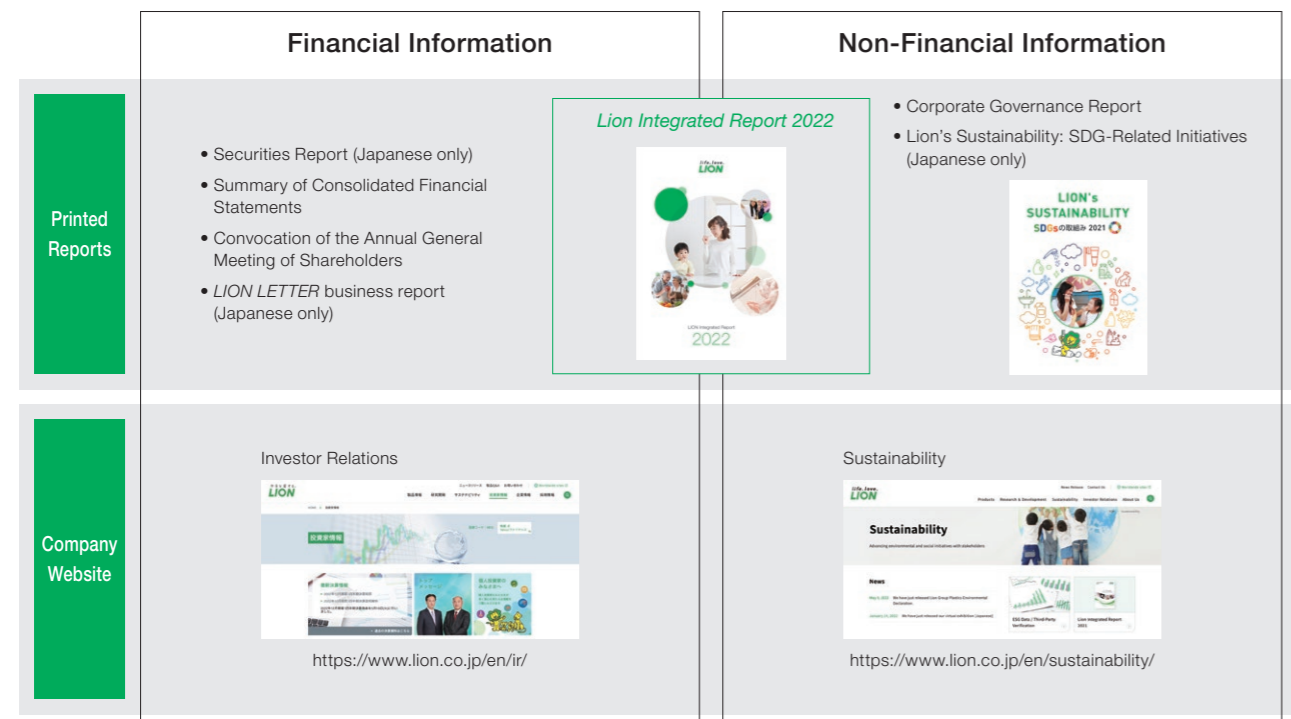


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Lion's Disclosure



PURPOSE

Make a difference in everyday lives by redesigning habits: ReDesign

BELIEFS

Our beliefs guide all that we do—our thinking, our actions and our decisions—as we strive to implement our purpose in an ever more diverse world. Based on these beliefs, all of us at Lion strive to find new ways to improve everyday living, bringing passion and professionalism to our work.



The customer determines the value

New habits are valuable only when people make them their own. If society doesn't see the value in a new idea, there is always a reason why. We must ask ourselves, Is the idea really helpful for better living? In adjusting it to be more practical, have we lost its essence? Is the idea competitive enough to stand out? Will society still need it in the future? Being chosen by customers is essential to making a difference in everyday lives. "The customer determines the value" is the business perspective Lion values most.



Believe in yourself and be proactive

There is value in being "just ordinary." Our most ordinary feelings, tastes and thoughts are those that resonate most broadly. Listen to your heart and take the initiative, moving forward with courage and humility. When one person's enthusiasm for an idea spreads to others—that is how we create new habits. Life is too short to do only what others ask of us. Lion values a culture that tolerates failure and celebrates effort.



