

ReDesign

Make a difference in everyday lives by redesigning habits



Corporate Message

Every day is full of wonderful moments.
Birds singing outside your window.
The clean feel of a freshly washed shirt.
A blue sky without a cloud in sight.
The smiling faces of children at play.
A tasty meal after a hard day's work.
Some days are special —
weddings, birthdays, holidays ...
But even the ordinary days are precious.
At Lion our business revolves around ordinary days.
Providing the products people need
to maintain good lifestyle habits.
Supporting cleanliness, health and comfort,
while protecting our global environment.
This is our mission, one in which we take pride.
Inspired by the wonder of everyday life.
Dedicated to creating a future full of health, hope and happiness.
For people everywhere around the world.

life. love.
LION



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Editorial Policy and Lion's Disclosure

Editorial Policy

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

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

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

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

Accounting Standards Applied: International Financial Reporting Standards (IFRS)

Referenced Guidelines:

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

Regarding Forward-Looking Statements

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

Lion's Disclosure

Investor Relations

IR news, quarterly financial statements, shareholders meetings, securities reports, etc.



<https://www.lion.co.jp/en/ir/>

About Us

Company overview, message from management, corporate governance, corporate compliance, etc.



<https://www.lion.co.jp/en/company/>

Information not included in the integrated report is available on Lion's website.



Lion Integrated Report 2021

Sustainability

ESG information and activity data, SDG-related initiatives, etc.



<https://www.lion.co.jp/en/csr/>

Products

Products offered by Lion, presented by category



<https://www.lion.co.jp/en/products/>



Corporate Motto and Management Philosophy

Corporate Motto

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

Management Philosophy

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

Purpose

ReDesign

Make a difference in everyday lives by redesigning habits

Message from the Chairman



Itsuo Hama

Representative Director,
Chairman of the Board of Directors,
Chief Executive Officer

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



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

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

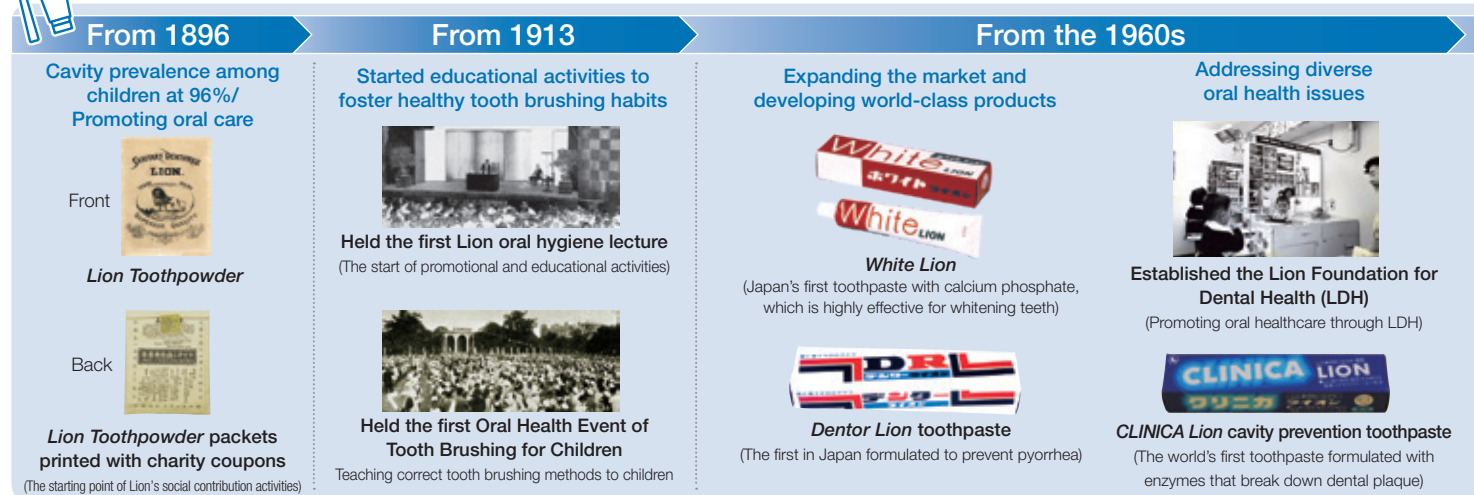
Lion has designated "Make a difference in everyday lives by redesigning habits: ReDesign" as its purpose. Working from this starting point, we will seek to advance management with a stronger emphasis on making everyday habits more natural, easy and enjoyable through consumer-centered business activities.

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

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

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

Oral Care



Cleanliness and Hygiene



Environmental Conservation





Lion's founder
Tomijiyo Kobayashi

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

From the 1990s

Addressing gum disease through the systematic combination of products with clear functions



Dentor Systema Lion Series
(Gum disease prevention)

From the 2000s

From oral care to whole-body health
Promoting oral health care



CLINICA Advantage Series
(Preventive dentistry promotion)



Activities to promote good oral care habits in Asia

From the 1990s

Promoting good hand washing habits and related products, helping raise cleanliness and hygiene awareness



KireiKirei Medicated Hand Soaps
(With antibacterial agents)

From the 2000s

Contributing to clean and hygienic living in Asia



Activities to promote good hand washing habits in Asia



KireiKirei overseas

From the 1990s

Reducing CO₂ emissions by using primarily plant-based washing ingredients



Emeron Shokubutsu-Monogatari (Plant Story) beauty soap
(Beauty soap made with 100% plant ingredients)



Spark
(Laundry detergent made from palm oil)

From the 2000s

Creating environmentally friendly habits through products and communication



TOP SUPER NANOX
(Highly concentrated liquid laundry detergent)



Refill packs

The Lion Group's Initiatives to Redesign Habits

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

Action 1



Establishing Tooth Brushing Habits

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

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

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



An early Oral Health Event of Tooth Brushing for Children

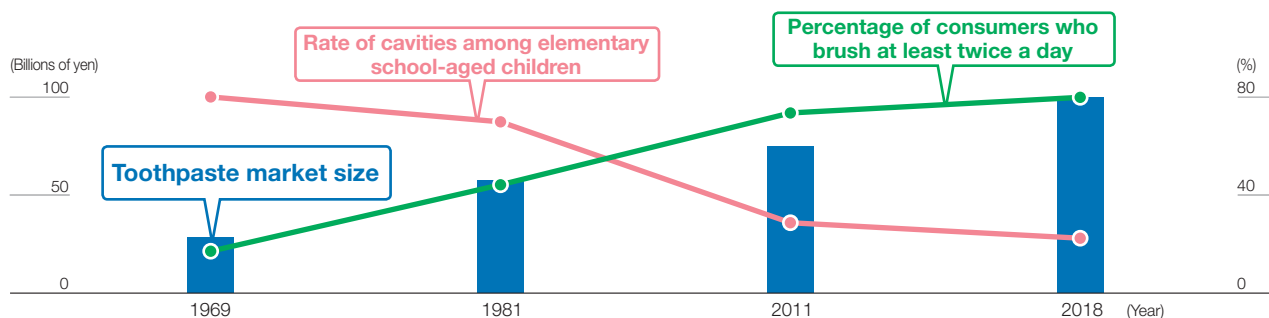


The Oral Health Event of Tooth Brushing for Children today



Educational activities in Asia

Toothpaste Market Size, Percentage of Consumers Who Brush at Least Twice a Day and Rate of Cavities (Japan)



* Lion survey

Action 2



Promoting Hand Washing Habits

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

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



Educational activities in Japan



Educational activities in Asia

Action 3



Promoting Environmentally Friendly Habits

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

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

Making Daily Living Environmentally Friendly

High detergency, plant-based raw materials

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

Highly concentrated liquid laundry detergent



Water-, energy- and time-saving

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

Super-concentrated detergent and compact packaging

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

Reduced petroleum-derived plastic use

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

*1. Carbon neutral: In which the CO₂ emission and absorption over the product life cycle cancel each other out.

*2. Calculated based on a comparison of liquid laundry detergent *TOP Clear Liquid* (bottle) with highly concentrated liquid laundry detergent *TOP SUPER NANOX* (bottle).

*3. Bottle only; excludes nozzle, cap, etc.

*4. Biomass plastics are polymer materials that are produced by synthesizing, either chemically or biologically, materials that contain renewable organic materials.

(Source: Website of the Japan BioPlastics Association).

Message from the President





Lion's Mission and Role

In 2020, the novel coronavirus (COVID-19) pandemic triggered major changes in the business environment. It was a turbulent year in which we had to constantly scramble to respond to changes, but it made us even more aware of our social mission of supplying our customers with the products they need for daily living. Each and every employee of the Lion Group worked together, giving our utmost to carry out this mission.

The experience of 2020 brought us a heightened awareness of our role in society and the significance of that role. Hand washing habits, an area we are involved in through hand soap, made a significant difference in preventing the spread of disease. Similarly, other living habits, like tooth brushing, doing laundry and washing dishes, also play important roles in realizing healthy minds and bodies. Looking toward 2030, Lion will seek to reach even more consumers as it fulfills its role of making a difference in everyday lives by redesigning habits.

Masazumi Kikukawa

Representative Director,
President and Executive Officer
Chief Operating Officer

Message from the President

Having Improved Profitability, We Must Now Accelerate Growth

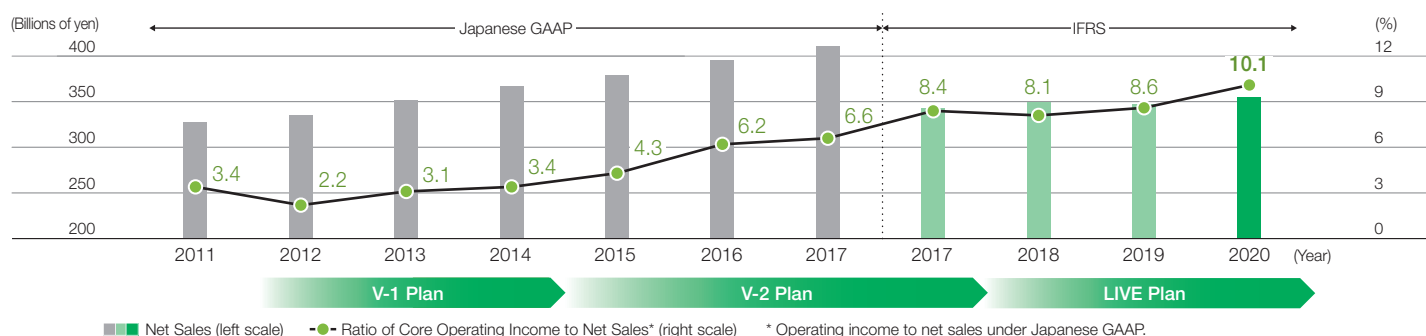
Lion formulated the Vision2020 management vision in 2011, under which it implemented three medium-term management plans: The V-1 Plan, the V-2 Plan and the LIVE Plan. In 2011, our operating profit ratio was around 3%, a level insufficient to allow for adequate investment in growth. To address this issue, we began by implementing business reforms aimed at growing into a lean, highly

profitable company. Working to bolster profitability, we shifted toward higher-added-value products, reinforced the revenue base and implemented structural reforms, such as streamlining our roster of affiliates. As a result, net sales and profitability both rose significantly, productivity and efficiency increased, and the management base steadily grew stronger. We also invested in future growth, including advertising, R&D and capital expenditure.



However, net sales have grown only slightly over the past several years. Under the LIVE Plan, the oral care business and business in China grew, but we fell short of our overall targets for organic growth in existing businesses and new growth front creation. We see sales volume expansion as a necessary condition for ongoing business development and, accordingly, have renewed our focus on reinforcing sales growth going forward.

Financial Results



Key Indicators

		V-1 Plan		V-2 Plan	LIVE Plan
		2011	2014	2017	2020 ^{*1}
Profitability	Core operating income ^{*2}	¥11.1 B	¥12.4 B	¥27.2 B	¥35.9 B
	EBITDA ^{*3}	¥23.1 B	¥22.7 B	¥36.5 B	¥47.6 B
Efficiency	ROE	4.0%	6.2%	12.2%	13.6%
	ROIC	4.7%	4.8%	11.1%	10.7%
Productivity	Core operating income per person ^{*2}	¥1.8 M	¥1.9 M	¥3.8 M	¥4.8 M
Investment	Advertising	¥22.1 B	¥24.5 B	¥29.9 B	¥24.9 B
	R&D	¥8.9 B	¥9.4 B	¥10.4 B	¥10.9 B
	Capital expenditures	¥8.3 B	¥13.5 B	¥14.8 B	¥47.5 B

^{*1} Figures for 2020 are on an IFRS basis.

^{*2} 2011-2017: Operating income under J GAAP.

^{*3} 2011-2017: Operating income + depreciation and amortization
2020: Core operating income + depreciation and amortization

Working to Make a Difference in More Consumers' Lives by Redesigning Habits

Over the 130 years since its founding, Lion has, time and again, solved problems in daily living and society to propose better habits. In this process of working to make each day the first step toward a brighter future, we have developed a particular approach to looking for ways to improve our businesses and make a difference. This approach leads us to ask, is it enough to provide products so that the consumers we currently serve can maintain their current living habits? Or, do we need to expand our contribution to the formation of better living habits to more consumers across more aspects of daily living? This constantly questioning mindset is what underlies the formulation of the Vision2030 long-term strategic framework and allowed us to determine that we must increase the number of consumers we serve and by doing so achieve sales growth. Finding ways of doing this was the spark for the formulation of Vision2030.

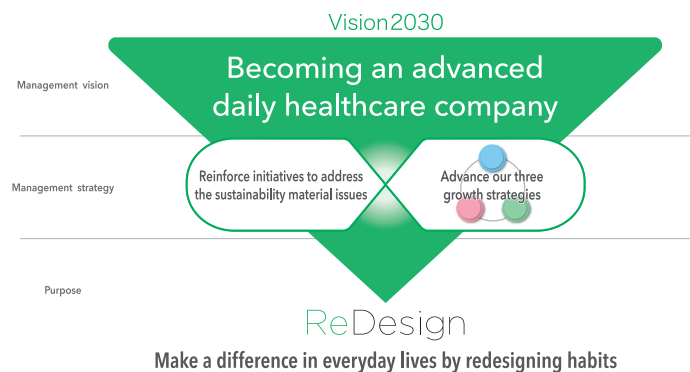
Lion has designated “Make a difference in everyday lives by redesigning habits: ReDesign” as its purpose. Based on this purpose, our management vision is “Becoming an advanced daily healthcare company.” We aim to realize healthy minds and bodies for all by creating new customer experiences to make everyday habits more natural, easy and enjoyable. To this end, we will build a broad business portfolio that encompasses numerous daily points of contact with consumers and bring Lion Group products and services to more consumers in Asia, our main target market going forward. In this way, we will ambitiously work toward scale expansion, aiming to enter the ranks of the top ten companies in terms of sales within the markets where we do business in Asia by 2030.

Vision2030 comprises three main growth strategies. The first is to realize business innovation that goes beyond our conventional business of producing and distributing products (Accelerate growth in four fields of value creation). The second is to transform our business infrastructure, including the digital transformation (DX) needed to implement the first strategy (Transform our business foundations for growth). The third is to transform our people and organizations to take on new, ambitious challenges in order to implement the first strategy (Generate dynamism to realize innovative change).

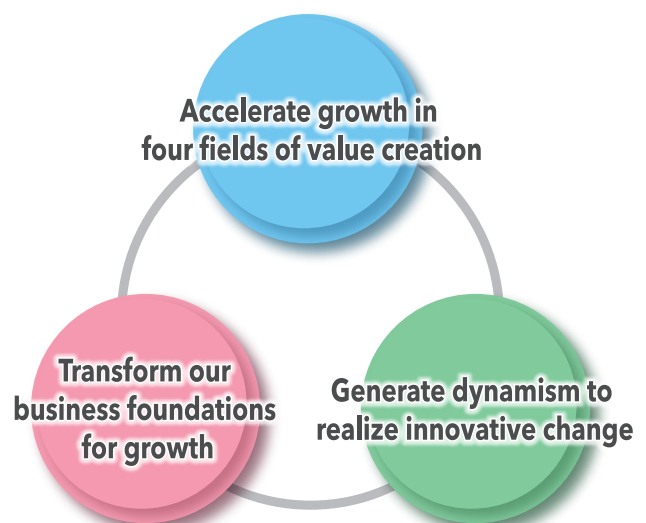
Lion's Strengths and the Challenges Ahead

Being a Japanese manufacturer is our identity. The sincerity we bring to manufacturing and the customer trust we have earned over the past 130 years are our strengths. Lion has a long history of business in Thailand and other areas in Asia, the main focus of the Overseas Business's existing operations and efforts to further expand going forward. We have earned the trust of consumers in these areas. However, we do not yet have the expertise we will need to build new business models, and acquiring it is a major task we face going forward.

Vision2030 Long-Term Strategic Framework



Our Three Growth Strategies



Message from the President

Accelerating Cross-Divisional Growth in Four Fields of Value Creation

Under the first growth strategy of Vision2030, “Accelerate growth in four fields of value creation,” we will strategically advance innovation in four fields of value creation on a Company-wide, cross-divisional basis to create new consumer value. In identifying these four fields, we asked ourselves what fields would be important to realize health as we see it, and how we could expand our businesses while leveraging our existing strengths. Health, as we see it, is based on a healthy state of mind and body for the individual, but also encompasses healthy relationships with others, such as one’s family and community.

Four Fields of Value Creation

In the first field, Oral Health, we aim to evolve and transform our offerings from mere oral care via the provision and use of products to oral healthcare that supports overall health and quality of life (QOL) from the mouth outward. Given the deep connection between the health of the mouth and that of the entire body, as well as the advance of demographic graying in Japan and many other countries, oral health is an area of growing importance.

In the second field, Infection Control, refers to prevention. In response to the COVID-19 pandemic, since 2020 we have been focusing efforts on spreading good hand washing habits through our hand soaps. Going forward, we will provide hygiene solutions across society to contribute to infectious disease prevention broadly. We have an important role to play in creating the conditions for effective infection prevention not only at the levels of the individual

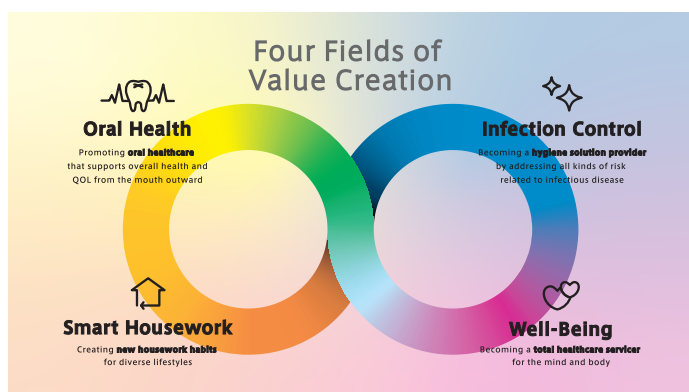
and family, but across society, and thereby helping maintain both physical and mental health.

In the third field, Smart Housework, we aim to create new value by reexamining household chores, such as laundry and cleaning, and shifting focus from the application of individual products to the links between them. Competition in this market is extremely fierce, so we will shift our angle of competition to create value that other companies cannot.

In the last field, Well-Being, we will seek to shift away from our conventional business model, in which our contact with customers extends only to selling supplements and over-the-counter (OTC) drugs, such as antipyretic analgesics, to treat their symptoms at a given moment. Going forward, we will seek to help improve customers’ total health over the long term and thereby boost their internal well-being.

From 2021, we have set up a deliberative framework, called the Field Program, for each of these four fields to advance initiatives that transcend the limits of our existing organizations and divisions. The four fields of value creation were deliberately not conceived to fit into the conventional delineations defining, for example, the Consumer Products business or the Overseas Business. This was because we were conscious that there is a limit to the growth achievable by simply extending and building on existing structures and businesses. By realizing organic coordination and synergy across the Lion Group, we will advance the creation of structures that can formulate and implement cross-divisional strategy, both in Japan and overseas. Furthermore, in addition to working independently, I believe that providing value alongside other companies is a new approach that Lion must explore going forward.

Four Fields of Value Creation



Building More Robust Business Foundations

Under our second strategy, “Transform our business foundations for growth,” we have adopted the themes of “Digital transformation (DX)” and “Reinforce business infrastructure.”

In the area of “Digital transformation (DX)”, we are working toward two targets.

One target is to utilize digital technologies to increase business efficiency. For example, we are further automating factories so that they can be run with almost no manpower.

The other target is to leverage digital technologies to transform our businesses themselves. For example, by analyzing our vast volume of employee dental and health checkup data, we are gaining new insights into the connections between oral care habits and oral conditions. Using AI to analyze such data, we hope to be able to identify and alert individuals with hidden risk factors early, so that they can take up preventive habits. In areas like this, we must make greater use of the potential of digital technologies. By expanding our data platform, we can further enhance the precision of our prognostics and the efficacy of the habits we offer. Building platform-based businesses is therefore an area in which we seek to push forward.



Automated dental rinse bottle supply using robots

Numerous hurdles remain, but I believe our efforts in these areas will increase the quality of the habit proposals we are able to offer consumers.

Under the second theme, “Reinforce business infrastructure,” we will continue growth-oriented initiatives advanced under the LIVE Plan to reinforce production and systems infrastructure, working to build highly flexible and resilient supply chains. As part of such efforts, in July 2021, we will begin full-scale toothpaste production at the Sakaide Factory in Kagawa Prefecture. We will also carefully monitor and confirm the effects of investments in order to enhance the sophistication of Group management.



New toothpaste factory



Message from the President

Creating Organizations Where Each Individual Can Excel

Under the third strategy, “Generate dynamism to realize innovative change,” we are focusing efforts on “Corporate branding,” “Professional fulfillment reforms” and “Diversity & open innovation.” These may seem like three separate issues, but they are closely interlinked.

Corporate branding entails promoting recognition of and support for business implementation based on our purpose, both externally and internally.

