



## Our Founder's Passion

### Benefiting Society through Business Activities

Lion's origins lie in soap and toothpaste. Since our founding in 1891, we have sought to help consumers enjoy healthy, comfortable living through the provision of products while engaging in educational activities and communication aimed at creating better living habits.



Lion's founder Tomijiro Kobayashi

When Lion was founded, tooth brushing was not yet widely practiced in Japan, and 96% of children had dental cavities. Lion's founder Tomijiro Kobayashi, feeling that the situation presented a real crisis with regard to the nation's future, began activities aimed at spreading oral hygiene practices. Over many years, the Company's efforts helped firmly establish tooth brushing in Japan, and the rate of cavities among children has decreased. In addition, Lion was an early promoter of overseas operations aimed at helping improve the quality of life and hygiene across Asia. In selling its products, Lion has sought to accommodate consumer preferences and enhance convenience while continuing to carry out educational programs.

Today, each and every Lion Group employee upholds the founding spirit of "benefiting society through business activities." We believe that the creation of everyday rituals that contribute to healthy, comfortable living, such as tooth brushing, hand washing, doing laundry and keeping a clean house, is fundamental and essential to enabling consumers to lead healthy and happy lives. Taking on the evolving challenges faced by society, Lion continues to work toward the realization of healthy minds and bodies for all in Japan and the Asia region.

## Corporate Motto/Management Philosophy/ Lion Group Charter for Corporate Behavior

### 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.

### Lion Group Charter for Corporate Behavior

We, the Lion Group, shall, in addition to being an economic entity designated to pursue profits through fair competition, act as a social entity that contributes to society at large. We shall respect human rights and conduct ourselves with initiative in a socially responsible manner toward the creation of a sustainable society, observing both the spirit as well as the letter of all applicable laws and international rules and not harming the public interest, both in Japan and abroad, in accordance with the following 10 principles.

#### 1. Principal Mission

We shall earn the confidence and satisfaction of customers (consumers and users) by providing excellent, safe goods and services useful for their daily lives.

#### 2. Compliance with Public Rules

We shall observe all relevant laws and regulations and engage in fair, transparent and free competition and proper transactions. We shall maintain sound and proper relationships with governmental and political bodies.

#### 3. Disclosure

We, as a socially open company, shall actively engage in communication not only with our shareholders but also with members of society at large and disclose information generally regarding Company management in an appropriate and timely manner.

#### 4. Environmental Issues

We shall play a positive and active role in creating a sustainable society that harmonizes economic development and environmental protection.

#### 5. Improvement of Working Environments

We shall promote fair treatment and respect the diversity, individuality and personalities of our employees. We shall ensure a safe and comfortable workplace to realize the mental and physical well-being of our employees.

#### 6. Contribution to Society

We shall actively contribute to society as good corporate citizens.

#### 7. Opposition to Antisocial Forces

We shall firmly oppose antisocial entities and organizations threatening the order and security of civil society.

#### 8. Contribution in Foreign Countries

In our overseas operations, we shall not only observe international rules and the laws of relevant foreign countries, but also respect local cultures and customs and contribute to the development of local communities with sincerity and mutual trust.

#### 9. Practice of Corporate Ethics

Top management shall assume responsibility for implementing the spirit of this Charter and shall take the initiative to set a good example and fully inform Lion Group employees of the Charter. Top management shall strive to take in internal and external opinions continuously to promote mutual understanding and the development and implementation of effective internal control systems while enforcing thorough compliance with corporate ethics.

#### 10. Resolution of Problems

Should an incident contrary to the principles of this Charter occur, top management shall publicly clarify its position, taking responsibility to resolve the problem on its own initiative, and strive to investigate the facts, identify the causes of the incident and prevent recurrences. Top management shall fulfill its responsibility to disclose accurate information promptly and explain the situation, and shall resolve the problem in a manner fully understandable to society. After clarifying authority and responsibility for said problem, top management shall impose strict and impartial disciplinary actions upon any liable persons, including the highest level of management.

Established January 1, 2003 and amended January 1, 2008

## The History of Lion's Oral Care Promotional and Educational Activities

1913



#### Held the first Lion oral hygiene lecture

The start of promotional and educational activities

1932



#### Held the first Oral Health Event of Tooth Brushing for Children

Teaching correct tooth brushing methods to children

1964



#### Established the Lion Foundation for Dental Health (LDH)

Promoting oral healthcare through LDH

\* The photo above shows the Lion Family Dental Clinic, the origin of Lion's research laboratories

1921



#### Opened the Lion Dental Clinic for Children

Japan's first dental clinic for children



#### Held the Oral Health Event of Tooth Brushing for Children

Expanded this activity to countries and regions across Asia.



