

Vision2030 Long-Term Strategic Framework

Reflecting the growth of the role and responsibility of corporations in society, the Lion Group has formulated a long-term strategic framework, Vision2030, aiming to accelerate its evolution into a company that will continue to contribute to solving issues in daily living and society through the creation of better habits.

The Importance of Daily Living Habits

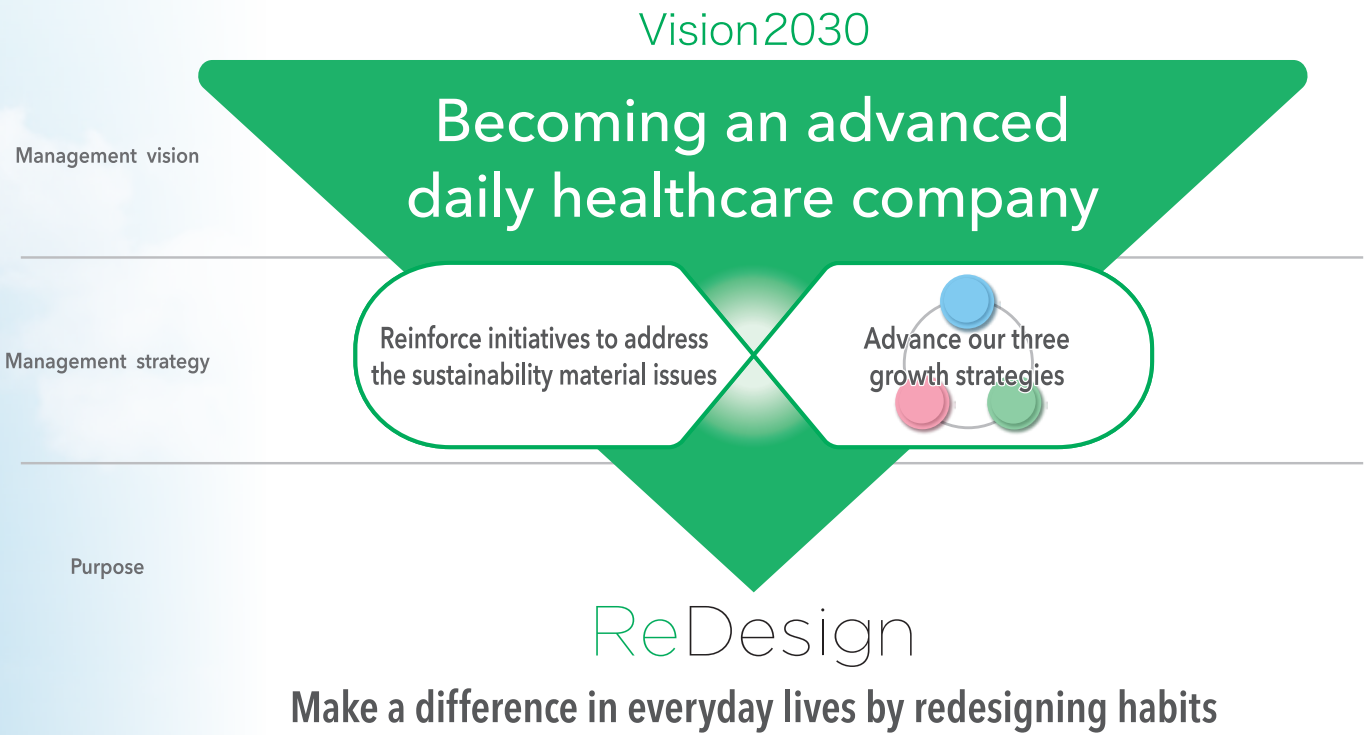
In 2020, the global spread of the novel coronavirus (COVID-19) pandemic made clearer than ever the importance of daily living habits, such as hand washing and gargling, in maintaining mental and physical health. Furthermore, as demographic graying advances both in and outside Japan, healthcare needs are forecast to see accelerating growth in such areas as improving quality of life (QOL) and extending healthy life expectancy. Accordingly, the Lion Group believes that its role as a familiar presence in people's everyday lives will continue to grow.



Vision2030

To achieve its management vision for 2030, "Becoming an advanced daily healthcare company," the Lion Group will further reinforce management driven by its purpose, "Make a difference in everyday lives by redesigning habits:

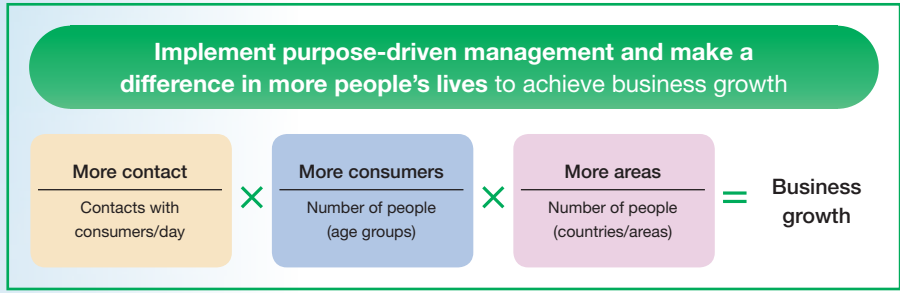
ReDesign," while synergistically addressing its sustainability material issues and advancing growth strategies in order to contribute to the realization of a sustainable society and achieve business growth.



Approach to Achieving the Management Vision

By putting its purpose into action, Lion seeks to make a difference in the daily living of a greater number of people. To that end, it will be crucial to have more contact in the course of daily living with more consumers across age groups as

well as to serve consumers in more areas, mainly in Asia. By doing so, we will achieve business growth and increase our market presence in Asia.



Envisioned Financial Performance in 2030

■ Scale:	Net sales of approx. ¥600 billion (In the top 10 in Asia)
■ Share of net sales from the Overseas Business:	Approx. 50%
■ Core operating income:	Approx. ¥50 billion
■ ROIC:	8-12%
■ ROE:	10-14%
■ EBITDA* margin:	10-14%

* EBITDA: Core operating income + depreciation and amortization

Growth Strategies

Our Three Growth Strategies



To realize the management vision, we are implementing three growth strategies to shift business growth into high gear.

The first is **“Accelerate growth in four fields of value creation.”** We have designated four fields in which we will strategically advance innovation on a Company-wide, cross-divisional basis to create new consumer value as growth drivers for the Lion Group in order to achieve the management vision. By evolving existing businesses and creating new value, we will further accelerate growth in Japan and overseas.

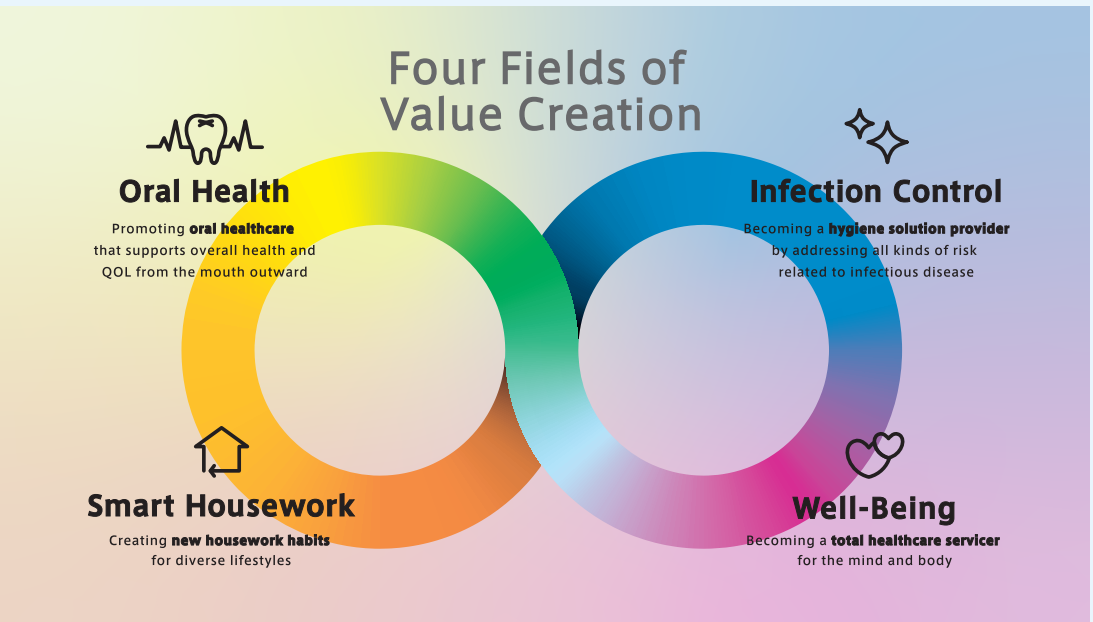
The second is **“Transform our business foundations for growth.”** We will promote business foundation transformation that will spur growth by continuing and reinforcing strategic investment.

The third is **“Generate dynamism to realize innovative change.”** We will transform to realize sustainable growth through corporate brand reinforcement, professional fulfillment reforms and the promotion of diversity and open innovation.



Our three growth strategies: Accelerate growth in four fields of value creation

We have designated four fields of value creation that will be growth drivers going forward. In these four fields, Lion will continue to evolve and develop its efforts to redesign habits—an aspect of health care it is uniquely positioned to address—to reach more consumers, mainly in Asia.



Our Approach to the Four Fields of Value Creation

Oral Health

Evolving from oral care focused on the health of the mouth to oral healthcare that supports overall health and QOL from the mouth outward.

The links between oral hygiene and healthy life expectancy are becoming more apparent all the time. 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.

By providing a more specialized and personalized advanced oral healthcare platform (POHR), Lion aims to create new habits and thereby create new business opportunities, evolving from manufacturer to service provider through the proactive innovation of its business models. *Personal Oral Health Record



Infection Control

Evolving from a hand soap manufacturer that supports good hand washing habits to a hygiene solution provider that addresses all kinds of risk related to infectious disease.

The COVID-19 pandemic has prompted a reexamination of hygiene-related practices, and new markets related to combating infectious disease are emerging. As a company with a long history of supporting cleanliness, Lion's mission is to transform its business and to become a leader in hygiene solutions in Japan and throughout Asia.

Aiming for greater peace of mind throughout society, we will expand our business from living spaces to encompass public and industrial spaces, defending against bacteria and viruses on all fronts—bodies, objects and spaces—by providing hygiene solutions.



Smart Housework

Evolving from offering one-size-fits-all ideas for improving housework to 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. Lion has long focused closely on the daily lives of individuals and will use that expertise to create new housework habits for diverse lifestyles and generate new business opportunities.

Building on the basic concept of smart housework that is more 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

Evolving into a total healthcare servicer for the mind and body to enable consumers to maintain their health naturally and positively.

By enabling each individual to select prevention and treatment solutions for their specific needs, we aim to make it easier for everyone to maintain their health and find happiness every day with their families and communities.

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.



Specific Opportunities: Oral Health Field

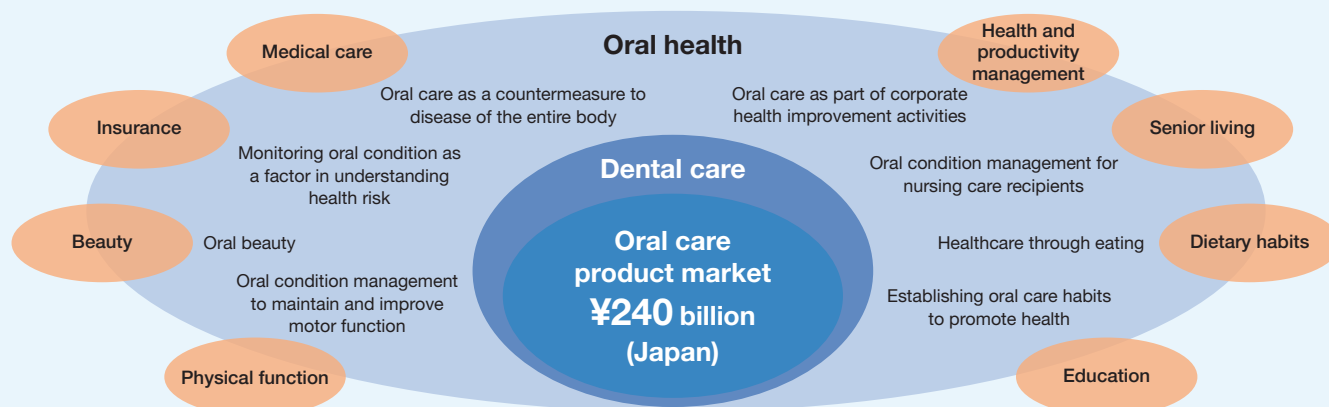
Lion is the leading manufacturer of oral care products (such as toothpaste and toothbrushes) in the Japanese market* and will continue to create new value to drive market growth.

Lion has long operated businesses in the oral care products market based on its oral care-related assets and expertise. Areas adjacent to this market, such as

dentistry and general medical care, present tremendous business opportunities. We will leverage our oral care assets to expand our businesses from oral care into such fields, providing new value in a wide range of healthcare-related aspects of consumer living to contribute to the enhancement of oral health and QOL.

* Based on INTAGE SRI+ cumulative sales data for April 2020 to March 2021 (total for the toothpaste, toothbrush, mouth refresher, mouthwash, denture cleaning agent, dental care product, electric toothbrush and denture adhesive markets)

Provide Value That Starts with Oral Care in Various Aspects of Daily Life



Specific Opportunities

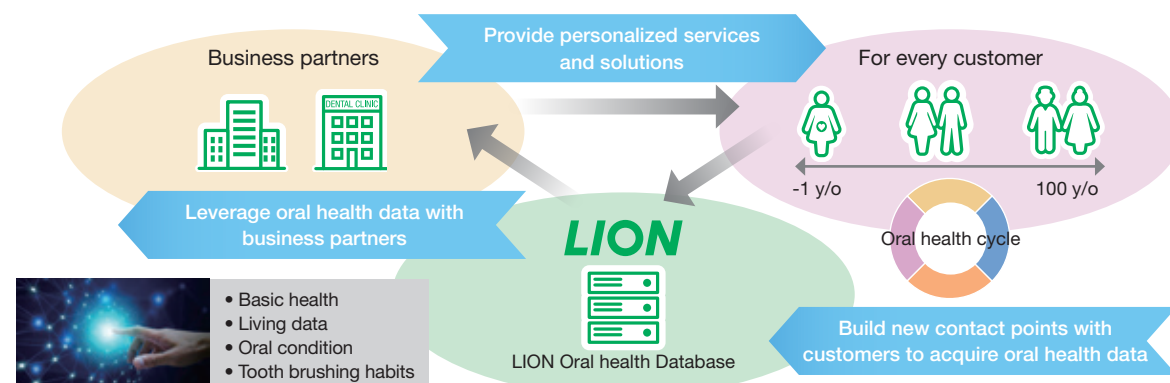
Lion is working to offer better oral health care solutions by utilizing data related to oral health.