Speed makes the difference

Better habits can support physical and mental health, so spreading them quickly matters. We squarely face the problem to be solved and strive to find high-quality solutions in less time. Don't rush forward blindly; rather, question convention to find the way forward. Avoid getting bogged down in planning; just give it a try and quickly adjust to get closer and closer to the answer. A true professional not only does good work, but does it quickly. In this time of change, we at Lion believe that we cannot make a difference by arriving on the scene late.



Interact and inspire to create

No ingredient can react with itself to form something new. The same goes for people. True breakthroughs happen when individuals offering different ingredients—skills, knowledge and perspectives—come together under a single goal. At Lion, we always strive for open discussion, regardless of position or age, department or country, and actively work with external partners to develop more creative solutions.



Change moves us forward

The world is changing and changing fast. As technology, lifestyles and society change at a dizzying pace, the appearance of new players can transform markets at any moment. In uncertain and unpredictable times, we must always consider multiple future scenarios and react flexibly. Change can be scary, but it can also be fun. A changing environment is an opportunity to evolve. Since our founding, we have constantly striven to forge new paths in the face of challenges. The courage to change drives Lion's growth.

DNA

Handed down since Lion's founding, our DNA is the cornerstone of all that we do.

Fulfilling a Spirit of Love

Message from the Chairman



Itsuo Hama
Representative Director,
Chairman of the Board of Directors

In the 130 years since its founding, Lion has continued to look closely at consumers' lifestyles and contributed to better lives by promoting better living habits. Tooth brushing habits, which are essential to our everyday lives, are known to not only contribute to oral health but also play a major part in maintaining the overall health of the body. In addition, with the spread of COVID-19 in recent years, the importance of hand washing has once again come to the fore.

At Lion we have also been promoting environmentally friendly habits as a response to increasingly serious social issues such as climate change and marine plastic pollution. One-rinse laundry cycles, for example, which many people now use, help to save water and electricity. The use of refill laundry detergents and other products are an important habit that contributes to reduced plastic usage and promotes recycling. Going forward, we will continue working to establish these habits overseas, as well as in Japan.

In addition to promoting a healthy body and mind, we believe that habits such as the ones above can play an important part in helping to achieve a sustainable society. Accordingly, we have defined our purpose as "Make a difference in everyday lives by redesigning habits: ReDesign." We have also formulated a new set of beliefs to promote understanding of our purpose among employees and to provide them with guidelines to act and make decisions independently. These five beliefs describe the ideal path for Lion to follow.

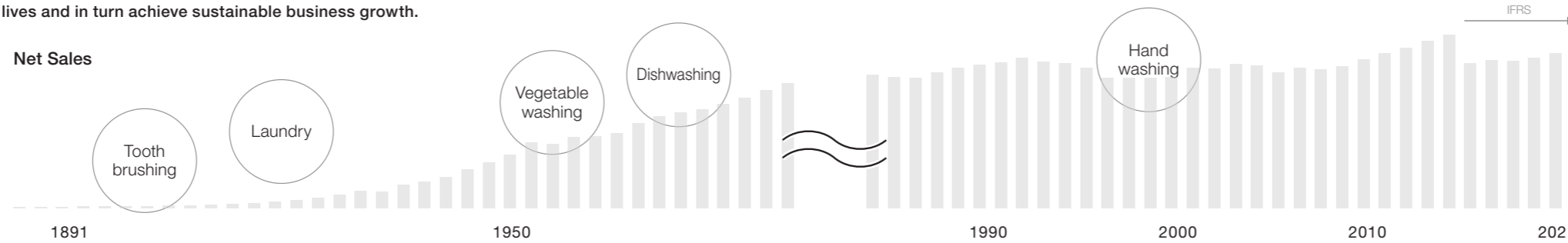
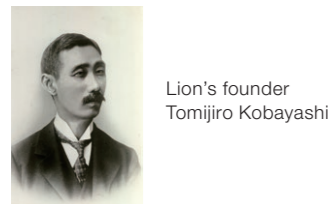
At Lion, we will take full advantage of our unique approach to addressing society's issues through product development, services and the creation of new habits, while placing the highest priority on customer satisfaction. To ensure that we become a highly trusted company that exceeds the expectations of its stakeholders—be it our shareholders, customers, business partners, communities or employees—we will work to further enhance our corporate value.

And, to ensure that we continue to exceed expectations and maintain this high level of trust, with the Board of Directors leading the way, we will promote corporate governance through active, open dialogue with our external directors who come from wide-ranging backgrounds.

