

Consumer Issues

Related SDGs

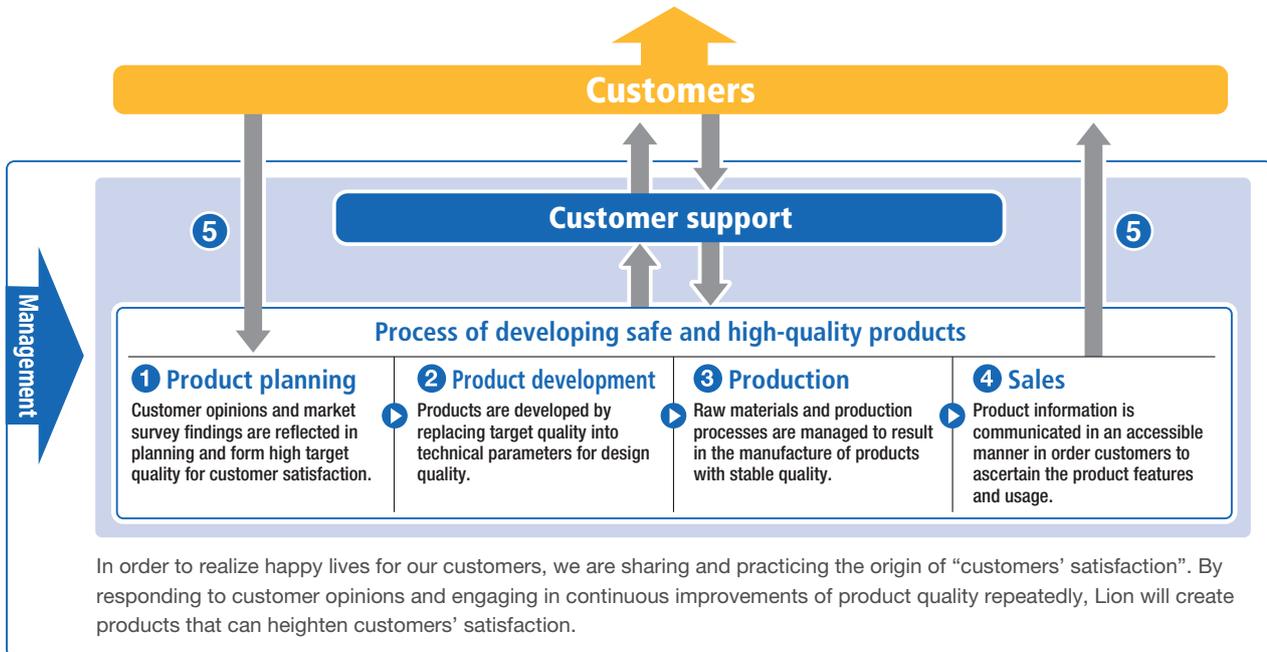


Basic Approach

In order to provide products that will satisfy our customers, Lion carries out quality assurance activities at all stages from the very beginning of the product creation process to the customer consumption of our products. Specifically, by identifying key requirements for each stage of corporate activities—product planning, product development, production, sales, and customer support—we are constantly pursuing customer satisfaction. During product planning, valuable opinions received from customers are analyzed to identify customers’ needs. At the stage of product development, the quality of the developed products are verified in respect to seven metrics including function and performance while considering easy-to-read and accessible labeling for our customers. During production, quality is thoroughly managed within each process, and products that have passed inspections are shipped with identifiable data for each lot, aiding in effective after-sale management. A variety of information is sent to wholesalers and retailers through product explanations and sampling.

