

Business Outline

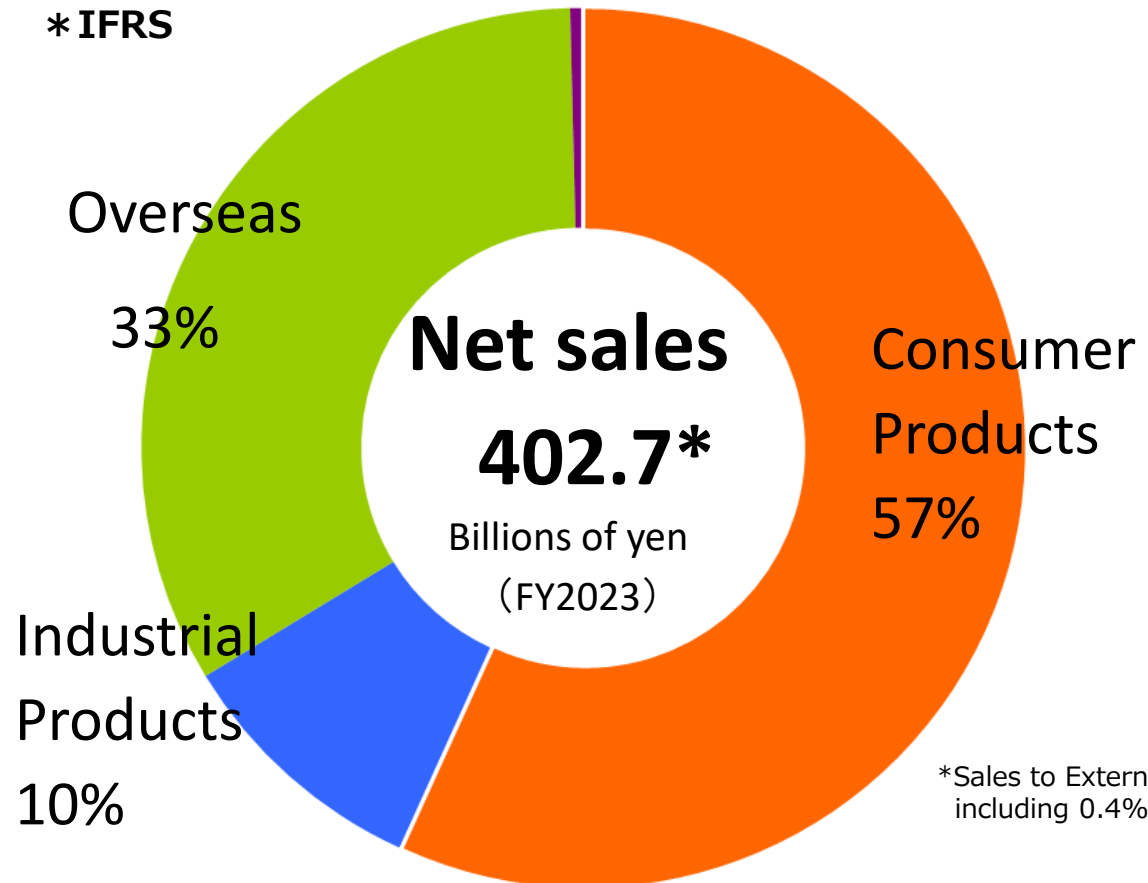
life. love.
LION

- Company Overview
- Lion's History and Purpose
- Management Plan for 2030

Company Overview

As of December 31,2023

Consolidated results	Net sales: 402.7 billions of yen	Foundation	October, 1891
Capital	34.4 billions of yen	Employees	Consolidated:7,550



Lion adapted the International Financial Reporting Standards (IFRS) from 2018.

*Sales to External Customers including 0.4% of Other

132 years of business



T. Kobayashi & Co.
(Year 1891)



Lion Toothpowder
(Year1896)

Company name came from this product.



Lion laundry Soap
Vegetable-derived
(Year1920)

Other



Pet Care



Gift

Pharmaceutical

Eye drop for middle-aged No.2



Eye drops Smile

Analgesics No.2



Antipyretic analgesics BUFFERIN

Living Care

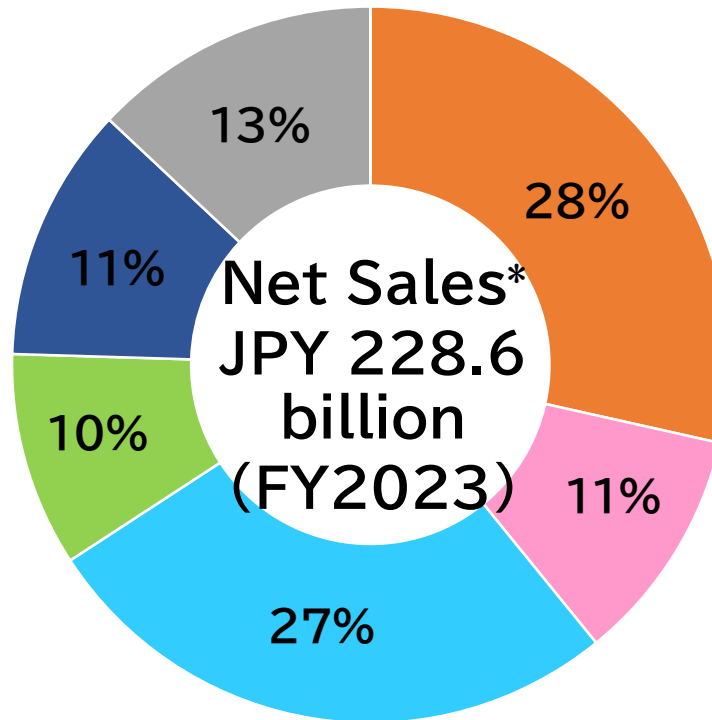


Dishwashing detergents CHARMY



Household cleaners LOOK

Composition by Category



*Sales to External Customers

Oral Care

Toothpaste▪Toothbrush No.1



SYSTEMA

CLINICA

Beauty Care

Hand Soap No.1



Hygiene care Kirei Kirei



Body soap hadakara



Deodorants Ban

Fabric Care



Laundry Detergent NANOX one



Softener SOFLAN

Net sales*: JPY 38.3 billion(FY2023) *Sales to External Customer

Chemical

Rubber processing agent
Additive agent



Mobility

Electric-conductive
Carbon
Adhesive compound



Electronics

Care Chemical



Natural fat
and oil derivatives

Eco Chemical



Concrete admixture

Detergent for Institutional Use

Cleaners for
dishwashing machine



Alcohol
Sanitizer



Hand soap



Cleaners for
vegetables



Vegetable washing
systems



Cleaners for
kitchen



LION CORPORATION(Thailand)Ltd.
 Located in Bangkok
Liquid Soap, Hand Soap No.1
Toothpaste, Toothbrush, Laundry Detergent, Dishwashing Detergent No.2