Make a difference in everyday lives by redesigning habits

Creating Habits and Achieving Business Growth

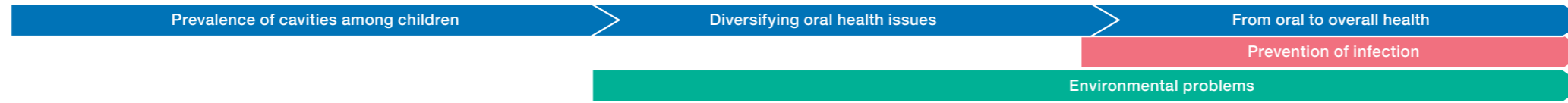
Lion's origins lie in soap and toothpaste. The concept of "Fulfilling a Spirit of Love" has been fundamental to our management since our founding, and we have sought to encourage consumers to enjoy healthy living through the provision of superior products while engaging in communication and educational activities aimed at promoting better living habits. We recognized long ago that global environmental protection is an issue that the whole world shares and have continuously worked to develop and propose environmentally friendly products and habits. In addressing social and lifestyle issues through better living habits, we aim to contribute to consumers' everyday lives and in turn achieve sustainable business growth.



ReDesign

Make a difference in everyday lives by redesigning habits

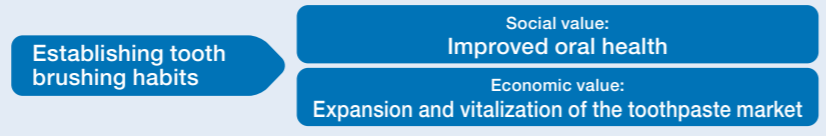
Social and lifestyle issues



Establishing Tooth Brushing Habits

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

In addition to providing products that address the nation's increasingly diverse oral health problems, we have engaged in activities to establish tooth brushing habits throughout society. In doing so, we have contributed to better oral health and the expansion and vitalization of the toothpaste market.



Children being taught correct tooth brushing techniques at the Oral Health Event of Tooth Brushing for Children



Lion established the Lion Foundation for Dental Health (Promoting oral care through this organization)

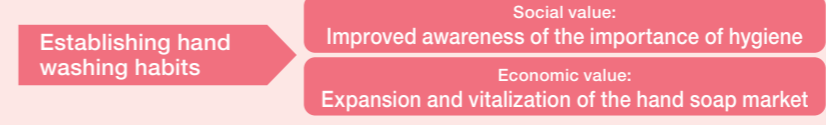


Children being taught correct flossing techniques at the Oral Health Event of Tooth Brushing for Children



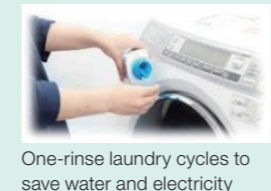
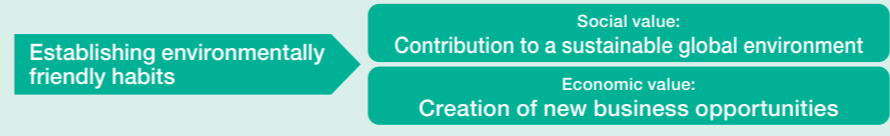
Promoting Hand Washing Habits

Following a series of large-scale outbreaks of E. coli in 1996, infections through food poisoning came to be seen as a social problem in Japan. Fostering good hand washing habits to protect children from viruses and bacteria thus took on new urgency, and Lion responded the following year by launching *KireiKirei*. In addition to releasing products in line with the needs of the times, including solutions to address global pandemics, Lion has focused on educational activities to teach the importance of hand washing at schools and in homes. In doing so, we have enhanced awareness of the importance of hygiene, and expanded and vitalized the hand soap market.



Promoting Environmentally Friendly Habits

Lion has used cutting-edge technology to enhance its lineup of products with lower environmental impact, be it products with lower CO₂ emissions or reduced plastic and water use. We have also contributed to a more sustainable global environment and achieved business growth by proposing more environmentally friendly habits among consumers.



