

Editorial Policy

The *Lion Integrated Report 2021* is intended to provide Lion's shareholders, investors and other stakeholders with key information about the Company's initiatives to increase its corporate value over the medium to long term through the implementation of its purpose, "Make a difference in everyday lives by redesigning habits: ReDesign," and facilitate deeper understanding of the Lion Group.

Period Covered: From January 1, 2020 to December 31, 2020 (Some parts also include information about 2021)

Scope of Coverage: Lion Corporation and all of its consolidated subsidiaries are covered, in principle.

* Where the scope of coverage of reported activities or data differs from the above, a description is provided.

Accounting Standards Applied: International Financial Reporting Standards (IFRS)

Referenced Guidelines:

- International Integrated Reporting Framework issued by the International Integrated Reporting Council (IIRC)
- Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation issued by the Ministry of Economy, Trade and Industry
- GRI Sustainability Reporting Standards issued by the Global Reporting Initiative
- ISO 26000: 2010 Guidance on social responsibility issued by the Japanese Standards Association

Regarding Forward-Looking Statements

This integrated report contains forward-looking statements on subjects that include matters related to future business plans, corporate strategies and forecasts of performance. Such statements were formulated based on information that was available at the time of the preparation of this integrated report and contain uncertainties regarding such factors as economic conditions, market trends and foreign currency risks. Please understand that actual results may differ from the information presented in these forward-looking statements.

Lion's Disclosure



Corporate Motto

Lion Corporation positions "Fulfilling a Spirit of Love" as fundamental to its management, and thus contributes to the enrichment of the happiness and lives of people.

Management Philosophy

- 1 We bring together the power of our personnel, the power of our technology and the power of our marketing, as we provide superior products that are helpful in the daily lives of people.
- 2 We respect the "Spirit of Tenacity and Creativity" that we have maintained since our founding, as we continue developing our business.
- 3 We deeply appreciate all those who extend their valuable support to us, as we prosper together through sincerity and mutual trust.

Purpose

ReDesign
Make a difference in everyday lives by redesigning habits

Message from the Chairman



**Make a difference in
everyday lives by
redesigning habits**

This year marks the 130th anniversary of Lion's founding. That we have come so far is thanks to the patronage and support of our customers and other stakeholders, for which we are deeply grateful.

Since our founding in 1891, we have sought to contribute to health, comfort and cleanliness in everyday living through our business activities in line with our mission of "benefitting society through business activities." Now, as lifestyles and society have been forced to change since the start of the COVID-19 pandemic, Lion's social mission as a corporate group closely involved in everyday living has taken on even greater importance.

Lion has designated "Make a difference in everyday lives by redesigning habits: ReDesign" as its purpose. Working from this starting point, we will seek to advance management with a stronger emphasis on making everyday habits more natural, easy and enjoyable through consumer-centered business activities.

In addition, given that the environment surrounding Lion is undergoing major changes, such as those caused by the pandemic and global environmental problems, it is more important than ever to implement initiatives and evolve our business activities from a long-term perspective that incorporates environment, social and governance (ESG) issues and the achievement of the Sustainable Development Goals (SDGs).

With this in mind, we established the Vision2030 long-term strategic framework to ensure that we can continue to consistently meet the needs of society and our customers by implementing corporate activities based on our purpose. As we work to achieve our management vision for 2030, "Becoming an advanced daily healthcare company," we will further strengthen initiatives related to our Sustainability Material Issues and accelerate the creation of new customer value through R&D and marketing from the consumer perspective. By doing so, we aim to contribute to the realization of a sustainable society and achieve even greater business growth.

The Lion Group's History of Addressing Living and Social Issues



Lion's founder
Tomijiro Kobayashi

Lion's origins lie in soap and toothpaste. Since our founding in 1891, we have strived to adhere to our founding spirit of “benefitting society through business activities,” seeking to help consumers enjoy healthy living through the provision of products while engaging in communication and educational activities aimed at promoting better living habits. We recognized long ago that global environmental protection is an issue that the whole world shares and have taken environmental measures accordingly, such as developing environmentally friendly products. By addressing issues in daily living and society, we aim to redesign habits and make a difference in everyday lives.