In the areas illustrated above, we are building new points of customer contact, collecting oral health data and using this data to provide optimal services and solutions that are personalized to the individual in order to develop

businesses that build long-term relationships with consumers. We are advancing these efforts not only within the Lion Group, but by proactively building partnerships with companies in other industries, dental clinics, academia and other outside stakeholders.

By advancing digital transformation in oral health, we will create new, innovative business models.

Utilize Oral Health Data to Create and Offer Individually Tailored Oral Health Solutions

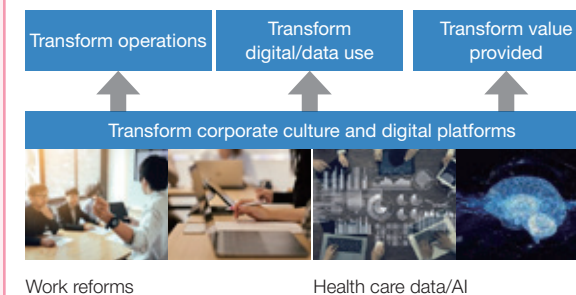


Our three growth strategies: Transform our business foundations for growth

Promote business foundation transformation that will spur growth by continuing and reinforcing strategic investment

Digital transformation (DX)

- Create new value by building digital infrastructure
- Improve efficiency and speed through operational transformation
- Enhance decision-making precision and speed with real-time business data



Reinforce business infrastructure

- Increase production capacity to support business growth
- Develop core systems that will enhance the sophistication of management
- Build a flexible, resilient and sustainable SCM platform
- Build business foundations that are adaptable to new business models



Sakaide Toothpaste Factory
Operations begin July 2021

Our three growth strategies: Generate dynamism to realize innovative change

We will transform to realize sustainable growth through corporate brand reinforcement, professional fulfillment reforms and the promotion of diversity and open innovation

Corporate Branding

In and outside Japan, we will implement **purpose-driven, consistent corporate activities** to continually earn the trust and respect of all stakeholders and increase corporate value.

Professional Fulfillment Reforms

We will enhance our adaptability and innovativeness by **advancing the Lion Professional Fulfillment Reforms** to fully bring out and utilize employees' diverse abilities.



Diversity & Open Innovation

We will accelerate the **utilization of diverse human resources and proactive external collaboration** to transform our ways of thinking and operational speed and methods and thereby continually create new value.

Sustainability

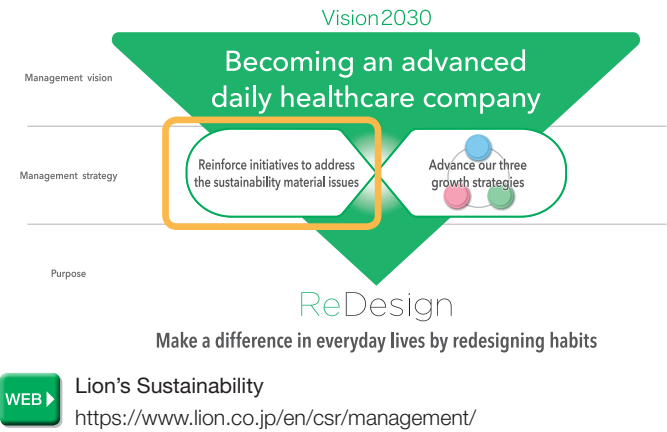
Addressing the Sustainability Material Issues to Achieve the Management Vision

Approach to Sustainability

Upholding its founding spirit of “benefiting society through its business activities,” Lion, in addition to pursuing economic development, has long considered its impact on the environment and society and worked to address related issues through its business activities.

At present, we are tackling key management issues to reduce risks and achieve our management vision for 2030 of “Becoming an advanced daily healthcare company.” At the same time, we are practicing management driven by our purpose, “Make a difference in everyday lives by redesigning habits: “ReDesign.” Based on this 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.



Contributing to the Achievement of the SDGs





As an advanced daily healthcare company, the Lion Group will contribute to the achievement of the Sustainable Development Goals (SDGs) mainly through the realization of SDG 3, “Ensure healthy lives and promote well-being for all at all ages,” through its products and services. Through the Vision2030 long-term strategic framework, Lion will contribute to the realization of a sustainable society in line with the SDGs.

- Promoting oral care habits
- Establishing cleanliness and hygiene habits



Risks and Opportunities Related to Sustainability Material Issues in the Value Chain

Lion has classified its Sustainability Material Issues as presenting either risks or opportunities based on considerations of the entire value chain and its stakeholders.

Value Chain Stage	Raw Material Procurement 	Lion's Activities 	Use by Consumers 	Disposal by Consumers 	
Key stakeholders	Business partners		Customers		
	Employees				
	Shareholders and investors				
	Local communities				
Sustainability Material Issues	Opportunities	● Creating Healthy Living Habits			
		● Promoting Diversity			
		● Promoting Work-Life Balance			
		● Developing Human Resources			
		● Improving Employee Health			
	Risks	● Pursuing Customer Satisfaction and Trust			
		● Promoting Environmental Initiatives for a Sustainable Planet			
		● Enhancing the Occupational Safety Management System			
		● Respecting Human Rights			
		● Building Responsible Supply Chain Management			
		● Promoting Risk Management			
		● Reinforcing Compliance			
		● Enhancing Governance			

Identifying Material Issues

In 2020, the Lion Group applied the steps shown at right to revise its list of Sustainability Material Issues to address over the coming decade in order to achieve its goals for 2030, including the realization of the management vision and contributing to the realization of the SDGs. These Sustainability Material Issues are relevant to both the Lion Group and society at large and, with the goal of helping to realize a healthy future for people and the planet, their choice was informed by broad business, environmental and social sustainability perspectives. In identifying these issues, we comprehensively considered the entire value chain and interests of Lion's stakeholders in order to understand the risks and opportunities each represents.

In particular, we have positioned “Creating Healthy Living Habits” and “Promoting Environmental Initiatives for a Sustainable Planet” as top priority material issues that we must invest management resources toward to secure a competitive advantage.

Our Approach to Identifying Sustainability Material Issues



Steps for Identifying Sustainability Material Issues

- Step 1

Identify social issues
Based on ISO 26000, the SDGs, the GRI Standards and the ten principles of the UN Global Compact, 39 social issues were identified.
- Step 2

Consider each issue's impact on society and businesses
The issues identified in Step 1 were evaluated in terms of their impact on society and businesses and reviewed by related departments and the Sustainability Promotion Meeting.
- Step 3

Investigate the soundness of the material issues
The soundness of each item was investigated in light of the viewpoints of third-party institutions and the issues were revised as necessary.
- Step 4

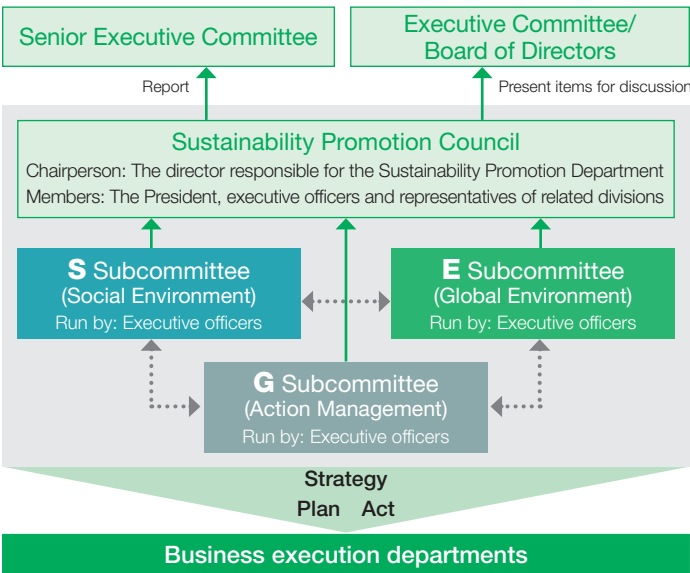
Obtain approval from the Executive Committee and Board of Directors
The Sustainability Material Issues identified were approved by the Executive Committee and Board of Directors.

Sustainability Management

Sustainability Promotion Council

In order to promote sustainable management, until 2020 we held the Sustainability Promotion Meeting, comprising all executive directors, including the president, and related departments. In 2021, we revised this implementation system and established the Sustainability Promotion Council, which meets twice a year.

We have established three subcommittees under the council, each headed by an executive officer, positioning top management at the forefront of promoting Sustainability Material Issues more than ever before. Decisions made by the Sustainability Promotion Council are reported to the Senior Executive Committee and, as necessary, presented to and discussed by the Executive Committee and the Board of Directors and before being reflected in the business activities of the business execution departments.



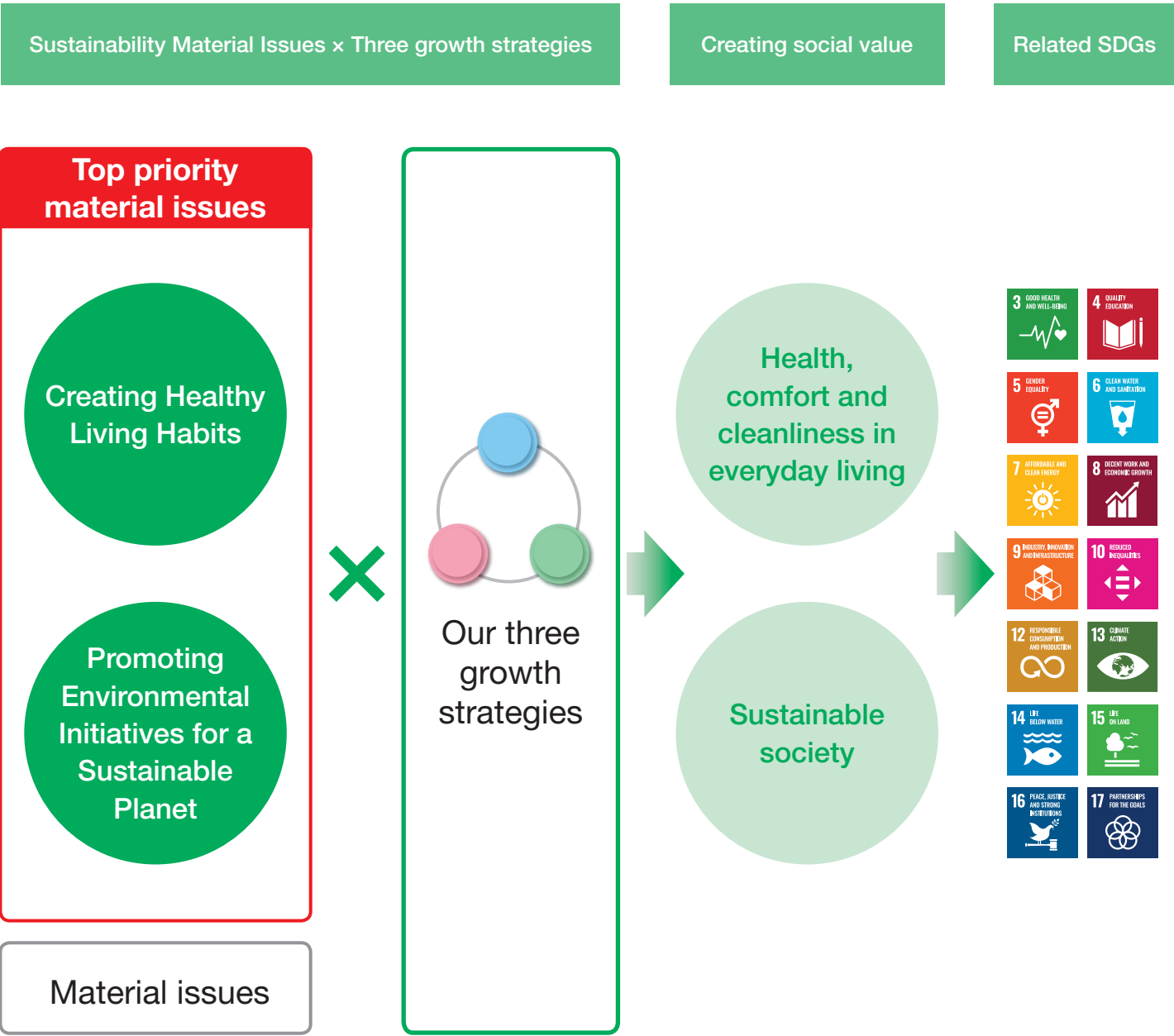
The Lion Group Sustainability Material Issues and Objectives for 2030

With an eye to achieving its management vision of “Becoming an advanced daily healthcare company” by 2030 and contributing to the Sustainable Development Goals (SDGs), a set of shared global goals for 2030, the Lion Group has established the Lion Group Sustainability Material Issues and objectives for 2030.

The Lion Group believes that it is crucial to take a longer-term perspective in order to ensure that it can continue to meet the needs of society and customers and grow its businesses. Furthermore, in light of the novel coronavirus

(COVID-19) pandemic and changes in the social environment since 2020, we have revised our objectives. Aiming for a higher level of achievement, the 2030 objectives include quantitative indicators for evaluating our progress.

Taking an integrated approach that incorporates sustainability into management strategy, the Lion Group aims to contribute to the realization of a sustainable society and achieve further business growth.



The Sustainability Material Issues and 2030 Objectives

* The Sustainability Material Issues and objectives published in 2020 have been partially revised.