Lion Daily Necessities Chemicals (Qingdao) Co., Ltd.
 Located in Qingdao



Lion Corporation (Korea)
 Located in Seoul
Hand soap No.1



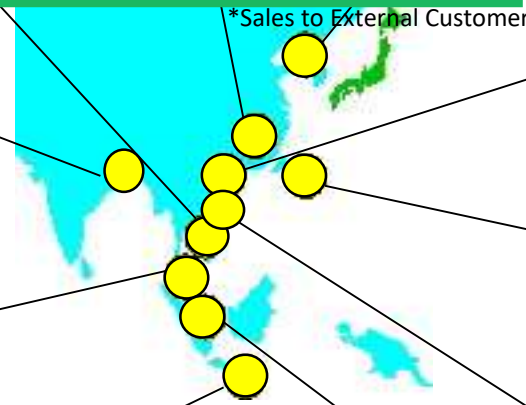
Lion Kallol Limited* *Established in June 2022
 Located in Dhaka

**Net sales*:
 JPY 134.1 billion
 (FY2023)**


Lion Corporation (Hong Kong) Ltd.
 Located in Hong Kong
Toothbrush No.2




Southern Lion Sdn. Bhd.
 Located in Johor Bahru
Laundry Detergent No.1

Lion Home Products (Taiwan) Co., Ltd.
 Located in New Taipei City




PT. Lion Wings* *Equity method subsidiary
 Located in Jakarta Timur
Toothpaste, Dishwashing Detergent No.2



Merap Lion Holding Corporation*
 *Equity method subsidiary from March 2023
 Located in Ho Chi Minh City

Lion Corporation (Singapore) Pte Ltd.
 Located in Singapore
Laundry Detergent No.1
Toothbrush No.2



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Lion's history is a history of fostering good living habits

First Lion oral hygiene lecture



First Oral Health Event of Tooth Brushing for Children



Lion Health Car



KidZania



1913

1921

1932

1934

1952

1961

2006

2018



Lion Dental Clinic for Children opened



Artist-illustrated poster

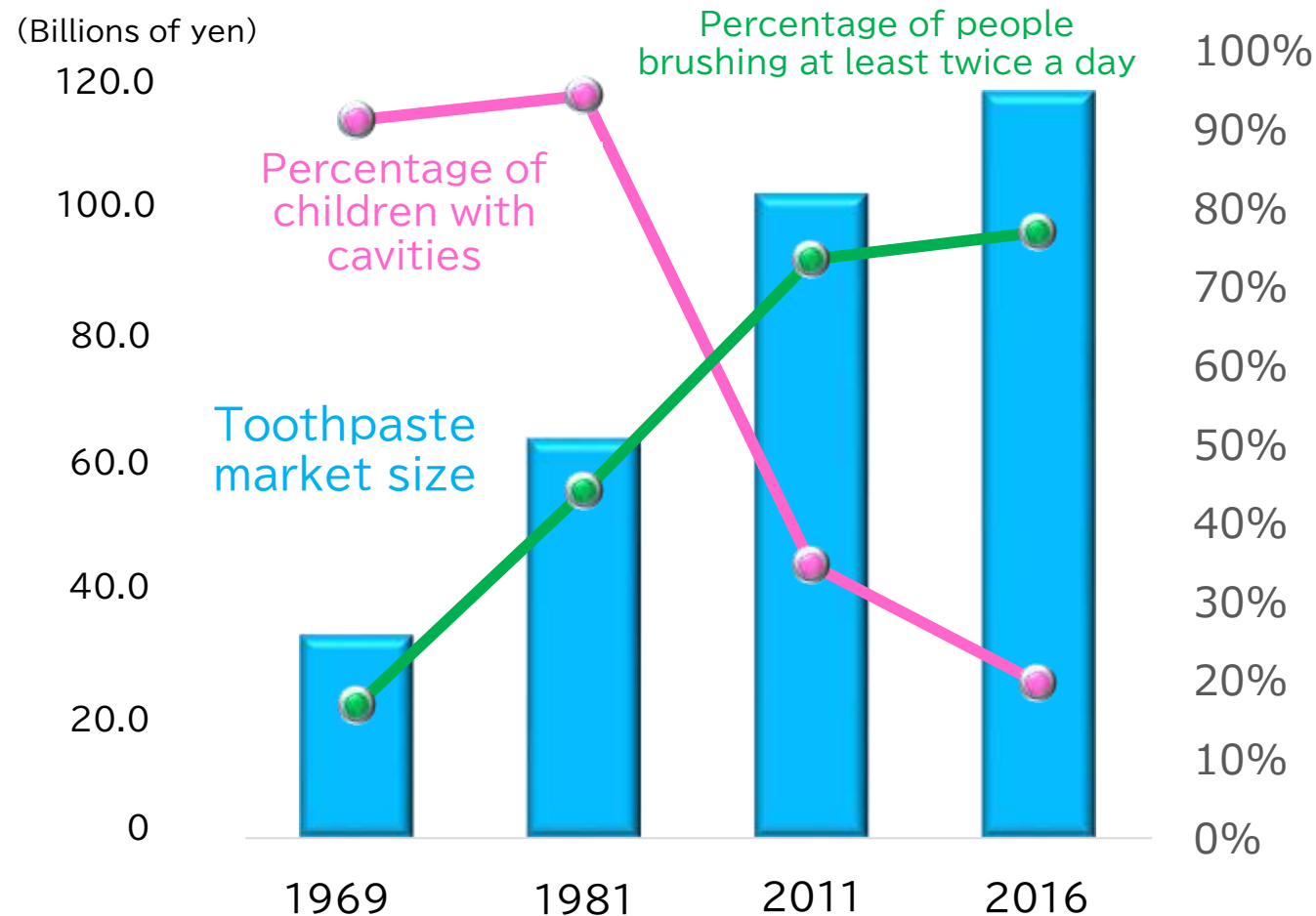


Cherry Program*
*Workplace dental health promotion activities



Oral Health Event of Tooth Brushing for Children

Toothpaste Market Size, Percentage of People Brushing at Least Twice a Day, and Percentage of Children with Cavities



Sources: Market size from a Lion Corporation survey; tooth brushing frequency and percentage of children aged 10 to 14 years with cavities (treated and untreated) from "Survey of Dental Diseases" by the Ministry of Health, Labour and Welfare.