Lion's response

Accumulated strengths and capital

Lion's strengths

- A sincere commitment to manufacturing
- Creation of better living habits

Consumer research and technological development capabilities

Products that are widely used by customers

Trust of suppliers

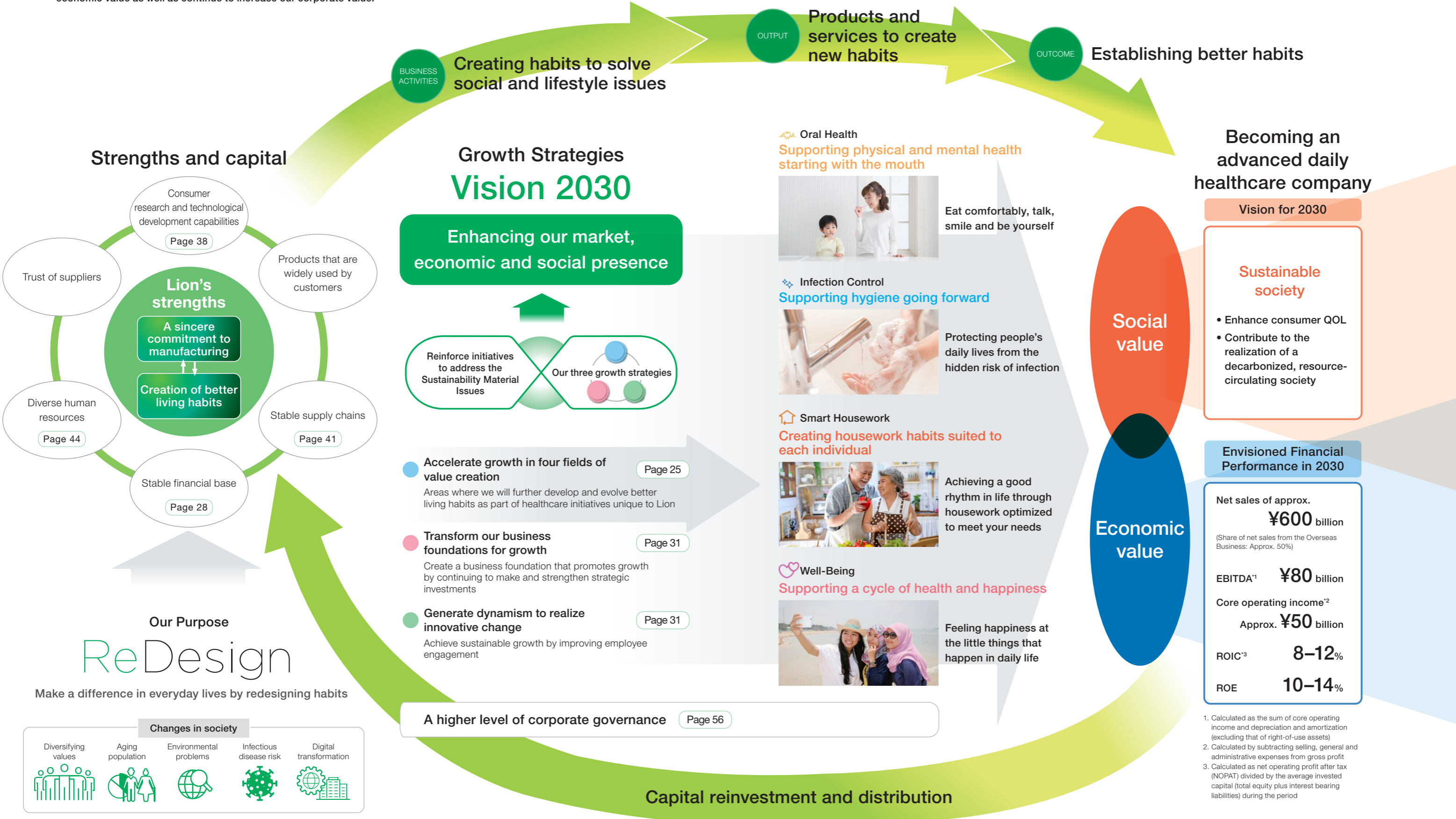
Stable supply chains

Diverse human resources

Stable financial base

Value Creation Process

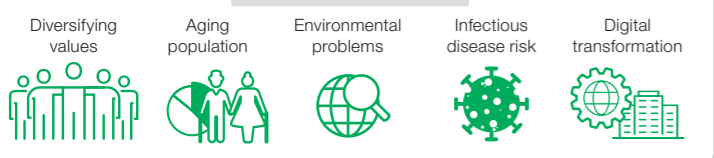
Lion positions its purpose, "Make a difference in everyday lives by redesigning habits: ReDesign," at the core of management. To achieve the management vision, "Becoming an advanced daily healthcare company," we will synergistically reinforce initiatives to address the Sustainability Material Issues and advance growth strategies under the Vision2030 long-term strategic framework. We will also accelerate growth, primarily in four fields of value creation. In doing so, we will create social and economic value as well as continue to increase our corporate value.