\* The photo above shows parent-child dental health activities



Lion Foundation for Dental Health  
<https://www.lion-dent-health.or.jp/english/>

# The Evolution of Lion's Value Creation

## Creating New Value

The origins of Lion's businesses lie in soap and toothpaste. Over the more than 120 years since our founding, we have created better living habits through providing products and educational activities. Today, these efforts extend beyond products to systems and services.



“ReDesign” of Everyday Rituals for Future Well-Being

1891–  
Founding



1896  
Launched  
**Lion Toothpowder**

1950–  
Developed numerous first-in-Japan products



1948 First in Japan  
**Lion F Cream**  
Japan's first toothpaste with fluoride

Spread effective use of the cavity-preventing fluoride among consumers



1956 First in Japan  
**Lipon-F**, Japan's first kitchen detergent for washing fruits, vegetables and tableware  
Helped address health problems caused by parasites



1962 First in Japan  
**Hi TOP**, Japan's first foam-suppressing laundry detergent



1963  
**BUFFERIN** antipyretic analgesics  
BUFFERIN marked the start of Lion's business diversification and has been a long-selling product



1964  
**Dentor Lion** toothpaste, the first in Japan formulated to prevention of pyorrhea



1967  
**Dash** highly biodegradable laundry detergent

1980–

Responded to diversifying lifestyles



1980  
Launched **Murin TOP**, a phosphate-free laundry detergent  
Made with an environmentally friendly formula that is phosphate-free without reducing detergency



1981 First worldwide  
**CLINICA** Lion cavity prevention toothpaste  
The world's first toothpaste formulated with the enzyme dextranase, which breaks down dental plaque



1992  
**Emeron Shokubutsu-Monogatari (Plant Story)** beauty soap made with 100% plant ingredients  
Lion expanded its use of plant ingredients in products.



1993  
**Dentor Systema Lion** for preventing gum disease  
Lion launched a brand of liquid toothpaste, toothbrushes with super-tapered bristles and mouthwash.



1997  
**KireiKirei** medicated hand soap  
Due to 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. In 1997, Lion responded by launching **KireiKirei**, an antibacterial hand soap based on the unique concept that hand washing can be fun. Lion has worked hard to spread the use of its products alongside good hand-washing habits, leading to the brand taking the top spot in the hand soap market from 2000 onward.

2010–

Ambitiously worked toward new growth



2010  
**TOP NANOX** super-concentrated liquid laundry detergent (now **TOP SUPER NANOX**)  
Formulated with the plant-based, high-detergency ingredient MEE, one-rinse **TOP NANOX** (now **TOP SUPER NANOX**) is environmentally friendly. Marketed based on its innovative “nano washing” property, it has grown into a brand that drives the super-concentrated liquid laundry detergent market.



2014  
The renewed **CLINICA** brand, created from a “Preventive Dentistry” Perspective  
Medicated toothpaste that enables total care by combining the three preventive dentistry essentials of aiding fluoride retention, reducing bacterial growth and removing plaque



2016 First in Japan  
**hadakara** Body Soap  
A body soap featuring Japan's first moisture-adsorbing formula, which ensures moisturizer is not washed away



2018  
**LOOK Plus Bath Cleansing** bath detergent  
With a newly developed bottle head that sprays the detergent fluid as a mist with a single pump, this product offered the new concept in bathtub cleaning with no scrubbing, accurately meeting the time-saving needs of dual-income households and becoming a major hit.

2016  
**Salivary Multi Test (SMT)**  
A saliva test system that can rapidly measure multiple indicators of dental and oral health

2018  
**RePERO**  
A smartphone app that uses AI to determine users' risk of bad breath

2019  
**HAGUKI CHECKER**  
A tool that uses AI to analyze photos taken with smartphones or other devices to check the state of users' gums