Ensuring that employees all understand that the ultimate objective of their work is to implement our purpose and increasing their sense of sharing in said purpose will lead to greater professional fulfillment. Furthermore, to enhance professional fulfillment, employees must have a clear sense that they are growing into more autonomous versions of themselves. To this end, it is crucial to ensure that employees are connected with the right inspiration and opportunities to grow by proactively interacting not only with others within Lion, but a wide range of people outside the Company.

Lion is proactively advancing initiatives in the areas of diversity & open innovation. We hope that by interacting with a more diverse range of people, each of our employees will gain insights into the areas they need to work on as well as their own strengths, helping them to grow.

The adoption of our side job system—in which Lion employees can work side jobs at other companies and employees of other companies can work side jobs at Lion—is a part of these efforts. In 2020, when we sought to fill eight side job positions with external human resources for a project to build new business models, we received more than 1,600 applications. As a result of this project, in February 2021, we launched *Gokinjo Cheftomo*, a service that allows users to take home dinner side dishes prepared at local restaurants. The participation of outside individuals working side jobs at Lion was a tremendously important factor in enabling us to set up this new business so quickly.

Likewise, we expect that working side jobs at other companies will enable Lion employees to quickly obtain experience and insight they would not have access to solely by working at a single company.



Making Habits More Environmentally Friendly

As part of Vision2030, in addition to “Advancing Our Three Growth Strategies,” we have designated “Reinforce Initiatives to Address the Sustainability Material Issues” as a management strategy. In particular, we have identified “Creating Healthy Living Habits” and “Promoting Environmental Initiatives for a Sustainable Planet” as our top-priority materials issues, the areas in which we must contribute to society most.

To realize sustainability for the planet, it will be crucial for society to shift to more environmentally friendly habits. Such a shift ties directly into the implementation of our purpose; and, going forward, creating habits that support not only the physical and mental health of individuals, but also the health of the global environment, will be extremely important.

For example, in Japan, around 90% of liquid toiletry products are available in refill pouches made of thin plastic film. In Europe and the United States, this figure is still around just 10%. The establishment of habits related to effectively using such pouches can significantly reduce plastic use. I call this “pouch culture.”

Pouch culture is just one example of the ways that everyday habits can have a big impact over time. By creating numerous such habits and spreading them across Asia, we hope to contribute to the protection of the global environment. Furthermore, because pouches still use plastic, we will need to develop frameworks and technologies for collecting and reusing them to realize a higher level of recycling. This is something that Lion cannot do alone, so we will expand collaboration both within the industry and across industries.



Lion refill pouch products

To Our Stakeholders

Reaffirming our purpose, “Make a difference in everyday lives by redesigning habits: ReDesign,” over the coming decade, we seek to expand our businesses to connect with and serve more consumers across more aspects of daily living. As we do so, we will strive to be receptive to feedback

and shifts in ideas about what it is that consumers need. We humbly ask for your continued guidance and support as we go forward.

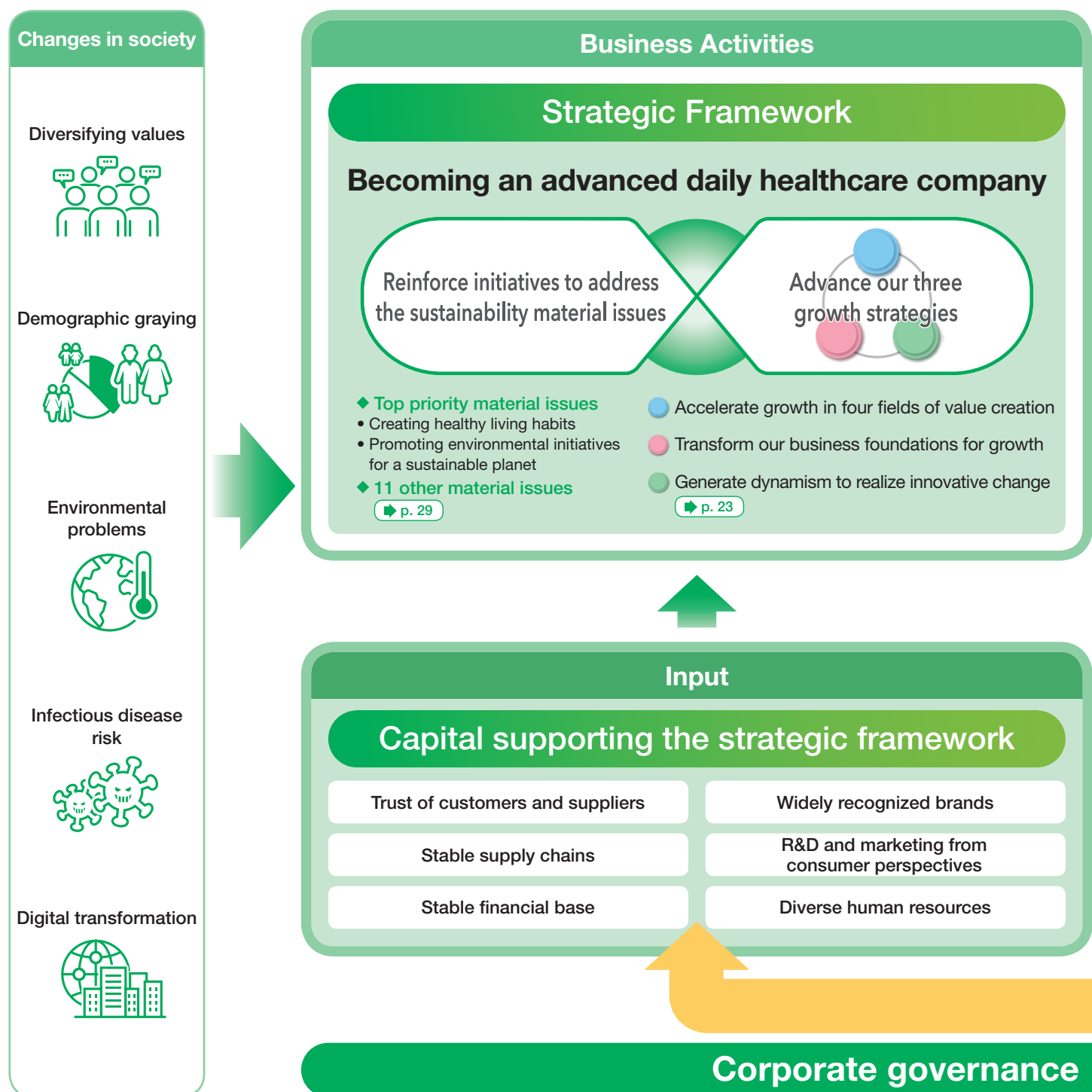
Masazumi Kikukawa

Representative Director,
President and Executive Officer
Chief Operating Officer

Value Creation Model

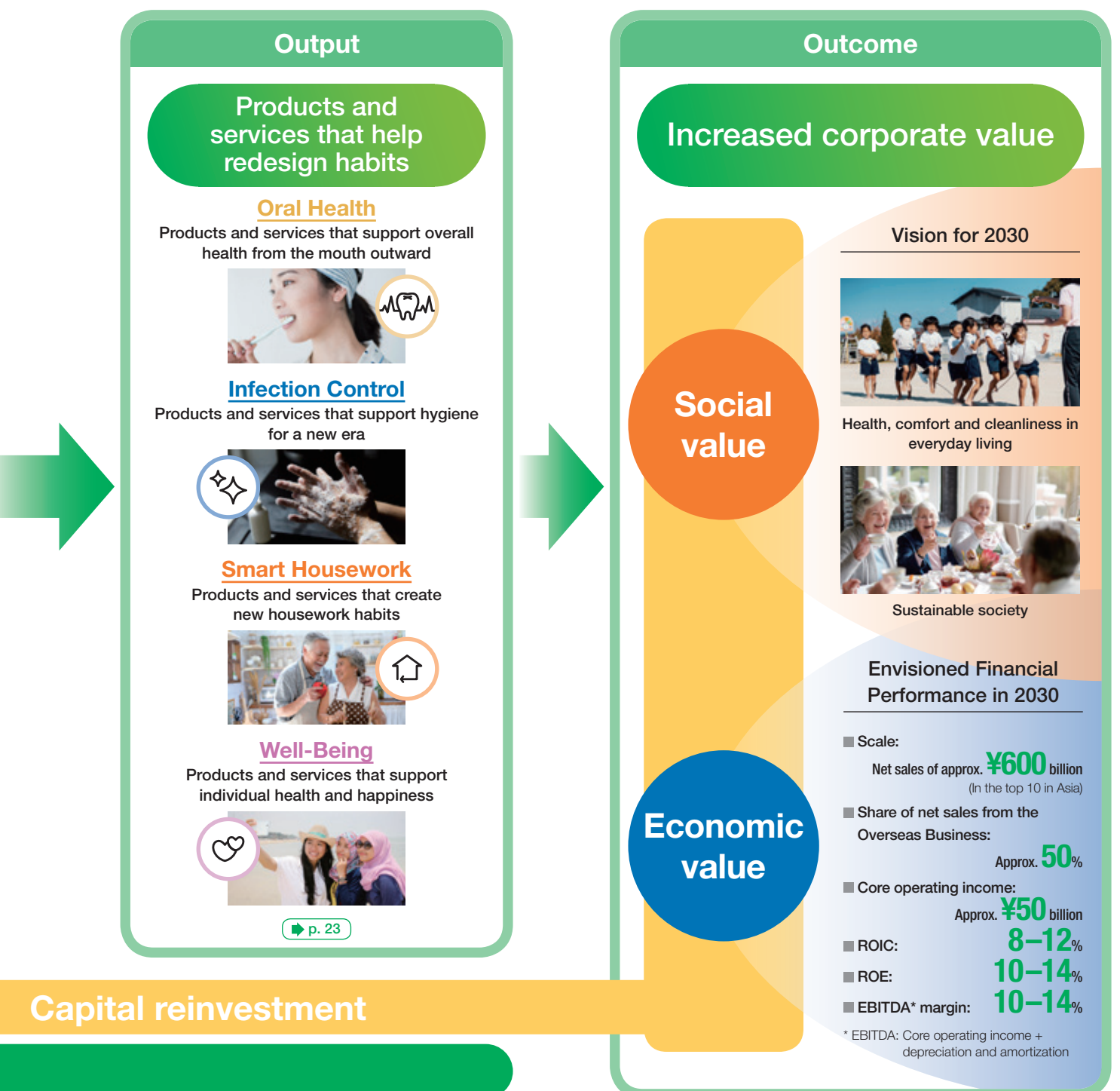
Lion positions its purpose, “Make a difference in everyday lives by redesigning habits: ReDesign,” at the core of management. To achieve the management vision, “Becoming an advanced daily healthcare company,” we are leveraging the strength of our capital to synergistically reinforce initiatives to address the sustainability material issues and advance growth strategies under the Vision2030 long-term strategic framework. We will accelerate

Purpose = Make a difference in everyday



growth, primarily in four fields of value creation. By providing products and services unique to Lion that help redesign habits, we aim to generate social and economic value and invest in future growth, creating a cycle that will increase corporate value over the medium to long term.

lives by redesigning habits: Redesign



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.

Changes in values and behavior

- Renewed awareness of the importance of daily habits
- Increased hygiene needs
- Increased healthcare awareness
- Changes in housework patterns



Key themes for the decade ending in 2030

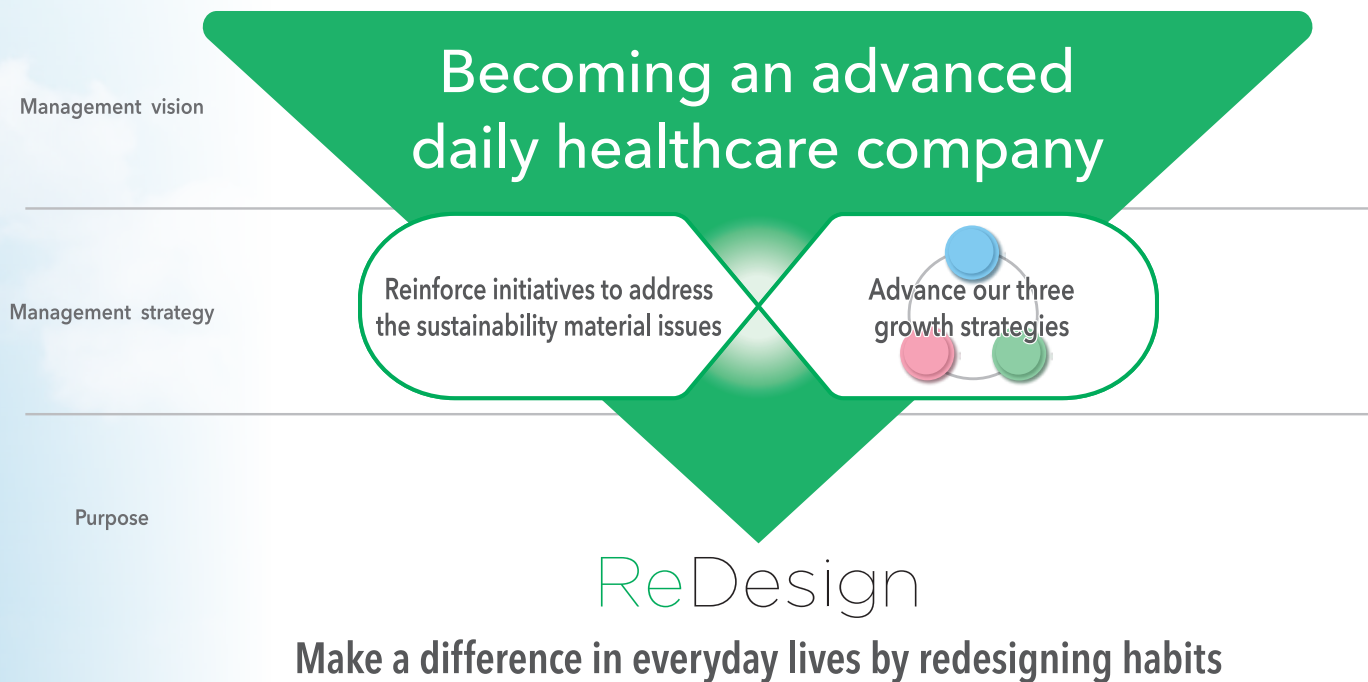
- Create social value and economic value through **purpose-driven management**
- **Achieve business growth by making a difference in the everyday lives** of even more people
- Transform into a **company that constantly evolves** in response to changes in society

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.

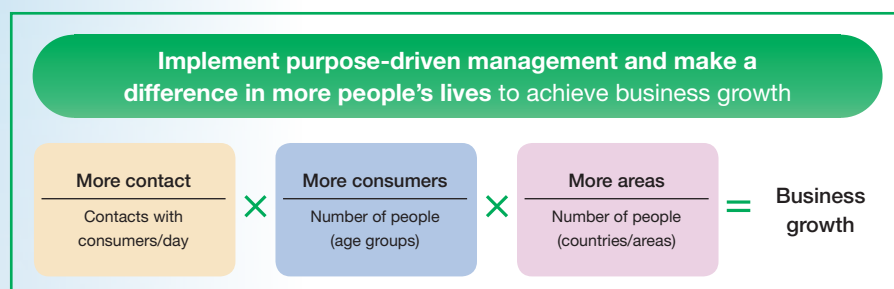
Vision2030



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.

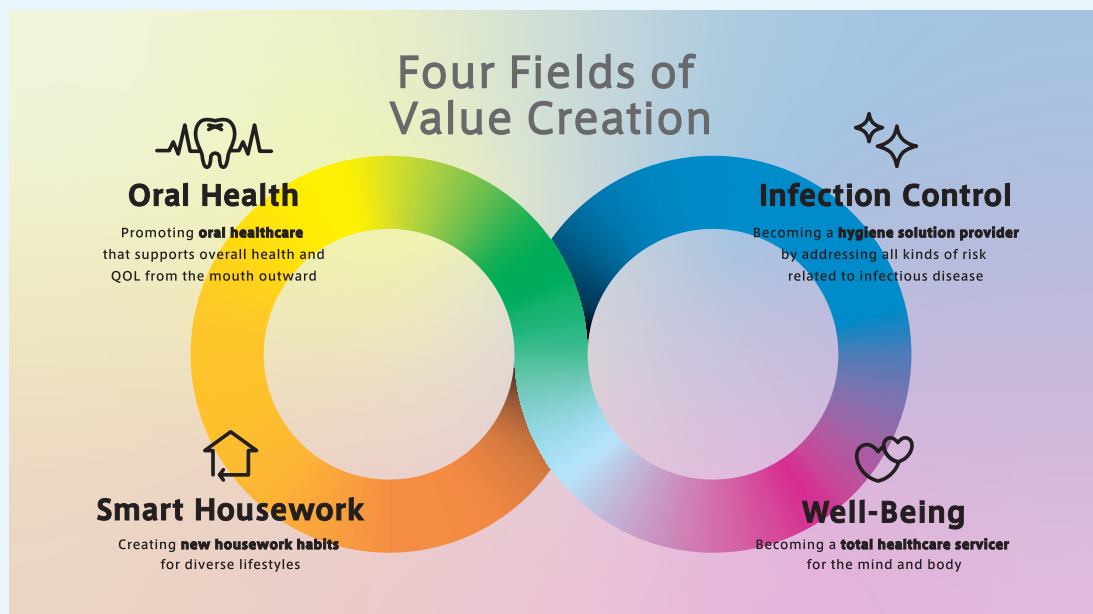
The second is **“Transform our business foundations for growth.”** We will promote business foundation transformation that will spur growth by continuing and reinforcing strategic investment.

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 servicer 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.



Growth Strategies

Specific Opportunities: Oral Health Field

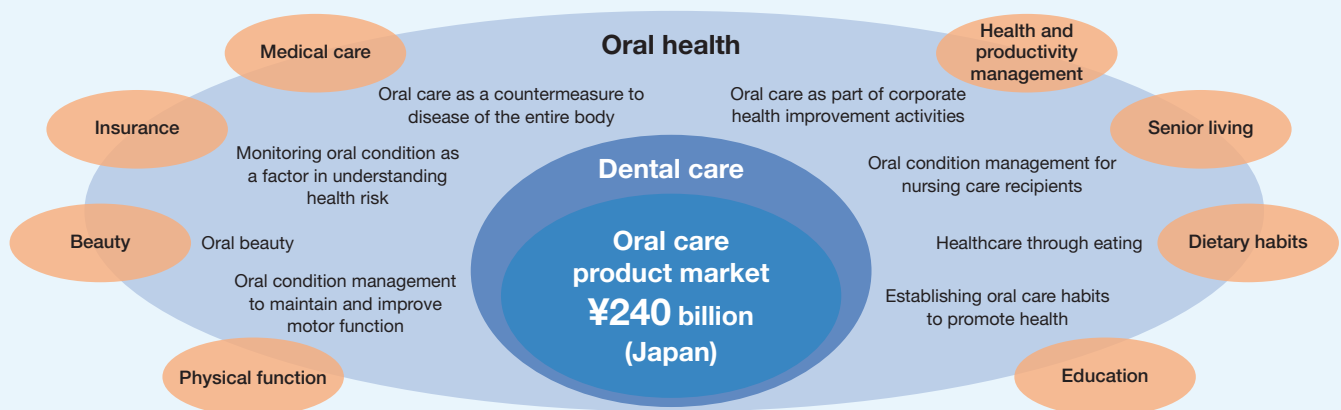
Lion is the leading manufacturer of oral care products (such as toothpaste and toothbrushes) in the Japanese market* and will continue to create new value to drive market growth.

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

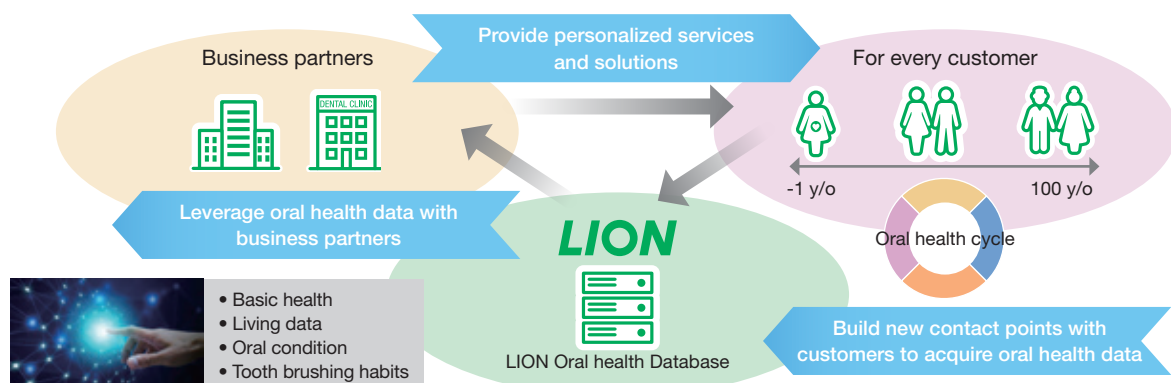
Lion is working to offer better oral health care solutions by utilizing data related to oral health.

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

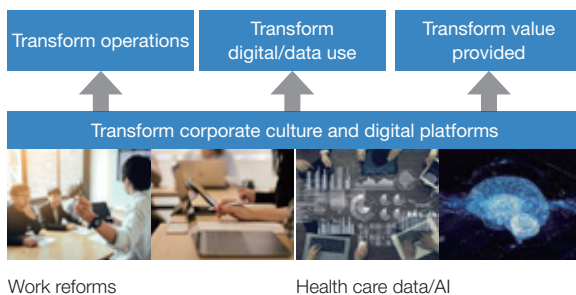


Our three growth strategies: Transform our business foundations for growth

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

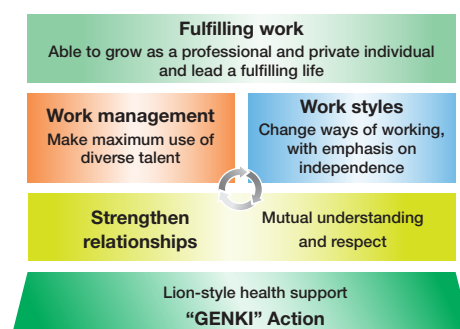
In and outside Japan, we will implement **purpose-driven, consistent corporate activities** to continually earn the trust and respect of all stakeholders and increase corporate value.