Habits established

- ✓ Percentage of people brushing at least twice a day: **Approx. 4x**

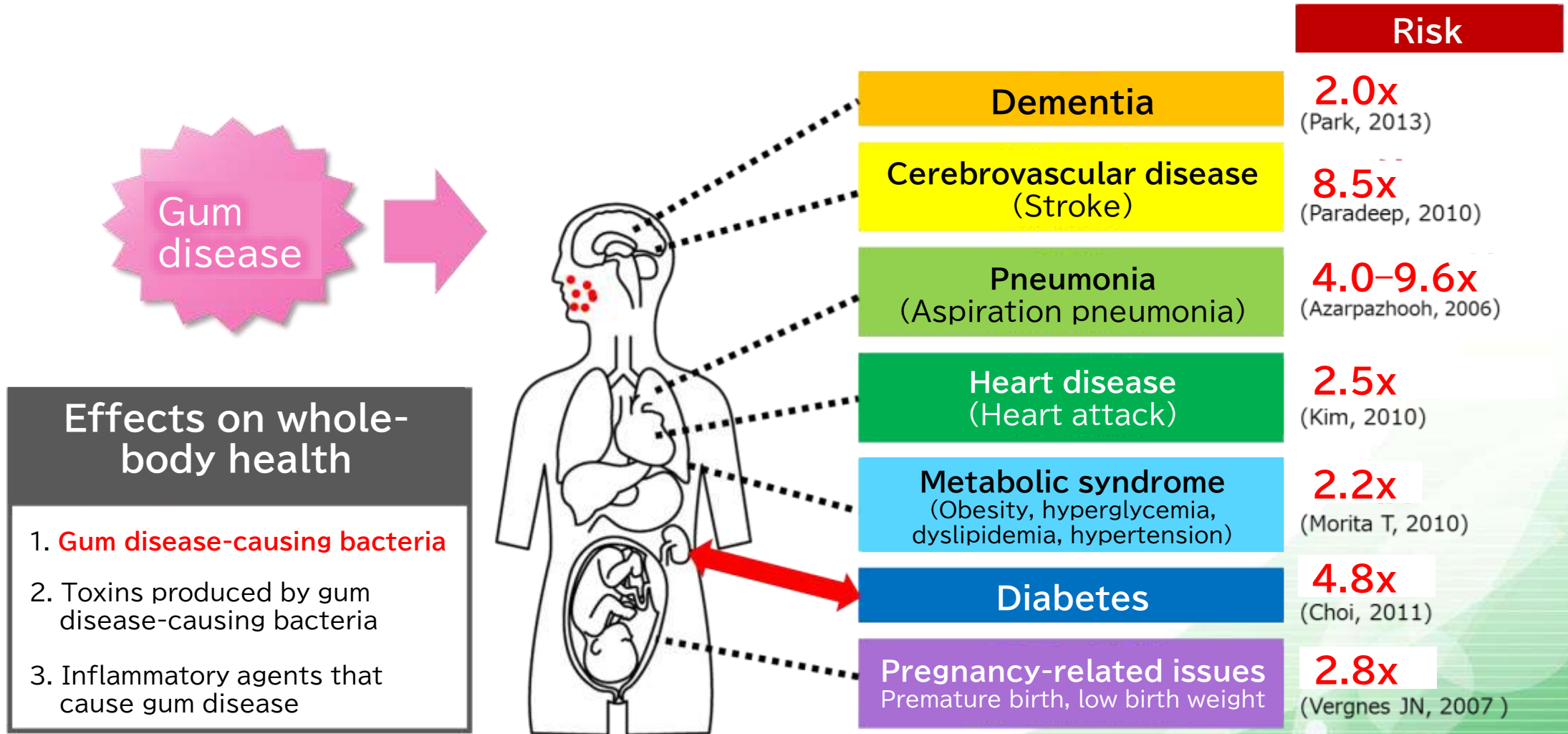
Social Value

- ✓ Percentage of school-age children with cavities: **Approx. 1/4x**

Economic Value

- ✓ Toothpaste market size: **Approx. 4x**

Gum disease greatly affects the health of the whole body



(Source: Lion Foundation for Dental Health (Ed.), Considering Gum Disease and Whole-Body Health)

Through corporate activities centered on our purpose,
we create economic and social value