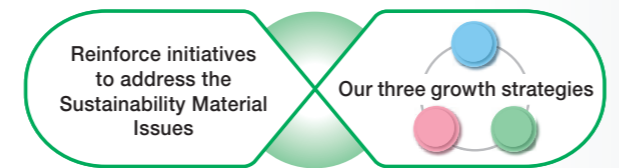
Our Purpose
ReDesign

Make a difference in everyday lives by redesigning habits

Changes in society



Growth Strategies
Vision 2030
Enhancing our market, economic and social presence



- **Accelerate growth in four fields of value creation** (Page 25)
Areas where we will further develop and evolve better living habits as part of healthcare initiatives unique to Lion
- **Transform our business foundations for growth** (Page 31)
Create a business foundation that promotes growth by continuing to make and strengthen strategic investments
- **Generate dynamism to realize innovative change** (Page 31)
Achieve sustainable growth by improving employee engagement

A higher level of corporate governance (Page 56)

Capital reinvestment and distribution

OUTPUT Products and services to create new habits
OUTCOME Establishing better habits

Oral Health
Supporting physical and mental health starting with the mouth
Eat comfortably, talk, smile and be yourself

Infection Control
Supporting hygiene going forward
Protecting people's daily lives from the hidden risk of infection

Smart Housework
Creating housework habits suited to each individual
Achieving a good rhythm in life through housework optimized to meet your needs

Well-Being
Supporting a cycle of health and happiness
Feeling happiness at the little things that happen in daily life

Becoming an advanced daily healthcare company

Vision for 2030
Sustainable society
• Enhance consumer QOL
• Contribute to the realization of a decarbonized, resource-circulating society

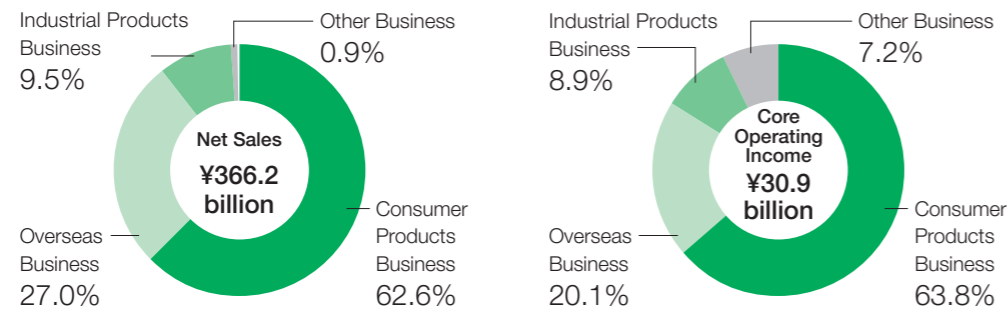
Envisioned Financial Performance in 2030

Net sales of approx.	¥600 billion
<small>(Share of net sales from the Overseas Business: Approx. 50%)</small>	
EBITDA ¹	¥80 billion
Core operating income ²	Approx. ¥50 billion
ROIC ³	8-12%
ROE	10-14%

1. Calculated as the sum of core operating income and depreciation and amortization (excluding that of right-of-use assets)
2. Calculated by subtracting selling, general and administrative expenses from gross profit
3. Calculated as net operating profit after tax (NOPAT) divided by the average invested capital (total equity plus interest bearing liabilities) during the period

Lion at a Glance

Net Sales and Core Operating Income by Segment



Note: Segment sales figures are external sales, net of intersegment sales and adjustments.

Consumer Products Business

In Japan, our Consumer Products Business offers a wide range of products and services for total care, from prevention of issues to maintenance and ease-of-use, including toothpastes, hand soaps, laundry detergents and over-the-counter (OTC) pharmaceuticals.

Oral Care Products

Toothpastes, toothbrushes, dental rinses, etc.



Beauty Care Products

Hand soaps, body soaps, antiperspirants and deodorants, etc.