# The Evolution of Lion's Value Creation

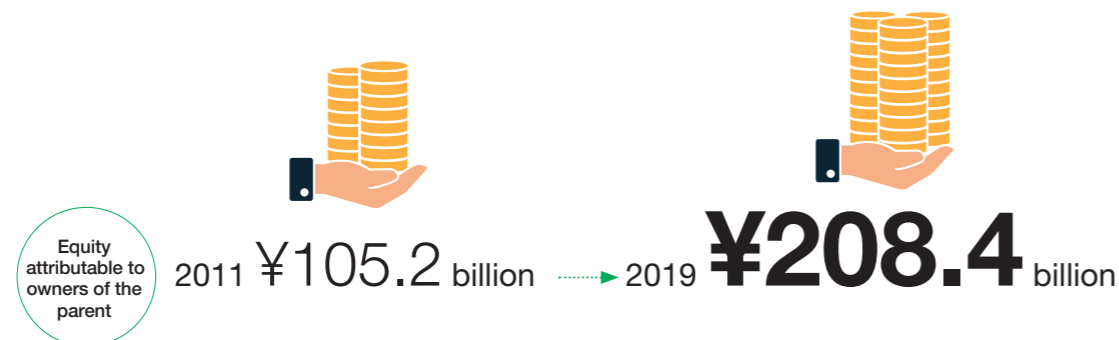
## Lion's Capital Supporting Growth

In 2019, the Lion Group's consolidated net sales grew to ¥347.5 billion (IFRS basis), and the Company has long boasted the top market share in Japan in oral care. To achieve sustainable growth going forward, we will work to continue expanding and putting to more effective use the capital we have built up through our growth.

\* The figures below show comparisons with 2011 because that is the year before the launch of the V-1 Plan medium-term management plan, which sparked a new phase of growth.

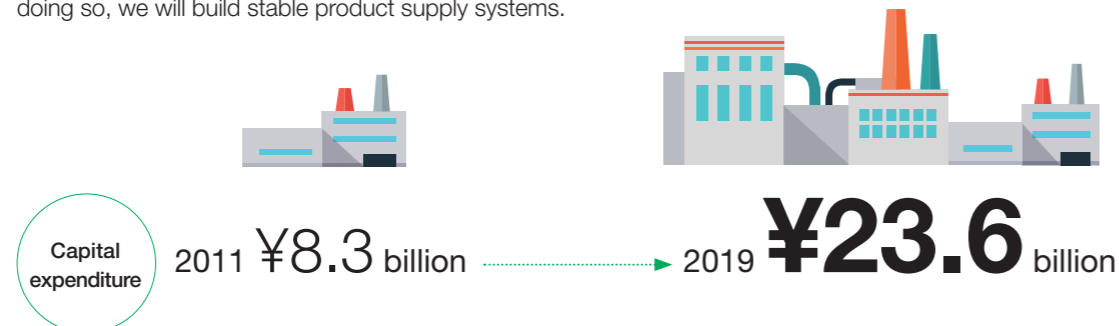
### Financial Capital

Lion's strategy of focusing on high-value-added products and reinforcing its revenue base has enabled it to expand revenue and build up net assets. Drawing on our growing assets to fund investment, we will aggressively invest in capital expenditure, R&D and M&A aimed at sustainable growth.



### Manufactured Capital

Demand for household products has grown, reflecting the diversification of customer needs and an increase in health awareness in Japan as well as the trust customers overseas have in high-quality made-in-Japan products. Leveraging our accumulated know-how, we will aggressively invest capital in automating production processes to increase efficiency and in renewable energy to reduce net energy consumption. By doing so, we will build stable product supply systems.



### Human Capital

The Lion Group's businesses span Japan and eight other countries and regions in Asia. To achieve growth going forward, utilizing the diverse talents of all Group employees and realizing its purpose, realizing healthy minds and bodies for all, will be essential. To ensure that each individual is able to take total ownership of their role and exercise their abilities to the fullest, we are advancing the Lion Professional Fulfillment Reforms, focused on health, work styles and enabling diverse human resources to succeed.



### Intellectual Capital

In addition to household products, Lion's businesses span a wide range of fields, including pharmaceutical (OTC) products, functional foods and industrial chemicals. Accordingly, we carry out research in areas related to not only chemicals and biological systems, but a broad range of disciplines. We will advance R&D in coordination with research institutions in and outside Japan and combine our proprietary technologies with technologies outside the Company to ambitiously create new markets and develop new service-based businesses.



### Social and Relationship Capital

Since 1932, Lion has provided opportunities for elementary school students to think about their dental and oral health and fostered health awareness by holding the Oral Health Event of Tooth Brushing for Children. In 2008, we began broadcasting the event live online, allowing students in Japan and across Asia to participate from their schools, further expanding the event. In these ways, the Oral Health Event of Tooth Brushing for Children is growing in scale each year, reaching even more elementary school students.



### Natural Capital

In the course of its business activities, the Lion Group uses a great deal of energy. In step with business growth, we have increased production volumes. However, by reorganizing and consolidating production bases, improving production processes and adopting energy efficient facilities and machinery, we have reduced our total annual energy use. To grow our businesses while reducing their burden on the environment, we are working to adopt renewable energy sources and implement further energy-saving measures as part of efforts to create a healthy future for people and the planet.