Generate and reinvest cash

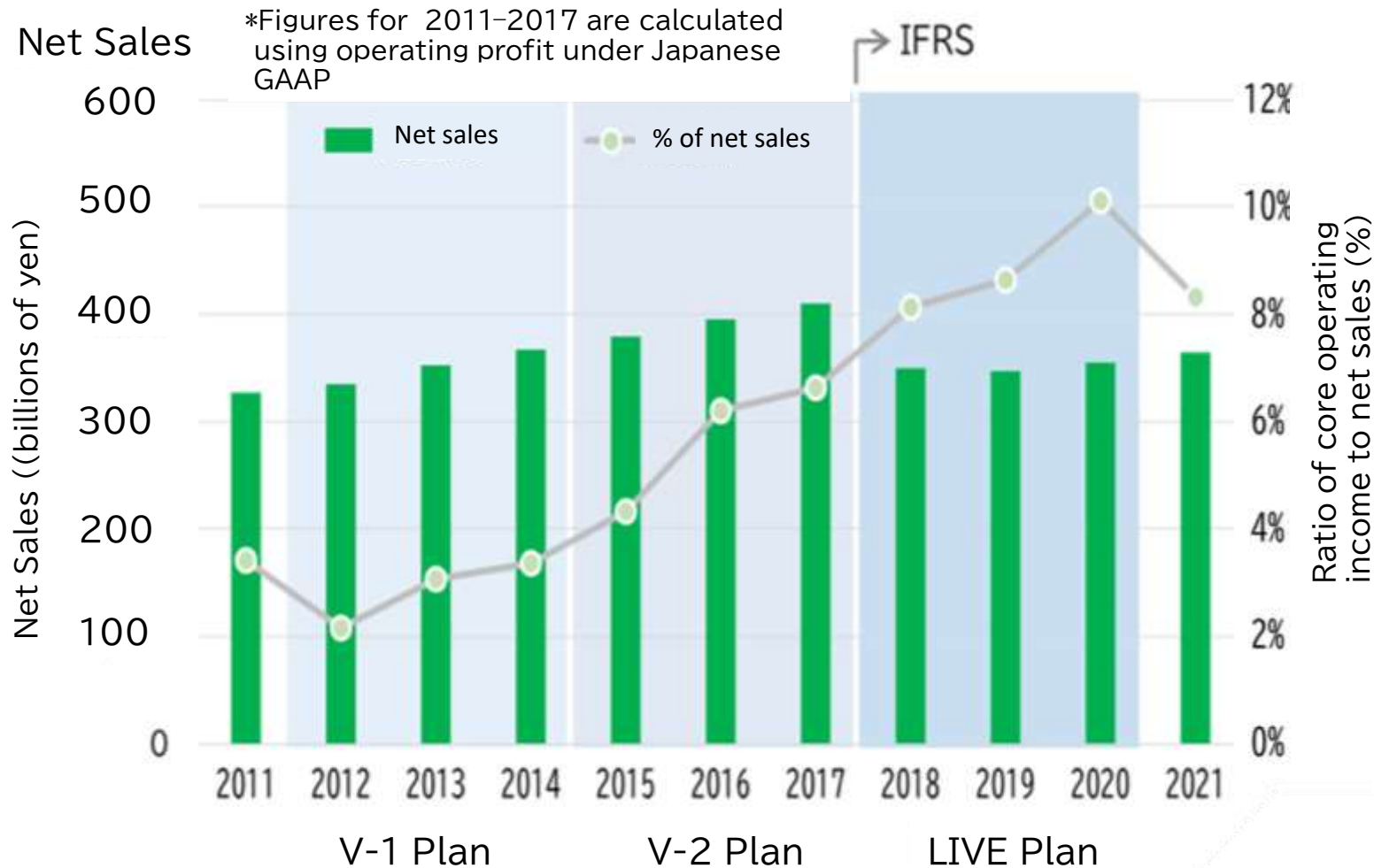


Popularize habits,
create business opportunities

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The Past Decade and Future Growth

Profitability grew significantly over the past 10 years; we aim to further expand corporate value going forward



The Past 10 Years

Increased profitability

- Shift toward higher-added-value products (unit price > volume)
- Advanced structural reforms
 - Consolidated the chemicals business
 - Reorganized domestic production sites
 - Consolidated domestic logistics companies
 - Rationalized point-of-sale management

Etc.

The Next 10 Years

Increase corporate value by expanding our presence

- Expand overseas and new businesses
- Maximize up-front investment
- Continually reinforce future-oriented growth investment

Enhancing Lion's market, economic and social presence

Achieve business growth by putting our purpose—Make a difference in everyday lives by redesigning habits—into action *1

*1 Business growth = More contact with consumers × More targets × More areas

Realize an upward corporate value expansion spiral*2

*2 Up-front investment ⇒ Business growth ⇒ Cash flow generation ⇒ Reinvestment/multi-stakeholder returns ⇒ Further growth..

Key indicators
<u>Sales growth rate</u>
<u>EBITDA</u>
<u>ROIC</u>

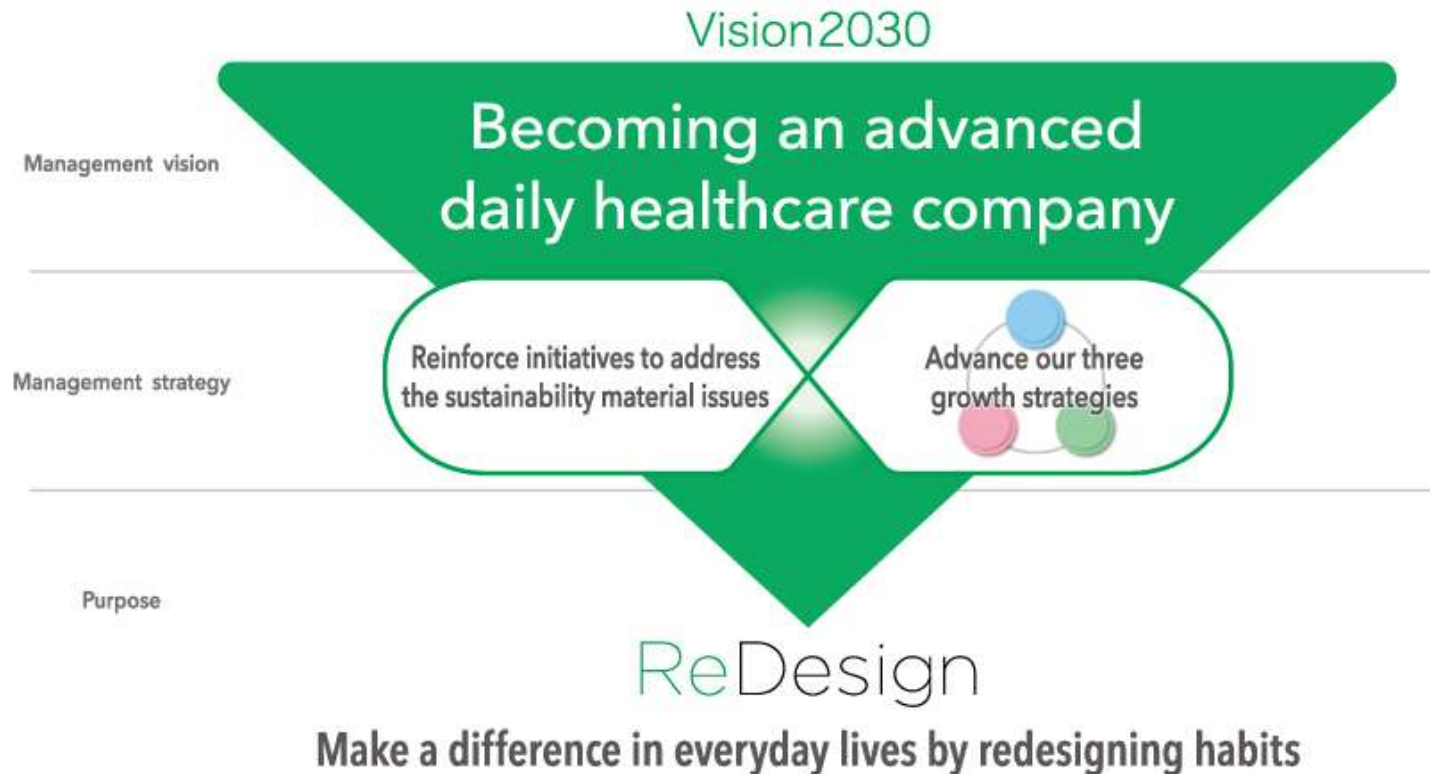


*3 Multi-stakeholder returns

Becoming an advanced daily healthcare company

We will realize healthy minds and bodies for all
by creating new customer experiences
to make everyday habits more natural, easy and enjoyable

To achieve its management vision for 2030, based on its purpose, the Lion Group will synergistically address its sustainability material issues and advance three growth strategies in order to contribute to the realization of a sustainable society and achieve business growth.