Material issues		Objectives	Indicators	Related SDGs
E	Top priority material issues	Promoting Environmental Initiatives for a Sustainable Planet WEB	Reduce CO ₂ emissions throughout business activities and product life cycles.	<div><div>3679</div><div>12131415</div><div>17</div></div>
		Promote the 3Rs (reduce, reuse, recycle) and renewable activities.	• Recycled plastic and biomass plastic usage ⇒ Double 2017 levels	
		Reduce water usage throughout product life cycles.	• Water usage ⇒ Down 30% compared with 2017 levels (per unit of net sales)	
S	Creating Healthy Living Habits WEB	Provide opportunities for everyone to practice oral healthcare whenever necessary, regardless of living environment, physical condition, economic status, education or access to information, etc.	• Persons provided with products, services and information aimed at creating healthy living habits ⇒ 1 billion	<div><div>34610</div><div>1217</div></div>
		Promote the establishment of hygienic habits that prevent bacteria and viruses from entering the body across all aspects of daily living.		
	Promoting Diversity WEB	Enable human resources with diverse values and ideas to fully express their individuality and abilities and succeed professionally.	• Ratio of women in management ⇒ 30% or more • Employees who feel that employees with diverse values are enabled to succeed professionally ⇒ 80% or more	<div><div>5810</div></div>
	Promoting Work-Life Balance WEB	Realize workplaces in which every employee can utilize their abilities in ways that suit their lifestyles and achieve professional fulfillment in their work.	• Employee engagement ⇒ Increase from the 2021 level	<div><div>38</div></div>
	Developing Human Resources WEB	Create environments that allow all employees to exercise their diverse abilities to the fullest to foster human resources who generate dynamism to realize innovative change.	• Employees who are using diverse educational programs (Lion Career Village) for individualized skill acquisition and ability development ⇒ 100%	<div><div>5810</div></div>
	Improving Employee Health WEB	Support mental and physical healthcare for employees to reinforce Group human resources and achieve sustainable corporate growth.	• Employees getting dental checkups ⇒ 100% • Absenteeism ⇒ Improve from the 2021 level	<div><div>3817</div></div>
	Enhancing the Occupational Safety Management System WEB	Enhance systems to ensure compliance with occupational health and safety laws and regulations and thoroughly enforce safety awareness and facility safety to ensure occupational safety, health and comfort for employees and outside partners.	• Participation in safety education and training ⇒ Implement as planned (100%) at work sites • Serious health and safety legal violations ⇒ Zero • Serious accidents and incidents ⇒ Zero	<div><div>38</div></div>
	Respecting Human Rights WEB	Ensure respect for the human rights of all stakeholders affected by Group business activities in line with the LION Human Rights Policy.	• Human rights due diligence implementation for material human rights issues ⇒ 100%	<div><div>581016</div><div>17</div></div>
	Building Responsible Supply Chain Management WEB	Implement sustainable procurement with zero tolerance for human rights and labor problems (including child labor and forced labor) or environmental destruction in line with the Sustainable Material Procurement Policy and Lion Group Supplier CSR Guidelines.	• Procurement of third-party certified paper and pulp (FSC, PEFC, etc.) and palm oil, palm kernel oil and their derivatives (RSPO, etc.) ⇒ 100% • Procurement of third-party certified paper and pulp (FSC, PEFC, etc.) and palm oil, palm kernel oil and their derivatives (RSPO, etc.) from suppliers that support efforts aimed at zero deforestation ⇒ 100%	<div><div>5678</div><div>10121314</div><div>151617</div></div>
	Pursuing Customer Satisfaction and Trust WEB	Promote and reinforce consumer-oriented management by improving customer support quality and the value of products and services.	• Products in which consumer opinions are reflected ⇒ 100%	<div><div>31012</div></div>
G	Promoting Risk Management WEB	Build a comprehensive and exhaustive risk management system for identifying and quickly and appropriately dealing with risks related to the Lion Group to achieve sustainable corporate growth.	• Disclosure of the results of monitoring significant business risks and progress in implementing reduction measures ⇒ At least once a year	<div><div>812</div></div>
	Reinforcing Compliance WEB	Reinforce effective initiatives to instill compliance awareness throughout the Lion Group to earn and maintain the trust of society.	• Participation in compliance education and training ⇒ Implement as planned (100%) at work sites • Serious compliance violations ⇒ Zero	<div><div>51016</div></div>
	Enhancing Governance WEB	Build sound, fair, transparent and highly effective governance systems to enable sustainable corporate value enhancement.	• Disclosure of the results of monitoring the establishment and operation of internal control systems ⇒ At least once a year • Improvement in evaluations from external organizations ⇒ Improve from the 2020 level	<div><div>16</div></div>



The Lion Group, in providing daily commodities and services, plays an important role in society, and we believe that helping establish basic living habits, like tooth brushing and hand washing, is at the core of our value creation. Driven by our purpose, “Make a difference in everyday lives by redesigning habits: ReDesign,” we are pursuing initiatives to address issues ranging from the personal to the societal, aiming to create healthy living habits for 1 billion people around the world.

Oral Care Habit Initiatives

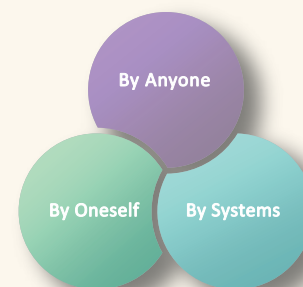
Leveraging our strength as the oral care product manufacturer with the top market share in Japan,* going forward, we will aim for business expansion under the concept of “oral healthcare,” transcending the bounds of our existing businesses to support overall health and quality of life (QOL) from the mouth outward. Looking for ways to

make a difference utilizing Lion's unique strengths, we turned our attention to health disparities. To address this issue, which is expected to grow in significance worldwide going forward, we have launched new initiatives to promote Inclusive Oral Care over the coming decade ending in 2030.

* Based on INTAGE SRI+ cumulative sales data for April 2020 to March 2021 (total for the toothpaste, toothbrush, mouth refresher, mouthwash, denture cleaning agent, dental care product, electric toothbrush and denture adhesive markets)

Inclusive Oral Care

Making a difference for individuals and society through oral care.



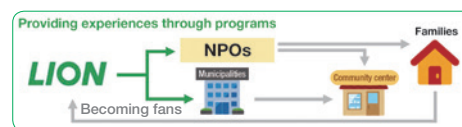
Three Credos

In 2021, we kicked off our inclusive oral care efforts, with the launch of two initiatives aimed at providing education and information and eliminating economic disparities.

① Supporting Children

Programs to develop self-esteem

- Compared with the children of more affluent households, the children of economically disadvantaged families typically grow up having fewer positive experiences—like being praised, communicating with adults and acquiring life skills—and have significantly lower self-esteem.
- Human beings must eat to live, and tooth brushing is closely related to eating. Using this as an entry point, Lion offers a variety of oral health-related programs via children's community centers that provide meals and services that deliver food to households with children. These programs provide the kind of positive experiences that children need to grow their self-esteem.
- We are coordinating with NPOs and municipalities to build support frameworks for children.



Focus Agreement Regarding Inclusive Oral Care

In March 2021, Lion and the NPOs Florence and Musubie formed an agreement to work together to build frameworks for supporting the activities listed at left in order to support children by providing oral care opportunities.



② Using Verified Sustainable Mint from Growers in India

Supporting systems for sustainable mint production by using verified sustainable mint

- Lion's toothpastes are flavored using high-quality natural mint selected from sources around the world. The mint species *Mentha Arvensis* is particularly key to rounding out the flavors of our products, and India is its greatest producer.
- Lion is switching to the exclusive use of *Mentha Arvensis* verified via strict inspections* for all Lion toothpastes (beginning with *Dentor Clear MAX* in June 2021 and expanding to all brands thereafter).
- * This mint is produced by growers verified under the Farm Sustainability Assessment (FSA, a survey comprising 127 questions about social and environmental practices) as meeting certain standards related to management, the environment, labor and production. The FSA is operated by the Sustainable Agriculture Initiative Platform (SAI Platform), which supports the creation of sustainable agricultural supply chains.
- The ongoing procurement of verified mint will encourage more growers to get verified, in turn supporting the realization of sustainable mint production systems.



A representative from a flavoring company explaining verification to growers

Hygiene Habit Initiatives

As the global COVID-19 pandemic rages on, taking care to prevent infection has become a regular party of daily life. The Lion Group provides stable supplies of hand soaps and sanitizers and carries out educational programs about correct hand washing habits in Japan and across Asia.

Going forward, using digital tools, we will work to spread hygiene habits suited to living in the new normal created by the pandemic as we evolve our businesses accordingly.

WEB Lion's Initiatives Related to COVID-19 (Japanese)
<https://www.lion.co.jp/ja/covid19info/>

The Lion Group's Initiatives Related to COVID-19

Stable supply of hand soaps and hand sanitizers, etc.

Providing information about hygiene in daily living (via our website, etc.)

Donations for healthcare workers

Donated hand soap, toothpaste, cooling sheets for feet and other products (Lion Corporation (Singapore) Pte Ltd)

Other support

- Donated hand soap, toothpaste and toothbrush travel sets to quarantine facilities for Diamond Princess cruise ship passengers and crew and individuals returning from Wuhan, China (Japan)
- Donated ¥215 million to support the overall activities of the Red Cross (Japan and China), including infection countermeasures, with the aim of supporting healthcare workers

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

Taught correct hand washing methods at kindergartens and hospitals and donated to healthcare workers

Lion Corporation (Korea)

Promoted hand washing in stores and hygiene products donated to hospitals

Lion Corporation (Thailand) Ltd.

Donated hygiene products to taxi drivers, who come into contact with many people

Lion Corporation

Carried out a hand washing awareness-raising event in with other companies, including an experiment with a black light

Southern Lion Sdn. Bhd.

Taught children correct hand washing techniques
Donated hygiene products

Lion Corporation (Singapore) Pte Ltd

Lion Corporation (Hong Kong) Ltd.

Lion Home Products (Taiwan) Co., Ltd.

Taught kindergarteners hand washing techniques using a video

WEB Lion Group's Social Contribution Activities
<https://www.lion.co.jp/en/csr/community/overseas/>



In 2019, the Lion Group established the LION Eco Challenge 2050, a set of long-term environmental objectives, to contribute through its business activities to the accomplishment of worldwide goals related to addressing global-scale environmental problems, such as those identified by the Paris Agreement and the Sustainable Development Goals (SDGs). Aiming to realize a decarbonized, resource circulating society, we are putting into practice initiatives aimed at solving issues related to decarbonization, plastics and water resources.



Greenhouse Gas Reduction Targets and Initiatives Recognized by International Initiatives



Disclosure of Management Strategy for Addressing Climate Change and Environmental Policy
In May 2019, Lion endorsed the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and began evaluating the financial impact on its operations of climate-related risks and opportunities (scenario analyses).

Going forward, we will leverage insights gleaned thus far while enhancing our scenario analyses, considering response measures and advancing disclosure based on the TCFD framework.



Greenhouse Gas Reduction Target Validated by the SBT Initiative
In July 2020, Lion's greenhouse gas (GHG) reduction target for 2030 (an interim goal under LION Eco Challenge 2050) was validated by the Science Based Targets (SBT) initiative as being aligned with the Paris Agreement target of limiting global warming to well below 2°C.



GHG Reduction Disclosure and International Evaluation
Lion has been included for two consecutive years on the Supplier Engagement Leaderboard, a select list of the highest rated companies under the Supplier Engagement Rating (SER)* of the CDP, an international non-profit organization that provides systems for environmental information disclosure.

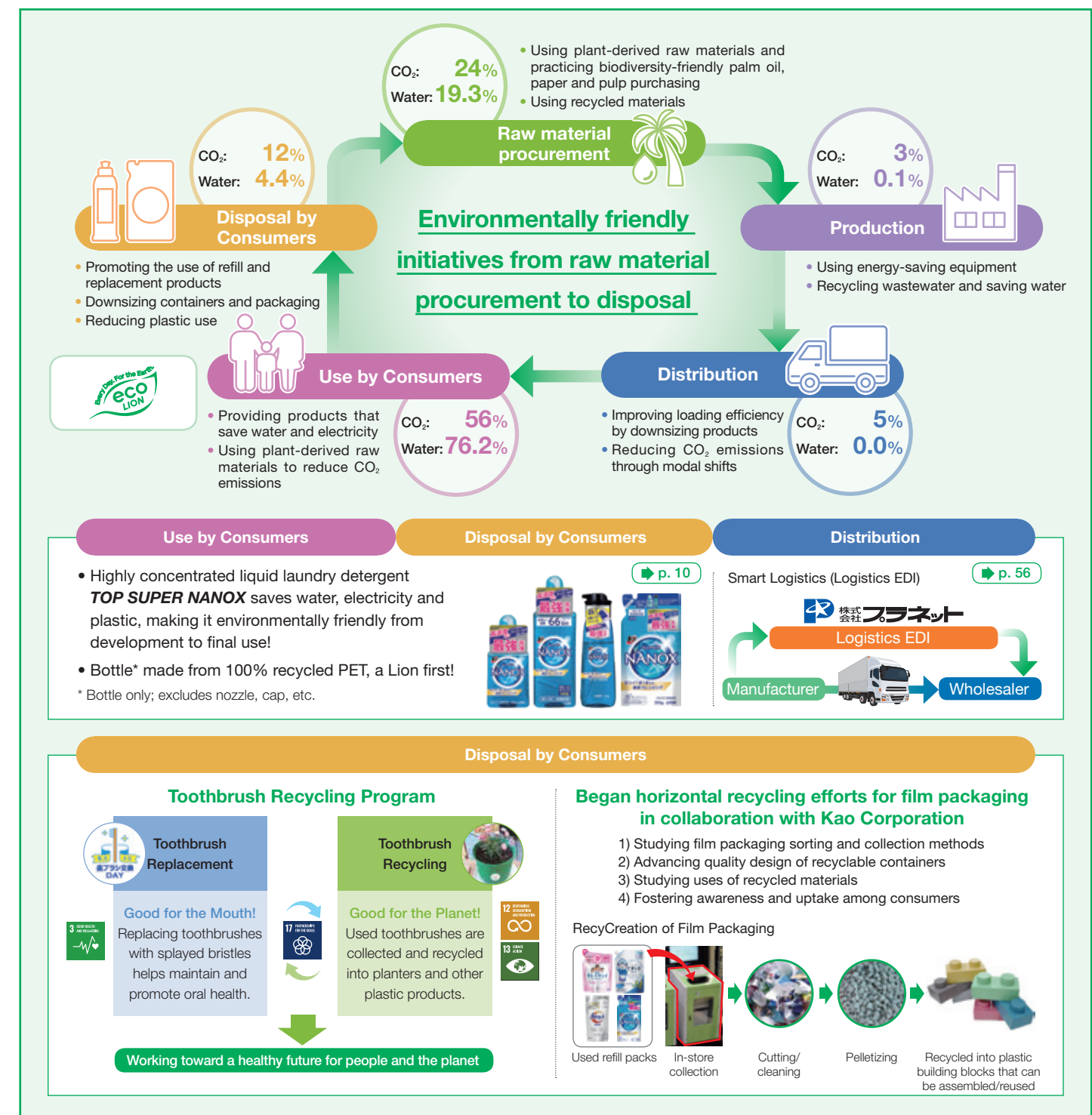
* A rating of companies' efforts to engage with other entities in their supply chains on the issue of climate change as part of their initiatives to reduce GHGs throughout their supply chains.

