	102	112	95	101	103
Unit sales	100	100	105	92	97	96
Average unit price	102	102	106	103	104	107

Source: INTAGE Inc. SRI survey (data for 2018–2020 is for 38),
SRI+ survey (data for 2021 is for 38 markets; data for 2022 is for 37; data for 2023 is for 35)

2) Market Environment for Household Products (14 markets, SCI*2)

	2018	2019	2020	2021	2022	2023
Sales value	102	105	108	102	101	100
Unit sales	100	102	101	96	96	93
Average unit price	103	104	106	107	106	107

Source: INTAGE Inc. SCI survey (data for 2018–2019 is for 15 markets; data for 2020 onward is for 14)

Notes 1. The SRI+ survey uses point-of-sales data from around 3,000 stores nationwide for its estimates.

2. The SCI survey collects purchasing data from around 50,000 shoppers (age 15-69) nationwide except for Okinawa

Changes in Household Products Market and OTC Drug Market

3) Market Environment for OTC Drug Market (7 markets, SDI/SRI+)

Overall market trends in the seven drug markets in which Lion participates

(Values are percentages of the results of the corresponding periods of the previous years)

	2018	2019	2020	2021	2022	2023
Sales value	102	100	93	103	103	111
Unit sales	101	99	89	101	102	107
Average unit price	101	101	105	102	101	103

Source: INTAGE Inc. SDI survey (data for 2018 is for 8 markets; data for 2019–2020 is for 7), SRI+ Survey (data for 2021 onward is for 7 markets)

* Panel data changed from January 2019. Data for 2018 onward has been updated accordingly.

4) Market Environment for OTC Drug Market (2 markets, SCI)

Overall market trends in the two drug markets in which Lion participates

(Values are percentages of the results of the corresponding periods of the previous years)

	2018	2019	2020	2021	2022	2023
Sales value	104	104	102	110	101	97
Sales volume	102	102	99	107	100	96
Average unit price	102	102	103	103	102	101

Source: INTAGE Inc. SCI survey

Raw Material Prices

	Dubai Crude	Domestic Naphtha	Crude Palm Oil
2024 forecasts	80\$/BBL	JPY71,000/KL	4,000RM/ton

Exchange Rates

	U.S. Dollar	Thai Baht
2024 forecasts	JPY145	JPY4.00

Reference

	Dubai Crude	Domestic Naphtha	Crude Palm Oil
2023 actual	82\$/BBL	JPY66,225/KL	3,817RM/ton

	U.S. Dollar	Thai Baht
2023 actual	JPY141	JPY4.06

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The forecasts and projected operating results contained in this report are based on information available at the time of preparation, and thus involve inherent risks and uncertainties. Accordingly, readers are cautioned that actual results may differ materially from those projected as a result of a variety of factors.

- * The Lion Group applies the International Financial Reporting Standards (IFRS).
- * Monetary amounts herein are truncated after the last digit shown.