Advance three strategies to drive business growth toward the achievement of the management vision

Three growth strategies



1. Accelerate growth in four fields of value creation

Focusing on the four fields of value creation, the directions for growth, we will evolve existing businesses and create new businesses to further accelerate growth in Japan and overseas.

2. Transform our business foundations for growth

We will continue to engage in and reinforce strategic investment (M&A, SCM, infrastructure, digital, sustainability, etc.) necessary for future growth and transform our business base to one that promotes growth.

3. Generate dynamism to realize innovative change

We will create dynamism to transform into a company that can grow sustainably by improving employee engagement through professional fulfillment reforms and diversity and inclusion initiatives.

Increase corporate value by enhancing economic value through contribution to the realization of a sustainable society

ReDesign

Make a difference in everyday lives by redesigning habits

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

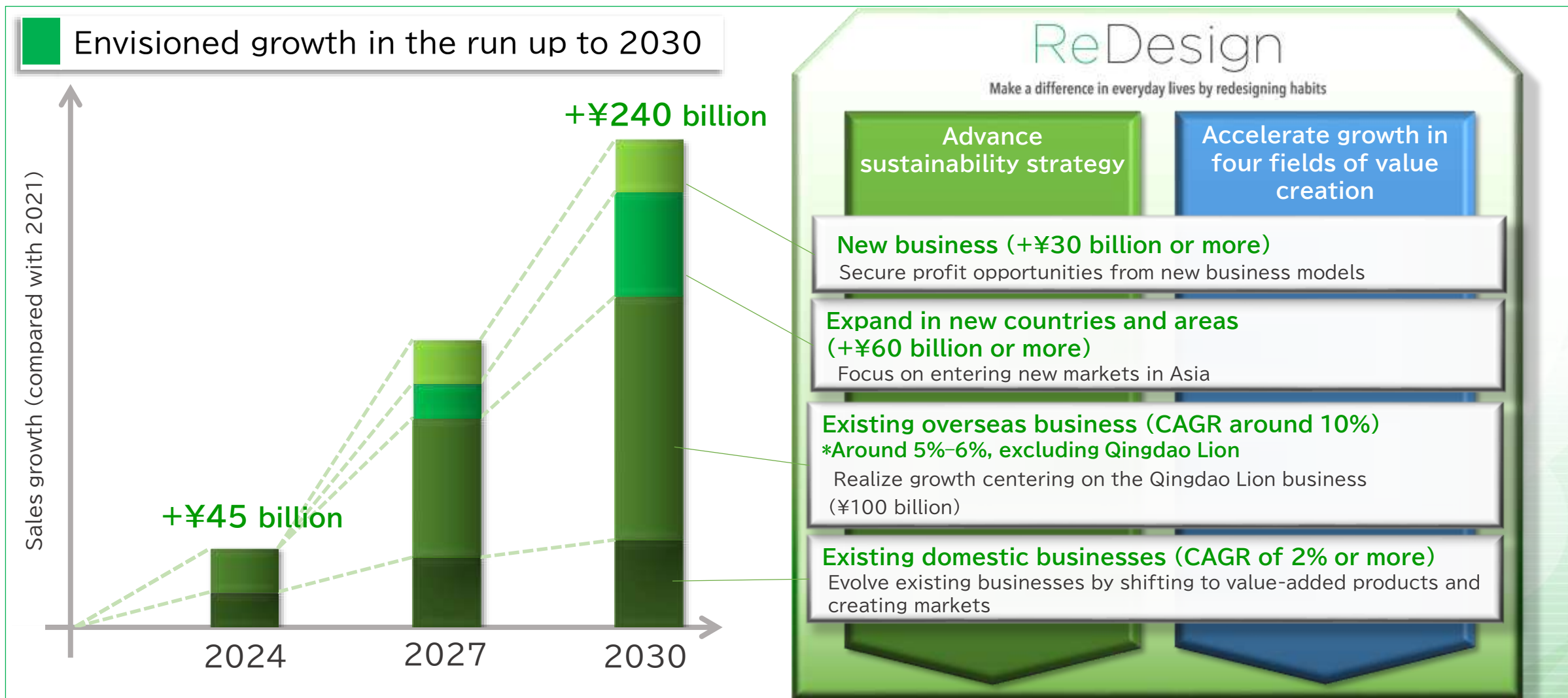
ROIC 8-12%

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

In addition to steady growth of existing businesses and improvement of business efficiency by reviewing the business portfolio, we aim to achieve business growth by promoting sustainability strategies, expanding into new countries and areas, and creating new businesses



Overview of Global Strategy in the Run-Up to 2030

Evolve the glocalization strategy from its previous country/area focus to a regional focus (by defining market types), achieve strong growth in current countries and expand into new countries and areas to expand the redesign of habits in Asia

Evolving the glocalization strategy

Glocalization

Country/area focus

Regional focus (marketing by type)

Until now (country/area focus)

Balancing the **provision of reliable quality** and **new habit creation** through **global brands** tailored to the needs of each country



Adapting to environmental changes

Regions: **Definition of common lifestyle and need types**

Going forward (regional focus/market classification)

Define cross-border market types in light of countries' characteristics and trends identified through the glocalization strategy

Maximize synergy and advance efficient, effective business management through management and business approaches tailored to each market type

Evolve strategy promotion foundations (global operations)

Global Strategy (Expand Business of Qingdao Lion)