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.

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.



Sustainability

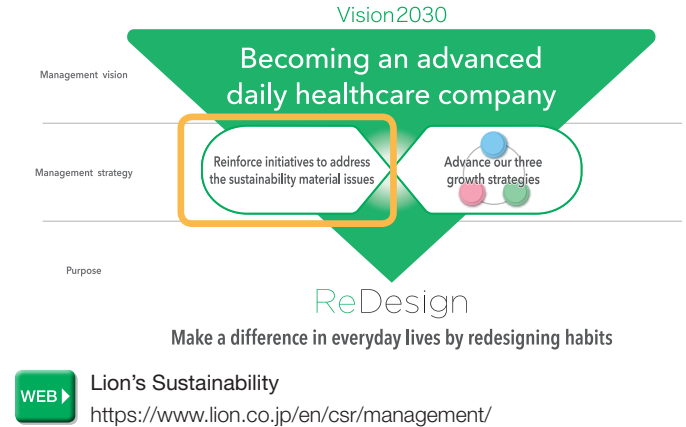
Addressing the Sustainability Material Issues to Achieve the Management Vision

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

SUSTAINABLE DEVELOPMENT GOALS



Lion's SDG-Related Initiatives
<https://www.lion.co.jp/en/csr/sdgs/>

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 Employees Shareholders and investors Local communities	Customers	
Sustainability Material Issues		Opportunities <ul style="list-style-type: none"> ● Creating Healthy Living Habits ● Promoting Diversity ● Promoting Work-Life Balance ● Developing Human Resources ● Improving Employee Health ● Pursuing Customer Satisfaction and Trust Risks <ul style="list-style-type: none"> ● 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

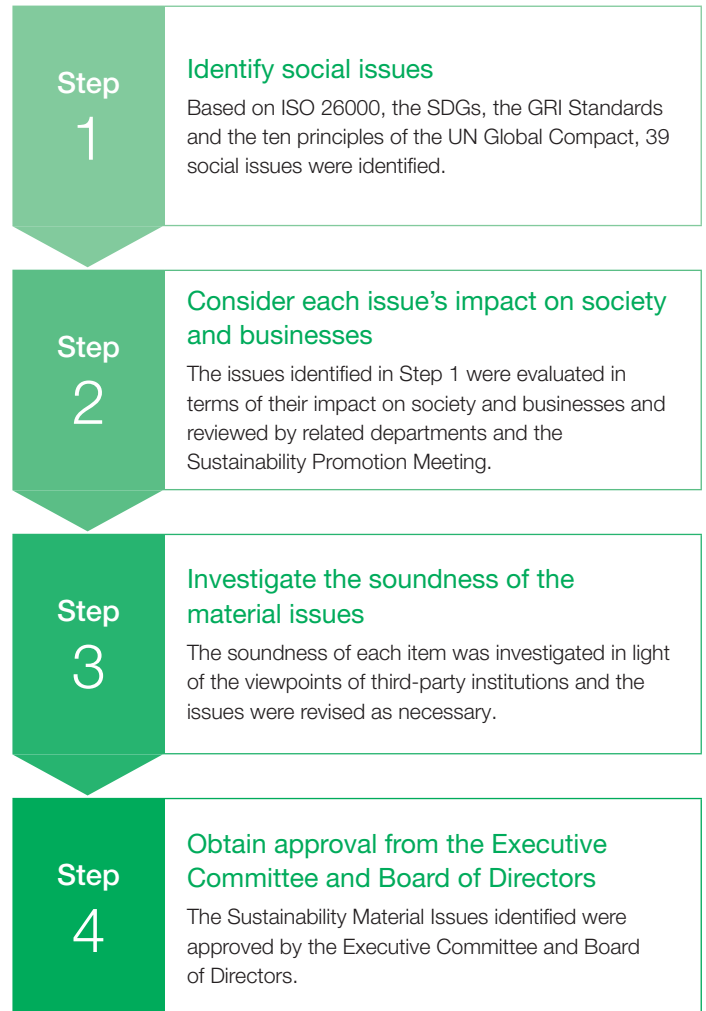
In 2020, the Lion Group applied the steps shown at right to revise its list of Sustainability Material Issues to address over the coming decade in order to achieve its goals for 2030, including the realization of the management vision and contributing to the realization of the SDGs. These Sustainability 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

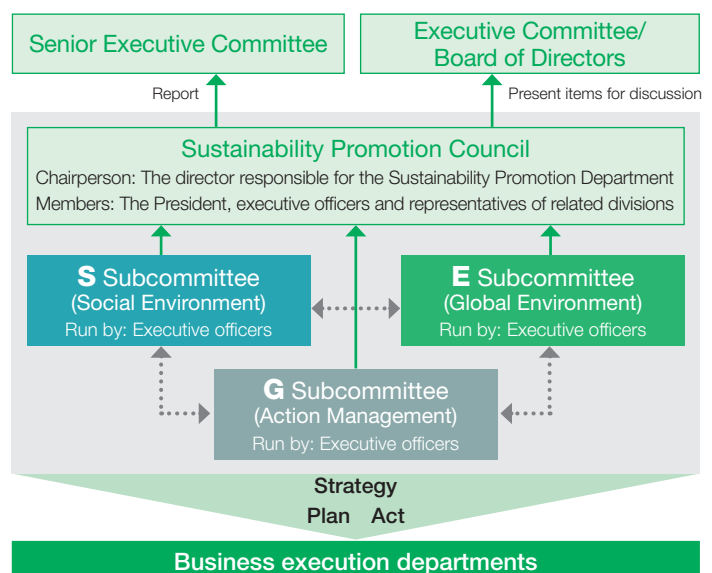


Sustainability Management

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.



Sustainability

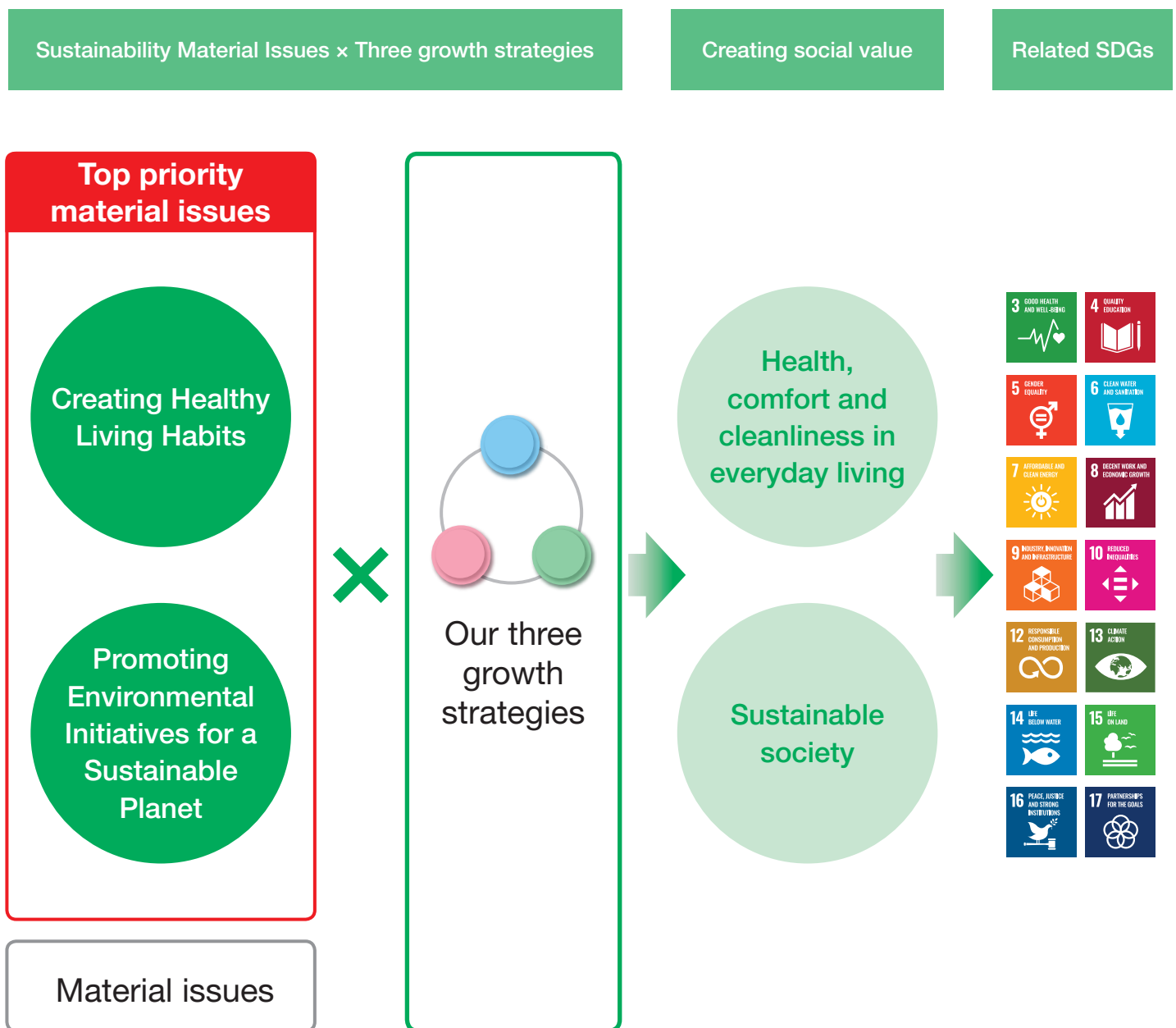
The Lion Group Sustainability Material Issues and Objectives for 2030

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.	• CO ₂ emissions ⇒ Down 30% compared with 2017 levels	<div><div>3</div><div>6</div><div>7</div><div>9</div></div> <div><div>12</div><div>13</div><div>14</div><div>15</div></div> <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>3</div><div>4</div><div>6</div><div>10</div></div> <div><div>12</div><div>17</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>5</div><div>8</div><div>10</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>3</div><div>8</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>5</div><div>8</div><div>10</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>3</div><div>8</div><div>17</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>3</div><div>8</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>5</div><div>8</div><div>10</div><div>16</div></div> <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>5</div><div>6</div><div>7</div><div>8</div></div> <div><div>10</div><div>12</div><div>13</div><div>14</div></div> <div><div>15</div><div>16</div><div>17</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>3</div><div>10</div><div>12</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>8</div><div>12</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>5</div><div>10</div><div>16</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>	

Sustainability

Creating Healthy Living Habits

Related SDGs



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

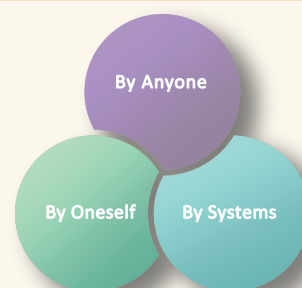
make a difference utilizing Lion’s unique strengths, we turned our attention to health disparities. To address this issue, which is expected to grow in significance worldwide going forward, we have launched new initiatives to promote Inclusive Oral Care over the coming decade ending in 2030.

* 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.



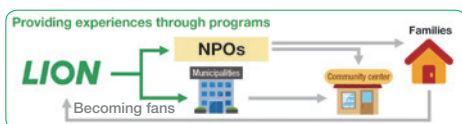
Three Credos

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

<p>Supplying hygiene-related products</p>	<ul style="list-style-type: none"> Stable supply of hand soaps and hand sanitizers, etc. 	<p>Providing information about hygiene in daily living (via our website, etc.)</p>	
<p>Donations for healthcare workers</p>	 <p>Donated hand soap, toothpaste, cooling sheets for feet and other products (Lion Corporation (Singapore) Pte Ltd)</p> <div data-bbox="767 853 1010 1048"> <p>Other support</p> <ul style="list-style-type: none"> 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 </div>		

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



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

Lion Corporation (Thailand) Ltd.



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

Southern Lion Sdn. Bhd.



Taught children correct hand washing techniques
Donated hygiene products



Lion Corporation (Singapore) Pte Ltd



Lion Corporation (Hong Kong) Ltd.



Lion Corporation (Korea)



Promoted hand washing in stores and hygiene products donated to hospitals

Lion Corporation



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

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/>

Sustainability

Promoting Environmental Initiatives for a Sustainable Planet

Related SDGs



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.

LION Eco Challenge 2050

Healthy future for people and the planet

While striving for business growth, the Lion Group is working to contribute to global environmental sustainability, aiming to realize a decarbonized, resource-circulating society by 2050.

- Through all of its businesses, the Lion Group will address the issues of decarbonization (climate change) and resource circulation (plastics, water resources) to contribute to the realization of a healthy future for people and the planet.
- By offering products and services based on environment-conscious design, the Lion Group will reduce the environmental burden attributable to the household use stage of its products' life cycles.
- The Lion Group will provide products that contribute naturally to environmental conservation without entailing user inconvenience or sacrifice and promote the formation of eco-friendly living habits by engaging in interactive communication with consumers.

Realizing a Decarbonized Society

Challenge 1 Lion will reduce CO₂ emissions to zero throughout business activities by 2050.

2030 objective: **30%** CO₂ emission reduction in comparison with 2017 levels in absolute quantity

Challenge 2 Lion will reduce CO₂ emissions by half throughout the life cycle of its products by 2050.

2030 objective: **30%** CO₂ emission reduction in comparison with 2017 levels in absolute quantity

Realizing a Resource-Circulating Society

Challenge 3 Lion will realize advanced plastics recycling by 2050.

2030 objectives: Promote the 3Rs (Reduce, Reuse, Recycle) and Renewable (use of sustainable resources)
Double the usage of recycled and biomass plastics in comparison with 2017 levels in absolute quantity

Challenge 4 Lion will optimize water usage for sustainability by 2050.

2030 objective: **30%** water usage reduction per unit of net sales across product life cycles in comparison with 2017 levels

WEB Together with the Environment
<https://www.lion.co.jp/en/csr/env/>

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.

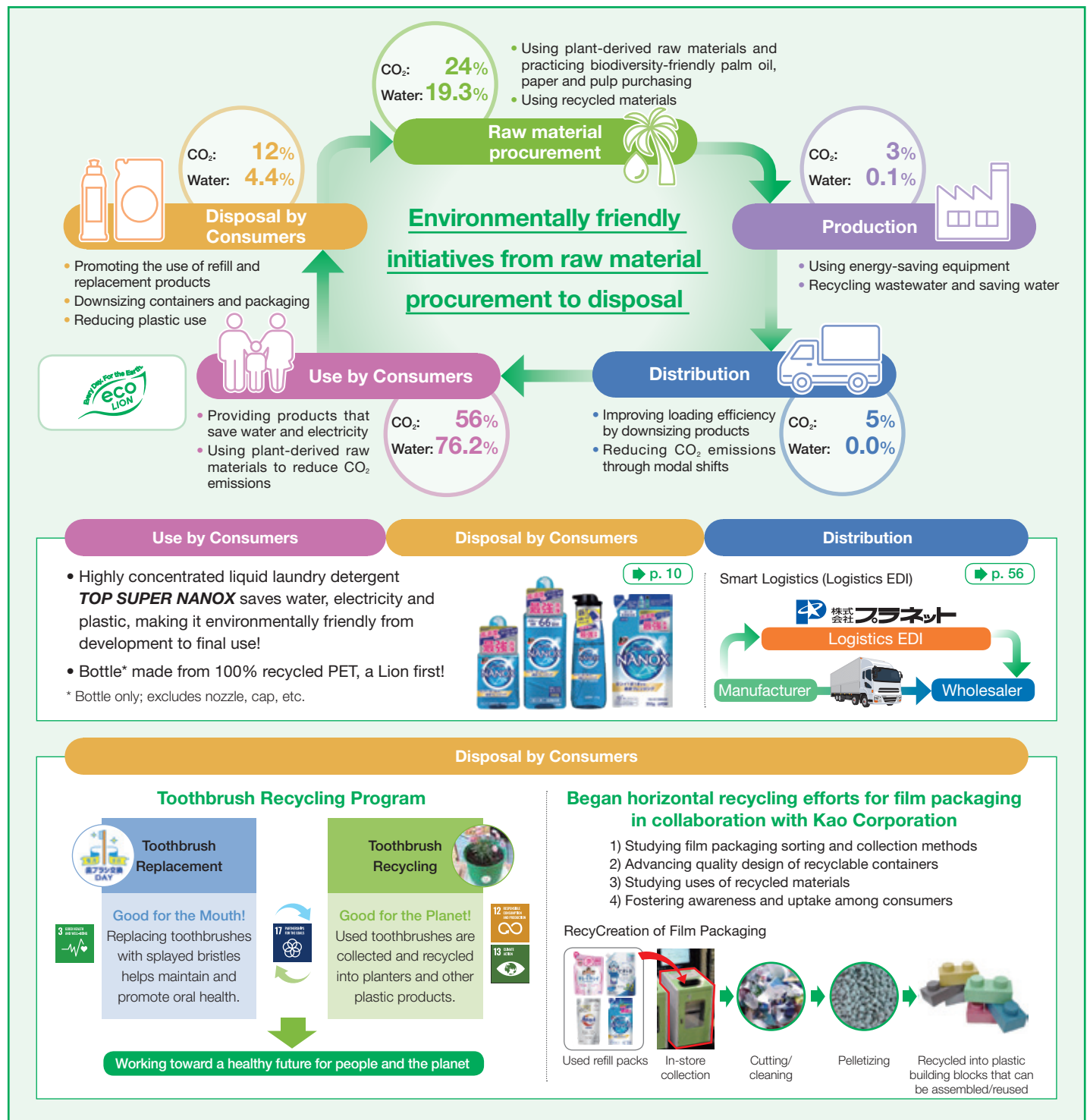
* A rating of companies' efforts to engage with other entities in their supply chains on the issue of climate change as part of their initiatives to reduce GHGs throughout their supply chains.

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



Consumer Products Business



Redesigning Habits for Changing Living Environments to Drive Market Creation

Masayuki Takemori

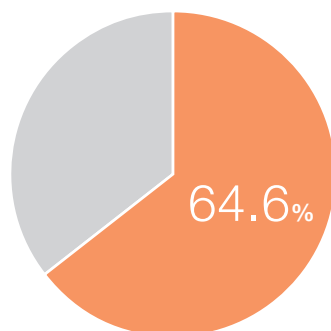
Executive Officer,
Executive General Manager of Health and Home Care Products Division



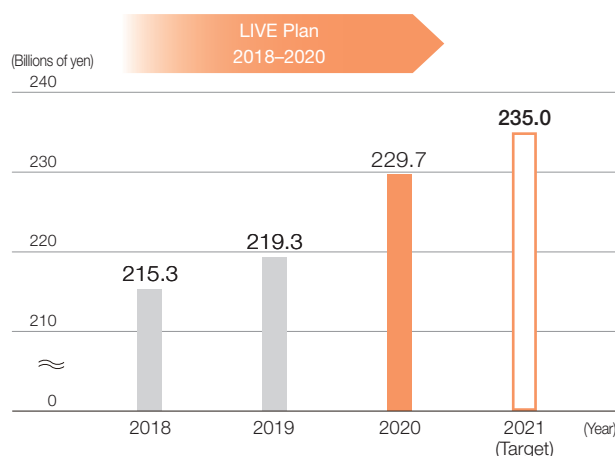
* Market share information is based on Lion surveys.

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

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*.

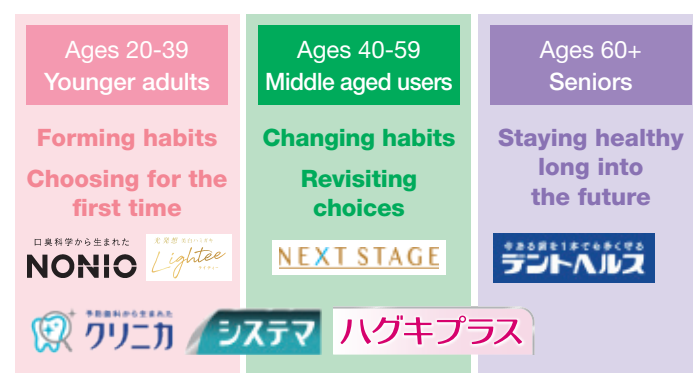
Lion has a long history of promoting oral care awareness and education. Since 2014, through the *CLINICA* brand, we have been promoting the practice of preventive dentistry involving regular professional care* alongside self-care, simultaneously increasing oral care awareness and boosting customer spending, 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.

Overseas Business



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

Annette Ling

Executive Officer

Executive General Manager of International Division

Lion Corporation (Thailand) Ltd.

Location: Bangkok

No. 1 body wash and hand soap market share



Southern Lion Sdn. Bhd.

Location: Johor Bahru

No. 1 laundry detergent market share



Lion Corporation (Korea)

Location: Seoul

No. 1 hand soap market share



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

Location: Qingdao



Lion Home Products (Taiwan) Co., Ltd.