Oral Care

From 1896	From 1913	From the 1960s	From the 1990s	From the 2000s
<p>Cavity prevalence among children at 96%/ Promoting oral care</p> <p>Lion Toothpowder</p> <p>Lion Toothpowder packets printed with charity coupons (The starting point of Lion's social contribution activities)</p>	<p>Started educational activities to foster healthy tooth brushing habits</p> <p>Held the first Lion oral hygiene lecture (The start of promotional and educational activities)</p> <p>Held the first Oral Health Event of Tooth Brushing for Children Teaching correct tooth brushing methods to children</p>	<p>Expanding the market and developing world-class products</p> <p>White Lion (Japan's first toothpaste with calcium phosphate, which is highly effective for whitening teeth)</p> <p>Dentor Lion toothpaste (The first in Japan formulated to prevent pyorrhea)</p>	<p>Addressing diverse oral health issues</p> <p>Established the Lion Foundation for Dental Health (LDH) (Promoting oral healthcare through LDH)</p> <p>CLINICA Lion cavity prevention toothpaste (The world's first toothpaste formulated with enzymes that break down dental plaque)</p>	<p>Addressing gum disease through the systematic combination of products with clear functions</p> <p>Dentor Systema Lion Series (Gum disease prevention)</p>
				<p>From oral care to whole-body health Promoting oral health care</p> <p>CLINICA Advantage Series (Preventive dentistry promotion)</p> <p>Activities to promote good oral care habits in Asia</p>

Cleanliness and Hygiene

From 1891	From the 1950s	From the 1960s	From the 1990s	From the 2000s
<p>Start of soap manufacturing and promotion of correct laundry methods</p> <p>Kohyo Soap (Beauty soap produced in Lion's early days)</p> <p>Laundry lecture held by Lion Laundry Science Laboratories</p>	<p>Addressing health problems caused by parasites on vegetables</p> <p>Lipon F (Japan's first kitchen detergent for washing fruits, vegetables and tableware)</p>	<p>Addressing diverse lifestyle needs</p> <p>Mama Lemon (Dish and vegetable detergent that is gentle on the hands)</p> <p>CHARMY Green (Kitchen detergent that is gentle on the hands and strong against grease)</p>	<p>Promoting good hand washing habits and related products, helping raise cleanliness and hygiene awareness</p> <p>KireiKirei Medicated Hand Soaps (With antibacterial agents)</p>	<p>Contributing to clean and hygienic living in Asia</p> <p>Activities to promote good hand washing habits in Asia</p> <p>KireiKirei overseas</p>

Environmental Conservation

From the 1920s	From the 1960s	From the 1990s	From the 2000s
<p>Use of plant-derived ingredients</p> <p>Plant-derived Lion Laundry Soap (Japan's first plant-derived household laundry soap)</p>	<p>Addressing foaming in rivers, eutrophication in lakes and marshes and other water environment issues with advanced technology</p> <p>Dash (Laundry detergent formulated with the highly biodegradable surfactant AOS)</p> <p>Murin TOP (A phosphate-free laundry detergent formulated with enzymes to be environmentally friendly while maintaining high detergency)</p>	<p>Reducing CO₂ emissions by using primarily plant-based washing ingredients</p> <p>Natera (Dish and vegetable detergent made primarily from natural coconut)</p> <p>Emeron Shokubutsu-Monogatari (Plant Story) beauty soap (Beauty soap made with 100% plant ingredients)</p> <p>Spark (Laundry detergent made from palm oil)</p>	<p>Creating environmentally friendly habits through products and communication</p> <p>TOP SUPER NANOX (Highly concentrated liquid laundry detergent)</p> <p>Refill packs</p>

The Lion Group's Initiatives to Redesign Habits

Throughout its long history, the Lion Group has worked to redesign habits. We carry out such initiatives not only in Japan, but across Asia.

Action 1 Establishing Tooth Brushing Habits

Lion has a long history of implementing oral care education activities. When Lion was founded in the late 1800s, tooth brushing was not yet widely practiced in Japan, and 96% of children had dental cavities. Based on Lion's founder Tomijiro Kobayashi's feeling that the situation presented a real crisis with regard to the nation's future, Lion began developing and marketing oral care products and carrying out educational activities.

Over the decades, Lion has implemented a wide range of activities aimed at firmly establishing oral care habits in society, from the Oral Health Event of Tooth Brushing for Children, which boasts a history of more than 80 years, to the establishment of the Lion Foundation For Dental Health, which promotes oral health promotional and educational activities, and awareness raising about tooth brushing at night via sponsored television programs. As a result, today, approximately 80% of people in Japan brush their teeth twice a day or more, four times the level 50 years ago. Over the same 50-year period, the rate of cavities among elementary school-aged children, previously a major issue, has fallen to a quarter its previous level. The establishment of proper tooth brushing habits has contributed greatly to the public's oral health.

Over the same 50-year period, the size of the toothpaste market has quadrupled. Thus, helping form habits that are beneficial to consumer health while also stimulating markets leads to the growth of Lion's businesses.