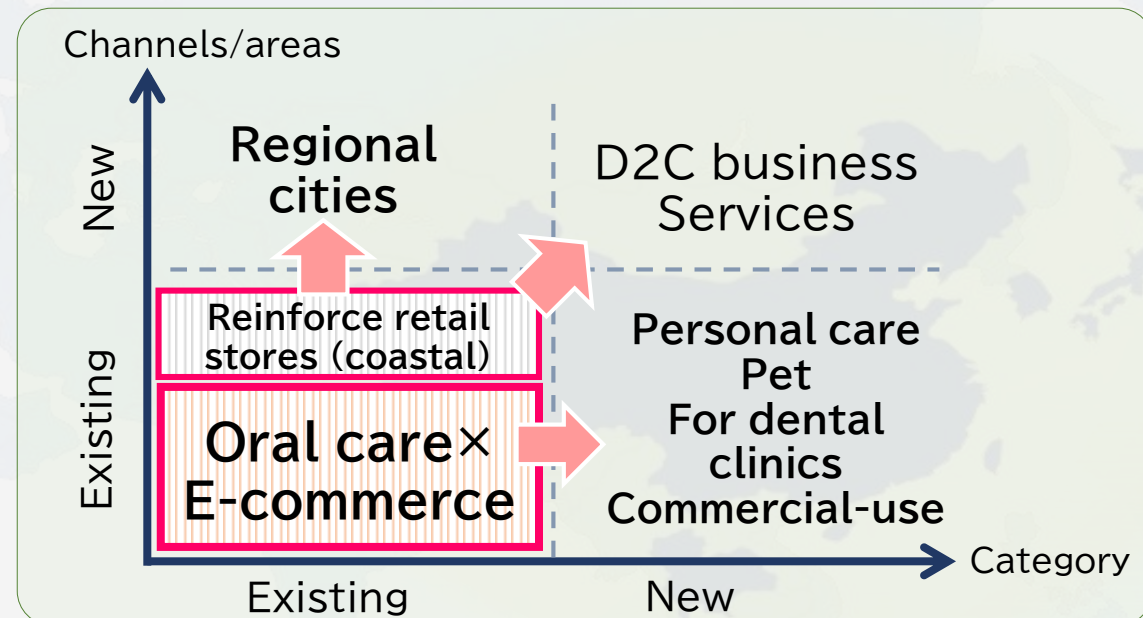
Positioning China as our most important market, we aim for sales of ¥100 billion in 2030 (from approx. ¥17 billion in 2021)
Based on oral care and e-commerce, the core of our existing business, we will expand our business domains (categories × channels × areas)

Evolving the Qingdao Lion business



Expand business of Qingdao Lion, with the oral care business as a starting point

Maximize daily contact with the oral care business's target users to expand the business domain (categories, channels, areas)



Key Points for Realizing the Strategy

- Concentration and shift of management resources (mid-career hiring, reinforce local personnel in key roles)
- Reinforce promotion foundations (establish promotion office, global operations)

Global Strategy: Expand into New Countries/Areas



We are strengthening the M&A apparatus and aim to enter at least 4 new countries/areas by 2030
(1st STAGE: 2 or more countries/ areas)

Expand into new countries/areas

- ❑ Focus on expanding in **Asia**: Aim to enter **more than 2 countries and areas** by 2024
- ❑ **Strengthen the M&A apparatus**: Creating a dedicated unit under the direct control of the president and reinforcing it by hiring mid-career specialists

Entered two countries where we expect market growth

Bangladesh

LION KALLOL LIMITED



June 2022
Joint venture
established

Vietnam

 **meraplion**



March 2023
Stake acquired 22

Three Growth Strategies- Accelerate growth in four fields of value creation

Accelerate business evolution and new value creation to become an advanced daily healthcare company

Oral Health

Promoting oral healthcare that supports overall health and QOL from the mouth outward

Lion aims to leverage its strengths as Japan's leading oral care manufacturer to integrate innovative oral care products and services into the daily lives of individuals as a new form of healthcare. By doing so, we seek to realize business expansion beyond the bounds of our existing businesses.

Infection Control

Becoming a hygiene solution provider by addressing all kinds of risk related to infectious disease

As a company with a long history of supporting cleanliness, Lion's mission is to transform its business. We will expand our business from living spaces to encompass public and industrial spaces in order to defend against bacteria and viruses on all fronts—bodies, objects and spaces—by providing hygiene solutions.

Smart Housework

Creating new housework habits for diverse lifestyles

As lifestyles and living situations diversify, one-size-fits-all ideas for improving housework increasingly fall short of meeting consumer needs. Building on the basic concept of smart housework that is fun and efficient, we will establish a unique edge by reframing housework generally to maximize authentic comfort at the individual level and by cooperating closely with external partners across a wide range of categories.

Well-Being

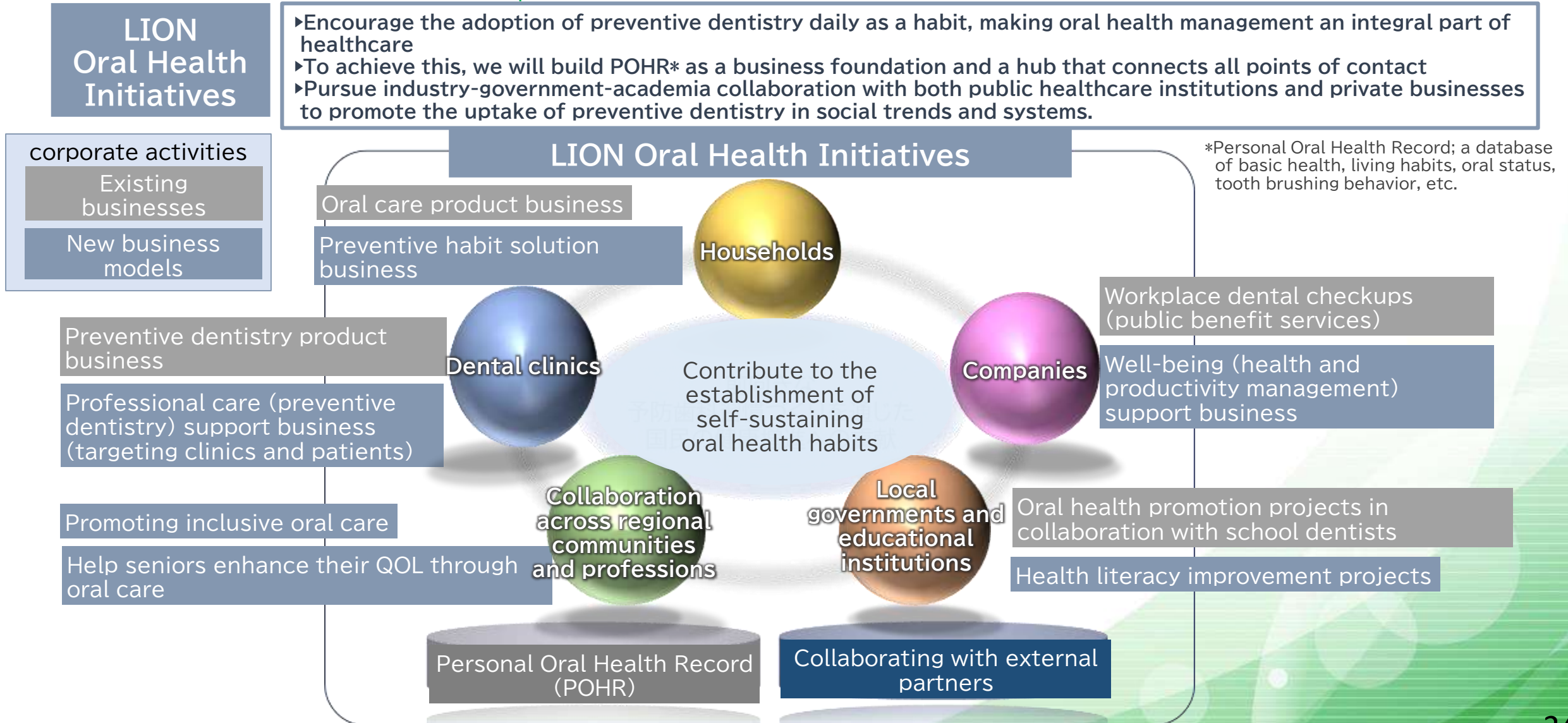
Becoming a total healthcare servicer for the mind and body