Location: New Taipei



Lion Corporation (Singapore) Pte Ltd

Location: Singapore

No. 1 hand soap, laundry detergent and dishwashing detergent market share



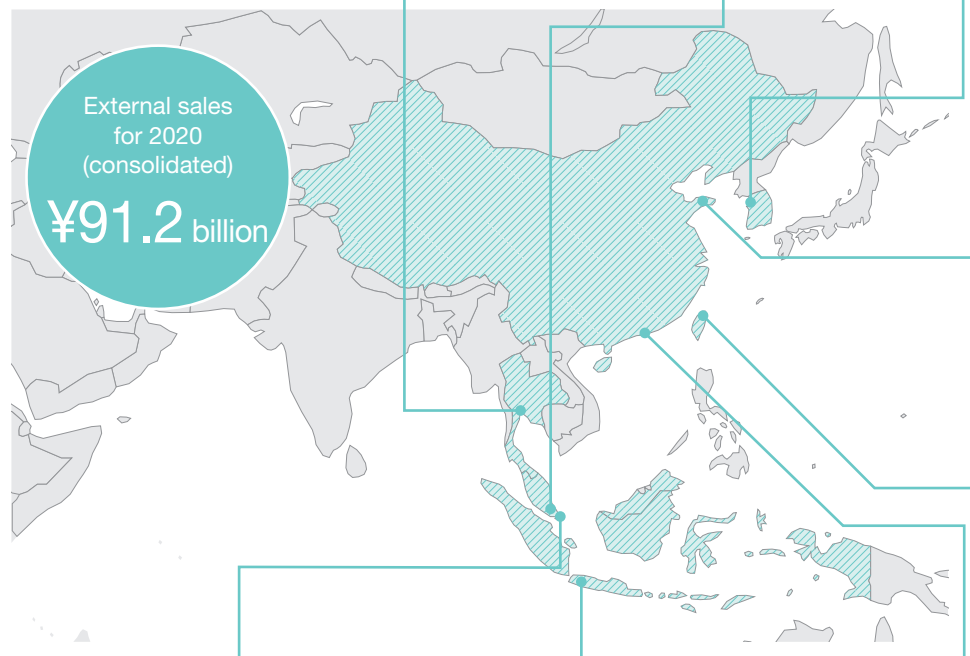
PT. Lion Wings

Location: East Jakarta
(Equity method subsidiary)



Lion Corporation (Hong Kong) Ltd.

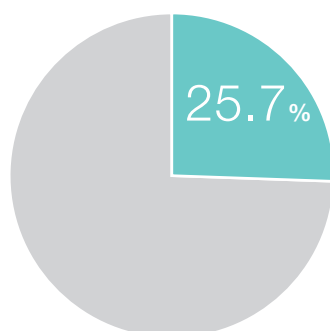
Location: Hong Kong



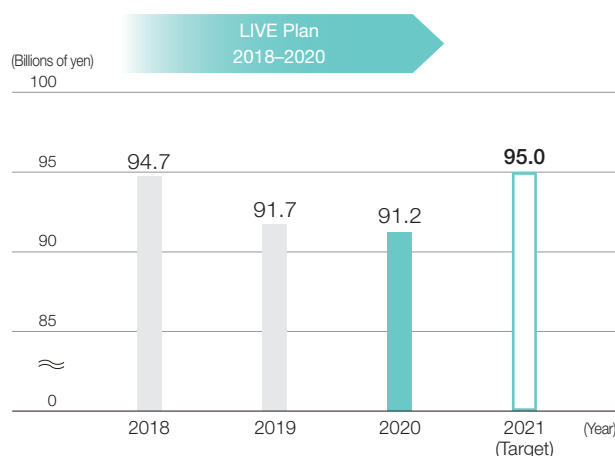
* Market share information is based on Lion surveys.

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

Overseas Business

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

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.

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

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

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.

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

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



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

Industrial Products Business

Chemical Products



Detergents for Institutional Use



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.

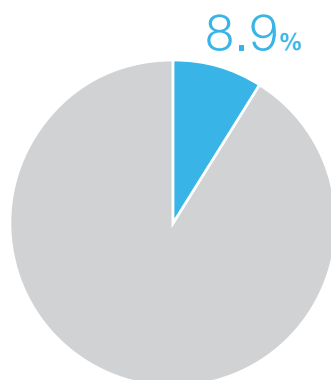
In addition, positioning sanitary products for the healthcare market (primarily fatty-acid nitrogen derivatives for cleaning and hygiene applications) as another key area, we will develop products to respond to post-pandemic market environment changes. To achieve its vision of becoming a "Global niche 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.



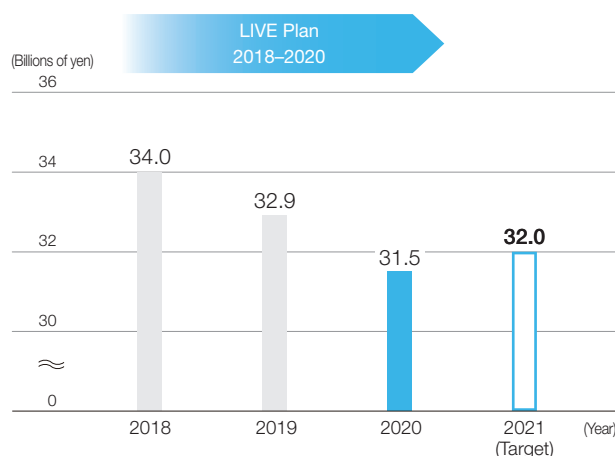
Lion Specialty Chemicals Co., Ltd.
<https://www.lion-specialty-chem.co.jp/en/>

2020 Results

Percentage of Consolidated External Sales



External Sales



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/>

Human Resource Development



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

Yoko Koike

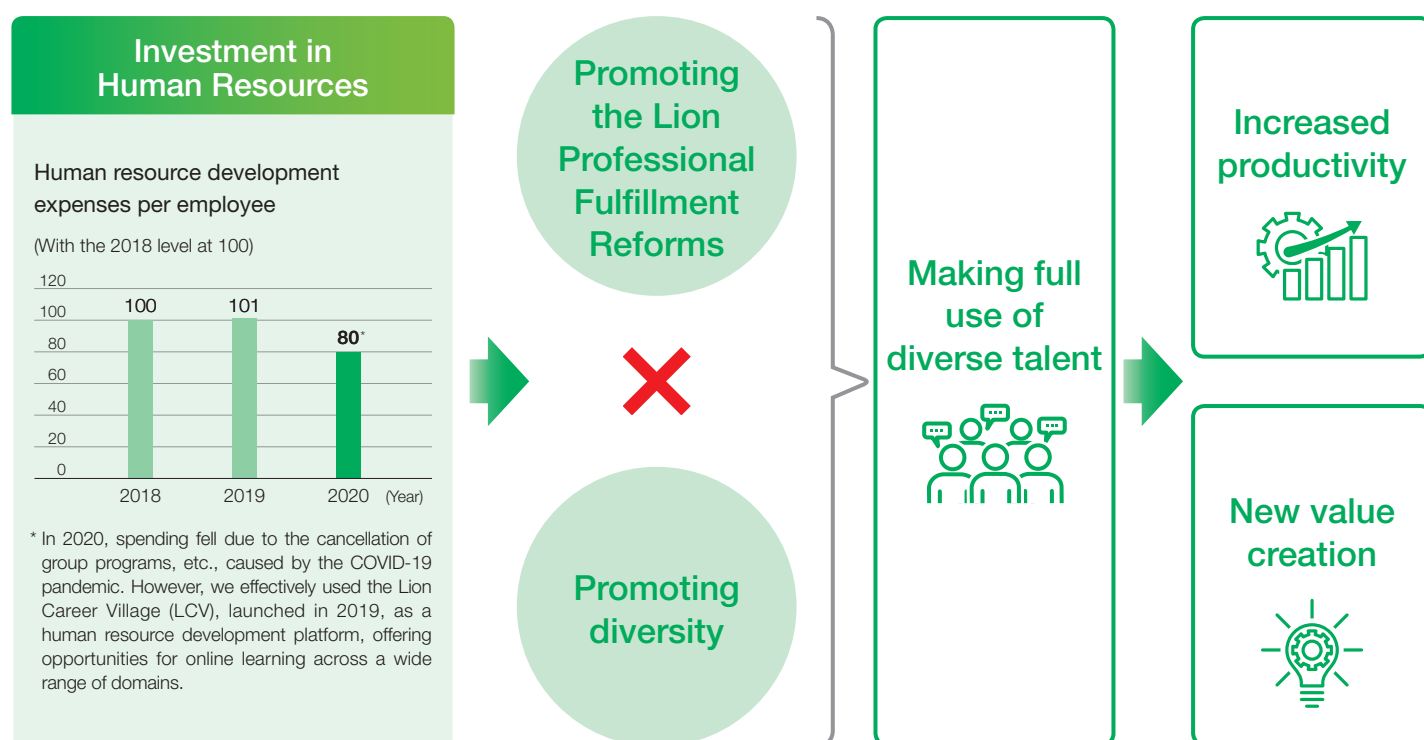
Executive Officer

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

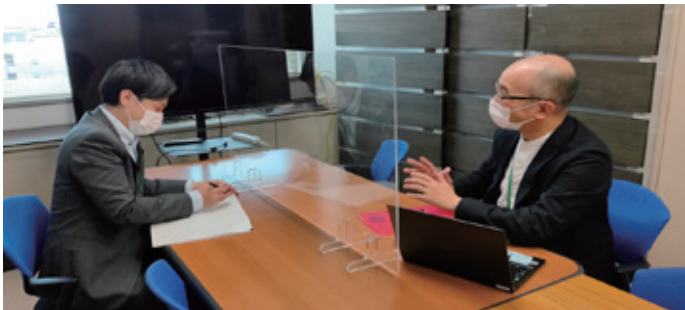
Human Resource Development

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.



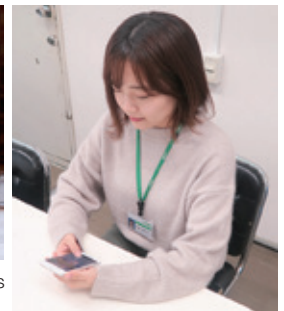
Career design interview with a career consultant

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

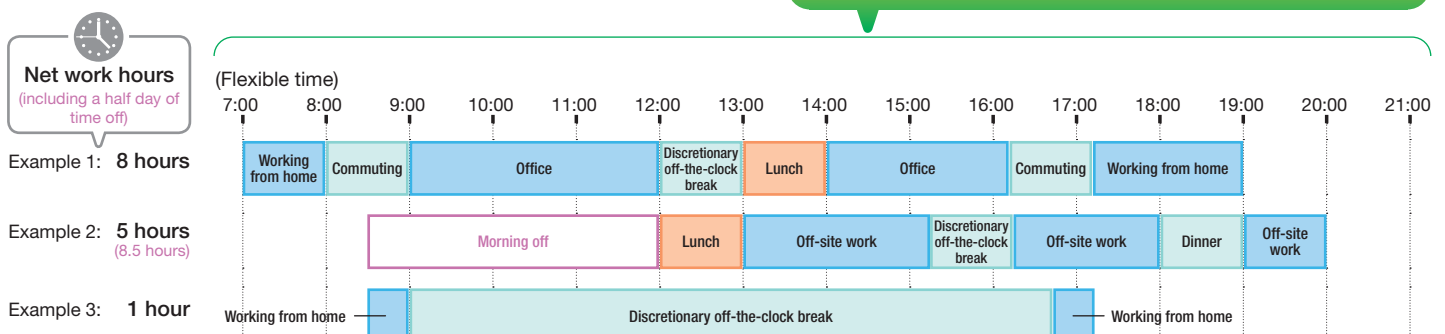
suited to individuals continues to take root, helping improve professional fulfillment.

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

Enabling diverse work styles!



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:

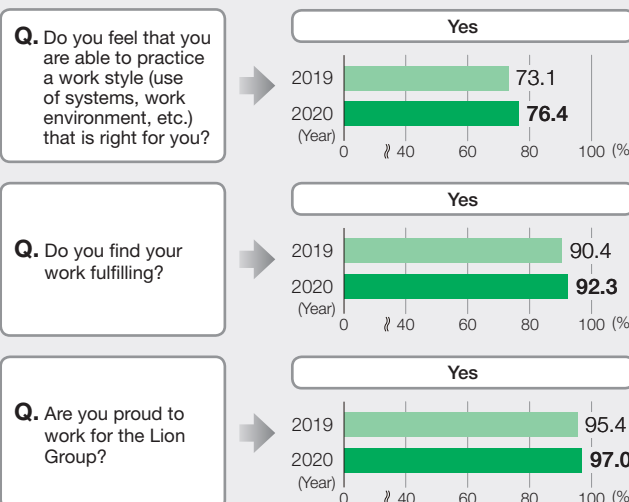
Lion provides employees with up to ¥2,000 to cover the expenses of professional care at a dental clinic (scaling and cleaning) received during the campaign period.

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

Research and Development



**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

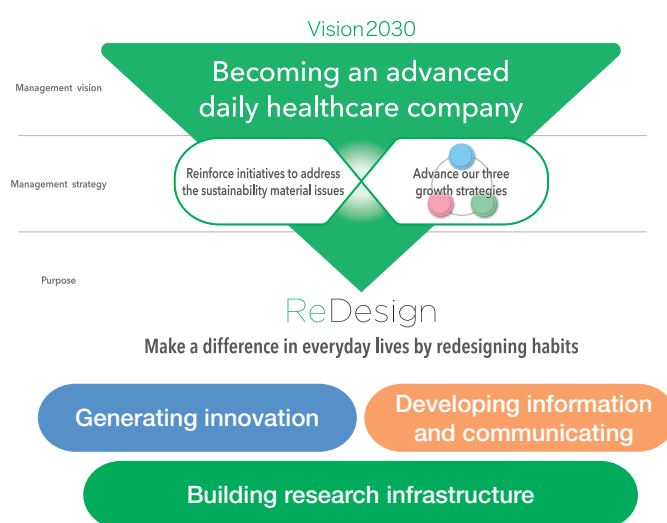
The Mission, Next-Generation Policy and Strengths of the Research and Development Headquarters

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.



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.



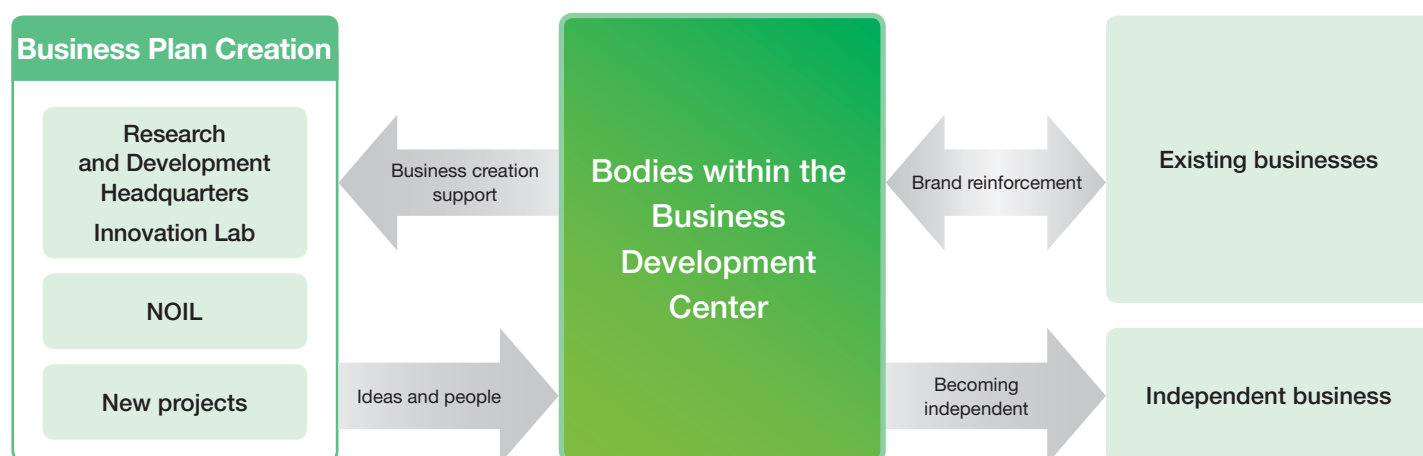
CLINICA Kid's Hamigaki no Okeiko (Japanese)

<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/>



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

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.

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



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



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)

- 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

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

Supply Chain

Raw material
procurement

Production

Distribution

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

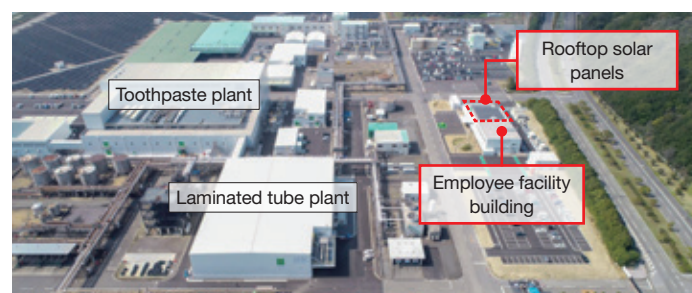
To respond to the sharp increase in hand soap demand in 2020, we bolstered the production capacity of our main production site, the Lion Chemical Co., Ltd. Oleochemical Production Site (LCCOC, located in Sakaide, Kagawa Prefecture), expanded production at Lion Corporation (Thailand) Ltd. and other overseas 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.

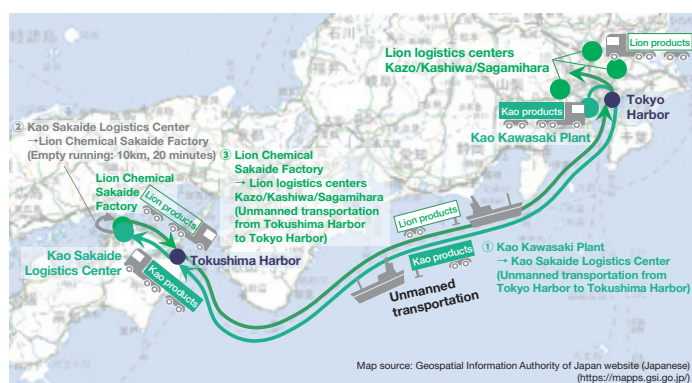


Automated detergent refill pack supply

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.



■ Advance and implement **logistics EDI**

→ **Effectively utilize logistics resources** and **improve logistics efficiency** through **improved accessibility of logistics data** and **mutual collaboration**

■ Expected effects

- | | | |
|--|--|---|
| ① Improved work environments <ul style="list-style-type: none"> • Reduce standby times | ② Improved labor productivity <ul style="list-style-type: none"> • Eliminate inspections • Paperless • Save pallet management work • Increase loads and loaded running rate | ③ Reduced environmental burden <ul style="list-style-type: none"> • Reduce CO₂ emissions • Reduce paper use |
|--|--|---|

Smart logistics (logistics EDI)

Financial Strategy



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

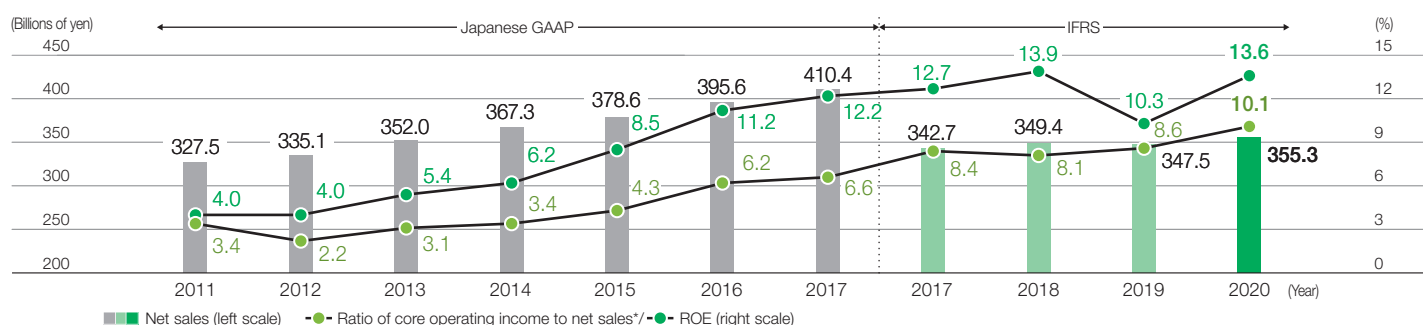
Basic Approach to Financial Management

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

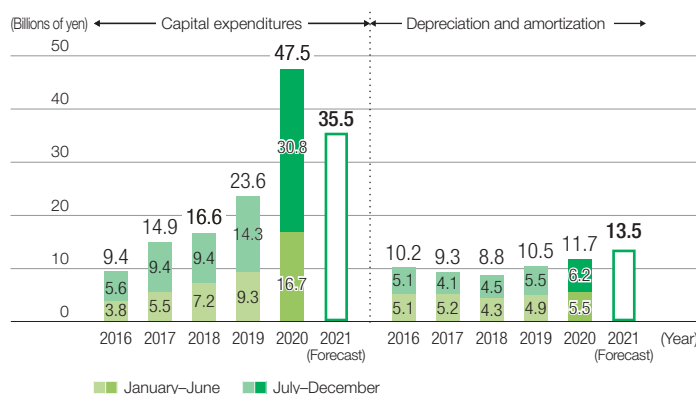
Under Vision2030, aiming particularly to reinforce growth in and outside Japan, we are taking three approaches to investment. The first is investment in increasing production capacity and labor saving; the second is investment in reinforcing business foundations (digitization, information systems, etc.)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

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.

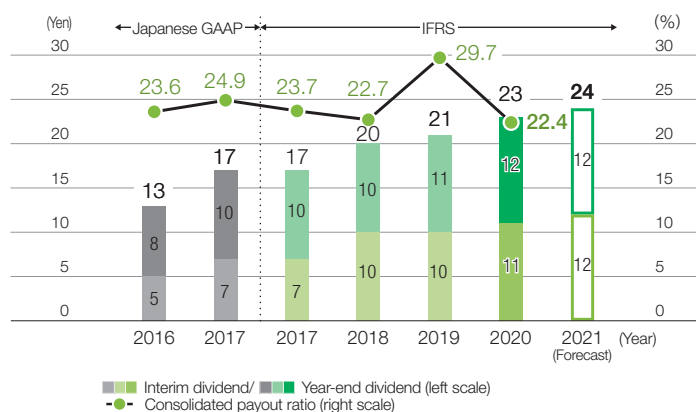
Policy on Dividends

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

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

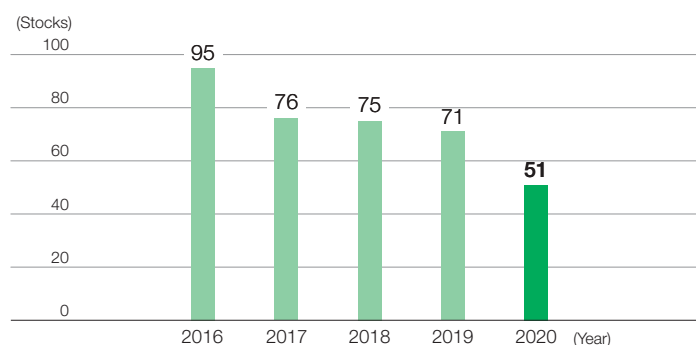
Dividends per Share



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.