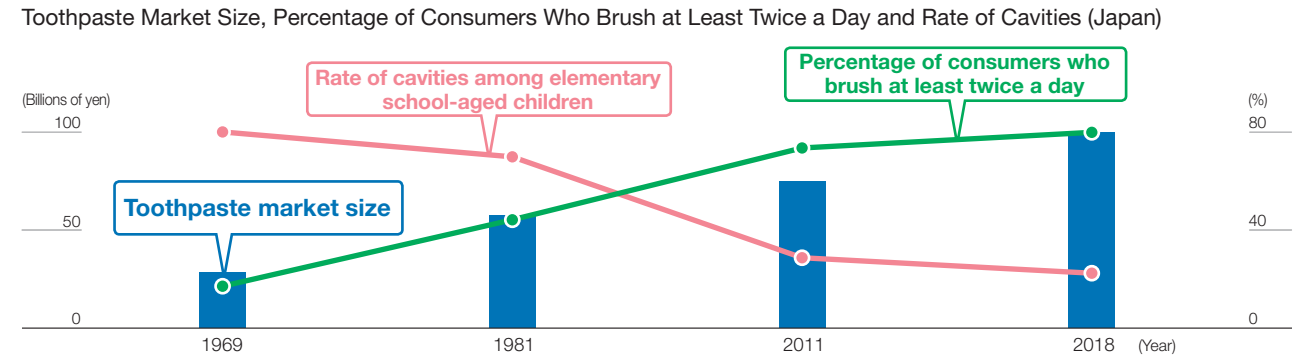
An early Oral Health Event of Tooth Brushing for Children



The Oral Health Event of Tooth Brushing for Children today



Educational activities in Asia



Action 2 Promoting Hand Washing Habits

Following a series of large-scale outbreaks of *E. coli* in 1996, group infections through food poisoning came to be seen as a social problem in Japan. Fostering good hand washing habits to protect children from viruses and bacterial thus took on new urgency, and Lion responded the following year by launching *KireiKirei*. Based on a new concept that washing and disinfecting one's hands can be fun, *KireiKirei* changed hand washing from something that children have to be forced to do as a matter of discipline into a new, enjoyable habit, helping to spread cleanliness and hygiene habits. This approach has been well received, and today *KireiKirei* has been the leading hand soap brand in Japan for 19 consecutive years, since 2002.* In addition to developing products to meet evolving needs, by promoting the spread of good hand washing habits in schools and homes, we have increased hand soap usage and contributed to the growth of the hand soap market.

* 2002–2020 cumulative sales, INTAGE SRI hand soap market (excludes body soaps)



Educational activities in Japan



Educational activities in Asia

Action 3 Promoting Environmentally Friendly Habits

Lion has long used cutting-edge technology to address environmental problems, offering such pioneering products as Japan's first plant-derived household laundry soap, foam-suppressing laundry detergent and phosphate-free laundry detergent formulated with enzymes to be environmentally friendly while maintaining high detergency.

By expanding our lineup of products that help realize health, comfort and cleanliness in everyday living while also reducing environmental burden, including CO₂ emissions, plastic use and water use, we seek to make everyday consumer habits more environmentally friendly. In this way, we will simultaneously contribute to the realization of sustainability for the planet and achieve business growth.

Making Daily Living Environmentally Friendly

High detergency, plant-based raw materials

- High detergency with less detergent
- Plant-based raw materials are carbon-neutral^{*1}

Super-concentrated detergent and compact packaging

- Product weight: **Approx. 45%**^{*2}
- Logistics efficiency: **Approx. 3.3 times**^{*2} that of conventional detergents

Highly concentrated liquid laundry detergent



Water-, energy- and time-saving

Quick-rinsing properties enable **one-rinse washing**. Saves enough water to fill **46** 500-ml beverage bottles

Reduced petroleum-derived plastic use

- Product bottle made with 100% recycled PET^{*3}
- Refill packs reduce plastic use (**approx. 19%** of that used in bottles)
- Refill packs made with biomass plastic^{*4}

^{*1} Carbon neutral: In which the CO₂ emission and absorption over the product life cycle cancel each other out.
^{*2} Calculated based on a comparison of liquid laundry detergent *TOP Clear Liquid* (bottle) with highly concentrated liquid laundry detergent *TOP SUPER NANOX* (bottle).
^{*3} Bottle only; excludes nozzle, cap, etc.
^{*4} Biomass plastics are polymer materials that are produced by synthesizing, either chemically or biologically, materials that contain renewable organic materials.
 (Source: Website of the Japan BioPlastics Association).