Realizing a Decarbonized, Resource-Circulating Society

The planet faces numerous environmental problems, including extreme weather due to climate change, resource depletion, water shortages and marine plastic waste. Addressing these problems is a pressing issue for the entire world, and doing so will require each individual to deepen their understanding of environmental problems and work together.

At every step from raw material procurement to production, distribution, product use and disposal, the Lion Group is accelerating initiatives aimed at realizing a decarbonized, resource-circulating society and reducing environmental burden by manufacturing and selling environmentally friendly products, promoting environmentally friendly habits and collaborating with stakeholders.

Reducing Environmental Impact over the Product Life Cycle, Including During Customer Use





Redesigning Habits for Changing Living Environments to Drive Market Creation

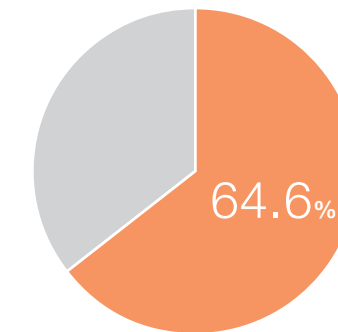
Masayuki Takemori
Executive Officer,
Executive General Manager of Health and Home Care Products Division



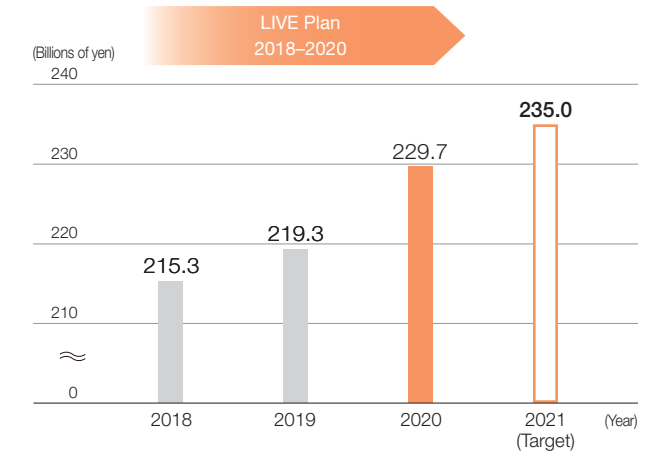
* Market share information is based on Lion surveys.

2020 Results

Percentage of Consolidated External Sales



External Sales



Review of 2020

In the Consumer Products Business, we worked to increase our market presence by introducing and cultivating new high-value-added products, primarily in mainstay brands. At the same time, in response to the increase in hygiene needs caused by the novel coronavirus (COVID-19) pandemic, we boosted our hand soap production capacity to ensure adequate supply and strived to disseminate correct hand washing methods and other useful information.

In oral care products, the launch of new products and increased sales of high-value-added products contributed to ongoing growth. Sales grew considerably in beauty care products, which include products that address hygiene

needs, and living care products, which saw a rise in demand due to increased time spent at home. However, performance was unfavorable in fabric care products, which are facing increasingly fierce competition, as well as in pharmaceutical products, which were impacted by decreased demand from inbound tourists due to the COVID-19 pandemic. Furthermore, challenges remain with regard to the quick and flexible provision of information, products and services in response to demand shifts and other changes in the market environment and consumer needs arising from the threat of viral infection, and the entire Company is working to promote digital transformation and further reinforce supply chain management.

Market Environment

As of May 2021, the COVID-19 pandemic shows no signs of subsiding, and the outlook for consumption and the economy remains unclear. However, certain changes are apparent in consumer mindsets, caused by changes in living environments due to the pandemic. These changes include, for example, increased hygiene awareness in the form of a desire to maintain a clean environment in the face of the threat of viral infection as well as increased attention to housework as consumers spend more time at home. Such shifts in mindsets and behavior are being reflected in

consumption patterns as well, leading to market expansion. At the same time, contraction in demand from inbound tourists to Japan and increased consumer frugality in response to economic instability have led to a contraction in the toothbrush market, with consumers replacing their toothbrushes less frequently, decreasing sales volumes. Given the current lack of clarity, it is especially important to closely examine and understand changing consumer mindsets and behavior and offer new habits to achieve business growth via the creation of new markets.

Consumer Products Business Strategy

We believe the “new normal” brought about by the COVID-19 pandemic will further expand the social role and significance of Lion as a familiar presence in daily living. We will therefore further reinforce our product and service offerings centered on our purpose, “Make a difference in everyday lives by redesigning habits: ReDesign,” aiming to serve more consumers. The pandemic has caused major changes in consumer values and lifestyles, including increases in hygiene needs and shifts in housework patterns. By redesigning habits through the speedy provision of products that respond to these changes, we will create new markets and thereby achieve business growth.

Oral Care Strategy

In Oral Care Products, as the manufacturer with the leading market share in Japan, we employ a comprehensive strategy, offering brands for various consumer life stages and oral conditions (*CLINICA* for cavity prevention, *NONIO* for bad-breath care, and *SYSTEMA* and *Dent Health* for gum disease prevention). In this way, we are driving the growth of the oral care market. Going forward, in addition to further developing our four mainstay brands, we aim to expand the high-end whitening market through our new brand, *Lightee*.

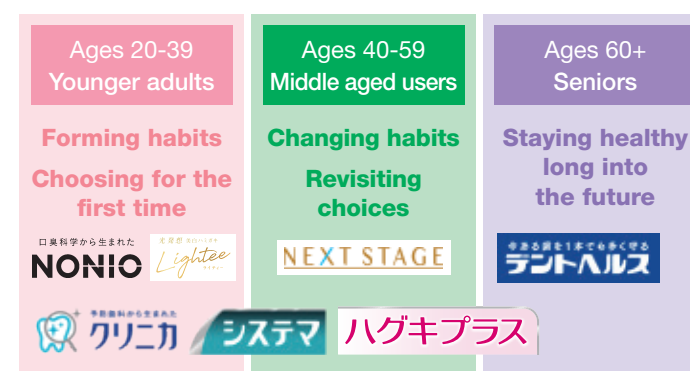
Lion has a long history of promoting oral care awareness and education. Since 2014, through the *CLINICA* brand, we have been promoting the practice of preventive dentistry involving regular professional care* alongside self-care, simultaneously increasing oral care awareness and boosting customer spending, helping to expand the market. Since the launch of the new *MIGACOT* brand in 2020, we have also been engaged in awareness-raising to promote the establishment of after-lunch tooth brushing habits.

In addition, one of our growth strategies for achieving our management vision is “Accelerate growth in four fields of value creation.” In fields that will serve as drivers of growth, where we can evolve and develop the redesigning of habits, we will advance thinking and coordination across the boundaries of existing businesses, domestic and overseas, to contribute to habit creation for more consumers across more aspects of daily living.

In recent years, the advance of research into the links between gum disease and ailments of the entire body has led to growing recognition of the importance of oral care. Using insights from years of research and our strength as the manufacturer with the top market share in Japan, going forward we will aim for business expansion under the concept of “oral healthcare,” transcending the bounds of our existing businesses to support overall health and quality of life (QOL) from the mouth outward.

* Regular checkups at dental clinics, etc.

Comprehensive Strategy for Oral Care



Beauty Care Strategy

In Beauty Care Products, we are focusing primarily on the *KireiKirei*, *hadakara* and *Ban* brands, aiming to help realize mental and physical health through the beauty of cleanliness based on hygiene awareness. In particular, *KireiKirei* was launched in 1997 following a series of large-scale outbreaks of E. coli in 1996 that led to incidents of group infection in Japan. With this brand, Lion introduced the novel proposition that hand washing with a hand soap can be fun and focused efforts on spreading hand washing habits in schools and homes, helping establish such habits in Japan and securing the top market share in the domestic hand soap market. The experience of the COVID-19 pandemic has led to a renewed awareness of the importance of hand washing for infection prevention. Lion is taking this opportunity to evolve *KireiKirei* from a hand soap brand to a broader hygiene brand to better realize cleanliness and hygiene in everyday living. New products planned for 2021 will not simply expand the brand's lineup, but offer new types of products designed for use in different situations and

suggest new habits to contribute to the establishment of hygienic habits beyond hand washing, thereby facilitating market expansion and business growth.

Hygienic Practices That Prevent Germs from Entering the Body



Fabric Care and Living Care Strategy

In Fabric Care and Living Care Products, Lion offers high-value-added products designed around consumer needs to eliminate various sources of stress in housework while contributing to market expansion by increasing product unit prices. In Fabric Care Products, to further expand the use of our mainstay highly concentrated liquid laundry detergents and fabric softeners, we will respond to a shift in demand toward bulk purchasing brought about by the COVID-19 pandemic by reinforcing our lineup of large-size products. In addition, reflecting increasing hygiene needs, we have launched a new *Bright* bleach brand product for use in pretreating garments before washing. With this launch, we are suggesting the new habit of beginning the

laundry process in the laundry basket and thereby contributing to market expansion.

In Living Care Products, we are pursuing value in cleanliness and hygiene and promoting more efficient, labor-saving housework under the concepts of “making kitchen work easy” for dishwashing detergents, “cleanliness without strenuous effort” for household cleaners and “making real cooking simple” for food preparation products. Rather than approaching housework as a single, monolithic category, we are offering a new standard of next-generation housework to fit diverse lifestyles.

Pharmaceutical Product Strategy

In Pharmaceutical Products, we are offering self-care solutions that enable individuals to freely choose optimal solutions to their specific ailments or discomforts through our mainstay brands, including *BUFFERIN* and *Smile*. In 2020, we expanded our dermatologic agent offerings as a third pillar of this business alongside antipyretic analgesics and eye drops. Due to the loss of demand from inbound tourists due to the pandemic, the OTC drug market has been stagnant. Given the situation, focusing primarily on the

five key fields of antipyretic analgesics, eye drops, antidiarrheals, gastrointestinal medicines and dermatologic agents, Lion is leveraging the unique advantage provided by its broad insight ranging from household products to OTC drugs to promote a shift toward higher-added-value products, bring out latent demand and propose solutions that will accelerate the cultivation of new demand. By doing so, we will revitalize the market.



Advancing a Strategy of Glocalization to Increase Our Market Presence in Asia

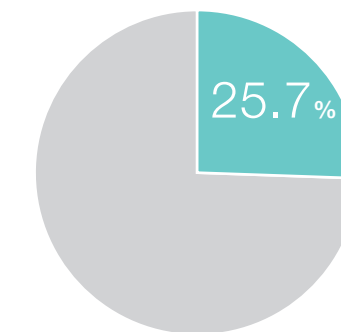
Annette Ling
Executive Officer
Executive General Manager of International Division



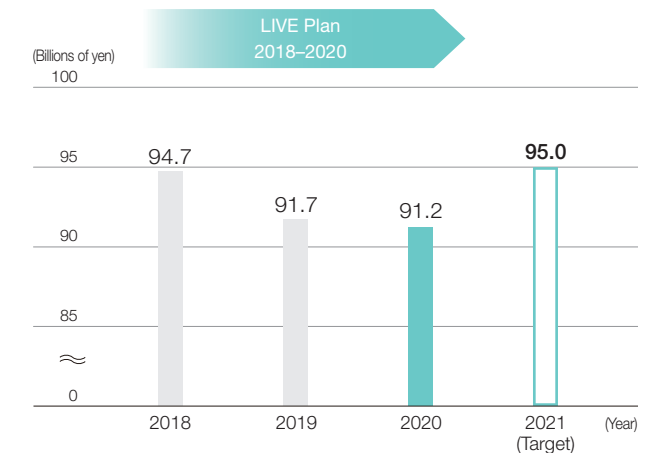
* Market share information is based on Lion surveys.

2020 Results

Percentage of Consolidated External Sales



External Sales



Review of 2020

In 2020, business in Southeast Asia struggled due to stagnant consumption, but sales in China drove sales in Northeast Asia, leading to an overall increase in revenue. In Northeast Asia, performance was strong in China, where business made a quick recovery from the impact of the novel coronavirus (COVID-19) pandemic, while sales in South Korea saw double-digit growth due to the strong performance of hand soaps, an area in which Lion boasts the

leading market share. Lackluster performance in Southeast Asia was primarily attributable to decreased consumption due to lockdowns and limits on activity in Thailand and Malaysia, but also reflected an overall slowing of growth. Accordingly, speeding up ongoing efforts to shift to a sales mix that is not dependent on fabric care products in Thailand and Malaysia remains a challenge going forward.

Market Environment

In 2020, hand soap and other hygiene-related product markets in Asia grew considerably. However, decreased consumption caused stagnation and year-on-year shrinkage in markets for toothpaste, toothbrushes and laundry detergents. Going forward, the outlook regarding such factors as the impact of COVID-19, geopolitical risks, foreign currency exchange and raw material markets is unclear, and the risk of market stagnation remains.

Looking at consumer behavior, reflecting lifestyle changes due to the growth of middle-income populations and demographic graying, needs for healthcare products and hygiene-related products that support the establishment of hygiene habits are growing. At the same time, the COVID-19 pandemic has accelerated growth in online purchasing. We are working to build a stable business structure that is resilient to such changes in the external environment and advancing business development focused on the quantitative and qualitative growth of the Overseas Business.

Strategy

To achieve its management vision, Lion seeks to make a difference in the everyday lives of more people. The Overseas Business has a major role to play in realizing

Lion's goals of having more contact with consumers in the course of daily living and serving more consumers in more areas, mainly in Asia. We aim for sales from the Overseas

Business to account for approximately 50% of total net sales by 2030 and are accelerating the transformation of this business with an emphasis on strong top-line growth.

To expand the Overseas Business, we are integrating globalization and localization approaches to advance a strategy of glocalization and create unique competitive advantages. The countries and regions of Asia present diverse needs, reflecting differences in economic conditions, religions and cultures, but lifestyles and needs are growing increasingly similar, particularly in urban areas. To provide useful value to more consumers across more aspects of daily living, rather than offering uniform products across all markets, we must analyze and understand the trends and characteristics of each country and region to advance regionally optimized product development while maintaining a global perspective. Under this glocalization strategy, we are particularly focusing on expanding business in China and promoting the establishment of good habits through education to expand our businesses in oral care and hygiene-related products.