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

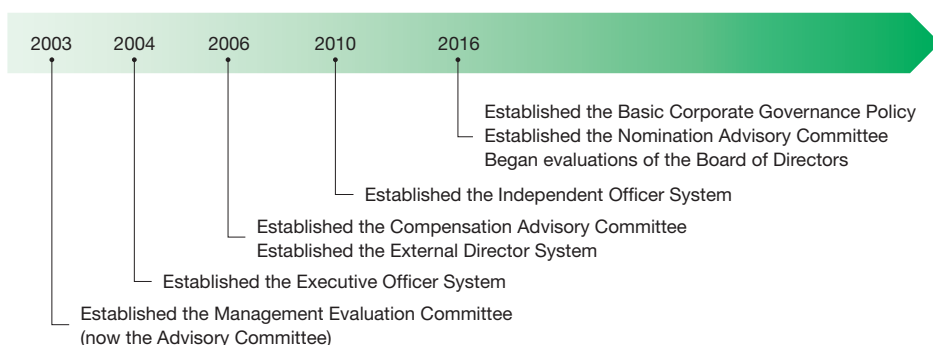


Corporate Governance

Basic Approach

The Lion Group's top priorities for corporate governance are to increase management transparency, strengthen supervisory functions, accelerate decision making and ensure compliance. By strengthening and enhancing its corporate governance system, Lion aims to increase its corporate value.

Initiatives to Enhance Management Auditing and Supervision



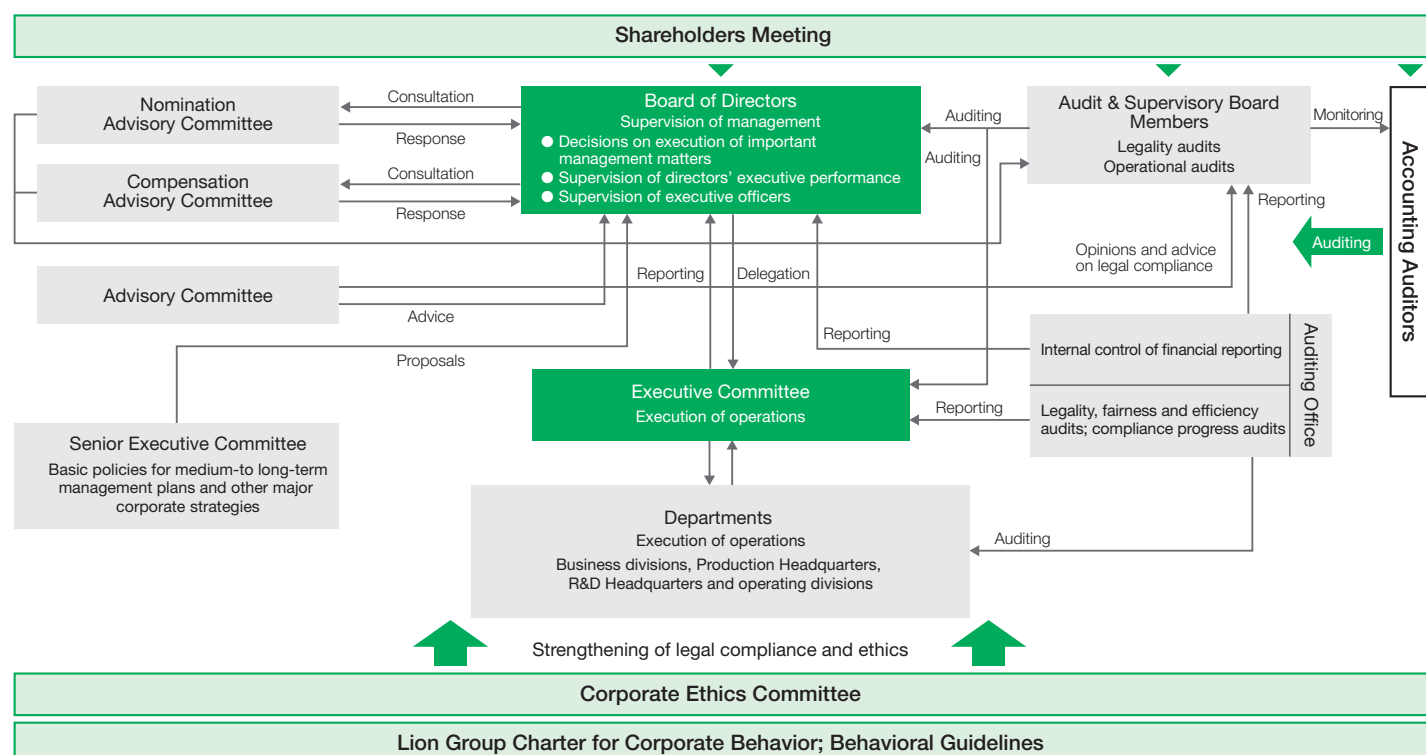
Corporate Governance System

Organizational Structure

Lion is a company with an Audit & Supervisory Board as defined in the Companies Act, with a system of corporate governance in which the Board of Directors provides adequate oversight of management while independently operating Audit & Supervisory Board members provide appropriate auditing. To reinforce the Board of Directors' management oversight function and speed decision making, Lion has adopted an executive officer system. In addition, to increase management transparency and further

enhance corporate governance, Lion has established a Nomination Advisory Committee and Compensation Advisory Committee comprising mainly external directors and external Audit & Supervisory Board members.

In addition, to reflect the opinions and advice of third parties with regard to legal compliance and management policies, we have set up an Advisory Committee consisting of external experts.



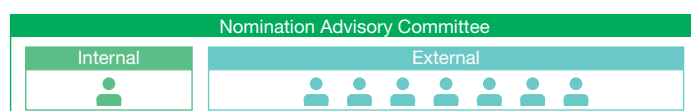
Directors, Board of Directors and Executive Committee, etc.

The Board of Directors is composed of 11 directors. The Board of Directors regularly meets once a month and holds extraordinary meetings as necessary. In addition to matters stipulated by laws and regulations or the Articles of Incorporation, the board determines important matters related to the business execution of the Company and supervises the business execution of directors and executive officers. Also, in addition to at the regular Board of Directors' meetings, resolutions of the Board of Directors may be made in writing in accordance with laws and regulations. For important corporate strategies such as the basic policies of medium- to long-term management plans, a system is established that enables the Board of Directors to make appropriate decisions upon deliberation by the Senior Executive Committee. Additionally, the Executive Committee has a system in place to discuss and examine, from various angles, measures related to job execution that directly impact businesses.



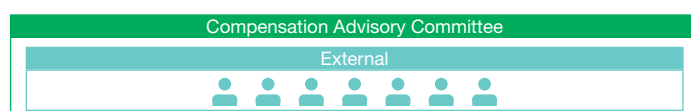
Nomination Advisory Committee

The Board of Directors consults the Nomination Advisory Committee regarding the necessary qualities, reasons for selection or dismissal and related processes for nominating directors, Audit & Supervisory Board members and executive officers as well as for hiring individuals who have previously served in these roles as consultants. The committee considers the matters in question and provides a response to the Board of Directors (or, for matters regarding Audit & Supervisory Board members, to the Audit & Supervisory Board). The committee also exchanges opinions on the development of future Group presidents. The committee comprises external directors and external Audit & Supervisory Board members as well as a representative director designated by the chairman of the Board of Directors. The members of the committee select from among themselves the committee chairperson, who must be an external director or external Audit & Supervisory Board member.



Compensation Advisory Committee

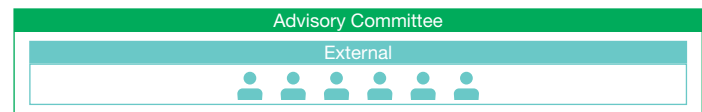
The Board of Directors consults the Compensation Advisory Committee regarding such matters as the compensation system, compensation levels and bonus calculation methods for directors and Audit & Supervisory Board members. The committee considers the matters in question and provides a response to the Board of Directors (or, for matters regarding Audit & Supervisory Board members, to the Audit & Supervisory Board). The committee comprises external directors and external Audit & Supervisory Board members. The members of the committee select from among themselves the committee chairperson.



Advisory Committee

The Advisory Committee comprises outside experts other than the external directors and external Audit & Supervisory Board members who possess extensive knowledge and insight. The

committee considers the appropriateness and other aspects of Lion's management policies and measures. The committee serves to reflect objective opinions from a wide range of perspectives in management. In principle, the committee meets twice a year. The chairperson of the Board of Directors reports a summary of the committee's advice to the Board of Directors.



Audit & Supervisory Board Members and Audit & Supervisory Board

There are five Audit & Supervisory Board members, three of whom are external Audit & Supervisory Board members (independent Audit & Supervisory Board members) and two of whom are standing Audit & Supervisory Board members from within the Company. Two of the external Audit & Supervisory Board members and one of the standing Audit & Supervisory Board members possesses knowledge regarding finance and accounting. In addition, one dedicated staff person is designated to assist the Audit & Supervisory Board members. The Audit & Supervisory Board regularly meets once every two months and holds extraordinary meetings as necessary.

Each Audit & Supervisory Board member attends meetings of the Board of Directors and other important meetings, conducts interviews with directors regarding the status of the execution of their duties (including the status of the execution of the duties of directors pertaining to the development and operation of internal control over financial reporting), performs site visits to Lion's headquarters and major offices and plants, and conducts audits of subsidiaries in accordance with the Audit & Supervisory Board members' standards, audit policy, audit plans and other stipulations of the Audit & Supervisory Board. The Audit & Supervisory Board exchanges information, opinions and views from a risk approach standpoint and facilitates coordination upon receiving audit reports from accounting auditors and from the Auditing Office, which is the Company's internal auditing division. Moreover, regular meetings to exchange information, opinions and views are conducted with the representative directors three times a year.



Accounting Audits

Lion has formed an audit agreement with Ernst & Young ShinNihon LLC, based on which the latter provides accounting audits as well as audits of Lion's internal control reports based on the Companies Act and Financial Instruments and Exchange Act.

Internal Audits

The Auditing Office implements audits across the Lion Group, examining operations from the perspectives of legality, fairness, efficiency and risk management in order to establish a foundation for sound business activities. The Auditing Office exchanges information closely with the Audit & Supervisory Board Members, striving to reinforce coordination. Audit results and the status of improvements are regularly reported to the President, directors with related responsibilities and the Executive Committee. A summary of the audit results is reported to the Board of Directors twice a year.

Corporate Governance

Evaluations of the Board of Directors

To ensure its effectiveness, every fiscal year the directors evaluate the operating methods of the Board of Directors and the content and status of the proposals it considers, among other factors. This evaluation includes examinations of each director. A summary of the results of the evaluation is disclosed in the Corporate Governance Report.

Fiscal 2020 Evaluation Results Summary
<ul style="list-style-type: none"> The number of persons on Lion's Board of Directors, including the number and proportion of external directors, is sufficient for deliberations. Board members have the knowledge, experience, capabilities and diversity necessary to enhance corporate value. The meeting frequency as well as the number of agenda items considered and amount of time allowed for deliberation by the Board of Directors are appropriate. The deliberations comprise open, constructive debate that does not hinder risk taking

Accordingly, the effectiveness of Lion's Board of Directors was deemed sufficient.

To date, evaluations of the board's effectiveness have uncovered certain issues. While Lion has achieved a measure of success with initiatives aimed at addressing each of these issues, as described below, the Company recognizes that there is still room for improvement. Looking ahead, Lion will continue to implement necessary measures and make efforts to further enhance the effectiveness of the Board of Directors.

Issues Identified and Initiatives to Address Them	
Issues	<ul style="list-style-type: none"> External directors and Audit & Supervisory Board members should be provided with more extensive information regarding the background and context of important agenda items. Discussions of management strategy should be enhanced to further increase corporate value.
Initiatives	<ul style="list-style-type: none"> We are taking steps to enhance the information provided and facilitate understanding regarding such matters as the background, objective and content of agenda items. These steps include having officers from the divisions that propose such items participate, as needed, in pre-meeting briefings for external directors and Audit & Supervisory Board members conducted by the secretariat of the Board of Directors. We provide opportunities to discuss Lion's purpose, management vision, medium- to long-term strategy and important agenda items prior to meetings of the Board of Directors.

Reasons for Appointment of External Directors and External Audit & Supervisory Board Members

	Name	Reasons for Appointment	Fiscal 2020 Meeting Attendance	
			Board of Directors	Audit & Supervisory Board
External Directors	Kazunari Uchida	Kazunari Uchida possesses experience as the Japan representative of an international management consulting group in addition to experience at other companies both as an external director and an external Audit & Supervisory Board member. He has actively participated in meetings of the Board of Directors and suitably carried out his role as an external director of the Company, including supervising business execution. The Company judges that his sophisticated understanding of management decision making is necessary to enhance the transparency of management and strengthen the oversight of the Board of Directors.	17 of 17	—
	Takashi Shiraishi	Takashi Shiraishi has managerial experience as the president of a national university, has served as the president of the Japan External Trade Organization's Institute of Developing Economies and possesses broad-ranging expert knowledge in such areas as Asian politics, economics and social issues. He has actively participated in meetings of the Board of Directors and suitably carried out his role as an external director of the Company, including supervising business execution. The Company judges that his sophisticated understanding of management decision making is necessary to enhance the transparency of management and strengthen the oversight of the Board of Directors.	17 of 17	—
	Takako Sugaya	Takako Sugaya is not involved in corporate management outside the roles of external director and external Audit & Supervisory Board member, but she possesses a wealth of knowledge and experience as an attorney, mainly in corporate legal work, as well as experience as an external director and external Audit & Supervisory Board member at other companies. She has suitably carried out her role as an external director of the Company, including supervising business execution. The Company judges that her sophisticated understanding of governance and compliance issues is necessary to enhance the transparency of management and strengthen the oversight of the Board of Directors.	17 of 17	—
	Reiko Yasue	In addition to having corporate management experience as the CEO of an IT company in Japan, Reiko Yasue possesses a wealth of knowledge and experience in international business as well as experience serving as an external director at another company. The Company judges that her sophisticated insight into the field of IT is necessary to enhance the transparency of management and strengthen the oversight of the Board of Directors.	—	—
External Audit & Supervisory Board Members	Takao Yamaguchi	Takao Yamaguchi is not involved in corporate management outside the roles of external director and external Audit & Supervisory Board member. However, he has cultivated a knowledge of accounting and taxes over his many years as a certified public accountant and certified tax accountant and has experience working as an external Audit & Supervisory Board member at other companies. The Company judges that his insight is necessary to enhance the efficacy of its auditing.	16 of 17	15 of 15
	Setsuko Takemoto	Setsuko Takemoto is not involved in corporate management either as a director or Audit & Supervisory Board member. However, she has cultivated a knowledge of accounting and taxes over her many years as a certified tax accountant and has experience working in key positions in a government agency. The Company judges that her insight is necessary to enhance the efficacy of its auditing.	17 of 17	15 of 15
	Atsuko Suzuki	Atsuko Suzuki is not involved in corporate management outside the role of external director and external Audit & Supervisory Board member, but she possesses experience as external director at other companies as well as many years of experience in preparing corporate governance frameworks and drafting and promoting strategies for sustainability. The Company judges that her understanding of these areas is necessary to enhance the efficacy of its auditing.	—	—

* Because Reiko Yasue and Atsuko Suzuki were newly appointed in March 2021, their meeting attendance in fiscal 2020 is omitted.

Messages from the Newly Appointed External Director and Audit & Supervisory Board Member

External Director

Reiko Yasue

I worked for many years in software development and communications, and am now representative director of a company that provides simulation software. Besides Japan, my career has taken me to many countries, and I am currently based in the United States.

Lion's growth over the past decade has been extraordinary. I feel that this is the result of its implementing management strategy in line with changing needs while, throughout its 130-year history, holding steadfast to its corporate motto—"Lion Corporation positions 'Fulfilling a Spirit of Love' as fundamental to its management, and thus contributes to the enrichment of the happiness and lives of people." The way that Lion has clearly laid out its management vision for 2030, "Becoming an advanced daily healthcare company," also sends the strong message that Lion will provide cutting-edge products to bring love to consumers' lives by understanding evolving needs as the world works toward greater sustainability.

I will leverage my three decades of experience in the ICT field to contribute to Lion's growth, particularly in the areas of overseas businesses and digital transformation (DX)—as significant a task for companies going forward as sustainability.



External Audit & Supervisory Board Member

Atsuko Suzuki

As an Audit & Supervisory Board member, I will do my utmost to coordinate effectively with the other board members, the Auditing Office and the accounting auditors to ensure sound management. In particular, I see applying an outside perspective to comprehending changes in the broader social environment and reflecting them in auditing in a timely manner as an important aspect of my role.

For example, in recent years, proactively incorporating environmental, social and governance (ESG) considerations into business activities and making sustainability a management value in order to realize medium- to long-term business growth and better enhance corporate value has become a pressing concern. I hope to provide new perspectives, both on risks and opportunities, to facilitate the smooth creation of new value in such areas.

In addition, it is vital to remember that Lion has a clearly defined purpose, which is a great strength: "Make a difference in everyday lives by redesigning habits: Redesign." This is significant and laudable in that it promotes a shared understanding of the Company's purpose in society among all employees, thereby supporting Lion's stance of always striving to provide high-quality, safe and reliable products while creating corporate value over the long term. I will do my part to ensure that Lion can continue to live up to society's expectations.



Directors, Audit & Supervisory Board Members and Executive Officers (As of April 1, 2021)



Representative Director,
Chairman of the
Board of Directors
ITSUO HAMA
Chief Executive Officer

April 1977 Joined Lion Fat & Oil Co., Ltd. (now Lion Corporation)
 January 2008 Executive Officer
 March 2008 Director
 January 2012 Representative Director, President,
 January 2019 Representative Director, Chairman of the Board of Directors



Representative Director,
President and
Executive Officer
MASAZUMI KIKUKAWA
Chief Operating Officer

April 1984 Joined Lion Corporation
 January 2010 Executive Officer
 March 2012 Director
 March 2018 Representative Director
 January 2019 Representative Director, President and Executive Officer



Director
Senior Executive Officer
KENJIRO KOBAYASHI

April 1987 Joined Lion Corporation
 January 2009 Executive Officer
 January 2010 Senior Executive Officer
 March 2012 Director
 Responsible for Corporate Ethics, Human Resources Development Center,
 General Affairs Department, Secretary Department,
 Sustainability Promotion Department, System Department
 and Business Process Re-engineering Department



Director
Senior Executive Officer
TAKEO SAKAKIBARA

April 1983 Joined Lion Corporation
 January 2010 Executive Officer
 March 2016 Director
 Responsible for Risk Management, Corporate Planning Department,
 Finance Department, Consumer Service Center,
 Reliability Assurance Department and Legal Department



Director
Senior Executive Officer
YUGO KUME

April 1984 Joined Lion Corporation
 January 2016 Executive Officer
 March 2018 Director
 Responsible for Business Development Center, Health & Home Care
 Products Division, Gift and Channel-Specific Products
 Division, Direct Marketing Division and Corporate
 Communication Center



Director
Executive Officer
FUMITOMO NORITAKE

April 1988 Joined Lion Corporation
 January 2016 Executive Officer
 March 2019 Director
 Responsible for Supply Chain Management Headquarters, Production
 Engineering Research Headquarters, Purchasing
 Headquarters, Research and Development Headquarters,
 Production Headquarters, Overall Chemicals Businesses,
 DX Promotion Department, Intellectual Property
 Department and Safety and Disaster Prevention
 Department



Director
Executive Officer
HITOSHI SUZUKI

April 1985 Joined Lion Corporation
 January 2016 Executive Officer
 March 2019 Senior Executive Officer
 March 2021 Director
 Responsible for International Division

* Responsibilities listed above are as of April 1, 2021.

Senior Executive Officer
Masaharu Mikuni
 Executive General Manager of Health and Home Care
 Products Sales Division;
 Responsible for Distribution Policy Department

Executive Officer
Tomomichi Okano
 President of Lion Chemical Corporation

Executive Officer
Hiroyuki Chiba
 Executive General Manager of Purchasing Headquarters

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

Executive Officer
Jiro Nagasawa
 Executive General Manager of Gift and Channel-Specific
 Products Division

Executive Officer
Kengo Fukuda
 President of Lion Hygiene Co. Ltd.



Note: Notification of the appointment of Mr. Kazunari Uchida, Mr. Takashi Shiraishi, Ms. Takako Sugaya, Ms. Reiko Yasue, Mr. Takao Yamaguchi, Ms. Setsuko Takemoto and Ms. Atsuko Suzuki as independent directors and Audit & Supervisory Board members has been sent to the Tokyo Stock Exchange.