Product Development Incorporating Customer Opinions

Maximization of customers' satisfaction



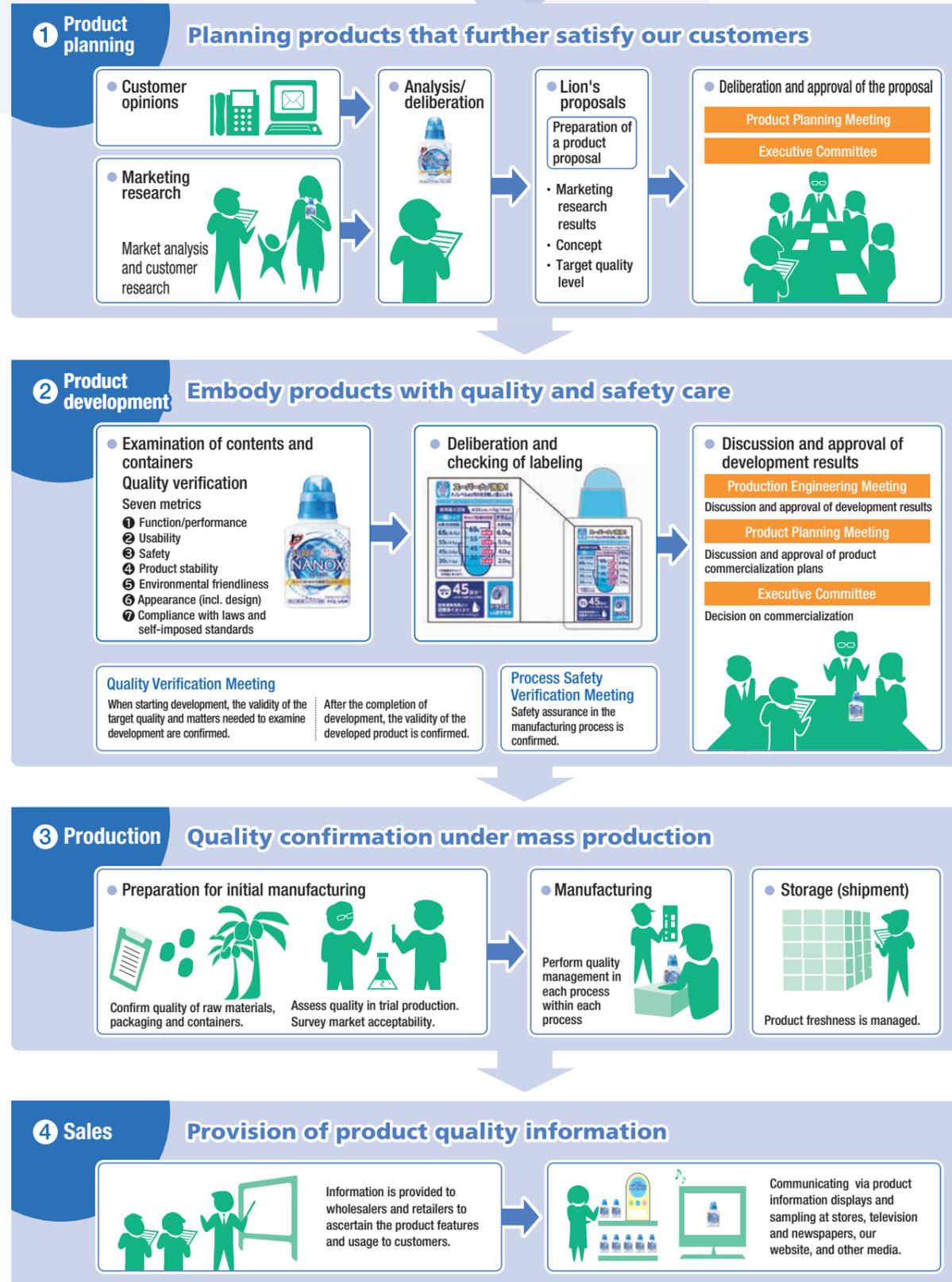
Group-wide Reliability Assurance System

To deliver on our promise of “providing superior products that are helpful in the daily lives of people,” we are promoting the development of safe and high-quality products that can satisfy our customers based on our “Quality Policy”. In 2014, we established the “Pharmaceutical Affairs and Quality Assurance Department”, which has advanced our creation of quality assurance and development support structures throughout Lion Group, including our overseas Group companies. In 2018, based

on the Quality Management System covering the entire supply chain, we established the “Reliability Assurance Department” for the purpose of further quality assurance.

In order to respond to growing social quality requirement levels, and to customer needs diversified by the business expansion of domestic and overseas Group companies, Lion will continue to provide our customers with safe and high-quality products.

Developing Safe and High-quality Products



Approach to Safety and Reliability

In order for customers to use comfortably, we evaluate the safety of materials (at the stage of raw materials, package and container) and during product use.

• Safety of Raw materials

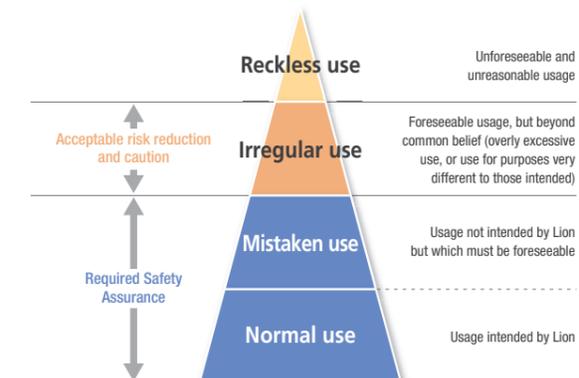
First of all, we examine the safety of materials. As the next step, we determine whether or not to use it after evaluating the sample and investigating supplier in order to ensure a certain level of quality. In using the materials, they are classified into pharmaceutical, quasi-drugs, cosmetics, food, and general products, and their quality is inspected based on the inspection items and testing methods appropriate for each classification before they are actually accepted for use.