In recent years, we have more actively worked to enter new fields through product development based on insights into local markets. For example, in South Korea, we have entered the K-beauty market, a subject of significant buzz in Japan, with the *RAWQUEST* brand. In Indonesia, we launched the *POISE* skincare brand, targeting the growing middle-income

Expanding Our Business in China

Consumption in the Chinese market has made a strong recovery, reflecting the effective control of COVID-19 infections. This market is crucial to Lion, which considers China the country of greatest importance to the Overseas Business. In 2020, to speed up and expand the overall oral care business, divisions in Japan and China worked together to enhance market research and product planning, and a global brand development task force was dispatched to China. Furthermore, we held several Chinese business strategy meetings that included members of top management as part of proactive efforts to develop this business. As consumer purchasing increasingly moves online, we are using live commerce and other sales approaches that are increasing in importance in China, and our e-commerce is growing considerably. The oral care business accounts for a large portion of our business in

population, as well as the *Emeron Lovely* cosmetics brand, targeting younger users. Such entries into new markets will serve as a growth engine for the Overseas Business and allow us to build and develop business models and marketing know-how in fields that we have not yet entered in Japan.

We are also building systems to promote regionally optimized product development. For the Southeast Asia business area, since 2019 we have stationed Lion employees at the Singapore office to pursue regional business development. These employees have applied a global perspective to increase manufacturing speed and cost efficiency in the development, manufacture and sale of common regional products. Using the experience and insight yielded by these efforts, going forward, we will formulate and implement regional strategies for each business area, covering Northeast Asia as well, while reinforcing coordination with related departments in Japan to transition to a model of Company-wide involvement in the Overseas Business.

Furthermore, to expand the Overseas Business and make a difference in the daily lives of people in more areas, increasing the number of countries in which we do business will be crucial. We are considering a variety of ways to quickly enter new countries in Southeast Asia and West Asia, including M&A, mergers and tie-ups.

China. In this area, we launched online sales of the *Smart Key* electric toothbrush, in September 2020. Developed based on local insights, this product has performed favorably. Furthermore, targeting the high-end tooth-whitening toothpaste category, which is growing considerably in China, we launched *Lightee* in March 2021, marking Lion's first ever simultaneous product release in Japan and China. Through these and other new initiatives, we are working expand business in China.



Smart Key

Lightee

Expanding the Oral Care Business

As lifestyles change and lengthening average lifespans lead to demographic graying in countries and regions across Asia, the importance of oral care in supporting quality of life (QOL) is rising. These conditions call for product development finely tailored to the levels of oral hygiene knowledge and awareness and income in each country and region. Until now, the Lion Group has marketed products based on their functionality, primarily under the *Systema* brand. Going forward, in line with the changing environments of each country and region, we will shift the *Systema* brand toward higher-added-value products centered on gum disease care

Expanding the Hygiene-Related Product Business

Due to the ongoing COVID-19 pandemic, demand for hand soap and other hygiene-related products continues to expand. To increase its presence in the hygiene-related product market, under its glocalization strategy, Lion offers *KireiKirei* hand soaps and is expanding its lineup of hygiene-related products to meet local needs in each country and region where it does business. In 2020, to quickly respond to rapid market expansion, we increased production capacity for *KireiKirei* products in South Korea and Thailand and aggressively rolled out hand soaps, hand sanitizers and other products in each country and region. Furthermore, in South Korea, we launched *hygia*, a specialized hygiene brand that offers new habits designed for living amid the COVID-19 pandemic. This new brand's concept is centered on evidence-backed antibacterial, disinfectant and antiviral effects as well as safety, and we aim to develop it into a

and reinforce brand development based on emotional appeal to target younger demographics, such as Generation Z, as with *NONIO*, which puts the focus on interpersonal relations. At the same time, in all the countries and regions where Lion operates, in addition to providing products and services, creating healthy living habits through education and the dissemination of information is Lion's social responsibility and key to its local strategies. We are undertaking preventive dentistry educational activities in cooperation with dentistry experts and retailers to promote the establishment of good oral care habits.

second regional brand in addition to *KireiKirei*. As in oral care, we are focusing efforts on hand washing education to promote the establishment of hygiene habits in each country and region.

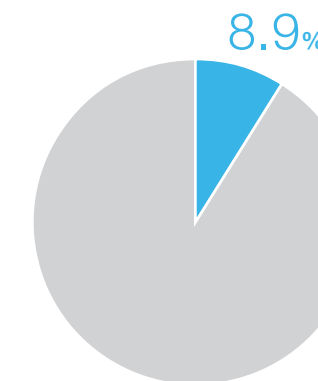


Hand washing educational programs in Asia

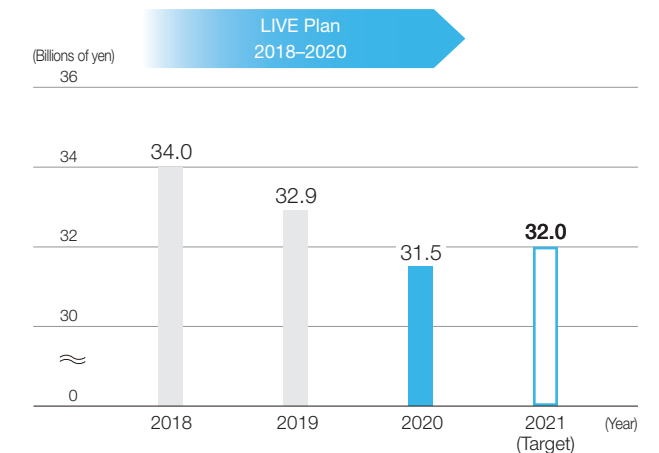


2020 Results

Percentage of Consolidated External Sales



External Sales



Chemical Products

Review of 2020

In 2020, the Chemical Products business was affected by the global novel coronavirus (COVID-19) pandemic. From the second quarter onward, in our key categories of Automotive and Electrical and Electronics, demand for chemical agents used in tires and rubber fell due to decreased automobile production, as did demand for electronic components used in smartphones and other applications. In the latter half of the year, our businesses

were significantly impacted by decreases in fiber processing and cosmetics production in Japan.

However, as operations at factories in China recovered in the second half of the year, sales of highly profitable carbon for secondary batteries and adhesive compounds for displays improved. As a result, we secured core operating income approximately on par with the previous year.

Market Environment and Strategy

Lion Specialty Chemicals Corporation (LSC) is involved in the manufacture and sale of chemical products. Based on our core interface science technologies, we leverage our accumulated technologies in such areas as surfactants, carbon, polymers, rubber and fiber processing and fatty-acid nitrogen derivatives to provide distinctive niche products in the four categories of Automotive, Electrical and Electronics, Lifestyle-Related Industry and Energy, Environmental & Infrastructure. In 2020, the market environment underwent tremendous changes, and in 2021 work styles (including the adoption of remote work in response to the pandemic) continue to change, while many countries are implementing green industry expansion strategies to bolster their economies. In response to these developments, going forward, LSC will aggressively work to provide value to markets centered on CASE (connected, autonomous, shared and electric) technologies, an area in which it boasts a highly environmentally friendly product line that enjoys

high market share. Specifically, we will develop products useful for reducing interpersonal physical contact and implementing safety measures as well as provide materials for and develop recyclable products (in line with the 3Rs) and CASE-related products.

In addition, positioning sanitary products for the healthcare market (primarily fatty-acid nitrogen derivatives for cleaning and hygiene applications) as another key area, we will develop products to respond to post-pandemic market environment changes. To achieve its vision of becoming a “Global niche company that provides new value to advanced products for our industrial customers,” LSC will continue to develop and offer global niche products that meet the needs presented by market changes and that prioritize ESG considerations in order to contribute to sustainable social development.

[Lion Specialty Chemicals Co., Ltd.
https://www.lion-specialty-chem.co.jp/en/](https://www.lion-specialty-chem.co.jp/en/)

Detergents for Institutional Use

Review of 2020

In 2020, the restaurant and hotel industries, which constitute key customer bases in the detergents for institutional use field, were heavily damaged by the COVID-19 pandemic. While this had a major negative impact on our dishwasher detergent and cleaning product businesses, demand for hygiene-related products, including hand soaps, hand

sanitizers and alcohol sanitizers, grew significantly. Through cooperation across the Lion Group, we carried out the emergency development and launch of ethanol sanitizers for institutional use. Overall, the category saw year-on-year sales growth and helped boost the profitability of the Industrial Products Business.

Market Environment and Strategy

Lion Hygiene Co., Ltd. is involved in the development and sale of products used in industrial facilities and food-service industries, spanning the restaurant and home meal replacement (HMR) industries, food processing plants, medical and nursing care facilities, and hotel and cleaning industries. In 2020, the business environment underwent tremendous changes, making clearer than ever the importance of the role of Lion Hygiene Co., Ltd., which seeks to provide expertise in hygiene management. In 2021, it remains extremely unclear when the COVID-19 pandemic will subside and what the ultimate extent of market damage will be. Nevertheless, we will provide corporate users of our products with proprietary solutions centered on cleanliness and hygiene to contribute to the solution of social issues, and, aiming to become a core business in B to B areas for advanced daily healthcare, we will reinforce user-oriented product development and offerings.

Among our wide array of customers, we are focusing particular efforts on food processing plants and central

kitchens. While the restaurant industry has suffered in the pandemic, the HMR industry is expected to remain steady going forward, reflecting demand created by increased time spent at home. We will work to expand into peripheral fields, mainly in the areas of vegetable-washing detergents and systems, including the *Yasai Kirei MiBO* vegetable-washing system, which is already in use at a major convenience store chain's food processing plants. In addition, we will focus on increasing sales of hygiene-related products to nursing care and medical facilities.

Lion Hygiene Co., Ltd.'s strength is its ability to propose hygiene solutions that combine its specialized hygiene management know-how with the Lion Group's washing technologies. In the field of Infection Control, a growth driver for the Lion Group going forward, we will leverage Group synergies to reinforce our offerings and expand our businesses.

[Lion Hygiene Co., Ltd. \(Japanese\)
https://www.lionhygiene.co.jp/](https://www.lionhygiene.co.jp/)



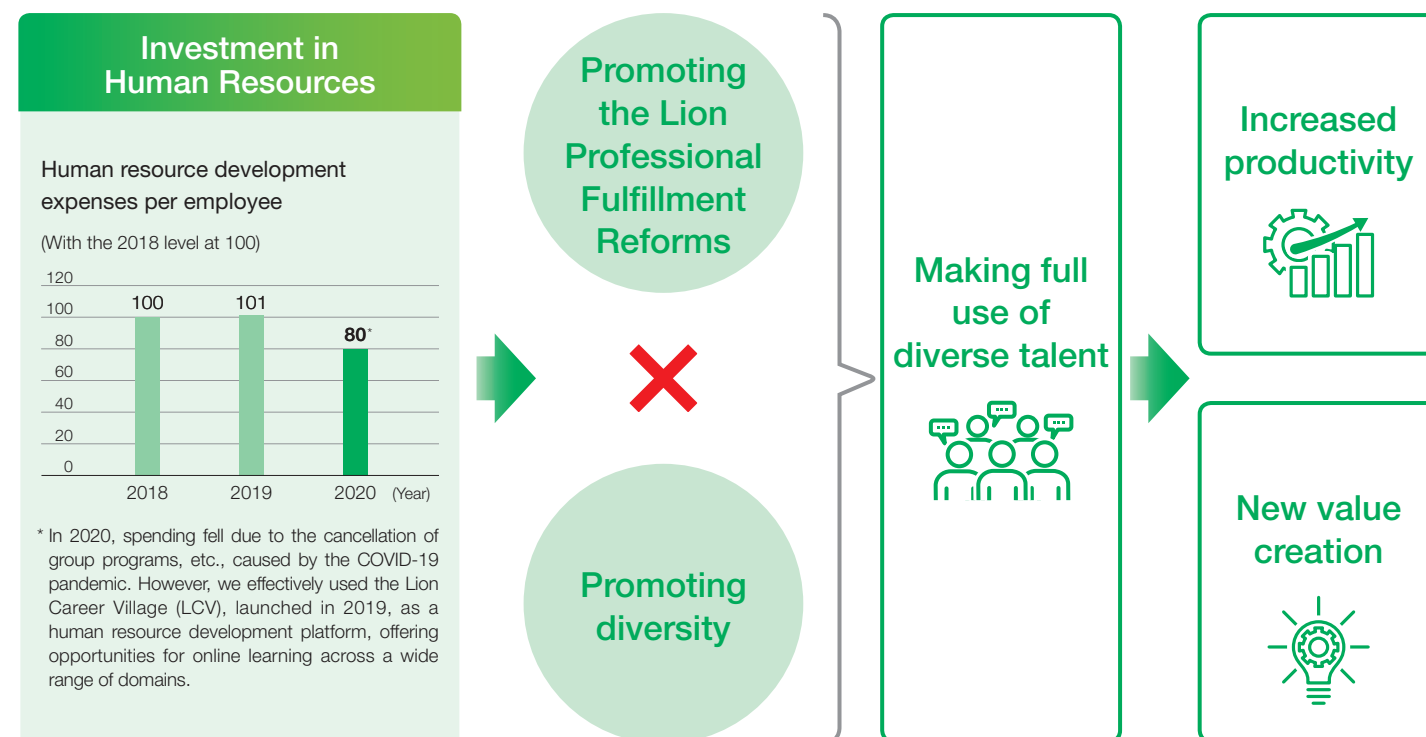
By promoting professional fulfillment reforms,
diversity & open innovation,
we will transform to realize ongoing growth.

Yoko Koike
Executive Officer
Director of Human Resources Development Center

Approach to Human Resource Development

One of the growth strategies of Lion's Vision2030 is "Generate dynamism to realize innovative change." Under this strategy, we aim to have all employees spurring one another on in their respective growth processes and operating as autonomous individuals in order to generate waves of innovative change, that is, dynamism, across the organization as a whole. From the perspective of human resource development, encompassing hiring, training, compensation and the fostering of healthy habits, we are working not only to create employee-friendly workplaces, but to instill a sense of professional fulfillment in every employee in order to increase productivity and create new value.

The Human Resources Development Center, established in 2020, is charged with not only spreading awareness of the management vision, but setting up operations for overseas business expansion and enhancing a wide range of human resource development measures in line with new work styles. By advancing the Lion Professional Fulfillment Reforms announced in July 2019 and promoting diversity, we are providing support for the development of diverse employee abilities and working to evolve the Group into a collective of human resources that will embody its purpose, "Make a difference in everyday lives by redesigning habits: ReDesign." In this way, we will continue to evolve to enable ongoing growth.



Lion Professional Fulfillment Reforms

Lion aims to ensure that each individual is able to take total ownership of their role and exercise their abilities to the fullest. To this end, in 2019, we launched a new initiative, the Lion Professional Fulfillment Reforms, focused on health, work styles and enabling diverse human resources to succeed. The Lion Professional Fulfillment Reforms comprise four initiatives: 1. Work management, 2. Work styles, 3. Strengthen relationships and, as the foundation supporting the first three, 4. Lion-style health support, "GENKI" Action.