External Director
KAZUNARI UCHIDA
University professor

January 1985 Joined Boston Consulting Group
June 2000 Representative for Japan, Boston Consulting Group
March 2006 External Auditor, Suntory Limited (now Suntory Holdings Limited)
April 2006 Professor, Faculty of Commerce, Waseda University (current position)
February 2012 External Auditor, Kewpie Corporation
June 2012 External Director, Lifenet Insurance Company
August 2012 External Director, Mitsui-Soko Holdings Co., Ltd.
March 2016 External Director, Japan ERI Co., Ltd. (now ERI Holdings Co., Ltd.)
March 2016 External Director, Lion Corporation (current position)



External Director
TAKASHI SHIRAISHI
University professor

June 1979 Assistant Professor, International Relations, Department of Humanities and Social Science, College of Arts and Sciences, University of Tokyo
January 1996 Professor, Department of Asian Studies and Department of History, College of Arts and Sciences, Cornell University
July 1996 Professor, Center for Southeast Asian Studies, Kyoto University
April 2005 Professor and Vice President, National Graduate Institute for Policy Studies
May 2007 President, Institute of Developing Economies, Japan
January 2009 External Trade Organization
Councillor, Council for Science, Technology and Innovation, Cabinet Office
April 2011 President, National Graduate Institute for Policy Studies
January 2013 Member, Management Evaluation Committee (now the Advisory Committee), Lion Corporation
March 2017 External Director, Lion Corporation (current position)
April 2017 Special Visiting Professor, Ritsumeikan University
May 2017 Professor Emeritus, National Graduate Institute for Policy Studies (current position)
April 2018 Chancellor, Prefectural University of Kumamoto (current position)



External Director
TAKAKO SUGAYA
Attorney at Law

October 2002 Registered as an attorney at law (Daini Tokyo Bar Association)
Joined Yamada Hideo Law Office (now the Yamada Ozaki Law Office) (current position)
June 2018 External Director, Haruyama Holdings, Inc.
March 2019 External Director, Lion Corporation (current position)



External Director
REIKO YASUE

April 1991 Joined Nagoya Research Institute, Panasonic Information Systems Co., Ltd. (now Panasonic Advanced Technology Development Co., Ltd.)
December 1999 Joined Motorola, Inc.
June 2004 Joined SEVEN Networks, Inc.
September 2005 Joined Qualcomm, Inc.
July 2009 Joined FUJISOFT Inc.
April 2015 Managing Executive Officer, FUJISOFT Inc.
January 2018 Joined Cybernet Systems Co., Ltd., Executive Vice President
March 2018 Representative Director, Executive Vice President, Cybernet Systems Co., Ltd.
March 2019 Representative Director, President & CEO, Cybernet Systems Co., Ltd.
January 2020 Representative Director, President and Executive Officer, Cybernet Systems Co., Ltd. (current position)
March 2021 External Director, Lion Corporation (current position)



Audit & Supervisory Board Member
TOSHIYUKI NIKKAWA

April 1984 Joined Lion Corporation
March 2019 Audit & Supervisory Board Member (current position)



Audit & Supervisory Board Member
YOSHIAKI KAMAO

April 1985 Joined Lion Corporation
March 2019 Audit & Supervisory Board Member (current position)



External Audit & Supervisory Board Member
TAKAO YAMAGUCHI
Certified Public Accountant,
Certified Tax Accountant

October 1981 Joined Chuo Accounting Office Auditing Corporation
February 1985 Acquired Japanese CPA certification
September 1987 Entered Yamaguchi Accounting Office
December 1987 Acquired Japanese tax accountant certification
January 1996 Director, Yamaguchi Accounting Office (current position)
March 2015 Alternate External Audit & Supervisory Board Member, Lion Corporation
March 2019 External Audit & Supervisory Board Member, Lion Corporation (current position)



External Audit & Supervisory Board Member
SETSUKO TAKEMOTO
Certified Tax Accountant

April 1969 Joined the Ministry of Finance
July 2009 Director, Ogikubo Tax Agency
July 2011 Retired from the National Tax Agency
August 2011 Acquired Japanese tax accountant certification
September 2011 Established Takemoto Setsuko Tax Accounting Office (now the Kuchitani General Accounting Office) as partner (current position)
March 2019 External Audit & Supervisory Board Member, Lion Corporation (current position)



External Audit & Supervisory Board Member
ATSUKO SUZUKI

April 1986 Joined Matsushita Electric Industrial Co., Ltd. (now Panasonic Corporation)
April 2008 Director and Manager of the CSR Office, Matsushita Electric Industrial Co., Ltd. (resigned in December 2014)
April 2010 External Director and Auditor, Nara Women's University (resigned in December 2012)
January 2015 Joined Asahi Breweries, Ltd.
April 2015 Manager of the Social Environment Department, Asahi Breweries, Ltd.
October 2015 Manager of the Sustainability Promotion Section, Olympic/Paralympic Promotion Headquarters (concurrently held), Asahi Breweries, Ltd.
April 2017 Director and General Manager of the CSR Division of Asahi Group Holdings, Ltd.
May 2019 Resigned from Asahi Breweries, Ltd.
March 2021 External Audit & Supervisory Board Member, Lion Corporation (current position)

Executive Officer
Yasutsugu Shimizu
Executive General Manager of Production Headquarters

Executive Officer
Takashi Nagai
Executive General Manager of Direct Marketing Division

Executive Officer
Yoko Koike
Director of Human Resources Development Center

Executive Officer
Kosuke Tanaka
Executive General Manager of Research and Development Headquarters

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

Executive Officer
Annette Ling
Executive General Manager of International Division

Corporate Governance

Corporate Officer Compensation

1. Determination and Details of Policy on Corporate Officer Compensation

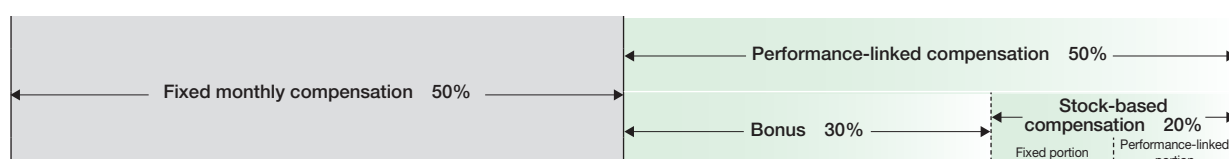
Determination of Policy

To increase the objectivity and transparency of compensation for directors and Audit & Supervisory Board members (corporate officers), policies regarding the compensation of directors and Audit & Supervisory Board members are decided, respectively, by the Board of Directors and Audit & Supervisory Board while adhering as closely as possible to the reports of the Compensation Advisory Committee. The Compensation Advisory Committee consists of four external directors and three external Audit & Supervisory Board members.

Details of Policy

The compensation of executive corporate officers (excluding external directors and Audit & Supervisory Board members) consists of fixed monthly compensation and performance-linked compensation (bonuses and stock-based compensation). The compensation of non-executive corporate officers (external directors and Audit & Supervisory Board members) consists entirely of fixed monthly compensation determined using a flat-rate system. Fixed monthly compensation levels are set taking into consideration similar levels at other companies.

Approximate Composition of Compensation of Executive Corporate Officers (Excluding External Directors and Audit & Supervisory Board Members)



Eligible Individuals	Executive Corporate Officers (Excluding External Directors and Audit & Supervisory Board Members)		
Type	Fixed monthly compensation	Bonuses	Performance-linked stock-based compensation
System	Paid in fixed monthly amounts.	Bonuses are calculated using the formula below and paid after the end of the fiscal year.	The number of points (number of shares) to be granted to directors per fiscal year is determined each year. In principle, shares are issued to directors upon retirement from office in a number equivalent to the number of points they have accumulated.
Formula	Fixed monthly compensation levels are set taking into consideration similar levels at other companies. In addition, once per year, each director's fixed monthly compensation is raised or lowered following an appraisal of how well said director has executed their management supervision and other duties.	Total bonus payment amount: 50% of 0.5% of core operating income + 50% of 0.75% of profit for the period attributable to owners of the parent * Rounded down to the nearest ¥10,000; to an upper limit of ¥250 million. If core operating income or profit attributable to owners of the parent are negative (a loss), the value assigned to that item for use in the formula will be zero. Individual bonus payment amounts = Rank-based points × payment per point Payment per point = Total bonus payment amount / Rank-based points × number of officers	Stock-based compensation = Fixed portion + Performance-linked portion (The fixed portion and performance-linked portion form equal halves of the amount for each rank) Number of points = (① Fixed base amount + ② Performance-linked base amount × ③ Performance coefficient) ÷ ④ Per-share acquisition cost * Truncated at the decimal point and capped at 120,000.
Benchmarks Used in Calculation	—	<u>Points Assigned According to Director Rank</u> Chairman/President and Executive Officer: 3.000 Vice President and Executive Officer: 1.800 Senior Managing Executive Officer: 1.500 Managing Executive Officer: 1.200 Senior Executive Officer: 1.000 Executive Officer: 0.900	① Fixed base amount The fixed base amount for each rank is calculated by multiplying the following rank coefficients by ¥4 million, the value of the fixed base amount for directors with the rank of executive officer (for whom the rank coefficient is 1). <u>Director Rank Coefficients</u> Chairman/President and Executive Officer: 3.625 Vice President and Executive Officer: 2.000 Senior Managing Executive Officer: 1.625 Managing Executive Officer: 1.375 Senior Executive Officer: 1.250 Executive Officer: 1.000 ② Performance-linked base amount The performance-linked base amount is equivalent to the above fixed base amount. ③ Performance coefficient Performance coefficient = Performance coefficient for core operating income × 50% + Performance coefficient for profit attributable to owners of parent × 50% ④ Per-share acquisition cost The per-share acquisition cost is the share acquisition cost for the trust used by this system (¥2,130 per share). * When a director transfers residency outside of Japan during his or her eligibility for this system, their accumulated points shall be voided and the director shall be paid separately at the time of retirement in a cash amount determined by multiplying the share price at the time of retirement by a number of shares equivalent to his or her accumulated points. * If a director commits serious misconduct, Lion may revoke said director's right to receive shares scheduled to be granted under the system and require said director to return shares or cash in an amount equivalent to any shares already granted.

* Core operating income: An earnings indicator the Company uses to measure regular business performance by subtracting selling, general and administrative expenses from gross revenues.

2. Total Compensation for Directors and Audit & Supervisory Board Members (Fiscal 2020)

	Number of Corporate Officers	Fixed Compensation (Millions of yen)	Performance-Linked Compensation		Total (Millions of yen)
			Bonuses (Millions of yen)	Stock-Based Compensation (Millions of yen)	
Directors (External Directors)	9 (3)	257 (36)	201 —	110 —	569 (36)
Audit & Supervisory Board Members (External Audit & Supervisory Board Members)	4 (2)	84 (24)	— —	— —	84 (24)
Total (External Officers)	13 (5)	341 (60)	201 —	110 —	653 (60)

Note: 1. There are no individuals serving concurrently as employees and corporate officers.
2. An upper limit on directors' fixed compensation of ¥300 million per fiscal year was set by resolution of the 156th Annual Meeting of Shareholders held on March 30, 2017.
3. An upper limit on Audit & Supervisory Board members' fixed compensation was set at ¥110 million per fiscal year by resolution of the 156th Annual Meeting of Shareholders held on March 30, 2017.
4. By resolution of the 156th Annual Meeting of Shareholders held on March 30, 2017, an aggregate upper limit was set at ¥600 million on the amount of contributions to stock-based compensation for the four fiscal years from January 1, 2017 to December 31, 2020, with an upper limit on the total number of shares set at 360,000 shares (90,000 shares per fiscal year) for the same period.
5. Within performance-linked compensation, bonuses are amounts calculated and determined on the basis of the core operating income and the profit for the period attributable to the owners of the parent for each fiscal year, in accordance with the methods described above. Stock-based compensation is the amount obtained by converting the share granting points awarded to persons eligible under the system, depending on his or her business attainment level for the relevant fiscal year.
6. The amounts shown are rounded down to the nearest million yen

3. Total Consolidated Compensation by Officer (Fiscal 2020)

Name	Corporate Officer Classification	Total Amount by Type of Compensation (Millions of yen)				Total Compensation (Millions of yen)
		Basic Compensation	Bonuses	Performance-Linked Stock-Based Compensation	Retirement Benefits	
Itsuo Hama	Director	63	61	34	—	159
Masazumi Kikukawa	Director	63	61	34	—	159

Corporate Governance

Internal Control Systems

The Lion Group Charter for Corporate Behavior and Behavioral Guidelines form the foundation of the Lion Group's compliance framework. The President consistently communicates the spirit of the Lion Group Charter for Corporate Behavior to management and employees to foster awareness of corporate

ethics throughout the Group and ensure that all corporate activities are predicated on compliance.



Internal Control System

<https://www.lion.co.jp/en/company/governance/system.php>

Spreading and Strengthening Compliance Awareness

Lion proactively works to spread and strengthen compliance awareness. These efforts are led by the Corporate Ethics Committee, which is chaired by the director responsible for corporate ethics. The Lion Group Charter for Corporate Behavior and Behavioral Guidelines are distributed in pamphlet form to all employees and publicly available on Lion's website.

e-Learning Training

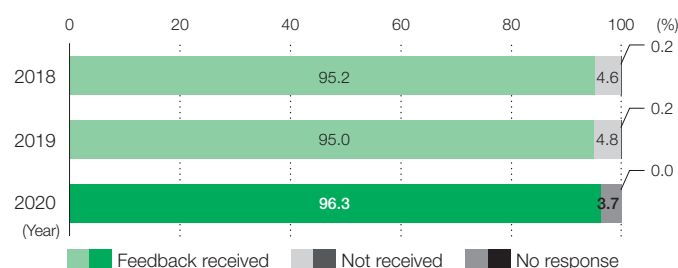
Lion conducts periodic e-learning. Topics covered in the mandatory Lion Career Village (LCV) e-learning curriculum in 2020 included a declaration of commitment to the Lion Group Charter for Corporate Behavior and other aspects of compliance (including harassment prevention), Lion's conceptual approach to quality, social media-related risks, information management, basic knowledge of insider trading regulations, human rights, bribery and safety (including occupational accidents).

Compliance Awareness Survey

Every year, the Corporate Ethics Committee conducts the Compliance Awareness Survey,* which covers all domestic Lion Group employees (including part-time employees). This survey provides an assessment of compliance awareness at the individual employee level and a periodic evaluation of the effectiveness of compliance systems.

In 2020, the survey was conducted for the 17th time. Approximately 91.8% of the targeted 4,334 employees responded. Matters identified as requiring a response through the opinions and other results gathered via the survey are dealt with promptly, and the survey results are reported to management, which then provides feedback to individual divisions.

Percentage of Employees Who Received Feedback from the Survey Results



* Compliance Awareness Survey

Anonymous questionnaire survey covering such topics as compliance with the Lion Group Charter for Corporate Behavior, whether there was feedback from the results of the previous Compliance Awareness Survey, and awareness of the AL Heart Hotline.

Raising Awareness of the Hotline

Lion has set up an internal and external whistle-blowing system, the AL (All Lion) Heart Hotline, and is taking steps to raise awareness of said system among all employees, including temporary staff. Employees can use this hotline when they learn of compliance violations that are inappropriate or impossible to report through their normal workplace channels. The annual Compliance Awareness Survey measures employees' awareness of the AL Heart Hotline and is accompanied by explanations of the hotline. The rate of recognition of the hotline among employees was 99.5% in 2020.

The AL Heart Hotline Employee Recognition Rate

2018	98.5%
2019	98.6%
2020	99.5%

The AL Heart Hotline System



AL Heart Hotline Consultations and Reports

In 2020, the hotline received 73 consultations and reports. However, none of the cases were judged to constitute serious misconduct, and all were appropriately addressed and resolved.

Content of consultations and reports made	2018	2019	2020
Harassment	15	11	8
Personnel and labor management issues	6	11	7
Others	2	3	58

Anti-Bribery Principles

The Lion Group has established the LION Anti-Bribery Principles in light of developments around the world related to the strengthening of legal regulations against acts of bribery and corruption and has reinforced its Company-wide systems for ensuring compliance related to bribery prevention.

Compliance Initiatives at Overseas Group Companies

The Lion Group implements initiatives at overseas Group companies aimed at spreading and strengthening compliance awareness Group-wide. In 2019, employees from compliance-related departments visited overseas Group companies (Lion Corporation (Singapore) Pte Ltd, Lion Daily Necessities Chemicals (Qingdao) Co., Ltd. and Lion Home Products (Taiwan) Co., Ltd.), and in 2020, online meetings were held with Lion Corporation (Korea) and Lion Corporation (Hong Kong) Ltd. to promote awareness of compliance-related efforts, such as the LION Human Rights Policy, LION Anti-Bribery Principles and AL Heart Hotline, as well as related initiatives.



Compliance

<https://www.lion.co.jp/en/csr/management/compliance/>

Fundamental Stance towards Eliminating Antisocial Forces and Status of Related Measures

Based on the Lion Group Charter for Corporate Behavior, Lion maintains a confrontational stance towards any antisocial forces threatening the order and security of civil society. The General Affairs Department serves as the supervisory department for handling antisocial forces. This department includes one person responsible for preventing unreasonable demands and cooperates with Lion Group operating sites and external organizations.

For more information about Lion's corporate governance, please visit our website.



Basic Corporate Governance Policy

https://www.lion.co.jp/en/company/pdf/cg_policy_e.pdf



Corporate Governance Report (Japanese)

https://www.lion.co.jp/ja/company/about/pdf/abo_gov.pdf

Corporate Governance

Risk Management

Lion's business activities entail a wide range of risks. To avoid and minimize losses caused by the actualization of risks, we have appointed a Director Responsible for Risk Management (the director responsible for the Corporate Planning Department) who comprehensively controls and supervises risk for the whole Lion Group.

1. Basic Policy for Risk Management

- (1) Management and employees strive to prevent the actualization of risks that could harm Group business operations as part of their normal duties based on Lion's basic policy for internal control systems.
- (2) In the event that a risk actualizes, we strive to minimize losses and harm to employees, shareholders, customers, local communities and other stakeholders.
- (3) We report actualized risks to top management immediately and promptly take steps to understand the situation, elucidate the events and factors that led to it, and develop measures for improvement in order to prevent recurrences.

2. The Lion Group's Rules and Other Structures Relating to the Management of Risk

1. Response under Normal Conditions

- (1) The director responsible for the Corporate Planning Department has overall responsibility for the risk management of the Group. The Corporate Planning Department comprehensively manages the Group's risk.
- (2) The Auditing Office audits the status of risk management for each department within the Group and reports its findings to the Executive Committee and the Board of Directors.
- (3) Each department periodically identifies its own risks and implements appropriate risk management measures (encompassing avoidance, transfer, reduction and acceptance). For management risks with the potential to significantly impact business activities, the director of the Board responsible for the relevant department considers appropriate risk management measures, which are then deliberated on by the Senior Executive Committee and Executive Committee for implementation.
- (4) For the management of risk related to the environment, quality assurance, and accidents and disasters, the administrative offices for the deliberative bodies with responsibility for the respective areas (the Sustainability Promotion Council, CS/PL Committee,* Safety, Hygiene and Disaster Prevention Meeting, etc.) are designated as the departments with responsibility for risk. These departments consider preventive countermeasures, with deliberation by the Executive Committee when necessary, and implement risk management. Furthermore, the Group Risk Officer (Director of the Corporate Planning Department for Special Mission) participates in the meetings of the deliberative bodies to confirm from an objective, overarching perspective that they are advancing appropriate, timely measures.

* CS/PL Committee

A cross-departmental committee focused on customer satisfaction (CS) and product liability (PL) to promote quality assurance activities

2. Response in the Event of Emergency

In the case of a physical emergency, such as a natural disaster or accident, in accordance with the Emergency Response System (a system of manuals outlining countermeasures against earthquakes or influenza and other infectious diseases), the relevant facts are reported to the president and Audit & Supervisory Board members. At the same time, the directors of relevant departments collect all pertinent information, formulate response measures, clarify causes, determine countermeasures and submit reports on these actions to the Executive Committee and the Board of Directors.

3. Business Continuity Plan (BCP)

Lion works to build and maintain systems to minimize damage and to ensure the continuation of business operations so that it can provide products to customers even in the event of a major earthquake, storm or flood damage, an outbreak of infectious disease (pandemic) or other such contingency. We will set up a task force and respond according to the "Manual on Countermeasures for Earthquake Disasters" when a major earthquake occurs and according to the "Manual on Countermeasures against Novel Influenza and Other Infectious Diseases" if a pandemic due to a novel influenza virus or other infectious disease is foreseen.

Basic Policy	(1) Secure the safety of employees and their families
	(2) Continue priority businesses and key operations to minimize business damage
	(3) Carry out corporate social responsibilities and contribute to local communities
Key Guidelines	We clearly define priority businesses (the Consumer Products Business), priority operations (receiving orders, sending shipments, production, IT, accounting and other operations necessary to continue supplying products) as well as target time frames for restoring operations and organizational chains of command.

4. Implementing Risk Management

In light of the mounting risks posed by various environmental changes and other factors, we believe that reexamining risks from diverse perspectives and further enhancing countermeasures is crucial. Accordingly, from 2021, we have identified 13 Company-wide risks, which we are working to manage and minimize (see table on page 70).

To address these risks, twice per fiscal year, we draw up a list of possible risk events. The Board of Directors and other bodies use this list to discuss and confirm response measures.

Business Risks

The Lion Group has identified 13 risks that may seriously impact Group management in terms of its ability to carry out its corporate social responsibilities, including achieving sustainable growth and supplying products to customers. We are focusing particular efforts on managing these risks.