Fabric Care Products

Laundry detergents, fabric softeners, laundry bleaches, etc.



Living Care Products

Dishwashing detergents, household cleaners, food preparation products, etc.



Pharmaceutical Products

Antipyretic analgesics, eye drops, dermatologic medicines, etc.



Other

Foods with function claims, gifts, pet supplies, etc.



Overseas Business

Lion operates businesses in Southeast Asia and Northeast Asia, providing products useful for daily living regardless of culture or language.

Lion Corporation (Thailand) Ltd.

Location: Bangkok

Southern Lion Sdn. Bhd.

Location: Johor Bahru

Lion Corporation (Singapore) Pte Ltd.

Location: Singapore

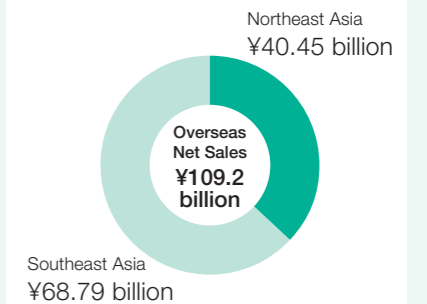
PT. Lion Wings

Location: East Jakarta
(Equity method subsidiary)

Lion Corporation (Hong Kong) Ltd.

Location: Hong Kong

Net Sales by Region



Lion Corporation (Korea)

Location: Seoul

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

Location: Qingdao

Lion Home Products (Taiwan) Co., Ltd.

Location: New Taipei

Industrial Products Business

Our Industrial Products Business comprises the Chemical Products Business, which handles surfactants, electro-conductive carbon and other chemicals; the Detergents for Institutional Use Business, which sells detergents and hand soaps for hotels and restaurant kitchens; and Other Business.

Chemical Products

- Mobility**
 - Rubber processing agents
 - Rubber additive agents
- Electronics**
 - Electro-conductive carbon
 - Pressure-sensitive adhesives
- Eco Chemicals**
 - Concrete admixtures
- Care Chemicals**
 - Surfactants
 - Cosmetics ingredients



Detergents for Institutional Use

- Dishwasher detergents
- Alcohol sanitizers
- Hand soaps
- Vegetable-washing detergents