The COVID-19 pandemic has led to changes in work styles and values for many employees. Even as the external environment continues to change, the Human Resources Development Center is striving to ensure that employees can maintain their sense of professional fulfillment and find the work styles that are best for them by implementing a diverse range of measures to improve environments and systems under the framework of the Lion Professional Fulfillment Reforms and thus address the needs created by the conditions of the pandemic.

LION Professional Fulfillment Reform Framework



Diversity

Lion aims to enable human resources with diverse values and ideas to fully express their individuality and abilities and succeed professionally, regardless of such factors as nationality or gender. We are proactively creating opportunities for the professional participation and advancement of numerous non-Japanese nationals, mid-career hires and people with disabilities. We believe that this will provide the Group with a more diverse range of opinions, perspectives and insights, enhancing management decision making.

Promoting the Professional Participation and Advancement of Women

Lion recognizes that the professional participation and advancement of women is indispensable to the further enhancement of corporate value and is implementing measures to enable work styles that help employees increase their productivity. Based on the Act on Promotion of Women's Participation and Advancement in the Workplace, which came into full effect in 2016, Lion has expanded systems related to childcare and implemented support measures for working parents in order to allow

women to fully participate professionally over the long term. Through a range of initiatives, we have increased the proportion of female employees in Japan at the management level*1 to 18.4% (2020). Looking toward 2030, we aim to advance the professional development and promotion of women on a Group-wide basis, targeting a rate of women in management**2 of at least 30%.

*1. Personnel holding managerial positions at the level of assistant manager or higher
*2. Personnel holding managerial positions at the level of manager or higher

Other Initiatives

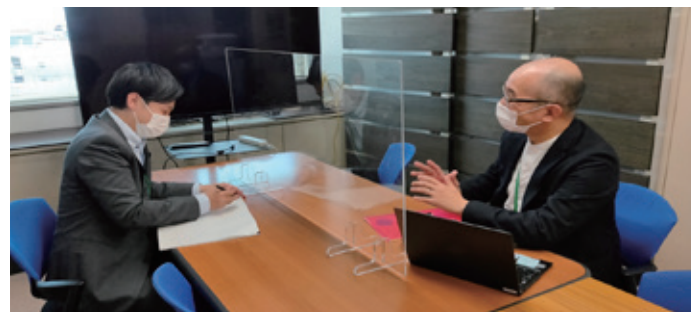
Diverse Human Resources	Initiative
Mid-career hires	Hiring mid-career individuals with the knowledge and experience to contribute right away
Recruiting applicants for side jobs at Lion	Bringing in new ideas by allowing individuals with specialized expertise work side jobs at Lion
Global human resources	Developing and utilizing global human resources, including non-Japanese nationals, as part of efforts to advance business globalization
People with disabilities	Proactive hiring of people with disabilities

1. Work Management (Make Maximum Use of Diverse Talent)

We are supporting the development of diverse talents and providing opportunities to utilize them via the two approaches described below. We provide support for employees to grow by autonomously acquiring knowledge and experience in order to realize the careers they have designed for themselves and have launched new initiatives, such as the side job system and multifaceted evaluations of ability.

Career Planning Support

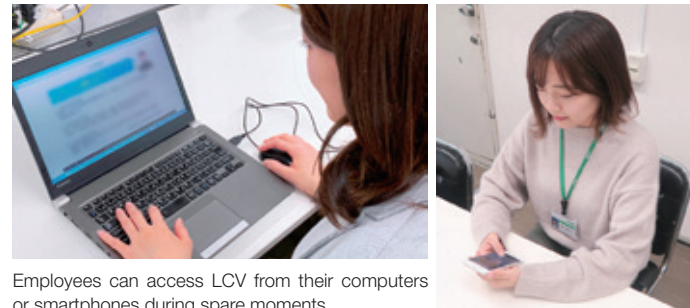
Lion's career design support hotline offers consultations about employees' careers and provides information from inside and outside the Company to support employees in realizing deliberate autonomy in the form of advancing their own careers based on their own aspirations and actions.



Career design interview with a career consultant

Support for Self-Directed Learning Habits

During the COVID-19 pandemic, the Lion Career Village (LCV), introduced in 2019, has continued to play a major role as a platform for autonomous learning that supports employees' independent efforts to develop their abilities. Going forward, we will further develop the platform's functions and content and continue to support the development of employees' individual abilities by such means as hybrid learning involving online discussion-style programs.



Employees can access LCV from their computers or smartphones during spare moments

2. Work Styles (Change Ways of Working, with Emphasis on Independence)

Rule Updates to Promote Independent Work Styles

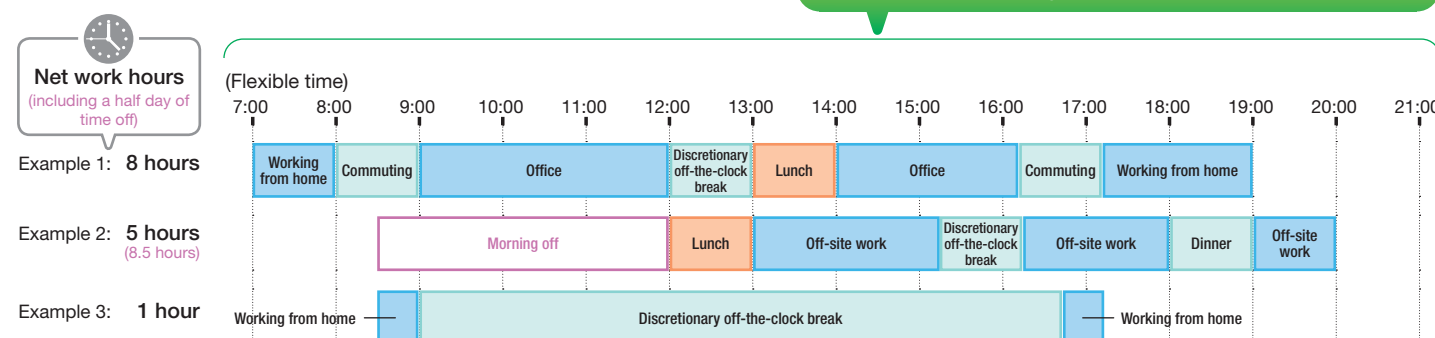
In January 2021, we reinforced our telecommuting and full-flex systems (eliminating core time and enabling employees to take discretionary off-the-clock breaks) in response to shifts in work styles due to the COVID-19 pandemic. This shift toward more independent work styles that accommodate diverse needs has resulted in a usage rate for these systems of around 50%.* The practice of work styles

suited to individuals continues to take root, helping improve professional fulfillment.

Furthermore, because it is difficult to enable production site employees to freely set their own hours, we have established a system for such employees to take time off in hourly increments. This system makes it easier for employees to balance their private lives and work, helping to bolster motivation.

* Excluding periods under state of emergency declarations related to COVID-19.

Example Schedules Using Systems for Working From Home, Full-Flex Time and Discretionary Off-the-Clock Breaks



3. Strengthen Relationships (Mutual Understanding and Respect)

The shift to a primarily telecommuting model during the COVID-19 pandemic has necessitated new approaches to communication between managers and their subordinates and for contacts with customers. Using online tools, we aim to create a more appealing organization—a collective of human resources—based on mutual understanding and respect among employees.

In 2020, we introduced a side job system aimed at better enabling employees to utilize their diverse abilities to the fullest. We are both granting employees permission to work

side jobs outside the Group and recruiting outside talent to work side jobs at Lion.

Expected Benefits

- Employees will build relationships outside the Group and broaden their horizons externally, enabling them to expand the breadth of their careers and grow as individuals. They will then be able to apply the experiences gained to their work at Lion.
- Lion will gain skills, knowledge and experience that it lacks internally.

4. Lion-Style Health Support—“GENKI” Action

The foundation of professional fulfillment reform is health. We believe that empowering every employee to maintain and improve their health while achieving personal growth and professional and personal fulfillment will serve to enhance corporate productivity and thereby creativity and expand opportunities for Lion to contribute to society. We are implementing Lion-style health support, “GENKI” Action, to raise employees' health awareness and promote the formation of healthy habits.



Four Key Measures

1. **Building a new health data system:** Supporting the formation of new healthy habits through GENKI Navi
2. **Fostering preventive dentistry habits:** Supporting better oral care habits through the combination of professional care and self-care
3. **Reinforcing countermeasures for three common types of cancer*:** Support for early cancer detection and health improvement
4. **Nonsmoking initiatives:** Support for health through quitting smoking

* Lung, stomach and colon cancers

Professional Care Campaign

To encourage all employees to practice better oral care habits, Lion is implementing a campaign to incentivize employees to receive professional care.

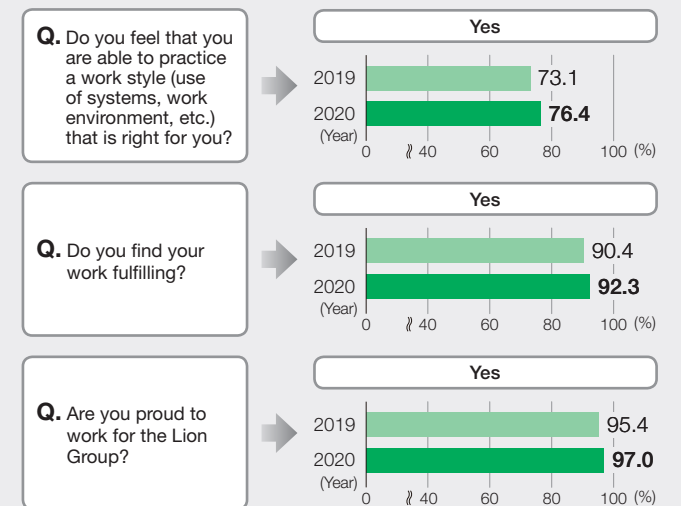
Campaign details:
Lion provides employees with up to ¥2,000 to cover the expenses of professional care at a dental clinic (scaling and cleaning) received during the campaign period.

Internal Awareness and Behavior Survey Results

Once a year, we carry out the Employee Awareness and Behavior Survey of domestic Group employees to gather data about whether each employee takes pride in their work and in the Company and whether they feel a sense of fulfillment and enthusiasm in their work.

In 2020, the COVID-19 pandemic forced unforeseen work style changes upon Lion Group employees. Nevertheless, by flexibly and effectively utilizing our systems, the Lion Professional Fulfillment Reforms helped maintain and improve employees' feelings about their work styles and professional fulfillment, as shown by the survey results at right. Furthermore, perceptions that Lion products, particularly hygiene-related products, were making a difference in society led to employee pride.

Going forward, we will use the survey results to implement measures to further enhance employee motivation and satisfaction.



* Survey scope: Approximately 4,400 domestic Lion Group officers and employees (regular employees, regionally based employees, employees dispatched to affiliates, re-hired retirees, special employees and temporary employees)

* Survey period: September 1 to October 2, 2020



We will foster innovation as a growth engine aimed at “Becoming an advanced daily healthcare company.”

Kosuke Tanaka

Executive Officer
Executive General Manager of Research and Development Headquarters

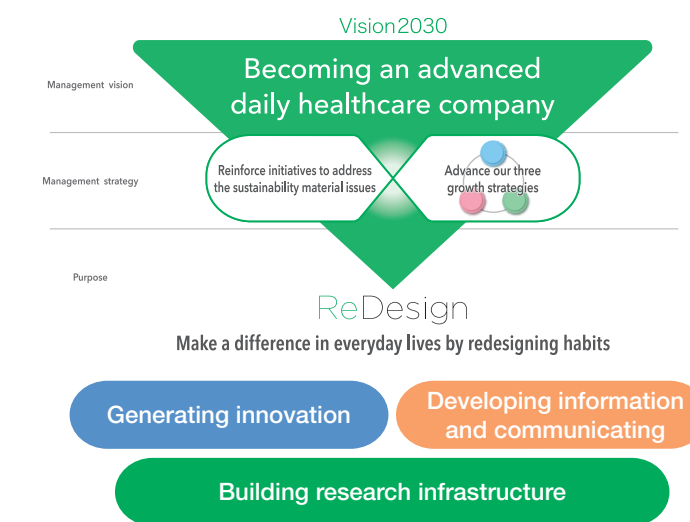
The Mission, Next-Generation Policy and Strengths of the Research and Development Headquarters

The mission of the Research and Development Headquarters is to continually innovate in order to achieve the management vision of “Becoming an advanced daily healthcare company.”

We believe that innovation is indispensable to meeting diversifying consumer needs. Furthermore, innovation requires more than groundbreaking new technologies—the most important element is the consumer’s perspective. The links that Lion has to consumers through the many products they use every day and Lion’s understanding of daily living are its strengths. At the Research and Development Headquarters, we are realizing novel combinations that bring insights from our longstanding consumer research together with our core technologies in the areas of oral care, life science, interface science, cleaning technology and formulation technology, as well as cutting-edge technologies from outside the Group, to provide new value.

Another role of the Research and Development Headquarters is to provide consumers with useful information in a timely and clear manner through various points of contact. By doing so, we help consumers redesign their habits.

Going forward, as a hub for open innovation, the Research and Development Headquarters will continually provide new value to society and serve as a growth engine for the Company as a whole, contributing to the realization of Vision2030.



Next-Generation Policy Aimed at Realizing Vision2030

Framework for Growing Existing Businesses and Sparking Innovation

The Research and Development Headquarters is advancing coordination with other parts of the Group with the aim of creating new value and improving efficiency in existing businesses in order to achieve Group-wide targets. To create new value, we have adopted idea generation methods from outside the Group and systems for exploring and sharing as well as internal and external insights. We began these initiatives at our Innovation Lab, established in

2018, and are expanding them to other departments to reinforce support for ideation activities at our research laboratories. Furthermore, we are working with the consumer research and public relations divisions to reinforce the communication of information useful for redesigning habits to increase the added value of Lion products while enhancing the Group’s presence in existing business fields to increase corporate value. To boost

business efficiency, we are working with the production engineering research departments to reduce costs and advancing the development of product formulas and containers with the Sustainability Material Issues in mind. To contribute to overseas business growth, we are coordinating with the International Division and overseas

Group companies to reinforce support for the development of products and local brands based on local needs across Asia through enhanced coordination. While reinforcing intellectual property right protections, we are advancing initiatives to create new businesses and new markets aimed at delivering lifestyle innovations unique to the Lion Group.