Risk	Description	Main Initiatives
(1) Risks related to market and consumer change	Risks of being unable to supply superior products and services useful for everyday living due to delays in responding to changes in markets, distribution or consumers	We analyze changes in markets and consumer lifestyles on an ongoing basis and develop products that offer new living habits.
(2) Product quality risks	Risks of problems with products, such as unforeseen product-related accidents, due to unforeseen product defects or mistaken use by customers	We ensure compliance with related laws and regulations and implement product development and other processes in line with our Product Management System based on the JIS Q 9000 family of standards.
(3) Raw material procurement risks	Risks of purchase price increases and supply-chain delays or breaks due to intensifying competition in procurement	We ensure stable raw material procurement through the use of interchangeable materials, purchasing from multiple sources and practicing global procurement and furthermore implement responsible procurement activities based on our Procurement Principles.
(4) Overseas business risks	Risks of incurring costs associated with response measures or limitations on business activities arising from political and economic developments or changes in or the tightening of laws and regulations in the countries and regions where we do business	We closely monitor developments related to political and economic conditions as well as laws and regulations in the countries and regions where we do business, continually gathering information and preparing for changes.
(5) Human resource risks	Risks of stagnation in corporate growth due to difficulty in securing and developing necessary human resources according to plans as a result of such factors as the decreasing working population and changes in the employment environment	We practice year-round hiring and are expanding our ranks of specialized human resources while implementing the Lion Professional Fulfillment Reforms.
(6) Information management risks	Risks of information leaks, system paralysis or other incidents due to such unforeseen events as computer virus infections or improper system access	We have designated countermeasures to system problems in the Information Security Regulations, which are updated as needed, and implement thorough information management, including that of business secrets, based on the Basic Policy on Information Management.
(7) Compliance risks	Risks of serious legal or regulatory violations due to the unforeseen establishment or abolition of relevant laws or significant regulatory changes or tightening	We have established the Lion Group Charter for Corporate Behavior and Behavioral Guidelines, which serve as a code of conduct, regarding which we implement periodic education for all employees.
(8) Reputation risks	Risks of inappropriate comments or messages on social networking services (SNSs) or other platforms quickly spreading and generating controversy or backlash	We have established the Lion Group Social Media Policy, implement education for all employees and strive to quickly detect inappropriate information through the ongoing monitoring of SNSs and other platforms.
(9) Exchange rate risks	Risks of yen conversions upon the preparation of consolidated financial statements affecting Group management performance and financial status	We carefully monitor the exchange rates of key currencies and strive to reduce risks presented by exchange rate fluctuations through hedging and other means.
(10) Major lawsuit risk	Risks of major lawsuits resulting in unfavorable decisions for the Group	We ensure thorough legal compliance, clearly explain and discuss contract terms before forming agreements, appropriately manage intellectual property and take other steps to prevent lawsuits.
(11) Novel influenza and other infectious disease risk	Risks of the emergence and prolongation of epidemics of novel strains of influenza or other infectious diseases resulting in restrictions on the movement of people and things	We implement thorough infection prevention measures under normal conditions and have designated epidemic response measures in the "Manual on Countermeasures against Novel Influenza and Other Infectious Diseases" in addition to creating a system to enable quick and appropriate action in the event of an outbreak.
(12) Major earthquake and other natural disaster risk	Risks of human damage, such as the death or injury of employees, as well as physical damage, such as damage to manufacturing facilities or warehouses, caused by a major earthquake, major typhoon or other natural disaster	We have prepared a system for implementing organizational responses based on the "Manual on Countermeasures for Earthquake Disasters," conduct periodic drills, and have established a Business Continuity Plan (BCP) Framework to ensure business continuity and rapid recovery in the event of a disaster in order to fulfill our product supply responsibilities.
(13) Climate change and other environmental change risks	Risks related to responding to tightening regulations, rising raw material costs, other cost increases and reputational damage due to delays in responding arising from global temperature increases caused by climate change	Working to realize a sustainable society, we have established the LION Eco Challenge 2050, a new set of environmental objectives for 2050, and are ambitiously working to realize a decarbonized, resource-circulating society.

* For more information on the 13 risks and Lion's main initiatives to address them, please refer to Lion's Securities Report for fiscal 2020 (Japanese).



Securities Report (Japanese)

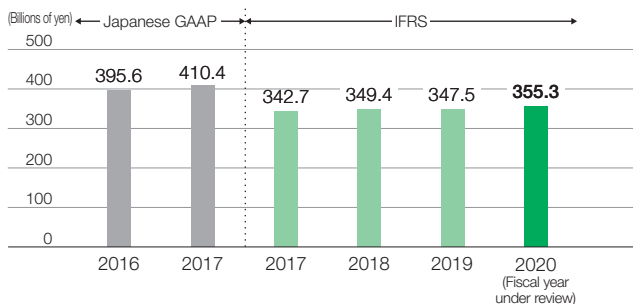
<https://www.lion.co.jp/ja/ir/library/yuhou/>

Financial and Non-Financial Highlights

Financial Highlights

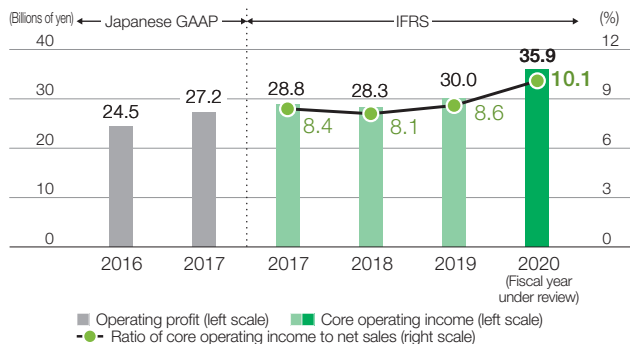
Net Sales

¥355.3 billion Up 2.3% year on year



Operating Profit/Core Operating Income/ Ratio of Core Operating Income to Net Sales

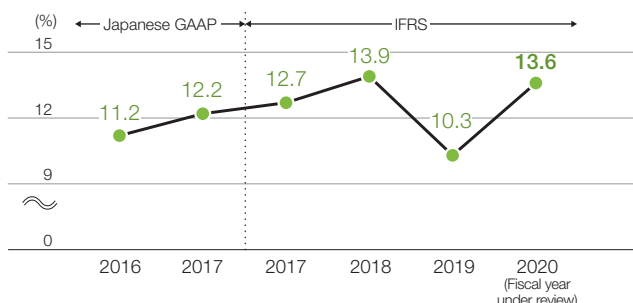
¥35.9 billion Up 19.6% year on year



* Core operating income is an earning indicator the Company uses to measure regular business performance and is calculated by subtracting selling, general and administrative expenses from gross profit.

Ratio of Equity Attributable to Owners of the Parent to Profit for the Period (ROE)

13.6 % Up 3.3 percentage points year on year

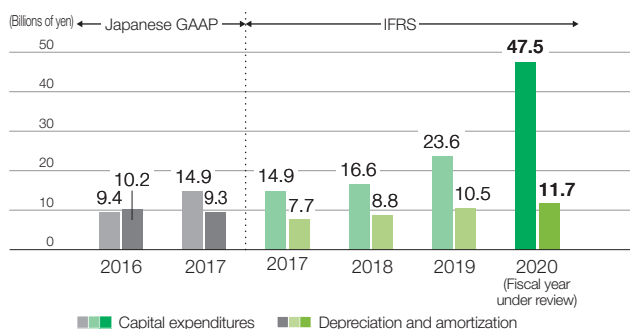


* Calculated as the ratio of shareholders' equity to profit attributable to owners of parent under Japanese GAAP.

Capital Expenditures/Depreciation and Amortization

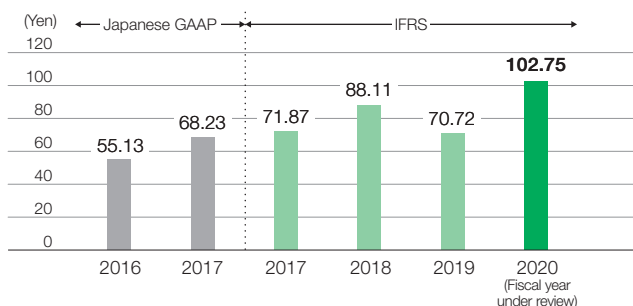
Capital expenditures: **¥47.5 billion** Up 101.2% year on year

Depreciation and amortization: **¥11.7 billion** Up 11.7% year on year



Basic Earnings per Share (EPS)

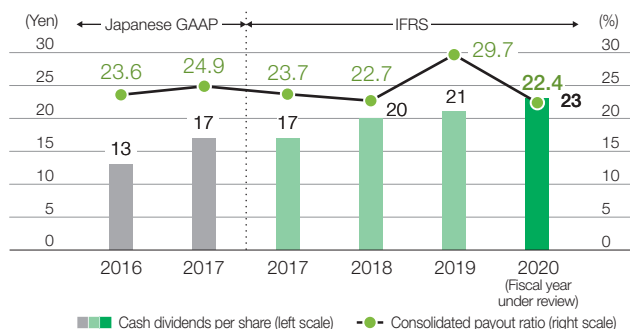
¥102.75 Up 45.3% year on year



* Earnings per Share under Japanese GAAP.

Cash Dividends Paid per Share/ Consolidated Payout Ratio

¥23 Fifth consecutive fiscal year of dividend growth.



* Effective from the fiscal year ended December 31, 2018, the Lion Group has voluntarily adopted International Financial Reporting Standards (IFRS).

Non-Financial Highlights

Environment

Reduction of Greenhouse Gas Emissions from Business Activities*

-53% in 2020

* Compared to 1990 levels; absolute quantity; business locations in Japan



Lion implemented energy-saving activities throughout the entire Company, including production, administration, sales and R&D divisions, in order to realize a low carbon society, as set forth in Eco Vision 2020.

Environment

Reduction of Water Use in Business Activities*

-55% in 2020

* Compared to 2000 levels; absolute quantity; business locations in Japan



In addition to the full-scale operation of facilities to recycle wastewater at the Chiba Plant, where the volume of water used is the largest of any of the Company's domestic production facilities, Lion implemented water-saving activities at each of its operating sites in order to realize a society with a sound material cycle, as set forth in Eco Vision 2020.

Human Resources

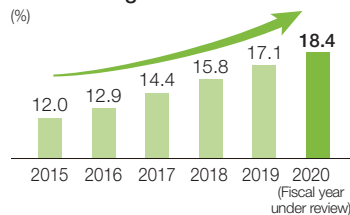
Proportion of Female Employees at the Management Level

18.4%



With the aim of expanding creative business activities by utilizing diverse human resources, Lion is actively working to create a corporate culture where women can participate fully and advance professionally.

Proportion of Female Employees at the Management Level (%)



Human Resources

Employee Pride in the Lion Group*

97.0%

* Based on the 2020 Employee Awareness and Behavior Survey



While regularly measuring changes in internal awareness and behavior, Lion is working to identify areas for improvement going forward and to use them to foster awareness and action.

Health

Participants in the Oral Health Event of Tooth Brushing for Children Oral Healthcare Educational Activity*

Approx. **1.96 million**

* Cumulative, from 1932 to 2020



With the aim of creating healthy living habits, Lion has held this event to teach elementary school students correct tooth brushing habits 77 times

Health

Participants in Activities to Promote Correct Hand Washing Habits*

Approx. **35,500**

* Cumulative, from 2012 to 2020



To help consumers achieve cleanliness and comfort in everyday living, Lion carries out activities to promote correct hand washing habits with the *KireiKirei* brand.

Management's Discussion and Analysis of Fiscal 2020 Results

Market Environment

In fiscal 2020 (January 1, 2020–December 31, 2020), conditions in the Japanese economy remained harsh due to the negative effects of the novel coronavirus (COVID-19) pandemic, including a substantial decline in corporate profits and deterioration in employment conditions.

In domestic consumer products, the Lion Group's main business, demand associated with inbound tourism decreased due to a decline in the number of overseas visitors to Japan. However, the overall market expanded due mainly to growing demand for hygiene-related products.

Consolidated Results

Lion advanced measures based on the basic strategies of its medium-term management plan, the LION Value Evolution Plan (LIVE Plan). These basic strategies are "Expand and Evolve Our Business Domains through New Value Creation," "Accelerate Growth in Overseas Businesses through Glocalization," "Reinforce Our Management Base through Business Structure Reform" and "Create Dynamism to Foster Innovative Change." At the same time, the spread of COVID-19 impacted Lion's domestic and overseas businesses. To meet its social responsibility, the Lion Group strived to maintain its product supply while making every effort to prevent the spread of the virus and ensure the safety of its employees.

In its domestic operations, Lion introduced new, high-value-added products in its mainstay brands and worked to cultivate markets for these products through efficient marketing initiatives.

In its overseas operations, in addition to efforts to increase profitability in the home care field, which includes such products as laundry detergents, the Group sought to expand its business in the personal care field, which includes oral care and beauty care products.

Reflecting these efforts, consolidated results for fiscal 2020 are as follows. Net sales amounted to ¥355,352 million, a year-on-

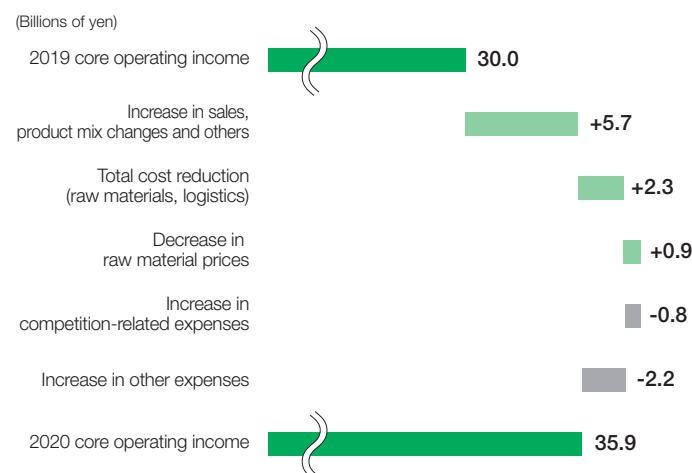
year increase of 2.3% (or 3.2% at constant currency excluding exchange rate fluctuations). Core operating income* came to ¥35,937 million, up 19.6% compared with the previous fiscal year, and operating profit to ¥44,074 million, up 47.7% year on year. Profit for the period attributable to owners of the parent totaled ¥29,870 million, up 45.3% compared with the previous fiscal year.

* Core operating income is an earnings indicator the Company uses to measure regular business performance and is calculated by subtracting selling, general and administrative expenses from gross profit.

Consolidated Results

	(Millions of yen)	
	2020	2019
Net sales	355,352	347,519
Core operating income	35,937	30,048
Ratio of core operating income to net sales	10.1%	8.6%
Operating profit	44,074	29,832
Ratio of operating profit to net sales	12.4%	8.6%
ROE	13.6%	10.3%

Changes in Core Operating Income



Selling, General and Administrative Expenses

	2020		2019	
	Amount (Millions of yen)	% of net sales	Amount (Millions of yen)	% of net sales
Selling, general and administrative expenses	143,934	40.5	141,882	40.8
Sales commissions	9,426	2.7	9,166	2.6
Promotion expenses	26,909	7.6	26,219	7.5
Advertising expenses	24,943	7.0	25,119	7.2
Transportation and warehousing expenses	18,851	5.3	19,785	5.7
Salaries and allowances	15,739	4.4	15,586	4.5
R&D expenses	10,906	3.1	10,944	3.1
Other expenses	37,156	10.5	35,059	10.1

Conditions by Reportable Segment

The Lion Group's segments are based on its business divisions and subsidiaries grouped by products, services and region. Its three reportable segments are the Consumer Products Business, Industrial Products Business and Overseas Business.

Consumer Products Business

The Consumer Products Business segment comprises the Oral Care Products, Beauty Care Products, Fabric Care Products, Living Care Products, Pharmaceutical Products and Other Products businesses. Segment net sales increased 4.8% compared with the previous fiscal year. Segment profit increased 25.5%.

Net Sales and Segment Profit

(Millions of yen)

	2020	% of net sales	2019	% of net sales	Increase/decrease	Change (%)
Net sales	245,493		234,357		11,135	4.8%
Segment profit	24,647	10.0%	19,634	8.4%	5,012	25.5%

* Net sales include internal net sales within and among segments, which amounted to ¥15,746 million in 2020 and ¥14,977 million in 2019.

Net Sales by Product Category

(Millions of yen)

	2020	2019	Increase/decrease	Change (%)
Oral Care Products	66,407	64,555	1,852	2.9%
Beauty Care Products	31,489	22,350	9,139	40.9%
Fabric Care Products	59,119	60,780	(1,661)	(2.7%)
Living Care Products	24,063	19,766	4,297	21.7%
Pharmaceutical Products	23,897	26,222	(2,325)	(8.9%)
Other Products	40,515	40,682	(166)	(0.4%)

In Oral Care Products, *SYSTEMA Haguki (the Gums) Plus Premium Toothpaste* received favorable consumer reviews, and sales of the *SYSTEMA EX Toothpaste* series, including the newly released *SYSTEMA EX W Toothpaste*, were strong. *NONIO Toothbrush* received favorable customer reviews, but sales of the *Between* toothbrush fell year on year. Sales of *NONIO Mouthwash* were favorable.

In Beauty Care Products, sales of *KireiKirei Medicated Foaming Hand Soap* increased substantially year on year, and sales of *hadakara Body Soap* were firm. Looking at antiperspirants and deodorants, new *Ban Sweat-Blocking Platinum Roll-On* received favorable consumer reviews, but sales of *Ban Sweat-Blocking Foot Gel* fell year on year.

In Fabric Care Products, looking at fabric softeners, sales of *SOFLAN Premium Deodorizer* stagnated, while those of *SOFLAN Aroma Rich* fell year on year due to intensifying competition. In laundry detergents, *TOP SUPER NANOX For Odors* received favorable consumer reviews, but sales of *TOP Clear Liquid* fell year on year.

In Living Care Products, looking at dishwashing detergents, sales of *CHARMY Magica* and *CHARMY Crysta* for dishwashers were strong. In household cleaners, sales of *LOOK Plus Bath Cleansing* and *LOOK Plus Bath Antimold Fogger* were favorable, and overall sales increased significantly year on year.

In Pharmaceutical Products, sales of antipyretic analgesic *BUFFERIN PREMIUM* were firm, and sales of *Smile 40 Premium DX* and *Smile 40 Mediclear DX* eye drops were strong. In dermatologic agents, Lion released the new *Method* series. Sales of acne medicines and cooling sheets for feet decreased year on year, reflecting decreased demand associated with inbound tourism.

In Other Products, looking at pet supplies, sales of *Nioi wo Toru Suna (Deodorizing Cat Litter)* were steady, and those of oral care products were favorable. In direct-to-consumer sales products, sales of *Nice rim essence Lactoferrin* decreased from the previous fiscal year.

Management's Discussion and Analysis of Fiscal 2020 Results

Industrial Products Business

The Industrial Products Business segment includes the Automotive, Electrical and Electronics, and Detergents for Institutional Use Products fields. These businesses handle products that include anti-sticking agents for tires, electroconductive carbon for secondary batteries, and detergents for institutional and kitchen use, respectively. Segment net sales decreased 0.2% compared with the previous fiscal year. Segment profit increased 23.7%.

Net Sales and Segment Income

(Millions of yen)					
	2020	% of net sales	2019	% of net sales	Increase/decrease
Net sales	55,069		55,164		(94) (0.2%)
Segment profit	2,171	3.9%	1,755	3.2%	416 23.7%

* Net sales include internal net sales within and among segments, which amounted to ¥23,505 million in 2020 and ¥22,210 million in 2019.

In the Automotive field, sales of anti-sticking agents for tires and carbon for auto parts decreased year on year, and overall sales decreased year on year.

In the Electrical and Electronics field, demand for performance materials and electroconductive resins decreased, and overall sales were down on year.

In the Detergents for Institutional Use Products field, sales of dishwashing detergents for dishwashers and others were down year on year, but sales of alcohol sanitizers for kitchens and hand soaps increased substantially year on year, and overall sales rose year on year.

Overseas Business

The Overseas Business segment comprises business operations located in Southeast Asia, including Thailand and Malaysia, and Northeast Asia, including South Korea and China. Segment net sales increased 0.5% year on year (or 4.0% at constant currency excluding exchange rate fluctuations). Segment profit decreased 5.4% year on year.

Financial Status

Consolidated Financial Status

	2020	2019	Increase/decrease
Total assets (millions of yen)	435,501	380,701	54,799
Total equity (millions of yen)	244,856	221,201	23,654
Ratio of equity attributable to owners of the parent to total assets*1	53.2	54.7	(1.5)
Equity attributable to owners of the parent per share*2 (yen)	797.08	716.94	80.14

*1. Ratio of equity attributable to owners of the parent to total assets = (Total equity – Non-controlling interests)/Total assets

*2. Non-controlling interests are excluded from calculation of equity attributable to owners of the parent per share.

Net Sales and Segment Income

(Millions of yen)					
	2020	% of net sales	2019	% of net sales	Increase/decrease
Net sales	101,651		101,095		555 0.5%
Segment profit	7,144	7.0%	7,552	7.5%	(407) (5.4%)

* Net sales include internal net sales within and among segments, which amounted to ¥10,440 million in 2020 and ¥9,354 million in 2019.

In Southeast Asia, overall sales were down 4.4% year on year. In Thailand, sales of hand soaps were strong, but sales of laundry detergents decreased year on year. Overall sales after yen conversions were down year on year. In Malaysia, sales of laundry detergents were up year on year, but overall sales after yen conversions were down year on year due to exchange rate fluctuations.

In Northeast Asia, overall sales were up 11.5% year on year. In South Korea, sales of hand soaps increased substantially year on year. Overall sales after yen conversions were up year on year. In China, sales of SYSTEMA toothbrushes were favorable, and sales of hand soaps and products imported from Japan increased substantially. Overall sales after yen conversions were up substantially year on year.

Other

Net Sales and Segment Income

(Millions of yen)					
	2020	% of net sales	2019	% of net sales	Increase/decrease
Net sales	34,820		35,337		(516) (1.5%)
Segment profit	2,315	6.6%	1,521	4.3%	793 52.2%

* Net sales include internal net sales within and among segments, which amounted to ¥31,992 million in 2020 and ¥31,909 million in 2019.

Total assets rose ¥54,799 million compared with the previous fiscal year-end to ¥435,501 million. This was primarily attributable to an increase in property, plant and equipment.

Total equity increased ¥23,654 million, to ¥244,856 million. The ratio of equity attributable to owners of the parent to total assets stood at 53.2%.

Consolidated Cash Flows

(Millions of yen)

	2020	2019	Increase/ decrease
Cash flows from operating activities	40,729	36,762	3,967
Cash flows from investing activities	(19,868)	(20,754)	886
Cash flows from financing activities	(9,140)	(10,561)	1,420
Effect of exchange rate changes on cash and cash equivalents	(593)	(12)	(580)
Net increase (decrease) in cash and cash equivalents	11,127	5,433	5,693
Cash and cash equivalents at end of period	121,534	110,406	11,127

Net cash provided by operating activities totaled ¥40,729 million, due mainly to profit before tax.