[www Safety of Raw materials \(Japanese\)](https://www.lion.co.jp/ja/csr/consumer/quality/#area03)
<https://www.lion.co.jp/ja/csr/consumer/quality/#area03>

• Safety During Product Use

By considering the various uses of products as well as product use by socially vulnerable customers, we perform safety evaluation of our products from the perspective of avoiding risks at the stage of product design. Our company uses a checklist in our evaluation to determine whether the product design ensures safety from "normal use" to "mistaken use" cases. Even in the case of "irregular use", we assess whether risk reduction is possible and whether risk is tolerated, and as necessary, we ensure the safety of the product by displaying caution thoroughly. Additionally, at the "Quality Verification Meeting" consisting of related departments, in order to prevent damage related to product use and to prevent omission of items that should be checked for safety, we are checking on the assumption of customer usage scenes. In case of product trouble, we have an internal system due to respond to product recalls promptly.

• Scope of Safety Assurance



Enhancement of the Advertising Management System

Lion are promoting to enhance the Advertising Management System aiming to carry out responsible advertising activities for all products (incl. food products and pharmaceuticals).

- Enhancements of the check system on advertising for all of our products including food
 - Consultation with government agencies such as the Consumer Affairs Agency as needed
 - Thorough legal training to employees
- We will endeavor to enhance the Advertising Management System to promote responsible advertising activities.

Initiatives to Respond to Our Customers

In order to develop new products and improve our products services, the inquiries received from customers are shared across the company through an information sharing system, excluding personal information after registering in the database under a strict personal information management system. Among this inquiries, which is considered to affect customer satisfaction and any findings from the voices of the customer who contacts every day are reported daily to top management as a VOC*1 Daily Letter. And Lion is making effort to improve Customer Support Quality by grasping the customer's perspective, and by early considering and responding to remedial measures at product planning departments mainly. In 2018, we sent out 240 VOC Daily Letters. The customers voices are widely collected and analyzed not only from telephones and emails, but also from SNS*2 and the like. Furthermore, in order to take advantage of customers' perspectives in our business activities, an internal dedicated organization analyzes customers' voices and proactively disseminates information to respective departments.

*1 [VOC] Voice of Customers
 *2 [SNS] Social Networking Service (Facebook, Twitter etc.)

Recall Status of Varsan Hyosatsu Jet

Because the "Varsan Hyosatsu Jet for Flying Insects" and "Varsan Hyosatsu Jet for Crawling Insects" led to fire-related accidents, Lion has been voluntarily recalling such products since August 27, 2007. As of the end of December 2018, 1.48 million of these products have been recalled (recall rate: 45.7%). We would like to ask our consumers who still have any of these products and reside in Japan to assist in the recall.

* Lion transferred the Varsan brand of insecticide to LEC, Inc., as of December 28, 2018. However, Lion will continue to handle the voluntary recall of the products.
https://www.lion.co.jp/ja/products/information/200708_01.php

Customer Support for Recall of Varsan Hyosatsu Jet Sprays

Toll-free:
0120-670-225

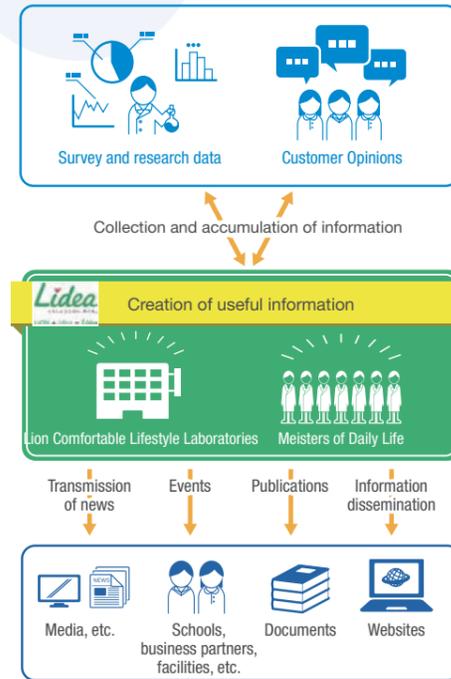
Open: 9 a.m. to 5 p.m. (Japan time)
 (Except Saturdays, Sundays, public holidays, year-end/New Year's holidays, and summer holidays)

Providing Helpful Information in the Daily Life and Promoting Educational Activities

Lion is actively engaging in communication with consumers with the aim of expanding our creation and dissemination of information that contributes to a healthy and comfortable life.