Initiatives Aimed at Achieving Vision2030

1. Leveraging Digital Technologies to Generate Innovation

To achieve Vision2030, in addition to further improving efficiency in existing businesses and speeding up development, we must secure the resources necessary to accelerate efforts in the newly designated four fields of value creation. As one initiative to this end, the Research and Development Headquarters is advancing research in such areas as automating experiment processes using robots, building efficient information gathering and insight sharing systems, and using AI in product and formula development. In addition to enhancing research efficiency, we are applying digital technologies to develop new services. For example, we have developed *RePERO*, a smart phone app that allows the user to take a picture of their tongue to assess their risk of bad breath, and *HAGUKI CHECKER*, which allows the user to check the state of their gums. Furthermore, we are developing new value proposals based on data science, and our research laboratories are constantly producing new ideas for a wide range of technologies and services that utilize our proprietary oral health data.

2. Reinforcing Initiatives in Cleanliness and Hygiene through Open Innovation

We are also advancing initiatives to create new value in the field of hygiene, an area in which society’s needs have grown due to the novel coronavirus (COVID-19) pandemic. Hygiene is a field in which we can offer value not only through hand washing, but through diverse aspects of daily living, such as clothing care and oral care. Lion has wide-ranging business domains related to daily living habits; leveraging this strength, we aim to reinforce collaboration across product divisions to make unique value propositions. Furthermore, by building relationships with academic and industry organizations and start-ups, we are working to catch up to needs in areas involving cutting-edge technologies and advancing cooperation with outside partners. Utilizing open innovation, we are working to rapidly provide timely products, services and information that help customers form better hygiene habits.

WEB Research & Development
<https://www.lion.co.jp/en/company/rd/>

Focus

New Product Developed Based on Consumer Research

CLINICA Kid’s Hamigaki no Okeiko

Lion developed *CLINICA Kid’s Hamigaki no Okeiko*, an IoT toothbrush linked to an app that helps children learn the importance of tooth brushing and correct brushing techniques in a fun way in order to form healthy tooth brushing habits from a young age.

In developing this product, we put particular emphasis on offering an experience that would encourage children to take the initiative themselves in tooth brushing. Specifically, we ran trials in which children tried using prototypes for a day, a week or a month. This allowed us to identify increasing motivation to brush one’s teeth, learning tooth brushing techniques and getting better at tooth brushing as important areas in which we could provide value through experience. With guidance from pediatric dentistry experts, we developed a toothbrush attachment that contains an accelerometer to sense toothbrush motion as well as an app that uses a picture book format to make it easy for children to understand the importance of tooth brushing and feel a clear sense of satisfaction and progress. Through a development process prioritizing the consumer’s perspective, we are contributing to the formation of healthy tooth brushing habits in childhood and thus making a difference in everyday lives.

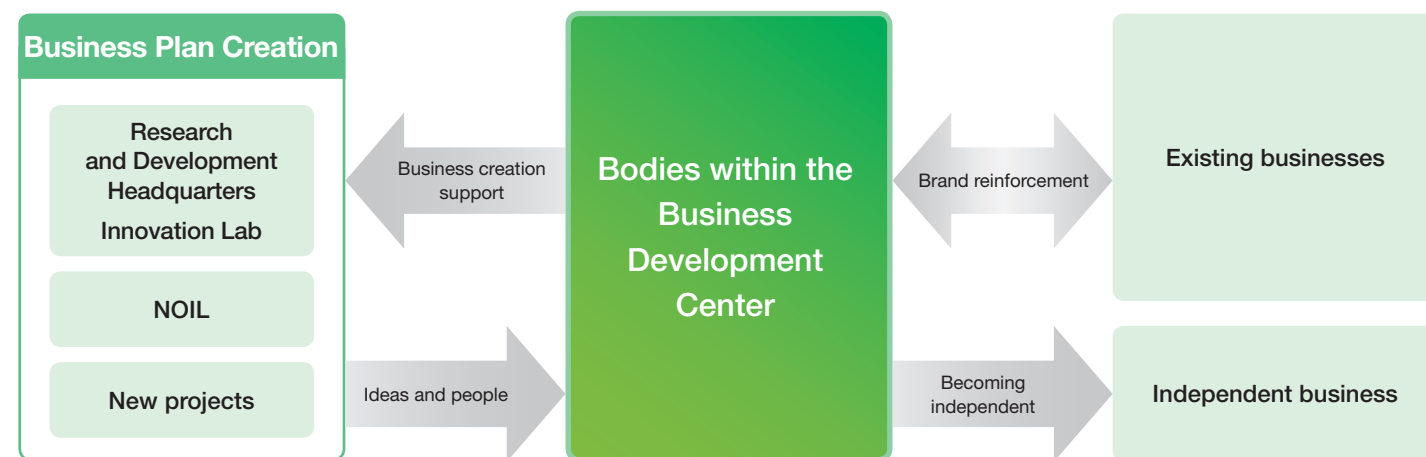


WEB *CLINICA Kid’s Hamigaki no Okeiko* (Japanese)
<https://clinica.lion.co.jp/hamigakino-okeiko/>

Initiatives to Accelerate Innovation

Established the Business Development Center to Lead New Value Creation

As the business environment undergoes tremendous changes, ongoing corporate growth will require the continued growth of existing businesses in existing markets as well as the creation of new businesses. Lion is implementing a variety of initiatives aimed at generating innovation, and in January 2020, we established the Business Development Center to more quickly expand and evolve our businesses. The Business Development Center takes a cross-sectional, overarching approach to the three elements necessary for innovation, namely, customer experience development, business model design and effective use of technology, to propose new living habits based on outstanding customer experiences and thereby transform existing businesses and lead efforts in and outside the Company to create new businesses.



Quickly Commercialized Business: Gokinjo Cheftomo

In February 2021, Lion launched *Gokinjo Cheftomo*, a service for reserving dinner take out, as a new business. After being selected as a new idea through the NOIL new value creation program in December 2019, the service went through commercialization study and testing to quickly launch as a new business in just over a year.

Key Points!

- The employees who proposed the idea took ownership of the project, working with bodies within the Business Development Center to advance commercialization
- The project utilized the diverse perspectives, skills, knowledge and experience of outside human resources brought in via the side job system introduced in 2020

Gokinjo Cheftomo is a service by which users can reserve dinner take out via an app for the days they need it on a weekly basis. In addition to reducing the burden of housework, *Gokinjo Cheftomo* fosters the added value of healthy eating habits and community connection, differentiating it from existing delivery services. The service has been well received by both users and participating restaurants, and the numbers of both are expanding. Going forward, we will work to grow *Gokinjo Cheftomo* into a business that contributes to the formation of new housework habits and value.

[Gokinjo Cheftomo \(Japanese\)](https://www.gokinjo-cheftomo.com/)
https://www.gokinjo-cheftomo.com/



ご近所
シェフトモ

Place orders
on a weekly basis



Pick up food in the area
where you live



Balanced menu options



New Value Creation Program NOIL

Since 2019, Lion has been operating NOIL, a program for selecting and implementing new business ideas with the aim of creating new value and businesses outside the bounds of existing business domains and conventional wisdom. To date, the program has received more than 100 new business proposals, including some from new hires, collecting ideas that reflect the diverse perspectives of employees not only in R&D Division and Marketing Division, but divisions across the Company, including those related to sales and production. Ideas are selected through an objective and rational evaluation process involving management and outside venture capital funds, and the employees that submit ideas for new products and services selected through this process are transferred to the Business Development Center, where they can take a central role in putting their ideas into action.

Key Points!

- Outside business development experts take part in business idea evaluations
- The employees who propose the ideas help advance the process toward commercialization

What NOIL Looks For

- Ideas that go beyond existing concepts in healthcare
- Ideas based on issues faced by consumers
- Ideas that change conventional consumer values



NOIL Evaluation in 2020

Research and Development Headquarters Systems to Foster Ideation and Innovation

The activities of the Innovation Lab, which has until now been charged with new business development, have been expanded to include the ideation reinforcement activities of the Research and Development Headquarters in order to create a framework for generating innovation throughout the headquarters. The Innovation Lab is providing support for training in design thinking and workshops for developing new ideas and strengthening coordination with the Business Development Center to build functions that will effectively nurture the nascent innovations that emerge within the headquarters.

In addition, we are implementing a new initiative to allow researchers to use up to 15% of their work time on research topics of their choosing. This research does not necessarily have to tie directly into their other work and offers an opportunity for researchers to pursue little ideas they are curious to explore.

Such efforts to reinforce frameworks have led to the emergence of multiple research topics with the potential for new business creation. These initiatives are also helping to expand our researchers' perspectives and increase their motivation, further developing an organizational culture of ambitiously taking on challenges.



A workshop

Focus

Research Aimed at New Value Creation

In December 2020, Lion's "easy-rinse toothpaste" submission was selected as a candidate item for use aboard the International Space Station (ISS) through a program operated by the Japan Aerospace Exploration Agency (JAXA) to solicit ideas for solving living-related challenges common to life both in space and on Earth.

We are currently advancing the development of an easy-rinse toothpaste aimed at use aboard the ISS and considering research into its applicability to address issues associated with living on Earth, such as providing oral care opportunities in various environments with limited water supply.

[New Release \(Japanese\)](https://lion-corp.s3.amazonaws.com/uploads/tmg_block_page_image/file/7409/20201218_02.pdf)
https://lion-corp.s3.amazonaws.com/uploads/tmg_block_page_image/file/7409/20201218_02.pdf



We Are Reinforcing Advanced, Sustainable Systems to Secure Competitive Advantage.

Shinichiro Hiraoka
Executive Officer
Executive General Manager of Supply Chain Management Headquarters

Innovating the Foundations of the Supply Chain to Promote Growth

One of the three growth strategies under Vision2030 is to “Transform our business foundations for growth.” Within this strategy, we have identified the two tasks of digital transformation (DX) and reinforcing business infrastructure.

Lion has for some time been working to develop supply chain management with a competitive edge, encompassing resilient logistics and sustainable, stable raw material procurement and product supply systems. Going forward, we must continue these efforts while advancing efforts to help achieve the SDGs and solve issues facing the logistics industry, such as a shrinking labor force and dealing with

natural disasters and pandemics. Specifically, we must, 1. in management, optimize distribution using DX and 2. in logistics, forcefully advance the maximization of efficiency by reinforcing and standardizing industry infrastructure through industry-wide coordination. In particular, in light of the need to flexibly respond to fluctuations in market supply and demand, we will establish production facilities based on evaluations of appropriate supply capacity and further strengthen our ability to comprehensively adjust to changes in market conditions, from procurement through to production and sales.

Overview of Efforts to Transform Our Business Foundations for Growth

Digital transformation (DX)	Reinforce business infrastructure
<ul style="list-style-type: none">• Create new value by building digital infrastructure• Improve efficiency and speed through operational transformation• Enhance decision-making precision and speed with real-time business data	<ul style="list-style-type: none">• Increase production capacity to support business growth• Develop core systems that will enhance the sophistication of management• Build a flexible, resilient and sustainable SCM platform• Build business foundations that are adaptable to new business models

Sustainable Raw Material Procurement

Promoting Sustainability with Materials Producers and Production Contractors

The raw materials, such as palm oil and pulp and paper products, that Lion uses in its businesses must be harvested, processed and sold by their respective suppliers before they reach the Company. If problems related to the environment, human rights or labor occur at any of these stages, even if they are not directly related to Lion, Lion could be held responsible.

In order to ensure sustainable procurement, Lion is reinforcing coordination with materials producers and production contractors to realize more effective supply

chain risk management. Lion’s Procurement Principles clearly state its stance of considering legal compliance, environmental conservation and respect for human rights when selecting business partners. To help our suppliers understand the importance of sustainability initiatives, we require them to conduct self-checks based on the Lion Group Supplier CSR Guidelines and only do business with suppliers that meet standards set according to our key sustainability criteria.

We will continue to reinforce supplier management and practice responsible procurement.

Monitoring Tool	Main Initiative	Initiatives in Which We Participate
Lion Supplier Sustainability Self-Check	Every year, we request that materials producers and production contractors carry out self-checks (using a survey developed by Lion) based on the Lion Group Supplier CSR Guidelines, which specify the sustainability initiatives we expect from these partners	
Supplier Ethical Data Exchange (Sedex)	Lion joined Sedex as an AB member at the end of 2019 in order to further reduce social and environmental risk in its purchasing. We encourage our suppliers to join Sedex to reduce the burden of self-checks and request that they use the platform provided by Sedex to submit their annual self-check responses.	

Procuring Sustainable Raw Materials

Lion uses derivatives of palm oil and palm kernel oil—plant-based raw materials that are inexhaustible and carbon neutral—in many of its products, such as body washes, laundry detergents and dishwashing detergents. Pulp and paper are used in the manufacture of Lion’s product packaging, booklets and pamphlets as well as in the copy

paper and other office supplies the Company purchases. However, the supply chains for these raw materials often contain environmental risks and human rights and labor problems that impede sustainable development. As such, based on the Sustainable Raw Material Procurement Policy, we are advancing the procurement of third party-certified products.

	Main Initiatives	Goal for 2030	Initiatives in Which We Participate
Palm and palm kernel oil derivatives 	Procurement of RSPO*1-certified oil derivatives	For all palm oil, palm kernel oil and their derivatives used in the domestic Lion Group’s consumer products to meet the sustainability standards of third-party institutions by the end of 2030.	
Pulp and paper 	Procurement of FSC*2-certified paper	For all pulp and paper used in the domestic Lion Group’s consumer products to meet the sustainability standards of third-party institutions or be sourced from recycled materials by the end of 2030.	

*1. Roundtable on Sustainable Palm Oil
*2. Forest Stewardship Council

Stable, Continuous Product Supply

As a manufacturer and seller of daily commodities, Lion has a significant responsibility to maintain a stable product supply. During the novel coronavirus (COVID-19) pandemic, we have, while ensuring employee safety, continued put the utmost priority on production.

The COVID-19 pandemic has caused an increase in our customers' hygiene awareness, in turn expanding demand for hand soaps and other hygiene-related products. Furthermore, demand in oral care, one of Lion's mainstay businesses, continues to expand, reflecting the diversification of customer needs and an increase in health awareness in Japan as well as in the trust customers overseas have in high-quality, made-in-Japan products.

In light of such changes in society, Lion is working to build production and supply frameworks that are highly flexible and resilient as well as sustainable to ensure the timely supply of products that customers need.