We will transform into a total healthcare servicer that supports health and happiness at each life stage by building connections with consumers through habitual self-healthcare and by expanding the solutions we offer and integrating our services through collaboration with external partners.



Accelerate growth in four fields of value creation- Oral Health Business

Contribute to the establishment of self-sustaining oral health habits by serving as a hub that connects all points of contact related to oral health



Contributing to the realization of a decarbonized, resource-circulating society through co-creation with consumers

Vision for 2050

Decarbonized Society
Carbon negative

Resource-Circulating Society
Continuous cycle of plastic use

Lion's initiatives

Creating environmentally friendly habits with consumers

Continuously offer planet-friendly lifestyles that make more sustainable living easy

Environmentally friendly habits that make more sustainable living easy

Foster water- and power-saving habits

Lion products and services that help reduce society's CO₂ emissions through use

2030 - Domestic Carbon neutral

Decarbonized society

Foster refill habits

Foster waste-free habits

2030 - Domestic Build a recycling model

Resource-circulating society



Three Growth Strategies—Transform Our Business Foundations for Growth

Continue and reinforce strategic investment to transform our business base to one that promotes growth

Promote digital transformation (DX)

Increase productivity via operational reforms

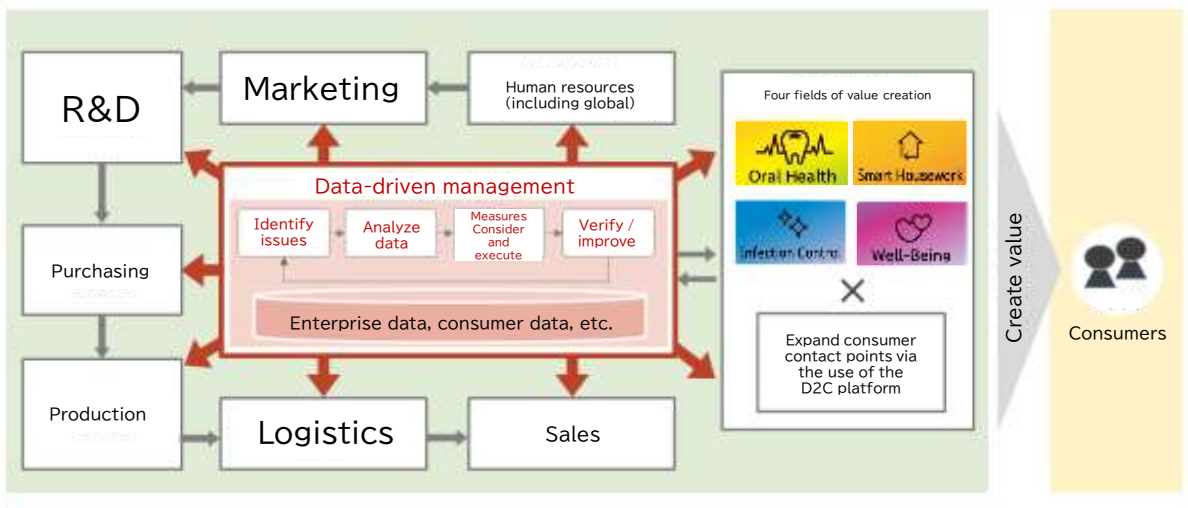
- ▶ Raise **efficiency** (via operational automation, etc.) while increasing **sophistication** (via data-driven business management)

Innovate value we can create through the science of habits

- ▶ **Develop a D2C platform** enabling the realization of new business models
- ▶ **Accelerate DX** via a business alliance with NTT DATA (since January 2022)

□ Data-driven business management

Science of Habits
LION Digital Transformation **LDX**



Strengthen business management

- ▶ Increase the sophistication of business management via **ROIC management**
- ▶ Step up response to the **TCFD recommendations** and implement **ICP** and other environmental investment management measures

Develop a sustainable SCM platform

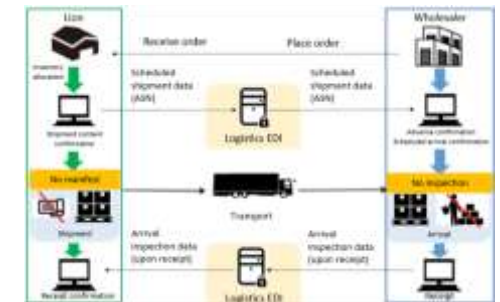
Increase the flexibility and resilience of the entire supply chain

- ▶ **Coordinate production, distribution and sales data** (via a shift to universal numbering) to optimize inventories and minimize the occurrence of product shortages
- ▶ **Upgrade BCPs** (by securing multiple raw material suppliers and multiple transport and distribution routes)

Continuously step up responsible supply chain initiatives

- ▶ Promote a **logistics EDI concept** (collaborative distribution involving industry peers) to achieve operational streamlining, reinforce our logistics crisis response capabilities, and curb CO2 emissions and other environmental footprints
- Expected effects
- How we achieve operational streamlining

1. Improve the labor environment for drivers and warehouse workers engaged in loading and unloading
2. Increase labor productivity
3. Curb environmental burden (reduction in CO2 emissions and the use of paper resources)