Oral care seminar held by Meisters of Daily Life



• Communication with Customers Using Consumer Information Media, "Lidea"

Lidea is the Lion's website to make their everyday life more comfortable and to share delightful idea (tips and information) that enrich their hearts. Accurate information that is useful for consumers' daily lives is provided mainly by the "Meisters of Daily Life," specialists with expertise on lifestyle information.



We are enhancing our communication with consumers in various ways by utilizing the information accumulated in Lidea.

Publishing a newsletter with lifestyle information



Lifestyle Tips
We publish newsletters containing lifestyle topics based on the analysis of consumer-generated information, including customer inquiries, to meet consumers' needs.

Two-way communication with consumers



Lidea Promotion Project for Cities of Harmonious Marriages
We hold events and send information directly to consumers and exchange opinions.

Communications through mass media



Round-table conference of lifestyle information.
We hold seminars of lifestyle information periodically for reporters and editors from television, newspaper, magazines and websites.

Communicating with overseas consumers



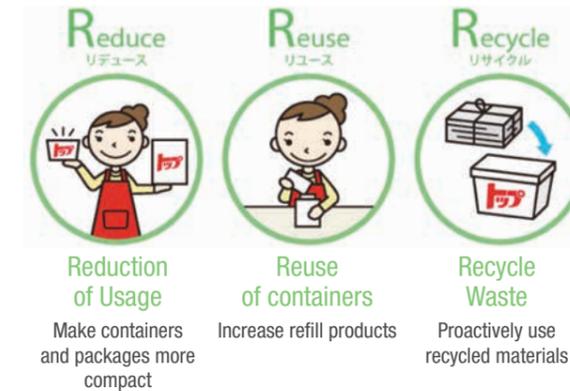
Websites of our overseas Group companies
Lifestyle information according to the lifestyles of each country and region is published on the website of overseas Group companies.

Offering Products and Information that Contribute to the Development of a Sustainable Society

• Advancement of 3Rs

As an effort to reduce containers and packaging materials, we are proactively promoting the 3Rs (Reduce, Reuse and Recycle).

[www](https://www.lion.co.jp/ja/csr/ecolion/#sec2) **Lion's eco-standard (Japanese)**
<https://www.lion.co.jp/ja/csr/ecolion/#sec2>



• Advancement of Renewable (utilization of sustainable resources)

Lion is addressing the issue of marine plastic, which has become a global environmental problem, by promoting the use of renewables (utilization of sustainable resources) together with the 3Rs with a view to reducing containers and packaging materials

• Promotion of Environmental Communication through Products

In order to enlighten consumers of the importance of environmental considerations through our products, Lion has put an "environmental label" on which environmental explanations

are attached, and an "environmental logo" to products that fulfill our original "Lion eco-standard" since 2014. The criteria for the "Lion eco-standard" are set based on the perspective of life cycle.

[www](https://www.lion.co.jp/ja/csr/ecolion/#sec4) **Introduction of eco-friendly products (Japanese)**
<https://www.lion.co.jp/ja/csr/ecolion/#sec4>

Example of Environmental Labels Attached to Products



"TOP SUPER NANOX" bottle and refill (Super-Concentrated Liquid Laundry Detergent)



CHARMY Magica bottle (Dishwashing Detergents)



"TOP Platinum Clear" (Powder Laundry Detergent)

Enhancement of Information Security

In order to thoroughly protect personal information and ensure information security, Lion has established the "Personal Information Management Regulations", the "Basic Policy of Our Information Management", the "Information Management Regulations," as well as the "Information Security Regulations" in accordance with "Act on the Protection of Personal Information". In addition, with a view for employees to appropriately transmit information when using social media (social networking services, blogs, etc.), we have established "Lion Group Social Media Policy" and its guidelines. As education for our employees, we are implementing e-learning every year regarding the risks of

social media, information security, and information management structure, and all of our employees participated in 2018. For our overseas Group companies, we are enhancing information security, including the protection of personal information, based on local legislations.

[www](https://www.lion.co.jp/smp.htm) **[Lion Group Social Media Policy] (Japanese)**
<https://www.lion.co.jp/smp.htm>

[www](https://www.lion.co.jp/ja/csr/consumer/) **Introduction of websites**
In collaboration with our customers (Japanese)
<https://www.lion.co.jp/ja/csr/consumer/>