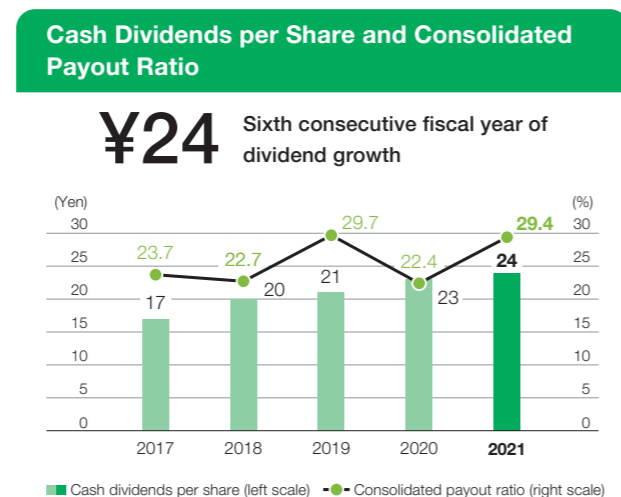
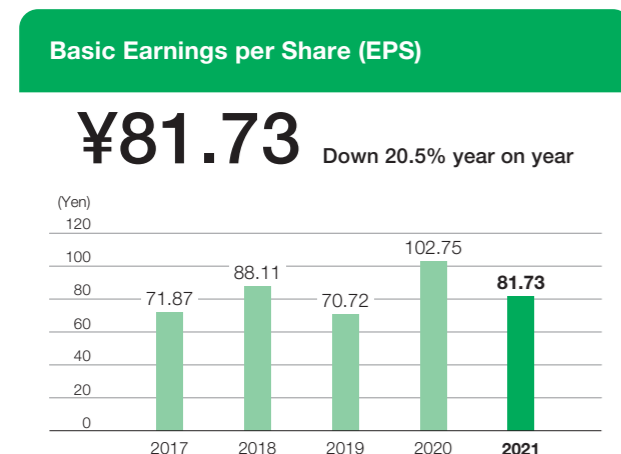
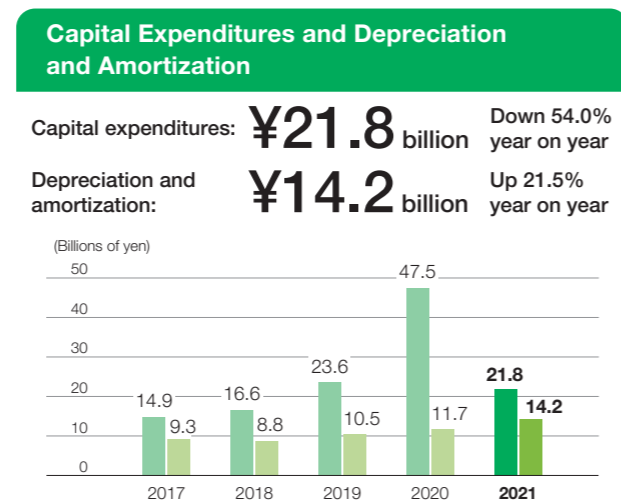
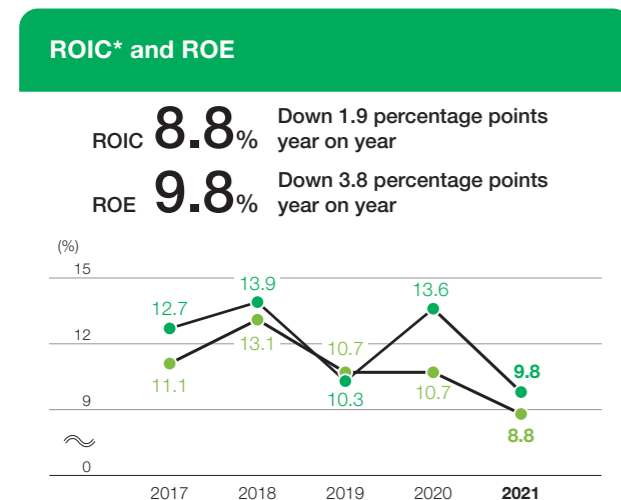
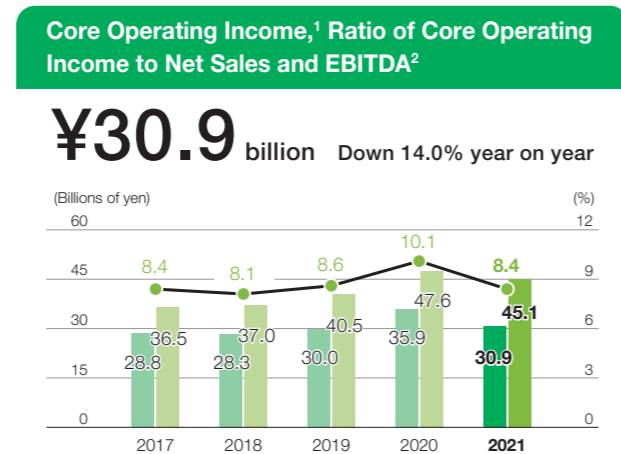
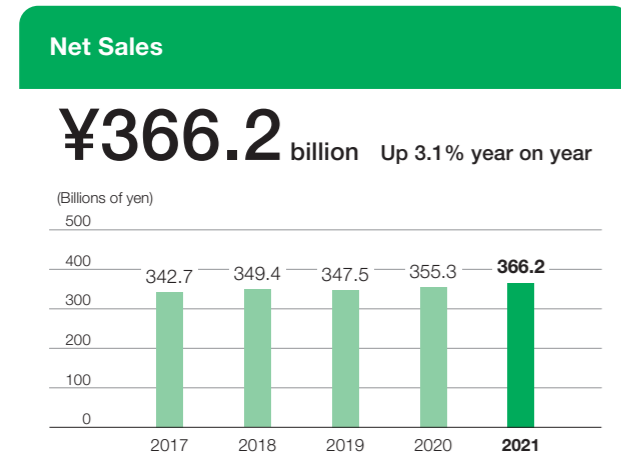


Other Business

In Japan, our subsidiaries are mainly engaged in operations related to Group businesses. The main products and services of this business include construction contracting, real estate management, transport and storage, and temporary staffing.

Financial and Non-Financial Highlights

Financial Highlights



Note: Lion Group voluntarily adopted International Financial Reporting Standards (IFRS) as of 2018, but figures presented for 2017 also conform to IFRS.

Non-Financial Highlights