Net cash used in investing activities totaled ¥19,868 million, due in part to the purchase of property, plant and equipment.

Net cash used in financing activities totaled ¥9,140 million. Major components of this outflow included cash dividends paid.

As a result of the above, cash and cash equivalents as of December 31, 2020 increased ¥11,127 million from December 31, 2019, to ¥121,534 million.

Outlook for 2021

Outlook for 2021

(Millions of yen)

	Fiscal 2021 forecast	2020	Increase/ decrease	Change
Net sales	365,000	355,352	9,647	2.7%
Core operating income*	30,000	35,937	(5,937)	(16.5%)
Operating profit	30,000	44,074	(14,074)	(31.9%)
Profit for the period attributable to owners of the parent	21,000	29,870	(8,870)	(29.7%)
Basic EPS (yen)	72.24	102.75	(30.51)	(29.7%)

* Core operating income is an earnings indicator the Company uses to measure regular business performance and is calculated by subtracting selling, general and administrative expenses from gross profit.

During fiscal 2021, the Japanese economy is expected to see an upturn due measures to prevent the spread of COVID-19 and government-led stimulus policies. However, the outlook going forward is likely to remain harsh, with no end to the pandemic in sight.

In domestic consumer products, the Lion Group's main business, although strong demand for hygiene-related products is expected to continue, the overall market outlook remains unclear.

Amid these circumstances, the Lion Group will push ahead with the implementation of Vision2030, a newly established long-term strategic framework, under which the Group will synergistically address its sustainability material issues and advance growth strategies. By doing so, Lion will accelerate its efforts to transform itself into a company that can continuously contribute to solving social issues through its businesses.

In the Consumer Products Business segment, the Lion Group will introduce and cultivate new, high-value-added products in its mainstay businesses, working to improve its market position and strengthen profitability. At the same time, the Group will focus on initiatives that contribute to establishing cleanliness and hygiene habits. The Group will also work to expand production capacity, especially in the oral care field.

In the Industrial Products Business segment, the Lion Group will steadily promote its priority measures in such key areas as the Automotive and Electrical and Electronics fields to reinforce its business foundation. Furthermore, Lion will step up marketing efforts to reach out to key customer groups in the Detergents for Institutional Use Products field while striving to expand sales of hygiene-related products.

With regard to the Overseas Business segment, the Lion Group will work to increase profitability in the home care field. The Group will also implement marketing activities focused mainly on its business in the personal care field, which includes oral care and beauty care products, with particular emphasis on the Chinese market, which continues to grow. By doing so, the Group aims to achieve business growth.

As a result of the above, consolidated results forecasts for fiscal 2021 are as follows: net sales of ¥365,000 million (up 2.7% year on year), core operating income of ¥30,000 million (down 16.5% year on year), operating profit of ¥30,000 million (down 31.9% year on year) and profit for the period attributable to owners of the parent of ¥21,000 million (down 29.7% year on year).

Assumptions Underlying the Forecast of Consolidated Financial Results for Fiscal 2021

Lion utilized the following foreign exchange rates in the calculation of the aforementioned forecasts.

¥104 = US\$1.00

¥3.4 = 1.00 baht

Forecast of 2021 Consolidated Cash Flows

In cash flows from operating activities, Lion projects profit before tax of approximately ¥31,500 million. Depreciation and amortization is estimated to total about ¥13,500 million.

In cash flows from investing activities, Lion plans to undertake capital expenditures of around ¥35,500 million.

The cash flows from financing activities are expected to yield an outflow of about ¥10,000 million mainly due to cash dividends paid.

Based on these projections, Lion estimates that cash and cash equivalents at the end of fiscal 2021 will be down approximately ¥500 million year on year.

Ten-Year Financial Summary

V-1 Plan
2012–2014

V-2 Plan
2015–2017

Japanese GAAP

	2011	2012	2013	2014	2015	2016
Consolidated Statements of Income data						
Net sales	327,500	335,171	352,005	367,396	378,659	395,606
Cost of sales	139,646	145,385	153,336	160,677	162,435	161,992
Gross profit	187,854	189,785	198,668	206,718	216,223	233,613
Selling, general and administrative expenses	176,684	182,572	187,849	194,312	199,848	209,110
Operating income	11,169	7,213	10,819	12,406	16,374	24,502
Income before income taxes	7,780	8,594	10,925	13,085	19,387	24,035
Profit attributable to owners of parent	4,077	4,235	6,097	7,368	10,680	15,951

Consolidated Balance Sheets data

Total assets	249,272	257,595	282,098	283,352	282,434	298,510
Property, plant and equipment, net	58,503	61,955	68,989	79,275	75,060	74,402
Total noncurrent liabilities	49,417	47,288	26,208	40,380	18,455	17,190
Total liabilities	144,020	143,431	157,865	155,918	139,703	140,630
Total net assets	105,252	114,163	124,232	127,434	142,730	157,879

Other selected data

Capital expenditures*	8,368	10,820	13,709	13,555	8,801	9,407
R&D expenses	8,913	8,989	9,618	9,439	9,808	10,084
Depreciation and amortization*	12,009	11,834	11,227	10,301	11,166	10,244
Number of employees	5,973	6,006	6,162	6,343	6,816	6,895

Common share data (yen)

Earnings per share – basic	15.18	15.77	22.72	27.47	39.35	55.13
Earnings per share – diluted	15.16	15.75	22.68	26.16	36.84	55.04
Dividends per share	11.00	10.00	10.00	10.00	10.00	13.00
Net assets per share	380.11	407.08	441.59	449.94	469.05	513.76
Common stock (number of shares outstanding)	299,115,346	299,115,346	299,115,346	299,115,346	299,115,346	299,115,346

Ratios (%)

Gross profit to net sales	57.4%	56.6%	56.4%	56.3%	57.1%	59.1%
Selling, general and administrative expenses to net sales	53.9	54.5	53.4	52.9	52.8	52.9
Operating income to net sales	3.4	2.2	3.1	3.4	4.3	6.2
Income before income taxes to net sales	2.4	2.6	3.1	3.6	5.1	6.1
Profit attributable to owners of parent to net sales	1.2	1.3	1.7	2.0	2.8	4.0
Return on equity (ROE)	4.0	4.0	5.4	6.2	8.5	11.2

* Includes the effects of intangible assets.



LIVE Plan 2018–2020

(Millions of yen)

2017

IFRS

(Millions of yen)

2020

Consolidated Statement of Income data

410,484	Net sales	342,703	349,403	347,519	355,352
171,209	Cost of sales	171,713	177,673	175,588	175,479
239,275	Gross profit	170,990	171,729	171,931	179,872
212,068	Selling, general and administrative expenses	142,182	143,353	141,882	143,934
27,206	Core operating income	28,807	28,375	30,048	35,937
30,560	Operating profit	30,479	34,196	29,832	44,074
19,827	Profit before tax	31,998	35,658	31,402	44,494
	Profit for the period attributable to owners of the parent	20,883	25,606	20,559	29,870

Consolidated Statement of Financial Position data

331,751	Total assets	338,855	355,365	380,701	435,501
80,981	Property, plant and equipment	79,539	81,546	90,903	118,379
17,511	Total non-current liabilities	20,662	21,350	23,781	24,016
144,736	Total liabilities	150,062	151,093	159,499	190,644
187,015	Total equity	188,793	204,271	221,201	244,856

Other selected data

14,892	Capital expenditures*	14,892	16,678	23,644	47,570
10,474	R&D expenses	10,474	10,969	10,944	10,906
9,386	Depreciation and amortization*	7,775	8,707	10,504	11,732
7,075	Number of employees	7,075	6,941	7,151	7,452

Common share data (yen)

68.23	Basic earnings per share	71.87	88.11	70.72	102.75
68.15	Diluted earnings per share	71.77	87.99	70.63	102.61
17.00	Cash dividends paid per share	17.00	20.00	21.00	23.00
607.61	Equity attributable to owners of the parent to total assets per share	614.08	657.50	716.94	797.08
299,115,346	Number of outstanding shares (common stock)	299,115,346	299,115,346	299,115,346	299,115,346

Ratios (%)

58.3%	Gross profit to net sales	49.9%	49.1%	49.5%	50.6%
51.7	Selling, general and administrative expenses to net sales	41.5	41.0	40.8	40.5
6.6	Operating profit to net sales	8.9	9.8	8.6	12.4
7.4	Profit before tax to net sales	9.3	10.2	9.0	12.5
4.8	Profit for the period attributable to owners of the parent to net sales	6.1	7.3	5.9	8.4
12.2	Equity attributable to owners of the parent to profit for the period (ROE)	12.7	13.9	10.3	13.6

Major Non-Financial Data

Environment

Lion established the Eco Vision 2020 environmental targets in 2013. In line with these targets, we have striven to realize a sustainable planet while working to achieve our 2020 targets related to realizing a low-carbon society, realizing a sound material cycle society, harmonizing with nature and environmental education. In 2020, the final year of Phase 3 (2018–2020) of Eco Vision 2020, our employees worked as one to achieve the Lion Group's environmental targets.

Eco Vision 2020 Achievements and Targets

Categories				Achievements in 2019	Achievements in 2020	Targets for 2020
Realizing a Low Carbon Society	Greenhouse gases (domestic)	Within the Company	Reduction of greenhouse gases from business activities	Emission intensity per unit of net sales 40% reduction (compared to 2010) 53% reduction (compared to 1990) Absolute quantity 52% reduction (compared to 1990)	Emission intensity per unit of net sales 44% reduction (compared to 2010) 56% reduction (compared to 1990) Absolute quantity 53% reduction (compared to 1990)	Emission intensity per unit of net sales 34% reduction (compared to 2010) 49% reduction (compared to 1990) Absolute quantity 40% reduction (compared to 1990)
		Outside the Company	Reduction of greenhouse gases during and after product use	Emission intensity per unit of net sales 9% reduction (compared to 2010) 53% reduction (compared to 1990) Absolute quantity 50% reduction (compared to 1990)	Emission intensity per unit of net sales 12% reduction (compared to 2010) 55% reduction (compared to 1990) Absolute quantity 50% reduction (compared to 1990)	Emission intensity per unit of net sales 9% reduction (compared to 2010) 53% reduction (compared to 1990) Absolute quantity 41% reduction (compared to 1990)
	Greenhouse gases (overseas)	Within the Company	Reduction of greenhouse gases from business activities overseas*1	Emission intensity per unit production 1% reduction (compared to 2017)	Emission intensity per unit production 3% reduction (compared to 2017)	Emission intensity per unit production 1% reduction year on year
		Outside the Company	Reduction of greenhouse gases from during and after product use overseas	Reduction of 45 thousand tons annually	Reduction of 33 thousand tons annually	Reduction of 100 thousand tons annually
Realizing a Sound Material-Cycle Society	Water	Within the Company	Reduction of water use in business activities	Water use per unit of net sales 41% reduction (compared to 2010) 54% reduction (compared to 2000) Absolute quantity 53% reduction (compared to 2000)	Water use per unit of net sales 46% reduction (compared to 2010) 58% reduction (compared to 2000) Absolute quantity 55% reduction (compared to 2000)	Water use per unit of net sales 15% reduction (compared to 2010) 35% reduction (compared to 2000) Absolute quantity 23% reduction (compared to 2000)
		Outside the Company	Reduction of water use at households using our products	Water use per unit of net sales 29% reduction (compared to 2010) 53% reduction (compared to 2000) Absolute quantity 51% reduction (compared to 2000)	Water use per unit of net sales 31% reduction (compared to 2010) 55% reduction (compared to 2000) Absolute quantity 51% reduction (compared to 2000)	Water use per unit of net sales 17% reduction (compared to 2010) 45% reduction (compared to 2000) Absolute quantity 33% reduction (compared to 2000)
	Waste		Zero emissions within the Company*2	Achievement of zero emissions at all domestic production sites*4	Achievement of zero emissions at all domestic production sites*4	Zero emissions at all domestic production sites*4
	Wastewater		Recycling of factory wastewater discharge*3	Operation of facilities to recycle wastewater at Chiba Plant	Operation of facilities to recycle wastewater at Chiba Plant	Recycle industrial wastewater at multiple plants
Harmonizing with Nature	Procurement		Biodiversity-friendly procurement of plant-derived oils	Continued purchasing RSPO*5-certified palm oil derivatives	RSPO*5-certified palm oil derivative usage: 93% (as of December 31, 2020, based on key raw materials)	All palm oil derivatives purchased to be RSPO-certified
	Biodiversity		Enhancement of biodiversity conservation activities	Carried out at all Lion plants, with implementation expanding at offices of Lion and its affiliates	Carried out at all domestic sites	Carry out at all domestic sites
Education	Awareness and education in society		Enhancement of environmental awareness and education for consumers	0.9 times increase in consumer participants in our awareness activities (compared to 2010)	None (All activities cancelled due to the COVID-19 pandemic)	Double the number of consumer participants in our awareness activities (compared to 2010)

*1. Covers Lion and consolidated subsidiaries as of December 31, 2020

*2. The waste recycling ratio is 99% or more, excluding recycling residues

*3. Wastewater from production processes

*4. Chiba Plant, Odawara Plant, Osaka Plant, Akashi Plant, Hirai Office Site, Sapporo Office, Sendai Office, Headquarters/Tokyo Office, Nagoya Office, Osaka Office, Fukuoka Office, Lion Chemical Co., Ltd. Fine Chemical Production Site, Lion Chemical Co., Ltd. Oleochemical Production Site, Lion Specialty Chemicals Corporation Yokkaichi Production Site, Lion Specialty Chemicals Corporation Ono Production Site

*5. Roundtable on Sustainable Palm Oil

Community Involvement

Since its founding, Lion has sought to help consumers enjoy healthy living through the provision of products while carrying out educational activities and communication aimed at creating better living habits.

Categories		Achievements in 2017	Achievements in 2018	Achievements in 2019	Achievements in 2020	Remarks
Oral care habit promotion activities/ Oral Health Event of Tooth Brushing for Children	Participants	Japan and other Asian countries; about 160,000 elementary school children	Japan and other Asian countries; about 210,000 elementary school children	Japan and other Asian countries; about 240,000 elementary school children	Japan and other Asian countries; about 269,000 elementary school children	Held annually since 1932 during Dental/Oral Health Week (June 4 to 10), targeting elementary school children
Hand washing habit promotion activities/ Correct hand washing method education	Participants	6,696	5,917	4,146	200	Fun educational activities about hand washing, mainly at kindergartens

Social Contribution Activity Spending

Every year, Lion surveys the domestic Group on the implementation status of social contribution activities to collect and manage data on funds invested in and items donated to each activity.

In fiscal 2019, spending on social contribution activities totaled ¥510 million (¥360 million in funds donated and ¥150 million in activity expenses).

* Figures for fiscal 2020 will be published on Lion's sustainability website in late June 2021

Human Resources

* Scope: Lion Corporation, non-consolidated basis (including employees on loan)

Categories		Achievements in 2017	Achievements in 2018	Achievements in 2019	Achievements in 2020
Employees	Male	2,203	2,267	1,863	1,971
	Female	821	917	987	1,148
Female employee ratio	%	27.1%	28.8%	34.6%	36.8%
New employees (New graduates)	Male	57	63	42	54
	Female	36	33	34	33
Re-hired retirees	Number	216	210	160	185
	%	7.1%	6.6%	5.6%	5.9%
Temporary employees	Number	458	532	528	196
Female employees at the management level*1	Number	170	186	200	226
	%	14.4%	15.8%	17.1%	18.4%
Employees with disabilities	Number	63	76	77	75
	%	2.4%	2.8%	2.8%	2.7%
Employees who took childcare leave	Male	9	16	13	32
	Female	57	53	61*2	78
Employees who took shorter work hours for childcare	Male	0	0	0	0
	Female	57	64	63*2	73
Average overtime per month	Hours	12.5	13.7	13.5	8.7
Annual paid leave used	%	50.7%	60.3%	73.7%	68.6%
Average service years	Male	20.4	19.6	17.2	16.7
	Female	18.0	16.8	14.1	12.8
Employees who resigned within three years of entering the Company	Number	1	2	8*2	10
	%	0.4%	0.8%	3.0%*2	4.0%

*1. Personnel holding managerial positions at the level of assistant manager or higher (excluding employees on loan)

*2. The figures have been revised due to an error in past data.

Corporate Overview

(As of December 31, 2020)

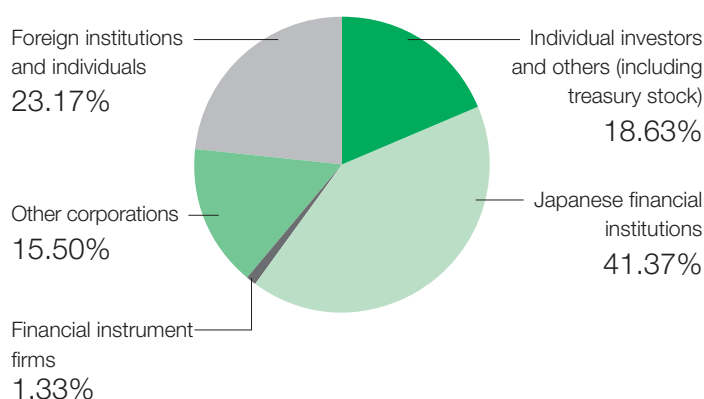
Corporate Overview

Corporate Name	Lion Corporation
Foundation	October 30, 1891
Establishment	September 1918
Capital	¥34,433 million
Address	3-7, Honjo 1-chome, Sumida-ku, Tokyo 130-8644, Japan
Employees	3,119 (Consolidated: 7,452)

Stock Information

Stock Listing	First Section of Tokyo Stock Exchange
Security Code	4912
Transfer Agent	Mitsubishi UFJ Trust and Banking Corporation
Number of Common Stock	299,115,346 shares (Issued and outstanding)
Number of Shareholders	78,987

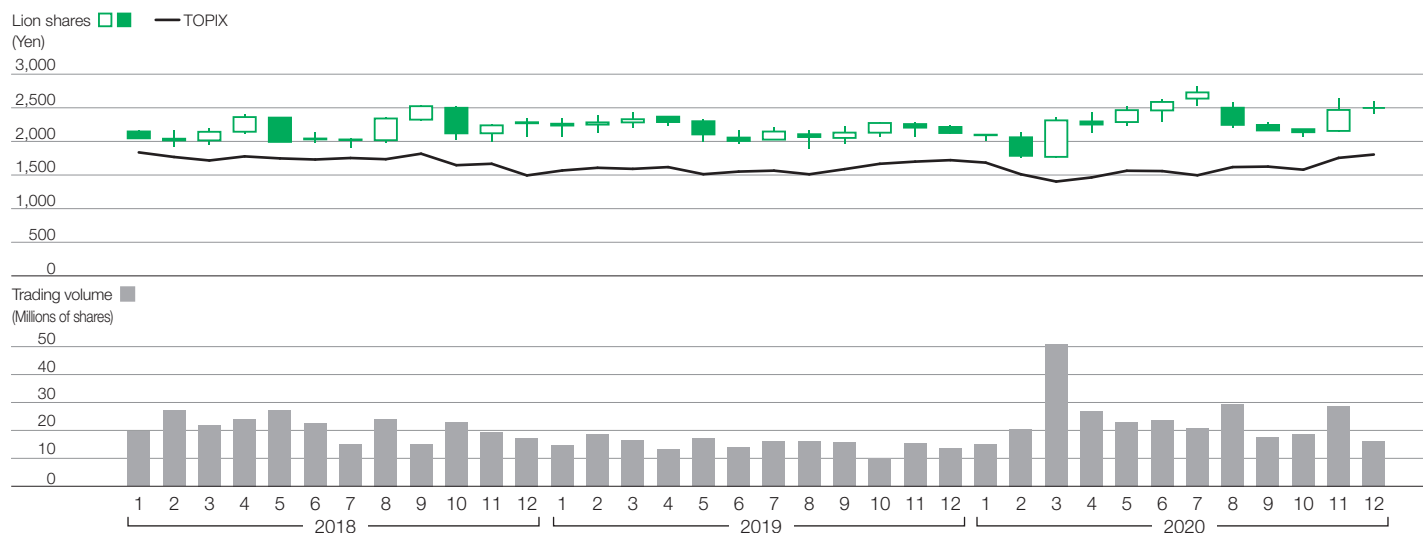
Shareholders by Category



Principal Shareholders

Shareholders	Shareholding ratio (%)
Custody Bank of Japan, Ltd. (Trust Account)	10.51
The Master Trust Bank of Japan, Ltd. (Trust Account)	7.10
Custody Bank of Japan, Ltd. As trustee for Mizuho Bank, Ltd. Retirement Benefit Trust Account re-entrusted by Mizuho Trust and Banking Co., Ltd.	5.59
MUFG Bank, Ltd.	2.95
STATE STREET BANK AND TRUST COMPANY 505223	2.13
Tokio Marine & Nichido Fire Insurance Co., Ltd.	1.52
Custody Bank of Japan, Ltd. (Trust Account 7)	1.47
Mitsubishi UFJ Trust and Banking Corporation	1.45
Custody Bank of Japan, Ltd. (Trust Account 5)	1.41
Meiji Yasuda Life Insurance Company	1.40

Share Price and Trading Volume



External Evaluations and Participation in External Groups

(As of May, 2021)

In addition to financial considerations, the Lion Group works to address environmental, social and governance issues. Lion has been selected for inclusion in leading socially responsible investing (SRI) indices.

In addition, our environmental, logistics and human resources initiatives have been highly evaluated by governmental and other external institutions.

Inclusion in SRI Indices

Member of
Dow Jones Sustainability Indices
Powered by the S&P Global CSA

MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

THE INCLUSION OF LION CORPORATION IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF LION CORPORATION. BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.



Evaluations and Certifications

Overall CSR



Environment



Logistics



Human Resources



* Lion Hygiene Co., Ltd.



* Lion Hygiene Co., Ltd.

Governance



Participation in External Organizations



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