Three Growth Strategies—Transform Our Business Foundations for Growth

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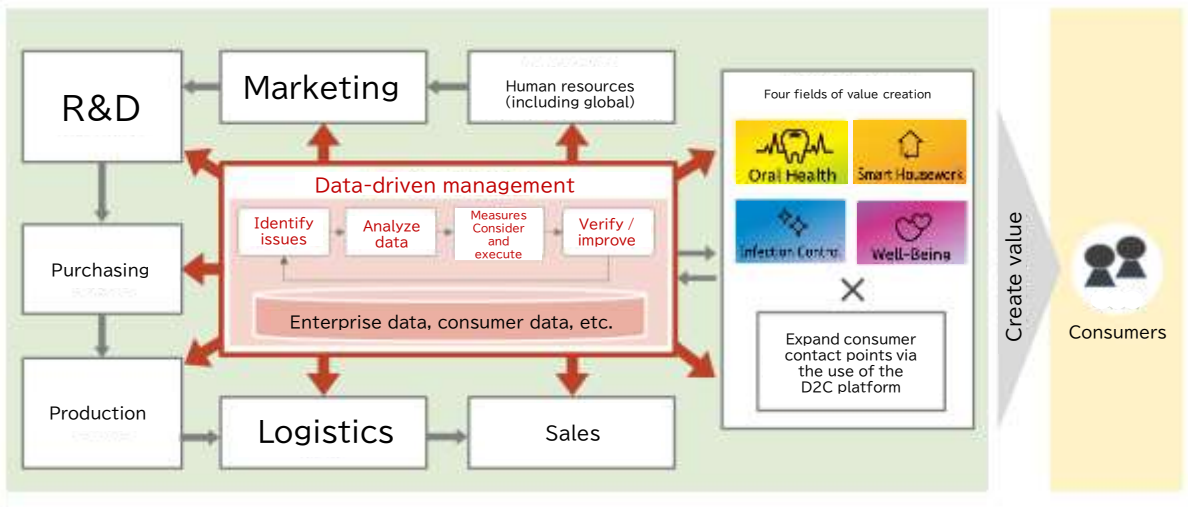
Increase productivity via operational reforms

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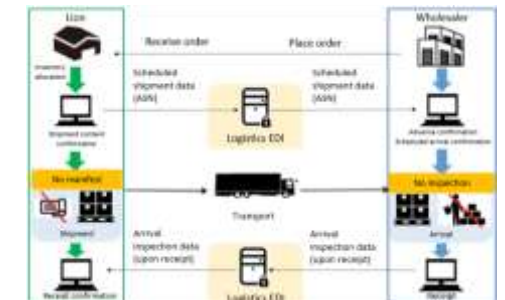
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□ Expected effects

1. Improve the labor environment for drivers and warehouse workers engaged in loading and unloading
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□ How we achieve operational streamlining



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)

- Final touches to achieve the vision
- Creating the foundations for subsequent growth

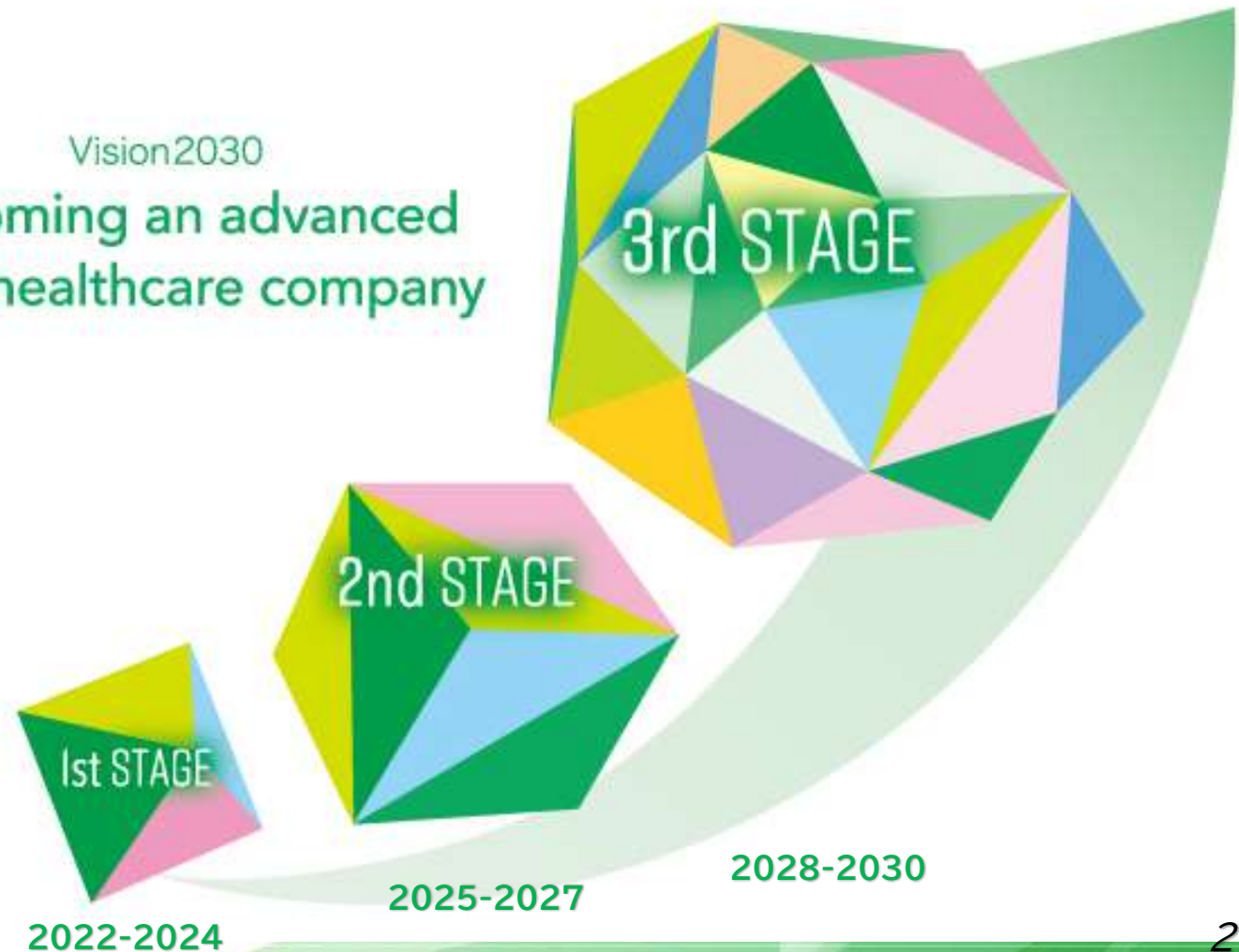
2nd Stage (2025-2027)

- Rolling strategy formulation in response to signs of environmental change
- Accelerate transformation and growth
- Increase the average annual growth rate (CAGR over 5%)

1st STAGE (2022-2024)

- Get on a growth track and create the foundations for new growth
- Transform business foundations (SCM, DX, sustainability)
- Activate human resources and organizations

Vision2030
Becoming an advanced
daily healthcare company



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.

life. love. **LION**

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.