Increasing Hand Soap Production Capacity

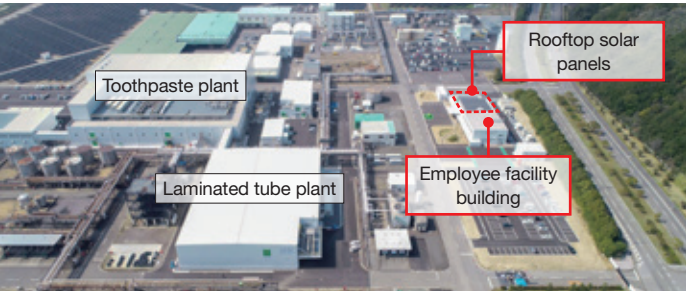
To respond to the sharp increase in hand soap demand in 2020, we bolstered the production capacity of our main production site, the Lion Chemical Co., Ltd. Oleochemical Production Site (LCCOC, located in Sakaide, Kagawa Prefecture), expanded production at Lion Corporation (Thailand) Ltd. and other overseas Group companies and rapidly formed new agreements with production contractors, doubling supply year on year. Going forward, we will continue to reinforce production and supply to meet growing demand.

New Toothpaste Factory

We also built a new toothpaste factory within LCCOC. This factory will begin operation in 2021, bringing Lion's production capacity to 1.7 times its previous level. Furthermore, Dai Nippon Printing Co., Ltd. has built a neighboring factory to produce laminated toothpaste tubes, enabling end-to-end toothpaste production and further increasing productivity.

Reducing Environmental Impact

We have installed solar panels on the roof of the employee facility building of LCCOC as part of efforts to utilize renewable energy and reduce net energy use. We continue to replace equipment in the other buildings with power-saving models and aim to eventually create a system that allows the energy use of facilities throughout the plant to be monitored from any business site.



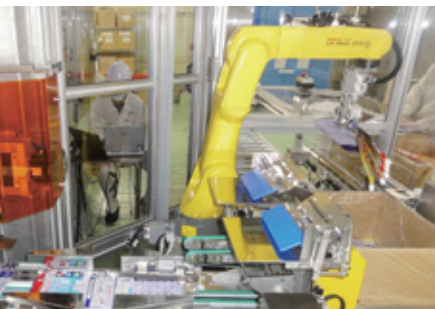
New toothpaste factory (Sakaide)



Solar panels on the roof of the employee facility building

Leveraging Digital Technology to Boost Productivity and Speed

Lion is advancing the automation of a wide range of production processes using robotics and other technologies. In the four years ended 2020, these efforts eliminated the need for approximately 200 front-line employees, helping to alleviate personnel shortages and reduce fixed manufacturing expenses. Going forward, we will leverage digital technologies to also improve the efficiency of administrative operations as we seek to build even more efficient production frameworks.

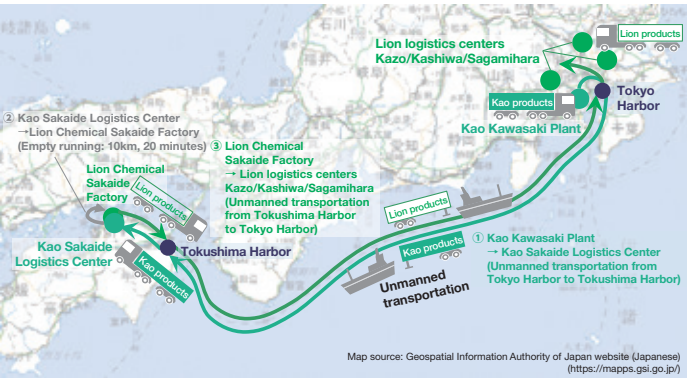


Automated detergent refill pack supply

Working Toward Sustainable Logistics

The logistics industry continues to face numerous challenges, such as alleviating the long working hours required of drivers and driver shortages as well as reducing environmental burden. Such challenges are far too great for any one company to tackle alone and will require a wide range of entities to work together, sharing diverse expertise within and across industries.

Lion is taking part in efforts aimed at demonstration testing and practical implementation of "smart logistics services" (for household consumer products) being carried out under the Strategic Innovation Promotion Program (SIP) led by Japan's Cabinet Office with the aim of establishing new logistics platforms. As part of these efforts, in October 2020, Lion and Kao Corporation commenced regular joint two-way transportation between their respective operating sites. Specifically, this initiative links Kao's transportation operations connecting its Kawasaki Plant (Kanagawa Prefecture) and Sakaide Logistics Center (Kagawa Prefecture) with Lion's transportation operations connecting the Lion Chemical Corporation Sakaide Factory (Kagawa Prefecture) and Lion's logistics centers in Kazo (Saitama Prefecture), Kashiwa (Chiba prefecture) and Sagami-hara (Kanagawa Prefecture) to realize two-way marine trailer transportation. This initiative is aimed at improving the efficiency and reducing the CO₂ emissions of long-distance transport. Through it, the two companies are expected to achieve a combined 45% reduction in CO₂ emissions and 23% reduction in transport expenses.

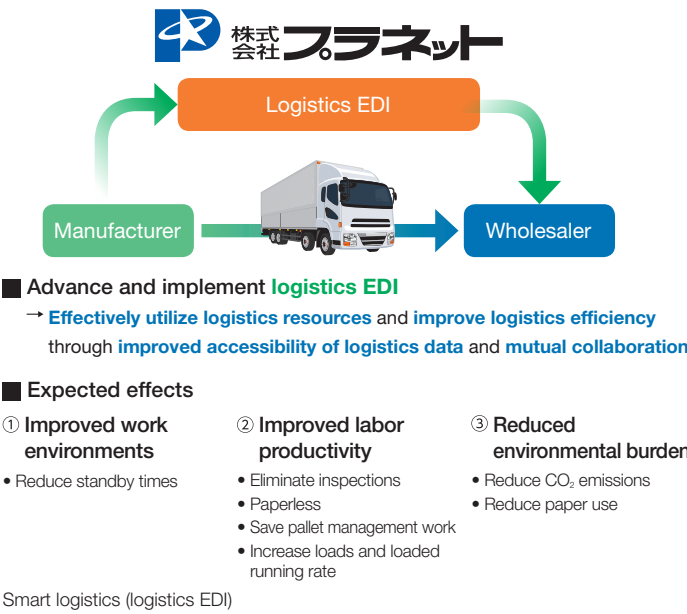


Kao and Lion's collaborative smart logistics initiative

In addition, Lion has built and launched a scheme for round-trip transport between the Kanto and Chukyo regions using swap body trucks in collaboration with manufacturers in other industries, such as processed foods and confectionaries. By doing so, the companies involved have decreased the number of trucks used by 34% and cut CO₂ emissions by 43%. This initiative received the Award of the METI Director-General for Commerce and Service Industry Policy under the Excellent Green Logistics Commendation Program of the fiscal 2020 Green Logistics Partnership Conference.

Furthermore, in the field of logistics data platforms, Lion is taking a leading role in solving logistics challenges facing the household consumer product industry. Lion collaborated with PLANET, INC., which operates a commercial logistics electronic data interchange (EDI) for the industry, in the preparation of its report outlining logistics EDIs in February 2020. Furthermore, Lion has carried out demonstrations of the use of advanced shipping notices (ASNs) to digitize receipts and simplify inspections, and is rolling out the use of ASNs sent to wholesalers for individual delivery trucks. Going forward, we aim to promote collaboration between manufacturers, wholesalers and logistics operators to advance the digitization of data and the standardization of processes related to on-the-ground logistics in order to build a logistics EDI for the entire industry.

Through these initiatives, we aim to improve work environments, improve labor productivity and reduce environmental burden while building sustainable, resilient supply chains.





To realize sustainable growth,
we are promoting management with
greater consciousness of capital efficiency and
cash flows while maintaining a stable financial base.

Takeo Sakakibara
Director
Senior Executive Officer

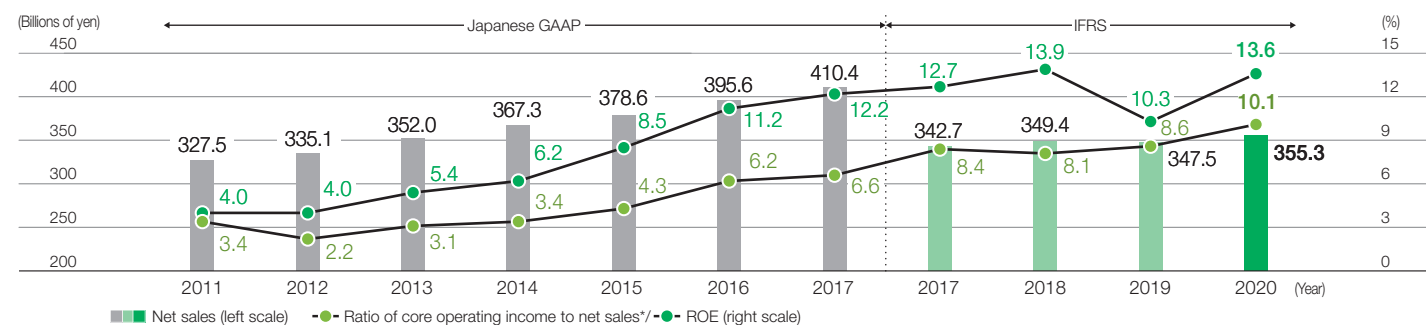
Basic Approach to Financial Management

The Lion Group believes that improving capital efficiency and profitability is crucial to maintaining a sound financial base that enables sustainable growth. Over the past 10 years, we have worked to improve profitability with respect to shareholders' equity, primarily by shifting toward higher-added-value products and pursuing lower costs to boost profit. As a result, compared with 2011, core operating income has more than tripled (from ¥11.1 billion to ¥35.9 billion), and return on equity (ROE) has improved from 4.0% to 13.6%. The task we face in the coming decade under the Vision2030 long-term strategic framework is to increase our presence in Asia, and I believe that maintaining profitability while expanding our business through top-line growth will be of the utmost importance. To that end, we prudently invest profits to enhance business foundations (such as production facilities, systems infrastructure and R&D technologies) in order to contribute to business growth.

In light of these goals, in addition to ROE, which measures profitability against shareholders' equity, we will use as key indicators return on invested capital (ROIC), an indicator of the profitability and efficiency of capital invested in business activities, as well as earnings before interest, taxes, depreciation and amortization (EBITDA), an indicator of profitability on a cash-flow basis.

We will use ROIC, in particular, not just for the Company as a whole, but as a key performance indicator (KPI) for evaluating individual businesses and their constituent elements at their respective organizational levels. By keeping ROIC consistently above the weighted average cost of capital (WACC) and increasing EBITDA, we will advance financial management that enhances corporate value.

Financial Results



* Effective from the fiscal year ended December 31, 2018, the Lion Group has voluntarily adopted International Financial Reporting Standards (IFRS).
* Ratio of operating income to net sales under Japanese GAAP.

Approaches to Investment Under Vision2030

Under Vision2030, aiming particularly to reinforce growth in and outside Japan, we are taking three approaches to investment. The first is investment in increasing production capacity and labor saving; the second is investment in reinforcing business foundations (digitization, information systems, etc.) in and outside Japan; and the third is investment to acquire outside resources for business expansion.

We are currently examining multiple opportunities for acquiring outside resources for business expansion (namely, M&A). Our main targets are 1. brands and businesses that offer strong potential synergies with our existing businesses in and outside Japan and 2. business foundations in new areas overseas. We will evaluate the appropriateness and priority of each such investment based on its expected cash flows and certain hurdle rates, considering net present value (NPV), internal rate of return (IRR) and the period required to earn back the investment.

Policy on Dividends

The Lion Group considers returning profits to shareholders on a continuous and stable basis by bolstering its profitability to be one of its most important management issues. To this end, the Company strives to ensure the payment of continuous and stable cash dividends, aiming for a consolidated payout ratio of 30%, and bases the acquisition of treasury stock on comprehensive reviews to ensure that it maintains the levels of internal reserves required to secure medium- and long-term growth.

Lion allocates internal reserves to research and development, capital investment in production facilities and the acquisition of external resources, aiming to reinforce the

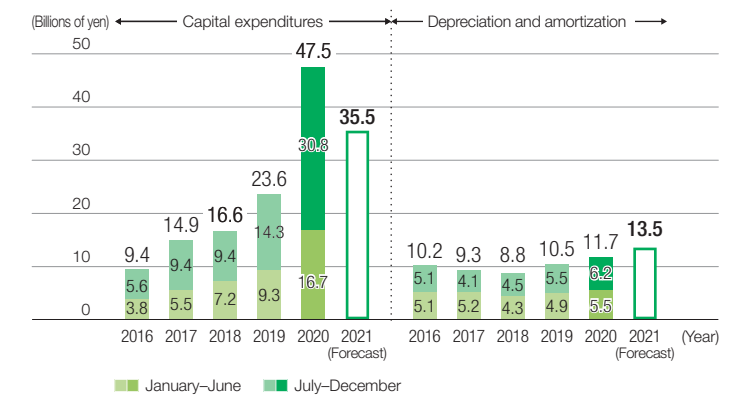
Strategic Shareholdings

Lion holds strategic shares of other companies only when it has judged that they are strategically important for such purposes as maintaining and strengthening trade relationships. The Board of Directors examines the economic rationality of strategic shareholdings on an annual basis, checking the investment profitability, capital cost and other factors for each stockholding. Based on the results of these examinations and such factors as the importance of the relevant trade relationships, shareholdings determined to be unnecessary are then sold as appropriate, reducing Lion's strategic shareholdings.

Furthermore, after making an investment, we will regularly evaluate and verify whether it is yielding the expected results.

In terms of capital, we will first increase cash on hand in order to flexibly respond to demand for investment in growth and operating capital, with a basic approach of securing funding for investments necessary to sustain growth over the medium and long terms and maintaining financial soundness.

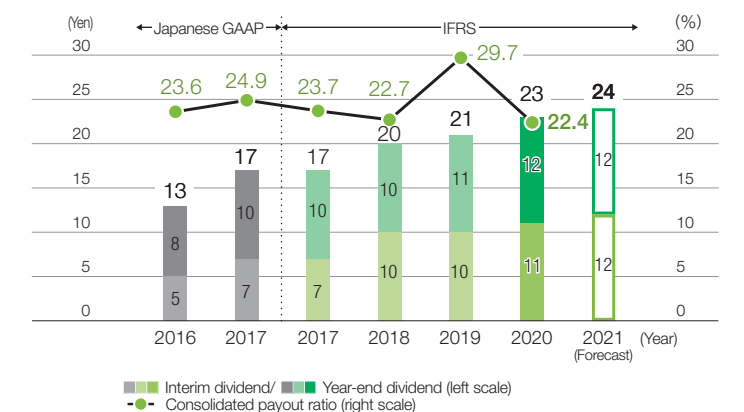
Capital Expenditures and Depreciation and Amortization



* Both capital expenditures and depreciation and amortization include intangible assets.

Company's growth potential and to develop a sustainable business foundation.

Dividends per Share



Stocks in Strategic Shareholdings (Consolidated Statement of Financial Position Basis)

